

# CITY OF LOS ANGELES

## CALIFORNIA



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## CITY PLANNING COMMISSION

**Date:** September 26, 2024

**Case Number:** CPC-2023-7068-CA,  
CPC-2024-387-CA,  
CPC-2024-388-CA

**Time:** After 8:30 a.m. \*

**CEQA Number:** ENV-2020-6762-EIR,  
ENV-2020-6762-EIR-ADD1,  
ENV-2020-6762-EIR-ADD2

**Place:** Los Angeles City Hall  
Council Chamber, Room 340  
200 N. Spring Street  
Los Angeles, CA 90012

**Related Cases:** CPC-2020-1365-GPA

**Public Hearing:** July 25, 2024

**Council Number:** All

**Appeal Status:** n/a

**Applicant:** Department of City Planning

### PROJECT LOCATION:

Citywide

### PROPOSED PROJECT:

Housing Element Rezoning Program

The Housing Element Rezoning Program, called for by the 2021-2029 Housing Element, sets out to address housing needs and meet the City's housing obligations under state law. The program encompasses three code amendment ordinances: the Citywide Housing Incentive Program (CHIP) Ordinance, Housing Element Sites and Minimum Density (HESMD) Ordinance, and the Resident Protections Ordinance (RPO). These ordinances propose amendments to Chapter 1 and Chapter 1A of the Los

Angeles Municipal Code, including revisions to Sections 12.03, 12.09.1, 12.10, 12.10.5, 12.11, 12.11.5, 12.12, 12.12.2., 12.13, 12.13.5, 12.14, 12.16, 12.17, 12.17.1, 12.21, 12.22, 12.24, 13.09, 13.15, 14.00, 14.5.4, 16.05, 19.01, 19.14, 19.18, 151.28, and any related Code sections and the addition of Sections 11.5.15, 16.60, 16.61 and 16.70 in Chapter 1 and revisions to Articles 1, 2, 4, 6, 7, 8, 9, 13, and 14 of Chapter 1A.

The CHIP Ordinance proposes streamlined project review procedures and new local density bonus incentives for eligible project types including citywide incentives, transit incentives, high opportunity incentives, 100 percent affordable housing incentives, public land incentives, faith-based development incentives, unified adaptive reuse incentives, and other tailored incentives to implement state law. The program overall prioritizes expanding access to affordable housing near transit, jobs, along corridors, and in Higher Opportunity Areas.

The Housing Element Sites and Minimum Density Ordinance creates new minimum density requirements and implements requirements of Housing Element law by establishing regulations on housing replacement, no net loss findings, by-right development review, and minimum density requirements for identified sites.

The Resident Protections Ordinance (RPO) enhances protections for tenants affected by demolitions related to housing development, including relocation assistance, the right to remain and right to return to comparable units in the new construction. RPO also expands requirements related to newly created affordable units, including longer affordability covenant terms, their quality, size, mix and equitable distribution as well enforcing marketing and distribution of the units.

#### **RECOMMENDED ACTIONS RESIDENT PROTECTIONS ORDINANCE:**

1. Find and recommend the City Council find, based on the whole of the record in the independent judgment of the decisionmaker, that the Resident Protections Ordinance was assessed in the adopted Housing Element Environmental Impact Report No. ENV-2020-6762-EIR (SCH No. 2021010130) certified on November 29, 2021, Addendum No. 1 (ENV-2020-6762-EIR-ADD1) certified on June 14, 2022, and Addendum No. 2 (ENV-2020-6762-EIR-ADD2)(collectively, "EIR"); adopt Addendum No. 2; determine that pursuant to CEQA Guidelines section 15162 and 15164, no subsequent, no subsequent or supplemental EIR is required; and adopt the Mitigation Monitoring Program;
2. Recommend, pursuant to Sections 13B.1.3 of the Los Angeles Municipal Code, that the City Council adopt the proposed Resident Protections Ordinance (Exhibit A) to amend the Zoning Code and Public Welfare Code including amendments to Chapter 1, Chapter 1A, and Chapter 4 of the Los Angeles Municipal Code (LAMC), including revisions to Sections 12.03, 12.22, 12.24, 14.00, and 19.18, and any related Code sections of Chapter 1, the additions of Sections 16.60 and 16.61 in Chapter 1, and revisions to Articles 4, 14, and any other related

Code sections in Chapter 1A; and the removal of Sections 51.31, 51.32, 51.33, 51.34 and 51.35 from Chapter 4;

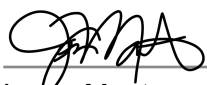
3. Recommend the City Council adopt a Resolution to Amend the "Affordable Housing Incentives Guidelines" (Exhibit B.1) and approve the proposed Fair Housing Requirements for Affordable Housing (Exhibit B.2) pursuant to Los Angeles Municipal Code 12.22 A.25 and Charter Section 550 and 551;
4. Recommend the City Planning Department prepare an ordinance to incorporate the proposed Resident Protections Ordinance, which amends LAMC Chapter 1, identified in Action Item 2 into Chapter 1A of the LAMC (New Zoning Code), subject to the policy changes described in the Staff Recommendation Report and in conformance with the format and style of the New Zoning Code; and Recommend the City Council adopt this Chapter 1A version of the Resident Protections Ordinance;
5. Adopt the Staff Recommendation Report as the Commission's report on the subject; and
6. Adopt the findings.

#### **RECOMMENDED ACTIONS CITYWIDE HOUSING INCENTIVE PROGRAM ORDINANCE:**


1. Recommend the City Council find, based on the whole of the record in the independent judgment of the decisionmaker, that the CHIP Ordinance was assessed in the adopted Housing Element Environmental Impact Report No. ENV-2020-6762-EIR (SCH No. 2021010130) certified on November 29, 2021, Addendum No. 1 (ENV-2020-6762-EIR-ADD1) certified on June 14, 2022, and Addendum No. 2 (ENV-2020-6762-EIR-ADD2) (collectively, "EIR"); adopt Addendum No. 2; determine that pursuant to CEQA Guidelines section 15162 and 15164, no subsequent or supplemental EIR is required; and adopt the Mitigation Monitoring Program;
2. Recommend, pursuant to Sections 13B.1.3 of the Los Angeles Municipal Code, that the City Council adopt the proposed CHIP Ordinance (Exhibit A) to amend the Zoning Code including amendments to Chapter 1, Chapter 1A, and Chapter 15 of the Los Angeles Municipal Code, including revisions to sections 12.03, 12.21, 12.22, 12.24, 13.09, 13.15, 14.00, 14.5.4, 16.05, 19.01, 19.14, 19.18, and any related Code sections of Chapter 1; the addition of Section 11.5.15 in Chapter 1; and revisions to Articles 2, 8, 9, and 13, and any other related Code sections of Chapter 1A; and a technical amendment to Section 151.28 of Chapter 15;
3. Recommend that the City Council instruct the Director of City Planning to prepare the Environmental Protection Measures Handbook shown in Exhibit C, after the operative date of the proposed CHIP Ordinance.
4. Request that the City Planning Department prepare an ordinance to incorporate the proposed CHIP Ordinance, which amends LAMC Chapter 1 identified in Action Item 2 into Chapter 1A of the LAMC (New Zoning Code), subject to the policy changes described in the Staff Recommendation Report and in conformance with the format and style of the New Zoning Code; and recommend the City Council adopt this Chapter 1A version of the proposed CHIP Ordinance.
5. Adopt the Staff Recommendation Report as the Commission's report on the subject; and
6. Adopt the findings.

**RECOMMENDED ACTIONS HOUSING ELEMENT SITES AND MINIMUM DENSITY  
ORDINANCE:**

1. Recommend the City Council find, based on the whole of the record in the independent judgment of the decisionmaker, that the Housing Element Sites and Minimum Density (HESMD) Ordinance was assessed in the adopted Housing Element Environmental Impact Report No. ENV-2020-6762-EIR (SCH No. 2021010130) certified on November 29, 2021, Addendum No. 1 (ENV-2020-6762-EIR-ADD1) certified on June 14, 2022, and Addendum No. 2 (ENV-2020-6762-EIR-ADD2) (collectively, "EIR"); adopt Addendum No. 2; determine that pursuant to CEQA Guidelines section 15162 and 15164, no subsequent or supplemental EIR is required; and adopt the Mitigation Monitoring Program;
2. Recommend, pursuant to Sections 13B.1.3 of the Los Angeles Municipal Code, that the City Council adopt the proposed HESMD Ordinance (Exhibit A) to amend the Zoning Code including amendments to Chapter 1 and 1A of the Los Angeles Municipal Code, including revisions to sections 12.09.1, 12.10, 12.10.5, 12.11, 12.11.5, 12.12, 12.12.2, 12.13, 12.13.5, 12.14, 12.16, 12.17, 12.17.1, and any related Code sections of Chapter 1; the addition of Section 16.70 and 12.22 C28 in Chapter 1; and revisions to Articles 1, 6, 9, and any other related Code sections of Chapter 1A;
3. Request the City Planning Department prepare an ordinance to incorporate the proposed HESMD Ordinance, which amends LAMC Chapter 1 identified in Action Item 2 into the Chapter 1A of the LAMC (New Zoning Code), subject to the policy changes described in the Staff Recommendation Report and in conformance with the format and style of the New Zoning Code; and recommend the City Council adopt this Chapter 1A version of the HESMD Ordinance.
4. Recommend the City Council adopt the Inventory of Lower Income Rezoning sites by City Council Resolution in Exhibit E;
5. Adopt the Staff Recommendation Report as the Commission's report on the subject; and
6. Adopt the findings.



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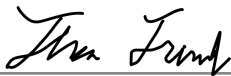
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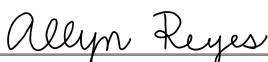
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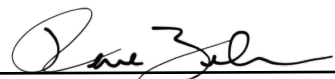
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## PROJECT ANALYSIS

### **Project Summary**

The City's 2021-2029 Housing Element, certified by the California Department of Housing and Community Development (HCD), identified significant housing needs throughout Los Angeles reflected by high rents, overcrowded conditions and housing instability. Program 121, "RHNA Rezoning," within the 2021-2029 Housing Element sets out to address these critical housing needs and meet the City's housing obligations under state law. Program 121 identified that the Housing Element Rezoning Program would be implemented through a number of work efforts including updates to up to 16 Community Plans, two Specific Plans as well as at least one citywide ordinance that will create additional zoning capacity through an expansion of affordable housing incentive programs or other zoning code amendments. This staff report analyzes three ordinances implementing Program 121, the Citywide Housing Incentive Program (CHIP) Ordinance, the Housing Element Sites and Minimum Density Ordinance (HESMD), and the Resident Protections Ordinance (RPO). For the purposes of this report the term "Program" shall refer to these three Ordinances.

The CHIP Ordinance strives to achieve Los Angeles' housing objectives identified by the 2021-2029 Housing Element through the creation of three programs: the State Density Bonus Program, the Mixed Income Incentive Program (MIIP), and the Affordable Housing Incentive Program (AHIP). The State Density Bonus Program encompasses revisions to the City's existing local Density Bonus Ordinance to align with current State Density Bonus Law. MIIP establishes mixed income housing incentives along certain major corridors and near transit, while AHIP provides tailored incentives encouraging 80-100% affordable housing projects citywide. Together, these three programs are proposed to serve as the City's local implementation of the State Density Bonus Law. By enabling streamlined project review procedures and introducing bold new incentives for project types, the CHIP program seeks to expand access to affordable housing near transit, jobs, and in areas offering greater access to resources and opportunity.

Supporting the CHIP Ordinance, the department has concurrently prepared the Housing Element Sites and Minimum Density Ordinance and the Resident Protections Ordinance. The Housing Element Sites and Minimum Density Ordinance meets State Housing Element law requirements, while facilitating housing development on select sites identified in the current and prior Housing Elements. Meanwhile, the Resident Protections Ordinance puts forth provisions centered on strengthening protections for existing tenants and existing housing from redevelopment pressures citywide.

### **Background**

The 2021-2029 Housing Element found that current zoning regulations in Los Angeles would result in insufficient housing production to meet the state mandated Regional Housing Needs Assessment (RHNA) targets. RHNA is the California State-required process that seeks to ensure cities and counties plan for enough housing to be built for Angelenos of all income levels. Los Angeles' current RHNA target, including a buffer, was 486,379 housing units. After taking into account anticipated housing development, the 2021-2029 Housing Element identified that only a portion of the RHNA target could be accommodated by existing zoning, and the RHNA shortfall would require an update to the City's zoning regulations allowing for the remaining 255,433 housing units to be built. This requirement obligates the City to adopt and effectuate a rezoning program by February 12, 2025 (three years and 120 days from the original 2021-2029 Housing Element adoption deadline).

To address this housing deficit, the 2021-2029 Housing Element identified Program 121, RHNA Re-zoning, consists of several different implementation programs, including updates to Community Plans. These plans are on varying timelines, and some local plans have already been approved by the City Planning Commission while others are still in development. Alongside the CHIP Ordinance, it is expected that the Downtown and Hollywood Community Plan updates will be effectuated by February 12, 2025, to comply with the statutory deadline for rezoning. The CHIP, RP, and HESMD Ordinances will work alongside the City's more localized planning tools to create citywide incentive-based strategies to provide affordable housing and to meet the housing needs identified in the 2021-2029 Housing Element.

In March 2023, City Planning announced the Citywide Housing Incentive Program (or "CHIP") and initiated public engagement to inform development of the following six core strategies: Adaptive Reuse, Affordable Housing Overlay, Opportunity Corridors, Missing Middle, and Process Streamlining. These strategies were developed based on public input and the results of the fair housing analysis conducted as part of the adopted 2021-2029 Housing Element. Furthermore, these rezoning strategies were upheld through a Planning and Land Use Management (PLUM) Committee report (CF-21-1230-S3) adopted on February 7, 2023 by the City Council which affirmed the Program objective to focus new housing opportunities in High Resource Areas as proposed in the 2021-2029 Housing Element certified by HCD. Following extensive outreach including webinars, office hours, and participation in public events (described in more detail in the [Public Hearing and Communications](#) section), City Planning released a draft Citywide Housing Incentive Ordinance in March 2024 incorporating the six core strategies into three programs: the State Density Bonus Program, MIIP, and AHIP.<sup>1</sup> The Housing Element Sites and Minimum Density Ordinance and Resident Protections Ordinance, were also developed in alignment with these six core strategies. The CHIP Ordinance proposes a combination of development bonuses and incentives in exchange for the inclusion of covenanted affordable units, building on State Density Bonus Law (California Government Code Section 65915-65918). Part of the CHIP Ordinance includes an update to the City's current Density Bonus Ordinance to codify state updates that have occurred since the City's adoption of the ordinance in 2008.

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<sup>1</sup> The Adaptive Reuse concept was incorporated into an independent ordinance CPC-2023-5968.



In addition to public feedback, the development of the CHIP Ordinance has been informed by City Council motions directing City Planning to develop incentive strategies for One Hundred Percent Affordable Housing Developments (CF-21-0972), including incentives for Faith-Based Organizations (CF 23-0172), as well as incentives for multi-bedroom “family-sized” units in mixed income and One Hundred Percent Affordable Housing Developments (CF 24-0147).

In June 2024, revised drafts of the Program Ordinances were released and a public hearing was held on July 25, 2024. During the public comment period in the month that followed, the Department received over 2,000 emails of direct written feedback from constituents and continued to meet with interested parties to discuss the ordinances. Feedback received during this phase helped to refine the final ordinance drafts presented to City Planning Commission.

### **Program Requirements**

Statutory requirements for the Program are delineated in California State Government Code Sections 65580 – 65589.11. Of the additional 255,433 units that the City must rezone for, more than half (130,553) must occur on lower income sites, which are generally sites that can accommodate higher density and meet the RHNA need for very low and low-income households. These sites are subject to requirements in state Housing Element law pursuant to Government Code Sections 65583.2 (h) and (i). Specifically, these sites must:

- Allow a by-right approval process for projects that set aside at least 20% of their units for lower-income households,
- Require a minimum density of at least 20 units/acre for residential development projects, and
- Accommodate at least 16 units per site

In addition, while some lower income sites may be located on parcels zoned for commercial uses, more than 50% of these sites must be located on residentially zoned sites. In the event this 50% threshold is not met by the City’s ordinance, future mixed-use projects on commercially zoned parcels would be required to reserve at least 50% of their floor area for residential uses and the City would be prevented from allowing a 100% residential project in a commercial zone. Furthermore all rezoning must Affirmatively Further Fair Housing (AFFH) consistent with Government Code 8899.50, as described below.

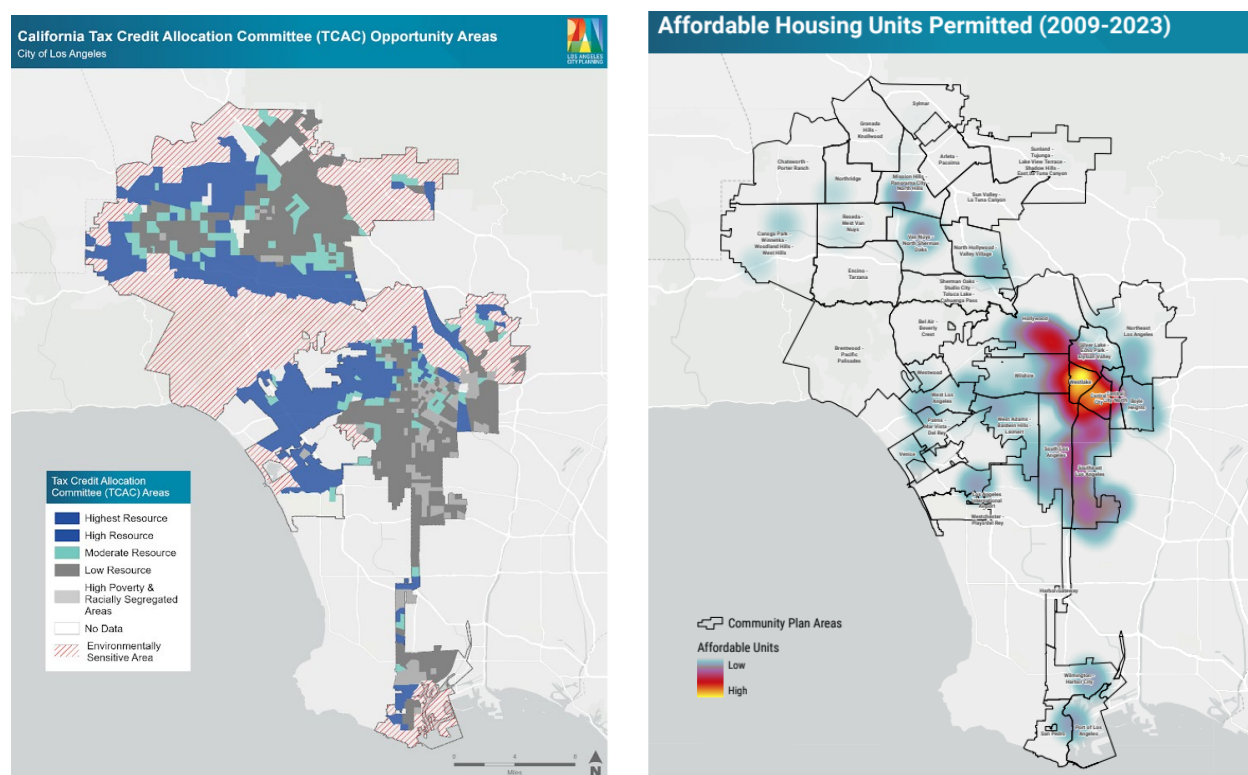
### **Affirmatively Furthering Fair Housing (AFFH)**

State and Federal law (Government Code 8899.50) mandates cities to Affirmatively Further Fair Housing, which is defined as taking meaningful actions that not only combat discrimination, but also undo the legacy of past harms around segregation to foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.

The CHIP Ordinance serves as one of the City’s commitments to Affirmatively Further Fair Housing (AFFH) by emphasizing an equitable rezoning approach. One of the ways the program achieves this is by creating greater “access to opportunity”. The term “access to opportunity”

refers to Angeleno's ability to access places with characteristics linked to positive life outcomes, such as educational attainment, earnings from employment, and economic mobility. These areas are referred to as Higher Opportunity Areas<sup>2</sup>, and have a dense concentration of place-based opportunities such as access to transit, and high-performing schools, with higher rates of employment and education, and lower exposure to environmental pollutants, among other indicators. The CHIP aims to improve equitable access to Higher Opportunity Areas of the City and improve the lives of all Angelenos through its incentive-based approach that promotes housing near higher performing schools, jobs and transit and along major corridors and avoiding environmentally sensitive areas.

**Figure 1: TCAC Opportunity Area Map (Left), Affordable Units Permitted from 2009-2023 (Right)**



Today, the City's Higher Opportunity Areas experience far less production of affordable housing than other areas of the City as shown in Figure 1 (Right) above. This is reflective of existing regulations in the zoning code that do not distinguish between Higher and Lower Opportunity geographies. In response to this inequitable distribution of mixed-income, multi-family housing, the CHIP Ordinance prioritizes incentivizing affordable housing production in Higher Opportunity Areas through a variety of programs that create greater access to opportunities for all Angelenos in alignment with AFFH objectives.

<sup>2</sup> Defined as High and Highest Resource Areas by the state-wide California Tax Credit Allocation Committee and the California Department of Housing and Community Development (TCAC/HCD) [Opportunity Areas Maps](#)

### **Consequences of Non-Compliance**

The City's proposed CHIP and HESMD Ordinances must be operative by February 12th, 2025. Failure to meet this deadline or adopt a program that meets the requirements of state law (per California Government Code 65583(c)(1)(A)) could result in a determination of non-compliance from the state. A non-compliant status would trigger significant consequences for the city, including its public agencies and non-profit housing developers, that may result in the loss of hundreds of millions of dollars in funding for housing, transportation, and infrastructure, loss of local zoning control (Builder's Remedy), court imposed fines, limitations on the issuance of permits, and limitations on the approval of commercial projects. Housing Element law further includes a provision that requires a housing development with at least 49% housing affordable for lower income residents to be approved through a by-right process on any site included in a Housing Element program to be rezoned provided it complies with the applicable objective standards and criteria described in the rezone program action (See California Government Code Section 65583(g)).

In addition, state law grants the Housing and Community Development (HCD) authority to review any actions (or inaction) by a local government that it determines are inconsistent with an adopted Housing Element or Housing Element law. For the City of Los Angeles, this includes failure to implement the Program actions included in the Housing Element. A determination of Housing Element non-compliance could lead to additional consequences including application of the "builder's remedy," a provision in the Housing Accountability Act that limits the ability of local governments to restrict the development of new affordable and mixed income housing development even if inconsistent with local zoning regulations. Additionally, non-compliance could subject the City to court imposed fines and penalties of up to \$600,000 per month and puts millions of dollars for affordable housing production put at risk, including scoring and funding for planning grants and the following programs:

- Permanent Local Housing Allocation (PLHA) - Program provides funding to local jurisdictions for affordable housing for individuals at risk of homelessness and households at or below 60% AMI.
- Affordable Housing and Sustainable Communities (AHSC) - State funding program that aims to reduce greenhouse gas emissions by funding affordable housing in conjunction with transportation improvements.
- Transformative Climate Communities (TCC) - Funding provided for projects including housing and infrastructure, that achieve major environmental, health, and economic benefits in disadvantaged neighborhoods.

### **Adoption of New Zoning Code and Community Plan Updates**

On May 2, 2023, the City Council voted unanimously to approve the Downtown Los Angeles Community Plan Update and the New Zoning Code, a new Chapter 1A of the Los Angeles Municipal Code. This new zoning framework includes a comprehensive zoning code restructure that will be applied as future community plans are updated and will allow for more flexibility to meet the varied needs of Los Angeles' diverse communities and implement a large range of

citywide and community-level goals and policies. It includes a new modular zoning system, updated regulations, and zoning districts and zoning tools necessary to zone and implement the Downtown Community Plan and future Community Plan updates and Specific Plans.

The New Zoning Code and Downtown Community Plan are currently being reviewed and finalized by the City Attorney. Once their form and legality process is complete, they will return to City Council for final approval and adoption, after which the New Zoning Code provisions will be in effect in the Downtown Community Plan Area. Other local plans are also in the process of being updated using the New Zoning Code rules and zoning system. On December 12, 2023 an update to the Cornfield Arroyo Seco Specific Plan (CASP), which simplified the CASP plan and programs and transitioned the plan to Chapter 1A zoning districts and regulations, was recommended for adoption by the City Planning Commission. Following this, the City Planning Commission also recommended the adoption of the Boyle Heights Community Plan on January 11, 2023 and the Harbor Gateway Community Plan and Wilmington-Harbor City Community Plan on February 8, 2024. The plans include new zoning using the new modular zoning districts system established in Chapter 1A, updated policies, and local affordable housing incentives under a new Local Affordable Housing Incentive Program, which was intended to be the principal update and replacement to the Transit Oriented Communities (TOC) Incentive Program passed by voters in 2016 via Measure JJJ. These New Zoning Code provisions will go into effect in these plan areas when the plans pass final approval and adoption by City Council and as future community plan updates are adopted under New Zoning Code rules, Chapter 1A rules and programs will extend to those areas as well. Within the Citywide Housing Incentive Program (CHIP), a Chapter 1A version of the Density Bonus and Affordable Housing Incentive Program (AHIP) will also apply to all future community plan updates. CHIP's Mixed Income Incentive Program (MIIP) will not apply to the Downtown, Harbor, and Boyle Heights Community Plans and the Cornfield Arroyo Seco Specific Plan, which have been presented previously to the City Planning Commission with their own local value capture programs; however, future Community Plan Updates will build from the MIIP's incentive framework and to develop their own local version of the Transit Oriented Incentive Areas program that will live within Chapter 1A of the City's Zoning Code.

The proposed Housing Element Rezoning Program will introduce changes to this New Zoning Code in order to ensure that the policies of the New Zoning Code align with citywide policy changes being introduced in Chapter 1 of the LAMC, the existing Zoning Code, so that areas of the City that are subject to the existing Zoning Code and areas subject to the New Zoning Code can utilize consistent updated housing policy and affordable housing incentives. To accomplish this, the Housing Element Rezoning Program must include updates to and expansions of existing housing incentive programs in Chapter 1A, including the Chapter 1A version of the State Density Bonus Incentive Program, the introduction of new incentive and streamlining programs, and an expansion and renaming of the Local Affordable Housing Incentive Program currently utilized by plans under the New Zoning Code. Other updates to housing policy, such as unit replacement requirements and minimum densities must be included as well. The City Planning Commission's action on the Citywide Housing Incentive Program Ordinance, Resident Protections Ordinance, and Housing Element Sites and Minimum Density Ordinance should therefore include recommending both a version of the proposed ordinances that amends Chapter 1 of the LAMC

as well as a parallel version of the ordinances that would amend Chapter 1A of the LAMC. Some specific policy structure and eligibility provisions may be slightly modified from the Chapter 1 versions of the ordinances to the Chapter 1A versions of the ordinances in order maintain fidelity with the policies of Chapter 1A plans already recommended for adoption by the City Planning Commission and to allow for tailoring of local policy by plan updates in the future. The Chapter 1A versions of each of these ordinances, along with the rest of the the zoning provisions of 1A, will apply both to plan areas already under updated under Chapter 1A and also future plan areas as they are updated plan by plan to utilize the new system.

### **Citywide Housing Incentive Program (CHIP)**

#### **Core Strategies**

Early phases of CHIP development were guided by the formulation of six core strategies, informed by outreach conducted during the 2021-2029 Housing Element Update. These strategies prioritized growth near transit infrastructure and centered concepts on Affirmatively Furthering Fair Housing outcomes. Strategies ranged from focusing on creating more affordable housing and new “Missing Middle” housing typologies to improving process streamlining, including for adaptive reuse projects repurposing existing buildings for housing. The strategies also introduced “Opportunity Corridors,” an incentive area for mixed income housing near quality transit in Higher Opportunity Areas, and suggested refinements to the City’s current incentive programs like Density Bonus and Transit Oriented Communities. The CHIP Program includes aspects of all these strategies, though they have changed after extensive public feedback and technical policy formulation. For example, the Adaptive Reuse strategy will be implemented in a separate rezoning program “Citywide Adaptive Reuse Ordinance” (CPC-2023-5986-CA) led by the City Planning Urban Design Studio.

#### **Proposed Ordinance Summary**

The CHIP Ordinance is separated into three programs, the State Density Bonus Program, Mixed Income Incentive Program (MIIP), and Affordable Housing Incentive Program (AHIP), that will be located within the Exceptions section (LAMC 12.22) of the LAMC. Together, these programs are proposed to serve as the City’s local density bonus program consistent with State Density Bonus Law (Government Code Sections 65915-65918), and the authority to provide local procedures and greater development bonuses by local ordinance (Gov. Code. Sec. 65915(a) and (n)). In addition to these programs—described in more detail below—the Ordinance contains a series of targeted amendments to correct references, ensure consistency with other sections of the LAMC, and support the implementation of the CHIP Ordinance programs. These include revisions to definitions, establishment of new procedures, revisions to Project Review thresholds, revisions to Linkage Fee exemptions, as well as a new code section authorizing the Director of Planning to adopt an Environmental Protections Measures Handbook.

***State Density Bonus Program***

The State Density Bonus Program will function as the City's local mechanism for implementing key components of state law. Since the City's Density Bonus Ordinance was passed in 2008, over a dozen state bills have significantly amended State Density Bonus Law. The CHIP Ordinance encompasses revisions to the City's existing local Density Bonus Ordinance, that are currently implemented through department memorandums, to align the City's incentives, processes, and procedures with State Density Bonus Law.

***Mixed Income Incentive Program (MIIP)***

MIIP will establish mixed income housing incentives along certain major street corridors, near major transit, including tools to encourage the construction of various types of "low scale/low rise" housing to create transitions between single-family homes and mid-rise apartment buildings. These "Opportunity Corridor" and "Opportunity Corridor Transition" incentives will be available for projects located in the City's High and Highest Resource Areas (Higher Opportunity Areas) as defined by the California Tax Credit Allocation Committee Opportunity Area maps. The incentives proposed as part of the MIIP will also be made available to projects involving adaptive reuse. Additionally, MIIP will codify key elements of the Transit Oriented Communities (TOC) Affordable Housing Incentive Guidelines, which will expire in 2026, for sites near transit citywide.

***Affordable Housing Incentive Program (AHIP)***

AHIP will provide tailored land use incentives for One Hundred Percent Affordable Housing Projects citywide. Additionally, the ordinance will expand the types of zones eligible for One Hundred Percent Affordable Housing projects to "P" Parking zones, "PF" Public Facilities zones, and to parcels owned by public agencies, Faith-Based Organizations (FBOs), and Community Land Trusts or Limited Equity Housing Cooperatives (Shared Equity). FBO and Shared Equity projects will have different affordability requirements wherein 80% of units must be deed-restricted to qualify.

***Additional Targeted Amendments*****Amendments to Definitions (LAMC Section 12.03)**

The CHIP Ordinance adds several new definitions to LAMC Section 12.03 for terms used in the three CHIP programs (State Density Bonus, MIIP, and AHIP). These new definitions are largely reflective of terminology codified in state law that inform the regulatory framework for the CHIP programs. In particular, a number of terms are reflective of definitions contained in State Density Bonus Law (California Government Code Section 65915) for "Housing Development", "Density Bonus", and "Incentive". Other key terms include the definitions of income levels associated with covenants for Restricted Affordable Units and terms to ensure consistency throughout the CHIP programs and Chapter 1 of the LAMC for references to historic resources. More information on the full list of terms proposed to be added to LAMC Section 12.03 can be found on page 2 of Exhibit A.1, the proposed draft CHIP Ordinance.

Amendments to Findings Associated with the Density Bonus for a Housing Development in which the Density Increase is Greater than the Maximum Permitted (LAMC Section 12.24 U.26)

The CHIP Ordinance proposes an amendment to LAMC Section 12.24 U.26 which contains required findings for Class 3 Conditional Use Permit Density Bonus projects requesting a density increase that exceeds what is permitted under the existing Density Bonus Ordinance (described in Section 12.22 A.25 which are to be replaced by the CHIP Ordinance). The proposed amendments to this section would update the threshold which triggers discretionary review for projects requesting a density bonus beyond 88.75% or 100% in alignment with state law (Government Code Section 65915 (v) added by AB 1287). The maximum density bonus permitted by state law may be 88.75% or 100%, and is determined by the income category of the restricted affordable units a project provides. Prior to AB 1287, State Density Bonus Law projects providing the requisite number of affordable units were able to receive up to a 50% density bonus under certain circumstances (AB 2345). AB 1287, which became effective in 2024, builds upon the 50% bonus and allows a project to receive an additional density bonus beyond 50% in exchange for a greater set aside of restricted affordable units. Projects providing additional restricted affordable units for Very Low Income households may receive an additional bonus of 38.75%, resulting in a total bonus of 88.75%, and projects providing restricted affordable units for Moderate Income households may receive an additional bonus of 50%, resulting in a total bonus of 100%. Additionally, the proposed amendment replaces a reference to “base density” with “Maximum Allowable Residential Density” per Government Code Section 65915 (o)(6). Other updates to this section include adding references to affordable housing requirements added under the Resident Protections Ordinance pursuant to LAMC Section 16.60 and Section 16.61. More information about the Resident Protections Ordinance can be found beginning on page A-39.

Amendments to Exemptions from the Affordable Housing Linkage Fee (LAMC Section 19.18)

The CHIP Ordinance proposes an amendment to LAMC Section 19.18 (containing provisions to the Affordable Housing Linkage Fee) that would add an exemption to LAMC Section 19.18 B.2. In particular, this proposed new exemption would make any MIIP project exempt from payment of the required Linkage Fee which currently applies to projects that set aside less than 8% Extremely Low Income, 11% Very Low Income, 20% Low Income, or 40% Moderate Income units within a new housing development. The CHIP Ordinance proposes this amendment to align the affordability requirements for the linkage fee exemption with those required in the proposed MIIP. Specifically, MIIP will offer projects the ability to meet their affordability requirement by providing restricted affordable units in a single affordability tier or by providing restricted affordable units consistent with a mixed-affordability option, which is consistent with the intent of the Affordable Housing Linkage Fee policy provisions. More information on the required set-asides for restricted affordable units can be found in the *Affordability Level Considerations* section of this staff report on page A-64.

Though MIIP projects utilizing the single affordability tier option to meet their set aside requirement would already be consistent with the requirements of the Affordable Housing Linkage Fee, projects utilizing the mixed-affordability option would be inconsistent with the requirements of the Affordable Housing Linkage Fee and potentially still be subject to a Linkage Fee Payment. For

this reason, the CHIP Ordinance proposes an exemption from the Linkage Fee for all MIIP projects given that these project types will still be mandated to provide on-site affordable units consistent with the intent of the Affordable Housing Linkage Fee policy provisions.

#### Amendments to Project Review Thresholds (LAMC Section 16.05)

The CHIP Ordinance proposes an amendment to the Exemptions section of LAMC Section 16.05 which contains provisions associated with Project Review (previously referred to as Site Plan Review). The proposed amendment would exempt from the Project Review process (described in Section 13B.2.4 of Chapter 1A) any project that provides restricted affordable units on-site consistent with the set asides required to be exempt from the Affordable Housing Linkage Fee, which as proposed would include projects utilizing the MIIP program. This proposed exemption from Project Review requirements is informed by feedback provided calling for additional process streamlining for projects providing on-site restricted affordable housing.

Project Review is a planning process that requires discretionary actions for larger types of developments. For multi-family housing development, Project Review is required for projects that create a net increase of 50 units or more on a site (prior to any density bonus) and excluding any covenanted affordable units. Project Review determinations require the decision-maker to make various findings, trigger environmental review under the California Environmental Quality Act (CEQA), can result in an optional public hearing, and contain an appeal period. If a Project Review determination is appealed, it requires an appeal hearing to be conducted by the Planning Commission. These procedures significantly expand project review timelines and introduce considerable risk and uncertainty for housing developers of projects that may otherwise meet all local zoning requirements, and were identified as a constraint to affordable housing production in the 2021-2029 Housing Element.

#### Landscape and Site Design Standards

It is important to note that the Department has proposed a separate Landscape and Site Design Standards Ordinance that would amend the City's Landscape Ordinance (No. 170,978), to create new objective standards for landscape and site design and maintain a point-based system in order to implement healthy building design and climate-adapted site design. As proposed, this ordinance would be applicable to all eligible projects proposing five or more units, regardless of the Project Review process.

#### Environmental Protection Measures

The CHIP Ordinance proposes a new Section 11.5.15 to the LAMC adding enabling language for the Director of Planning to, in the future, approve and issue Environmental Protection Measures. Environmental Protection Measures serve as a set of standards that will be used to implement mitigation measures adopted pursuant to CEQA, including for City plans and other City policies in compliance with CEQA Guidelines Sec. 15126.4(a)(2), and to create a framework to adopt other standards intended to protect the environment as well as public health and safety. In September 2021, the City Planning Commission approved a recommendation that the City Council instruct the Director of City Planning to adopt the Environmental Protection Measures for projects approved pursuant to Chapter 1A of the LAMC.



The adoption of this authorizing language and future adoption of the Environmental Protection Measures by the Director aligns with the intent underpinning the incorporation of the Environmental Consideration Areas (see Environmental Consideration Areas on page A-67) and associated regulations into the second draft of the CHIP Ordinance released on June 27, 2024. Specifically, the second draft of the CHIP Ordinance proposed to require that sites located within Environmental Consideration Areas complete a Phase I and/or Phase II Environmental Site Assessment in order to utilize certain incentives, or in the case of MIIP, be eligible for incentives entirely.

Additional analysis revealed that rather than proposing regulations in the CHIP Ordinance to apply to sites identified as Environmental Consideration Areas, the City could instead require projects to comply with the Environmental Protection Measures at the time of building permit application. Rather than requiring compliance with certain regulations to access certain types of incentives, requiring compliance with the Environmental Protection Measures ensures broader applicability of important health and safety measures for all projects utilizing the CHIP Ordinance incentive programs. With this in mind, staff recommend that the Director adopt the Environmental Protections Measures, including the associated applicability provisions, at time of the implementation of the CHIP Ordinance so that they apply specifically to projects approved pursuant to LAMC Section 12.22 A.37 (State Density Bonus Program), LAMC Section 12.22 A.38 (Mixed Income Incentive Program), and LAMC Section 12.22 A.39 (Affordable Housing Incentive Program), as well as sites identified as Lower Income Rezoning Sites or Prior Housing Element Sites eligible for by-right review pursuant to state law and the HESMD Ordinance.

Revisions proposed to the Environmental Protection Measures originally prepared as part of the City Planning Commission (CPC)'s consideration of the Downtown Community Plan are summarized in the Table below. These revisions are also included in Exhibit C.2

**Table 1. Environmental Protection Measures Revisions**

<b>Environmental Protection Measures Section</b>	<b>Proposed Revision</b>
<b>Section 1. Administrative Provisions</b>	<ul style="list-style-type: none"> <li>- Clarifies that projects may be subject to Environmental Protection Measures as stated in Chapter 1 of the LAMC, Chapter 1A of the LAMC, or as stated in the applicability section of each individual Environmental Protection Measure.</li> </ul>
<b>Section 2. Required Notices</b>	<ul style="list-style-type: none"> <li>- No revisions proposed.</li> </ul>
<b>Section 3. Environmental Protection Measures</b>	<ul style="list-style-type: none"> <li>- Hazardous Materials Standards (HM1) revised as follows:             <ul style="list-style-type: none"> <li>- Applicability for HM1-1 and HM1-2 proposed to be revised to specifically apply to projects approved pursuant to LAMC Section 12.22 A.37, LAMC Section 12.22</li> </ul> </li> </ul>

	<p>A.38, LAMC Section 12.22 A.39, and LAMC Section 16.70.</p> <ul style="list-style-type: none"> <li>- HM1-2 (Environmental Site Assessments) applicability thresholds revised as follows:</li> <li>- Active oil well buffer expanded to 1,000 feet <ul style="list-style-type: none"> <li>- Idle oil well buffer expanded to 200 feet</li> <li>- Plugged oil well expanded to 100 feet</li> </ul> </li> </ul>
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With this in mind, as stated, the draft CHIP Ordinance proposes to:

- Add authorizing language to the LAMC Chapter 1 enabling the Director to, at a future date, adopt the Environmental Protection Measures (LAMC Section 11.5.15);
- Revise eligibility criteria in all three CHIP Ordinance programs to require compliance with Environmental Protection Measures to ensure a Phase I and/or Phase II Environmental Site Assessment is conducted for sites hosting or near hazardous uses as outlined in the Environmental Consideration Area definition; and
- Remove compliance criteria in State Density Bonus and AHIP limiting projects' access to the Menu of Incentives and instead replaces this with eligibility criteria as described above.

