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November 28, 2023

Los Angeles City Council
c/o Office of the City Clerk
City Hall, Room 395
Los Angeles, California 90012

Attention: PLUM Committee

Dear Honorable Members:

PROPOSED INTERIM CONTROL ORDINANCE AND RELATED REPORT ON DEMOLITION AND CONSTRUCTION IN THE BOYLE HEIGHTS COMMUNITY PLAN AREA DURING THE PERIOD FROM 2010 TO 2023; CF 23-0917

On November 1, 2023 the City Council approved a motion requesting the establishment of an Interim Control Ordinance (ICO) to address the loss of Rent Stabilized and affordable housing units within the Boyle Heights Community Plan Area (CPA) until the forthcoming community plan update becomes operative. The City Council also requested that City Planning prepare a report that includes a compilation and evaluation of data on demolition, building permits, and removal of Rent Stabilization Ordinance units from the rental market during the period from 2010-2023 in the Boyle Heights Community Plan Area.

Demolition and construction in the Boyle Heights Community Plan area during the period from 2010 to 2023

The Los Angeles City Council approved a motion (Council File: 23-0917) at its meeting on October 31, 2023 instructing the Planning Department to prepare and present an Interim Control Ordinance (ICO) to prohibit the issuance of any demolition, building, grading; and any other applicable dwelling units pending the adoption of the Boyle Heights Community Plan Update (BHCPU). The motion responds to the continuing need for the preservation of existing housing that is at-risk of demolition, and the protection of tenants in renter-occupied units, which make up the majority of residents in the Boyle Heights Community Plan area (CPA). As the BHCPU proceeds through the legislative process, this ordinance would establish interim measures to preserve existing affordable housing units at-risk of permanent removal from the rental housing market through evictions and demolitions in the CPA.

The following is an evaluation of the permitting data relating to the removal and addition of housing units through demolitions, new construction, significant building alterations or improvements, as well as State Ellis Act invocations, within the CPA.

Evaluation of Data on Demolition and Building Permits

Ellis Act Units¹: Removal of Rent Stabilization Ordinance Units from the Rental Housing Market

According to data from the Housing Department (LAHD), between 2013 to 2023, 58 properties within the CPA (see Figure 1) withdrew a total of 136 units from the rental market. In Boyle Heights, approximately 65 percent housing units are subject to the Rent Stabilization Ordinance (RSO). This, coupled with a high renter population of approximately 75 percent, highlights the need to protect existing rental housing units, in particular units that are affordable. In addition, the proposed BHCPU includes policies and programs that support the preservation and maintenance of existing affordable housing stock, including rent stabilized units.



Figure 1: Location of Properties that have Removed RSO units using Ellis Act in the CPA (2013-2023)

Source: LAHD (Note: Data from LAHD indicates there are no withdrawn units to report between January 2010 to June 2013.)

Figure 2 demonstrates trends in the number of RSO units removed from the rental housing market between 2013 to 2023. Between 2013 to 2015, a total of only five RSO units were reported

¹ See Ellis Act Provisions: [LAMC Section 151.22-151.28](#)

withdrawn. Beginning in 2016, however, data shows that the number of RSO units removed increased to 12. While in the following year there is a drop in RSO units removed reported at eight units. Data shows a spike in growth between 2018 to 2020, with the greatest increase of removal of RSO units from the rental housing market happening in 2019. In 2019, 51 RSO units were removed from the CPA, three times the amount compared to 2018 (17 RSO units), the greatest amount during this 10-year sample period. There was a drop in RSO units reported in 2020 (16 RSO units) and 2021 (2 RSO units), likely due to shelter-in-place with the global COVID-19 pandemic; however, recent data for 2022 and 2023 shows that the trend generally continues to pre-pandemic levels beginning in 2018, with 14 RSO units and 11 RSO units removed in 2022 and 2023, respectively.

