OPINION

It's time for Los Angeles to pivot on HHH: Ron Galperin



Eddie R. has been staying in his tent near the main post office in San Pedro for a long while, he says, as the annual Greater Los Angeles Homeless Count in San Pedro gets under way on Wednesday, January 22, 2020. (Photo by Axel Koester, Contributing Photographer)

By RON GALPERIN

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When I was growing up, my immigrant parents emphasized problem solving and perseverance. They also taught me: "If something isn't working, don't just keep doing what you've been doing. Try a new approach." These days, they might call it a pandemic pivot.

The City of Los Angeles would do well to heed this with Proposition HHH, the \$1.2 billion voter-approved, taxpayer-funded bond measure that promised to provide 10,000 units of supportive housing for people experiencing homelessness. More than four years later, some City Hall officials still refuse to acknowledge the program's flaws and insist that staying the course is the only option. But it isn't. We must do better than that.

What's the problem with HHH? The projects are too expensive and too slow to make a meaningful difference for people living on our streets. As of this month, 489 bond-funded units are ready for occupancy and most others won't be finished until 2023, 2024 or later.

While Los Angeles someday will see thousands of new units, it will be nowhere near enough to keep pace with the crisis in our neighborhoods. Over the past five years homelessness has jumped 40 percent in the City of Los Angeles. This year, four people per day will die simply because they remain unhoused. COVID-19 has made this catastrophe worse.

Spools of red tape and excessive development costs contributed to this mess. As Los Angeles Controller, the HHH ballot language mandates my office to audit the program's finances yearly, and the City Charter allows us to examine its performance. We found in 2019 and 2020 that the high cost of building permanent supportive housing had slowed HHH to a crawl. Having to cobble together money from multiple funding sources and a serpentine permitting process made it so that developers couldn't get their projects approved quickly. Instead of churning out units at \$350,000 each as originally predicted, the average per unit cost is now \$531,000 — with some eclipsing \$700,000.

Defenders of the status quo assert that the City puts in only a quarter of each unit's cost and the rest comes from other sources. But this ignores the program's root problem. Higher overall costs means less homeless housing gets built. If the City worked harder to bring costs down, it could use more money to fund additional housing units and extend HHH's reach.

That's one way HHH can be improved. Although more than a billion dollars has been earmarked for projects, only \$165 million has been spent, and 60 percent of all approved projects haven't started construction. Many of these are already experiencing financial difficulties and some will ultimately fail. Money set aside for questionable or excessively expensive projects should be reallocated to less costly and time-consuming plans.

Until recently, there had been little openness to such ideas at City Hall, but two of L.A.'s newest Councilmembers have embraced my office's recommendations.

They want the City to scrutinize troubled projects to see if a greater share of HHH funds can be used to build housing faster and cheaper.

Building more interim housing to address immediate needs, and expanding the use of cheaper, faster permanent housing solutions to achieve long-term goals—like motel conversions and prefabricated and modular units—can and should be done through HHH.

It's time for the City to do a pandemic pivot. The residents of Los Angeles, unhoused and housed, deserve a more flexible approach to homeless housing — one that gets people off the streets today and creates an even greater number of supportive units in the days to come.

Ron Galperin is the elected Controller of the City of Los Angeles. His department conducts independent audits, manages payroll and spending, prepares financial reports and pursues fraud and waste. Galperin audited Prop. HHH in 2019 and 2020 and is preparing an updated report for release later this year.

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