DEPARTMENT OF CITY PLANNING

RECOMMENDATION REPORT

City Planning Commision

Date: May 14, 2026
Time: After 8:30 a.m. *
Place: Van Nuys City Hall Council Chamber, Second Floor
14410 Sylvan St. Van Nuys, CA 91401

Public Hearing: May 14, 2026
Appeal Status: n/a
Expiration Date: n/a
Multiple Approval: n/a

Case No.: CPC-2026-1798-MSC, CPC-2026-1797-CA
CEQA No.: ENV-2026-1799-SE
Incidental Cases:
Related Cases: CF 25-0002-S19, CF 21-1230-S10, CF 21-1230-S5
Council No.: All
Plan Area: Citywide
Specific Plan: n/a
Certified NC: n/a

GPLU: n/a
Zone: n/a

Applicant:
Department of City Planning

Representative:

PROJECT LOCATION: Citywide

PROPOSED PROJECT: LOW-RISE ORDINANCE AND SB 79 PHASED IMPLEMENTATION ORDINANCE

The Low-Rise Ordinance and SB 79 Phased Implementation Ordinance together comprise the City's local implementation of Senate Bill 79 (2025) or "The Abundant and Affordable Homes Near Transit Act", which was signed into law by Governor Gavin Newsom on October 10, 2025 ("SB 79"), pursuant to Government Code Sections (GCS) 65912.155 - 65912.162.

The Low-Rise Ordinance amends the Mixed Income Incentive Program (MIIP) Los Angeles Municipal Code (LAMC) Section 12.22 A.38 and other related code sections to establish housing incentives to allow low-scale, multi-family housing development in low density zones within a half-mile area of Opportunity Stations. Opportunity Station areas consist of a majority of Higher and Moderate Opportunity Areas as defined by California Tax Credit Allocation Committee (CTCAC) and are major transit stops (as defined in Public Resources

Code Section 21064.3) served by heavy rail, light rail, commuter rail, bus rapid transit, and certain bus lines that operate in bus-only lanes. In addition to renaming the existing Corridor Transition Incentive Area the Low-Rise Incentive Area to better align the program's name with the program's intended building outcomes and geographic applicability, this ordinance will also amend program incentives to improve project feasibility by revising base incentives, affordability requirements, multi-bedroom incentives, open space requirements, lot coverage limitations, roadway widening relief, and applicable performance standards. Furthermore, the Low-Rise Ordinance and MIIP amendments requires that any site not eligible for phased implementation will allow half of the density and floor area permitted under SB 79; recommends a new Fire Restriction Area definition to expand the number of eligible sites to exclude only those sites that are located in Hillside and Very High Fire Hazard Severity Zones; makes technical edits to eligibility criteria, mapping frequency, and program standards; and establishes new definitions. Note that amendments are subject to change based on guidance from other implementing agencies including the California Department of Housing and Community Development and the Southern California Association of Governments.

The SB 79 Phased Implementation Ordinance will allow a temporary pause in the bill's effectuation citywide consistent with the sites, Transit Oriented Development zone, and low resource area criteria in GCS 65912.161(b); will codify exemptions from SB 79 for sites within industrial employment hubs and that are more than one-mile walking distance from a station pursuant to GCS 65912.160(e); and will establish mapping processes.

REQUESTED ACTION:

RECOMMENDED ACTIONS: RECOMMENDED ACTIONS FOR THE LOW-RISE ORDINANCE:

1. Determine, based on the independent judgement of the decision maker, after consideration of the whole administrative record that the proposed project is statutorily exempt under the California Environmental Quality Act (CEQA) pursuant to the California Public Resources Code Section 21080.085(a); and find that the Project was assessed in the Housing Element Environmental Impact Report ("EIR") Number ENV-2020-6762 (SCH No. 2021010130) certified on November 29. 2021, and Addenda 1 and 2 (ENV-2020-6762-EIR-ADD1 and ENV-2020-6762-EIR-ADD2), and pursuant to CEQA Guidelines Sections 15162 and 15164, no subsequent EIR is required;
2. Approve and recommend that the City Council adopt, pursuant to Charter Section 558 and Chapter 1A Section 13B.1.3 of the Los Angeles Municipal Code (LAMC), the proposed Low-Rise Ordinance (Exhibit 2A) to amend LAMC Chapter 1 Section 12.22 A.38 and any related sections of the LAMC;
3. Delegate authority pursuant to Charter Section 559 to the Director of Planning to incorporate revisions to the Ordinance to address guidance from the California Department of Housing and Community Development, including but not limited to establishing review processes for industrial land;
4. Adopt the Staff Recommendation Report as the Commission's report; and
5. Adopt the Findings.

ADDITIONAL RECOMMENDED ACTIONS FOR THE LOW-RISE ORDINANCE IN RESPONSE TO AMENDING MOTION 4C (COUNCIL FILE 25-1083) ADOPTED BY THE CITY COUNCIL ON MARCH 24, 2026:

1. Recommend that the City Council evaluate and consider incorporating Exhibit 2B, inclusive of any subsequent modifications, as amendments into the proposed Low-Rise Ordinance to create more incentives for projects in Low-Rise Incentive Areas that provide deeper and/or more on-site affordable units.

RECOMMENDED ACTIONS FOR THE SB 79 PHASED IMPLEMENTATION ORDINANCE:

1. Determine, based on the independent judgment of the decision maker, after consideration of the whole administrative record that the SB 79 Phased Implementation Ordinance is not a project under CEQA pursuant to Government Code Section 65912.160(c)(2); and and recommend that the City Council find, the Project was assessed in the Housing Element Environmental Impact Report ("EIR") Number ENV-2020-6762 (SCH No. 2021010130) certified on November 29, 2021, and Addenda 1 and 2 (ENV-2020-6762-EIR-ADD1 and ENV-2020-6762-EIR-ADD2), and pursuant to CEQA Guidelines Sections 15162 and 15164, no subsequent EIR is required;
2. Approve and recommend, that the City Council adopt, pursuant to Los Angeles Charter Section 558, the SB 79 Phased Implementation Ordinance (Exhibit 1) and that the Department of City Planning (Department) incorporate revisions to the ordinance to address guidance from the California Department of Housing and Community Development (HCD);
3. Delegate authority pursuant to Charter Section 559 to the Director of Planning to incorporate revisions to the ordinance and associated site analysis to address guidance from HCD;
4. Adopt the Staff Recommendation Report as the Commission's report; and
5. Adopt the findings.

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PROJECT ANALYSIS

Project Summary

In October 2025, the California State Legislature enacted Senate Bill 79 (SB 79) to establish minimum statewide standards for residential density, height, and FAR for qualifying multi-family housing near transit, while allowing jurisdictions to shape local implementation. Under California Government Code Section (GCS) 65912.161(b), cities may adopt ordinances to temporarily defer SB 79 standards in transit-oriented development (TOD) zones or on qualifying sites with sufficient capacity. Pursuant to GCS n 65912.160(e), certain sites may be permanently exempted.

About eight months prior, in February 2025, the City adopted its Citywide Housing Incentive Program (CHIP), an incentive-based rezoning strategy to increase housing production in transit-rich and higher opportunity areas, as part of the implementation of the City's 2021-2029 Housing Element. While CHIP has made measurable progress over the past year and a half toward its capacity goals, there are additional opportunities to expand the City's existing housing incentive programs to include "missing middle" housing opportunities in single-family and lower-density zones, particularly in high opportunity areas to reinforce the City's Affirmatively Furthering Fair Housing (AFFH) goals.

The proposed project advances two coordinated measures that together establish a framework for phased implementation of the Abundant and Affordable Homes Near Transit Act (SB 79) within the City of Los Angeles. The Low-Rise Ordinance (Exhibit 2A) proposes amendments to expand eligibility and improve project feasibility within the MIIP (LAMC Section 12.22 A.38) Corridor Transition (CT) incentives to effectuate Option 1 as directed by City Council on March 24, 2026 (Council File 25-1083) and more immediately expand housing access in transit-rich and Higher Opportunity Areas which will enable a citywide phasing of the bill and an initial expansion of development opportunity at a low-rise scale. Amendments include expanding low-rise development opportunities in low-density sites near SB 79 eligible stations in majority Moderate and Higher Opportunity Areas, guaranteeing any SB 79 site ineligible for deferral half of the FAR and density permitted by the bill, establishing new definitions, amendments to program eligibility, revising mapping frequencies, and other targeted amendments to the MIIP program.

With the additional local capacity created by the Low-Rise Ordinance, the SB 79 Phased Implementation Ordinance (Exhibit 1) proposes enabling a temporary pause in the bill's effectuation consistent with the site, TOD zone, and low resource area criteria permitted in Government Code Section 65912.161(b)(1), and codifies the permanent exemptions from SB 79 for sites within Very High Fire Hazard Severity Zones (VHFHSZ), industrial employment hubs and for sites more than one-mile walking distance from a station pursuant to GCS 65912.160(e) to effectuate Approach C as directed by the City Council on March 24, 2026 (Council File 25-1083).

This phased approach ensures transit oriented housing production advances the overall goals, policies, and programs of the 2021-2029 Housing Element to affirmatively further fair housing, facilitate new housing types, expand areas where mutli-family housing is permitted, direct development to higher opportunity areas, and actively address the historic patterns of exclusion and disinvestment embedded in the city's urban framework.

Background

Housing Element and the Citywide Housing Incentive Program (CHIP)

The 2021–2029 Housing Element found that current zoning regulations in Los Angeles would result in insufficient housing production to meet the State-mandated RHNA target of 456,643 units and identified a zoning capacity shortfall of 255,432 units. To address this housing deficit, the City's Housing Element identified Program 121, or the RHNA Rezoning Program, and in early 2025, the City Council adopted the Citywide Housing Incentive Program (CHIP), along with the Downtown and Hollywood Community Plans, creating realistic capacity for over 500,000 homes, with approximately 52 percent of that capacity located in Higher Opportunity Areas[1]. This approach advances Affirmatively Furthering Fair Housing (AFFH) by expanding access to high-resource neighborhoods, reducing patterns of segregation, and aligning new housing growth with equity, access to opportunity, and environmental sustainability goals. Affirmatively Furthering Fair Housing (AFFH) State and Federal law (Government Code Section 8899.50) mandates that cities take meaningful actions that not only combat discrimination, but also undo the legacy of past harms around segregation to foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.

The CHIP establishes an incentive-based framework to increase housing capacity, expand affordable housing production and direct affordable housing development to transit-rich, higher-opportunity areas. Higher Opportunity Areas are those identified as having a dense concentration of place-based opportunities such as access to transit, and high-performing schools, with higher rates of employment and education, and lower exposure to environmental pollutants, among other indicators. The CHIP aims to improve equitable access to Higher Opportunity Areas of the City and improve the lives of all Angelenos through its incentive-based approach that promotes housing near higher performing schools, jobs and transit and along major corridors and avoiding environmentally sensitive areas. It also advances 2021-2029 Housing Element objectives to streamline project review procedures by expanding ministerial review, reducing procedural timelines in the permitting and approval process.

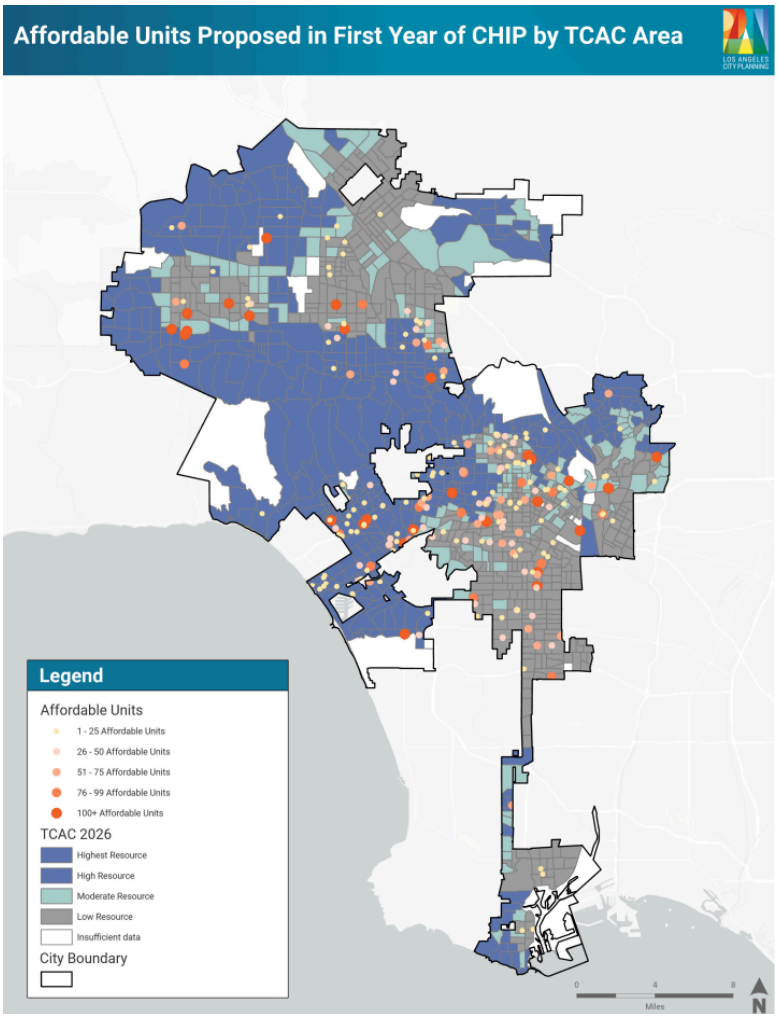
The CHIP Ordinance serves as one of the City's commitments to AFFH by emphasizing an equitable rezoning approach. One of the ways the program achieves this is by creating greater "access to opportunity". The term "access to opportunity" refers to Angeleno's ability to access

[1] Defined as High and Highest Resource Areas by the state-wide California Tax Credit Allocation Committee and the California Department of Housing and Community Development (TCAC/HCD). These maps indicate areas with characteristics that are shown by research to support positive economic, educational, and health outcomes. HCD indicates that the maps show where advancements to AFFH objectives can be made geographically.

places with characteristics linked to positive life outcomes, such as educational attainment, earnings from employment, and economic mobility.

Historically, the City's Higher Opportunity Areas experience proportionately far less production of affordable housing than other areas of the City (as shown in Map 1 below). This is consistent with longstanding regulations and reflective of where housing has historically been permitted. In response to this inequitable distribution of mixed-income, multi-family housing, the CHIP Ordinance provides greater incentives to affordable housing that is produced in Higher Opportunity Areas in an effort to create greater access to opportunities for all Angelenos in alignment with AFFH objectives. The first year of CHIP's implementation has demonstrated measurable progress toward this goal, with a majority of housing proposals located in Higher Opportunity Areas, including 57% of all proposed units and 44% of covenanted affordable units.

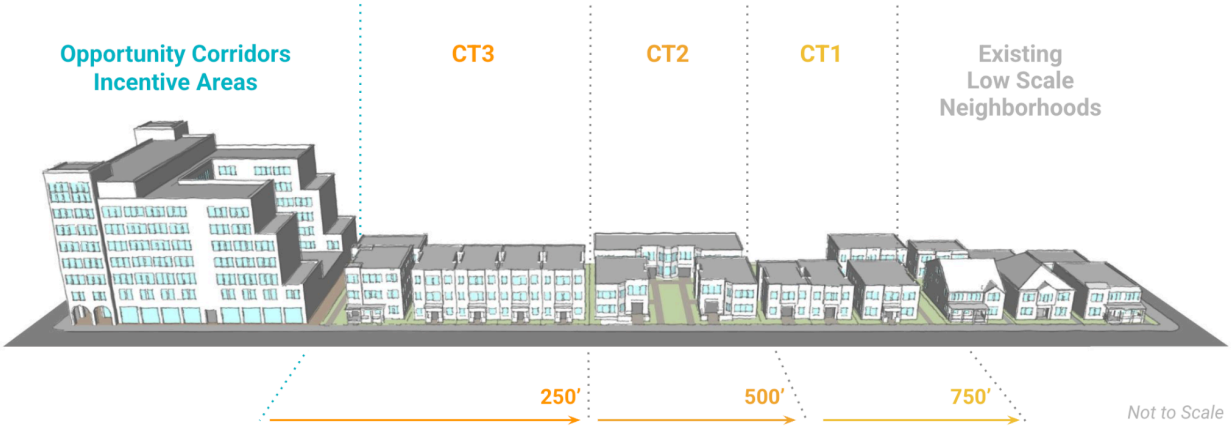
Map 1: Affordable Units Proposed in First Year of CHIP by TCAC Area



Disclaimer: Map 1 includes projects that have not yet been formally approved or permitted, including pre-applications.

The CHIP Ordinance offers a combination of development bonuses and incentives in exchange for the inclusion of covenanted affordable units, building on State Density Bonus Law (California Government Code Sections 65915-65918). It is implemented through three programs: the State Density Bonus Program, the Mixed Income Incentive Program (MIIP), and the Affordable Housing Incentive Program (AHIP). The State Density Bonus Program aligns the City's ordinance with State law; MIIP provides mixed-income incentives along corridors and near transit; and AHIP supports 80 to 100 percent affordable housing projects citywide.

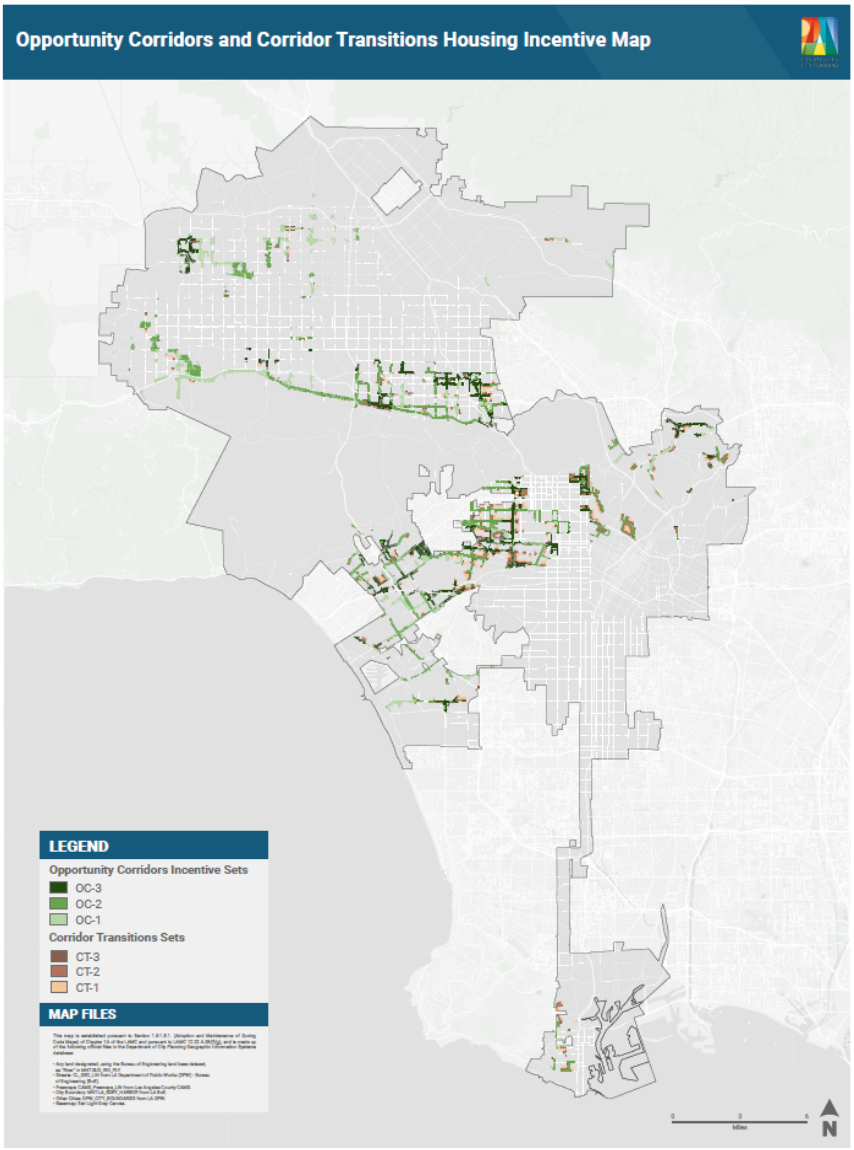
Figure 1: Neighborhood Scale of Corridor Transition Program Areas



The Corridor Transition (CT) program is the MIIP's "missing-middle" program, aimed at producing better built transitions between higher density buildings on major corridors and lower density neighborhoods. The CT program, as it exists today, applies on sites zoned R2 and RD, located within 750 feet of designated "Opportunity Corridors"[2] (see Map 2 below[3]) and encourages low-rise middle scheme development typologies such as bungalow courts, row houses, and town homes, with incremental FAR provided per unit up to either 6, 10, or 16 units. The program currently allows for additional floor area or height in exchange for the provision of multi-bedroom units and precludes projects from utilizing off-menu incentives or waivers. Projects using the CT Program are subject to eligibility requirements, including setting aside percentages of overall units as affordable; limitations on projects in Very High Fire Hazard Severity Zones (VHFHSZs), sea level rise areas, and industrial areas; and prohibiting the demolition of historic resources and reduced incentives in historic areas. Lastly, incentives associated with the program are not applicable in the Downtown Los Angeles, Boyle Heights, or Harbor Community Plans.

Map 2: Opportunity Corridors and Corridor Transitions Housing Incentive Map

[2] Corridors served by frequent bus or high quality transit service; or within a half mile of a Metro Rail Station in a higher opportunity area.
[3] Maps for Implementation of the Citywide Housing Incentive Program, Ordinance Nos. 188477, 188478 (https://planning.lacity.gov/odocument/a70a78d5-7eb3-4f52-b29f-c7ebfba5b084/CHIP_Maps_and_Memo_for_Implementation.pdf)



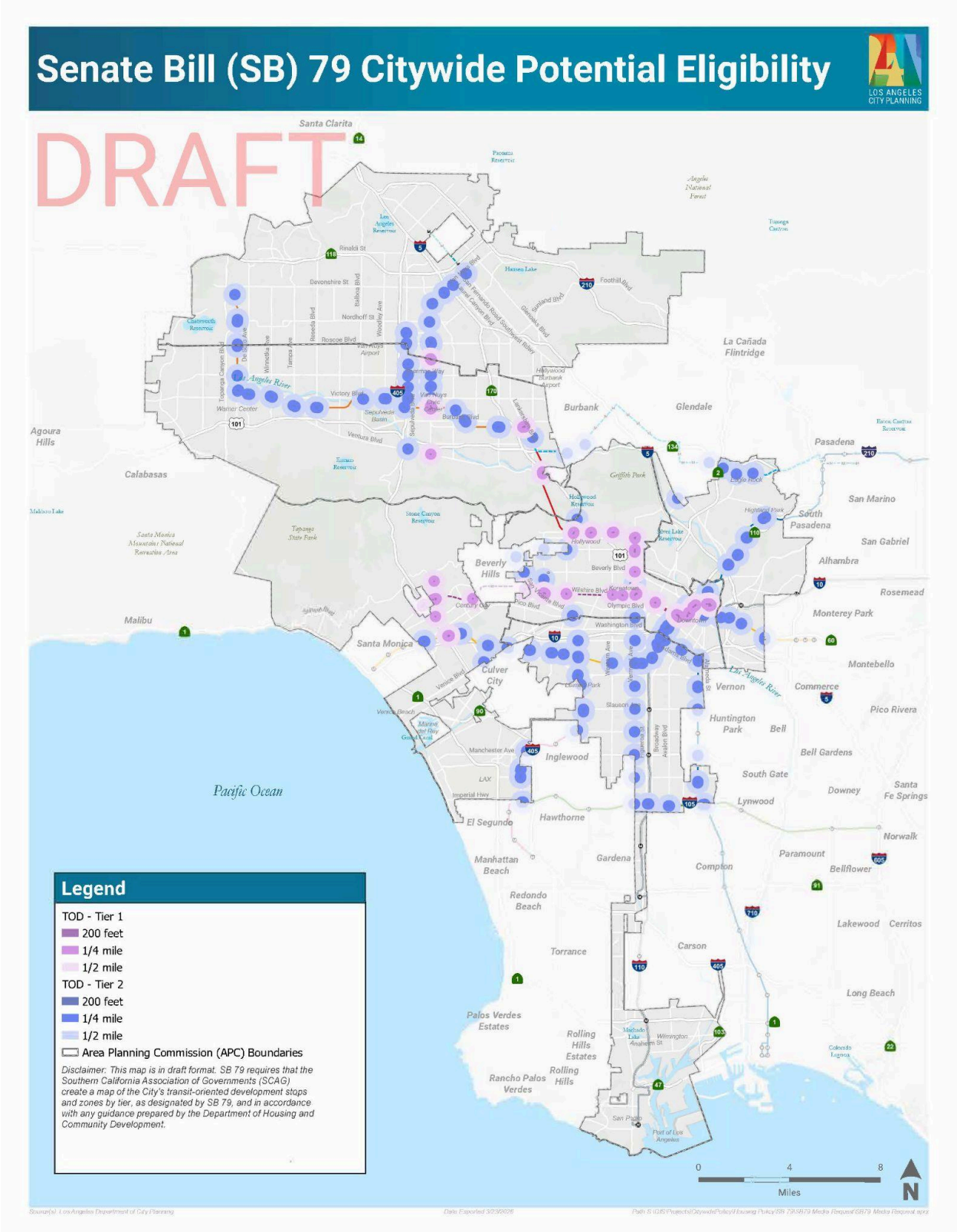
Senate Bill (SB) 79

SB 79, the Abundant and Affordable Homes Near Transit Act (GCS 65912.155 - 65912.162), signed into law on October 10, 2025 by California Governor Gavin Newsom, becomes effective July 1, 2026. The bill establishes new development standards for sites within a quarter-mile or half-mile of “transit- oriented development” (TOD) stops, creating “TOD zones”, as defined in the statute, on land zoned for residential, mixed use, or commercial uses. The legislation extends guaranteed minimum height, floor area ratio (FAR), and residential density standards to facilitate five to nine story multi-family housing projects located within a half-mile of both existing and planned transit stations. The bill’s development standards are scaled based on a site’s proximity to transit, with the highest allowances for sites closer to transit. SB 79 also requires affordability set asides for projects exceeding ten units; imposes specified labor standards described in GCS

65913.4(a) for projects over 85 feet; enforces limited eligibility for projects demolishing more than two units subject to the Rent Stabilization Ordinance (RSO) that have been occupied within the previous seven years; and operates in conjunction with the State Density Bonus Law (GCS 65915 - 65918) enabling projects to stack additional incentives and concessions with SB 79 development standards.

SB 79's development standards apply to areas referred to as a TOD zone (GCS 65912.156(m)) or one-half mile buffers surrounding a "TOD stop". The definition for TOD stop in SB 79 builds on the existing term in state law for major transit stop (MTS) as defined by Section 21064.3 of the Public Resources Code and specifies additional eligible types of transit stops, including stops on routes with preferred alternatives, stops on routes identified in Metro's Regional Transportation Improvement Plan (RTIP) (created to identify funding priorities for the State Transportation Improvement Program), and certain planned stops not identified in the applicable regional transportation plan on or before January 1, 2026 (SCAG's Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) (GCS 65912.156(p)). TOD stops are categorized into two distinct tiers depending on the type of transit that serves the stop (see page 5 of the Council report in Appendix 5 to learn more about the SB 79 tier structure). Based on staff's analysis, the City of Los Angeles has 145 TOD stops with 28 designated as Tier 1 and 117 as Tier 2 (as shown in Map 3 below, including TOD stops located within the City boundaries and TOD stops outside the City boundary where the half-mile buffer of the TOD zone overlaps with sites within the City. The identification of SB 79 TOD stops has been based on a thorough analysis of local transit and SB 79's provisions, however, GCS 65912.160(f) authorizes the Southern California Association of Governments (SCAG) to create the map of official eligible TOD stops and zones. At the time of this report, SCAG has not provided eligibility maps, as such the information analysis within this report was informed by local understanding of potentially eligible stations and is subject to further modification.

Map 3: Draft TOD Station Citywide Potential Eligibility



SB 79 provides cities with several pathways for implementation, including implementing the bill as-is, authorizing temporary exemptions from the bill's provisions, or developing a SB 79 replacement program or local TOD alternative plan. In all implementation scenarios, cities have the option, pursuant to GCS 65912.160(e), to permanently exempt from SB 79 development standards sites located more than a one-mile walking distance from a station entrance or within an industrial employment hub[4] by adopting a local ordinance. More information on the various SB 79 implementation pathways can be found in the report to Council, included as Appendix 5 of this report.

SB 79 Mapping Analysis

As previously noted, SCAG has not provided eligibility maps as of the date that this report was prepared. Thus, even though SB 79 explicitly authorizes SCAG to produce the final map associated with regional SB 79 eligibility, based on its need to meet the timelines prescribed in SB 79 and the July 1, 2026 effectuation date, Planning staff has independently used a combination of internal analysis, collaboration with other California jurisdictions, including other large cities and SCAG, and HCD guidance to map potential citywide eligibility for exploratory purposes to help members of the public understand areas affected by the bill. Pursuant to the provisions of the bill, SB 79 applicability is based on proximity to qualifying transit stops which meet the bill's definitions for Tier 1 TOD stop and Tier 2 TOD stop. Per the bill, Heavy Rail Transit and Very High Frequency Commuter Rail qualify as Tier 1 TOD stops. Locally, stops along Metro B and D lines qualify as Tier 1 TOD stops. Light Rail Transit and High Frequency Commuter Rail qualify as Tier 2 TOD stops. Tier 2 eligibility also includes Bus Rapid Transit (BRT) bus stops as well as bus stops served by full-time dedicated bus lanes or operation in a separate dedicated right-of-way, with 15-minute peak period headways, that also meet the definition of an MTS. Locally, Metro A, C, E, K, and G lines and Glendale Metrolink station qualify as Tier 2 TOD stops. Mapping analysis has also identified potentially eligible bus stops located along full-time bus lanes, with 15-minute headways and which qualify as a MTS; these include Sepulveda Boulevard, Venice Boulevard, and Figueroa Street. SB 79 TOD Stops and associated TOD Zones are visualized in Map 3 above.

Since the release of the Department's initial SB 79 eligibility map in September 2025, the Planning Department made a number of revisions informed by internal research and HCD guidance, particularly related to planned routes and the bill's definitions. In particular, mapping updates accounted for the approval of a locally preferred alternative (LPA) by the Metro Board for two proposed transit projects, the Sepulveda Transit Corridor and K Line Northern Extension. As discussed in prior reports on SB 79, analysis and mapping conducted by the Department to determine SB 79's applicability is tentative and subject to change as new information becomes available. In the absence of an official map from SCAG, the Department used the draft eligibility

[4] Paragraph (2) of subdivision (e) of GCS 65912.160 defines an industrial employment hub as a contiguous area of at least 250 acres dedicated to industrial uses and designated as such in the local jurisdiction's general plan as of January 1, 2025.

map to conduct capacity analysis at the site, TOD zone, and citywide level described in this Staff Recommendation Report. The results of this analysis are tentative in nature, and subject to change based on the official map to be released by SCAG. Furthermore, applicability of the expanded incentives proposed in the Low-Rise Ordinance are based on internal analysis and eligibility for the low-rise incentives is subject to change upon the release of SCAG's map. As such, all determinations of program eligibility for both the Phased Implementation Ordinance and the Low-Rise are prepared by the Director of Planning, to allow for intermediate updates in response to SCAG prepared maps.

SB 79 Implementation and Council Direction

On September 16, 2025, the City Council introduced and referred a motion (Council File 25-1083) to the PLUM Committee (PLUM) to direct City Planning to provide an overview and analyze the effects of SB 79 on the City, describe the options for the City to pause the bill and create a Local Alternative Plan, as well as identify staff and consultant resources needed by the department. This motion was adopted by the City Council on November 4, 2025.

City Planning's first report (Appendix 5), released on November 13th, was presented during a special PLUM meeting held on November 17, 2025. The Department identified four potential approaches for implementing SB 79 including: (1) taking no action and allowing the regulations of SB 79 to go into effect, as is (Approach A); (2) only temporarily exempting sites in certain areas consistent with GCS 65912.160(c) and GCS 65912.161(b) (Approach B); (3) temporarily exempting sites and stations where permitted and, additionally, prepare a code amendment with targeted density, height and floor area increases on single family and low density zoned sites that do not presently meet temporary exemption criteria to "phase-in" SB 79 citywide (Approach C); or (4) develop a Local TOD Alternative Plan (Approach D). PLUM directed City Planning to proceed with retaining a contractor to conduct SB 79 capacity modeling; and to return to City Council with a report on ways in which to effectuate SB 79 consistent Approach C, with a focus on directing capacity to Higher Opportunity and transit rich areas, including sites with historic resources, exempting Lower Opportunity Areas, and avoiding concentrating added capacity in areas outside the city center where sites may be ineligible for paused effectuation.

The Department's second report (Appendix 6), dated February 18, 2026, responded to PLUM's instructions by providing results of City Planning's modelling analysis, a survey of the composition of TOD zones Citywide, and several recommendations for how to phase in SB 79 in manner consistent with the goals, policies, and objectives of the 2021-2029 Housing Element and in compliance with SB 79.

On March 24, 2026, the City Council directed City Planning to move forward with Option 1 -- to expand the City's Corridor Transition Program to single-family and low-density zoned parcels within 57[5] Opportunity Stations, with a modification to exclude HPOZs from expanded eligibility. In this

[5] The report back from the Department dated February 18, 2025 in Council File 25-1083 indicated 55 Opportunity Stations. That number has increased by 2 stations due to new K Line alignment and technical corrections.

action, the City Council further directed City Planning to pursue a citywide phased implementation approach in all eligible areas, exempting Lower Resource Areas, environmentally sensitive areas, sites and stations meeting capacity requirements, local historic resources, Industrial Employment Hubs, and sites more than one-mile walking distance from the station.

At this time, the City Council also directed City Planning to development a framework for the development of a Local TOD Alternative Plan for the City (Motion 4A); requested a report on the land-use and planning implications of Metro's new authority granted by SB 79 and a separate report developing a new methodology for identifying sites located more than one-mile walking distance from a station that considers disconnected walking conditions and areas that pose evacuation and other safety challenges (Motion 4B); requested a report with options for stronger Corridor Transition incentives in the form of greater density, floor area, and/or height paired with levels of deeper affordability (Motion 4C), and directed the CAO to identify funding for the purposes of mailing courtesy notices to owners and tenants within each SB 79 TOD Zone (Motion 4D). (The motion to direct the CAO to identify funding for mailers was referred to the Budget and Finance Committee where the Committee voted on April 13 to adopt the CAO's recommendation to use existing public outreach methods for public awareness, in lieu of direct mailing.)

On April 17, 2026, the Department released the first draft of the Phased Implementation Ordinance (Exhibit 1) and Low-Rise Ordinance (Exhibit 2A) and related fact sheets on the Department's website. Due to the truncated legislative adoption timeline given the fast approaching July 1, 2026 effective date of SB 79, the City Planning Commission meeting will serve as the public hearing for the proposed Ordinances. Additionally, as part of this work program the Department was unable to conduct the amount of public outreach typically executed in conjunction with this type of initiative. During the past several months, the general public was able to submit verbal or written comments about the City's local implementation method; almost all comments have been submitted directly to the council file.

Proposed Ordinances

The Phased Implementation Ordinance (Exhibit 1) and Low-Rise Ordinance (Exhibit 2A) together comprise the City's local implementation of SB 79 with the Phased Implementation Ordinance affirming citywide phased implementation of the bill's provisions consistent with GCS 65912.161(b) and the Low-Rise Ordinance expanding incentives targeting missing-middle building outcomes to just over a third of the City's potential TOD zones. The Department requests adoption of the Low-Rise Ordinance prior to adoption of the Phased Implementation Ordinance (as per the sequence of actions requested in this Staff Recommendation Report) as the amendments associated with the Low-Rise Ordinance support compliance with the provisions of GCS 65912.161(b) which adoption of the Phased Implementation Ordinance will ultimately affirm. Though the sequence of requested actions reflects the order the Department recommends to comply with GCS 65912.161(b), this section of the Staff Recommendation Report discusses the Phased Implementation Ordinance first in order to establish the context for the Department's recommended amendments in the Low-Rise Ordinance. Note that the below

sections provide detailed overviews of each ordinance and include reference to numerous maps and appendices included with this Staff Recommendation Report.

Phased Implementation Ordinance Summary

The Phased Implementation Ordinance (Exhibit 1) will allow a temporary pause in the bill's effectuation consistent with the sites, TOD zone, and low resource area criteria permitted in Government Code Section 65912.161(b)(1), and codifies the permanent exemptions from SB 79 for sites within industrial employment hubs and that are more than one-mile walking distance from a station pursuant to GCS 65912.160(e). The ordinance temporarily exempts sites from the zoning provisions of SB 79 until one year following the adoption of the seventh revision of the housing element.The Phased Implementation Ordinance also establishes mapping processes to ensure consistency with the most current TOD zones map published by the SCAG.

As described above, the law allows local jurisdictions to permanently exclude parcels within a TOD zone if the sites are located in industrial employment hubs[6] as defined in the statute, or if the walking distance from a site to the closest entrance of the stop or station is greater than one mile (Government Code Section 65912.160(e)).

Permanent Exemption Criteria	Government Code Section
Sites for which there exists no walking path of less than one mile from that location to the TOD stop	65912.160(e)(1)
Sites designated as industrial employment hubs in cities with at least 15 TOD stops.	65912.160(e)(2)

Local jurisdictions may also temporarily exempt additional sites until one year after the jurisdiction adopts the next housing element, if the parcels meet at least one of the criteria in Government Code Section 65912.161(b)(1) and as described below:

Temporary Exemption Criteria	Government Code Section
Sites permitting half of density and residential floor area ratio (RFAR) afforded in SB 79	65912.161(b)(1)(A)
Sites in TOD zones meeting capacity, density and floor area minimums	65912.161(b)(1)(B)(i)
Sites in an area designated as low resource on the most recently adopted version of the opportunity area maps published by the TCAC,	65912.161(b)(1)(B)(ii)

[6] Mapping analysis (contained in Appendix 3) has identified six areas meeting the criteria for industrial employment hubs, including land in Downtown/Southeast Los Angeles, Atwater/Cypress Park, Pacoima, Northridge, Chatsworth, and areas around LAX, which have been excluded from the modeling analysis.

Temporary Exemption Criteria	Government Code Section
within a jurisdiction that cumulatively allows for at at least 50% of the Residential Capacity required by SB 79	
Sites in primarily low resource TOD zones permitting half of the total capacity and floor area afforded in SB 79	65912.161(b)(1)(B)(iii)
Sites covered by a local TOD alternative plan	65912.161(b)(1)(C)
Sites within a very high fire hazard severity zone	65912.161(b)(1)(D)
Sites vulnerable to one foot of sea level rise	65912.161(b)(1)(E)
Sites with a historic resource designated as of January 1, 2025, on a local register	65912.161(b)(1)(F)

As described in more detail in the following section, the Department conducted a capacity modeling analysis to identify sites within eligible TOD zones that meet the permanent or temporary exemption status. As SB 79 eligibility mapping is at the discretion of the SCAG and could be updated at any time, the ordinance authorizes the Director of Planning to prepare maps indicating a site's eligibility for SB 79 and the permanent and temporary exemptions based on the criteria in the statute. Consistent with GCS 695912.160(c)(1) and 65912.161(b)(1), the sites eligible for permanent or temporary exemption will then be indicated on a public facing map through the Zone Information and Map Access System (ZIMAS).

Phased Implementation Ordinance Modeling and Analysis

In late 2025, at City Council direction[7], the Department contracted Psomas[8] to prepare a capacity modeling analysis to assist in understanding the applicability of the permanent or temporary exemption provisions of SB 79 at a citywide, TOD zone, and individual site level, to allow for a phased implementation of the bill. The model compares current zoned City housing capacity (local capacity) to the capacity permitted by SB 79 development standards, and evaluates the City's compliance with criteria provided for either permanent or temporary exemption from the provisions of the bill (California Government Code Sections 65912.161(b)(A) through (F)). To calculate existing local capacity, the model uses the density and FAR associated with a site's underlying zone and, where applicable, the site's eligibility for existing local housing incentive programs, including the MIIP (LAMC Section 12.22 A.38) and the Los Angeles Housing Incentive Program (applicable in the Downtown LA Community Plan Area). The model also applies the development standards permitted by SB 79 to determine the SB 79 baseline capacity. The model is designed to compare each individual site or TOD zone against the criteria for permanent or temporary exemption as listed in Government Code Sections 65912.160(e) and 65912.160(b)(1). Sites which are zoned for public facilities and open

[7] Council File No. 25-1083, November 4, 2025
https://cityclerk.lacity.org/onlinedocs/2025/25-1083_ca_11-06-25.pdf
[8] Contract Number C-144842

space were not evaluated for local or SB 79 capacity as they do not permit residential or commercial uses as required by GCS 65912.157(a). As industrial land permits commercial uses, industrial sites outside of industrial employment hubs were modeled in capacity calculations. Further, sites subject to the City's Rent Stabilization Ordinance (RSO) have also been included in the analysis for local and SB 79 capacity. GCS 65812.157(h)(1) states a proposed development may not utilize the zoning provisions of SB 79 on sites with more than two units that would require the demolition of housing subject to the RSO. This has been interpreted by the Cities of San Francisco and Oakland as a project level exemption, and jurisdictions should include sites subject to RSO in the analysis for determining eligibility for temporary exemption. The model compares local capacity to SB 79 capacity, and factors in individual site characteristics such as whether the site is located in a VHFHSZ, a local historic resource, or Low Resource area as designated by TCAC Opportunity maps, to determine if the site meets criteria for permanent or temporary exemption from SB 79. For more details on the Model, please refer to Appendix 1. To review the maps identifying sites and TOD zones eligible for Phased Implementation, please refer to Exhibit 3, Maps 3A through 3M. To review the summary tables for the model results at a citywide, TOD zone, and individual site level, refer to Exhibit 4, Tables 1A through 1C.

Modeling Results

Citywide, there are 139,450 parcels eligible for the provisions of SB 79 within 145 eligible TOD zones. Of all eligible sites, 2,718 parcels or approximately 2.2% of sites meet the criteria for permanent exclusion from the provisions of SB 79. Table 1 below shows a summary of sites that meet the permanent exclusion criteria. These sites were located in an industrial employment hub or located more than one-mile walking distance from the TOD stop. The remaining 136,732 eligible parcels or 98% of sites meet at least one of the criteria for temporary exemption from the provisions of SB 79. Map 3A and Map 3B in Exhibit 3 show the sites eligible for permanent exclusion.

Table 1: Summary of Sites Eligible for Permanent Exclusion from SB 79

SB 79 Statutory Exemption	Count of Excluded Sites
No Walking Path of Less than One-Mile	341
Industrial Employment Hub	2,377

Table 2: Summary of Sites and TOD Zones Eligible for Temporary Exemption

Temporary Exemption Criteria	Count of Eligible Sites or TOD zones	Percent of Eligible Sites or TOD zones
Sites permitting half of density and residential floor area ratio afforded in SB 79 (GCS 65912.161(b)(1)(A))	Existing Zoned Capacity: 46,526 parcels Inclusive of LAMC 12.22 A.38(c)(10): 17,562 parcels	Existing Zoned Capacity: 34.34% of sites Inclusive of LAMC 12.22 A.38(c)(10): 12.59% of sites
Sites in TOD zones meeting capacity, density and floor area minimums (GCS 65912.161(b)(1)(B)(i))	74 TOD zones	51% of TOD zones
Sites in an area designated as low resource on the most recently adopted version of the opportunity area maps published by the TCAC, within a jurisdiction that cumulatively allows for at at least 50% of the Residential Capacity required by SB 79 (GCS 65912.161(b)(1)(B)(ii))	75,704 parcels	55.88% of sites
Sites in primarily low resource TOD zones permitting half of the total capacity and floor area afforded in SB 79 (GCS 65912.161(b)(1)(B)(iii))	80 TOD zones	55.1% of TOD zones
Sites covered by a local TOD alternative plan. (GCS 65912.161(b)(1)(C))	0 parcels	0% of sites
Sites within a VHFHSZ (GCS 65912.161(b)(1)(D))	12,910 parcels	10.59% of sites
Sites vulnerable to one-foot of sea level rise (GCS 65912.161(b)(1)(E))	0 parcels	0% of sites
Sites with a historic resource designated as of January 1, 2025, on a local register (GCS 65912.161(b)(1)(F))	7,689 parcels	6.31% of sites
Sites eligible for at least one temporary exemption criteria	135,474 parcels	100% of sites

Revisions to the Model Assumptions

In the February 2026 report back to the City Council, the Department presented a preliminary analysis of sites that may be eligible for permanent or temporary exemption. Since that time, the

model has been refined and updated based on staff analysis and HCD verbal and written[9] guidance. The updated model includes assumptions on industrial land uses, assumptions for sites with unlimited density, RSO sites, as well as some technical updates.The Department is awaiting written guidance from HCD on a number of interpretations and as such has included capacity on sites that were initially excluded from the model in order to ensure that the City is considering all potential capacity created by the bill. Further information on these updates can be found in detail in the section called “SB 79 Statutorily Exempt Assumptions” in Appendix 1.

Summary of Model Findings

The results of the model analysis revealed that in the short term, with existing zoned capacity, the City would be eligible to temporarily pause the implementation of the bill until one year following the adoption of the seventh revision housing element for 89.97% of eligible sites citywide, under at least one of the temporary exemption criteria under Section 65912.161(b)(1). The proposed amendments to the MIIP through the Low-Rise Ordinance (LAMC Sections 12.22 A.38(c)(10)(i) and 12.22 A.38(g)(3)(i)(a)), include provisions for sites to utilize half the amount of units and floor area otherwise permitted by SB 79 when sites are eligible for the provisions of the bill but do not meet the temporary exemption criteria pursuant to GCS 65912.161(b)(1), or are not otherwise exempt pursuant to GCS 65912.155 through 65912.162. When factoring in this provision, the analysis found 17,562 additional sites would meet this temporary exemption criteria. As a result, 100% of sites citywide would be eligible for temporary exemption pursuant to GCS 69512.161(b)(1)(A). Table 2, above summarizes the sites and TOD zones eligible for temporary exemption. For more detail on the methodology and analyses described above, refer to Appendix 1 for SB 79 Model Methodology and Appendix 3 for Industrial Employment Hubs Analysis. Exhibit 3, Maps 3A - 3M visualize the sites eligible for permanent or temporary exemption, and Exhibit 4, Tables 1A - 1C summarize the sites eligible for permanent or temporary exemption.

Low-Rise Ordinance Summary

The proposed Low-Rise Ordinance (Exhibit 2A) adds residential capacity and increases feasibility for small scale building typologies in alignment with SB 79 (GCS 65912.161(b)), the goals of the 2021-2029 Housing Element, and the objective to AFFH. The Ordinance does not propose any Zone Changes or General Plan Amendments. Rather, it amends the MIIP in LAMC Section 12.22.A.38 to expand incentives within the framework of Los Angeles’ program to implement State Density Bonus Law (GCS 65915-65918) which was adopted through the CHIP Ordinance in February 2025. As discussed earlier in this report, the MIIP established a set of incentives for R2 and RD zoned sites within 750 feet of designated Opportunity Corridors referred to today in the code as Corridor Transition Incentive Areas. The program encourages low-rise development typologies such as bungalow courts, row houses, and small multiplexes.The Low-Rise Ordinance expands where those incentives are applied and renames

[9] SB 79 Advisory Clarifications on Definitions for Metropolitan Planning Organizations On the Implementation of Senate Bill 79 (Chapter 512, Statutes of 2025)
https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/sb-79-mpo-advisory.pdf

the Corridor Transition Incentive Areas to Low-Rise Incentive Areas to better align with program outcomes and geographic applicability. The Ordinance expands eligibility to all residential zones, including single-family zones, within a half mile radius of 'Opportunity Station Areas,' (defined as SB 79 TOD zones that are majority Moderate and Higher Opportunity Areas, subject to environmental and historical limitations, as described below and visualized in Map 4). Parcels within an Opportunity Station Area would be permitted to construct up to 10 or 16 units in conjunction with incremental FAR bonuses depending on proximity to eligible transit (see Figure 2 and Maps 5 and 6 below for a visualization of LR-1 and LR-2 locations). In addition, Low-Rise eligible sites include parcels otherwise ineligible for a pause in effectuation or exemption with the Phased Implementation Ordinance alone. Modelling conducted by Psomas indicates that there are approximately 86 sites meeting this criteria citywide, all in the ESFV Van Nuys/Woodman TOD Zone. All sites eligible for the Low-Rise Incentive Area are entitled to half the density and FAR they would otherwise receive under GCS 65912.157(a) as part of the Low-Rise Ordinance. Note that, as illustrated in Figure 2 below, Low-Rise incentives will continue to be available to RD and R2 parcels within 750 feet of a designated Opportunity Corridor within and outside of Opportunity Station Areas consistent with the incentives adopted by the City Council in early 2025. The Low-Rise Ordinance also brings forward amendments to the MIIP overall including new definitions, changes to eligibility requirements, and updates to key program standards (described in further detail later in this section).

Mapping analysis has identified approximately 57 Opportunity Stations in the City, as shown in Map 4.[10] It's worth noting that these numbers may shift due to technical corrections, the release of the official SB 79 TOD zone map from SCAG, or as new transit stations are added in the future. The Opportunity Station approach strategically creates housing opportunities in relation to existing City resources by accounting for entire station areas (including Moderate and Lower Opportunity tracts) rather than triggering uneven development outcomes by census tract (the level at which TCAC determines Opportunity Area status). This new geographic applicability creates a more holistic value capture by aligning growth with the City's strongest transit investments in areas with jobs, schools, parks, and other opportunities. Additionally, the tool excludes Moderate and Higher Opportunity tracts in station areas that are majority lower resource (where eligible for delay in SB 79) to avoid offering low density zone incentives in areas possibly experiencing gentrification or displacement.

[10] The report back from the Department dated February 18, 2025 in Council File 25-1083 indicated 55 Opportunity Stations. That number has increased by 2 stations due to new K Line alignment and technical corrections.

Map 4: Opportunity Stations

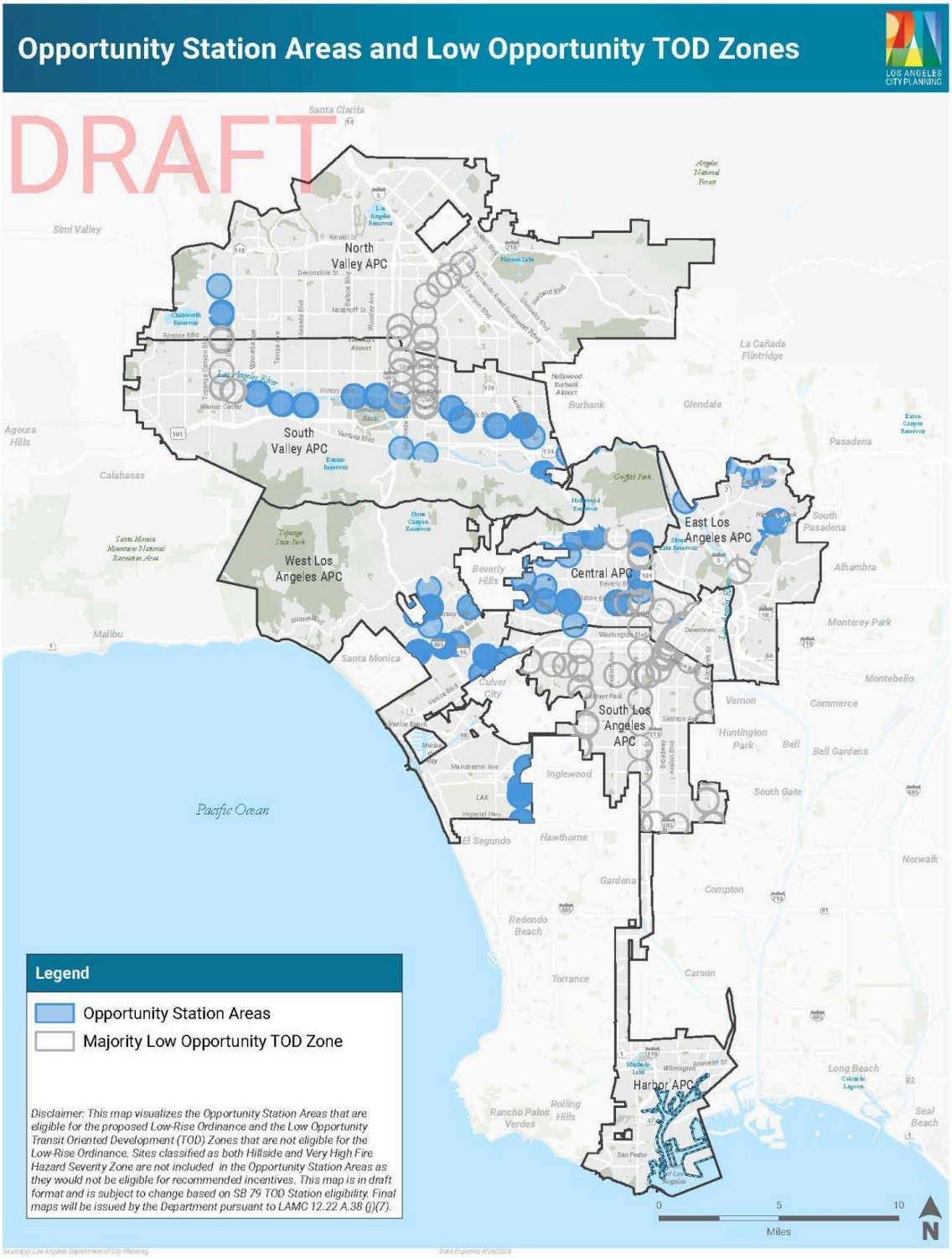
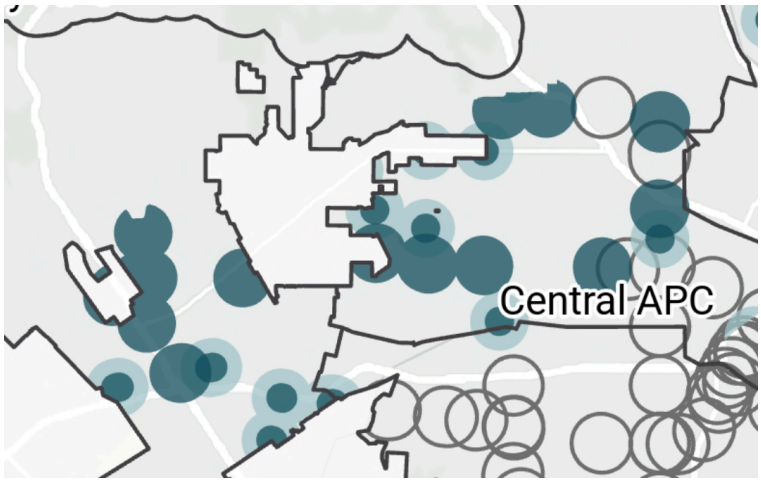


Figure 2: Proposed Low-Rise Applicability (proposed as Table 12.22 A.38(g)(1)(i))

Eligibility Subarea Based on Distance			Eligible Underlying Project Zones	Geographic Criteria
Transportation Qualifier	LR-1	LR-2		
Opportunity Corridor Transition	250 - 750 feet	< 250 feet	RD and R2	Higher Opportunity Areas
Tier 2 TOD Stop	1/4 mile - 1/2 mile	< 1/4 mile	Residential Zones	Opportunity Station Areas
Tier 1 TOD Stop	-	< 1/2 mile		

Map 5: LR-1 and LR-2 in Central and West LA

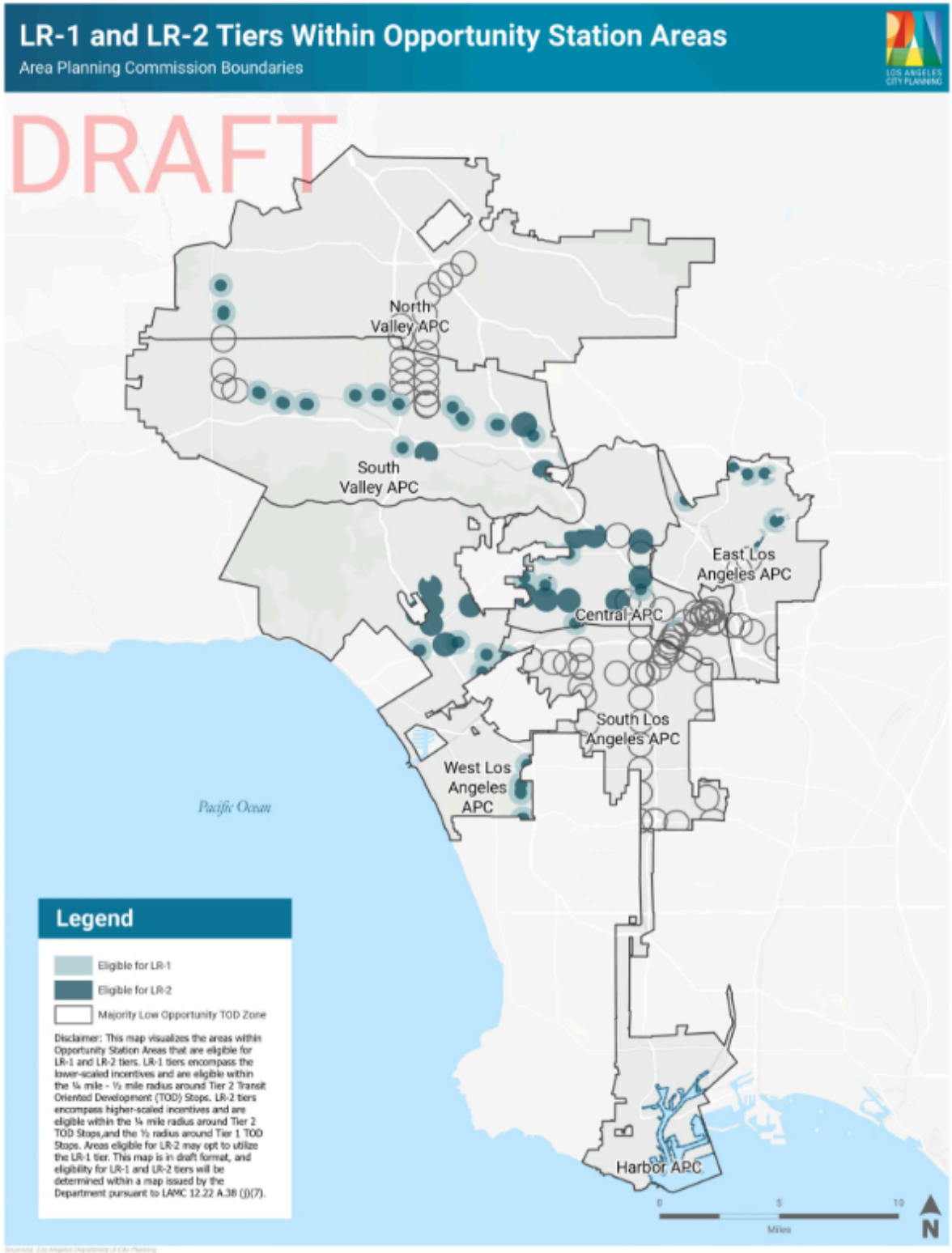


Legend

- Eligible for LR-1
- Eligible for LR-2
- Majority Low Opportunity TOD Zone

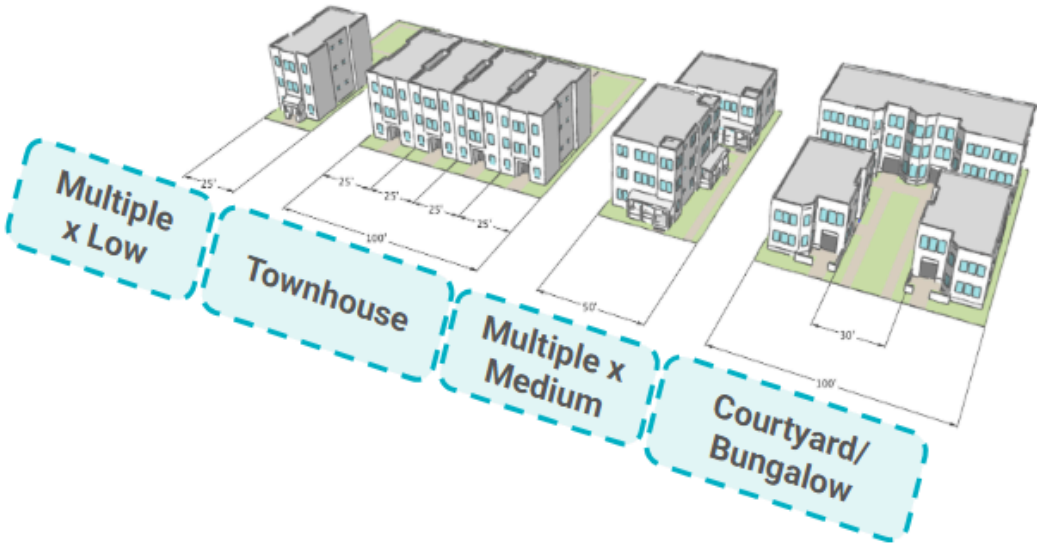
Disclaimer: This map visualizes the areas within Opportunity Station Areas that are eligible for LR-1 and LR-2 tiers. LR-1 tiers encompass the lower-scaled incentives and are eligible within the ¼ mile - ½ mile radius around Tier 2 Transit Oriented Development (TOD) Stops. LR-2 tiers encompass higher-scaled incentives and are eligible within the ¼ mile radius around Tier 2 TOD Stops,and the ½ radius around Tier 1 TOD Stops. Areas eligible for LR-2 may opt to utilize the LR-1 tier. This map is in draft format, and eligibility for LR-1 and LR-2 tiers will be determined within a map issued by the Department pursuant to LAMC 12.22 A.38 (j)(7).

Map 6: Low-Rise Incentive Area Tiers Visualized in Opportunity Station Areas Citywide



All eligible development projects in the Low-Rise Incentive Area are reviewed ministerially through the plan check process. Projects are required to set aside covenanted affordable units in exchange for base incentives that increase density, FAR, height, and provide relief from limiting development standards including passageway requirements, floor area calculation limitations, and lot coverage. Low-Rise projects must also comply with “performance standards” aimed at producing building outcomes that create shared open spaces, support pedestrian accessibility, and overall celebrate building typologies core to Los Angeles’ architectural past (see Figure 3 below for examples of building outcomes the Low-Rise Ordinance aims to produce).

Figure 3: Low-Rise Typologies



Projects in environmentally sensitive areas such as the Coastal Zone, fire-prone hillside areas, and Sea Level Rise Areas, are not eligible for Low-Rise incentives.[11] The expansion of Low-Rise incentives will not apply to single family and low density sites in HPOZs or with HCMs (although multi-family sites previously included as part of the Corridor Transition program will maintain eligibility for the Low-Rise Incentive Area).

Amendments to Support Project Feasibility

In 2025, the CHIP, a cornerstone of the City’s Housing Element Rezoning Program, introduced a suite of new transit-oriented incentive programs to meet the City’s state-mandated RHNA targets. As part of that effort, the City contracted AECOM Consultants to conduct a market study analysis and economic feasibility analysis to explore the economic feasibility of the affordability

[11] Present analysis indicates that no part of the Coastal Zone in City limits lies within a SB 79 TOD Zone, though maps produced by SCAG may differ. Senate Bill 79 does not include an exception for sites in the Coastal Zone, so incentives might need to be extended to there with the addition of future TOD Zones.

set asides and development standards offered through the CHIP program, including feasibility of the CT Incentive Area program. Revisions to the economic feasibility analysis were completed in August 2025, to update baseline measurements and further analyze multi-bedroom incentives. The economic and feasibility analysis conducted by AECOM (Appendix 4), as well as developer interviews following the CHIP release, identified four areas of revision that would improve viability, addressing barriers such as utilization of FAR granted through the program and getting projects to pencil. These proposed revisions are incorporated through the Low-Rise Ordinance and include: (1) consolidating incentive area tiers, (2) restructuring required affordability, (3) revising the multi-bedroom incentive, and (4) making multi-family development feasible in single family zones and overlays. Lastly, some technical amendments and changes to definitions and eligibility have also been carried forward.

1. Tier consolidation: Tier consolidation occurred in response to state law. With the passage of Senate Bill 1123, an amendment to the Starter Home Revitalization Act (Senate Bill 684), vacant single family lots can now accommodate up to 10 small lot homes. With this new change to development potential in single family zones, the Low-Rise Incentive Area now proposes starting at a 10 unit density bonus, whereas the previous CT program density bonus began at 4 units. Under the proposed revision, CT projects 500-750 feet of an Opportunity Corridor (CT-1) that were formerly provided up to 6 units can now build 10 units using the Low-Rise program. This is consistent with the economic and feasibility analysis conducted by AECOM (Appendix 4) which indicates that in most market tiers, projects need more than 5 units to be feasible (Appendix 4, page 90). Figure 4 provides a visual representation of the tier consolidation proposed in the Low-Rise Ordinance.

Figure 4: Existing vs. Proposed Low-Rise Incentive Area Incentives[12]

Existing CT Incentives

Eligibility Subarea	Density Bonus	Floor Area Ratio (maximum permitted)	Parking	Height (maximum permitted)
CT-1A	4 units	1.15:1	No parking required.	2 stories
CT-1B	5 units	1.30:1		
	6 units	1.45:1		
CT-2	7 units	1.60:1		3 stories
	8 units	1.75:1		
	9 units	1.90:1		
	10 units	2.0:1		
CT-3	11 units	2.15:1		
	12 units	2.30:1		
	13 units	2.45:1		
	14 units	2.60:1		
	15 units	2.75:1		
	16 units	2.90:1		

Proposed Low-Rise Incentives

Eligibility Subarea	Density Bonus	Floor Area Ratio (maximum permitted)	Parking	Height (maximum permitted)
LR-1	5 units	1.30:1	No parking required.	2 stories
	6 units	1.45:1		
	7 units	1.60:1		3 stories
	8 units	1.75:1		
	9 units	1.90:1		
	10 units	2.0:1		
LR-2	11 units	2.15:1		
	12 units	2.30:1		
	13 units	2.45:1		
	14 units	2.60:1		
	15 units	2.75:1		
	16 units	2.90:1		

[12] The Proposed Low-Rise Incentives table was updated from the 4/17/26 version to address corrections.

2. Affordability: The economic and feasibility analysis conducted by AECOM (Appendix 4) showed that higher affordability disproportionately affects projects with less overall units (page 84, Appendix 4). This was confirmed by developer feedback. In response, the highest affordability requirement of the CT program is proposed for removal, so a project could provide up to 10 units with one set aside at moderate income or up to 16 units with either two units set aside at moderate income or one unit set aside at lower income. This allows for more market rate units to offset costs of set asides. A visual comparison of how the Low-Rise Ordinance amends the affordability requirement in Low-Rise is provided below in Figure 5.

Figure 5: Existing vs. Proposed Low-Rise Incentive Area Affordability

Existing CT Affordability

	Very Low Income	Lower Income	Moderate Income
CT-1A	-	-	1 unit
CT-1B and CT-2	1 unit	1 unit	2 units
CT- 3	2 units	2 units	3 units

Proposed Low-Rise Affordability

	Very Low Income	Lower Income	Moderate Income
LR-1	-	-	1 unit
LR-2	1 unit	1 unit	2 units

3. Multi-bedroom Incentive: The multi-bedroom incentive previously required that 40% of total units in a CT project contain three bedrooms or more in exchange for either 0.5 FAR or an additional story in height. The economic and feasibility analysis conducted by AECOM (Appendix 4) indicated that CT projects are not granted enough height to use all their base incentive FAR (Appendix 4, page 80). Granting a project additional FAR without height might make using that additional FAR infeasible. Multiple multi-bedroom scenarios were tested for feasibility including two-bedroom in lieu of three-bedroom requirements, varying ways to calculate FAR, and analyzing whether to count parking as FAR. The model found projects providing 40% of their units with two-bedroom or more bedrooms to be most economically feasible (page 88, Appendix 4). In light of the other programs' economic analysis the Department recognizes that the 40% requirement could be prohibitive.[13] However, three-bedroom units offer greater potential for family housing, which is strongly desired at the missing middle scale. As such, the proposed multi-family incentive in the Low-Rise Ordinance proposes requiring that 20% of total units contain three bedrooms or more in exchange for both the 0.5 FAR and one additional story in height.

4. Facilitating Development in Single Family Zones and Overlays: Incentives and performance standards have been expanded to facilitate multi-family development in single family zones and overlays. The Low-Rise incentives supersede corresponding Development Standards of a site's zoning inclusive of overlays, replacing requirements for building envelope, as well as types, sizes, and configurations of open space that

[13] In other CHIP incentive programs, the multi-bedroom public benefit option requires that only 10% of units contain three bedrooms or more in exchange for both FAR and height increases.

would otherwise apply to the site. To expand options for complying with the open space performance standard of the program, the Low-Rise Ordinance proposes adding a rooftop deck option to the common open space performance standard menu. Previously, CT projects were required to provide at-grade common outdoor open space. The revised menu of common outdoor open space types adds a new rooftop option to allow more of a project site to be used toward the building envelope, thus creating opportunity for more units within the height allowance and increasing project feasibility. The Ordinance includes standards for rooftop open space to ensure compatibility with surrounding uses, including a three-foot setback for rooftop perimeters that are within ten feet of structures on neighboring properties and compliance with vertical encroachment limitations.

The Low-Rise ordinance would amend the setback incentive to require a 15 foot front yard in lieu of the 10 foot front yard previously set by the CT program. It is important to note that the current front yard requirement in most single family zones is currently 20 feet or prevailing. This change responds to the significant expansion of the Low-Rise Incentive Area (formerly Corridor Transition) eligibility across the City. By expanding from 750 feet off a commercial corridor to a ½ mile radius from a TOD stop, the additional front yard supports the provision of flexible community extension spaces that support neighborhood activation and pedestrian walkability as neighborhoods shift from single-family to multi-family housing. The program's rear yard provision encourages open space oriented towards the public realm, allowing for more urban canopy in neighborhoods with both single-family and multi-family development and maintaining character through transformation. The Low-Rise Ordinance also provides relief from R1 and variation zone requirements such as side yard plane breaks, massing requirements, encroachment planes, and lot coverage which are standards that could otherwise preclude multi-family building massing and are usually intended to limit mansionization. Edits to the base incentives in the Low-Rise Ordinance clarify that these zone class standards, and standards in overlays that preclude the building massing granted by the Low-Rise Incentive Area, are superseded by the program's base incentives.

Additional Technical Clarifications and Definition Changes

The proposed ordinance also includes technical clarifications and amendments to the CHIP Ordinance and related code sections, including:

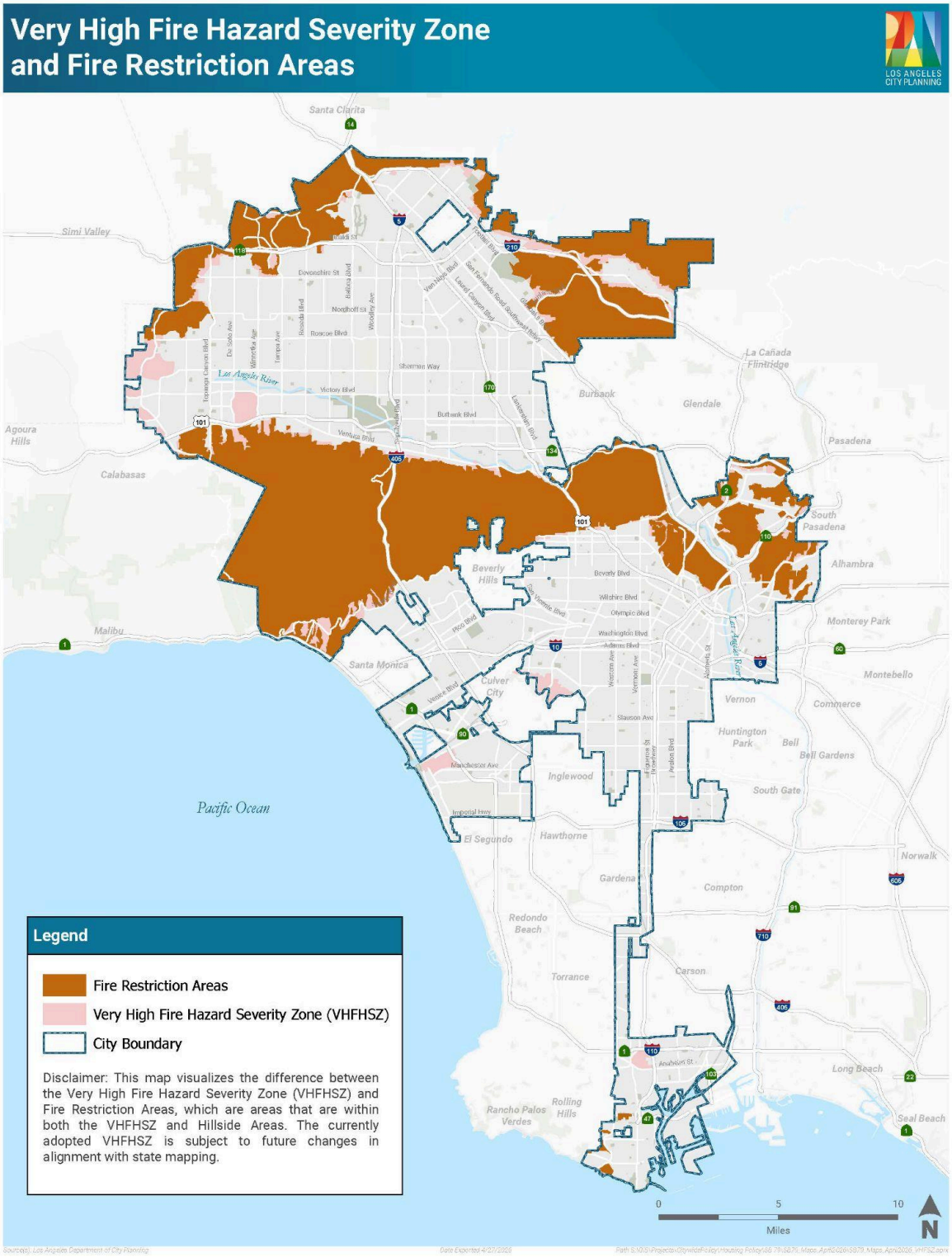
- Amendments to incorporate Opportunity Station Areas including new definitions; revisions to eligibility requirements, base incentives, and performance standards; and new exceptions for HPOZs and HCM;
- Adding an eligibility exception to allow sites outside of Opportunity Station Areas that don't meet phased implementation criteria to be eligible for the Low-Rise Program;
- Establishing an update frequency for mapping Opportunity Station Areas and TCAC designations to every five years for more predictability throughout the planning period; and
- General technical edits to eligibility criteria and Program Standards.

Additionally, the Low-Rise Ordinance revises eligibility criteria associated with VHFHSZs to align more closely with other city policies and address changes to the State's CAL FIRE VHFHSZ maps. In particular, the program proposes a new definition for Fire Restriction Area (where VHFHSZ and Hillside Areas overlap) and replaces references to VHFHSZ with this new term in the MIIP eligibility criteria. Whereas the program had previously relied on the VHFHSZ designation alone to determine eligibility, the Low-Rise Ordinance proposes using the Fire Restriction Area to establish eligibility in all MIIP programs. Exhibit 3, Map 5A visualizes the difference between the VHFHSZ and the Fire Restriction Area. This modification aligns with existing City policy such as the Affordable Housing Streamlining Ordinance (Ordinance No. 188,788) to allow flatland development while continuing to limit it in fire prone hillsides.

The eligibility update to Fire Restriction Area is also proposed due to the recent expansion of the State's CAL FIRE VHFHSZ, which is pending local adoption. The state CAL FIRE VHFHSZ maps represent fire "hazard" areas rather than fire "risk," the latter of which is inclusive of mitigation measures. For that reason, the state CAL FIRE VHFHSZ has expanded into paved and urbanized areas that are not as likely to burn as Hillside Areas but are experiencing higher temperatures and wind patterns increasing the likelihood of a fire hazard.[14] The eligibility update to Fire Restriction Areas responds to this expansion, which would reduce areas eligible for MIIP once State CAL FIRE maps are locally adopted if unaddressed. Exhibit 3, Map 5B visualizes the difference between the currently adopted VHFHSZ and the State CAL FIRE VHFHSZ pending local adoption, and Exhibit 3, Map 5C presents the difference between the proposed Fire Restriction Area and the pending CAL FIRE update. Redevelopment in these urbanized areas included in the CAL FIRE VHFHSZ expansion that have adequate ingress/egress improves the structural resilience of buildings. These areas have better access and connectivity than hillside areas and include geographies like Ventura Boulevard, Highland Park, and Atwater Village. Exhibit 3, Map 5D visualizes the current VHFHSZ against the Fire Restriction Area in relation to Major Transit Stops, to indicate areas where sites may become eligible through this change.

[14]For more information on Cal Fire's methodology for High Fire Severity Zones visit: https://osfm.fire.ca.gov/what-we-do/community-wildfire-preparedness-and-mitigation/fire-hazard-severity-zones

Map 7: The Low-Rise Ordinance Proposes that Fire Restriction Areas (where VHFHSZ and Hillside Areas Overlap) preclude eligibility for the MIIP



Ordinance Revisions

The recommended Low-Rise Ordinance (Exhibit 2A) includes several revisions made since its release on April 17th. Revisions include:

- Inclusion of “Whereas” clauses to clearly state the Low-Rise Ordinance’s intent;
- Technical clarifications to eligibility criteria to ensure program access for sites that do not meet site and station level criteria contained in GCS 65912.161(b);
- Revision of the Low-Rise Incentive Area project threshold from four to five units to better align with definitions for “Housing Development” at state and local levels as well as applicability thresholds contained in local Environmental Protection Measures;
- Technical correction to correct an editing error in Table 12.22 A.38.(g)(3)(i) to reflect existing height allowances. LR-1 projects with 7-10 units may access up to three stories in height; and
- Clarifications to Subparagraph (3) or Paragraph (g) to make clear that base incentives in the Low-Rise Incentive Area supersede development standards that may preclude the Low-Rise Incentive Area’s guaranteed building envelope.

Response to Amending Motion 4C

In response to Amending Motion 4C (CF 25-1083) adopted at City Council on March 24, 2026, Exhibit 2B of this Staff Recommendation Report provides analysis and recommendations for creating opportunities that increase the development potential for more affordable housing at a missing-middle building scale in Low-Rise.[15] Based on analysis described in Exhibit 2B, the Department recommends establishing additional incentives in Low-Rise for projects with greater or deeper affordability, including mixed income projects providing deeper affordability and majority moderate income projects.

Key Issues

Yards

The Low-Rise Ordinance recommends revisions to front yard relief to allow front yard setbacks that are 15 feet or the average of the front yards of adjacent buildings along the same frontage in order to prioritize greener corridors for pedestrians and residents alike and encourage street-level activations in neighborhoods closest to quality transit. This modification encourages front yard open spaces, shifting development slightly to the rear of a site. In preparing this recommendation the Department evaluated height and setback constraints to ensure consistency with half of the allowed floor area under GCS 65912.157(a). Any additional expansions to required yards or reductions in height would require further analysis and may require building envelope offsets (height or setback relief) to ensure consistency with SB 79.

Project Feasibility and State Law Consistency

The public raised concerns during City Council consideration of the February 18, 2026 report (Appendix 6), over the Corridor Transition Programs incentives potentially hindering a project’s

[15] https://cityclerk.lacity.org/onlinedocs/2025/25-1083_misc_4C%20Raman-HSM_3-24-26.pdf

ability to achieve half of the floor area allowance under GCS 65912.157(a), and the feasibility of the incentives. The Department has introduced a suite of revisions to better facilitate project feasibility (described above on page 25-38 of this report) including allowance for rooftop common open space, front yard open space allowances, and a re-tooled multi-bedroom incentive to allow projects providing 20% or more 3-bedroom units an extra story and height and 0.5 of FAR. Furthermore, the Low-Rise Ordinance explicitly states that projects shall always be entitled to at least half of what is offered in GCS 65912.157(a).

Eligibility for 80–100% Affordable Housing

As discussed in the Low-Rise Ordinance project summary, the Department acknowledges the need for additional analysis on tools to enable greater bonuses for majority affordable housing developments. In Exhibit 2B of this Staff Recommendation Report, which responds to amending Motion 4C (CF 25-1083), the Department provides analysis and recommendations for a missing-middle scale bonus (the Low-Rise Bonus) to support feasibility for projects that provide deeper or greater levels of on-site affordability. While 100% affordable projects as defined in GCS 65915 are eligible for all MIIP programs, including the Low-Rise Incentive Area program, the program does not currently provide any additional incentives for such projects. Future work programs could involve further research on and evaluation of potential code amendments outside of the Low-Rise Incentive Area program to provide even larger bonuses for majority affordable housing developments.

Industrial Land

At the time of this report, the Department is awaiting guidance on the bill's applicability to industrial land which, in Los Angeles' regulatory framework, permit commercial uses. Though pending written guidance from HCD, per GCS 65912.157(a), SB 79 is permitted on "any site zoned for residential, mixed, or commercial development" within a half-mile of eligible TOD stops, and due to the allowance of commercial uses in the City's industrial zones, these sites could be eligible for the bill. Though initial modeling of SB 79 capacity excluded all sites zoned for light and heavy industrial uses, modeling now accounts for full buildout of SB 79 on MR1, M1, MR2, M2, M3, I1, and I2 zoned sites except those designated as located within an industrial employment hub[16]. Given certain heavy industrial zones outside of the industrial employment hubs may be eligible for SB 79, to mitigate health and safety impacts associated with allowing residential uses on sites that previously hosted a noxious use, the Department recommends , if HCD advises that industrial land is eligible for SB 79, that a process be developed to ensure environmental review and remediation for any industrial site proceeding under SB 79 authority, including but not limited to establishing discretionary processes and/or expanding the rules and procedures associated with local environmental protection measures.

[16] Mapping analysis (contained in Appendix 3) has identified six areas meeting the criteria for industrial employment hubs, including land in Downtown/Southeast Los Angeles, Atwater/Cypress Park, Pacoima, Northridge, Chatsworth, and areas around LAX, which have been excluded from the modeling analysis. Pending further guidance from HCD, all other industrial sites will remain eligible for SB 79.

Conclusion

The Low-Rise Ordinance and Phased Implementation (Exhibits 2A and 1, respectively) advance implementation of SB 79 in a manner tailored to Los Angeles' local housing goals and needs. Though Los Angeles' housing affordability crisis necessitates continued work at local, state, and federal levels, Los Angeles City Planning, for over a decade, continues to work with decision makers to craft innovative land use programs to increase housing stock including transit-based incentive tools, process streamlining, and value capture frameworks that build off of State Density Bonus Law. The adoption of SB 79 at the state level and the recommended Phased Implementation and Low-Rise Ordinances advance this work further by bringing forth the City's largest expansion of affordable housing incentive tools into under utilized land, including single family zones, near some of the region's most transformative transit investments. The Department recognizes the scale and importance of this change, while also acknowledging that the actions recommended in this report comprise only the first phase of ensuring ample housing capacity is made available in alignment with AFFH objectives, state law requirements, and local equity and climate goals.

FINDINGS

Program Findings and Discussion

Several sets of findings are required to adopt the Low-Rise Ordinance and the SB 79 Phased Implementation Ordinance, including consistency with the General Plan, (including but not limited to the Land Use, Housing and Circulation Elements), SB 79 and State Density Bonus Law.

A. City Charter Findings

City Charter Section 253 - City Charter Section 253 allows for City Council to adopt an urgency ordinance that takes effect upon publication, so long as the ordinance is required for the immediate preservation of the public peace, health or safety and passes by at least a three-fourths vote of Council.

Both the Low-Rise and Phased Implementation Ordinances are necessary for the immediate preservation of the public peace, health and safety, and to ensure compliance with State law. SB 79 is a State mandate that would otherwise apply unless the City elects to temporarily delay effectuation of the SB 79's development standards, in conjunction with the adoption of the City's Low-Rise Ordinance that allows for a more tailored development approach to concentrate density close to transit.

By permanently excluding certain industrial sites and sites more than a mile walking from eligible transit stations, and by temporarily exempting and protecting sensitive sites such as low-resource neighborhoods as designated by the California Tax Credit Allocation Committee (TCAC), Very High Fire Hazard Severity Zones, and industrial zones from increased residential capacity as otherwise would be mandated by California Government Code Section 65912.161(b)(1), adoption of these ordinances to phase implementation of SB 79 effectuation provides additional time for the City to evaluate alternative plan options and to balance health, safety, and displacement concerns in conjunction with the development of increased housing stock. The Low-Rise Ordinance allows the City to comply with State-mandated requirements, while continuing to address Los Angeles' housing crisis by increasing capacity in a manner consistent with the City's certified Housing Element, and improves housing access by affirmatively furthering fair housing using locally tailored value capture.

These proposed ordinances, as discussed further below, are consistent with the City's 2021-2029 certified Housing Element that commits the City of Los Angeles to plan for housing in a way that addresses past patterns of discrimination and exclusion and strives for greater affordability, equity, and sustainability citywide through prioritizing growth in areas shown to have positive life and health outcomes by encouraging infill development in High Opportunity

Areas near access to jobs, transit, amenities, and neighborhood services. If the Program is not adopted, the City would be subject to immediate effectuation of SB 79 on every eligible site, permitting the full use of applicable incentives offered by the bill without the opportunity to implement in a manner that considers General Plan goals and establishes protections for areas vulnerable to displacement or environmental risks.

Provided the ordinances pass with a three-fourths vote by Council, they shall become effective upon publication.

City Charter Sections 556 and 558 and LAMC Section 13B.1.3 - City Charter Sections 556 and 558, and LAMC Section 13B.1.3 require the City Planning Commission and the City Council to adopt the following findings, when taking any action to amend zoning or other land use regulations concerning permissible uses, height, density, bulk, location or use of buildings or structures, size of yards, open space, setbacks, building line requirements, and other similar requirements:

> (1) The zoning ordinance is in substantial conformance with the purposes, intent, and provisions of the General Plan;
> (2) The zoning ordinance is in conformity with public necessity, convenience, general welfare, and good zoning practice; and,
> (3) Other findings as required by law.

Although the SB 79 Phased Implementation Ordinance does not amend the zoning code, change conditions, or amend land use regulations pursuant to the referenced sections above, the following analysis demonstrates that the ordinance is in substantial conformance and is provided here for informational purposes.

Pursuant to City Charter Sections 556 and 558, and LAMC Section 13B.1.3, the proposed Low-Rise Ordinance and SB 79 Phased Implementation Ordinance are in substantial conformance with the purpose, intent and provisions of the General Plan, as analyzed in the findings below. Other findings required by law are included in subsequent sections, including findings affirming City's eligibility for permanent and temporary exclusions from SB 79 effectuation pursuant to GCS 65912.160(e) and GCS 65912.161(b)(1) in Section C, consistency with State Housing Element Law pursuant to GCS Sections 65580- 65589.11 in Section D, and compliance with State Density Bonus Law pursuant to GCS 65915- 65918 in Section E.

Both ordinances herein collectively referred to as the "Program" are in conformance with public necessity, convenience, general welfare and good zoning practice because the SB 79 Phased Implementation Ordinance enables a phased implementation Citywide, which will allow the City additional time to plan for and ensure general welfare and good zoning practice for SB 79 implementation within impacted geographies. The phased approach enacted through this ordinance will also enable the City to implement SB 79 and its increased development capacity in a way that is consistent with the goals of the 2021-2029 Housing Element through the adoption of a future TOD alternative plan. The Low-Rise Ordinance proposes eligibility and

feasibility changes to the Mixed Income Incentive Program (MIIP codified at LAMC Sec. 12.22 A.38) that expands missing middle development opportunities to low-density residential sites near quality transit in Moderate and Higher Opportunity Areas. These eligibility and feasibility amendments are intended to increase the number of proposed projects for the Low-Rise Incentive Area, as there have been no filed applications for the previously named Corridor Transition Incentive Area since adoption in 2025, while also promoting positive economic, health, and equity outcomes that support the City's general welfare and good zoning practice. In particular, the Program responds to the City's acute housing crisis, which negatively impacts the general welfare with high rates of homelessness, overcrowding and unaffordable rents. Incentives for new housing with deed restricted affordable units facilitates an increase in the housing supply in strategically selected areas according to good zoning practice. These areas are characterized as having strong transportation service, existing infrastructure, access to jobs and amenities, and existing resources linked to better life outcomes for residents

B. General Plan Consistency Findings

General Plan Consistency Requirement – State law requires that the General Plan have horizontal internal consistency among its general plan elements (California Government Code Section 65300.5). The City Charter Sections 556 and 558 and California Government Code Section 65860(d) also require the City's zoning ordinances to be vertically consistent with the General Plan.

The Low-Rise Ordinance proposes amendments to the MIIP, adopted as part of the Citywide Housing Incentive Program (CHIP) Ordinance in 2025, to expand eligibility and improve project feasibility. The CHIP Ordinance was found to possess internal consistency with the General Plan at the time of ordinance adoption. Those findings are hereby updated to demonstrate the vertical consistency between the proposed Low-Rise Ordinance and the General Plan.

The proposed SB 79 Phased Implementation Ordinance does not amend the zoning code or general plan elements. Enactment of the phased implementation of SB 79, however, ensures the City has sufficient time to strategically align SB 79 implementation with General Plan goals, in particular goals for preservation of industrial land, open space, and protection of historic resources. The ordinance will also allow the City additional time to develop implementation strategies that are consistent with General Plan considerations regarding development in environmentally sensitive areas, including hillside areas vulnerable to fire risk. Furthermore, the proposed ordinance enacts a permanent exemption for industrial employment hubs, consistent with the General Plan's industrial preservation goals.

This following discussion demonstrates the Program's consistency with the General Plan in compliance with City Charter Sections 556 and 558, and LAMC Section 13B.1.3, in that they are compatible with the objectives, policies, general land uses, and programs of the General Plan and will not inhibit or obstruct their attainment. The General Plan findings below are provided for the City Planning Commission's consideration in approving and recommending the Low-Rise and SB 79 Phased Implementation Ordinances and its determination that these ordinances are consistent with the City's General Plan.

For all the reasons provided below, the proposed Program is consistent with the City of Los Angeles General Plan, in that it is compatible with the objectives, policies, general land uses, and programs of the General Plan and will not inhibit or obstruct their attainment.

The Housing Element

The Program is in substantial conformance with the purpose, intent, and provisions of the General Plan in that the ordinances and its amendments support the goals, objectives, policies, and programs of the 2021-2029 Housing Element as outlined in detail below.

The Low-Rise Ordinance, if adopted, would continue the implementation of Program 121 of the 2021-2029 Housing Element by including more flexible zoning and incentives for existing single-family and lower density residential areas to create opportunities for a variety of “missing middle” low-scale housing typologies. The ordinance also implements Programs 21, 48, 54, 55, 57, 65, 103, and 124, as discussed in the Housing Element Program section below.

The SB 79 Phased Implementation Ordinance enacts permanent and temporary exemptions from bill enactment to certain sites sensitive to disaster risk, promoting the City’s goals of positive health outcomes, safety in planning for housing, as well as goals to affirmatively further fair housing through enabling local value capture strategies.

As a core implementation program of the 2021-2029 Housing Element, the Program strongly furthers its goals, objectives, policies and programs. The five goals that guide the 2021-2029 Housing Element are listed below, along with the most relevant objectives and policies.

Goal 1

A City where housing production results in an ample supply of housing to create more equitable and affordable options that meet existing and projected needs.

> **Objective 1.1**: Forecast and plan for existing and projected housing needs over time with the intention of furthering Citywide Housing Priorities.
>
> > **Policy 1.1.7**: Incentivize production of mixed-income and 100% Affordable Housing projects by rezoning for more inclusive development at densities that enable their construction in every geography.
> >
> > **Policy 1.1.8**: Introduce more flexible zoning and incentives for existing lower density residential areas to create opportunities for more “missing middle” low-scale housing typologies, particularly in Higher Opportunity Areas.
> >
> > **Policy 1.1.9**: Develop and integrate anti-displacement strategies that further Citywide Housing Priorities into land use and planning strategies.

Objective 1.2: Facilitate the production of housing, especially projects that include Affordable Housing and/or meet Citywide Housing Priorities.

Policy 1.2.1: Expand rental and for-sale housing for people of all income levels. Prioritize housing developments that result in a net gain of Affordable Housing and serve those with the greatest needs.

Policy 1.2.2: Facilitate the construction of a range of different housing types that addresses the particular needs of the City's diverse households.

Policy 1.2.3: Facilitate innovative housing models and promote regulatory reforms that reduce the costs of housing production while also promoting broader Citywide Housing Priorities.

Policy 1.2.4: Strengthen the capacity of housing providers to build Affordable Housing.

Policy 1.2.5: Streamline the housing approval process, particularly for Affordable Housing, throughout City departments.

Policy 1.2.6: Create new citywide and local land use incentives and programs that maximize the net gain of affordable housing and produce housing that meets Citywide Housing Priorities. Explore varied affordability ratios, the feasibility of inclusionary zoning requirements, and a greater mix of incomes based on market areas.

Policy 1.2.8: Develop and implement new land use and financing tools to promote more housing that is affordable to those with the lowest incomes and for longer periods of time.

Policy 1.2.9: Allow for zoning flexibility for Affordable Housing at the project review and planning levels when broader Citywide Priorities are being advanced.

Objective 1.3: Promote a more equitable distribution of affordable housing opportunities throughout the city, with a focus on increasing Affordable Housing in Higher Opportunity Areas and in ways that further Citywide Housing Priorities.

Policy 1.3.1: Prioritize housing capacity, resources, policies and incentives to include Affordable Housing in residential development, particularly near transit, jobs, and in Higher Opportunity Areas.

Policy 1.3.2: Prioritize the development of new Affordable Housing in all communities, particularly those that currently have fewer Affordable units.

Low-Rise Ordinance

The Low-Rise Ordinance expands eligibility for MIIP's missing middle incentives associated with the Low-Rise Incentive Area, formerly called Corridor Transition (CT) Incentive Area, adding capacity for affordable housing in single-family and other low-density zoned sites where these types of incentives were previously not permitted. These amendments enable construction of mixed-income, multi-family housing in lower-density zoned sites within Opportunity Station Areas, permitting multi-family homes in geographies that, at present, are restricted to single-family zones or other low densities. The expansion of these incentives support the Housing Element goal of allowing zoning flexibility for projects providing affordable housing (Policy 1.2.9), alongside additional amendments targeting increased missing middle project feasibility (Policy 1.1.8), including consolidating incentive tiers, adjusting affordability requirements, updates to the Multi-Bedroom Base Incentive, and allowances for rooftop open space. These proposed changes create new opportunities for increased housing capacity, addressing the City's housing needs in transit-rich areas of the City where affordable housing is most needed (Policy 1.3.1). Furthermore, the incentive structure centered on increases in affordability advances affordable unit goals for populations with the greatest need (Policy 1.2.1 and Policy 1.2.8), and supports goals of creating innovative housing models (Policy 1.2.3).

The Low-Rise Incentive Area eligibility expansion to all residential sites within Opportunity Station Areas supports the objective to increase affordable housing in Higher Opportunity Areas (Objective 1.3, Policy 1.3.1). Higher Opportunity Areas have a dense concentration of place-based opportunities such as access to transit, and high-performing schools, with higher rates of employment and education, and lower exposure to environmental pollutants, among other indicators. By concentrating eligibility expansion to areas with transit qualifying for SB 79 incentives and within Moderate or Higher Opportunity Areas, these amendments aim to improve equitable access to Moderate and Higher Opportunity Areas of the City and promote affordable housing opportunities near higher performing schools, jobs, and transit-rich areas. The proposed amendment to change the TCAC mapping frequency from annually to every five years will further strengthen this approach by providing greater consistency in the level of incentives available in Moderate and Higher Opportunity geographies within the Housing Element planning period.

In addition to expanding incentives to areas that have greater access to place-based opportunities, the Low-Rise Ordinance focuses housing capacity increases in low-density zones that have historically developed less multi-family housing. This strategy to add capacity reduces displacement risk within established multi-family neighborhoods and areas of the City that have experienced a higher share of housing development due to applicable underlying zoning containing less restrictions on multi-family construction (Policy 1.1.9).

The Low-Rise Ordinance further contributes to the goals of increased streamlining and affordability (Policy 1.2.5) by increasing the number of sites that are eligible for the Low-Rise Incentive Area, thereby expanding the geographic areas within the City that are eligible for the significant streamlining pathways available through the program. This eligibility change also

directly impacts the potential number of affordable units citywide, and even more so within these lower-density zoned geographies, by increasing the achievable density while requiring a percentage of affordable units. Furthermore, the ordinance adjusts affordability requirements for eligible project types to increase feasibility, promoting the production of affordable units by increasing probability that these projects can be financed and constructed. These amendments therefore support the goals of expanding access to housing for people of all income levels , prioritizing development that results in the production of affordable housing (Policy 1.2.1), and strengthening the capacity of housing providers to build affordable housing (Policy 1.2.4).

Furthermore, Low-Rise Incentive Area Projects are granted relief from certain zoning standards, including minimum lot area, width, and access requirements, lot coverage, setbacks, open space, calculation of residential FAR, and massing requirements. These zoning standards are selected for relief to decrease challenges related to building multi-family housing within zones that have requirements designed for single-family housing. Including this relief creates crucial zoning flexibility for affordable housing (Policy 1.2.9) and strengthens the capacity of housing providers to produce affordable housing (Policy 1.2.4), particularly missing middle typologies (Policy 1.18).

SB 79 Phased Implementation Ordinance

By enacting permanent and temporary exemptions to SB 79, the SB 79 Phased Implementation Ordinance enables the City to plan for housing capacity growth through strategies that affirm Citywide Housing Priorities (Objective 1.1). In particular, the ordinance allows the City additional time to exercise discretion regarding local value capture strategies tied to housing capacity growth, rather than defaulting to the bill's affordability requirements. In this way, the City can strategically calibrate affordability standards for areas with added housing capacity to implement the bill, giving the option to require higher affordability than required in SB 79 (Objective 1.2). This will enable the City to more thoroughly implement housing growth required by the bill that is aligned with the affordability considerations in Goal 1, including promoting the creation of affordable housing to those with the greatest need (Policy 1.2.1) and prioritizing new affordable housing in communities that have fewer affordable units, particularly Higher Opportunity Areas (Policies 1.3.1 and 1.3.2).

Goal 2
A City that preserves and enhances the quality of housing and provides greater housing stability for households of all income levels.

Objective 2.1: Strengthen renter protections, prevent displacement and increase the stock of affordable housing.

Objective 2.2: Promote more affordable ownership opportunities and ownership retention strategies, with an emphasis on stability and wealth building for underserved communities.

Policy 2.2.1: Expand ownership models that increase the ability for households to attain homeownership, including alternative forms of shared- and limited-equity ownership.

Low-Rise Ordinance

The Low-Rise Ordinance supports the goal of increasing the stock of affordable housing (Objective 2.1) by expanding the geographic eligibility of the Low-Rise Incentive Area, which requires the provision of affordable units in order to use the program. This creates more opportunity for the production of affordable housing in areas in which this is currently less feasible due to zoning restrictions. The ordinance focuses housing capacity increases in low-density zones with less existing units, therefore reducing direct displacement impacts and prioritizing expanding housing access in more places to alleviate indirect displacement throughout the city. The Low-Rise Ordinance further offers tailored Incentives to expand home ownership opportunities and equity building for more households, offering increased density alongside reduced lot sizes, setbacks, and access requirements when covenanted affordable units are provided. The proposed expansion of both eligibility and intensity of incentives to a wider geographic radius creates heightened opportunities for homeownership through increasing the number of eligible sites in new geographic areas of the City (Objective 2.2).

SB 79 Phased Implementation Ordinance

The permanent and temporary exemptions enacted through the SB 79 Phased Implementation Ordinance will allow the City more time to plan for increased housing capacity aligned with City's value capture goals, including increasing the stock of affordable housing, instead of defaulting to the bill's affordability standard. The ordinance specifically enacts temporary exemptions for sites and TOD Zones designated as low-resource, which aids in displacement prevention in vulnerable communities during the process of adding housing capacity in alignment with the bill (Objective 2.1).

Goal 3
A City in which housing creates healthy, livable, sustainable, and resilient communities that improve the lives of all Angelenos.

Objective 3.1: Use design to create a sense of place, promote health, foster community belonging, and promote racially and socially inclusive neighborhoods.

Policy 3.1.1: Provide incentives and financial support for the preservation of historic residential structures, particularly for lower-income households.

Policy 3.1.2: Promote new development that furthers Citywide Housing Priorities in balance with the existing architectural and cultural context.

Policy 3.1.3: Develop and implement design standards that promote quality residential development.

Policy 3.1.4: Site buildings and orient building features to maximize benefit of nearby amenities and minimize exposure to features that may result in negative health or environmental impacts.

Policy 3.1.6: Establish plans and development standards that promote positive health outcomes for the most vulnerable communities and populations.

Policy 3.1.7: Promote complete neighborhoods by planning for housing that includes open space, and other amenities

Objective 3.2: Promote environmentally sustainable buildings and land use patterns that support a mix of uses, housing for various income levels and provide access to jobs, amenities, services and transportation options.

Policy 3.2.1: Promote the integration of housing with other compatible land uses at both the building and neighborhood level.

Policy 3.2.2: Promote new multi-family housing, particularly Affordable and mixed-income housing, in areas near transit, jobs and Higher Opportunity Areas, in order to facilitate a better jobs-housing balance, help shorten commutes, and reduce greenhouse gas emissions.

Policy 3.2.9: Consider accommodating new residential uses, including live/work and mixed-use, in less-productive industrial, office, and commercial areas when the site can accommodate housing in keeping with citywide industrial land, jobs-housing and jobs preservation priorities, and when sites have been appropriately tested and remediated, if necessary.

Objective 3.3: Promote disaster and climate resilience in citywide housing efforts.

Policy 3.3.1: Identify risks to our housing stock related to disasters and other unplanned events, especially those likely to accelerate as a result of climate change.
Policy 3.3.2: Establish plans, incentives, and development standards that eliminate or minimize disaster risk and promote positive health outcomes for communities most at risk.

Low-Rise Ordinance

The Low-Rise Ordinance encourages affordable housing production near transit and in Moderate and Higher Opportunity Areas through expanding eligibility for missing middle

incentives in areas of the city with transit access and access to opportunity. Residential growth in these areas will help shorten commutes and facilitate a better jobs-housing balance (Policy 3.2.2) while also furthering citywide goals concerning health outcomes, livability, sustainability, resilience, and affordability. This eligibility expansion in Opportunity Stations, majority Moderate and Higher Opportunity station areas, focuses growth in areas with sufficient infrastructure to expand housing capacity, including suitable access to amenities, services, and transportation options as stated in Objective 3.2.

The Low-Rise Ordinance promotes health focused design outcomes by enforcing specific design standards around common open space and street-facing entrances that are modeled to ensure sufficient open space and pedestrian orientation while still scaling with the surrounding low-density neighborhood. The ordinance further introduces amendments to the common open space options for Low-Rise Incentive Area projects to increase feasibility of the provision of suitable open space for a missing middle typology on lower-density zoned sites, including allowing for common open space on a rooftop or intermediate level and within the front yard instead of the rear yard (Policy 3.1.7).

The Low-Rise Ordinance upholds the Housing Element goals of integrating housing with other compatible land uses, at the building and neighborhood level (Policy 3.2.1). Expanding geographic eligibility using Opportunity Station Areas, which comprise the half-mile radius around a qualifying transit station, planning holistically in a station area instead of by census tract boundaries to create greater consistency in the built environment. The ordinance supports neighborhood consistency considerations by extending MIIP eligibility to parcels in Fire Restriction Areas or the Coastal Zone if they are abutting, across the street or alley, or share a common corner with a MIIP eligible site that is not within a Fire Restriction Area or the Coastal Zone ensuring consistency in incentive eligibility on a block. The ordinance also proposes to update the mapping frequency of TCAC Opportunity Areas from annually to every five years. This would ensure consistency throughout the planning period, maintaining compatible development and ensuring consistent development potential for the development community.

Furthermore, the proposed Low-Rise Ordinance builds off of the MIIP eligibility framework, which excludes development in areas with high environmental risk where residential growth would not facilitate the creation of healthy and resilient communities. The ordinance establishes a definition for Fire Restriction Areas, which encompasses hillside and VHFHSZ areas and amends program eligibility. The City has adopted fire hazard mitigation measures that are required for all projects in the VHFHSZ, pursuant to existing State Fire Code standard building standards and State Minimum Fire Safety regulations. With the incorporation of these state codes, development in the VHFHSZ will make structures more fire safe and create more fire resilient areas over time (Policy 3.3.2). The Fire Restriction Area is consistent with the fire eligibility restrictions that were in Executive Directive 1 (ED 1) as currently codified in the Affordable Housing Streamlining Ordinance (Ordinance No. 188788) (LAMC 12.22 A.40). This eligibility limitation ensures areas with greater environmental vulnerabilities are restricted from program eligibility, including areas egress issues and substandard streets, while simultaneously permitting MIIP eligibility in non-hillside VHFHSZ areas like Atwater Village, Ventura Boulevard

in Sherman Oaks, and Glendale Boulevard bolstering new fire-resilient development subject to updated building code standards in fire zone adjacent areas.

Low-Rise Incentive Area eligibility expansion ensures growth is tied to a tailored Incentive structure that excludes eligibility of local historic sites within Opportunity Station Areas, unless sites were previously eligible for the program due to proximity to an Opportunity Corridor, encouraging the preservation of historic resources (Policy 3.1.1). For eligible state and national register historic sites, Low-Rise restricts demolition, does not override standard historic review procedures for alteration, and further limits the scale of Incentives the site is eligible for.

The ordinance also contains tailored eligibility considerations for industrial areas that may be eligible for SB 79. Although MIIP generally does not permit program eligibility in manufacturing zones and the ordinance further introduces new eligibility restrictions to MR zones, sites that are otherwise ineligible for temporary exemption are granted limited eligibility through this ordinance in order to maintain citywide eligibility for phased implementation. This could result in industrially zoned sites gaining eligibility for the Low-Rise Incentive Area. The Department is currently seeking guidance from HCD on the overall eligibility of industrial land for SB 79. If HCD affirms eligibility, the Department recommends procedural changes be implemented for projects proposed on industrially zoned sites, including a required discretionary approval process and/or expanded environmental protection measures. These recommended procedural requirements support Policy 3.2.9's consideration of appropriate testing and remediation when accommodating housing on industrially zoned land.

SB 79 Phased Implementation Ordinance

The SB 79 Phased Implementation Ordinance promotes climate resilience and reduced disaster risk through enacting temporary exemptions from full SB 79 implementation for sites within VHFHSZ and one-foot of sea level rise (Objective 3.3). This allows the City additional time to plan for adding housing capacity in compliance with appropriate health and environmental risk considerations.

Goal 4
A City that fosters racially and socially inclusive neighborhoods and corrects the harms of historic racial, ethnic, and social discrimination of the past and present.

> **Objective 4.3**: Affirmatively further fair housing in all housing and land use programs by taking proactive measures to promote diverse, inclusive communities that grant all Angelenos access to housing, particularly in Higher Opportunity Areas, increase place-based strategies to encourage community revitalization and protect existing residents from displacement.
>
> > **Policy 4.3.2**: Ensure that all neighborhoods have a range of housing typologies to provide housing options for residents to remain in the same community, when and if their needs change.

Policy 4.3.3: Examine land use practices that perpetuate racial exclusion and inequities including but not limited to: single-family / low density zoning, minimum lot size requirements, location of noxious uses, and subjective design review standards. Introduce context specific reforms that further Citywide Housing Priorities

Policy 4.3.4: Advance place-based strategies that create opportunities and financial strength in areas of disinvestment and with a history of predatory financial practices through asset-building shared equity homeownership that creates stability and mitigates displacement pressures through community control

Low-Rise Ordinance

The proposed Low-Rise Ordinance will create new development opportunities for mixed-income projects that will foster more racially and socially inclusive neighborhoods. The 2021-2029 Housing Element findings affirmed that achieving the goal of affirmatively furthering fair housing requires an honest examination of land use practices that have perpetuated racial exclusion and inequities as well as an exploration of the development of more affordable housing types that are compatible with low-density neighborhoods. The Low-Rise Ordinance amendments prioritize expanding housing options to single-family and low-density zones in Opportunity Station Areas to proactively expand housing opportunities in transit rich majority Moderate and Higher Opportunity station areas creating more equitable and affordable housing options for City residents. The expansion of Low-Rise Incentive Area eligibility to lower-density zones supports the 2021-2029 Housing Element findings that acknowledge that equity goals must be considered alongside other land use policy objectives, in this case as a means to add development capacity exceeding Senate Bill 79 requirements in order to strategically incentivize housing near transit infrastructure and higher and moderate resource areas.

The proposed Low-Rise Ordinance further creates a new pathway for a variety of housing typologies within lower-density areas near quality transit where previously only single-family development may have been permitted. This allowance for a range of housing typologies where previously not permitted provides missing middle housing opportunities alongside existing higher or low density contexts providing transitional density. Furthermore, expanding housing options provides new opportunities for housing mobility in their community and reduces displacement risk for residents (Policy 4.3.2). This Low-Rise Incentive Area program itself also incentivizes housing that ranges in scale and density, with Base Incentives ranging from six-unit homes with two-story height up to sixteen units per lot with four-story heights. In instances where multiple lots are consolidated, the Low-Rise Incentive Area scales density while maintaining the same building volume standards. For consistency with SB 79, the Low-Rise Ordinance guarantees eligible projects half of density and FAR permitted by California Government Code Section 65912.157(a) ensuring incentives are always equivalent or in excess of the bill provisions.

SB 79 Phased Implementation Ordinance

The SB 79 Phased Implementation Ordinance enacts permanent and temporary exemptions that grant the City additional time to plan for housing capacity growth in alignment with strategies that affirmatively further fair housing (Objective 4.3). In particular, phasing implementation in low resource neighborhoods provides time to develop place- based strategies to mitigate displacement pressures (Policy 4.3.4), consider community needs, and develop context specific reforms that address historical land use practices (Policy 4.3.3).

Housing Element Programs
The Low-Rise and SB 79 Phased Implementation Ordinances support the implementation of a number of Housing Element Programs, as described below:

Program 3
Program 3 establishes objectives to facilitate the development of 800 market-rate and 90 lower-income units each year, and to amend the zoning code to further innovate in subdivisions. The Low-Rise Ordinance establishes density and lot standard incentives to facilitate subdivision developments with affordable units, provide both innovate in subdivision standards and facilitate the production of unit targets

Program 21
Program 21 includes objectives to incorporate updated parking strategies that support VMT goals and recognize the emergence of shared and alternative mobility, particularly in transit-rich areas. The Low-Rise Ordinance offers no parking minimum as a Base Incentive for projects within Opportunity Station Areas, supporting Program 21's goals.

Program 48
Program 48 comprises updating density bonus and affordable housing incentive programs. The CHIP Ordinance adopted in 2025 implemented this program through the creation of the State Density Bonus Program (12.22 A.37), the Mixed Income Incentive Program (12.22 A.38), and Affordable Housing Incentive Program (12.22 A.39). The Low-Rise Ordinance builds on this effort by amending the MIIP to expand eligibility, as well as bringing forward amendments to improve the feasibility of projects utilizing the program.

Program 55
Program 55 calls for implementing CEQA streamlining measures, and projects using the Low-Rise Incentive Area within MIIP are covered under the Housing Element EIR. Therefore, the MIIP eligibility expansion proposed in this Low-Rise Ordinance opens new areas of the City that can receive environmental streamlining for mixed income housing development, supporting Program 55.

Programs 54 and 57

The Low-Rise Ordinance builds on the procedural streamlining framework established through the CHIP Ordinance to continue implementation of Program 54, which aims to expedite affordable housing projects, and Program 57, which promotes improvements to development processing. The Low-Rise Incentive Area eligibility expansion increases the number of parcels and geographic areas within the City that will have access to ministerial pathways for affordable housing.

Program 62
The Low-Rise Ordinance builds on the innovation in housing types established through the CHIP Ordinance to continue implementation of Program 62.

Program 103
Program 103 states that the Department will introduce flexible zoning standards and incentives to create opportunities for more 'Missing Middle' housing typologies, particularly in Higher Opportunity Areas. The Low-Rise Ordinance's expansion of the Low-Rise Incentive Area eligibility to all sites within Opportunity Station Areas directly implements this goal, allowing for lower- scale, multi-unit housing in low-density, Moderate and Higher Opportunity areas of the City where this typology is not currently permitted. Further, the Low-Rise Incentive Area's affordability requirements implement the value capture approach that Program 103 planned for, ensuring increases in density are tied to covenanted affordable housing that reduce barriers and create long-term housing opportunities for low-income residents.

Program 121
Program 121 comprises the RHNA Rezoning program aimed at a citywide rezoning to meet RHNA Targets. The Citywide Housing Incentive Program (CHIP) Ordinance adopted in 2025 was the primary implementation of Program 121, and included the MIIP. Minimum Objectives for this program were completed with the adoption of the CHIP, Hollywood Community Plan and Downtown Community Plan in 2025, however the full program description continues to be implemented through various work efforts including the Adaptive Reuse Ordinance and the Low-Rise Ordinance. The proposed Low-Rise Ordinance amends the MIIP to enable eligibility and project feasibility within existing lower-density and single-family residential areas to create opportunities for missing middle, low-scale housing typologies. Specifically the program states, "Specific Rezoning Program strategies (described in greater detail in Chapter 4 of the 2021-2029 Housing Element) that will be further developed with significant community input include focusing rezoning on commercial and residential corridors, areas zoned for Parking (P), transitional residential areas off commercial boulevards, in existing regional centers, on public and religious-owned land, and in other areas where multifamily, and therefore affordable housing, is not permitted today. The Rezoning Program may also include more flexible zoning and incentives for existing single-family or lower density residential areas to create opportunities for a variety of "missing middle'' low-scale housing typologies including fourplexes, townhomes/ rowhouse, additional affordable ADUs, bungalow courts, and other contextual Los Angeles typologies". Therefore, the Low-Rise Ordinance furthers the rezoning strategies within Program 121 by expanding where multi-family housing is permitted and facilitating missing middle housing.

Program 124
Both the SB 79 Phased Implementation and Low-Rise Ordinances support the goals of Program 124 to Affirmatively Furthering Fair Housing (AFFH). The AFFH Program (Program 124) of the 2021 - 2029 Housing Element established the following specific strategy and actions to address the primary AFFH issue areas:

> **Strategy A.** Prioritize and expand housing choices for those with the greatest housing needs, including those with the lowest incomes, persons with disabilities, seniors, large families, and victims of domestic violence.
>
> > **Program 81**: Create tailored affordability incentives that account for identified local needs such as insufficient senior, large family units, or multigenerational living, as local plans are adopted. Ensure local plans increase the production and availability of Affordable and accessible housing.
>
> **Strategy D.** Promote a more equitable distribution of affordable housing opportunities throughout the city, with a focus on incentivizing or requiring Affordable Housing in Higher Opportunity Areas.
>
> > **Programs 48, 65 and 121:** Create a tailored set of streamlining and development incentives to prioritize 100% affordable housing projects. Expand where mixed-income projects may be created, with a particular focus in Higher Opportunity Areas, by 2024. Introduce context specific reforms to zoning and land use practices to increase housing choices and affordability, particularly in Higher Opportunity Areas (see figures in Chapter 4, the candidate sites for rezoning in Appendix 4.7 and associated website maps). Target more than half of rezoning efforts in Higher Opportunity Areas.

The proposed Low-Rise Ordinance implements Strategy D by directly expanding the areas of the City in which mixed-income projects can be created. The Low-Rise Ordinance further supports this goal by focusing these eligibility expansions in Moderate and Higher Opportunity Areas, creating housing capacity tied to affordability in areas of the City with greater health, education, and economic outcomes. The Ordinance additionally furthers Strategy A by offering additional FAR and Height incentives for projects providing three-bedroom units to increase the availability of large family units.

The SB 79 Phased Implementation Ordinance supports Strategy D by enacting permanent and temporary exemptions that permit the City additional time to make considerations regarding the equitable distribution of affordable housing opportunities within the City. Instead of defaulting to minimum affordability standards required by SB 79 effective July 2026, the ordinance exemptions allow the City additional time and discretion to tie housing capacity growth to value capture strategies that incentivize affordable housing in areas aligned with City goals.

<u>The Framework Element</u>

The proposed Low-Rise and SB 79 Phased Implementation Ordinances are both consistent with and implement the long-range growth goals, objectives, and policies of the Framework Element of the General Plan (adopted in 1996). This section contains a discussion showing the consistency between the Program and Framework Element.

The General Plan Framework Element sets forth a citywide comprehensive long-range growth strategy and defines citywide policies regarding the following categories: growth and capacity, land use, single-family neighborhoods, transit stations, urban form and neighborhood design, open space and conservation, economic development, and housing. Therefore, the following discussion is organized by the categories found in the Framework Element below:

Growth and Capacity
With regards to growth and capacity, the State of California requires that cities update the Housing Element of their General Plan every eight years to accommodate a share of their region's projected growth. This process is based on the City's RHNA allocation, which quantifies the need for housing within that jurisdiction over an eight year planning period. In 2020, the Southern California Association of Governments (SCAG) determined that the City must accommodate a RHNA allocation of 456,643 housing units, including 184,721 units at lower income levels. While this number of housing units exceeds the Framework Element's 2010 estimates that corresponded with SCAG's forecast for that year, the current RHNA allocation reflects a 2029 time horizon. The Framework Element is a plan to accommodate future growth – the population and housing estimates noted in the plan do not represent maximum or minimum levels of permitted growth. The Framework Element's estimated population and household figures for 2010 have yet to be reached and remain relevant, as do the Framework policies, even if housing needs anticipated by the RHNA exceed these figures.

The Low-Rise Ordinance is within the scope of the impacts analyzed within the Citywide Housing Incentive Program and would support the construction of homes consistent with the RHNA targets and Program 121 (RHNA Re-Zoning) of the 2021-2029 Housing Element. The Phased Implementation Ordinance does not increase the number of permitted homes, as it defers the impacts of Senate Bill 79 until a year after the next housing element, permitting time for the adoption of local implementation programs. Therefore, the Program's growth and capacity targets are not inconsistent with the Framework Element goals, policies and objectives. The Program accommodates the City's forecasted growth and existing need for housing and does not induce unplanned growth. More information on this can be found in the CEQA Findings section of this staff report.

Land Use
The Program is consistent with respect to the General Plan Framework Element's goals, objectives, and policies related to **Land Use**.

The Low-Rise Ordinance is consistent with the Framework Element's goals regarding Land Use. Since the MIIP does not alter the underlying land use of parcels to increase housing supply, but rather incentivizes additional housing where already permitted, the land use will remain

balanced citywide except where the unbalanced lack of housing in Higher Opportunity Areas near quality transit will be corrected.

The SB 79 Phased Implementation Ordinance also supports the Framework Element's goals regarding land use by allotting the City more time to phase implementation of SB 79 in a strategic manner that considers existing underlying land use, neighborhood characteristics, supporting infrastructure and public services, market conditions, and historic resources.

With regard to Land Use, the General Plan Framework Element states the following:

Framework Goal 3A
A physically balanced distribution of land uses that contributes towards and facilitates the City's long-term fiscal and economic viability, revitalization of economically depressed areas, conservation of existing residential neighborhoods, equitable distribution of public resources, conservation of natural resources, provision of adequate infrastructure and public services, reduction of traffic congestion and improvement of air quality, enhancement of recreation and open space opportunities, assurance of environmental justice and a healthful living environment, and achievement of the vision for a more liveable city.

Objective 3.1 Accommodate a diversity of uses that support the needs of the City's existing and future residents, businesses, and visitors.

Policy 3.1.4 Accommodate new development in accordance with land use and density provisions of the General Plan Framework Long-Range Land Use Diagram.

Policy 3.1.6 Allow for the adjustment of General Plan Framework Element land use boundaries to account for changes in the location or introduction of new transit routes and stations (or for withdrawal of funds) and, in such cases, consider the appropriate type and density of use generally within one quarter mile of the corridor and station to reflect the principles of the General Plan Framework Element and the Land Use/Transportation Policy.

Objective 3.2 Provide for the spatial distribution of development that promotes an improved quality of life by facilitating a reduction of vehicular trips, vehicle miles traveled, and air pollution.

Policy 3.2.1 Provide a pattern of development consisting of distinct districts, centers, boulevards, and neighborhoods that are differentiated by their functional role, scale, and character. This shall be accomplished by considering factors such as the existing concentrations of use, community-oriented activity centers that currently or potentially service adjacent neighborhoods, and existing or potential public transit corridors and stations.

Policy 3.2.2 Establish, through the Framework Long-Range Land Use Diagram, community plans, and other implementing tools, patterns and types of development that improve the integration of housing with commercial uses and the integration of public services and various densities of residential development within neighborhoods at appropriate locations.

Policy 3.2.3 Provide for the development of land use patterns that emphasize pedestrian/bicycle access and use in appropriate locations.

Policy 3.2.4 Provide for the siting and design of new development that maintains the prevailing scale and character of the City's stable residential neighborhoods and enhance the character of commercial and industrial districts.

Objective 3.3 Accommodate projected population and employment growth within the City and each community plan area and plan for the provision of adequate supporting transportation and utility infrastructure and public services.

Policy 3.3.1 Accommodate projected population and employment growth in accordance with the Long-Range Land Use Diagram and forecasts in Table 2-2 (see Chapter 2: Growth and Capacity), using these in the formulation of the community plans and as the basis for the planning for and implementation of infrastructure improvements and public services.

Objective 3.4 Encourage new multi-family residential, retail commercial, and office development in the City's neighborhood districts, community, regional, and downtown centers as well as along primary transit corridors/boulevards, while at the same time conserving existing neighborhoods and related districts.

Policy 3.4.1 Conserve existing stable residential neighborhoods and lower intensity commercial districts and encourage the majority of new commercial and mixed-use (integrated commercial and residential) development to be located (a) in a network of neighborhood districts, community, regional, and downtown centers, (b) in proximity to rail and bus transit stations and corridors, and (c) along the City's major boulevards, referred to as districts, centers, and mixed-use boulevards, in accordance with the Framework Long-Range Land Use Diagram (Figure 3-1 and 3-2).

Policy 3.4.3 Establish incentives for the attraction of growth and development in the districts, centers, and mixed-use boulevards targeted for growth that may include:
a. Densities greater than surrounding areas,
d. Streamlined development review processes,

e. "By-right" entitlements for development projects consistent with the community plans and zoning,
f. Modified parking requirements in areas in proximity to transit or other standards that reduce the cost of development, and
g. Pro-active solicitation of development.

Low-Rise Ordinance

The Low-Rise Ordinance supports and is consistent with the Framework Goal 3A and its associated policies and objectives. The ordinance's expansion of the Low-Rise Incentive Area eligibility into lower-density zones within Opportunity Station Areas is in line with Goal 3A's first direction to balance land uses, as well as more equitably distribute public resources, such as affordable housing. The proposed amendments acknowledge that a focus on Moderate and Higher Opportunity Areas needs to be balanced with other growth considerations outlined in the Framework Element, including the importance of locating new housing near high-quality transit and jobs while avoiding hazardous and ecologically sensitive areas. For these reasons, the MIIP is not applicable in newly-defined Fire Restriction Areas, areas vulnerable to Sea Level Rise or the Coastal Zone

The Low-Rise Incentive framework that grants higher-scaled Incentives for housing nearest transit and the expansion of eligibility to lower-density zoned sites within Opportunity Station Areas advance Framework Element Policy 3.1.6 and Objective 3.2's emphasis on bringing housing closer to transit and job centers. This will aid in reducing vehicular trips, vehicle miles traveled, and corresponding air pollution. Overall, the Program seeks to support the vision of an equitable, livable, and sustainable city that meets the needs of the population through a thoughtful, balanced distribution of different housing types.

Objectives 3.3 and 3.4 are furthered by the Low-Rise Ordinance, which encourages housing at different densities, sizes, and affordability levels citywide to meet the housing needs of a diverse population around rail and bus transit. The Ordinance promotes low-rise building typologies (2-4 stories) but does not propose changes to the underlying zoning or land use which are used as the basis for new incentives, consistent with Framework Element Policy 3.4.1 and Policy 3.1.4 to accommodate growth in accordance with the designated land use and density of the Framework Element's Long-Range Land Use Diagram. Incentives largely encourage intensification of existing residential zones, maintaining commercial use limitations in place along primary transit corridors. Due to the ordinance's provision granting Low-Rise Incentive Area eligibility to sites otherwise ineligible for temporary exemption, non-residential zones may experience expanded intensification of residential uses. However, these zones will be in proximity to quality transit, and therefore the corresponding residential use expansion is aligned with part (b) of Policy 3.4.1.

The Low-Rise Ordinance incentivizes stable growth in areas with transportation and stronger resources typical of Moderate and Higher Opportunity Areas. Since new housing is being incentivized near transit infrastructure and in Moderate and Higher Opportunity Areas, it is anticipated that this new development would be served by sufficient public infrastructure and services in the city.

Low-Rise Incentive Area Projects are required to comply with performance standards that enforce pedestrian-oriented design, including standards for street-facing entrances, reductions in required yards, regulation of the location of open space and parking on-site. These required design components ensure that projects emphasize pedestrian access in areas nearest to quality transit (Policy 3.2.3). Projects compliant with program standards are processed by-right consistent with Policy 3.4.3.

The ordinance also brings forward provisions that support Policies 3.2.1, 3.2.2, and 3.2.4 to consider surrounding use and scale in the integration of housing into newly eligible neighborhoods. Using the Low-Rise Incentive Area as a vehicle for the first phase of capacity expansion ensures that neighborhood scale is regulated in the process of adding density to lower-scale neighborhoods, requiring structured design standards and scaled limitations in FAR and height that correspond to lower-density neighborhoods and distance from transit. Though incentives linked to TCAC neighborhood designations typically apply at the tract level in the existing MIIP incentive areas, opting to structure the eligibility expansion per Opportunity Station Areas, which comprise the entirety of the half-mile buffer of a transit station, creates consistency in the built environment even when census tracts divide corridors and neighborhoods. Extending program eligibility for sites in Fire Restriction Areas or the Coastal Zone that are adjacent to MIIP eligible sites not within a Fire Restriction Area or the Coastal Zone further supports these goals by allowing for consistency of maximum development potential within a block. Lastly, changing the mapping frequency of TCAC Opportunity Areas from annually to every five years will increase the consistency of available incentives within a specific area from year to year and within the Housing Element planning period, further supporting considerations of surrounding scale and use in adding housing capacity.

SB 79 Phased Implementation Ordinance

The proposed SB 79 Phased Implementation Ordinance supports and is consistent with the Framework Goal 3A and its associated policies and objectives. By codifying both permanent and temporary exemptions, the ordinance allows the City more time to make a plan for full implementation of SB 79 that honors these considerations of context specific and equitable integration of land uses. The proposed ordinance facilitates a physically balanced distribution of land uses that contributes to the City's long-term fiscal and economic viability while ensuring the conservation of existing residential, commercial, and industrial areas. By opting for a local phased implementation of SB 79 instead of immediate effectuation, the action allows for land use categories and boundaries to be maintained for future refinement consistent with Framework priorities. This strategic approach ensures that projected population and

employment growth is accommodated in a manner that is supported by transportation, utility infrastructure, and public services (Objectives 3.2 and 3.3).

Single-Family Neighborhoods

The Program is consistent with the goals, objectives, and policies related to **single-family neighborhoods**. With respect to Single-Family Neighborhoods, the General Plan Framework Element states the following:

Framework Goal 3B
Preservation of the City's stable single-family residential neighborhoods.

> **Objective 3.5** Ensure that the character and scale of stable single-family residential neighborhoods is maintained, allowing for infill development provided that it is compatible with and maintains the scale and character of existing development.
>
> > **Policy 3.5.2** Require that new development in single-family neighborhoods maintains its predominant and distinguishing characteristics such as property setbacks and building scale.
> >
> > **Policy 3.5.4** Require new development in special use neighborhoods such as water-oriented, rural/agricultural and equestrian communities to maintain their predominant and distinguishing characteristics. (P1, P18)
>
> **Objective 3.6** Allow for the intensification of selected single-family areas that directly abut high-density development as "transitions" between these uses.
>
> > **Policy 3.6.1** Ensure that the new development of "duplex" or multi-family units maintains the visual and physical character of adjacent single-family neighborhoods, including the maintenance of front property setbacks, modulation of building volumes and articulation of facade to convey the sense of individual units, and use of building materials that characterize single-family housing.

The proposed expansion of the Low-Rise Incentive Area incentives into single-family zones within the Opportunity Station Areas is consistent with the Framework Element single-family preservation goals, objectives and policies in that it permits new development in balance with the existing architectural context. The Low-Rise Incentive Area offers scaled building envelopes (FAR and height), as well as tailored design standards for open space, street-facing entrances, and location of parking that are crafted to correspond to a single-family neighborhood scale. The Low-Rise ordinance would amend a setback incentive to require a 15 foot front yard in lieu of the 10 foot front yard previously set by the CT program.The current front yard requirement in most single family zones is currently 20 feet or prevailing. The change to a 15 foot front yard responds to the significant expansion of the Low-Rise Incentive Area from 750 feet off a commercial corridor to all low density zones within a ½ mile radius of a TOD stop. The additional

front yard facilitates new multi-family development while preserving the predominant and distinguishing characteristics of single-family neighborhoods, aligned with Policies 3.5.2 and 3.6.1.

Additionally, Incentives offered in the Low-Rise Incentive Area are scaled according to distance from the Opportunity Corridor or Opportunity Station, with maximum density, FAR, and height decreasing the farther the project is from the qualifying point of transit. In this way, the Low-Rise Incentive Area is designed to facilitate a transition between uses (Objective 3.6) that is highly responsive in scale to neighborhood context, adding density without compromising the visual and physical character of single-family neighborhoods (Policy 3.6.1). Any development standards within overlays will still be applicable to these sites unless a Base Incentive offers relief from a standard, or an overlay development standard otherwise applicable to a site physically precludes the building envelope guaranteed by Low-Rise Incentive Area base incentives. Overlay development standards designed to maintain distinguishing characteristics of special use neighborhoods will be enforced for Low-Rise Incentive Area Projects in alignment with Policy 3.5.4. Further, where intensification of lower density areas is proposed through the Low-Rise Ordinance, it is in alignment with other Framework policies regarding transit, transitions, and equitable distribution of public resources like affordable housing.

Multi-Family Neighborhoods
The Program is consistent with the goals, objectives and policies related to Multi-Family Neighborhoods in the General Plan Framework Element. With respect to Multi-Family Neighborhoods, the General Plan Framework Element states the following:

Framework Goal 3C Multi-family neighborhoods that enhance the quality of life for the City's existing and future residents.

> **Objective 3.7** Provide for the stability and enhancement of multi-family residential neighborhoods and allow for growth in areas where there is sufficient public infrastructure and services and the residents' quality of life can be maintained or improved.
>
> > **Policy 3.7.1** Accommodate the development of multi-family residential units in areas designated in the community plans in accordance with Table 3-1 and Zoning Ordinance densities indicated in Table 3-3, with the density permitted for each parcel to be identified in the community plans.

The proposed Program is consistent with the Framework Element in that it encourages multifamily housing that enhances quality of life. The Low-Rise Ordinance contains programs that promote new multifamily mixed-income housing, in areas near transit stations, jobs, and in Opportunity Station Areas.

Industrial

The Program is consistent with the goals, objectives and policies related to industrial lands in the General Plan Framework Element. With respect to industrial lands, the General Plan Framework Element states the following:

GOAL 3J Industrial growth that provides job opportunities for the City's residents and maintains the City's fiscal viability.

Objective 3.14 Provide land and supporting services for the retention of existing and attraction of new industries.

Policy 3.14.1 Accommodate the development of industrial uses in areas designated as "Industrial-Light," "Industrial-Heavy," and "Industrial-Transit" in accordance with Tables 3-1 and 3-9.The range and intensities of uses permitted in any area shall be determined by the community plans. (P1, P18)

Policy 3.14.4 Limit the introduction of new commercial and other non-industrial uses in existing commercial manufacturing zones to uses which support the primary industrial function of the location in which they are located. (P1, P38)

Low-Rise Ordinance

The MIIP currently excludes eligibility of industrial-zoned land. At the time of this report, the Department is awaiting guidance on the bill's applicability to industrial land which, in Los Angeles' regulatory framework, permit commercial uses. Though pending written guidance from HCD, per GCS 65912.157(a), SB 79 is permitted on "any site zoned for residential, mixed, or commercial development" within a half-mile of eligible TOD stops, and due to the allowance of commercial uses in the City's industrial zones, these sites could be eligible for the bill. Sites located within areas meeting the bill's criteria for industrial employment hubs pursuant to GCS 65912.160(e)(2), including compliance with the date of designation in the City's general plan, are able to be exempted from eligibility through the Phased Implementation Ordinance (as described below). However, due to the proposed provision allowing Low-Rise Incentive Area eligibility for any site that is ineligible for temporary exemption (12.22 A.38.(c)(10)(i)), certain industrial zoned sites may gain program eligibility if SB 79 industrial site eligibility is affirmed. In the case that industrial lands are deemed eligible, the Department recommends enacting procedural restrictions on industrial sites eligible for the Low-Rise Incentive Area, including mandating a discretionary review process and/or expanded environmental mitigation measures. In addition to mitigating negative health impacts, these procedures seek to preserve the city's industrial lands by limiting non-industrial uses (Policy 3.14.4) while still ensuring the City remains compliant with state residential use requirements. For further analysis on SB 79 applicability to industrial areas in the City, refer to the Senate Bill 79 Discussion of this Findings section and to Appendix 3 of this Staff Recommendation Report.

SB 79 Phased Implementation Ordinance

The SB 79 Phased Implementation Ordinance supports the Framework Element's goals for retention of industrial lands through enacting a permanent exclusion for industrial employment hubs, which are defined by GCS 65912.160(e)(2) as areas of at least 250 contiguous acres dedicated as employment lands areas by the General Plan that are primarily dedicated to industrial land and where housing is not a permitted use. By enacting this permanent exclusion, the ordinance preserves crucial industrial land, maintaining existing economic opportunity tied to industrial land in alignment with Objective 3.14 and Policy 3.14.4. For further analysis on SB 79 applicability to industrial areas in the City, refer to the Senate Bill 79 Discussion of this Findings section and to Appendix 3 of this Staff Recommendation Report.

Transit Stations

The Low-Rise Ordinance is consistent with the intent of the General Plan Framework Element to encourage new development in proximity to **rail and bus transit stations**. This considerable mix of uses should be accommodated to provide population support and enhance activity near the stations.

With respect to transit stations, the General Plan Framework Element states the following:

GOAL 3K Transit stations to function as a primary focal point of the City's development.

> **Objective 3.15** Focus mixed commercial/residential uses, neighborhood-oriented retail, employment opportunities, and civic and quasi-public uses around urban transit stations, while protecting and preserving surrounding low-density neighborhoods from the encroachment of incompatible land uses.
>
> > **Policy 3.15.3** Increase the density generally within one quarter mile of transit stations, determining appropriate locations based on consideration of the surrounding land use characteristics to improve their viability as new transit routes and stations are funded in accordance with Policy 3.1.6.
> >
> > **Policy 3.15.4** Design and site new development to promote pedestrian activity and provide adequate transitions with adjacent residential uses.

The proposed Low-Rise Ordinance is consistent with the Framework Element in that it expands density through mixed-income multi-family residential development within Opportunity Station Areas that have access to quality transit. The Low-Rise Incentives are designed to provide a transition in density and project scale from Opportunity Corridors and Opportunity Stations to lower-density neighborhoods, thereby balancing the distribution of housing consistent with existing density contexts and Objective 3.15. With regard to Framework Element Policy 3.15.4, the Low-Rise Incentive Area specifically incentivizes development near transit to promote walkability, requires adequate residential transitions, and imposes performance standards regulating open space, location of parking, yard reductions, and frontage requirements to promote a more vibrant and walkable streetscape.

Historic Districts
The Program includes sufficient historical resource protections to be consistent with the how the General Plan Framework Element seeks to balance the benefits of **historic assets** with the need for new housing capacity, as stated in the following goal and policy:

Framework Goal 3M
A City where significant historic and architectural districts are valued.

