


Decentralized Host-Home Rental Rental Support for Los Angeles

A 2026 Concept Proposal



City of Los Angeles
Policy Concept

Housing people at the operating cost of permanent housing, without the capital wait.

The Host-Home Model

\$25,200

all-in cost per placement-year.

Weeks

to place.

Zero

capital required.

The Status Quo - PSH

~\$59,495

annualized cost (opex + amortized capital).

3-6 years

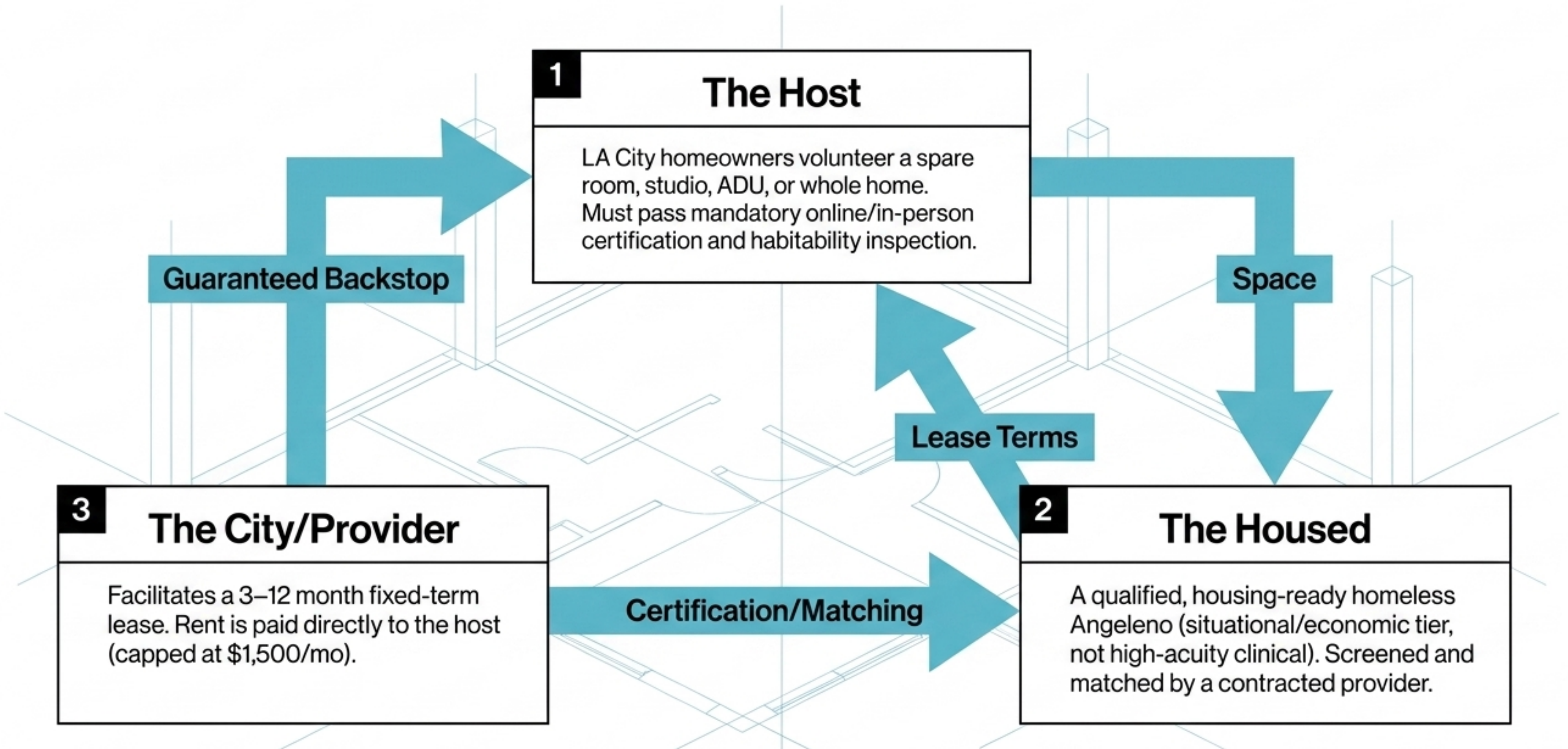
to build.

\$596,486

capital cost per unit.

A single PSH unit's capital yields 23.7 host-home placement-years. Los Angeles has the budget: the City Controller identified \$513M in unspent homelessness funds in a single year.

The foundational mechanics of the host-home ecosystem.

