

# CITY OF LOS ANGELES INTER-DEPARTMENTAL CORRESPONDENCE

DATE: February 15, 2023

- TO: Department of Building and Safety Staff Department of City Planning Staff Interested Parties
- FROM: Vincent P. Bertoni, AICP Director of Planning Department of City Planning

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SUBJECT: IMPLEMENTATION OF THE HOUSING CRISIS ACT OF 2019

On October 9, 2019, the Governor signed into law the Housing Crisis Act of 2019 (HCA or Housing Crisis Act) through Senate Bill (SB) 330 (2019). SB 330 created new statewide rules under Title 7 of the California Government Code regarding the production, preservation, and planning for housing. The HCA has been in effect since January 1, 2020. Subsequently, on September 16, 2021, the Governor signed into law SB 8 (2021), the first major clarification of the HCA. SB 8 has been in effect since January 1, 2022.

This memorandum serves as interim guidance for staff in the Departments of City Planning and Building and Safety regarding City policies and processes as they relate to the implementation of the HCA, as amended by SB 8, and does not create any new City ordinances or regulations. It reflects most but does not cover all circumstances and may be subject to additional information, interpretation and consideration based on individual application circumstances and changes in state or local law. Further, this memorandum provides a summary of pertinent sections of the HCA for reference purposes only and is not intended to conflict with State Law.

This memorandum supplements the "Implementation of State Law SB 330 - Housing Crisis Act of 2019" memorandum dated January 17, 2020.

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# I. SUMMARY OF THE HOUSING CRISIS ACT, AS AMENDED BY SB 8

The Housing Crisis Act establishes a statewide temporary housing emergency, aiming to increase certainty in the development review process, preserve existing affordable housing, enhance protections for occupants, and prevent certain actions that would reduce the availability of housing. For the duration of the emergency period, the HCA, as amended by SB 8, does the following:

## General Applicability and Effective Dates

- (1) Extends certain rights and responsibilities through 2034 to Housing Development Projects<sup>1</sup> that submit a City Planning application, building permit, or HCA Vesting Preliminary Application before January 1, 2030,
- (2) Clarifies that certain provisions of the HCA apply to Housing Development Projects that involve no discretionary approvals (i.e. ministerial or by-right) (Government Code (G.C.) Section (Sec.) 65905.5(b)(3)) submitted to the City on or after January 1, 2022 (G.C. Sec 65905.5(f)),
- (3) Clarifies that certain provisions of the HCA apply to Housing Development Projects consisting of the development of a single unit (G.C. Sec. 65905.5(b)(3)(C)),

<sup>&</sup>lt;sup>1</sup> See Section III of this memorandum for the definition of "Housing Development Project."

# Housing Replacement and Occupant Protections

- (4) Requires that a Housing Development Project not result in a net loss of residential units (G.C. Sec. 66300(d)(1)),
- (5) Provides that Protected Units<sup>2</sup> must be replaced with new units consisting of the same number of bedrooms at the same income level of the Protected Unit, with specified exceptions for single-family dwellings being built and single-family dwellings being replaced (G.C. Sec. 66300(d)(2)),
- (6) Provides that all occupants of Protected Units are provided a right to remain in their units up to six months prior to the start of construction activities (G.C. Sec. 66300(d)(2)(C)),
- (7) Allows lower-income occupants of Protected Units applicable relocation assistance and a right of first refusal (right to return) at a rent or cost affordable to their income level, with specified exceptions (G.C. Sec. 66300(d)(2)(D)),

# Project Review Streamlining

- (8) Creates a new vesting process for zoning and land use ordinances, policies, and standards in place when a HCA Vesting Preliminary Application is submitted, with limitations (G.C. Sec. 65941.1),
- (9) Requires that the historic status or designation of any site be determined at the time that a complete application is submitted (G.C. Sec. 65913.10),
- (10) Limits the number of public hearings allowed for Housing Development Projects that meet all applicable zoning and land use standards (G.C. Sec. 65905.5),
- (11) Shortens the review period for Housing Development Projects associated with an Environmental Impact Report (G.C. Sec.65950),
- (12) Places limitations on the enforcement and imposition of design standards established on or after January 1, 2020, that are not objective design standards (G.C. Sec. 66300(b)(1)(C),

# Planning and Zoning for Housing

• (13) Places limitations on the City's ability to reduce the housing capacity of land (G.C. Sec. 66300(b) and (i),

# Local Jurisdiction Implementation Provisions

- (14) Requires the City to provide available tenant and unit information necessary to determine compliance with the housing replacement obligations and occupant protections of Government Code Section 66300, as part of the regular project review process (G.C. Section 65940(a)(2)), and
- (15) Prohibits approval of a Housing Development Project unless the replacement requirements and occupant protections are applied (G.C. Section 66300(d)(1) and (2)).

<sup>&</sup>lt;sup>2</sup> See Section VII of this memorandum for the definition of "Protected Unit."

# II. GENERAL APPLICABILITY AND EFFECTIVE DATES

The Housing Crisis Act, as amended by SB 8, applies to the following projects, as specified in the Act, through 2034 when submitted to the City before January 1, 2030<sup>3</sup>:

- Discretionary Housing Development Projects with a final approval on or after January 1, 2020
- On or after January 1, 2022, ministerial Housing Development Projects with an application submitted to Los Angeles City Planning (City Planning) or for which the Los Angeles Department of Building and Safety (LADBS) accepts a complete building permit Plan Check application,
- A Housing Development Project that submits a complete HCA Vesting Preliminary Application.