> **Objective 3.17** Maintain significant historic and architectural districts while allowing for the development of economically viable uses.
>
> > **Policy 3.17.2** Develop other historic preservation tools, including transfer of development rights, adaptive reuse, and community plan historic preservation policies.

Low-Rise Ordinance

The Low-Rise Incentive Area excludes any Historic Preservation Overlay Zones (HPOZs) and sites with Historic Cultural Monuments (HCM) within Opportunity Station Areas unless the site was previously eligible for the program due to proximity to an Opportunity Corridor, promoting preservation of the City's historic resources. For state and national historic sites, the Low-Rise Incentive Area balances streamlined review processes and tailored incentives with protections for Designated and Eligible Historic Resources, requiring minimum historic review processes consistent with State Law while also including additional demolition and review protections for Designated and Surveyed Historic Resources. Furthermore, eligible historic projects are limited to LR-1 incentives to ensure compatibility with neighborhood scale.

SB 79 Phased Implementation Ordinance

The SB 79 Phased Implementation Ordinance enacts temporary exemptions for sites with local historic resources designated as of January 1st, 2025. This pause in implementation for historic resources allows the City additional time to develop a Local Alternative Plan that factors in tailored considerations for the preservation of historic resources that are aligned with these goals.

Housing
The proposed Program is consistent with the policies and objectives of the Framework Element **Housing** section, which provides much of its overall policy direction. The Framework Element acknowledges that housing production has not kept pace with the demand for housing, leading to increased overcrowding, and states that the "City must strive to meet the housing needs of the population in a manner that contributes to stable, safe, and livable neighborhoods, reduces conditions of overcrowding, and improves access to jobs and neighborhood services, particularly by encouraging future housing development near transit corridors and stations."

With respect to **Housing,** the General Plan Framework includes the following overall Housing goals and objectives*:*

Framework Goal 4A
An equitable distribution of housing opportunities by type and cost accessible to all residents of the City.

Objective 4.1 Plan the capacity for and develop incentives to encourage production of an adequate supply of housing units of various types within each City subregion to meet the projected housing needs by income level of the future population to the year 2010 (Per Table 2-1, the Framework Plan 2010 population is 4,306,500 persons).

Policy 4.1.1 Provide sufficient land use and density to accommodate an adequate supply of housing units by type and cost within each City subregion to meet the twenty-year projections of housing needs (see Figure 4-1).

Policy 4.1.2 Minimize the overconcentration of very low- and low-income housing developments in City subregions by providing incentives for scattered site development citywide.

Policy 4.1.4 Reduce overcrowded housing conditions by providing incentives to encourage development of family-size units.

Policy 4.1.5 Monitor the growth of housing developments and the forecast of housing needs to achieve a distribution of housing resources to all portions of the City and all income segments of the City's residents.

Policy 4.1.6 Create incentives and give priorities in permit processing for low- and very-low income housing developments throughout the City.

Policy 4.1.7 Establish incentives for the development of housing units appropriate for families with children and larger families.

Policy 4.1.9 Whenever possible, assure adequate health-based buffer zones between new residential and emitting industries.

Objective 4.2 Encourage the location of new multi-family housing development to occur in proximity to transit stations, along some transit corridors, and within some high activity areas with adequate transitions and buffers between higher-density developments and surrounding lower-density residential neighborhoods.

Policy 4.2.1 Offer incentives to include housing for very low- and low-income households in mixed-use developments.

Objective 4.3 Conserve scale and character of residential neighborhoods.

Objective 4.4 Reduce regulatory and procedural barriers to increase housing production and capacity in appropriate locations.

Policy 4.4.1 Take the following actions in order to increase housing production and capacity:

a. Establish development standards that are sufficiently detailed and tailored to community and neighborhood needs to reduce discretionary approvals requirements.
b. Streamline procedures for securing building permits, inspections, and other clearances needed to construct housing.
c. Consider raising thresholds for categorical exemptions for CEQA clearances for projects conforming to the City's development standards, particularly when housing is combined with commercial uses in targeted growth areas.
d. Consider establishing City service which assists applicants in processing applications for housing projects.

The proposed Low-Rise Ordinance supports and is consistent with the Framework Element housing goal 4A as it strongly promotes a more equitable distribution of housing opportunities, with Low-Rise Incentive Area eligibility expanded to all sites within Opportunity Station Areas. As identified in the 2021-2029 Housing Element, affordable housing unit production has been heavily concentrated in Lower Opportunity Areas of the city. As such, the amendments to expand Low-Rise Incentive Area eligibility to previously ineligible single-family zoned sites in Opportunity Stations expands access to affordable housing and provides for a more equitable distribution of mixed-income development. By expanding eligibility in areas that have not previously permitted multi-family development, the Low-Rise Ordinance aligns with the Framework's Objective 4.1 and associated policies with its focus on planning to provide a supply of housing available at affordable types and costs while alleviating overconcentration of affordable housing and overcrowding.

The Low-Rise Incentive Area establishes Incentives to encourage a wider variety of housing types in lower-density neighborhoods by providing tailored Incentives for mid-scale development. The Incentives offered in the Low-Rise Incentive Area are crafted to integrate into existing neighborhood contexts, by offering height and FAR maximums in exchange for Incentives. Expanding eligibility for the Low-Rise Incentive Area will in turn expand the geography in which these Incentives can be applied, diversifying the variety of affordable housing typologies in lower-density neighborhoods while retaining scale that corresponds to surrounding low-density contexts in transition from the qualifying transit station. Furthermore, the Low-Rise Incentive Area will continue to center transit as a key location for growth in alignment with Objective 4.2, as stated in previous findings.

The ordinance also increases feasibility of the development family-size units in alignment with Policy 4.1.4 and 4.1.7. The current Multi-Bedroom Incentive grants additional FAR and height to projects providing 40% of total units as three or more bedrooms. The ordinance proposes to reduce this threshold to 20% to increase feasibility in response to developer feedback, and ultimately to encourage more development of family-sized units in conjunction with the eligibility expansion.

Streamlining and reducing development barriers is a key component of the Low-Rise Incentive Area policy framework, and aligns with Objective 4.4 and associated policies of the Framework Element. Access to the highest level of streamlined procedural review is provided to the Low-Rise Incentive Area in exchange for the public benefit of more affordable housing. Due to the curated Base Incentives and performance standards that ensure appropriate scale of development in lower-density contexts, projects utilizing the Low-Rise Incentive Area are ineligible to request Waivers or off-menu Incentives, and therefore are processed directly by Zoning Review without the standard ministerial Planning review process.

Urban Form and Neighborhood Design
The proposed Low-Rise Ordinance is consistent with the goals, objectives, and policies in respect to **Urban Form and Neighborhood Design** through the Low-Rise Incentive Area's current framework of tailored Base Incentives and performance standards. The General Plan Framework Element states the following regarding Urban Form and Neighborhood Design:

Framework Goal 5A
A liveable City for existing and future residents and one that is attractive to future investment. A City of interconnected, diverse neighborhoods that builds on the strengths of those neighborhoods and functions at both the neighborhood and citywide scales.

> **Objective 5.2** Encourage future development in centers and in nodes along corridors that are served by transit and are already functioning as centers for the surrounding neighborhoods, the community or the region.
>
> > **Policy 5.2.1** Designate centers and districts in locations where activity is already concentrated and/or where good transit service is, or will be, provided.
> >
> > **Policy 5.2.3** Encourage the development of housing surrounding or adjacent to centers and along designated corridors, at sufficient densities to support the centers, corridors, and the transit system. While densities and distances will vary based on local conditions, the following residential density standards, which are based on the City's adopted Land Use/Transportation Policy, should be used as a general guide when updating community plans through a public participation process:
> > a. Four-stories over parking (R4) within 1,500 feet of grade-separated (subway or arterial) fixed rail transit stations;

b. Three-stories over parking (R3) within 1,500 feet of at-grade fixed rail transit stations;
c. Two-stories over parking (RD1.5) within 750 feet of major bus corridor intersections;
d. Where appropriate, two units per lot (R2) may be considered within 750 feet of major bus corridors.

Objective 5.7 Provide a transition between conservation neighborhoods and their centers.

Policy 5.7.1 Establish standards for transitions in building height and for on-site landscape buffers. (P18, P24, P25)

Objective 5.8 Reinforce or encourage the establishment of a strong pedestrian orientation in designated neighborhood districts, community centers, and pedestrian-oriented sub-areas within regional centers, so that these districts and centers can serve as a focus of activity for the surrounding community and a focus for investment in the community.

Policy 5.8.3 Revise parking requirements in appropriate locations to reduce costs and permit pedestrian-oriented building design:
a. Modify parking standards and trip generation factors based on proximity to transit and provision of mixed-use and affordable housing.
b. Provide centralized and shared parking facilities as needed by establishing parking districts or business improvement districts and permit in-lieu parking fees in selected locations to further reduce on-site parking and make mixed-use development economically feasible.

The proposed Low-Rise Ordinance is consistent with the Framework Element because it promotes and encourages livable buildings and neighborhoods with a range of housing types for diverse communities that builds on their strengths while also meeting citywide needs. The proposed Low-Rise Ordinance encourages a range of densities and scaled outcomes with Incentives that balance the need for more housing and quality urban form. The designation of Opportunity Station Areas for increased density aligns with Objective 5.2 to encourage transit-oriented development that function as centers for surrounding neighborhoods, the community, and the region, by offering building volume incentives within a ½ mile of heavy rail, light rail, and eligible bus only lanes. The program offers scaled heights ranging between 2-3 stories based on the proximity to and quality of transit, with potential for an additional story with the provision of family sized units.

Additionally, expanding Low-Rise Incentive Area eligibility within Opportunity Station Areas supports Objective 5.7 by increasing density around transit in a way that decreases in FAR and height further from the Opportunity Station, enabling a deliberate transition between

lower-density neighborhoods and their higher-intensity centers with an SB 79 qualifying transit station.

The Framework Element also includes Objective 5.8 and Policy 5.8.3 to create pedestrian oriented areas and reduce parking. There are no required parking minimums for projects utilizing the Low-Rise Incentive Area, which supports this goal. Furthermore, the Low-Rise Incentive Area includes requirements for open-space provision and street-facing entrances intended to enhance pedestrian-oriented neighborhood design, including allowing common open space within the front yard or through provision a courtyard open to the street.

Open Space and Conservation
The proposed Low-Rise Ordinance is consistent with the goals, objectives, and policies in respect to **Open Space and Conservation** through enforcing performance standards around the design of open space. The General Plan Framework Element states the following regarding Open Space and Conservation:

Framework Goal 6A
An integrated citywide/regional public and private open space system that serves and is accessible by the City's population and is unthreatened by encroachment from other land uses.

Objective 6.4 Ensure that the City's open spaces contribute positively to the stability and identity of the communities and neighborhoods in which they are located or through which they pass.

> **Policy 6.4.4** Consider open space as an integral ingredient of neighborhood character, especially in targeted growth areas, in order that open space resources contribute positively to the City's neighborhoods and urban centers as highly desirable places to live

Low-Rise Incentive Area Projects are required to comply with open space standards that offer four different design typologies in which Common Open Space may be provided, including within a courtyard, paseo, front yard, or on the rooftop and intermediate levels. These open space design standards are curated to correspond to the surrounding lower-density neighborhood context while providing quality, functional open space for residents on site. Proposed amendments to these open space standards affirm the need for quality common open space while addressing feasibility challenges for projects building multi-family structures in lower-density neighborhoods, including allowing open space to be located in the front yard rather than the rear, and permitting rooftop and intermediate level open space with setback considerations for neighboring structures. Furthermore, projects are ineligible to request relief from open space design standards in conjunction with this program, ensuring open space remains a key component contributing to the stability and identity of neighborhoods experiencing housing capacity growth within Opportunity Station Areas (Policy 6.4.4).

Economic Development

The proposed SB 79 Phased Implementation and Low-Rise Ordinances are both consistent with respect to the Policies and Objectives related to Economic Development in the General Plan Framework Element. The proposed SB 79 Phased Implementation Ordinance upholds the Framework's goals of economic development by allotting the City additional time to design value capture strategies for effectuation of the bill that are responsive to market conditions of specific City geographies. By encouraging streamlined housing projects in areas of Moderate and Higher Opportunity and quality transit access, the Low-Rise Ordinance further supports the Framework's economic development priorities.

Regarding Economic Development, the Framework Element states the following:

Framework Goal 7A
A vibrant economically revitalized City.

> **Policy 7.2.3** Encourage new commercial development in proximity to rail and bus transit corridors and stations. (P1, P18)
>
> **Policy 7.2.4** Ensure that the City has enough capacity to accommodate the development of general commercial uses which support community needs in all parts of Los Angeles. (P1)

Objective 7.4 Improve the provision of governmental services, expedite the administrative processing of development applications, and minimize public and private development application costs.

> **Policy 7.4.1** Develop and maintain a streamlined development review process to assure the City's competitiveness within the Southern California region.
>
> **Policy 7.4.2** Maximize opportunities for "by-right" development.

Framework Goal 7G
A range of housing opportunities in the City

Objective 7.9 Ensure that the available range of housing opportunities is sufficient, in terms of location, concentration, type, size, price/rent range, access to local services and access to transportation, to accommodate future population growth and to enable a reasonable portion of the City's workforce to both live and work in the City.

> **Policy 7.9.1** Promote the provision of affordable housing through means which require minimal subsidy levels and which, therefore, are less detrimental to the City's fiscal structure.
>
> **Policy 7.9.2** Concentrate future residential development along mixed–use corridors, transit corridors and other development nodes identified in the General

Plan Framework Element, to optimize the impact of City capital expenditures on infrastructure improvements. (P1, P18)

Policy 7.9.3 Preserve existing single-family neighborhoods throughout the City to assure a continuing supply of variously priced single-family homes from the existing inventory. (P1, P18)

Framework Goal 7H
A distribution of economic opportunity throughout the City.

Objective 7.10 Program resources in a manner that encourages appropriate development, housing opportunities, transit service and employment generation in all areas of the City, with particular emphasis on those portions of the City which historically have not received a proportional share of such opportunities, consistent with the City's overall economic policies.

Policy 7.10.2 Support efforts to provide all residents with reasonable access to transit infrastructure, employment, and educational and job training opportunities.

Low-Rise Ordinance

Framework Element Objective 7.4 encourages streamlined development procedures for a better business and economic environment citywide. The Low-Rise Incentive Area offers a by-right approval process for projects providing the public benefit of affordable housing in an effort to lower costs linked to the development process overall, while also closing the financial gap specific to affordable housing development. The expansion of Low-Rise Incentive Area eligibility will increase the number of parcels and geographies within the City that have access to this highest level of streamlining, increasing the feasibility of mixed-income affordable housing development through streamlined review in new areas of the City.

The Framework Element recognizes the critical link between economic development and housing, particularly between jobs and housing. The proposed Low-Rise Ordinance is consistent with the Framework Element Objectives 7.9, 7.10 and related policies in that it aims to enable the City's workforce to both live and work in the City. The eligibility revisions encourage an ample supply of housing for residents and workers to expand the range of available housing types at different costs, including both affordable and market rate housing in areas with transit stations and a range of employment opportunities. The mixed-income structure of affordability requirements in the Low-Rise Incentive Area aims to boost feasibility of affordable housing production without reliance on subsidies, in line with Framework Policy 7.9.1. The Low-Rise Ordinance alleviates housing concentration by promoting an emphasis on those portions of the City which historically have not received a proportional share of housing opportunities, and will Affirmatively Further Fair Housing near employment and educational resources. Furthermore, expanding housing capacity near transit stations will support economic vitality and build capacity for commercial amenities consistent with policies 7.2.3 and 7.2.4. The

Low-Rise Incentive Area also expands opportunities for affordable for-sale, low-scale housing in single-family neighborhoods, aligning with the emphasis on various priced for-sale housing options as stated in Policy 7.9.3.

SB 79 Phased Implementation Ordinance

The proposed SB 79 Phased Implementation Ordinance supports a vibrant and economically revitalized City by ensuring that housing production remains tied to locally calibrated value capture strategies that encourage appropriate development. By enacting permanent and temporary exemptions in order to phase the implementation of SB 79, the City can more effectively use program resources to encourage housing and employment generation areas that are aligned with citywide priorities (Objective 7.10). This pause on full SB 79 implementation allows the City additional time to implement a localized approach specifically tailored to Los Angeles' unique market dynamics, ensuring that new development contributes to the City's long-term fiscal health and equitable economic growth.

Other General Plan Elements

The proposed SB 79 Phased Implementation and Low-Rise Ordinances are consistent with the purpose, intent, and provisions of the General Plan in that they implement policies contained in a number of other General Plan Elements, including the:

- Circulation Element (Mobility Plan 2035)
- Health Element (Plan for a Healthy Los Angeles)
- Air Quality Element
- Conservation Element
- Safety Element
- Public Facilities and Services Element
- Land Use Element

Mobility Plan 2035 (Circulation Element)

The City's Mobility Plan 2035 (Circulation Element) provides the policy foundation for achieving a transportation system that balances the needs of all road users and incorporates "complete streets" principles and lays the policy foundation for how future generations of Angelenos interact with their streets. This includes the strong link between residential land uses to transportation.

The City's Mobility Plan 2035 contains a number of important policies supported by and consistent with the proposed Low-Rise Ordinance, including:

Mobility Element Goal 3

Access for All Angelenos.

Objective 3.1 Ensure that 90% of households have access within one mile to the Transit Enhanced Network by 2035.

Objective 3.3 Increase the percentage of 0/1 car ownership (car-light) households from 50% currently to 75% by 2035.

Policy 3.3 Promote equitable land use decisions that result in fewer vehicle trips by providing greater proximity and access to jobs, destinations, and other neighborhood services

Objective 3.8 Increase the combined mode split of persons who travel by walking, bicycling or transit to 50% by 2035.

Mobility Element Goal 5
Clean Environments and Healthy Communities.

Objective 5.1 Decrease VMT per capita by 5% every five years, to 20% by 2035.

Policy 5.2 Vehicle Miles Traveled (VMT): Support ways to reduce vehicle miles traveled (VMT) per capita

The proposed Low-Rise Ordinance supports the strong link between residential land uses and transportation. Incentivizing housing, particularly affordable housing, near transit stations ensures that transit-dependent residents have access to housing and employment opportunities, education, quality healthcare, and other amenities while reducing Vehicle Miles Traveled per capita, which aligns with Mobility Objective 5.1, Policy 5.2. Consistent with AB 2097 and AB 2334 and in alignment with Objective 3.3, Policy 3.3, no projects proposed under the Low-Rise Incentive Area require parking, thereby increasing the public transit user base. Increasing housing capacity within Opportunity Station Areas will increase the number of residents who can accessibly travel by walking, bicycling, or by transit, aligned with Objective 3.8. These policies and programs acknowledge the ample opportunities for transit-oriented development that can support new housing (particularly affordable housing) as a result of significant transit infrastructure investments occurring in multiple neighborhoods of the City.

Plan for a Healthy Los Angeles (Health Element)

The Plan for a Healthy Los Angeles (Health Element) lays the foundation to create healthier communities for all Angelenos. As an element of the General Plan, it provides high-level policy vision along with measurable objectives and implementation programs to elevate health and environmental justice as a priority for the City's future growth and development. It acknowledges that access to safe, affordable, accessible, and healthy housing is of paramount importance to living a healthy life.

The proposed Low-Rise and SB 79 Phased Implementation Ordinances are consistent with the Health Element and furthers the following goals, objectives, and policies:

Health Element Goal 1
Los Angeles, a Leader in Health and Equity

Policy 1.5 Improve Angelenos' health and well-being by incorporating a health perspective into land use, design, policy, and zoning decisions through existing tools, practices, and programs.

Policy 1.6 Reduce the debilitating impact that poverty has on individual, familial, and community health and well-being by: promoting cross-cutting efforts and partnerships to increase access to income; safe, healthy, and stable affordable housing options; and attainable opportunities for social mobility.

Policy 1.7 Reduce the harmful health impacts of displacement on individuals, families, and communities by pursuing strategies to create opportunities for existing residents to benefit from local revitalization efforts by: creating local employment and economic opportunities for low-income residents and local small businesses; expanding and preserving existing housing opportunities available to low-income residents; preserving cultural and social resources; and creating and implementing tools to evaluate and mitigate the potential displacement caused by large-scale investment and development.

Health Element Goal 2
A city that is built for health uses design, construction, and public services to promote the physical, mental, and social well-being of its residents. A healthy city has neighborhoods where health-promoting goods and services are abundant and accessible, so that the healthy choice is the easy choice for all residents. Health is further supported by safe multi-modal corridors that offer active transportation alternatives, access to a diverse housing stock that offers options for all ages and incomes, ample opportunities for recreation, healthy food options, and a vibrant economy that offers quality employment opportunities.

Policy 2.2 Promote a healthy built environment by encouraging the design and rehabilitation of buildings and sites for healthy living and working conditions, including promoting enhanced pedestrian-oriented circulation, lighting, attractive and open stairs, healthy building materials and universal accessibility using existing tools, practices, and programs.

Policy 5.1 Reduce air pollution from stationary and mobile sources; protect human health and welfare and promote improved respiratory health.

Policy 5.2 Reduce negative health impacts for people who live and work in close proximity to industrial uses and freeways through health promoting land uses and design solutions.

Policy 5.4 Protect communities' health and well-being from exposure to noxious activities (for example, oil and gas extraction) that emit odors, noise, toxic, hazardous, or contaminant substances, materials, vapors, and others.

Policy 5.7 Promote land use policies that reduce per capita greenhouse gas emissions, result in improved air quality and decreased air pollution, especially for children, seniors and others susceptible to respiratory diseases.

Low-Rise Ordinance

The proposed Low-Rise Ordinance is consistent with the Health Element goals, objectives, and policies related to housing in the City in that it encourages housing development that is oriented around health, economic stability, and well-being. As previously stated, expansion of Low-Rise Incentive Area eligibility increases housing opportunities near transit, which promotes decreased per capita greenhouse gas emissions and improved air quality due to reduced car usage as a mode of transportation (Policy 5.7). The Low-Rise Incentive Area further promotes a healthy built environment through required design standards around common open space and pedestrian-oriented entrances (Policy 2.2).

These amendments also expand housing capacity in Moderate and Higher Opportunity Areas, working to reduce the debilitating effects of poverty on welfare by providing more affordable housing options in areas with stronger life outcomes that have underproduced it, thereby implementing Health Element Policy 1.6. By adding housing capacity in the first phase of implementation within Moderate and Higher Opportunity Areas that have historically underproduced multi-family housing options, displacement risk within established higher-density multi-family areas is reduced, aligning with Health Element Policy 1.7.

The preservation of social and cultural resources (Policy 1.7) is also prioritized in this ordinance through the exclusion of HPOZs and HCMs within Opportunity Station Areas unless the site was previously eligible for the program due to proximity to an Opportunity Corridor, further restricting historic resource demolition and enforcing guardrails in procedures and Incentives for these eligible historic sites near Opportunity Corridors.

Additionally, the expansion of housing capacity through the Low-Rise Incentive Area framework restricts environmentally sensitive sites, including Fire Restriction Areas, Sea Level Rise Areas, and the Coastal Zone. These restrictions promote community health and well-being aligned with Health Element Policy 5.4. As discussed in this Staff Recommendation Report, the Department awaits guidance on the allowance of SB 79 in industrial zones. If HCD advises that industrial land is eligible, the Department recommends processes be developed to ensure environmental review and remediation for any industrial site proceeding under SB 79 authority, including but

not limited to establishing discretionary processes and/or expanding the rules and procedures associated with local environmental protection measures. Establishing these procedural safeguards ensures that any project on an industrial or manufacturing zone that might gain access to the Low-Rise Incentive Area bonuses pursuant to section 12.22 A.38(c)(10)(i) of the draft Low-Rise Ordinance would need to conduct environmental review to mitigate health and safety impacts. This approach is consistent with Policy 5.2 and 5.4 of the Health Element to ensure land use allowances do not exacerbate existing or create new negative health impacts.

SB 79 Phased Implementation Ordinance

Permitting full effectuation of SB 79 in July of 2026 would have immediately permitted full SB 79 development in areas that may have negative health impacts, including areas sensitive to fire risk and heavy industrial areas with potential noxious uses, as well as on sites with cultural and social resources that may warrant preservation considerations. Opting for a phased implementation of SB 79 as made effective by the proposed SB 79 Phased Implementation Ordinance allots the City more time to plan for added housing capacity with community health and preservation of cultural resources uplifted as core considerations in the decision-making process.

Air Quality Element

The Air Quality Element sets forth the goals, objectives, and policies which guide the City in its implementation of its air quality improvement programs and strategies. A number of these goals, objectives, and policies are relevant to land use development, and relate to traffic mobility, discouraging single-occupancy vehicle trips, and increasing energy efficiency in City facilities and private developments.

The proposed SB 79 Phased Implementation and Low-Rise Ordinances are consistent with the City's Air Quality Element and furthers the following goals, objectives, and policies:

Air Quality Element Goal 1
Good air quality and mobility in an environment of continued population growth and healthy economic structure.

Air Quality Element Goal 2
Less reliance on single-occupant vehicles with fewer commute and non-work trips

> **Objective 2.1** Reduce work trips as a step towards attaining trip reduction objectives necessary to achieve regional air quality goals.

Air Quality Element Goal 3
Efficient management of transportation facilities and systems infrastructure using cost-effective system management and innovative demand-management techniques.

Objective 3.1 Increase the portion of work trips made by transit to levels that are consistent with the goals of the Air Quality Management Plan and the Congestion Management Plan.

Objective 3.2 Reduce vehicular traffic during peak periods.

Air Quality Element Goal 4
Minimal impact of existing land use patterns and future land use development on air quality by addressing the relationship between land use, transportation, and air quality.

Objective 4.2 Reduce vehicle trips and vehicle miles traveled associated with land use patterns

Policy 4.2.3 Ensure that new development is compatible with pedestrians, bicycles, transit, and alternative fuel vehicles.

Air Quality Element Goal 5
Energy Efficiency through land use and transportation planning, the use of renewable resources, and the implementation of conservation measures such as site orientation and tree planting.

Low-Rise Ordinance

The proposed Low-Rise Ordinance is consistent with the Air Quality Element's goals, objectives, and policies related to housing development and reducing vehicle trips in the City in that it encourages housing locations near jobs and transit through the Low-Rise Incentive framework. The Low-Rise Incentive Area specifically focuses on pedestrian-oriented design in street-facing entrances, aligned with Air Quality Element Policy 4.2.3. The program facilitates high quality, healthy housing in neighborhoods that improves accessibility to jobs and services, deploying a transportation demand management strategy to reduce vehicle miles traveled (VMT) and therefore improve air quality (Objective 4.2).

SB 79 Phased Implementation Ordinance

As mentioned in previous findings, enacting a SB 79 Phased Implementation Ordinance will allow the City additional time to plan further for health impacts related to added housing capacity in future SB 79 implementation, including air quality considerations.

Conservation Element
The proposed Low-Rise and SB 79 Phased Implementation Ordinances further the objectives and policies of the Conservation Element, specifically related to cultural and historical sites. The Conservation Element states that the City has a primary responsibility for identifying and protecting its cultural and historical structures, natural features or sites of historic, architectural, cultural or aesthetic significance.

Conservation Element Goal 1
A city that preserves, protects and enhances its existing natural and related resources.

Conservation Element Objective 4 Protect important cultural and historical sites and resources for historical, cultural, research, and community educational purposes.

Policy 4.1 Continue to protect historic and cultural sites and/or resources potentially affected by proposed land development, demolition or property modification activities.

Low-Rise Ordinance

The proposed Low-Rise Ordinance is consistent with the Conservation Element in that it seeks to maintain and protect important cultural and historic resources (Policy 4.1). The Low-Rise Incentive Area excludes any HPOZs and HCMs within Opportunity Station Areas, unless the site was previously eligible for the program due to proximity to an Opportunity Corridor. For currently eligible sites and for resources on the California Register of Historic Resources and National Register of Historic Places, the Low-Rise Incentive Area utilizes the Secretary of the Interior's Standards for the Treatment of Historic Properties (Standards) for review of projects proposing alterations to Designated Historic Resources. Furthermore, these projects are ineligible for the Incentives if demolition of a Designated Historic Resource is proposed and are limited to LR-1 incentives to ensure a neighborhood context.

The Low-Rise Incentive Area also offers protections to eligible or Surveyed Historic Resources, requiring any Surveyed, eligible, or architectural historic resource identified for any protection or special consideration or review by an applicable Overlay or Specific Plan (South Los Angeles CPIO, Southeast Los Angeles CPIO, West Adams CPIO, San Pedro CPIO, Westwood Village Specific Plan, Echo Park CDO District, and North University Park Specific Plan) to be compliant with the Standards.

SB 79 Phased Implementation Ordinance

The proposed SB 79 Phased Implementation Ordinance is consistent with the Conservation Element in that it enacts temporary exemption on local historic sites that would otherwise have been immediately eligible for full SB 79 incentives. The additional time allotted through the proposed ordinance allows the City to continue to increase housing capacity within locally designed eligibility guardrails for historic sites, supporting the Conservations Element's goals of historic preservation.

Safety Element
The proposed SB 79 Phased Implementation and Low-Rise Ordinances are consistent with the goals and policies of the Safety Element regarding environmentally sensitive and hazardous sites, and sites that may be especially sensitive to climate change. The Safety Element details a

policy direction to prevent, respond to, and recover from disaster events. Policies of the Safety Element include:

Safety Element Goal 1: Hazard Mitigations
A city where potential injury, loss of life, property damage and disruption of the social and economic life of the city due to hazards is minimized.

> **Policy 1.1.5** Risk Reduction. Reduce potential risk hazards due to disaster with a focus on protecting the most vulnerable people, places and systems.
>
> **Policy 1.1.8** Land Use. Consider hazard information and available mitigations when making decisions about future land use. Maintain existing low density and open space designations in Very High Fire Hazard Severity Zones. Ensure mitigations are incorporated for new development in hazard areas such as VHFHSZs, landslide areas, flood zones and in other areas with limited adaptive capacity.

Low-Rise Ordinance

The proposed Low-Rise Ordinance is consistent with the updated policies above in that it expands the Low-Rise Incentive Area eligibility while restricting eligibility for environmentally hazardous sites, including projects proposed in Fire Restriction Areas, the Coastal Zone, Sea Level Rise Areas, or on sites that may pose a hazardous risk to human health. The ordinance proposes updating MIIP eligibility from excluding any site within the VHFHSZ to excluding sites that are within both the VHFHSZ and a Hillside Area, newly defined as a Fire Restriction Area. The Fire Restriction Area exclusion aligns with the eligibility exclusion formerly in Executive Directive 1, and now codified within the Affordable Housing Streamlining Ordinance (Ordinance No. 188788) (LAMC 12.22 A.40).

Restricting development within Fire Restriction Areas ensures that areas most vulnerable to fire risk with substandard streets and ingress/egress challenges are shielded from added housing capacity that could create safety risks, while still allowing for redevelopment within adjacent urbanized flatlands that will strengthen structural resilience. The City has adopted fire hazard mitigation measures that are required for all projects in the VHFHSZ, pursuant to existing State Fire Code standard building standards and State Minimum Fire Safety regulations. With the incorporation of these state codes, development in the VHFHSZ will make structures more safe and create more fire resilient areas over time. This amendment also responds to the State's CAL FIRE expansion of the VHFHSZ, which would otherwise result in a loss of MIIP eligibility once locally adopted if unaddressed. The Fire Restriction Area eligibility update therefore complies with Policy 1.1.8 by considering hazard information in decisions about future land use, while still upholding risk reduction aligned with Policy 1.1.5.

SB 79 Phased Implementation Ordinance

Through enacting the proposed SB 79 Phased Implementation Ordinance, the City is able to temporarily exempt sites within VHFHSZs and areas within one-foot of sea level rise. The ordinance further enables the City to attain additional time to make considerations around the extent of incorporation of sites within hazard areas in future implementation of SB 79, including sites within VHFHSZ.

Public Facilities and Services Element

The Public Facilities and Services Element contains several Master Plans for facilities and services of public interest in the City. It includes the Cultural and Historical Monuments Plan to guide the preservation of significant, beautiful, or interesting cultural and historic sites in The City of Los Angeles. The first objective in the Cultural and Historical Monuments Plan is:

Objective 1.1 To encourage the preservation and restoration of designated monuments.

See Conservation Element findings above for a discussion of consistency of Objective 1.1 with both the proposed SB 79 Phased Implementation and Low-Rise Ordinances.

Land Use Element
The Community Plans establish neighborhood-specific goals and implementation strategies to achieve the broad objectives laid out in the City's General Plan. Together, the 35 Community Plans make up the General Plan's Land Use Element, which plays an important role in bolstering housing and job opportunities, conserving open space and natural resources, and balancing different neighborhoods' needs. The Low-Rise Ordinance is consistent with the Land Use Element because it will not change the underlying zoning or land use of any parcels, but rather offers additional density and other relief from development standards as incentives in exchange for providing affordable units. The City has determined that the shortage of affordable housing is an ongoing crisis in Los Angeles, and the July 1st effectuation of SB 79 has enacted significant increases in maximum allowable density within SB 79 TOD zones. The increased intensity and density of proposed development from the Low-Rise Ordinance will be offset by the increase in affordable units. The ordinance conforms to the purpose of the Land Use Element by providing much needed housing near job centers and transit, and exceeding minimum capacity sufficient to enact a citywide phased implementation of SB 79 to ensure that the City has further time to plan and make decisions regarding land use considerations for specific geographies in future required SB 79 implementation.

C. Senate Bill 79 Discussion (California State Government Code Section 65912.155 – 65912.162)
Statutory requirements for Senate Bill 79 are delineated in Government Code Sections (GCS) 65912.155 - 65912.162. The law establishes minimum density standards for height, residential floor area ratio, and residential density for sites within 0.5 mile of a transit-oriented development stop creating a transit-oriented development zone (TOD zone) as defined by the statute, that permits residential, mixed, and commercial uses. The City estimates there are 145 TOD zones (139,450 sites) located wholly or in part within the City of LA boundaries. Consistent with GSC

65912.160(f), the Southern California Association of Governments (SCAG) as the metropolitan planning organization for the region is responsible for creating and maintaining an SB 79 eligibility map. At the time of the release of this report SCAG has not provided a draft or final TOD zone map. Parcels within these TOD zones that permit residential, mixed, or commercial uses and meet the eligibility requirements in GSC 65912.157 would be eligible for the zoning provisions of SB 79.

As permitted by the statute, the Phased Implementation Ordinance proposes to codify provisions allowing jurisdictions to permanently or temporarily exempt some of the eligible sites from SB 79 zoning allowances. Pursuant to GCS 65912.160(e), sites that qualify under this criteria would be permanently excluded from implementing the zoning provisions of SB 79. Consistent with GCS 65912.161(b)(1), the law also includes provisions to temporarily exempt qualifying sites from the otherwise effective date of July 1, 2026. The temporary exemption will continue until one year after the next state-mandated update to the housing element. Some of the temporary exemption criteria are applicable to individual sites, while other criteria are applicable to the entire TOD zone. The Phased Implementation Ordinance establishes mapping processes to authorize the Director of Planning to prepare maps indicating a site's eligibility for SB 79 and the permanent or temporary exemptions based on the criteria in the statute. Consistent with GCS 65912.160(c)(1) and 65912.161(b)(1), the sites eligible for permanent or temporary exemption will be indicated on a public facing map through the Zone Information and Map Access System (ZIMAS) on the Department's website. To review the maps identifying sites and TOD zones eligible for Phased Implementation, please refer to Exhibit 3, Maps 3A through 3M. To review the summary tables for the model results at a citywide, TOD zone, and individual site level, refer to Exhibit 4, Tables 1A through 1C.

The Phased Implementation Ordinance is the first step in establishing a framework for the phased implementation of SB 79, and intends, among other things, to ensure that the City's local implementation of SB 79 does not conflict with local land use and environmental concerns. The ordinance proposes to allow a temporary pause in the implementation of SB 79 consistent with the sites, TOD zone, and low resource criteria in GCS 65912.161(b), and proposes to codify exemptions from SB 79 for sites more than one-mile walking distance from a station or within an industrial employment hub pursuant to GCS 69512.160(e). The Low-Rise Ordinance supports the phased local implementation approach, creating time to adopt a local transit-oriented alternative plan, pursuant to GCS 65912.161(a).

Sites Statutorily Exempt from SB 79 (California Government Code Section 65912.157(a))

Citywide, there are 139,450 parcels located within SB 79 TOD zones. Of these eligible sites, 3,976 or 2.93% are considered statutorily exempt from the provisions of the law, as they do not permit residential, mixed, or commercial uses (GCS 65912.157(a)). Sites which are zoned for Public Facilities and Open Space were not evaluated for local or SB 79 capacity as they do not permit residential or commercial uses as required by GCS 69512.157(a). There are instances throughout the City where sites may be zoned A1 or A2 and are assigned a general plan land use (GPLU) designation of Open Space. LAMC Sections 12.05.B "A1" Agriculture Zone, and LAMC 12.06.B "A2" Agriculture Zone state for lots designated as Public and Open Space on the

land use map of the community plan, physical development in these areas should require action by the City Planning Commission pursuant to Sec. 13.B.2.3 (Class 3 Conditional Use Permit) and 13B.6.1 (Evaluation of Non-Compliance) of Chapter 1A of the LAMC. Open Space designations are intended, as stated in the Community Plans, which comprise the Land Use Element of the General Plan for the City, are designed to conform with the definition of Open Space Land in Article 10.5 of the State of California Government Code.[17] Article 10.5 of the California Government Code defines Open Space land as unimproved land for the purpose of preservation of natural resources and outdoor recreation, not for residential uses. While the A1 and A2 zones may allow a single family dwelling, when designated in tandem with the Open Space GPLU, the residential portion may be considered an ancillary use to the agricultural use, not a primary use. As a result, land zoned as A1 and A2 and designated with an Open Space GPLU have not been evaluated for local or SB 79 capacity.

As industrial zoned land in the City of LA permits commercial uses, the department has asked the California Department of Housing and Community Development to advise on their eligibility for SB 79, as eligibility is still uncertain, modeling evaluates capacity on industrial land unless the sites were identified as part of an industrial employment hub. Further, sites subject to the Rent Stabilization Ordinance (RSO) have also been included in the analysis for local and SB 79 capacity. GCS 65812.1157(h)(1) states a proposed development may not utilize the zoning provisions of SB 79 on sites with more than two units that would require the demolition of housing subject to the RSO. This has been interpreted as a project level exemption, with no application to the criteria outlined in GCS 65912.161(b)(1), and jurisdictions should include sites subject to RSO in the analysis for determining eligibility for temporary exemption. The following sections demonstrate the analysis performed to identify sites that comply with the permanent or temporary exclusion criteria consistent with state law.

Permanent Exclusions (California Government Code Section 65912.160(e))

Pursuant to GCS Section 65912.160(e)(1) and 65912.160(e)(2), a local jurisdiction is permitted to permanently exclude parcels through the adoption of an ordinance within a TOD zone if the sites meet one of the following criteria:

- Sites where no walking path of less than one mile from that location to the transit-oriented development stop (GCS 65912.160(e)(1)).
- Sites designated as industrial employment hubs in cities with at least 15 transit-oriented development stops. An industrial employment hub shall be a contiguous area of at least 250 acres designated in the jurisdiction's general plan on or before January 1, 2025, as an employment lands area; the parcels within it shall be primarily dedicated to industrial use as defined in paragraph (3) or subdivision (f) of Section 65912.121 and housing shall not be a permitted use on any of the sites so excluded (GCS 65912.160(e)(2)).

[17] Sherman Oaks - Studio City - Toluca Lake - Cahuenga Pass Community Plan, General Plan Land Use Map, Footnote 6
https://planning.lacity.gov/odocument/4a114e79-e0d2-4add-abd9-b4f4219e4bd8/shrplanmap.pdf

Exhibit 4, Table 1A summarizes the count of sites eligible for permanent exclusion from SB 79. Exhibit 3, Maps 3A-3B visualize the sites eligible for permanent exclusion from SB 79.

One Mile Walking Path

SB 79 permits permanent exclusions for sites that do not have a walking path of less than one mile to the TOD stop (GCS 65912.160(e)(1)). The one-mile walkability distance is measured by analyzing the street network within TOD zones utilizing ArcGIS Network Analyst and LA County TIGER. Natural impediments to walkability that are within the one-mile buffer around TOD zones are excluded from the qualifying walkable street network, including highways, railroads, hillside areas, waterways and subdivision neighborhoods with no road connectivity. After these exclusions for impediments to walkability, the walking distance along the street network deemed walkable from the TOD stop to the site is calculated. Sites that have a mile or more distance along the walkable street network are determined as eligible to be permanently excluded from SB 79. Based on the analysis described above, 341 sites, approximately 0.28% of eligible sites do not have a walking path of less than one mile to a TOD zone, and meet the criteria for this permanent exclusion. Exhibit 3, Map 3A visualizes the sites eligible for this permanent exclusion pursuant to GCS 65912.160(e)(1). Exhibit 4, Table 1A lists the sites eligible for this permanent exclusion.

Industrial Employment Hubs

SB 79 allows for the permanent exemption of areas identified as “industrial employment hubs” which meet the criteria specified in GCS 65912.160(e)(2). This provision specifies multiple criteria which the industrial employment hubs must meet. First, the exemption may only be utilized in cities with at least 15 transit oriented development stops. Second, the exempted “hub” must include “a contiguous area of at least 250 acres designated in the jurisdiction’s general plan on or before January 1, 2025, as an employment lands area”. Third, the parcels within it shall be primarily dedicated to industrial use as defined in paragraph (3) or subdivision (f) of Section 65912.121. Lastly, “housing shall not be a permitted use on any of the sites so excluded.” Further description of these requirements is provided in Table 3 below. Mapping analysis of industrial land of the city has identified six areas which meet the criteria for industrial employment hubs, including areas in Downtown/Southeast Los Angeles, Atwater/Cypress Park, Pacoima, Northridge, Chatsworth, and areas around LAX (for additional information on the industrial employment hubs in Los Angeles, please see Appendix 3 of this Staff Recommendation Report). For a detailed summary of Industrial Employment Hub Analysis see Appendix 3.

Table 3: Industrial Employment Hub Requirements per GCS 65912.160(e)(2)

Requirement	***Description***	***Methodology***
“A local government with at least 15 transit-oriented development stops	Cities must have at least 15 TOD stops to designate areas as industrial employment hubs.	Conducted mapping to identify 145 TOD stops within the City.

designates the area as an industrial employment hub."		
"An industrial employment hub shall be a contiguous area of at least 250 acres designated in the jurisdiction's general plan on or before January 1, 2025, as an employment lands area;"	Hubs must be a contiguous area of at least 250 acres of employment related land-uses..	Conducted mapping analysis to assess contiguity and reviewed Framework and Land Use Elements as well as the Industrial Land Use Policy. Includes Industrial, and in limited instances, Commercial land uses intended for industrial employment growth.
"The parcels within it shall be primarily dedicated to industrial use as defined in paragraph (3) of subdivision (f) of Section 65912.121;"	Hubs must be primarily dedicated to industrial uses as defined by GCS 65912.121(f)(3) which defines "dedicated to industrial use" to mean any of the following: (1) the square footage is currently being used as an industrial use, (2) the most recently permitted use of the square footage is an industrial use, and the site has been occupied within the last three years, or (3) the site was designated for industrial use in the latest version of a local government's general plan adopted before January 1, 2022, and residential uses are not principally permitted on the site.	Assessed zoning and land uses within areas identified as contiguous, including sites across a right-of-way and the LA River. Existing uses verified on some sites.
"...Housing shall not be a permitted use on any of the sites so excluded."	Hubs cannot include sites which permit housing per the underlying zoning.	Assessed assigned industrial zoning within areas to identify permitted uses, including residential

To identify these six hubs, industrial land in the City was analyzed for compliance with each of the various components of GSC 65912.160(e)(2). In order to utilize the industrial employment hub exemption, cities first must have at least 15 TOD zones. The city estimates it has 145 TOD stops which meets and exceeds the requirement of the bill. The next criteria of the bill specifies that industrial employment areas must be at least 250 contiguous acres. Much of the city's

industrial land is clustered in areas such as downtown, adjacent to the LA River, and along railroad rights-of-way in the San Fernando Valley. Mapping analysis of the six hubs found that these areas exceed the 250 acre threshold and are also made up of contiguous sites as required by the bill (see below for a table with acreage for each industrial employment hub). While conducting the analysis of these areas, sites were considered to be contiguous if located across the right-of-way (including streets, freeways, and open space parcels containing the LA River), have a shared property line, or across a common corner. Based on staff analysis, parcels separated by residential, commercial, and open spaces such as parkland are *not* considered contiguous for purposes of meeting the 250 contiguous acre threshold of the bill.

Industrial Employment Hubs in the City of Los Angeles	
Name/Location	**Size (in Acres)**
LAX	3623
Van Nuys	2383
Downtown / Southeast Los Angeles	1758
Chatsworth	1282
Pacoima	664
Atwater / Cypress Park	312

The bill also requires that these sites be designated as “employment lands areas” by the general plan and shall be primarily dedicated to industrial use. The sites within the hubs are predominantly designated by the applicable Community Plan (which serves as the City’s Land Use Element) for industrial and commercial uses. The Framework Element, which provides foundational guidance for land use across the City, defines the purpose of industrial land uses to “support economic development and jobs generation” (page 3, Industrial Districts) and as intending to “preserve industrial lands for the retention and expansion of existing and attraction of new industrial uses that provide job opportunities for the City’s residents” (page 3-32, Definition).

The Framework Element links the employment-generation purpose to industrial land use, and as such it can be found that industrial land within the City meets the criteria of employment lands areas of the bill. The Industrial Land Use Policy (ILUP) project[18] conducted by the Department also highlights the role of industrial land as an employment generating land use and the importance of retaining and encouraging industrial economic activity within existing industrial areas. In particular, the ILUP report highlights the strategic importance of downtown as a central point of connectivity for goods movement from the Ports of Long Beach and Los Angeles and

[18] https://planning.lacity.gov/code_studies/landuseproj/Industrial_Files/Attachment%20B.pdf

designates areas of downtown as Employment Protection Districts[19], where industrial zoning should be maintained. All sites within hubs were designated on or before January 1, 2025 by the applicable community plan as industrial land intended to be maintained for industrial uses and to support industrial jobs. This compliance includes industrial sites within the Downtown Community Plan which is the most recently adopted Community Plan (Council File 22-0617). The final effectuation of the zoning associated with the Community Plan was in February 2025, however the Plan's General Land Use designations were adopted via resolution by the City Council on May 3, 2023. Therefore, it can be determined that these industrial employment hubs comply with the January 1, 2025 designation date of the bill and qualify for exemption.

Sites within the hubs must also comply with the bill's criteria that these areas be primarily dedicated to industrial use as defined in GCS 65912.121(f)(3), which specifies that "dedicated to industrial use" means any of the following (1) the square footage is currently used as an industrial use, (2) the most recently permitted use of the square footage is an industrial use, and the site has been occupied within the last three years, or (3) the site was designated for industrial use in the latest version of a general plan adopted before January 1, 2022, and residential uses are not principally permitted on the site. Industrial employment hubs are predominantly occupied by existing industrial uses and are predominantly located within industrial General Plan Land Use Designations. The Framework Element specifies that these industrial land use designations are to be preserved for industrial uses which in turn support industrial jobs (page 3-32, Definition). The Framework Element "sets a citywide context to guide the update of the community [plans]" (page 1, Introduction) and "many of the Element's policies will be implemented by the revision of the community plans and the Municipal Code" (page 2, Implementation of the General Plan Framework Element), and as a result, the Community Plans echo the intent to maintain industrial land for existing and new industrial uses. Therefore, the industrial land within the hubs can be found to align with the provisions of SB 79 requiring primary dedication to industrial uses.

The final criteria of industrial employment hubs prohibits the allowance of residential uses within the hubs. General Plan Land Use Designations are assigned by the Community Plans as informed by the Framework Element and are also accompanied by corresponding zone(s) which further regulate use and development of a site. Mapping analysis was conducted based on zone and included sites located in industrial zones, specifically including the MR1 (Restricted Industrial), M1 (Limited Industrial), MR2 (Restricted Light Industrial), M2 (Light Industrial), M3 (Heavy Industrial), I1 (Industrial 1), I2 (Industrial 2), LAX zones, and select PF (Public Facilities) zoned sites with known industrial uses (approximately three known sites). Residential uses are not permitted as a primary use within any of these zones. Rather, within the MR1, M1, and MR2 zones a residential accessory use is permitted for a guard or caretaker (including the guard's or caretaker's family) of an industrial development or of a permitted use that requires a 24-hour supervision, and is located on the same lot with the development or use. Hybrid industrial zones which permit residential uses were not included in the mapping analysis in compliance with the

[19] https://planning.lacity.gov/odocument/7428f2e2-b9cb-41dd-94a3-a199fba77b97/downtown_results.pdf, https://planning.lacity.gov/odocument/5b6e7294-516e-4559-903b-e78cd98eee78/alameda_results.pdf, https://planning.lacity.gov/odocument/5549a8cb-1391-4a15-8d55-33912ef99cca/southeastla.pdf,

bill's provisions. A summary of industrial and hybrid industrial zones is provided in Table 4. below. Based on the analysis described above, there are 2,377 sites, approximately 1.95% of eligible sites, that are considered industrial employment hubs, and meet the criteria for this permanent exclusion. Exhibit 3, Map 3B visualizes the sites eligible for this permanent exclusion pursuant to GCS 65912.160(e)(2).

Table 4: Industrial and Hybrid Industrial Zones Summary

Zone Class	Notes on Permitted and Restricted Uses	Corresponding Land Uses	Permits Residential
CM (Commercial Manufacturing)	● C2 commercial uses permitted. ● Residential uses permitted.	Commercial Manufacturing, Hybrid Industrial, Limited Industrial	Yes
MR1 (Restricted Industrial)	● Zone Purpose - LAMC 12.17.5 A.1: To protect industrial land for industrial use, and prohibit unrelated commercial and other non-industrial uses. ● Zone Purpose - LAMC 12.17.5. A.3(a): To upgrade industrial development standards, to protect industrial investment against incompatible residential, commercial and industrial uses. ● Residential uses limited to "guard or caretaker unit" only as an accessory building. Residential otherwise not permitted. ● C2 commercial uses permitted as ancillary to primary industrial/manufacturing, or tech/media office use (this includes office and restaurant uses).	Limited Industrial	No
M1 (Limited Industrial)	● Residential uses limited to "guard or caretaker unit" only as an accessory building. Residential otherwise not permitted. ● Commercial uses permitted.	Limited Industrial	No
MR2 (Restricted Light Industrial)	● Zone Purpose - LAMC 12.18 A.1: To protect industrial land for industrial use, and prohibit unrelated commercial and other non-industrial uses. ● Residential uses limited to "guard or caretaker unit" only as an accessory building. Residential otherwise not permitted. ● Commercial uses permitted as ancillary to primary industrial/manufacturing use.	Light Industrial	No
M2 (Light Industrial)	● Prohibited Use - LAMC 12.19 A.1.5(b): Any building containing dwelling units or guest rooms. ● Commercial uses permitted.	Light Industrial	No

Zone Class	Notes on Permitted and Restricted Uses	Corresponding Land Uses	Permits Residential
M3 (Heavy Industrial)	● Prohibited Use - LAMC 12.20 A.1.5(b): Any building containing dwelling units or guest rooms. ● Commercial uses permitted.	Heavy Industrial	No
IX1 (Industrial-Mixed Use District)	● Use Class Intent Sec. 5B.6.1.A: To accommodate a wide variety of employment, cultural, and recreational opportunities while supporting vulnerable residents with affordable housing and social services, and facilitate the efficient management of municipal resources. ● Limited residential uses permitted. ● Commercial uses permitted.	Markets	Yes
IX2 (Industrial-Mixed Use District)	● Use Class Intent Sec. 5B.6.2.A: To accommodate light industrial uses, office space, and research & development activity. This district also allows a wide range of commercial uses as well as Joint Living & Work Quarters. ● Limited residential uses permitted. ● Commercial uses permitted.	Markets	Yes
IX3 (Industrial-Mixed Use District)	● Use Class Intent Sec. 5B.6.3.A: To promote a mix of uses that support creative production industries, accommodate a wide variety of employment, cultural and recreational opportunities, while supporting vulnerable residents with affordable housing and social services, and facilitate the efficient management of municipal resources. ● Limited residential uses permitted. ● Commercial uses permitted.	Markets, Hybrid	Yes
IX4 (Industrial-Mixed Use District)	● Use Class Intent Sec. 5B.6.4.A: Supports office and commercial uses, as well as research & development, wholesale, and light industrial uses. ● Limited residential uses permitted. ● Commercial uses permitted.	Hybrid	Yes
I1 (Industrial 1)	● Use Class Intent Sec. 5B.7.1.A: Allows heavy commercial uses, and light industrial uses as well as a limited amount of commercial activity.This District intends to support employment, goods movement, and warehousing. ● Residential uses not permitted. ● Heavy commercial[20] uses permitted.	Production	No

[20] Heavy commercial uses include motor vehicle services, fueling station, motor vehicle sales and rental, indoor storage, and outdoor storage.

Zone Class	Notes on Permitted and Restricted Uses	Corresponding Land Uses	Permits Residential
I2 (Industrial 2)	● Use Class Intent Sec. 5B.7.2.A: Allows heavy commercial uses, light industrial uses, and heavy industrial uses as well as a limited amount of commercial activity. This District is intended to support employment and accommodate the most intense industrial activities while minimizing potential disruptions to surrounding uses. ● Residential uses not permitted. ● Heavy commercial [4] uses permitted.	Production	No

Temporary Exemptions (California Government Code Section 65912.161(b)(1))

Sites may be temporarily exempt from implementing provisions in California Government Code Section 65912.157 until one year after the jurisdiction adopts the next housing element, through a local ordinance that indicates sites that meet the temporary exemption criteria pursuant to Sections 65912.161(b)(1), and indicates on its public zoning map which sites or transit-oriented development zones are and are not covered by GSC 65912.157. The criteria for temporary exemption is described below:

- Sites permitting half of density and residential floor area ratio afforded in SB 79 (GCS 65912.161(b)(1)(A)).
- Sites in TOD zones meeting capacity, density and floor area minimums (GCS 65912.161(b)(1)(B)(i)).
- Sites in an area designated as low resource on the most recently adopted version of the opportunity area maps published by the California Tax Credit Allocation Committee (TCAC), within a jurisdiction that cumulatively allows for at at least 50% of the Residential Capacity required by SB 79 (GCS 65912.161(b)(1)(B)(ii)).
- Sites in primarily low resource TOD zones permitting half of the total capacity and floor area afforded in SB 79 (GCS 65912.161(b)(1)(B)(iii)).
- Sites covered by a local transit-oriented development alternative plan (GCS 65912.161(b)(1)(C)).
- Sites within a very high fire hazard severity zone (GCS 65912.161(b)(1)(D)).
- Sites vulnerable to one-foot of sea level rise (GCS 65912.161(b)(1)(E)).
- Sites with a historic resource designated as of January 1, 2025, on a local register (GCS 65912.161(b)(1)(F)).

SB 79 permits temporary exclusion from the bill's provisions at both the individual site level and at a TOD zone level. The following section describes each temporary exemption criteria and summarizes the sites the City considers eligible for phased implementation of SB 79. Exhibit 4, Table 1A summarizes the number of sites eligible for temporary exemption at a citywide level, and Table 1B summarizes sites eligible for temporary exemption by TOD zone. Exhibit 3, Maps

3C through 3I visualize the sites and TOD zones eligible for temporary exemption. For a more detailed explanation of the analysis methodology, refer to Appendix 1.

TOD Zone Level Temporary Exemption Criteria Assumptions
Government Code Sections 65912.161(b)(1)(B)(i) and 65912.161(b)(1)(B)(ii) permit temporary exemptions for sites within the entire TOD zone if they meet criteria as a primarily low resource TOD zone or provide sufficient density. If an individual site within the TOD zone does not meet the criteria for temporary exemption described in the section above, the site may still be eligible for temporary exemption if the entire TOD zone is determined it meets the requirements of the statute for TOD zone level exemption.

TOD Zones with Half of the Density and FAR permitted by SB 79 (GCS 65912.161(b)(1)(B)(i))
Pursuant to GCS 65912.161(b)(1)(B)(i), a TOD zone may be temporarily exempt from the zoning provisions of SB 79 when 33 percent of sites permit half the density and residential floor area specified in GCS 65912.157(a) and which include sites with densities that cumulatively allow for at least 75 percent of the aggregate density for the TOD zone under SB 79 development standards. Aggregate density is calculated by the summation of the Maximum Allowable Units for the entire TOD zone. The analysis found that 74 TOD zones are eligible for temporary exemption under this criteria. Exhibit 3, Map 3D visualizes the TOD zones that meet the requirements of GCS 65912.161(b)(1)(B)(i). Exhibit 4, Table 1B shows the TOD zones eligible for this criteria.

Primarily Low Resource TOD Zones (GCS 65912.161(b)(1)(B)(ii))
The criteria in GCS 65912.161(b)(1)(B)(ii) temporarily exempts TOD zones primarily comprised of low resource areas and which includes sites with densities that cumulatively allow for at least 40% of the aggregate density permitted by GCS Section 65912.157(a). Primarily low resource TOD zones were identified by using a plurality methodology, where the land area of each TCAC designation was summed per TOD zone. When Low Resource was the highest percentage of land area in the TOD zone, then it was considered a primarily low resource TOD zone. For the purposes of the analysis, High and Highest Resource land areas were combined as a single category. Areas designated as Insufficient Data, which are areas identified on the TCAC California Department of Housing and Community Development (HCD) Opportunity Maps where data reliability is too low to accurately determine opportunity resource level, have been removed as a TCAC category and from the calculation of land area. To determine when local capacity for the TOD zone meets 40 percent of the density provided by SB 79, the sum of Local Maximum Allowable Units per TOD zone is compared to 40% of the sum of Maximum Allowable Units permitted by SB 79. When Local Maximum Allowable Units per TOD zone is greater than or equal to 40 percent of SB 79 Maximum Allowable Units, and the TOD zone is identified as primarily low resource TOD zone, all sites located within the TOD zone are eligible for temporary exemption pursuant to GCS 65912.161(b)(1)(B)(ii). The analysis found that 80 TOD zones are eligible for temporary exemption under this criteria. Exhibit 3, Map 3E visualizes the TOD zones that meet the requirements of GCS 65912.161(b)(1)(B)(ii). Appendix 1, Table 9 shows the plurality method analysis for TCAC categories by TOD zone and identifies the TOD Zones that are considered primarily Low Resource.

Individual Site Level Temporary Exemption Criteria Assumptions

Low Resource Sites (GSC 65912.161(b)(1)(B)(iii))
This temporary exemption applies when a site meets the criteria as a Low Resource site as designated by TCAC HCD Opportunity Maps. When a site is located in a Low Resource designation on the TCAC HCD Opportunity Maps, and the site permits at least 50 percent of the density and residential floor area of SB 79, the site is eligible for this temporary exemption. Based on analysis of existing zoned capacity, 75,704 sites, approximately 55.88% of eligible sites meet the criteria for this temporary exemption. Exhibit 3, Map 3F visualizes the sites eligible for this temporary exemption pursuant to GCS 65912.161(b)(1)(B)(iii). Exhibit 3, Map 3L visualizes the Low Resource sites and primarily Low Resource TOD zones eligible for temporary exemption.

Local Transit-Oriented Development Alternative Plan GSC 65912.161(b)(1)(C)
No sites eligible for SB 79 are currently relying on a local transit-oriented development alternative plan to meet the temporary exemption from SB 79 pursuant to GCS 65912.161(b)(1)(C).

Very High Fire Hazard Severity Zones GSC 65912.161(b)(1)(D)
Sites located within a Very High Fire Hazard Severity Zone, as determined by the Department of Forestry and Fire Protection are considered eligible for temporary exemption. The analysis found 12,910 sites, approximately 10.59% of sites eligible for SB 79 are located within a Very High Fire Hazard Zone and are eligible for temporary exemption. Exhibit 3, Map 3G visualizes the sites eligible for this temporary exemption pursuant to GCS 65912.161(b)(1)(D). Table 1B in Exhibit 4 shows the count of sites per TOD zone eligible for this temporary exemption.

Sites Vulnerable to One-Foot Sea Level Rise Areas GSC 65912.161(b)(1)(E)
Sites located within an area vulnerable to one-foot sea level rise, as determined by the National Oceanic and Atmospheric Administration, Ocean Protection Council, United States Geological Survey, the University of California, or a local government's coastal hazards vulnerability assessment are considered eligible for temporary exemption. The analysis found no sites are located within an area vulnerable to one-foot of sea level rise.

Sites Designated as a Local Historic Register GSC 65912.161(b)(1)(F)
Sites designated as a historic resource on a local register prior to January 1, 2025 are considered eligible for temporary exemption. For the City of LA, these are sites designated as local Historic Cultural Monuments (HCMs) and Historic Preservation Overlay Zones (HPOZs) before January 1, 2025. The analysis found 7,689 sites, approximately 6.31% of sites eligible for SB 79 are designated as an HCM or HPOZ and are eligible for temporary exemption. Exhibit 3, Map 3H visualizes the sites eligible for this temporary exemption pursuant to GCS 65912.161(b)(1)(F). Table 1B in Exhibit 4 shows the count of sites per TOD zone eligible for this temporary exemption.

Sites Meeting Half of the Density and FAR permitted by SB 79 (GCS 65912.161(b)(1)(A))
This temporary exemption applies to sites permitting the density and residential floor area of at least 50 percent of the development standards afforded by SB 79, Government Code Section 65912.157(a). This exemption would apply to any site with sufficient density and residential floor area in any TOD zone. Analysis of existing zoning, inclusive of the local density bonus program known as the Mixed Income Incentive Program (MIIP), determined 46,526 sites or 34.34% of eligible sites allow for densities and residential floor area of at least 50 percent of the zoning provisions afforded by SB 79. Exhibit 3, Map 3I visualizes the individual sites eligible for this temporary exemption pursuant to GCS 65912.161(b)(1)(A). Exhibit 3, Map 3C visualizes sites and TOD zones eligible for this temporary exemption.

Amendments to the Mixed Income Incentive Program (MIIP) through the Low-Rise Ordinance (LAMC Sections 12.22 A.38(c)(10)(i) and 12.22 A.38(g)(3)(i)(a)), include provisions for sites to utilize half the amount of units and floor area otherwise permitted by SB 79 when sites are eligible for the provisions of the bill but do not meet the temporary exemption criteria pursuant to GCS 65912.161(b), or are not otherwise exempt pursuant to GCS 65912.155 through 65912.162. Exhibit 3, Map 3K visualizes the sites eligible for at least one temporary exemption criteria without the adoption of the Low Rise Ordinance. When factoring in this provision, the analysis found 17,562 additional sites would meet this temporary exemption criteria. Exhibit 3, Map 3L visualizes the sites eligible for this temporary exemption with the MIIP provision pursuant to GCS 65912.161(b)(1)(A). When new TOD zones become eligible for SB 79, the Low-Rise Ordinance proposes to allow any site that does not meet the requirements of GCS 65912.160(e) or GCS 65912.160(b)(1) for permanent exclusion or temporary exemption is eligible for up to half the amount of units and floor area otherwise permitted in SB 79 (GCS 65912.157(a)). Exhibit 3, Map 3J visualizes sites that would be eligible for temporary exemption with the adoption of LAMC 12.22 A.38(c)(10)(i).

In summary, there are 2,718 sites that meet the requirements for permanent exclusion from SB 79. Exhibit 4, Table 1A (Citywide Summary of Sites and TOD Zones Eligible for Phased Implementation) summarizes the sites eligible for permanent exclusion at a citywide level. There are 135,474 sites and 145 TOD zones that meet the criteria for temporary exemption from SB 79. Effectively, 100% of the eligible sites and TOD zones within the City of LA are eligible for permanent or temporary exemption from the provisions of SB 79, until one year following the adoption of the seventh revision of the housing element. Exhibit 4, Table 1B (Summary of TOD Zones Eligible for Phased Implementation) summarizes the sites eligible for temporary exemption by TOD zone.

As the first step in establishing a framework for local implementation of SB 79, the adoption of the permanent and temporary exemptions through the Phased Implementation Ordinance, in tandem with revisions to MIIP through the Low-Rise Ordinance, would give the City additional time to plan for and consider local sensitive environmental areas through local transit-oriented alternative plans. Together, the SB 79 Phased Implementation and Low-Rise Ordinances implement Section 65912.161(b)(1), by demonstrating the City complies and is consistent with the criteria for temporary exclusion from the full implementation of SB 79.

D. State Housing Element Discussion (California State Government Code Section 65580 – 65589.11)

State Housing Element Law

Statutory requirements for the Housing Element and RHNA Re-zoning programs are delineated in California State Government Code Sections 65580 – 65589.11. The California Department of Housing and Community Development approved the City of Los Angeles 2021-2029 Housing Element on June 29, 2022 and the Rezoning Program on June 18, 2025. Pursuant to 65583(c)(1) and 65583.4(a), the Rezoning Program addressed the City's RHNA deficit by making sites with more than 255,433 units of capacity available and producing a Low Income Sites List where by-right development is guaranteed for projects built to a minimum density that provide at least 20% of units for lower income households. Housing Element Law also obligates the City to identify rezoning actions that affirmatively further fair housing as defined in CGS 8899.50 and to encourage the development of a variety of types of housing for all income levels (GCS 65583(c)(1)).

Low-Rise Ordinance

The Low-Rise Ordinance adds citywide capacity consistent with CGCS 65912.161(b), Housing Element Law, and the City's certified Housing Element. The ordinance does not amend the Housing Element Sites list, and expands incentives to all sites that would otherwise be ineligible for a pause in effectuation from Senate Bill 79, as well as to low density residential zones in Opportunity Station Areas. The Rezoning Program targeted 52% of rezoning efforts in Higher Opportunity Areas to meet the Housing Element Program 124 (Affirmatively Further Fair Housing) requirement that half of rezoning efforts are targeted to Higher Opportunity Areas. The Opportunity Station approach increases housing capacity in Higher Opportunity Areas, and is hereby consistent with goals and in excess of benchmarks in program 124. Additionally, the Low-Rise program incentivizes a missing middle typology which broadens the reach of income levels and family sizes that may benefit from the City's Rezoning Program incentives, consistent with the intent of State Housing Element law to create broad ranging opportunities for housing. The Low-Rise Ordinance is therefore consistent with Housing Element Law.

SB 79 Phased Implementation Ordinance

The SB 79 Phased Implementation Ordinance does not amend the Housing Elements Sites list or reduce the City's housing capacity. The purpose of the ordinance is to allow the City to begin phasing in the provisions of SB 79 through creating housing capacity consistent with its certified Housing Element. Therefore, the SB 79 Phased Implementation Ordinance is consistent with State Housing Element law.

E. State Density Bonus Law Discussion (California Government Code Sections 65915 - 65918)

The Low-Rise Ordinance amends the Citywide Housing Incentive Program (CHIP) (specifically the MIIP) a local implementation of State Density Bonus Law. State law stipulates local jurisdictions' ability to offer density bonus incentives in excess of state incentives and for projects ineligible for state incentives. California Government Code Section 65915(n) states: “If permitted by local Ordinance, nothing in this section shall be construed to prohibit a city, county, or city and county from granting a density bonus greater than what is described in this section for a development that meets the requirements of this section or from granting a proportionately lower density bonus than what is required by this section for developments that do not meet the requirements of this section.” As detailed in the State Density Bonus Discussion of The Housing Element Rezoning Program staff report, the CHIP calibrates incentives so that local programs always match or offer greater bonuses and incentives to projects meeting the requirements of California Government Code Sections 65915 - 65918. All local incentives require affordability in excess of the set asides required under State Density Bonus. The Low-Rise Ordinance further expands access to housing by permitting projects ineligible for 65915 because the site's Maximum Allowable Residential Density is less than five units, but access to incentives through the local program is provided only if the project constructs at least five units.

The CHIP would remain in compliance with GCS 65915(n) with amendments from the Low-Rise Ordinance. One amendment replaces a footnote that previously required projects meet a State Density Bonus affordability threshold with an expanded program standard that affirms the program’s requirement to meet or exceed State Density Bonus Law affordability requirements. Additionally, SB 79 has fundamentally altered the relationship between lower density zones and State Density Bonus through enabling the stacking of State Density Bonus with new transit-based development standards in single-family zones, low density zones, and sites zoned for commercial development within a half-mile of transit oriented development stops. By expanding the applicability of incentives to phase-in implementation of SB 79, the City is offering lower density sites substantial density bonus incentives that they would otherwise not be eligible for through a pause in SB 79 effectuation alone. The bonuses and set aside requirements are calibrated for low-rise development accordingly, consistent with 65915(n). Additionally, projects cannot make individualized incentive or waiver requests beyond relief built into the Low-Rise Incentive Area and must comply with performance standards that replace select zoning regulations, however they are guaranteed the building envelope offered by the program regardless of other massing and layout standards that might otherwise apply. Though the Low-Rise Incentive Area does not allow project specific incentive requests, it offers a substantial density bonus that starts at 5 units in exchange for an affordability set aside that meets the requirements of state density bonus law. For example, a single-family zoned site which permits the construction of one home would be permitted to build up to 10 units through LR-1 incentives (equates to a ~1000% density bonus) and up to 16 units on a single family zoned site designated as LR-2 (equates to ~1,600% density bonus). The project would be required to provide 1 MI unit in LR-1 and 1 VLI, 1 LI, or 2 MI units in LR-2, which equates to 100% or 200% of the site’s maximum allowable residential density. In other instances, the

proposed language in LAMC 12.22 A.38(j)(12) would ensure affordability standards in 65915 are met. Projects with a maximum allowable residential density of more than five units could elect to use LAMC 12.22 A.37 if incentive or waiver requests are desired for a project, in lieu of the incentives in LAMC 12.22 A.38. One hundred percent affordable projects as defined in State Density Bonus are also eligible for the low-rise incentives as specified in the rent schedule program standard. Therefore, the local CHIP program further supports the State Density Bonus framework by exceeding State Density Bonus in exchange for more affordable units or by offering smaller scale set incentives to sites otherwise not eligible for the state statute, pursuant to GCS 65915(n).

Summary of CEQA Findings and Justifications

Project Description (Phased Implementation Ordinance and Low-Rise Ordinance)
The Phased Implementation and Low-Rise Ordinances (the Project) together comprise the City's local implementation of Senate Bill 79 ("SB 79") (2025) or "The Abundant and Affordable Homes Near Transit Act", which was signed into law by Governor Gavin Newsom on October 10, 2025 and codified in Government Code Sections 65912.155 - 65912.162. The Phased Implementation Ordinance affirms citywide phased implementation of the bill's provisions consistent with GCS 65912.161(b), while the Low-Rise Ordinance facilitates the first phase of SB 79 implementation with the expansion of incentives targeting missing-middle building outcomes to just over a third of the City's potential TOD zones.

The SB 79 Phased Implementation Ordinance (Exhibit 1) will allow a temporary pause in the bill's effectuation citywide consistent with the sites, TOD zone, and low resource area criteria in GCS 65912.161(b); will codify exemptions from SB 79 for sites within industrial employment hubs and that are more than one-mile walking distance from a station pursuant to GCS 65912.160(e); and will establish mapping processes.

The Low-Rise Ordinance (Exhibit 2A) amends Los Angeles Municipal Code Section 12.22 A.38 and other related code sections to establish housing incentives to allow low-scale, multi-family housing development in low density zones within a half-mile area of Opportunity Stations. Opportunity Station areas consist of majority Higher and Moderate Opportunity Areas as defined by the California Tax Credit Allocation Committee and are major transit stops (as defined in Public Resources Code Section 21064.3) served by heavy rail, light rail, commuter rail, bus rapid transit, and certain bus lines that operate in bus-only lanes. In addition to renaming the existing Corridor Transition Incentive Area the Low-Rise Incentive Area to better align the program's name with the program's intended building outcomes and geographic applicability, the Ordinance will also amend program incentives to improve project feasibility through revising base incentives, affordability requirements, multi-bedroom incentives, open space requirements, lot coverage limitations, roadway widening relief, and applicable performance standards. Furthermore, the Low-Rise Ordinance will guarantee any site not eligible for phased implementation half of the density and floor area permitted under SB 79; recommends a new Fire Restriction Area definition to exclude from eligibility sites in Hillside and Very High Fire Hazard Severity Zones; makes technical edits to eligibility criteria, mapping frequency, and

program standards; and establishes new definitions. Note that amendments are subject to change based on guidance from other implementing agencies including the California Department of Housing and Community Development and the Southern California Association of Governments. The Project is inclusive of amendments recommended in Exhibit 2B to create more incentives for projects in Low-Rise Incentive Areas that provide deeper and/or more on-site affordable units should the City Council direct the Department to incorporate them into the Low-Rise Ordinance.

SB 79 Phased Implementation Ordinance Not Subject to CEQA

Pursuant to GCS 65912.160(c)(1 - 2), an ordinance to make zoning code consistent with the provisions of Government Code Sections 65912.155 - 65912.162 is determined not to be a project for the purposes of review under the California Environmental Quality Act (CEQA). The Phased Implementation Ordinance makes the City's zoning consistent with SB 79 because it phases in local implementation through meeting the technical requirements of 65912.161(b) and permanently exempts industrial employment hubs as well as sites that are more than one-mile walking distance from a station pursuant to GCS 65912.160(e). GCS 65912.161(b) allows a local jurisdiction to not apply GCS 65912.157 to areas that meet the rules specified in GCS 65912.161(b)(A-F) so long as an ordinance is adopted "in accordance with Section 65912.160". As such, the Phased Implementation Ordinance affirms compliance with GCS 65912.161(b) and meets the requirements of GCS Section 65912.160(c)(1), making the City's zoning code consistent with SB 79 through the effectuation of a phased implementation approach of the bill's provisions. For these reasons, the Phased Implementation Ordinance is not a project subject to CEQA per GCS 65912.160(c)(2) since it is proposed consistent with provisions of GCS 65912.160(c)(1) and GCS 65912.161(b)(1). Furthermore, the Phased Implementation Ordinance will not result in the expansion of any land uses or intensity of existing land uses, therefore it will not result in any impacts that necessitate further study or review.

Housing Element Statutory Exemption (Public Resources Code Section 21080.085) for Low-Rise Ordinance

On June 30, 2025, the State of California approved Senate Bill (SB 131), which amended CEQA to include a statutory exemption for rezoning that "implements the schedule of actions contained in an approved housing element" pursuant to Public Resources Code (PRC) Section 21080.085(a), except for those rezonings that allow for new oil or gas infrastructure or those that allow construction within natural and protected lands without specified mitigation measures (PRC Section 21080.085(b)). This amendment enables a statutory exemption for qualifying "rezonings", such as the amendments proposed by the Low-Rise Ordinance, if a lead agency can demonstrate that the rezoning is compliant with PRC Section 21080.085.

Compliance with Public Resources Code Section 21080.085(a) (Housing Element Programs)

Consistent with PRC Section 21080.085(a), the Low-Rise Ordinance expands the incentives of the City of Los Angeles' Housing Element Rezoning Program to sites within a half-mile of transit.

The expansion of these incentives is proposed through code amendments that codify relief from a site's underlying zoning rules, including but not limited to density, FAR, and height, in exchange for the provision of on-site affordable housing. Enabling a site to build a project type or size not previously allowed effectively results in a site level rezoning. This rezoning approach implements the schedule of actions in the City's Housing Element, specifically those in the following Programs described below:

- Program 48 (Update to Density Bonus and Other Affordable Housing Incentive Programs): The Citywide Housing Incentive Program (CHIP) Ordinance adopted in 2025 effectuated a comprehensive local density bonus program through the codification of the State Density Bonus Program (12.22 A.37), the Mixed Income Incentive Program (12.22 A.38), and the Affordable Housing Incentive Program (12.22 A.39). The Low-Rise Ordinance builds on this effort by amending the MIIP to expand program eligibility, as well as bringing forward amendments to support project feasibility for the purpose of making the MIIP an advantageous housing approval pathway for mixed income projects in Opportunity Station Areas.
- Program 55 (Implement CEQA Streamlining Measures): Consistent with Program 55, the Low-Rise Ordinance implements CEQA streamlining measures by enabling by-right development opportunities for sites newly eligible for the Low-Rise Incentive Area in Opportunity Station Areas, therefore increasing the number of projects that have the ability to seek project approval without additional CEQA review. .
- Program 57 (Improvements to Development Processing): The Low-Rise Ordinance expands the number of sites eligible for a streamlined approval process. In particular, incentives available through the Low-Rise Ordinance necessitate only a ministerial, zoning review therefore potentially reducing the amount of time needed to obtain an approved building permit.
- Program 103 (Missing Middle): The Low-Rise Ordinance advances Program 103 through introducing flexible zoning standards and incentives to support opportunities for more 'Missing Middle' housing typologies, particularly in Higher Opportunity Areas. The Low-Rise Ordinance's expansion of the Low-Rise Incentive Area to all sites within Opportunity Station Areas directly implements this goal, allowing for lower- scale, multi-unit housing in low-density, Moderate and Higher Opportunity areas of the City where this typology is not currently permitted. Further, the Low-Rise Incentive Area's affordability requirements implement the value capture approach that Program 103 planned for, ensuring increases in density are tied to covenanted affordable housing that reduce barriers and create long-term housing opportunities for low-income residents.
- Program 121 (RHNA Re-Zoning): The Low-Rise Ordinance builds on the CHIP Ordinance (a key Housing Element Rezoning Program component) by expanding the applicability of one of the key CHIP incentive tools previously known as the Corridor Transition Incentive Area (proposed to be renamed the Low-Rise Incentive Area). In particular, consistent with Program 121 and the Rezoning Program strategies (described in further detail in Chapter 4 of the 2021-2029 Housing Element), the broadened applicability of Low-Rise Incentive Area incentives brings into fruition the "TOC Expansion in Higher Opportunity Areas" Rezoning Program strategy (discussed in Chapter 4 of the 2021-2029 Housing Element) within Opportunity Station Areas and

fulfills objectives to apply flexible zoning tools to single-family and low density zones near transit in order to create opportunity for construction of missing middle typologies. Incentives are proposed to be expanded to more sites not subject to CHIP incentives or other local rezoning initiatives in Higher and Moderate Opportunity areas near transit.

- Program 124 (Affirmatively Furthering Fair Housing Program): The Low-Rise Ordinance Affirmatively Furthers Fair Housing by proposing rezoning in single-family and low-density zoned areas near transit that are predominantly Higher and Moderate Opportunity Areas, therefore advancing objectives contained in Program 124 to expand housing opportunities in areas of the city with access to key place-based opportunities including schools, jobs, transit infrastructure, and other amenities. Consistent with Program 124's framework to Affirmatively Further Fair Housing, creating housing construction opportunities in single-family zoned areas in Higher Opportunity neighborhoods advances zoning regulations locally in a way that addresses exclusionary land use practices of the past.

Compliance with Public Resources Code Section 21080.085(b) (Oil or Gas Infrastructure and Natural and Protected Lands)

Specific rezoning categories ineligible for the Housing Element statutory exemption include rezoning to allow for the construction of distribution centers or oil and gas infrastructure (PRC 21080.085(b)(1)) as well as rezoning to allow for construction to occur within the boundaries of any natural and protected lands pursuant to PRC Section 21067.5 (PRC 21080.085(b)(2)).

Distribution Centers and Oil and Gas Infrastructure

Code amendments proposed as part of the Low-Rise Ordinance do not facilitate the construction of oil or gas infrastructure. In particular, amendments proposed as part of the Low-Rise Ordinance focus on increasing opportunities for housing construction citywide near certain transit stations in urbanized higher and moderate resource neighborhoods and do not propose any amendments to the code that would facilitate or create allowances for new distribution centers or oil and gas infrastructure consistent with PRC Section 21080.085(b)(1)(A)

Natural and Protected Lands

Code amendments proposed as part of the Low-Rise Ordinance would not facilitate construction within the boundaries of any natural or protected lands as defined in PRC Section 21067.5. The expanded incentives would apply in existing urbanized areas and would not apply in areas identified as "natural and protected lands" as defined in PRC Section 21067.5 inclusive of (a) through (p).

Criteria (a) through (h) of PRC Section 21067.5 include lands designated at the state and national level as parks, wilderness, or for wildlife. Since the Low-Rise Ordinance only extends incentives to residential zones, and cannot/does not amend any of these designations, the proposed rezoning does not occur in these areas.

Criteria (i) refers to Hazardous Waste Sites defined pursuant to GCS 65962.5 and contains an exception for if one of the listed agencies determines a site is suitable for a proposed use. This

is consistent with Environmental Protection Measures (Hazardous Materials-1) that were adopted with CHIP and will be applicable to development on properties rezoned with the Low-Rise Ordinance.

At present, based on staff's evaluation of available mapping tools including Los Angeles Zoning Information and Map Access System (ZIMAS), Los Angeles Geohub, and FEMA floodway mapping, it appears no sites eligible for the Low-Rise Ordinance meet criteria (j), (k), (m), or (p) which includes land in regulatory floodways as mapped by FEMA, land under conservation easement, lands within 300 feet of a wetland, Environmentally Sensitive Habitat Area in the Coastal Zone, or prime farmland as determined by the Department of Conservation. If new TOD Zones in the Coastal Zone are added, further CEQA findings will need to occur for sites in those areas.

Criteria (l) includes land on or within 300 feet of a wetland and (n) land identified as part of a conservation plan. The Low-Rise Ordinance does not rezone any wetland but some parcels may be within 300 feet of urbanized wetland areas like Lake Balboa, the Hansen Dam, or Echo Park. SB 131 allows portions of an otherwise exempt rezoning that are on Natural and Protected Land to be cleared with another CEQA clearance. Any parcels within 300 feet of a wetland or part of a conservation plan would have been analyzed for the RHNA buildout in the Housing Element EIR (see below). City Planning is not aware of any parcels to be rezoned with the Low-Rise Ordinance in conservation plans. If some do exist, which does not seem likely, the Low-Rise Ordinance does not change zones or designations within lands identified in conservation plans, but if some parcels in urbanized areas that technically fall within the bounds of those plans are eligible for incentives those sites too would have been analyzed for the RHNA buildout of the Housing Element EIR.

Criteria (o) includes Very High Fire Hazard Severity Zones, except sites where fire hazard mitigation measures are adopted pursuant to existing State Fire Code standard or State Minimum Fire Safety regulations. Due to the fact that the City's code has incorporated these State codes and rezoning contained in the Low-Rise Ordinance would only occur on Very High Fire Hazard Severity Zone sites where these standards apply, the Low-Rise Ordinance remains consistent with the provisions contained in PRC 21080.085(b)(a)(B). Although not necessary for the exemption, it may be noted, the Low-Rise Ordinance maintains or revises eligibility criteria excluding certain sites that are in both Hillside Areas and Very High Fire Hazard Severity Zones (with more limited ingress and egress).

Conclusion

Based on the above, the project described in this report is statutorily exempt from Division 13 (commencing with Section 21000) of the PRC, any parcels excluded as in Natural or Protected Lands are cleared by the Housing Element EIR.

Housing Element Environmental Impact Report (EIR)
Impacts of the Project were analyzed under Housing Element EIR Number ENV-2020-6762 (SCH No. 2021010130) certified on November 29. 2021, and Addenda 1 and 2 (ENV-2020-6762-EIR-ADD1 and ENV-2020-6762-EIR-ADD2). Adoption of the Phased Implementation Ordinance phases in capacity created through SB 79 consistent with affirmatively furthering fair housing objectives and the overall goals of the 2021-2029 Housing Element. Adoption of the proposed Low-Rise Ordinance, which implements Program 121 (RHNA Re-zoning Program) of the 2021-2029 Housing Element and phases in compliance with the Abundant and Affordable Homes Near Transit Act pursuant to GCS 65912.161(b), will further increase residential capacity by incentivizing housing near transit consistently with goals, objectives, policies and programs in the Housing Element to facilitate construction of the 456,643 unit RHNA target for the 2021-2029 planning period (486,379 including a buffer recommended by the California Department of Housing and Community Development). The Housing Element EIR examined the build out of the RHNA and analyzed the potential effect from the construction and operation of 420,327 housing units (full RHNA build out of 456,643 units minus the 36,316 housing units that had been approved but not built). The Housing Element EIR found that the environmental impacts of several of the issue areas were significant and unavoidable, with regard to:

- Air Quality (Exceedance of Criteria Pollutants—Construction and Operations)
- Biological Resources (Special Status Species, Sensitive Habitats, Wildlife Corridors)
- Cultural Resources (Historical Resources and Archaeological Resources)
- Geology and Soils (Paleontological Resources)
- Hazards and Hazardous Materials (Hazardous Materials Near Schools and Hazardous Materials Sites)
- Noise (Construction Noise, Operation Noise, and Construction Vibration)
- Public Services (Fire Protection, Police Protection, and School Facilities)
- Recreation (Deterioration of Recreational Facilities and Construction of Recreational Facilities)
- Transportation (Freeway Queuing)
- Tribal Cultural Resources (Construction: Ground Disturbance during Construction)
- Wildfire (Impair Emergency Response Plan, Exacerbate Wildfire Risks in State Responsibility Area or VHFHSZ, Require Infrastructure that may Exacerbate Fire Risk, Expose People or Structures to Significant Risks in State Responsibility Area or VHFHSZ, and Expose People or Structures to Significant Risks Involving Wildland Fires)

The Housing Element EIR also identified the following significant impacts that were anticipated to be reduced to less than significant with identified mitigation measures:

- Air Quality: Construction-related emissions of toxic air contaminants
- Hydrology: Impeding or Redirect Flood Flows
- Transportation: Circulation Plan Consistency, Hazardous Design, Emergency Access

As discussed above, the Project is within the scope of the the Housing Element EIR which fully analyzed the environmental impacts that could occur as a result of the implementation of the

2021-2029 Housing Element, including mixed-use development ranging in size and scale, neighborhood commercial mixed-use with smaller non-residential uses, and high-rise mixed-use with larger non-residential uses. Additionally, the Housing Element EIR analyzed impacts of multi-family developments in lower density zone classes including single-family. Overall, the Housing Element EIR acknowledged that the buildout of the RHNA would occur in a manner consistent with the latest building permit activity in areas of the City zoned for multi-family and commercial development, but could still be realized in any area of the city where zoning or land use permits residential units including commercial zones, some industrial zones, and lower density residential sites, including within the coastal zone and throughout the City where conservation easements may exist. The Housing Element EIR anticipated and fully analyzed that the construction and operation of these housing units would require action to streamline approvals, including making more projects subject to by-right or administrative review and eliminating discretion in the approval of affordable housing developments. The Project described is consistent with Housing Element programs and any impact associated with the proposed changes in the Phased Implementation and Low-Rise Ordinances were analyzed as part of the Housing Element EIR's analysis of the full RHNA buildout.

Additionally, the City does not find that there is a change to the project, change to circumstances, or new information that would necessitate the preparation of a subsequent EIR (PRC Section 21166 or CEQA Guidelines Section 15162(a)) given that the Phased Implementation Ordinance is phasing in the effectuation of SB 79. The City's assessment of SB 79 led to several reports to the City Council and subsequent direction by the City Council to implement the bill through the execution of a temporary pause of the bill's provisions and amendments to local incentive programs to phase in SB 79 capacity in a manner consistent with the 2021-2029 Housing Element. Furthermore, SB 79 will be paused beyond the plan horizon of the Housing Element. For this reason, there is no change to the project, change to circumstance, or new information requiring the preparation of a subsequent EIR.

Incorporation by Reference

The following documents associated with the Housing Element EIR were used in preparation of these findings, and incorporated herein by reference, consistent with Section 15150 of the CEQA Guidelines. The Housing Element EIR is available for review at the City of Los Angeles, Department of City Planning Records Management, 221 N. Figueroa Street, Room 1450 Los Angeles, and online at the following weblinks:

- Final EIR: https://planning.lacity.gov/EIR/HEU_2021-2029_SEU/feir/files/Final%20EIR%20-%20October%202021.pdf
- EIR Administrative Record: Los Angeles City Council File 21-1230 - https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=21-1230
- Addendum 1 to the EIR: https://planning.lacity.gov/odocument/23bb4628-cd19-4859-9484-48284bbdcd96/Exhibit

_C_-_Addendum_to_Environmental_Impact_Report_(ENV-2020-6762-EIR,_SCH_No._2021010130).pdf

- Addendum 2 to the EIR: https://cityclerk.lacity.org/onlinedocs/2021/21-1230-S6_misc_6_11-13-24.pdf

COMMUNICATIONS NOTICE

These ordinances has been prepared in response to a motion adopted by the City Council on March 24, 2026 (CF-25-1083), instructing the Los Angeles Department of City Planning, to prepare recommendations related to Approach C: Phased Implementation and Expanded Capacity, Option 1: CT Expansion. The draft ordinances were released for public review on April 17, 2026, ahead of the scheduled CPC meeting. In accordance with the Los Angeles Municipal Code (LAMC) Section 13B.1.3 and Charter Section 558, the official public hearing notice was published in the Daily Journal on April 17, 2026, satisfying the 24-day hearing notice requirement. The SB 79 Phased Implementation Ordinance is not proposed to be codified in the LAMC as it is drafted in response to provisions and requirements described in California Government Code Sections 65912.155 through 65912.162. As such this Ordinance has been assigned the case suffix of Miscellaneous (MSC), which is reserved for policies, guidelines and resolutions. Article 13 of Chapter 1A of the LAMC does not speak to required procedures or noticing requirements for MSC cases. As a result, the 24-day hearing notice requirement was followed, consistent with the most restrictive public hearing notice procedures pursuant to Section 13B1.3 of Chapter 1A of the LAMC. Furthermore, the Planning Department disseminated the notice via the Department’s website and email to relevant stakeholders. The required public hearing will be held at the City Planning Commission (CPC) meeting on May 14, 2026, in lieu of a staff level public hearing prior to consideration of the item by the CPC. The Department received approximately 30 email comments and inquiries regarding the City’s implementation of SB 79. While many inquiries focused on site specific eligibility, a majority of comments received were from housing advocacy organizations, such as Abundant Housing and ACT-LA, in support of Option 3 from the February 18, 2026 report (Appendix 6). This option encompassed the CT program's expansion from Option 1 as well as expanding TOIA incentives for single family and low-density sites in all Opportunity Stations.

EXHIBITS

Exhibit 1 Phased Implementation Ordinance - CPC-2026-1798-MSC

Exhibit 2A Low-Rise Ordinance - CPC-2026-1797-CA

Exhibit 2B Recommendations for Deeper and More Affordability Pursuant to Amending Motion 4C (Council File 25-1083) - CPC-2026-1797-CA

Exhibit 3 SB 79 Map Inventory - CPC-2026-1797-CA, CPC-2026-1798-MSC

- **Rezoning (Opportunity Stations) Maps**
- **TOD Zone Maps**
- **Phased Implementation Maps (or List of Sites the city is claiming for delay)**
- **Industrial Employment Hub Map**
- **Fire Restriction Area Maps**

Exhibit 4 Phased Implementation Model Results - CPC-2026-1798-MSC

- **Phased Implementation Summary Tables**
    - Citywide Phased Implementation Model Results
    - Station Phased Implementation Model Results
    - Site Phased Implementation Model Results
- **Industrial Employment Hub Model Results (Citywide and Individual)**
- **Sites More than One Mile Walking Distance**

APPENDICES

Appendix 1: SB 79 Phased Implementation Model Methodology - CPC-2026-1798-MSC

Appendix 2: SB 79 StoryMap - CPC-2026-1797-CA, CPC-2026-1798-MSC

Appendix 3: Impacts of Senate Bill (SB) 79 on Industrial Areas of Los Angeles - CPC-2026-1797-CA, CPC-2026-1798-MSC

Appendix 4: Revised Economic and Feasibility Analysis for Citywide Housing Incentive Program (CHIP): DBO, TOIA, OC, and CT Strategies - CPC-2026-1797-CA

Appendix 5: Report 1: Report and Recommendations Relative to the Impacts of Senate Bill (SB) 79 (CF-25-1083) - CPC-2026-1797-CA, CPC-2026-1798-MSC

Appendix 6: Report 2: Report and Recommendations Relative to the Impacts and Local Implementation of Senate Bill (SB) 79 (CF-25-1083) - CPC-2026-1797-CA, CPC-2026-1798-MSC

Appendix 7: Ordinance Fact Sheets - CPC-2026-1797-CA, CPC-2026-1798-MSC

EXHIBIT 1:
Phased Implementation Ordinance

CPC-2026-1798-MSC

For consideration by City Planning Commission

May 14, 2026

ORDINANCE NO. _____

An ordinance to phase the implementation of "The Abundant and Affordable Homes Near Transit Act," which was signed into law by Governor Gavin Newsom as Senate Bill 79 (2025) on October 10, 2025 ("SB 79"), pursuant to Government Code Sections 65912.155 - 65912.162.

WHEREAS, the California legislature declared in part that (a) the State faces a housing shortage both acute and chronic, particularly in areas with access to robust public transit infrastructure. (b) Creating ownership opportunities can be an effective long-term strategy for building wealth and can create a path to financial security. (c) Building more homes near transit access reduces housing and transportation costs for California families, and promotes environmental sustainability, economic growth, and reduced traffic congestion;

WHEREAS, SB 79 was signed into law as a matter of statewide concern to mitigate the housing crisis with incentives superseding local zoning and General Plan land use regulations by increasing the supply of affordable and market rate housing within one-half mile of certain specified Transit-oriented development stops creating Transit-oriented development zones ("TOD Zones");

WHEREAS, SB 79 is chaptered in California Government Code Sections 65912.155 through 65912.162 inclusive, and contains provisions for temporary exemption from the bill's otherwise effective date of July 1, 2026, to one year following the adoption of the seventh revision of a local jurisdiction's Housing Element of the General Plan;

WHEREAS, California Government Code Sections 65912.160(e) and 65912.161(b)(1) specify that exemptions must be adopted by ordinance if enacted, where sites and TOD Zones meet specified criteria in those sections;

WHEREAS, the City's sixth cycle 2021-2029 Housing Element ("Housing Element") was initially adopted on November 24, 2021 and later amended on June 14, 2022;

WHEREAS, the City's Housing Element Rezoning Program ("Rezoning Program"), encompassing the Hollywood Community Plan, and the Downtown Community Plan, the Citywide Housing Incentive Program Ordinance ("CHIP"), Housing Element Sites and Minimum Density Ordinance ("HESMDO"), and Resident Protections Ordinances ("RPO") were all adopted and effective as of February 11, 2025;

WHEREAS, the Rezoning Program responded to the City's Regional Housing Needs Allocation shortfall of 255,432 housing units, including a shortfall of 130,553 lower-income units, by creating capacity for more than 563,594 total units, including 195,877 lower income units;

WHEREAS, the City's Housing Element and Rezoning Program are built on public feedback from thousands of Angelenos, incorporate locally calibrated value capture tools, provide an

abundance of incentive schemes for various housing typologies, and affirmatively further fair housing as defined in California Government Code Section 8899.50 by facilitating new housing near strong infrastructure in Higher Opportunity Areas as defined by the California Tax Credit Allocation Committee;

WHEREAS, the CHIP program builds upon transit based housing programs, including, without limitation, the Transit Oriented Communities ("TOC") program and Executive Directive 1, reflecting the City's ongoing commitments to significantly expand opportunities for building more housing near high quality transit hubs and corridors in Higher Opportunity Areas;

WHEREAS, the California Department of Housing and Community Development ("HCD") certified the City's Housing Element and Rezoning Program on June 29, 2022, and June 18, 2025, respectively;

WHEREAS, on March 24, 2026, the City Council (Council File No. 25-1083) voted in favor of a phased implementation approach to SB 79 for all eligible sites identified in Government Code Section 65912.161(b)(1), with an accompanying ordinance to amend LAMC Section 12.22 A.38, consistent with goals, value capture strategies, and priorities from the City's existing Housing Element and Rezoning Program;

WHEREAS, phased implementation is intended to, among other things, ensure that the City's local implementation of SB 79 does not conflict with local land use initiatives and environmental concerns;

WHEREAS, in the absence of adopting this ordinance phasing the implementation of SB 79, California law requires, effective July 1, 2026, the approval of high-density multi-family development on sites: (1) within low resources areas; (2) covered by local transit-oriented development alternative plans; (3) within very high fire severity zones; (4) vulnerable to one foot sea level rise; (5) with designated historic resources; (6) that permit density and residential floor area ratios at no less than 50 percent of SB 79's provisions; and (7) in a transit-oriented development zone in which at least 33 percent of sites have permitted density and residential floor area ratio no less than 50 percent and which includes sites with densities that cumulatively allow for at least 75 percent of the aggregate density for the transit-oriented development zone of SB 79's provisions;

WHEREAS, the city council has broad powers in enacting ordinances to maintain the public health within its jurisdiction. (*Crown Motors v. City of Redding* (1991) 232 Cal.App.3d 173.);

WHEREAS, this ordinance is required to protect public peace, health and safety by, including, without limitation, implementing the permanent and temporary exemptions provided by California law to protect sensitive sites;

WHEREAS, the City conducted an in-depth assessment, consisting of, mapping and modeling analyses, to evaluate sites within the City that are eligible for permanent and temporary

exemption. Based on this information, the City released a draft map based on its initial bill analysis of potentially-eligible TOD Zones, identifying all of the City as eligible for permanent and temporary exemption;

WHEREAS, the City's mapping efforts are subject to change given that SB 79, pursuant to Government Code Section 65912.160(f), authorizes the Southern California Association of Governments ("SCAG"), as the region's metropolitan planning organization, to create maps of designated TOD stops and zones and update them as new stops become eligible;

WHEREAS, pursuant to California Government Code Section 65912.160(e), a local agency may declare that parcels in transit-oriented zones are permanently exempt from SB 79's zoning provisions, if the local agency makes findings, supported by substantial evidence, that: (1) there exists no walking path of less than one mile between that parcel and the transit-oriented development stop; or (2) the parcel is part of an industrial employment hub, as defined in Government Code Section 65912.160(e)(2);

WHEREAS, pursuant to Government Code Section 65912.161(b)(1), a local agency may declare that parcels in transit-oriented zones are temporarily exempt from SB 79 zoning provisions. The exemption expires one year after adoption of the jurisdiction's seventh housing element revisions.

WHEREAS, the City has and will continue to comply with the SB 79's purpose and intent, including, without limitation, building more homes near transit access, promoting environmental sustainability, economic growth, reducing traffic congestion, and Affirmatively Furthering Fair Housing; and

WHEREAS, California law and Section 253 of the City's Charter authorizes the City Council to adopt an urgency ordinance that takes effect immediately upon its publication when necessary for the immediate preservation of public peace, health or safety, and is adopted by a minimum three-fourths vote of the Council.

NOW THEREFORE,

THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:

Section 1. Pursuant to California law Code Section 65912.160(e), the City Council adopts this ordinance exempting certain parcels from California Transit-Oriented Development law, including, without limitation Government Code section 65912.157, on eligible sites meeting the criteria for permanent exempt status as referenced below:

- Sites for which there exists no walking path of less than one mile from that location to the transit-oriented development stop (Section 65912.160(e)(1)),
- Sites designated as industrial employment hubs in cities with at least 15 transit-oriented development stops. An industrial employment hub shall be a contiguous area of at least

250 acres designated in the jurisdiction's general plan on or before January 1, 2025, as an employment lands area; the parcels within it shall be primarily dedicated to industrial use as defined in paragraph (3) or subdivision (f) of Section 65912.121 and housing shall not be a permitted use on any of the sites so excluded (Section 65912.160(e)(2)).

Section 2. Pursuant to California law Code Sections 65912.161(b), the City Council adopts this ordinance temporarily exempting certain parcels from California Transit-Oriented Development law, prior to one year following the adoption of the seventh revision of the housing element, including, without limitation Government Code Section 65912.157, on eligible sites meeting the criteria for temporary exempt status as referenced below.

- A site that has been identified by the local jurisdiction which permits density and residential floor area ratio at no less than 50 percent of the standards specified in under subdivision (a) of Section 65912.157; (Section 65912.161(b)(1)(A)),
- A site in a transit-oriented development zone in which at least 33 percent of sites in the relevant transit-oriented development zone have permitted density and residential floor area ratio no less than 50 percent of the standards specified under subdivision (a) of Section 65912.157 and which includes sites with densities that cumulatively allow for at least 75 percent of the aggregate density for the transit-oriented development zone specified under subdivision (a) of Section 65912.157; (Section 65912.161(b)(1)(B)(i)),
- A site in a transit-oriented development zone around a transit-oriented development stop that is primarily comprised of a low-resource area which includes sites with densities that cumulatively allow for at least 40 percent of the aggregate density for the transit-oriented development zone specified under subdivision (a) of Section 65912.157; (Section 65912.161(b)(1)(B)(ii)),
- A site in an area designated as low resource on the most recently adopted version of the opportunity area maps published by the California Tax Credit Allocation Committee and the department, and within a jurisdiction that cumulatively allows for at least 50 percent of the total capacity for units and floor area as specified under Section 65912.157 across all transit-oriented development zones; (Section 65912.161(b)(1)(B)(iii)),
- A site that is covered by a local transit-oriented development alternative plan adopted by a local government; (Section 65912.161(b)(1)(C)),
- Sites within a very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Section 51178, or within the state responsibility area, as defined in Section 4102 of the Public Resources Code; (Section 65912.161(b)(1)(D))
- Sites that are vulnerable to one foot of sea level rise, as determined by the National Oceanic and Atmospheric Administration, the Ocean Protection Council, the United States Geological Survey, the University of California, or a local government's coastal hazards vulnerability assessment; (Section 65912.161(b)(1)(E)), and
- Sites with a historic resource designated as of January 1, 2025, on a local register; (Section 65912.161(b)(1)(F)).

Section 3. By enacting this ordinance, the City Council grants the Director of Planning with the power and duty, consistent with City Charter section 553, to issue and update maps with eligible transit-oriented development sites meeting the criteria for permanent or temporary exempt status pursuant to Government Code Sections 65912.160(e)(1-2), 65912.161(b)(1)(A) - 65912.161(b)(1)(F), and 65912.161(b)(2), to ensure consistency with the most current transit-oriented development zones map published by SCAG. Pursuant to the City's local housing incentive programs, including, without limitation, LAMC Section 12.22 A.38, all parcels within the City's jurisdiction are subject to temporarily exempt status under Government Code section 65912.161(b). Unless otherwise provided, the City's subsequent adoption of a transit oriented development alternative plan for either a TOD Zone(s) or TOD stop(s) will not impact this ordinance.

Section 4. Pursuant to California Government Code Section 65912.160(c)(2), the Department of City Planning determined that this ordinance is not a project for purposes of the California Environmental Quality Act (California Public Resources Code Sections 21000 et. seq.).

Section 5. The City Council directs the Director of City Planning, or designee, to: (1) indicate on its public facing zoning map (ZIMAS) which sites or transit-oriented development zones are and are not covered SB 79's zoning provisions; and (2) transmit a final copy of this ordinance to HCD no later than 60 days after enactment.

Section 6. **URGENCY CLAUSE**. The City Council finds and declares that this ordinance is required for the immediate preservation of the public peace, health or safety for the reasons set forth herein. This ordinance is required to take effect immediately upon publication to preserve the quality of life within the City. SB 79 applies unilaterally on all eligible transit stations regardless of whether they are in healthy or hazardous places, including very high fire hazard severity zones and industrial sites; or are in areas with displacement pressures, vulnerable communities, and past zoning injustice. That said, the City's 2021-2029 certified Housing Element commits the City of Los Angeles to plan for housing in a way that addresses past patterns of discrimination and exclusion and strives for greater affordability, equity, and sustainability citywide through prioritizing growth in areas shown to have positive life and health outcomes by encouraging infill development in high opportunity areas near access to jobs, transit, amenities, and neighborhood services. Adoption of this ordinance to phase implementation of SB 79 effectuation would provide more time to evaluate alternative plan options and consider approaches to address health and safety and displacement pressures.

Section 7. **SEVERABILITY**. If any provision of this ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this ordinance, which can be implemented without the invalid provisions and, to this end, the provisions of this ordinance are declared to be severable. The City Council hereby declares that it would have adopted each and every provision and portion thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

EXHIBIT 2A:
Low-Rise Ordinance

CPC-2026-1797-CA

For consideration by City Planning Commission

May 14, 2026

ORDINANCE NO. _____

WHEREAS, Senate Bill 79 ("SB 79"), "The Abundant and Affordable Homes Near Transit Act," was signed into law as a matter of statewide concern to mitigate the housing crisis with incentives superseding local zoning and land use regulations by increasing the capacity for housing within one-half mile of certain specified transit-oriented development stops referred to as transit-oriented development zones ("TOD Zones");

WHEREAS, the City's certified Housing Element and Rezoning Program are built on public feedback from thousands of Angelenos, incorporate locally calibrated value capture tools, provide an abundance of incentive schemes for various housing typologies, and affirmatively further fair housing as defined in California Government Code Section 8899.50 by facilitating new housing near strong infrastructure in Higher Opportunity Areas as defined by the California Tax Credit Allocation Committee;

WHEREAS, a phased implementation approach to SB 79 is intended to, among other things, ensure that the City's local implementation of state law does not conflict with local land use priorities, initiatives, and environmental concerns;

WHEREAS, in the absence of adopting the Low-Rise Ordinance that provides housing incentives to the sites otherwise ineligible for exemption or a pause in effectuation pursuant to Government Code Section 65912.161(b) as effectuated by Phased Implementation Ordinance, those sites alone would be eligible for the incentives provided in California Government Code Section 65192.157, thereby undermining the City's local housing strategy;

WHEREAS, the Low-Rise Ordinance offers incentives beyond what is required by California Government Code Section 65912.161(b) to expand housing opportunity beyond the requirements of state law and to phase in the capacity that will be required by "The Abundant and Affordable Homes Near Transit Act";

WHEREAS, the Low-Rise Ordinance's proposed expansion of low rise incentives in Opportunity Station Areas through the the Mixed Income Incentive Program (MIIP) is consisted with the 2021-2029 Housing Element, goals, objectives, policies, and programs – most significantly Programs 103 (Missing Middle), 121 (RHNA Re-zoning), and 124 (Affirmatively Furthering Fair Housing);

WHEREAS, proposed amendments to the MIIP will further facilitate the construction of a variety of housing typologies for various income levels; allow flexibility to streamline the production of housing; and ensure development remains in areas outside of fire prone hillsides with adequate ingress and egress;

WHEREAS, this ordinance, as required by City Charter Section 558, protects the public peace, health and safety by increasing capacity and building on the success of the Rezoning Program, one of the most significant housing initiatives in national history that has already increased the City's housing capacity over half a million units, by continuing to address the housing crisis in a way that affirmatively furthers fair housing and advances sustainability objectives through the extension of Low-Rise incentives targeting missing middle typologies to low density and single family sites in TOD Zones that are majority Higher and Moderate Opportunity Areas ("Opportunity Stations");

WHEREAS, by expanding opportunity this ordinance also protects sensitive sites as permitted in Government Code section 65192.161(b) in conjunction with the Phased Implementation Ordinance, such as Low Opportunity Areas vulnerable to displacement that have suffered historic zoning injustice, Very High Fire Hazard Severity Zones in Hillside Areas, and industrial zones that provide jobs to Angelenos and pose severe health risks when developed into residential uses without proper remediation;

WHEREAS, California law and Section 253 of the City's Charter authorizes the City Council to adopt an urgency ordinance that takes effect immediately upon its publication when necessary for the immediate preservation of public peace, health or safety, and when such ordinance is adopted by a minimum three-fourths vote of the Council.

NOW THEREFORE,

THE PEOPLE OF THE CITY OF LOS ANGELES

DO ORDAIN AS FOLLOWS:

An ordinance amending Section 12.22 of Article 2 of Chapter I of the Los Angeles Municipal Code in order to codify changes to the Mixed Income Incentive Program and expand applicability of local incentives under this program to more parcels located near transit.

THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:

Section 1. The following term replaces all references to "Opportunity Corridor Transition Area Incentive" and "Opportunity Corridor Transition Incentive Area" with the following language throughout Section 12.22 A.38 of the Los Angeles Municipal Code (LAMC):

Low-Rise Incentive Area

Section 2. Paragraph (a) of Subdivision 38 of Subsection A of Section 12.22 of Article 2, Chapter I of the LAMC is amended to read as follows:

(a) **Purpose.** The purpose of this subdivision is to establish specific Incentives and procedures for the implementation of State Density Bonus requirements, as set forth in California Government Code Sections 65915 through ~~–~~65918, and to increase the production of affordable housing near transit, in Higher Opportunity Areas ~~as defined in Section 12.03 of this Code~~, and on major corridors, and to ensure consistency with the Abundant and Affordable Homes Near Transit Act (Senate Bill 79)(California Government Code Sections 65912.155, et. seq. as may be amended). In conjunction with the Incentives granted by state law, this subdivision shall offer Incentives through the paragraphs of this subdivision, and Waivers as defined in Section 12.22 A.37. of this Code, for the purposes of increasing the feasibility of housing construction.

Section 3. Paragraph (b) of Subdivision 38 of Subsection A of Section 12.22 of Article 2, Chapter I of the LAMC is amended to add or modify the following definitions in alphabetical order to read as follows:

Fire Restriction Area. Any area of land, in whole or part, that is located in both the Very High Fire Hazard Severity Zone (as defined in LAMC Section 12.03) and a Hillside Area (as defined in 12.03).

Low-Rise~~Opportunity Corridor Transition Area~~ Incentive Area Project. A project on a site located in whole or in part within a Low-Rise Incentive Area~~750 feet of an Opportunity Corridor Incentive Area,~~ that involves the construction of, addition to, or remodeling of any building or buildings that~~which~~ result in the creation of five~~four~~ or more residential units.

Opportunity Station Area. A one-half mile radius surrounding a Tier 1 transit oriented development stop (Tier 1 TOD Stop) or Tier 2 transit oriented development stop (Tier 2 TOD Stop), as defined in Government Code Section 65912.156, with a land area that is more than 50% designated as Moderate or Higher Opportunity Area in the City TCAC Opportunity Areas map.

Tier 1 Transit-Oriented Development Stop (Tier 1 TOD Stop). A Tier 1 transit-oriented development stop, as defined in California Government Code Sections 65912.156(n) and 65912.156(p), as may be amended from time to time, and as further identified as eligible for Senate Bill 79 (2025) implementation by the Southern California Association of Governments, consistent with California

Government Code Section 65912.160(f). Where a Tier 1 TOD Stop intersects or is co-located with a Tier 2 TOD Stop, the stop shall be considered a Tier 1 TOD Stop.

Tier 2 Transit-Oriented Development Stop (Tier 2 TOD Stop). A Tier 2 transit-oriented development stop as defined in California Government Code Sections 65912.156(o) and 65912.156(p), as may be amended from time to time, and as further identified as eligible for Senate Bill 79 (2025) implementation by the Southern California Association of Governments, consistent with California Government Code Section 65912.160(f).

Section 4. Table 12.22 A.38(c)(1)(i) of Subdivision 38 of Subsection A of Section 12.22 of Article 2, Chapter I of the LAMC is amended to read as follows:

Table 12.22 A.38.(c)(1)(i)
Eligible Project Types and Total Units Required

Project Type	Minimum Total Units Required
Transit Oriented Incentive Area Project	Five or more
Opportunity Corridor Incentive Area Project	Five or more
Opportunity Corridor Transition Area Incentive Project	Five~~Four~~ or more
Type I Unified Adaptive Reuse Project [1]	Five or more

Footnote

1 See Section 12.22 A.26.(h)(1) of this Code for additional requirements associated with a Type I Unified Adaptive Reuse Project.

Section 5. Table 12.22 A.38(c)(3)(v) of of Subdivision 38 of Subsection A of Section 12.22 of Article 2, Chapter I of the LAMC is amended to read as follows:

Table 12.22 A.38.(c)(3)(v)
Low-Rise~~Opportunity Corridor Transition~~ Incentive Area Restricted Affordable Unit Requirements

Incentive Program	Minimum Number of Total Units Provided as Restricted Affordable Units [1, 2]		
Low-Rise~~Opportunity Corridor Transition~~ Incentive Area	Income Level		
	Very Low Income ~~(For Rental or For Sale)~~	Lower Income ~~(For Rental or For Sale)~~	Moderate Income ~~(For Rental or For Sale)~~

LR~~CT~~-1~~A~~	-	-	1 unit
LR~~CT-1B, and CT~~-2	1 unit	1 unit	2 units
~~CT-3~~	~~2 units~~	~~2 units~~	~~3 units~~

1. If a project using LR-1 or LR-2 incentives consolidates lots~~, For consolidated lots,~~ the project shall provide the same affordability as required per individual lot only if the project seeks the additional density granted per 12.22 A.38(g)(3)(vi) of this Code. ~~For example, if a project consolidated two lots into one project using CT-2 incentives, the project would be required to provide either 2 Very Low Income or Lower Income units, or 4 Moderate Income units.~~

~~2. Provided at least one affordability income category is consistent with the minimum affordability requirements pursuant to California Government Code Sections 65915.~~

Section 6. Subparagraphs (4) through (8) of Paragraph (c) of Subdivision 38 of Subsection A of Section 12.22 of Article 2 of Chapter I of the LAMC are amended and Subparagraphs (9) and (10) of Paragraph (c) of Subdivision 38 of Subsection A of Section 12.22 of Article 2 of Chapter I of the LAMC are added to read as follows:

(4) The project site does not include any lots located in~~: a single family or more restrictive zone (RW and more restrictive zone);~~ a manufacturing zone that does not allow multiple family residential uses (M1, M2,~~ and~~ M3, MR1, or MR2 Zone); or the CM~~, MR1, and MR2~~ zone~~s~~ where no residential uses are permitted from an applicable planning overlay, "Q" condition or "D" limitation.

(5) The project site does not include any lots located in a single family or more restrictive zone (RW1 and more restrictive), unless the project is a Low Rise Incentive Area Project within an Opportunity Station Area.

(6~~5~~) The project site does not include any lots located within a Fire Restriction Area~~Very High Fire Hazard Severity Zone (VHFHSZ)~~, the Coastal Zone, or a Sea Level Rise Area. Except that a project site that is located within a Fire Restriction Area~~VHFHSZ~~ or the Coastal Zone shall be eligible for Transit Oriented Incentive Area Incentives as defined in Paragraph (e) of this subdivision, Opportunity Corridor Incentives as defined in Paragraph (f) of this subdivision, or Low-Rise Incentive Area Incentives as defined in Paragraph (g) of this subdivision if properties that are abutting, are across the street or alley, or have a common corner with the subject property, are not in a Fire Restriction Area~~VHFHSZ~~ or Coastal Zone, and are eligible for Transit Oriented Incentive Area Incentives as defined in Paragraph (e) of this subdivision, the Opportunity Corridor Incentives as described in Paragraph (f) of this subdivision, or Low-Rise Incentive Area Incentives as defined in Paragraph (g) of this subdivision~~below~~.

(76) The project would not require the demolition of any of the following, as demolition is defined in Section 13B.8.1.C of Chapter 1A of this Code.

(i) A Designated Historic Resource; or

(ii) Any Surveyed Historic Resource, eligible or architectural historic resource identified for any historic protection or special consideration or review by an applicable overlay or Specific Plan including sites located in: the South Los Angeles Community Plan Implementation Overlay (CPIO) Section 1-6.C.5.b; the Southeast Los Angeles CPIO Section 1-6.C.5.b; the West Adams CPIO Ch.1, Section 6.C.5.b; the San Pedro CPIO Ch.1, Section 7.C.5.b; Westwood Village Specific Plan; Echo Park Community Design Overlay (CDO) District; or the North University Park Specific Plan.

(87) A project involving a Designated Historic Resource shall be consistent with the Secretary of the Interior's Standards for Rehabilitation as supported by an expert study that has been accepted by the Office of Historic Resources, or demonstrated by the project plans and accepted by the Office of Historic Resources, if consistent with the applicable adopted Implementation Memorandum, Guidelines or Technical Bulletins of the Director of City Planning.

(9 ~~8~~) A project shall not be located in the Boyle Heights Community Plan, the Harbor Gateway Community Plan, the Wilmington-Harbor City Community Plan, ~~the Downtown Community Plan (previously Central City North Community Plan and the Central City Community Plan Areas)~~ and the Cornfield Arroyo Seco Specific Plan.

(10) **Exceptions.**

(i) Notwithstanding the eligibility criteria listed in Subparagraphs (4) through (6), and Subparagraph (9) of this Paragraph, a site that meets the eligibility requirements of Government Code Section 65912.157 and does not meet any of the site or station level criteria specified in Government Code Section 65912.161(b), or is not otherwise exempt from Sections 65912.155 through 65912.162 pursuant to Ordinance No. [*placeholder for Ordinance Number associated with Phased Implementation Ordinance*], are eligible for the Low-Rise Incentive Area Program.

Section 7. Paragraph (g) of Subdivision 38 of Subsection A of Section 12.22 of Article 2 of Chapter I of the LAMC is amended to read as follows:

(g) **Low-Rise~~Opportunity Corridor Transition~~ Incentive Area.**

(1) **Eligibility.** A project may seek Base Incentives by satisfying the eligibility criteria for this project type in Paragraph (c), and the below criteria for Low-Rise~~Opportunity Corridor Transition~~ Incentive Area subareas, described in Table 12.22 A.38.(g)(1)(i), below.

Table 12.22 A.38.(g)(1)(i)
Low-Rise ~~Opportunity Corridor Transition~~ Incentive Area Subareas

Eligibility Subarea Based on Distance			**Eligible Underlying Project Zones**	**Geographic Criteria**
Transportation Qualifier[1]	**LR-1**	**LR-2**		
Opportunity Corridor Transition	250 - 750 feet	< 250 feet	RD and R2	Higher Opportunity Areas
Tier 2 TOD Stop	1/4 mile - 1/2 mile	< 1/4 mile	Residential Zones[1]	Opportunity Station Areas
Tier 1 TOD Stop	-	< 1/2 mile		

1. Sites in whole or in part within the Transportation Qualifier are part of the eligibility subarea indicated.

~~**Eligibility Subarea**~~	~~**Site Requirements**~~	~~**Eligible Underlying Project Site Zones**~~	~~**Geographic Criteria**~~
~~CT-1~~	~~Lots in whole or in part within 750 feet of the rear property line of a lot located within an Opportunity Corridor Incentive Area.~~	~~RD zones and R2 zones~~	~~Higher Opportunity Areas~~

~~CT-2~~	~~Lots in whole or in part within 500 feet of the rear property line of a lot located within an Opportunity Corridor Incentive Area.~~		
~~CT-3~~	~~Lots in whole or in part within 250 feet of the rear property line of a lot located within an Opportunity Corridor Incentive Area.~~		

(ii) **Property Line Measurement.** A site within an Opportunity Corridor Transition eligibility subarea ~~Incentive Area subareas are~~ is defined by measuring the distance from the R~~r~~ear Lot~~property~~ L~~l~~ine of the lot~~s~~ located within an Opportunity Corridor Incentive Area. Where a lot is a Reverse Corner Lot ~~in an Opportunity Corridor Incentive Area~~, distance shall be measured from the lot's property line parallel to the Opportunity Corridor. In the case that lots ~~within the Opportunity Corridor Incentive Area~~ are abutting or are consolidated, the buffer measurement will not be adjusted to accommodate the new R~~r~~ear Lot~~property~~ L~~l~~ine of the consolidated site.

(iii) **Exceptions.**

a. A site with a Designated Historic Resource, or Non-Contributor is~~shall~~ not ~~be~~ eligible for LR-2~~CT-3~~ Incentives, and is limited to LR-1 ~~but is eligible for~~ ~~CT-2~~ Incentives~~.~~; furthermore, in Tier 1 or Tier 2 TOD Stop eligibility subareas, a parcel located within a Historic Preservation Overlay Zone, as prescribed in Division 13B.8. of Chapter 1A of this Code, or designated as a Historic Cultural Monument, in accordance with Section 22.171 of Article 1, Chapter y, Division 22 of the Los Angeles Administrative Code, shall not be eligible for incentives in this Paragraph, unless it is also located within an Opportunity Corridor Transition eligibility subarea. ~~if the lot meets all other criteria.~~

b. A Project that meets the eligibility requirements of Government Code Section 65912.157 on a site that does not meet any of the site or station level criteria specified in Government Code Section 65912.161(b)(1), or is not exempted from Government Code Sections 65912.155 to 65912.162 pursuant to Ordinance No [*placeholder for Ordinance Number associated with Phased Implementation Ordinance*], is eligible for the base incentives in Table 12.22 A.38.(g)(1)(i) regardless of a site's underlying zoning or Opportunity Station Area status.

(2) A Low-Rise~~project utilizing the Opportunity Corridor Transition~~ Incentive Area Project~~Base Incentives as defined in Paragraph (g)(3)(i)~~ is not eligible to request a Waiver, Additional Incentives described in Paragraph (h), Public Benefit Options described in Paragraph (i), nor ~~An Opportunity Corridor Transition Incentive Area Project is also not eligible~~ to combine requests for Incentives on or off any other Incentive menu. However, a project may request to use the Base Incentives from a lower eligibility subarea.

(3) **Base Incentives.** A project shall be granted Base Incentives established in this paragraph as defined in Table 12.22 A.38.(g)(3)(i) below, in exchange for the required minimum number of Restricted Affordable Units established in Paragraph (c)(3) of this subdivision for the Low-Rise~~Opportunity Corridor Transition~~ Incentive Area. The Base Incentives in Table 12.22 A.38.(g)(3)(i) are expressed as project site maximums and are in lieu of not in addition to a site's underlying Development Standards. The Base Incentives also supersede any massing requirements for the building envelope that are otherwise applicable including but not limited to Section 12.08 C.5 of this Code, ~~and~~ any side yard plane break requirements including but not limited to Section 12.08 C.2 of this Code, or any Development Standard that precludes the guaranteed building envelope incentives granted by this Subparagraph. The maximum density corresponds to a maximum Floor Area Ratio (FAR) and height in the table cell to the immediate right, and may not be mixed with greater FAR and height maximums unless utilizing the Base Incentive in Sub-subparagraph (iv) (Multi-Bedroom Units).

However, nothing in Table 12.22 A.38.(g)(3)(i) is intended to prevent a project from voluntarily providing parking or using a lower maximum density, height, or FAR.

Table 12.22 A.38.(g)(3)(i)
Low-Rise Incentive Area~~Opportunity Corridor Transition~~ Base Incentives

Eligibility Subarea	Density Bonus	Floor Area Ratio (maximum permitted)	Parking	Height (maximum permitted)
Description	In each subarea, the maximum Density including bonus shall be as follows:	For each subarea, the maximum FAR shall be equal to the following~~1~~:	Required automobile parking for all residential units in a project (not just the restricted affordable units), inclusive of disabled and required guest parking, where applicable, shall be as follows: 1 2 ~~3~~	In each subarea, the maximum allowable height permitted shall be as follows:3
LR-1~~2~~ ~~CT-1A~~ ~~CT-1B~~ ~~CT-2~~	~~4 units~~	~~1.15:1~~	No parking required.	2 stories
	5 units	1.30:1		
	6 units	1.45:1		
	7 units	1.60:1		3 stories
	8 units	1.75:1		
	9 units	1.90:1		
	10 units	2.0:1		
LR-2 ~~CT-3~~	11 units	2.15:1		
	12 units	2.30:1		
	13 units	2.45:1		
	14 units	2.60:1		
	15 units	2.75:1		
	16 units	2.90:1		

Footnotes:

1. Pursuant to California Civil Code Section 1947.1, provided parking shall be sold or rented separately from the units in properties with 16 or more units, as verified by the Los Angeles Housing Department.

~~2. Sites are eligible for CT-1 site requirements from Table 12.22 A.38.(g)(1)(i).~~

2.~~3.~~ Consistent with California Government Code Section 65915(p)(4), required parking spaces provided may be uncovered.

3. Notwithstanding Section 12.21.1 of this Code, for a Project where a rooftop deck is provided, roof structures for an elevator or stairway may exceed the building height by up to 17 feet, provided the proposed roof structure is set back from the roof perimeter by 5 feet, or as specified in the Vertical Circulation encroachment allowances in Sec. 2C.4.2.E.1 of Chapter 1A of the Los Angeles Municipal Code in accordance with the Project's built height (in lieu of the Form District).

a. **Exception.** Notwithstanding Table 12.22 A.38.(g)(3)(i) above, a site in the Low-Rise Incentive Area is eligible for up to half the amount of units and floor area otherwise permitted in California Government Code Section 65912.157(a).

(ii) **Lot Requirements.** A project is eligible for a reduction of an otherwise required Lot standard as part of a subdivision as follows:

a. Minimum Lot Area: 600 square feet

b. Minimum Lot Width: 15 feet

c. Minimum Lot Access: A 3-foot pedestrian access easement may be provided in lieu of vehicular access requirements.

(iii) **Yards.** A project is eligible for a reduction of an otherwise required Yard standard to the following minimums:

a. Front yard setbacks are limited to no more than the average of the yards along the same frontage of adjacent buildings along the same street frontage or~~of~~ 15~~0~~ feet, whichever is less. Or, if a site is a corner lot or adjacent to a vacant lot, the front yard setback may align with the facade of an adjacent building along the same front lot line.

b. Side yard setback of 4 feet for a three-story or higher structure, or 3 feet for a two-story or one-story structure.

c. No interior side yard setback shall be required for buildings that are part of the same development.

d. Rear yard setback of 4 feet, provided structures maintain a height of less than 26 feet within 15 feet of the Rrear Lotproperty Lline.

e. Alley setback of zero feet for structures that maintain a height of less than 26 feet for at least the first 15 feet from the alley.

(iv) **Multi-Bedroom Units.** A project that includes a minimum 240% of Total Units as 3-bedrooms or larger, shall be granted either additional Floor Area up to 0.5 FAR and or an additional story over the entire development site, regardless of the number of underlying height limits including transitional height or step back requirements11 feet in height. This is provided the project provides the City with a covenant in favor of the City that is recorded in the development site's chain of title in order to guarantee that the qualifying multi-bedroom units will maintain the same bedroom count and will not be converted to additional residential units in the future.

(v) **Building Spacing and Passageways.** A project does not need to meet zoning requirements related to spaces between buildings or passageways pursuant to Section 12.21 C.2 of this Code.

(vi) **Consolidated Development.** In the case that an Low-RiseOpportunity Corridor Transition Area Incentive Area Project consolidates multiple lots, the Density Bonuses established in Table 12.22 A.38.(g)(3)(i) shall be available to each lot provided the Project satisfies the affordability criteria of 12.22 A.38.(c)(3)(v). However, FAR and height bonuses shall not exceed the maximum permitted in Table 12.22 A.38.(g)(3)(i) or Section 12.22 A.38.(g)(3)(iv).

a. For example, if two LR~~CT~~-1 lots are consolidated into one project, the project is eligible for up to ~~12~~20 units, with 2 MI units set aside as Restricted Affordable Units, a 2.0~~1.45~~:1 FAR maximum and a height maximum of 2 or 3 stories; or if two LR~~CT~~-2 lots are consolidated in one project, the project is eligible for up to 32~~20~~ units, with 4 MI units set aside as Restricted Affordable Units, a 2.9~~2.0~~:1 FAR maximum and a height maximum of 3 stories.

b. If a project consolidates two lots of differing incentive areas, for example LR-1~~CT 2~~ and LR-2~~CT 3~~, the incentives of the more intense incentive area shall be permitted on both lots.

(vii) **Calculating Floor Area Ratio.** In lieu of the calculation of Buildable Area or Residential Floor Area as defined in Section 12.03 of this Code, Floor Area Ratio or FAR shall be defined as the measurement of the total floor area of all buildings on a lot in relation to the size of the lot, inclusive of yards and setbacks.

(viii) **Lot Coverage and Lot Utilization.** A Project does not need to meet zoning requirements or development standards related to lot coverage or lot utilization.

~~(viii) **Roadway Widening.** A project shall be exempt from any applicable roadway widening requirements, which for the purposes of this Base Incentive shall mean the relocation of an established curb or curb and gutter, pursuant to Section 12.37 of this Code. A project shall further be eligible for relief from some required dedication, where specified by Section 12.37 of this Code. Required dedications and improvements shall conform to the Street Dedication and Improvement Investigation Criteria adopted or amended pursuant to Council File 22-1476. Granting of this Base Incentive for roadway widening shall not require a project to seek approval pursuant to the procedures described in Section 12.37 I. (Waiver and Appeals) of this Code. A project utilizing this Incentive shall still be required to dedicate land and complete all other public right of way improvements, including but not limited to sidewalk improvements, that may be required. A Waiver of Dedication and Improvement pursuant to Section 12.37 I. (Waivers and Appeals) of~~

~~this Code shall still be required for projects seeking to be exempt from a required land dedication or required improvement other than roadway widening.~~

~~a. Exceptions. A project in a Very High Fire Hazard Severity Zone, Hillside Area, Coastal Zone, or a project subject to procedures in Section 13B.2.3 (Class 3 Conditional Use Permit) of Chapter 1A of this Code shall not be eligible for this Base Incentive.~~

(4) **Performance Standards.** A project approved pursuant to this subdivision shall meet the following Performance Standards, and no deviations from these standards shall be granted, except that any project resulting from the conversion of, or an addition up to a maximum of 1,200 square feet to, an existing structure need not comply with these standards.

(i) **Common Outdoor Open Space Standards.** A project shall provide at-grade or rooftop Common Outdoor Open Space per Table 12.22 A.38.(g)(4)(ii) that is accessible to all the residential tenants of a project. The Common Outdoor Open Space shall be open to the sky and have no structures that project into the area, except for Outdoor Amenity A~~a~~reas as described in Section 12.03 of this Code, and except for Projections into Yards as provided in Section 12.22 C.20.(b) of this Code. Furthermore, projects pursuing subdivisions pursuant to Section 12.22 C.27 may provide Rooftop and Intermediate Roof Levels as private open space to meet the Common Outdoor Open Space Standard requirement. This common open space requirement shall supersede the per residential unit calculation of common open space in Section 12.21 G.2. of this Code. In lieu of the provisions of Section 12.21 G.2. of this Code, a project must meet at least one Common Outdoor Open Space typology from the menu listed in Table 12.22 A.38.(g)(4)(ii), below.

a. **Minimum Planting Area.** ~~The~~ Common Outdoor Open Space options provided to comply with open space standards shall comply with the provisions of Section 12.21 G.2.(a)(3) of this Code regarding minimum planting area~~.~~, except that Common Outdoor Open Space provided on a Rooftop and Intermediate Roof Levels as specified in Table 12.22 A.38.(g)(4)(ii) shall meet the minimum planting area requirements by landscaping a minimum of 15 percent of the

Rooftop Common Outdoor Open Space area with live planting material, and meeting the tree requirements in Section 12.21 G.2.(a)(3).

Table 12.22 A.38(g)(4)(ii)
Common Outdoor Open Space Types Menu

Common Outdoor Open Space Typologies:	**Size and Dimension Requirements (minimum)**	**Standards**
Courtyard	Courtyard width (minimum): 30% of lot width or 15 feet, whichever is greater Courtyard depth (minimum): 40% of lot depth (minimum)	Placement of courtyard shall comply with at least one of the following standards: 1. The courtyard shall be oriented so that it and an existing open space courtyard on an adjoining lot (unseparated by a street or alley) work together to create the effect of one large open space. 2. The courtyard shall be contiguous with the minimum front yard setback creating a single deep combined courtyard that unites the minimum courtyard and front yard spaces. 3. The courtyard shall be an internal courtyard, entirely contained onsite.
Paseo	Paseo width (minimum): 10% of lot width or 10 feet wide, whichever is greater Paseo depth (minimum): 60% of the lot depth	A Paseo shall be located between residential structures, perpendicular to and beginning at the front lot line. A Paseo shall have a minimum 4 foot wide unobstructed pedestrian pathway accessible from the Ground Floor Frontage. A Paseo may be covered by architectural projections, but no structures or habitable space shall encroach on the Paseo, and it shall be for pedestrian use only. The depth

		calculation may include the pathway accessible from the front lot line as part of the paseo length, provided the pathway is adjacent to open space.
~~Rear~~Front Yard	Front~~Rear Yard~~ width (minimum): 50% of lot width Front~~Rear Yard~~ depth (minimum): 10% of lot depth, or 15 feet, whichever is greater	Located adjacent to the front~~rear~~ property lot line and open to the sky.
Rooftop and Intermediate Roof Levels	10% of total lot area or 600 square feet, whichever is greater	Rooftop and Intermediate Roof Levels open space shall comply with the following standards: 1. Rooftop open space on the uppermost story shall only be counted toward Common Outdoor Open Space Standards if a project is three or more stories. 2. At least a 3 foot setback shall apply to any rooftop perimeter edge that is within 10 feet or less from a neighboring structure on adjacent property. If the nearest adjacent structure is 10 feet or more from the edge of the rooftop perimeter, no setback shall be required. 3. Rooftop open space shall comply with the vertical encroachment limitations based on a Project's built overall height in feet (in lieu of the Form District) as described in Sec. 2C.4.2.E.1 of Chapter 1A, except that a roof structure for an elevator or stairway may comply with Footnote 2 of Table 12.22 A.38.(g)(3)(i).

(iii) **Entrances.**

a. **Street-Facing Entrance.** Each unit fronting a public street (provided there is no structure located between the lot

line and unit) shall have an entrance facing the public street, or a building fronting a public street with no structure located between the lot line and unit shall have a shared entrance for every 50 feet of frontage. All street-facing entrances to units and all street-facing primary entrances shall have ~~and~~ one of the following entry features:

1. **Porch.** A wide, raised platform, projecting in front of a street-facing entrance, that is entirely covered but not enclosed. A porch shall have a minimum depth of 4-1/2 feet, a minimum of 30% of the building width, and a finished floor elevation between 2 to 5 feet.
2. **Forecourt.** A yard screened with a short wall, fence or hedge that provides significant privacy for tenants located on the ground story, near sidewalk grade. A forecourt shall have a minimum depth of 8 feet, a minimum width of 10 feet, required covered entrance, and a fence or wall height between 2 feet and 6 inches, to 3 feet and 6 inches.
3. **Recessed Entry.** A space set behind the building face plane providing sheltered access to a street-facing entrance. A recessed entry shall have a depth between 3 to 15 feet minimum, and a maximum width of 5 feet, and a required covered entrance.

Figure 12.22 A.38(g)(4)(iii)a.4.

Porch	Forecourt	Recessed Entry

(iv) **Ground Floor External Entrances.** A ground floor external entrance to units not located on a street-fronting lot line, shall have an entrance oriented towards the open space when adjacent to the open space.

(v) **Parking Areas, Garages, and Carports.**

a. **Location.**

1. No above-ground parking areas including parking structures and parking stalls, shall be allowed between a Ground Floor Frontage and public right-of-way.
2. A new detached garages or carport shall be located behind the main building(s) facade, furthest from the Ground Floor Frontage Line.
3. An attached parking area shall be located either underground (subterranean or semi-subterranean) or behind any main building.
4. An access driveway shall be provided from an alley when present and determined feasible by the City's Department of Transportation.

Section 8. Subparagraph (5) of Paragraph (j) of Subdivision 38 of Subsection A of Section 12.22 of Article 2 of Chapter I of the LAMC is amended to read as follows:

(5) **Fractional Numbers.**

(i) **Units.** For the purposes of this subdivision, calculations for the following resulting in fractional numbers shall be rounded up to the next whole number:

a. Maximum Allowable Residential Density;

b. Density Bonus units;

c. Number of Restricted Affordable Units;

d. Number of Replacement Housing Units;

e. Vehicular Parking; and

f. Number of Multi-Bedroom Units provided pursuant to Sections 12.22 A.38.(i)(2) and 12.22 A.38.(g)(3)(iv) of this Code.

Section 9. Subparagraph (7) of Paragraph (j) of Subdivision 38 of Subsection A of Section 12.22 of Article 2 of Chapter I of the LAMC is amended to read as follows:

(7) **Update Frequency and Eligibility Mapping.**

(i) The Director shall have the authority to issue and update eligibility maps of Transit Oriented Incentive Areas, Opportunity Corridor Incentive Areas, Low Rise Incentive Areas, City TCAC Opportunity Areas, and Opportunity Station Areas as specified herein:

a. O~~o~~n an annual basis in order to align the programs of this Subdivision ~~38.~~ with updated zoning and~~,~~ transit ~~and geographic~~ data, including ~~updates to Resource Areas as defined and identified by the California Tax Credit Allocation Committee (TCAC), and~~ updates to the locations of Major Transit Stops.

b. Every five years beginning in 2026, in order to align the eligibility maps associated with the housing incentive programs of this Subdivision to reflect updates to Resource Areas as defined and identified by the TCAC.

c. The Director may issue map updates, as needed, to address technical corrections, or changes to implementation maps for California Government Code Sections 65912.155 through 65912.162, as produced by the Southern California Association of Governments.

