

ORDINANCE NO. _____

An ordinance amending Sections 12.03, 12.22, 12.24 of Article 2, Section 14.00 of Article 4, Sections 16.60 and 16.61 of Article 6.1, and Section 19.18 of Article 9 of Chapter 1 and Sections 51.31, 51.32, 51.33, 51.34 and 51.35 of Article 19 of Chapter 4 of the Los Angeles Municipal Code (LAMC), for the purpose of codifying housing replacement requirements, strengthening occupant protections, 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. The following definitions are added to Section 12.03 of Article 2 of Chapter 1 of the LAMC in alphabetical order to read as follows:

Development Project includes any project involving the issuance of a City Planning application or building permit to allow the alteration of the size of or construction or demolition of any structure, or 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 Government Code.

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

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 a public entity'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- (d) Residential dwelling units that were withdrawn from rent or lease in accordance with the Ellis Act (Chapter 12.75 (commencing with Section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.

Sec. 2. Subparagraph (1) of Paragraph (d) of Subdivision 29. of Subsection A. of Section 12.22 of Article 2 of Chapter 1 of the LAMC 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 or 99 ~~30~~-years 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. 3. Subparagraph (1) of Paragraph (b) of Subdivision 31. of Subsection A. of Section 12.22 of Article 2 of Chapter 1 of the the LAMC is amended to read as follows:

(1) A Housing Development located within a TOC Affordable Housing Incentive Area shall be eligible for TOC Incentives if it provides minimum required percentages of On-Site Restricted Affordable Units, meets any applicable replacement requirements of ~~California Government Code Section 65915(c)(3)~~ LAMC 16.60, and is...

Sec. 4. Subparagraph (1) of Paragraph (f) of Subdivision 31. of Subsection A. of Section 12.22 of Article 2 of Chapter 1 of the the LAMC 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 or 99 years pursuant to LAMC 16.61 A.

Sec. 5. Subparagraph (3) and (4) of Paragraph (a) of Subdivision 26. of Subsection U. of Section 12.24 of Article 2 of Chapter 1 of the the LAMC is amended to read as follows:

(3) ...the project meets any applicable dwelling unit replacement requirements of ~~California Government Code Section 65915(c)(3)~~ LAMC Section 16.60;

(4) the project's Restricted Affordable Units are subject to a recorded affordability restriction of 55 or 99 years 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 Article 2 of Chapter 1 of the the LAMC is amended to read as follows:

(d) the affordability of all reserved lower income dwelling units will continue for a minimum of 55 or 99 years pursuant to LAMC 16.61 A;

Sec. 7. Subparagraph (3) of Paragraph (c) of Subdivision 13. of Subsection A.. of Section 14.00 of Article 4 of Chapter 1 of the the LAMC is amended to read as follows:

(3) Projects shall meet any applicable dwelling unit replacement requirements of ~~California Government Code Section 65915(c)(3)~~ LAMC Section 16.60, or as thereafter amended, as verified by LAHDHCIDLA and all applicable covenant and monitoring fees in Section 19.14 of this Code shall be paid by the applicant prior to the issuance of any building permit.

Sec. 8. Subparagraph (2) of Paragraph (c) of Subdivision 10. of Subsection A. of Section 14.00 of Article 4 of Chapter 1 of the the LAMC is amended to read as follows:

(2) ... guaranteeing that each required Restricted Affordable Unit shall be reserved and maintained for at least 55 or 99 years ~~from the issuance of the Certificate of Occupancy~~ pursuant to LAMC 16.61 A.

Sec. 9. A new Section 16.60 is added to Article 6.1 of Chapter 1 of the the LAMC 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.

Comparable Unit contains the same or greater number of existing bedrooms and bathrooms.

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

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 requirements included in this section. This is in addition to any requirements included in Section 151.28 (Ellis Act Provisions) of Article 1 of Chapter XV of the LAMC.

(1) **Income Requirements.** Units occupied on the date of application shall be replaced with units at an Affordable Rent or Affordable Housing Cost to, and occupied by, persons and families in the same or lower income category as those households in occupancy based upon the units and incomes of 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, Extremely Low Income and Acutely Low Income. Units that have been demolished or vacated on the date of application shall be replaced with units at an Affordable Rent or Affordable Housing Cost based upon the highpoint in occupancy during the previous five years pursuant to California Government Code Section 65915(c)(3)(B)(ii).

