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## INFORMATION BULLETIN: REPLACEMENT UNIT DETERMINATION RESIDENT PROTECTIONS ORDINANCE (LAMC 16.60)

The Resident Protections Ordinance ("RPO") prohibits the approval of any proposed development project ("Project") on a site ("Property") that will require demolition of existing residential dwelling units, or occupied or vacant Protected Units, unless the Project replaces those units as specified below. The provisions of the RPO apply to all development projects approved by the City on or after February 11, 2025 that involve the demolition or removal of a dwelling unit, with exceptions for certain industrial projects. The RPO states that the obligation to replace Protected Units does not apply to any units demolished prior to January 1, 2020.

#### Application for a RPO Replacement Unit Determination (RUD)

Projects subject to the RPO that do not qualify to utilize the No Net Loss Declaration must complete an application for an RPO Replacement Unit Determination (RUD) with LAHD. Information provided by the applicant and existing tenant(s), as well as information gathered by LAHD, will be used to determine whether any Protected Units and affordable Protected Units exist. An RPO RUD can take 12 to 16 weeks to process upon receipt of all the required documents. The RPO RUD for projects that qualify for processing under Executive Directive 1 may be completed within 30 days upon receipt of all required documents. The RPO RUD for projects that qualify for processing under Executive Directive 7 will be processed in an expedited manner. Owners will be provided with the completed RPO RUD and a copy will be sent to LACP for discretionary projects or LADBS for ministerial (by-right) projects. For questions about the RPO RUD application or process, please contact LAHD at LAHD-LandUse@lacity.org.

#### Replacement of Existing Residential Dwelling Units

The Project shall provide at least as many residential dwelling units as the greatest number of residential dwelling units that existed on the Property within the past 5 years. The affordable replacement units will be restricted in the future project at California Department of Housing and Community Investment (HCD) rents per Land Use Schedule 6.

#### Replacement of Existing or Demolished Protected Units

The Project must also replace all existing Protected Units and Protected Units demolished on or after January 1, 2020. Protected Units are residential dwelling units on the Property that are, or were (1) subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income within the past five (5) years of the date of the RUD application; (2) subject to the Rent Stabilization Ordinance pursuant to Chapter XV of the LAMC, or any other form of rent or price control through a public entity's valid exercise of its police power within the past five (5) years of the date of the RUD application; (3) rented by lower or very low income households within the past five (5) years of the date of the RUD application; or (4) withdrawn from rent or lease in accordance with the Ellis Act (Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 of the California Government Code) within the past ten (10) years of the RUD application.

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Whether a Protected Unit must be replaced as an affordable unit at the Project is determined by the income level of the current or last known renter household in occupancy. If a low or below low income tenant currently occupies the Property, replacement will be required at the Acutely Low Income, Extremely Low Income, Very Low Income or Low Income levels based on tenant income information, regardless of the entitlement (such as Density Bonus) sought. Under the RPO, Protected Units must be replaced as affordable units and restricted by a recorded covenant, guaranteeing that the units will be affordable for a term of ninety-nine (99) years from the issuance of the Certificate of Occupancy.

For Projects with existing, occupied units that are not subject to the Uniform Relocation Assistance and Real Property Acquisition Act (URA), a third-party contractor will collect the income information of the occupants using the following steps:

- Applicants will provide the contact information of the tenants. Using this information, the contractor will prepare
  and send out informational packages to the Property unit addresses, which include a Tenant Income Certification
  (TIC) form, information about their Right to Return, and information about monetary relocation assistance
  payments to tenants being evicted through no fault of their own under the Rent Stabilization Ordinance (RSO).
  Tenants have 30 days to respond.
- If tenants do not respond, the contractor will follow up with at least two calls and two letters to answer any questions. If phone contact information is not available, the contractor will mail three letters to the unit address two weeks apart.
- If tenants respond, the contractor will assist them in completing the TIC form and submit the completed form to LAHD for review.

For Federally-funded projects subject to the URA, the owner/applicant must submit a Relocation Plan to the Finance Development Officer that includes an explanation of how the project will comply with the RSO, Ellis Act, and RPO. Where applicable, the most restrictive requirements will prevail.

In the absence of tenant income documentation, affordability will default to extremely low, very low, low income or above-low income based on renter affordability percentages shown in the latest U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS) database.

- For development projects that <u>do not involve</u> the removal of residential units subject to the RSO the default affordability percentages will be as follows: 29% extremely low income, 17% very low income and 19% low income, with the remaining 35% of the units presumed to be above-low income;
- For development projects that **involve** the removal of residential units subject to the RSO, all units must be replaced as affordable regardless of the income level of the renter household.
  - In higher opportunity areas and moderate opportunity areas, the default affordability percentages will be as follows: 29% extremely low income, 17% very low income and 54% low income.
  - In lower opportunity areas, the default affordability percentages will be as follows: 44% extremely low income, 26% very low income and 30% low income.

