307 N. WILMINGTON

Adequate Sites for Housing

Introduction

Under Housing Element law, the City must demonstrate that it has adequate land zoned to accommodate the entirety of its 2021-2029 Regional Housing Needs Assessment (RHNA) allocation of 456,643 housing units. This Chapter identifies the City's inventory of land suitable for residential development without the need for any legislative action by the City (in accordance with CA Government Code §65583.2), identifies additional alternative methods of satisfying the RHNA (pursuant to CA Government Code §65583.1), provides an analysis of the inventory's compliance with Affirmatively Furthering Fair Housing (AFFH) requirements, and identifies the need for rezoning programs to accommodate the RHNA allocation. The methodology used to identify these sites and conduct the AFFH analysis is also described here. This Chapter also includes information on the availability and suitability of infrastructure to support the development of housing.

The analysis demonstrates that, during the 6th cycle, the City has an anticipated unit potential of 230,947 units, of which 72,640 units are lower-income. As a result of the gap between the 6th cycle RHNA Allocation and the City's anticipated unit potential, the City's Housing Element identifies a need to create a Rezoning Program to meet the 255,432-unit shortfall. To accommodate this shortfall, the City proposes a Rezoning Program that prioritizes additional housing capacity, particularly lower-income capacity, in Higher Opportunity Areas, promotes housing near transit, and protects environmentally sensitive areas. The Rezoning Program also proposes to integrate value capture strategies and utilize affordable housing overlays to maximize affordable housing production, promote mixed-income communities, and provide advantages to majority affordable projects. A detailed description of the proposed Rezoning Program, including the methodology used to develop the Inventory of Candidate Sites for Rezoning, is also provided in this Chapter.

This approach to rezoning is informed by an AFFH analysis of the Adequate Sites Inventory, which found that the existing Sites Inventory largely reflects existing disparities in the city's zoning and development patterns. In contrast, AFFH Analysis of the Rezoning Program finds that the proposed approach would significantly improve these conditions and address residential segregation patterns by creating substantial new housing capacity in Higher Opportunity Areas and in Racially Concentrated Areas of Affluence. The analysis also highlights concerns about potential displacement, providing support for a strong set of anti-displacement policies and programs. This includes policies and programs described in Chapter 6, such as enforcement of tenant protections, no-net-loss and replacement provisions, and forthcoming anti-displacement strategies that will be studied prior to completion of the Rezoning Program.

RHNA Allocation and Target Capacity for Adequate Sites Inventory

Background on RHNA

The RHNA is the California State-required process that seeks to ensure cities and counties plan for enough housing to accommodate all economic segments of the community. There are three key steps in the RHNA Allocation process.

1. **Regional Determination:** The California Department of Housing and Community Development (HCD) provides each region a Regional Determination of housing need, which includes a total number of units split into four income categories and considers measures of existing housing need in addition to forecast population growth. The City of Los Angeles is within the region covered by the Southern California Association of Governments (SCAG). HCD provided SCAG a Regional Determination of 1,341,827 units for the 6th Cycle RHNA (2021-2029). This is the total number of units that the cities and counties in the SCAG region must collectively plan to accommodate.

2. **RHNA Methodology:** Councils of Governments (COG), including SCAG, are responsible for developing a RHNA Methodology for allocating the Regional Determination to each city and county in the COG's region. This methodology must further specific state objectives, including but not limited to: promoting infill, equity, environmental protection; ensuring jobs-housing balance; and affirmatively furthering fair housing.

3. **Housing Element Updates:** Each city and county must then adopt a housing element that demonstrates how the jurisdiction can accommodate its assigned RHNA through its zoning or potential rezoning program. HCD reviews each jurisdiction's housing element for compliance with state law.

City of Los Angeles RHNA Allocation

The City of Los Angeles's share of the regional housing need was determined by a RHNA Allocation Methodology prepared by SCAG, adopted in March 2020. In accordance with SCAG's RHNA Allocation Plan, the City must plan to accommodate a total of 456,643 housing units during the sixth cycle. This is equal to a yearly average of approximately 57,080 housing units. Table 4.1 shows the City's RHNA Allocation by income category.

Table 4.1: City of Los Angeles 6th Cycle RHNA Allocation

Income Category	Number of Units	Percent of Total
Very Low Income	115,978	25.4%
Low Income	68,743	15.1%
Moderate Income	75,091	16.4%
Above Moderate Income	196,831	43.1%
Total RHNA Allocation	**456,643**	**100.0%**

The City's Housing Element is required to identify sufficient sites that are available and suitable to accommodate the RHNA by income level, or to identify a rezoning program to accommodate any shortfall (Government Code 65583(c)(1)(A)). Sites identified to accommodate the lower-income portion of the RHNA are required to meet specified criteria to demonstrate adequacy of the site for lower income housing, including a requirement that the site be zoned for multi-family densities of 30 dwelling units per acre (du/acre) or greater. The lower-income portion of the RHNA includes the very low-income and low-income categories shown in Table 4.1.

While the City is not required to physically construct the units, it is required to show that adequate zoning capacity exists and to show the sites where that capacity is located.

Target Capacity for Adequate Sites Inventory and Rezoning Program

Senate Bill 166 (No Net Loss Law) requires sufficient adequate sites to be available at all times throughout the RHNA planning period to meet a jurisdiction's remaining unmet housing needs for each income category. During the 8-year cycle, if sites are developed with a non-residential use, developed with a lower number of units at each income level than identified in the Adequate Sites Inventory, or rezoned, the City must demonstrate that there are adequate remaining sites in the inventory to accommodate the remaining RHNA Allocation. If the City finds there is insufficient remaining capacity at each income level, it would be subject to further rezoning requirements.

To ensure that sufficient sites are available in the Housing Element to accommodate the RHNA throughout the planning period, the City has followed HCD guidance and set a target capacity that is 10% higher than the RHNA for lower-income units, and 15% higher than the RHNA for moderate-income units. The buffers are based on anticipated need for additional capacity, based on anticipated production levels of lower-income and moderate-income housing units during the planning period. In addition, the sites included on the Adequate Sites Inventory have an anticipated development potential that is lower than the maximum zoned capacity on each site, which creates an additional buffer at the site-level. This results in a target capacity for the Adequate Sites Inventory and Rezoning Program of 486,379 units. The target capacity by income category is summarized in Table 4.2.

Table 4.2: **Target Capacity for Inventory of Sites and Rezoning Program**

Income Category	RHNA Allocation	Target Buffer (% above RHNA)	Target Capacity
Lower Income	184,721	10%	203,193
Moderate Income	75,091	15%	86,355
Above Moderate Income	196,831	0%	196,831
Total	**456,643**	**7%**	**486,379**

Overview of Adequate Sites Inventory

The Adequate Sites Inventory presents an inventory of land suitable and available for residential development to meet the City's RHNA Allocation at all income levels.

Per State law, the City's Inventory consists of undeveloped and underdeveloped sites upon which the required number of housing units is reasonably likely to be built during the planning period without the need for any legislative action (such as a zone change) by the City. The Inventory includes sites that were identified through three key components, including expected development potential on vacant and underutilized sites, planned and approved development projects, and non-site-specific development potential that provide additional alternative means of meeting the RHNA. These components, along with their anticipated capacity, are summarized in Table 4.3. The methodology and conclusions of each component are further discussed in this Chapter.

Table 4.3: **Summary of Adequate Sites for Housing, by Income Category**

Component	Lower Income Units	Moderate Income Units	Above Moderate Income Units	Total Units
Vacant and Underutilized Sites				
Expected Unit Potential	16,965	5,039	20,770	**42,764**
Warner Center 2035 Specific Plan	0	0	10,491	**10,491**
Planned and Approved Projects (Development Pipeline)				
Public Land	5,606	12	2,273	**7,891**
Private Development Projects	18,987	1,352	97,475	**117,814**
Additional Means of Meeting the RHNA - Non-Site-Specific				
ADU Development	24,592	2,459	13,935	**40,987**
Project Homekey Expansion	1,000	0	0	**1,000**
Public Land Programs	5,500	4,500	0	**10,000**
Total Development Potential	**72,640**	**13,362**	**144,944**	**230,947**

Vacant and Underutilized Sites

Recent changes to state Housing Element law have strengthened requirements related to the Adequate Sites Inventory. In particular, AB 1397 (2017) requires that, for each site included in the inventory, the City identifies the realistic development potential for the site within the 8-year planning period. In instances where non-vacant sites comprise over 50% of the Adequate Sites Inventory, existing uses are presumed to impede development unless findings with substantial evidence are provided that the use is likely to be discontinued. The City of Los Angeles is predominantly built out, and the majority of sites are non-vacant; therefore, the methodology used to identify realistic development potential must consider factors such as existing uses, past development trends, market conditions, and the availability of regulatory and/or other development incentives.

Due to the complexity of the new statutory requirements and the scope of analysis needed for the large number of potential vacant and underutilized parcels (over 700,000 potential residentially zoned sites), the City consulted with the Terner Center for Housing Innovation, an academic research center at UC Berkeley, to assist in methodology development. Through this partnership, the Terner Center and MetroSight developed an econometric approach for estimating realistic development potential based on the City's past experience, as reflected in building permit data. The model incorporates several factors which are designed to address the state requirements for non-vacant sites.

Methodology

The model draws upon five years of past housing development permits to create a two-step regression model that indicates (1) the likelihood of new housing development occurring on each parcel, and (2) the number of new units that would be expected if development were to occur. The model accounts for a parcel's actual zoned capacity before and after development bonuses, as well as market conditions and various other factors which impact the likelihood for a site to develop into housing, including those the City is required to address per state law. The two-step model is run separately for low density sites (1-4 units), medium density sites (5-50 units), and higher density sites (50+ units), and considers how the factors shown in Table 4.4 influence the likelihood of development occurring on an individual site.

Table 4.4: Regression Model Variables

Factors Considered in Model	Included in Step 1	Included in Step 2
Number of base-zoned units allowed (per zoning)	✓	✓
Number of bonus-zoned units allowed (the sum of base-zoned units and any additional units allowed per development bonus)	✓	✓
Ratio of existing units to base-zoned units	✓	
Indicators for residential market area type	✓	✓
Existing use	✓	
Age of existing structure	✓	
Floor Area Ratio (FAR) utilization of existing structure	✓	
Applicability of City's Rent Stabilization Ordinance (RSO) to existing structures	✓	
Ratio of total permitted units to total based-zoned units in the Community Plan Area (CPA), over a 5-year period	✓	✓
Typical estimated home value in the zip code area (Zillow Home Value Index)	✓	✓
Typical estimated asking rent in the zip code area (Zillow Observed Rent Index)	✓	✓
Average rental vacancy rate in the Census Public Use Microdata Area (PUMA) during the prior 5-year period	✓	✓
Average remaining commercial lease duration in the CPA (Compstak)	✓	

Results

The results of both steps of the model are then applied to potential sites that are zoned to permit residential development, to determine the realistic development potential on each site during the 8-year planning period (2021-2029). Every parcel is assigned a maximum density considering any available density bonus (including the City's Transit Oriented Communities Affordable Housing Incentives (TOC)). The model applies the factors in Table 4.4 above to create two percentages that are applied to every parcel: 1) a probability the site will develop into housing in the 8-year period, and 2) the percentage of maximum capacity expected to be built, if developed as housing.

Site Example: A typical R3 zoned site in South LA is allowed 10 units after a density bonus through the TOC program. The regression model assumes the site will get built out at 78% of its allowable density (rounded to 8 units) but only have a 1% chance of being redeveloped into new housing. The site is therefore assigned a realistic development potential of 0.08 units during a 5-year period (10 units x 80% x 1%). Adjusted to 8 years, the site is assigned a realistic development potential of 0.13 units.

Table 4.5 shows how the results are applied to this site example. The full list of sites and their realistic development potential is provided in Appendix 4.1. Importantly, the outcome of the model is that each site is assigned an anticipated development potential that is well below the zoned capacity for the site, as there are many factors which make it difficult to identify precisely which sites will develop with housing over the 8-year period. It is not expected that all sites identified using this model will redevelop with their identified realistic development potential; rather, the much more likely outcome is that a smaller number of sites are developed with their expected build out (outcome of step 2 of the model). To further illustrate, for the site example provided above, the model shows that given 100 similar sites, it would be expected that one site would develop with 8 units during the planning period. As it is not possible to identify precisely which site would redevelop, the model indicates that each site has a small percent chance of redeveloping. This approach inherently incorporates a buffer on each site, consistent with HCD suggested guidance for compliance with SB 166.

Table 4.5: **Application of Model Results to Sample Site**

Model Steps	Sample Site
Community Plan Area	South LA
Zone	R3-1
Base-zoned units	6
Bonus-zoned units	10
Probability site will develop with housing (Step 1)	1.0%
Percent of bonus-zoned capacity expected to be built, if developed (Step 2)	78%
Predicted number of new units, conditional on development occurring (rounded)	8.00
Expected Unit Potential (5-year period)	0.08
Expected Unit Potential (8-year period)	0.13

When applied to vacant and non-vacant sites that permit residential development without legislative action, the model results in an overall expected development potential of 42,764 new units over 8 years, distributed over 198,139 potential sites. Most sites zoned for residential use without known constraints were included in the initial model. Additional sites were removed based on the model results, as they were not found to have a likelihood of redeveloping. In addition, sites which do not permit a net increase in residential units were excluded from the final inventory, as well as vacant sites located in a Very High Fire Hazard Severity Zone (VHFHSZ). Additional sites were removed where the existing use is presumed to be unlikely to be discontinued, including institutional uses such as cemeteries, colleges, hospitals, and schools, and active government-owned or -operated uses such as libraries, recreation centers, and police and fire stations.

Table 4.6 shows the total number of units that are expected at each income level. Lower-income units were assigned to sites with qualifying minimum residential densities (a minimum of 30 du/acre permitted by base zoning), and which are of an adequate size to accommodate development of lower-income housing.

There is demonstrated experience of lower-income housing units being built on sites of varying sizes, including small sites of less than a half-acre in size, if the lot permits 5 or more units of base density.[1] This experience includes both 100% affordable housing development, but more commonly, mixed-income housing development. Almost all of Los Angeles multifamily zones that permit at least 30 units/acre (R3+) accommodate at least 3.0:1 FAR (Floor Area Ratio), allowing three times the lot size as a buildable area. Allowable densities are easily buildable within the allowable building envelope, even on relatively small lots. Even the lowest density zoning (R3 and C1) sites used to accommodate the lower-income need can accommodate at least five units, which qualifies for a seven-unit density bonus or TOC project, if the lot is larger than 3,200 square feet (about eight percent of an acre). The next major zoning class (R4 and C2) allows twice this density, thereby allowing sites larger than 1,600 square feet to qualify for incentive programs. Recently created parking reductions through TOC and density bonus projects located near transit have also opened up many small lots that were previously constrained by parking requirements. Furthermore, the Affordable Housing Linkage Fee (2018) established a strong additional incentive to create mixed income projects on properties that meet these criteria, providing on-site affordable units to qualify for fee exemption. A review of the 108 construction permits for multifamily projects (7+ units) that have been subject to the Linkage Fee shows that all but 3 (97%) provided at least one on-site affordable unit. Due to the low predictive values used in the regression model to establish Site Inventory capacities, the number of on-site affordable lower-income units constructed will almost always exceed the figures provided in the Inventory.

The methodology uses the above logic to exclude small sites that are ineligible for the City's incentive programs from being considered as lower-income sites, using a five-unit base density (rounded up) assumption. In making this assumption, it is also important to note that the Sites Inventory lists sites by the smallest possible parcel identification number (PIN), rather than as part of a larger parcel (APN), which is how most small properties are used, sold, and developed. Viable development sites are often either already tied together or can be easily tied, requiring only a "Lot Tie Affidavit" to proceed with development across multiple lots.

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1. There are many examples of proposed and permitted small-site affordable housing developments provided in the Housing Element Annual Progress Reports (APRs) prepared for the 5th Cycle. Some examples include: a 6 unit mixed-income development built on a 0.14-acre site, with 1 very low income unit and 5 above moderate income units (APN: 5154005004); a 21-unit, 100% affordable development built on a 0.22 acre site, with 1 very low income unit, 20 low income units and 1 above moderate income manager's unit (APN: 6048004025); and a 57-unit, 100% affordable development built on a 0.26 acre site, with 56 very low income units and 1 above moderate income manager's unit (APN: 5101030030).

Moderate-income units were assigned to sites located in low and medium residential market areas, which are zoned for lower density multi-family residential uses (at least 4 units, up to 30 du/acre permitted by base zoning). Above moderate-income units were assigned to all remaining sites identified through the model, including any multi-family zoned sites that are subject to the City's Rent Stabilization Ordinance (RSO). This step was taken based on feedback from tenants' rights advocates and other stakeholders to ensure that tenant-occupied properties are not specifically targeted for redevelopment, particularly given the by-right provisions that would result from re-use of lower-income sites. Still, the expectation is that these sites, if they do redevelop, will include deed restricted lower-income housing. This reallocation of RSO sites can also be considered an additional conservative assumption with regards to lower-income sites.

