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May 21, 2025

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:

APPEAL RESPONSE FOR CASE NO. DIR-2023-2587-TOC-SPP-HCA-1A AND CASE NO. ENV-2023-2588-CE FOR THE PROPERTY AT 5271 WEST SUNSET BOULEVARD, 90027; COUNCIL FILE NO. 25-0499

At its meeting on April 10, 2025, the Los Angeles City Planning Commission (CPC) denied an Appeal (Case No. DIR-2023-2587-TOC-SPP-HCA-1A) and sustained the Director of Planning's Determination dated December 11, 2024 which adopted Categorical Exemption No. ENV-2023-2588-CE, approved the demolition of four existing residential units and the construction, use, and maintenance of a new 4-story, 19-unit mixed-use building with 570 square feet of commercial floor area on the ground floor at 5271-5277 W Sunset Boulevard, located within Council District 13. The Letter of Determination of the Commission's action was released on May 5, 2025.

On May 6, 2025, a motion was introduced by Council District 13 for the City Council to assert jurisdiction over the April 10, 2025, action of the City Planning Commission. The motion raised questions about the Ellis Act proceedings initiated by the Applicant and the tenants Right to Remain under the State Housing Crisis Act.

The process for a property owner to remove their rental units from the rental housing market and exit the rental housing business is delineated in state law through the Ellis Act, adopted in 1985 (Government Code section 7060-7060.7). The Los Angeles Housing Department administers the Ellis Act. The Rent Stabilization Ordinance (RSO) provides for landlords seeking, in good faith, to recover possession of a rental unit and remove units from rental housing use through the Ellis Act if the landlord plans on demolishing or permanently withdrawing the units from the rental housing market. The Los Angeles Housing Department (LAHD) will record constraints against the property. These constraints apply to any successor in interest and will be recorded with the Los Angeles County Recorder's Office.

The Housing Crisis Act (HCA) acts in tandem with the Ellis Act to ensure that existing tenants are protected and can remain housed while a property owner pursues approvals for a new housing development project. The HCA, enacted in 2019 as Senate Bill (SB) 330, declared a statewide crisis in order to address California's affordable housing shortage, strengthen tenant protections and preserve existing affordable housing. The HCA has been in effect since January 1, 2020, with subsequent updates and clarifications made through SB 8 (2021) and AB 1218 (2023).

The Housing Crisis Act of 2019 (HCA) originally introduced replacement requirements and occupant protections through Senate Bill (SB) 330 and has since been updated by SB 8 and Assembly Bill (AB) 1218. In February 2025, the Los Angeles City Council adopted the Resident Protections Ordinance (RPO), which codified and expanded upon replacement requirements and occupant protections of the HCA, and enhanced requirements for Restricted Affordable Units.

The Project is subject to the Housing Crisis Act, but not the Resident Protection Ordinance. The Applicant filed for a building permit for the Project on September 21, 2022. Pursuant to the LAMC Chapter 1 Section 12.26 A 3, the Project is vested to the rules and regulations that were in place at the time plans were submitted for a complete plan check and a plan check fee was paid. Therefore, the project was already vested before the RPO took effect in February 2025.

Under the Housing Crisis Act, existing occupants of demolished protected units are entitled to occupant protections. These protections allow tenants to remain in their units up until 6 months prior to the start of construction activity.

On September 21, 2022, the Applicant for the project filed for building permits with the Department of Building and Safety. On April 13, 2023, the Applicant filed a Transit Oriented Communities Incentive Program and Vermont Western SNAP Specific Plan Review case application with the Department of City Planning.

Under the Ellis Act, a property owner may file a Notice to Withdraw at any point. The timing of the Notice to Withdraw is not dependent on any of the timelines in the Housing Crisis Act or the Planning Department's review process. A Notice to Withdraw was filed with LAHD on February 5, 2024. The tenants were given 12 months to remain. The tenants, simultaneously, are allowed under the Housing Crisis Act to remain in their units until 6 months prior to the start of construction. The start of construction milestone is calculated from the date of the first inspection after the issuance of the building permit, and the timing of when the permits are issued, and construction starts is determined and orchestrated by the Applicant.

A Notice to Quit under the Ellis Act is an eviction notice issued to a tenant to terminate the tenancy. The Notice to Quit for the existing units was served on February 5, 2025. Based on communication from the Applicant, it is the intent of the Applicant to begin construction within the next six (6) months. The Applicant has conveyed that they are able to grant another six (6) month extension to the tenants while the Applicant completes the condition clearance and permitting process, which they anticipate to be completed in four (4) months' time. In accordance with LAHD's recommendation, the Applicant should provide written notice of the extension to the tenants, with a copy of the notice submitted to LAHD for their records.

Planning Staff finds that all of the required noticing under the Housing Crisis Act (SB 8) and the Ellis Act were properly made by the Applicant, and the project is in compliance with these state laws relative to the tenants' right to remain.

Conclusion

Planning Staff recommends that the PLUM Committee and City Council deny the appeal and sustain the Determination of the City Planning Commission to determine that based on the whole of the administrative record as supported by the justification prepared and found in the environmental case file, the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, Section 15332, Class 32 (In-Fill Development Project), and there is no substantial evidence demonstrating that any exceptions contained in Section 15300.2 of the State CEQA Guidelines regarding location, cumulative impacts, significant effects

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or unusual circumstances, scenic highways, or hazardous waste sites, or historical resources applies; and to sustain the action of the City Planning Commission in denying the appeal under Case No. DIR-2023-2587-TOC-SPP-HCA-1A to conditionally approve a Transit Oriented Communities Affordable Housing Incentive Program and a Project Permit Compliance Review to permit the demolition of a two (2)-story, four (4)-unit apartment building and accessory structure and the construction, use, and maintenance of a four (4)-story, 16,820 square-foot mixed-use building, consisting of 19 dwelling units, with two (2) dwelling units reserved for Extremely Low Income Households, and 570 square feet of commercial floor area, and to adopt the Conditions of Approval and Findings.

Sincerely,

VINCENT P. BERTONI, AICP

Director of Planning

Deborah Kahen

Deborah Kahen, AICP

Senior City Planner

VPB:JC:DK:DD:YB