

**Attachment C:
SUPPORTING MATERIALS**

- C-1 Memo from Bud Ovrom, Deputy Mayor, to General Managers requesting recommendations and strategies to preserve city's industrial zones, December 12, 2005

- C-2 ILUP Research Memorandum "Downtown Housing – Relative Affordability of Downtown Core and Industrial Units," Keyser Marston Associates, October 27, 2006.

- C-3 ILUP Research Memorandum, "Industrial to Residential Land Use Conversion – Comparative Land Value Analysis," Keyser Marston Associates, January 27, 2007

- C-4 ILUP Research Memorandum, "Industrial Land Use Conversion – San Jose Experience," Keyser Marston Associates, March 27, 2007.

- C-5 ILUP Research Memorandum: "Residential and Industrial Area Comparison," Keyser Marston Associates, June 26, 2007.

INTER OFFICE MEMORANDUM

December 12, 2005

**To: Andrew Adelman, General Manager, Department of Building and Safety
Richard Benbow, Acting Chief Executive Officer, Community Redevelopment Agency
Mercedes Marquez, General Manager, Housing Department
Mark Winogrand, Interim Planning Director, Department of City Planning
Clifford Graves, General Manager, Community Development Department
Rudy Montiel, Executive Director, Housing Authority of the City of Los Angeles**

**From: Bud Ovrom, Deputy Mayor of Housing & Economic Development
Adriana Martinez, Director, LA's Business Team**

**cc: Marcus Allen, Deputy Chief of Staff
Kevin Acebo, Deputy Mayor, Intergovernmental Relations
Councilmember Eric Garcetti, Chair, Housing, Community and Economic Development Committee
Councilmember Ed Reyes, Chair, Planning and Land Use Management Committee
Peter Gutierrez, Assistant City Attorney, City Attorney's Office**

I request your collective recommendation regarding strategies to address the increasing pressure to convert the city's industrial zones to alternative land uses. We must think strategically and proceed with caution when evaluating various competing uses for our scarce industrial land. Please work together expeditiously to evaluate this critical issue, and return with recommendations at the first Economic Development Cabinet meeting in January, 2006. The recommendations should include short- and long-term planning and regulatory decisions that will address our land use needs citywide.

Pending these recommendations and decisions, I urge caution as your departments process individual land use cases and applications during this critical study period. We must vigorously protect the little industrial land that we have to be sure that we preserve a healthy economy and provide jobs for the City's future. To the extent that non-industrial uses seek to use the limited amount of industrial space we have in the City, we must more carefully consider the loss of this limited resource as applications for such non-industrial uses are filed on properties that are zoned and planned for industrial uses. Your recommendations should thus include a work program on how to address individual and immediate cases as well.

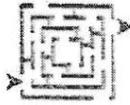
Los Angeles' industrial jobs occur on a very small fraction of the 464 square miles that make up the City. Only 8% of our city is zoned for industrial use, primarily in 5 concentrations: Greater Downtown, the Westside, Hollywood, the railroad corridor across the Valley, and the Harbor.

These industrial areas are a precious resource that, if lost or severely compromised, will be impossible to recreate.

The Mayor intends to establish the policies, incentives, and regulations that are necessary to protect and grow our industrial base for 21st Century jobs. A comprehensive analysis of the 8% of our city that is industrially-zoned may reveal that some of the land is appropriate for conversion to other uses, and that some industrial uses can function within a greater mix of uses. Similarly, it may show that the loss of some of this land will cause irreparable harm to our ability to sustain and grow our job base. Because industrial jobs are changing so rapidly, the fact that industrial land or buildings may be vacant or under-performing today is not necessarily a determinant measure of their value for the industrial uses of the near or distant future.

It is critical that we plan wisely for a diversified economic base while simultaneously accommodating our need for additional housing and other uses. The approach must be balanced in all cases. It is critical that decisions about conversion of industrial land be strategic and thoughtful.

If you have any questions or need further information, please contact Adriana Martinez, Director, LA's Business Team, on (213) 978-0662.



KEYSER MARSTON ASSOCIATES
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MEMORANDUM

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A. FERRY KEYSER
TIMOTHY C. KELLY
KATE EARLY FUNN
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ROBERT J. WETMORE

LOS ANGELES
CALVIN S. HOLLIS II
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KEVIN ENGSTROM
JULIA ROMEO

SAN DIEGO
GERALD M. TRIMBLE
PAUL C. MARRA

To: Gail Goldberg AICP, Director of Planning
City of Los Angeles

Cecilia V. Estolano, Chief Executive Officer
Community Redevelopment Agency
of the City of Los Angeles

From: Cal Hollis

Date: October 27, 2006

Subject: Downtown Housing—Relative Affordability
of Downtown Core and Industrial Units

Pursuant to the request of the Industrial Land Use Policy Team, Keyser Marston Associates, Inc. (KMA) evaluated the recent history of residential sales in the Downtown Area generally bordered by the 110 Pasadena Freeway, the 101 Hollywood Freeway, and the 10 Santa Monica Freeway. In the course of the Team's work, there was an inquiry as to whether or not the conversion of industrial land to residential uses in the Downtown Area is resulting in more affordable housing units being developed. To address this question, KMA divided the Downtown Area into two sub-areas to the east (Industrial Area) and west (Core Area) of San Pedro Street. By reviewing the Industrial Area and Core Area sales comparables since January 1, 2003, it is determined that the Industrial Area sales prices measured on a per square foot basis are substantially equivalent to those within the Core.

As shown in Table 1, the Industrial Area has an average sales price of \$598,000 and a median price of \$545,000 and the Core Area has an average sales price of \$651,000 and a median price of \$653,000. The Industrial Area average sales prices are therefore 8% lower than the Core. There were more units sold in the Core, and the units were on average 100 square feet larger than Industrial Area units. As illustrated in Table 2, the average price per square foot of the Core Area is \$514, and the average price per square foot of the Industrial Area is only 2% lower, with an average price per square foot of \$503.

To: Gail Goldberg, City of Los Angeles
Cecilia V. Estolano, Community Redevelopment Agency
of the City of Los Angeles

October 27, 2006

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Subject: Downtown Housing—Relative Affordability
of Downtown Core and Industrial Units

The sales comparables in the Core as well as the Industrial Area are well above the affordable sales prices for the City of Los Angeles, as defined in the California Health and Safety Code. The maximum allowable purchase price as defined for "moderate income" units in the City is below \$200,000. The Industrial Area median sales price is more than double this maximum "affordable" purchase price.

We hope this information is helpful and are available to discuss the above at your convenience.

Attachments

TABLE 1

DOWNTOWN HOUSING COMPARABLES*
LOS ANGELES, CALIFORNIA

Project	Address	Weighted Average SF	Weighted Average Sales Price	Weighted Average \$/ SF	Units Sold
Industrial Area					
Biscuit Co Lofts	Industrial St & Mateo	1,297	\$866,944	\$640.46	36
Little Tokyo Lofts	420 S San Pedro	942	\$494,853	\$527.95	68
Molino Street Lofts	500 S Molino	1,553	\$594,527	\$380.93	91
Savoy	100 S Alameda	899	\$619,818	\$690.69	303
Textile Building	315 E 8th St	950	\$475,207	\$507.07	29
Tokyo Villa	222 S Central Ave	1,087	\$447,500	\$411.68	2
Toy Factory Lofts	1855 Industrial St	1,059	\$483,486	\$467.30	109
Toy Warehouse	215 S Santa Fe Ave	2,080	\$801,250	\$393.45	4
	Average	1,233	\$597,948	\$502.44	
	Median	1,073	\$544,690	\$487.19	
	Total				642
Core Area					
Bunker Hill Tower	800 W 1st St	1,214	\$667,111	\$561.12	9
Eastern Columbia	849 S Broadway	1,667	\$984,935	\$537.36	139
Elleven	1111 S Grand	1,670	\$739,009	\$437.64	174
Flower Street Lofts	1130 S Flower St	1,643	\$582,747	\$358.55	91
Grand Lofts	1100 S Grand	1,743	\$640,968	\$370.54	62
Luma South	11th & Hope	1,264	\$620,000	\$509.39	210
Pan American Lofts	249 S Broadway	732	\$467,143	\$622.21	14
The Promenade	121 S Hope St	1,109	\$677,000	\$624.38	5
Shybarry Grand Lofts	501 S Broadway	926	\$469,219	\$510.30	255
The Skyline	600 W 9th St	1,103	\$664,400	\$606.18	20
	Average	1,307	\$651,253	\$513.77	
	Median	1,239	\$652,684	\$523.83	
	Total				979