## Key Provisions

### ***Ordinance Structure***

Within the CHIP Ordinance, the local State Density Bonus Program, MIIP, and AHIP all follow the same overall structure with varying incentives offered. The Programs are organized in the following format:

- Purpose
- Definitions
- Eligibility
- Procedures
  - Los Angeles Department of Building and Safety Review
  - Expanded Administrative Review
  - Director of Planning Review (*MIIP & AHIP*)
  - City Planning Commission Review
- Base Incentives
- Additional Incentives
  - Allowed Number of Additional Incentives
  - Menu of Incentives
- Public Benefit Options
- Program Standards
- Relationship to Other Sections of the Los Angeles Municipal Code

As mentioned earlier in this report, all three of the programs are proposed to function together as the City's local density bonus program in compliance with California Government Code Section 65915 (a) and (n) which allows local jurisdictions to offer development bonuses greater than those described in California Government Code Section 65915 and to set local procedures. As such, with State Density Bonus Law as the CHIP Ordinance's regulatory foundation, each program also

codifies key elements of law including baseline density bonuses and parking relief; incentive and waiver allowances; and ministerial approval procedures. More information on how State Density Bonus Law informs each CHIP Ordinance program is described in further detail below.

### Eligibility

Each of the three CHIP Ordinance programs establishes specific eligibility criteria that projects must adhere to in order to access each program's development bonuses and incentives. All programs establish required dwelling unit thresholds; set aside requirements for Restricted Affordable Units; and parameters for designated historic resources. A project must meet the state definition of a Housing Development to qualify for the State Density Bonus Program and the state's definition of Maximum Allowable Residential Density is used to qualify projects for lower or higher scale incentives in the MIIP and AHIP, using a threshold of 5 units. MIIP and AHIP go further to create geographic criteria to facilitate the approval of greater development bonuses in priority areas including geographies near transit investments and Higher Opportunity Areas. Essentially, the eligibility criteria function as rules to access each program. A summary of the eligibility criteria associated with each CHIP Ordinance program can be found in Table 2 below.

### **Table 2. Summary of CHIP Ordinance Eligibility Requirements**

*\*NOTE: All programs shall be required to provide the requisite number of restricted affordable units per the provisions of the applicable code section.*

Program	Geographic Eligibility	Unit Thresholds	Limitations
<b>State Density Bonus Program</b>	<ul style="list-style-type: none"> <li>- Citywide</li> </ul>	<ul style="list-style-type: none"> <li>- Be located on a site that allows at least 5 residential units, including mixed-use developments</li> </ul>	<ul style="list-style-type: none"> <li>- Lots in Very High Fire Hazard Severity Zones, Coastal Zones, and Sea Level Rise Areas not eligible for Menu of Incentives or certain Public Benefit Options</li> <li>- No demolition of Designated Historic Resources and limited Menu of Incentives for sites with Designated Historic Resources</li> </ul>
<b>Mixed Income Incentive Program</b>			
<b>Transit Oriented Incentive Areas</b>	<ul style="list-style-type: none"> <li>- Be located within a ½ mile of a major transit stop</li> </ul>	<ul style="list-style-type: none"> <li>- Project must contain at least 5 units</li> </ul>	<ul style="list-style-type: none"> <li>- No demolition of Designated Historic Resources and limited Menu of Incentives for sites with Designated Historic Resources</li> <li>- Very High Fire Hazard Severity Zones (except for limited exceptions), Areas Vulnerable to Sea Level Rise, and Coastal Zones excluded</li> </ul>
<b>Opportunity Corridors</b>	<ul style="list-style-type: none"> <li>- Be located on a designated corridor with frequent bus service, high quality transit service, or within ½ mile of a Metro Rail Station in a Higher Opportunity Area</li> </ul>		
<b>Opportunity Corridor Transitional Area</b>	<ul style="list-style-type: none"> <li>- Be located within 750 ft from the rear property line of an Opportunity Corridor Incentive Area</li> </ul>	<ul style="list-style-type: none"> <li>- Project must contain at least 4 units and are limited by FAR schedule</li> </ul>	<ul style="list-style-type: none"> <li>- No projects in single-family zones (RW or more restrictive zones), and no projects in manufacturing zones (M1, M2, or M3), including sites zoned CM, MR1, MR2 if no residential uses are permitted through an applicable planning overlay</li> </ul>
<b>Affordable Housing Incentive Program</b>			

Program	Geographic Eligibility	Unit Thresholds	Limitations
<b>100% Affordable Housing Project</b>	<ul style="list-style-type: none"> <li>- Be a project where all units are covenanted affordable, exclusive of manager's units (up to 20% may be for moderate income and the remaining 80% must be restricted to lower income categories)</li> <li>- In any zone/land use permitting multi-family or zoned for Parking (P/PB)</li> </ul>	<ul style="list-style-type: none"> <li>- Project must contain at least 5 units</li> </ul>	<ul style="list-style-type: none"> <li>- Lots in Very High Fire Hazard Severity Zones, Coastal Zones, and Sea Level Rise Areas not eligible for Menu of Incentives or certain Public Benefit Options and not eligible for the program if a Project's Maximum Allowable Residential Density is less than 5 units.</li> <li>- No projects in single-family zones and no projects in manufacturing zones (M1, M2, or M3), including sites zoned CM, MR1, MR2 if no residential uses are permitted through an applicable planning overlay if a Project's Maximum Allowable Residential Density is less than 5 units.</li> </ul>
<b>Faith-Based Organization (FBO) Project</b>	<ul style="list-style-type: none"> <li>- Be a project where at least 80% of units are covenanted affordable on land owned by a FBO (Of which, up to 20% of units may be for moderate income with remaining restricted units covenanted for lower income categories)</li> </ul>		<ul style="list-style-type: none"> <li>- No projects in Very High Fire Hazard Severity Zones, the Coastal Zone, Sea Level Rise Areas, manufacturing zones, or hybrid industrial zones with residential use restrictions</li> <li>- Single-family sites acquired after 1/1/24 must be located within 528 ft from parcel owned by filing Religious Institution with existing Church or House of Worship</li> <li>- Additional standards and no demolition permitted for projects with Designated Historic Resources or Surveyed Historic Resources</li> </ul>
<b>Public Land Project</b>	<ul style="list-style-type: none"> <li>- Be a project where all units are covenanted affordable, exclusive of manager's units (any mix of moderate and lower income units permitted) on land owned by a public</li> </ul>		<ul style="list-style-type: none"> <li>- No projects in Very High Fire Hazard Severity Zones, the Coastal Zone, Sea Level Rise Areas.</li> </ul>

Program	Geographic Eligibility	Unit Thresholds	Limitations
	agency or zoned for Public Facilities (PF)		
<b>Shared Equity Project</b>	<ul style="list-style-type: none"> <li>- Be a project where 80% of units are covenanted affordable on land owned by a Community Land Trust or Limited-equity Housing Cooperative</li> </ul>		<ul style="list-style-type: none"> <li>- No projects in Very High Fire Hazard Severity Zones, the Coastal Zone, or Sea Level Rise Areas.</li> <li>- No projects in single-family zones and no projects in manufacturing zones (M1, M2, or M3), including sites zoned CM, MR1, MR2 if no residential uses are permitted through an applicable planning overlay</li> <li>- Additional standards and no demolition permitted for projects with Designated Historic Resources or Surveyed Historic Resources</li> </ul>

Environmental criteria for the CHIP Ordinance were carefully crafted to protect public safety, promote sustainability, and enact environmental justice. The MIIP is not available in Very High Fire Hazard Severity Zones, the Coastal Zone or Sea Level Rise Areas. State Density Bonus and AHIP match state incentives to projects meeting density bonus affordability requirements in these areas and trigger Expanded Administrative Review procedures for projects proposed in Very High Fire Severity Zones and One Hundred Percent Affordable projects proposed in Sea Level Rise Areas.

MIIP and AHIP further limit eligibility criteria by restricting projects from being located in manufacturing zones that do not allow multi-family residential uses (M1, M2, and M3), including hybrid industrial sites zoned CM, MR1, and MR2 with residential use restrictions from an applicable planning overlay. The State Density Bonus Program and AHIP only match state incentives in these areas where a land use designation permits residential density, consistent with State Law.

The CHIP will adopt and use environmental protection measures and the associated handbook to ensure sites with hazardous risks or environmental resources are required to follow the proper

remediation and mitigation measures. Please see the section on the Environmental Protection Measures Handbook on Exhibit C.2 of this report for more information.

### Procedures

Each CHIP strategy (DB, MIIP, AHIP) establishes specific ministerial and discretionary procedures required for a project's approval depending on the type of request needed to achieve a project's proposed building envelope. A project's applicable procedure is determined not only by the type of request, but also by the project site's characteristics. A table summarizing CHIP procedures is available for review in Appendix 4. The procedures described below are proposed to be implemented through the processes and procedures included in Article 13 of the New Zoning Code which, today, applies to Chapter 1 and Chapter 1A of the LAMC.

### *Ministerial Review of Incentives*

Under State Density Bonus Law, a project is entitled to a specific number of incentives that must be approved according to specific criteria established by California Government Code Section 65915 (d). Specifically, incentives may only be denied if they do not offer cost reductions needed to provide covenanted affordable housing; if they result in a Specific Adverse Impact (as defined in a proposed definition in LAMC 12.03 of the CHIP Ordinance; or if they would be contrary to state or federal law. The CHIP Ordinance will offer ministerial review to an expanded list of eligible project request types beyond what is currently offered today through the existing Density Bonus Program (contained in LAMC Section 12.22 A.25) and the Transit Oriented Communities Affordable Housing Incentive Program Guidelines (TOC Program) (contained in LAMC Section 12.22 A.31). Across all three programs, the CHIP Ordinance proposes ministerial review of specified incentive requests.

Under all three programs within the proposed CHIP Ordinance, most projects requesting base incentives or incentives on the Menu of Incentives will be processed ministerially by the Department of Building and Safety (LADBS). Projects utilizing the CHIP Ordinance that are requesting incentives not on the Menu of Incentives or using any Public Benefits Options will be eligible for ministerial approval through the City Planning's proposed new Expanded Administrative Review process (see LAMC 13B.3.2 of the proposed draft).

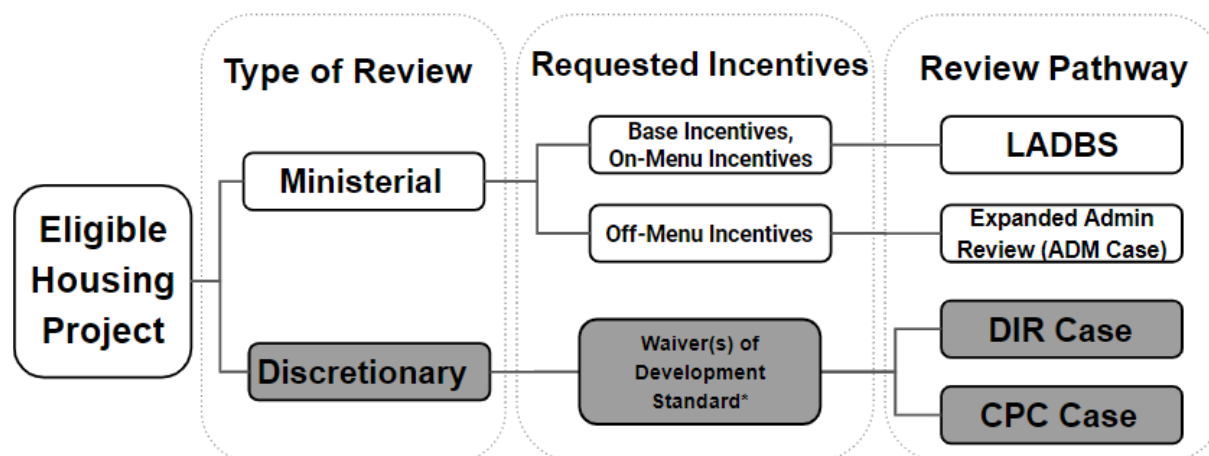
Under Expanded Administrative Review, State Density Bonus Program, MIIP and AHIP projects with requests for incentives not on the Menu of Incentives may require a staff level informational public hearing subject to noticing procedures prior to the completion of the project's administrative review but will not be subject to an appeal. These projects will require a 24-day mailing notice and 10-day posting notice for the public hearing. Within MIIP, requests for FAR, height, open space, setbacks, tree planting and ground floor not on the Menu of Incentives are not permitted, directing projects to utilize the basic State Density Bonus Program for those requests instead of the MIIP Menu of Incentives.

Under AHIP, two additional types of projects are eligible for Expanded Administrative Review. Faith-Based Organization Projects requesting base incentives and/or incentives on the Menu of Incentives that are located on sites with survey historic resources and projects requesting one

waiver of a development standard may be processed ministerially through Expanded Administrative Review.

Figure 2 below provides a high level overview of how procedures are generally structured in the draft CHIP Ordinance.

**Figure 2. Summary of Project Review Procedures**



\*with the exception of AHIP where up to one waiver is processed as ministerial review

#### *Discretionary Review of Waivers*

State Density Bonus Law also allows projects to request “waivers or reductions of development standards” pursuant to California Government Code Section 65915 (e) above and beyond the deviations that may be requested as an incentive. However, waivers are subject to different approval criteria. In particular, they may only be approved if the standard being waived would in fact physically preclude a project. For this reason, the CHIP Ordinance proposes waivers to be processed through a discretionary type of review procedure in most instances with the exception of AHIP which proposes the ministerial processing of up to one waiver for eligible projects.

The CHIP Ordinance has two pathways of discretionary review, Director’s Determination and CPC review (Class 3 Conditional Use Permit). The level of review is determined by which program within the CHIP Ordinance a project uses and type of relief requested. For waivers of development standards, each program has a threshold for the number of requests which triggers a higher level of review, as described in the Figure 5 below.

Under the CHIP’s State Density Bonus Program, all waiver requests must be subject to CPC review. The CPC will remain the final decision maker for all projects subject to the Class 3 Conditional Use Permit Process. MIIP will allow requests for one waiver to be filed as a Director-level review application and requests for more than one waiver must be filed as a CPC-level review application. Under AHIP, requests for up to three waivers of a development standard will be subject to Director-level review. Projects requesting more than three waivers are subject to CPC-level review. Discretionary type review procedures for waiver requests in most instances have been maintained as they give City staff the opportunity to review a project for compliance



with the required findings and also will allow an opportunity for community notification and feedback.

A summary of the above described project approval pathways is in Table 3 below as well as in a more detailed chart in [Appendix 4](#).

**Table 3: Summary of CHIP Ordinance Project Review Procedures**

Program	Allowed Incentives	Ministerial		Discretionary	
		LADBS	ADM	DIR (appeal to CPC)	CPC (CPC Final Decision Maker)
<b>State Density Bonus Program</b>	Up to 4*	-Base Incentives - Menu of Incentives	-Public Benefit Options  -Not on Menu of Incentives*	N/A	-Waivers  -Projects Exceeding 100% Density Bonus
<b>Mixed Income Incentive Program</b>	Up to 4*	-Base Incentives -On Menu Incentives	-Public Benefit Options  - Not on Menu of Incentives	-Up to 1 Waiver	-Over 1 Waiver
<b>Affordable Housing Incentive Program</b>	Up to 5*	- Base Incentives - On Menu Incentives	-Public Benefit Options -Not on Menu of Incentives  -Up to 1 Waiver	-Up to 3 Waivers	-Over 3 Waivers
* Per GCS 65915, an applicant may request up to 4 incentives (5 for One Hundred Percent Affordable Housing Projects) on or not on Menu of Incentives. An applicant can mix and match incentives on or not on the Menu of Incentives.					

#### Base Incentives

All CHIP Ordinance programs offer a set of base incentives in addition to the allotted number of Additional Incentives and Public Benefit Options. Under California Government Code Section 65915 (f) and 65915 (p), projects are entitled to density bonuses and parking relief in addition to their allowed number of incentives. Consistent with California Government Code Section 65915 (d)(2)(D), One Hundred Percent Affordable developments are further eligible for a base height

incentive under State Law. As such, all three CHIP Ordinance programs offer density and parking as what is referred to as “base incentives”. In addition, MIIP and AHIP go further to also offer FAR bonuses and height increases as Base Incentives due to the fact that relief from FAR and height limitations is commonly needed to realize a density bonus. Within MIIP and AHIP Base incentives are calibrated to offer greater incentives in areas near transit and Higher Opportunity Areas of the city, consistent with Affirmatively Furthering Fair Housing goals. More detail on the base incentives offered in each program is included below.

#### Additional Incentives

Under State Density Bonus Law, projects providing the requisite number of Restricted Affordable Units may request up to four incentives (five if 100% affordable as defined). These incentives must be approved ministerially according to specific criteria set forth in California Government Code Section (d) (also described in each “Additional Incentives” section in the CHIP Ordinance programs).

In addition to allotting projects a specific number of incentives depending on the percentage of Restricted Affordable Units provided, the CHIP Ordinance Programs offer “menus” of incentives that delineate commonly requested deviations. Utilization of these Menus of Incentives enable projects to access streamlined review by the Los Angeles Department of Building and Safety (LADBS) in most cases, while requesting incentives not on the Menu of Incentives subjects a project to a different types or levels of review. The Menu of Incentives was a policy tool established by the City’s local density bonus ordinance in 2008 and continues to be a useful way in which to encourage projects that “stick to the rules” and meet citywide policy goals to access more streamlined procedures. Projects may elect to mix incentives both on and not on the Menu of Incentives.

The CHIP Ordinance allows projects to access a specific number of incentives based on allowances described in State Density Bonus Law. Specifically, projects can access up to five incentives depending on the number of Restricted Affordable Units provided. As the ratio of affordability set asides and affordability depth increase, the more incentives the project can access. Table 12.22 A.37(f)(1)(i) details the percentage of affordable units required to access four incentives under State Density Bonus Law. State Density Bonus Law also stipulates that projects proposed as One Hundred Percent Affordable Housing Developments may access five incentives. With this in mind, each program offers projects the below number of Additional Incentives consistent with allowances in State Density Bonus Law:

**Table 4: Allowed Number of Additional Incentives**

Program	Project Types	Base Incentives	Additional Incentives Available
<b>State Density Bonus Program</b> (non 100% affordable projects)	Very Low Income (for rental or for sale)	Density and Parking	Up to 4 Incentives is 16% affordable
	Low Income (for rental or for sale)		Up to 3 Incentives if 24% affordable
	Moderate Income (for sale)		Up to 4 Incentives if 45% affordable
	Lower Income Student Housing		Up to 2 incentives if 20% affordable
<b>Mixed Income Incentive Program</b>	Transit Oriented Incentive Areas	Density, Parking, FAR, and Height	Up to 4 Incentives
	Opportunity Corridors		Up to 4 Incentives
	Opportunity Corridor Transitional Area	Density, Parking, and lot standards relief*	Not eligible for incentives on or not on the Menu of Incentives
<b>Affordable Housing Incentive Program</b>	100% Affordable Housing Project	Density, Parking, FAR, and Height	Up to 5 Incentives
	Faith-Based Organization (FBO) Project		Up to 5 Incentives
	Public Land Project		Up to 5 Incentives
*See LAMC Section 12.22 A.38 (g)(3).			

### Menus of Incentives

The CHIP Ordinance offers Menus of Incentives that developers may elect to utilize to achieve a project's desired building envelope and access streamlined procedures. Though State Density Bonus Law entitles a project to a specific number of incentives contingent on the amount of affordable housing provided, state law does not specify the types of incentives that can be requested. For this reason, City Planning has, since the adoption of the State Density Bonus Ordinance in 2008, offered projects the ability to select incentives from a predetermined menu of relief options informed by commonly requested deviations. The CHIP Ordinance proposes to maintain this tool to standardize the deviations available to proposed projects. Furthermore, the CHIP Ordinance proposes to go further than the incentive programs offered by the City of Los

Angeles today by offering projects that use incentives from these menus ministerial review by the Los Angeles Department of Building and Safety. If projects seek additional incentives not on the Menu of Incentives or waivers, they will be subject to administrative or discretionary review processes depending on the number and type of request and incentive program being utilized. A summary of the incentives available in each of the CHIP Ordinance's three programs is provided in Table 2 below. Please refer to LAMC 12.22 A.37(f)(2) for the State Density Bonus Program Menu of Incentives; to LAMC 12.22 A.38 (h)(2) for the MIIP Menu of Incentives; and LAMC 12.22 A.39(f)(2) for the AHIP Menu of Incentives. The table below displays the program eligibility of each additional incentive in the ordinance.

**Table 5: Additional Menu of Incentives Eligibility**

Incentive	DB	MIIP	AHIP
Yards	✓	✓	✓, ✓*
Transitional Height	✓	✓	✓
Space Between Buildings and Passageways	✓	✓	✓, ✓*
Open Space	✓	✓	✓
Density Calculation	✓	✓	✓
Averaging of FAR, Density, Parking or Open Space and Permitting Vehicular Access	✓	✓	✓
Relief from a Development Standard	✓	✓	✓
Supplementary Parking Reductions	✓		✓
Ground Floor Height		✓	✓
FAR	✓	Incl. as base incentive	Incl. as base incentive
Height	✓	Incl. as base incentive	Incl. as base incentive
P Zone	✓	✓	Incl. as base incentive
Ground Floor Activation		✓	✓
Lot Coverage	✓	✓	✓
Lot Width	✓	✓	✓
Lot Requirements			✓*
Senior Independent Housing	✓		
*Tailored Incentive offered for Faith-Based Organization Projects and Shared Equity Projects on sites with a Maximum Allowable Residential Density of less than 5.			

### Public Benefit Options

The proposed Public Benefit Options in each program offer projects the ability to access development bonuses above and beyond those offered through Base and Additional Incentives in exchange for design components or project uses deemed community benefits. This is a new policy tool introduced to encourage project elements identified by public comments as critical to successful multi-family projects. While some Public Benefit Options codify bonuses required by State Density Bonus Law for the provision of childcare facilities or off-site affordable housing, others introduce new bonuses for the construction of multi-bedroom units or the preservation of trees. Public benefits are primarily exchanged for greater buildable area including height and FAR, except for privately owned public space which is offset by setback relief.

The table below displays the program eligibility of each Public Benefit Option in the ordinance. Note that projects utilizing the Opportunity Corridor Transition Incentive Area are not eligible for Public Benefit Options and projects in Very High Fire Hazard Severity Zones, Coastal Zones, and Sea Level Rise Areas are only permitted to use Public Benefit incentives for Child Care and Land Donation in the State Density Bonus Program and AHIP.

Incentive	DB	MIIP	AHIP
Child Care Facility	✓	✓	✓
Multi-Bedroom Units	✓	✓	✓
Preservation of Trees		✓	✓
Active Ground Floor Exemption from Calculation of Floor Area		✓	✓
Privately Owned Public Space		✓	✓
Land Donation		✓	✓
Commercial Off-Site	✓		
Surveyed Historic Resource Facade Rehabilitation	✓	✓	✓

**Table 6: Public Benefit Options Eligibility**

#### Program Standards

The Program Standards section of each program organizes the key rules governing the programs overall. These rules include those that govern the calculation of Maximum Allowable Residential

Density (defined in 12.03 of the proposed Ordinance); specifications for how to round fractional numbers; and how each program relates to other incentive programs in the Los Angeles Municipal Code. Furthermore, the Program Standards establish how the CHIP Ordinance programs relate to important occupant protection rules and covenant requirements that are proposed to be codified in LAMC 16.60 and LAMC 16.61 (proposed in the draft Resident Protections Ordinance discussed later in this report).

### ***State Density Bonus Program***

#### Overview

The State Density Bonus Program is a citywide incentive-based housing program that will serve as the City of Los Angeles' primary mechanism for implementing State Density Bonus Law (California Government Code Section 65915-65918). While MIIP and AHIP go above and beyond State Density Bonus Law to offer greater bonuses in priority areas, the State Density Bonus program primarily functions as a direct implementation of state law provisions. The City's first local density bonus ordinance was adopted in 2008. Since this time, numerous state bills have been adopted altering how the law is implemented today in the City of Los Angeles. As a result, the City must regularly prepare implementation memos to supplement the City's density bonus ordinance. For this reason, City Planning recommends repealing the existing local density bonus ordinance housing in LAMC 12.22 A.25 and adopting the proposed State Density Bonus Program (LAMC 12.22 A.37).

#### Base Incentives

Base incentives will match those provided through and added to State Density Bonus Law, with the exception of incentives for One Hundred Percent Affordable Housing projects which are proposed to be available in AHIP. In particular, the State Density Bonus Program implements state law by offering density bonuses and parking relief as base incentives for projects with at least five units depending on the number of Restricted Affordable Units proposed. For the purposes of establishing the required five units, Maximum Allowable Residential Density (defined in LAMC 12.03 of the proposed draft and consistent with California Government Code Section 65915(o)(6)) may be counted and units provided as a result of a Density Bonus shall be excluded. Density bonuses and parking relief are also available for projects that provide housing for one of the target populations described in Table 12.22 A.37(c)(2) of the proposed draft. These incentives are found in the tables in LAMC 12.22 A.37(e). Furthermore, pursuant to a recent change in state law approved through AB 1287 (2023), mixed income projects can now receive up to a 100% density bonus by stacking two income tier set-asides under ministerial review where the restricted affordable units do not exceed 50% of the resulting housing development. Specifically, projects that provide additional units affordable to Very Low Income or Moderate Income Households can access an additional 38.75% or additional 50% density bonus respectively. This is a meaningful change as, previously, only 35% bonuses were allowed by-right through State Density Bonus Law in most areas of the City. Details on the additional density bonuses available and the associated required set-asides are described in LAMC 12.22 A.37(e)(1)(ii) of the proposed draft. Note that the percentage of restricted affordable units provided in exchange for the density bonuses described in the tables in LAMC Section 12.22 A.37(e) would be calculated based on a site's base

density or Maximum Allowable Residential Density. No parking will be required for all State Density Bonus Program projects that are located within a half mile of a major transit stop for compliance with AB 2097. Parking requirements for most projects outside of a half mile of a Major Transit Stop are described in LAMC 12.22 A.37(e)(2) of the proposed draft and are consistent with California Government Code Section 65915(p).

### ***Mixed Income Incentive Program***

#### Overview

MIIP is a local density bonus incentive program (per California Government Code Section 65915) that prioritizes opportunities for housing in specific areas around major streets and transit access to affirmatively further fair housing. The MIIP is comprised of the following three incentive areas:

- Opportunity Corridor Incentive Areas
- Opportunity Corridor Transition Incentive Areas, and
- Transit Oriented Incentive Areas

#### *Opportunity Corridor Incentive Areas*

Opportunity Corridor Incentive Areas (Opportunity Corridors) provide opportunities for increasing housing capacity near transit, along major streets (Avenues and Boulevards) in Higher Opportunity Areas of the City. There are three types of corridors identified in this program. Each corridor type has a different level of transit service, ranging from Frequent Bus Service (30 minutes or less frequency during peak hours) to High Quality Transit Service (15 minutes or less frequency during peak hours) to corridors within one-half mile of a Metro Rail Station or Rapid Bus Transit Station.

#### *Opportunity Corridor Transition Incentive Areas*

Opportunity Corridor Transition Areas (Corridor Transition Areas) provide opportunities to facilitate the construction of various types of “low-scale” or “low-rise” housing, such as bungalow courts, townhomes, and courtyard apartments that were commonly built in the City before the 1950’s. This aims to fill the gap in housing options between lower scale residential neighborhoods and mid-rise apartments. Projects utilizing these incentives would be required to meet certain design standards to ensure these sites facilitate low-scale housing outcomes, such as garden-style buildings. Shared common outdoor spaces (courtyards, paseos, or rear yards) would be required to encourage community, walkability, and healthy living. The Corridor Transition Areas are intended to provide a transition, in terms of building scale, massing, and density, from the Opportunity Corridors to lower scale residential neighborhoods.

Corridor Transition Areas are parcels that are located within a 750 foot buffer of the rear property line of an Opportunity Corridor. There are three types of Corridor Transition Areas, sites located within 250 feet, 500 feet, and 750 feet of an Opportunity Corridor, with varying incentives as the site is located further from the Opportunity Corridor.



### *Transit Oriented Incentive Areas*

Transit-Oriented Incentive Areas (TOIA) provide opportunities citywide for the construction of affordable housing through tiered development incentives for projects within one-half mile of a high quality bus stop or major transit stop. While the Opportunity Corridors and Corridor Transition Areas described above apply only in the Higher Opportunity Areas across the City, the TOIA program is applicable citywide. This program proposes to codify key elements of the Transit Oriented Communities (TOC) Affordable Housing Incentive Guidelines for sites near transit citywide.

In response to recent state legislation, including Assembly Bill 1287 (AB 1287), which allows projects utilizing the State Density Bonus program to receive up to 88.75%-100% Density Bonuses with increased affordability set-aside requirements, the proposed TOIA program offers Density Bonus incentives beginning at 100%, to ensure the City's local density bonus programs offer more generous incentives when compared with state law. Further, the proposed TOIA program offers different density bonus incentives depending on whether the project site is located in a Lower Opportunity or Higher Opportunity Area of the City. This is to ensure that Higher Opportunity Areas of the City always receive more generous development incentives consistent with affirmatively furthering fair housing goals.

A key distinction between the proposed TOIA program and the existing TOC Guidelines is the ability for projects to opt to utilize incentives not on the Menu of Incentives through a ministerial Expanded Administrative Review pathway, which is not available in the existing TOC Guidelines.

The TOIA program consolidates the four tier structure of the TOC Guidelines into a three tier system, based on varying proximity to transit service. Development incentives vary based on the site's proximity to high quality transit service.

### *Other Eligibility Criteria*

Project sites located within Environmentally Sensitive Areas, including Very High Fire Hazard Severity Zones, Areas Vulnerable to Sea Level Rise, and areas within the Coastal Zone, are not eligible to utilize the MIIP incentive programs. These Environmentally Sensitive Areas present concerns with regard to climate change and resiliency, wildfire risk, and are generally areas of the City where new housing opportunities are not encouraged.

### Base Incentives

Base Incentives have been expanded in the MIIP program, in comparison to State Density Bonus Law and the Existing Transit Oriented Communities Guidelines, to include four Base Incentives: Density, Parking, Floor Area Ratio, and Height. Incentives vary based on proximity to transit service across the Opportunity Corridors and TOIA Programs. Project sites furthest from high quality transit may build generally up to 5 stories in height, with sites located in closer proximity to transit allowed to build up to 7 or 8 stories in height. Density Bonuses range from 100% in TOIA Lower Opportunity Areas, to Unlimited Density in all Opportunity Corridors. Corridor Transition Areas generally allow up to 16 units (max.) on sites located within 250 feet from the Opportunity Corridor, and scale down to 6 units (max.) for sites located within 750 feet from the Opportunity

Corridor. FAR incentives are graduated, and scale up or down depending on how many units the project proposes to build. No parking will be required across all projects utilizing the MIIP.

Sites with Designated Historic Resources and Non-Contributing Elements to an Historic Preservation Overlay are eligible for reduced FAR and height incentives in the Opportunity Corridor and TOIA programs, and reduced incentives in the Corridor Transition Program provided the projects conform to the Secretary of the Interior's Standards and complete Office of Historic Resources review.

### *Unified Adaptive Reuse*

In order to encourage the reuse of existing buildings for affordable housing in Los Angeles, the CHIP Ordinance proposes a direct link to the City of Los Angeles' proposed Citywide Adaptive Reuse Ordinance amending LAMC Section 12.22 A.26 (CPC-2023-5986-CA). In particular, Unified Adaptive Reuse Projects that provide Restricted Affordable Units are proposed to be entitled to the development bonuses contained in MIIP and AHIP. The draft Citywide Adaptive Reuse Ordinance defines a Unified Adaptive Reuse Project as a project containing both the conversion of existing floor area to a residential use in at least one existing building and new construction of new floor area proposed to be attached or detached from the existing building. As proposed in the CHIP Ordinance, if these project types provide Restricted Affordable Units, the new construction portion of the project may access unlimited density in addition to any FAR bonus, height bonus, parking relief, or Incentive on the Menu of Incentives contained in MIIP or AHIP.

### ***Affordable Housing Incentive Program***

#### Overview

AHIP is a local density bonus incentive program (per California Government Code Section 65915) that aims to increase housing access by removing the barriers to the development of 80 - 100 Percent Affordable Housing Projects and promoting affordable housing in areas that have historically produced less. The AHIP is comprised of the following project types:

- 100% Affordable Housing Projects: Parcels allowing multi-family residential uses or zoned for Parking (P zones) citywide
- Faith-Based Organization (FBO) Projects: 80 - 100% Affordable Housing development on land owned by FBOs
- Public Land Projects: Incentives for Affordable Housing on "PF" Public Facilities zones and parcels owned by public agencies
- Shared Equity Projects: 80 - 100% Affordable Housing on land owned by Community Land Trusts and Limited Equity Cooperatives

AHIP will streamline procedures and offer land use incentives scaled to higher and lower density contexts for One Hundred Percent Affordable Housing Projects citywide. If a site has a Maximum Allowable Residential Density of less than 5 units, it will qualify for lower incentives (like height or FAR) than a site with a Maximum Allowable Residential Density of over 5 units. Sites eligible for greater Affordable Housing project incentives are found within a half mile of a Major Transit Stop

or Low-Vehicle Miles Traveled (VMT) sites for consistency with and strengthening of State Density Bonus. These incentives are matched or greater in Higher and Moderate Opportunity Areas (i.e. Moderate, High and Highest Resource areas as defined by the TCAC/HCD Opportunity Maps) for the purposes of Affirmatively Furthering Fair Housing and equitably distributing affordable housing development.

As an implementation of State Density Bonus, One Hundred Percent Affordable Housing Projects proposed in Very High Fire Hazard Severity Zones and Sea Level Rise Areas are eligible for limited incentives under AHIP. Additionally, AHIP expands the types of zones eligible for Affordable Housing Project incentives to “P” Parking zones and “PF” Public Facilities zones, and to parcels owned by public agencies. Affordable Housing projects in P or PF zones will qualify for tailored incentives where projects may apply the least restrictive zoning regulation of their adjoining parcels.

AHIP establishes unique incentives tailored for faith-based developments which may be used in lieu of state incentives. Projects that provide at least eighty percent affordable housing projects on sites owned by faith-based institutions are eligible for the program. These incentives are applicable in all zones except manufacturing zones. In addition, parcels acquired after January 1, 2024 and zoned for single-family or more restrictive residential uses must be located within 528 feet of an active religious use to qualify as a project. This distinction was based on public feedback to limit acquisition of single-family parcels by faith-based institutions. The proximity threshold ensures single-family redevelopment would only occur near active religious institutions, limiting isolated developments.

#### Base Incentives

Base Incentives in AHIP match or exceed those provided to One Hundred Percent Affordable Housing projects as a result of recent updates to State Density Bonus Law (Government Code Section 65915-65918) through AB 1763 and AB 2334. Furthermore, Base Incentives offered through AHIP apply to One Hundred Percent Affordable Housing Projects, Faith-Based Organization Projects, and Public Land Projects. Base Incentives include density, parking, floor area ratio, and height.

Incentives are tiered within each sub area among sites with a Maximum Allowable Residential Density of greater or less than 5 units and tailored to three eligibility subareas:

- Citywide: This sub area includes all parcels with the city eligible for the program, offering an 80% density bonus, FAR is capped to 1.5:1 for low density projects with a height bonus of 1 story and 3:1 (or 35% increase) for high density projects with a height increase of up to 2 stories, whichever is greater.
- Low Vehicle Travel Areas or Within a Half Mile of a Major Transit Stop: Parcels in this sub area are located in either a Low Vehicle Travel Area or within half a mile of a Major Transit Stop as mapped by the Southern California Association of Governments. Incentives match, exceed, and extend State Density Bonus incentives provided in these areas to

implement recent State Density Bonus updates, such as AB 1763 and AB 2334. FAR is capped to 2.0:1 for low density projects with a height bonus of 1 story and 4.5:1 (or 50% increase) for high density projects with a height increase of up to 3 stories, whichever is greater.

- **Moderate and Higher Opportunity Areas:** This subarea counts parcels in either a Moderate or Higher Opportunity area as mapped annually by the California Tax Credit Allocation Committee. Incentives extend and expand upon those available to One Hundred Percent Affordable Projects in Low Vehicle Travel Areas through the AB 1763 and AB 2334 State Density Bonus amendments, to equitably distribute and Affirmatively Further Fair Housing. FAR is capped to 2.5:1 for low density projects with a height bonus of 1 story and 4.65:1 (or 55% increase) for high density residential projects and \commercial projects with a height increase of up to 3 stories, whichever is greater.

An additional base incentive for calculating Maximum Allowable Residential Density is extended to Public Land Projects and One Hundred Percent Affordable Housing Projects proposed on land zoned for parking. Public Land Projects are granted an unlimited density and minimum Floor Area Ratio of 3.0:1 by-right though they may also utilize the least restrictive zoning and development standards of the least restrictive adjoining zone. If authorized in a resolution by City Council, Public Land Projects may utilize any development standards so long as the project complies with building code requirements. Automobile Parking Sites can utilize the density and development standards in the least restrictive adjoining zone, including in cases where the subject parcel has split zoning.

## **Summary of Changes and Revisions**

### ***Ordinance Revisions***

The first draft of the proposed ordinance was released on March 12, 2024, the second draft on June 27, 2024 and the third draft alongside the release of this report. A number of significant revisions were made to the CHIP Ordinance concurrent with the release of this staff report. The revisions were made in response to public comment (see Key Issues for more information). Revisions made throughout the CHIP Ordinance include:

- 1) Added proposed language (LAMC Section 11.5.15) authorizing the Director of Planning to adopt Environmental Protection Measures under Chapter 1 of the LAMC. Eligibility criteria in all three CHIP Ordinance programs was revised to ensure compliance with the Environmental Protection Measures for sites deemed Environmental Consideration Areas.
- 2) Added language to the Procedures section of each proposed program to ensure the CPC remains the final decision maker (for the initial decisions and any appeals on that, consistent with today's procedures, for the discretionary review of requests for waivers or reductions of development standards. Clarified the relationship of various incentives and procedures to each other.

- 3) Revised the proposed new ministerial procedure in Article 13, Expanded Administrative Review, to refine procedures for requests not on the Menu of Incentives by updating mandatory hearing requirements to clarify a hearing may be required according to Department staff's assessment; to remove appeal procedures, making the administration clearance the final decision; and to revise modifications procedures to limit increases in project scope.
- 4) Revised the oil well buffer in the Environmental Consideration Areas definition contained in LAMC Section 12.22 A.37(b) from within 500 feet of an active or inactive oil well to within 1,000 feet of an active oil well or field.
- 5) Removed requirement that above ground parking count as floor area for use of FAR bonuses.
- 6) Revised multi-bedroom incentives to offer graduated FAR and height dependent on project size. Reduced the required percentage of multi-bedroom units in a project from 20 to 10 percent.
- 7) Removed Public Benefit Options for Unified Adaptive Reuse Projects in MIIP and AHIP and instead made a Type I Unified Adaptive Reuse Project an eligible project type for applicable MIIP and AHIP incentives.
- 8) Added a new Public Benefits incentive for the rehabilitation of and retention of a portion of surveyed historic structures.
- 9) Revised CUP for density bonuses exceeding those allowed by the State Density Bonus Program (LAMC 12.24 U.26) to allow a discretionary procedure for projects opting to provide affordability in a single income category and requesting a density bonus of greater than 50%.
- 10) Clarified definitions and terms throughout the Ordinance. Added definitions to 12.03 for the Coastal Zone, Sea Level Rise Areas, Moderate and Lower Opportunity Areas, and Neighborhood Retail and Service Uses.
- 11) Clarified that lots in Very High Fire Hazard Severity Zones, Coastal Zones and Sea Level Rise Areas are not eligible for the certain Public Benefit Options.
- 12) Revised Program standards throughout to include parameters associated with the height (in feet) of a story.
- 13) Added a table proposing revisions to LAMC Section 19.01 with updated code section references for applications associated with density bonuses.
- 14) Clarified mapping frequency and update processes.
- 15) Corrected references and syntax.

The key revisions made for each program of the Ordinance are described below.

#### State Density Bonus

The following revisions to the State Density Bonus Program (LAMC Section 12.22 A.37) were made in response to public comment and developer outreach (see [Key Issues](#) for more detail):

- 1) Added language to LAMC Section 12.22 A.37(e)(2) to ensure parking relief for senior citizen housing and special needs housing consistent with California Government Code Section 65915(p)(4).

