



Los Angeles City Council
200 N. Spring Street
Los Angeles, CA 90012

Delivered via electronic mail.

February 15, 2021

RE: CF 20-1042 - support and recommendations for motion to explore land use reform.

Dear Honorable Council President Martinez and members of the City Council,

We write in support of the motion to explore land use and zoning reform (CF 20-1042), and offer specific recommendations to achieve the motion's important objectives. In particular, we urge the Council to advance critical equity reforms not through a ballot initiative, but instead via clear direction and guidelines for the City's Housing Element Update process, currently underway.

The Alliance for Community Transit (ACT-LA) is a city-wide coalition of 41 organizations working at the forefront of racial, environmental, and economic justice. Our coalition members include tenants' rights organizations, affordable housing developers, workers' centers, public interest law firms, and public health advocates, among many others. Thanks to our coalition's diversity, we view housing policy through an intersectional lens. Our mission is to uplift communities—through affordable housing opportunities, good jobs and access to high quality public transit—as the Southland transforms into a more sustainable region. Given our commitment to equity, we believe that low-income communities and communities of color must be centered in decisions that seek to transform our neighborhoods.

I. LA's land use system is deeply flawed and in desperate need of reform.

Public confidence in LA's land use and housing policy is at an all-time low. Over the last year, many Angelenos have been angered to learn the extent to which greed and corruption have permeated the City Council's land use approval processes. The salacious details of these scandals may be front page news, but for low-income communities of color, unaccountable land use decisions are not new.

Our history is full of shameful examples of land use planning programs that have deeply harmed low-income communities in the name of progress. Entire neighborhoods have been uprooted and destroyed to make way for Dodger Stadium, the Bunker Hill skyscrapers, and Union Station. Massive freeway expansions decimated whole city blocks and divided LA's eastside neighborhoods. Some of LA's poorest neighborhoods sit directly adjacent to oil and gas extraction sites and heavy industrial uses, while wealthy communities enjoy enormous buffers from any noxious use. Low-income communities of color have significantly less access to parks, green space and healthy food retail. Racially restrictive covenants have contributed to LA being one of the most segregated cities in the Country. Facing an expanding and unimaginable homelessness crisis, discriminatory attitudes continue to be given a platform to exclude supportive housing from entire neighborhoods. The same communities that were redlined and disinvested are now ground zero for intense gentrification and displacement pressures. Time and again, land use policies with purported regional benefit have made low-income communities of color into collateral damage.

The impacts and legacy of this unjust system are deadly. Black Angelenos represent only nine percent of the general population, but comprise 40 percent of the population experiencing homelessness. A recent study looked at historic redlining maps of Los Angeles alongside present-day air quality data from CalEnviroScreen and emergency-room data and concluded that: "Residents of red or 'high risk' neighborhoods visited the emergency room for asthma related complaints 2.4 times more often than residents of green or 'low risk' neighborhoods."¹ HCIDLA's "Displacement Index" clearly shows that rent burdened households are concentrated in Central LA, South LA, East LA, Northeast LA, and significant portions of the San Fernando Valley. The City's own Health Atlas and General Plan Health Element acknowledge the role of land use and planning in driving catastrophic health disparities across different neighborhoods. The Health Element concluded that "geographic location is such an important indicator of health that a Brentwood resident can expect to live 12 years longer than a resident from Watts."²

Enough is enough. It is time to remake our land use and housing policy framework in LA - not just to root out political corruption, but to finally repair harm from a legacy of racist and unaccountable policy. We thank Council President Martinez for introducing this motion and starting this important conversation.

¹ Kara Manke, "Historically redlined communities face higher asthma rates," UC Berkeley, May 22, 2019, <https://news.berkeley.edu/2019/05/22/historically-redlined-communities-face-higher-asthma-rates/>; *see also*, Manal Aboelata, "Policy Brief: Healing LA Neighborhoods, Prevention Institute, February, 2019, <https://www.preventioninstitute.org/sites/default/files/publications/Healing%20Los%20Angeles%20Neighborhoods%20Policy%20Brief%20February%202019%20%28002%29.pdf>

² City of Los Angeles, Health and Wellness Element of the General Plan, 10, https://planning.lacity.org/odocument/7f065983-ff10-4e76-81e5-e166c9b78a9e/Plan_for_a_Healthy_Los_Angeles.pdf

II. The Housing Element Update presents an important vehicle for land use reform and a timely opportunity to implement the goals and objectives of this motion.

