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SECONDARY SUBMISSIONS



October 20, 2020

Re: Program and Policy Recommendations for the 2021-29 Housing Element

Dear City of Los Angeles Planning Department and Housing and Community Investment Department:

The Alliance for Community Transit (ACT-LA) is a city-wide coalition of 38 organizations working at the forefront of racial, environmental, and economic justice. Our coalition members include tenants' rights organizations, affordable housing developers, workers' centers, public interest law firms, and public health advocates, among many others. Thanks to our coalition's diversity, we view housing policy through an intersectional lens. Our mission is to uplift communities—through affordable housing opportunities, good jobs and access to high quality public transit—as the Southland transforms into a more sustainable region. Given our commitment to equity, we believe that low-income communities and communities of color must be centered in decisions that seek to transform our neighborhoods.

The Housing Element is a tremendous opportunity to ensure that as Los Angeles grows, it does so in an equitable and sustainable fashion. At the same time, the past year has demonstrated that we simply cannot afford to mask, ignore, or deepen, the negative human and environmental impacts of the affordable housing, racial injustice, and public health crises in Los Angeles. With many of ACT-LA's member organizations serving on the Housing Element Task Force, or otherwise engaged in community planning and other land use plans or policy-making, the following recommendations represent our shared vision for Housing Element Goals, Policies and Programs that will advance racial equity, smart growth, and community preservation. We will provide additional input on the suitable sites inventory in forthcoming correspondence.

Background

It is abundantly clear that Los Angeles is in the midst of an affordable housing crisis. According to the "Housing Element 2021-29" presentation developed by the Los Angeles Housing and Community Investment Department (HCIDLA) and the Los Angeles Planning Department, nearly 6 in 10 renters in Los Angeles struggle to pay rent, and more than 30% are severely rent burdened. This results in a sizable part of our city struggling to buy groceries or cover their transportation costs. Displacement pressures are already extremely high for the majority of renting Angelenos, with many families living on the edge of losing their home.

This profound housing instability is why Los Angeles now has the highest number of unsheltered people experiencing homelessness in the country. According to LAHSA's most recent Homelessness Count, homelessness in the City of Los Angeles increased 14% this past year. And, homelessness does not

impact all populations equally. Black Angelenos continue to be 4 times more likely to experience homelessness than their white counterparts. Youth homelessness increased 24% this past year. Since public benefits and wage levels have not kept up with housing costs, family homelessness is expected to increase. More than half of unsheltered adults counted this past year are on their first episode of homelessness, which indicates that even as we create new housing opportunities for the unhoused, the housing crisis is forcing yet more of our neighbors onto the street or into their cars.

These dire conditions demand bold action. HCIDLA's "Displacement Index" clearly shows that rent burdened households are concentrated in Central LA, South LA, East LA, Northeast LA, and significant portions of the San Fernando Valley. These communities must therefore be prioritized for displacement prevention policies. The policies outlined below articulate ACT-LA's shared vision for how the Housing Element can and should address the affordable housing and homelessness crises, and protect vulnerable residents.

Our Regional Housing Needs Assessment (RHNA) goal requires the city produce about 32,000 units per year at various levels of affordability, and yet LA has been averaging about only 1,100 affordable units a year. We have failed as a city to come close to meeting the affordable housing goals set out in the last Housing Element. Meanwhile, market rate units have indeed been built, some of which are still sitting empty. And between 2001 and 2019, over 26,500 units - over 3% of the total rent-controlled housing stock (which makes up roughly 75% of rental housing in Los Angeles) were taken off the rental market using the Ellis Act.

The City must prioritize programs and policies that create and preserve the housing Los Angeles needs the most: units affordable to deeply, extremely and very low-income households. Without a significant commitment to policies and programs that result in deeply affordable units at scale, address vacancy issues in new units, and stabilize communities at risk of displacement, simply building a large number of units will not stem the severe housing crisis we are in.

Summary of Recommendations

ACT-LA has outlined six overarching priorities to guide the City's work in meeting housing needs while also protecting vulnerable residents and the environment. Each priority consists of subsections, which include recommended policies and programs to further these priorities. ACT-LA's six priorities for the Housing Element are: (1) Preserve Affordable and Rent-stabilized Housing; (2) Strengthen Tenant Protections; (3) Facilitate Investment in Social Housing, Community Land Trusts, and Strategic Land Acquisitions; (4) Increase Supply of Deeply Affordable Housing; (5) Further Environmental Justice and Improve Climate Resilience and Community Health; and (6) Ensure Meaningful Community Participation and Capacity Building.

Some of the following recommendations are similar to recommendations we made during the creation and adoption of the City of LA's Assessment of Fair Housing Plan. Given the conclusions researchers have made about the transformative nature of access to high opportunity areas for low-income families, we encourage a particular emphasis on goals, objectives, programs, and policies that desegregate Los Angeles and ensure that high opportunity areas actually create opportunity for people of color and low-income families.

1. PRESERVE AFFORDABLE AND RENT STABILIZED HOUSING

Preserving affordable housing—whether subsidized or naturally-occurring—is necessary to achieve housing policy goals and to ensure an equitable and inclusive city. This requires specific Housing Element goals, policies and programs aimed at eliminating the loss of affordable and rent stabilized units due to demolition or conversion, adequately monitoring our affordable housing inventory, and carefully assessing and mitigating the risk of homelessness before it occurs.

a. Regulate demolition and condo conversions.