Table 4.6: **Expected Unit Potential, Vacant and Underutilized Sites (Regression Analysis)**

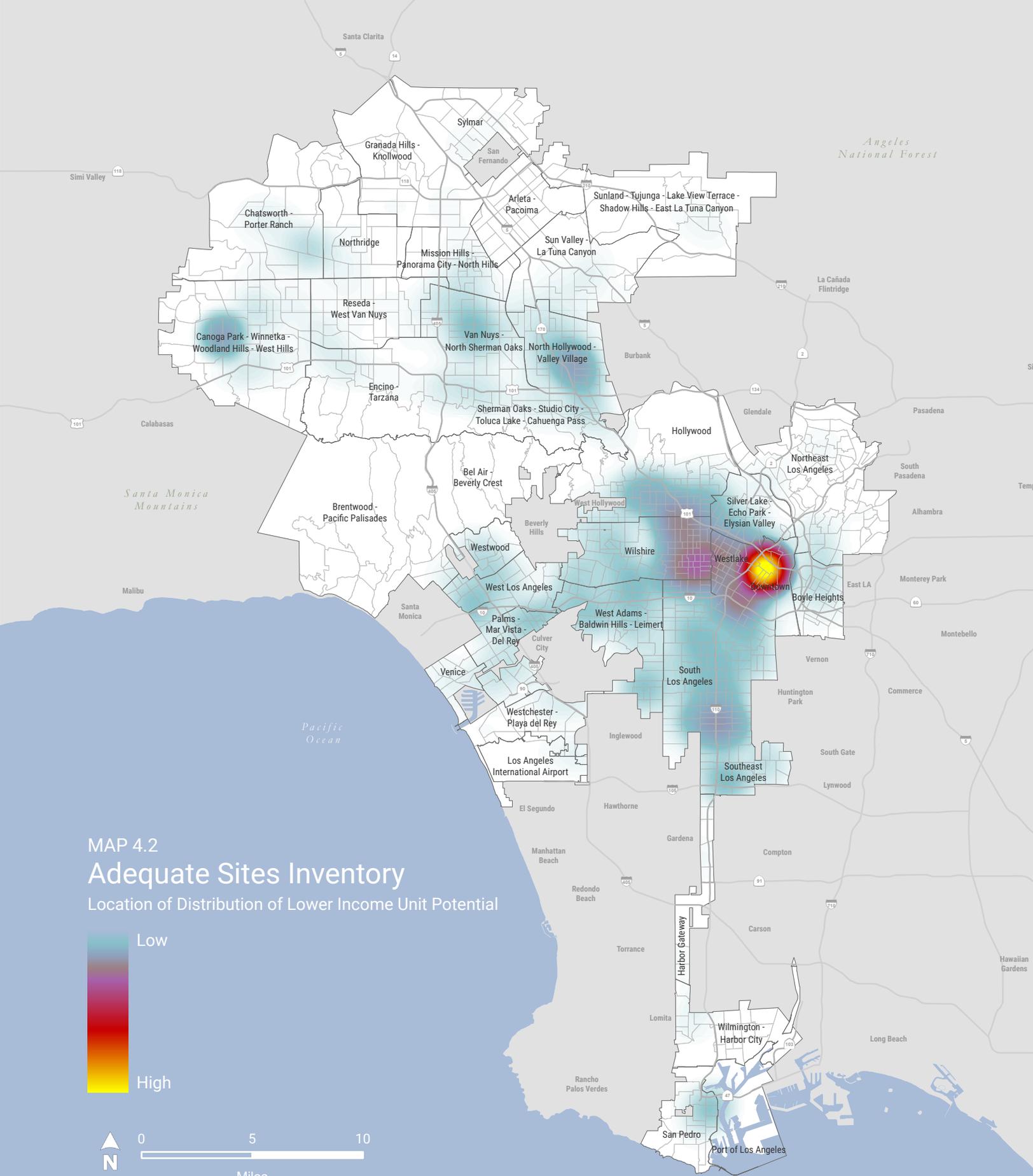|	Lower Income	Moderate Income	Above Moderate Income	Total Development Potential
Expected Unit Production	16,955	5,039	20,770	**42,764**

Map 4.1 shows the location and distribution of the total expected unit potential resulting from the regression model. The location and distribution of the lower income units resulting from the analysis is shown in Map 4.2.

Appendix 4.1 includes the detailed list of all sites. The general plan land use designation and zoning capacity are identified for each site, as well as the number of housing units that the site can realistically accommodate during the planning period.

The inventory also includes the following information for each site:

- Size, in acres

- A description of the existing use

- Whether the site is publicly owned or leased

- Whether the site has available or planned and accessible infrastructure

- Whether the site was identified in a previous planning period site inventory

MAP 4.1

Adequate Sites Inventory
Location of Distribution of Total Unit Potential

Low

High

0   5   10
Miles

N

MAP 4.2
Adequate Sites Inventory
Location of Distribution of Lower Income Unit Potential

Low

High

0   5   10

Miles

N

Sites Suitability Analysis and Availability of Infrastructure

All identified parcels are suitable for development in the current planning period, pursuant to zoning and building code requirements, and are not subject to any general environmental constraints that would preclude development. Streets and highways are available to all sites in the inventory and in most cases, transit is within close proximity. In addition to its streets and freeways the City of Los Angeles has a heavy rail, light rail, rapid bus, fixed guideway, and an extensive bus transit system.

Parcels included in the inventory have sufficient water, sewer, and dry utilities available to support housing development. Water, sewers, and other utilities are available throughout the City of Los Angeles as an urbanized area. The City's infrastructure capacity and availability are being analyzed in the environmental analysis prepared for this Update to the Housing Element.
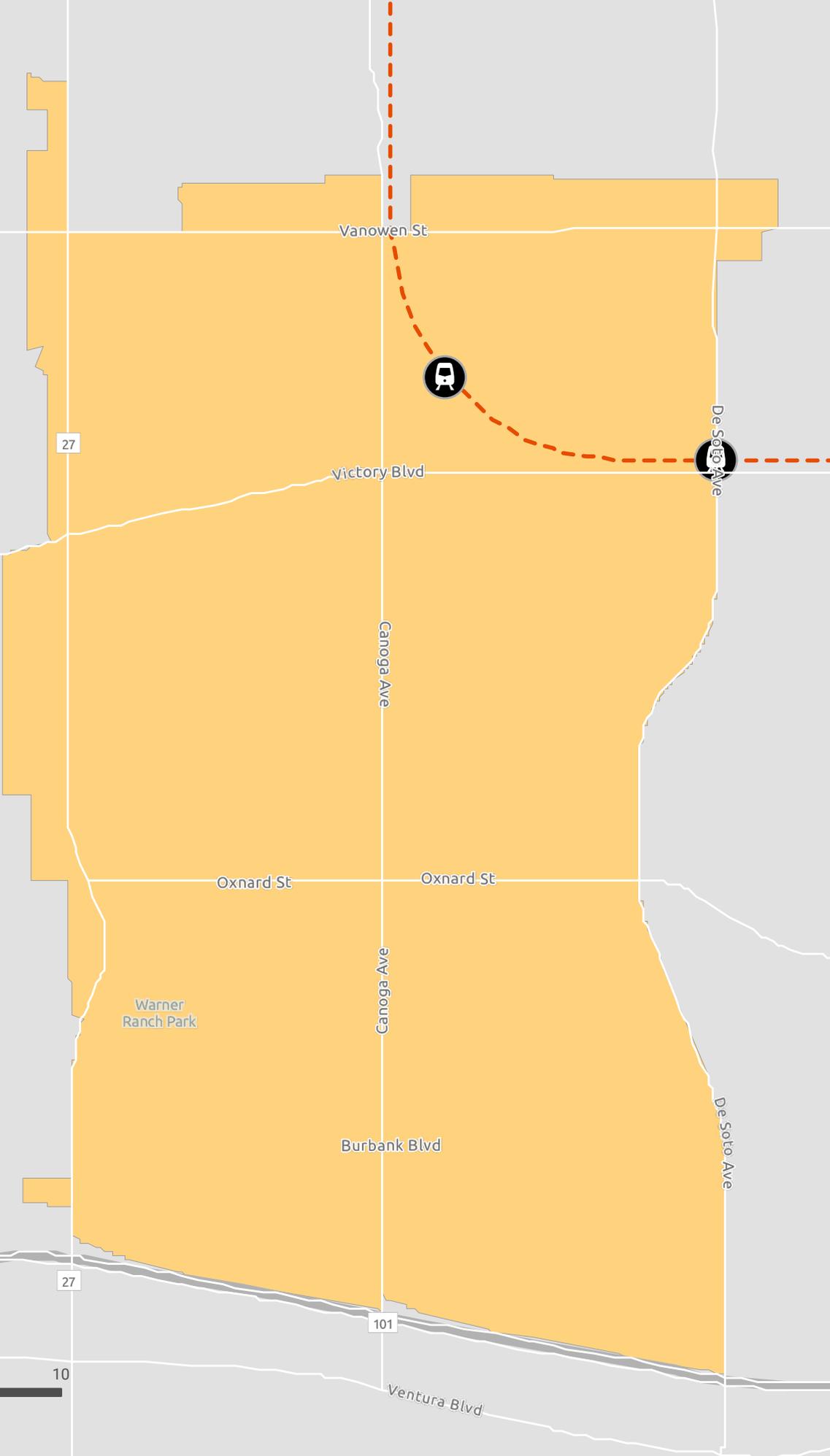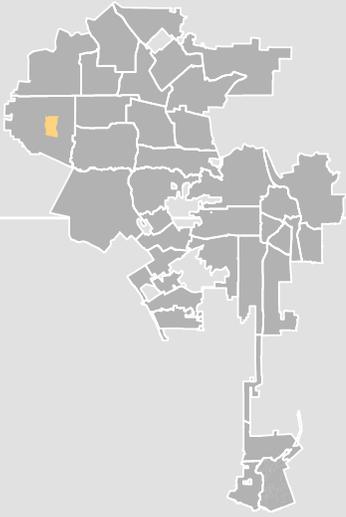
Environmental or other known features (e.g., presence of floodplains, protected wetlands, VHFHSZ) are not anticipated to impact the development viability of the identified sites on the sites inventory. The City of Los Angeles has a presence of many known environmental features and sites located within those that preclude residential development were removed from the inventory. For example, vacant sites were excluded from the inventory if they were located in the VHFHSZ, as those sites are presumed to have additional environmental conditions such as slopes that have made residential development infeasible up until now. The presence of certain environmental or other known features is not anticipated to preclude development on the identified sites.

The methodology used to develop the Adequate Sites Inventory is designed to consider the suitability and availability of each site for residential development during the planning period. The methodology takes into consideration the suitability of the parcel's size as part of the evaluation of whether a site is likely to be redeveloped, including many suitability factors such as the allowable density and realistic capacity of the site, the existing use, age of existing structure, and the current utilization of existing buildings.

Each housing development will be granted a permit on a site-by-site basis, at which time it is possible that some projects may be required to improve the existing infrastructure or comply with specific environmental regulations (such as certain types of roofing materials in high fire hazard areas). However, the City's environmental laws in general do not preclude development. A project proposed on any site in the Inventory would be allowed if consistent with the zoning provisions for that site, and would be issued a permit by the Department of Building and Safety (provided no extraordinary site-specific health and safety circumstances were found to exist).

Warner Center 2035 Specific Plan

In addition to the sites resulting from the methodology described above, the Adequate Sites Inventory includes development potential located within the boundaries of the Warner Center 2035 Specific Plan Area. The Warner Center 2035 Specific Plan (adopted 2013) adopted zoning regulations in the Warner Center Plan area, in order to promote a mixed-use, transit-oriented district for the Plan area and surrounding communities. The Warner Center Plan area is located in the Canoga Park - Winnetka - Woodland Hills - West Hills Community Plan Area in the west San Fernando Valley and is served by the Metro Orange Line (see Map 4.3).

MAP 4.3
Warner Center

Legend:
- Metro Station
- Metro - Orange Line
- Warner Center

Map labels: Vanowen St, Victory Blvd, Oxnard St, Oxnard St, Burbank Blvd, Canoga Ave, De Soto Ave, 27, 101, Warner Ranch Park, Woodland Hills, Ventura Blvd

Scale: 0 — 5 — 10 Miles
N

Among other strategies, the Warner Center 2035 Specific Plan aims to promote dense, mixed use neighborhoods by establishing unlimited residential density on most sites located within the plan area, until the plan's build-out limitation is reached, or the plan horizon year of 2035 is reached. Under the plan, total dwelling units within the plan area can increase from the baseline development condition of 6,200 in 2008 to a maximum of 26,048 in 2035. After the build-out limitation of 26,048 units is reached, sites within the plan area revert to R3 residential density, which is a density equivalent to approximately 54 dwelling units per acre.

In the first 7 years of the 22-year plan period, nearly 60% of the residential build-out limitation has been met through existing, completed, and pending new development (see Table 4.7). By 2029 (the end of the 6th cycle RHNA planning period), there would only be 6 years remaining until the Warner Center Specific Plan horizon is reached in 2035. Given the rate of development activity in the Warner Center Specific Plan Area, the plan is on track to reach the build-out limitation in advance of the plan horizon year. As such, it is reasonable to anticipate that the build-out limitation is likely to be reached during the 6th cycle RHNA planning period. Additional development may occur after the build-out limitation is met and development standards revert to R3 residential density; however, it is not currently possible to estimate the level of development that would occur at that time.

Table 4.7: **Warner Center 2035 Specific Plan, Residential Build-Out Limitation**

	Housing Units	**Residential Square Footage (sq. ft.)**
Plan Build-Out Limitation (2035)	26,048	32,600,000
Current Existing Development plus Entitled Development Not Yet Built	15,557	19,459,521
Remaining Plan Capacity	10,491	13,140,479

As a result, it is anticipated that a total of 10,491 housing units are reasonably likely to occur in the Warner Center Specific Plan Area during the 6th cycle. Due to the nature of the development regulations in this area, it is anticipated that this development potential is likely to occur, but it is difficult to identify specific sites that are likely to be developed. For the purposes of the Inventory of Adequate Sites, the Warner Center Specific Plan Area is therefore considered to be one master-planned site with a total expected development potential of 10,491 units.

While all sites in the Warner Center 2035 Specific Plan have sufficient density to accommodate development of lower-income housing, based on current development activity in the plan area, no new housing has been developed for lower-income households (although some development projects have proposed to include workforce housing units). The City Council has called for a study of the feasibility of incorporating an inclusionary housing requirement in the plan area; however, this inclusionary requirement has not yet been adopted. As a result, at this time there is no evidence to support an estimate of the future development of lower-income housing in the Warner Center 2035 Specific Plan Area. Table 4.8 displays the anticipated capacity by income category located in the Warner Center 2035 Specific Plan Area.

Table 4.8: **Warner Center 2035 Specific Plan, Anticipated Capacity by Income Category**

	Lower Income	Moderate Income	Above Moderate Income	Total Development Potential
Warner Center 2035 Specific Plan	0	0	10,491	**10,491**

Planned and Approved Projects (Development Pipeline)

The housing element may satisfy its RHNA requirement through a variety of methods other than identifying specific sites (Government Code Section 65583.1). This includes the identification of units permitted, built, entitled, or pending that may occur through planned and approved projects that are already in the development pipeline within the jurisdiction. Following is an analysis of planned and approved projects that are anticipated to occur during the 6th cycle on publicly owned land and through other private development projects.

Publicly Owned Land

There are several ongoing programs at local agencies for the development of affordable and supportive housing on publicly owned land. The Adequate Sites Inventory includes pipeline development projects from three public agencies, including Los Angeles County Metropolitan Transit Authority (Metro), the Housing Authority of the City of Los Angeles (HACLA), and the City of Los Angeles. Specifically, the inventory includes development projects that are part of the following programs:

- **Metro Joint Development Program:** A real estate development program through which Metro collaborates with qualified developers to build transit-oriented developments on Metro-owned properties.

- **HACLA-Project Homekey Sites:** Motels and hotels that will be converted to permanent housing as a part of the first round of the State's Project Homekey program.

- **HACLA-Public Housing Redevelopment:** A program to develop new housing units at existing public housing locations.

- **City of Los Angeles—City Owned Sites development:** The City's program to develop affordable housing and supportive housing on City-owned properties, in partnership with qualified local affordable housing developers.

All included development projects are expected to be completed within the 6th cycle, as they represent projects which have a defined development program, a commitment of public funds and/or land, a selected developer and development agreement, and/or have received necessary approval from the appropriate oversight board or council to move forward for development. Affordability levels are established by the respective programs and will be ensured by a combination of land use covenants and public subsidy requirements. As shown in Table 4.9, these development projects account for a total of 7,891 housing units, of which 5,606 are lower-income. The full list of development projects, with information on the current project stage and project schedule, is provided in Appendix 4.2.

Table 4.9: **Summary of Pipeline Development Projects on Public Land, Anticipated Development by Income Level**

	Lower Income	Moderate Income	Above Moderate Income	Total Development Potential
Metro Joint Development (JD)	1,047	0	1,520	**2,567**
Housing Authority of the City of Los Angeles (HACLA)	2,002	0	0	**2,002**
City Sites - Affordable and Supportive Housing	2,557	12	753	**3,322**
Total	**5,606**	**12**	**2,273**	**7,891**

Other Pipeline Residential Development

The City of Los Angeles has a significant pipeline of development projects that are seeking entitlements or are actively pursuing construction. Table 4.10 summarizes the current inventory of residential and mixed-use development projects with active entitlements or pending building permits. As of Fall 2021, there were an estimated 117,814 housing units in the pipeline that are expected to be completed during the planning period and are therefore counted toward meeting the RHNA.

To estimate the number of proposed pipeline development projects that are expected to reach completion during the 6th cycle, the City examined completion rates of pipeline development projects from 2015, which is the earliest date that complete and accurate pipeline data is available. For discretionary entitlements, completion rates were found by drawing upon a representative sample of planning entitlement applications and approvals and finding the percentage of those projects which have obtained a certificate of occupancy and therefore reached completion. This analysis found that entitlement applications had a completion rate of 64%, while approved entitlements had a completion rate of 70%. For building permit applications and approved permits, completion rates were established based on existing methodology utilized by the Department of Building and Safety in regular reporting of building permit data for new housing units, which found that building permits have a 97% completion rate for issued permits. Those completion rates were then applied to the current pipeline to determine the number that would be expected to be completed within the next eight years.