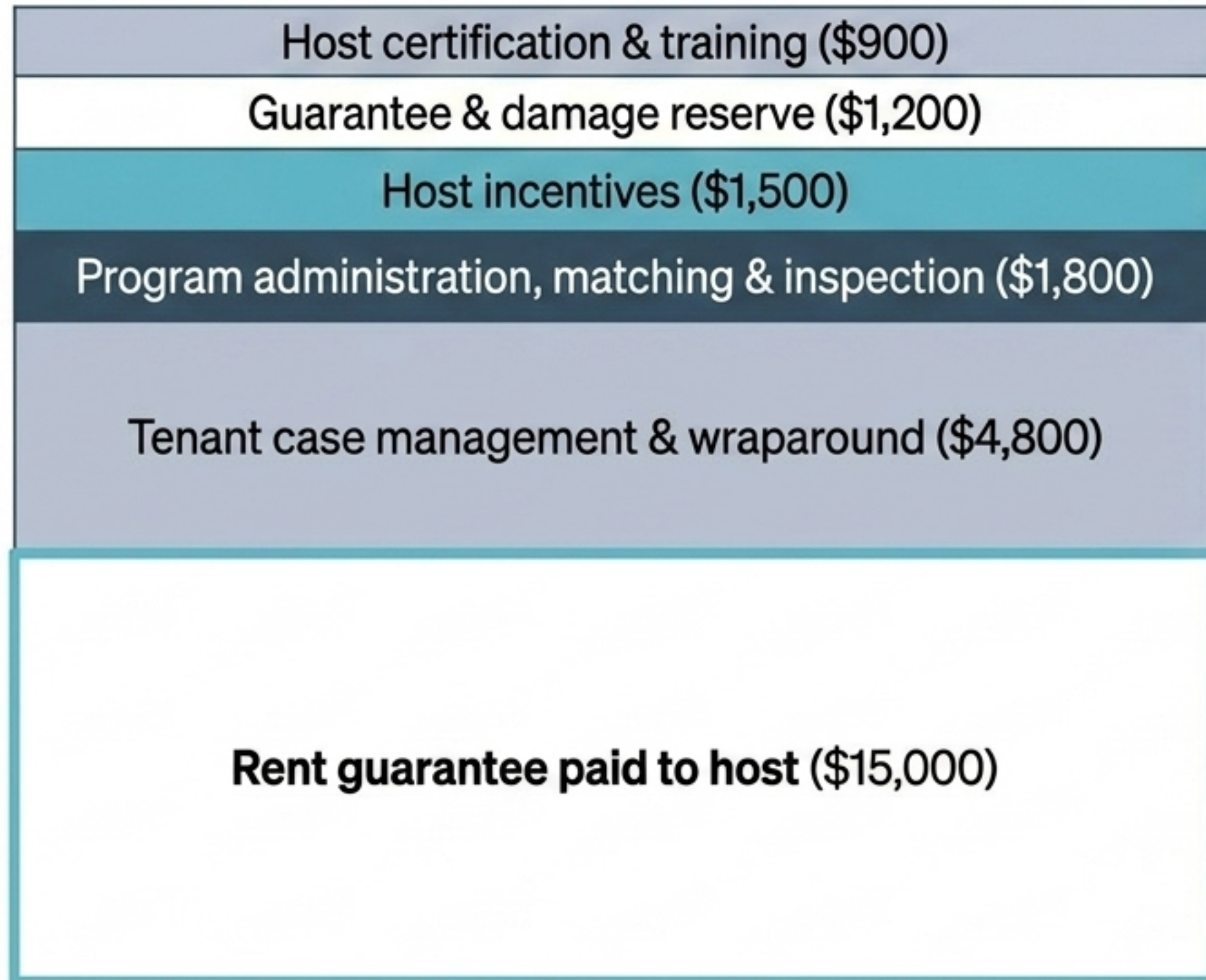


Cost per person-year across Los Angeles interventions

Host-homes are cheaper per year than street sweeps, but actually end homelessness.

Intervention	Annual Cost	Cap Required / Placement Time	Produces Actual Housing?
Host-Home Rental Support	\$25,200	None / Weeks	✓ Yes
Encampment Sweeps	\$34,000	None / N/A	✗ No (Pure recurrence cost)
Interim/Congregate Shelter	\$40,000	Medium / Months	✗ No (Bed, not a home)
Permanent Supportive Housing (HHH)	\$59,495 (Annualized)	\$596,486+ / 3-6 Years	✓ Yes
Motel-Based (Roomkey/Inside Safe)	~\$60,000 (\$5K/mo)	Low / Weeks	⚠ Temporary

The per-placement annual cost stack is dominated by direct rent.



Actuarial backstop.

Signing bonus + holding fee.