Demolitions and condo conversions are city-regulated processes that often precede the direct displacement of tenants, often low-income renters of color. The City should follow the lead of other jurisdictions in California and set an annual allowance for the number of demolitions and condo conversions in a given area, such as a Community Plan Area. In addition, HCIDLA and the Planning Department should work with the LA Department of Building and Safety to ensure that demolitions are properly tracked and labeled. Currently, it is difficult for the data to be tracked from Planning Application to demolition and construction as permits go through various agencies such as DCP, LADBS and HCIDLA. Furthermore, to protect against premature demolition, the City should require that demolition permits be granted only after all building permits have been issued. The Housing Element should include policies and programs to effectively regulate demolitions and condo conversions, including but not limited to the following.

- Residential Conversion Annual Allowance. Establish an annual allowance for the number of condo conversions in a given Community Plan Area.
- Residential Demolition Annual Allowance. Establish an annual allowance for the number of residential units demolished in the Community Plan Area.
- Limit Residential Conversions. Residential Conversion Projects, as defined in LAMC Section 12.95.2, shall be denied if the vacancy rate in the Community Plan Area is five percent or less or if the cumulative effect on the rental housing market is significant.
- Restrict Residential Demolition Permits. No permit for residential demolition in the Community Plan Area shall be issued unless all necessary building permits have been issued for new construction on the site.

b. Ensure “No Net Loss” of affordable housing.

Achieving a net gain of affordable housing requires that the City: (a) preserve existing affordable housing; (b) replace affordable housing lost due to new development and ensure right of return; and (c) incentivize new affordable housing production. The Housing Element should include policies and programs to effectively ensure no-net-loss of affordable housing, including but not limited to the following.

- Area-wide No Net Loss. For each Community Plan Area (CPA), create and monitor an inventory of units subject to a recorded covenant, ordinance or law that restricts rents to levels affordable to lower-income households, including Low-income, Very Low-Income, Extremely Low-Income and Deeply Low-Income; subject to the Rent Stabilization Ordinance or AB 1482; and/or occupied by lower-income households. Publish an annual report of the

- affordable housing inventory, including the total number of units, affordability level, as well as the frequency and location of Ellis Act evictions, condominium conversions, and/or residential demolitions within the CPA. If an annual report demonstrates a reduction in the inventory within any affordability category, the City should: (a), create a Recovery Action Plan with specific programs and investments to prevent further loss and to increase affordable housing production in the area; and (b) require applications for discretionary land use approvals in the CPA to include a Displacement Impact Report. These provisions would apply until an annual report demonstrates that that particular loss has been recovered.
- Site-specific No Net Loss. All new construction should replace any housing demolished that was affordable to or occupied by lower-income households, or subject to LARSO or AB 1482. Replacement requirements should include housing affordable to or occupied by deeply low-income households at the 15% AMI level (in addition to 30%, 50% and 80% AMI levels). Over 10% of renter households in LA County fall into the 0-15% AMI range and cannot afford rents set to the 30% AMI level.¹
 - Right of Return to Newly-Constructed Affordable and/or Rent-Controlled Units. Households displaced due to demolition or condominium conversion should be offered and have the first right of refusal on leases in the new units whenever possible.
 - Enhance HCIDLA's Ellis Act Report Dashboard. HCIDLA recently released an Ellis Act Report Dashboard² which tracks the number of units withdrawn under the Ellis Act and the number of units added. This dashboard will be a valuable tool and should be improved to include all replacement unit data, as well as information regarding units withdrawn and added from Conditional Use Permits, the Transit Oriented Communities Program, By Right Developments, SB 330 and other entitlement applications.
 - Preserve Expiring Covenants. Coordinate with relevant agencies to ensure the renewal of expiring affordable housing covenants and promote opportunities for tenant purchase or acquisition of units with expiring covenants by affordable housing developers, community-based organizations, or community land trusts to achieve affordability in perpetuity.

c. Assess and mitigate risk of homelessness.

A large part of the City's current homelessness crisis is being driven by unaffordable housing, which is exacerbated by rising rents and results in evictions. The City's plans to meet its RHNA allocation through the community plan updates are primarily focused on increasing the supply of market rate housing which is far out of reach of our poorest residents and residents at highest risk of displacement and homelessness. To prevent these planned investments from exacerbating the homelessness crisis, the Housing Element should include policies and programs to effectively identify and mitigate homelessness risk, including but not limited to the following.

- Homelessness Risk Assessment. As part of each community plan update or major economic development project, the City must do an analysis to identify the number of residents at risk of homelessness utilizing HCIDLA's "Displacement Index," as well as the Homelessness

¹ <https://chpc.net/resources/los-angeles-county-annual-affordable-housing-outcomes-dashboard-2020/>

² <https://hcidla2.lacity.org/ellis>

Management Informations System (HMIS) used by HUD in developing their Annual Homelessness Assessment (AHAR) Report, and other data sources. Used together, the city should develop a predictive model for analyzing where risk is likely to increase due to proposed public and private investment.

