

Proposed Resident Protections Ordinance

Citywide Proposed Code Amendment
Virtual Presentation for CPC Meeting

CPC-2024-388-CA

LOS ANGELES
CITY PLANNING

September 26, 2024

Background

- **Rezoning Program** offers an opportunity to introduce clear and consistent citywide policies for:
 - **Tenant protections** and **replacement requirements** for development projects
 - **Fair housing** requirements for new **affordable housing** units
- Codifies and expands upon state's temporary **Housing Crisis Act**



Image: Adobe Stock

Housing Crisis Act Requirements

Demolition Requires

1. **Replacement** of existing or demolished **Protected Units**
*Must be replaced in the new building at an **equivalent size** and at an **affordable cost***
2. **No Net Loss** of Dwelling Units
3. Existing **Occupant Protections**
 - **Right to Return** for lower income households
 - **Right to Remain** until 6 months prior to construction
 - **Right to Return** if Demolition Does Not Proceed
 - **Relocation** assistance for lower income households

Protected Units

Prior 5 years

Rent Controlled (RSO)
Occupied by lower income tenants
Deed restricted affordable

Prior 10 years

Ellis Act removals

Restricted Affordable Housing

All Restricted Affordable Housing Units must:

Be **Affordable for 99 Years** (Up from 55 years today)

Meet **fair housing requirements** regarding design, size and more

Be **available to those with the highest need**, including:

- Fair marketing and outreach
- Listing Affordable units in the City's online registry*
- Priority Populations for Affordable units*



Image: Brooks + Scarpa

* Subject to feasibility

Key Provisions

Major Differences from State Law

Occupant Protections

- Enhanced Relocation Assistance to better align with state law
- Expanded Right to Return
 - Prior rental rate
 - Comparable unit

Stronger Enforcement

- Private Right of Action
- Tenant Notification Requirements
- Anti-Harassment Violator's Database

RSO Replacement

- 1:1 Replacement
- Prioritizing deeper income levels

Relocation Assistance

The Housing Crisis Act was amended in 2023 to clarify relocation assistance payments

- Requires developer pay relocation assistance to **lower income** tenants/occupants
- Requires assistance equivalent to *California Relocation Assistance Law*, which includes
 - Moving expenses
 - Relocation assistance (to afford a comparable unit for 42 months)
- Proposed Ordinance would create a local formula, as detailed below:



Right of Return

- Tenants will be able to return at their **prior rental rate, if lower** than an affordable housing cost
 - In such cases, subsequent rent increases would be limited to those permitted by the Rent Stabilization Ordinance (RSO), to align with ED1
- Entitled to a **Comparable Unit** (same number of bedrooms **and bathrooms**)
 - Does not require the same square footage

Private Right of Action

Goal

- Provides aggrieved tenants a **framework for pursuing legal action, remedies, and enforcement** against developers who violate their rights pursuant to the proposed ordinance

Remedies

- Tenants **may be awarded** the following:
 - Reasonable attorney's fees and costs
 - Compensatory or punitive damages
 - Civil penalties of up to \$10,000 per violation
- **Penalties may be increased** in the following is cases:
 - Willful violations
 - Tenants are 65 years of age or older

Tenant Notification Requirements

Construction Period

Start of Construction Activity

Tenants are notified of their rights, how to exercise their rights, and are provided owner contact information.

Bi-annual Updates

Updates on project milestones and anticipated Certificate of Occupancy.

Project Milestones

Tenants are notified 180, 90, 30, and 15 days in advance of the anticipated Certificate of Occupancy.

Temporary / Final Certificate of Occupancy

Tenant is notified when the Temporary and Final Certificate of Occupancy is issued.

Lease-Up

Tenant Response (30 days)

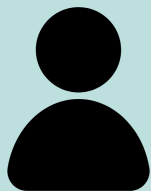
Tenants will have 30 days from receiving the Certificate of Occupancy issuance notice to claim their replacement unit.

Unit Hold (60 days)

Once tenant claims their replacement unit, owner will need to hold their unit vacant for 60 days from the date the tenant responds.

Anti-Harassment Provisions

Anti-Harassment Violators Database Thresholds



1 final court judgment in prior 5 years for unlawful tenant harassment or for wrongfully or illegally evicting a tenant



3 final City TAHO citations in prior 10 years



1 final City TAHO citation at a property in an area with heightened risk of displacement, in prior 5 years

Consequences of Placement in Database

- Withholding or revocation of demolition permits for **5 years** for violators placed on database
- Demolition permit ban will **run with the land** where the TAHO violation took place

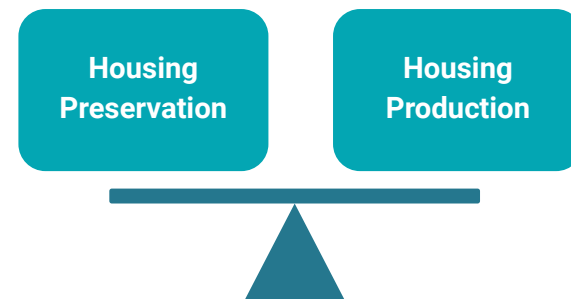
RSO Replacement Requirements

		Current Practice	Proposed Ordinance
Income Known		Replace units occupied by Lower Income tenants (ELI, VLI, LI)	Replace all units Above Lower Income units replaced with Lower Income Expanded to include Acutely Low Income (ALI)
Income Unknown	Citywide	Replaced at the proportion of Lower Income renters in the City each year (now 65%) Units presumed to be above Lower Income (35%) are not replaced ELI units only included for TOC Projects	All units replaced as Lower Income units (1:1) Units assumed above Lower Income (35%) replaced as Lower Income Always includes Extremely Low Income (ELI)
	Lower Opportunity Areas		All units replaced as Lower Income units (1:1) Units replaced proportionate to Lower Income renters (rather than total renters) 44% ELI, 26% VLI, 30% LI (Sept. 2024 update)

