



# Implementation of the Housing Crisis Act of 2019 (SB 330)

February 10, 2021

# SB 330 Summary

- Housing Crisis Act of 2019
- Effective for 5 years as of January 1, 2020
- Incentivizes production of housing by supplementing discretionary review process, restricting actions to reduce housing, protecting existing housing and households
- Key Figures (January-October)
  - 158 projects subject to SB 330 have submitted applications to LACP
  - 9,907 total units and 9,607 net new units.
  - 17 SB 330 projects approved, and 16 are in the process of gaining permits
  - 206 sites received Replacement Unit Determination letters from HCIDLA
  - 330 potential Protected Units subject to unit replacement





# SB 330 applies to a discretionary “Housing Development Project”

- A Housing Development Project is:
  - The creation of two or more residential units only
  - Mixed-use development with at least 2/3 of the Building Area dedicated to residential uses
  - Transitional Housing
  - Supportive Housing
  
- A Housing Development Project is not:
  - The development of only one unit
  - Non-residential projects

# Applicability to Ministerial and Discretionary Projects

- SB 330 applies only to discretionary projects and not to ministerial projects

- Unit Replacement Requirements

Table 1: Unit Replacement Requirements by Type of Project		
Project Type	Required for Ministerial	Required for Discretionary
Density Bonus, TOC, or other affordable housing incentives	Yes	Yes
Located on a Housing Element Selected Site (beginning Oct 2021)	Yes	Yes
Housing Development Project that is not DB, TOC, or on a Housing Element selected site (SB 330)	No	Yes

- Right to Return Requirements

Table 2: Right to Return Requirements by Type of Project		
Project Type	Required for By-Right	Required for Discretionary
Density Bonus, TOC, or other affordable housing incentives	No	Yes
Located on a Housing Element Selected Site (beginning Oct 2021)	No	Yes
Housing Development Project that is not DB, TOC, or on a Housing Element selected site (SB 330)	No	Yes





# Occupant Protections and Unit Replacement apply to “Protected Units”

- Protected Units are:
  - Units with restricted affordability in the past 5 years
  - Units occupied by lower- or very-low income households within the last 5 years
  - Units subject to rent or price control in the past 5 years
  - Units Ellised within the past 10 years
- The demolition of one unit is not subject to SB 330 affordable housing replacement requirements.

## Tenant Right to Occupy Units up to 6 Months before “Start of Construction Activities”

- “Start of Construction Activities” is the call for the first inspection on any construction permit, such as for grading or foundation work related to the proposed Housing Development Project
- HCIDLA will clear a demolition permit for an SB 330 project only when a new construction permit has been issued.





# Impact on Ellis Act Requirements

- All renters can stay in their units for up to a year where at least one of the other units is occupied by a disabled or elderly person.

# Right to Return Monitoring Process

- As part of the Replacement Unit Determination process, HCIDLA will require and collect notarized letters from tenants and landlords acknowledging the Right to Return requirements per SB 330 and that the developer/owner agrees to contact the tenant prior to lease up.
- Current and future developers and owners will be required to maintain the contact information for all tenants who elected to return.





# Recourse for Non-compliance & Private Right of Action

- Additional penalties or procedures would require a local ordinance. SB 330 does not currently provide recourse or a private right of action for developer non-compliance
- Alternatively, the City can work with the State legislature to include language on non-compliance and private right of action as part of a clean-up bill. HCIDLA has included a potential SB 330 clean-up as a legislative priority for the current legislative cycle.

# Historic Cultural Monument Procedures

- Historic Cultural Monument nominations submitted after a Housing Development Project application is deemed complete will not be processed for as long as the Housing Development Project application is active and includes a valid approval.



# Staffing & Resource Plans

## HCIDLA

- Existing staff levels are adequate for current volume of work to implement SB 330.
- If development activity increases or if new local or state replacement requirements and tenant protection provisions established, HCID will need significantly more staff to process applications.
- HCIDLA currently does not have any staffing or infrastructure to monitor and enforce the Right to Return. HCIDLA would need additional resources to carry out additional monitoring and enforcement activities.

## LADBS

- LADBS staff levels are adequate for current SB 330 implementation procedures. LADBS may require additional staffing if metrics show that additional plan check requests have resulted from the new process requirements for discretionary Housing Development Projects.

## LACP

- LACP staff levels are adequate to implement SB 330. Staff have been trained on the procedures and requirements of SB 330 and have been implementing its requirements. LACP has developed implementation tools and procedures to track and monitor Housing Development Projects subject to SB 330.



# Recommendations

- LACP, LADBS, and HCIDLA recommend the City Council instruct all three departments to collectively report back on development trends before the end of fiscal year 2020-2021. The report back should include an analysis of the impact of SB 330 on by-right development and trends on the location and typologies of by-right housing development.
- Additional recommendations are proposed by the PLUM committee.

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# Thank You

An aerial photograph of a city, likely Los Angeles, showing a dense residential area with many multi-story apartment buildings. The city is set against a backdrop of rolling hills and mountains under a clear blue sky. The image has a color gradient overlay, transitioning from orange on the left to blue on the right.