

November 19, 2024

Los Angeles City Council  
200 North Spring Street  
Los Angeles, California 90012

**Re: COUNCILMEMBER HERNANDEZ RECOMMENDATIONS FOR CITYWIDE HOUSING INCENTIVE PROGRAM (CHIP) ORDINANCE and RESIDENT PROTECTIONS ORDINANCE (RPO) CF-21-1230-S5 and CF-21-1230-S8**

Dear Colleagues,

The legislation in front of us provides a great opportunity to address the most pressing issue our City faces - affordable housing. The situation is clear - our constituents are struggling more than ever to meet their most basic needs. Every day, tens of thousands of Angelenos live without a roof over their heads. For those that are housed, the near-constant stress and struggle over how they will pay their bills and take care of their loved ones looms. Over 1.5 *million* Angelenos are rent burdened, and those numbers will only continue to worsen without action. We, as policymakers, have the opportunity, responsibility, and obligation to address this crisis. The ability of our neighbors and children to thrive in Los Angeles depends on us acting *today* to allow for more housing in our City - in a way that provides access to affordable housing in all parts of the City.

**Resident Protections Ordinance (RPO)**

Even with drastic action - our housing crisis will not end soon. While we work to solve the crisis, we must do everything we can to protect our existing renters and their affordable units.

To that end, I am writing to express my strong and unwavering support for the Resident Protections Ordinance (RPO). While I have a few suggestions on how to strengthen its impact further, I want to start by emphasizing that this draft ordinance represents a critical step forward in balancing our City's housing development goals with the urgent need to protect vulnerable communities from the forces of gentrification and displacement. The Housing Element Rezoning Program is essential to building the housing we need across Los Angeles, but we must ensure that this progress does not come at the expense of low-income communities of color that are already disproportionately vulnerable and at risk of becoming displaced from their homes due to the housing crisis and bearing the brunt of development in our City.

I fully support key provisions in the current draft of this ordinance as critical protections for tenants and crucial steps toward maintaining affordability while expanding our housing stock. These include:

- The inclusion of a more realistic local formula for relocation assistance that aligns with state law, providing displaced households with the resources they need to secure replacement housing;
- The establishment of a private right of action to protect tenants from harassment and create a clear, enforceable process for tracking and addressing such violations;
- The proposal for maximizing replacement of Extremely Low-Income (ELI) units in areas with existing ELI renters, ensuring that we continue to address the deep affordability needs of our community;
- The requirement for Acutely Low-Income (ALI) as an income category for replacement housing ensures that our affordable housing stock remains available to this vulnerable group when the previous tenant is also identified as ALI;
- Extending the affordability covenants for newly restricted affordable units from 55 years to 99 years, which will help maintain long-term affordability across our City;
- Expanding the definition of a “comparable unit” to require matching numbers of bedrooms and bathrooms and applying it to the right to return when demolition is not involved, ensuring that families can continue to thrive in their homes;
- The strengthened tenant notification requirements, which will help ensure that tenants are fully informed of their rights throughout the lifecycle of any project.

However, while these provisions are commendable, we have the opportunity to go further in ensuring the ordinance’s effectiveness. Results from the AECOM analysis reveal that, too often, existing below-market, rent-stabilized units are demolished for new housing projects that create only a few more affordable units than previously existed. Between 2020-2023, mixed-income RSO redevelopment produced 1,161 affordable units, while 1,091 RSO units were demolished, resulting in a net of only 70 units. Over the same time period, the CD 1 community of Westlake had the highest number of RSO redevelopment projects of any neighborhood citywide. 135 RSO units were proposed to be demolished, and only 153 affordable units were added, including units required for Density Bonus and TOC incentives - resulting in a net increase of only 18 units.

Within the Housing Element, when the City provided a database of all developable sites for the rezoning program to State HCD, RSO sites were significantly discounted in their redevelopment potential, and no RSO sites were used for the inventory of sites to meet our low-income Regional Housing Needs Assessment goals. That means putting additional requirements on RSO redevelopment in the City’s lowest resources and most vulnerable communities should not hinder the City's ability to achieve its RHNA rezoning requirements.