All replacement calculations resulting in fractional units shall be rounded up to the next whole number.

If a unit is required to be replaced as affordable according to current tenant-income information, the unit shall be replaced with the same bedroom-type unit ("Comparable Unit"). If the default per HUD CHAS is applied, the most restrictive requirements between the Fair Housing Requirements for Affordable Housing and replacement requirements will apply. The number of affordable units in the Project shall be proportionate to the number of the Project's unrestricted units in terms of bedroom type. For example, if a ten unit Project will be composed of two single-bedroom units and eight two-bedroom units and the RUD requires two single-bedroom units to be replaced per HUD CHAS, the Project would need to replace both units as two-bedroom units. This unit mix maintains the proportion of affordable and market rate two-bedroom units in the Project. Affordable units must be dispersed throughout the Project and there should be no detectable pattern. For example, the affordable units should be proportionally distributed on each floor, and should not be located within the same vertical stack or grouped together.

Tenant Noticing, Relocation, Right to Return, Right to Remain

- All existing occupants must be allowed to occupy their units until six months before the start of construction activities.
- The project proponent shall provide existing occupants with written notice of the planned demolition, the date they must vacate, and their rights under this section.
- Notice shall be provided at least six months in advance of the date that existing occupants must vacate plus additional extensions under state or local law that may require an additional notification period.
- Any existing occupants that are required to leave their units shall be allowed to return at their prior rental rate if the demolition does not proceed and the Property is returned to the rental market.

All existing Lower Income Household (as defined in California Health and Safety Code Section 50079.5) occupants of Protected Units are also entitled to:

- Relocation benefits under LAMC Section 16.60, and
- If at the time of lease up or sale (if applicable) of a Comparable Unit, a returning occupant remains income eligible, they shall have the right of first refusal ("Right to Return") to a deed-restricted Comparable Unit (same or greater number of bedrooms and bathrooms than their demolished unit).
  - The rent charged must be at either their prior rental rate or "affordable rent" (as defined in California Health and Safety Code Section 50053), whichever is lower, or if for sale, an "affordable housing cost" (as defined in California Health and Safety Code Section 50052.5).
  - The Right to Return does not apply to: (1) a Project that consists of a Single Family Dwelling Unit on a site where a Single Family Dwelling unit is demolished, or (2) a Project that consists of 100% lower income units (excluding any Manager's Unit(s)), unless the occupant of a Protected Unit qualifies for residence in the new development and for whom providing a Comparable Unit would not be precluded due to unit size limitations or other requirements of one or more funding source of the Project.

When a Protected Unit exists that must be replaced as an affordable unit and the tenant does not have a Right to Return in the Project, the affordable replacement unit(s) must contain at least the same total number of bedrooms as the unit(s) being replaced. For example, an existing five (5) bedroom affordable Protected Unit where no Right to Return applies will need to be replaced with a unit or units that total five (5) bedrooms (ex. one (1), five (5) bedroom unit or five (5), one (1) bedroom units). Studio or single-room units do not count as a one (1) bedroom.

Project applicants shall notify existing tenants in writing of all their legal rights under LAMC Section 16.60 A.3(b). Information regarding tenant eligibility, rent guidelines for the new units, and any procedures the tenant will need to follow to exercise their rights under the RPO shall be provided in writing to the tenant. The applicant shall provide and maintain accurate contact information for tenants to communicate throughout the construction and lease up of the Project. Project applicants or their predecessor-in-interest shall provide written notice to any tenant who is exercising their right to return of major milestones in the development process, including but not limited to: (1) the start of construction, (2) on at least a bi-annual basis provide updates on the anticipated date of when occupancy would be opened, (3) at least 180, 90, 30 and 15 days in advance of the anticipated availability of the unit pursuant to the issuance of the Temporary or Final Certificate of Occupancy, (4) when the Temporary Certificate of Occupancy is issued, and (5) when the Final Certificate of Occupancy is issued.

<u>Warning:</u> The RPO and Government Code Section 66300.6(b)(3), (4) do not tie benefits afforded to "existing occupants" with any set look back period. Therefore, "existing occupants" in place after the issuance of this RUD may also be entitled to benefits under the RPO and Government Code Section 66300.6.