Table 4.10: **Summary of Expected Pipeline Residential Projects**

Project Type By Income Category	Proposed Units Added	% Units Expected to be Completed	Units Expected to be Completed
Active Planning Entitlements			
Lower Income	7,704	64%	4,931
Moderate Income	199	64%	128
Above Moderate Income	32,759	64%	20,966
Total Units	**40,662**	**64%**	**26,025**
Approved Planning Entitlements with No Building Permit			
Lower Income	11,372	70%	7,961
Moderate Income	748	70%	524
Above Moderate Income	72,605	70%	50,824
Total Units	**84,725**	**70%**	**59,309**
By-Right Building Permit Applications (Permit not Issued)			
Lower Income	3,360	95%	3,192
Moderate Income	260	95%	247
Above Moderate Income	7,955	95%	7,558
Total Units	**11,575**	**95%**	**10,997**
Approved Building Permits with No Certificate of Occupancy (Since April 2020)			
Lower Income	2,992	97%	2,903
Moderate Income	466	97%	453
Above Moderate Income	18,687	97%	18,127
Total Units	**22,145**	**97%**	**21,483**

Table 4.11 shows the expected breakdown of this pipeline development potential, by expected income category. The income categories for individual development projects are based on the actual proposed affordability level requested or approved as part of the entitlement request. The full list of pipeline development projects, including expected unit counts by income category, is provided in Appendix 4.3.

Table 4.11: **Total Pipeline Development Potential, by Income Category**

	Lower Income	Moderate Income	Above Moderate Income	Total Development Potential
Active Planning Entitlements	4,931	128	20,966	**26,025**
Approved Planning Entitlements with No Building Permit	7,961	524	50,824	**59,309**
By-Right Building Permit Applications (Permit not Issued)	3,192	247	7,558	**10,997**
Approved Building Permits with No COO (Since April 2020)	2,903	453	18,127	**21,483**
Total Pipeline Development Projects	**18,987**	**1,352**	**97,475**	**117,814**

Additional Means of Meeting the RHNA (Non-Site-Specific)

In addition to identifying pipeline development, the housing element may satisfy its RHNA requirement through a variety of methods other than identifying specific sites (Government Code Section 65583.1). Following is an analysis of additional housing units that are anticipated to occur during the 6th cycle through programmatic or other non-site-specific activities, including through Accessory Dwelling Unit (ADU) production, an expansion of Project Homekey, and new public land development programs.

Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs)

In addition to considering planned and approved development projects as additional means of meeting the RHNA, cities may also consider the potential for accessory dwelling units (ADUs) or junior accessory dwelling units (JADUs).

Since 2017, the State Legislature has passed a series of new laws that have significantly increased the potential for development of new ADUs and JADUs by removing development barriers and requiring their approval through ministerial permits. To determine the potential for ADU and JADU development during the 6th cycle, the City analyzed trends in ADU and JADU production since January 2018. Table 4.12 shows ADU permits issued from 2018 to 2020, during which period an average of 4,099 permits were issued per year.

Table 4.12: ADU and JADU Permits Issued, City of Los Angeles 2018 to 2020

Year	2018	2019	2020	Annual Average 2018-2020
Total ADU/JADU Permits Issued	4,079	4,792	3,425	**4,099**

State ADU law was further amended (effective 2020) to allow multiple ADUs on single-family lots and multi-family lots, and these amendments have been incorporated into the City's Zoning Code in LAMC 12.22 A.33. This amendment has dramatically expanded the potential for ADU production within the City of Los Angeles. Additionally, the City continues efforts to expand awareness of new ADU laws and to further facilitate the permitting process. The City's ADU Ordinance allows for Movable Tiny Houses to be used as ADUs, helping to expand the available housing typologies that can be used for ADUs. In March 2021, the City launched the ADU Standard Plan program, which provides a simplified permitting process for the design and construction of ADUs. The use of standard plans reduces the time required for plan check resulting in faster permit issuance, as plans are pre-approved for compliance with the Building, Residential, and Green Codes. As the market is maturing, the city is seeing new innovative ADU typologies and financing models that have further expanded the ability for homeowners to build ADUs.

Based on current interest and demand for ADUs, and ongoing and planned future programs to promote ADU development in the city (see Programs 63 and 64 in Chapter 6), it is anticipated ADU production is reasonably likely to increase by at least 25% above the current annual average, to approximately 5,123 ADUs per year during the 6th cycle.

To provide local governments in the region with assumptions for ADU affordability, SCAG recently conducted a study of ADU market rents.[2] This study was reviewed and pre-certified by HCD on August 27, 2020[3] as compliant with statutory requirements and may be used in 6th cycle Housing Element Updates as the required analysis of ADU affordability. The study reflects the geographic distribution, size, and other characteristics of ADUs across the counties and subregions of SCAG. For purposes of the study, the City of Los Angeles was included in LA County Region 1, which also included Las Virgenes-Malibu, South Bay Cities, and Westside Cities subregions. The results of the study for the City of Los Angeles are summarized in Table 4.13.

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2. SCAG, SCAG Regional Accessory Dwelling Unit Affordability Analysis, https://scag.ca.gov/sites/main/files/file-attachments/adu_affordability_analysis_120120v2.pdf?1606868527

3. HCD letter to SCAG: August 27, 2020, https://scag.ca.gov/sites/main/files/file-attachments/hcd_precertified_localhousingdata_letter082720.pdf?1602114715

Table 4.13: ADU Affordability Assumptions, LA County Region 1 (Including City of Los Angeles)

	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate Income
Percent of ADUs/JADUs	15%	2%	43%	6%	34%

Source: SCAG, 2020

Based on the current annual average production of ADUs, the anticipated increase in ADU production due to recent state amendments, and the ADU affordability assumptions shown above, the total anticipated ADU capacity by income category for the 6th cycle is found in Table 4.14.

Table 4.14: Anticipated ADUs and JADUs, by Income Category

	Lower Income	Moderate Income	Above Moderate Income	Total Development Potential
ADUs and JADUs	27,592	2,459	13,935	**40,987**

Project Homekey Expansion

Project Homekey is a central part of the state's response to providing housing for persons experiencing homelessness who are at high risk for serious illness and are impacted by COVID-19. Administered by HCD, Project Homekey makes grant funding available to local public entities to purchase and rehabilitate housing, including hotels, motels, vacant apartment buildings, and other buildings and convert them into interim or permanent, long-term housing.

State law allows a credit of up to 25% of the adequate sites requirement per income category to the number of units in a motel, hotel, or hostel that are converted from nonresidential to residential and made available at an affordable cost for lower-income households experiencing homelessness as part of a long-term recovery response to COVID-19.

On September 9, 2021, the Governor announced the release of $2.75 billion to expand the statewide Project Homekey Program. This new funding commitment is expected to fund the creation of 1,000 units of permanent supportive housing in the city, through the purchase and rehabilitation of hotels, motels, and other nonresidential uses. This figure is based on the available committed assistance, including the state funding, project based vouchers, and $60 million in City funds. The figure also aligns with an alternative methodology provided by HCD that includes projecting forward the creation of 150 permanent supportive housing units from nonresidential uses, anticipated in 2021. While it is too early to identify sites to be acquired by the new funding at this time, plans around the number of 55-year, covenanted permanent supportive housing units are reflected as part of Program 89. Table 4.15 shows the anticipated unit potential from the expansion of Project Homekey, by income category.

Table 4.15: **Project Homekey Expansion, Anticipated Capacity by income Category**

	Lower Income	Moderate Income	Above Moderate Income	Total Development Potential
Project Homekey Expansion	1,000	0	0	**1,000**

Public Land Programs

The City was recently awarded a Local Early Action Planning (LEAP) Grant to help develop a program that would streamline and scale up the production of affordable housing on public land, beyond the current levels of anticipated pipeline development discussed under Publicly Owned Land, above. The program is a strategic plan to create 10,000 units of equitable housing on public land within five years. The plan focuses on using 300 acres of public land to drive a scaled housing solution that would utilize modular housing typologies to create ten housing development opportunities with 1,000 units each. The plan would also create a $500 million infrastructure fund to address funding gaps. While the program is currently in the planning process, and no sites have been secured at this time, the City has conducted a preliminary analysis of potentially available City-owned land. A list of potential candidate sites for the Public Land Program is provided in Appendix 4.8.

Preliminary analysis indicates that these sites collectively contain sufficient potential capacity to realistically accommodate the 10,000-unit goal for this program. An initial set of availability criteria has been applied to the potential candidate sites listed on the Public Land Program inventory Appendix 4.8. A more detailed analysis to narrow this list to the sites with the best suitability for housing has not yet been conducted as part of the LEAP grant; however, this work is funded and must be completed by 2023. More than fifty of these sites are under the control of the LAHD and have been identified already for affordable housing use, and therefore have a higher likelihood of moving more quickly as they do not require negotiation with other City Departments who may own the land.

The program focuses on providing equitable housing opportunities that prioritize community engagement in the planning process. As part of this effort, the program proposes to create housing for a mix of incomes that range from extremely low-income housing (30% AMI) to moderate-income workforce housing (150% AMI), and would encompass rental, homeownership, and community land trust opportunities. Table 4.16 shows the anticipated unit potential of this public land program by income category. The land for lower-income housing will be rezoned at required density levels and be subject to other state requirements, as further described below and in the Rezoning Program (121).

Table 4.16: Public Land Programs, Anticipated Capacity by income Category

	Lower Income	Moderate Income	Above Moderate Income	Total Development Potential
Public Land Programs	5,500	4,500	0	10,000

Summary of Adequate Sites for Housing and Identification of Rezoning Need

Table 4.17 provides a summary of the total anticipated development potential in the inventory of adequate sites for housing, compared to the City's 6th Cycle RHNA Allocation and the target capacity. After consideration of all three components of the Inventory — including development potential on vacant and underutilized sites, planned and approved development projects, and non-site-specific development potential that provide additional alternative means of meeting the RHNA — the City has identified a

total development potential of 230,947 units, which is insufficient capacity to accommodate both the RHNA Allocation of 456,643 units and the target capacity of 486,379 units. Based on the criteria in state Housing Element law, the land inventory includes capacity for 72,640 lower-income units, 13,362 moderate-income units, and 144,944 above moderate-income units. As a result, the Housing Element identifies a shortfall at all income levels. Overall, there is an identified shortfall of 255,432 units, including a shortfall of 130,553 lower-income units, 72,993 moderate-income units, and 51,887 above moderate-income units.

Table 4.17: **Summary of Residential Capacity Compared to 6th Cycle RHNA and Target Capacity by Income**

	Lower Income Units	Moderate Income Units	Above Moderate Income Units	Total Units
RHNA Allocation	184,721	75,091	196,831	**456,643**
Target Capacity	203,193	86,355	196,831	**486,379**
Total Development Potential	72,640	13,362	144,944	**230,947**
Shortfall	130,553	72,993	51,887	**255,432**

Chapter 6 provides an overview of the programs needed to be completed by October 2024 in order to accommodate the identified shortfall. The RHNA Rezoning Program (Program 121) describes the rezoning efforts that will be undertaken to accommodate the shortfall. The Program describes the concepts and strategies that were used to identify sites that have the potential to be rezoned and developed for housing within the planning period pursuant to subdivision (h) of Section 65583.2. It has been informed and refined by continued public input, City Council direction, and the conclusions of the AFFH Analysis provided in Chapter 1 and below.

Pursuant to state law, two types of properties will be rezoned to allow by-right (ministerial) approvals when they include 20% or more of the total units as affordable housing for lower-income households. The first set of properties include all sites rezoned to accommodate the shortfall for lower-income households, which will include a minimum density of 20 units per acre and 16 units per site, per CA Govt. Code § 65583.2(i) and will be selected from sites identified in the parcel listing (Appendix 4.7). The second set of sites are those sites identified to meet the lower-income portion of the RHNA that were previously identified on prior Housing Elements, pursuant to Government Code section 65583.2(i). This includes both non vacant sites identified on Appendix 4.1 previously identified in the 5th cycle Housing Element, and the vacant sites identified on Appendix 4.1 as previously identified for both the 4th and 5th cycle housing elements (see Program 61).

The following Rezoning section of this chapter describes the Rezoning Program assumptions and the resulting list of candidate sites to accommodate the rezoning need.

Rezoning Program and Inventory of Candidate Sites to Accommodate the Rezoning Need

Background on the Rezoning Program and Candidate Sites Inventory

According to the analysis of Adequate Sites above, it has been determined there are insufficient sites to accommodate the City's RHNA allocation of 456,643 units. Table 4.17 above identifies a shortfall of 130,553 units for lower-income households, 72,993 units for moderate-income households, and 51,887 units for above moderate-income households. This results in the need for a Rezoning Program and identification of candidate sites for rezoning in order to accommodate the total rezoning need of 255,432 units. The Rezoning Program can be found in Chapter 6 (Program 121), and the Rezoning Program Candidate Sites Inventory is provided in Appendix 4.7.

Housing Element law requires that jurisdictions identify and analyze the candidate sites that will be considered for this future rezoning and include an analysis of suitability and availability. State law requires actions be adopted to make sites available with appropriate zoning, development standards, and infrastructure capacity to accommodate the housing need. These requirements are outlined above under Overview of Adequate Sites Inventory.

Sites identified to meet the lower-income RHNA need have separate requirements. In particular, these sites (identified in Appendix 4.7, columns E and F) must be zoned to permit code compliant multifamily use through a by-right planning process for 20% lower-income affordable housing and be zoned with a minimum density and development standards that permit at least 20 units per acre and 16 units per development site. If at least 50% of the lower-income shortfall (130,553 units) cannot be accommodated on sites designated for residential use (R zones), there are additional requirements to ensure 100% residential use can be allowed on all sites. Of the identified lower-income sites for rezoning more than 200,000 units are located on sites designated for residential use (R Zones), therefore the Rezoning Program meets this 50% threshold, as summarized below.

The Rezoning Program (Program 121) identifies the concepts and strategies that were used to identify candidate sites that have the potential to be rezoned for housing at different income levels within the planning period pursuant to subdivision (h) of Section 65583.2. Rezoning ordinances must be adopted separately through the processes prescribed in the Los Angeles Municipal Code and will include extensive outreach and community input and participation.

Key elements of the rezoning strategy have been informed by public input and City Council direction, as well as the results of the AFFH Analysis. In general, the program emphasizes increasing access to Higher Opportunity areas of the city, particularly near

jobs and transit and along major corridors, while protecting environmentally sensitive areas such as fire zones and areas susceptible to sea level rise. The Program also emphasizes the continued development of innovative value capture strategies to deliver more affordable housing, stronger anti-displacement protections and other community benefits.

The Rezoning Program Candidate Sites Inventory (Candidate Sites Inventory) (Appendix 4.7) identifies potential sites for future rezoning along with state-required information on each of the properties, including the realistic number of housing units that can be accommodated on each site. Sites were selected based on the criteria included in the Rezoning Program description. Because many different strategies and work efforts are planned as a part of the program, the various components are broken out into unique rezoning strategies, which are individually discussed further below (see *Rezoning Program Strategies and Key Assumptions*).

Rezoning Program and Candidate Sites Inventory Assumptions

The following section describes the assumptions that were developed to determine how the number of units (total capacity) were determined for the different types of sites, including the use of minimum densities and adjustments to total capacities based on existing uses, realistic development potential, etc. Sites identified to meet the lower-income RHNA need have separate requirements (described above) and therefore have their own individualized assumptions, which is described as well.

Given the size of Los Angeles, the large rezoning need, and desire to include multiple pathways to achieve the RHNA goals, the Candidate Sites Inventory includes a wide array of sites, with a total of 243,254 sites that were selected based on a variety of criteria and with many different characteristics. It includes most multifamily sites and includes as many site-specific characteristics into the development assumptions as possible to promote accuracy. The various rezoning strategies also include their own set of individualized assumptions regarding availability and suitability of sites and overall capacity. In addition, the following general citywide criteria has also been developed and applied to all candidate sites on the Inventory.

The sites have been analyzed to ensure they have sufficient water, sewer, and dry utilities available and accessible. In an urbanized area like Los Angeles, the only sites that lack availability for basic infrastructure are located in remote, fire-prone undeveloped hillside areas, which have been removed from the rezoning inventory by excluding all parcels located in Very High Fire Hazard Severity Zone Areas. In addition, sites in environmentally sensitive areas susceptible to sea level rise or located in zones that do not already allow for residential development (such as Open Space, Public Facilities, or Manufacturing) were generally removed (exceptions include areas that are anticipated to be rezoned to allow residential use, as described below). Adequate water and sewer service is required to obtain building permits in Los Angeles, with a priority for developments with units affordable to lower-income households.

While Los Angeles sees almost all types of sites turn into housing, certain types of uses can be assumed to be extremely unlikely to be discontinued, such as cemeteries, colleges, hospitals, schools (except for the PF Zone strategy described below), condominium sites, libraries, recreation centers, recreational and police and fire stations, as well as a variety of other uses, were excluded altogether. Sites identified in Appendix 4.2 and Appendix 4.3 as pipeline development projects were additionally removed as they cannot be counted twice. Properties located in Historic Preservation Overlay Zones (HPOZs) were also removed from Candidate Sites, and other Historic Cultural Monuments are discounted as less likely to redevelop, as described in Table 4.18.

Non-vacant sites included in the Inventory are not precluded from being developed into housing at the capacities identified in Appendix 4.7, Column Q because existing barriers are being removed by the individualized approaches taken by each rezoning strategy. Sites with no reasonable likelihood or realistic capacity are excluded from the Inventory both through the initial selection criteria, as well as a site-based series of suitability adjustment factors that were selected to ensure potential impediments regarding existing use and market demand are applied to the analysis (see Table 4.18). These additional adjustment factors create the methodology used to determine overall development potential and are designed to account for the major factors that most impact suitability and availability - and therefore likelihood of new housing development. The factors are based in part on some of the strongest findings from the regression model used for the Sites Inventory,[4] as well as knowledge of local development trends.

The model considers the extent to which existing uses may constitute an impediment by incorporating the city's past experience with converting existing uses to higher density multifamily housing, including market-based factors. It also is based on the overall set of existing regulatory standards and incentives, and those proposed in conjunction with the Rezoning Program, to encourage additional residential development on these sites. Assumptions regarding affordability levels are built into specific rezoning programs as described below, but will be individually tailored based on the results of a feasibility analysis the City has secured through a REAP grant to carry out as part of the rezoning effort. Generally, the aim is to require more affordable housing than is typically achieved through existing incentive programs, particularly in Higher Opportunity Areas.

