

DOWNTOWN COMMUNITY PLAN COMMUNITY BENEFITS PROGRAM

Planning a dynamic future for Downtown Los Angeles

The intent of the Downtown Community Plan is to ensure that Downtown continues to grow in a sustainable, equitable, healthy, and inclusive manner, and capture vital public community benefits that are responsive to neighborhood needs. The Downtown Community Plan proposes to expand and refine the system that links growth and public benefits, through the draft Downtown Community Plan Community Benefits Program.

The key objectives of the proposed Community Benefits Program are the following:

- Ensure priority community benefits are provided first, namely Affordable Housing
- Offer a more predictable and transparent process for the provision of community benefits
- Encourage the provision of on-site community benefits

The Downtown Plan Community Benefits Program provides a path for development projects to exceed the base development potential, up to the maximum allowable development potential, in exchange for providing community benefits. The Community Benefits Program prioritizes affordable housing, followed by parks and open space, preservation of historic structures, and community facilities.



Introduction

Relationship Between New Development and Public Community Benefits

Citywide Community Benefit Requirements

Under current Los Angeles citywide regulations, new by-right development is required to contribute to community benefits, namely affordable housing, through the Affordable Housing Linkage Fee, and public open space, through Quimby Fees. The amount and type of community benefits required depends on the type and size of the project.

The Affordable Housing Linkage Fee (Linkage Fee), adopted December 13, 2017, established a fee per square foot on certain new market-rate residential and commercial developments to generate local funding for affordable housing production and preservation. The fee varies by the type of use and by geography across the city.

The Parks Dedication and Update Fee (Quimby), adopted September 7, 2016, requires that residential projects pay a fee for the purpose of acquiring new parkland and developing park and recreational facilities.

Elective Downtown Community Plan Community Benefits Program

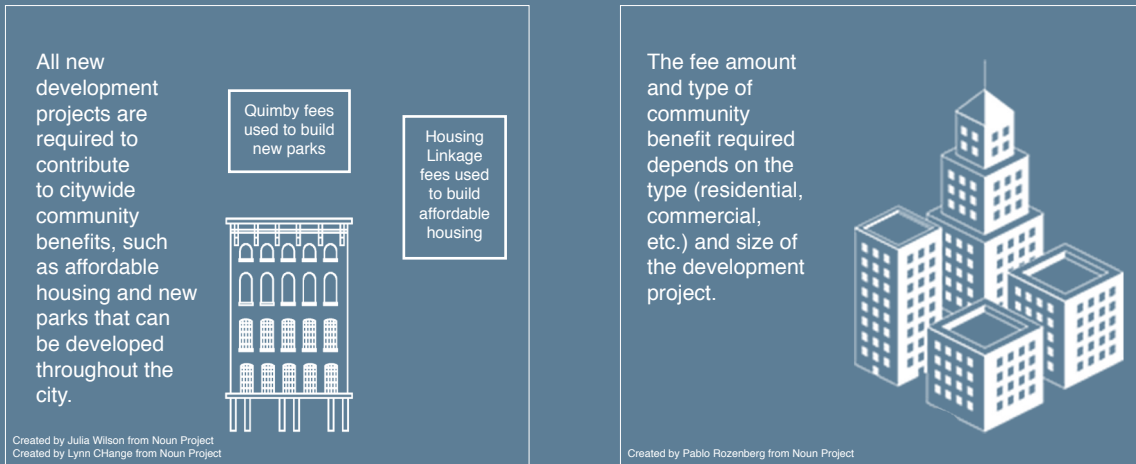
The Affordable Housing Linkage Fee and Quimby Fee will remain and continue to provide a funding stream for the provision of affordable housing units and open space amenities, as they now exist. However, the Downtown Plan will introduce the Downtown Plan Community Benefits Program within the Plan Area to incentivize the provision of on-site community benefits, in accordance with and to better implement policies of the Downtown Plan.

The Downtown Community Benefits Program prioritizes the provision of on-site community benefits, and in some instances benefits provided under the Downtown Program may count towards the project's Linkage Fee or Quimby Fee payments.