(ii) **Opportunity Station Area Identification**. For purposes of determining the majority TCAC area within an Opportunity Station Area, TCAC land area calculations shall include all land within a one-half mile radius including land outside the City of Los Angeles. Land designated as having "Insufficient Data" shall be excluded from the area of the Opportunity Station Area as part of Opportunity Station Area mapping pursuant to (7)(i) of this Subparagraph.

Section 10. Subparagraph (12) of Paragraph (j) of Subdivision 38 of Subsection A of Section 12.22 of Article 2 of Chapter I of the LAMC is amended to read as follows:

(12) **Rent Schedules and State Density Bonus Affordability Threshold.** Restricted Affordable Units required as part of a project shall be sold or rented at rates that do not exceed those specified in California Health and Safety Code 50052.5 for for-sale units or California Health and Safety Code Section 50053 for rental units. Restricted Affordable Units associated with One Hundred Percent Affordable Housing Projects shall comply with the Restricted Affordable Unit requirements set forth in Section 12.22 A.39.(c) of this Code. All mixed income projects on sites with a Maximum Allowable Residential Density of greater than five units pursuing a program within this Subdivision shall maximize at least one affordability income category consistent with the minimum affordability requirements of California Government Code Section 65915(f)(1), 65915(f)(2), or 65915(f)(4), reserving either 16 percent as Very Low Income (for rental), 25 percent Low Income (for rental), or 45 percent Moderate Income (for sale) of the project's units (excluding units added by a Density Bonus) at the schedules and costs specified in California Health and Safety Code 50052.5 for for-sale units or California Health and Safety Code Section 50053 for rental units.

Sec. 11. The following language of Subparagraph (16) of Paragraph (j) of Subdivision 38 of Subsection A of Section 12.22 of Article 2 of Chapter I of the LAMC is added to read as follows:

(16) **Residential Zones.** For the purpose of applying Incentives, Residential Zones shall include R5 and more restrictive.

Section 12. The following Paragraph (m) of Subdivision 38 of Subsection A of Section 12.22 of Article 2 of Chapter I of the Los Angeles Municipal Code is added to read as follows:

(m) **Interpretations Consistent with Phased Effectuation of the Abundant and Affordable Homes Near Transit Act (SB 79)**. This subdivision is intended to phase-in implementation and pause the effectuation of California Government Code Sections 65912.155 to 65912.162 pursuant to Government Code Section 65912.161(b). If at any time this subdivision becomes inconsistent with California Government Code Section 65912.161(b) and subsequent amendments to State Law, the provisions of the Abundant and Affordable Homes Near Transit Act apply.

Section 13. This ordinance shall become effective upon publication pursuant to Section 253 of the Los Angeles City Charter in advance of the July 1st, 2026 effective date of Section 65912.157; but if Sections 65912.155 to 65912.162 are suspended or extended by the State of California, such as by an emergency order of the Governor, the operative date of this ordinance shall be the day before the deadline set by the State.

Section 14. **URGENCY CLAUSE.** The City Council finds and declares that this ordinance is required for the immediate protection of the public peace, health and safety to affirm a pause in effectuation and by permanently or temporarily exempting and protecting sensitive sites, including those in low-resource neighborhoods as designated by TCAC, Very High Fire Hazard Severity Zones, and those hosting or adjacent to industrial uses, from increased residential capacity as otherwise would be mandated by California Government Code Section 65912.161(b)(1). This ordinance makes the City compliant with state mandated requirements, continues to address Los Angeles' housing crisis, and improves housing access by affirmatively furthering fair housing using locally tailored value capture. For these reasons, this ordinance shall become effective upon publication pursuant to Section 253 of the Los Angeles City Charter.

Section 15. **SEVERABILITY.** If any provision of this ordinance is declared unconstitutional or otherwise invalid by a court of a competent jurisdiction, such invalidity shall not affect other provisions of this ordinance than can be implemented without the invalid provision. To this end, the provisions of this ordinance are severable.

Section 16. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

EXHIBIT 2B:
Recommendations for Deeper and More Affordability Pursuant to Amending Motion 4C (Council File 25-1083)

CPC-2026-1797-CA

For consideration by City Planning Commission

May 14, 2026

EXHIBIT 2B: RECOMMENDATIONS FOR DEEPER AND MORE AFFORDABILITY PURSUANT TO AMENDING MOTION 4C (COUNCIL FILE 25-1083)

I. Introduction

On March 24, 2026, City Council adopted amending motion 4C (Council File 25-1083) with the instruction to provide recommendations for expanding Corridor Transition incentives across Opportunity Stations as part of a phased implementation approach to Senate Bill 79.[1] Specifically, Motion 4C instructs the Department to present options for offering greater density, floor area, and/or height in exchange for deeper affordability and realistic development capacity within the Corridor Transition (CT) program (which would be renamed the Low-Rise Incentive Area with adoption of the Low-Rise Ordinance). In response to Motion 4C, the Department has used the economic and feasibility analysis conducted by AECOM (Appendix 4), case filing data, and recent developer feedback to prepare recommendations on a proposed "Low-Rise Bonus" that would create opportunities for more affordable housing in the Low-Rise Incentive Area while maintaining a small building scale. Additionally, as eligibility is expanded in low density zones for mixed-income projects, future efforts could evaluate larger bonuses for projects setting aside a greater portion of affordable units.

II. Analysis

The Department conducted extensive outreach during the development of the CHIP, initiated implementation interviews after the ordinance was adopted, and revisited the economic and feasibility analysis conducted by AECOM (Appendix 4) to determine how to make projects more feasible with a Low-Rise Bonus and other incentive alterations. Some edits are discussed in the main body of this staff report (see Low-Rise Ordinance Project Summary). Analysis that informed the Low-Rise Bonus specifically is below.

<u>Affordability</u>
Incentive programs codified through the CHIP Ordinance use different affordability requirements tailored to the program's desired building outcome. As proposed in the Low-Rise Ordinance, density bonuses in the Low-Rise Incentive Area are capped at 10 or 16 units and require a flat (1 or 2 unit) affordable set aside. The predetermined set aside amounts are intended to make up for the extra units that could result from the round up methodology in percentage based set asides and disproportionately impact smaller scale projects. This differs from other incentive programs, such as the Transit Oriented Incentive Area (TOIA) or Opportunity Corridors (OC) program, which typically require a percentage-based affordability in exchange for much larger bonuses or form-limited density as the programs are geared toward producing larger multi-family building outcomes in the five to eight story range. The economic and feasibility analysis conducted by AECOM (Appendix 4) during the development of the Mixed Income Incentive Program (MIIP) found that affordable unit set asides have a larger impact on project feasibility for smaller developments with less units (page 84), consistent with the Department's case filing data which shows that housing incentive programs tend to produce larger projects. This demonstrates that at any building scale there could be a benefit to allowing

[1] https://cityclerk.lacity.org/onlinedocs/2025/25-1083_misc_4C%20Raman-HSM_3-24-26.pdf

projects to produce more units with the amount set-aside relative to the total units. Furthermore, more overall units helps to offset the outsized impact of affordable unit set asides on smaller scale projects, thereby increasing realistic development capacity.

The Department used case filing data and the economic and feasibility analysis conducted by AECOM (Appendix 4) to identify an optimal percentage based affordability for a Low-Rise Bonus in the Low-Rise Incentive Area. Development trends for the CHIP and other City programs show that when presented with set aside options, mixed income developers tend to opt for setting aside a smaller number of units at deeper affordability levels. Building on the success of incentivizing more development with smaller but deeper set asides, offering extremely low income and very low income set aside options in the Low-Rise Incentive Area might both increase utilization of the program and be more inclusive of Angelenos at all income levels. The AECOM analysis found that for the TOIA, an incentive program aimed at producing larger building outcomes, feasibility for extremely low income units started at 8% in Market Area 3 (Medium/High) and never exceeded 12% in Market Area 4 (the City's highest Market Area) within residential zones for buildings that are 3 to 5 stories (page 63 and 65). A feasible very low income set aside never exceeded 12% in Market Area 4 (page 65). With this in mind, the Department recognizes that the Low-Rise Bonus needs to land on the lower range of these numbers to increase realistic likelihood of development, since Opportunity Stations span all four market areas and the Low-Rise Incentive Area produces a smaller building scale than TOIA.

In calibrating the optimal percentage based set aside, the Department compared the affordability of Senate Bill 79, the City's Linkage Fee, and the Transit Oriented Incentive Area. The Department considered these affordability schemes to ensure the target affordability met or exceeded Senate Bill 79 and Linkage Fee thresholds while offering something more competitive than the TOIA, which offers bonuses aimed at producing larger building typologies capable of absorbing costs associated with affordable set asides. Table 1 below provides a comparison of the aforementioned programs' percentage-based affordability schemes.

Table 1. Current Affordability Thresholds

	Extremely Low Income	Very Low Income	Low Income	Moderate Income
Senate Bill 79	7%	10%	13%	N/A
Linkage Fee	8%	11%	20%	40%
TOIA[2]	9 -13%	12-17%	21-27%	N/A

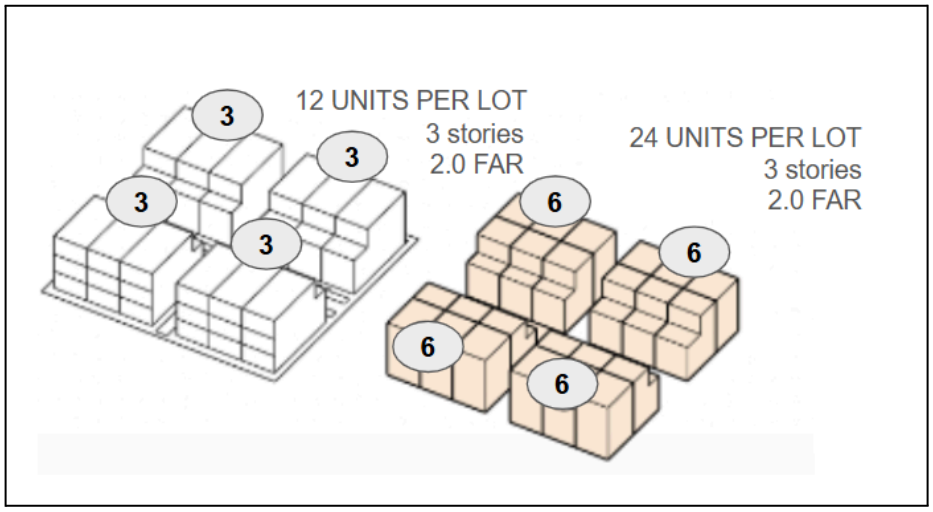
[2] A range is portrayed for TOIA because the affordability set aside is determined by Market Area. Moderate Income Units are not included in the TOIA affordability because units of that income level can only satisfy the eligibility requirement of the program when Acutely Low Income Units are also set aside.

Incentive Limitations

The Department found that the density, height, and FAR offered in combination with the required performance standards of the CT program may impede overall project feasibility. The economic and feasibility analysis conducted by AECOM indicates that height limitations of the program are a major constrictor (page 80). Additionally, case filing data for the CHIP program indicates that requests for relief from yard and open space development standards are the most common types of off-menu and waiver requests because they restrict building envelope.[3] The Low-Rise Incentive Area does not offer off-menu incentives or waivers, therefore it is crucial to calibrate the base incentives of the building envelope (like height and FAR) for realistic development capacity. This helps to ensure projects can pencil, and that they are able to do so within a program that maintains the Low-Rise urban design performance standards related to yards and open space.

As mentioned above, projects with less units were found to have a more difficult time offsetting affordability requirements in the economic and feasibility analysis conducted by AECOM (Appendix 4, page 84). A more flexible, form-based density bonus (as visualized in Figure 1) is one incentive that could increase feasibility for Low-Rise Incentive Area projects.

Figure 1. Density limited by form can lead to projects with varying unit counts
(*Note*: The Figure below is not to scale and is meant to be illustrative of form-based density regulation)



As mentioned above, height is a key limiting factor for Low-Rise building typologies (Appendix 4, page 80), a limitation that developer feedback confirmed. For the Low-Rise Bonus to offer a greater density bonus, it would also need to allow for more building height to realistically accommodate more units. Offering more height with the Low-Rise Bonus incentivizes deeper and more affordability and could increase utilization of the program overall.

[3] This data point is based on preliminary application data. Project requests are subject to change as they undergo revision throughout the review process.

III. Recommendation

Based on the analysis summarized above, the Department recommends a Low-Rise Bonus that grants any project in the Low-Rise Incentive Area, inclusive of LR-1 and LR-2, a form-based density, a 3.0 FAR, and 4 stories in height in exchange for an affordability set aside of either 8% extremely low income units, 12% very low income units, or 50% moderate income units. The affordability was informed by the current thresholds in Table 1 above and the economic and feasibility analysis conducted by AECOM (Appendix 4) as discussed in Section II. (Analysis, Affordability). The 50% moderate income set aside is not intended for market rate projects but to ensure majority affordable projects receive the same incentives as mixed income projects, inclusive of alternative models of affordability like shared equity housing and community land trusts. For context, a project in the LR-2 could already achieve a 3.4 FAR and four stories through use of the multi-bedroom incentive in the proposed Low-Rise Ordinance. Although the economic and feasibility analysis conducted by AECOM (Appendix 4) indicated that height is restrictive as set by the program, the Department is recommending that the Low-Rise Incentive Area go up to 4 stories max either through use of the Low-Rise Bonus or multi-bedroom units incentive. Allowing projects to combine the Low-Rise Bonus and multi-bedroom unit incentive might increase feasibility with the ability to build up to a fifth floor.

The Department recognizes the potential need for more zoning tools limited to majority affordable projects given the broadening of applicability of mixed income project incentives through the Low-Rise Ordinance. For this reason, the City Planning Commission could recommend the City Council to direct the Department to evaluate and initiate code amendments that could add land value for affordable housing providers, where they would not otherwise have to out-bid market rate developers.

IV. Conclusion

In response to amending Motion 4C instructing the Department to present options for offering greater density, floor area, and/or height in exchange for deeper affordability and realistic development capacity within the Corridor Transition program, the Department recommends a Low-Rise Bonus that grants any project in the Low-Rise Incentive Area a form limited density, 3.0 FAR, and 4 stories in height in exchange for an affordability set aside of either 8% extremely low income units, 12% very low income units, or 50% moderate income units. Informed by analysis using the economic and feasibility study conducted by AECOM (Appendix 4), extensive outreach that included developer focus groups, and project application trends, the Department views the proposed Low-Rise Bonus as one way to facilitate realistic development capacity and income inclusivity of the Low-Rise Incentive Area, expanding housing opportunities at neighborhood scale. Future work efforts could involve evaluating code amendments outside of the Low-Rise Incentive Area program to provide even larger bonuses for majority affordable housing developments.

As previously described, this exhibit has been prepared in response to Motion 4C, as identified in Council 25-1083. Following the completion of the staff recommendation report for the Phased Implementation and Low-Rise Ordinances, this discussion and recommendations for additional incentives in the Low-Rise Incentive Program will also be transmitted separately to the Council File.

EXHIBIT 3:
SB 79 Map Inventory

CPC-2026-1798-MSC, CPC-2026-1797-CA

For consideration by City Planning Commission

May 14, 2026

This Exhibit contains a series of maps related to SB 79 interpretation, the Phased Implementation Ordinance, and the Low-Rise Ordinance.

Exhibit of Resources

1.Rezoning Maps
Map 1A: Opportunity Station Areas
Map 1B: Opportunity Station Areas and Low Opportunity TOD Zones

2.Senate Bill (SB) 79 Citywide Potential Eligibility

3.Phased Implementation Maps
Map 3A: Sites More than One Mile from a Pedestrian Station Entrance Eligible for Permanent Exclusion (GCS 65912.160(e)(1))
Map 3B: Industrial Employment Hubs Eligible for Permanent Exclusion (GCS 65912.160(e)(2))
Map 3C: TOD Zones and Sites Eligible for Temporary Exemption without Low-Rise Ordinance
Map 3D: TOD Zones Eligible for Temporary Exemption due to Existing Zoned Capacity (GCS 65912.161(b)(1)(B)(i))
Map 3E: Primarily Low Resource TOD Zones Eligible for Temporary Exemption due to Existing Zoned Capacity (GCS 65912.161(b)(1)(B)(ii))
Map 3F: Low Resource Sites Eligible for Temporary Exemption due to Existing Zoned Capacity (GCS 65912.161(b)(1)(B)(iii))
Map 3G: Very High Fire Hazard Severity Zone Site Eligible for Temporary Exemption (GCS 65912.161(b)(1)(D))
Map 3H: Local Historic Resource Sites Eligible for Temporary Exemption (GCS 65912.161(b)(1)(F))
Map 3I: Sites Eligible for Temporary Exemption due to Existing Zoned Capacity (GCS 65912.161(b)(1)(A))
Map 3J: Sites Not Eligible for Temporary Exemption Outside of Opportunity Station Areas
Map 3K: Summary of Sites Eligible for Temporary Exemption without Low-Rise Ordinance
Map 3L: Low Resource Sites and Primarily Low Resource TOD Zones Eligible for Temporary Exemption
Map 3M: Sites Eligible for Phased Implementation with Low-Rise Ordinance

4.Industry Employment Hub Map
Map 4A: SB 79 Industrial Employment Hubs Map 4B: Atwater/Cypress Park SB 79 Industrial Employment Hub
Map 4C: Chatsworth SB 79 Industrial Employment Hub
Map 4D: Downtown/Southeast LA SB 79 Industrial Employment Hub
Map 4E: LAX Industrial Employment HubMap 4F: Pacoima SB 79 Industrial Employment Hub
Map 4G: Van Nuys SB 79 Industrial Employment Hub

5.Fire Restriction Maps
Map 5A: Very High Fire Hazard Severity Zone and Fire Restriction Areas

Map 5B: Locally Adopted Very High Fire Hazard Severity Zone and State CAL FIRE Very High Fire Hazard Severity Zone
Map 5C: State CAL FIRE Very High Fire Hazard Severity Zone and Fire Restriction Areas
Map 5D: Major Transit Stops and Fire Restriction Areas

Opportunity Station Areas

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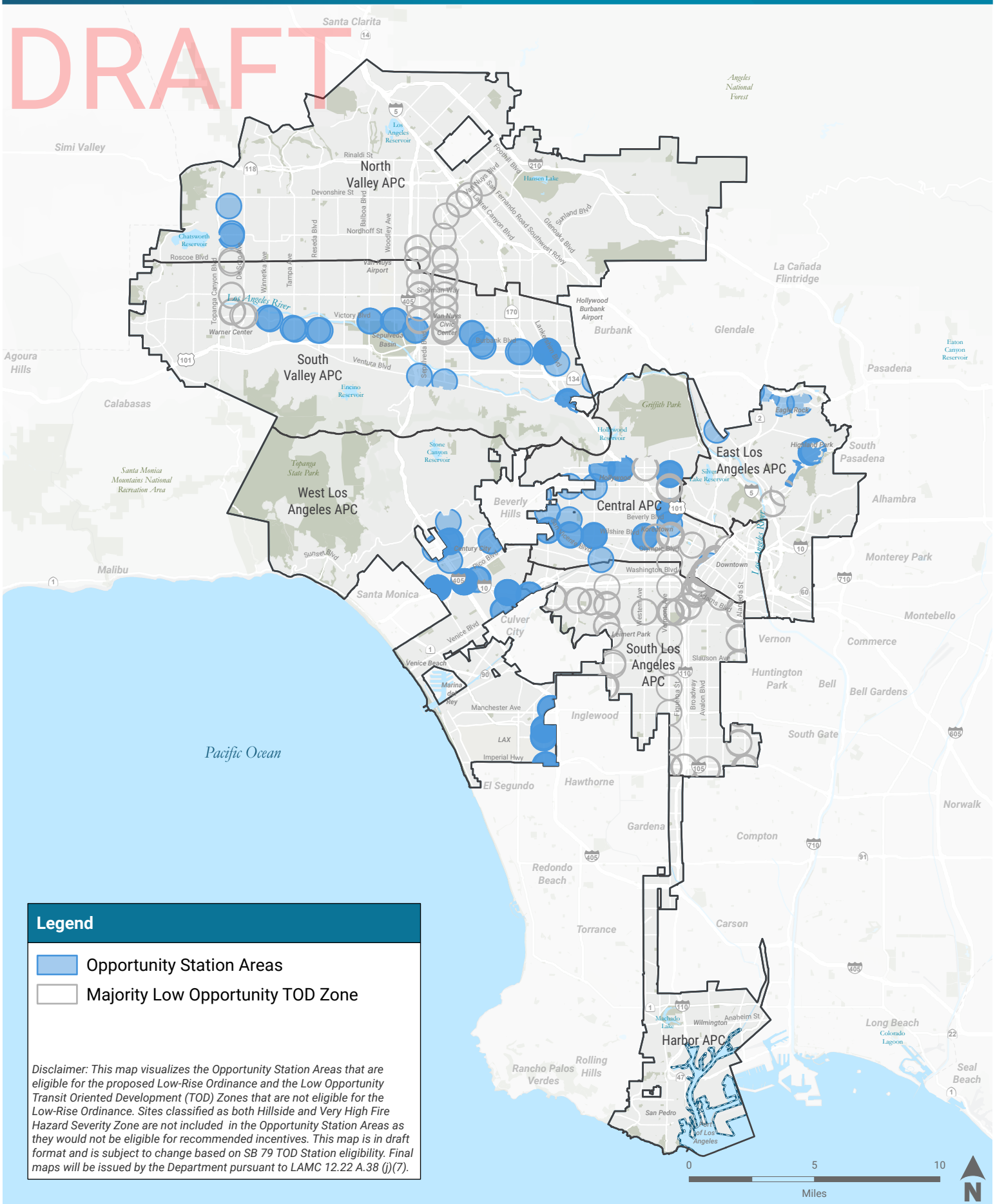

Legend

- Opportunity Station Areas
- Majority Low Opportunity TOD Zone

Disclaimer: This map visualizes the Opportunity Station Areas that are eligible for the proposed Low-Rise Ordinance and the Low Opportunity Transit Oriented Development (TOD) Zones that are not eligible for the Low-Rise Ordinance. Sites classified as both Hillside and Very High Fire Hazard Severity Zone are not included in the Opportunity Station Areas as they would not be eligible for recommended incentives. This map is in draft format and is subject to change based on SB 79 TOD Station eligibility. Final maps will be issued by the Department pursuant to LAMC 12.22 A.38 (j)(7).

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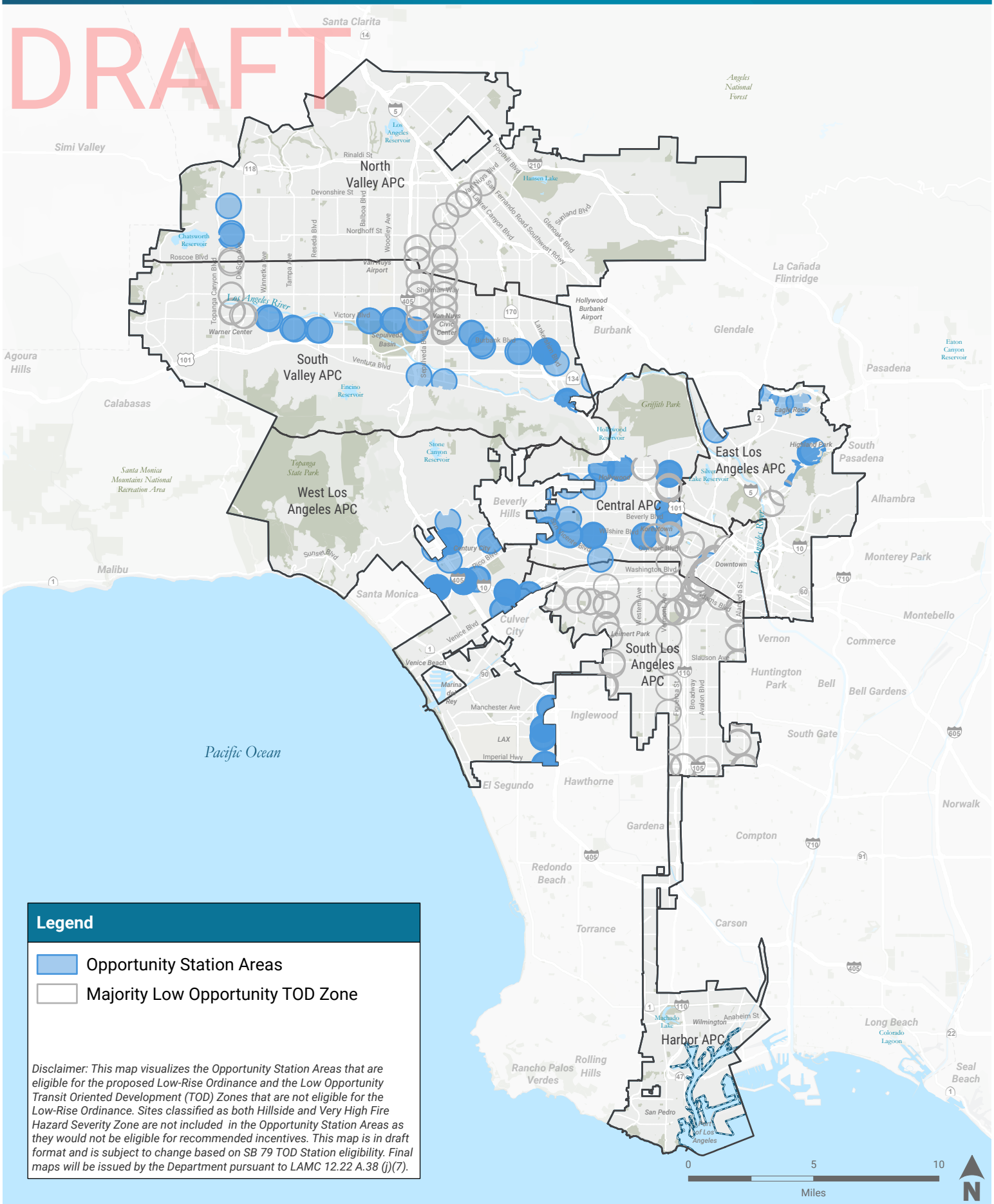
Source(s): Los Angeles Department of City Planning

Date Exported 4/29/2026

Opportunity Station Areas and Low Opportunity TOD Zones



Source(s): Los Angeles Department of City Planning

Date Exported 4/29/2026

Senate Bill (SB) 79 Citywide Potential Eligibility

LOS ANGELES CITY PLANNING

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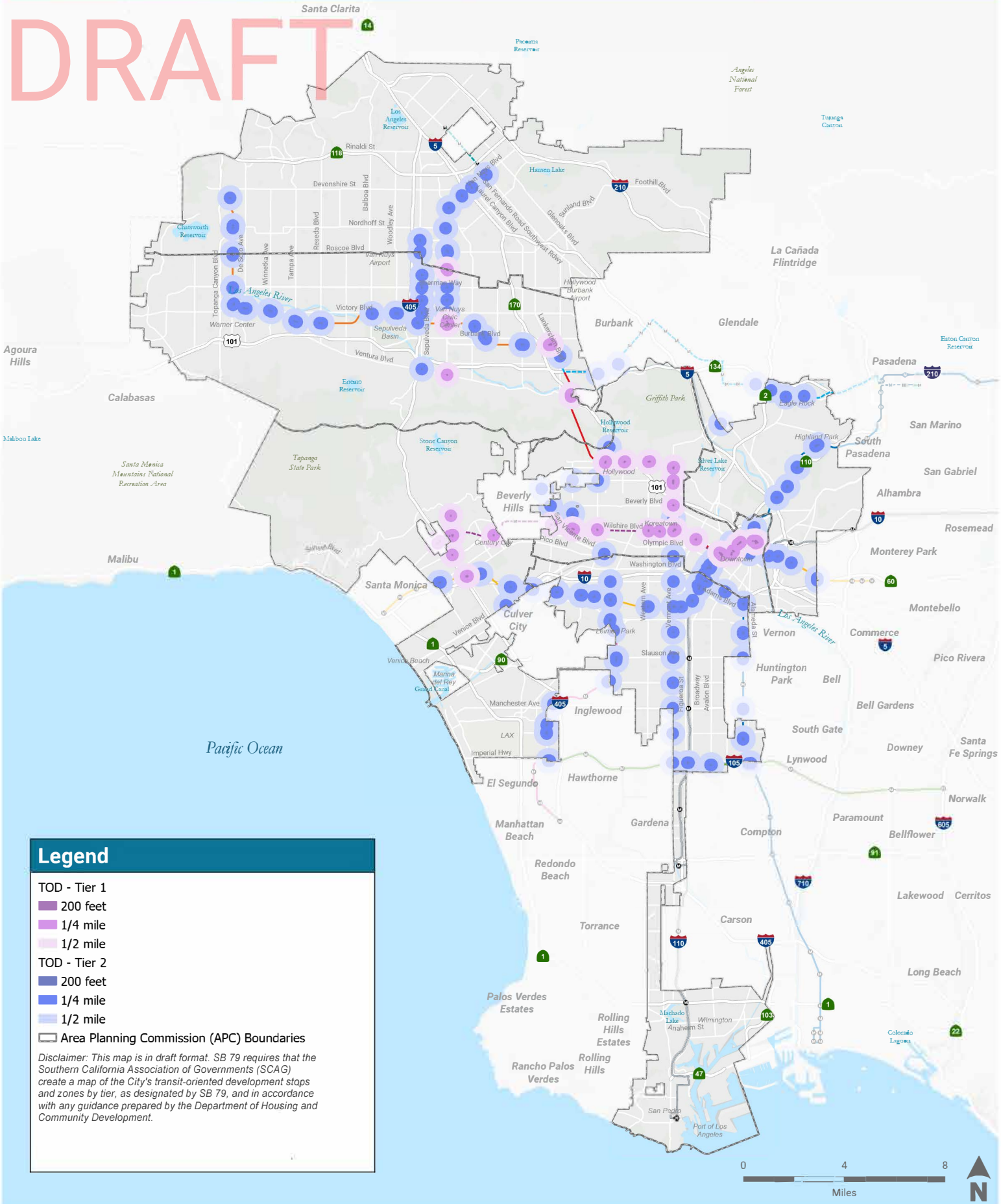

Legend

TOD - Tier 1
- 200 feet
- 1/4 mile
- 1/2 mile

TOD - Tier 2
- 200 feet
- 1/4 mile
- 1/2 mile

Area Planning Commission (APC) Boundaries

Disclaimer: This map is in draft format. SB 79 requires that the Southern California Association of Governments (SCAG) create a map of the City's transit-oriented development stops and zones by tier, as designated by SB 79, and in accordance with any guidance prepared by the Department of Housing and Community Development.

Sites More than One Mile from a Pedestrian Station Entrance Eligible for Permanent Exclusion (GCS 65912.160(e)(1))

LOS ANGELES CITY PLANNING

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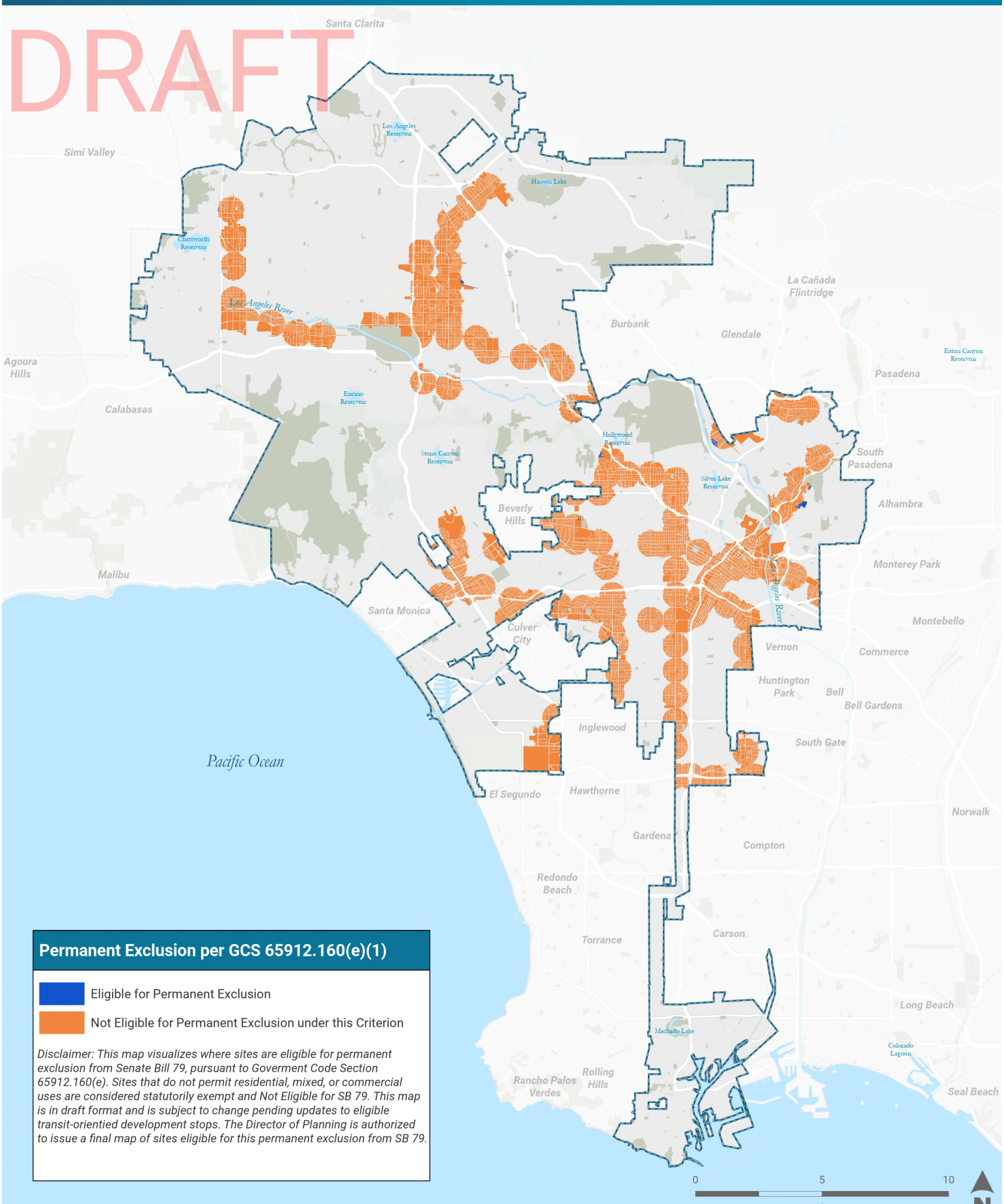

Permanent Exclusion per GCS 65912.160(e)(1)

- Eligible for Permanent Exclusion
- Not Eligible for Permanent Exclusion under this Criterion

Disclaimer: This map visualizes where sites are eligible for permanent exclusion from Senate Bill 79, pursuant to Goverment Code Section 65912.160(e). Sites that do not permit residential, mixed, or commercial uses are considered statutorily exempt and Not Eligible for SB 79. This map is in draft format and is subject to change pending updates to eligible transit-orientied development stops. The Director of Planning is authorized to issue a final map of sites eligible for this permanent exclusion from SB 79.

Source(s): Los Angeles Department of City Planning
Date Exported 5/1/2026
Path C:\H Folder\Requests\SB79\Upzoning Amendment Maps\5_1_2026\SB79_Maps_202604_NEW\SB79_Maps_202604_NEW.aprx

Industrial Employment Hubs Eligible for Permanent Exclusion (GCS 65912.160(e)(2))

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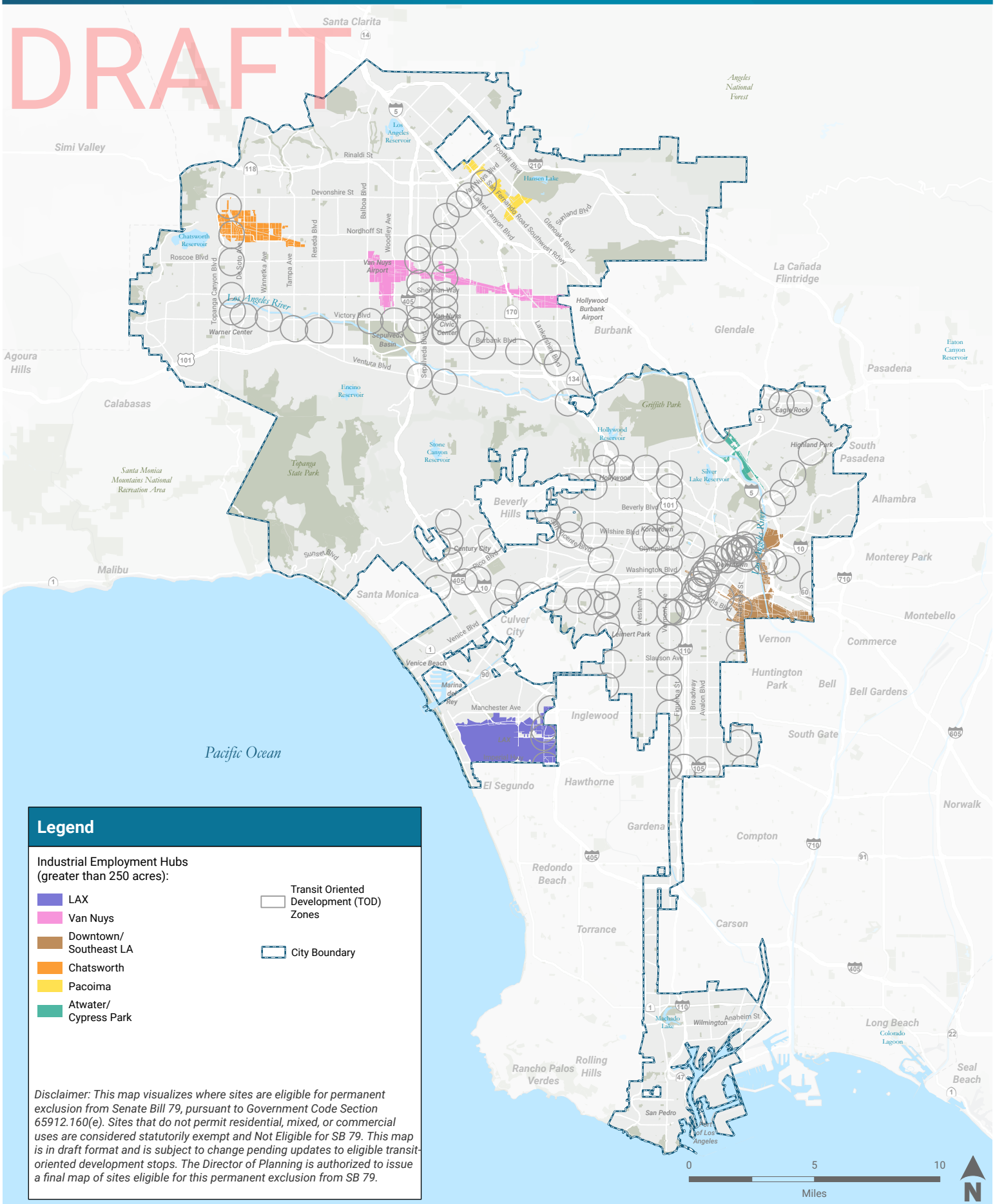

Legend

Industrial Employment Hubs (greater than 250 acres):

- LAX
- Van Nuys
- Downtown/ Southeast LA
- Chatsworth
- Pacoima
- Atwater/ Cypress Park

Transit Oriented Development (TOD) Zones

City Boundary

Disclaimer: This map visualizes where sites are eligible for permanent exclusion from Senate Bill 79, pursuant to Government Code Section 65912.160(e). Sites that do not permit residential, mixed, or commercial uses are considered statutorily exempt and Not Eligible for SB 79. This map is in draft format and is subject to change pending updates to eligible transit-oriented development stops. The Director of Planning is authorized to issue a final map of sites eligible for this permanent exclusion from SB 79.

Source(s): Los Angeles Department of City Planning

Date Exported 5/1/2026

TOD Zones and Sites Eligible for Temporary Exemption without Low Rise Ordinance

LOS ANGELES CITY PLANNING

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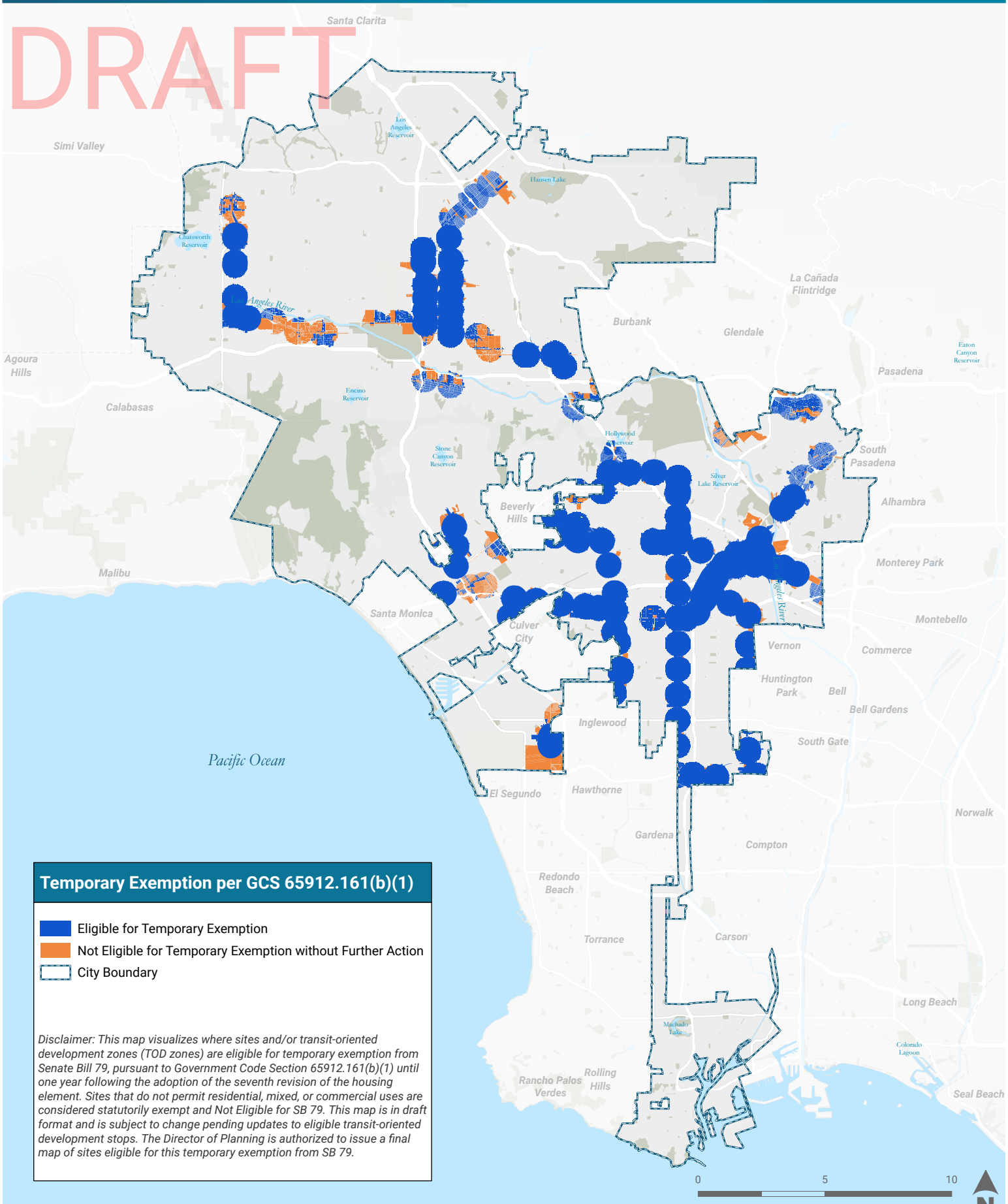

Temporary Exemption per GCS 65912.161(b)(1)

- Eligible for Temporary Exemption
- Not Eligible for Temporary Exemption without Further Action
- City Boundary

Disclaimer: This map visualizes where sites and/or transit-oriented development zones (TOD zones) are eligible for temporary exemption from Senate Bill 79, pursuant to Government Code Section 65912.161(b)(1) until one year following the adoption of the seventh revision of the housing element. Sites that do not permit residential, mixed, or commercial uses are considered statutorily exempt and Not Eligible for SB 79. This map is in draft format and is subject to change pending updates to eligible transit-oriented development stops. The Director of Planning is authorized to issue a final map of sites eligible for this temporary exemption from SB 79.

Source(s): Los Angeles Department of City Planning
Date Exported 5/5/2026
Path S:\GIS\Projects\CitywidePolicy\Housing Policy\SB 79\SB79_Maps_April2026\SB79_Maps_April2026_JB.aprx

TOD Zones Eligible for Temporary Exemption due to Existing Zoned Capacity (GCS 65912.161(b)(1)(B)(i))

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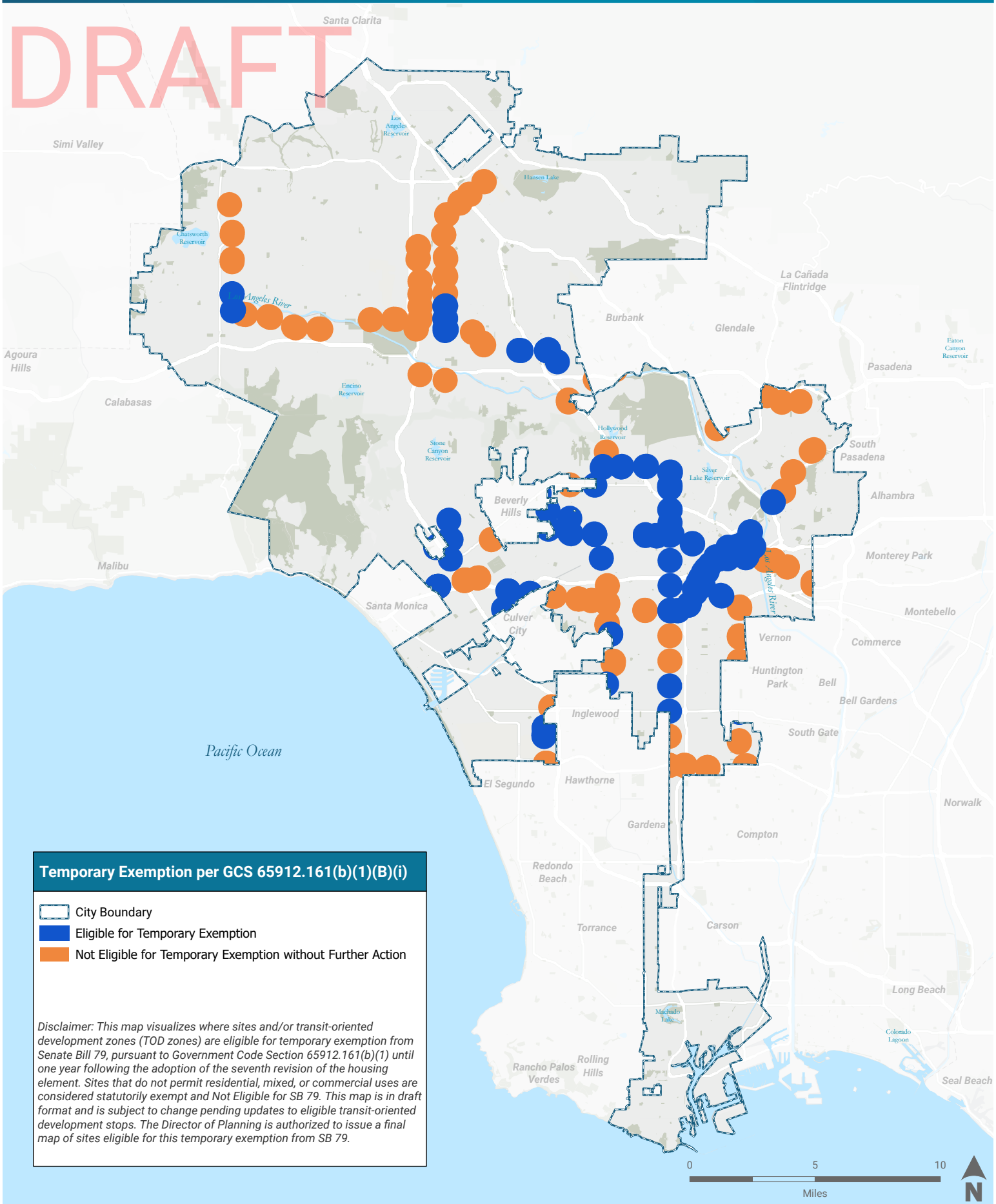

Temporary Exemption per GCS 65912.161(b)(1)(B)(i)

- City Boundary
- Eligible for Temporary Exemption
- Not Eligible for Temporary Exemption without Further Action

Disclaimer: This map visualizes where sites and/or transit-oriented development zones (TOD zones) are eligible for temporary exemption from Senate Bill 79, pursuant to Government Code Section 65912.161(b)(1) until one year following the adoption of the seventh revision of the housing element. Sites that do not permit residential, mixed, or commercial uses are considered statutorily exempt and Not Eligible for SB 79. This map is in draft format and is subject to change pending updates to eligible transit-oriented development stops. The Director of Planning is authorized to issue a final map of sites eligible for this temporary exemption from SB 79.

Source(s): Los Angeles Department of City Planning
Date Exported 5/5/2026
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Primarily Low Resource TOD Zones Eligible for Temporary Exemption due to Existing Zoned Capacity (GCS 65912.161(b)(1)(B)(ii))

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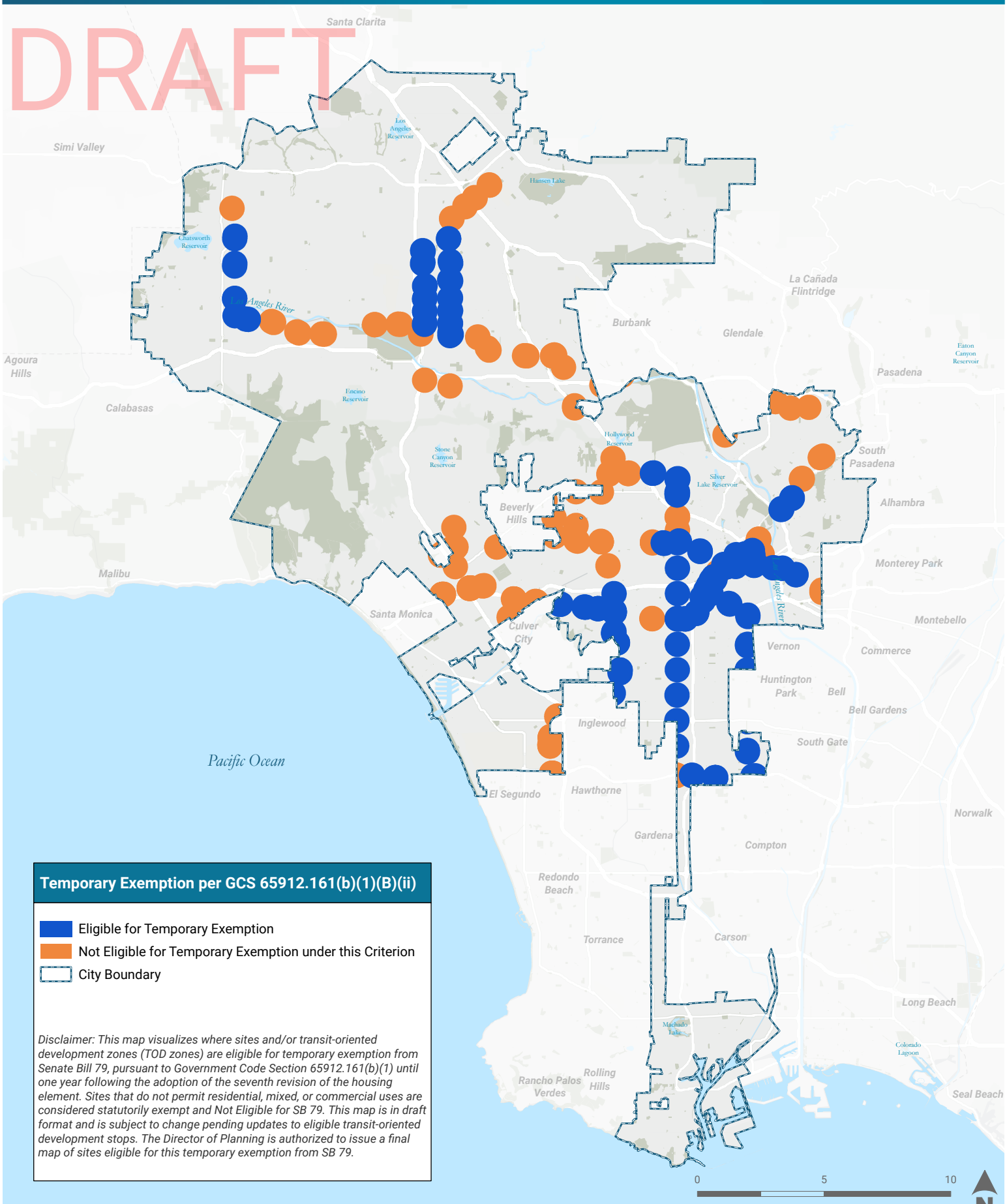

Temporary Exemption per GCS 65912.161(b)(1)(B)(ii)

- Eligible for Temporary Exemption
- Not Eligible for Temporary Exemption under this Criterion
- City Boundary

Disclaimer: This map visualizes where sites and/or transit-oriented development zones (TOD zones) are eligible for temporary exemption from Senate Bill 79, pursuant to Government Code Section 65912.161(b)(1) until one year following the adoption of the seventh revision of the housing element. Sites that do not permit residential, mixed, or commercial uses are considered statutorily exempt and Not Eligible for SB 79. This map is in draft format and is subject to change pending updates to eligible transit-oriented development stops. The Director of Planning is authorized to issue a final map of sites eligible for this temporary exemption from SB 79.

Source(s): Los Angeles Department of City Planning
Date Exported 5/5/2026
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Low Resource Sites Eligible for Temporary Exemption due to Existing Zoned Capacity (GCS 65912.161(b)(1)(B)(iii))

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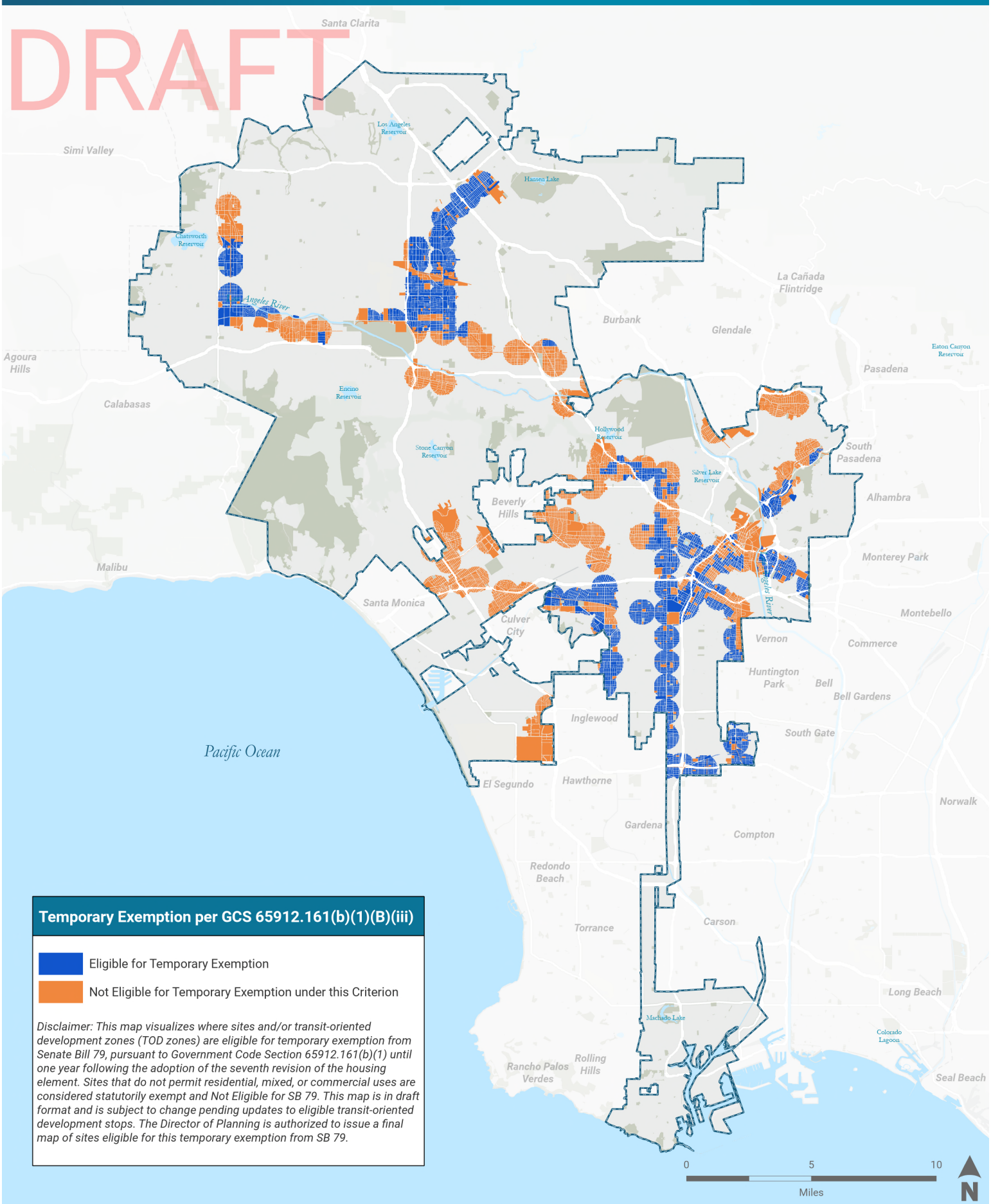

Temporary Exemption per GCS 65912.161(b)(1)(B)(iii)

- Eligible for Temporary Exemption
- Not Eligible for Temporary Exemption under this Criterion

Disclaimer: This map visualizes where sites and/or transit-oriented development zones (TOD zones) are eligible for temporary exemption from Senate Bill 79, pursuant to Government Code Section 65912.161(b)(1) until one year following the adoption of the seventh revision of the housing element. Sites that do not permit residential, mixed, or commercial uses are considered statutorily exempt and Not Eligible for SB 79. This map is in draft format and is subject to change pending updates to eligible transit-oriented development stops. The Director of Planning is authorized to issue a final map of sites eligible for this temporary exemption from SB 79.

Source(s): Los Angeles Department of City Planning
Date Exported 5/5/2026
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Very High Fire Hazard Severity Zone Site Eligible for Temporary Exemption (GCS 65912.161(b)(1)(D))

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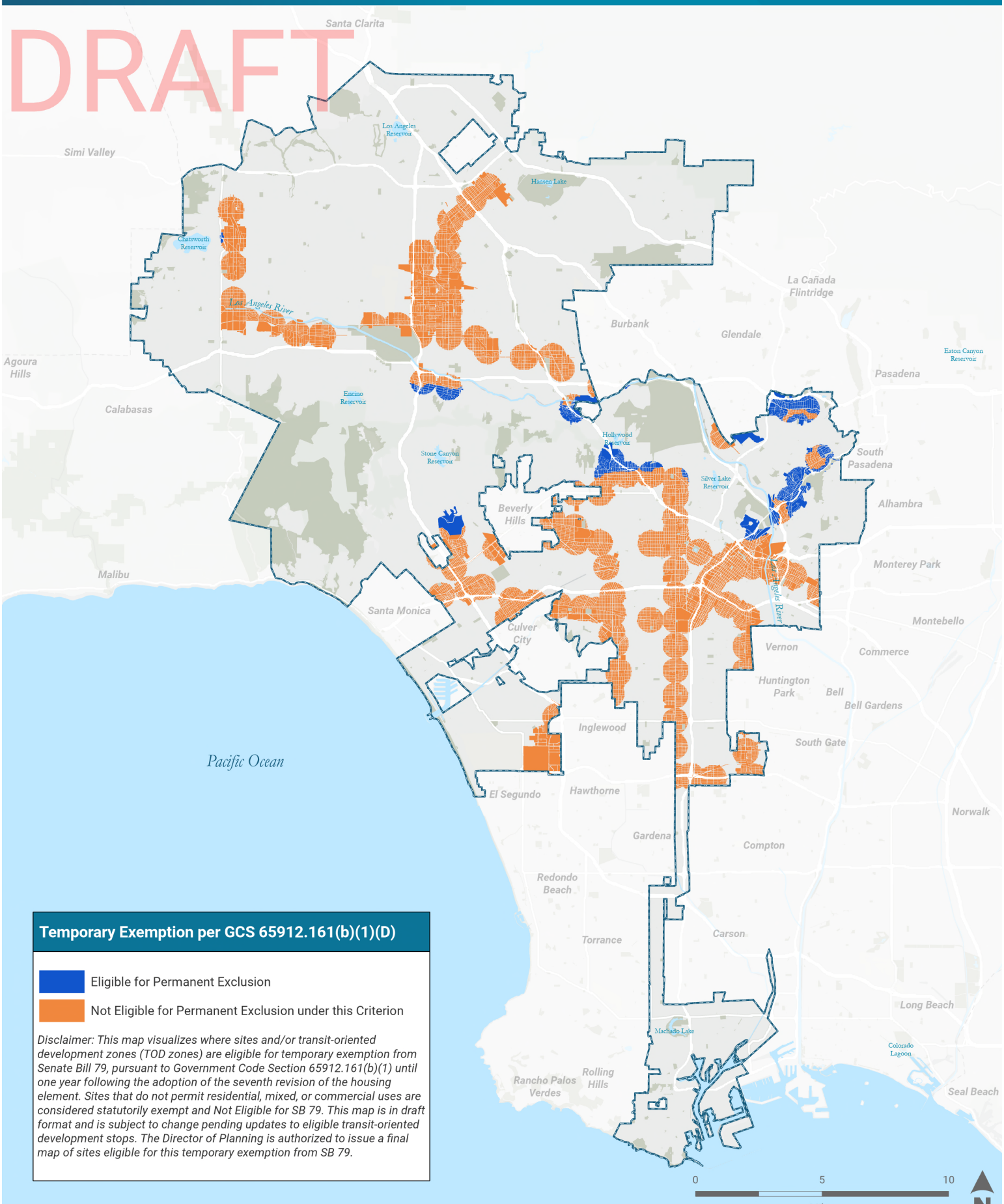

Temporary Exemption per GCS 65912.161(b)(1)(D)

- Eligible for Permanent Exclusion
- Not Eligible for Permanent Exclusion under this Criterion

Disclaimer: This map visualizes where sites and/or transit-oriented development zones (TOD zones) are eligible for temporary exemption from Senate Bill 79, pursuant to Government Code Section 65912.161(b)(1) until one year following the adoption of the seventh revision of the housing element. Sites that do not permit residential, mixed, or commercial uses are considered statutorily exempt and Not Eligible for SB 79. This map is in draft format and is subject to change pending updates to eligible transit-oriented development stops. The Director of Planning is authorized to issue a final map of sites eligible for this temporary exemption from SB 79.

Source(s): Los Angeles Department of City Planning
Date Exported 5/4/2026
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Local Historic Resource Sites Eligible for Temporary Exemption (GCS 65912.161(b)(1)(F))

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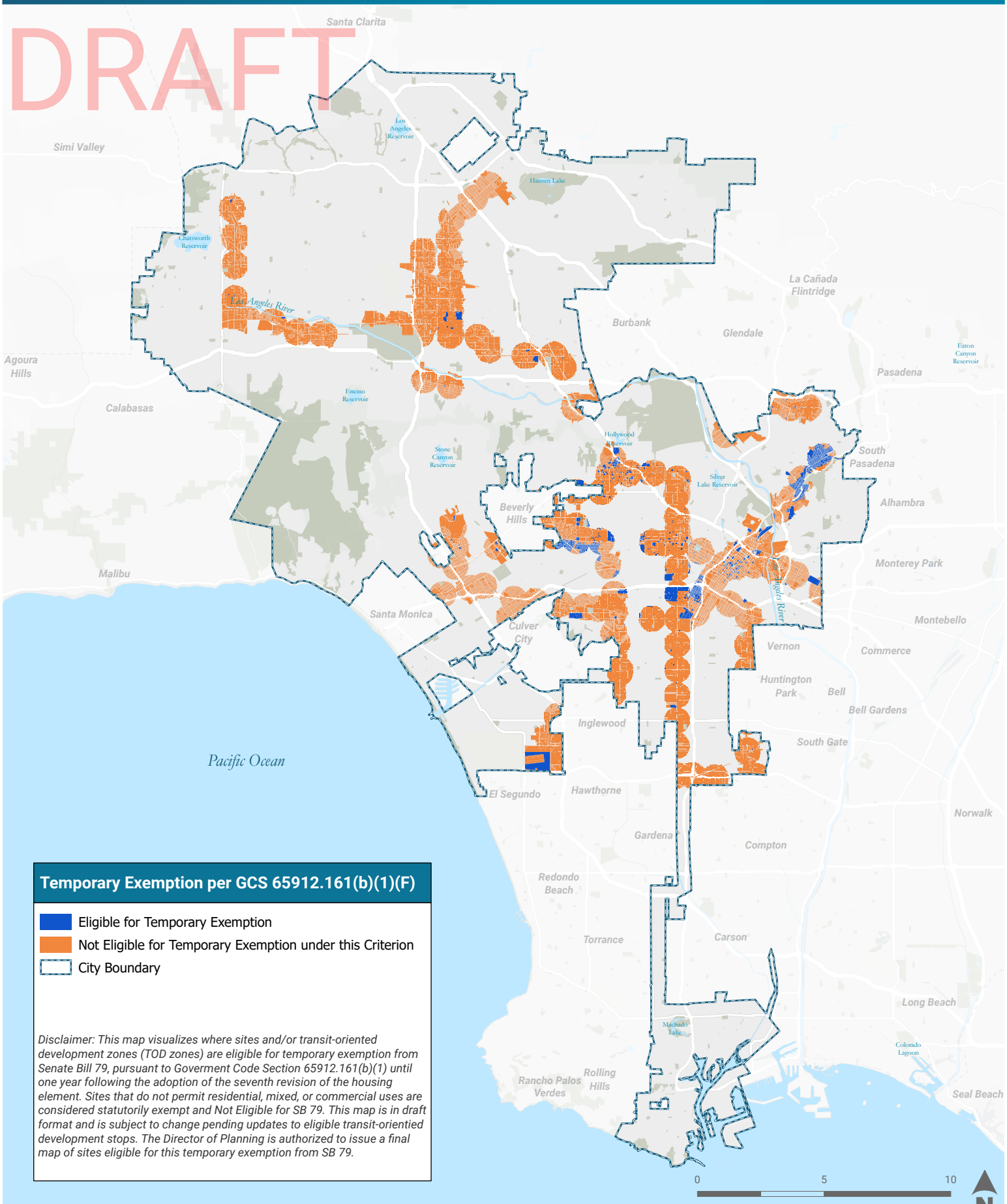

Temporary Exemption per GCS 65912.161(b)(1)(F)

- Eligible for Temporary Exemption
- Not Eligible for Temporary Exemption under this Criterion
- City Boundary

Disclaimer: This map visualizes where sites and/or transit-oriented development zones (TOD zones) are eligible for temporary exemption from Senate Bill 79, pursuant to Goverment Code Section 65912.161(b)(1) until one year following the adoption of the seventh revision of the housing element. Sites that do not permit residential, mixed, or commercial uses are considered statutorily exempt and Not Eligible for SB 79. This map is in draft format and is subject to change pending updates to eligible transit-orientied development stops. The Director of Planning is authorized to issue a final map of sites eligible for this temporary exemption from SB 79.

Source(s): Los Angeles Department of City Planning
Date Exported 5/4/2026
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Sites Eligible for Temporary Exemption due to Existing Zoned Capacity (GCS 65912.161(b)(1)(A))

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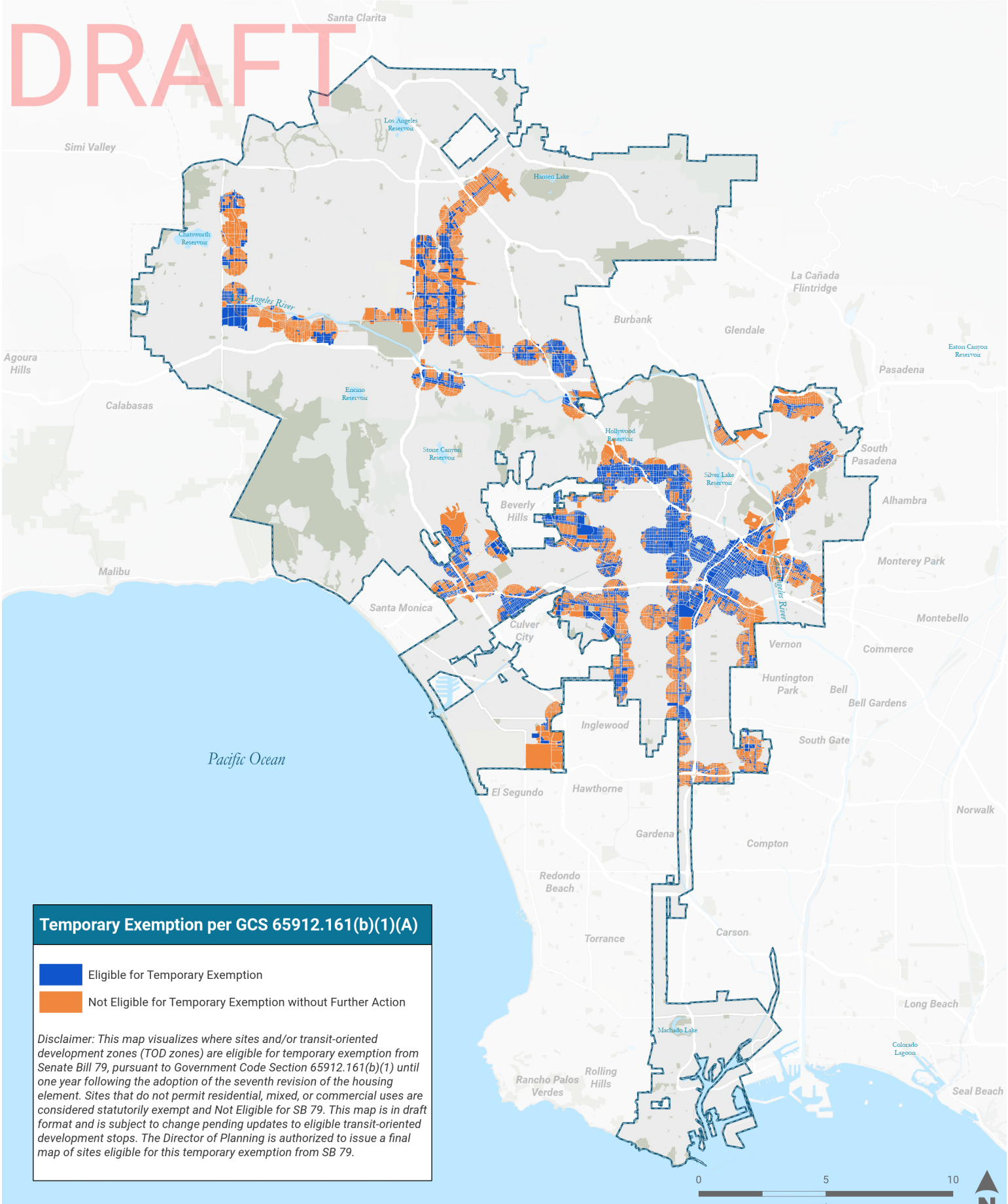

Temporary Exemption per GCS 65912.161(b)(1)(A)

- Eligible for Temporary Exemption
- Not Eligible for Temporary Exemption without Further Action

Disclaimer: This map visualizes where sites and/or transit-oriented development zones (TOD zones) are eligible for temporary exemption from Senate Bill 79, pursuant to Government Code Section 65912.161(b)(1) until one year following the adoption of the seventh revision of the housing element. Sites that do not permit residential, mixed, or commercial uses are considered statutorily exempt and Not Eligible for SB 79. This map is in draft format and is subject to change pending updates to eligible transit-oriented development stops. The Director of Planning is authorized to issue a final map of sites eligible for this temporary exemption from SB 79.

Source(s): Los Angeles Department of City Planning
Date Exported 5/5/2026
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Sites Not Eligible for Temporary Exemption Outside of Opportunity Station Areas

LOS ANGELES CITY PLANNING

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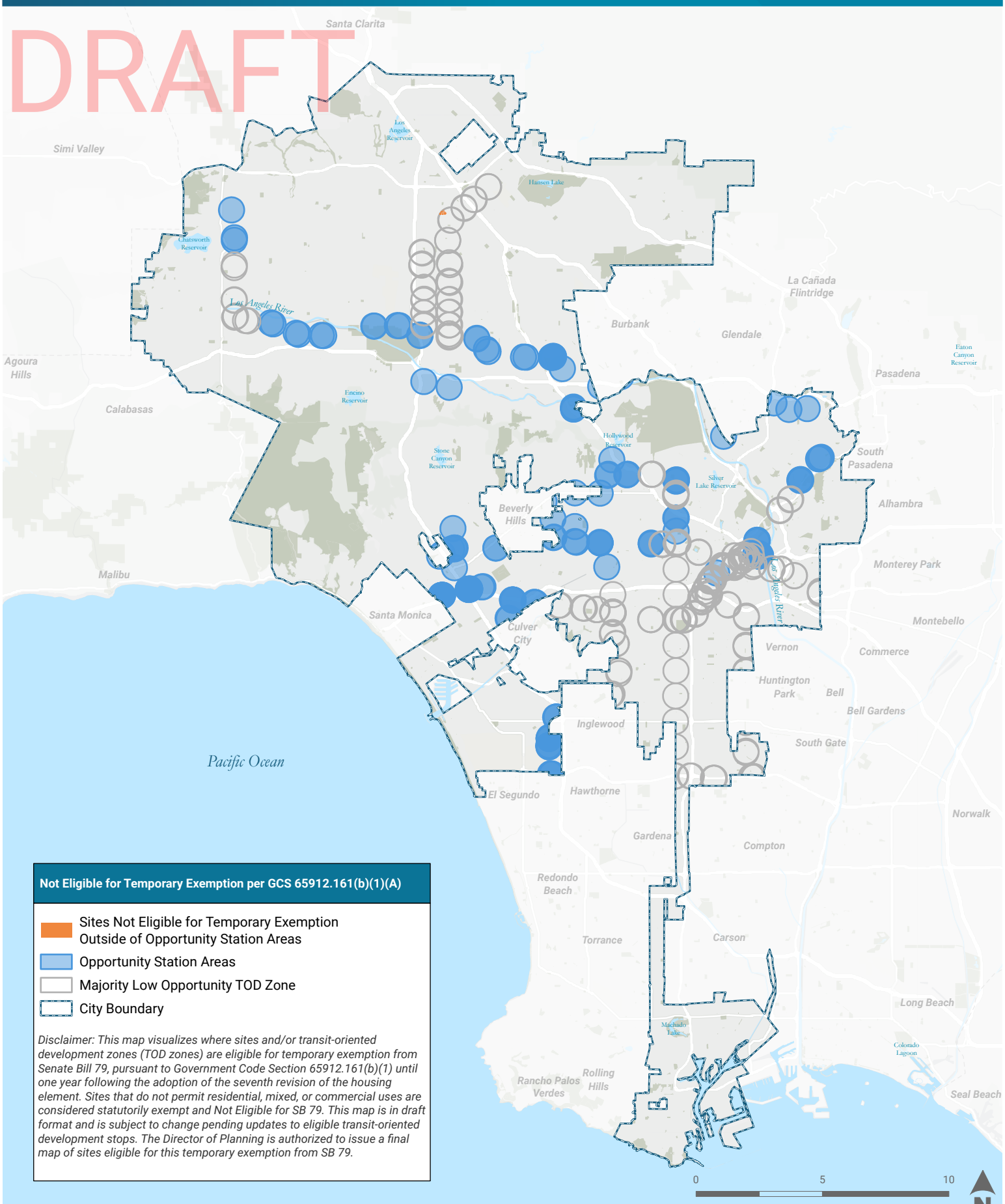

Not Eligible for Temporary Exemption per GCS 65912.161(b)(1)(A)

- Sites Not Eligible for Temporary Exemption Outside of Opportunity Station Areas
- Opportunity Station Areas
- Majority Low Opportunity TOD Zone
- City Boundary

Disclaimer: This map visualizes where sites and/or transit-oriented development zones (TOD zones) are eligible for temporary exemption from Senate Bill 79, pursuant to Government Code Section 65912.161(b)(1) until one year following the adoption of the seventh revision of the housing element. Sites that do not permit residential, mixed, or commercial uses are considered statutorily exempt and Not Eligible for SB 79. This map is in draft format and is subject to change pending updates to eligible transit-oriented development stops. The Director of Planning is authorized to issue a final map of sites eligible for this temporary exemption from SB 79.

Source(s): Los Angeles Department of City Planning
Date Exported 5/5/2026
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Summary of Sites Eligible for Temporary Exemption without Low Rise Ordinance

LOS ANGELES CITY PLANNING

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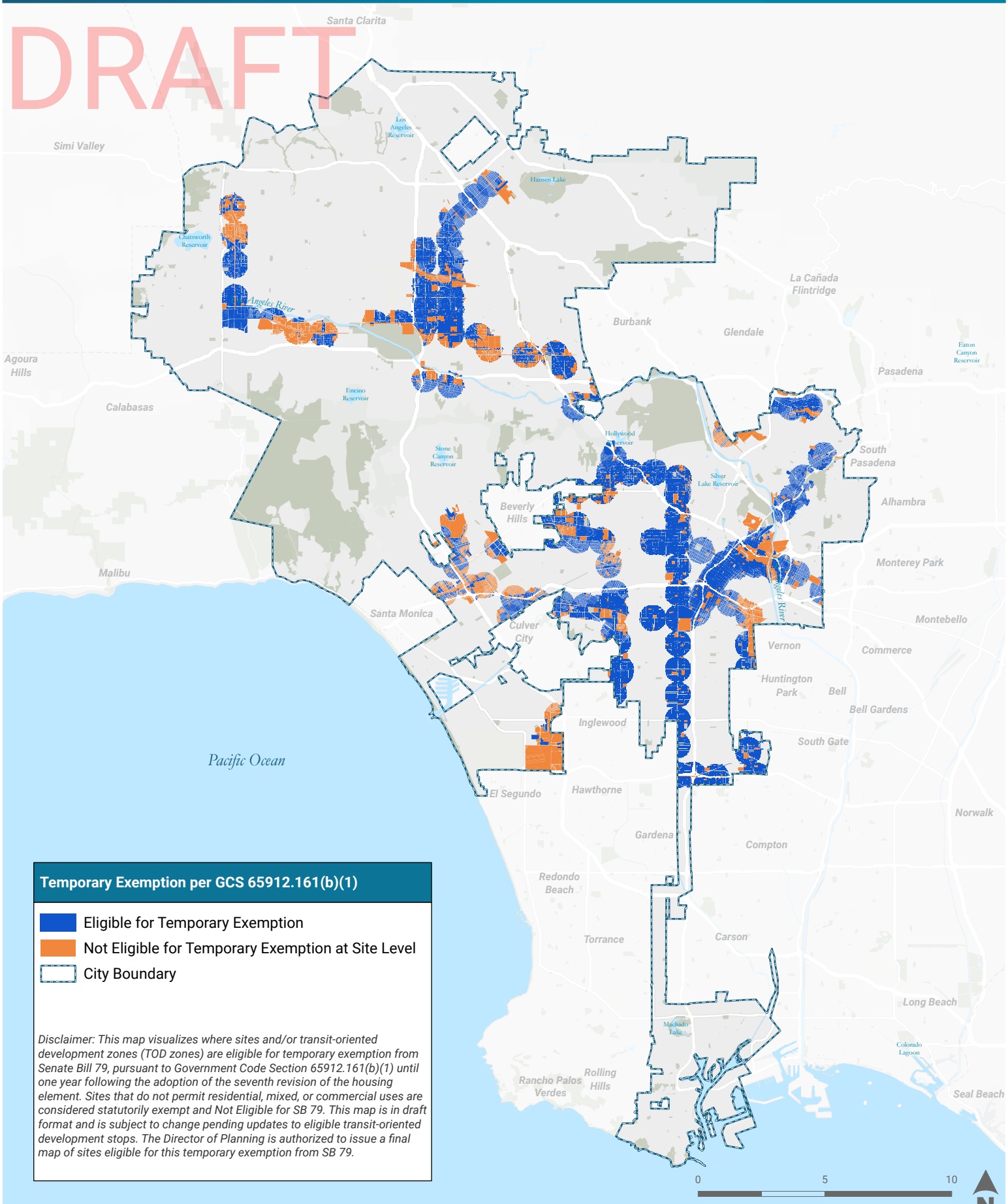

Temporary Exemption per GCS 65912.161(b)(1)

- Eligible for Temporary Exemption
- Not Eligible for Temporary Exemption at Site Level
- City Boundary

Disclaimer: This map visualizes where sites and/or transit-oriented development zones (TOD zones) are eligible for temporary exemption from Senate Bill 79, pursuant to Government Code Section 65912.161(b)(1) until one year following the adoption of the seventh revision of the housing element. Sites that do not permit residential, mixed, or commercial uses are considered statutorily exempt and Not Eligible for SB 79. This map is in draft format and is subject to change pending updates to eligible transit-oriented development stops. The Director of Planning is authorized to issue a final map of sites eligible for this temporary exemption from SB 79.

Source(s): Los Angeles Department of City Planning
Date Exported 5/5/2026
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Low Resource Sites and Primarily Low Resource TOD Zones Eligible for Temporary Exemption

LOS ANGELES CITY PLANNING

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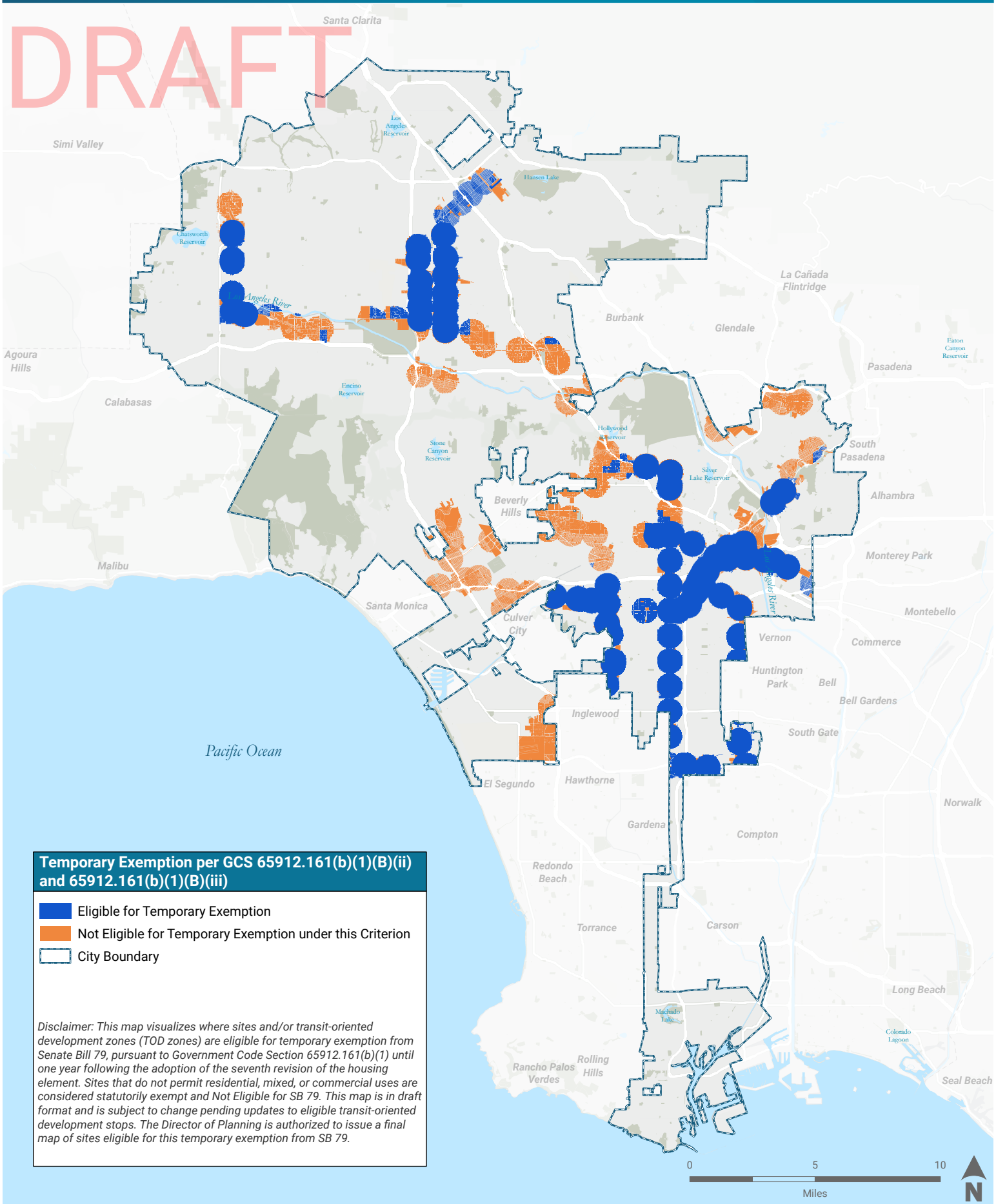

Temporary Exemption per GCS 65912.161(b)(1)(B)(ii) and 65912.161(b)(1)(B)(iii)

- Eligible for Temporary Exemption
- Not Eligible for Temporary Exemption under this Criterion
- City Boundary

Disclaimer: This map visualizes where sites and/or transit-oriented development zones (TOD zones) are eligible for temporary exemption from Senate Bill 79, pursuant to Government Code Section 65912.161(b)(1) until one year following the adoption of the seventh revision of the housing element. Sites that do not permit residential, mixed, or commercial uses are considered statutorily exempt and Not Eligible for SB 79. This map is in draft format and is subject to change pending updates to eligible transit-oriented development stops. The Director of Planning is authorized to issue a final map of sites eligible for this temporary exemption from SB 79.

Source(s): Los Angeles Department of City Planning
Date Exported 5/5/2026
Path S:\GIS\Projects\CitywidePolicy\Housing Policy\SB 79\SB79_Maps_April2026\SB79_Maps_April2026_JB.aprx

Sites Eligible for Phased Implementation with Low-Rise Ordinance

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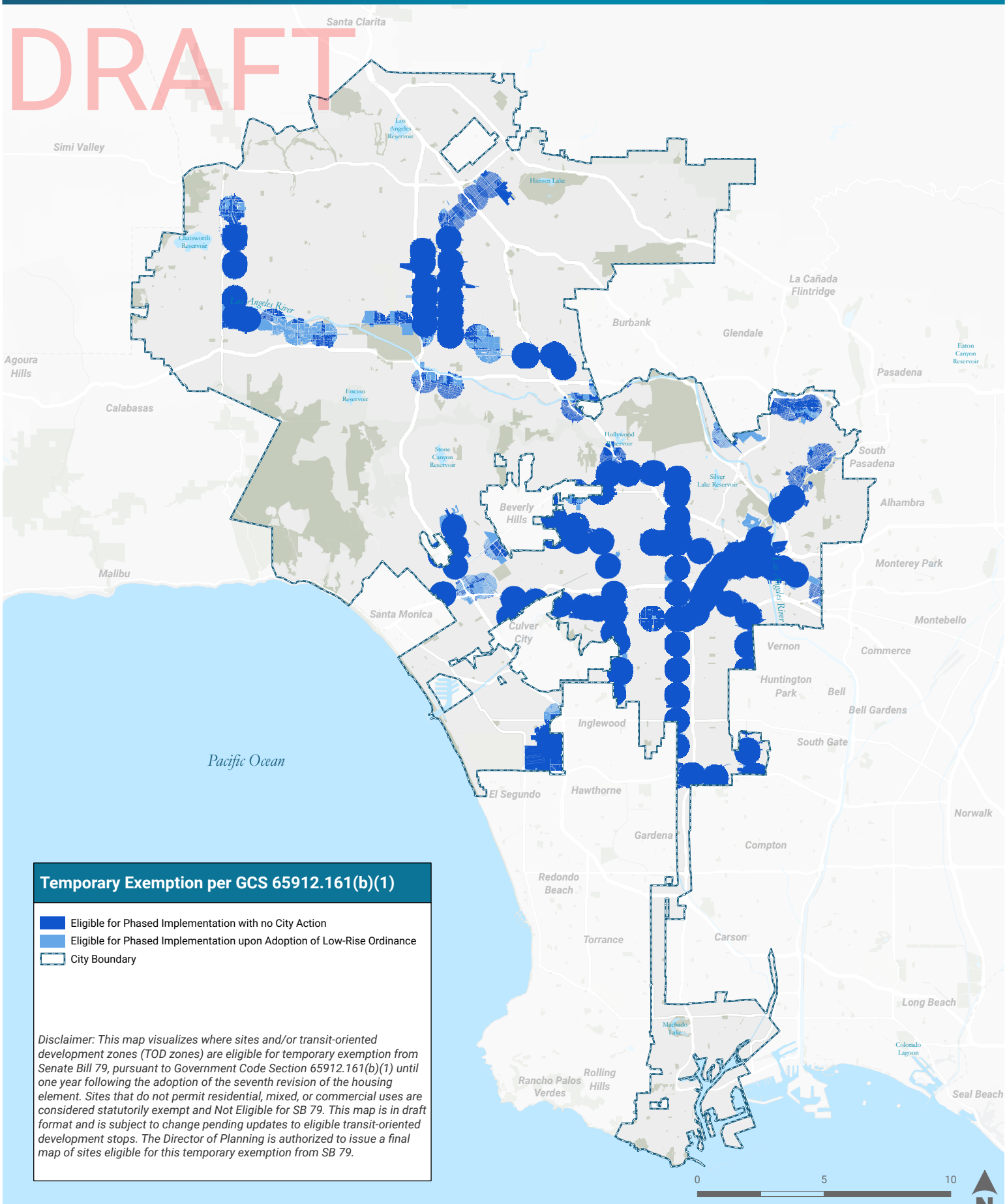

Temporary Exemption per GCS 65912.161(b)(1)

- Eligible for Phased Implementation with no City Action
- Eligible for Phased Implementation upon Adoption of Low-Rise Ordinance
- City Boundary

Disclaimer: This map visualizes where sites and/or transit-oriented development zones (TOD zones) are eligible for temporary exemption from Senate Bill 79, pursuant to Government Code Section 65912.161(b)(1) until one year following the adoption of the seventh revision of the housing element. Sites that do not permit residential, mixed, or commercial uses are considered statutorily exempt and Not Eligible for SB 79. This map is in draft format and is subject to change pending updates to eligible transit-oriented development stops. The Director of Planning is authorized to issue a final map of sites eligible for this temporary exemption from SB 79.

SB 79 Industrial Employment Hubs

LOS ANGELES CITY PLANNING

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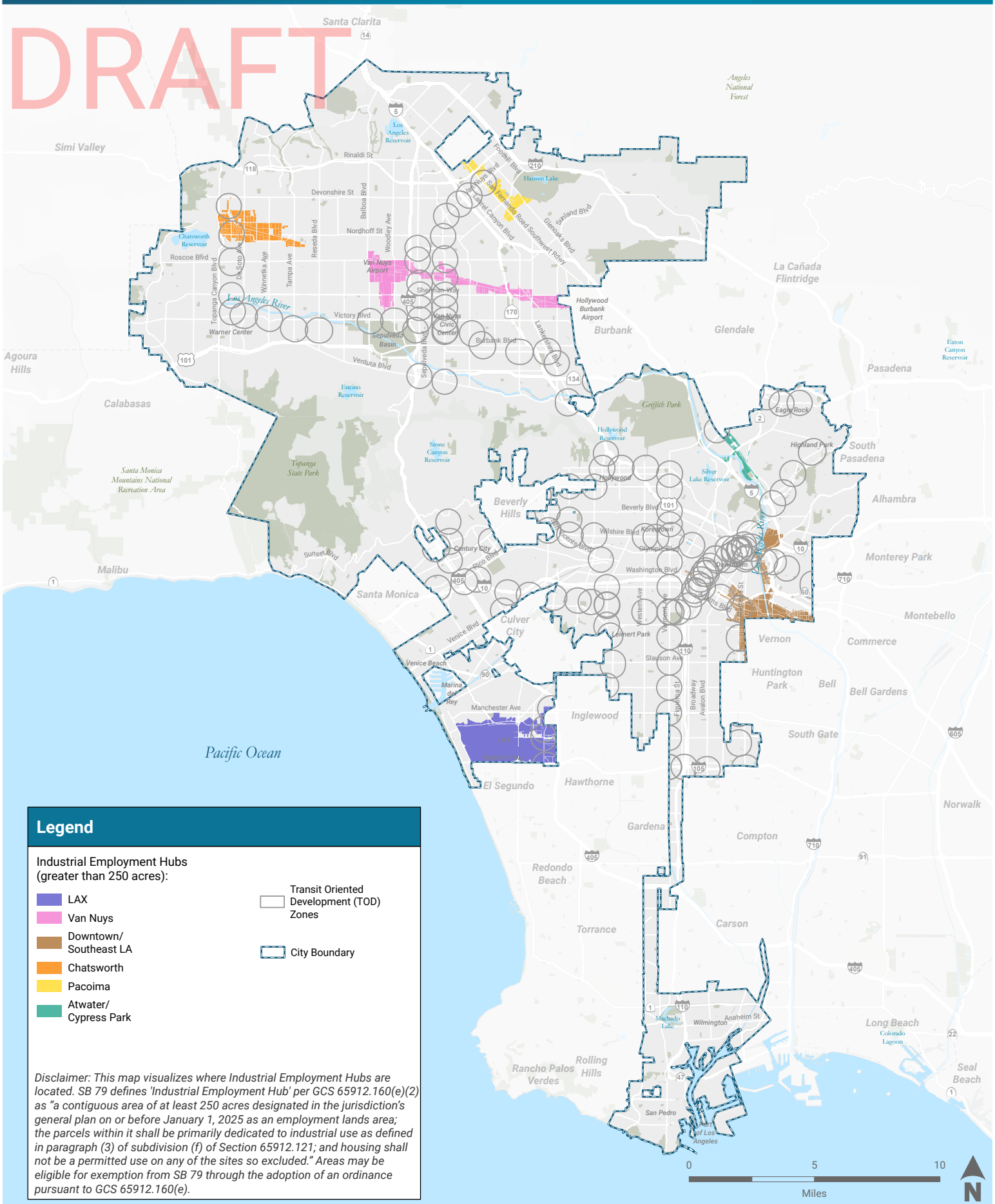


Legend

Industrial Employment Hubs (greater than 250 acres):

- LAX
- Van Nuys
- Downtown/ Southeast LA
- Chatsworth
- Pacoima
- Atwater/ Cypress Park

- Transit Oriented Development (TOD) Zones
- City Boundary

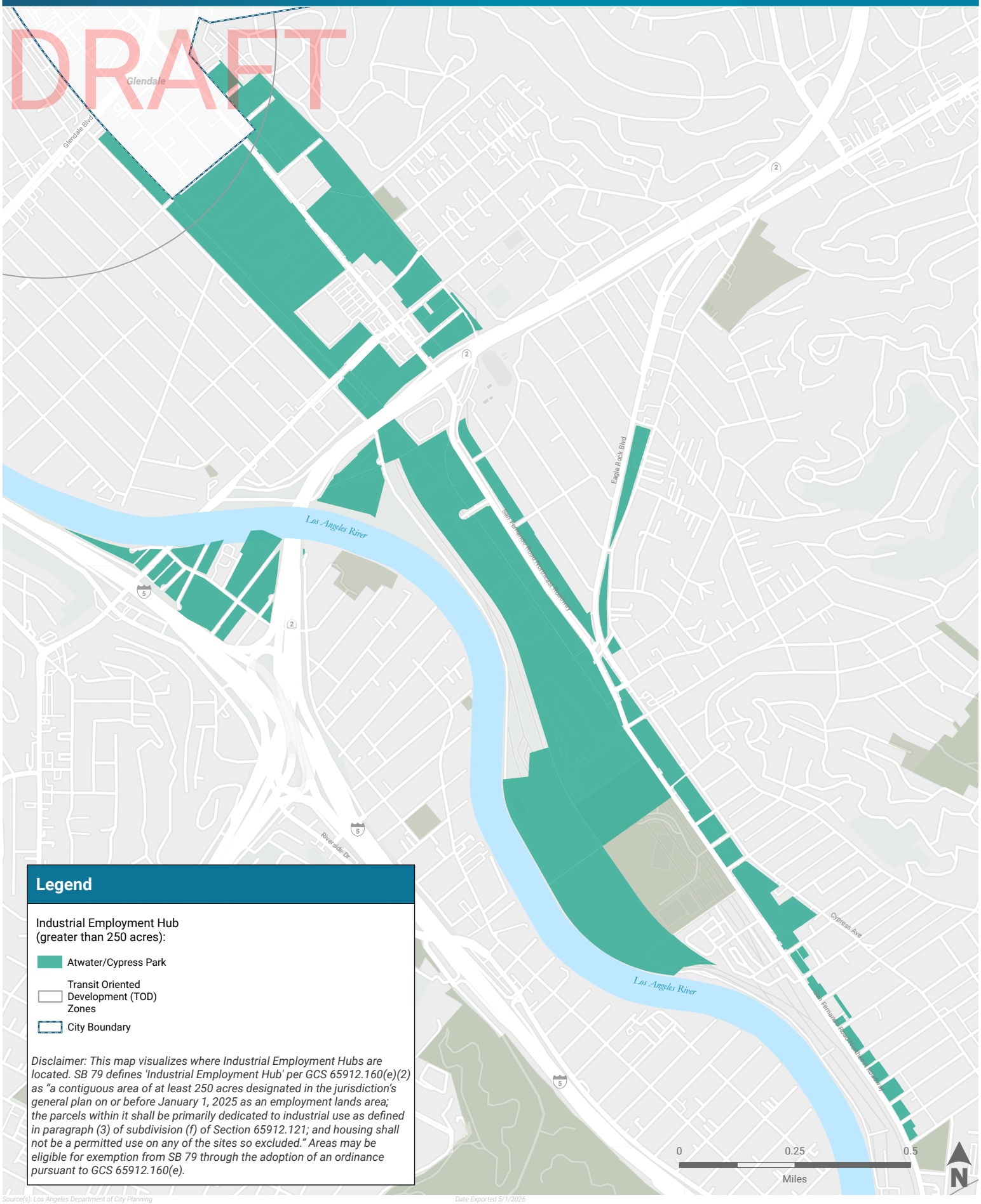
Disclaimer: This map visualizes where Industrial Employment Hubs are located. SB 79 defines 'Industrial Employment Hub' per GCS 65912.160(e)(2) as "a contiguous area of at least 250 acres designated in the jurisdiction's general plan on or before January 1, 2025 as an employment lands area; the parcels within it shall be primarily dedicated to industrial use as defined in paragraph (3) of subdivision (f) of Section 65912.121; and housing shall not be a permitted use on any of the sites so excluded." Areas may be eligible for exemption from SB 79 through the adoption of an ordinance pursuant to GCS 65912.160(e).

Source(s): Los Angeles Department of City Planning

Date Exported 5/1/2026

Atwater/Cypress Park SB 79 Industrial Employment Hub

LOS ANGELES CITY PLANNING



Legend

Industrial Employment Hub
(greater than 250 acres):

- Atwater/Cypress Park
- Transit Oriented Development (TOD) Zones
- City Boundary

Disclaimer: This map visualizes where Industrial Employment Hubs are located. SB 79 defines 'Industrial Employment Hub' per GCS 65912.160(e)(2) as "a contiguous area of at least 250 acres designated in the jurisdiction's general plan on or before January 1, 2025 as an employment lands area; the parcels within it shall be primarily dedicated to industrial use as defined in paragraph (3) of subdivision (f) of Section 65912.121; and housing shall not be a permitted use on any of the sites so excluded." Areas may be eligible for exemption from SB 79 through the adoption of an ordinance pursuant to GCS 65912.160(e).

Source(s): Los Angeles Department of City Planning
Date Exported 5/1/2026

Chatsworth SB 79 Industrial Employment Hub

LOS ANGELES CITY PLANNING

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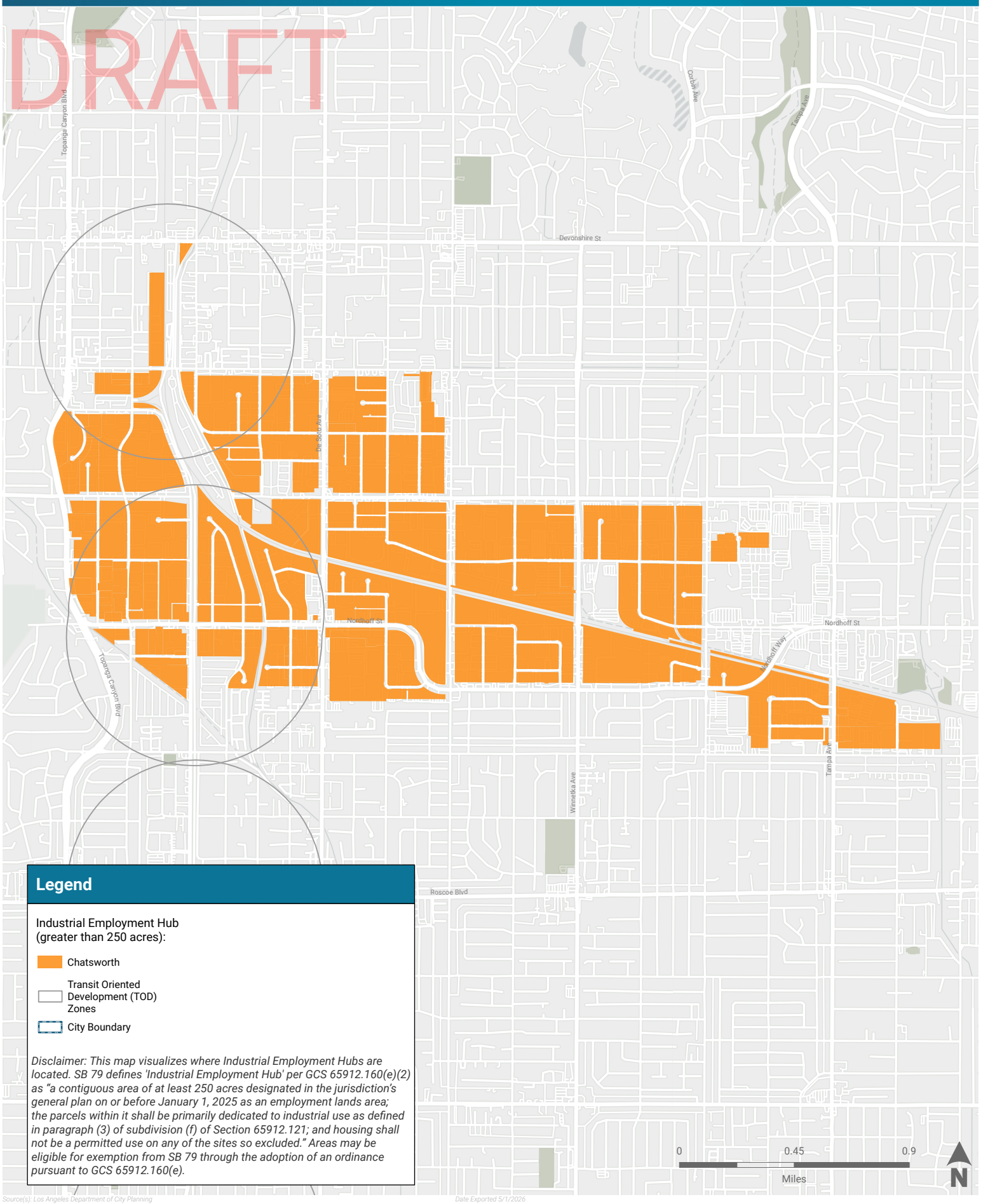


Legend

Industrial Employment Hub
(greater than 250 acres):

- Chatsworth
- Transit Oriented Development (TOD) Zones
- City Boundary

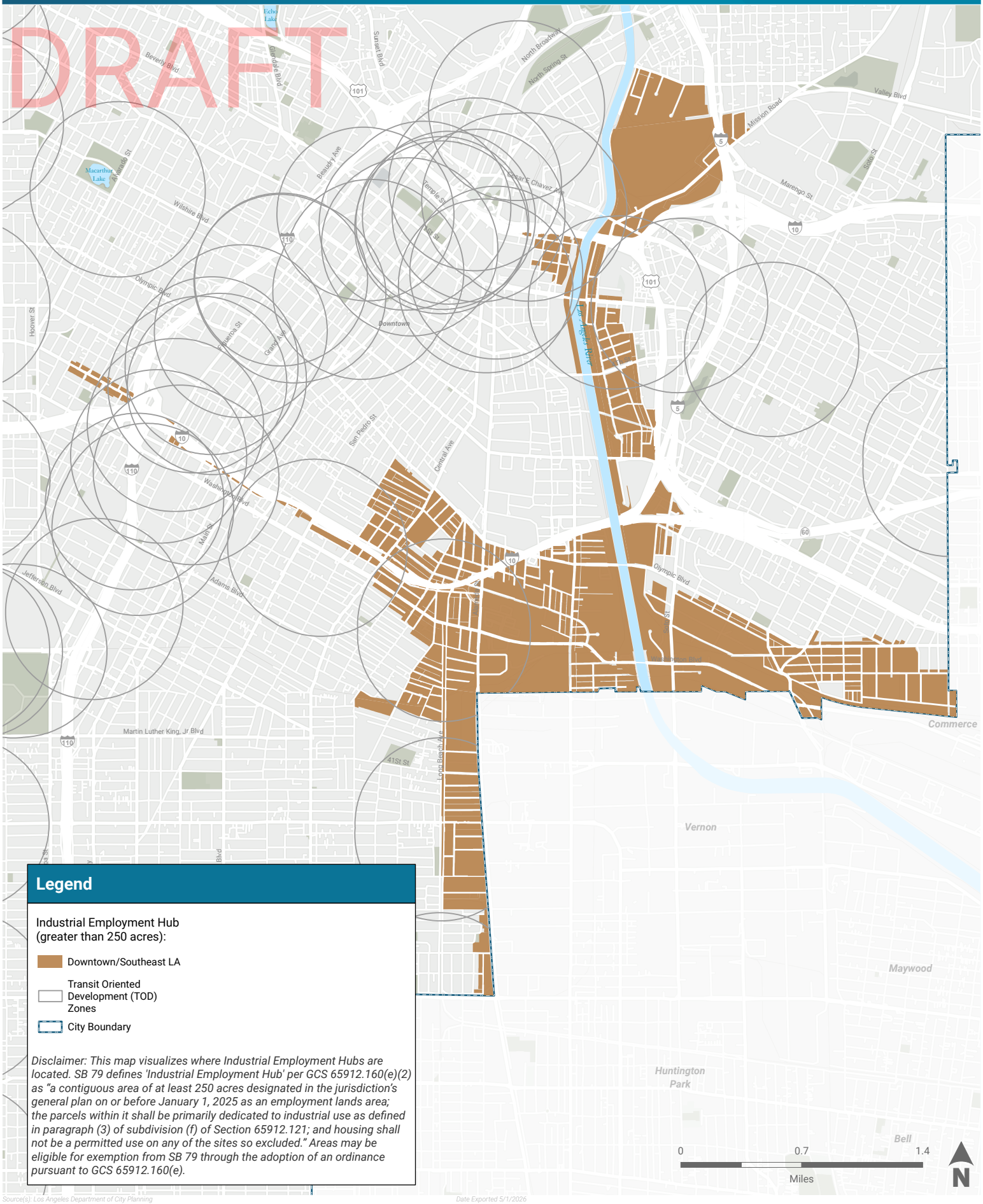
Disclaimer: This map visualizes where Industrial Employment Hubs are located. SB 79 defines 'Industrial Employment Hub' per GCS 65912.160(e)(2) as "a contiguous area of at least 250 acres designated in the jurisdiction's general plan on or before January 1, 2025 as an employment lands area; the parcels within it shall be primarily dedicated to industrial use as defined in paragraph (3) of subdivision (f) of Section 65912.121; and housing shall not be a permitted use on any of the sites so excluded." Areas may be eligible for exemption from SB 79 through the adoption of an ordinance pursuant to GCS 65912.160(e).

Source(s): Los Angeles Department of City Planning

Date Exported 5/1/2026

Downtown/Southeast LA SB 79 Industrial Employment Hub

LOS ANGELES CITY PLANNING



Legend

Industrial Employment Hub (greater than 250 acres):

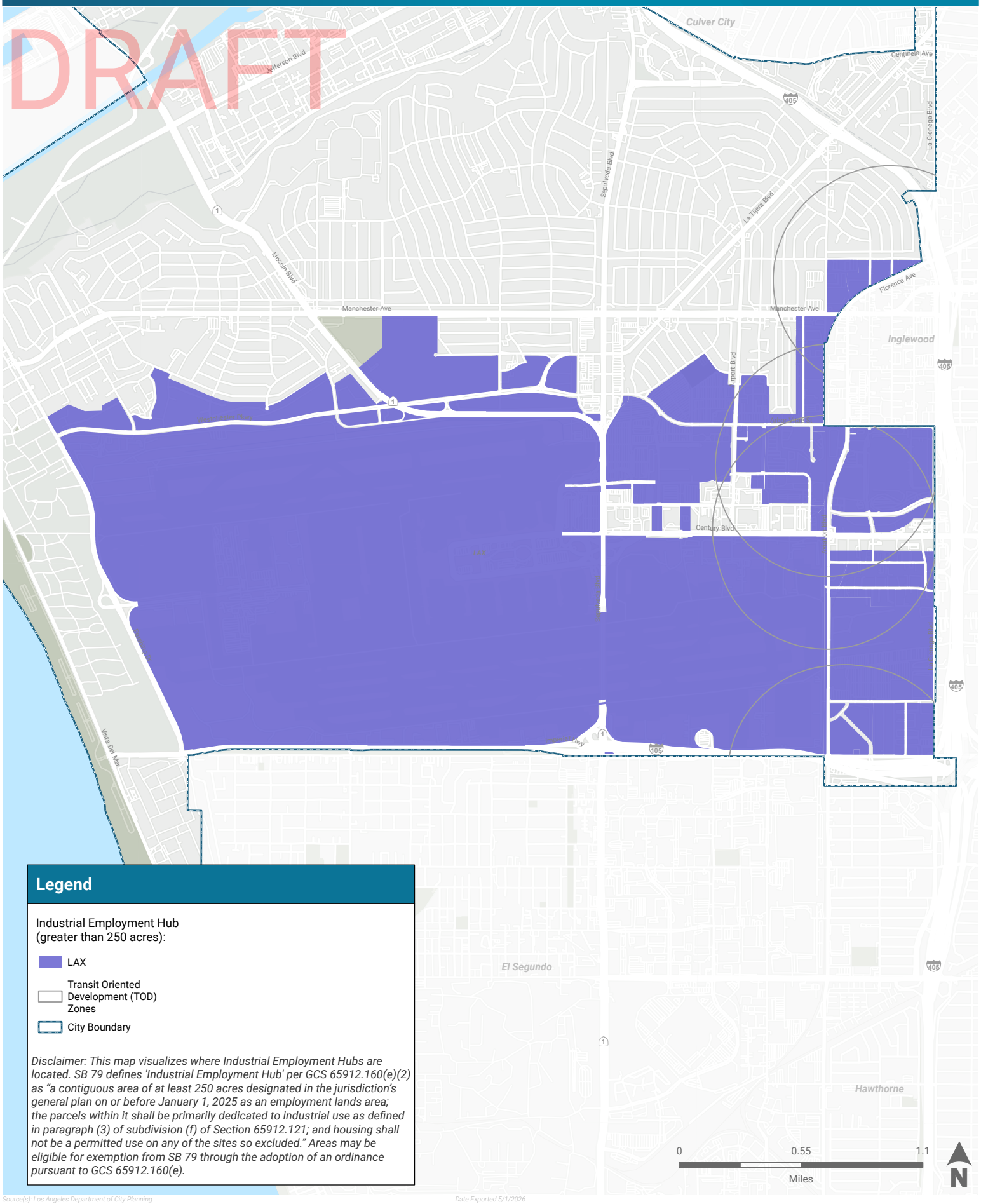
- Downtown/Southeast LA
- Transit Oriented Development (TOD) Zones
- City Boundary

Disclaimer: This map visualizes where Industrial Employment Hubs are located. SB 79 defines 'Industrial Employment Hub' per GCS 65912.160(e)(2) as "a contiguous area of at least 250 acres designated in the jurisdiction's general plan on or before January 1, 2025 as an employment lands area; the parcels within it shall be primarily dedicated to industrial use as defined in paragraph (3) of subdivision (f) of Section 65912.121; and housing shall not be a permitted use on any of the sites so excluded." Areas may be eligible for exemption from SB 79 through the adoption of an ordinance pursuant to GCS 65912.160(e).

Source(s): Los Angeles Department of City Planning

Date Exported 5/1/2026

LAX SB 79 Industrial Employment Hub



Legend

Industrial Employment Hub
(greater than 250 acres):

- LAX
- Transit Oriented Development (TOD) Zones
- City Boundary

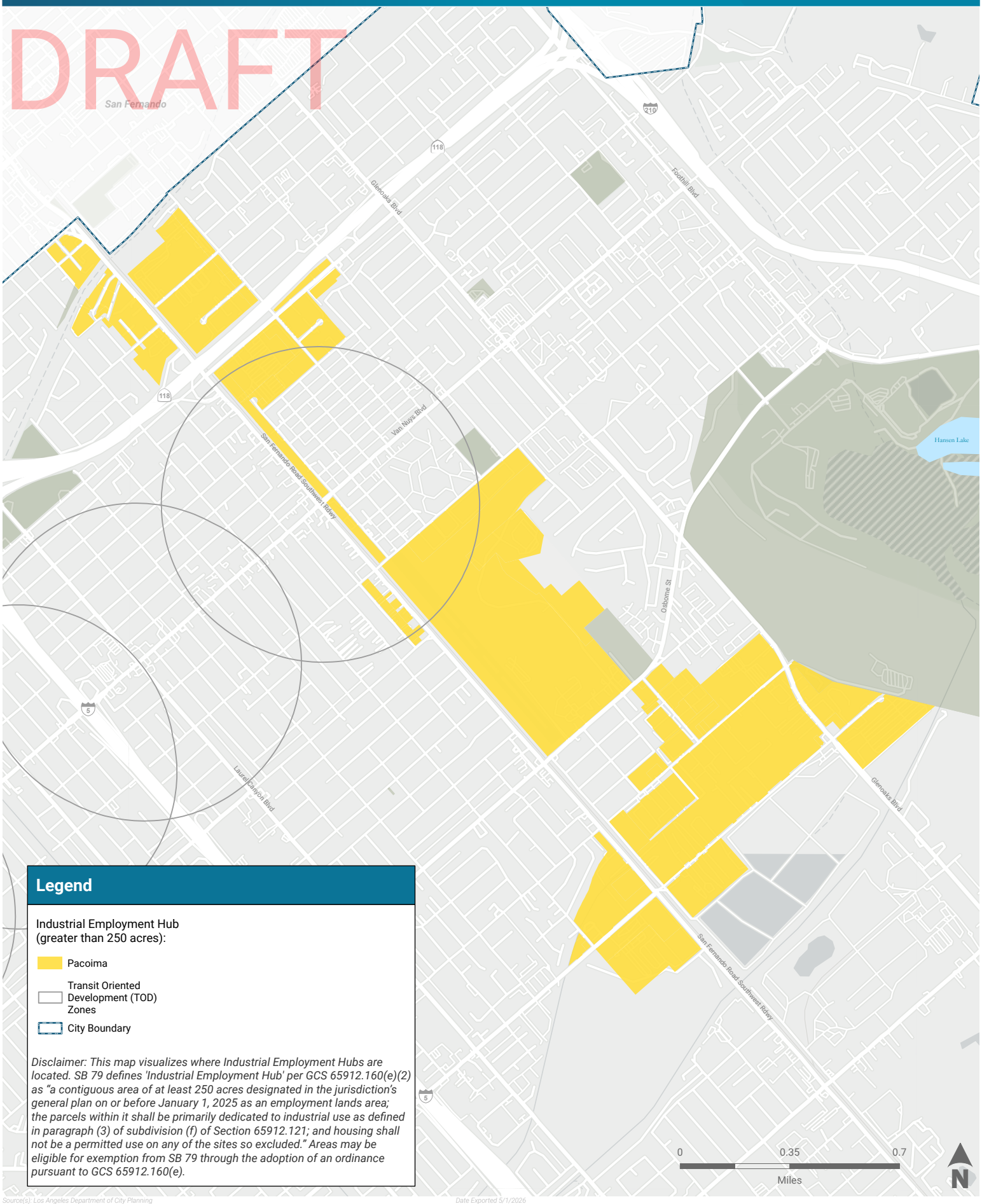
Disclaimer: This map visualizes where Industrial Employment Hubs are located. SB 79 defines 'Industrial Employment Hub' per GCS 65912.160(e)(2) as "a contiguous area of at least 250 acres designated in the jurisdiction's general plan on or before January 1, 2025 as an employment lands area; the parcels within it shall be primarily dedicated to industrial use as defined in paragraph (3) of subdivision (f) of Section 65912.121; and housing shall not be a permitted use on any of the sites so excluded." Areas may be eligible for exemption from SB 79 through the adoption of an ordinance pursuant to GCS 65912.160(e).

Source(s): Los Angeles Department of City Planning

Date Exported 5/1/2026

Pacoima SB 79 Industrial Employment Hub

LOS ANGELES CITY PLANNING



Legend

Industrial Employment Hub
(greater than 250 acres):

- Pacoima
- Transit Oriented Development (TOD) Zones
- City Boundary

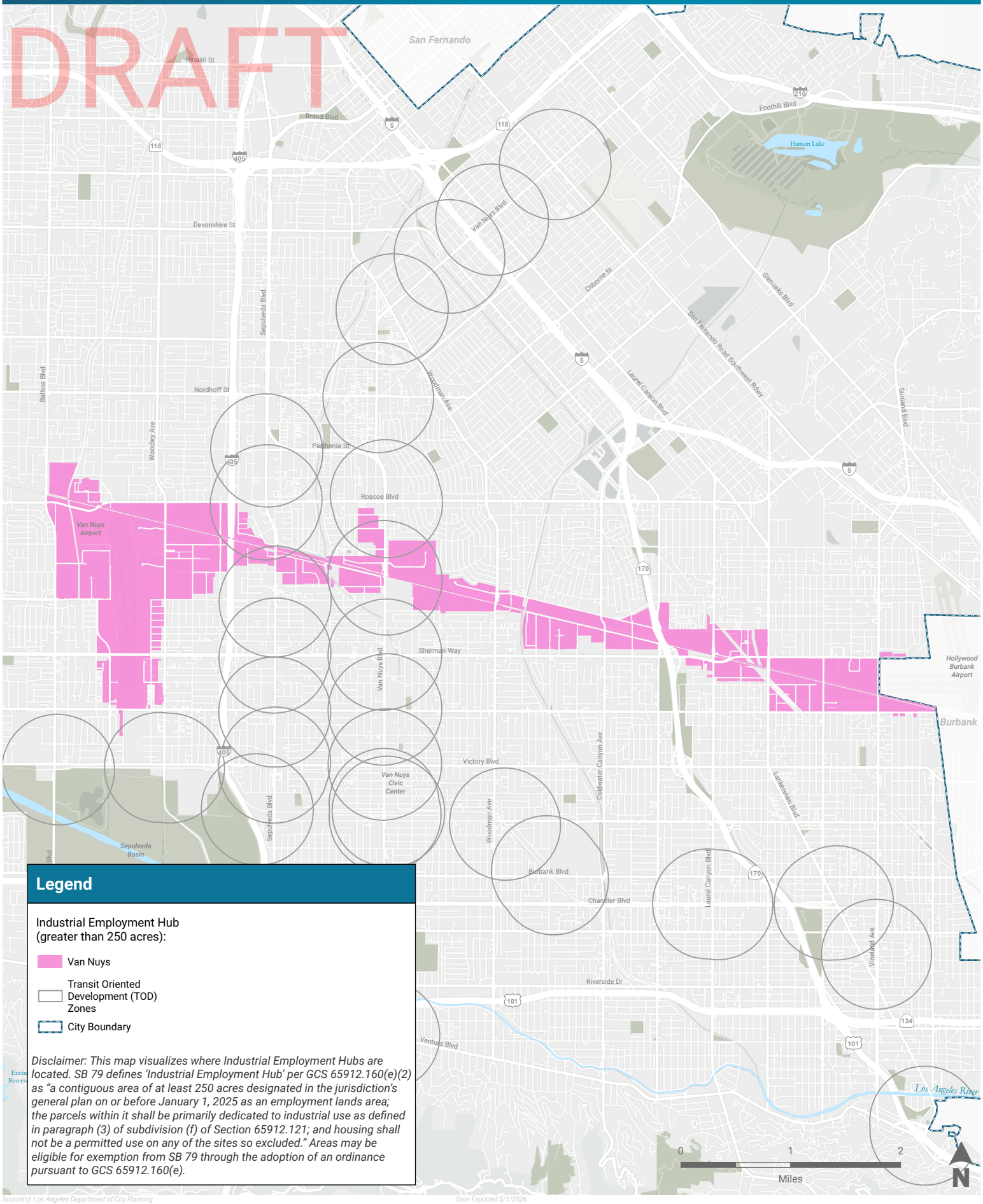
Disclaimer: This map visualizes where Industrial Employment Hubs are located. SB 79 defines 'Industrial Employment Hub' per GCS 65912.160(e)(2) as "a contiguous area of at least 250 acres designated in the jurisdiction's general plan on or before January 1, 2025 as an employment lands area; the parcels within it shall be primarily dedicated to industrial use as defined in paragraph (3) of subdivision (f) of Section 65912.121; and housing shall not be a permitted use on any of the sites so excluded." Areas may be eligible for exemption from SB 79 through the adoption of an ordinance pursuant to GCS 65912.160(e).

Source(s): Los Angeles Department of City Planning

Date Exported 5/1/2026

Van Nuys SB 79 Industrial Employment Hub

LOS ANGELES CITY PLANNING



Legend

Industrial Employment Hub (greater than 250 acres):

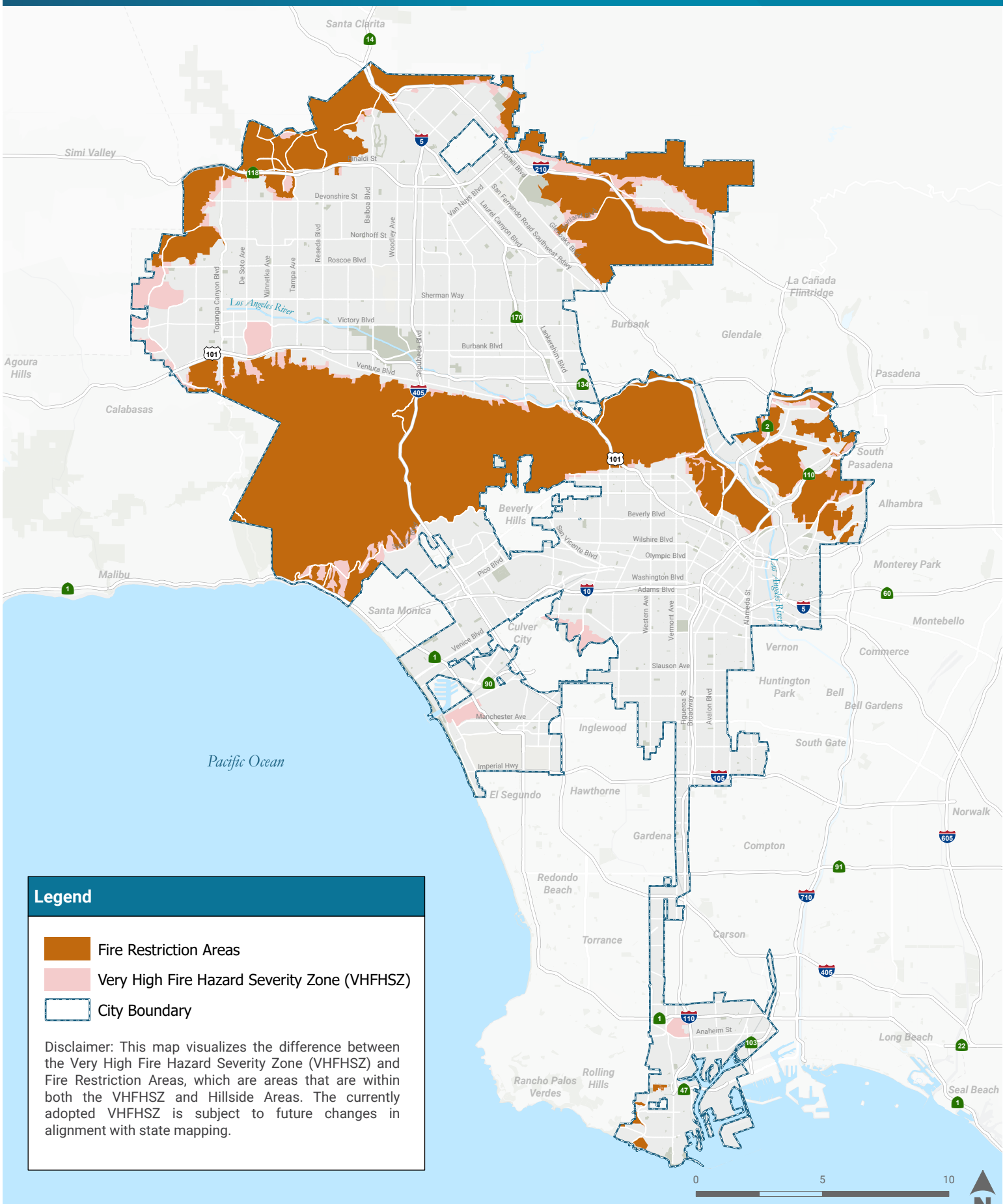
- Van Nuys
- Transit Oriented Development (TOD) Zones
- City Boundary

Disclaimer: This map visualizes where Industrial Employment Hubs are located. SB 79 defines 'Industrial Employment Hub' per GCS 65912.160(e)(2) as "a contiguous area of at least 250 acres designated in the jurisdiction's general plan on or before January 1, 2025 as an employment lands area; the parcels within it shall be primarily dedicated to industrial use as defined in paragraph (3) of subdivision (f) of Section 65912.121; and housing shall not be a permitted use on any of the sites so excluded." Areas may be eligible for exemption from SB 79 through the adoption of an ordinance pursuant to GCS 65912.160(e).

Source(s): Los Angeles Department of City Planning

Date Exported 5/1/2026

Very High Fire Hazard Severity Zone and Fire Restriction Areas



Legend

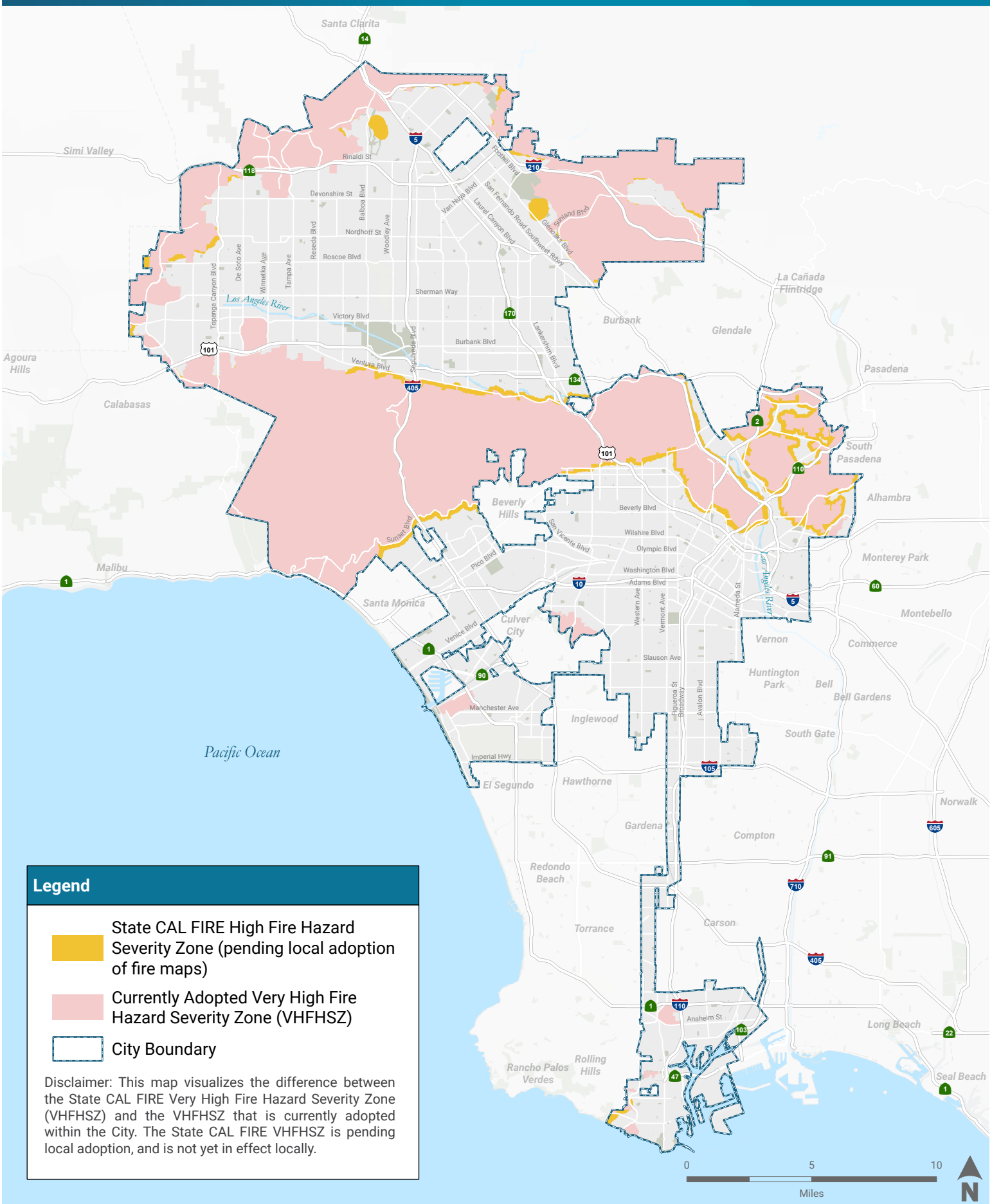
- Fire Restriction Areas
- Very High Fire Hazard Severity Zone (VHFHSZ)
- City Boundary

Disclaimer: This map visualizes the difference between the Very High Fire Hazard Severity Zone (VHFHSZ) and Fire Restriction Areas, which are areas that are within both the VHFHSZ and Hillside Areas. The currently adopted VHFHSZ is subject to future changes in alignment with state mapping.

Source(s): Los Angeles Department of City Planning
Date Exported 4/27/2026
Path S:\GIS\Projects\CitywidePolicy\Housing Policy\SB 79\SB79_Maps_April2026\SB79_Maps_April2026_VHFSZ.aprx

Locally Adopted Very High Fire Hazard Severity Zone and State CAL FIRE Very High Fire Hazard Severity Zone

LOS ANGELES CITY PLANNING



Legend

- State CAL FIRE High Fire Hazard Severity Zone (pending local adoption of fire maps)
- Currently Adopted Very High Fire Hazard Severity Zone (VHFHSZ)
- City Boundary

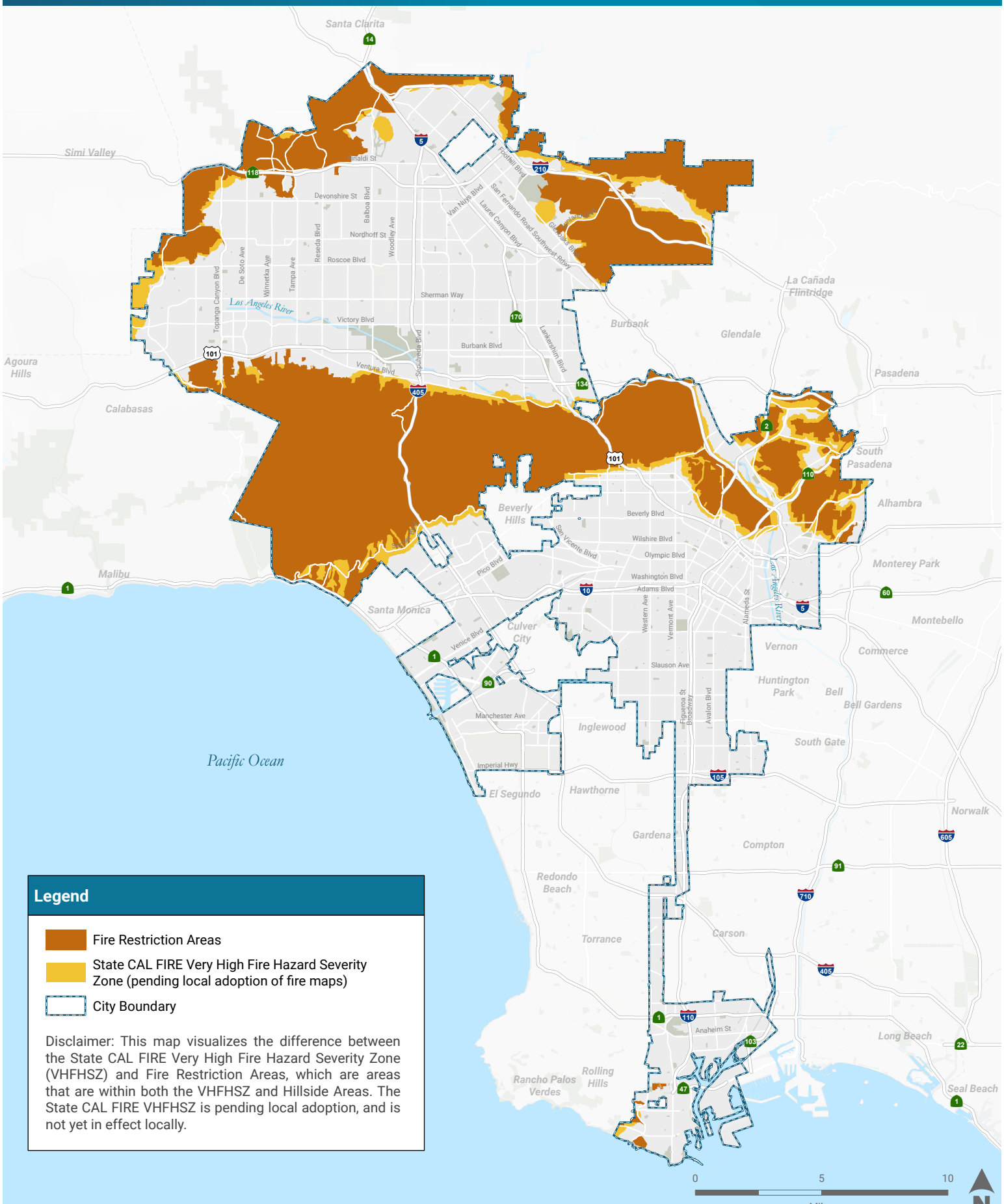
Disclaimer: This map visualizes the difference between the State CAL FIRE Very High Fire Hazard Severity Zone (VHFHSZ) and the VHFHSZ that is currently adopted within the City. The State CAL FIRE VHFHSZ is pending local adoption, and is not yet in effect locally.

