DEPARTMENT OF CITY PLANNING
SUPPLEMENTAL RECOMMENDATION REPORT II

CITY PLANNING COMMISSION
DATE: January 8, 2015

TIME: After 8:30 a.m.*
PLACE: Board of Public Works Hearing Room
Room 350, City Hall
200 North Spring Street
Los Angeles, CA 90012

PROJECT: CPC-2010-3315-CA
CEQA: ENV-2014-0361-CE & ENV-2014-4821-CE
LOCATION: Citywide
COUNCIL DISTRICT: All
PLAN AREAS: All

SUMMARY: The proposed ordinance (Appendix A) amends Los Angeles Municipal Code (LAMC) Sections 12.03, 12.04, 12.22, 17.02, and 17.05 and adds a new Section 12.04.10 to establish the Master Planned Development (MPD) Zone as a new zone classification to facilitate the entitlement of master planned campus-like or otherwise unified and integrated development projects in the City of Los Angeles. A separate proposed ordinance (Appendix B) amends LAMC Section 12.22 to update citywide density bonus provisions in accordance with new State law, pursuant to Assembly Bill 2222.

RECOMMENDED ACTIONS:

1. **Adopt** the staff report as its report on the subject;
2. **Adopt** the findings in Attachments 1 (MPD Zone Ordinance) and 2 (Density Bonus Update Ordinance);
3. **Approve** Categorical Exemption (ENV-2014-0361-CE) as the CEQA clearance for the MPD ordinance in Attachment 3;
4. **Approve** Categorical Exemption (ENV-2014-4821-CE) as the CEQA clearance on the density bonus update ordinance in Attachment 4;
5. **Approve** the proposed ordinance in Appendix A and recommend its adoption by the City Council;
6. **Approve** the proposed ordinance in Appendix B and recommend its adoption by the City Council; and
7. **Adopt** the proposed Guidelines for Economic Studies in Appendix C

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ADVICE TO PUBLIC: *The exact time this report will be considered during the meeting is uncertain since there may be several other items on the agenda. Written communications may be mailed to the *Commission Secretariat, 200 North Spring Street, Room 532, Los Angeles, CA 90012* (Phone No. 213-978-1300). While all written communications are given to the Commission for consideration, the initial packets are sent the week prior to the Commission's meeting date. If you challenge these agenda items in court, you may be limited to raising only those issues you or someone else raised at the public hearing agendized herein, or in written correspondence on these matters delivered to this agency at or prior to the public hearing. As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability, and upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or other services may be provided upon request. To ensure availability of services, please make your request not later than three working days (72 hours) prior to the meeting by calling the Commission Secretariat at (213) 978-1300.

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SUMMARY

The Master Planned Development (MPD) Zone would provide an alternative entitlement route for very large, complex projects, which by the nature of their size and scope would benefit from master planning. The new tool allows evaluation of a project to focus on its merits instead of obscure Code provisions. The advantage of the proposed MPD Zone entitlement is that it provides for a more thorough method by which to assess major projects, generating a superior design. It also introduces an innovative value capture strategy not currently in the Code that requires an applicant to provide affordable housing in exchange for additional density and community benefits in exchange for additional nonresidential floor area. The new entitlement is a voluntary option the use of which should be encouraged because its inherent benefits to the community would be lost if applicants conclude the process is too burdensome and do not opt for it.

The proposed ordinance is a limited Code simplification fix that brings the City up-to-date on planned unit development provisions commonly available in other local jurisdictions. While the ordinance seizes an opportunity to create more affordable housing and community benefits, it does not and cannot correct all deficiencies in the current Zoning Code, which are more appropriately addressed by the comprehensive rewriting of the Code under **re:code LA**, the myriad of citywide affordable-housing related motions being tackled by the Departments of City Planning and Housing and Community Investment Housing Policy staff and the Mayor's upcoming Sustainability Plan.

As directed by the City Planning Commission on October 9, 2014, staff pursued additional feedback from the public and, as a result of those communications and in consultation with the City Attorney's Office, made a number of improvements to the proposed MPD ordinance (Appendix A), including:

- Added a required pre-application meeting with applicable City offices
- Added airports and ports as eligible projects
- Increased the minimum lot area from 3 to 5 acres
- Provided more details regarding the economic study
- Clarified that development in the Downtown Design Guide Project Area must comply with the Downtown Design Guide
- Required more affordable housing to be required of projects in exchange for density bonuses over 35 percent
- Required community benefits in exchange for nonresidential floor area bonus
- Clarified that the program yielding the most community benefits, including affordable housing, prevails

A separate ordinance (Appendix B) has been added to update the Code's density bonus provisions to reflect amendments in State density bonus law (Government Code Section 65915) pursuant to Assembly Bill 2222 and to require applicants to comply with regulations regarding vacating and demolishing rent-stabilized units.

In addition, proposed Guidelines for the Economic Study have been prepared for the Commission's consideration and are attached to this report (Appendix C).

BACKGROUND

On July 24, 2014, the City Planning Commission (CPC) considered the Department's Staff Recommendation Report on a proposed ordinance that would create the Master Planned Development (MPD) Zone as a new zoning classification. The CPC heard a staff presentation and testimony from five members of the public, discussed the ramifications of the ordinance among themselves, and directed a number of questions to staff. The Commission continued their consideration of the MPD Zone to October 9, 2014, requesting case studies, and stated that public comment would be reopened at that meeting.

On October 9, 2014, staff presented the Commission with the results of an in-depth review of 41 cases, including 36 upcoming and five selected past major projects. Based on the conclusions of the research, staff recommended a revised proposed ordinance to require that projects consist of at least three buildings in order to qualify for the MPD Zone. Research corroborated that the previous proposed minimum property size of 3 acres was appropriate and did not inordinately eliminate projects downtown, in Hollywood, or close to transit stops, as was postulated at the previous CPC meeting. The case studies revealed that projects on smaller properties typically are associated with less floor area or fewer dwelling units, or guest rooms. Therefore no change was proposed to the required minimum property size. Staff also submitted technical amendments to the ordinance regarding density bonuses and economic studies.

The City Planning Commission heard testimony from 17 people: three in support of the ordinance and 14 expressing concerns. In summary, the concerns were that the process of developing the ordinance did not sufficiently engage members of the community; the ordinance should do more to address the social and economic impacts of large projects on a community; and MPD Zone projects should be responsible for providing more affordable housing. Four letters were received, three of which also reflected the aforementioned concerns; one letter requested that land controlled by the Los Angeles World Airports or the Port of Los Angeles be eligible to apply for an MPD Zone. Copies of the public comment letters are provided in Appendix D.

At the end of the public testimony and following discussion among the Commission members, the Commission continued their consideration for three months in order to allow for additional community feedback, recommending that commenters offer specific suggestions as to how the ordinance could be improved.

STAFF RESPONSE

The proposed MPD Zone classification is intended as a tool to facilitate the processing of very large complex, campus-like or otherwise unified projects that, because of their

unique characteristics, may require a large number of zoning approvals to entitle a single project. A resulting MPD Zone might be thought of as an applicant-driven specific plan, limited to property under the applicant's control. The new zone should be applied judiciously and sparingly for selected major projects, not as a means for applicants of standard projects to circumvent current zoning or to compensate for the many deficiencies with the current Zoning Code, currently being comprehensively rewritten.

The subject ordinance represents a limited Code simplification fix that would also bring the City up-to-date with respect to planned unit development provisions, on par with numerous other local jurisdictions. The new entitlement route does not shorten the review process, which remains discretionary. Staff would review a Circulation, Landscape, Urban Design, Sustainability, and Site plans, a level of detail not required for projects being processed conventionally; an EIR, City Planning Commission hearing, and City Council approval still would be required. However, the new process would enable staff to focus on the project's merits rather than on the minutiae of navigating through obscure Code provisions. While staff-intensive and time-consuming, the MPD Zone process would result in better designed projects, thus benefitting the applicant, the community, and the City.

In addition, the subject ordinance charts new ground in value capture by requiring affordable housing in exchange for higher density, without treading into the prohibited territory of inclusionary zoning, and requiring community benefits in exchange for additional nonresidential floor area. This is an innovative strategy that does not currently exist. Over encumbering the MPD Zone process runs the risk of creating an entitlement that is theoretically meaningful but, in practical terms, would have no impact because applicants do not opt for it. If applicants elect to pursue projects by an "alphabet soup" list of requested entitlements instead of an MPD Zone, then increases in residential density or nonresidential floor area will occur without any affordable housing or community benefits requirement. This unintended consequence would be a loss for the community.

During the additional time allotted by the City Planning Commission, staff met with, and solicited feedback from, the following:

November 3rd	Update presentation to Los Angeles Chamber of Commerce.
November 4th	Keyser Marston Associates and HR&A Advisors, Inc. regarding economic study.
November 5th	Staff from Public Counsel, SAJE (Strategic Action for a Just Economy), and Little Tokyo Service Center representing their constituent organizations.
November 8th	Presentation to PlanCheckNC.
November 13th	Department of Housing and Community Investment.
December 11th	Staff from Public Counsel, SAJE, and Legal Aid Foundation of Los Angeles representing their constituent organizations.
December 15th	Department of Housing and Community Investment and Mayor's Office.

The following is a summary of suggested revisions to the ordinance:

- Require an economic study as an analog to the EIR, detailing the social and economic impact of every MPD Zone project, with a separate public review and public hearing prior to the public hearing on the project.
- Require a development agreement and provide community benefits for every MPD Zone project.
- The ordinance should maximize the provision of affordable housing.
- Prohibit projects that adversely affect existing small businesses or the existing supply of affordable housing.
- The ordinance should reflect recent amendments to State density bonus law.

Revisions Made to the MPD Zone Ordinance

Staff identified numerous areas of agreement on suggested revisions to the ordinance. Staff also consulted extensively with the City Attorney's office throughout the process and made decisions regarding revisions based on feedback received. The following changes are reflected in the revised draft MPD Zone ordinance (Appendix A):

- **Pre-application meeting.** A requirement for applicants to participate in a pre-application meeting with applicable City offices has been added.

- **Airports/Ports**. Property owned or under the control of Los Angeles World Airports or the Port of Los Angeles would be eligible for an MPD Zone, regardless of underlying zoning or location. Conditional uses pertaining to airports and joint public and private developments in the PF Zone have been added to the list of conditional uses that may be included as a permitted land use.

- **Minimum property size.** The minimum lot area has been increased from 3 to 5 acres. Based on information about upcoming projects reviewed in the October 9, 2014 Supplemental Recommendation Report, the revision in minimum lot size would have the effect of reducing the number of projects that qualify from 13 to 10. Department of City Planning staff concluded a more conservative approach is warranted for an as yet untried entitlement path. The minimum lot area can be revisited after Department staff becomes more experienced with MPD Zone processing.

- **Economic study**. More information regarding the purpose and process of the economic study has been added with guidelines to be set by the City Planning Commission. The economic study is to follow the same public review process and timing as the environmental review document for the project. The previous version of the proposed ordinance required an economic study in three situations: (1) projects that request the addition of residential units on property zoned for industrial use, (2) projects that request a density bonus, or (3) projects that request a development agreement. The attached ordinance has been

revised to require an economic study in four situations: (1) projects that request the addition of residential units on property zoned for industrial use, (2) projects that request a density bonus greater than 35 percent, (3) projects that request a nonresidential floor area bonus (floor area that exceeds the amount permitted by the prior height district or other land use regulation), or (4) projects that request a development agreement. The economic study for projects entailing a density bonus will be required only for projects requesting a bonus of over 35 percent, since bonuses up to and including 35 percent are regulated by State law. [In addition, the proposed "Guidelines for Economic Studies for Proposed Master Planned Development (MPD) Zones" has been attached for the City Planning Commission's review (Appendix C).]

- **Greater Downtown Housing Incentive Area.** The Zoning Code provides that land zoned R4, RAS4, R5, CR, C2, C4, and C5 in the Greater Downtown Housing Incentive Area does not have density limits and projects there are allotted floor area bonuses, instead of density bonuses, in exchange for affordable housing. In addition, the aforementioned land is subject to the Downtown Design Guide. A loophole in the proposed ordinance was eliminated that inadvertently excluded land zoned M and situated within the Greater Downtown Housing Incentive Area from the provisions of the ordinance.

- **"Q" Conditions/other density limitations.** A clause was added to the ordinance clarifying that "Q" conditions or other regulations establishing allowable density of a property determine its base zone.

- **Urban Design.** A statement has been added to clarify that development in the Downtown Design Guide Project Area, as defined in Code Section 12.03, must comply with the Downtown Design Guide.

- **Density bonus greater than 35 percent.** A clause was added to the ordinance requiring projects proposing a density bonus greater than 35 percent to provide more affordable housing, at increments equal to or greater than existing State affordable housing provisions. In explanation, the tables in Zoning Code Section 12.22-A,25(c), which are consistent with State law, allow a density increase of 1.5 percent, 2.5 percent, or one percent, up to a maximum 35 percent, for every one percent increase in Low Income, Very Low Income, or Moderate Income units, respectively. The proposed revision to the ordinance would require projects proposing density increases over 35 percent to provide affordable housing in accordance with, or exceeding, the aforementioned increment patterns, as if those tables were extended to include density bonuses between 36 and 100 percent. For example, a project providing at least 21 Low Income units would be entitled to a density bonus of 36.5 percent; a project providing at least 12 Very Low Income units would be entitled to a density bonus of 37.5 percent; and a project providing at least 41 Moderate Income units would be entitled to a density bonus of 36 percent. Whether the applicant is required to provide affordable housing matching or exceeding the pattern is left to the discretion of the decision

maker. Either way, the applicant would be required to provide more affordable housing than is currently dictated by the Zoning Code or State law.

- **Nonresidential floor area bonus.** A section was added that limits nonresidential floor area to the amount permitted by the prior height district or other land use regulations and allows a nonresidential floor area bonus in exchange for community benefits. Community benefits must be of a permanent nature that directly improve aesthetics or eliminate blight in the surrounding neighborhood and community. No community benefit credit would be given to measures that are otherwise required or environmental mitigation measures.

- **Community benefit incentives.** A provision was added to clarify that if a property is subject to any other community benefit incentive program, including affordable housing, the provisions resulting in the greatest community benefits prevail.

Other Requested Revisions to the MPD Zone Ordinance

The creation of this new zoning classification must tread a fine line between an entitlement process that is too attractive and overly used and one that is so burdensome that it is rarely, if ever, requested. As such, there were a number of suggested revisions to the ordinance that were not incorporated. While the intent of those suggestions was laudable, this ordinance has a narrow utility; in addition, some suggestions were not legally supportable. The MPD Zone classification should not establish legislation that is inconsistent with other existing Department of City Planning policies and cannot resolve citywide issues, which would be more effectively addressed by other means. Improving housing policy on a citywide basis is important work that requires the type of citywide approach that will be addressed by the Mayor's upcoming Sustainability Plan and interdepartmental work on approximately 10 citywide affordable housing-related motions. The MPD Zone is a significant and important step in addressing these issues.

New Ordinance Updating Citywide Density Bonus Provisions

A separate ordinance (Appendix B) is being proposed to update the Los Angeles Municipal Code's density bonus provisions to reflect amendments to State density bonus law (California Government Code Section 65915), pursuant to Assembly Bill 2222, which became effective January 1, 2015. The new State law's major change requires that projects requesting density bonuses that entail a loss of existing affordable or otherwise locally-regulated (i.e. rent-stabilized) housing units replace those units one-for one. It also extends the set-aside period from 30 to 55 years and expands the use of equity sharing in for-sale units. Applicants will also be required to comply with regulations regarding vacating and demolishing any rent-stabilized units and will be required to provide verification of compliance to the Los Angeles Housing and Community Investment Department.

Conclusions

Staff is confident that as revised, the proposed ordinance will more adequately serve the needs of the City. The revised proposed ordinance will add the MPD Zone as a new zoning classification that will allow customization of the Zoning Code's provisions for very large complex, campus-like or otherwise unified projects. In addition, the ordinance will imbed the provision of affordable housing with the granting of increased density and the provision of community benefits with the granting of increased nonresidential floor area in these projects. The customized standards will provide greater flexibility in design, clarity of entitlement, and a more coherent, predictable land use regulatory process that will benefit all of Los Angeles.

For reference, the required Findings of an MPD Zone would be as follows:

Site Plan Review Findings:

1. That the project is in substantial conformance with the purposes, intent and provisions of the General Plan, applicable community plan, and any applicable specific plan;
2. That the project consists of an arrangement of buildings and structures (including height, bulk and setbacks), off-street parking facilities, loading areas, lighting, landscaping, trash collection, and other such pertinent improvements, that is or will be compatible with existing and future development on adjacent properties and neighboring properties; and
3. That any residential project provides recreational and service amenities to improve habitability for its residents and minimize impacts on neighboring properties.

Zone Change Findings:

The Planning Commission may recommend and the City Council may adopt a land use ordinance, including a change to any zone, only after making findings that the action is consistent with the General Plan and is in conformity with public necessity, convenience, general welfare and good zoning practice.

APPENDICES

APPENDIX A

REVISED PROPOSED MASTER PLANNED DEVELOPMENT ORDINANCE

ORDINANCE NO. _____

A proposed ordinance amending Sections 12.03, 12.04, 12.04.10, 17.02, 17.05 of the Los Angeles Municipal Code to add the "MPD" Master Planned Development Zone (MPD) to enable innovative, master planned developments.

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

Section 1. The following terms in Section 12.03 of the Los Angeles Municipal Code are amended or added to read, alphabetically:

LOT. A parcel of land occupied or to be occupied by a use, building, or ~~unit~~ group of buildings and accessory buildings and uses, together with the yards, open spaces, lot width and lot area as are required by this Chapter and fronting for a distance of at least 20 feet upon a street as defined here, or upon a private street as defined in Article 8 of this Chapter. The width of an access-strip portion of a lot shall not be less than 20 feet at any point. In an approved residential planned development, master planned development, or small lot subdivision a lot need have only the street frontage or access as is provided on the recorded subdivision tract or parcel map for the development.

MASTER PLANNED DEVELOPMENT. Three or more buildings and appurtenant structures located and arranged in accordance with a Development Plan and Standards adopted pursuant to Section 12.04.10 of the Los Angeles Municipal Code, the "MPD" Master Planned Development Zone.

Sec. 2. Subsection A of Section 12.04 of the Los Angeles Municipal Code is amended to read:

A. In order to regulate the use of property, as provided for in this article, the City is divided into the following Zones:

1. OS Open Space Zone;
2. A1 Agricultural Zone;
3. A2 Agricultural Zone;
4. RA Suburban Zone;
5. RE Residential Zone;
6. RS Suburban Zone;
7. R1 One-Family Zone;
8. RU Residential Urban Zone;
9. RZ Residential Zero Side Yard Zone;

10. RW1 One-Family Residential Waterways Zone;
11. R2 Two-Family Zone;
12. RD Restricted Density Multiple Dwelling Zone;
13. RMP Mobile Home Park Zone;
14. RW2 Two-Family Residential Waterways Zone;
15. R3 Multiple Dwelling Zone;
16. RAS3 Residential/Accessory Services Zone;
17. R4 Multiple Dwelling Zone;
18. RAS4 Residential/Accessory Services Zone;
19. R5 Multiple Dwelling Zone;
20. P Automobile Parking Zone;
21. PB Parking Building Zone;
22. CR Limited Commercial Zone;
23. C1 Limited Commercial Zone;
24. C1.5 Limited Commercial Zone;
25. C2 Commercial Zone;
26. C4 Commercial Zone;
27. C5 Commercial Zone;
28. CM Commercial Manufacturing Zone;
29. MR1 Restricted Industrial Zone;
30. M1 Limited Industrial Zone;
31. MR2 Restricted Light Industrial Zone;
32. M2 Light Industrial Zone;
33. M3 Heavy Industrial Zone;
34. PF Public Facilities Zone; and
35. SL Ocean-Submerged Land Zone.

The order of restrictiveness of these zones, the first being the most restrictive and last being the least restrictive, is as follows:

OS, A1, A2, RA, RE, RS, R1, RU, RZ, RW1, R2, RD, RMP, RW2, R3, RAS3, R4, RAS4, R5, CR, C1, C1.5, C4, C2, C5, CM, MR1, M1, MR2, M2, M3 and PF.

There shall be the following Specific Plan Zones:

1. CCS Century City South Studio Zone;
2. CM (GM) Commercial Manufacturing (Glencoe/Maxella) Zone;
3. CW Central City West Specific Plan Zone;
4. WC Warner Center Specific Plan Zone;
5. ADP Alameda District Specific Plan Zone;
6. LASED Los Angeles Sports and Entertainment District Specific Plan Zone;
7. LAX Los Angeles International Airport Specific Plan Zone;
8. USC-1A University of Southern California University Park Campus Specific Plan Subarea 1A Zone;

9. USC-1B University of Southern California University Park Campus Specific Plan Subarea 1B Zone;
10. USC-2 University of Southern California University Park Campus Specific Plan Subarea 2 Zone; and
11. USC-3 University of Southern California University Park Campus Specific Plan Subarea 3 Zone.

In addition, there shall be the MPD Master Planned Development Zones.

B. The Zone symbols and the boundaries of these Zones are shown on the "**Zoning Map**" made up of separate map sheets and made a part of Article 2, Chapter 1 of the Los Angeles Municipal Code. The "**Zoning Map**" and all of the notations, references, and other information, shown on the map are as much a part of this article as if fully set forth here. The Zone symbols for lots within the Master Planned Development Zone shall be "MPD" followed by the numerical order in which each MPD Zone is enacted. Thus, the first MPD Zone shall be referred to as MPD1; the second MPD Zone shall be referred to as MPD2; the third MPD Zone shall be referred to as MPD3; and so on.

C. In order to regulate more adequately and restrict the height and floor area of buildings and structures, each lot shall include a height district designation, except for lots in the MPD Master Planned Development Zone, where the height and floor area of buildings and structures shall be regulated by the approved Development Plan and Standards established pursuant to Section 12.04.10 of this Code. Height district designations shall be numbered from 1 to 4, CRA 1 to 4, EZ 1 to 4, and CSA 1 to 4 and shall regulate the height or floor area of buildings and structures as provided in Sections 12.21.1, 12.21.2, 12.21.3, 12.21.4 and 12.21.5. The height districts and their boundaries are shown on the Zoning Map by a combination of zone symbols and height district number markings, *e.g.*, R2-1, C2-2, M1-3, C1-CRA1, MS-EZ2, C2-CSA3, etc. Where a lot is located in more than one height district, the applicable zone symbol designations shall be separated by a slash mark, *e.g.*, R2-CRA/CSA, C2-EZI/CRA2, etc. The symbol "HD" preceding height district number markings, when shown on the Zoning Map or used in a zoning ordinance, is an abbreviation for the words "height district" and refers to height districts. The height districts for the "CW" Zone are the height districts shown in Section 6 of the Central City West Specific Plan. The height districts for the "ADP" Zone are the height districts shown in Section 7 of the Alameda District Specific Plan. The height districts for the "WC" Zone are the height districts shown in Section 7 of the Warner Center Specific Plan. The height districts for the "LASED" Zone are the height districts shown in Section 10 of the Los Angeles Sports and Entertainment District Specific Plan. The height districts for the "USC-1A", "USC-1B", "USC-2" and "USC-3" Zones are the height districts shown in Section 7 of the University of Southern California University Park Campus Specific Plan.

Sec 3. A new Section 12.04.10 shall be added to the Los Angeles Municipal Code to read as follows:

SEC. 12.04.10 "MPD" MASTER PLANNED DEVELOPMENT ZONE

A. **Purpose.** The MPD Zone is intended to enhance the City's ability to better implement its General Plan through innovative, master planned developments that exhibit a higher level of quality and design than is possible through application of conventional zoning. The MPD Zone is intended to accommodate campus-like or otherwise unified and integrated developments. It may include any combination of residential, commercial, retail, industrial, recreational and institutional uses or open spaces that may be built in successive phases over a period of time.

B. **Submittal Requirements**. Prior to submittal, applicants must participate in a pre-application meeting to review the project with applicable City offices, such as, but not limited to, Bureau of Engineering, Department of Building and Safety, Department of Recreation and Parks, Department of Housing and Community Investment, and Department of City Planning. Applicants must file for a vesting change of zone to the MPD Zone in accordance with Section 12.32 of this Code. At the time an application is submitted and until the ordinance enacting the MPD Zone takes effect the entire proposed development site must be owned by a single owner or be under the control of a single entity. After this date individual parcels may be sold or transferred. A proposed Development Agreement may be submitted along with the application. All applications must comply with the following:

1. Eligible Zones and Areas. The existing zone or zones must be A, R, C, M, PF, P or PB not located within the Coastal Zone or a Hillside Area. In addition, regardless of underlying zoning or location, any property owned or under the control of the Port of Los Angeles or Los Angeles World Airports is eligible.

2. **Project Criteria.** Each proposed MPD Zone shall contain at least five acres of lot area before dedications. The total acreage shall include contiguous parcels of land which may only be separated by public streets, ways or alleys, or other physical features, or as set forth in the rules approved by the Director of Planning. Precise boundaries are required at the time of application. In addition, each proposed MPD Zone must include:

(a) 500,000 square feet or more of non-residential floor area; or

(b) Any combination of dwelling units and guest rooms that equals 500 or more; or

(c) 250,000 square feet or more of non-residential floor area and any combination of dwelling units and guest rooms that equals at least 250; or

(d) 20 acres or more of park or recreational facility open to the public.

3. **Development Plan and Standards and Phasing**. Each application must include a proposed Development Plan and Standards as set forth in Subsection C below. Developments that will be built in phases must include a proposed Phasing Plan as set forth in Subsection D below.

4. **Baseline Analysis**. Each application must include the following:

a) **Comparison Chart.** A chart that compares existing regulations applicable to the proposed development site and how they will be modified through the Development Plan and Standards. A narrative that explains the applicant's reasons for requesting these modifications must accompany the comparison chart.

b) **Setting Description.** A description of the setting on and surrounding the subject site, including existing land uses, massing, and streets.

c) **Related Projects.** A list and description of projects in the vicinity that are entitled but not yet built.

5. Economic Study. The City shall require an economic study if the proposed project entails:

a) The conversion of property zoned MR1, M1, MR2, M2, or M3 to a project containing a residential use; or

b) A density bonus greater than 35 percent; or

c) A nonresidential floor area bonus; or

d) A a Development Agreement.

The economic study shall contain information based on guidelines set by the City Planning Commission, to be prepared for the City by a consultant retained by the applicant and selected from a list of consultants approved by the Department of City Planning. The preparation and public review of the economic study shall follow the same review process and timing as the environmental review documents for the project.

C. **Development Plan and Standards.** An ordinance creating an MPD Zone shall include a Development Plan and Standards that includes the following, as applicable:

1. **Land Uses**.

a) Proposed permitted land uses. These may include the following uses that would otherwise be subject to Section 12.24 of this Code: airports or heliports in connection with an airport, auditoriums, stadiums, and arenas; childcare

facilities; educational institutions, including schools; golf course facilities; hospitals; hotels; houses of worship; joint public and private development uses in the PF Zone; motion picture and television studios; and research and development centers. All other uses or activities listed under Section 12.24 of this Code may be approved pursuant to a separate conditional use permit or similar quasi-judicial process pursuant to the procedures provided under Section 12.24.

a) The number of dwelling units, joint living and work quarters and guest rooms, if any. Notwithstanding Section 12.05-A, 16 of this Code, up to five employees may work in joint living and work quarters.

2. **Height and Floor Area**. The maximum floor area for the development and the height and massing of each proposed building and structure, including existing buildings and structures.

3. Circulation Plan. A comprehensive circulation plan including transportation demand management, mobility enhancement and trip reduction measures; the location, dimensions, and number of vehicular and bicycle parking spaces; loading areas; internal circulation ways; and driveways and access.

4. **Landscape Plan.** A comprehensive landscape plan that shows all open space areas, paved and landscaped areas, passageways, trees and tree canopies, fences, walls, and lighting.

5. **Urban Design Plan**. A comprehensive urban design plan. At a minimum the development must comply with the City Planning Commission's policy concerning its most recently updated Citywide Design Guidelines, adopted July 11, 2013, and any subsequent amendments thereto. Development in the Downtown Design Guide Project Area, as defined in Section 12.03 of this Code, must comply with the Downtown Design Guide.

6. **Sustainability Plan**. A comprehensive sustainability plan for reducing the development's energy and water usage and otherwise minimizing its impacts on the natural environment.

7. **Site Plan**. A detailed site plan with elevations drawn to scale and renderings that graphically and visually depicts the proposed development. The site plan must show the location of all streets, blocks and passageways; the location of proposed land uses; and the location of all lots, including their width and area.

D. Phasing Plan. Developments may be built in successive phases, so long as Council adopts by ordinance a Phasing Plan. Each phase in a phased development must include its pro rata share of public and private improvements, such as any restricted affordable units, required parking facilities, publicly or privately accessible open space or other design features that may be required as part of the adopted

Development Plan and Standards or Development Agreement. The approved Phasing Plan must describe the projects to be built in each phase and identify the order in which all phases will be developed.

E. Residential Uses and Density Bonus . Except for developments on property zoned R4, RAS4, R5, CR, C2, C4, and C5 that may be regulated by Section 12.22-A, 29 of this Code concerning a floor area bonus for the Greater Downtown Housing Incentive Area, residential uses shall be regulated through a minimum lot area per dwelling unit standard and the following provisions:

1. A, R and C Zones

The residential density in the MPD Zone is limited to the density permitted by the prior A, R, or C zoning, inclusive of any "Q" Qualified Classification or other regulations establishing allowable density, unless the applicant also requests a density bonus as permitted by state law and further regulated by Section 12.22-A,25 of this Code. A density bonus may be approved as part of the Development Plan and Standards The Code deviations contained within the MPD Zone shall constitute the incentives and modifications that are awarded as part of a density bonus. Thus, after an MPD Zone is approved, the property is no longer eligible for any additional density bonuses, incentives, or development standard waivers. The percentage of restricted affordable units shall be consistent with the requirements set forth in Section 12.22 A, 25 (c) of this Code. For applications requesting a greater than 35 percent density bonus the percentage of restricted affordable units per percentage density bonus shall be calculated to match or exceed the increment patterns contained in Section 12.22 A, 25(c): a density increase of 1.5 percent, 2.5 percent, or one percent for every one percent increase in Low Income, Very Low Income, or Moderate Income units, respectively. For example, a project providing at least 21 Low Income units would be entitled to a density bonus of 36.5 percent; a project providing at least 12 Very Low Income units would be entitled to a density bonus of 37.5 percent; and a project providing at least 41 Moderate Income units would be entitled to a density bonus of 36 percent. The decision maker shall determine whether the density bonus increment shall match or exceed these patterns.

2. M, PF, P and PB Zones

Dwelling units may be approved for those portions of the development site zoned M, PF, P or PB at the time of application, subject to the RD, R3, or R4 Zone minimum lot area per dwelling unit standard set forth in Sections 12.09.1, 12.10, and 12.11 of this Code, respectively. It is the City's policy to retain industrial land for job producing uses, wherever viable or appropriate. Use of industrial land for uses that are not job producing may be approved only if the there is no net loss of existing nonresidential floor area on the site. The floor area of nonresidential uses shall be considered existing if it was present on the site as of January 8, 2015. The decision-maker shall set the base density corresponding to the RD,

R3, or R4 Zones based on the General Plan's vision for the site and its vicinity, expected environmental impacts, existing neighborhood land use patterns, adjoining uses, and the density of any proximal residential uses. Any increase in residential density greater than that permitted by the RD, R3, or R4 Zones, respectively, may only be approved if the applicant requests a density bonus, as set forth in Subdivision 1 above of this Subsection.

3. Location of Dwelling Units

Permitted dwelling units may be located on any portion of the MPD Zone, as set forth in the Development Plan and Standards.

F. Non-Residential Floor Area Bonus.

1. The maximum allowable non-residential floor area in the MPD Zone is limited to the floor area permitted by the prior zoning, inclusive of any "D" Development Limitation or other regulation establishing maximum allowable floor area, unless the applicant requests a non-residential floor area bonus, pursuant to this Subsection. Non-residential floor area shall mean any floor area that does not include dwelling units. The decision-maker's approval of a non-residential floor area bonus shall include a requirement that the applicant provide community benefits such as mobility or traffic safety enhancements, streetscape and lighting improvements, sidewalk widening and landscaping, undergrounding of utilities, original art murals and public art installations, public parking structures, façade improvements, publicly accessible open space, parks and recreational facilities, or other community benefits of a permanent nature that directly improve aesthetics or eliminate blight in the surrounding neighborhood and community.

2. No credit for community benefits shall be granted for measures otherwise required by other provisions of this Code or other land use regulations governing development of the proposed site.

3. No credit for community benefits shall be granted for required environmental mitigation measures.

4. The Development Plan and Standards shall define the boundaries of the area where community benefits must be provided. The MPD Zone must be located in this defined area.

5. The ordinance establishing the MPD Zone shall designate the City department that will oversee and administer the community benefits and set forth administrative procedures and fees.

G. Findings. In order to approve an MPD Zone the Council must make the findings for proposed land use ordinances set forth in Section 12.32 of this Code and the site plan review findings set forth in Section 16.05 F of this Code.

H. General Plan Consistency. An MPD Zone shall be consistent with the General Plan. If an MPD Zone includes land uses that are not consistent with the General Plan, then an amendment to the General Plan must be processed and approved pursuant to Section 11.5.6 of this Code in order for the City Council to approve the MPD Zone.

I. Implementation Procedures. The following procedures shall apply in order for building permits to be issued within an MPD Zone:

1. Administrative Clearance. The Director may grant an administrative clearance if a proposed single-phased project substantially complies with the Development Plan and Standards. An administrative clearance is a ministerial approval that only requires the Director's sign-off.

2. **Phased Developments.** The Director may grant a Project Permit Compliance pursuant to Section 11.5.7-C of this Code if a proposed phase substantially complies with the Development Plan and Standards and Phasing Plan. The Project Permit Compliance may be modified pursuant to Section 11.5.7-D of this Code.

If the Director determines that a proposed project or phase does not substantially comply with the Development Plan and Standards or, if applicable, the Phasing Plan, then the development shall not be approved unless the Council first amends by ordinance the Development Plan and Standards or, if applicable, the Phasing Plan.

J. Covenant. Prior to the issuance of the Director's sign-off or a Project Permit Compliance, as set forth in Subsection G above, a covenant shall be recorded in the County Recorder's Office to run with the land and be binding on any subsequent owners, heirs or assignees acknowledging and agreeing to comply with the approved Development Plan and Standards and the provision of the pro rata share of public and private improvements (including parking facilities, restricted affordable housing, and community benefits) corresponding to the approved Phasing Plan. The agreement, with the plans and standards attached, shall be submitted to the Planning Department for approval prior to being recorded. After recordation, a certified copy bearing the County Recorder's number and date shall be provided to the Planning Department for attachment to the subject case file.

K. Relationship to Other Zoning Regulations. An MPD Zone may differ from all zoning regulations, except as set forth below:

1. **Specific Plans.** If a proposed MPD Zone does not conform to an adopted specific plan, then it may not be approved unless the specific plan is

amended to ensure that the MPD Zone and the specific plan are consistent. Otherwise, all provisions in the Specific Plan including Design Review Boards shall govern.

2. **Historic Preservation.** The regulations included in this Code concerning historic preservation overlay zones and historic-cultural monuments shall govern and may not be amended through the MPD Zone.

3. **Signage.** The sign regulations included in this Code shall govern and may not be amended through the MPD Zone. Exceptions from the Code's sign regulations may be granted following the Code's procedures governing signs.

4. **Subdivisions.** The development site may be further subdivided pursuant to the Code's tract and parcel map regulations.

5. **Adult Entertainment.** The adult entertainment regulations set forth in Section 12.70 of this Code shall govern and be enforced based on the zoning in effect prior to the zone change to the MPD Zone.

6. **Community Benefit Incentives.** If an MPD Zone is proposed for a site subject to a community benefit incentive program, including affordable housing, contained in a specific plan, community plan, community plan implementation overlay (CPIO), transit neighborhood plan, transit-oriented district (TOD) or any other land use tool, the provisions resulting in the greatest community benefits shall prevail.

Where the above regulations are silent, an MPD Zone governs.

L. Exempt Procedures. MPD Zones are exempt from the following procedures:

1. **Site Plan Review**. Approvals pursuant to Section 16.05.

2. **Mini-Shopping Centers and Commercial Corner Development**. Approvals pursuant to Sections 12.22 A 23 and 12.24 W 27.

3. "**Major" Development Projects**. Approvals pursuant to Section 12.24 U 14.

4. **Density Bonus for a Housing Development Project in which the density increase is greater than the maximum permitted in Section 12.22-A, 25.** Approvals pursuant to Section 12.24-U, 26.

5. **Other procedures as set forth in the approved Development Plan and Standards**.

M. Relief. Notwithstanding the provisions of Sections 12.24, 12.27, 12.28 or any other section of this Code, no relief shall be granted from the development plan and

standards of an adopted MPD Zone, except that modifications to an adopted MPD Zone may be granted pursuant to the same procedures required to establish a new MPD Zone.

Sec. 4. The following terms in Section 17.02 of the Los Angeles Municipal Code are amended or added to read, alphabetically:

MASTER PLANNED DEVELOPMENT. Three or more buildings and appurtenant structures located and arranged in accordance with a Development Plan and Standards adopted pursuant to Section 12.04.10 of the Los Angeles Municipal Code, the "MPD" Master Planned Development Zone.

Sec. 5. Subsection H of Section 17.05 of the Los Angeles Municipal Code is amended to read:

H. Lot Size. Every lot shall have a minimum width and area to comply with the requirements as specified in Article 2 of this chapter for the zone in which the lot is located, provided, however, that every lot located in a "C" Commercial Zone and for which no minimum width is specified in said article shall have a minimum width of 40 feet. All lots in a residential planned development shall comply with the standard residential conditions of Sec. 13.04 of this Code, and the conditions of approval of the development provisions established by ordinance per Section 13.04 of this Code. All lots zoned MPD Master Planned Development Zone shall comply with the provisions set forth in Section 12.04.10 of this Code and the adopted Development Plan and Standards and adopted Phasing Plan, if applicable.

APPENDIX B

PROPOSED DENSITY BONUS UPDATE ORDINANCE

ORDINANCE NO. _____

A proposed ordinance amending Section 12.22 of the Los Angeles Municipal Code to update density bonus provisions in accordance with Government Code Sections 65915.

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

Section 1. Subparagraphs (2) and (3) of Paragraph (h) of Subdivision 25 of Subsection A of Section 12.22 of the Los Angeles Municipal Code are amended to read:

(2) For any Housing Development Project qualifying for a Density Bonus and that contains rental housing for Low or Very Low Income households, a covenant acceptable to the Los Angeles Housing and Community Investment Department shall be recorded with the Los Angeles County Recorder, guaranteeing that the affordability criteria will be observed for at least 55 years from the issuance of the Certificate of Occupancy or a longer period of time if required by the construction or mortgage financing assistance program, mortgage assistance program, or rental subsidy program.

(3) For any Housing Development Project qualifying for a Density Bonus and that contains for-sale housing for Very Low, Low or Moderate Income households, a covenant acceptable to the Housing and Community Investment Department and consistent with the for-sale equity sharing requirements of California Government Code Section 65915(c)(2) shall be recorded with the Los Angeles County Recorder.

Section 2. A new Paragraph (k) shall be added to Section 12.22 A-25 of the Los Angeles Municipal Code to read:

(k) **Replacement Housing.** An applicant shall be ineligible for a density bonus or any other incentives under this section unless the housing development meets the applicable replacement housing provisions of State Government Code Section 65915 (c) (3). Furthermore, if the property is subject to the City's Rent Stabilization Ordinance ("RSO"), in order to legally demolish the existing project (if subject to the RSO), the applicant must expressly acknowledge and agree that (1) they must first comply with any and all applicable provisions of the RSO necessary to vacate the existing project and (2) they shall not seek to demolish the existing project until the Los Angeles Housing and Community Investment Department has verified that any and all applicable requirements necessary to legally vacate have been met.

APPENDIX C

PROPOSED ECONOMIC STUDY GUIDELINES

CITY PLANNING COMMISSION GUIDELINES FOR ECONOMIC STUDIES FOR PROPOSED MASTER PLANNED DEVELOPMENT (MPD) ZONES

GENERAL

WHEN AN ECONOMIC STUDY IS REQUIRED

An economic study shall be required when the following significant departures from standard provisions are proposed as part of an MPD Zone project:

- Residential units on industrial-zoned land,
- A density bonus exceeding 35 percent,
- Nonresidential floor area bonus, or
- A development agreement exempting an approved project from future changes in the Zoning Code for a limited period to allow time for construction.

PURPOSE

The purpose of the economic study is to assist in the evaluation and shaping of the proposed development. More specifically, the economic study will serve to answer the following questions:

1. **Residential units on industrial-zoned land**
    a. Is the subject property viable and suitable for industrial use now or in the future?
    b. Will the introduction of housing to the site adversely impact industrial uses in the vicinity?
    c. What, if any, jobs will be lost?
    d. Are there other trade-offs to introducing housing to the site?

2. **Density bonus exceeding 35 percent**
    a. What is the enhanced value of the property that would result from the additional market-rate units and other related concessions proposed by the applicant?
    b. How many affordable housing units, and at what level of affordability, can the enhanced value subsidize?

3. **Nonresidential floor area bonus**
    a. What is the enhanced value of the property that would result from the additional nonresidential floor area?
    b. What community benefits can the enhanced value subsidize?

4. **Development agreement**
    a. Given the nature of the project, what type of community benefits would be appropriate?
    b. What dollar value of community benefits is justifiable?

CONSULTANTS & FEES

The economic study shall be prepared by a consultant whose name appears on the Department of City Planning's list of consultants approved to prepare economic studies. The Department of City Planning reserves the right to select the consultant used. The Department of City Planning shall be the consultant's client, and the submitted economic study shall be the property of the City of Los Angeles and prepared to its satisfaction. Consultant's fees for preparing the study are to be paid directly to the consultant by the applicant.

PROCESS

The preparation and public review of the economic study shall follow the same review process and timing as the environmental review documents for the same project.

CONTENT REQUIREMENTS

RESIDENTIAL UNITS ON INDUSTRIAL-ZONED LAND

The economic study for a project proposing residential units on industrial-zoned land shall include the following:

- Existing improvements on the site, including associated businesses and jobs.
- Existing and known future improvements in the relevant vicinity, including associated existing and known future businesses and jobs.
- Description of the proposed project, including proposed affordable housing and related jobs.
- Economic impact of the project, including land value enhancement and any adverse impacts resulting from the project.

DENSITY BONUSES EXCEEDING 35 PERCENT

The economic study for a project proposing a density bonus of greater than 35 percent shall include the following:

- Existing improvements on the property, including rental housing details disclosing the following types of units (currently or within the previous five years) subject to replacement, pursuant to California Government Code Section 65915:
    - Units with recorded covenants restricting rents to levels affordable to households of lower or very low income,
    - Units subject to rent stabilization, and
    - Units occupied by lower or very low income households.

- Relevant existing development rights on the subject property.
- Description of the proposed project, including proposed affordable housing and any proposed concessions that are in addition to the request for increased density.
- The land value enhancement resulting from the density bonus and any incentives to assist in determining the affordable housing requirement.

NONRESIDENTIAL FLOOR AREA BONUS

The economic study for a project proposing nonresidential floor area exceeding the amount permitted by the prior height district or other land use regulation shall include the following:

- Existing improvements on the property, including floor area by uses.
- Relevant existing development rights on the subject property.
- Description of the proposed project.
- The land value enhancement resulting from the nonresidential floor area bonus.

DEVELOPMENT AGREEMENTS

The economic study for a project proposing a development agreement shall include the following:

- Description of the proposed project and timing of phasing and build-out.
- Economic impact of the proposed project, including land value enhancement resulting from the project.
- Identification of appropriate community benefits.

APPENDIX D

PUBLIC COMMENT LETTERS

Los Angeles
World Airports

September 30, 2014

President Renee Dake Wilson, AIA
Los Angeles City Planning Commission
City Hall Room 272
200 North Spring Street
Los Angeles, CA 90012

Re: Master Planned Development (MPD) Ordinance (CPC-2010-3315-CA)

Dear President Wilson and members of the Planning Commission:

Los Angeles World Airports (LAWA) is pleased to write in support of the Master Planned Development (MPD) Ordinance and ask that the language in the proposed ordinance be expanded to include city-controlled land and facilities that serve as global points of entry and commerce. LAWA is a proprietary department of the City of Los Angeles that owns and operates Los Angeles International Airport, LA/Ontario International Airport, Van Nuys Airport, and has future plans to develop Palmdale Regional Airport (PMD). Aviation is a critical contributor to the regional economy with more than 1 in every 20 jobs in Southern California attributed directly or indirectly to activity at the region's airports.

The proposed ordinance will provide flexibility and innovation in developing large sites throughout Los Angeles. It will provide a thoughtful and understandable path both for proposing and evaluating large projects. If this ordinance is amended to include ports and airports and subsequently approved, it will provide the economic engines of the City greater ability to bring innovative projects forward, create jobs and pursue public-private partnerships.

This ordinance may be particular useful in LAWA's pursuit of its ground transportation project that will construct an automated people mover (APM) system connecting the LAX central terminal area (CTA) to a new intermodal transportation facility (ITF), a new 96th Street station on the Metro Crenshaw Line, and a consolidated rent-a-car (ConRAC) center. Within this project exist opportunities for collateral development and public-private partnerships.

The current archaic and cumbersome zoning code can sometimes serve as an inhibitor to progress on LAWA projects and economic activity at the airport. We look forward to continuing to work with Department of City Planning staff and your commission to address these challenges and bring solutions such as this proposed ordinance forward. If you have any questions regarding these comments or if LAWA can provide any information that will be beneficial to your planning efforts, please do not hesitate to contact Christopher Koontz on my staff at (424) 646-8808.

Thank you,

Lisa Trifiletti

Lisa Trifiletti
Director, Environmental and Land Use Planning

LT:CK:al

October 6, 2014

Los Angeles City Planning Commission
President Renee Dake Wilson
Vice President Dana Perlman
Commissioner Robert L. Ahn
Commissioner David H. Ambroz
Commissioner Maria Cabildo
Commissioner Caroline Choe
Commissioner Richard Katz
Commissioner John W. Mack
Commissioner Marta Segura

Re: Master Planned Development Zone, CPC-2010-3315-CA

Dear City Planning Commissioners,

We write to express deep concerns with the proposed Master Planned Development Zone (MPD) ordinance under your review at the October 9, 2014 meeting of the City Planning Commission. **We request that you strongly consider our comments below and do not approve the proposed Master Planned Development Zone ordinance.**

In a very short time, numerous community- and faith-based groups, non-profit organizations, affordable housing developers and concerned residents have come together to raise the alarm on this proposed ordinance because it stands in direct contrast to the principles of planning we have held and practiced for decades; principles we thought were shared by the City Planning Department. Unfortunately, the ordinance as drafted would put low-income communities, communities of color, renters, homeowners and small businesses at risk, by failing to account for its impact on the process of public participation, the environment, and the economic well-being of local residents. Moreover, the lack of any attempt to consult with community groups – those listed here and, undoubtedly, many others – leaves us gravely disappointed in the City's intentions to meaningfully engage communities around legislation as significant as the one proposed here.

The signatories listed below have worked in neighborhoods all over the city for many years – some have devoted very significant amounts of time and resources – on issues and opportunities of planning and land use development. Community initiatives have included the Community Plan updates and Community Plan Implementation Overlays; Specific Plans covering areas such as the LA Sports and Entertainment District, Cornfields Arroyo Seco Specific Plan area and the University of Southern California University Park Campus; the Housing Element; the Plan for a Healthy LA; the Mobility Element; and countless individual projects and ordinances. In each case, we have sought to meaningfully incorporate the concerns and suggestions of local residents as well as to uplift the principles and practices of planning that support the health and well-being of communities and the environment. And many of us were pleased to participate in the recent

Equity Day hosted by your Commission, which successfully highlighted many of these same principles and practices we feel are violated by the MPD.

The Master Planned Development Zone ordinance would govern the approval process for projects that are the largest and most impactful to communities. For this reason, we are very troubled by what is being proposed and present the following comments:

I. A severe lack of community consultation in the drafting of the proposed MPD ordinance.

As mentioned above, there are many community-based and faith-based organizations throughout the city of Los Angeles who work with, serve and organize local community residents, often those who are most at risk of being impacted by land use decisions. Further, numerous community organizations across dozens of neighborhoods engage directly with the City Planning Department concerning land use decisions on a regular basis. Yet, the public outreach conducted for this significant citywide ordinance was primarily to members of the business and development communities. As stated in the Staff Report from July 24, 2014, presentations about the MPD were made to the Valley Industry and Commerce Association, the Central City Association and the Los Angeles Chamber of Commerce. The sole group with ties to communities that received a presentation was the PlanCheckNC. It is a severe disappointment that more consultation with community groups was not sought by the City and it raises into question the Staff Report's statements on the ordinance's impact on local communities.

II. The MPD grants a "blank slate" for the largest projects and allows for the streamlining of approvals, therein threatening to cause or worsen displacement, and harm the health of residents and the environment.

The MPD pertains to "very large complex, campus-like or otherwise unified projects" – in other words, the projects with the greatest potential impact on communities and the environment. The ordinance strives to streamline these projects, but does not balance the streamlining with safeguards for communities. Projects qualifying for the MPD designation are only required to meet certain size and land use type requirements; they are not required to engage in any activities that would serve to protect the health of economic well-being of residents who live near the proposed project. The largest projects in the city should address directly the issues of displacement that are so frequently catalyzed by major developments.

III. A tragic lack of protections against displacement that will undoubtedly be exacerbated by the very large projects that meet the criteria for MPD designation.

As mentioned above, the very large projects contemplated by the MPD ordinance are the types of projects that have the greatest impact on gentrification and displacement, either through the direct displacement or through the resulting changes in land values, housing costs and cost of living. These impacts need to be addressed in consideration of projects of all size, but especially projects that would meet the MPD criteria of 3 acres of lot area with at least 3 buildings, plus "500,000 square feet or more of non-residential floor area, or any combination of dwelling units and guest rooms that equals 500 or more; or 250,000 square feet of non-residential floor area and

any combination of dwelling units and guest rooms that equals at least 250." We know from years of on-the-ground experience that projects of these sizes are catalytic to processes that lead to the displacement of low-income renters, homeless residents, community-serving small businesses and other community-serving institutions. The MPD ordinance does not address this issue at all.

IV. Public participation for the largest projects may be diminished as a result of the MPD.

Participation by the public, especially local community members, is of utmost importance in the consideration of very large projects, such as those that would meet the criteria for an MPD zone designation. The ordinance and staff reports address directly the ways in which the approval process will be streamlined for developers. It does not sufficiently address the concern that with streamlining often comes a diminishing of opportunities for civic participation in the planning process.

V. The Economic Study mentioned in the MPD would be required of projects under some conditions, yet so few details are described that it renders meaningless this provision.

Understanding the economic impact of major development projects could be helpful to understanding the threats and opportunities for local residents, businesses and institutions. Yet, the MPD only requires the Economic Study for some projects and provides no details related to what would be required to be studied. This is yet another example of an incomplete element in the MPD ordinance which calls for its rejection.

VI. The MPD could undermine Community Plans, Community Plan updates and Community Plan Implementation Overlays, thus rendering meaningless the many years and thousands of hours of work the City and community groups have contributed to those processes.

While the MPD specifies that projects located within Specific Plan areas would be required to abide by regulations set forth in the Specific Plan, there are no similar explanations for Community Plans or Community Plan Implementation Overlays. For years, community groups have contributed – often very deeply – to Community Plan update processes from presentations of detailed community visions and plans to specific recommendations for land use policies that would best serve the needs and best utilize the assets of the local community. It appears that an MPD designation could nullify such work through the provision of a "blank planning slate" for major development projects.

VII. The process to include public benefits, such as affordable housing, are inadequate for assessing the appropriate value and quantity of such benefits.

The MPD ordinance would allow very large projects to receive zone changes – such as industrial to commercial – and changes in the base floor area ratio (FAR) and other favorable changes to development standards governing projects eligible for MPD zone status. Each of these changes is significant and bestows value to developers of these projects, a fact that is not fully accounted for in the ordinance. There is no process to assess changes in land or property values that result from

these changes and therefore the public could stand to lose substantial value that is created by these public actions. Given the aforementioned impacts that very large projects have on communities – especially low-income residents and residents of color – the City cannot afford to lose public benefits, such as those that would help prevent displacement or create affordable housing.

VIII. **The creation of a new zoning designation by the MPD is inappropriate given the re:Code LA process is conducting a comprehensive review of the City's zoning.**

To much acclaim, the City of Los Angeles is undergoing a comprehensive review of its Zoning Code, a process referred to as re:Code LA. It is, therefore, surprising that the City would devote resources to creating an entirely new zone, when it is concurrently and simultaneously dedicating significant resources to clean-up, streamline, and clarify an already complex array of zones and regulations in furtherance of creating a more cohesive City Zoning Code. Furthermore, whereas re:Code LA has a large advisory body consisting of a stakeholders from various sectors, the process to create the MPD draft ordinance has involved only business representatives and a small group of Neighborhood Council members.

IX. Covenants imposed upon phased projects under the MPD would have no specified enforcement mechanisms.

The MPD requires that phased projects record a covenant outlining the required elements of the project, including public benefits. The ordinance does not explain how those covenants would be monitored and enforced.

X. The creation of the MPD ordinance contradicts the City Planning Department's assertions regarding the lack of funds to create or implement new citywide ordinances.

For the last several years, community-based organizations have been calling for a citywide ordinance that would incentivize equitable development while preventing displacement and other harmful impacts of new development. This call for a citywide approach to ensuring equitable development has largely been inspired by the fact that many community-based organizations have individually been advocating for very similar policies to be included in Specific Plans and Community Plan updates impacting their neighborhoods. Clearly, neighborhoods across the City are experiencing similar development pressures and risks of displacement that could be more effectively and efficiently addressed on a citywide level. Unfortunately, the City Planning Department has repeatedly claimed there is a lack of funds to create any new citywide ordinance. It is, therefore, a surprise to see that the City has now identified funds to create a citywide ordinance governing large-scale development, but again fails to include adequate provision to ensure community benefits, equitable development, and to prevent displacement of existing communities.

Once again, a citywide ordinance that changes regulations for the very largest projects should not be created with so many incomplete elements, severe loopholes, and without meaningful engagement with community groups and local residents. We urge the Commission to not move forward with the MPD ordinance in light of the concerns mentioned herein. We ask the

Commission to make meaningful, community-engaged planning a central tenet for how it conducts business and consequently, to not move forward with approval of the MPD ordinance for the reasons articulated herein. Thank you for your time and consideration. On behalf of the organizations signed-on below, we express our interest in engaging with you – the Commission – as well as with Department of City Planning staff to further effective and equitable strategies to plan for large-scale development projects in the City of Los Angeles.

Respectfully,

A Community of Friends

Asian Pacific Islander Obesity Prevention Alliance

Community Development Technologies Center (CDTech)

Esperanza Community Housing Corporation

Inquilinos Unidos

Koreatown Immigrant Workers Alliance (KIWA)

LA Human Right to Housing Collective

LA-Más

Little Tokyo Services Center

People Organized for Westside Renewal (POWER)

Physicians for Social Responsibility-LA

Southeast Asian Community Alliance

St. Agnes Church

St. Francis Center

Strategic Actions for a Just Economy (SAJE)

Tenemos que Reclamar y Unidos Salvar la Tierra-South LA (T.R.U.S.T. South LA)

Thai Community Development Center

Venice Community Housing Corporation

Women Organizing Resources, Knowledge and Services (WORKS)

THE PUBLIC INTEREST LAW OFFICE OF THE LOS ANGELES COUNTY AND BEVERLY HILLS BAR ASSOCIATIONS
The Southern California Affiliate of The Lawyers' Committee for Civil Rights Under Law

October 6, 2014

Los Angeles City Planning Commission
President Renee Dake Wilson
Vice President Dana Perlman
Commissioner Robert L. Ahn
Commissioner David H. Ambroz
Commissioner Maria Cabildo
Commissioner Caroline Choe
Commissioner Richard Katz
Commissioner John W. Mack
Commissioner Marta Segura

Re: Master Planned Development Zone, CPC-2010-3315-CA

Dear Planning Commissioners,

Public Counsel writes today to express grave concerns in connection with the proposed Master Planned Development Zone ("MPD") ordinance.