(i) **Replacement When Incomes Are Not Known.** If the incomes of the individuals and households are not known and unless otherwise demonstrated, the presumption in California Government Code 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 Los Angeles Housing Department utilizing the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database or equivalent census data disaggregated by tenure and income category.

(ii) **Replacement of Rent or Price Controlled Units.**

Notwithstanding LAMC 16.60 A.3(a)(1)(i) above, units subject to a form of rent or price control through a local government's valid exercise of its police power shall be replaced as follows:

- (i) **In Higher Opportunity Areas and Moderate Opportunity Areas**, units deemed or presumed to be occupied by persons or families above the lower income category shall be replaced with low income units.
- (ii) **In Lower Opportunity Areas**, with the units proportionate to the share of all lower income renter households within the City of Los Angeles described in LAMC 16.60 A.3(a)(1)(i) above.

(2) **Equivalent Size.** All replacement units must be Equivalent Size, and Development Projects shall contain at least the same total number of units and total aggregate number of bedrooms as the Protected Units being replaced. New units do not have to match bedroom configurations of demolished units, except when a tenant is exercising the right to return as defined in LAMC 16.60 A.3(b)(4).

(3) **Relationship to Other Affordability Requirements.** Any Protected Units replaced pursuant to this subparagraph shall be considered in determining whether the Housing Development Project satisfies the requirements of any state, local or federal 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, extremely low income, or acutely low income households, as specified in Sections 50063.5, 50079.5, 50093, 50105, and 50106 of the California Health and Safety Code.

- (4) **Exceptions.** 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 LAMC Section 16.60 A.5(a).
- (5) **Procedures.** 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 (LAHD). 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) 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. The project proponent shall provide existing occupants with written notice 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 plus additional extensions under state or local law that may require an additional notification period.
- (2) **Right to Return if Demolition Does Not Proceed.** Any existing occupants that are required to leave their units shall be allowed to return to the same rental unit, or a Comparable Unit at their prior rental rate if the demolition does not proceed and the property is returned to the rental market. This right to return is in addition to any applicable requirement in Los Angeles Municipal Code Section 151.27 (Ellis Act Provisions - Re-Rental Rights of Displaced Tenants) of Article 1 of Chapter XV.

(3) **Right to Relocation.** Occupants of Lower Income Households including Very Low Income and Extremely Low Income, shall be entitled to, and the owner shall pay, relocation benefits under this provision in the amounts set forth below when the occupant is displaced by the owner from their residence by a development project. The owner shall pay the relocation benefits required pursuant to this provision prior to the issuance of any demolition permit for the site.

- (i) For purposes of determining whether a tenant is displaced by a Development Project, the following actions shall constitute evidence of development:
 - a. Owner files for an entitlement or building permit for a Development Project requiring the demolition of an existing rental unit and the tenancy is or will be terminated as result; or
 - b. Owner applies for a Replacement Unit Determination and the tenancy is or will be terminated as a result; or
 - c. Owner serves a notice or otherwise seeks to terminate a tenancy or recover possession of a rental unit based upon one of the grounds under LAMC Sections 165.03 I(1) or (3) (Just Cause Evictions) of Article 5 of Chapter XVI, 151.09 A.10 (Evictions) of Article 1 of Chapter XV, 47.08 (Tenant Relocation Assistance Where Mobilehome Parks Are Changed to a Different Use) or 47.09 (Mobilehome Park Closure Impact Report) of Article 7 of Chapter IV requiring payment of relocation assistance that includes evidence of intent to develop the property.
- (ii) For occupants that are Lower Income Households including Very Low Income and Extremely Low Income households, who are displaced from their residence by a Development Project under the criteria set forth above, the relocation benefit shall be:
 - a. Equal to the difference between the Section 8 Department Voucher Payment Standard and the rent affordable to that occupant's income level per

Section 50053 of the California Health and Safety Code, multiplied by 42 months, plus estimated incidental moving costs. The amount for the Section 8 Department Voucher Payment Standard, the determination of the affordable rent per Section 50053 of the California Health and Safety Code, and the estimated incidental moving costs shall be determined upon the adoption of this ordinance, and then adjusted annually according to the Consumer Price Index – All Urban Consumers. For efficient implementation, the City will use a 2-bedroom standard since 2-bedrooms are the most common unit type in the City. For the year beginning July 1, 2025, and all subsequent years, the fee amounts shall be adjusted on an annual basis pursuant to the formula set forth in LAMC Section 151.06 D (Automatic Adjustments) of Article 1 of Chapter XV. The adjusted amount shall be rounded to the nearest \$50 increment.