Source(s): Los Angeles Department of City Planning, CalFire

Date Exported 4/27/2026

Path S:\GIS\Projects\CitywidePolicy\Housing Policy\SB 79\SB79_Maps_April2026\SB79_Maps_April2026_VHFSZ.aprx

State CAL FIRE Very High Fire Hazard Severity Zone and Fire Restriction Areas



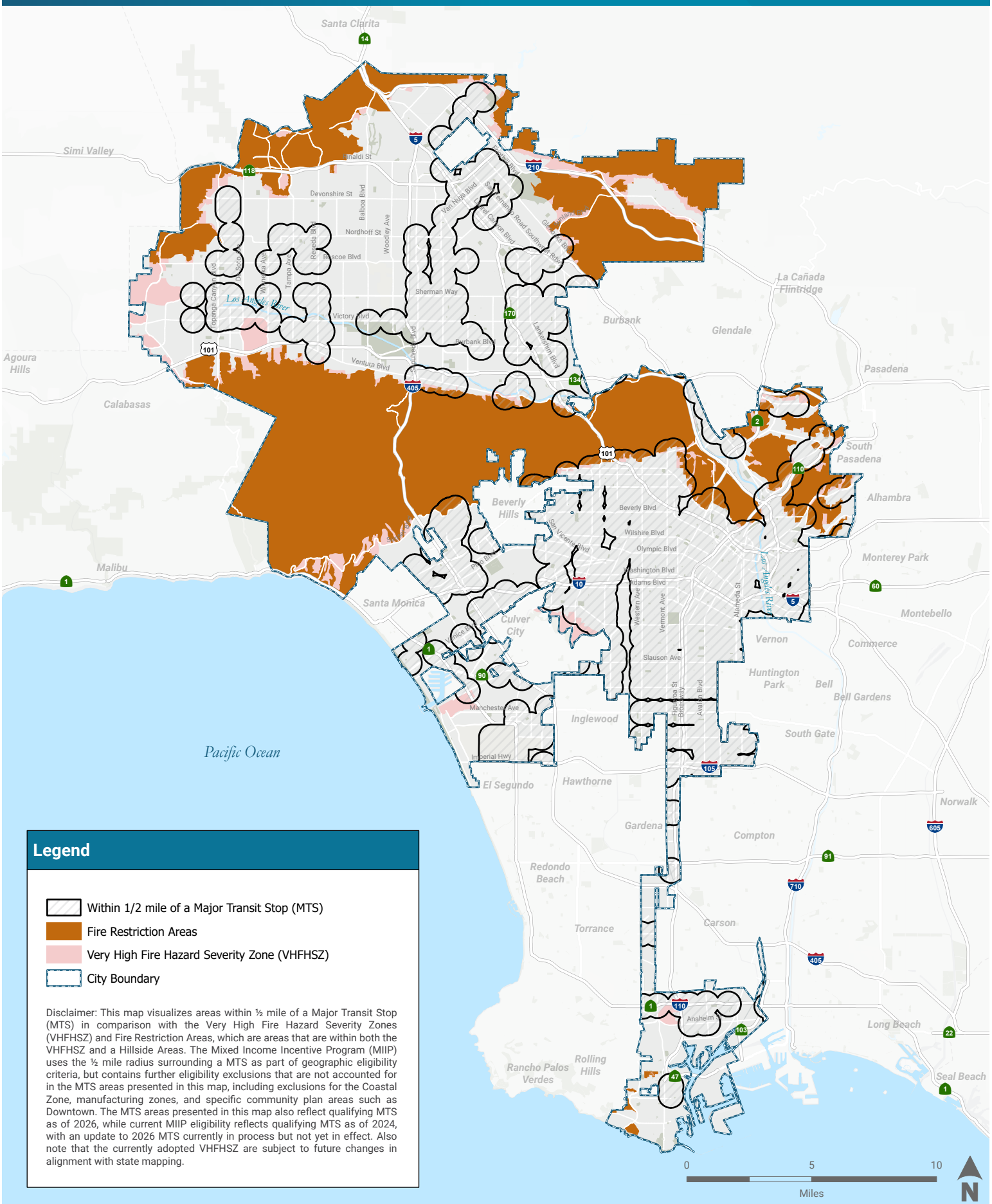
Legend

- Fire Restriction Areas
- State CAL FIRE Very High Fire Hazard Severity Zone (pending local adoption of fire maps)
- City Boundary

Disclaimer: This map visualizes the difference between the State CAL FIRE Very High Fire Hazard Severity Zone (VHFHSZ) and Fire Restriction Areas, which are areas that are within both the VHFHSZ and Hillside Areas. The State CAL FIRE VHFHSZ is pending local adoption, and is not yet in effect locally.

Source(s): Los Angeles Department of City Planning, CalFire
Date Exported 4/27/2026
Path S:\GIS\Projects\CitywidePolicy\Housing Policy\SB 79\SB79_Maps_April2026\SB79_Maps_April2026_VHFSZ.aprx

Major Transit Stops and Fire Restriction Areas



Legend

- Within 1/2 mile of a Major Transit Stop (MTS)
- Fire Restriction Areas
- Very High Fire Hazard Severity Zone (VHFHSZ)
- City Boundary

Disclaimer: This map visualizes areas within ½ mile of a Major Transit Stop (MTS) in comparison with the Very High Fire Hazard Severity Zones (VHFHSZ) and Fire Restriction Areas, which are areas that are within both the VHFHSZ and a Hillside Areas. The Mixed Income Incentive Program (MIIP) uses the ½ mile radius surrounding a MTS as part of geographic eligibility criteria, but contains further eligibility exclusions that are not accounted for in the MTS areas presented in this map, including exclusions for the Coastal Zone, manufacturing zones, and specific community plan areas such as Downtown. The MTS areas presented in this map also reflect qualifying MTS as of 2026, while current MIIP eligibility reflects qualifying MTS as of 2024, with an update to 2026 MTS currently in process but not yet in effect. Also note that the currently adopted VHFHSZ are subject to future changes in alignment with state mapping.

Source(s): Los Angeles Department of City Planning; SCAG
Date Exported 4/27/2026
Path S:\GIS\Projects\CitywidePolicy\Housing Policy\SB 79\SB79_Maps_April2026\SB79_Maps_April2026_VHFSZ.aprx

EXHIBIT 4:
Phased Implementation Model Results

CPC-2026-1798-MSC, CPC-2026-1797-CA

For consideration by City Planning Commission

May 14, 2026

Exhibit 4 - PHASED IMPLEMENTATION MODEL RESULTS

This Exhibit contains a series of tables that summarize the sites and TOD Zones eligible for permanent or temporary exemption from SB 79 (GCS 65912.160(e) and 65912.161(b)(1)). The results are presented at the citywide, TOD zone, and individual site level from the SB 79 Phased Implementation Model.

Exhibit of Resources

1. Phased Implementation Summary Tables
    - Table 1A: Citywide Summary of Sites and TOD Zones Eligible for Phased Implementation
    - Table 1B: TOD Zones Eligible for Phased Implementation
    - Table 1C: Sites Eligible for Phased Implementation

Table 1A: Citywide Summary of Sites and TOD Zones Eligible for Phased Implementation																	
	Local and SB 79 Allowable Capacity				Eligible for Permanent Exclusion (GCS 65912.160 (e))		Eligible for Temporary Exemption (GCS 65912.161(b)(1)							Summary of Sites Eligible for Phased Implementation			
	Local Maximum Allowable Units	SB 79 Maximum Allowable Units	Local Maximum Allowable Residential Building Volume[1]	SB 79 Maximum Allowable Residential Building Volume[2]	Sites Greater than 1-mile Walking Distance [3]	Sites within Industrial Employment Hubs [4]	Sites in Low Resource Areas (GCS 65912.161(b)(1)(B)(iii)[5]	Sites within TOD Zones with Sufficient Capacity (GCS 65912.161(b)(1)(B)(i)[6]	Sites within Lower Opportunity TOD Zones with Sufficient Capacity (GCS 65912.161(b)(1)(B)(ii)[7]	Sites with Sufficient Capacity (GCS 65912.161(A))[8]	Sites in a Very High Fire Hazard Severity Zone (GCS 65912.161(B)(1)(D)[9]	Sites in a One-Foot of Sea Level Rise Area (GSC 65912.161(b)(1)(E))[10]	Sites Designated as a Local Historic Resource before 1/1/25 (GCS 65912.161(b)(1)(F))[11]	Sites Eligible for at least one Permanent or Temporary Exemption Based on Existing Conditions	Sites Statutorily Exempt from SB 79	Sites eligible for Phased Implementation pursuant to LAMC 12.22 A.38(c)(10) to ensure half of the capacity permitted by SB 79	Percent of Sites Eligible for Phased Implementation with LAMC 12.22 A.38(c)(10)
Number of City Parcels	2,885,702	2,893,063	3,194,396,578	3,704,362,693	341	2,377	75,704	54,157	70,505	46,526	12,910	0	7,689	121,888	3,976	17,562	139,450
Percent of City Parcels					0.28%	1.95%	55.88%	39.98%	52.04%	34.34%	10.59%	0.00%	6.31%	89.97%	2.93%	12.59%	100.00%
Number of TOD Zones								74	80								

1 Maximum allowable building volume that could be developed under local zoning rules.

2 Maximum allowable building volume that could be developed under SB 79.

3 Sites that are beyond one-mile walking distance from the SB79 TOD stop, pursuant to GCS 65912.160(e)(1).

4 Sites located in an Industrial Employment Hub, pursuant to GCS 65912.160(e)(2).

5 Sites located in a lower opportunity area as designated by the California Tax Credit Allocation Committee (TCAC) and when citywide local capacity permits at least half of SB 79 capacity, pursuant to GCS 65912.161(b)(1)(B)(iii).

6 TOD Zones where both (a) at least 33 percent of lots produce at least 50% SB79 capacity and (b) all lots estimate to produce at least 75% of the density of SB 79, pursuant to GCS 65912.161(b)(1)(B)(i).

7 TOD Zones where (a) the TOD Zone is a primarily TCAC lower opportunity area and, (b) permits 40% of the aggregated density of SB79 pursuant to GCS 65912.161(b)(1)(B)(ii).

8 Sites meeting 50% density and FAR of SB 79 pursuant to GCS 65912.161(b)(1)(A).

9 Sites that are in Very High Fire Hazard Severity Zones (VHFHSZ), pursuant to GCS 65912.161(b)(1)(D).

10 Sites that are in areas vulnerable to one foot of sea level rise, pursuant to GCS 65912.161(b)(1)(E).

11 Sites contain historic resources designated before January 1, 2025 on the City's local register, pursuant to GCS 65912.161(b)(1)(F).

Table 1B:Summary of TOD Zones Eligible for Phased Implementation																				
	Local and SB 79 Capacity				Eligible for Permanent Exclusion (GCS 65912.160 (e))		Eligible for Temporary Exemption (GCS 65912.161(b)(1)							Summary of Sites Eligible for Phased Implementation						
TOD Zone Name	Local Maximum Allowable Units	SB 79 MaximumAllowable Units	Local Maximum Allowable Residential Building Volume	79 Floor Area	Sites Greater than 1-mile walking distance	Sites within Industrial Employment Hubs	Sites in Low Resource Areas (GCS 65912.161(b)(1)(B)(iii)	TOD Zones with Sufficient Capacity (GCS 65912.161(b)(1)(B)(i)	Lower Opportunity TOD Zones (GCS 65912.161(b)(1)(B)(ii)	Sites with Sufficient Capacity (GCS 65912.161(A))	Sites in a Very High Fire Hazard Severity Zone (GCS 65912.161(B)(1)(D)	Sites in a One-Foot of Sea Level Rise Area (GSC 65912.161(b)(1)(E))	Sites Designated as a Local Historic Resource before 1/1/25 (GCS 65912.161(b)(1)(F))	Total Sites in TOD Zone	Sites Statutorily Exempt from SB 79 (GCS 65912.157(a) and 65912.160(e))	Sites Eligible for SB 79	Sites Eligible for at least one Permanent or Temporary Exemption with Existing Conditions	Percent of TOD Zone Eligible for Permanent or Temporary Exemption with Existing Conditions	Sites eligible for Phased Implementation pursuant to LAMC 12.22 A.38(c)(10) to ensure half of the capacity permitted by SB 79	Percent of TOD Zone Eligible for Permanent or Temporary Exemption with LAMC 12.22 A.38(c)(10)
A-Chinatown	56,135	35,776	21,631,484	45,419,238	0	0	88	Yes	No	665	334	0	19	812	50	762	762	100%	0	100%
A-Heritage Square	15,212	36,266	23,608,766	46,659,704	54	0	954	No	Yes	337	1,818	0	645	2,023	34	1,989	1,989	100%	0	100%
A-Highland Park	22,166	34,437	34,523,964	43,849,085	0	0	413	No	No	707	1,059	0	1,768	2,314	66	2,248	2,232	99%	16	100%
A-Lincoln/Cypress	26,408	28,799	31,055,158	37,104,242	0	0	976	Yes	Yes	537	435	0	265	1,059	37	1,022	1,022	100%	0	100%
A-Little Tokyo/Arts District	76,849	24,482	24,375,679	30,704,393	0	47	310	Yes	Yes	469	0	0	23	603	122	481	481	100%	0	100%
A-Southwest Museum	9,775	31,128	15,147,659	39,934,224	41	0	254	No	No	161	1,899	0	719	1,908	9	1,899	1,899	100%	0	100%
A/RED/PUR/Metrolink-Union Station	73,132	27,447	17,909,359	34,480,439	0	48	72	Yes	No	288	0	0	10	564	217	347	347	100%	0	100%
BLU-103rd St/Watts Towers	17,869	32,560	33,325,027	41,554,122	0	0	2,230	No	Yes	256	0	0	3	2,264	34	2,230	2,230	100%	0	100%
BLU-Firestone	1,789	1,741	2,705,302	2,267,844	0	0	76	Yes	Yes	57	0	0	0	77	1	76	76	100%	0	100%
BLU-Grand/LATTC	72,071	30,691	66,175,517	38,817,321	0	9	780	Yes	Yes	642	0	0	157	895	56	839	839	100%	0	100%
BLU-San Pedro St	39,263	25,242	42,526,742	32,373,346	0	203	1,011	Yes	Yes	761	0	0	3	1,576	224	1,352	1,352	100%	0	100%
BLU-Slauson	7,228	11,063	16,581,713	14,285,636	0	19	736	No	Yes	297	0	0	0	760	24	736	736	100%	0	100%
BLU-Vernon	8,879	17,628	21,333,277	22,479,931	0	222	1,539	No	Yes	301	0	0	1	1,765	226	1,539	1,539	100%	0	100%
BLU-Washington	27,060	6,358	8,262,070	8,003,787	0	668	462	No	Yes	124	0	0	0	1,244	763	481	481	100%	0	100%
BLU/EXP-Pico	139,924	36,315	112,523,632	45,956,812	0	5	457	Yes	Yes	701	0	0	41	728	25	703	703	100%	0	100%
BLU/EXP/RED/PUR-7th St/Metro Center	170,046	47,881	132,829,552	60,040,861	0	0	498	Yes	Yes	713	0	0	89	720	4	716	716	100%	0	100%
BLU/GRN-Willowbrook/Rosa Parks	6,920	17,222	15,222,645	22,071,258	0	0	998	No	Yes	97	0	0	0	1,011	5	1,006	1,006	100%	0	100%
E-Indiana	5,208	13,613	10,720,557	17,278,188	0	0	1,102	No	No	135	0	0	0	1,109	7	1,102	1,102	100%	0	100%
E-Mariachi Plaza	15,819	26,427	22,891,567	33,718,761	0	121	1,136	No	Yes	381	0	0	3	1,384	140	1,244	1,244	100%	0	100%
E-Pico/Aliso	27,705	20,256	16,808,887	25,872,336	0	60	597	No	Yes	206	0	0	4	930	291	639	639	100%	0	100%
E-Soto	19,890	29,621	25,435,992	37,951,611	0	0	1,811	No	Yes	705	0	0	5	1,991	19	1,972	1,972	100%	0	100%
ESFV-Van Nuys/Arleta	5,958	28,722	13,146,900	36,972,624	0	0	1,622	No	No	48	0	0	0	1,635	12	1,623	1,622	100%	1	100%
ESFV-Van Nuys/Laurel Canyon	9,055	33,452	14,016,002	43,271,192	0	0	2,033	No	No	100	0	0	0	2,035	2	2,033	2,033	100%	0	100%
ESFV-Van Nuys/Nordhoff	21,185	36,933	40,395,002	48,564,371	0	0	1,199	No	Yes	262	0	0	0	1,224	5	1,219	1,219	100%	0	100%
ESFV-Van Nuys/Roscoe	35,852	34,170	50,049,529	44,286,294	0	53	1,469	No	Yes	288	0	0	0	1,524	55	1,469	1,469	100%	0	100%
ESFV-Van Nuys/San Fernando	11,117	27,870	14,693,683	35,709,461	0	54	1,579	No	No	211	0	0	1	1,643	64	1,579	1,579	100%	0	100%
ESFV-Van Nuys/Sherman	34,668	38,181	38,887,450	48,826,656	0	2	1,741	No	Yes	467	0	0	0	1,747	6	1,741	1,741	100%	0	100%
ESFV-Van Nuys/Vanowen	36,295	35,847	39,333,581	46,201,924	0	0	1,463	Yes	Yes	533	0	0	244	1,621	13	1,608	1,608	100%	0	100%
ESFV-Van Nuys/Victory	37,532	34,667	42,558,114	43,958,318	0	0	1,327	Yes	Yes	1,058	0	0	207	1,574	38	1,536	1,536	100%	0	100%
ESFV-Van Nuys/Woodman	10,689	31,614	24,825,646	40,990,633	0	0	1,292	No	No	73	0	0	0	1,398	20	1,378	1,292	94%	86	100%
ESFV/SP-Van Nuys	14,833	19,708	17,380,395	25,024,544	4	142	808	No	Yes	172	0	0	0	990	182	808	808	100%	0	100%
ESFV/SP-Van Nuys/Oxnard (Orange)	34,436	43,139	41,328,438	54,175,905	0	0	1,200	Yes	Yes	969	0	0	10	1,937	33	1,904	1,904	100%	0	100%
EXP-Culver City	18,699	13,625	19,719,506	17,470,665	0	0	0	Yes	No	477	0	0	2	835	5	830	830	100%	0	100%
EXP-Expo Park/USC	60,830	32,351	49,219,607	41,282,455	0	0	470	Yes	Yes	379	0	0	5	504	34	470	470	100%	0	100%
EXP-Expo/Bundy	19,088	24,332	20,616,928	31,010,438	0	0	0	Yes	No	432	0	0	0	1,261	9	1,252	1,252	100%	0	100%
EXP-Expo/Crenshaw	23,621	34,748	30,497,160	44,482,721	0	0	1,367	No	Yes	396	0	0	1	2,326	8	2,318	2,318	100%	0	100%
EXP-Expo/La Brea	27,624	35,946	43,764,326	46,660,975	0	0	1,789	No	Yes	482	0	0	5	1,821	12	1,809	1,809	100%	0	100%
EXP-Expo/Vermont	55,932	37,049	53,069,600	47,435,970	0	0	1,119	Yes	Yes	635	0	0	5	1,149	30	1,119	1,119	100%	0	100%
EXP-Expo/Western	12,084	33,067	27,043,798	42,095,389	0	0	2,824	No	No	331	0	0	34	2,837	13	2,824	2,824	100%	0	100%
EXP-Farmdale	23,594	32,793	35,752,242	42,131,446	0	0	1,452	No	Yes	443	0	0	0	1,956	14	1,942	1,942	100%	0	100%
EXP-Jefferson/USC	58,231	38,240	42,848,928	48,939,099	0	0	670	Yes	Yes	328	0	0	13	705	35	670	670	100%	0	100%
EXP-La Cienega/Jefferson	19,546	28,120	26,191,418	36,402,852	0	0	895	No	Yes	272	0	0	2	1,146	16	1,130	1,130	100%	0	100%
EXP-LATTC/Ortho Institute	39,167	32,904	44,567,117	42,015,124	0	0	861	Yes	Yes	574	0	0	241	1,015	52	963	963	100%	0	100%
EXP-Palms	38,657	33,295	36,766,301	43,080,436	0	0	0	Yes	No	990	0	0	0	1,669	6	1,663	1,663	100%	0	100%
EXP-Westwood/Rancho Park	13,398	35,579	17,994,958	45,052,581	0	0	0	No	No	216	0	0	0	2,243	4	2,239	216	10%	2,023	100%
EXP/SP-Expo/Sepulveda	18,774	35,573	21,052,308	44,529,066	0	0	0	No	No	313	0	0	0	1,690	10	1,680	313	19%	1,367	100%
GRN-Avalon	10,021	24,937	22,301,822	31,979,582	0	0	1,851	No	Yes	343	0	0	0	1,872	21	1,851	1,851	100%	0	100%
GRN-Aviation/LAX	0	0	0	0	0	32	0	No	No	0	0	0	0	38	38	0	0	100%	0	100%
GRN-Harbor Freeway	11,863	22,772	21,561,698	29,335,266	0	0	1,690	No	Yes	494	0	0	0	1,710	20	1,690	1,690	100%	0	100%
GRN-Vermont/Athens	5,052	14,507	8,055,538	18,665,598	0	0	914	No	No	146	0	0	0	926	12	914	914	100%	0	100%
GRN/K Line-Aviation/96th St	16,351	7,277	14,778,320	9,565,751	0	102	0	Yes	No	106	0	0	0	232	102	130	130	100%	0	100%
GRN/K Line-Aviation/Century	15,152	5,992	11,910,347	7,847,061	0	53	0	Yes	No	13	0	0	0	182	134	48	48	100%	0	100%
K Line-Crenshaw/Adams	23,418	31,372	32,162,530	39,981,823	0	0	2,163	No	Yes	724	0	0	114	2,183	1	2,182	2,182	100%	0	100%
K Line-Crenshaw/Exposition	24,051	35,579	30,764,993	45,592,200	0	0	1,347	No	Yes	394	0	0	1	2,377	8	2,369	2,369	100%	0	100%
K Line-Crenshaw/MLK	35,284	32,031	34,133,436	41,133,635	0	0	980	No	Yes	461	0	0	4	1,637	2	1,635	1,635	100%	0	100%
K Line-Crenshaw/Slauson	28,845	37,270	31,540,477	48,305,312	0	0	2,369	No	Yes	658	0	0	2	2,466	3	2,463	2,463	100%	0	100%
K Line-Crenshaw/Vernon	27,083	22,608	27,239,187	28,690,496	0	0	1,182	Yes	Yes	500	0	0	3	1,249	2	1,247	1,247	100%	0	100%
K Line-Fairfax/3rd	46,774	39,337	51,230,255	50,249,996	0	0	0	Yes	No	525	0	0	53	1,461	9	1,452	1,452	100%	0	100%
K Line-Florence/Hindry	1,908	10,570	4,066,446	13,629,366	0	0	0	No	No	30	0	0	0	849	42	807	30	4%	777	100%
K Line-Florence/West	15,246	15,767	17,377,628	20,286,690	0	0	928	Yes	Yes	489	0	0	1	941	2	939	939	100%	0	100%
K Line-Highland/Odin	13,805	30,431	22,945,226	38,881,117	40	0	27	No	No	201	1,434	0	262	1,467	29	1,438	1,438	100%	0	100%
K Line-LaCienega/Beverly	29,365	24,150	33,326,577	30,963,940	0	0	0	Yes	No	552	0	0	3	1,179	3	1,176	1,176	100%	0	100%
K Line-SantaMonica/Fairfax	7,679	11,005	10,381,575	14,238,983	0	0	0	No	No	209	21	0	150	822	3	819	360	44%	459	100%
K Line-SantaMonica/LaBrea	29,475	26,121	28,838,583	33,368,846	0	0	0	Yes	No	794	0	0	8	1,377	7	1,370	1,370	100%	0	100%
K Line-SantaMonica/Palm	5,430	3,245	5,454,049	4,213,667	0	0	0	Yes	No	185	43	0	0	228	0	228	228	100%	0	100%
K Line-SanVicente/Pico	30,034	33,248	42,180,163	42,407,288	0	0	53	Yes	No	939	0	0	147	2,115	6	2,109	2,109	100%	0	100%
Metro 234 - Parthenia Street	27,501	37,374	40,396,704	48,935,168	0	0	761	No	Yes	321	0	0	0	880	7	873	873	100%	0	100%
Metro 234 - Roscoe Boulevard	22,197	30,793	31,933,325	39,982,812	0	68	880	No	Yes	171	0	0	0	1,011	80	931	931	100%	0	100%
Metro 234 - Saticoy Street	16,316	26,480	19,763,002	34,222,137	0	80	1,103	No	Yes	155	0	0	0	1,207	104	1,103	1,103	100%	0	100%
Metro 234 - Sherman Way	21,786	37,191	28,962,677	48,037,093	0	0	1,407	No	Yes	206	0	0	0	1,415	8	1,407	1,407	100%	0	100%
Metro 234 - Vanowen Street	20,332	37,345	26,098,851	48,360,460	0	0	1,282	No	Yes	187	0	0	0	1,472	7	1,465	1,465	100%	0	100%
Metro 234 - Victory Boulevard	15,456	37,033	19,108,996	47,825,399	0	0	1,069	No	Yes	172	0	0	0	1,349	17	1,332	1,332	100%	0	100%
Metro 234 -Ventura Boulevard	24,101	30,366	27,703,966	39,402,744	0	0	0	No	No	289	500	0	0	1,423	4	1,419	710	50%	709	100%

Table 2: Sites Eligible for Phased Implementation by TOD Zone																				
	Local and SB 79 Capacity				Eligible for Permanent Exclusion (GCS 65912.160 (e))		Eligible for Temporary Exemption (GCS 65912.161(b)(1)							Summary of Sites Eligible for Phased Implementation						
TOD Zone Name	Local Maximum Allowable Units	SB 79 MaximumAllowable Units	Local Maximum Allowable Residential Building Volume	79 Floor Area	Sites Greater than 1-mile walking distance	Sites within Industrial Employment Hubs	Sites in Low Resource Areas (GCS 65912.161(b)(1)(B)(iii)	TOD Zones with Sufficient Capacity (GCS 65912.161(b)(1)(B)(i)	Lower Opportunity TOD Zones (GCS 65912.161(b)(1)(B)(ii)	Sites with Sufficient Capacity (GCS 65912.161(A))	Sites in a Very High Fire Hazard Severity Zone (GCS 65912.161(B)(1)(D)	Sites in a One-Foot of Sea Level Rise Area (GSC 65912.161(b)(1)(E))	Sites Designated as a Local Historic Resource before 1/1/25 (GCS 65912.161(b)(1)(F))	Total Sites in TOD Zone	Sites Statutorily Exempt from SB 79 (GCS 65912.157(a) and 65912.160(e))	Sites Eligible for SB 79	Sites Eligible for at least one Permanent or Temporary Exemption with Existing Conditions	Percent of TOD Zone Eligible for Permanent or Temporary Exemption with Existing Conditions	Sites eligible for Phased Implementation pursuant to LAMC 12.22 A.38(c)(10) to ensure half of the capacity permitted by SB 79	Percent of TOD Zone Eligible for Permanent or Temporary Exemption with LAMC 12.22 A.38(c)(10)
Metro 33 - Venice Boulevard	31,093	20,156	29,780,901	25,854,196	0	0	0	Yes	No	842	0	0	1	1,194	2	1,192	1,192	100%	0	100%
Metro 70 - N Spring Street	64,154	23,453	18,434,901	29,135,103	0	0	142	Yes	Yes	400	23	0	15	531	85	446	446	100%	0	100%
Metro 78 - N Spring Street	83,965	25,201	35,932,258	31,356,136	0	0	249	Yes	Yes	370	0	0	25	465	81	384	384	100%	0	100%
Metro 81 - Olympic Boulevard	154,471	40,848	127,220,386	51,359,026	0	0	390	Yes	No	619	0	0	39	621	1	620	620	100%	0	100%
Metro 81 - Pico Boulevard	121,324	33,845	103,939,955	42,808,914	0	23	538	Yes	Yes	690	0	0	120	755	47	708	708	100%	0	100%
Metro 81 - Venice Boulevard	89,959	30,842	84,005,005	38,957,952	0	9	604	Yes	Yes	572	0	0	267	763	75	688	688	100%	0	100%
Metro 81 - W 12th Street	139,034	35,490	112,411,085	44,900,530	0	0	456	Yes	Yes	666	0	0	53	696	18	678	678	100%	0	100%
Metro 81 - W 23rd Street	35,138	28,512	40,742,916	36,421,265	0	0	640	Yes	Yes	508	0	0	335	888	52	836	836	100%	0	100%
Metro 81 - W Washington Boulevard	74,782	31,054	74,051,521	39,245,999	0	0	589	Yes	Yes	532	0	0	320	801	79	722	722	100%	0	100%
Metro 910 - N Spring Street	86,512	24,863	38,446,124	30,992,204	0	0	272	Yes	Yes	370	0	0	32	466	82	384	384	100%	0	100%
Metro 910 - S Figueroa Street	140,895	39,391	113,619,018	49,369,338	0	0	392	Yes	Yes	535	0	0	62	537	1	536	536	100%	0	100%
Metro 910 - W Aliso Street	68,887	23,471	24,153,536	29,163,409	0	0	165	Yes	Yes	317	0	0	20	459	105	354	354	100%	0	100%
Metro 910/70 - N Spring Street	85,905	24,624	38,333,199	30,636,985	0	0	288	Yes	Yes	377	0	0	35	473	83	390	390	100%	0	100%
Metrolink - Glendale	5,500	19,580	7,595,298	25,296,954	173	44	0	No	No	134	5	0	0	1,267	59	1,208	312	26%	896	100%
NOHO to Pasadena BRT-Colorado Boulevard	7,887	19,193	9,980,593	24,531,215	0	0	0	No	No	86	849	0	6	865	16	849	849	100%	0	100%
NOHO to Pasadena BRT-E Broadway	372	615	451,287	751,265	0	0	0	No	No	10	31	0	0	32	1	31	31	100%	0	100%
NOHO to Pasadena BRT-Eagle Rock Boulevard	17,590	32,951	22,018,027	42,348,996	0	0	0	No	No	353	1,475	0	15	1,887	16	1,871	1,691	90%	180	100%
NOHO to Pasadena BRT-Hesby Street	64,949	37,200	65,625,676	47,623,644	0	0	0	Yes	No	1,188	0	0	4	1,653	7	1,646	1,646	100%	0	100%
NOHO to Pasadena BRT-Townsend Avenue	10,825	36,062	15,480,235	46,380,338	0	0	0	No	No	213	1,605	0	7	2,197	2	2,195	1,674	76%	521	100%
NOHO to Pasadena BRT-W Alameda Avenue	3	550	134,478	747,100	2	0	0	No	No	0	2	0	0	3	1	2	2	100%	0	100%
NOHO to Pasadena BRT-W Riverside Drive	1,790	5,224	2,669,697	6,807,495	1	0	0	No	No	41	4	0	0	288	9	279	42	15%	237	100%
Orange Line - Balboa	3,834	10,307	5,388,013	13,211,491	3	0	579	No	No	53	0	0	0	655	6	649	584	90%	65	100%
Orange Line - Canoga	52,364	44,975	83,099,405	59,166,245	0	0	366	Yes	Yes	192	0	0	0	405	7	398	398	100%	0	100%
Orange Line - Chatsworth	27,645	22,518	30,559,504	29,537,155	13	103	0	No	No	190	0	0	2	881	132	749	203	27%	546	100%
Orange Line - De Soto	35,853	37,160	59,039,508	48,563,692	0	0	582	No	Yes	142	0	0	0	623	2	621	621	100%	0	100%
Orange Line - Laurel Canyon	37,367	35,232	38,016,522	45,713,148	0	0	0	Yes	No	644	0	0	4	1,738	11	1,727	1,727	100%	0	100%
Orange Line - Nordhoff	12,072	16,309	12,629,654	21,606,544	0	167	97	No	Yes	38	24	0	0	396	213	183	183	100%	0	100%
Orange Line - Pierce College	3,257	23,292	6,976,221	30,470,708	0	0	676	No	No	13	0	0	2	1,256	11	1,245	678	54%	567	100%
Orange Line - Reseda	30,981	36,309	36,647,217	47,782,276	0	0	69	No	No	169	0	0	0	1,174	15	1,159	177	15%	982	100%
Orange Line - Roscoe	16,352	38,740	22,601,371	51,041,734	0	0	1,182	No	Yes	120	0	0	0	1,185	3	1,182	1,182	100%	0	100%
Orange Line - Sepulveda	7,777	21,432	9,035,566	27,732,033	0	0	439	No	No	71	0	0	0	665	16	649	465	72%	184	100%
Orange Line - Sherman Way	32,786	32,218	38,529,392	41,938,569	0	0	1,382	Yes	Yes	551	0	0	3	1,399	17	1,382	1,382	100%	0	100%
Orange Line - Tampa	8,072	38,476	15,078,465	50,326,078	0	0	5	No	No	54	0	0	0	1,675	6	1,669	58	3%	1,611	100%
Orange Line - Valley College	7,068	28,956	11,126,460	37,396,976	0	0	0	No	No	118	0	0	1	1,591	8	1,583	119	8%	1,464	100%
Orange Line - Van Nuys	30,900	38,731	37,053,408	48,610,469	0	0	1,140	Yes	Yes	847	0	0	1	1,707	31	1,676	1,676	100%	0	100%
Orange Line - Woodley	6,507	14,466	10,347,252	18,726,482	0	7	796	No	No	144	0	0	0	812	15	797	796	100%	1	100%
Orange Line - Woodman	13,303	33,715	18,856,851	43,700,306	0	0	425	No	No	251	0	0	0	1,786	4	1,782	593	33%	1,189	100%
PUR-Wilshire/Normandie	95,876	44,852	105,774,509	56,187,577	0	0	792	Yes	Yes	1,029	0	0	17	1,070	7	1,063	1,063	100%	0	100%
PUR-Wilshire/Western	81,393	43,468	85,838,377	54,529,673	0	0	251	Yes	No	999	0	0	182	1,246	11	1,235	1,235	100%	0	100%
PURex-Century City	31,232	33,622	34,234,617	42,759,483	0	0	0	No	No	126	0	0	1	606	5	601	127	21%	474	100%
PURex-Westwood/VA Hospital	13,689	8,203	13,927,646	10,199,338	0	0	0	Yes	No	242	0	0	0	260	5	255	255	100%	0	100%
PURex-Wilshire/La Cienega	21,008	23,528	22,785,159	29,544,599	0	0	0	Yes	No	512	0	0	257	1,316	1	1,315	1,315	100%	0	100%
PURex/CRN-Wilshire/La Brea	45,482	43,417	49,269,089	55,048,537	0	0	0	Yes	No	581	0	0	451	1,645	4	1,641	1,641	100%	0	100%
PURex/K Line-Wilshire/Fairfax	48,766	45,692	54,346,467	57,635,155	0	0	0	Yes	No	532	0	0	813	1,604	2	1,602	1,602	100%	0	100%
PURex/SP-Westewood UCLA	41,850	27,428	43,602,719	34,541,375	0	0	0	Yes	No	454	0	0	11	930	9	921	921	100%	0	100%
RC-1st/Central	84,228	27,486	29,112,836	34,433,489	0	0	384	Yes	Yes	609	0	0	27	716	97	619	619	100%	0	100%
RC-2nd/Broadway	115,478	27,401	62,131,002	34,207,977	0	0	432	Yes	Yes	491	0	0	55	556	61	495	495	100%	0	100%
RC-2nd/Hope	115,570	27,164	80,556,671	34,251,656	3	0	186	Yes	Yes	341	0	0	43	380	36	344	344	100%	0	100%
RED-Hollywood/Vine	64,722	42,186	73,201,382	52,806,543	0	0	505	Yes	No	888	450	0	35	1,152	13	1,139	1,139	100%	0	100%
RED-Hollywood/Western	48,634	44,445	51,054,951	55,798,801	0	0	829	Yes	Yes	986	457	0	99	1,428	21	1,407	1,407	100%	0	100%
RED-Universal City/Studio City	21,279	34,030	22,525,323	42,999,350	5	0	0	No	No	207	711	0	2	953	3	950	785	83%	165	100%
RED-Vermont/Beverly	48,069	35,910	43,313,872	45,015,634	0	0	350	Yes	No	1,318	0	0	4	1,554	16	1,538	1,538	100%	0	100%
RED/CRN-Hollywood/Highland	63,007	43,442	71,712,001	54,484,295	0	0	228	Yes	No	989	704	0	179	1,541	20	1,521	1,521	100%	0	100%
RED/Orange Line-North Hollywood	56,704	38,851	62,360,738	48,802,926	0	0	333	Yes	No	993	0	0	3	1,484	12	1,472	1,472	100%	0	100%
RED/PUR-Civic Center/Grand Park	114,524	29,643	60,330,272	37,002,262	0	0	333	Yes	Yes	459	0	0	45	550	82	468	468	100%	0	100%
RED/PUR-Pershing Square	167,194	42,493	102,634,986	52,887,754	0	0	653	Yes	Yes	817	0	0	112	853	33	820	820	100%	0	100%
RED/PUR-Westlake/Macarthur Park	80,571	38,000	79,594,829	47,549,671	0	0	1,076	Yes	Yes	1,149	0	0	37	1,191	31	1,160	1,160	100%	0	100%
RED/PUR/Vermont BRT-Wilshire/Vermont	100,927	46,305	103,589,284	58,200,220	0	0	772	Yes	Yes	1,070	0	0	19	1,119	16	1,103	1,103	100%	0	100%
RED/Vermont BRT-Vermont/Santa Monica	49,035	45,755	56,396,603	57,015,887	0	0	1,209	Yes	Yes	1,349	0	0	0	2,077	39	2,038	2,038	100%	0	100%
RED/Vermont BRT-Vermont/Sunset	51,514	45,929	58,398,545	57,437,894	0	0	576	Yes	Yes	1,101	209	0	3	1,808	18	1,790	1,790	100%	0	100%
SP-Santa Monica	30,805	29,713	30,475,794	37,232,979	0	0	0	Yes	No	769	0	0	3	1,282	23	1,259	1,259	100%	0	100%
SP-UCLA Ackerman Union	13,594	12,073	14,832,931	15,424,838	2	0	0	Yes	No	249	23	0	11	370	7	363	363	100%	0	100%
SP-Ventura/Van Nuys	31,995	40,738	35,001,790	51,595,820	0	0	0	No	No	450	719	0	1	1,498	22	1,476	982	67%	494	100%
Vermont BRT - Athens	4,771	13,915	7,577,051	17,897,122	0	0	875	No	No	136	0	0	0	887	12	875	875	100%	0	100%
Vermont BRT - Century Blvd	6,864	15,404	11,965,608	19,859,881	0	0	1,398	No	Yes	307	0	0	0	1,399	1	1,398	1,398	100%	0	100%
Vermont BRT - Florence Ave	69,575	66,147	77,225,568	84,956,013	0	0	3,658	Yes	Yes	1,226	0	0	6	3,717	59	3,658	3,658	100%	0	100%
Vermont BRT - Pico Blvd	52,816	30,166	50,007,461	38,996,529	0	0	1,666	Yes	Yes	1,468	0	0	34	1,730	64	1,666	1,666	100%	0	100%
Vermont BRT - Slauson Ave	16,615	31,283	36,256,171	40,092,968	0	0	2,623	No	Yes	480	0	0	3	2,741	118	2,623	2,623	100%	0	100%
Vermont BRT - Vernon Ave	21,181	31,075	34,836,730	40,061,013	0	0	2,315	No	Yes	887	0	0	0	2,360	45	2,315	2,315	100%	0	100%
Vermont BRT - W 3rd St	69,065	38,909	61,437,243	49,006,927	0	0	583	Yes	No	1,144	0	0	8	1,276	6	1,270	1,270	100%	0	100%
Vermont BRT - W Adams Blvd	24,876	29,618	35,458,513	37,928,038	0	0	1,582	Yes	Yes	803	0	0	972	1,867	64	1,803	1,803	100%	0	100%
Vermont BRT - W Manchester Ave	20,831	24,402	28,913,422	31,123,200	0	0	1,790	Yes	Yes	743	0	0	0	1,801	11	1,790	1,790	100%	0	100%

Table 1C: Site Eligible for Phased Implementation

Table 1C can be accessed here:
https://planning.lacity.gov/odocument/d40476e6-daf9-429e-b688-cde5c74ad6dc/Table_1C-Sites_Eligible_for_Phased_Implementation.pdf

This table includes a list of individual sites that are eligible for permanent exclusion pursuant to California Government Code Section (GCS) 65912.160(e) or temporary exemption pursuant to GCS 65912.161(b)(1), and are eligible for SB 79 Phased Implementation.

APPENDIX 1:
SB 79 Phased Implementation Model Methodology

CPC-2026-1798-MSC

For consideration by City Planning Commission

May 14, 2026

Appendix 1: SB 79 Phased Implementation Model Methodology

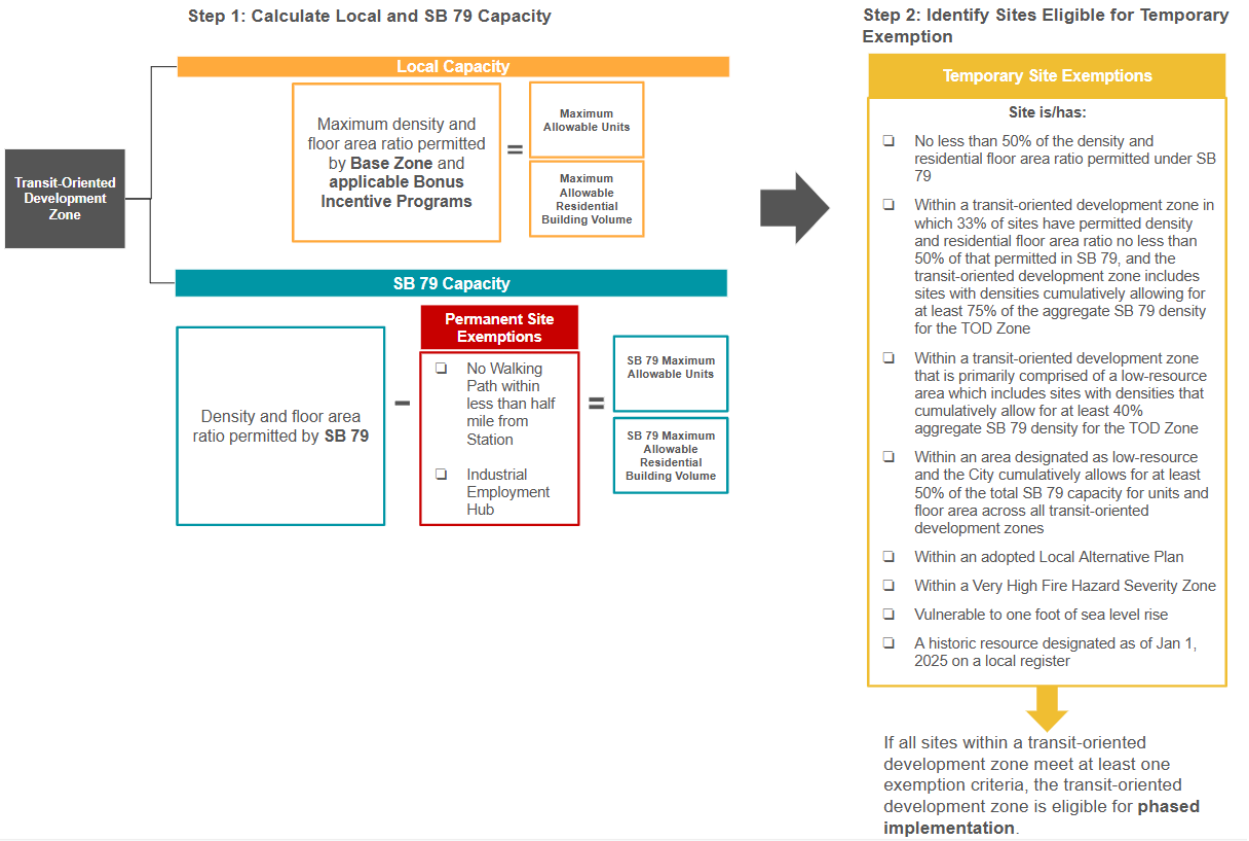
The “Abundant and Affordable Homes Near Transit Act”, signed into law as Senate Bill 79 (SB 79), pursuant to California Government Code Section 65912.155 through 65912.162, offers incentives which supersede local zoning and General Plan land use regulations to increase the supply of affordable and market rate housing within a half mile of certain specified TOD zones. These development incentives apply to any site within the TOD Zone that is zoned for residential, mixed, or commercial development (Government Code Section 65912.157(a)). SB 79 provides provisions for permanent or temporary exemptions from the development standards provided in SB 79 for sites and TOD zones that meet certain criteria, including those that already have a significant housing capacity, low resource areas as defined by the Opportunity Map tool created by the Department of HCD and the Tax Credit Allocation Committee (TCAC), and sites with sensitive environmental considerations, as detailed in Section 65912.161(b). The Department developed a model to understand the composition of sites within eligible TOD zones and determine if they meet the criteria for permanent exclusion or temporary exemption from SB 79. The following section describes the assumptions that were developed to identify sites in compliance with the phased implementation criteria outlined in SB 79.

Model Overview

The following section describes the assumptions that were developed to determine whether sites eligible for the zoning provisions of SB 79 meet the criteria for permanent or temporary exemption. At a high level, the model is designed to calculate the City’s local capacity and the capacity permitted by the development standards set forth by SB 79 (SB 79 capacity), and analyzes whether sites and TOD zones meet the criteria for permanent or temporary exemption as set forth in the bill. SB 79 requires capacity to be calculated by density, or the maximum number of units allowable on a site, and FAR, or the amount of area that may be developed with a building on a site.

The model considers the City’s maximum buildout capacity, inclusive of local incentive programs such as the MIIP (LAMC Section 12.22 A.38) and recently updated Downtown LA Community Plan and Hollywood Community Plan. External factors such as market conditions or the realistic likelihood of new development occurring on each parcel are not required under SB 79 and were not incorporated in model logic. For clarity, a local TOD alternative plan, pursuant to GCS 65912.161(a) includes requirements for net gain capacity calculations when considering the application of local development standards. The maximum buildout capacity model is specific to the temporary exemption criteria pursuant to GCS 65912.161(b), as shown in the flowchart below.

Figure 1. Phased Implementation Model Flowchart



Local Capacity Assumptions

To calculate the City's local capacity within eligible TOD zones, the model accounts for a parcel's zoned capacity before and after development bonuses (base and bonus capacity), including incentive bonuses from the MIIP and two recently adopted and effective Community Plan Updates, the Downtown LA Community Plan and the Hollywood Community Plan. For the purposes of the model analysis, capacity in terms of density and floor area will be called Maximum Allowable Units, and Maximum Allowable Residential Building Volume, respectively in the following sections.

As described above, eligible sites exclude parcels that do not permit residential, mixed, or commercial uses. Sites zoned for Parking have been excluded from the SB 79 capacity calculation as they do not allow residential or commercial uses, but have been included in the analysis for local capacity as though they are eligible for bonus incentives through the MIIP.

For all parcels within eligible TOD zones, base and bonus capacity are calculated using assumptions at the BOE Parcel Identification Number (PIN) level. Density for residential, commercial, and industrial-mixed zoned parcels is divided by lot area to result in Maximum Allowable Units. For parcels where FAR is considered the limited factor, including when density is Unlimited, the Maximum Allowable Units is calculated by multiplying the FAR by PIN lot area

and dividing by 1150[1]. In areas that require a certain amount of non-residential area per parcel, such as the Industrial-Mixed-3 (IX3) Use District[2] in the Downtown LA Community Plan Area, then the Maximum Allowable Units is calculated as PIN lot area multiplied by FAR minus 1, divided by 1150.

Building volume assumptions for residentially zoned parcels includes adjustments to FAR to account for the calculation of RFAR. Residential floor area is calculated by multiplying the parcel's Buildable Area by the FAR. Buildable Area is defined in LAMC Section 12.03, as all portions of a lot located within the proper zone for the proposed main building, excluding those portions of the lot which must be reserved for yard spaces, building line setback space, or which may only be used for accessory buildings or uses. This method of calculating Buildable Area is applicable to zones that allow residential uses, with the exception of the C2, C4 and C5 zones. As yard space and building line setback may differ depending on the zone, the model used the following RFAR factor assumptions detailed in Table 1 below, to estimate residential floor area in zones subject to the Buildable Area definition. For zones considered Single Family Residential, a RFAR of 0.45 was applied. For sites within the Downtown Community Plan or eligible for the LIA in MIIP, lot area is the same as buildable area, and not subject to LAMC Section 12.03.

Table 1: Residential Floor Area Factor Assumptions

APN Lot Size Range	**Residential Floor Area Factor**
Base Capacity	
Less than 3,000 sf	0.45
3,001 sf to 5,000 sf	0.55
5,001 sf to 10,000 sf	0.65
Greater than 10,001 sf	0.75
Bonus Capacity	
Less than 3,000 sf	0.5
3,001 sf to 5,000 sf	0.6
5,001 sf to 10,000 sf	0.7
Greater than 10,001 sf	0.8

As mentioned above, the local capacity calculation included the application of local bonus programs, either through the MIIP (LAMC 12.22 A.38 of Chapter 1) or Local Affordable Housing Incentive Program (Article 9, Sec. 9.3.2 of Chapter 1A) in the Downtown LA Community Plan Area. The model first calculates units and floor area using base zoning, and then applies the

[1] This figure is based on an average unit size assumption.
[2] The Industrial-Mixed-3 (IX-3) Use District requires 1.0 FAR of a proposed development to be utilized for non-residential uses, pursuant to Sec. 5B.6.3 of Article 5 in Chapter 1A of the LAMC.

bonus density and FAR through the applicable local incentive programs to determine the Maximum Allowable Units and Maximum Allowable Residential Building Volume on the site. In cases where a site is eligible for more than one incentive program, a general hierarchy of MIIP incentive tiers, as shown in Table 2 below, establishes which incentive tier to apply. As there are sites where the CT incentive program will permit more units than the TOIA incentive program. The model includes an override rule for sites eligible for both the TOIA and CT Incentive Area, denoted as T and CT incentive subareas in the table below. The model first will calculate the Maximum Allowable Units using the TOIA subarea incentives. If the Maximum Allowable Units permitted by the TOIA subarea is greater than 10 or 16 units, depending on the CT incentive subarea, the Maximum Allowable Units will reflect the TOIA value. Otherwise, the value is replaced with the greater CT incentive subarea value. It is important to note that the model utilizes the development standards of the CT program as adopted in February 2025, and does not reflect the proposed updates to the program through the Low-Rise Ordinance.

Table 2: Hierarchy of MIIP Incentive Tiers

Incentive Tier	Rank
OC-3	1
T-3	2
OC-2	3
T-2	4
OC-1	5
T-1	6
CT-3	7
CT-2	8
CT-1	9

The MIIP assigns differing density and FAR incentives based on the designated TCAC Opportunity Area, with greater incentives for sites in Higher Opportunity Areas. The model utilizes the TCAC Opportunity Area map from 2024 to assign the bonus density and FAR.

The Boyle Heights and Harbor Gateway Community Plan Updates have been adopted by the City Council but are currently in the Form and Legality process with the City Attorney. The model utilizes a conservative approach and does not consider Transit Oriented Communities (TOC) incentives for these recently adopted Community Plans, as the TOC program is anticipated to sunset in 2026 and would not be available in the future on SB 79 eligible sites. The assumptions for these community plans utilize the existing zoned capacity available today and do not include assumptions regarding bonus capacity from the TOC program or the proposed New Zoning Code.

The MIIP assigns varying density bonus and FAR incentives based on whether a site is zoned for residential or commercial. The model is built to categorize each site based on the zone class, and classified every parcel into one of eight zone descriptors: Single Family Residential, Multiple Family Residential, Commercial, Parking, Industrial Mixed, Manufacturing, Public Facilities or Open Space, as shown in Table 3 below. The model uses the zone descriptors to apply the corresponding MIIP development incentives. For sites in the Single Family Residential zone descriptor category, the model assumes the Maximum Allowable Unit per parcel is one unit.

Table 3: Zone Descriptor Categories and Associated Zone Classes

Zone Descriptor	Associated Zone Classes
Single Family Residential	RA, RE, RE40, RE20, RE15, RE11, RE9, R1, R1H1, R1', R1R3, R1V1, R1V2, R1V3, RMP, RU, RZ2.5,RZ3, 'RZ4, RZ5, RG3, RG4, RS, RW1, A2, A2(PV), A2P
Multiple Family Residential	PVSP, RD6, RD5, RD4, RD3, RD2, RD1.5, R2, R3, R3(EC), R3(PV), R3(UV), R4, R4(UV), R5, RAS3, RAS3(UV), RAS4, RAS4(UV), RW2,RG1, RG2, RX1, RX2, RX3, RX4
Commercial	ADP, C1, C1(PV), C1.5, C2, C2(PV), C4, C4(OX), C5, CEC, CM(GM), CM(UV), CR, CR(PKM), CW, LASED, MU(EC), NMU(EC), PPS, UC(CA), UI(CA), USC-1A, USC-1B, USC-2, USC-3, UV(CA), CM, HJ(EC), HR(EC), (WC)River, (WC)Downtown, (WC)Uptown, (WC)North Village, (WC)Topanga, (WC)Park, (WC)College, (WC)Commerce, DNSP, CCA, CX1, CX2, CX3, CX4, CX5, CX6, CX7, CX8, CX9, CX10
Parking	P, PB, R2P, R3P, R4P, R5P
Industrial Mixed	IX1, IX2, IX3, IX4, IX5, IX6, IX7, UV(CA), UI(CA), UC(CA)
Manufacturing	LAX, MR1, MR2, M, M(PV), M1, M2, M2(PV), M3, NI(EC), CCS, I1, I2, I3, I4, I5, I6, I7, I8
Public Facilities	PF, PF(UV), P1, P2, FWY, FRWY, Various
Open Space	OS1, OS, OS(PV), OS(UV), A1, A1(UV), A2, GW(CA) If the parcel is zoned A1 or A1(UV) and the General Plan Land Use is Single Family Residential, then it is assigned Single Family Residential.

After the corresponding incentive program density and FAR bonuses are applied, Maximum Allowable Units is calculated by either multiplying the units allowed by the base zoning by the bonus density percent, or when density is Unlimited then the PIN lot area is multiplied by the bonus FAR and divided by 1150. When the parcel is not eligible for a bonus incentive program,

Maximum Allowable Units is equivalent to the units allowed by the base zoning. Maximum Allowable Residential Building Volume is calculated by multiplying the PIN lot area by the bonus FAR, if applicable, and multiplying by the Residential Floor Area Factor for bonus capacity (refer to Table 1 for bonus RFAR factors). When the parcel is not eligible for a bonus incentive program, Maximum Allowable Residential Building Volume is equivalent to the building volume allowed by the base zoning.

SB 79 Capacity Assumptions

To calculate the development capacity permitted by the development standard provisions of SB 79, the model considered the following assumptions shown on the table, pursuant to Government Code Section 65912.157(a). The development assumptions were applied to each parcel at the LA BOE PIN level, and summed to the LA County APN level after the initial capacity calculations were completed. For example, Maximum Allowable Units is calculated by PIN lot area divided by density, and Maximum Allowable Residential Building Volume is calculated by PIN lot area multiplied by FAR, these values are then summed to the APN level. The law includes additional development standards for any site that is immediately adjacent to a TOD stop, pursuant to GCS 65912.157(e). As it is challenging to identify all sites adjacent to TOD stops, the model assumes any site within 200 feet of a TOD stop would be eligible for the additional development standards, as reflected in the Table 4 below.

Table 4: SB 79 Development Assumptions (GCS Section 65912.157(a))

TOD Zone Tier and Distance	Density per Acre	Density (per square foot of lot area)	FAR
Tier 1 200 feet	160	272	4.5
Tier 1 ¼ mile	120	363	3.5
Tier 1 ½ mile	100	435.6	3.0
Tier 2 200 feet	140	311	4.0
Tier 2 ¼ mile	100	435.6	3.0
Tier 2 ½ mile	80	544.5	2.5

SB 79 Statutorily Exempt Assumptions

According to the statute, a housing development project is an allowed use on any site zoned for residential, mixed, or commercial development within a TOD zone (GCS 65912.157(a)). SB 79 permits housing as a use in zones that allow commercial, even if residential uses are prohibited.

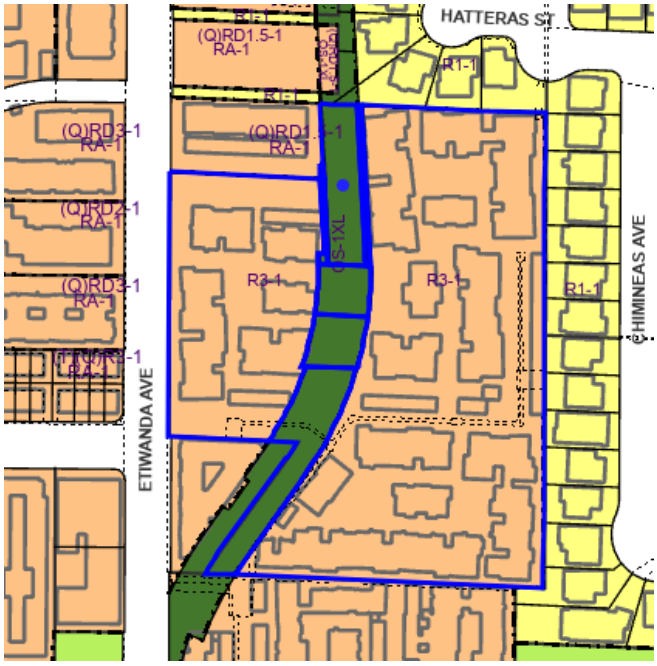
As a result, the model assumes sites zoned for public facilities, parking, and open space are statutorily exempt from the provisions of SB 79, and no capacity is assigned to these zones. However, industrial zoned land in the City of LA permits commercial uses. The City has reached out to HCD and is awaiting guidance on this issue. To be conservative, pending future guidance, the model calculates SB 79 capacity on industrial zoned land, including MR1, MR2, M1, M2, and M3 zones, unless identified as part of an industrial employment hub. The model does not calculate capacity on industrial zoned land as part of the local capacity model as no residential uses are currently permitted.

Consistent with the criteria described above, sites zoned for Public Facilities or Open Space do not allow residential or commercial uses and were not evaluated for capacity as a part of this model. However, there are many sites in the City with split zones, where one site may include multiple zones. The following paragraph describes the method for isolating the exempt zones from sites with split zones to ensure they are not evaluated for capacity by the model.

GCS 65912.157(h)(1) states a proposed development may not utilize the zoning provisions of SB 79 on sites with more than two units that would require the demolition of housing subject to the RSO. This has been interpreted as a project level exemption due to the demolition provision, rather than a site level criteria that can qualify for a statutory exemption. Therefore, the model includes sites subject to the RSO in the capacity analysis for determining eligibility for temporary exemption. Including sites with RSO units acknowledges that projects on sites with more than two units would be permitted to utilize SB 79 zoning provisions provided they do not result in the demolition of RSO units that have been occupied in the last seven years.

The City of LA uses two types of parcel identification geometries: BOE PINs and LA County Assessor Parcel Numbers (APNs). They are two disparate systems for tracking land area, and in general, BOE PINs are more granular than LA County Assessor APNs. Using the BOE PIN geometry allowed the model to address split zones (instances where one APN may have multiple zones), and allowed for accuracy when calculating capacity on sites where there may be a portion of the site not eligible for capacity. In the example below, the sites located on the eastern side of Etiwanda Avenue and Collins Street in the Encino-Tarzana Community Plan Area are identified in the LA County Assessor system as APN 2157009033. This APN includes two zones, R3-1 and OS-1XL, where the site intersects the LA River channel. In order for the analysis to calculate capacity only on the portions of the site zoned for R3-1, the site utilized the BOE PIN land base to isolate the OS-1XL parcels and assign 0 value for capacity, while calculating capacity at the local and SB 79 level on the R3-1 portions of the site. For the purpose of this analysis, local capacity and SB 79 capacity are calculated at the BOE PIN level and then summed to the APN level when determining whether a site meets the temporary exemption criteria.

Figure 2. Split Zone Site Located on the eastern side of Etiwanda Avenue in Encino-Tarzana



ZIMAS, 2026

Permanent Exclusions

As mentioned above, SB 79 includes permanent exclusions for sites where no walking path of less than one-mile exist and for industrial employment hubs. The following analysis describes the process for determining whether a site meets the permanent exclusion criteria. If the site meets the criteria, it is ascribed a “yes” value, if it does not meet the criteria, it is ascribed a “no” value. When the value is “yes”, the model considers the site permanently excluded from the zoning provisions of SB 79, and does not calculate SB 79 capacity for the site. When the value is “no”, the model considers the site eligible for the zoning provisions of SB 79 and calculates capacity on the site.

No Walking Path of Less than One-Mile

SB 79 permits permanent exclusions for sites that do not have a walking path of less than one mile to the TOD station (GCS 65912.160(e)(1)). The one-mile walkability distance is measured by analyzing the street network within TOD zones utilizing ArcGIS Network Analyst and LA County TIGER. Natural impediments to walkability that are within the one-mile buffer around TOD zones are excluded from the qualifying walkable street network, including highways, railroads, hillside areas, waterways and subdivision neighborhoods with no road connectivity. After these exclusions for impediments to walkability, the walking distance along the street network deemed walkable from the TOD Station to the site is calculated. Sites that have a mile or more distance along the walkable street network are determined as eligible to be permanently excluded from SB 79.

Industrial Employment Hub

SB 79 defines an industrial employment hub as “a contiguous area of at least 250 acres designated in the jurisdiction’s general plan on or before January 1, 2025, as an employment lands area” (GSC 65912.160(e)(2)). The bill further specifies that these areas must be primarily dedicated to industrial use and that housing cannot be a prohibited use on any of the sites excluded. Mapping analysis identified sites meeting the criteria of the bill located in MR1, M1, MR2, M2, M3, I1, I2, and LAX zones, and select PF zoned sites with known industrial uses. Hybrid industrial zones were not included due to the allowance of residential uses in these types of zones. To meet the contiguous acreage criteria, sites were considered to be contiguous if located across a right-of-way (including streets, freeways, and open space containing the LA River), have a shared property line, or across a common corner. Industrial parcels that are separated by residential, commercial, or open space uses were not considered contiguous, and do not count as industrial employment hubs.

Mapping analysis of the industrial areas of the city identified six areas summarized in the table below which meet the criteria of industrial employment hubs, and therefore are permanently excluded from SB 79 eligibility. For additional information about industrial land in the City and the six industrial employment hubs, please refer to Appendix 3 of this report. The analysis also identified other areas of contiguous industrial land across the city that did not meet the 250 acre threshold, and as such, these areas are not exempt from the bill and are included in the modeling analysis.

Table 5: Summary of Industrial Employment Hubs

Name/Location	Acreage	Number of Sites[1]
LAX	3623	297
Van Nuys	2383	1733
Downtown / Southeast LA	1758	3077
Chatsworth	1282	1023
Pacoima	664	442
Atwater / Cypress Park	312	413

1 The number of sites included here are inclusive of sites outside of a SB 79 TOD zone.

Table 6 below summarizes the sites eligible for permanent exclusion from the zoning provisions of SB 79 pursuant to GCS 65912.160(e)(1) and (2).

Table 6: Summary of Sites Eligible for Permanent Exclusion from SB 79

SB 79 Statutory Exemption	Count of Sites
No Walking Path of Less than One-Mile	341
Industrial Employment Hub	2,377

Temporary Exemptions

Pursuant to GCS 65912.161(b), sites, low resource areas, and TOD zone stations may be eligible for temporary exemption if they meet one of the criteria described below. The analysis performed for each temporary exemption criteria corresponds to a subsection of GCS 65912.161(b) as shown in Table 7, below.

Table 7: Phased Implementation Criteria

Government Code Statute	Temporary Exemption Criteria	Level of Analysis
65912.161(b)(1)(A)	A site which permits density and RFAR at no less than 50% of the standards specified under subdivision (a) of Section 65912.157.	Individual Site
65912.161(b)(1)(B)(i)	A site in a TOD zone in which at least 33% of sites in the relevant TOD zone have permitted density and RFAR no less than 50% of the standards specified under subdivision (a) of Section 65912.157 and which includes sites with densities that cumulatively allow for at least 75% of the aggregate density for the TOD zone specified under subdivision (a) of Section 65912.157.	TOD zone
65912.161(b)(1)(B)(ii)	A site in a TOD zone that is primarily composed of a low-resource area which includes sites with densities that cumulatively allow for at least 40% of the aggregate density for the TOD zone specified under subdivision (a) of Section 65912.157.	TOD zone
65912.161(b)(1)(B)(iii)	A site in an area designated as low resource on the most recently adopted version of the opportunity area maps published by the TCAC/HCD, and within a jurisdiction that cumulatively allows for at least 50% of the total capacity for units and floor area as specified under subdivision (a) of Section 65912.157.	Individual Site
65912.161(b)(1)(C)	A site that is covered by a local TODalternative plan adopted by a local government	Individual Site
65912.161(b)(1)(D)	Sites within a VHFHSZ as determined by the Department of Forestry and Fire Protection pursuant to Section 5118, or within the state responsibility area, as defined in Section 4102 of the Public Resources Code.	Individual Site
65912.161(b)(1)(E)	Sites vulnerable to one foot of sea level rise (SLR), as determined by the National Oceanic and Atmospheric Administration, the Ocean Protection Council, the United States Geological Survey, the University of California, or a local government's coastal hazards vulnerability assessment.	Individual Site
65912.161(b)(1)(F)	Sites with a historic resource designated as of January 1, 2025, on a local register.	Individual Site

Assessment of the City's Temporary Exemption Eligibility based on Station Area Characteristics

After existing baseline capacity and SB 79 capacity are established, the existing baseline capacity in terms of Maximum Allowable Units (density) and Maximum Allowable Residential Building Volume are compared to SB 79 capacity and evaluated by the requirements of GCS 65912.161(b)(1) to determine if the site is eligible for temporary exemption. The section below describes the assumptions and analysis performed to determine if a site is eligible for temporary exemption.

TOD Zone Level Temporary Exemption Criteria Assumptions

Primarily Low Resource TOD Zones

Government Code Section 65912.161(b)(1)(ii) permits temporary exemptions for sites within the entire TOD zone if they meet criteria as a primarily low resource TOD zone. The City utilized a plurality methodology to identify TOD zones that meet the temporary exemption criteria as a primarily low resource TOD zone. This methodology was decided on after input from HCD clarified that the term "primarily" in the SB 79 bill text (GCS 65912.161(b)(1)(B)(ii)) describes a "plurality" rather than a "majority." The area in square feet of each TCAC designation (High & Highest Resource, Moderate Resource, and Low Resource) was calculated for every TOD zone and divided by the total area of the TOD zone to result in a percentage of land area per TCAC designation. Census tracts designated as Insufficient Data (which are areas identified on the CTCAC Opportunity Maps where data reliability is too low to accurately determine opportunity resource levels), have been removed as a category and from the total land area of the TOD zone.

A TOD Zone in which Low Resource Areas constitute a plurality of the land is illustrated with the Vermont/Sunset TOD Zone below (which is 38% Low Opportunity Area, 27% Moderate Opportunity Area, and 35% Higher Opportunity Area). Note that because Moderate and Higher Opportunity Areas make up a majority (over 50%) of the TOD Zone, this would be considered an "Opportunity Station" in the Low-Rise Ordinance even though under SB 79 it is considered a primarily low resource station. In this way, the City is exceeding the requirements of SB 79 to rezone beyond what is required.

Figure 3. Vermont/Sunset TOD Zone with Low Resource Plurality

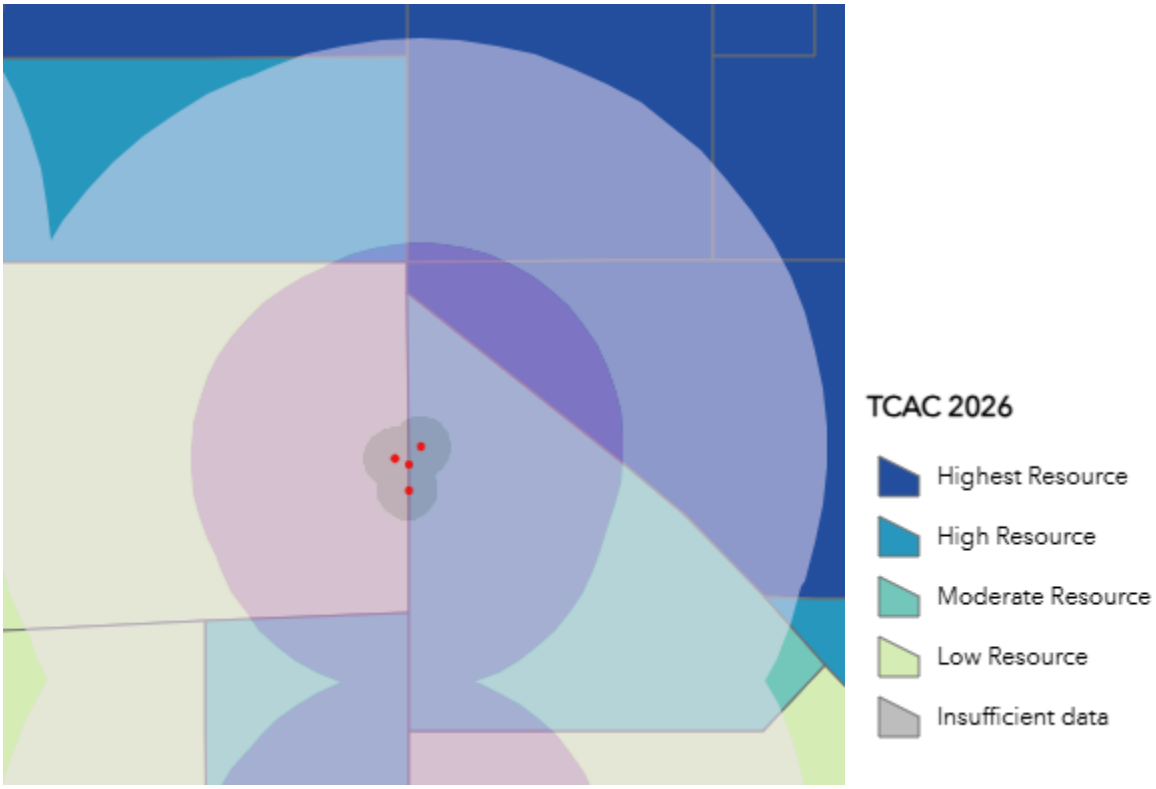


Table 9 at the end of this Appendix 1 shows the breakdown of TCAC categories by TOD zone and identifies the TOD Zones that are considered primarily Low Resource. Sites that permit at least 40 percent of the Maximum Allowable Units and Maximum Allowable Residential Building Volume provided by SB 79 are identified. When the TOD zone is considered a primarily Low Resource TOD zone and all sites permit at least 40% of the density and FAR standards of SB 79, then the entire TOD zone is eligible for temporary exemption.

TOD Zones Permitting Half of the Density and Floor Area of SB 79

An entire TOD zone may be temporarily exempt from the provisions of SB 79 when at least 33 percent of sites in the TOD zone permit at least 50 percent of the density and RFAR of the standards of SB 79, and at least 75 percent of the aggregate density standards provided by SB 79. To determine TOD Zones eligible for this temporary exemption, first, sites that meet at least 50 percent of SB 79 provisions are identified, and a count of sites meeting this criteria is calculated by TOD zone area. To determine whether 33 percent of sites in a TOD zone permits at least 50 percent of SB 79 development standards, the count of sites meeting 50 percent of SB 79 in both is divided by the count of sites eligible for SB 79 in the TOD zone. If the result is greater than or equal to 33 percent, the TOD zone meets the first part of this criteria. Next, the model calculates 75 percent of the capacity permitted by SB 79 within the TOD zone, and

compares it to the local Maximum Allowable Units and local Maximum Allowable Residential Building Volume for the TOD zone permitted by existing zoned capacity. If the local capacity for the TOD zone is greater than or equal to 75 percent of the capacity permitted by SB 79 in the TOD zone then the TOD zone is considered eligible for temporary exemption under GCS 65912.161(b)(1)(B)(i).

Individual Site Level Temporary Exemption Criteria Assumptions

Sites Meeting 50% of Density and FAR permitted by SB 79 (GCS 65912.161(b)(1)(A))
To identify sites eligible for temporary exemption because the local zoning permits at least 50 percent of the density and FAR afforded by SB 79, the model calculates whether local density in units per acre and local FAR are greater than or equal to 50 percent of SB 79 density and floor area, if both are true, then the site is eligible for temporary exemption under this criteria. If one or none are true, then the site is not eligible for temporary exemption under this criteria.

Low Resource Site GSC 65912.161(b)(1)(B)(ii)
To identify sites eligible for this temporary exemption, as a Low Resource site as designated by the California TCAC, the model determines first whether the parcel is in a Low Resource area. Then, the model evaluates if the local Maximum Allowable Units and local Maximum Allowable Residential Building Volume is greater than or equal to 50 percent of the SB 79 Maximum Allowable Units and SB 79 Maximum Allowable Residential Building Volume, respectively. If both local Maximum Allowable Units and Maximum Allowable Residential Building Volume are greater than or equal to half of SB 79 density and floor area, then the model inputs a “Yes” value, and the site is eligible for temporary exemption.

Local Transit-Oriented Development Alternative Plan GSC 65912.161(b)(1)(C)
No sites are currently relying on a local TOD alternative plan to meet the temporary exemption from SB 79 provisions criteria.

Very High Fire Hazard Severity Zones GSC 65912.161(b)(1)(D)
Sites located within a VHFHSZ, as determined by the Department of Forestry and Fire Protection are considered eligible for temporary exemption. The model identifies sites located in a VHFHSZ considers these sites eligible for temporary exemption from SB 79 and indicates so with a “Yes” value, for temporary exemption. Sites were identified at the PIN level.

Sites Vulnerable to One-Foot Sea Level Rise Areas GSC 65912.161(b)(1)(E)
Sites located within an area vulnerable to one-foot sea level rise, as determined by the National Oceanic and Atmospheric Administration, Ocean Protection Council, United States Geological Survey, the University of California, or a local government’s coastal hazards vulnerability assessment are considered eligible for temporary exemption. The model identifies sites located in an area vulnerable to one-foot of sea level rise and considers these sites eligible for temporary exemption from SB 79 and indicates so with a “Yes” value, for temporary exemption. Sites were identified at the PIN level.

Sites Designated as a Local Historic Register GSC 65912.161(b)(1)(F)

Sites designated as a historic resource on a local register prior to January 1, 2025 are considered eligible for temporary exemption. For the City of LA, these are sites designated as local HCMs and HPOZs before January 1, 2025. The model identifies sites designated as a HCM or HPOZ before January 1, 2025, and considers these sites eligible for temporary exemption from SB 79 and indicates so with a “Yes” value, for temporary exemption. Sites were identified at the PIN level.

Sites Eligible for Any Temporary Exemption Criteria

Pursuant to GCS 65912.161(b)(1), a site may be eligible for at least one of the temporary exemption criteria. Table 8 below summarizes the sites and TOD zones that meet each temporary criteria. Some sites may be counted as eligible for more than one temporary exemption criteria.

Table 8: Sites Eligible for Temporary Exemption

Temporary Exemption Criteria	Count of Eligible Sites or TOD zones	Percent of Eligible Sites or TOD zones
Sites permitting half of density and residential floor area ratio afforded in SB 79 (GCS 65912.161(b)(1)(A))	Existing Zoned Capacity: 46,526 parcels Inclusive of Low-Rise Ordinance Amendments: 17,562 parcels	Existing Zoned Capacity: 34.34% of sites Inclusive of Low-Rise Ordinance Amendments: 12.59% of sites
Sites in TOD zones meeting capacity, density and floor area minimums (GCS 65912.161(b)(1)(B)(i))	74 TOD zones	51% of TOD zones
Sites in an area designated as low resource on the most recently adopted version of the opportunity area maps published by the TCAC, within a jurisdiction that cumulatively allows for at at least 50% of the Residential Capacity required by SB 79 (GCS 65912.161(b)(1)(B)(ii))	75,704 parcels	55.88% of sites
Sites in primarily low resource TOD zones permitting half of the total capacity and floor area afforded in SB 79 (GCS 65912.161(b)(1)(B)(iii))	80 TOD zones	55.1% of TOD zones
Sites covered by a local TOD alternative plan. (GCS 65912.161(b)(1)(C))	0 parcels	0% of sites
Sites within a VHFHSZ (GCS 65912.161(b)(1)(D))	12,910 parcels	10.59% of sites
Sites vulnerable to one-foot of sea level rise (GCS 65912.161(b)(1)(E))	0 parcels	0% of sites
Sites with a historic resource designated as of January 1, 2025, on a local register (GCS 65912.161(b)(1)(F))	7,689 parcels	6.31% of sites
Sites eligible for at least one temporary exemption criteria	135,474 parcels	100% of sites

Model Example

The section that follows provides an example of the model process for determining eligibility for phased implementation. The example below first considers site-level information to determine eligibility for phased implementation, then analyzes eligibility of the site's TOD Zone for phased implementation.

Site Analysis

Site Information	
Zone	**RD 1.5-1**
Lot Area	8,951.9 sq ft
Base Density (Lot Area/ Minimum Lot Area per DU)	8,951.9/ 1500 (rounded up) = 6 units
Base FAR	3:1
Applicable Incentive Program	**TOIA T-2, Low Resource**
Bonus Density	6 * 110% (rounded up) = 7 units
Bonus FAR	3 * 40% increase = 4.2 bonus FAR
Qualifying TOD Station	**ESFV-Van Nuys/Vanowen, within 1/4 mile**
Eligible SB 79 TOD Tier	**Tier 2**
Density permitted by TOD tier	436 sq ft of lot area per DU[3]
FAR permitted by TOD tier	3.0:1
Step 1: Calculate Local and SB 79 Capacity	
Local Capacity	
(Base Density+ Bonus Density)= **Site's Maximum Allowable Units**	(6+7) **=13 units**
Lot Area* (Base FAR+ Bonus FAR)*Applicable RFAR Assumption = **Site's Maximum Allowable Residential Building Volume**	8,951.9*(3 +1.2)*(.7) **=26,318 sq ft**
SB 79 Capacity	
(Lot Area/ Tier Density) **Site's Maximum Allowable Units**	8,951.9/ 436(rounded up) **= 21 units**
(Lot Area* Tier FAR)= **Site's Maximum Allowable Residential Building Volume**	8,951.9*3 **=26,855 sq ft**

[3] SB 79 grants density as DU per acre. Sites within 1/4 mile of a Tier 2 TOD Stop receive 100DU per acre, which is equivalent to 436 sq ft of lot area per DU.

Step 2: Determine Site's Eligibility for Temporary Exemption	
*If the site qualifies for at least one **temporary exemption criteria** below, the site is eligible for **phased implementation**.*	
Site Specific Temporary Exemption Criteria	
Site is/ has:	**Does Example Site Qualify?**
☑ Half capacity of SB 79	**Yes.** Both the site's local Maximum Allowable Residential Building Volume and the local Maximum Allowable Units exceed the threshold for half capacity allowed by SB 79.
☑ Low Resource site & the City has half of SB 79 capacity	**Yes.** This site is designated as Low Resource and the City as whole exceeds the 50% threshold in both density and building volume permitted by SB 79.
☐ Within a Local Alternative Plan	**No.** As of the release of this staff report, the City has not adopted a Local Alternative Plan.
☐ Within VHFHSZ	**No.** This site is not within the VHFHSZ.
☐ Within one-foot of sea level rise	**No.** This site is not located in an area vulnerable to one-foot of sea level rise.
☐ Local historic resource designated as of Jan 1, 2025	**No.** This site does not contain a local historic resource designated as of Jan. 1, 2025.

As outlined in the table above, the example site meets site-level criteria to qualify for temporary exemption. However, additional temporary exemption criteria that consider eligibility for exemption at the TOD zone level can be analyzed.

TOD Zone Analysis

TOD Zone Information	
TOD Station	**ESFV-Van Nuys/Vanowen**
Step 1: Calculate Local and SB 79 Capacity	
Local Capacity	
Calculate local capacity for each site within the TOD Zone[4], then sum for all sites:	
TOD Zone Maximum Allowable Units	**36,295 units**
TOD Zone Maximum Residential Building Volume	**39,333,581 sq ft**
SB 79 Capacity	
Calculate SB 79 capacity for each site within the TOD Zone[4], excluding any sites meeting criteria for permanent exemption: ☐ **No Walking Path within less than ½ mile from Station** *(0 sites for this TOD Station)* ☐ **Industrial Employment Hub** *(0 sites for this TOD Station)* *Then sum for all SB 79 eligible sites:*	
TOD Zone Maximum Allowable Units	**35,847 units**
TOD Zone Maximum Allowable Residential Building Volume	**46,201,924 sq ft**
Step 2: Determine TOD Zone's Eligibility for Temporary Exemption	
*If the TOD Zone qualifies for at least one **temporary exemption criteria** below, the entire TOD Zone is eligible for **phased implementation**.*	
TOD Zone- Specific Temporary Exemption Criteria	
TOD Zone is:	**Does Example TOD Zone Qualify?**
☑ Within a TOD Zone of which a third of sites have half SB 79 capacity and the TOD zone cumulatively has 75% of SB 79 density	**Yes.** At least one-third of sites within the ESFV-Van Nuys/Vanowen TOD Zone have at least half SB 79 capacity. Additionally, the TOD Zone cumulatively allows 36,295units within local capacity, which exceeds the 75% threshold of units permitted by SB 79 (35,847 units).
☑ Within TOD zone that is primarily Low Resource and cumulatively has 40% SB 79 density	**Yes.** Although the example site is designated as Moderate Resource, the ESFV-Van Nuys/Vanowen TOD Zone is primarily designated as Low Resource since it is the designation that makes up the highest percentage of area within the TOD Zone. Additionally, the TOD Zone cumulatively allows 36,295 units within local capacity, which exceeds the 40% threshold of units permitted by SB 79 (35,847 units).

[4] The model assumes sites zoned for public facilities, parking, and open space are statutorily exempt from the provisions of SB 79, and no capacity is assigned to these zones.

Since the site’s TOD Zone qualifies for temporary exemption, the site also achieves eligibility for temporary exemption.

Table 9: Primarily Low Resource TOD Zones by Analysis					
TOD Zone Name	**High & Highest Resource**	**Moderate Resource**	**Low Resource**	**Primarily Low Resource TOD Zone**	**Permits 40% of SB 79 Density and FAR**
A/RED/PUR/Metrolink-Union Station	29%	38%	33%	No	No
A-Chinatown	39%	56%	5%	No	No
A-Heritage Square	0%	41%	59%	Yes	Yes
A-Highland Park	23%	54%	23%	No	No
A-Lincoln/Cypress	3%	1%	96%	Yes	Yes
A-Little Tokyo/Arts District	7%	41%	52%	Yes	Yes
A-Southwest Museum	48%	39%	12%	No	No
BLU/EXP/RED/PUR-7th St/Metro Center	0%	43%	57%	Yes	Yes
BLU/EXP-Pico	0%	42%	58%	Yes	Yes
BLU/GRN-Willowbrook/Rosa Parks	0%	0%	100%	Yes	Yes
BLU-103rd St/Watts Towers	0%	0%	100%	Yes	Yes
BLU-Firestone	0%	0%	100%	Yes	Yes
BLU-Grand/LATTC	0%	4%	96%	Yes	Yes
BLU-San Pedro St	0%	0%	100%	Yes	Yes
BLU-Slauson	0%	0%	100%	Yes	Yes
BLU-Vernon	0%	0%	100%	Yes	Yes
BLU-Washington	31%	0%	69%	Yes	Yes
E-Indiana	0%	0%	100%	Yes	No
E-Mariachi Plaza	0%	4%	96%	Yes	Yes
E-Pico/Aliso	0%	23%	77%	Yes	Yes
ESFV/SP-Van Nuys	0%	0%	100%	Yes	Yes
ESFV/SP-Van Nuys/Oxnard (Orange)	30%	2%	68%	Yes	Yes
ESFV-Van Nuys/Arleta	0%	7%	93%	Yes	No
ESFV-Van Nuys/Laurel Canyon	0%	0%	100%	Yes	No
ESFV-Van Nuys/Nordhoff	0%	2%	98%	Yes	Yes
ESFV-Van Nuys/Roscoe	0%	0%	100%	Yes	Yes
ESFV-Van Nuys/San Fernando	0%	0%	100%	Yes	No
ESFV-Van Nuys/Sherman	0%	0%	100%	Yes	Yes
ESFV-Van Nuys/Vanowen	0%	11%	89%	Yes	Yes
ESFV-Van Nuys/Victory	1%	17%	82%	Yes	Yes
ESFV-Van Nuys/Woodman	0%	10%	90%	Yes	No
E-Soto	0%	6%	94%	Yes	Yes
EXP/SP-Expo/Sepulveda	100%	0%	0%	No	No
EXP-Culver City	87%	13%	0%	No	No
EXP-Expo Park/USC	0%	0%	100%	Yes	Yes
EXP-Expo/Bundy	100%	0%	0%	No	No
EXP-Expo/Crenshaw	0%	43%	57%	Yes	Yes
EXP-Expo/La Brea	0%	10%	90%	Yes	Yes
EXP-Expo/Vermont	0%	0%	100%	Yes	Yes
EXP-Expo/Western	0%	0%	100%	Yes	No
EXP-Farmdale	0%	20%	80%	Yes	Yes
EXP-Jefferson/USC	0%	0%	100%	Yes	Yes
EXP-La Cienega/Jefferson	26%	13%	61%	Yes	Yes
EXP-LATTC/Ortho Institute	0%	4%	96%	Yes	Yes
EXP-Palms	100%	0%	0%	No	No
EXP-Westwood/Rancho Park	100%	0%	0%	No	No
GRN/K Line-Aviation/96th St	72%	0%	28%	No	No
GRN/K Line-Aviation/Century	99%	0%	1%	No	No
GRN-Avalon	0%	0%	100%	Yes	Yes
GRN-Aviation/LAX	95%	0%	5%	No	No
GRN-Harbor Freeway	0%	0%	100%	Yes	Yes
GRN-Vermont/Athens	0%	0%	100%	Yes	No
K Line-Crenshaw/Adams	0%	0%	100%	Yes	Yes
K Line-Crenshaw/Exposition	0%	45%	55%	Yes	Yes
K Line-Crenshaw/MLK	0%	36%	64%	Yes	Yes
K Line-Crenshaw/Slauson	0%	6%	94%	Yes	Yes
K Line-Crenshaw/Vernon	0%	38%	62%	Yes	Yes
K Line-Fairfax/3rd	100%	0%	0%	No	No
K Line-Florence/Hindry	55%	0%	45%	No	No
K Line-Florence/West	0%	23%	77%	Yes	Yes
K Line-Highland/Odin	91%	8%	1%	No	No
K Line-LaCienega/Beverly	100%	0%	0%	No	No
K Line-SantaMonica/Fairfax	100%	0%	0%	No	No
K Line-SantaMonica/LaBrea	100%	0%	0%	No	No
K Line-SantaMonica/Palm	100%	0%	0%	No	No
K Line-SanVicente/Pico	81%	16%	3%	No	No
Metro 234 - Parthenia Street	0%	0%	100%	Yes	Yes
Metro 234 - Roscoe Boulevard	0%	0%	100%	Yes	Yes
Metro 234 - Saticoy Street	0%	0%	100%	Yes	Yes
Metro 234 - Sherman Way	0%	0%	100%	Yes	Yes
Metro 234 - Vanowen Street	0%	11%	89%	Yes	Yes
Metro 234 - Victory Boulevard	9%	15%	76%	Yes	Yes
Metro 234 -Ventura Boulevard	100%	0%	0%	No	No
Metro 33 - Venice Boulevard	100%	0%	0%	No	No
Metro 70 - N Spring Street	35%	9%	56%	Yes	Yes
Metro 78 - N Spring Street	17%	13%	70%	Yes	Yes

Table 9: Primarily Low Resource TOD Zones by Analysis					
TOD Zone Name	**High & Highest Resource**	**Moderate Resource**	**Low Resource**	**Primarily Low Resource TOD Zone**	**Permits 40% of SB 79 Density and FAR**
Metro 81 - Olympic Boulevard	0%	51%	49%	No	No
Metro 81 - Pico Boulevard	0%	34%	66%	Yes	Yes
Metro 81 - Venice Boulevard	0%	19%	81%	Yes	Yes
Metro 81 - W 12th Street	0%	43%	57%	Yes	Yes
Metro 81 - W 23rd Street	0%	13%	87%	Yes	Yes
Metro 81 - W Washington Boulevard	0%	11%	89%	Yes	Yes
Metro 910 - N Spring Street	14%	14%	72%	Yes	Yes
Metro 910 - S Figueroa Street	0%	40%	60%	Yes	Yes
Metro 910 - W Aliso Street	23%	18%	60%	Yes	Yes
Metro 910/70 - N Spring Street	13%	15%	72%	Yes	Yes
Metrolink - Glendale	69%	31%	0%	No	No
NOHO to Pasadena BRT-Colorado Boulevard	100%	0%	0%	No	No
NOHO to Pasadena BRT-E Broadway	80%	20%	0%	No	No
NOHO to Pasadena BRT-Eagle Rock Boulevard	100%	0%	0%	No	No
NOHO to Pasadena BRT-Hesby Street	75%	25%	0%	No	No
NOHO to Pasadena BRT-Townsend Avenue	100%	0%	0%	No	No
NOHO to Pasadena BRT-W Alameda Avenue	100%	0%	0%	No	No
NOHO to Pasadena BRT-W Riverside Drive	100%	0%	0%	No	No
Orange Line - Balboa	56%	20%	24%	No	No
Orange Line - Canoga	0%	16%	84%	Yes	Yes
Orange Line - Chatsworth	100%	0%	0%	No	No
Orange Line - De Soto	0%	47%	53%	Yes	Yes
Orange Line - Laurel Canyon	100%	0%	0%	No	No
Orange Line - Nordhoff	40%	14%	46%	Yes	Yes
Orange Line - Pierce College	19%	47%	34%	No	No
Orange Line - Reseda	57%	26%	17%	No	No
Orange Line - Roscoe	0%	0%	100%	Yes	Yes
Orange Line - Sepulveda	62%	1%	37%	No	No
Orange Line - Sherman Way	0%	0%	100%	Yes	Yes
Orange Line - Tampa	52%	47%	1%	No	No
Orange Line - Valley College	52%	48%	0%	No	No
Orange Line - Van Nuys	29%	2%	70%	Yes	Yes
Orange Line - Woodley	54%	0%	46%	No	No
Orange Line - Woodman	32%	45%	24%	No	No
PURex/K Line-Wilshire/Fairfax	100%	0%	0%	No	No
PURex/SP-Westewood UCLA	86%	14%	0%	No	No
PURex-Century City	100%	0%	0%	No	No
PURex-Westwood/VA Hospital	85%	15%	0%	No	No
PURex-Wilshire/La Brea	100%	0%	0%	No	No
PURex-Wilshire/La Cienega	100%	0%	0%	No	No
PUR-Wilshire/Normandie	0%	35%	65%	Yes	Yes
PUR-Wilshire/Western	8%	72%	20%	No	No
RC-1st/Central	7%	37%	56%	Yes	Yes
RC-2nd/Broadway	3%	20%	77%	Yes	Yes
RC-2nd/Hope	0%	42%	58%	Yes	Yes
RED/CRN-Hollywood/Highland	58%	23%	19%	No	No
RED/Orange Line-North Hollywood	49%	37%	13%	No	No
RED/PUR/Vermont BRT-Wilshire/Vermont	0%	43%	57%	Yes	Yes
RED/PUR-Civic Center/Grand Park	11%	19%	71%	Yes	Yes
RED/PUR-Pershing Square	0%	30%	70%	Yes	Yes
RED/PUR-Westlake/Macarthur Park	0%	1%	99%	Yes	Yes
RED/Vermont BRT-Vermont/Santa Monica	11%	23%	65%	Yes	Yes
RED/Vermont BRT-Vermont/Sunset	34%	29%	37%	Yes	Yes
RED-Hollywood/Vine	7%	50%	43%	No	No
RED-Hollywood/Western	19%	18%	63%	Yes	Yes
RED-Universal City/Studio City	100%	0%	0%	No	No
RED-Vermont/Beverly	2%	82%	15%	No	No
SP-Santa Monica	100%	0%	0%	No	No
SP-UCLA Ackerman Union	66%	34%	0%	No	No
SP-Ventura/Van Nuys	100%	0%	0%	No	No
Vermont BRT - Athens	0%	0%	100%	Yes	No
Vermont BRT - Century Blvd	0%	0%	100%	Yes	Yes
Vermont BRT - Florence Ave	0%	0%	100%	Yes	Yes
Vermont BRT - Pico Blvd	0%	0%	100%	Yes	Yes
Vermont BRT - Slauson Ave	0%	0%	100%	Yes	Yes
Vermont BRT - Vernon Ave	0%	0%	100%	Yes	Yes
Vermont BRT - W 3rd St	0%	61%	39%	No	No
Vermont BRT - W Adams Blvd	0%	12%	88%	Yes	Yes
Vermont BRT - W Manchester Ave	0%	0%	100%	Yes	Yes

APPENDIX 2:
SB 79 StoryMap

CPC-2026-1798-MSC, CPC-2026-1797-CA

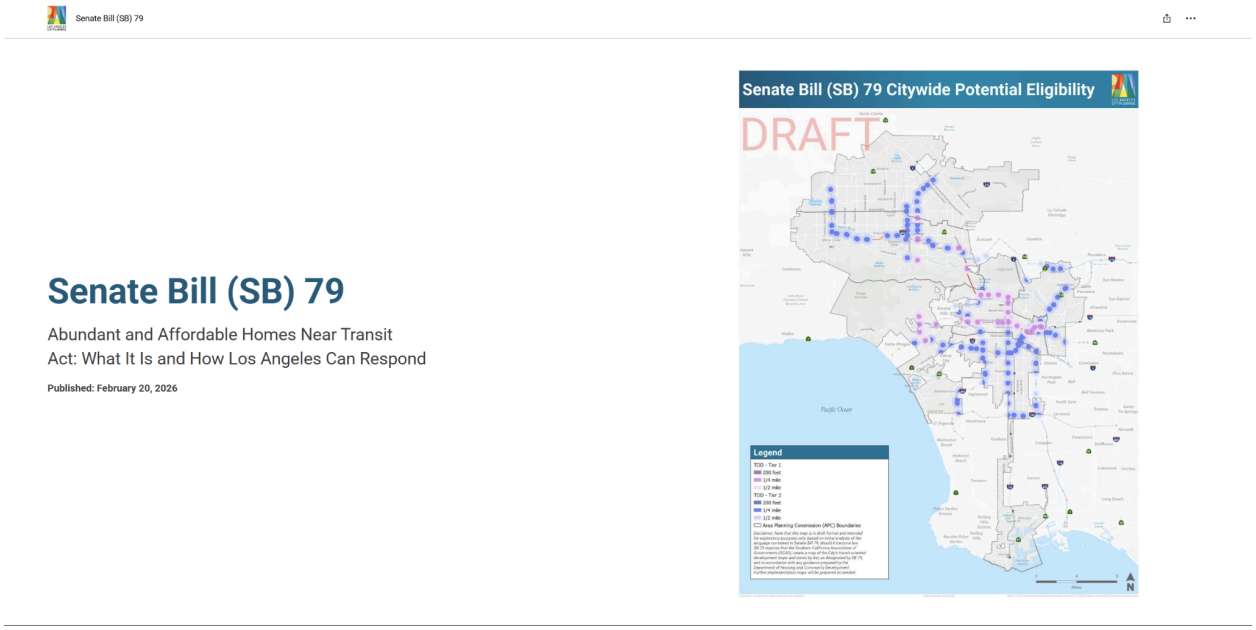
For consideration by City Planning Commission

May 14, 2026

Appendix 2 - SB 79 STORYMAP

The SB 79 StoryMap was created by the Department to provide detailed information on the bill's eligibility, requirements, and interactions with existing zoning in the City of Los Angeles. It also includes various interactive draft maps to understand where specific parcels would be impacted and what kind of incentives would be available, if applicable. Please note that this information is in draft format and is intended for exploratory purposes only. As the City's implementation method develops, the StoryMap is refined to reflect these changes.

For more information, please see the link below:
https://storymaps.arcgis.com/stories/480791d9b665485ea798986dcad61e86



Appendix 2 - SB 79 STORYMAP

Senate Bill (SB) 79

Bill Overview | Draft Eligibility Map | Local Implementation | Site Considerations | Archive

Bill Overview

Senate Bill (SB) 79 has been signed by the governor and will become effective on July 1, 2026. This Bill is designed to increase housing density near transit by introducing new by-right development standards for residential and commercial zoned parcels located near defined Transit-Oriented Development (TOD) stops. The bill's TOD stops are categorized into two tiers with scaled development standards for properties located within ¼ mile and ½ mile, creating TOD zones, with Tier 1 granting more permissive development standards than Tier 2. All sites within the station area or TOD zone will be eligible for the bill except for manufacturing zones and sites containing more than two units subject to the Rent Stabilization Ordinance (RSO) that have been occupied by tenants within the past seven years.

Senate Bill (SB) 79

Bill Overview | Draft Eligibility Map | Local Implementation | Site Considerations | Archive

In Los Angeles, heavy rail transit lines Metro B and D may qualify as Tier 1 TODs while light rail transit and bus rapid transit (BRT) lines Metro A, C, E, K, and G may qualify for Tier 2 TODs, subject to meeting SB 79 service and eligibility criteria. SB 79 allows for the inclusion of certain planned routes identified in the Southern California Association of Governments' (SCAG) Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) with a preferred alternative, provided those routes meet the bill's eligibility requirements. As such, the draft map includes the Sepulveda Transit Corridor (Tier 1) and East San Fernando Valley Transit Corridor (Tier 2). On March 26, 2026, the Metro Board voted on a Locally Preferred Alternative (LPA) for the K Line Northern Extension. The draft eligibility map below has been updated to reflect TOD stops in the LPA. Metrolink stations with high frequency may also be eligible, including the Glendale stations. Station information is available in the searchable map included below.

SB 79 establishes new zoning conditions for sites within a ½ mile of a TOD stop, providing new density, Floor Area Ratio (FAR), and height standards, as described in the graphic below. These new development standards will be available for all eligible projects, including sites with more restrictive zoning, and sites located in Specific Plans and other Overlays. SB 79 requires projects with more than 10 units to set aside either 7% of units for Extremely Low Income (ELI) households, 10% of units for Very Low Income (VLI) households, or 13% of units for Low Income (LI) households. Local inclusionary rules and fees including the Affordable Housing Linkage Fee are still valid where applicable. The bill also establishes labor standard requirements for buildings over 85 feet in height.

SB 79 also includes provisions to allow for potential delayed implementation and the development of local TOD alternative plans. The Los Angeles City Council recently adopted a motion on November 4, 2025 directing Los Angeles City Planning to prepare recommendations for the implementation of SB 79, as directed by Council File 25-1083. This report is available here. For updates, please click the "subscribe via email" button at the top of the web page.

Appendix 2 - SB 79 STORYMAP

Senate Bill (SB) 79

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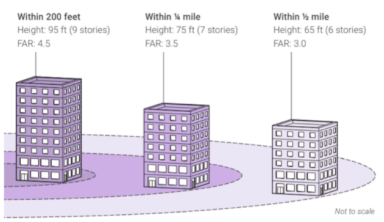
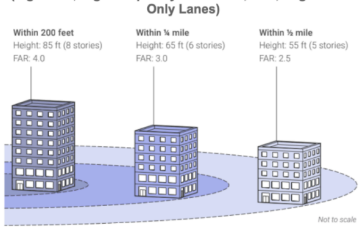
Summary of SB 79 Development Standards

TOD Tier 1 (Heavy Rail or Very High Frequency Commuter)



Tier	within 200 ft	within 1/4 mile	within 1/2 mile
Height*	95 ft (9 stories)	75 ft (7 stories)	65 ft (6 stories)
Density	160 dwelling units/acre	120 dwelling units/acre	100 dwelling units/acre
Density per Lot Equivalency	272 sq ft lot area / dwelling unit	363 sq ft lot area / dwelling unit	436 sq ft lot area / dwelling unit
Floor Area Ratio (FAR)	4.5	3.5	3.0

TOD Tier 2 (Light Rail, High Frequency Commuter, BRT, Eligible Bus Only Lanes)

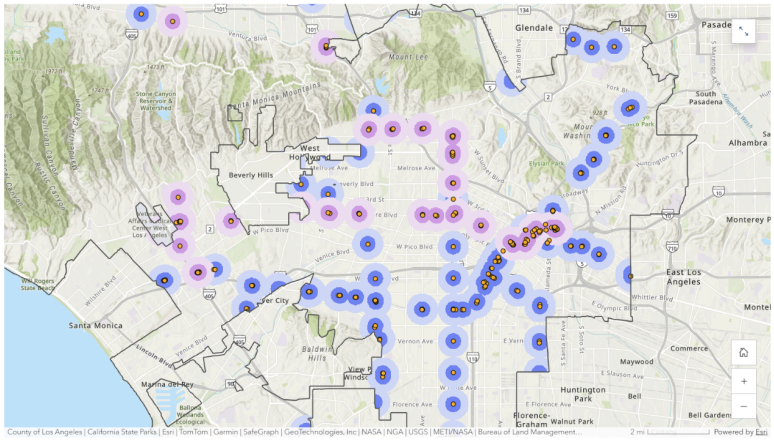


Tier	within 200 ft	within 1/4 mile	within 1/2 mile
Height*	85 ft (8 stories)	65 ft (6 stories)	55 ft (5 stories)
Density	140 dwelling units/acre	100 dwelling units/acre	80 dwelling units/acre
Density per Lot Equivalency	311 sq ft lot area / dwelling unit	436 sq ft lot area / dwelling unit	545 sq ft lot area / dwelling unit
Floor Area Ratio (FAR)	4.0	3.0	2.5

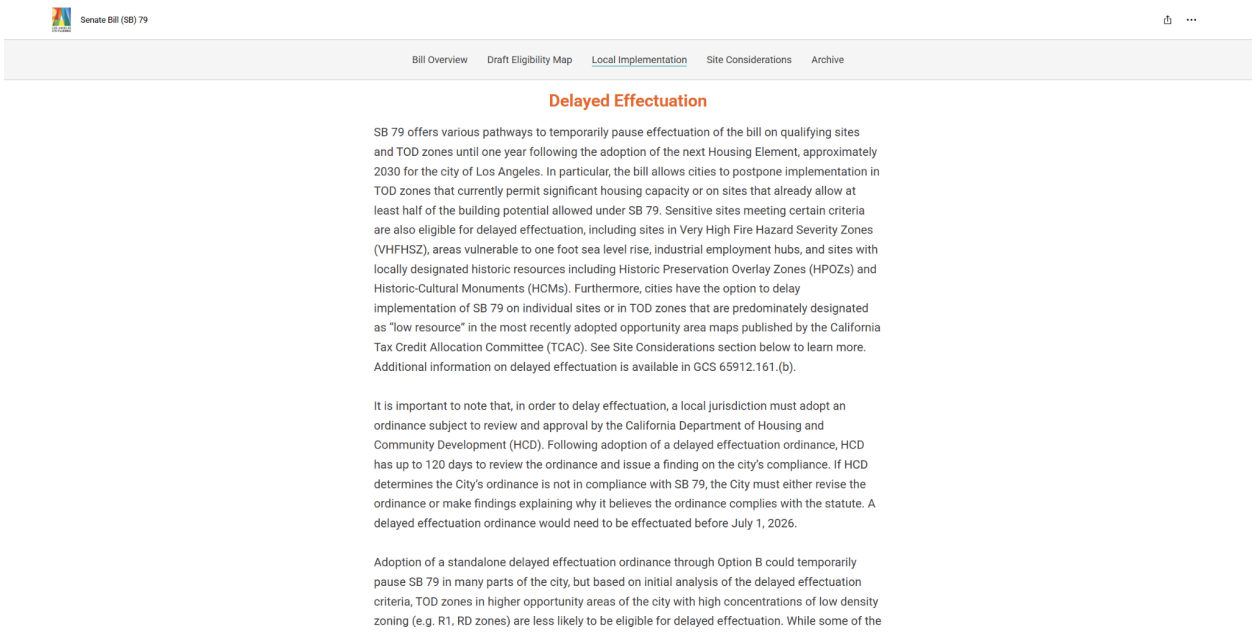
Height in stories is approximate and based on average floor height for multifamily residential buildings.

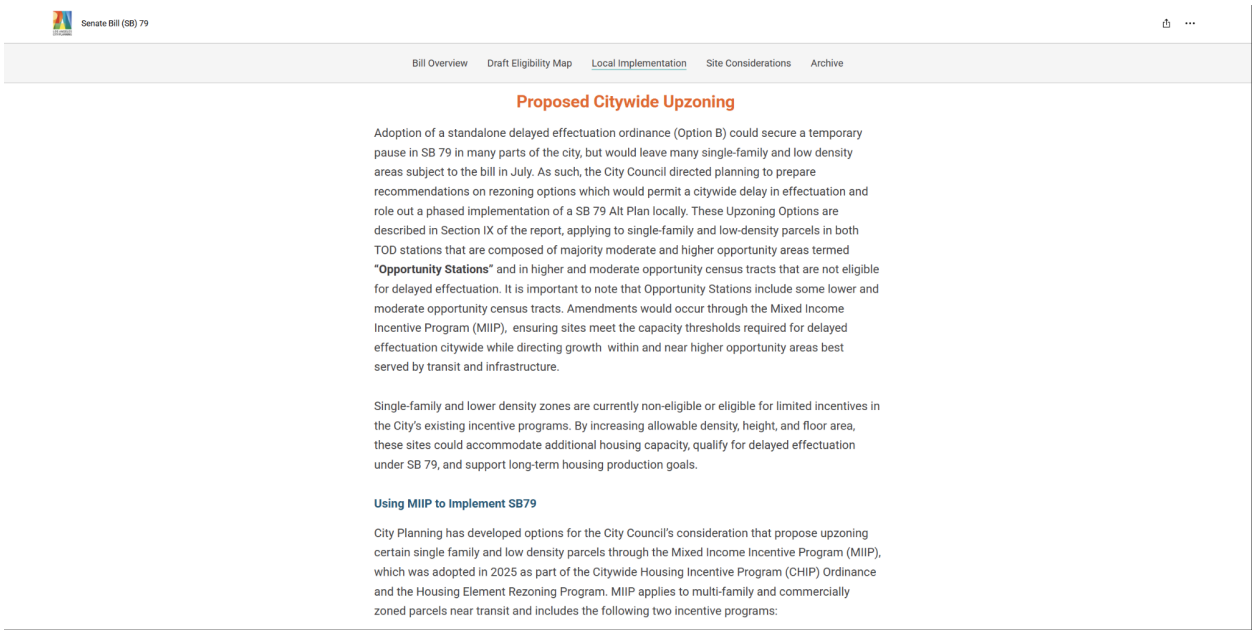
Senate Bill (SB) 79

Bill Overview | Draft Eligibility Map | Local Implementation | Site Considerations | Archive


Glendale
Pasade
South Pasadena
Alhambra
Monterey P
Beverly Hills
West Hollywood
Culver City
Santa Monica
East Los Angeles
Commerce
Maywood
Huntington Park
Bell
Bell Garden
Florence-Graham
Walnut Park
Baldwin Hills
Marina del Rey
Mount Lee
Hollywood Reservoir
Stone Canyon Reservoir
Will Rogers State Beach
Ballona Wetlands Ecological
Venice Blvd
W Pico Blvd
Melrose Ave
Vernon Ave
Florence Ave
Whittier Blvd
Wilshire Blvd
Lincoln Blvd
Sepulveda Blvd
Huntington Dr
Beverly Blvd
Olympic Blvd
Slauson Ave
Rosecrans Ave
Imperial Hwy
Century Fwy
Harbor Fwy
Pasadena Fwy
Hollywood Fwy
Santa Monica Fwy
San Diego Fwy
Glendale Fwy
Foothill Fwy
Ventura Fwy
Golden State Fwy
Long Beach Fwy
Arroyo Seco Pkwy
Mulholland Dr
Sunset Blvd
Hollywood Blvd
Melrose Ave
Wilshire Blvd
Olympic Blvd
Whittier Blvd
Slauson Ave
Florence Ave
Vernon

Appendix 2 - SB 79 STORYMAP





Appendix 2 - SB 79 STORYMAP

Senate Bill (SB) 79

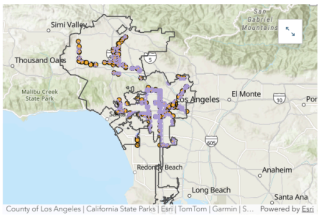
Bill Overview | Draft Eligibility Map | Local Implementation | Site Considerations | Archive

Site Considerations

To understand the many factors shaping the application of SB79 incentives across the city, we must highlight key site-level considerations including current zoning constraints, historic sites, environmentally sensitive areas, and Rent Stabilization Ordinance (RSO) constraints. Below you will find a centralized map visualizing where these factors may limit, delay, or shape the application of SB 79 incentives across the city.

RSO Units

The map visualizes parcels that have more than two units subject to the City's Rent Stabilization Ordinance (RSO). Sites containing more than two RSO units that have been occupied or demolished in the last seven years are ineligible for SB 79. Citywide, approximately 15% of sites within SB 79 TOD zones are ineligible due to the presence of three or more RSO units. RSO units are distributed across TOD zones but are more prevalent in lower opportunity areas. Majority of lower opportunity TOD zones have the highest share of sites with one to two RSO units, ranging from 16% to 36%, and are primarily located in South Los Angeles, Southeast Los Angeles, and Boyle Heights. TOD zones with the highest concentrations of sites containing three or more RSO units, ranging from 26% to 50% of the zone, are generally located in lower opportunity areas such as Koreatown and East Hollywood.



RSO Units Map

To view the map in full screen, click the arrows in the top right of the map. To search for an address,

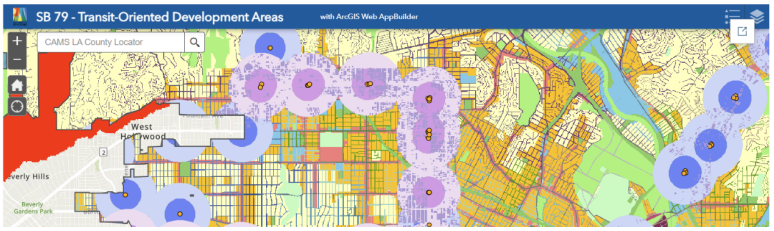
Senate Bill (SB) 79

Bill Overview | Draft Eligibility Map | Local Implementation | Site Considerations | Archive

Site Considerations Overview Map

The map below combines the layers from the previous maps into **one centralized map**. To view the map in full screen, click the box with arrows in the top right of the map. To search for an address, use the address search bar on the top left of the map. To modify transparency and map features, click the three dots to the right of the feature name. To view the map legend, click the list icon at the bottom left of the map.

Disclaimer: Note that this map is in draft format and intended for exploratory purposes only, based on initial analysis of the language contained in Senate Bill 79. SB 79 requires that the Southern California Association of Governments (SCAG) create a map of the City's transit-oriented development and stops and zones by tier, as designated by SB 79, and in accordance with any guidance prepared by the Department of Housing and Community Development. Further implementation maps will be prepared as needed.



APPENDIX 3:
Impacts of Senate Bill (SB) 79 on Industrial Areas of Los Angeles

CPC-2026-1798-MSC, CPC-2026-1797-CA

For consideration by City Planning Commission

May 14, 2026

APPENDIX 3: IMPACTS OF SENATE BILL (SB) 79 ON INDUSTRIAL AREAS OF LOS ANGELES

I. Introduction

This appendix provides a summary and analysis of Senate Bill (SB) 79's potential impacts to industrial areas of Los Angeles within or near Transit Oriented Development (TOD) zones[1] as well as an overview of industrial areas that are eligible for exemption due to meeting the criteria for "industrial employment hubs". SB 79 (Government Code Section (GCS) 65912.155-162) intends to facilitate housing near transit and enables TOD housing developments on "any site zoned for residential, mixed, or commercial uses" that are located within a quarter mile or half mile of an eligible TOD stop. The bill does not explicitly prohibit eligibility in industrial zones, but cities may permanently exempt by ordinance sites meeting the criteria for industrial employment hubs (GSC 65912.160(e)(2)).

II. Analysis

Industrial Land in Los Angeles

The Framework Element and Community Plans establish the City's goal to preserve industrial land for industrial uses, to attract new industries, and to address conflicts associated with allowing residential adjacent to industrial uses. Policy 3.14.4 of the Framework Element, which guides the City's long term growth and informs the City's Community Plans and zoning ordinances, expresses this policy intent and states "Limit the introduction of new commercial and other non-industrial uses in existing commercial manufacturing zones to uses which support the primary industrial function of the location in which they are located." Across Community Plans that comprise the City's Land Use Element that apply to areas with higher concentrations of industrial zoned sites, policy goals cite the intention to protect industrial land for the purpose of maintaining industrial uses, preserving industrial jobs, and promoting economic viability.[2,3,4]

The role of industrial land as an employment generating use and the importance of retaining and encouraging industrial economic activity was also highlighted by the Industrial Land Use Policy (ILUP) project[5] conducted by the Department. The ILUP assessed industrial land use and related policies in the City, highlighted the importance of industrial land to the local economy, and made recommendations related to retaining and encouraging industrial uses. In particular,

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[1] TOD zone refers to the half-mile radius of eligible sites around an eligible TOD stop.
[2] Downtown Community Plan Policy LU 48.1: Prioritize space for jobs by preserving existing industrial functions, allowing production sectors to cluster, and facilitating goods movement with access to freeways and transportation corridors.
[3] Southeast Los Angeles Community Plan Goal LU 14: Sufficient land is conserved for a variety of industrial uses with maximum employment opportunities.
[4] Van Nuys-North Sherman Oaks Community Plan Goal 3: Sufficient land for a variety of industrial uses with maximum employment opportunities for the community's workforce which are safe for the environment and which have minimal adverse impact on adjacent residential uses.
[5] https://planning.lacity.gov/code_studies/landuseproj/Industrial_Files/Attachment%20B.pdf

the ILUP report highlights the strategic importance of downtown as a central point of connectivity for goods movement from the Ports of Long Beach and Los Angeles and designates areas of downtown as Employment Protection Districts[6], where industrial zoning should be maintained.

The Community Plans also address the allowance of complementary uses and new, emerging technology in industrial zones as a way to adapt to changing industrial land use needs. At the same time, these plans acknowledge the incompatibility of residential and industrial uses and call to limit the negative impacts of industrial uses on adjacent residential uses through land use policy. Though impacts of this incompatibility result from existing industrial uses, negative health impacts may also persist in residential areas within close proximity to sites formerly occupied with industrial uses. Reporting[7] on a recent study conducted on and around a former battery plant in southeast Los Angeles County found that despite remediation efforts, many homes still had high lead levels exceeding safety thresholds recommended by the California Environmental Protection Agency. More recent General Plan documents, including the draft Health and Environmental Justice Element, proposed updated Boyle Heights Community Plan, and adopted Southeast Los Angeles Community Plan, address the history of environmental justice in communities and the resulting impacts of the long-standing conflict between residential and industrial uses through policies intended to minimize future harm.[8,9,10] One such example of this is the Southeast Los Angeles Community Plan Implementation Overlay industrial subareas, which were developed to protect residential and other sensitive uses and in certain areas, adjacent to residential, place limitations on allowed uses and require additional development standards.

SB 79 Applicability to Industrial Areas in Los Angeles

As mentioned, SB 79 does not explicitly exclude industrial zones from eligibility and instead stipulates that SB 79 may apply on any site zoned for residential, mixed use, or commercial uses (GCS 65912.157(a)). The City's industrial zones permit commercial uses either primarily or as ancillary accompanying uses. As such, the Department has sought guidance from the California Department of Housing and Community Development (HCD) as to whether industrial sites which permit commercial uses are eligible for SB 79 incentives. As the city may be unable

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[6] https://planning.lacity.gov/odocument/7428f2e2-b9cb-41dd-94a3-a199fba77b97/downtown_results.pdf, https://planning.lacity.gov/odocument/5b6e7294-516e-4559-903b-e78cd98eee78/alameda_results.pdf, https://planning.lacity.gov/odocument/5549a8cb-1391-4a15-8d55-33912ef99cca/southeastla.pdf,

[7] https://laist.com/news/climate-environment/la-county-exide-cleanup-lead-uc-irvine-study

[8] Draft Health and Environmental Justice Element Policy 3.3.4 Land Use Conflicts: Reduce or limit conflicts between heavy commercial, industrial uses and other potentially noxious uses or activities, and sensitive receptors and uses by requiring compliance with environmental protection measures that focus on preventing adverse impacts or significant health and safety risks.

[9] Boyle Heights Community Plan LU Goal 23: Industrial land uses are sited and designed in a manner that prioritizes the health and safety of local residents.

[10] Southeast Los Angeles Community Plan Policy LU16.4 Minimize Incompatibilities. Minimize residential-industrial land use incompatibilities and prohibit noxious industrial uses adjacent to residential.

to prohibit SB 79 broadly across industrial zoned sites, establishing the industrial employment hub exemption areas is essential for health and job growth goals.

Industrial Employment Hubs

SB 79 allows cities to permanently exempt “industrial employment hubs” (GSC 65912.160(e)(2)) from eligibility through the adoption of an ordinance. Table 1 below provides a breakdown of the criteria industrial employment hubs must meet and describes the City’s methods to assess compliance with each. The analysis conducted is based on mapping analysis of the City’s industrial land as well as policy analysis of the City’s General Plan elements which speak to the intent and regulation of industrial land.

Table 1. Industrial Employment Hub Requirements per GCS 65912.160(e)(2)

Requirement	***Description***	***Methodology***
“A local government with at least 15 transit-oriented development stops designates the area as an industrial employment hub.”	Cities must have at least 15 TOD stops to designate areas as industrial employment hubs.	Conducted mapping to identify 145 TOD stops within the City.
“An industrial employment hub shall be a contiguous area of at least 250 acres designated in the jurisdiction’s general plan on or before January 1, 2025, as an employment lands area;”	Hubs must be a contiguous area of at least 250 acres of employment related land-uses..	Conducted mapping analysis to assess contiguity and reviewed Framework and Land Use Elements as well as the Industrial Land Use Policy. Includes Industrial, and in limited instances, Commercial land uses intended for industrial employment growth.
“The parcels within it shall be primarily dedicated to industrial use as defined in paragraph (3) of subdivision (f) of Section 65912.121;”	Hubs must be primarily dedicated to industrial uses as defined by GCS 65912.121(f)(3) which defines “dedicated to industrial use” to mean any of the following: (1) the square footage is currently being used as an industrial use, (2) the most recently permitted use of the square footage is an industrial use, and the site has been occupied within the last	Assessed zoning and land uses within areas identified as contiguous, including sites across a right-of-way and the LA River. Existing uses verified on some sites.

	three years, or (3) the sites was designated for industrial use in the latest version of a local government's general plan adopted before January 1, 2022, and residential uses are not principally permitted on the site.	
"...Housing shall not be a permitted use on any of the sites so excluded."	Hubs cannot include sites which permit housing per the underlying zoning.	Assessed industrial zoning within areas to identify permitted uses, including residential

The bill requires industrial hubs to be designated as "employment lands areas", and in order to determine how the City's industrial land is aligned with this designation, the Framework Element[11] was reviewed for applicable goals and policies. The Framework Element provides policy direction to guide land use citywide and across General Plan Elements, including the Land Use Element which is made up of 35 Community Plans. The Community Plans then assign specific locations land use designations and corresponding zones tailored to the community plan area. In analyzing the Framework Element, the employment producing nature of the City's industrial land is repeatedly stated. The Framework Element establishes various land use categories, including industrial districts which are designated by the Community Plans for the purpose of "[supporting] economic development and jobs generation" (page 3). The Framework Element goes on to define industrial land uses as intending to "preserve industrial lands for the retention and expansion of existing and attraction of new industrial uses that provide job opportunities for the City's residents" (page 3-32). This definition is further supported by Goal 3J that states "Industrial growth that provides job opportunities for the City's residents and maintains the City's fiscal viability," and Objective 3.14 to "provide land and supporting services for the retention of existing and attraction of new industries." These goals and objectives of the Framework Element acknowledge the role of industrial land in maintaining existing industrial uses and jobs, but also emphasize the use of this land for the expansion of new industries and job growth. The Framework Element underscores industrial land use as a valuable source of employment opportunities which are to be supported and grown when possible, and as such, it can be determined that industrial land within the City meets the criteria of employment lands areas.

Industrial employment hubs must also be primarily dedicated to industrial use as defined in GCS 65912.121(f)(3). Mapping analysis was based on zoning and General Plan Land Use Designations within the industrial areas identified as 250 contiguous acres. The City's Community Plans assign land use designations geographically, and each land use has corresponding zone(s) which further regulate the use and development of sites. Figure 1 below from the Framework Element provides a description of the typical uses and characteristics for

[11] https://planning.lacity.gov/odocument/513c3139-81df-4c82-9787-78f677da1561/Framework_Element.pdf

different industrial land use designation. As shown, these industrial land use categories are intended primarily for industrial uses. Commercial uses may be used within these categories as an ancillary use to the main industrial uses, but maintaining industrial use is the focus of these designations. The Downtown Community Plan applies the City's new Zoning Code (Chapter 1A) and introduces a new industrial land use designation, Production. The Production land use category intends to "preserve and sustain industrial activity while serving as a regional jobs base," and its "uses include heavy industrial and evolving and innovative industries, such as light assembly and manufacturing, clean technology, incubators, and research and development facilities" (page 15, Downtown Community Plan)

Figure 1. Excerpt of Table 3-1 Land Use Standards and Typical Development Characteristics

Industrial	
Industrial-Light	• **Industrial uses with potential for a low level of adverse impacts on surrounding land uses** • **Increased range of commercial uses that *support* industrial uses (through zoning amendments)** • **Possible consideration for other uses where parcels will not support viable industrial uses (determined by community plan)**
Industrial-Heavy	• **Industrial uses** • **Possible consideration for other uses where parcels will not support viable industrial uses (determined by community plan)**
Industrial-Transit	• **Industrial uses with higher levels of employment that would benefit from proximity to public transit** • **Increased range of commercial uses that *support* industrial uses (through zoning amendments)**

With regard to the requirement that housing shall not be a permitted use within industrial employment hubs, only industrial parcels which do not permit residential uses are eligible for the industrial employment hub exemption. To understand which zones meet this criteria, the Department analyzed industrial zones and use permissions and found that all industrial zones except for CM and other hybrid industrial zones meet the use limitations of the requirements and no commercial zones meet the use limitations. A breakdown of industrial zones and their permitted uses is included in Table 2 below.

Table 2. Industrial and Hybrid Industrial Zones Summary

Zone Class	Notes on Permitted and Restricted Uses	Corresponding Land Uses	Permits Residential
CM (Commercial Manufacturing)[12]	● C2 commercial uses permitted. ● Residential uses permitted.	Commercial Manufacturing, Hybrid Industrial, Limited Industrial	Yes
MR1 (Restricted Industrial)	● Zone Purpose - LAMC 12.17.5 A.1: To protect industrial land for industrial use, and prohibit unrelated commercial and other non-industrial uses. ● Zone Purpose - LAMC 12.17.5. A.3(a): To upgrade industrial development standards, to protect industrial investment against incompatible residential, commercial and industrial uses. ● Residential uses limited to “guard or caretaker unit” only as an accessory building. Residential otherwise not permitted. ● C2 commercial uses permitted as ancillary to primary industrial/manufacturing, or tech/media office use (this includes office and restaurant uses).	Limited Industrial	No
M1 (Limited Industrial)[12]	● Residential uses limited to “guard or caretaker unit” only as an accessory building. Residential otherwise not permitted. ● Commercial uses permitted.	Limited Industrial	No
MR2 (Restricted Light Industrial)	● Zone Purpose - LAMC 12.18 A.1: To protect industrial land for industrial use, and prohibit unrelated commercial and other non-industrial uses. ● Residential uses limited to “guard or caretaker unit” only as an accessory building. Residential otherwise not permitted. ● Commercial uses permitted as ancillary to primary industrial/manufacturing use.	Light Industrial	No
M2 (Light Industrial)[12]	● Prohibited Use - LAMC 12.19 A.1.5(b): Any building containing dwelling units or guest rooms. ● Commercial uses permitted.	Light Industrial	No
M3 (Heavy Industrial)[12]	● Prohibited Use - LAMC 12.20 A.1.5(b): Any building containing dwelling units or guest rooms. ● Commercial uses permitted.	Heavy Industrial	No
IX1 (Industrial-	● Use Class Intent Sec. 5B.6.1.A: To accommodate a	Markets	Yes

[12] Note that this zone does not have a Zone Purpose subsection in the LAMC.

Zone Class	Notes on Permitted and Restricted Uses	Corresponding Land Uses	Permits Residential
Mixed Use District)	wide variety of employment, cultural, and recreational opportunities while supporting vulnerable residents with affordable housing and social services, and facilitate the efficient management of municipal resources. ● Limited residential uses permitted. ● Commercial uses permitted.		
IX2 (Industrial-Mixed Use District)	● Use Class Intent Sec. 5B.6.2.A: To accommodate light industrial uses, office space, and research & development activity. This district also allows a wide range of commercial uses as well as Joint Living & Work Quarters. ● Limited residential uses permitted. ● Commercial uses permitted.	Markets	Yes
IX3 (Industrial-Mixed Use District)	● Use Class Intent Sec. 5B.6.3.A: To promote a mix of uses that support creative production industries, accommodate a wide variety of employment, cultural and recreational opportunities, while supporting vulnerable residents with affordable housing and social services, and facilitate the efficient management of municipal resources. ● Limited residential uses permitted. ● Commercial uses permitted.	Markets, Hybrid	Yes
IX4 (Industrial-Mixed Use District)	● Use Class Intent Sec. 5B.6.4.A: Supports office and commercial uses, as well as research & development, wholesale, and light industrial uses. ● Limited residential uses permitted. ● Commercial uses permitted.	Hybrid	Yes
I1 (Industrial 1)	● Use Class Intent Sec. 5B.7.1.A: Allows heavy commercial uses, and light industrial uses as well as a limited amount of commercial activity.This District intends to support employment, goods movement, and warehousing. ● Residential uses not permitted. ● Heavy commercial[13] uses permitted.	Production	No
I2 (Industrial 2)	● Use Class Intent Sec. 5B.7.2.A: Allows heavy commercial uses, light industrial uses, and heavy industrial uses as well as a limited amount of commercial activity. This District is intended to support	Production	No

[13] Heavy commercial uses include motor vehicle services, fueling station, motor vehicle sales and rental, indoor storage, and outdoor storage.

Zone Class	Notes on Permitted and Restricted Uses	Corresponding Land Uses	Permits Residential
	employment and accommodate the most intense industrial activities while minimizing potential disruptions to surrounding uses. ● Residential uses not permitted. ● Heavy commercial [13] uses permitted.		

Mapping Methodology

After identifying eligible land use types and zones that fit the industrial employment hub criteria the Department began mapping areas meeting the eligibility criteria beginning with qualifying zone classes. Mapping includes sites located in the MR1, M1, MR2, M2, M3, I1, I2, and LAX zones, and select PF zoned sites with known industrial uses (approximately three sites). Residential uses in the MR1, M1, MR2, and M2 zones, residential uses are only permitted as an accessory use for a guard or caretaker unit (including the guard's or caretaker's family) for an industrial development or of a permitted use that requires 24-hour supervision, and is located on the same lot with the development or use. Analysis excludes sites located in the CM, IX, or industrial zones of the Exposition Corridor Transit Neighborhood Plan (Expo TNP). The CM (Commercial Manufacturing) zone is a hybrid industrial zone and IX (Industrial-Mixed Use) is a hybrid industrial use district in Chapter 1A of the LAMC, both of which allow residential, commercial, and industrial uses. Several other hybrid industrial zones were established in the Expo TNP, including "NI(EC)" New Industry Zone, "HJ(EC)" Hybrid Industrial: Jobs Emphasis Zone, and "HR(EC)" Hybrid Industrial: Residential Emphasis Zone. Each of these zones permits a tailored mix of uses including residential uses. Due to the allowance of residential uses in these hybrid industrial zones, sites in these zones do not meet the criteria for industrial employment hubs and therefore were not included in the analysis.

Following the determination of which zones to include as hubs, industrial areas were assessed for contiguity. Sites were considered to be contiguous if located across the right-of-way (including streets, freeways, and open space for the LA River), having a shared property line, or across a common corner. Based on staff analysis, parcels separated by residential, commercial, and open space uses are *not* considered contiguous for purposes of meeting the 250 contiguous acre threshold. Sites not meeting the contiguity or industrial land use criteria were not included in the acreage analysis. Additionally, only industrial sites located within the City were included within the mapped industrial employment hubs.

Analysis indicates that the city has six areas which meet the criteria of the industrial employment hubs, which are located in Downtown/Southeast Los Angeles, Pacoima, Van Nuys, Atwater/Cypress Park, and Los Angeles International Airport (LAX). For additional information on the city's industrial employment hubs, please see Table 3 and Map 1 below. As discussed above, based on an assessment of the City's industrial land use policies and the bill's requirement for designation as an "employment lands area", the identified hubs are intended to

function as areas for industrial job growth in alignment with the bill's provisions. These areas have industrial General Plan Land Use Designations, and their industrial land use is supported by accompanying policies of the applicable Framework Element and Community Plans which address the City's policy priority to support industrial jobs, maintain industrial land, and protect incompatible residential uses from negative impacts of industrial uses. The various elements of the General Plan make clear that these lands provide valuable employment opportunities that are critical to the region's economic activity and serve as employment land areas.

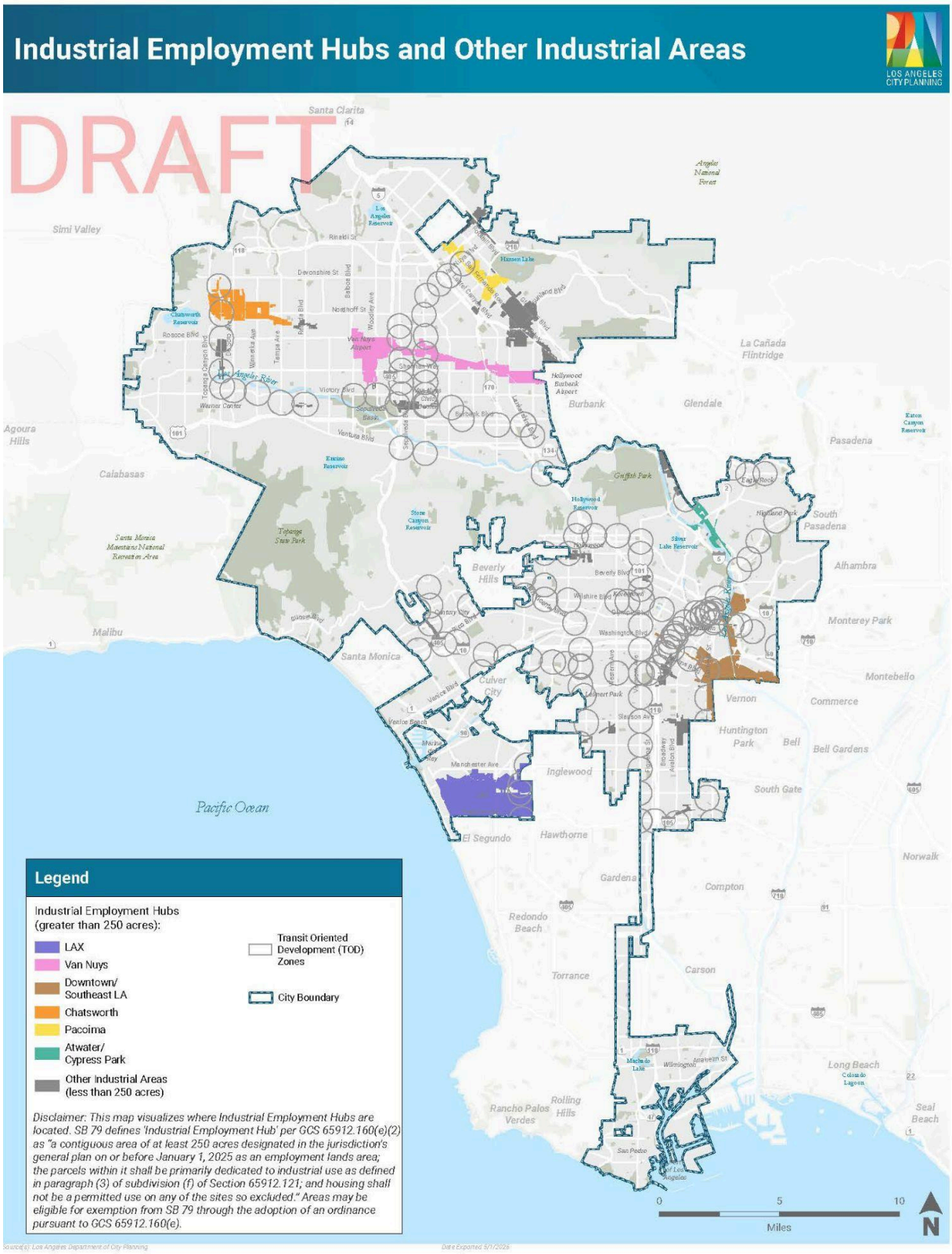
Table 3. Industrial Employment Hubs

Name/Location	Acreage	Zones[14]	General Plan Land Uses[15]
LAX	3623	LAX, MR1, M1, M2, PF	Airport Airside, Airport Landside, Airport Landside Support, General Commercial, LAX Airport Northside, Light Industrial, Light Manufacturing, Limited Industrial, Limited Manufacturing, Public Facilities, Public Facilities - Freeways, Regional Commercial
Van Nuys	2383	MR1, M1, MR2, M2	Commercial Manufacturing, General Commercial, Light Industrial, Light Manufacturing, Limited Industrial, Limited Manufacturing, Low Medium II Residential, Low Residential, Medium Residential, Open Space, Parking Buffer, Public Facilities - Freeways, Regional Commercial
Downtown / Southeast Los Angeles	1758	CM[16], MR1, M1, MR2, M2, M3, I1, I2	Heavy Industrial, Heavy Manufacturing, Highway Oriented and Limited Commercial, Hybrid Industrial, Light Industrial, Light Manufacturing, Limited Industrial, Limited Manufacturing, Open Space, Production, Public Facilities, Public Facilities - Freeways
Chatsworth	1282	CM[16], MR1, M1, MR2, M2	Commercial Manufacturing, Community Commercial, Highway Oriented Commercial, Light Manufacturing, Limited Manufacturing, Public Facilities
Pacoima	664	MR1, M1, MR2, M2,	Heavy Manufacturing, Light Industrial, Light

[14] This column shows simplified zone classes and is not indicative of the complete zone and height district.
[15] Note that the industrial employment hubs include a limited number of sites in industrial zones with multiple General Plan Land Use Designations, including non-industrial designations. For the purpose of this analysis, hubs with these sites still meet the criteria for employment lands areas and are still considered to be primarily for industrial use consistent with GCS 65912.121(f)(3) as described in Table 1 of this appendix.
[16] Note that the industrial employment hubs include a limited number of sites with split zoning, including sites in the CM zone. Sites that are wholly located within the CM zone are not included in the hubs.

Name/Location	**Acreage**	**Zones**[14]	**General Plan Land Uses**[15]
		M3, PF	Manufacturing, Limited Industrial, Limited Manufacturing, Low Residential, Open Space, Public Facilities
Atwater / Cypress Park	312	MR1, M1, M2, M3	Commercial Manufacturing, Heavy Manufacturing, Light Industrial, Limited Industrial, Limited Manufacturing, Low Medium I Residential, Low Medium II Residential, Low Residential, Open Space, Public Facilities, Public Facilities - Freeways

Map 1. Industrial Employment Hubs and Other Industrial Areas



The city has other sizable industrial areas which were identified in the mapping analysis, but do not meet the criteria to be exempted as industrial employment hubs. In some instances, the industrial areas are too small in area and do not meet the 250 acre threshold. In other instances, industrial areas have a commercially zoned or open space parcel that interrupts industrial zones, thus making the area not contiguous. Additional information about these industrial areas which do not qualify can be found in Table 4 below. Due to these sites not meeting the criteria of industrial employment hubs, they may be considered eligible for SB 79. At the time of this report, further guidance from HCD is pending on the applicability of SB 79 on sites in industrial zones. Pending this guidance, the City's capacity modeling accounts for the potential capacity of these sites. If these sites are eligible, the Department recommends incorporating processes to ensure environmental review and remediation for any site proceeding under SB 79 authority, including but not limited to establishing Discretionary processes and/or expanding environmental protection measures.