- Adopt Protective Measures to Mitigate Identified Risk of Homelessness. Based on the findings of the homelessness risk assessment, the City should adopt key protective measures such as increasing proactive enforcement of tenants rights regulations and developing policies to preserve and increase the supply of deeply affordable housing. In addition, these reports should also identify hotels and motels—those currently on the market for sale or those that can be acquired through eminent domain³—in at-risk areas that could potentially be acquired and converted to affordable housing, without displacing residents that rely on hotels and motels for housing.
- Preserve Residential Hotels. Prevent the conversion or demolition of residential hotels and enforce the rights of residential hotel tenants through additional resources and proactive enforcement of the Residential Hotel Ordinance and Wiggins Settlement.

2. STRENGTHEN TENANT PROTECTIONS

Displacement is a direct cause of homelessness and a destructive force in low income communities and communities of color. The Housing Element must address displacement risks head-on and include Goals, Policies and Programs that create real tools to minimize displacement and promote community stability.

- a. Ensure housing opportunities are accessible to all residents without discrimination on the basis of race, income, ancestry, sex, national origin, religion, sexual orientation, marital/familial status, age, or disability.*

Despite the passage of SB329, housing voucher recipients continue to face discrimination from landlords, particularly in opportunity-rich communities. And, while the City’s “211LA” program allows tenants to file reports of illegal rent increases, it does not go far enough in proactively monitoring compliance among the City’s existing stock of RSO units. In order to strengthen RSO enforcement as well as the antidiscrimination provisions created by SB329, the City of Los Angeles must direct HCID to: offer outreach and education services to landlords and tenants so they are familiar with the new law’s requirements, and establish testers, administrative complaint mechanisms, and hearing officers to identify unlawful practices. Such measures will allow HCID to more adequately report violations; collect, investigate, and remedy complaints; perform regular testing to ensure compliance; and report publicly on the number of complaints and resolutions, testing results, and the overall effectiveness of SB329’s implementation. The Housing Element should include policies and programs to strengthen enforcement of tenant protection and discrimination laws, including but not limited to the following.

³ For an example of this kind of analysis, see Roy, A., Blasi, G., & Coleman, J. (2020). “Hotel California: Housing the Crisis”, Los Angeles: UCLA Institute on Inequality and Democracy. Map Example from report, “Hotels and Motels in At-Risk Zip Codes”: <https://www.arcgis.com/home/webmap/viewer.html?webmap=a40364a4ff464ce9a3aaedaafd0bb304&extent=-118.6056,33.8965,-117.8475,34.2588>

- Publicize SB 329 anti-discrimination protections. Establish outreach and education services to landlords and tenants regarding SB329 source-of-income anti-discrimination measures
- Increase investigation and prosecution of source-of-income discrimination. Develop proactive enforcement mechanisms, such as testers and hearing officers, to identify and prosecute source-of-income discrimination.

b. Prevent tenant harassment.

Strong tenant protections can be undermined if unscrupulous landlords push tenants out of their homes through harassment and intimidation. The City should enact a robust tenant anti-harassment ordinance (TAHO) that includes substantial statutory penalties to deter such tactics. To ensure efficacy, the anti-harassment ordinance must have strong enforcement mechanisms that provide both a private right of action for tenants and dedicated HCID staffing. The Housing Element should include policies and programs to prevent tenant harassment, including but not limited to the following.

- Enact a Tenant Anti-Harassment Ordinance. Enact a Tenant Anti-Harassment Ordinance with a comprehensive definition of harassment, strong statutory penalties and an enforcement program that consists of dedicated staffing.
- Improve tracking and reporting tenant harassment complaints. Track harassment complaints monthly and by Council District.
- Prosecute repeat offenders. Initiate legal action against repeat offenders of the TAHO to prevent harm and ensure compliance.

c. Prevent Displacement of Vulnerable Tenants by Strengthening the City's Rent Stabilization Ordinance and Just-Cause Eviction Protections.

State law and the City's Rent Stabilization Ordinance currently leave many Los Angeles tenants without protection from arbitrary or unjust evictions. Whether or not a tenant can be evicted should not depend on the year their housing was built or what kind of entity owns their building. All tenants should have the guarantee that, if they pay their rent on time and abide by their lease, they will not be evicted. And, if they are evicted for no fault of their own, they will receive relocation assistance to help find new housing.

In many circumstances, the annual allowable rent increase under the city's rent stabilization ordinance significantly exceeds the rate of inflation. Allowing rent to increase faster than inflation leaves tenants in gentrifying neighborhoods vulnerable to indirect displacement if new, predominantly market-rate, projects drive up neighborhood rents. The Housing Element should direct the City Council to amend the Rent Stabilization Ordinance to reduce the annual allowable rent increase to a percentage of inflation, similar to the Santa Monica and West Hollywood ordinances.

Furthermore, allowing landlords of master-metered units to impose even larger rent increases creates significant displacement pressure and gives landlords an incentive not to upgrade their gas and electric utilities. Tenants in master-metered units should have the same protections against large rent increases as any other tenant. And, it is well established that households on master-meter utilities use more energy than individually metered households. Removing the incentive to maintain master-metered utilities will

protect tenants from large rent increases and remove the disincentive for landlords to upgrade their gas and electric systems, benefiting both the tenant and the environment.