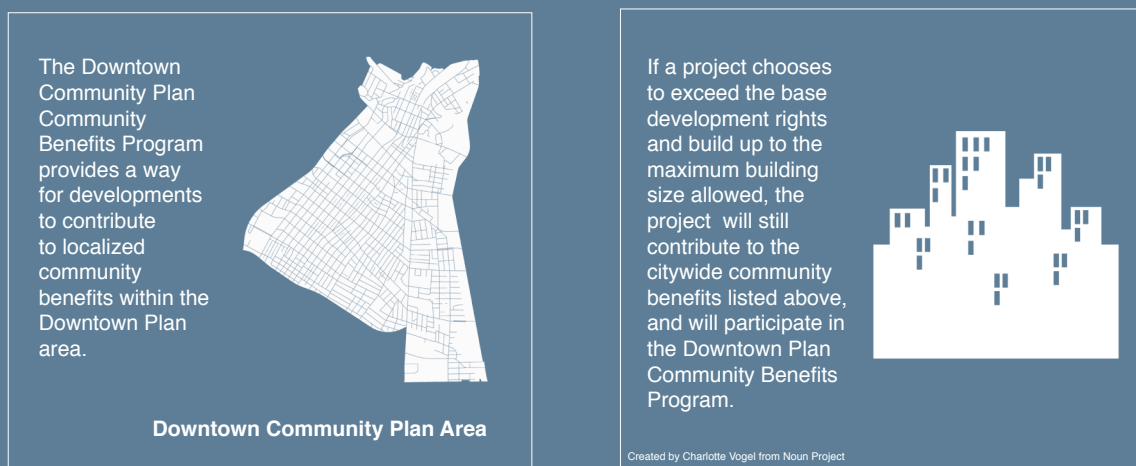
New development within the Downtown Plan Area may participate in the Downtown Community Benefits Program, as permitted by the applicable zoning regulations. The zoning will outline a base maximum and bonus maximum development capacity, and in some cases a base and bonus maximum story height. Development projects can elect to exceed the base maximum building size by participating in the Community Benefits Program.

Relationship between new development and public community benefits.

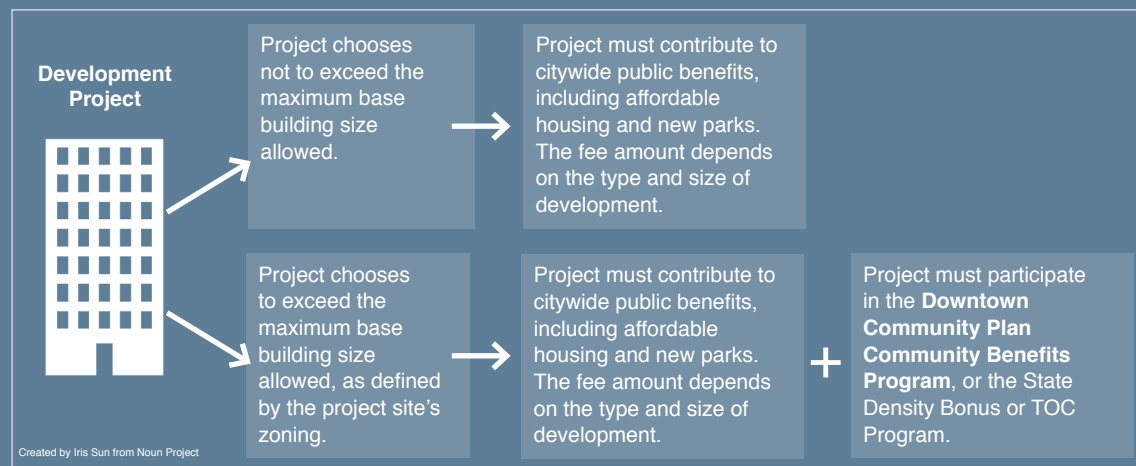
1. Citywide requirements which apply to all development



2. Elective Downtown Community Plan Community Benefits Program



In summary:



Downtown Community Plan Community Benefits Program Structure

There are several paths a development project may take as part of this elective program. The community benefit options available for a residential project differs from a non-residential project type. Residential projects will always be required to provide affordable housing, followed by a selection of community benefits such as publicly accessible open space, community facilities, and preservation of a historic resource. Non-housing projects may provide from a selection of the above listed non-residential community benefits.

Housing Development Projects

The type of benefits provided by a Housing Development Project will be based on the extent of additional development rights requested. The Downtown Plan Community Benefits Program is structured into three separate levels.