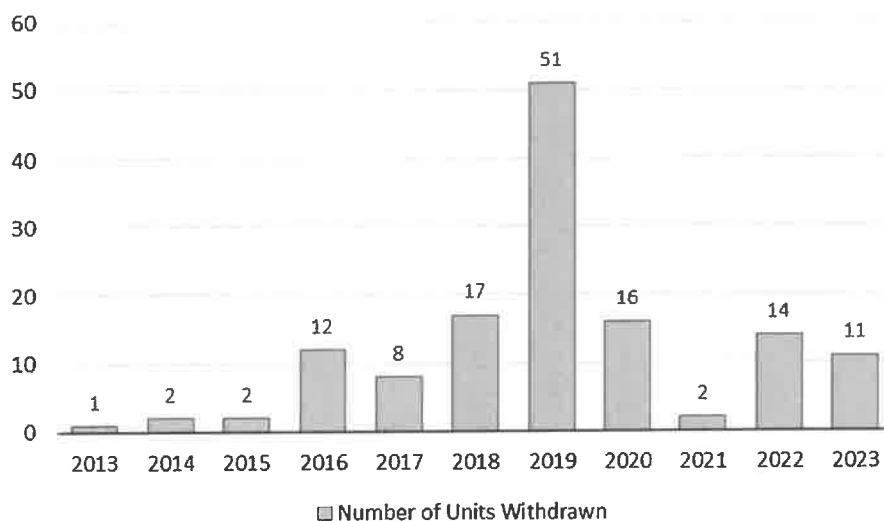


Figure 2: Removal of RSO Units from the Rental Market (2013-2023)
Source: LAHD (Note: Data from LAHD indicates there are no withdrawn units to report between January 2010 to June 2013)

Data on Demolition

According to data from the Department of Building and Safety (LADBS), between 2010 to 2023, the City issued 258 residential demolition permits within the CPA, with a documented loss of 226 dwelling units (see Table 1. below). Of these 226 units, approximately 88 percent (198 units) were lost to demolition permits of one or two-unit housing structures, while 28 units were lost to demolition permits of existing apartments (three or more unit buildings). With the exception of 2011, which saw the loss of 21 units, there was a general increase in the loss of units related to demolition permits, which has been higher since 2016, with the highest unit loss of 42 units in the year 2019. This trend coincides with the overall increase in new building permits issued between 2017 to 2023, which will be discussed in the next section of this report. As for non-residential demolition permits, a total of 78 were issued in the CPA during the same period of 2010 to 2023, representing approximately 23 percent of the total demolition permits issued.

Table 1. Residential Demolitions (1 or 2 Unit Family Dwellings and 3+ Unit Apartments) (2010-2023)

Year	Residential Demolition Permits Issued*	Units Loss
2010	13	9
2011	12	21
2012	6	4
2013	7	4
2014	4	2
2015	4	3
2016	23	22
2017	17	12
2018	36	27
2019	47	42
2020	26	24
2021	18	19
2022	27	23
2023	18	14
TOTAL	258	226

Source: LACP, LADBS

*Not all demolitions permit yield a unit loss. Demolition permits are associated with the demolition of a carport, garage, or accessory structures for example, and do not yield a unit loss.

Data on Building Permits

According to data from the LADBS, there were a total of 445 new building permits issued in the Boyle Heights CPA from 2010 to 2023 (see Table 2. below). Since 2017, there has been an increase of new building permits issued, with an average of 44 permits per year during the seven-year period from 2017 to 2023, and the highest number of permits issued reported in 2019, at 53 new building permits. Prior to this seven-year period – from 2010 to 2016 - there were an average of approximately 20 permits issued per year, less than half of the yearly average of building permits issued per year. During the same period, there was an increase of 1,381 dwelling units overall, with the highest number of unit increase at 297 units in 2021. In a similar comparison to the number of new construction permits issued, during the 2010 to 2016 phase period, there was a total increase of 544 dwelling units, while during the 2017 to 2023 phase period, there was a total increase of 837 dwelling units. It is important to note this distinction of periods because trends from building permit data show that this is an overall increase of approximately 53 percent in units added to the Boyle Heights CPA as of late through new construction permits. It is also worth

noting that of the total increase of 1,381 dwelling units during this period, 194 (14 percent) of those dwelling units were related to new commercial construction permits.

