



OCTOBER 2024

LA COUNTY MEASURE A HOUSING BALLOT INITIATIVE

ECONOMIC AND IMPACT ANALYSIS

BRIEFING BOOK

Introduction

Measure A is a citizen's initiative appearing on the November 2024 ballot to fund a comprehensive response to LA County's homelessness and affordable housing crises.

This measure will:

- 1.** Expand assistance to people experiencing homelessness
- 2.** Help make housing more affordable
- 3.** Prevent people from falling into homelessness

Measure A would repeal and **replace the existing ¼ cent sales tax** that currently funds the homelessness response system and expires in 2027 **with a ½ cent countywide sales tax.**

EXECUTIVE SUMMARY

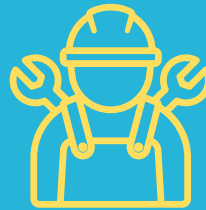
Executive Summary

Measure A would help alleviate homelessness, grow the number of affordable homes, create quality jobs, stimulate economic growth, and provide a measurable return on investment for the region.



\$3.1B

**ANNUAL ECONOMIC
IMPACT**



25,800

**JOBS SUPPORTED
ANNUALLY**



2.5x

**GENERATED IN COUNTYWIDE
ECONOMIC OUTPUT FOR
EVERY \$1 INVESTED**

Executive Summary

Measure A's homelessness, mental health, and housing initiatives would have a profound impact on thousands of Angelenos each year, helping to end and prevent homelessness.



7,200

**ADDITIONAL PEOPLE
ANNUALLY KEPT IN THEIR
HOMES OR PROVIDED NEW
HOMES**



10,000

**ADDITIONAL PEOPLE
PREVENTED FROM
BECOMING HOMELESS IN
A YEAR**



15,600

**INDIVIDUALS PROVIDED
HOMELESSNESS & MENTAL
HEALTH SERVICES PER YEAR**

Note: Impact estimates are based on an illustrative allocation of Measure A funds (see Appendix). Figures should not be summed as they do not necessarily represent unique individuals (i.e., Measure A could help an individual gain PSH and access critical services). The first two figures represent individuals impacted, each year, in addition to those currently supported by interim and permanent housing through Measure H.

Executive Summary

Current funding for affordable housing and homelessness has made a substantial impact in the lives of LA County residents since 2017.

While **nationwide homelessness was up by more than 10%** from 2023-2024, our region's investments contributed to the **first year-over-year decline in homelessness in LA County since 2018.**

Executive Summary

These efforts are making progress, yet funding is insufficient in scale and scope as LA County faces unprecedented homelessness and affordable housing crises.



75,000

**UNHOUSED INDIVIDUALS
IN LA COUNTY**



70%

**INCREASE IN THE NUMBER OF UNHOUSED
INDIVIDUAL IN THE LAST 10 YEAR**



520,000

**SHORTAGE IN
AFFORDABLE HOUSING**

In addition, LA County is at **risk of losing recent progress** because Measure H will expire



Measure H will sunset in 2027, resulting in the loss of
\$500 million annually

Without a replacement of existing funding,
57,400+ people*
would lose housing with critical services.

This is roughly equivalent to
**the population of the cities of El Segundo
and Manhattan Beach combined.**

Source: Los Angeles Homeless Services Authority.

**Note: Figure represents the projected total number of individuals impacted by Measure H, between 2017 and 2027, who are at risk of losing interim or permanent housing. Methodology is based on trend and demographic analysis performed by the County of Los Angeles.*

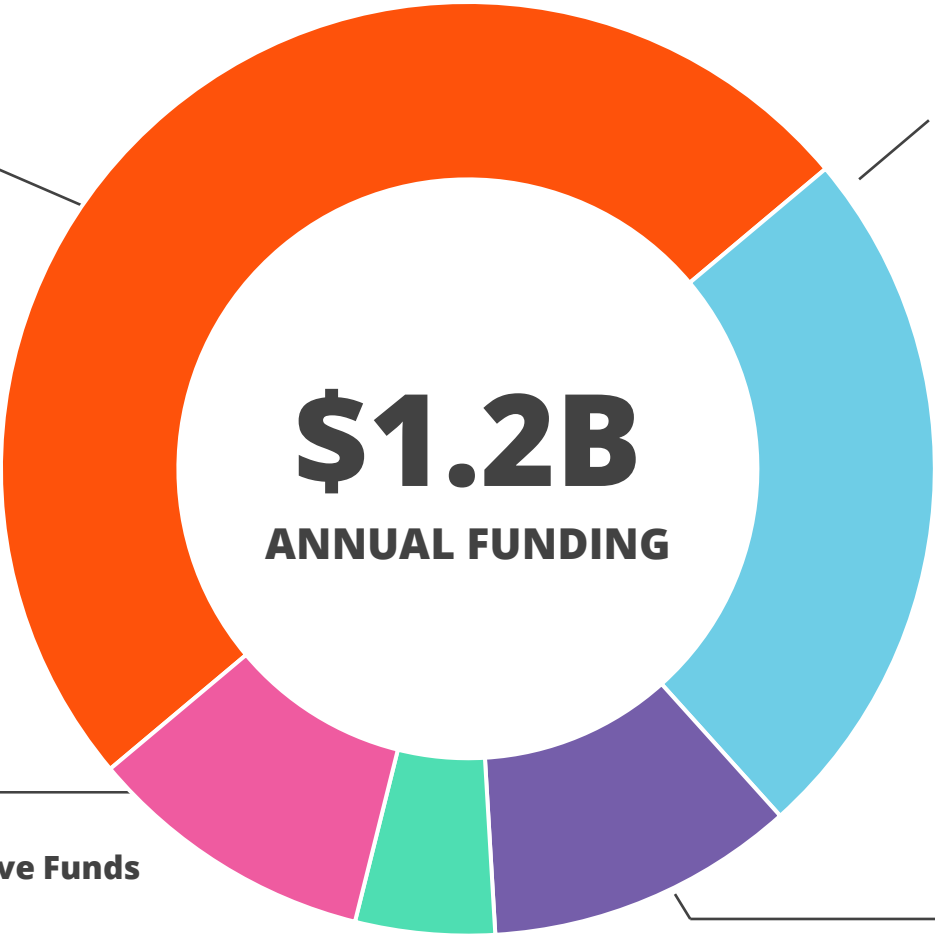
Measure A would repeal and replace Measure H and generate up to \$1.2 billion annually to comprehensively address housing and homelessness across LA County.

Area 1: Homeless Services and Mental Health \$613M

Measure A will provide critical funding to a collaborative, County-wide coordination system that offers ongoing person-directed support to residents in a housing crisis.

Flexible Funding \$123M

Technical Assistance & Administrative Funds \$59M



Area 2: Affordable Housing Supply \$300M

Measure A funds will help to create more homes and preserve the affordability of existing homes to serve a range of county residents through production, preservation, and homeownership.

Area 3: Homelessness Prevention and Renter Supports \$131M

Measure A will support programs to help LA County residents at risk of losing their homes or in need of transitional housing.

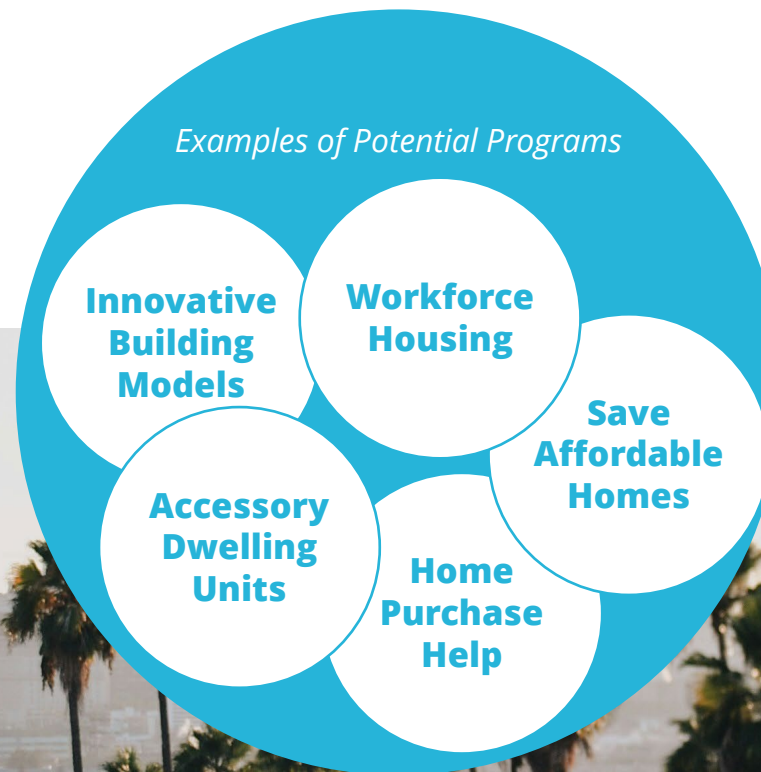
Executive Summary

Measure A can support new housing programs and services for residents across LA County and expand on the successes of Measure H.

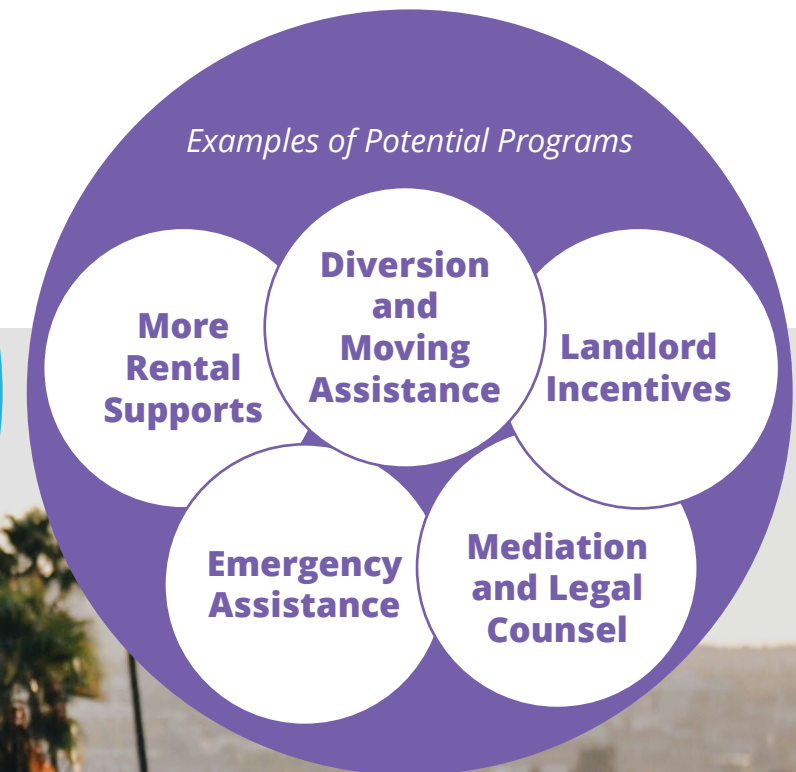
Area 1: Homeless Services and Mental Health



Area 2: Affordable Housing Production and Preservation



Area 3: Homelessness Prevention and Renter Support



Executive Summary

Based on learning from previous efforts, Measure A creates an ongoing and accountable revenue stream with flexibility to address the diverse needs of LA County residents.