Lastly, in response to the acute displacement pressures brought on by the COVID19 pandemic, the City appropriated significant funding for tenant outreach and education and legal defense for tenants facing eviction. Yet, the funding currently available will reach only a small percentage of tenants impacted by housing instability. Furthermore, the economic impacts of COVID19 on low-income Angelenos are likely to last many years. In addition, according to a recent report conducted by Stout, the City of Los Angeles saves \$3.50 for every \$1 invested in eviction representation. Codifying a tenant's right to counsel will therefore not only advance economic justice in the City but also do so in a way that is financially sustainable. Providing a guaranteed right to an attorney will act as a strong deterrent against the thousands of baseless evictions filed and executed each year, dramatically reduce housing instability, and reduce in-flows to homelessness. The Housing Element should include policies and programs to strengthen the City's RSO and Just-Cause eviction protections, including but not limited to the following.

- Expand just-cause eviction protections to cover all tenants. Expand just-cause eviction protections to cover all tenants in the City of Los Angeles and establish a corresponding enforcement program.
- Reduce the annual allowable rent increase under the RSO. Reduce the annual allowable rent increase, and close the "master-metered loophole," in the City's Rent Stabilization Ordinance to help address indirect displacement in gentrifying neighborhoods and encourage energy conservation.
- Codify a tenant's right to counsel in an eviction proceeding. Codify a tenant's right to counsel that guarantees access to an attorney to all tenants who face an eviction.
- Create a permanent tenant education program. Create a permanent tenant education program to inform tenants of their rights and how to access eviction defense resources.
- Explore additional opportunities that strengthen the RSO. Explore amendments to the City's RSO to restrict allowable grounds for eviction, including restrictions on eviction for failure to pay and policies to alleviate rent-debt.

3. INVEST IN SOCIAL HOUSING, COMMUNITY LAND TRUSTS, AND STRATEGIC LAND ACQUISITION

We cannot rely on status quo policies to dig ourselves out of this unprecedented affordable housing crisis. Instead, the Housing Element must be the vehicle to drive LA housing policy into a new future that reimagines social housing and brings land into community control in order to produce the permanent deeply affordable housing that Angelenos so desperately need.

- a. **Facilitate and invest in a Social Housing program that preserves and creates new permanent affordable housing at all levels of affordability, especially the deepest levels of affordability that reach 30% AMI, 15% AMI, 10% AMI and below.***

Currently, most renters in Los Angeles are rent burdened and high rents have become a clear driver of homelessness. The City must dramatically expand its supply of Social Housing to shield low-income

residents from an increasingly unaffordable rental market and provide long-term stability for both households and neighborhoods. The Housing Element should include policies and programs to effectively expand the supply of deeply affordable Social Housing, including but not limited to the following.

- Expand the acquisition and use of publicly- and privately-owned land for the use of Social Housing. Acquire land for Social Housing and designate Social Housing - including but not limited to community ownership models (see below) as the primary intended use for surplus or underutilized public land in the City. Coordinate with City, County, State, Metro and other public agencies to identify sites for disposition for Social Housing development and/or community control through neighborhood-based nonprofit ownership.
- Facilitate innovative models of Social Housing. Facilitate innovative models that seek to lower costs while providing quality housing and supporting family-supporting wages.
- Explore establishing a multijurisdictional joint authority to facilitate Social Housing. Explore opportunities for land assembly across jurisdictions through establishment of a multijurisdictional joint authority that can purchase, assemble, remediate, and entitle land for social housing production and preservation.
- Increase access to financing for Social Housing. Create, and/or partner with other public agencies and private lending institutions to facilitate, low-cost financing opportunities for social housing developers, neighborhood-based nonprofit cdc's, land stewards, homeowners, resident associations, and housing cooperative shareholders.
- Remove limits on the number of public housing units allowed in each council district. Take any legal or electoral steps required to remove any limitations on the number of public housing units allowed per council district.
- Explore new funding and revenue sources for Social Housing. Research all available and/or potential funding sources for social housing and actively seek funding opportunities, including partnering with state and federal agencies or electeds on creating new programs and funding opportunities. Pursue the creation of new revenue sources, including but not limited to new taxes - particularly those that serve to limit residential vacancies and speculative land flipping - as well as the potential use of a newly-created public bank to facilitate financing.

b. Advance community ownership models of affordable housing, such as community land trusts, housing cooperatives and other strategies that create permanent affordability and opportunities for renters and unhoused residents to build equity through ownership.

Rents paid by tenants to corporate landlords benefit a corporation's profit margin rather than Los Angeles neighborhoods and families. In order to keep wealth within our communities, provide permanent affordability and provide equity opportunities to households with low incomes, we must scale up community ownership models of affordable housing. The Housing Element should include policies and programs to effectively expand community ownership models, including but not limited to the following.

- Dedicate publicly owned land to community land-trusts. Dedicate publicly owned land to CLTs who can provide affordable housing in perpetuity by owning land and leasing it to

those who live in units built on that land, and/or offer subsidies for the purchase of land and/or house construction by CLTs⁴.

