
Thank you for joining the meeting.

The meeting will begin momentarily.

If you are experiencing technical difficulties,
call/text Jackie at (323) 761-9751



Housing Element 2021-2029

Housing Stability and Tenure Subcommittee

Spring 2020, Meeting 2

May 13, 2020 | 9:30 - 11:00 a.m.

LOS ANGELES
CITY PLANNING

Welcome and Introductions

9:30 - 9:40 am



Today's Presenters & Meeting Facilitator

Primary Contacts

Cally Hardy

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Community Investment*

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Meeting Facilitation

Esmeralda Garcia

MIG

Group Introductions



Today's Objectives

1. Introduce the Constraints, Opportunities and Resources Section
 - a. Discuss potential constraints to housing
 - b. Discuss some existing efforts remove constraints to housing
 - c. Review available resources & opportunities to address constraints
2. Introduce the prior approach to the RHNA Inventory of Sites and requirements for the site selection process

Agenda

1. **Welcome and Introductions** | 9:30 - 9:40 am
2. **Housekeeping, Updates, and Reminders** | 9:40 - 9:45 am
3. **Review Constraints to Housing** | 9:45 - 10:35 am
4. **Review Resources and Opportunities** | 10:35 - 10:40 am
5. **Introduce the Approach to the Inventory of Sites** | 10:40 - 10:55 am
6. **Review Next Steps** | 10:55 - 11:00 am

Major Subcommittee Meeting Topics

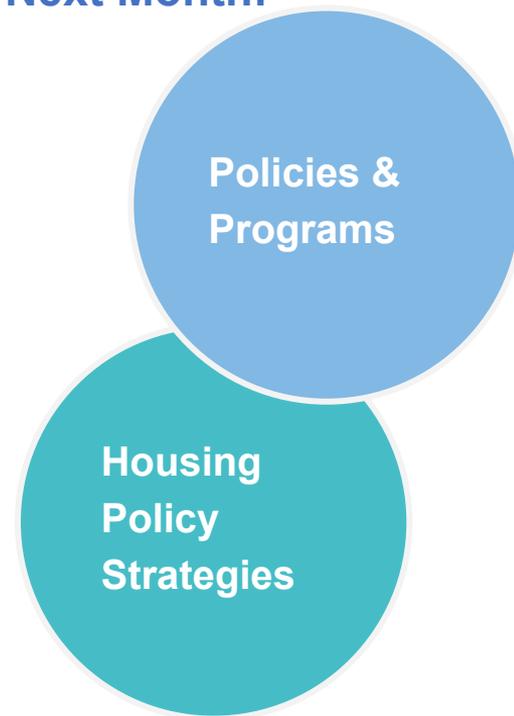
Last Month:



This Month:



Next Month:



Housekeeping, Updates, & Reminders

9:40 - 9:45 am

Online Facilitation

These icons will be used to note a discussion opportunity



Type comments in "Questions"



"Raise your hand" to speak

File View Help

Audio

Computer audio
 Computer audio
 Phone call
 No audio

Dial: +1 (415) 930-5321
 Access Code: 943-209-283 #

You are connected

Talking: Ari Briski & Roman Yanke

Questions

Send

OR

File View Help

Audio

Sound Check [Signal Strength] ?

Computer audio
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Microphone Array (Realtek High Defi...)

Speaker/HP (Realtek High Definition...)

Talking:

Questions

[Enter a question for staff]

Send

Upcoming Webinar Series

Registration Coming Soon

Housing Element 2021- 2029:

Attend a Webinar
with Live Q&A



Please help spread the word!

- Wednesday May 27th, 5:00 - 6:00 pm
- Saturday May 30th, 10:00 - 11:00 am
- Tuesday June 2nd, 1:00 - 2:00 pm, *Spanish language*
- Wednesday June 3rd, 1:00 - 2:00 pm

Identifying Constraints to Housing

9:45 - 10:35 am



Required Constraints Analysis per State Law

GC §§ 65583(a)(5) and (6)

An analysis of potential and actual **governmental and nongovernmental** constraints upon the **maintenance, improvement**, or development of housing for all income levels, including:

- Certain **housing types** including:
 - multifamily rental housing,
 - mobile homes,
 - factory-built housing,
 - housing for agricultural employees,
 - supportive housing, single-room occupancy units,
 - emergency shelters, and
 - transitional housing,
- and housing for **persons with disabilities**

The analysis shall also demonstrate **local efforts to remove constraints**

Required Constraints Analysis per State Law

GC §§ 65583(a)(5) and (6)

Governmental Constraints including:

- **land use/zoning controls**
- **building codes and their enforcement**
- site improvements
- fees and other exactions
- local processing and permit procedures
- **locally adopted ordinances** that directly impact the cost and supply of residential development

Non-Governmental Constraints including:

- **availability of financing**
- the price of land
- the cost of construction or rehabilitation
- **market forces**
- environmental concerns
- **opposition** to the preservation, conservation and development of housing for all economic segments of the community
- requests to develop housing at lower densities than permitted

Identifying Constraints Related to Housing Stability

- Regulatory limitations on renter protections (eviction, rent gouging, harassment)
- Tenure
- Expiration of at-risk restricted affordable units
- Insufficient **resources** state and federal assistance
- Unaffordable housing costs
- Income and job stability, including access to jobs
- Access to opportunity, transportation, and amenities

What other constraints should be assessed?



Constraints from One Perspective Can be Opportunities from Another

Land Use / Zoning Controls

Can reduce project feasibility

Can also require/incentivize affordable housing, require open space, etc

Building Code Enforcement

Can ensure safe and habitable housing

Can sometimes lead to evictions of vulnerable renters

Community Opposition

Can delay projects

Can also result in important community benefits like affordable housing, local hire requirements, etc

