

Communication from Public

Name: Rabeya Sen
Date Submitted: 11/18/2024 02:38 PM
Council File No: 21-1230-S8
Comments for Public Posting: Please see attached letter



Date: November 18, 2024

Re: Citywide Housing Incentive Program :Council File: 21-1230-S5; and Resident Protections Ordinance: 21-1230-S8

Dear Los Angeles City Council Members,

I submit this letter on behalf of Esperanza Community Housing regarding the Citywide Housing Incentive Program, 21-1230-S5 and the Resident Protections Ordinance 21-1230-S8.

Esperanza Community Housing is an active member of the ACT-LA Coalition and we strongly support the coalition's work to address housing and displacement. While we commend the updates that strengthen tenant protections in the RPO we encourage you to implement the following:

Citywide Housing Incentive Program (CHIP) Recommendations

Adopt "Option 1" of the LA City Planning Department's "Exhibit D- Single Family Considerations"¹

Excluding single family zoned parcels upholds and maintains exclusionary zoning. This will limit the effectiveness of the MIIP to affirmatively further fair housing, and undermine the goal of increasing affordable housing opportunities in neighborhoods with greater resources. The City's wealthiest and most privileged areas, R1 zones in high and highest opportunity areas, should not remain off-limits to mixed-income and affordable development. Exhibit D, Option 1 would allow the MIIP program to be used on sites in high-opportunity neighborhoods, and expand the sites in high-opportunity neighborhoods eligible for AHIP incentives. If coupled with deeper affordability requirements discussed below, Option 1 offers the potential to meaningfully increase access to affordable housing in high opportunity areas and reduce development pressure on sites where low-income renters live today, affirmatively furthering fair housing. The City should not acquiesce to exclusionary attitudes about housing development to maintain a status quo that was shaped through racial animus. We urge the Council to adopt Option 1 in combination with the deeper affordability requirements discussed below.

Encourage deeply affordable units by expanding ALI, ELI, VLI incentives

Rents in Moderate Income units are not affordable to the nearly two-thirds of renter households in Los Angeles that are low income or below. By definition, these units are for households *above* the median income. Housing incentives in the MIIP should focus on producing housing at rents where the need is greatest. The mixed affordability option for the Transit Oriented Incentive

¹<https://planning.lacity.gov/odocument/6c6197bb-626e-456e-ae0a-75403bc73b56/EXHIBIT%20D-%20Single-Family%20Considerations.pdf>

Areas and Opportunity Corridor Incentive 2 Areas should be amended to focus on deeply affordable housing.² The requirement for Moderate Income housing in Higher Opportunity Areas should be removed and replaced with an increased requirement for Acutely and Extremely Low Income housing. The mixed affordability requirement in Moderate and Lower opportunity areas should be adjusted to require a portion of the affordable units be affordable to acutely low income households. Additionally, under the current draft for Opportunity Corridor Transition Area Incentives, developers have no incentive to include any units at the ALI, ELI or VLI level. Projects using this incentive in the CT-1A area are only required to include one MI unit. In the CT-1B, CT-2, and CT-3 areas, developers are unlikely to include any VLI units because the incentive is available to projects with the same number of higher-rent LI units. Therefore, the VLI menu option is an empty promise. For this program to truly advance the City's obligation to affirmatively further fair housing, the affordability requirements for Opportunity Corridor Transition Area Incentives should be amended to replace the MI option with deeper affordability. To be eligible for this incentive, projects should be required to include at least one ALI, ELI, or VLI unit.³

Require robust environmental study and public participation before approving projects on sites with heightened environmental justice concerns

The CHIP ordinance requires that projects seeking the MIIP or AHIP incentives complete a Phase I Environmental Site Assessment, and a Phase II assessment if warranted, if the project is proposed on a site with heightened environmental risks. We support this policy and also believe additional measures are necessary. Current toxic site lists (such as DTSC's Cortese List and Envirostor) are incomplete and do not identify all the brownfields that exist. To address deficiencies in existing data and harness local knowledge, we recommend a community meeting of people living in the neighborhood for projects proposed in areas that score at the 80th percentile and above on CalEnviroScreen 4.0. The community meeting would be a non-CEQA, non-voting meeting to collect information from community members about historical uses of the site that may otherwise not show up through traditional data searches used during the Phase I process, as described above, and minimize environmental harms in vulnerable areas.