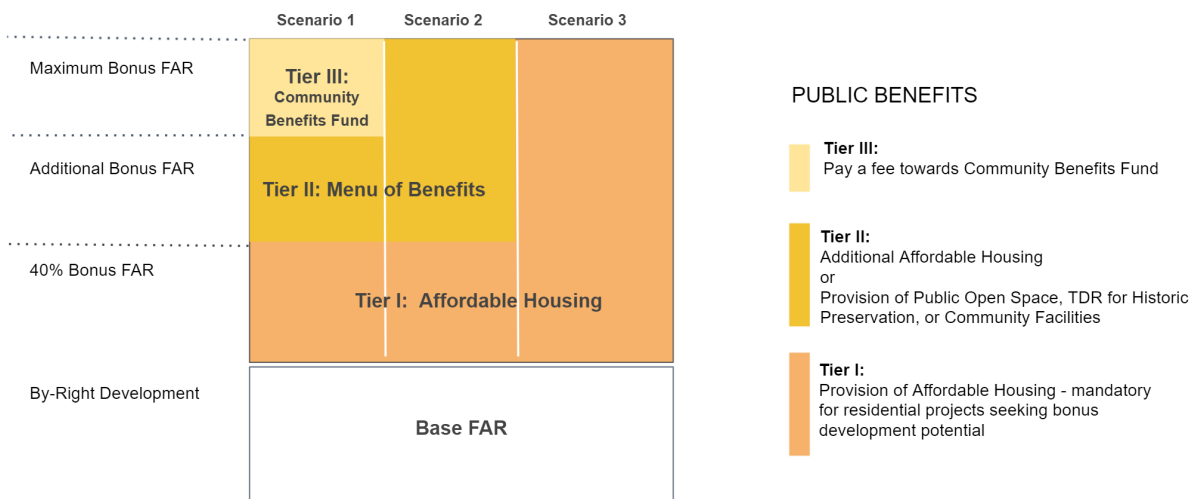
Level 1 would allow for 40 percent additional FAR over and above the Base FAR, in exchange for providing the required number of on-site restricted affordable housing units, consistent with State Density Bonus minimum requirements.

Level 1 would also allow a development to reach its maximum story height in exchange for providing the required number of on-site restricted affordable units.

Level 2 would allow additional FAR or additional stories up to the maximum allowable FAR or story height, in exchange for providing the required number of on-site affordable housing units, open space or community facilities. Under Level 2, in certain limited areas of the Plan Area, projects may also utilize the Transfer of Development Rights option to transfer unused development potential from an existing historic building to a receiver site, in order to and preserve the existing resource.

Level 3 of this Program allows projects to pay a fee towards the Community Benefits Fund to access additional FAR and height beyond Level 2. As described above, projects can reach the maximum bonus development capacity by providing affordable housing. The figure below describes the general structure of incentives offered under each level and the available options for providing the specified public benefits.

Level of Incentives and Community Benefits for Housing Development



Non-Housing Development Projects

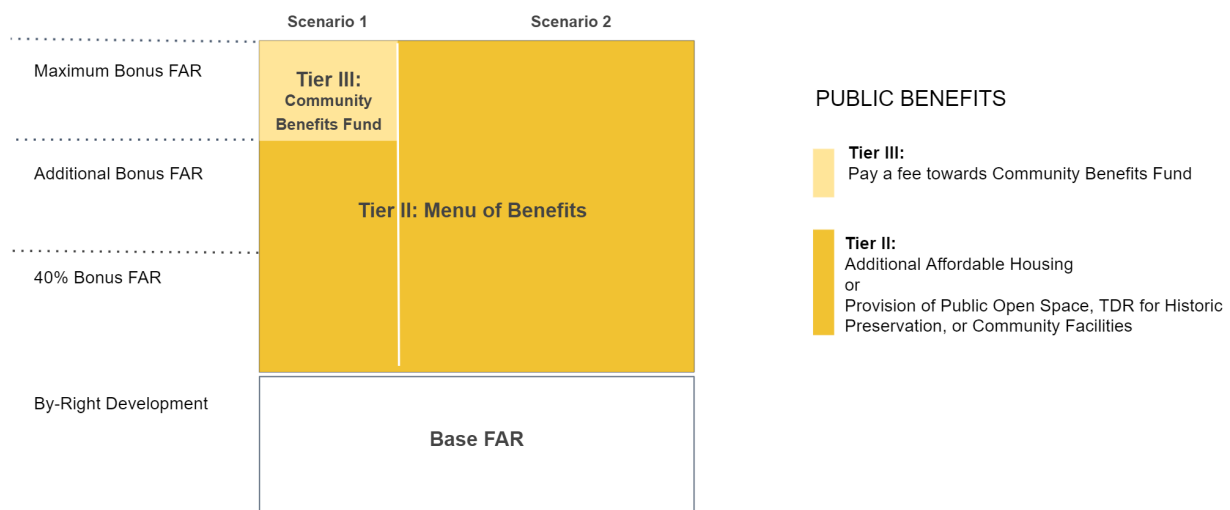
The type of community benefits required to be provided for a Non-Housing Project will be based on the extent of additional development rights requested. For non-housing projects, Level 1 will not be required

Level 2 would allow for a specified amount of additional FAR and height over and above the Base development potential in exchange for providing the required amount of publicly accessible open space, or community facilities.

Under Level 2, in certain portions of the Plan Area, projects may also utilize the Transfer of Development Rights option to transfer development potential from an existing historic building to a receiver site, in order to preserve an existing resource.

Similar to Residential Projects, non-residential projects can reach the maximum bonus development capacity by providing any of the community benefits identified in Level 2, or pay a fee towards the Community Benefits Fund.