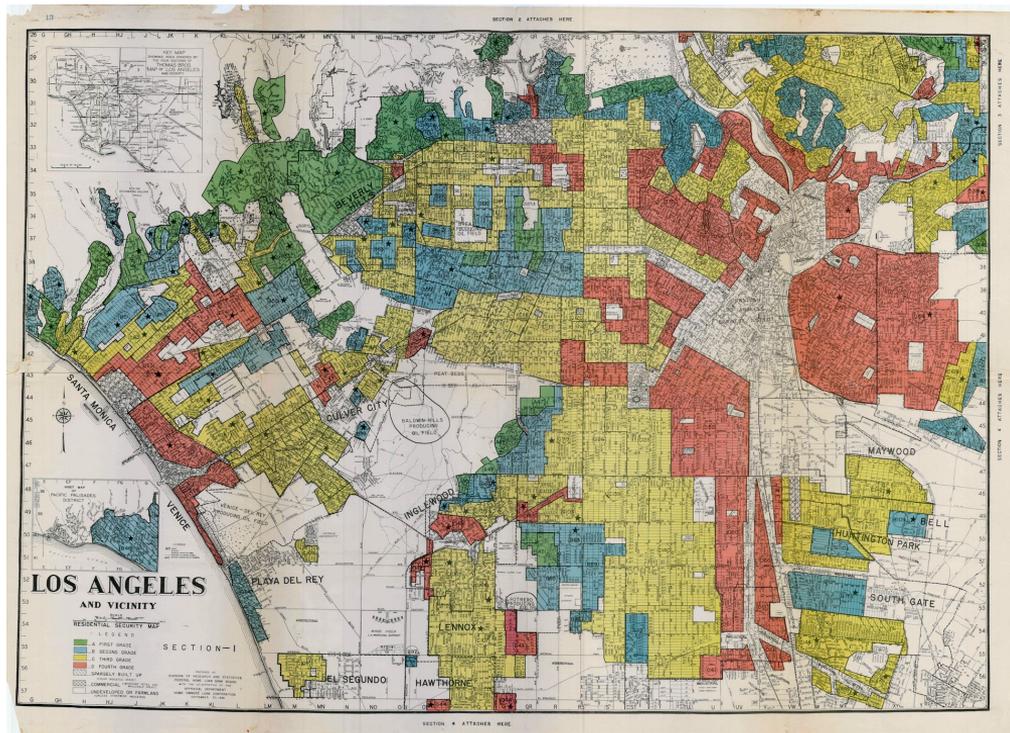


Considerations & Existing Conditions

Considerations for Housing Constraints

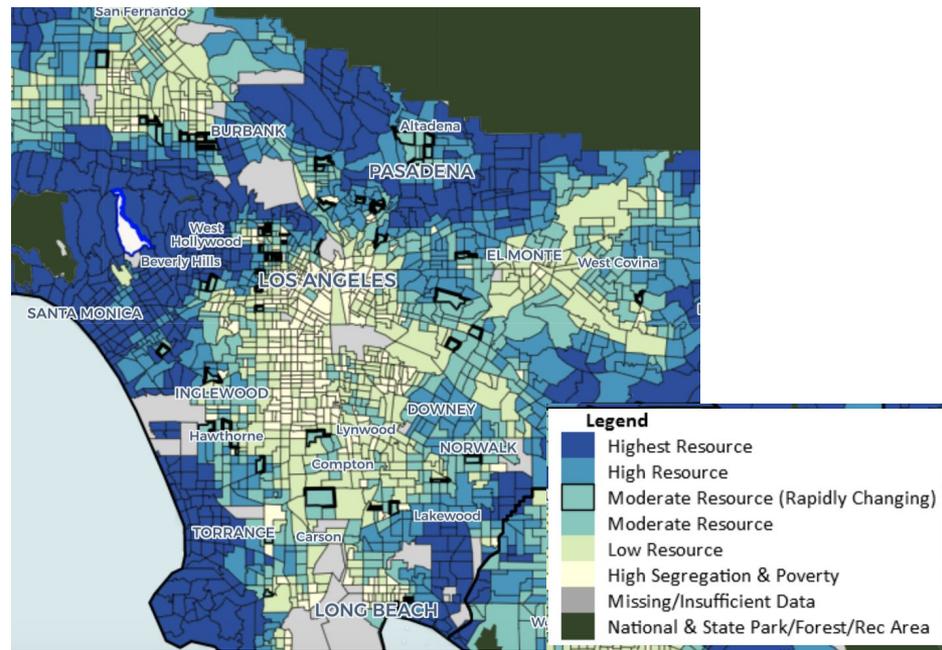
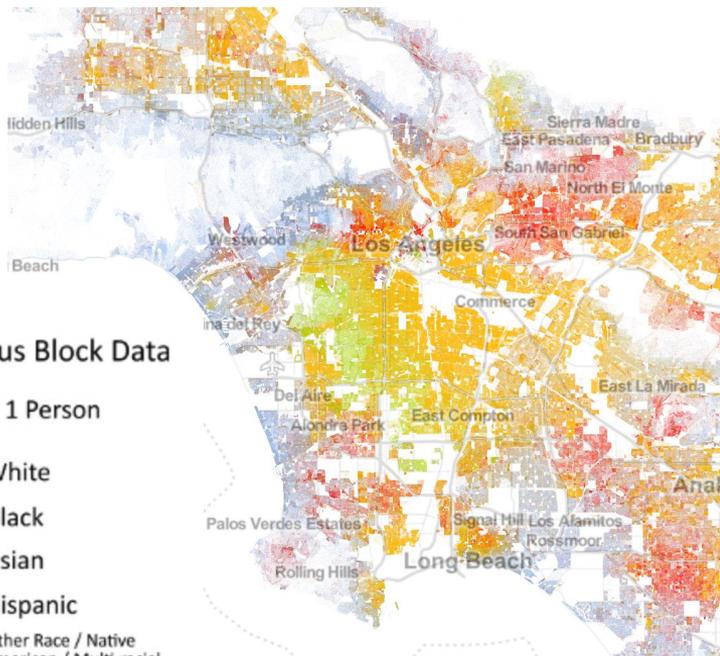
History of Racist Land Use and Housing Policies

- Redlining
- Restrictive Covenants
- Racial Steering
- Urban Renewal
- Divestment
- Inequitable Zoning
- Predatory Lending & Foreclosure



Considerations for Housing Constraints

Ongoing Racial Segregation & Spatial Inequities



Considerations for Housing Constraints

Power imbalances

Power imbalances often lead to inequitable outcomes that threaten housing stability

For example, in the eviction process:

- 40% of eviction cases in LA County end in a default judgement because tenants do not have the resources to contest the eviction
- In October 2017, a Pew Charitable Trust study found that 85% to 90% of landlords across the country have legal counsel in their eviction actions
- The vast majority of tenants do not have legal representation