For all candidate sites within the rezoning inventory, the base and maximum allowable number of units is calculated using the following assumptions at a PIN level. Density for residential and commercially zoned parcels is divided by the lot area to result in the Maximum Potential Units. If the proposed FAR is less than or equal to 2:1, FAR is considered a limiting factor; therefore, Maximum Potential Units is calculated by

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4. The regression model was unable to be used for this different type of capacity analysis due to resource limitations.

multiplying the proposed FAR by PIN area and dividing by 1,150.[5] In instances where proposed density is unlimited (density noted as "FA" in Appendix 4.7) the same formula is utilized. In Plans and areas that limit the percentage of residential use, such as the Cornfield Arroyo Specific Plan (CASP), density is discounted to account for the percentage of residential area permitted. In most instances, Base and Max Density are calculated utilizing the same assumptions, exceptions include the Boyle Heights Community Plan which proposeds Density increases as a percentage of existing.

In general, development potential on every site is reduced from the maximum allowable units on a site by 80% to result in an expected buildout or realistic capacity figure. The 80% figure is taken from the Sites Inventory regression model's findings that, on average, sites in Los Angeles developed for multifamily (5+ units) housing since 2015 have been built at 80% of the maximum allowable density. This standard capacity reduction is applied to most of the rezoning strategies, apart from Accessory Dwelling Units, R2/RD Zone Update, Adaptive Reuse, Faith-Based Organization, Parking Facility and Parking Zone which are assigned individual assumed reduction factors (see below for explanation).

Lower-income sites (VLI and LI) are allocated according to the State-required minimum density of 20 units per acre and 16 units per site. Unique affordability assumptions areincluded in many of the diverse rezoning strategies described below, but an additional assumption is included for high-rise development. Due to the additional cost and lack of experience of Los Angeles in building lower-income housing through high-rise developments, sites exceeding 4.5 FAR are assumed to include only 10% of total capacity as lower-income housing (the remaining 90% are assumed to be above moderate). In addition, consistent with the Adequate Sites Inventory, sites subject to the RSO are assigned as moderate- and above moderate-income (see discussion above). Moderate-income sites are allocated assuming a density between two units a site to 20 units an acre. In addition to this criteria, sites within certain programs (see ADU, R2RD, and OPPRC2 below) are assigned as moderate-income. Above moderate-income sites include all sites not meeting the criteria listed above, as well as all sites over 10 acres.

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5. This figure is based on a sample of typical multifamily housing in Los Angeles.

After the realistic capacity is established, the result is subtracted from the number of existing units on a site, to establish potential net gain in units. If the net is less than or equal to zero, the site is removed from the list. The remaining figure is then adjusted based on a series of suitability adjustment factors, selected due to their particular likelihood to impact the potential of housing development.

The suitability adjustment factors described in Table 4.18 are applied to the realistic capacity figures in a cumulative fashion, based on the application of a composite percentage score resulting from the applicable factors on each site. In instances where the application of several factors results in more than a 100% reduction in site suitability, the site is removed from consideration.

Table 4.18: Suitability Adjustment Factors

Percentage Adjustment	Suitability Adjustment Factor	Explanation of Adjustment
-50%	Presence of a Historic Cultural Monument (HCMs)	Sites with designated HCMs are removed altogether from most strategies, except where preservation, adaptive reuse and TFAR tools that encourage proximate development are applicable (including Adaptive Reuse and the Downtown and Hollywood Plan Updates). HCMs include demolition restrictions but are incentivized for adaptive reuse and, in some cases, may be incorporated into larger housing development projects but at a lower likelihood.
-35%	The ratio of maximum allowable units compared to the number of existing units is less than 4:1	Housing replacement requirements in the City's RSO and State law require most demolished RSO units to be replaced as restricted affordable housing, which likely results in lower redevelopment feasibility as seen in the regression model. Permit data suggests a lower likelihood of new housing being built on sites where the ratio of new to existing homes is less than 4:1. Still the city sees many projects with lower ratios, so these sites cannot be precluded altogether. Was not applied to the ADU or the R2/RD strategies.
-35%	On commercial sites, a lot area utilization rate equal to or greater than 2.0.	Commercial sites with high lot area utilization are less likely to be redeveloped to housing. However, high lot utilization does not preclude redevelopment, particularly as increasing types of uses become less valuable compared to residential use. Assessor valuations are also imperfect as they may reflect older assessments and not current values.
-20%	Sites with buildings constructed in the last 25 years (2000-2021, taken from the mid-point of planning period)	Recently constructed buildings are less likely to be redeveloped overall; however, the regression model found that for higher-density sites the year built did not appear to be statistically significant.
+20%	Sites located in a Higher Opportunity Area (High and Highest Resource Areas using the TCAC/HCD Opportunity Maps)	The regression analysis found that higher-market areas, which correspond to Higher Opportunity Areas, saw a significantly increased likelihood of development compared to all other market areas.
-10%	Property is subject to the Rent Stabilization Ordinance (RSO)	The regression analysis found that properties subject to the RSO experienced less development at the most common middle density range of housing projects; however, the impact was negligible on higher density sites and positive on the much more numerous lower density development sites. Therefore, a lighter reduction is applied.

The City's Rezoning Program is largely based on the strategy of incentivizing affordable housing production alongside market rate housing. This is done by developing unique sets of development standards and affordability requirements like those that have proven to be successful in Los Angeles in creating mixed-income affordable housing at densities that exceed base zoning allowances. In 2020, the vast majority (more than 70%) of units created in 5+ unit multifamily projects in the city utilized development bonuses and built beyond the base density allowed by the site's zoning. This figure is expected to increase significantly to include almost all projects moving forward, as all permitted projects become subject to the City's Affordable Housing Linkage Fee. This is due to the significant shift (also noted above) where nearly all multifamily projects subject to Linkage Fee opt to include on-site affordable units.[6] While not all new development builds to the maximum capacity allowed by the incentives, the density levels are typically beyond the base number of units allowed prior to receipt of a bonus or incentive. These maximum allowable densities are included as part of determining the total site capacity because development trends demonstrate densities higher than the maximum allowable densities, especially for housing including units affordable to lower-income households.

This trend is due to the successful usage of affordable housing incentive programs in Los Angeles, which are somewhat unique to Los Angeles[7] due to careful design of incentive programs, which target common zoning barriers and provide alternative development standards to ensure the maximum densities can be achieved. City programs are tailored to allow for larger density increases than allowed by state density bonus law, particularly at transit-rich locations through use of the City's Transit Oriented Communities (TOC) program; through a citywide Value Capture Ordinance, which provides unlimited density though provision of additional affordable housing; and through Community Planning Implementation Overlays (CPIOs), which refine and often exceed the densities allowed in existing citywide incentives in the TOC. Other residential uses, such as 100% affordable housing and permanent supportive housing, have unlimited densities in most multi-family zoned parts of the city (through AB 1763 and the City's PSH Ordinance). The Rezoning Program anticipates an expansion of these types of successful incentive programs, primarily in Higher Opportunity Areas.

Projects using the City's incentive programs to exceed base density are generally processed ministerially, or through a transparent, objective standard-based discretionary process. Larger projects trigger a discretionary Site Plan Review (discussed as a constraint in Chapter 2), but as part of the Rezoning Program, incentive programs will allow for a larger unit threshold, as bonus units are not included in the

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6. A review of the 108 construction permits for multifamily projects (7+ units) that have been subject to the Linkage Fee shows that all but 3 (97%) provided at least one on-site affordable unit.

7. A study by the Terner Center for Housing Innovation at UC Berkeley found that more than 35% of all density bonus projects in the state are located in the City of Los Angeles (despite accounting for about 10% of the state population). Since that time the City has developed the TOC Program, which is resulting in three times as many units as Density Bonus and further reinforces this trend.

discretionary threshold (see discussion under *Plan Updates,* below). The Rezoning Program also plans to address Site Plan Review, as well as other barriers to housing production, through a comprehensive citywide update to the City's incentive programs (see Programs 48 and 54), which will further enhance their utilization.

Because the methodology does not separately count the unique capacity created by various rezoning strategies that may all apply to a given site , but only counts the largest applicable rezoning strategy, the methodology is inherently conservative. In addition, having several new zoning strategies available on a given parcel (e.g., adaptive reuse or building new micro units) increases the likelihood that the site will roduce new housing.

Rezoning Program Strategies and Key Assumptions

Each site identified as a candidate site in Appendix 4.7 is linked to one or more of the following rezoning strategies. Each strategy below includes an abbreviated identifier in parenthesis next to the title (e.g., PU for Plan Update, see below), which is linked to the Appendix in column V). Because each strategy is different, they require several different types of assumptions, though an overall consistency in approach is also applied. Each strategy is presented in more detail below, including the key eligibility criteria and assumptions regarding the types of sites included and the number of units that can be accommodated through the strategy.

It is important to note that the Inventory of Candidate Sites for Rezoning lists many more sites and potential units than are necessary to satisfy the RHNA requirements. This expansive approach is purposeful to allow the flexibility for future refinement of the rezoning strategies and sites. As such, sites included on the list should be considered as potential sites for rezoning consideration, not a final list of sites that will be rezoned. Other sites may be added, and listed sites may be removed or amended. A public review process will help guide future recommendations as to which sites are rezoned at which densities, but should follow the Housing Element's objective of an equitable rezoning program that furthers fair housing goals.

The City has three years to complete required rezoning, and many of the work efforts under the larger Rezoning Program are only now being initiated and developed and will be refined through a community engagement process. As such, important details such as densities, location, development standards and affordable housing requirements are estimated based on reasonable assumptions.

As described above, the density and capacity figures associated with each site and strategy below are based on unique criteria in state Housing Element law and do not directly correspond to other density or capacity figures typically used by the City. For example, the Inventory presents density as a number of units per acre (not number of dwelling units per square foot of lot area, as expressed in the Zoning Code), and overall capacity resulting from the Rezoning Program is calculated based on the number of proposed units compared to the number of existing units on the site. The final capacity

figures therefore are not directly comparable to capacity numbers presented in other General Plan documents such as Community Plans or the Framework Element.

Plan Updates (PU) (e.g., Community Plans and Specific Plans) – 627,638 units

A total of 16 Community Plans (four West Los Angeles plans, three Southeast Valley plans, three Southwest Valley plans, two Downtown plans, the Boyle Heights plan, the Hollywood plan, the Harbor-Gateway plan and the Wilmington plan); as well as three neighborhood Plans (the Orange Line Transit Neighborhood Plan (TNP), the Cornfields Arroyo Seco Specific Plan (CASP) and the Slauson TNP) will be in the process of being updated during the three-year rezoning period. These plans are in various phases of the adoption process, with the Downtown and Hollywood plans in the legislative process and the West LA plans in their concept phase (see timeline of plan schedules in Program 65). Reflective of this, information provided in Appendix 4.7 varies between the proposed plan areas, for instance for 12 of the Community Plans the proposed zoning field is blank because the new zoning code form and frontage standards are still being developed through the comprehensive zoning code revision (Program 60). Six of the proposed plans (two in Downtown LA, Boyle Heights, Hollywood, Harbor-Gateway, and Wilmington) include proposed General Plan Land Use designation (GPLU), Base Density, and Bonus Density, while the 10 other plans (West Los Angeles, Southeast Valley, Southwest Valley) are still refining proposed densities and therefore provide base density as a potential range. To reconcile the differing level of detail between the various plan areas, as well as rezoning strategies, density is calculated as a range. The low range is reflective of the lowest proposed base density and the high range reflective of the maximum density allowed either through a bonus program or the proposed high end of the base density range. Discounted realistic capacity assumptions detailed above are calculated using the maximum allowable density or high end of the range.

Along with other elements of the Rezoning Program, the City's Plan Updates are based upon incentivizing affordable housing production alongside market rate housing. Plan Updates support affordable housing by providing increased development rights through a finely calibrated community benefits system, usually contained in the plan's Community Plan Implementation Overlay (CPIO). CPIO community benefits systems do not undermine or otherwise affect a project's ability to use the state's density bonus law but do include often more refined incentives and ministerial processing for compliant projects using objective standards. For example, the proposed Downtown and Hollywood Community Plans are changing the Site Plan Review (SPR) thresholds for projects in Multi-family Residential and Regional Center CPIO subareas, to increase the SPR thresholds from 50 units up to 200 units in Hollywood and 500 units in Downtown. This incentive is only available for those projects using the draft Plan's CPIO community benefits program. In areas targeted for growth, the CPIO benefits system often results in the doubling (or more) of allowable density and/or floor area. In many CPIOs, base zoning standards are intentionally left lower to ensure residential projects find it advantageous to participate in the incentive program. In these areas, base standards are not used for housing development, particularly as they would result in projects being subject to the Affordable Housing Linkage Fee. Plan Updates in earlier phases

have not yet established whether they intend the proposed maximum densities found in Appendix 4.7 to be achieved through an adjustment to base zoning, or through a CPIO community benefits system. For all these reasons, it would be inappropriate to rely upon base densities in determining realistic capacities for the Plan Updates. Maximum allowable densities are therefore utilized in determining the total capacity because the City has clear reason to assume projects subject to rezoning will be built at densities higher than the base densities when bonuses are being provided. The usual adjustment factors, including the standard 80% maximum capacity reduction and standard suitability/availability discount factors, are applied to these maximum allowable densities.

The Plan Updates will continue to be refined and developed through extensive community outreach over the next three years. Site locations and proposed development standards may vary from those proposed in Appendix 4.7, as a result of continued plan development.

Proposed Zoning Code Amendments and Affordable Housing Incentive Program Updates

Opportunity Corridors. A major focus of the rezoning is on major thoroughfares located in Higher Opportunity Areas (see Key Definitions in Chapter 6). A variety of approaches can be developed through the rezoning to reflect differences in commercially (C) zoned stretches compared to residential (R) zoned areas, reflect the importance of transit-rich locations, and plan around mobility options including corridor/network designations in City's 2035 Mobility Plan. Development standards will be further refined, but the following reasonable assumptions regarding allowable densities and floor area ratios (FAR) are made in order to assess the potential number of units on candidate sites for rezoning.

1. **Residential (R Zoned) Opportunity Corridors (OPP RC and OPPRC2) – 98,546 units.** Residential (R) zoned lots in Higher Opportunity Areas along certain corridors can be rezoned to allow for multi-family development, with an affordable housing requirement. The strategy assumes rezoning will occur on qualified sites fronting all major Boulevards, as well as certain Avenues located on a High Quality Transit Corridor (with 15-minute service all day, including Metro NextGen Lines). Boulevards and Avenue designations are indicated in the City's 2035 Mobility Plan. All Boulevards and Avenues on a High Quality Transit Corridor would qualify for a higher tier of incentives to allow multifamily buildings with minimum densities and mid-rise floor area ratios (3.0:1). Avenues without high quality transit would qualify for a lower scale standard, permitting at least four units per lot with a density bonus to allow six units building to certain contextual low and mid-rise forms (designated as OPP RC2). Sites allowing R3 or less restrictive R zoning are excluded from this Rezoning Program as they largely already allow this intensity of development and will likely qualify for other Citywide Zoning Ordinance incentives (e.g., DB50).

2. **Commercial (C Zoned) Opportunity Corridors (OPP C) – 5,248 units.** Commercial (C) zoned corridors in Higher Opportunity Areas may be rezoned to allow the densities generally allowed by all Commercial General Plan Land Use designations (1 unit per 400 feet of lot area), and mid-rise floor area ratios (3.0:1), with an affordable housing requirement. This density level already exists on a majority of commercially zoned lots, which are excluded from this list of sites. The increase in site capacity was determined by the difference in the number of currently allowable units under the base density and the rezone to the 1:400 standard. This reflects a more conservative approach to net capacity calculation, compared to finding the difference from the number of existing units, which is used more commonly for other strategies. This is reasonable due to the lack of residential units on most commercial sites.

3. **Transit Opportunity Corridor Areas (TOPP C) – 1,022 units.** Commercially (C) zoned sites in Higher Opportunity Areas located on a High Quality Transit Corridor can be provided additional development bonuses in exchange for affordable housing. The analysis assumes a blend of TOC Tier 3 (height, parking) and Tier 4 (density, floor area) affordable housing incentives.

TOC Expansion in Higher Opportunity Areas (TOC EXP) - 150,402 units. Most Higher Opportunity areas are currently unable to take advantage of the Transit Oriented Community (TOC) Affordable Housing Incentive Program due to density limitations and the five-unit base density threshold needed to qualify for the program. As part of the Rezoning Program, residentially zoned sites including Residential (R) and Commercial (C) zones may be permitted at higher minimum intensities (mid-rise FAR levels up to 2.5) with higher affordability requirements. This strategy includes residentially zoned areas that fall within current TOC Tier 3 or 4 Areas but are presently unable to construct affordable housing or utilize incentives. Later refinement may limit this strategy to particular Tier 3 or 4 Areas based on other policy criteria.

50% Density Bonus (DB50) – 401,540 units. The Rezoning Program includes a potential update of the City's Density Bonus ordinance to allow for up to 50% density increases citywide in exchange for the maximum amount of affordable housing economically feasible (as determined by a feasibility study). Currently, state law (AB 2345) allows for a similar 50% density bonus; however, due to concerns about undermining the City's existing incentive programs, the state law was designed to not apply to the City of Los Angeles. The City can create its own version of the bonus that does not undermine existing programs by aligning incentives and requirements with the City's programs. An 11% increased capacity assumption was applied to account for the difference between an assumed 35% bonus to a 50% bonus on sites currently eligible for Density Bonus (but not eligible for the TOC Program).

