

2020 LA City Council District 4 Candidate Questionnaire

SCANPH shared the following questions with the campaigns of both candidates running for Los Angeles City Council District 4 in the 2020 general election: Nithya Raman and David Ryu. We thank both candidates for responding to the questionnaire. More information about the candidates is available at <https://clerk.lacity.org>. More information about voting in Los Angeles is available at <https://lavote.net>.

Question #1

*Everybody agrees that we need more affordable housing, but we need more public funding to make that happen. Locally in recent years, Prop H and Measure HHH raised new public funds for affordable housing, but these are nowhere near enough and will not last forever. What **specific** local funding sources for the City do you propose as the next step to build more affordable housing for Angelenos?*

Nithya Raman: We've considered a few different funding streams for affordable housing construction during the campaign, but the most exciting prospect to me right now is making LA's real estate transfer tax more progressive, aka instituting a "mansion tax." LA's transfer taxes are flat and relatively low – making these taxes more progressive would involve imposing higher rates on more valuable properties, as San Francisco and Washington state do. A recent UCLA study found that this single policy change could generate \$100 to \$800 million per year more than our current transfer tax, largely wiping out the revenue hit caused by the pandemic and creating ongoing resources for affordable housing construction. Better yet, the tax could be engineered to exempt new affordable development, creating additional incentives for the kind of housing we need. Culver City is currently considering this change to the transfer tax on their November 2020 ballot -- LA should do the same. I'm also in favor of the vacancy tax already under discussion at City Council, although I believe further research is required on how much revenue this will actually yield.

When it comes to public funding, I think it's also important to consider how we can generate more units with the money we do raise -- starting with identifying why we are on pace to develop only about half of our goal of supportive housing units from HHH. Fulfilling the promises of affordable housing ballot measures is a vital aspect of securing more funding from voters in the future, and I believe city leadership missed some opportunities by imposing a number of unnecessary restrictions on new developments, like demanding builders secure several funding streams and limiting the types of units that could be built, preventing the construction of shared units or dormitory style units. Delays driven by these restrictions and an extensive review process also increased soft costs, which appear to be the

biggest driver of high per-unit costs we're seeing now. I don't believe our goal should be putting money toward interim housing instead -- permanent housing is the only thing that ends homelessness. But I do believe we can be more urgent, flexible, and innovative in getting taxpayer money spent, to assure we get all the units we can from our public dollar.

David Ryu: The generosity of Angelenos in passing Prop H and Measure HHH shows the incredible local support for more affordable housing production in Los Angeles. But as you note, this is not nearly enough and is a finite source.

Last year, I introduced legislation for a vacancy tax here in Los Angeles. During a housing crisis, land and units should not be allowed to lie vacant without reason. All of the funds from that tax should be dedicated to affordable housing production. I am pushing firmly to place that measure on the 2022 ballot.

A second proposal, I have put forward is increasing the inclusionary zoning requirements for development projects in high market areas, including within the TOC Tiers. Right now, we generally have one-size-fits-all rules for affordable housing percentages, even if a project is expected to make substantially more profits in one part of the city versus the other. This leaves a lot on the table. My proposal would change that and would either produce more affordable housing or could include an in lieu fee component that would be set aside for affordable housing production.

The loss of the CRA and the impact of the 2008 recession both devastated our ability to provide adequate affordable housing funding and realistically, we are staring down the very real possibility of another recession in the wake of COVID-19. I still have not given up working with State legislators to try to find some, at least partial, replacement for funding lost with the dissolution of the CRA. Still, local funding sources are vital, we will need to work with the State and Federal governments to ensure we have consistent and robust funding for affordable housing production and maintenance. Until then, I am pushing for measures locally, such as expanding the linkage fee, to create more funds for affordable housing. I successfully pushed to create the initial four-tier linkage fee system to collect higher revenues in higher income areas from development projects without adequate affordable units, while keeping the fee lower in disadvantaged communities that are struggling to attract investment.