- Remove zoning and land use barriers to CLT development. Consult with existing CLTs to identify ways to remove zoning and land use barriers to future CLT development.
- Convey land to CLTs. Convey city-owned, surplus, and abandoned properties to a CLT including land acquired, remediated, and readied for development by a public agency, land bank or redevelopment authority; surplus land acquired by the city for the construction of roads, schools, bike paths, municipal buildings, public housing, etc.; underutilized surface parking lots; surplus fire stations, school buildings, or other buildings owned by the City; and, abandoned buildings.
- Facilitate transfer of tax foreclosed properties to CLTs. Partner with County of Los Angeles' Treasurer and Tax Collector to facilitate transfer of tax foreclosed residential, mixed-use and vacant properties located within the City to CLTs, subsidize rehabilitation, and support a path to ownership for any current residents.
- Prioritize funding to permanently affordable housing. Redirect existing funding toward affordable housing with permanent affordability via threshold criteria or preferential scoring in the distribution of federal, state, and municipal housing funds for the construction, rehabilitation, or financing of affordably priced homes that are owner-occupied, renter-occupied, or owned and managed as a limited equity cooperative.
- Increase CLT use of current acquisition and rehabilitation programs. Engage CLTs and their lending and development partners in evaluating the City's current funding programs for acquisition and rehabilitation of naturally occurring affordable housing (NOAH) and at-risk deed-restricted multifamily properties, and institute resultant recommendations in order to increase CLT utilization of existing and future NOAH programs.
- Design land use incentives to expand CLTs. Award density bonuses, and/or grant regulatory concessions and design any new inclusionary zoning program in a manner that steers units into CLT portfolios and covers a portion of CLT cost of stewardship.
- Expand funding for CLTs. Research all available and/or potential funding sources for CLTs and actively seek funding opportunities, including partnering with state and federal agencies or electeds on creating new programs and funding opportunities. Pursue the creation of new revenue sources, including but not limited to new taxes - particularly those that serve to limit residential vacancies and speculative land flipping - as well as the potential use of a newly-created public bank to facilitate financing
- Foster new CLTs through technical assistance. Foster the development of new CLTs in the City through allocating City resources for tenant engagement, tenant-ownership training, legal counsel, and CLT technical assistance.
- Transfer properties in receivership to CLTs. Establish a receivership program to facilitate the transfer of ownership of properties in receivership to CLTs.

⁴ A recent motion introduced by Councilmembers Buscaino, Krekorian, Martinez, and O'Farrell to explore such a strategy is an important first step. However, in addition to partnering with local CLTs, it is crucial that the City Planning Department support these efforts by identifying and committing land for this purpose in high-opportunity neighborhoods. In addition a motion authored by Councilmember Marqueece Harris Dawson, Cedillo, Wesson also explores donating surplus land to [Community Land Trusts for the purpose of affordable housing](#)

c. Limit the speculative use of land and property by extractive investors and corporate entities

During the Great Recession, American households lost trillions in wealth and millions of homes were foreclosed. Black and Latino homeowners were 71 to 76 percent more likely to lose their homes after the crash than white homeowners.⁵ After the Great Recession, private equity firms invested upwards of \$20 billion to purchase more than 200,000 homes nationwide; they converted owner-occupied homes to rental properties and created new financial instruments to trade rental income streams on Wall Street. This transfer of wealth from LA families to Wall Street further entrenched the racial wealth gap and led to increased neighborhood instability. Especially given the economic crisis caused by Covid-19, the City of LA must be doing everything possible to avoid a similar trend in the coming years. The Housing Element should include policies and programs that accelerate an affordable housing acquisition strategy of single family, multifamily and commercial properties, including but not limited to the following.

- Create Anti-Displacement Overlay Zones. Apply strong displacement protections where federal, state or local incentive programs drive new development. For instance, the federal Opportunity Zones program provides catalytic development incentives in census tracts that are among the most vulnerable neighborhoods in the City. Yet, this federal tax program stimulates provides no guidelines to protect communities. Local regulation can provide necessary protections to keep neighborhoods stable and healthy.
- Enact disclosure requirements for property owners Enact disclosure requirements for LLCs, LLPs, LPs and other corporate or non-individual ownership designations to ensure public transparency and understanding regarding the business practices by corporate owners of housing and land.
- Prosecute predatory landlords and developers. Deepen local institutional capacity to investigate and pursue affirmative cases against landlords with predatory patterns of behavior like frequent/malicious evictions, unlawful evictions, poor habitability records, tenant harassment issues, and violations of RSO, and disclose such records to the public.
- Tax and regulate large real estate portfolios. Adopt regulatory and revenue generating policies to disincentivize the accumulation of large real estate portfolios. These may include policies such as a vacancy tax, a flipping tax, and Out-of-State Property Transaction tax.

d. Facilitate Acquisition of Land and Housing for Community Benefit.

Right of Refusal programs can help preserve the ongoing affordability of dedicated affordable rental housing by giving priority consideration to mission-oriented buyers when the owner of a subsidized rental property decides to stop participating in a subsidy program. They can also be applied to unsubsidized rental properties, helping to preserve the availability of rental units and in some cases facilitate conversion to dedicated affordable rentals. Eligible buyers may include tenant associations, nonprofit and for-profit developers, and/or state or local government agencies. To establish such a program first requires that the City Council pass an ordinance establishing a TOPA/COPA policy.