- 2) Removed language from LAMC Section 12.22 A.37(f) restricting access to the Menu of Incentives for project sites identified as Environmental Consideration Areas as all projects utilizing State Density Bonus will now be subject to the Environmental Protection Measures at the time of application of a building permit.
- 3) Clarified that lots in Very High Fire Hazard Severity Zones, Coastal Zones and Sea Level Rise Areas are not eligible for the Menu of Incentives.
- 4) Made the following revisions to the FAR incentive on the Menu of Incentives:
  - Removed requirement for any above grade parking to count toward FAR calculation.
  - Revised FAR bonuses for both commercial and residential zones as follows:
    - Lots in C and R zones eligible for an increase equal to the percentage of Density Bonus, not to exceed 35% or a maximum FAR of 3.0:1, whichever is greater, if located within a one-half mile radius (2,640 feet) of a Major Transit Stop.
  - Added a new incentive allowing a Housing Development or Senior Citizen Housing Development that also meets the definition of Senior Independent Housing to be permitted in any zone.
  - Clarified that projects designating at least 20% of units for low income students may be eligible for two incentives.

#### Mixed Income Incentive Program

The following revisions to MIIP were formulated based on the City's market study findings, public feedback, developer outreach, and input from Community Based Organizations:

- 1) Single Affordability Set-Aside Percentages for Lower Market Areas in MIIP were modified to align with existing Transit Oriented Communities Guideline requirements.
- 2) The definition of a Mixed Income Incentive Program Project was modified to require two thirds of the project be residential.
- 3) Modifications to TOIA Incentives:
  - TOIA Tiers 1 and 2 were consolidated, modifying the total number of Tiers from four to three. Tier 1 now offers Density and FAR bonuses in excess of the State DB program.
  - FAR Base Incentives in TOIA were modified to offer varying bonuses in Higher Opportunity Areas compared to Moderate and Lower Opportunity Areas. Revisions to create higher FAR incentives in Higher Opportunity Areas resulted in adjustment to FAR incentives across the tiers. In general, percentage based FAR bonuses in Moderate and Lower Opportunity Areas were reduced by 5% and remained consistent in Higher Opportunity Areas.
  - Alongside the percentage based bonus, the program offers fixed FAR bonuses which may be utilized in lieu of a percentage bonus if it is greater. For instance TOC Tier 3 proposes a bonus of 4.65 or 55% whichever is greater. Fixed FAR Bonuses were increased across all tiers of the TOIA to align with the assumption the fixed bonus should be equivalent to the percentage based bonus multiplied by 3 (to represent a 3.0:1 FAR). This modification aligns residential and

commercial FAR assumptions to encourage greater utilization of commercial zones.

- 4) Consistent with the fixed bonus changes in TOIA, the fixed FAR bonuses in Opportunity Corridors were increased. Percentage base FAR bonuses were modified to increase FAR incentives in residential zones by approximately 5% and by 10% in commercial zones. Residential height limitations were aligned to match commercial limitations based on the new proposed floor area incentives.
- 5) Incentives not on the Menu of Incentives in MIIP were modified from requiring Director review to now require Expanded Administrative Review. Except that requests not on the Menu of Incentives for FAR, height, open space, yard reduction, and ground floor are no longer eligible for use of the Menu in the program and require a project to pursue incentives within the State Density Bonus Program.
- 6) Clarified relationship to Community Plan Updates and allowances to replace MIIP program incentives. Removed eligibility for projects located in the Boyle Heights Community Plan, the Harbor Gateway Community Plan, the Wilmington-Harbor City Community Plan, the Central City North Community Plan, the Central City Community Plan Areas, and the Cornfield Arroyo Seco Specific Plan.

#### Affordable Housing Incentive Program

Revisions to AHIP were informed by feedback from community outreach and discussions with affordable housing developers (see [Key Issues](#) for more detail).

- 1) A new project type and definition, a Shared Equity Project project was included in ordinance revisions to create more incentives for alternative models of affordable housing on land owned by non-profit community land trusts and limited equity cooperatives. Projects with 80% affordability will be eligible for limited incentives designed for neighborhood context scale. Projects funded by a program established under Ordinance 187692 (Measure ULA) shall be eligible for the full menu of incentives.
- 2) Procedures for the review of Designated and Eligible Historic resources were revised for clarity,
- 3) The definition for 'Qualified Developer' was expanded to reference the United States Department of the Treasury's list of Certified Community Development Financial Institution (CDFI).
- 4) Affordable set asides, rent schedules, and covenant requirements were clarified for each project type.
- 5) Consistent with the fixed bonus changes in MIIP, the fixed FAR bonuses in AHIP were increased to align with a percentage based bonus multiplied by 3 (to represent a 3.0:1 FAR). This modification aligns residential and commercial FAR assumptions to encourage greater utilization of commercial zones.
- 6) The proposed Moderate Opportunity Area Definition was moved to 12.03.

#### **Relationship to New Zoning Code**

The City Planning Commission's action on the Citywide Housing Incentive Program would include recommending both a version of the proposed Ordinance that amends Chapter 1 of the LAMC as well as recommending that City Council request that a parallel version of the ordinance be prepared that would amend Chapter 1A of the LAMC, subject to changes to conform to its format and style and the incorporation of the policy differences described below. As Chapter 1A is built around a new zoning system and document structure and organization and incorporates many additional changes to citywide policies, the Chapter 1A version of the ordinance will propose amendments to the New Zoning Code that align with the intent of the Chapter 1 version of the ordinance while maintaining the integrity and functionality of the New Zoning Code system and policies.

On May 2, 2023, as part of its actions to approve the Downtown Community Plan and the New Zoning Code, City Council approved the Local Affordable Housing Incentive Program as a new incentive program structure for mixed-income affordable housing projects in Chapter 1A to update, replace, and make permanent the incentives of the Transit Oriented Communities (TOC) Program and establish local housing incentives. The incorporation of the Citywide Housing Incentive Program into the New Zoning Code may require modifications to the Local Affordable Housing Incentive Program in order to update the program rules and incorporate MIIP Incentives. Other edits to Article 9 (Public Benefit Systems) will include updates to the existing State Density Bonus incentive program section and the addition of the Affordable Housing Incentive Program. Incorporating the CHIP Ordinance into Chapter 1A will also require edits to Article 2 to introduce new options for lot amenity spaces, edits to Article 7 to add new Alternate Typologies to carry forward incentives established by the Affordable Housing Incentive Program, edits to Article 8 to clarify the relationship between State incentive programs and other zoning rules, and edits to Article 14 to add new defined terms and modify existing definitions as needed to support the various new programs and policies. As Article 13 of Chapter 1A applies to both Chapter 1 and Chapter 1A of the Zoning Code, the Expanded Admin Review section in Article 13 that is included in the Chapter 1 version of the proposed ordinance will apply to both the Chapter 1 version and the Chapter 1A version of the Citywide Housing Incentive Program Ordinance. All provisions of the proposed ordinance would need to be translated and carried into the new Zoning Code, subject to changes to conform to the format, style, and updated policy framework and regulatory structure of the New Zoning Code.

The policy outcomes in the New Zoning Code version of the proposed ordinance will be equivalent to those of the Chapter 1 version of the proposed ordinance, with the following minor exceptions, in order to best align the CHIP Ordinance's proposed programs with the updated regulatory system of the New Zoning Code:

1. All CHIP Programs

- a. **Definitions.** The proposed Chapter 1A version of the CHIP ordinance will have some different defined terms or slightly different definitions of some terms compared to the terms and definitions included in the proposed Chapter 1 version of the CHIP ordinance. In Chapter 1A, all definitions and defined terms are located in a codewide Glossary in Article 14, and these definitions apply whenever the



terms are used across the entirety of Chapter 1A. Some proposed definitions and defined terms from the proposed Chapter 1 version of the CHIP Ordinance will need to be modified to align with Chapter 1A structure and use of terminology, and existing Chapter 1A definitions will need to be modified to integrate the CHIP Ordinance.

- b. **Use of “Applicability” subsections and “Project Activities” paragraphs to determine when standards apply in lieu of adopting section-specific definitions.** The New Zoning Code can utilize new structural and organizational elements to let applicants know when a rule applies, rather than relying on definitions to establish applicability of rules and policies. Instead of referring readers to a definitions section of the code, Chapter 1A uses the Applicability subsection of each code section to explain the nuances when certain standards apply. As such, certain terms such as “housing development project” that are used and defined in Section 12.03, the Definitions Section of Chapter 1 may not be used and defined in the Chapter 1A version of the proposed ordinance. The applicability subsections in the Chapter 1A version of the proposed ordinance will also rely on standardized project activities (e.g. New Construction, Major Remodel, Demolition, Renovation) to clearly identify what scopes of work trigger required compliance for each section. All new definitions will be consistent in meaning with state law.
- c. **General text and terminology changes to align with Chapter 1A terminology.** Some terminology will be modified throughout the proposed 1A version of the CHIP Ordinance in order to align with the standardized and defined terminology used throughout Chapter 1A. These modifications could result in differences in interpretation, meaning, and application; however, any terminology replacements will reflect the intent of the proposed Chapter 1 version of the ordinance as closely as possible. For example, the term “abutting” is used in Chapter 1A in lieu of “contiguous”, and the term “dwelling unit” is used in Chapter 1A in lieu of “residential unit”.
- d. **Eligibility and Map-based Identification.** Many programs and standards in Chapter 1A are triggered by code-enabled Zoning Code Maps, including the previously approved Local Affordable Housing Incentive Program. Chapter 1A utilizes mapping to identify eligibility for programs, alternative typologies, affordability sets, public benefit programs, etc., and eligibility for a program or applicability of a rule may be expressed through eligibility language or mapping, or a combination of the two. In order to best align with the way that incentive programs and geographically-based standards are handled within the New Zoning Code system, CHIP Ordinance programs may utilize Zoning Code Maps to identify eligibility for geographically based incentives in the proposed Chapter 1A version of the ordinance. These maps will work together with other eligibility criteria listed in the rules of each incentive program in order to fully capture the applicability and eligibility of each program and incentive. Consistent with the Chapter 1 Ordinance, the Director will have the authority to issue revised mapping.
- e. **Overall Restructuring of Article 9.** In order to best support the introduction of the three major housing incentive programs in the CHIP ordinance, the proposed

Chapter 1A version of the ordinance will propose a broader restructuring of Article 9 (Public Benefits Systems), which contains all of the incentive programs in Chapter 1A. Some of the proposed restructuring will result in moving and renumbering program sections that are not directly influenced by the new programs and policies proposed to be introduced by the CHIP Ordinance and that are not modified or moved in the proposed Chapter 1 version of the CHIP Ordinance. The overall restructuring and reorganization of Article 9 in the proposed Chapter 1A version of the CHIP Ordinance will help create clarity about the relationship between the new programs introduced by the proposed CHIP ordinance as well as their relationship to the other incentive programs that already existed in Chapter 1A.

- f. **Base Incentives shown as Alternate Typologies.** Alternate Typologies are a new zoning tool in Chapter 1A that allows for certain specific types of developments or specific and specialized uses to receive a bundle of alternate standards for eligible projects in lieu of what would otherwise be required by the applied Zoning Districts on a lot. Given the special challenges of incorporating the new incentive programs into Chapter 1A, alternative topologies may be developed to contain the regulatory framework for development standards like FAR, height, setbacks, etc.
- g. **Adjustment of additional incentives menu.** The menu of additional incentives in all of the programs in the CHIP Ordinance will be simplified and modified for the proposed Chapter 1A version of the ordinance relative to the menu of incentives in the proposed Chapter 1 version of the ordinance. New Zoning Code has updated many zoning rules and has introduced new Form Districts with new baseline requirements for standards such as height, setbacks, and amenity space as well as new Frontage Districts that address requirements such as pedestrian and automobile access, building width, and transparency in a more context-specific way through base zoning. Given this updated and expanded base zoning framework, many of the incentives in the additional menu of incentives in the proposed Chapter 1 version of the CHIP ordinance may be redundant to standards already addressed by the base zoning in Chapter 1A, and thus will not be included in the menu of additional incentives in the proposed Chapter 1A version of the ordinance. Other incentives on the menu of additional incentives will instead be addressed in the proposed Chapter 1A version of the ordinance through a more generalized allowance for projects to request adjustment requests through a by-right process in lieu of the Director Determination process typically required for adjustments of those standards under the New Code.
- h. **Public Benefits.** The affordable housing incentive programs previously approved under Chapter 1A, including programs needed to implement the community facilities program of the Downtown Community Plan, included the ability to facilitate special incentives or second-tier bonuses for a wide variety of non-residential public benefits, such as full service grocery stores, schools and libraries, and health centers. The proposed CHIP Ordinance also includes the option for projects to receive additional or second tier incentives for other public benefits, including

multi-bedroom units, childcare facilities, the preservation of historic resources, etc. The CHIP Public Benefits will be incorporated into this existing framework and will therefore these benefits may be enabled in the future for other work programs. The integration of the public benefits options and incentives adopted under previous programs and the new public benefits and incentives proposed to be introduced through the CHIP ordinance may require some modification and recalibration of the public benefits incentives in the Chapter 1A version of the CHIP ordinance.

- i. **Environmental Consideration Area.** The proposed Chapter 1 version of the CHIP Ordinance programs requires that projects within a Environmental Consideration Area as defined in the State Density Bonus Program, including areas near hazardous waste sites, toxic materials sites, and hazardous uses such as oil wells, conduct an Environmental Site Assessment in order to participate in the incentive programs. Chapter 1A has established a new set of standardized Environmental Protection Measures for all projects citywide, including hazardous materials standards that require the preparation of Environmental Site Assessments. As these hazardous materials Environmental Protection Measures will already be applicable to all projects in Chapter 1A, language and eligibility associated with the Environmental Consideration Areas will be removed from the proposed Chapter 1A version of the CHIP Ordinance. Note that as discussed earlier in this report, the Environmental Protection Measures associated with mitigating the impacts of hazardous materials are proposed to be revised as part of this work program to require an Environmental Site Assessment within 1,000 feet of active oil wells.
  - j. **Incorporating State Incentives.** Due to the fact that the State Density Bonus Program functions as the City's primary mechanism for implementing the fundamental components of State Density Bonus Law (California Government Code Sections 65915-65918) and that the One Hundred Percent Affordable Housing Project type in the AHIP program codifies additional state incentives, the policy aspects of the proposed Chapter 1A version of the State Density Bonus program and One Hundred Percent Affordable Housing Project type contained in Article 9 will remain consistent with those contained in the proposed Chapter 1 version of CHIP.
2. **Mixed Income Incentive Program**
    - a. **Bonus FAR located in Form Districts.** One of the principal changes to the zoning system introduced by the New Zoning Code is that the maximum bonus FAR on a lot is always shown in the zone of a lot. Building scale is regulated in Chapter 1A through Form Districts, which show both a base FAR and base height for projects not participating in any kind of incentive program, and a maximum bonus FAR and bonus height for projects participating in local incentive programs. In order to align with the zoning system, the proposed Chapter 1A version of the MIIP will not offer FAR as a base incentive, but will instead point to the Form District of a lot for the Bonus FAR that will be granted to projects.

- b. **Performance Standards.** The proposed Chapter 1 version of the Mixed Income Incentive Program includes some required performance standards for projects participating in the incentive program. These performance standards, such as street-facing entrances and parking setbacks, are already regulated by the Frontage Districts of the base zoning of every lot in Chapter 1A, so the proposed Chapter 1A version of the Mixed Income Incentive Program will not include these performance standards. Additionally, in lieu of requiring the Common Outdoor Open Space typologies as a performance standard within the Mixed Income Incentive Program, the proposed Chapter 1A version of the CHIP Ordinance will introduce equivalent typologies as “lot amenity space alternatives” available when indicated by a Form District in the base zoning of Chapter 1A. This approach would make the Common Outdoor Open Space typologies an optional alternative way to meet otherwise required lot amenity space requirements for projects more generally, whether or not they are participating in the Mixed Income Incentive Program.
  - c. **Incorporation of select incentive sets from the Local Affordable Housing Incentive Program previously approved in Chapter 1A.** The proposed Chapter 1A version of the Mixed Income Incentive Program may require revisions to incentive sets used by the previously adopted plans to accommodate the incorporation of the proposed incentives of the Mixed Income Incentive Program.
  - d. **Table of optional reduced incentives.** In the proposed Chapter 1 version of the projects that are eligible for an incentive area may opt in to receiving the reduced incentives of a lower incentive area by providing the lower affordability levels required for the lower incentive set. The proposed Chapter 1A will carry forward this flexibility of incentives, but may show them through a table of optional reduced incentives. This change in structure may result in slight differences in the final reduced FARs and heights that a project receives, but policy intent of facilitating flexibility for choosing lower incentives is consistent with that of the proposed Chapter 1 version of the Mixed Income Program.
- 3. Affordable Housing Incentive Program
  - a. **No special incentives for Parking (P) Zones.** The proposed Chapter 1 version of the AHIP program establishes special allowances for affordable housing projects on Parking (P) Zones, allowing projects in these zones to use the least restrictive use and development allowances of any adjoining lots. As Parking Zones no longer exist under the Chapter 1A zoning system the proposed Chapter 1A version of the AHIP program will not carry forward any of these special rules for projects on Parking Zones.

## **Resident Protections Ordinance (RPO)**

### **Proposed Ordinance Summary**

The Resident Protections Ordinance (RPO) is an important component of the Program. It is intended to provide additional safeguards from displacement for existing tenants, clarify relocation

requirements, and preserve naturally occurring affordable housing at the same time that rezoning strategies are expanding housing options through new construction. This proposed ordinance builds upon a temporary state law called the Housing Crisis Act (HCA or SB 330), which expires in January 2030, and other existing local policies to provide a comprehensive citywide update to rules that apply to new development projects.

The proposed ordinance introduces two new code sections (16.60 and 16.61) in Article 6.1 Review of Development Projects of Chapter 1 of the Los Angeles Municipal Code (LAMC), and would entail amendments to Article 4 Development Standards of Chapter 1A of LAMC. These new code sections establish distinct requirements for two categories of development projects; those involving the demolition of housing units and those that include restricted affordable housing units, primarily units produced through land use incentives and/or replacement requirements. The proposed ordinance also revises multiple code sections pertaining to existing affordable housing incentive programs, aiming to align them with the proposed requirements regarding the duration of affordability covenants and replacement requirements.

The Ordinance would require that “protected units” demolished by new development projects be replaced at the same size and at an affordable cost, and that housing development projects result in a no net loss of housing units. Protected units refer to housing units that are subject to specific requirements due to their affordability or tenancy by low-income households, including those subject to rent control, affordability requirements and those occupied by low-income tenants.

Additionally, the Resident Protections Ordinance would strengthen tenant protections for individuals facing evictions due to the construction of new housing. The state law guarantees the right to remain up to 6 months prior to start of construction, the right to relocation assistance, the right to return if construction does not proceed, and the right of first refusal for a unit in the new housing development. The proposed ordinance also provides a local formula for state required relocation assistance, establishes a private right of action to aggrieved tenants and creates a process for tracking and punishing harassment. It also ensures tenants are better informed of their rights via a regulated tenant notification process.

Additionally, the ordinance extends covenant terms for new restricted affordable housing units from 55 years to 99 years (with some exceptions). The ordinance would also ensure the quality and equitable distribution of affordable units in mixed-income developments and establish marketing requirements and priority preferences for the leasing of affordable housing units.

## **Key Provisions**

### ***Housing Development Projects that Result in Housing Unit Demolitions***

The ordinance would prevent the City from approving housing development projects that result in the demolition of protected units without replacing those units. Protected units that have been vacated and demolished within the past five years must be replaced. Housing development projects must meet replacement requirements, have a no net loss of dwelling units, and ensure occupant protections are provided to tenants.

### Replacement of Existing or Demolished Protected Units

Housing development projects must replace all existing occupied and vacant protected units, as well as protected units that have been demolished since January 1, 2020, pursuant to Cal. Gov. Code Section 66300.6(b). New developments must include at least as many units, at an “equivalent size” and “affordable cost” as existed on the site within the previous 5 years. In state law (the Housing Crisis Act) “equivalent size” means the same total number of bedrooms; However, the proposed ordinance would require a “comparable unit” be provided when a tenant is exercising their right to return, expanding the requirement to include bathrooms. This would better ensure that replacement units for tenants can function similarly to those being demolished.

Existing units are replaced in the new development at an “affordable cost” that varies depending on several variables. When units are occupied and the tenant’s income is known, they must be replaced with units at an affordable rent for the households in occupancy, based on their income category. The proposed ordinance specifies that these income categories include Acutely Low Income (ALI), Extremely Low Income (ELI), Very Low and Low Income. This is a shift from the City’s current replacement policy which does not include ALI and only includes ELI when a building has existing ELI tenants who provide proof of income to the Los Angeles Housing Department (LAHD).

When incomes of the occupant(s) are not known, including for vacated or demolished units, the affordability requirements for replacement units default to be proportionate with the overall share of citywide renters in various income categories based on defined census data in the Housing and Urban Development Community Housing Affordability Strategy (CHAS) database. Units allocated for moderate and higher income renters would default to low income. The most recent data (September 5, 2023) indicates that there are 31% ELI, 18% VLI, 20% LI and 31% moderate income and above tenants in the City of Los Angeles. In this replacement scenario, 31% of the units (representing the renting population assumed to be above lower income) would be replaced as LI units, for a breakdown of 31% ELI, 18% VLI and 51% LI units. However, to prioritize deeper affordability levels in lower resource communities and further fair housing goals, the ordinance proposes using a different replacement formula that will ensure ELI remains the largest share in areas more likely to have existing ELI renters. The alternative method would forgo using the CHAS allocation for moderate income and above, and would only consider replacement units within the band of lower income residents, where ELI is by far the largest contingent. In this scenario, using the most recent data, the proportion would be 45% ELI, 26% VLI, and 29% LI. As new CHAS data becomes available, these proportions will change to reflect demographics.

Additional provisions apply for RSO units, including that they would always be replaced with lower income units, even if occupants are (or are presumed to be) above lower income. State law permits cities this 1:1 option for the replacement of rent controlled units. Currently, the City implements the other option of replacing RSO units pursuant to the housing replacement provisions of the RSO (LAMC 151.28). The City intends to continue to enforce these existing RSO provisions if it adopts a 1:1 replacement policy, as proposed.

Replacement requirements will not apply to development projects consisting of a single residential unit on a site with a single protected unit or development projects that have had an off-site replacement plan approved by the LAHD.

The ordinance also clarifies and affirms the current LAHD practice regarding the distribution of bedrooms and units in replacement units. Replacement units must contain at least the same total number of units and total aggregate number of bedrooms as the Protected Units being replaced as restricted affordable, but are not required to match on a unit-by-unit basis. For example, one three bedroom unit could be replaced with (1) a three bedroom unit, (2) a one bedroom and a two bedroom unit, or (3) three one bedroom units. This is affirmed by recent advice provided by the California Department of Housing and Community Development (HCD) in a technical assistance letter to the City of Westminster dated August 7, 2023.

The Department has received significant feedback on this issue, urging a higher replacement ratio and that replacement units not count towards other affordability requirements. These issues are discussed further in the Key Issues section of the report.

### Occupant Protections

The Housing Crisis Act establishes a baseline for occupant protections, guaranteeing the right to remain up to 6 months prior to start of construction, the right to relocation assistance, the right to return if construction does not proceed, and the right of first refusal for a unit in the new housing development. The proposed ordinance introduces several significant enhancements beyond the provisions of the Housing Crisis Act, including providing a significantly increased local formula for state required relocation assistance for lower income displaced tenants as well as better regulating comparable unit size and ensuring no rent increases for tenants exercising the right to return. The ordinance also provides important legal safeguards from harassment or illegal action by establishing a private right of action to aggrieved tenants and creating a process for tracking and punishing chronic bad-actors. It also ensures tenants are better informed of their rights, particularly the right to return, via a regulated tenant notification process. These changes, described below, all relate directly to feedback heard through the outreach process.

### *Right to Relocation*

On January 1, 2024, a new State law, Assembly Bill 1218, changed how relocation benefits are determined for lower income households displaced by development projects. Specifically, the law requires that every lower-income occupant displaced from their residence by a development project shall receive relocation benefits that are “equivalent to the relocation benefits required to be paid by public entities pursuant to (the California Relocation Assistance Law)” (California Government Code 66300.6(b)(4)(A)).

The California Relocation Assistance law is normally used when state agencies develop publicly-funded projects. The law seeks to ensure that the displaced tenants can secure comparable, “safe, decent, and sanitary, and affordable housing in their communities.” The law requires developers to pay both relocation expenses and the reasonable moving expenses to the displaced tenant. If the displaced tenant is able to secure a comparable and affordable

replacement housing unit, the developer need only pay reasonable moving costs or the local relocation amount (in the City of Los Angeles, that is the relocation amounts required under the Rent Stabilization Ordinance, or the Just Cause Ordinance), whichever is greater. If a comparable and affordable unit is not available, which is almost always the case because market rents are unaffordable to lower income households, the developer is required to pay the difference between the rent of available housing (market rent) and the household's previous rent, or an affordable rent, whichever is greater, for 42 months.

Under the California Relocation Assistance Law, the process for determining the relocation amounts can be expensive and time consuming. As part of the process, LAHD requires developers to retain a relocation consultant. The relocation consultant works with each displaced tenant to explain both the process of displacement and their rights, including the right to relocation benefits and moving costs. The relocation consultant prepares a relocation plan which includes a description of the development project, an assessment of the relocation needs of the current occupants, a description of the relocation resources available, and a comprehensive description of the relocation program, and other requirements. Many relocation plans can be over fifty pages long. As occupants apply for relocation benefits, the consultant verifies each applicant's eligibility, including reviewing over a dozen documents that the tenant is required to provide. The complexity of the California Relocation Assistance Law process means that neither the developer nor the occupant knows the amount of the relocation benefit until after the displaced person has secured new housing, which could take months.

Instead of this resource intensive process, the Resident Protection Ordinance proposes a formula that is simpler, quicker, more efficient, more transparent, and with more predictable outcomes based on the displaced household's income. Specifically, a lower income households displaced by a development project would have the ability to receive a relocation benefit calculated according to the following formula:

The difference between the Section 8 Department Voucher Payment Standard for a two-bedroom unit and the rent affordable for a two-bedroom unit based upon that occupant's income level per Section 50053 of the California Health and Safety Code, multiplied by 42 months, plus estimated incidental moving costs.

The formula determines relocation benefits in a way that is consistent with the California Relocation Assistance Law. The Section 8 Department Voucher Payment Standard is a reasonable estimate for the City of Los Angeles' market rent and thus a good approximation of what the displaced household will be required to pay in their replacement unit. Similarly, Section 50053 of the California Health and Safety Code sets affordable rents for various lower income levels. This is what tenants at various income levels (Extremely Low, Low Income, Very Low income, and Low Income) can afford to pay on rent. The formula uses the two-bedroom unit standard because according to the most recent American Community Survey from the U.S. Census Bureau, two bedroom units are the most common rental unit size in the City of Los Angeles. The difference between the two numbers is multiplied by 42 months because that is the same as what is required under the California Relocation Assistance law. Similarly, the California



Relocation Assistance law requires reimbursement for incidental moving costs and so the proposed relocation benefit formula also includes reimbursement for incidental moving costs. The City shall use the same methodology for determining moving costs as it currently uses to determine relocation benefits under the Rent Stabilization Ordinance. The specific dollar amounts for each part of the formula shall be determined at the time of the adoption of this ordinance, and then adjusted annually according to the Consumer Price Index – All Urban Consumers.

The formula yields similar relocation benefit amounts to those generated by the federal Uniform Relocation Assistance Law process, which is similar to California Relocation Assistance law and required by any project receiving federal funds. For example, in April 2024, the City approved relocation benefits for a publicly-financed residential housing project in the City of Los Angeles. The relocation benefits were governed by the Uniform Relocation Assistance Law process. The occupants of each of the building's ten units were paid an average of \$104,365 per unit. The relocation benefits ranged from a low of \$88,190 to a high of \$131,986. Two bedroom units averaged \$104,554 per unit while one bedroom units averaged \$104,318. The two highest relocation amounts (\$131,986 and \$130,620) and the two lowest relocation amounts (\$88,090 and \$89,152) both were for one bedroom units. If the proposed formula were used to determine the relocation payments, occupants that were Extremely Low-Income would have receive \$108,393, including incidental moving costs; occupants that were Very-Low Income would receive \$90,837, including incidental moving costs, and occupants that were Low-Income would receive \$82,101, including incidental moving costs.

While the formula yields similar outcomes, although slightly lower than the actual relocation benefit amounts in the April 2024 example, the process for determining the outcomes is faster, less expensive, more efficient, and more transparent: As soon as the occupants' income is known, the formula can determine the relocation amount without time-consuming and expensive plans, consultations, documentation, and more. Developers and displaced people will have more certainty about the relocation benefit amounts and they can be paid more promptly. In addition, the formula is cheaper to implement. To fully implement the relocation formula, LAHD would require only one additional staff member. In contrast, under the Uniform Relocation Assistance Law process, not only would the developer be required to hire a relocation consultant, to monitor and validate the process for all development projects that displace lower income occupants, LAHD would need to add five (5) additional staff members to support its relocation benefits team.

Under these AB 1218-mandated relocation benefits, an owner who is removing occupants will have to provide notice of whether they are removing occupants for the intent of developing the building. Those who state that they intend to develop the building will pay the higher amounts mandated by AB 1218. To deter owners from illegally evading the required relocation benefits, owners who are found to have done so shall face the following consequences: (1) the displaced tenant shall be entitled to pursue full relocation benefits, and shall have a private right of action to pursue payment of those relocation benefits, described in detail below; (2) as a condition of getting City approval of any development application at the property, the owner would pay a fine of at least \$250,000 per unit; and (3) for five years after the date on which the owner misrepresented

their intent to develop the property, the owner would be prohibited from getting a demolition permit, and that prohibition would run with the land to a new owner.

As a result of implementing this new State law requirement, the City will help ensure that people displaced by development are provided with sufficient benefits to avoid many of the negative impacts of displacement including separation from jobs, schools, healthcare providers, family, and other support networks, and for too many, homelessness. A consistent point of stakeholder feedback has been the need to increase relocation benefits to better mitigate these negative impacts of development. Enhanced relocation assistance is key to ensuring that residents can afford a new apartment, whether in their same neighborhood or another neighborhood, and offset the cost of losing their prior rent controlled unit. With the implementation of this proposed formula, the City would achieve that goal.

#### *Right to Remain*

The right to remain would allow existing occupants to continue to occupy their units up until six months prior to the start of construction activity. A written notice of the planned demolition, the date they must vacate, and their rights must be provided to existing occupants by the developer at least six months prior to the date they must vacate.

#### *Right to Return*

The right to return is granted to any occupants of any protected units who are persons and families of lower income and evicted due to new construction. These occupants shall be provided a right of first refusal for a comparable and an affordable unit in the new housing development. See “Comparable Unit” section below for more detail.

The proposed ordinance exceeds state law by better defining a comparable unit in the new building, and by guaranteeing a tenant can return at their prior rental rate, if the previous rental rate is lower than the restricted rent. This policy direction also aligns with the recently revised Executive Directive 1 (ED 1), which gives tenants exercising their right to return the ability to return at their prior rental rate or a restricted affordable rent based on the household’s income, whichever is lower.

#### *Right to Return if the Demolition Does Not Proceed*

With the right to return if the demolition does not proceed, prior occupants will be allowed to return at their prior rental rate if the demolition does not proceed and the property is returned to the rental market. The proposed ordinance also adds language to clarify the relationship to similar rental provisions in the RSO (LAMC 151.27). The ordinance also introduces the right to a comparable unit in this scenario, going beyond state law.

#### *Comparable Unit*

For the purposes of both right to returns described above, the ordinance establishes a new definition of “comparable unit.” The definition would contain the same number of both bedrooms *and* bathrooms as the demolished unit. This expands upon today’s bedroom only policy. The Department has received feedback on this issue, suggesting that replacement units should match

demolished units in square footage. This is discussed further in the Key Issues section of the report.

### *Tenant Notifications*

Tenants need to be properly notified of their ability to return and given the necessary information to plan and make important life decisions related to moving. The proposed ordinance has been amended to include a new Tenant Notifications section (LAMC 16.60 A.3(b)(5)) which is based upon recently adopted provisions in the South Los Angeles Community Plan Implementation Overlay (South LA CPIO). In addition to being notified of all of their rights, the proposed amendment requires that developers notify tenants of major milestones when exercising their right to return. Notifications will be required on a biannual basis throughout the construction process and 180, 90, 30 and 15 days prior to the anticipated issuance of a project's Certificate of Occupancy.

### *Private Right of Action*

A crucial component of the proposed RPO is the ability of occupants to enforce their rights under the ordinance and remedy any violation through a private right of action. This is because most of the rights afforded tenants are implemented by the housing developer. A private right of action refers to the legal right of an individual or entity to file a lawsuit in court to enforce a particular law or statute, rather than relying on government officials or public prosecutors to bring charges.

The inclusion of private right of action language would not be unique to the Resident Protections Ordinance. The City's current Density Bonus Ordinance and Tenant Anti-Harassment Ordinance (TAHO) previously established private right of action provisions. The South LA CPIO also includes private right of action provisions, which was used as a model for development of the language included in Section 16.60 of the proposed ordinance, which covers the occupant protections described above. Specifically, the proposed 16.60 language establishes that tenants may be awarded reasonable attorney's fees and costs, compensatory or punitive damages, and civil penalties per violation of their provisions related to tenant relocation or relief. Penalties are increased in cases of willful violations and when tenants are 65 years of age or older.

A separate private right of action is included in Section 16.61 for potential class action lawsuits regarding the affirmative marketing and fair housing outreach required for the lease or sale of affordable units.

### *Anti-Harassment*

The ordinance introduces anti-harassment provisions to disincentivize unscrupulous developers from unlawfully harassing tenants in order to avoid paying the costs of lawfully evicting and relocating tenants. These provisions would impose negative consequences on developers that have been found by a California court or the City of Los Angeles to have a recent history of unlawful harassment of tenants in the City of Los Angeles. Developers with this history would have their right to a demolition permit at their property suspended for five years.

These provisions would not create any additional steps in or hurdles to the development process; nothing new is required of developers. Rather, this provision would only impact the small minority of developers that have been proven to have illegally harassed tenants in the City of Los Angeles. Developers who do not have a court or City-documented history of harassment would be unaffected by this provision.

To do this, the provision would incorporate into the Resident Protections Ordinance a strategy that the Council endorsed in 2024 when it adopted the amendments to the South LA Community Planning Implementation Overlay ordinance. The specific strategy requires LAHD to establish an “Anti-Harassment Violators Database” for owners with a recent documented history of harassing tenants. Owners on that list would be suspended from obtaining a demolition permit in the City of Los Angeles for five years. LAHD places a beneficial owner into the Database when:

- 1) A court has issued a final judgment against the beneficial owner within the last five years for unlawful tenant harassment or for wrongfully or illegally evicting a tenant in the City; or
- 2) The City has issued three final citations for TAHO violations against the beneficial owner within the last ten years; or the City has issued one final citation for TAHO violations against the beneficial owner within the last five years in a zone that the City has determined to be at a heightened risk of displacement of lower income tenants.

The Database applies to “beneficial owners” to ensure that all owners that benefit from illegal harassment bear the consequences of the illegal harassment. If an owner financially benefits from a project, the owner should not be able to evade responsibility by hiding behind an LLC or similar structure where all owners are not disclosed.

Before being placed into the Database, LAHD notifies the beneficial owner in writing, and notifies them of their rights to appeal. If LAHD’s determination survives appeal, the beneficial owner is placed into the Database for five years (from the conclusion of the most recent court or City finding of harassment). If, during the five year period, the beneficial owner gets an additional citation or court finding, the period extends to five years after the conclusion of the most recent finding.

When any owner placed into the database applies for a demolition permit, the demolition permit will be denied. If the owner has an approved demolition permit, that approval will be withdrawn. This consequence shall be in place for a period of five years after the most recent documented harassment. The consequence shall not apply where demolition is necessary to comply with a Department of Building and Safety, LAHD, or other government order. Where the owner sells to a new owner during the five year period, the consequence shall run with the sale of the land to the new owner. However, it would not pass to the new owner if the new owner is developing a publicly-funded affordable housing project on the site, with at least 50% of the units affordable.

At the end of the five-year hold period, if no new citations have been issued to and no new court findings have been made against the owner, the owner shall be removed from the LAHD Anti-Harassment Violators database.

Effectuating this policy would require LAHD to dedicate significant resources to build out the Anti-Harassment Violators database as a citywide tool, including both sufficient staffing and time. These needs lead LAHD to believe that the Department would need twelve months from the adoption of the proposed ordinance to obtain the appropriate staffing and develop the system.

***Non Housing Development Projects that Result in Housing Unit Demolitions***

Any non-housing development project that will require the demolition of occupied or vacant protected units, or is located on a site where protected units were demolished on or after January 1, 2020 must also meet replacement requirements and provide the same existing occupant protections proposed for housing development projects, including payment of relocation assistance. The proposed ordinance would allow these requirements to sunset in 2030 for most non-housing development projects. These requirements would still apply to non-housing development projects on Housing Element Sites (as defined in LAMC 16.70 B), so long as required by state law. Sunsetting these requirements for all other sites is recommended given some of the difficulties being seen already. Evidence of sites being occupied by tenants in the past have prevented child care facilities from opening and other businesses from expanding, as most commercial operations are small-scale and ill-equipped to handle the costs and complexities of providing an affordable housing unit on the site.

In line with state law, replacement units associated with non-residential projects would be permitted to be located off-site from the development if they are developed prior or concurrently to the non-housing development project and located within the City of Los Angeles. In this scenario, a Certificate of Occupancy or Temporary Certificate of Occupancy for the off-site replacement units would need to be obtained before a Certificate of Occupancy or Temporary Certificate of Occupancy for the nonresidential development is obtained. Rather than being constructed by one developer, the project proponent may contract with another entity to develop the replacement units. Also, a commercial developer seeking a commercial density bonus may propose providing restricted affordable units through an agreement with a housing developer for partnered housing. Replacement housing may be established through creation of an Accessory Dwelling Unit with the primary non-residential use on the parcel being used in place of a primary residence.

***No Net Loss of Dwelling Units***

Development projects that require the demolition of residential dwelling units must construct at least as many residential dwelling units, as will be demolished. In making this determination, the housing development project shall count the greatest number of residential dwellings that existed on the project site within the last five years.

The proposed ordinance permits off-site replacement to be approved by the LAHD within limited circumstances, to account for potential difficulties posed by certain project sites. This could

include when physical changes to unit type do not allow all replacement units to be located on the same site or when the on-site construction of new affordable housing units would not meet the City's required Accessible Housing Program standards. In all of these scenarios, off-site replacement housing units will need to be equivalent or larger in size and amenities. This requirement is expanded to include the same number of bathrooms when a tenant is exercising the right to return, which is described in greater detail below. In addition, off-site replacement units would need to reflect the same affordability levels and covenant lengths as those of on-site replacement units. Off-site replacement units will need to be constructed within a three mile radius of the on-site project site.

While this No Net Loss provision is carried over from the HCA, extending this policy beyond its state law sunset date in 2030 would help ensure that no existing housing stock is lost as new developments are built throughout the City. For example, under a No Net Loss policy, a fourplex could not be demolished to build a duplex, irrespective of Protected Unit status. A citywide No Net Loss policy provides consistency and predictability for developers.

### ***Restricted Affordable Housing Units***

The second part of the Resident Protections Ordinance codifies and expands a number of requirements to make enhancements to state law regarding the occupants of restricted affordable units, whether in mixed-income or one hundred percent affordable developments. The proposed ordinance ensures affordable housing units meet fair housing laws and are equitable in terms of size, amenities, location and other factors compared to market rate units in the building, ensures longer-term affordability through extending most covenant lengths to 99 years and establishes criteria for the allocation of affordable units

#### **Covenant Length for Restricted Affordable Units**

The ordinance would extend covenant terms for restricted affordable units within housing development projects from 55 to 99 years. This lengthening of affordability covenants will significantly increase the number of deed restricted affordable units in the future and protect future tenants from potential eviction at year 55. This policy change has been requested by decision makers as a part of recent planning efforts. Covenants for restricted affordable units are prepared by the Los Angeles Housing Department, recorded with the County, and guarantee that the occupancy restriction establishing affordability will be observed throughout the entirety of the covenant term from the issuance of the Certificate of Occupancy. Limited exceptions for this extended 99 year covenant term include for-sale projects as well as when public subsidies require their own affordability covenant term length. This addresses concerns from affordable housing developers and LAHD about covenant lengths interfering with the creation of subsidized affordable housing, where the 55 year length is seen as important to obtaining financing and covenant terms are often extended already, if feasible, due to the mission-minded focus of non-profit and other affordable housing developers.

#### **Size, Location, and Amenities of Restricted Affordable Units in Housing Development Projects**

The proposed ordinance would establish the authority of the City to create and enforce fair housing requirements for affordable housing units, regarding the unit mix, unit size, quality and

amenities, access to and distribution of affordable housing units (See LAMC 16.61 B). These requirements are particularly needed in mixed income housing development projects where there is a risk of creating fair housing issues between affordable and market rate units if the affordable units are smaller, unequally distributed or don't have access to the same amenities.

