

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

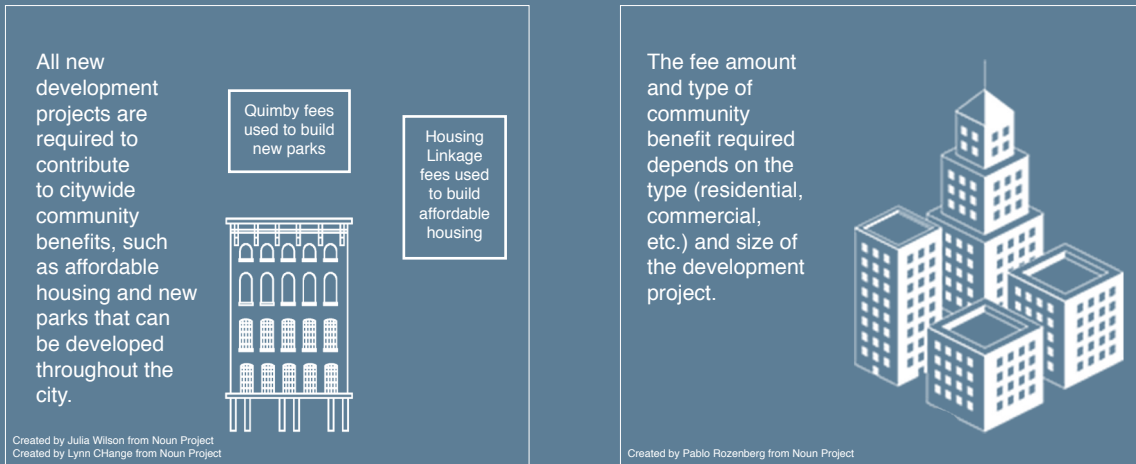
The Affordable Housing Linkage Fee and Quimby Fee will remain and continue to provide a funding stream for the provision of affordable housing units and open space amenities, as they now exist. However, the Downtown Plan will introduce the Downtown Plan Community Benefits Program within the Plan Area 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.

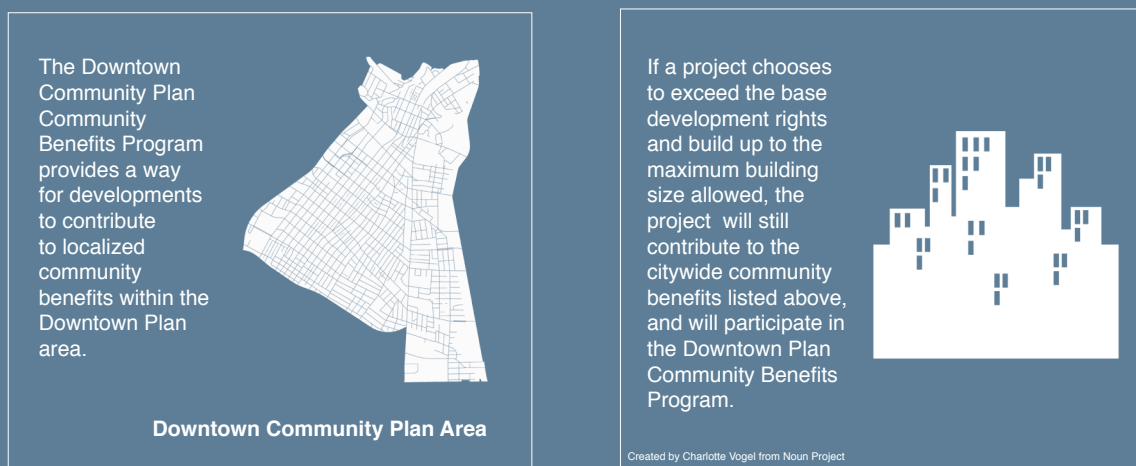
New development within the Downtown Plan Area may participate in the Downtown Community Benefits Program, as permitted by the applicable zoning regulations. The zoning will outline a base maximum and bonus maximum development capacity, and in some cases a base and bonus maximum story height. Development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

