

LA CITY

Council File 14-1635-S10: De-listing of non-compliant properties used as short-term rentals. This motion (Raman – Blumenfield-Bonin - Koretz) has been referred to the PLUM Committee and to the Housing Committee. It instructs Dept. of City Planning, with LA Dept. of Building and Safety, LA Housing Dept. LAPD, City Attorney, Office of Finance, and any other departments as needed, to report with an analysis and recommendations for the expeditious citation and de-listing of non-compliant properties used as short-term rentals. It responds to weaknesses in the City’s enforcement of the program now in force that has resulted in documented non-compliance. The motion identifies the various types of non-compliance and the consequences of insufficient enforcement.

PROPOSED MOTION: ___ Neighborhood Council supports CF 14-1635-S10. It is critical that those participating in the home-sharing/short-term rental program comply with the rules of the program that legalized short-term rentals in the City. Problems with enforcement of properties that are non-compliant undermine the credibility of the program and remove much-needed housing stock from Los Angeles and its residents. It also threatens the safety and quality of life in our communities.

URBAN FOREST / TREE RELATED ISSUES:

The City is considering amendments to the list of approved trees that are allowed to be planted on parkways (in the area between the street and sidewalk). City Forester Rachel Malarich has released a draft STREET TREE LIST that has come under fire from tree advocates for its failure to focus on native trees and to offer a diversity of plantings – necessary to support a diverse ecosystem that can support all those who depend on trees to be their homes (such as insects and wildlife and especially birds). 91% of the trees on the list are ecologically sterile! Only 7 (natives) trees on the list are ecologically productive. *** Individual comments and CIS statements are invited that support expansion of the list to reflect the addition of protected trees and more native species including: California Sycamore and Southern California black walnut, Liquid Amber, California Bay Laurel. Inclusion of more species on the City’s list will send a message to nurseries to grow the trees that we need. Removal of invasive trees from the list should be supported as they alter native plant communities by displacing native species, changing community structures or ecological functions. These include: Bauhinia variegata 'Candida' White Orchid Tree, Bauhinia variegata (B. purpurea) Purple Orchid Tree, Cinnamomum camphora Camphor Tree, Melaleuca quinquenervia Cajeput Tree.

The proposed list appears to contain a short list of trees that will grow without too much effort, rather than having a more holistic approach with a defined set of goals to meet for the City’s urban forest. Some trees (invasive species) should be removed from the list. LA has 19% tree canopy coverage (very low). Beverly Hills has a 40% canopy coverage. What should LA’s goal be and by what year?

The parkway tree list is being proposed as “temporary” until an Urban Forest Management Plan has been drafted and adopted which is expected to take five years. It is too long to wait to have an overly limited list of trees available for plantings.

COMMENT DEADLINE IS WEDNESDAY! (Request an extension at least to month end as there was no public outreach for input

Additionally, City policy is to replant trees at a ratio of 2:1, but the trees do not have to be replaced in-kind (big tree for big tree) and often big trees are replaced with small or medium sized trees and so the canopy size is reduced each time. When large mature trees are removed, a greater ratio (3:1 or 4:1 depending on size) is needed to reflect the loss of tree canopy and the fact that it will take time for the trees to begin to provide the level of shade or habitat as the tree removed. In the case of trees, “bigger is better!” Strategies to preserve existing mature street trees are needed. When a street tree needs more space due to a root that creates a higher curb which then triggers removal of the tree due to its disturbance of the opening of vehicle doors seeking to park at the curb, instead of chopping down the tree, what about changing City policy to allow the tree to do so and, if needed, to remove that parking space and perhaps even create an enlarged tree well (a bulb out) that goes into the street where the parking space was located. (A bench /seating area could even be created under the tree’s canopy if in an active pedestrian oriented area.) Can neighborhood councils provide funds to do such changes?

Issue: Enforcement to protect existing trees from illegal killing/removals or damaging trimming/hacking. Who should be empowered to enforce the City’s laws? How can fines for such actions be increased? Need enforcement ability 24/7 (and especially on weekends when much illegal activities occur (which leaves LAPD as the only enforcers available).

Reminder: With drought and the removal of turf from many parkways, trees are suffering and need water. NCs can remind their constituents to do a deep watering of parkway trees monthly. NCs can also pay for a tree service to water trees not yet established. In many locations, tree wells need to be increased in size. NCs can do so if the City refuses to do so. Tree trimming is another task underfunded by the City and a project an NC can do. (Scheduled trimming will train street trees on commercial corridors to grow above the merchants’ windows and awnings thus reducing their desire to hack away at the street trees and turn them into mushrooms to create a clear view of their businesses.)

Another key issue: the battle to preserve mature trees on private property. Many mature trees are being lost as a result of development that builds from lot line to lot line. Planting trees in planters is not a mitigation for such activities as the trees never grow deep roots, require watering forever and reach a maximum size in a pot and then die. There is no assurance that they are replaced and trees in pots will never provide the shade and habitat that trees in the ground provide. The strategy of relying on potted trees where in-ground trees are no longer possible due to permitted building characteristics (lot line to lot line construction, reduced setbacks, small paved setbacks where trees cannot grown, etc.) is a recipe for growing urban heat island effect and the loss of our bird population. Those types of projects also threaten existing mature trees growing on adjacent properties as their roots and canopies are often drastically cut when foundations on adjacent properties are constructed. Street trees are also often at peril during project construction as the City makes it too easy for mature street trees to be lost and replaced with twiglets.

Contact for more info: Joanne D’Antonio Chair of the Neighborhood Council Sustainability Alliance Tree’s Committee and a member of the Urban Forest Advisory Committee: trees@ncsa.la

SUSTAINABILITY MEASURES:

TO: ENERGY, CLIMATE CHANGE, ENVIRONMENTAL JUSTICE AND RIVER COMMITTEE

Councilmembers' motion proposes DWP, "with the assistance of appropriate City agencies, create a strategic long term citywide Electric Vehicle Master Plan that includes provisions to maximize federal and state funding for the equitable placement of Electric Vehicle infrastructure citywide. This plan should include incentives for the adoption of Electric Vehicles for both residential and commercial / industrial customers, with a focus on maximizing current and future renewable infrastructure."