PERMANENT FUNDING

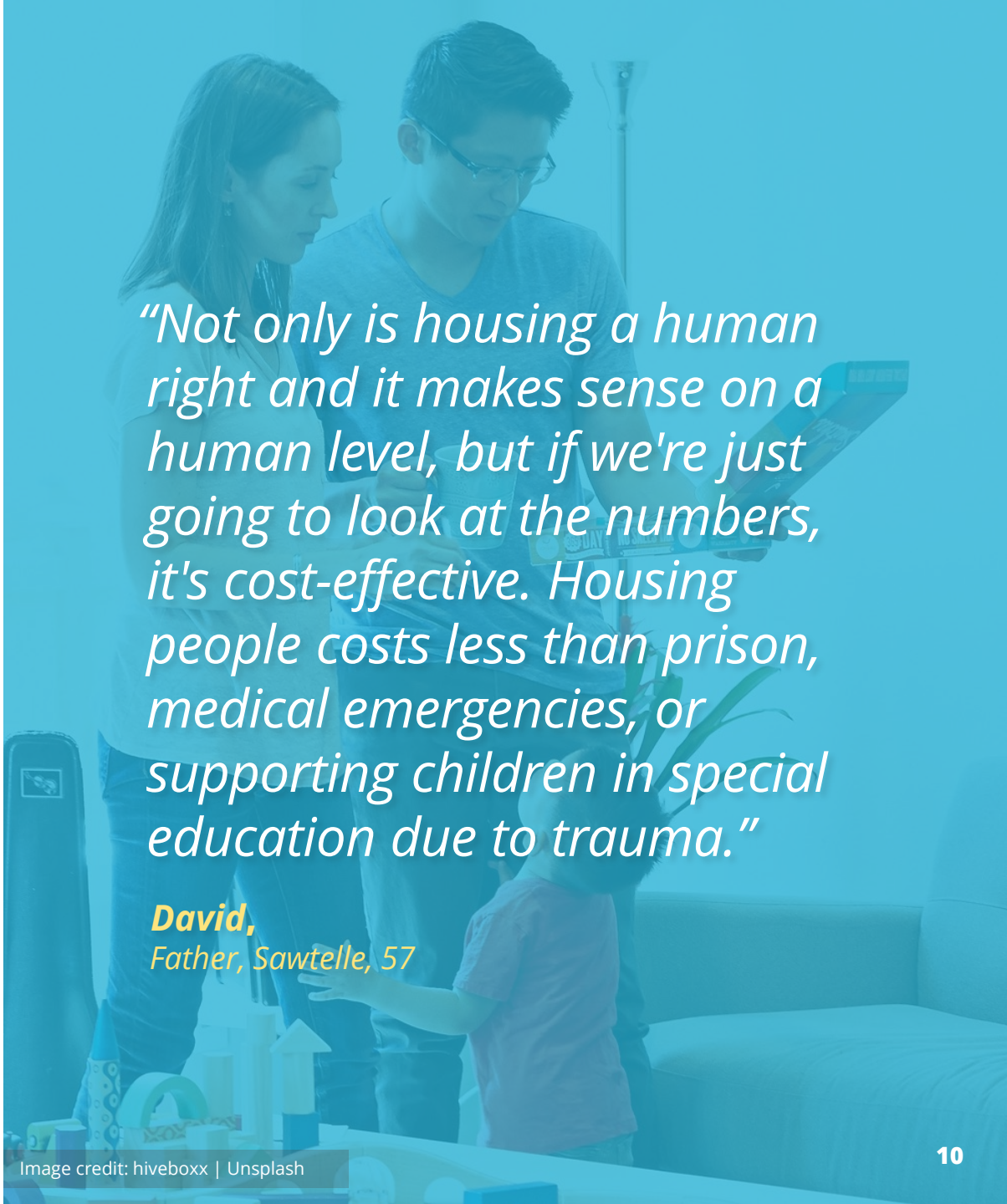
Measure A **does not sunset**, providing funding predictability that allows homelessness and housing organizations to build long-term capacity

TRANSPARENT GOVERNANCE

Measure A requires **independent audits**, public outreach, regional planning with baseline and target metrics, and **annual tracking** of progress

LOCAL CONTROL

At least **one third** of Measure A funding will go to **local jurisdictions**, providing them flexibility to address their community's most pressing needs



“Not only is housing a human right and it makes sense on a human level, but if we're just going to look at the numbers, it's cost-effective. Housing people costs less than prison, medical emergencies, or supporting children in special education due to trauma.”

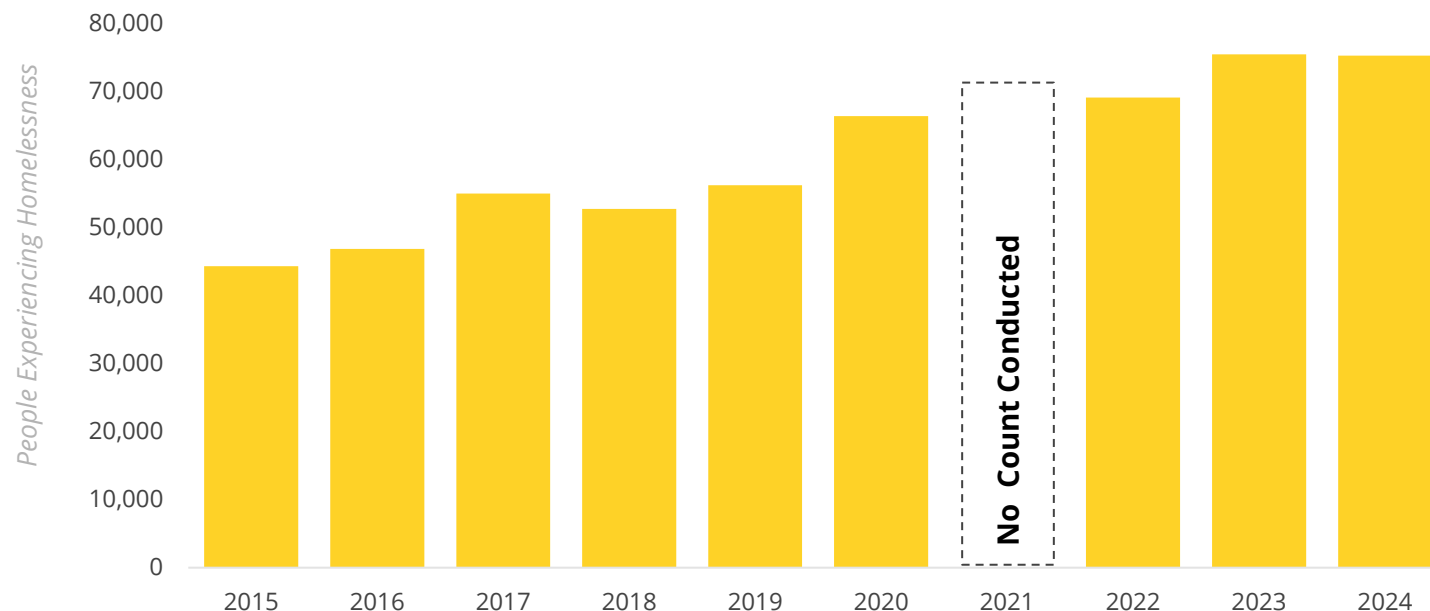
David,
Father, Sawtelle, 57

DEFINING THE PROBLEM

LA County is facing an unprecedented homelessness crisis.

- **More than 75,000 individuals** are without a home in LA County today.
- The number of unhoused individuals **increased 70%** between 2015 and 2024.

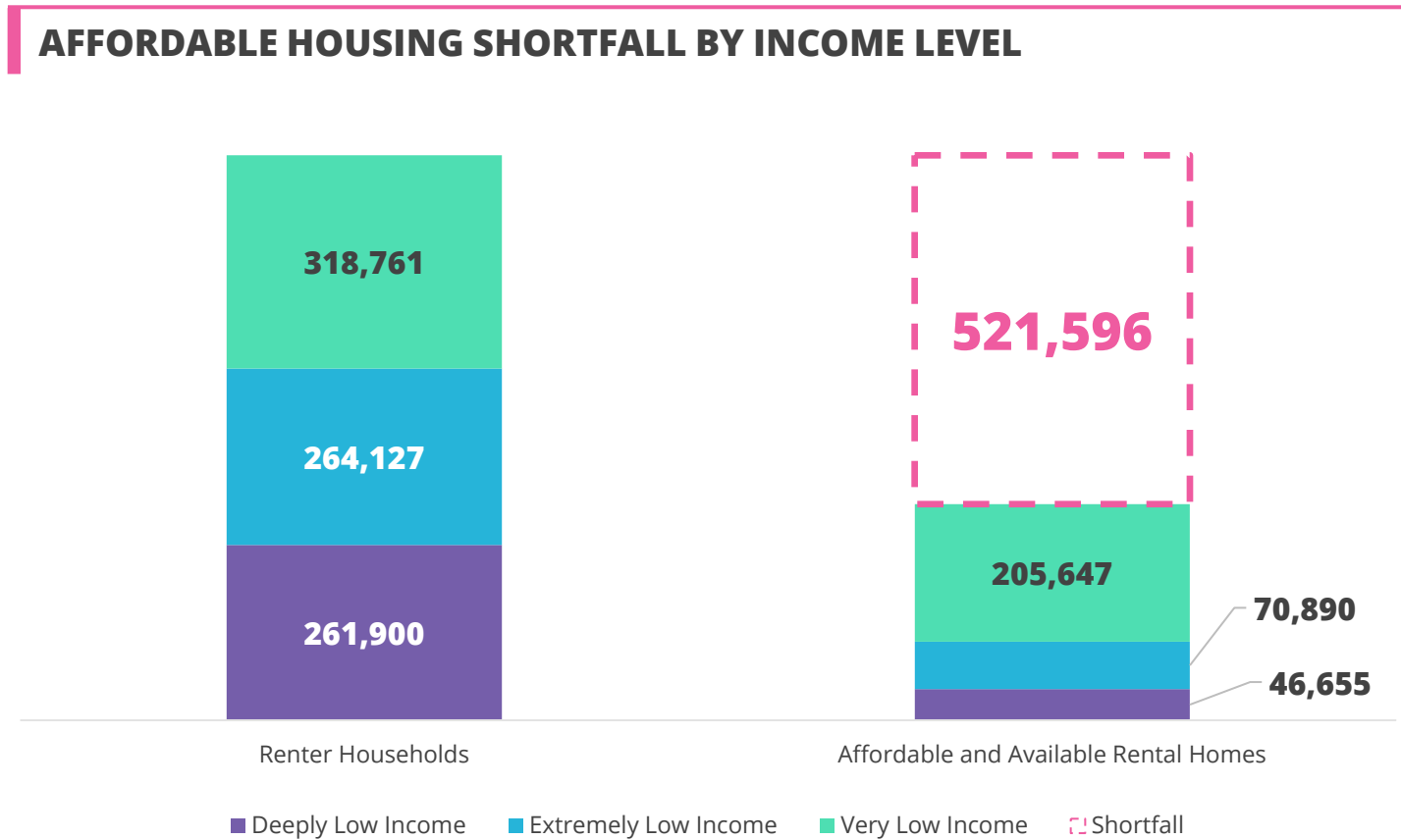
LOS ANGELES COUNTY POINT IN TIME (PIT) HOMELESSNESS COUNT



"A lot of people don't realize how close to homelessness many families in L.A. are today. I was homeless and I had two jobs. So it's not always what people think or, you know, like, they didn't pay their rent. Life happens to people."

Leilani,
Mother, Sawtelle, 54

A lack of affordable housing supply and economic opportunity is at the heart of this crisis.

