



Metro

Los Angeles County  
Metropolitan Transportation  
Authority  
One Gateway Plaza  
3rd Floor Board Room  
Los Angeles, CA

## Board Report

**File #:** 2019-0859, **File Type:** Motion / Motion Response

**Agenda Number:** 38.1

### REGULAR BOARD MEETING DECEMBER 5, 2019

**Motion by:**

**RIDLEY-THOMAS, DUPONT-WALKER, KUEHL, BUTTS AND GARCETTI**

**Related to Item 38: 2020 Legislative Program**

#### **Sponsoring Legislation to Create Financial Incentives to Build Transit-Oriented Affordable Housing**

As the Los Angeles County Metropolitan Transportation Authority (Metro) expands the region's network of rail and bus systems, the surrounding communities, which the transit system was built to serve, are experiencing rising rents and significant rates of displacement, likely correlated with the benefits of living in close proximity to these new public infrastructure investments.

Stabilizing such communities requires the preservation of naturally-occurring affordable housing and the development of more affordable housing. However, affordable housing does not build itself. It traditionally requires significant amounts of public subsidy and oversight to ensure that rents stay affordable to very low and low-income populations. Local governments, in partnership with the State, must look at new financial incentives and strategies that can support the development of more affordable housing, specifically targeting communities experiencing significant amounts of displacement, as well as transit-oriented communities.

A means for accomplishing this is to expand the property tax welfare exemption. Current law allows for a proportionate waiving of property taxes for rental units that are developed by non-profit organizations that are covenanted for households that earn up to 80% of area median income. Expansion of this welfare exemption to higher levels of area median income could better position private sector partners that are utilizing low-income housing tax credits to construct much-needed affordable housing, specifically targeting the "missing middle", or households earning between 80% and 120% of Area Median Income.

Metro's Legislative Advocacy Goals include monitoring legislation and funding opportunities that impact and incentivize the development of affordable, transit-adjacent housing. Efforts should be focused on supporting legislative strategies to create more financial incentives to develop affordable housing, specifically including expanding the welfare exemption to facilitate the development of more affordable housing around transit investments.

**SUBJECT: 2020 LEGISLATIVE PROGRAM**

APPROVE motion by Directors Ridley-Thomas, Dupont-Walker, Kuehl, Butts and Garcetti that the Board:

A. Expand Metro's legislative agenda to support or sponsor legislation that would create new financial incentives, including an expansion of the welfare exemption for units covenanted at up to 120% of Area Median Income, to facilitate the development of affordable housing around transit; and

B. Request that the Chief Executive Officer report to the Executive Management Committee during the January 2020 cycle with a supplemental legislative program recommendation for how to best engage and advocate on legislation concerning the supply and affordability of housing in Los Angeles County.