NC Action: To support proposing DWP develop an EV Master Plan that maximizes federal and state funding for equitable placement of EV infrastructure and incentivizing customer use.

Rationale: Such a Master Plan would help transition fairly the city, its residents and its visitors to using EVs as the vehicle industry shifts away from internal combustion engines.

CF 21-0002-SI-58 (RAMEN) 8/17/21 ISSUE: EV SALES 1 100% ZERO EMISSION BY 2030

TO: RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS COMMITTEE

Councilmember's motion proposes the City support "legislation or administrative action to achieve the goal of 100% zero-emission vehicle sales in California by 2030" as part of the city's 2021-2022 State Legislative Program.

Proposed Action: To support the City's pursuit of state action to help achieve the goal of 100% ZEV sales in California by 2030.

Rationale - The NC should support the City's efforts to effect a smooth transition to stated ZEV sales goals.

CF 21-0928: (RODRIGUEZ) 8/17/21 ISSUE: WATER CONSERVATION/USE FOR SMALL BUSINESSES

TO: ENERGY, CLIMATE CHANGE, ENVIRONMENTAL JUSTICE AND RIVER COMMITTEE

Councilmember's motion proposes DWP "and the Bureau of Sanitation and the Environment report to the Council in 30 days on the feasibility of developing a program on water use/water conservation and sustainability practices designed for small businesses..."

Proposed NC Action: To support developing water conservation programs for small businesses.

Rationale: Small businesses are frequently overlooked when incentive/rebate programs are offered for residential customers and larger businesses. Sustainable behavior by all DWP customers — regardless of size — should be rewarded.

CF 21-0002-SI 59 (O'FARRELL) 8/18/21 ISSUE: LA RIVER ECOSYSTEM RESTORATION AND RECREATION PROJECT

TO: RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS COMMITTEE

- Councilmember's motion proposes the City support "any legislation and/or administrative action that would provide funding to support the Los Angeles River Ecosystem Restoration and Recreation Project" as part of the city's 2021-2022 State and Federal Legislative Programs.

Proposed NC Action: To support the City's pursuit of state and/or federal funding for the Los Angeles River Ecosystem Restoration and Recreation Project. program.

Rationale: The NC should support efforts to capitalize on funding opportunities to bolster LA's ecosystem.

CF 21-0950 (KORETZ) - 08/24/2021ISSUE: CLIMATE CHANGE MITIGATION

TO: ENERGY, CLIMATE CHANGE, ENVIRONMENTAL JUSTICE AND RIVER COMMITTEE

Councilmember's motion proposes that Public Works, CAO, and Planning report on the availability of state funding to augment and support ongoing and future city projects involving climate change mitigation and resilience, and habitat connectivity.

Proposed NC Action: To support identifying state funds available to help mitigate climate change.

Rationale: The WNC should support the City's effort to secure state funding for addressing potential climate changes impacts here in Los Angeles.

TRANSPORTATION

CF 21-0870 (RODRIGUEZ) 8/3/21 STREET RACING I TASK FORCE REPORTS & RECOMMENDED MEASURES

TO: PUBLIC SAFETY COMMITTEE

Councilmember's motion proposes that DOT and LAPD recommend measures for addressing/preventing street racing, Street Racing Task Force meet and report quarterly, and key street racing intersections be identified.

Proposed NC Action: To support this request for regular meetings, reports and recommendations to counter street racing.

Rationale: The NC should support efforts to deter, discourage and penalize street racing on neighborhood streets.

CF 21-0001-S1 50 (RODRIGUEZ) 8/3/21 STREET RACING I AUTHORIZING DRIVER'S LICENSE SUSPENSIONS

TO: RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS COMMITTEE

Councilmember's motion proposes the City support AB 3 (Fong) — which would provide that in addition to existing penalties, a person engaging in a motor vehicle exhibition of speed, while participating in a "sideshow," may have his or her driver's license suspended from 90 days to six months — as part of the city's 2021-2022 State Legislative program.

Proposed NC Action: To support the City's inclusion of support for AB 3 (Fong) as part of the 2021-2022 State Legislative program.

Rationale: The NC should support efforts to deter, discourage and penalize street racing on neighborhood streets.

CF 21-0869 (BUSCAINO) 8/3/21 ISSUE: LAPD NEIGHBORHOOD WATCH I COMMUNITY BUILDING I ONLINE TOOLS

TO: PUBLIC SAFETY COMMITTEE

Councilmember's motion proposes directing "LAPD, with the assistance of the Information Technology Agency (ITA), and City Administrative Officer (CAO) to report with recommendations on creating a community-building campaign and toolkit that will make it easier for residents to form new Neighborhood Watch programs and...improve community public safety."

Proposed NC Action: To support the technological advancement of LAPD's tools for interacting with public.

Rationale: We should always look to improve potential police resources for addressing/alerting/assessing/communicating neighborhood concerns. The NC should encourage efforts to modernize, organize and streamline LAPD's community interaction.

REDISTRICTING --FYI: LA City Redistricting Commission will be revealing draft maps at the following meetings: Wed., 10/6 6 pm, Sat., 10/9 at 10 am, Wed., 10/13 at 6 pm, Sat. 16 at 10 am. Zoom in or watch on lacityview.org/live

STATE LEGISLATION

SB 9 and SB 10 have been passed through both the Assembly and Senate and are on the Governor's desk to sign, veto or allow to take effect (as a result of no action taken). Letters to the Governor to personally lobby on these bills is the next step for the public interested in these measures to take.

SB 478 passed the Senate and was amended and passed in the Assembly and is now returning to Senate for concurrence. Language in SB 478 has been added that say that it will not take effect unless AB 215 is also adopted. (Was it passed on before the legislative session was adjourned on 9/10?)

B 215 – now the companion bill to SB 478.