Source: Hanley-Wood, Zillow.com, DataQuick.com, Los Angeles County Assessor

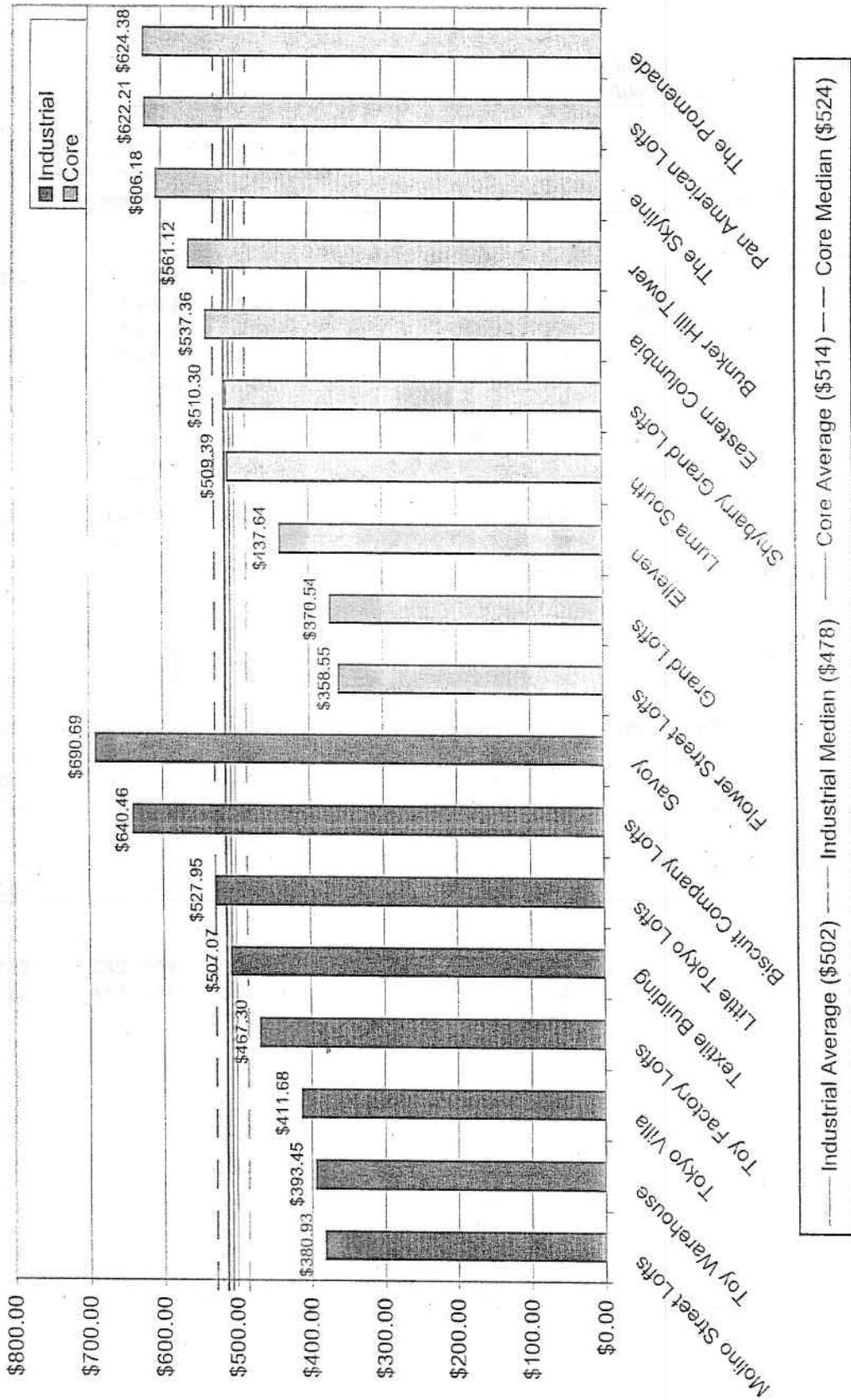
* All sales dates after 1/2003.

Prepared by: Keyser Marston Associates, Inc.

Filename: Downtown Housing Comps 2:T1A: 10/26/2006: NYM

TABLE 2

CORE V. INDUSTRIAL - WEIGHTED \$/SF
LOS ANGELES, CALIFORNIA



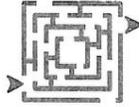
Source: Hanley-Wood, Zillow.com, DataQuick, Los Angeles County Assessor
 Prepared by: Keyser Marston Associates, Inc.
 Filename: Downtown Housing Comps 2: Table 2: 10/23/2006: NYM

MAP 1

DOWNTOWN HOUSING COMPARABLES
LOS ANGELES, CALIFORNIA



For Illustrative Purposes Only
Prepared by: Keyser Marston Associates, Inc.
Filename: Downtown Map.mdx; 10-24-06; nym



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MEMORANDUM

To: Cecilia V. Estolano, Chief Executive Officer
Community Redevelopment Agency of the City of Los Angeles

From: Keyser Marston Associates, Inc.

cc: ILUP Team

Date: January 17, 2007

Subject: Industrial to Residential Land Use Conversion –
Comparative Land Value Analysis

ADVISORS IN:
REAL ESTATE
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Pursuant to the request of the Industrial Land Use Policy Team, Keyser Marston Associates, Inc. (KMA) examined the likely impact on land values if industrial zoning is replaced with zoning which permits residential development. This review was undertaken by both gathering recent land sale data for industrial and residentially zoned properties in the greater downtown area as well as through the preparation of prototypical development pro formas for a residential project, and a light industrial project. Through the pro forma analysis, KMA has estimated the “residual land value”¹ supportable by industrial or residential development.

Land Sale Comparables

KMA conducted a survey of land sales comparables that have transacted within the past two years in the greater downtown area. The location of the sales comparables are shown on Map 1. KMA compiled these sales based on data obtained from the Costar

¹ “Residual land value” is the value of land determined by deducting from the value of an improved property, the costs of development and a market rate profit. The methodology is often used where direct land sale comparables are not available without substantial adjustment for the use and development conditions.

To: Cecilia V. Estolano, LACRA
S. Gail Goldberg, City of Los Angeles
Subject: Comparative Land Value Analysis

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Group and from land sale appraisals provided by the CRA and others. However, it should be noted that industrial and residential sales comparables are generally limited in this area. The industrial sales include three sites in Vernon. The survey revealed that the weighted average sales price per square foot for land intended for residential and industrial uses was \$290 and \$41, respectively (refer to Appendices A and B).

Residual Land Value

Given the lack of residential sales in the industrial areas of the downtown, KMA has prepared a residual land value analysis to estimate the supportable land value for residential and industrial development. To estimate the residual land value, KMA has prepared development cost and income estimates ("development pro formas") for two hypothetical projects on an assumed 2-acre site in the industrial areas of downtown Los Angeles.

Residential Development Assumptions

- The parcel size is assumed to be 2.0 acres.
- The residential project is comprised of 100 ownership units, at a density of 50 units per acre. This represents an FAR of approximately 1.5 : 1
- The residential project is assumed to be wood frame construction, "Type 5" of 4 stories or less.
- Residential parking is structured, at a ratio of 2.0 spaces per unit.
- The housing is limited to for-sale, market rate condominiums.

Industrial Development Assumptions

- The parcel size is assumed to be 2 acres.
- The building is assumed to contain 52,272 square feet of gross leaseable area equaling a floor area ratio of .60 inclusive of mezzanine space.
- Parking is all surface at a ratio of 2.0 spaces per 1,000 square feet of gross building area.

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S. Gail Goldberg, City of Los Angeles
Subject: Comparative Land Value Analysis

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- The development is assumed to be developed for an owner/user thereby reducing the minimum required return.
- Construction type is concrete tilt-up with office limited to 10% of the building.

Findings and Implications

As reflected in the attached Appendices C and D, KMA's analysis resulted in the following residual land values:

Comparison of Residual Land Values

	Residential	Industrial
Residual Land Value	\$15,424,000	\$3,282,000
Per Square Foot of Land Area	\$177	\$38

The disparity between downtown industrial and residential land values indicated in the residual land values of prototypical projects is supported by the market land sale data discussed above.

As demonstrated above, a change in land use zoning from industrial to residential would confer substantial additional land value. This enhancement in land value can accrue to the existing owner of minimally improved industrial land, allowing the sale of the property at prices substantially in excess of its current value as industrial land. These prices are such a premium over existing industrial land values that potential industrial users of the property cannot compete to purchase or lease. Under current market conditions, the likely result of a granting by the City of residential entitlement from industrial will be a conversion of industrial to residential uses.

Alternatively, residential condominium developers who purchase industrially zoned property at industrial land values and subsequently receive residential entitlement will see a substantial increase in development profit. Using the residential pro forma discussed above, the profit as a percentage of development cost, would increase from 18% to 54% as shown below, a \$12 million increase in the example provided:

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Comparison of Enhanced Profit Due to Entitlement Change

	Acquisition of Residentially Zoned Land	Acquisition of Industrially Zoned Land If Rezoned
Residential Sales Proceeds	\$60,240,000	\$60,240,000
Imputed Land Costs ⁽¹⁾	\$15,424,000	\$3,282,000
Other Development Costs	\$35,780,000	\$35,780,000
Total Development Costs	\$51,204,000	\$39,062,000
Profit	\$9,036,000	\$21,178,000
Profit as % of Total Costs	18%	54%

⁽¹⁾Assumes residual land values as determined in prototypical analyses above.

This increase in value of approximately \$12 million is directly attributable to the granting of residential entitlement.

The extent of the enhanced land value or extraordinary developer profit will be a function of a number of variables including the building type and density of the residential developed, the cost and time period require to obtain residential entitlements, market conditions, etc. Under current market conditions, there is a substantial premium created as a result of a change in land use entitlements.

There have been fewer transactions of residential land for apartment development in the downtown area. Based upon current construction costs and rent levels, it is unlikely residential land values for apartment development approach the values achieved for condominium land in the South Park area. Based solely upon the land costs for the Orcini project at Figueroa and Caesar Chavez, land values of \$100 to \$125 per square foot are indicated for residential rental development. This is substantially in excess of the established industrial land values discussed above.

With respect to adaptive reuse of existing industrial zoned properties to residential uses, no clear generalize conclusions can be drawn. The economics of each adaptive reuse project are unique, and the underlying property values for residential conversion are a function of the extent to which the building must be rehabilitated, the costs of conversion, parking requirements and the like. However, given the interest in conversion of existing industrial buildings to residential uses, the market suggests that there is enhanced return through a change in use to residential.

We hope this review is helpful and are available to discuss this analysis with you at your convenience.

