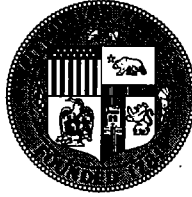


CITY OF LOS ANGELES

CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

FRANK T. MARTINEZ
City Clerk

KAREN E. KALFAYAN
Executive Officer

When making inquiries
relative to this matter
refer to File No.

Office of the
CITY CLERK

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HELEN GINSBURG
Chief, Council and Public Services Division

04-2087

October 6, 2005

City Attorney (with blue sheet)
Councilmember Parks
Councilmember Perry
Councilmember Garcetti
Chief Legislative Analyst
City Administrative Officer
Housing Department
Community Redevelopment Agency
Housing Authority

Los Angeles Homeless Services Authority
453 South Spring Street, 12th Floor
Los Angeles, CA 90013
Housing, Community & Economic
Development Committee, Attn: J. White
Department of Neighborhood Empowerment
Department of Building and Safety
City Planning Department

RE: PRESERVATION OF AFFORDABLE RESIDENTIAL HOTEL AND SINGLE-ROOM OCCUPANCY HOUSING

At the meeting of the Council held September 30, 2005, the following action was taken:

- Attached report adopted, as amended..... X
Attached amending motion (Garcetti - Parks) adopted..... X
Attached resolution adopted().....
Motion adopted to approve attached report.....
Motion adopted to approve attached communication.....
FORTHWITH..... X
Findings adopted.....
Negative Declaration adopted.....
Categorically exempt.....
Generally exempt.....

Handwritten signature of Frank T. Martinez

City Clerk
et



TO THE COUNCIL OF THE
CITY OF LOS ANGELES

File No. 04-2087

Your COMMITTEE HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT

reports as follows:

	<u>Yes</u>	<u>No</u>
Public Comments	<u>XX</u>	<u>—</u>

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the preservation of affordable residential hotel and Single-Room Occupancy (SRO) housing.

Recommendation for Council action, as initiated by Motion (Perry - Villaraigosa - Garcetti):

INSTRUCT the Los Angeles Housing Department (LAHD) to:

1. In conjunction with the Community Redevelopment Agency (Agency), the Los Angeles Homeless Services Authority, the Housing Authority of the City of Los Angeles, the Planning Department, and the Department of Building and Safety, and with the assistance of the City Attorney, to develop the necessary programmatic details and ordinance(s), including funding recommendations, needed to preserve residential hotel and SRO hotel units in Los Angeles.
2. Report to the Housing, Community and Economic Development Committee in 120 days with a draft residential hotel and SRO hotel preservation strategy, ordinance and/or program.
3. Include in its Residential and SRO hotel preservation strategy the following:
 - a. Recommendations to address the loss of residential and SRO units as a result of their conversion to market rate housing.
 - b. A citywide economic profile of residential and SRO hotel tenants and recommendations for maintaining and enhancing the long-term affordability of SRO units.
 - c. Recommendations to ensure that nuisance hotels identified in the course of enforcement activities to be brought into compliance thereby avoid closure.
4. Review residential hotel and SRO inventory data with each Council Office to ensure completeness and accuracy.

Fiscal Impact Statement: The Chief Legislative Analyst (CLA) reports that this action will not impact the General Fund.

Summary:

On October 8, 2004, Council considered Motion (Perry - Villaraigosa - Garcetti) relative to the preservation of Single-Room Occupancy housing. Motion states that preserving thousands of affordable SRO units is the best thing the City can do to address the serious lack of affordable housing and to prevent an increase in homelessness. Motion directs LAHD, with the assistance of the City Attorney, to recommend measures to be taken by the City to preserve affordable SRO housing units. Council referred Motion to the Housing, Community, and Economic Development Committee for consideration.

In a report to the Mayor dated August 22, 2005 (attached to the Council file), the LAHD states that additional study is needed. The Department proposes that it work with other City agencies and report back with a draft SRO housing preservation ordinance and program. The Mayor transmitted the LAHD report to Council for its consideration.

In a report to the Housing, Community, and Economic Development Committee dated September 27, 2005 (attached to the Council file), the CLA states that SRO hotels are structures with six or more guest rooms in which 30% or more of the units do not have a private bath and toilet within the unit, as distinguished from other residential hotels with private bathroom facilities. According to the CLA, the City has a history of taking measures to ensure the short-term preservation of such housing as an important component of the City's affordable housing stock.

