

ORDINANCE NO. _____

An ordinance amending Chapter 1 of the Los Angeles Municipal Code (LAMC), including adding Section(s) 16.60 and 16.61 to Chapter 1, as well as amending Sections 12.22 and 12.24 of Chapter 1, for the purpose of codifying housing replacement requirements, complying with state housing law and establishing reasonable regulations regarding affordable housing development for the protection of residents.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Sec. 1. Section 16.60 of Chapter 1 of the the Los Angeles Municipal Code is added to read as follows:

SEC. 16.60. DEMOLITION OF HOUSING UNITS

A. Development Projects that Result in the Demolition of Housing Units

1. **Purpose.** The purpose of this subdivision is to comply with state law and offer protections related to the demolition of housing units as part of Development Projects and to extend these requirements past their expiration date of January 1, 2030 for Housing Development Projects.

2. **Definitions.**

“Affordable Housing Cost” has the same meaning as defined in Section 50052.5 of the California Health and Safety Code as amended from time to time.

“Affordable Rent” has the same meaning as defined in Section 50053 of the California Health and Safety Code as amended from time to time.

“Development Project” includes any project involving the issuance of a City Planning application or building permit to allow the construction, demolition or alteration of the size of any structure, and a change in the density or intensity of use of land consistent with how the term is used in Section 66300.6 of the California Health and Safety Code.

“Equivalent Size” means that the replacement units contain at least the same total number of bedrooms as the units being replaced.

“Housing Development Project” has the same meaning as defined in paragraph (2) of subdivision (h) of California Government Code Section 65589.5, as amended from time to time, except that it also includes projects that involve no

discretionary approvals and projects that include a proposal to construct a single dwelling unit.

“Persons and Families of Low or Moderate Income” has the same meaning as defined in Section 50093 of the California Health and Safety Code, as amended from time to time.

“Protected Units” means any of the following:

- (a) Residential dwelling units that are or were subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income within the past five years.
- (b) Residential dwelling units that are or were subject to the Rent Stabilization Ordinance pursuant to Chapter XV of the LAMC, or any other form of rent or price control through the City’s valid exercise of its police power within the past five years.
- (c) Residential dwelling units that are or were rented by lower or very low income households within the past five years.
- (d) Residential dwelling units that were withdrawn from rent or lease in accordance with the Ellis Act (Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 of the California Government Code) within the past 10 years.

“Replace” has the same meaning as provided in subparagraphs (B) and (C) of paragraph (3) of subdivision (c) of Section 65915 of the California Government Code, as amended from time to time.

3. **Approval of Housing Development Projects that Result in the Demolition of Housing Units.** Notwithstanding any law the City shall not approve any Housing Development Project that will require the demolition of occupied or vacant Protected Units, or that is located on a site where Protected Units were demolished in the previous five years, unless all of the following requirements are satisfied.

- (a) **Replacement of Existing or Demolished Protected Units.** The Housing Development Project shall Replace all existing Protected Units and Protected Units demolished on or after January 1, 2020 pursuant to the replacement requirements of California Government Code Section 65915(c)(3), consistent with the following requirements:

- (1) Units occupied on the date of application shall be replaced with units of Equivalent Size and at an Affordable Rent or Affordable Housing Cost as those households in occupancy pursuant to California Government Code Section 65915(c)(3)(B)(i) inclusive of the following income categories: Low Income, Very Low Income, and Extremely Low Income. Units that have been demolished or vacated on the date of application shall be replaced based upon the highpoint in occupancy during the previous five years pursuant to California Government Code Section 65915(c)(3)(B)(ii).
- (i) If the incomes of the individuals and households are not known, the rebuttable presumption in Section 65915(c)(3)(B)(i) regarding Lower Income Households shall be inclusive of the percentage of Extremely Low Income, Very Low Income and Low Income Households in the same proportion as their share of all renter households within the City of Los Angeles, as determined by the General Manager of the City Housing Department utilizing the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database.
 - (ii) Units subject to the Rent Stabilization Ordinance and Section 65915(c)(3)(C) deemed or presumed to be occupied by persons or families above the lower income category shall be replaced with low income units pursuant to Section 65915(c)(3)(C)(i), as determined by the Los Angeles Housing Department.
- (2) Any Protected Units replaced pursuant to this subparagraph shall be considered in determining whether the Housing Development Project satisfies the requirements of Section 65915 or any locally adopted requirement that requires, as a condition of the development of residential rental units, that the project provide a certain percentage of residential rental units affordable to, and occupied by, households with incomes that do not exceed the limits for moderate-income, lower income, very low income, or extremely low income households, as specified in Sections 50079.5, 50093, 50105, and 50106 of the California Health and Safety Code.

