



Lincoln Heights Neighborhood Council
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Sara Clendening, President; Ben Wadsworth, Vice President;
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Community Impact Statement

May 11, 2021

The Board Approves This Community Impact Statement Yea (x), Nay (x), Abstain (x) on May __, 2021

RE: CF 20-1359 City Council Funding Luxury Housing with CSCDA Revenue Bonds for 141 Ave 34

To the Honorable City Council of Los Angeles,

We are submitting this letter regarding Council File 20-1359 asking for California Statewide Community Development Authority (CSCDA) refuse to issue bonds to borrow \$125M of public resources for luxury housing. While we agree there's an urgent need to address the city's housing affordability crisis, we are formally saying this Motion undermines our faith in the City Council's efforts on affordable housing and homelessness. The Housing + Community Investment Department (HCID) Affordable Housing Bond authority must reject funding bonds that allow this flagrant misuse of public funds. **WE OPPOSE THIS COUNCIL FILE.**

The language in the ordinance / Motion regarding 141 Ave 34 is itself is overly broad and doesn't address the more technical side of the problem. However, the city's housing affordability crisis isn't just a technical problem. We ask that the language of any proposed funding motion include the following aspects:

WE oppose that the City Council hold a Tax Equity Fiscal Responsibility Act (TEFRA) Hearing for the purpose to mistakenly adopt the TEFRA language and allow the CSCDA to issue bonds in an amount of \$125,000,000 supporting luxury housing. This is an illegal use of that funding authority and should be disqualified on the basis of failed public trust of these funding vehicles.

There is no condition that public funding will be provided to spend upwards of \$1,000,000 per unit of affordable housing. And we ask, why would anyone buy such bonds, and the project is not going to pay for it. We ask, who is going to rent on a \$1,000,000 affordable unit? This Motion fails to mention that the 66 units are not constructed, and appears to use funds exclusively for rent restricted units.

L.A. City Hall must utilize more tools to address the current housing affordability crisis. If funding is increased in any way for this project, the percentage of affordable units must be 18%. Thousands of market-rate units near transit were created, but this has resulted in an increase in un-housed residents, more gentrification, and skyrocketing rents. What's been done in the past is not only failing to create the results we desperately need, but it also harms working-class and lower-income residents. We need more housing, not less.

The push to fund more market-rate, or luxury, housing, with CSCDA funds is beyond belief for those on this Council who expect more from our City Council. If city officials want L.A. to be a truly livable city for everyone, then assistance must start at the lowest end of the economic spectrum, not the highest. And certainly not misuse funding authorities meant for entirely different purpose.

The city must focus on producing more homeless housing at a lower price point per unit than traditional homeless housing projects coupled with supportive services where necessary. For example, utilizing the adaptive reuse of city-owned properties. For new development projects, the city must require a sizable percentage of VLI and ELI housing units that are so desperately needed. The city must stop the flow of people into displacement in the first place by looking at broader homelessness preventive measures.

There is so much more that we can do, we just have to want to do it, and without the appearance of corruption.

Respectfully,

Richard Larsen, Lincoln Heights Neighborhood Council

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