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**\$1B HOUSING BOND ADVANCES**

***Ten-Year Bond Could Generate 500% Return, Ease Housing Crisis and Traffic Crunch***

With a unanimous vote, the Los Angeles City Council today instructed the City Attorney to prepare bond language for inclusion on the November 2006 ballot. The \$100 million per year generate by the bond from 2007 to 2016 would complement the strides made by City Hall in turning around the housing crisis over the past five years, including the passage and funding of a \$100-million Affordable Housing Trust Fund and the streamlining of planning code to accommodate new construction.

The motion to place the bond on the ballot was introduced by councilmembers Eric Garcetti, Wendy Greuel, Ed Reyes and Herb Wesson.

“Angelenos hope for a future where working men and women can afford to rent or buy a home with the wages they earn,” said Council President Eric Garcetti. “They hope for a future where housing rises next to jobs and commute times fall. They hope for a solution to the plight of the tens of thousands of people who have no home at all. This bond is an investment in our hopes.”

“We are in the midst of a housing crisis,” said Councilmember Wendy Greuel. “When nearly 90% of Los Angeles’ residents can’t afford today’s median priced house, something needs to be done. But the housing bond is about more than dollars and cents. It’s about creating housing near jobs so that we can reduce traffic. It’s about creating housing where there is blight so that we can revitalize communities. And it’s about creating communities where our kids can afford to live.”

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“Angelenos are feeling the impact of the soaring housing prices in Los Angeles,” said Councilmember Ed P. Reyes. “More than 85 percent of residents here cannot afford the median-priced home at nearly \$570, 000. The housing bond addresses this crisis and provides the City’s essential workforce with the safe and affordable housing they need to live and work in their communities.”

“Housing affordability has become a major challenge for the City of Los Angeles,” said Councilmember Herb Wesson. “This bond measure will go a long way to help us in our efforts to address this challenge.”

"The passage of this important bond measure will provide us with the opportunity to finally have an impact on the homeless crisis," said Councilmember Jan Perry. "For both the chronically homeless and those at risk of becoming homeless, housing is the real solution. This measure can and will save lives."

The bond would have minimum percentages of each year’s funds that would be spent on specific priorities:

- No less than 25% of the bond should be spent on creating affordable rental housing opportunities for extremely low income tenants, ranging from no income to 30% area median income (AMI), including the formerly homeless.
- No less than 25% of the bond should be spent on affordable rental housing opportunities for households at 60% or below or AMI
- No less than 10% of the bond should be spent on mixed-income developments providing affordable rental housing opportunities for individuals at 60% to 80% of AMI
- No less than 20% of the bond should be spent on first time homeownership assistance to households at or below 150% AMI. 15% of this 20% should be targeted to serve households at or below 80% of AMI, if feasible.

The bond would be repaid over a 20-year period by way of a tax assessment that would average \$14.66 annually on each \$100,000 of assessed property value.

The City Attorney will return with final language that must be approved by Council for placement on the November ballot by August 4<sup>th</sup>, 2006.

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