

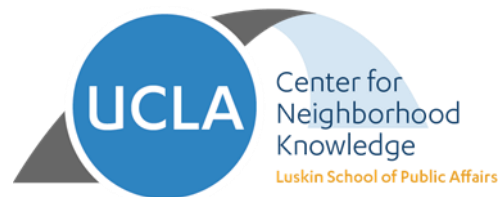
URBAN**DISPLACEMENT** Project

The State of Anti-displacement
Policies in LA County

July 2018

ONE WILSHIRE

CITY NATION



Silvia R. Gonzalez
Paul M. Ong
Anastasia Loukaitou-Sideris
Justine Pascual
Terra Graziani

Cover Photograph by Paul M. Ong

Mapping by [Sam Raby](#) & Norman de la Fuente

This project was funded in part by the UCLA Center for Neighborhood Knowledge, the Strong Prosperous and Sustainable Communities Challenge (SPARCC) Initiative, and the California Air Resource Board (“Developing a New Methodology for Analyzing Potential Displacement”).

The authors would like to thank the following individuals for their invaluable contributions: Chandni Patel, Chhandara Pech, Alycia Cheng, Ramandeep Kaur, Allan Nguyen, and Annia Yoshizumi from the UCLA Center for Neighborhood Knowledge; Karolina Gorska who worked on the first iteration of this project in 2015; and the members of SPARCC-LA Advisory Committee.

The contents, claims, and findings of this report are the sole responsibility of the authors.

The State of Anti-Displacement Policies in Los Angeles County

Los Angeles County is home to nearly 1.8 million renter households. Of these, 1 in 3 are extremely burdened by housing costs, spending more than 50% of their income on rent (Ong & Cheng, 2018). Between February and May 2018, the UCLA Center for Neighborhood Knowledge collected information on the relative presence of 14 common anti-displacement policies for the 89 jurisdictions in the County.¹ The inventory is a first step to highlight and better understand the policies that can promote affordability or mitigate displacement of vulnerable populations in gentrifying neighborhood. However, the inventory is not inclusive of all anti-displacement policies nor does it convey any findings of effectiveness, quality of policy impact or implementation. See appendix for a description of the methodology and important caveats.

Anti-displacement policies can be grouped into four categories: those that produce new affordable housing, those that preserve existing affordable housing, those that protect tenants, and those that build the assets of low-income residents (Crispell et al., 2017, p. 186). Table 1 shows the total number of strategies in three out of these four categories.² The most common strategies are preservation policies. The most common of these are condominium conversion regulations (adopted by 27 jurisdictions).

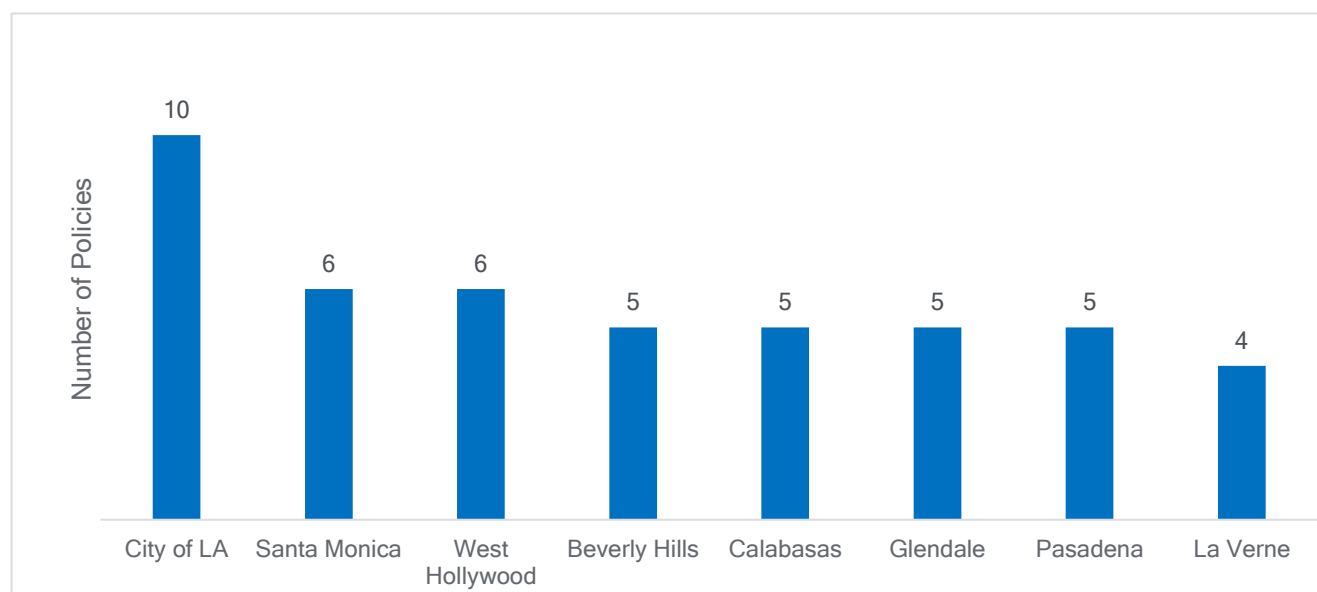
TABLE 1: SUMMARY OF ANTI-DISPLACEMENT POLICIES

