

FACT SHEET

Proposed Site Plan Review Amendment for Affordable Housing

CPC-2023-1083-CA

Summary

In response to a City Council Motion (Council File No. 22-0268), and in furtherance of the goals of Mayor Bass's Executive Directive (ED) 1, Los Angeles City Planning has drafted a proposed amendment to the City's Site Plan Review (SPR) Ordinance to exempt deed restricted affordable units in the site plan review threshold calculations. With the proposed amendment, the City would exempt deed restricted affordable units from the 50-unit threshold that requires housing projects to undergo Site Plan Review, thereby reducing the need for affordable housing projects to request planning entitlements and expediting their approval to address the housing crisis.

Background

Site Plan Review (SPR) is a planning process that requires discretionary approval when a project equals or exceeds the defined thresholds in LAMC Section 16.05. The defined thresholds for residential uses include projects that include 50 or more net new dwelling units or guest rooms (prior to a density bonus).

The SPR Ordinance (No. 165,691), was originally adopted by the City Council on May 29, 1990. Site Plan 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 Site Plan Review project is appealed, it requires a public hearing. 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.

On June 1, 2022, the City Council adopted a motion (Council File No. 22-0268) instructing City Planning to amend the SPR Ordinance, specifically LAMC 16.05 C.1(b), to exempt deed-restricted affordable units in the SPR threshold calculations. This amendment is being proposed in response to that motion, as well as in furtherance of the goals of Mayor Bass's Executive Directive 1.

Proposed Amendment

- A new exception is added to the residential threshold for Site Plan Review, to exclude Restricted Affordable Units from the calculation of the 50-unit project threshold.
- The existing exemption in LAMC 16.05 D.8 for Qualified Permanent Supportive Housing Projects that are less than 120 units, or less than 200 units in Regional Centers, is proposed to be deleted as it is no longer necessary in light of the new exception for Restricted Affordable Units

Frequently Asked Questions

Why is the City of Los Angeles proposing this change to the Site Plan Review Ordinance, and what are the City's goals with this proposal?

The City of Los Angeles has experienced the most severe housing crisis of any major city in the United States for some time now. The 2021-2029 Housing Element process identified and addressed certain causes of the housing shortage. Some factors are out of the City's control (increasing material costs; a shortage of construction labor, etc) but other areas present opportunities to alleviate constraints imposed by the City including regulatory burdens (lengthy approvals, fees), a deficiency of public subsidy, local processes that create risk and uncertainty; and an undersupply of land where affordable housing is allowed to be built. All of these factors overlap and impact where housing can be built, types of housing and local housing market conditions.

The Housing Element identified the current Site Plan Review process as a constraint to the production of affordable housing that is under the City's control. The current process can limit the number of dwelling units in projects that would otherwise create more housing due to the length and cost of the entitlement process. There have been instances when affordable housing developers have reduced their proposed project size, thereby reducing the overall number of

affordable units produced, in order to avoid the time and monetary costs associated with the Site Plan Review entitlement process.

How are Restricted Affordable Units defined?

A Restricted Affordable Unit is defined in LAMC 12.22 A.25(b) and is a housing unit for which the rents or housing costs to the occupying residents are deed restricted by an affordability covenant so they do not exceed 30 percent of the maximum gross income of each income category.

How will this Site Plan Review amendment interact with the new Processes and Procedures Ordinance?

The Processes and Procedures Ordinance is the initial part of a larger effort to comprehensively revise the City's Zoning Code. Currently, the Zoning Code resides in Chapter 1 of the Los Angeles Municipal Code (LAMC). The Processes and Procedures Ordinance will establish a new Chapter 1A of the LAMC to serve as the home for the updated Zoning Code. As part of this effort, it renamed the existing Site Plan Review process to Project Review, but did not otherwise substantially modify the process. The Processes and Procedures Ordinance was approved in December 2022 and will take effect in July 2023.

The Site Plan Review Ordinance staff recommendation report will include references to Chapter 1A and further clarify how this amendment to Site Plan Review will be addressed in Chapter 1A as well as LAMC 16.05.

What are the opportunities for public comment?

City Planning encourages the public to provide comments on this proposed amendment. There are two ways to provide comment, including attending the staff public hearing, or submitting written comments prior to the close of the public comment period.

City Planning will be holding an informational webinar and staff public hearing for the proposed ordinance via teleconference on Tuesday, March 14, 2023 starting at 6:00 pm. At the hearing, Staff will provide an overview of the proposed ordinance, followed by a staff public hearing where members of the public will have an opportunity to make official testimony for the public record. Additional information regarding the hearing, including presentation materials and details on how to dial in, is provided in the public hearing notice, available at: <https://planning.lacity.org/zoning/code-amendments>.

Members of the public may also submit written comments to planning.housingpolicy@lacity.org prior to 5:00 pm on Monday, April 3, 2023. After that date, written comments should be provided to the City Planning Commission at cpc@lacity.org.

What are the next steps in terms of the legislative process?

Following the staff public hearing and close of the public comment period, staff will prepare a Staff Recommendation Report for consideration by the City Planning Commission (CPC). The proposal is tentatively scheduled for CPC consideration on April 27th, 2023. Following consideration by the City Planning Commission, the ordinance would move to the Planning and Land Use Management (PLUM) Committee of the City Council before eventually heading to the full City Council for consideration and adoption.

Who can I contact for additional information?

For questions regarding the proposed amendment, please contact: planning.housingpolicy@lacity.org. Please reference case number CPC-2023-1083-CA in the email.

Any media inquiries should be directed to Nora Frost at planning.media@lacity.org or (213) 978-1248.