Table 4. Industrial Areas Which Do Not Qualify as Industrial Employment Hubs

Name/Location	Acreage	Reason for Exclusion
Atwater North	234	Does not meet acreage threshold. Industrial zones interrupted by non-industrial uses.
Canoga Park	183	Does not meet acreage threshold. Industrial zones interrupted by non-industrial uses.
South Central	163	Does not meet acreage threshold.
Van Nuys Civic Center	115	Does not meet acreage threshold. Industrial zones interrupted by non-industrial uses.
Hollywood	116	Does not meet acreage threshold.
West LA	79	Does not meet acreage threshold.
Lanzit	52	Does not meet acreage threshold.
Temple / Beverly	24	Does not meet acreage threshold.
Reseda	22	Does not meet acreage threshold. Industrial zones interrupted by non-industrial uses.

III. Conclusion

The City's policy approach to industrial land and housing intends to preserve industrial land for industrial uses and jobs and aims to reduce negative impacts of industrial uses on nearby residential uses, which can include adverse health effects. While industrial land is not broadly exempt from SB 79, the six areas of the City identified as meeting the criteria of industrial employment hubs are eligible for exemption from SB 79 through the proposed Phased

Implementation Ordinance and in alignment with the City's policy goals. Capacity modeling to determine compliance with SB 79 excludes land within these industrial employment hubs, but remaining industrial sites that are unable to be exempted are accounted for in the Department's modelling of SB 79 capacity. These other industrial sites in the City will remain eligible for the bill unless amended or additional guidance from HCD becomes available.

APPENDIX 4:
Revised Economic and Feasibility Analysis for Citywide Housing Incentive Program (CHIP): DBO, TOIA, OC, and CT Strategies

CPC-2026-1798-MSC, CPC-2026-1797-CA

For consideration by City Planning Commission

May 14, 2026

Consultant Deliverable; Not for Public Release; Final Draft

AECOM

Revised Economic and Feasibility Analysis for the Citywide Housing Incentive Program (CHIP): DBO, TOIA, OC, and CT Strategies

Final Report

August 1, 2025

Los Angeles City Planning
City of Los Angeles

Delivering a better world

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1. Introduction and Summary of Findings

The City of Los Angeles Department of City Planning (LACP) engaged AECOM to prepare economic analysis to inform policy development for the City's Regional Housing Needs Allocation (RHNA) Rezoning Program. This report explores the economic feasibility of four proposed program and policy options, which are intended to support the larger effort to expand housing production to meet RHNA goals.

Note: This report has been revised from the previous version dated August 19, 2024. Updates include revising the affordable rent and sale price schedule based on public comments received by LACP and adjusting the prototypes used for the Opportunity Corridor Transition (CT) Area Program to reflect updates to that policy. The feasibility analysis and results have been updated throughout the report to reflect these changes.

1.1 Background

The State of California requires local jurisdictions to demonstrate through the Housing Element process that they maintain sufficient zoned capacity to accommodate their RHNA allocation for the eight-year Housing Element period.

The City of Los Angeles's 2021-2029 Housing Element, which was adopted in November 2021, includes an Adequate Sites Inventory for which the City has identified a development potential of 230,947 units over the 8-year RHNA planning period. However, the 2021-2029 RHNA allocation for the City of Los Angeles includes a target production of 486,379 units (including buffer). Comparing the RHNA allocation and Housing Element site inventory results in a shortfall of 255,432 units.

As part of the Housing Element update process, the City must provide a RHNA Rezoning Program that outlines strategies and policies expected to close the housing production gap by creating additional housing capacity. The City's proposed RHNA Rezoning Program, introduced in Program 121 of the Housing Element, is intended to help fill the expected housing production gap by creating additional housing capacity. Stated broadly, the program's goals are to:

- Prioritize development in Higher Opportunity Areas as defined by the California Tax Credit Allocation Committee (CTCAC) and California Department of Housing and Community Development (HCD).
- Maximize affordability and community benefits.
- Protect communities vulnerable to displacement and housing pressures.
- Exclude hazard areas such as areas at risk of sea level rise and Very High Fire Hazard Severity Zones (VHFHSZ).

The Rezoning Program proposes a range of strategies to meet its goals, including the following:

1. **State Density Bonus Program.** The Rezoning Program encompasses revisions to the City's local **Density Bonus Ordinance (DBO)** which serves as the City's primary mechanism for implementing State Density Bonus Law (SDBL). Proposed changes to the City's local Density Bonus Ordinance include procedural updates as well as revisions that will affirm consistency between the Los Angeles Municipal Code and State Density Bonus Law.
2. **Mixed Income Incentive Program.** The Mixed Income Incentive Program would introduce the **Opportunity Corridors (OC) Incentive Program** and **the Opportunity Corridors Transition (CT) Area Incentive Program** – two of the core concepts proposed as part of the Rezoning Program. Additionally, the Mixed Income Incentive

Program includes the proposed **Transit Oriented Incentive Area (TOIA) Program**, which will enshrine key elements of the Transit Oriented Communities Affordable Housing Incentive Guidelines in the Los Angeles Municipal Code. OC and CT incentives will be reserved for project sites in High and Highest Resource Areas as defined by the CTCAC/HCD Housing Opportunity Area Maps, while TOIA incentives will be available citywide.

3. **Affordable Housing Incentive Program.** The Affordable Housing Incentive Program will provide tailored land use incentives for One Hundred Percent Affordable Housing Projects and affordable housing projects constructed by Faith Based Organizations in Moderate, High and Highest Resource areas of the City, as defined by the CTCAC/HCD Opportunity Area Maps. Additionally, the ordinance will expand the types of zones eligible for One Hundred Percent Affordable Housing projects to “P” Parking zones and “PF” Public Facilities zones.

1.1.1 Programs Analyzed

This study analyzes four proposed incentive programs, including the **DBO** and three programs incorporated as part of the **Mixed Income Incentive Program**: the **TOIA, OC,** and **CT** programs.

These programs are proposed as incentive-based programs that require applicants proposing multi-family residential development to provide a certain percentage of set-aside affordable units. In return for providing affordable units, applicants receive development bonuses that allow greater densities, floor area ratio (FAR), and heights than are otherwise allowed by base zoning.

Within each program, different levels of incentives are available depending on the percentage of housing units dedicated to affordable housing for low income (LI), very low income (VLI), extremely low income (ELI), and moderate income (MI) households. In addition to the density, FAR, and height bonuses that are the focus of this analysis, projects can also receive other incentives related to setbacks, lot width, open space, lot coverage, and other zoning requirements. Proposed projects that remain within the pre-vetted menu of incentives would also be eligible for streamlined ministerial permit processing. All proposed programs will count above-ground parking as part of floor area ratio (FAR).

Table 1 below summarizes key elements of the DBO, TOIA, OC, and CT programs including policy goal/description; program tiers; maximum density, FAR, and height incentives; and affordable set-aside income levels and calculation methods. **The table shows incentive levels as tested for the purposes of this analysis. Note that the programs are still under development and the table below may not reflect the City’s final policy decisions.**

Table 1. Key Elements of DBO, TOIA, OC, and CT Incentive Programs (as Tested)

Program	Policy Goal/ Description	Program Tiers	Max Density Incentive	Max FAR Incentive*	Max Height Incentive	Affordable Set-Aside Income Levels & Calculation Methods
Density Bonus Ordinance Update (**DBO**)	Procedural updates and revisions to affirm consistency between the Los Angeles Municipal Code and State Density Bonus Law	N/A	100%	50% over base	Increase over base equal to density bonus percentage	VLI, LI, MI Set-asides determined by state law and may be provided through single-affordability pathways (VLI, LI, or MI only), or mixed-affordability pathways (a combination of VLI, LI, and/or MI). Set-asides calculated as share of base units.
Transit Oriented Incentive Areas (**TOIA**)	Encourage construction of affordable housing near bus and train stations. Set-aside requirements and available bonuses increase by incentive tier (T1-T4), where T1 represents the lowest level of transit service and T4 the highest.	TOIA-1	100%	3.00 FAR or 40% over base	1 story/11 feet	ELI, VLI, LI Set-aside requirements to be determined; may vary by Market Tier. Set-asides calculated as share of total dwelling units.
		TOIA-2	120%	3.50 FAR or 45% over base	1 story/11 feet	
		TOIA-3	Unlimited	4.00 FAR or 50% over base	2 stories/22 feet	
		TOIA-4	Unlimited	4.50 FAR or 55% over base	3 stories/33 feet	
Opportunity Corridors Incentive Program (**OC**)	Encourage residential development along selected commercial and residential corridors. Set-aside and incentive tiers mirror TIOA tiers, with increasing incentives available in tiers with better transit access.	OC-1	Unlimited Density within FAR and Height Allowances	3.00 FAR (R zones) 3.50 FAR (C zones)	45' (R zones) 1 story/11 feet up to 5 total stories (C zones)	ELI, VLI, LI Set-aside requirements to be determined; may vary by Market Tier. Set-asides calculated as share of total dwelling units.
		OC-2		3.50 FAR (R zones) 4.00 FAR or 45% over base (C zones)	56' (R zones) 2 story/11 feet up to 6 total stories (C zones)	
		OC-3		4.50 FAR or 50% over base (R and C zones)	3 stories/33 feet up to 7 total stories (R and C zones)	
Opportunity Corridors Transition Area Incentive Program** (**CT**)	Complement OC with adjacent lower-scale infill (or "missing middle") development. Tiers reflect proximity to OC corridor incentive areas, with increasing incentives availabile in tiers closer to OC areas.	CT-1	Up to 6 Units per Lot	1.30 FAR for 5 units per lot + 0.15 FAR for each additional unit	2 stories	ELI, VLI, LI, MI Set-aside requirements to be determined; tested 1- or 2-affordable units per lot.
		CT-2	Up to 10 Units Per Lot	1.30 FAR for 5 units per lot + 0.15 FAR for each additional unit	3 stories	

**Maximum FAR incentive calculated as greatest of the options shown.*
*** A CT project that includes a minimum of 40% of total Residential Units as 2-bedrooms or larger, shall be granted either additional Floor Area up to 0.5 FAR or an additional 11 feet in height.*
Note: The table shows incentive levels as tested for the purposes of this analysis. Note that the programs are still under development and the incentive levels tested may not reflect the City's final policy decisions.
Source: AECOM

1.2 Overview of the Approach

This section provides a brief overview of the approach used in this analysis. Additional details on the framework for the analysis and the methodology are provided in Chapters 2 and 3.

1.2.1 Analytical Framework

AECOM's Market Analysis, which was prepared and submitted in a separate report in May 2024,[1] created a framework for the CHIP Program Economic Analysis by establishing the following three structures:

- **Market Tiers**: AECOM classified the City's local housing markets into 'Market Tiers' that are used to organize and apply various underlying market factors (e.g., rents, sales prices, land costs) that contribute to development potential on residential opportunity sites throughout Los Angeles. The following four Market Tiers were defined, each characterized by their relative market strength:
    - Market Tier 1 (Low)
    - Market Tier 2 (Medium/Low)
    - Market Tier 3 (Medium/High)
    - Market Tier 4 (High)
- **Density Cohorts**: Density cohorts are logical groupings of maximum allowed density levels that represent the wide variety of general zone classes, specific zoning limitations, height districts, and other site-specific regulations and requirements that allow a great diversity of form, scale, and density of housing across Los Angeles.
- **Development Prototypes:** Development prototypes are representative real estate projects that were tested for financial feasibility in the analysis. Prototypes were generally tested under the base condition (i.e., 100%-market-rate, by-right project that does not use CHIP program incentives) and various incentive program scenarios (i.e., projects that provide affordable housing set-asides in return for corresponding density bonuses or other incentives).

1.2.2 Financial Analysis Methodology

The analysis of CHIP program economics uses a pro forma model to evaluate the impacts of proposed program parameters on project returns. The model is designed to consider programming parameters including density bonuses, height and FAR maximums, and affordable set-asides. AECOM worked closely with City Staff to develop various combinations of affordable housing set-asides and corresponding incentives for all four CHIP programs. These combinations are referred to as **incentive program scenarios** throughout this analysis and represent some of the zoning levers that can impact development feasibility.

The measure of financial return used in the analysis is **residual land value (RLV)**. RLV analysis is a common approach used in planning exercises to explore and compare financial outcomes of policy proposals. RLV is the amount that remains after estimated project cost is deducted from estimated project value and represents the amount a developer should be willing to pay for land.

[1] "Task 3: Market Analysis: Market & Economic Study for the Density Bonus Ordinance Update and RHNA Rezoning Program," developed by AECOM for LACP, May 2024.

There are two RLV standards used to gauge the expected financial outcomes of the incentive program scenarios tested in this analysis: “feasibility” and “preferability.”

- **Feasibility**. For the purposes of this analysis, feasibility is a determination of whether the incentive program scenario generates estimated **RLV that is consistent with market land value**. If a scenario generates RLV that is equivalent to or greater than the market standard, it is considered feasible.
- **Preferability**. For the purposes of this analysis, preferability tests whether the incentive program scenario generates **RLV that is greater than a base case scenario**, where the base case scenario is a 100%-market-rate, by-right project that does not use CHIP program incentives. If the incentive program scenario generates an RLV that is equivalent to or greater than the base case, it is considered preferable.

1.2.3 Limitations of the Analysis

This study aims to provide policy makers with insights into the potential economic dynamics of proposed programs and program elements, the trade-offs that may be inherent in different options, and the options that may be available to enhance them. The study is based on estimates, assumptions, and other information developed by AECOM from its independent research effort, general knowledge of the industry, and information provided by and consultations with the Client and the Client’s representatives. Every attempt has been made to broadly reflect the variety of future residential development activity that will be impacted by these programs.

Because of the wide range of development options available to residential developers (both proven options and options yet to be developed), the size and diversity of the City of Los Angeles, its submarkets, and its development opportunity sites, the findings herein represent at best a snapshot of a dynamic and changing market. Actual and future results and trends could differ materially from those set forth here due to various factors, including, without limitation, those discussed in the report. These factors are beyond AECOM’s ability to control or predict. Accordingly, AECOM makes no warranty or representation that any of the projected values or results contained in this study will be achieved.

Note that this report does not include analysis of replacement unit requirements or associated costs. The analysis assumes that development sites are acquired based on their land value, with minimal to no acquisition costs for any existing buildings, and that the scenarios would provide enough affordable housing to meet any requirements for replacement units. Actual costs to replace existing units may vary depending on lot conditions and locations, they could further impact the feasibility and attractiveness of the programs.

The findings in this report are specific to the incentive program parameters tested, as well as to the specific prototypes and site conditions tested. While the report suggests implications for policy, ultimately the appropriate tradeoff between affordability requirements and development feasibility is a policy decision for the City rather than an analytical decision.

1.3 Summary of Findings

This section describes key findings from the analysis, organized by incentive program. As general context, it is important to note the following findings:

- Incentive program scenarios tested are generally most feasible in **Market Tier 4** (high market strength)
- There is more limited feasibility for certain incentive program scenarios in **Market Tier 2** (medium/low market strength) and **Market Tier 3** (medium/high market strength).

- None of the incentive program scenarios tested were feasible in **Market Tier 1** (low market strength).

These findings are broadly consistent with current observed market activity, which indicates that under today's market conditions, development projects are generally only feasible in stronger markets. Current market conditions are particularly challenging for development, given extreme inflationary pressure on construction materials since 2020 and mortgage rates that remain above recent averages.[2]

While market conditions will change over time, as a general observation, the higher density levels associated with incentive zoning programs are more valuable in stronger residential submarkets such as those represented in Market Tiers 2, 3 and especially 4. In other words, in stronger submarkets, the additional units allowed through incentive programs can more easily generate value that exceeds the cost of setting aside additional affordable units. In weaker submarkets, the value generated by the additional units is less likely to overcome market rental or sale conditions and the cost of the affordable housing set-asides.

1.3.1 DBO Update

The City's Density Bonus Ordinance (DBO), an implementation of the State Density Bonus Law (SDBL), has been effective since 2008. Since 2008, more than a dozen state bills have significantly amended State Density Bonus Law (CA Govt. Code Sections 65915-65918). To date, these changes have been implemented in the City through a range of administrative Implementation Memorandums. The proposed update to DBO will bring the City into alignment with revisions to State Density Bonus Law. The update also incorporates density bonuses and affordability requirements available through State Assembly Bill 1287 (AB1287).

A key distinction between DBO and the three programs that comprise the Mixed Income Incentive Program is that affordability set-aside percentages required in DBO are calculated on the base number of units allowed by-right, whereas Mixed Income Incentive Program projects are calculated on the total units, including units granted by the development incentives.

Key findings about the DBO program include:

- **In Market Tiers 3 and 4, many for-rent incentive program scenarios are not only feasible, but preferable to the base case 100% market-rate scenario.** In most for-sale scenarios, the added density does not provide sufficient value to outweigh the additional costs associated with providing additional affordable set-aside units given current market conditions. However, one for-sale scenario (100% density bonus with a 15% VLI/15% MI set aside) was preferable to the base case across multiple prototypes in Market Tier 4.
- **Developers that take advantage of the DBO program in stronger markets are likely to choose set-aside pathways that provide VLI units.** VLI units generate less revenue *per unit* than LI. However, projects that provide VLI units can set aside fewer total affordable units compared to projects that include LI units. In Market Tier 4, the per unit effect of VLI units is offset by the revenue generated by additional market-rate units, compared to projects that provide LI units.[3]

[2] The ULA tax, effective since April 2023, also has an impact on returns for larger (>$5 million in value) projects, although its effect was moderated in the model by assuming that a variety of adjustments in the market would result in a 5% reduction in total costs for projects subject to the ULA.

[3] In Market Tier 1, at the other end of the spectrum, LI unit pathways generate higher residual land values compared to VLI pathways because there is a smaller gap in rents between market-rate and LI units.

1.3.2 Mixed-Income Incentive Program

The Mixed Income Incentive Program focuses on establishing mixed income housing incentives along certain major street corridors, including tools to encourage the construction of various types of "low scale/low rise" housing to create transitions between single-family homes and mid-rise apartment buildings. These "Opportunity Corridor" and "Corridor Transition" incentives will be available for projects located in the City's High and Highest Resource Areas as defined by the CTCAC/HCD Opportunity Area Maps. Additionally, the Mixed Income Incentive Program includes the proposed TOIA program, which will codify key elements of the Transit Oriented Communities Affordable Housing Incentive Guidelines for sites near transit citywide.

Transit Oriented Incentive Area Program

TOIA provides density bonus incentives in exchange for affordable housing set-asides in mixed-income residential projects near transit nodes. Both the set-aside requirements and available bonuses increase by TOIA Tiers, where TOIA Tier 1 represents the furthest distance from a Major Transit Stop and Tier 4 the shortest distance from a Major Transit Stop.

The City is proposing to integrate this program as a local implementation of Density Bonus law, and the TOIA program aims to increase available density bonuses beyond current standards, building off recent changes to state law (AB 1287) which expanded density bonuses in the state density bonus program to up to 100 percent. The proposed TOIA also includes expanding procedures for applicants to request off-menu incentives, which is an option that is not available through the existing Transit Oriented Communities (TOC) program.

Key findings about the TOIA include:

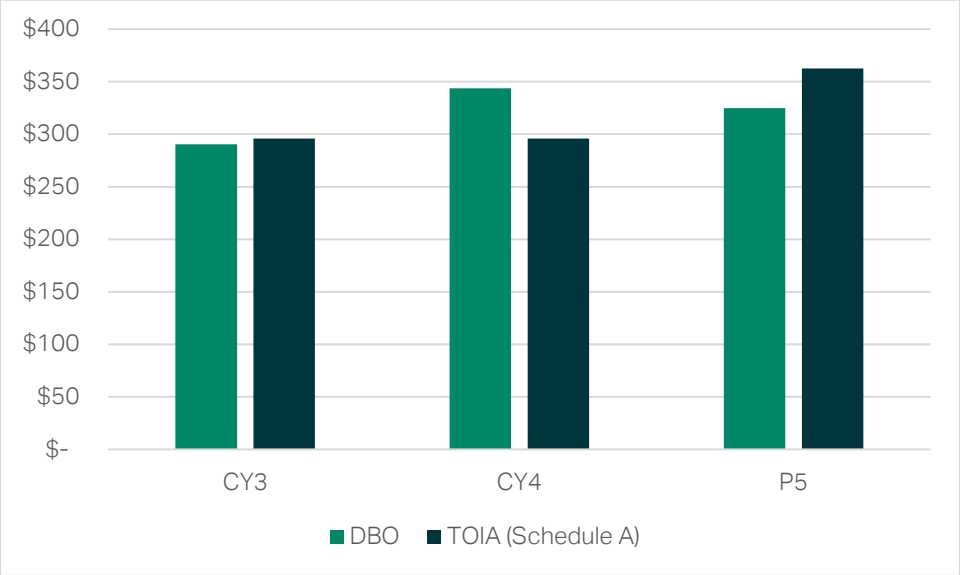
- **Overall, the TOIA incentives and associated set-aside requirements should help produce more market-rate and affordable units than would otherwise be feasible.** The analysis of proposed density bonus and affordability parameters for the City's TOIA program show that the scheduled incentives should provide developer applicants with preferred returns in Market 4 and, to a lesser extent, Market Tier 3 areas.
- **However, the ultimate impact of the program will depend on the set-aside schedule selected.** The City is considering a variety of potential set-aside schedules, which could take the form of a single-tier program structure applied consistently across the City, or a multi-tier program structure with different set-aside requirements applied in each Market Tier. The analysis found that scenario feasibility is very sensitive to increased affordable set-asides.
- **TOIA scenarios in Market Tier 4 result in feasible prototypes across density cohorts, even with increased affordability set-aside requirements.** Under the market conditions modeled, this is the only market tier that clearly supports the higher levels of set-asides tested. Increasing set-aside requirements could result in fewer projects being built, particularly in places with weaker market conditions, offsetting some of the potential affordable housing production gains that the proposed TOIA enhancements seek to provide.
- **TOIA Schedule A – the schedule with the lowest set-asides tested – produces similar development returns compared to DBO in residential zoned areas.**[4] Figure 1 shows the highest residual land values achieved by prototype on residential zoned land in Market Tier 4 under TOIA Schedule A, compared to the DBO program. As tested, DBO projects generate higher RLVs for courtyard projects – suggesting that a profit-

[4] Note that DBO was only tested on residential zoned sites, based on an analysis of recently completed projects that showed that the majority of DBO projects occurred in residential zones (whereas projects in commercial zones were more likely to take advantage of the TOC program, the predecessor to the proposed TOIA program).

seeking developer may be more likely to take advantage of the DBO program where both are available. However, TOIA Schedule A generates higher returns for the P5 prototype.

- **While TOIA offers higher density bonuses than DBO, the financial benefit for applicants is in part offset by the method of calculating affordable set-aside units for TOIA.** The TOIA program calculates affordability set-aside requirements on the total number of units per project. This is a shift from DBO which calculates set-aside requirements as a percentage of units allowed under density limits tied to a site's base zoning condition. In other words, whereas all bonus units are market-rate under DBO, some of the bonus units are required to be set-aside as affordable under TOIA.
- **In some cases, TOIA project feasibility may also be affected by counting above-ground parking against FAR, although developers may partially offset the impact by reducing parking ratios.** TOIA projects are generally limited by FAR rather than density, so counting above-ground parking as part of FAR has a more significant impact on TOIA projects compared to the DBO program, where density is generally the limiting factor. However, reducing FAR incentives for the DBO program could affect this relationship and the relative feasibility of the two programs.

Figure 1. Highest RLV Achieved by Prototype: DBO v. TOIA Schedule A in Market Tier 4



Comparison shows rental prototypes in residential zones.
Source: AECOM

- **Developers who take advantage of the TOIA program in stronger markets are likely to build ELI units.** ELI units generate less revenue *per unit* than LI or VLI. However, ELI projects still generate higher overall returns because projects that provide ELI units are required to provide fewer affordable units, compared to projects that provide LI or VLI units. This is consistent with the City's experience that most projects that have utilized the existing TOC program have built ELI units.[5]

Opportunity Corridors Incentive Program

The City's proposed OC program advances a holistic vision for livable and sustainable communities by increasing housing capacity along major streets located in Higher Opportunity

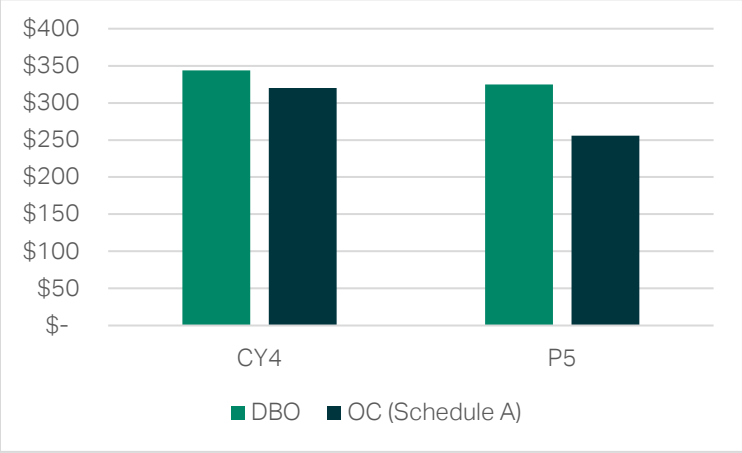
[5] In Market Tier 1, at the other end of the spectrum, ELI unit pathways generate higher residual land values compared to LI/VLI pathways because there is a smaller gap between market-rate and VLI/LI units.

Areas. This strategy will focus new housing opportunities on major corridors, particularly those with transit access, to provide affordable housing options near transit and amenities. Incentives available in the OC program would be provided generally in excess of incentives available in the DBO and TOIA programs.

Key findings about the OC program are described below:

- **The OC incentives and associated set-aside requirements may help produce more market-rate and affordable units than would otherwise be feasible under current market conditions.** The analysis of the proposed OC program indicates the proposed incentives create sufficient value for developer applicants to acquire and redevelop land in Market Tier 4 across OC areas – and, to a lesser extent, in Market Tier 3.
- **Similar to TOIA, the ultimate impact of the OC program will depend on the set-aside schedule selected.** For OC, the City is considering a multi-tier program structure with different set-aside requirements applied in each Market Tier. The analysis tested a variety of set-aside schedules. Similar to TOIA, scenario feasibility is sensitive to increased affordable set-asides, suggesting that increased set-aside requirements could reduce the number of projects built in lower Market Tiers, and offset the affordable housing production gains from the proposed OC enhancements. Under the scenarios and market conditions modeled, only Market Tier 4 clearly supports the higher set-aside levels tested.
- **However, in areas zoned for residential, developers may elect to pursue DBO rather than OC as currently proposed, although the decision will ultimately depend on the underlying zoning and other project specifics.** Figure 2 shows the highest residual land values achieved by prototype on residential zoned land in Market Tier 4 under OC Schedule A, compared to the DBO program. As tested, DBO projects generate slightly higher RLVs for across prototypes–suggesting that a profit-seeking developer may be more likely to take advantage of the DBO program in some cases. Similar to TOIA, while OC offers higher density bonuses than DBO, the financial benefit for applicants is in part offset by the method of calculating affordable set-aside units for OC. In addition, the FAR limits associated with OC limit the total building footprint that the prototypes can achieve, whereas the sites tested for DBO on residential parcels could generally achieve higher densities within the density and FAR bonuses allowed. Ultimately, however, the comparison between programs will depend in part on the specific zoning district where the parcel is located. For example, reducing FAR incentives for the DBO program could affect this relationship and the relative feasibility of the two programs.

Figure 2. Highest RLV Achieved by Prototype: DBO v. OC (Schedule A) in Market Tier 4



Comparison shows rental prototypes in residential zones. CY4 and P5 were tested with OC-1 and OC-2 Tiers, respectively.

Source: AECOM

- **Developers who take advantage of the OC program in stronger market areas are likely to build ELI units.** ELI units generate less revenue *per unit* than LI or VLI. However, ELI projects still generate higher overall returns in Market Tier 4 because projects that provide ELI units are required to provide fewer affordable units, compared to projects that provide LI or VLI units. This is consistent with the City's experience that most projects that have utilized the existing TOC program have built ELI units. [6]

Opportunity Corridor Transition Incentive Program

The City's proposed CT program builds on the proposed OC program's vision for livable and sustainable communities with increased housing capacity along major streets located in Higher Opportunity Areas. The proposed CT is the City's strategy for promoting a diversity of lower-scale housing typologies.

CT is an incentive-based program designed to fill the gap in housing options that exists between detached single-family homes and the type of mid-rise apartment buildings expected to be developed behind Opportunity Corridors. CT tiers generally reflect proximity to OC corridor incentive areas. CT-2 is located closer to the corridors and provides density bonuses up to 10 units per parcel. CT-1 is located farther from the corridors and provides density incentives up to 6 units per parcel.

Key findings about the CT program include:

- **The CT incentive program may produce housing products that are not commonly built in LA under current conditions.** This includes rental rowhouses and courtyard apartments–two housing typologies that have historical precedent in LA but have not been commonly built since at least 2000.[7] Analysis of the proposed Corridor Transition program indicates the proposed incentives create sufficient value for developer applicants to acquire and redevelop land in Market Tiers 3 and 4 in the CT-2 incentive area, and to a more limited extent in the CT-1 area.
- **Affordable set-asides have a bigger impact on feasibility for smaller-scale CT-1 typologies than for larger-scale CT-2 projects.** In this analysis, the CT-2 typologies (courtyard projects) typically generated higher RLVs than the CT-1 typologies (fourplexes, row houses, and townhomes). Townhomes have long been validated by the market and can be constructed efficiently without the use of structured or subterranean parking. However, it is more challenging for smaller-scale CT-1 projects to bear the cost of set-aside units. Even in Market Tier 4, CT-1 feasibility is generally limited to projects that set-aside just one MI unit.
- **To enable a broader range of projects to benefit from the CT program, the City could reconsider the eligibility requirements for the multi-bedroom FAR bonus.** Under the September 2024 version of the ordinance, the City allows projects that include a minimum 40% of units as three bedrooms or larger to qualify for either an additional 0.5 FAR or an additional 11 feet in height. Larger units, such as three-bedroom apartments, typically generate lower returns per square foot and demand more parking space per unit. This creates a trade-off between gaining the additional FAR bonus and potentially sacrificing financial returns. AECOM tested prototypes under a revised policy where projects with 40%

[6] In Market Tier 1, at the other end of the spectrum, ELI unit pathways generate higher residual land values compared to LI/VLI pathways because there is a smaller gap between market-rate and VLI/LI units.

[7] See analysis of housing typologies in "Task 3: Market Analysis: Market & Economic Study for the Density Bonus Ordinance Update and RHNA Rezoning Program," developed by AECOM for LACP, May 2024.

2-bedrooms would qualify for the multi-bedroom bonus, and found improved feasibility in Market Tiers 3 and 4.

Note that the CT results are not directly comparable with the DBO results, because the CT prototypes are assumed to occur on different size lots (that reflect conditions on CT-eligible parcels, rather than citywide averages) and, in the case of townhomes and rowhomes, have reduced parking ratios. In addition, parcels that are eligible for CT may not be eligible for DBO.

1.4 Report Organization

Following this introduction, the remainder of this report is organized as follows:

- **Chapter 2** summarizes key outcomes from the Market Analysis, which created a framework for the CHIP Program Economic Analysis by establishing Market Tiers, Density Cohorts, and Development Prototypes.
- **Chapter 3** describes the methodology used to test the expected financial outcomes of the programs.
- **Chapters 4 through 7** analyze the feasibility of a proposed update to the DBO, TOIA, OC, and CT programs, respectively.
- **Chapter 8** concludes with a discussion of key findings and policy implications.

2. Analytical Framework

Chapter 2 summarizes the methodology of AECOM's Market Analysis, which was prepared and submitted in a separate report in May 2024.[8] The Market Analysis created a framework for the CHIP Program Economic Analysis by establishing the following three structures:

- **Market Tiers**: AECOM classified the City's local housing markets into 'Market Tiers' characterized by their relative market strength. These Market Tiers are used to organize and apply various underlying market factors (e.g., rents, sales prices, land costs) that contribute to development potential on residential opportunity sites throughout Los Angeles.
- **Density Cohorts**: Density cohorts are logical groupings of maximum allowed density levels that represent the wide variety of general zone classes, specific zoning limitations, height districts, and other site-specific regulations and requirements that allow a great diversity of form, scale, and density of housing across Los Angeles.
- **Development Prototypes:** Development prototypes are representative real estate projects that were tested for financial feasibility in the analysis. Prototypes were tested under a base condition (i.e., 100%-market-rate, by-right project that does not use CHIP program incentives) and various incentive program scenarios (i.e., projects that provide affordable housing set-asides in return for corresponding density bonuses or other incentives).

Each of these frameworks is described in detail below. The categories defined within each structure are specific to this study and do not reflect categories currently defined by City regulations. The three frameworks are used throughout the report to define representative properties and streamline the analysis, to help the City understand the potential impact of the proposed incentive programs on as many property types as possible.

2.1 Market Tiers

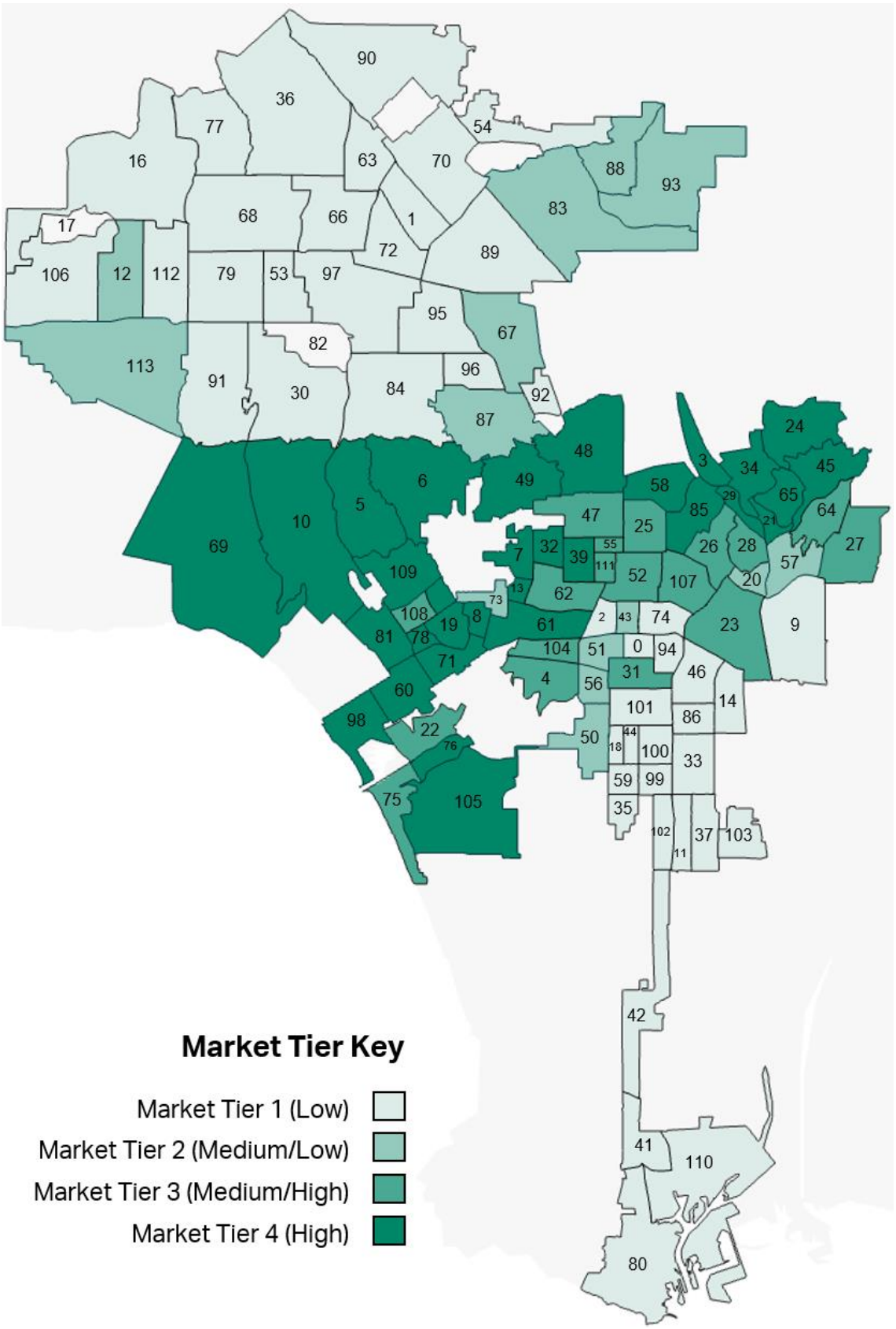
The market tier map used in the feasibility analyses is shown below, as defined in the Market Analysis produced for LACP in May 2024. The Market Analysis report defines and analyzes the following four market tiers, which range from low to high and are intended to represent the relative strength of the residential market in different geographies across the City. As described in the Market Analysis report, the market tiers are based on an index that accounts for rents and for-sale prices of recently built housing, as well as the relative production of rental and for-sale housing over the past 10 years.

- Market Tier 1 (Low)
- Market Tier 2 (Medium/Low)
- Market Tier 3 (Medium/High)
- Market Tier 4 (High)

The legend below the map shows the name of each neighborhood that corresponds to the number labels used in the map, as well as the Community Planning Area (CPA) that each neighborhood falls primarily within. Additional information about the market tier analysis including the geographic unit of analysis, underlying methodology used to define the market tiers, and key findings can be found in the Market Analysis report[9].

[8] "Task 3: Market Analysis: Market & Economic Study for the Density Bonus Ordinance Update and RHNA Rezoning Program," developed by AECOM for LACP, May 2024.

Figure 3. Market Tiers by Neighborhood Area Map



Source: Los Angeles Times, AECOM

Figure 4. Market Tiers by Neighborhood Area Key

#	Neighborhood	Primary CPA
0	Adams-Normandie	South Los Angeles
1	Arleta	Arleta - Pacoima
2	Arlington Heights	West Adams - Baldwin Hills - Leimert
3	Atwater Village	Northeast Los Angeles
4	Baldwin Hills/Crenshaw	West Adams - Baldwin Hills - Leimert
5	Bel-Air	Bel Air - Beverly Crest
6	Beverly Crest	Bel Air - Beverly Crest
7	Beverly Grove	Wilshire
8	Beverlywood	West Los Angeles
9	Boyle Heights	Boyle Heights
10	Brentwood	Brentwood - Pacific Palisades
11	Broadway-Manchester	Southeast Los Angeles
12	Canoga Park	Canoga Park - Winnetka - Woodland Hills - West Hills
13	Carthay	Wilshire
14	Central-Alameda	Southeast Los Angeles
15	Century City	West Los Angeles
16	Chatsworth	Chatsworth - Porter Ranch
17	Chatsworth Reservoir	Chatsworth - Porter Ranch
18	Chesterfield Square	South Los Angeles
19	Cheviot Hills	West Los Angeles
20	Chinatown	Central City North
21	Cypress Park	Northeast Los Angeles
22	Del Rey	Palms - Mar Vista - Del Rey
23	Downtown	Central City
24	Eagle Rock	Northeast Los Angeles
25	East Hollywood	Hollywood
26	Echo Park	Silver Lake - Echo Park - Elysian Valley
27	El Sereno	Northeast Los Angeles
28	Elysian Park	Silver Lake - Echo Park - Elysian Valley
29	Elysian Valley	Silver Lake - Echo Park - Elysian Valley
30	Encino	Encino - Tarzana
31	Exposition Park	South Los Angeles
32	Fairfax	Wilshire
33	Florence	Southeast Los Angeles
34	Glassell Park	Northeast Los Angeles
35	Gramercy Park	South Los Angeles
36	Granada Hills	Granada Hills - Knollwood
37	Green Meadows	Southeast Los Angeles
38	Griffith Park	Hollywood
39	Hancock Park	Wilshire
40	Hansen Dam	Arleta - Pacoima
41	Harbor City	Wilmington - Harbor City
42	Harbor Gateway	Harbor Gateway
43	Harvard Heights	South Los Angeles
44	Harvard Park	South Los Angeles
45	Highland Park	Northeast Los Angeles
46	Historic South-Central	Southeast Los Angeles
47	Hollywood	Hollywood
48	Hollywood Hills	Hollywood
49	Hollywood Hills West	Hollywood
50	Hyde Park	West Adams - Baldwin Hills - Leimert
51	Jefferson Park	West Adams - Baldwin Hills - Leimert
52	Koreatown	Wilshire
53	Lake Balboa	Reseda - West Van Nuys
54	Lake View Terrace	Sunland - Tujunga - Lake View Terrace - Shadow Hills - East La Tuna Canyon
55	Larchmont	Wilshire
56	Leimert Park	West Adams - Baldwin Hills - Leimert
57	Lincoln Heights	Northeast Los Angeles
58	Los Feliz	Hollywood
59	Manchester Square	South Los Angeles
60	Mar Vista	Palms - Mar Vista - Del Rey
61	Mid-City	West Adams - Baldwin Hills - Leimert
62	Mid-Wilshire	Wilshire
63	Mission Hills	Mission Hills - Panorama City - North Hills
64	Montecito Heights	Northeast Los Angeles
65	Mount Washington	Northeast Los Angeles
66	North Hills	Mission Hills - Panorama City - North Hills
67	North Hollywood	North Hollywood - Valley Village
68	Northridge	Northridge
69	Pacific Palisades	Brentwood - Pacific Palisades
70	Pacoima	Arleta - Pacoima
71	Palms	Palms - Mar Vista - Del Rey
72	Panorama City	Mission Hills - Panorama City - North Hills
73	Pico-Robertson	Wilshire
74	Pico-Union	South Los Angeles
75	Playa del Rey	Westchester - Playa del Rey
76	Playa Vista	Westchester - Playa del Rey
77	Porter Ranch	Chatsworth - Porter Ranch
78	Rancho Park	West Los Angeles
79	Reseda	Reseda - West Van Nuys
80	San Pedro	San Pedro
81	Sawtelle	West Los Angeles
82	Sepulveda Basin	Encino - Tarzana
83	Shadow Hills	Sunland - Tujunga - Lake View Terrace - Shadow Hills - East La Tuna Canyon
84	Sherman Oaks	Sherman Oaks - Studio City - Toluca Lake - Cahuenga Pass
85	Silver Lake	Silver Lake - Echo Park - Elysian Valley
86	South Park	Southeast Los Angeles
87	Studio City	Sherman Oaks - Studio City - Toluca Lake - Cahuenga Pass
88	Sunland	Sunland - Tujunga - Lake View Terrace - Shadow Hills - East La Tuna Canyon
89	Sun Valley	Sun Valley - La Tuna Canyon
90	Sylmar	Sylmar
91	Tarzana	Encino - Tarzana
92	Toluca Lake	Sherman Oaks - Studio City - Toluca Lake - Cahuenga Pass
93	Tujunga	Sunland - Tujunga - Lake View Terrace - Shadow Hills - East La Tuna Canyon
94	University Park	South Los Angeles
95	Valley Glen	Van Nuys - North Sherman Oaks
96	Valley Village	North Hollywood - Valley Village
97	Van Nuys	Van Nuys - North Sherman Oaks
98	Venice	Venice
99	Vermont Knolls	South Los Angeles
100	Vermont-Slauson	South Los Angeles
101	Vermont Square	South Los Angeles
102	Vermont Vista	South Los Angeles
103	Watts	Southeast Los Angeles
104	West Adams	West Adams - Baldwin Hills - Leimert
105	Westchester	Los Angeles International Airport
106	West Hills	Canoga Park - Winnetka - Woodland Hills - West Hills
107	Westlake	Westlake
108	West Los Angeles	West Los Angeles
109	Westwood	Westwood
110	Wilmington	Wilmington - Harbor City
111	Windsor Square	Wilshire
112	Winnetka	Canoga Park - Winnetka - Woodland Hills - West Hills
113	Woodland Hills	Canoga Park - Winnetka - Woodland Hills - West Hills

Source: Los Angeles Times, AECOM

2.2 Density Cohort Framework

This analysis uses a framework of density cohorts as a basis for organizing site conditions in a way that generally reflects housing typologies allowed by base zoning conditions.

This organizing framework is helpful in simplifying the wide variety of general zone classes, specific zoning limitations, height districts, other site-specific regulations, requirements and their many combinations, that allowed such a great diversity of form, scale, and density of housing types across the City .The density cohorts are designed to represent categories of typical density ranges (dwelling units per acre, or DU/AC) allowed by base zoning classes across Los Angeles. The specific density ranges for each cohort are based on the density groups identified in Chapter 3 of the City's Framework Element (Policy 3.7.1), as well as an analysis of maximum allowed densities for parcels identified in the City's Housing Element Site Inventory.

Table 2 below shows the five density cohorts explored in this report, which include: Low Medium I, Low Medium II, Medium, High Medium, High. For context on the prevalence of each density cohort within the City, Table 3 also shows the total land area and estimated unbuilt capacity on Housing Element sites by density cohort. The "Other" Cohort includes parcels that do not have a specified maximum density in the site inventory (e.g., MU zones) or are located in zones that are not necessarily for residential uses (e.g., OS zones).

Table 2. Density Cohorts and City of LA Housing Element Site Inventory Distribution

Density Cohort	Max Base Density Range (DUAC)	Land Area (AC)	% of Land Area of Total	Unbuilt Capacity (Units)	Unbuilt Capacity %
Low Medium I	10 - 17	5,693	18.1%	42,465	3.4%
Low Medium II	18 - 29	6,442	20.4%	93,554	7.5%
Medium	30 - 55	5,922	18.8%	190,473	15.3%
High Medium	56 - 109	8,840	28.0%	886,182	71.1%
High Medium	110 - 218	148	0.5%	27,939	2.2%
Others	N/A	4,483	14.2%	5,776	0.5%
Total		31,528	100.0%	1,246,389	100.0%

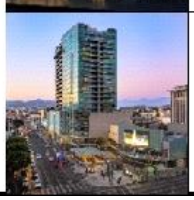
Source: City of Los Angeles Department of City Planning (LACP), AECOM

2.3 Development Prototypes

As part of the previous Market Analysis, AECOM created an inventory of housing typologies based on various types of housing currently being developed in the City. This inventory was supplemented by housing concepts more common in other parts of the country (e.g., row houses, triple decker), aspirational housing developments found in other parts of southern California (e.g., medium-density courtyard-style apartments emerging from Pasadena's City of Gardens Ordinance), as well as various historical forms and use concepts more reminiscent of different eras of LA's past (e.g., bungalow courts, "dingbat" apartments).

AECOM worked closely with City staff to distill these housing concepts into a shortlist of housing typologies to consider for feasibility testing. Table 3 below shows the final list of prototypes selected with the City for testing, organized by density cohort. The typologies were selected to be broadly representative of the types of housing development likely to be built in the near future based on recent development trends, real estate trends, and an understanding of the design guidelines, desired built form, proposed program parameters, and policy goals of the CHIP incentive programs analyzed in this report.

Table 3. Overview of Prototypes Tested by Program

Prototype Overview							
Density Cohort (Density Range)	Prototype			CHIP Program Testing by Tenure			
	Representative Image	Abbreviation Description (Typical Density)	Parking Strategy (Parking Ratio)	DBO	TOIA	OC	CT
Low Medium II (18-29 DUAC)		4D Plex Style (10-35 DUAC)	Attached Garage & Surface parking (2 Spaces/Unit)		For Rent		For Rent
		TH Townhomes (15 - 30 DUAC)	Tuck-Under Garage (2 Spaces/Unit)	For Sale			For Sale
		RH Rowhouse (15 - 30 DUAC)	Tuck-Under Garage (0.4 Spaces/Bedroom)	For Rent			For Rent
Medium (30-55 DUAC)		CY3 3-Story Courtyard (35 - 75 DUAC)	Subterranean Parking (0.6 Spaces/Bedroom)	For Rent	For Rent		For Rent & For Sale
		CY4 4-Story Courtyard (50 - 105 DUAC)		For Rent	For Rent	For Rent	
High Medium (56-109 DUAC)		P5 5/6-Story Podium (80 - 170 DUAC)	Podium Parking &Subterranean Parking (0.9/BR)	For Rent	For Rent	For Rent	
High (110-218 DUAC)		P7 Single-Use/Mixed-Use 7-Story Podium[1] (155 - 200 DUAC)		For Rent	For Rent	For Rent	
		TW Single-Use/Mixed-Use Tower[1] (110 - 218 DUAC)	Podium Parking &Subterranean Parking (0.9/BR)	For Rent	For Rent		

**Note that the TW prototype is limited to a height of 28 stories. Based on discussion with City staff, this represents the maximum height limit likely to be achieved outside of Downtown Los Angeles.*
Source: AECOM

In finalizing the list of prototypes for testing, a primary goal was to test at least one prototype in each density cohort. This approach ensured that the final list of prototypes is broadly representative of the base conditions present in the City, as well as the range of multifamily development expected to be developed in the City over the next eight years. Note, however, that in some cases the typical density ranges for each prototype span several density cohorts. These prototypical density ranges represent the typical, market-supported range of densities that each prototype can accommodate while maintaining the main characteristics of its base form. Identifying a prototype density range allows flexibility to be built into the model as some prototypes may be able to accommodate additional units associated with an incentive program while retaining the main characteristics of the underlying prototype.

Table 4 below shows the typical unit sizes and unit mixes assumed for each prototype. Note that for CY3, CY4, and P5 prototypes, two versions of each prototype are provided based on market research and the assumption that as allowable density increases, developers prioritize design changes (e.g., smaller unit size or smaller units in the unit mix to achieve a higher density product) rather than construction type changes to improve profitability while keeping the same construction method and associated costs.

Under state law, developer applicants that utilize the DBO are entitled to reduce parking below required minimums. However, in recent general practice developers frequently do not take full advantage of this incentive because of concerns about securing competitive financing for under-parked projects given typical debt and equity underwriting requirements, as well as the ability to market these properties once constructed. Consequently, AECOM's analysis generally reflects typical market parking ratios rather than statutory minimum parking requirements. Parking ratio assumptions (Table 5) were determined by analyzing the same database used to derive the proforma test typologies.[9] Above-ground parking was counted in the FAR for all projects.

Table 4. DBO, TOIA, and OC Parking Assumptions by Prototype

Parking Assumptions	4D	TH	CY3	CY4	P5	P7	TW
Associated Density Cohort	Low-Med.II	Low-Med.II	Medium	Medium	High-Med.	High	High
Typology Description	Plex-Style	Townhome	3-story Courtyard-style	4-story Courtyard-style	5/6-Story Podium	7/8-Story Podium	Tower
Use Program	Residential	Residential	Residential	Residential	Residential	Residential	Residential
Parking Strategy	Surface &Tuck-Under	Tuck-Under	Underground	Underground	Underground &Podium	Underground &Podium	Underground &Podium
Parking Ratio (spaces/bedroom)	2 per Unit	2 per Unit	0.60	0.60	0.90	0.90	0.90

For CT, reduced parking assumptions were tested for townhouse and rowhouse prototypes.
Source: CoStar, AECOM

Chapter 3 discusses the methodology for "stepping up" from the base case for each prototype (i.e., 100%-market-rate, by-right projects that do not use CHIP program incentives), to incentive program scenarios (i.e., projects that provide affordable housing set-asides in return for corresponding incentives).

For each incentive program, a subset of relevant prototypes were selected, and the prototypes are assigned a specific site size and zoning designation that represents where the incentive programs are most likely to be utilized. Note that additional adjustments to the prototypes were made during the analysis for each respective CHIP incentive program, to reflect the typical site conditions of properties that are most likely to take advantage of the different programs. These

[9] It should be noted that most examples in the database from which parking assumptions were derived are DBO and TOC projects, and that the parking rates used by these projects were no different from the non-DBO and non-TOC examples. Reduced parking assumptions were tested for rowhouses and townhouses for the CT program; see Section 7.3.3 for discussion.

adjustments are discussed in the following chapters, and detailed information on site sizes and zoning designations by prototype and incentive program is provided in Chapters 4-7.

Table 5. Typical Unit Size (Square Feet) and Mix (Percent of Total Unit Count)

Prototype	Typical Density Range	Unit Size						Unit Mix				
		Avg	0BR	1BR	2BR	3BR	4BR	0BR	1BR	2BR	3BR	4BR
4D	10-35	1,250			1,050	1,200	1,400			20%	40%	40%
TH/RH	15-30	1,720			1,600	1,800				40%	60%	
CY3 (Low Density)	35-50	1,320			1,200	1,600				70%	30%	
CY3 (High Density)	50-75	880	600	800	1,100			20%	40%	40%		
CY4 (Low Density)	50-80	1,190			1,100	1,400				70%	30%	
CY4 (High Density)	80-105	900		700	1,100				50%	50%		
P5 (Low Density)	80-135	1,000		700	1,100	1,400			40%	40%	20%	
P5 (High Density)	105-170	800	600	700	1,100			20%	50%	30%		
P7	155-200	700	500	700	1,000			30%	50%	20%		
TW	110-218	850	600	800	1,200			25%	50%	25%		

Source: AECOM

3. Financial Analysis Methodology

Chapter 3 describes the methodology used to test the likely financial outcomes of the incentive programs. The chapter begins with a discussion of pro forma analysis, including the measures of return used to gauge financial outcomes and the design of the model. The chapter then describes the key inputs and assumptions used in the model.

3.1 Pro Forma Analysis

The analysis of CHIP program development economics uses a pro forma model to evaluate the impacts of proposed program parameters on project returns. The model is designed to consider programming parameters including density bonuses, height and FAR maximums, and affordable set-asides. AECOM worked closely with City Staff to develop various combinations of affordable housing set-asides and corresponding incentives for all four CHIP programs. These combinations are referred to as “incentive program scenarios” throughout this analysis and represent some of the zoning levers that can impact development feasibility.

A pro forma model is a representation of the financial returns of a hypothetical real estate project. The pro forma model includes assumptions about development costs, operating costs and revenues, and typical return expectations for a developer considering investment. The impacts and financial feasibility of different incentive scenarios can be explored through adjusting various model inputs.

The analyses of the various CHIP programs employ a “static” pro forma approach which calculates potential project value at an assumed point of project stabilization. This calculation is made at the assumed year that a for-sale project is fully sold or that a rental project achieves stabilized occupancy and can be sold to an investor who will value based on project cash flows. Static pro forma analysis is a commonly accepted approach to planning-level analysis where comparisons between multiple projects and policy options must be made.[10]

3.1.1 Measures of Return

The measure of financial return used in the analysis is **residual land value (RLV)**. RLV is a common approach used in planning exercises to explore and compare financial outcomes of policy proposals. RLV is the amount that remains after estimated project cost is deducted from estimated project value and represents the amount a developer should be willing to pay for land.

There are two RLV standards used to gauge the expected financial outcomes of the incentive program scenarios tested in this analysis: “feasibility” and “preferability.”

- **Feasibility**. For the purposes of this analysis, feasibility is a determination of **whether the incentive program scenario generates RLV that is consistent with market land value**. If a scenario generates RLV that is equivalent to or greater than the market standard, it is considered feasible.
- **Preferability**. Preferability tests **whether the incentive program scenario generates RLV that is greater than a base case scenario**, where the base case scenario is a 100%-

[10] While a developer may use static pro formas to initially assess a project opportunity, project underwriting by investors and lenders requires a discounted cash flow approach, which estimates project costs and revenues over time up to and past the point of stabilization. A discounted cash flow analysis allows different investor returns and return expectations as well as the time value of money factors to be considered. However, while necessary for investor decision-making, a cash flow model is too sensitive to investor-specific assumptions and in general too complex to allow for efficient comparison of policy options.

market-rate, by-right project that does not use CHIP program incentives. If the incentive program scenario generates an RLV that is equivalent to or greater than the base case, it is considered preferable.

Table 6 summarizes the market land value thresholds used in the pro forma testing by Market Tier and incentive program. As described further in Section 3.3.2, these thresholds are derived from market research on land costs from sets of recent transactions that are relevant to each respective program. When the model resulted in a higher RLV than the market land value, the project is assumed to be feasible. If the model resulted in a lower RLV than the market land value, the project is assumed to be infeasible under current market conditions.

Table 6. Market Land Value ($/Sq. Ft. of Land) Threshold for Feasibility by Program

RLV Baseline				
	DBO	TOIA	OC	CT
Market Tier 1				
Residential	$140	$140	$140	$90
Commercial	-	$115	$115	-
Market Tier 2				
Residential	$145	$145	$145	$160
Commercial	-	$170	$170	-
Market Tier 3				
Residential	$175	$175	$175	$215
Commercial	-	$185	$185	-
Market Tier 4				
Residential	$230	$230	$230	$225
Commercial	-	$240	$240	-

Source: Redfin, CoStar, AECOM

3.1.2 Pro Forma Model Design

The pro forma model developed for this analysis was designed to test the financial impact of various levels of affordable housing set-asides and corresponding incentive levels (the "incentive program scenarios"). The model's workflow involves three general components for each development prototype:

1. **Calculating the built capacity of the base case scenario** for each prototype (for DBO and TOIA only).[11]
2. **"Stepping up" the prototype** to calculate the built capacity of each incentive program scenario, i.e. the maximum unit count assuming the project provides a given level of affordable housing set-aside and takes advantage of corresponding incentives.
3. **Calculating the financial outcomes** of the base case and incentive program scenarios.

[11] For OC, there is no base case because the analysis modeled the feasibility of prototypes that achieved the maximum densities within each incentive area (limited by height and FAR), rather than "stepping up" from a base. For CT, there is no base case calculation because the CT program will primarily be applied to redevelopment of single-family lots or similarly scaled, low-density residential uses. Since the market land value is based on recent transactions of single-family lots, "feasibility" and "preferability" are effectively the same for CT.

These steps are described in more detail below.

Step 1. Calculating the built capacity of each base case scenario

As an initial step of the process, the model determines the likely unit count developed in the base case. This initial built capacity is determined by a combination of zoning regulations, including allowable density, FAR, and building heights based on specific zoning programs, as well as the capacities of the prototypes themselves.

For example, in the DBO program, the CY4 prototype is assumed to be developed on a 15,000 sq ft parcel in R3-1 zone (see Table 20). The lower-density CY4 can accommodate up to 27 units on this site size based on its height and density design. Under the zoning requirement of R3-1, a CY4 prototype can build up to 30 units with a FAR of 3.0, up to 18 units based on an allowable density of 54.45 DUAC, or up to 35 units with a maximum height of 45 feet. Therefore, considering all the restrictions mentioned, the base scenario for a CY4 development would be 18 units. In this case, the "limiting factor" of the built capacity is the allowable density set by the zoning regulations.

Throughout the model, above ground parking square footage is counted towards overall FAR limits, consistent with the City's proposed policies for the CHIP programs.

Step 2. "Stepping up" the prototype

In the second step of the process, the model calculates the total capacity that the developer can access by making use of a given incentive program and picks the corresponding prototype that would result.

When the incentive program scenarios enable more density than what the prototypes at the base can provide, then the model looks for the next tier of prototypes, also called the "stepping up mechanism" in this report. When the scenario "steps up" from one prototype to a higher density one, the model assumes the site dimensions of the new higher density prototype but same underlying zoning.[12] For scenarios involving unlimited density, such as those seen in TOIA and OC projects, the ultimate cap on density is assumed to be a TW height limit of 28 stories.

For example, for a project for which the base scenario is a lower-density CY4 prototype, when the incentive program scenario exceeds 78 DUAC, which is the limit of its density capacity, the model, before upgrading to the prototype to P5, first steps up to a higher density version of CY4 with smaller unit sizes (reduced from 1,190 sf to 900 sf) and a different unit mix (changed from 70% two-bedroom and 30% three-bedroom to 50% one-bedroom and 50% two-bedroom). When the incentive program scenario exceeds 105 DUAC, the project then steps up to a CY5 prototype. In the case of upgrading from one prototype to a completely different prototype (e.g., from CY4 to P5), the site being tested will increase from 15,000 sq ft to 22,500 sq ft, while the underlying zoning remains the same (i.e., R3-1, as used for CY4).

Step 3. Calculating the financial outcomes of each incentive program scenario

In the third step of the process, the model calculates the financial outcomes of base case scenario and each incentive program scenario.

To do this, the model first calculates the set-aside requirement, i.e. the number of affordable units by income level.[13] All fractional calculations are rounded up. For example, the same

[12] Reflects ingenuity of developers for finding adequate development sites, either through site consolidation and/or market knowledge of sites appropriate for prototypes that can accommodate higher densities

[13] For the DBO program, the calculation of the set-aside requirement is based on maximum permissible by-right units—i.e., total potential units before application of a density bonus. For example, for a project in a zone allowing 100 units seeking a 50-unit 50% density bonus and setting aside 10% as affordable, the set-aside requirement is 10

density bonus applied to a project with a base of 75 units results in a total unit count of 112.5, which is rounded to 113. The 8% set-aside requirement then computes to 9.04 units, which is rounded up to 10.

Next, the model incorporates market-tier-specific assumptions (such as rent, cap rate, vacancy rates, etc.) and prototype-specific assumptions (such as construction costs, parking requirements, etc.) to calculate project revenues and costs. The key inputs and assumptions used to calculate revenues and costs are described below in Section 3.2.

Finally, the model deducts the estimated project cost from the estimated property value to arrive at the RLV. As described above, if a scenario generates RLV that is equivalent to or greater than the market standard, it is considered feasible. If the incentive program scenario generates a RLV that is equivalent to or greater than the base case scenario, it is considered preferable.

3.1.3 Incentives Tested

This analysis tests the impact of density, height, and FAR incentives (sometimes referred to as “base incentives”) that are being considered by the City. The specific incentives tested for each respective program are described in Chapters 4-7, below.

Note that in addition to density, height, and FAR incentives, the DBO and Mixed Income Incentive Program also include incentives related to setbacks, lot width, open space, lot coverage, and other zoning requirements that are not tested in this analysis. It is assumed that the development projects tested may take advantage of additional incentives to maximize density, height, and FAR.

3.2 Key Inputs and Assumptions

This section describes the key revenue and cost inputs used in the pro forma analysis.

3.2.1 Revenues

Market-rate Rents

Table 7 shows the market-rate rent assumptions used in the analysis by typology, market tier, and bedroom count. Market rents are based on analysis of recent asking rent rates from CoStar data on 1,407 multifamily projects constructed since 2018 in Los Angeles. To reflect likely rent appreciation that will occur from construction through project stabilization, a 5% premium has been added to the market-based findings.[14]

units (10% of 100) and not 15 units (10% of 150). This is the approach used by the current adopted DBO and the State Density Bonus Law. For the TOIA and OC program, the set-aside requirement is based on total project units including density bonus units. For example, for a project with 100 base units and a 50% density bonus requiring that 8% of units be set aside as Extremely Low Income (ELI), there are 150 total units (50 density bonus units added to the 100 base) of which 12 (8% of 150) are set aside as ELI.

[14] For the CT program analysis, the parking ratio for the prototypes is reduced and the rent is assumed to decrease by 5% from typical market rates based on market research.

Table 7. Market Rent

	$/Sq.Ft.				$/Unit				
Typology	Market Tier 1	Market Tier 2	Market Tier 3	Market Tier 4	Sq.Ft./ Unit	Market Tier 1	Market Tier 2	Market Tier 3	Market Tier 4
4D									
Studio	$3.15	$3.40	$4.45	$5.25	550	$1,730	$1,880	$2,450	$2,890
1-BR	$3.15	$3.40	$4.45	$5.25	700	$2,210	$2,390	$3,120	$3,680
2-BR	$2.90	$3.15	$4.20	$4.75	1,050	$3,030	$3,310	$4,410	$4,960
3-BR	$2.65	$2.90	$3.70	$4.45	1,200	$3,150	$3,470	$4,410	$5,360
4-BR	$2.35	$2.65	$3.40	$4.20	1,400	$3,310	$3,680	$4,780	$5,880
TH/RH									
1-BR	$3.15	$3.40	$4.45	$5.25	800	$2,520	$2,720	$3,560	$4,200
2-BR	$2.90	$3.15	$4.20	$4.75	1,250	$3,625	$3,938	$5,250	$5,938
3-BR	$2.65	$2.90	$3.70	$4.45	1,550	$4,108	$4,495	$5,735	$6,898
4-BR	$2.35	$2.65	$3.40	$4.20	1,900	$4,465	$5,035	$6,460	$7,980
CY3									
Studio	$2.90	$4.20	$4.75	$5.00	600	$1,730	$2,520	$2,840	$2,990
1-BR	$2.65	$3.95	$4.20	$4.45	800	$2,100	$3,150	$3,360	$3,570
2-BR	$2.35	$3.70	$3.95	$4.20	1,200	$2,840	$4,410	$4,730	$5,040
3-BR	$2.10	$3.15	$3.40	$3.70	1,600	$3,360	$5,040	$5,460	$5,880
4-BR	$2.10	$3.15	$3.40	$3.70	1,900	$3,990	$5,990	$6,480	$6,980
CY4									
2-BR	$2.35	$3.70	$3.95	$4.20	1,100	$2,600	$4,040	$4,330	$4,620
3-BR	$2.10	$3.15	$3.40	$3.70	1,400	$2,940	$4,410	$4,780	$5,150
4-BR	$2.10	$3.15	$3.40	$3.70	-	-	-	-	-
P5									
Studio	$3.15	$4.20	$4.45	$5.00	600	$1,890	$2,520	$2,680	$2,990
1-BR	$2.90	$3.95	$4.20	$4.45	700	$2,020	$2,760	$2,940	$3,120
2-BR	$2.65	$3.70	$3.95	$4.20	1,100	$2,890	$4,040	$4,330	$4,620
3-BR	$2.35	$3.40	$3.70	$3.95	1,400	$3,310	$4,780	$5,150	$5,510
P7									
Studio	$3.35	$4.40	$4.75	$5.25	500	$1,680	$2,210	$2,360	$2,630
1-BR	$3.05	$4.10	$4.40	$4.75	700	$2,130	$2,870	$3,090	$3,310
2-BR	$2.75	$3.90	$4.10	$4.40	1,000	$2,730	$3,890	$4,100	$4,410
3-BR	$2.50	$3.55	$3.90	$4.10	1,400	$3,530	$5,000	$5,440	$5,730
4-BR	$2.20	$3.35	$3.55	$3.90	1,700	$3,750	$5,710	$6,070	$6,600
TW									
Studio	$3.15	$3.95	$4.20	$5.25	600	$1,890	$2,360	$2,520	$3,150
1-BR	$2.90	$3.70	$3.95	$5.00	800	$2,310	$2,940	$3,150	$3,990
2-BR	$2.65	$3.40	$3.70	$4.75	1,200	$3,150	$4,100	$4,410	$5,670
3-BR	$2.35	$3.15	$3.40	$4.45	1,700	$4,020	$5,360	$5,800	$7,590
4-BR	$2.35	$2.90	$3.40	$4.45	2,000	$4,730	$5,780	$6,830	$8,930

Source: CoStar, AECOM

Market-rate For-Sale Pricing

Market for-sale pricing is based on a set of 405 recent residential sales transactions drawn from Redfin/MLS. Table 8 shows pricing assumptions categorized by Market Tier, prototype, and bedroom. To reflect likely value appreciation that will occur from construction through project stabilization, a 5% premium has been added to the market-based findings.

Table 8. Market Sale Prices

Typology	$/Sq.Ft.				$/Unit				
	Market Tier 1	Market Tier 2	Market Tier 3	Market Tier 4	Sq.Ft./ Unit	Market Tier 1	Market Tier 2	Market Tier 3	Market Tier 4
4D									
2BR	$475	$550	$625	$650	1,050	$498,750	$577,500	$656,250	$682,500
3BR	$450	$525	$575	$600	1,200	$540,000	$630,000	$690,000	$720,000
4BR	$375	$475	$525	$550	1,400	$525,000	$665,000	$735,000	$770,000
TH/RH									
2BR	$500	$575	$700	$975	1,500	$750,000	$862,500	$1,050,000	$1,462,500
3BR	$450	$525	$650	$925	1,800	$810,000	$945,000	$1,170,000	$1,665,000
CY3									
Studio	$675	$800	$900	$1,150	600	$405,000	$480,000	$540,000	$690,000
1BR	$650	$750	$875	$1,050	800	$520,000	$600,000	$700,000	$840,000
2BR	$625	$725	$850	$1,025	1,200	$750,000	$870,000	$1,020,000	$1,230,000
3BR	$550	$650	$750	$1,000	1,600	$880,000	$1,040,000	$1,200,000	$1,600,000
CY4									
2BR	$625	$725	$850	$1,025	1,100	$687,500	$797,500	$935,000	$1,127,500
3BR	$550	$650	$750	$1,000	1,400	$770,000	$910,000	$1,050,000	$1,400,000
P5									
Studio	$675	$825	$950	$1,150	600	$405,000	$495,000	$570,000	$690,000
1BR	$650	$800	$925	$1,125	700	$455,000	$560,000	$647,500	$787,500
2BR	$625	$750	$900	$1,100	1,100	$687,500	$825,000	$990,000	$1,210,000
3BR	$600	$700	$875	$1,075	1,400	$840,000	$980,000	$1,225,000	$1,505,000
P7									
Studio	$675	$825	$950	$1,150	500	$337,500	$412,500	$475,000	$575,000
1BR	$650	$800	$925	$1,125	700	$455,000	$560,000	$647,500	$787,500
2BR	$625	$750	$900	$1,100	1,000	$625,000	$750,000	$900,000	$1,100,000
3BR	$600	$700	$875	$1,075	1,400	$840,000	$980,000	$1,225,000	$1,505,000
TW									
Studio	$625	$725	$850	$1,100	600	$375,000	$435,000	$510,000	$660,000
1BR	$600	$700	$825	$1,000	800	$480,000	$560,000	$660,000	$800,000
2BR	$525	$625	$725	$900	1,200	$630,000	$750,000	$870,000	$1,080,000

Source: Redfin, AECOM

Affordable Rents

Assumed affordable rents are based on the City's published schedules[15] and the utility allowance schedule published by the Housing Authority of the City of Los Angeles (HACLA) based on Area Median Income (AMI).[16] The analysis includes Extremely Low Income (ELI at 30% AMI), Very Low Income (VLI at 50% of AMI), Low Income (LI at 60% AMI), and Moderate Income (MI at 110% AMI) units. The calculations for supportable affordable rents by income tier are shown in Table 9.

Table 9. Affordable Rents

Supportable Affordable Rents (Monthly)				
	ELI 30% AMI	VLI 50% AMI	LI 60% AMI	MI 110% AMI
Allocated Housing Cost[1]				
1-Person Household (Studio)	$486	$809	$971	$1,781
2-Person Household (1BR)	$555	$925	$1,110	$2,035
3-Person Household (2BR)	$624	$1,041	$1,249	$2,289
4-Person Household (3BR)	$694	$1,156	$1,388	$2,544
5-Person Household (4BR)	$749	$1,249	$1,499	$2,747
Utilities[2]				
1-Person Household (Studio)	$107	$107	$107	$107
2-Person Household (1BR)	$142	$142	$142	$142
3-Person Household (2BR)	$174	$174	$174	$174
4-Person Household (3BR)	$209	$209	$209	$209
5-Person Household (4BR)	$259	$259	$259	$259
Total Available for Rent Payment				
1-Person Household (Studio)	$379	$702	$864	$1,674
2-Person Household (1BR)	$413	$783	$968	$1,893
3-Person Household (2BR)	$450	$867	$1,075	$2,115
4-Person Household (3BR)	$485	$947	$1,179	$2,335
5-Person Household (4BR)	$490	$990	$1,240	$2,488

Source: Housing Authority of the City of Los Angeles (HACLA); Los Angeles Housing Department (LAHD), AECOM
Notes: (1) Allocated Housing Cost for Extremely Low, Very Low, Low income, and Moderate tiers from Los Angeles Housing Department - 2023 Income and Rent Limit - Land Use Schedule VI, Effective Date: August 1, 2023. AMI is $98,200.
(2) Housing Authority of the City of Los Angeles's (HACLA) Utility Allowance Schedule, Effective 12/01/2023. AECOM assumes trash collection is excluded from tenant costs.

Affordable For-Sale Pricing

Assumed pricing for affordable for-sale prices are based on an estimated monthly household cost calculated using the HCD's published schedules,[17] the utility allowance schedule published by the Housing Authority of the City of Los Angeles (HACLA),[18] and estimates for HOA fees,

[15] LAHD Schedule 6: https://housing2.lacity.org/wp-content/uploads/2024/03/2023-Income-and-Rent-Limits-LU-Schedule-6-HCD-New-Address.pdf
[16] HACLA Utility Allowance Schedule: https://www.hacla.org/sites/default/files/Section%208/Utility%20Allowances/Utility%20Allowance%20Effective%2020223-12-01.pdf
[17] HCD 2023 State Income Limits: https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/income-limits-2023.pdf
[18] HACLA Utility Allowance Schedule: https://www.hacla.org/sites/default/files/Section%208/Utility%20Allowances/Utility%20Allowance%20Effective%2020223-12-01.pdf

homeowner insurance, and property tax. Supportable for-sale value is derived after assuming a 5% down payment, which is a typical required minimum for affordable units. The calculations for affordable for-sale pricing are shown in Table 10.

Table 10. Affordable Sale Prices

Supportable Affordable Sales Prices	ELI 30% AMI	VLI 50% AMI	LI 70% AMI	MI 110% AMI
Allocated Housing Cost[1]				
1-Person Household (Studio)	$7,950	$13,245	$18,543	$26,478
2-Person Household (1BR)	$9,090	$15,135	$21,189	$30,240
3-Person Household (2BR)	$10,230	$17,025	$23,835	$34,038
4-Person Household (3BR)	$11,355	$18,915	$26,481	$37,800
Utilities[2]				
1-Person Household (Studio)	$1,284	$1,284	$1,284	$1,284
2-Person Household (1BR)	$1,704	$1,704	$1,704	$1,704
3-Person Household (2BR)	$2,088	$2,088	$2,088	$2,088
4-Person Household (3BR)	$2,508	$2,508	$2,508	$2,508
HOA[3]				
1-Person Household (Studio)	$685	$1,141	$1,597	$2,280
2-Person Household (1BR)	$793	$1,321	$1,849	$2,640
3-Person Household (2BR)	$901	$1,501	$2,101	$3,000
4-Person Household (3BR)	$991	$1,651	$2,311	$3,300
Home Owners Insurance[4]				
1-Person Household (Studio)	$1,007	$1,007	$1,007	$1,007
2-Person Household (1BR)	$1,150	$1,150	$1,150	$1,150
3-Person Household (2BR)	$1,330	$1,330	$1,330	$1,330
4-Person Household (3BR)	$1,853	$1,853	$1,853	$1,853
Property Tax[5]				
1-Person Household (Studio)	$904	$1,782	$2,660	$3,977
2-Person Household (1BR)	$989	$1,990	$2,993	$4,493
3-Person Household (2BR)	$1,073	$2,198	$3,325	$5,015
4-Person Household (3BR)	$1,090	$2,342	$3,596	$5,472
Available for Mortgage Payment				
1-Person Household (Studio)	$4,071	$8,031	$11,995	$17,930
2-Person Household (1BR)	$4,455	$8,971	$13,494	$20,254
3-Person Household (2BR)	$4,838	$9,908	$14,991	$22,605
4-Person Household (3BR)	$4,914	$10,561	$16,213	$24,668
Supportable Mortgage[6]				
1-Person Household (Studio)	$71,488	$141,040	$210,641	$314,863
2-Person Household (1BR)	$78,235	$157,544	$236,965	$355,675
3-Person Household (2BR)	$84,968	$173,992	$263,253	$396,960
4-Person Household (3BR)	$86,296	$185,467	$284,716	$433,185
Supportable Sales Price (rounded)				
1-Person Household (Studio)	$75,300	$148,500	$221,700	$331,400
2-Person Household (1BR)	$82,400	$165,800	$249,400	$374,400
3-Person Household (2BR)	$89,400	$183,100	$277,100	$417,900
4-Person Household (3BR)	$90,800	$195,200	$299,700	$456,000

Source: Housing Authority of the City of Los Angeles (HACLA); California Housing and Community Development (HCD), Los Angeles Housing Department (LAHD), AECOM
Notes: (1) Area Median Income limits for Extremely Low, Very Low, Low income, and Moderate tiers from California Department of Housing and Community Development (HCD) – 2023 State Income Limits. AMI is $98,200.
(2) Housing Authority of the City of Los Angeles's (HACLA) Utility Allowance Schedule, effective 12/01/2023; AECOM assumes trash collection is excluded from tenant costs.
(3) AECOM estimate assuming developer indexes HOA fees to affordability.

(4) Calculated as 0.19% of market value of the unit (derived from medians for home value and insurance rates, 2021 California).
(5) 1.2% of sales price.
(6) 30-year mortgage, 3.95% rate (based on annual average 2013-7/22/2022).
(7) A 5% down payment is a typical minimum for affordable for-sale units.

Exit Capitalization Rates

The assumed capitalization rate for a rental project at stabilization is 4.5%, based on data from CBRE and CoStar.

3.2.2 Costs and Expenses

Hard (Direct) Costs

Assumptions used in the scenario pro forma models for vertical improvement costs were developed from several sources including RS Means, developer interviews, recent completed comparable projects, and selected inputs from AECOM cost estimators. Table 11 summarizes construction costs for building structures and parking structures. The hard costs are universal across different programs.

It is important to note that construction costs have been greatly impacted by inflation since 2020 stemming largely from the global pandemic and the Ukraine war. According to Federal Reserve Economic data (FRED) construction cost index, from 2020 through September 2023, construction costs have inflated at 10% annually resulting in costs that in September 2023 were 42% higher than in January 2020. The costs assumed in the scenario pro forma analysis are based on 2022 RS Means data, escalated by 10% to estimate 2023 costs.

Table 11. Hard Costs

Prototype Code	4D-R	TH	CY3	CY4	P5	P7	TW
Site Improvement Work (Per Site SF)	$5	$10	$10	$10	$10	$10	$10
Building Hard Cost (Per Bldg SF)	$233	$215	$220	$208	$202	$238	$209
Parking Hard Costs (Per Space)							
Surface	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500
Tuck-Under	$23,900	$23,200	$23,800	$22,400	$21,800	$25,700	$22,600
Podium	$10,000	$10,000	$36,600	$36,600	$36,600	$34,300	$33,000
Underground	$10,000	$10,000	$49,000	$47,300	$43,600	$44,100	$41,300

Source: RS Means, AECOM

Soft (Indirect) Costs

Soft (indirect) costs include all other necessary expenses required to complete the development process. Indirect costs are generally calculated as a percentage of hard (direct) costs using the assumptions shown in Table 12.

Table 12. Indirect Costs

Indirect Costs	
Architecture and Engineering Fee	6% of all direct costs
Permits and Fees	$35 per gross sf
Legal, Insurance, Warranty	2% of all direct costs
Marketing	$2,000 per unit
General and Administrative	1% of all other indirect costs
Developer Fee	4.5% of all direct costs
Soft Cost Contingency	5% of all other indirect costs

Source: AECOM

Land Costs

Land cost assumptions are based on a market review of recent transactions and used to establish a basis for financial feasibility.[19]

For the DBO, TOIA, OC programs, the land transaction set consists of 278 comparable land transactions drawn from CoStar that occurred in the City of Los Angeles between January 2021 and September 2023.[20] The dataset was filtered to exclude transactions with incomplete data, transactions for sites smaller than 0.11 acres (5,000 square feet) and transactions for sites larger than 5 acres. The size filtering is intended to eliminate outliers, non-standard, and non-representative land transactions from the set. To adjust the nominal value of transactions that took place in 2021 and 2022 to 2023 values, AECOM normalized the dataset by applying County annual land value growth rates based on assessor data.

To assess scenario feasibility, the land value basis is set at the first quartile measure from the transaction set, an approach that sets the threshold for feasibility below the measured median land cost. This is intended to reflect the wide range of land costs observed in each market tier and to generate findings that are broadly representative of the area assessed. Both first quartile and median land values are shown in the tables below.

Table 13. DBO, TOIA and OC Land Costs

		$/Land Square Foot[2]	
	n[1]	1st Q	Median
Market Tier 1			
Residential	24	$140	$160
Commercial	40	$115	$140
Market Tier 2			
Residential	31	$145	$175
Commercial	27	$170	$230
Market Tier 3			
Residential	34	$175	$215
Commercial	17	$185	$405
Market Tier 4			
Residential	56	$230	$275
Commercial	49	$240	$375
Citywide			
Residential	145	$165	$220
Commercial	133	$145	$220

Sources: Redfin, CoStar
(1) Transactions in the City of Los Angeles between 1/1/2021 and 9/2023 on residentially zoned sites tagged as "land" and filtered to exclude transactions with incomplete data and on parcels less than 5,000 sq.ft. or greater than 5 acres.
(2) In $2023. Transactions that took place in 2021 and 2022 normalized to 2023 by applying County annual land value growth rates (from Assessor Data).
(3) The DBO program is only tested on residential parcels.

[19] Assumes minimal or no acquisition costs for the existing building are assumed; the development site is acquired based on its land value. The analysis also assumes that replacement unit requirements do not apply to the tested scenarios, or if any replacement units are required the scenarios would provide enough affordable housing to meet the minimum requirements stipulated in SEC. 151.28 of the Los Angeles Municipal Code.

[20] The ULA tax has been in effect since April 2023. It has been hypothesized that ULA could apply downward pressure on land values. However, in the assessed land transaction set (which includes a relatively low number of land transactions since 4/1/23), there is no evidence that any softening of land values has yet occurred.

For the CT program, land cost assumptions are based on a market review of recent transactions of eligible CT sites. The approach assumes that the CT program will primarily be applied to redevelopment of single-family lots or similarly scaled, low-density residential uses.

AECOM estimated land costs using a set of recent single-family home sales, sourced from Redfin, consisting of 51 transactions in the City between January 2021 and September 2023. These transactions were cross-referenced with a set of eligible CT sites provided by City staff. The set was further filtered to exclude transactions of sites smaller than 4,000 square feet. The size filtering is intended to eliminate outliers, non-standard, and non-representative land transactions from the set.

Single family homes and similar properties found throughout Los Angeles vary widely in parcel size, quality of existing buildings, and type of location. These factors contribute to a wide range of land costs observed in each market tier. To account for this wide range, this analysis uses the median price (sales price/land square feet) of the recent transactions to broadly represent the market value of land in each market tier and determine project feasibility. The median land values for each market tier are shown in the table below. The first quartile of land values is also shown for reference and to indicate redevelopment potential at the lower end of the price range.

The median rather than the first quartile value was used for CT because the program is designed to encourage redevelopment of single-family uses and similarly small-scaled low-density residential uses within Higher Opportunity Areas. Decades of limited development coupled with a scarcity of land suitable for single-family development have led to high single-family home values and a high threshold for feasibility for CT projects.

Table 14. CT Land Costs

MM Land Values		$/Land Square Foot	
	n1	1st Q	Median
Market Tier 1	8	$90	$120
Market Tier 2	2	$160	$170
Market Tier 3	10	$215	$220
Market Tier 4	31	$225	$320
Citywide	51	$195	$235

(1) Transactions of single-family houses in the City of Los Angeles between 03/2022 and 04/2023 on the lots above 4,000 sq.ft.

(2) All numbers are rounded off to the nearest 5

Source: Redfin, AECOM

Financing Costs

Assumptions for construction loan financing are as follows, reflecting typical underwriting assumptions: 65% loan to cost (LTC), 50% average loan balance, 2.5% loan fees, 7.5% interest rate, and a 2-year construction period.

Return Threshold

The assumed threshold yield on cost used is 12-13% of total costs before land depending on tenure types and prototypes or 10% of total costs after including land. While actual threshold return expectations may vary widely by project, by investor, by market, and by perceived risk, this yield on cost threshold is commonly assumed in planning-level analysis.

3.2.3 Policy and Regulatory Costs

Affordable Housing Linkage Fee

The City's Affordable Housing Linkage Fee (AHLF) charges a fee on market-rate development, which is used to fund the creation of affordable housing across the City. As specified in Municipal Code Section 19.18, residential projects dedicate at least 40% of units to MI households, or at least 20% of units to LI households, or at least 11% of units to VLI households, or at least 8% of total units to ELI units, are exempt from the AHLF.

Linkage fees are applied to the base case (100% market-rate) scenarios, assuming fees are drawn from the schedule effective as of July 1, 2023. All TOIA and OC incentive program scenarios are exempt from the AHLF because these programs are structured so that projects achieve affordability levels that meet the AHLF program exemptions.

For DBO and CT, some incentive program scenarios meet the AHLF program exemptions and others do not. This is determined for each scenario based on the percentage of units dedicated to affordable housing by income level.[21]

Under the existing DBO program, City staff have observed that developers will sometimes contribute an additional affordable unit or minimum number of units required to qualify a project for a Linkage Fee exemption. City staff also noted informal feedback from the development community suggesting that paying the Linkage Fee (not qualifying for an exemption) presents enough of a burden on DBO project economics to cause applicants to withdraw proposals. **This analysis assumes the developer would opt to pay the linkage fee rather than build more units or otherwise restructure the project to qualify for exemptions.** Although analyzing the impacts of the Linkage Fee on project economics was not a component of this study, exploratory testing suggests that Linkage Fee payments have a relatively small impact on typical project feasibility.[22]

ULA Tax

The ULA tax became effective in the City on April 1, 2023, and is applied to all transactions valued at over $5 million. The tax rate for transactions between $5 and $10 million is 4% and 5.5% for transactions over $10 million. The impacts of the tax on development costs are complex and will affect different projects differently. For example, a project that includes an initial land acquisition, improvements to the site, and sale of the finished project could incur the ULA tax twice: first on the land sale and second on the sale of the improved project. On the other hand, projects that are valued at less than $5 million will never incur the tax. The tax also does not affect owner-operators directly since it is only incurred upon sale.

The analysis assumes the seller pays the ULA tax but does not "pass it on" to the buyer. For example, on the initial land transaction, the seller absorbs the tax, resulting in a land value that is effectively lower than the market rate for the seller but not the buyer. Likewise, for the transaction of a finished project, the seller absorbs the tax, which again effectively lowers project value for the seller but not the buyer.

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[21] Note that for the DBO program, the set-aside calculation is based on the base density. Therefore, some projects have nominal set-asides that suggest they would be eligible for the AHLF exemption, but may still be subject to the fee based on the actual percentage of affordable units provided. For example, a project with a 50% density bonus and a 15% VLI set-aside may seem to be exempt from the linkage fee. However, after applying the density bonus, VLI units could account for only 10% of the total units built and the developer would be required to pay the linkage fee. It is also important to note that linkage fee exemption thresholds are based on projects offering single-affordability pathways set-asides and are not designed to give partial credit for meeting the exemption standards using set-asides for mixed-affordability pathways.

[22] For example, for the DBO base case scenarios, linkage fees make up an average of 1.3-3.5% of total project costs.

Developers are reportedly contemplating various strategies for offsetting the impact of ULA on project economics. Anecdotally, these include (but are not limited to): longer-term holds that allow owners to pay down debt through cashflow growth; increased use of condominium tract maps to reduce transaction values to below the $5 and $10 million thresholds; and strategies to reduce development and construction costs. It is possible ULA will also apply downward price pressure on land costs (although at the time of this analysis, this land cost decrease had not been observed).

To model the impact of ULA on development economics, the analysis assumes project applicants will deploy a variety of strategies to lower costs for projects that trigger ULA. To reflect this assumption, for project values that trigger compliance with ULA, the analysis assumes a 5% reduction in costs compared to a project that does not trigger ULA compliance.

4. Density Bonus Ordinance (DBO) Incentive Program

4.1 Overview

Chapter 4 tests the economics of the City's Density Bonus Ordinance (DBO), which serves as the City's primary mechanism for implementing California's State Density Bonus Law. Proposed changes to the City's local DBO include procedural updates as well as revisions that will affirm consistency between the Los Angeles Municipal Code and State Density Bonus Law (SDBL).[23] This chapter outlines the major changes to the SDBL and how the City's proposed DBO update aims to incorporate these new legal parameters. The chapter then provides a description of the incentive program scenarios that were tested, and a discussion of the results of the analysis. The chapter concludes with a summary of findings about the proposed DBO update.

4.2 Proposed DBO Update

The City's DBO, an implementation of the SDBL, has been effective since 2008. Since 2008, more than a dozen state bills have significantly amended the SDBL (CA Govt. Code Sections 65915-65918). To date, these changes have been implemented in the City through a range of administrative Implementation Memorandums. The proposed update to DBO will bring the City's local Density Bonus program into full alignment with the current SDBL and will incorporate the most recent changes to the affordable set-aside schedule and additions to the density bonus structure that went into effect on January 1, 2024 under recent legislation, including CA State Assembly Bill 1287 (AB1287). AB 1287 amended SDBL to increase the production of housing units set-aside for Very Low Income and Moderate Income households by enabling additional density bonuses above 50% (the maximum previous to AB 1287) for projects providing additional restricted affordable units.

Under the proposed DBO update, applicants can achieve varying levels of density bonus by providing different set asides of VLI, LI, or MI units. For the purposes of this analysis, the methods of calculating set asides and corresponding density bonuses are organized into two types of "affordability pathways:"

- Single-Affordability Pathways: These projects provide set-aside units at one income level (VLI, LI, *or* MI). By providing the maximum of 25% VLI Incomes units, single-affordability pathway projects will be able to reach a maximum of 88.75% density bonus.
- Mixed-Affordability Pathways: These projects provide a mix of set-aside units at different income levels. By adding MI units to a project that also includes VLI or LI units under a mixed-affordability pathway, projects can achieve density bonuses up to 100%.

Table 15 shows examples of pathways that applicants can take to achieve various levels of density bonus. Note that the set-aside options shown in Table 15 are only a selection of the possible set-aside percentages and associated density bonuses. In many cases there are multiple single- and mixed-affordability pathways for achieving the same level of density bonus.

[23] Note that the City's Value Capture Ordinance (VCO), effective since 2018, complements and extends provisions of DBO by awarding additional density bonus in exchange for additional affordable set-aside. Projects that utilize VCO would be required to obtain a Conditional Use Permit requiring approval from the City Planning Commission, which is a discretionary planning process. The analysis that follows is based on state law and does not consider use of the VCO.

Depending on the affordable set-asides selected, applicants can achieve a density bonus of anywhere from 5% to 100%.

Table 15. Examples of Density Bonuses Available Under the Proposed DBO Update

Density Bonus	Type of Affordability	Aggregated Set Aside %		
		VLI	LI	MI
5%	Single-Affordability			10%
35%	Single-Affordability	11%		
35%	Single-Affordability		20%	
35%	Single-Affordability			40%
50%	Single-Affordability	15%		
50%	Single-Affordability		24%	
50%	Single-Affordability			44%
70%	Single-Affordability	20%		
70%	Mixed-Affordability	5%	24%	
70%	Mixed-Affordability	5%		44%
70%	Mixed-Affordability	15%		5%
70%	Mixed-Affordability		24%	5%
70%	Mixed-Affordability			49%
88.75%	Single-Affordability	25%		
88.75%	Mixed-Affordability	10%	24%	
88.75%	Mixed-Affordability	15%		12%
88.75%	Mixed-Affordability		24%	12%
100%	Mixed-Affordability	15%		15%
100%	Mixed-Affordability		24%	15%

Note: Aggregated set-aside includes the standard density bonus (from pre-AB 1287 SDBL) and the additional density bonus available under AB 1287.
Source: SDBL, AB 1287, AECOM

4.3 Density Bonus Scenarios Tested

To explore the economic feasibility of the proposed updated DBO for projects in the City of Los Angeles, AECOM tested a set of scenarios that covers a wide range of the potential affordability pathways and density bonus combinations allowed. This set of scenarios include increases in density bonuses up to 100%. In all, nearly twenty scenarios were tested consisting of single-affordability pathway, mixed-affordability pathway, for-rent, and for-sale scenarios. The scenarios were selected to reflect a broad range of density bonus and affordable set-aside applications. At the City's request, nearly all the scenarios achieve density bonuses of 50% or greater.[24]

All DBO scenarios assume an FAR incentive of up to 50% over the base, and height incentives matching the density bonus percentage.[25]

[24] There is one tested scenario that features a density bonus less than 50%: Scenario 7-R, which is eligible for a 35% density bonus. This scenario was selected to increase the number of LI-tested scenarios in the set.
[25] Note that the program is still under development and the incentives tested in this report may not reflect the City's final policy decisions.

4.3.1 For-Rent Scenarios

Single Affordability Pathway For-Rent Scenarios

Five for-rent scenarios featuring a single affordability pathway were tested. These are numbered 1-R to 5-R for reference.

Table 16. Single-Tier Affordability For-Rent Density Bonus Scenarios Tested

Scenario		Density Bonus	Affordability			
			Total Set Aside	VLI	LI	MI
1-R	50.0% DB / 15.0% VLI Set-Aside	50.00%	15%	15%	-	-
2-R	70.0% DB / 20.0% VLI Set-Aside	70.00%	20%	20%	-	-
3-R	88.75% DB / 25.0% VLI Set-Aside	88.75%	25%	25%	-	-
4-R	35.0% DB / 20.0% LI Set-Aside	35.00%	20%	-	20%	-
5-R	50.0% DB / 24.0% LI Set-Aside	50.00%	24%	-	24%	-

Source: AECOM

Mixed Affordability Pathway For-Rent Scenarios

Ten for-rent scenarios featuring mixed-affordability pathways were tested.

Table 17. Mixed Affordability For-Rent Density Bonus Scenarios Tested

Scenario		Density Bonus	Affordability			
			Total Set Aside	VLI	LI	MI
6-R	70.0% DB / 5.0% VLI / 24.0% LI Set-Aside	70.00%	29%	5%	24%	-
7-R	85.0% DB / 9.0% VLI / 24.0% LI Set-Aside	85.00%	33%	9%	24%	-
8-R	70.0% DB / 15.0% VLI / 5.0% MI Set-Aside	70.00%	20%	15%	-	5%
9-R	80.0% DB / 15.0% VLI / 9.0% MI Set-Aside	80.00%	24%	15%	-	9%
10-R	88.75% DB / 15.0% VLI / 12.0% MI Set-Aside	88.75%	27%	15%	-	12%
11-R	100.0% DB / 15.0% VLI / 15.0% MI Set-Aside	100.00%	30%	15%	-	15%
12-R	70.0% DB / 24.0% LI / 5.0% MI Set-Aside	70.00%	29%	-	24%	5%
13-R	80.0% DB / 24.0% LI / 9.0% MI Set-Aside	80.00%	33%	-	24%	9%
14-R	88.75% DB / 24.0% LI / 12.0% MI Set-Aside	88.75%	36%	-	24%	12%
15-R	100.0% DB / 24.0% LI / 15.0% MI Set-Aside	100.00%	39%	-	24%	15%

Source: AECOM

4.3.2 For-Sale Scenarios

Single Affordability Pathway For-Sale Scenarios

Two for-sale scenarios featuring a single-affordability pathway were tested, called 1-S, and 2-S. Per the State Density Bonus Law, for-sale projects are only eligible for participation if providing Moderate Income (MI) set-asides.

Table 18. Single Affordability For-Sale Density Bonus Scenarios Tested

Scenario		Density Bonus	Affordability			
			Total Set Aside	VLI	LI	MI
1-S	50.0% DB / 44.0% MI Set-Aside	50.00%	44%	-	-	44%
2-S	72.5% DB / 50.0% MI Set-Aside	72.50%	50%	-	-	50%

Source: AECOM

Mixed Affordability Pathway For-Sale Scenarios

Finally, two mixed affordability, for-sale scenarios were tested. Note that in practice, developers may choose to rent the lower-income units in for-sale projects at designated affordable rent limits, rather than sell them at sales price limits tied to predefined VLI and LI housing allowances. For the purposes of this analysis, all units in for-sale projects were assumed to be for-sale.

Table 19. Mixed Affordability For-Sale Density Bonus Scenarios Tested

Scenario		Density Bonus	Affordability			
			Total Set Aside	VLI	LI	MI
3-S	100% DB / 24% LI / 15% MI Set-Aside	100.00%	39%	-	24%	15%
4-S	100% DB / 15% VLI / 15% MI Set-Aside	100.00%	30%	15%	-	15%

Source: AECOM

4.3.3 Sites and Prototypes Tested

Table 20 shows the sites and prototypes that were tested. The prototypes were selected to represent a wide range of likely development projects that could occur across the City. Note that DBO was only tested on residential zoned sites, based on an analysis of recently completed projects that showed that the majority of DBO projects occurred in residential zones (whereas projects in commercial zones were more likely to take advantage of the TOC program, the predecessor to the proposed TOIA program).[26]

[26] Commercial lots generally have smaller underlying FARs than residential lots, and therefore projects on commercial lots may be more likely to take advantage of TOIA in part because the TOIA program offers better FAR incentives compared to DBO.

Table 20. DBO Sites and Prototypes Tested

DBO Base Case Site and Prototype Assumptions											
Base Housing Typology	**TH-S**	**CY3-R**	**CY3-S**	**CY4-R**	**CY4-S**	**P5-R**	**P5-S**	**P7-R**	**P7-S**	**TW-R**	**TW-S**
Description	Townhouse	3-story Courtyard-style		4-story Courtyard-style		5/6-Story Podium		7/8-Story Podium		Tower	
Use Program	Residential	Residential		Residential		Residential		Residential		Residential	
Parking Strategy	Tuck-Under	Underground		Underground		1-level podium		2-level podium		4-level podium	
Assumed Density Cohort	**Low-Med.II**	**Medium**		**Medium**		**High-Med.**		**High**		**High**	
Housing Tenure	**For Sale**	**Rental**	**For Sale**	**Rental**	**For Sale**	**Rental**	**For Sale**	**Rental**	**For Sale**	**Rental**	**For Sale**
Zone Class of Base Zone	**RD1.5**	**R3**	**R3**	**R3**	**R3**	**R4**	**R4**	**R5**	**R5**	**R5**	**R5**
Assumed Height District	1	1	1	1VL	1VL	1	1	2	2	4	4
Base Zone Maximum Height (ft)	45	45	45	50	45	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Base Zone Maximum FAR	3.0	3.0	3.0	3.0	3.0	3.0	3.0	6.0	6.0	13.0	13.0
Base Zone Minimum Lot Area/Unit (SF)	1,500	800	800	800	800	400	400	200	200	200	200
Base Zone Max Density (DUAC)	29.0	54.5	54.5	54.5	54.5	108.9	108.9	217.8	217.8	217.8	217.8
Site Area											
Land Area (SF)	15,000	7,500	7,500	15,000	15,000	22,500	22,500	30,000	30,000	44,000	44,000
Residential - Gross Building Area (SF)	15,480	11,880	11,880	21,420	21,420	50,000	14,500	68,533	68,533	131,429	131,429
Unit Count and Mix	**9**	**9**	**9**	**18**	**18**	**50**	**50**	**135**	**135**	**219**	**219**
Typical Unit Mix (Lower Density)											
Avg. Unit Size (Lower Density)	**1,720**	**1,320**	**1,320**	**1,190**	**1,190**	**1,000**	**1,000**	**700**	**700**	**850**	**850**
0BR	0%	0%	0%	0%	0%	0%	0%	30%	30%	25%	25%
1BR	0%	0%	0%	0%	0%	40%	40%	50%	50%	50%	50%
2BR	40%	70%	70%	70%	70%	40%	40%	20%	20%	25%	25%
3BR	60%	30%	30%	30%	30%	20%	20%	0%	0%	0%	0%
4BR	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Denser Unit Mix Alternative											
Avg. Unit Size	**NA**	**880**	**880**	**900**	**900**	**800**	**800**	**NA**	**NA**	**NA**	**NA**
0BR		20%	20%	0%	0%	20%	20%				
1BR		40%	40%	50%	50%	50%	50%				
2BR		40%	40%	50%	50%	30%	30%				
3BR		0%	0%	0%	0%	0%	0%				
4BR		0%	0%	0%	0%	0%	0%				
Parking											
Residential Parking Ratio (spaces/BR)	2 Per Unit	0.60	0.60	0.60	0.60	0.90	0.90	0.90	0.90	0.90	0.90
Total Parking Spaces	18	12	12	25	25	81	81	145	145	246	246
Surface/Tuck Under	18	0	0	0	0	0	0	0	0	0	0
Ground level parking (L1)	0	0	0	0	0	33	33	45	45	74	74
Above-ground podium (L2, L3, L4)	0	0	0	0	0	0	0	60	60	172	172
Subterranean parking (levels)	0	12	12	25	25	48	48	40	40	0	0

Source: AECOM

4.4 Results

4.4.1 Base Case Scenarios

The base case scenarios represent residential prototypes allowed under an assumed range of base zoning conditions. These scenarios test prototypes that maximize by-right unit potential under base zoning, with 100% market-rate units and no density bonus or incentives. Base case residual land values provide a basis of comparison for the incentive program scenarios to follow.

The table below shows estimated residual land values (RLV) for each base case prototype, the assumed market land value threshold for each Market Tier, and a determination of "feasibility" (F), i.e., whether the base case generates RLV that is equal to or greater than the market threshold.

As shown, all prototypes generate negative RLV in Market Tier 1 and all are not feasible. In Market Tier 2, RLVs are mostly positive, and some typologies meet the market value threshold (shown in the "Market Land Value/Sq.Ft." rows in the table) for feasibility. In Market Tiers 3 and 4, most typologies meet the market land value thresholds and are feasible. These findings are broadly consistent with observed market activity, which indicates that under today's market conditions, most development projects are only feasible in stronger markets (or with projects that command rents and sale prices typical of stronger markets). CY4-R is the only prototype not feasible in Market Tier 4; however, its RLV ($224/sq. ft.) is just below the market threshold ($230/sq. ft.).

Table 21. DBO Base Case Residual Land Value Estimates

DBO Base Case: Estimated Residual Land Value											
Prototype (Sale and Rent)	TH-S	CY3-R	CY3-S	CY4-R	CY4-S	P5-R	P5-S	P7-R	P7-S	TW-R	TW-S
Density Cohort	Low Med.	Medium	Medium	Medium	Medium	High Med.	High Med.	High	High	High	High
Market Tier 1											
RLV/Land Sq.Ft.	($11)	($295)	($42)	($269)	($20)	($400)	($86)	($542)	($254)	($642)	($415)
Market Land Value/Sq. Ft.	$140										
Feasibility (RLV > Market)											
Market Tier 2											
RLV/Land Sq.Ft.	$61	$84	$108	$84	$118	$94	$185	$187	$186	$100	($5)
Market Land Value/Sq. Ft.	$145										
Feasibility (RLV > Market)							F	F	F		
Market Tier 3											
RLV/Land Sq.Ft.	$183	$163	$287	$155	$279	$212	$512	$366	$590	$326	$474
Market Land Value/Sq. Ft.	$175										
Feasibility (RLV > Market)	F		F		F	F	F	F	F	F	F
Market Tier 4											
RLV/Land Sq.Ft.	$450	$238	$576	$224	$551	$313	$937	$628	$1,190	$1,217	$1,232
Market Land Value/Sq. Ft.	$230										
Feasibility (RLV > Market)	F	F	F		F	F	F	F	F	F	F

Note: "P" indicates preferable scenarios, "F" indicates feasible scenarios, and blank indicates infeasible scenarios.
All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

4.4.2 Density Bonus Scenarios

The incentive scenarios described in Section 4.3. were applied to each of the base case prototypes, each resulting in a higher density prototype based on the stepping up mechanism described in Section 3.1.2.[27] The tables below show the results from this testing using

[27] For the DBO program, the calculation of the set-aside requirement is based on maximum permissible by-right units—i.e., total potential units before application of a density bonus. For example, for a project in a zone allowing

measures of residual land value, feasibility, and preferability. The RLV of each density bonus prototype is evaluated against the market cost of land for feasibility and against the base case prototype RLV for preferability.

DBO Scenario Feasibility: For-Rent Prototypes

The updated DBO demonstrated broad feasibility across the prototypes tested in higher market tiers (Market Tier 3 and 4), where achievable rents and sales prices are generally higher than in lower market tier neighborhoods. Market Tier 1 produced negative residual land values in all of the scenarios tested (Table 22).

In Market Tier 2 (Table 23), several incentive scenarios in the Medium density cohort (base densities 30-55 DUAC) produced financial returns that are preferable to the base case.

In Market Tier 3, nearly all residual land values are positive, resulting in at least one feasible pathway in every density cohort Feasibility in Market Tier 3 extends to include typologies in the High Medium (base density up to 109 DUAC) and High (base density greater than 109 DUAC) density cohorts. Many of the scenarios in the Medium density cohort are preferable when comparing their RLVs to the base case.

In Market Tier 4, residual land values are all positive, resulting in feasible scenarios in 19 (76%) of single-affordability scenarios tested and 37 (74%) of multi-affordability scenarios tested. In addition to covering a broader range of feasible scenarios, Market Tier 4 results differ from Market Tier 3 mainly by also yielding feasibility of the TW (tower) typology in the High density cohort. Most of the scenarios are preferable as well as feasible.[28]

100 units seeking a 50-unit 50% density bonus and setting aside 10% as affordable, the set-aside requirement is 10 units (10% of 100) and not 15 units (10% of 150). This is the approach used by the current adopted DBO and the State Density Bonus Law.

[28] Note that between the podium prototypes, P5 generates lower residual land values compared to P7 in most scenarios. This is largely because the P7 prototype includes two stories of podium parking, while P5 includes one story of podium parking with the remaining parking spaces underground (and underground parking is more expensive than podium parking).

Table 22. DBO For-Rent Scenarios Market Tier 1 Residual Land Value and Feasibility

Market Tier 1											
Scenario		**DBO Residual Land Value**					**DBO Feasibility**				
Base Case Typology		CY3-R	CY4-R	P5-R	P7-R	TW-R	CY3-R	CY4-R	P5-R	P7-R	TW-R
Market Land Value/Sq.ft.				$140							
Single Affordability Tier (Applies SDBL, AB 1287, VCO)		Medium	Medium	High Med.	High	High	Medium	Medium	High Med.	High	High
Base	*No DB / No Set-Aside*	*($295)*	*($269)*	*($400)*	*($542)*	*($642)*					
Scenario 1-R	50.0% DB / 15.0% VLI Set-Aside	($218)	($287)	($682)	($1,069)	($1,149)					
Scenario 2-R	70.0% DB / 20.0% VLI Set-Aside	($236)	($321)	($682)	($1,248)	($1,288)					
Scenario 3-R	88.75% DB / 25.0% VLI Set-Aside	($282)	($349)	($715)	($1,426)	($1,480)					
Scenario 4-R	35.0% DB / 20.0% LI Set-Aside	($235)	($444)	($537)	($1,001)	($1,102)					
Scenario 5-R	50.0% DB / 24.0% LI Set-Aside	($223)	($306)	($722)	($1,120)	($1,235)					
Multiple Affordability Tiers (Applies AB 1287)											
Scenario 6-R	70.0% DB / 5.0% VLI / 24.0% LI Set-Aside	($253)	($352)	($756)	($1,301)	($1,440)					
Scenario 7-R	85.0% DB / 9.0% VLI / 24.0% LI Set-Aside	($288)	($388)	($788)	($1,442)	($1,605)					
Scenario 8-R	70.0% DB / 15.0% VLI / 5.0% MI Set-Aside	($235)	($320)	($689)	($1,220)	($1,307)					
Scenario 9-R	80.0% DB / 15.0% VLI / 9.0% MI Set-Aside	($270)	($326)	($701)	($1,301)	($1,397)					
Scenario 10-R	88.75% DB / 15.0% VLI / 12.0% MI Set-Aside	($274)	($342)	($701)	($1,371)	($1,471)					
Scenario 11-R	100.0% DB / 15.0% VLI / 15.0% MI Set-Aside	($242)	($485)	($707)	($1,454)	($1,551)					
Scenario 12-R	70.0% DB / 24.0% LI / 5.0% MI Set-Aside	($240)	($339)	($729)	($1,271)	($1,393)					
Scenario 13-R	80.0% DB / 24.0% LI / 9.0% MI Set-Aside	($275)	($345)	($742)	($1,352)	($1,483)					
Scenario 14-R	88.75% DB / 24.0% LI / 12.0% MI Set-Aside	($279)	($361)	($741)	($1,422)	($1,557)					
Scenario 15-R	100.0% DB / 24.0% LI / 15.0% MI Set-Aside	($246)	($509)	($747)	($1,505)	($1,637)					

Notes: Feasibility rows are blank because all projects tested were infeasible. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

Table 23. DBO For-Rent Scenarios Market Tier 2 Residual Land Value and Feasibility

Market Tier 2											
Scenario		DBO Residual Land Value					DBO Feasibility				
Base Case Typology		CY3-R	CY4-R	P5-R	P7-R	TW-R	CY3-R	CY4-R	P5-R	P7-R	TW-R
Market Land Value/Sq.ft.				$145							
Single Affordability Tier (Applies SDBL, AB 1287, VCO)		Medium	Medium	High Med.	High	High	Medium	Medium	High Med.	High	High
Base	*No DB / No Set-Aside*	*$84*	*$84*	*$94*	*$187*	*$100*				F	
Scenario 1-R	50.0% DB / 15.0% VLI Set-Aside	$100	$127	$13	($20)	($138)					
Scenario 2-R	70.0% DB / 20.0% VLI Set-Aside	$130	$144	($4)	($70)	($146)					
Scenario 3-R	88.75% DB / 25.0% VLI Set-Aside	$130	$149	($58)	($127)	($227)		P			
Scenario 4-R	35.0% DB / 20.0% LI Set-Aside	$95	($17)	($101)	($80)	($235)					
Scenario 5-R	50.0% DB / 24.0% LI Set-Aside	$83	$77	($69)	($108)	($285)					
Multiple Affordability Tiers (Applies AB 1287)											
Scenario 6-R	70.0% DB / 5.0% VLI / 24.0% LI Set-Aside	$89	$84	($126)	($160)	($375)					
Scenario 7-R	85.0% DB / 9.0% VLI / 24.0% LI Set-Aside	$114	$62	($182)	($206)	($456)					
Scenario 8-R	70.0% DB / 15.0% VLI / 5.0% MI Set-Aside	$120	$148	($16)	($41)	($177)		P			
Scenario 9-R	80.0% DB / 15.0% VLI / 9.0% MI Set-Aside	$144	$137	($50)	($62)	($219)					
Scenario 10-R	88.75% DB / 15.0% VLI / 12.0% MI Set-Aside	$121	$142	($53)	($76)	($244)					
Scenario 11-R	100.0% DB / 15.0% VLI / 15.0% MI Set-Aside	($1)	$31	($75)	($84)	($259)					
Scenario 12-R	70.0% DB / 24.0% LI / 5.0% MI Set-Aside	$103	$98	($98)	($128)	($324)					
Scenario 13-R	80.0% DB / 24.0% LI / 9.0% MI Set-Aside	$127	$87	($132)	($150)	($366)					
Scenario 14-R	88.75% DB / 24.0% LI / 12.0% MI Set-Aside	$104	$92	($135)	($163)	($391)					
Scenario 15-R	100.0% DB / 24.0% LI / 15.0% MI Set-Aside	($12)	($16)	($157)	($171)	($406)					

Note: "P" indicates preferable scenarios, "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

Table 24. DBO For-Rent Scenarios Market Tier 3 Residual Land Value and Feasibility

Market Tier 3											
Scenario		**DBO Residual Land Value**					**DBO Feasibility**				
Base Case Typology		CY3-R	CY4-R	P5-R	P7-R	TW-R	CY3-R	CY4-R	P5-R	P7-R	TW-R
Market Land Value/Sq.ft.				$175							
Single Affordability Tier (Applies SDBL, AB 1287, VCO)		Medium	Medium	High Med.	High	High	Medium	Medium	High Med.	High	High
Base	*No DB / No Set-Aside*	*$163*	*$155*	*$212*	*$366*	*$326*			F	F	F
Scenario 1-R	50.0% DB / 15.0% VLI Set-Aside	$161	$204	$178	$299	$169		P	F	F	
Scenario 2-R	70.0% DB / 20.0% VLI Set-Aside	$200	$234	$162	$288	$213	P	P		F	F
Scenario 3-R	88.75% DB / 25.0% VLI Set-Aside	$207	$245	$104	$268	$167	P	P		F	
Scenario 4-R	35.0% DB / 20.0% LI Set-Aside	$170	$66	$2	$199	$27				F	
Scenario 5-R	50.0% DB / 24.0% LI Set-Aside	$142	$148	$85	$200	$3				F	
Multiple Affordability Tiers (Applies AB 1287)											
Scenario 6-R	70.0% DB / 5.0% VLI / 24.0% LI Set-Aside	$155	$165	$22	$186	($52)				F	
Scenario 7-R	85.0% DB / 9.0% VLI / 24.0% LI Set-Aside	$188	$145	($39)	$170	($108)	P				
Scenario 8-R	70.0% DB / 15.0% VLI / 5.0% MI Set-Aside	$187	$235	$144	$318	$165	P	P		F	
Scenario 9-R	80.0% DB / 15.0% VLI / 9.0% MI Set-Aside	$221	$222	$104	$314	$138	P	P		F	
Scenario 10-R	88.75% DB / 15.0% VLI / 12.0% MI Set-Aside	$194	$232	$101	$317	$128	P	P		F	
Scenario 11-R	100.0% DB / 15.0% VLI / 15.0% MI Set-Aside	$56	$154	$75	$330	$132				F	
Scenario 12-R	70.0% DB / 24.0% LI / 5.0% MI Set-Aside	$169	$179	$51	$219	($1)		P		F	
Scenario 13-R	80.0% DB / 24.0% LI / 9.0% MI Set-Aside	$202	$167	$11	$215	($29)	P			F	
Scenario 14-R	88.75% DB / 24.0% LI / 12.0% MI Set-Aside	$176	$176	$8	$218	($39)	P	P		F	
Scenario 15-R	100.0% DB / 24.0% LI / 15.0% MI Set-Aside	$43	$101	($18)	$231	($35)				F	

Note: "P" indicates preferable scenarios, "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

Table 25. DBO For-Rent Scenarios Market Tier 4 Residual Land Value and Feasibility

Market Tier 4											
Scenario		**DBO Residual Land Value**					**DBO Feasibility**				
Base Case Typology		CY3-R	CY4-R	P5-R	P7-R	TW-R	CY3-R	CY4-R	P5-R	P7-R	TW-R
Market Land Value/Sq.ft.				$230							
Single Affordability Tier (Applies SDBL, AB 1287, VCO)		Medium	Medium	High Med.	High	High	Medium	Medium	High Med.	High	High
Base	*No DB / No Set-Aside*	*$238*	*$224*	*$313*	*$628*	*$1,217*	F				F
Scenario 1-R	50.0% DB / 15.0% VLI Set-Aside	$216	$274	$320	$1,557	$1,380		P	P	P	P
Scenario 2-R	70.0% DB / 20.0% VLI Set-Aside	$263	$326	$325	$1,701	$1,611	P	P	P	P	P
Scenario 3-R	88.75% DB / 25.0% VLI Set-Aside	$276	$344	$261	$1,825	$1,701	P	P	F	P	P
Scenario 4-R	35.0% DB / 20.0% LI Set-Aside	$230	$147	$91	$1,302	$1,060	F			P	F
Scenario 5-R	50.0% DB / 24.0% LI Set-Aside	$195	$213	$218	$1,411	$1,134				P	F
Multiple Affordability Tiers (Applies AB 1287)											
Scenario 6-R	70.0% DB / 5.0% VLI / 24.0% LI Set-Aside	$214	$239	$151	$1,551	$1,217		P		P	F
Scenario 7-R	85.0% DB / 9.0% VLI / 24.0% LI Set-Aside	$256	$221	$84	$1,648	$1,259	P			P	P
Scenario 8-R	70.0% DB / 15.0% VLI / 5.0% MI Set-Aside	$249	$314	$282	$1,730	$1,515	P	P	F	P	P
Scenario 9-R	80.0% DB / 15.0% VLI / 9.0% MI Set-Aside	$290	$300	$237	$1,796	$1,542	P	P	F	P	P
Scenario 10-R	88.75% DB / 15.0% VLI / 12.0% MI Set-Aside	$261	$313	$233	$1,865	$1,588	P	P	F	P	P
Scenario 11-R	100.0% DB / 15.0% VLI / 15.0% MI Set-Aside	$105	$259	$204	$1,961	$1,668		P		P	P
Scenario 12-R	70.0% DB / 24.0% LI / 5.0% MI Set-Aside	$228	$253	$180	$1,584	$1,269		P		P	P
Scenario 13-R	80.0% DB / 24.0% LI / 9.0% MI Set-Aside	$270	$239	$135	$1,650	$1,296	P	P		P	P
Scenario 14-R	88.75% DB / 24.0% LI / 12.0% MI Set-Aside	$240	$252	$131	$1,719	$1,342	P	P		P	P
Scenario 15-R	100.0% DB / 24.0% LI / 15.0% MI Set-Aside	$91	$201	$102	$1,814	$1,423				P	P

Note: "P" indicates preferable scenarios, "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

DBO Scenario Feasibility: For-Sale Prototypes

Feasibility results for the four for-sale prototypes tested are shown for each market tier in Table 26. Residual land values steadily increased with each market tier, starting with Market Tier 1 which produced nearly all negative RLVs, to Market Tier 4 which produced feasible results in every scenario for all but one prototype. However, incentive program scenario preferability is limited, because in most scenarios, the incentive scenarios generate RLVs that fall below the base case RLVs.

For example, in Market Tier 4, where $230/square foot is the typical market land value, the CY3 base case produces a RLV of $576 per land square foot – making the base case feasible. However, all four incentive scenarios return RLVs around $400, which is significantly higher than the market cost of land, but falls short of the $576 threshold. A developer looking for the highest rate of return would in theory elect to develop the base case (100% market-rate) scenario rather than a larger project incorporating affordable set-asides and density bonuses.

Table 26. DBO For-Sale Scenarios Residual Land Value and Feasibility by Market Tier

Scenario		Residual Land Value/Sq.Ft.						Feasibility					
	Base Case Prototype	TH-S	CY3-S	CY4-S	P5-S	P7-S	TW-S	TH-S	CY3-S	CY4-S	P5-S	P7-S	TW-S
	Density Cohort	Medium	Medium	Medium	High Med.	High	High	Medium	Medium	Medium	High Med.	High	High
Market Tier 1													
Land Cost		$140											
Base Scenario	*No DB / No Set-Aside*	*($11)*	*($42)*	*($20)*	*($86)*	*($254)*	*($415)*						
Scenario 1-S	50.0% DB / 44.0% MI Set-Aside	($205)	($0)	($26)	($300)	($748)	($838)						
Scenario 2-S	72.5% DB / 50.0% MI Set-Aside	($244)	$8	($21)	($331)	($875)	($980)						
Scenario 3-S	100% DB / 24% LI / 15% MI Set-Aside	($304)	($90)	($182)	($340)	($1,054)	($1,188)						
Scenario 4-S	100% DB / 15% VLI / 15% MI Set-Aside	($266)	($89)	($153)	($299)	($1,030)	($1,145)						
Market Tier 2													
Land Cost		$145											
Base Scenario	*No DB / No Set-Aside*	*$61*	*$108*	*$118*	*$185*	*$186*	*($5)*				F	F	
Scenario 1-S	50.0% DB / 44.0% MI Set-Aside	($156)	$104	$91	$3	($245)	($403)						
Scenario 2-S	72.5% DB / 50.0% MI Set-Aside	($194)	$125	$114	($45)	($293)	($476)						
Scenario 3-S	100% DB / 24% LI / 15% MI Set-Aside	($238)	$37	$84	($25)	($324)	($524)						
Scenario 4-S	100% DB / 15% VLI / 15% MI Set-Aside	($184)	$42	$126	$39	($278)	($443)						
Market Tier 3													
Land Cost		$175											
Base Scenario	*No DB / No Set-Aside*	*$183*	*$287*	*$279*	*$512*	*$590*	*$474*	F	F	F	F	F	F
Scenario 1-S	50.0% DB / 44.0% MI Set-Aside	($98)	$236	$237	$363	$343	$104		F	F	F	F	
Scenario 2-S	72.5% DB / 50.0% MI Set-Aside	($137)	$273	$284	$293	$387	$112		F	P	F	F	
Scenario 3-S	100% DB / 24% LI / 15% MI Set-Aside	($163)	$189	$407	$356	$519	$250		F	P	F	F	F
Scenario 4-S	100% DB / 15% VLI / 15% MI Set-Aside	($89)	$199	$467	$452	$592	$374		F	P	F	P	F
Market Tier 4													
Land Cost		$230											
Base Scenario	*No DB / No Set-Aside*	*$450*	*$576*	*$551*	*$937*	*$1,190*	*$1,232*	F	F	F	F	F	F
Scenario 1-S	50.0% DB / 44.0% MI Set-Aside	$1	$415	$437	$833	$1,274	$908		F	F	F	P	F
Scenario 2-S	72.5% DB / 50.0% MI Set-Aside	($38)	$474	$516	$737	$1,464	$1,044		F	F	F	P	F
Scenario 3-S	100% DB / 24% LI / 15% MI Set-Aside	($20)	$388	$826	$850	$1,856	$1,476		F	P	F	P	P
Scenario 4-S	100% DB / 15% VLI / 15% MI Set-Aside	$82	$403	$907	$986	$1,970	$1,670		F	P	P	P	P

Note: "P" indicates preferable scenarios, "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

4.5 Summary and Implications

This analysis of the proposed updated DBO Incentive Program suggests the program creates sufficient incentives to generate broad potential feasibility—with some key considerations.

- **Feasibility is limited in Market Tiers 1 and 2.** The DBO program does not create financially feasible outcomes in Market Tier 1. Base case (100% market-rate) scenarios are also infeasible in Market Tier 1 under current market conditions. Some for-rent projects are feasible–and preferable to the base case–in Market Tier 2, but only for sites with CY4, which is a medium density prototype that has lower construction costs relative to higher density prototypes.
- **In Market Tiers 3 and 4, most density cohorts meet the market land value thresholds of feasibility, and many for-rent incentive program scenarios are preferable to the base case – consistent with recent development trends**. These findings are broadly consistent with observed market activity, which indicates that under current market conditions, development projects are generally only feasible in stronger markets (or with projects that command rents and sale prices typical of stronger markets). Higher density levels are also more valuable in stronger markets, where the value created by the additional units can more easily exceed the cost of setting aside additional affordable units.
- **Developers that take advantage of the DBO program in stronger markets are likely to choose set-aside pathways that provide VLI units.** VLI units generate less revenue *per unit* than LI. However, in Market Tier 4, the per unit effect on RLV is outweighed by the fact that projects that provide VLI units are required to provide fewer affordable units, compared to projects that provide LI units.[29]
- **There is no clear pattern in how single- versus mixed-affordability pathway projects compare in terms of feasibility or preferability.** The relative RLVs generated by single-tier versus mixed-affordability pathway projects vary by prototype, Market Tier, and the exact combination of income levels and percentages selected, with no single pattern emerging from this analysis. The City is likely to see development projects selecting a variety of strategies, based on site-specific characteristics that will determine for individual projects the tradeoff between the value of increased density, and the cost of providing different affordable set asides.
- **One for-sale scenario (100% density bonus with a 15% VLI/15% MI set aside) was preferable to the base case across multiple prototypes in Market Tier 4.** In most for-sale scenarios, the added density does not provide sufficient value to outweigh the additional costs associated with providing additional affordable set-aside units. However, in Market Tier 4, Scenario 4-S – which included a 100% density bonus and 15% VLI/15% MI set aside – was preferable to the base case across multiple prototypes.
- **Most DBO scenarios tested were limited by density, rather than the other potential limiting parameters built into the model, such as FAR and height**. In other words, most DBO scenarios tested had sufficient FAR available to allow higher density prototypes, so the associated density bonuses tended to be the key factor in determining the ultimate form of the bonus prototype. Exploratory testing found that since DBO scenarios were mostly limited by density rather than FAR, counting above-grade parking towards FAR had minimal impacts on the feasibility of tested scenarios. Note that this finding reflects the specific FAR

[29] In Market Tier 1, LI unit pathways generate higher residual land values compared to VLI pathways because there is a smaller gap between market-rate and LI units.

and height limits tested and could change depending on the FAR and height limits in the final ordinance.

5. Transit Oriented Incentive Areas (TOIA)

5.1 Overview

The Transit Oriented Incentive Area program (TOIA) provides density bonus incentives in exchange for affordable housing set-asides in mixed-income residential projects near transit nodes. Both the set-aside requirements and available bonuses increase by TOIA Tiers, where TOIA Tier 1 (T-1) represents the furthest distance from a Major Transit Stop and Tier 4 (T-4) the shortest distance from a Major Transit Stop. The program was previously known as the Transit Oriented Communities (TOC) program. It was initially created after voters passed Measure JJJ in 2016 and became effective in September 2017.

The City is proposing to integrate this program as a local implementation of Density Bonus law, and the TOIA program aims to increase available density bonuses beyond current standards, building off recent changes to state law (AB 1287) which expanded density bonuses in the state density bonus program to up to 100 percent. The proposed TOIA also includes expanding procedures for applicants to request off-menu incentives, which is an option that is not available through the existing TOC program. In addition, the City is contemplating increasing set-aside requirements in higher market tiers.

5.2 TOIA Incentive Program

The proposed TOIA schedule will allow for 100% density bonuses in Tier 1, 120% in Tier 2, and unlimited density bonuses in Tiers 3 and 4.[30] The City is considering a variety of potential set-aside schedules, which could be applied as either:

- A single-tier program structure with set-aside requirements that apply consistently across the City; or
- A multi-tier program structure with different set-aside requirements applied in each Market Tier.

Table 28 shows a potential structure for a single-tier program. For example, under this structure, a program could provide 8% ELI units, 11% VLI units, or 20% Li units to achieve a 100% density bonus in Tier 1. Table 29 shows a potential structure for a multi-tier program. Note that these programs are still under development and the final set-aside schedule may differ from those shown here.

Note that TOIA program calculates affordability set-aside requirements based on the total number of units per project. This is a shift from DBO which calculates set-aside requirements as a percentage of units allowed under density limits tied to a site's base zoning condition.

[30] Previously, the TOC program allowed for a 50% density bonus in Tier 1, 60% in Tier 2, 70% in Tier 3, and 80% in Tier 4.

Table 27. Proposed TOIA Density Bonuses and Potential Set-Aside Requirements: Single-Tier Program Structure

Proposed TOIA					
Potential Set Aside Schedules	TOIA Tier	Density Bonus	Affordability		
			ELI	VLI	LI
Single-Tier Program Structure	1	100%	8%	11%	20%
	2	120%	9%	12%	21%
	3	unlimited	10%	14%	23%
	4	unlimited	11%	15%	25%

Source: City of Los Angeles, AECOM

Table 28. Proposed TOIA Density Bonuses and Potential Set-Aside Requirements: Multi-Tier Program Structure

Proposed TOIA					
Potential Set Aside Schedules	TOIA Tier	Density Bonus	Affordability		
			ELI	VLI	LI
Market Tier 1	1	100%	9.0%	12.5%	21.0%
	2	120%	10.0%	13.0%	22.0%
	3	unlimited	11.0%	14.0%	23.0%
	4	unlimited	12.0%	15.0%	25.0%
Market Tier 2	1	100%	10.0%	13.0%	21.0%
	2	120%	11.0%	14.0%	22.0%
	3	unlimited	12.0%	15.0%	24.0%
	4	unlimited	13.0%	16.0%	26.0%
Market Tier 3	1	100%	11.0%	14.0%	22.0%
	2	120%	12.0%	15.0%	23.0%
	3	unlimited	13.0%	16.0%	25.0%
	4	unlimited	14.0%	17.0%	27.0%
Market Tier 4	1	100%	12.0%	15.0%	23.0%
	2	120%	13.0%	16.0%	24.0%
	3	unlimited	14.0%	17.0%	25.0%
	4	unlimited	16.0%	19.0%	29.0%

Source: City of Los Angeles, AECOM

In addition to density incentives, the proposed program increases parking and FAR incentives. As shown in Table 29, the Proposed TOIA Schedule adds an additional 0.25 FAR bonus for each TOIA Tier and eliminates the parking minimum, consistent with Assembly Bill 2097 (AB 2097).

Table 29. FAR, Height, and Parking Requirements: Proposed TOIA Programs

Proposed TOIA Incentive Structure				
TOC Tier	Parking	FAR Maximum of:		Add'l Height (above Base)
TOIA 1	No Minimum	3.00 FAR	40% over base	1 story/11 feet
TOIA 2	No Minimum	3.50 FAR	45% over base	1 story/11 feet
TOIA 3	No Minimum	4.00 FAR	50% over base	2 stories/22 feet
TOIA 4	No Minimum	4.50 FAR	55% over base	3 stories/33 feet

Source: City of Los Angeles, AECOM

5.3 TOIA Scenarios Tested

AECOM explored the development feasibility of four potential set-aside schedules, shown in Table 30.[31] The density bonus incentives remain the same across all of the schedules tested, but the affordability set-aside is increased incrementally with each scenario.

Each incentive program scenario indicated by the schedule in Table 30 is tested for feasibility with height and FAR parameters governed by TOIA standards shown in Table 29.

Table 30. TOIA Incentives and Set-asides Tested

TOIA Incentives Tested					
Potential Set Aside Schedules	TOIA Tier	Density Bonus	Affordability		
			ELI	VLI	LI
Schedule A	1	100%	8%	11%	20%
	2	120%	9%	12%	21%
	3	Unlimited	10%	14%	23%
	4	Unlimited	11%	15%	25%
Schedule B	1	100%	9%	12%	21%
	2	120%	10%	13%	22%
	3	Unlimited	11%	15%	24%
	4	Unlimited	12%	16%	26%
Schedule C	1	100%	10%	13%	22%
	2	120%	11%	14%	23%
	3	Unlimited	12%	16%	25%
	4	Unlimited	13%	17%	27%
Schedule D	1	100%	11%	14%	23%
	2	120%	12%	15%	24%
	3	Unlimited	13%	17%	26%
	4	Unlimited	14%	18%	28%

Source: City of Los Angeles, AECOM

[31] Note that Schedule A aligns with the set asides of the proposed single-tier program structure shown in Table 27. Schedules B, C, and D respectively align with the set-asides of the proposed multi-tier program structure for Market Tiers 1, 2, and 3 shown in Table 28.

5.3.1 Sites and Prototypes Tested

Table 31 shows the sites and prototypes that were tested. The prototypes were selected with City staff to represent a range of density cohorts likely to be developed in transit-oriented areas (i.e., excluding some of the lower-density prototypes tested for DBO), and include a set of 5 distinct typologies, of which 3 are tested assuming a residential base zone and 4 assuming a commercial base zone. Only rental prototypes are tested.

Where an unlimited density bonus is available, AECOM assumed densities increase until either the maximum FAR was reached, or until a 28-story tower was reached (i.e., the maximum density project for which a prototype is available within the framework for this analysis).

Table 31. TOIA Test Site and Prototype Assumptions

TOIA Site and Prototype Assumptions								
	TOIA Residential Zones				TOIA Commercial Zones			
Base Housing Typology	**4D**	**CY3**	**CY4**	**P5**	**CY4**	**P5**	**P7**	**TW**
Description	2-Duplex buildings	3-story Courtyard-style	4-story Courtyard-style	5/6-Story Podium	4-story Courtyard-style	5/6-Story Podium	7/8-Story Podium	Tower
Use Program	Residential	Residential	Residential	Residential	Residential	Residential	Mixed-Use	Mixed-Use
Parking Strategy	Surface & tuck-under	Under-ground	Under-ground	1-level podium	Under-ground	1-level podium	2-level podium	4-level podium
Associated Density Cohort	**Low-Medium**	**Medium**	**Medium**	**High-Medium**	**Medium**	**High-Medium**	**High-Medium**	**High-Medium**
Zone Class of Base Zone	**RD1.5**	**R3**	**R3**	**R4**	**C1, CM**	**C2, C4, C5**	**C2, C4, C5**	**C2, C4, C5**
Assumed Height District	1	1	1VL	1	1VL	1	2	4
Base Zone Maximum Height (ft)	45	45	50	Unlimited	45	Unlimited	Unlimited	Unlimited
Base Zone Maximum # of Stories	Unlimited	Unlimited	Unlimited	Unlimited	3	Unlimited	Unlimited	Unlimited
Base Zone Maximum FAR	3.0	3.0	3.0	3.0	1.5	1.5	6.0	13.0
Base Zone Minimum Lot Area/Unit (SF)	1,500	800	800	400	400	400	400	400
Base Zone Max Density (DUAC)	29.0	54.5	54.5	108.9	108.90	108.9	108.9	108.9
Site Area								
Land Area (SF)	7,500	7,500	15,000	22,500	15,000	22,500	30,000	44,000
Residential - Gross Building Area (SF)	5,000	11,880	21,420	50,000	4,850	14,500	68,533	131,429
Retail - Gross Building Area (SF)	0	0	0	0	0	0	6,000	9,900
Total Gross Building Area (SF)	5,000	11,880	21,420	50,000	4,850	14,500	74,533	141,329
Unit Count and Mix	**4**	**9**	**18**	**50**	**15**	**25**	**74**	**109**
Typical Unit Mix (Lower Density)								
Avg. Unit Size (Lower Density)	**1,250**	**1,320**	**1,190**	**1,000**	**1,190**	**1,000**	**700**	**850**
0BR	0%	0%	0%	0%	0%	0%	30%	25%
1BR	0%	0%	0%	40%	0%	40%	50%	50%
2BR	20%	70%	70%	40%	70%	40%	20%	25%
3BR	40%	30%	30%	20%	30%	20%	0%	0%
4BR	40%	0%	0%	0%	0%	0%	0%	0%
Denser Unit Mix Alternative								
Avg. Unit Size	**NA**	**880**	**900**	**800**	**900**	**800**	**NA**	**NA**
0BR		20%	0%	20%	0%	20%		
1BR		40%	50%	50%	50%	50%		
2BR		40%	50%	30%	50%	30%		
3BR		0%	0%	0%	0%	0%		
4BR		0%	0%	0%	0%	0%		
Parking Strategy								
Residential Parking (spaces/BR)	2 per unit	0.60	0.60	0.90	0.60	0.90	0.90	0.90
Total Parking Spaces	8	12	25	81	20	41	103	162
Surface/Tuck Under	8	0	0	0	0	0	0	0
Ground level parking (L1)	0	0	0	33	0	33	30	49
Above-ground podium (L2, L3, and L4)	0	0	0	0	0	0	60	113
Subterranean parking	0	12	25	48	20	8	13	0

Source: AECOM

5.4 Results

5.4.1 Base Case Feasibility

The base case is a test of each typology with 100% market-rate units and no density bonus. Base case residual land values provide a basis of comparison with the incentive scenarios to follow. Table 32 below shows estimated residual land value (RLV) for each typology, the assumed market land value threshold for each Market Tier (shown in the "Market Land Value/Sq.Ft." row in the table), and a determination of whether the scenario is "feasible," i.e., whether the base case generates RLV that is equal to or greater than the market threshold.

As shown, nearly all typologies generate negative RLV in Market Tier 1. In Market Tier 2, RLVs are more positive but none meet the market value threshold for feasibility. In Market Tier 3, all but the TW-based sites and density cohorts generate positive RLVs, and the High Medium site in the residential zone is feasible with the RLV of $212 exceeding the $175 threshold. Notably, two additional residential sites in the Medium density cohort (CY3 and CY4) generate RLVs that are close to meeting the benchmark threshold.

In Market Tier 4, all base typologies generate positive RLV, two meet the market land value thresholds and are feasible (P5 and TW), and two more are close to meeting the benchmark threshold (CY3 and CY4).

