



October 11, 2019

The Honorable Chief Justice Tani Cantil-Sakauye and
The Honorable Associate Justices of the California Supreme Court
350 McAllister Street
San Francisco, CA 94102

RE: Supreme Court Case No. S257793; *Hollywoodians Encouraging Rental Opportunities v. City of Los Angeles* (2019) 37 Cal.App.5th 768, Petition for Review Pending

Dear Chief Justice Cantil-Sakauye and Associate Justices,

On behalf of the Center for Community Innovation's Urban Displacement Project at UC Berkeley, I write to urge this Court to grant the petition for review filed by Hollywoodians Encouraging Rental Opportunities et al. (HERO) in the above-referenced case. Given the ever-increasing number of Californians at risk of being displaced from their homes, it is imperative for public agencies to scrupulously enforce their legal duties under the California Environmental Quality Act (CEQA) to both disclose and mitigate the severe environmental and human health effects of rent-controlled housing displacement.

The court of appeal has created a dangerous CEQA loophole. It allows land owners and project applicants to prevent public agencies from evaluating and mitigating the adverse effects on the environment and human beings of projects that demolish rent-controlled housing, simply by effectuating mass evictions of the tenants under the Ellis Act before submitting the specific permit applications that trigger environmental review for the non-rent controlled, proposed use. Tenant evictions and demolition and/or substantial remodeling activity are intrinsic to the project taking away the rent-controlled use, just as elimination of the rent-controlled housing units is intrinsic to that project's objective. This appellate precedent will exacerbate the adverse statewide impacts of housing and population displacement by denying environmental review and fair share mitigation of the adverse impacts caused by projects taking the place of rent-controlled housing. It is of great concern to the Urban Displacement Project, not the least because of its environmental justice implications. In a Fact Sheet titled "Environmental Justice at the Local and Regional Level, Legal Background," available at https://oag.ca.gov/sites/all/files/agweb/pdfs/environment/ej_fact_sheet.pdf, the California Attorney General has advised that environmental justice principles are not foreign to CEQA (citing, for example, Public Resources Code section 21083, subdivision (b)(3)), and that as regards projects for which local governments have lead responsibility, "environmental justice requires an ongoing commitment to identifying existing and potential problems, and to finding and applying solutions, both in approving specific projects and planning for future development."

I. Interests of the Urban Displacement Project.

The Urban Displacement Project is a research and action initiative of UC Berkeley in collaboration with researchers at UCLA and Portland State University. The project aims to better understand the nature of gentrification and displacement and to equip communities with resources to identify these pressures and take more effective action toward equitable development. Our research on displacement in the Bay Area, Los Angeles, and beyond illustrates the need to take displacement seriously. We are particularly concerned that the court of appeal's published opinion in *HERO v. City of Los Angeles* will have disparate, adverse impacts on lower-income households and people of color.



II. The Court of Appeal’s Singular View of CEQA Baseline Principles Threatens to Exacerbate the Adverse Effects of Housing Displacement Across California.

The Court of Appeal’s published decision adversely affects all Californians by denying CEQA disclosure of and mitigation for the detrimental, disparate housing and population displacement effects caused by conversions of rent-controlled housing.

Displacement pressures in California are widespread. For example, **62 percent of low-income households** in the Northern California mega-region live in neighborhoods at risk of or undergoing displacement. These pressures are commonplace across the region, including not only the Bay Area, but also Sacramento, Stockton and Santa Cruz.

Our research has shown that economic incentives often drive displacement. For example, in our survey on displacement in San Mateo County^{*}, 1 in 5 residents cited landlord foreclosure or change of owner as the reason for their eviction. As one resident explained, “I had been in a rental in Menlo Park for 14 years, and the landlord got an unsolicited offer. They offered him so much money he had to sell it. And he couldn’t get paid until I got out.” Another study in San Mateo County found that 36% of eviction actions there took place without cause[†]. Still, San Mateo County’s eviction rate is actually one of the lowest in the state. Places with higher poverty rates in California often tend to have much higher rates of eviction; among the highest eviction rates are Sacramento, Lake, and Kern counties[‡].