Table 2. Data on New Building Permits for 1 or 2 Unit Family Dwellings, 3+ Unit Apartments, and Commercial Permits (2010-2023)

Year	New Building Permits Issued	Unit Increase
2010	16	114
2011	11	5
2012	15	68
2013	19	176
2014	22	9
2015	23	93
2016	30	79
2017	40	55
2018	41	68
2019	53	108
2020	40	78
2021	33	297
2022	59	138
2023	43	93
TOTAL	445	1,381

Source: LACP, LADBS

Data on Building Additions, Alterations and Repairs

The City issued several building permits relating to additions, as well as alterations and repairs that resulted in an increase in units within the CPA between 2010 to 2023. Among other types of construction projects, building additions may include construction projects that add livable square footage to an existing building, such as additional story to an existing building; alterations and repairs may include development projects such as interior alterations or garage conversions that may also result in livable square footage. In total, there were 445 building permits issued relating to additions and 4,865 permits issued relating to alterations and repairs during this period (see Table 3. below). Although these categories of building permits vary in the type, scale, and may or may not be related to residential development, addition permits yielded an increase of 59 units, while alterations and repair permits issued resulted in an increase of 212 units. Although the level of analysis and intent of the ICO is more focused on preserving existing housing stock by means of a temporary pause on demolitions within the CPA, it is important to note that in the last 14 years, building additions have accounted for about 3.5 percent of the overall increase in dwelling

units, while alterations and repairs accounted for about 13 percent of the overall increase in dwelling units. Another important distinction is that of the 59 unit increase from building addition permits, 31 units were a result of commercial permits, and 28 were from residential permits. As for building alterations and repair permits, of the 212 unit increase, 179 units were from residential permits, while 33 units were from commercial permits.

Table 3. Data on Building Additions, Alterations and Repairs for 1 or 2 Unit Family Dwellings, 3+ Unit Apartments, and Commercial Permits (2010-2023)

Year	Unit Increase due to Building Addition Permits	Unit Increase due to Building Alterations and Repair Permits
2010	22	20
2011	0	0
2012	4	24
2013	3	101
2014	7	6
2015	1	2
2016	2	14
2017	4	8
2018	8	12
2019	1	11
2020	2	2
2021	0	3
2022	4	2
2023	1	7
TOTAL	59	212

Source: LACP, LADBS

Discussion

Since 2010 the CPA has experienced the loss of 226 dwelling units due to demolition permits, which is an average of approximately 16 units per year. Due to there being limitations on the data available, it is unclear whether or not the units lost were rent stabilized, covenanted affordable or market rate units, or if units were occupied by owners or renters. Nonetheless, during this same period, data shows that there was an increase of 1,652 dwelling units in the CPA through new building permits (1,381), alterations and repair permits (212), and addition permits (59). Another trend seen in this analysis are the effects of Measure JJJ, which led the way for the creation and implementation of the Transit Oriented Communities (TOC) Program in 2017. Since its passage,

there has been an almost two and a half times increase of new apartment building permits issued between 2017 and 2023, compared from those issued between 2010 and 2016. Although there was an overall increase in dwelling units that may offset the number of units lost to demolitions across the CPA during this period, the overall level of affordability of newer units compared to those lost is yet to be determined. This is exacerbated by the fact that 136 rent stabilized units were removed from the rental market through the Ellis Act during between 2013 to 2023, further reducing the amount of existing affordable housing stock in the CPA.

The Housing Crisis Act (SB 330) requires that “protected” units that are demolished be replaced on a one-to-one ratio, offer relocation benefits to displaced tenants, and offer displaced tenants a right of first refusal for a comparable unit in the new housing development. There is an exemption with SB 330 law, wherein if a protected unit is a single-unit dwelling - such as a single-family home being replaced by another single-unit dwelling - then it would not apply. Given the fact that 239 of 258 residential demolition permits issued were for one or two-unit family dwellings, amounting to a loss of 198 dwelling units, however it is not clear how many of those units were rent controlled since they may account for the demolition of a single-family residence. The BHCPU brings forth policies, programs, and zoning that further protect existing naturally occurring affordable housing stock, such as RSO units, from redevelopment, and increases affordable housing production by introducing an Affordable Housing Incentive Program tailored to the specific scale and affordability levels of the CPA.