APPENDIX A

APPENDIX A - TABLE 1

**LAND SALE COMPARABLES - RESIDENTIAL
RESIDUAL LAND VALUATION ANALYSIS
LOS ANGELES, CA**

No.	Location & Cities	Sale Date	Land SF	Sales Price	\$/Land SF
1	Multi Family - Units Site Los Angeles, CA	07/18/06	411,642	\$70,500,000	\$171
2	Residential Land Property ¹ Los Angeles, CA	10/27/06	57,934	\$30,000,000	\$518
3	Condominium Site Los Angeles, CA	01/24/06	41,075	\$14,800,000	\$360
4	5-Story Hotel/Apts-Low Income ² Los Angeles, CA	09/08/06	10,454	\$1,155,000	\$110
5	214 unit residential development Los Angeles, CA	07/11/05	29,801	\$17,000,000	\$570
6	156 unit residential development Los Angeles, CA	10/15/05	21,632	\$8,400,000	\$388
7	105 unit residential development Los Angeles, CA	10/04/05	19,500	\$11,040,000	\$566
8	321 unit residential development Los Angeles, CA	10/06/05	64,253	\$20,000,000	\$311
9	651 unit residential development Los Angeles, CA	02/09/05	130,315	\$38,500,000	\$295
10	1,378 unit residential development Los Angeles, CA	12/14/05	275,747	\$70,000,000	\$254
11	700 unit residential development Los Angeles, CA	08/15/06	200,812	\$84,604,773	\$421
Value Range (PSF)					\$110 - \$570
Weighted Average Sales Price Per Sf of Land Area			\$290		

Source: The CoStar Group (10/7/06), CB Richard Ellis, KMA

¹ Transaction is in progress, and has not been closed.

² SRO units - affordable

APPENDIX B

APPENDIX B - TABLE 1**LAND SALE COMPARABLES - INDUSTRIAL
RESIDUAL LAND VALUATION ANALYSIS
LOS ANGELES, CA**

No.	Location & Cities	Sale Date	Land SF	Sales Price	\$/Land SF
1	M3 Zoned Acreage Los Angeles, CA	09/19/05	172,933	\$6,000,000	\$35
2	M3 Zoned Acreage Los Angeles, CA	02/14/06	72,000	\$2,767,000	\$38
3	M2-2D Zoned Land Los Angeles, CA	11/17/05	36,590	\$2,925,000	\$80
4	MR2-1 Zoned Land Los Angeles, CA	July 2006	547,550	\$25,000,000	\$46
5	M3-1 Zoned Land Los Angeles, CA	06/17/05	520,899	\$20,000,000	\$38
6	Vernon Industrial Los Angeles, CA	03/24/06	67,518	\$2,900,000	\$43
7	Warehouse/Distribution Site Vernon, CA	07/24/06	118,862	\$3,942,500	\$33
8	Single Tenant Industrial Site Vernon, CA	01/28/05	101,120	\$4,350,000	\$43
Value Range (PSF)					\$33 - \$80
Weighted Average Sales Price Per Sf of Land Area			\$41		

Source: The CoStar Group (10/7/06), CB Richard Ellis, KMA

APPENDIX C

APPENDIX C - TABLE 1

**ESTIMATED CONSTRUCTION COSTS
RESIDENTIAL PROTOTYPE PROFORMA
100 RESIDENTIAL OWNERSHIP UNITS - 50 UNITS/ACRE
RESIDUAL LAND VALUATION ANALYSIS
LOS ANGELES, CALIFORNIA**

I. Direct Costs¹

On-Site Improvements	87,120 Sf Land	\$5 /Sf	458,000
Extraordinary Improvements			-
Parking			
Residential (Structured)	220 Spaces	\$17,800 /Space	3,916,000
Residential Building Costs			
Building Shell Costs	120,000 Sf GBA	\$142 /Sf	17,050,000
Common Area	21,200 Sf GBA	\$31 /Sf	668,000
Total Direct Costs	141,200 Sf GBA	\$156 /Sf	\$22,092,000

II. Indirect Costs

Architecture, Engineering & Consulting	6.0% Direct Costs		\$1,326,000
Public Permits & Fees ²	100 Units	\$16,000 /Unit	1,600,000
Taxes, Legal & Accounting	2.0% Direct Costs		442,000
Insurance	100 Units	\$15,000 /Unit	1,500,000
Marketing	100 Units	\$2,500 /Unit	250,000
Development Management ³	3% Sales Revenues		1,807,000
Indirect Contingency Allowance	5% Other Indirect Costs		346,000
Total Indirect Costs			\$7,271,000

III. Financing/Closing Costs

Interest & Loan Origination Fees ⁴	100.0% Financed		\$4,109,000
Resid Closing, Comm & Warranties ⁵	3.8% Sales Revenues		2,308,000
Total Financing/Closing Costs			\$6,417,000

IV. Total Construction Costs	141,200 Sf GBA	\$253 /Sf	\$35,780,000
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¹ These costs assume Type V with Structured Parking construction, a 5% direct cost contingency allowance; and assumes no prevailing wage requirements are imposed.

² These costs should be verified by the City staff.

³ See Table 2 for the sales revenue estimate.

⁴ Reflects a 7.0% interest cost for debt; a 15 month construction period; and a 15 unit/month absorption period; 30% of the units are presold and close during first month after completion; and 2.0 points for loan origination fees.

⁵ See Table 2 for residential sales revenue estimates. Assumes 2.0% and 1.5% of residential sales revenues for commissions and closing costs, respectively. Also includes \$2,000/unit for warranties.

APPENDIX C - TABLE 2

REVENUE PROJECTIONS
RESIDENTIAL PROTOTYPE PROFORMA
100 RESIDENTIAL OWNERSHIP UNITS - 50 UNITS/ACRE
RESIDUAL LAND VALUATION ANALYSIS
LOS ANGELES, CALIFORNIA

I.	Residential Sales Revenues ¹			
	Plan 1 -2-Bdrms - 1,200 Sf - Flats	100 Units	\$602,400 /Unit	\$60,240,000
II.	Total Project Sales Revenues	100 Units	602,400 /Unit	\$60,240,000

¹ Based on KMA market survey of housing comparables located in or near downtown Los Angeles industrial areas. Reflects a sales price of \$502/Sf.

APPENDIX C - TABLE 3

**RESIDUAL LAND VALUE CALCULATION
RESIDENTIAL PROTOTYPE PROFORMA
100 RESIDENTIAL OWNERSHIP UNITS - 50 UNITS/ACRE
RESIDUAL LAND VALUATION ANALYSIS
LOS ANGELES, CALIFORNIA**

I.	Sales Revenues	See Appendix A - Table 2	\$60,240,000
II.	<u>Development Costs</u>		
	Construction Costs	See Appendix A - Table 1	(\$35,780,000)
	Threshold Developer Profit ¹	15.0% Sales Revenues	(9,036,000)
	Total Development Costs		(\$44,816,000)
III.	Residual Land Value	100 Units \$154,200 /Unit	\$15,424,000
	Value per Square Foot	87,120 Sf Land \$177 /Sf Land	

¹ Represents minimum proforma profit required to attract investment interest, expressed as a percentage of sale revenues per residential development practice

APPENDIX D

APPENDIX D - TABLE 1

**ESTIMATED CONSTRUCTION COSTS
INDUSTRIAL PROTOTYPE PROFORMA
52,272 SF BUILDING - 0.6 FAR
RESIDUAL LAND VALUATION ANALYSIS
LOS ANGELES, CALIFORNIA**

I. Direct Costs¹

Off Site Improvements ²	Allowance			\$0
Building Shell Costs ³	52,272 Sf of GBA	\$50 /Sf GBA		2,614,000
Tenant Improvement Costs	5,227 Sf of GLA	\$15 /Sf GLA		78,000
Contingency	5% of Other Direct Costs			161,000
Total Direct Costs	52,272 Sf of GBA	\$55 /Sf GBA		\$2,853,000

II. Indirect Costs

Arch., Eng. & Consulting	5% of Direct Costs			\$143,000
Public Permits & Fees ⁴	52,272 Sf of GBA	\$2 /Sf GBA		105,000
Taxes, Ins., Legal & Acctng.	2% of Direct Costs			57,000
Marketing				
Leasing Commissions	\$2 Sf of GLA			104,544
Development Management	3% of Direct Costs			86,000
Contingency ⁵	5% of Other Direct Costs			20,000
Total Indirect Costs				515,544

III. Financing Costs

Land ⁶	\$3,282,000	Financed @	7.2% Interest	\$237,000
Construction Loan ⁷	\$3,902,544	Financed @	7.2% Interest	153,000
Loan Points & Fees	\$7,185,000	Supp. Value	2.0 Points	144,000
Total Financing Costs				534,000

IV. Total Construction Costs 52,272 Sf of GBA \$75 /Sf GBA **\$3,902,544**

¹ Assumes prevailing wage payments are not required.

² City staff should estimate this cost.

³ Includes on-site improvements. Also assumes parking ratio of 2.0 spaces per 1,000 sq.ft., as per LA City Department of Building and Safety Zoning Code.

⁴ Based on KMA's experience with similar projects.

⁵ Excludes Development Management.

⁶ Assumes a 12-month development period and an average outstanding loan balance of 100%.

⁷ Assumes a 10-month construction period and an average outstanding loan balance of 65%.

APPENDIX D - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
 INDUSTRIAL PROTOTYPE PROFORMA
 52,272 SF BUILDING - 0.6 FAR
 RESIDUAL LAND VALUATION ANALYSIS
 LOS ANGELES, CALIFORNIA

I. Rental Income

Base Rental Income ¹	52,272 Sf of GLA	\$10 / Sf GLA	<u>\$502,000</u>
Potential Gross Income			\$502,000
(Less) Vacancy & Collections	3% Potential Gross Income		<u>(15,000)</u>
Effective Gross Income			\$487,000

II. Operating Expenses

Management	3% of EGI		(\$14,600)
Operating & Capital Reserves	52,272 Sf of GBA	\$0.10 / Sf GBA	<u>(5,200)</u>
Total Expenses			(20,000)

III. Stabilized Net Operating Income			\$467,000
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¹ Based on Colliers International Los Angeles Basin Industrial Market Report (2Q06), CB Richard Ellis Los Angeles Industrial Market Report (3Q06), and Grubb & Ellis Industrial Market Trends Report (3Q06). Rents equate to \$0.80 per square foot per month.

