

CATEGORY: Policy

COMMITTEE: PLUM [Laferriere]

PURPOSE: CIS in support of the City of Los Angeles Council File 15-0129-S1 to enact the provisions of the Mello Act (1982) in the City of Los Angeles

BACKGROUND:

As is stated in the Los Angeles Department of City Planning's summary regarding the Mello Act (CPC-2019-7393-CA):

"In 1982, the State of California adopted the Mello Act to preserve and increase the overall number of residential dwelling units and affordable dwelling units within the California Coastal Zone. The Mello Act prohibits the removal of residential dwelling units for non coastal dependent or non-coastal related uses, requires that affected existing affordable dwelling units be replaced, and that additional new affordable dwelling units be incorporated into projects, both where feasible. Provisions of the law allow for the replacement of new affordable dwelling units on-site, within the Coastal Zone, or within three miles inland of the coastal zone, as well as in-lieu fee payments.

In 2000, the City of Los Angeles entered into a Settlement Agreement, which included implementation of Interim Administrative Procedures (IAP) for complying with the Mello Act in the Coastal Zone areas. Since 2000, Los Angeles City Planning has utilized the IAP while developing a permanent implementing ordinance for the Mello Act. The IAP outlines a series of procedural steps to ensure that projects subject to the Mello Act are properly evaluated and conditioned to result in meeting the housing and conservation goals of the state law.

In 2015, City Council (Council File No. 15-0129-S1), requested that City Planning prepare a permanent ordinance, implementing the state Mello Act. The City's experiences implementing the IAP has informed the proposed Mello Act Ordinance text. It strengthens and clarifies the review process where necessary, is more transparent with clear objectives and expectations as compared to the IAP, and removes options that did not result in desired outcomes. Affordability assessment criteria and feasibility study/methodology have been standardized to ensure a more objective review of existing dwelling units for affordability and a project's ability to provide required affordable units. The proposed ordinance introduces a limited in-lieu fee payment system for qualifying projects that cannot provide required affordable units on-site. The ability to request that required affordable units be built off-site, including within the 3-mile buffer zone, has been eliminated. The proposed ordinance will result in a more transparent and predictable process for the preservation of existing affordable dwellings and result in the addition of new affordable dwelling units within the Coastal Zone."

THE MOTION:

Whereas, the People of the State of California enacted the Mello Act in 1982 to preserve and expand affordable housing units (as defined by the United States Department of HOusing and Urban Development) in the Coastal Zone; and

Whereas, in 2000 the City of Los Angeles adopted "Interim Administrative Procedures for Complying with the Mello Act" but has yet to enact a permanent ordinance; and

Whereas, the current draft of the City of Los Angeles Housing Element update stipulates that the City's goal is to approve and build 115,978 Very Low Income, 68,743 Low Income and 75,091 Moderate Income units between October 2021 and 2029; and

Whereas, the Coastal Zone within the City of Los Angeles has long been recognized as one of the least affordable regions of the City while also hosting some of the highest concentration of well-paying jobs;

Therefore, be it resolved that the Mar Vista Community Council support CF 15-0129-S1 and the City's to implement a permanent ordinance in conformity with the Mello Act of 1982.

Therefore, be it further resolved that the Mar Vista Community Council request the Los Angeles City Council consider amending the proposed ordinance to require a New Housing Development in the Coastal Zone include 20 percent of either Very Low Income, Low Income or Moderate Income units, or a mixture thereof, instead of the tiered inclusionary unit schedule proposed in the current draft ordinance.

MOTION

HOUSING

The City of Los Angeles' Home Sharing Ordinance was adopted by the City Council in 2018. Despite the passage of this much-needed ordinance, enforcement of unpermitted and non-compliant home sharing operations has posed a consistent challenge for the City since the ordinance's adoption. A *Los Angeles Times* investigation in 2020, for example, found that thousands of unpermitted rentals, including units covered by the Rent Stabilization Ordinance, were listed on hosting platforms and that a majority of unlicensed hosts were never penalized by the City. In addition, according to a recent McGill University report prepared for Better Neighbors LA, over 35% of Los Angeles' advertised short-term rental listings have been illegal since the home sharing ordinance went into effect. The report also found that as of September 2019, short-term rentals had removed 7,300 housing units from the City's long-term housing market.