Founded in 1970, Public Counsel addresses civil rights issues affecting thousands of people through direct legal services, impact litigation, and policy advocacy. Our Community Development Project has extensive expertise in local land use and affordable housing policy. We have been engaged in a number of initiatives that the proposed MPD ordinance implicates, including the development of major new incentive-based housing policies, like the specific plan recently enacted in the Cornfields, the development of the City's Housing Element, Density Bonus Ordinance, Plan for a Healthy LA, Re-Code LA process, and many other significant land use and housing initiatives. We are now closely working with the UNIDAD Coalition on the South and Southeast LA Community Plan updates. We also facilitate the Los Angeles Preservation Working Group, a collaboration of intergovernmental and nonprofit organizations striving to monitor and preserve our City's subsidized housing stock, and we are a founding member of the Alliance for Community Transit-LA (ACT-LA), a coalition of organizations striving to create just, equitable, sustainable transit systems and neighborhoods for *all* people in Los Angeles. And we recently worked to amend State Density Bonus Law to eliminate the incentives in that ordinance to destroy existing affordable housing.

In all of this work, we have joined with the City of Los Angeles to build mechanisms for equity to be considered part and parcel with land use policy, and not separately or as an afterthought. Unfortunately,

the MPD ordinance threatens to undermine a number of these mechanisms, and effectively deprioritizes equity. For these reasons and the more detailed concerns set forth below, we cannot support it.

I. Process Concerns – Unacceptable Level of Community Input

Affirmative public outreach in connection with this ordinance appears to have been done through presentations, as early as April of this year, to Valley Industry and Commerce, Central City Association, and the LA Chamber of Commerce. (Staff Report, pg10). Unfortunately, while affirmative outreach was made to these business interests, the same courtesy does not appear to have been extended to the affordable housing community, community organizations and other representatives from communities that will be most affected by this proposal. This is extremely disappointing. Groups are now grappling to understand the impacts of this proposal without sufficient time to provide meaningful community input. Yet the projects that would qualify to create their own MPD zone are among the largest projects in the City, with the greatest potential to both help and harm communities. It is unacceptable to have this insufficient level of community input in connection with a proposal of this magnitude.

On August 14, 2014, this Commission made a dramatic stride towards achieving equity in planning on the City's first ever Equity Day. Together, we all confirmed that true equity requires a comprehensive, not a piecemeal approach—an equity first approach. One of the primary takeaways of that day was that achieving equity requires meaningful community input. Input that incorporates voices of those traditionally and historically left out of the planning process. Unfortunately, the MPD process, thus far, misses that basic benchmark.

II. The MPD Ordinance Fails To Ensure Major Developments Are Given Meaningful Evaluation

The City proposes through the MPD to consolidate entitlement requests and reduce the number of findings required for large-scale projects. And in describing the benefits of the MPD ordinance, the staff report promises "affordable housing, economic development, enhanced employment, and compatibility with surrounding community," stating that an MPD is highly desirable "if done well." Yet, there are no real tools proposed to ensure the promised "benefits" will be realized and that an MPD project will be evaluated such that it actually will be "done well." As drafted, the only actual guarantee if this MPD ordinance moves forward is that major development projects will essentially be able to create their own zone, without a corresponding mechanism to evaluate the impacts of establishing such a zone.

For example, the ordinance references an "Economic Study," but inexplicably restricts the types of projects that would trigger this requirement. Moreover, the ordinance fails to articulate *even one* piece of information that would be included in the Economic Study. Likewise, as drafted, a project's "Development Plan and Standards" requires information regarding landscape and urban design, but fails to require any evaluation of the potential for displacement of residents from affordable housing or the impact on jobs and small businesses.

MPD projects will not exist in a vacuum. Without tools to assess MPD impacts on surrounding communities and account for the characteristics of existing neighborhoods, it will perpetuate bad planning.

III. Without A Process for Meaningful Evaluation, the MPD Ordinance Undermines A Fundamental Pillar of Equitable Planning: Meaningful Community Engagement

Community members cannot effectively participate in development decisions without tools to understand what is being proposed for their neighborhoods. The MPD ordinance would give developers the freedom to propose and create a uniquely customized set of land use standards, but would rob the community of even the minimum tools needed to evaluate and consider the impacts of such a proposal. Just as one example, the absence of any clear mechanism to consider and address displacement effectively shuts community concerns out of the process. As such, the MPD ordinance severely undercuts principles of informed community engagement.

IV. As Drafted, the MPD Ordinance Contains Significant Loopholes To Achieving Affordable Housing and Will Undermine the Density Bonus

The approach to affordable housing in the MPD ordinance is too little, too late. The MPD nominally integrates the existing density bonus provisions of Section 12.22 A. 25, such that if a developer requires additional density, he or she may request the additional density and provide a minimum set aside of 5% affordable housing. Unfortunately, there are too many loopholes to give any confidence that the MPD will result in the promised affordable housing, as described below. And, it also appears that a value judgment has been made, without any level of real community input, that the minimum levels of affordability provided by Section 12.22 are appropriate.

A. Major Development Projects May Not Be Incentivized To Provide Even The Minimum Set Aside Required by Density Bonus Law But Will Still Benefit from Special Zoning

Notably, standing in sharp contrast to the level of analysis done, for example, in connection with the Cornfields Arroyo, there does not appear to be any analysis demonstrating that the MPD will actually incentivize creation of affordable housing. Indeed, there is no guarantee that, as currently proposed, any development project will actually use the density bonus and provide affordable housing[1]. Generally, unless a developer actually needs an increase from the base density previously existing on a site, no affordable housing is expected to be provided. Yet, the developer will still get the benefits of this "special tool to facilitate entitlements". Staff Report, pg4.

B. Why Should the Minimum Density Bonus Percentages be the Baseline? State Density Bonus Law Is A Floor, Not A Ceiling.

It also seems both unfortunate, and a missed opportunity, that in the context of major development projects in which developers are being given "special" zoning accommodations, the one offered provision related to affordable housing is that which already exists in the City code. We must ask ourselves why, on major development projects, the minimum density bonus percentages are being used as the standard. At its core, the MPD ordinance is being promoted as a tool to better respond to the unique complexities of

[1] We have not seen any analysis to indicate that such zone changes will be necessary. Therefore, the City has not shown that the MPD's affordable housing program will actually achieve the promised benefit of creating new affordable housing.

extremely large projects. But despite the Staff Report repeatedly stressing the need to adjust certain procedures to better match the scale of MPD projects, affordable housing procedures are not enhanced. Instead, the MPD ordinance inexplicably applies only the minimum density bonus provisions to residential projects.[2] We are very concerned with this inconsistency and disappointed that in the midst of a deepening affordable housing crisis, the City is considering an ordinance that fails to create enhanced affordable housing incentives for major projects. It raises a host of unintended consequences and is a missed opportunity.

C. Industrial Base Density Undermines Density Bonus

When originally presented to the Planning Commission on July 24, 2014, the draft MPD ordinance established that dwelling units may be approved for those portions of the development site currently zoned industrial, subject to a base density of the R3 zone minimum lot area. Any increases in residential density above R3 were described as being permitted only with the use of a density bonus. Since then, the MPD ordinance has been revised to grant the decision-maker the discretion to set the base density for an industrial conversion at the higher R4 density. It is unclear whether any MPD project would ever seek a density bonus if automatically granted a change from industrial to R4. By permitting a higher base density for industrial conversions, the MPD ordinance would dramatically increase the residential density permitted on a site without any affordability component, thereby undermining the density bonus ordinance in violation of the General Plan's Housing Element.[3] Starting with such a high base density for industrial conversions is also inconsistent with the Industrial Land Use Policy Staff Directive, which calls for the inclusion of community benefits—including affordable housing—in projects that involve an industrial conversion.[4]

D. Density Bonus Fails to Incorporate Assessment of Affordable Housing Destroyed to Build Project

In the event that an MPD project does elect to use a density bonus, the ordinance fails to ensure that the result will be an increase in affordable housing on site. As drafted, nothing in the ordinance would prevent an MPD project from receiving a density incentive even if the project demolishes more affordable housing than it creates under the minimum density bonus set aside. A recently enacted state bill—AB 2222—closes this loophole in the state density bonus law. The MPD ordinance does not reflect this change, nor does it assure that MPD projects will not result in a net loss of affordable housing on the site. The MPD also fails to establish policy priorities that ensure not just no net loss, but a net gain—which is

[2] While the ordinance states that a greater than 35% density bonus may be approved, this is merely declaratory of existing state law. See, Cal. Gov. Code 65915(n) ("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…").

[3] City of Los Angeles Housing Element, Program 73 ("When building envelopes are increased, take care not to undermine the density bonus program."); Program 101 ("Take care to not undermine the density bonus program by providing significant land-use incentives without an affordable housing provision.")