## III. GENERAL PROCEDURES

To implement the Housing Crisis, Act and Title 7 of the Government Code, as amended by SB 8, certain development review criteria apply to proposed Housing Development Projects.

#### Housing Replacement and Occupant Protections

A Housing Development Project must obtain a SB 8 Replacement Unit Determination (RUD) letter from the Los Angeles Housing Department (LAHD) prior to submitting a complete application to City Planning or receiving clearance from LAHD in the LADBS permitting process<sup>4</sup> for a project that does not require an application to City Planning. Alternatively, if the project qualifies, it may obtain and complete a No Net Loss Property Owner Declaration in lieu of the SB 8 RUD.

<sup>&</sup>lt;sup>3</sup> The replacement obligations of the HCA do not apply to discretionary Housing Development Projects that submitted a complete application to the Department of City Planning before January 1, 2020 nor to ministerial Housing Development Projects that submitted either their building permit Plan Check application to LADBS or their City Planning application before January 1, 2022. See <u>Section V</u> of this memorandum for more information on the applicability of the HCA housing replacement requirements.

<sup>&</sup>lt;sup>4</sup> Government Code Section 66300 does not apply to a Housing Development Project in a Very High Fire Hazard Severity Zone, as determined by the State Fire Marshal. However, a site located within a VHFHSZ that is also identified on the City's Housing Element sites inventory (GC 65583.2(g)(3)) may still require replacement units as a condition of any development on the site. Go to the "Housing" tab on zimas.lacity.org for additional HCA and Housing Element housing replacement information on specific sites.

# **Optional Vesting**

Most housing projects qualify to submit an optional HCA Vesting Preliminary Application to lockin local planning and zoning rules at the time a complete vesting preliminary application is submitted. These vesting rights do not apply to changes in State law or to changes in building code. HCA vesting rights must be initiated prior to filing a City Planning application or submitting a building permit Plan Check application. In order to initiate a request for HCA vesting rights, submit a Housing Crisis Act Vesting Preliminary Application (<u>CP-4062</u>) Form and the required materials through City Planning's <u>Online Application Portal</u>.

## **Preliminary Zoning Assessment**

A Housing Development Project consisting of two or more residential units that is associated with a City Planning application for its development must receive a completed Preliminary Zoning Assessment from LADBS to determine zoning compliance and identify any issues that may need to be resolved through an application to City Planning. The PZA primarily consists of an informational zoning Plan Check conducted by LADBS staff, accompanied by completion of Referral Form CP-4064.

These procedures are further described in Sections <u>VIII</u>, <u>IX</u>, <u>X</u>, the Housing Development Project Applicability Matrix, and the Housing Replacement and Occupant Protection Matrix provided by the departments.

# IV. HOUSING DEVELOPMENT PROJECT DEFINITION AND TYPES

## "Housing Development Project" Definition

For the purpose of applying the HCA, a Housing Development Project is defined in California Government Code Section 65905.5(b)(3) to include a project that creates one or more residential unit(s), Supportive Housing, or Transitional Housing.<sup>5</sup>

## Housing Development Project Types

In order to determine whether a development type is a Housing Development Project as defined in Government Code Section 65905.5, a list of common development types and the applicability of related procedures is provided in a "Housing Development Project Applicability Matrix" that is made available by the departments. The applicability matrix includes many, but not all, Housing Development Project types and may be amended from time to time. See <u>Section III</u> of this memorandum for more information on general procedures.

<sup>&</sup>lt;sup>5</sup> This definition does not change the definition of Housing Development Project in the Housing Accountability Act (HAA) under Government Code Section 65589.5(h), which defines a Housing Development Project subject to the HAA as a residential-only project with two or more units, a mixed-use development with a minimum of two-thirds residential floor area, or transitional or supportive housing.

In addition, a project that results in a net increase in residential units is a Housing Development Project, regardless of the building permit type under which the construction occurs. For example, a Housing Development Project would result from the interior conversion of a commercial building to an apartment or conversion of a single-family dwelling to a duplex. A residential project or a mixed-use project on a site that includes residential units and results in a net decrease in residential units is also a Housing Development Project, regardless of the building permit type under which the construction occurs. For example, the conversion of a duplex to a single-family dwelling is a Housing Development Project that results in a net loss of units. Residential projects consisting only of alterations, no new residential units, and no net increase or decrease in residential units shall not be considered a Housing Development project.

## V. HCA HOUSING REPLACEMENT

#### **General Provisions**

The Housing Crisis Act, as amended by SB 8, requires that certain housing replacement provisions and occupant protections apply on sites where a Housing Development Project is proposed (G.C. Sec. 66300(d)). A Housing Development Project must not result in a net loss of units. "Protected Units" must be replaced with units consisting of the same number of bedrooms and at a rent or cost consistent with the income level of the household, with specified exceptions. Additional protections to occupants of certain Protected Units also apply.

Until January 1, 2034, the replacement provisions of Government Code Section 66300(d) apply to Housing Development Projects that, before January 1, 2030, submit a City Planning application, a building permit Plan Check application, or a HCA Vesting Preliminary Application.

However, the replacement obligations of Government Code Section 66300 do not apply to discretionary Housing Development Projects that submitted a complete application to the Department of City Planning before January 1, 2020, nor to ministerial Housing Development Projects that submitted either their building permit Plan Check application to LADBS or their City Planning application before January 1, 2022.

The replacement provisions and occupant protections of the Housing Crisis Act also do not apply to Housing Development Projects in a Very High Fire Hazard Severity Zone, as determined by the State Fire Marshal (G.C. Sec.  $66300(f)(4)^6$ .

<sup>&</sup>lt;sup>6</sup> A site within a Very High Fire Hazard Severity Zone that is also identified on the City's Housing Element sites inventory may still require replacement units as a condition of any development on the site. See Section IX of this memorandum for additional information on replacement under Housing Element law. Go to the "Housing" tab on zimas.lacity.org for additional HCA and Housing Element housing replacement information on specific sites.

# **Definition of "Protected Unit"**

A Protected Unit, as defined in Government Code Section 66300(d)(2)(F)(vi) includes the following types of residential dwelling units:

- A residential unit occupied by a lower-income household
- An affordable rent-restricted unit
- A unit subject to the Rent Stabilization Ordinance (RSO) or AB 1482 (2019)
- A unit withdrawn from rent or lease in accordance with Government Code Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 (the "Ellis Act") within the tenyear period preceding submittal to the City

## 5-year and 10-year Look-back Periods for Prior Units

A Housing Development Project must include at least as many residential dwelling units as the greatest number of Protected Units (i.e. the "highpoint" (G.C. Sec. 65915(c)(3)(B)) that existed on the project site within the five-year period preceding submittal to the City. Further, the "Protected Unit" replacement provisions of Government Code Section 66300(d)(2) apply to any residential unit withdrawn from rent in accordance with Government Code Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 (the "Ellis Act") within a ten-year period prior to submittal to the City.

#### **Replacement of All Residential Units**

Housing Development Projects requiring the demolition of one or more residential units must replace at least as many residential units as will be demolished, pursuant to Government Code Section 66300, as amended by SB 8. Housing Development Projects consisting of a single unit may require additional replacement units if demolishing more than one unit. For example, a duplex must be replaced by at least two units.

## Replacement of Legal Residential Units Non-Conforming as to Zoning Density

A site with legal non-conforming units as to density must be replaced without regard to the underlying zoning limitations on density and without any further action from the Department of City Planning on the matter of density, consistent with Government Code Section 66300(d)(1). All other applicable development standards and processes still apply in addition to any applicable exceptions.

## Replacement of "Protected Units"

Government Code Section 66300, as amended by SB 8, provides that when a Housing Development Project consists of two or more units, it must replace a Protected Unit with a new unit of equivalent size and at an income level commensurate with the income category of the household that occupied the Protected Unit and include additional protections for their occupants—including a right to return, a right to remain up to six months before the start of construction, and relocation assistance. These provisions are in addition to the no net loss provisions described above.

When only one single unit replaces one single unit, the replacement unit may be of any size and income level consistent with State and City rules and regulations.

## **Replacement Units with the Same Number of Bedrooms**

A Protected Unit must be replaced on-site in the Housing Development Project with a new unit of "equivalent size," consistent with Government Code Section 66300(d)(2)(F)(iii) and (vii). The replacement unit must include at least the same total number of bedrooms as the unit being replaced. The replacement unit is not required to be the same square-footage or include the same number of total rooms. A Housing Development Project with two or more units may replace a single Protected Unit consisting of more than three bedrooms with a unit containing only three bedrooms. There are limited exceptions to the forgoing in situations involving a single-family dwelling (G.C. Sec. 66300(d)(2)(D) and (F)).

A Housing Replacement and Occupant Protections Matrix is provided by the departments as a consolidated reference related to these provisions.

## VI. HCA OCCUPANT PROTECTIONS

## Right to Remain for All Occupants

Before a unit can be demolished or occupants are evicted for the purpose of building a Housing Development Project, the occupants shall have the right to occupy their units until six months before the start of construction activities on the new project. If demolition of the unit does not proceed, then the occupant may return to the unit. (G.C. Sec. 66300(d)(2)(C))

For the purpose of applying Government Code Section 66300(d)(2)(C), the term "Start of Construction Activities" is understood to mean the call for the first inspection on any construction permit, such as for grading or foundation work related to the proposed Housing Development Project. These inspections are those that are defined in the Los Angeles Building Code LAMC section 91.108.5 (item 1) and 91.108.9 (starting with item 2).<sup>7</sup>

<sup>&</sup>lt;sup>7</sup> See LADBS Information Bulletin P/GI 2020-016, and subsequent updates, entitled <u>Definition of</u> <u>"Commenced Construction" and Similar Phrases</u>.

## Right of First Refusal (Right to Return) for Lower-income Occupants

Existing lower-income occupants are provided with a right to return for a comparable unit in the new Housing Development Project affordable to the household at an affordable rent or an affordable cost at the household income level. (G.C. Sec. 66300(d)(2)(D)(ii))

The right to return does not apply where a Housing Development Project consisting of only one single housing unit will be located on a site where only one single Protected Unit is demolished for the development of the Housing Development Project. The right to return also does not apply to Housing Development Projects that consist of one-hundred percent lower income units (except manager's units) except where the occupant of a Protected Unit is qualified for residence in one of the units in the new development and for whom providing a comparable unit would not be precluded due to unit size limitations or other requirements of one or more funding source of the housing development. These circumstances might arise in Transitional and Supportive Housing projects.