The motion contemplates a ballot initiative to “address the city’s desperate shortage of housing as well as the city’s RHNA obligation,” and to “incentivize broader community benefits such as affordable housing, high paying jobs, parks and open space and improvements to mobility and the public realm,” in order to “lead to an equitable distribution of new housing around the city based on high quality jobs, transit, and historic housing production.” We strongly support these goals, but suggest that a ballot initiative is not necessary. Instead, we urge the Council to consider the 6th Cycle Housing Element Update, currently underway, as an important, appropriate, and timely vehicle to advance these goals.

A. LA’s Housing Element Update must plan for over 450,000 new housing units and meet rigorous fair housing standards.

Under state law, the City is required to adopt a new Housing Element by October 15, 2021. The new Housing Element must include, (among other things): an inventory of sites with adequate zoning to meet the City’s Regional Housing Needs Assessment (RHNA) target (the “Sites Inventory”); as well as new programs and policies to guide housing development. Recent changes to state law have imposed stronger fair housing standards on the Housing Element update process.

LA’s RHNA target for the 6th cycle Housing Element is over 455,000 total units, including 184,270 Lower Income Units. The City is required to produce a Sites Inventory that demonstrates adequate zoning capacity (meaning real sites suitable for development) to meet this target; or, if the Sites Inventory does not contain adequate sites to meet this target, the Housing Element must include a “Program to Rezone” that must be completed within three years to meet the shortfall. In other words, LA must take steps to ensure it has the zoning necessary to accommodate nearly ½ million new homes. How and where this identification of sites and rezoning occurs will have enormous implications.

Under state law, this process must be done in a manner that affirmatively furthers fair housing opportunities. “When determining sites to include in the inventory to meet the lower income housing need, The California Department of Housing and Community Development (HCD) that “a local government first identify development potential in high opportunity neighborhoods. This will assist the local government in meeting its requirements to affirmatively further fair housing and ensure developments are more competitive for development financing.”³ HCD has further

³ HCD, June 10, 2020 Memorandum re Housing Element Site Inventory Guidebook Government Code Section 65583.2, https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

advised that the Housing Element process must “ensure that sites zoned to accommodate housing for lower-income households are not concentrated in lower resource areas and segregated concentrated areas of poverty, but rather dispersed throughout the community, including in areas with access to greater resources, amenities, and opportunity.”⁴

A program to rezone must identify sites sufficient to meet the City’s RHNA that can be developed for housing during the planning period (between October 15, 2021 and October 15, 2029).⁵ Sites to accommodate the need for lower-income housing have additional requirements: these sites must be zoned to allow multifamily housing by-right for projects with at least 20% lower-income housing, and allow at least 16 units per site with a minimum density of at least 20 units per acre.⁶ If the City does not complete the program to rezone within three years of adopting the housing element, state law will restrict the City’s ability to disapprove certain development projects and the City may be subject to enforcement actions by HCD.

B. A business as usual approach to the Housing Element will intensify inequalities and prevent the City from meeting Fair Housing goals.

In previous cycles, LA’s Sites Inventories have generally reflected and reinforced the City’s historic growth patterns, listing high density multi-family zoned sites - often containing rent stabilized apartments - that are concentrated in low-income communities. We are concerned the City is currently headed in this same direction for this Housing Element cycle. The draft Sites Inventory methodology presented at the January, 2021 site selection task force meeting suggests that the current approach will focus on existing capacity, and that only after all existing sites are identified will the result be considered from a perspective of affirmatively furthering fair housing. We believe this approach is backwards. The obligation to affirmatively further fair housing should be a core aim of the Sites Inventory - not an afterthought. Site allocation should serve the purpose of “replacing segregated living patterns with truly integrated and balanced living patterns.”⁷ The housing element land inventory and identification of sites must be consistent with a jurisdiction’s duty to affirmatively further fair housing - which means “taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.”⁸ Strategies to affirmatively further fair housing may include development of new affordable housing in areas of opportunity, preservation of existing affordable housing, and protecting existing residents from displacement.⁹

⁴ HCD, April 23, 2020 Memorandum re AB 686 Summary of Requirements in Housing Element Law Government Code Section 8899.50, 65583(c)(5), 65583(c)(10), 65583.2(a) https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/ab686_summaryhousingelementfinal_04222020.pdf

⁵ Cal. Gov. Code 65583(c)(1)(B).

⁶ Cal. Gov. Code 65583.2(h)

⁷ Cal. Gov. Code 8899.50(a)(1).

⁸ *Id.*

⁹ Cal. Gov. Code 65583(c)(10)(A)(v).