APPENDIX D - TABLE 3

RESIDUAL LAND VALUE CALCULATION
 INDUSTRIAL PROTOTYPE PROFORMA
 52,272 SF BUILDING - 0.6 FAR
 RESIDUAL LAND VALUATION ANALYSIS
 LOS ANGELES, CALIFORNIA

I. Supportable Private Investment

Net Operating Income	See APPENDIX D - TABLE 2	\$467,000
Threshold Return on Investment ¹		6.5%
		<hr/>
Supportable Private Investment		\$7,185,000

II. Residual Land Value Calculation

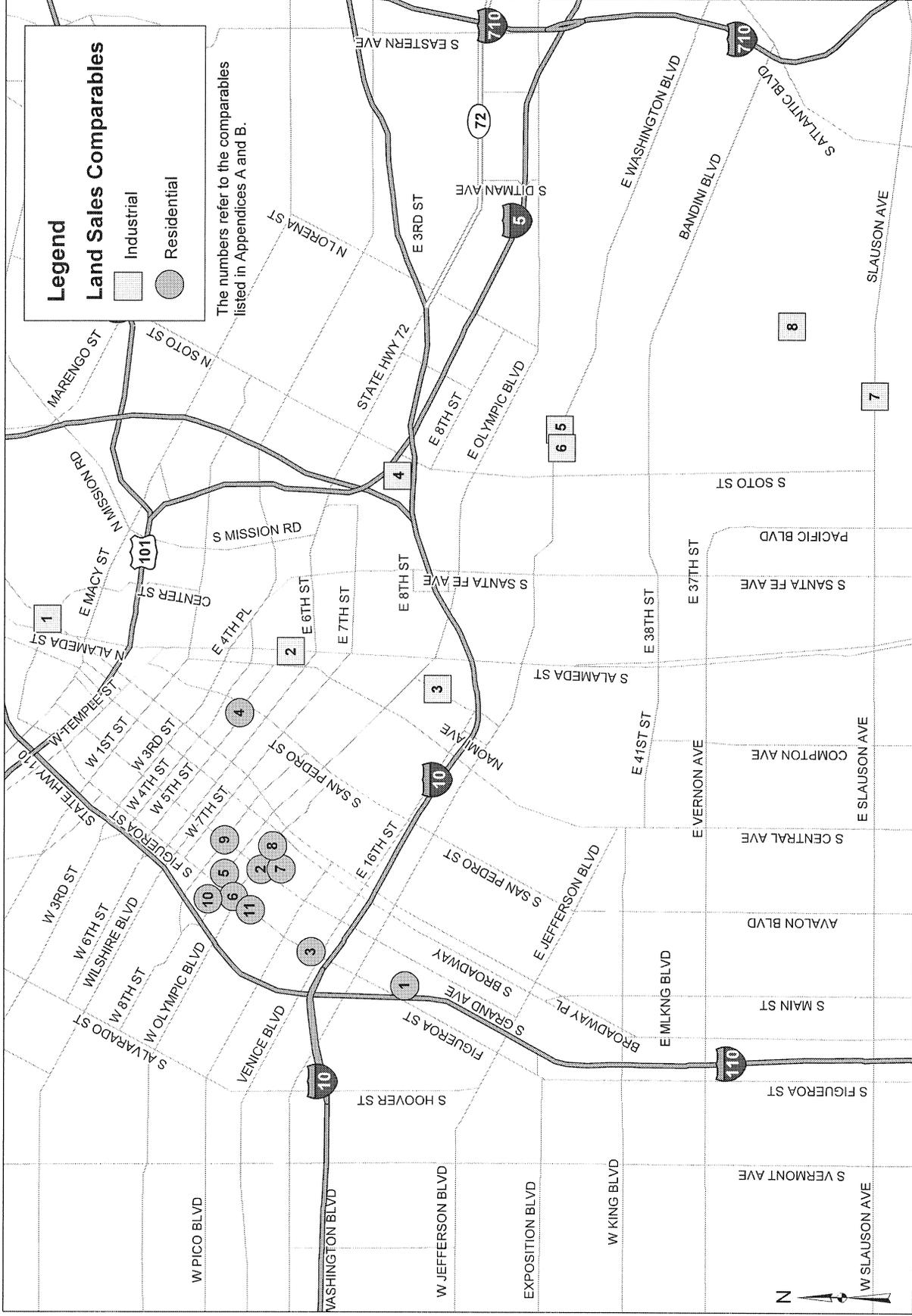
Supportable Private Investment		\$7,185,000
(Less) Total Construction Costs	See APPENDIX D - TABLE 1	(3,902,544)
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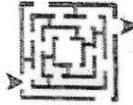
III. Residual Land Value ²				\$3,282,000
Value per Square Foot	87,120	Sf of Land	\$38 /Sf Land	

¹ Assumes an owner-occupied project resulting in a reduction of the typical developer return requirement and a resulting increase in supportable land value.

² Excludes off site improvement costs.

MAP 1
 Land Sales Comparables
 Residual Land Valuation Analysis





KEYSER MARSTON ASSOCIATES
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

**DRAFT
MEMORANDUM**

ADVISORS IN:
REAL ESTATE
REDEVELOPMENT
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

SAN FRANCISCO
A. JERRY KEYSER
TIMOTHY C. KELLY
KATE EARLE FUNK
DEBBIE M. KERN
ROBERT J. WETMORE

LOS ANGELES
CALVIN E. HOLLIS, II
KATHLEEN H. HEAD
JAMES A. RABE
PAUL C. ANDERSON
GREGORY D. SOO-HOO
KEVIN E. ENGSTROM
JULIE L. ROMNEY

SAN DIEGO
GERALD M. TRIMBLE
PAUL C. MARRA

To: Steve Andrews, Chief of Strategic Planning
Community Redevelopment Agency
of the City of Los Angeles

From: Cal Hollis

Date: March 27, 2007

Subject: Industrial Land Use Conversion
San Jose Experience

You have asked Keyser Marston Associates, Inc. (KMA) to briefly summarize the current experience in the City of San Jose with respect to the conversion of industrially-zoned land for residential uses.

BACKGROUND

The City of San Jose has repeatedly faced a wide swing in economic conditions over the last 15 years. With each downturn in the economy has come pressure to rezone industrially-zoned land for residential or commercial uses. Unlike the situation in Los Angeles, the rezoning requests have generally related to large areas of vacant, former agricultural lands rather than rezoning of improved properties. In the City's 1975 General Plan, the policy was established to preserve land for economic development purposes, including older industrial lands as well as vacant tracts in North San Jose and Edenvale. Currently, approximately 14% of the City of San Jose is planned for industrial/ employment uses, with an additional 5% for commercial/retail uses. Approximately 60% is designated for residential land use. A portion of the "industrial land area" is used for non-industrial uses including public uses and social service agencies. The City has sought to improve its jobs/housing balance, increasing the ratio from .78 jobs per employed resident in 1990 to .86 by 2000. The recent job losses and increased housing is thought to have reduced this ratio since 2000.

To: Steve Andrews, LACRA
Subject: Industrial Land Use Conversion – San Jose Experience

March 27, 2007
Page 2

Between 1995 and 2003, nearly 34,000 housing units were created, with a current capacity for an additional 40,000 units. Between 1999 and 2004, 300 acres of industrial land was approved for conversion to other uses. In response to the rising number of conversion requests, the City conducted a series of economic and fiscal studies to guide possible policy initiatives. During the next year, conversion requests increased to over 600 acres.

Industrial vacancy has ranged from a high of nearly 18% in the 2nd quarter of 2004 to a current rate of 11.4%, according to Grub and Ellis. Santa Clara County has approximately 103 million square feet of industrial space, with nearly 12 million square feet available, and virtually no new construction.

FINDINGS

The studies, commissioned by the City, determined that based upon ABAG growth models and assuming increased development density, the City did have the capacity to meet both the housing demand and the job growth projected under current zoning policies, but only if existing developed properties were recycled for industrial and residential development at increased densities. Given the difficulties with conversion of existing improved properties, conversion requests for industrial vacant land for residential uses would be expected to continue, particularly during slow economic times.

With respect to fiscal impacts, the study found residential development created a demand for services whose costs exceeded the revenues generated by such development. Even in areas where the existing infrastructure and capital improvements were in place to support residential development, for residential to be revenue neutral, it needed to be coupled with employment generating uses such that one employee was created for each new resident. Commercial and retail development resulted in positive fiscal impacts given their reduced service costs compared with the tax and fee revenues generated.

FRAMEWORK FOR CONVERSION EVALUATION

In April 2004, the City Council adopted a "Framework, as a Guideline, to Evaluate Proposed Conversions of Employment Lands to Other Uses". The document was modified in November 2005. The framework included the following:

1. Identified limited sub areas where conversion to residential, mixed-use or retail uses was to be encouraged.

To: Steve Andrews, LACRA
Subject: Industrial Land Use Conversion – San Jose Experience

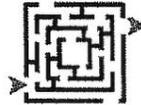
March 27, 2007

Page 3

2. Identified sub areas where supportive uses to industrial development would be considered as industrial development intensified, including transit-oriented development sites.
3. Reserved conversion recommendations in certain areas until local specific plans were adopted.
4. Identified sub areas where conversion would not be encouraged unless necessary for buffering existing residential neighborhoods or for blight elimination.
5. Established criteria for any proposed conversion of industrial land.
 - a. Includes an evaluation of the current economic contribution to the City of the areas proposed for conversion.
 - b. Includes a review of the consistency of the conversion to current general plan, specific plan and other strategic document policy objectives.
 - c. Addresses potential land use conflicts with adjacent uses.
 - d. Addresses the availability of residential supportive services and facilities.
 - e. Evaluates the extraordinary public benefits resulting from the conversion including affordable housing, new public facilities and infrastructure beyond that needed for the project itself.
 - f. Evaluates the fiscal impact of the propose conversion.
6. The framework provides for a method of applying its provisions early on in the conversion application process.

