

**PLANNING DEPARTMENT TRANSMITTAL
TO THE CITY CLERK'S OFFICE**
SUPPLEMENTAL
CF 19-0400, 20-0047

CITY PLANNING CASE:	ENVIRONMENTAL DOCUMENT:	COUNCIL DISTRICT:
N/A	N/A	All
PROJECT ADDRESS:		
N/A		
PLANNER CONTACT INFORMATION:	TELEPHONE NUMBER:	EMAIL ADDRESS:
Justin Bilow	213.379.1667	Justin.Bilow@lacity.org

NOTES / INSTRUCTION(S):	
<p>Enclosed is a set of slides for the PLUM committee meeting on December 8, supplementing the report on the implementation of the Housing Crisis Act of 2019 (SB 330), prepared and transmitted separately.</p>	
TRANSMITTED BY:	TRANSMITTAL DATE:
Jenna Monterrosa, Council Liaison	12/3/20



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

December 8, 2020

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, restricts actions to reduce housing, protects existing housing and households
- Milestones:
 - January 1, 2020: SB 330 went into effect. Implementation began.
 - January 15: SB 330 implementation memo published
 - February 13: Report to PLUM
 - July 2020: DBS launched the Affordable Housing Section; LACP launches online application portal for SB 330 vesting
 - September 15: CA Department of Housing and Community Development's Housing Accountability Act memo published
 - September 25: SB 1030 went into effect, clarifying specific aspects of SB 330.
- 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 HCDLA
 - 330 potential Protected Units subject to unit replacement





Definition: “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





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.





One-to-One Ratio Replacement Unit Process

- Any SB 330 affordable unit replacement requirements can count towards the affordability requirements for both state and local incentive programs
- Limited opportunity to make changes under current framework because provisions come from State law and voter approved JJJ ballot measure

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.

Additional SB 330 Compliance Procedures & Policies

- LACP, LADBS, and HCIDLA have created administrative procedures for identifying, tracking, and monitoring SB 330 projects during the project review process.
- The demolition of one unit is not subject to SB 330 affordable housing replacement requirements.
- 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.





Implementation by Other Jurisdictions

- 8 jurisdictions responded to survey: Long Beach, Los Angeles County, Oakland, City of Sacramento, County of Sacramento, City of San Diego, City of San Francisco, Santa Monica
- LA City's interpretation of SB 330 is largely consistent with that of other jurisdictions and, in many respects, is further along in terms of implementation. Two jurisdictions have applied certain provisions to ministerial projects.

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 launched the Affordable Housing Section to streamline the permit review process for affordable housing projects and those subject to SB 330.
- 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 tracks and monitors case progress through the discretionary process to ensure compliance.
- LACP has created an online system that accommodates SB 330 Preliminary Applications.
- LACP, in collaboration with HCIDLA and LADBS, established a SB 330 task force that meets on a regular basis.



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.

Thank You

An aerial photograph of a city, likely Los Angeles, showing a dense residential area with many multi-story apartment buildings. The image is overlaid with a gradient that transitions from a bright orange on the left to a clear blue on the right. The text 'Thank You' is centered in a large, white, sans-serif font. A thin white horizontal line is positioned above the text.