Table 32. TOIA Base Case Prototypes Feasibility

Prototype	4D-R	CY3-R	CY4-R	P5-R	CY4-R	P5-R	P7-R	TW-R
Site Zoning	Residential				Commercial			
Density Cohort	Low Med II	Medium	Medium	Med. High	Medium	Med. High	High	High
Market Tier 1								
RLV/Land Sq.Ft.	$7	($295)	($269)	($400)	($222)	($201)	($456)	($484)
Market Land Value/Sq.Ft.	$140	$140	$140	$140	$115	$115	$115	$115
Feasibility (RLV > Market)								
Market Tier 2								
RLV/Land Sq.Ft.	$62	$84	$84	$94	$72	$46	($55)	($113)
Market Land Value/Sq.Ft.	$145	$145	$145	$145	$170	$170	$170	$170
Feasibility (RLV > Market)								
Market Tier 3								
RLV/Land Sq.Ft.	$173	$163	$155	$212	$131	$104	$43	($1)
Market Land Value/Sq.Ft.	$175	$175	$175	$175	$185	$185	$185	$185
Feasibility (RLV > Market)				F				
Market Tier 4								
RLV/Land Sq.Ft.	$255	$238	$224	$313	$188	$155	$161	$408
Market Land Value/Sq.Ft.	$230	$230	$230	$230	$240	$240	$240	$240
Feasibility (RLV > Market)	F	F		F				F

Note: "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

5.4.2 TOIA Scenario Feasibility

This section summarizes the feasibility results of the TOIA incentive program schedules described in Section 5.3. The tables below show the results using measures of residual land value, feasibility, and preferability, where the RLV of each density bonus prototype is evaluated against the market cost of land for feasibility and against the base case prototype RLV for preferability. Results are presented by Market Tier.

None of the scenarios tested were feasible in Market Tiers 1 and 2 and RLVs are generally negative (Table 33 and Table 34). Increasing the set-aside requirements makes the RLVs more negative (i.e., RLVs are more negative for Schedule B compared to Schedule A, and so on).

Table 35 shows the results for Market Tier 3, organized by residential versus commercial prototype, set aside schedule, TOIA Tier, and affordability level selected to achieve the density bonus. Under Schedule A, several scenarios are feasible (compared to the market and value) and/or preferable (compared to the base case scenario) – representing an improvement over the base case scenario where only the residential-zoned P5-R prototype was feasible. Under Schedules B and C, there are feasible/preferable pathways for only one prototype (CY4-R).

Table 36 shows the results for Market Tier 4. In Market Tier 4, the higher density prototypes are broadly feasible and in many cases preferable, even with increased standards up to Schedule C and D. Some lower and medium density projects are also feasible/preferable. Given current market conditions and the prototypes modeled, Market Tier 4 appears to be the only market tier that can support these higher set-aside schedules.

Table 33. TOIA Scenario Residual Land Value and Feasibility Market Tier 1

TOIA Incentives Tested (Residential) - Market Tier 1			Residual Land Value/Sq.Ft.				Feasibility			
Base Typology			**4D-R**	**CY3-R**	**CY4-R**	**P5-R**	**4D-R**	**CY3-R**	**CY4-R**	**P5-R**
Residential										
Residential			Low Med.	Medium	Medium	Med. High	Low Med II	Medium	Medium	Med. High
Market Land Value/Sq.ft.			$140							
Potential Set Aside Schedules	**TOIA Tier**	**Affordability**								
Base Case Scenario	-	-	$7	($295)	($269)	($400)				
Schedule A	1	8% ELI	($398)	($503)	($503)	($602)				
	2	9% ELI	($398)	($546)	($546)	($623)				
	3	10% ELI	($700)	($637)	($637)	($623)				
	4	11% ELI	($710)	($676)	($676)	($633)				
	1	11% VLI	($388)	($513)	($513)	($609)				
	2	12% VLI	($436)	($553)	($553)	($627)				
	3	14% VLI	($721)	($643)	($643)	($645)				
	4	15% VLI	($729)	($683)	($683)	($652)				
	1	20% LI	($426)	($563)	($563)	($674)				
	2	21% LI	($426)	($618)	($618)	($690)				
	3	23% LI	($789)	($691)	($691)	($712)				
	4	25% LI	($795)	($733)	($733)	($718)				

TOIA Incentives Tested (Commercial) - Market Tier 1			Residual Land Value/Sq.Ft.				Feasibility			
Commercial										
Base Typology			**CY4-R**	**P5-R**	**P7-R**	**TW-R**	**CY4-R**	**P5-R**	**P7-R**	**TW-R**
Density Cohort			Medium	Med. High	High	High	Medium	Med. High	High	High
Market Land Value/Sq.ft.			$115							
Potential Set Aside Schedules	**TOIA Tier**	**Affordability**								
Base Case Scenario	-	-	($222)	($201)	($456)	($484)				
Schedule A	1	8% ELI	($437)	($437)	($859)	($891)				
	2	9% ELI	($532)	($532)	($821)	($978)				
	3	10% ELI	($398)	($623)	($869)	($1,729)				
	4	11% ELI	($641)	($633)	($927)	($1,761)				
	1	11% VLI	($450)	($450)	($868)	($907)				
	2	12% VLI	($539)	($539)	($836)	($989)				
	3	14% VLI	($420)	($645)	($891)	($1,776)				
	4	15% VLI	($651)	($652)	($945)	($1,808)				
	1	20% LI	($496)	($496)	($944)	($1,003)				
	2	21% LI	($588)	($588)	($911)	($1,096)				
	3	23% LI	($468)	($712)	($975)	($1,960)				
	4	25% LI	($702)	($718)	($1,044)	($2,011)				

Note: "P" indicates preferable scenarios, "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

Table 34. TOIA Scenario Residual Land Value and Feasibility Market Tier 2

TOIA Incentives Tested (Residential) - Market Tier 2			Residual Land Value/Sq.Ft.				Feasibility			
Base Typology			**4D-R**	**CY3-R**	**CY4-R**	**P5-R**	**4D-R**	**CY3-R**	**CY4-R**	**P5-R**
			Residential							
Residential			Low Med.	Medium	Medium	Med. High	Low Med II	Medium	Medium	Med. High
Market Land Value/Sq.ft.			$145							
Potential Set Aside Schedules	**TOIA Tier**	**Affordability**								
Base Case Scenario	-	-	$62	$84	$84	$94				
Schedule A	1	8% ELI	($57)	$16	$16	$46				
	2	9% ELI	($57)	$19	$19	$11				
	3	10% ELI	($66)	($147)	($147)	$11				
	4	11% ELI	($80)	($168)	($168)	($3)				
	1	11% VLI	($46)	($9)	($9)	$23				
	2	12% VLI	($136)	($4)	($4)	($9)				
	3	14% VLI	($116)	($169)	($169)	($40)				
	4	15% VLI	($128)	($195)	($195)	($51)				
	1	20% LI	($125)	($106)	($106)	($102)				
	2	21% LI	($125)	($128)	($128)	($131)				
	3	23% LI	($247)	($263)	($263)	($170)				
	4	25% LI	($257)	($295)	($295)	($180)				

TOIA Incentives Tested (Commercial) - Market Tier 2			Residual Land Value/Sq.Ft.				Feasibility			
			Commercial							
Base Typology			**CY4-R**	**P5-R**	**P7-R**	**TW-R**	**CY4-R**	**P5-R**	**P7-R**	**TW-R**
Density Cohort			Medium	Med. High	High	High	Medium	Med. High	High	High
Market Land Value/Sq.ft.			$170							
Potential Set Aside Schedules	**TOIA Tier**	**Affordability**								
Base Case Scenario	-	-	$72	$46	($55)	($113)				
Schedule A	1	8% ELI	$28	$28	($93)	($192)				
	2	9% ELI	$20	$20	($215)	($218)				
	3	10% ELI	$118	$11	($235)	($351)				
	4	11% ELI	($152)	($3)	($267)	($396)				
	1	11% VLI	($1)	($1)	($123)	($229)				
	2	12% VLI	($3)	($3)	($249)	($248)				
	3	14% VLI	$70	($40)	($280)	($450)				
	4	15% VLI	($181)	($51)	($310)	($498)				
	1	20% LI	($90)	($90)	($269)	($385)				
	2	21% LI	($98)	($98)	($375)	($425)				
	3	23% LI	($25)	($170)	($421)	($758)				
	4	25% LI	($283)	($180)	($475)	($838)				

Note: "P" indicates preferable scenarios, "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

Table 35. TOIA Scenario Residual Land Value and Feasibility Market Tier 3

TOIA Incentives Tested (Residential)			Residual Land Value/Sq.Ft.				Feasibility			
Base Typology			4D-R	CY3-R	CY4-R	P5-R	4D-R	CY3-R	CY4-R	P5-R
			Residential							
Residential			Low Med.	Medium	Medium	Med. High	Low Med II	Medium	Medium	Med. High
Market Land Value/Sq.ft.			$175							
Potential Set Aside Schedules	TOIA Tier	Affordability								
Base Case Scenario	-	-	$173	$163	$155	$212				F
Schedule A	1	8% ELI	$18	$145	$145	$207				F
	2	9% ELI	$18	$160	$160	$168				
	3	10% ELI	$92	($22)	($22)	$168				
	4	11% ELI	$77	($39)	($39)	$154				
	1	11% VLI	$29	$115	$115	$180				F
	2	12% VLI	($69)	$133	$133	$145				
	3	14% VLI	$33	($49)	($49)	$110				
	4	15% VLI	$22	($71)	($71)	$98				
	1	20% LI	($59)	$7	$7	$40				
	2	21% LI	($59)	($7)	($7)	$7				
	3	23% LI	($113)	($155)	($155)	($37)				
	4	25% LI	($123)	($184)	($184)	($47)				
Schedule B	1	9% ELI	$18	$131	$131	$168				
	2	10% ELI	$18	$121	$121	$168				
	3	11% ELI	$77	($28)	($28)	$154				
	4	12% ELI	$38	($55)	($55)	$115				
	1	12% VLI	($69)	$115	$115	$145				
	2	13% VLI	($69)	$98	$98	$110				
	3	15% VLI	$22	($63)	($63)	$98				
	4	16% VLI	($13)	($75)	($75)	$63				
	1	21% LI	($59)	$7	$7	$7				
	2	22% LI	($59)	($7)	($7)	($4)				
	3	24% LI	($113)	($164)	($164)	($37)				
	4	26% LI	($157)	($207)	($207)	($80)				
Schedule C	1	10% ELI	$18	$131	$131	$168				
	2	11% ELI	$18	$121	$121	$154				
	3	12% ELI	$38	($51)	($51)	$115				
	4	13% ELI	($0)	($68)	($68)	$76				
	1	13% VLI	($69)	$104	$104	$110				
	2	14% VLI	($69)	$98	$98	$110				
	3	16% VLI	($13)	($83)	($83)	$63				
	4	17% VLI	($13)	($96)	($96)	$63				
	1	22% LI	($59)	($3)	($3)	($4)				
	2	23% LI	($151)	($40)	($40)	($37)				
	3	25% LI	($123)	($178)	($178)	($47)				
	4	27% LI	($157)	($220)	($220)	($80)				
Schedule D	1	11% ELI	$18	$92	$92	$154				
	2	12% ELI	($90)	$107	$107	$115				
	3	13% ELI	($0)	($68)	($68)	$76				
	4	14% ELI	($0)	($84)	($84)	$76				
	1	14% VLI	($69)	$104	$104	$110				
	2	15% VLI	($69)	$63	$63	$98				
	3	17% VLI	($13)	($88)	($88)	$63				
	4	18% VLI	($25)	($110)	($110)	$51				
	1	23% LI	($151)	($36)	($36)	($37)				
	2	24% LI	($151)	($40)	($40)	($37)				
	3	26% LI	($157)	($196)	($196)	($80)				
	4	28% LI	($190)	($238)	($238)	($113)				

TOIA Incentives Tested (Commercial)			Residual Land Value/Sq.Ft.				Feasibility			
			Commercial							
Base Typology			CY4-R	P5-R	P7-R	TW-R	CY4-R	P5-R	P7-R	TW-R
Density Cohort			Medium	Med. High	High	High	Medium	Med. High	High	High
Market Land Value/Sq.ft.			$185							
Potential Set Aside Schedules	TOIA Tier	Affordability								
Base Case Scenario	-	-	$131	$104	$43	($1)				
Schedule A	1	8% ELI	$144	$144	$99	$27				
	2	9% ELI	$157	$157	($25)	$20				
	3	10% ELI	$239	$168	($36)	$83	P			
	4	11% ELI	($28)	$154	($60)	$34				
	1	11% VLI	$110	$110	$62	($16)				
	2	12% VLI	$130	$130	($65)	($16)				
	3	14% VLI	$185	$110	($89)	($34)				
	4	15% VLI	($63)	$98	($111)	($87)				
	1	20% LI	$10	$10	($101)	($194)				
	2	21% LI	$23	$23	($207)	($216)				
	3	23% LI	$78	($37)	($250)	($383)				
	4	25% LI	($178)	($47)	($298)	($472)				
Schedule B	1	9% ELI	$105	$105	$70	($2)				
	2	10% ELI	$118	$118	($53)	($12)				
	3	11% ELI	$207	$154	($64)	$34	P			
	4	12% ELI	($51)	$115	($81)	($32)				
	1	12% VLI	$110	$110	$42	($41)				
	2	13% VLI	$130	$130	($67)	($57)				
	3	15% VLI	$180	$98	($114)	($87)				
	4	16% VLI	($83)	$63	($136)	($130)				
	1	21% LI	$0	$0	($123)	($210)				
	2	22% LI	($10)	($10)	($231)	($247)				
	3	24% LI	$78	($37)	($266)	($432)				
	4	26% LI	($196)	($80)	($322)	($512)				
Schedule C	1	10% ELI	$105	$105	$54	($22)				
	2	11% ELI	$118	$118	($74)	($41)				
	3	12% ELI	$186	$115	($85)	($32)	P			
	4	13% ELI	($68)	$76	($109)	($81)				
	1	13% VLI	$75	$75	$8	($59)				
	2	14% VLI	$95	$95	($93)	($74)				
	3	16% VLI	$151	$63	($132)	($130)				
	4	17% VLI	($88)	$63	($154)	($188)				
	1	22% LI	$0	$0	($136)	($235)				
	2	23% LI	($43)	($43)	($247)	($271)				
	3	25% LI	$51	($47)	($289)	($472)				
	4	27% LI	($200)	($80)	($338)	($566)				
Schedule D	1	11% ELI	$91	$91	$25	($55)				
	2	12% ELI	$104	$104	($102)	($61)				
	3	13% ELI	$154	$76	($114)	($81)				
	4	14% ELI	($80)	$76	($130)	($131)				
	1	14% VLI	$75	$75	$3	($84)				
	2	15% VLI	$60	$60	($110)	($102)				
	3	17% VLI	$151	$63	($157)	($188)				
	4	18% VLI	($108)	$51	($179)	($231)				
	1	23% LI	($33)	($33)	($159)	($259)				
	2	24% LI	($43)	($43)	($271)	($287)				
	3	26% LI	$35	($80)	($306)	($512)				
	4	28% LI	($219)	($113)	($362)	($606)				

Note: "P" indicates preferable scenarios, "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

Table 36. TOIA Scenario Residual Land Value and Feasibility Market Tier 4

TOIA Incentives Tested (Residential)			Residual Land Value/Sq.Ft.				Feasibility			
Base Typology			4D-R	CY3-R	CY4-R	P5-R	4D-R	CY3-R	CY4-R	P5-R
			Residential							
Residential			Low Med.	Medium	Medium	Med. High	Low Med II	Medium	Medium	Med. High
Market Land Value/Sq.ft.			$230							
Potential Set Aside Schedules	TOIA Tier	Affordability								
Base Case Scenario	-	-	$255	$238	$224	$313	F	F		F
Schedule A	1	8% ELI	$98	$270	$270	$363		P	P	P
	2	9% ELI	$98	$296	$296	$320		P	P	P
	3	10% ELI	$244	$138	$138	$320	F			P
	4	11% ELI	$229	$127	$127	$305				F
	1	11% VLI	$109	$236	$236	$331		F	P	P
	2	12% VLI	$2	$265	$265	$293		P	P	F
	3	14% VLI	$178	$105	$105	$255				F
	4	15% VLI	$166	$88	$88	$242				F
	1	20% LI	$13	$116	$116	$177				
	2	21% LI	$13	$110	$110	$140				
	3	23% LI	$16	($17)	($17)	$93				
	4	25% LI	$5	($42)	($42)	$82				
Schedule B	1	9% ELI	$98	$255	$255	$320		P	P	P
	2	10% ELI	$98	$254	$254	$320		P	P	P
	3	11% ELI	$229	$130	$130	$305				F
	4	12% ELI	$187	$109	$109	$263				F
	1	12% VLI	$2	$236	$236	$293		F	P	F
	2	13% VLI	$2	$227	$227	$255				F
	3	15% VLI	$166	$89	$89	$242				F
	4	16% VLI	$128	$82	$82	$204				
	1	21% LI	$13	$116	$116	$140				
	2	22% LI	$13	$110	$110	$129				
	3	24% LI	$16	($28)	($28)	$93				
	4	26% LI	($31)	($68)	($68)	$45				
Schedule C	1	10% ELI	$98	$255	$255	$320		P	P	P
	2	11% ELI	$98	$254	$254	$305		P	P	F
	3	12% ELI	$187	$106	$106	$263				F
	4	13% ELI	$144	$94	$94	$221				
	1	13% VLI	$2	$224	$224	$255				F
	2	14% VLI	$2	$227	$227	$255				F
	3	16% VLI	$128	$67	$67	$204				
	4	17% VLI	$128	$60	$60	$204				
	1	22% LI	$13	$105	$105	$129				
	2	23% LI	($88)	$74	$74	$93				
	3	25% LI	$5	($43)	($43)	$82				
	4	27% LI	($31)	($83)	($83)	$45				
Schedule D	1	11% ELI	$98	$212	$212	$305				F
	2	12% ELI	($19)	$239	$239	$263		P	P	F
	3	13% ELI	$144	$87	$87	$221				
	4	14% ELI	$144	$76	$76	$221				
	1	14% VLI	$2	$224	$224	$255				F
	2	15% VLI	$2	$188	$188	$242				F
	3	17% VLI	$128	$61	$61	$204				
	4	18% VLI	$115	$44	$44	$191				
	1	23% LI	($88)	$69	$69	$93				
	2	24% LI	($88)	$74	$74	$93				
	3	26% LI	($31)	($64)	($64)	$45				
	4	28% LI	($68)	($104)	($104)	$9				

Note: "P" indicates preferable scenarios, "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

TOIA Incentives Tested (Commercial)			Residual Land Value/Sq.Ft.				Feasibility			
			Commercial							
Base Typology			CY4-R	P5-R	P7-R	TW-R	CY4-R	P5-R	P7-R	TW-R
Density Cohort			Medium	Med. High	High	High	Medium	Med. High	High	High
Market Land Value/Sq.ft.			$240							
Potential Set Aside Schedules	TOIA Tier	Affordability								
Base Case Scenario	-	-	$188	$155	$161	$408				F
Schedule A	1	8% ELI	$256	$256	$346	$821	P	P	P	P
	2	9% ELI	$289	$289	$665	$884	P	P	P	P
	3	10% ELI	$381	$320	$685	$1,654	P	P	P	P
	4	11% ELI	$130	$305	$690	$1,589		P	P	P
	1	11% VLI	$218	$218	$301	$753			P	P
	2	12% VLI	$258	$258	$600	$822	P	P	P	P
	3	14% VLI	$320	$255	$601	$1,470	P	P	P	P
	4	15% VLI	$89	$242	$607	$1,398		P	P	P
	1	20% LI	$108	$108	$115	$498				P
	2	21% LI	$140	$140	$394	$535			P	P
	3	23% LI	$198	$93	$369	$964			P	P
	4	25% LI	($43)	$82	$336	$840			P	P
Schedule B	1	9% ELI	$214	$214	$313	$783			P	P
	2	10% ELI	$247	$247	$627	$842	P	P	P	P
	3	11% ELI	$346	$305	$647	$1,589	P	P	P	P
	4	12% ELI	$106	$263	$663	$1,502		P	P	P
	1	12% VLI	$218	$218	$279	$718			P	P
	2	13% VLI	$258	$258	$596	$767	P	P	P	P
	3	15% VLI	$313	$242	$566	$1,398	P	P	P	P
	4	16% VLI	$67	$204	$573	$1,339			P	P
	1	21% LI	$96	$96	$89	$475				P
	2	22% LI	$104	$104	$361	$492			P	P
	3	24% LI	$198	$93	$346	$896			P	P
	4	26% LI	($64)	$45	$303	$785			P	P
Schedule C	1	10% ELI	$214	$214	$295	$756			P	P
	2	11% ELI	$247	$247	$600	$804	P	P	P	P
	3	12% ELI	$323	$263	$620	$1,502	P	P	P	P
	4	13% ELI	$87	$221	$625	$1,437			P	P
	1	13% VLI	$180	$180	$241	$694			P	P
	2	14% VLI	$220	$220	$562	$743			P	P
	3	16% VLI	$281	$204	$542	$1,339	P		P	P
	4	17% VLI	$61	$204	$548	$1,260			P	P
	1	22% LI	$96	$96	$74	$440				P
	2	23% LI	$67	$67	$339	$460			P	P
	3	25% LI	$169	$82	$313	$840			P	P
	4	27% LI	($69)	$45	$280	$710			P	P
Schedule D	1	11% ELI	$198	$198	$263	$714			P	P
	2	12% ELI	$232	$232	$562	$777			P	P
	3	13% ELI	$289	$221	$582	$1,437	P		P	P
	4	14% ELI	$73	$221	$598	$1,372			P	P
	1	14% VLI	$180	$180	$235	$660				P
	2	15% VLI	$182	$182	$538	$705			P	P
	3	17% VLI	$281	$204	$508	$1,260	P		P	P
	4	18% VLI	$39	$191	$514	$1,201			P	P
	1	23% LI	$60	$60	$49	$407				F
	2	24% LI	$67	$67	$306	$437			P	P
	3	26% LI	$151	$45	$291	$785			P	P
	4	28% LI	($90)	$9	$248	$654			P	P

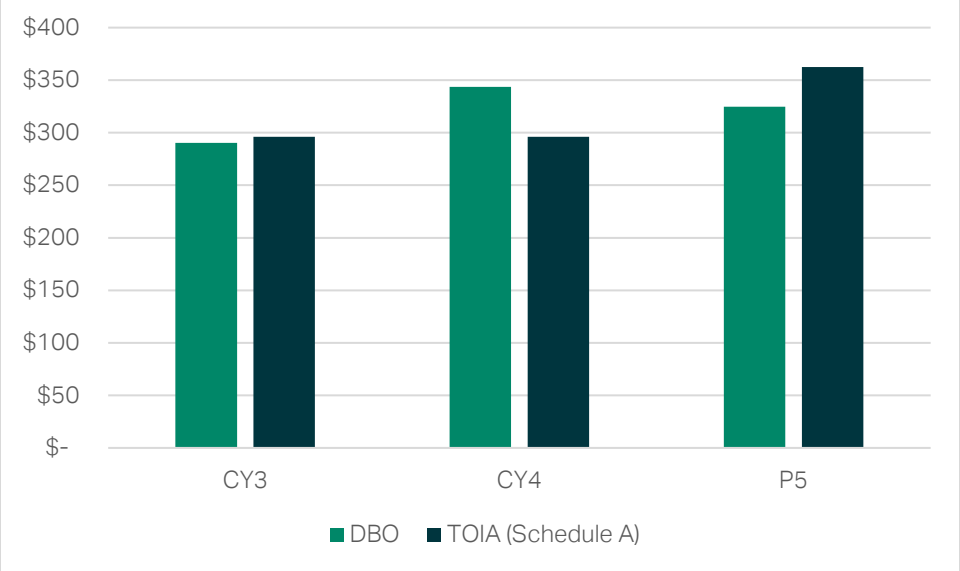
Note: "P" indicates preferable scenarios, "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

5.5 Summary and Implications

Findings and implications for policy are summarized below:

- **Overall, the TOIA incentives and associated set-aside requirements should help produce more market-rate and affordable units than would otherwise be feasible.** The analysis of proposed density bonus and affordability parameters for the City's TOIA program show that the scheduled incentives should provide developer applicants with preferred returns in Market 4 and, to a lesser extent, Market Tier 3 areas.
- **Scenario feasibility is very sensitive to increased affordable set-asides.** Based on current market conditions, no scenarios tested in Market Tiers 1 and 2 were feasible. In Market Tier 3, the number of feasible scenarios decreases quickly in schedules where higher levels of affordable set-asides are required.
- **TOIA scenarios in Market Tier 4 result in feasible prototypes across density cohorts, even with increased affordability standards.** Under the market conditions modeled, this is the only market tier that clearly supports higher levels of set-asides (up to Schedule C/D). Increasing set-aside requirements could result in fewer projects being built, particularly in places with weaker market conditions, offsetting some of the potential affordable housing production gains that the proposed TOIA enhancements seek to provide.
- **In residentially zoned areas, TOIA Schedule A produces similar development returns compared to DBO.** Figure 5 shows the highest residual land values achieved by prototype on residential zoned land in Market Tier 4 under TOIA Schedule A, compared to the DBO program. As tested, DBO projects generate higher or similar RLVs for courtyard projects – suggesting that a profit-seeking developer may be more likely to take advantage of the DBO program where both are available. However, TOIA Schedule A generates higher returns for the P5 prototype.[32]

Figure 5. Highest RLV Achieved by Prototype: DBO v. TOIA Schedule A in Market Tier 4



Comparison shows rental prototypes in residential zones.
Source: AECOM

[32] DBO projects were not tested on sites with commercial zoning so cannot be compared.

- **While TOIA offers higher density bonuses than DBO, the financial benefit for applicants is in part offset by the method of calculating affordable set-aside units for TOIA.** The TOIA program calculates affordability set-aside requirements on the total number of units per project. This is a shift from DBO which calculates set-aside requirements as a percentage of units allowed under density limits tied to a site's base zoning condition. In other words, whereas under DBO, all bonus units are market-rate, under TOIA some of the bonus units are required to be set-aside as affordable.
- **In some cases, TOIA project feasibility may also be affected by counting above-ground parking against FAR, although developers may partially offset the impact by reducing parking ratios**. TOIA projects are generally limited by FAR rather than density, so counting above-ground parking as part of FAR has a more significant impact on TOIA projects compared to the DBO program, where density is generally the limiting factor. This analysis assumes that projects will provide parking ratios consistent with the parking ratio of projects recently developed under the existing TOC program.[33] These parking ratios reflect an assumption that parking will be provided as a function of both market demand for parking spaces (which impacts a project's achievable rents, overall marketability, competitive position, etc.) as well as underwriting practices that favor parking standards of previous successful projects that lenders see as market-proven concepts (which impacts a project's ability to attract favorable financing). In some cases, developers may choose to further reduce parking ratios to maximize living area.[34]
- **Developers who take advantage of the TOIA program in strong market tiers are likely to build ELI units.** ELI units generate less revenue *per unit* than LI or VLI. However, ELI projects still generate higher overall returns because projects that provide ELI units are required to provide fewer affordable units, compared to projects that provide LI or VLI units. This is consistent with the City's experience that most projects that have utilized the existing TOC program have built ELI units.[35]

[33] Recently developed projects under the former TOC program served as the basis for development comparables.

[34] The financial implications of reducing parking vary. On a per-space basis, parking is assumed in this analysis to cost approximately $50,000 per underground space and $35,000 per above-ground podium space. Reducing underground parking results in direct cost savings (although the market rents that the developer may achieve may decline slightly as well), so generally increases overall project feasibility. For P5, P7, and TW, where a podium is provided, the developer could replace the parking spaces with additional residential uses to enhance the revenue stream. However, building residential space entails its own construction costs (as well as revenues), and in some cases the building may need to be redesigned to accommodate appropriate residential areas.

[35] In Market Tier 1, at the other end of the spectrum, ELI unit pathways generate higher residual land values compared to LI/VLI pathways because there is a smaller gap between market-rate and VLI/LI units.

6. Opportunity Corridors (OC) Incentive Program

6.1 Overview

The City's proposed Opportunity Corridors incentive program (OC) advances a holistic vision for livable and sustainable communities by increasing housing capacity along major streets located in Higher Opportunity Areas. This strategy will focus new housing opportunities on major corridors, particularly those with transit access, to provide affordable housing options near transit and amenities. Incentives available in the OC program would be provided generally in excess of incentives available in the DBO and TOIA programs.

The proposed OC program is intended to help the City fulfill Affirmatively Further Fair Housing (AFFH) requirements by creating substantial new housing capacity in Higher Opportunity Areas and in Racially Concentrated Areas of Affluence.

6.2 Opportunity Corridor Incentive Program

OC encourages more dense housing development along major thoroughfares located in jobs-rich and transit-rich locations in Higher Opportunity Areas, providing density in exchange for affordable housing set-asides. Given that corridors include commercial and residential zoned areas with varying scales and site considerations, the strategy proposes a tiered incentive-based approach, with incentives designed to reflect differences in commercially (C) zoned stretches compared to residential (R) zoned areas, as well as to reflect the importance of transit-rich locations.

The OC program proposes two main criteria for site eligibility: proximity to transit and location within High or Highest Resource Areas designated by the California Tax Credit Allocation Committee (CTCAC). Eligible sites are categorized into three OC incentive tiers with affordability requirements and FAR and height incentives that largely mirror those available in the proposed TOIA program. Density bonuses for each tier are limited by development standards such as FAR and height regulations. OC site eligibility requirements are shown in Table 37, and key incentive options are shown in Table 38.

Table 37. Opportunity Corridors Incentive Area Eligibility Requirements

OC Area Eligibility Requirements			
Incentive Area	Site Requirements[a]	Eligible Underlying Zones[b]	TCAC Opportunity Areas
OC-1	Sites fronting on corridors with Frequent Bus Service	Commercial Zones and Residential Zones (R2, RD6, RD5, RD4, RD3, RD2, RD1.5, RW2, R3, RAS3, R3, RAS4, R5)	High and Highest Resource Areas
OC-2	Sites fronting on High Quality Transit Service Corridors[b]		
OC-3	Sites fronting on an Avenue or Boulevard and located within a ≤ 2640 ft (0.5 mile) radius from intersection of Metro Rail and Rapid Bus Station[c]		

Notes:
a. To be an eligible Opportunity Corridor Housing Development, the project must be located on a lot, any portion of which, must meet the eligibility criteria in Section 2, Paragraph (g), including transit eligibility and site requirements, which require a lot to be fronting or have direct pedestrian access to the eligible Opportunity Corridor. Sites that are contiguous or have a lot tie with lots that meet the aforementioned criteria are eligible to receive the Opportunity Corridor Incentives.
b. Frequent Bus Service. Corridors with bus lines that have a 30 minute or less service frequency during peak hours.
c. Corridors within one-half mile (2,640 ft) from a major transit stop or a transit corridor with 15 minutes or less service frequency during peak commute hours.
Source: City of Los Angeles

Table 38. Proposed Opportunity Corridor Program Incentives

Proposed OC Program Base Incentives						
OC Area	OC-1		OC-2		OC-3	
Base Zone	Residential	Commercial	Residential	Commercial	Residential	Commercial
FAR Maximum of:	3.00 FAR	3.50 FAR	3.50 FAR	4.00 FAR	4.50 FAR	
				45% over base	50% over base	
Add'l Height (above Base)	Up to total 45'	1 story/11 feet up to 5 total stories	Up to total 56'	2 stories/22 feet up to 6 total stories	3 stories/33 feet up to 7 total stories	
DUAC Bonus	Unlimited		Unlimited		Unlimited	
Parking	No minimum required		No minimum required		No minimum required	

Source: City of Los Angeles, AECOM

6.3 Incentive Program Scenarios and Prototypes

As noted above, the proposed OC program uses the TOIA incentive structure as a framework, and the City proposes to align OC set-aside requirements to TOIA set-aside requirements as well. AECOM explored the feasibility of four potential OC set-aside schedules, shown in Table 39.

AECOM tested one prototype in a commercial zone and one prototype in a residential zone for each of the three OC incentive areas. The prototypes were selected to represent the housing typologies that maximizes building envelope under the incentives offered for each OC inventive area and zoning category. OC-1 is modeled as CY4 in residential zones and P5 in commercial zones, OC-2 as P5 in residential zones and P6 in commercial zones, and OC-3 as P7 in both residential and commercial zones. Each typology reflects the maximum height and FAR allowed for its respective tier and zoning designation. The prototypes and associated sites for each of these six scenarios are shown in Table 40.

Table 39. Proposed OC Incentives Tested

OC Incentives Tested					
Potential Set Aside Schedules	OC Tier	TOIA Tier*	Affordability		
			ELI	VLI	LI
Schedule A	1	2	9%	12%	21%
	2	3	10%	14%	23%
	3	4	11%	15%	25%
Schedule B	1	2	10%	13%	22%
	2	3	11%	15%	24%
	3	4	12%	16%	26%
Schedule C	1	2	11%	14%	23%
	2	3	12%	16%	25%
	3	4	13%	17%	27%
Schedule D	1	2	12%	15%	24%
	2	3	13%	17%	26%
	3	4	14%	18%	28%

Note: See Table 38 for incentives associated with each OC tier.
**None of the proposed OC tiers are proposed to align with TOIA Tier 1.*
Source: City of Los Angeles

Table 40. Sites and Prototypes Tested by OC Tier

Opportunity Corridor (OC) Testing Prototypes Assumptions						
Opportunity Corridor (OC) Incentive Area	**Residential Zones**			**Commercial Zones**		
	OC-1	**OC-2**	**OC-3**	**OC-1**	**OC-2**	**OC-3**
Maximum FAR (includes base incentives only)	3.0	3.5	4.5	3.5	4.0	4.5
Maximum # stories	4	5	7	5	6	7
Resulting Development Prototype						
Typology	**CY4**	**P5**	**P7**	**P5**	**P6**	**P7**
Description	4-story Courtyard-style	5-Story Podium	7-Story Podium	5-Story Podium	6-Story Podium	7-Story Podium
Use Program	All Residential	All Residential	All Residential	All Residential	All Residential	Mixed-Use
Parking Strategy	Underground parking	1-level podium parking	2-level podium parking	1-level podium parking	1-level podium parking	2-level podium parking
Site Area						
Land Area (SF)	6,500	13,000	19,500	10,000	15,000	20,000
Gross Building Area (SF without Parking)	16,875	37,333	59,733	28,800	50,133	65,600
Gross Building Area (SF with Parking)	17,330	45,133	87,033	34,800	59,133	89,600
Net Leasable Area (NLA, unit space only)	13,500	28,000	44,800	21,600	37,600	46,200
Unit Count and Mix						
Total Number of Units	**15**	**35**	**64**	**27**	**47**	**66**
Unit Mix						
0BR	0	7	19	5	9	20
1BR	8	18	32	14	24	33
2BR	8	11	13	8	14	13
3BR	0	0	0	0	0	0
4BR	0	0	0	0	0	0
Approximate Mix as a % of Total						
0BR	0%	20%	30%	20%	20%	30%
1BR	50%	50%	50%	50%	50%	50%
2BR	50%	30%	20%	30%	30%	20%
3BR	0%	0%	0%	0%	0%	0%
4BR	0%	0%	0%	0%	0%	0%
Density and Intensity						
Effective Density (DUAC)	101	117	143	118	136	144
Effective FAR (Without Parking)	2.6	2.9	3.1	2.9	3.3	3.3
Effective FAR (With Parking)	2.7	3.5	4.5	3.5	3.9	4.5
Affordable Set-Aside Level	**Equivalent to TOIA-2**	**Equivalent to TOIA-3**	**Equivalent to TOIA-4**	**Equivalent to TOIA-2**	**Equivalent to TOIA-3**	**Equivalent to TOIA-4**
Parking	**Underground**	**Podium & Underground**	**Podium & Underground**	**Podium & Underground**	**Podium & Underground**	**Podium & Underground**
Residential Parking (spaces/BR)	0.6	0.9	0.9	0.9	0.9	0.9
Total Parking Spaces	20	63	76	48	84	95
Above-Ground Podium	0	19	68	15	22	60
Underground	20	44	8	33	62	35

Source: AECOM

6.4 Results

This section describes the results of the OC analysis. For the OC analysis, no base case was tested because the analysis modeled the maximum densities within each incentive area (limited by height and FAR) that each prototype could achieve, rather than "stepping up" up from a base. A feasible scenario is one that generates a residual land value that is consistent with the observed market values.

In Market Tiers 1 and 2 (Table 41), all scenarios generate fail to meet the land value standard for feasibility. Increasing the set aside requirements further reduce the RLV.

Table 41. OC Scenario Residual Land Value and Feasibility in Market Tier 1 and 2

OC Incentives Tested - Market Tier 1				RLV	Feasibility	RLV	Feasibility
				Residential		Commercial	
Market Land Value/Sq.ft.				$140		$115	
Potential Set Aside Schedules	**OC Tier**	**TOIA Tier**	**Affordability**				
Schedule A	OC-1	2	9% ELI	($564)		($536)	
			12% VLI	($541)		($551)	
			21% LI	($618)		($588)	
	OC-2	3	10% ELI	($556)		($635)	
			14% VLI	($566)		($649)	
			23% LI	($630)		($700)	
	OC-3	4	11% ELI	($468)		($654)	
			15% VLI	($471)		($657)	
			25% LI	($515)		($703)	

OC Incentives Tested - Market Tier 2				RLV	Feasibility	RLV	Feasibility
				Residential*		Commercial*	
Market Land Value/Sq.ft.				$145		$170	
Potential Set Aside Schedules	**OC Tier**	**TOIA Tier**	**Affordability**				
Schedule A	OC-1	2	9% ELI	$33		$12	
			12% VLI	$57		($25)	
			21% LI	($108)		($99)	
	OC-2	3	10% ELI	($11)		($5)	
			14% VLI	($43)		($44)	
			23% LI	($164)		($145)	
	OC-3	4	11% ELI	$5		($169)	
			15% VLI	($16)		($190)	
			25% LI	($105)		($280)	

Note: "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

Table 42 shows the results for Market Tier 3, organized by residential versus commercial zoned prototypes, set aside schedule, OC tier, and affordability level selected to achieve the density bonus. Under Schedule A and B, OC-1 (tested with CY4 prototype) is feasible on residential zoned parcels.

Table 42. OC Scenario Residual Land Value and Feasibility in Market Tier 3

OC Incentives Tested - Market Tier 3				RLV	Feasibility	RLV	Feasibility
				Residential		Commercial	
Market Land Value/Sq.ft.				$175		$185	
Potential Set Aside Schedules	**OC Tier**	**TOIA Tier**	**Affordability**				
Schedule A	OC-1	2	9% ELI	$159		$148	
			12% VLI	$183	F	$105	
			21% LI	($1)		$22	
	OC-2	3	10% ELI	$125		$150	
			14% VLI	$87		$106	
			23% LI	($49)		($7)	
	OC-3	4	11% ELI	$126		($47)	
			15% VLI	$101		($72)	
			25% LI	($0)		($176)	
Schedule B	OC-1	2	10% ELI	$159		$148	
			13% VLI	$183	F	$105	
			22% LI	($1)		$22	
	OC-2	3	11% ELI	$125		$129	
			15% VLI	$67		$88	
			24% LI	($49)		($57)	
	OC-3	4	12% ELI	$126		($47)	
			16% VLI	$94		($79)	
			26% LI	($6)		($204)	
Schedule C	OC-1	2	11% ELI	$159		$148	
			14% VLI	$84		$105	
			23% LI	($1)		($52)	
	OC-2	3	12% ELI	$58		$129	
			16% VLI	$67		$88	
			25% LI	($49)		($57)	
	OC-3	4	13% ELI	$101		($72)	
			17% VLI	$94		($109)	
			27% LI	($35)		($204)	
Schedule D	OC-1	2	12% ELI	$159		$76	
			15% VLI	$84		$26	
			24% LI	($1)		($52)	
	OC-2	3	13% ELI	$58		$71	
			17% VLI	$67		$88	
			26% LI	($106)		($72)	
	OC-3	4	14% ELI	$101		($106)	
			18% VLI	$63		($109)	
			28% LI	($35)		($224)	

Note:
1. "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
2. The sites of OC-1, OC-2, and OC-3 are tested with the prototypes of CY4, P5, and P7 respectively.
Source: AECOM

Table 43 shows the results for Market Tier 4. In Market Tier 4, many scenarios are feasible across potential set-aside schedules and OC tiers. In general, ELI projects generate the highest RLVs, suggesting that developers will choose options to build ELI units instead of VLI or LI units.

Table 43. OC Scenario Residual Land Value and Feasibility in Market Tier 4

OC Incentives Tested - Market Tier 4				RLV	Feasibility	RLV	Feasibility
				Residential*		Commercial*	
Market Land Value/Sq.ft.				$230		$240	
Potential Set Aside Schedules	**OC Tier**	**TOIA Tier**	**Affordability**				
Schedule A	OC-1	2	9% ELI	$296	F	$280	F
			12% VLI	$320	F	$231	
			21% LI	$114		$139	
	OC-2	3	10% ELI	$256	F	$302	F
			14% VLI	$213		$251	F
			23% LI	$63		$126	
	OC-3	4	11% ELI	$281	F	$110	
			15% VLI	$251	F	$80	
			25% LI	$134		($41)	
Schedule B	OC-1	2	10% ELI	$296	F	$280	F
			13% VLI	$320	F	$231	
			22% LI	$114		$139	
	OC-2	3	11% ELI	$256	F	$279	F
			15% VLI	$191		$232	
			24% LI	$63		$71	
	OC-3	4	12% ELI	$281	F	$110	
			16% VLI	$242	F	$71	
			26% LI	$126		($72)	
Schedule C	OC-1	2	11% ELI	$296	F	$280	F
			14% VLI	$212		$231	
			23% LI	$114		$57	
	OC-2	3	12% ELI	$183		$279	F
			16% VLI	$191		$232	
			25% LI	$63		$71	
	OC-3	4	13% ELI	$253	F	$83	
			17% VLI	$242	F	$38	
			27% LI	$94		($72)	
Schedule D	OC-1	2	12% ELI	$296	F	$202	
			15% VLI	$212		$145	
			24% LI	$114		$57	
	OC-2	3	13% ELI	$183		$215	
			17% VLI	$191		$232	
			26% LI	($0)		$54	
	OC-3	4	14% ELI	$253	F	$46	
			18% VLI	$207		$38	
			28% LI	$94		($95)	

Note:
1. "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
2. The sites of OC-1, OC-2, and OC-3 are tested with the prototypes of CY4, P5, and P7 respectively.
Source: AECOM

6.5 Summary and Implications

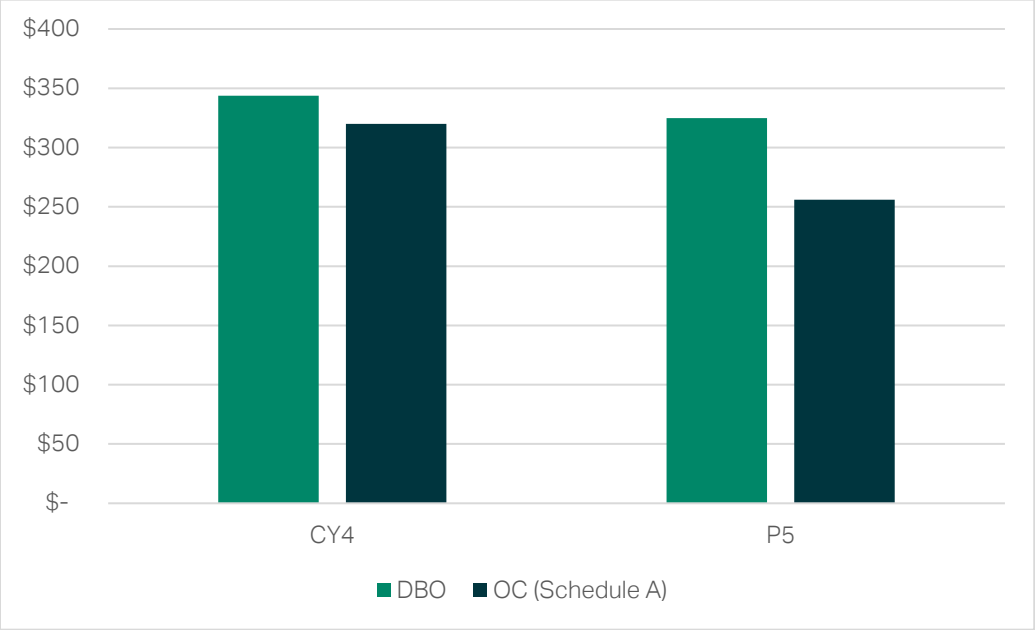
Findings and implications for policy are summarized below:

- **The OC incentives and associated set-aside requirements may help produce more market-rate and affordable units than would otherwise be feasible.** The analysis of the proposed OC program indicates the proposed incentives create sufficient value for developer applicants to acquire and redevelop land in Market Tier 4 across OC areas – and, to a lesser extent, in Market Tier 3.
- **OC scenarios in Market Tier 4 result in feasible prototypes across OC tiers, even with increased affordability standards.** Under the market conditions modeled, only Market Tier

4 clearly supports higher levels of set-asides (up to Schedule C/D). Similar to TOIA, scenario feasibility is sensitive to increased affordable set-asides, suggesting that increasing set-aside requirements could result in fewer projects being built in areas with less optimal market conditions, offsetting some of the potential affordable housing production gains that the proposed OC enhancements seek to provide.

- **However, in areas zoned for residential, developers may choose to take advantage of DBO rather than OC as currently proposed, although the decision will ultimately depend on the underlying zoning and other project specifics.** Figure 6 shows the highest residual land values achieved by prototype on residential zoned land in Market Tier 4 under OC Schedule A, compared to the DBO program. As tested, DBO projects generate slightly higher RLVs for across prototypes–suggesting that a profit-seeking developer may be more likely to take advantage of the DBO program in some cases. Similar to TOIA, while OC offers higher density bonuses than DBO, the financial benefit for applicants is in part offset by the method of calculating affordable set-aside units for OC. In addition, the FAR limits associated with OC limit the total building footprint that the prototypes can achieve, whereas the sites tested for DBO on residential parcels could generally achieve higher densities within the density and FAR bonuses allowed. Ultimately, however, the comparison between programs will depend in part on the specific zoning district where the parcel is located.[36]

Figure 6. Highest RLV Achieved by Prototype: DBO v. OC (Schedule A) in Market Tier 4



Comparison shows rental prototypes in residential zones. CY4 and P5 were tested with OC-1 and OC-2 Tiers, respectively.
Source: AECOM

- **Developers who take advantage of the OC program in stronger market areas are likely to build ELI units.** ELI units generate less revenue *per unit* than LI or VLI. However, ELI projects still generate higher overall returns in Market Tier 4 because projects that provide ELI units are required to provide fewer affordable units, compared to projects that provide LI

[36] The P7 prototype was also tested under both OC-3 and DBO. However, the results are not directly comparable because the OC-3 project is limited to a total of 7 stories, while the DBO project was assumed to step up to a 28-story tower in the model. This level of density will not be possible on all sites. DBO projects in commercial zoning districts were not tested.

or VLI units. This is consistent with the City's experience that most projects that have utilized the existing TOC program have built ELI units.[37]

[37] In Market Tier 1, at the other end of the spectrum, ELI unit pathways generate higher residual land values compared to LI/VLI pathways because there is a smaller gap between market-rate and VLI/LI units.

7. Opportunity Corridor Transition (CT) Incentive Area Program

7.1 Overview

This chapter focuses on the development economics and financial feasibility of housing typologies envisioned to be developed through the City's proposed Opportunity Corridor Transition Incentive Area Program (CT). CT builds on the proposed Opportunity Corridor program's vision for livable and sustainable communities with increased housing capacity along major streets located in Higher Opportunity Areas. This strategy will incentivize new low-rise housing opportunities on parcels behind the Opportunity Corridor Incentive Areas, allowing higher densities than would be permitted under base zoning conditions in exchange for providing affordable units.

The proposed CT is the City's strategy for promoting lower scale housing typologies, also known as "missing middle housing." Missing middle is a term used to refer to the gap in housing options between detached single-family homes and mid-rise apartment buildings. Examples of missing middle typologies include bungalow courts, multiplex buildings (duplex/triplex to six-plex), townhomes, courtyard-style apartments, and walk-up rowhouses. Many of these were commonly built before the 1950s and already exist in various places throughout the Los Angeles area, but there are also areas in the City where they are not currently found. Over the years, fewer missing middle housing options were developed due to more restrictive zoning requirements, changes in market conditions, and increased single-family home development.

CT is an incentive-based program designed to fill the gap in housing options that exist between detached single-family homes and the type of mid-rise apartment buildings expected to be developed along Opportunity Corridors. CT takes a form-based approach that removes limitations to facilitate missing middle construction, while ensuring new development respects the scale of existing neighborhoods. The prototypes in this section went through several iterations to adapt to the changing policy landscape and develop typologies that fit the character and nature of the CT program. Appendix A includes a brief history of these prototypes and a narrative explanation for the various versions explored.

7.2 Corridor Transition Incentive Program

CT promotes low-scale, medium-density housing development in Higher Opportunity Areas. The incentive program proposes increasing allowable density in exchange for affordable housing set-asides. CT builds on the proposed Opportunity Corridor program, using a similar tiered incentive-based approach, with incentives designed to reflect differences in distance between more dense mid-rise development along corridors and less dense single-family homes.

The CT program proposes three main criteria for site eligibility: proximity to Opportunity Corridor Incentive areas, base zone designation, and location within CTCAC-designated High or Highest Resource Areas. Eligible sites are categorized into two CT incentive areas, with CT-1 being the lower incentive tier and CT-2 offering more generous incentives. Density bonuses for each tier are limited to 6 units per parcel in CT-1 and 10 units per parcel in CT-2. Additional FAR is awarded commensurate with the number of units built, but new development is constrained by height limits. The City is also considering allowing increased height and/or FAR for projects with more than 40% two-bedroom units. CT site eligibility requirements are shown on Table 44 and key incentive options are shown on Table 45.

Table 44. Corridor Transition Incentive Area Eligibility Requirements

CT Area Eligibility Requirements		
	CT-1	CT-2
Site Requirements	350 ft buffer from sites eligible Opportunity Corridor Incentives except RC-1	150 ft buffer from sites eligible for Opportunity Corridor Incentives except RC-1
Eligible Underlying Zones	Residential properties in R2 and RD zones	
TCAC Opportunity Areas	Within High and Highest Resource Areas	

Source: City of Los Angeles, AECOM

Table 45. Proposed Corridor Transition Incentives

Proposed CT Program Incentives		
	CT-1	CT-2
FAR	1.30 FAR for 5 units (per lot) + 0.15 FAR for each additional unit	
Density Bonus	Up to 6 units per lot	Up to 10 units per lot
Max Height	2 stories	3 stories
Parking	No requirement	

Note: A Project that includes a minimum of 40% of total Residential Units as 2-bedroom or larger (per the draft of the CHIP Ordinance released in September 2024), shall be granted either additional Floor Area up to 0.5 FAR or an additional 11 feet in height.

Source: City of Los Angeles, AECOM

7.3 CT Program Scenario Tested

7.3.1 Incentive Areas

The analysis is organized by the two proposed CT incentive areas. CT-1 areas are allowed up to 6 units per parcel, and CT-2 areas up to 10 units per parcel. The program parameters allow for CT projects to take a variety of forms. For example, CT-1 projects could include a single-lot project with 6 units, or a double-lot project with 12 units. A CT-2 project could include a single-lot project with 8 units or a double-lot project with 16 units. Other key parameters include a 2-story limit for CT-1 and a 3-story limit for CT-2. Both CT-1 and CT-2 allow up to a maximum number of units within an FAR that is commensurate to the number of units provided (Table 45).

AECOM developed prototypes that reflect the allowable range of unit counts, i.e., 5 and 6 units per lot for CT-1 and 8 and 10 units per lot for CT-2. These are shown in Table 46. It should be noted that while these prototypes are examples of the forms that CT projects map take, they are not a comprehensive set of possible applications.

7.3.2 Affordable Set-Aside Requirements

To explore the amount of affordability that can be supported by the CT program, AECOM tested a range of affordable set-aside options. Given the small-scale nature of missing middle

typologies and the round-up methodology for fulfilling affordable set-aside requirements described in California State Law, the set-aside analysis uses a set-aside schedule tied to a specific number of units rather than the percentage-based approach used for the other incentive programs.

As shown in Table 46, 1-unit and 2-unit set aside options were tested. Each set-aside level is tested at each affordability level (i.e., ELI, VLI, LI, and MI rental projects and MI for-sale projects). As shown, this results in effective set-aside percentages (calculated as affordable units divided by total units) that range from 11% to 20% in scenarios tested for CT-1, and 20% to 40% for scenarios tested for CT-2.

Table 46. CT Test Scenarios

Corridor Transition	Effective Set-Aside (% of total)					
Incentive Area	CT-1			CT-2		
Prototype (Rent or Sale)	4D-R	RH-R	TH-S	CY3-R	CY3-S	CY3-R
Lot Configuration	1	2	2	2	2	1
Units per Lot	5	6	6	8	8	10
Total Units	5	12	12	16	16	10
Set-Aside Scenarios	**Effective Set-Aside (% of total)**					
1-Unit Set-Aside Per Lot						
Moderate (For Sale)	-	-	17%	-	13%	-
Moderate (For Rent)	20%	17%	-	13%	-	10%
LI	20%	17%	-	13%	-	10%
VLI	20%	17%	-	13%	-	10%
ELI	20%	17%	-	13%	-	10%
2-Unit Set-Aside Per Lot						
Moderate (For Sale)	-	-	33%	-	25%	-
Moderate (For Rent)	40%	33%	-	25%	-	20%
LI	40%	33%	-	25%	-	20%
VLI	40%	33%	-	25%	-	20%
ELI	40%	33%	-	25%	-	20%

Source: AECOM

7.3.3 Sites and Prototypes Tested

In this section, AECOM updated the methodology for calculating FAR and buildable area for the CT programs. Specifically, the original calculation of FAR was based on the gross lot area, with parking included in the FAR. In the revised version, however, the buildable area is based on the net lot area, and parking is excluded from the FAR calculation. Note that the program structures and scenarios otherwise remain the same.

The CT prototypes and site sizes are shown in Table 47. Prototypes were selected in coordination with City staff to align with the envisioned scale of CT projects and typical eligible lot size.

The specific parameters of the proposed CT program have some implications for development that require adjustments to the prototypes compared to those used for the analysis of other programs. Specifically, under the CT program, the proposed FAR allowances require the RH-R

and TH-S prototypes to provide reduced parking ratios. For-sale townhomes (TH-S) are assumed to provide 1.0 parking spaces per unit and rental rowhomes (RH-R) have an average parking ratio of slightly less than one (0.83), meaning that some units would not have an assigned parking space.

Reduced parking ratios are expected to have a negative impact on rents. A review of existing, comparable real estate projects showed that small-scale rental properties with less than 1.0 space per unit typically achieve rents ranging from 2 to 8 percent less compared to projects with more typical parking ratios. For the purposes of this analysis, it is assumed that the RH-R prototype with reduced parking would command 5% lower rents compared to the typical market rents shown in Chapter 3, Table 7.

The impact of reduced parking on for-sale products is less conclusive. Based on a review of comparable projects, existing ownership townhomes with 1.0 space per unit in Los Angeles are generally built in high-value places where land is priced at a premium, and development has lower-than-average unit sizes and commands a higher sales price per square foot. Based on this observation, no change was made to for-sale revenues compared to the typical for-sale prices shown in Chapter 3, Table 8.

In addition to FAR, the maximum height is a limiting factor for the CT program. The most typical townhome in Los Angeles is three stories; as shown in Table 45, the maximum height in CT-1 is two stories, requiring a slightly reduced unit average unit size and more living space to be provided on the ground-floor than in a typical townhome. In the CT-2 zone, the FAR and height limitations are expected to require parking to be provided below ground, which significantly increases costs and affects feasibility.[38]

[38] The City's proposed multi-bedroom unit incentive – which as of the September 2024 draft of the ordinance would grant projects either an additional Floor Area up to 0.5 FAR or an additional 11 feet in height if they provide a minimum of 40% of total Residential Units as 2-bedrooms or larger – could help alleviate these constraints.

Table 47. Corridor Transition Sites and Prototypes

Corridor Transition Sites and Prototypes						
	CT Incentive Area 1			CT Incentive Area 2		
	CT1-5-R	CT1-6-R	CT1-6-S	CT2-8-R	CT2-8-S	CT2-10-R
	4D-Rent	RH-Rent	TH-Sale	CY3-Rent	CY3-Sale	CY3-Rent
	2-Duplex	Row House	Townhome	3-Story Courtyard	3-Story Courtyard	3-Story Courtyard
Development Configuration						
Lot configuration	Single-lot	Double-lot	Double-lot	Double-lot	Double-lot	Single-Lot
Number of Units per Lot	5	6	6	8	8	10
Total Number of Units	5	12	12	16	16	10
Site Size AC	0.14	0.28	0.28	0.25	0.25	0.13
Site Size SF	6,000	12,000	12,000	11,000	11,000	5,500
Allowable Square Footage						
Lot Coverage Ratio	75%	80%	80%	80%	80%	75%
Maximum FAR allowed with All Bonus	1.80	1.95	1.95	2.25	2.25	2.55
Allowable Gross Building Area SF	8,100	18,720	18,720	19,800	19,800	10,519
Building Efficiency Ratio	95%	95%	100%	95%	97%	96%
Allowable Net Leaseable/Sellable Area SF	7,695	17,784	18,720	18,810	19,206	10,098
Resulting Prototype						
Effective GSF	6,579	15,632	15,900	18,737	18,918	10,313
Effective FAR*	1.46	1.63	1.66	2.13	2.15	2.50
Effective Density (DUAC)	36	44	44	63	63	79
Height (stories)	2	2	2	3	3	3
Avg Unit Size	1,250	1,238	1,325	1,113	1,147	990
0BR	0	0	0	0	0	0
1BR	700	800	800	800	950	800
2BR	1,050	1,250	1,250	1,200	1,200	1,200
3BR	1,200	1,550	1,550	1,500	1,500	1,500
4BR	1,400	1,900	1,900	1,900	1,900	1,900
Unit Mix	5	12	12	16	16	10
0BR	0	0	0	0	0	0
1BR	0	3	0	5	7	6
2BR	1	5	9	9	6	3
3BR	2	4	3	2	3	1
4BR	2	0	0	0	0	0
Parking	10	10	12	17	17	9
Spaces Per BR	0.63	0.40	0.44	0.59	0.61	0.59
Spaces per Unit	2.00	0.83	1.00	1.06	1.06	0.90
Parking Strategy	Surface &Tuck-Under	Tuck-Under	Tuck-Under	Underground	Underground	Underground

**Parking is not counted toward FAR*

Source: AECOM

7.4 Results

This section describes the results of the feasibility testing. Note that for the CT program, only one RLV standard ("feasibility") is used to gauge the expected financial outcomes of the incentive program scenarios. This is because the CT program will primarily be applied to redevelopment of single-family lots or similarly scaled, low-density residential uses. Accordingly, the market land value assumptions are based on recent transactions of single-family family lots. The base case (100% market-rate) scenario would also most likely be a single-family home, so "feasibility" and "preferability" are effectively the same for the CT analysis.

7.4.1 Residual Land Value and Feasibility Analysis

The following four tables summarize tested residual land value and feasibility for each CT incentive area in Market Tiers 1 through 4. A feasible scenario is one that generates a residual land value that is consistent with observed market values.

In Market Tier 1, residual land values are mostly negative and only one of the scenarios meets the $120 market land value threshold for feasibility (Table 48). The feasible prototype is a for-sale CY3-S with one affordable unit in the development.

Table 48. CT Scenario Residual Land Value and Feasibility (Market Tier 1)

Market Tier 1 (Market Land Value: $120 Per Sq. Ft.)												
	Residual Land Value ($/Land SF)						Feasibility					
Incentive Area	CT-1			CT-2			CT-1			CT-2		
Prototype	4D-R	RH-R	TH-S	CY3-R	CY3-S	CY3-R	4D-R	RH-R	TH-S	CY3-R	CY3-S	CY3-R
Units per Lot	5	6	6	8	8	10	5	6	6	8	8	10
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
Market Land Value ($/SF)	$120											
1-Unit Set-Aside Per Lot												
Moderate (For Sale)			$26		$131						F	
Moderate (For Rent)	($74)	($16)		($195)		($133)						
LI	($104)	($34)		($210)		($163)						
VLI	($110)	($40)		($216)		($170)						
ELI	($123)	($52)		($228)		($163)						
2-Unit Set-Aside Per Lot												
Moderate (For Sale)			($41)		$31							
Moderate (For Rent)	($93)	($58)		($208)		($139)						
LI	($160)	($112)		($256)		($183)						
VLI	($174)	($124)		($268)		($195)						
ELI	($200)	($150)		($293)		($220)						

Note: Feasibility rows are blank because all scenarios are infeasible. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

In Market Tier 2 (Table 49), several courtyard (CY) scenarios with one affordable set-unit unit are feasible. The 10-unit CY3-R prototype is also broadly feasible with two set-aside units.

Table 49. CT Scenario Residual Land Value and Feasibility (Market Tier 2)

Market Tier 2 (Market Land Value: $170 Per Sq. Ft.)												
Market Tier 2	**Residual Land Value ($/Land SF)**						**Feasibility**					
Incentive Area	**CT-1**			**CT-2**			**CT-1**			**CT-2**		
Prototype	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**
Units per Lot	**5**	**6**	**6**	**8**	**8**	**10**	**5**	**6**	**6**	**8**	**8**	**10**
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
1-Unit Set-Aside Per Lot												
Moderate (For Sale)			$122		$294						F	
Moderate (For Rent)	$5	$71		$175		$279				F		F
LI	($28)	$54		$163		$248						F
VLI	($35)	$47		$156		$242						F
ELI	($48)	$34		$143		$253						F
2-Unit Set-Aside Per Lot												
Moderate (For Sale)			$23		$155							
Moderate (For Rent)	($25)	$16		$118		$238						F
LI	($97)	($40)		$70		$197						F
VLI	($111)	($54)		$57		$184						F
ELI	($140)	($81)		$30		$159						

Notes: "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

In Market Tier 3 (Table 50), rental rowhouses and courtyard housing have multiple feasible pathways with one affordable unit. However, in scenarios with two affordable units, only the high-density CY3 options and the for-sale courtyard remain feasible.

Table 50. CT Scenario Residual Land Value and Feasibility (Market Tier 3)

Market Tier 3 (Market Land Value: $220 Per Sq. Ft.)												
Market Tier 3	**Residual Land Value ($/Land SF)**						**Feasibility**					
Incentive Area	**CT-1**			**CT-2**			**CT-1**			**CT-2**		
Prototype	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**
Units per Lot	**5**	**6**	**6**	**8**	**8**	**10**	**5**	**6**	**6**	**8**	**8**	**10**
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
1-Unit Set-Aside Per Lot												
Moderate (For Sale)			$284		$487				F		F	
Moderate (For Rent)	$136	$260		$248		$365		F		F		F
LI	$103	$246		$240		$333		F		F		F
VLI	$96	$239		$233		$327		F		F		F
ELI	$82	$226		$220		$342		F				F
2-Unit Set-Aside Per Lot												
Moderate (For Sale)			$131		$301						F	
Moderate (For Rent)	$75	$165		$182		$317						F
LI	$3	$111		$137		$279						F
VLI	($12)	$97		$124		$266						F
ELI	($41)	$70		$97		$241						F

Notes: "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

In Market Tier 4 (Table 51), rental townhomes and higher-density CY3 developments could be feasible with at least one affordable housing unit across all tested affordability levels. Lower-density CY3 developments may also be broadly feasible, except when including one ELI unit. Additionally, higher-density CY3 rentals with two set-aside units remain feasible at all affordability levels. The two for-sale prototypes could support feasibility with one or two MI units.

Table 51. CT Scenario Residual Land Value and Feasibility (Market Tier 4)

Market Tier 4 (Market Land Value: $320 Per Sq. Ft.)												
	Residual Land Value ($/Land SF)						Feasibility					
Incentive Area	CT-1			CT-2			CT-1			CT-2		
Prototype	4D-R	RH-R	TH-S	CY3-R	CY3-S	CY3-R	4D-R	RH-R	TH-S	CY3-R	CY3-S	CY3-R
Units per Lot	5	6	6	8	8	10	5	6	6	8	8	10
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
1-Unit Set-Aside Per Lot												
Moderate (For Sale)			$637		$795				F		F	
Moderate (For Rent)	$249	$396		$336		$468		F		F		F
LI	$236	$391		$339		$436		F		F		F
VLI	$229	$384		$332		$429		F		F		F
ELI	$215	$371		$319		$459		F				F
2-Unit Set-Aside Per Lot												
Moderate (For Sale)			$366		$544				F		F	
Moderate (For Rent)	$180	$274		$261		$413						F
LI	$107	$226		$225		$387						F
VLI	$92	$212		$212		$374						F
ELI	$63	$184		$184		$347						F

Notes: "F" indicates feasible scenarios, and blank indicates infeasible scenarios. All RLVs are rounded, and the determination of feasibility is based on the actual numbers before rounding.
Source: AECOM

7.4.2 Summary and Implications

Key policy implications of this analysis include:

- **The CT incentive program may produce housing products that are not currently commonly built in LA today.** These products include rental rowhouses and courtyard apartments–two housing typologies that have historical precedent in LA but have not been commonly built since at least 2000.[39] Analysis of the proposed Corridor Transition program indicates the proposed incentives create sufficient value for developer applicants to acquire and redevelop land in Market Tiers 3 and 4 in the CT-2 incentive area, and to a more limited extent in the CT-1 area.
- **Affordable set-asides have a bigger impact on feasibility for smaller-scale CT-1 typologies than for larger-scale CT-2 projects.** In this analysis, The CT-2 typologies (courtyard projects) typically generated higher RLVs than the CT-1 typologies (double duplex, rowhouses, and townhomes). Townhomes have long been validated by the market and can be constructed efficiently without the use of structured or subterranean parking. However, it is more challenging for smaller-scale CT-1 projects to bear the cost of set-aside units. Even in Market Tier 4, CT-1 feasibility is generally limited to rowhouse and townhouse projects that set-aside just one MI unit.

Note that the CT results are not directly comparable with the DBO results, because the CT prototypes are assumed to occur on different size lots (that reflect conditions on CT-eligible

[39] See analysis of housing typologies in "Task 3: Market Analysis: Market & Economic Study for the Density Bonus Ordinance Update and RHNA Rezoning Program," developed by AECOM for LACP, May 2024.

parcels, rather than citywide averages) and, in the case of townhomes and rowhomes, have reduced parking ratios.

8. Conclusion

This analysis tested key elements of the City of Los Angeles' Rezoning Program, which is intended to create additional housing capacity and expand housing production. The updated DBO program is likely to expand housing opportunities across the City by enabling a broad range of different development types. The Mixed-Income Incentive Program is intended to complement DBO by incentivizing housing development near transit and encouraging the construction of various types of "low scale/low rise" housing.

This report offers analysis that is intended to inform City policy decisions about the appropriate tradeoff between affordability requirements and development incentives in different parts of the City. Key conclusions from the analysis include:

- **The updated DBO program and the Mixed-Income Incentive Program will create new opportunities for market-rate and affordable housing development across the City.** In many scenarios and Market Tiers, development projects that utilize the programs are likely to be feasible and preferable to base case projects.
- **The feasibility of incentive program scenarios varies significantly by Market Tier.** Incentive program scenarios tested are generally most feasible in Market Tier 4 (high market strength). There is more limited feasibility in Market Tier 3, and some scenarios are feasible under the DBO and CT programs in Market Tier 2 (medium/low market strength). None of the incentive program scenarios tested were feasible in Market Tier 1 (low market strength).
- **The ultimate impact of the Mixed-Income Incentive Program will depend on the set-aside schedules selected.** In general, scenario feasibility is sensitive to increased affordable set-asides, particularly in Market Tiers 2 and 3. Under the scenarios and market conditions modeled, only Market Tier 4 clearly supports the higher set-aside levels tested.
- **In addition to set-aside levels, other program parameters such as the methodology for calculating set-asides and FAR have a significant effect on project feasibility.** In particular, while TOIA and OC offer higher density bonuses than DBO, the financial benefit for applicants is in part offset by the method of calculating affordable set-aside units for TOIA and OC based on the total number of units per project. This is a shift from DBO which calculates set-aside requirements as a percentage of units allowed under density limits tied to a site's base zoning condition. Based on the incentive program parameters tested, TOIA and OC project feasibility may also be more affected than DBO project feasibility by counting above-ground parking against FAR. However, developers may partially offset the impact of this policy by reducing parking ratios.
- **Ultimately, the program that individual developers elect to pursue will depend in part on base zoning and other factors specific to the site.** Sites that are eligible for the Mixed-Income Incentive Program will also be eligible for DBO. This report finds that under the program parameters tested, DBO may offer higher RLVs than TOIA or OC for some projects on residentially zoned sites.[40] However, the relative benefits of each program will depend in part on the underlying zoning districts. For example, commercially zoned lots generally have smaller underlying FARs than residentially zoned lots, and therefore projects on commercial lots may be more likely to take advantage of TOIA in part because the TOIA program offers better FAR incentives compared to DBO.

[40] The CT results were not directly comparable with the DBO results, because the CT prototypes are assumed to occur on different size lots (that reflect conditions on CT-eligible parcels, rather than citywide averages) and, in the case of townhomes and rowhomes, have reduced parking ratios because of physical site and FAR limitations.

Appendix A: CT Prototype Analysis Iterations

Between August 2024 and February 2025 AECOM and LACP tested four versions of the CT prototypes that reflected different potential policy parameters under consideration. The following section describes the various iterations of the CT prototypes as they evolved between their initial conception and final inclusion in this report in support of the CHIP ordinance.

The original prototypes for the Corridor Transition Program were presented to the City Planning Commission (CPC) on September 26, 2024. Three subsequent iterations of the CT prototypes were later developed to explore the physical and financial feasibility of key policy parameters in development for the CT program including:

- Floor to Area Ratio (FAR) for each development parcel could be calculated by the **Gross Lot Area** or the **Net Buildable Area.**
- FAR for each development could **Include** or **Exclude** above ground structured parking.
- FAR Density Bonus achieved by a minimum of 40% **2-Bedroom Units** (or larger) or **3-Bedrom Units** (or larger).
- The prototypes also needed to align with key parameters in the Market Analysis for unit sizes and prices (market and financial feasibility) and meet the applicable development standards (physical site feasibility).

Table A 1 shows the key parameters of each iteration of the prototypes (iterations A-D) explored in this analysis. Each iteration was associated with physical, financial, and/or market challenges, also described in the table.

Table A 1: Key Policy Parameters Tested in Iterations of the CT Prototypes

Iteration	FAR Calculation Method	FAR Bonus Requirement	Challenges
A	Gross Lot Area Structured Parking Included	40% 2-Bedroom Units or Larger	FAR Calculation Based on Gross Area, not Net buildable Area Policy requires 40% 3-Bedroom units or larger for the Density Bonus
B	Net Buildable Area Structure Parking Excluded	40% 3-Bedroom Units or Larger	Unit sizes were in line with the Market Analysis, but the prototypes exceeded the allowable FAR
C	Net Buildable Area Structure Parking Excluded	40% 3-Bedroom Units or Larger	Limited Feasibility of Tested Prototypes Prototypes out of line with the Market Analysis: unit sizes were small relative to the market and parking requirements lower than market supported strategies
D	Net Buildable Area Structure Parking Excluded	40% 3-Bedroom Units or Larger	Potential feasibility for a 2-Bedroom requirement, but does not further the policy goal of developing more 3-Bedroom Units

Key Takeaways

The four iterations of the prototypes yielded the following takeaways related to physical and financial feasibility:

- FAR calculations based on the Gross Lot Area and Exclusion of Structured Parking improve physical and financial feasibility by increasing allowable Gross Square Footage (GSF).

- Tying the FAR Density Bonus to the provision of 3-bedroom units (rather than 2-bedroom units) makes financial feasibility more challenging.

- Overall, Prototype D (which allows the FAR Density Bonus for projects that include at least 40% 2-bedroom units) aligned most clearly with comparable examples found in the Market Analysis and yielded the most potentially feasible prototypes across incentive areas and market tiers.

The details of each prototype and the financial feasibility results of the associated incentive area and market tier are shown below in Table A 2 - Table A 5. Prototype D was ultimately included in the report because of the relatively higher feasibility results, market support (clear support from comparable built developments), and potential to further the goals of the CT program.

Table A 2: Prototype A - CPC Version

A. CPC Version
1st Submission
Gross Parcel Calculation & 2BR Rule & Parking FAR & CPC Prototypes
August-24

	CT1-5 Rental	CT1-6 Rental	CT1-6 For-Sale	CT2-8 Rental	CT2-8 For-Sale	CT2-10 Rental
Site Design						
Site Size AC	0.14	0.28	0.28	0.25	0.25	0.13
Site Size SF	6,000	12,000	12,000	11,000	11,000	5,500
Site Width (ft)	50	100	100	100	100	50
Site Depth (ft)	120	120	120	110	110	110
Prototype Design						
Lot Coverage Ratio	100%	100%	100%	100%	100%	100%
Developable Lot SF	6,000	12,000	12,000	11,000	11,000	5,500
Max FAR with Bonus	1.30	1.45	1.45	1.75	1.75	2.05
"Bigger-Unit" FAR Bonus	0.50	0.50	0.50	0.50	0.50	0.50
			Based off 40% 2BR or Bigger Rule			
Bigger-Unit %	*100%*	*75%*	*100%*	*69%*	*56%*	*50%*
Building Efficiency Ratio	95%	95%	100%	95%	97%	96%
Parking Area Per Space	120	120	120	120	120	120
Total Parking FAR SF	600	1,200	1,440	0	0	0
			Above-ground Parking is counted toward FAR			
Testing FAR Compliance						
Total Parking FAR SF	600	1,200	1,440	0	0	0
Total Unit NSF	6,250	14,850	15,900	17,800	18,350	10,600
Total Unit GSF	6,579	15,632	15,900	18,737	18,918	11,042
Total Bldg GSF	7,179	16,832	17,340	18,737	18,918	11,042
Effective FAR	1.20	1.40	1.45	1.70	1.72	2.01
Result	Pass	Pass	Pass	Pass	Pass	Pass
Unit Count						
Total Unit Count	**5**	**12**	**12**	**16**	**16**	**10**
0BR	0	0	0	0	0	0
1BR	0	3	0	5	7	5
2BR	1	5	9	9	6	3
3BR	2	4	3	2	3	2
4BR	2	0	0	0	0	0
Resulting Density (DUAC)	36	44	44	63	63	79
Unit Size						
Avg Unit Size	**1,250**	**1,238**	**1,325**	**1,113**	**1,147**	**1,060**
0BR	0	0	0	0	0	0
1BR	700	800	800	800	950	800
2BR	1,050	1,250	1,250	1,200	1,200	1,200
3BR	1,200	1,550	1,550	1,500	1,500	1,500
4BR	1,400	1,900	1,900	1,900	1,900	1,900
Resulting FAR	1.20	1.41	1.45	1.70	1.72	2.01
Parking						
Total Parking Count	**10**	**10**	**12**	**17**	**17**	**10**
Space Per Bedroom	*0.63*	*0.40*	*0.44*	*0.59*	*0.61*	*0.59*
Space Per Unit	*2.00*	*0.83*	*1.00*	*1.06*	*1.06*	*1.00*

Source: LACP, AECOM

Results by incentive area and market tier are shown below.

Market Tier 1 (Market Land Value: $120 Per Sq. Ft.)	Residual Land Value ($/Land SF)						Feasibility					
Incentive Area	**CT-1**			**CT-2**			**CT-1**			**CT-2**		
Prototype	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**
Units per Lot	5	6	6	8	8	10	5	6	6	8	8	10
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
Market Land Value ($/SF)	$120											
1-Unit Set-Aside Per Lot												
Moderate (For Sale)			$1		$86							
Moderate (For Rent)	($68)	$20		($174)		($148)						
LI	($92)	($4)		($199)		($172)						
VLI	($117)	($19)		($208)		($197)						
ELI	($135)	($35)		($225)		($194)						
2-Unit Set-Aside Per Lot												
Moderate (For Sale)			($18)		$41							
Moderate (For Rent)	($95)	$12		($165)		($146)						
LI	($148)	($31)		($201)		($179)						
VLI	($203)	($83)		($252)		($233)						
ELI	($239)	($117)		($286)		($268)						

Market Tier 2 (Market Land Value: $170 Per Sq. Ft.)	Residual Land Value ($/Land SF)						Feasibility					
Incentive Area	**CT-1**			**CT-2**			**CT-1**			**CT-2**		
Prototype	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**
Units per Lot	**5**	**6**	**6**	**8**	**8**	**10**	**5**	**6**	**6**	**8**	**8**	**10**
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
Market Land Value ($/SF)	$170											
1-Unit Set-Aside Per Lot												
Moderate (For Sale)			$72		$229						F	
Moderate (For Rent)	$37	$90		$197		$284				F		F
LI	$12	$64		$171		$259				F		F
VLI	($16)	$50		$165		$233						F
ELI	($34)	$33		$147		$241						F
2-Unit Set-Aside Per Lot												
Moderate (For Sale)			$39		$165							
Moderate (For Rent)	($4)	$72		$162		$231						F
LI	($61)	$28		$128		$201						F
VLI	($119)	($28)		$74		$146						
ELI	($158)	($65)		$38		$109						

Market Tier 3 (Market Land Value: $220 Per Sq. Ft.)	Residual Land Value ($/Land SF)						Feasibility					
Incentive Area	**CT-1**			**CT-2**			**CT-1**			**CT-2**		
Prototype	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**
Units per Lot	**5**	**6**	**6**	**8**	**8**	**10**	**5**	**6**	**6**	**8**	**8**	**10**
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
Market Land Value ($/SF)	$220											
1-Unit Set-Aside Per Lot												
Moderate (For Sale)			$193		$399						F	
Moderate (For Rent)	$178	$235		$271		$376		F		F		F
LI	$153	$209		$244		$350				F		F
VLI	$126	$197		$242		$324				F		F
ELI	$141	$180		$224		$338				F		F
2-Unit Set-Aside Per Lot												
Moderate (For Sale)			$134		$311						F	
Moderate (For Rent)	$132	$182		$227		$313				F		F
LI	$74	$139		$196		$286						F
VLI	$15	$83		$141		$231						F
ELI	($24)	$46		$105		$194						

Market Tier 4 (Market Land Value: $320 Per Sq. Ft.)	Residual Land Value ($/Land SF)						Feasibility					
Incentive Area	**CT-1**			**CT-2**			**CT-1**			**CT-2**		
Prototype	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**
Units per Lot	**5**	**6**	**6**	**8**	**8**	**10**	**5**	**6**	**6**	**8**	**8**	**10**
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
Market Land Value ($/SF)	$320											
1-Unit Set-Aside Per Lot												
Moderate (For Sale)			$458		$675				F		F	
Moderate (For Rent)	$322	$339		$359		$489	F	F		F		F
LI	$326	$313		$332		$463	F			F		F
VLI	$299	$308		$341		$436				F		F
ELI	$281	$290		$323		$464				F		F
2-Unit Set-Aside Per Lot												
Moderate (For Sale)			$343		$554				F		F	
Moderate (For Rent)	$235	$262		$307		$415						F
LI	$180	$223		$286		$401						F
VLI	$156	$166		$230		$344						F
ELI	$116	$129		$192		$306						

Table A 3: Prototype B - CPC Version with Revised Calculations

B. CPC Version with Corrected Rules/Calculations

Net Parcel Calculation & 3BR Rule & No Parking FAR & CPC Prototypes
November-24

	CT1-5 Rental	CT1-6 Rental	CT1-6 For-Sale	CT2-8 Rental	CT2-8 For-Sale	CT2-10 Rental
Site Design						
Site Size AC	0.14	0.28	0.28	0.25	0.25	0.13
Site Size SF	6,000	12,000	12,000	11,000	11,000	5,500
Site Width (ft)	50	100	100	100	100	50
Site Depth (ft)	120	120	120	110	110	110
Prototype Design						
Lot Coverage Ratio	75%	80%	80%	80%	80%	75%
Developable Lot SF	4,500	9,600	9,600	8,800	8,800	4,125
Max FAR with Bonus	1.30	1.45	1.45	1.75	1.75	2.05
"Bigger-Unit" FAR Bonus	0.50	0.00	0.00	0.00	0.00	0.00
	Based off 40% 3BR or Bigger Rule					
Bigger-Unit %	*80%*	*33%*	*25%*	*13%*	*19%*	*20%*
Building Efficiency Ratio	100%	100%	100%	95%	95%	95%
Parking Area Per Space	120	120	120	120	120	120
Total Parking FAR SF	0	0	0	0	0	0
	Above-ground Parking is NOT counted toward FAR					
Testing FAR Compliance						
Total Parking FAR SF	0	0	0	0	0	0
Total Unit NSF	6,250	14,850	15,900	17,800	18,350	10,600
Total Unit GSF	6,250	14,850	15,900	18,737	19,316	11,158
Total Bldg GSF	6,250	14,850	15,900	18,737	19,316	11,158
Effective FAR	1.39	1.55	1.66	2.13	2.19	2.70
Result	Pass	Fail	Fail	Fail	Fail	Fail
Unit Count						
Total Unit Count	**5**	**12**	**12**	**16**	**16**	**10**
0BR	0	0	0	0	0	0
1BR	0	3	0	5	7	5
2BR	1	5	9	9	6	3
3BR	2	4	3	2	3	2
4BR	2	0	0	0	0	0
Resulting Density (DUAC)	36	44	44	63	63	79
Unit Size						
Avg Unit Size	**1,250**	**1,238**	**1,325**	**1,113**	**1,147**	**1,060**
0BR	0	0	0	0	0	0
1BR	700	800	800	800	950	800
2BR	1,050	1,250	1,250	1,200	1,200	1,200
3BR	1,200	1,550	1,550	1,500	1,500	1,500
4BR	1,400	1,900	1,900	1,900	1,900	1,900
Resulting FAR	1.39	1.55	1.66	2.13	2.19	2.70
Parking						
Total Parking Count	**10**	**10**	**12**	**17**	**17**	**10**
Space Per Bedroom	*0.63*	*0.40*	*0.44*	*0.59*	*0.61*	*0.59*
Space Per Unit	*2.00*	*0.83*	*1.00*	*1.06*	*1.06*	*1.00*

Source: LACP, AECOM

Because the prototypes were physically infeasible, they were not tested for financial feasibility.

Table A 4: Prototype C – Post-CPC Version

C. Post-CPC Version
2nd Submission
Net Parcel Calculation & 3BR Rule & No Parking FAR & Updated Prototypes
November-24

	CT1-5 Rental	CT1-6 Rental	CT1-6 For-Sale	CT2-8 Rental	CT2-8 For-Sale	CT2-10 Rental
esign						
ize AC	0.14	0.28	0.28	0.25	0.25	0.13
ize SF	6,000	12,000	12,000	11,000	11,000	5,500
Vidth (ft)	50	100	100	100	100	50
epth (ft)	120	120	120	110	110	110
type Design						
overage Ratio	75%	80%	80%	80%	80%	75%
opable Lot SF	4,500	9,600	9,600	8,800	8,800	4,125
AR with Bonus	1.30	1.45	1.45	1.75	1.75	2.05
er-Unit" FAR Bonus	0.50	0.50	0.50	0.00	0.00	0.00
	Based off 40% 3BR or Bigger Rule					
-Unit %	*60%*	*42%*	*42%*	*13%*	*19%*	*0%*
ng Efficiency Ratio	100%	100%	100%	95%	95%	95%
ig Area Per Space	120	120	120	120	120	120
Parking FAR SF	0	0	0	0	0	0
	Above-ground Parking is NOT counted toward FAR					
ig FAR Compliance						
Parking FAR SF	0	0	0	0	0	0
Jnit NSF	5,800	13,200	13,800	14,300	14,500	7,600
Jnit GSF	5,800	13,200	13,800	15,053	15,263	8,000
Bldg GSF	5,800	13,200	13,800	15,053	15,263	8,000
ive FAR	1.29	1.38	1.44	1.71	1.73	1.94
t	Pass	Pass	Pass	Pass	Pass	Pass
count						
Unit Count	**5**	**12**	**12**	**16**	**16**	**10**
	0	0	0	0	0	0
	0	3	3	7	7	8
	2	4	4	7	6	2
	2	5	5	2	3	0
	1	0	0	0	0	0
ting Density (DUAC)	36	44	44	63	63	79
ize						
nit Size	**1,160**	**1,100**	**1,150**	**894**	**906**	**760**
	0	0	0	0	0	0
	0	750	800	700	700	700
	1,000	1,050	1,100	1,000	1,000	1,000
	1,200	1,350	1,400	1,200	1,200	1,200
	1,400	0	0	0	0	0
ting FAR	1.29	1.38	1.44	1.71	1.73	1.94
ig						
Parking Count	**10**	**11**	**12**	**16**	**18**	**8**
Per Bedroom	*0.63*	*0.40*	*0.44*	*0.59*	*0.61*	*0.59*
Per Unit	*2.00*	*0.92*	*1.00*	*1.00*	*1.13*	*0.80*

Source: LACP, AECOM

Results by incentive area and market tier are shown below.

Market Tier 1 (Market Land Value: $120 Per Sq. Ft.)	Residual Land Value ($/Land SF)						Feasibility					
Incentive Area	**CT-1**			**CT-2**			**CT-1**			**CT-2**		
Prototype	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**
Units per Lot	5	6	6	8	8	10	5	6	6	8	8	10
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
Market Land Value ($/SF)	$120											
1-Unit Set-Aside Per Lot												
oderate (For Sale)			($97)		$51							
oderate (For Rent)	($30)	$4		($131)		($94)						
	($61)	($16)		($149)		($125)						
LI	($67)	($21)		($155)		($131)						
LI	($80)	($33)		($168)		($129)						
2-Unit Set-Aside Per Lot												
oderate (For Sale)			($98)		$3							
oderate (For Rent)	($50)	($22)		($132)		($91)						
	($117)	($77)		($184)		($140)						
LI	($130)	($90)		($196)		($152)						
LI	($157)	($115)		($221)		($177)						

Market Tier 2 (Market Land Value: $170 Per Sq. Ft.)	Residual Land Value ($/Land SF)						Feasibility					
Incentive Area	**CT-1**			**CT-2**			**CT-1**			**CT-2**		
Prototype	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**
Units per Lot	**5**	**6**	**6**	**8**	**8**	**10**	**5**	**6**	**6**	**8**	**8**	**10**
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
Market Land Value ($/SF)	$170											
1-Unit Set-Aside Per Lot												
oderate (For Sale)			($29)		$180						F	
oderate (For Rent)	$42	$81		$164		$228						F
	$9	$63		$161		$197						F
LI	$3	$56		$154		$190						F
LI	($11)	$43		$141		$196						F
2-Unit Set-Aside Per Lot												
oderate (For Sale)			($52)		$101							
oderate (For Rent)	$12	$45		$138		$200						F
	($60)	($12)		$85		$153						
LI	($74)	($26)		$72		$141						
LI	($103)	($53)		$45		$116						

Market Tier 3 (Market Land Value: $220 Per Sq. Ft.)	Residual Land Value ($/Land SF)						Feasibility					
Incentive Area	**CT-1**			**CT-2**			**CT-1**			**CT-2**		
Prototype	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**
Units per Lot	**5**	**6**	**6**	**8**	**8**	**10**	**5**	**6**	**6**	**8**	**8**	**10**
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
Market Land Value ($/SF)	$220											
1-Unit Set-Aside Per Lot												
oderate (For Sale)			$86		$332						F	
oderate (For Rent)	$173	$245		$222		$294		F		F		F
	$140	$229		$209		$262		F				F
LI	$133	$222		$202		$255		F				F
LI	$119	$210		$189		$264						F
2-Unit Set-Aside Per Lot												
oderate (For Sale)			$27		$216							
oderate (For Rent)	$112	$175		$176		$260						F
	$40	$119		$140		$215						
LI	$25	$105		$126		$203						
LI	($4)	$78		$99		$177						

Market Tier 4 (Market Land Value: $320 Per Sq. Ft.)	Residual Land Value ($/Land SF)						Feasibility					
Incentive Area	**CT-1**			**CT-2**			**CT-1**			**CT-2**		
Prototype	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**
Units per Lot	**5**	**6**	**6**	**8**	**8**	**10**	**5**	**6**	**6**	**8**	**8**	**10**
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
Market Land Value ($/SF)	$320											
1-Unit Set-Aside Per Lot												
oderate (For Sale)			$338		$576				F		F	
oderate (For Rent)	$269	$371		$293		$371		F				F
	$255	$362		$288		$339		F				F
LI	$248	$356		$282		$332		F				F
LI	$234	$343		$268		$351		F				F
2-Unit Set-Aside Per Lot												
oderate (For Sale)			$199		$408						F	
oderate (For Rent)	$199	$276		$240		$331						F
	$126	$226		$197		$295						
LI	$111	$212		$183		$282						
LI	$82	$185		$169		$256						

Table A 5: Prototype D - Post CPC with 2BR Rule Version

D. Post CPC with 2BR Rule Version
3rd Submission
Net Parcel Calculation & 2BR Rule & No Parking FAR & CPC Prototypes
February-25

	CT1-5 Rental	CT1-6 Rental	CT1-6 For-Sale	CT2-8 Rental	CT2-8 For-Sale	CT2-10 Rental
Site Design						
Site Size AC	0.14	0.28	0.28	0.25	0.25	0.13
Site Size SF	6,000	12,000	12,000	11,000	11,000	5,500
Site Width (ft)	50	100	100	100	100	50
Site Depth (ft)	120	120	120	110	110	110
Prototype Design						
Lot Coverage Ratio	75%	80%	80%	80%	80%	75%
Developable Lot SF	4,500	9,600	9,600	8,800	8,800	4,125
Max FAR with Bonus	1.30	1.45	1.45	1.75	1.75	2.05
"Bigger-Unit" FAR Bonus	0.50	0.50	0.50	0.50	0.50	0.50
	Based off 40% 2BR or Bigger Rule					
Bigger-Unit %	*100%*	*75%*	*100%*	*69%*	*56%*	*40%*
Building Efficiency Ratio	95%	95%	100%	95%	97%	96%
Parking Area Per Space	120	120	120	120	120	120
Total Parking FAR SF	0	0	0	0	0	0
	Above-ground Parking is NOT counted toward FAR					
Testing FAR Compliance						
Total Parking FAR SF	0	0	0	0	0	0
Total Unit NSF	6,250	14,850	15,900	17,800	18,350	9,900
Total Unit GSF	6,579	15,632	15,900	18,737	18,918	10,313
Total Bldg GSF	6,579	15,632	15,900	18,737	18,918	10,313
Effective FAR	1.46	1.63	1.66	2.13	2.15	2.50
Result	Pass	Pass	Pass	Pass	Pass	Pass
Unit Count						
Total Unit Count	**5**	**12**	**12**	**16**	**16**	**10**
0BR	0	0	0	0	0	0
1BR	0	3	0	5	7	6
2BR	1	5	9	9	6	3
3BR	2	4	3	2	3	1
4BR	2	0	0	0	0	0
Resulting Density (DUAC)	36	44	44	63	63	79
Unit Size						
Avg Unit Size	**1,250**	**1,238**	**1,325**	**1,113**	**1,147**	**990**
0BR	0	0	0	0	0	0
1BR	700	800	800	800	950	800
2BR	1,050	1,250	1,250	1,200	1,200	1,200
3BR	1,200	1,550	1,550	1,500	1,500	1,500
4BR	1,400	1,900	1,900	1,900	1,900	1,900
Resulting FAR	1.46	1.63	1.66	2.13	2.15	2.50
Parking						
Total Parking Count	**10**	**10**	**12**	**17**	**17**	**9**
Space Per Bedroom	*0.63*	*0.40*	*0.44*	*0.59*	*0.61*	*0.59*
Space Per Unit	*2.00*	*0.83*	*1.00*	*1.06*	*1.06*	*0.90*

Source: LACP, AECOM

Results by incentive area and market tier are shown below.

Market Tier 1
(Market Land Value: $120 Per Sq. Ft.)

	Residual Land Value ($/Land SF)						Feasibility					
Incentive Area	**CT-1**			**CT-2**			**CT-1**			**CT-2**		
Prototype	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**
Units per Lot	5	6	6	8	8	10	5	6	6	8	8	10
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
Market Land Value ($/SF)	$120											
1-Unit Set-Aside Per Lot												
oderate (For Sale)			$26		$131						F	
oderate (For Rent)	($74)	($16)		($195)		($133)						
I	($104)	($34)		($210)		($163)						
LI	($110)	($40)		($216)		($170)						
LI	($123)	($52)		($228)		($163)						
2-Unit Set-Aside Per Lot												
oderate (For Sale)			($41)		$31							
oderate (For Rent)	($93)	($58)		($208)		($139)						
I	($160)	($112)		($256)		($183)						
LI	($174)	($124)		($268)		($195)						
LI	($200)	($150)		($293)		($220)						

Market Tier 2
(Market Land Value: $170 Per Sq. Ft.)

Market Tier 2	Residual Land Value ($/Land SF)						Feasibility					
Incentive Area	**CT-1**			**CT-2**			**CT-1**			**CT-2**		
Prototype	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**
Units per Lot	**5**	**6**	**6**	**8**	**8**	**10**	**5**	**6**	**6**	**8**	**8**	**10**
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
Market Land Value ($/SF)	$170											
1-Unit Set-Aside Per Lot												
oderate (For Sale)			$122		$294						F	
oderate (For Rent)	$5	$71		$175		$279				F		F
I	($28)	$54		$163		$248						F
LI	($35)	$47		$156		$242						F
LI	($48)	$34		$143		$253						F
2-Unit Set-Aside Per Lot												
oderate (For Sale)			$23		$155							
oderate (For Rent)	($25)	$16		$118		$238						F
I	($97)	($40)		$70		$197						F
LI	($111)	($54)		$57		$184						F
LI	($140)	($81)		$30		$159						

Market Tier 3
(Market Land Value: $220 Per Sq. Ft.)

Market Tier 3	Residual Land Value ($/Land SF)						Feasibility					
Incentive Area	**CT-1**			**CT-2**			**CT-1**			**CT-2**		
Prototype	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**
Units per Lot	**5**	**6**	**6**	**8**	**8**	**10**	**5**	**6**	**6**	**8**	**8**	**10**
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
Market Land Value ($/SF)	$220											
1-Unit Set-Aside Per Lot												
oderate (For Sale)			$284		$487				F		F	
oderate (For Rent)	$136	$260		$248		$365		F		F		F
I	$103	$246		$240		$333		F		F		F
LI	$96	$239		$233		$327		F		F		F
LI	$82	$226		$220		$342		F				F
2-Unit Set-Aside Per Lot												
oderate (For Sale)			$131		$301						F	
oderate (For Rent)	$75	$165		$182		$317						F
I	$3	$111		$137		$279						F
LI	($12)	$97		$124		$266						F
LI	($41)	$70		$97		$241						F

Market Tier 4
(Market Land Value: $320 Per Sq. Ft.)

Market Tier 4	Residual Land Value ($/Land SF)						Feasibility					
Incentive Area	**CT-1**			**CT-2**			**CT-1**			**CT-2**		
Prototype	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**	**4D-R**	**RH-R**	**TH-S**	**CY3-R**	**CY3-S**	**CY3-R**
Units per Lot	**5**	**6**	**6**	**8**	**8**	**10**	**5**	**6**	**6**	**8**	**8**	**10**
Total Units	5	12	12	16	16	10	5	12	12	16	16	10
Market Land Value ($/SF)	$320											
1-Unit Set-Aside Per Lot												
oderate (For Sale)			$637		$795				F		F	
oderate (For Rent)	$249	$396		$336		$468		F		F		F
I	$236	$391		$339		$436		F		F		F
LI	$229	$384		$332		$429		F		F		F
LI	$215	$371		$319		$459		F				F
2-Unit Set-Aside Per Lot												
oderate (For Sale)			$366		$544				F		F	
oderate (For Rent)	$180	$274		$261		$413						F
I	$107	$226		$225		$387						F
LI	$92	$212		$212		$374						F
LI	$63	$184		$184		$347						F

APPENDIX 5:
Report and Recommendations Relative to the Impacts of Senate Bill (SB) 79 (CF-25-1083)

CPC-2026-1798-MSC, CPC-2026-1797-CA

For consideration by City Planning Commission

May 14, 2026

DEPARTMENT OF
CITY PLANNING

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DEPUTY DIRECTOR

November 13, 2025

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

Attention: Planning and Land Use Management Committee

Dear Honorable Members,

REPORT AND RECOMMENDATIONS RELATIVE TO THE IMPACTS OF SENATE BILL (SB) 79 (CF 25-1083)

I. RECOMMENDATIONS

1. Instruct the Department of City Planning to initiate and procure software and technical support needed for mapping and modeling analysis required to evaluate how potential implementation options meet criteria for delayed effectuation or a local Transit-Oriented Development (TOD) alternative plan.

2. Instruct the CAO to find General Fund funding pursuant to the second moving clause of the motion in Council File (CF) 25-1083.

3. Instruct the Department of City Planning to initiate the development of an ordinance, consistent with Approach B described herein, to delay effectuation of Senate Bill (SB) 79 in all eligible areas including Very High Fire Hazard Severity Zones, sites vulnerable to one foot sea level rise, sites with a local historic resource, areas of the City designated as low resource, sites more than one-mile walking distance from a station, eligible industrial areas, and other areas where the City's current zoning allows for the delay of SB 79 consistent with Government Code Section 65912.161.(b).

4. Instruct the Department of City Planning, based on the modeling analysis that will be completed and consistent with the instructions outlined in Section f. of the third moving clause

of the motion, to report back on where and how the City may further delay effectuation of SB 79 through the potential adoption of upzoning ordinances alongside a delayed effectuation ordinance for certain areas, consistent with Approach C described herein.

5. Instruct the Department of City Planning to make recommendations for the development of a citywide framework for the initiation and development of a local TOD alternative plan (Alt Plan), consistent with Approach D described herein and with the instructions outlined in the last moving clause as amended by the Planning and Land Use Management (PLUM) Committee on October 28, 2025; to prioritize adoption of local Alt Plans following both SB 79's effectuation on July 1, 2026 and a delayed effectuation ordinance; and in alignment with Affirmatively Furthering Fair Housing (AFFH) objectives and the goals of the 2021-2029 Housing Element.

II. INTRODUCTION

Senate Bill (SB) 79, the Abundant and Affordable Homes Near Transit Act, was introduced by Senator Scott Wiener and signed by Governor Gavin Newsom on October 10, 2025. The bill will become effective on July 1, 2026. On November 4, 2025, the City Council adopted a motion (CF 25-1083), as amended by the Planning and Land Use Management (PLUM) Committee on October 28, 2025, instructing various Departments to prepare reports, including a request for three reports from the Department of City Planning. The present report responds to the first instruction asking the Department of City Planning to describe key provisions of SB 79, local options for implementation, and resources needed by the Department of City Planning to effectuate the bill's requirements. A second report, due in January 2026, will respond to an instruction from City Council to provide an analysis of impacts on environmentally sensitive areas, results from capacity modeling, and recommended local implementation options. A third report, due 90 days from the adoption of the motion, asks the Department of City Planning to report back on the City's plan to meet its Regional Housing Needs Assessment (RHNA) and Affirmatively Further Fair Housing (AFFH) obligations within the context of SB 79.

This report provides an overview of the bill, summarizes several options for local implementation, discusses potential local impacts, and describes resources needed for the Department of City Planning to effectively administer the regulations contained in SB 79 for City Council's consideration based on initial analysis and preliminary interpretations of the bill. As local understanding of the bill is still evolving, implementation guidance and potential station mapping will be updated when new information becomes available from the California Department of Housing and Community Development (HCD) and the Southern California Association of Governments (SCAG).

III. BACKGROUND

SB 79 establishes new development standards within specified distances of "transit-oriented development (TOD) stops" (as defined in SB 79) on land zoned for residential, mixed, or commercial uses. Specifically, the bill provides guaranteed height, floor area ratio (FAR), and density standards

for multi-family housing to encourage five to nine story developments near transit, with development standards scaled based on a project site's proximity within a half-mile (½ mile) of an eligible TOD stop. Alongside offering additional development standards, the bill imposes affordability requirements for projects with more than 10 units; labor requirements for buildings over 85 feet; and restricts eligibility on industrial land, projects with hotels, and lots with more than two rent controlled units that have been occupied in the last seven years. The bill further limits applicability to "urban transit counties" that contain more than fifteen transit stations. As such, less transit rich counties like neighboring San Bernardino, Ventura, and Riverside Counties may be ineligible for the bill. Within Los Angeles County, the bill will apply to all eligible TOD Stops in July of 2026 except for unincorporated areas of the County, which have until the seventh Regional Housing Needs Assessment (RHNA) cycle (2029). Additionally, cities with populations of less than 35,000 are only subject to SB 79 development standards within a quarter mile (¼ mile) of a TOD stop. In instances where Los Angeles shares a TOD stop with neighboring cities with populations under 35,000, including potentially Beverly Hills, West Hollywood, El Segundo, and San Fernando, the full ½ mile buffer will be applicable in Los Angeles while the neighboring cities will receive a ¼ mile buffer.

SB 79 couples with existing state laws, by allowing eligible projects to be processed through a streamlined ministerial process established under SB 35 and SB 423 (California Government Code Section (GCS) 65913.4) and encouraging the use of State Density Bonus (GCS 65915) by offering additional incentives for relief from existing development standards. For projects not eligible for streamlined review, local procedures may continue to be implemented including specific plan review, overlay review, project review (formerly site plan review), and historic review.

The implementation of SB 79 requires coordination among local and state agencies to identify eligible sites and ensure local policies adopted to effectuate SB 79 are compliant with the bill's provisions. The bill requires Metropolitan Planning Organizations, the Southern California Association of Governments (SCAG) in the Los Angeles region, to create maps with eligible TOD stops. These maps will require input from local transit agencies like the Los Angeles County Metropolitan Transportation Authority (Metro), Big Blue Bus, and the Los Angeles Department of Transportation. HCD is required to produce standards for production of the SCAG map and for analyzing capacity by July 1st, 2026, the effective date of the bill. HCD is also granted review authority of any ordinances adopted to implement SB 79.

The bill offers four possible pathways for implementation, giving jurisdictions a choice on how to locally implement the bill including:

- Approach A: State SB 79 Implementation
- Approach B: Delayed Effectuation For Eligible Areas
- Approach C: Delayed Effectuation + New Upzoning Ordinance to Increase Capacity and Expand Eligibility to Delay
- Approach D: Local TOD Alternative Plan

As the bill will become effective July 1, 2026, jurisdictions can choose to implement the state version of the bill (Approach A), adopt an ordinance to delay effectuation in eligible areas until one year

following the adoption of the next Housing Element (approximately 2030 for Los Angeles) (Approach B), adopt upzoning ordinances alongside a delayed effectuation ordinance to delay effectuation in more areas (Approach C), and/or develop a local version of SB 79 known as a local TOD alternative plan (Alt Plan) (Approach D). Delayed effectuation is permitted in TOD Stations that already have significant housing capacity, low resource areas as defined by the Opportunity Map tool created by HCD and the Tax Credit Allocation Committee (TCAC), and on individual sites which already have significant housing potential. Sites are also eligible for delayed effectuation if they are more than one mile walking distance from the station, comprise an industrial employment hub, are in a Very High Fire Hazard Severity Zone (VHFHSZ), are a locally designated historic resource, or are located in a one foot Sea Level Rise (SLR) area. More information about delayed effectuation is available on page 12.

Cities also have the option to adopt local Alt Plans by ordinance, specific plan, overlay, or General Plan update without California Environmental Quality Act (CEQA) review and may include local housing incentive programs. Local Alt Plans can revise the zoning requirements and development standards allowed by the bill for individual sites within a TOD zone, provided there is no citywide reduction in net capacity in all TOD zones. The bill limits the city's ability to reduce capacity established by SB 79 at the station and individual site level except for limited exemptions on sensitive sites. Except for the limited sites in sensitive areas, Alt Plans would apply to the entire TOD zone and would be required to upzone single family and low density residential sites. More information about Alt Plans is available on page 14. Implementing either delayed effectuation or a local Alt Plan would require a legislative action by City Council and review by HCD. Prior to adoption of an ordinance, site, station, and citywide analysis is required. Overall, delayed effectuation provisions are limited and may not be available to every TOD zone, while local alternative plan requirements are more restrictive and will require upzoning in most TOD zones, particularly in higher and moderate opportunity areas.

IV. KEY REQUIREMENTS AND PROVISIONS

New Transit-Oriented Development Tiers

SB 79 establishes a new definition for "transit-oriented development stop" by building upon the existing term in state law for major transit stop (MTS[1]) and specifying additional eligible types of transit stops, including stops on routes with preferred alternatives, stops on routes identified in Metro's Regional Transportation Improvement Plan (RTIP) (created to identify funding priorities for the State Transportation Improvement Program), and certain planned stops that were not identified in the applicable regional transportation plan on or before January 1, 2026 (SCAG's Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) (GCS 65912.156(p)). Two tiers of TOD stops are defined in the bill to differentiate between stops served by different types of high frequency rail transit, including commuter rail and light rail, and bus service (summarized in Table 1 below) (GCS 65912.156). After January 1, 2026, the only type of planned stop eligible for the bill would be TOD Tier 1 stops.

[1] As defined pursuant to Section 21064.3 of the Public Resources Code.

Table 1: Senate Bill 79 Transit Tiers

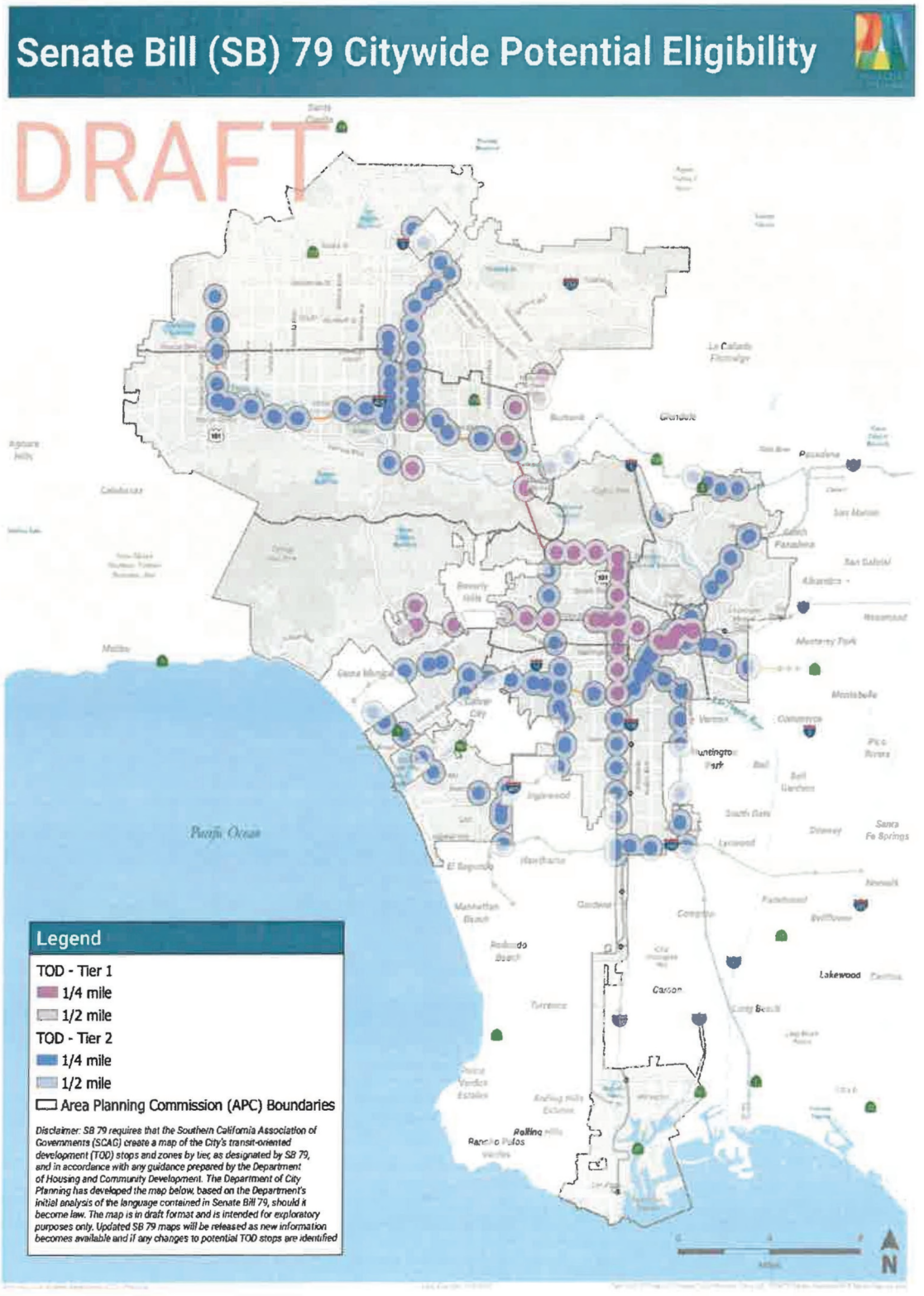
Transit-Oriented Development Stop Tier	Transit Type
Tier 1 **33 potential stations**	• Heavy Rail Transit • Very High Frequency Commuter Rail (at least 72 trips per day)
Tier 2 **117 potential stations**	• Light Rail Transit • High Frequency Commuter Rail (at least 48 trips per day) • Bus Rapid Transit (BRT) Stations[2] • Bus Service with full time dedicated lanes, 15-minute headways, and which qualify as a Major Transit Stop.

Each of the two tiers has an associated ½ mile and ¼ mile buffer where applicable incentives are scaled based on the distance from and tier-type of an eligible TOD stop (GCS 65912.157(a)). Heavy Rail Transit and Very High Frequency Commuter Rail qualify as Tier 1 TOD stops. In the City, stops along Metro B and D lines may qualify as Tier 1 TOD stops. Light Rail Transit and High Frequency Commuter Rail qualify as Tier 2 TOD stops. Tier 2 eligibility also includes Bus Rapid Transit (BRT) bus stops as well as bus stops served by full-time dedicated bus lanes or operation in a separate dedicated right-of-way, with 15-minute peak period headways, that also meet the definition of a MTS. Locally, Metro A, C, E, K, and G lines may qualify as Tier 2. Initial department mapping analysis includes the Metro G Line BRT and planned BRT routes along Lincoln Blvd and Vermont Ave and the NoHo to Pasadena BRT as Tier 2 TOD stops. The Metro J Line was not included due to not having full-time dedicated bus lanes. Additional mapping analysis has identified potentially eligible bus stops located along full time bus lanes, with 15-minute headways and which qualify as a MTS; these include Sepulveda Boulevard, Venice Boulevard, and Figueroa Street.

The Department of City Planning has released a draft map based on initial bill analysis (contained in Map 1 of this report) visualizing potentially eligible TOD stops citywide. However, the bill authorizes SCAG, as the region's metropolitan planning organization, to create the map of designated TOD stops and zones within the region by tier (GCS 65912.160(f)). In August 2025, the Department released preliminary maps[3] identifying approximately 150 potential TOD zones within the City. The Department of City Planning is actively working through interpretations pertaining to the eligibility of planned transit routes identified in the RTP/SCS and RTIP and will continue to update maps as guidance from HCD and SCAG becomes available.

[2] Consistent with Public Resources Code Section 21060.2
[3] https://storymaps.arcgis.com/stories/480791d9b665485ea798986dcad61e86

Map 1: Draft TOD Station Citywide Potential Eligibility



TOD Development Standards

In conjunction with the new transit stop definitions, SB 79 establishes new base development standards, summarized in Table 2 below, for eligible housing development projects with five or more units (GCS 65912.157). Specifically, the bill assigns density, floor area ratio (FAR), and height to sites within a ¼ mile or ½ mile from eligible transit stops. Projects located within a ¼ mile buffer from a transit stop are eligible for more permissive development standards. The bill also includes an "adjacency intensifier" which allows an additional bonus of density, FAR, and height for sites located within 200 feet of any pedestrian access point of a TOD stop, as defined in the bill. These development standards will be available for all eligible projects, including sites with more restrictive zoning like single-family and low density zones as well as sites located in Specific Plans and other overlays.

Cities are limited from imposing local development standards that would physically preclude a project from achieving the FARs granted by the bill. In effect, this means that eligible projects may be able to receive waivers of development standards from the Zoning Code or applicable overlay that otherwise would prevent them from achieving the FARs of the bill. This could include requests for relief from standards like transitional height, lot coverage, and setbacks. Additionally, beginning on January 1, 2027, denial of a project eligible for SB 79 development standards described and located in a high resource area would be considered in violation of the Housing Accountability Act, unless substantial evidence demonstrates that there is a health, life, or safety reason for denying the project (GCS 65912.157(m)). Lastly, projects taking advantage of height limits greater than 85 feet must comply with the labor standards described in GCS 65913.4(a), including paying a prevailing wage and the use of a skilled and trained workforce.

Table 2: Summary of SB 79 Development Standards

	Transit-Oriented Development Stop Tier 1			Transit-Oriented Development Stop Tier 2		
Tier	**Within 200 ft**	**¼ Mile**	**½ Mile**	**Within 200 ft**	**¼ Mile**	**½ Mile**
Height[4] (feet)	95 (9 stories)	75 (7 stories)	65 (6 stories)	85 (8 stories)	65 (6 stories)	55 (5 stories)
Density (dwelling units/acre)	160	120	100	140	100	80
Minimum Lot Area per Dwelling Unit Density Equivalency (square feet)	272	363	436	311	436	545
Floor Area Ratio (FAR)	4.5	3.5	3	4	3	2.5

Relationship to State Density Bonus Law

SB 79 development standards may be used in conjunction with State Density Bonus Law (GCS 65915) or local State Density Bonus Programs to receive additional density and incentives. The Citywide Housing Incentive Program (CHIP) Ordinance (Ordinance Nos. 188,477 and 188,478) serves as the city's local implementation of State Density Bonus Law, and thus SB 79 incentives may be stacked with CHIP Ordinance incentives. While SB 79, without delayed effectuation or a local Alt Plan in place, is stackable with state density bonus incentives, cities are not required to grant a waiver or incentive for additional height beyond what is given in the bill except for One Hundred Percent Affordable Housing Projects. Projects that opt to utilize SB 79 in conjunction with State Density Bonus Law may access additional incentives on top of the incentives in the program (summarized in Table 3 below). The total number of incentives available will vary based on the CHIP program utilized, with the highest number of incentives available in the Affordable Housing Incentive Program (AHIP[5]). Projects requesting additional incentives must also meet a minimum density requirement, ranging from 60 to 90 dwelling units per acre depending on their tier eligibility; this equates to approximately 9 - 14 units on a 6,500 square-foot lot. See Table 4 below for the minimum density by tier category.

[4] The height in stories provided is approximate based on overall height allowed.
[5] LAMC Section 12.22 A.39 of Chapter 1 and Section 9.2.2 of Chapter 1A

Table 3: Additional Incentives by Affordability Income Category using Los Angeles Municipal Code (LAMC) Section 12.22 A.37 (State Density Bonus Program)

Affordability Income Category	Incentives available in GCS 65915	Additional Incentives Under GCS 65915	Total Potential Incentives for SB79 State DB projects
Extremely Low Income	4	3	7
Very Low Income		2	6
Low Income	3	1	4

Table 4: Minimum Density Required by Tier to Receive Additional Incentives

	¼ Mile of Tier 1	½ Mile of Tier 1	¼ Mile of Tier 2	½ Mile of Tier 2
Minimum Density (dwelling units/ac)	90	75	75	60
Minimum Density (lot area per dwelling unit equivalency)	484	580	580	726

As SB 79 effectively increases base density for eligible projects in residential zones citywide, zones previously ineligible for density bonus incentives (i.e., R1, R2) will be able to propose projects that stack SB 79 development standards with CHIP provided they are eligible for the specific program. Single-family zoned sites are not eligible for the Mixed Income Incentive Program (MIIP[6]) and have limited eligibility in AHIP. If the city pursues a local implementation option, stacking provisions may be postponed or limited in an Alt Plan. The requirements associated with these local options are described in more detail in Section V of this report.

Tenant Protections

SB 79 aims to protect tenants and mitigate displacement by requiring compliance with local ordinances containing demolition and anti-displacement standards (GCS 65912.157(g)). This requires SB 79 projects to comply with the adopted Resident Protections Ordinance (RPO) (Ordinance Nos. 188,481 and 188,482). The bill also excludes from eligibility sites with more than

[6] LAMC Section 12.22 A.38 of Chapter 1 and Sections 9.2.3, 9.2.4, and 9.2.5 of Chapter 1A

two units subject to any form of rent or price control, including units subject to the City's Rent Stabilization Ordinance (RSO) that have been occupied or demolished within the last seven years (GCS 65912.157(h)). The Department of City Planning is working with the Los Angeles Housing Department and HCD to determine if this would be inclusive of units subject to price control through the Tenant Protection Act of 2019 (AB 1482) (units contained in buildings with a Certificate of Occupancy from at least fifteen years ago).

For projects proposing the demolition of existing housing units, SB 79 also requires compliance with the anti-displacement requirements of Section 66300.6 (Housing Crisis Act of 2019) (GCS 65912.158(j)). This section is consistent with the Resident Protections Ordinance and requires that there be no net loss of dwelling units, that existing residents must be allowed to occupy their units until six months before the start of construction, and requires notification six months prior to when occupants have to vacate. If demolition does not proceed and the building returns to the rental market, then occupants must be allowed to return at their prior rental rate. If development does proceed, lower income households will receive relocation assistance and have the right of first refusal for comparable units in the new housing development. These requirements are consistent with those recently codified in the RPO.

Procedures

SB 79 allows eligible projects to receive the development standards provided in the bill by-right, but does not supersede existing local processes for the review of projects unless used in conjunction with other state streamlining. Procedures required by Specific Plans or other overlays, including Historic Preservation Overlay Zones (HPOZs), will still apply. Projects proposed per SB 79 may opt to use streamlined ministerial approval pursuant to GCS Section 65913.4 (SB 35/SB 423) (GCS 65912.159(a)). Streamlined approval would subject a project to the other requirements of SB 35/423, including affordability, labor requirements, and streamlining prohibitions in environmentally sensitive areas including Very High Fire Hazard Severity Zones, flood hazard areas, and earthquake fault zones. Projects may also be eligible for ministerial review when used in conjunction with the Housing Element Sites and Minimum Density Ordinance,[7] or the proposed Affordable Housing Streamlining Ordinance. Project processing guidance will be prepared, as needed, by the Department of City Planning.

Transit Agencies

The bill contains provisions for housing or mixed-use projects located on land owned by a transit agency (GCS 65912.158). These types of projects must be at least 50% residential and provide at least 20% of units as affordable for lower income households. Transit agency projects must also comply with the labor standards of GCS 65913.4 (SB 35/SB 423) and anti-displacement requirements of GCS 66300.6 and the RPO. SB 79 authorizes a transit agency's board of directors (i.e., Metro's Board of Directors) to adopt TOD zoning standards by resolution for land owned by the transit agency subject to CEQA review. These zoning standards may establish requirements for density, height, FAR, and allowed uses, however the density standards may not be lower than those

[7] LAMC Section 16.70 of Chapter 1 and Section 9.2.6. of Chapter 1A

established by the bill nor greater than 200% of the density allowed by the bill. Procedures for establishing TOD zoning standards are included in SB 79 and require that a public hearing be held by a transit agency's board of directors or the Metro Board in Los Angeles. If zoning adopted by a transit agency is inconsistent with local zoning, then cities may adopt an ordinance to conform to the TOD zoning standards. The Department of City Planning is currently working on a report related to CF 25-0928 (Housing Initiatives) that will provide an analysis of barriers to housing development for local public sector agencies including Metro. This analysis may include further research on the utilization of GCS 65912.158 by Los Angeles Metro on land that they intend to use for housing and mixed-use development.

Department of Housing and Community Development (HCD) Authority

SB 79 authorizes and requires HCD to issue guidance on the bill for cities and agencies implementing SB 79 by July 1st, 2026. The Department of City Planning anticipates that resources from HCD will assist with clarifying the bill's definitions, calculating capacity, and determining TOD station eligibility. The bill also outlines the parameters of HCD review for local implementation. Delayed effectuation ordinances, Alt Plan ordinances, and ordinances adopted to codify SB 79 overall are subject to review and approval by HCD. Cities seeking to adopt ordinances subject to HCD review must comply with the following time frames at different points in the adoption process:

- 14 days prior to adoption - draft submitted to HCD
- 60 days after adoption - final ordinance must be submitted to HCD
- 90 days - time HCD has to review final ordinance after submission
- 30 days - additional time HCD may request to review final ordinance

The above time periods give HCD a total review period of up to 120 days to review a final ordinance after its adoption. With a July 1st, 2026 effective date for the bill, cities would need to adopt and submit a local implementation ordinance to HCD by March 2026 to comply with the 120 day review timeline. As HCD is not required to produce implementation guidance until the bill's effective date, local ordinances would need to be adopted prior to the finalization of guidance in order to meet this statutory review timeline ahead of the bill's effective date. If at any time HCD determines that an ordinance does not comply with the provisions of the bill, then cities have 60 days to respond by either amending the ordinance or providing findings that explain the enacted ordinance's compliance with the bill.

V. LOCAL IMPLEMENTATION OPTIONS

SB 79 provides cities several pathways for local implementation including implementing the full scope of the bill (State SB 79 Implementation), delaying effectuation for certain areas (Delayed Effectuation), or administering the bill through a local SB 79 Alternative Plan (Alt Plan). Each option, described in more detail below, gives cities different methods for allocating the capacity created by the bill at a site, station, and citywide level. Each option is also specifically regulated by SB 79 language, limiting the amount and range of local flexibility. Local options effectuated through an ordinance can be adopted without CEQA review. These options are also not exclusive and may be employed at different points in the next five years. Local implementation options may provide some

level of limited flexibility to facilitate affordable housing production in a manner that is aligned to some degree with local policy goals and AFFH objectives. As SB 79 impacts almost every Community Plan Area in the city, careful consideration is necessary to determine which implementation pathway, or combination of, purposefully advances local housing goals.

Approach A: State SB 79 Implementation

The first option available to cities is to take no action and implement the bill in its entirety on July 1, 2026, providing eligible sites access to the bill's development standards. Direct implementation of the bill would permit projects to receive all incentives described in this report and to be used in combination with GCS 65915 for additional density and incentives. This option can be utilized citywide, at a specific station, or on certain sites.

While not required, the law further permits cities to adopt an ordinance to codify SB 79 development standards for the design of SB 79 projects. Adoption of a State SB 79 implementation ordinance with design standards requires HCD review but is not subject to CEQA. Separate from a delayed effectuation ordinance or Alt Plan, the bill permits two types of sites to be exempt from the bill by ordinance. This could be independent from or in conjunction with any other type of SB 79 implementation ordinance. Cities may exempt sites that are more than a one-mile walking distance from a TOD stop, and for cities with at least 15 TOD stops, designated "industrial employment hubs" may be exempted.

Approach B: Delayed Effectuation For Eligible Areas

The second local implementation pathway is delaying effectuation for those limited areas authorized by SB 79. SB 79 includes provisions that allow cities to temporarily exempt individual sites and TOD stops meeting certain criteria identified in the bill, effectively "delaying effectuation". The delay is intended to give cities which have significant local housing capacity, sensitive areas, and low resource communities time to prepare local Alt Plans. Cities may delay effectuation on these sites up until one year following the adoption of the seventh cycle of the Housing Element, which would be approximately 2030 for the City of Los Angeles. During delayed effectuation or at the expiration of the delay a city may adopt a local Alt Plan (GCS 65912.161(b)) to codify the SB 79 development standards. Establishing delayed effectuation requires the preparation of a model to analyze local development potential compared to SB 79; the adoption of a delayed effectuation ordinance; and HCD review of the model and ordinance.

Sites, low resource areas, and TOD stations may be eligible for delayed effectuation if they meet any of the following criteria:

- At a TOD zone level, delayed effectuation may be available when:
    - ⅓ (33%) of the sites in a TOD zone currently allow at least 50% of the density and FAR granted by the bill, and
    - All sites in the TOD zone cumulatively allow for at least 75% of the aggregate density allowed

TOD zones in high opportunity areas of the city with high concentrations of low density zoning (e.g. R1, RD zones) are less likely to be eligible for delayed effectuation under this standard with today's zoning.

- At a site level, delayed effectuation may be available when sites meet any of the following:
  - Permit at least 50% the density and FAR granted by the bill
  - Are in Very High Fire Hazard Severity Zones (VHFHSZ)
  - Are in areas vulnerable to one foot of sea level rise
  - Contain historic resources designated before January 1, 2025 on a local register, including HPOZs and Historic-Cultural Monuments (HCM)
  - Are at least one-mile walking distance from the TOD stop
  - Are designated as an industrial employment hub as defined in the bill[8]

- In areas designated as "low resource" in the most recently adopted opportunity area maps published by the California Tax Credit Allocation Committee (TCAC), the following delays may be available:
  - At a citywide level, sites in TOD zones designated as "low resource" may be delayed if the City cumulatively allows for at least 50% of the density and floor area granted by the bill across all TOD zones
  - At a station level, sites within a TOD zone that is primarily comprised of sites designated as "low resource" and the TOD zone cumulatively allows at least 40% of the density allowed by the bill

The above exemptions offer the City some degree of flexibility in delaying the effectuation of SB 79 in eligible areas, provided one of the delayed effectuation criteria is met. At the same time, identifying sites eligible for delayed effectuation necessitates comprehensive site-level and station-level analysis. The complexity of analysis required for each criteria listed above will vary. Site-level analysis for sites located in VHFHSZs, sea level rise areas, and with local historic resources can be conducted using available data sources. However, station level capacity criteria and low opportunity area criteria will require more complex analysis and time to determine eligibility.

Approach C: Delayed Effectuation + New Upzoning Ordinance to Increase Capacity and Expand Eligibility to Delay

TOD stops and sites that do not meet any of the above exemption criteria will remain eligible for the bill's development standards and incentives, unless the city upzones to create additional capacity thereby meeting eligibility for delayed effectuation (or adopts a local Alt Plan, discussed further below). Active work efforts could assist in delaying effectuation, provided such efforts are completed ahead of the July 2026 effective date of the bill. However, modifying these work programs to meet SB 79 requirements is likely infeasible under the current SB 79 timelines, which require an ordinance

[8] Paragraph (2) of subdivision (e) of GCS 65912.160 defines an industrial employment hub as a contiguous area of at least 250 acres dedicated to industrial uses and designated as such in the local jurisdiction's general plan as of January 1, 2025.

to be produced by March 2026. The city could also initiate an independent code amendment in conjunction with a delayed effectuation ordinance to increase the number of sites eligible for delayed implementation. This potential code amendment would include targeted density, height and floor area increases (upzoning) on single family and low density zoned sites that do not presently meet the delayed effectuation criteria described above, to facilitate delayed effectuation. While further analysis is needed to determine which stations are eligible for delayed effectuation and which are not, a code amendment upzoning single family parcels, particularly in higher and moderate opportunity areas where sites are likely not able to meet delayed effectuation criteria in the bill, could assist in establishing a citywide delay in effectuation. Note that any code amendment adopted would remain in effect, even if SB 79 were to be revised in the future and any future downzoning would be subject to SB 330 and AFFH analysis.

In order to refine any recommendation related to implementing delayed effectuation, the Department of City Planning has issued a Task Order Solicitation[9] to secure a contract for geographic information system (GIS) and modeling support needed to carry out the analysis discussed. Pending funding for this work, modeling could begin in early December and is expected to be completed in early 2026.

Approach D: Local TOD Alternative Plans

The fourth option for implementation in SB 79 provides cities agency to adopt an Alt Plan for a TOD stop, multiple stops, or at a citywide level as part of the Housing Element, a program of the Housing Element, a specific plan or overlay, or by other ordinance, subject to the approval of HCD. Alt Plans may consist of code amendments, zone changes, or a local incentive program, and give cities the limited ability to exempt certain limited sites and shift density within TOD zones so long as certain parameters related to increasing and decreasing citywide and TOD zone capacity are met, as regulated by SB 79's provisions (GCS 65912.161). While Alt Plans offer some limited amount of flexibility, they will require upzoning from today's zoning on single-family and low density multi-family zones, and in most cases it will not be possible for an Alt Plan to offer densities less than 5 units. Whereas the delayed effectuation provisions described above only offer temporary exemptions until approximately 2030, Alt Plans are valid through the seventh Housing Element cycle, approximately 2029-2037 (GCS 65912.161(d)), and then would need to be re-evaluated as part of subsequent Housing Element cycles.

Establishing an Alt Plan requires the preparation of a model to analyze local development potential compared to SB 79, the identification of all restrictions and limitations placed on the Alt Plan by the language of SB 79, the adoption of an Alt Plan ordinance, and HCD review of the model and ordinance. As such, adoption of an Alt Plan ordinance prior to the bill's effective date is likely infeasible. Alt Plan ordinances are not subject to CEQA, but are required per SB 79 to comply with the following provisions related to capacity at a site, station, and citywide level:

- At a citywide level, the plan must maintain the same total net zoned capacity for both total units and residential floor area across TOD stop areas as proposed by SB79. Net capacity

[9] https://www.rampla.org/s/opportunity-details?id=006QI00000UdBOvIAN

must take into account the existing number of units and amount of developed floor area existing on a site.

- At a station level, the plan cannot reduce capacity of total units and residential floor area (as proposed by SB79) by more than 50%.
- At a site level, the plan cannot decrease density (of SB 79 levels) by more than 50% on any site (except under limited circumstances described further below) and any increase in density may only be counted up to 200%.
    - To support more missing middle homeownership opportunities, Alt Plans may reduce density on a site below 50% of what is allowed under SB 79 within the ¼ to a ½ mile distance from a Tier 2 stop, so long as the sites have a minimum density of 30 du/ac (approximately 1,450 square feet of lot area per dwelling unit) and an FAR of 1.0. Reduced capacity from these sites must be accounted for elsewhere in the Alt Plan. See Table 5 for more information.

Effectively, Alt Plans as regulated by SB 79, establish limitations on how much capacity can be redistributed on a site and station level. This framework allows rezoning at a lower density, with restrictions, when offset elsewhere in a station and in other stations in the city. With most residential lots in the city averaging a lot size between 5000 - 8000 square feet, SB 79 would permit approximately 9 - 29 units per typical lot depending on lot size and the distance from a station, as shown in Table 5 below. In most cases the maximum reduction at a site-level is 50 percent, equating to approximately 4 - 14 units per typical lot. For sites between a ¼ and ½ mile of a TOD Tier 2 reductions to approximately 3 - 5 units may also be possible, however going down in the ¼ - ½ mile buffer may require going up in the ¼ mile buffer to offset the more than 50 percent reduction and ensure compliance with other station-level criteria. Sites may also be increased in density beyond SB 79's base allowances, but increases greater than 200 percent cannot be counted towards station and citywide capacity requirements, as such, maximum increases approximate to 18-58 units per typical lot. Determining the appropriate capacity in an Alt Plan will depend both on priorities for that station area and citywide priorities for housing.

Table 5: Units Per Lot Flexibility in Local Alt Plans

Typical Lot Size	5000 SF - 8000 SF	Within 200 feet of Tier 1 Station	¼ mile of Tier 1	½ mile of Tier 1	Within 200 feet of Tier 2 Station	¼ mile of Tier 2	½ mile of Tier 2
SB 79 Units Permitted		18 - 29 units	13 - 22 units	11 - 18 units	16 - 25 units	11 - 18 units	9 - 14 units
Maximum and Minimum Units Per Typical Lot Required in a Local Alt Plan[10]	**50% decrease**	9 - 14 units	6 -11 units	5 - 9 units	8 - 12 units	5 - 9 units	4 - 7 units May be further reduced to 3 - 5 units
	200% Increase	36 - 58 units	27 - 44 units	22 - 36 units	32 - 51 units	22 - 36 units	18 - 29 units

In limited circumstances, the bill allows cities to reduce capacity by more than 50%. On these sites, reductions in capacity do not count towards the capacity metrics described above. These sites include:

- Sites within VHFHSZs as designated by the state
- Sites vulnerable to one foot of sea level rise
- Sites with a locally designated historic resource (i.e. HPOZ) so long as these sites do not cumulatively exceed 10% of the station area (note: many City of Los Angeles station areas include larger proportions of historic resources)
- Sites more than a one-mile walking distance from the TOD stop[11]
- Sites that are designated as an industrial employment hub as defined in the bill[12]

SB 79 becomes effective in July 2026 but does not impose a deadline for Alt Plans, which allows jurisdictions to develop local plans separately or in parallel with local Housing Element updates. Alt plans may be pursued after the adoption of a delayed effectuation ordinance or after State SB 79 Implementation is effective. If proposed as part of a Housing Element update, sites identified as part of an Alt Plan may be utilized on the inventory of land suitable for residential development (pursuant to GCS 65583), provided the Alt Plan is included in the first draft submittal of the Housing Element update to HCD (approximately 2028). If the City opts to pursue a delayed effectuation ordinance and an Alt Plan is not in place upon its expiration, SB 79 would go into effect in its entirety in 2030. With

[10] A site may be zoned for more than a 200% increase, but capacity over 200% is not counted towards required allocations.
[11] GCS 65912.160(e)
[12] GCS 65912.160(e)

the significant number of stations in Los Angeles, if local Alt Plans are desired, it will be necessary to standardize their implementation and limit the variations within these plans to meet SB 79 mandated timeframes.

Citywide Framework for Local Implementation

SB 79, much like the 2021-2029 Housing Element, prioritizes expanding housing access near transit, but lacks the same nuance; applying unilaterally on all eligible stations regardless of whether they are the destination or end of the line; are in healthy or hazardous places; or are in areas with displacement pressures, vulnerable communities, and past zoning injustice. In particular, the 2021-2029 Housing Element, informed by several years of public engagement, commits the City of Los Angeles to plan for housing in a way that addresses past patterns of discrimination and exclusion and strives for greater affordability, equity, and sustainability citywide through prioritizing growth in high opportunity areas and encouraging infill development with enhanced access to jobs, transit, amenities, and neighborhood services. As both delayed effectuation and Alt Plans will inform where development happens in the City and when, the Department of City Planning recommends that City Council instruct staff to develop a citywide framework for Alt Plans, so that, in addition to consistency with SB 79 regulations, local implementation is consistent with citywide goals and priorities for housing, including priorities to affirmatively further fair housing.

VI. LOCAL IMPACTS

The Department of City Planning continues to analyze the provisions of SB 79 to ensure that key stakeholders, constituents, and public agencies understand the bill's framework and components given its potential to meaningfully inform future development patterns in the near and long term. This section provides a high level overview of potential impacts to areas in the city including those with special environmental considerations, neighborhoods vulnerable to displacement pressures, and sites with historic resources; and addresses potential impacts to ongoing local planning efforts, including Community Plan updates. The analysis included herein is reflective of the Department's current understanding of SB 79 and its requirements, interpretations may evolve based on future HCD guidance as well as coordination efforts with internal and external agencies. Additionally, the Department will have a firmer understanding of citywide impacts when SCAG releases the legally binding map of eligible TOD stops in the region.

Environmentally Sensitive Areas

Generally, the bill is broadly applicable to sites zoned for residential, mixed, or commercial uses within the TOD zones and does not carve out or exempt environmentally sensitive areas. However, as discussed, certain types of environmentally sensitive areas may be eligible for delayed effectuation of the bill or for exemption through a local Alt Plan. The plan identifies VHFHSZs as determined by the California Department of Forestry and Fire Protection (CAL FIRE) and areas vulnerable to one foot of sea level rise as areas where cities may have flexibility in delaying implementation or exempting in an Alt Plan. CAL FIRE released new fire severity maps earlier this year, which expanded the VHFHSZ areas. The Los Angeles Fire Department (LAFD) is currently

working to revise local fire hazard maps based on the most recent CAL FIRE data. Based on initial mapping analysis of potentially eligible TOD stations, the City has six potential TOD zones located primarily or wholly within the VHFHSZ, and nineteen potential stations located partially within the VHFHSZ.[13] Affected stations are primarily located in Eagle Rock, Highland Park, Mount Washington, and the Southeast Valley. Additional analysis is needed to determine the number of potential stations located within areas vulnerable to one foot of sea level rise[14]. The bill does not exempt sites located in the Coastal Zone, flood zones, or Tsunami Hazard Areas. The Department of City Planning is conducting additional analysis on how the bill impacts these areas, if at all, and will share the results of this analysis in a forthcoming report.