CURRENT STATUS

The framework is currently being applied, and is periodically reviewed to remain relevant to current market conditions. The City is further evaluating its industrial land conversion framework as part of the current General Plan update.



KEYSER MARSTON ASSOCIATES

ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

ADVISORS IN:
REAL ESTATE
REDEVELOPMENT
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

June 26, 2007

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SAN DIEGO
GERALD M. TRIMBLE
PAUL C. MARRA

of the City of Los Angeles
354 South Spring Street
Los Angeles, California 90013

Re: Residential and Industrial Area Comparison

Dear Ms. Goldberg and Ms. Estolano:

As part of our role in assisting the Industrial Land Use team in its evaluation of land use conversion policy, Keyser Marston Associates, Inc. (KMA) has been asked to identify some of the fiscal and economic considerations resulting from the industrial land use conversion study. Typically, rezoning, general plan and community plan amendments and similar regulatory efforts have traditionally been driven primarily by physical planning criteria including land use compatibility, mobility, and the like. Increasing communities have added fiscal impact and economic issues into the factors influencing land use policy. Some recent and current efforts illustrate this:

- In 2004 and 2005, the City of Long Beach negotiated the terms of a statutory development agreement for the rezoning of nearly 300 acres of industrial land adjacent to the Long Beach Airport. Critical to the negotiations was an evaluation of the relative fiscal impacts of residential and commercial/industrial

development. The process resulted in a reduction of the residential component proposed by the applicant in part due to the negative fiscal impacts.

- In 2006, the City of Beverly Hills processed a zoning request to allow residential development within a commercial zone. The City Planning Commission recommended denial of the zone change in part due to negative fiscal impacts. The City Council ultimately approved the zone change on land use considerations but required a payment to mitigate the negative fiscal impacts.
- The City of Burbank is currently reviewing a proposed planning initiative to reduce allowable development to mitigate current and future traffic conditions. One element of the review is the impact such a limitation would have on city general funds and the ability to provide city services.

To our knowledge, no definitive analysis of the relative fiscal impacts of residential vs. industrial development in the City of Los Angeles has been undertaken. Such a study is beyond the scope of KMA's current engagement. The sheer size of the City makes such an analysis of any single project impossible, as only through the cumulative impacts of significant development over time could such impacts be quantified. However, based upon similar analyses in smaller jurisdiction, certain trends can be inferred.

- Residential land uses represent a disproportionate demand on city services in most communities. This is particularly true of police and fire services which services are primarily resident driven. In the City of Los Angeles, community safety expenditures represent over 65% of unrestricted revenue expenditures, according to the most recent budget summaries. When library, cultural and recreation and parks expenditures are added, the total represents over 75% of the unrestricted revenues expenditures. While an extreme example, the City of Beverly Hills has determined that residential uses are responsible for nearly 80% of city service demands while contributing less than 25% of general fund revenues, despite the extremely high residential property values in Beverly Hills.
- Introduction of residential land uses into areas historically commercial or industrial can require a redeployment of city services, especially public safety services. In the Long Beach Douglas Park example, development of mid-rise residential uses in place of low rise industrial uses required the addition of a new ladder company in the fire department, with one-time expenditure of over \$750,000 for equipment and annual personnel costs of over \$1 million.

- Introduction of residential uses into industrial areas could be expected to require changes in police deployment due to the 24 hour nature of the land use when compared to industrial uses. This can be exasperated if the residential development is scattered rather than concentrated.
- While the increase in residential land values has enhanced the general fund revenue generation of residential development, the impact to the general fund is limited, given that the City of Los Angeles receives approximately 33% of the general property tax revenues if outside a redevelopment project area, and less than 7% if located within a redevelopment project area that is subject to AB 1290 tax sharing with the taxing entities. Assuming a \$600,000, average 1,100 square foot residential unit, the City's share of annual property taxes would range from \$400 if within a redevelopment project subject to AB 1290 pass-thru to \$2,000 if outside a redevelopment project area. While comparable industrial square footage would generate less in property taxes (\$100 to \$500) annually, the industrial use would generate business license fees and business to business based taxes. Relative service costs are discussed below.
- In an August 2004 Fiscal Impact report prepared for the City of Signal Hill of two alternative land uses for a former oil field, the disparity between industrial and residential general fund impacts was illustrated. The residential alternative studied included 444 residential units, while the industrial proposal included 825,000 square feet of industrial/commercial space. The net fiscal impact to the general fund was a negative \$493,000 for the residential alternative as compared to a negative \$156,000 for the industrial alternative. The principal issues were the relatively high public safety costs associated with the residential alternative which more than outweighed the higher general fund revenues generated by the residential alternative.
- It should be noted that direct comparisons with the impacts in Los Angeles cannot be made given the differences between the two communities in residential densities, business tax structures and the like. However, the analysis does support the conclusions in such studies as the Douglas Park Marginal Cost analysis of residential and commercial alternatives for a 300 acre mixed-use project north of the Long Beach Airport, where the 100 acres of commercial development generated service costs 1/3rd that of the 150 acres of residential development. Again, the tax structure is different between Long Beach and the City of Los Angeles and this was a non-redevelopment project alternative. However, the analysis clearly indicated the relatively high service costs

associated with residential development, consistent with other fiscal impact analyses.

- Recent studies in Minneapolis and New York on industrial conversion to residential commented on the increase in property tax revenues resulting from the conversion but acknowledged no analysis of the service costs was undertaken.
- In the City of San Jose, as part of a city wide initiative to study the advisability of rezoning industrial land to residential and other uses, a 2004 study concluded that development of residential created a negative fiscal impact such that to balance the cost of services, one job per new resident as necessary to maintain a balance of revenues and service costs.

At the request of the City Planning Department, KMA prepared an analysis to determine whether the rezoning of industrial areas in the center City of Los Angeles, from industrial to high density residential uses, would require a greater demand for police and fire services. Since information from areas of Downtown Los Angeles, which have undergone adaptive re-use conversions, are too small and too recent of a sample to research, we approached the analysis based upon a comparison between two existing residential study areas and one industrial study area. These areas are defined as follows:

- Area 1 – Park La Brea (Residential) – an 836-acre area bounded by Beverly Boulevard to the north, La Brea Avenue to the east, Olympic Boulevard to the south and Fairfax Avenue to the west. The area is dominated by the 4,000 unit Park La Brea complex of high rise and garden style apartments. The area is primarily residential with commercial bordering on the major corridors. The resident population of Area 1 is 23,521 persons¹ and the resulting computed density is 28 persons per acre.
- Area 2 – Los Feliz (Residential) – a 383-acre area bounded by Los Feliz Boulevard to the north, Riverside Drive / Hyperion Avenue / Saint George Street to the east, Franklin Avenue to the south and Vermont Avenue to the west. The area is primarily residential consisting of a mix of single-family residential and low rise garden and mid rise apartments, with commercial bordering on the major corridors. The resident population of Area 2 is 8,624 persons¹ and the resulting computed density is 23 persons per acre.

¹ Source: Claritas, Inc.

- Area 3 – Southeast Downtown (Industrial) – a 626-acre area bounded by 7th Street to the north, the Los Angeles River to the east, Washington Boulevard to the south and Alameda Street to the west. The resident population of Area 3 is only 333 persons, but the daytime workforce population is 22,859 persons.¹ The statistical comparison therefore assumed a combined population of 8,333 residents and resident equivalents² and the resulting computed density is 13 persons per acre.

The boundaries of the respective areas are outlined for your reference and use in the attached maps. The two residential areas are characterized as high density residential, an 80% to 90% renter component, a higher than average household income of approximately \$69,000, and a majority of the population under the age of 45. Population and demographic data reflected in each table was provided by Claritas, Inc., and is presented based on the 2000 Census count and by an estimated 2007 projection. Since Area 3 is industrial and has a minor reported residential population (only 333 reported residents), a resident equivalent approach was also used based upon an employee to resident service need ratio of 0.35:1, such that approximately three employees are viewed as having the same impact as one resident.

GENERAL CONCLUSIONS

The general conclusions represent simple ratio comparisons of police and fire service calls based upon calls per acre and calls per 1,000 residents or resident equivalents. No other factors were considered or measured for purposes of this comparison. The following general conclusions were observed from this study:

1. Reported crimes in a higher density residential area are 2.5 times to 3 times greater than in an industrial area with a large daytime work population but few residents, on a per acre basis.
2. Emergency Fire Department service calls in a higher density residential area are 1.3 times greater than in the industrial area, on a per acre basis.

² Since Area 3 is largely industrial, a resident equivalent was computed to arrive at a single service population by which to measure statistics on a per capita basis. The resident equivalent approach weights an employee at 35% of a resident, such that approximately three employees are viewed as having the same service impact as one resident.

Analysis of Police Department Crime Statistics Data

The LAPD relies upon reporting districts and provided various iterations of historic statistical data for the respective areas. KMA has presented the crime statistics divided between "Violent Crime" such as homicide, rape, robbery and aggravated assault and "Property Crime" such as burglary, grand theft auto, vehicular accidents, personal loss and other miscellaneous incidents. The COMPSTAT data reflecting "Crime Watch", or time of day incidents separated in four 6-hour increments, is also presented for reference.

Crime statistics were then computed based upon frequency per acre and frequency per 1,000 residents. While crime frequency per acre is a constant measure for comparison between both 2005 and 2006, crime frequency per 1,000 residents is less constant given population changes and variances in resident density. Nevertheless, a ratio of reported crime to resident population was determined in the attached tables for comparison purposes, based upon the estimated 2007 resident and employment information.

Summary Table 1 presents a comparison of the three areas analyzed. The presented data reveals that for a high density residential area, the number of LAPD reported crimes rises significantly on a per acre basis as compared to an industrial area. The crime rate on "Property Crimes" is particularly higher in residential areas, although there was less of a distinction between residential and industrial areas when it came to reported "Violent Crimes". In Areas 1 and 2, property crime represented 90% of all LAPD service calls in 2006.