Forthcoming Boyle Heights Community Plan

On April 20, 2023 the City Planning Commission approved and recommended that the City Council adopt the Boyle Heights Community Plan. Consideration of the Boyle Heights Community Plan, by the PLUM Committee, and the full City Council is anticipated to occur in December 2023, however the community plan and its implementing ordinances will not become operative until after the City Attorney has finalized the ordinances, which can take several months following City Council's adoption.

The Boyle Heights Community Plan, and its implementing ordinances include a number of measures that are intended to safeguard the CPA's lower-scale building size and rent stabilized housing stock, intending to provide increased housing security for stakeholders within Boyle Heights, while still increasing the capacity for future housing development in transit served areas. Among these are:

- Zoning Form Districts that moderate available Floor Area Ratio in lower-scale residential areas, to reflect existing built conditions and allow greater flexibility for rear-yard infill development.
- A requirement that any RSO unit lost to a density bonus project be replaced by a unit that is covenanted as a Lower Income unit for a term of 99 years.

Recommended Actions

City Planning recommends that the PLUM Committee take the following actions to establish an ICO within Boyle Heights:

1. A) CONSIDER the draft ICO submitted by City Planning,
2. REQUEST that City Planning refer the ICO to California Department of Housing and Community Development for that agency's mandatory review,
3. REQUEST that City Planning return to the PLUM Committee with the ICO, reflective of any changes that have been required by California Department of Housing and

Community Development, and a report that outlines what changes, if any, have been made

4. CONSIDER the findings set forth as Exhibit 1 of this report.

Sincerely,

A handwritten signature in blue ink, appearing to read 'V. Bertoni', with a stylized, looping flourish at the end.

VINCENT P. BERTONI, AICP
Director of Planning

VPB:sb:cw:ug:ap:eg

Exhibit 1: FINDINGS

General Plan/Charter Findings

City Charter Section 556.

In accordance with City Charter Section 556, the subject ordinance is in substantial conformance with the purposes, intent, and provisions of the City's General Plan, in that the ordinance seeks to preserve existing affordable and rent stabilized housing units in Boyle Heights until permanent regulations are established that will provide stronger protections for such units, as well as unit replacement provisions, which will ensure that there is no net loss of affordable or rent stabilized units.

Housing Element Overarching Priorities: Preventing Displacement: Protect Angelenos—especially persons of color and the disabled—from indirect and direct displacement, and ensure stability of existing vulnerable communities.

GOAL 2: A City that preserves and enhances the quality of housing and provides greater housing stability for households of all income levels.

Objective 2.1: Strengthen renter protections, prevent displacement and increase the stock of affordable housing.

Policies 2.1.1: Incentivize and/or require the preservation and replacement of affordable housing, so demolitions and conversions do not result in the net loss of the City's stock of accessible, safe, healthy and affordable housing.

City Charter Section 558.

In accordance with City Charter Section 558, the subject Interim Control Ordinance is in substantial conformance with public necessity, convenience, general welfare and good zoning practice in that it will serve to protect covenanted affordable, and rent stabilized housing units within Boyle Heights, until the Boyle Heights Community Plan and its permanent regulations become operative. The Boyle Heights community is experiencing a high level of loss of RSO units, and such units have historically provided stable and affordable housing within Boyle Heights, where household incomes tend to be substantially lower than those within the City at large, and where the effects of household displacement are more likely to further exacerbate the City's ongoing homelessness and climate crisis.

City Charter Section 253.

In accordance with City Charter Section 253, the proposed ordinance contains an Urgency Clause for the immediate preservation of the public peace, health, and safety, and is effective upon publication. Delaying implementation of this ordinance could create irreversible impacts on vulnerable households within Boyle Heights, placing residents at risk of displacement and homelessness, leading to increased public health risks associated with homelessness.

California Environmental Quality Act

The City determined that the proposed Interim Control Ordinance (ICO) is exempt from the City's CEQA Guidelines pursuant to Article II Section 2 (m) in that it is only a temporary measure until appropriate land use regulatory controls are established and will not result in any impacts on the physical environment.