#### **Relocation Assistance for Lower-Income Occupants**

The developer of a Housing Development Project must provide the maximum amount of relocation required by state, federal, and local laws.

See the Housing Replacement and Occupant Protections Matrix provided by the departments for additional information on the HCA occupant protections applicable to specific project types.

# VII. RELATIONSHIP OF HCA REPLACEMENT TO OTHER REPLACEMENT PROVISIONS IN STATE LAW

The HCA is one of several laws that include unit replacement requirements and occupant protections. Where more than one provision of State or local law relating to unit replacement and occupant protections applies, all provisions are applied, typically with the most restrictive provision superseding.

## **Housing Element Law**

Housing Element law requires that all projects located on sites identified on the City's Housing Element sites inventory include replacement units as applicable, as a condition of any development on the site. This requires a determination for any new development that occurs on a site identified in the inventory that currently has residential uses or has had residential uses that were vacated or demolished within the past five years, which are either subject to rent restriction (e.g., covenant), rent stabilization, or occupied by low- or very low-income households. Replacement units must be provided in a manner consistent with Government Code Section 65915(c)(3) of the Density Bonus law or the Housing Crisis Act, whichever prevails for the site. Unlike the Housing Crisis Act, Housing Element law requires that a new development of a single-family dwelling replace a single-family dwelling occupied by a lower-income tenant. A complete copy of the Housing Element sites inventory may be accessed on <u>City Planning's website</u>.

#### **Density Bonus Law**

Density Bonus law requires that certain affordable housing projects replace existing units at a rent level commensurate with the income of the household that occupied the unit to be demolished and that the new project include at least the same total number of bedrooms as those in the residential units to be demolished. The replacement of lower income Protected Units under the HCA shall count toward the provision of affordable units in a Housing Development Project using Density Bonus law or the Transit Oriented Communities (TOC) program, consistent with Government Code Section 66300(d)(2)(F)(vii).

#### Mello Act

The Mello Act requires that residential units that existed within the past three years in the Coastal Zone be replaced on-site whenever feasible for various development types. In certain instances, a right of first refusal may be available to certain occupants. Where a provision of the Mello Act and the HCA overlap, the provisions that result in the largest number of affordable replacement units and the deepest affordability levels apply, including the replacement provisions and occupant protections for Protected Units under the HCA. In the instance where on-site replacement of units would be deemed infeasible under the Mello Act rules, a project subject to unit replacement under both the HCA and the Mello Act are required to replace units on-site as a provision of the HCA.

# VIII. IMPLEMENTATION OF HCA HOUSING REPLACEMENT AND OCCUPANT PROTECTIONS

In the City of Los Angeles, the Housing Crisis Act, as amended by SB 8, is implemented jointly among the Department of Building and Safety, the Department of City Planning, and the Los Angeles Housing Department. Generally, referrals to and from LAHD to affirm the unit replacement provisions and occupant protections of the HCA apply to Housing Development Projects under review by LADBS or City Planning.

# Replacement Unit Determinations for City Planning Applications and Building Permit Clearance

In order to comply with Government Code Section 65940(a)(2) and to provide Housing Development Project applicants the information necessary to determine housing replacement obligations and occupant protections under Government Code Section 66300, an applicant for a Housing Development Project must obtain a Replacement Unit Determination (RUD) letter from LAHD, except for those developments that are eligible to use the No Net Loss Property Owner Declaration described in the following subsection. LAHD is responsible for determining the applicable replacement obligations and occupant protections for any project type that requires a RUD. The RUD letter shall be a filing requirement for City Planning applications or a building permit clearance requirement for Housing Development Projects that do not involve a City Planning application for its development.

The replacement obligations for a Protected Unit<sup>8</sup> are measured by the income of the tenant household for the past five years. In the absence of occupant income information, affordability will default to the current percentage of lower income households per the Comprehensive Housing Affordability Strategy (CHAS) database, updated annually by the federal Department of Housing and Urban Development. Information on the current CHAS defaults can be found on the <u>LAHD Replacement Unit Determination application form</u>. All replacement calculations resulting in fractional units shall be rounded up to the next whole number. These percentages and the rent and income levels for each AMI are adjusted annually by LAHD.

#### No Net Loss Property Owner Declaration

In lieu of obtaining a SB 8 RUD letter from LAHD, projects that meet specified criteria may submit a SB 8 No Net Loss Property Owner Declaration along with applicable building records to City Planning staff as part of the project's City Planning application or to LADBS staff to obtain clearance from LADBS on a ministerial Housing Development Project that does not require a City Planning application. Where a Housing Development Project does not meet the criteria to use the No Net Loss Declaration, a SB 8 RUD letter from the Los Angeles Housing Department (LAHD) must be obtained. Additional information on which projects qualify to use the No Net Loss Property Owner Declaration may be found on the No Net Loss Property Owner Declaration form, which can be found on the websites of LADBS and City Planning.

