



June 26, 2026

Council File: 23-0038-S15  
Council District: Citywide  
Contact Person(s): Cally Hardy (213) 808-8653  
Maya Abood

Honorable Members of the City Council  
City of Los Angeles  
c/o City Clerk, City Hall  
200 N. Spring Street  
Los Angeles, CA 90012

## **REPORT FROM THE LOS ANGELES HOUSING DEPARTMENT REGARDING PROPOSED LEGISLATIVE CHANGES AFFECTING ULA AND ANTICIPATED IMPACT TO ULA PROGRAM REVENUE**

### **SUMMARY**

On June 17, 2026, City Council instructed the City Attorney to draft a ballot measure to exempt multifamily and residential mixed-use properties that are sold within 10 years of construction if the project is built after the amendment is passed (C.F. No. 23-0038-S15). At that time, the City Council also instructed the Los Angeles Housing Department (LAHD) and the City Administrative Officer (CAO) to report back on the impact of that proposal on projected ULA revenue and programs.

### **ANALYSIS**

LAHD worked with the CAO and its consultant (Economic & Planning Systems, Inc.) to estimate the short-term and longer-term impacts of the proposal. Because the exemption only applies to buildings constructed after the measure is passed, it is anticipated that there would be very little impact to ULA revenue in the first year, and increase each subsequent year. After 10 years, once the exemption is fully in place, LAHD estimates an approximate 5% reduction in ULA revenue, based on data from past transactions.

Applied to a current “typical” year of ULA revenue, a 5% reduction equates to approximately **\$28.4 million less ULA revenue annually**, including \$18.3 million less for Affordable Housing Programs and \$7.8 million less for Homelessness Prevention Programs.

Based on estimates provided by the CAO's consultant, modeling indicates that the exemption could benefit some projects in terms of overall project feasibility, which could result in an estimated 5% increase in new market-rate housing production (amounting to 1,665 units over five years - or approximately 330 units per year on average) and a net gain of 74 affordable units over five years (an average of 15 units per year).

Sincerely,

A handwritten signature in black ink, appearing to read 'Tiena Johnson Hall', with a long horizontal flourish extending to the right.

For:  
Tiena Johnson Hall  
General Manager