



Charles Lavery Calls for Action in Los Angeles Public Housing Scandal Spending \$700k Per Apartment for the Homeless

Charles Lavery joined in calling for an outside review of a failing \$1.2B LA public housing development. Lavery calls it a "violation of public trust."

NEWPORT BEACH, CALIFORNIA, UNITED STATES, August 27, 2019 /EINPresswire.com/ -- Business man and [public policy advocate Charles Lavery](#) is calling for immediate action on a public housing project that many say is spiraling out of control. The project is backed with a voter approved \$1.2 billion bond that advocates claimed would target the "housing crisis in Los Angeles by building low cost housing for the homeless. But mismanagement and questionable decisions such as including a fitness center and other luxuries have contributed to a project that seems to be spiraling out of control.

In Los Angeles, the homeless are living in tents and sleeping in cars in filthy circumstances where disease can proliferate. The crisis is one that urgently needs attention, but Charles Lavery believes it is being addressed in the wrong way. The situation is only getting worse and he urges the city to cancel the building of \$700k apartments.

City Controller to audit \$1.2 billion in supportive housing funds

Ron Galperin, Los Angeles City Controller, believes that building units at around \$400,000 to \$500,000 each that will only be seen in years is not the way to go about spending the \$1.2 billion in bond funds that was meant to address the crisis. The Controller's office will be auditing the \$1.2 billion. Galperin says the city is disbursing funds at a rate that's too slow and in a manner that raises development costs.

The current model is to give developers letters of commitment for funds so that they can use this as leverage to raise capital from other sources. City officials thought they would be able to spend about \$140,000 of the funds per unit and fund the remaining costs with tax credits. However, the value of the state and federal tax credits was reduced with the latest tax reforms.

[Charles Lavery says that](#) the recently released reports over half of the \$1.2 billion has been committed to 55 housing developments totaling 3,700 units. This is a far cry from the 10,000 units the city hoped the funds could be used to build and will still leave thousands of people homeless.

Apartments at nearly \$700k

One of the current projects is 72 apartments being built in Koreatown at a cost of nearly \$700,000 a unit. Some homeless citizens, as well as low-income senior citizens, will be living in these apartments. They will enjoy an onsite fitness center, a large courtyard and various services.

Charles Lavery regards the price of these apartments as utterly unacceptable. At nearly \$700,000, they exceed the median sales price of a home in Los Angeles. Two other projects still in the pre-approval stage are also expected to exceed the \$700,000 price per unit.

City officials say the price is not due to extravagance. Rushmore Cervantes, who manages the Los Angeles Housing and Community Investment Department, argues that the city has no control over many construction costs. He also argues that included in the price are various facilities and services to help address the needs of the homeless, such as mental health issues and addiction, so they can effectively make the transition from homelessness.

City officials argue that land is costly, there are not enough construction workers and they must contend with material shortages. A building boom in high-end condos is another contributing factor.

Government programs are not the way forward say Lavery

Just two measures that could help increase availability and lower costs of housing would be to reduce taxes and streamline the approval process. Development is also being thwarted by landowners who use environmental concerns and zoning as a cover to prevent development. Protection for landowners from lawsuits of this nature could also make a difference.

[Charles Lavery believes that shifting](#) away from public housing programs and encouraging a free market economy is the only way to make a difference. Mayor Garcetti's office is currently developing a pilot program and putting \$120 million towards exploring more efficient development methods. However, the incompetence of the city in dealing with the homelessness issue is unlikely to change in a situation where money often doesn't go where it's meant due to messy bureaucracy and red tape. Government programs also tend to encourage dependency, whereas a free market reduces costs and leads to more innovation.

Charles Lavery
Charles Lavery & Associates
+1 949-432-4824

[email us here](#)

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