2020 LA City Council District 4 Candidate Questionnaire, cont.

Question #2

*Although the City of Los Angeles is the biggest city in California and the second biggest city in the United States, it cannot do everything on its own. LA needs to partner with the County, the State, and the Federal government. In recent years, the State Legislature has had a bigger impact on affordable housing throughout the State. What **specific** legislation would you like to see come out of Sacramento to get more affordable housing built here in LA?*

NR: For starters, it's long past time to repeal Article 34. It's a racist, classist artifact in our state constitution, and while many districts in LA (including CD4) already have the latitude to construct many more publicly-funded units than currently exist, repealing Article 34 would remove legal roadblocks to getting the kind of housing we need built quickly across the city.

This past year, I also supported bills that incentivize the construction of more, smaller units per building -- like AB1924, which would allocate fees on a square-foot basis instead of per unit. Under current law, developers seeking to build more apartments at a more affordable cost per unit are punished compared to for-profit developers building massive luxury apartments. I also supported a range of bills that reduce fees, streamline approvals, and limit CEQA litigation time for affordable housing construction. I strongly believe targeting deeply affordable construction is the path forward for housing legislation at the state level.

DR: First and foremost, I would love to see Sacramento find a way to provide adequate funding to local jurisdictions for affordable housing. My colleagues and I fought hard during this past year's RHNA process at SCAG to overturn decades of regionally irresponsible, sprawling, and inequitable housing policy. By joining with advocates like SCANPH, my colleagues and I were able to shift the housing need numbers to wealthy, jobs-rich coastal cities. Now comes the hard part: funding and building the low- and moderate-income housing component of our RHNA allocation. Housing legislation that strengthens our ability to require inclusionary housing is one mechanism. In 2017, the so-called Palmer Fix was a great example of Sacramento giving us more flexibility when it comes to requiring new housing projects to include deed-restricted affordable housing.

I'll always prefer State funding or free (or low lease of) State land to be used for affordable housing versus State land-use regulation for housing production, but when the state writes those bills, I want them to untie our hands locally- give us choices from a variety of incentives, and set the fair target of affordable to each jurisdiction and let us get to work.

We consistently meet our RHNA goals for market-rate housing but have for decades been under resourced and unable to keep pace with the growing need for moderate- and low-income housing. I would like Sacramento to set targets local jurisdic-

tions **MUST** meet and provide every possible support for jurisdictions that meet their targets for moderate- and low- income units, and penalties for jurisdictions that do not.

Question #3

Coronavirus infection rates are still high in Los Angeles, and the disease is still affecting people with low incomes, people of color, and essential workers at higher rates than the general population. Rent relief for residents infected by coronavirus is essential, but solutions so far have only shifted the financial burden from renter to landlord's including affordable housing. These policies put NOAH/ mom and pop properties at risk, and they also destabilize affordable housing developers and operators, which puts our City's entire affordable housing portfolio at risk. How would you address this situation with policies that protect renters and our City's private and publicly subsidized affordable housing?

NR: Back in May, I was the first candidate or elected representative in the city of LA to put forward a rent forgiveness policy platform. In our proposal, we account for the profound risks of rent cancellation without reimbursing landlords -- we can't risk losing affordable units to condo conversions or buyouts from private equity. My plan relies on direct payments to small landlords from CARES Act money and possible new funding streams (including a progressivized documentary transfer tax), as well as transferable tax credits for larger landlords. It also mandates the creation of a comprehensive rental registry that includes single family homes and apartment units so that the city can better understand its housing landscape, and be able to effectively target subsidies in the future.

