
Resident Protections Ordinance (RPO)
Citywide Proposed Code Amendment
Presentation for PLUM Meeting
CF 21-1230-S8

Note that the main presentation that staff will present on November 19th is provided here in English. This presentation is also available in Spanish and Korean.



Proposed Resident Protections Ordinance

Citywide Proposed Code Amendment
PLUM Committee Meeting

Council File 21-1230-S8

LOS ANGELES
CITY PLANNING

November 19, 2024

Housing Crisis Act Requirements

Demolition Requires

1. **Replacement** of existing or demolished **Protected Units**
*Must be replaced in the new building at an **equivalent size** and and at an **affordable cost***
2. **No Net Loss** of Dwelling Units
3. Existing **Occupant Protections**
 - **Right to Return** for lower income households
 - **Right to Remain** until 6 months prior to construction
 - **Right to Return** if Demolition Does Not Proceed
 - **Relocation** assistance for lower income households

Protected Units

Prior 5 years

Rent Controlled (RSO)
Occupied by lower income tenants
Deed restricted affordable

Prior 10 years

Ellis Act removals

Major Differences from State Law

Occupant Protections

- Enhanced Relocation Assistance to better align with state law
- Expanded Right to Return
 - Prior rental rate
 - Comparable unit

Stronger Enforcement

- Private Right of Action
- Tenant Notification Requirements
- Anti-Harassment Violator's Database

RSO Replacement

- 1:1 Replacement
- Prioritizing deeper income levels

Restricted Affordable Housing

All Restricted Affordable Housing Units must:

Be **Affordable for 99 Years** (Up from 55 years today)

Meet **fair housing requirements** regarding design, size and more

Be **available to those with the highest need**, including:

- Fair marketing and outreach
- Listing Affordable units in the City's online registry*
- Priority Populations for Affordable units*

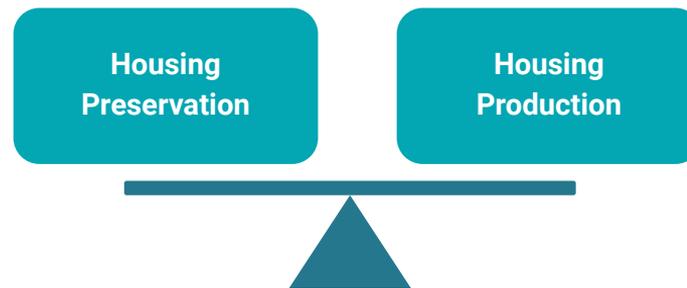


Image: Brooks + Scarpa

* Subject to feasibility

Key Issue: RSO Replacement Ratios

- Ordinance **recommends 1:1 RSO replacement ratios** (compared to 0.65:1 today)
- Feedback focused on increasing ratios to 2:1 and not allowing replacement units to count towards other affordability requirements
- Staff commissioned studies show that 1:1 would not impact most projects, while a 2:1 would impact vast majority of feasible sites



Recommended Actions

- Find, in the independent judgment of the decisionmaker, based on the whole of the record including the Housing Element Environmental Impact Report No. ENV-2020-6762-EIR (SCH No. 2021010130) certified on November 29, 2021, Addendum No. 1 (ENV-2020-6762-EIR-ADD1) certified on June 14, 2022, and Addendum No. 2 (ENV-2020-6762-EIR-ADD2) (collectively, “EIR”) that no subsequent or supplemental EIR is required; pursuant to CEQA Guidelines section 15162 and 15164 to adopt the Proposed Ordinance; adopt Addendum No. 2 and adopt the Mitigation Monitoring Program;
- Request the City Attorney to prepare the Proposed Ordinance as recommended by the CPC on September 26, 2024 and as modified by the Technical Modifications submitted to the City Council, dated November 13, 2024; amend Chapter 1A, including an ordinance to incorporate the amendments to Chapter I, in Chapter 1A, in the format and style of the New Zoning Code;
- Adopt a Resolution (Modified Exhibit B.1, dated November 13, 2024) to Amend the "Affordable Housing Incentives Guidelines" and approve the proposed Fair Housing Requirements for Affordable Housing;
- Adopt the Findings in the CPC Letter of Determination.