If we will sacrifice precious RSO units to meet our housing goal, then we must net out more units. I request that the Committee **add a recommendation that studies a 2:1 unit replacement ratio for developments in low resource areas, in accordance with the TCAC maps. Additionally, a 2:1 replacement ratio should also be considered for units whose affordability covenants have expired within 10 years of the proposed development application submission to City Planning.**

I am requesting the PLUM Committee include the following instructions to ensure that we gather the necessary information to strengthen the RPO further and ensure its success:

- Instruct the Los Angeles Housing Department in coordination with the Department of City Planning and City Attorney to provide additional reports on the following:
  1. An implementation, funding, and staffing plan for the Anti-Harassment Violators Database, as well as a Replacement Unit Database to ensure relocation and right to return is being effectively implemented;
  2. Establishing an ordinance, consistent with the Federal Fair Housing Act, to establish a Local Preference Program for residents displaced by incentive programs outlined within the CHIP, State Density Bonus, and any other incentive programs available within the City;
  3. Opportunities for the in-lieu fee to be prioritized for a revolving loan to assist small landlords and non-profit developers in making building-wide upgrades or maintenance to preserve affordable and rent stabilized units.

I believe that including these provisions in the RPO will strengthen the City's ability to protect tenants and preserve affordable housing. In addition, the City will be better positioned to meet its housing goals without displacing the very residents who need access to affordable units most—thus reducing the risk of homelessness and building a more equitable future for all Angelenos.

### **Citywide Housing Incentive Program (CHIP)**

After ensuring our renters are as protected as they can be, we must do what we can to accelerate the development of affordable housing, particularly in high resource areas within our city. According to the [City's Historical Housing and Land Use Study](#) (p. 85), Los Angeles downzoned from a maximum housing capacity of 10.5 million in the 1970s to just 4.1 million. The study points to “a lack of adequate housing stock, particularly in higher-demand, wealthier areas, as the root of the local housing crisis” and that “decades of land use policy resulted in working-class residents and people of color living in the vicinity of heavy manufacturing.” To address this, CHIP makes some strides in increasing housing capacity in the neighborhoods in the city with

the greatest resources - allowing for affordable housing in places that are often prohibitively expensive for many of our constituents. CHIP also focuses on this housing capacity in a sensible way: along our busiest corridors, with access to jobs, services, and high-quality transit. Access to more housing options in these well-connected, high-resource areas is critical. These well-resourced areas of the city have the best access to jobs, environmental health, and high-performing schools. The City's 2021 Housing Element found that only 14% of all affordable units were created in the High and Highest Resource areas of the city. CHIP provides an opportunity to expand housing in places with good schools and jobs - and the economic mobility that comes with that.

While CHIP expands that access, it does not go far enough in undoing the harm of decades of redlining and will not meet the spirit of our mandate to Affirmatively Further Fair Housing (AFFH). Currently, CHIP allows for modest 2- and 3-story developments on streets adjacent to "Opportunity Corridors" - major streets with high quality transit service in high resource areas of the city. These 2- and 3-story developments would reflect historic housing patterns of Los Angeles: allowing for beloved, historic housing typologies such as bungalow courts to return to the City. As it stands, CHIP only allows for these developments to occur within 750 feet of the corridors - often not even reaching beyond a single block. I believe that CHIP should go beyond this - and **expand the ability to construct these lower-density multifamily housing developments in Opportunity Corridor Transition Areas by extending the CT1 subarea up to ¼ mile.** We should concentrate development around these corridors, which are centers for jobs and transit service. Extending the range for these developments up to ¼ mile can greatly expand our housing capacity while keeping that development within a reasonable 5-minute walk of these major thoroughfares.

Our housing crisis requires an all-hands-on-deck approach, and we must continue looking into ways to promote the development of affordable housing. In that spirit, **I recommend that the PLUM Committee request a future report back from City Planning investigating further expansion of the corridor transition areas in the city's High and Highest Resource areas.**



Bungalow Courts: an example of the low-scale housing enabled in the OC Transition Areas (Photo: [Hollywood Community Housing](#)).

Beyond simply meeting our housing capacity requirements - we must do so in a way that expands access to opportunity for Angelenos of all income brackets. We must remedy existing segregation patterns and foster inclusive communities that tackle the barriers that stifle access to opportunity. These opportunities - good jobs and high-performing schools - are largely concentrated in these higher resource areas of the City. These areas often exclude many Angelenos due to their high housing costs. This exclusion is not mere coincidence - it is a result of intentional “land use and zoning practices [that] were rooted in the racist and classist exclusionary practices and prejudices,” according to the City’s own Historical Housing and Land Use Study (p. 4). We have a moral and legal mandate to reverse these segregationist housing patterns.