Once the policy framework is established, tenants trying to exercise the right of first refusal will typically need substantial financial and technical assistance to make a successful offer. HCID should establish a

⁵ Bocian, et al., “Foreclosures by Race and Ethnicity: The Demographics of a Crisis” *available at* <https://www.responsiblelending.org/mortgage-lending/research-analysis/foreclosures-by-race-and-ethnicity.pdf>

technical assistance program that educates tenants on their Cities may also want to identify non-profit organizations that have experience conducting preservation transactions and can act as partners to help tenant associations throughout the process

By creating a right of first offer and a right of first refusal for current tenants and qualified organizations to purchase for-sale rental properties, and supporting the exercise of these rights, the City can help keep property in community hands and remove housing from the speculative market. The Housing Element should include policies and programs to adopt and implement an Opportunity to Purchase policy, including but not limited to the following.

- Adopt an Opportunity to Purchase Ordinance. Direct City Council to adopt an ordinance creating an Opportunity to Purchase policy containing a right of first offer and right of first refusal of for-sale rental property for current tenants and qualified organizations, including Community Land Trusts, neighborhood-based CDCs, tenant organizations, nonprofit organizations, public agencies, and other entities who commit to permanent affordability. Qualified purchasers should have an exclusive window to offer to purchase rental property and secure financing. If these qualified offers are rejected, the same purchasers should have the right to match any third party offers to sell the same property.
- Support Opportunity to Purchase with Technical Assistance. Provide technical assistance to tenants and qualified organizations to exercise their right of first offer and/or right of first refusal.
- Create infrastructure to facilitate notification between buyers and sellers. Develop an infrastructure to facilitate notification between buyers and sellers, in order to maximize participation and effectiveness of the Opportunity to Purchase policy.
- Identify funding to support buyers exercising the opportunity to purchase. Identify dedicated funding to ensure that qualified purchasers under this policy are able to secure financing and make competitive, bona fide offers to purchase when exercising their right of first offer.

e. Develop a strategic land acquisition program to preserve and expand the supply of affordable housing.

In addition to land use policies such as inclusionary zoning, value capture, and no-net-loss, the City should adopt a strategic land acquisition program to help meet the need for preservation and production of affordable housing. Strategic acquisition, or “land banking”, is a process to acquire land and property for preservation and/or future development.⁶ A land bank established as a public, quasi-public or non-profit entity can serve three critical functions: speed; reducing barriers; and cost savings. When properly structured to fulfill these objectives, a land bank may be able to acquire a property more quickly than an affordable housing developer who must adhere to complex funding requirements from multiple sources. The land bank can reduce barriers to acquisition by helping coordinate inspections, permitting and other entitlement processes. Lastly, a land bank can add efficiency to the system by using its relative size and coordinating capacity to achieve economies of scale which together can reduce the cost for the non-profit

⁶ Kildee, D. and Hovey, A. “Land Banking 101: What is a Land Bank” Center for Community Progress, distributed by U.S. Department of Housing and Urban Development, Neighborhood Stabilization Program, accessed June 2020.

developer, CLT, low- or moderate-income homeowner or tenant group who will be the ultimate steward. A land bank operates with a clear mandate and operating directives, which in this case should ensure that disposition of property will achieve goals that include enhancing residential stability of current residents, retention of public investment, long-term affordability, and building capacity and advancing self-determination of impacted, lower income communities. The Housing Element should include policies and programs to implement a land acquisition policy, including but not limited to the following.

- Create a City Land Bank. Research best practices for establishing a public land bank and make recommendations to the City Council for implementation of a public land bank.
- Land Acquisition Strategies. Develop strategies to assist community land trusts and affordable housing developers with property acquisition. Coordinate with non-profit developers and community land trusts to take advantage of off-site acquisition options provided under Measure JJJ.
- Land Sales/Property Transactions: Collect and make information about land sales and property transactions in the Community Plan Areas more publicly accessible to support opportunities for purchase by affordable housing developers, community-based organizations, or community land trusts, and to enhance communities' access to information regarding changes in their own neighborhoods.

4. INCREASE THE SUPPLY OF DEEPLY AFFORDABLE HOUSING

While our city needs to increase the supply of housing, market rents on new construction far exceed what the vast majority of tenants can afford. Extremely low-income households face the worst rent burdens, are more likely to be severely rent burdened, and face the most acute housing shortage for their income range. Creating an adequate supply of deeply affordable housing (DLI and ELI) is a critical strategy to prevent further homelessness and protect the most vulnerable residents of LA.

a. Produce an adequate supply of affordable housing to meet current and projected need.

The Housing Element should include policies and programs to effectively produce affordable housing to meet current and projected needs, including but not limited to:

- Inclusionary Zoning. Adopt city-wide inclusionary zoning requirements on new rental and for-sale development that is structured in such a way as to incentivize construction of deeply affordable units, with the option to satisfy affordable housing requirements through off-site construction significantly restricted.
- Density Bonus. Explore an expansion of density bonus program, with restrictions on buildings occupied by tenants within 10 years.
- Deep affordability. Identify and implement incentives for new development to contribute towards the community's deeply low-, extremely low-, and very low-income housing needs.
- Public Investment in Affordable Housing. Utilize public land and funding for the construction of new housing for deeply low-, extremely low-, very low-, and low-income households.