As shown on Table 1.1, Area 1 experienced fewer overall crimes on a per acre basis than Area 2 (Table 2.1), possibly due to the existence of more private security hired to patrol the residential apartment complexes in Area 1. However, when crimes per acre for the residential Areas 1 and 2 were compared to the industrial Area 3, the latter's crimes per acre were significantly less than in the residential areas.

Resident equivalents was less than in the residential Areas 1 and 2 (47 reports per 1,000 residents and 77 reports per 1,000 residents, respectively).

Analysis of Fire Department Service Call Statistics Data

The Fire Department has its own internal reporting areas that could not be readily overlaid onto the three defined areas of this study. In order to expedite the request to the Fire Department, KMA agreed to receive the Department's documented response

data by Census Tract numbers (a data source that the Department could more easily report to KMA).

However, the boundaries of the respective areas as defined by KMA and consistent to the reporting districts of the LAPD are smaller than the corresponding Census Tract boundaries. Therefore, since the information provided by the Fire Department included responses that could also be outside of each area, an adjustment factor (based on the percent of acres each study area represented in their respective Census Tract boundaries) was then applied to the Department's response data to compensate for this boundary discrepancy, as follows:

	<u>Area</u> <u>Acreage</u>	<u>Census Tract</u> <u>Acreage</u>	<u>Adjustment Factor</u> <u>Applied to LAFD Data</u>
Area 1	836	1,260	66%
Area 2	383	480	80%
Area 3	626	1,363	46%

Fire Department statistics were then computed based on frequency per acre and frequency per 1,000 residents, as analyzed for the LAPD crime statistics. As in the case with our review of Police Department crime statistics, emergency response frequency per acre is a constant measure for comparison between both 2005 and 2006, but emergency response frequency per resident is less constant given population changes and variances in resident density. Nevertheless, a ratio of emergency responses to resident population was determined in the attached tables for comparison purposes, based upon the estimated 2007 resident and employment information.

Summary Table 2 presents a comparison of the three areas analyzed for Fire Department responses in both 2005 and 2006. Based upon the response statistics, medical emergency related incidents represented over 75% of all responses made in both years, while structural fire related incidents represented only 4% of total Department responses and other miscellaneous incidents formed 21% in all three areas. The Fire Department data was provided only in total numbers and was not broken down by type of emergency response.

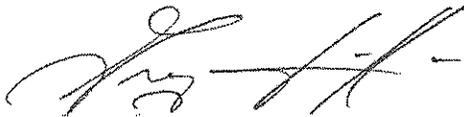
In 2006, the number of medical emergency responses in the industrial Area 3 approximated those reported in the residential Area 2, but were significantly lower than from the responses reported in residential Area 1. Age of residents appeared to not be a factor for this variance since both residential Areas 1 and 2 had similar age demographics, and yet Area 1 had more than double the medical responses. A more complete investigation to explain this variance would require additional Departmental background data that was not provided to KMA and is beyond the scope of the assignment.

In general, as shown on Summary Table 2, the presented data reveals that both residential areas experienced higher overall Fire Department responses than the industrial area when analyzed on a response per acre basis. Fire Department responses in 2006 for Areas 1 and 2 were 1.55 responses per acre and 1.58 responses per acre, respectively, while Area 3 experienced a lower ratio of 1.22 responses per acre.

Should you have any questions pertaining to the findings in the attached tables, please call.

Sincerely,

KEYSER MARSTON ASSOCIATES, INC.



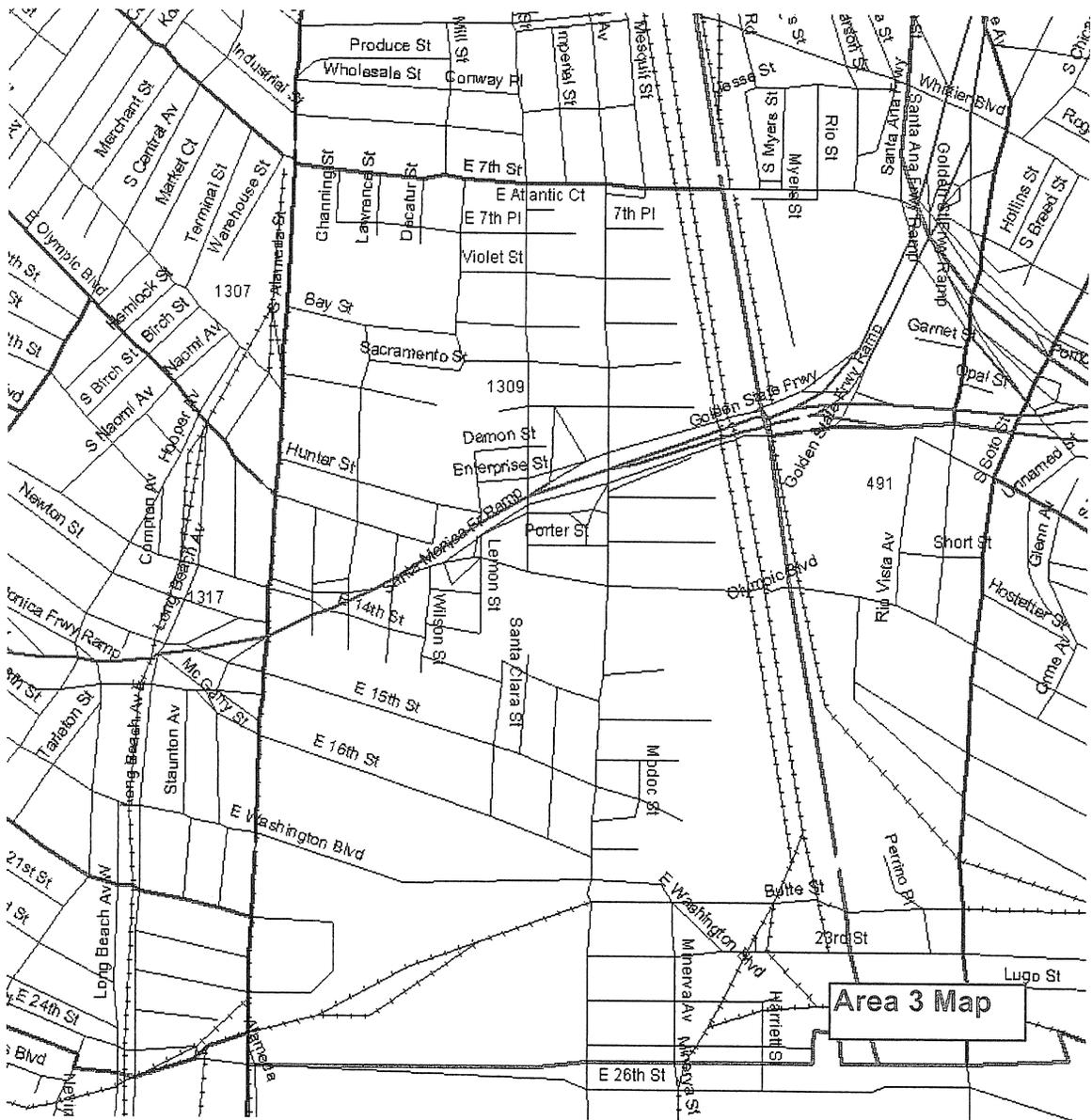
Greg Soo-Hoo

cc: Mr. Don Spivack
Ms. Jane Blumenfeld
Mr. Steve Andrews

Attachments

**Boundary Maps
of Areas 1, 2 and 3**





**Los Angeles Police Department
Crime Statistics
Analyzed for Areas 1, 2 and 3**

Summary Table 1

Table 1.1

Table 2.1

Table 3.1

Summary Table 1
Comparison by Area
Crime Statistic Comparable ⁽¹⁾
Industrial and Residential Statistical Crime Sampling
City of Los Angeles

	Area 1 Park La Brea		Area 2 Los Feliz		Area 3 Southeast LA	
1 Area Statistic ⁽²⁾:						
Acreage	836 acres		383 acres		626 acres	
Population	23,521 persons		8,624 persons		8,333 persons	
2 Violent Crime:						
	2006	2005	2006	2005	2006	2005
Homicide	2	0	0	1	0	3
Rape	4	4	1	4	3	1
Robbery	83	70	43	129	26	48
Agg Assault	32	46	18	21	33	31
Total Violent Crime	<u>121</u>	<u>120</u>	<u>62</u>	<u>155</u>	<u>62</u>	<u>83</u>
Violent Crime per acre	0.14	0.14	0.16	0.40	0.10	0.13
Violent Crime per 1,000	5	5	7	18	7	10
3 Property Crime:						
Burglary	169	189	116	42	36	37
Auto Theft	142	151	122	135	70	86
Vehicular Accidents	291	426	263	185	83	101
Personal/ Other	380	380	104	133	63	78
Total Property Crime	<u>982</u>	<u>1,146</u>	<u>605</u>	<u>495</u>	<u>252</u>	<u>302</u>
Property Crime per acre	1.17	1.37	1.58	1.29	0.40	0.48
Property Crime per 1,000	42	49	70	57	30	36
3 Total Crime:						
	<u>1,103</u>	<u>1,266</u>	<u>667</u>	<u>650</u>	<u>314</u>	<u>385</u>
Total Crime per acre	1.32	1.51	1.74	1.70	0.50	0.62
Total Crime per 1,000	47	54	77	75	38	46
4 Crime Watch						
AM1	320	345	264	233	87	132
AM2	133	164	115	104	62	69
PM1	348	460	135	187	91	102
PM2	302	297	153	126	74	82
Total Crime	<u>1,103</u>	<u>1,266</u>	<u>667</u>	<u>650</u>	<u>314</u>	<u>385</u>

Note:

(1) Source: LAPD COMPSTAT profiles for reporting districts.

(2) Source: 2007 estimates reported by Claritas Inc. corresponding to LAPD reporting districts.