I also want to address the rent forgiveness proposal Councilmember Ryu produced a few months later. I've reviewed it, and I don't believe it's at all viable. His plan relies exclusively on loans from the Fed's newly formed Municipal Liquidity Facility. This lending facility imposes extremely costly and restrictive lending terms on government bodies like the city of LA that have credit ratings above poor. The MLF has only been borrowed from twice -- by the state of Illinois and New York's MTA, two institutions with much worse credit than LA's. A loan from the MLF today would be far more expensive than what we could get on the private market, and would have to be repaid in full within three years. I believe our rent forgiveness program needs to be operational in the near term - we can't wait for changes to a federal program that may never come.

DR: The impacts of COVID-19 will be long lasting. As we rebuild our economy and eventually return to work and school when it is safe, we have to ensure our small businesses, homeowners, and renters have the assistance they need. The City of Los Angeles Emergency Renters Assistance Program, created by the City Council and HCIDLA, with the support of Mayor Garcetti, and funded with \$103 million dollars (from COVID CARES ACT

2020 LA City Council District 4 Candidate Questionnaire, cont.

relief funds), assisted both tenants and landlords through a temporary rent subsidy that was anticipated to assist 50,000 Los Angeles households. In addition to this program, my office is proactively reaching out to our residents and asking if they need assistance as a result of COVID-19. We've partnered with the local nonprofit organization, Jewish Free Loan Association, to provide interest free and fee-free funding to residents and small business owners who are struggling. Council District Four residents can apply online for an individual loan up to \$5,000 to pay for housing costs, and small businesses can apply for a loan of up to \$10,000. These are the kinds of programs I will champion as we rise from the pandemic to ensure our families, renters, homeowners, and mortgage holders, as well as businesses have the resources they need to recover emotionally and financially.

I have also introduced a program for rent debt forgiveness to pay off renter debt owed to property owners. This program would tap the Federal Reserve's Municipal Liquidity Facility (MLF) to provide additional capital to the City of Los Angeles to take on rental debt from tenants, who through no fault of their own, were forced out of work due to COVID-19. The City of Los Angeles will be impacted financially by this crisis one way or the other. In one scenario, the City faces increased costs from rising homelessness due to evictions and reduced tax revenues from a slow recovery. I propose that we take on those costs now, by relieving impacted renters of their rental debts, and in so doing reduce future fiscal and humanitarian costs from homelessness and speed the economic recovery by keeping people in their homes without huge debts to weigh down consumer spending.

While I will give it everything I've got as long as we can, the City can't fully support every landlord and every tenant without real State and Federal help. I'm proud to be the coauthor of the City's support position on a nationwide comprehensive rent and mortgage relief program for Americans impacted by COVID-19.

Question #4

*Los Angeles is changing. With the population growing and housing construction not matching that growth, housing prices continue to go up, which affects both rent and the price of buying a house. Everybody is affected. In many parts of LA, the result is gentrification, which often prices out Black people, Latinos, and other vulnerable communities. What **specific** City laws would you push to protect vulnerable communities in changing neighborhoods so that they can stay in their homes?*

NR: I've proposed a wide range of policies to keep low-income tenants in their homes in my Housing and Homelessness platform, and am publishing more recommendations focused on affordable housing shortly. Here are some:

1. Guaranteed legal counsel for tenants facing eviction. There are estimated to be tens of thousands of evictions annually in the city of LA. Programs in San Francisco and New York City

to provide legal counsel have significantly reduced evictions. A right to counsel would save LA money in the long run that we now spend on services to treat the homelessness crisis to which evictions have contributed. In recent weeks, the city has created a temporary COVID-19 legal fund for this purpose -- but evictions were rampant even before the pandemic, and this fund has been necessary in LA for years.

2. Eliminating the 3% floor on permitted rent increases in RSO units. For almost a decade, landlords operating RSO units in LA were allowed to increase rents well beyond inflation, leading to many Angelenos being priced out. Permitted rent increases should be tied directly to the Consumer Price Index -- or even to real wage increases -- so that our rent-controlled stock doesn't continue to see baseline price increases well beyond what many tenants can afford.