A similar set of fair housing requirements exists today in the Affordable Housing Incentive Guidelines. The Guidelines are primarily informational for density bonus projects. They provide descriptions, explanations and examples of how the density bonus law works. The Guidelines were adopted by the Planning Commission in 1995 and updated in September 2004, and June 2005. The revised Guidelines proposed for adoption herein have been revised to reflect the new state law and to include the updated fair housing requirements. However, because these Guidelines are set to sunset upon adoption of the CHIP, and a new User Guide document is in development (see below) the amendments are not considered to be comprehensive.

Because of sequencing issues, these requirements would be codified (through a Resolution of the CPC (Exhibit B.1)) in two separate documents, the proposed Fair Housing Requirements for Affordable Housing (Exhibit B.2) and by amending the current Affordable Housing Incentive Guidelines (Exhibit B.3), which is set to expire upon adoption of the CHIP Ordinance. While the current Affordable Housing Incentive Guidelines regulate many of the same topic areas, the new Fair Housing Requirements will update and expand them based on lessons learned and best practices. Once adopted, the Resident Protections Ordinance would give the City Planning Commission the authority to amend the Fair Housing Requirements for Affordable Housing moving forward. Because the ordinance will not yet be adopted and in effect, the Commission will amend the existing Guidelines, replacing the Design Standards for Affordable Units (Section VII), and replace them with the Fair Housing Requirements for Affordable Housing (Section VI). Upon Council approval, the approved Fair Housing Requirements for Affordable Housing would become a stand-alone document.

While the Affordable Housing Incentive Guidelines are currently being applied to most mixed-income affordable housing projects in the City, there is some concern about the awareness of these rules, in addition to questions about their applicability across project types. The proposed ordinance would clarify applicability to all mixed-income projects and bring greater transparency by embedding the requirements for all in the LAMC.

Separately, the LAHD and Department of City Planning are creating a new informational and explanatory User Guide for Affordable Housing. This document is designed to help potential project applicants to understand the various incentive programs available to them. Because it is not regulatory, it will be created and revised as needed by department staff, and available following adoption of the CHIP ordinance.

#### Allocation of Restricted Affordable Units

The Ordinance also introduces a number of requirements related to the allocation of restricted affordable units, described below.

*Affirmative Marketing and Fair Housing Outreach*

Restricted affordable units for sale or lease would be subject to the affirmative marketing and outreach requirements established by LAHD.

*Affordable and Accessible Housing Registry*

Once available for rent, restricted affordable units shall be registered on the Affordable and Accessible Housing Registry managed by LAHD, or any existing equivalent listing, to the extent feasible. Unfortunately, this Registry is currently only built to list information on subsidized affordable housing units subject to accessibility requirements, and reserved for people with disabilities. Plans to add mixed-income developments to the Registry have unfortunately been pushed back due to unforeseen circumstances. However, the intention is to expand the Registry as soon as feasibly possible. This code amendment makes this intention clear and therefore supports those efforts.

*Priority Populations*

The Ordinance attempts to prioritize the allocation of restricted affordable units for those with the greatest housing need. These priority populations include those displaced pursuant to provisions in the Ellis Act and LAMC 151.22 to 151.28, lower income residents impacted by a rent increase related to a conversion to market-rate, and those displaced due to natural disasters and other code enforcement orders issued for uninhabitable units. These eligible low-income tenants would be given priority for placement in subsidized or covenanted affordable housing developments.

The ordinance acknowledges that this is a significant work program and unfortunately not ready to be implemented immediately. The Mayor's July 2024 revision to Executive Directive 1 (streamlining for affordable housing) has also directed that LAHD, with the assistance of the City Attorney, create a similar "Priority Occupancy Process" system to achieve the same purpose. Establishing a centralized system for leasing affordable housing units and implementing priority occupancy to meet these directives is a significant undertaking that is currently in process but will take several years to complete. It will also rely on the pending updates to the Registry mentioned above.

**Summary of Changes and Revisions**

A number of significant revisions were made to the Resident Protections Ordinance concurrent with the release of this staff report. The revisions were made in response to public comment from tenant advocacy groups (see Key Issues for more context). The major revisions are listed below, with the most significant being the expanded relocation assistance in number 4.

1) Expanding the definition of a "comparable unit" and applying it to an additional situation. The prior definition mirrored state law (Housing Crisis Act) and applied only to the right to return. It also only required the new units match the old with regards to the number of bedrooms. The definition has been expanded to require the same number of bathrooms and bedrooms. It will now also apply to the right to return when demolition does not occur, in addition to the regular right to return to the new building.



- 2) Clarifying the distribution of bedrooms and units in replacement units, to align with current practice by LAHD and technical assistance provided by the Department of Housing and Community Development (HCD) in a letter to the City of Westminster dated August 7, 2023. Replacement units must contain at least the same total number of units and total aggregate number of bedrooms as the Protected Units being replaced but are not required to match on a unit-by-unit basis, except in the event that a tenant is not exercising a right to return.
- 3) Adding Acutely Low Income as an income category that must be replaced when an existing or prior tenant's income is known to be Acutely Low Income. This helps ensure that the City will not lose the stock of housing units affordable for this important income category.
- 4) Significantly expand the right to relocation assistance for lower income residents to better align with state law and allow for a simpler option to obtain a higher level of relocation assistance than is currently available now. The formula would be based on the income category of the renter and the difference in monthly rent needed to rent an average comparable two bedroom apartment. This difference would be multiplied by 42 months, which is close to the average time it takes for a new apartment to be constructed. This is a critical change to help ensure displaced tenants are able to remain in their neighborhoods until they are able to take advantage of their right to return to the new development.
- 5) Providing for the ability of a tenant to exercise their right to return at their prior rental rate, if the previous rental rate is lower than the restricted rent. Subsequent rent increases would then be limited to those permitted by the Rent Stabilization Ordinance (RSO) and the covenant rents, whichever is more restrictive.
- 6) Expanding tenant notification requirements and procedures to better ensure tenants are adequately notified of their rights, including establishing a right to be notified throughout the life of the project and at important project milestones to ensure tenants can better estimate when they may be able to move into the new building, which is critical for life planning.
- 7) Establishing a new citywide Anti-Harassment Violators Database for LAHD to identify and penalize beneficial owners who are found to have committed unlawful tenant harassment or illegally evicted a tenant. If a beneficial owner receives three verified violations anywhere in the city over a ten year period, or one final citation for TAHO violations in a zone that the City has determined to be at heightened risk of displacement of lower income tenants in a five year period, it will result in the loss of ability to redevelop properties for five years.
- 8) Establishing a private right of action for tenants against developers who violate their rights pursuant the proposed ordinance.
- 9) Specifying a modified replacement policy when incomes are not known in lower resource communities, requiring replacement units to reflect the proportionate share of all lower income tenants, thereby prioritizing Extremely Low Income units.
- 10) Other minor technical changes that do not change policy or minor changes to better align with state law.

## Relationship to New Zoning Code

The CPC's action on the Resident Protections Ordinance would include recommending a version of the proposed Ordinance that amends Chapter 1 of the LAMC and recommending that the City Council instruct that a parallel version of the ordinance be prepared that amends Chapter 1A of the LAMC, subject to changes to conform to its format and style and the incorporation of the minor policy differences described below. The amendments proposed in the Chapter 1A version of the Ordinance will be applicable anywhere in the city where the New Zoning Code applies.

As Chapter 1A is built around a new zoning system which has a different document and organizational structure which incorporates many additional changes to existing citywide policies, the Chapter 1A version of the ordinance will not look exactly the same as the Chapter 1 version of the ordinance; rather, it proposes amendments to the New Zoning Code system that align with the intent of the Chapter 1 version of the ordinance while maintaining the integrity and functionality of the New Zoning Code system and policies.

The proposed Resident Protections Ordinance would entail amendments to Article 4 (Development Standards) to incorporate a new set of requirements regarding Resident Protections, and Article 14 (General Rules and Definitions) to codify relevant definitions. It would also make amendments to various code sections in Chapter 1A to clarify replacement requirements and covenant lengths. All provisions of the proposed ordinance would be translated and carried into the new Zoning Code, subject to changes to conform to its format and style.

The policy outcomes in the New Zoning Code version of the proposed ordinance will be equivalent to those of the Chapter 1 version of the proposed ordinance, with the following minor exceptions, in order to align the program with the updated regulatory system of the New Zoning Code:

- a. **Definitions.** The proposed Chapter 1A version of the Resident Protections Ordinance will have some different defined terms or slightly different definitions of some terms compared to the terms and definitions included in the proposed Chapter 1 version of the Resident Protections Ordinance. In chapter 1A, all definitions and defined terms are located in a codewide Glossary in Article 14, and these definitions apply whenever the terms are used across the entirety of Chapter 1A. Some proposed definitions and defined terms from the proposed Chapter 1 version of the Resident Protections Ordinance will need to be modified to align with Chapter 1A structure and use of terminology, and existing Chapter 1A definitions will need to be modified to integrate the Resident Protections Ordinance.
- b. **General text and terminology changes to align with Chapter 1A terminology.** Some terminology will be modified throughout the proposed 1A version of the Resident Protections Ordinance in order to align with the standardized and defined terminology used throughout Chapter 1A. These modifications could result in differences in interpretation, meaning, and application; however, any terminology replacements will reflect the intent of the proposed Chapter 1 version of the ordinance as closely as possible. For example, the term "abutting" is used in Chapter 1A in lieu of "contiguous", and the term "dwelling unit" is used in Chapter 1A in lieu of "residential unit".

- c. **Use of “Applicability” subsections and “Project Activities” paragraphs to determine when standards apply in lieu of adopting section-specific definitions.** The New Zoning Code can utilize new structural and organizational elements to let applicants know when a rule applies rather than relying on definitions to establish applicability of rules and policies. Instead of referring readers to a definitions section of the code, Chapter 1A uses the Applicability subsection of each code section to explain the nuances when certain standards apply. As such, certain terms such as “housing development project” that are used and defined in Section 12.03, the Definitions Section of Chapter 1 will not be used and defined in the Chapter 1A version of the proposed ordinance. The applicability subsections in the Chapter 1A version of the proposed ordinance will also rely on standardized project activities (e.g. New Construction, Major Remodel, Demolition, Renovation) to clearly identify what scopes of work trigger required compliance for each section..
- d. **Use of “Measurement” subsections and embedded explanations, in lieu of providing section specific definitions.** Some terms included in the proposed ordinance will not be used or referenced outside of the new sections established by the Resident Protections Ordinance. For ease of use, certain terms, such as “Comparable Unit” and “Equivalent Size” may appear in the “Measurement” subsections of the proposed Resident Protections Code sections in Chapter 1A. Others will be explained within the ordinance text, as they appear.
- e. **Code sections referencing replacement requirements and covenant lengths.** The Chapter 1 version of the proposed ordinance amends replacement requirements and covenant lengths in a number of code sections, replacing old language with references to the standardized replacement requirements and covenant lengths in the new Resident Protection Ordinance. The equivalent code sections in Chapter 1A may be rearranged, consolidated, split, added, or removed due to the overall restructuring of regulations in the Chapter 1A system. Therefore, the Chapter 1A version of the proposed ordinance may edit different code sections than the Chapter 1 version of the proposed ordinance, and may include edits to replacement and covenant provisions in programs and code sections that do not exist in Chapter 1. Code section revisions resulting from the Resident Protections Ordinance might differ between those required for the Chapter 1 zoning code and those required for the Chapter 1A zoning code.

## **Housing Element Sites and Minimum Density (HESMD) Ordinance**

### **Proposed Ordinance Summary**

The proposed ordinance aims to fulfill state Housing Element law requirements for three types of housing element sites. These include sites identified in the Inventory of Adequate Sites for Housing, sites identified on prior Housing Element Site Inventories as well as Lower Income Rezoning Sites that will be identified to meet the City’s Regional Housing Needs Assessment (RHNA) allocation. The proposed ordinance applies different state law regulations to each of the three types of sites. This includes requirements on housing replacement, no net loss findings, by-right development review, and minimum density requirements.

Housing Element law imposes various requirements on sites identified in the City's Housing Element or Rezoning Program. First, housing replacement and no net loss policies must be enforced on sites identified to meet the City's RHNA allocation. These specific sites are listed in the Inventory of Adequate Sites for Housing.<sup>3</sup> Additionally, Los Angeles is required to designate additional sites as Lower Income Rezoning Sites in order to satisfy the 2021 - 2029 Housing Element's RHNA allocation for lower-income households. These sites must have a minimum density of at least 20 dwelling units per acre (or 2,178 square foot per unit) and permit owner-occupied and rental multi-family uses for developments of at least 16 units. By-right development review is required for residential or mixed-use projects on Lower Income Rezoning Sites if at least 20 percent of the units are reserved for lower-income households. State Housing Element law also requires by-right development review for residential or mixed-use projects on sites listed in previous Housing Element Site Inventories that meet the same minimum 20 percent affordability requirement. Finally, the HESMD Ordinance will go beyond state Housing Element law requirements by establishing citywide minimum density standards on many sites zoned for multi-family residential development.

## **Key Provisions**

### ***Definitions of Housing Element Sites***

#### Housing Element Sites

Housing Element Sites are defined to mean sites listed on the inventory of land suitable for residential development identified to meet the City's RHNA allocation. The sites have already been identified in Appendix 4.1, 4.2 and 4.3 of the current 2021-2029 Housing Element.

#### Prior Housing Element Sites

Prior Housing Element Sites are defined to those Housing Element Sites identified as meeting the criteria for a prior housing element site under state law. These include non vacant sites that were identified in the prior Housing Element and vacant sites that were identified in the prior two Housing Elements. The sites have already been identified in Column O of Appendix 4.1 of the current 2021-2029 Housing Element.

#### Lower Income Rezoning Sites

Lower Income Rezoning Sites are sites identified as part of a Rezoning Program to meet the shortfall of sites at the lower income levels needed to meet the RHNA allocation. The proposed ordinance specifies that an inventory of these sites shall be established by City Council Resolution, submitted to the state each year as part of the Housing Element Annual Progress Report and identified in a public mapping system including the City's Zoning Information Mapping and Access System (ZIMAS).

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<sup>3</sup> The Inventory of Adequate Sites for Housing can be found in Appendix 4.1 of the 2021-2029 Housing Element.

As described above (Program Requirements), sites identified as lower income sites must meet certain requirements in state law. In addition to state law criteria, the proposed list of Lower Income Rezoning Housing Element Sites will include sites across the city that meet state law requirements described above and are eligible for the proposed MIIP (part of the CHIP Ordinance). Additionally, the list will include sites being rezoned in the DTLA 2040 Community Plan Update. However, several types of sensitive sites where concerns about by-right development have been expressed and the following sites were removed from the Lower Income Rezoning Housing Element Sites inventory:

- Designated historic resources (local, state and national listings)
- Designated sites subject to the Rent Stabilization Ordinance (RSO) or protected Single Room Occupancy buildings in Lower Opportunity Areas
- Very large sites and smaller sites that can not accommodate 16 units per acre
- Sites with certain types of existing heavy manufacturing or potential toxic uses including:
  - Sites with existing dry cleaners, auto repair and gas stations
  - Sites with certain identified heavy manufacturing or other heavy industrial uses
  - Sites located in an Oil (O) District
- Sites located on or within a certain buffer of particularly toxic uses:
  - California Geologic Energy Management Division (50 ft)
  - State Water Resources Control Board Geotracker (500 ft)
  - DTSC EnviroStor or listed pursuant to Government Code Section 65962.5 (500 ft)
  - DTSC Hazardous Waste Tracking System (500 ft)
  - LAFD Certified Unified Program Agency (500 ft)
  - LA County Fire Department Health Hazardous Materials Division (500 ft)
  - Resource Conservation and Recovery Act (RCRA) Small Quantity Generator or Large Quantity Generator (refer to US EPA Envirofacts database) (500 ft)
- Sites recently rezoned from Industrial Uses in South and Southeast LA Community Plan Areas
- Transit Oriented Incentive Area (TOIA) sites receiving less and a 101% Density Bonus (i.e. less than state Density Bonus).
- Sites in the Coastal Zone
- Sites in Very High Fire Hazard Severity Zones
- Sites in areas vulnerable to Sea Level Rise

### ***Provisions that Apply to the Housing Element Sites***

#### **Housing Replacement Requirements**

All development projects on sites identified in the 2021-2029 Housing Element's Inventory of Adequate Sites for Housing will be required to replace all units, including existing protected units and any protected units demolished on or after January 1, 2020, pursuant to the replacement requirements outlined in CA Government Code Section 65915(c)(3). State law and the proposed ordinance differentiate between housing and non-housing development projects. The proposed ordinance would allow limited scenarios where the off-site replacement units may be approved,

particularly for non-residential projects. In addition, the housing replacement requirements outlined in the concurrently proposed Resident Protection Ordinance would also apply to these sites.

#### No Net Loss Findings

CA Government Code Section 65863 mandates that all cities ensure a continuous availability of sites for housing to meet the jurisdiction's unmet RHNA goals throughout the housing element planning period (currently the 2021-2029 period). Specifically, this refers to the Inventory of Adequate Sites for Housing referenced in the Chapter 4 of the Housing Element which identifies a specific number of units allocated to various income categories for each individual site.

To adhere to the legal requirement, often referred to as the "No Net Loss Law," jurisdictions are prohibited from making decisions related to zoning, land use, or development review that would result in fewer housing units than the capacity assumed in Chapter 4 of the 2021-2029 Housing Element. If such actions are taken, the City must provide written findings demonstrating that there are still sufficient adequate sites in the inventory to meet the RHNA requirements. Failure to do so will necessitate mandatory rezoning within six months. The proposed ordinance embeds these requirements into the LAMC.

#### By-Right Development Review

The proposed ordinance will codify state housing element law provisions requiring by-right development review for designated Lower Income Rezoning Sites as well as sites listed in the Prior Housing Element Site Inventories. Eligible projects that meet objective zoning standards will not be subject to discretionary review procedures, including public hearings and review under the California Environmental Quality Act (CEQA) if at least 20 percent of the units are set aside for lower-income households.

#### Minimum Densities

State Housing Element law requires that all projects with residential uses proposed on a Lower Income Rezoning Site meet a minimum density requirement of 20 units per acre, inclusive of Accessory Dwelling Units. A density of 20 units per acre is equivalent to 2,178 square feet of lot area per dwelling unit. This is comparable to the density allowed in the RD2 zone. As context, a 6,000 square foot lot with this designation would require the provision of two units, while a 7,000 square foot lot would require three units. These minimum density standards are proposed to be applied to Lower Income Rezoning Sites, but also more broadly to other types of multi-family zoned sites as described further below. This will help ensure that the City's limited supply of multi-family zoned parcels are redeveloped in a way that increases the supply of more affordable housing typologies.

### **Summary of Changes and Revisions**

Most changes since the Public Hearing were in response to comments from the State's HCD and reflect clarifications of how the ordinance implements state law. For example, the term "residential development" was replaced with "Housing Development Project" as defined in CA Gov Code

Section 65589.5(h) to ensure consistency with state law. Certain changes were made to address technical adjustments, including refining definitions, accurately indicating the location of the Adequate Housing Element Sites list, and offering further clarification on eligibility criteria for minimum density sites.

A few larger changes were made prior to the Public Hearing. First, the updated draft specifies that Ministerial Approval for Prior Housing Element Sites and Lower Income Rezoning Sites will be conducted through an Expanded Administrative Review process if the project would have otherwise required a discretionary entitlement. This process will require an optional public hearing with no appeal, but projects will still be exempt from review under CEQA and subject only to objective development standards, pursuant to state law. The Expanded Administrative Review process is intended to strike a balance between the importance of ensuring Angelenos maintain a voice in the future of their community when certain project types are being proposed while also complying with state Housing Element law.

However, the most significant change was to the minimum density requirements. The original version applied the minimum density requirement (at least 20 units per acre or 2,178 square feet of lot area per dwelling unit) only to designated Lower Income Rezoning Sites as required in Gov. Code Section 65583.2(h). However, the updated draft expands the minimum density requirement to many additional sites in the City where multi-family residential uses are permitted. As currently proposed, a minimum density requirement of at least 2,000 square feet of lot area per dwelling unit will apply to nearly all sites in the R3, RAS3, R4, RAS4, R5, CR, C1, C1.5, C2, C4, C5, and CM Zones where at least a portion of a structure is erected and/or used for residential purposes. However, this requirement will not apply to sites located in environmentally sensitive areas or to specific types of projects outlined in the proposed ordinance.

This revision will help ensure that multi-family zoned sites are redeveloped at densities that support the inclusion of more affordable housing typologies. In Los Angeles, developers can build much larger single-family homes in multi-family zones than they can in single-family zones. Consequently, many lower-density multi-family zones (eg. RD Zones) in wealthier areas have been targeted by luxury single-family home developers. This has resulted in housing projects contrary to many goals of the 2021-2029 Housing Element, including the promotion of new multi-family housing in Higher Opportunity Areas. The Department has not seen the same trends or concerns in lower income areas of the City, where multi-family zoned sites are predominantly concentrated. As such, the revised minimum density provisions will only apply to RD1.5 and RD2 Zoned sites located in High or Medium High Residential Market Areas identified pursuant to LAMC Section 19.18 (Affordable Housing Linkage Fee).

### **Relationship to New Zoning Code**

As recommended, the City Planning Commission's actions on the Housing Element Sites and Minimum Density Ordinance would include recommending both a version of the proposed Ordinance that amends Chapter 1 of the LAMC as well as a parallel version of the ordinance that would amend Chapter 1A of the LAMC, subject to changes to conform to its format and style and

the incorporation of the minor policy differences described below. As Chapter 1A is built around a new zoning system and document structure and organization and incorporates many additional changes to citywide policies, the Chapter 1A version of the ordinance will not look exactly the same as the Chapter 1 version of the ordinance; rather, it proposes amendments to the New Zoning Code system that align with the intent of the Chapter 1 version of the ordinance while maintaining the integrity and functionality of the New Zoning Code system and policies. The amendments proposed in the Chapter 1A version of the Ordinance will be applicable anywhere in the city where the New Zoning Code applies.

The proposed Housing Element Sites and Minimum Density Ordinance would be incorporated into the New Zoning Code through edits to Article 1 (Introductory Provisions) in order to establish maps of the Prior Housing Element Sites, the Inventory of Adequate Sites and Lower Income Rezoning Sites, edits to Article 6 (Density) in order to add the new minimum density rule, and Article 9 (Public Benefit Systems) in order to create a program for the streamlined review for affordable housing projects on Lower Income Rezoning Sites and Prior Housing Element Sites. The provisions of these new code sections carry forward a close translation of the language and policies of the Chapter 1 version of the Housing Element Sites and Minimum Density Ordinance; however, the regulations are structurally split up across multiple Articles and programs in the New Zoning Code, rather than being located in a single code section.

The policy outcomes in the New Zoning Code version of the proposed ordinance will be equivalent to those of the Chapter 1 version of the proposed ordinance, with the following minor exceptions, in order to best align with the updated regulatory system of the New Zoning Code:

1. **Definitions.** The proposed Chapter 1A version of the Housing Element Sites and Minimum Density Ordinance will have some different defined terms or slightly different definitions of some terms compared to the terms and definitions included in the proposed Chapter 1 version of the Housing Element Sites and Minimum Density Ordinance. In chapter 1A, all definitions and defined terms are located in a codewide Glossary in Article 14, and these definitions apply whenever the terms are used across the entirety of Chapter 1A. Some proposed definitions and defined terms from the proposed Chapter 1 version of the Housing Element Sites and Minimum Density Ordinance will need to be modified to align with Chapter 1A structure and use of terminology, and existing Chapter 1A definitions will need to be modified to integrate the Housing Element Sites and Minimum Density Ordinance.
2. **General text and terminology changes to align with Chapter 1A terminology.** Some terminology will be modified throughout the proposed 1A version of the Housing Element Sites and Minimum Density Ordinance in order to align with the standardized and defined terminology used throughout Chapter 1A. These modifications could result in differences in interpretation, meaning, and application; however, any terminology replacements will reflect the intent of the proposed Chapter 1 version of the ordinance as closely as possible. For example, the term “abutting” is used in Chapter 1A in lieu of “contiguous”, and the term “dwelling unit” is used in Chapter 1A in lieu of “residential unit”.
3. **Use of formal maps in lieu of showing eligibility by referencing Housing Element appendices.** In the New Zoning Code Structure, when regulations are tied to a map, the



map's applicability, boundaries and amendment processes are enumerated in a formal map enabling section in Article 1 (Introductory Provisions). Due to this Code structure, the proposed Chapter 1A version of the Housing Element Sites and Minimum Density Ordinance will include formal map-enabling sections to establish maps of Prior Housing Element Sites, the Inventory of Adequate Sites, and Lower Income Rezoning Sites. The Chapter 1A version of the Housing Element Sites and Minimum Density Ordinance will reference these maps to establish eligibility for the streamlining program and to establish when non-residential replacement rules apply.

### **Discussion of Key Issues: Citywide Housing Incentive Program Ordinance**

The Citywide Housing Incentive Program (CHIP) provides an important policy response to better meet the City's tremendous housing needs. Without bolder action, the City's housing outcomes are unlikely to improve significantly. The CHIP addresses these challenges by adding and re-aligning strategies to explore new approaches to affordable and mixed-income housing development.

Following is a discussion of several key issues that have been raised throughout the public engagement and plan development process.

#### **Affirmatively Furthering Fair Housing**

A primary objective of the CHIP Ordinance is to respond to recent state and federal directives to Affirmatively Furthering Fair Housing (AFFH). Under state law, the City must not only meet Regional Housing Needs Assessment (RHNA) targets, but also do so in a way that Affirmatively Furthers Fair Housing. Government Code 8899.50 defines AFFH as:

*"Taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. These actions must, taken together, address significant disparities in housing needs and in access to opportunity, replace segregated living patterns with truly integrated and balanced living patterns, transform racially and ethnically concentrated areas of poverty into areas of opportunity, and foster and maintain compliance with civil rights and fair housing laws."*

As part of this mandate, the 2021-2029 Housing Element included an Affirmatively Furthering Fair Housing Assessment to identify disproportionate housing needs, segregation patterns, and disparities in access to opportunity by race, income, disability and familial status. The Assessment outlined the racial and socioeconomic disparities stemming from land use planning and housing investment practices embedded in LA's history. Implicit and explicit forms of discrimination have excluded communities of color and special needs populations from access to educational resources, jobs and healthy neighborhoods and perpetuated segregation, displacement, inequity, and exclusion.

These disparities in access to opportunity are not only an integral part of Los Angeles's land use history, but a fundamental trend in the City's housing landscape today. As reported in the 2021-2029 Housing Element, relatively little affordable housing has been developed in Higher Opportunity Areas of the City. Of the affordable units permitted over a ten year period, only 14% (almost 1,600 units) were produced in the City's High or Highest Resource Areas, while 62% were located in the Low Resource and High Segregation and Poverty Areas<sup>4</sup>. Mixed-income projects supported by land use incentives have a much higher rate of producing affordable housing in Higher Opportunity Areas, compared to those produced through financial subsidy alone. This pattern in which the majority of affordable housing is developed in lower opportunity areas is also clearly displayed in the contrasting maps presented in [Figure 1](#) on page A-4.

Upon finding that the sites identified to meet RHNA targets reflected existing patterns of segregation, the 2021-2029 Housing Element further concluded that a RHNA Re-zoning program (identified as Program 121 in the Housing Element) was necessary to Affirmatively Further Fair Housing and ensure affordable housing opportunities are not concentrated in lower resourced areas or areas of segregation and poverty. Due to the current zoning of the City, the highest capacity for new units, including lower income units, is located in areas of lower resources and high segregation and poverty. The 2021-2029 Housing Element also highlighted that changes to the City's distribution of zoning is needed to address the history of housing discrimination and inequitable opportunity in Los Angeles. As such, the 2021-2029 Housing Element identified interventions in the Affirmatively Further Fair Housing (AFFH) Program 124 to address the contributing factors to fair housing disparities. These implementation programs are described in detail on page F-10 in [The Housing Element](#) Findings section of the report, but as a primary guiding principle for the AFFH Rezoning Targets, the Program committed to expand where mixed income projects may be created, introducing context specific reforms to zoning and land use practices to increase housing choices and affordability, and targeting more than half of rezoning efforts in Higher Opportunity Areas<sup>5</sup>.

The Program accomplishes this goal by focusing new incentive programs in Higher Opportunity neighborhoods, expands affordable housing set asides that account for identified local needs, creates new home ownership and equity building opportunities, expands senior housing incentives, incentivizes use of public land, provides new incentives for 100 percent affordable housing, and ensures a replacement of existing housing units. Within the MIIP and AHIP strategies are tailored to always offer greater development potential in Higher Opportunity Areas, this results in the approximated 56% of housing capacity being added in Higher Opportunity Areas. Centering AFFH as a benchmark in the Program is not only prioritized by the City's internal goals, but ultimately ensures compliance with State mandated requirements. The development of the CHIP ordinance was not informed by a question of whether to conduct a rezoning in the City or not, but rather driven by the intent to ensure the equitable distribution of new housing opportunities and compliance with State law. More information on the specific methods through

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<sup>4</sup>2021-2029 Housing Element, Chapter 4, page 211

<sup>5</sup> 2021-2029 Housing Element, Chapter 6, Program 124.D., page 352

which the CHIP ordinance seeks to address AFFH requirements is available on page F-10 in the Housing Element Programs Findings section of the report.

### ***Single-Family Inclusion***

The potential inclusion of single-family zones in the CHIP Ordinance incentive strategies triggered a debate among residents on the challenges associated with preserving single-family neighborhoods while also expanding access to new housing options in communities which have historically been unaffordable to the majority of Angelenos as a result of land use patterns in Los Angeles. With this in mind, this section of the Staff Report provides an overview of comments received on this topic as well as staff's recommendation on how to approach this critical issue.

The 2021-2029 Housing Element included a Program 121 RHNA Re-zoning that included various concepts for achieving the City's housing goals including strategies focused on single-family zones. Specifically, the program identified potentially creating incentives on single-family zones near transit through the TOC Expansion Strategy; tailoring incentives in single-family zones for one-hundred percent affordable construction in the Affordable Housing Overlay Zone (AHOZ) Strategy; creating more flexibility for the subdivision of single-family lots and the construction of accessory dwelling units through the ADU strategy; and providing mid-scale and missing middle incentives on transit corridors in the Residential Opportunity Corridors and Avenues (OPP RC and OPPRC2) strategies. This followed a lengthy Housing Element adoption process that centered around outreach, equity, and Affirmatively Furthering Fair Housing (AFFH).

Following the launch of CHIP program strategies (see [Core Strategies](#) on page A-7) and prior to releasing a draft ordinance, on October 23, 2023 the Department announced that single-family zones would not be included in most rezoning strategies. This decision to not include single-family zones was based on feedback gathered through the Department's CHIP Concept Explorer survey, Office Hours, and feedback received through in person and online outreach during the Listen Phase of this work program. Alongside the October 23, 2023 announcement, the Department solicited feedback through a survey on the desire to include single-family zones and where to prioritize the CHIP program. As of August 26, 2024, the survey had received responses from just over 4,150 participants, with just over 60% expressing support for single-family exclusion.

Since the release of the first draft of the proposed ordinance in March 2024, City Planning has received a substantial amount of public feedback on whether single-family zones should be eligible for affordable housing incentives indicating the significance of this topic. At the staff hearing hosted in July, a majority of commenters expressed support for making single-family zones eligible for CHIP Ordinance incentives. At the same time, 95% of the over 3,100 comments received via email, in the form of letters, and through City Planning's online feedback form on the CHIP Ordinance commented on single-family, with 77% expressing opposition to applying CHIP Ordinance incentives to single-family zones. This feedback received over the course of the development of the CHIP strategies reveals the City's land use approach to single-family zones as one of the most prominent issues in the public dialogue on the CHIP Ordinance.

Those in opposition of the exclusion directly referenced concerns that not including single-family zones fell short of AFFH requirements, placed burdens on lower resource and renter communities to bear the majority of development required to achieve RHNA targets, diminished the likelihood of meeting RHNA targets at all, and failed to address the City's fraught history of housing discrimination that furthers racial and economic inequity. Those in support of excluding single-family zones expressed a desire to prioritize development on corridors, expressed concerns about housing stability for seniors, asked to minimize changes in existing residential neighborhoods, and asked for tailored incentives instead of broad changes. Furthermore, those in support of excluding single-family zones from eligibility argued that single-family neighborhoods do not have sufficient infrastructure to support more density.

The department understands the complexity of this issue and believes it would benefit from additional outreach and engagement to create a successful solution. While inclusion of single-family zones may enhance the CHIP ordinance's ability to further the City's fair housing goals, there may be a need for more expansive outreach and engagement to create a meaningful solution that addresses concerns shared on both sides of this issue. Cities like Minneapolis and Portland have reached an arguably successful policy approach to including single-family zones, however their efforts incorporated revisions to the General Plan and spanned five to ten years. The outreach and engagement associated with the CHIP Ordinance provided the public with one of the first formal platforms to voice feedback on this topic and staff recommend that to achieve a thoughtful outcome. As such, the City should engage further with Angelenos and reach a consensus that prioritizes housing equity while moving the needs of the city forward. Furthermore, as explained in the key issue above, the recommended CHIP ordinance meets the 2021-2029 AFFH goals set forth in Program 124 by ensuring the majority of new capacity in the program is created in Higher Opportunity Areas.

Within the proposed Ordinance, single-family zoned land is only eligible for the incentives within the Affordable Housing Incentive Program when a proposed project is constructed on a parcel owned by a public agency or on land owned by a Faith-Based Organization (with some exceptions). Additionally, due to provisions contained in State Density Bonus Law, single-family zoned sites with a multi-family General Plan Land Use designations may be eligible for incentives in the State Density Bonus Program and AHIP. Though not included as a recommendation in the draft CHIP Ordinance itself, given the importance of this issue and considerable public debate, several options to incorporate single-family zones into the CHIP Ordinance are provided for consideration. Exhibit D outlines six options for single-family zone inclusion in MIIP and AHIP that vary in scale and geographic eligibility. For a detailed analysis of each option and further discussion on inclusion of single-family zones, see Exhibit D.

### ***Affordability Level Considerations***

#### **Single Affordability Set Aside Requirements**

A primary objective of the RHNA Re-zoning Program 121 was to "Promote a more equitable distribution of affordable housing opportunities throughout the city, with a focus on incentivizing or requiring Affordable Housing in Higher Opportunity Areas" (Program 124 D, 2021 - 2029

Housing Element). In doing so, MIIP proposes generous development incentives, including Density Limited by Floor Area, for sites located along major streets and high quality transit in Higher Opportunity Areas of the city. In exchange for these generous development incentives, the MIIP proposes increasing the restricted affordability set-aside percentages from those equivalent to existing Transit Oriented Communities (TOC) Guidelines today (beginning at 9% ELI) to a new structure where affordability set asides vary by Market strength. This means that Lower Market Tiers (areas of the city with lower rents and for sale prices) would be subject to lower affordability set asides and Higher Market Tiers (areas of the city with higher rents and for sale prices) would be required to provide a greater percentage of affordable units.

Feedback from development and urban planning organizations throughout the process included requests to reduce affordable set aside percentages back in alignment with existing TOC requirements. In response to this feedback, the MIIP now proposes set aside percentages that align with and exceed existing TOC requirements for projects in Lower Market Tier areas of the City (beginning at 9% ELI). Projects located in Higher Market Tier Areas of the city would also see a reduction in required set aside percentages to 1% more ELI units than required for the Lower Market Tier Areas (beginning at 11% ELI). Support for this recommendation was found in the market study analysis and economic feasibility analysis conducted by AECOM Consultants (see Appendix B-1 and B-2, respectively). The market analysis established four tiers of market strength throughout the city, Market Tiers 1 and 2 indicated weaker market areas of the city (generally lower rent and for sale prices), and Market Tiers 3 and 4 represented strong market areas of the city (generally higher rents and for sale prices). The economic feasibility analysis explored the economic feasibility of the proposed CHIP Ordinance incentive programs and broad feasibility for increased set-aside requirements in stronger market areas of the city. These findings led the City to recommend requiring two affordability set-aside requirements for Lower Market Tier Area and Higher Market Tier areas of the city.

#### Mixed Affordability Set Aside Requirements

Traditionally, density bonus programs within the City of Los Angeles, including the existing Transit Oriented Communities (TOC) Guidelines program, have required projects to set-aside a certain percentage of on-site income-restricted affordable units in addition to market-rate units, in exchange for greater development incentives and bonuses. This scaled approach to restricted affordable set-aside requirements allowed applicants to select one income category (single-affordability) from a menu of options, often ranging from Extremely Low Income (ELI), Very Low Income (VLI), Low Income (LI) categories. Feedback received throughout the outreach process emphasized the need to build more affordable housing and expand and deepen affordability throughout the City, by including two new income categories: Acutely Low Income (ALI) and Moderate Income (MI). ALI is defined as individuals and families making between 0% to 15% of the Area Median Income (AMI). MI is defined as individuals and families making between 100% to 120% of the AMI.

In response to this feedback, a mixed-affordability option for meeting the set-aside income restricted affordable units requirement was added to MIIP. This is an optional path for meeting

the minimum set-aside affordability requirements to participate in the program. Applicants would choose one of the following to meet their minimum affordability requirements:

- Option 1: Utilize the traditional single-affordability set-aside options presented in MIIP, which is limited to providing ELI, VLI, or LI income categories, or
- Option 2: Utilize an optional mixed-affordability set-side, where applicants would have a choice of providing one of the following combinations, with varying combinations depending on neighborhood context:
  - Lower Opportunity Areas 4% ELI and 8% VLI
  - Higher Opportunity Areas 4% ALI, 4% ELI and 12% MI

Further, projects that opt to utilize the mixed affordability option would be required to provide one unit at the lowest affordability category as a three-bedroom unit. The set-aside percentages described above were shaped by policies and priorities of the City, as well as input from community residents, business groups, developers, and advocates. The feasibility of the program was evaluated in a market analysis conducted by AECOM Consultants (see Appendix 3). Generally, the study found the feasibility of the mixed income affordability pathways similar to the feasibility of the single affordability pathway, with no feasibility in Lower Market Tier Areas of the City, and more feasibility in Higher Market Areas of the City. The analysis generally found improved feasibility for projects that include ALI and MI units, as compared to projects providing ELI and VLI units, suggesting the projects with MI units often offset the reduced rents from ALI units, regardless of the total set-aside level. Furthermore, in general, larger scale projects (5 to 7 story podium projects) find it easier to offset an ALI unit, when compared to smaller scale projects like 3-4 story courtyard apartments. The structure of MIIP prioritizes the creation of much needed affordable housing, including more deeply affordable units, in areas of higher opportunity of the City.

### **Process Streamlining**

One of the key objectives of the CHIP Ordinance is to implement streamlined procedures for eligible housing projects and to codify state streamlining measures established through recent state legislation. A number of factors affect the review procedures that a project is subject to, including the project's size, location, and type of request(s). Zoning and overlays, such as a specific plan, may also determine a project's applicable review procedure. Ministerial and discretionary review procedures can differ significantly in the length of time it takes a project to receive approval. Complex entitlement processes and longer timelines can introduce risk, costs, and uncertainty to projects, thus acting as an obstacle in the production of affordable housing. With shorter and more predictable processing times and clear pathways for approval, the CHIP Ordinance will remove key barriers that have prevented affordable housing from being approved quickly in the city. Streamlining provisions in the CHIP Ordinance are central to its intent and function, and represent a key piece in implementing the City's goal to increase the production of affordable housing.

Changes to state law as well as feedback from affordable housing developers continue to indicate that more streamlined procedures are needed to effectively maintain a pipeline of affordable

housing required to meet the City's RHNA obligations. Numerous state bills have been adopted in recent years to amend State Density Bonus Law to reduce application processing time, increase the density bonus a project may receive ministerially, and to create a more predictable approval process. Process streamlining has also occurred at the local level through Mayor Bass' Executive Directive 1 (ED1), signed in December 2022, which created a streamlined approval process for one hundred percent affordable housing and shelter projects to address the housing and homelessness crisis in the City. Further discussion of ED1 streamlining can be found in [Executive Directive 1 Considerations](#) (page A-72).