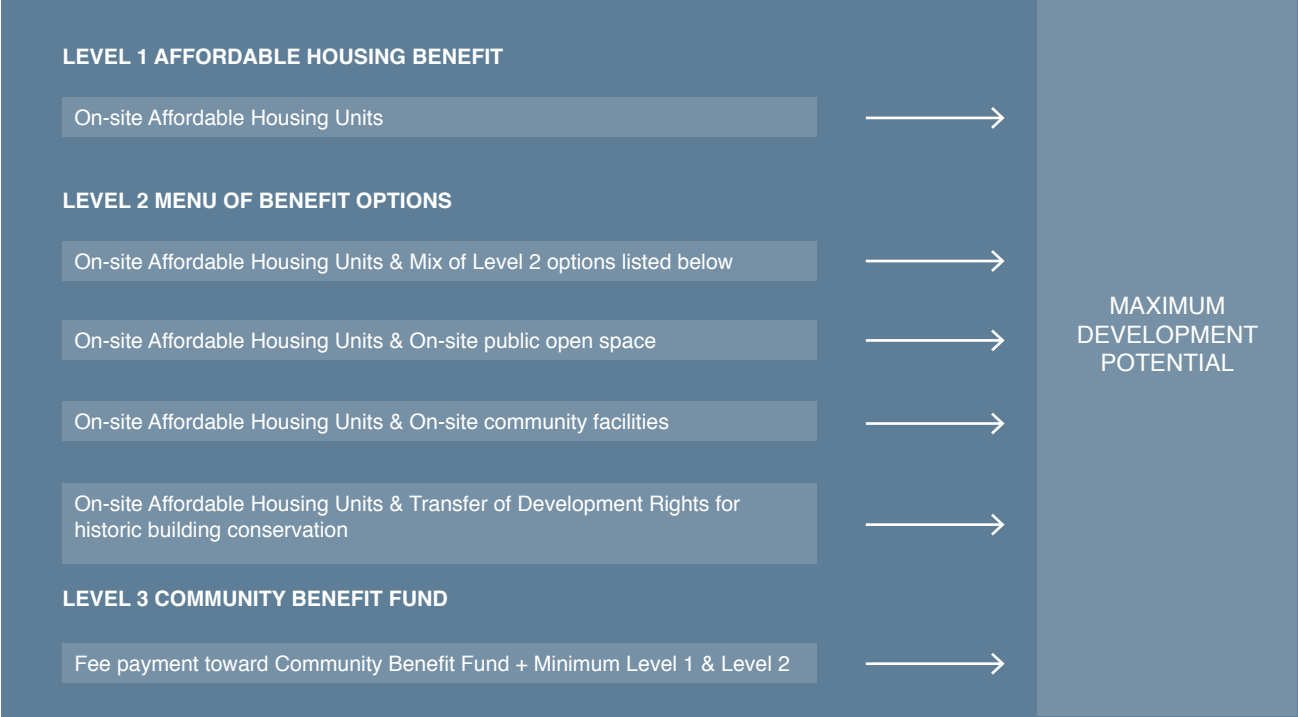
Level of Incentives and Community Benefits for Non-Housing Development



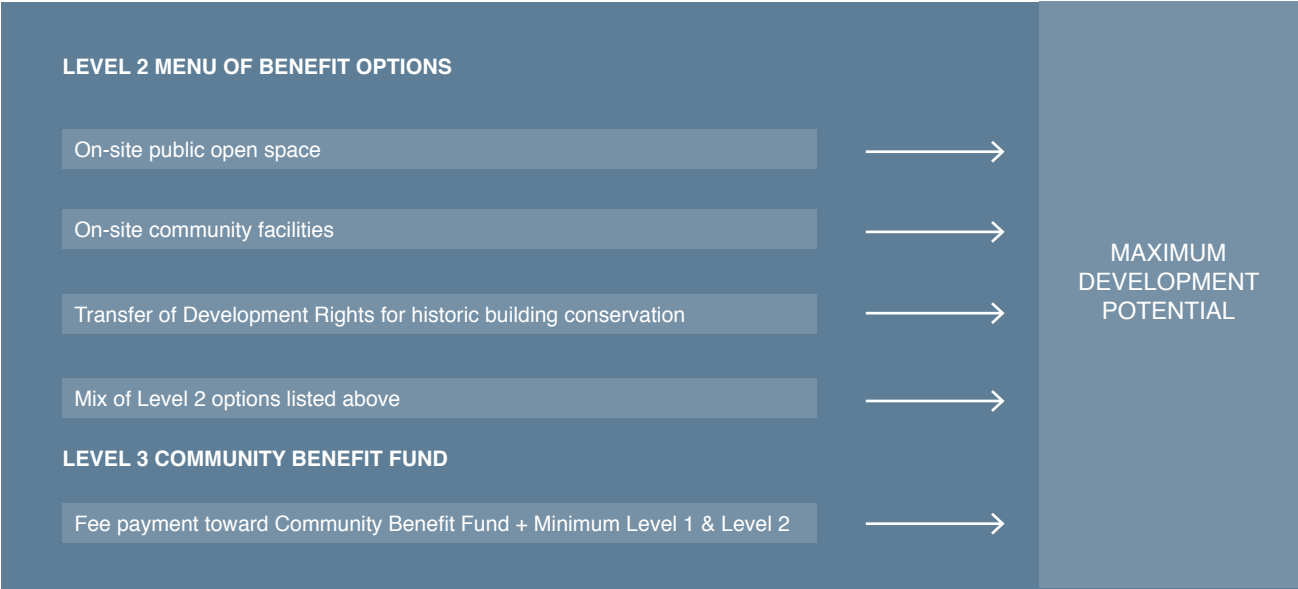
Summary of Development Project Scenarios