3. Expanded rental assistance to more income levels. LA currently offers emergency rental assistance only to those at the very bottom of the income spectrum, leaving many low-income Angelenos vulnerable to eviction and homelessness. Again, money spent to keep tenants housed saves the city money in emergency and homeless services later.

4. Proactive enforcement of tenants' rights backed by a comprehensive rental registry. Our current tenant protections in LA are barely enforced -- we rely on tenants to know their own rights, report landlord violations, and handle their own cases to avoid eviction. A full registry of rental units in LA and a process where landlords report initial rents, rent increases, evictions, and other actions would make the process of adjudicating tenants rights much easier, and shift the burden of responsibility from tenants to landlords. Our housing department should be collecting such information, proactively informing tenants and landlords about their rights and obligations, collecting information regularly from both parties, and proactively using that information to enforce rules.

5. Implement Opportunity to Purchase Acts. Many naturally occurring and deed restricted affordable housing units are being lost to redevelopment, leading to the displacement of long time residents. For qualifying buildings, the city could propose a right of first refusal that is offered first to tenants, to qualifying nonprofit community organizations, and to the municipality.

I'm also interested in Councilmember Herb Wesson's proposal to create anti-displacement zones in LA's most vulnerable communities.

DR: Specifically, first and foremost, we must do everything we can locally to stop the cycle of eviction in rental housing. We see so much displacement under the Ellis Act, stretching and stretching the intent of the law. The state's Ellis Act, which was originally intended to help longtime landlords get out of the rental business, is being exploited by unscrupulous developers looking to "flip" apartment buildings--kicking families and residents to the curb so they can turn the building into high-end units. Since 2001, nearly 25,000 rent-stabilized units in the city

2020 LA City Council District 4 Candidate Questionnaire, cont.

of Los Angeles were lost because of the Ellis Act, and I have introduced a motion to strengthen renter protections and close the loopholes in the law.

Secondly, we need to work with the community to create comprehensive zoning plan updates that truly anchor communities and allow for inclusive, sustainable growth. Our plans are very out of date and there are much better tools available now. I have six plan updates ongoing in my district right now - the Hollywood Community Plan, Southeast Valley Community Plan, the Purple Line & Orange Neighborhood Transit Plan, and the Ventura/Cahuenga Boulevard Corridor Specific Plan. This is the opportunity to put forth a real vision for future growth that's community specific and affordable housing friendly. You can look to my letter on the Purple Line process for more of my principles on community planning, but in general, we need to look at neighborhoods as a whole. There are numerous really strong zoning tools that new community plans can use to better protect vulnerable communities.

I also recently introduced a motion I'm very excited about, for what I'm calling "EPOZ" (Equitable Affordable Housing Protection Overlay Program and Zones). The idea is that we need to use planning to lift up those NOAH areas, and parts of the city that have been systematically neglected for generations. Similar to the Historic Preservation Overlay Zones, my office will work with the community to establish these zones, which will focus future planning specifically through an equity and affordability lens. In these areas new projects would have to be reviewed specifically against metrics that determine whether they increase community access and housing or decrease them. Becoming an EPOZ would be a community-driven initiative, as I believe too often planning is imposed on communities from the top down.

Sadly in most of CD4 we're well past the point of gentrification and into what the UN Special Envoy on Housing calls "Financialization." Land values are so high that affordable housing can't get a foot in the door in most of my district. I will come after vacant units and vacant land hard, to ensure those become new units of housing. I'm pleased that we're really cracking down on short term rentals. We need to have a holistic planning lens, where inclusionary housing is part of every community. There's a study shared from Move LA that states there are 20,000 acres of vacant or one story lots on major commercial corridors and they estimated we could hit double our RHNA targets by redeveloping those sites alone. If we focus on developing existing undeveloped land parcels or commercial corridors that do not displace tenants, coupled with adoption of my proposed EPOZ and adoption of a vacancy tax, we can encourage development in locations that will reduce the potential for gentrification and cut back on rampant speculation.

