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November 16, 2026

Council File: 26-0088-S2
Council Districts: Citywide
Contact Persons: Cally Hardy (213) 808-8653
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Honorable Members of the City Council
City of Los Angeles
c/o City Clerk, City Hall
200 N. Spring Street
Los Angeles, CA 90012

SUPPLEMENTAL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT CLARIFICATIONS ON DRAFT ORDINANCE AMENDING SECTION 22.618.3 OF ARTICLE 9, CHAPTER 24, DIVISION 22 OF THE LOS ANGELES ADMINISTRATIVE CODE TO MAKE TECHNICAL AMENDMENTS TO THE LEGAL REQUIREMENTS OF COVENANTS REQUIRED BY THE UNITED TO HOUSE LA PROGRAM

The Los Angeles Housing Department (LAHD) respectfully submits the following clarification for the proposed United to House LA (ULA) Technical Amendments ordinance scheduled for City Council consideration on November 18, 2026. The following clarification is provided in response to stakeholder comments and feedback and to document the Department's interpretation of the provisions in the proposed ordinance.

Section 1 of the draft ordinance would amend Section 22.618.3(d)(1)(i)b.4 of the Los Angeles Administrative Code to clarify that the provisions related to ULA's resale restrictions are not applicable in cases of transfers "through foreclosure, deed-in-lieu of foreclosure or other similar conveyance."

This technical amendment would exempt transfers related to foreclosures from the restriction in ULA that requires resale of all ULA-funded property to a nonprofit entity, including Limited-Equity Housing Cooperative or Community Land Trust.

LAHD recommended this amendment to address lender concerns that the existing language in ULA does not provide sufficient flexibility for ownership changes in the event of default, or upon foreclosure. Lenders have stated that the existing resale requirement does not meet the underwriting criteria of most conventional lenders, and limitations on the ability of a lender to resell the property during foreclosure may increase the up-front cost associated with that capital.

To address this, LAHD recommended the technical amendment to clarify that the resale language is not applicable in cases of transfers by foreclosure, deed-in-lieu of foreclosure, or other similar conveyance.

Consistent with the purpose for the technical amendment, when it administers ordinance, LAHD will interpret and apply the technical amendment to include REO and bank-owned sales where a lender takes ownership/possession of foreclosed property and subsequently sells it. LAHD could consider that subsequent sale by the lender to be part of the foreclosure process and that sale would therefore not be bound by the resale provision in ULA. Subsequent sales after that would be covered by the resale restriction.

LAHD also explained this interpretation for the record at the October 22, 2026 meeting of the ULA Citizens Oversight Committee.

Sincerely,



Tiena Johnson Hall
General Manager