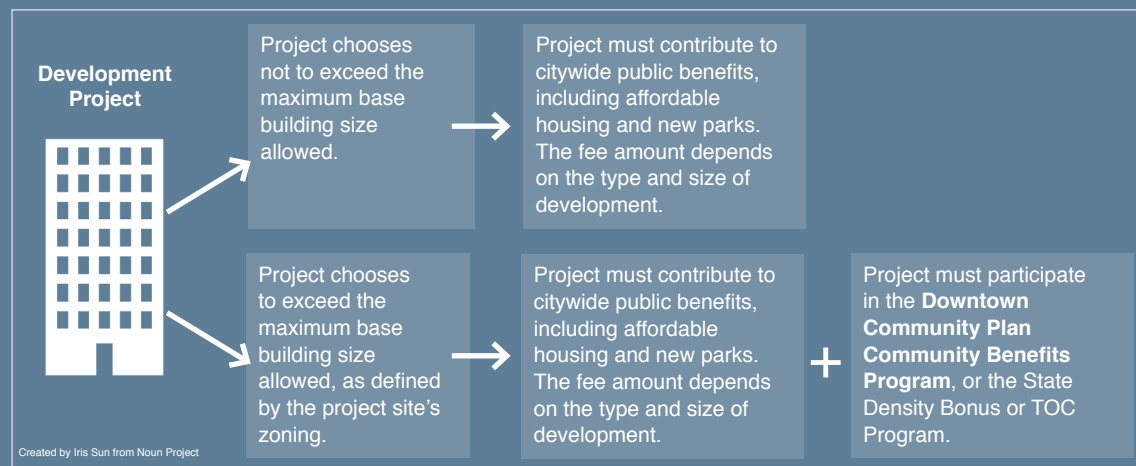
1. Citywide requirements which apply to all development



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

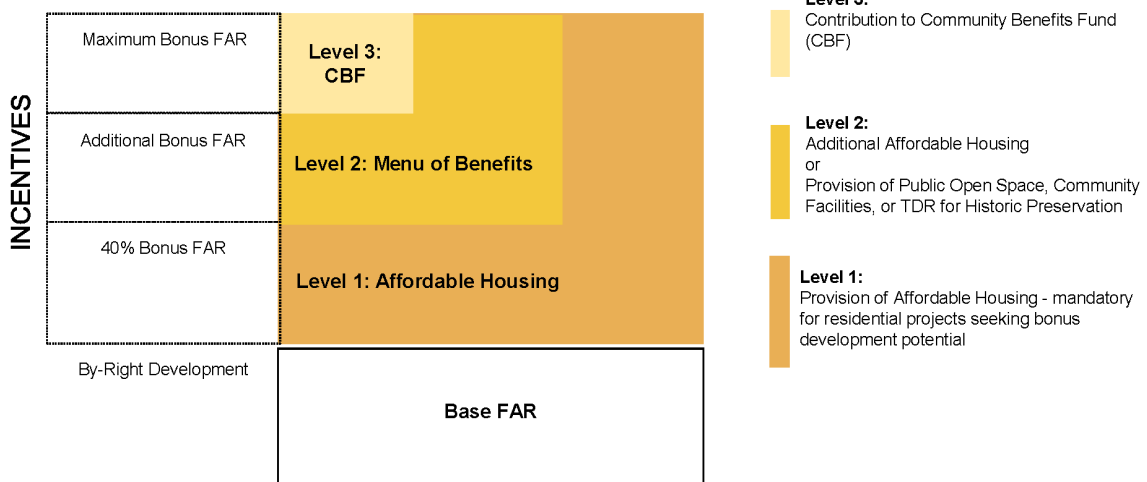
Density Bonus minimum requirements.