Policy	Description	Jurisdictions with Policy (May 2018)	% of Jurisdictions with Policy
Preservation Strategies:			
Just Cause eviction ordinance	Just cause eviction statutes are laws that allow tenants to be evicted only for specific reasons. These “just causes” can include a failure to pay rent or violation of the lease terms.	5	6%
Rent Control/Stabilization	Rent Control ordinances protect tenants from excessive rent increases, while allowing landlords a reasonable return on their investments. Such ordinances limit rent increase to certain percentages, but California state law allows landlords to raise rents to the market rate once the unit becomes vacant.	4	4%
Rent review boards and/or mediation	Rent review boards mediate between tenants and landlords on issues related to rent increases, and encourage them to come into voluntary agreement. As mediators, the board normally does not make a binding decision in the case.	2	2%
Mobile Home Rent Control	Mobile home rent control places specific rent increase restrictions on the land rented by mobile home owners, or the homes themselves.	17	19%

SRO (Single-Room Occupancy) Preservation	Single room occupancies, also called residential hotels, house one or two people in individual rooms. Tenants typically share bathrooms and/or kitchens. These are often considered a form of permanent residence affordable for low-income individuals. SRO Preservation ordinances help to preserve or create new SRO units.	18	20%
Condominium conversion regulations	In addition to state laws regulating the conversion of multifamily rental property into condominiums (like subdivision mapping and homeowner association formation), many cities have enacted condominium conversion ordinances. These impose procedural restrictions (like notification requirements) and/or substantive restrictions on the ability to convert apartment units into condominiums (such as prohibiting conversions unless the city or regional vacancy rate is above a certain fixed amount or requiring that a certain number of units must be sold to persons of very low, low and moderate incomes). The purpose of such ordinances is to protect the supply of rental housing.	27	30%
Foreclosure assistance	Many cities and counties have local programs that assist home owners (financially or otherwise) when they are at risk of foreclosure. These programs may be funded with federal grants.	1	1%
Affordable Housing Production Strategies			
Jobs-Housing Linkage Fee or Affordable Housing Impact/Linkage Fee	Affordable housing impact/linkage fees are charges on developers of new market-rate, residential developments. They are based on the square footage or number of units in the developments and are used to develop or preserve affordable housing.	3	3%
Commercial linkage fee	Commercial linkage fees are charges on developers per square foot of new commercial development. Revenues are used to develop or preserve affordable housing.	4	4%
Housing Trust Fund	A housing trust fund is a designated source of public funds—generated through various means—that is dedicated to creating affordable housing.	9	10%
Inclusionary zoning/housing (Below Market Rate Affordable Housing)	Inclusionary housing policies require market-rate developers to rent or sell a certain percentage of units at affordable prices. Some policies include a provision for developers to pay “in-lieu fees” in place of building the housing; this revenue is used to develop affordable units elsewhere.	12	13%
Density bonus ordinance	Density bonuses allow developers of market-rate housing to build higher-density housing, in exchange for having a certain portion of their units offered at affordable prices. In this inventory, we only include a city as having this policy if they allow an additional density bonus beyond that mandated by the state of California.	11	12%
Community land trusts	Community land trusts are nonprofit, community-based organizations (supported by the city or county) whose mission is to provide affordable housing in perpetuity by owning land and leasing it to those who live in houses built on that land.	2	2%
Asset Building and Local Economic Development			
First Source Hiring Ordinances	First Source hiring ordinances ensure that city residents are given priority for new jobs created by municipal financing and development programs.	5	6%

We find that about 40% of the jurisdictions do not have any anti-displacement policies in place, and about 30% have only one. Figure 1 shows the 8 jurisdictions with four or more policies. The City of LA has the highest number of policies, followed by Santa Monica and West Hollywood. While there are a wide range of anti-displacement and affordable housing policies in Los Angeles County, their coverage and implementation is not equitably distributed across jurisdictions. The map in Figure 2 further highlights the uneven adoption of these policies.