AB 1401 – Measure that would have barred cities from having minimum parking requirements for projects (commercial and residential) near transit. STALLED. Did not advance for consideration before the end of the legislative session.

Articles of Interest:

<https://48hills.org/2021/08/study-new-housing-for-the-rich-leads-to-more-evictions-for-the-poor/>

https://www.dailybreeze.com/2021/08/28/wholl-pay-the-cost-of-affordable-california-housing/?utm_email=E4E234B2F50244CF840954B405&g2i_eui=%2bk%2f5xR7y6s4nqYS432Q4tGu26RMWzvi9&g2i_source=newsletter&utm_source=listrak&utm_medium=email&utm_term=https%3a%2f%2fwww.dailybreeze.com%2f2021%2f08%2f28%2fwholl-pay-the-cost-of-affordable-california-housing%2f&utm_campaign=scng-db-localist&utm_content=curated

Who pays the price for California's affordable housing?

Doesn't Econ 101 say there's no free lunch?

By [Jonathan Lansner](#) | jlansner@scng.com | Orange County Register

https://www.globest.com/2021/08/20/apartment-rents-move-beyond-pre-pandemic-levels/?kw=Apartment%20Rents%20Move%20Beyond%20Pre-Pandemic%20Levels&utm_source=email&utm_medium=enl&utm_campaign=nationalamalart&utm_content=20210820&utm_term=rem&enlcmp=nltrplt4

Apartment Rents Move Beyond Pre-Pandemic Levels

Rents grew 9.2% year-over-year in July.

By **Les Shaver** | August 20, 2021 at 07:35 AM ©

Rents grew 9.2% year-over-year in July, pushing beyond pre-pandemic levels, according to the July 2021 Zillow Real Estate Market Report.

The monthly increase in the Zillow Observed Rent Index (ZORI) was the fastest observed by Zillow, which has been tracking data since 2015. In addition, Zillow estimates that the US ZORI in July was 2.9% (\$52) higher than where it would have been if the last roughly 18 months had been more 'normal.' In June, rents recovered from a difference of -3% (-\$55) at their lowest point last September and first surpassed their pre-pandemic trajectory in June. At that point, rents were stalling while home sales were taking off. But that dynamic is beginning to change.

Zillow says that nine of the nation's 50 largest metros—Tampa, Riverside, Las Vegas, Jacksonville, Memphis, Phoenix, Virginia Beach, Atlanta and Miami—saw rent levels 10% higher than their projected rent levels for July based on pre-pandemic trends. Rents in Tampa led the way at 15.6% higher.

On the other side, nine metros have yet to see rents catch up to pre-pandemic levels. Those are the more expensive coastal markets, including Los Angeles, Washington D.C., Chicago, Minneapolis, Seattle, Boston, New York, San Francisco, and San Jose.

Still, those markets are making progress. Rents in New York, San Francisco and San Jose were all up year-over-year and posted slight gains after more than a year of consecutive declines. "While the recovery in these expensive markets has taken longer to take effect, their rebound has been strong—and accelerating—in recent months," according to Zillow.

In a recent report, Freddie Mac Multifamily saw [the potential for positive growth in the gateway markets](#) by the end of 2021.

Data from the first quarter of 2021 shows that rents are continuing to decline annually. However, Freddie Mac says that monthly data shows they are starting an upward turn.

"The metros with the most negative 2021 rent projections are starting to see some rent growth take hold during the second quarter," Freddie Mac said in the report.

Zillow's report is the latest in a string of reports showing robust growth in residential rents. Ninety-two percent of the over 100 CEOs and other senior executives of apartment-related firms surveyed by the National Multifamily Housing Council (NMHC) in July said [apartments with low vacancy rates and high rent increases](#) were prevalent compared to 67% in April.

The survey also found that capital market conditions were improving for the asset class as well. At 45%, nearly double the number of leaders in July said it was a better time to borrow considering interest rates and non-rate terms against the 23% who felt that way three months earlier.

https://www.globest.com/2021/08/20/fhfa-proposes-future-housing-goals-for-the-agencies/?kw=FHFA%20Proposes%20Future%20Housing%20Goals%20for%20the%20Agencies&utm_source=email&utm_medium=enl&utm_campaign=nationalamalert&utm_content=20210820&utm_term=enl&enlcmp=nltrplt4

FHFA Proposes Future Housing Goals for the Agencies

The housing goals are designed to ensure the GSEs promote equitable access to affordable housing.

By **Les Shaver** | August 20, 2021 at 07:00 AM ©

To promote equitable access to affordable housing that reaches low- and moderate-income families, minority communities, rural areas and other underserved populations, the Federal Housing Finance Agency has proposed new housing goals for Fannie Mae and Freddie Mac for 2022 to 2024. FHFA is proposing two new single-family home loan purchase subgoals for Fannie and Freddie—one to target minority communities and one to target low-income neighborhoods. These subgoals would replace the existing low-income areas subgoal. FHA says the new minority census tract subgoal is designed to improve access to fair and sustainable mortgage financing in communities of color.

For a mortgage to qualify under the subgoal, a borrower must have an income at or below area median income (AMI). The property must be in a census tract where the median income is below AMI and minorities make up at least 30% of the population.

To meet these goals, Fannie and Freddie’s mortgage purchases must exceed the benchmark level set in advance by FHFA or the market level for that year, which is determined each year retrospectively. FHFA determines that market level by measuring Home Mortgage Disclosure Act data showing the actual goal-qualifying share of the overall market.....

https://www.globest.com/2021/08/19/what-multifamily-landlords-should-do-with-their-new-pricing-power/?kw=What%20Multifamily%20Landlords%20Should%20Do%20With%20Their%20New%20Pricing%20Power&utm_source=email&utm_medium=enl&utm_campaign=nationalamalert&utm_content=20210819&utm_term=rem&enlcmp=nltrplt4

What Multifamily Landlords Should Do With Their New Pricing Power

Zelman & Associates finds that major urban areas are seeing fast improvement in pricing power, but it’s still below other areas and 2019.

