

**DEPARTMENT OF
CITY PLANNING**

COMMISSION OFFICE
(213) 978-1300

CITY PLANNING COMMISSION

SAMANTHA MILLMAN
PRESIDENT

CAROLINE CHOE
VICE-PRESIDENT

MARIA CABILDO
ILISSA GOLD
MONIQUE LAWSHE
HELEN LEUNG
KAREN MACK
JACOB NOONAN
ELIZABETH ZAMORA

**CITY OF LOS ANGELES
CALIFORNIA**



KAREN BASS
MAYOR

EXECUTIVE OFFICES
200 N. Spring Street, Room 525
Los Angeles, CA 90012-4801
(213) 978-1271

VINCENT P. BERTONI, AICP
DIRECTOR

SHANA M.M. BONSTIN
DEPUTY DIRECTOR

ARTHI L. VARMA, AICP
DEPUTY DIRECTOR

LISA M. WEBBER
DEPUTY DIRECTOR

September 19, 2023

Los Angeles City Council
c/o Office of the City Clerk
City Hall, Room 395
Los Angeles, California 90012

Attention: PLUM Committee

Dear Honorable Members:

**REPORT ON PRODUCTIVE SPACE WITH RETAIL AND FRONT OFFICE USES IN THE IX3
USE DISTRICT, AMENDING MOTION 54A, ITEM 3; CF-22-0617-Sx**

On May 3, 2023, the City Council approved the Downtown Los Angeles (DTLA) Community Plan Update. The approval included an [amending motion](#) (Motion 54A, Item 2) that was introduced by Councilmember de Leon (Council District 14) and was approved by City Council. The motion directed Los Angeles City Planning, in consultation with the City Attorney, to prepare a report with recommendations within 60 days to address emerging entrepreneurial small businesses which may blend productive space with retail and front office uses, including an evaluation of the impact of a policy precluding office and commercial uses as qualifying toward the Floor Area Ratio (FAR) requirement for productive space in conjunction with new residential developments in the IX3 Use District as applied to the site bounded by 7th Street on the north, Alameda Street on the east, Olympic Boulevard on the south, and Central Avenue on the west; and establishment of an additional use standard to facilitate dwellings in large sites zoned IX3 and include existing job-producing uses.

This report provides background information and describes the zoning regulations that were recommended/modified by the various decision-making bodies during their consideration of the Downtown Community Plan.

Background

The City Planning Commission (CPC) recommended approval of the Downtown Los Angeles Community Plan (the Downtown Plan) at its meeting that took place on September 23, 2021. The Downtown Plan seeks to increase housing capacity through a number of strategies, including introducing housing uses to areas that have been historically zoned for industrial/commercial uses. As part of this strategy, the plan introduces four Industrial Mixed-use Use Districts: IX1, IX2, IX3, and IX4, each of which continue to allow for industrial and commercial uses, while allowing housing uses under qualified circumstances.

The CPC's recommended draft of the Downtown Plan outlined the IX4 zoning use district for the site bounded by 7th Street on the north, Alameda Street on the east, Olympic Boulevard on the south, and Central Avenue on the west. Over the course of the adoption process, several amendments were recommended for the site. On April 24, 2023, the Planning and Land Use Management (PLUM) Committee [recommended](#) that the City Council instruct the Department of City Planning to change the zoning use district from IX4 to IX3 at the ROW DTLA site bounded by South Central to the west; South Alameda to the east; 7th Street to the north; and Bay Street to the south (see Figure 1). In addition to this zone change request, property owners of the ROW DTLA in [their letter dated April 22, 2023](#) and Council District 14 in [Amending Motion 54A, Item 3, dated May 3, 2023](#) requested the establishment of an additional use standard to the IX3 Use District with the following recommended language:

"For residential development within sites larger than 20 acres with existing Office, Manufacturing Light: General, Manufacturing Light: Artistic and Artisanal uses, the existing uses, whether located on the same lot or different lots within the site, may be counted as meeting the criteria for developing the dwelling units in conjunction with those other uses."



Figure 1. Map of Zoning Districts applied to the site bounded by 7th Street on the north, Alameda Street on the east, Olympic Boulevard on the south, and Central Avenue on the west.