The consequences of insufficient enforcement are significant. Short-term rentals have destabilizing effects in communities by removing units from the housing market and creating quality-of-life issues for neighbors. During an affordable housing crisis especially, the City must not allow rent stabilized units to be removed from the City's housing stock and tenants to be subjected to displacement pressures without decisive enforcement. While the Planning Department has made important strides in identifying and citing unpermitted listings, the expeditious citation and de-listing of non-compliant properties remains a challenge that will require interagency coordination between various City departments to address. Doing so, however, is an essential step in our ongoing efforts to stabilize and protect our neighborhoods.

I THEREFORE MOVE that the City Council instruct the Planning Department, with the assistance of the Department of Building and Safety, the Housing and Community Investment Department, Los Angeles Police Department, the City Attorney's Office, the Office of Finance, and any other City departments, as needed, to report back within 90 days with an analysis that considers the following:

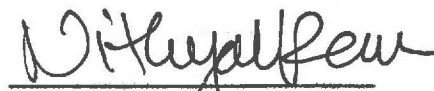
- Recommendations for how the City can address, among other issues that may emerge in the report-back process, non-compliant hosts renting out properties listed as a primary residence in which they do not live, the conversion of critical affordable housing stock such as rent-stabilized units and covenanted affordable housing units into short-term rentals, the conversion of multifamily residential structures to short-term rentals, short-term rentals engaging in a commercial uses/activities, and properties being rented for longer periods of time than is permitted;
- Enforcement mechanisms that could be implemented in the City of Los Angeles, such as escalating citations and fines, license revocations, and criminal penalties;

- The home sharing regulatory and enforcement models of other cities, including but not limited to, Austin, New Orleans, and San Francisco, nationally, and Lisbon, Portugal, Toronto, Canada, and Berlin, Germany, internationally;
- Strategies for ensuring that all home-sharing platforms operating within the City of Los Angeles enter into platform agreements requiring the sharing of data with the City;
- Strategies for implementing and/or improving real-time data collection, trend monitoring, address identification, compliance monitoring, monthly status reports, and the processing of violations by City departments and complaints by residents; and
- The hiring of additional staff or the creation of a dedicated unit, office, or department that would consolidate the various aspects of home sharing compliance and enforcement in one multidisciplinary team.

I FURTHER MOVE that the City Council instruct the Planning Department, working with the Department of Building and Safety, the Information Technology Agency, and any other relevant City departments, to report back within 90 days with a plan for the creation of a centralized, digital database or platform that is updated on a continual basis to better coordinate data tracking of non-compliant properties for monitoring and enforcement purposes.

I FURTHER MOVE that the City Council instruct the Planning Department, working with the Department of Building and Safety, the Information Technology Agency, and any other relevant City departments, to ensure, within 90 days, that the public be able to view on an existing or new publicly accessible online database or platform whether any property in the City has a Home-Sharing License, a Home-Sharing License Renewal, or an Extended Home-Sharing License.

PRESENTED BY:



NITHYA RAMAN
Councilmember, 4th District



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Councilmember, 3rd District



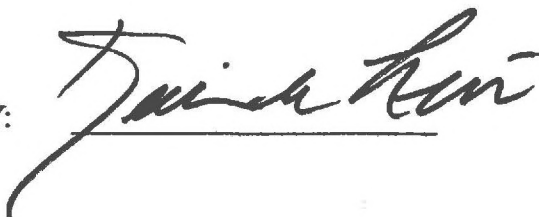
MIKE BONIN
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 (For com. PET 2)

PAUL KORETZ
Councilmember, 5th District

ORIGINAL

SECONDED BY:



AUG 25 2021