Table 1.1
Area 1 - Residential Park LaBrea
Crime Statistic Comparable ⁽¹⁾
Industrial and Residential Statistical Crime Sampling
City of Los Angeles

	2006 Reported		2005 Reported	
1 Area Statistic ⁽²⁾ :				
Acreage	836	acres		
Total Population	23,521	persons		
2 Violent Crime:				
Homicide	2	0.18%	-	0.00%
Rape	4	0.36%	4	0.32%
Robbery	83	7.52%	70	5.53%
Agg Assault	32	2.90%	46	3.63%
Total Violent Crime	121	10.97%	120	9.48%
Violent Crime per acre	0.14		0.14	
Violent Crime per 1,000			5	5
3 Property Crime:				
Burglary	169	15.32%	189	14.93%
Auto Theft	142	12.87%	151	11.93%
Vehicular Accidents	291	26.38%	426	33.65%
Personal/ Other	380	34.45%	380	30.02%
Total Property Crime	982	89.03%	1,146	90.52%
Property Crime per acre	1.17		1.37	
Property Crime per 1,000			42	49
4 Total Crime:				
	1,103	100.00%	1,266	100.00%
Total Crime per acre	1.32		1.51	
Total Crime per 1,000			47	54
5 Crime Watch				
AM1	320	29.01%	345	27.25%
AM2	133	12.06%	164	12.95%
PM1	348	31.55%	460	36.33%
PM2	302	27.38%	297	23.46%
Total Crime	1,103	100.00%	1,266	100.00%

Note:

- (1) Source: LAPD COMPSTAT profiles for reporting districts 703, 704, 705, 714, 715, 722, 723, 732, 733.
- (2) Source: 2007 estimates reported by Claritas Inc. corresponding to LAPD reporting districts.
- (3) Source: 2007 workforce estimates reported by Claritas Inc. and multiplied by 35%.

Table 1.1
Area 1 - Residential Park LaBrea
Crime Statistic Comparable ⁽¹⁾
Industrial and Residential Statistical Crime Sampling
City of Los Angeles

6 Area Households ⁽³⁾:

Owner Occupied	1,211	9.54%
Renter Occupied	11,483	90.46%
Total Households	12,694	100.00%
Family Households	4,362	34.36%
Nonfamily Households	8,332	65.64%
Total Households	12,694	100.00%

7 Area Resident Age ⁽³⁾:

Age <18	3,573	15.19%	}	36.64	Median Age
Age 18-24	1,158	4.92%			
Age 25-34	6,294	26.76%			
Age 35-44	4,478	19.04%			
Age 45-54	3,197	13.59%			
Age 55-64	1,914	8.14%			
Age >65	2,907	12.36%			
Total Population	23,521	100.00%		39.31	Average Age

8 Area Household Income ⁽³⁾:

Less than \$35,000	4,043	31.85%	}	\$53,017	Median Household Income
Between \$35,000- \$50,000	1,992	15.69%			
Between \$50,000- \$74,999	2,584	20.36%			
Between \$75,000- \$99,999	1,657	13.05%			
Between \$100,000- \$149,999	1,511	11.90%			
Greater than \$150,000	907	7.15%			
Total Households	12,694	100.00%		\$69,361	Average Household Income

Note:

(3) Source: 2007 estimates reported by Claritas Inc. corresponding to LAPD reporting districts.

Table 2.1
Area 2 - Residential Los Feliz
Crime Statistic Comparable ⁽¹⁾
Industrial and Residential Statistical Crime Sampling
City of Los Angeles

	2006 Reported		2005 Reported	
1 Area Statistic ⁽²⁾:				
Acreage	383	acres		
Total Population	8,624	persons		
2 Violent Crime:				
Homicide	-	0.00%	1	0.15%
Rape	1	0.15%	4	0.62%
Robbery	43	6.45%	129	19.85%
Agg Assault	18	2.70%	21	3.23%
Total Violent Crime	62	9.30%	155	23.85%
Violent Crime per acre				
		0.16		0.40
Violent Crime per 1,000				
			7	18
3 Property Crime:				
Burglary	116	17.39%	42	6.46%
Auto Theft	122	18.29%	135	20.77%
Vehicular Accidents	263	39.43%	185	28.46%
Personal/ Other	104	15.59%	133	20.46%
Total Property Crime	605	90.70%	495	76.15%
Property Crime per acre				
		1.58		1.29
Property Crime per 1,000				
			70	57
4 Total Crime:				
	667	100.00%	650	100.00%
Total Crime per acre				
		1.74		1.70
Total Crime per 1,000				
			77	75
5 Crime Watch				
AM1	264	39.58%	233	35.85%
AM2	115	17.24%	104	16.00%
PM1	135	20.24%	187	28.77%
PM2	153	22.94%	126	19.38%
Total Crime	667	100.00%	650	100.00%

Note:

- (1) Source: LAPD COMPSTAT profiles for reporting districts 1132, 1142, and 1143.
- (2) Source: 2007 estimates reported by Claritas Inc. corresponding to LAPD reporting districts.

Table 2.1
Area 2 - Residential Los Feliz
Crime Statistic Comparable ⁽¹⁾
Industrial and Residential Statistical Crime Sampling
City of Los Angeles

6 Area Households ⁽³⁾:

Owner Occupied	993	20.62%
Renter Occupied	3,822	79.38%
Total Households	4,815	100.00%

Family Households	1,639	34.04%
Nonfamily Households	3,176	65.96%
Total Households	4,815	100.00%

7 Area Resident Age ⁽³⁾:

Age <18	1,067	12.37%	}	40.52	Median Age
Age 18-24	360	4.17%			
Age 25-34	1,891	21.93%			
Age 35-44	1,799	20.86%			
Age 45-54	1,455	16.87%			
Age 55-64	948	10.99%			
Age >65	1,104	12.80%			
Total Population	8,624	100.00%		41.76	Average Age

8 Area Household Income ⁽³⁾:

Less than \$35,000	1,617	33.58%	}	\$49,219	Median Household Income
Between \$35,000- \$50,000	834	17.32%			
Between \$50,000- \$74,999	913	18.96%			
Between \$75,000- \$99,999	585	12.15%			
Between \$100,000- \$149,999	509	10.57%			
Greater than \$150,000	357	7.41%			
Total Households	4,815	100.00%		\$68,541	Average Household Income

Note:

(3) Source: 2007 estimates reported by Claritas Inc. corresponding to LAPD reporting districts.

Table 3.1
Area 3 - Industrial Southeast Downtown
Crime Statistic Comparable ⁽¹⁾
Industrial and Residential Statistical Crime Sampling
City of Los Angeles

	2006 Reported		2005 Reported	
1 Area Statistic ⁽²⁾ :				
Acreage	626	acres		
Resident Population	333	persons		
Resident Equivalent ⁽³⁾	8,000	persons		
Total Population	8,333	persons		
2 Violent Crime:				
Homicide	-	0.00%	3	0.78%
Rape	3	0.96%	1	0.26%
Robbery	26	8.28%	48	12.47%
Agg Assault	33	10.51%	31	8.05%
Total Violent Crime	62	19.75%	83	21.56%
Violent Crime per acre	0.10		0.13	
Violent Crime per 1,000			7	10
3 Property Crime:				
Burglary	36	11.46%	37	9.61%
Auto Theft	70	22.29%	86	22.34%
Vehicular Accidents	83	26.43%	101	26.23%
Personal/ Other	63	20.06%	78	20.26%
Total Property Crime	252	80.25%	302	78.44%
Property Crime per acre	0.40		0.48	
Property Crime per 1,000			30	36
4 Total Crime:				
	314	100.00%	385	100.00%
Total Crime per acre	0.50		0.62	
Total Crime per 1,000			38	46
5 Crime Watch				
AM1	87	27.71%	132	34.29%
AM2	62	19.75%	69	17.92%
PM1	91	28.98%	102	26.49%
PM2	74	23.57%	82	21.30%
Total Crime	314	100.00%	385	100.00%

Note:

- (1) Source: LAPD COMPSTAT profiles for reporting district 1309
- (2) Source: 2007 estimates reported by Claritas Inc. corresponding to LAPD reporting district.
- (3) Source: 2007 workforce estimates reported by Claritas Inc. and multiplied by 35%.

Table 3.1
Area 3 - Industrial Southeast Downtown
Crime Statistic Comparable ⁽¹⁾
Industrial and Residential Statistical Crime Sampling
City of Los Angeles

6 Area Households ⁽³⁾:

Owner Occupied	7	4.43%
Renter Occupied	151	95.57%
Total Households	158	100.00%

Family Households	31	19.62%
Nonfamily Households	127	80.38%
Total Households	158	100.00%

7 Area Resident Age ⁽³⁾:

Age <18	17	5.11%	}	42.71	Median Age
Age 18-24	12	3.60%			
Age 25-34	66	19.82%			
Age 35-44	93	27.93%			
Age 45-54	81	24.32%			
Age 55-64	41	12.31%			
Age >65	23	6.91%			
Total Population	333	100.00%		43.14	Average Age

8 Area Household Income ⁽³⁾:

Less than \$35,000	65	41.14%	}	\$51,724	Median Household Income
Between \$35,000- \$50,000	12	7.59%			
Between \$50,000- \$74,999	28	17.72%			
Between \$75,000- \$99,999	21	13.29%			
Between \$100,000- \$149,999	30	18.99%			
Greater than \$150,000	2	1.27%			
Total Households	158	100.00%		\$57,485	Average Household Income

Note:

(3) Source: 2007 estimates reported by Claritas Inc. corresponding to LAPD reporting districts.