Where the City gives zoning incentives, I want to make sure that the community benefits through some form of value capture. I don't want TOC to allow us to lose 40 units of long term RSO tenants on Fairfax to eventually gain 28 units of ELI. I want both. Where we have zoning incentives, the highest incentives must be reserved for 100% affordable projects - I'm excited to see

that proposal in the Hollywood Community Plan Update and I hope to hear from SCANPH if that model works for you to give you a competitive edge in housing development.

Question #5

The City of Los Angeles has many dedicated professionals who want to help build more affordable housing in LA. Unfortunately, bureaucracy gets in the way and can make it more difficult for nonprofits developers to build more affordable housing. Would you support a "delegated authority" for some affordable housing projects? This means that some projects will be approved for funding by highly trained HCID staff without multiple trips to Council for redundant review, which would lower the cost of affordable housing building and speed up the process.

NR: Yes, I support delegated authority for affordable projects that don't require major code changes. For all other projects, I support removing authority of approval from individual council offices. Excess discretion over individual projects for councilmembers has led to long delays, large increases to soft costs, and rampant corruption. Other major California cities like San Jose have used delegated authority programs to approve affordable housing for decades -- LA should, too.

I also support other policy efforts to speed up affordable housing construction in the city, including synchronizing city operated funding applications with other major funding streams, working with other levels of government to create universal funding applications, building on the city's PSH ordinance to build a similar program for 100% affordable housing, and more.

DR: When I wrote the proposal for a "FEMA-like response" for homeless housing in 2019, my vision was that there would be a rapid response and priority unit across the city to help fast track homeless housing through the many departments that touch on the development and redevelopment process. City Planning has an Expedite Unit for projects that can pay for an assured timeline and we definitely need something equivalent for affordable housing.

I know firsthand how dedicated project support is crucial after the approvals portion of the project and through the construction phase. Since the LGBT Center broke ground on the Anita May Rosenstein Campus, my staff and I have been tracking every possible part of the process to ensure that no construction delays would affect funding. Given that the project was partially funded with my Council Office money and the Mayor's money you might be surprised to find that I'm still occasionally personally cajoling City departments to keep timelines so the Center can meet grant deadlines and keep costs reasonable.

I would also mention that I am an adamant supporter of transparency and accountability, especially in the planning process, and it is why I have introduced motions for charter reform to

2020 LA City Council District 4 Candidate Questionnaire, cont.

eliminate the undue influence Council Members have in planning processes through the elimination of Section 245 (e). In addition, I have put forth the proposal for an Office of Accountability and Transparency.

Question #6

Do you commit to meeting with SCANPH staff and a small group of our nonprofit affordable housing builder members within 45 days of the start of your term? We believe that building a relationship between nonprofit builders and your district's City Councilmember will mean more affordable housing here in LA.

NR: Yes, I commit to meeting with your organization and builders at your nearest availability! If I'm elected, nonprofit affordable housing construction will be among the most urgent tasks ahead of me.

DR: Yes, absolutely. I have an open-door policy and promise transparency around which meetings staff and I take on projects. My office has always had a collaborative engagement process with community organizations, taking meetings any time. Legislation I introduce starts with these meetings and other community initiatives. I know that good ideas don't grow in a vacuum and the best ideas are the ones we're all working towards. As someone who has worked in the nonprofit space, I deeply value the role community organizations play to develop policy. I know there are new creative ideas coming out of the nonprofit sector all the time and new techniques in development and financing. I rely on you to let me know what emerging concepts -- from modular units to tax credits to land trusts or co-location of public facilities and affordable housing -- we should try.

The mission of the Southern California Association of Non-Profit Housing (SCANPH) is to facilitate affordable housing development across Southern California by advancing effective public policies, sustainable financial resources, strong member organizations, and beneficial partnerships. For more information, contact Frank Martinez, Policy Director, at fmartinez@scanph.org.