By **Erik Sherman** | August 19, 2021 at 07:28 AM ©

Things are rapidly improving in multifamily pricing power. But even though such major urban areas as New York City, San Francisco, San Jose, Chicago, Seattle, Boston, and Washington D.C. have seen quick improvement on the ability to raise and maintain rents, markets with less urban concentration are doing better and big cities aren’t back to 2019 levels.

Zelman conducts monthly surveys of all aspects of multifamily. “They are relationship based as opposed to most surveys that send out a blast to as many as they can,” Dennis McGill, Zelman director of research, tells GlobeSt.com. “It tends to be fairly data rich.”

The firm doesn’t disclose the number of individuals or organizations reached, but according to McGill, the survey represents more than 1.5 million units. “For context, if you took the seven largest apartment REITs, they’re not part [of the survey] but they collectively own 400K, 500K,” he says. “It’s diversified across more geographies and price points than the public REITs would.”

Seasonally adjusted revenue growth was 4.9%, with much leasing during the spring and early summer. “That’s the strongest we’ve seen since August 2015 and it’s the second strongest since our dataset started in 2011,” says McGill. “You’ve now seen that seasonally adjusted rate accelerate over the last six months.”

The big catalyst, according to the data, was younger people who had moved back in with their parents again moving out. Although jobs and hiring also had some effect, “you had a lot of young adults who were employed but who moved back home to ride out the pandemic,” McGill says. “Now we’re seeing a lot of moving out again all at once rather than seeing this being smoothed out over time.”

Although pricing power has been on the rise, with demand supporting it, as more units also come back on the market supply will balance out. “We tend to think you’ll see a deceleration in pricing power” as that happens, McGill adds.

Zelman suggests that operators first not try to push hard on increasing rents and, instead, cut back on incentives. Also, “we see operators not pushing as hard as renewal rent increases as on new move-ins,” he says. They don’t want to lose the existing tenants. “Especially with this regulatory environment where somebody stops paying rent and hides behind the eviction moratorium.”

“But once somebody moves out and that’s available, you can push as high as you want,” says McGill, depending on the market.

The delinquency rate, at 2.8% in June 2021, was a significant improvement than the 3.5% of June 2020. Still, it was 1.9% in June 2019.

“The more suburban the multifamily asset is, the stronger the rent growth has been,” McGill says. “If you look at June 2021 versus March 2020, you have the most urban assets down about 4% or 5%. Most suburban assets are 8% or 9% higher. The supply side really isn’t going to change much in a short period of time.”

<https://www.dailybreeze.com/2021/08/27/california-advances-2-zoning-bills-to-promote-housing/>
California advances 2 zoning bills aimed at creating more housing

This PBS article has extensive detail on companies that quickly buy houses for cash. They bid up the price of homes, even while many apartments sit vacant and ranks of the homeless steadily increase.

<https://www.pbs.org/newshour/economy/houses-are-getting-scooped-up-before-theyre-listed-its-shutting-people-out-of-homeownership>

And, this article gets further into the details of the Southern California housing market and the out-sized role of real estate investors, including some names.

<https://www.latimes.com/business/story/2021-04-23/california-homes-are-selling-at-record-speed-in-hot-covid-market> which includes the following info of interest:

“We just scratch our heads as to where all these other buyers are coming from,” said Szemerei, a sales executive for a plumbing company.

Many are professional investors wielding cash, rather than someone who wants to call the property home, a trend that is partly driving the rapid sales pace, said Rick Palacios Jr., research director at John Burns Real Estate Consulting.

Many sellers will quickly accept a cash offer because it means they don't have to wait around to see if a loan comes through or not. And Palacios said large investment companies can get those offers out very quickly, employing algorithms that scrape listing websites for specific types of houses they want to buy and instantly devise an offer that fits their business model.

Recent research by the Irvine consulting firm found low yields globally are driving investor interest and money is pouring into single-family housing nationwide from pension funds, private equity groups and other institutional investors.

That trend was underway before the coronavirus hit, but the pandemic has also pushed investors to move money from retail and hospitality investments to single-family housing, the consulting firm said in a recent report. It considers a home an investor purchase if property tax documents are sent to a different address than the home being bought.

Still, while the number of investor sales is increasing across major markets nationwide, the overall investor share is declining, highlighting the sharp rise in demand from traditional buyers who are buying houses to live in.

In L.A. County, investor purchases made up 20% of the market in the last three months of 2020, compared with 21% a year earlier. There were similar declines in Orange County and the Inland Empire.

Volume-wise, the number of homes purchased by investors rose in most major U.S. markets during the fourth quarter, often by double-digit percentages, according to John Burns Real Estate Consulting.

In Southern California, investor sales jumped 34% from a year earlier in Ventura County, 25% in the Inland Empire, 13% in Orange County, and 12% in Los Angeles County.

Much of the investment flood is driven by companies seeking to rent out houses they own. But in the years before the pandemic, a new crop of companies launched and pitched themselves to traditional home sellers and buyers specifically on their transaction speed, leading analysts to call them [instant buyers, or I-buyers](#).

Zillow and Redfin have launched their own I-buying programs, which like others will buy a home with cash, no viewings needed. Buyers simply type in their addresses online to get started. Once the home sells, the companies do any needed repairs and then sell, operating similarly to traditional flippers but on a platform that is accessible to the masses.

One I-buyer company, Opendoor, announced this month it is buying homes in Los Angeles, Orange and Ventura counties with a sales tag of up to \$1.4 million, up from the previous limit of \$900,000 and the \$600,000 in 2019 when it first debuted in those markets.

The company's website advertises: "Ready, set, sold. Get an offer in minutes, sell in a matter of days."

Opendoor also offers buyers a service in which it purchases a house in cash for them, then later works to lock in mortgage financing.