The graphic below outlines the pathways a development may elect to achieve the maximum bonus development capacity defined in the zoning.

Housing Development Project Scenarios



Non-Housing Development Project Scenarios



Downtown Community Plan

Community Benefits

Program Structure

The Base and Bonus FAR and/or Base and Bonus Height for a property is established in the Property's Form District component of the Zoning. Projects seeking to exceed the Base FAR or the Base Height in Stories are required to comply with the draft zoning provisions in Article 9, "Community Benefits Program" and the Community Benefits Standards (Chapter II) section of the Downtown Plan Community Plan Implementation Overlay (CPIO). The zoning provisions in Article 9, Community Benefits Program sets the implementation framework for a community benefits program that can be utilized both within and outside of the Downtown Plan Area (currently proposed only for the Downtown Community Plan Area). The Community Benefits Standards (Chapter II) section of the draft Downtown CPIO provides supplemental regulations that are tailored to achieve the objectives of the Downtown Community Plan. The following text broadly summarizes the requirements and the implementation approach to the Community Benefits Program for the Downtown Community Plan

LEVEL 1: Local Affordable Housing Incentive Program

Level 1 only applies to Housing Development Projects and allows for up to a 40% FAR increase or the maximum allowable bonus height in exchange for providing on-site restricted affordable units, in any of the following amounts:

- 7% of total Residential Units towards Deeply Low Income
- 8% of total Residential Units towards Extremely Low Income units
- 11% of total Residential Units towards Very Low Income units
- 20% of total Residential Units towards Low Income units
- 40% of total Residential Units towards Moderate Income units

In-lieu of providing restricted affordable units on-site projects may opt to pay a fee that goes toward a trust fund for construction of affordable housing; build off-site restricted affordable units within the Downtown Plan Area; or partner with an affordable

housing developer to provide off-site restricted affordable units in the Downtown Plan Area.

The in-lieu fee will align with the fee schedule for projects pursuing General Plan amendments or a zone change as defined in Los Angeles Municipal Code (LAMC), SEC.11.5.11. Affordable Housing.

LEVEL 2: Public Benefits Incentive Program

Housing Development Projects are required to exhaust Level 1 prior to utilizing Level 2. However, non-housing projects may access Level 2 to achieve FAR above the Base FAR or height and are not required to comply with Level 1. Level 2 allows for additional FAR or height in exchange for providing one or a combination of the following:

- Restricted Affordable Units
- Community Facility
- Publicly Accessible Open Space
- Transfer of Development Rights from an existing historic building

Restricted Affordable Units

Housing Development Projects may continue to provide restricted affordable units under Level 2. For every additional 1.0:1 Bonus FAR in Level 2, a project has to set-aside on-site restricted affordable units, in any of the following amounts:

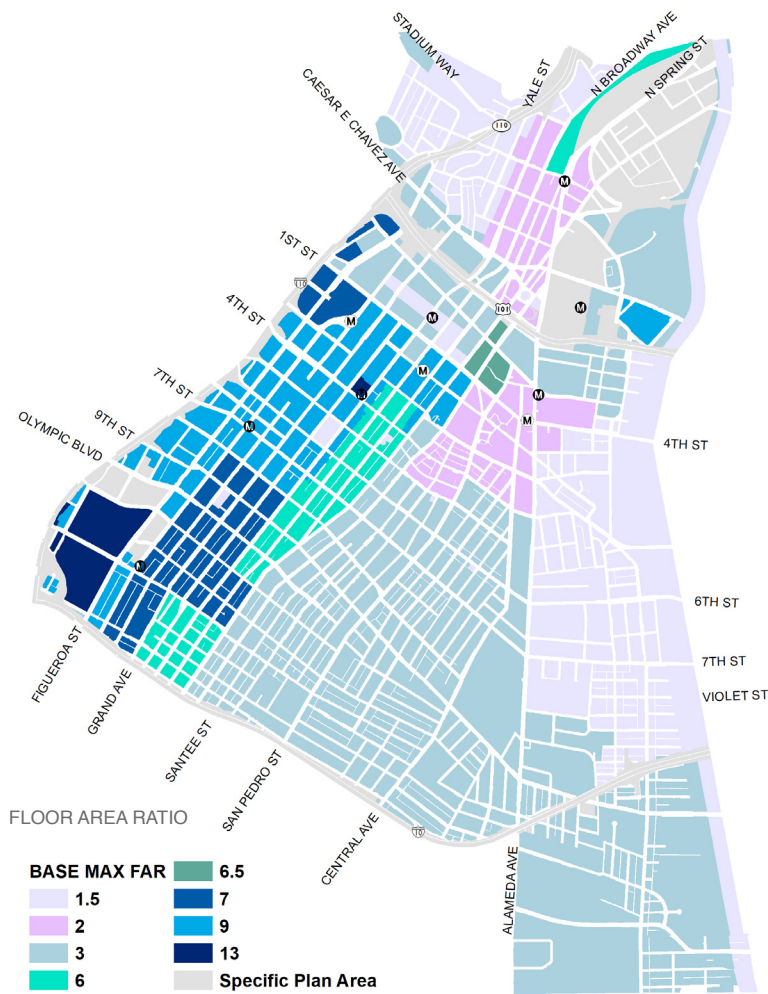
- 1.5% of total Residential Units towards Deeply Low, Extremely-Low Income, or Very-Low Income units; or
- 2.5% of total Residential Units towards Low, Moderate (for sale or rent) or Above Moderate Income (for sale or rent) units

In order to encourage the provision of family-size units in specific areas of the Downtown Plan Area, the Downtown Plan includes a requirement for two bedroom units in those areas. Projects located within the Subarea A.3 as delineated in the Downtown Plan CPIO are required to provide a minimum of 30% of all dwelling units of a Housing Development Project as two bedrooms or larger.

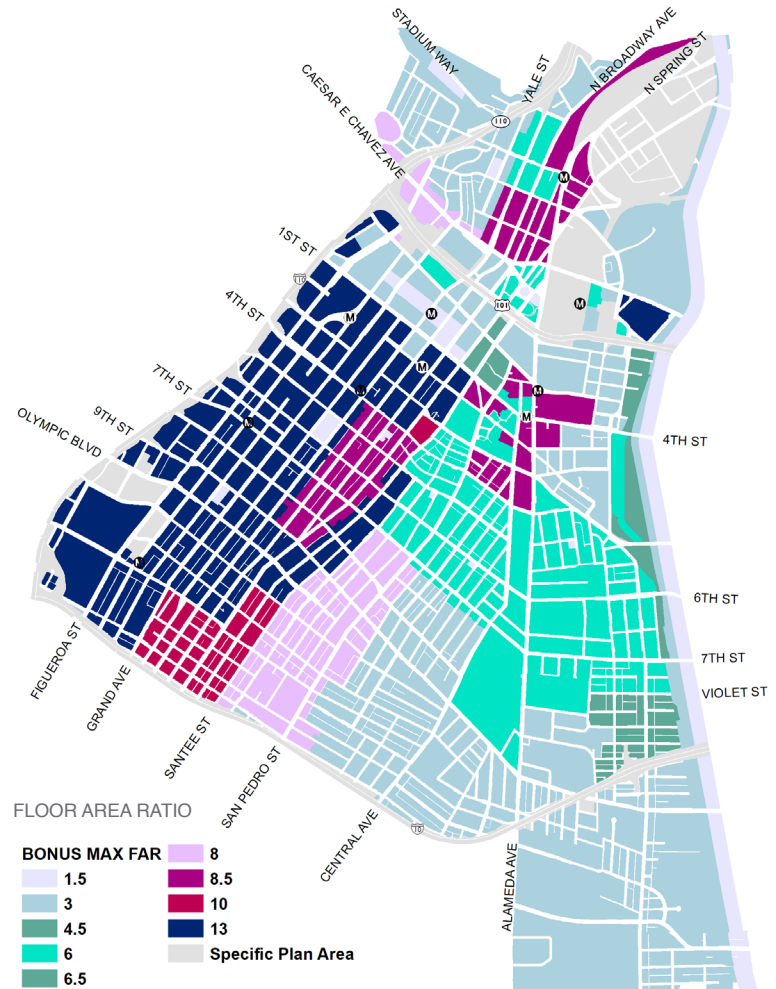
Eligibility

A development shall be eligible for the Downtown Community Plan Community Benefits Program when there is a Maximum Floor Area Ratio or Story Height available beyond the base within the project site's zoning.