<sup>&</sup>lt;sup>8</sup> See Section VI of this memorandum for the definition of "Protected Unit."

## Verification of Replacement Obligations and Occupant Protections

The City is required to comply with Government Code Section 66300(d)(2), which provides that the City cannot approve a Housing Development Project that requires the demolition of an occupied or vacant Protected Unit unless the unit replacement provisions or occupant protections are applied. To do this, City Planning and LADBS staff will verify that the project will not result in a net loss of residential units and that the relevant unit replacement provisions and occupant protections are applied prior to an approval through a City Planning process or prior to the building permit issuance for Housing Development Projects that do not require a City Planning application. This verification will be conducted in combination with the RUD letter or No Net Loss Declaration, available building records, other legal documents, the proposed project plans, and relevant clearances.

## IX. HOUSING CRISIS ACT VESTING PRELIMINARY APPLICATION

The Housing Crisis Act, as amended by SB 8, creates a vesting procedure for all Housing Development Projects. All Housing Development Projects requiring an application to City Planning or those automatically eligible to submit for building permit Plan Check to LADBS on or after January 1, 2022, without a City Planning application may submit the optional HCA Vesting Preliminary Application (Preliminary Application). For projects seeking HCA vesting rights, applicants must submit a complete Preliminary Application prior to filing the City Planning application or submitting for building permit Plan Check to LADBS. A Preliminary Application completed before January 1, 2030, is valid until January 1, 2034, provided that HCA vesting rights are maintained and have not otherwise lapsed or terminated.

The HCA Vesting Preliminary Application provides a project certain rights to proceed with development based on the City ordinances, policies and standards adopted and in effect when a complete Preliminary Application is submitted. However, these provisions do not apply to changes in State law nor to changes in building code. HCA vesting does not restrict the City's authority to require mitigation measures under the California Environmental Quality Act. In addition, the Preliminary Application does not require the submittal of a land use application and is not itself a land use approval.

In order to establish and maintain HCA vesting rights, the applicant must adhere to certain time limits and limitations on project scope changes. If the time limits are not met or if the changes in the project scope exceed specified thresholds, then the Preliminary Application shall expire and have no further force or effect.

# Time Limits to Retain Vesting Rights for Housing Development Projects with a City Planning Application

Once the Preliminary Application is complete, the City Planning application must be submitted within 180 days of submitting a complete Preliminary Application.

If a City Planning application is filed, then within ninety (90) days of receiving a hold or "deemed incomplete" letter from City Planning staff, the applicant must submit all outstanding information needed in order to determine the application is complete.

If a Housing Development Project is associated with a City Planning application for its development, then construction of the Housing Development Project must commence within two and one-half years—or three and one-half years for one hundred percent affordable Housing Development Projects—following the date that the project receives final approval. Final approval means that a project has obtained all necessary approvals to be eligible to apply for, and obtain, a building permit or permits, and all appeal periods or statutes of limitations have been exhausted or resolved in favor of the Housing Development Project (G.C. Sec. 65589.5(o)(2)(D)(ii)).

# Time Limits to Retain Vesting Rights for Housing Development Projects without a City Planning Application

A project that does not require a City Planning application must submit for building permit Plan Check to LADBS within 180 days of submitting a complete Preliminary Application in order to retain vesting rights.

The ninety (90) day period for the applicant to provide missing information to the City in order to retain vesting rights does not apply to a Housing Development Project that does not require a City Planning application for its development.

A project that does not require a City Planning application and that uses a valid Preliminary Application must also commence construction of the Housing Development Project within two and one-half years – or three and one-half years for one hundred percent affordable Housing Development Projects – following the building permit Plan Check submittal to LADBS in order to retain vesting rights.

If the project is discovered to require a City Planning application at any point during the permitting process, then the project may still use the Preliminary Application issued as long as the City Planning application is submitted within 180 days of the date that a complete Preliminary Application was submitted. The previous Plan Check submittal to LADBS would not be held against the project.

See Appendix A of this memorandum for additional information on the relationship of the HCA to projects that require no discretionary approvals.

## Project Scope Changes and Retaining Vesting Rights

Any change in the residential unit count is limited to less than twenty (20) percent of the unit count identified on the completed Preliminary Application–exclusive of any increase resulting from the receipt of a density bonus, concession, waiver, or similar provision.

Any change in the Building Area, as defined in the California Building Standards Code (Title 24 of the California Code of Regulations) is limited to less than twenty (20) percent of the Building Area identified on the completed Preliminary Application–exclusive of any increase resulting from the receipt of a density bonus, concession, waiver, or similar provision.

#### Administrative Procedures

A HCA Vesting Preliminary Application may be submitted through City Planning's <u>Online</u> <u>Application Portal</u>. The required information can be found on form <u>CP-4062</u>.

## X. ADDITIONAL PROJECT REVIEW STREAMLINING PROVISIONS

#### Preliminary Zoning Assessment for City Planning Applications

In order to implement the HCA and State housing laws as they pertain to the expeditious review of housing projects, a Preliminary Zoning Assessment (PZA) by LADBS is required for all projects creating two or more units as part of an application to City Planning for its development. The Preliminary Zoning Assessment does not apply to Housing Development Projects that do not involve an application to City Planning nor to a project consisting of only one unit.