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<https://www.bloomberg.com/news/features/2021-08-16/taxing-the-rich-do-housing-prices-fall-when-empty-second-homes-are-taxed>

<https://www.youtube.com/watch?v=XLgncoXJt98> The Real Deal (a real estate publication) explains affordable housing in NYC in a 2-minute video that covers the basics (like Section 8 housing, public housing – concepts that are applicable to all locations).

With efforts to open up R1 land for multi family housing, the institutional investment community is gearing up to become our nation’s landlords as they capitalize on purchasing land to build rental units – sending the dreams of those seeking to buy a home, out of reach.... Likely forever.

A COLLECTION OF ARTICLES THAT DEMONSTRATES THE MOVEMENT OF BILLIONS OF DOLLARS INTO THE PURCHASE OF R1 PROPERTIES BY VENTURE CAPITAL FUNDS, REITS, INSTITUTIONAL INVESTORS IS TRIGGERING WARNING SIGNS THAT CANNOT AND SHOULD NOT BE IGNORED. A collection of 25 articles has been compiled on this subject. Read them and worry...

Advertisements soliciting property owners to sell to buyers sight unseen run on our radio stations. “No need to have inspections.” “No need to do repairs.” “No need to wait for mortgage approvals.” “You choose the closing date.” (Not usually a big issue).

Promotions within the industry also are many:

Request Your Free White Paper Now: "Financing Your Build-For-Rent Vision: Myths, Realities and Opportunities in 2021 and Beyond"

DOWNLOAD NOW

Build-for-Rent (BFR) properties are thriving across income levels and geographies - from luxury houses with rental rates of up to \$7,000 a month in California and Nevada to traditional attached-garage homes in Nashville that have been 100% occupied for two years. Now is the time to consider this emerging - and potentially lucrative - area of the commercial real estate market. Download this white paper to learn how.

Build-for-rent (BFR) market has become a large sector in commercial real estate and has emerged as one of the strongest asset classes. This rapidly growing market presents many opportunities to lenders, builders and developers. Given the market’s strong fundamentals and robust demand from both institutional and individual investors, well-thought-out development and financing strategies are key to meeting BFR demand.

Download this white paper which outlines the shift towards BFR and the reality of BFR financing; including:

- Myths associated with the build-for-rent market
- Demographic shifts influencing the market
- BFR construction and the gap in the capital stack
- An emerging trend in bridge financing
- Financing options available

- Getting in on the build-for-rent ground floor

FROM LAST MONTH'S REPORT:

Land Use Committee Background info/Agenda supporting information – AUGUST 2021

Motion Background: **Housing Element**

Draft Plan: <https://planning.lacity.org/plans-policies/housing-element-update#draft-plan>

BACKGROUND: Concurrent with the Community Plan update and as one of the nine components of the General Plan update, the Department of City Planning (DCP) began in 2020 the process of updating the Housing Element. This element, which is mandated by state law, must be updated every eight years in keeping with the Regional Housing Need Assessment (RHNA) cycles as determined by the Southern California Association of Governments (SCAG).

State Housing Element law requires the City to show that it has adequate land zoned to accommodate expected population growth. For the 8-year plan period (2014-2021), the number of housing units estimated to be needed in Los Angeles is 456,643. The figure is called the Regional Housing Needs Assessment (RHNA). Housing goals must be met by income level category with the City having goals referring to income categories.

Pursuant to the City's release of the draft of the 2021-2029 Housing Element update in July 2021, this motion requests that DCP release a fuller (complete) version of the draft that includes target maps that indicate by parcel and planning area changes to the City's zoning to accommodate the goals of the update.

When one reviews Chapter 4 of the Housing Element Appendix 4.1 "Inventory of Adequate Sites for Housing (Table A)" is inaccessible for viewing. (Access was not open to public for some time during initial posting period.)

PURPOSE: Request for the City of Los Angeles (City) Department of City Planning (DCP) to release a full housing element concept document, including a target map or Target Maps indicating areas identified for upzoning/zoning change. Comments are due to the City by September 7 for comments on the DEIR for the Housing Element. Comments on the draft Housing Element itself are now due on Sept. 22nd (extended from the original Sept. 9 date). The Planning Dept. is hosting 2 public hearings where they will be making presentations and taking testimony/comments on the draft: Sept. 21 from 6-8 pm and on Sept. 22nd from 11 am – 1 pm. The public will not have been briefed on any plan changes until the date of the public hearings - - insufficient outreach.

THE MOTION: Whereas, the City of Los Angeles (City) is required by state law to update the Housing Element of the General Plan every eight years to accommodate the targets set by the Regional Housing Needs Assessment (RHNA); and Whereas, the City Department of City Planning (DCP) began the process of updating the Housing Element in 2019; and Whereas, DCP released a draft of the Housing Element in

July 2021; and Whereas, this update process is taking place concurrently with the Community Plan Update; and Whereas, this draft plan does not include specifications by planning area, neighborhood council (NC) area or by parcel regarding the Housing Element update's impact and policy application; Therefore, be it resolved that the _____ Neighborhood Council requests the Los Angeles City Council instruct the Department of City Planning to release target maps by parcel, neighborhood council area and planning area specifying planned zoning changes and allocated housing targets by income level in advance of deadlines for comment on the Draft Plan and DEIR. Therefore, be it further resolved that a revised draft plan be released in full with all information and relevant appendices to the public as soon as possible.

Short CIS STATEMENT: The _____ Neighborhood Council requests that the City (City Council and/or City Attorney) instruct the Planning Dept. to release the Target Maps prepared as part of the 6th Cycle Housing Element Draft and DEIR for public review as required under CEQA. The public must have access to the full document during the public comment period prior to any established comment deadlines.