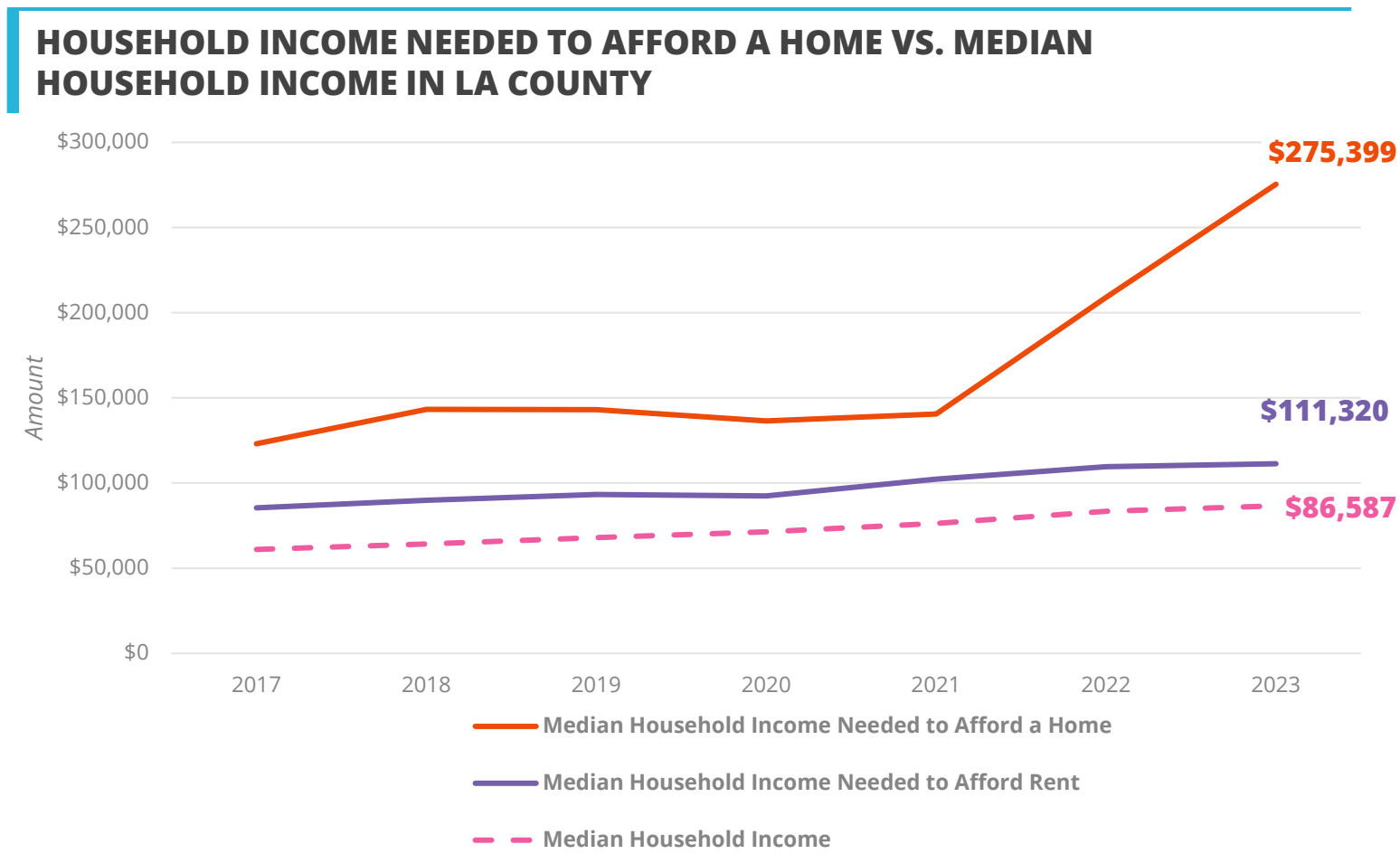


Los Angeles County has a
shortfall of more than
520,000
affordable homes

The affordability gap is
most extreme for the **lowest**
income households with only
1 unit
of affordable housing for
every 4.5 households
making less than \$42,000 a year*

**Note: Assumes a 4-person HH categorized either as Deeply Low or Extremely Low income*

Housing affordability continues to erode as supply lags demand and housing costs far outpace wage growth.



More than **1 in 2 renters** are **cost burdened**, spending more than 30% of their income on rent

The average income needed to **afford a home is**

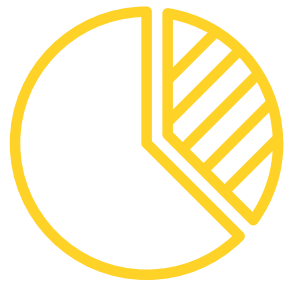
3x

the median household income

Source: 2023 American Community Survey 5-Year Estimates, Zillow

Defining the Problem | Measure H Impact

Measure H has been a critical resource, generating close to \$2.5 billion since 2017 to reduce homelessness throughout LA County and helping over 130,000 individuals.



Measure H increased prevention dollars by **over 33%**



Measure H **more than doubled** the County's capacity to provide shelter to unhoused individuals



Measure H **increased by 60%** the number of individuals the County could place and support in new permanent supportive housing

While **nationwide homelessness was up by more than 10%** from 2023-2024, our region's investments contributed to the **first year-over-year decline in homelessness in LA County since 2018.**

Despite progress, the crises require new funding sources for mental health services, homeless resources, and affordable housing.

While current funding has stabilized the unhoused population, **more than 75,000 individuals remain unhoused**

LA County faces an **affordable housing shortfall of 520,000 homes** and **nearly 8,000 homes at-risk of losing their affordability protections** but lacks a regionwide funding source to build and preserve affordable housing*

Approximately **200,000 households are behind on their rent**, owing on average \$2,100, but we lack a permanent rent relief program



Image Credit: Milan Cobanov | Pexels

**Proposition HHH only applies to the City of LA and all \$1.1 billion has been committed to housing projects*

LA County is at **risk of losing recent progress** because Measure H will expire.



Measure H will sunset in 2027, resulting in the loss of
\$500 million annually

Without a replacement of existing funding,
57,400+ people*
would lose housing with critical services.

This is roughly equivalent to
**the population of the cities of El Segundo
and Manhattan Beach combined.**

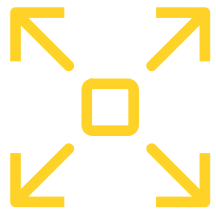
Source: Los Angeles Homeless Services Authority.

**Note: Figure represents the projected total number of individuals impacted by Measure H, between 2017 and 2027, who are at risk of losing interim or permanent housing. Methodology is based on trend and demographic analysis performed by the County of Los Angeles.*

MEASURE A OVERVIEW

Measure A | General Information

Measure A is a new, permanent funding source for a comprehensive system of housing and homelessness services in LA County, with more transparency and accountability for expenditures and outcomes.



Expand assistance to people experiencing homelessness



Help make housing more affordable



Prevent people from falling into homelessness

Measure A is a **½ cent sales tax** to fund housing and homelessness services, **repealing and replacing** the existing ¼ cent sales tax with **Measure H***

A citizen's initiative written by a coalition of housing experts, mental health professionals, labor leaders and community advocates **requiring a simple majority vote** for its approval (50% + 1)

**Note: ¼ cent sales tax increase for 82 of 88 cities and ½ cent increase for Compton, Long Beach, Lynwood, Pico Rivera, Santa Monica, & South Gate.*

Does not apply to essential items: groceries, gas, medication, EBT purchases, rent, diapers.

Measure A | How it Works

Measure A would require a small financial commitment from LA County residents to alleviate homelessness.

AVERAGE ANNUAL HOUSEHOLD COST

| | | |
|--|----------|---|
| 1½ cent | = | \$60 |
| SALES TAX INCREASE on goods and services in LA County (exclusions apply) | | PER YEAR for the average LA County household |

EXAMPLE

If you buy **A \$100 PAIR OF SHOES**, the tax from this measure would be **\$0.50**.

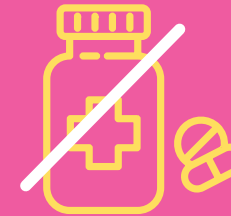
DOES NOT APPLY TO ESSENTIAL ITEMS:



Groceries



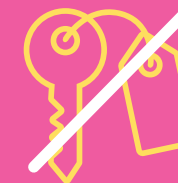
Gas



Medication



EBT Purchases



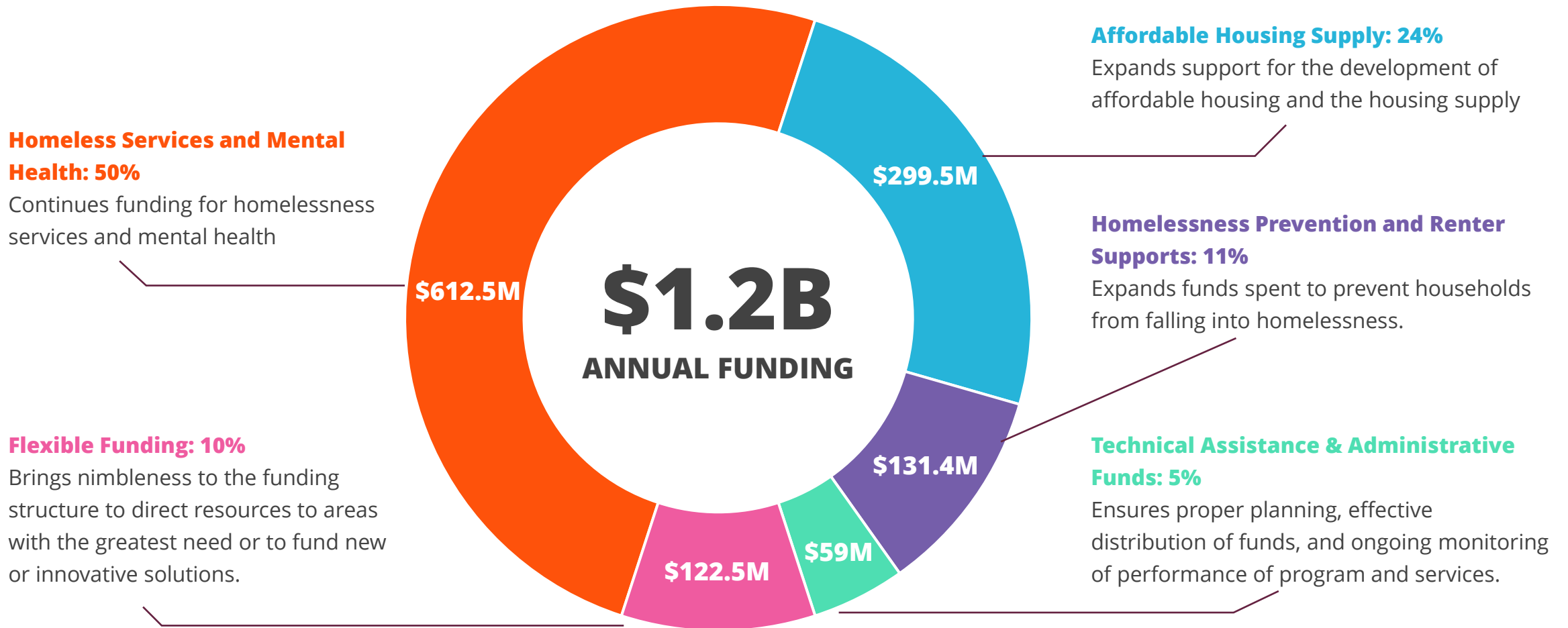
Rent



Diapers

Measure A | Annual Funding Allocation

Measure A would generate up to \$1.2 billion annually, more than doubling the average funding from Measure H to address housing and homelessness.