The City has also indicated that its obligation to rezone will be reduced by adopting the Downtown, Hollywood, and Boyle Heights community plans.¹⁰ While these community plan updates are important, they will not remove barriers to affordable housing in High Resource areas in other parts of the City. A Housing Element Program to Rezone can and should be focused exclusively in High Resource Areas, with explicit protections for Sensitive Communities at risk of displacement (policy details described below). The fair housing lens required by state law now provides an opportunity to begin to dismantle the segregated housing patterns that have been so entrenched in LA's history. We should take this opportunity.

However, equitably distributing zoning capacity, while necessary, is not enough. LA needs new powerful tools to actually *create* deeply affordable housing at the scale necessary to meet our overwhelming need. RHNA allocations, alone, will never meet this need. In the last housing element cycle, the City routinely met RHNA goals for above-market rate units, but consistently fell woefully short of goals for lower-income units. Our housing crisis is not just a simple matter of supply. It is a complicated and deeply entrenched crisis rooted in structural and racial inequality. In this new Housing Element update, the City must prioritize policies and clear rezoning standards that will create and preserve the housing Los Angeles needs the most: units affordable to deeply, extremely and very low-income households, including permanent supportive housing for unhoused or formerly unhoused populations. Without a significant commitment to policies and standards that result in deeply affordable units at scale and stabilize communities at risk of displacement, simply building a large number of units will not stem the severe housing crisis we are in.

C. The City Council should establish strong equity standards to guide the Housing Element Update, including clear direction on the Sites Inventory and any Program to Rezone.

The City can begin to dismantle segregated housing patterns, remove barriers to affordable and social housing, and protect sensitive communities at risk of gentrification and displacement by imposing all of the following standards on the Housing Element update. Through this motion and report-back process, the Council can provide clear direction to the Department of City Planning and the Housing and Community Investment Department to implement the following framework for an equitable Housing Element update.

- 1. Adopt a Citywide no-net-loss requirement.** As a prerequisite to adopting the site inventory, the city should adopt a universal replacement requirement - including an effective right of return guarantee - for all new projects on sites with existing rent stabilized housing, affordable housing, or housing occupied by, or

¹⁰ Los Angeles Citywide Housing Element 2021-2029 Update Initial Study, https://planning.lacity.org/odocument/1a4e2cf4-7365-4fef-a45e-7f4631f2c132/Initial_Study.pdf

affordable to, lower-income households. The city currently has a patchwork of replacement requirements with significant gaps. A universal requirement will clarify the applicability of replacement obligations and remove incentives for developers to avoid value-capture programs where replacement requirements already exist. This policy is a necessary prerequisite to the Sites Inventory because, without it, the city will face a dilemma: on the one hand, by listing existing tenant-occupied housing on the Inventory, it may protect those units by applying the replacement requirement in housing element law to these sites; on the other hand, listing these sites on the Inventory as suitable and available for development could make them a target for redevelopment - creating an increased risk of displacement for the tenants and a loss of affordable housing for the city. Ultimately, to tackle our crisis in an equitable way, rent-stabilized buildings and affordable housing must not be destroyed during this push for increased housing capacity. As discussed below, a universal replacement requirement will allow the city to develop an inventory of sites that are truly appropriate for development - which should not include sites currently occupied by tenants. Council President Martinez has introduced a separate motion (CF 21-0035) to explore this policy and we urge the Council to approve that motion and adopt a universal citywide replacement policy as soon as possible.

- 2. Exclude sites with Rent Stabilized or renter occupied housing from the Sites Inventory.** The purpose of the Sites Inventory is to identify sites that are suitable and available for development. Adding a site to the Inventory triggers provisions under that Housing Accountability Act and other state laws that limit the City's ability to deny development projects on the site. It follows that the Site Inventory should only include sites that the City truly wants developed or redeveloped. The Inventory should not include sites with rent-stabilized housing or renter-occupied units on them. Including these sites on the Inventory puts an additional target on the backs of tenants and threatens the naturally occurring affordable housing already in dire short supply. This cannot be the path to meet our RHNA goals, especially during such a precarious time for LA's renters. The City should exclude all sites currently occupied by tenants from the site inventory.