Thank you

Staff Contacts

LACP

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LAHD

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Additional Reference Slides

CPC Requested Report Backs

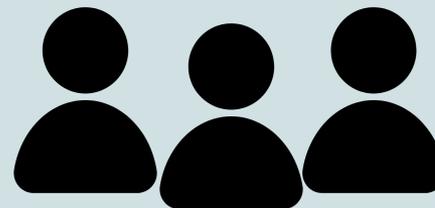
Replacement Ratios

LACP to report back on the **feasibility of increasing the 1:1 replacement ratio for RSO units**, including:

- Potential options
- Impact on project feasibility
- Input from the state department of Housing and Community Development (HCD) regarding Housing Element compliance

Enforcement and Implementation

LAHD to report back with additional details on the **plans, staffing and resources needed** to enforce the protections provided to tenants under the Resident Protections Ordinance



Tenant Notification Requirements

Construction Period

Start of Construction Activity

Tenants are notified of their rights, how to exercise their rights, and are provided owner contact information.

Bi-annual Updates

Updates on project milestones and anticipated Certificate of Occupancy.

Project Milestones

Tenants are notified 180, 90, 30, and 15 days in advance of the anticipated Certificate of Occupancy.

Temporary / Final Certificate of Occupancy

Tenant is notified when the Temporary and Final Certificate of Occupancy is issued.

Lease-Up

Tenant Response (30 days)

Tenants will have 30 days from receiving the Certificate of Occupancy issuance notice to claim their replacement unit.

Unit Hold (60 days)

Once tenant claims their replacement unit, owner will need to hold their unit vacant for 60 days from the date the tenant responds.

Private Right of Action

Goal

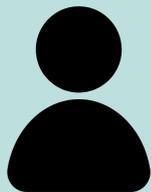
- Provides aggrieved tenants a **framework for pursuing legal action, remedies, and enforcement** against developers who violate their rights pursuant to the proposed ordinance

Remedies

- Tenants **may be awarded** the following:
 - Reasonable attorney's fees and costs
 - Compensatory or punitive damages
 - Civil penalties of up to \$10,000 per violation
- **Penalties may be increased** in the following is cases:
 - Willful violations
 - Tenants are 65 years of age or older

Anti-Harassment Provisions

Anti-Harassment Violators Database Thresholds



1 final court judgment in prior 5 years for unlawful tenant harassment or for wrongfully or illegally evicting a tenant



3 final City TAHO citations in prior 10 years



1 final City TAHO citation at a property in an area with heightened risk of displacement, in prior 5 years

Consequences of Placement in Database

- Withholding or revocation of demolition permits for **5 years** for violators placed on database
- Demolition permit ban will **run with the land** where the TAHO violation took place

Relocation Assistance

The Housing Crisis Act was amended in 2023 to clarify relocation assistance payments

- Requires developer pay relocation assistance to **lower income** tenants/occupants
- Requires assistance equivalent to *California Relocation Assistance Law*, which includes
 - Moving expenses
 - Relocation assistance (to afford a comparable unit for 42 months)
- Proposed Ordinance would create a local formula, as detailed below:



Relocation Assistance Calculations

CHART A: *Applies to evictions due to new development when tenant is at or below low income.*

Household Type	Extremely Low Income	Very Low Income	Low Income	Above Low Income
Tenants Displaced by New Development	\$108,393	\$90,837	\$82,101	See Chart B
*Subject to changes to Voucher Payment Standards and Affordable Rent rates per Section 50053 of the California Health and Safety Code.				

CHART B: *Applies to all no-fault evictions except for new development cases when the tenant is at or below low income.*

Household Type	Less than 3 Years	3 or More Years or Low Income	Mom & Pop Properties <i>(Eviction for Owner/Family Occupancy Only)</i>	Single Family Dwelling owned by natural person (JCO only)
Eligible Tenant	\$10,300	\$13,500	\$9,900	One Month's Rent
Qualified Tenant	\$21,750	\$25,700	\$19,950	

Income / Rent Schedule VI

2024 Income and Rent Limit - Land Use Schedule VI

Effective Date: July 1, 2024

	AMI	Net AMI	
2023 Area Median Income (AMI)	\$98,200	\$92,500	Change in AMI from 2023 = 0%
2024 Area Median Income (AMI)	\$98,200	\$92,850	Change in Net AMI from 2023 = 0.38%

