

POLICY DIGEST

A monthly snapshot of housing-related policy research



THE PATH TO JUSTICE RUNS THROUGH EQUITY

August 20, 2021 | The Committee for Greater LA

ENDING ANTI-BLACK RACISM IN LOS ANGELES

Throughout the COVID-19 pandemic, families across Los Angeles County have endured multiple waves of sickness, insecurity, joblessness, learning loss, and challenges to mental health. These impacts have been felt across Angelenos of all spectrums, including communities of color. Earlier this year, the Committee for Greater LA came together to understand the effects of COVID-19 on different populations throughout Los Angeles County. Business, philanthropy, labor, government and other community leaders held weekly data briefings on topics such as employment, housing and homelessness, trauma, and the experiences of youth relating to COVID-19. These meetings focused on comprehensive review of systemic racism, particularly focused on anti-Black racism.

FEATURED IN THIS ISSUE

1. The Path to Justice Runs Through Equity
2. The Effects of Project Labor Agreements on the Production of Affordable Housing
3. How Much Does It Cost to Permit a House?
4. A Federalist Perspective: Why States Don't Use Housing Vouchers
5. New Key Indicators of Affordable Housing Need
6. Pandemic Highlights Disparities in High-Speed Internet Service
7. COVID-19 Resources



"Economic costs have been uneven...with the state reporting that nearly half of Black workers have filed for unemployment since the crisis began through the end of July, well above the twenty-seven percent figure for white workers."

Ten Important Principles for a Reinvention of Los Angeles

1. **Address anti-Black racism**
2. Build an economy that prioritizes those left behind
3. **Support the health of communities and individuals experiencing trauma under systems of neglect and oppression**
4. Create housing for all while ending unsheltered homelessness
5. **Insure access, mobility, and equal voices for immigrants regardless of immigration status**
6. Support education access for all children and communities
7. **Celebrate and support youth leadership and empowerment**
8. Strengthen the non-profit sector as a key part of civil society
9. **Build community power and develop accompanying metrics to hold systems accountable**
10. Align business, community, philanthropy, and government towards equity

THE EFFECTS OF PROJECT LABOR AGREEMENTS ON THE PRODUCTION OF AFFORDABLE HOUSING

2021 | Jason M. Ward, RAND Corporation



EVIDENCE FROM PROPOSITION HHH

Proposition HHH is a \$1.2 billion bond earmarked for the development of up to 10,000 units of affordable and permanent supportive housing aimed at addressing chronic homelessness in Los Angeles. As of May 2021, approximately 7,300 units of housing were in the pipeline. Failure to meet the original targets can be attributed to higher-than-expected construction costs.

One potential reason for increased costs is a project labor agreement (PLA) added by the city council after the initiative was passed. A PLA specifies rules concerning hiring, worker ratios by union status and experience, strikes and work stoppages, grievance and arbitration procedures, and targeted hiring provisions for local and disadvantaged workers. Critics argue that PLAs directly increase costs by disincentivizing project bidding and contractor flexibility reduction. Advocates argue that PLAs lower costs through timely project completion while increasing competition by leveling the playing field for union contractors.

Key Findings

- Developers responded to the HHH PLA, which affects projects with 65 or more housing units, by disproportionately proposing projects below this threshold
- The HHH PLA is associated with higher costs and fewer overall housing units
- It is unclear why developers of HHH-funded housing responded so strongly to the PLA
- It is unclear whether the targeted hiring provisions in the HHH PLA are an effective way to foster the hiring of local and disadvantaged workers

HOW MUCH DOES IT COST TO PERMIT A HOUSE?

July 23, 2021 | SPUR



AN ANALYSIS OF CITY AND COUNTY COMPLIANCE WITH CALIFORNIA AB 1483 AND RECOMMENDATIONS TO IMPROVE THE TRANSPARENCY OF DEVELOPMENT FEES

This research provides an analysis of compliance with California AB 1483 and recommendations to improve the transparency of development fees. California is in the midst of a housing affordability crisis that is rooted in a lack of housing supply, perpetuated by the high costs of development. Focusing on the development process obstacles that contribute to steep costs and limited housing production, this research argues there's lacking transparency around issues of development fees and local requirements. Limited transparency led to the passage of Assembly Bill 1483 in 2019, while later, AB 1483 (Grayson) enacted fee transparency measures, such as requirement of local policy fees, housing affordability requirements and the clear posting of zoning codes in public online domain.

Key Findings

- **Development fees and requirements can add significant costs to new housing development**
- The hidden nature of these fees create uncertainty, deterring potential developers and escalating project expenses
- **Increased cost and uncertainty threaten the production of market-rate and affordable housing**
- AB 1483 is a critical solution, mandating transparency around development fees across the state
- **Establishing transparent development fees and requirements is an important step towards addressing California's housing affordability crisis**

[Read the entire report.](#) PAGE 4

A FEDERALIST PERSPECTIVE: WHY STATES DON'T USE HOUSING VOUCHERS

August 31, 2021 | Noah Kazis, New York University School of Law

At the federal level, the oldest, fiercest debate in low-income housing policy is between project-based and tenant-based subsidies

The federal government employs strategies to embrace tenant-based assistance as more cost-effective, offering tenants greater choice and mobility. This Article shows how state and local housing voucher programs are rare, small, and limited to special populations. States and cities almost exclusively provide project-based rental assistance. Operating in disparate market conditions and political demands, project-based spending dominates in states that are liberal or conservative and high or low rent. This approach suggests an unhealthy federalism: neither efficient nor experimental. Taking a federalist perspective allows for a new understanding of federal housing statutes and informed a better model in accepting states' limitations to provide rental assistance.