- 3. Direct the Program to Rezone exclusively to High Resource Areas and exempt Sensitive Communities vulnerable to gentrification and displacement.** Any Program to Rezone should be a tool to further fair housing, not reinforce exclusionary zoning patterns and gentrification pressures. Council should direct that any Housing Element Program to Rezone must focus zone changes on sites located in High Resource Areas - census tracts with well-resourced schools, parks, jobs, and other amenities. This should include express limitations and

protections in Sensitive Communities - census tracts that exhibit vulnerability to displacement. These geographies - “High Resource Areas” and “Sensitive Communities” - must be precisely defined. The City should work closely with stakeholders and community based organizations working in low-income communities, and build on (but not replicate) existing academic literature and mapping tools like the Sensitive Communities Map from the Urban Displacement Project at UC Berkeley and the California TCAC Opportunity Maps. A Program to Rezone should result in the removal of barriers to new multifamily and affordable housing in the city’s High Resource Areas, while protecting Sensitive Communities that are at risk of displacement.

- 4. Accomplish rezoning in High Resource Areas with a value capture program that creates significant deeply affordable housing.** The Program to Rezone should be targeted to High Resource Areas and prioritize the creation of new affordable and mixed income housing. The Program to Rezone must be consistent with value capture principles and require significant on-site affordable housing. The affordable housing requirements should prioritize 100% affordable housing projects, and mixed-income affordable housing set-asides should exceed TOC levels and produce units affordable to Extremely Low Income (ELI) households.
- 5. Include strong displacement avoidance policies in the Program to Rezone.** The value capture rezoning should not apply to any site that is currently, or has been in the previous 10 years, occupied by renters. The rezone should also not apply to any site on which an owner has used the Ellis Act in the previous 15 years. Rezoning in High Resource Areas should not result in the displacement of tenants.
- 6. Adopt Policies and Programs that advance housing justice and center low-income communities and communities of color in land use planning.** In addition to the Sites Inventory and Program to Rezone, the Housing Element must also include a set of Policies and Programs to shape the City’s broader housing policy framework. These Policies and Programs should: (1) Preserve Affordable and Rent-stabilized Housing; (2) Strengthen Tenant Protections; (3) Facilitate Investment in Social Housing, Community Land Trusts, and Strategic Land Acquisitions; (4) Increase Supply of Deeply Affordable Housing; (5) Further Environmental Justice and Improve Climate Resilience and Community Health; and (6) Ensure Meaningful Community Participation and Capacity Building.¹¹

¹¹ For a full list of Program and Policy Recommendations, see ACT-LA’s October 20, 2020 letter to the Department of City Planning, <http://allianceforcommunitytransit.org/wp-content/uploads/2020/10/ACT-LA-Housing-Element-Letter-10.20.20.pdf>

III. Community plans remain an important ingredient in equitable land use reform, as long as the City centers low-income communities of color in process and policy.

As outlined above, the 6th Cycle Housing Element presents an important and timely opportunity to begin addressing the fundamental flaws in our land use and housing policy, and to embed equity in our planning systems. But no one single policy framework can fully address our crisis. So we are compelled to uplift the continued importance of community plans in advancing a more equitable and inclusive approach to land use planning.

Community plans offer an opportunity to reconcile with the racial impacts of prior planning efforts, learn from past practices, and re-orient planning around equity, inclusion and opportunity. Because community plans create forward-looking policies, they can be a powerful vehicle for racial & economic justice and for housing stability. Priorities like anti-displacement, affordable and social housing, and community-ownership models - the things we need to make our housing policy more just - are all rooted in land use rules that exist in our community plans. Community plans can also create clear, standard rules for development. When equity is considered at the front-end, and the needs of low-income communities are centered in the policy, then these clear standards can have the dual benefit of removing opportunities for corruption and prioritizing the deeply affordable housing we need.

In recent years, grassroots community-led movements have turned to community plans as an important arena for housing and economic justice. The UNIDAD People's Plan Campaign to advance equity in the South and Southeast LA Community Plans provides a blueprint. Now, the Central City United Coalition, the Just Hollywood Coalition, and the Eastside LEADS coalition are each elevating community leadership and advancing important land use reform proposals in the Downtown, Hollywood and Boyle Heights Community Plan updates. We urge this Council to understand these community plans as a key ingredient in creating a more equitable land use process, and to take the lead from the community leaders and coalitions leading these campaigns.

This motion is the beginning of a conversation that is long overdue. We thank Council President Martinez for starting this dialogue, and we hope Council will consider these recommendations for tangible next steps. LA needs a land use and housing system that works for our communities, not speculative real estate interests, NIMBYs, or corrupt politicians. ACT-LA is committed to this future for LA, and we look forward to working with the Council and City departments to make it a reality.

Sincerely,

ACT-LA