Measure A | Local Funding

Measure A would allocate about one-third of funding to local jurisdictions, providing flexibility for communities to address their most pressing needs.

Measure A will guarantee a **minimum funding amount for cities** based on an equitable distribution – **a mechanism that did not exist under Measure H.***

- **\$183.9M** for housing
- **\$91.9M** for renter support & homelessness prevention
- **\$110M** in flexible funding
- **\$21.9M** for technical assistance

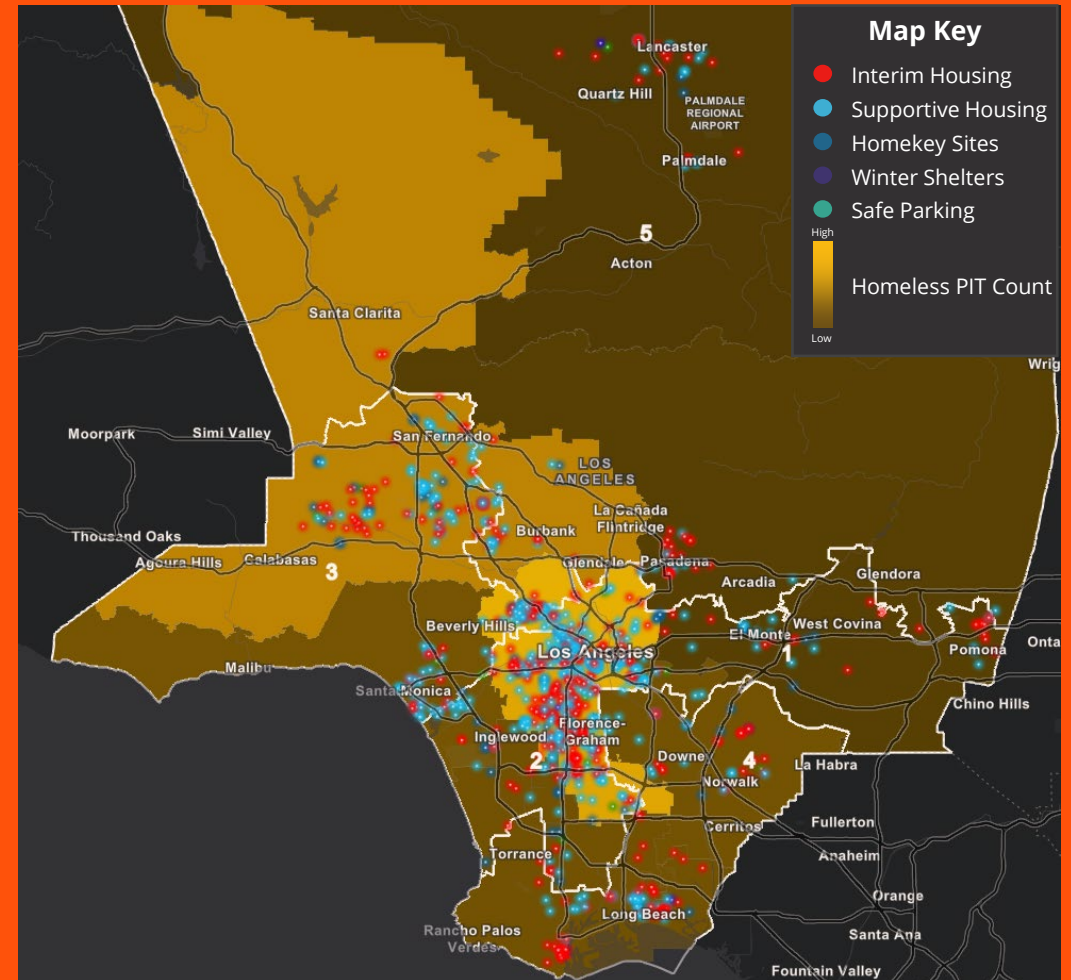
\$400M+

Provided to local jurisdictions annually

Source: Los Angeles Homeless Services Authority

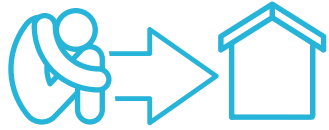
*Note: Assumes that 70% of LACAHA funding for **a**) housing production & preservation, and **b**) renter supports & protections are allocated to local jurisdictions (per a 2023 presentation from LACAHA). The County's five largest jurisdictions are authorized to self-administer funds earmarked for cities. Funds for other jurisdictions will be administered through local Councils of Government (COGs).

Current Housing and Homelessness Efforts Across LA County



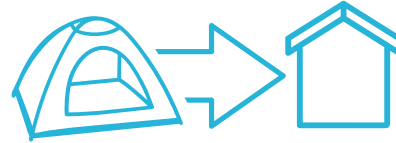
Caption: Measure A funds can continue and expand housing and homelessness efforts across the County's 88 cities and unincorporated areas., which in 2023 served over 70,000 individuals.

Measure A has five legally required goals.



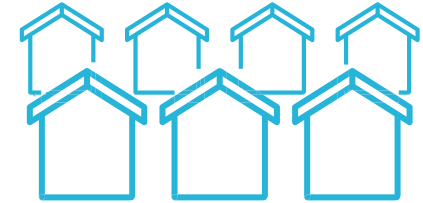
INCREASE

of people permanently leaving homelessness



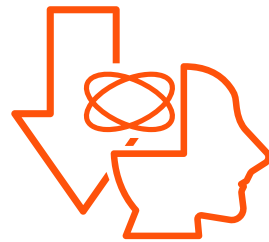
INCREASE

of people moving from encampments to permanent housing



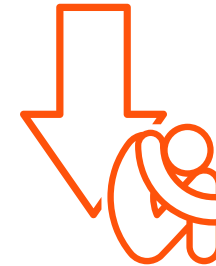
INCREASE

of affordable housing units in LA County



REDUCE

of people with a mental illness and/or substance use disorder experiencing homelessness



REDUCE

of people falling into homelessness

Measure A | Governance

Providing Real Accountability

Measure A will responsibly manage taxpayer dollars with clear goal setting, transparent decision-making, and regular reporting.

- **Under Measure H**, reporting on funds was carried out by many different agencies creating **difficulties tracking outcomes** for specific funding streams.
- Measure A streamlines and standardizes the funding distribution and reporting, **enhancing the ability to track funding and assess its impact** more effectively.
- Measure A **legally requires funded programs to hit certain goals** and moves funding from programs that do not deliver results.

Key Governance Elements



Public Outreach



Baseline and
Target Metrics









Regional Plan



Independent Audits

PROGRAMS AND SERVICES

Measure A will enable LA County to more comprehensively address the housing and homelessness crises

| <p>Measure A is expanding the focus areas to support the development of affordable housing and the housing supply as well as funds spent to prevent households from falling into homelessness.</p> | Major Spending Area | Measure H | Measure A |
|--|---|---|---|
| | Area 1 Homeless Services and Mental Health |  |  |
| | Area 2 Affordable Housing Production and Preservation |  |  |
| | Area 3 Homelessness Prevention and Renter Supports |  |  |

Area 1:
Measure A will provide critical support to a collaborative, County-wide coordination system that offers ongoing person-directed support to residents in a housing crisis.

Area 2:
Measure A funds will help to create more homes and preserve the affordability of existing homes to serve a range of county residents.

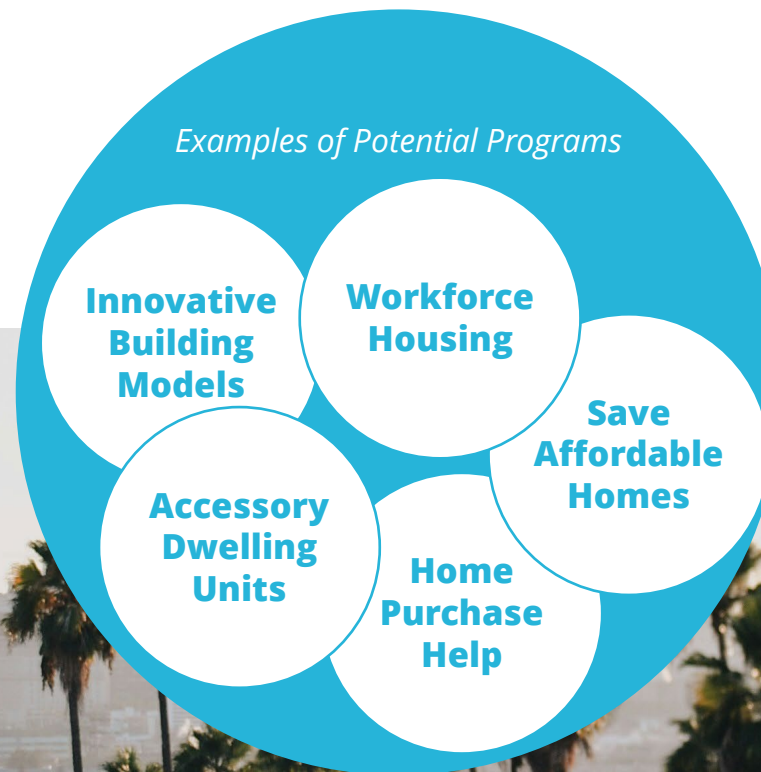
Area 3:
Measure A will support ongoing programs to help keep county residents at risk of losing their homes or in need of transitional housing in their homes.

Measure A can support new housing programs and services for residents across LA County and expand on the successes of Measure H.

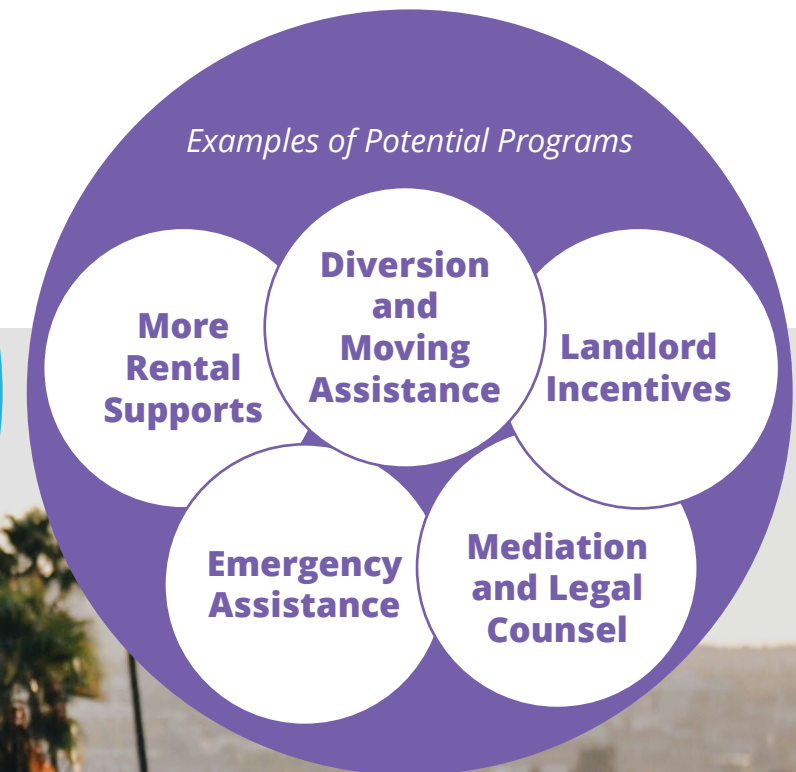
Area 1: Homeless Services and Mental Health



