

## Communication from Public

**Name:** Simon Aftalion

**Date Submitted:** 09/30/2025 12:10 AM

**Council File No:** 23-0623-S1

**Comments for Public Posting:** Dear PLUM Committee Members, Attached please find a letter I have prepared regarding the importance of maintaining the effectiveness of ED1 through the adoption of the AHSO. ED1 has been an essential tool in enabling the production of affordable and workforce housing at scale in Los Angeles, and my letter outlines why preserving its current framework is critical. Thank you for your time and consideration. Sincerely, Simon Aftalion



Planning and Land Use Management Committee  
Los Angeles City Council

Dear PLUM Committee Members,

We are writing to express our strong support for the continuation of the ED1 program through the adoption of the AHSO. We believe ED1 has been one of the most effective regimes we have seen anywhere in the nation for encouraging the development of affordable housing. The continuation of this program, in its current form, will be a critical tool for Los Angeles to deploy in order to address its severe housing crisis. Many of the hurdles that discourage development by making housing expensive, slow to build, and financially unviable are overcome through the ED1 program (though there is always room for improvement).

ED1 is the reason our firm, Passo, a business dedicated to delivering luxury privately funded affordable and workforce housing, was able to launch. We currently own eight sites across Los Angeles with approximately 630 units in various stages of construction and development. We have been able to raise copious amounts of institutional capital to support our work. In addition, we have identified and are prepared to acquire sites that could bring our pipeline to nearly 3,000 units over the next three to four years. This is not theoretical. The capital is available, the sites are actionable, and the financial community is watching to determine whether Los Angeles will support our efforts or cause them to fail. If we can continue to prove that high quality affordable housing can be built in some of Los Angeles' most inaccessible neighborhoods at scale within this framework, we will be able to raise enough private debt and equity to make a lasting impact on the Los Angeles affordable housing landscape.

However, if certain rumored additions to ED1's current framework come to be, ED1 will de facto end the next day, whether it remains legislatively present or not. Namely, we are addressing the possibility that the permanent ordinance will include prevailing wage requirements or union labor triggers for projects below 85 feet in height or 170 units. Should that come to pass, no other ED1 building will be erected in Los Angeles beyond whatever hurdle triggers those labor provisions. With the federal cuts to HUD, ED1 buildings are barely viable as is based on covenant rents alone. In the end, math is math. Any additional costing pressure will cause these projects to fail and, as such, they will never be built in the first place. To be clear, we are supportive of labor standards in projects of a size and scope that can handle them. However, every piece of legislation cannot solve every problem. If the rumored prevailing wage provisions come to be in



projects below 85 feet in height or 170 units, that legislation will only serve to exacerbate Los Angeles's housing affordability crisis. That legislation will also serve to cancel the thousands of jobs that ED1 developers are creating. What end would that serve? Each project employs hundreds of people in construction, architecture, engineering, legal services, accounting, and beyond. So, we write to ask you not to terminate a program that has brought so many needed homes to our city and painted Los Angeles in such a positive light.

Los Angeles urgently needs hundreds of thousands of affordable units. ED1 can, and will, deliver those units if it remains in its current form. We urge you to ensure that the permanent ordinance keeps ED1 viable, so that we can continue our mission of ending Los Angeles's affordability crisis.

Sincerely,

A handwritten signature in black ink, appearing to read "Simon Aftalion", with a long horizontal stroke extending to the right.

Simon Aftalion  
Principal, Passo

## Communication from Public

**Name:** Brett William Hollenbeck

**Date Submitted:** 09/30/2025 01:48 AM

**Council File No:** 23-0623-S1

**Comments for Public Posting:** I am writing to urge you to oppose Council File 23-0623-S1, which would add labor standards to Executive Directive 1 (ED1). Affordable housing is already extremely difficult to build in Los Angeles. Adding new labor standards under this measure will make it even harder, raising costs, creating delays, and discouraging development. While fair labor practices are important, this particular proposal is an underhanded attempt to limit the very projects our city desperately needs to house working families, seniors, and vulnerable residents. ED1 was designed to accelerate affordable housing, not to restrict it. Council File 23-0623-S1 undermines that purpose. If enacted, it will exacerbate our housing crisis by reducing the number of affordable units that can realistically move forward. I strongly urge you to reject this motion and keep ED1 focused on its original intent: making it easier, faster, and more cost-effective to build affordable housing in Los Angeles. Thank you for your time and your commitment to addressing our city's urgent housing needs.