

MOTION

In 2021, as part of the American Rescue Plan (ARP), the Emergency Housing Vouchers (EHVs) program was established to address homelessness and related issues exacerbated by the COVID-19 pandemic. The United States Department of Housing and Urban Development (HUD) distributed 70,000 Emergency Housing Vouchers (EHVs) to households across the country, of which 3,365 were awarded to the City of Los Angeles. The EHV program provided local housing authorities, continuums of care and service providers a significant opportunity to establish collaborative efforts to reduce homelessness,

In Los Angeles, the Housing Authority of the City of Los Angeles (HACLA), a state-chartered public agency, is responsible for the administration of this essential program that brought thousands of Angelenos off the street and into housing. The Housing Authority covers part of a voucher holder's rent based on income. Funding in the ARP included \$5 billion specifically for EHVs, which was a one-time use Housing Choice Vouchers program designed to directly help people who are homeless, at risk of homelessness, recently experiencing homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking secure housing. The ARP provided that the \$5 billion appropriated for the EHV program remain available until September 30, 2030. These vouchers have allowed the City to provide permanent housing to many formerly unhoused individuals who were residing in Project Roomkey sites during the COVID-19 pandemic.

Rents across the Los Angeles region, statewide, and nationally were higher than projected at the time of receiving these federal subsidies, leaving only enough funds to pay for vouchers through the end of 2026 and potentially resulting in thousands of families and individuals being homeless again. To keep EHV beneficiaries housed, HACLA will need \$196 million in rental assistance funding from January 1, 2027 through December 31, 2030. Compounding the lack of funds for the EHV program are significant federal reductions and curtailments to Housing and Urban Development (HUD) administered programs. Per analysis prepared by the City Administrative Officer (CAO), there are billions of federal dollars that are being proposed for elimination or significant reductions in the latest federal budget proposal. These proposed changes will inhibit the City's ability to provide rental subsidies and housing stability support for Angelenos through partnerships with both property owners and tenants. The proposed federal cuts would also affect the programs outlined below:

- Elimination of HOME Investment Partnerships Program formula grant to State and local governments to expand the supply of housing (\$1.250B - funding elimination)
- HUD Homeless Assistance Program Consolidates the COC and HOPWA into Emergency Solutions Grant (ESG), caps assistance at two years and proposes a formula change (\$532M-funding reduction)
- HUD HCV- Proposal to convert the rental assistance program into a State based formula grant, which would institute a two- year cap on rental assistance for able bodied adults (\$26.718B-reduction)

Given the seismic shifts in federal funding traditionally relied upon to permanently house Angelenos, it is imperative that the City prepare for FY26-27 and beyond to ensure as many individuals as possible are kept housed as we continue to make progress in reducing homelessness.



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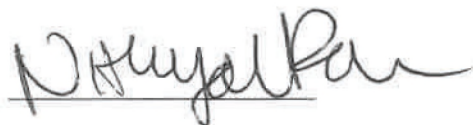
I THEREFORE MOVE that an ad hoc EHV working group be formed to identify funding solutions and ensure that families and individuals housed can remain housed. The EHV workgroup will include the Housing Authority of the City of Los Angeles (HACLA), City Administrative Office (CAO), Los Angeles Housing Department (LAHD), and Chief Legislative Analyst (CLA). The working group should focus on the following priorities and report back to City Council within 90 days on:

- Identifying funding options to seek one-time funding to ensure EHV holders remain housed through the length of the program (2030), including but not limited to Measure A funds, ULA funds, State Proposition 1 funding, and philanthropic funding.
- Identifying and transitioning eligible EHV holders to Continuum of Care slots and turnover project based voucher slots.
- Crafting and implementing an exit strategy for EHV holders. This could include leveraging existing programs to ensure proper case management, job readiness coaching, etc.

I FURTHER MOVE that HACLA with assistance from the CAO, LAHD and CLA report back to City Council within 90 days on the feasibility of implementing a local subsidy program that does not rely on federal funding sources to keep individuals housed. This report should include:

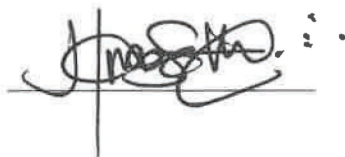
- Validated cost projections to keep EHV households stably housed through 2030; and proposed funding plan
- Landscape of local and state funders that could either offer funds or provide permanent housing and tenant-based subsidies.

PRESENTED BY:



NITHYA RAMAN
Councilmember, 4th District

SECONDED BY:



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