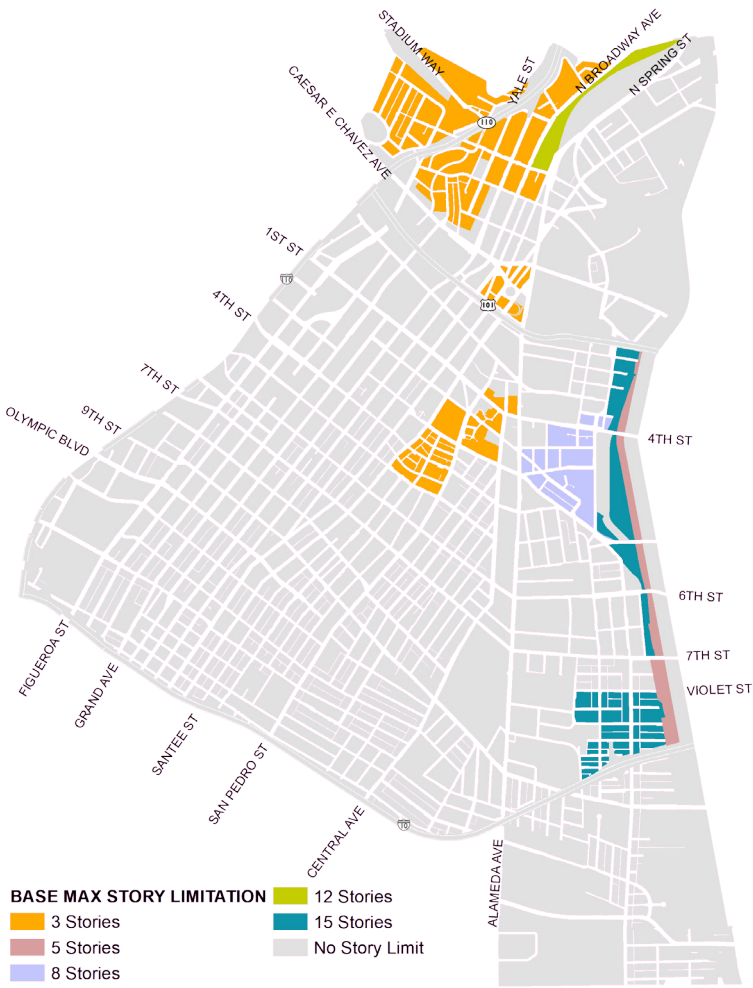
BASE MAXIMUM DEVELOPMENT POTENTIAL



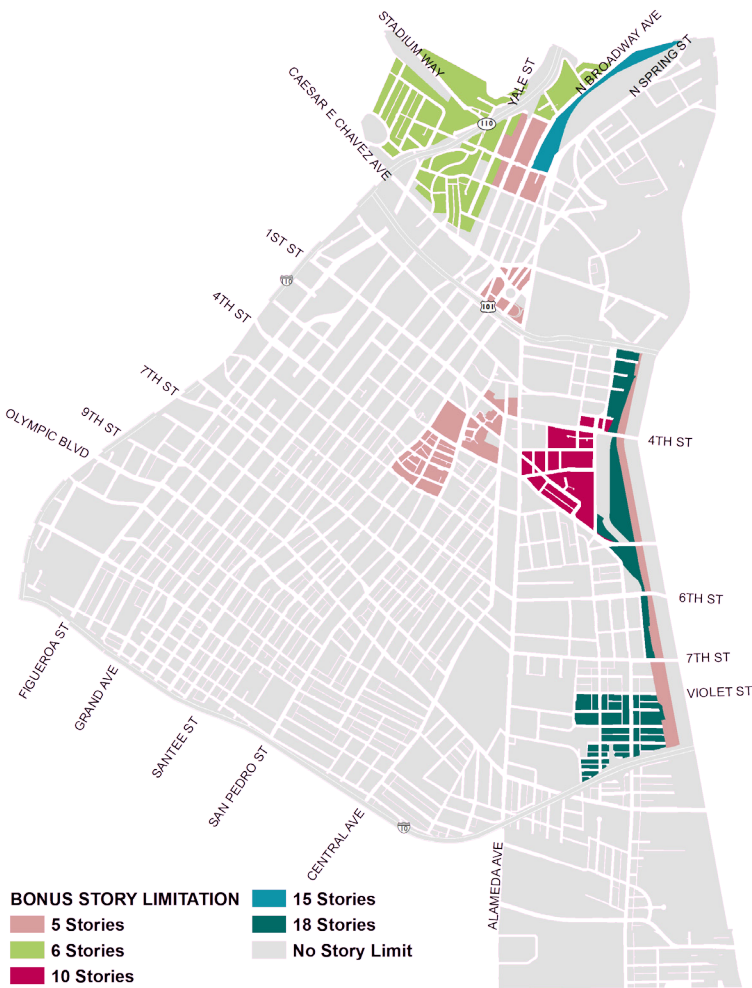
BONUS MAXIMUM DEVELOPMENT POTENTIAL



BASE MAXIMUM STORY HEIGHT POTENTIAL



BONUS MAXIMUM STORY HEIGHT POTENTIAL



Publicly Accessible Open Space

A project may also provide on-site publicly accessible open space in order to access Level 2 benefits. In addition to the required Lot Amenity Space identified in the property's zoning, a project is required to provide 4% of lot area as Publicly Accessible Open Space for every additional 1.0:1 Bonus FAR.

Open space shall meet specific design requirements in order to qualify as publically accessible. See the Downtown Plan CPIO (Chapter II, Community Benefit Standards) for these regulations regarding location, access, signage, hours of operation, design, and landscaping requirements.

When an applicant elects to provide a publicly accessible open space through the Downtown Community Benefits Program, the open space may count toward Quimby fees as well as the Lot Amenity Space required by the zoning.

Community Facilities

A project may provide community facilities such as childcare centers, Public libraries, Public or LAUSD charter schools, Government or non-profit clinics, or social service centers, in exchange for additional FAR.

Pursuant to the zoning provisions in Article 9, "Incentive Systems", for every additional 1.0:1 bonus FAR, a project is required to provide 2.5% of incremental square footage plus 5,000 square feet for a community facility. See the Downtown Plan CPIO (Chapter II, Community Benefit Standards) for regulations regarding location, access, signage, and tenancy requirements for community facilities.



Employment Center Incentive

In order to encourage the provision of job generating uses in specific areas of the Downtown Plan Area, the Downtown Plan includes incentives for projects with 50% of the base floor area dedicated for productive and light industrial uses. Projects located within Subarea A.3 delineated in the Downtown Plan CPIO (Chapter II, Community Benefit Standards), and include 50% of base floor area towards non-residential uses, excluding retail and restaurant uses, may reach a bonus of 4.0:1 FAR.

Transfer of Development Rights

Projects located within the Subarea A.3, delineated in Downtown Plan CPIO may transfer unused development rights from an existing historic building, to achieve bonus FAR and preserve an existing resource.

A donor site may transfer all unused Floor Area up to its maximum Bonus FAR identified in the property's zoning. Sites designated at local, state, or federal level; site deemed eligible at local, state, or federal level; SurveyLA contributor to a historic district or identified individual resource may qualify as donor sites. A donor site is required to sign a covenant acknowledging