Considerations for Housing Constraints

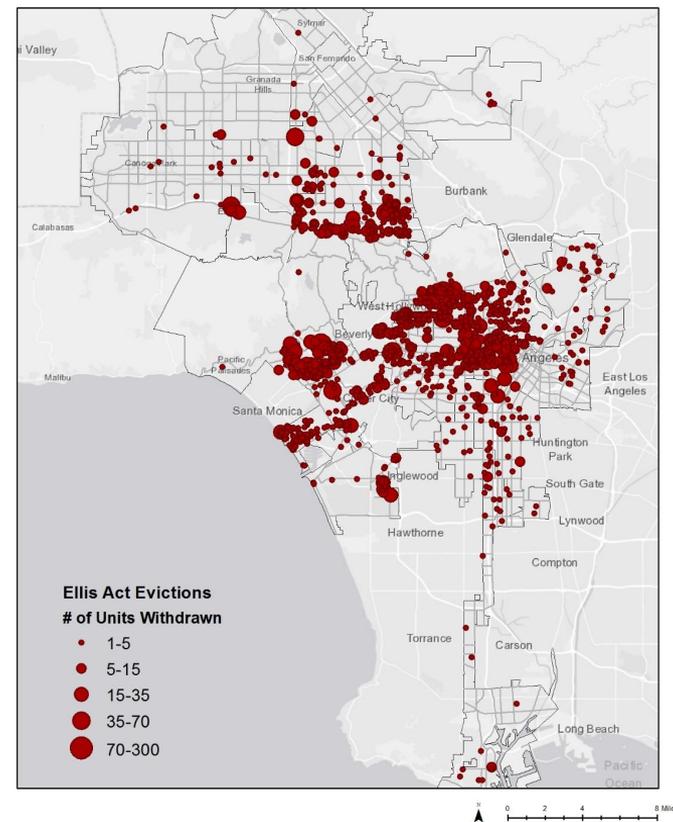
State Regulatory Limitations

Ellis Act - Allows withdrawal of rental units and eviction of RSO tenants

Costa Hawkins Act - Limits the City's ability to enact rent control measures

Article 34 - State imposed requirement to secure voter approval for low-income housing developments

Ellis Act Evictions 2007-2017



Approach for Evaluating Constraints from a Stability Perspective

- **Goal:** Identify local solutions to constraints in a way that acknowledges and addresses the potential for displacement and gentrification, that is sensitive to power inequities, and that is focused on reducing racial disparities.
- **Strategy for Analysis:**
 - Geographic analysis of constraints by neighborhood or market area
 - A focus on constraints in high resource areas
 - A focus on constraints for affordable housing development, affordable housing preservation, and first time homebuyers
 - Prioritize outreach to groups and communities historically excluded from or marginalized by housing policies and planning

Key Constraints we Will Discuss Today

From a Housing Stability Perspective

1. Land Use & Zoning
2. Opposition to Housing
3. Market-Based
4. Building Code & Enforcement
5. Financing

**We will break for discussion
throughout the presentation**



Housing Constraints

Land Use & Zoning

Previously Identified Land Use & Zoning Constraints

1. The General Plan and Zoning (density & development standards)
2. The Division of Land
3. Redevelopment Project Areas (CRA)
4. Entitlement Processing
5. Required On-/Off-Site Improvements

Land Use & Zoning

Context

- There is little vacant land to build new housing, so new housing may cause displacement
- Zoning and land use play a significant role in creation of new housing
- Accelerated homebuilding is needed to make a meaningful dent in the housing deficit and lower prices

So a central challenge is to:

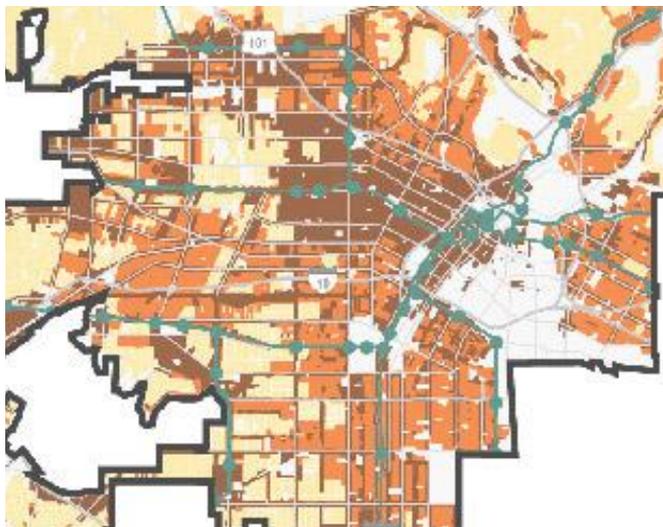
- Find ways to build enough housing to meet our needs but also strengthen renter protections, housing stability and minimize displacement
 - Expand housing replacement and right of first return policies
 - Maximize the number of restricted affordable units
 - Explore new local preference policies

Land Use & Zoning

Current Land Use Distribution

Land use pattern focuses most housing development in existing multifamily areas

These are also the areas with more RSO housing

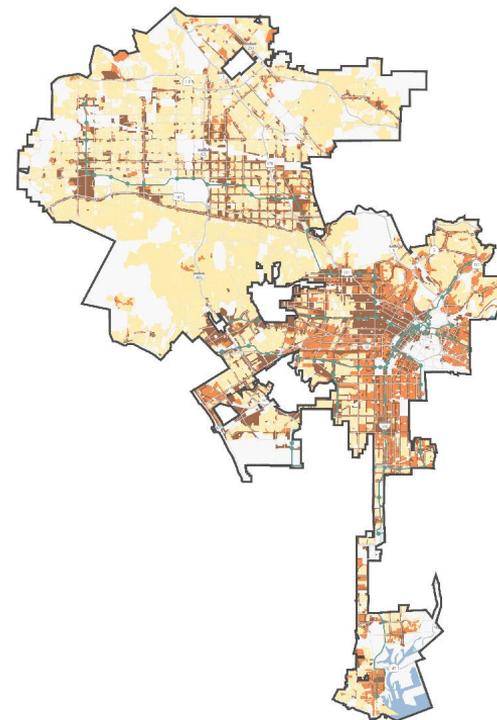


Percentage of Residential Land Area

70.4%
Single Family

12.3%
Lower Density Multi-Family

17.3%
Higher Density Multi-Family



Land Use & Zoning

New Housing, Demolitions & Displacement: Some Available Research

UCLA Lewis Center Study Looking at Sample (104) of Demo Permits for new Multifamily Housing Development, 2014-2016

- 25% of new housing developments were built on vacant or nonresidential parcels
- 75% of housing that is demolished for multifamily housing is single-family
- 13 times as many units were constructed across the city than were demolished

City Planning Analysis of Proposed TOC Projects, October 2017 through December 2019

- 55% of proposed TOC projects would not result in housing demolition; 23% would demolish 1-2 units
- 1,125 units proposed for demolition for TOC projects
- 26,246 units proposed for new TOC projects (5,319 affordable - almost $\frac{2}{3}$ unsubsidized)
- 23 times as many units constructed than demolished (4.7 affordable)
- When there's demolition: 11.8 new units for every unit demolished; 2.4 affordable units

Land Use & Zoning

New Housing, Demolitions & Displacement: Additional Considerations

- Where tenants go when they are displaced
- The demographics of tenants who are displaced vs those who move in
- The rents for demolished units compared with new units
- The distribution of demolition permits across the city
- The impact of new development in neighborhoods experiencing gentrification and displacement pressures

Recent local efforts to remove land use & zoning constraints while addressing housing stability

- **Streamlining for affordable housing development**
 - Permanent Supportive Housing (PSH) and Interim Motel Conversion (IMC) Ordinances
 - Implementation of AB 1763, AB 2162 and SB 35
- **Land use incentives to encourage more affordable housing**
 - TOC Guidelines
 - New Community Plans & Transit Neighborhood Plans
 - Affordable Housing Linkage Fee
- **RSO & affordable housing replacement requirements, including**
 - Implementation of TOC Guidelines and Density Bonus
 - Implementation of SB 330
 - Home-Sharing Ordinance (protection of RSO)