While CHIP does much to expand access to higher opportunity areas zoned R2 and above, it continues the legacy of segregationist housing policies by explicitly excluding single-family housing (R1) areas from many of its programs. Single-family zoning, which comprises 72% of the City’s residential area and is often referred to as exclusionary zoning, only allows for single-family dwellings to be built. This is referred to as exclusionary zoning because of its history as a tool of segregation and its high cost - being much less affordable than multi-family homes. These single-family areas, by nature, exclude those with fewer resources who cannot afford their cost. We cannot allow for nearly  $\frac{3}{4}$  of our residential land to only serve a form of housing that is inaccessible to most Angelenos. The City’s own [2021 Housing Needs Assessment](#) (p. 106) finds that 95% of Racially Concentrated Areas of Affluence (RCAs) are zoned for single-family uses, that they have “some of the highest performing schools, greatest access to employment, and greatest access to environmental health,” and that they “reinforce power imbalances and inhibit the equitable distribution of resources.”

To be very clear - *including single-family areas in CHIP will not end single-family zoning in the City, nor will it inundate these neighborhoods with high-rise residential towers.* It will allow for modest, 2- to 3-story apartment buildings in areas close to major corridors and transit. This is a sensible development decision - we must not let the interests of a few powerful single-family homeowners override what is best for this City at large.

At the City Planning Commission hearing for CHIP, hundreds of members of the public showed up to City Hall at 9 am on a Thursday and waited through an all-day meeting to comment on this matter. Most of those in the overflowing Council chambers pleaded for including single-family zones in CHIP. Many of these people are renters and your constituents, who know that these zoning decisions will impact their families’ ability to afford to stay in this City. Planning’s Historical Housing and Land Use Study (p. 81-82) finds that the City has been prioritizing homeowners’ property values when making zoning decisions, further finding that “shortages of available homes benefit existing homeowners at the expense of renters and would-be homebuyers” (p. 3). While other cities like Portland and Minneapolis have abolished

single-family zoning, the recommendations in Exhibit D, Option 1 merely make incentive programs available to create modest, multi-family homes that would not have a larger footprint than most large single-family homes in those same communities. We cannot place the interests of a few well-resourced homeowners ahead of the needs of the majority of our City's residents (the majority of whom are renters) and those most vulnerable - especially when we have a crisis this dire.

In their deliberations, the City Planning Commissioners expressed that they felt this a topic too controversial to be decided by them and would defer to the Council's discretion. Now is the time for us to exercise that discretion and provide for the residents we are elected to serve. **I call upon my fellow Councilmembers to adopt Option 1 in Exhibit D of Planning's staff report - to include single-family zones in the AHIP and MIIP programs of CHIP.** Not doing so will waste precious time in resolving our housing crisis and etch our names into a history of discrimination and segregation.

In a city with a housing crisis this acute, we cannot allow land surrounding high quality jobs and transit to be underutilized. We must take care of our most vulnerable residents and create housing accessible to all income brackets.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "Eunisses Hernandez". The signature is written in a cursive, flowing style.

Eunisses Hernandez, Los Angeles City Councilmember, 1st District

## ATTACHMENT A

### CD 1 Recommended Amendments to 21-1230-S8

#### Recommendation for Council action:

1. INSTRUCT the Department of City Planning with assistance from Los Angeles Housing Department to study amending the Resident Protection Ordinance to reflect a 2:1 replacement ratio for projects utilizing the Citywide Housing Incentive Program that are within the boundaries of “Low Resource,” “Moderate Resource” and “High Segregation and Poverty” areas as defined by the California Tax Credit Allocation Committee (TCAC);
2. INSTRUCT the Los Angeles Housing Department to report back on an implementation, funding, and staffing plan for the Anti-Harassment Violators Database, as well as a Replacement Unit Database to ensure relocation and right to return is being effectively implemented;
3. INSTRUCT the City Attorney, with assistance from the Los Angeles Housing Departments to report back on the feasibility of establishing an ordinance, consistent with the Federal Fair Housing Act, to establish a Local Preference Program for residents displaced by incentive programs outlined within the CHIP, State Density Bonus, and any other incentive programs available within the City;
4. INSTRUCT the Los Angeles Housing Department to report back on opportunities for the in-lieu fee to be prioritized for a revolving loan to assist small landlords (as defined by LAMC 151.30E) and non-profit developers in making building-wide upgrades or maintenance to preserve affordable and/or rent stabilized units.

## ATTACHMENT B

### CD 1 Recommended Amendments to 21-1230-S5

#### Recommendation for Council action:

1. AMEND the Citywide Housing Incentive Program (CHIP) Ordinance to expand the CT1 subarea from 750 feet to one-quarter mile from the transit corridor;
2. INSTRUCT the Department of City Planning to report back on further expanding the corridor transition areas beyond 750 feet but within the City's High and Highest Resource areas; and
3. AMEND the recommendations from the City Planning Commission report dated November 13, 2024 and ADOPT the recommendations in Exhibit D, Option One.