- Strategic Use of City-Owned Land. Devote City-owned land exclusively to the creation of 100 percent affordable and/or supportive housing projects through below-market or no-cost sale or lease to non-profit developers or community land trusts.
- Surplus Land. Prioritize the creation of affordable housing by facilitating below-market sale or lease of surplus and other underutilized property to affordable housing developers, or for the creation of new park space where there is a demonstrated need for one or the other, consistent with state law.
- Vacancy Penalty. Support the adoption of a vacant homes penalty assessed on sites with vacant residential and commercial units; prioritize the use of revenue for the creation and preservation of deeply affordable housing, including supportive housing and land acquisition by community land trusts.

b. Equitably Distribute Deeply Affordable Housing Around Transit Corridors.

According to the City Planning Department's Inventory of Sites, there are 308,000 potential units on developable land in the City of Los Angeles, and 85% of these sites are within ½ mile of transit. Given that low-income renters are more likely to be transit-dependent, it is crucial that developments on these sites include units dedicated to the deepest affordability levels. The Housing Element should include policies and programs to effectively and equitably distribute deeply affordable housing around transit corridors, including but not limited to the following.

- Value Capture. Require that community plan updates implement value capture zoning such that any upzone is connected to affordability requirements equal to or greater than the Transit Oriented Communities program.
- Affordability in High Opportunity Areas. Require that community plan updates in high opportunity neighborhoods accommodate multi-family residential development with affordability levels equal to or greater than the TOC program.
- Homeowner Assistance. Expand and fund homeowner assistance programs for low- and moderate income households.
- Prioritize housing for displaced residents. Create a program that gives first priority of affordable housing units in TOC buildings to tenants of former buildings on that site, or tenants who have been evicted under the Ellis Act.

c. Reduce barriers for production of all affordable housing that does not result in the removal of existing units and/or displacement of tenants and that does not expose low-income communities of color to environmental harms.

New construction of 100% affordable and/or permanent supportive housing should have a clear and streamlined process from application to certificate of occupancy. The Housing Element should include policies and programs to effectively reduce barriers for production of affordable housing, including but not limited to the following.

- Affordable Housing on Vacant and Underutilized Land. Explore a citywide program that allows the production of affordable housing on vacant land, commercial buildings, or buildings unoccupied in the last 10 years, by right.

- Affordable Housing on Religious Institution property. Establish a program that encourages development by right of 100% affordable housing projects in key areas, including on land owned by religious institutions.
- Remediation. Create a program that requires - and funds - the environmental remediation of all housing sites and mitigation of impacts by neighboring sites.
- Innovation. Explore innovative solutions to increasing production of 100% affordable housing.
- Remove Obstacles to Permanent Supportive Housing. Identify and eliminate barriers to the funding, approval, and development of permanent supportive housing.

d. Provide reparations for Black Angelenos with affordable housing.

Los Angeles should take proactive steps to address the past and continuing harms of redlining, racial covenants, housing discrimination, predatory home loans, and disinvestments in Black neighborhoods by providing reparations for Black Angelenos with access to affordable rental housing and homeownership opportunities. The Housing Element should include policies and programs to provide reparations for Black Angelenos with affordable housing, including but not limited to the following.

- Set aside a percentage of affordable units for Black families. for Require a percentage of affordable housing rental units and for-sale units be set aside for eligible Black families.
- Establish a “Certificate of Preference” Program for Displaced Black Residents. Establish “Certificate of Preference”⁷ for displaced Black residents to be entitled to priority in renting or buying units in the neighborhoods from which they were displaced.
- Support Black Homeownership. Fund a homeownership assistance program for Black families and support current homeowners with funds for rehabilitation of their properties.

5. FURTHER ENVIRONMENTAL JUSTICE, IMPROVE CLIMATE RESILIENCE AND PROMOTE COMMUNITY HEALTH

Access to safe and affordable housing has a direct impact on public health. The very communities facing the highest rent burden are often the same frontline communities who bear the brunt of the negative impacts brought on by multiple, intersecting crises related to housing, homelessness, and environmental racism. These health disparities are brought on by land uses based on an extractive economy that contributes to environmental degradation, industrial pollution, the climate crisis, and increased health disparities for the frontline communities. For example, according to the Health Atlas for the City of LA, 21% (or approximately 59,000 individuals) of Southeast LA CPA residents lived adjacent to noxious land uses in 2013. The Housing Element is an opportunity to ensure that housing promotes public health with land use policies that are aligned with practices that create a more productive, equitable, and healthy regenerative use of land. Therefore, the recommendations, below, account for issues related to habitability, overcrowding, access to an adequate supply of safe affordable housing, and the need for climate resilient infrastructure and zoning policies.

⁷ For example, this [motion](#) introduced by Councilmembers Harris-Dawson, Price, and Wesson in 2018 would create a neighborhood stabilization program for South LA.

a. Promote environmental justice and public health in development processes.

The City's Health Element names the harmful health impacts of displacement on individuals, families, and communities when development and infrastructure investment is pursued without regard for low-income residents already residing in the area; the need for both preservation and production of affordable housing to avoid rising rents, evictions, and increased homelessness; and centering land-use policies on a goal to reduce "health disparities and advancing health, equity, and sustainability in Los Angeles." The Housing Element can achieve consistency with the Health and Wellness Element by including policies and programs to advance environmental justice and community health, including but not limited to the following.

