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PLANNING AND LAND USE MANAGEMENT COMMITTEE

April 16, 2019 - Item No. 5

714-718 North Sweetzer Avenue

CF 19-0342

VTT-74129-CN-2A

Date: 4/16/19
Submitted in PLUM Committee
Council File No: 19-0342
Item No.: 5
Deputy: Communication from
CD5

Councilmember Koretz has asked me to appear today in support of the appeal before you in this case.

There are several principles involved in this appeal that bring to mind the old adage, "Just because you can do something doesn't mean you should."

This applies to several aspects of this case. The Deputy Advisory Agency interpreted the Code in such a manner as to approve the Vesting Tentative Tract Map request, but the Code does not mandate that the Agency, or PLUM, or the full City Council do so.

Much of the thrust of the appellant's contentions point to the unintended consequences of the Planning Department's seemingly free-wheeling embrace of the concept of "early start" condo conversions. The Councilmember considers any project with a permit to build rental units that is looking for a subdivision to be a conversion. If somebody wants to do a subdivision from the git-go, they should apply for it from the git-go. To put it bluntly, early starts could be characterized as an invitation to displace tenants from affordable and/or RSO



units and do end-run around various provisions of the Municipal Code and the state Ellis Act in the process.

Early start conversions contribute to exacerbated cumulative effects in several ways which suggest that the City Council really should reconsider whether continuing along this path is consistent with the policies of the Housing Element advocating for the provision and preservation of housing affordable to people at all income levels, and thus the best interests of the city.

And, to be sure, Councilmember Koretz is working on a proposal which could address the matter in a definitive fashion.

That being said, this application raises a relevant issues:

1. As is sometimes the case with other early starts, this application takes advantage of a waiver of setbacks and dedications that applying for a tract map in the first place would require. In the case of an early start, the Deputy Advisory has the ability to grant such waivers on the grounds of hardship. But let's face it, the hardship is self-imposed because the applicant pulled a permit for rental units that aren't required to do the dedications and now wants to convert to condos that are. What's the point of having such requirements if they can be circumvented through a sleight-of-hand maneuver?

Additionally, as the appellant and others have argued, this project takes up nearly half a block, so the loss of the dedication is not inconsiderable.

Allowing this waiver will, for the foreseeable future, make it impossible to widen an alley to the City's full 20-foot standard that is heavily used by trucks servicing commercial businesses on its other side. This waiver was only granted because of the early start and it will have long-term negative impacts.

2. This subdivision arguably is inconsistent with both the Hollywood Community Plan's Objective 3 and the General Plan Framework's Housing Element Goal number One, both of which seem deliberately ambiguous when it comes to the tension between preserving existing housing and encouraging new development. But in different words they both call for

preservation and provision of housing for people at all income levels, including non-subsidized affordable housing – what we now call “naturally occurring affordable housing.” It is just as valid to rely upon that policy as it is to rely upon its flip side which promotes new development.

Conversions such as this one remove such units and replaces them with costly for-sale units, and the Councilmember feels that both the letter and especially the spirit of the plans are being violated.

3. Councilmember Koretz also finds the appellant’s contention that, once the application is determined to be inconsistent with the plans, it is no longer eligible for a Categorical Exemption, to be a valid argument.

4. Additionally, early starts such as this one facilitate the wholesale replacement of naturally-occurring affordable, often rent-stabilized, housing with for-sale units which are not subject to Ellis Act and RSO requirements for how former tenants and future rent levels are treated. Intentional or not, this amounts to an end-run around hard-won tenant protections that we can ill-afford to ignore. The City should not be in the business of sanctioning of the deprivation of tenant rights whether it’s being done intentionally or not.

5. More specifically, the approved project onto which this conversion is being placed blatantly removes rent-stabilized units, utilizes the old SB 1818 state density bonus which allows higher height and density and requires two affordable units, and then it’s all blown away with a shrug by this subdivision. So we’re talking about maximum loss of naturally-occurring affordable housing replaced with condominiums that the vast majority of current residents of Los Angeles cannot afford to purchase. We’re told that the two affordable units will be owned by the condo association and rented out per statute but, seriously, the Councilmember will believe that when he sees it. Given that the state legislature has subsequently approved even more rigorous replacement requirements in SB 2222, condominiums couldn’t possibly be in keeping with its intentions.

6. This case also raises the question of how cumulative impact for condo conversions as currently defined in the Code applies to this condo conversion and other early start cases. Section 12.95.2.F.6 provides the Deputy Advisory Agency with the latitude to turn down any tract or parcel map if the surrounding neighborhood's apartment vacancy rate is below 5%, which this neighborhood's was at some point in 2018. Unfortunately the Councilmember doesn't know the current figure, and the issue appears not to have been considered by City Planning at any stage of this case.
7. It also provides that the Agency should be able to find that the cumulative effect of the rental housing market in the planning area of successive residential or residential to commercial/industrial conversion projects (past, present and future) is not significant. It goes on to list several considerations, the last, and most flexible of which is "any other factors pertinent to the determination."

If we look what this project applicant is doing within a several-block radius of 714 Sweetzer, we find that the same company is doing exactly the same thing – that is, early start conversions - on other properties to the extent that some 98 rent-stabilized apartment units are being, or have been, lost forever to early starts. Taking the whole neighborhood into account, that number becomes 139, and that doesn't even consider units lost to redevelopment.

Councilmember Koretz considers that to be a clear example of "any other factor pertinent" to a finding of significant cumulative impact. Sadly, the Deputy Advisory Agency appears to have ignored this Code section and publicly cited CEQAs as its arbiter of cumulative impact, which the Councilmember thinks is improper, if not irresponsible.

That end result should be part of your reckoning today. At what point does losing 98 rental units on a couple of blocks become a significant impact? The tract map approval doesn't address the matter and makes no findings about it. Councilmember Koretz thinks the answer is that it's a problem right now.

8. Then there's the other matter of what public benefit is associated with this conversion and others like it that justifies waiving the requirements the City normally applies to building condominiums, or to replacing rent-stabilized units with new rental units. We live in a city that is woefully short of affordable housing options and in which most residents can no longer afford even entry-level ownership housing. In a situation where the outcome is removing affordability and replacing it with unaffordability, Councilmember Koretz is hard-pressed to see any actual public benefit.

Consequently, on his behalf, I urge you to approve this appeal.