FIGURE 1: DISTRIBUTION OF ANTI-DISPLACEMENT POLICIES BY JURISDICTION

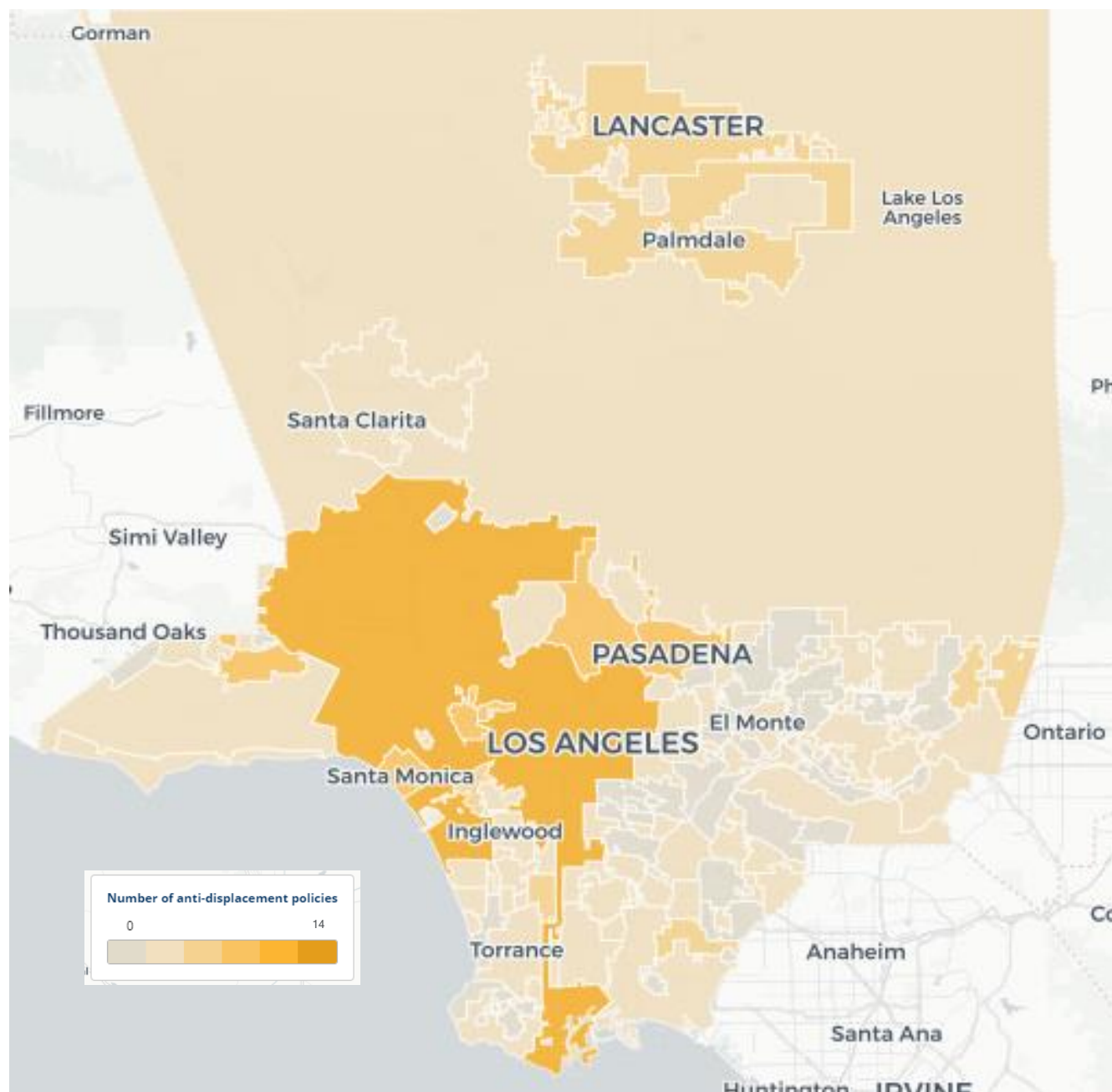


Some of these policies have been and continue to be contested. For example, rent stabilization ordinances (RSO) or rent control is perhaps the most well-known strategy used to control the price of non-subsidized rental units (Crispell et al., 2017). However, the 1995 Costa Hawkins Rental Housing Act explicitly excludes single-family homes from rent control policies. Some of these policies are also not being implemented. For example, advocates have complained that in the past condo conversion regulations on the books in the City of Los Angeles are not being implemented. Another example is inclusionary zoning and in-lieu fees, which, until recently, were pre-empted by the Costa-Hawkins and the 2009 court decision in *Palmer v. City of Los Angeles*. In response to *Palmer*, Assembly Bill 1505 authorizes jurisdictions to reinstitute inclusionary housing requirements effective January 2018. Yet not all jurisdictions have reinstated their inclusionary zoning provisions.