Historic Resources

The bill includes limited tools cities can use to tailor SB 79 provisions to sites containing certain types of historic resources. Additionally, through an ordinance, cities may postpone implementation of the bill on sites containing historic resources designated before January 1, 2025 on a local register, including HPOZs and HCMs (GCS 65912.161(b)(1)(F)). Furthermore, using an Alt Plan, cities may exempt sites with locally designated historic resources so long as those sites do not exceed 10% of a TOD zone. The City of Los Angeles has station areas where historic resources account for a greater proportion of parcels than authorized for exemption under an Alt Plan. If a ½ mile buffer area surrounding a TOD stop contains HPOZs and HCMs that exceed 10% of the buffer's area, the Alt Plan may ultimately need to increase capacity elsewhere in the TOD zone, including on sites with locally designated resources, in order to comply with SB 79's 10 percent limit and requirement that the Alt Plan maintain at least the same net zoned capacity. City Planning foresees that evaluating locally designated historic resources and assessing which sites should be exempt from or eligible for SB 79 incentives through an Alt Plan will be difficult to achieve given the strict limitations of SB 79.

Additionally, it is important to note that, in contrast to the CHIP Ordinance, historic resources listed on the California Register of Historical Resources and the National Register of Historic Places are not exempt from SB 79, through either delayed effectuation or local Alt Plans, as the bill only provides flexibility for locally designed resources. Sites with federal and state historic resources will therefore be subject to SB 79 requirements. Existing local processes for historic resources will continue to be in effect, and environmental review will still be required for projects with negative impacts to a designated resource. Surveyed historic resources (sites that have been identified as appearing eligible for local, state, or national designation through a historic resource survey) will also be impacted by the provisions of SB 79. These provisions, combined with new statutory CEQA exemptions for projects involving infill housing (AB 130), could significantly impact neighborhoods with larger networks of intact eligible historic resources that have not been locally designated, such as the Leimert Park neighborhood in South Los Angeles.

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[13] A map of VHFHSZ and potential SB 79 TOD zones is available in a StoryMap on the Department's website here: https://storymaps.arcgis.com/stories/480791d9b665485ea798986dcad61e86.

[14] The Department of City Planning's analysis on areas vulnerable to one foot level sea level rise will likely be informed by data provided by the National Oceanic and Atmospheric Administration (NOAA) and available here: https://coast.noaa.gov/slr/.

Low Resource Neighborhoods

In alignment with goals to AFFH statewide, the California TCAC developed the Opportunity Area Map[15] to score census tracts as either highest resource, high resource, moderate resource, or low resource, based on access to opportunity. The term "access to opportunity" refers to an individual's ability to access places with characteristics linked to positive economic, educational, and health outcomes. SB 79 offers delayed effectuation citywide on sites that are designated as low resource if the city's zoning permits half of the bill's total capacity and FAR across all TOD zones. The bill also allows delayed effectuation of a TOD zone that is primarily composed of low resource designated sites, if its existing capacity permits an aggregate 40% of the density allowed under SB 79. If delayed effectuation for low resource areas is not pursued, SB 79 will apply to low resource areas and will increase density, height, and FAR on single-family and low density sites. As low resource areas often have higher concentrations of multi-family dwellings subject to the RSO, there will likely be greater parcel by parcel variations in eligibility due to the bill's standards related to sites subject to rent control. Consistent with the priorities outlined in the Housing Element, postponing implementation of SB 79 in low resource neighborhoods as authorized by SB 79 would ensure new housing development continues to be prioritized according to AFFH priorities and provide time for localized discussions on rezoning through consideration of a local Alt Plan as limited by SB 79.

Community Plan Updates and Other Local Plans

The bill's provisions may have impacts on active neighborhood-level, long range planning efforts throughout the city, including Community Plan updates and new Transit Neighborhood Plans. There are currently 13 Community Plan updates in various stages of development and adoption across the City (Southwest Valley [3], Southeast Valley [3], Westside [4], Harbor [2], and Boyle Heights[1]), and initial mapping analysis shows potential SB 79 TOD zone eligibility in 11 of those plan areas. There are also two Transit Neighborhood Plans (TNP) in progress (Orange (G) Line and East San Fernando Valley) that would be impacted. These plans serve as the means for the ongoing rollout of the new Chapter 1A zoning code, and the Department will need to conduct careful analysis to ensure new zoning and land use tools are consistent with SB 79 regulations as applicable. New work programs will be needed to evaluate local Alt Plan options and develop Alt Plans where desirable, subject to the strict limitations of SB 79. Delayed effectuation would provide more time to evaluate Alt Plan options and consider approaches in areas with and without active community plan updates in progress. With stations in over 20 Community Plan Areas, development of Alt Plans will substantially impact the community planning program and require a reprioritization of planning efforts and resources.

Case Studies

The Department of City Planning has prepared a case study in an appendix at the end of this report to evaluate how the development standards of SB 79 may apply on single-family and multi-family zoned sites within a ½ mile of one potential TOD Zone at the intersection of Venice Boulevard and

[15] A map of TCAC Opportunity Areas and potential SB 79 TOD zones is available in a StoryMap on the Department's website here: https://storymaps.arcgis.com/stories/480791d9b665485ea798986dcad61e86.

Overland Avenue. The case study explores what standards and affordability would apply to project sites if no delayed effectuation or local alternative programs are adopted and consider how SB 79 projects may be used in combination with GCS 65915 and the CHIP's State Density Bonus Program and Mixed Income Incentive Program. These draft scenarios are for exploratory purposes only and do not guarantee any development rights.

VII. NEXT STEPS

Based on City Planning's analysis and understanding of the provisions of SB 79, there are a range of options for implementation that City Planning can further evaluate for City Council's consideration. Without adopting a local ordinance, the City could allow the full scope of SB 79 development standards within all TOD zones to take effect on July 1, 2026 (Approach A). Alternatively, the City could adopt an ordinance to pursue delayed effectuation of SB 79, where permitted, until 2030 prior to adopting any local Alt Plan(s) (Approach B). The City could delay effectuation in more areas, by upzoning single-family and low density zones (Approach C). The City may also seek to adopt Local Alt Plans, which would not be completed prior to July 1, 2026 and would also require the rezoning of single-family and low density residential sites (Approach D). These options require further analysis to determine which local implementation pathway, as strictly limited by SB 79 regulations, will best serve the City's goals and objectives for citywide growth. As such, it is recommended that, in addition to City Planning conducting further GIS-informed mapping and modeling, the City Council instruct the Department of City Planning to guide any local SB 79 implementation that is consistent with AFFH objectives and the goals of the 2021-2029 Housing Element to support growth in transit rich high opportunity areas of the city, create well-connected, livable, and sustainable neighborhoods, and ensure housing stability for all Angelenos.

The transformative level of development potential created by SB 79 necessitates thoughtful analysis for the purpose of ensuring that local implementation efforts continue to align with Los Angeles' local land use and equity goals, which may differ from other jurisdictions statewide. In addition to increasing housing near transit, the 2021-2029 Housing Element and Los Angeles' Rezoning Program prioritized shifting development to be consistent with AFFH goals and reduce displacement pressures, steer growth away from hazardous areas, and protect historic areas. With this in mind, the Department recommends conducting further analysis, informed by GIS mapping and modeling, to examine how these goals can still be achieved through the various SB 79 implementation pathways.

Furthermore, with the robust scope of an SB 79 work program, the Department estimates staffing needs and priorities will continue to evolve as implementation approaches develop, particularly priorities for local alternative plans. As a preliminary assessment, in order to prepare the requested analysis and reporting in CF 25-1083, the department estimates the following staffing will need to be reprioritized from other work programs temporarily until July 2026 for modeling and mapping, report and ordinance preparation, and public outreach coordination. A total of 16 existing staff will need to shift work to focus on this effort, including, Geographic Information System (GIS) staff, graphics staff, system support staff, and housing policy staff. In addition to full time staff reallocation, analysis to

understand consequences or intersection on dozens of current draft planning efforts underway will be necessary.

Preliminarily, the Department estimates an immediate need for contractual service funding to procure the software and technical support needed to execute the level of mapping and modeling required to put forth a recommendation on how best to implement SB 79 in a manner consistent with the bill's provisions and informed by local goals and priorities, as described in Recommendation 1. Technical capabilities and experience in GIS, database management, and programming are necessary to create a scalable data model and program. Due to the short time constraint needed for this analysis, Contractual services is the recommended avenue to obtain resources with the experience and capability to achieve this goal. The Department anticipates sharing these results in the report due in early 2026. Contractual resources would include:

- One GIS Developer
- One Database Administrator
- One Application Developer
- One Programmer (with knowledge of map integration with Planning's Zone Information and Map Access System)

In addition to the above, if the development of an Alternative Plan is launched, additional resources and staffing will be required and may be considered during the budget process. The interim restructuring above through July 2026 will result in delays to existing work programs across citywide and community planning long range policy work programs. Additional programmatic needs will be evaluated in a following report.

Sincerely,

VINCENT P. BERTONI, AICP
Director of Planning

VPB:AV:jm:bs:tt:cb:am

APPENDIX

The following case study highlights the Venice Boulevard/Overland Avenue Potential Transit Oriented Development (TOD) Zone to demonstrate Senate Bill (SB) 79's potential impact on a station area. The case study includes two maps with one showing the TOD Zone with underlying zoning and one map with the TOD zone and sites with three or more RSO units. Following the maps, two tables are provided showing how SB 79 may apply on a single-family and multi-family zoned parcel.

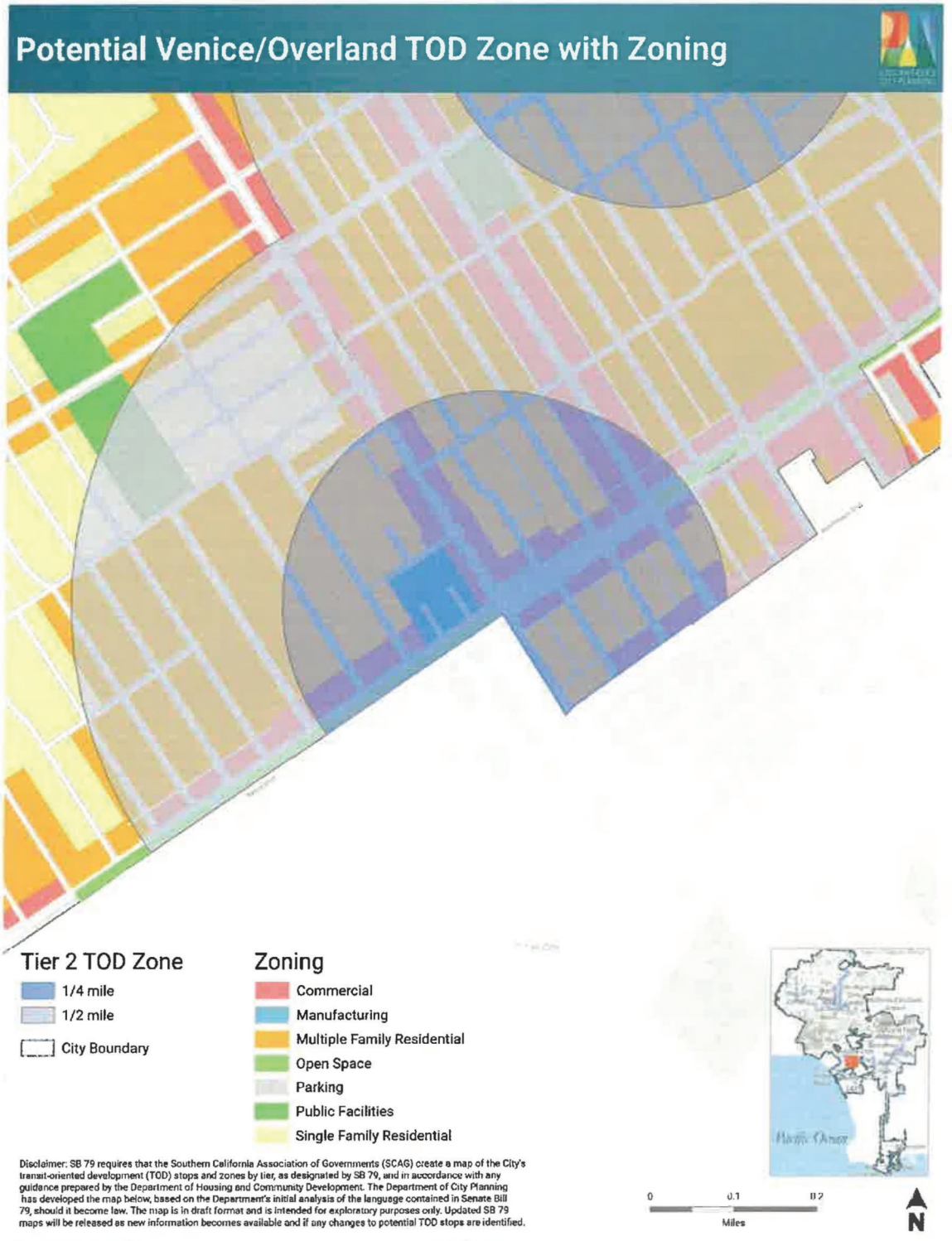
The Venice Boulevard/Overland Avenue Transit Oriented Development (TOD) Zone was identified as a potential TOD Zone due to the stop's full time dedicated bus only lane, 15-minute bus headway, and classification as a major transit stop. The potential TOD Zone is divided between the City of Los Angeles and Culver City. The TOD zone is predominantly composed of multi-family housing, with many sites containing more than three existing Rent Stabilization Ordinance (RSO) units, making them ineligible for the bill. In general, parcels in this station area range between 5,000 - 8,000 square feet. As shown in Example 1, a 6,000 square foot single-family site would be eligible for increases up to 10 units with a 55-foot height limit. A project could propose up to 20 units when combined with state density bonus incentives, would not be eligible for Mixed Income Incentive Program (MIIP) incentives, but could pursue a one hundred percent affordable project through the Affordable Housing Incentive Program (AHIP).

As demonstrated in Example 2, an R3 site is currently permitted to build 10 units and a height of 45-feet through its base zoning, or approximately 31 units and a height of 67-feet using the MIIP's Transit Oriented Incentive Area bonuses. SB 79 would offer a higher base of 15 units and 55-feet, but would likely result in fewer units when coupled with MIIP if the 55-foot height limit was imposed.

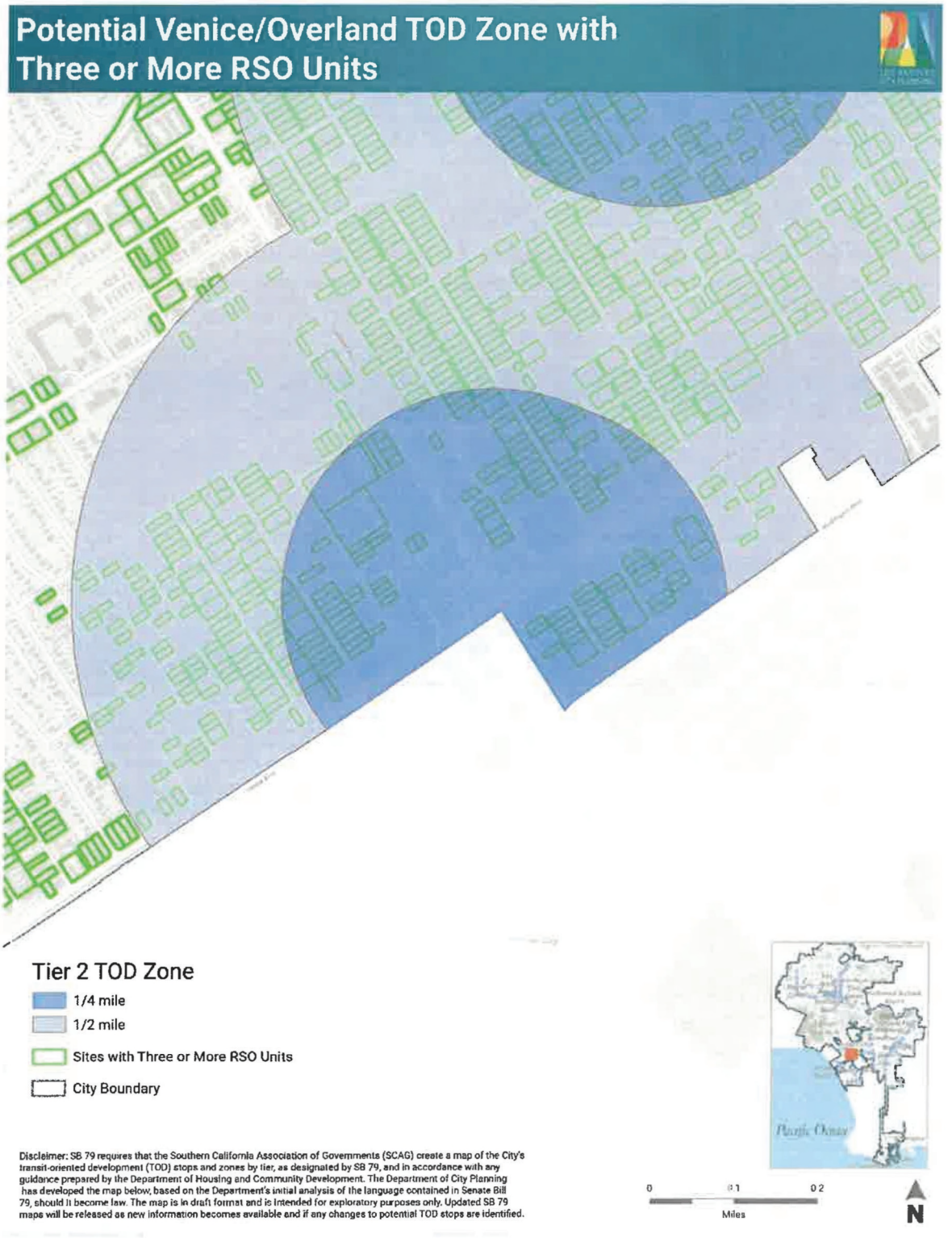
Examples 1 and 2 demonstrate parcels most impacted by SB 79 are those with low density zoning and reduced building volumes, including sites with single family (R1) and low density (R2 and RD) zoning. While higher density parcels like R3, R4, and commercial zones may see higher base development standards, depending on the site's location, their overall building potential will not vary significantly from what is available in the MIIP.

As the Venice Boulevard/Overland Avenue potential TOD Zone is largely developed with multi-family zones eligible for local housing incentive programs in MIIP, it is likely eligible for delayed effectuation, though modeling is needed to confirm.

Appendix Map 1:



Appendix Map 2:



Appendix Example 1. Single-family Zoned Property, High Opportunity and High Market Area

Opportunity Area	Zone	General Plan Land Use	Lot Size	Senate Bill (SB) 79 Designation
High Opportunity	R1-1	Low Residential	6,000 sf	½ Mile of Tier 2
SB 79 vs Citywide Housing Incentive Program Comparison				
	Density	**Height**	**Floor Area Ratio**	**Affordability[16]**
Base Conditions	1 unit	Unlimited, subject to encroachment plane	Residential Floor Area: 0.45	N/A
State Density Bonus Allowance	Not Eligible			
Mixed Income Incentive Program Allowance	Not Eligible			
SB 79 1/2 Mile Tier 2 (by-right) Allowance	11 units (80 dwelling units per acre)	55 feet	2.5	7% ELI: 1 unit
				10% VLI: 2 units
				13% LI: 2 units
Potential Stacked Scenario (SB 79 + State Density Bonus)	22 units (100% Density Bonus)	55 feet[17]	2.5	15% VLI: 2 units[18], 15% MI: 2 units[19]
				24% LI: 3 units,15% MI: 2 units
Potential Stacked Scenario (SB 79 + Mixed Income Incentive Program)	N/A (Single Family Zoned sites not eligible for MIIP)	N/A	N/A	N/A

[16] Affordability requirements are listed by income level including for Extremely Low Income (ELI), Very Low Income (VLI), Low Income (LI), and Moderate Income (MI) households.
[17] A local agency may limit height increases beyond those allowed under SB 79 for mixed-income projects.
[18] Affordability calculated from the SB 79 by-right allowance.
[19] Stacked affordability calculated pursuant to LAMC 12.22 A.37(e)(1)(ii) and AB 1287 (2024).

Appendix Example 2. Multi-family Zoned Property, High Opportunity and High Market Area

Opportunity Area	Zone	General Plan Land Use	Lot Size	Senate Bill (SB) Designation
High Opportunity	R3-1	Medium Residential	8,000 sf	½ Mile of Tier 2
SB 79 vs Citywide Housing Incentive Program Comparison				
	Density	**Height**	**Floor Area Ratio**	**Affordability[20]**
Base Conditions	10 units	45	3.0	N/A
State Density Bonus Allowance	100% Density Bonus: 20 units	56 feet	4.1	15% VLI: 2 units[21], 15% MI: 2 units[22]
				24% LI: 3 units, 15% MI: 2 units
				44% + 15% MI: 7 units
Mixed Income Incentive Program Allowance (TOIA T-2)	Limited by Floor Area: Approx. 31 units depending on unit size	67 feet	4.5	13% ELI: 5 units[23]
				17% VLI: 6 units
				27% LI: 9 units
SB 79 1/2 Mile Tier 2 (by-right) Allowance	80 dwelling units per acre: 14 units	55 feet	2.5	7% ELI: 1 unit
				10% VLI: 2 units
				13% LI: 2 units
Potential Stacked Scenario (SB 79 + State DB)	100% Density Bonus: 30 units	55 feet[24]	3.4	15% VLI: 3 units[25], 15% MI: 3 units
				24% LI: 4 units, 15% MI: 3 units
Potential Stacked Scenario (SB 79 + Mixed Income Incentive Program (T-2))	Limited by Floor Area: 26 units	55 feet[24]	3.6[26]	13% ELI: 4 units[23]
				17% VLI: 5 units
				27% LI: 8 units

[20] Affordability requirements listed by income level: Extremely Low Income (ELI), Very Low Income (VLI), Low Income (LI), and Moderate Income (MI) households.
[21] Affordability calculated from the base density.
[22] Stacked affordability calculated pursuant to LAMC 12.22 A.37(e)(1)(ii) and AB 1287 (2024).
[23] Affordability calculated from the total units for the Mixed Income Incentive Program.
[24] A local agency may limit height increases beyond those allowed under SB 79 for mixed-income projects.
[25] Affordability calculated from the SB 79 by-right allowance.
[26] This FAR is based on a 45% increase from the SB 79 base FAR, to symbolize how the SB 79 development standards relate to MIIP bonuses. Department guidance on stacking when a site's base development standards are higher than SB 79 will be prepared as needed.

APPENDIX 6:
Report and Recommendations Relative to the Impacts and Local Implementation of Senate Bill (SB) 79 (CF-25-1083)

CPC-2026-1798-MSC, CPC-2026-1797-CA

For consideration by City Planning Commission

May 14, 2026

DEPARTMENT OF
CITY PLANNING

COMMISSION OFFICE
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February 18, 2026

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

Attention: Planning and Land Use Management Committee (PLUM)

Dear Honorable Members,

REPORT AND RECOMMENDATIONS RELATIVE TO THE IMPACTS AND LOCAL IMPLEMENTATION OF SENATE BILL (SB) 79 (CF 25-1083)

I. RECOMMENDATIONS

1. Instruct the Department of City Planning, in alignment with Approach C, to initiate a code amendment for either Option 1, 2, or 3 as described herein, to upzone single family and low-density zoned parcels that are located in Opportunity Stations and in higher and moderate opportunity sites ineligible for delay within Transit Oriented Development zones and areas citywide to facilitate local implementation of SB 79; as well as

2. Instruct the Department of City Planning, to delay effectuation of SB 79 citywide, as explicitly allowed by SB 79, through the initiation of a delayed effectuation ordinance for all eligible criteria including lower opportunity areas, Very High Fire Hazard Severity Zones, sites and stations meeting capacity requirements, local historic resources, Sea Level Rise Areas, Industrial Employment Hubs, and sites more than one-mile walking distance from a station.

II. INTRODUCTION

Senate Bill (SB) 79, the Abundant and Affordable Homes Near Transit Act, was introduced by Senator Scott Wiener and signed by Governor Gavin Newsom on October 10, 2025. The bill will become effective on July 1, 2026. On November 4, 2025, the City Council adopted a motion (Council File 25-1083), instructing various departments to prepare reports related to the SB 79 (Government Code Sections (GCS) 65912.155-162), including a request for several reports from the Los Angeles City Planning (from here on referred to as "the Department"). On November 17, 2025, the Planning and Land Use Management (PLUM) Committee discussed the Department's first report, dated November 13, 2025, on key SB 79 provisions and options for local implementation. The subsequent PLUM Committee Report included several recommendations and was adopted by the City Council on December 2, 2025. This report responds to instruction #3 of the City Council's December 2, 2025 action:

> *Instruct the DCP, based on the modeling analysis that will be completed and consistent with the instructions outlined in Recommendation No. 3f of the said PLUM Committee report, attached to the Council file, to report back on where and how the City may further delay effectuation of SB 79 through the potential adoption of upzoning ordinances alongside a delayed effectuation ordinance for certain areas, consistent with Approach C described in the DCP report dated November 13, 2025.*

Furthermore, this report responds directly to the PLUM Committee's discussion and direction to focus any rezoning proposals in higher opportunity areas (including areas eligible for delayed effectuation), particularly in areas with high quality transit, including historic districts, while exempting lower opportunity areas (additional detail on the PLUM Committee's discussion can be found in Section V of this report). A future report will respond to Item 4 in the PLUM Committee Report dated November 17, 2025, requesting recommendations associated with the development of a local TOD Alternative Plan or "Alt Plan").

III. EXECUTIVE SUMMARY

This report provides recommendations for the implementation of SB 79 that are informed by staff analysis on the composition of SB 79 eligible station areas (defined as Transit Oriented Development zones in the bill and hereon referred to as "TOD zones"); and preliminary modeling executed by the City's consultant comparing SB 79 potential housing capacity to the City's present capacity. These initial results of the model will continue to be refined and interpreted based on staff analysis and agency guidance. The report presents an analysis of local impacts at a station and citywide level, explores eligibility for delayed effectuation, and recommends several Upzoning Options for the City Council's consideration. Overall, the report elevates the bill's significant local impacts and provides analysis to inform discussion on a local implementation pathway.

Should the City choose to pursue a Delayed Effectuation Ordinance, which would temporarily "delay" effectuation of the bill (until approx. 2030), only certain types of sites are eligible to be "paused", including those that meet development minimums, are located in Very High Fire Hazard Severity Zones (VHFHSZ), host local historic resources, or are classified as lower opportunity neighborhoods in the Opportunity Area Maps created by CTCAC/HCD (GCS 65912.161(b)). Within the delay period, Local Alternative Plans would need to be developed, analyzed as part of the upcoming 7th cycle Housing Element, and adopted for the 141 potential stations located within the city's boundaries. Areas not eligible for a temporary delay could become subject to the bill in July or be rezoned to meet developent minimums. The Upzoning Options described herein would enable the City to postpone implementation of SB 79 citywide and ensure residential growth is consistent with priorities of the 2021-2029 Housing Element with variability on the scale of intensity permitted.

The Upzoning Options presented by Planning were developed in response to the City Council's December 2, 2025 instructions to the Department to report back with recommendations on an upzoning code amendment in order to expand delayed effectuation of SB 79 to cover the entire City, rather than only pausing the bill in currently eligible areas of the City. (More information on delayed effectuation and approaches to local implementation may be found in Section V of this report). Furthermore, the analysis and concepts articulated herein were further informed by PLUM Committee deliberations that directed any city initiated upzoning to occur in higher opportunity and transit rich areas, including sites that may host historic resources; to exempt lower opportunity areas;[1] and avoid concentrating added capacity in areas outside the city center where sites may be ineligible for delayed effectuation.

The City Council also directed the Department to work with a consultant to model housing capacity created by SB 79 and compare it to existing capacity available under present zoning rules and housing incentive programs. Overall, the model found that the City's current zoning around TOD zones permits the construction of almost three times as many units as that available under SB 79. However, this zoning capacity is concentrated around only a portion of the TOD zones, with a focus on Downtown Los Angeles, Koreatown, Warner Center and North Hollywood, as well as in areas with more multi-family zoning like South Los Angeles and East Hollywood. Approximately a third of TOD zones permit more than half of the density and floor area available under SB 79 and would be eligible for delayed effectuation with its current zoning. Two-thirds of the City's TOD zones, however, will fall short of SB 79 benchmarks.

In the short term, were the city to pursue a delayed effectuation ordinance, all lower opportunity sites would be eligible for delay. Based on the analysis, 88% of the City's sites are currently eligible for delayed effectuation. Areas ineligible for delay include ten Orange line stations in the South and Northwest Valley, two Exposition Line Stations in West LA, three NoHo to Pasadena

[1] Throughout this report, lower and moderate opportunity areas will be used to refer to lower or moderate resource neighborhoods per the 2026 CTCAC/HCD Opportunity Area Maps. High opportunity area will be used to refer to high and highest resource neighborhoods per the 2026 CTCAC/HCD Opportunity Area Maps.

BRT Stations, ten other stations in the South Valley, Westchester, and Mid City areas of the City. It is important to note that, in response to PLUM discussion and direction at the November 13, 2025 meeting as well as Council direction, the options presented herein do propose potential upzoning on a portion of those sites that are currently eligible for delayed effectuation (as described further below). However, each option may be modified to expand or reduce its applicability, and potential upzoning may be further reduced to limit upzoning to the 12% of sites that are currently ineligible for delay.

In response to City Council direction, the Department has prepared three, targeted Upzoning Options to delay effectuation citywide until approximately 2030 so that the scale of housing development opportunity created under SB 79 will occur in areas identified for growth and still enable increases to restricted affordable housing through the city's value capture tools. A key component of the Upzoning Options involves rezoning single family zones as well as some low-density zones including duplex (R2), restricted density (RD) zones, and zones with densities less than half of SB 79. Commercial and multifamily zones near SB 79 eligible transit stops already offer density and floor area consistent with provisions SB 79. Given Los Angeles' development pattern, over half of eligible SB 79 TOD zones are predominantly low-density, therefore upzoning is needed to achieve a citywide delay in effectuation.

Table 1 below provides a brief summary of three options for an upzoning ordinance of single family and low-density properties in SB 79 TOD zones that would allow the City to temporarily delay effectuation of the bill (until approximately 2030). It is important to note that these three Upzoning Options would be achieved by updating the recently adopted Citywide Housing Incentive Program (CHIP) ordinance[2] to include eligibility for single family properties and other low-density residential properties in the Corridor Transition (CT) and Transit Oriented Incentive Area (TOIA) incentive programs. In all three options rezoning would occur in areas deemed "Opportunity Stations" or TOD zones composed of mostly higher and moderate opportunity area census tracts, (which may include some lower opportunity census tracts). It is also important to note that all three options include upzoning of some parcels in the Very High Fire Hazard Severity Zones (VHFHSZ) non-hillside areas and offer limited incentives in historic areas. Additional details on the objectives and implications of each Upzoning Option can be found in Section VIII of this report.

[2] Ordinance Number 188,477 and 188,478

Table 1. Summary of Upzoning Options to be Eligible for a Citywide Delayed Effectuation

	Option 1: **CT Expansion in SB 79 half-mile radius**	**Option 2:**[3] **TOIA Expansion in SB 79 half-mile radius of Operational Rail**	**Option 3:**[4] **TOIA Expansion in SB 79 half-mile radius**
Description	CT incentives for single-family and low-density sites in Opportunity Stations[4] and in select[5] High and Moderate Opportunity Census Tracts	TOIA incentives for single-family and low-density sites in Opportunity Stations near Operational Rail + **Option 1**	TOIA incentives for single-family and low-density sites in all Opportunity Stations **+ Option 1**
Density	4-16 units	Limited by FAR[6]	Limited by FAR[6]
FAR[7]	Incremental up to 2.9:1	Up to 4.5:1	Up to 4.5:1
Height[7]	2-3 stories	7 stories max	7 stories max

[3] All areas qualifying for TOIA could also opt to use CT incentives in this option.
[4] See Section VIII, "Upzoning Options" 'Geographic Applicability" for a more in depth explanation of the Opportunity Station concept.
[5] Only high and moderate opportunity census tracts in majority low opportunity station areas ineligible for delay would be eligible.
[6] Density allowances in Options 2 and 3 would supersede any limitations for low-density zones.
[7] Projects may be eligible for additional FAR and height in exchange for provision of multi-bedroom units. CT program projects may access up to an additional 0.5:1 FAR and 11 feet in height. TOIA program projects may access up to 1.0:1 FAR and up to an additional 22 feet in height.

Upzoning Options 1, 2, or 3 may be modified by the City Council to increase or "grow" zoning capacity or "reduce" zoning capacity (see Table 2 below for a summary of ways the Upzoning Options could be modified). These additional options for modification or "levers" would further adjust which areas of the City are upzoned, and by how much. Based on analysis from the consultant, the addition of any of these modifications will still allow the entire City to be eligible for delayed effectuation under SB 79. Additional discussion on modification of these options can be found in Section VIII of this report. Important to note, the last lever in Table 2 would provide the minimum upzoning needed to qualify the city for delayed effectuation.

Table 2. Topic Areas for Modification to Upzoning

Applicable Option	Grow or Reduce	Topic Area	Modification Description
All	Grow	Lower Opportunity Areas	– Expand eligibility to single family and low-density zones in lower opportunity areas
All	Reduce	Lower and Moderate Opportunity Areas	– Remove low and/or moderate opportunity areas eligible for delayed effectuation
		Very High Fire Hazard Severity Zones	– Remove incentives in all VHFHSZs (including non-hillside areas)
		Historic Resources	– Remove incentives on sites with historic resources
Option 3	Reduce	Bus Only Lane Eligibility	– Exclude stops created by bus only lanes that are not BRTs
Option 1	Reduce (Most Limited Upzoning Option)	Only Amend Zoning for Sites Ineligible for Delayed Effectuation	– For the most limited rezoning, Option 1 could be further reduced to only apply to sites that are ineligible for delayed effectuation.

These Upzoning Options, as well as potential modifications, would be paired with an SB 79 Delayed Effectuation Ordinance (described in more detail in Section VIII of the report) which would postpone implementation of SB 79 to areas eligible for modified implementation under the bill (GCS 65912.161(b)), depending on City Council's direction, including sites in:

- Very High Fire Hazard Severity Zones
- One-foot Sea Level Rise Areas
- Lower Opportunity Areas
- Local Historic Resources
- Areas or TOD zones with high development potential (including areas rezoned through an option summarized in Table 1)

Based on the analysis presented in this report, the Department recommends pursuing an implementation approach summarized above given its alignment with the bill's intent to increase land available for housing development. Furthermore, it affords the city additional time to implement SB 79 citywide and carry out thoughtful public outreach to deliberately consider density increases in sensitive areas.

IV. SB 79 BACKGROUND

SB 79 establishes new development standards within specified distances of "transit-oriented development (TOD) stops" (as defined in SB 79) on land zoned for residential, mixed, or commercial uses. In particular, the bill extends guaranteed height, Floor Area Ratio (FAR), and density standards to encourage five to nine story buildings within a half mile of both existing and planned transit stations. If implemented in its entirety, the bill enforces affordability requirements for development with more than 10 units; compliance with labor standards for buildings greater than 85 feet; and limitations on industrial land, hotel uses, and lots with three or more units subject to the Rent Stabilization Ordinance (RSO) occupied in the last seven years. For a comprehensive overview of SB 79 and an analysis of the bill requirements, please refer to the City Planning report submitted to Council File (CF) 25-1083[8] dated November 13, 2025.

Since the November report, additional research on the bill and guidance from agencies including HCD and the Southern California Association of Governments (SCAG) have resulted in several new interpretations of SB 79's key provisions, described below. Note that guidance from HCD and SCAG informing this report is still in development and will likely evolve as additional resources and information become available. As SCAG is the responsible agency for SB 79 map production, final TOD zone location will be dependent on their map release and may vary from the stations identified in this report. For a detailed description of mapping modifications see Appendix A.

SB 79 will foundationally shift residential development patterns and construction trends in Los Angeles for years to come. With just over 140 TOD zones–the largest number of eligible transit

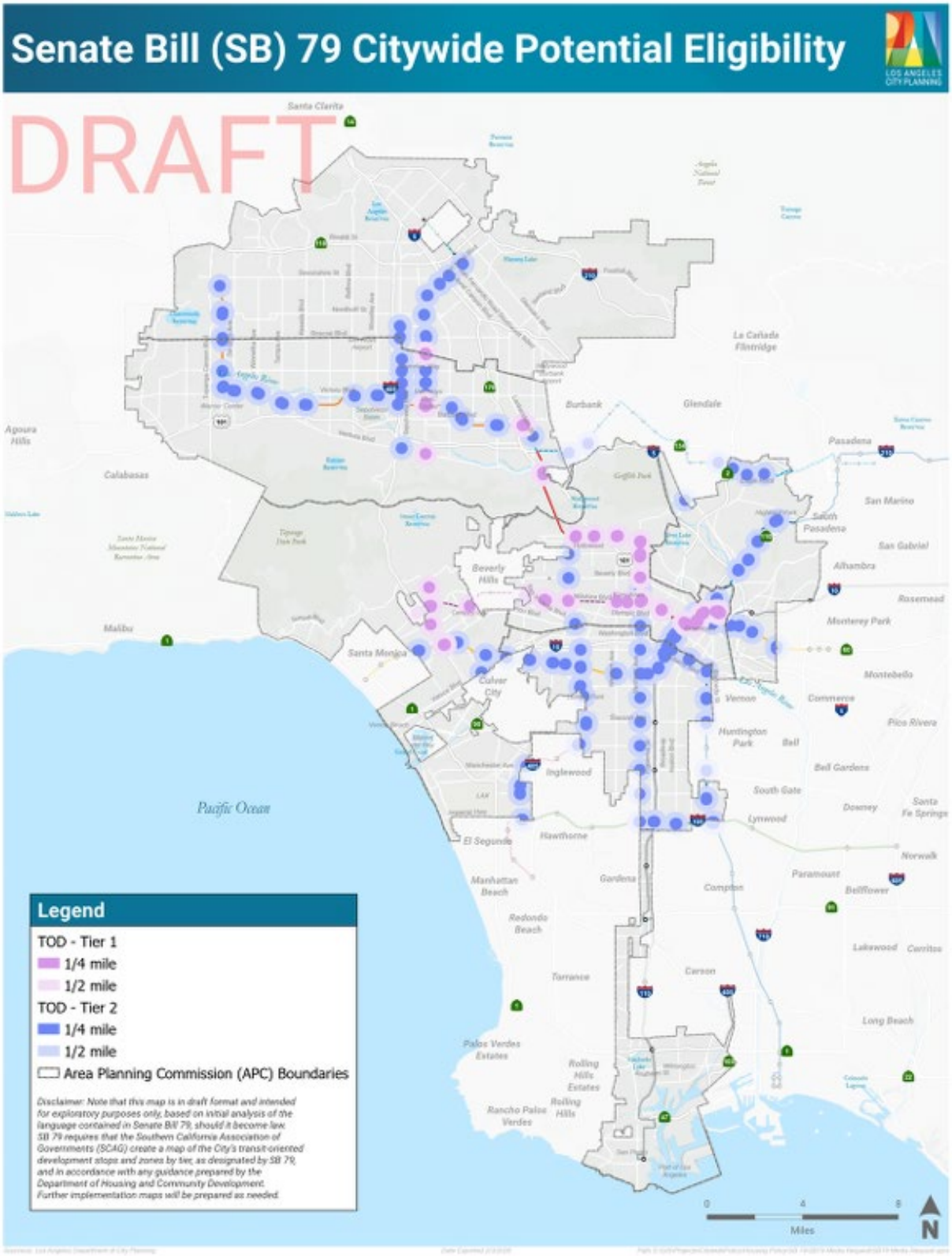
[8] https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=25-1083

development areas in the state–the bill touches almost every community and increases capacity throughout the City. The implementation of this transformational bill necessitates thoughtful consideration to ensure its application aligns to the maximum extent possible with Los Angeles' land use and equity goals and accounts for the City's distinct socio-economic and environmental conditions.

The 2021-2029 Housing Element identified priorities for housing stability and housing growth, aiming to shift development away from lower opportunity areas to higher opportunity areas consistent with an affirmatively furthering fair housing (AFFH) framework. Of the City's TOD zones, approximately 57% are made up of majority lower opportunity areas (per the 2026 California Tax Credit Allocation Committee [CTCAC] and California Department of Housing and Community Development [HCD] Opportunity Area Maps) meaning SB 79 disproportionately affects areas the state has identified as having higher rates of segregation and poverty that offer lower long term health, economic, and educational outcomes for children.

The bill also affects neighborhoods characterized by low-density development patterns and some of the City's most environmentally vulnerable areas, with 16% of all TOD zones intersecting VHFHSZs, including three station areas located wholly within a VHFHSZ. Of all the City's SB 79 TOD zones, 60% are comprised of majority low-density sites (zoned RD and more restrictive), indicating that many TOD zones are currently zoned for much lower densities than SB 79 would allow and that existing zoned capacity for higher density is concentrated in fewer station areas. The Department recognizes the urgency to realize SB 79's vision to address the City and State's housing affordability crisis, while also acknowledging the need for consideration of local priorities as outlined in the Housing Element.

Map 1. Draft Citywide Potential Eligibility with Revised Number of TOD Stops



V. APPROACHES TO LOCAL IMPLEMENTATION

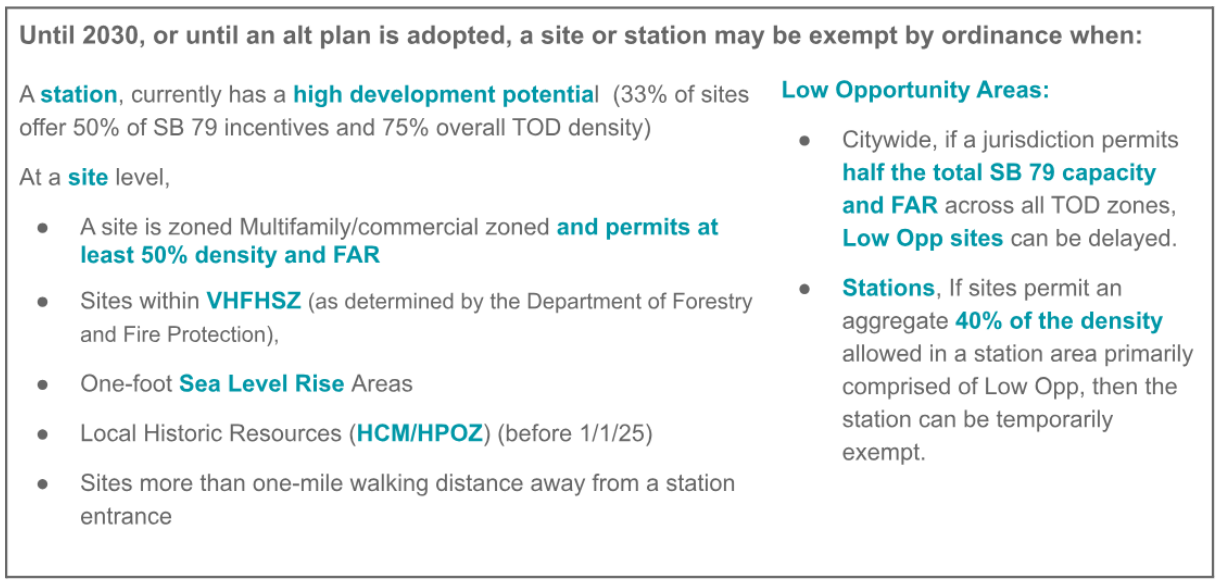
As described in the November report, SB 79 empowers cities to tailor the timing and applicability of the bill's provisions. In particular, the Department previously identified four pathways or "approaches" the city could employ to implement the bill, including:

- Approach A: State SB 79 Implementation
- Approach B: Delayed Effectuation for Eligible Areas
- Approach C: Delayed Effectuation + New Upzoning Ordinance to Increase Capacity and Expand Eligibility to Delay
- Approach D: Local TOD Alternative Plan

These approaches can be used independently or in combination and offer flexibility for implementation. Cities can opt to implement the state version of the bill (Approach A), applying the scope of SB 79's development standards in their entirety, including allowances to treat newly permitted building volumes as base conditions for the purposes of utilizing State Density Bonus Law (GCS 65915-65918). The bill also affords cities the option to modify temporarily or "delay" effectuation (Approach B) of the bill only on certain types of sites including those that meet development minimums, are located in VHFHSZs host local historic resources, or are classified as lower opportunity neighborhoods in the Opportunity Area Maps created by CTCAC/HCD (GCS 65912.161(b)). Specifically, cities may postpone implementation of the bill on sites with half of the density and floor area SB 79 offers; on TOD zones primarily composed of CTCAC lower opportunity neighborhoods that provide at least 40% of the capacity otherwise granted through SB 79. TOD zones may also be excluded if at least 33% of sites within a zone permit half the density and floor area ratio as granted through SB 79, and the entire station area provides at least 75% of the capacity granted through the bill. Lastly, a temporary delay in effectuation may apply to all lower opportunity areas if a city can demonstrate it has at least half of the capacity created by SB 79. In all scenarios, sites located within an industrial employment hub[9] as well as sites located beyond a one-mile walking distance from a station entrance can be permanently exempted from the bill's rules entirely through the adoption of an ordinance. A summary of these parameters may be found below in Image 1; in addition, a detailed description of the rules associated with implementation of Approach B is included in the November 2025 report. Analysis of the areas eligible for delayed effectuation is described below in Section VII of this report.

[9] Paragraph (2) of subdivision (e) of GCS 65912.160 defines an industrial employment hub as a contiguous area of at least 250 acres dedicated to industrial uses and designated as such in the local jurisdiction's general plan as of January 1, 2025.

Image 1. Summary of Rules to Delay Effectuation Consistent with GCS 65912.161(b)



At their meeting on November 17, 2025, the PLUM Committee directed the Department to refrain from implementing SB 79 in its entirety (Approach A) and from pursuing a standalone delayed effectuation ordinance in areas currently eligible for delay (Approach B), and to instead provide recommendations for delaying effectuation citywide through an accompanying upzoning program (Approach C). The PLUM Committee verbalized priorities for upzoning higher opportunity areas near high quality transit, even in areas eligible for delayed effectuation, applying incentives to sites with historic resources, exempting lower opportunity areas, and protecting sites vulnerable to extreme fire risks.

Given this direction, the Department has prepared three approaches or options for the City Council's consideration to increase capacity on single family and low-density zoned parcels located within ½ mile of an SB 79 station. Should the City Council wish to delay effectuation of SB 79 citywide, the Department recommends that the City Council select upzoning option 1, 2, or 3, directing the Department to initiate a code amendment, as well as instruct the Department to initiate a citywide Delayed Effectuation Ordinance. This SB 79 implementation strategy, described in further detail later in this report, allows the city more time to consider approaches for increased density in sensitive areas, including lower opportunity neighborhoods and geographies vulnerable to environmental risks, as part of a future Alt Plan per State of California GCS 65912.161(a) (Approach D), while still creating immediate opportunities for housing construction near high quality transit. Given the imminent effective date of the bill, direction on the City's approach to the implementation of the bill's provisions is critical to allow adequate time for the Department to

prepare materials for legislative review should the City Council desire a tailored local implementation option.

VI. ANALYSIS: TOD ZONE COMPOSITION AND TRENDS

As directed by the City Council, the Department has conducted analysis using Geographic Information System (GIS) tools on the composition of the City's anticipated 141 TOD zones citywide, as well as the impact of SB 79 on sites with RSO units, industrial zoned sites, and sites located in various types of environmentally sensitive areas; and information for each TOD zone related to VHFHSZs, areas impacted by sea level rise, lower opportunity areas, and locally and federally designated historic resources.

Key Citywide Trends

The following TOD zone analysis reveals the scale of SB 79's impact citywide, particularly in low-density zones, lower opportunity neighborhoods, and areas within local VHFHSZs. Of all the City's sites eligible for SB 79, 48% are currently eligible for existing local housing incentive programs including the Mixed Income Incentive Program (MIIP), and 68% of eligible sites are zoned RD and more restrictive, meaning the underlying zoning[10] generally permits less than five units on an average lot (see Appendix B, Table 5). Overall, 15% of sites within SB 79 TOD zones are ineligible for the bill because they contain three or more RSO units (see Appendix B, Table 5). A summary of key TOD zone characteristics by Area Planning Commission (APC) is summarized in Appendix B, Table 6 and Table 7.

Environmental Considerations

Los Angeles hosts unique environmental conditions due to its coastal setting and location in close proximity to areas vulnerable to wildfire. Based on the revised map, TOD zones do not include parcels located within the Coastal Zone, areas vulnerable to one-foot of sea level rise, Tsunami Zone, or are in or near tsunami evacuation routes. As mentioned earlier in this report, a total of 23 TOD zones or 16% of TOD zones overall include parcels classified as VHFHSZ (a list of these TOD zones is included for review in Appendix B, Table 9). Of these TOD zones, 14 have a majority of parcels located in the VHFHSZ. Examples of these TOD zones are along the A Line in Highland Park and Mount Washington and along the North Hollywood to Pasadena BRT in Eagle Rock, where some parcels may be located in hillside areas with limited ingress and egress.

Historic Considerations

The City's TOD zones include sites with local, state, or federal designated individual historic resources and historic districts. Properties in HPOZs affected by SB 79 represent 5% of all SB 79 eligible sites and 36% of sites included in HPOZs citywide. Approximately 25 of the City's TOD

[10] Without inclusion of bonus units enabled in an incentive program.

zones, or 18%, overlap with 19 of the City's HPOZs, largely in Northeast LA, South LA, and Greater Wilshire. Of these HPOZs, 11 are located within majority moderate and higher opportunity TOD zones. Appendix B, Table 10 provides a list of HPOZs with sites located in TOD zones, and the proportion of parcels impacted in each. The table also includes the percentage of TOD zone area that overlaps with each HPOZ[11]. The Highland Park - Garvanza, Miracle Mile, and Adams-Normandie HPOZs are the most impacted districts in terms of parcel count. Sites containing locally designated Historic-Cultural Monuments (HCMs) are also eligible for SB 79, with 578 HCMs located within TOD zones. Approximately 176 federally designated historic resources (both individual resources or National Register Historic Districts (NRHD)) are located within TOD zones, and approximately 925 state designated historic resources (both individual resources and districts) are located within TOD zones.

RSO Considerations

RSO units are found in TOD zones across the City but were found to be generally more prevalent in lower opportunity neighborhoods. Majority lower opportunity TOD zones have the highest proportion of sites with one to two RSO units, ranging from 16-36% of the TOD zone with the highest rates are generally located in South LA, Southeast LA, and Boyle Heights. Additional information about TOD zones with the highest percentage of sites with one to two RSO units including majority CTCAC designation and APC area can be found in Appendix B, Table 5 and 6. TOD zones with the highest number of sites with three or more RSO units, from 26-50% of the TOD zone, are generally located in lower opportunity areas such as Koreatown and East Hollywood.

Industrial Considerations

Industrial uses exist in various neighborhoods citywide that intersect with eligible TOD zones. Specifically, just over 10% of TOD zones contain at least 20% industrial zones (see Appendix B, Table 11 for a complete list) in areas including Downtown Los Angeles, South Los Angeles, Van Nuys, Chatsworth, and Pacoima. The Department is continuing to conduct analysis on whether these various concentrations of industrial zones qualify as industrial employment hubs[12] per the provisions of GCS 65912(e)(2), which would allow for a permanent exemption from SB 79.

[11] Per GCS 65912.161(a)(2)(C), in an Alt Plan, sites with historic resources may be exempt from eligibility so long as those sites do not exceed more than 10% of the area of the TOD zone.
[12] Paragraph (2) of subdivision (e) of GCS 65912.160 defines an industrial employment hub as a contiguous area of at least 250 acres dedicated to industrial uses and designated as such in the local jurisdiction's general plan as of January 1, 2025.

VII. ANALYSIS: CAPACITY ANALYSIS

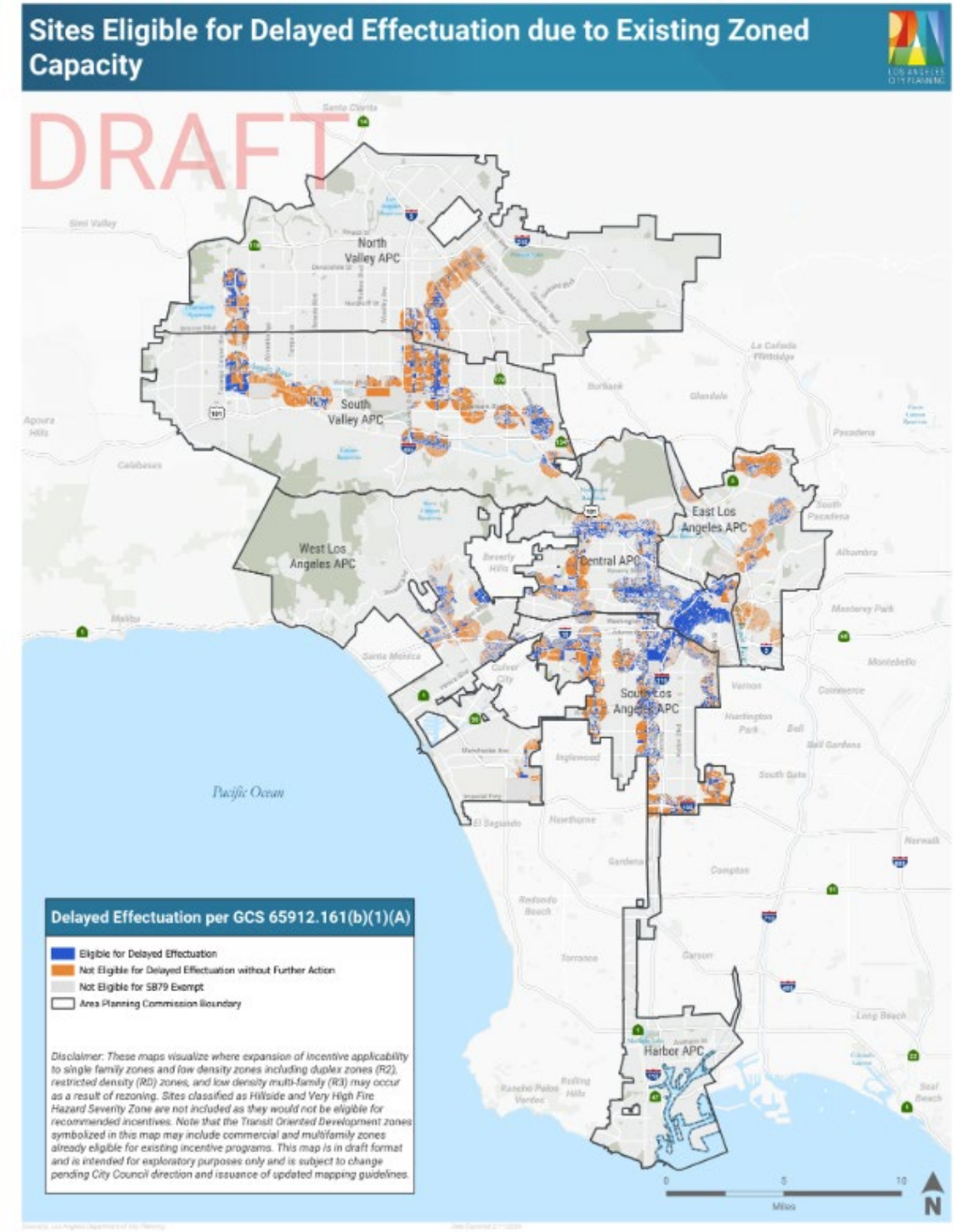
In late 2025, the Department contracted Psomas[13] to prepare a capacity model to evaluate delayed effectuation eligibility and future local alt plan compliance. Initial model results were received in February 2026. As such, this delayed effectuation modeling is preliminary and will continue to be refined as staff evaluates data quality and as guidance from SCAG and the state becomes available. The delayed effectuation model compares current City housing capacity to that of SB 79 and evaluates at a site and station level compliance with eight delayed effectuation criteria provided in the bill. To calculate existing local capacity, the model uses the density and FAR associated with a site's underlying zone or, where applicable, the site's eligibility for existing housing incentive programs including the MIIP and the Los Angeles Housing Incentive Program. Local density in multi-family zones is often higher than in SB 79, partly because local housing programs offer densities limited by floor area, which often exceed the density allowances in SB 79. Discounts to floor area were applied to account for residential floor area in calculating local capacity and ineligible sites were removed from SB 79 capacity modeling altogether. Globally 138,270 lots were found eligible for SB 79 and 26,320 lots were found to be ineligible for SB 79 because they contain RSO sites with three or more units, or land which does not permit residential units including industrial land, open space, right of ways, and public facilities.

Overall, the model found that Los Angeles currently permits the construction of more than 2.8 times the number of units and slightly more overall floor area than what SB 79 offers. However, while the City's current overall capacity exceeds that offered through SB 79, at the site level, the model results show that capacity is concentrated on fewer sites than SB 79, with only 34% of eligible sites permitting more than half of what the bill allows (as shown in Map 2, below). This is reflective of the areas the City has historically prioritized for growth, including areas like Downtown LA, Koreatown, Warner Center, and North Hollywood; major corridors, and in areas with high concentration of multi-family zoning like South LA and East Hollywood (as shown in Map 2, below). This finding means that if the city is to pursue a Local Alt Plan, by 2030 upzoning may be required on up to 66% of eligible sites including single family and lower-density sites.

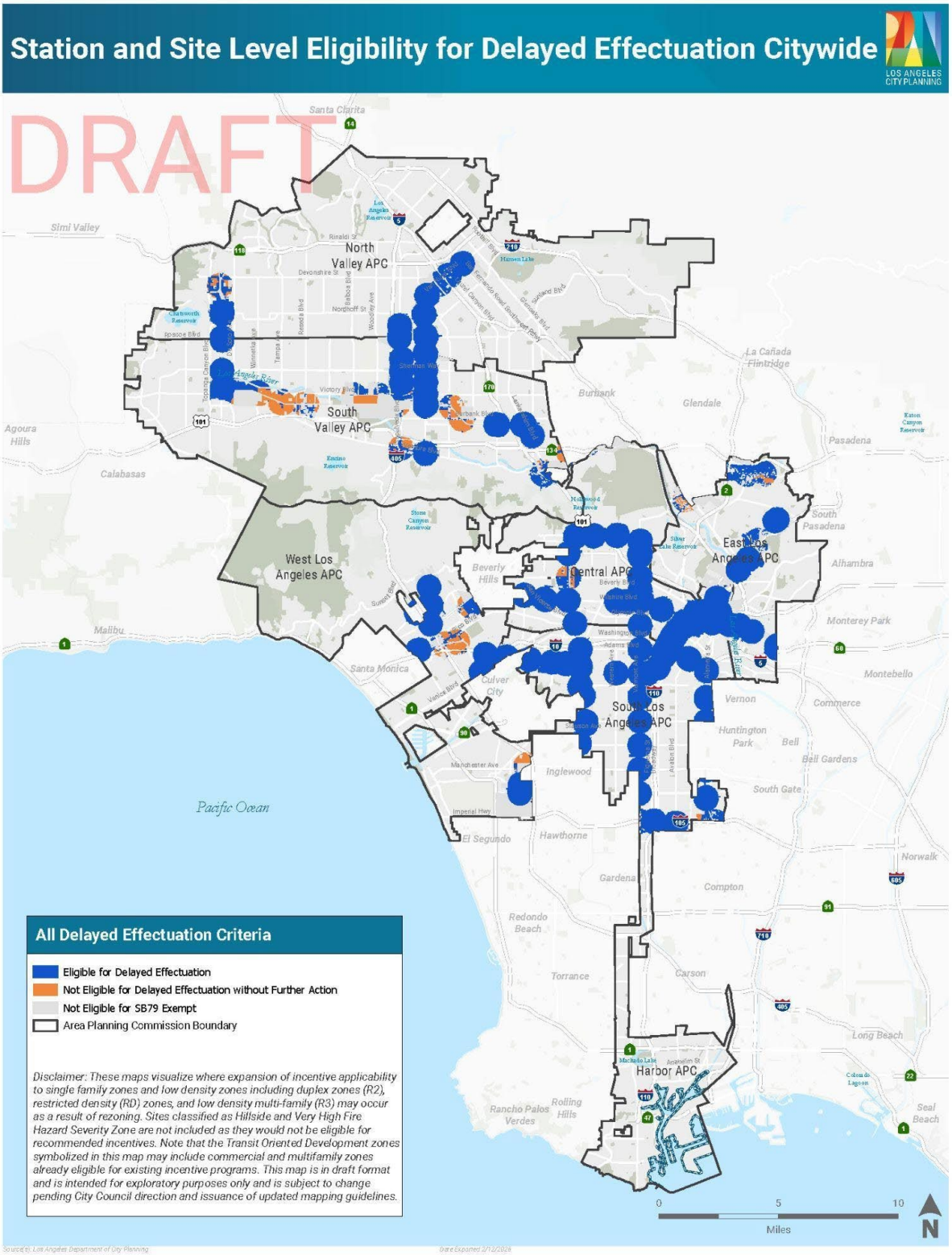
In the short term, as shown in Map 3 below, the City would be eligible to temporarily delay effectuation until approximately 2030 for up to 88% of eligible sites citywide. This is possible because, in addition to 34% of eligible sites having at least half of SB 79's zoning capacity, the city exceeds SB 79's requirements to allow delayed effectuation in lower opportunity sites and in stations that primarily comprise lower opportunity census tracts, which represent approximately 45% of eligible sites (as shown in Map 8 in Appendix D). Site level eligibility for delay is further described in Appendix C Table 15.

[13] Contract Number C-144842

Map 2. Sites Eligible for Delayed Effectuation due to Existing Zoned Capacity



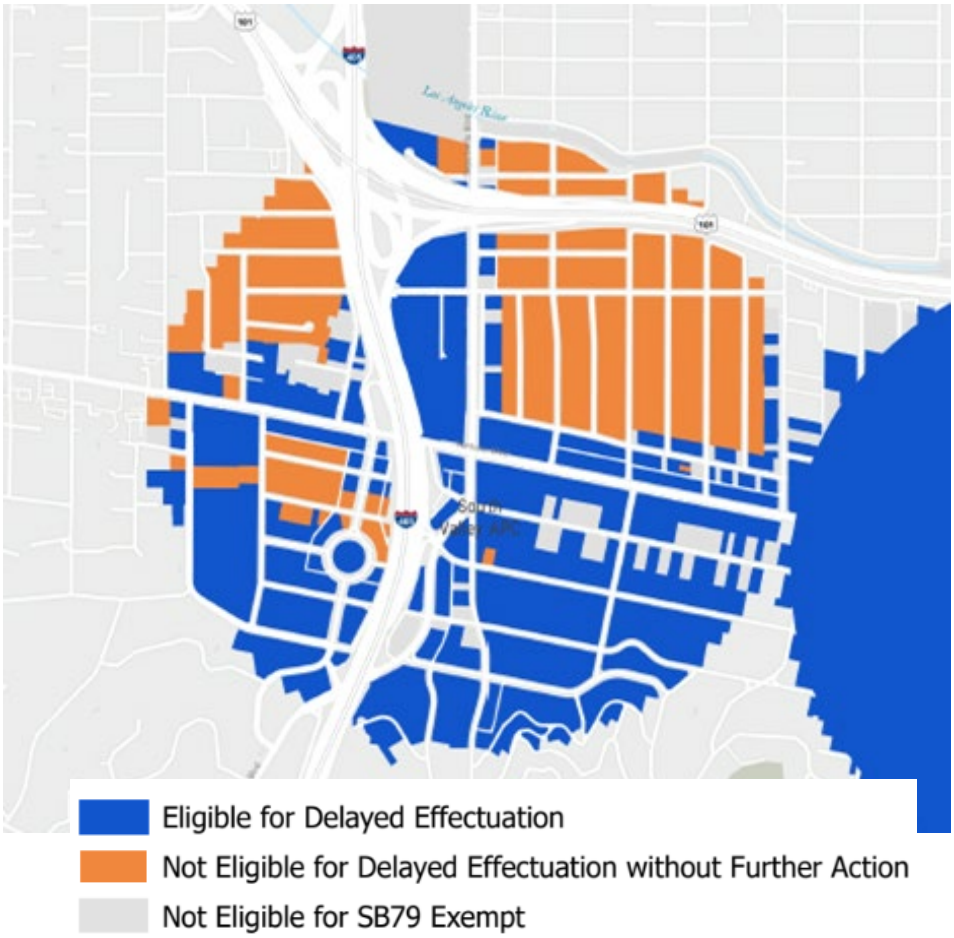
Map 3. Station and Site Level Eligibility for Delayed Effectuation Citywide



Example Stations

The Metro 234 - Ventura Boulevard TOD zone is an example of where existing zoning concentrates density within fewer sites in the station area. Based on existing zoning, the TOD zone has the potential to build approximately 93,023 units, whereas SB 79 would allow the development of approximately 28,474 units. Though the Metro 234 - Ventura Boulevard TOD zone allows for more than 3 times the capacity of SB 79, only 15.44% of individual sites meet at least half the capacity of what would be permitted under SB 79 as shown in the Map 4 below:

Map 4. Sites Eligible for Delayed Effectuation at Metro 234 - Ventura Boulevard TOD zone



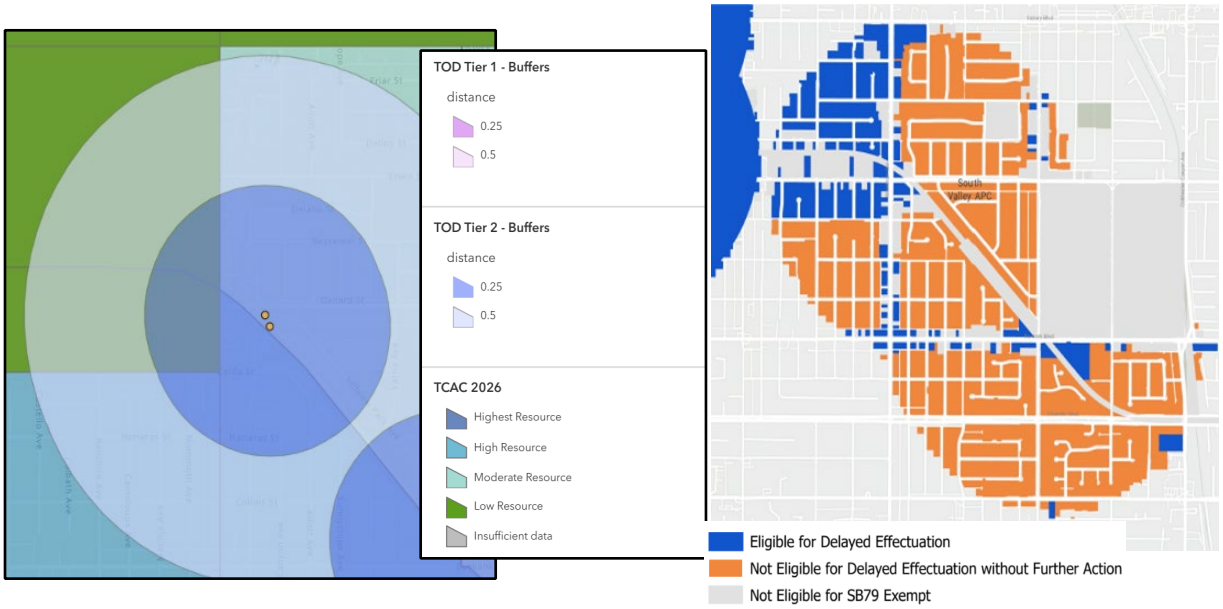
This means the stop does not meet Delayed Effectuation 2, which requires that 33% of sites within a TOD zone have 50% of the density and FAR offered by SB 79, a criterion designed to ensure capacity is not concentrated on a few high density parcels within the TOD zone. As a result, the Metro 234 - Ventura Boulevard TOD zone is not eligible for delayed effectuation at a station level, and at an individual site level, approximately 55% of parcels within the TOD zone would be subject to SB 79. Additionally, 466 parcels (32%) are in the VHFHSZ. Though these parcels can all be temporarily exempted from SB 79, the TOD zone as a whole would still be disproportionately

affected by SB 79 as shown in Appendix D, Map 16 combining all delayed effectuation criteria. Capacity in the Metro 234 - Ventura Boulevard TOD zone is illustrative of broader historical land use patterns in Los Angeles, where density is concentrated in higher density commercial and higher density multi-family zones close to commercial corridors. See Appendix C, Table 14 for station level attribute breakdown of this TOD zone.

When looking at capacity by station level delayed effectuation criteria, a nuanced picture emerges of where capacity is not available, with areas throughout the Valley and select TOD zones in West and Central LA unable to meet capacity minimums. Appendix D, Map 9 shows that 83 stations (58%) are eligible for delayed effectuation based on their existing capacity. This concurs with concerns raised at the November 17, 2025 PLUM meeting about a direct delayed effectuation approach increasing capacity in areas of the City that were not recently prioritized for growth in the Citywide Housing Incentive Program. Appendix D, Map 8 shows TOD zones that are composed primarily of lower opportunity areas and can delay effectuation because they contain at least 40% of capacity offered in SB 79. Appendix D, Map 10 shows that almost all majority lower opportunity stations are eligible for delay based on their underlying zoning, reflecting that lower opportunity areas contain more housing capacity categorically.

Additionally, there are TOD zones that would face the prospect of high variability upzoning if a delayed effectuation ordinance without upzoning is pursued. For example the G Line – Woodman Station, shown below, illustrates that while the lower opportunity area census tracts in the Northwestern corner of the TOD zone would be eligible for delayed effectuation due to Delayed Effectuation Criterion 1 (citywide exemption for lower opportunity areas), the rest of the station area would become eligible for higher incentives because it does not meet station level delayed effectuation. Ultimately, only 28% of the station area is eligible for delay, meaning 72% of the station will become subject to SB 79 in July if no local action is taken upzone.

Map 5. CTCAC and Delayed Effectuation Breakdown of the G Line – Woodman Station



The Woodman G Line Station contains high, moderate, and lower opportunity tracts. Incentives applied by tract could lead to uneven development outcomes. As shown above on the image to the right, sites eligible for delayed effectuation (blue) generally align with low resource opportunity tracts (green).

In addition to low opportunity and capacity related delayed effectuation criteria, SB 79 extends exemptions and delayed effectuation provisions to local historic sites (6% of parcels citywide), sites in VHFHSZs (9% of parcels citywide), sites more than one mile walking distance from a station entrance, and industrial employment hubs. See Appendix C, Table 12 for a full citywide breakdown of sites meeting those site characteristics. As mentioned above, staff are currently working to identify industrial employment hub eligibility and as such industrial employment hubs are not yet included in delayed effectuation analysis.

Overall, if the City pursued Approach B to delay effectuation only on sites and TOD zones that already meet SB 79's delayed effectuation thresholds, 116 whole stations and 88% of sites would qualify. SB 79 would therefore become available in 25 station areas and on 13,069 sites with lower density underlying zoning in TOD zones including the Tampa, Woodman, Valley College, Sepulveda, Reseda, Pierce College, and Balboa G line Stations, the Westwood and Sepulveda Expo line stations, the Glendale Metrolink station, the proposed La Brea K-Line extension, and the Westchester K Line station. This is illustrated in Appendix D, Map 16 and a full list of stations ineligible for delay is included in Appendix C, List 1.

By taking a proactive approach that focuses growth in station areas that are primarily higher and moderate opportunity (see Upzoning Options 1-3 below in Section VIII), and applying incentives more evenly across those majority moderate/higher opportunity stations depending on quality of transit service rather than underlying zoning, the City will align its growth with quality infrastructure that can service greater residential intensity and remain consistent with public input and local objectives that informed the 2021-2029 Housing Element.

VIII. NEAR TERM IMPLEMENTATION: DELAYED EFFECTUATION ORDINANCE AND REZONING

Implementation of SB 79 presents an opportunity to increase land available for mixed income, multi-family development where it's needed most. Based on modeling and analysis, City Council direction, citywide housing priorities identified in the 2021-2029 Housing Element, and state goals to AFFH, the Department has prepared a two part strategy for the local implementation of SB 79 before July 1 including: 1) the initiation of an upzoning program to introduce a phased approach to SB 79 and facilitate a citywide delay in effectuation; and 2) the initiation of a Delayed Effectuation Ordinance consistent with GCS 65912.161(b). This approach could allow more time for the City to consider how to add capacity in sensitive areas, while also providing immediate rezoning in high and moderate opportunity transit rich areas consistent with the 2021-2029 Housing Element.

Citywide Upzoning Code Amendment Ordinance

The City may initiate an upzoning program in SB 79 TOD zones through a citywide code amendment that expands eligibility and development incentives for sites near transit and further delays effectuation across the city. The Department encourages City Council to instruct that any rezoning or upzoning occur as part of an amendment to the City's Mixed Income Incentive Program (MIIP) (LAMC Chapter 1 12.22 A.38) to ensure additional capacity created is done so in alignment with the goals and programs of the 2021-2029 Housing Element. The Department is currently developing targeted amendments to MIIP funded by the HCD Regional Early Action Plan (REAP) Grant, which could be expanded to include code amendments for Upzoning Options. The code amendment could contain targeted increases to density, height, and floor area for low-density zones, including single family, R2, RD, and zones that are not eligible for or have limited access to the City's existing incentive programs and do not presently meet the capacity-based delayed effectuation criteria described in the bill. By increasing development potential through a targeted upzoning, capacity increases would ensure site level eligibility for a citywide deferral of the bill. Due to the expansion of VHFHSZs by the State in 2025, the Department recommends restricting incentive access in areas that are both VHFHSZ and Hillside Area (consistent with the approach of the Affordable Housing Streamlining Ordinance [Ordinance Nos. 188,788 and 188,789]) while allowing incentive access in non-hillside VHFHSZ areas. This would maintain MIIP eligibility in areas like Ventura Boulevard, Colorado Boulevard, and Glendale Boulevard which would otherwise be impacted by the fire map expansion.

Higher density residential and commercial sites already included in the City's MIIP program almost always meet the delayed effectuation criteria of SB 79 and in many cases exceed SB 79's capacity. However, 60% of SB 79 TOD zones are majority composed of lower density zones. Based on the PLUM Committee discussion, the Department has prepared three options (summarized in Table 3 below) for a citywide code amendment that would permit single family, lower density, and sites ineligible for delay within applicable TOD zones access to MIIP's Corridor Transition (CT) Incentive Area and Transit Oriented Incentive Area (TOIA) development incentives. These proposed amendments ensure that all sites meet SB 79 delayed effectuation thresholds, and that capacity is distributed fairly and consistently with the goals of the 2021-2029 Housing Element, the rezoning program description in Program 121, and the recommended options in Exhibit D of the City Planning Commission (CPC) Staff Report for Council File 21-1230-S5. The Upzoning Options maintain strong value capture to ensure maximum on-site affordability and focus growth in high and moderate opportunity areas with access to high quality transit.

The CT and TOIA programs, adopted as part of the Citywide Housing Incentive Program (CHIP) Ordinance and the Housing Element Rezoning Program in 2025, establish development incentives on multi-family and commercially zoned parcels near transit. Today, the CT program applies on sites zoned R2 and RD within 750 feet of designated "Opportunity Corridors"[14] and encourages low rise middle scheme development typologies such as bungalow courts, row houses, and town homes, with incremental FAR provided per unit up to either 10 or 16 units. The TOIA program applies on multi-family zoned sites within a half mile of Major Transit Stops as defined in LAMC 12.03 and supports construction of five to seven story multi-family, podium style developments. Both programs allow for additional floor area and height in exchange for the provision of multi-bedroom units. Projects utilizing the TOIA program may seek additional incentives and waivers for relief from standards that might impede the larger building envelopes facilitated by the incentive program, while projects utilizing the CT program may not. Both programs are subject to eligibility requirements including setting aside percentages of overall units as affordable; disallowing projects in VHFHSZs, sea level rise areas, and industrial areas; and prohibiting the demolition of historic resources. Lastly, incentives associated with both programs are not applicable in the Downtown Los Angeles, Boyle Heights, or Harbor Community Plans. Rezoning through an expansion of MIIP incentive tools will prioritize value capture, ensure that incentives do not apply in areas with environmental hazards such as VHFHSZs or heavy industrial areas, and maintain safeguards for sites with historic resources while still encouraging transit oriented development.

[14] Corridors served by frequent bus or high quality transit service; or within a half mile of a Metro Rail Station in a higher opportunity area.

Upzoning Options

Geographic and Zoning Applicability

Upzoning Options 1, 2, and 3 described later in this section are proposed to apply to specific geographic areas near transit and specific zones. All three Upzoning Options described below utilize the same geographic areas for expansion of development incentives, which include SB 79 TOD zones that are primarily (more than 50%) composed of higher and moderate opportunity areas, herein referred to as “Opportunity Stations.” These areas may include lower or moderate opportunity census tracts when lower or moderate opportunity areas represent the minority of available land in a station area. For example, the North Hollywood B Line station contains census tracts of all CTCAC areas but comprises a majority of moderate and higher opportunity areas, see Map 6 below. Furthermore, the Upzoning Options focus any upzoning on single family and low-density zones due to their limited existing density allowances in comparison to SB 79 standards. With this in mind, to comply with the rules for delayed effectuation contained in GCS 65912.161(b) for site level delayed effectuation, including having at least 50% of the capacity and FAR created by SB 79, a rezoning of single family sites remains the focus of the options presented.

Map 6. North Hollywood B Line Station with CTCAC Area Designations

The North Hollywood B Line Station (pink radius) contains highest, high, moderate, and lower opportunity tracts. Incentives applied by tract could lead to uneven development outcomes.

Considering the station in its entirety can provide opportunity for consistency in the built environment when census tracts divide corridors and neighborhoods. However, it is important to note that if the City Council wishes to exempt lower opportunity areas from potential upzoning (as SB 79 affords delayed effectuation provisions to these areas), they may modify any option to eliminate lower opportunity sites. Citywide analysis shows that 55 stations out of 141 (39% of all SB 79 TOD zones) can be classified as Opportunity Stations, see Appendix C, List One. In addition to Opportunity Station eligibility, higher and moderate opportunity census tracts that are located outside of Opportunity Stations and are ineligible for delay, are also proposed for CT eligibility in the options to ensure delayed effectuation minimums are met. Maps provided below for Options 1-3 (see Map 7 below and Appendix E, Maps 17-19) include all potential tracts that may apply to and are overly inclusive of tracts. The Department expects to be able to remove a substantial share of tracts outside of opportunity stations including tracts in South Los Angeles, once available revised maps will be posted online[15].

The Department recommends that the City Council select one of the three Upzoning Options described herein to ensure citywide delayed effectuation eligibility. These options are designed to qualify the City for a temporary delay of SB 79 while still adding housing capacity in ways that

[15] https://storymaps.arcgis.com/stories/480791d9b665485ea798986dcad61e86

are consistent with local goals and the 2021-2029 Housing Element. Each option builds upon the next, with Option 1 offering the most limited approach of the three, while Options 2 and 3 offer a broader rezoning approach that may minimize the need to subsequently upzone as part of a future Alt Plan. Options vary based on the quality of transit (existing vs proposed) and the scale of incentives (CT or TOIA) available. Options were designed to incorporate feedback from the PLUM Committee discussion, public comment, and advocacy organizations, in addition to these options the Table 4 below offers optionality for greater and reduced rezoning, including an option for the bare minimum upzoning needed to ensure delayed effectuation. As described above, all three options include eligibility within HPOZs with reduced incentives and offer incentives in the non-hillside portions of the VHFHSZs. See Maps 17-19 in Appendix E for a visual demonstration of where these incentives would be extended to single family and low-density zones.

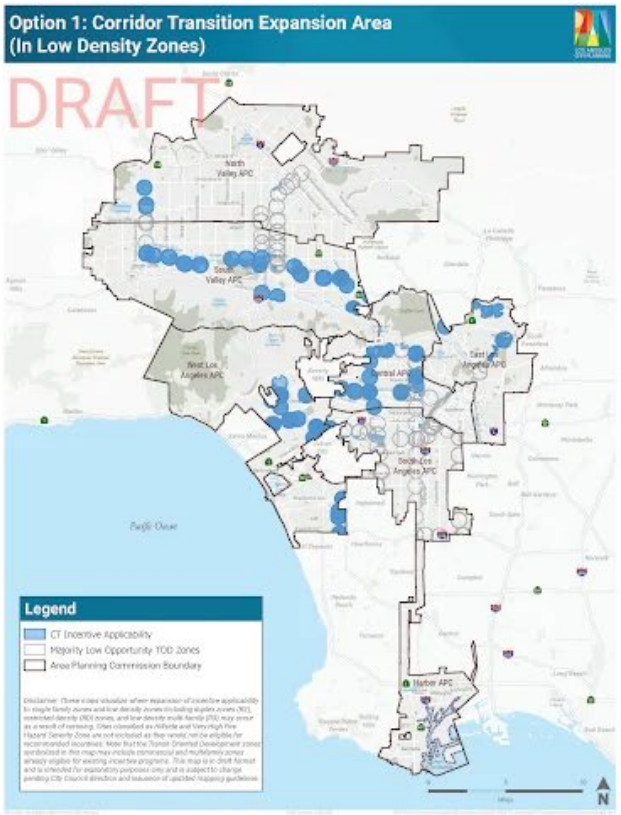
Option 1 **Corridor Transition (CT) Expansion:** This option extends CT incentives to single family and lower residential parcels that are either in one of the 55 Opportunity Station half-mile buffers served by both existing and planned transit routes or are located in select higher or moderate opportunity census tracts ineligible for delay. The most impacted areas of the City would include Central, West LA, South Valley, and East LA Area Planning Commission (APC) areas. Since there are more low-density zones, particularly single family zones, within TOD zones in the South Valley, those areas face greater potential development changes despite the increase in development incentives occurring across TOD zones citywide. This option offers the lightest rezoning approach of the three Options and would ensure citywide delayed effectuation eligibility. However, following the delayed effectuation period, many of these areas would likely need to be further rezoned by 2030 to comply with local Alt Plan requirements of SB 79. Note that this option will necessitate substantive restructuring of the CT program given it expands incentive applicability to whole half mile buffers around eligible transit stations in contrast to the current program's applicability near Opportunity Corridors.

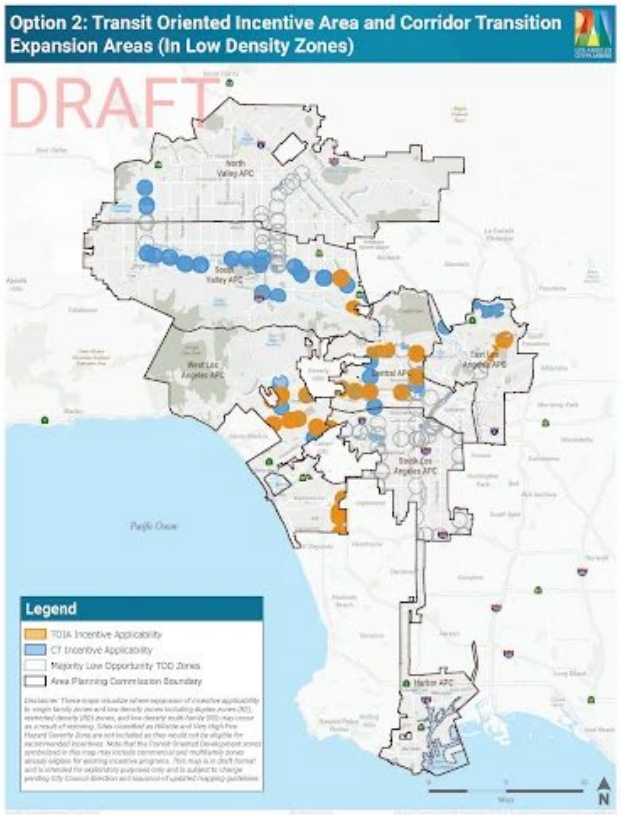
Option 2 **Transit Oriented Incentive Area (TOIA) Expansion near Operational Rail + Option 1:** This option is inclusive of Option 1 but also extends full[16] TOIA incentives to single family and lower density parcels in Opportunity Stations along existing or operating rail lines. It would not include TOIA eligibility for BRT or planned routes. This criteria would qualify 25[17] TOD zones that are primarily located in the Central and West APC areas for TOIA incentives. In this scheme, low-density zones surrounding all 55 Opportunity Stations would remain eligible for CT incentives. This option focuses higher intensity incentives in the central urban core of the City, while facilitating missing middle scale development in the South Valley, Northeast LA, and along corridors like Sepulveda on the Westside.

[16] Current Restricted Density limitations would not apply, and sites would be eligible for unlimited density.
[17] This count is inclusive of the purple line extension area, as it is expected to be operational in the near future.

Option 3 **TOIA Expansion near all Transit + Option 1:** This option is also inclusive of Option 1 and provides the broadest extension of TOIA incentives to single family and lower density parcels in Opportunity Stations across all SB 79 TOD zones including those served by both planned and existing transit lines. Within this option all 55 Opportunity Station buffers receive full TOIA incentives in addition to CT Incentives. This option offers the most generous application of incentives to prioritize development in Opportunity Stations in alignment with SB 79, the recommended options in Exhibit D of the CPC Staff Report for Council File 21-1230-S5, and Program 121 of the Housing Element.

Map 7. Upzoning Options





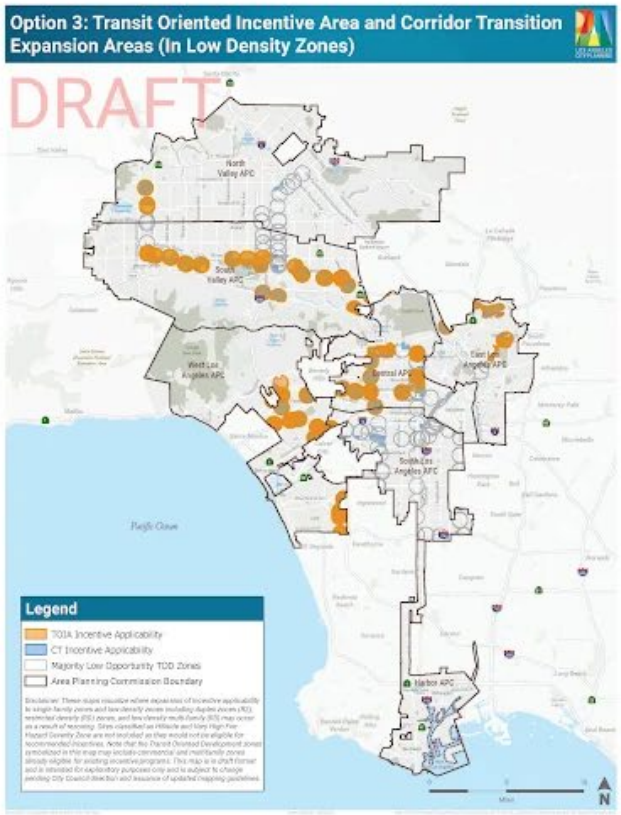


Table 3. Summary Options for Expansion of the Mixed Income Incentive Program to Lower Density Zones (R2, RD and Single Family)

	Option 1: CT Expansion	**Option 2:**[18] TOIA Expansion near Operational Rail + **Option 1**	**Option 3:**[23] TOIA Expansion near all Transit + **Option 1**
Transit Status Applicability	All SB 79 Stops (planned and existing stops)	Existing Rail	All SB 79 Stops (planned and existing stops)
Opportunity Station Applicability	55 Opportunity Stations + Select[19] Higher and Moderate Opportunity Tracts receive CT incentives	23[20] Opportunity Stations receive TOIA Incentives & 32 Opportunity Stations + Select[27] Higher and Moderate Opportunity Tracts receive CT incentives	55 Opportunity Stations receive TOIA incentives & Select[27] Higher and Moderate Opportunity Tracts receive CT incentives
Density	4-16 units	Limited by FAR[21]	Limited by FAR[25]
FAR[22]	Incremental up to 2.9:1	Up to a 4.5:1	Up to a 4.5:1
Height[26]	2-3 stories	7 stories max	7 stories max

Consistent with the MIIP framework, all three options require affordable units set aside in order to receive development incentives. Furthermore, the program's eligibility criteria includes protections for sites in VHFHSZs and Hillside Areas by excluding these sites from eligibility; and for sites with historic resources through limitations on building volume incentives for sites with Designated Historic Resources, in addition to restricting demolition (additional discussion on the implications for sites in VHFHSZs and with historic resources may be found below on page 33 and 34). None

[18] All areas qualifying for TOIA could also opt to use CT incentives in this option.
[19] Only High and Moderate Opportunity census tracts in majority low opportunity station areas ineligible for delay would be eligible.
[20] This count is inclusive of the D line extension area, as it is expected to be operational in the near future.
[21] Density allowances in Options 2 and 3 would supersede any limitations for low-density zones.
[22] Projects may be eligible for additional FAR and height in exchange for provision of multi-bedroom units. CT program projects may access up to an additional 0.5:1 FAR and 11 feet in height. TOIA program projects may access up to 1.0:1 FAR and up to an additional 22 feet in height.

of the recommendations would create new capacity in areas vulnerable to one foot of sea level rise or on sites in the Coastal Zone. Across all options (Appendix E, Maps 17-19), the eligible TOD zones are concentrated in the Central, West, and South Valley APC areas; while East Los Angeles and North Valley APCs would each have several TOD zones affected. The South Los Angeles APC would receive limited incentives for missing middle housing in a few moderate and higher opportunity tract areas; there would be no expansion of incentives in the Harbor APC.

If any of these options are desired, City Council can instruct the Department to initiate a code amendment for one of these options as is. Alternatively, these options may be further customized to achieve desired goals, as described in Table 4. Refinement options are informed by feedback received over the past year and allow flexibility to grow or reduce recommendations based on transit types, CTCAC category designation, historic resources, and VHFHSZ eligibility. Modifications beyond those described below would require evaluation to determine if Citywide delayed effectuation would be impacted, refinement options would not revise current eligibility for the MIIP program.

Table 4. Topic Areas for Modification to Upzoning

Applicable Option	Grow or Reduce	Topic Area	Modification Description
All	Grow	Lower Opportunity Areas	– Expand eligibility to single family zones in lower opportunity areas
All	Reduce	Lower and Moderate Opportunity Areas	– Remove low and/or moderate opportunity areas eligible for delayed effectuation
		Very High Fire Hazard Severity Zones	– Do not expand incentives in all VHFHSZs (including non-hillside areas)
		Historic Resources	– Do not expand incentives on sites with historic resources
Option 3	Reduce	Bus Only Lane Eligibility	Exclude stops created by bus only lanes that are not BRTs
Option 1	Reduce (Most Limited Upzoning Option)	Only amend zoning for Areas Ineligible for Delayed Effectuation	– For the most limited rezoning, Option 1 could be further reduced to only apply to sites and areas ineligible for delayed effectuation

Discussion on each topic area provided in Table 4 where modifications may be desired is provided in detail below:

Lower Opportunity Areas: Consistent with Program 121 of the 2021-2029 Housing Element, the options described focus capacity for new housing units in higher opportunity areas; however, the Upzoning Options include upzones to lower opportunity area tracts only when located within an Opportunity Station where more than 50% of a station is composed of higher and moderate opportunity areas. The rezoning approach for each option to focus on majority moderate and higher opportunity areas aligns with the aim to pause implementation of SB 79 in all lower opportunity areas consistent with rules of GCS 65912.161(b). City Council could opt to expand incentives into TOD zones in lower opportunity neighborhoods; however this could potentially hinder the City's ability to meet its state-level AFFH mandate. Furthermore, it could exacerbate redevelopment pressures in areas of the City that have produced more affordable housing over the last decade as a result of historic land use patterns.

Lower and Moderate Opportunity Areas: Another area for potential modification might be reducing incentive applicability in lower and moderate opportunity areas. Moderate opportunity areas often align with what are perceived as "gentrifying" areas of the City, as shown in the more recent CTCAC/HCD Opportunity Area Map designation called "Neighborhood Change."[23] Redevelopment in areas experiencing "neighborhood change" can increase housing availability and expand housing mobility. However, advocates have requested more modest upzoning in moderate and lower opportunity areas that are ineligible for delayed effectuation to provide time for tenant outreach and program development. Expanding incentive applicability utilizing the Opportunity Station tool could potentially increase redevelopment pressures in moderate and lower opportunity areas of the City as incentives would still apply in these tracts if in an Opportunity Station; although safeguards in place through the Resident Protections Ordinance (RPO) would still apply. Under the City's new RPO, a new project must provide one to one replacement, relocation compensation, and right to return. As the City has continued to expand protections for tenants, the proposed Upzoning Options only include low and moderate opportunity areas when the majority of census tracts (more than 50% percent) within the TOD zone are composed of higher and moderate opportunity areas and areas ineligible for delay. This ensures consistent land use and design outcomes throughout a half mile buffer as opposed to census tracts with boundaries that bisect neighborhoods and corridors, such as station areas like the North Hollywood B Line station (discussed above) where a lower opportunity tract traverses the northern portion of the half mile buffer. However, if the City Council wants to prioritize development in higher opportunity areas to protect against displacement for the City's most vulnerable populations, the Council could remove moderate and low opportunity census tracts eligible for delay from the Opportunity Station area and limit incentive to census tracts ineligible for delay.

Bus Only Lanes: Rezoning Option 3 applies TOIA incentives most broadly to all SB 79 transit types, including bus only lanes. These higher tier incentives could be removed along bus only lane stops if Council perceives this as a less quality transit service than the other types included in the bill. While bus only lanes offer frequent service, they might not eliminate the need for car transportation like proximity to a rail or BRT stop can.

Very High Fire Hazard Severity Zones – Existing City policy inclusive of the CHIP Ordinance prioritizes residential growth in areas safe from fire and other environmental risks. The tragic Palisades Fire of early 2025 demonstrated that the homes of Angelenos are vulnerable to catastrophic fire destruction. Although the present Upzoning Options

[23] The Neighborhood Change Map identifies tracts that have undergone recent racial and/or economic changes, and where increasing rental costs in low and moderate-income communities of color may produce more change The methodology identifies tracts that have experienced both substantial racial/ethnic demographic change (growth in the non-Hispanic white share of the population) and economic demographic change (growth in the share of high-income households), as well as markers of disproportionate housing need (rising median rents): https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/neighborhood-change-memo.pdf

would contain an eligibility carve out for parcels in areas where VHFHSZs and Hillside Areas overlap (consistent with eligibility limitations contained in the recently adopted Affordable Housing Streamlining Ordinance), the City Council may further modify this criterion so that all single family sites in the VHFHSZ are ineligible for rezoning. This would result in all Very High Fire Hazard Severity Zones, including areas in non-hillside areas, being ineligibility. However, it is important to understand that the state VHFHSZ maps represent fire "hazard" areas rather than fire "risk," the latter of which is inclusive of mitigation measures. For that reason, the state VHFHSZ has expanded into paved and urbanized areas that are not as likely to burn as Hillside Areas but are experiencing higher temperatures and wind patterns increasing the likelihood of a fire hazard.[24] These areas have better access and connectivity and include geographies like Ventura Boulevard, Highland Park, and Atwater Village. The present Upzoning Options propose an eligibility criteria of where VHFHSZ and Hillside Areas overlap for three reasons: 1) Hillside Areas present unique evacuation concerns; 2) redevelopment in urbanized areas that have adequate ingress/egress improve the structural resilience of buildings; and 3) this criterion is aligned with other existing City policy such as the recently codified Affordable Housing Streamlining Ordinance.

Historic Resources: As presented, all options would apply incentives to sites with historic resources consistent with the eligibility criteria in today's MIIP regardless of exceptions and delayed effectuation rules that may apply[25]. This means sites with historic resources could qualify for the MIIP's incentives but would be prohibited from demolishing any historic resource and would have a base incentive allowance of only one additional story of floor area and height. A total of 11 HPOZs intersect with the proposed Opportunity Station areas. This recommendation is consistent with the PLUM Committee's discussion and public feedback recommending that the Department explore upzoning scenarios that could still extend modest bonuses to sites with historic resources. The City Council could opt to modify the options to exclude sites with historic resources from expanded MIIP eligibility, and instead include all historic areas without any zoning changes in a citywide delayed effectuation ordinance under the provisions of SB 79.

Limited Upzoning: Under Option 1, the City Council could take a more modest approach to upzoning by only including upzoning on sites located within TOD zones that are ineligible for delay. This would apply the CT program incentives to just over 13,000 single family and low-density sites in approximately 19 TOD zones predominantly in the South Valley and West LA. More information on the TOD zones and sites ineligible for delay can be found in Section VII of this report.

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[24]Fore more information on Cal Fire's methodology for High Fire Severity Zones visit: https://osfm.fire.ca.gov/what-we-do/community-wildfire-preparedness-and-mitigation/fire-hazard-severity-zones

[25] Per GCS 65912.161(b)(1)(F), delayed effectuation may apply to sites with historic resources on a local register designated as of Jan. 1, 2025. Delayed effectuation may not apply to sites with historic resources on a state or national register.

Rezoning Considerations

An action to upzone consistent with the options described above would significantly expand available sites for housing around 55 Opportunity Stations. Sites within those stations, which today generally permit less than five units, would be eligible to build multi-family housing ranging in density from 10 units to unlimited, with heights ranging from two to seven stories depending on transit adjacency. Increasing available land for housing may relieve redevelopment pressures on existing RSO housing stock in lower opportunity areas.

Overall, the Upzoning Options focus growth in higher and moderate opportunity areas, leaving 60% of the City's TOD zones located primarily in Southeast Los Angeles, South Los Angeles, Boyle Heights, and the Northeast Valley unaffected by the bill in the short term. This affords more time to conduct thoughtful community engagement in areas of the City that experience greater housing pressures. Though rezoning wouldn't be focused on these neighborhoods in the short term, it's important to note that capacity exists in these areas as a result of the City's historic zoning and present housing incentive programs. In fact, an assessment of eligible SB 79 sites reveals that just over half of sites eligible in lower opportunity zones are already eligible for the MIIP, while only 42% of eligible parcels in higher opportunity areas are due to a higher prevalence of single family zoning that is not eligible for the MIIP (see Appendix B, Table 5). The 2021-2029 Housing Element includes analysis showing that between 2009-2018, only 14% of covenanted affordable units were produced in higher opportunity areas, meaning lower opportunity areas have historically produced more affordable housing. The Housing Element sought to address this by steering growth and mixed income development into higher opportunity areas, consistent with the Upzoning Options presented for delaying effectuation of SB 79.

While this report focuses on the impact of rezoning on the built environment of the City, adding capacity citywide would likely also have positive fiscal impacts through increases in property tax revenue and real estate transactions, especially if growth is focused in higher opportunity areas and market tiers.[26] Additionally, new development may help fund infrastructure improvements using project fees and conditions, in accordance with the City's broader value capture framework. A forthcoming report from the Chief Legislative Analyst's office will speak more to these impacts.

[26] Streets for All conducted an analysis on how direct implementation of SB 79 could impact the fiscal projection for the City of Los Angeles here: https://data.streetsforall.org/blog/sb79_zoning_budget.

Delayed Effectuation Ordinance

In addition to upzoning, the Department recommends immediate initiation of an ordinance to delay effectuation citywide consistent with SB 79's rules for delayed implementation based on available capacity and site characteristics. In particular, this ordinance would secure a pause in implementation of SB 79 by affirming compliance with the criteria described in GCS 65912.161(b)[27] including sites allowing at least half of SB 79's development potential on individual sites and maintaining over 50% of SB 79's overall capacity citywide (as shown in Appendix C). A delayed effectuation ordinance, consistent with the provisions of the bill, would also affirm exemptions for sites located in industrial employment hubs.[28] The Department is working on identifying hubs in areas such as Downtown Los Angeles, Van Nuys, Canoga Park, South Central Los Angeles, and Chatsworth. Furthermore, this ordinance would exempt any sites further than one-mile walking distance from an identified TOD stop. When coupled with a rezoning option discussed in the preceding section, this Delayed Effectuation Ordinance could accomplish a citywide pause in implementation. Alternatively, should City Council abstain from selecting a rezoning approach, the Delayed Effectuation Ordinance would not prevent SB 79 from going into effect in areas including at ten G Line Stations in the South and Northwest Valley, Expo Sepulveda and Expo Westwood/Rancho Park in West LA, and CRN-La Brea/Beverly in Mid City. As discussed in Section IV of this report, a delayed effectuation ordinance requires effectuation prior to SB 79's July 1, 2026 effective date and may be subject to HCD review. Per the bill, the delayed effectuation ordinance would only be valid through one year following the adoption of the seventh cycle of the Housing Element, which would be approximately 2030 for the City of Los Angeles.

IX. CONCLUSION AND NEXT STEPS

This report provides insights into both the scale of SB 79's impact as well as how the City can act to ensure the bill applies in a way that furthers local land use and equity goals. Consistent with previous instructions adopted by the City Council, if the City Council wishes to implement a citywide delayed effectuation of SB 79 through upzoning ordinances while the City evaluates density increases to sensitive communities such as lower opportunity areas, neighborhoods in VHFHSZs, and those with higher concentrations of historic and cultural landmarks, the Department recommends that the City Council instruct the Department to create an ordinance to expand applicability of housing incentive programs. Moving forward with these recommendations could expand land available for multifamily development near transit, in alignment with the goals of the bill and would also advance objectives of the 2021-2029 Housing Element to AFFH and maximize value capture through provision of on-site affordable housing. The modeling discussed in this report as well as the eligibility mapping will continue to be refined in coordination with SCAG

[27] For further detail on delayed effectuation criteria for eligible areas, see pages 12-13 of the City Planning report dated November 13, 2025.
[28] Paragraph (2) of subdivision (e) of GCS 65912.160 defines an industrial employment hub as a contiguous area of at least 250 acres dedicated to industrial uses and designated as such in the local jurisdiction's general plan as of January 1, 2025.

and may result in different outcomes than described herein. The Department will report back to City Council on modeling updates and will continue to maintain and update, as needed, the eligibility map available for public review online[29]. Furthermore, the Department will continue to monitor any new legislation proposed, including SB 908 (Weiner) aimed at refining and clarifying SB 79's regulations.

Sincerely,

VINCENT P. BERTONI, AICP
Director of Planning

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Appendices:

A. TOD Zone Interpretations
B. TOD Zone Analysis
C. Delayed Effectuation Analysis
D. Delayed Effectuation Maps
E. Rezoning Maps and Additional Materials

[29] https://storymaps.arcgis.com/stories/480791d9b665485ea798986dcad61e86

APPENDIX A: TOD ZONE INTERPRETATIONS

Transit-Oriented Development (TOD) Stop Definition and Mapping Updates

The Department released preliminary mapping[30] of potential SB 79 TOD stops and associated TOD zones that included 150 stops along both existing and planned transit routes identified in SCAG's Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) and the Los Angeles County Metropolitan Transportation Authority's (Metro) Regional Transportation Improvement Plan (RTIP). As a result of review of the TOD stop definition (GCS 65912.156(p)), which includes a requirement that any eligible planned transit stop be on a route which has a preferred alternative selected or is included in the RTIP, and evaluation of plans for future lines that may comprise the City of Los Angeles' transit network, the Department refined the number of stops along planned routes to ensure consistency with the bill's provisions. A revised draft map of eligible TOD stops, and TOD zones can be found in Map 1 above.

Revised maps remove planned routes lacking a Locally Preferred Alternative (LPA) based on an interpretation of the bill that a planned route is considered to have an LPA if there is documentation of an approved action to certify an environmental document or to fund a project from the Metro Board or similar transportation authority or regulatory body. This interpretation informed removal of the Lincoln Bus Rapid Transit (BRT), Vermont Short Corridor (distinct from the Vermont Transit Corridor BRT project), B Line Extension, and East San Fernando Valley Light Rail Transit northern segment. On Jan. 22, 2026, the Metro Board approved an LPA[31] for the Sepulveda Transit Corridor Project, therefore the stations have been retained, reclassified as Tier 1, and added to the revised draft map. The Metro Board is anticipated to vote on an LPA for the K Line Northern Extension in March; therefore, the preliminary station locations included in SCAG's RTP/SCS in the City's draft map will be updated when an LPA is formally selected by the Metro Board.

Additional mapping updates include the removal of three Metrolink stations as TOD zones and updated station locations for the Vermont BRT based on the final Metro Board report approved in March 2025. In particular, the Burbank Airport North, Burbank Airport South, and Van Nuys Metrolink[32] stations were removed from the City's preliminary map of SB 79 TOD zones because they do not meet the 48-trains per day across both directions threshold for Tier 2 nor the 72-trains per day threshold for Tier 1. Additionally, the Department has revised maps to group transit hubs, stops that may be served by multiple types of lines (e.g., an intersection of heavy rail (Tier 1) and light rail (Tier 2) by their highest tier. The aforementioned changes and consolidations resulted in a new citywide total of 141 TOD stops or zones.

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[30] https://storymaps.arcgis.com/stories/480791d9b665485ea798986dcad61e86
[31] Modified Alternative 5 was approved as the LPA.
[32] Note that a TOD zone remains adjacent to the Van Nuys Metrolink stop due to the presence of an eligible East San Fernando Valley Light Rail Transit stop.

Review by the California Department of Housing and Community Development

The Department continues to actively coordinate with state agencies, regional agencies, and other municipalities to refine interpretations on key provisions including those applicable to the adoption and implementation of local ordinances. After further review it was determined that delayed effectuation ordinances become effective immediately upon their operative date, therefore allowing the City until June 30, 2026, to effectuate any ordinance associated with Approaches B or C (discussed in Section III above). Following adoption, any implementing ordinance would be subject to HCD review, pursuant to the procedures and timelines described in GCS 65912.160 including a maximum 120-day review period, that may result in the need for corrections. The City remains in communication with HCD to minimize the need for any future corrections to legislative actions.

2025 and 2026 CTCAC Opportunity Map Data

The CTCAC and HCD Opportunity Area Map for 2026 was adopted in December 2025. Therefore, the analysis of TOD zones included in this report is based on the 2026 Opportunity Area Maps. Within the newly issued maps, approximately 99 census tracts have changed opportunity area categories, including 29 tracts which were reclassified as lower opportunity, 52 tracts which were reclassified as moderate opportunity, and 18 tracts which were reclassified as higher opportunity. Within TOD zones, areas reclassified as lower opportunity include Montecito Heights, Van Nuys, and parts of South Park. Those now designated as moderate opportunity include Highland Park and Koreatown, and those now designated highest or high opportunity include Highland Park, North Hollywood, and Chinatown.

APPENDIX B: TOD ZONE ANALYSIS

Affirmatively Furthering Fair Housing (AFFH) Considerations

Taking a deeper look at the bill's AFFH impacts, Table 5 explores characteristics of sites located in TOD zones based on their CTCAC designation. Percentages in each row are reflective of each opportunity area's characteristic or the citywide ratio. As mentioned above, 57%[33] of the City's TOD zones have a majority of sites within designated lower opportunity areas, these TOD zones fall largely within South and the eastern parts of Central Los Angeles. Conversely, about 30%[13] of the City's TOD zones are majority higher opportunity, which are predominantly located in West LA, the western parts of Central Los Angeles and South Valley.

[33] This percentage is based on area calculations of an entire TOD zone by CTCAC designation, including areas designated as "insufficient data."

Table 5. SB 79 Eligible Sites by CTCAC Designation

Opportunity Area	Count of SB 79 Sites[34]	Percent of SB 79 Sites[34]	Percent Single Family [35]	Percent RD and more Restrictive[35]	Percent MIIP Eligible[35]	Percent 1-2 RSO Units[35]	Percent 3+ RSO Units[35]	Percent VHFHSZ [35]	Percent Historic Preservation Overlay Zone (HPOZ)[35]
Lower	78,807	57%	36%	68%	52%	13%	16%	2%	3%
Moderate	14,896	11%	40%	60%	49%	9%	18%	14%	12%
Higher	43,906	32%	54%	70%	40%	12%	13%	19%	8%
Overall	137,609	100%	42%	68%	48%	12%	15%	9%	6%

[34] Numbers and percentages for low, moderate, and higher opportunity areas in this column are summed in the overall row at the bottom of the table.
[35] Percentages for low, moderate, and higher opportunity areas are based on the count of parcels for that category. The overall percentage is based on the number of eligible SB 79 parcels citywide.

Table 6. SB 79 TOD zone Characteristics by APC Area*

Area Planning Commission (APC)	Total Number of Transit Oriented Development (TOD) Zones	TOD zones that have a majority of parcels zoned for Low-density (RD or more restrictive) TOD zones	TOD zones that have a majority of parcels zoned Single Family	TOD zones with more than 10% of parcels containing 1-2 Rent Stabilized Ordinance Units	TOD zones with more than 10% of parcels located within a Historic Preservation Overlay Zone	TOD zones located within the Very High Fire Hazard Severity Zone
Central Los Angeles	40	6.5	2	10	7.5	7
East Los Angles	12.5	12	5	9.5	4	9
Harbor Area	0	0	0	0	0	0
North Valley	10.5	9.5	8.5	3	0	1
South Los Angeles	35	26.5	8	25	4.5	0
South Valley	28.5	23.5	23.5	3	2	4
West Los Angeles	14.5	6	4	.5	0	2
TOTAL	141	84	52	51	18	23

*Note that TOD zones which are split across multiple APCs are counted as 0.5 toward each APC total.

Table 7. SB 79 TOD zone Majority CTCAC Designation by APC Area*

Area Planning Commission (APC)	Total Transit Oriented Development (TOD) Zones	Majority Lower Opportunity TOD zones	Majority Moderate Opportunity TOD zones
Central Los Angeles	40	21.5	5
East Los Angles	12.5	5.5	2
Harbor Area	0	0	0
North Valley	10.5	8.5	0
South Los Angeles	35	34	0
South Valley	28.5	10.5	3
West Los Angeles	14.5	4	0
TOTAL	141	84	10

*Note that TOD zones which are split across multiple APCs are counted as 0.5 toward each APC total.

Table 8. 20 Transit Oriented Development (TOD) zones with the highest percentage of sites with 1-2 Rent Stabilization Ordinance (RSO) units

Area Planning Commission (APC)	TOD zone Name	Percent of Sites with 1-2 RSO Units (%)	Majority CTCAC/HCD Opportunity Map Designation*
Central	K Extension - La Brea/Beverly	22	Higher
	D Extension - Wilshire/Fairfax	22	Higher
	D Extension - Wilshire/La Cienega	21	Higher
East LA	E-Indiana	29	Lower
	Metrolink – Glendale	24	Higher
	E-Soto	23	Lower
	E-Mariachi Plaza	18	Lower
	A-Heritage Square	16	Lower
South LA	Vermont BRT - Slauson Ave	26	Lower
	E - Expo/Western	25	Lower
	A – Vernon	24	Lower
	Vermont BRT - Vernon Ave	22	Lower
	A – Slauson	21	Lower
	E - Expo/La Brea	20	Lower
	K - Crenshaw/Adams	19	Lower
	Vermont BRT - W Adams Blvd	18	Lower
	E - Expo/Vermont	17	Lower

Central, East LA	B/Vermont BRT - Vermont/Sunset	17	Mixed
Central, South LA	K Extension - Pico/San Vicente	36	Higher
	A - San Pedro St	16	Lower

*TOD zones with a CTCAC/HCD Opportunity Area Map designation of “Mixed” do not have a single map category that exceeds 50% of the TOD zone area.

Table 9. Transit Oriented Development (TOD) Zones with Sites in Very High Fire Hazard Severity Zones (VHFHSZs)

TOD Zone Name	Percentage of TOD zone within VHFHSZs by Lot Area (%)*	Count of Sites in TOD zone within VHFHSZs by Lot Area
A-Southwest Museum	100	1951
NOHO to Pasadena BRT-Colorado Boulevard	100	875
NOHO to Pasadena BRT-E Broadway	100	33
NOHO to Pasadena BRT-W Alameda Avenue	96	5
B - University City/Studio City	87	724
A-Heritage Square	86	1854
NOHO to Pasadena BRT-Eagle Rock Boulevard	82	1494
SP-UCLA Ackerman Union	81	28
NOHO to Pasadena BRT-Townsend Avenue	78	1612
A-Lincoln/Cypress	77	465
NOHO to Pasadena BRT-W Riverside Drive	73	15
A-Highland Park	56	1103
SP - Ventura Blvd	53	729
A-Chinatown	51	347
B/K Extension - Hollywood/Highland	49	718
Metro 234 -Ventura Boulevard	35	504
B - Hollywood/Vine	33	457
B - Hollywood/Western	31	459
D Extension/SP - Westwood/UCLA	28	1
D/Vermont BRT - Vermont/Sunset	8	212
Metrolink - Glendale	7	40
G Line - Nordhoff	4	28

TOD Zone Name	Percentage of TOD zone within VHFHSZs by Lot Area (%)*	Count of Sites in TOD zone within VHFHSZs by Lot Area
Metro 70 - N Spring Street	3	27

*Note that the above percentages only account for sites within TOD zones that are located within the City of Los Angeles.

Table 10. Historic Preservation Overlay Zones (HPOZs) with Sites in Transit Oriented Development (TOD) Zones

Historic Preservation Overlay Zone	Number of Intersecting Transit Oriented Development (TOD) Zones	Number of HPOZ Sites in TOD zones	Percentage of HPOZ Area in a TOD zones	Percentage of Land in a TOD zone Designated as an HPOZ (%)
Adams-Normandie	1	717	97	Vermont BRT - W Adams Blvd: 38
Carthay Circle	2	450	99	D Extension - Wilshire/Fairfax: 17
				D Extension - Wilshire/La Cienega: 17
Carthay Square	1	61	18	D Extension - Wilshire/Fairfax: 4
Hancock Park	2	393	32	K Extension - La Brea/Beverly: 14
				D Extension/K Extension - Wilshire/La Brea: 6
Highland Park - Garvanza	3	2907	74	A-Heritage Square: 26
				A-Highland Park: 79
				A-Southwest Museum: 38
Hollywood Grove	1	87	63	B-Hollywood/Western: 6
Jefferson Park	1	35	2	E-Expo/Western: 1
La Fayette Square	1	95	40	K Extension - Pico/San Vicente: 5
Lincoln Heights	2	263	27	A-Heritage Square: 6
				A-Lincoln/Cypress: 25
Miracle Mile	3	847	64	K Extension - Pico/San Vicente: 3
				D Extension/K Extension - Wilshire/La Brea: 20
				D Extension - Wilshire/Fairfax: 29

Historic Preservation Overlay Zone	Number of Intersecting Transit Oriented Development (TOD) Zones	Number of HPOZ Sites in TOD zones	Percentage of HPOZ Area in a TOD zones	Percentage of Land in a TOD zone Designated as an HPOZ (%)
Adams-Normandie	1	717	97	Vermont BRT - W Adams Blvd: 38
Carthay Circle	2	450	99	D Extension - Wilshire/Fairfax: 17
				D Extension - Wilshire/La Cienega: 17
Miracle Mile North	2	482	81	D Extension - La Brea/Beverly: 22
				D Extension/K Extension - Wilshire/La Brea: <1
Pico-Union	8	190	23	A/E - Pico: 4
				A - Grand/LATTC: <1
				Metro 81 - Pico Boulevard: 15
				Metro 81 - Venice Boulevard: 17
				Metro 81 - W 12th Street: 6
				Metro 81 - W Washington Boulevard: 8
				B/D - Westlake/MacArthur Park: 2
				Vermont BRT - Pico Blvd: 2
South Carthay	1	41	11	D Extension - Wilshire/La Cienega: 3
University Park	8	576	88	A - Grand/LATTC: 17
				E - Jefferson/USC: <1
				E - LATTC/Ortho Institute: 23

Historic Preservation Overlay Zone	Number of Intersecting Transit Oriented Development (TOD) Zones	Number of HPOZ Sites in TOD zones	Percentage of HPOZ Area in a TOD zones	Percentage of Land in a TOD zone Designated as an HPOZ (%)
Adams-Normandie	1	717	97	Vermont BRT - W Adams Blvd: 38
Carthay Circle	2	450	99	D Extension - Wilshire/Fairfax: 17
				D Extension - Wilshire/La Cienega: 17
				Metro 81 - Pico Boulevard: <1
				Metro 81 - Venice Boulevard: 19
				Metro 81 - W 23rd Street: 37
				Metro 81 - W Washington Boulevard: 33
				Vermont BRT - W Adams Blvd: 13
Van Nuys	3	255	100	ESFV/SP- Van Nuys/Oxnard: <1
				ESFV-Van Nuys/Vanowen: 15
				ESFV-Van Nuys/Victory: 13
West Adams Terrace	1	115	23	K Extension - Crenshaw/Adams: 5
Whitley Heights	1	124	52	B/K Extension - Hollywood/Highland: 8
Wilshire Park	1	102	20	D - Wilshire/Western: 8
Windsor Square	1	65	6	D - Wilshire/Western: 5

Table 11. Transit Oriented Development (TOD) Zones with 20% or Greater Zoned Industrial

Area Planning Commission	TOD zone Name	Percentage of Industrial Area (%)	Majority TCAC Designation*
Central	A/B/D/Metrolink - Union Station	27	Mixed
	K Extension - La Brea/Santa Monica	22	Higher
South Los Angeles	A – Vernon	39	Lower
South Los Angeles, Central	A – Washington	79	Lower
East LA, Central	E Pico/Aliso	30	Lower
North Valley	G – Nordhoff	57	Mixed
	ESFV-Van Nuys/San Fernando	36	Lower
	G – Chatsworth	27	Higher
	ESFV-Van Nuys/Roscoe	20	Lower
North Valley, South Valley	Metro 234 - Roscoe Boulevard	32	Lower
	G – Roscoe	28	Lower
South Valley	ESFV/SP-Van Nuys	56	Lower
	Metro 234 - Saticoy Street	25	Lower
West	C/K - Aviation/Century	26	Moderate
	K Line-Westchester/Veterans	21	Higher
	C - LAX/Metro Transit Center	21	Higher

*TOD zones with a CTCAC/HCD Opportunity Area Map designation of “Mixed” do not have a single map category that exceeds 50% of the TOD zone area.

APPENDIX C: DELAYED EFFECTUATION ANALYSIS

Table 12. Delayed Effectuation Eligibility Summary Table

	Local and SB79 Allowable Capacity				Delayed Effectuation (DE) Eligibility Criteria									
	Local Max. Potential Units	**79 Max. Potential Units**	**Local Floor Area[1]**	**79 Floor Area[2]**	**Lower Opportunity Areas[3]**	**Station Area Density and FAR [4]**	**Majority Lower Opportunity Stations[5]**	**Site Level Density and FAR [6]**	**Very High Fire Hazard Severity Zones[7]**	**1 foot Sea Level Rise [8]**	**Local Historic Resources [9]**	**1-mile walking distance[10]**	**Parcels Eligible for any DE Criteria**	**Parcels Statutorily Exempt from SB79**
Number of City Parcels	6,876,877	2,447,945	3,391,921,016	3,165,270,568	62,922	53,699	59,839	38,689	10,620	0	6,760	294	98,981	26,320
Percent of City Parcels					56.16%	47.92%	53.40%	34.53%	9.48%	0.00%	6.03%	0.26%	88.34%	19.02%
Number of Stations						83	79							

1 *Maximum allowable building volume that could be developed under local zoning rules.*
2 *Maximum allowable building volume that could be developed under SB79.*
3 Sites eligible for delayed effectuation of SB79 due to being located in a lower opportunity area as designated by the California Tax Credit Allocation Committee (TCAC).
4 Station Hubs where both (a) at least 33 percent of lots produce at least 50% of density and FAR of SB79 and (b) lots estimated to produce at least 75% of the density of SB79.
5 Station Hubs where (a) at least 50% of station area is designated as TCAC lower opportunity area and, (b) 40% of the aggregated density of SB79.
6 Sites meeting 50% density and FAR of SB 79.
7 Sites that are in Very High Fire Hazard Severity Zones (VHFHSZ).
8 Sites that are in areas vulnerable to one foot of sea level rise.
9 Sites contain historic resources designated before January 1, 2025 on the City's local register.
10 Sites that are beyond one-mile walking distance from the SB79 TOD stop.

Table 13. Delayed Effectuation Eligibility by Station Area

Station Hub	Local Maximum Potential Units	79 Maximum Potential Units	Local Floor Area	79 Floor Area	Parcels in Lower Opportunity Areas Eligible for Delayed Effectuation	Station Areas Eligible for Delayed Effectuation Due to Existing Capacity	Lower Opportunity Station Areas Eligible for Delayed Effectuation	Parcels Eligible for Delayed Effectuation Due to Existing Capacity	Parcels in Very High Fire Hazard Severity Zones Eligible for Delayed Effectuation	Parcels in One-Foot Sea Level Rise Areas Eligible for Delayed Effectuation	Parcels Designated as a Local Historic Resource Eligible for Delayed Effectuation	Parcels within 1-mile Walking Distance of a Station Entrance Eligible for SB 79 Exemption	Total Parcels in Station Area	Parcels Statutorily Exempt from SB79	Total Parcels Eligible for Delayed Effectuation	Parcels Eligible for SB 79	Percent of Station Area Eligible for Delay
A-Chinatown	166,511	27,436	18,395,829	35,985,157	57	*Yes*	*No*	544	277	-	16	-	821	202	619	0	100.00%
A-Heritage Square	15,954	31,354	23,676,058	40,876,985	816	*No*	*Yes*	355	1,589	-	514	53	2,034	300	1,734	0	100.00%
A-Highland Park	35,659	25,916	36,048,055	33,468,935	339	*Yes*	*No*	954	892	-	1,493	-	2,327	464	1,863	0	100.00%
A-Lincoln/Cypress	27,144	22,208	30,397,116	28,979,650	762	*Yes*	*Yes*	384	319	-	184	-	1065	273	792	0	100.00%
A-Little Tokyo/Arts District	212,727	23,300	24,358,356	30,506,447	301	*Yes*	*No*	450	-	-	23	-	594	134	460	0	100.00%
A-Southwest Museum	12,507	27,243	15,782,159	35,311,559	210	*No*	*No*	154	1,736	-	567	41	1,949	213	1,736	0	100.00%
A/RED/PUR/Metrolink-Union Station	148,493	27,948	16,671,197	35,695,172	63	*Yes*	*Yes*	267	-	-	9	-	565	263	302	0	100.00%
BLU-103rd St/Watts Towers	16,549	29,920	31,079,135	38,753,371	2121	*No*	*Yes*	380	-	-	2	-	2,291	170	2,121	0	100.00%
BLU-Firestone	1,595	2,970	2,339,924	3,844,435	60	*No*	*Yes*	42	-	-	-	-	81	21	60	0	100.00%
BLU-Grand/LATTC	225,946	27,551	64,116,710	35,333,458	621	*Yes*	*Yes*	612	-	-	108	-	890	222	668	0	100.00%
BLU-San Pedro St	95,010	21,794	39,052,186	28,456,369	804	*Yes*	*Yes*	726	-	-	3	-	1,581	477	1,104	0	100.00%
BLU-Slauson	8,366	10,216	15,929,209	13,282,436	677	*Yes*	*Yes*	469	-	-	-	-	765	88	677	0	100.00%
BLU-Vernon	10,843	14,544	21,639,932	18,710,234	1306	*No*	*Yes*	770	-	-	1	-	1,770	464	1,306	0	100.00%
BLU-Washington	9,171	6,714	8,728,237	8,678,816	367	*Yes*	*Yes*	269	-	-	-	-	1253	829	424	0	100.00%
BLU/EXP-Pico	632,608	34,992	128,428,457	45,079,341	425	*Yes*	*Yes*	662	-	-	36	-	725	61	664	0	100.00%
BLU/EXP/RED/PUR-7th St/Metro Center	860,279	46,607	177,256,396	59,306,448	463	*Yes*	*Yes*	677	-	-	93	-	728	48	680	0	100.00%
BLU/GRN-Willowbrook/Rosa Parks	6,154	16,253	13,614,334	21,323,991	971	*No*	*No*	94	-	-	-	-	1014	31	975	8	99.19%
CRN-Crenshaw/Adams	25,040	24,142	31,703,004	31,211,708	1734	*Yes*	*Yes*	914	-	-	107	-	2,172	422	1,750	0	100.00%
CRN-La Brea/Beverly	51,557	31,079	24,289,204	40,388,943	0	*No*	*No*	263	-	-	760	-	2152	177	999	976	50.58%
CRN-La Brea/Santa Monica	94,530	12,842	28,383,153	16,692,621	0	*Yes*	*No*	611	-	-	4	-	1379	508	871	0	100.00%
CRN-Pico/Rimpau	75,018	25,741	41,978,709	33,243,590	26	*Yes*	*No*	857	-	-	144	-	2,104	494	1,610	0	100.00%
E-Indiana	5,062	11,110	10,288,960	14,261,212	924	*No*	*Yes*	0	-	-	-	-	1109	185	924	0	100.00%
E-Mariachi Plaza	16,735	21,334	21,089,849	27,572,921	839	*No*	*Yes*	0	-	-	2	-	1390	471	919	0	100.00%
E-Pico/Aliso	32,173	18,437	14,645,312	24,023,220	468	*No*	*Yes*	36	-	-	3	-	928	424	504	0	100.00%
E-Soto	19,832	20,356	23,795,389	26,297,130	1220	*No*	*Yes*	0	-	-	5	-	1,996	654	1,342	0	100.00%
ESFV-Van Nuys/Arleta	6,110	29,653	11,553,898	38,299,074	1614	*No*	*No*	26	-	-	-	-	1,647	33	1,614	0	100.00%
ESFV-Van Nuys/Laurel Canyon	9,296	33,112	11,011,164	42,983,928	2013	*No*	*No*	54	-	-	-	-	2,036	23	2,013	0	100.00%
ESFV-Van Nuys/Nordhoff	41,235	32,508	95,151,066	42,813,881	1107	*No*	*Yes*	224	-	-	-	-	1,231	104	1,127	0	100.00%
ESFV-Van Nuys/Roscoe	37,343	30,565	47,463,680	39,701,374	1343	*No*	*Yes*	201	-	-	-	-	1,528	185	1,343	0	100.00%
ESFV-Van Nuys/San Fernando	11,029	26,555	12,179,950	34,412,236	1543	*No*	*Yes*	164	-	-	1	-	1,645	102	1,543	0	100.00%
ESFV-Van Nuys/Sherman	36,161	33,550	33,438,118	43,604,624	1630	*No*	*Yes*	284	-	-	-	-	1,748	118	1,630	0	100.00%
ESFV-Van Nuys/Vanowen	37,975	34,152	32,057,358	44,266,900	1358	*Yes*	*Yes*	417	-	-	243	-	1,622	133	1,489	0	100.00%
ESFV-Van Nuys/Victory	42,916	25,212	35,820,354	32,771,149	1001	*Yes*	*Yes*	736	-	-	206	-	1,574	397	1,177	0	100.00%
ESFV-Van Nuys/Woodman	20,409	32,695	52,527,969	42,748,759	1289	*No*	*Yes*	73	-	-	-	-	1,408	34	1,374	0	100.00%
ESFV/SP-Van Nuys	13,774	16,217	14,709,193	20,658,121	710	*No*	*Yes*	82	-	-	-	4	994	284	710	0	100.00%
ESFV/SP-Van Nuys/Oxnard (Orange)	48,923	32,022	34,081,795	40,447,666	809	*Yes*	*Yes*	689	-	-	10	-	1,937	491	1,446	0	100.00%
EXP-Culver City	68,317	9,817	20,669,259	12,735,781	0	*Yes*	*No*	478	-	-	1	-	851	262	589	0	100.00%
EXP-Expo Park/USC	61,774	29,648	48,298,903	38,002,487	338	*Yes*	*Yes*	312	-	-	4	-	504	166	338	0	100.00%
EXP-Expo/Bundy	94,797	17,045	27,774,572	22,134,311	0	*Yes*	*No*	490	-	-	-	-	1,277	242	1,035	0	100.00%
EXP-Expo/Crenshaw	26,960	31,166	33,949,511	40,161,771	1169	*Yes*	*Yes*	650	-	-	1	-	2,325	254	2,071	0	100.00%
EXP-Expo/La Brea	30,118	28,967	45,591,697	37,823,542	1466	*Yes*	*Yes*	990	-	-	6	-	1,825	339	1,486	0	100.00%
EXP-Expo/Vermont	56,583	30,728	51,588,503	39,437,275	784	*Yes*	*Yes*	719	-	-	3	-	1156	372	784	0	100.00%
EXP-Expo/Western	15,012	28,499	26,762,480	36,631,012	2503	*No*	*Yes*	866	-	-	34	-	2,868	365	2,503	0	100.00%
EXP-Farmdale	25,164	25,180	36,240,846	32,349,756	1270	*Yes*	*Yes*	799	-	-	-	-	1,960	220	1,740	0	100.00%
EXP-Jefferson/USC	60,042	29,505	42,636,382	37,934,301	292	*Yes*	*Yes*	265	-	-	13	-	704	412	292	0	100.00%
EXP-La Cienega/Jefferson	35,946	25,232	46,482,934	32,835,038	806	*Yes*	*Yes*	378	-	-	1	-	1,154	135	1,019	0	100.00%
EXP-LATTC/Ortho Institute	47,979	24,062	41,551,132	31,035,060	493	*Yes*	*Yes*	507	-	-	162	-	1014	453	561	0	100.00%
EXP-Palms	136,326	22,074	40,166,148	28,827,446	0	*Yes*	*No*	455	-	-	-	-	1,675	561	1,114	0	100.00%
EXP-Westwood/Rancho Park	41,929	31,798	17,309,938	41,055,695	0	*No*	*No*	215	-	-	-	-	2245	64	215	1966	9.86%
EXP/SP-Expo/Sepulveda	66,431	26,945	20,878,094	33,858,227	0	*No*	*No*	231	-	-	-	-	1690	271	231	1188	16.28%
GRN-Avalon	11,914	21,229	22,971,364	27,243,261	1717	*No*	*Yes*	616	-	-	-	-	1,876	159	1,717	0	100.00%
GRN-Aviation/LAX	0	0	0	0	0	*No*	*No*	0	-	-	-	-	38	38	0	0	100.00%
GRN-Harbor Freeway	12,584	19,744	21,779,674	25,636,975	1508	*No*	*Yes*	431	-	-	-	-	1,711	203	1,508	0	100.00%

Table 13. Delayed Effectuation Eligibility by Station Area

Station Hub	Local Maximum Potential Units	79 Maximum Potential Units	Local Floor Area	79 Floor Area	Parcels in Lower Opportunity Areas Eligible for Delayed Effectuation	Station Areas Eligible for Delayed Effectuation Due to Existing Capacity	Lower Opportunity Station Areas Eligible for Delayed Effectuation	Parcels Eligible for Delayed Effectuation Due to Existing Capacity	Parcels in Very High Fire Hazard Severity Zones Eligible for Delayed Effectuation	Parcels in One-Foot Sea Level Rise Areas Eligible for Delayed Effectuation	Parcels Designated as a Local Historic Resource Eligible for Delayed Effectuation	Parcels within 1-mile Walking Distance of a Station Entrance Eligible for SB 79 Exemption	Total Parcels in Station Area	Parcels Statutorily Exempt from SB79	Total Parcels Eligible for Delayed Effectuation	Parcels Eligible for SB 79	Percent of Station Area Eligible for Delay
GRN-Vermont/Athens	5,008	13,177	7,709,381	17,034,441	829	*No*	*No*	85	-	-	-	-	929	97	829	3	99.64%
GRN/K Line-Aviation/96th St	17,481	10,142	22,858,722	13,426,424	0	*Yes*	*No*	38	-	-	-	-	231	155	76	0	100.00%
GRN/K Line-Aviation/Century	15,054	9,644	20,543,650	12,756,993	0	*Yes*	*No*	12	-	-	-	-	181	127	54	0	100.00%
K Line-Crenshaw/Exposition	27,563	32,208	34,445,487	41,530,284	1157	*Yes*	*Yes*	634	-	-	1	-	2,375	249	2,126	0	100.00%
K Line-Crenshaw/MLK	34,788	27,090	25,132,446	34,991,977	749	*No*	*Yes*	195	-	-	4	-	1,639	270	1,369	0	100.00%
K Line-Crenshaw/Slauson	28,860	30,773	31,235,333	39,950,737	2089	*No*	*Yes*	440	-	-	2	-	2,468	284	2,184	0	100.00%
K Line-Crenshaw/Vernon	26,777	18,464	18,541,908	23,679,964	928	*Yes*	*Yes*	301	-	-	2	-	1261	272	989	0	100.00%
K Line-Florence/Hindy	2,977	11,176	4,905,922	14,443,663	0	*No*	*No*	93	-	-	-	-	859	46	93	720	11.44%
K Line-Florence/West	18,583	38,662	18,541,951	50,421,904	709	*No*	*Yes*	358	-	-	1	-	952	221	731	0	100.00%
Metro 234 - Parthenia Street	31,208	28,644	55,701,638	37,596,514	598	*Yes*	*Yes*	192	-	-	-	-	892	183	709	0	100.00%
Metro 234 - Roscoe Boulevard	25,770	25,993	44,896,349	33,854,544	810	*No*	*Yes*	123	-	-	-	-	1013	153	860	0	100.00%
Metro 234 - Saticoy Street	17,425	25,277	19,394,800	32,786,771	1060	*No*	*Yes*	118	-	-	-	-	1,209	149	1,060	0	100.00%
Metro 234 - Sherman Way	23,303	33,066	31,796,148	42,810,782	1338	*No*	*Yes*	133	-	-	-	-	1,410	72	1,338	0	100.00%
Metro 234 - Vanowen Street	21,880	32,091	27,298,747	41,608,063	1185	*No*	*Yes*	90	-	-	-	-	1,468	114	1,354	0	100.00%
Metro 234 - Victory Boulevard	15,555	26,175	18,426,323	33,842,432	971	*No*	*No*	87	-	-	-	-	1352	159	997	196	83.57%
Metro 234 -Ventura Boulevard	93,023	28,474	30,981,615	37,250,978	0	*No*	*No*	220	466	-	-	-	1425	87	641	697	47.91%
Metro 33 - Venice Boulevard	101,455	11,682	32,701,587	15,135,992	0	*Yes*	*No*	469	-	-	1	-	1200	472	728	0	100.00%
Metro 70 - N Spring Street	152,524	18,623	17,307,910	24,279,536	104	*Yes*	*Yes*	318	14	-	14	-	540	194	346	0	100.00%
Metro 78 - N Spring Street	284,198	22,589	40,525,999	29,254,049	238	*Yes*	*Yes*	349	-	-	24	-	464	102	362	0	100.00%
Metro 81 - Olympic Boulevard	799,560	36,272	165,420,261	46,877,674	338	*Yes*	*Yes*	566	-	-	42	-	625	58	567	0	100.00%
Metro 81 - Pico Boulevard	517,163	32,452	114,760,246	41,651,828	459	*Yes*	*Yes*	623	-	-	83	-	750	126	624	0	100.00%
Metro 81 - Venice Boulevard	360,609	28,874	89,339,150	36,903,147	495	*Yes*	*Yes*	528	-	-	177	-	761	193	568	0	100.00%
Metro 81 - W 12th Street	633,746	33,512	131,076,216	43,234,663	387	*Yes*	*Yes*	603	-	-	42	-	692	87	605	0	100.00%
Metro 81 - W 23rd Street	41,805	21,722	37,897,546	28,053,151	387	*Yes*	*Yes*	446	-	-	221	-	889	374	515	0	100.00%
Metro 81 - W Washington Boulevard	244,908	27,972	74,170,216	35,765,005	465	*Yes*	*Yes*	498	-	-	224	-	800	237	563	0	100.00%
Metro 910 - N Spring Street	301,506	22,054	43,963,352	28,466,931	260	*Yes*	*Yes*	350	-	-	32	-	464	102	362	0	100.00%
Metro 910 - S Figueroa Street	705,913	31,265	150,103,468	41,037,033	361	*Yes*	*Yes*	502	-	-	65	-	541	38	503	0	100.00%
Metro 910 - W Aliso Street	193,640	20,112	24,270,915	26,077,175	155	*Yes*	*Yes*	296	-	-	19	-	460	144	316	0	100.00%
Metro 910/70 - N Spring Street	298,735	21,637	43,915,619	27,933,011	277	*Yes*	*Yes*	359	-	-	35	-	474	104	370	0	100.00%
Metrolink - Glendale	15,022	16,406	7,743,717	21,144,927	0	*No*	*No*	126	7	-	-	168	1273	166	300	807	27.10%
NOHO to Pasadena BRT-Colorado Boulevard	13,323	15,566	6,261,776	20,228,504	0	*No*	*No*	60	830	-	6	-	866	36	830	0	100.00%
NOHO to Pasadena BRT-E Broadway	347	487	311,229	628,762	0	*No*	*No*	0	28	-	-	-	32	4	28	0	100.00%
NOHO to Pasadena BRT-Eagle Rock Boulevard	58,452	29,828	19,828,990	38,749,710	0	*No*	*No*	330	1,425	-	11	-	1,892	147	1,609	136	92.21%
NOHO to Pasadena BRT-Hesby Street	240,571	27,997	70,626,340	36,702,750	0	*Yes*	*No*	906	-	-	4	-	1,655	381	1,274	0	100.00%
NOHO to Pasadena BRT-Townsend Avenue	31,201	33,934	15,200,989	44,158,139	0	*No*	*No*	182	1,557	-	6	-	2,197	79	1,619	499	76.44%
NOHO to Pasadena BRT-W Alameda Avenue	2	550	135,312	747,086	0	*No*	*No*	0	2	-	-	2	4	2	2	0	100.00%
NOHO to Pasadena BRT-W Riverside Drive	5,671	5,204	2,662,253	6,899,915	0	*No*	*No*	46	4	-	-	1	287	4	47	236	16.61%
Orange Line - Balboa	4,799	42,354	4,313,167	53,102,081	563	*No*	*No*	44	-	-	-	2	657	26	566	65	89.70%
Orange Line - Canoga	54,623	41,165	61,449,367	54,246,243	319	*Yes*	*No*	131	-	-	-	-	416	65	351	0	100.00%
Orange Line - Chatsworth	243,419	33,759	66,723,459	44,750,493	0	*No*	*No*	259	-	-	2	13	887	29	272	586	31.70%
Orange Line - De Soto	35,886	34,678	40,104,679	45,359,748	535	*No*	*No*	79	-	-	-	-	627	53	570	4	99.30%
Orange Line - Laurel Canyon	132,340	24,966	42,543,166	32,600,253	0	*Yes*	*No*	343	-	-	2	-	1,743	372	1,371	0	100.00%
Orange Line - Nordhoff	143,160	36,123	39,030,959	48,148,775	145	*Yes*	*No*	100	24	-	-	-	403	64	339	0	100.00%
Orange Line - Pierce College	3,255	23,277	6,976,493	30,476,918	674	*No*	*No*	12	-	-	2	-	1257	16	676	565	54.47%
Orange Line - Reseda	146,074	28,344	61,036,944	37,274,511	47	*No*	*No*	103	-	-	-	-	1177	104	106	967	9.88%
Orange Line - Roscoe	32,786	28,479	32,039,005	37,639,837	1069	*No*	*Yes*	72	-	-	-	-	1,192	123	1,069	0	100.00%
Orange Line - Sepulveda	14,523	11,927	8,598,764	15,394,629	394	*No*	*No*	37	-	-	-	-	668	137	407	124	76.65%
Orange Line - Sherman Way	38,698	28,294	36,358,161	37,101,289	1230	*Yes*	*Yes*	462	-	-	2	-	1,407	177	1,230	0	100.00%
Orange Line - Tampa	12,329	37,622	15,725,364	49,312,714	4	*No*	*No*	30	-	-	-	-	1680	39	33	1608	2.01%
Orange Line - Valley College	17,168	27,374	11,130,626	35,533,202	0	*No*	*No*	68	-	-	1	-	1602	86	69	1447	4.55%

Table 13. Delayed Effectuation Eligibility by Station Area

Station Hub	Local Maximum Potential Units	79 Maximum Potential Units	Local Floor Area	79 Floor Area	Parcels in Lower Opportunity Areas Eligible for Delayed Effectuation	Station Areas Eligible for Delayed Effectuation Due to Existing Capacity	Lower Opportunity Station Areas Eligible for Delayed Effectuation	Parcels Eligible for Delayed Effectuation Due to Existing Capacity	Parcels in Very High Fire Hazard Severity Zones Eligible for Delayed Effectuation	Parcels in One-Foot Sea Level Rise Areas Eligible for Delayed Effectuation	Parcels Designated as a Local Historic Resource Eligible for Delayed Effectuation	Parcels within 1-mile Walking Distance of a Station Entrance Eligible for SB 79 Exemption	Total Parcels in Station Area	Parcels Statutorily Exempt from SB79	Total Parcels Eligible for Delayed Effectuation	Parcels Eligible for SB 79	Percent of Station Area Eligible for Delay
Orange Line - Van Nuys	43,852	25,995	30,331,734	33,232,114	774	*Yes*	*Yes*	611	-	-	1	-	1,707	444	1,263	0	100.00%
Orange Line - Woodley	6,179	45,045	9,896,061	56,644,164	715	*No*	*No*	89	-	-	-	-	814	98	715	1	99.86%
Orange Line - Woodman	22,928	29,220	18,796,255	38,026,766	365	*No*	*No*	147	-	-	-	-	1797	164	458	1175	28.05%
PUR-Wilshire/Normandie	102,047	30,029	107,699,492	37,941,692	366	*Yes*	*Yes*	495	-	-	13	-	1072	537	535	0	100.00%
PUR-Wilshire/Western	133,255	29,292	88,989,991	37,080,846	143	*Yes*	*No*	566	-	-	150	-	1245	493	752	0	100.00%
PURex-Century City	200,380	31,843	56,165,855	40,494,356	0	*No*	*No*	110	-	-	2	-	609	38	110	461	19.26%
PURex-Westwood/VA Hospital	57,208	32,477	19,526,435	41,721,910	0	*Yes*	*No*	130	1	-	-	-	265	130	135	0	100.00%
PURex-Wilshire/Fairfax	153,218	32,175	51,712,716	40,576,878	0	*Yes*	*No*	328	-	-	690	-	1,610	290	1,320	0	100.00%
PURex-Wilshire/La Cienega	76,075	18,840	24,844,722	23,773,329	0	*Yes*	*No*	284	-	-	250	-	1,320	257	1,063	0	100.00%
PURex/CRN-Wilshire/La Brea	161,260	34,123	49,822,031	43,358,896	0	*Yes*	*No*	301	-	-	387	-	1,646	334	1,312	0	100.00%
PURex/SP-Westwood UCLA	196,105	37,803	56,139,471	47,958,905	0	*Yes*	*No*	339	-	-	9	-	932	134	798	0	100.00%
RC-1st/Central	254,178	25,841	29,440,864	33,850,639	367	*Yes*	*Yes*	580	-	-	26	-	711	124	587	0	100.00%
RC-2nd/Broadway	449,402	23,130	71,697,626	30,054,074	412	*Yes*	*Yes*	469	-	-	57	-	565	93	472	0	100.00%
RC-2nd/Hope	401,511	23,406	89,721,775	30,752,917	183	*Yes*	*Yes*	330	-	-	44	3	388	50	338	0	100.00%
RED-Hollywood/Vine	67,170	29,547	55,025,886	37,591,578	341	*Yes*	*No*	508	252	-	25	-	1151	383	768	0	100.00%
RED-Hollywood/Western	51,004	27,204	48,292,726	34,640,713	459	*Yes*	*Yes*	513	358	-	90	-	1434	574	860	0	100.00%
RED-Universal City/Studio City	72,550	41,829	19,977,887	53,235,676	0	*No*	*No*	172	678	-	2	5	969	75	731	163	81.77%
RED-Vermont/Beverly	51,918	18,644	42,622,400	23,611,209	114	*Yes*	*No*	713	-	-	2	-	1552	769	783	0	100.00%
RED/CRN-Hollywood/Highland	140,354	31,571	68,130,553	40,096,136	192	*Yes*	*No*	668	498	-	162	-	1,546	440	1,106	0	100.00%
RED/Orange Line-North Hollywood	189,236	32,441	62,427,816	41,099,651	251	*Yes*	*No*	812	-	-	3	-	1,489	309	1,180	0	100.00%
RED/PUR-Civic Center/Grand Park	431,467	29,547	69,612,566	37,433,874	307	*Yes*	*Yes*	426	-	-	47	-	561	127	434	0	100.00%
RED/PUR-Pershing Square	826,956	42,321	134,980,120	53,523,608	632	*Yes*	*Yes*	788	-	-	120	-	867	76	791	0	100.00%
RED/PUR-Westlake/Macarthur Park	79,720	27,969	75,155,403	35,675,014	706	*Yes*	*Yes*	710	-	-	20	-	1191	430	761	0	100.00%
RED/PUR/Vermont BRT-Wilshire/Vermont	113,219	33,580	104,279,935	42,643,771	399	*Yes*	*Yes*	577	-	-	12	-	1122	505	617	0	100.00%
RED/Vermont BRT-Vermont/Santa Monica	89,042	29,367	56,311,825	36,967,573	763	*Yes*	*Yes*	927	-	-	-	-	2,085	789	1,296	0	100.00%
RED/Vermont BRT-Vermont/Sunset	120,814	31,338	56,451,091	39,536,646	354	*Yes*	*No*	714	154	-	2	-	1,817	698	1,119	0	100.00%
SP-Santa Monica	182,017	18,522	63,064,712	23,469,937	0	*Yes*	*No*	494	-	-	1	-	1285	463	822	0	100.00%
SP-UCLA Ackerman Union	36,398	8,354	15,246,612	10,747,994	0	*Yes*	*No*	111	21	-	7	2	370	146	224	0	100.00%
SP-Ventura/Van Nuys	161,161	37,151	45,441,848	47,300,117	0	*Yes*	*No*	337	660	-	1	-	1,501	155	1,346	0	100.00%
Vermont BRT - Athens	4,732	12,694	7,366,736	16,405,183	796	*No*	*No*	81	-	-	-	-	890	91	796	3	99.62%
Vermont BRT - Century Blvd	7,422	13,165	12,134,181	16,987,969	1256	*No*	*Yes*	388	-	-	-	-	1,410	154	1,256	0	100.00%
Vermont BRT - Florence Ave	71,441	56,151	75,834,100	72,335,034	2973	*Yes*	*Yes*	1513	-	-	4	-	3,725	752	2,973	0	100.00%
Vermont BRT - Pico Blvd	52,209	19,479	46,349,055	25,434,753	1040	*Yes*	*Yes*	1007	-	-	14	-	1,730	690	1,040	0	100.00%
Vermont BRT - Slauson Ave	21,110	26,494	37,332,350	34,152,381	2242	*Yes*	*Yes*	1625	-	-	3	-	2,742	500	2,242	0	100.00%
Vermont BRT - Vernon Ave	23,220	23,052	33,776,571	29,936,680	1758	*Yes*	*Yes*	1131	-	-	-	-	2,364	606	1,758	0	100.00%
Vermont BRT - W 3rd St	73,524	17,484	60,389,835	23,004,905	191	*Yes*	*No*	544	-	-	5	-	1276	689	587	0	100.00%
Vermont BRT - W Adams Blvd	27,770	18,702	37,015,530	24,170,899	1085	*Yes*	*Yes*	786	-	-	671	-	1,862	659	1,203	0	100.00%
Vermont BRT - W Manchester Ave	21,507	18,359	29,083,049	23,724,640	1414	*Yes*	*Yes*	751	-	-	-	-	1,803	389	1,414	0	100.00%

Footnote: Parcels may be eligible for more than one Delayed Effectuation criteria, (i.e. located in both a Lower Opportunity Station Area and Very High Fire Hazard Severity Zone), and parcels may appear more than once.