- b. If the occupant is entitled to a relocation benefit due to a termination of tenancy under the Los Angeles Municipal Code Sections 165.03 I(1) or (3) (Just Cause Evictions) of Article 5 of Chapter XVI, 151.09 A.10 (Evictions) of Article 1 of Chapter XV, 47.08 (Tenant Relocation Assistance Where Mobilehome Parks Are Changed to a Different Use) or 47.09 (Mobilehome Park Closure Impact Report) of Article 7 of Chapter IV, the payment shall be made in accordance with Los Angeles Municipal Code Section 151.09 G.1-2 (Evictions) of Article 1 of Chapter XV.
 - c. For mobile home park closures, at least the amount required by Government Code Section 65863.7.
- (iii) For occupants who are not Lower Income Households, relocation benefits shall be the amounts as applicable pursuant to Los Angeles Municipal Code Section 165.06 A (Just Cause Ordinance), 151.09 G (Rent Stabilization Ordinance), Government Code 65863.7 (Mobile Home Closures) or for publicly funded projects the greater amount under either local city laws or under Chapter 16

(commencing with Section 7260) of Division 7 of Title 1 of the California Government Code.

- (iv) Under no circumstances shall a demolition permit be issued unless the Los Angeles Housing Department provides a written clearance to the Department of Building and Safety stating that the landlord has complied with the relocation assistance requirements of this section. The landlord shall provide proof of compliance with the relocation assistance requirements of this section to the Los Angeles Housing Department on a form provided by the Los Angeles Housing Department. The form shall be accompanied by a fee of \$45 per unit.
- (v) If an owner of residential real property has exercised its rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 of the California Government Code to withdraw the property from residential rent or lease or LAMC 165.03 I (1) or (3) (Just Cause Evictions) of Article 5 of Chapter XVI, and the owner did not state an intent to redevelop the property in its Notice of Intent to Withdraw; and the owner did not pay occupants of the property relocation payments consistent with LAMC 16.60 A.3(b)(3)(ii), above, and then within five years of submitting this Notice of Intent to Withdraw, the owner seeks to develop the property as demonstrated by actions described in LAMC 16.60 A.3(b)(3)(i), above, the following shall apply:
 - a. As a condition of the clearance of demolition or new construction permits, the applicant or the applicant's successor-in-interest shall be required to pay to the LAHD a fine equal to three times the relocation benefit amount that would have been paid under LAMC 16.60 A.3(b)(3)(ii), above where the income of the former occupants are known; where incomes of the former occupants are not known, the applicant shall be required to pay \$250,000 per displaced occupant household. The LAHD shall not clear a demolition or new construction permit until the applicant complies with this section. The withholding of permits shall not apply to demolition permits or approvals that are necessary to comply with a

Department of Building and Safety, LAHD, or other government order.

- i. **Notice Process.** When a owner seeks a demolition or new construction permit clearance from LAHD at a property where the owner may have misrepresented its intention to develop the property in its Notice of Intent to Withdraw, and it has not paid relocation benefits to tenants consistent with having displaced them for development, LAHD will provide written notice to the owner that the LAHD's clearance of the permits is conditioned on payment of the fine. The notice shall include the address of the property at issue, a copy of the owners Notice of Intent to Withdraw, the amount of the potential fine, and the process to appeal the imposition of the fine.
- ii. **Appeal Process.** The notice shall include a right to file an appeal within 30 calendar days of the notice of the condition to pay the fine which shall include the right to an administrative hearing.

Owners who file an appeal will be subject to an administrative fee to pay for the costs of the appeal. The amount will be the same amount as for appeals under LAMC Section 165.06.C (Relocation Assistance) of Article 5 of Chapter XVI.

After the hearing officer issues a decision in the administrative hearing, the owner will have a right to seek judicial review of the determination governed by California Code of Civil Procedure Section 1094.5. Under that provision, a petitioner may seek judicial review of any decision of the City pursuant to California Code of Civil Procedure Section 1094.5 only if the petition for writ of mandate pursuant to that section is filed no later than the 90th day

following the date on which the City's decision became final.