Area 2: Affordable Housing Production and Preservation



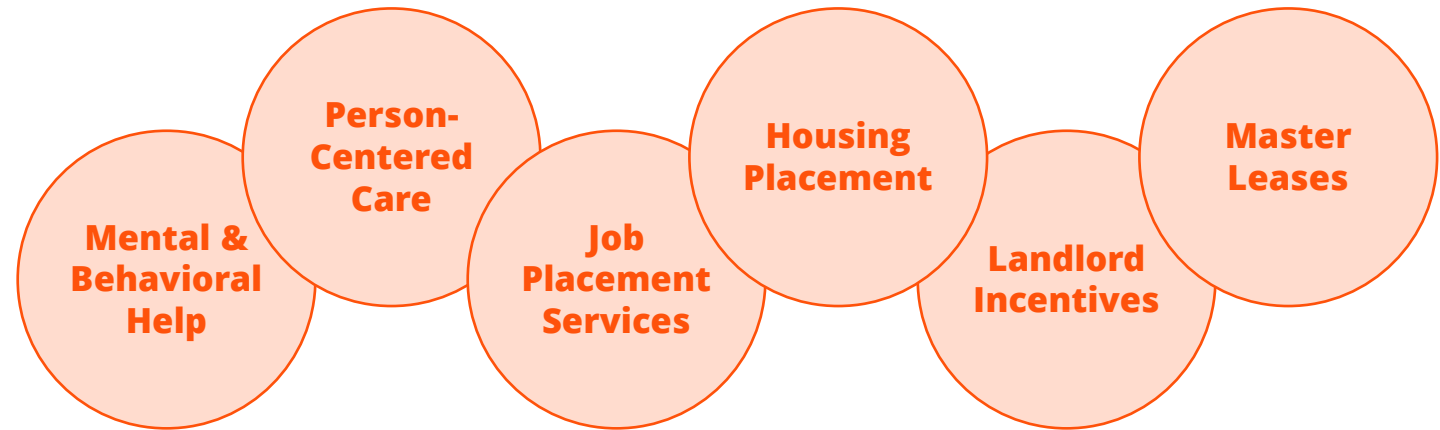
Area 3: Homelessness Prevention and Renter Support



Programs and Services

Area 1: Homeless Services and Mental Health

Measure A will provide critical funding to continue the high-impact homeless services infrastructure that Measure H created.

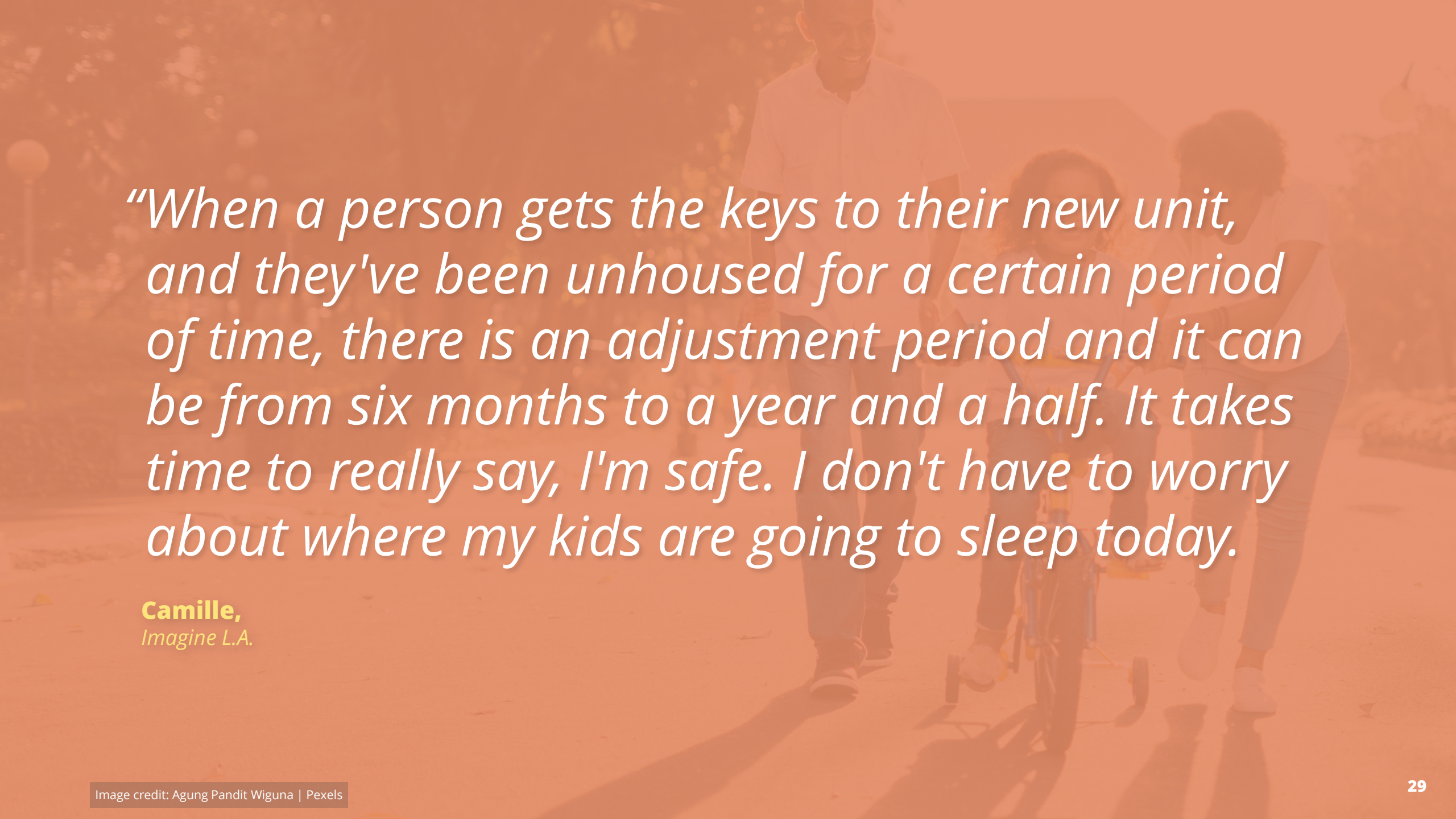


PROVIDE PEOPLE-CENTERED SERVICES

Residents facing homelessness often struggle to navigate a maze of agencies and programs to get the help they need, but personalized support connects them to the right resources and tracks their progress toward stable housing.

SECURE HOMES

Transitional housing creates a path to stability for previously homeless residents. Measure A can expand efforts to secure transitional and permanent housing for residents experiencing homelessness.

A photograph of a family walking outdoors, overlaid with a semi-transparent orange filter. A man in a light blue shirt is walking on the left, smiling. A young child is riding a blue and yellow tricycle in the center. A woman in a white shirt and dark pants is walking on the right, looking down at the child. The background shows a paved path and some foliage.

“When a person gets the keys to their new unit, and they've been unhoused for a certain period of time, there is an adjustment period and it can be from six months to a year and a half. It takes time to really say, I'm safe. I don't have to worry about where my kids are going to sleep today.”

Camille,
Imagine L.A.

Area 2: Increasing Affordable Housing Supply

Measure A funds will create more homes and preserve the affordability of existing homes to serve a range of County residents.

PRESERVE EXISTING HOMES

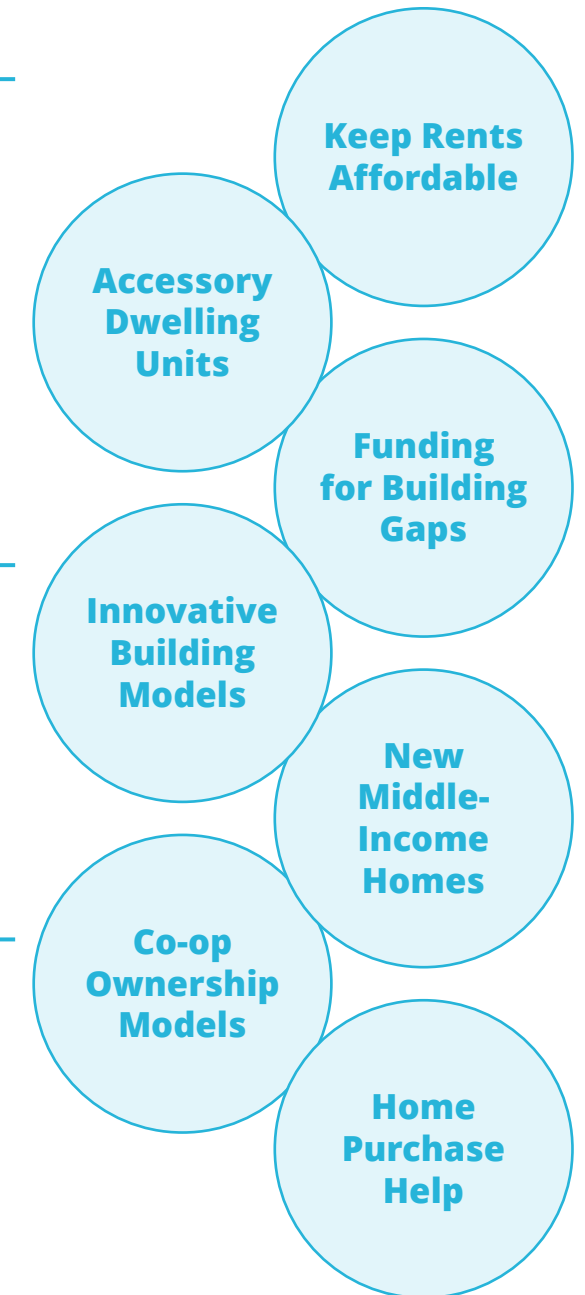
Measure A can help the County preserve affordable rental homes by funding the rehabilitation of subsidized housing and purchase of naturally-occurring affordable housing (NOAH), which is often more cost-effective than building new homes.

BUILD MORE AFFORDABLE HOMES

Measure A can fund the construction of new affordable homes, so all residents have access to stable, affordable, and quality housing options.

INCREASE ACCESS TO OWNERSHIP

Measure A can provide subsidies and incentives to help families afford homes, promoting long-term stability and wealth-building.



Area 3: Homelessness Prevention and Support

Measure A will expand the County's ability to help residents in crisis remain in their homes.