(3) Notwithstanding the requirements above, the replacement requirements of this section shall not apply to the following:

- (i) A Housing Development Project that consists of a single residential unit on a site with a single Protected Unit.
- (ii) A Housing Development project that complies with the requirements of Section 16.60 A.3(b)(1).

(4) Owners of a Housing Development Project subject to the above requirements must complete an application for a Replacement Unit Determination with the Los Angeles Housing Department. Information provided by the owner and existing tenant(s), as well as information gathered by LAHD will be used to determine whether any Protected Units exist.

(b) **No Net Loss of Dwelling Units.** Notwithstanding any other law and notwithstanding density limitations on a site, no permit shall be issued for a Housing Development Project that will require the demolition of one or more residential dwelling units irrespective of Protected Unit status, unless the project will create at least as many residential dwelling units as will be demolished. In addition, the Housing Development Project shall include at least as many residential dwelling units as the greatest number of residential dwelling units that existed on the project site within the last five years, except for the following:

(1) LAHD may approve an off-site replacement plan for buildings with covenanted affordable housing units that request approval to build a smaller number of units on the site in the following circumstances:

- (i) The proposed construction of the new affordable units cannot Replace all units on site due to physical changes in unit type, such as replacing Single Room Occupancy or Residential Hotel guest rooms with studio dwelling units.
- (ii) The proposed construction of the new affordable housing units cannot Replace all units on site and meet the City's required Accessible Housing Program standards.
- (iii) The off-site replacement housing units will be of Equivalent Size or larger and have equivalent amenities as the on-site replacement housing units, and will be covenanted at the

same affordability levels and for at least the same number of years as the on-site replacement housing.

- (iv) The off-site replacement housing units will be constructed within a three mile radius of the on-site replacement housing units.

(c) Existing Occupant Protections

- (1) **Right to Remain.** Any existing occupants shall be allowed to occupy their units until six months before the start of construction activities with proper notice, subject to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the California Government Code. A housing developer shall provide written notice to existing occupants of the planned demolition, the date they must vacate, and their rights under this section. Notice shall be provided at least six months in advance of the date that existing occupants must vacate. Housing developers must comply with the requirement to the right to remain and complete a form provided by the Los Angeles Housing Department.
- (2) **Right to Return if Demolition Does Not Proceed.** Any existing occupants that are required to leave their units shall be allowed to return at their prior rental rate if the demolition does not proceed and the property is returned to the rental market. A housing developer shall agree to this requirement on a form provided by the Los Angeles Housing Department.
- (3) **Right to Relocation.** Relocation benefits shall be pursuant to Los Angeles Municipal Code Section 165.06.A, 151.09.G or 47.08 and 47.09. For lower income occupants, if greater than the local provisions, relocation shall be equivalent to those required to be paid to public entities pursuant to Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the California Government Code, as determined by the Los Angeles Housing Department.
- (4) **Right to Return.** The developer shall provide the following to the existing occupants of any Protected Units that are persons and families of lower income and agree to this requirement on a form provided by the Los Angeles Housing Department:
 - (i) A right of first refusal for a comparable unit available in the new housing development affordable to the household at

an Affordable rent or an Affordable housing cost. A comparable unit contains the same number of bedrooms but is not required to have the same or similar square footage or the same number of total rooms. In cases when a single-family home with four or more bedrooms is being replaced, a comparable unit may have three bedrooms. This requirement shall not apply to any of the following:

- a. A Development Project that consists of a single residential unit located on a site where a single Protected Unit is being demolished.
- b. Units in a housing development in which 100 percent of the units, exclusive of a manager's unit or units, are reserved for Lower Income Households. This exception shall apply when providing a comparable unit to an occupant who qualifies for residence in the new development would be precluded due to unit size limitations or other requirements of any funding source of the housing development, as determined by the Los Angeles Housing Department.

4. Approval of Non-Housing Development Projects that Result in the Demolition of Housing Units until January 1, 2030. Notwithstanding any law the City shall not approve any Development Project that is not a Housing Development Project that will require the demolition of occupied or vacant Protected Units, or that is located on a site where Protected Units were demolished in the previous five years, until January 1, 2030, unless all of the following requirements are satisfied.

(a) **Replacement of Existing or Demolished Protected Units.** The project shall Replace all existing Protected Units and Protected Units demolished on or after January 1, 2020 pursuant to the replacement requirements of California Government Code Section 65915(c)(3) and Section 16.60 A.3(a) of this Code, consistent with the following requirements:

- (1) The Development Project may not include an industrial use and be and located on a site that is entirely within a zone that does not allow residential uses, where the zoning applicable to the project site that does not allow residential uses was adopted prior to January 1, 2022 and the Protected Units that are or were on the project site are or were nonconforming uses.

