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September 3, 2024

The Honorable City Council
City of Los Angeles
City Hall, Room 395
Los Angeles, California 90012

Dear Honorable Members:

**REPORT RELATIVE TO THE EXTENSION OF DEMOLITION RESTRICTIONS FOR RSO
AND COVENANTED AFFORDABLE UNITS INTERIM CONTROL ORDINANCE; CF 23-0917**

On August, 13, 2024, the City Council adopted an Interim Control Ordinance (Ordinance No. 188333, effective August, 16, 2024) to temporarily prohibit the issuance of demolition permits for rent stabilized multi-family housing under the City's Rent Stabilization Ordinance (RSO) and covenanted affordable housing units, until the updated Boyle Heights Community Plan becomes operative. The Ordinance is effective for 45 days and will expire on September 30, 2024. Pursuant to Government Code Section 65858, the City Council may extend the Ordinance for 10 months and 15 days, and subsequently extend it for an additional year. Ten days prior to the expiration of the Interim Control Ordinance, the City Council shall issue a written report describing the measures being taken to alleviate the conditions which led to its adoption.

Background

The adoption of Ordinance No. 188333 was necessary to protect the public health, safety, and welfare of the residential neighborhoods in the Boyle Heights Community Plan area from negative adverse impacts caused by the removal of RSO units and covenanted affordable housing units. This Ordinance prevents negative impacts on the community resulting from the demolition of restricted affordable housing that has long provided housing stability to the working class residents of Boyle Heights.

The City Council adopted the Interim Control Ordinance, which became effective on August, 16, 2024. The Interim Control Ordinance was adopted in response to a motion introduced by the City Council on August 30, 2023. The motion instructed Los Angeles City Planning (City Planning), in consultation with the City Attorney, to prepare an Interim Control Ordinance as an immediate temporary measure to prohibit the issuance of any demolition, building, grading, and any other applicable permits involving properties improved with existing occupied residential dwelling units pending adoption of the Boyle Heights Community Plan update. Upon City Council's adoption, City Planning submitted the proposed Interim Control Ordinance to the California Department of Housing and Community Development (HCD) for its review and approval, pursuant to Government Code Section 66300(b)(1)(B)(ii) (Housing Crisis Act of 2019 or HCA).

On May 15, 2024, HCD issued a letter of determination conditionally approving the adoption and enforcement of the ICO in the Boyle Heights Community Plan area consistent with Government Code Sections 65858 and 66300(i).

Since the adoption of Ordinance No. 188333, City Planning has continued its work to complete the tasks necessary to adopt the Boyle Heights Community Plan update and ensure that its land use goals related to renter protections are in place and can better guide efforts to mitigate displacement. Related to these efforts, Council District 14 submitted a letter under Council File 23-0861 (Boyle Heights Community Plan Update) on December 4, 2023, instructing City Planning to present the same codified measures related to Right to Return, RSO Unit Replacement, and Tenant Anti-Harassment, established under the South Los Angeles Community Plan Implementation Overlay (CPIO) District (Council File 20-1265-S1) also be applied to the Boyle Heights Community Plan CPIO District. These three South Los Angeles CPIO measures, in addition to separate Boyle Heights CPIO regulations to encourage local advertisement of affordable units specifically within the Boyle Heights Community Plan area, are summarized below.

Right to Return

Developers will be required to notify existing tenants in writing of all their legal rights, procedures, and information regarding their eligibility to return to a new unit at an affordable rent. Those tenants who are temporarily displaced and provided an opportunity to return will be given written notice of major construction completion milestones at the start of construction and again at the 50, 75, and 90 percent completion progress. They will also be required to notify those tenants when the Temporary Certificate of Occupancy is issued and again within 30 days after the Final Certificate of Occupancy is issued. The developer will be required to hold the unit or room vacant at no cost to the tenant for sixty (60) days starting from the date the tenant's written notice of their intent to reoccupy the rental unit is received, and tenants who are offered a replacement unit should also be offered at an affordable rent or housing cost, if applicable.

Rent Stabilization Ordinance (RSO) Unit Replacement

All occupants of RSO units being displaced have the right to remain in their unit until six (6) months before the start of construction activities. Any existing occupants that are required to leave their units will be allowed to return at their prior rental rate and under the same rental terms if the demolition does not proceed and the property is returned to the rental market. Each RSO unit being replaced shall be replaced on a one-for-one basis, containing at least the same floor area in addition to the same number of bedrooms and bathrooms, with an affordability level equaling like-for-like, or lower. Those RSO units categorized as Lower Income (LI) Households will be entitled to relocation benefits, and in the absence of occupant income documentation, affordability levels for any replacement unit shall be set at the Extremely Low Income (ELI) Household level.

Tenant Anti-Harassment

On June 23, 2021, City Council adopted the Tenant Anti-Harassment Ordinance (TAHO) (Ordinance 187,109), applicable to all residential units within the City of Los Angeles. The TAHO prohibits landlords from harassing tenants by actions such as removing housing services, withholding repairs, or refusing to accept rent payments. As instructed by Council District 14, the Boyle Heights CPIO will also withhold or revoke the demolition permit and CPIO approval of a development within Boyle Heights and landlords can also face civil penalties and potential criminal prosecution for any violations.

Landlords can also be placed on the Los Angeles Housing Department's (LAHD) Anti-Harassment Violators Database when a judgment has been issued against them within the last five (5) years for unlawful tenant harassment, including if they have evicted a tenant or caused a tenant to involuntarily quit, or if they have been issued multiple citations, or if a judgment related to unlawful tenant harassment has been issued against the landlord.

Local Advertising Efforts

As part of the Boyle Heights CPIO, developers or owners of a development that include restricted affordable units shall advertise affordable housing units for at least 60 days at the project site, and at all public libraries, schools, or recreation centers within a 1.5 mile radius of the project site with the following criteria in a letter format in both english and spanish language, with the following information: a working phone number and email address for interested applicants to contact the developer, owner, or operator; include website information for LAHD and the development project, if applicable; and include the number of available affordable units and the income limits for eligibility.

Closing

It is anticipated that the Boyle Heights Community Plan will proceed through key steps of the adoption process by fall of 2024, which include a review and recommendation by the Council's Planning and Land Use Management Committee, as well as consideration and adoption by the full City Council. However, following the City Council's likely adoption of the Boyle Heights Community Plan in the fall of 2024, the community plan's implementing ordinances will be referred to the City Attorney for finalization, before becoming operative. This process is anticipated to take between six to nine months. Thus the Interim Control Ordinance will continue to be necessary to allow the City appropriate time to finalize the new zoning and permanent regulatory measures and bring those measures into effect.

Recommended Actions

Although the City has continued its efforts as outlined above, additional time is necessary to finalize the Boyle Heights Community Plan's many protections for renting households. Therefore, City Planning recommends adoption of an extension of Ordinance No. 188333 for 10 months and 15 days, which requires a four-fifths vote. Furthermore, City Planning recommends approval of this report as the City Council's own adopted report which herein describes the measures taken to alleviate the conditions which lead to the adoption of Ordinance No. 188333 and thereby satisfying the requirements of Government Code Section 65858.

Sincerely,



VINCENT P. BERTONI, AICP
Director of Planning

VBP:SMMB:CW:UG:AP:EG:OG