- Health Impact Assessments. Integrate health impact assessments into environmental impact reviews (EIRs), evaluating proximity to industrial land use/brown fields; health impacts of exposure to industrial and other noxious land uses; displacement impacts; and risk of increased evictions, homelessness, and susceptibility to overcrowded and substandard housing.
- REAP. Identify ways to ensure the Rent Escrow Account Program (REAP) is meeting its intended goals.
- Healthy Homes. Ensure all appropriate City departments are trained to identify and address environmental hazards, including, but not limited to mold, asbestos, and lead hazards affecting tenants, and develop strategies to prevent and mitigate the negative health impacts of repair or construction work that may release environmental hazards, including providing meaningful relocation assistance at the expense of the property owners, and enforcing tenants' right to return to their repaired rental units.
- Receivership Program. As a deterrent to slum housing practices and to facilitate community ownership goals, establish a receivership program for properties in REAP that do not achieve compliance so that tenant groups, CLTs and social housing entities can act as receivers and stewards of delinquent properties.
- Health and Habitability Training and Outreach. Require property owners and property managers to undergo training on responsible management of environmental hazards and tenants' right to live in habitable housing, and partner with community-based organizations to assist in outreach to tenants to inform them of their rights to live in habitable housing, regardless of income, race, or immigration status.
- Healthy Development Standards. Identify and adopt development standards that promote healthy air and water quality.
- Use an EJ lens in Planning. Integrate the CalEnviroScreen into land use planning to target critical investments increasing access to affordable housing in underserved and highly impacted areas.
- Industrial sites / brownfield sites. Advance new standards such as requiring EIRs to include health impact assessment for a 2-mile radius; enhanced site remediation and polluter accountability strategies; prevent development in proximity to brownfield sites until full EIR/HIA and remediation is done; provide support to affordable housing developments for environmental review and remediation, including identifying funding opportunities based on polluter-pay principles.

b. Plan for climate resilience.

Low-income communities are more likely to disproportionately bear the burden of climate change. For example, low-income communities that are park-poor and have less green infrastructure investment are also more likely to acutely feel the effects of extreme weather events due to climate change. The Housing Element should include policies and programs to enhance climate resiliency as a component of housing development, including but not limited to the following.

- EJ in infrastructure. Work with the City’s Climate Emergency Mobilization Department to ensure infrastructure alignment with principles of environmental justice and a just transition framework that puts an end to environmental racism and, thus, the displacement of low-income communities and communities of color, and uplifts public health through affordable housing.
- Education and training. Train City departments, property owners, and property managers on tenants’ rights to live in habitable housing, the health effects of environmental hazard exposure, and appropriate management of environmental hazards such as lead and asbestos to prevent tenant exposure.
- Land use compatibility. Prevent instances of incompatible land use by establishing strict health and safety buffers between hazardous and sensitive land uses, including a 2500-foot health and human safety buffer between oil extraction sites and sensitive land uses, and a 500-foot buffer between other noxious land uses, such as auto-related uses, and sensitive land uses
- Green and Renewables Infrastructure. The City should convene stakeholders to develop green and renewable energy standards for housing development.

6. ENSURE MEANINGFUL COMMUNITY PARTICIPATION AND CAPACITY BUILDING

Public resources can go further when they are used to amplify actions being taken independently by community organizations. For this engagement to be transformative, however, it must be aligned—in both content and process—to actionable processes and policies that can improve equity outcomes for people. Ensuring the success of the aforementioned programs requires that the city partner with existing community-based organizations with established networks of trust with residents in their respective neighborhoods. Such partnerships will ensure information is distributed in a linguistically and culturally appropriate manner, and also allow the city to gather data on the effectiveness of new Housing Element policies and programs on directly impacted communities. The Housing Element should include policies and programs to ensure CBOs are integrated into implementation and evaluation of Housing Element programs, including but not limited to the following.

- Budget for seed grants or community contracts to support the participation of community-based organizations (CBOs) in tracking and evaluating housing element policies and programs.
- Develop a list of mission-based nonprofit organizations in each Community Plan Area and distribute RFPs annually to develop contracts with organizations that work directly with

tenants, individuals experiencing homelessness, and other vulnerable populations so as to ensure the success of new housing policies and programs. HCID can achieve this through distribution of funds from housing block grants, and/or the establishment of community contracts with CBOs. These partnerships will ensure the effective implementation of Housing Element policies and programs.

The Housing Element update and 6th cycle RHNA can be transformative for Los Angeles, with the potential to vastly improve housing affordability and the quality of life for millions of Angelenos if done right. After decades of underproduction of affordable housing, exclusionary zoning, and a lack of preservation of low-cost housing, our city must commit to take bold action and adopt affirmative policies and programs that will result in deeply affordable units at scale, address vacancy issues in new units, and stabilize communities at risk of displacement, while simultaneously building new housing units. Our coalition is eager to be a thought partner with the City in the implementation of the policies stated in our letter and we look forward to continued collaboration on making Los Angeles a city where everyone can thrive.

Sincerely,

ACT-LA

DAY OF HEARING SUBMISSIONS