Resident Protections Ordinance Recommendations:

Strengthen replacement by requiring 2:1 replacement of demolished RSO units

Too often, new housing projects demolish existing below-market rent stabilized housing and create only a few more affordable units than the number of units demolished. In fact, the AECOM analysis revealed that mixed-income RSO development projects between 2020-2023 demolished 1,091 RSO units and produced only 1,161 affordable units - a net increase of only 70 protected units⁴. It is clear that development incentives need to change. Increasing the replacement requirement to require that RSO units be replaced with affordable covenanted units at a 2:1 ratio will steer modest development away from sites with large numbers of RSO units and ensure projects provide a net increase in affordable housing.

² See Table 12.22 A. 38(c)(3)(iv) on page 57 of Exhibit A. 1.

³ See Table 22.22. A. 38(c)(3)(v) on page 57 of Exhibit A. 1.

⁴ 3 See page 9 of "Potential Impact of 1:1 RSO-Affordable Replacement Requirement" in [Appendix 3](#).

We encourage you to adopt these recommendations in order to ensure both the RPO and the CHIP equitably shape the future of affordable housing and communities in the City of Los Angeles.

Sincerely,
Rabeya Sen
Director of Policy
Esperanza Community Housing

Communication from Public

Name: Rabeya Sen
Date Submitted: 11/18/2024 02:35 PM
Council File No: 21-1230-S8
Comments for Public Posting: Please see attached letter.



Date: November 18, 2024

Re: Citywide Housing Incentive Program :Council File: 21-1230-S5; and Resident Protections Ordinance: 21-1230-S8

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We encourage you to adopt these recommendations in order to ensure both the RPO and the CHIP equitably shape the future of affordable housing and communities in the City of Los Angeles.

Sincerely,
Rabeya Sen
Director of Policy
Esperanza Community Housing

Communication from Public

Name: Sohab Mehmood
Date Submitted: 11/18/2024 05:26 PM
Council File No: 21-1230-S8
Comments for Public Posting: Housing Element info from HCD

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

651 Bannan Street, Suite 400, Sacramento, CA 95811

(916) 263-2911 / FAX (916) 263-7453

www.hcd.ca.gov

November 18, 2024

Vincent Bertoni, Director of Planning
City of Los Angeles
Los Angeles City Hall
200 North Spring Street, Suite 525
Los Angeles, CA 90012

Dear Vincent Bertoni:

RE: City of Los Angeles 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Los Angeles' (City) draft documentation related to rezoning to accommodate the regional housing need allocation (RHNA). Specifically, HCD received a copy of the City's electronic sites inventory (Table C) that included an inventory of sites on November 12, 2024 and revisions on November 15, 2024, mapping information received on October 31, 2024 and the Housing Element Sites and Minimum Density Ordinance received on July 10, 2024 and revisions on September 19, 2024. Further, HCD received the City's inquiry regarding program implementation on November 8, 2024. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD has considered comments from a coalition of housing organizations pursuant to Government Code section 65585, subdivision (c).

Required Rezones

On June 29, 2022, HCD found the City's adopted housing element in compliance with State Housing Element Law (Gov. Code, § 65580 et seq). This finding was based on, among other things, programs committing to accommodate the City's RHNA and actions to affirmatively further fair housing (AFFH).

Specifically, Programs 48 (Update Affordable Housing Incentive Programs), Program 65 (Plan For Housing and Place-Based Strategies in Community Plan Areas) and Program 121 (RHNA Re-zoning) committed to rezoning to accommodate a shortfall of 255,432 units, including 130,553 for lower-income households. These programs included various strategies to implement the City's required rezones, including updating various community plans, establishing citywide ordinances, and developing programs that incentivize a variety of housing choices and opportunities throughout the City, including in higher resource neighborhoods.

HCD finds that these draft ordinances and additional documentation align with the objectives and specific commitments of the housing element programs noted above, including the statutory requirements pursuant to Government Code sections 65583, subdivision (c)(1) and 65583.2, subdivisions (h) and (i). For example, the draft rezone, as proposed, would address the full shortfall, permit multifamily development with 20 percent affordability without discretionary action, and identify more than 50 percent of its lower-income RHNA shortfall in higher resource areas.

As part of this review, HCD understands Housing Element Sites and Minimum Density Ordinance will apply to at least all sites identified to address the shortfall of capacity to accommodate the lower-income RHNA, and other upzoning or rezoning will be concurrently implemented as part of a community plan update.

