

## Communication from Public

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**Comments for Public Posting:** The Supportive Housing Alliance, a coalition of a dozen supportive housing developers across Los Angeles, oppose Councilmember Lee's motion to put a measure on the November 3 ballot that would significantly cut Measure ULA revenues, pursue an ill-conceived bonding strategy, and divert affordable and supportive housing dollars away from housing construction, preservation, and tenant protections. The recent Homes for LA NOFA was oversubscribed five to one. As federal investments in housing and homelessness continue to shrink, we are relying on local sources of funds, such as ULA, to pick up the slack. We are very concerned that the proposed rate decreases will significantly reduce Measure ULA revenue. Additionally, this policy proposal was not included in the recent LAHD report assessing proposed ULA amendments, meaning that we don't know the extent to which this funding reduction would harm Measure ULA's program outcomes. Far fewer units of affordable and supportive housing will be built if this passes, along with far fewer units preserved, as thousands would lose their rental assistance and/or tenant protections services. We are especially taken back by the proposal for a rate reduction for single-family property transactions. If the concern is that Measure ULA is negatively impacting multifamily housing construction, a rate reduction for single-family home transactions does nothing to remedy those negative externalities. This is a blatant attempt to give a tax cut to the wealthiest homeowners at the expense of low-income families. Furthermore, we have significant concerns regarding the possibility of pursuing a bonding strategy with Measure ULA revenues. Though we appreciate the intent of replicating the success of LACAHSAs bonding authority, that decision also came with certain consequences. Namely, bonding Measure ULA revenues would create pressure to recycle capital at a quicker rate, which creates pressure for Measure ULA funds to be utilized in hard debt loans, as opposed to soft debt loans. Soft debt loans are a critical component to supportive housing financing, without which, we would not be able to make our projects pencil and provide housing to people experiencing chronic homelessness. Hard debt loans are successful for projects that can generate revenues quickly, therefore, there are more commonly used by projects that serve higher income tenants. Bonding ULA revenues

would start to skew the kinds of projects the program invests in towards higher income levels, at a time when we need to be financing projects that serve our city's most vulnerable residents. Furthermore, bonding Measure ULA tax receipts is not as prudent of a strategy as LACAHSAs, given that LACAHSAs are bonding against sales tax revenue, which is far more predictable. Measure ULA tax revenue is dependent upon property sales and transfers, making it much more volatile, introducing uncertainty, where bond investors are looking for stable investments. Lastly, it is of the utmost importance that Measure ULA funds be spent on permanent housing solutions, including affordable and supportive housing development, housing rehabilitation, and tenant protections, not interim housing. Though interim housing serves an important function, permanent housing is the north star that our entire homelessness service ecosystem works towards. It's important to emphasize that individuals in interim housing and shelter are still experiencing homelessness. Taking money from programs that build affordable and supportive housing in order to pay for interim housing is not a sound strategy to reduce homelessness. Individuals are already staying, on average, over a year in interim housing and shelters because there aren't enough permanent housing units to place people in. Permanent housing for individuals experiencing homelessness is what we need to increase most of all, not interim housing. That is why we are very concerned by section four of the author's motion, that would divert Measure ULA funds towards addressing street homelessness. What the system needs more than anything right now is permanent housing placements for throughput. Measure ULA is already designed to increase the supply of exactly that kind of housing. Expanding its eligible uses will dilute the effectiveness of this funding stream towards ending homelessness. For these reasons, we strongly encourage your NAY vote on this motion.