SB 35: Understanding HCIDLA’s Role + Implementation Responsibilities

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HCIDLA’s Role Implementing SB 35

- **Land Use Covenants**
  - Preparation + Recordation
  - Publication and implementation of annual applicable income schedules

- **Verifying Existing Housing**
  - Check that no existing housing structures housing residents are demolished

- **Coordination with City Planning + Others**
  - Housing Element Annual Progress Reports
  - Coordination of administrative/ministerial activities
If at least 50% of the total units in the project are dedicated for lower income households, as defined in CA Health and Safety Code 50079.5., then the project would be sent to HCIDLA to have a covenant prepared and recorded (applicable fees apply).

If the development contains units that are publicly subsidized, the developer is required by law to have a land use restriction for the following applicable minimum term:

(A) Fifty-five years for units that are rented.
(B) Forty-five years for units that are owned (for-sale).

Per SB 35, non-publicly subsidized units are also required by law to have a land use restriction for a period of thirty years. This section of the SB 35 is unclear and warrants further discussion as other existing state and/or local laws may supersede this section.
HCIDLA’s Applicable Income + Rent Schedule

Table I: Qualifying Maximum Income Levels Based on Family Size

<table>
<thead>
<tr>
<th>Income Level</th>
<th>One</th>
<th>Two</th>
<th>Three</th>
<th>Four</th>
<th>Five</th>
<th>Six</th>
<th>Seven</th>
<th>Eight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Low (30%)</td>
<td>$18,950</td>
<td>$21,650</td>
<td>$24,350</td>
<td>$27,050</td>
<td>$29,250</td>
<td>$31,400</td>
<td>$33,550</td>
<td>$35,750</td>
</tr>
<tr>
<td>Very Low (50%)</td>
<td>$31,550</td>
<td>$36,050</td>
<td>$40,550</td>
<td>$45,050</td>
<td>$48,700</td>
<td>$52,300</td>
<td>$55,900</td>
<td>$59,500</td>
</tr>
<tr>
<td>Low (80%)</td>
<td>$50,500</td>
<td>$57,700</td>
<td>$64,900</td>
<td>$72,100</td>
<td>$77,900</td>
<td>$83,650</td>
<td>$89,450</td>
<td>$95,200</td>
</tr>
<tr>
<td>Moderate (120%)</td>
<td>$84,450</td>
<td>$92,200</td>
<td>$70,000</td>
<td>$83,950</td>
<td>$90,200</td>
<td>$96,400</td>
<td>$102,650</td>
<td></td>
</tr>
</tbody>
</table>

Income Levels:
- Extremely Low: 0% - 30% AMI
- Low: 50% - 80% AMI
- Very Low: 30% - 50% AMI
- Moderate: 80% - 120% AMI

Table II: Maximum Allowable Rent Levels

<table>
<thead>
<tr>
<th>Rent Level</th>
<th>Bedroom Size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Extremely Low (30%)</td>
<td>$340</td>
</tr>
<tr>
<td>Very Low (50%)</td>
<td>$567</td>
</tr>
<tr>
<td>Low (80%)</td>
<td>$927</td>
</tr>
<tr>
<td>Moderate (120%)</td>
<td>$1,361</td>
</tr>
</tbody>
</table>

Rent Levels:
- Extremely Low: 30% of 30% of AMI
- Low: 30% of 80% of AMI
- Very Low: 30% of 50% of AMI
- Moderate: 30% of 120% AMI

The annual allowable automatic rent adjustment rate for rental units subject to the Rent Stabilization Ordinance is currently 3%.
SB 35 Prohibits Streamlining for Existing Housing

Prohibits demolition of these types of housing:

- A housing project that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low and very low income.

- A housing project that is subject to any form or rent or price control through a public entity’s valid exercise of power. In the City of LA, any property subject to the RSO.

- A housing project that has been occupied by tenants within the past 10 years.

- The proposed housing project was previously used for housing that was occupied by tenants that was demolished 10 years before the development proponent submits an application for streamlining.
THANK YOU!

http://hcidla.lacity.org/

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