Housing Constraints

Opposition to Housing

Opposition to Housing Development

A new required component of the constraints analysis for this cycle

Opposition appears more common with new development versus preservation and improvement

Opposition to housing may include concerns about:

- Gentrification and displacement
- Aesthetics
- Project labor agreements and local hire requirements
- Lack of other community benefits
- Environmental concerns

Must analyze the impact of opposition to housing development on the number of units that are able to be produced (including on a site-specific level)

Recent local efforts to remove constraints related to opposition

- **Community Education & Grassroots Support**
 - Everyone In Campaign
- **Government Accountability**
 - 222 Pledge
 - (pending) Fair Share Report (CF #)
- **Streamlining for affordable housing development**
 - Permanent Supportive Housing Ordinance
 - Implementation of AB 2162 and SB 35
 - TOC Guidelines

Discussion: Constraints to Housing Stability

Land Use/Zoning & Opposition to Housing



- In your work, what are constraints related to land use/zoning and community opposition you have encountered that need to be addressed through government policy and programs?
- How can we address the tensions between constraints and opportunities related to land use?



Housing Constraints

Market-Based Constraints

Previously Identified Market-Based Constraints

1. Land costs, including higher costs in high-opportunity areas
2. Construction costs
 - a. Materials costs
 - b. Labor costs
 - c. Financing costs
3. Financing availability
4. Mortgage lending

Market Based Constraints

Example - Speculative Investment & Unfair Business Practices

Speculative investment aimed at “repositioning properties” may exacerbate inequitable market conditions by:

- Not adding to the supply of housing
- Driving up rents and home prices
- Taking units off the market
- Holding units vacant
- Evicting long-time tenants

This adds to the housing shortage and leads to volatile market conditions that put tenants, homebuyers, and local economies at risk

Local Efforts to Address Market Constraints

- **Rent Stabilization & Eviction Protections**
 - RSO & AB 1482 Enforcement
 - Local Just Cause Ordinance & Anti-Tenant Harassment Ordinance (in progress)
- **Reducing Conversion of Rental Housing**
 - Home-Sharing Ordinance & Enforcement
 - Condo Conversion Regulations
 - Residential Hotel Conversion and Demolition Ordinance
-



Housing Constraints

Building Codes & Enforcement

Previously Identified Building Code Constraints

1. Green Building Code Requirements
2. Building Permit and Plan Check Process
3. Non-Conforming Uses

Other Constraints to Consider

1. Code enforcement and compliance issues from a tenant and landlord perspective
2. Challenges lower-income homeowners face in addressing maintenance issues
3. The impact of code enforcement & nuisance abatement on displacement

Local efforts to address constraints related to building codes & enforcement

- **General Code Enforcement**
 - Systematic Code Enforcement Program (SCEP)
 - Building and Safety Inspections
 - Public Health Inspections
 - Seismic Retrofit Program
- **Habitability Programs to Reduce Displacement**
 - Requirements for Tenant Habitability Plans
 - Rent Escrow Account Program (REAP)
 - Unpermitted Dwelling Unit (UDU) Ordinance
 - Handyworker program

Discussion: Constraints to Housing Stability

Market-Based & Building Codes



- In your work, what are constraints related to market conditions or code enforcement you have encountered that need to be addressed through government policy and programs?



Housing Constraints

***Funding for Affordable Housing
& Preservation of At-Risk Units***

Previously Identified Funding Constraints

1. Availability of Public Funding for Housing- Federal, State and Local Sources
2. Homeownership Programs
3. Availability of Rental Subsidies
4. Funding for Homelessness Housing and Prevention
5. Expiring Affordability Covenants

Affordable At-Risk Units

Housing Element law also requires a detailed analysis of at-risk affordable housing buildings including:

- An inventory of at-risk units
- Assessment of conversion risk
- Cost of replacement versus preservation
- List of entities qualified to preserve at-risk apartments
- Financing and subsidy resources for preservation

A program for preserving at-risk properties, including:

- Actions to monitor
- Actions to finance
- Provide technical & reg. assistance to assist tenants.

**What can the City
do to better assist
with the
preservation of
more assisted
housing?**



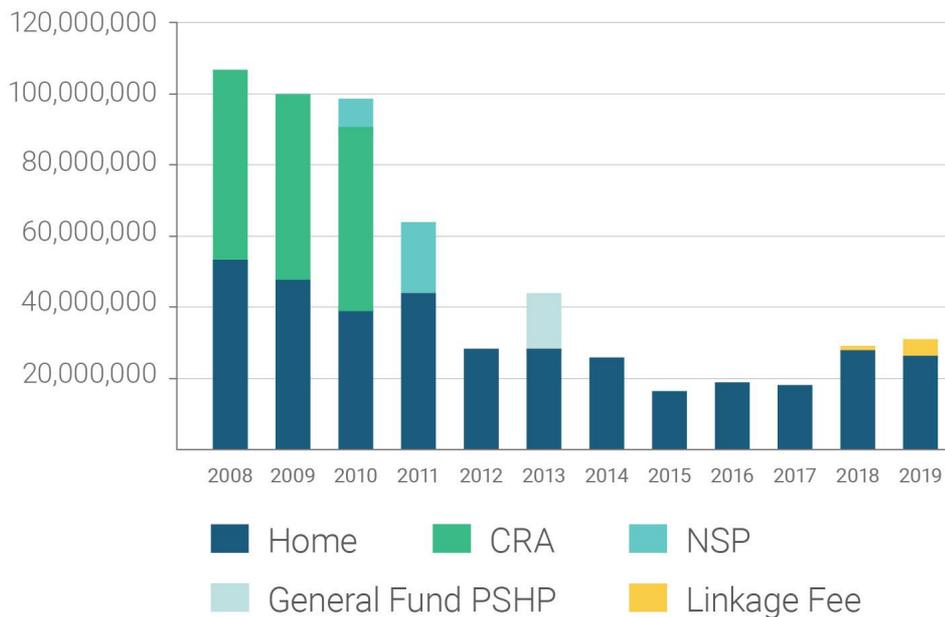
Recent local efforts to address funding constraints

- **Funding for Affordable Housing Production & Preservation**
 - Affordable Housing Linkage Fee (AHLF)
 - Measure HHH
 - Implementation of SB 2
 - New state funding: AHSC, No Place Like Home, MHP, etc
- **Funding for Homeless Response & Prevention**
 - Measure H
- **Proposed New Local Funding Sources**
 - Gross Receipts Tax
 - Vacancy Tax

Local Affordable Housing Funding

Local funding available for affordable housing has decreased but is beginning to pick up and may increase further with the **Affordable Housing Linkage Fee and SB 2 funds**