Parking Zones (P) – 4,736 units. Another strategy would allow residential uses on all Parking (P) and Parking Building (PB) zones at the use, area and density standards of any adjacent commercial zone, with a transitional height component in some areas. The capacity figure reflects strong demand to utilize these sites, which are usually adjacent to commercially zoned corridor sites, and that existing parking can typically be replaced without triggering Zoning Code floor area limitations. In addition, this policy anticipates some right- sizing of replacement parking standards where existing parking spaces exceed demand, as well as the development of complementary programs to rezone commercial corridor sites, particularly in Higher Opportunity Areas (see Corridors strategy above). Still, the inventory uses a conservative 20% suitability and availability factor, which assumes that demand for existing commercial use parking may limit redevelopment potential in many areas. In addition, transitional height limits that apply when adjacent to single-family zones leads to a further limiting assumption that only 50% of the lot area of the available sites will be available for housing. An average of 2.5:1 FAR was applied based on the assumption this incentive will work most often in areas already zoned for at least 3.0:1 FAR, as are many commercial areas are (particularly with existing available floor area incentives).

Adaptive Reuse (ARO) – 43,128 units. The Rezoning Program's Adaptive Reuse strategy would expand the current Adaptive Reuse Incentive Areas to apply citywide, and remove additional barriers to streamline the conversion of vacant office and commercial properties to housing, when affordable housing is provided, through a by-right conversion process. It would also expand adaptive reuse incentives to allow higher densities and smaller unit sizes, the conversion of hotels, more recently constructed buildings (more than 25 years in age, or constructed prior to 2000, assuming a 2025 mid-cycle point in time), as well as allow ground floor commercial in most areas.

The capacity assumptions for each adaptive reuse site reflect a heavily discounted portion (10%) of eligible building area asbeing suitable for residential conversion. This assumption acknowledges that many commercial/office buildings are not physically suitable for housing, and that existing leases and the presence of existing businesses provides an additional limitation. However, it is also important to note that similar by-right adaptive reuse has proven attractive in areas where it is currently permitted

(including Downtown and the other Incentive Areas). This strong experience with implementing adaptive reuse in Los Angeles provides an assurance that many of the common code difficulties have already been addressed by City Departments. As such, most non-residential buildings that meet the age threshold and are included in the rezoning inventory are expected to be eligible to convert to housing. To limit the inventory to the most realistic sites, only certain types of commercial/office building uses were selected as being available and suitable for adaptive reuse. Existing uses such as existing shopping centers, big box stores, theatres, restaurants, small buildings, and other uses not as likely to turn into housing were excluded from the inventory.

Micro Units (MURC) – 21,395 units. On properties with a Regional Center General Plan Land Use designation (which includes many of the city's most intensive areas such as Downtown, Hollywood, and Century City), this strategy would revise development standards to facilitate the creation of smaller, more affordable housing typologies (micro units). This strategy will likely entail relaxing density standards, while requiring affordability set asides, to rely on form-based controls, reducing parking to account for smaller household sizes, as well as prioritizing open space and other per-unit requirements that add limitations to the creation of smaller units. This change will facilitate additional lower-income capacity in the areas of the city where highest intensities are already planned for, and demand is generally strong. The methodology added 50 percent to the current maximum densities, based on removing both direct and indirect density limits, and applied a reduction factor of 25% to account for program utilization, in addition to the standard 80% reduction mentioned above. Sites were removed if they are located in areas where form-based codes allowing micro units already exist, or if they are covered under another rezoning strategy (e.g., Downtown LA and Warner Center).

Missing Middle (Low Scale Infill Housing). Another key focus of the Rezoning Program is on missing middle strategies, which aim to increase opportunities for lower scale infill housing in existing residential areas.

1. **Accessory Dwelling Units (ADU) – 4,141 units.** One missing middle rezoning strategy involves an update to the City's ADU Ordinance to add an additional allowable ADU on larger sized lots in Higher Opportunity areas, and reduce existing unnecessary barriers that limit ADU development on single-family and multifamily lots. Allowing an extra attached or detached ADU on lots greater than 6,500 sq. ft in Higher Opportunity Areas will create the opportunity for an additional ADU on about 79,000 lots located in Higher Opportunity Areas, once more sensitive areas like Very High Fire Hazard Severity Zones and historic districts are removed from consideration. A feasibility study will examine whether any type of affordability requirement (including an in-lieu fee) can be applied to the extra ADU without impairing feasibility. While a large number of sites are eligible for this program, only 10% of eligible parcels were assumed to redevelop based on ADU figures presented above, with a slightly higher percentage due to the higher market rent areas being targeted by this strategy.

2. **R2/RD Zone Update (R2RD) – 18,079 moderate-income units.** Current laws permit the construction of two ADUs on a lot with an existing multiple dwelling structure. This allowance is used most commonly in lower density multi-family R2 (Two-Family) and RD (Restricted Density) zones. These state ADU rules can be modified at the local level to permit more flexibility to achieve better results. For example, current rules incentivize the removal of existing parking for the existing units and prevent the creation of a second story. Backyard duplexes can be bettr facilitated through targeted zoning code amendments through this strategy. With Senate Bill (SB) 9 now passed into law, there may be a desire to try to improve upon the state law and address community concerns, as raised in Program 3. The methodology assumes that only 25% of R2 and RD zoned sites would be suitable and available for housing and an overall suitability discount of 70%.

3. **Opportunity Avenues. (OPP RC2) – 23,643 units.** As already included under Opportunity residential Corridors above, certain designed Avenues will be rezoned to allow an average of six units per lot intended to facilitate new missing middle forms, including historical/contextual typologies from Los Angeles, largely within existing allowable buildable floor area limits.

Affordable Housing Overlay (AHO) – 45,516 units. Projects that commit to significantly deeper levels of affordable housing should qualify for the largest development incentives. The Rezoning Program anticipates creating development incentives for projects that include at least 50% affordable housing in a wider array of areas of the city. Because this tool will likely only be available to majority deed restricted affordable projects, capacities are heavily adjusted (-80%). Recent experience with a similar state bonus for 100% affordable projects (AB 1763) indicates the private market can find opportunities to build deeply affordable buildings if they are afforded ample incentives and a streamlined, transparent approval process. The overlay is expected to apply on any commercially or residentially zoned parcel, with varying allowable height and floor area depending on the type of site. While the state density bonus law already provides significant incentives for 100% affordable housing on sites that qualify under AB 1763, including, unlimited density, additional height, and parking reductions, the Rezoning Program would extend incentives into other areas of the city and complement state rules. It is anticipated that these projects will not require a discretionary action, even when it would otherwise be required (similar to streamlining provisions in SB 35). Sites would allow at least 2.5 stories, 1.75:1 FAR, and mid form-based density limits for affordable housing development in most residentially zoned areas of the city. The development standards would allow for the assumed densities described in the inventory and density bonuses will be included. The affordable housing overlay would not be applied in High Segregation and Poverty or Low Resource Areas identified on the TCAC/HCD Opportunity Maps.

1. **Public Facility Zone (PF) – 7,116 units.** The Affordable Housing Overlay portion of the Rezoning Program will also allow a wider array of 100% affordable housing typologies on a set of publicly owned Public Facility (PF) zoned properties. The allowance is expected to permit joint public-private housing development on publicly owned PF zoned sites at the use, area and density standards of any adjacent zone, along with a minimum set of alternative development standards for other sites where adjacent standards would not permit affordable housing. The capacity figure reflects only sites owned by Los Angeles City or County, Los Angeles Unified School District (which has expressed a commitment to build affordable housing on their land) and Metro. Sites adjacent to heavy manufacturing sites and with joint open space or agricultural designations were removed as were all Very High Fire Hazard Severity Zones. The capacity assumptions recognize that the vast majority of public land (99%) is not suitable for housing development due to existing public use and insufficient public resources to develop 100% affordable housing. When these public lands are built for lower-income housing, they will likely be smaller units and be built to a mid-rise 3.0:1 FAR.

2. **Faith-Based Owned Properties (FBO) – 3,552 units.** Many faith-based organizations have underutilized properties, like parking lots that are empty most of the time, as well as a social mission to provide affordable housing. On land owned by a religious or faith-based institution, as part of the Affordable Housing Overlay, the Rezoning Program would allow affordable housing development at densities required for affordable (lower-income) housing sites. Allowable densities, heights and floor area can be based on the least restrictive adjacent zone, with a minimum FAR and density to permit affordable housing development of at least 20 units per acre and 16 units per development site. This incentive would be paired with local and state incentives including AB 1851 (2020), which provides parking replacement incentives. The methodology assumes that only a small percentage (3%) of faith-based owned sites would be suitable and available for housing and 15% of the land would be available due to pre-existing uses. Buildable area on this limited area would be assumed to be built to an average of a low rise 2.0:1 FAR, recognizing some housing will be built in lower density areas where height will be more limited. The list provided in Appendix 4.7 is based on a religious use identifier from County Assessor data, and did not include a large number of additional sites that appear to be owned by faith-based organizations, so the list likely represents a conservative estimate of total potential capacity that could result from this strategy.

Results of the Rezoning Program and State Law Compliance

A total of at least 243,254 sites containing 1,432,059 units have been identified as part of the Rezoning Program (see Table 4.19 below).[8] These units have been distributed to different income categories using the methodology described above. At least 36,446 sites containing 591,726 units have been identified as meeting the state law criteria as lower-income, meaning they can accommodate at least 16 units per site and can include minimum densities of at least 20 units/acre. At least 130,553 units will be rezoned as lower-income sites at these densities and will permit a multi-family use by-right when at least 20% of the total units are dedicated as lower-income affordable housing. More than fifty percent of the lower-income shortfall is accommodated on sites designated for residential use (R zones). As shown in Maps 4.4 and 4.5, the Rezoning Program primarily creates new development potential in areas located within a Regional Center (such as Downtown Los Angeles), near public transit, along corridors, and in areas of high opportunity (such as in West Los Angeles and the South Valley).

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8. Please note this number has been reduced since the September 15th draft, due to further refinement of the inventory to exclude parcels erroneously identified such as certain sea level rise parcels, parcels in HPOZs, and parcels with incompatible existing uses.

Table 4.19: Results from Rezoning Inventory Model

Rezoning Strategy	Parcel Count	Very Low Income Units	Low Income Units	Moderate Income Units	Above Moderate Income Units	Total Units
Community and Neighborhood Planning (CPU)	33,749	90,473	90,473	2,121	449,572	**627,638**
Residential Opportunity Corridors (OPP RC)	3,477	29,093	29,093	0	16,901	**74,903**
Opportunity Avenues (OPP RC2)	5,316	0	0	23,643	12	**23,643**
Commercial Opportunity Corridors (OPP C)	667	1,194	1,194	0	2,859	**5,248**
Transit Opportunity Corridor Areas (TOPP C)	272	0	0	0	1,022	**1,022**
TOC Expansion in Higher Opportunity Areas (TOC EXP)	11,792	287,811	27,811	0	94,780	**150,402**
50% Density Bonus (DB50)	18,908	123,699	123,699	250	153,892	**401,540**
Parking Zones (P)	1,032	1,978	1,978	0	780	**4,736**
Adaptive Reuse (ARO)	10,153	4,747	4,747	1,595	32,039	**43,128**
Micro Unit Regional Center (MURC)	1,250	3,417	3,417	43	14,518	**21,639**
Accessory Dwelling Units (ADU)	48,797	0	0	4,141	0	**4,141**
R2/RD Zone Update (R2RD	64,570	0	0	18,080	0	**18,079**
Affordable Housing Overlay (AHO)	34,034	10,198	10,198	0	25,120	**45,516**
Public Facility Zone (PF)	6,407	2,072	2,072	0	2,972	**7,116**
Faith-Based Owned Properties (FBO)	2,865	1,273	1,273	0	1,006	**3,552**
Total	**243,245**	**297,433**	**297,433**	**49,872**	**790,461**	**1,432,059**
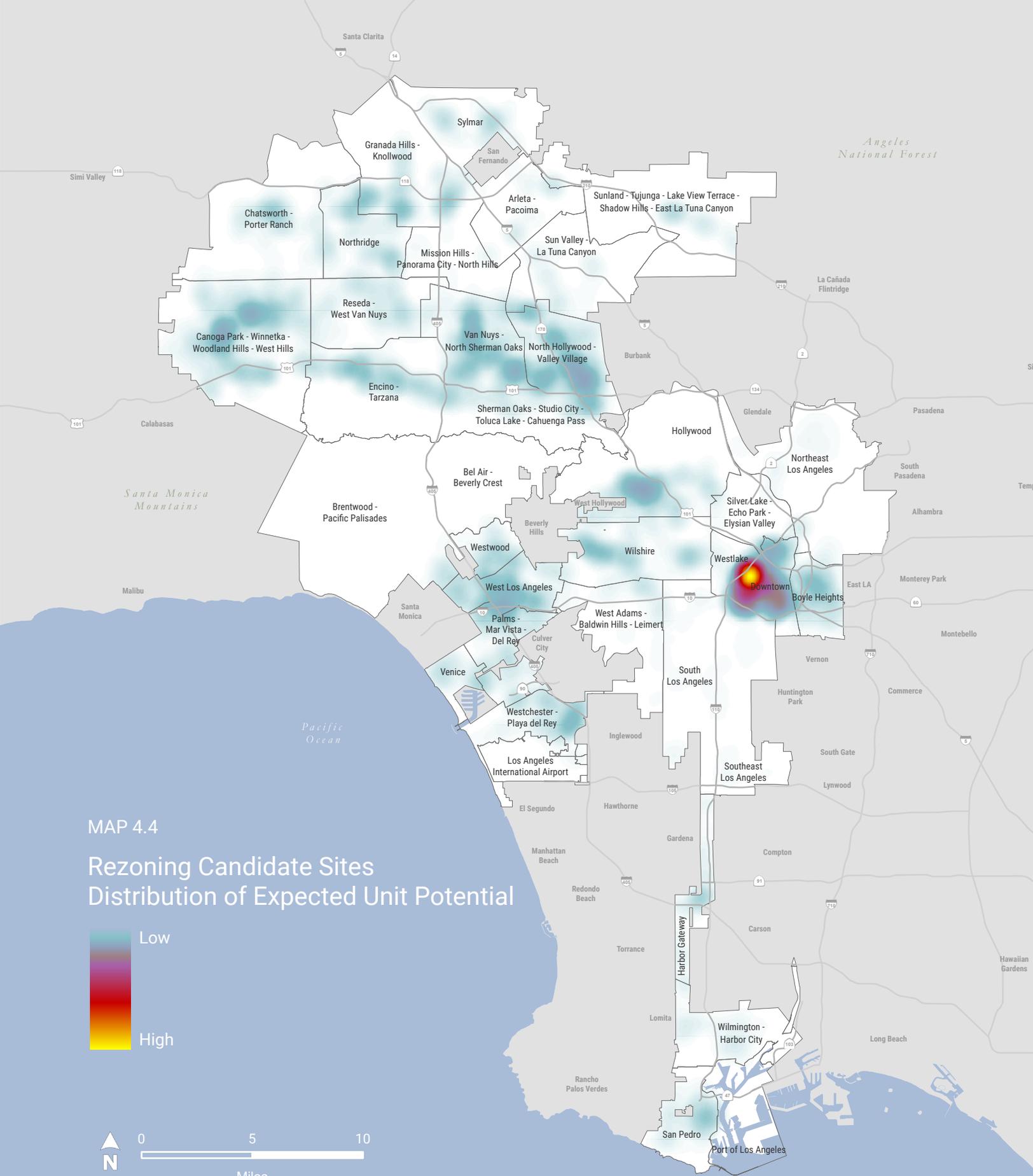
MAP 4.4

Rezoning Candidate Sites
Distribution of Expected Unit Potential

Low

High

0   5   10

N

Miles
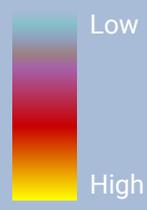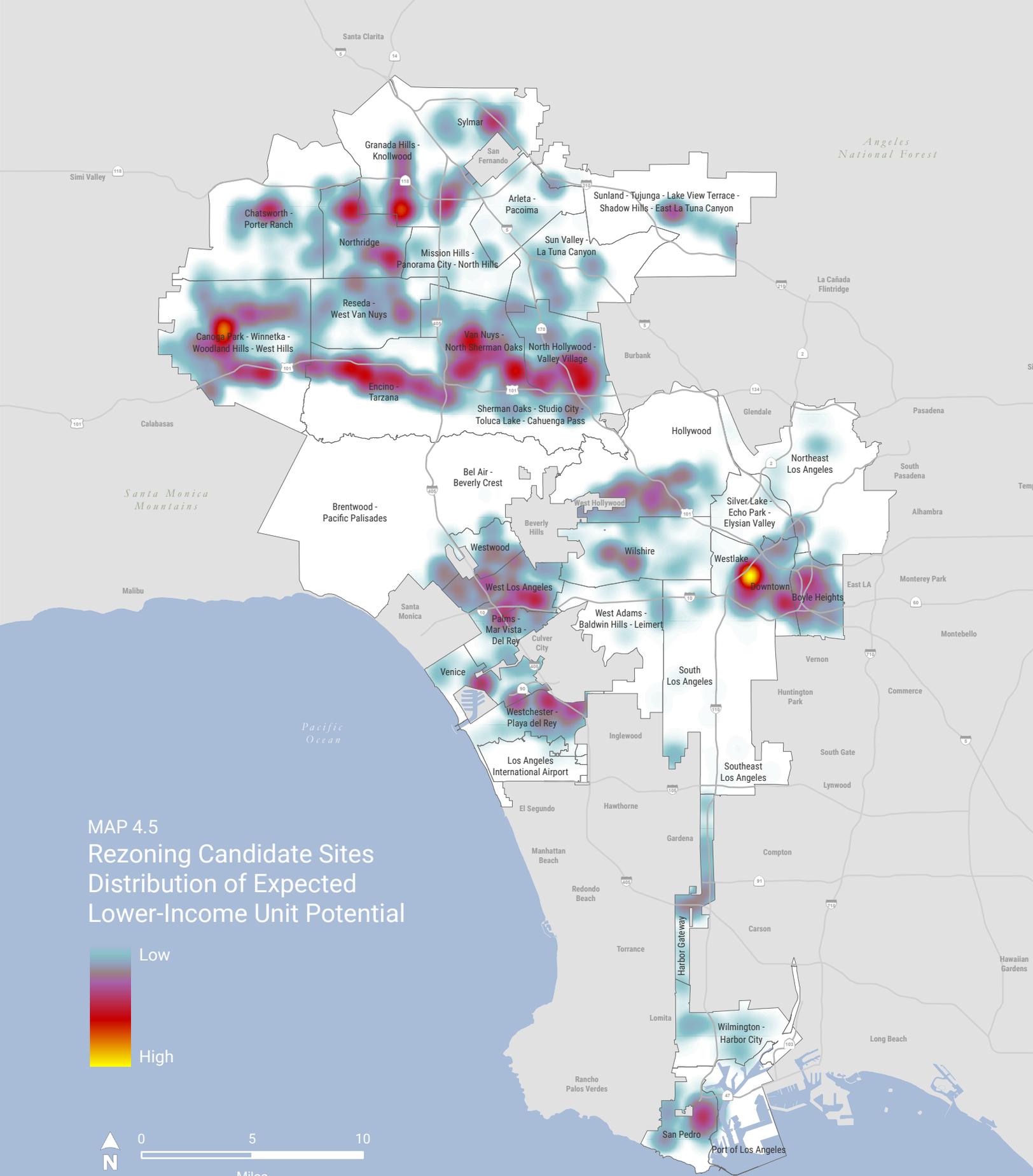
MAP 4.5
Rezoning Candidate Sites Distribution of Expected Lower-Income Unit Potential

Low

High

0   5   10

Miles

N
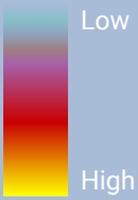
Affirmatively Furthering Fair Housing (AFFH) Analysis

Background on Affirmatively Furthering Fair Housing and the Sites Inventory

Pursuant to Assembly Bill (AB) 686, the Housing Element must include an analysis and determination of consistency with Affirmatively Furthering Fair Housing (AFFH) requirements. AFFH means:

"[T]aking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. (Government Code Section 8899.50(a)(1).)

