

# MOTION

# HOUSING

The City of Los Angeles continues to face an unprecedented housing crisis. As the rise in housing prices continues to outpace the national average and wage growth continues to fall behind, Los Angeles remains a city unaffordable to many of its residents. A significant portion of the City's renters are cost-burdened, meaning more than 30 percent of their income goes to housing. There is simply not enough housing being developed that is actually affordable to the majority of the City's residents.

Over the years, the City has attempted a variety of strategies to encourage or require the production of affordable housing. From 1991 to 2009, the City implemented inclusionary zoning policies in the Central City West Specific Plan. Inclusionary zoning requires or encourages developers to reserve a portion of the housing units in their project for low-income residents as a condition of project approval. Those inclusionary zoning provisions were challenged as applied, and in 2009, the court in *Palmer v. City of Los Angeles*, determined that the City's policies conflicted with, and were preempted by, the state law known as the Costa Hawkins Rental Housing Act. Although the *Palmer* decision only applied to the particular project at issue, the decision nevertheless called into question the ability of local governments throughout California to adopt or enforce inclusionary housing policies. As a result, many jurisdictions either repealed or declined to enforce their inclusionary housing provisions.

Since 2009, other tools to require or incentivize affordable housing have been adopted, including the Affordable Housing Linkage Fee, which was adopted by the City in December 2017, and the Transit Oriented Communities Guidelines, which became effective in September 2017, and were the result of voter-approved Measure JJJ.

In September 2017, the California State Legislature passed AB 1505, which once again authorized cities and counties to adopt inclusionary housing ordinances that required residential rental housing developments to include a specified percentage of affordable units. AB 1505 took effect on January 1, 2018, and permits cities and counties to require that residential rental housing projects include a certain percentage of rental units affordable to, and occupied by, moderate, low, very low, or extremely low income households, as defined by state law. Now that cities and counties are again authorized to adopt and implement inclusionary zoning ordinance for residential rental projects, it is important for the City to understand how the new law would affect the City's existing and future efforts to promote the production of affordable housing.

**I THEREFORE MOVE** that the City Council request the City Attorney to report back on the following: the impact of AB 1505 on the City's ability to adopt or implement inclusionary zoning for the City and what effect AB 1505 has, if any, on City ordinances or guidelines such as the Affordable Housing Linkage Fee or the Transit Oriented Communities Guidelines.

**I FURTHER MOVE** that the Housing and Community Investment Department, in conjunction with the Planning Department and City Attorney as necessary, present policy options and a framework for a potential inclusionary housing ordinance in the City of Los Angeles.

PRESENTED BY:

  
MIKE BONIN

Councilmember, 11<sup>th</sup> District

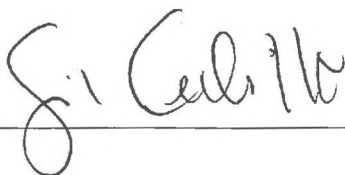
  
JOSE HUIZAR

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SECONDED BY:



  
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