PARTIAL COMMENTS ON PROCESS AS SUBMITTED IN WNC COMMENT LETTER FOR THE HOUSING ELEMENT DEIR COMMENT DEADLINE:

We believe that the entire Housing Element and draft EIR process has been grossly out of compliance with State laws (both CEQA and Planning laws relating to General Plans). The process has not been transparent with the public and City stakeholders. We have repeatedly asked for information from the City regarding population projections, housing demand, and the candidate sites information through the course of the Housing Element Update process. The WNC adopted a motion at its August 12, 2021 meeting asking for the missing sections of the Housing Element (including the Candidate Sites maps) and for the City to ask the State to extend the deadline for the Housing Element Update process to allow adequate time to complete the draft Housing Element and Safety Element Updates, Draft EIR, and to allow appropriate public participation in the process. CEQA is integral to agency decision making as discussed in Public Resources Code Section 21006. When the Housing Element Updates is not released in its entirety and with one of the most significant pieces of information relevant to the CEQA process and adequate review of all required issue areas. We believe that recirculation of the DEIR will be required because additional analysis will be required.

The draft Housing Element was released on July 1, 2021. However, Appendix 4.1 (Housing Sites Adequacy analysis) was not available and Appendix Section 4.7 (Candidate Sites Map) were missing when it was released. Appendix 4.1 it was inaccessible (protected access) when it was released. The EIR was released on July 22, 2021 with the public comment period closing on September 7, 2021. How can the Draft EIR possibly be complete, thorough and accurate in its analysis when the Candidate Sites Map information has not been released yet? It was not available before the Draft EIR was completed and released to the public. Appendix 4.1 regarding the adequacy of housing sites analysis was not prepared and released publicly before the Draft EIR was completed and released to the public for comment. The required 45-day public comment period is closing before

the Appendix 4.7 Candidates Sites information is even released. The comment period for the DEIR should be extended and the DEIR should be recirculated because it analyzed a document (the Housing Element) that was not even complete.

Additionally, it came to our attention on September 4, 2021 that Appendix 4.1 had finally been made accessible at some point in time and the posted Housing Element had been modified. We received notice from the City that the public comment period for the Housing Element was being extended from September 9 2021 to September 22, 2021 in fact because there had been changes to the Housing Element.

No summary of the changes to the Housing Element have been provided to the public. The notice indicated that two public hearings would be held on September 21, 2021 (the day before written public comments are due) and on September 22, 2021 (just hours before written public comments are due). Additionally, the notice indicated that the first part of each hearing would be to explain the changes to the Housing Element to the public. If the public is not provided the information and not told what the changes are until the meeting, how is that due process and how is the public supposed to have the time to evaluate the new information and provide comment within a matter of hours?

This violates the entire purpose of the requirements to provide adequate opportunity for the public to participate in the General Plan Update process. While California Government Code Section 65355 requires that a legislative body hold at least one public hearing prior to adopting an amendment to a General Plan, the purpose of the public hearing is to allow the public to participate and provide informed input to the deliberations on the proposed amendment to the General Plan. The City has failed that test when the entire document is still not even available for review.

General Comments

Page 4-2 refers to a 1-10 units as a single-family residential project. One unit is a single-family residential use. Two to ten units are a multi-family residential project. This discussion should be revised and clarified as the wording is confusing.

What was the criteria used in selecting the 54 sample projects to be used in the EIR analysis? How did you determine that these projects would be a representative sample? They seem to be primarily located in Downtown Los Angeles.

PURPOSE: Request for the City to seek deadline extension for completion of the Housing Element and production of related mapping of sites for rezoning.

BACKGROUND: Under rules established at the State level, local municipalities participate in the updating of their Housing Element (one of the mandated components of the General Plan) every eight years. The scheduling of the updating of the next (6th) cycle of the Housing Element was established prior to the arrival of the Coronavirus pandemic. The pandemic impacted the ability of staff to meet and for the public to be engaged in this process initially in a timely manner and later only by zoom. Additionally, with the pandemic, significant changes occurred that relate to the ways in which people live and work including notably a change in where people live and work. It is not yet clear how many of those changes will remain after the pandemic, but that information is critical to being able to address the housing challenges faced by our City and State.

In addition, State legislation that will impact local land use policies is under consideration and may be passed which will require adjustments to Housing Element documents and which may render those Housing Elements now being completed to be obsolete.

It is for these reasons that the current October 2021 deadline for the submission of Housing Element documents to the State is both unrealistic and unwise.

MOTION: The ___ Neighborhood Council requests the City/ City Council requests that the Governor (using his emergency powers granted related to the COVID pandemic) (and the State Housing and Community Development Department and our local state elected officials) take necessary action to revise and delay 6th Cycle Housing Element deadline and the related deadline to complete rezoning maps by parcel within the current three year deadline. This for all local municipalities (or for larger local entities for whom the task of updating housing elements involves numerous community plans).

{Question: Is it best to request for all, for larger municipalities or for Los Angeles alone?}

Follow up to demonstration (display) of STAP program transit shelter prototypes

BACKGROUND: The City's 20-year old Street Furniture Program contract is due to expire at the end of the year (December 2021). That contract has been responsible for the placement of transit shelters, three-sided "Public Amenity Kiosks," and a limited number of public toilets. The program never reached its financial goals as originally envisioned. The program was designed have an outside vendor be responsible for providing regular servicing of the inventory (keeping them free of graffiti and any damage, collecting trash from their receptacles, etc.) and for the management of the advertising program whereby ads were sold and placed in the display areas of the street furniture. (Bus bench placement and advertising is a separately administered program in LA.)

The revenues from the program are shared between the vendor and the City. The City's portion has historically been split 50/50 with half going into the General Fund and the remaining half split equally between all of the Councilmembers (regardless of the number of street furniture items in their district). The funds became part of each Council District's office discretionary monies. What became clear as the program advanced over the past 20 years, was that shelters were not placed in locations where the greatest numbers of transit riders were or where the greatest exposure to sun/heat was. In fact, they

were being located where the highest revenues could be generated from the advertising displayed on the shelters.