Affordable Housing Trust Fund Funding, 2013-2019

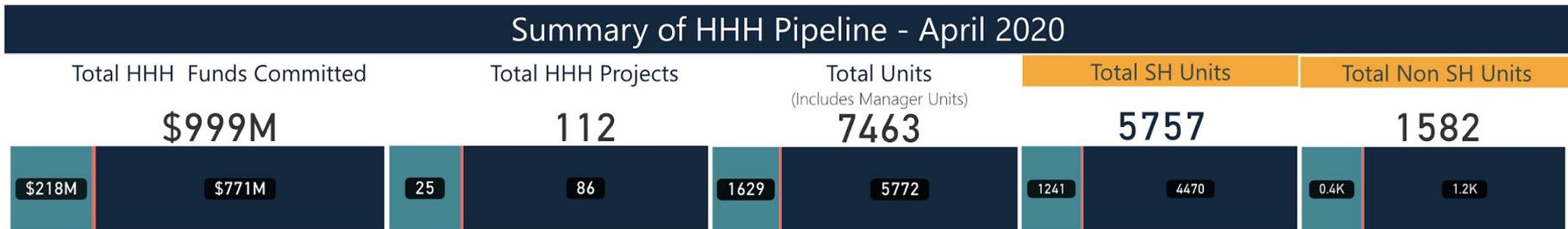


Funding Source for Los Angeles' Affordable Housing Trust Fund (AHTF)

Resources for Homeless Housing and Prevention: Proposition HHH

\$1.2 Billion Bond for Supportive Housing (SH)

All funds have been spent



Discussion: Constraints to Housing Stability



- What additional constraints should be analyzed or emphasized?
- What resonated with you?

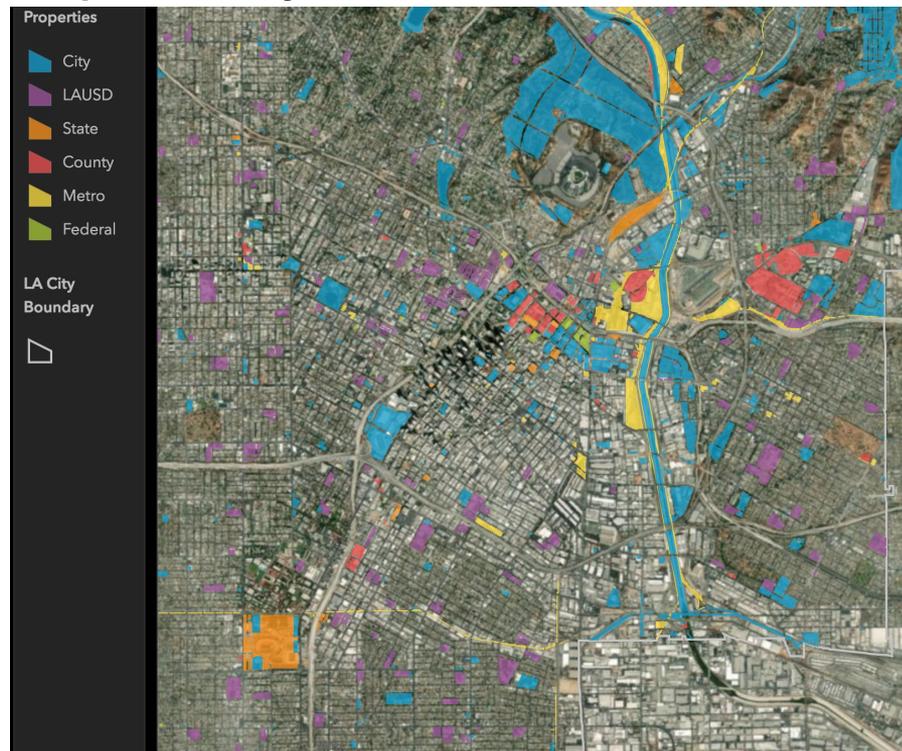
Identifying Resources & Opportunities

10:35 - 10:40 am

Potential Resources and Opportunities

- Public funding
- Public land
- Land use opportunities
- Strong network of affordable housing developers
- A strong network of organizations that provide outreach and education to tenants, landlords, and unhoused residents

Map of Publicly Owned Land



Looking forward to Solutions...



- Thinking about these constraints, is there anything that immediately jumps out as an opportunity to remove these constraints?

Inventory of Sites & Site Selection Process

10:40 - 10:55 am

Inventory of of Sites: Background

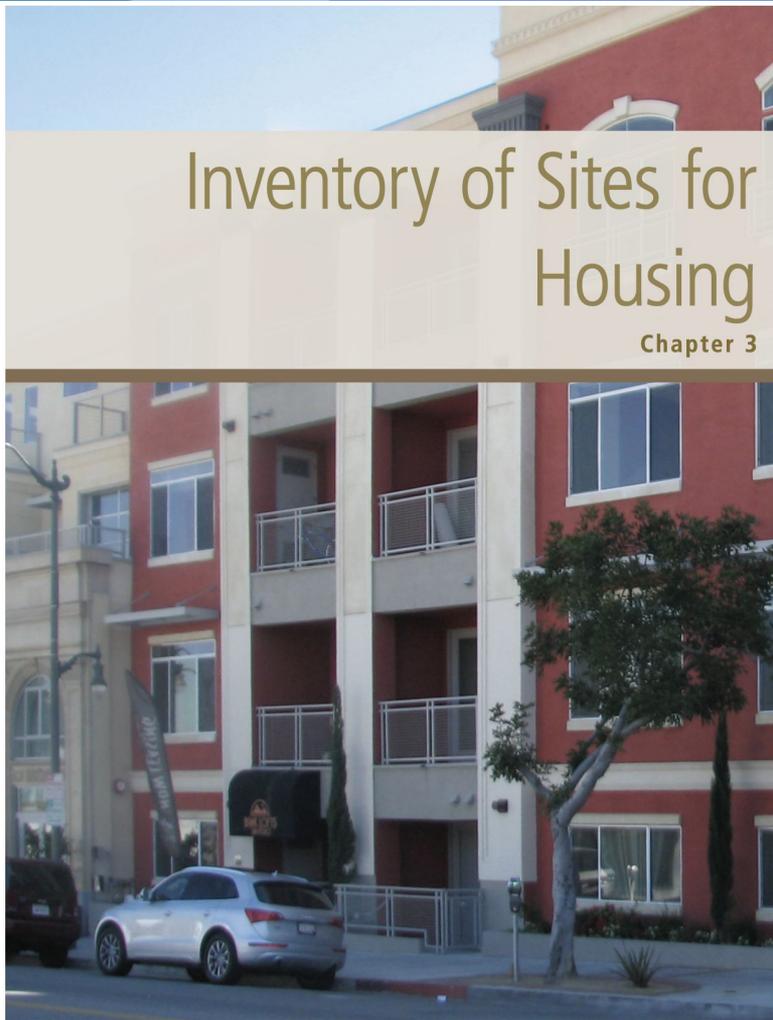
Important law to combat exclusionary zoning practices that perpetuate inequality and segregation

The law requires cities to zone sites at high enough densities to make the development of affordable housing feasible

If insufficient sites existing to accommodate the RHNA (at all income levels), cities must rezone within 3 years

Inventory of Sites for Housing

Chapter 3



Inventory of Sites: Major Components

A Site-Specific Land Inventory. The inventory must identify suitable sites for housing development, including vacant sites and sites with redevelopment potential, and it must include:

- analysis of the zoning, and
- public infrastructure available to these sites

The analysis must also demonstrate **the prospect for actual development** of sites with existing uses and any environmental factors that would make the site unsuitable.