The subject site encompasses two distinct campus-style developments, each with its own zoning designation. Positioned on the north side of Bay Street, the ROW site accommodates a diverse range of activities, including retail, office, manufacturing, distribution, and restaurants. On the southern side of Bay Street, the Los Angeles Wholesale Produce Mart includes extensive warehousing and distribution operations. The zoning use districts IX4 and IX3, classified as industrial mixed-use zones, allow for a combination of residential, commercial, and light industrial uses.

Both districts mandate a minimum provision of job-producing space (Productive Space) within the building before residential uses can be incorporated. As of City Council approval on May 3rd, 2023, IX3¹ necessitates a 1:1 floor area ratio (FAR) of Productive Space, while IX4 calls for a higher requirement of 1.5:1 FAR. Notably, the principal difference between these districts lies in the allowances pertaining to residential use. When considering new construction, IX3 generally exhibits greater flexibility by allowing conventional residential uses, whereas IX4 imposes a stricter “live/work” criteria, such as larger average unit sizes, dedicated workspaces within units, and an increased allocation of non-residential space to foster job creation within the structure. In terms of office utilization, IX4 exhibits more permissiveness, allowing office spaces to contribute towards meeting the mandated 1.5:1 FAR requirement for Productive Space areas. IX3 only allows office spaces within Productive Space areas when the office use is accessory to a manufacturing use.

¹ The amount of job producing space has been the focus of many public comments and modifications to the 1 FAR requirement are discussed in a separate report to City Council.

For projects involving a change of use, IX3 implements land use strategies that aim to preserve existing manufacturing activities, thereby prohibiting the conversion of non-residential uses to housing, hotels, and, under certain circumstances, offices. In contrast, IX4 includes a more permissive approach towards change of use, permitting conversions from manufacturing to housing, hotels, or offices without restriction. Considering the development of new residential properties, IX3 represents the more suitable zoning option to facilitate such endeavors and should be taken into account across the entire site.

Discussion

The area bounded by 7th Street on the north, Alameda Street on the east, Olympic Boulevard on the south, and Central Avenue on the west is characterized by substantial single-ownership campus-style developments, housing numerous jobs. Preserving and enhancing this job concentration is integral for economic growth and stability in the region. Additionally, the campus's close proximity to the planned West Santa Ana Branch (WSAB) Arts District South metro station offers key opportunities to co-locate dense uses near transit. Locating jobs, housing, and entertainment in close proximity to public transit stations leads to increased transit ridership and reduced dependency on cars, ultimately supporting statewide sustainability goals.

Over time, a portion of this area commonly referred to as "The ROW" has undergone a significant transition, reflecting the changing nature of the manufacturing industry and the adoption of new technologies that have improved space efficiencies. In response to these changes, tenants within the site have embraced a new approach, blending productive space with retail and front office uses, promoting collaboration, and sustaining economic growth. Allowing retail to collocate with manufacturing uses can facilitate greater flexibility for both existing and new manufacturing uses to meet evolving market demands, adapt to changing technology and space needs, and remain sustainable over the long term.

As the ROW site continues to evolve, IX3 zoning standards stipulate that all existing non-residential space must be retained, and any new residential uses should be developed alongside 1² FAR of manufacturing uses in new construction. Currently, the existing structures encompass approximately 1.6 million square feet of Productive Space. If new residential construction were to be developed on underutilized portions of the site, the IX3 zoning would require additional manufacturing space.

Recognizing the advantages of combining housing and employment opportunities within a campus-style development on large sites (i.e. larger than 15 acres), there may be benefits in amending the IX3 zoning provisions to credit existing office space on-site instead of necessitating additional manufacturing space. By allowing office spaces to contribute towards the productive space requirement, it recognizes the interconnectedness of office utilization and

² The amount of job producing space has been the focus of many public comments and modifications to the 1 FAR requirement are discussed in a separate report to City Council.

small-scale manufacturing within a campus-style setting. Additionally, this approach recognizes the role of various employment sectors in generating economic activity and fostering employment opportunities within the designated area and near planned transit. This approach encourages the integration of residential and office spaces, creating vibrant and self-sufficient communities where residents can live and work in close proximity. Furthermore, modifications to streamline residential development on-site would be supportive of the Downtown Plan goals to promote a mix of uses that provide a greater sense of community and connectivity, reduce dependency on single occupancy vehicles, and help meet broader climate change goals.