Changes to Program Implementation

On November 8, 2024, the City requested assistance on whether certain potential changes to the City's ordinances being considered by the City Council would trigger any housing element compliance issues, including the need for amendments to the certified housing element. Specifically, the City inquired about the impact of potential changes to the implementation of programs related to the Citywide Housing Incentive Program (CHIP) Rezoning Ordinance, the Resident Protections Ordinance (RPO), and faith-based incentives.

Pursuant to Government Code section 65585, subdivision (i)(1), HCD "shall review any action or failure to act by [the City] that it determines is inconsistent with an adopted housing element..., including any failure to implement any program actions included in the housing element..." Further, if HCD finds that the action or failure to act does not substantially comply with the housing element, HCD may revoke its finding of substantial compliance.

Implementation of the housing element, including public participation and the local decision-making process, is integral to achieving the goals and objectives of the housing element and addressing the housing need of all segments of the population. Maintaining the spirit, integrity, and specifics of the housing element that was found in substantial compliance by HCD is also of the utmost importance. Any changes to the way in which housing element programs are implemented should be carefully evaluated for potential impacts on HCD's finding of substantial compliance. While potential changes that were anticipated as part of the finding of substantial compliance or changes that enhance program implementation may not ultimately impact HCD's finding of substantial compliance, any changes should be carefully evaluated to determine whether they may negatively impact HCD's finding of substantial compliance and therefore require an amendment to the housing element.

Changes to program implementation that may impact HCD's finding of substantial compliance include but are not limited to introducing potential constraints on development, omitting or altering the specifics in the housing element program, or switching provisions with new provisions that are inconsistent with the integrity and specifics of the housing element program. Examples include modifying labor provisions, affordability requirements, replacement provisions, incentives for housing mobility, or development standards and permit procedures, such that the changes have the effect of, among other issues, increasing housing costs, failing to AFFH, or decreasing the ability to promote approval certainty and achieve maximum densities.

HCD advises the City to implement programs as previously committed to in its certified housing element to maintain compliance. However, if the City does intend to make changes to program implementation and to thereby amend its housing element, HCD recommends first proposing amendments through the public process, submitting draft amendments to HCD for review, and ensuring HCD finds the amended draft housing element in substantial compliance – *before* re-adopting the element and implementing the programs. Doing so will prevent the risk of losing HCD's finding of substantial compliance while the changes are considered by the public, local decision makers, and HCD.

While the changes may or may not negatively impact HCD's finding of substantial compliance, the City should include complementary impact analysis with any proposed revisions. An amendment should be conducted in the same manner as a housing element update, including steps such as public participation and submittal of a draft and adopted housing element to HCD pursuant to Government Code section 65585.

If the City is contemplating changes to how housing element programs will be implemented, HCD offers the following points for consideration (not exhaustive) to assist the City in its decision-making process:

Changes to Housing Element Program Implementation that Do Not Trigger Amendment and HCD Review

- Changes that were anticipated as part of the housing element found in compliance, such as ranges of development standards or candidate sites for rezoning that are not necessary to meet programmatic commitments; or
- Incentives or enhancements that clearly advance the objectives, specific commitments, and spirit of programs, such as incentives to AFFH, increasing heights or modifying development standards to further encourage development, rezoning additional acreage, adding financial resources, or reducing fees.

Changes to Housing Element Program Implementation that Trigger Amendment and HCD Review

- Any substantive differences in the program that would alter the specific analysis and programmatic commitments or other portions of the housing element;
- Adding, subtracting, replacing, or altering programmatic commitments or other portions of the housing element, including objectives of the program;
- Adding potential constraints or more restrictive provisions that alter the specific analysis and programmatic commitments, including objectives of the program (e.g., labor provisions, replacement and affordability provisions, development standards and permit procedures, or fees and exactions);
- Removing incentives;
- Changes that impact the sites inventory and analysis that were not envisioned as part of the finding of substantial compliance and demonstrating adequate sites to accommodate the RHNA; and
- Any new provisions that exacerbate discrimination and inhibit fostering inclusive communities.

Conclusion

HCD recognizes the challenges and opportunities to implement the housing element and applauds the efforts of the City in addressing the housing needs of all segments of the community. HCD appreciates the opportunity to assist the City in its decision-making and looks forward to following the City's progress in implementation. If you have any questions or need additional technical assistance, please contact me at paul.mcdougall@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager