Communication from Public

Name:	Pete White
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Comments for Public Posting:	Opposition to amendments gutting Measure ULA (City Council file #26-0088) The Los Angeles Community Action Network (LACAN) opposes proposed and contemplated amendments to Measure ULA that would weaken it, reduce its revenue generation, provide tax breaks for developers, and undermine the will of the people of Los Angeles to reduce houselessness in our city.

To: Councilmember Ysabel Jurado
Councilmember John Lee
Councilmember Monica Padilla

From: Pete White, Executive Director, Los Angeles Community Action Network

Re: Opposition to amendments gutting Measure ULA (City Council file #26-0088)

The Los Angeles Community Action Network (LACAN) opposes proposed and contemplated amendments to Measure ULA that would weaken it, reduce its revenue generation, provide tax breaks for developers, and undermine the will of the people of Los Angeles to reduce houselessness in our city.

LACAN is a community organization based in Skid Row, a majority Black neighborhood where the highest concentration of unhoused people and low-income tenants live. Most of our members live on the streets or in SRO housing and face criminalization, lack of supportive services, and housing precarity. Skid Row also faces pressures from developers who seek to remove our members through gentrification. We strongly support Measure ULA as a critical tool in our fight to reduce houselessness and to improve our quality of life.

Measure ULA addresses he crisis of housing and houselessness

Los Angeles faces a severe housing crisis. Recent studies indicate that the city needs to increase its stock of affordable housing by 500,000 units. In a city of majority renters, about 57 percent pay more than 30 percent of their income for housing; 31 percent pay more than 50 percent. Hundreds of thousands of Los Angeles households live in over-crowded conditions. These factors greatly increase housing precarity and the risk of falling into houselessness. From February 2023 through August 2025, there were nearly 250,000 evictions initiated in Los Angeles.

Given the shortage of affordable housing and prevalence of precarity, it is no surprise that so many people in Los Angeles are unhoused. The most recent "point in time" count tallied 43,695 unhoused people, though that is almost certainly an undercount. In Los Angeles County, an average of six unhoused people died every day in 2024. These realities are on stark display on Skid Row.

In 2022, we were part of the coalition that advocated for Measure ULA. The people of Los Angeles, understanding that our city has become increasingly divided between the ultra-rich and the extremely poor and that the only answer to houselessness is housing, overwhelmingly approved Measure ULA. Its concept is simple and fair—tax high end property transactions to fund development and preservation of housing for those most in need and to fund efforts to prevent people from falling into houselessness in the first place.

Measure ULA has been successful

Measure ULA has had a successful start and promises to be increasingly successful over time. Since its implementation began in April, 2023, it has raised $1.185 billion, and revenues are rising. The largest source of this revenue has been from single family residential properties.

It has funded full legal representation in 3,223 eviction cases, and limited legal assistance in nearly 11,000 more. The eviction defense has produced a 94 percent success rate, meaning thousands of people who might otherwise have lost their homes have been protected. It has provided income supports and emergency rental assistance for thousands of households, heading off eviction actions. Measure ULA funds already have helped finance about 800 units of housing affordable to very low-income people, with many more on the way. That construction is creating thousands of quality, union construction jobs.

Over the past two years, the Los Angeles “point in time” counts have found reductions in houselessness. While we believe these are undercounts, the relative reduction is a sign that, along with Measure HHH units coming on-line, Measure ULA’s production and preservation of affordable units and, especially, its preventing people from losing their homes are having strong positive impacts.

Measure ULA is by far the largest fund for development of affordable housing in the City of Los Angeles, and absolutely essential to our efforts to resolve the housing and houselessness crisis.

Real estate developers seek to gut Measure ULA

From the outset, the real estate industry has opposed Measure ULA, mounting a multi-million dollar failed campaign to dissuade voters from approving it, plotting sneaky practices to avoid paying the tax, filing lawsuits to stop its implementation, and, now, advocating for amendments that would create huge exemptions to defund and undermine it.

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The primary amendments include exempting properties built or renovated in the past fifteen years and properties damaged in natural disaster. Other amendments being discussed include redirecting money away from permanent housing and towards shelter, or "interim housing," and creating an exemption zone for downtown Los Angeles. There is also a proposal to allow developers to use ULA funds to rent to people making as much as 80 percent of "area median income" (AMI).

Each of these proposed changes to Measure ULA is unacceptable.

Exemptions

The proposed exemptions are tax breaks for developers that would dramatically reduce revenue generated for affordable housing and eviction defense. The Los Angeles Housing Department's May 10, 2026 report estimates that exempting properties built or remodeled within the last 15 years would reduce revenues by 29 percent, losing $145 million every year. Even if the amendment only exempted properties built in that timeframe, it would cost $64 million each year. The exemption for people impacted by the fires could cost as much as $32 million each year. The report quantified this loss in terms of actual impact: 350 fewer units of housing developed; 1,500 fewer homes preserved; 950 fewer households getting rental assistance; 1,200 fewer senior or disabled people getting support; 2,100 fewer households getting legal protections; fewer construction jobs. This impact translates to more people forced to live on the streets of Los Angeles, with fewer services. For real estate developers, these amendments mean more profits; for Skid Row residents, they mean real hardship, lost housing, and, even, death.

Real estate developers who are seeking to cash in on investments in downtown Los Angeles properties are asking for a further exemption from the tax in the downtown area. While there have been no formal proposals and the LAHD report did not quantify the impacts of such a carve-out, we know that it would greatly decrease funding for the housing and houselessness prevention programs. Further, it would incentivize development of market-rate high cost housing in an area already facing heavy pressure of gentrification and removal of poor people. Measure ULA does not tax transactions related to affordable housing, which is the housing we need in downtown Los Angeles, and especially Skid Row.

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Raise tenant income level eligibility

There is a proposal to make it easier for developers using Measure ULA money to rent to higher income people, including people making up to 80 percent of AMI. While this proposal may increase profitability for some projects, it would defeat the intent of the voters who approved Measure ULA as a tool to combat houselessness.

For a single person, 2025 AMI for Los Angeles County was $106,000 per year; 80 percent, defined as "lower income," was $84,850. By that calculation, a "lower income" person can afford rent up to $1,119 per month. Measure ULA outlines explicit limits on what income levels the housing units it funds must target. It sets percentages for acutely low income people ($11,200 per year), extremely low income ($31,850), very low income ($53,000), and lower income. The proposed amendments would make it easier for developers to rent to people at the higher levels.

Many Skid Row residents who need this housing survive on General Relief payments of $221 per month. Unhoused people almost universally fit in the "acutely low income" category, while a single person with $85,000 per year income has a much better chance of finding a place to live in the city.

The existing allocation of housing units to people of various low income levels spelled out in Measure ULA is proper. Allowing developers to use the money for higher income people will undermine its purpose to help those most in need.

Divert funding from housing to shelter

Perhaps the most insidious of all the proposed amendments is the effort to Measure ULA funding to be used for shelter instead of housing.

Measure ULA explicitly says the funds it raises must be used for permanent housing, not shelter or "interim housing." This choice, approved by the voters, reflects the fact that the only solution to houselessness is permanent housing, including with supportive services when needed. Placing people in shelters does not end their houselessness, unless there is a clear, consistent and rapid path from that shelter to permanent housing. Such a path does not exist in Los Angeles because there is a shortage of permanent housing. Measure ULA was created to address that shortage.

The reasons why more shelters are an unacceptable alternative to permanent housing are well documented. While some people do urgently need to get indoors, for the vast majority of unhoused people, shelters are not appropriate. They often provide unlivable and unhealthy conditions, crowded, unsanitary, and rife with disease. People, especially women and trans people often find shelters unsafe. Shelters, including the hotel rooms of Inside Safe and the former Project Roomkey, impose draconian rules that no adult should have to tolerate. These rules include imposing curfews, forbidding guests, limiting privacy, unannounced inspections by staff, searches when entering the property, limits on personal property, among others. Shelters often break up families, partners, and communities and prevent people from keeping pets. Many people who enter shelters, including the hotel rooms, find conditions unbearable and soon leave, preferring to take their chances on the streets.