reduced floor area and is subject to a preservation contract addressing building maintenance, rehabilitation; inspections for a set term.

A receiver site is required to sign a covenant acknowledging the increased floor area and Record of Transfer prior to receiving a building permit. For more information regarding eligibility of donor & receiver sites, process, agreements and preservation easements, see the Transfer of Development Rights provisions in the Downtown Community Plan Implementation Overlay (CPIO)

LEVEL 3: Community Benefits Fund

Projects that have satisfied minimum onsite benefits, may achieve additional floor area by paying a fee towards the Community Benefits Fund.



Definitions and Resources

Density Bonus:

Eligible Housing Development Projects may continue to access the existing Density Bonus Program per the State Density Bonus Law, Government Code Section 65915, or elect to participate in the draft Community Benefits Program for the Downtown Plan.

Housing Development Project:

Defined as the construction of five or more new residential dwelling units; the addition of five or more residential dwelling units to an existing building or buildings; or the remodeling of a building or buildings containing five or more residential dwelling units, including a mixed use development containing residential dwelling units.

Non-Housing Project:

Projects not defined as a Housing Development Project will be considered a Non-Housing Project.

On-Site Restricted Affordable Unit:

On-site restricted Affordable unit shall mean a residential unit for which rental or mortgage amounts are restricted so as to be affordable to and occupied by households with Deeply Low, Extremely Low, Very Low, Low, Moderate or above moderate income households, as determined by the Los Angeles Housing + Community Investment Department (HCIDLA).

The minimum required percentage of on-site restricted affordable units shall be calculated based upon the total number of units in the final project.

In exchange for providing the minimum required percentage of affordable units, developments shall be permitted an additional 40% FAR increase. The FAR increase shall continue to scale upward as additional affordable units are provided.

Affordable Housing Qualifying Income Levels are calculated as a percentage of the Area Median Income (AMI) and are defined by the Los Angeles Housing + Community Investment Department (HCIDLA):

- Deeply Low Income: 0-15% of AMI
- Extremely Low Income: 15-30% of AMI
- Very Low Income: 31-50% AMI
- Low Income: 50-80% AMI
- Moderate Income: 80-120% AMI