Counting the policies by jurisdiction demonstrates a meaningful disparity when compared to jurisdictions in the Bay Area. In addition, the vast majority of jurisdictions in Los Angeles County do not have any renter protection measures (such as rent stabilization). Only 37% of the units in the County have any sort of rent stabilization

coverage. The estimated number of rental units covered by an RSO are: 7,700 in Beverly Hills³; 653,090 in the City of LA; 27,375 in the City of Santa Monica, and 17,229 in West Hollywood. The fragmented coverage of the RSO and other anti-displacement policies has left many Angelenos without reasonable tenant protections.

FIGURE 2: ANTI-DISPLACEMENT POLICIES BY JURISDICTION



APPENDIX 1: METHODOLOGY

This project utilizes the methodology detailed by Crispell & Zuk (2016) in their policy brief on the coverage of 14 anti-displacement policies in the San Francisco Bay Area. The methodology was developed in 2015 in consultation with policy experts, advocates, and researchers as part of the California Air Resource Board's project, "Developing a New Methodology for Analyzing Potential Displacement," and considered nearly 50 policies at the onset (See Crispell et al., 2017).

We inventoried the policies by reviewing each jurisdiction's Housing Element and Municipal Code. First, we searched key words in these documents to identify the chapters that pertain to a given policy. We then reviewed the relevant descriptions of the policies. In some cases, the documents did not provide extensive description, so we utilized the jurisdiction's websites and general web searches to find relevant documents that offered more details.

In order for a policy to be recorded as present in the inventory, this policy has to apply uniformly to a jurisdiction as a whole (i.e., was not restricted to specific neighborhoods). For existing policies without readily available details, we listed these as present in the inventory. This approach is consistent with the methodology detailed in Crispell & Zuk (2009).

Data Limitations

This research does not examine the actual language contained in any policies counted as present in the inventory. For each of the 14 policies inventoried, actual policy language can vary significantly from one jurisdiction to another. As such, inclusion in the inventory does not convey any findings of effectiveness or quality of policy impact or implementation.

Assessment of the number of policies in a jurisdiction is also not indicative of the strength of the jurisdiction's overall anti-displacement policy program, or whether it is being effectively implemented.

The work was conducted between February-May 2018. As such, recently implemented policies may not be captured in the data. Suggested corrections and updates to the inventory are welcomed at: knowledge@luskin.ucla.edu

FOOTNOTES

- ¹. The county includes 88 incorporated cities and the unincorporated county.
- ². Currently, the inventory includes only one tenant protection policy (just cause eviction policies) which is included in the preservation strategies. Ideally, it would be useful to collect more information on tenant protections and support. See Crispell et al. (2017) for a comprehensive list of policies.
- ³. The count for Beverly Hills includes only those units registered under the Rent Stabilization Ordinance for the year of 2017. Note that 2017 is the first year reporting was required; therefore, the roster may be incomplete and under-reports units.

REFERENCES

- Crispell, M. & M. Zuk. 2016. Policy Inventory Overview. *Urban Displacement Project*. University of California, Berkeley. Available at:
http://www.urbandisplacement.org/sites/default/files/images/urbandisplacementproject_inventoryoverview_feb2016.pdf
- Crispell, M., Gorska, K., Zyk, M, Chapple, K., Loukaitou-Sideris, A., Gonzalez, S., & S. Abdelgany. 2017. "Chapter 5: Anti-Displacement Policy Analysis." In *Developing a New Methodology for Analyzing Potential Displacement*. Available online at:
<https://www.arb.ca.gov/research/apr/past/13-310.pdf>
- Ong, P. M. & A. Cheng. 2018. "Rent Crisis: Los Angeles and the Bay Area." UCLA Center for Neighborhood Knowledge. Available at:
<http://knowledge.luskin.ucla.edu/wp-content/uploads/2018/06/tale-of-two-regions-rent-crisis-V03-01.png>