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

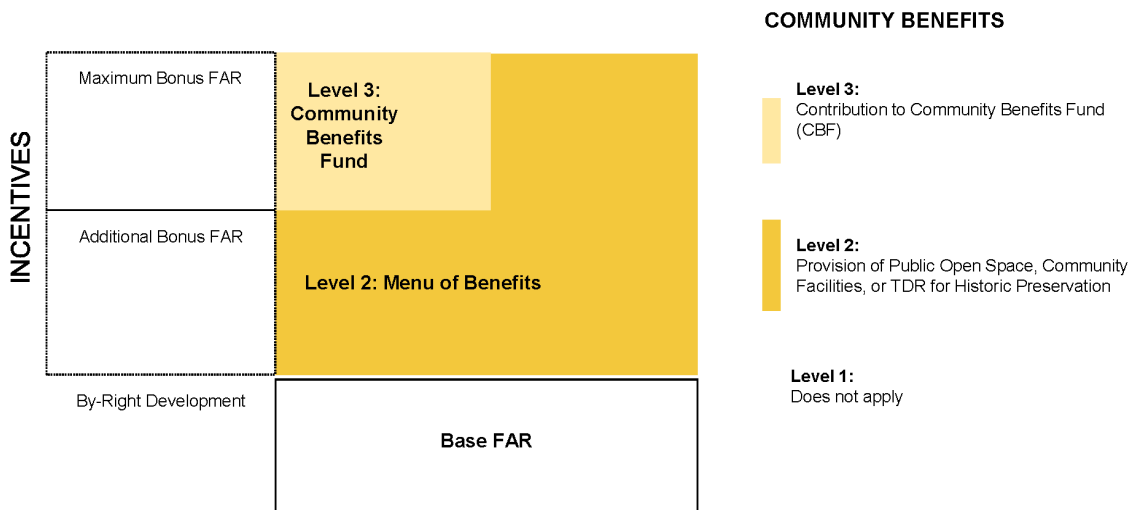
The type of community benefits required to be provided for a Non-Housing Project will be based on the extent of additional development rights requested. For non-housing projects, Level 1 will not be required

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.

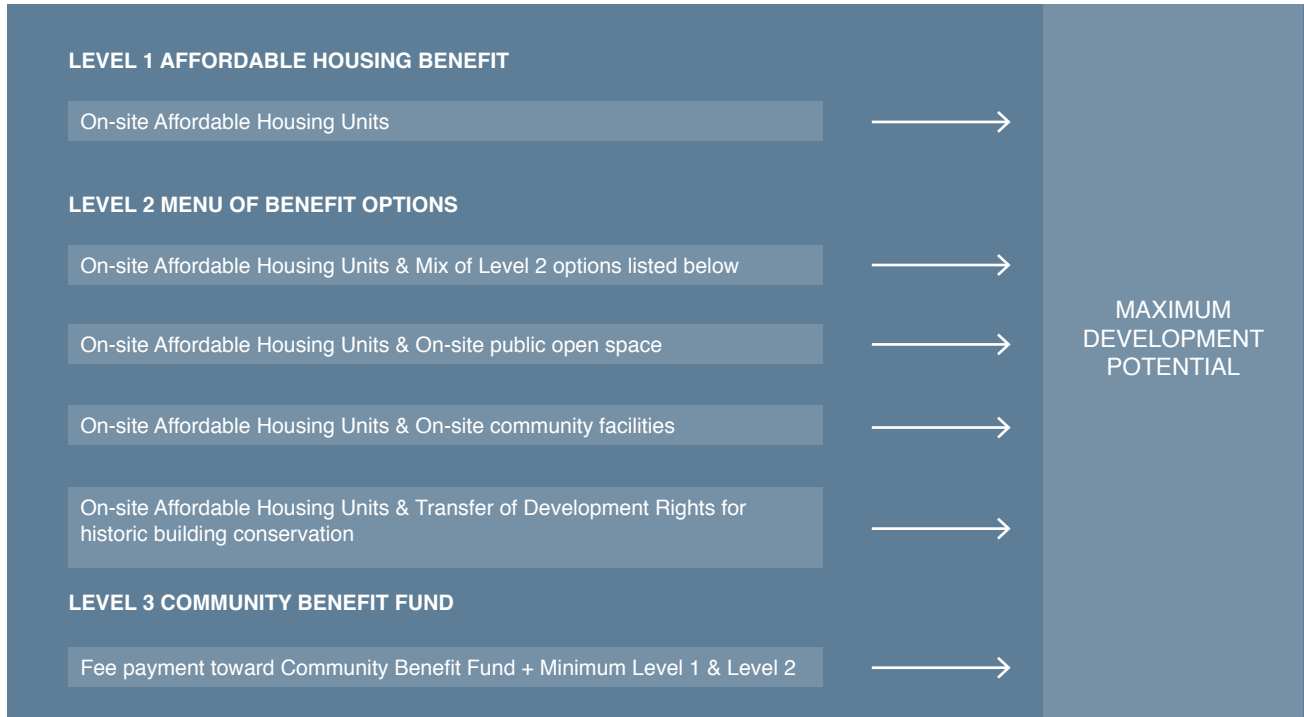
Level of Incentives and Community Benefits for Non-Housing Development