- b. Any Lower Income Household who is displaced as a result of a tenancy termination for the purpose of property development under Los Angeles Municipal Code Sections 165.03 I.(1) or (3) (Just Cause Evictions) of Article 5 of Chapter XVI, 151.09 A.10 (Evictions) of Article 1 of Chapter XV, 47.08 (Tenant Relocation Assistance Where Mobilehome Parks Are Changed to a Different Use) or 47.09 (Mobilehome Park Closure Impact Report) of Article 7 of Chapter IV, shall be entitled to relocation benefits under Section LAMC 16.60 A.3(b)(3)(ii)(a), above. The payment shall be made in accordance with Los Angeles Municipal Code Section 151.09.G.1-2 (Evictions) of Article 1 of Chapter XV.
 - c. For the occupant who was in possession of their unit at the time the owner filed the Notice of Intent to Withdraw who seeks to pursue a private right action under LAMC Section 16.60 A.7, below, for causes of action arising out of 16.60 A.3(b)(3)(v) above, the cause of action shall accrue when the owner files for an entitlement, building permit, or Replacement Unit Determination to construct a Development Project.
- (4) **Right to Return.** The developer shall provide the following to the existing occupants of any Protected Units that are lower income households 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 their prior rental rate or an Affordable Rent or an Affordable Housing Cost, whichever is lower. In cases where the prior rental rate is used to establish the initial rent, subsequent rent increases for such tenants shall not exceed the allowable rent increase for rent stabilized units under LAMC Chapter XV (Rent Stabilization Ordinance), and this limitation shall be included in the covenant recorded for the affordable replacement unit. In cases where one or more single family homes with four or more bedrooms are being

replaced by a project that consists of two or more units, 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, except when Protected Units occupied by an occupant who qualifies for residence in the new development and for whom providing a Comparable Unit would not 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.
- c. A Development Project that meets all of the criteria in 16.60 A.4(a)(1).

(5) Additional Tenant Notification Obligations.

- (i) Project applicants shall notify existing tenants in writing of all their legal rights under LAMC Section 16.60 A.3(b). Information regarding the tenant's eligibility for these rights, rent guidelines for the new unit, and any procedures the tenant will need to follow to exercise these rights shall be provided in writing to the tenant in accordance with any and all requirements and procedures of LAHD's Replacement Unit Determination (RUD). The applicant shall provide and maintain accurate contact information to tenants for purposes of communicating throughout the construction and lease up of the Development Project.
- (ii) Project applicants or their predecessor-in-interest shall provide written notice to any tenant who is exercising their right to return of major milestones in the development process, including but not limited to: (1) the start of construction, (2) on at least a bi-annual basis provide updates on the anticipated date of when occupancy would

be opened, (3) at least 180, 90, 30 and 15 days in advance of the anticipated availability of the unit pursuant to the issuance of the Temporary or Final Certificate of Occupancy, (4) when the Temporary Certificate of Occupancy is issued, and (5) when the Final Certificate of Occupancy is issued. Failure to inform tenants of the project's major milestones may result in additional time provided to the tenant to return to the replacement unit. This shall not preclude tenants from contacting the applicant or their predecessor-in-interest to inquire about progress throughout construction and lease up of the Development Project.

- (iii) Where a tenant household has a right of return pursuant to LAMC Section 16.60 A.3(b), the project applicant or their predecessor-in-interest shall notify the tenant household. The notice must comply with the applicable standards set forth by LAHD and include the rent guidelines for the project and any procedures the tenant will need to follow in order to claim a new unit. Where LAHD has created a standard notice, the project applicant must provide that standard notice to tenant households.
- (iv) Within thirty (30) days of receipt of the notice that the Temporary or Final Certificate of Occupancy has been issued and the replacement unit is available, a tenant household must notify the owner if it wishes to reoccupy the replacement unit or room. The owner must hold the unit or room vacant at no cost to the tenant for sixty (60) days from the date the tenant household's written notice of its intent to reoccupy the rental unit is received.
- (v) Where a tenant household has a right to remain pursuant to LAMC Section 16.60 A.3(b) the project applicant or their predecessor-in-interest shall provide written notice to existing occupants of the planned demolition, the date they must vacate, and their rights under this section.
- (vi) Project applicants who experience unforeseen delays in issuance of a Temporary Certificate of Occupancy or Certificate of Occupancy impacting the timeline of their construction milestone updates shall not be subject to the Private Right of Action described in LAMC Section 16.60

A.7, so long as they can demonstrate compliance with the tenant notification obligations in LAMC Section 16.60 A.3(b)(5).