The City's current affordable housing incentive programs offer a mix of discretionary and ministerial review processes for eligible projects. The Los Angeles Department of Building and Safety (LADBS) ministerially processes Density Bonus projects requesting base incentives and projects requesting incentives on the Menu of Incentives are processed by City Planning through a ministerial Administrative Review application. Projects requesting incentives not on the Menu of Incentives must file a discretionary application for CPC review. The City's existing Transit Oriented Communities (TOC) Incentive Program allows only base incentive requests (density, FAR, and parking reductions) to be processed ministerially through LADBS review, while projects with requesting incentives on the Menu of Incentives are still subject to a discretionary (Director's Determination) application that is reviewed by department staff. The CHIP Ordinance builds on this by offering LADBS ministerial review to an expanded list of eligible project request types including those that only request incentives on the Menu of Incentives. By allowing these types of projects to access a ministerial approval pathway, applicants will have increased flexibility and expedited review time, while still allowing City Planning staff to conduct ministerial review for compliance with public benefit and requests for incentives not on the Menu of Incentives. See page A-17 of this report for more information on how the CHIP Ordinance proposes to streamline procedures.

Overall, the CHIP Ordinance will enable a wider variety of affordable housing projects to adhere to certain requirements, including only utilizing the Menu of Incentives within the ordinance, to access a streamlined, ministerial review process in lieu of discretionary procedures that might apply under today's zoning regulations in order to facilitate the creation of housing across the City. Though the CHIP Ordinance does streamline more project request types than those streamlined today, public outreach has revealed a desire to go even further in the CHIP ordinance to streamline more project type requests. Specifically, comments have asked that the streamlining of requests for incentives not on the Menu of Incentives and for waivers of development standards be consistent across the CHIP Ordinance. As drafted, the CHIP Ordinance requires a discretionary review application for waiver requests, requiring either a CPC case or Director of Planning-level case depending on which program was used and how many waivers requested. AHIP, however, allows one waiver to be processed under Expanded Administrative Review to allow further streamlining for One Hundred Percent Affordable Housing Developments. In response to this public comment the draft CHIP Ordinance proposes that all incentives not on the Menu of Incentives be processed ministerially, with the possibility of a staff level hearing and no appeal. Projects utilizing the MIIP program are eligible for the ministerial approval of requests for incentives not on the Menu of Incentives. However, staff recommend that projects that choose to

pursue requests not on the Menu of Incentives for FAR, height, open space, setback, and ground story relief utilize the State Density Bonus program in lieu of the MIIP menus. Staff recommend that most requests for waivers remain discretionary requests as they require a different level of staff review to ensure the standard being waived would in fact physically preclude a proposed project (see page A-19 for more information on the processing of waiver requests).

### **Environmental Considerations**

Feedback gathered from public surveys, community based organizations, advocacy coalitions, and housing developers, as well as a thorough consultation of state and local environmental regulations, has informed how the CHIP ordinance addresses environmental justice issues. Critical provisions pertaining to the CHIP ordinance's eligibility criteria aim to ensure that new housing does not exacerbate dangerous impacts of natural disasters or negative health and safety impacts associated with residential proximity to hazardous substances.

Regarding environmentally sensitive sites that are increasingly at risk due to climate change, additional feedback was received regarding Sea Level Rise Areas. The Sea Level Rise Area definition was changed to an area that is vulnerable to five feet of sea level rise, further reducing higher environmental risk considerations. These areas remain ineligible for local programs and incentives. The second draft added the Coastal Zone to the list of exceptions as Staff identified climate vulnerable locations like Ocean Front walk which were not identified in the Sea Level Rise Area Mapping. As most of Los Angeles's coastal communities are currently undergoing a Community Plan Update in collaboration with the Coastal Commission, removal of the eligibility from CHIP allows climate vulnerability concerns to be addressed through local planning. Feedback and comments suggested that entirely excluding the Coastal Zone would limit housing capacity in higher-resource neighborhoods with temperate weather. At this time, sites in the Coastal Zone remain ineligible for MIIP incentives, so that local planning can address concerns in these geographies. State Density Bonus Program and AHIP incentives may apply under limited circumstances.

Each draft of the CHIP Ordinance has differed in how it addressed concerns associated with housing near environmental hazards. The CHIP Ordinance initially included a list of hazardous sites and declared them ineligible from the MIIP and AHIP programs. The Department received feedback that included a desire not to exclude but instead require stronger regulatory measures including the types of hazardous sites that should be further conditioned or remediated prior to the development of housing. Furthermore, public comment revealed interest in more public participation in determining whether sites in areas with certain environmental risk factors should be eligible for the CHIP. The Alliance for Community Transit Los Angeles—a coalition of Community Based Organizations that the Department has consulted throughout CHIP drafting—and Communities for a Better Environment, representing Wilmington and the South Bay where communities are at the forefront of environmental justice issues, both provided written comment arguing that community members know of environmental threats beyond what is on the Cortese list or within established buffers, further requesting that communities where a CalEnviroScreen score is in the 80th percentile or higher incorporate a public hearing process for CHIP eligibility.



In response to those initial comments the Department altered the second draft to include a definition of “Environmental Consideration Areas” that was then incorporated across all three programs. This definition expanded the oil well or field buffer from 50 feet in the first draft to 500 feet from an active oil well or field, 200 feet from an idle well or field, and 100 feet from a plugged well or field in the second draft. The second draft also included requirements for sites in Environmental Consideration Areas to conduct a Phase I or Phase II (if necessary) and receive a “No Further Action Letter” to access the Menu of Incentives. Without a “No Further Action Letter”, a project would need to comply with Expanded Administrative Review with the public hearing and appeals procedures in order to access the Menu of Incentives.

The Department received more feedback on the Environmental Consideration Areas proposed in the second CHIP draft from two different letters representing developers, affordable housing providers, and real estate interests (ULI CCA, AIA, SoLa Impact, Logos Faith Development among other signatories) stating that it was infeasible to conduct the necessary environmental remediation for these sites and receive a No Further Action letter prior to the entitling a project, as the remediation normally occurs during the construction and grading process. These parties recommended requiring remediation as a condition enforced at the issuance of building permits.

In the interest of both the greater goal of adding more housing and encouraging the cleanup of toxic sites in the City, the department has removed procedures proposed for sites deemed Environmental Consideration Areas in draft three and replaced them with a requirement that all projects comply with the Environmental Protection Measures (described in the ‘Environmental Protection Measures’ section of Key Provisions in this report). Requiring all projects, irrespective of the procedural path, to be subject to Environmental Protection Measures ensures that an environmental site assessment is appropriately applied to all qualifying projects.

The Environmental Protection Measures Handbook, proposed for adoption with the implementation of the Downtown Los Angeles Community Plan and Chapter 1A code amendments, would have only applied to projects subject to Chapter 1A zoning. The current proposal to adopt the Environmental Protection Measures in the Housing Element Ordinance will apply its use for CHIP and Low Income Site projects using the Chapter 1 zoning code. The CHIP further recommends allowing the Director to apply Environmental Protection Measures for housing projects pursuing approval through the proposed CHIP Ordinance incentives, whether the projects are subject to LAMC Chapter 1 or 1A. These measures may be amended by the Director of Planning to ensure the department is able to maintain updated environmental protections. Environmental Protection Measures require site remediation to take place at the time of an issued building permit, but also cover more extensive environmental circumstances than had been previously addressed in the CHIP. By adopting and deferring to these measures, the CHIP has addressed both the concerns of advocates who wanted measures to apply to all three programs, and the concerns of developers who expressed that remediation pre-entitlement would be cost prohibitive and reduce housing production as well as toxic site clean ups. Additionally, revisions to the Environmental Protection Measures (described in the ‘Environmental Protection Measures’ section of Key Provisions in this report) are proposed in response to advocate concerns.

**FBO Adjacency and Acquisition**

The specific inclusion of Faith-Based Organization (FBO) Projects in AHIP within CHIP was crafted to provide a more permissive City program based on state law SB 4. SB 4 allows by-right processing and development incentives for affordable housing projects on land owned by Religious Institutions on or before January 1st, 2024, including in single-family zones. Religious Institutions in Los Angeles have unique potential for affordable housing development that furthers AFFH goals due to their high proportion of parcels in single-family and High Opportunity Areas as well as their high capacity for development in spaces such as underutilized parking lots.

Although AHIP contains alignment with central components of SB 4, the ordinance offers an alternative pathway for review with varying affordability, acquisition, and site eligibility. Within AHIP a project may utilize either SB4 requirements or the FBO incentives. In its initial draft, the AHIP program was written to be more permissive than SB 4 in its acquisition requirements, instead of limiting the use of incentives to sites owned by Religious Institutions on or before January 1st 2024, the draft removed the acquisition requirement altogether, allowing Religious Institutions to use CHIP incentives for newly purchased properties.

Upon release of the second draft of the CHIP ordinance, the Department received feedback expressing concern for allowing newly purchased property to be eligible for FBO incentives in single-family zones. In order to find the right balance, adjacency and acquisition requirements for FBO projects were incorporated. The ordinance was revised to specify that parcels purchased by FBOs after January 1, 2024 in single-family zones can only use AHIP incentives if they are within a 528 feet (0.1 mile) radius of an existing Church or House of Worship. This new addition ensures not only that development on newly-purchased single-family parcels remains in proximity to existing Religious Institution sites, but also that the policies offered in AHIP are not used as a loophole for developers to purchase any parcels in single-family zones under false pretenses of Religious Institution initiated development. Restricting development on newly-purchased land to be near already existing uses will ensure that Religious Institutions themselves who are integrated into the local community are making decisions about project outcomes while also retaining their right to purchase property with the intention of using CHIP incentives.

With the addition of this adjacency and acquisition clause, CHIP's regulations still remain more permissive than SB 4 as they maintain eligibility of property purchased after January 1, 2024 to use FBO Project incentives. Adding these restrictions addresses concerns and secures more connection between the development and surrounding neighborhood while still providing strong incentives for affordable housing development on Religious Institution owned land in single-family zones.

Additionally, the requirement that FBO Projects are developed by or in partnership with a Qualified Developer was added to the ordinance after the first draft. A Qualified Developer is defined per SB 4 as a local public entity, a non-profit developer, or a developer that the FBO has contracted with before. SB 4 requires applicants using the bill's incentives to meet this definition, effectively limiting the type of developer that is permitted to use these incentives in partnership with Religious

Institutions. Aligning the City's ordinance with state law accordingly further ensures that incentives will be used for their intended purpose in service to the community and Religious Institution.

The addition of adjacency and acquisition requirements for FBO projects in AHIP is meant to center Religious Institutions as leaders in and catalysts of the development that occurs in single-family zones. These requirements ensure AHIP incentives are being used for their intended purposes, and in doing so also provides increased protection for preservation of neighborhood character in single-family zones.

### **Labor Provisions**

Feedback collected during the Program outreach included a letter from the Western States Regional Council of Carpenters requesting provisions for certain labor standards to be used in the construction of CHIP housing projects. In particular, they requested that Faith-Based Organization Projects and One Hundred Percent Affordable Housing Projects either commit to prevailing wage standards and benefits detailed in California Government Code Sections 65912.130 and 65912.131 or hire a general contractor who is signatory to a collective bargaining agreement with similar provisions.

During the CHIP listen phase, faith-based affordable housing developers requested more flexibility than what was proposed in the state's Senate Bill 4 (SB 4) for streamlining affordable housing on land owned by Religious Institutions. SB 4 labor provisions are similar to those requested by the Western States Regional Council of Carpenters, and require that developments with 10 or more units be subject to prevailing wage and developments of 50 or more units be subject to additional labor requirements related to health care and apprenticeship programs. Within the CHIP program, projects utilizing SB 4 incentives are required by state law to abide by the labor requirements of the statute. However, as the AHIP Faith-Based Project incentives are not comparable to the SB 4 incentives and are enabled by Density Bonus law, the local incentives are not subject to labor provisions. While the Faith-Based Project incentives provide more flexible affordability requirements, the program overall offers less buildable area for low density sites than SB 4, with the intention of encouraging more contextual scale design.

As an implementation of State Density Bonus law, the CHIP Ordinance is limited in its ability to impose prevailing wage standards or labor provisions on projects. The stated intent of State Density Bonus law is to "cover at least some of the financing gap of affordable housing with regulatory incentives, rather than additional public subsidy" (California Government Code Section 65915(u)). Imposing costs on projects that are part of an implementation of State Density Bonus might be perceived as imposing financial burden on projects utilizing regulatory land use incentives to reduce the public subsidy needed to produce the state's deficit of restricted affordable units. The imposition of labor and prevailing wage in the State Density Bonus incentive program is unprecedented for this reason.

As labor was not analyzed as a potential constraint for development within Program 121 RHNA Re-zoning, introduction of a labor requirement could require additional analysis and modification to the rezoning need. Within the 2021-2029 Housing Element, constraints for production were

identified and remediation was required. Introduction of a new constraint, such as labor, could require unanticipated amendments, including offsets of the constraint such as additional streamlining, development potential, identification of more sites for rezoning, and a higher rezoning need. With this impact and the legal framework limitations mentioned above, the CHIP Ordinance does not propose the inclusion of labor standards.

### **Executive Directive 1 Considerations**

Executive Directive 1, commonly referred to as ED1, was issued on December 16, 2022 by Mayor Karen Bass to expedite the processing of 100% affordable housing and shelter projects to address the housing and homelessness crisis in Los Angeles. ED 1 exempts these projects from discretionary review if they comply with applicable objective development standards, except as they may be modified or waived by Density Bonus or other local affordable housing incentive programs. Projects that require consideration of a Coastal Development Permit or are subject to the Subdivision Map Act are ineligible for ED 1 streamlining. ED 1 projects are reviewed through a ministerial approval process, which provides various streamlining provisions at all stages of project review for qualifying projects. Subsequent revisions to ED 1 were issued in July 2023 and in July 2024. These revisions have added additional eligibility requirements, parameters around incentives, and requirements to improve resident protections.

ED1 has been remarkably effective at creating affordable housing, largely without the need for financial subsidy. Applications for more than 27,000 units have been submitted to Planning in the first 20 months of its existence. In response to a motion (CF 23-0623) that was adopted by the City Council on June 27, 2023, City Planning prepared an ordinance (Affordable Housing Streamlining Ordinance) that would codify the streamlining provisions of ED1. The proposed ordinance is currently pending scheduling of the required Planning and Land Use Management meeting.

Although the policies share the key goal of streamlining affordable housing production in Los Angeles, ED1 and the AHSO are distinct from the CHIP Ordinance in several key aspects. ED1 is fundamentally a temporary procedural streamlining measure based on a declaration of a state of emergency, while AHIP offers the opportunity to create a long-term fully formed incentive program with a unique menu of development incentives and standards that builds on unique needs and opportunities in Los Angeles, including what has worked and not with ED1.

Another notable distinction between ED1 and CHIP is their varying approaches to location and density based eligibility and incentives. ED1 does not allow this streamlining to be accessed for parcels zoned single-family, with a base density of less than 5 units, registered as a historic resource, or located within an HPOZ. The CHIP Ordinance offers streamlining for 100% affordable housing projects citywide through AHIP, including parcels with a base density less than 5 units, historic sites, and limited eligibility in single-family zones for Faith-Based Organization Projects. AHIP goes beyond ED1 by incentivizing development in areas with low vehicle miles traveled, within a half mile of a major transit stop, and in Higher Opportunity Areas through offering development incentives in FAR, height, and parking above those available under State Density Bonus law. Additionally, AHIP scales these incentives according to the underlying zone's base

density, offering smaller bonuses for parcels with a base density of less than 5 units and greater bonuses for parcels with base densities of higher than 5 units. In this way, AHIP aims to increase the feasibility of affordable development in areas of the city that are in line with the City's goals to affirmatively further fair housing, while also maintaining restrictions on incentives that are responsive to existing neighborhood scale.

The streamlining offered in each policy is also distinct. ED1's streamlining provisions ensure that a building permit will be issued for 100% affordable projects within 5 days, and that appropriate approvals are obtained within 60 days with all required changes to be provided to the applicant within 30 days. ED1 projects are reviewed through a ministerial approval process, which provides various streamlining provisions at all stages of project review for qualifying projects, including an exemption from various local planning procedures (such as hearings and appeals), the California Environmental Quality Act (CEQA), and any non-objective development standards contained in the Zoning Code or other applicable overlays or planning documents. These policies establish significant protection from discretionary review processes for projects using ED1, paving a strong streamlined path to development. The July 2024 revision to ED1 additionally builds in restrictions to requests for incentives not on the Menu of Incentives and waivers such as limiting percentages for increases to FAR and decreases to open space in order to have more control of design outcomes for projects.

The CHIP ordinance's approach to streamlining contains different levels of review processes and does not supersede existing review procedures in other ordinances, specific plans and overlays. In this way, CHIP prioritizes streamlined review while also building in review processes to ensure design outcomes are in line with community goals, scaling review processes in line with the significance of requests. While a project can choose to utilize both the CHIP and ED1 streamlining provisions together, a project may use only one of the programs.

## **Expanded Incentives**

The Department received substantial feedback regarding the incentives each program offers. Key stakeholders including affordable housing developers, consulting and research firms, and advocacy organizations advised the Department to expand certain incentives to increase economic feasibility of projects and ultimately maximize the impact of CHIP policies. Specific incentive feedback regarding each program is discussed below.

### ***Number of Allotted Incentives***

Comments received indicated an interest in allowing all projects approved under the CHIP Ordinance to receive five incentives. Staff recommend maintaining the current incentive structure described in Table 4 of this report as it builds off the framework of State Density Bonus Law. Furthermore, due to the fact that the MIIP and AHIP offer Height and FAR as Base Incentives, projects approved under MIIP and AHIP technically have access to a total of six or seven incentives, respectively, including those allowed to be selected on or off the Menu of Incentives. Maintaining more incentives in MIIP and AHIP further incentivizes the use of those programs, which will result in more affordable housing production. Additionally, projects can access even

more bonuses and still qualify for ministerial review by utilizing the Public Benefit Options described in each CHIP Ordinance Program.

### ***FAR Incentives in the State Density Bonus Program***

The State Density Bonus Program offers projects the ability to access a FAR bonus through requesting an Incentive from the Menu of Incentives. Though the second draft released in June 2024 limited the FAR incentive on the Menu of Incentives to sites on commercial zones, the draft released in conjunction with this report proposes meaningful increases in response to public feedback. In particular, letters received called for increases in the FAR bonus offered on the Menu of Incentives in order to better enable developers to realize the up to 100% density bonuses now available through changes resulting from the adoption of AB 1287 in 2023.

With this in mind, City Planning recommends permitting FAR bonuses equal to the percentage of Density Bonus for which the Housing Development is eligible, not to exceed 35% or a maximum FAR of 3.0:1, whichever is greater if located within a one-half mile radius (2,640 feet) of a Major Transit Stop. Projects on lots zoned “RD” Restricted Density or more restrictive; or on lots with Designated Historic Resources, or Non-Contributing Elements as defined in LAMC Section 13B.8.1.C of Chapter 1A of this Code, are not eligible for an FAR incentive on the Menu of Incentives. In addition to these base incentives, 0.5:1 - 2.0:1 in additional FAR may also be accessed through the Public Benefits program by providing 10 percent of the units as three-bedroom units.

### ***FAR Incentives in the Mixed Income Incentive Program***

MIIP offers varying FAR incentives as Base Incentives in the Opportunity Corridor and Transit Oriented Incentive Areas (TOIA) programs. FARs in Residential (R) zones begin at 3.0 FAR in the Opportunity Corridors program, and scale up to 4.5 FAR in the areas closest to highest quality transit. Feedback collected during the outreach process included requests to increase the FAR incentives in order for projects using the MIIP program to have access to enough floor area to effectively build Type IIIA construction (wood frame construction with reinforced concrete podiums).

In response to feedback, the MIIP program proposes to revise the FAR incentives offered in R zones in Opportunity Corridors and TOIA programs to allow projects the floor area required to build 5 to 7 story buildings on major corridors and near high quality transit. Further, the Market Feasibility Analysis conducted by AECOM Consultants (see [Appendix 3](#)), found that increasing FAR incentives in Opportunity Corridors and TOIA programs may lead to more feasible outcomes, especially when compared to State Density Bonus provisions. Revisions to the FAR incentives in the Opportunity Corridor program propose up to 4.8 FAR in the highest quality transit service areas. In TOIA, FAR was also recalibrated to offer greater FAR in Higher Opportunity Areas of the City and in Commercial zones.

***Incentives for Sites Identified as Designated Historic Resource(s) in the Mixed Income Incentive Program***

MIIP offers FAR as a Base Incentive in all three geographic incentive areas for projects that include five total units. However, sites eligible for the Opportunity Corridors and Transit Oriented Incentive Areas programs that are identified as Designated Historic Resource(s) or Non-Contributing Element(s) as defined in LAMC Section 13B.8.1C of Chapter 1A, shall not be eligible for incentives to increase allowable FAR. These sites are eligible for their corresponding Density Bonus and one additional story of height, up to 11 additional feet. Sites identified as Designated Historic Resource(s) or Non-Contributing Element(s) are not eligible for CT-3 incentives in the Corridor Transition Incentive Area program. Feedback heard throughout the outreach process has generally agreed that although Designated Historic Resource(s) may warrant different incentives than other areas in the MIIP program, there remained concerns regarding the inclusion of low density multi-family residential neighborhoods in historic neighborhoods in the MIIP program. In order to protect existing historic multi-family neighborhoods from displacement issues, feedback suggests lower density residential zones, such as R2 and RD zones, be removed from the Opportunity Corridor program, but would remain eligible for the Corridor Transition program.

Another key issue raised during the feedback process was the desire to see a partial preservation approach to sites eligible for the Opportunity Corridors Incentive program. Sites would be eligible for greater density and housing opportunities if setback from the historic facade of the existing building or at the rear of the site, in exchange for exemptions of the existing preserved building from counting towards FAR. Feedback noted that many legacy businesses and restaurants are currently eligible for the MIIP program, and flexibility is desired in the program to allow for retention of legacy businesses and prevent the displacement of tenants.

***FAR Incentives in the Affordable Housing Incentive Program***

Some feedback urged the Department to adopt higher FAR incentives for AHIP, citing that the drafted FAR incentives did not go far enough to make a project financially feasible, especially in the case of 100% affordable projects that already face challenges penciling out. Affordable housing developers expressed that the FAR incentives offered through AHIP actively limit the height incentive, encourage micro-units, and would ultimately result in less affordable housing being produced. Many organizations advocated for eliminating the requirement that above ground parking be counted as FAR in order to boost economic feasibility, increase the impact of FAR incentives on the number of affordable units being produced, and allow design that practically addresses resident parking needs.

In response to this feedback, AHIP base incentives for parcels with a maximum allowable residential density greater than 5 units in High and Moderate Opportunity Areas were adjusted to combine the previously distinct residential and commercial FARs, ensuring that projects in these areas can access the greater of either 4:65:1 FAR or a 55% increase residential or commercial zones. This update is an increase for residential projects, which were previously permitted a maximum of the greater of 3:5:1 or 50%. Additionally, the FAR base incentive for

parcels with a maximum allowable residential density greater than 5 units within a half mile of a Major Transit Stop or in a Very Low VMT area was increased to the greater of 4.5:1 or 50%. Previous to this update, parcels in these areas were eligible to receive an FAR incentive equal to the greater of 3.5:1 or 50%. Allowing higher FAR incentives for projects in High and Moderate Opportunity Areas, within a half mile of a Major Transit Stop, and Very Low VMT areas not only addresses feedback requesting increased FAR incentives, but also supports the City's AFFH goals by focusing the heightened incentive in areas of higher opportunity and near transit.

### **Relationship with Community Plan Updates**

The Program 121 RHNA Re-zoning identified a wide array of multifaceted efforts, including the CHIP, and updates to Community Plans and other Specific Plans or Neighborhood Plans. Some local plan efforts have already been approved by the City Planning Commission but are pending final adoption (including DTLA, Hollywood Community Plan, Boyle Heights Community Plan, Harbor Gateway and Wilmington-Harbor City Community Plans, Cornfield Arroyo Seco Specific Plan, and Slauson Transit Neighborhood Plan), while others are still in development (including Community Plans in the South Valley and West Los Angeles). The CHIP Ordinance will work alongside the Community Plan and other updates to create citywide incentive-based and streamlining strategies aimed at facilitating more affordable housing in citywide priority areas, and meeting the housing needs identified in the Housing Element.

The CHIP Ordinance will be available to projects based on specific eligibility criteria and will not modify the underlying zoning, however, the Community Plan programs will continue to look at communities at the local level to fine tune land use designations and zoning regulations at the parcel level. In Chapter 1, CHIP incentives will be offered in the exceptions section of the code, offering an alternative incentive pathway for projects which would like to use the Citywide incentive in lieu of incentives offered through an Overlay, Specific Plan, or Transit Neighborhood Plans. In Chapter 1, the MIIP program includes provisions to allow for TOIA incentives to be replaced through local planning updates. This provision is consistent with Measure JJJ, which allows Community Plans to supersede the TOC Guidelines. Plans electing to replace TOIA incentives will be required to make no net loss findings, to ensure housing capacity claimed towards rezoning is not lost. Furthermore, the Boyle Heights, Harbor Gateway Community Plan, Wilmington-Harbor City, Central City North, and Central City Community Plan Areas and the Cornfield Arroyo Seco Specific Plan have all previously been reviewed by the City Planning Commission with plans containing local incentive programs for Chapter 1A. As such, these plan areas will not be eligible for MIIP Incentives in Chapter 1 and 1A. Future Community Plans have been developed alongside the CHIP and MIIP incentives, and will be integrated into Chapter 1A Article 9, as enabled in Chapter 1, in Chapter 1A. TOIA incentives may be replaced through local planning with the findings described above.

### **Discussion of Key Issues: Resident Protections Ordinance (RPO)**

Throughout the ordinance process, the City has received significant feedback from three community organizations calling for the Resident Protections Ordinance to more clearly address displacement concerns and expand tenant rights. These organizations are the Alliance for



Community Transit (ACT-LA), Public Counsel, and the Alliance of Californians for Community Empowerment (ACCE). Their comment letters generally support and reference each other (see the Public Hearing and Communications Section)

While many of the initial suggestions have been included in the proposed ordinance (see Key Provisions above), a number of items remain. They largely relate to expanding occupant protections and replacement policies for units subject to the Rent Stabilization ordinance (RSO). Many of the occupant protection policies have been addressed, either directly or indirectly, in the draft ordinance. Therefore this section will focus largely on replacement issues, particularly having to do with the replacement of RSO units being demolished by new construction.

### **RSO Replacement Requirements**

A significant key issue involves the replacement requirements that apply when rent controlled units (e.g. those subject to the Rent Stabilization Ordinance (RSO)) are being demolished for new housing developments. In particular, the issue is how to replace RSO units where current or prior tenant incomes are not known or have been determined to be above low income. This is because under the Housing Crisis Act, when incomes of current tenants are known to be lower income, they are already replaced with restricted affordable units.

The Housing Crisis Act gives local jurisdictions an option on how to replace demolished RSO units. They may either replace all RSO units with deed restricted lower income units, or may replace the units according to any local rent control replacement policies. The City has been opting for the latter by following the replacement of rental units provisions of the Rent Stabilization Ordinance (LAMC 151.28). This law, amended in 2017, requires the entirety of the new units on the property to be subject to the RSO if it is built within five years of the original units removal from the rental market. Alternatively the new building may be deemed exempt from this requirement by providing at least 20 percent of the new units, or at least as many RSO units being demolished, whichever is greater, to be affordable for lower income residents. Under these provisions, many new housing developments have become subject to the RSO, and this policy is intended to continue.

The 2021-2029 Housing Element established a framework for RSO replacement requirements with its no net loss of affordable housing policy (Policy 2.1.1). Program 29 of the 2021-2029 Housing Element specifically called for evaluating the feasibility of enacting a 1:1 replacement requirement. This “no net loss” policy framework was the result of a significant discussion that took place during the housing element outreach with a diverse group of stakeholders. The proposed ordinance would establish a citywide 1:1 replacement requirement, in line with the Housing Element. While increasing the replacement ratio may result in fewer deed restricted units, this policy will disproportionately benefit the preservation of RSO units and existing tenants (per the analysis presented below).

ACT-LA and ACCE have requested three main changes to the replacement affordability provisions. The proposals mirror regulations recently adopted for a small area of the recently amended South Los Angeles Community Plan Implementation Overlay (CPIO) that is

experiencing intense redevelopment pressures due to its location near the University of Southern California. First, they have proposed a higher replacement ratio of 2:1 for RSO units. Second, they requested that the replacement units not be permitted to count towards meeting local affordable housing set aside requirements. Third, ACCE requested that all replacement units be replaced at Extremely Low Income (ELI) Levels. Finally, the size and comparability of the replacement units has been a concern of several groups. These issues will be addressed separately below.

### ***1:1 vs. 2:1 Replacement of RSO Units***

The proposed citywide 1:1 replacement ratio for RSO units would significantly increase the required percentage of replacement units (about 45%) from the current default rate that applies when incomes are not known or are higher than lower income. Per state law, this default rate changes annually based on census data but is currently about 69% (i.e. a 0.69:1 ratio). Moving to a 1:1 ratio ensures affordable housing is never lost on a development site and is in line with the policy direction of 2021-2029 Housing Element and consistent with state law. It would require the addition of one affordable unit in 4-6 unit demolitions and two affordable units in 7-9 unit demolitions, thereby appropriately scaling up disincentives as higher numbers of RSO units are demolished. After a thorough study and consideration, staff believes a 1:1 policy strikes an appropriate balance between housing production and preservation.

Advocates have requested that the recommended 1:1 replacement ratio for RSO units be increased to a 2:1 ratio. They have noted that affordable replacement units are able to be counted towards affordability requirements provided through incentive programs and that further changes are needed to further disincentivize redevelopment of sites with existing RSO units and ensure net gains in affordable housing. While the Department shares these important objectives, there are several important considerations and trade-offs that warrant detailed discussion.

The policy challenge is how to appropriately balance critically important goals around housing production with equally important preservation and tenant protection goals. Groups advocating for a 2:1 ratio argue that significantly increasing replacement requirements is necessary to effectively discourage displacement. Unfortunately, in a built out city like Los Angeles, with most multi-family zoned sites occupied by RSO buildings, 2:1 replacement is a significant trade-off with the production of affordable housing, and housing in general. More than 650,000 of the City's 880,000 multi-family rental units are subject to the RSO and most multi-family zoned sites are occupied by RSO buildings.

Staff commissioned a consultant (AECOM) to analyze the impact of applying higher replacement ratios citywide, as well as the "no double dipping" proposal, to better understand their potential impacts (see Appendix 3). Housing development projects that resulted in RSO units being demolished during a three year period (2020-23) were examined, excluding 100% affordable housing projects and a few other minor project types.

The analysis that's been completed demonstrates that increasing ratios from the current default ratio (effectively 0.69:1) to 1:1 would not have affected the majority of projects that demolished

RSO units in recent years. The majority of projects (61%) already met the 1:1 ratio either because of rounding requirements or because the project required more units of affordable housing to meet the affordable housing incentive requirements. The remaining projects have the potential to be impacted as they would have been required to add restricted affordable units to achieve a 1:1 ratio. While it is not possible to ascertain *exactly* how many of these remaining projects would have been rendered infeasible, the study presumes that an affordability set aside exceeding 20% would likely inhibit feasibility. Using this threshold, it is estimated that 16% of all previously developed RSO redevelopment projects would have been negatively impacted by a 1:1 policy.

When compared to *total* housing production during this time, these potentially impacted projects only represent about 6% of all approved projects (and 3% of total units) in the covenant database.<sup>6</sup> Therefore, while potential impacts on RSO redevelopment projects may be considered significant, impact on overall housing production is less so. In addition, it is worth noting that the impact of this policy disproportionately benefits the preservation of RSO units, compared to the production of total and affordable units. Assuming these 16% of RSO replacement projects would be rendered infeasible and not occur, this would have resulted in the preservation of nearly 25% of RSO units removed (374), compared to a reduction of 10% of new housing units (1,306), and just 5% of new affordable housing units (231).

A citywide 2:1 ratio would have much more significant impacts. The same study found that only about 13% of RSO redevelopment projects would have already met a higher 2:1 ratio (compared to 61% at 1:1). Therefore the remainder (87%) of projects would be required to add more affordable housing and some or all of those would therefore potentially be impacted.

While examining past data on past projects can provide useful insights, it is difficult to make precise conclusions about the feasibility of future projects, especially given the significant change proposed to the densities and incentives through the CHIP program and state Density Bonus law. It also doesn't give much perspective on the total number of developable sites. As such, and given the importance of this topic, a second analysis that looked at the densities made available through the proposed CHIP program was subsequently commissioned. While the second analysis was unable to be finalized by the date of this staff report transmittal, initial results have been shared with staff. The second analysis appears to confirm the significant impacts of enacting a 2:1 replacement ratio, finding that the vast majority of RSO properties considered feasible for mixed-income housing development under a 1:1 policy would become infeasible under a 2:1 policy. Of note, this analysis was in the top market areas of the City, where economic feasibility is generally higher. Should the report be finalized in time, a summary of the analysis is anticipated to be made available prior to the City Planning Commission meeting. The full report will be available for the City Council.

While enacting a 2:1 ratio would likely reduce direct displacement due to fewer demolitions of RSO units, it would also significantly reduce the production of new housing and affordable housing based on the number of projects anticipated to be affected. This could also have negative impacts

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<sup>6</sup> Note that this estimate does not incorporate any site specific economic or physical feasibility analysis.

on displacement and housing instability as we know that unaffordable rents and lack of affordable housing are major drivers of displacement. Of particular concern is that the creation of new deed-restricted affordable housing affordable for 99 years in mixed-income buildings will be significantly impacted. While RSO units offer important affordability benefits by regulating annual rent increase, they typically reset to market rents once vacated and are not restricted to be affordable for 99 years like restricted affordable units. Due to the Just Cause Ordinance, important RSO benefits (e.g. just cause eviction and limits on rent increases) are now available to most non-RSO tenants. In addition, many new developments result in a net gain of RSO units due to the replacement provisions of LAMC 151.28. As the replacement ratios increase, the proportionate preservation benefits of the policy described in the prior paragraph above dissipate, with increasing impacts on affordable housing production. A blanket policy would also not differentiate between small and large RSO sites/buildings, nor whether any tenants are actually being impacted.

To facilitate additional options for decision makers, the Department has provided two additional options for the City Planning Commission to consider. The options described below would enact higher replacement ratios in more limited scenarios to better right-size impacts.

One potential policy option could be to subject demolitions of larger buildings to higher replacement ratios. For example, as more units are demolished, the ratios could increase incrementally. This would disincentivize demolition as the number of existing units was increased. To facilitate deliberations, one potential iteration of this concept could retain 1:1 replacement ratios when there are 1-2 existing RSO units, but apply higher ratios as RSO units increase (e.g. 1.25:1 for 3-4 units, 1.5:1 for 5-9 units, 1.75:1 for 10-14 units and 2:1 for 15 or more RSO units).

While staff was unable to fully analyze this concept, it would likely also have significant impacts on housing production. While these impacts would be shouldered more on projects requiring larger demolitions (not affecting two unit demolitions, for example) the potential loss of covenanted deed restricted affordable housing in the City's multi-family neighborhoods would be significant, compared to a citywide 1:1 policy.

Alternatively, as a way to further limit and target impacts, only demolition of occupied units could be subject to higher replacement ratios. This approach could be combined with the option above or as a standalone policy with a citywide ratio (e.g. 1.25:1, 1.5:1 or 2:1:). Either way, it would further disincentivize redevelopment of sites with tenants currently in occupancy compared to vacant sites. To address concerns that this policy may further incentivize removal of tenants prior to determining a project's replacement obligation, this policy could be complemented by also adding the higher ratios described above to projects on sites where a no-fault eviction occurred in the prior 5 years including pursuant to the Ellis Act or the recently adopted Just Cause Eviction Ordinance. In addition, the proposed ordinance includes provisions to disqualify sites and developers that have committed violations of the Tenant Anti-Harassment Ordinance.

### ***Counting Replacement Units towards Affordability Requirements***

In addition to a 2:1 replacement ratio, advocates have also requested that replacement units not be permitted to count towards meeting local affordable housing set aside requirements. However,

this is a practice that state and local law currently requires to be permitted when implementing the Housing Crisis Act, Density Bonus law, and the TOC Program (see Health and Safety Code Sec. 66300.6(b)(1)(B), Government Code Sec. 65915(C)(3)(a)(i)) and LAMC 12.22 A.31(b)(1). Because the CHIP Ordinance is an implementation ordinance of state Density Bonus law, the Department understands that it must comply with these provisions. The same is true for the TOC Program, which will remain on the books until it sunsets in 2026. Setting a stricter policy for other (non-CHIP/TOC) types of projects may be permitted, but would have marginal effect because the vast majority of projects are anticipated to use the incentive programs.

This policy change would also significantly impact project feasibility for these remaining projects. The second AECOM analysis described above has yielded initial results showing that nearly all evaluated RSO sites would become infeasible for the development of mixed-income housing. For the legal reasons described above, this change may also cause additional confusion for staff, tenants and the public by setting divergent policies based on a narrow range of entitlement types. If the CPC would like to strengthen replacement policies, changing the ratio is more advisable than misaligning with state law and local programs on this provision.

### ***Utilizing Extremely Low Income (ELI) for all Replacement Units***

Tenant advocacy groups have advocated that, when incomes are not known, protected units should always be replaced as Extremely Low Income (ELI) units. The proposed ordinance would replace ELI units according to the share of total renters citywide (currently 31%) and introduce a separate formula for RSO units in lower resource areas, whereby units are replaced as ELI proportionate to the share of lower income renters citywide (currently 45%). While increasing the number of units affordable at ELI levels is an important goal, the proposed framework may have unanticipated consequences. In addition, the goal to increase ELI units is already furthered by several elements of the CHIP and RPO.

For example, current policy does not require ELI units be replaced when incomes are not known in non-TOC projects. The proposed framework will include ELI in all cases, and include Acutely Low Income (ALI), when incomes are known (ALI units are not identified in the CHAS data so may not be used when incomes are not known). The accompanying Citywide Housing Incentive Program (CHIP) is also geared towards the production of ELI units, building on the success of the Transit Oriented Communities (TOC) Program serving this population. In addition, it is important to consider that the AECOM 1:1 replacement study referenced above found that ELI units already make up the majority (55%) of new affordable units in projects that result in the demolition of RSO units, which is larger than their percentage of renters in Los Angeles as a whole (31%). The proposed ordinance will encourage production of even more ELI units than is typical today.

Replacement units may also offer an opportunity to ensure a diversity of affordable housing ranges are being served in new housing. Low income and very low income households desperately need affordable, adequate housing in the city and may continue to be underserved with regards to incentive programs compared to ELI. Having a diversity of income ranges in a project also allows tenants to increase their incomes in place without fear of losing their affordable housing. ELI incomes are generally just at or above minimum wage, allowing little room for wage

growth. Additionally, because the proposed policy change would only apply to cases when incomes are not known, it may have the unintended effect of incentivizing redevelopment of buildings with existing lower income residents compared to vacant units and higher income occupancies. For example, five vacant units or units occupied by middle and higher income residents would likely be assessed a higher replacement rate than buildings full of lower income tenants.

The proposed approach builds on the success of prioritizing ELI units, particularly in lower income (lower resource) neighborhoods, while encouraging some diversity of income categories. Additionally, the Ordinance is drafted to allow future programs to deviate from the citywide policy if more localized policies are needed. For example, the recent amendments to the South Los Angeles Community Plan Implementation Overlay default to ELI when incomes are not known, recognizing the lower income of residents in the area, relative to the citywide average.

### ***Replacement Unit Size***

Several groups have suggested that each replacement unit should match the demolished unit not only in number of bedrooms and bathrooms but also square footage. The ACCE and ACT-LA recommendation to require the same square footage presents an implementation challenge, as there are no publicly available records of floor plans and property owners or tenants may not have floor plans to provide the City. Measurement of floor area is highly technical, based on complex provisions of the zoning code. Additionally, the staff at LAHD who process RUDs are not trained or resourced to review floor plans and arbitrate disagreements between tenants and developers. In addition, requiring exact square footage in units could also have significant impacts on project feasibility given the importance of efficiency in floor plans, which often depend on repetition and vertical alignment of core electrical and plumbing systems. Additionally, the Housing Crisis Act states that comparable units are not required to have the same or similar square footage (see Health and Safety Code Sec. 66300.6(b)(4)(C)(ii)). For these reasons, the proposed ordinance does not regulate floor area, only the number of bedrooms and bathrooms.

## **Discussion of Key Issues: Housing Element Sites and Minimum Density Ordinance**

As previously discussed, the Housing Element Sites and Minimum Density Ordinance (HESMD) will codify statutory requirements from state housing element law. The following paragraphs summarize the key issues concerning the HESMD that have been raised during the public engagement process thus far.