The duty to affirmatively further fair housing extends to a public agency's activities and programs relating to housing and community development, including the Housing Element's analysis of adequate sites for housing. Specifically, the Inventory of Sites suitable for housing development must be identified throughout the City in a manner that affirmatively furthers fair housing opportunities. The goal is to have identified sites serve the purpose of replacing segregated living patterns with truly integrated and balanced living patterns, and ultimately transforming racially and ethnically concentrated areas of poverty into areas of opportunity.

For purposes of the housing element site inventory, as advised by HCD, this means that sites identified to accommodate the lower-income portion of the RHNA are not concentrated in low-resourced areas (lack of access to high performing schools, distance from jobs centers, location disproportionately exposed to pollution or other health impacts) or areas of segregation and concentrations of poverty. Sites identified to accommodate the lower income RHNA must be distributed throughout the community in a manner that affirmatively furthers fair housing.

HCD has provided additional guidance on topics that should be addressed as part of the AFFH Analysis for the Adequate Sites Inventory. This includes the following components:

- **Improved Conditions:** A discussion of how the sites are identified in a manner that better integrates the community with a consideration for the historical patterns and trends, number of existing households, the magnitude (e.g., number of units) of the RHNA by income group and impacts on patterns of socio-economic and racial concentrations.

- **Exacerbated Conditions:** Similar to above, an explanation of identified sites relative to the impact on existing patterns of segregation and number of households relative to the magnitude (e.g., number of units) of the RHNA by income group.

- **Isolation of the RHNA:** An evaluation of whether the RHNA by income group is concentrated in areas of the community.

- **Local Data and Knowledge:** A consideration of current, planned, and past developments, investment, policies, practices, demographic trends, public comment, and other factors.

- **Other Relevant Factors:** Any other factors that influence the impacts of the identification of sites to accommodate the regional housing need on socio-economic patterns and segregation. This requirement should address any pending or approved plans, other elements of the general plan and relevant portions of the housing element and site inventory analysis requirements including, but not limited to, effectiveness of past programs in achieving the goals of the housing element, suitability of sites, existing uses and impacts of additional development potential, including potential for displacement of residents, businesses and other community amenities and infrastructure capacity.

Summary of Conclusions and Approach to Policies and Programs: Based on the outcomes of the analysis, the element must summarize conclusions and directly identify policies and programs needed to address identifying and making available adequate sites to accommodate the RHNA in a manner that affirmatively furthers fair housing.

Methodology

To evaluate the location and concentration of sites identified through the Adequate Sites Inventory and the Rezoning Program, the AFFH Analysis consists of two key steps. First, the analysis presents an examination of current conditions, as reflected in the components of the Adequate Sites Inventory, as well as recent development trends and existing residential zoning patterns. Second, the analysis presents an examination of the proposed Rezoning Program (Program 121), and evaluates how existing conditions are anticipated to be improved as a result.

The information presented in this Chapter represents the key findings of the analysis, including those that most clearly convey how the Adequate Sites Inventory and Rezoning Program work together to improve conditions related to fair housing, segregation, and access to opportunity. Further data analysis that responds to all topics required to be addressed as part of the AFFH Analysis is provided in Appendix 4.4.

Data sources used to conduct the analysis include U.S. Census American Community Survey data, including household level demographic data and data on protected classes, such as population by race, disability, and familial status.

As required by Housing Element law, the analysis also includes an assessment of the share of identified development potential in Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs) and Racially Concentrated Areas of Affluence (RCAA). Racially/Ethnically Concentrated Areas of Poverty (R/ECAP) is a category of neighborhood defined by the U.S. Department of Housing and Urban Development (HUD) to measure neighborhoods that experience both racial and ethnic concentration as well as high rates of poverty. According to HUD, R/ECAP Census Tracts must meet two criteria: (1) have a majority non-white population of over 50%, and (2) have 40% or more of individuals living at or below the poverty line, or have three or more times the average tract poverty rate for the metropolitan/micropolitan area, whichever threshold is lower.[9] At the time of preparing this analysis, the State had not issued a final methodology to define Racially Concentrated Areas of Affluence (RCAA). Based on the demographic data in the City of Los Angeles, staff have chosen to define RCAAs as Census Block Groups with a median income greater than $125,000 and are of more than 50% white. The $125,000 income threshold is roughly double the median income of the city and the 50% white threshold represents significant concentration since the population of the city overall is only 28% white.

As shown in Map 4.6, R/ECAPs are primarily located in Southeast LA, Westlake, parts of Downtown, Boyle Heights, and Wilmington, while RCAAs are primarily located in West LA, the Southernmost San Fernando Valley (in and around Encino, Tarzana, Sherman Oaks, and Studio City), and the Northwest Valley (in and around Woodland Hills, Porter Ranch, and Granada Hills).
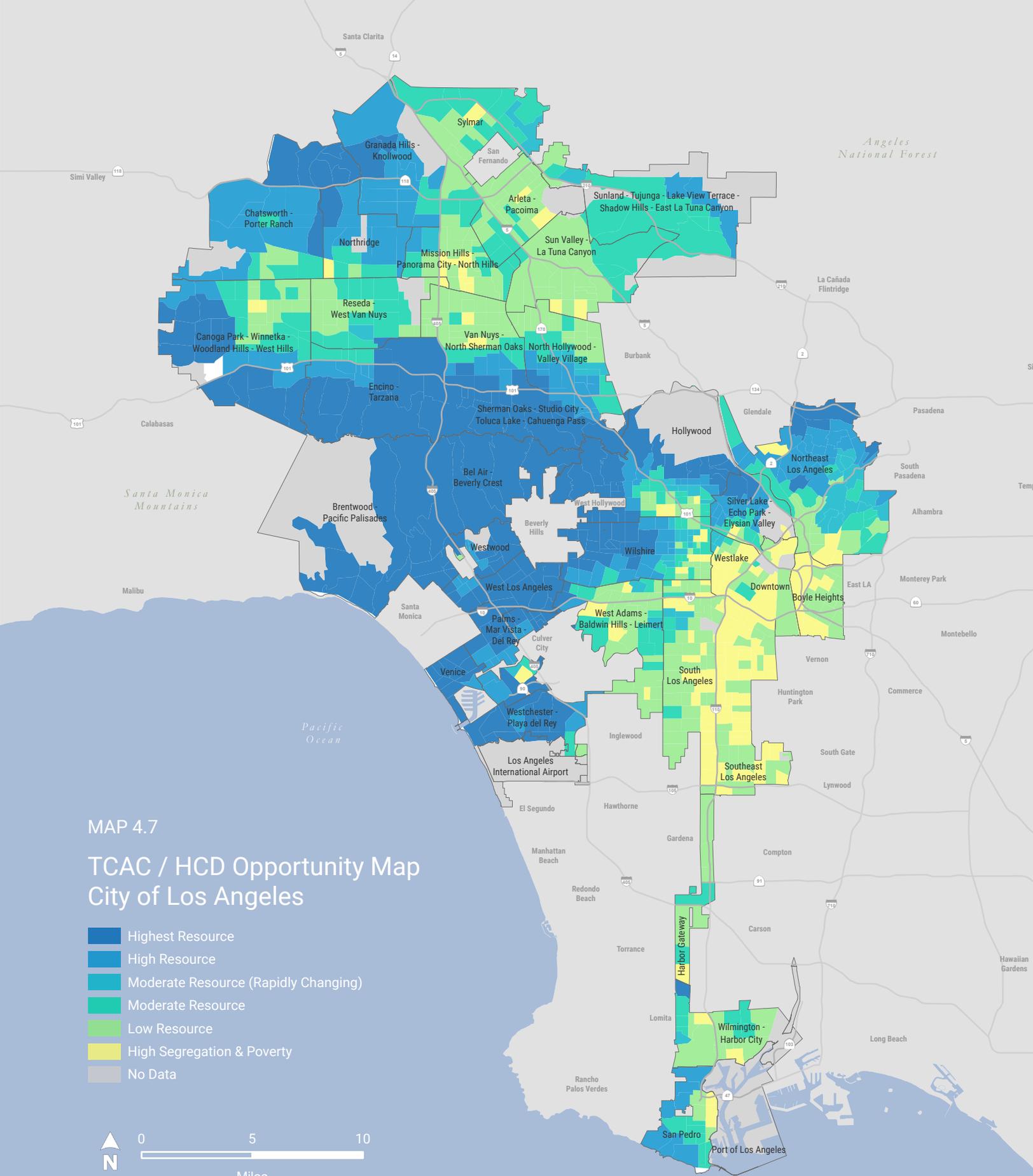
The analysis also utilizes the 2021 California Tax Credit Allocation Committee (TCAC)/ California Department of Housing and Community Development (HCD) Opportunity Map, which is shown in Map 4.7.

The TCAC/HCD Opportunity Map is developed by the state as a way to measure and visualize place-based characteristics linked to critical life outcomes, such as educational attainment, earnings from employment, and economic mobility. The Opportunity Area categories are assigned based on a composite score that considers

9. "Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs)," arcgis.com (US Department of Housing and Urban Development (HUD), 2017), https://www.arcgis.com/home/item.html?id=56de4edea8264fe5a344da9811ef5d6e.

MAP 4.6

Racially/Ethnically Concentrated Areas of Poverty and Affluence

■ RCAA (Racially Concentrated Areas of Affluence)
■ R/ECAP (Racially/Ethnically Concentrated Areas of Poverty)

0   5   10
Miles
N

MAP 4.7

TCAC / HCD Opportunity Map
City of Los Angeles

- Highest Resource
- High Resource
- Moderate Resource (Rapidly Changing)
- Moderate Resource
- Low Resource
- High Segregation & Poverty
- No Data

0   5   10
Miles
N

indicators from three domains: economic, environmental, and education. The data and mapping tool are updated annually by the state. Additional information on the methodology used to create the map can be accessed at https://www.treasurer.ca.gov/ctcac/opportunity.asp.

Existing Conditions: Analysis of Adequate Sites Inventory

The following analysis relates to the existing development potential that is found in the Inventory of Adequate Sites to accommodate a portion of the RHNA. The AFFH Analysis of existing conditions was conducted by considering locations and concentrations of the total expected development potential identified in the Adequate Sites Inventory, as well as the locations and concentrations of the lower-income development potential. This analysis includes locations and concentrations of development potential that resulted from the vacant and non-vacant site analysis. To analyze data compared to Census data, expected development potential was aggregated from all individual sites identified within a census tract boundary. Census tracts were then categorized based on their total expected unit potential into three categories, from the lowest capacity neighborhoods to the highest, as shown in Table 4.20. Selected tables resulting from the AFFH analysis are included in this Chapter. For the full data results, see Appendix 4.4. Because the distribution of lower-income development potential is consistent with the overall distribution of total expected development potential, a detailed data analysis of the lower-income development potential is provided in Appendix 4.4. The findings presented in this Chapter are applicable to the locations of lower-income development potential as well.

Table 4.20: **Existing Conditions Analysis: Census Tracts by Expected Unit Potential and Expected Lower-Income Unit Potential**

Census Tract Category	Total Unit Potential	Total Lower Income Unit Potential
Low Capacity Neighborhoods	0 - 15	0 - 5
Medium Capacity Neighborhoods	15 - 50	6 - 25
Higher Capacity Neighborhoods	50+	26+

Concentration of Development Potential

Table 4.21 shows a summary of the share of census tracts assigned to each category based on total existing development potential, as well as their respective share of the total expected unit potential identified in the Adequate Sites Inventory. Most of the

expected development potential identified in the Adequate Sites Inventory is concentrated in a relatively small proportion of neighborhoods in the city. The higher capacity neighborhoods account for 67% of the city's expected production of new units, despite comprising just 30% of the total census tracts in the city. Meanwhile, the low-capacity neighborhoods comprise a larger share of the city's geography (33%) but have very little expected development potential (5%).

Table 4.21: **Existing Conditions Analysis: Summary of Census Tracts by Assigned Category, Total Development Potential**

Census Tract Category	Percent of Total City Census Tracts	Percent of Total Unit Potential
Low Capacity Neighborhoods	33%	5%
Medium Capacity Neighborhoods	37%	28%
Higher Capacity Neighborhoods	30%	67%

When considering only the lower-income unit potential identified in the Adequate Sites Inventory, this trend is similarly pronounced. Table 4.22 shows the respective share of the total expected unit potential identified in the Adequate Sites Inventory for each Census Tract category. The neighborhoods with the highest capacity for lower-income housing account for 64% of the city's expected production of new units, despite comprising just 19% of the total census tracts in the city. Meanwhile, the neighborhoods with the lowest capacity for lower-income housing comprise nearly half of the city's geography (41%) but have very little expected potential for lower-income housing (4%).

Table 4.22: **Existing Conditions Analysis: Summary of Census Tracts by Assigned Category, Lower-Income (LI) Development Potential**

Census Tract Category	Percent of Total Census Tracts	Percent of Lower Income Unit Potential
Low LI Capacity Neighborhoods	41%	4%
Medium LI Capacity Neighborhoods	39%	32%
Higher LI Capacity Neighborhoods	19%	64%

Race/Ethnicity

Table 4.23 shows the share of total population in each group of census tracts that identify as white, Black/African American, Latinx, or Asian, compared to citywide racial/ ethnic demographics. With the city's current zoning designations, this analysis shows that neighborhoods with the lowest identified development potential have a higher share of white residents, compared to the city. By contrast, the neighborhoods with the highest share of identified development potential have a substantially higher share of population of Black/African American residents, compared to the rest of the city. Latinx residents are relatively dispersed throughout, though are somewhat overrepresented in the higher capacity neighborhoods.

Table 4.23: Existing Conditions Analysis: Racial / Ethnic Composition of Neighborhoods Identified in Existing Sites Inventory

Census Tract Category	Percent Population White (Non-Latinx)	Percent Population Black/African American (Non-Latinx)	Percent Population Latinx	Percent Population Asian (Non-Latinx)
Citywide Average	28%	9%	49%	11%
Low Capacity Neighborhoods	35%	5%	45%	12%
Medium Capacity Neighborhoods	30%	8%	49%	11%
Higher Capacity Neighborhoods	20%	14%	52%	11%

Source: US Census Bureau; American Community Survey; 2019 ACS 5-Year Estimates.

Tenure and Income

Table 4.24 shows the tenure and median household income of neighborhoods identified in the Sites Inventory. All neighborhoods except those with the lowest identified total development potential have a higher share of renters than the citywide average. In addition, there is a clear relationship between anticipated development potential and median household income. Lower capacity neighborhoods have a disproportionately higher median household income ($81,913, compared to $64,065 citywide), while the higher capacity neighborhoods have a disproportionately lower median household income ($50,660). While renter households have a lower overall median household income, the data follow the same trend across lower and higher capacity neighborhoods.

Looking at the distribution of low- and moderate-income households, the data follow a similar trend. Citywide, 61% of households are considered low- and moderate-income. Neighborhoods with the lowest identified development potential have a lower percentage of low- and moderate-income households (50%), while the highest capacity neighborhoods have a disproportionately high share of low- and moderate-income households (71%).

Table 4.24: **Existing Conditions Analysis: Tenure and Median Household Income of Neighborhoods Identified in Existing Sites Inventory, Total Unit Potential**

Census Tract Category	Percent Renter Households	Median Household Income	Median Household Income - Renter Households	Percent Low/ Moderate Income Households
Citywide Average	63%	$64,065	$50,404	61%
Low Capacity Neighborhoods	44%	$80,913	$59,281	50%
Medium Capacity Neighborhoods	68%	$59,284	$45,548	63%
Higher Capacity Neighborhoods	76%	$50,660	$43,430	71%

Source: US Census Bureau; American Community Survey; 2019 ACS 5-Year Estimates.

Racially/Ethnically Concentrated Areas of Poverty and Affluence

These trends are more evident when considering the share of identified development potential located in Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs), compared to that within Racially Concentrated Areas of Affluence (RCAAs). Table 4.25 shows that, compared to the overall share of the city located within a R/ECAP (10.5%), the total development potential and lower-income development potential are disproportionately located in these areas, at 13.9% and 15.6% respectively. Even more dramatic is the underrepresentation of development potential identified in RCAAs, which comprise over 7 percent of the city but less than 3 percent of the identified development potential.