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#### Single Family Dwelling Units Replacement

Where an affordable Protected Unit consists of a Single Family Dwelling (SFD) and the tenant has a Right to Return in the future project, a comparable affordable replacement unit is defined as follows:

- If the existing SFD contains three (3) or fewer bedrooms, the affordable replacement unit(s) must contain the same number of bedrooms.
- If the existing SFD contains four (4) or more bedrooms, the affordable replacement unit(s) must contain at least three (3) bedrooms. However, the total number of bedrooms in the existing SFD must be replaced as affordable units.
  - For example, if a tenant with the Right to Return occupied an existing protected five (5) bedroom SFD, the applicant may provide that tenant with one (1), three (3) bedroom affordable replacement unit. In addition, the applicant must provide one (1), two (2) bedroom unit or two (2), one (1) bedroom units, therefore replacing all five (5) bedrooms that existed as affordable units.
- The affordable replacement unit(s) is not required to have the same or similar square footage or same number of total rooms as the existing SFD.

If no tenants have the Right to Return, the affordable replacement units may be split up into smaller units as long as the total number of bedrooms are replaced as affordable units.

#### Unpermitted Use of Residential Dwelling Units

Unpermitted uses may result in the City requiring affordable replacement units according to the HUD CHAS default.

• If a single residential dwelling unit is being used for the owner's personal non-residential space and evidence that no rental income was collected is provided, no affordable replacement of the unit will be required.

#### Executive Directives 1 and 7 (ED 1 and ED 7)

A project may be eligible for ED 1 expediting if it is a 100% affordable housing project that meets the requirements of ED 1 (as revised on July 1, 2024). Please visit https://planning.lacity.org/project-review/executive-directive-1 for more information on whether the project meets the requirements. In order to qualify for ED 1, owners must provide and meet the following requirements:

- Complete and submit the Property Owner Declaration of Eligibility for ED 1 with the RPO RUD application unless the project has an existing affordability covenant;
- Any accessory dwelling unit (ADU) proposed in a project utilizing ED 1 will be required to be affordable, whether the ADU is proposed at the covenant stage or after the covenant is recorded. If the ADU is proposed after the covenant is recorded, an amended and restated covenant will be required to restrict the ADU as affordable;
- The project must not be located on a parcel or parcels containing 12 or more total RSO units that are or were occupied within the last five (5) years;
- The project shall replace all existing RSO units and RSO units demolished on or after January 1, 2020 pursuant to the replacement requirements of California Government Code Section 65915(c)(3). The project shall also comply with the following:
  - If the income level of occupants is unknown, or if the income is above lower income, the units shall be replaced according to Sec. 65915(c)(3)(C)(i) (i.e. the unit will be replaced as Low Income); and
  - If the units are occupied by lower income households that intend to exercise the right to return, the units shall be replaced with an affordable unit subject to a recorded covenant so that rent is affordable to extremely low, very low, or low income households depending on the income of the household, as verified by the Los Angeles Housing Department.

- Returning tenants exercising the right of first refusal for a comparable affordable replacement unit shall be offered a new unit in the proposed development at an initial rate no higher than the most recent lawful rent for their prior unit if the prior unit was subject to the RSO, unless the affordable rent based on the household's income is lower, in which case the affordable rent shall be the initial rental rate. Thereafter, rent increases for such tenants shall not exceed the allowable rent increase for rent stabilized units under LAMC Chapter XV, and this limitation shall be included in the covenant recorded for the affordable replacement unit; and
- Prior to the issuance of a building permit for a 100% affordable housing project, a covenant acceptable to the Los Angeles Housing Department shall be recorded with the Los Angeles County Recorder guaranteeing that the affordability of units contained in such projects, including any required affordable replacement units, will be observed for at least 99 years from the issuance of the Certificate of Occupancy, except for a 100% affordable housing project which receives any form of public subsidy that is tied to a specified covenant period including Low Income Housing Tax Credits, as verified by the Los Angeles Housing Department, in which case all restricted affordable units shall be covenanted for at least a period of 55 years for rental units, or 45 years for for-sale units.

If the proposed project contains 20% or more of the total units at Low Income or below, or 40% of the total units at Moderate Income or below, it may qualify for ED 7.

If an application indicates that a project is eligible for ED 1 or ED 7, and the project changes or is later determined to not qualify after the RPO RUD has been issued, a revised RPO RUD will be required and the standard processing timeline will apply, along with the applicable fees.

#### Term of the Issued RPO RUD

The findings on this determination are final and effective upon distribution of this determination.

LAHD will only amend the determination in the event of a staff error or if misinformation was provided by the applicant. If the project changes or the project has been closed, a new RUD will be required. Completing the RUD process does <u>NOT</u> vest your project. If a RUD is issued and state or local law changes by the time you submit a complete application that vests your project with the Department of City Planning or the Department of Building and Safety, you will be required to obtain a new RUD under the applicable laws at that time.



