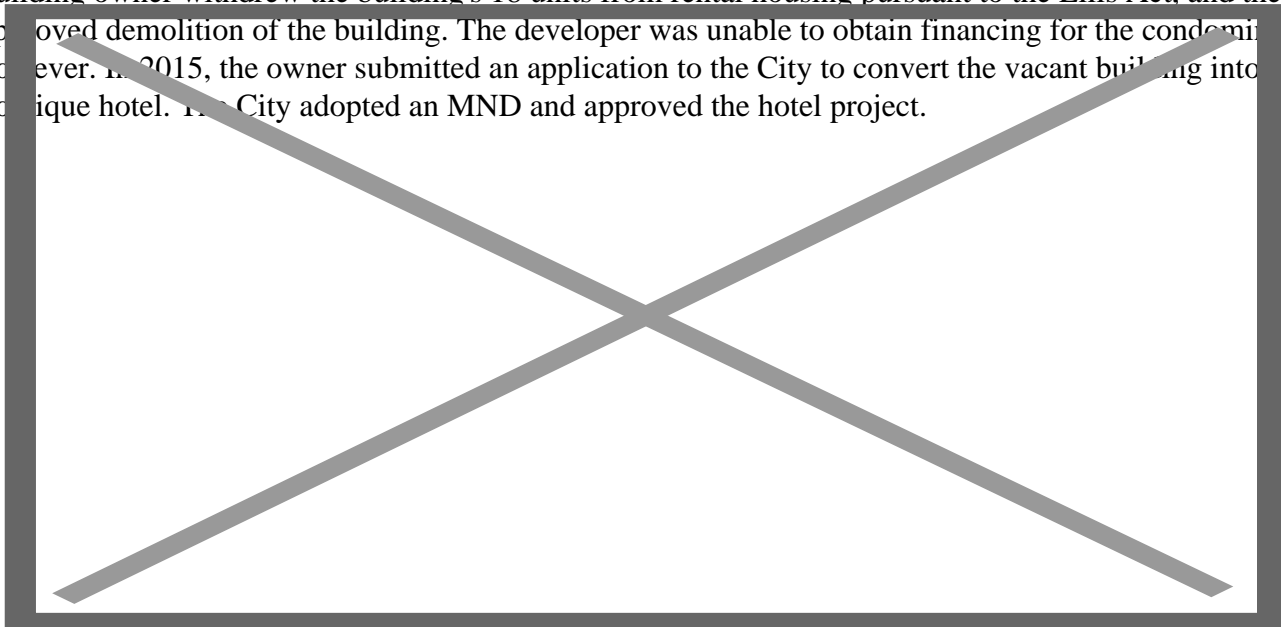


## City Not Required to Evaluate Impacts of Loss of Rental Units from Already-Vacant Building

A lead agency was not required to evaluate the housing-related impacts of a proposed hotel in a vacant building that was formerly used for rental housing. *Hollywoodians Encouraging Rental Opportunities v. City of Los Angeles*, 37 Cal. App. 5th 768 (2019). In 2009, the owner of an apartment building with 18 rental units filed an application with the City of Los Angeles to demolish the building and replace it with a 39-unit condominium building. The City Council approved a mitigated negative declaration for that project. Four years later, the building owner withdrew the building's 18 units from rental housing pursuant to the Ellis Act, and the City approved demolition of the building. The developer was unable to obtain financing for the condominium project, however. In 2015, the owner submitted an application to the City to convert the vacant building into a 24-room boutique hotel. The City adopted an MND and approved the hotel project.



At issue

in the case was whether the City should have prepared an EIR to evaluate the cumulative effect of the project and similar related projects on the loss of rent-stabilized housing units and the displacement of rent-stabilized tenants. The court held that the baseline for the project was a vacant building, not a tenant-occupied rental property. Measured against that baseline, there was no fair argument that the project would have an adverse impact on the supply of rent-stabilized housing in the area or on displacement of tenants. The court explained that the baseline is generally the conditions at the time the lead agency commences its environmental analysis. In this case, when the City commenced its environmental analysis for the proposed hotel project in 2015, the property consisted of a vacant building that had been withdrawn from the residential rental market two years earlier independently of the hotel project. The court further explained that there was no evidence in the record that the hotel project should have been analyzed as part of the 2009 condominium project. "The record reflects that the subject property was removed from the rental market pursuant to the Ellis Act in 2013, to enable the building to be demolished and replaced with a condominium project. After that plan failed for lack of financing, the instant Project was proposed to repurpose the property as a boutique hotel. There is nothing to suggest that the instant Project was 'a reasonably foreseeable consequence of the initial project' . . . or that the initial study and 2015 MND were an end run around CEQA." Finally, the court held that the City was not required to

evaluate the cumulative impacts of the hotel project on housing and displacement, because the project would not have any individual adverse impact on the supply of rent-stabilized or displacement of tenants.

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