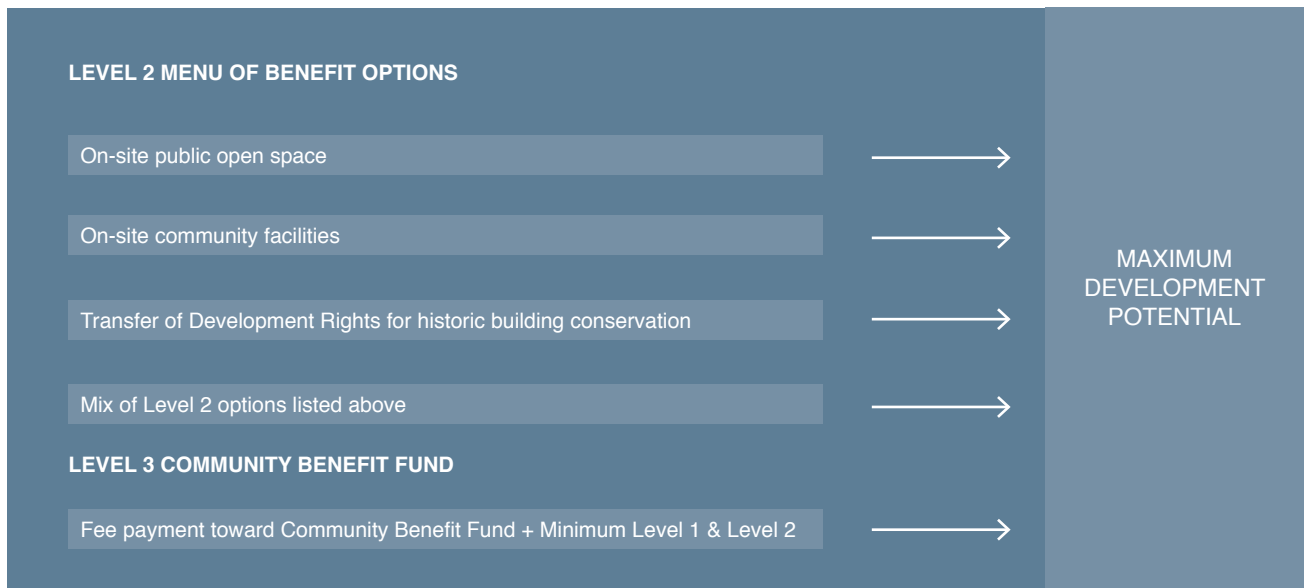
Summary of Development Project Scenarios

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



For more example development project scenarios see appendix on page A-1.

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:

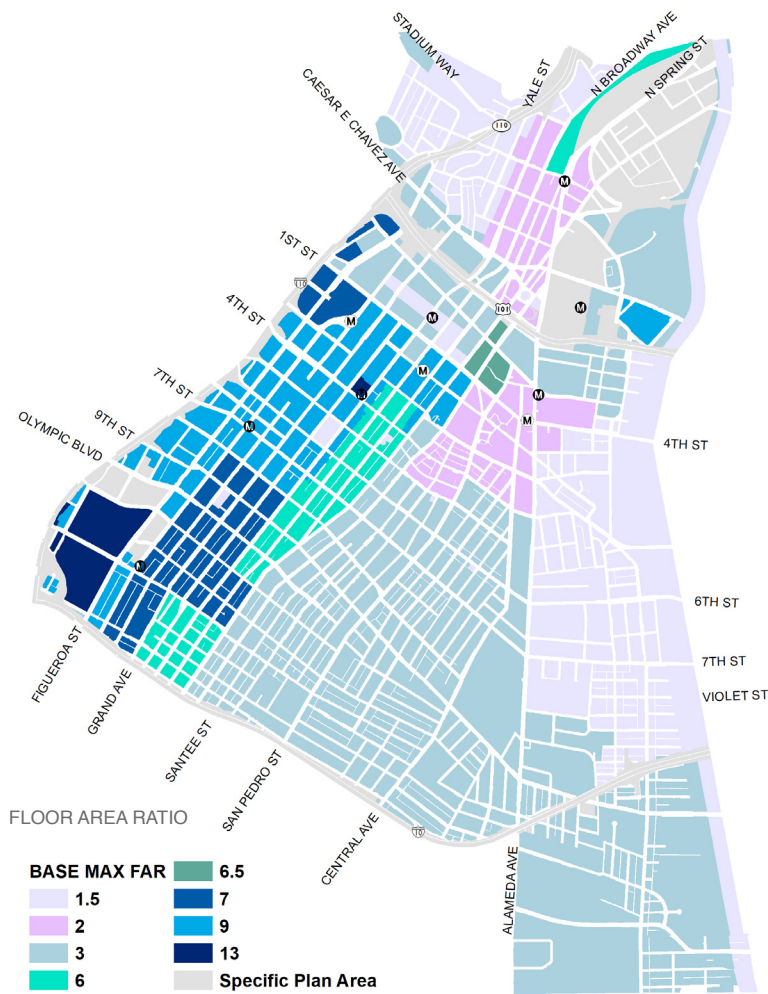
- 1.5% of total Residential Units towards Deeply Low, Extremely-Low Income, or Very-Low Income units; or
- 2.5% of total Residential Units towards Low, Moderate (for sale or rent) or Above Moderate Income (for sale or rent) units

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.

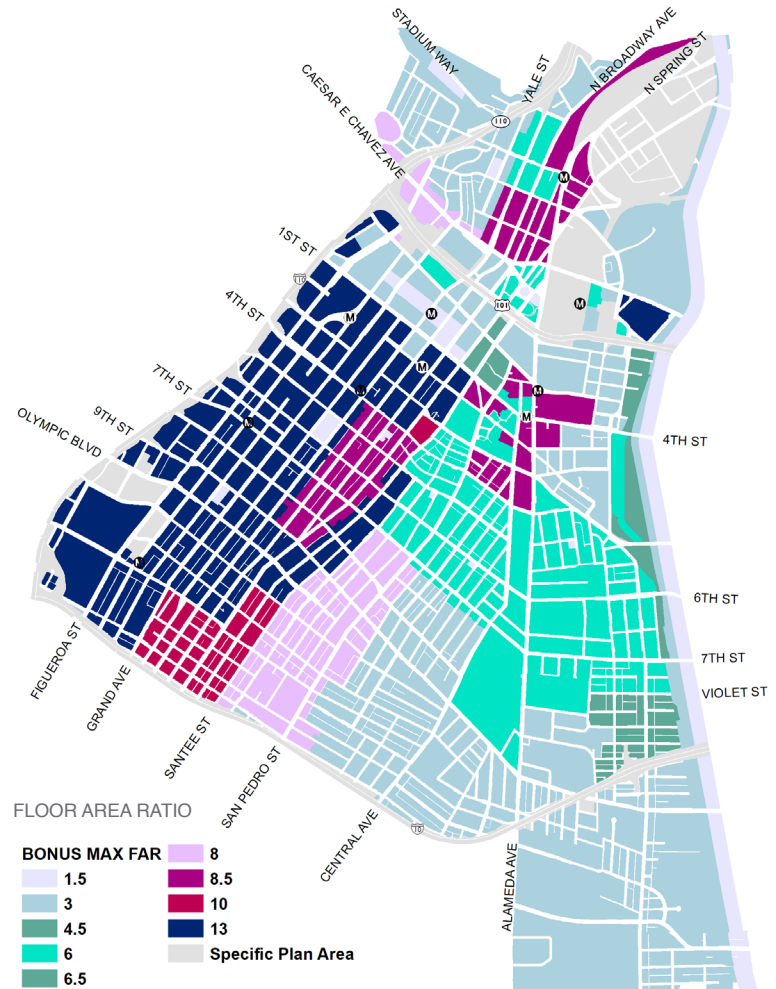
Eligibility

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.