Table 4.25: **Share of Development Potential Located in a R/ECAP or RCAA, Existing Sites Inventory**

	Percent of City's Census Tracts	Total Development Potential	Lower-Income Development Potential
R/ECAP – Racially/Ethnically Concentrated Areas of Poverty	10.5%	13.9%	15.6%
RCAA – Racially Concentrated Areas of Affluence	7.5%	2.2%	2.3%

Source: HUD, ACS 2019 5-year Summary Data

Transit Access

Overall, the majority of housing units anticipated as part of the Adequate Sites Inventory are expected to be located in areas with high quality transit access. Table 4.26 demonstrates that, considering both the total unit potential as well as the total lower-income unit potential, 99% is located within a High Quality Transit Area (HQTA), meaning that it is within one half-mile of a well-serviced transit stop or a transit corridor with 15-minute or less service frequency during peak commute hours.

Table 4.26: **Transit Access, Existing Sites Inventory**

	Total Unit Potential	Lower-Income Unit Potential
Located within a High Quality Transit Area (HQTA)	99%	99%
Located outside a High Quality Transit Area (HQTA)	1%	1%

Source: HQTA 2045, SCAG

Opportunity Areas

Table 4.27 shows the distribution of the total sites, total existing development potential, and total lower-income development potential by TCAC/HCD Opportunity Area. For most TCAC/HCD Opportunity Area categories, the share of total development potential and total lower-income development potential by TCAC/HCD Opportunity Area is consistent with the city as a whole; however, the High Segregation and Poverty tracts are overrepresented in terms of overall unit potential as well as lower-income unit potential. In addition, the Moderate, High and Highest Resource tracts are underrepresented in terms of lower-income development potential.

Table 4.27: Existing Conditions Analysis: Existing Sites Inventory Analysis by TCAC/HCD Opportunity Area

| TCAC/HCD Opportunity Area	Percent of City's Census Tracts	Percent of Sites on Inventory	Percent of Total Unit Potential	Percent of Lower Income Unit Potential
Highest Resource	19%	17%	18%	15%
High Resource	15%	11%	11%	10%
Moderate Resource	17%	15%	14%	14%
Moderate Resource Rapidly Changing	5%	5%	6%	6%
Low Resource	28%	29%	28%	27%
High Segregation and Poverty	16%	22%	23%	27%
Unknown	1%	1%	1%	1%

Source: TCAC/HCD Opportunity Area Map, 2021

As a point of comparison, Table 4.28 shows the distribution of pipeline development potential by TCAC/HCD Opportunity Area categories. This reflects actual locations of anticipated pipeline development that is expected to occur during the sixth cycle. Compared to the distribution of the development pipeline by opportunity area, the Sites Inventory represents a modest improvement in terms of providing greater development in High and Highest Resource Areas; however, both disproportionately anticipate development in the Low Resource and High Segregation & Poverty areas of the city. This pattern is reflected in residential zoning patterns, as shown in Table 4.30, below and is further reflected in recent trends in affordable housing financing and development, as shown in Table 4.31. This suggests that while the Sites Inventory does not actively improve conditions, it does not exacerbate them. Rather, it is a fairly accurate representation of existing conditions in the city.

Table 4.28: Existing Conditions Analysis: Pipeline Development by TCAC/HCD Opportunity Area

TCAC/HCD Opportunity Area	Percent of City's Census Tracts	Percent of Sites on Inventory	Percent of Total Unit Potential	Percent of Lower Income Unit Potential
Highest Resource	19%	23%	15%	11%
High Resource	15%	16%	13%	7%
Moderate Resource	17%	19%	15%	10%
Moderate Resource Rapidly Changing	5%	4%	5%	7%
Low Resource	28%	27%	21%	31%
High Segregation and Poverty	16%	11%	29%	33%
Unknown	1%	1%	2%	1%

Source: TCAC/HCD Opportunity Area Map, 2021
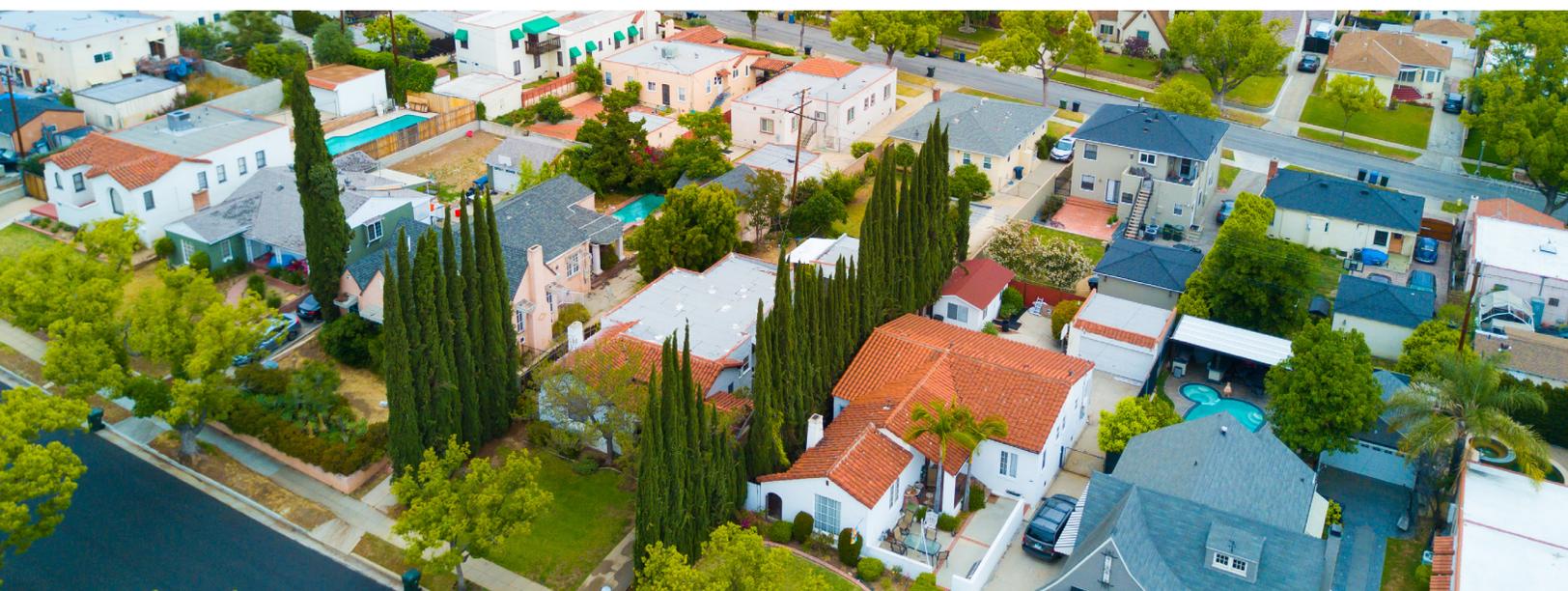
These disparities are also evident when considering the component scores within the three domains that comprise the overall Opportunity Area score, as shown in Table 4.29. Lower capacity neighborhoods are found to have higher environmental domain and educational domain scores than the rest of the city (0.53 and 0.48 respectively, compared to 0.44 and 0.39 average citywide), while higher capacity neighborhoods are lower than the citywide average (0.34 and 0.29, respectively). The economic domain score is relatively consistent across all neighborhood types but is slightly higher in the medium capacity neighborhoods (0.55).

Table 4.29: Existing Conditions Analysis: TCAC/HCD Opportunity Area Domains, Average Score by Neighborhoods Identified in Existing Sites Inventory

Census Tract Category	Average Economic Domain Score	Average Environmental Domain Score	Average Educational Domain Score
Citywide Average	**0.53**	**0.44**	**0.39**
Low Capacity Neighborhoods	0.52	0.53	0.48
Medium Capacity Neighborhoods	0.55	0.44	0.40
Higher Capacity Neighborhoods	0.53	0.34	0.29

Source: TCAC/HCD Opportunity Area Map, 2021

Existing Conditions: Analysis of Zoning

Overall, the findings above are reflective of overall discrepancies in the distribution of residential zoning in the city. Considering all land zoned to allow residential uses, approximately 81% of residentially zoned land in the Highest Resource Areas is limited to single-family uses and approximately 19% is zoned to allow multi-family (see Table 4.30). In contrast, just 18% of the residentially zoned land in the areas considered High Segregation and Poverty is allocated to single-family uses, whereas 82% allows multi-family development. This disparity is starker when considering residentially zoned land in Racially Concentrated Areas of Affluence, where 95% is limited to single-family use and only 5% permits other residential uses.

Additional details with respect to ecologically sensitive or hazardous areas, including high risk for fire and sea level rise, as well as impacts on communities of color, should also be noted. Much of the city's single-family zoning is in ecologically sensitive and hazardous areas of the city. In fact, approximately 35% of the parcels of the city's single-family zoning are in Very High Fire Hazard Severity Zones (VHFHSZ) or areas with vulnerability to Sea Level Rise (SLR) exposure.[10] In addition, the prevalence of single-family housing in Los Angeles means that this component of the housing stock exists across nearly all communities in the city, including many established Black communities and communities of color.

Table 4.30: **Existing Conditions Analysis: Share of Residential Land Zoned for Single-Family Residential Use by TCAC/HCD Resource Category**

Resource Category	Percent of Residentially Zoned Land Restricted to Single-Family Housing*	Percent of Residentially Zoned Land that Allows Multifamily Housing**
Citywide	72%	28%
Racially Concentrated Areas of Affluence	95%	5%
Highest Resource	81%	19%
High Resource	74%	26%
Moderate Resource (Rapidly Changing)	51%	49%
Moderate Resource	74%	26%
Low Resource	54%	46%
High Segregation & Poverty	18%	82%

*Single-family residential use includes all zones in which residential uses are restricted to one-family dwellings (as well as accessory dwelling units).

**Includes all other zones where residential uses are permitted, including Commercial (C) zoned parcels, which generally allow 100% residential uses.

Source: TCAC/HCD Opportunity Area Map, 2020; U.S. Census

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10. Areas with vulnerability to SLR exposure are identified as 100-year SLR areas. University of Southern California Sea Grant Program, Sea Level Rise Vulnerability Study for the City of Los Angeles, 2013, https://dornsife.usc.edu/assets/sites/291/docs/pdfs/City_of_LA_SLR_Vulnerability_Study_FINAL_Summary_Report_Online_Hyperlinks.pdf.

As will be further explored in the Historic Land Use Study (Program 130), these disparities are the direct result of past and continuing inequitable land use practices. As discussed below, the Rezoning Program has an obligation to reverse these harms and affirmatively further fair housing.

Existing Conditions: Analysis of Development Trends

Recent development trends have shown similar discrepancies. Map 4.8 shows the location and distribution of affordable housing development from 2009 to 2020. As shown in Table 4.31, relatively little affordable housing has been developed in Higher Opportunity Areas (including High and Highest Resource Areas). Of the affordable units permitted in the last ten years, only 14% (almost 1,600 units) were produced in the city's High or Highest Resource Areas, while 62% were located in the Low Resource and High Segregation and Poverty areas. In Higher Opportunity Areas, mixed-income affordable housing is more likely to be built than 100% affordable housing developments. Overall, mixed-income projects supported by land use incentives have a much higher rate of producing affordable housing in Higher Opportunity Areas, compared to those produced through financial subsidy alone. Nearly half (46%) of the non-subsidized affordable housing units produced through land-use incentives were in the Higher Opportunity Areas, whereas only 6% of subsidized affordable projects were built in these areas. Overall, subsidized affordable developments are overwhelmingly located in lower resourced neighborhoods.

Table 4.31: **Affordable Units Permitted in the City by TCAC/HCD Resource Category, 2009-2018**

Resource Category	Affordable Units	% of Total	% of City Tracts*
High Segregation & Poverty	4,104	35%	24%
Low Resource	3,160	27%	23%
Moderate Resource	2,737	24%	18%
High Resource	1,038	9%	18%
Highest Resource	553	5%	17%
Insufficient/Missing Info*	11	<1%	0%
Total	**11,603**	**100%**	**100%**

Excludes 13 census tracts that were not evaluated because of insufficient data
Source: TCAC/HCD Opportunity Area Map, 2019
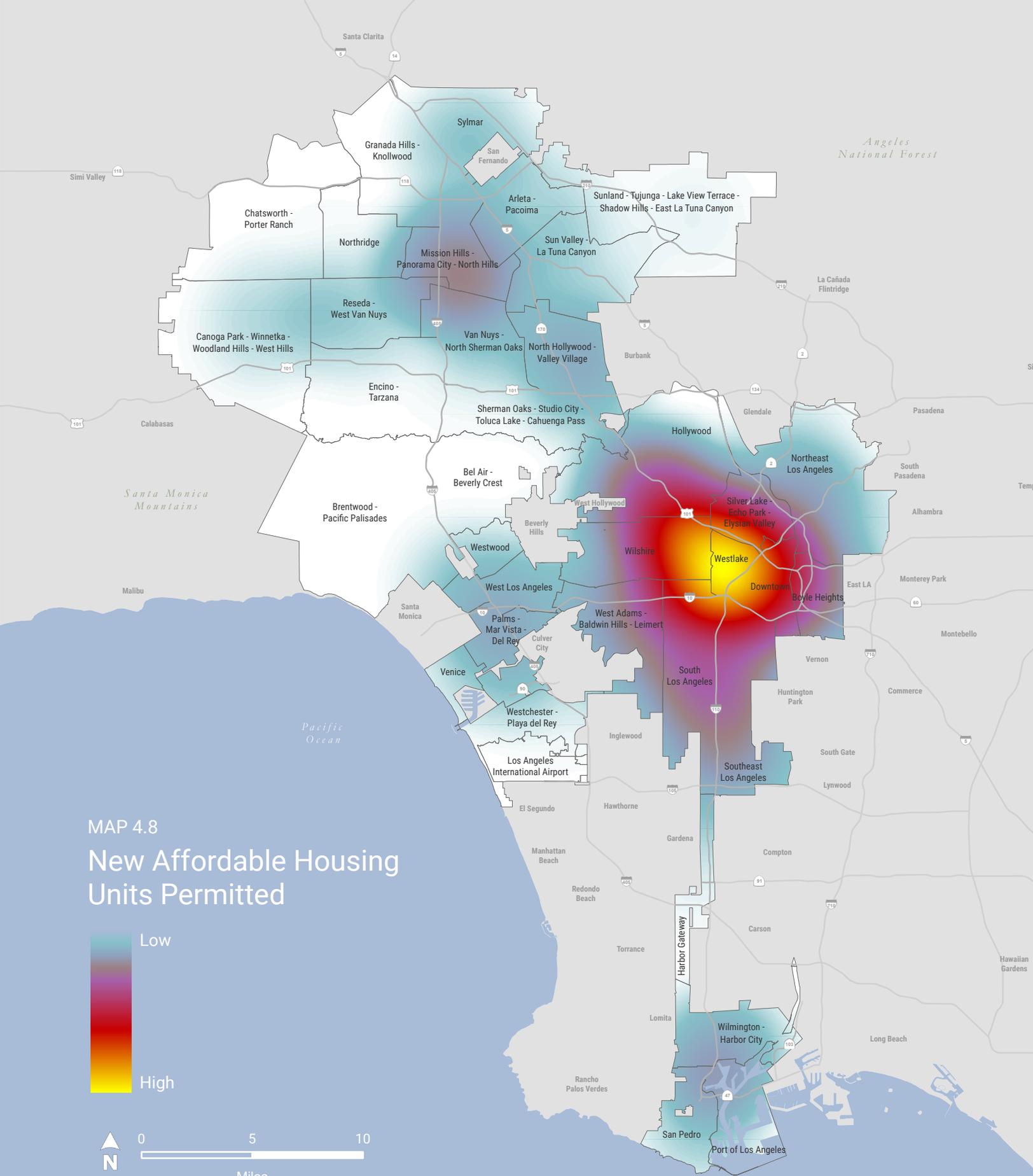
MAP 4.8

New Affordable Housing Units Permitted

Low

High

0   5   10
Miles

N
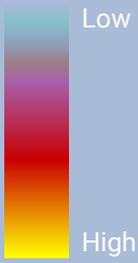
Analysis of Additional Alternative Means of Meeting the RHNA

Another component of the Adequate Sites analysis is the non-site-specific development potential that exists as additional alternative means of meeting the RHNA. These include the Warner Center 2035 Specific Plan area, Accessory Dwelling Units (ADUs), and ongoing programs at local agencies for the development of affordable and supportive housing on publicly owned land (see above for more detail on each of these components).

- The **Warner Center 2035 Specific Plan** area is an area zoned largely for higher capacity located in an area with a mix of Highest, High, Moderate and Low Resource Areas (per the TCAC/HCD Opportunity Maps). As such, the analysis for those factors described above is relevant.

- **Accessory Dwelling Units (ADUs)** are being constructed in a variety of mostly lower capacity neighborhoods in Los Angeles. As such, the conclusions should not be significantly different from those described for those areas above.

- **Public land programs** are intended to facilitate the identification of less costly housing typologies, conduct modeling and site analysis of publicly owned land, and negotiate and execute interagency agreements to maximize the construction of affordable housing on public land. The locations are not known at this time; however, it is anticipated that development resulting from the public land programs will be distributed throughout the city in a manner consistent with the overall distribution of expected development potential. As a result, it is premature to draw substantially different conclusions regarding these programs.

- Established during the Covid-19 pandemic, **Project Homekey** is a state program that provides funding to cities to acquire hotels, and motels for the purpose of housing homeless individuals to expedite access to housing for the most vulnerable residents. The City is in the process of developing a more robust program to acquire, or through exploring Lease to Own agreements, hotels, and motels to expand the pipeline of Permanent Supportive Housing. The locations are not known at this time; however, it is anticipated that development resulting from an expansion of Project Homekey will be distributed throughout the city in a manner consistent with the overall distribution of expected development potential. As a result, it is too soon to draw substantially different conclusions regarding this program.