#### APPLICATION FOR A REPLACEMENT UNIT DETERMINATION RESIDENT PROTECTIONS ORDINANCE

To receive a Replacement Unit Determination, please complete the following and attach all required documentation. Please attach an explanation for any information you are unable to provide. Please put project address at the top of all attachment pages submitted.

HIMS #			Check Amount:
(For internal use only)			Check Number:
RUD Processing Fees			Check Date:
ROD I TOCESSING I EES		<b>T</b> ( ) <b>F</b>	
per dwelling unit	Number of Units	Total Fee	
Property Owner			
Name:		Contact Person:	
Address:			
Phone:	Fax:	Cell:	Email:
Owner Contact			
Name:		Title:	
Address:		Cell:	
Phone:	Fax:		Email:
Applicant (if different f	rom Owner)		
Name:		Contact Person:	
Role in Property: Ad		ddress:	
Phone:	Fax:	Cell:	Email:
Project Type:		Proposed	Project Type:
		Entitlemer	nts with DCP?
		Subject to	URA?
Check here if the propert	y is a *Note: Permitting fe	es for rebuildings of SFDs a	ind duplexes are currently suspended per EO7.

Palisades Fire Rebuild \*Note: Permitting fees for rebuildings of SFDs and duplexes are currently suspended per EO

Description of PROPOSED construction/conversion:

Not subject to the RPO due to vesting of one of the following application types prior to February 11, 2025\*: \*Project may still be subject to the Housing Crisis Act of 2019.

LADBS Building Permit Number(s):

LADBS Demolition Permit Number(s):

Department of City Planning Case Number(s):

# EXISTING PROPERTY (include ALL existing buildings within the last 5 years in complex - attach additional pages if needed)

APN Number(s):

Lot Number(s):

Does this property have a Certificate of Occupancy issued on or before October 1, 1978?

Are there any residential dwelling units withdrawn from rent or lease within the last 10 years? If yes, provide the date.

Does this property have a recorded lot tie?

Building Address/Unit #s:	Building Type	# of Bedrooms in Each Unit	# of Units in Building	

Add Total Units in Complex:

#### Description of existing units, buildings or APN within the last five years

#### Expected dates for future project

Expected eviction date(s) for current tenant(s):

Expected date(s) to apply for new building permit(s):

Expected date of first LADBS inspection on the new construction permit:

Expected date to receive Certificate of Occupancy:

### **Required Documents**

#### Please mail or email to: Los Angeles Housing Department (LAHD)

Applicant's Affidavit + Owner's Acknowledgment (with letter signed by owner of record and notarized).

Letter of Application (List units within the last 5 years, including unit #, unit square footage, and number of bedrooms).

Tenant Information Table (Mandatory for Occupied Units)

•If unit is rented, list the occupant's name, unit number, rent amount, occupancy dates, contact information and the bedroom type/count of the unit they occupied.

•If unit is not rented, explain its current use and give date last renter vacated.

Tenant Income Certification Form

Owner Occupancy Proof:

If the Homeowner Exemption was taken, provide copies of Property Tax documents for each year of the 5 year look back period. The mailing address should match and the owner should not claim the Homeowner Exemption on any other property.
If the Homeowner Exemption was NOT taken, provide copies of the owner's car registration, homeowner's insurance, or other LAHD approved third-party documents within the 5 year look back period.

Vacancy Proof:

Provide a copy of the Department of Water and Power (DWP) bill with activity periods covering the date of application.
For the purposes of affordable unit replacement exemption, if the property was vacant for the entirety of the 5 year look back period, provide each DWP bill within the 5 year period.

Grant Deed (Recorded).

Ellis documents, tenant relocation documents (RSO units), if applicable.

City Planning Determination and/or Vesting/Tentative Tract Letters, if applicable.

