Communication from Public

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Comments for Public Posting: See attached comments from Public Counsel and SAJE.

November 17, 2025

Re: Affordable Housing Streamlining Ordinance (CF 23-0623-S1)

Dear Honorable Councilmembers:

SAJE and Public Counsel write to express our support for the streamlining of affordable housing generally, but share our continuing concerns that the proposed Affordable Housing Streamlining Ordinance will result in the displacement of many of our City's lowest income and most vulnerable residents. We appreciate that many of our prior recommendations around Mayor's Executive Directive 1, which were reflected in that directive's various revisions, continue to be included in this permanent ordinance. However, certain other provisions continue to fall short of preventing displacement.

The RSO exclusion is drafted to incentivize bad behavior.

We appreciate that the Ordinance continues to exclude larger RSO sites from streamlining. However, we feel that the exclusion is worded in such a way that it could actually harm the renters the City is seeking to protect. Paragraph (c)(9) excludes from streamlining eligibility "a parcel or parcels subject to the Rent Stabilization Ordinance (RSO) containing a project site total of 12 or more units that are occupied or were occupied in the five-year period preceding the application." **This creates a perverse incentive to hold RSO units off the rental market for five years in order to avoid the exclusion and be eligible for streamlining.** We are also concerned that this language could be interpreted to allow streamlining of a RSO building with more than 12 units, so long as fewer than 12 units have been occupied in the prior five years.

Existing streamlining and density bonus legislation that excludes rent stabilized housing typically applies a blanket exclusion for the existence of the RSO units and applies a separate exclusion based on occupancy. For example, SB 35 (2017) and AB 2011 (2022) both exclude sites that contain "Housing that is subject to any form of rent or price control," *or* "Housing that has been occupied by tenants within the past 10 years."[1] Likewise, SB 1123 (2023) excludes sites that demolish "Housing that is subject to any form of rent or price control," *or* "Housing occupied by tenants within the five years preceding the date of the application."[2] The City's own Resident Protection Ordinance defines "Protected Units" using the same paradigm, including both "Residential dwelling units that are or were subject to the Rent

[1] Cal. Gov. Code §§ 65913.4(a)(7)(A); 56912.121(h)(1).
[2] Cal. Gov. Code § 66499.41(a)(8).

Stabilization Ordinance," *or* "Residential dwelling units that are or were rented by lower or very low income households within the past five years."[3]

We propose amending Paragraph (c)(9) of the Ordinance to only apply an exclusion based on RSO units and not look back at occupancy. The amended Ordinance could read:

> (9) "The project is not located on a parcel or parcels subject to the Rent Stabilization Ordinance (RSO) containing a project site total of 12 or more units at any point in the ten-year period preceding the application."

This will achieve the City's intention of disincentivizing the demolition of large RSO buildings, while avoiding a situation where developers *reduce the supply of housing* by holding units vacant in order to achieve future streamlining benefits. This is consistent with the intent of adding an RSO exclusion to ED 1, which is to ensure that streamlining does come at the expense of existing large numbers of low-income renters, and will not create an additional barrier to affordable housing development. Our review of the data suggests that no existing ED 1 projects likely fall in this category, making our proposal an important prophylactic that will not alter existing affordable housing development behavior but protect against abuse.

It is important to note that we are not asking to exclude these properties from redevelopment generally, simply the extraordinary benefits that the Ordinance provides. The outcome will be that the Ordinance will be better positioned to fast-track affordable housing on sites that result in less displacement of existing renters, while allowing the City's existing discretionary processes to play out for larger properties and allow communities the opportunity to weigh in on the potential mass displacement of neighborhoods.

The Ordinance should require projects to include more deeply affordable units.

The eligibility requirements in the draft ordinance allow for rents that are not affordable to most renters in Los Angeles. Section (h)(7) of the Ordinance allows up to 80% of the units in a streamlined development to use the maximum rents set by the California Tax Credit Allocation Committee (TCAC). TCAC rent limits for Lower-Income households allow a 2-bedroom unit to be rented for as much as $2,726 per month.[4]

Using a schedule with higher rents simply means that tenants will pay more in rent each month, making affordable housing less affordable. 65% of renter households in Los Angeles have incomes at 80% of the area median income or below.[5] **Because the 80% AMI TCAC rent limits are only affordable for households at the 80% AMI or above, these rents will not be affordable to *most* Los Angeles rental households.**

The language of the draft Ordinance is unclear as to exactly how rents should be set in all units and what the mix of affordability in a project should be. Section (h)(7) states that "at least 20 percent" of units have rents set per California Health & Safety Code § 50053, with the remainder

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[3] L.A. Mun. Code § 12.03, "**PROTECTED UNITS**".
[4] L.A. Housing Dept., 2025 Income and Rent Limit - Land Use Schedule IX.
[5] HUD CHAS 2017-2021 ACS, available at https://www.huduser.gov/portal/datasets/cp.html

being set at the Lower Income level per TCAC. The definition of One Hundred Percent Affordable Housing Project requires all units to be restricted to Lower Income families, except that up to 20% of units may be restricted for Moderate Income families.[6] It is unclear whether the City's intention is that any Moderate Income units have rents set per Health & Safety Code § 50053 and the remainder be set per TCAC–if this is the case, a developer that elects to restrict fewer than 20% of the units to Moderate Income households may end up with identical Lower Income units subject to differing rent schedules, due to the mandate to restrict at least 20% of units per the Health & Safety Code rents. It is also unclear what rent schedule should apply to what units when the developer uses a public subsidy or land use incentive that also defines the applicable rent and income schedule. We encourage the City to clarify and simplify this process by utilizing one, deeply affordable rent schedule as a default for all projects.

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We appreciate the urgency the City faces in adopting this Ordinance to continue the successes of affordable housing uninterrupted, but additional affordable housing in the pipeline does not make up for the immediate displacement that low-income families face as a consequence. We applaud the City for taking a balanced approach to these considerations and encourage the amendment suggested above to ensure the City makes good on its commitments to not unnecessarily displacing Angelenos.

Sincerely,

Public Counsel SAJE (Strategic Actions for a Just Economy)

[6] L.A. Mun. Code § 12.03, "**ONE HUNDRED PERCENT AFFORDABLE HOUSING PROJECT**".