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Without permanent housing for shelter residents to move into, those shelters do not address houselessness. A 2020 Los Angeles study explained that for a shelter system to work, there must be five units of permanent housing for each one shelter bed, and the county only had one for each bed. Whether the numbers are exactly accurate or not, the point is that, without sufficient permanent housing, the flow of people from the streets to shelter to housing stops. What happens, as has happened with Mayor Bass' Inside Safe program, is that people either remain stuck in the shelter/hotel room, enduring the miserable conditions, or they return to the streets.

Keeping people in shelters for months and even years costs vast amounts of taxpayer money that could more effectively be directed to permanent housing. Inside Safe hotel rooms cost, on average, $3,500 per month per room. As of November 2025, the City had spent $323.5 million on the program, out of which more people had returned to the streets than had found permanent housing. The rest remain warehoused in the shelter.

Measure ULA was designed to reject warehousing and the ineffective shelter approach. Diverting money it raises away from permanent housing undermines its purpose and does not help solve the problem.

Reasons for the amendments are wrong

The obvious reason behind the attack on Measure ULA is that property owners, developers and real estate professionals do not want to pay the tax and do not want to share the burden of solving the crisis that impacts everyone in Los Angeles. The tax limits their profits.

Some of Measure ULA's opponents have attacked it in a straightforward way—through lawsuits, avoidance measures, and, now, a proposed statewide ballot measure that would prohibit transfer taxes of this kind altogether.

Other opponents have taken a more subtle approach. They claim that they support the goals of Measure ULA but want to remove some "unintended consequences." The amendments come from these opponents. Prominently, there is the "Mend It, Don't End It" Coalition, which includes in its membership Central City Association, the Los Angeles Business Council, and the Los Angeles Area Chamber of Commerce, as well as other organizations that have promoted a gentrification agenda. The Los Angeles Area Chamber of Commerce explicitly opposed Measure ULA during the ballot election. Central City Association has a long history of promoting criminalization of unhoused people and development in downtown Los Angeles that benefits the wealthy at the expense of poor and unhoused people. These organizations' first loyalty is to the property owners and business interest that they represent—the same people who seek to avoid the tax.

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They base their misleading arguments that providing huge exemptions that cut Measure ULA funding by over 30 percent somehow strengthens it on a study from the UCLA Lewis School. That study, overseen by a former Central City Association policy director, suggests that Measure ULA is responsible for a substantial decrease in commercial, industrial, and multifamily housing transactions, and that this decrease is responsible for loss of property tax revenues. However, that study is highly disputed by other studies. Its claims, cited by those seeking to gut Measure ULA, are based on a short time-frame; they do not adequately account for external factors unrelated to the transaction tax; and they exclude data necessary for a fair comparison. Particularly noteworthy, the data shows that transactions rose dramatically right before the tax took effect, as people rushed to sell; then transactions stopped almost entirely once the tax applied, as people waited on results of legal challenges and there were very few remaining properties to sell; and more recently the number of transactions has been rising steadily. This pattern may indicate that whatever drop in high-end real estate transactions occurred immediately following implementation may have ended and transactions are returning to their normal levels.

Another deceptive part of the “Mend It, Don’t End It” Coalition’s claim is that they are seeking to avoid the state ballot measure that will drastically limit transfer taxes. However, the Howard Jarvis Taxpayers’ Association, which is leading this ballot measure, has made it clear that they will continue to pursue it regardless of any amendments to Measure ULA.

Anyone with a sincere desire to protect Measure ULA would speak the truth about how effective it has been and acknowledge all the people it has helped to avoid houselessness while celebrating the funding it will provide to house so many for years into the future.

Conclusion

There are technical amendments to make Measure ULA more efficient and effective that our community supports. However, amendments promoted by developers, whose main goal is to avoid the tax, that weaken it by reducing its source of funds, diverting those funds from housing to shelter, and lessening units available to the most in need, are unacceptable. As federal and state funding for affordable housing decreases, we cannot afford to lose this essential source of funding.