The Preliminary Zoning Assessment primarily consists of an informational zoning Plan Check conducted by LADBS staff accompanied by a summary of zoning compliance on the PZA referral form (<u>CP-4064</u>). The PZA is intended to identify and determine whether a project is in compliance with applicable zoning and land use requirements necessary to achieve the proposed project and to ascertain if any land use approvals need to be obtained through an application to City Planning. The informational zoning Plan Check done through the PZA process does not constitute a zoning approval and does not require compliance with development standards in order to be completed.

If Plan Check is conducted in LADBS' Affordable Housing Section, then the completed PZA referral form shall be accompanied by architectural plans stamped and signed by LADBS Plan Check staff following the completion of the informational zoning Plan Check. If Plan Check is conducted by LADBS staff outside the Affordable Housing Section, then, following the completion of the informational zoning Plan Check, the completed PZA referral form shall be accompanied by architectural plans signed by the LADBS Plan Check staff with the relevant Plan Check application number, date, and note indicating that the zoning review is complete. LADBS Plan Check staff will also sign the PZA referral form once the informational zoning Plan Check verifications are complete.

### **Historic-Cultural Monument Determinations**

To facilitate the Housing Development Project review process, the HCA requires the City to determine that a property is a "historic site" by the time a Housing Development Project's City Planning application is deemed complete (G.C. Sec. 65913.10). However, the requirements of the California Environmental Quality Act (CEQA) still apply, and the lead agency may still determine at any time that the proposed project may affect a "historic resource" pursuant to CEQA.

City Planning regularly receives nominations for Historic-Cultural Monument (HCM) designation, some of which affect a property that may have a future Housing Development Project proposal. If the HCM nomination is received prior to any Housing Development Project application being deemed complete or a building permit Plan Check application to LADBS is submitted for a project that does not require a City Planning application, City Planning will continue processing the HCM nomination. However, once a City Planning application is deemed complete or a building permit Plan Check application is deemed complete or a building permit Planning application, City Planning will continue processing the HCM nomination. However, once a City Planning application is deemed complete or a building permit Plan Check application is submitted to LADBS for a project that does not require a City Planning application cannot be applied to the project site for as long as the application and permits for a Housing Development Project remain active and valid, unless any archaeological, paleontological, or tribal cultural resources are encountered during any grading, site disturbance, or building alteration activities.

See Appendix A of this memorandum for additional information on the relationship of the HCA to projects that require no discretionary approvals.

## Five Hearing Limit

The HCA prevents the City from conducting more than five public hearings in connection with the land use approval of a Housing Development Project that meets objective planning and zoning standards. Through 2034, the five-hearing limit applies to all Housing Development Projects that submit a complete application to City Planning or a complete HCA Vesting Preliminary Application before January 1, 2030.

A "hearing," as defined in Government Code Section 65905.5 includes required meetings, hearings and continued hearings and meetings such as those associated with the City Planning Commission, Area Planning Commissions, Design Review Boards, Preservation Boards, Zoning Administrators, the Advisory Agency, and hearing officers. A meeting where a decision is made on consent counts as a hearing. A "hearing" also includes appeal hearings, except for those related to the approval or disapproval of a legislative action. A joint hearing held concurrent among multiple decision-makers counts as one hearing. The five hearings are counted from the "deemed complete" date of the City Planning application. The law requires that a decision be made on the project no later than the fifth and final meeting. Meetings that do not count toward this limit are meetings held pursuant to CEQA law, CEQA appeal hearings, State agency hearings that are not required by law, ordinance or regulation for the approval of the City Planning application.

# Time Limits for Housing Development Projects with Multiple Entitlements and an Environmental Impact Report

Consistent with Government Code Section 65950 in the Permit Streamlining Act as of January 1, 2020, the period in which the lead agency shall approve or disapprove a Housing Development Project following the certification of an Environmental Impact Report (EIR) is reduced from 120 days to ninety (90) days. In addition, the period is reduced from ninety (90) days to sixty (60) days for a Housing Development Project that is at least forty-nine (49) percent low-income and publicly subsidized. This provision applies to any land use approval for a Housing Development Project in which the EIR is not certified concurrent with the final decision, such as if a Housing Development Project has multiple entitlements (e.g., a subdivision with another entitlement application), where the Advisory Agency or other decision-maker may certify an EIR prior to the final approval of a Housing Development Project. The time limits from the adoption of a Negative Declaration or a Mitigated Negative Declaration or the determination of a Categorical Exemption under CEQA to the final decision remain unchanged by the Housing Crisis Act. These periods may be extended if mutually agreed upon by the lead agency and the project applicant.

## Limitations on the Enforcement of Non-Objective Design Standards

Consistent with Government Code Section 66300(b)(1)(C), the City shall not enact a development policy, standard, or condition that would have the effect of imposing or enforcing design standards established on or after January 1, 2020, that are not objective design standards. These limitations apply only to Housing Development Projects outside a Very High Fire Hazard Severity Zone, consistent with Government Code Section 66300(f)(4).

# XI. LIMITATIONS ON REDUCING HOUSING CAPACITY

# **Downzoning Limitations**

The Housing Crisis Act generally prohibits cities such as the City of Los Angeles from taking certain actions that would reduce a site's housing development capacity from what was allowed on January 1, 2018 (G. C. Sec. 66300(b)(1)(A)). These actions include the adoption of plans that result in a net downzoning or otherwise reduce housing capacity and population. In addition, the HCA generally prohibits local limits on the amount of housing or population through moratoria on housing development, or limits on approvals, permits, or housing units that can be approved or constructed.