Research has shown **the long-term impact of displacement on health, job opportunities, commutes, and academic performance**. Evictions themselves are associated with higher rates of depression, anxiety and parental stress[§]. Our San Mateo study highlighted the particular impact on children and their education. Two out of three children in displaced households had to change schools, including mid-year changes, which negatively affect students’ academic performance. We also found that one in three displaced households reported some period of homelessness or marginal housing in the two years following their displacement, highlighting the close relationship between evictions and our growing homelessness crisis. Furthermore, the majority of displaced households were unable to stay in their old neighborhood, and those that did were more likely to live in crowded or substandard housing. Others moved farther away, including to the Central Valley, to places that had fewer job opportunities, leading to longer and costlier commutes.

These effects, including their environmental justice aspects, should not be ignored under CEQA. The effects of rent-controlled housing displacement should receive CEQA review so local governments may mitigate them on a project-by-project basis. Fair share mitigation is not unfair to the project applicants. Passing through mitigation of the impacts (and the costs thereof) exclusively to the public is unfair to the public.

Evictions disproportionately impact people of color. Lower-income households and people of color are more likely to be renters than the general population; 58 percent of Hispanics and 67 percent of African-Americans in California are renters. They are also more likely to face eviction. In San Mateo County, Hispanics comprise 25% of the population and 49% of the people evicted, while African-Americans comprise less than 3% of the population and 21% of the people evicted. It is also worth noting that the

^{*} Marcus, J. & Zuk, M. (2017). [Displacement in San Mateo County, California: Consequences for Housing](#).

[†] Legal Aid Society of San Mateo County, Community Legal Services in East Palo Alto (CLSEPA) and the Anti-Eviction Mapping Project. (2016). [San Mateo County Eviction Report](#).

[‡] Desmond, M. (2018). [Eviction Lab](#).

[§] Desmond, M & Kimbro, R. T. (2015). [Eviction’s Fallout: Housing, Hardship, and Health](#). *Social Forces*.



number of renters in California has increased 24% over the past decade, three times greater than population growth, making the need to protect this growing class even more urgent.

And **displacement has racialized impacts at the regional scale, for example contributing to the re-segregation of the Bay Area.** Our research on rising housing costs and re-segregation of the Bay Area showed that the share of low-income households of color living in high-poverty, segregated areas in the Bay Area increased between 2000 and 2015. Fifty-three percent of low-income Black households in the region lived in high-poverty, segregated neighborhoods in 2015, up from 38% in 2000. The share of low-income Latinx households living in high-poverty, segregated neighborhoods in the region nearly doubled to 31%.** Families in these types of neighborhoods typically face greater barriers to economic mobility and are more likely to suffer adverse health outcomes.††

Using all the tools in our toolbox, including CEQA review of rent-controlled housing displacement, to reduce displacement would promote stability in the midst of the statewide housing crisis, with benefits for all residents' quality of life, health and access to opportunity. Therefore, we urge this Court to grant review of HERO's petition.

Signed,

A handwritten signature in blue ink that reads "Karen Chapple".

Karen Chapple

Professor and Chair

City and Regional Planning

UC-Berkeley

** UC Berkeley's Urban Displacement Project and the California Housing Partnership. (2019). [Rising Housing Costs and Re-Segregation in the San Francisco Bay Area](#).

†† Chetty, Raj and Nathaniel Hendren (2016). "[The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects](#)."

PROOF OF SERVICE

I am over the age of 18 and not a party to this action. I am employed in the County of Los Angeles. My business address is 2601 Ocean Park Boulevard, Suite 205, Santa Monica, California 90405-5269.

On **October 11, 2019**, I served true copies of the foregoing document, entitled **Amicus Letter Supporting Petition for Review**, in case number S257793 on the persons listed on the service list by **mail**.

I enclosed copies of the foregoing document in envelopes, which I sealed and addressed to the recipients as set forth on the attached service list. I then placed the sealed envelopes, with postage thereon fully prepaid, in the mailbox maintained and serviced by the U.S. Postal Service located at 2601 Ocean Park Boulevard, Santa Monica, California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and that I have executed this proof of service in the County of Los Angeles, California, on October 11, 2019.



Lake McManus

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