Table I: Qualifying Maximum Income Levels Based on Family Size

Income Level	Family Size							
	One	Two	Three	Four	Five	Six	Seven	Eight
Extremely Low (30%)	\$29,150	\$33,300	\$37,450	\$41,600	\$44,950	\$48,300	\$51,600	\$54,950
Very Low (50%)	\$48,550	\$55,450	\$62,400	\$69,350	\$74,900	\$80,450	\$86,000	\$91,550
Low (80%)	\$77,700	\$88,800	\$99,900	\$110,950	\$119,850	\$128,750	\$137,600	\$146,500
Moderate (120%)	\$82,500	\$94,300	\$106,050	\$117,850	\$127,300	\$136,700	\$146,150	\$155,550

Table II: Maximum Allowable Rent Levels

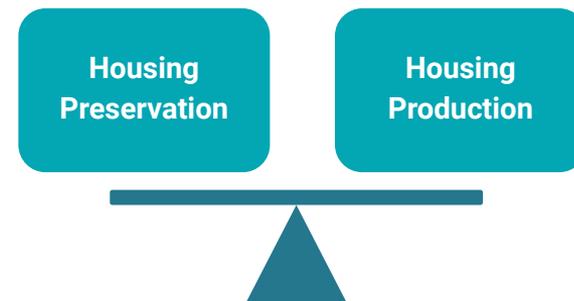
Rent Level	Bedroom Size							
	Single	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR	7-BR
Extremely Low (30%)	\$487	\$557	\$627	\$696	\$752	\$808	\$864	\$919
Very Low (50%)	\$812	\$929	\$1,045	\$1,161	\$1,253	\$1,346	\$1,439	\$1,532
Low (60%)	\$975	\$1,114	\$1,253	\$1,393	\$1,504	\$1,616	\$1,727	\$1,838
Moderate (110%)	\$1,787	\$2,043	\$2,298	\$2,553	\$2,758	\$2,962	\$3,166	\$3,370

RSO Replacement Requirements

		Current Practice	Proposed Ordinance
Income Known		Replace units occupied by Lower Income tenants (ELI, VLI, LI)	Replace all units Above Lower Income units replaced with Lower Income Expanded to include Acutely Low Income (ALI)
Income Unknown	Citywide	Replaced at the proportion of Lower Income renters in the City each year (now 65%) Units presumed to be above Lower Income (35%) are not replaced ELI units only included for TOC Projects	All units replaced as Lower Income units (1:1) Units assumed above Lower Income (35%) replaced as Lower Income Always includes Extremely Low Income (ELI)
	Lower Opportunity Areas		All units replaced as Lower Income units (1:1) Units replaced proportionate to Lower Income renters (rather than total renters) 44% ELI, 26% VLI, 30% LI (Sept. 2024 update)

RSO Replacement Ratios

- Ordinance recommends increased 1:1 RSO replacement ratio (compared to 0.65:1 today)
- Feedback has focused on:
 - Increasing the replacement ratio to 2:1,
 - Not counting replacement units towards other affordability requirements
- Increased replacement ratios can impact the balance between housing production and preservation
- Staff commissioned study (AECOM) to evaluate potential impacts of different replacement policies
 - First study showed increasing to 1:1 would not impact most projects
 - Second study Indicates that increasing ratios to 2:1 would impact vast majority of feasible sites



Note: The studies are available in Appendix 3 and via Technical Modification Appendix 3.A of the Staff Report

Extremely Low Income Replacement

- RPO & CHIP are expanding production of ELI units through incentives and replacement policies (see table)
- Additionally, ELI units already make up the majority (55%) of new affordable units in RSO replacement projects, as found in staff commissioned study (AECOM)
- Feedback has focused on defaulting to ELI for replacement when incomes are not known
- Proposed ordinances prioritize ELI units, while still requiring varied income levels in replacement units

ELI Strategies in RPO & CHIP	
RSO Replacement	<p>ELI now required for all project types (previously only TOC)</p> <p>When incomes are known, includes ELI (and ALI)</p> <p>When incomes are not known, requires greater share of ELI in Low Opportunity areas</p>
MIIIP Incentives	Encourage ELI units, building on success of TOC program

State Tax Credit Allocation Committee (TCAC) Opportunity Map