Analysis of Candidate Sites for Rezoning

The AFFH Analysis of candidate sites for rezoning follows a similar methodology as that described above for the Adequate Sites Inventory. The analysis considers the locations and concentrations of the total added rezoned development potential identified as part of the RHNA Rezoning Program (Program 121) in Appendix 4.7, as well as the locations and concentrations of the lower-income development potential. This analysis includes locations and concentrations of development potential that resulted from the identification of candidate sites for future rezoning, and represents the net expected development potential (i.e., added capacity) attributed to those candidate sites. To analyze data compared to Census data, expected development potential was aggregated from all individual sites identified within a census tract boundary. Census tracts were then categorized based on their total expected unit potential into five categories, from the lowest capacity neighborhoods to the highest, as shown in Table 4.32. Selected tables resulting from the AFFH analysis are included in this Chapter. For the full data results, see Appendix 4.4.

Table 4.32: **Rezoning Analysis: Summary of Census Tracts by Assigned Category, Total Rezoned Development Potential**

Census Tract Category	Total Rezoned Development Potential	Percent of Total City Census Tracts	Percent of Total Rezoned Development Potential
Lowest Capacity Neighborhoods	0 - 50	19%	0.2%
Lower Capacity Neighborhoods	51 - 500	31%	4%
Moderate Capacity Neighborhoods	501 - 1,500	21%	11%
Higher Capacity Neighborhoods	1,501 - 5,000	21%	35%
Highest Capacity Neighborhoods	5,001+	8%	49%

Tenure and Income

Table 4.33 shows the tenure and median household income of neighborhoods identified in the Inventory of Candidate Sites for Rezoning. This shows a clear reversal of the trend found in the Inventory of Adequate Sites, above. Considering rezoned sites, neighborhoods with the highest added development potential have a lower share of renters compared to the citywide average. In addition, there is a clear relationship between rezoned development potential and median household income. Neighborhoods with higher and highest added development potential have median household incomes well above the citywide average ($70,276 to $83,332). Again, while renter households have a lower overall median household income, the data follow the same trend.

Table 4.33: Rezoning Analysis: Tenure and Median Household Income of Neighborhoods Identified in Rezoning Inventory, Total Rezoned Development Potential

Census Tract Category	Percent Renter Households	Median Household Income	Median Household Income-Renter Households	Percent Low/Moderate-Income Households
Citywide Average	**63%**	**$64,065**	**$50,404**	**61%**
Lowest Capacity Neighborhoods	68%	$60,965	$47,828	66%
Lower Capacity Neighborhoods	63%	$54,494	$42,663	69%
Moderate Capacity Neighborhoods	63%	$67,631	$54,205	58%
Higher Capacity Neighborhoods	62%	$70,276	$55,924	55%
Highest Capacity Neighborhoods	60%	$83,332	$63,178	46%

Source: US Census Bureau; American Community Survey; 2019 ACS 5-Year Estimates.

Race/Ethnicity

Table 4.34 shows the extent of over- and underrepresentation of each neighborhood racial type (as determined by HCD), based on the amount of expected development potential identified in both the Adequate Sites Inventory and the Inventory of Candidate Sites for Rezoning. Representation is based on the percentage of the identified development potential in each neighborhood type compared to the share of that neighborhood overall in the city. For example, "Mostly white" neighborhoods make up 5.2% of the total census tracts but are estimated to accommodate 6.6% of the overall rezoning capacity and 9.8% of the lower-income rezoning capacity. As a result, these neighborhoods are overrepresented in the overall rezoning effort by 1.4% and overrepresented by 9.8% for lower-income rezoning. As another example, Black-Latinx neighborhoods make up approximately 12.4% of the total census tracts in the city but are estimated to have approximately 2.2% of the total rezoning capacity and 1.8% of the lower-income rezoning category. This means that the Black-Latinx neighborhoods are underrepresented by 10.2% in overall rezoning and 10.6% for lower-income rezoning capacity. Underrepresentation is indicated in Table 4.34 using negative percentages.

Compared to their relative share of the city, the overall rezoning effort would shift a much larger share of capacity towards neighborhoods considered "Asian-white", "Diverse" (meaning they contain a sizable percentage of Black, Latinx, white, and Asian residents), "Black-Latinx-white", "Latinx-white", and "Mostly white." The increased share of capacity in "Mostly white," "Latinx-white," and "Asian-white" neighborhood types is a notable change since these neighborhoods are among the most underrepresented areas in the existing Sites Inventory. This pattern is due to the significant additional zoning capacity proposed to be added in West LA and the South Valley. As shown in Map 4A-2 in Appendix 4.4, the West LA and South Valley areas have the greatest concentrations of "Mostly white" and "Asian-white" neighborhoods. The San Fernando Valley neighborhoods in and around Van Nuys, North Hollywood, Panorama City and Northridge contain the largest portion of Latinx-white neighborhoods. All (100%) of the "Mostly white" census tracts are considered High or Highest Resource, as are 97% of the "Asian-white" census tracts, 52% of the "Diverse" census tracts and 37% of Latinx-white census tracts.

The rezoning effort also identifies a lower proportional share of added housing development potential in "Black-Latinx," "Majority Latinx," "Asian-Latinx", and "Asian-Latinx-white" neighborhoods. The decreased share of capacity in "Black-Latinx" neighborhoods is particularly notable since these areas are found to be overrepresented in the existing Sites Inventory. "Black-Latinx" neighborhoods are almost entirely located in South LA and there are no "Black-Latinx" census that are considered High or Highest Resource. "Mostly Latinx" neighborhoods are primarily located in Historic South Central and Southeast LA, Boyle Heights/East LA, the Northeast San Fernando Valley, and Wilmington. Like "Latinx-Black" neighborhoods, there are no High or Highest Resource neighborhoods that are majority Latinx. "Asian-Latinx" neighborhoods are primarily located in and around Koreatown, Historic Filipinotown, and Northeast LA and only 1% of these kinds of neighborhoods are

considered High or Highest Resource. Asian-Latinx-white neighborhoods located primarily in Northeast LA and the Northwest Valley and approximately half of these areas are High or Highest Resource. These areas are underrepresented in the rezoning effort because a significant share of the Higher Opportunity "Asian-Latinx-white" areas are located in Very High Fire Hazard Severity Zones.

Table 4.34: Comparative Representation of Neighborhood Types by Development Potential, Candidate Sites for Rezoning Compared to Existing Sites Inventory

Neighborhood Type	Total Development Potential		Lower-Income Development Potential	
	Rezoning	Existing Inventory	Rezoning	Existing Inventory
Asian-white	6.3%	-0.6%	4.1%	-0.3%
Diverse	5.7%	4.4%	2.6%	3.2%
Black-Latinx-white	4.3%	1.6%	0.0%	1.5%
Latinx-white	2.8%	-4.0%	4.8%	-4.1%
Mostly white	1.4%	-3.0%	4.6%	-3.4%
Mostly Asian	0.3%	0.1%	0.0%	0.4%
Black-Asian-white	-0.1%	0.0%	-0.1%	0.1%
Other-white	-0.1%	-0.1%	0.0%	-0.2%
Black-white	-0.2%	-0.2%	-0.2%	-0.1%
Mostly Black	-0.2%	0.0%	-0.2%	0.0%
Black-Asian-Latinx	-0.6%	1.0%	-0.6%	0.1%
Black-Asian-Latinx	-0.6%	1.0%	-0.6%	1.1%
Asian-Latinx-white	-3.2%	-4.5%	-0.2%	-4.1%
Asian-Latinx	-4.9%	1.3%	-4.8%	3.9%
Mostly Latinx	-7.7%	-1.8%	-7.1%	-3.0%
Black-Latinx	-10.2%	7.9%	-10.6%	5.3%

Source: HCD categories based on ACS 2019 5-year summary data

Racially/Ethnically Concentrated Areas of Poverty and Affluence

Table 4.35 shows that, compared to the overall share of the city located within a R/ECAP (10.5%), a similar share of the total development potential created through the Rezoning Program (11.3%) is located in these areas, but a much lower share of the lower-income rezoned development potential (6.3%) is located in a R/ECAP. Considering RCAAs, a roughly equal share of total rezoned development potential is located in these areas, based on their overall share of the city (both approximately 7%); however, a substantially larger share of lower-income rezoned development potential is located in a RCAA (10.9%).

Compared to the existing Sites Inventory, this analysis shows there is a significantly greater share of capacity, particularly lower-income capacity allocated to RCAAs. There is also significantly less lower-income capacity identified in R/ECAPs. Because a significant number of RCAAs are located in Very High Fire Hazard Severity Zones, it is difficult to add substantial amounts of additional housing capacity in these areas while balancing environmental and climate change considerations. The rezoned development potential that is identified in R/ECAPs is primarily a result of the Downtown and Boyle Heights Community Plans, which are in-progress work efforts that reflect additional policy priorities such as promoting a jobs/housing balance, reducing VMT, and planning for additional housing capacity near transit. These examples reflect the importance of balancing a range of policy considerations and reflect the need to increase fair housing choice by providing both residential opportunities in Higher Opportunity Areas and investing holistically in lower-income, Black, Indigenous and People of Color Communities to meet the needs of the existing residents.

Table 4.35: **Share of Development Potential Located in a R/ECAP or RCAA, Candidate Sites for Rezoning Compared to Existing Sites Inventory**

	Percent of City	Total Development Potential		Lower-Income Development Potential	
		Rezoning	Existing Inventory	Rezoning	Existing Inventory
R/ECAP - Racially/Ethnically Concentrated Areas of Poverty	**10.5%**	11.3%	13.9%	6.3%	15.6%
RCAA - Racially Concentrated Areas of Affluence	**7.5%**	7.3%	2.2%	10.9%	2.3%

Source: HUD, ACS 2019 5-year Summary Data

Transit Access

Considering the locations of housing units expected as part of the Candidate Sites for Rezoning, the majority are expected to be located in a High Quality Transit Area (HQTA). Table 4.36 shows that 95% of the overall rezoned development potential is located in a HQTA, while 92% of the lower-income rezoned development potential is located in these areas. While this is a significant majority of the added development potential, it is somewhat lower than the share of existing development potential located in a HQTA. This analysis shows that, to increase housing potential in Higher Opportunity Areas, there may be a slight dip in overall transit access.

Table 4.36: **Transit Access, Candidate Sites for Rezoning**

	Total Rezoned Development Potential	Lower-Income Rezoned Development Potential
Located within a High Quality Transit Area (HQTA)	95%	92%
Located outside a High Quality Transit Area (HQTA)	5%	8%

Source: HQTA 2045, SCAG

Displacement Risk

In 2016, the Mayor's Office's Innovation Team (I-Team) developed a Displacement Pressure Index to predict where displacement may be most likely to occur.[11] The methodology uses a combination of factors such as transportation investment, home price appreciation, percent of rent-burdened households, and affordable units at risk of converting to market rate. Each factor is weighted based on its predictive power and then each neighborhood is given a composite score based on the sum of all weighted factors. The areas identified as being at the highest risk of displacement are primarily located in Downtown, Hollywood, Baldwin Village, Crenshaw corridor, North Hollywood, East LA, and Northeast LA. This methodology is somewhat outdated and does not include data on actual displacement such as Ellis evictions and Tenant Buyout Agreements. It also does not consider existing policies such as the Residential Hotel Conversion Ordinance that prevents displacement in many parts of Downtown. As described in Program 122, the City will be conducting an additional analysis of

11. https://www.arcgis.com/apps/mapviewer/index. html?panel=gallery&suggestField=true&layers=70ed646893f642ddbca858c381471fa2

displacement which will further inform the Rezoning Programs. However, for the purposes of this analysis, the Displacement Index is the best available source of data to conduct a preliminary analysis of the displacement risk associated with the existing Sites Inventory and the candidate sites for rezoning.

Table 4.37 shows that approximately 23% of the total rezoning capacity and 10% of the total low-income rezoning capacity is located in areas considered by the methodology to be "very high displacement pressure" and an additional 8% of total rezoning capacity and 7.5% of lower-income capacity is located in areas considered to have "high displacement pressure." This is due in part to the significant amount of capacity proposed for the Downtown area as part of the Downtown Community Plan update. When compared to the existing Sites Inventory, the proposed Rezoning Program somewhat shifts development capacity (particularly lower-income development capacity) away from areas with displacement pressure. Whereas 41% of the existing inventory's capacity and 46% of the existing inventory's lower-income capacity was located in areas with very high or high displacement pressure, only 31% of overall rezoning capacity and 17% of lower-income rezoning capacity are located in these areas.

Table 4.37: **Comparative Distribution of Neighborhood Displacement Pressure by Development Potential, Candidate Sites for Rezoning Compared to Existing Sites Inventory**

Displacement Index	Total Development Potential		Lower-Income Development Potential	
	Rezoning	**Existing Inventory**	**Rezoning**	**Existing Inventory**
Very High Displacement Pressure (>.377)	23.0%	22.1%	9.8%	27.3%
High Displacement Pressure (.284-.377)	8.0%	18.5%	7.5%	18.3%
Medium Displacement Pressure (.203-.284)	6.2%	16.9%	5.8%	16.0%
Medium/Low Displacement Pressure (.162-.203)	9.5%	14.1%	10.5%	12.7%
Low Displacement Pressure (<.162)	9.7%	8.3%	12.8%	7.1%
Above Income Threshold	32.5%	27.6%	53.7%	17.9%

Source: LA Mayor's Office I-Team Index of Displacement Pressure

Opportunity Areas

Table 4.38 shows the distribution of the total candidate sites for rezoning, total added rezoning development potential, and total added lower-income rezoning development potential by TCAC/HCD Opportunity Area. Compared to the same analysis presented above for existing conditions, the analysis reflects a reprioritization in creating new development potential, especially lower-income development potential, in the High and Highest Resource areas. Combined, these areas represent 55% of the total added development potential, and 66% of the total added lower-income development potential. While the Rezoning Program includes efforts that would increase development potential in the other Opportunity Area categories, these areas are deprioritized and are underrepresented in terms of their overall share of the city's census tracts.

Approximately 20% of the total rezoned capacity and 11% of lower-income capacity is located in High Segregation and Poverty areas. This is primarily due to the fact that some portions of the city currently undergoing Community Plan Updates include areas considered High Segregation and Poverty. Community Plan Updates provide an opportunity to create more nuanced land use strategies focused on meeting the overall needs of residents in these areas that are disproportionately impacted by overcrowding, rent burden, environmental contaminants, and substandard housing conditions. Overall, these results indicate that the proposed Rezoning Program would create a balanced strategy that would create significant new housing capacity in Higher Opportunity Areas, while accounting for existing housing need in neighborhoods.

Table 4.38: **Rezoning Analysis: Candidate Sites for Rezoning by TCAC/HCD Opportunity Area**

TCAC/HCD Opportunity Area	Percent of City's Census Tracts	Percent of Candidate Sites	Percent of Rezoned Development Potential	Percent of Lower-Income Rezoned Development Potential
Highest Resource	19%	23%	22%	29%
High Resource	15%	23%	21%	27%
Moderate Resource	17%	14%	12%	11%
Moderate Resource Rapidly Changing	5%	2%	2%	2%
Low Resource	28%	18%	21%	20%
High Segregation and Poverty	16%	20%	20%	11%
Unknown	1%	1%	1%	1%

Source: TCAC/HCD Opportunity Area Map, 2021

Key Conclusions and Summary of Actions Needed to Affirmatively Further Fair Housing

Because the Sites Inventory is so reliant on existing zoning capacity as well as recent development patterns, it is largely a reflection of these existing conditions. As a result, the disparities found in the Sites Inventory reflect existing disparities in the city's zoning and development patterns. Therefore, as stated, the Sites Inventory does not exacerbate existing conditions. However, there is significant opportunity for programs and rezoning efforts to improve these conditions which is required to affirmatively further fair housing.

Additionally, the analysis shows that the RHNA is largely accommodated in relatively few parts of the city, which are primarily those that are zoned for multi-family residential uses and have more active residential development activity.

The results of the rezoning analysis show that, with implementation of the Rezoning Program, there would be an overall improvement to existing conditions. The Rezoning Program places a strong emphasis on expanding housing capacity — especially affordable housing capacity — in Higher Opportunity Areas. As a result of this emphasis, the analysis finds that the Rezoning Program provides substantially more affordable housing opportunities in Racially Concentrated Areas of Affluence (RCAAs), which are majority white.

The Rezoning Program will also add capacity in areas considered High Segregation and Poverty and areas considered Racially/Ethnically Concentrated Areas of Poverty; however, most of the added capacity in these areas is proposed through the current Community Plans underway, in particular in Downtown Los Angeles. Community Plans, unlike citywide housing initiatives, can be more responsive to the place-based needs of residents and plan for other amenities such as increased green space, mobility improvements, and employment centers. Thoughtful planning for additional housing and amenities in majority low-income, Black, Indigenous, and People of Color neighborhoods is essential in meeting the needs of these communities' residents and essential in meaningfully advancing fair housing choice.

With implementation of the Rezoning Program, it is anticipated that the plan will affirmatively further fair housing and work to create a more equitable set of land use regulations for the City. However, due to the pervasive risk of displacement, it is critical that the Rezoning Program is paired with a robust set of programs aimed at protecting existing housing stock and increasing tenant protections.

Chapter 6 introduces the Goals, Objectives, Policies, and Programs centered in racial equity, environmental justice, and resilience pertaining to deficiencies found in the city's zoning and Inventory of Adequate Sites for Housing. In particular, the analysis provided in this Chapter provides support for a strong set of anti-displacement policies and programs, paired with the need for a citywide Rezoning Program that focuses on creating significant new opportunities for housing development, particularly affordable

housing development, in areas of High Opportunity. Together, these goals, objectives, policies, and programs comprise the City's housing action plan for the 2021-2029 planning period. Informed by this chapter's analysis, Chapter 6 is designed to guide daily decision-making by City officials and staff and will provide benchmarks on the housing programs that the City initiated to meet its overall housing goals.