



FOR IMMEDIATE RELEASE  
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## **COUNCILWOMAN PERRY SPEARHEADS EFFORT TO PROTECT AFFORDABLE HOUSING STOCK THROUGHOUT CITY:**

### **Ordinance Designed to Preserve and Improve Residential Hotels throughout the City**

**Los Angeles**— Following the lead of other Metropolitan cities like San Diego and San Francisco, the Los Angeles City Council voted to approve an ordinance designed to address the preservation and rehabilitation of residential hotels citywide. The Residential Hotel Preservation Ordinance (RHPO), which includes an urgency clause, will go into effect immediately upon publication in order to preserve the remaining single room occupancy (SRO) and Residential Hotel housing stock throughout the City. The ordinance also offers incentives to improve the living conditions in these aging properties and better meet the needs of residents.

“Since 1983, approximately 5,000 units of beautiful, affordable and supportive housing with services for formerly homeless people have been created and an additional 718 are currently in the pipeline in the Ninth District,” said Councilwoman Perry. “As we see areas like downtown undergoing rapid redevelopment and growth, we should strive to strike a balance and provide housing for people at all income levels. This ordinance is a positive step in the right direction and will help us preserve and rehabilitate this important affordable housing stock.”

The RHPO is designed to preserve and rehabilitate the remaining single room occupancy (SRO) and Residential Hotel housing stock throughout the City. The ordinance was developed in conjunction with the Los Angeles Housing Department (LAHD), City Planning, and the City Attorney in response to a motion introduced by Councilwoman Perry directing the City to implement an interim control ordinance to prohibit the conversion or demolition of Single Room Occupancy and Residential Hotels (SRO ICO) until a permanent ordinance was developed to address the preservation of this important affordable housing stock. The SRO ICO is set to expire on May 24, 2008. The new ordinance will replace the SRO ICO and is modeled after the San Francisco ordinance.

The intent of the ordinance is to preserve residential hotel units for low income people. The ordinance, however, does permit the conversion or demolition of residential hotels if, and only if, the owner complies with one of three provisions. The three major provisions of the ordinance that would allow conversion or demolition are:



- a) One-for-one unit replacement within a two mile radius of the existing hotel.
- i) The ordinance allows for less than a one-for-one unit replacement if the following three conditions are met:
- (1) The replacement units contain amenities such as bathrooms and kitchens which may not exist in withdrawn units
  - (2) The needs of current residents would be better served by larger units with more amenities
  - (3) The reduction of units would not significantly decrease the City's housing stock of residential units
- b) Payment of an in-lieu fee.
- i) The in-lieu fee will be equal to 80% of the construction costs for replacing the existing units plus the cost for site acquisition. The fee will be based on a certified MAI member's appraisal and will be deposited into the Affordable Housing Trust Fund, Permanent Supportive Housing Program for the purpose of creating replacement units.
- ii) CRA and LAHD will enter into a co-op agreement to agree upon the use of the in-lieu fee for all residential hotels located in the City Center or Central Industrial redevelopment project areas. This provision ensures consistency with the Wiggins Settlement.
- c) For hotels with more than 250 units, permit conversion of the residential hotel to a mixed- income building where 80% of the units are restricted for 55 years as affordable housing units and the remaining 20% of the units are available for conversion at market rate.

A residential hotel is also exempt from the ordinance if 100% of its units are affordable housing units with 55-year covenants for low and very low income people. The affordable income level requirements that a developer must adhere to in order for a hotel to convert to affordable housing and comply with the ordinance are as follows:

SRO with 250 rooms or less:

- 10% at 30% AMI and below
- 65% between 30-50% AMI
- 25% between 51-60% AMI

SRO with more than 250 rooms:

- 10% at 30% AMI and below
- 40% between 31-40% AMI
- 30% between 41-50% AMI
- 20% unrestricted (can go market)

# NEWS

FROM THE OFFICE OF COUNCILWOMAN  
**JAN C. PERRY**  
NINTH DISTRICT



Additionally, a hotel can also be considered exempt if: (1) the property has been completely vacant since 10/11/05, (2) the property was first approved for all residential occupancy on or after 1/1/1990, (3) a notice of intent to withdraw the property's units was filed with LAHD prior to 10/11/05, or (4) the residential units have only been available for no less than monthly leases for the period of October 11, 1995 to the present.

The ordinance also includes a provision that provides a process for an owner to appeal to LAHD if they feel their property should not be subject to the ordinance. If an owner wishes to appeal the residential hotel status, they must file an appeal and submit evidence to support their appeal.

According to an LAHD inventory of residential hotels, there are currently 336 residential hotels in the city that contain approximately 18,739 units. The majority of these units are located in Council Districts 9, 14, & 1.

*Councilwoman Perry represents the Ninth Council District, which encompasses the most culturally diverse and vibrant communities in Los Angeles, including Bunker Hill, Little Tokyo, and South Los Angeles.*

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