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 nor be located on a site that is entirely within a zone, adopted prior to January 1, 2022, that does not allow residential uses 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 LAMC Section 16.60 A.3(b).
 - (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.
- 5. 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:
- (a) 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:
 - (1) 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.
 - (2) 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.

- (3) Off-site replacements units approved pursuant to this subparagraph shall be subject to the following requirements, subject to LAHD approval:
- i) 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 length of time as the on-site replacement housing.
 - ii) The off-site replacement housing units will be constructed within a three mile radius of the on-site replacement housing units.

6. Withholding or Revoking of Demolition Permit Approval for Illegal Tenant Harassment or Eviction

(a) Thresholds to Place individual or entity on LAHD's Anti-Harassment Violators Database. LAHD shall place a beneficial owner onto the LAHD Anti-Harassment Violators Database when:

- (1) A final judgment has been issued against the beneficial owner within the last five years for unlawful tenant harassment under the City's Tenant Anti-Harassment Ordinance, known as "TAHO," as set forth under Article 5.3 in Chapter IV of the Los Angeles Municipal Code, or similar actions within City limits under California Civil Code Section 1940.2, 1942.4, or 1942.5; or
- (2) The City has either (A) issued three final citations for TAHO violations at properties in the City against the beneficial owner within the last ten years for which all appellate remedies have expired or (B) in zones where there is a heightened risk of displacement of lower income tenants as determined by the City's Displacement Assessment Risk Tool, issued one final citation for TAHO violations at a property against the beneficial owner within the last five years for which all appellate remedies have expired; or
- (3) A final judgment has been issued against the beneficial owner within the last five years for wrongfully or illegally evicting a tenant within City limits, or causing a tenant to involuntarily quit within City limits in

violation of local or State law.

(4) Definition. For purposes of LAMC Section 16.60 A.6, a "beneficial owner" includes any of the following:

- (i) A natural person with a recorded ownership interest in the real property where the tenant harassment takes place.
- (ii) An ownership entity, including a corporation, limited liability company, limited partnership, partnership, or trust with a recorded interest in the real property where the tenant harassment takes place
- (iii) An entity or natural person that meets any of the following criteria:
 - a. has an ownership interest, as the term is defined in Section 1010.380(d)(2)(i)-(ii) (Reports of Beneficial Ownership Information) of Title 31 of the Code of Federal Regulations, in an entity described in Sub-subparagraph (4)(i) or (4)(ii) above; or
 - b. exercises "substantial control", as the term is defined in Section 1010.380(d)(1) (Reports of Beneficial Ownership Information) of Title 31 of the Code of Federal Regulations, over an entity described in Sub-subparagraph (4)(i) or (4)(ii) above; or
 - c. receives "substantial economic benefits" from the assets of an entity described in Sub-subparagraph (4)(i) or (4)(ii) above.
- (iv) An owner for purposes of the above does not mean any of the following:
 - a. A minor child;
 - b. A person acting solely as an employee of an ownership entity and whose control over or economic benefits from that ownership entity derives solely from the employment status of the person;

- c. A person whose only interest in an ownership entity is a future interest through a right of inheritance; or
- d. A creditor of an ownership entity, unless the creditor meets the requirements specified in Sub-subparagraph (4)(i) above.

(b) **Notice of Determination and Right to Staff Review.** Upon placement in the LAHD Anti-Harassment Violators Database, LAHD shall send a Notice of Determination to the known beneficial owner(s) placed into the database. A copy of the Notice of Determination shall also be mailed to the beneficial owner(s) of the property, if different from the applicant or permittee, as shown on the last equalized assessment roll, and to any person holding a deed of trust, mortgage, or other security interest in the property as revealed by a title search with respect to the property.

The Notice of Determination shall state that the LAHD General Manager, or designee, has determined that the beneficial owner should be placed in the LAHD Anti-Harassment Violators Database because the criteria in LAMC Section 16.60 A.6(a) have been satisfied, the basis for that determination, and the potential consequences under this ordinance. This section does not create any new appeal rights under the Administrative Citation Enforcement Program, known as the ACE program. Within 14 days of the date of this notice, the beneficial owner(s), subject to being placed in the database, shall have a right to request an LAHD staff level review of this determination. At the review, the beneficial owner may submit any evidence relevant to this determination.