Key Issues

RSO Replacement Ratios

- Ordinance recommends increased 1:1 RSO replacement ratio (compared to 0.65:1 today)
- Feedback has focused on:
 - Increasing the replacement ratio to 2:1,
 - Not counting replacement units towards other affordability requirements
- Increased replacement ratios can impact the balance between housing production and preservation
- Staff commissioned study (AECOM) to evaluate potential impacts of different replacement policies
 - First study showed increasing to 1:1 would not impact most projects
 - Second study Indicates that increasing ratios to 2:1 would impact vast majority of feasible sites



Note: The studies are available in Appendix 3 and via Technical Modification Appendix 3.A of the Staff Report

Extremely Low Income Replacement

- RPO & CHIP are expanding production of ELI units through incentives and replacement policies (see table)
- Additionally, ELI units already make up the majority (55%) of new affordable units in RSO replacement projects, as found in staff commissioned study (AECOM)
- Feedback has focused on defaulting to ELI for replacement when incomes are not known
- Proposed ordinances prioritize ELI units, while still requiring varied income levels in replacement units

ELI Strategies in RPO & CHIP	
RSO Replacement	<p>ELI now required for all project types (previously only TOC)</p> <p>When incomes are known, includes ELI (and ALI)</p> <p>When incomes are not known, requires greater share of ELI in Low Opportunity areas</p>
MIIP Incentives	<p>Encourage ELI units, building on success of TOC program</p>

Recommended Actions

1. Find and recommend the City Council find, based on the whole of the record in the independent judgment of the decision maker, that the Resident Protections Ordinance was assessed in the adopted Housing Element Environmental Impact Report No. ENV-2020-6762-EIR (SCH No. 2021010130) certified on November 29, 2021, Addendum No. 1 (ENV-2020-6762-EIR-ADD1) certified on June 14, 2022, and Addendum No. 2 (ENV-2020-6762-EIR-ADD2)(collectively, "EIR"); adopt Addendum No. 2; determine that pursuant to CEQA Guidelines section 15162 and 15164, no subsequent or supplemental EIR is required; and adopt the Mitigation Monitoring Program;
2. Recommend, pursuant to Sections 13B.1.3 of the Los Angeles Municipal Code, that the City Council adopt the proposed Resident Protections Ordinance to amend the Zoning Code and Public Welfare Code including amendments to Chapter 1, Chapter 1A, and Chapter 4 of the Los Angeles Municipal Code (LAMC), including revisions to Sections 12.03, 12.22, 12.24, 14.00, and 19.18, and any related Code sections of Chapter 1, the additions of Sections 16.60 and 16.61 in Chapter 1, and revisions to Articles 4, 14, and any other related Code sections in Chapter 1A; and the removal of Sections 51.31, 51.32, 51.33, 51.34 and 51.35 from Chapter 4;
3. Recommend the City Council adopt a Resolution to Amend the "Affordable Housing Incentives Guidelines" (Exhibit B1) and approve the proposed Fair Housing Requirements for Affordable Housing (Exhibit B2) pursuant to Los Angeles Municipal Code 12.22 A.25 and Charter Section 550 and 551;
4. Request the City Planning Department prepare an ordinance to incorporate the proposed Resident Protections Ordinance, which amends LAMC Chapter 1, identified in Action Item 2 into Chapter 1A of the LAMC (New Zoning Code), subject to the policy changes described in the Staff Recommendation Report and in conformance with the format and style of the New Zoning Code; and Recommend the City Council adopt this Chapter 1A version of the Resident Protection Ordinance;
5. Adopt the Staff Recommendation Report as the Commission's report on the subject; and
6. Adopt the findings.

Fair Housing Requirements for Affordable Housing

Background

- Currently **Design Standards for Affordable Housing** are part of the **Affordable Housing Incentives Guidelines** (est. by CPC in 1996, last revised in 2005)
- Ordinance establishes CPC's authority to **adopt new Fair Housing requirements** for affordable units in mixed-income developments

Recommended Actions

- CPC will approve **amendments to the Affordable Housing Guidelines**, including **establishing** more robust **Fair Housing Requirements**.
- Upon **adoption of the Rezoning Ordinances**, the **stand-alone Fair Housing Requirements will be effective**, and old Affordable Housing Guidelines will no longer be in effect
- Subsequent revisions would come before the CPC

Thank you

Staff Contacts

LACP

Matthew Glesne, Senior City Planner

Julia HeideIman, City Planner

LAHD

Greg Spiegel, Senior Housing Planning and Economic Analyst

Meg Healy, Housing Planning and Economic Analyst

housingelement@lacity.org