The current vendor, Decaux/Outfront Media (formerly Viacom) and the City failed to negotiate an extension to the current contract. StreetsLA generated an RFP for a new contract and did so without seeking any community input related to the current program or a future program. When this criticism was raised with Streets LA (at the time they were near releasing of the RFP), they responded that community input would be sought after the release. The staff at Streets LA (part of Public Works Dept.) did go out on a promotional tour after RFP release which meant that any input was “after the fact”. It must be noted that communications about the outreach sessions failed to address ANY of the most troubling aspects of the proposed program. Further, the outreach / invitations to the programs created the impression that the new program would simply be a new version of the existing transit shelter program. No mention of digital signage or data tracking was made. The programs appeared to be promotional programs for the proposed program rather than true outreach and informational gathering session.

Since those programs, RFP proposals were accepted and two final candidates were chosen. The two candidates were instructed to provide demonstration shelters to the public that were moved to a number of different locations for viewing. At the demonstrations, viewers were asked to complete a brief Streets LA survey. Those viewing the demonstration shelters and those submitting survey responses were NOT told that the bidders had been instructed to show their most technologically advanced (and expensive) shelters with all the possible options included. The public did not know and was not shown the 6 different shelter models that each vendor had been required to submit to the City. The public was not aware of the cost of the shelters shown. (DeCaux did display a second model – The Sunblade which could be used in locations where a full shelter could not be accommodated due to available sidewalk space.)

How can members of the public rate or rank demonstration shelters without knowing the cost and the options of the various models that might appear on our streets under the new contract?

Concerns over the proposed STAP program include:

--Impacts on street safety and driver distraction. The program includes the replacement of printed advertisements (oversized posters) with digital screens that will feature changing digital ads currently envisioned to change every 8 seconds. Digital billboards are a known cause of driver distraction; driver distraction results in accidents. Yet, this issue has not been adequately addressed by Streets LA. In response to concerns raised, the response has been that these are not typical digital billboards above roadways. However, these are, in fact, digital signs at street and driver level and more easily viewed by those passing by. Transit shelters serve as a magnet for pedestrian traffic. Why does the City seek to endanger pedestrians as well as bicycle riders and those in other vehicles with a new distraction to capture drivers' attention? Does this program seem to ignore the City's commitment to the Vision Zero program? Driver distractions also result in delays in driver response to traffic signals, etc. thus contributing to congestion at busy intersections.

--Invasion of privacy. The program includes technology that will capture information from the cell phones of all who pass. There has been significant discussion about the security of such information, how it will be stored and who will have access to it. The City states that they will store the data (and the vendor will have access to it). What protections against hacking and unauthorized use exist? Why is the data to be collected? How will individuals be able to protect against this intrusion? Is there an opt in option (vs. an opt out option)?

--Where will the funds for the program go? There are many across the City who believe that rather than go to the General Fund that funds should be earmarked for ped/street improvements including the planting of trees in areas adjacent to transit shelters. There are also those that question whether the 50% portion now given to CD offices should be shared with them thus creating a perverse incentive for more and more advertisements on our streets. Should all proceeds go into a street improvement fund designated for street tree plantings, cool streets installations, installation of transit arrival displays for those locations where no street furniture is planned. (Sunblades where no STAP installations are planned?)

--How will equity of shelter placement be achieved? The program as described will see the current shelters removed from the best revenue generating locations and replaced with the digital shelters. The old shelters are to be refurbished (without ANY ads -digital or static) and placed in locations that do not warrant shelters with ads. How long will it take to refurbish the existing shelters and when will they be installed? Given the priority to place digital shelters in areas where ad revenues are greatest, this means that the Westside, parts of Hollywood and the Valley boulevards that carry high SES drivers will be the locations of the digital shelters. Is this true equity?

--How will the program be financed? Under the STAP proposal, the City provides three scenarios: That the vendor selected will pay for the actual shelter costs, or that the City will pay for 50% or 100% of the shelter costs. The greater the City investment, the higher a share of revenues will be received. Where will the money come from to pay for the shelters?

--Should this program be the subject of an EIR process? The vast impact of digital shelters suggests that an analysis under CEQA should be done. Further, the nature of the program must be analyzed vis a vis past court decisions that describe the City's ability to regulate off-site signage. Does this program endanger the City's ability to regulate signage? Will it open the City up to litigation from outdoor advertising companies challenging the City's sign regulations and its 2002 Sign Ordinance that bans new billboards with the exception of those in established Sign Districts?

--Are there more cost-effective ways to increase the sheltering of transit riders? The City has 8000 transit stops across the City and yet this program proposes to provide only 3,900 shelters.

At the instruction of the City, the vendors took their demonstration shelters across the city to be viewed over a two-day period at each stop. Those who viewed the shelters were asked to complete a survey given by Streets LA with input as to their preferences given what was seen. What no viewers knew was that the vendors had been instructed to show their MOST technically sophisticated (and expensive)

shelters from among the six shelter designs they had submitted to the City. None of the other five designs were shared with the viewing public. There is no way to know whether the demonstration shelter model would be used at all, some or a few of the future stops. There was no information shared as to the cost of the display shelters or of the comparative costs (or appearance) of the unseen shelters.

In addition to the large shelters on display Decaux demonstrated a “Sunblade Shade” which is designed to provide shade for transit riders as an alternative to a traditional shelter. One of more could be installed at a location. (See photo) There are no ads displayed on the Sunblade Shade, there is a drop down seat and a panel to provide notification of coming transit. Are these items being considered for installation? (Were they one of the six options submitted to the City?)

Based upon the demonstration shelters, questions about impact on the streetscape are raised. The extremely large shelters will take up a significant amount of sidewalk space. What if a restaurant wishes to have sidewalk dining where a shelter is planned to be placed? There has not been a process defined either for adjacent property owners or businesses or communities to “opt in” or “opt out” to any shelter placements. Rather, there is discussion about expedited roll outs of shelters in large batches. What opportunities for options/input will exist? What process, if any, has been defined? If not, how to get that option? What will be the visual impact of changing digital signage? Impacts on nearby buildings? Proximity to residences? How to protect about over-concentration on streets? Hours of operation? Limiting of timing of message changing to reduce distraction? Protection of scenic corridors and areas where specific plans regulate signage? Will specific plans (including NODs / PODs) which ban messages that change be respected? Will streets with Scenic Roadway status also be protected from digital signage? What types of shelters will be provided in those locations?