Why states have made this choice, identifying three primary culprits:

1. **Fiscally-constrained states use project-based models to minimize painful cuts during recessions**
2. **Incomplete federal housing subsidies inadvertently incentivize project-based spending**
3. **Rental assistance's unusual, lottery-like nature elevates the value of visible spending over cost-effectiveness**

NEW KEY INDICATORS OF AFFORDABLE HOUSING NEED

September 1, 2021 | California Housing Partnership



RACIAL DISPARITIES IN ACCESS TO A SAFE, STABLE, AND AFFORDABLE HOME HAVE LONG DEFINED CALIFORNIA'S HOUSING CRISIS

Based on input from focus groups and users, the California Housing Partnership has announced key upgrades to their interactive online Housing Needs Dashboard to include new indicators, data and functionality. As the number of unhoused individuals continues to climb in most of California, new graphics give a historical look at an annual count compared to the supply of temporary and permanent housing each year.



Upgrades are based on the following key findings:

- Racial disparities in access to a safe, stable, and affordable home have long defined California's housing crisis.
- Renters of color are more likely to experience housing cost burdens, homelessness, and housing instability, due in large part to California's long history of discrimination in public and private housing markets, structural racism, and government-sponsored segregation.

PANDEMIC HIGHLIGHTS DISPARITIES IN HIGH-SPEED INTERNET SERVICE

September 8, 2021 | Riordan Frost, Joint Center for Housing Studies



HOUSEHOLD EMPLOYMENT LOSS AND HIGH-SPEED INTERNET AFFORDABILITY

In 2019, almost one-fifth of households in the US did not have high-speed internet. This digital divide put many households in a difficult situation when the pandemic forced much of life to go online. Those least likely to have high-speed internet in 2019 were households of color, rural households, and low-income households. For some without high-speed internet, the service is available but not affordable, for others it is simply not available.

Census data reveal whether households have high-speed internet, but not whether households without high-speed internet are facing barriers of cost or access. The trends of high-speed internet usage provide many insights into where the utility is most needed.

Key Findings

- **States with large rural areas have larger digital divides**
 - Rural households with school-age kids were least likely to have high-speed internet, especially in the South, where 29 percent of households lacked high-speed internet, compared to 25 percent in the West, 24 percent in the Midwest, and 15 percent in the Northeast (Figure 2). Households of color with school-age children were generally less likely to have high-speed internet as well.
- **Rural households with school-age children are less likely to have high speed internet**
 - In 2019, 29 percent of those earning less than \$30,000 lacked high-speed internet, compared to 23 percent of those earning \$30,000-44,999, 18 percent of those earning \$45,000-\$74,999, and 10 percent of those earning \$75,000 or more.

CITY-WIDE EFFECTS OF NEW HOUSING SUPPLY: EVIDENCE FROM MOVING CHAINS

2021 | VATT Institute for Economic Research, Cristina Bratu, Oskari Harjunen, and Tuukka Saarimaa



CITY-WIDE EFFECTS OF NEW MARKET-RATE CONSTRUCTION USING GEO-CODED REGISTER DATA FROM THE HELSINKI METROPOLITAN AREA

Even in the short run, new market rate construction loosens the housing market in middle- and low-income areas. Market-rate supply is likely to improve affordability outside the sub-markets where new construction occurs to benefit low-income people.

These results are important for the policy debate in many cities about increasing the supply of market-rate housing. While market-rate housing supply seems to have wide-ranging beneficial effects, it is not the solution for all housing market problems. Some people will experience housing market discrimination and others may be unable to afford the lowest cost housing. Housing allowance or voucher programs, as well as social housing are important complements to market-rate supply. These programs, if well-designed, may be helpful in preventing residential segregation.

Key Findings

- **Wide mobility across neighborhoods**
 - Extreme ends of neighborhood distribution can, in principle, be connected through moving chains
- **Movers to new, centrally located buildings have on average higher incomes and are more educated than stayers or movers to other destinations**

TOGETHER WE CAN END THE PANDEMIC

SCANPH IS PROUD TO PARTICIPATE IN A STATEWIDE CAMPAIGN TO EDUCATE LOW-INCOME RESIDENTS ABOUT THE COVID-19 VACCINE AND PREVENTATIVE HEALTH MEASURES



Vaccines are our most powerful tool to end the COVID-19 pandemic. All Californians ages 12 and older can now schedule an appointment to receive a COVID-19 vaccine.

Vaccines are safe, effective and free for ALL Californians. To learn more about vaccines, call (833) 422-4255 or visit [VaccinateALL58.com](https://www.vaccinateall58.com).



CA COVID-19 RENT RELIEF

PROGRAM SUPPORTS HOUSING STABILITY FOR MOST VULNERABLE

- CA COVID-19 Rent Relief provides financial assistance to income-qualified tenants experiencing housing instability. The program provides rent reimbursement to landlords for unpaid rent.
- Landlords are eligible to receive 80% of unpaid rent, as long as they agree to waive the remaining 20% of unpaid rent.

HOW TO APPLY:

- Tenants and landlords can determine eligibility and apply for funds directly at [HousingIsKey.com](https://www.housingiskey.com).
- If you don't have access to the internet, you can call the CA COVID-19 Rent Relief Call Center, 1-833-430-2122 for information on the help center nearest to you to help you access an application.