(c) **Review of Determination.** The LAHD staff review shall be set on a date no earlier than 20 days after the date of the Notice of Determination, and the review shall be conducted no later than 60 days after the date of the Notice of Determination. At the review, the beneficial owner may submit any evidence relevant to this determination regarding the correct identity of the violator and the correct number of violations. The review shall be limited to whether the beneficial owner meets one of the stated criteria set forth in LAMC Section 16.60 A.6(a) above.

Within thirty (30) days of the review, LAHD shall provide a written LAHD Notice of Outcome notifying the beneficial owner of the outcome of the review. If the determination is upheld in review, the beneficial owner may seek judicial review by writ of mandamus.

- (d) **Consequences of Placement on LAHD's Anti-Harassment Violators Database.** When there has been a final determination to place a beneficial owner on the LAHD Anti-Harassment Violators Database, LAHD shall notify in writing the Superintendent of Building and Safety and the Director of Planning.

If any applicant or permittee seeking a demolition permit or approval pursuant to LAMC Section 16.60 for a Development Project involving new construction, major renovations, or additions, that is within a property with Protected Units and the applicant or permittee is on the LAHD Anti-Harassment Violators Database, the Superintendent of Building and Safety shall withhold or revoke the issuance of any demolition permits for five years and the Director of Planning shall withhold the issuance of any approval for five years. Where the City has denied or revoked a demolition permit or approval to any applicant under this paragraph (iv), the denial or revocation for a five year term for the subject property shall transfer ("run with the land") at sale to any new owner, unless the new owner is developing a publicly-financed affordable housing project on the same site where more than 50 percent of the units are affordable, except for manager's unit(s).

The withholding or revoking of permits shall not apply for demolition permits or approvals that are necessary to comply with a Department of Building and Safety, LAHD, or other government order.

The five-year hold period shall commence on the date that the court's final judgment or the City's citation is final and no further judicial remedies are available.

If at the end of the five-year hold period, no new citations have been issued to and no court findings have been made against the beneficial owner(s), the beneficial owner(s) shall be removed from the LAHD Anti-Harassment Violators database. However, if during the five-year period, there is a new citation or court finding against the same beneficial owner, the five-year ban shall be extended from the date that the most recent citation or court finding becomes final and no further appeals available. No citation used to place a beneficial owner into the database may be used against the beneficial owner more than once.

Any action by the Department of Building and Safety or the Department of City Planning resulting from any of the provisions of this section, including demolition permit revocation and withholding of an approval shall not be

further appealable.

- (e) **Operative Date and Subsequent Ordinance.** This LAMC Section 16.60 A.6 shall become operative upon the effective date that LAHD establishes a determination and review process and publishes a notice of its effective date on the LAHD website and at least once in a newspaper circulated in the City of Los Angeles.

If the City adopts a subsequent ordinance in conflict with the procedures in this LAMC Section 16.60 A.6 relating to the withholding or revoking of a demolition permit, this Subparagraph shall be of no further force and effect.

7. Private Right of Action; Civil Penalties.

- (a) An aggrieved tenant under LAMC Section 16.60, or any person, organization, or entity who will daily and adequately represent the interests of an aggrieved tenant(s) under this LAMC Section 16.60, may institute civil proceedings as provided by law, against any applicant, or their successor-in-interest, violating any of the provisions of this LAMC Section 16.60 and any person who aids, facilitates, or incites another to violate the provisions of this article, including but not limited to submitting false information in response to the requirements of this section, regardless of whether the rental unit remains occupied or has been vacated due to harassment.
- (b) A tenant prevailing in court under this LAMC Section 16.60 shall be awarded reasonable attorney's fees and costs. A tenant prevailing in court under this LAMC Section 16.60 may be awarded compensatory or punitive damages, and imposition of civil penalties up to \$10,000 per violation of this LAMC Section 16.60 depending upon the severity of that violation, tenant relocation, or other appropriate relief, as adjudged by the court. Treble damages may also be awarded for willful violations. If a tenant prevailing under this article is older than 65 years or disabled, the court may impose additional civil penalties up to \$5,000 per violation depending upon the severity of the violation of this LAMC Section 16.60.
- (c) Any landlord or their agents violating any of the provisions of LAMC Section 16.60, may be enjoined therefrom by a court of competent jurisdiction.
- (d) The remedies to bring a civil action under LAMC Section 16.60 shall extend to current tenants at a property, to former tenants at a property

who were displaced by violations of LAMC Section 16.60 at a property, and to the City. The remedies in this paragraph are not exclusive nor do they preclude any tenant from seeking any other remedies, penalties and punitive damages, as provided by law.