### **Lower Income Rezoning Site Selection**

As previously mentioned, a finalized list of Lower Income Rezoning Sites subject to by-right development review and minimum density requirements will be identified prior to passage of the HESMD. The City must identify these sites and streamline development review to create enough new development capacity to meet its RHNA allocation for lower-income units. These sites must allow a by-right density of at least 16 units to ensure they can be developed at densities that support the inclusion of lower-income units. A candidate list of potential Lower Income Rezoning

Sites was released in Appendix 4.7 of the 2021-2029 Housing Element. Exhibit E of this staff report includes a resolution and Inventory of Housing Element Rezoning Sites which contains the list of Lower Income Rezoning Sites. Planning staff has only received a few letters regarding the overall HESMD Ordinance, most of which were inquiries about whether specific sites would be designated as Lower Income Rezoning Sites.

However, we did receive feedback during the 2021-2029 Housing Element Update process expressing concern that these sites will be disproportionately located in lower-income communities. This would be inconsistent with City's commitment to expand access to Higher Opportunity Areas and Affirmatively Further Fair Housing as required in state housing element law. Planning staff are cognizant of this issue and the underlying history of how land use regulations have been used to perpetuate inequality in Los Angeles. The City made many commitments to begin addressing these injustices in the 2021-2029 Housing Element and the RHNA Re-zoning ordinances discussed in this staff report reflect our efforts to do so. Importantly, we also understand that following through on these commitments will play a significant role in complying with our obligations under Housing Element Law. As such, we have produced a list of candidate rezoning sites that are distributed throughout the City, especially in Higher Opportunity Areas where housing development projects would benefit significantly from a streamlined review process.

## **Conclusion**

The Program, called for by the 2021-2029 Housing Element, sets out to address critical housing needs and meet the City's housing obligations under state law. Timely adoption of the Program ordinances—namely the Citywide Housing Incentive Program (CHIP) Ordinance, Resident Protections Ordinance, and the Housing Element Sites and Minimum Density (HESMD) Ordinance—is required under state law and is necessary for eligibility and scoring for certain funding sources the City relies upon. The proposed ordinances will amend the Los Angeles Municipal Code (LAMC) to enable streamlined project review procedures, introduce bold new incentives for eligible project types near transit, jobs, along corridors, and in Higher Opportunity Areas, and strengthen tenant protections in order to expand and protect access to affordable housing. Following the City Planning Commission public hearing and recommendation to City Council, the City Council will also conduct a public hearing prior to considering adoption of the Program. After adoption, the ordinances comprising the Program will be submitted to HCD for final certification.

# FINDINGS

## **Program Findings and Discussion**

Several sets of findings are required to adopt the Program, including consistency with the General Plan and various state housing laws (Housing Element and State Density Bonus).

### **A. City Charter Findings**

**City Charter Section 556 and 558, and LAMC Section 13B.1.3** - Charter Sections 556 and 558 and LAMC Section 13B.1.3 require the City Planning Commission and the City Council to adopt the following findings when taking any action to amend zoning or other land use regulations concerning permissible uses, height, density, bulk, location or use of buildings or structures, size of yards, open space, setbacks, building line requirements, and other similar requirements (collectively zoning ordinances):

- (1) The zoning ordinance is in substantial conformance with the purposes, intent, and provisions of the General Plan.
- (2) The zoning ordinance is in conformity with public necessity, convenience, general welfare, and good zoning practice
- (3) Other findings required by law

Pursuant to City Charter Section 556 and 558, and LAMC Section 13B.1.3, the proposed Citywide Housing Incentive Program (CHIP) Ordinance, Resident Protections (RP) Ordinance, and Housing Element Sites and Minimum Density (HESMD) Ordinance as part of the 2021 - 2029 Housing Element RHNA Re-zoning Program 121 are in substantial conformance with the purpose, intent and provisions of the General Plan. The CHIP, RP, and HESMD ordinances, hereafter referred to as “the Program”, are also in conformance with the public necessity, convenience, general welfare and good zoning practice and other laws. In particular, they respond to the City’s acute housing crisis, which negatively impacts the general welfare with high rates of homelessness, overcrowding and unaffordable rents. Incentives for new housing with deed restricted affordable units will increase the housing supply in strategically selected areas according to good zoning practice. These areas are characterized as having strong transportation service, existing infrastructure, access to jobs and amenities and existing resources linked to better life outcomes for residents.

### **B. General Plan Consistency Findings**

**General Plan Consistency Requirement** – State law requires that the General Plan have horizontal internal consistency among its elements (California Government Code Section 65300.5). The City Charter and California Government Code Section 65860(d) require zoning ordinances to be vertically consistent with the General Plan. The 2021-2029 Housing Element



and the RHNA Re-zoning Program 121 set forth in that document were found to possess internal consistency with the General Plan at the time of The 2021-2029 Housing Element adoption. Those findings are updated to demonstrate the vertical consistency between the proposed zoning ordinances of the Program and the General Plan to comply with City Charter Sections 556 and 558, and LAMC Section 13B.1.3. This consistency discussion is provided for the City Planning Commission's consideration in approving and recommending the Program and its determination that the Program is consistent with the City's General Plan.

For all the reasons provided below, the proposed Program is consistent with the City of Los Angeles General Plan, in that it is compatible with the objectives, policies, general land uses, and programs of the General Plan and will not inhibit or obstruct their attainment.

### The Housing Element

The Program is consistent with the goals, objectives, policies, and programs of the 2021-2029 Housing Element, and is required under state Housing Element law (California Government Code Section 65583(c)(1)(A)). The 2021-2029 Housing Element Program 121 RHNA Re-zoning identified a rezoning need of 255,433 units and established an objective to conduct citywide rezoning to meet RHNA Targets by 2024<sup>7</sup>. The program states, "To accommodate the remaining RHNA of 255,433 units, LACP will identify and recommend rezoning for a minimum of 124,880 moderate and above moderate units and a minimum of 130,553 lower income (VLI and LI) units by October 30, 2024." More than 50% of lower income rezoning will occur on sites with exclusively residential uses or allowing 100% residential uses (non-commercial zones). All lower income sites will have a density allowance of at least 20 units per acre. Rezoned sites will permit owner-occupied and rental multi-family uses by-right pursuant to CA Govt. Code § 65583.2(i) for developments in which 20 percent or more of the units are affordable to lower income households and will be selected from sites identified in the parcel listing (Appendix 4.7). As reflected in Appendix 4.7, each development site has the capacity to accommodate at least 16 units and will be available for development in the planning period where water, sewer, and dry utilities can be provided"<sup>8</sup>. The CHIP, RP, and HESMD Ordinances implement the obligations and vision outlined in Program 121.

As a core implementation program of the 2021-2029 Housing Element, the Program strongly furthers its goals, objectives, policies and programs. The five goals that guide the 2021-2029 Housing Element are listed below, along with the most relevant objectives and policies.

#### **Goal 1**

A City where housing production results in an ample supply of housing to create more equitable and affordable options that meet existing and projected needs.

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<sup>7</sup> 2021-2029 Housing Element, Chapter 6, pg 343

<sup>8</sup> 2021-2029 Housing Element, Chapter 6, pg 343

**Objective 1.1:** Forecast and plan for existing and projected housing needs over time with the intention of furthering Citywide Housing Priorities.

**Policy 1.1.7:** Incentivize production of mixed-income and 100% Affordable Housing projects by rezoning for more inclusive development at densities that enable their construction in every geography.

**Policy 1.1.8:** Introduce more flexible zoning and incentives for existing lower density residential areas to create opportunities for more “missing middle” low-scale housing typologies, particularly in Higher Opportunity Areas.

**Objective 1.2:** Facilitate the production of housing, especially projects that include Affordable Housing and/or meet Citywide Housing Priorities.

**Policy 1.2.1:** Expand rental and for-sale housing for people of all income levels. Prioritize housing developments that result in a net gain of Affordable Housing and serve those with the greatest needs.

**Policy 1.2.2:** Facilitate the construction of a range of different housing types that addresses the particular needs of the City’s diverse households.

**Policy 1.2.5:** Streamline the housing approval process, particularly for Affordable Housing, throughout City departments.

**Policy 1.2.6:** Create new citywide and local land use incentives and programs that maximize the net gain of affordable housing and produce housing that meets Citywide Housing Priorities. Explore varied affordability ratios, the feasibility of inclusionary zoning requirements, and a greater mix of incomes based on market areas.

**Policy 1.2.8:** Develop and implement new land use and financing tools to promote more housing that is affordable to those with the lowest incomes and for longer periods of time.

**Policy 1.2.9:** Allow for zoning flexibility for Affordable Housing at the project review and planning levels when broader Citywide Priorities are being advanced.

**Policy 1.2.10:** Prioritize the development of Affordable Housing on public land.

**Objective 1.3:** Promote a more equitable distribution of affordable housing opportunities throughout the city, with a focus on increasing Affordable Housing in Higher Opportunity Areas and in ways that further Citywide Housing Priorities.

**Policy 1.3.1:** Prioritize housing capacity, resources, policies and incentives to include Affordable Housing in residential development, particularly near transit, jobs, and in Higher Opportunity Areas.

**Policy 1.3.2:** Prioritize the development of new Affordable Housing in all communities, particularly those that currently have fewer Affordable units.

The proposed Program is based on a detailed assessment of existing and projected housing needs through the Housing Element process. It creates housing opportunities for a larger array of sites than required by state law to meet the scale of housing challenges in Los Angeles. The Program is designed to create a more equitable and affordable city by providing development incentives citywide and tailoring incentives to prioritize areas near transit, jobs, and in Higher Opportunity Areas. Elements of the CHIP Ordinance introduce more flexible zoning incentives for lower density residential development in Corridor Transition Areas to create opportunities for more “missing middle” housing typologies, and tailored incentives for majority affordable housing on sites with lower base densities. Those with the greatest housing needs are being prioritized throughout the CHIP ordinance with the inclusion of an acutely low income Category, family sized unit incentives, senior housing incentives, student housing incentives, and incentives for 100 percent affordable developments. The CHIP ordinance further provides varied affordability ratios based on market areas, new incentives for mixing income categories within developments, and creates both for sale and rental housing incentives for various building scales.

The CHIP’s Affordable Housing Incentive Program (AHIP) also prioritizes the development of affordable housing on public land, Public Facility (PF) zones, Parking (P) zones, and underutilized Faith-Based Organization owned sites by providing unique incentives for these areas. Both the CHIP and HESMD Ordinances establish streamlined review paths for projects providing affordable units, removing barriers to the production of affordable housing. Specifically, the HESMD Ordinance contains minimum density provisions to help ensure that multi-family zoned sites in High or Medium High Residential Market Areas (pursuant to the Affordable Housing Linkage Fee) are redeveloped at densities that support the inclusion of more affordable housing types including restricted affordable units. The Program also streamlines the housing approval process for projects that include affordable housing, ensures the net gain of affordable housing through provisions of the RPO and will produce housing that meets 2021-2029 Citywide Housing Priorities.

## **Goal 2**

A City that preserves and enhances the quality of housing and provides greater housing stability for households of all income levels.

**Objective 2.1:** Strengthen renter protections, prevent displacement and increase the stock of affordable housing.

**Policy 2.1.1:** Incentivize and/or require the preservation and replacement of affordable housing, so demolitions and conversions do not result in the net loss of the City's stock of accessible, safe, healthy and affordable housing.

**Policy 2.1.4:** Strengthen tenant protections by expanding tenants' rights, enforcement, and legal assistance needed to access those rights.

**Policy 2.1.5:** Expand the right of first refusal to ensure displaced households may occupy replacement housing units that are comparable in size, location, cost, and rent control protection.

As mentioned previously, incentives are tailored according to the base densities of existing sites and their proximity to different types of transit service and Higher Opportunity Areas, creating more "missing middle" housing and mid-density multi-family typologies. The RPO codifies important citywide standards that ensure the quality and fairness of available new affordable units, protecting existing occupants and preventing the net loss of affordable housing units. Affected tenants are afforded certain rights such as the right to return to replacement units, the right to remain, the right to relocation and the right to return to the new development. Tenant rights are being strengthened by providing new notification requirements, as well as a right of private action if these rights are not provided. In order to comply with fair housing law and ensure equity in new housing developments, the proposed ordinance would establish the authority of the City to create and enforce requirements regarding the unit mix, unit size, quality and amenities, access to and distribution of affordable housing units (See LAMC 16.61 B). Affordability covenants are being lengthened to 99 years, which will provide for greater housing stability for all housing programs in the City, including those in CHIP. Additional income levels are being incorporated into the Program by including Acutely Low Income and expanding the use of Extremely Low Income.

**Objective 2.2:** Promote more affordable ownership opportunities and ownership retention strategies, with an emphasis on stability and wealth building for underserved communities.

**Policy 2.2.1:** Expand ownership models that increase the ability for households to attain homeownership, including alternative forms of shared- and limited-equity ownership.

Within the CHIP program are tailored incentives to expand home ownership opportunities and equity building for more households and underserved communities. In the MIIP program, the Corridor Transition incentive area offers increased density alongside reduced lot sizes, setbacks, and access requirements when either Very Low Income, Low Income, or Moderate Income units are provided. Minimum density provisions for multi-family zoned sites in High or Medium High Residential Market Areas will facilitate lower density housing typologies that may create ownership opportunities for more households. AHIP incentives in the CHIP Ordinance extend land use incentives to Shared Equity Projects on land owned by nonprofit community land trusts, limited equity cooperatives, and workforce housing cooperatives. Incentives are intended to

encourage a mix of housing types on these lands that includes limited equity for sale projects that can help income qualified individuals build wealth.

**Goal 3**

A City in which housing creates healthy, livable, sustainable, and resilient communities that improve the lives of all Angelenos.

**Objective 3.1:** Use design to create a sense of place, promote health, foster community belonging, and promote racially and socially inclusive neighborhoods.

**Policy 3.1.1:** Provide incentives and financial support for the preservation of historic residential structures, particularly for lower-income households.

**Policy 3.1.2:** Promote new development that furthers Citywide Housing Priorities in balance with the existing architectural and cultural context.

**Policy 3.1.3:** Develop and implement design standards that promote quality residential development.

**Policy 3.1.4:** Site buildings and orient building features to maximize benefit of nearby amenities and minimize exposure to features that may result in negative health or environmental impacts.

**Policy 3.1.5:** Develop and implement environmentally sustainable urban design standards and pedestrian-centered improvements in development of a project and within the public and private realm such as shade trees, parkways and comfortable sidewalks.

**Policy 3.1.6:** Establish plans and development standards that promote positive health outcomes for the most vulnerable communities and populations.

**Policy 3.1.9:** Encourage “convertible design” of above ground parking structures in transit rich areas so they can later be converted to housing.

**Objective 3.2:** Promote environmentally sustainable buildings and land use patterns that support a mix of uses, housing for various income levels and provide access to jobs, amenities, services and transportation options.

**Policy 3.2.1:** Promote the integration of housing with other compatible land uses at both the building and neighborhood level.

**Policy 3.2.2:** Promote new multi-family housing, particularly Affordable and mixed-income housing, in areas near transit, jobs and Higher Opportunity Areas, in order

to facilitate a better jobs-housing balance, help shorten commutes, and reduce greenhouse gas emissions.

**Policy 3.2.8:** Provide incentives and promote flexibility for the conversion of non-residential structures to new housing in order to reduce the carbon footprint resulting from demolition and new construction.

The CHIP Ordinance encourages housing production near transit and in Higher Opportunity Areas through tailored density bonuses and development incentives that will provide relief from FAR, height, and minimum parking regulations. Residential growth in these areas will help shorten commutes and facilitate a better jobs-housing balance while also furthering citywide goals concerning livability, sustainability, and resilience. This will also help spur construction of new affordable and mixed-income housing subject to the current Los Angeles Green Building Code, which is intended to promote environmentally sustainable buildings. The CHIP Ordinance also contains tailored incentives to encourage the preservation of Designated and Eligible historic resources and incentivizes mixed-use buildings with active ground floors. Finally, the Program has been designed to exclude sites and limit incentives in areas with high environmental risk where residential growth would not prioritize the creation of healthy and resilient communities including in Very High Fire Hazard Severity Zones and the Coastal Zone. Furthermore, the CHIP Ordinance contains provisions for mitigation and distancing from Environmental Consideration Areas through requiring compliance with the new Environmental Protection Measures Handbook, which will assist in reducing hazardous risks to human health and negative environmental impacts.

#### **Goal 4**

A City that fosters racially and socially inclusive neighborhoods and corrects the harms of historic racial, ethnic, and social discrimination of the past and present.

**Objective 4.1:** Ensure that housing opportunities are accessible to all residents without discrimination on the basis of race, color, ancestry, sex, national origin, color, religion, sexual orientation, gender identity, marital status, immigration status, family status, age, intellectual, developmental, and physical disability, source of income and student status or other arbitrary reason.

**Policies 4.1.1:** Promote and facilitate equal opportunity practices in the construction, provision, sale and rental of housing.

**Policy 4.1.5:** Eliminate housing accessibility barriers that disproportionately affect populations in protected classes and special needs populations.

**Objective 4.3:** Affirmatively further fair housing in all housing and land use programs by taking proactive measures to promote diverse, inclusive communities that grant all Angelenos access to housing, particularly in Higher Opportunity Areas, increase place-

based strategies to encourage community revitalization and protect existing residents from displacement.

**Policy 4.3.1:** Increase access and transparency in the lease-up process for restricted Affordable Housing units, particularly for those who have experienced or are at-risk of displacement and those who may not be aware of Affordable Housing choices.

**Policy 4.3.2:** Ensure that all neighborhoods have a range of housing typologies to provide housing options for residents to remain in the same community, when and if their needs change.

**Policy 4.3.3:** Examine land use practices that perpetuate racial exclusion and inequities including but not limited to: single-family / low density zoning, minimum lot size requirements, location of noxious uses, and subjective design review standards. Introduce context specific reforms that further Citywide Housing Priorities

**Policy 4.3.4:** Advance place-based strategies that create opportunities and financial strength in areas of disinvestment and with a history of predatory financial practices through asset-building shared equity homeownership that creates stability and mitigates displacement pressures through community control.

The Program will advance mixed-income, 100% affordable housing projects, and shared equity projects that will foster more racially and socially inclusive neighborhoods. The CHIP prioritizes expanding housing options in Higher Opportunity Areas to address historic and present land use patterns that concentrate housing in areas with fewer resources and opportunities. For example, only 14% of the deed restricted affordable units permitted citywide between 2013 and 2021 were located in Higher Opportunity Areas, despite these neighborhoods accounting for 35% of the City's census tracts. Focusing incentives in Higher Opportunity Areas helps to create more equitable and affordable housing options for City residents. The CHIP program further offers incentives for various housing typologies citywide near transit, with incentives scaled to residential and commercial zones in addition to higher and lower intensities. Within CHIP, the AHIP will offer a new incentive model for community land trusts, creating new equity sharing tools to help strengthen housing stability and build generational wealth among income qualified persons. The HESMD Ordinance also establishes minimum density provisions for multi-family zones in High or Medium High Residential Market Areas to ensure that there is more housing production in these areas.

The RPO codifies important fair housing requirements regarding unit mix, unit size, quality and amenities, and access to and distribution of affordable housing units in mixed-income housing development projects, to ensure compliance with fair housing law. In order to increase transparency in the lease up process, the RPO would establish code requirements for affirmative marketing and outreach requirements based on current LAHD practice, as well as require

affordable units be made available for rent on the Affordable and Accessible Housing Registry (or any equivalent registry managed by LAHD) to the extent feasible. LAHD has implemented affirmative marketing requirements for projects that have land use covenanted units, such as projects that have used a density bonus. This means that owners of these projects are required to list their affordable units on LAHD's Affordable and Accessible Housing Registry. This new requirement to list on the Registry is applied to new projects with covenants executed after October 1, 2021. These new projects are expected to receive their Certificates of Occupancy as early as 2024. The RPO also attempts to prioritize Restricted Affordable Units in mixed-income housing development projects for those with identified housing needs. These priority populations include those displaced pursuant to provisions in the Ellis Act and LAMC 151.22 to 151.28, lower income residents impacted by a rent increase due to the termination of affordability restrictions, and residents displaced due to natural disasters and other code enforcement orders issued for uninhabitable units.

## **Goal 5**

*A City that is committed to preventing and ending homelessness.*

**Objective 5.1:** Provide an adequate supply of short-term and permanent housing in addition to supportive services throughout the City that are appropriate for and meet the specific needs of all persons who are homeless or at-risk of homelessness.

**Policy 5.1.5:** Expand housing, shelter, and supportive services for the homeless and special needs populations in all communities, and reduce zoning and other regulatory barriers to their placement and operation.

The Program aims to increase housing supply with a diverse range of typologies through incentives and streamlining, to provide more housing options and greater housing stability to all Los Angeles residents. Within the CHIP Ordinance, new incentives for 100% affordable housing will expand permanent housing options for those who are homeless and at risk of homelessness. Furthermore the incentives will alleviate constraints on land with existing zoning barriers including Parking (P) zones, Public Facility (PF) zones, on publicly owned land, and on land owned by Faith-Based Organizations. In addition, the RPO increases housing preservation, occupant protections and replacement requirements that help ensure the creation of new housing does not result in homelessness.

### *Housing Element Programs*

As mentioned previously, the proposed Program implements RHNA Re-zoning Program 121 and related goals and policies. The CHIP Ordinance also implements the following programs in the 2021-2029 Housing Element: 4, 11, 13, 15, 48, 54, 57, 62, 103, 122, 124, 125. The RPO implements programs 28, 29, 45, 87, 121, 122, and 124. The HESMD Ordinance implements programs 28, 29, 46, 54, 57, 61, 121, and 124. These programs are either wholly implemented by the ordinances or are implemented in collaboration with other lead agencies.

## **Program 124**



The Program Affirmatively Furthers Fair Housing (AFFH) is consistent with California Government Code 65583(c)(1)(2)(10)) and Program 124 in the 2021-2029 Housing Element. The Affirmatively Furthering Fair Housing (AFFH) Program (Program 124) of the 2021 - 2029 Housing Element established the following specific strategies and actions to address the primary AFFH issue areas:

<b>Affirmatively Furthering Fair Housing (AFFH) Program 124</b> Applicable Strategies, Actions, and Implementing Program Summaries	
<i>Strategies and Actions</i>	<i>Implementing Program Summaries</i> (see individual Programs for detailed Objectives and Program Descriptions)
A. Prioritize and expand housing choices for those with the greatest housing needs, including those with the lowest incomes, persons with disabilities, seniors, large families, and victims of domestic violence.	48 and 121: Create new incentives for senior and other special needs housing through the update to the City's affordable housing incentive programs by 2024.  81: Create tailored affordability incentives that account for identified local needs such as insufficient senior, large family units, or multigenerational living, as local plans are adopted. Ensure local plans increase the production and availability of Affordable and accessible housing.
D. Promote a more equitable distribution of affordable housing opportunities throughout the city, with a focus on incentivizing or requiring Affordable Housing in Higher Opportunity Areas.	48, 65 and 121: Create a tailored set of streamlining and development incentives to prioritize 100% affordable housing projects. Expand where mixed income projects may be created, with a particular focus in Higher Opportunity Areas, by 2024. Introduce context specific reforms to zoning and land use practices to increase housing choices and affordability, particularly in Higher Opportunity Areas (see figures in Chapter 4, the candidate sites for rezoning in Appendix 4.7 and associated website maps). Target more than half of rezoning efforts in Higher Opportunity Areas.
E. Prioritize local resources, such as funding and public land, in areas of high opportunity, and evaluate revisions to funding metrics or	15: Increase the utilization of public land for affordable housing with particular emphasis in high resource and gentrifying areas; Identify

<p>policies that may act as a barrier to projects locating in high resource areas. Seek partnerships with other public and private entities to facilitate new potential development sites in these areas for affordable housing</p>	<p>publicly owned housing opportunity sites and issue RFPs to develop the sites by 2023, and annually thereafter; Ensure AFFH is incorporated into the public land selection process. Rezone PF (Public Facility) zoned public to allow affordable housing by-right through rezoning process by 2024; Maintain a publicly accessible citywide inventory of publicly owned sites. Prioritize public land for new models of affordable housing development and control (see Program 16).</p>
<p>F. Develop pathways to homeownership for lower and moderate income households, including targeted down payment assistance and increasing opportunities for community ownership of housing.</p>	<p>3 and 4: Facilitate new types of subdivisions and shared ownership models to encourage more affordable ownership typologies. Prepare an amendment to the zoning code by 2024 to facilitate innovation in more affordable types of for-sale subdivisions. Create accessible online and physical educational resources, and partner with community organizations, especially in gentrifying communities and communities of color, to assist existing or prospective homeowners to better understand options to increase equity and wealth creation by 2023.</p>
<p>K. Require the replacement of affordable housing and the right to return for existing residents, including relocation expenses</p>	<p>28 and 29: Require new housing developments to replace all affordable housing units lost due to new development. Record approximately 200 affordable housing replacement covenants per year. Extend replacement and right to return requirements prior to expiration of Housing Crisis Act in 2030 and evaluate best way to strengthen current requirements in order to make enhancements part of the Density Bonus update by 2024.</p>

The Program implements these strategies and actions by providing greater incentives to projects offering more restricted affordable units, particularly in Higher Opportunity Areas and near transit. Analysis conducted for compliance with state Housing Element Law (see Section C) indicates more than 50% of the Program's added housing capacity is in Higher Opportunity Areas. Of the Program's proposed housing capacity, approximately 54% of the overall capacity is located in Higher Opportunity Areas, with 64% and 51% of capacity located in Lower Income Category and Moderate Income Category in Higher Opportunity Areas, respectively. The CHIP incorporates an

acutely low income category to include income levels up to 15% of Area Median Income in the incentive structure, to create housing for those with the greatest need. Additionally, the Density Bonus program codifies incentives for target populations such as seniors and people with disabilities. Public Benefit Options such as child care facilities and multi-bedroom units encourage housing types for large families at lower income levels. The AHIP provides unique incentives for projects on public land to utilize public resources more effectively for housing and introduces a shared equity project type to encourage community land trust and limited equity cooperative housing models that help income qualified households build wealth through equity restricted ownership. The RP ordinance ensures that replacement of affordable units occurs across new development and that existing residents have a right to return, minimizing displacement risk and making the creation of new housing fair for existing residents. The HESMD Ordinance establishes minimum densities on Lower Income Rezoning Sites in high market tiers and requires no net loss findings for parcels included on The Housing Element's Adequate Inventory of Sites.

### **The Framework Element**

The Program is consistent with and carries out the long-range growth goals, objectives, and policies of the Framework Element of the General Plan (adopted in 1996). This section contains a discussion showing the consistency between the Program and Framework Element.

The General Plan Framework Element sets forth a citywide comprehensive long-range growth strategy and defines citywide policies regarding the following categories: growth and capacity, land use, housing, urban form, neighborhood design, open space and conservation, economic development, transportation, infrastructure, and public services. Therefore, the following discussion is organized by the categories found in the Framework Element below:

#### *Growth and Capacity*

With regards to growth and capacity, the State of California requires that cities update the Housing Element of their General Plan every eight years to accommodate a share of their region's projected growth. This process is based on the City's RHNA allocation, which quantifies the need for housing within that jurisdiction over an eight year planning period. In 2020, the Southern California Association of Governments (SCAG) determined that the City must accommodate a RHNA allocation of 456,643 housing units, including 184,721 units at lower income levels. While this number of housing units exceeds the Framework Element's 2010 estimates that corresponded with SCAG's forecast for that year, the current RHNA allocation reflects a 2029 time horizon. The Framework Element is a plan to accommodate future growth – the population and housing estimates noted in the plan do not represent maximum or minimum levels of permitted growth. The Framework Element's estimated population and household figures for 2010 have yet to be reached and remain relevant, as do the Framework policies, even if housing needs anticipated by the RHNA exceed these figures. Therefore, the Program's growth and capacity targets are not inconsistent with the Framework Element goals, policies and objectives. The Program accommodates the City's forecasted growth and existing need for housing and does not induce unplanned growth.

*Land Use*

The Program is consistent with respect to the General Plan Framework Element's goals, objectives, and policies related to **Land Use**. Since the Program does not alter the underlying land use of parcels to increase housing supply, but rather incentivizes additional housing where already permitted, the land use will remain balanced citywide except where the unbalanced lack of housing in Higher Opportunity Areas will be corrected. With regard to Land Use, the General Plan Framework Element states the following:

**Framework Goal 3A**

A physically balanced distribution of land uses that contributes towards and facilitates the City's long-term fiscal and economic viability, revitalization of economically depressed areas, conservation of existing residential neighborhoods, equitable distribution of public resources, conservation of natural resources, provision of adequate infrastructure and public services, reduction of traffic congestion and improvement of air quality, enhancement of recreation and open space opportunities, assurance of environmental justice and a healthful living environment, and achievement of the vision for a more liveable city.

**Objective 3.1** Accommodate a diversity of uses that support the needs of the City's existing and future residents, businesses, and visitors.

**Policy 3.1.4** Accommodate new development in accordance with land use and density provisions of the General Plan Framework Long-Range Land Use Diagram.

**Policy 3.1.6** Allow for the adjustment of General Plan Framework Element land use boundaries to account for changes in the location or introduction of new transit routes and stations (or for withdrawal of funds) and, in such cases, consider the appropriate type and density of use generally within one quarter mile of the corridor and station to reflect the principles of the General Plan Framework Element and the Land Use/Transportation Policy.

**Objective 3.2** Provide for the spatial distribution of development that promotes an improved quality of life by facilitating a reduction of vehicular trips, vehicle miles traveled, and air pollution.

**Policy 3.2.2** Establish, through the Framework Long-Range Land Use Diagram, community plans, and other implementing tools, patterns and types of development that improve the integration of housing with commercial uses and the integration of public services and various densities of residential development within neighborhoods at appropriate locations.

**Objective 3.3** Accommodate projected population and employment growth within the City and each community plan area and plan for the provision of adequate supporting transportation and utility infrastructure and public services.

**Policy 3.3.1** Accommodate projected population and employment growth in accordance with the Long-Range Land Use Diagram and forecasts in Table 2-2 (see Chapter 2: Growth and Capacity), using these in the formulation of the community plans and as the basis for the planning for and implementation of infrastructure improvements and public services.

**Objective 3.4** Encourage new multi-family residential, retail commercial, and office development in the City's neighborhood districts, community, regional, and downtown centers as well as along primary transit corridors/boulevards, while at the same time conserving existing neighborhoods and related districts.

**Policy 3.4.1** Conserve existing stable residential neighborhoods and lower-intensity commercial districts and encourage the majority of new commercial and mixed-use (integrated commercial and residential) development to be located (a) in a network of neighborhood districts, community, regional, and downtown centers, (b) in proximity to rail and bus transit stations and corridors, and (c) along the City's major boulevards, referred to as districts, centers, and mixed-use boulevards, in accordance with the Framework Long-Range Land Use Diagram (Figure 3-1 and 3-2).

**Policy 3.4.3** Establish incentives for the attraction of growth and development in the districts, centers, and mixed-use boulevards targeted for growth that may include:

- a. Densities greater than surrounding areas,
- d. Streamlined development review processes,
- e. "By-right" entitlements for development projects consistent with the community plans and zoning,
- f. Modified parking requirements in areas in proximity to transit or other standards that reduce the cost of development, and
- g. Pro-active solicitation of development.

The proposed Program supports and is consistent with the Framework Goal 3A and its associated policies and objectives. It will implement the 2021-2029 Housing Element plan for local and citywide housing growth while also conserving existing residential neighborhoods.

The CHIP incentivizes housing production in Higher Opportunity Areas primarily through the MIIP's Opportunity Corridors and Opportunity Corridor Transition Areas. These programs are in line with Goal 3A's first direction to balance land uses as well as more equitably distribute public resources such as affordable housing. The proposed Program acknowledges that a focus on Higher Opportunity Areas needs to be balanced with other growth considerations outlined in the

Framework Element including the importance of locating new housing near high-quality transit and jobs while avoiding hazardous and ecologically sensitive areas. For these reasons, the MIIP is not applicable in Very High Fire Severity Zones, Areas Vulnerable to Sea Level Rise or the Coastal Zone unless the project is utilizing State Density Bonus or is a project otherwise eligible for State Density Bonus utilizing the AHIP. The more generous incentives for housing near transit in both the AHIP and MIIP advance Policy 3.1.6 and Objective 3.2 of the Framework Element emphasis on bringing housing closer to job centers. This will help reduce vehicular trips, vehicle miles traveled, and corresponding air pollution. Overall, the Program seeks to support the vision of an equitable, livable, and sustainable city that meets the needs of the population through a thoughtful, balanced distribution of different housing types.

Objectives 3.3 and 3.4 are furthered by the CHIP, which encourages housing at different densities, sizes, and affordability levels citywide to meet the housing needs of a diverse population. The CHIP promotes housing along corridors and boulevards but does not propose changes to the underlying zoning or land use which are used as the basis for new incentives, consistent with Framework Element Policy 3.4.1 and Policy 3.1.4 to accommodate growth in accordance with the designated land use and density of the Framework Element's Long-Range Land Use Diagram. Incentives encourage mixed-use development in commercial zones while also meeting the rezoning requirement in state Housing Element law that over half of lower income sites are parcels zoned exclusively for residential uses (California Government Code Section 665832.2(h)). If the Program did not meet this requirement, the City would have to allow 100 percent residential projects by-right in areas with overlays requiring mixed-use, and dedicate 50 percent of development floor area to residential use in all mixed use projects (see Section C for further discussion). This would compromise The Framework Element's Objective 3.4 to encourage a mix of uses along primary transit corridors.

Consistent with Framework Element Policy 3.4.1, the RPO will help conserve existing stable residential neighborhoods by requiring replacement of deed-restricted affordable and rent stabilized units on sites of redevelopment projects. Replacement and relocation requirements stabilize the existing housing stock and minimize displacement by ensuring that redevelopment is limited to sites where a significant amount of new housing can be produced.

The Program incentivizes stable growth in areas with transportation and stronger resources typical of Higher Opportunity Areas. These updates utilize the existing General Plan land use and zoning. Since new housing is being incentivized near transit infrastructure and/or in Higher Opportunity Areas, it is anticipated that this new development would be served by sufficient public infrastructure and services in the city.

### *Single-Family Neighborhoods*

The Program is consistent with the goals, objectives, and policies related to single-family neighborhoods. With respect to Single-Family Neighborhoods, the General Plan Framework Element states the following:

**Framework Goal 3B**

Preservation of the City's stable single-family residential neighborhoods.

**Objective 3.5** Ensure that the character and scale of stable single-family residential neighborhoods is maintained, allowing for infill development provided that it is compatible with and maintains the scale and character of existing development.

**Objective 3.6** Allow for the intensification of selected single-family areas that directly abut high-density development as "transitions" between these uses.

**Policy 3.6.1** Ensure that the new development of "duplex" or multi-family units maintains the visual and physical character of adjacent single-family neighborhoods, including the maintenance of front property setbacks, modulation of building volumes and articulation of facade to convey the sense of individual units, and use of building materials that characterize single-family housing.

**Policy 7.9.3** Preserve existing single-family neighborhoods throughout the City to assure a continuing supply of variously priced single-family homes from the existing inventory.

The proposed Program is consistent with the Framework Element single-family preservation goals, objectives and policies in that it does not include areas planned and zoned for single-family uses except in limited circumstances.

*Multi-Family Neighborhoods*

The Program is consistent with the goals, objectives and policies related to Multi-Family Neighborhoods in the General Plan Framework Element. With respect to Multi-Family Neighborhoods, the General Plan Framework Element states the following:

**Framework GOAL 3C**

Multi-family neighborhoods that enhance the quality of life for the City's existing and future residents.

**Objective 3.7** Provide for the stability and enhancement of multi-family residential neighborhoods and allow for growth in areas where there is sufficient public infrastructure and services and the residents' quality of life can be maintained or improved.

**Policy 3.7.1** Accommodate the development of multi-family residential units in areas designated in the community plans in accordance with Table 3-1 and Zoning Ordinance densities indicated in Table 3-3, with the density permitted for each parcel to be identified in the community plans.

**Policy 3.7.3** Allow the reconstruction of existing multi-family dwelling units destroyed by fire, earthquakes, flooding, or other natural catastrophes to their pre-existing density in areas wherein the permitted multi-family density has been reduced below the pre-existing level.

The proposed Program is consistent with the Framework Element in that it encourages multi-family housing that enhances quality of life. The CHIP contains programs that promote new multi-family housing, particularly affordable and mixed-income housing, in areas near transit stations, jobs, and in Higher Opportunity Areas. Furthermore, the HESMD Ordinance supports the ability to reconstruct after a disaster, furthering Policy 3.7.3.

#### *Boulevards and Adjacent Residential Neighborhoods*

The Program is consistent with and furthers the General Plan Framework Element's emphasis on the intermix of boulevards with a mix of uses that include housing and economic opportunities alongside residential neighborhoods. With respect to this development pattern, the Framework Element states:

#### **Framework Goal 3I**

A network of boulevards that balance community needs and economic objectives with transportation functions and complement adjacent residential neighborhoods.

**Objective 3.13** Provide opportunities for the development of mixed-use boulevards where existing or planned major transit facilities are located and which are characterized by low-intensity or marginally viable commercial uses with commercial development and structures that integrate commercial, housing, and/or public service uses.

**Policy 3.13.3** Encourage the inclusion of public service uses (e.g., day and elder care, community meeting rooms, and recreational facilities), school classrooms, cultural facilities (museums and libraries), and similar uses in mixed-use structures.

**Policy 3.13.4** Provide adequate transitions where commercial and residential uses are located adjacent to one another.

**Policy 3.13.5** Support the development of recreational and small parks in areas developed with mixed-use structures.

The Program generally does not change underlying zoning or alter use categories, and is therefore consistent with this goal and related policies to develop mixed use boulevards adjacent to residential neighborhoods. Instances where multi-family housing is allowed where otherwise not permitted are largely limited to areas where state law has already made the changes, including land owned by Faith-Based Organizations, Parking (P) zones, on publicly owned land or Public Facility (PF) zones, and on sites with land uses or Specific Plan uses which permit residential.



The CHIP's MIIP further supports Framework Goal 3I through the Opportunity Corridors and Opportunity Corridor Transition Area incentive areas. Opportunity Corridors will generally support 3-7 story mixed use or 100% residential projects on major corridors while Opportunity Corridor Transition Areas will enable "Missing Middle" housing typologies within 750 feet of these corridors, further supporting Policy 3.13.4 for providing adequate transitions where commercial and residential uses are adjacent.

All CHIP programs offer Public Benefit Options that provide additional incentives in exchange for child care facilities or privately owned open space, consistent with policies 3.13.3 and 3.13.5. Another Public Benefit Option exempting a portion of active ground floor uses from floor area calculation encourages the inclusion of commercial or social service enterprises in developments where zoning already allows for those uses.

### *Transit Stations*

The Program's incentive structure is consistent with the intent of the General Plan Framework Element to encourage new development in proximity to rail and bus transportation corridors and stations. This considerable mix of uses should be accommodated to provide population support and enhance activity near the stations.

With respect to transit stations, the General Plan Framework Element states the following:

**Objective 3.15** Focus mixed commercial/residential uses, neighborhood-oriented retail, employment opportunities, and civic and quasi-public uses around urban transit stations, while protecting and preserving surrounding low-density neighborhoods from the encroachment of incompatible land uses.

**Policy 3.15.3** Increase the density generally within one quarter mile of transit stations, determining appropriate locations based on consideration of the surrounding land use characteristics to improve their viability as new transit routes and stations are funded in accordance with Policy 3.1.6.

**Policy 3.15.4** Design and site new development to promote pedestrian activity and provide adequate transitions with adjacent residential uses.

The CHIP Ordinance is consistent with the Framework Element in that it encourages multi-family and mixed-use residential development, particularly affordable housing, in areas of the City that have quality transit stations and a range of employment opportunities supported by commercial services and amenities through the transit and transit-opportunity incentive package in the MIIP. Throughout the MIIP and AHIP, incentives are tailored to sites where the Maximum Allowable Residential Density is less or greater than five units, thereby balancing the distribution of housing consistent with existing density contexts and Objective 3.15. With regard to Framework Element Policy 3.15.4, all CHIP projects are subject to citywide design standards as well as the proposed the Landscape and Site Design Ordinance, but the MIIP specifically incentivizes development

through transit to promote walkability, utilizes Corridor Transition incentives to provide adequate residential transitions, and imposes performance standards such as additional open space and frontage requirements on Corridor Transition projects to promote a more vibrant and walkable streetscape.

### *Historic and Architectural Districts*

The Program includes sufficient historical resource protections to be consistent with the how the General Plan Framework Element seeks to balance the benefits of historic and architectural assets with the need for new development as stated in the following goal and policy:

#### **Framework Goal 3M**

A City where significant historic and architectural districts are valued.

**Policy 3.17.2** Develop other historic preservation tools, including transfer of development rights, adaptive reuse, and community plan historic preservation policies.