- (2) At the time of permit issuance, a Development Project proponent must sign an affidavit for the Los Angeles Department of Building and Safety to ensure the replacement housing will be developed prior to or concurrently to the Development Project. Developed prior means a Certificate of Occupancy or Temporary Certificate of Occupancy for the replacement housing must be obtained prior to issuance of a Certificate of Occupancy or Temporary Certificate of Occupancy for the nonresidential Development Project.
 - (3) The required replacement housing may be located on a site other than the project site but shall be located within the City of Los Angeles, with a preference for sites within close proximity.
 - (4) The project proponent may contract with another entity to develop the required replacement housing units, except that the replacement housing units shall not fulfill the affordability requirements of any other development pursuant to another law.
 - (5) A commercial developer seeking a commercial density bonus may propose providing restricted affordable units through an agreement with a housing developer for partnered housing. The agreement must be approved by the City pursuant to California Government Code Section 65915.7.
 - (6) Notwithstanding the requirement that an Accessory Dwelling Unit be located on a lot with an existing or proposed primary residence, the replacement housing may be established through creation of an Accessory Dwelling Unit with the primary nonresidential use on the parcel being able to be used in place of a primary residence.
- (b) **Existing Occupant Protections.** The Development Project meets the occupant protections described in Section 16.60 A.3(c).
- (c) **Sunset Provisions.** The requirements of this subparagraph shall not apply to projects approved after January 1, 2030, except for those Development Projects that submitted a preliminary application pursuant to Section 65941.1 of the California Government Code before January 1, 2030. This subsection shall remain in effect only until January 1, 2034, and as of that date is repealed.

Sec. 2. Section 16.61 of the Los Angeles Municipal Code is added to Chapter 1 of the Los Angeles Municipal Code to read as follows:

SEC. 16.61. RESTRICTED AFFORDABLE HOUSING UNITS

A. Length of Affordability.

1. A Development Project that is subject to this section, either due to a requirement contained in Chapter 1 of this Code or to a condition of approval that specifies 99 years or is silent to length of covenant terms, must prepare a covenant acceptable to the Los Angeles Housing Department to be recorded with the Los Angeles County Recorder, guaranteeing that the occupancy restriction will be observed for at least 99 years from the issuance of the Certificate of Occupancy except for:
 - (a) A Development Project in which public subsidies are tied to a specified covenant period, as determined by the Los Angeles Housing Department, unless voluntarily agreed to by the project applicant.
 - (b) For sale units, which must be consistent with the for sale requirements of California Government Code Section 65915(c)(2).
 - (c) Residential Units for Lower Income Students, Transitional Foster Youth, Disabled Veterans, and/or Homeless Persons, shall be provided at affordability levels as determined in Los Angeles Municipal Code Section 12.22 A.37 for at least 55 years from the issuance of the Certificate of Occupancy; or a longer period of time if required by the construction or mortgage financing assistance program, mortgage assistance program, or rental subsidy program.
2. Any covenant described here must provide for a private right of enforcement by the City, any tenant, or owner of any building to which a covenant and agreement applies.

Sec. 2. Paragraphs 1 and 2 of Subsection (h) of Section 12.22 A.25 of Chapter 1 of the the Los Angeles Municipal Code is amended to read as follows:

- (h) Covenant. Prior to issuance of a Building Permit, the following shall apply:
 - (1) For any Housing Development Project qualifying for a Density Bonus and that contains housing for Senior Citizens, a covenant acceptable to the Los Angeles Housing Department shall be recorded with the Los Angeles County Recorder, guaranteeing that the occupancy restriction to Senior Citizens shall be observed for at least 55~~30~~ years or longer pursuant to LAMC 16.61 A from the issuance of the Certificate of Occupancy or a longer period of time if required by the construction or

mortgage financing assistance program, mortgage assistance program, or rental subsidy program.

(2) For any Housing Development Project qualifying for a Density Bonus and that contains housing for Low or Very Low Income households, a covenant acceptable to the Los Angeles Housing Department shall be recorded with the Los Angeles County Recorder, guaranteeing that the affordability criteria will be observed for at least ~~55~~30 years or longer pursuant to LAMC 16.61 A from the issuance of the Certificate of Occupancy or a longer period of time if required by the construction or mortgage financing assistance program, mortgage assistance program, or rental subsidy program.