A Program to Make Sites Available for Lower Income Housing & Farmworker Housing “By Right.”

New Requirements for Site Selection

Added scrutiny. Sites must be available and any non-vacant sites must be demonstrated to have realistic development potential.

Non-vacant sites presumed to have impediments. Presumption that an existing use will impede development.

Stricter requirements for small (< ½ acre) and large (> 10 acres) sites. To use for lower-income RHNA, must demonstrate history of AH development on sites of these sizes.

Realistic Capacity. Must demonstrate realistic capacity, not necessarily maximum density.

Stronger infrastructure requirements. Must be served by water, sewer, and “dry” utilities.

Reuse of Sites. Sites from prior cycles may only be used if rezoned to permit 20% lower-income inclusionary by-right.

...And Possible Additional Changes

AB 725 (Wicks): Identification of “Missing Middle” Sites

Would require that at least 25% of the moderate-income and above moderate-income RHNA be allocated to sites with zoning that allows at least 2 units, but no more than 35 du/acre.

AB 3122 (Santiago): Emergency Shelters, Transitional Housing, Supportive Housing

Would require that the sites inventory include analysis of potential sites available for emergency shelters, temporary housing, and supportive housing.

SB 1138 (Wiener): Emergency Shelters

Would amend criteria related to identification of zones that allow emergency shelters by-right to allow sites zoned for industrial use, if adequate services and amenities are available.

2021-2029 Draft RHNA Allocation

	2013 - 2021 Allocation	2021 - 2029 *Draft Allocation
Units in SCAG Region	412,137	1,341,827
Total Units in Los Angeles	82,002	*455,565
By Income Category		
Very Low Income	20,427	*115,676
Low Income	12,435	*68,591
Moderate Income	13,728	*74,934
Above Moderate Income	35,412	*196,364

*All LA City 2021-2029 figures are estimated, based on the current draft allocation. A final allocation will be provided in August 2020.

What does Site Selection Mean for a Site?

Site Selection is a reflection of existing site conditions

What it means:

- An indicator that the site, based on the zoning compared to existing conditions, is reasonably expected to redevelop with more housing
- It does **not** mean the site *will* redevelop or is targeted for growth by the Housing Element

Site selection can help us reflect on our existing zoning

Is zoning creating a barrier to **meeting our housing needs in general**?

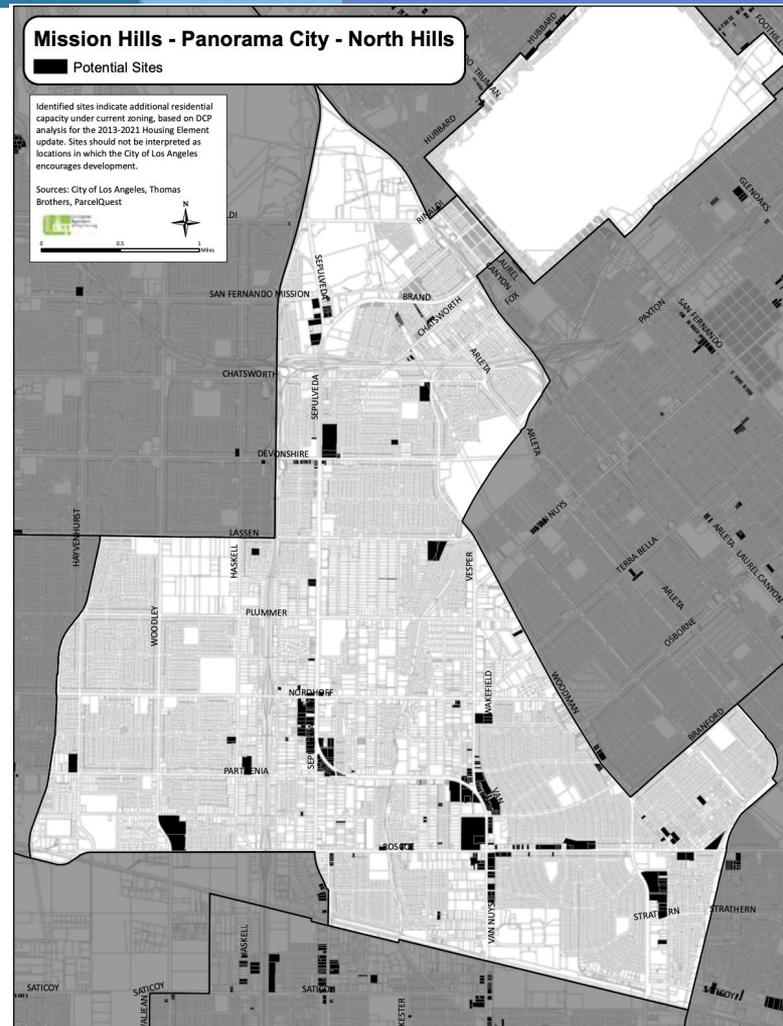
Is zoning creating a barrier to **producing affordable housing**?

Is zoning creating a barrier in **high resource areas** of the City?

Is zoning contributing to patterns of **economic and racial segregation**?