Los Angeles Housing Department (LAHD) Land Use Unit Re: Replacement Unit Determination 1910 Sunset Blvd., Ste. 300, Los Angeles, CA 90026

#### **\*\*IMPORTANT - SUBORDINATIONS WILL BE REQUIRED, IF APPLICABLE\*\***

OWNER UNDERSTANDS THAT ANY CITY LAND USE COVENANT GENERATED FOLLOWING THE COMPLETION OF THIS DETERMINATION, MUST BE <u>SENIOR</u> TO ANY DEED(S) OF TRUST RECORDED AGAINST THE REAL PROPERTY ON WHICH OWNER'S PROPOSED PROJECT WILL SIT AND THAT OWNER IS RESPONSIBLE FOR OBTAINING SIGNATURES FROM THEIR RESPECTIVE LENDER(S) FOR ANY REQUIRED SUBORDINATION(S). INITIAL HERE: \_\_\_\_\_

All documentation must be received within 30 days of the date this application was signed by Owner. For additional questions, please contact LAHD at LAHD-LandUse@LACity.org

Date: Signature of Owner Under penalty of perjury, I certify that the information presented in this application is true and accurate to the best of my knowledge. Title 18, Section 1001 of the U.S. Code states that a person is guilty of felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government. Date: \_\_\_\_\_

To: Los Angeles Housing Department (LAHD) ATTN: Land Use Section - Replacement Unit Determination 1910 Sunset Boulevard, Suite 300 Los Angeles, CA 90026

Re: \_\_\_\_

Address (including apartment or unit number/s)

(All APN Numbers)

#### OWNER'S AFFIDAVIT (Use when owner is the applicant)

(1) Owner is the legal owner of the above-referenced real property ("Property"); and

(2) That the person(s) identified below ("Authorized Signatory/ies") has/have been legally authorized to sign on its behalf as evidenced by the separate instrument(s) attached herewith; and

(3) The documents furnished to LAHD in conjunction herewith, represent the full and complete information required for the Replacement Unit Determination requested for the Property and that the facts, statements and information presented are true and correct to the best of its knowledge and belief.

Owner declares under penalty of perjury under the State of California that the foregoing is true and correct.

#### \*Attach California Notary Public Acknowledgement

Executed on	at		, California
	(Date)	(City)	
Print Full Nar	ne of Authorized Signatory/ies:		
Signature of A	Authorized Signatory/ies:		
	(additional signature line	s may be added as need	led)

Date: \_\_\_\_\_

To: Los Angeles Housing Department (LAHD) ATTN: Land Use Section - Replacement Unit Determination 1910 Sunset Boulevard, Suite 300 Los Angeles, CA 90026

Re: \_\_\_\_\_

Address (including apartment or unit number/s)

(All APN Numbers)

#### <u>APPLICANT'S AFFIDAVIT AND OWNER'S ACKNOWLEDGMENT</u> (Use when Applicant and Owner are separate entities)

\_\_\_\_\_\_\_[circle one: an LLC, LP, corporation, other:\_\_\_\_\_\_("Applicant") hereby certifies that:

(1) Applicant is the potential future developer of the above-referenced real property ("Property") owned by \_\_\_\_\_\_ [circle one: an LLC, LP, corporation, other: \_\_\_\_\_\_("Owner"); and

(2) That the person(s) identified below ("Authorized Signatory/ies") has/have been legally authorized to sign on Owner's behalf as evidenced by the separate instrument(s) attached herewith; and

(3) The documents furnished to LAHD in conjunction herewith, represent the full and complete information required for the Affordable Unit Determination requested for the Property and that the facts, statements and information presented are true and correct to the best of its knowledge and belief.

Applicant declares under penalty of perjury under the State of California that the foregoing is true and correct.

#### \*Attach California Notary Public Acknowledgement

Executed on	_at	, California
(Date)	(City)	
Print Full Name of Authorized Signato	ory/ies:	
Signature of Authorized Signatory/ies:	:	
(additional signa	ture lines may be added as needed)	

#### **OWNER'S ACKNOWLEDGMENT:**

Owner and/or Applicant must also attach hereto:

A letter from the Owner [on business letterhead as applicable] to the City, attesting to ownership of the Property and confirming that Applicant is the potential future developer of the Property, that Owner is aware of, has no objections to, and authorizes the Applicant to submit an Affordable Unit Determination to LAHD for its Property.

- If the Owner is an LLC, the letter must be signed by all Managers or Managing Members.
- If the Owner is a LP, the letter must be signed by all General Partners.
- If the Owner is a Corporation, the letter must be signed by the CEO and Secretary or Chief Financial Officer.



# **\*TENANT INFORMATION TABLE**

Project Address:

Owner Name:

Phone Number:

Email Address:

Name(s) of Occupant(s)	Unit Number	Rent Amount	Occupancy Dates	Contact Number	Contact Email Address	# of Bedrooms and Bathrooms in Unit

\*For single family dwellings (SFDs), information regarding the occupants of SFDs will also need to be provided. \*\*Additional pages can be added, if necessary.

Under the penalty of perjury, I certify that the information presented in this form is true and accurate to the best of my knowledge. Title 18, Section 1001 of the U.S. Code States that a person is guilty of felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.

Signature	of Owner:
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