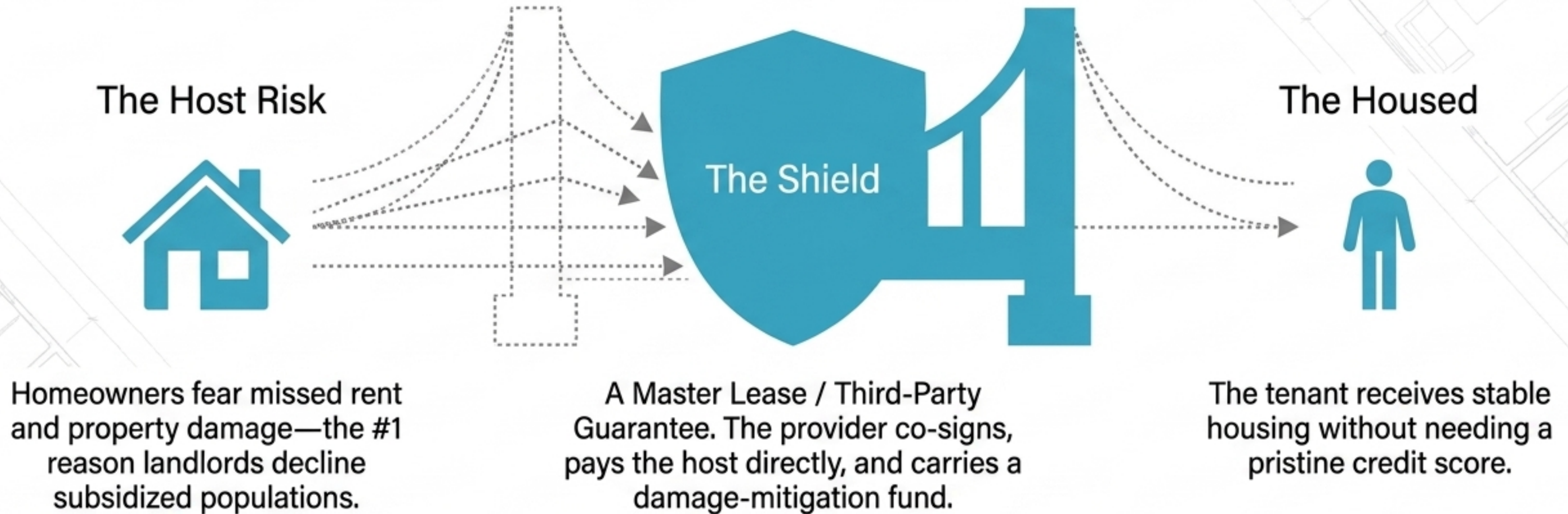
Light-touch, housing-ready caseload.

Blended \$1,250/mo,
\$1,500 hard cap.

\$25,200

all-in per
placement-year.
Zero capital outlay.

The guarantee mechanism absorbs the homeowner's risk.



Proven in LA: This exact instrument has been used by LA County's Flexible Housing Subsidy Pool (Brilliant Corners) since 2014 to house 15,000+ people. **No new statute needed.**

Dismantling the eviction fear in owner-occupied spaces

The Homeowner's Fear

"If I let someone into my home, they will gain tenant rights, stop paying, and I will have to endure a year-long Unlawful Detainer lawsuit to get them out."

