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## Hahn's Failed Promise on L.A. Housing

**May 06, 2005** | Peter Dreier | Peter Dreier, a professor of politics and the director of the urban and environmental policy program at Occidental College, is coauthor of "The Next Los Angeles: The Struggle for a Livable City" (University of California Press, 2005).

Commentary

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On Jan. 17, 2002, I proudly stood at a housing construction site in North Hollywood where Mayor James K. Hahn announced his plan for a \$100-million annual housing trust fund. Hahn pledged to expand the fund by allocating an increasing amount of local money to it for the following two years. The fund was to receive \$100 million annually, beginning in July 2004, to build and rehabilitate family housing, promote homeownership and keep low-income families from becoming homeless.

Last month, Hahn released his budget for the coming year. It includes only \$21.8 million for the housing trust fund. By any standard, there's a huge gap between the mayor's promise and his performance -- this year and since his original announcement.

Throughout the mayoral campaign this year, Hahn has touted the fund as one of his most important accomplishments. Several times he's stated proudly that it has been fully funded. But the devil is always in the details. No one expects politicians to keep all their promises. They sometimes confront forces beyond their control. But we have a right to the truth on what has been done.

The story of the housing trust fund began in 1998, when a broad coalition of labor unions, clergy, affordable-housing developers, tenants rights activists, seniors and others first met to pursue the idea. During the 2001 mayoral and City Council races, the coalition -- called Housing LA -- worked hard to get candidates to support the proposal. We invited each of the candidates (including then-City Atty. Hahn) on a walking tour of slum housing (with serious health and safety violations) and of nearby model housing developments (built by both nonprofit and for-profit developers).

We said, in effect: "There's the problem. Here's the solution. The only difference is funding." As a candidate, Hahn eventually endorsed the trust fund proposal. After the election, Housing LA expected to work closely with the new mayor and suggested many potential sources of revenue for the fund. But he was unwilling to challenge the Central City Assn., the lobbying voice of the downtown developers, who supported the trust fund in principle but opposed any new fees to pay for it. That's because several of the revenue proposals were based on fees on development.

In fiscal year 2004-2005, Hahn allocated only \$36.8 million to the fund. But even that figure is a misleading sleight of hand. When the mayor finally decided which items on the menu of revenue options to select, he violated the pledge to use new sources of revenue. To reach \$36.8 million, Hahn used \$20.1 million in federal HUD funds.

These funds, which are allocated to all cities by federal formulas, are already committed for affordable housing, so they do not represent new sources, as Hahn originally promised. Now, to make matters worse, the mayor's budget for the coming year slashes the trust fund even more.

To date, the trust fund has invested in production of more than 3,000 new housing units. This is a commendable achievement. But the trust fund remains vulnerable to shifting political priorities because there are no dedicated sources of revenue targeted for it. Each year requires another battle to secure funds for affordable housing.

Los Angeles faces one of the worst housing crises in the nation. Many families pay more than half their incomes to keep a roof over their heads. Rents now average more than \$1,200 per month. To afford the typical two-bedroom apartment in L.A., a family needs to earn more than \$21 an hour. The median sales price of a home in Los Angeles is more than \$400,000, according to the California Assn. of Realtors, causing the city to have one of the nation's lowest homeownership rates (39%). But for the last decade, L.A. has consistently failed to add enough new housing units to meet the demand.

The housing shortage eats away at the city's social fabric. It undermines families and neighborhoods and damages the city's business climate. Employers prefer to invest in cities where the housing is affordable to their employees. Retailers need families to have discretionary income to spend after they've paid the rent or the mortgage.

When Mayor Hahn announced his housing trust fund three years ago, we took him at his word. It is reasonable for him to tout the progress we've made and to promise to do better if he gets reelected. But it is misleading for him to claim that he has kept his 2002 promise.

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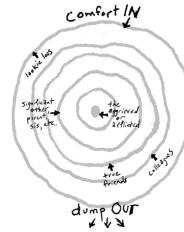
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