

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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June 18, 2025

Vincent Bertoni, Director
City Planning Department
City of Los Angeles
Los Angeles City Hall
200 North Spring Street, Suite 525
Los Angeles, CA 90012

Dear Vincent Bertoni:

RE: City of Los Angeles 6th Cycle (2021-2029) Adopted Housing Element and Rezoning (Program 121 – RHNA Re-zoning)

Thank you for submitting the City of Los Angeles' (City) documentation (Ordinances) related to rezoning to accommodate the regional housing needs allocation (RHNA). Specifically, HCD received Ordinances 188418, 188425, 188454, 188456, 188474, 188477, 188478, 188479, 188480 and various other related documents. Pursuant to Government Code section 65585, the California Department of Housing and Community Development (HCD) is reporting the results of its review.

On June 29, 2022, HCD found the City's adopted housing element in substantial compliance with State Housing Element Law (Gov. Code, § 65580 et seq). This finding was based on, among many other things, programs committing to accommodate the City's RHNA and actions to affirmatively further fair housing (AFFH).

Specifically, Program 121 (RHNA Re-zoning) committed to, among other items, rezoning to accommodate a shortfall of 255,432 units, including 130,553 units for lower-income households and 124,880 units for moderate-income households. The Program includes various strategies to implement the City's required rezones, including updating various community plans, establishing citywide ordinances, and developing programs that incentivize a variety of housing choices and opportunities throughout the City, including in higher resource neighborhoods.

HCD is pleased to find that the Ordinances meet the objectives and specific commitments of Program 121 (RHNA Re-zoning) related to accommodating the RHNA, including the statutory requirements pursuant to Government Code sections 65583, subdivision (c)(1), and 65583.2, subdivisions (c), (h), and (i). For example, the Ordinances address the shortfall of capacity to accommodate the RHNA for lower-income and moderate-income households, permit multifamily development with 20

percent affordability without discretionary action, require minimum densities, meet residential only requirements, and identify more than 50 percent of the lower-income RHNA shortfall in higher resource areas.

While the Ordinances satisfy the housing element commitments, some aspects warrant close monitoring and evaluation to ensure effective ongoing implementation. The Ordinances state the purpose of the Affordable Housing Incentive Program (AHIP) and Mixed Income Incentive Program (MIIP) is to implement State Density Bonus Law (SDBL) in addition to creating capacity and incentives *above* SDBL, but the complexity of the layering may lead to confusion about maximum incentives and modifications available. The AHIP and MIIP should continue to be monitored to ensure that applicants understand the full incentives they have access to, and to ensure compliance with SDBL. Further, the Citywide Housing Incentive Program (CHIP) is a new, immense, and complex program. As with all housing element programs, the City must closely monitor and evaluate the effective implementation of CHIP and all related planning documents and processes related to rezoning for the RHNA, including compliance with SDBL, as part of the annual progress report pursuant to Government Code section 65400, and make appropriate and timely adjustments, as necessary.

Additionally, the City must continue timely and effective implementation of all programs, including but not limited to the following:

- *AFFH: Programs 124 (Affirmatively Furthering Fair Housing) and 135 (Place Based Community Revitalization Efforts)* among many other actions commit to place-based strategies to promote community revitalization and conservation, enhancing housing mobility, and protecting existing residents from displacement. These actions include but are not limited to rezoning for multifamily housing in higher opportunity and low-density neighborhoods; improving and prioritizing transportation, climate, parks, economic development, and infrastructure investments and programs in historically segregated and disinvested communities; and expanding tenant protection programs to address displacement risks.
- *Development on Publicly Owned Sites:* The element identified publicly owned land to accommodate 17,891 RHNA units. Program 15 (Public Land for Affordable Housing) commits to facilitating redevelopment on public lands through coordination with other agencies, rezoning to allow affordable housing without discretion, and site-specific outreach and incentives.
- *Rezoning, Community Plan Updates and Other Zoning and Program Actions to Promote More Inclusive and Equitable Communities:* Programs 3 (Innovations in Subdivisions), 13 (Adaptive Reuse), 49 (Targeted Zoning Allocations by Community Plan Area), 59 (Low Rise Infill Housing), 60 (Zoning Code Revision), 65 (Community Plan Areas), 81 (Community Level Affordable Housing Programs), 103 (Missing Middle), and 121 (RHNA Re-zoning) commit to various zoning and

program actions to create opportunities for a variety of housing types and affordability to promote more inclusive and equitable communities throughout the City.

The City must monitor and report on the results of these and all other programs through the annual progress report, required pursuant to Government Code section 65400. Please be aware, Government Code section 65585, subdivision (i), grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or Housing Element Law. This includes failure to implement program actions included in the housing element. HCD may revoke housing element compliance if the local government's actions do not comply with state law.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element and timely implementation, the City continues to meet housing element requirements for these and other funding sources.

HCD recognizes the challenges and opportunities to implement the housing element and applauds the efforts of the City in addressing the housing needs of all segments of the community. HCD looks forward to following the City's progress in implementation as part of the annual progress report, pursuant to Government Code section 65400. If you have any questions or need additional assistance, please contact me at paul.mcdougall@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Paul McDougall", with a stylized flourish at the end.

Paul McDougall
Senior Program Manager