

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

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December 2, 2025

Craig Arceneaux, Assistant General Manager
Housing Development Bureau
Los Angeles Housing Department
1910 Sunset Blvd., Suite 300
Los Angeles, CA 90026

Dear Craig Arceneaux:

**RE: City of Los Angeles – Housing Crisis Act Replacement Units – Letter of
Technical Assistance**

The California Department of Housing and Community Development (HCD) received an inquiry from the Los Angeles Housing Department (LAHD) with a series of questions regarding the replacement unit requirements in the Housing Crisis Act (HCA).¹

Background

The HCA states that “[r]esidential dwelling units that are or were subject to any form of rent or price control through a public entity’s valid exercise of its police power within the past five years” are considered a protected unit.²

According to LAHD, “a rent stabilized unit in the City of Los Angeles is subject to the Rent Stabilization Ordinance (RSO) regardless of use (i.e., vacant, owner occupied or rented), even if it has been withdrawn from the rental market via the Ellis Act, unless it was subsequently demolished and no new construction was completed within five years after the Ellis withdrawal date or unless one of the exemptions under Los Angeles Municipal Code 151.02 or 151.28 applies.”

Question 1: If a rent stabilized unit is left vacant for longer than five years, is it considered a protected unit subject to replacement per Government Code section 65915, subdivision (c)(3)?

¹ Gov. Code, §§ 66300.5 and 66300.6.

² Gov. Code, § 66300.5, subd. (h)(2).

Question 2: If a rent stabilized unit is owner occupied for longer than five years, is it considered a protected unit subject to replacement per Government Code section 65915, subdivision (c)(3)?

Question 3: If a rent stabilized unit is currently owner occupied, but previously tenant occupied within the last five years, is it considered a protected unit subject to replacement per Government Code section 65915, subdivision (c)(3)?

Question 4: If a rent stabilized unit is being used for unpermitted non-residential purposes (e.g., commercial), is it considered a protected unit subject to replacement per Government Code section 65915, subdivision (c)(3)?

Answer to questions 1-4: Yes. If, under the RSO, the unit remained “subject to rent control” despite being vacant, owner-occupied, or used for unpermitted non-residential purposes, then the unit is currently subject to rent control and therefore the unit is considered a protected unit.

Question 5: Must a project that is not a housing development project comply with the provisions of Government Code section 66300.6, subdivision (a)?

Answer: No. Government Code section 66300.6, subdivision (a) states that “an affected city or an affected county shall not approve a *housing development project* that will require the demolition of one or more residential dwelling units unless the project will create at least as many residential dwelling units as will be demolished.” (Emphasis added.) That section of code applies only to housing development projects; a development project that is not a housing development project need not comply.

Note that a project that is not a housing development project must comply with the provisions of Government Code section 66300.6, subdivision (b), which applies to a “development project,” not a “housing development project.”

Wildfire Rebuilds

HCD reminds LAHD that Paragraph 9 of Governor Newsom’s Executive Order N-20-25³ includes provisions related to replacement unit requirements for projects to repair, restore, demolish, or replace any residential dwelling units in the City of Los Angeles substantially damaged or destroyed as a result of the 2025 southern California wildfires, including replacement of units subject to rent control. The City should apply those provisions to any eligible projects.

³ Available at https://www.gov.ca.gov/wp-content/uploads/2025/02/State-Permitting-and-Housing-Laws-EO_Final_GGN-Signed.pdf.

Conclusion

HCD hopes this technical assistance is helpful. If you have any questions regarding the content of this letter or need additional technical assistance, please contact Stephanie Reyes at Stephanie.Reyes@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Zisser', with a long horizontal flourish extending to the right.

David Zisser
Assistant Deputy Director
Local Government Relations and Accountability