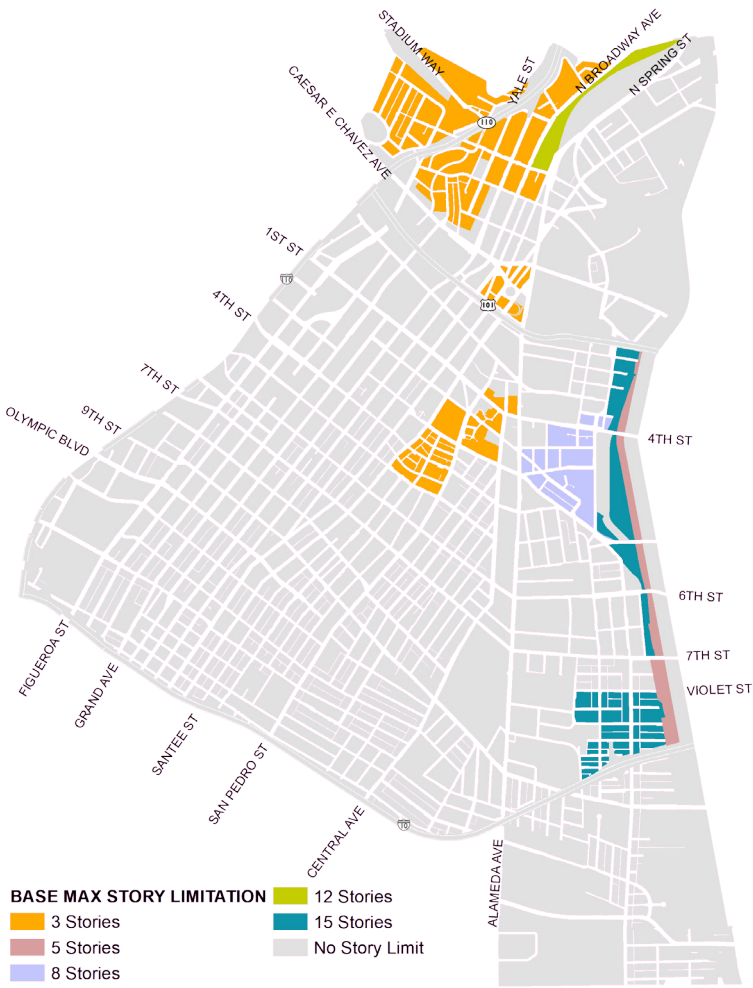
BASE MAXIMUM DEVELOPMENT POTENTIAL



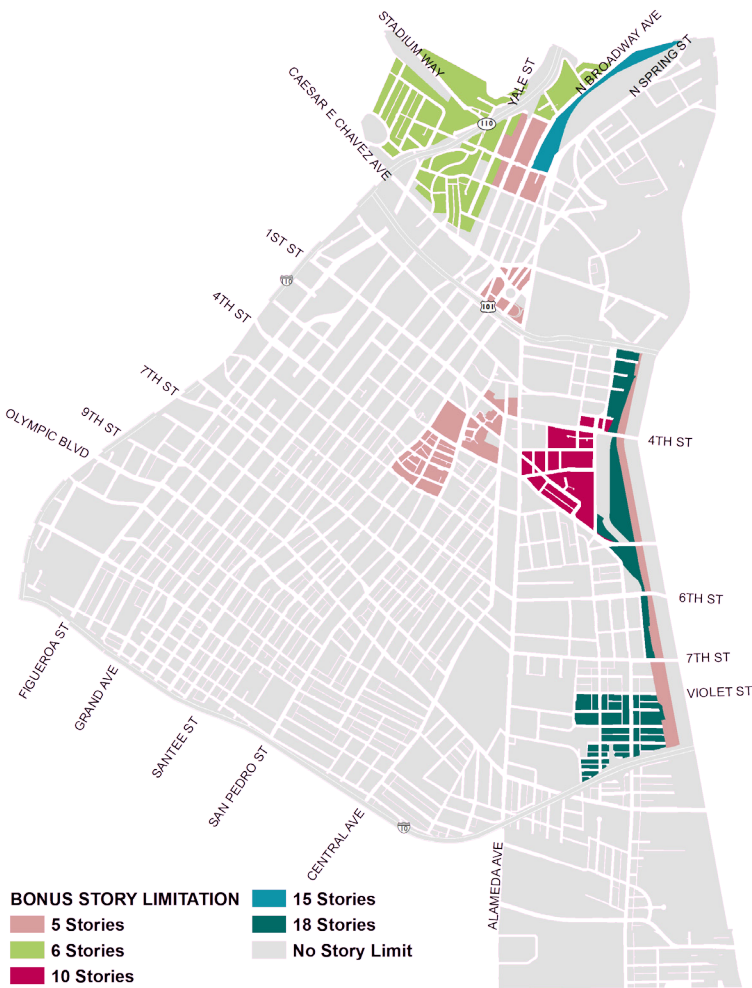
BONUS MAXIMUM DEVELOPMENT POTENTIAL



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 the minimum onsite benefits of Level 1 and Level 2 may achieve maximum floor area by continuing to provide affordable housing in Level 2, or entering Level 3 of the community benefits program paying a fee towards the Community Benefits Fund.



To access maximum FAR in Level 3 of the program, Projects must pay into the Community Benefits Fund.

Distribution of the fund is governed by an oversight committee composed of representatives from City Departments, offices of elected officials, and members of the community. It is envisioned that city departments, agencies, non-profits, community-based organizations, and other community serving groups such as tenant organizations, community land trusts, or street venter co-ops, would submit applications requesting funds for projects, programs, or eligible uses. Programs that may qualify for receiving the funds include:

- programs to support affordable housing such as funding for Community Land Trusts or funds to extend expiring affordable housing covenants,
- mobility and street improvements,
- parks and open space,
- programs for small legacy and community-serving businesses,
- design and procurement of sidewalk vending carts,
- resiliency centers,
- and facilities and services for people who are experiencing homelessness.

Similar to Level 1 and Level 2 of the Community Benefits Program the process for the Community Benefits Fund would be completely ministerial. The oversight committee would make findings and recommendations for the appropriation of funds to qualifying projects, which would ultimately be subject to City Council approval. The oversight committee is comprised of 12 members including one member from each of the following City groups;

- The Mayor's Office,