Through 2030, these provisions require an analysis by City Planning demonstrating that any legislative action would not lessen housing intensity or change other development standards<sup>9</sup> in a way that would individually or cumulatively reduce a site's residential development capacity. These restrictions apply to any zone where housing is an allowable use.

Any proposed ordinance that would have the effect of limiting or restricting housing development must be reviewed and approved by the California Department of Housing and Community Development.

#### **Exceptions to Downzoning Limitations**

The HCA does provide certain exceptions to these downzoning limitations. The downzoning limitations do not impact zoning efforts that reduce intensity for certain parcels, as long as density is concurrently increased on other parcels and therefore result in no net loss in housing capacity or intensity. The concurrent up-zoning may be done within 180 days of the downzoning action if the action is associated with a request by a project applicant for a Housing Development Project. In addition, moratoria may be enacted to prevent imminent threat to the health and safety of persons in, or within the immediate vicinity of, the area. Downzoning may also be done to preserve existing restricted affordable housing or to facilitate the production of housing for lower-income households. Consistent with Government Code Section 66300(f)(4), which exempts Very High Fire Hazard Severity Zones, as determined by the State Fire Marshal, from the provisions of Government Code Section 66300, Housing Development Projects in Very High Fire Hazard Severity Zones remain subject to City-initiated actions to limit housing development capacity via modified development standards, such as those described in Government Code Section 66300(b).

<sup>&</sup>lt;sup>9</sup> Other development standards may include, but are not limited to height, density, floor area ratio, new or increased open space or lot size requirements, new or increased setback requirements, minimum frontage requirements, maximum lot coverage limitations. (G. C. Sec. 66300(b)(1)(A))

## XII. CITY CONTACTS

## Los Angeles Department of Building and Safety

For questions regarding HCA administration for Housing Development Projects that are not associated with a City Planning application, contact the LADBS Plan Check engineer assigned to a project in Plan Check or to <u>LADBS.AHS@lacity.org</u> for projects not already in Plan Check. Additional information for projects submitted to LADBS can be found by visiting the <u>Permit and Inspection Report</u> page.

## Los Angeles City Planning

For information on HCA implementation within City Planning processes, contact <u>Planning.HCA@lacity.org</u> or the planner assigned to the project. For questions on the City Planning application filing requirements, contact <u>Planning.Figcounter@lacity.org</u> or <u>Planning.MBC2@lacity.org</u>. City Planning's <u>Housing Crisis Act resource page</u> can also be used to find relevant information, forms, tools, and matrices.

## APPENDIX A

# RELATIONSHIP OF THE HCA TO HOUSING DEVELOPMENT PROJECTS THAT INVOLVE NO DISCRETIONARY CITY PLANNING APPROVALS

Many of the provisions of the Housing Crisis Act, as amended by SB 8, apply to "Housing Development Project[s]," which, in part, are defined as "projects that involve no discretionary approvals" (G.C. Sec. 65905.5(b)(3)(B)).<sup>10</sup> When this definition is read with the Housing Crisis Act text that triggers new obligations based on the submission or approval of a land use application to City Planning under the Permit Streamlining Act (G.C. Secs. 65905.5(a), 66300(d), 65913.10(a), 65589.5(o)), the Housing Crisis Act could be read to exempt a significant class of Housing Development Projects considered by the City's development review process. Exempting that class of projects would not align with the broad new definition of Housing Development Project, or the purpose of some of the SB 8 amendments.

Under the City's code framework, the category of projects that "involve no discretionary approvals," includes projects that do not require a land use application to City Planning subject to the Permit Streamlining Act (PSA) and the Housing Accountability Act (HAA). These projects are not issued a land use approval or entitlement.

<sup>&</sup>lt;sup>10</sup> See Section III of this memorandum for additional information on the definition of "Housing Development Project."

If a land use approval from City Planning is not required under the City's code framework, a project is eligible to apply for, and obtain, building permits without a City Planning approval. Projects that do not require a City Planning application for their development may, under the City's code, immediately submit for Plan Check to LADBS. For these projects, LADBS is authorized to review zoning and land use standards as a part of the Plan Check regulatory review for issuance of the building permits. (LAMC Sec. 12.26.A.) No separate land use approval or entitlement is generated by LADBS in this process. Additionally, the City's codes do not require a public hearing as a part of the Plan Check process prior to the issuance of building permits.

Since this class of projects only seeks building permits, the regulatory review process is governed by the Los Angeles Building Code (LAMC, Chapter IX), which originates from authority in the Health and Safety Code (Division 13). The review and issuance of a building permit is not governed by the PSA or the HAA review timelines, provisions that concern the review and issuance of land use approvals or entitlements necessary to be eligible to apply for and obtain a building permit.<sup>11</sup> Application of the PSA and the HAA review timelines to the building permit review process conducted by LADBS would create the undesirable result of, for example: building permits being issued to projects that are deemed consistent with regulations as a matter of law, a shortened Plan Check review period, or specific adverse impact findings being required for the denial of building permits that do not meet objective regulatory standards.<sup>12</sup> Further, there is nothing in SB 8 which attempts to control the review and issuance of building permits, or amends the Health and Safety Code.