- (e) The remedies provided by this LAMC Section 16.60 are in addition to any other legal or equitable remedies and are not intended to be exclusive.
- (f) Any agreement, whether written or oral, waiving any of the provisions contained in this LAMC Section 16.60 shall be void as contrary to public policy.

8. Relationship to Other Zoning Provisions. The Demolition of Housing Units Standards in LAMC Section 16.60 A shall apply citywide except for Historic Preservation Overlay Zones (HPOZs). Specific Plans, Supplemental Use Districts, or other overlays may establish additional replacement requirements and/or additional occupant protections greater than those provided in LAMC 16.60 A, in which case, the greater replacement requirements and occupant protections shall be used.

Sec. 10. A new Section 16.61 is added to Article 6.1 of Chapter 1 of the LAMC as follows:

SEC. 16.61. RESTRICTED AFFORDABLE HOUSING UNITS

A. Length of Affordability.

1. Unless covenant terms are otherwise specified due to a requirement contained in Chapter 1 of this Code or as a condition of approval, a Development Project is subject to this section and must be restricted by a covenant acceptable to the Los Angeles Housing Department 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.

B. Requirements Regarding 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 applicable to all Restricted Affordable Units in mixed-income developments 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 shall be established in a set of Fair Housing Requirements for Affordable Housing created by the Los Angeles Housing Department and the Department of City Planning, and adopted by Resolution at the City Planning Commission. LAHD shall have the authority to interpret these requirements to best implement their goals.

1. Amendments to the Fair Housing Requirements for Affordable Housing shall be approved by the City Planning Commission, pursuant to the procedures in Sec. 13B.1.5 (Guidelines or Standards Adoption/Amendment) of Chapter 1A of this Code.
2. The Director of Planning and General Manager of LAHD may prepare Implementation Memorandums, Technical Bulletins and/or User Guides for the purpose of providing additional information pertaining to this Subsection and maintaining consistency with State Housing Crisis Act.

C. Allocation of Restricted Affordable Units. Restricted Affordable Units 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 Fair Housing Outreach provisions in Subdivision 1 and Affordable and Accessible Housing Registry in Subdivision 2 of Subsection C of Section 16.61, as well as any other City Planning or LAHD administrative procedure, should attempt to prioritize those with the greatest housing needs that have been displaced 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 Sections 151.22 to 151.28 (Ellis Act Provisions) of Article 1 of Chapter XV of the LAMC.
- (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 by a natural disaster that resulted in their residential unit being rendered uninhabitable.

D. Private Right of Action; Civil Penalties

1. A covenant acceptable to the Department of City Planning and the Los Angeles Housing Department shall be recorded guaranteeing the requirements in this LAMC Section 16.61 and providing for a private right of enforcement by the City, any tenant of any building to which a covenant and agreement applies.
2. An aggrieved tenant under LAMC Section 16.61, or collection of tenants as part of a representative class, may institute civil proceedings as provided by law, against any applicant, or their successor-in-interest, violating any of the provisions of the covenant as described in this LAMC Section 16.61 and any person who aids, facilitates, or incites another to violate the provisions of this article, including but not limited to submitting false information in response to the requirements of this section, regardless of whether the rental unit remains occupied or has been vacated due to harassment.
3. A tenant prevailing in court to enforce any provisions of this LAMC Section 16.61 shall be awarded reasonable attorney's fees and costs. A tenant prevailing in court to enforce any provisions of the covenant as described in this LAMC Section 16.61 may be awarded compensatory or punitive damages, and imposition of civil penalties up to \$10,000 per violation of provisions of the covenant described in this LAMC Section 16.61 depending upon the severity of that violation, tenant relocation, or other appropriate relief, as adjudged by the court. Treble damages may also be awarded for willful violations. If a tenant

prevailing under this article is older than 65 years or disabled, the court may impose additional civil penalties up to \$5,000 per violation depending upon the severity of the violation of the covenants as described in this LAMC Section 16.61.