- The City Administrative Officer,
- Office of the Chief Legislative Analyst,
- Department of City Planning,
- Housing and Community Investment Department (HCID),

and a total of seven public members;

- one public member appointed by each Council District within the Downtown Community Plan Area (Council Districts 1, 9, and 14)
- one public member appointed by the Mayor's Office
- three public members who apply to be selected to serve as representatives from inside or within 1.5 miles of the Downtown Community Plan Area boundary.

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

Housing Development Projects utilizing the Community Benefits Program are required to replace 67% of demolished residential units as covenanted lower-income units. Citywide Rent Stabilization Ordinance (RSO) units, would continue to be RSO units within the new residential development.

Appendix: Additional Development Scenarios

DEVELOPMENT SCENARIO 1

Proposed Zoning:

The following example is located on a 1-acre site in the Arts District neighborhood of the Downtown Community Plan Area. The proposed zoning allows for a Base FAR of 1.5:1 and upto a Bonus FAR of 6:1. The zoning Use District IX4 requires the minimum size of each housing unit be at least 1,000 sf. The zoning also requires that any residential project set aside a minimum of 1.5:1 FAR of Production Space. The minimum Outdoor Amenity Space requirement is 15% of the lot area.

Proposed Project Example:

The project includes a total of 176 housing units and 84,940 sf (1.95 FAR) of Production Space. The project utilizes the Affordable Housing Incentive and the Open Space Incentive of the Community Benefit Program to achieve up to 6:1 Bonus FAR. In exchange for the bonus development potential, the projects reserves 18 of the total units for Extremely-low Income (ELI - 30-50% of AMI \$56,300* for a family of four) households, and includes approximately 9,932 square feet of Publicly Accessible Open Space.