As there were issues related to contract compliance raised over the 20 years, what assurances does the public have that an enforceable contract will be written? What if shelters are not properly/satisfactorily maintained? What recourse will a community (and the City) have?

NC ACTION: Send a letter to StreetsLA/Public Works and City, City Council voicing questions and concerns related to the issues and questions raised above (and any additional raised by NC members) seeking response. Suggest that the current program be extended for 6 months so that true public input and discussion can take place prior to the program’s expiration and before the Council rushes a contract through for approval.

CF 18-1245 Proposed changes to the City’s home-sharing/short-term rental program that would allow owner-occupied RSO units to participate in home-sharing.

BACKGROUND: At the current time, only non-RSO units are permitted to participate in the Home-sharing /short-term rental program. In response to a City Council motion, Los Angeles City Planning has drafted a proposed amendment to the City’s Home-Sharing Ordinance to permit and regulate the use of owner-occupied units subject to the Rent Stabilization Ordinance (RSO) for home-sharing. Under the proposed framework, the City would permit a limited number of owner-occupied RSO units to participate in Home-Sharing, while incorporating provisions to

ensure that there is limited impact to the availability of rent-stabilized housing for long-term residential use and to limit potential abuse.

Draft Ordinance: https://planning.lacity.org/odocument/4a5e8dce-f1f0-4d45-a2f3-b62855544973/Draft_Ordinance_HSO_Amendment.pdf

Fact Sheet: https://planning.lacity.org/odocument/7cdafb3f-7e2c-422f-a749-d279c9e2a9fb/FAQ_HSO_Amendment.pdf

While the program is to be limited to those owners who can provide documentation of ownership and residency (and will be limited to a Citywide cap of 4,000 registrations with a limit of one home-sharing registration per parcel that is subject to the RSO, what is to stop those who have owner-occupied units from establishing a second home to enable them to rent out the RSO designated unit as a short-term rental for up to the permitted 120 days/year? It is not clear as to whether or not a participant would be eligible to seek additional days above the 120 permitted days (as allowed in the Citywide ordinance now in force).

As this measure seeks to provide an owner-resident the ability to develop auxiliary income to help maintain their building (or ownership of their building), is it reasonable to seek limitations on income or income eligibility requirements so that an owner that has the ability to establish a secondary residential location does not do so in order to maximize income from what otherwise could be an RSO unit if rented out long term?

Council intent as stated: In recognition that Home-sharing provides a source of supplemental rental income that may oftentimes assist homeowners in meeting housing costs, allow mom-and-pop landlords who reside in an owner-occupied RSO unit to participate in home-sharing.

A key issue is how to minimize the impacts of short-term rentals on the availability of RSO units and how not to incentivize owners of such buildings to obtain control over an RSO unit for their personal use and then use the unit for short-term rental when they claim that this residence is a primary residence (while it may be declared as such but while other housing options are available to the owner).

MOTION: The Westside Neighborhood Council seeks further strengthening of assurances that the owner of an RSO-owner occupied unit that seeks to participate in the Home-Sharing program not have other residence locations (such as a second home) where they may reside while using the unit in an RSO building for short-term rentals. The measure as currently drafted does not preclude an RSO building owner from evicting a current RSO protected tenant, claim the residence is their primary residence and then proceed to use the unit for short-term rentals thus depriving the City of an RSO unit.

(How can the measure halt owners from evicting current tenants to establish residency and then use the unit for short-term rentals?)

BACKGROUND: Los Angeles City Planning and Los Angeles Department of Transportation are working to update the City's Transportation Demand Management (TDM) Program to meet transportation demand in a sustainable way. The proposed update would require certain new development projects to implement strategies such as supporting transit, telecommuting, walking, carshare, neighborhood shuttles, and other strategies that reduce vehicle trips.

The TDM program update has three overarching goals. First, the program seeks to reduce greenhouse gas emissions by reducing the amount of vehicle miles traveled (VMT) generated by automobiles. Second, the program presents an updated and expanded set of TDM strategies, including telecommuting and bike share, to allow developers to take advantage of the latest mobility technologies and use strategies that suit their specific project. Lastly, the program will focus on expanding access to the transportation network through investments in bike and pedestrian infrastructure. It seeks to make efficient use of the City's mobility network and improve public health by enabling active transportation choices like biking and walking.

Draft Ordinance: https://planning.lacity.org/odocument/1dc924ce-b94a-403b-afe0-17ba33b3dbe1/Draft_TDM_Ordinance.pdf

Draft Program Guidelines: https://planning.lacity.org/odocument/9fae920f-d618-4362-bd01-adb6abfbd80d/Draft_TDM_Program_Guidelines.pdf

While the revised program seeks to provide options to developers of mixed use, residential and commercial projects that opportunity to determine which TDM strategies to employ, it does not incorporate any mechanism for community input into that process. What is to say that a developer will know what methods are most needed in a specific area? What is to say that a developer will select the most effective method(s) as opposed to the least expensive one(s)? It is very possible that community members have better insight into how neighborhood traffic works and does not work. Having a program as important as a TDM program with its potential far-reaching impacts ignore the value of community input could significantly reduce program effectiveness. In addition, by ignoring any important characteristics about the setting in which a project is located creates a problem in that a project could, for example, be located in an area of extreme existing parking shortfalls (such as Koreatown). A project in that area should not seek to reduce parking provided because of the negative impacts that could be experienced by existing area residents and businesses should added burdens be placed upon the streets by new users whose location provided less parking as a strategy to achieve TDM goals.

MOTION: The ____ Neighborhood Council requests that the proposed updates to the TDM program incorporate a mechanism for community input to be considered in the selection of strategies applied by developers.

Under the current updates, could strategies be selected based upon cost vs. effectiveness? Additionally, the draft language does not take into consideration any defining characteristics of the setting in which a project is to be located. Such factors may be key to understanding what types of strategies are most important (and may indicate that certain strategies should not be available to certain sites).