4. Any landlord or their agents violating any of the provisions of the covenant as described in this LAMC Section 16.61, may be enjoined therefrom by a court of competent jurisdiction.
5. The remedies to a successful civil action brought under LAMC Section 16.61 shall extend to current tenants at a property, to former tenants at a property who were displaced by violations of the covenants as described in LAMC Section 16.61 at a property, and to the City. The remedies in this subsection are not exclusive nor do they preclude any tenant from seeking any other remedies, penalties and punitive damages, as provided by law. The remedies provided by this LAMC Section 16.61 are in addition to any other legal or equitable remedies and are not intended to be exclusive.
6. Any agreement, whether written or oral, waiving any of the provisions contained in this LAMC Section 16.61 shall be void as contrary to public policy.

E. Relationship to Other Zoning Provisions. The Restricted Affordable Units Standards in LAMC Section 16.61 shall apply citywide except HPOZs. Specific Plans, Supplemental Use Districts, or other overlays may establish longer covenant lengths, requirements for unit design, mix, etc. and/or additional allocation requirements greater than those provided in LAMC 16.61, in which case the greater covenant length, requirements for unit design, mix, etc. and allocation requirements shall be used.

Sec. 11. Paragraph (b) and (h) of Subdivision (2) of Subsection B. of Section 19.18 of Article 9 of Chapter 1 of the the LAMC is amended to read as follows:

(b) ... Such a covenant shall also subject projects using this exemption to the replacement policies in ~~Government Code Section 65915(e)(3)~~ LAMC Section 16.60, as that section may be amended from time to time, and...

(h) Any project located within the boundaries of the Central City West Specific Plan Area, as defined in Ordinance No. 163,094, if the Applicant agrees by covenant and agreement with the City or by development agreement to abide by the linkage fee and replacement housing obligations set forth in ~~the Specific Plan for the Central City West Area~~ LAMC Section 16.60.

Sec. 12. Article 19 of Chapter 4 of the the LAMC is amended to read as follows:

See LAMC Section 16.60 (Demolition of Housing Units) of Article 2 of Chapter 1 of this code.

~~SEC. 51.31. DEFINITIONS.~~

~~—The following words and phrases, whenever used in this article, shall be construed as defined in this section.~~

~~—“Complete application” refers to a complete application pursuant to Section 65943 of the California Government Code.~~

~~—“Housing development project” shall have the same meaning as defined in paragraph (3) of subdivision (b) of Section 65905.5 of the California Government Code, however, shall not include a housing development project located within a very high fire hazard severity zone.~~

~~—“Protected units” has the same meaning as set forth in California Government Code Section 66300(d)(2).~~

~~—“Very high fire severity zone” has the same meaning as provided in California Government Code Section 51177.~~

~~SEC. 51.32. APPLICABILITY.~~

~~—This article shall apply only to housing development projects that: (1) on or after January 1, 2022, but before January 1, 2030, submit a complete application to the Department of City Planning or a complete set of building plans for plan check and permit to the Department of Building and Safety, along with any associated submittal fee; or (2) on or after the effective date of this article, receive an approval of a complete application that was submitted to the Department of City Planning on or after January 1, 2020, but before January 1, 2022. This article does not apply to a housing development project that submitted a complete application to the Department of City Planning before January 1, 2020.~~

**~~SEC. 51.33. REPLACEMENT OBLIGATIONS AND OCCUPANT PROTECTIONS
REQUIRED FOR NEW HOUSING DEVELOPMENT PROJECTS.~~**

~~—A.—The City shall not approve or issue a building permit for a housing development project that will require the demolition of one or more residential dwelling units unless the project will create at least as many residential dwelling units as will be demolished.~~

~~—B.—The City shall not approve or issue a building permit for a housing development project that will require the demolition of occupied or vacant protected units, unless the housing development project meets all of the requirements of California Government Code Section 66300(d)(2).~~

~~SEC. 51.34. SEVERABILITY.~~

~~—If any provision of this article is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this article which can be implemented without the invalid provisions, and to this end, the provisions of this article are declared to be severable. The City Council hereby declares that it would have adopted this article and each provision thereof irrespective of whether any one or more provisions are found invalid, unconstitutional or otherwise unenforceable.~~

~~SEC. 51.35. SUNSET PROVISION.~~

~~—A. This article shall remain in effect only until January 1, 2034, and as of that date is repealed.~~

~~—B. A housing development project that submits a preliminary application pursuant to Section 65941.1 of the California Government Code before January 1, 2030, remains subject to this article after January 1, 2030.~~

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