**Mediation
and Legal
Counsel**

**Diversion
and
Moving
Assistance**

**Emergency
Assistance**

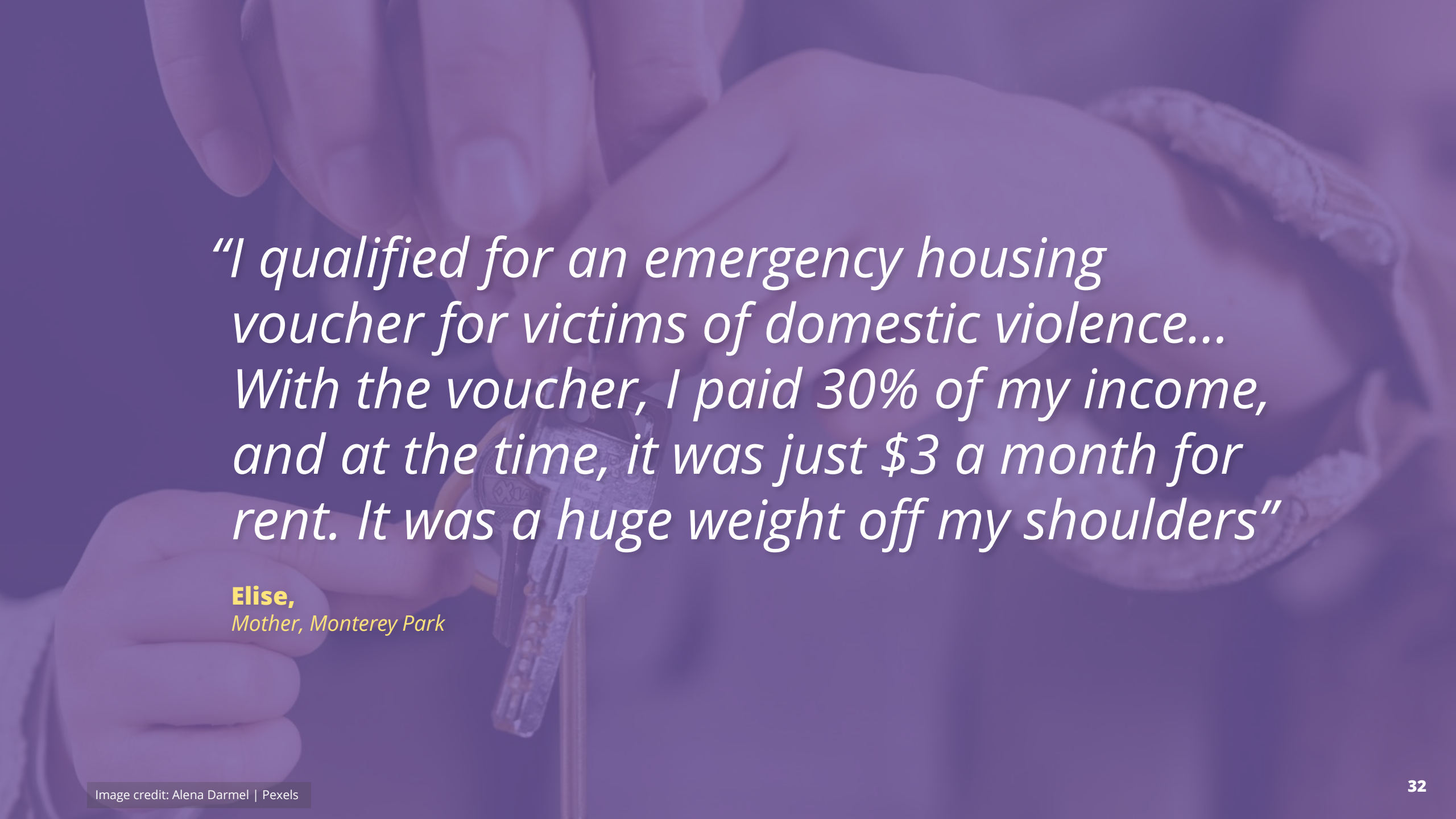
**More
Rental
Vouchers**

CREATE A ROBUST PIPELINE OF SERVICES FOR FAMILIES IN CRISIS

Emergency assistance covers housing costs for families facing income loss, medical bills, or crises, while eviction prevention offers extra help to those at risk of losing their homes.

INCREASE RENTAL ASSISTANCE

Measure A can expand funds for rental vouchers, which help reduce renters' costs by covering the gap between what they can afford and market rents.



"I qualified for an emergency housing voucher for victims of domestic violence... With the voucher, I paid 30% of my income, and at the time, it was just \$3 a month for rent. It was a huge weight off my shoulders"

Elise,
Mother, Monterey Park

MEASURE A IMPACTS

Measure A Impacts | Overview

Addressing the twin crises of homelessness and housing affordability is not just a moral imperative, but also an annual economic opportunity.



\$3.1B annual economic output



25,800 jobs supported



\$1.5B annual labor income

Source: IMPLAN, HR&A Advisors

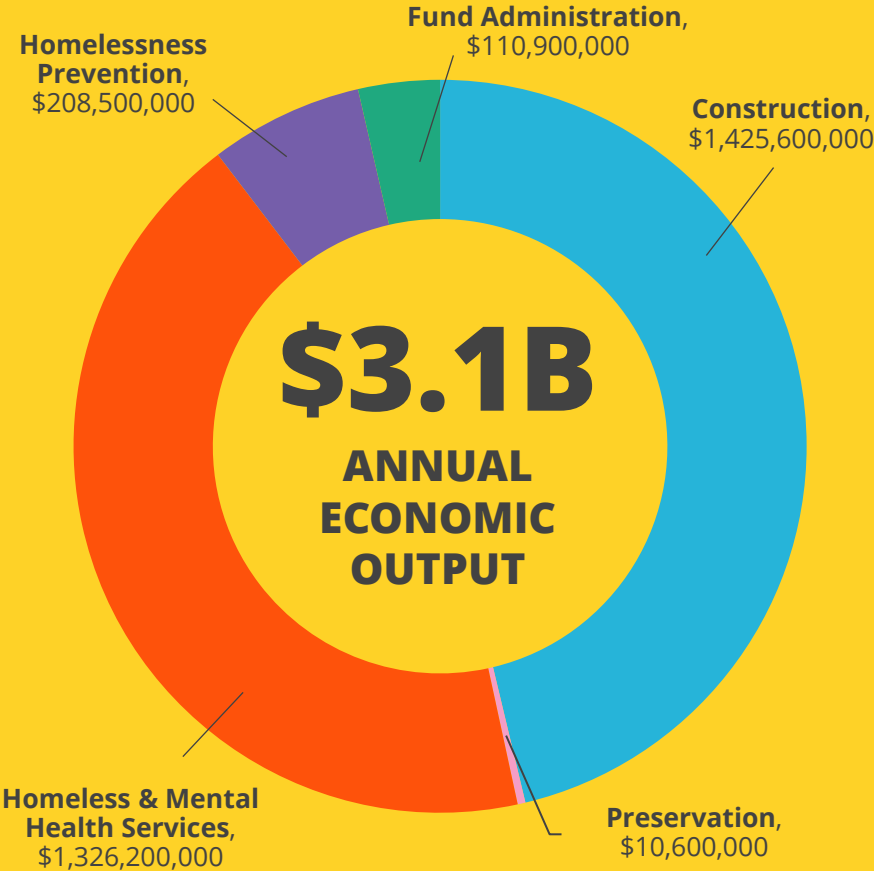
Note: The economic impact analysis is based on an illustrative allocation of Measure A funds across five areas – namely housing construction, housing preservation, homelessness prevention, and homeless and mental health services – as well as a baseline allocation for fund administration. Methodology is further detailed in Appendix B.

Every \$1 spent through Measure A generates

2.5x in output

for the LA County economy

ANNUAL ECONOMIC OUTPUT
BY SERVICE AREA



Measure A Impacts | Housing Production

Measure A is a unique opportunity to produce thousands of much-needed affordable housing units.

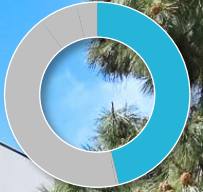
Housing developers could leverage Measure A subsidies in combination with other important funding sources, including LIHTC, Federal HOME funds, and other local grants and loans. Over 10 years, Measure A could help produce at least **18,000 new affordable units**. Potential innovations through Measure A could result in even more units.

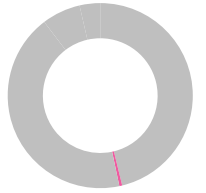


18,000+

New affordable housing units produced over 10 years

Note: Estimate is based on an illustrative allocation of Measure A funds (see Appendix B).





With more money set aside for housing preservation, Measure A could save benefiting households **\$6,000 each year.**

16,000

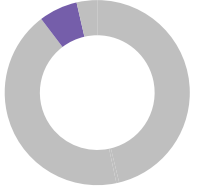
**EXISTING UNITS PRESERVED
OVER 10 YEARS**

\$6,000

**ANNUAL SAVINGS PER
BENEFITING HOUSEHOLD**

\$96M

**TOTAL SAVINGS FOR
BENEFITING HOUSEHOLDS
OVER 10 YEARS**



New rental subsidies would also help individuals avoid homelessness, saving the County money in the process.

For every \$100M in rental subsidy, Measure A could support...

10,000

INDIVIDUALS PREVENTED FROM BECOMING HOMELESS IN A YEAR

According to a UCSF report, annual rental subsidies of between \$5,000 and \$10,000 could prevent an at-risk individual from becoming homeless.

\$443M

TOTAL COUNTY BUDGET SAVINGS

It costs roughly \$44,000 more for the County (and taxpayers) to serve an unhoused individual than an average resident. The County is avoiding these costs by keeping people in their homes.

Unlike previous initiatives, in which funding allocations were fully prescribed, Measure A provides **important flexibility** for the County – and local jurisdictions – to adapt the distribution of funds as market conditions evolve over the coming years.

Measure A would also expand the County's capacity to help thousands of individuals access services, and ultimately, exit homelessness.

Measure A could allocate more in annual funding for homelessness than Measure H. This would allow the County to not only sustain existing services but also build upon them.

Overall, Measure A could provide homeless and mental health services to **15,600 individuals each year.**



APPENDIX A: GENERAL AND LIMITING CONDITIONS

APPENDIX C: GENERAL AND LIMITING CONDITIONS

1. Any person who relies on or otherwise uses this Study is required to have first read, understood and accepted the following disclosures, limitations and disclaimers, and will, by reason of such reliance or other use, be deemed to have read, understood and accepted the same.
2. HR&A Advisors, Inc. (HR&A) has been engaged and compensated by The Angeleno Project to prepare this Study. In preparing this Study HR&A has used its independent professional judgment and skills in good faith, subject to the limitations, disclosures and disclaimers herein.
3. This Study is based on estimates, assumptions and other information developed by HR&A, other third-party consultants, and city officials. Every reasonable effort has been made to ensure that the data contained in this Study are accurate as of the date of this Study; however, factors exist that are outside the control of HR&A and that may affect the estimates and/or projections noted herein. HR&A neither guarantees any results nor takes responsibility for their actual achievement or continuing applicability, as actual outcomes will depend on future events and circumstances beyond HR&A's control.
4. HR&A reviewed the information and projections provided by third parties using its independent professional judgment and skills in good faith, but assumes no liability resulting from errors, omissions or any other inaccuracies with respect to the information provided by such third parties referenced in this Study.
5. HR&A also relied on data provided by or purchased from the U.S. Census, American Community Survey, Minnesota IMPLAN Group (MIG), Zillow, and the CoStar Group. HR&A assumes no liability resulting from errors, omissions or any other inaccuracies with respect to the information provided by these parties.
6. In addition to relying on data, information, projections and forecasts of others as referred to above, HR&A has included in this Study estimates and assumptions made by HR&A that HR&A believes are appropriate, but HR&A makes no representation that there will be no variances between actual outcomes and such estimates and assumptions.
7. All projections of Measure A are based on an illustrative allocation of funding to homelessness and housing programs and are not meant to reflect actual performance of the measure. HR&A used its best professional judgement to reflect a reasonable allocation of funding, but actual funding allocation decisions will be made by the Los Angeles County Board of Supervisors and dependent on realized revenue gains from sales tax in any given year.
8. No opinion is intended to be expressed and no responsibility is assumed for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate consultant.
9. Many of the figures presented in this report will be rounded. HR&A disclaims any and all liability relating to rounding errors.
10. If the Study is referred to or included in any ballot measure campaign material, the Study shall be deemed to have been included for informational purposes only and its use shall be subject to these General and Limiting Conditions. HR&A, its directors, officers and employees have no liability to recipients of any such ballot measure campaign material. HR&A disclaims any and all liability to any party.
11. This Study is qualified in its entirety by, and should be considered in light of these General and Limiting Conditions. By use of this Study, each party that uses this Study agrees to be bound by all of the General and Limiting Conditions stated herein.