The CHIP balances streamlined review processes and tailored incentives with protections for Designated and Eligible Historic Resources. The CHIP offers review processes consistent with State Law. However, where local incentives exceed state law in the MIIP and AHIP, the Ordinance includes additional demolition and review protections for Designated and Surveyed Historic Resources. Furthermore, the CHIP offers new incentives to encourage the retention of eligible historic features by offering Public Benefit incentives for the retention of eligible historic building facades. This incentive was developed based on the public comment of the Los Angeles Conservancy. In addition, the HESMD Ordinance includes provisions to exempt historic resources from minimum density requirements. Similarly, historic resources have been removed from the inventory of Lower Income Sites subject to by-right review and minimum density requirements.

### *Urban Form and Neighborhood Design*

The Program is consistent with the goals, objectives, and policies in respect to **Urban Form and Neighborhood Design** through the use of tailored incentives, Menus of Incentives, Public Benefit Options, and performance standards. The General Plan Framework Element states the following regarding Urban Form and Neighborhood Design:

#### **Framework Goal 5A**

A liveable City for existing and future residents and one that is attractive to future investment. A City of interconnected, diverse neighborhoods that builds on the strengths of those neighborhoods and functions at both the neighborhood and citywide scales.

**Objective 5.2** Encourage future development in centers and in nodes along corridors that are served by transit and are already functioning as centers for the surrounding neighborhoods, the community or the region.

**Policy 5.2.3** Encourage the development of housing surrounding or adjacent to centers and along designated corridors, at sufficient densities to support the centers, corridors, and the transit system. While densities and distances will vary based on local conditions, the following residential density standards, which are based on the City's adopted Land Use/Transportation Policy, should be used as a general guide when updating community plans through a public participation process:

- a. Four-stories over parking (R4) within 1,500 feet of grade-separated (subway or arterial) fixed rail transit stations;
- b. Three-stories over parking (R3) within 1,500 feet of at-grade fixed rail transit stations;
- c. Two-stories over parking (RD1.5) within 750 feet of major bus corridor intersections;
- d. Where appropriate, two units per lot (R2) may be considered within 750 feet of major bus corridors.

**Objective 5.5** Enhance the liveability of all neighborhoods by upgrading the quality of development and improving the quality of the public realm.

**Policy 5.5.1** Plant and/or facilitate the planting of street trees, which provide shade and give scale to residential and commercial streets in all neighborhoods of the City.

**Objective 5.8** Reinforce or encourage the establishment of a strong pedestrian orientation in designated neighborhood districts, community centers, and pedestrian-oriented sub-areas within regional centers, so that these districts and centers can serve as a focus of activity for the surrounding community and a focus for investment in the community.

**Policy 5.8.3** Revise parking requirements in appropriate locations to reduce costs and permit pedestrian-oriented building design:

- a. Modify parking standards and trip generation factors based on proximity to transit and provision of mixed-use and affordable housing.
- b. Provide centralized and shared parking facilities as needed by establishing parking districts or business improvement districts and permit in-lieu parking fees in selected locations to further reduce on-site parking and make mixed-use development economically feasible.

**Objective 5.9** Encourage proper design and effective use of the built environment to help increase personal safety at all times of day.

**Policy 5.9.2** Encourage mixed-use development which provides for activity and natural surveillance after commercial business hours through the development of ground floor retail uses and sidewalk cafes. Mixed-use should also be enhanced

by locating community facilities such as libraries, cultural facilities, or police substations, on the ground floor of such building, where feasible.

The proposed Program is consistent with the Framework Element because it promotes and encourages livable buildings and neighborhoods with a range of housing types for diverse communities that builds on their strengths while also meeting citywide needs. The CHIP Ordinance encourages a wide range of different densities and scales with incentives that balance the need for more housing and quality urban form. As previously discussed, the CHIP Ordinance incentivizes housing near transit with density, FAR, and height incentives which scale based on proximity to transit service and base density.

Regarding livability, the Framework Element contains policy 5.5.1 to plant or facilitate the planting of street trees. The MIIP and AHIP offer the preservation of significant trees as a public benefit option to help maintain the City's existing canopy as more trees are planted. The Framework Element also includes Objective 5.8 and Policy 5.8.3 to create pedestrian oriented areas and reduce parking. There are no parking requirements in the entire MIIP, and the AHIP only requires parking in very limited circumstances. In accordance with Objective 5.9 and Policy 5.9.2, the CHIP Ordinance supports mixed-use development by incentivizing greater residential intensity at sites already allowing mixed uses, which will encourage more street activation and neighborhood presence.

With respect to open space as an integral part of neighborhood form and design, The Framework Element includes these policies:

**Policy 6.4.4** Consider open space as an integral ingredient of neighborhood character, especially in targeted growth areas, in order that open space resources contribute positively to the City's neighborhoods and urban centers as highly desirable places to live.

**Policy 6.5.5** Establish incentives for the provision of publicly accessible open space in conjunction with private development projects.

The CHIP implements Policies 6.4.4. And 6.5.5 of The Framework Element by maintaining open space requirements for projects in targeted growth areas and establishing incentives to either offset reductions in open space or add open space to projects. Access to incentives for reducing open space requires a higher score on the Landscape and Site Design Ordinance checklist, to require a higher quality of open space in exchange for less. A Public Benefit Option in the MIIP and AHIP offer a reduction in rear yard setback in exchange for setting aside additional lot area beyond the required common outdoor space as Privately Owned Open Space.

### *Economic Development*

The Program is consistent with respect to the Policies and Objectives related to **Economic Development** in the General Plan Framework Element by providing incentives for projects on

public land, incentivizing and streamlining affordable housing without the use of public subsidy, and encouraging mixed-use projects where the underlying zoning allows. Regarding Economic Development, the Framework Element states the following:

***Policy 7.2.1*** *Identify the characteristics of any surplus City-owned land and determine the appropriateness of designating this land for public, commercial, industrial, or residential uses.*

***Policy 7.8.3*** *Encourage mixed-use development projects, which include revenue generating retail, to offset the fiscal costs associated with residential development*

**Objective 7.4** Improve the provision of governmental services, expedite the administrative processing of development applications, and minimize public and private development application costs.

**Policy 7.4.1** Develop and maintain a streamlined development review process to assure the City's competitiveness within the Southern California region.

**Policy 7.4.2** Maximize opportunities for "by-right" development.

#### **Framework Goal 7G**

A range of housing opportunities in the City

**Objective 7.9** Ensure that the available range of housing opportunities is sufficient, in terms of location, concentration, type, size, price/rent range, access to local services and access to transportation, to accommodate future population growth and to enable a reasonable portion of the City's workforce to both live and work in the City.

**Policy 7.9.1** Promote the provision of affordable housing through means which require minimal subsidy levels and which, therefore, are less detrimental to the City's fiscal structure.

**Policy 7.9.2** Concentrate future residential development along mixed-use corridors, transit corridors and other development nodes identified in the General Plan Framework Element, to optimize the impact of City capital expenditures on infrastructure improvements.

**Objective 7.10** Program resources in a manner that encourages appropriate development, housing opportunities, transit service and employment generation in all areas of the City, with particular emphasis on those portions of the City which historically have not received a proportional share of such opportunities, consistent with the City's overall economic policies.

**Policy 7.10.2** Support efforts to provide all residents with reasonable access to transit infrastructure, employment, and educational and job training opportunities.

The Framework Element recognizes the critical link between economic development and housing, particularly between jobs and housing. The proposed Program is consistent with the Framework Element Objectives 7.9, 7.10 and related policies in that it aims to enable the City's workforce to both live and work in the City, by encouraging an ample supply of housing for residents and workers and promoting an array of housing types at different costs, including affordable and mixed income housing in areas with transit stations, a range of employment opportunities, and commercial services and amenities. The Program aims to boost affordable housing without relying upon subsidies, in line with its position as an implementation of State Density Bonus and Policy 7.9.1. Incentives in Higher Opportunity Areas throughout the MIIP and the AHIP will alleviate housing concentration by promoting an emphasis on those portions of the City which historically have not received a proportional share of housing opportunities, and will Affirmatively Further Fair Housing near employment and educational resources.

The CHIP Ordinance also provides incentives for developing publicly owned land and sites zoned Public Facility (PF) for affordable housing under the AHIP, which contains a provision under which any public agency, if authorized by a resolution of City Council, may develop land for 100% affordable housing regardless of a site's development standards. This supports Policies 7.2.1 and 7.8.3 of the Framework Element by providing a pathway to a streamlined mixed-use development of public land and public facilities regardless of underlying zoning, and advances both a public commitment to construct affordable housing while balancing the fiscal constraints of residential development where public dollars are being spent.

Framework Element Objective 7.4 and related Policies 7.4.1 and 7.4.2 encourage streamlined development procedures for a better business and economic environment citywide. The CHIP and HESMD Ordinance both provide by-right and streamlined processes for projects providing the public benefit of affordable housing, and will facilitate a more stable development process. Better streamlining is available to projects offering more affordability in an effort to lower costs linked to the development process overall, while also closing the financial gap specific to affordable housing development.

### *Housing*

The Program is consistent with the policies and objectives of The Framework Element **Housing** section, which provides much of its overall policy direction. The Framework Element acknowledges that housing production has not kept pace with the demand for housing leading to increased overcrowding and states that the "City must strive to meet the housing needs of the population in a manner that contributes to stable, safe, and livable neighborhoods, reduces conditions of overcrowding, and improves access to jobs and neighborhood services, particularly by encouraging future housing development near transit corridors and stations."

With respect to **Housing**, the General Plan Framework includes the following overall Housing goals and objectives:

**Framework Goal 4A**

An equitable distribution of housing opportunities by type and cost accessible to all residents of the City.

**Objective 4.1** Plan the capacity for and develop incentives to encourage production of an adequate supply of housing units of various types within each City subregion to meet the projected housing needs by income level of the future population to the year 2010 (Per Table 2-1, the Framework Plan 2010 population is 4,306,500 persons).

**Policy 4.1.1** Provide sufficient land use and density to accommodate an adequate supply of housing units by type and cost within each City subregion to meet the twenty-year projections of housing needs (see Figure 4-1).

**Policy 4.1.2** Minimize the overconcentration of very low- and low-income housing developments in City subregions by providing incentives for scattered site development citywide.

**Policy 4.1.3** Minimize the over concentration of public housing projects in a City subregion.

**Policy 4.1.4** Reduce overcrowded housing conditions by providing incentives to encourage development of family-size units.

**Policy 4.1.5** Monitor the growth of housing developments and the forecast of housing needs to achieve a distribution of housing resources to all portions of the City and all income segments of the City's residents.

**Policy 4.1.6** Create incentives and give priorities in permit processing for low- and very-low income housing developments throughout the City.

**Policy 4.1.7** Establish incentives for the development of housing units appropriate for families with children and larger families.

**Policy 4.1.8** Create incentives and reduce regulatory barriers in appropriate locations in order to promote the adaptive re-use of structures for housing and rehabilitation of existing units.

**Policy 4.1.9** Whenever possible, assure adequate health-based buffer zones between new residential and emitting industries.

**Objective 4.2** Encourage the location of new multi-family housing development to occur in proximity to transit stations, along some transit corridors, and within some high activity areas with adequate transitions and buffers between higher-density developments and surrounding lower-density residential neighborhoods.

**Policy 4.2.1** Offer incentives to include housing for very low- and low-income households in mixed-use developments.

**Objective 4.3** Conserve scale and character of residential neighborhoods.

**Objective 4.4** Reduce regulatory and procedural barriers to increase housing production and capacity in appropriate locations.

**Policy 4.4.1** Take the following actions in order to increase housing production and capacity:

- a. Establish development standards that are sufficiently detailed and tailored to community and neighborhood needs to reduce discretionary approvals requirements.
- b. Streamline procedures for securing building permits, inspections, and other clearances needed to construct housing.
- c. Consider raising thresholds for categorical exemptions for CEQA clearances for projects conforming to the City's development standards, particularly when housing is combined with commercial uses in targeted growth areas.
- d. Consider establishing City service which assists applicants in processing applications for housing projects.

The proposed Program supports and is consistent with the Framework Element housing goal 4A as it strongly promotes a more equitable distribution of housing opportunities, with higher incentives offered in Higher Opportunity Areas throughout the CHIP. As identified in the 2021-2029 Housing Element, and shown on [Figure 1](#) on page A-4 of this staff report, affordable housing unit production has been heavily concentrated in lower opportunity areas of the city. As such the CHIP program offers larger incentives in Higher Opportunity Areas, expands access to affordable housing, and provides for a more equitable distribution of mixed-income and one hundred percent affordable housing developments. The Program aligns with the Framework's Objective 4.1 and associated policies with its focus on planning to provide a supply of housing available at affordable types and costs while alleviating overconcentration of affordable housing and overcrowding.

The CHIP establishes incentives to encourage a wider variety of housing types by providing tailored incentives for missing middle, mid-scale, and higher intensity developments, alongside options to encourage multi-bedroom units to house large families. Within the CHIP Ordinance, the MIIP and AHIP offer limited FAR and height incentives for both lower density sites and for Designated Historic Resources. The Corridor Transition incentives are crafted to integrate into



existing neighborhood contexts, by offering height and FAR maximums in exchange for incentives which are often below the existing allowances on a site.

Within the CHIP Ordinance, the MIIP incentive affordability requirements are calibrated to market tiers identified by the Linkage Fee Ordinance in Section 19.18 of the Los Angeles Municipal Code. With higher affordability set asides in higher market tiers, affordable housing will be more evenly distributed throughout the City. Set aside options in the MIIP are of an even greater variety of income levels than the Framework Element calls for, and include moderate income (80-120% AMI), low income (80% AMI), very low income (60% AMI), extremely low income (30% AMI), and acutely low income (15% AMI) levels. The popularity of the extremely low income affordability set-aside in the City's Transit Oriented Communities Program indicates that this is an effective and proven way to spur production of these units citywide. As stated in previous findings, the MIIP emphasizes transit as a key location for growth in alignment with Objective 4.2.

Streamlining and reducing development barriers is a key component of the CHIP and The HESMD Ordinance, in alignment with Objective 4.4 and associated policies of the Framework Element. Streamlining is provided in exchange for the public benefit of more affordable housing and does not apply where the value of cultural or environmental assets exceeds that of the proposed project. Consistent with Framework Element Policy 4.1.9, environmental justice is a key consideration of the CHIP Ordinance. Parcels zoned for heavy manufacturing, or hybrid industrial zones with an overlay restricting residential uses, cannot qualify for more than the minimum incentives available under State Density Bonus. Sites within 1,000 feet of certain contaminated areas would be required to complete Phase I and/or II assessment and remediation in compliance with the proposed Environmental Protection Measures, if warranted, or they are not eligible until complying with Environmental Protection Measures once adopted. Furthermore, the Lower Income Rezoning Housing Element Sites List, where by-right streamlining is facilitated by the HESMD, excludes sites with potentially harmful environmental concerns. For additional details, refer to Section C.

It is the ultimate goal of the Program to provide sufficient land use and density to accommodate an adequate supply of housing units by type and cost to meet projections of housing needs. The Program will also decrease the overconcentration of very low- and low-income housing developments in City subregions by preventing development on sites presenting risk to human health or negative externalities and providing greater incentives for scattered site development citywide, particularly in Higher Opportunity Areas where affordable housing production has been underproduced.

### **Other General Plan Elements**

The proposed Program is consistent with the purpose, intent, and provisions of the General Plan in that it implements policies contained in a number of other General Plan Elements in addition to the Housing and Framework Element discussed above, including the:

- Circulation Element (Mobility Plan 2035)

- Health Element (Plan for a Healthy Los Angeles)
- Air Quality Element
- Conservation Element
- Safety Element

### *Mobility Plan 2035 (Circulation Element)*

The City's Mobility Plan 2035 (Circulation Element) provides the policy foundation for achieving a transportation system that balances the needs of all road users and incorporates "complete streets" principles and lays the policy foundation for how future generations of Angelenos interact with their streets. This includes the strong link between residential land uses to transportation.

The City's Mobility Plan 2035 contains a number of important policies supported by and consistent with the proposed Program, including:

**Objective 3.1** Ensure that 90% of households have access within one mile to the Transit Enhanced Network by 2035.

**Objective 3.2** Ensure that 90% of all households have access within one-half mile to high quality bicycling\* facilities by 2035. (\*protected bicycle lanes, paths, and neighborhood enhanced streets)

**Objective 5.2** Vehicle Miles Traveled (VMT): Support ways to reduce vehicle miles traveled (VMT) per capita

The Program supports the strong link between residential land uses and transportation, particularly public transit stations in the CHIP's MIIP. Incentivizing housing, particularly affordable housing, near transit stations ensures that transit-dependent residents have access to housing and employment opportunities, education, quality healthcare, and other amenities while reducing Vehicle Miles Traveled per capita, which aligns with Mobility Objective 5.2. Additionally consistent with AB 2097 and AB 2334, most projects proposed under the MIIP and AHIP will not require parking, thereby increasing the public transit user base. These policies and programs acknowledge the ample opportunities for transit-oriented development that can support new housing (particularly affordable housing) as a result of significant transit infrastructure investments occurring in multiple neighborhoods of the City.

### *Plan for a Healthy Los Angeles (Health Element)*

The Plan for a Healthy Los Angeles (Health Element) lays the foundation to create healthier communities for all Angelenos. As an Element of the General Plan, it provides high-level policy vision, along with measurable objectives and implementation programs, to elevate health and environmental justice as a priority for the City's future growth and development. It acknowledges that access to safe, affordable, accessible, and healthy housing is of paramount importance to living a healthy life.

The proposed Program is consistent with the Health Element and furthers the following goals, objectives, and policies:

**Policy 1.5** Improve Angelenos' health and well-being by incorporating a health perspective into land use, design, policy, and zoning decisions through existing tools, practices, and programs.

**Policy 1.6** Reduce the debilitating impact that poverty has on individual, familial, and community health and well-being by: promoting cross-cutting efforts and partnerships to increase access to income; safe, healthy, and stable affordable housing options; and attainable opportunities for social mobility.

**Policy 1.7** Reduce the harmful health impacts of displacement on individuals, families, and communities by pursuing strategies to create opportunities for existing residents to benefit from local revitalization efforts by: creating local employment and economic opportunities for low-income residents and local small businesses; expanding and preserving existing housing opportunities available to low-income residents; preserving cultural and social resources; and creating and implementing tools to evaluate and mitigate the potential displacement caused by large-scale investment and development.

### ***Health Element Goal 2***

A city that is built for health uses design, construction, and public services to promote the physical, mental, and social well-being of its residents. A healthy city has neighborhoods where health-promoting goods and services are abundant and accessible, so that the healthy choice is the easy choice for all residents. Health is further supported by safe multi-modal corridors that offer active transportation alternatives, access to a diverse housing stock that offers options for all ages and incomes, ample opportunities for recreation, healthy food options, and a vibrant economy that offers quality employment opportunities.

**Policy 2.2** Promote a healthy built environment by encouraging the design and rehabilitation of buildings and sites for healthy living and working conditions, including promoting enhanced pedestrian-oriented circulation, lighting, attractive and open stairs, healthy building materials and universal accessibility using existing tools, practices, and programs.

**Policy 5.1** Reduce air pollution from stationary and mobile sources; protect human health and welfare and promote improved respiratory health.

**Policy 5.4** Protect communities' health and well-being from exposure to noxious activities (for example, oil and gas extraction) that emit odors, noise, toxic, hazardous, or contaminant substances, materials, vapors, and others.

**Policy 5.7** Promote land use policies that reduce per capita greenhouse gas emissions, result in improved air quality and decreased air pollution, especially for children, seniors and others susceptible to respiratory diseases.

The proposed Program is consistent with the Health Element goals, objectives, and policies related to housing in the City in that it prioritizes affordable housing with anti-displacement measures and orientates housing development around health, economic stability, and well-being. Carefully designed incentives that work synergistically with the proposed amendments to the City's proposed Landscape and Sites Design Ordinance, as well as Public Benefit Options, are intended to improve health and well being and are consistent with Health Element Policy 1.5 and Goal 2. The RPO alleviates displacement pressure so that existing residents can benefit from increasing housing opportunities as stated in Policy 1.7. As previously stated, incentives in the MIIP promote housing near transit to promote decreased per capita greenhouse gas emissions. The CHIP Ordinance provides higher incentives in Higher Opportunity Areas to Affirmatively Further Fair Housing and works to reduce the debilitating effects of poverty on welfare by providing more affordable housing options in areas with stronger life outcomes that have underproduced it, thereby implementing Health Element Policy 1.6.

#### *Air Quality Element*

The Air Quality Element sets forth the goals, objectives, and policies which guide the City in its implementation of its air quality improvement programs and strategies. A number of these goals, objectives, and policies are relevant to land use development, and relate to traffic mobility, discouraging single-occupancy vehicle trips, and increasing energy efficiency in City facilities and private developments.

The proposed Program is consistent with the City's Air Quality Element and furthers the following goals, objectives, and policies:

#### **Air Quality Element Goal 2**

Less reliance on single-occupant vehicles with fewer commute and non-work trips

**Objective 2.1** Reduce work trips as a step towards attaining trip reduction objectives necessary to achieve regional air quality goals.

#### **Air Quality Element Goal 3**

Efficient management of transportation facilities and systems infrastructure using cost-effective system management and innovative demand-management techniques. ‘

**Objective 3.1** Increase the portion of work trips made by transit to levels that are consistent with the goals of the Air Quality Management Plan and the Congestion Management Plan.

**Objective 3.2** Reduce vehicular traffic during peak periods.

**Air Quality Element Goal 4**

Minimal impact of existing land use patterns and future land use development on air quality by addressing the relationship between land use, transportation, and air quality.

**Objective 4.2** Reduce vehicle trips and vehicle miles traveled associated with land use patterns

**Policy 4.2.3** Ensure that new development is compatible with pedestrians, bicycles, transit, and alternative fuel vehicles.

**Air Quality Element Goal 5**

Energy Efficiency through land use and transportation planning, the use of renewable resources, and the implementation of conservation measures such as site orientation and tree planting.

The proposed Program is consistent with the Air Quality Element's goals, objectives, and policies related to housing development and reducing vehicle trips in the City in that it encourages housing locations near jobs and transit, particularly through the CHIP Ordinance's MIIP incentives. This program facilitates high quality, healthy housing in neighborhoods that improves accessibility to jobs and services, deploying a transportation demand management strategy to reduce vehicle miles traveled (VMT) and therefore improve air quality. These programs and policies are also aligned with the regional and state mandates of improving air quality. Transportation incentives are scaled according to distance from major transit stops, which for the purposes of the CHIP includes stations and bus stops included in the most recent Southern California Association of Governments Regional Transportation Plan.

*Conservation Element*

The proposed Program furthers the objectives and policies of the conservation element, specifically related to cultural and historical sites. The Conservation Element states that the City has a primary responsibility for identifying and protecting its cultural and historical structures, natural features or sites of historic, architectural, cultural or aesthetic significance.

**Conservation Element Objective 4** Protect important cultural and historical sites and resources for historical, cultural, research, and community educational purposes.

**Policy 4.1** Continue to protect historic and cultural sites and/or resources potentially affected by proposed land development, demolition or property modification activities.

The proposed Program is consistent with the Conservation Element in that it seeks to maintain and protect important cultural and historic resources while allowing for the development and preservation of housing in the City. The CHIP Ordinance utilizes the Secretary of the Interior's

Standards for the Treatment of Historic Properties (Standards) for review of projects proposing alterations to Designated Historic Resources. Furthermore, projects are ineligible for the ordinance incentives if demolition of a Designated Historic Resource is proposed. The MIIP and AHIP incentives also offer protections to eligible or surveyed historic resources, requiring any surveyed, eligible or architectural historic resource identified for any protection or special consideration or review by an applicable Overlay or Specific Plan to be compliant with the Standards. As institutions of faith often contain both eligible architectural and cultural resources, the AHIP incentives require eligible buildings using Faith-Based Organization Project incentives to conform with the Standards. Throughout the CHIP Ordinance sites with Designated Historic Resources and Non-Contributing Elements to Historic Preservation Overlay Zones have limited access to FAR and height incentives, to further ensure new development is integrated appropriately into historic sites. In addition, the HESMD Ordinance includes provisions to exempt historic resources from minimum density requirements. Similarly, historic resources have been removed from the inventory of Lower Income Sites subject to by-right review and minimum density requirements.

### *Safety Element*

The Program is consistent with the goals and policies of the Safety Element regarding environmentally sensitive and hazardous sites, and sites that may be especially sensitive to climate change. The Safety Element details a policy direction to prevent, respond to, and recover from disaster events. Policies of the Safety Element include:

#### **Safety Element Goal 1: Hazard Mitigations**

A city where potential injury, loss of life, property damage and disruption of the social and economic life of the city due to hazards is minimized.

**Policy 1.1.5 Risk Reduction.** Reduce potential risk hazards due to disaster with a focus on protecting the most vulnerable people, places and systems.

**Policy 1.1.8 Land Use.** Consider hazard information and available mitigations when making decisions about future land use. Maintain existing low density and open space designations in Very High Fire Hazard Severity Zones. Ensure mitigations are incorporated for new development in hazard areas such as VHFHSZs, landslide areas, flood zones and in other areas with limited adaptive capacity.

The proposed Program is consistent with the updated policies above in that it contains special provisions for projects proposed in Very High Fire Hazard Severity Zones, the Coastal Zone, Sea Level Rise Areas, or sites that may pose a hazardous risk to human health. Sites in Very High Fire Hazard Severity Zones, areas vulnerable to Sea Level Rise, and the Coastal Zone are excluded from the MIIP. A site in a Very High Fire Hazard Severity Zone would only be included in instances where a project site is abutting, across the street or alley, or sharing a common corner with a subject property that is not in such a zone on an Opportunity Corridor. Projects otherwise

eligible for State Density Bonus in Very High Fire Severity Zones, Sea Level Rise areas, and the Coastal Zone are eligible only for limited state incentives. Inclusion of these limited sites is consistent with Policy 1.1.5, as parcels are located on transit served corridors on the periphery of impacted areas, and have higher mobility in a hazard event. Sites in Environmental Consideration Areas will be eligible for program incentives so long as the project complies with the requirements set forth in the Environmental Protection Measures Handbook. These measures are consistent with the hazard mitigation and risk reduction measures proposed in Safety Element Goal 1 and Policies 1.1.5 and 1.1.8.

### *Public Facilities and Services Element*

The Public Facilities and Services Element contains several Master Plans for facilities and services of public interest in the City. It includes the Cultural and Historical Monuments Plan to guide the preservation of significant, beautiful, or interesting cultural and historic sites in The City of Los Angeles. The Program furthers the first objective in the Cultural and Historical Monuments Plan is:

**Objective 1.1** To encourage the preservation and restoration of designated monuments.  
Objective To make available a full range of public educational

See Conservation Element findings above for a discussion of consistency of Objective 1.1 with the proposed Program.

The Program is also consistent with and furthers the following objectives in the Public Schools Plan:

**Objective 4.1:** To make available a full range of public educational facilities from the elementary grades through the junior college level within the Los Angeles City area.

**Objective 4.4:** To provide safe, direct access to school sites for the maximum number of attending students

The Program provides higher incentives for projects located in Higher Opportunity Areas, which includes areas of the City that have more access to public facilities such as schools. By encouraging housing in these areas, the Program furthers the objectives to make public educational facilities more available in the City of Los Angeles, and provides more direct access to schools for a majority of students through added housing supply in these areas.

### *Land Use Element*

The Community Plans establish neighborhood-specific goals and implementation strategies to achieve the broad objectives laid out in the City's General Plan. Together, the 35 Community Plans make up the General Plan's Land Use Element, which plays an important role in bolstering housing and job opportunities, conserving open space and natural resources, and balancing

different neighborhoods' needs. The Program is consistent with the Land Use Element because it will not change the underlying zoning or land use of any parcels, but functions as a local implementation of State Density Bonus (see Section D).

Uses are only altered where they otherwise prevent residential density increases in line with citywide policies and/or state law. These developments (in P or PF Zones, or on land owned by Faith-Based Organizations or publicly owned land) may only occur on or adjacent to land that otherwise permits residential uses in the General Plan, Zoning Ordinance, or Specific plan, or by City Council resolution. Assembly Bill (AB) 2334 (Wicks) amended California Government Code Section 65915's definition of "Maximum Allowable Residential Density" so that under state law, the City is legally required to afford the applicant the highest base density among the General Plan, Zoning Ordinance, or Specific Plan for purposes of the application of a density bonus. Therefore, there may be instances where a proposed project is not consistent with the Land Use Element of the General Plan or the requirement of a Specific Plan, but the City is legally required to allow the applicant to develop at the highest permitted density among the General Plan, Zoning Ordinance, or Specific Plan (California Government Code Section 65915(o)(6)). In addition, the City has determined that the shortage of affordable housing is an ongoing crisis in Los Angeles. The increased intensity and density of proposed development from the Program will be offset by the increase in affordable units required by the City's local implementation of State Density Bonus. The ordinances provide a service that is essential and beneficial to the community, city and region and conforms to the purpose of the Land Use Element by providing much needed housing near job centers and transit, and by providing housing which fulfills the needs for market rate and affordable housing.

### **C. State Housing Element Discussion (California State Government Code Section 65580 – 65589.11)**

#### **State Housing Element Law**

Statutory requirements for the Housing Element and RHNA Re-zoning programs are delineated in California State Government Code Sections 65580 – 65589.11. The California Department of Housing and Community Development approved The City of Los Angeles 2021-2029 Housing Element on June 29, 2022, which outlined Program 121 RHNA Re-zoning. The 2021-2029 Housing Element includes a list of 'Candidate Sites Identified to be Rezoned to Accommodate Housing Shortfall Need' in Appendix 4.7, compiled after identifying a shortfall of 255,433 units, of which 130,553 are a shortfall of lower income units. Pursuant to California Government Code Section 65583(c)(1) and 65583.4(a), rezoning to accommodate the City's RHNA deficit must occur by February 12, 2025, or meet the narrow criteria for a one year extension. Additional requirements for the state mandated rezoning are:

1. Sites shall be made available during the planning period with appropriate zoning and development standards, including the adoption of minimum densities, and with services and facilities to accommodate that portion of the City's or County's share of the regional



- housing need that could not be accommodated on sites identified in The 2021-2029 Housing Element Candidate Sites inventory (California Government Code 65583(c)(1)).
2. Sites shall be identified to Affirmatively Further Fair Housing and to facilitate and encourage the development of a variety of types of housing for all income levels (including but not exclusive to extremely low, very low, low and moderate) (California Government Code 65583(c)(1)(2)(10)).
  3. Pursuant to California Government Code 65583.2(h), Lower Income Sites identified for rezoning must be:
    - (a) On sites that shall permit owner-occupied and rental multi-family residential use by-right for developments in which 20 percent of units are affordable to lower income households during the planning period. Sites must be zoned with a minimum density and development standards permitting at least 20 units per acre and 16 units per site in Los Angeles.
    - (b) At least 50 percent sites designated for residential uses where nonresidential or mixed-uses are not permitted (if a jurisdiction elects not to meet this requirement it must impose mandatory housing requirements in non-residential zones).
  4. Per Housing Element Law, sites previously listed in The Housing Element Inventory of Adequate Sites over two consecutive planning periods must permit by-right development streamlining if 20 percent of proposed project's units are set aside for lower income households. Eligible projects that meet objective zoning standards will be subject to a by-right review procedure (California Government Code 65583.2(c)). Sites listed on the current Inventory of Sites (Appendix 4.1 of The 2021-2029 Housing Element) are subject to no net loss and housing replacement requirements.
  5. Notwithstanding other requirements of the rezoning, a jurisdiction must adopt a replacement requirement policy for sites that currently or within the past five years had residential uses subject to a recorded covenant, ordinance or law restricting rent to lower incomes, consistent with replacement requirements set forth in California Government Code Section 65915(c)(3) (California Government Code 65583.2(g)(3)).

The Program makes sites with more than 255,433 units of capacity available to accommodate the portion of the City's share of the regional housing need that could not be accommodated through the identification of sites in the 2021-2029 Housing Element. The sites have appropriate zoning and development standards and are more than adequate to meet the need for 255,433 units, of which 130,553 are a shortfall of lower income units, as identified by The 2021-2029 Housing Element.

Of these sites, at least 130,553 units of capacity are identified as Lower Income Sites, which meet the requirements in California Government Code 65583.2(h). The sites have appropriate zoning and development standards and are in excess of the 130,553 unit shortfall of lower income units identified by The 2021-2029 Housing Element. More than 50 percent of the rezoned sites and associated capacity are located on residentially zoned sites (i.e. sites designated for residential uses) where nonresidential or mixed-uses are not permitted. Lower Income Sites permit owner-occupied and rental multi-family residential use by-right for developments in which 20 percent of units are affordable to lower income households during the planning period. Sites are zoned with

a minimum density and development standards permitting at least 20 units per acre and 16 units per site in Los Angeles.

It is important to note that the additional rezoning efforts include other efforts that may be adopted within the state required deadline of February 12, 2025. This includes the Downtown Los Angeles Community Plan Update, as well as the Adaptive Reuse Ordinance, with an adoption status that is currently unknown. Rezoned sites through other work programs will also be established by City Council Resolution, submitted to the state each year as part of the Housing Element Annual Progress Report and identified in the public Zoning Information Mapping and Access System (ZIMAS). Approximately 54% of the rezoning efforts of the CHIP Ordinance and the Downtown Los Angeles Community Plan Update are located in Higher Opportunity Areas of the City, with 64% and 51% of capacity located in Lower Income Category Capacity and Moderate Income Category Capacity in Higher Opportunity Areas, respectively.

Shortfall sites have adequate services and facilities to ensure that sites are developable to meet the housing needs. The sites are generally already developed with other uses and connected to reliable energy, water and gas as part of the urbanized area. Streets and highways are available to all sites in the inventory, and in most cases, transit is within close proximity. The methodology used to select the Program sites considers the suitability and availability of each site for residential development during the planning period. Finally, each housing development will be granted a permit on a site-by-site basis, at which time it is possible that some projects may be required to improve the existing infrastructure. A project proposed on any site in the inventory would be allowed where consistent with the zoning provisions for that site, and would be issued a permit by the Department of Building and Safety (provided no extraordinary site-specific health and safety circumstances were found to exist).

The Program's sites Affirmatively Further Fair Housing (AFFH) consistent with Government Code 65583(c)(1)(2)(10)) and Program 124 in the 2021-2029 Housing Element. The sites facilitate and encourage the development of a variety of types of housing for all income levels (including but not exclusive to extremely low, very low, low and moderate). The detailed AFFH discussion earlier in the staff report (under Housing Element Programs) is incorporated here by reference. In summary, the Program focuses new incentive programs in Higher Opportunity Areas, expands affordable housing set asides that account for identified local needs, creates new home ownership and equity building opportunities, expands senior housing incentives, incentivizes use of public land, provides new incentives for 100 percent affordable housing, and ensures a replacement of existing housing units. This results in the majority of new housing opportunities created through the proposed ordinance to be located in Higher Opportunity Areas. The Program therefore achieves the fundamental AFFH metrics set forth for the program in the adopted 2021-2029 Housing Element.

Housing Element Rezoning Sites are drawn primarily from the MIIP, as well as portions of the AHIP. Sites were selected based on whether they facilitate housing development at higher densities than otherwise allowed under state Density Bonus law (100%) and are consistent with the statutory requirements. These sites will also have incentives that provide flexibility for other

important development standards (height, floor area, parking, etc.), along with added procedural certainty compared to what is currently allowed. They include sites eligible for incentives under the following strategies: Opportunity Corridors, Corridor Transition Areas, Transit Oriented Incentive Areas, as well as sites identified as being eligible for AHIP incentives on Faith-Based Organization owned land, publicly owned land, Public Facility (PF) zones, and Parking (P) zones.

The sites and capacity figures have been identified through a detailed exercise to ensure compliance with state law, building upon the model used for the Candidate Sites for Rezoning Appendix 4.7. The system was designed to identify rezoned sites that meet the various requirements, particularly those for Lower Income Rezoning Sites. This includes criteria for accommodating state requirements, where a minimum density of 20 units per acre and an allowance of 16 units per site is needed to qualify as a Lower Income Site, as well as ensuring that bonuses are calculated appropriately utilizing “base units” (number of units allowed prior to any bonus). Additional criteria was also added to screen out sites that may be less suitable for by-right development (see below).

The City updated the Appendix 4.7 model with several new assumptions to better reflect realistic development potential based on information gained by the Appendix 4.1 regression model and recent economic analysis of the CHIP performed by AECOM (see Appendix 3). The methodology takes into consideration the suitability of the parcel’s size as part of the evaluation of whether a site is likely to be redeveloped, including many suitability factors such as the allowable density and realistic capacity of the site, the existing use, age of existing structure, and the current utilization of existing buildings. For a detailed summary of the model and assumptions see [Appendix 5](#).

Sites listed on the Inventory of Lower Income Rezoning Housing Element Sites ([Exhibit E.2](#)) must permit multi-family development as a use-by-right when projects propose 20% affordability to lower income households by state law. The sites identified as Lower Income Rezoning Housing Element Sites utilized additional filtering criteria to ensure that only sites most suitable for by-right development were included. This includes properties subject to the Rent Stabilization Ordinance (RSO), designated historic resources, and environmentally sensitive sites and others listed above in the Key Provisions subsection of the Housing Element Sites and Minimum Density Ordinance section of this report.

The proposed HESMD Ordinance ensures compliance with state law for designated Lower Income Sites and other Housing Element Sites. The ordinance includes provisions for by-right review for developments in which 20 percent of units are affordable to lower income households during the planning period, as well as regulations to enforce the minimum density standards requiring new housing developments to be developed with at least 20 units per acre. Pursuant to state Housing Element law, the proposed ordinance also includes by-right development review for non vacant sites that were identified in the prior Housing Element and vacant sites that were identified in the prior two Housing Elements, including sites identified in Column O of Appendix 4.1 of the current 2021-2029 Housing Element. These Sites are called Prior Housing Element Sites. Finally, the ordinance adopts existing no net loss and housing replacement requirements

for existing Housing Element Sites identified in the 2021-2029 Housing Element. Housing replacement is required for sites that currently or within the past five years had residential uses subject to a recorded covenant, ordinance or law restricting rent to lower incomes, consistent with replacement requirements set forth in California Government Code Section 65915(c)(3) and as additionally codified in the RPO.

In summary, the Program meets the requirements of state Housing Element law.

#### **D. State Density Bonus Law Discussion (California Government Code Sections 65915 - 65918)**

As a local implementation of State Density Bonus Law, the CHIP calibrates incentives so that local programs offer greater bonuses and incentives to projects meeting the requirements of California Government Code Sections 65915 - 65918, pursuant to California Government Code Section 65915(n). The density bonuses and incentives offered in all programs match or exceed the bonuses and incentives provided by state law for Housing Developments. Within CHIP, the local state density bonus incentives offer a unique menu of incentives available to all eligible projects for streamlined review. The AHIP provides a FAR incentive and additional menu of incentives to projects located outside of certain environmentally or culturally sensitive sites, and also creates additional project types that qualify for those incentives. The MIIP incentives offer FAR and height as base incentives and provide up to four additional incentives for TOIA and Corridor projects. As the MIIP incentives offer greater bonuses than State Density Bonus Law offers, the MIIP calculates affordability set asides based on a project's proposed units rather than off of a parcel's Maximum Allowable Residential Density, as is done in State Density Bonus. The MIIP also allows for a mixing of incomes in some cases, when the percentage of affordable units in an affordability set-aside for any project otherwise eligible for State Density Bonus also meets the affordability requirements of State Density Bonus (see the affordability footnotes related to Transit Oriented Incentive Areas and Opportunity Corridors). This ensures that the CHIP does not offer greater bonuses to mixed income projects that do not meet the state's affordability requirements.

As an implementation of the state Density Bonus program, the CHIP Ordinance also uses the same definitions as State Density Bonus Law for terms including but not limited to Housing Development, Maximum Allowable Residential Density, Development Standard, One Hundred Percent Affordable Housing Project, and Incentive. The City's local program also aligns with the rent schedule requirements of State Density Bonus. Replacement housing unit and demolition protections align with or exceed State Density Bonus as set forth in California Government Code Section 65915(c)(3) and as additionally mandated by the proposed RPO.

#### **Summary of CEQA Findings**

Adoption of the proposed Citywide Housing Incentive Program Ordinance, Housing Element Sites and Minimum Density Ordinance, and Resident Protections Ordinance are called for by the programs in the Housing Element of the City of Los Angeles. The provisions of the proposed

ordinances were called for specifically by Program 121 (RHNA Re-zoning Program) of the Housing Element, which provides the structure for the Program in order to meet the City's RHNA target. The ordinances are further called for and supported by several other Housing Element programs including Program 61 (Provide Adequate Sites for Lower Income Households on Nonvacant and vacant Sites Previously Identified), Program 46 (Housing Element Sites Inventory Update) Program 122 (Anti-Displacement Strategies), and Program 124 (Affirmatively Furthering Fair Housing). The adoption of the proposed ordinances will implement the identified programs set forth in the Housing Element.