**Los Angeles Fire Department
Emergency Response Statistics
Analyzed for Areas 1, 2 and 3**

Summary Table 2

Table 1.2

Table 2.2

Table 3.2

**Summary Table 2
Comparison by Area
Fire Department Statistic Comparable ⁽¹⁾
Industrial and Residential Statistical Fire Call Sampling
City of Los Angeles**

	Area 1 Park La Brea		Area 2 Los Feliz		Area 3 Southeast LA	
1 Area Statistic ⁽²⁾:						
Acreage	836	acres	383	acres	626	acres
Population	23,521	persons	8,624	persons	8,333	persons
Density (population /acre)	28	persons/acre	23	persons/acre	13	persons/acre
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
2 Medical:	974	910	463	495	578	553
Medical Calls per acre	1.17	1.09	1.21	1.29	0.92	0.88
Medical Calls per 1,000	41	39	54	57	69	66
3 Structure Fire:	43	36	19	18	46	33
Structure Fire Calls per acre	0.05	0.04	0.05	0.05	0.07	0.05
Structure Fire Calls per 1,000	2	2	2	2	6	4
3 Other:	278	257	121	109	139	152
Other Calls per acre	0.33	0.31	0.32	0.29	0.22	0.24
Other Calls per 1,000	12	11	14	13	17	18
3 Total LAFD Calls:	1,295	1,204	603	622	763	739
Total LAFD Calls per acre	1.55	1.44	1.58	1.63	1.22	1.18
Total LAFD Calls per 1,000	55	51	70	72	92	89

Note:

(1) Source: LAFD Dispatch Systems Support for census districts 1882, 1891, 1952, 2060.5, 2140, 2145, 2151, 2162, 2163.

(2) Source: 2007 estimates reported by Claritas Inc. corresponding to Fire Department census tracts.

Table 1.2
Area 1 - Residential Park LaBrea
Fire Department Statistic Comparable ⁽¹⁾
Industrial and Residential Statistical Fire Call Sampling
City of Los Angeles

	2006 Reported		2005 Reported	
1 Area Statistic ⁽²⁾:				
Acreage	836	acres		
Total Population	23,521	persons		
Census Tr total acres (Tr 2140, 2145, 2151, 2162, 2163):	1,260	acres		
Total acres in Area 1:	836	acres		
Adjustment factor to apply to LAFD data based on acres:	66%			
2 Medical:	974	75.20%	910	75.58%
Medical Calls per acre		1.17		1.09
Medical Calls per 1,000			41	39
3 Structure Fire:	43	3.33%	36	3.03%
Structure Fire Calls per acre		0.05		0.04
Structure Fire Calls per 1,000			2	2
3 Other:	278	21.47%	257	21.39%
Other Calls per acre		0.33		0.31
Other Calls per 1,000			12	11
4 Estimated LAFD Calls in Area 1:	1,295	100.00%	1,204	100.00%
Estimated LAFD Calls per acre		1.55		1.44
Estimated LAFD Calls per 1,000			55	51

Note:

- (1) Source: LAFD Dispatch Systems Support for census districts 1882, 1891, 1952, 2060.5, 2140, 2145, 2151, 2162, 2163.
(2) Source: 2007 estimates reported by Claritas Inc. corresponding to Fire Department census tracts.

Table 1.2
Area 1 - Residential Park LaBrea
Fire Department Statistic Comparable ⁽¹⁾
Industrial and Residential Statistical Fire Call Sampling
City of Los Angeles

6 Area Households ⁽³⁾:

Owner Occupied	1,211	9.54%
Renter Occupied	11,483	90.46%
Total Households	12,694	100.00%

Family Households	4,362	34.36%
Nonfamily Households	8,332	65.64%
Total Households	12,694	100.00%

7 Area Resident Age ⁽³⁾:

Age <18	3,573	15.19%	}	36.64	Median Age
Age 18-24	1,158	4.92%			
Age 25-34	6,294	26.76%			
Age 35-44	4,478	19.04%			
Age 45-54	3,197	13.59%			
Age 55-64	1,914	8.14%			
Age >65	2,907	12.36%			
Total Population	23,521	100.00%		39.31	Average Age

8 Area Household Income ⁽³⁾:

Less than \$35,000	4,043	31.85%	}	\$53,017	Median Household Income
Between \$35,000- \$50,000	1,992	15.69%			
Between \$50,000- \$74,999	2,584	20.36%			
Between \$75,000- \$99,999	1,657	13.05%			
Between \$100,000- \$149,999	1,511	11.90%			
Greater than \$150,000	907	7.15%			
Total Households	12,694	100.00%			

Note:

(3) Source: 2007 estimates reported by Claritas Inc.

Table 2.2
Area 2 - Residential Los Feliz
Fire Department Statistic Comparable ⁽¹⁾
Industrial and Residential Statistical Fire Call Sampling
City of Los Angeles

	2006 Reported		2005 Reported	
1 Area Statistic ⁽²⁾:				
Acreage	383	acres		
Total Population	8,624	persons		
Census Tr total acres (Tr 1882, 1891, 1952):			480	acres
Total acres in Area 2:			383	acres
Adjustment factor to apply to LAFD data based on acres:			80%	
2 Medical:	463	76.72%	495	79.49%
Medical Calls per acre		1.21		1.29
Medical Calls per 1,000			54	57
3 Structure Fire:	19	3.17%	18	2.95%
Structure Fire Calls per acre		0.05		0.05
Structure Fire Calls per 1,000			2	2
3 Other:	121	20.11%	109	17.56%
Other Calls per acre		0.32		0.29
Other Calls per 1,000			14	13
4 Estimated LAFD Calls in Area 2:	603	100.00%	622	100.00%
Estimated LAFD Calls per acre		1.58		1.63
Estimated LAFD Calls per 1,000			70	72

Note:

(1) Source: LAFD Dispatch Systems Support for census districts 1882, 1891, 1952, 2060.5, 2140, 2145, 2151, 2162, 2163.

(2) Source: 2007 estimates reported by Claritas Inc. corresponding to Fire Department census tracts.

Table 2.2
Area 2 - Residential Los Feliz
Fire Department Statistic Comparable ⁽¹⁾
Industrial and Residential Statistical Fire Call Sampling
City of Los Angeles

6 Area Households ⁽³⁾:

Owner Occupied	993	20.62%
Renter Occupied	3,822	79.38%
Total Households	4,815	100.00%

Family Households	1,639	34.04%
Nonfamily Households	3,176	65.96%
Total Households	4,815	100.00%

7 Area Resident Age ⁽³⁾:

Age <18	1,067	12.37%	}	40.52	Median Age
Age 18-24	360	4.17%			
Age 25-34	1,891	21.93%			
Age 35-44	1,799	20.86%			
Age 45-54	1,455	16.87%			
Age 55-64	948	10.99%			
Age >65	1,104	12.80%			
Total Population	8,624	100.00%		41.76	Average Age

8 Area Household Income ⁽³⁾:

Less than \$35,000	1,617	33.58%	}	\$49,219	Median Household Income
Between \$35,000- \$50,000	834	17.32%			
Between \$50,000- \$74,999	913	18.96%			
Between \$75,000- \$99,999	585	12.15%			
Between \$100,000- \$149,999	509	10.57%			
Greater than \$150,000	357	7.41%			
Total Households	4,815	100.00%		\$68,541	Average Household Income

Note:

(3) Source: 2007 estimates reported by Claritas Inc.

Table 3.2
Area 3 - Industrial Southeast Downtown
Fire Department Statistic Comparable ⁽¹⁾
Industrial and Residential Statistical Fire Call Sampling
City of Los Angeles

	2006 Reported		2005 Reported	
1 Area Statistic ⁽²⁾:				
Acreage	626	acres		
Resident Population	333	persons		
Resident Equivalent ⁽³⁾	8,000	persons		
Total Population	8,333	persons		
Census Tr total acres (Tr 2060.5):			1,363	acres
Total acres in Area 1:			626	acres
Adjustment factor to apply to LAFD data based on acres:			46%	
2 Medical:				
	578	75.75%	553	74.89%
Medical Calls per acre		0.92		0.88
Medical Calls per 1,000			69	66
3 Structure Fire:				
	46	6.02%	33	4.47%
Structure Fire Calls per acre		0.07		0.05
Structure Fire Calls per 1,000			6	4
3 Other:				
	139	18.23%	152	20.63%
Other Calls per acre		0.22		0.24
Other Calls per 1,000			17	18
4 Estimated LAFD Calls in Area 3:				
	763	100.00%	739	100.00%
Estimated LAFD Calls per acre		1.22		1.18
Estimated LAFD Calls per 1,000			92	89

Note:

- (1) Source: LAFD Dispatch Systems Support for census districts 1882, 1891, 1952, 2060.5, 2140, 2145, 2151, 2162, 2163.
- (2) Source: 2007 estimates reported by Claritas Inc. corresponding to Fire Department census tracts.
- (3) Source: 2007 workforce estimates reported by Claritas Inc. and multiplied by 35%.

Table 3.2
Area 3 - Industrial Southeast Downtown
Fire Department Statistic Comparable ⁽¹⁾
Industrial and Residential Statistical Fire Call Sampling
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6 Area Households ⁽³⁾:

Owner Occupied	7	4.43%
Renter Occupied	151	95.57%
Total Households	158	100.00%

Family Households	31	19.62%
Nonfamily Households	127	80.38%
Total Households	158	100.00%

7 Area Resident Age ⁽³⁾:

Age <18	17	5.11%	} 42.71 Median Age 43.14 Average Age
Age 18-24	12	3.60%	
Age 25-34	66	19.82%	
Age 35-44	93	27.93%	
Age 45-54	81	24.32%	
Age 55-64	41	12.31%	
Age >65	23	6.91%	
Total Population	333	100.00%	

8 Area Household Income ⁽³⁾:

Less than \$35,000	65	41.14%	} \$51,724 Median Household Income \$57,485 Average Household Income
Between \$35,000- \$50,000	12	7.59%	
Between \$50,000- \$74,999	28	17.72%	
Between \$75,000- \$99,999	21	13.29%	
Between \$100,000- \$149,999	30	18.99%	
Greater than \$150,000	2	1.27%	
Total Households	158	100.00%	

Note:

(3) Source: 2007 estimates reported by Claritas Inc.