Table 14. Station Level Attribute Summary - Metro 234 Ventura Boulevard

	Local Max Unit Total	SB 79 Max Unit Total	Number of Parcels in Transit Oriented Development (TOD) Zone	Number of Parcels Equal to or Greater than 50% of SB 79 Density and Floor Area	Percent of Parcels Equal to or Greater than 50% of SB79 Density and Floor Area	Eligible for DE5 (VHFHSZ)	Total Parcels Exempt [36] from SB 79	Total Parcels Eligible for Delay
Metro 234 -Ventura Boulevard	93,023	28,474	1425	220	15.44%	466	87	641

Table 15. Breakdown by Site Characteristics

Delayed Effectuation/Exempt Sites by Characteristics:	Count and Percentage of Eligible Sites
Sites in a Very High Fire Hazard Severity Zone	10,620 sites (9%)
Locally Designated Historic Resources[37]	6,760 sites (6%)
Sites in a Sea Level Rise Area	0
Sites exempt because they are more than 1 mile from a station entrance	294 sites (.002%)

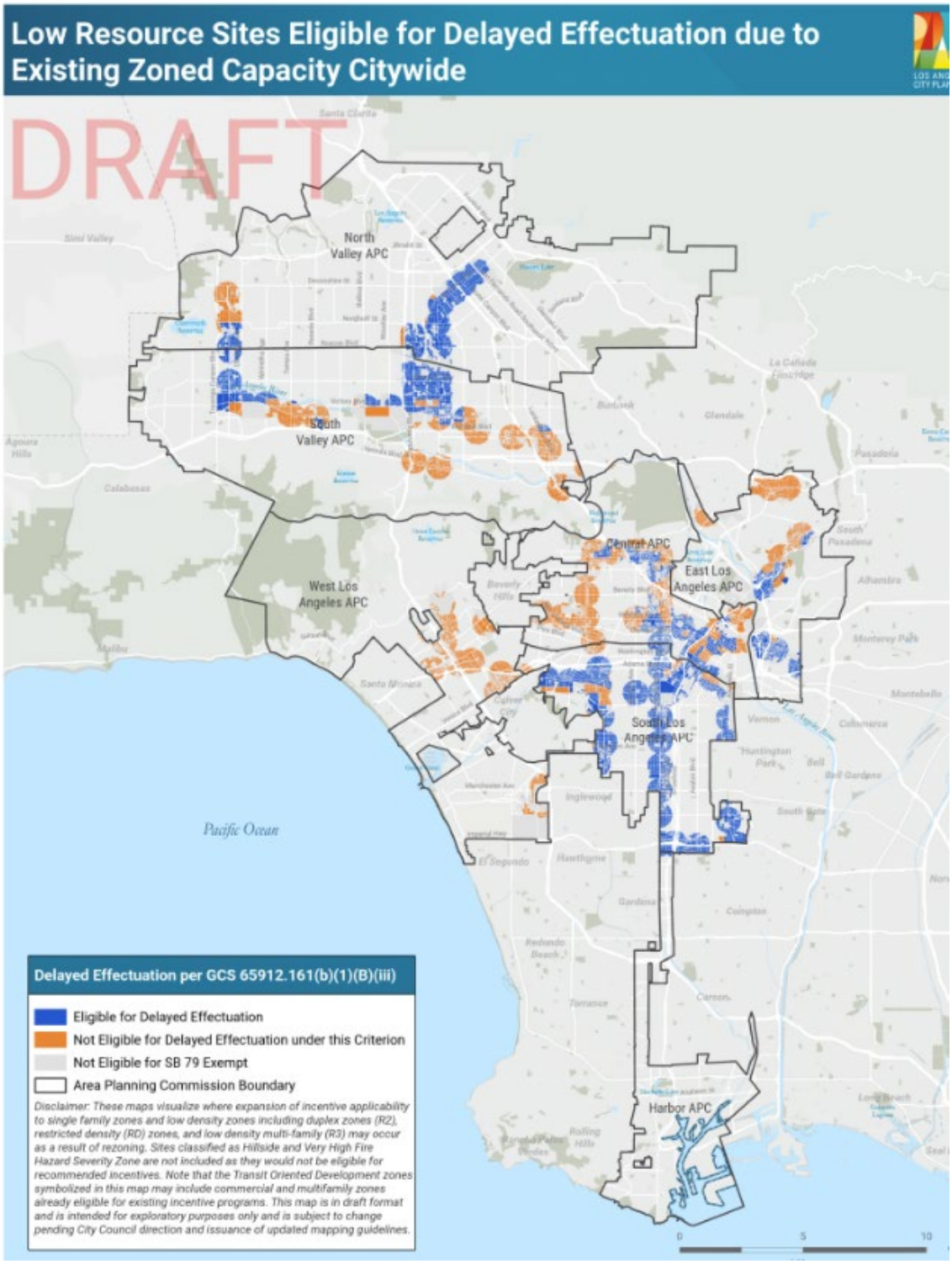
[36] Including sites containing three or more RSO units, or land which does not permit residential units including industrial land, open space, right of ways, and public facilities.
[37] Inclusive of HPOZs and HCMs

Table 16. TOD zones Ineligible for Delay at Station Level

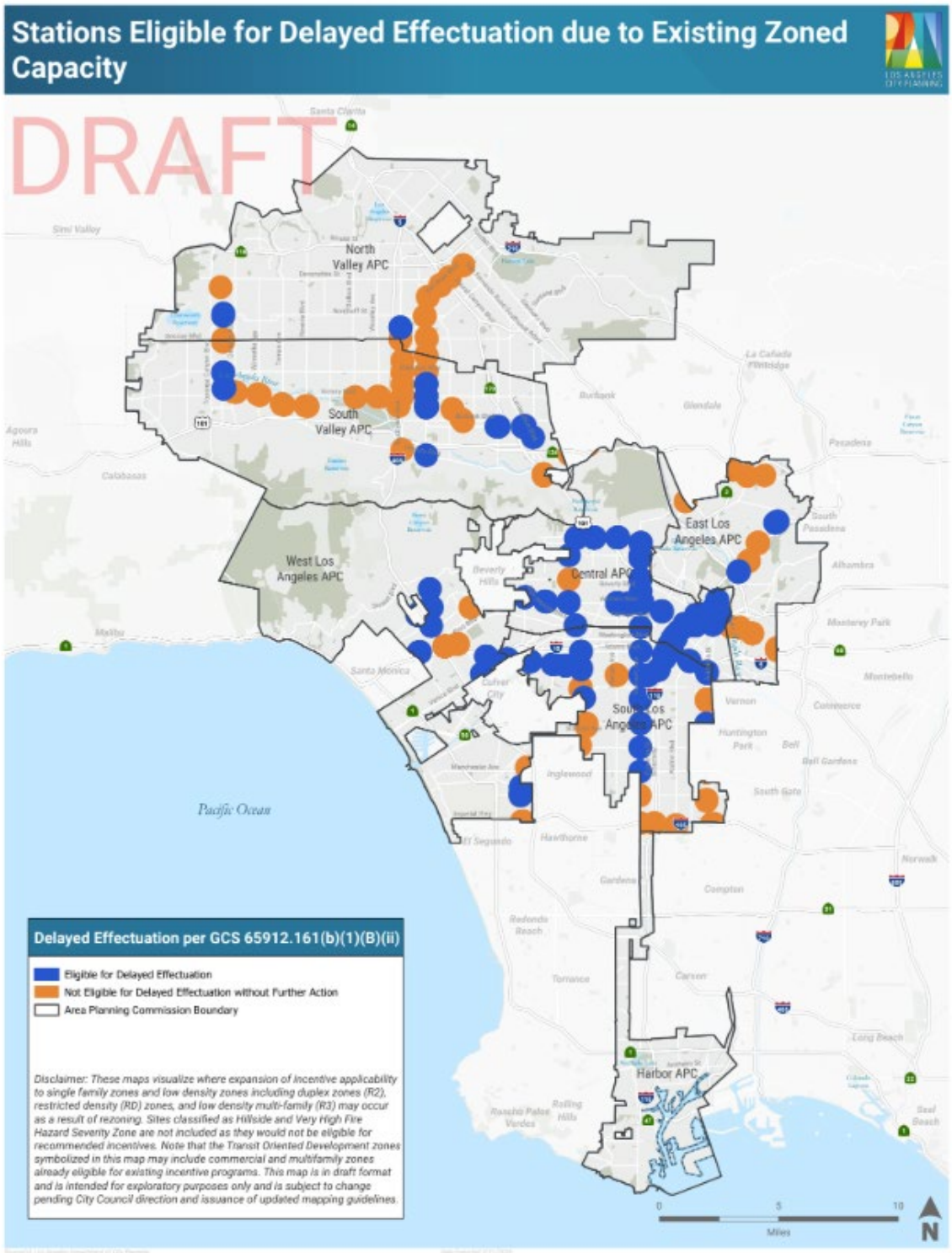
	Station Hub	Percent of Station Area Eligible for Delay
1	*BLU/GRN-Willowbrook/Rosa Parks*	99.19%
2	*CRN-La Brea/Beverly*	50.58%
3	*EXP-Westwood/Rancho Park*	9.86%
4	*EXP/SP-Expo/Sepulveda*	16.28%
5	*GRN-Vermont/Athens*	99.64%
6	*K Line-Florence/Hindry*	11.44%
7	*Metro 234 - Victory Boulevard*	83.57%
8	*Metro 234 -Ventura Boulevard*	47.91%
9	*Metrolink - Glendale*	27.10%
10	*NOHO to Pasadena BRT-Eagle Rock Boulevard*	92.21%
11	*NOHO to Pasadena BRT-Townsend Avenue*	76.44%
12	*NOHO to Pasadena BRT-W Riverside Drive*	16.61%
13	*Orange Line - Balboa*	89.70%
14	*Orange Line - Chatsworth*	31.70%
15	*Orange Line - De Soto*	99.30%
16	*Orange Line - Pierce College*	54.47%
17	*Orange Line - Reseda*	9.88%
18	*Orange Line - Sepulveda*	76.65%
19	*Orange Line - Tampa*	2.01%
20	*Orange Line - Valley College*	4.55%
21	*Orange Line - Woodley*	99.86%
22	*Orange Line - Woodman*	28.05%
23	*PURex-Century City*	19.26%
24	*RED-Universal City/Studio City*	81.77%
25	*Vermont BRT - Athens*	99.62%

APPENDIX D: DELAYED EFFECTUATION MAPS

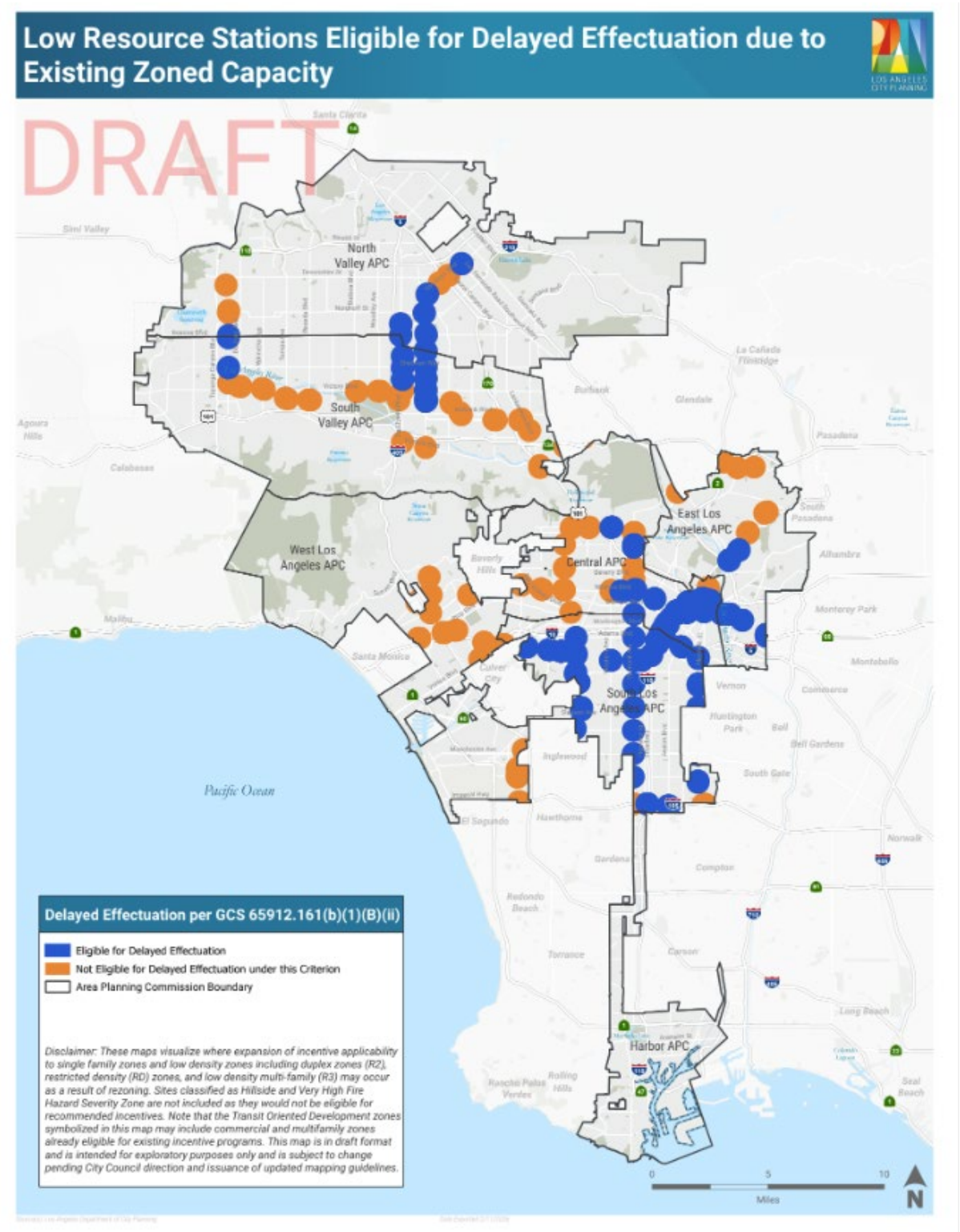
Map 8. Low Resource Sites Eligible for Delayed Effectuation due to Existing Zoned Capacity Citywide



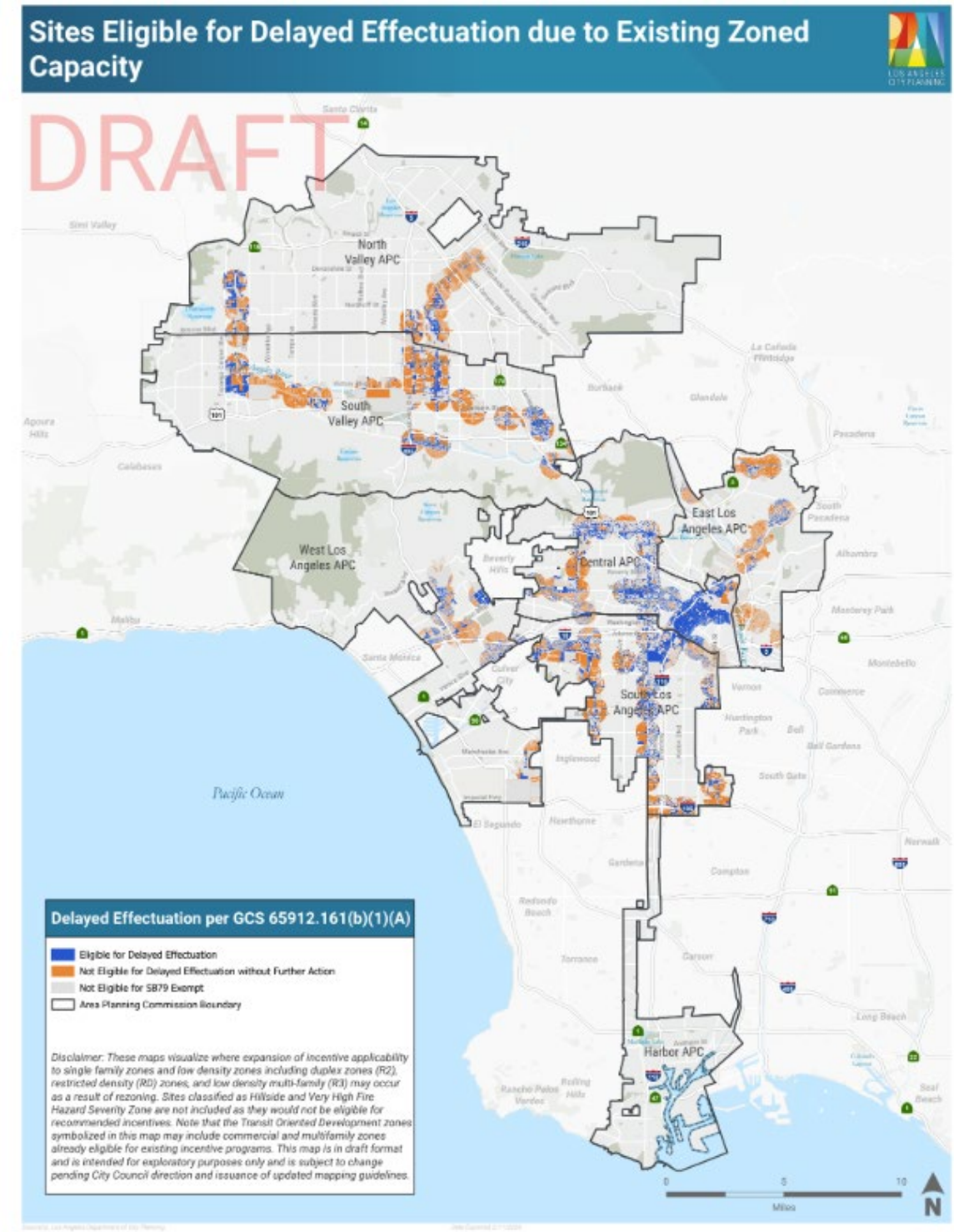
Map 9. Stations Eligible for Delayed Effectuation due to Existing Zoned Capacity



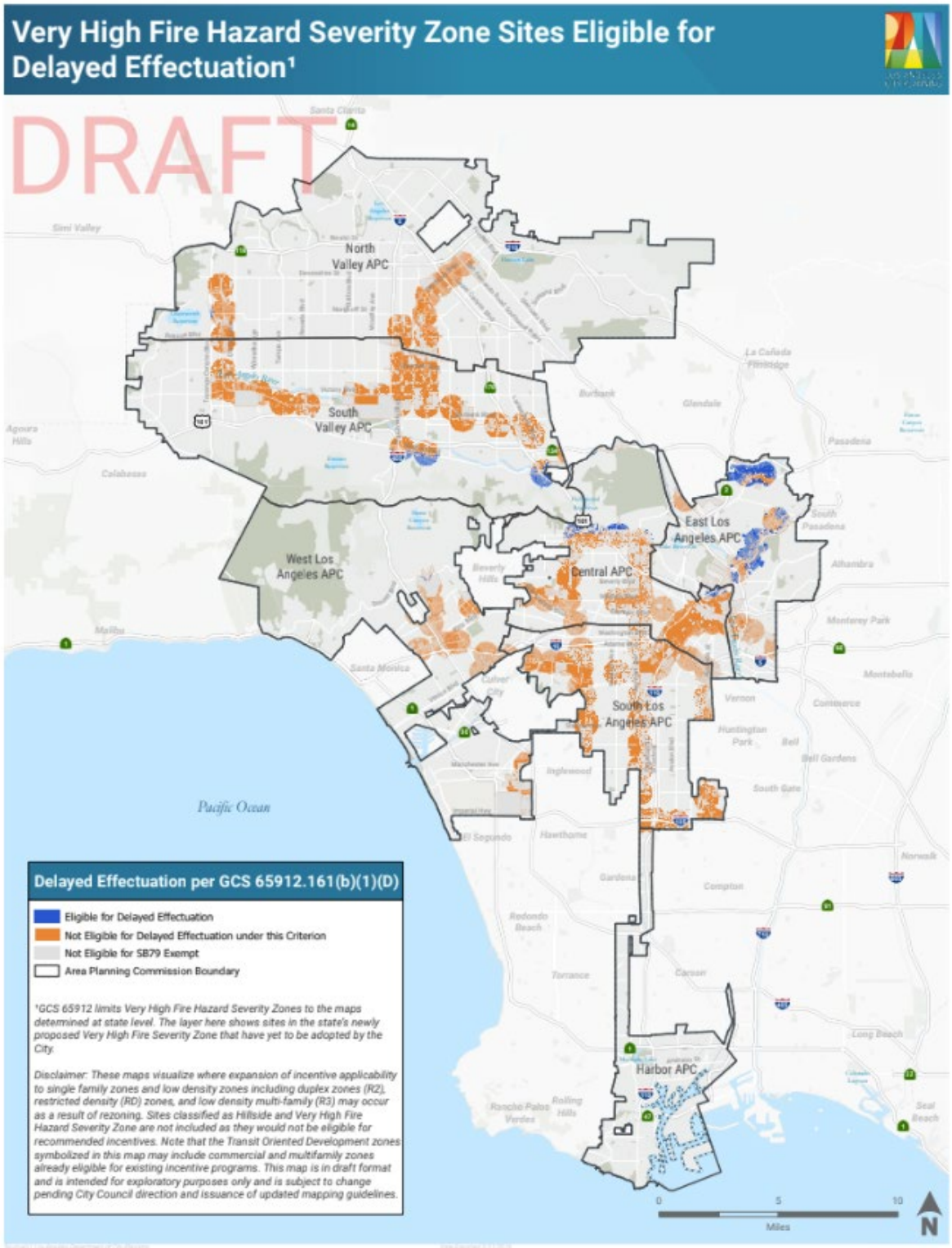
Map 10. Low Resource Stations Eligible for Delayed Effectuation due to Existing Zoned Capacity



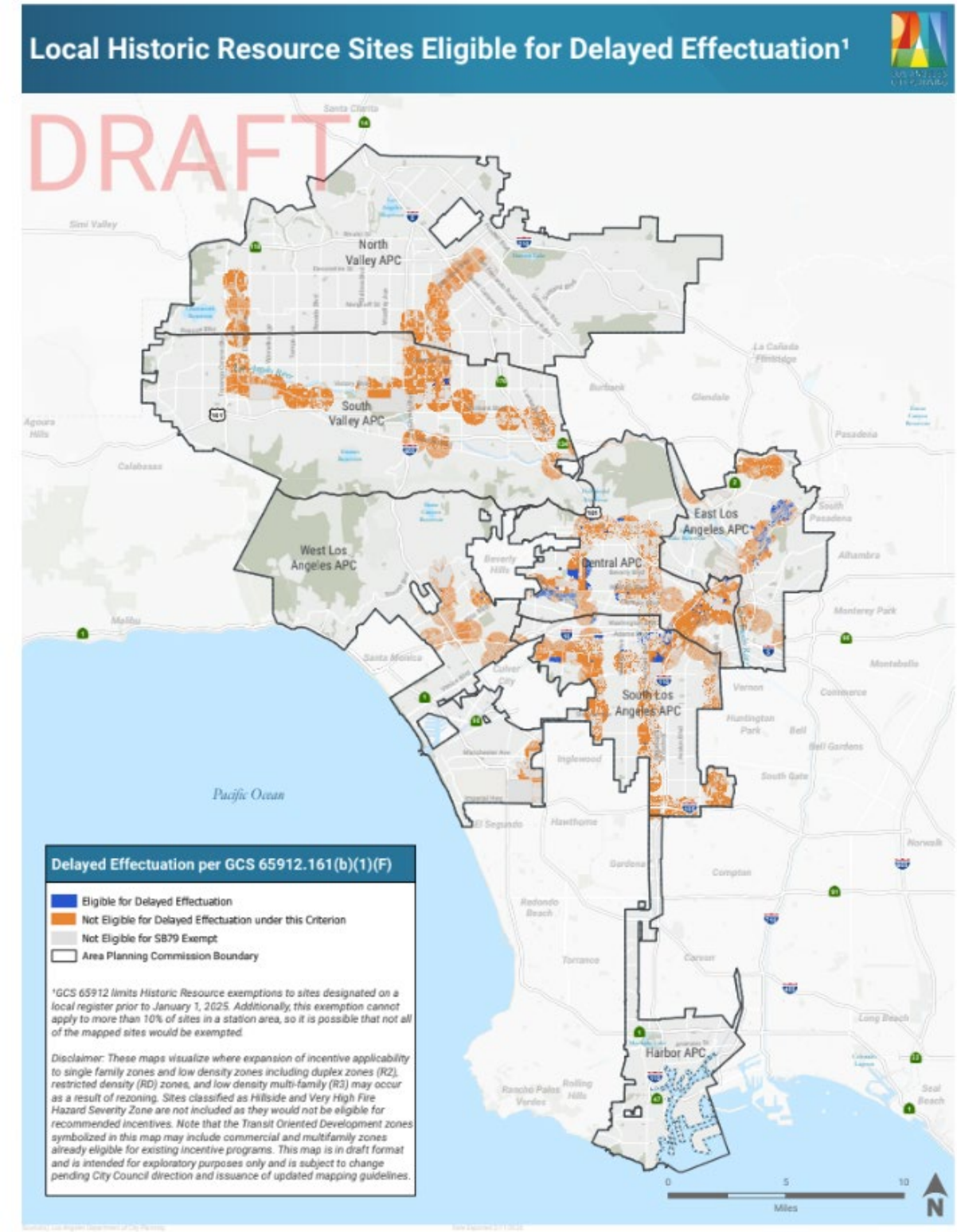
Map 11. Sites Eligible for Delayed Effectuation due to Existing Zoned Capacity



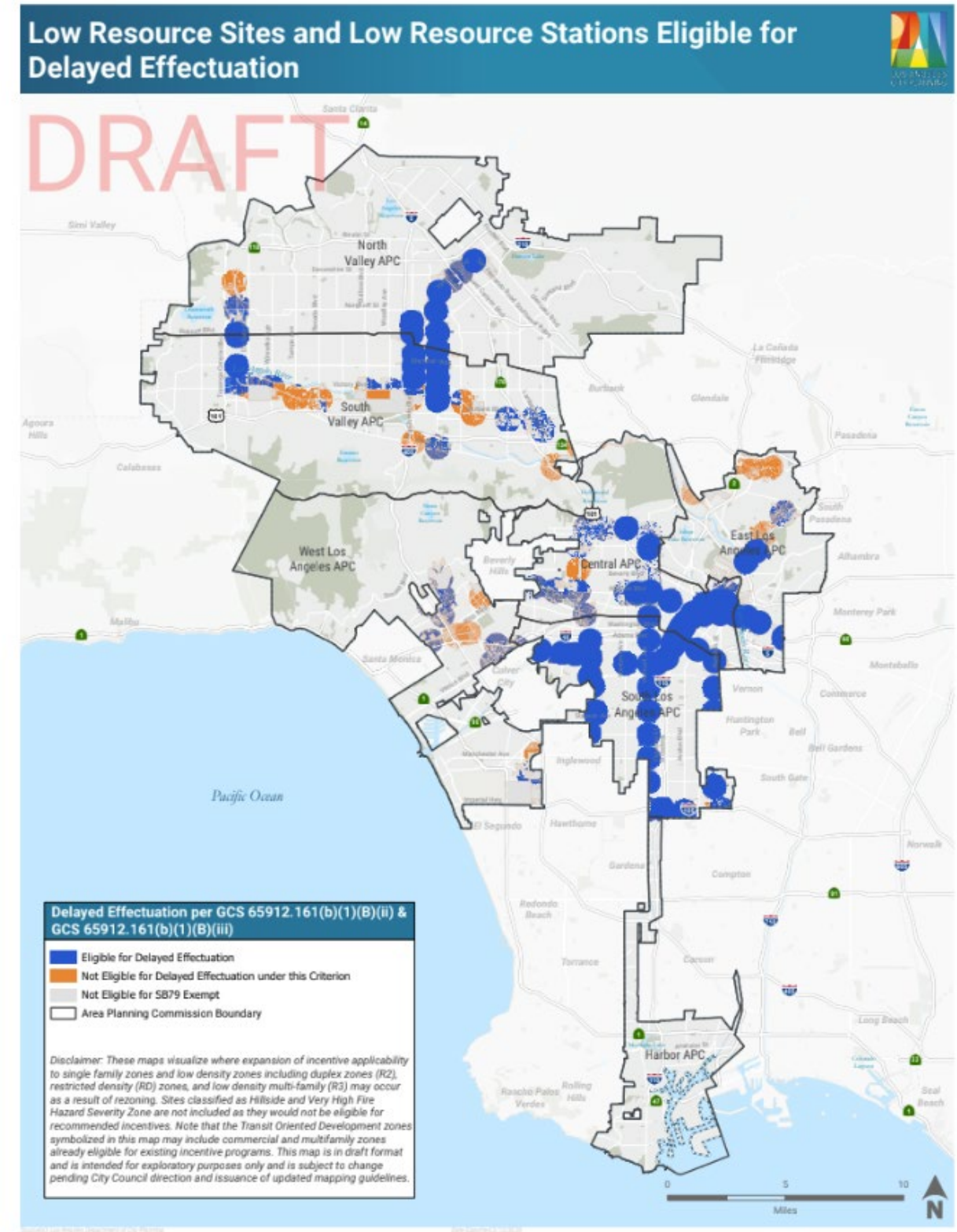
Map 12. Very High Fire Hazard Severity Zone Sites Eligible for Delayed Effectuation



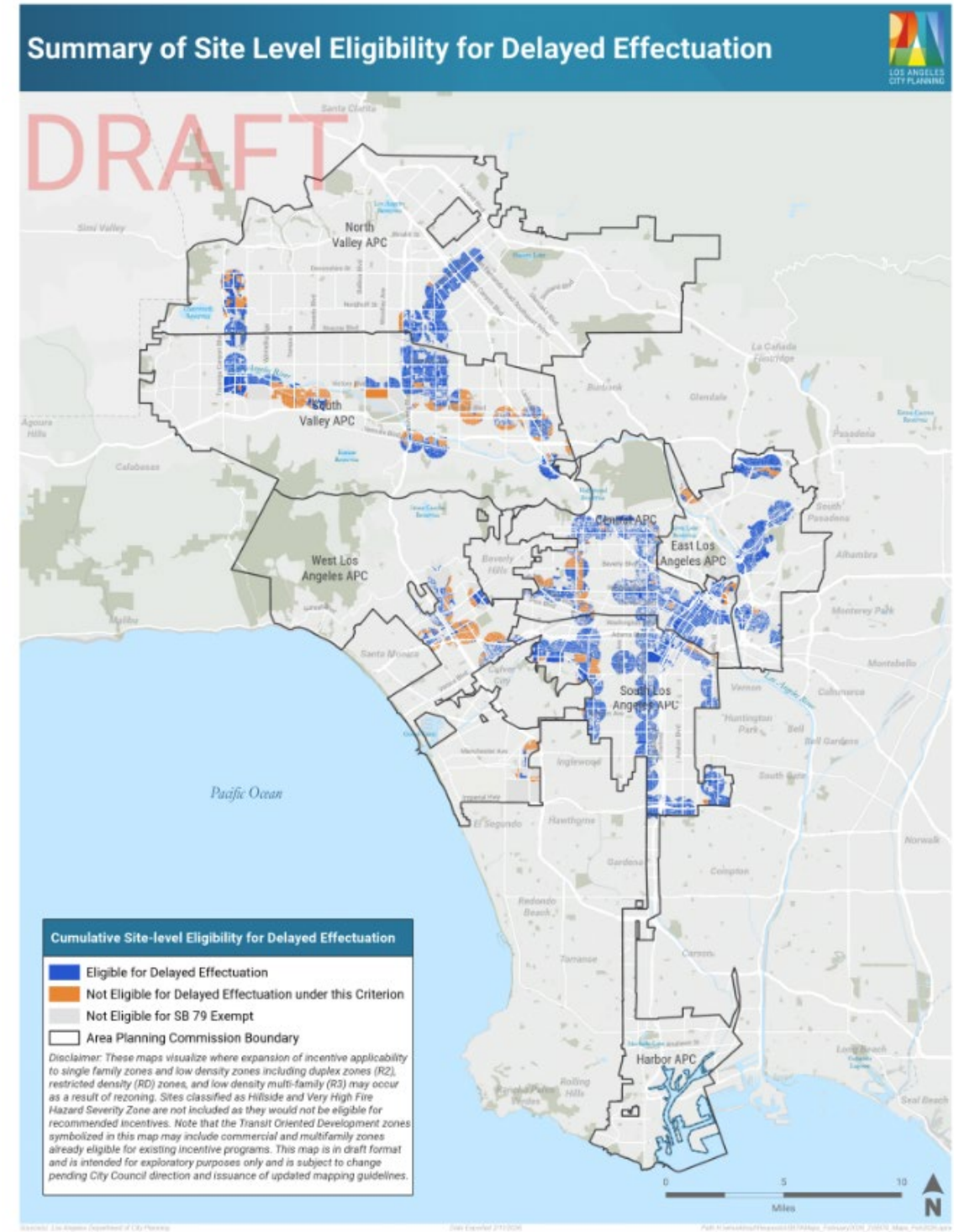
Map 13. Local Historic Resource Sites Eligible for Delayed Effectuation



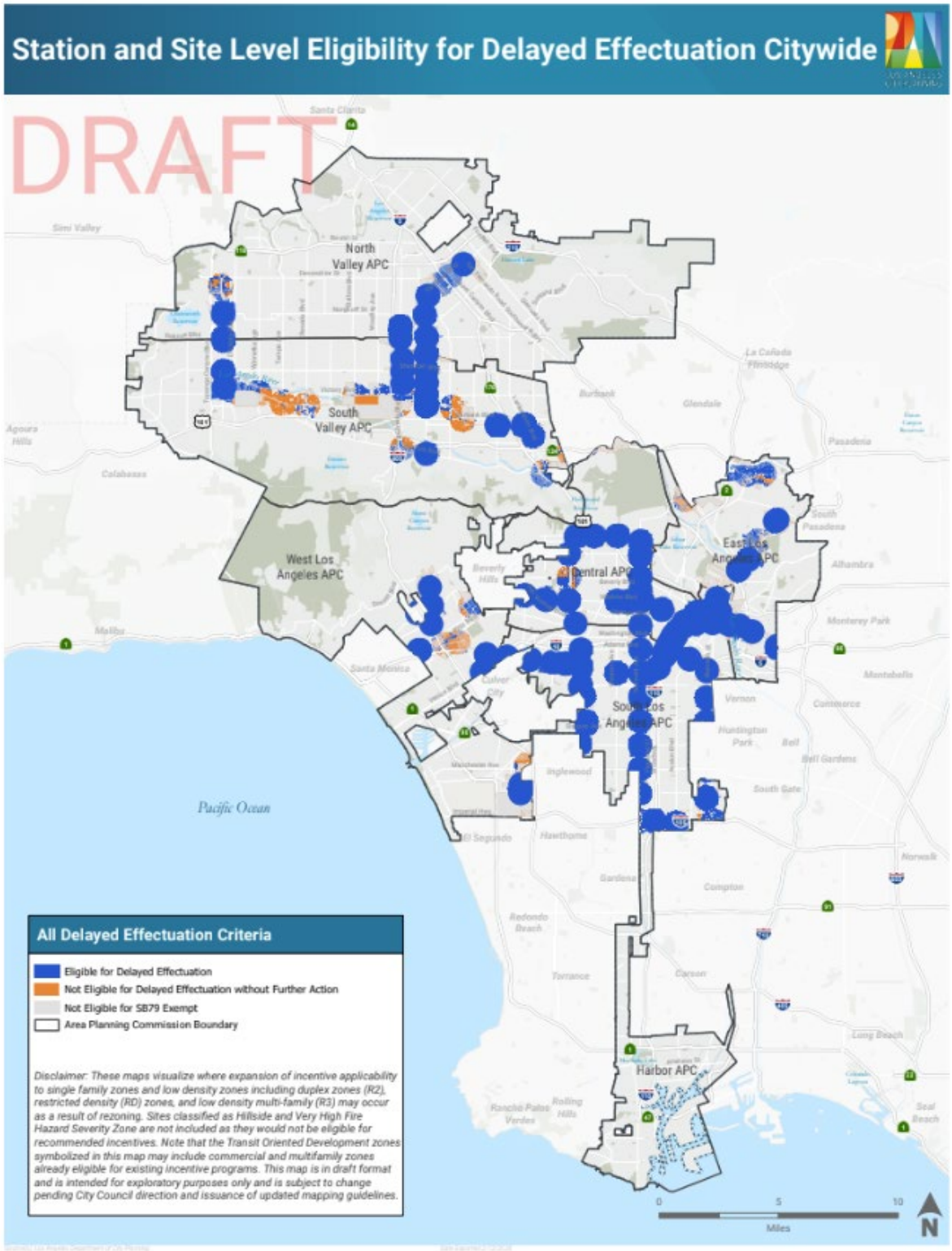
Map 14. Low Resource Sites and Low Resource Stations Eligible for Delayed Effectuation



Map 15. Site Level Eligibility for Delayed Effectuation (Includes sites meeting 50% of SB79 Capacity, Low Opportunity Area sites, and sites designated as Very High Fire Hazard Severity Zones, One-Foot Sea Level Rise Areas, Local Historic Resources, and One-Mile Walking Distance Sites)

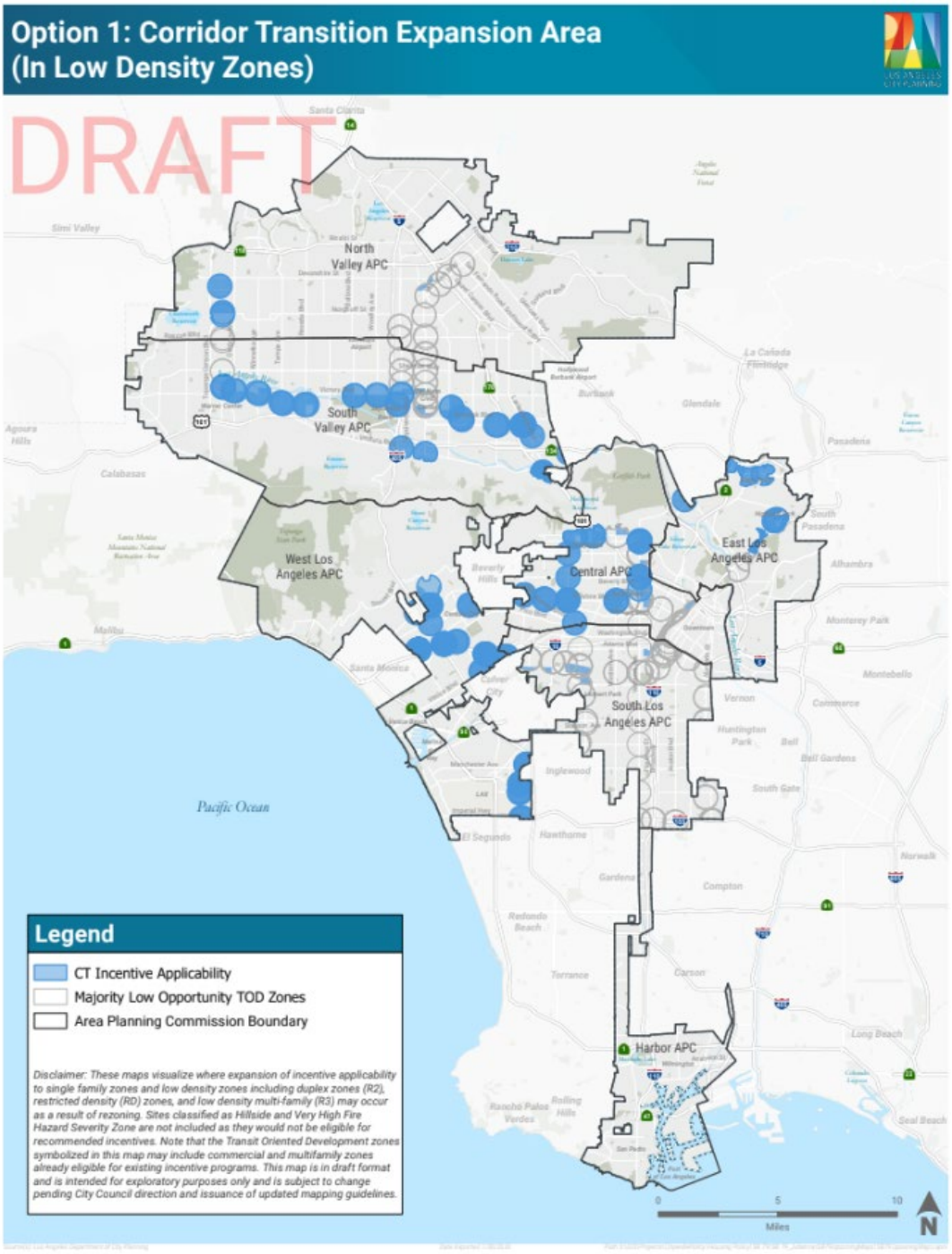


Map 16. Station and Site Level Eligibility for Delayed Effectuation Citywide



APPENDIX E: REZONING MAPS AND ADDITIONAL MATERIALS

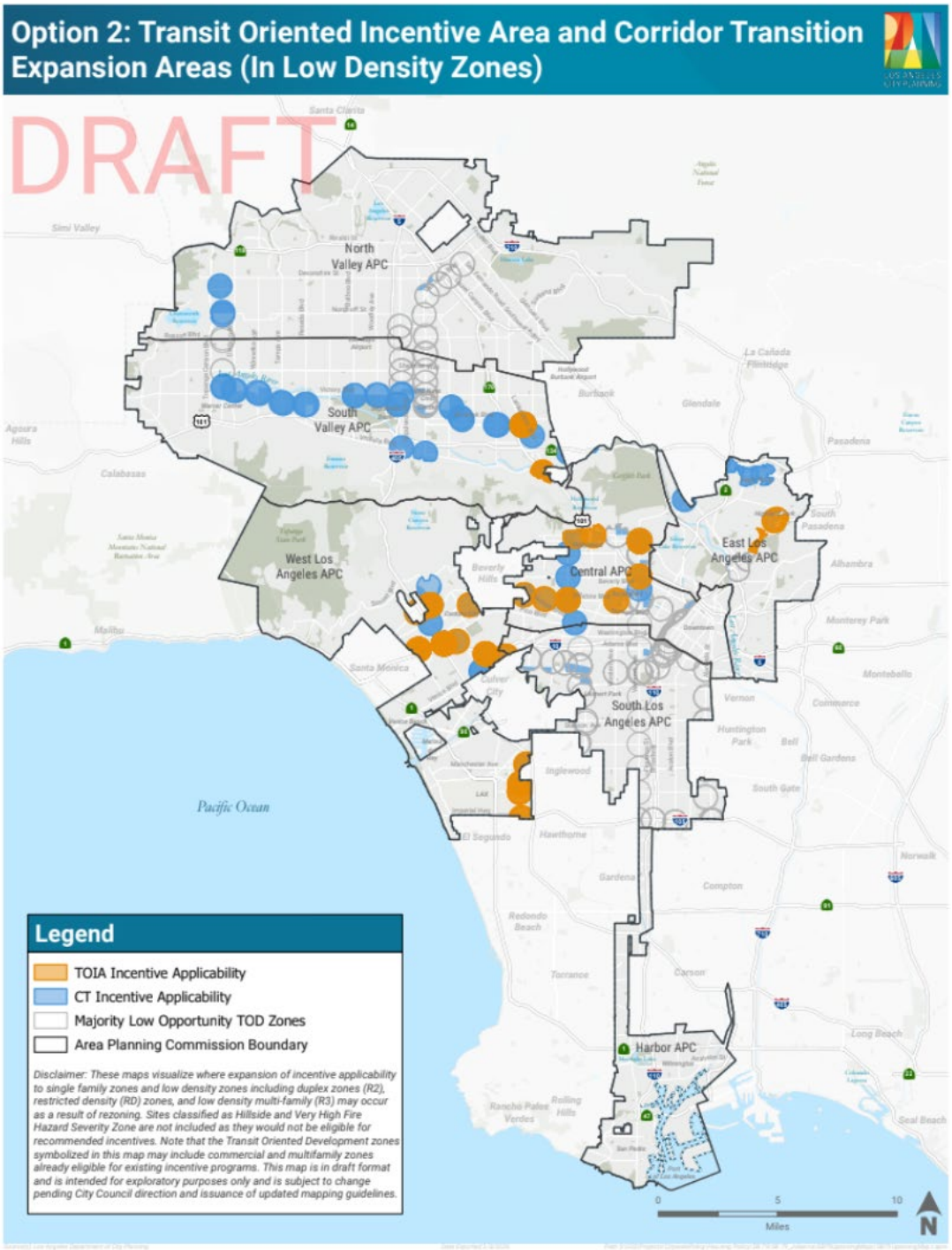
Map 17. Corridor Transition Expansion Area (in Low Density Zones)



[38]

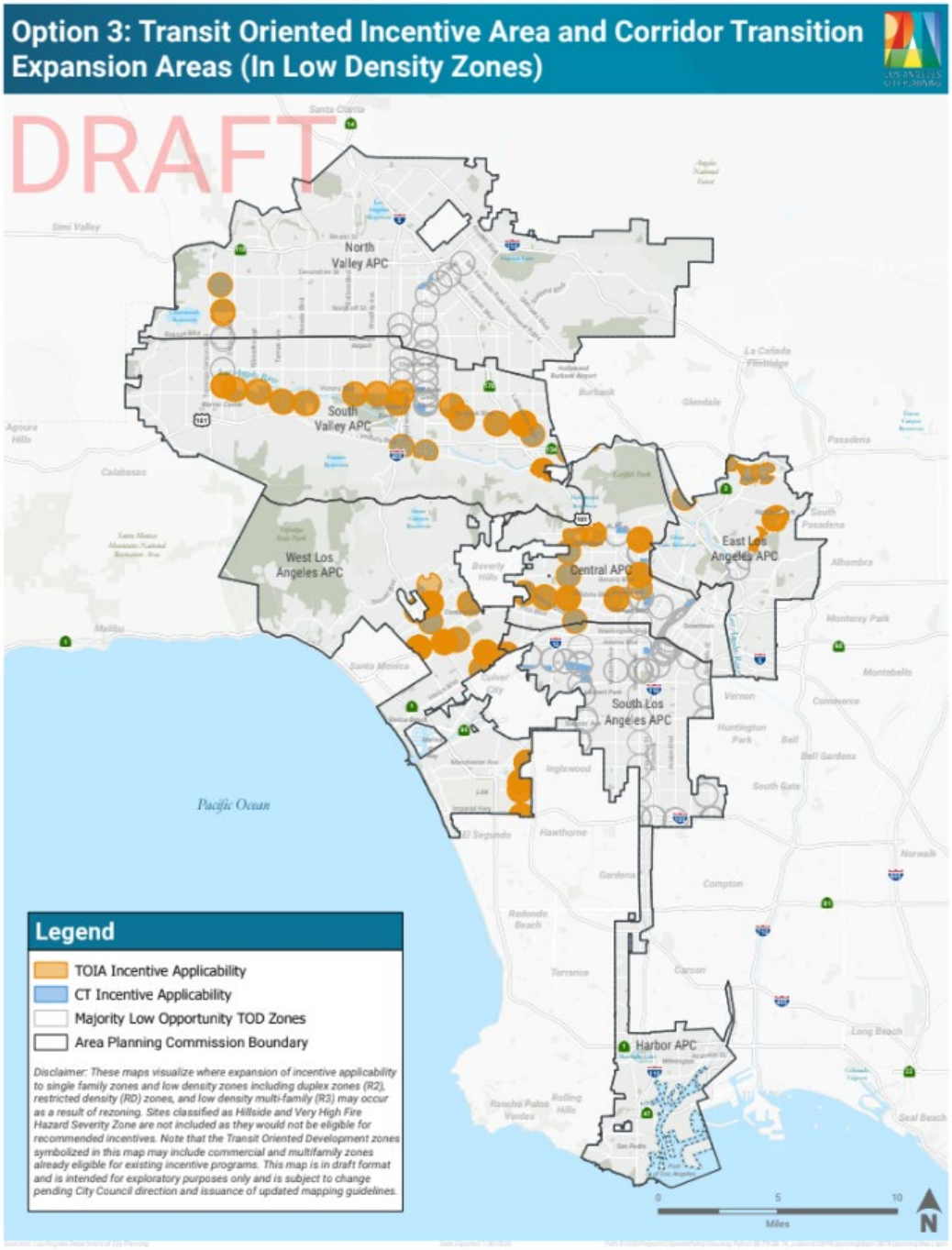
[38] High and moderate opportunity census tracts in majority low opportunity station areas will be removed if the station area is eligible for delay.

Map 18. Transit Oriented Incentive Area and Corridor Transition Expansion Areas (in Low Density Zones)[39]



[39] High and moderate opportunity census tracts in majority low opportunity station areas will be removed if the station area is eligible for delay.

Map 19. Transit Oriented Incentive Area and Corridor Transition Expansion Areas (in Low Density Zones)[40]



[40] High and moderate opportunity census tracts in majority low opportunity station areas will be removed if the station area is eligible for delay.

List 1. Opportunity Stations

1. A-Highland Park
2. A-Southwest Museum
3. B - Hollywood/Vine
4. B - Universal City/Studio City
5. B -Vermont/Beverly
6. B/G Line-North Hollywood
7. B/K Extension - Hollywood/Highland
8. C - LAX/Metro Transit Center
9. C/K - Aviation/96th St
10. C/K - Aviation/Century
11. D Extension - Century City
12. D Extension - Westwood/VA Hospital
13. D Extension - Wilshire/Fairfax
14. D Extension - Wilshire/La Cienega
15. D Extension/K Extension-Wilshire/La Brea
16. D Extension/SP-Westwood/UCLA
17. D Line - Wilshire/Western
18. D/Vermont BRT - Vermont Sunset
19. E-Culver City
20. E-Expo/Bundy
21. E-Palms
22. E-Westwood/Rancho Park
23. E/SP-Expo/Sepulveda
24. G Line - Balboa
25. G Line - Canoga
26. G Line - Chatsworth
27. G Line - De Soto
28. G Line - Laurel Canyon
29. G Line - Nordhoff
30. G Line - Pierce College
31. G Line - Reseda
32. G Line - Sepulveda
33. G Line - Tampa
34. G Line - Valley College
35. G Line - Woodley
36. G Line - Woodman
37. K Extension - La Brea/Beverly
38. K Extension - Pico/San Vicente
39. K Extension -La Brea/Santa Monica
40. K Line-Westchester/Veterans
41. Metro 234 - Victory Boulevard
42. Metro 234 -Ventura Boulevard

43. Metro 33 - Venice Boulevard
44. Metrolink - Glendale
45. NOHO to Pasadena BRT-Colorado Boulevard
46. NOHO to Pasadena BRT-E Broadway
47. NOHO to Pasadena BRT-Eagle Rock Boulevard
48. NOHO to Pasadena BRT-Hesby Street
49. NOHO to Pasadena BRT-Townsend Avenue
50. NOHO to Pasadena BRT-W Alameda Avenue
51. NOHO to Pasadena BRT-W Riverside Drive
52. SP-Santa Monica
53. SP-UCLA Ackerman Union
54. SP-Ventura/Van Nuys
55. Vermont BRT - W 3rd St

APPENDIX 7:
Ordinance Fact Sheets

CPC-2026-1798-MSC, CPC-2026-1797-CA

For consideration by City Planning Commission

May 14, 2026

FACT SHEET

LOS ANGELES CITY PLANNING

Updated 04/14/2026

Senate Bill (SB) 79

Abundant and Affordable Homes Near Transit Act: What It Is and How Los Angeles Can Respond

What is SB 79?

Senate Bill (SB) 79, also known as the *Abundant and Affordable Homes Near Transit Act*, is a new California state law that encourages more housing near eligible public transit stops, such as heavy and light rail stations and high-frequency bus stops. The law is intended to increase the supply of housing, support the creation of affordable homes, and reduce long commutes by facilitating housing closer to transit, jobs, and services.

SB 79 was signed into law in October 2025 and will go into effect **July 1, 2026.**

Impact of SB 79

SB 79 reflects approaches the City of Los Angeles has advanced to guide equitable, transit-oriented growth through the Citywide Housing Incentive Program (CHIP) and related planning initiatives. Like CHIP, SB 79 aligns new housing with high-quality transit while supporting increased housing production alongside strong affordability requirements and tenant protections.

By expanding tools available to the City, SB 79 can further shape where housing is located, how building intensity is calibrated near transit, and how affordability is integrated into new development. These outcomes advance established citywide goals to increase housing supply, reduce displacement pressures, and improve access to jobs, services, and public transportation.

SB 79 does not mandate a single outcome. Instead, it gives Los Angeles flexibility to implement the law in a way that builds on existing policies, community planning priorities, and equity-focused strategies. The decisions made through this process will help strengthen the City's long-term approach to housing and transit-oriented development.

Where SB 79 Applies

SB 79 establishes statewide housing standards based on proximity to major transit rather than local zoning alone. The law applies broadly to any zone which permits residential uses, including single-family, multi-family, commercial, and light manufacturing zones.

SB 79 applies to sites that are:

- Situated in an urban transit county, including the City of Los Angeles
- Located within 200 feet, ¼ mile or ½ mile of an eligible Transit-Oriented Development (TOD) stop
- Zoned to allow residential uses

Eligible transit stops are organized into two tiers based on transit type and service level:

Tier 1 Stops	Tier 2 Stops
Heavy rail transit	Light rail transit
Very high-frequency commuter rail (at least 72 trips per day)	High-frequency commuter rail (at least 48 trips per day)
	Bus Rapid Transit (BRT)
	Bus routes with full-time dedicated lanes and 15-minute peak-period headways that qualify as Major Transit Stops.

Development incentives increase for sites located closer to Tier 1 and Tier 2 stops.

Which Projects are Eligible?

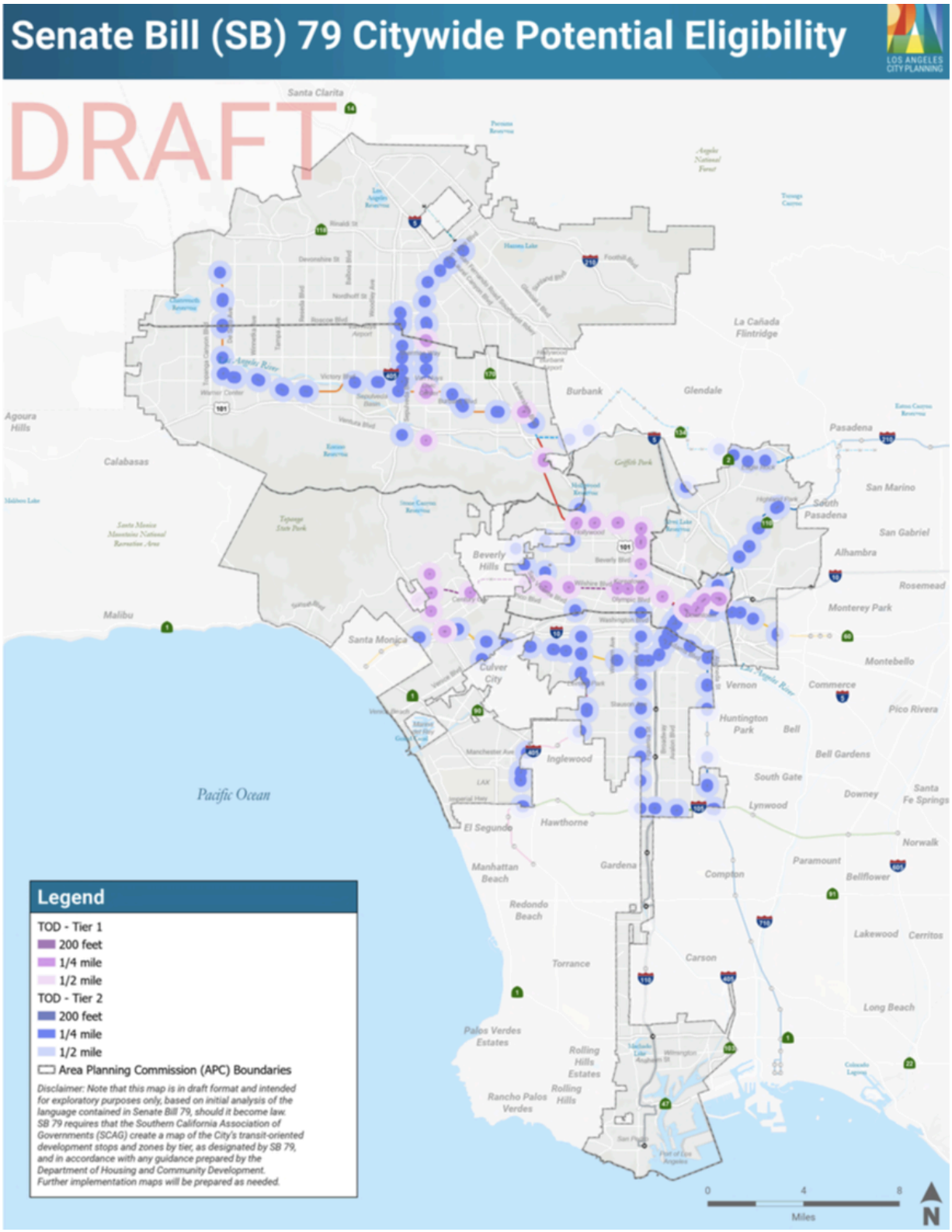
A housing project is eligible to use SB 79 development standards if it:

- Proposes five or more housing units,
- Is located on an eligible site near a TOD stop, and
- Complies with SB 79 affordability requirements, labor standards, and tenant-protection rules.

While SB 79 is designed to apply broadly, certain sites are excluded. The law does not apply to projects:

- That demolish more than two rent- or price-controlled units (including RSO units) that were occupied within the past seven years,
- On sites that do not permit residential uses, mixed-use, or commercial uses
- Proposing hotel uses

See Draft Eligibility map below and explore the interactive [SB 79 Storymap]

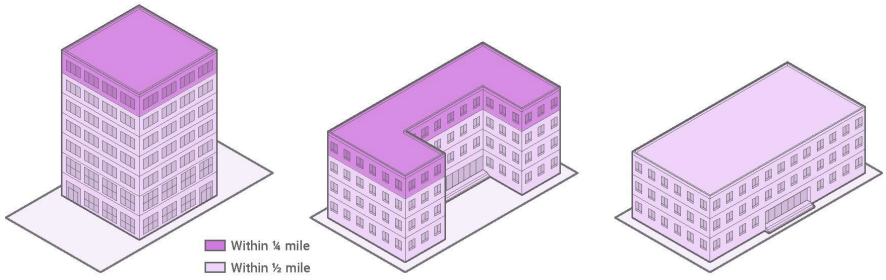


Transit-Oriented Development (TOD) Development Standards

SB 79 establishes statewide standards for housing near major transit and limits the ability of cities to apply local regulation that would prevent eligible projects from achieving the height, density, or floor area allowed by the law. Housing projects with five or more units located near transit are entitled to specific development standards based on their distance from a transit stop, with more housing allowed closer to transit. These standards apply broadly, including in single-family and low-density zones and within existing specific plans and overlays.

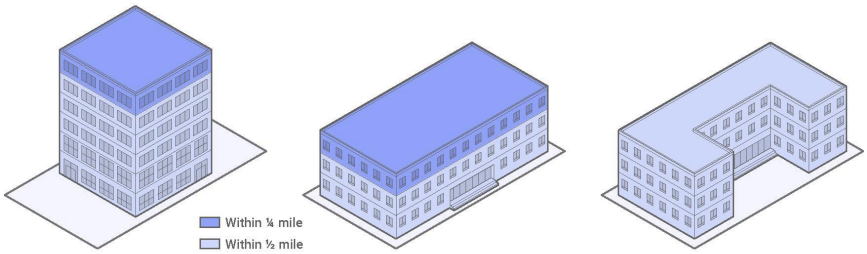
within ¼ and ½ mile of a **Tier 1** TOD Stop

Height: 75 ft (7 Stories) | FAR: 3.5



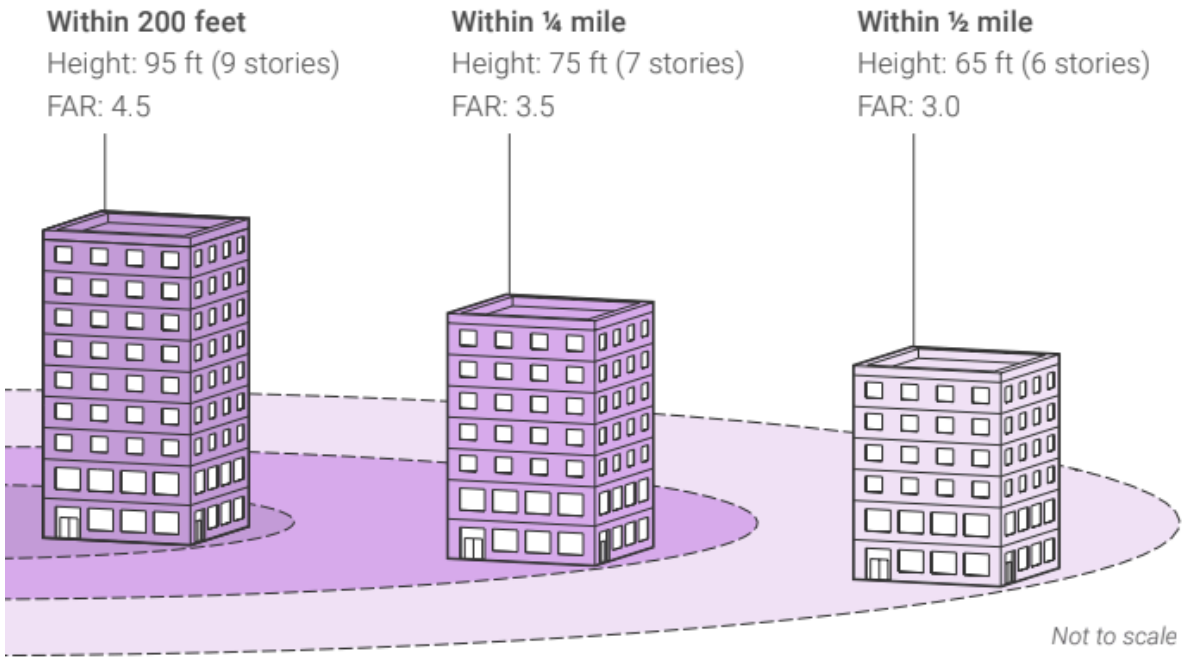
within ¼ and ½ mile of a **Tier 2** TOD Stop

Height: 65 ft (6 Stories) | FAR: 3.0



The bill also includes an *adjacency intensifier*, which allows additional height, density, and floor area for projects located immediately adjacent to (approximately 200 feet) a pedestrian access point to a transit stop, further encouraging housing immediately next to stations. In practice, cities may need to grant relief from zoning requirements such as setbacks, lot coverage, or transitional height limits if those rules would otherwise block an eligible project. Beginning in 2027, denying an SB 79 eligible project in a high-resource area would generally violate state housing law unless there is clear evidence of a health or safety risk. Projects using the tallest height allowances must also comply with state labor requirements, including paying prevailing wages and using a trained workforce. These standards are visualized below:

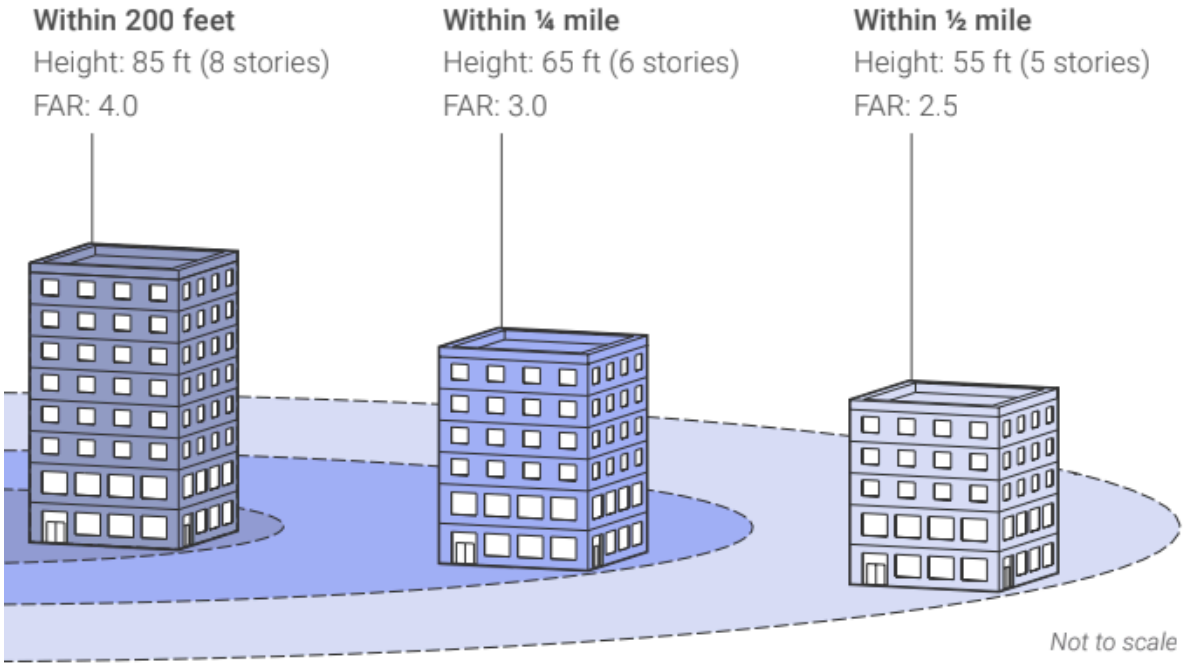
TOD Tier 1
(Heavy Rail or Very High Frequency Commuter)



Tier	*within 200 ft*	*within 1/4 mile*	*within 1/2 mile*
Height*	95 ft (9 stories)	75 ft (7 stories)	65 ft (6 stories)
Density	160 dwelling units/acre	120 dwelling units/acre	100 dwelling units/acre
Density per Lot Equivalency	272 sq ft lot area / dwelling unit	363 sq ft lot area / dwelling unit	436 sq ft lot area / dwelling unit
Floor Area Ratio (FAR)	4.5	3.5	3.0

** Height in stories is approximate and based on average floor height for multifamily residential buildings.*

TOD Tier 2
(Light Rail, High Frequency Commuter, BRT, Eligible Bus Only Lanes)



Tier	*within 200 ft*	*within 1/4 mile*	*within 1/2 mile*
Height*	85 ft (8 stories)	65 ft (6 stories)	55 ft (5 stories)
Density	140 dwelling units/acre	100 dwelling units/acre	80 dwelling units/acre
Density per Lot Equivalency	311 sq ft lot area / dwelling unit	436 sq ft lot area / dwelling unit	545 sq ft lot area / dwelling unit
Floor Area Ratio (FAR)	4.0	3.0	2.5

** Height in stories is approximate and based on average floor height for multifamily residential buildings.*

Relationship to Density Bonus Law

SB 79 development standards may be combined with the State Density Bonus Law and local density bonus programs to allow additional housing and incentives. While SB 79 projects may access additional incentives through the Density Bonus program, cities are generally not required to grant extra height beyond SB 79's limits except for one hundred percent affordable housing projects. The number of incentives available depends on the affordability of the project. Projects seeking additional incentives must also meet minimum density thresholds, which vary by transit tier and generally equate to approximately 9 to 14 units on a typical 6,500 square-foot lot.

Special Eligibility for Transit-Agency-Owned Land

SB 79 includes specific provisions for housing and mixed-use projects on land owned by transit agencies. These projects must be at least 50 percent residential and provide a minimum of 20 percent affordable units for lower-income households, while also complying with state labor standards and anti-displacement requirements. The bill allows a transit agency's governing board, such as Metro's Board of Directors, to adopt transit-oriented development zoning standards for agency-owned land following a public hearing and environmental review. These standards may set rules for height, density, floor area, and uses, but density cannot be lower than what SB 79 allows or exceed 200 percent of the bill's limits. If transit agency zoning conflicts with local zoning, cities may adopt ordinances to align with those standards, and additional analysis is underway to evaluate how these provisions could support housing development on publicly owned transit land.

Local Implementation Options

Under California Senate Bill 79, local jurisdictions may pursue several implementation options. Beginning July 1, 2026, cities may allow the development standards of SB 79 to go into effect or they may temporarily pause where SB 79 applies to allow additional time for cities to phase in local Transit-Oriented Development (TOD) alternative plans. Cities must adopt an ordinance that is enacted before July 1, 2026 in order to locally phase in the development standards of SB 79.

The development of TOD Alternative Plans allow cities to tailor SB 79 to local conditions but requires detailed site, station, and citywide analysis, as well as coordination with final station mapping from the Southern California Association of Governments (SCAG). For Los Angeles, a Local TOD Alternative Plan must be in effect within one year following the 7th revision of the housing element, or approximately 2030.

Based on the bill's requirements, the City Planning developed a report to identify four possible ways the City could implement SB 79:

Approach A: Direct Implementation of State SB 79

Under this option, the City would take no local action and allow SB 79 to take effect citywide on July 1, 2026. Eligible sites would automatically receive the bill's development standards and incentives.

Approach B: Phased Implementation of Eligible Areas

This option would use the bill's built-in flexibility to phase in implementation in certain eligible areas over time. SB 79 allows cities to temporarily delay the bill's application at specific transit stops and sites that meet criteria established in state law.

Approach C: Phased Implementation paired with a Targeted Capacity Increase

Some transit stops and sites would remain subject to SB 79 unless the City adopts local zoning changes that create enough additional housing capacity to qualify more areas for delayed implementation. Under this approach, the City would consider targeted increases in allowable height, density, and floor area in select areas, particularly on sites currently zoned for single-family or lower-density uses. These local zoning updates could expand the number of areas eligible for delayed implementation under SB 79. Any zoning changes adopted by the City would remain in place even if state law changes in the future.

Approach D: Local TOD Alternative Plan

SB 79 also allows cities to prepare a local TOD Alternative Plan, subject to approval by the California Department of Housing and Community Development (HCD).This option gives the City flexibility to tailor implementation around one transit stop, multiple stops, or citywide through tools such as zoning changes, overlay districts, specific plans, or local incentive programs. The City may also shift housing capacity within TOD areas, provided the plan meets the bill's requirements for maintaining or increasing overall housing capacity.

On November 17, 2025, the Planning and Land Use Management (PLUM) Committee instructed City Planning to provide recommendations for a citywide phased implementation strategy paired with an accompanying rezoning program (Approach C). In providing this direction, the PLUM Committee emphasized priorities that include increasing local housing capacity in higher opportunity areas beyond stations currently eligible for delay, applying incentives to sites with historic resources, exempting lower opportunity areas, and protecting sites in Very High Fire Hazard Severity Zones.

In response, City Planning's preliminary modeling results of SB 79 and the City's current capacity (see CF 25-1083) found that the city presently has more capacity than proposed through SB 79, with 88% of sites qualifying for a phased implementation approach. This means roughly 12% would be immediately subject to SB 79 provisions beginning in July.

In response to City Council's direction, the Department developed three options (see CF 25-1083) that would add housing capacity to targeted Opportunity Stations, which are TOD stations that are primarily composed of parcels in Higher and Moderate Opportunity areas, and allow additional time citywide to develop an SB 79 Local Alt Plan. These options will not change the underlying zoning designation of any properties. Instead, it would make sites eligible for improved capacity incentives such as additional density, height, floor area, or streamlined approvals that facilitate housing near transit. Because many eligible TOD areas today include a significant number of parcels that have low-density zoning, some increases in permitted density are necessary to achieve a citywide delay of SB 79, while many commercial and multifamily corridors near transit already provide density levels that meet the requirements of the bill. As City Council reviewed this analysis at a council meeting on March 24, 2026, the City Council instructed City Planning to, consistent with Approach C in the November Report, prepare two ordinances to phase in the implementation of SB 79's housing incentives. These include one ordinance to phase in the provisions of SB 79 in Los Angeles and accompanying code amendments to codify Option 1 of the Upzoning Options described in the February Report. As a next step, these ordinances will be considered by the City Planning Commission (CPC) on May 14, along with a public hearing. To follow the progress and proposed regulations, click the "subscribe via email" icon at the top of the Council File web page linked here.

Resources and Contact

Additional information can be found on the SB 79 Webpage or by subscribing to Council File Updates. Please submit your questions and comments for the proposed Ordinances to planning.sb79@lacity.org.

Frequently Asked Questions (FAQ)

What happens if the City does not pursue a local implementation option?

SB 79 is state law and will take effect automatically. Unless the City adopts a state-approved phased implementation plan or a compliant local alternative plan, the bill's provisions will apply as written beginning July 1, 2026.

What sites are subject to SB 79 in July if the City takes a phased implementation approach without any increase in capacity (Option B)?

If the City moves forward with a phased implementation strategy focused only on sites currently eligible for that approach, SB 79 would take effect this July some Transit Oriented Development (TOD) areas, except for parcels eligible for phased implementation. Based on analysis available in the November Report, 88% of the City's sites are eligible for phased implementation in areas that include lower-opportunity areas, Very High Fire Hazard Severity Zones, sites and stations that meet capacity thresholds, local historic resources, sea level rise areas, industrial employment hubs, and parcels located more than one mile walking distance from a station. Areas not eligible for phased implementation without capacity increases, about 12% of the City's sites, include ten Orange line stations in the South and Northwest Valley, two Exposition Line Stations in West LA, three NoHo to Pasadena BRT Stations, ten other stations in the South Valley, Westchester, and Mid City areas of the City.

How does SB 79 affect historic resources and historic districts?

SB 79 offers limited flexibility for historic resources and only offers relief for locally designated historic resources, such as HPOZs and HCMs. Local historic resources may be deferred through phased implementation or partially exempted under a local Alternative Plan. However, this flexibility does not apply to state or federally designated historic resources, which remain fully subject to SB 79. Even for local historic resources, Alternative Plan exemptions are capped at 10 percent of a station area, meaning that where HPOZs or HCMs exceed that threshold, the City may still need to accommodate required housing capacity on some of those parcels or elsewhere nearby. Existing historic preservation and environmental review processes would remain in effect. Additional analysis on SB 79's impacts on historic resources is available in City Planning's November Report.

How will single family zones be impacted?

SB 79 permits multi-family and mixed-use housing near major transit in areas that are currently zoned for single-family use, as long as projects meet the bill's eligibility criteria. Put simply, single-family parcels within ¼ mile or ½ mile of a qualifying transit stop may be able to build 5-8 story developments. In March 2026, Council directed City Planning to initiate an expansion to the Corridor Transition (CT) Program (Option 1) by extending low rise incentives to single family and lower residential parcels within a ½ mile of a majority high and moderate opportunity SB 79 eligible stations. Council further directed HPOZs to be exempted from this expansion.. In response, the city is proposing to in short term increase single family zones to permit two-four story, low-rise developments, while permanent local SB 79 development incentives are prepared. Ultimately, by 2030 all single-family sites and low density sites in station areas will require capacity increases.

What are the limitations of an alternative local plan?

While a local alternative plan offers flexibility to tailor how housing is built near transit, SB 79 establishes capacity requirements at the site, station, and citywide level when adopting local alt plans. Specifically, any alternative plan must maintain the same overall housing capacity required by SB 79 and cannot significantly reduce density at the citywide or station level without offsetting increases elsewhere. Specifically, at the station level the plan cannot reduce capacity of total units and residential floor area by more than 50%. , At the site level, reductions are capped at 50% to ensure capacity is distributed throughout a station and capacity may not exceed 200% of what SB79 would otherwise allow. For sites in the outer perimeter (between a quarter to one-half mile) of a Tier 2 stop, projects can go below the 50% cap to a missing middle scale development (i.e 30 units per acre and 1.0 FAR). Ultimately, upzoning in single-family and low-density areas will still be required in a local alt plan, and must be approved by the Department of Housing and Community Development (HCD). As a result, local alternative plans offer customization on how development is distributed citywide, but not an opt-out from SB 79's housing capacity requirements all-together.

How are industrial zones impacted?

SB 79 applies to sites zoned for residential, mixed-use, and commercial uses within eligible transit areas. Because Los Angeles' industrial zones permit commercial uses, certain industrial parcels may become eligible for the bill's transit-oriented development standards. The City has limited ability to exempt industrial land, primarily in large industrial districts of at least 250 acres where residential uses are not permitted. Outside of those qualifying areas, industrially designated parcels that allow commercial uses may still be subject to SB 79 and could accommodate residential development consistent with the bill's standards.

What are SB 79's tenant protection measures?

SB 79 includes strong tenant protections to reduce displacement and preserve existing housing. Projects using SB 79 must comply with local demolition and anti-displacement ordinances, including Los Angeles' Resident Protections Ordinance (RPO). The bill also makes sites ineligible if they demolish more than two rent or price-controlled units, including Rent Stabilization Ordinance (RSO) units, that were occupied within the past seven years. RSO sites may still be impacted by the bills provisions, provided a project does not demolish units either by building in a parking lot or an area of the site without existing residential structures.

Glossary

California Tax Credit Allocation Committee (TCAC) Resource Areas

The California TCAC is overseen by the California State Treasurer Office and helps to administer the federal and state Low-Income Housing Tax Credit Programs which enable private investment in rent-restricted affordable housing for low-income residents. The California TCAC Opportunity Areas maps are a tool designed to visually represent how "access to opportunity" varies from place to place. "Access to opportunity" refers to a person's ability to access places with characteristics linked to critical life outcomes such as educational attainment, earnings from employment, and economic mobility. "Low resource areas" have less access to opportunities that lead to positive life outcomes. More information on the California TCAC Opportunity Maps can be found here.

Floor Area Ratio (FAR)

The ratio of habitable floor area to the size of a lot. For instance, if a 5,000 square foot lot has a FAR of 3:1, the building on that lot would be permitted 15,000 square feet. Some lots have further restrictions on the lot area from which FAR is calculated which may require FAR to be calculated from net lot size (lot area minus required yards), SB 79 has no net lot size limitations.

Lower Income Households

A Lower Income Household earns 80% of an area's median income (typically the median income of a county). Subcategories of Lower Income (LI) Households include Very Low Income (VLI) Households defined as earning 60% of an area's median income and Extremely Low Income (ELI)

Households defined as earning 30% of an area's median income. More information can be found here.

State Density Bonus Law

State Density Bonus Law (found in California Government Code Section 65915-65918) is a state law that allows applicants to seek development bonuses in exchange for the provision of deed-restricted affordable housing. As part of State Density Bonus, projects are offered a certain number of development incentives based on how many affordable units they provide, and can request waivers of development standards that physically preclude a project so long as certain health and safety findings can be made. The City of Los Angeles implements State Density Bonus through its Citywide Housing Incentive Program (CHIP) as part of the 2021-2029 Housing Element Rezoning.

Transit-Oriented Development Stop/Zone

SB 79 categorizes Transit-Oriented Development Zones into two tiers. Tier 1 transit zones are served by heavy rail transit or very high frequency commuter rail and Tier 2 are served by light rail, high frequency commuter rail, Bus Rapid Transit (BRT) Stations, or by high quality bus service (with dedicated lanes, 15 minute headways, and which qualify as Major Transit Stations). Stations may be built or included as locally preferred alternatives pursuant to various regional plans as referenced in the bill. Zones are established by measuring one-quarter mile and, in cities with populations of at least 35,000, one-half mile distance from the nearest edge of a parcel to a pedestrian access point for the station in a straight line.

Zoning Capacity

The number of housing units that can be constructed using zoning regulations and incentive based programs. Zoning capacity is measured by the maximum number of units a site could allow at full buildout, as well as by the net gain, meaning the additional homes that could be built above the number of units currently on the site. As a result, SB 79 requires a detailed zoning capacity analysis that accounts for both maximum site-level buildout and the total net housing gain.The California Department of Housing and Community Development (HCD) is authorized to produce standards for such analysis.

FACT SHEET

Updated 4/23/2026

SB 79 Phased Implementation Ordinance and Low-Rise Ordinance Fact Sheet

CPC-2026-1798-MSC
CPC-2026-1797-CA, ENV-2026-1799-SE
CF: 25-1083

Summary

The **Senate Bill (SB) 79 Phased Implementation** and **Low-Rise Ordinances** comprise phase one of the City's local implementation of Senate Bill (SB) 79, a new state housing law which promotes housing near transit. The Phased Implementation Ordinance pauses effectuation of bill provisions as permitted by the law to protect sensitive sites. The accompanying Low-Rise Ordinance significantly expands housing opportunity informed by local priorities identified in the Housing Element, increasing missing middle housing capacity within a half mile of high quality transit in Opportunity Station Areas, composed primarily of Moderate and Higher Opportunity Areas as designated by the California Tax Credit Allocation Committee (TCAC). This approach is consistent with value capture frameworks at both the state and City level, which connect housing development to transit improvements for affordability, sustainability, and livability.

The Low-Rise Ordinance expands housing incentives to allow low-scale, multi-family housing development in low density zones within Opportunity Station Areas through updates to the Mixed Income Incentive Program (MIIP), which was brought forward as part of the City's Housing Element Rezoning Program in February 2025. The MIIP was an historic effort to increase housing opportunities across Los Angeles, adding capacity for over 500,000 new units in one of the nation's most significant rezonings. The MIIP focused incentives on land already zoned for multi-family housing. Expanded incentives as part of the Low-Rise

Ordinance add development capacity exceeding Senate Bill 79 requirements in order to build on the progress of the MIIP by Affirmatively Further Fair Housing and strategically incentivizing housing in relation to existing City infrastructure and resources.

Key Provisions

Phased Implementation Ordinance

The **SB 79 Phased Implementation Ordinance** allows the city to strategically pause SB 79 citywide. State law permits this phased implementation approach if the City can show it already has enough zoning capacity to support housing growth and has sensitive sites which require more analysis before housing growth is permitted.

The SB 79 Phased Implementation Ordinance temporarily pauses SB 79 for all SB 79 Transit-Oriented Development (TOD) Zones (see page 5 of this Fact Sheet for SB 79 TOD Zone definition) meeting the requirements of California Government Code Section (GCS) 65912.161 (b), including SB 79 TOD Zones meeting capacity, density and floor area minimums, and primarily Low Resource SB 79 TOD Zones meeting capacity requirements. The Ordinance further pauses sites meeting the criteria in GCS 65912.161 (b), including sites:

- Permitting half of density and residential floor area afforded in SB 79
- In Low Resource TCAC areas
- In Very High Fire Hazard Severity Zones
- Vulnerable to one foot of sea level rise
- With local historic resources designated by 1/1/25

In addition to pausing the bill citywide, the Phased Implementation Ordinance codifies permanent exemptions from SB 79 for sites within industrial employment hubs, or that are more than one-mile walking distance from a station pursuant to GCS 65912.160(e).

The ordinance further establishes mapping procedures and requires that SB 79 eligibility be identified on the Zoning Information Mapping Access System (ZIMAS).

Low-Rise Ordinance

The **Low-Rise Ordinance** will expand missing middle housing incentives currently offered in the “Corridor Transition (CT)” program within the MIIP (LAMC 12.22 A.38). to include all residential zones, including single-family zones, within a half mile radius of ***Opportunity Station Areas*** or SB 79 TOD zones that are majority Moderate and Higher Opportunity Areas. With this expansion in eligibility to areas beyond Corridors, this Ordinance renames the “Corridor Transition” program to the ***Low-Rise Incentive Area*** to reflect the scale of buildings permitted by the program.

Consistent with the existing program structure, the Low-Rise Incentive Area encourages low rise development typologies such as bungalow courts, row houses, and town homes, with incremental Floor Area Ratio (FAR) bonuses provided per unit up to either 10 or 16 units based on a site's proximity to an eligible transit station. In exchange for base incentives in the form of increased density, FAR, and height and relief from limiting development standards including passageway requirements, floor area calculation limitations, and lot coverage, projects are required to set aside covenanted affordable units. Low-Rise Incentive Area projects must also comply with "performance standards" aimed at producing building outcomes that create shared open spaces, support pedestrian accessibility, and overall celebrate building typologies core to Los Angeles' architectural past.

Projects in environmentally sensitive areas, such as the Coastal Zone, fire-prone hillside areas, and Sea Level Rise Areas, are not eligible for Low Rise Incentives. While projects involving historic resources receive reduced development incentives and cannot propose the demolition of a Historic Resource. Projects in Historic Preservation Overlay Zones (HPOZ) and involving Historic Cultural Monuments will not be eligible for expanded incentives, and will only be eligible for the program if located in an existing Corridor Transition area. All projects in the program are reviewed over the counter through the plan check process.

In 2025, City Planning conducted developer interviews and economic analysis to improve the Corridor Transition Incentive project feasibility and identified four areas of revision that would improve viability. These proposed revisions include: consolidating three incentive area tiers into two (Table 1), restructuring affordability requirements (Table 2), revising the multi-bedroom incentive from 40% of the units in a project to 20% of the units in a project and permitting increases in both height and floor area, and allowing rooftop open space to be used to meet open space standards in the ordinance.

Table 1: Existing vs. Proposed Affordability

Existing CT Affordability

	Very Low Income	Lower Income	Moderate Income
CT-1A	-	-	1 unit
CT-1B and CT-2	1 unit	1 unit	2 units
CT- 3	2 units	2 units	3 units

Proposed Low-Rise Affordability

	Very Low Income	Lower Income	Moderate Income
LR-1	-	-	1 unit
LR-2	1 unit	1 unit	2 units

Table 2: Existing vs. Proposed Incentives[1]

Existing CT Incentives

Eligibility Subarea	Density Bonus	Floor Area Ratio (maximum permitted)	Parking	Height (maximum permitted)
CT-1A	4 units	1.15:1	No parking required.	2 stories
CT-1B	5 units	1.30:1		
	6 units	1.45:1		
CT-2	7 units	1.60:1		3 stories
	8 units	1.75:1		
	9 units	1.90:1		
	10 units	2.0:1		
CT-3	11 units	2.15:1		
	12 units	2.30:1		
	13 units	2.45:1		
	14 units	2.60:1		
	15 units	2.75:1		
	16 units	2.90:1		

Proposed Low-Rise Incentives

Eligibility Subarea	Density Bonus	Floor Area Ratio (maximum permitted)	Parking	Height (maximum permitted)
LR-1	4 units	1.15:1	No parking required.	2 stories
	5 units	1.30:1		
	6 units	1.45:1		
	7 units	1.60:1		3 stories
	8 units	1.75:1		
	9 units	1.90:1		
	10 units	2.0:1		
LR-2	11 units	2.15:1		
	12 units	2.30:1		
	13 units	2.45:1		
	14 units	2.60:1		
	15 units	2.75:1		
	16 units	2.90:1		

Additional MIIP Updates

The Ordinance additionally brings forward several updates to the MIIP, including both technical and policy amendments:

- Amendments to incorporate Opportunity Station Areas including new definitions; revisions to eligibility requirements, base incentives, and performance standards; and new exceptions for Historic Preservation Overlay Zones (HPOZs) and Historic-Cultural Monuments (HCM);
- Adding an eligibility exception to allow sites outside of Opportunity Station Areas that don't meet phased implementation criteria to be eligible for the Low-Rise Incentive Area Program;
- Establishing an update frequency for mapping of Opportunity Station Areas and TCAC designations to every 5 years; and
- Establishment of a new definition for Fire Restriction Areas, which encompasses areas within the Very High Fire Hazard Severity Zone (VHFHSZ) and within a Hillside Area. Revisions to incorporate this definition into processes within MIIP.

Additional information can be found on the **SB 79 Webpage** or by subscribing to **Council File Updates**. On May 14, 2026, the Los Angeles City Planning Commission (CPC) will hold a **public hearing** on these ordinances. Ahead of the meeting, written comments may be sent to the City Planning Commission at cpc@lacity.org, in accordance with the CPC Rules and Operating Procedures. Please include the appropriate case number (CPC Case No. CPC-2026-1798-MSC for Phased Implementation Ordinance and CPC Case No.

[1] The Proposed Low-Rise Incentives table was updated from the 4/17/26 version to address corrections.

CPC-2026-1797-CA for Low-Rise Ordinance) in any submitted correspondence. Questions about the proposed Ordinances can be sent to **planning.sb79@lacity.org**.

Frequently Asked Questions (FAQ)

How do these Ordinances affect historic resources?

The new Low-Rise eligibility expansion excludes sites within Historic Cultural Preservation Zones (HPOZs) and sites with Historic-Cultural Monuments (HCMs). Sites that were previously eligible for the CT program through proximity to Opportunity Corridors will retain their existing historic resource limitations, including prohibitions on demolition of any historic resource and reduced Incentives for floor area and height.

How will single-family zones be impacted by the Low-Rise Ordinance?

The proposed Low-Rise Ordinance grants single-family zoned parcels eligibility for missing middle incentives in all Opportunity Station Areas creating opportunities for affordable housing in Higher Opportunity Areas and potential pathways to homeownership. In particular, the Low-Rise program offers increases in density, FAR, and height, as well as reductions in parking in conjunction with required performance standards for the design of open space and building entrances that are tailored to produce building typologies integral to Los Angeles' architectural history including courtyard, bungalow, and cottage court apartments.

Do these Ordinances change underlying zoning of neighborhoods near eligible SB 79 stations?

The expansion of the Mixed Income Incentive Program (MIIP) eligibility proposed through the Low-Rise Ordinance does not alter underlying zones. Instead, MIIP is structured according to a density bonus framework that offers development incentives in exchange for the provision of a percentage of affordable units. Sites eligible for MIIP would not otherwise be able to achieve the density and development standards available through MIIP without use of the program. Therefore, the Ordinance will not change the underlying zone, but rather offers development incentives in exchange for affordable housing development.

What are SB 79 TOD Zones?

SB 79 Transit-Oriented Development (TOD) Zones are zones within a half mile of high quality transit stops, which include heavy and light rail stations as well as high-frequency bus stops. SB 79 requires that the Southern California Association of Governments (SCAG) create a map of the City's transit-oriented development (TOD) stops and zones by tier, in

accordance with any guidance prepared by the Department of Housing and Community Development (GCS 65912.160(f)).

How are Opportunity Station Areas identified?

Opportunity Station Areas are SB 79 TOD Zones in which more than 50% of land area in the half-mile zone is composed of Moderate and Higher Opportunity areas. These areas may include Lower or Moderate Opportunity census tracts when Lower or Moderate Opportunity areas represent the minority of available land in a station area. Though incentives linked to TCAC neighborhood designations typically apply at the tract level in the existing MIIP incentive areas, City Planning recommends expanding eligibility of Low-Rise Incentive Areas within the entirety of the half-mile buffer of a transit station identified as an Opportunity Station to create consistency in the built environment even when census tracts divide corridors and neighborhoods.

What is the difference between Corridor Transition (CT) Incentive Area and the Low-Rise Incentive Area?

The Corridor Transition (CT) Incentive Area is currently codified as a subprogram within the Mixed Income Incentive Program (MIIP) providing missing middle scale incentives to R2 and RD zoned sites within a half mile of Opportunity Corridors, which are corridors in the City in Higher Opportunity Areas that have high quality transit.

The CT Incentive Area will be renamed to Low-Rise Incentive Area with the proposed Ordinance. The Low-Rise Incentive Area will include sites previously eligible for the former CT Incentive Area, as well as all residentially zoned sites within Opportunity Station Areas.

Additional Resources

- **SB 79 Webpage**
- **Interactive SB 79 Storymap**
- **Council File Updates**
- **Citywide Housing Incentive Program**
- **Corridor Transitions (CT) Training**
- **Low-Rise Ordinance**
- **SB 79 Phased Implementation Ordinance**
- **SB 79 Fact Sheet**
- Reports From City Planning:
    - **Report 1: Overview and Impacts of SB 79 (November 2025)**
    - **Report 2: Exploration of the Citywide Impacts of Approach C (February 2026)**

INITIAL SUBMISSIONS

The following submissions by the public are in compliance with the Commission Rules and Operating Procedures (ROPs), Rule 4.5a. Please note that "compliance" means that the submission complies with deadline, delivery method (hard copy and/or electronic) AND the number of copies. The Commission's ROPs can be accessed at **http://planning.lacity.org**, by selecting "Commissions & Hearings" and selecting the specific Commission.

The following submissions are not integrated or addressed in the Staff Report but have been distributed to the Commission.

Material which does not comply with the submission rules is not distributed to the Commission.

ENABLE BOOKMARKS ONLINE:

**If you are using Explorer, you will need to enable the Acrobat toolbar to see the bookmarks on the left side of the screen.

If you are using Chrome, the bookmarks are on the upper right-side of the screen. If you do not want to use the bookmarks, simply scroll through the file.

If you have any questions, please contact the Commission Office at (213) 978-1300.

Planning CPC <cpc@lacity.org>

File #CPC2026-1797-CA

ann annoconnor.com <ann@annoconnor.com> Mon, May 4, 2026 at 2:39 PM
To: "cpc@lacity.org" <cpc@lacity.org>
Cc: "ann annoconnor.com" <ann@annoconnor.com>

May 4, 2026

CPC-2026-1797-CA

City Planning Commission President Lawshe and Members of the City Planning Commission:

I am writing to oppose the provision within the proposed SB 79 Implementation Ordinance (the Low-Rise Ordinance) that would reduce required side and rear yard setbacks.

While we recognize the City's obligation to comply with state law, reducing rear and side yard setbacks to four feet is neither required nor necessary to achieve SB 79's housing density. Available studies indicate that maintaining 15-foot rear yard setbacks would not preclude achieving SB 79's development objectives. These recommended reductions maximize lot coverage at the expense of basic protections. The Planning Department's responsibility is to safeguard public well-being and neighborhood stability —not to facilitate development patterns that undermine them.

Reducing setbacks to four feet would have several serious impacts:

- **Fire safety:** In a city where wind-driven fires are always a possibility, it is unconscionable that a four-foot rear and side setback are being recommended. Four-foot separations limit defensible space between structures, increasing the risk of fire spread and constrains the emergency access for firefighting equipment.
- **Urban tree canopy and environmental health:** Approximately 90% of the City's tree canopy exists on private property. Meaningful tree planting and retention are not feasible within four-foot setbacks which due to "exiting" criteria must be paved. The size of the building and the hardscape around it will contribute to the urban heat island effect, resulting in higher temperatures.
- **Private open space and quality of life:** In a climate that supports year-round outdoor living, reducing adjacent apartment house setbacks will unnecessarily diminish quality of life for all residents.

These are not abstract planning considerations; they directly affect how residents live day to day.

While we appreciate the proposal to maintain 15-foot front yard setbacks, this does not address the areas of greatest impact. Front yards already benefit from the buffer of streets and sidewalks. The most significant points of interface between new development and existing homes occur along rear and side property lines—precisely where the greatest reductions are proposed.

These reduced setbacks are inconsistent with existing Los Angeles Municipal Code (LAMC) standards, which require a 15-foot rear yard and five-foot side yards in multi-family zones such as RD1.5, R3, and R4. The department's reliance on Accessory Dwelling Units (ADU) standards to justify 4 ft setbacks is misplaced. ADUs are intended as small, secondary units-not multi-family buildings with substantially greater occupancy, intensity, and risk.

We also wish to express concern regarding the lack of direct public notification to affected property owners and residents. This absence of transparency undermines public trust in the planning process. The City must notify by mail all residents and property owners of this major change in land use.

In addition, we request this SB 79 implementation ordinance be expressly tied to, and automatically updated to reflect, any future revisions to, postponement of, or repeal of SB 79.

Thank you for your consideration.

Respectfully,

Ann O'Connor

Norwich Ave, Sherman Oaks, 91411 (POSO)

Planning CPC <cpc@lacity.org>

In favor. Ordinance for SB 79- CPC-2026-1797-CA

Alberto Treves <atreves@yahoo.com>
Reply-To: Alberto Treves <atreves@yahoo.com>
To: "cpc@lacity.org" <cpc@lacity.org>

Mon, May 4, 2026 at 6:49 PM

I am in favor of CPC-2026-1797-CA
Alberto Treves
2560 Military Ave, Los Angeles, CA 90064

Planning CPC <cpc@lacity.org>

Draft Ordinance for SB 79- CPC-2026-1797-CA (CF 25-1083)

Barbara Broide <wncluc@gmail.com> Tue, May 5, 2026 at 10:40 AM
To: Planning CPC <cpc@lacity.org>
Cc: William Lamborn <william.lamborn@lacity.org>, Vahid Khorsand <vahid.khorsand@lacity.org>, Kevin Keller <kevin.keller@lacity.org>, Katy Yaroslovsky <councilmember.yaroslavsky@lacity.org>, Erin Bromaghim <erin.bromaghim@lacity.org>, Charles Turner <charles.turner@lacity.org>, Jennifer Torres <jenny.torres@lacity.org>

City Planning Commission President Lawshe and City Planning Commissioners:

As the City considers its ordinance to adopt SB 79 implementation, I write to voice strong opposition to the provision within the ordinance (the Low-Rise Ordinance) that would reduce required side and rear yard setbacks.

Understanding that the City must comply with state law, it is quite clear that reducing rear and side yard setbacks to four feet is neither required nor necessary to achieve SB 79's housing density. Available studies indicate that maintaining 15-foot rear yard setbacks would not preclude achieving SB 79's development objectives. These recommended reductions maximize lot coverage at the expense of basic protections. Maintaining the current setbacks provides many benefits to the City and its residents. The Planning Department's responsibility is to safeguard public well-being and neighborhood stability—not to facilitate development patterns that undermine them. We are meant to be building a livable and sustainable city -- not a treeless urban jungle devoid of open space and vegetation with roots in the ground.

<u>The reduction of setbacks to four feet would have several serious negative impacts:</u>

• Fire safety: In a city where wind-driven fires are always a possibility, it is unconscionable that a four-foot rear and side setback are being recommended. Four-foot separations limit defensible space between structures, increasing the risk of fire spread and constrains the emergency access for firefighting equipment. Many rear yards contain electric power poles and easements. (Many are 5 foot easements and are necessary to provide safe access and servicing to the power infrastructure. How has this been factored into consideration of the 4-foot easement proposal?

• Urban tree canopy and environmental health: Approximately 90% of the City's tree canopy exists on private property. Meaningful tree planting and retention are not feasible within four-foot setbacks which due to "exiting" criteria must be paved. The size of the building and the hardscape around it will contribute to the urban heat island effect, resulting in higher temperatures.

• Private open space and quality of life: In a climate that supports year-round outdoor living, reducing adjacent apartment house setbacks will unnecessarily diminish quality of life for all residents.
These are not abstract planning considerations; they directly affect how residents live day to day.
While we appreciate the proposal to maintain 15-foot front yard setbacks, this does not address the areas of greatest impact. Front yards already benefit from the buffer of streets and sidewalks. The most significant points of interface between new development and existing homes occur along rear and side property lines—precisely where the greatest reductions are proposed. And it should not be forgotten that Los Angeles is a park POOR city with many neighborhoods and their residents without easy access to a public park. Rooftop patios do not replace ground level open space for children who seek to throw a ball or kick a soccer ball.

These reduced setbacks are inconsistent with existing Los Angeles Municipal Code (LAMC) standards, which require a 15-foot rear yard and five-foot side yards in multi-family zones such as RD1.5, R3, and R4. The department's reliance on Accessory Dwelling Units (ADU) standards to justify 4 ft setbacks is misplaced. ADUs are intended as small, secondary units-not multi-family buildings with substantially greater occupancy, intensity, and risk. Additionally, without any required tiering of buildings at the rear, residents of future multi-family structures will have decreased exposure to sunlight/daylight as a result of reduced setbacks.

If polled, you would find that the overwhelming number of Angelenos know nothing about SB 79 or of the City's proposed implementation plan. The continuing efforts of the State legislature to dictate land use planning under SB 79 will prove to be quite a surprise when neighbors learn that an apartment building is being built next door or behind their home and that they can say or do nothing about it. Councilmember Nazarian's request to provide direct public notification to affected property owners and residents is extremely important. This absence of transparency undermines public trust in the planning process. The City must notify by mail all residents and property owners of this major change in land use.

We were told during earlier SB 79 discussions, that the SB 79 implementation ordinance would be expressly tied to, and

automatically updated to reflect, any future revisions to, postponement of, or repeal of SB 79. We have been told that this is not a rezoning measure and it should not be considered as such. I understand that at this time some conflicting information may have been entered into the discussion on this topic. The implementation ordinance should not be classified as a zoning ordinance. Its adoption should not create a situation whereby SB 79 plans become permanent (or subject to the need to rezone other parcels to meet the SB 79 density levels) should the measure be amended, repealed, or found by the courts to be invalid in any way.

Thank you for your consideration.

Respectfully,
Barbara Broide
CD 5 "High Resource Area" Constituent

Planning CPC <cpc@lacity.org>

Draft Ordinance for SB 79- CPC-2026-1797-CA

Cindy CLARK <cindyclark01@gmail.com> Mon, May 4, 2026 at 12:19 PM
To: "cpc@lacity.org" <cpc@lacity.org>
Cc: "william.lamborn@lacity.org" <william.lamborn@lacity.org>, "vahid.khorsand@lacity.org" <vahid.khorsand@lacity.org>, "kevin.keller@lacity.org" <kevin.keller@lacity.org>

City Planning Commission President Lawshe and Members of the City Planning Commission:

I am writing to oppose the provision within the proposed SB 79 Implementation Ordinance (the Low-Rise Ordinance) that would reduce required side and rear yard setbacks.

While we recognize the City's obligation to comply with state law, reducing rear and side yard setbacks to four feet is neither required nor necessary to achieve SB 79's housing density.

Available studies indicate that maintaining 15-foot rear yard setbacks would not preclude achieving SB 79's development objectives. These recommended reductions maximize lot coverage at the expense of basic protections.

The Planning Department's responsibility is to safeguard public well-being and neighborhood stability—not to facilitate development patterns that undermine them.

Reducing setbacks to four feet would have several serious impacts:

• Fire safety: In a city where wind-driven fires are always a possibility, it is unconscionable that a four-foot rear and side setback are being recommended. Four-foot separations limit defensible space between structures, increasing the risk of fire spread and constrains the emergency access for firefighting equipment.
• Urban tree canopy and environmental health: Approximately 90% of the City's tree canopy exists on private property. Meaningful tree planting and retention are not feasible within four-foot setbacks which due to "exiting" criteria must be paved. The size of the building and the hardscape around it will contribute to the urban heat island effect, resulting in higher temperatures.
• Private open space and quality of life: In a climate that supports year-round outdoor living, reducing adjacent apartment house setbacks will unnecessarily diminish quality of life for all residents.

These are not abstract planning considerations; they directly affect how residents live day to day.

While we appreciate the proposal to maintain 15-foot front yard setbacks, this does not address the areas of greatest impact. Front yards already benefit from the buffer of streets and sidewalks. The most significant points of interface between new development and existing homes occur along rear and side property lines—precisely where the greatest reductions are proposed.

These reduced setbacks are inconsistent with existing Los Angeles Municipal Code (LAMC) standards, which require a 15-foot rear yard and five-foot side yards in multi-family zones such as RD1.5, R3, and R4. The department's reliance on Accessory Dwelling Units (ADU) standards to justify 4 ft setbacks is misplaced. ADUs are intended as small, secondary units-not multi-family buildings with substantially greater occupancy, intensity, and risk.

We also wish to express concern regarding the lack of direct public notification to affected property owners and residents. This absence of transparency undermines public trust in the planning process. The City must notify by mail all residents and property owners of this major change in land use.

In addition, we request this SB 79 implementation ordinance be expressly tied to, and automatically updated to reflect, any future revisions to, postponement of, or repeal of SB 79.

Thank you for your consideration.

Respectfully,

Cindy Clark
2526 Veteran Ave
LA CA 90064

Cindy Clark
310-617-8338

Planning CPC <cpc@lacity.org>

Oppose draft ordinance implementing SB 79 with 4' setbacks (CPC2026-1797-CA)

J. T. <templetcommerce2@gmail.com> Mon, May 4, 2026 at 7:45 PM
To: cpc@lacity.org
Cc: vahid.khorsand@lacity.org

City Planning Commission President Lawshe and Members of the City Planning Commission:

We are writing to oppose the provision within the proposed SB 79 Implementation Ordinance (the Low-Rise Ordinance) that would reduce required side and rear yard setbacks.

Reducing rear and side yard setbacks to four feet is neither required nor necessary to achieve SB 79's housing density. Available studies indicate that maintaining 15-foot rear yard setbacks would not preclude achieving SB 79's development objectives.

Angela Makabali and Josh Templet
Veteran Ave
Los Angeles, CA 90064
Rancho Park

Planning CPC <cpc@lacity.org>

Draft Ordinance for SB 79- CPC-2026-1797-CA

1 message

Laurette Healey <laurette@citylanduse.com> Mon, May 4, 2026 at 8:51 AM
To: "cpc@lacity.org" <cpc@lacity.org>
Cc: "william.lamborn@lacity.org" <william.lamborn@lacity.org>, "vahid.khorsand@lacity.org" <vahid.khorsand@lacity.org>, "kevin.keller@lacity.org" <kevin.keller@lacity.org>

Dear President Lawshe and Members of the City Planning Commission,

I am writing to formally oppose the provision within the proposed SB 79 Implementation Ordinance, specifically the Low-Rise Ordinance, that seeks to reduce required side and rear yard setbacks.

While we recognize the City's obligation to comply with state law, reducing these setbacks to four feet is neither required nor necessary to achieve the housing density goals of SB 79. Research indicates that maintaining the current 15-foot rear yard setbacks would not preclude achieving these development objectives. The proposed reductions appear to maximize lot coverage at the direct expense of neighborhood stability and public well-being.

Reducing setbacks to four feet presents several significant risks. First, it compromises fire safety by limiting defensible space and constraining emergency access for firefighting equipment. Second, it threatens the urban tree canopy, as 90% of our city's trees are on private property and cannot be sustained in paved four-foot setbacks. This increase in hardscape will exacerbate the urban heat island effect. Finally, these reductions diminish private open space and the general quality of life for residents who rely on these buffers in our year-round outdoor climate.

The most critical interface between new developments and existing homes occurs along rear and side property lines. Reducing these to four feet is inconsistent with current Los Angeles Municipal Code standards for multi-family zones, such as RD1.5, R3, and R4. Furthermore, the Department's reliance on Accessory Dwelling Unit (ADU) standards to justify these changes is misplaced, as ADUs do not carry the same occupancy intensity or risk as full multi-family buildings.

We are also concerned by the lack of direct public notification regarding this major change in land use. We request that the City notify all affected property owners and residents by mail to maintain transparency and public trust. Additionally, we request that this ordinance be expressly tied to SB 79, ensuring it is automatically updated to reflect any future revisions, postponements, or repeals of the state law.

Thank you for your time and consideration of these concerns.

Respectfully,

Laurette Healey, homeowner
5641 Saloma Ave, Sherman Oaks, CA 91411
(310) 968-7887

Laurette Healey
Principal,
City Land Use, Inc.
(310) 968-7887
Laurette@citylanduse.com
Sent via mobile device.

Planning CPC <cpc@lacity.org>

Draft Ordinance for SB 79- CPC-2026-1797-CA

Missy Kelly <missykly@gmail.com> Tue, May 5, 2026 at 11:35 AM
To: cpc@lacity.org
Cc: william.lamborn@lacity.org, vahid.khorsand@lacity.org, kevin.keller@lacity.org

City Planning Commission President Lawshe and Members of the City Planning Commission:

The Beachwood Canyon Neighborhood Association is writing to oppose the provision within the proposed SB 79 Implementation Ordinance (the Low-Rise Ordinance) that would reduce required side and rear yard setbacks.

While we recognize the City's obligation to comply with state law, reducing rear and side yard setbacks to four feet is neither required nor necessary to achieve SB 79's housing density. Available studies indicate that maintaining 15-foot rear yard setbacks would not preclude achieving SB 79's development objectives. These recommended reductions maximize lot coverage at the expense of basic protections. The Planning Department's responsibility is to safeguard public well-being and neighborhood stability—not to facilitate development patterns that undermine them.

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• Fire safety: In a city where wind-driven fires are always a possibility, it is unconscionable that a four-foot rear and side setback are being recommended. Four-foot separations limit defensible space between structures, increasing the risk of fire spread and constrains the emergency access for firefighting equipment.

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These are not abstract planning considerations; they directly affect how residents live day to day.
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These reduced setbacks are inconsistent with existing Los Angeles Municipal Code (LAMC) standards, which require a 15-foot rear yard and five-foot side yards in multi-family zones such as RD1.5, R3, and R4. The department's reliance on Accessory Dwelling Units (ADU) standards to justify 4 ft setbacks is misplaced. ADUs are intended as small, secondary units-not multi-family buildings with substantially greater occupancy, intensity, and risk.

We also wish to express concern regarding the lack of direct public notification to affected property owners and residents. This absence of transparency undermines public trust in the planning process. The City must notify by mail all residents and property owners of this major change in land use.

In addition, we request this SB 79 implementation ordinance be expressly tied to, and automatically updated to reflect, any future revisions to, postponement of, or repeal of SB 79.

Thank you for your consideration.

Respectfully,
Missy Kelly,
President
Beachwood Canyon Neighborhood Association

Planning CPC <cpc@lacity.org>

Draft Ordinance for SB 79- CPC-2026-1797-CA

Melinda Liberatore <liberatore.mel@gmail.com> Mon, May 4, 2026 at 3:48 PM
To: cpc@lacity.org
Cc: william.lamborn@lacity.org, vahid.khorsand@lacity.org, kevin.keller@lacity.org

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SB 79 is a HORRIBLE idea across the board and will ruin the community we've invested it.

Shame on you!

Thank you for your consideration.

Respectfully,
Melinda Liberatore
5703 Willis Ave.
Sherman Oaks CA 91411

Planning CPC <cpc@lacity.org>

Reduced Set-backs???????

Susan Wong <swongrn@gmail.com> Mon, May 4, 2026 at 5:36 PM
To: cpc@lacity.org

City Planning Commission President Lawshe and Members of the City Planning Commission:

I am writing to oppose the provision within the proposed SB 79 Implementation Ordinance (the Low-Rise Ordinance) that would reduce required side and rear yard setbacks.

ALL the density being required by SB 79 could be achieved by keeping 15 ft setbacks. I see no reason to change. This is very troubling because this will set a precedent for all developments in single family neighborhoods as more state bills open up single family neighborhoods. "Existing" rear setbacks will become the acceptable standard. We can not allow them to be reduced. Reducing them means no backyards and no trees.

That our own Planning Department would willingly reduce setbacks with no data proving the need to do this totally amazes us.

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Thank you for your consideration.

Respectfully,
Susan Wong

9714 Rotta Ave.
Sunland, CA. 91040

Planning CPC <cpc@lacity.org>

Draft Ordinance for SB 79- CPC-2026-1797-CA

Susan Wong <swongrn@gmail.com> Mon, May 4, 2026 at 5:35 PM
To: cpc@lacity.org
Cc: william.lamborn@lacity.org, vahid.khorsand@lacity.org, kevin.keller@lacity.org

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Thank you for your consideration.

Respectfully,
Susan Wong
9714 Rotta Ave.
Sunland, CA. 91040

125+ CONSTITUENTS SUBMITTED THE FOLLOWING STATEMENT TO THE CPC@LACITY.ORG INBOX FOR THE CITY PLANNING COMMISSION'S CONSIDERATION:

Item 06:
CPC-2026-1797-CA

Draft Ordinance for SB 79- CPC-2026-1797-CA

Email Message:

Dear City Planning Commission President Lawshe and Members of the City Planning Commission:

I am writing to oppose the provision within the proposed SB 79 Implementation Ordinance (the Low-Rise Ordinance) that would reduce required side and rear yard setbacks.

While we recognize the City's obligation to comply with state law, reducing rear and side yard setbacks to four feet is neither required nor necessary to achieve SB 79's housing density. Available studies indicate that maintaining 15-foot rear yard setbacks would not preclude achieving SB 79's development objectives. These recommended reductions maximize lot coverage at the expense of basic protections. The Planning Department's responsibility is to safeguard public well-being and neighborhood stability—not to facilitate development patterns that undermine them.

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• Private open space and quality of life: In a climate that supports year-round outdoor

living, reducing adjacent apartment house setbacks will unnecessarily diminish quality of life for all residents.
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In addition, we request this SB 79 implementation ordinance be expressly tied to, and automatically updated to reflect, any future revisions to, postponement of, or repeal of SB 79.

Thank you for your consideration.

Planning CPC <cpc@lacity.org>

Draft Ordinance for SB 79- CPC-2026-1797-CA

Thomas Glick <thomasleeglick@yahoo.com> Mon, May 4, 2026 at 8:53 AM
To: cpc@lacity.org
Cc: william.lamborn@lacity.org

City Planning Commission President Lawshe and Esteemed Members of the Commission,

We are compelled to express our profound objection to specific provisions within the proposed SB 79 Implementation Ordinance, particularly the drastic reduction of required side and rear yard setbacks. While acknowledging the City's mandate to comply with state law, we firmly contend that compressing rear and side yard setbacks to a mere four feet is neither a prerequisite nor an indispensable measure to achieve the housing density objectives outlined in SB 79. Ample research indicates that maintaining existing, more generous rear yard setbacks would not impede the attainment of the state's development goals. These proposed reductions appear to prioritize maximizing lot coverage at the direct expense of fundamental protections designed to ensure public safety, environmental health, and quality of life within our communities.

The very essence of the Planning Department's mission is to safeguard the public's well-being and foster neighborhood stability. Facilitating development patterns that actively undermine these core responsibilities represents a serious dereliction of that duty. Reducing setbacks to four feet would precipitate a cascade of detrimental consequences, impacting our city in critical ways:

* **Elevated Fire Safety Risks:** In a region perpetually vulnerable to wind-driven wildfires, the proposal for a four-foot separation between structures is an egregious oversight. Such minimal distances drastically diminish defensible space, accelerating the potential for fire spread between buildings and severely impeding emergency access for firefighting apparatus. This decision introduces an unacceptable level of risk to residents and property.

* **Irreversible Environmental Degradation and Urban Heat Island Intensification:** Our city's precious urban tree canopy, with approximately 90% residing on private property, faces an existential threat. Meaningful tree planting and retention become utterly impossible within four-foot setbacks, especially given "exiting" criteria that often mandate paved surfaces. The resultant increase in impermeable surfaces and building mass will inevitably exacerbate the urban heat island effect, leading to oppressive temperatures and a significant decline in environmental quality. This undermines our collective efforts towards sustainability and climate resilience.

* **Erosion of Private Open Space and Diminished Quality of Life:** In a climate that uniquely supports year-round outdoor living, arbitrarily shrinking the private open spaces afforded by adequate setbacks will undeniably diminish the quality of life for all residents. These are not abstract planning considerations; they directly impact the daily experience of individuals, transforming homes and neighborhoods into denser, less livable environments, stripping away opportunities for relaxation, recreation, and connection with nature.

While we appreciate the intention to preserve 15-foot front yard setbacks, this fails to address the areas of most critical impact. Front yards already benefit from the natural buffer of streets and sidewalks. The most significant points of interface, and thus potential conflict, between new developments and existing homes occur along the rear and side property lines—precisely where the most radical reductions are being proposed.

Furthermore, these drastically reduced setbacks stand in direct contradiction to established Los Angeles Municipal Code (LAMC) standards, which mandate 15-foot rear yards and five-foot side yards in multi-family zones such as RD1.5, R3, and R4. The department's rationale, based on applying Accessory Dwelling Unit (ADU) standards to justify these four-foot setbacks, is profoundly misplaced. ADUs are explicitly designed as small, subordinate units. To extrapolate these standards to multi-family buildings, which inherently entail substantially greater occupancy, intensity, and inherent risk, demonstrates a fundamental misunderstanding of their respective purposes and impacts.

Finally, we must voice our grave concern regarding the alarming lack of direct public notification to affected property owners and residents. This absence of transparency does not merely undermine public trust; it actively obstructs democratic participation in the planning process. The City has an undeniable duty to ensure comprehensive outreach, via direct mail, to all residents and property owners regarding such a monumental change in land use policy.

We also respectfully request that this SB 79 implementation ordinance be explicitly linked to, and automatically updated in reflection of, any future revisions, postponements, or outright repeal of SB 79 at the state level. This ensures our local

regulations remain consistent with state intent.

We urge the Commission to reconsider these problematic provisions and uphold its responsibility to thoughtful, responsible urban planning that balances growth with the preservation of our communities' well-being.

Respectfully,

Tom Glick
Sherman Oaks homeowners Association

May 4, 2026

CPC-2026-1797-CA

City Planning Commission President Lawshe and Members of the City Planning Commission:

United Neighbors, a coalition of neighborhood groups, opposes the provision within the proposed SB 79 Implementation Ordinance (the Low-Rise Ordinance) that would reduce required side and rear yard setbacks.

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Thank you for your consideration.

Respectfully,

Maria Pavlou Kalban — United Neighbors

Cindy Chvatal-Keane — United Neighbors

Jeffrey Kalban, AIA — United Neighbors

Contact: Maria Pavlou Kalban email: mpkalban@gmail.com

SB 79 Implementaion Diagrams.pdf
2096K

Study of Los Angeles Implementation of SB 79

The C1 option allows 3-4 story height and 4-16 unit density in impacted areas. The state bill is silent on setbacks. This study shows that current minimum 15 ft front and rear setbacks and 5 ft side yard setbacks in no way prevent the state mandated height and density requirement. Reduction of setbacks is totally arbitrary. Allowing 15 foot setbacks create space for trees, lawns, and planting areas that support stormwater retention and carbon sequestration, while also contributing to energy savings and reducing the urban heat island effect.

Typical Single-family house

Option C1 Apartment Buildng
16 Units (floor 1 has 2-1 bed units in lieu of a 3 bedroom unit)
4 Stories (3 above parking)

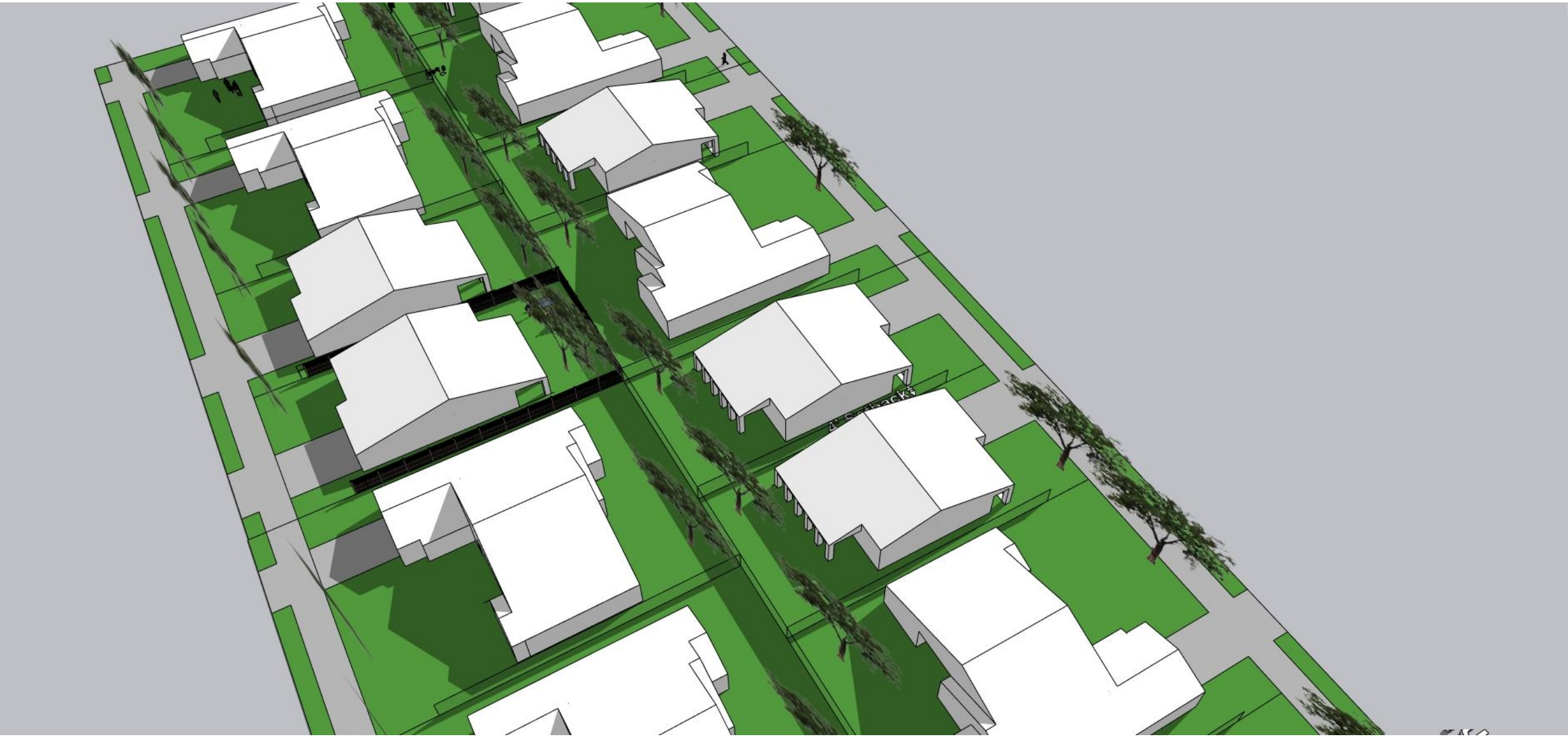
Option C1 Apartments
12 Units (16 with more 1BR & Studio units)
3 Stories (no parking)

Typical Single-family house

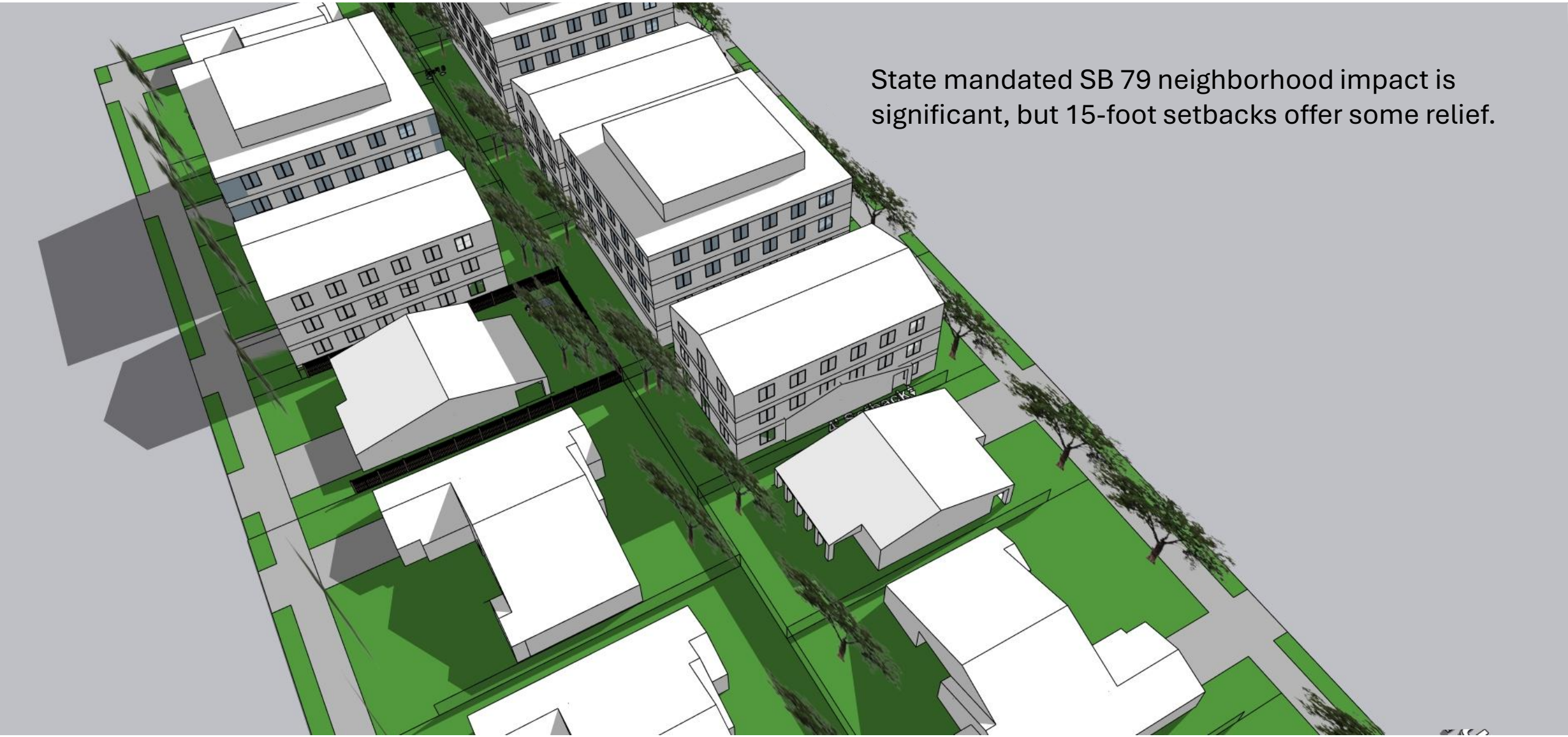
Study of 7500 Square Foot Lot

Study of a 5000 Square Foot Lot

Typical Neighborhood



Neighborhood, SB 79 Apartments with 15 Foot Setback.



State mandated SB 79 neighborhood impact is significant, but 15-foot setbacks offer some relief.

Neighborhood, SB 79 Apartments with 4 Foot Setback.

SB 79 neighborhood impact is unacceptable under LA Planning Department's arbitrary 4-foot rear yard setback.

Today’s Backyard

Tomorrow’s Backyard

Neighborhoods with the SB 79 overlay, under good economic conditions, will eventually become multi-family zones as single family lots will most likely sell to developers not to future homeowners.