

SUPPORTIVE HOUSING ALLIANCE

an advocacy group comprised of LA County supportive housing developers

June 24, 2019

The Honorable Eric Garcetti
Mayor, City of Los Angeles
200 N. Spring Street, Rm 303
Mail Stop 370
Los Angeles, CA 90012

The Honorable Mitch O'Farrell
Chair, Homeless and Poverty Committee
200 N. Spring Street, Rm 480
Mail Stop 222
Los Angeles, CA 90012

The Honorable Marqueece Harris-Dawson
Chair, PLUM Committee
200 N. Spring Street, Rm 405
Mail Stop 213
Los Angeles, CA 90012

The Honorable Gilbert Cedillo
Chair, Housing Committee
200 N. Spring Street, Rm 460
Mail Stop 201
Los Angeles, CA 90012

Re: Fast tracking development of supportive housing

Dear City Officials,

In recent months, the City of Los Angeles has been pursuing information, strategies, and policy changes that reflect the desire and need for improvements in the development of supportive housing. Given the overwhelming need, we agree that continual improvement is needed to reduce development time, reduce costs, and improve quality and quantity of supportive housing in our City. At the same time, we express concern that the quest for "faster, cheaper, better" be also balanced by best practices, experience, and testing of theories and innovations prior to mass implementation. In our experience, it is very difficult to produce faster, cheaper AND better results simultaneously. Additionally, we offer the following recommendations to the City of Los Angeles in improving their own policies and practices that would help achieve the common goals of efficiency and cost savings, while preserving high quality.

The following is a condensed list of recommendations, focused on what we believe might be easily achievable in a short timeframe, to complement the other efforts around innovation as a means of reducing time and cost. It is not intended to be comprehensive, and we look forward to working with you over the long-term to continue to problem solve and streamline processes.

Our initial recommendations are:

1. Streamline the funding applications and approvals for all local sources of funds, with a universal application for capital funds and rental subsidies.

**A Community of Friends Clifford Beers Housing Downtown Women's Center Little Tokyo Service Center
LA Family Housing Nancy Lewis Associates PATH Ventures Skid Row Housing Trust
SRO Housing Corporation Step Up on Second Venice Community Housing Corp W.O.R.K.S.**

Over 8,500 units completed to date, including 6,300 supportive housing units

- a. Implement the planned universal application process as soon as possible, prior to the next funding rounds at the City, County or HACLA (this has been discussed for years and have still not been implemented)
 - b. When approvals can't be provided across all local funding sources at the initial application, ensure that applications that meet a certain threshold can be funded in the next round(s) solely via updates to pro formas, not require a full re-application.
 - c. Clarify HACLA rental subsidy timeline and availability, and coordinate decisions and allocations between HACLA and LA County Department of Health Services
2. Improve the process for providing City-owned land as supportive housing development sites, a critical program to expanding production, reducing costs, and promoting geographic diversity in siting, by:
- a. Ensure that City assets released are entitled for supportive housing development, and that all relevant City Departments have the capacity to support development immediately.
 - b. Reduce or eliminate multiple approvals by the City Council and the Mayor. For example, there are currently seven (7) Council approvals needed to complete just the site control and financing for each site, not including any entitlements approvals.
 - c. Utilize zero or very low-cost leases to establish site control for the selected developer.
 - d. Ensure all public parking obligations on development sites are planned for and funded by the City.
3. Shorten the City loan and agreement execution processes, as well as disbursements, by:
- a. Reduce or eliminate multiple approvals by the City Council and the Mayor. HCID should not be required to secure City Council/Mayoral re-approval of a loan after initial approval, unless the project or loan terms have substantially changed. Approval of an HHH allocation (or allocation of other City funds), approval of the commitment for tax-exempt bonds, and the TEFRA hearing should be the only approvals required.
 - b. Reduce and better define the timeline for City Attorney review and approval. Assign a dedicated City Attorney to each project, and ensure the developer is notified of the assigned attorney so that other funders can be informed.
 - c. Shorten HCID's process for approving draws and releasing funds, including commitment to funding draws within three days of approval and the ability to wire funds instead of cutting and mailing checks.

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- d. Establish a once annual background check process, valid for one year after clearance, for each developer organization instead of by specific project.
4. Ensure streamlined processes that result in more efficient approvals throughout the entire development process. For example:
 - a. Ensure HCID has the staff and capacity to manage the significant increase in production, instead of prioritizing and triaging to the extent that projects are receiving approvals and clearances at the very last minute.
 - b. The City should coordinate all plan check, permit, and other approvals needed from not solely Department of Building and Safety and City Planning, but also the Bureau of Engineering, LA Department of Water and Power, and the Fire Department. Appoint a person or small team of people with authority to move all City approvals and decisions on a guaranteed, pre-set timeline.
 - c. Move accessibility/CASp review and approvals to the Department of Building and Safety and reduce subjectivity in approvals.

These recommendations do not address some of the systemic changes that are needed in the mid to longer term to ensure the viability of supportive housing development and the control of cost increases. We look forward to exploring changes and solutions to address these issues as well.

Sincerely,

The Supportive Housing Alliance

Dora Leong Gallo, A Community of Friends
Cristian Ahumada, Clifford Beers Housing
Lisa Watson, Downtown Women's Center
Stephanie Klasky-Gamer, LA Family Housing
Dean Matsubayashi, Little Tokyo Service Center
Nancy Lewis, Nancy Lewis Associates
Amy Anderson, PATH Ventures
Lee Raagas, Skid Row Housing Trust
Anita Nelson, SRO Housing Corporation
Tod Lipka, Step Up on Second
Becky Dennison, Venice Community Housing Corporation
Channa Grace, W.O.R.K.S.

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Copy:

- Members of the City Council Housing Committee
- Members of the City Council Homeless and Poverty Committee
- Members of the City Council Planning & Land Use Management Committee
- Mike Feuer, City Attorney
- Richard Llewellyn, Jr., City Administrative Officer
- Vince Bertoni, Director of City Planning, Planning Department
- Frank Bush, General Manager, Department of Building & Safety
- Rushmore Cervantes, General Manager, Housing +Community Investment Department
- Douglas Guthrie, President & CEO, Housing Authority of the City of Los Angeles
- Gary Lee Moore, City Engineer, Bureau of Engineering
- Seleta J. Reynolds, General Manager, Transportation Department
- Ralph Terrazas, Fire Chief, Fire Department
- David Wright, General Manager, Department of Water & Power
- Members of the Proposition HHH Citizens Oversight Committee

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