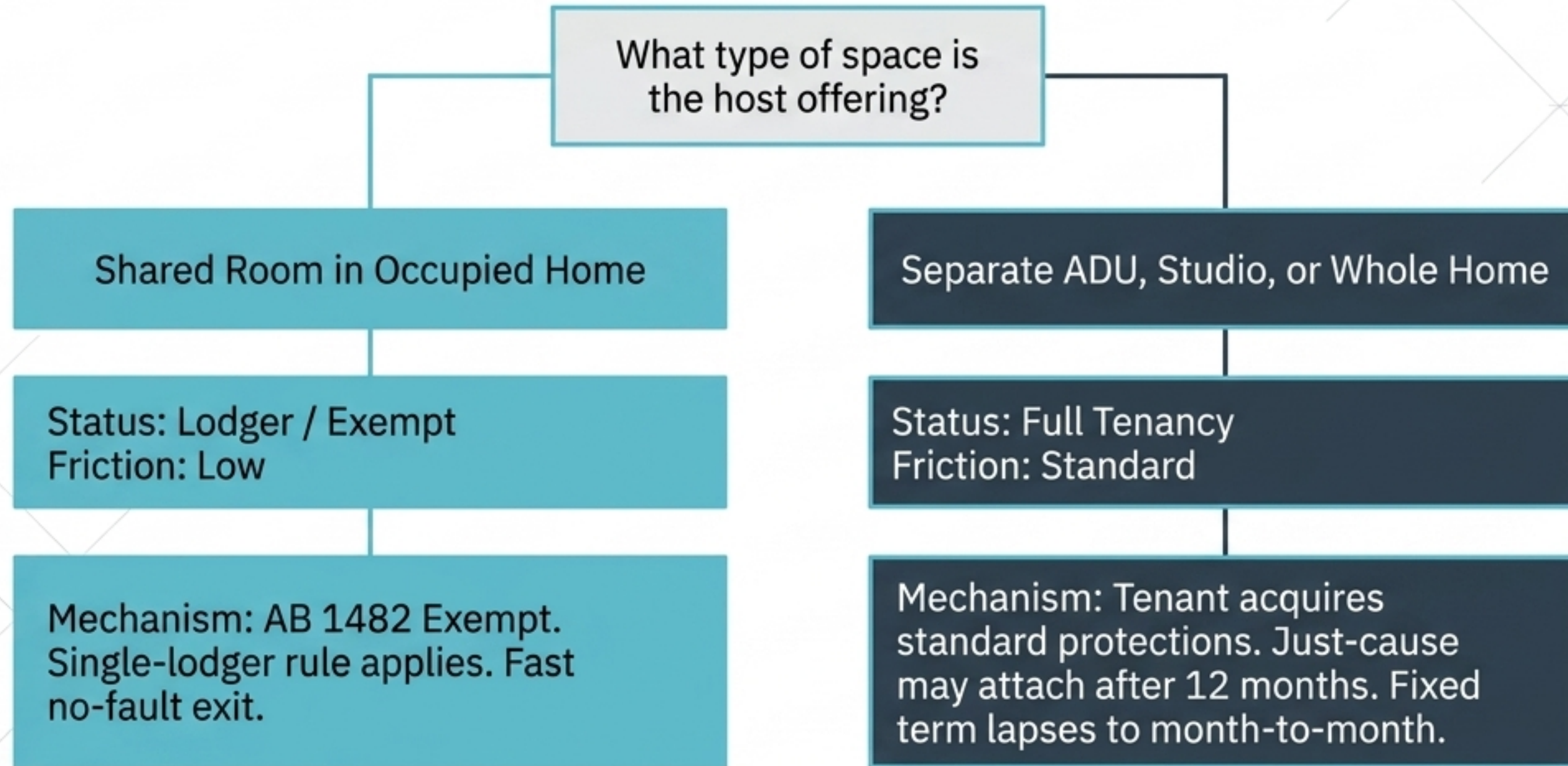
The Legal Reality

California Civil Code §1946.5 (The Single-Lodger Rule)

- An owner-occupant renting a single room to one lodger can terminate the arrangement by notice.
- Upon notice expiration, the lodger becomes a trespasser.
- No unlawful detainer lawsuit is required.

AB 1482 Exemption: Owner-occupied single-family homes renting up to two rooms (or sharing kitchen/bath) are legally exempt from statewide rent caps and just-cause eviction.

Two distinct legal tracks route placements to the correct framework.



The program software routes each placement; they are treated as legally distinct objects.

Every component is proven. The innovation is the assembly.



The Scale Scenario: Systemic impact for a fraction of the budget.

Throughput is anchored to SHARE!'s observed turnover: 100 beds house 160 people/yr on 3-12 month leases.

2,500 Placements



\$63M/yr (6.6% of FY25 City Homeless Budget).

~4,000 people housed/yr.

Reaches 14% of unsheltered population.

5,000 Placements



\$126M/yr (13.3% of FY25 budget).

~8,000 people housed/yr.

Reaches 27% of unsheltered population.

10,000 Placements



\$252M/yr (26.5% of FY25 budget).

~16,000 people housed/yr.

Reaches 55% of unsheltered population.

Honest limits, structural blockers, and required guardrails.

Acuity Limits

Not for the highest-acuity tier. People requiring 24/7 clinical support for severe mental illness/substance-use still require traditional PSH. This targets the economic/situational tier.

Supply Bottleneck

Host supply is the constraint, not money. The fiscal case is unassailable; scaling depends entirely on recruiting and certifying enough willing homeowners.

Anti-Displacement

Market protection. Eligibility algorithms must prevent homeowners from evicting market tenants to capture the city guarantee, and prevent the guarantee from artificially inflating rents.

The Unglamorous Blockers

Policy friction. Requires resolving HOA anti-subletting clauses, homeowner liability insurance holds, and zoning rules where multiple roomers trip boarding-house statutes.

The Final Ledger: A parallel track for LA housing

■	Zero Capital Required: Activates existing housing stock instead of waiting on construction
■	Financially Superior: Operates at 42% the cost of PSH, cheaper than sweeps
■	Legally Viable: Shielded by master leases and the CA Single-Lodger Rule
■	Integration Model: Assembles precedents already proven by LA County, the UK, and Finland

The Missing Piece: The UK “Rent a Room” Fiscal Lever

The UK makes hosting attractive by allowing £7,500/yr to be earned tax-free. California has no equivalent.

A state income-tax exclusion for host-home guarantee payments is the single most powerful companion bill policymakers could draft to unlock host supply.