(3) For any Housing Development Project qualifying for a Density Bonus and that contains housing for Moderate Income households for sale, a covenant acceptable to the Los Angeles Housing Department and consistent with the for sale requirements of California Government Code Section 65915(c)(2) shall be recorded with the Los Angeles County Recorder, ~~guaranteeing that the affordability criteria will be observed for at least ten years from the issuance of the Certificate of Occupancy.~~

Sec. 3. Paragraph 1 of Subsection (d) of Section 12.22 A.29 of Chapter 1 of the Los Angeles Municipal Code is amended to read as follows:

(1) For any project qualifying for a Floor Area Bonus that contains rental housing for Low, Very Low, Moderate or Workforce Income households, a covenant acceptable to the Los Angeles Housing Department shall be recorded with the Los Angeles County Recorder, guaranteeing that the affordability criteria will be observed for at least ~~55~~30 years or longer pursuant to LAMC 16.61 A from the issuance of the Certificate of Occupancy or a longer period of time if required by the construction or mortgage financing assistance program, mortgage assistance program, or rental subsidy program. (Amended by Ord. No. 187,122, Eff. 8/8/21.)

Sec. 4. Paragraph 1 of Subsection (f) of Section 12.22 A.31 of Chapter 1 of the the Los Angeles Municipal Code is amended to read as follows:

(1) For any Housing Development qualifying for a TOC Incentive that contains rental housing for Extremely Low, Very Low, or Lower Income households, a covenant acceptable to the Los Angeles Housing Department shall be recorded with the Los Angeles County Recorder, guaranteeing that the affordability criteria will be observed for 55 years or longer pursuant to LAMC 16.61 A.

Sec. 5. Subparagraph (4) of Paragraph (a) of Subdivision 26 of Subsection U of Section 12.24 of Chapter 1 of the the Los Angeles Municipal Code is amended to read as follows:

(4) the project's Restricted Affordable Units are subject to a recorded affordability restriction of 55 years or longer pursuant to LAMC 16.61 A from the issuance of the Certificate of Occupancy, recorded in a covenant acceptable to the Los Angeles Housing Department, and subject to fees as set forth in Section [19.14](#) of the Los Angeles Municipal Code; and (Amended by Ord. No. 187,122, Eff. 8/8/21.)

Sec. 6. Subparagraph (4) of Paragraph (a) of Subdivision 30 of Subsection U of Section 12.24 of Chapter 1 of the the Los Angeles Municipal Code is amended to read as follows:

(d) the affordability of all reserved lower income dwelling units will continue for a minimum of 55 years or longer pursuant to LAMC 16.61 A;

Sec. 7. Paragraph 10 of Subsection A of Section 14.00 of Chapter 1 of the the Los Angeles Municipal Code is amended to read as follows:

(2) ... guaranteeing that each required Restricted Affordable Unit shall be reserved and maintained for at least 55 years from the issuance of the Certificate of Occupancy or longer pursuant to LAMC 16.61 A.

B. Unit Design, Unit Mix, Unit Size, Quality and Amenities, Access to, and Distribution of Affordable Units in Mixed-Income Development Projects. The Los Angeles Housing Department shall have the authority to establish and administer requirements regarding the unit mix, unit size, quality and amenities, access to and distribution of affordable housing units in mixed-income Development Projects in order to ensure compliance with fair housing law and any other applicable requirements, including but not limited to requirements from funding sources. The requirements shall be enforced through an approval prior to permit issuance. The requirements should be codified in a set of guidelines or user handbook that is adopted by the Los Angeles Housing Department and the Department of City Planning. LAHD shall have the authority to interpret these requirements to best implement the goals of the guidelines.

C. Allocation of Restricted Affordable Units. Restricted Affordable Units located in mixed-income housing development projects shall be subject to the following:

1. **Affirmative Marketing and Fair Housing Outreach.** Sale or lease of the Restricted Affordable Units shall follow the affirmative marketing and outreach requirements of the Los Angeles Housing Department (LAHD), as outlined in a deed restriction drafted by LAHD and filed with the County of Los Angeles.

2. **Affordable and Accessible Housing Registry.** All Restricted Affordable Units shall be registered to the extent feasible on the Affordable and Accessible Housing Registry managed by the LAHD, or any existing equivalent listing, when available for rent.

3. **Priority Populations.** To the extent practical and in alignment with local, state and federal law, and pursuant to any locally adopted guidelines, the affirmative marketing and registry provisions in subparagraphs 1 and 2, as well as any other City Planning or LAHD administrative procedure, should attempt to prioritize those with the greatest housing needs that have been impacted by government actions. This may include, but not be limited to:
 - (a) Any person or household who has been displaced through a withdrawal of units pursuant to the Ellis Act and LAMC 151.22 to 151.28,
 - (b) A lower income person or household subject to a rent increase related to conversion to market-rate housing due to termination of a public funding subsidy contract, mortgage prepayment, or expiring use restrictions based on land use entitlement concessions.
 - (c) A person or household who was displaced due to a code enforcement order, including those affected as a natural disaster that resulted in their residential unit being rendered uninhabitable.