APPENDIX B: IMPACT METHODOLOGY

Appendix

Economic Impact Analysis

Annual economic impact was estimated based on an illustrative allocation of Measure A funds across five service areas.

Key Assumptions:

- Funds from the Local Solutions and Innovation Funds are allocated to each service area based on a pro rata share of all other funding categories.
- Measure A requires that 77.25% of LACAHSAs housing funds be earmarked for housing production. HR&A assumes the same allocation for the LACDA Housing Production Fund.

| Category | Total Allocation | Share for Homeless Services | Share for Production | Share for Preservation | Share for Prevention Services | Share for Fund Administration |
|--|------------------|-----------------------------|----------------------|------------------------|-------------------------------|-------------------------------|
| Core Homeless Services | \$612,500,000 | 100% | 0% | 0% | 0% | 0% |
| Local Housing & Services Solutions Fund | \$110,250,000 | 61% | 20% | 6% | 13% | 0% |
| Innovation Fund | \$12,250,000 | 61% | 20% | 6% | 13% | 0% |
| LACDA Housing Production Fund | \$36,750,000 | 0% | 77% | 23% | 0% | 0% |
| Accountability, Data & Evaluation Fund | \$15,312,500 | 0% | 0% | 0% | 0% | 100% |
| LACAHSAs - Production, Preservation & Affordable Ownership | \$262,762,500 | 0% | 77% | 23% | 0% | 0% |
| LACAHSAs - Renter Support & Homelessness Prevention | \$131,381,250 | 0% | 0% | 0% | 100% | 0% |
| LACAHSAs - Cities Technical Assistance | \$21,896,875 | 0% | 0% | 0% | 0% | 100% |
| LACAHSAs - Admin & Operations | \$21,896,875 | 0% | 0% | 0% | 0% | 100% |

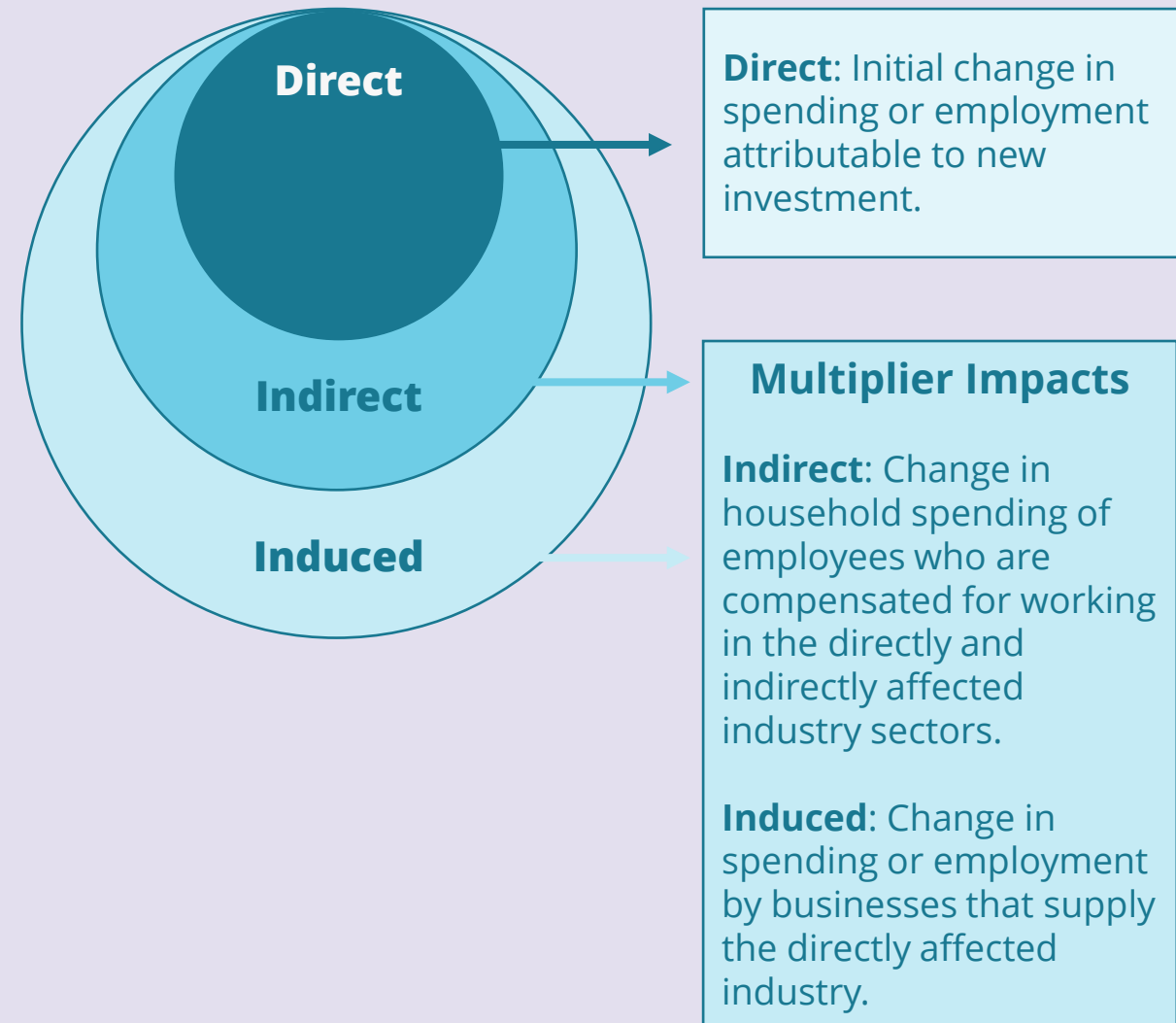
Note: *Green text denotes service area allocations guaranteed under Measure A.*

Appendix

Economic Impact Analysis

HR&A then used IMPLAN to estimate the annual economic output associated with the illustrative allocation.

- **Housing Construction:** Measures the impact of the construction expenditure related to new units that Measure A makes possible. Expenditures include both Measure A subsidies *and* other external funds to complete the capital stack. HR&A multiplied the illustrative annual unit yield (1,800) by the average total development cost (TDC) per unit (\$483,120)* to derive the total annual construction expenditures.
- **Housing Preservation:** Measures the impact of household savings associated with the preservation of affordable housing.
- **Homelessness Prevention:** Measures the impact of annual subsidies, expressed as household savings and administrative costs.
- **Homeless & Mental Health Services:** Measures the impact of operating expenditures associated with homeless services.
- **Fund Administration:** Measures the impact of the administrative functions of government and nonprofit partners.



**Note: Average TDC per unit is based on HHH-funded projects subject to a Project Labor Agreement (PLA), as analyzed by the RAND Corporation. HR&A applied a 20% discount to remove financing and land acquisition costs.*

Appendix

Economic Impact Analysis

Using the illustrative funding allocation, Measure A could annually support 25,800 jobs, \$1.5 billion in labor income, and \$3.1 billion in economic output.

| Category | Employment | Labor Income | Output |
|--------------|---------------|------------------------|------------------------|
| Direct | 18,900 | \$976,100,000 | \$1,663,300,000 |
| Indirect | 2,100 | \$160,300,000 | \$476,800,000 |
| Induced | 4,700 | \$319,200,000 | \$941,700,000 |
| TOTAL | 25,800 | \$1,455,600,000 | \$3,081,800,000 |

Appendix

Housing Production & Preservation

Housing unit projections were developed based on subsidy amounts reflective of recent housing transactions.*

NEW UNITS CONSTRUCTED

Total Subsidy Allocation per Year
(\$255,873,406)

Construction Subsidy per Unit
(\$138,667)

Between 2018 and 2021, County subsidies funded by Measure HHH averaged **\$138,667** per unit. This report assumes the same amount for Measure A-funded subsidies.

EXISTING UNITS PRESERVED

Total Subsidy Allocation per Year
(\$75,489,094)

Preservation Subsidy per Unit
(\$47,682)

According to a San Diego Housing Commission report, investors require \$190,730 in subsidy to acquire and preserve an affordable housing unit. Assuming every \$1 in government spending can leverage 3X in external funding,** a per-unit subsidy of **\$47,682** is sufficient to cover this gap.

*Note: Potential innovations through Measure A could result in even more units.

**Note: The Washington D.C. Housing Preservation Fund leveraged \$30 million in private and philanthropic investments after contributing \$10 million in seed money. Annual subsidy amounts are based on the illustrative allocation shown earlier in this Appendix.

Appendix

Household Savings

Household savings associated with preservation were calculated based on the difference in affordable and market-rate rents.

The **affordable rent** represents what a three-person household at 80% Area Median Income (AMI) can reasonably afford (i.e., spending no more than 30% of its income on rent). The **market-rate rent** represents the average asking price for a two-bedroom unit in Los Angeles County.

| | Cost Per Month | Cost Per Year | } \$6,000 in annual household savings |
|------------------|----------------|---------------|---------------------------------------|
| Affordable Rent | \$2,498 | \$29,976 | |
| Market-Rate Rent | \$3,000 | \$36,000 | |

Appendix

People Impacted

Estimates of people impacted were developed based on assumptions related to household size, subsidy requirements, and service costs.

PEOPLE PREVENTED FROM BECOMING HOMELESS

| |
|---|
| Total Rental Subsidy Allocation per Year (\$100,000,000) |
| Rental Subsidy per Household (\$10,000) |

According to a UCSF report, annual rental subsidies of between \$5,000 and \$10,000 could prevent an at-risk individual from becoming homeless.

PEOPLE KEPT IN OR PROVIDED NEW HOUSING

| | | |
|-------------------------------------|---|---|
| Units Developed Per Year (1,800) | x | Household Size for PSH Projects (1.59) |
| Units Preserved Per Year (1,600) | x | L.A. County Household Size (2.74) |

PSH projects funded by Measure HHH had an average household size of **1.59** people. Per the 2023 ACS 1-Year Estimates, the average household size in Los Angeles County is **2.74** people.

PEOPLE PROVIDED HOMELESS AND MENTAL HEALTH SERVICES

| |
|--|
| Total Annual Allocation for Homeless and Mental Health Services (\$612,500,000) |
| Public Service Cost per Individual (\$39,182) |

According to a RAND Corporation report, the County incurred \$30,458 in service costs per client after placement in PSH. The per-client figure rises to **\$39,182** after adjusting for inflation.

Note: Annual subsidy amounts are based on the illustrative allocation shown earlier in this Appendix.

APPENDIX C: PROGRAM SPOTLIGHTS

Programs and Services

Area 1 Project Spotlight: Homeless services and mental health

MASTER LEASING AND LANDLORD INCENTIVES

Master leasing allows the County to secure rental housing on the private market for unhoused residents. The County leases a property or group of homes and acts as the landlord to those units, managing tenant placement, rent collection, property management, maintenance, and security.

The **Flexible Housing Subsidy Pool**, a master leasing program operated by Brilliant Corners in partnership with the LA County Department of Health Services, has housed over **13,800 residents** to date. Each month, the program houses 200+ previously homeless residents who receive ongoing case management and support.



Caption: The Flexible Housing Subsidy Pool secures available units in local communities and quickly matches them to people in need, providing permanent homes to previously homeless residents.