An Environmental Impact Report (EIR) (ENV-2020-6762-EIR, SCH No. 2021010130) that analyzed the environmental effects of the 2021-2029 General Plan Housing Element and Safety Element, and a Program for the creation of additional housing was certified by the Los Angeles City Council on November 24, 2021. An Addendum to the EIR (ENV-2020-6762-EIR-ADD1) was subsequently certified by the Los Angeles City Council on June 14, 2022. A second Addendum to the EIR (EIR-2020-6762-ADD2) dated July 2024 has also been prepared. For the purposes of this report, the EIR and Addendums will be referred to as the Housing Element EIR.

The Housing Element EIR was prepared to examine the potential environmental effects of the 2021-2029 Housing Element, including build out of the Regional Housing Needs Assessment (RHNA) Allocation, as well as the programs and policies that have the potential to result in physical environmental effects, and the Inventory of Sites and RHNA Re-zoning Program needed to demonstrate zoned capacity needed to accommodate the City's RHNA Allocation. Additionally, the EIR analyzed the potential effect from the construction and operation of 420,327 housing units (full RHNA build out of 456,643 units minus the 36,316 housing units that have been approved but not built). The Housing Element EIR found that the environmental impacts of several of the issue areas were significant and unavoidable, even with imposition of mitigation measures. Based on the analysis in the Housing Element EIR, the EIR concluded the implementation of the 2021-2029 Housing Element Update would result in unavoidable significant environmental impacts with regard to:

- Air Quality (Exceedance of Criteria Pollutants—Construction and Operations)
- Biological Resources (Special Status Species, Sensitive Habitats, Wildlife Corridors)
- Cultural Resources (Historical Resources and Archaeological Resources)
- Geology and Soils (Paleontological Resources)
- Hazards and Hazardous Materials (Hazardous Materials Near Schools and Hazardous Materials Sites)
- Noise (Construction Noise, Operation Noise, and Construction Vibration)
- Public Services (Fire Protection, Police Protection, and School Facilities)
- Recreation (Deterioration of Recreational Facilities and Construction of Recreational Facilities)

- Transportation (Freeway Queuing)
- Tribal Cultural Resources (Construction: Ground Disturbance during Construction)
- Wildfire (Impair Emergency Response Plan, Exacerbate Wildfire Risks in State Responsibility Area or VHFHSZ, Require Infrastructure that may Exacerbate Fire Risk, Expose People or Structures to Significant Risks in State Responsibility Area or VHFHSZ, and Expose People or Structures to Significant Risks Involving Wildland Fires)

The Housing Element EIR also identified the following significant impacts that were anticipated to be reduced to less than significant with identified mitigation measures:

- Air Quality: Construction-related emissions of toxic air contaminants
- Hydrology: Impeding or Redirect Flood Flows
- Transportation: Circulation Plan Consistency, Hazardous Design, Emergency Access

The proposed Citywide Housing Incentive Program Ordinance, Resident Protections Ordinance, and Housing Element Sites and Minimum Density Ordinance are needed to facilitate the production of affordable housing in the City and to accommodate build out of the City's RHNA Allocation which was analyzed by the Housing Element EIR. Adoption of the proposed ordinances is also needed to implement the City's Housing Element. The City's 2021-2029 Housing Element implements State housing law mandates for the City to adopt zoning ordinances to accommodate RHNA targets which the City cannot accommodate through the existing inventory of sites. To meet the State law mandates, the Housing Element requires the City, through zoning and other actions, to make it possible to build almost 185,000 affordable units for lower-income households in eight years.

The Housing Element EIR fully analyzed the environmental impacts that could occur as a result of the implementation of the 2021-2029 Housing Element, including the construction and operation of up to 420,327 housing units (including 185,000 affordable units and 75,091 moderate income units), and rezoning programs to facilitate the construction and operation of those housing units. Any and all types of potential housing development (including mixed-use development ranging in size and scale from neighborhood commercial mixed-use with smaller non-residential uses, to high-rise mixed-use with larger non-residential uses) were analyzed in the Housing Element EIR. The Housing Element EIR anticipated and fully analyzed that the construction and operation of these housing units would require action to streamline approvals of these housing units, including making more projects subject to by-right or administrative review and eliminating discretion in the approval of affordable housing developments.<sup>9</sup> The second Addendum found there is no change to the project, change to circumstances, or new information as described in PRC Section 21166 or CEQA Guidelines Section 15162(a) that would cause the need for a subsequent or supplemental EIR.

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<sup>9</sup> Housing Element Draft EIR Environmental Analysis can be found here: [https://planning.lacity.org/eir/HEU\\_2021-2029\\_SEU/deir/files/04\\_Environmental%20Analysis.pdf](https://planning.lacity.org/eir/HEU_2021-2029_SEU/deir/files/04_Environmental%20Analysis.pdf)

The Housing Element EIR is available for review at the City of Los Angeles, Department of City Planning Records Management, 221 N. Figueroa Street, Room 1450 Los Angeles, and online at the following weblinks:

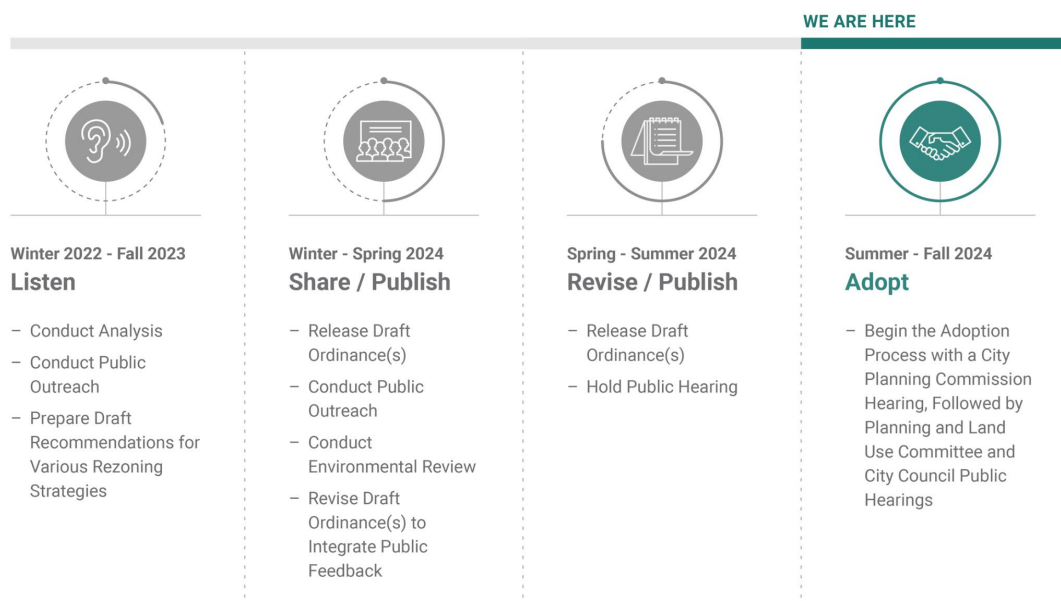
- Draft EIR: [https://planning.lacity.org/development-services/eir/Housing-Element\\_2021-2029\\_Update\\_Safety-Element\\_Update\\_deir](https://planning.lacity.org/development-services/eir/Housing-Element_2021-2029_Update_Safety-Element_Update_deir)
- Final EIR: <https://planning.lacity.org/development-services/eir/housing-element-2021-2029-update-safety-element-update-0>
- EIR Administrative Record: Los Angeles City Council File 21-1230 - <https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=21-1230>
- Addendum 1 to the EIR: [https://clkrep.lacity.org/online/docs/2021/21-1230-S1\\_misc\\_7\\_5-24-22.pdf](https://clkrep.lacity.org/online/docs/2021/21-1230-S1_misc_7_5-24-22.pdf)
- Addendum Administrative Record: Los Angeles City Council File 21-1230-S1 - <https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=21-1230-S1>

## PUBLIC HEARING AND COMMUNICATIONS

Drafting the Program was a vital next step in the effort to meet the City's RHNA targets and could not have been accomplished effectively without the feedback and participation of the public. The Department of City Planning engaged the public on the formation of the Program Ordinances through numerous in-person and virtual events, including new collaborative engagement formats with community based organizations (CBOs), in order to meaningfully inform and collect the public's input. This outreach has been essential to guide and inform the drafting of the ordinances.

Throughout the entire Program outreach process, the Department held a total of 7 CBO partnered events, attended 10 community events, hosted 6 webinar sessions, received over 1,000 Concept Explorer survey responses and 4,200 single-family poll responses, garnered over a million views across all digital engagement, and received over 3,100 email comments and over 450 verbal comments. Angelenos engaged via this outreach represented the City's diverse racial and ethnic communities, as well as age groups, income levels, and different housing experiences (i.e. renter versus home-owner). Particular efforts were taken by staff to provide bilingual outreach resulting in a total of ten bilingual events and informational sessions offered in Spanish, Korean, or both. The Department developed novel engagement models through this outreach phase including compensated CBO partnered events and digital campaigns, with the goal of reaching communities diverse in language, ethnicity, geography, and educational and socioeconomic backgrounds that have been historically underrepresented in the planning process. The different public participation phases of the CHIP ordinance are illustrated in Figure 3 and are described below.

### Figure 3: Program Timeline



### **Listen Phase**

In March 2023, City Planning commenced the Listen Phase of outreach by launching CHIP's six core strategies: Adaptive Reuse, Affordable Housing Overlay, Update to Affordable Housing Incentive Programs, Missing Middle, Opportunity Corridors, and Process Streamlining.

In this phase, City Planning staff engaged with Angelenos across the City so that feedback on the CHIP concepts could be incorporated into the development of the ordinance. In particular, staff engaged with interested parties through the Concept Explorer Survey available online; live webinars; virtual office hours; partnerships with neighborhood groups and organizations; and community events.

### **Bilingual Kick-Off Webinars**

To launch the CHIP and its associated core concepts, the City hosted three interactive webinar events in late March 2023, including one designed for monolingual Spanish speakers. The webinars were live-casted on the Department's Facebook page for those not able to attend via the webinar platform. During the webinars, City Planning Staff provided background on the housing crisis in Los Angeles and introduced the six core concepts and implementation strategies that comprised CHIP. Additionally, Mentimeter, an interactive presentation-based digital tool, was utilized to obtain feedback and responses during the presentation.

### **Community Events**

The Department participated in various community events to interact with diverse communities across Los Angeles to raise awareness about the CHIP Strategies. Community events included two CicLAvias, LA River Fest, Central Ave Jazz Fest, the Sherman Oaks Street Fair, Taste of Soul, P-22 Day Festival, and 626 Golden Streets Arroyo Fest. City Planning staff participation at these events focused on education about the strategies as well as soliciting feedback to address



the needs of diverse populations. Through attendance at the events, the Department engaged with approximately 1,000 Angelenos.

### **Community Based Organization (CBO) Partnerships**

In an effort to work with groups that have been historically underrepresented in the planning process, City Planning partnered with CBOs serving these communities. The Department applied for and received grant funding from the Southern California Association of Governments (SCAG) in order to compensate CBOs for event organization, including logistical coordination, translation, and crafting activities with specialized knowledge of historical, cultural, and geographical factors that impact their members.

On October 19, 2023, the City presented a session on CHIP strategies for The People's Planning School at Strategic Actions for a Just Economy (SAJE). The session had both educational and interactive components in order to maximize understanding of key CHIP concepts and hear the group's thoughts. The session had 20 attendees, most of whom were monolingual Spanish speakers from South LA.

On November 2, 2023, the City presented a session on the CHIP strategies for The People's Collaborative Academy at Pacoima Beautiful. The class included a presentation followed by a small-group activity in which participants placed different types of housing where they thought it was needed across the San Fernando Valley. The session had 14 attendees, a mix of English and Spanish speakers from Pacoima and Arleta.

### **Office Hours**

From the 10th to the 31st of July 2023, the City held over 50 virtual Office Hours to offer the public an opportunity to provide feedback on the CHIP in small group conversations with City Planning staff. The conversations centered around specific questions about how CHIP would impact their neighborhoods. In addition to several constituents from the general public, the following organizations attended Office Hours:

- Wilshire Neighborhood Council
- Westside Neighborhood Council
- Sherman Oaks Neighborhood Council
- Pacific Urbanism
- SoLA Impact
- ACT-LA
- The River Project
- UCLA
- Friends Of The Miracle Mile
- Los Feliz Neighborhood Council
- Central City Association of Los Angeles]
- Craig Lawson & Co
- Encino Neighborhood Council
- City of Glendale

- Greater Wilshire Neighborhood Council
- Hillside Federation
- Greater Toluca Lake Neighborhood Council
- Palms Neighborhood Council
- Century Glen HOA
- West Los Angeles- Sawtelle Neighborhood Council
- Westwood Neighborhood Council
- Mar Vista Community Council

## **Surveys and Polls**

On March 22, 2023, City Planning launched the Concept Explorer Survey on our website following a detailed explanation of each of the six core strategies, including interactive maps. Angelenos had the opportunity to take the survey and select multiple answers from a provided list of options to address what issues they believe to be the most pressing within the City, if the City should focus the majority of housing capacity in Higher Opportunity Areas, and what kinds of additional incentives they think should be made available to affordable housing developments. Although this survey was not statistically significant, the results aided planning staff in identifying what strategies Angelenos valued most in adding new housing capacity. Survey results can be found in Appendix 2.

City Planning additionally launched a poll as a part of a blog post released late October 2023 providing information about the exclusion of single-family zones from the CHIP ordinance. The poll asked respondents where they would like to see housing in residential neighborhoods and single-family zones, providing a list of options for distance from transit and major corridors. The poll received 4,200 responses at the time public comment closed on August 26, 2024. While the poll was not a statistical survey, the results described below provided the Department with insight into public opinion on the inclusion of single-family zones.

Approximately 42% of participants indicated responses in support of adding additional housing in existing residential areas with just over 17% favoring adding additional housing only on major corridors or streets. When asked about single-family zones, just over 60% opposed additional housing in single-family zones. While over half of respondents supported excluding single-family zones, approximately 21% supported seeing more housing in single-family zones on major corridors or streets, transition areas, and near transit stations.

## **Digital Marketing Campaign**

The Department engaged in a digital marketing campaign funded by the SCAG Reap Grant in order to conduct outreach on the CHIP ordinance. In October and November of 2023, City Planning promoted ads on Google and Meta (Facebook and Instagram), encouraging constituents to take the Concept Explorer Survey. The Google ads gained a cumulative total of almost a million impressions, with over 19,000 clicks. 54% of the demographic reached were under 34 years old, and 70% were under 44 years old. On Meta platforms including Facebook and Instagram, 208,600 individuals were reached and the ads generated 6.4K clicks.

## **Share/ Publish Phase**

During the Share/ Publish phase, City Planning released the first draft of the CHIP, RP, and HESMD ordinances, hosted three webinars in three languages, and participated in fourteen outreach activities in order to obtain feedback. Outreach during this phase was crucial not only to provide detailed information on the proposed ordinances, but also to collect focused feedback on desired modifications from the public before entering the revision process. Feedback was obtained through participation in outreach events, webinars, and meetings, via an open comment form on the website's Concept Explorer, as well as through direct emails to the housing element email address.

### **Webinars**

After the release of the proposed ordinance in mid March 2024, City Planning hosted three webinars via Zoom in early April to provide a detailed overview of the ordinances. City Planning prioritized multi-lingual presentations to reflect the large population of Spanish-speaking only Angelenos represented within the city and included Korean translation at the request of Korean speaking constituents. One webinar was hosted in English only, one in Spanish, and one was presented in English with simultaneous Korean translation on a separate channel. The webinar presentations were approximately an hour long, followed by a Q&A session in which attendees received answers to their ordinance questions in real-time. In total, there were approximately 182 attendees across the three webinars. Webinars were also recorded and made available on the website for those who could not attend at the scheduled times.

### **Concept Explorer**

The Concept Explorer was updated upon the release of the CHIP draft ordinance to reflect the change from the six core strategies of the Listen Phase to presenting the three programs within the new proposed ordinance. The Concept Explorer included detailed interactive maps for each aspect of the Mixed Income Incentive Program (MIIP) and the Affordable Housing Incentive Program (AHIP), including distinguishing tiers of eligibility. The use of interactive maps allowed the public to zoom in on specific neighborhoods and view in accessible color-coded visuals which parcels would be eligible for each of the proposed programs. This tool empowered the public to give more focused and informed feedback about the ordinance as it relates to their neighborhood and was used as an effective visual aid in group presentations. Information about the HESMDO and RPO were incorporated prior to the Revise / Publish phase and the release of second ordinance drafts.

### **Community Based Organization Partnerships**

City Planning applied for and received grant funding from the Southern California Association of Governments (SCAG) to conduct compensated outreach through partnership with community based organizations (CBOs) to communities within Los Angeles that have been historically underrepresented within the planning process. This collaborative effort was initiated to address

historic housing discrimination by ensuring that outreach efforts are inclusive and accessible to collect input from all residents, including those from renter, low-income, non-English speaking, and non-White households.

In April and May of 2024, the Department conducted a total of five collaborative outreach events with the following organizations: LA Forward (4/10), Esperanza Community Housing (4/17), The Coalition for Humane Immigrant Rights Los Angeles (CHIRLA) (4/24), Abundant Housing (4/27), and Koreatown Immigrant Workers Alliance (KIWA) (5/04). The organizations hosted the events, differing in scale and format for each member group. Some CBOs opted for a presentation and Q&A format in which LACP staff presented on the ordinances, while others crafted interactive activities and structured sessions to best engage and educate their community on the ordinances and provide feedback. Spanish translation was provided at four events, and Korean translation was provided at KIWA's event. LA Forward's event was virtual, while the rest were held in-person in neighborhoods throughout the city including South LA, Northeast LA, and Westlake. Across all five organizations, a total of over 340 Angelenos were engaged through these collaborative CBO events.

### **Community Events**

City Planning additionally conducted CHIP outreach at two CicLAvia events during this period, offering resources on the ordinance and engaging an approximate total of 300 Angelenos. REAP grant funding was also used to design and order specialized CHIP and LACP merchandise, including tote bags, bandanas, postcards, magnets, and water bottles. For each event, merchandise was distributed to participating members of the public.

### **Social Media Partnership**

In a first for City Planning engagement, the Department partnered with social media account LA in a Minute to make four videos breaking down the key concepts of the CHIP ordinance. This digital marketing campaign was funded through the SCAG REAP Grant. LA in a Minute focuses on providing short and informative videos ranging from the history of Los Angeles to current events and notable places within the City. The intention of this partnership was to inform an audience that might not otherwise be reached through typical outreach channels such as subscriber newsletters and neighborhood council meetings, inviting further engagement and encouraging additional feedback from groups that may not have participated before. Engagement with the CHIP series was high, with approximately 177.6K views on Instagram, over 570 comments, and a cumulative reach of 426.5K through Meta advertising. By partnering with LA in a Minute, the Department was able to boost engagement and significantly expand the network of Angelenos informed about the proposed ordinance.

Additionally, the City continued its digital engagement campaign in this phase, releasing the *Let's Talk About the Citywide Housing Incentive Program* series informing Angelenos on the CHIP strategies through informational slideshows. The slideshows were published in English and Spanish on the Department's social media accounts.

## Summary of Input Comments from CHIP Listen and Share Phases

This section summarizes the comments and feedback received during the Listen and Share phases, spanning from 2022 to Spring of 2024. The Department received several comment letters from individuals, coalitions, and organizations that provided feedback and recommendations including:

- Alliance of Californians for Community Empowerment (ACCE) Los Angeles
- Alliance for Community Transit- Los Angeles (ACT-LA)
- A coalition of organizations including: Abundant Housing LA, Inner City Law Center, Southern California Association of NonProfit Housing (SCANPH), Urban Environmentalists LA, American Civil Liberties Union (ACLU) of Southern California, Corporation for Supportive Housing (CSH), Climate Resolve, Healing and Justice Center, Hope the Mission, Hope Community Church of East LA, Holos Communities, East LA Community Corporation, New Life Community Church, Epicentre West LA, Faith and Housing Coalition, Mental Health Advocacy Services, BikeLA, Social Justice Learning Institute, Los Angeles New Liberals , SFV4ALL. Westside for Everyone, Abundant Housing at UCLA, Eastside Housing for All, Downtown Los Angeles For All, Justice in Aging, YIMBY Action, Housing Action Coalition, YIMBY Law, California Housing Defense Fund, Inquilinos Unidos, Supportive Housing Alliance, Community Corporation of Santa Monica, HOPICS, United Way of Greater Los Angeles, El Sereno Community Land Trust, Black Women for Wellness, Streets for All, California YIMBY, Fathers and Mothers Who Care, Housing Rights Center, People for Mobility Justice, LA Family Housing, Miracle Mile Democratic Club, and Ascencia
- Brentwood Homeowners Association
- Communities for a Better Environment (CBE)
- Coastal San Pedro Neighborhood Council
- Del Rey Residents Association
- Hancock Park Homeowners Association
- Livable Communities Initiative
- Northwest San Pedro Neighborhood Council
- One Voice Westchester Playa
- Southern California Association of NonProfit Housing (SCANPH)
- Sunset Square Neighborhood Organization
- West Los Angeles Sawtelle Neighborhood Council
- Westside Regional Alliance of Councils

For organizational purposes, the comments and feedback are grouped by key emerging themes that Angelenos expressed interest in exploring. All public comments are available in full in the project case file. Note that feedback in the Share Phase was almost exclusively received regarding the CHIP and RP ordinances with limited feedback from the Housing Element Sites and Minimum Density Ordinance to allow thematic grouping.

### ***CHIP Focused***

**INCREASE HOUSING PRODUCTION**

- Streamline housing processes and increase transparency, especially for affordable housing
- Develop different types of partnerships to build housing
- Concern that the ordinance does not provide a rapid enough solution for the City's housing crisis
- Recommends increased housing supply should be prioritized over affordability requirements
- General support of more development and increasing housing stock
- Concern for barriers to development in historical districts
- Support for maintaining compliance with the state to prevent fines and builder's remedy
- Concern that current market conditions will hinder development

**PRIORITIZE DEEPER AFFORDABILITY**

- Add Acutely Low Income category in affordability requirements/ more incentives for lower income levels
- Increased affordability requirements in areas experiencing gentrification and displacement pressure
- Concerns about increased density making more housing unaffordable.
- Prioritize deep affordability and ensure access for low-income residents to diverse housing options while reducing costs and restrictions for development

**UPLIFT LIVABLE AND SUSTAINABLE NEIGHBORHOODS**

- Retain a walkable and community scale for new development.
- Focus on upzoning and mixed-use zoning for walkable living options
- Manage increased density by building near transit to prevent overparking, overcrowding, and traffic problems
- Concerns about density overcrowding infrastructure (schools, streets, schools, parking), especially in residential neighborhoods
- Support for affordable housing with parking
- Concern that there are not sufficient regulations for project design near transit to emphasize transit accessibility
- Desire for more open space/ green space requirements
- Support for building more accessible housing
- Support of mixed- use developments on commercial corridors with access to grocery stores, shops, amenities, and jobs within the development.

**LOCATION & TYPOLOGY OF DEVELOPMENT**

- Support for Transit-Oriented Incentive Areas
- Oppose development in single-family zones
- Include single-family zones
- Support for more market rate units
- Support for development of multi-family projects on Opportunity Corridors and Opportunity Corridor Transition Areas

- Support for missing middle typologies
- Recommends cautious planning in areas adjacent to R1 through smaller scale development
- Expand Opportunity Corridor requirements so that more corridors are eligible
- Expand Opportunity Corridor Transition Area buffer zone
- Support for protection of historical districts
- Support for developing housing in underutilized zones
- Support for upzoning of R2 for smaller scale, transitional zoning adjacent to R1
- Facilitate utilization of Senate Bill 9 and state ADU law to create more housing units in lower density neighborhoods
- Prioritize the development of affordable units
- Support for dense development near corridors and underutilized publicly owned land to prevent housing that does not fit the context of the neighborhood
- Support for allowing increased density to projects
- Expresses need for multi-bedroom/ family-sized units
- Concern that transit- oriented development may be ineffective because Los Angeles' transit system is not sufficiently developed
- Concerns about large developments in single-family neighborhoods
- Consider mixed-use zoning, design standards, and building heights in alignment with community character

#### **ADVANCE EQUITY IN HOUSING**

- Support for more affordable and multi-family housing in High Opportunity Areas
- Concern that the plan falls short of affirmatively furthering fair housing and undoing patterns of segregation
- Desire for rent to own properties and more typologies designed for ownership
- Concern that there will be inequitable access to affordable housing due to discrimination and racism

#### **PROTECT VULNERABLE POPULATIONS & NEIGHBORHOODS**

- Protect the housing status of elderly residents through the creation of specific incentives, design standards, and public benefit options
- Concern that more development will lead to displacement and increased rents for current low-income residents
- Recommends further engagement with neighborhoods be conducted to ensure ordinance is effective and achieves intended goals
- Require community input in decision- making during development process to ensure a project meets the community's needs
- Ensure current residents can remain in High Opportunity Zones.
- Prioritize safety and accessibility to housing for vulnerable populations.
- Protect and expand upon existing affordable and missing middle housing
- Protect older affordable housing

#### **ENVIRONMENTAL CONSIDERATIONS**

- Support of site exclusions due to environmental hazards
- Recommendation to extend buffer zone for Oil Drilling Sites to 3200 ft
- Require public participation in identification of environmentally hazardous sites
- Recommends maintaining strong environmental review
- Prioritize environmentally conscious development near key services that all incomes have access to
- Ensure ample open space in projects and preserve existing tree canopy

## **REVISE INCENTIVES**

- Support for more permissive "Modification of Development Standard" incentive
- Concern that FBO incentives in AHIP are too permissive
- Recommends reducing incentives for planned transit that hasn't yet been built
- Expand Public Benefit Options to include Elder Care Sites and Affordable Retail Spaces
- Support for incentives better suited to smaller developers
- Recommends implementing increased density through base zoning instead of incentives
- Desire for less waivers required to undergo discretionary review
- Maximize incentives for affordable housing

## ***RPO Focused***

## **AFFORDABILITY CONSIDERATIONS**

- Desire for replacement units to be affordable, e.g. assume Extremely Low Income for replacement unit if income of former tenant is not known, and include Acutely Low as an income category for replacement requirements
- Support for 99-year affordability covenants and desire to extend covenant lengths to 'in perpetuity'
- Some concern that 99 year affordability will not be financially feasible for developers

## **INCREASE AFFORDABLE HOUSING STOCK**

- Recommend replacement units should be counted in addition to affordable set-aside requirement
- Expand the City's Affordable housing stock by requiring 2:1 replacement of demolished RSO units

## **REPLACEMENT UNIT DESIGN**

- Concern for loss of family sized units
- Recommend that "equivalent size" replacement units should also match the number of bathrooms, kitchen area size, dining area size, and should maintain the same or provide greater square footage as the demolished unit

## **EXPAND OCCUPANT PROTECTIONS**

- Recommend that residents should have the right to remain closer to construction start date



- Specify and strengthen relocation requirements to ensure displaced households receive affordable replacement housing and a true opportunity to return
- Recommend that displaced tenants should have a right to return to their community or to a High Opportunity Area
- Desire for a local preference policy that identifies tenants for replacement units using geographical measures informed by AFFH framework

#### **DISPLACEMENT CONCERNS**

- Recommend tracking of displaced tenants
- Concern regarding rent increases causing displacement
- Concern for resident's loss of affordable unit if income increases

#### **STRENGTHEN SYSTEMS OF TENANT OUTREACH**

- Include requirements to conduct outreach in multiple languages
- Strengthen outreach so that existing residents know their rights
- Encourage CBO involvement in tenant outreach

#### **DISTRIBUTION AND ACCESSIBILITY OF AFFORDABLE UNITS**

- Concern regarding access issues for newly created affordable units, particularly related to the Affordable and Accessible Housing Registry
- Recommend training and accreditation requirements for developers regarding outreach to lower income tenants
- Streamline affordable unit applications into universal application system
- Concern that application requirements for affordable housing such as credit checks and deposits reduce accessibility of new units
- Ensure that affordable units are going to low-income tenants
- Ensure that tenant selection for Affordable units is clear and transparent

#### **Revise/Publish Phase**

During the Revise/Publish phase, City Planning released the second draft of the CHIP, RP, and HESMD ordinances, hosted a Public Hearing in three languages, and continued to meet with interested parties in order to obtain feedback. Comments were also received via an open comment form on the website's Concept Explorer, as well as through direct emails to the housing element email address. Outreach during this phase helped to refine the ordinance drafts presented to the City Planning Commission.

#### **Public Hearing**

A virtual public hearing was held for the CHIP, RP, and HESMD ordinances on July 25th, 2024. Translation services were provided in both Spanish and Korean. Notification of the hearing was emailed to the interest list on June 27th and July 18th and published in the Los Angeles Daily Journal on June 26th, 2024. A total of 98 people provided verbal comments with approximately 580 members of the public in attendance. Over 2,700 additional comments were received via email during this phase. It is of note that an overwhelming majority of comments offered feedback

both in support and opposition to the potential inclusion of single-family zones in the CHIP ordinance.

### **Meeting with Interested Parties**

City Planning met with interested parties upon request to answer questions on the ordinance and conduct focused feedback sessions. During the Revise/Publish phase, the Department met with Central City Association (CCA), Alliance for Community Transit- Los Angeles (ACT-LA), Apartment Association of Greater Los Angeles (AAGLA), Alliance of of Californians for Community Empowerment (ACCE), American Institute of Architects (AIA), Urban Land Institute (ULI) and Southern California Association of Nonprofit Housing (SCANPH) to discuss the ordinance and receive direct feedback. Staff from City Planning and LAHD also attended a Tenant Resource Fair hosted by CD-13 during this phase to share information about the RPO. Throughout this phase of outreach, staff also fielded inquiries from constituents through email.

### **Summary of Listen, Share/Publish, and Revise/Publish Comments**

#### **Comment Letters**

After the second draft release of the CHIP, RP, and HESMD ordinances in late June 2024, the Department received comment letters from organizations that provided feedback and recommendations. Letters were received from the following organizations:

- A coalition including: Central City Association, Housing Action Coalition, YIMBY Action, Los Angeles Area Chamber of Commerce, Building Industry Association of Southern California, Inc., AIA Los Angeles, and Craig Lawson & Co., LLC
- A coalition including: Southern California Association of NonProfit Housing (SCANPH), Abundant Housing LA, Inner City Law Center, PATH, Corporation for Supportive Housing, Supportive Housing Alliance, United Way of Greater Los Angeles, Homeless Outreach Program Integrated Care System (HOPICS), Community Corporation of Santa Monica, Westside for Everyone, Faith and Housing Coalition, American Civil Liberties Union (ACLU) of Southern California, Eastside Housing for All, Downtown Los Angeles For All, Hope the Mission, Los Angeles New Liberals, Safe Parking LA, SFV4ALL, Housing Action Coalition, YIMBY Action, YIMBY Law, California Community Builders, BikeLA, New Life Community Church, Salvadoran American Leadership and Educational Fund, Stories From The Frontline, Youth Emerging Stronger, Climate Resolve, Active San Gabriel Valley, Safe Place for Youth, Healing and Justice Center, St. Joseph Center, Mental Health Advocacy Services, Abundant Housing at UCLA, Long Beach Gray Panthers, Epicentre West LA, California Housing Defense Fund, Social Justice Learning Institute, Justice in Aging, East LA Community Corporation, Hope Community Church of East LA, Neighborhood Legal Services of LA County, El Sereno Community Land Trust, Union Station Homeless Services, Miracle Mile Democratic Club, Black Women for Wellness, Making Housing and Community Happen, Housing Rights Center, Hang Out Do Good, South LA Solid, Fideicomiso Comunitario Tierra Libre, Urban Environmentalists LA, Better Angels, Holos Communities, People of Mobility Justice, California YIMBY, Abundant Housing Sunset, South Bay Forward, Streets For All, and Ascencia

- A coalition including: Affordable Housing Solutions LA, Alchemy Planning, Baksh Construction Inc, Broadway Vista LLC, CSWF Construction, Drona Investments, Gatsby Investment, Green Development Company, LH Housing, Logos Faith Development, Orion Housing, Pax Urban Partners, Properties4You LLC, Psalms Development LLC, RRH Construction, SDS Capital Group, SoLa Impact, Southern California Obtainable Housing, TDC Pacific Properties, Terra Capital Development Group LLC, Urban Development Company, and VC Development Inc
- Alliance for Community Transit- Los Angeles (ACT-LA)
- Alliance of Californians for Community Empowerment (ACCE)
- Apartment Association of Greater Los Angeles (AAGLA)
- Cahuenga Pass Property Owners Association
- Coastal San Pedro Neighborhood Council
- Comstock Hills Homeowners Association
- Del Rey Residents Association
- Doheny Sunset Plaza Neighborhood Association
- Faith and Housing Coalition
- Franklin Corridor Communities
- Friends of Historic Miracle Mile
- Hermon Neighborhood Council
- Koreatown Immigrant Workers Alliance
- Los Angeles Conservancy
- Neighborhood Council Valley Village
- North Westwood Neighborhood Council
- Public Counsel
- Preserve Westchester
- Saint Andrews Square Neighborhood Association
- Strategic Actions for a Just Economy (SAJE)
- UCLA Lewis Center for Regional Policy Studies
- United Neighbors
- Valley Village Residents Association
- West Hills Neighborhood Council
- West Toluca Lake Residents Association
- Western States Regional Council of Carpenters
- Westwood Neighborhood Council
- Woodland Hills Homeowners Organization
- YIMBY Law

### **Summary of Comments Received**

This section summarizes the comments and feedback received during the Revise/Publish phase, spanning from the release of the second draft ordinances in late June 2024 to the close of the public comment period in late August 2024. Of the approximate 3,100 public comments received via email, about 95% commented on the topic of single-family zoning and whether it should be included or excluded in the CHIP Ordinance. About 75% of comments that mentioned single-family zoning supported excluding single-family zoning from eligibility for CHIP, and about 25%

of comments supported including single-family zoning as eligible under CHIP. Additionally, approximately 1,000 public comments received voiced their support for the CHIP Ordinance as drafted in June 2024. For organizational purposes, the comments and feedback are grouped by themes. All public comments are available in full in the project case file. Note that feedback during this phase was almost exclusively received regarding the CHIP and RP ordinances with insufficient feedback from the Housing Element Sites and Minimum Density Ordinance to allow thematic grouping.

### ***CHIP Focused***

#### **SUPPORT FOR SINGLE-FAMILY ZONES INCLUSION**

- Concern that exclusion of single-family zones leads to further displacement
- Concern that exclusion of single-family zones leads to failure to meet RHNA targets, resulting in consequences of non-compliance from State
- Concern that exclusion of single-family zones will lower single-family property values due to restricted development potential
- Concern that exclusion of single-family zones will limit development to areas that have already borne a disproportionate amount of development
- Recommendation to include single-family zones in Corridor Transition Areas to further missing middle housing opportunities
- Recommendation to include single-family zones as eligible in Opportunity Areas/ Corridors
- Recommendation to allow single-family zones in designated historic areas
- Recommendation to include single-family zoned sites on larger corridors, but exclude R1 and R2 lots on smaller streets to reduce displacement pressure and tree canopy loss

#### **OPPOSITION OF SINGLE-FAMILY ZONES INCLUSION**

- Concern that single-family neighborhoods lack infrastructure for added density
- Opposes inclusion of single-family zones due to environmental concerns
- Statements that single-family zones will increase in density without rezoning through ADU development and SB9 lot splits
- Concern that inclusion of single-family zones will result in loss of property value for single-family home owners
- Opposes inclusion of single-family zones due to concerns for loss of neighborhood character

#### **ENVIRONMENTAL CONSIDERATIONS**

- Recommendation to include Coastal Zone in rezoning and not exempt from incentives
- Recommendation to extend public participation in approval process for projects proposed in environmentally sensitive areas
- Concern for projects not being subject to CEQA review
- Desire to prioritize green space
- Emphasizes importance of requiring new and maintaining existing tree canopy
- Recommendation to extend buffer zone for Oil Drilling Sites to 3200 ft

#### **GEOGRAPHICAL ELIGIBILITY AND TYPOLOGY CONSIDERATIONS**

- Support for added density on commercial corridors
- Support for Opportunity Corridors and development in High Opportunity Areas
- Support for adding density near transit
- Recommendation to expand Corridor Transition Areas
- Support for missing middle housing opportunity
- Support for social housing and limited equity/ cooperative housing models
- Support for incentivizing family sized/ multi-bedroom units
- Desire to prioritize protection of historic districts

#### **DEVELOPMENT INCENTIVE AND DESIGN CONSIDERATIONS**

- Proposes increased FAR in commercial zones
- Concern that the Menu of Incentives is too restrictive
- Concern that ordinance as proposed is too permissive, benefitting developers financially more than residents who need affordable housing
- Concern that ordinance does not make development feasible enough
- Desire for ordinance to require more parking
- Recommends stronger streamlining provisions
- Emphasizes importance of design considerations
- Desire for upzoning to be conducted through the community plan process rather than via a citywide ordinance
- Desire for infrastructure to be considered when adding density to neighborhood
- Proposes restricting mixed zone parcels to accessing incentives based on the lower density zone

#### **AFFH CONSIDERATIONS**

- Concern that current plan doesn't sufficiently AFFH or meet equity goals
- Desire for affordable housing to be incentivized citywide to spread opportunity
- General support of more affordable housing
- Desire to prioritize affordable housing above market rate housing
- Desire to prioritize preventing displacement
- Support for increased homeownership opportunities

#### **AFFORDABILITY REQUIREMENT CONSIDERATIONS**

- Desire to increase affordability requirements in areas experiencing gentrification/ displacement pressure
- Recommends deeper affordability/ increased ALI requirements
- Support for current affordability requirements
- Urges against 'double counting' of RPO mandated replacement units toward affordability requirements to ensure a net gain of affordable units

#### **FBO ELIGIBILITY CONSIDERATIONS**

- Recommendation to exclude rent stabilized parcels and historic districts from eligibility for FBO incentives for newly purchased property in single-family zones
- Support for added exclusions to FBO project eligibility in SFZ zones

- Desire for FBO policies to not be more permissive than state law

***RPO Focused***

**RPO FEEDBACK**

- Support for strengthening and expanding tenant protections
- Recommendation to prohibit the demolition of RSO units
- Recommendation to increase replacement requirement ratios to 2:1
- Recommendation to specify accessibility requirements in the affordable housing application process
- Some opposition to strengthening renters protections
- Recommendation to strengthen and enforce affordable housing outreach
- Recommendation to strengthen relocation benefits
- Some opposition to 99 year covenant lengths

## **EXHIBITS**

### **A. Ordinances**

**A.1 Citywide Housing Incentive Program Ordinance - CPC-2024-388-CA**

**A.2. Resident Protections Ordinance - CPC-2024-388-CA**

**A.3 Housing Element Sites and Minimum Density Ordinance -  
CPC-2024-387-CA**

### **B. Fair Housing Requirements and Affordable Housing Incentive Guidelines - CPC-2024-388-CA**

**B.1 City Planning Commission Resolution**

**B.2 Fair Housing Requirements for Affordable Housing**

**B.3 Affordable Housing Incentive Guidelines**

### **C. Environmental Considerations**

**C.1 Addendum to the Final Environmental Impact Report for the Citywide  
2021-2029 Housing Element Update and Safety Element Update -  
CPC-2023-7068-CA, CPC-2024-387-CA, CPC-2024-388-CA**

**C.2 Proposed DRAFT Environmental Protection Measures Handbook  
for Housing Element Rezoning Program - CPC-2023-7068-CA**

### **D. Single-Family Considerations - CPC-2023-7068-CA**

### **E. Lower Income Rezoning Housing Element Sites - CPC-2024-387-CA**

**E.1 Lower Income Rezoning Housing Element Sites Resolution**

**E.2 Inventory of Lower Income Rezoning Housing Element Sites  
(ATTACHMENT A)**

## **APPENDIX**

### **1. Ordinance Revisions**

**1.A Citywide Housing Incentive Program Revisions - CPC-2024-388-CA**

**1.B Resident Protections Ordinance Revisions - CPC-2024-388-CA**

**1.C Housing Element Sites and Minimum Density Revisions -  
CPC-2024-387-CA**

**2. Listen and Share Phase Outreach Summaries- CPC-2023-7068-CA,  
CPC-2024-387-CA, CPC-2024-388-CA**

**3. Economic Analysis and Market Study - CPC-2024-388-CA, CPC-2023-7068-CA**

**4. Citywide Housing Incentive Program Procedures Table - CPC-2023-7068-CA**

**5. Rezoning Model Assumptions - CPC-2023-7068-CA, CPC-2024-387-CA**