Existing Site Selection Methodology

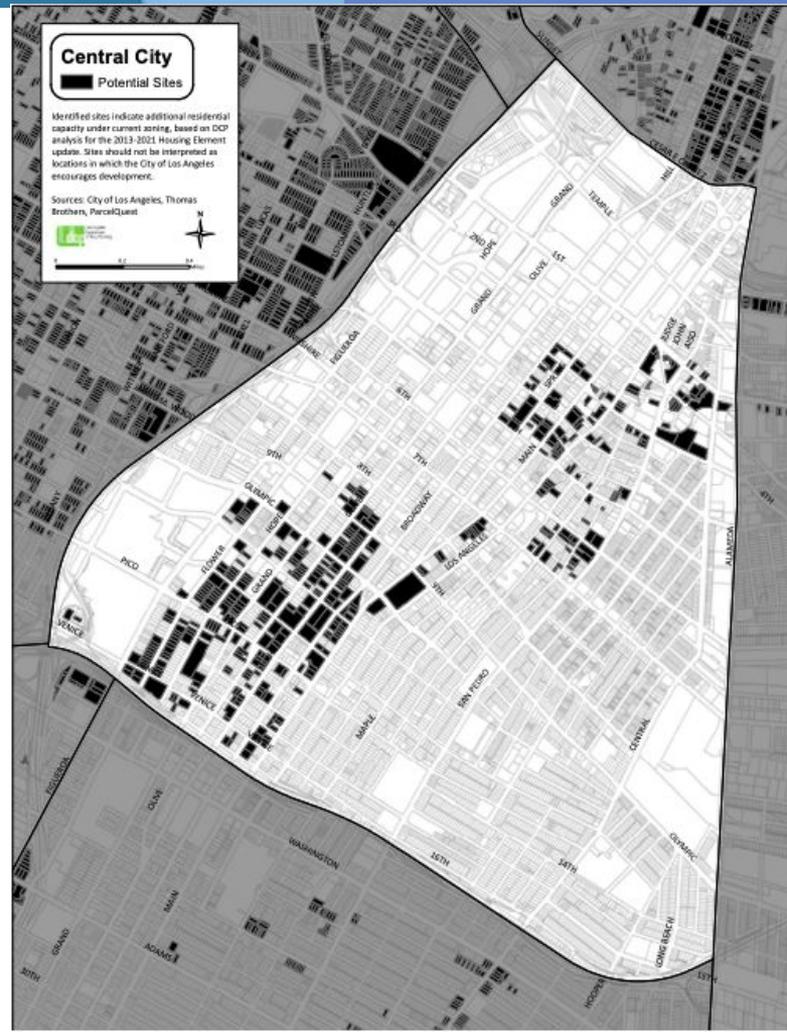
1. **Ensure sites permit residential use without zone change**
2. **Ensure site are suitable for new residential development**
3. **Calculate realistic capacity**
 - a. Sites with density of 30 du/acre or greater count towards lower-income allocation



Existing Site Selection Methodology, in Detail

1. Ensure sites permit residential use without zone change

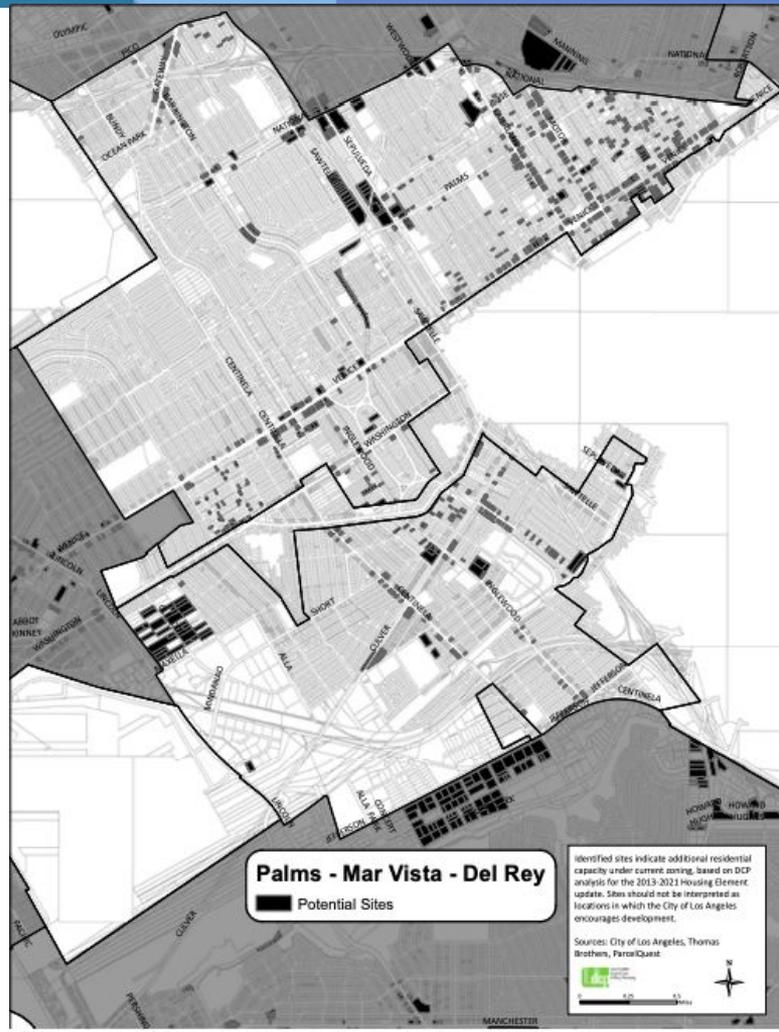
- Eliminate industrially zoned land, open space, and other non-residential zones
- Evaluate sites with split zoning
- Eliminate sites with specific conditions (HPOZ, Specific Plan, HCMs, Mills Act, Q/D conditions) unless closer analysis shows they do not limit residential density



Existing Site Selection Methodology, in Detail

3. Calculate Realistic Capacity

- Calculate allowable density based on FAR for commercial (C) zones or zoned density for residential (R) zones
- Apply “conversion factors” to reflect likely share of C zones that will be developed as housing
- Subtract existing units to calculate net capacity
- Exclude sites which do not have net capacity greater than 3x the number of existing units
- Exclude sites with less than 5 units net capacity



Inventory of Sites: Current Example

APN	Year Built	Current Use	Zone	30 du/ac (Y/N)	Net Units	Acres	CPA	General Plan Land Use Designation
2638001003	1950	Shopping Center (Regional)	[Q]C2-1-CDO	No	0.8	0.17	Mission Hills - Panorama City - North Hills	Community Commercial
2638001033	1966	Restaurant Lounge Tavern	[Q]C2-1-CDO	No	1	0.21	Mission Hills - Panorama City - North Hills	Community Commercial
2638001034	1964	Shopping Center (Neighborhood)	[Q]C2-1-CDO	No	0.9	0.18	Mission Hills - Panorama City - North Hills	Community Commercial
2638001035	1969	Private School	[Q]C2-1-CDO	No	1.3	0.28	Mission Hills - Panorama City - North Hills	Community Commercial
2638001038	1956	Stores	[Q]C2-1-CDO	No	1	0.22	Mission Hills - Panorama City - North Hills	Community Commercial
2638001039	1959	Shopping Center (Neighborhood)	[Q]C2-1-CDO	No	1.3	0.27	Mission Hills - Panorama City - North Hills	Community Commercial
2638001040	1952	Shopping Center (Neighborhood)	[Q]C2-1-CDO	No	0.9	0.20	Mission Hills - Panorama City - North Hills	Community Commercial
2638001041	1954	Bank / Savings and Loan	[Q]C2-1-CDO	No	0.8	0.18	Mission Hills - Panorama City - North Hills	Community Commercial
2638001042	1954	Shopping Center (Neighborhood)	[Q]C2-1-CDO	No	1.2	0.37	Mission Hills - Panorama City - North Hills	Community Commercial