However, these projects that do not involve a land use application to City Planning still fit the SB 8 definition of a Housing Development Project that involves "no discretionary approvals" (G.C. Sec. 65095.5). To implement the intent of SB 8 and harmonize State law text with the City's existing code framework, the City will apply certain provisions of the Housing Crisis Act, as amended by SB 8, to projects that do not require a land use application to City Planning.

For example, the replacement provisions of G.C. Sec. 66300(d) will apply to a project that only needs to apply for LADBS building permits, and does not involve a City Planning application, because such a project fits the definition of Housing Development Project (G.C. Sec. 65905.5(b)(3)). Applying G.C. Sec. 66300 to this category of projects will maximize the development of housing within the jurisdiction by applying the replacement requirements to Housing Development Projects that do not involve a PSA application to City Planning. (G.C. Sec 66300(f).) State law language that says the replacement provisions only apply to projects that submit a PSA application on or after January 1, 2020 (G.C. Sec. 66300(d)(4)) will be applied as language that expresses a time point where the replacement and unit creation provisions begin to apply, but not language that limits the provisions only to those projects that submit a PSA application to City Planning.

<sup>&</sup>lt;sup>11</sup> See Government Code Section 65589.5(h)(6)(A) and (o)(2)(D)(ii), derived from the Housing Accountability Act, regarding disapproval or approval of a land use application as it relates to a building permit.

<sup>&</sup>lt;sup>12</sup>See, generally, Government Code Sections 65589.5(j)(1-2), 65943(a), 65950, 65956; and compare LAMC Sec. 98.0603.

Therefore, for the purpose of implementing the HCA within the City's unique code framework the City interprets and applies the SB 8 amendments in a way that: 1) implements the new definition of Housing Development Project; 2) implements the intent of the Housing Crisis Act, as amended by SB 8, to suspend certain restrictions on housing development and expedite the permitting of housing<sup>13</sup>; 3) considers and follows the City's existing land use approval and building permit issuance code framework; 4) upholds the existing regulatory framework that controls the issuance of building permits in the LAMC and Health and Safety Code; and 5) avoids the undesirable consequences of applying the PSA, and certain provisions in the HAA, to the building permit review process.

Consistent with the above reasons, the City will apply G.C. Sections 65589.5(o), 65905.5, 65913.10, 65941.1, and 66300, established by the HCA, to a project that meets the definition of Housing Development Project in G.C. Section 65905.5(b)(3), but does not require a City Planning application. For these referenced provisions, the City will utilize as an implementation timepoint the date that a Housing Development Project Plan Check application submittal is accepted by LADBS for those projects that do not require a City Planning application.

# HCA Vesting Preliminary Applications for Projects that Require No City Planning Application

In the interest of expediting the permitting of housing, Housing Development Projects that do not require a City Planning application are expected to take the next step toward building housing within the same timeframe as those projects that do require a City Planning Application (i.e. an application under G.C. Secs. 65940 and 65943). This implementation policy applies State law within the context of the City's current development code framework in order to expedite the permitting of housing proposed under the Preliminary Application, and to avoid delays in housing project construction. The policy recognizes that Government Code Section 65941.1 is a new section that describes a submission that is distinct from a land use or development application under the PSA, and also recognizes that there is nothing which requires the submission of a land use application to City Planning under the PSA for the use of vesting rights (G.C. Secs. 65941.1(d), 65589.5(o)).

Since the PSA does not apply to a building permit application, the ninety (90) day period for the applicant to provide missing information to the City in order to retain vesting rights does not apply to a Housing Development Project that does not require a City Planning application for its development. Such a project is eligible to apply for and obtain building permit permits without a City Planning application.

<sup>&</sup>lt;sup>13</sup>SB 8, Ch. 161 Stat. 2021, Sec. 13 [Ch. 654 Stats.2019, Sec.2(c), re intent]

While a project that requires no City Planning application is not associated with a "final approval" of a City Planning application, and no land use approval is issued through Plan Check (G.C. Sec. 65589.5(o)(2)(D)(ii)), calculating the time period to commence construction from the date of Plan Check submittal is consistent with the City's existing code framework, and the overall intent of the Housing Crisis Act.<sup>14</sup> This implementation policy utilizes the next development timepoint for projects that do not require a City Planning application. It is a time point that also exists for projects that require a City Planning application and occurs within the 2.5 (or 3.5) years following the "final approval" of a land use application to City Planning as defined by State law (G.C. Sec. 65589.5(o)(2)(D)(ii)). This policy requires Housing Development Projects that do not require a City Planning Application (i.e. an application under G.C. Secs. 65940 and 65943). Calculating from this time point expedites the permitting of housing proposed under the Preliminary Application and avoids delays in housing project construction.

<sup>&</sup>lt;sup>14</sup> Calculating this time period from the date of Plan Check submittal is consistent with Los Angeles Municipal Code Sections 12.25-A, 12.26-A, 91.107.3, 91.105.3, 91.107.3, 98.0603, 98.0403.1(a)3 and 8, which requires a project to obtain permits or commence construction within a specified period following a City Planning approval or a complete Plan Check submittal, and calculates the Plan Check period from the date of a complete Plan Check submittal.