The report concludes with language aimed at facilitating technical amendments to the Zoning Code. This language aims to provide clarity regarding the allowance of residential new construction in campus-style unified developments to consider existing office and manufacturing space as credit towards the required Productive Space. Additionally, the amendments outline the consistent application of the IX3 use district throughout the entire site.

Recommendation

1. Zoning Consistency

In order to facilitate consistent zoning across the area, City Planning is recommending that the southern portion of the site be rezoned from IX4 to IX3.

The following modifications to Exhibit D.2 of PLUM Transmittal (Zone Change Map and Matrices Ordinance) are presented for Council’s consideration. Additions to the ordinance are indicated by underlined text and deletions are indicated by ~~strikethrough~~.

Subarea	Zone From - [To]
DTL-1550-A	M2-2D - [MB4-SH1-5] [<u>IX3</u> IX4 -FA]
DTL-1080-A	M2-2D - [MB4-SH1-5] [<u>IX3</u> IX4 -FA]
DTL-1080-B	M3-2D - [MB4-SH1-5] [<u>IX3</u> IX4 -FA]

2. Streamlining for Campus Style Developments

In order to support the collocation of residential and employment uses on campus-style developments, the technical edits to the Zoning Code are provided below:

The following modifications to Exhibit E of PLUM Transmittal (CPC Recommendation Draft of new Zoning Code) are presented for Council’s consideration. Additions to the ordinance are indicated by underlined text and deletions are indicated by ~~strikethrough~~.

Modify IX3 Use District as follows to add relief from In Conjunction with requirements:

Sec. 5B.7.3. INDUSTRIAL-MIXED 3 (IX3)

B. Allowed Uses & Limitations

Use	Permission	Use Standard	Specification
RESIDENTIAL	*	Use Separation (min)	
		Heavy Industrial Relief	50' C1
Dwelling	PS *	(see Residential) In conjunction with:	<ul style="list-style-type: none"> • Manufacturing, Light: General • Manufacturing, Light: Artistic & Artisanal • Manufacturing, Light: Garment & Accessory
		<u>Relief</u>	<u>C2</u>
		<u>Supplemental procedures</u>	<u>Sec. 5B.7.3.D.8.</u>
		Floor area (min)	<u>15% of total floor area, or 0.5 FAR, whichever is greater, up to a maximum of 1.0 FAR required</u>
		Exception	100% Restricted affordable units
		<u>Special use program</u>	<u>Sec. 5C.4.5.</u>

The update to the floor area (min) in the table reflects an amendment that is discussed in the report titled “Potential Effects to Housing Production in the Downtown Community Plan Area within the Fashion District’s IX3 Zone”, dated September 19, 2023. The update to the Dwelling use permission reflects an amendment that is discussed in the report titled, “Potential Modifications to the IX1 Use District to Better Facilitate Community Facilities within Portions of the Skid Row Neighborhood”, dated September 19, 2023.

Sec. 5B.7.3.D.8.

1. Dwelling

- In accordance with Sec. 13.B.2.2. (Class 2 Conditional Use Permit), the Zoning Administrator may grant relief from Sec. 5C.3.13. (In Conjunction With) of this Zoning Code in order to preserve a large concentration of productive uses in the IX3 Use District and encourage infill development by: 1) allowing a Unified Development comprising 15 acres or more, which may include multiple lots, to count uses across all the lots within the Unified Development toward the in conjunction with requirement and, 2) allowing the same Unified Development to count office uses toward the in conjunction with requirement. In order to grant this relief, the Zoning Administrator shall make the Supplemental Findings that the Unified Development:
 - Meets the intent of balancing productive uses with residential uses by maintaining the minimum floor area for the required “in conjunction with” uses as specified in the Use District
 - That the granting of the application will support the intent of the use district, including contributing to high quality employment and productive industries.
 - That allowing the office use to count towards “in conjunction with” requirements will enable the retention of a high concentration of employment opportunities.
 - That the Unified Development is located within ¾ mile of an existing or proposed fixed rail transit stop.

Sincerely,

VINCENT P. BERTONI, AICP
Director of Planning



Shana MM Bonstin
Deputy Director

VPB:SB:cw:ba:vs