[See Appendix H. Inventory and Maps of Parcels Available for Housing by Community Planning Area](#)

Inventory of Sites: Existing Housing Capacity by Community Plan Area (CPA)

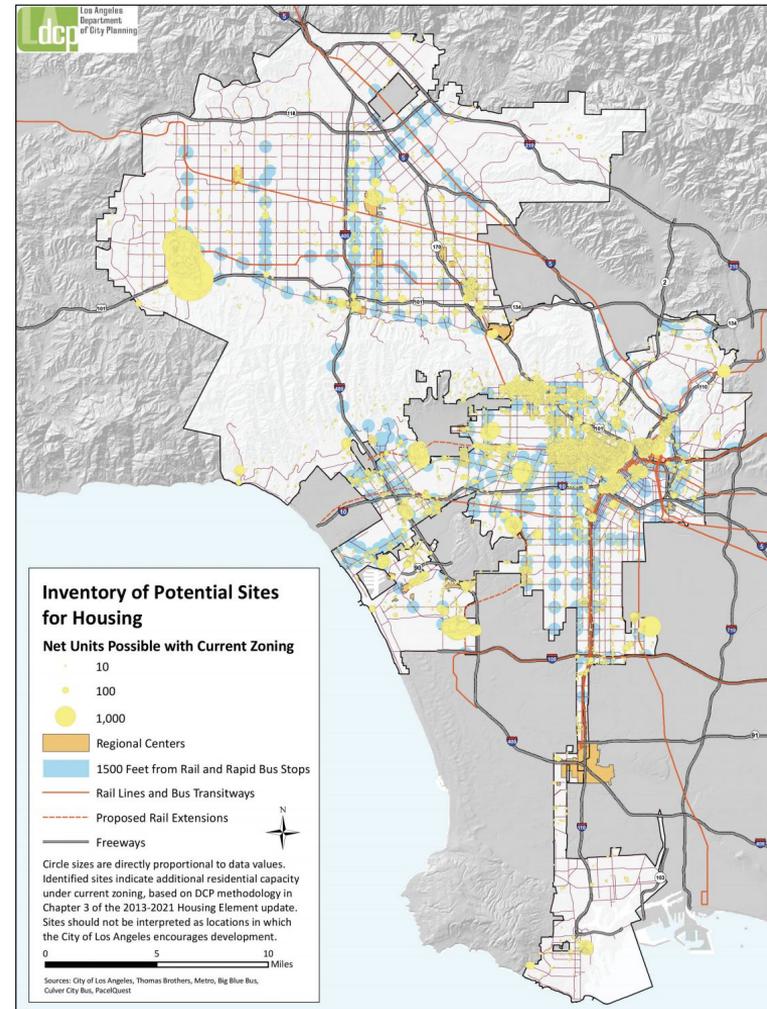
Summary of Sites with Housing Capacity by Community Plan Area

CPA	Sites	Net Units	Acres
Arleta - Pacoima	92	308	47.6
Bel Air - Beverly Crest	39	241	115.7
Boyle Heights	593	2,805	157.8
Brentwood	64	1,211	222.2
Canoga Park	402	60,750	883.5
Central City	443	17,893	123.3
Central City North	453	11,490	179.6
Chatsworth	76	860	164
Encino - Tarzana	181	1,355	224.4
Granada Hills	27	240	49.3
Harbor Gateway	168	1,346	77.5
Hollywood	2,024	24,185	662.1
Mission Hills	214	3,872	225
North Hollywood	1,193	8,726	329.5
Northeast Los Angeles	425	6,018	276.4
Northridge	124	350	79.4
Palms - Mar Vista	721	9,263	237.3

CPA	Sites	Net Units	Acres
Reseda	168	1,344	107.4
San Pedro	190	4,137	92.4
Sherman Oaks	283	2,895	150.3
Silverlake - Echo Park	476	3,732	148.2
South Los Angeles	1,729	6,405	386
Southeast Los Angeles	1,691	8,405	413.5
Sun Valley	254	1,267	144
Sunland - Tujunga	47	443	65.6
Sylmar	105	690	123.1
Van Nuys	444	2,542	254.3
Venice	190	907	46.4
West Adams	1,456	8,368	417.3
West Los Angeles	629	10,862	268.6
Westchester	371	12,645	291.7
Westlake	1,853	39,506	500
Westwood	170	1,261	46.1
Wilmington	22	241	30.8
Wilshire	4,019	51,490	1,014.2
TOTAL	21,336	308,052	8,554.3

Existing Sites

- 21,400 sites (10,200 lower income)
- 308,000 total units of capacity
- 85% of units are within ½ mile of transit
- 41% of the sites have housing on them
- 35% of sites are in High Segregation & Poverty Areas



Discussion: 6th Cycle Methodology



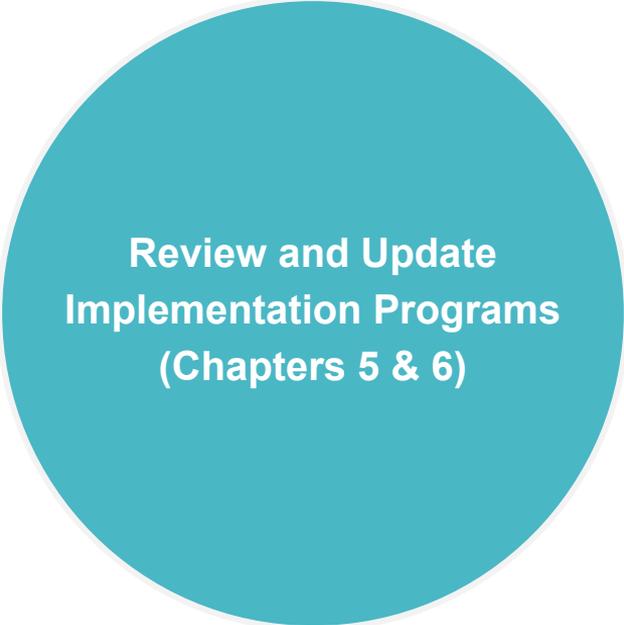
- Any questions about the process?
- Are there other factors we should consider?

Next Steps

10:55 - 11:00 am



Next Meeting: June 10, 2020 | 9:30 - 11:00 a.m.



**Review and Update
Implementation Programs
(Chapters 5 & 6)**

Before Next Meeting

**Share
Suggestions:
Constraints
Chapter**

A shared doc will be sent out with the chapter outline for the Review of Constraints, Opportunities & Resources. Please review and add comments.

**Review:
Existing
Programs
(Chapter 6)**

Review existing Implementation Programs in Chapter 6 of the current HE.

Thank you!

HousingElement@lacity.org