The CLA reports that LAHD recommends that residential hotels be included in a preservation plan. The Department provides some options for consideration. These options are based on the Department's research, the experience of the Department's Residential Hotel Unit, and analysis of similar efforts of other cities, including San Francisco and San Diego. LAHD believes that the most effective method to preserve existing SRO housing is a comprehensive preservation plan that includes:

- Outreach and education for owners, operators and tenants of SRO hotels,
- Code enforcement,
- Compliance with existing tenant rental protections, and
- A Citywide ordinance requiring replacement housing or payment of an in-lieu fee for all SRO units lost to market forces.

Other policies proposed by the Department include a requirement for one-for-one replacement of existing residential hotel/SRO units currently housing very low income residents, or, an allowance for the payment of an in-lieu fee equivalent to the cost of replacing such units; education and outreach program to operators and tenants of residential hotel units relative to health and safety code and rent stabilization ordinance protections; enforcement actions to deal with health and safety violations; and, incentives for ownership of SRO properties committed to long-term affordability for current residents.

The CLA substantially concurs with LAHD, adding a recommendation that the Department of Building and Safety also participate as needed in the development of programmatic details relative to the preservation of residential hotel and SRO units inasmuch as the Department's inspection activities involve these facilities. The CLA also recommends that the preservation plan include specific actions to address the loss of SRO units as a result of their conversion to market rate housing as well as demolition. The CLA further recommends that the preservation plan include measures for maintaining and enhancing the long-term affordability of SRO units as well as ensuring that nuisance properties identified in the course of the proposed enforcement activities are brought into compliance and thereby avoid closure.

At its meeting held September 28, 2005, the Housing, Community, and Economic Development Committee discussed this matter with representatives of the LAHD and the CLA. During the public comment period, residents or resident hotels and affordable housing advocates expressed support for LAHD's report and urged the Committee to take action to preserve this stock of affordable housing. It was stated that residential hotels provide affordable housing to seniors, the disabled, and low-income tenants. The conversion of such housing into market rate for-sale and rental loft units has resulted in the loss of 1,000 units of affordable housing. Support was also expressed for an interim control ordinance to be implemented during the preparation of a permanent ordinance.

Requests were made by affordable housing and resident advocates to participate with City agencies to draft a preservation policy.

A representative of the Agency was present to discuss the conversion of residential hotels and SRO units into market-rate housing. It was stated, that approximately half of the owners of such properties opted to receive Agency financial assistance in exchange for preserving their units affordable for low-income tenants. The properties that did not receive Agency assistance are not subject to the same preservation controls, and as such, are being converted to market-rate housing.

The Housing, Community, and Economic Development Committee recommended that Council approve the CLA's recommendations for the preparation of a residential hotel and SRO preservation policy. Councilmember Garcetti further recommended that Council instruct LAHD to review the accuracy and completeness of its residential hotel and SRO inventory data with each Council Office.

Respectfully submitted,

HOUSING, COMMUNITY, AND ECONOMIC DEVELOPMENT COMMITTEE

E.G.
Bernard C. Parks

<u>MEMBER</u>	<u>VOTE</u>
GARCETTI	YES
REYES	YES
PARKS	YES

JAW
9/29/05

#042087.wpd

Rpt
ADOPTED
AS AMENDED
SEP 30 2005

LOS ANGELES CITY COUNCIL
FORTHWITH
See Amending MO

MOTION

I MOVE that the matter of report of the Housing Community and Economic Development Committee, relative to the preservation of Residential and Single Room Occupancy (SRO) hotels, Item Number 15 on today's Agenda (C.F. 04-2087), BE AMENDED to include the following additional recommendation:

- "5. INSTRUCT the Los Angeles Housing Department to:
 - a. Report to the Housing, Community and Economic Development Committee with a Citywide policy for the distribution of Residential and Single Room Occupancy (SRO) Hotels across the City to include recommended criteria for siting of these hotel units; and
 - b. In cooperation with the Department of Neighborhood Empowerment, contact City Neighborhood Councils to obtain feedback on the policy; and
 - c. Return to the Housing, Community and Economic Development Committee and Council with the results of Neighborhood Council outreach and a final Citywide policy for the distribution of Residential and SRO Hotels for Council adoption."

PRESENTED BY: Ed P. Reyes
 Ed P. Reyes
 Councilmember, 1st District

SECONDED BY: Ronald C. Pugh

Amending MO
ADOPTED

SEP 30 2005

LOS ANGELES CITY COUNCIL
FORTHWITH

WB

September 30, 2005