



## **Los Angeles Business Council Call to Action – Driving Down the Cost of Housing**

In November of 2021, the LA City Council adopted an update to its Housing Element that sets strategies for the City to meet a target of 456,643 residential units by 2029, of which 184,721 units are targeted for lower income households. To meet the new 2029 guidelines, the City will need to produce approximately 61,000 units per year of which approximately 9,000 per year will need to be affordable to moderate income households at 81 to 120% AMI and 23,000 units per year will need to be affordable to lower income households at 80% AMI and below. Tracking back to 2014, in the 7-year period thru September of 2021, the city issued building permits for 117,088 units, approximately 16,726 units per year of which only 9% were affordable. Without reform the City could fail to meet its housing targets.

The future of Los Angeles depends upon us meeting this moment to drive down the cost of building new affordable housing to address our homelessness crisis and the extreme scarcity of housing for working families. Meeting LA's affordable housing targets is crucial to ensuring equitable housing access and preventing further falls into homelessness for underserved and disadvantaged populations. We must create a 2- 3 year surge for the construction of new affordable housing, whether subsidized or not, whether it is constructed by a non-profit or a for-profit, to meet this extreme need. Similar to the housing boom post WWII, local governments must do everything within its power to drive down cost and encourage production at rents that people can afford. This will be an Executive Directive, Ordinance or Ballot Measure to be sunsetted in 3 years.

### **Streamline Approvals**

One Council approval per loan and approval per project, approvals of an HHH allocation or allocation of other city funds and the TEFRA Hearing shall be the only approvals. Implement a speedy hearing deadline for all qualifying projects and aspects of clearance. If the deadline is not met, it is deemed approved or in the case of life and safety, referred to a referee for immediate review and approval.

### **Predictability for clearances to start and finish the work**

Need a set number of days post permit approvals if the set number is not reached approvals are immediately referred to an Ombudsperson with authority to immediately approve and/or expedite including LADWP.

### **No extras on affordable housing that drive up cost**

- Rents determined by HUD and no additional rent level determinations required
- No requirement of the addition of private open space such as private balconies
- No additional street widening/BOE or Caltrans work
- Waive Quimby and LAUSD fees for 100 percent affordable
- Eliminate former redevelopment districts
- Waive all city fees for developments that are 50% or more PSH

### **Incentives for Workforce Housing**

- Create non-financial incentives for workforce housing for households that make up to \$120,000 per year or 150% of AMI
- Support 80 percent market rate and 20 percent affordable (80/20) deals without financial subsidy