Programs and Services

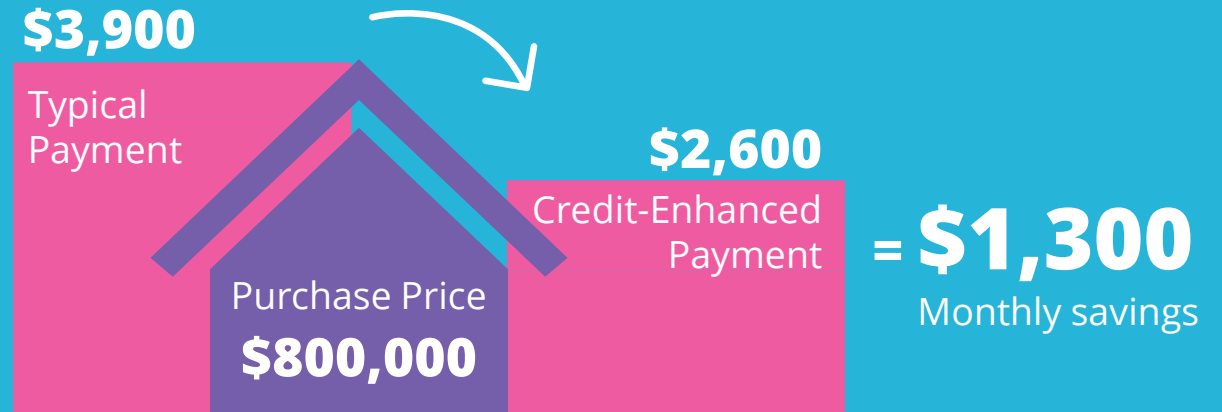
Area 2 Project Spotlight: Increasing Affordable Housing Supply

Measure A can provide funds to help low- and moderate-income households overcome barriers to homeownership, such as low savings, credit access, high interest rates, and rising prices. These programs often support first-time and first-generation homebuyers.

MORTGAGE CREDIT ENHANCEMENTS

Mortgage credit enhancements help homebuyers lower their monthly payments by reducing the lender's risk, leading to lower interest rates or better loan terms.

Illustrative Example (actual experience would vary)



Programs and Services

Area 2 Project Spotlight: Increasing Affordable Housing Supply

HOUSING INNOVATION CHALLENGE

Measure H helped fund the **Housing Innovation Challenge**, supporting cost-effective, efficient and scalable housing solutions for people experiencing homelessness, such as garage conversions and modular home construction kits. Measure A could continue investing in innovation or expand successful pilot projects.

With funding from the Housing Innovation Challenge, the **South LA Bungalow Court** built LA's first new bungalow court in 70 years. By building smaller multifamily homes, approval hurdles were limited and building costs were reduced, increasing affordability for residents.



Programs and Services

Area 3 Project Spotlight: Homelessness prevention and support

LA COUNTY RENT RELIEF PROGRAM

LA County launched the \$100 million **LA County COVID-19 Rent Relief Program** in 2020 to provide emergency rental assistance to lower-income renters financially impacted by the pandemic. Households with income at 50% or below of the median income were eligible to receive a maximum of \$10,000 in assistance.

The program helped more than 14,000 households avoid eviction during the pandemic. Measure A could create a permanent rent relief program.



14,000

Households received rental assistance and avoided eviction during the COVID-19 pandemic

APPENDIX D: ENDNOTES

Endnotes

Introduction

- i. Image credit: Claudia Raya, Unsplash

Title page – Defining the problem

Defining the Problem | Increasing Homelessness

- i. Los Angeles Homeless Services Authority. *2024 Greater Los Angeles Homeless Count Results (Long Version)*. Los Angeles: Los Angeles Homeless Services Authority, 2024. <https://www.lahsa.org/documents?id=8164-2024-greater-los-angeles-homeless-count-results-long-version-.pdf>.
- ii. Testimonial comes from The Angeleno Project's Home is Hope Campaign

Defining the Problem | Lack of Affordable Housing

- i. California Housing Partnership. *2023 Los Angeles County Annual Affordable Housing Outcomes Report*. Los Angeles: California Housing Partnership, 2024. https://chpc.net/wp-content/uploads/2024/03/2023-LA-County-AH-Outcomes-Report_.pdf.

Defining the Problem | Increasing Housing Costs

- i. U.S. Census Bureau. *American Community Survey 5-Year Estimates, 2023*. Washington, D.C.: U.S. Census Bureau, 2023. <https://www.census.gov/data/developers/data-sets/acs-5year.html>.
- ii. "Los Angeles, CA Rental Market." *Zillow*. Accessed October 1, 2024. <https://www.zillow.com/rental-manager/market-trends/united-states/>
- iii. *Calculations were made to estimate household income needed to afford a home*

Defining the Problem | Measure H Impact

- i. Los Angeles Homeless Services Authority. *2024 Greater Los Angeles Homeless Count Results (Long Version)*. Los Angeles: Los Angeles Homeless Services Authority, 2024. <https://www.lahsa.org/documents?id=8164-2024-greater-los-angeles-homeless-count-results-long-version-.pdf>
- ii. U.S. Department of Housing and Urban Development. *The 2023 Annual Homelessness Assessment Report (AHAR) to Congress, 2023*. <https://www.huduser.gov/portal/sites/default/files/pdf/2023-ahar-part-1.Pdf>

Defining the Problem | Need to Scale

- i. Los Angeles Homeless Services Authority. *2024 Greater Los Angeles Homeless Count Results (Long Version)*. Los Angeles: Los Angeles Homeless Services Authority, 2024. <https://www.lahsa.org/documents?id=8164-2024-greater-los-angeles-homeless-count-results-long-version-.pdf>
- ii. "Rent Debt in America." *National Equity Atlas*. Accessed October 1, 2024. <https://nationalequityatlas.org/rent-debt> .

Defining the Problem | Funding Risk

- i. Chief Executive Office. *Fact Sheet: Measuring Measure H's Impact*. County of Los Angeles, 2024. https://file.lacounty.gov/SDSInter/lac/1167280_MeasureHFactSheet_9.18.24.pdf
- ii. "E-5 Population and Housing Estimates for Cities, Counties, and the State, 2020-2024 | Department of Finance." *California Department of Finance*, 2024. <https://dof.ca.gov/forecasting/demographics/estimates/e-5-population-and-housing-estimates-for-cities-counties-and-the-state-2020-2024/>

Title page – Measure A

Measure A | General Information

- i. County of Los Angeles. *Affordable Housing, Homelessness Solutions, And Prevention Now Transactions And Use Tax Ordinance*.

Measure A | How it Works

- i. Los Angeles County Affordable Housing Solutions Agency. "The Bold New Way," presented for Board of Directors, June 26, 2024. <https://file.lacounty.gov/SDSInter/bos/supdocs/192574.pdf>
- ii. Los Angeles County Affordable Housing Solutions Agency. "Affordable Housing, Homelessness Solutions & Prevention Now." <https://file.lacounty.gov/SDSInter/bos/supdocs/186696.pdf>

Measure A | Annual Funding Allocation

- i. County of Los Angeles. *Affordable Housing, Homelessness Solutions, And Prevention Now Transactions And Use Tax Ordinance*.

Endnotes

Measure A | Local Funding

- i. Times Editorial Board. “Editorial: Homeless People Shouldn’t Spend Weeks Proving They’re Poor before They Get an Apartment.” *Los Angeles Times*. May 21, 2023. <https://www.latimes.com/opinion/story/2023-05-21/editorial-homeless-housing-beaocracy>.
- ii. Controller, City of Los Angeles. “Inside Safe.” Kenneth Mejia LA City Controller. Accessed October 10, 2024. <https://homelessdashboard.lacontroller.app/InsideSafe>.

Programs and Services | A Comprehensive Approach to Programs and Services

- i. HR&A reviewed existing funding allocations in Measure H and the allocation structure of Measure A to provide an illustrative overview of each measure’s primary funding focus. Measure H and Measure A have a similar focus for Area 1, with both prioritizing homeless services and mental health. For Area 2, Measure H allocated some funding for housing production through the Housing Innovation Challenge and funding for the County’s annual NOFO. Nevertheless, this was not a primary focus of Measure H, whereas Measure A provides clear guidelines and support for housing preservation and development. Similarly, while Measure H focused on homelessness prevention and renter supports, the percentage allocated and breadth of programs supported is less than that proposed under Measure A.

Programs and Services | A Comprehensive Approach to Programs and Services

- i. This is an illustrative sample of the potential programs that can be supported through Measure A.

Programs and Services| Quote Page

- i. Image credit: Alena Darmel, Pexels Picture
- ii. Testimonial comes from The Angeleno Project’s Home is Hope Campaign

Programs and Services| Quote Page

- i. Image credit: Agung Pandit Wiguna, Pexels
- ii. Testimonial comes from The Angeleno Project’s Home is Hope Campaign

Title Page – Measure A Impacts

Measure A Impacts | Overview

- i. HR&A used the IMPLAN input-output modeling software to estimate the annual economic impact of Measure A in Los Angeles County. The economic impact analysis is based on an illustrative allocation of Measure A funds across five areas – namely housing construction, housing preservation, homelessness prevention, and homeless and mental health services, and fund administration. Methodology is described in Appendix B.

Measure A Impacts | Housing Production

- i. “Prop HHH Progress Report.” *Los Angeles Housing Department*, 2024. <https://housing2.lacity.org/housing/hhh-progress-dashboard> Methodology is described in Appendix B.

Measure A Impacts | Housing Preservation

- i. San Diego Housing Commission. *Preserving Affordable Housing in the City of San Diego*, 2020. <https://www.sdhc.org/wp-content/uploads/2020/05/Affordable-Housing-Preservation-Study.pdf>
- ii. “Mayor Bowser Celebrates the Preservation of Over 1,000 Affordable Homes through the Housing Preservation Fund.” *Washington D.C. Department of Housing and Community Development*. July 12, 2019. <https://dhcd.dc.gov/release/mayor-bowser-celebrates-preservation-over-1000-affordable-homes-through-housing-preservation>
- iii. Los Angeles County Department of Regional Planning. *Los Angeles County Affordable Housing Program*, 2024. https://planning.lacounty.gov/wp-content/uploads/2024/05/housing_2024-income-limits-costs.pdf
- iv. “Los Angeles, CA Rental Market.” *Zillow*. Accessed October 1, 2024. <https://www.zillow.com/rental-manager/market-trends/united-states/>
Methodology is described in Appendix B.

Endnotes

Measure A Impacts | Homeless Prevention

- i. Benioff Homelessness and Housing Initiative, University of California, San Francisco. *Toward a New Understanding: The California Statewide Study of People Experiencing Homelessness*, 2023. https://homelessness.ucsf.edu/sites/default/files/2023-06/CASPEH_Report_62023.pdf
- ii. RAND Corporation. *Evaluation of Housing for Health Permanent Supportive Housing Program*, 2017. https://www.rand.org/pubs/research_reports/RR1694.html
- iii. County of Los Angeles, *2024-25 Adopted Budget*, June 24, 2024. <https://ceo.lacounty.gov/budget/#:~:text=%2445.4%20Billion%202024-25%20Recommended%20Budget%3A%20Powering%20the%20Priorities>

Measure A Impacts | Homeless & Mental Health Services

- i. RAND Corporation. *Evaluation of Housing for Health Permanent Supportive Housing Program*, 2017. https://www.rand.org/pubs/research_reports/RR1694.html
- ii. “Prop HHH Progress Report,” Los Angeles Housing Department. 2024. <https://housing2.lacity.org/housing/hhh-progress-dashboard>
- iii. U.S. Census Bureau. *American Community Survey 1-Year Estimates*, 2023. Washington, D.C.: U.S. Census Bureau, 2023. <https://www.census.gov/data/developers/data-sets/acs-5year.html>