Development Scenario 1 Arts District: Housing Development Project

Proposed Zoning	
Zone	[MB3-CDF1-5] [IX4-FA] [CPIO]
Base FAR (per MB3 zoning Form District)	1.5: 1
Maximum Bonus FAR (per MB3 zoning Form District)	6: 1
Minimum Average Unit Size Required (per IX4 zoning Use District)	1,000 sf
Minimum Production Space Required (per IX4 zoning Use District)	1.5 FAR
Outdoor Amenity Space Required (per MB3 zoning Form District)	15% of Lot Area

Proposed Project Example	
Site Area (hypothetical project site)	1 Acre (43,560 sf)
Total # of Housing Units	176
Market-Rate Units (assuming a unit of 1000 sf)	159
Affordable Units* (ELI- 10% of total units)	18 (in exchange for 2.55:1 Bonus FAR above the 1.5:1 Base FAR)
Production Space (1.95 FAR)	84,940 sf
Publicly Accessible Open Space {Outdoor Amenity Space (15% of lot area) + 4% of lot area for every Incremental FAR}	9,932 sf (in exchange for 1.95:1 additional Bonus FAR)

* Extremely Low- Income @ 10% on the total number of units
(Level 1 Requirement of 8% + 1.5% for every additional FAR)

DEVELOPMENT SCENARIO 2

Proposed Zoning:

The following example is located on a 1-acre site in the Financial District neighborhood of the Downtown Community Plan Area. The proposed zoning allows for a Base FAR of 7:1 and upto a Bonus FAR of 13:1. The minimum Outdoor Amenity Space requirement is 20% of the lot area.

Proposed Project Example:

The project includes a total of 809 housing units. The project utilizes the Affordable Housing Incentive and the Community Facility Incentive of the Community Benefit Program to achieve up to 13:1 Bonus FAR. In exchange for the bonus development potential, the projects reserves 84 of the total units for Extremely-low Income (ELI - 30-50% of AMI \$56,300* for a family of four) households, and includes approximately 6,742 square feet of Community Facility.

Development Scenario 2

Transit Core: Housing Development Project

Proposed Zoning	
Zone	[HB3-G1-5] [CX3-FA] [CPIO]
Base FAR (per HB3 zoning Form District)	7: 1
Maximum Bonus FAR (per HB3 zoning Form District)	13: 1
Minimum Unit Size Required	none
Outdoor Amenity Space Required (per HB3 zoning Form District)	20% of Lot Area

Proposed Project Example	
Site Area (hypothetical project site)	1 Acre (43,560 sf)
Total # of Housing Units*	809
Market-Rate Units (assuming a unit of 1000 sf)	725
Affordable Units** (ELI- 10.4% of total units)	84 (in exchange for 4.4:1 Bonus FAR above the 7:1 Base FAR)
Community Facility (5,000 sf + 2.5% of every incremental Bonus FAR)	6,742 sf (in exchange for 1.6:1 additional Bonus FAR)

* Assumes an average unit size of 700 square feet.

** Extremely Low- Income @ 10.4% on the total number of units
(Level 1 Requirement of 8% + 1.5% for every additional FAR)

DEVELOPMENT SCENARIO 3

Proposed Zoning:

The following example is located on a 1-acre site in the Financial District neighborhood of the Downtown Community Plan Area. The proposed zoning allows for a Base FAR of 7:1 and upto a Bonus FAR of 13:1. The minimum Outdoor Amenity Space requirement is 20% of the lot area.

Proposed Project Example:

The project includes a total of 566,280 sf of non-residential area. The project utilizes the Community Facility Incentive and the Open Space Incentive of the Community Benefit Program to achieve a total of 13:1 Bonus FAR. In exchange for the bonus development potential, the projects incorporates approximately 8,267 square feet of Community Facility and 13,939 square feet of Publicly Accessible Open Space.

Development Scenario 3

Transit Core: Non -Housing Development Project

Proposed Zoning	
Zone	[HB3-G1-5] [CX3-FA] [CPIO]
Base FAR (per HB3 zoning Form District)	7: 1
Maximum Bonus FAR (per HB3 zoning Form District)	13: 1
Minimum Unit Size Required	none
Outdoor Amenity Space Required (per HB3 zoning Form District)	20% of Lot Area

Proposed Project Example	
Site Area (hypothetical project site)	1 Acre (43,560 sf)
Total Non-Residential Area	566,280 sf
Bonus Non-Residential Area	261,360 sf
Community Facility (5,000 sf +2.5% of every incremental Bonus FAR)	8, 267 sf (in exchange for 3:1 Bonus FAR above the 7:1 Base FAR)
Publicly accessible Open Space (Outdoor Amenity Space (20% of lot area) + 4% of lot area for every Incremental FAR)	13,939 sf (in exchange for 3:1 additional Bonus FAR)