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LOS ANGELES HOUSING DEPARTMENT

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Eric Garcetti, Mayor

April 21, 2022

Honorable Members of the City Council Budget & Finance Committee
% Holly L. Wolcott, City Clerk
200 North Spring Street, Room 395
Los Angeles, CA 90012

RE: LAHD COMMENTS ON THE FISCAL YEAR 2022-2023 PROPOSED BUDGET

The Los Angeles Housing Department (LAHD) appreciates the opportunity to comment on the Mayor's Fiscal Year 2022-2023 Proposed Budget. This Budget provides substantial resources to address our crises of housing insecurity and homelessness. Ensuring that there is safe, affordable, and accessible housing for all who need it must be our goal to make Los Angeles an equitable city.

In the past year, LAHD focused on delivering on the City's promises, while dealing with a pandemic. We provided \$221 million in rental subsidies to 18,000 households and partnered with the State's Housing Is Key Program to facilitate more than \$1 billion in rental assistance to an additional 85,000 Angeleno households. We launched the eviction defense program and are helping to prepare guidelines to protect tenants and landlords as local and state eviction moratoriums change. We reopened our public counters for in-person appointments and continued in-person inspections to ensure the safety of rental units under our Systematic Code Enforcement Program.

We increased our in-person inspections to ensure that affordable housing is accessible to persons with disabilities. As a result, our Accessible Housing Program (AcHP) certified 146 units of accessible housing since December 2021 when the City received approval from the U.S. Department of Housing & Urban Development to issue certifications. We achieved 95 percent compliance with landlord and tenant accessibility policy requirements, ensuring that units are not just built but also operated with accessibility needs in mind. This marks a significant step forward in fulfilling our obligations under the settlement agreement (CSA) and the compliance agreement (VCA). We also continue to implement Proposition HHH, completing more than 1,250 units and starting construction on another 4,774 units with an average subsidy cost of \$132,000 per unit. However, much work remains to be done to deliver safe, affordable, and accessible housing to the people of Los Angeles.

LAHD is, therefore, focused on implementing our existing programs and getting that work done. We recognize the need to fully commit to the programs developed over the years—programs we know can achieve the results we need if we provide the right staffing. We appreciate that the Proposed Budget provides such resources for a number of these programs. The Proposed Budget allows LAHD to continue service at existing levels, or in some key areas, enhance the efficiency and timeliness of the services we are currently providing. For example, the additional staff the Budget provides to support AcHP's construction and retrofit work, to support the Land Development Program's Accessory Dwelling Unit and Homeownership teams, and to implement the Tenant Anti-Harassment Ordinance, will enable LAHD to improve on the services we are currently delivering. However, there remain opportunities to improve departmental operations so as to deliver affordable, supportive, and accessible housing more efficiently.

LAHD respectfully makes two requests for the staffing resources necessary to deliver on these obligations: (1) Add staff to improve the payment processes for Proposition HHH-funded affordable and supportive housing projects

and (2) exchange the Programmer Analyst position with an Information Systems Manager to provide AcHP systems support.

1. Improvements to the Payment Processes for Proposition HHH-Funded Projects

In the past few years, the number of projects going through the LAHD construction pipeline has significantly increased; this year there are 75 Proposition HHH projects under construction. However, the staff responsible for processing payments has remained the same as before HHH. The draw process is intended to ensure that workers building affordable housing get paid for that work in an accurate and timely manner. With the number of projects in the pipeline increasing, LAHD faces challenges in ensuring efficient processing and timely payment of construction draws. As described in our departmental budget request and detailed in a report to Council (C.F. No. 21-0981), LAHD is requesting additional staff to reduce the project workload ratio for construction inspectors to 1:10 (from the current 1:15) and for prevailing wage inspectors to 1:9 (from the current 1:28). These improved staff-to-project ratios will help us meet the best practices target of processing draw requests in 30 days, rather than the average of 100 days that we are currently achieving through a combination of contractor assistance and staff overtime. To achieve sustainable staffing ratios, LAHD is requesting a total of 16 additional positions in the Construction Services and Prevailing Wage Compliance Units.

Construction Services Unit (5)		Prevailing Wage Compliance Unit (11)	
4	Rehabilitation Construction Specialist I	1	Director of Housing
1	Management Analyst	2	Rehabilitation Construction Specialist I
		6	Management Analyst
		1	Senior Accountant II
		1	Accountant

We recognize the significance of this request and that it requires an initial investment of General Fund resources—35 percent of the cost would be General Fund monies with the remaining 65 percent coming from Special Funds. However, once staffing levels reach ratios more in line with similar jurisdictions, prevailing wage enforcement operations can be more fully implemented. Fees and fines collected through such enforcement can move the department away from using the General Fund to support these positions, and towards self-sufficiency.

2. Exchange the New Programmer Analyst Position to Better Support AcHP Systems

The Proposed Budget provides additional systems support for AcHP, which is critical for compliance with the City's obligation to create and maintain a comprehensive program database. Completion of this database remains a high priority for not just the plaintiffs under the CSA, but also for the Court Monitor—whose team has invested a significant amount of time to ensure the successful completion of this effort. Proper management of the AcHP systems work is critical to completing the database and other related technical work. The Proposed Budget provides a Programmer Analyst position, which we request be exchanged with an Information Systems Manager (ISM) who can support all AcHP technical systems and supervise the associated team of 3 full-time staff and 17 contractors. LAHD can absorb the difference in cost between the two positions within the budget as otherwise proposed.

We would like to express our appreciation for a Proposed Budget that acknowledges the importance of providing resources to get critical work done. We respectfully request your Committee's consideration of the additional resources needed to implement the programs we have in place and deliver on the goal of safe, affordable, and accessible housing for Los Angeles.

Sincerely,



Ann Sewill
General Manager