[4] January 3, 2008 Memorandum from Gail Goldberg, Director of Planning and Cecilia Estolano, Chief Executive Officer, Community Redevelopment Agency, to Department of City Planning Staff and Community Redevelopment Agency Staff, re: staff direction regarding industrial land use and potential conversion to residential or other uses, (hereafter, "ILUP Staff Directive"), 8.

the only way our City has a chance at attempting to meet the dire need for affordable housing for our residents.

V. The MPD Ordinance Lacks Any Tools to Address and Prevent the Displacement Effects Caused by Large-Scale Development Projects.

There is no question that the "very large complex, campus-like" projects that would qualify for an MPD zone have enormous potential to cause the displacement of low-income residents and community-serving small businesses—either by physical destruction of existing housing or as a result of the rising housing prices and retail rents that so often accompany large-scale investment. Yet the MPD ordinance proposes to reduce the number of findings required for such projects, effectively streamlining the process for these projects, while simultaneously offering no meaningful tool to evaluate and prevent displacement. Again, the ordinance references an Economic Study without actually building in the criteria to evaluate the impacts of these large-scale catalytic projects. This is especially disappointing as it is being considered just weeks after the Planning Commission recommended approval of the Plan for a Healthy Los Angeles, a groundbreaking planning initiative requiring explicit recognition of the negative health consequences of displacement and elevating community stability as a fundamental public health goal. The Plan for a Healthy LA calls strongly for evaluating and mitigating the potential for displacement caused by large-scale investment and development. The MPD ordinance as proposed is patently inconsistent with this directive.

VI. The MPD Ordinance Undermines Geographic-Specific Affordable Housing Incentives and Causes Confusion

After the July 24, 2014 Planning Commission hearing, the MPD ordinance was amended to clarify that MPD projects in the Greater Downtown Housing Incentive Area are still subject to downtown floor area bonus provisions. But the MPD was not amended to address other existing or future geographic-specific affordable housing incentive programs—leaving its impact on those programs uncertain at best.

Specifically, the City has enacted geographic-specific enhanced density bonus programs in the Cornfields Arroyo Seco Specific Plan ("CASP"), and the City has proposed an enhanced density bonus program in the new South and Southeast LA Community Plan Implementation Overlays (CPIOs).

We hope that the language in Section J means that the CASP density bonus program will not be overridden or undermined. ("If a proposed MPD Zone does not conform to an adopted specific plan, then it may not be approved unless the specific plan is amended to ensure that the MPD Zone and the specific plan are consistent"). However, the language in Section J does not clearly establish how CASP incentives will not be overridden simply by a developer requesting an amendment to the Specific Plan. Also, it is unclear under what situations a proposed MPD will be interpreted such that it does not conform to an adopted specific plan. CASP has been touted as a model for planning citywide, yet there appears to be a great risk that its provisions may be undermined by this MPD.

Furthermore, the ordinance does not contain any language to ensure that the enhanced affordable housing incentives in the CPIOs or other future land use tools will not be overridden or undermined by MPD projects. Thus, as drafted, the MPD ordinance threatens to undermine significant community-driven

efforts to create effective and responsive housing incentives. In our city, land use tools to promote the production and preservation of affordable housing are absolutely crucial. We cannot afford to reverse the gains we have made in effectuating geographic-specific land use tools that promote growth *and* affordability. Unfortunately, the MPD ordinance represents just such a reversal.

VII. The MPD Ordinance's Piecemeal Approach to Citywide Planning Will Limit the City's Ability to Achieve Comprehensive Affordable Housing Policy

The MPD ordinance creates a completely new zoning program for large-scale projects in isolation from the on-going comprehensive Re:code process. By piecemealing a citywide zoning initiative in this way, **we believe that the MPD ordinance will have dire unintended consequences on the City's ability to adopt meaningful affordable housing production and preservation policies in the future.**

In short, establishing the MPD ordinance now will make it more difficult for the City to strengthen its affordable housing incentives program as it applies to major developments citywide. It will set an inadvertent baseline regarding City policy, without meaningful input or discussion as to whether such a baseline is appropriate, and in a manner inconsistent with the City's Housing Element. Rather than strengthening the density bonus program, per Program 54 of the Housing Element, it undermines the density bonus (thereby contravening the requirement in Program 101 not to undermine the density bonus). Rather than "creating affordable housing requirements for projects that receive benefits from the City," per Program 8 of the Housing Element, it allows developers to bypass requirements and still receive special zoning consideration.

The MPDs also offer no protections for existing affordable and rent-controlled housing, actually incentivizing destruction of such homes by prioritizing these types of projects without any protections against displacement.

VIII. Inconsistent with Value Capture

On Equity Day, Professor Nico Calavita recognized that a meaningful value capture strategy starts with a comprehensive land value analysis. Without this, the MPD sets the stage for developers to profit from a "special" process for massive projects without a commensurate return in public benefit. This piecemeal approach is not just confusing. It stands in stark contrast to the vision of comprehensive value recapture strategy that we discussed and embraced on Equity Day.

IX. The MPD Ordinance Fails to Achieve Consistency with the City's Industrial Land Use Policy

Despite language providing for "no net loss of existing non-residential floor area," the MPD ordinance falls short of being consistent with the City's Industrial Land Use Policy (ILUP). The MPD ordinance does not incorporate or reference the ILUP. While the Staff Report does, a Staff Report is not an enforceable city ordinance. As outlined above, the ordinance would allow the conversion of industrial zoned land to residential use at a much higher base density, without any affordability component. This runs counter to the ILUP and Staff Directive, which unequivocally call for industrial-to-residential conversions to include a series of community benefits, including on-site affordable housing.[5] By failing to reference the ILUP and by offering significant density to industrial conversion projects without a corresponding affordability component, the MPD ordinance clearly undermines the ILUP.

X. Conclusion

The MPD Ordinance represents a piecemeal approach that effectively front loads major development projects without adequate engagement or evaluation. It threatens to undermine our many years of work incorporating meaningful protections and incentives for affordable housing into City land use policy, and it conflicts with the Plan for a Healthy LA. By piecemealing major projects and applying different rules to those projects, the MPD also represents a lost opportunity to set meaningful baseline equity standards that assure all residents of Los Angeles can benefit from a healthier LA. Given the detailed concerns raised herein, we cannot support this MPD Ordinance.

The Staff Report acknowledges that there are existing mechanisms to deal with major projects already in place (specific plans, multiple approvals). For that and the many other reasons discussed above, there is no reason for you to act today on this Ordinance, and we urge you not to approve it. Instead of moving this problematic ordinance forward, we urge you to facilitate more conversations with community organizations and jointly work to focus on strategies that support both equity and growth – consistent with the call to action we all heard on Equity Day.

Very truly yours,

Shashi Hanuman
Directing Attorney, Comm. Devlpt. Project
Public Counsel

4852-1412-7647, v. 4

[5] ILUP Staff Directive, 8.

October 9, 2014

Los Angeles City Planning Commission
President Renee Dake Wilson
Vice President Dana Perlman
Commissioner Robert L. Ahn
Commissioner David H. Ambroz
Commissioner Maria Cabildo
Commissioner Caroline Choe
Commissioner Richard Katz
Commissioner John W. Mack
Commissioner Marta Segura

Re: Master Planned Development Zone, CPC-2010-3315-CA

Dear Planning Commissioners,

We, the undersigned, write simply to express our full support for the letter submitted by A Community of Friends et al. strongly urging you to not approve the proposed Master Planned Development Zone ordinance

Sincerely,

All Peoples Community Center

Los Angeles Community Action Network

December 9, 2014

Los Angeles City Planning Commission
President David H. Ambroz
Vice President Renee Dake Wilson
Commissioner Dana Perlman
Commissioner Robert L. Ahn
Commissioner Maria Cabildo
Commissioner Caroline Choe
Commissioner Richard Katz
Commissioner John W. Mack
Commissioner Marta Segura

Re: Master Planned Development Zone, CPC-2010-3315-CA
Community Recommendations

Dear Honorable Planning Commissioners,

We submit this letter as an update to the Planning Commission on the progress made between the community organizations signed on to this letter and the Department of City Planning (DCP) regarding the Proposed Master Planned Development Zone (MPD) Ordinance. We hold that planning for projects of the greatest scale and impact to our communities should be done in the most comprehensive manner possible, which is why community-based organizations have responded in short time to the proposed ordinance.

First and foremost, we want to express our gratitude to the Commission for recognizing the need for dialogue between staff and community- and faith-based groups, non-profit organizations, and affordable housing developers. On November 5, 2014, we met with DCP staff. During this meeting, we presented DCP staff with a chart outlining our main concerns with the Proposed MPD Ordinance as currently drafted and articulated specific ways we believe these concerns could be addressed.

We want to emphasize, however, that our organizations seriously question the appropriateness of an MPD Ordinance as the tool for regulating and processing what are intended to be the largest projects in the City of LA. We believe further serious thought and time is necessary to determine how best to ensure that large-scale development happens both efficiently and responsibly. The complexity of issues raised in our discussions with DCP and with various stakeholders highlight the need for more time to consider the best way to plan for major projects. Additionally, there are various policymaking processes currently underway that could inform any citywide effort to plan for major development projects. These include the Re:Code LA process and various motions from City Council directing the Housing and Community Investment Department (HCID) and the DCP to provide reports back to the Housing Committee of City Council on issues of direct relevance to this proposed ordinance.

For these reasons, we call upon the City Planning Commission to avoid piecemeal planning and not rush the MPD ordinance before considering its relationship to other major initiatives in a comprehensive manner.

That said, we also understand that at the present time what is before us to comment on is the proposed MPD Ordinance. Therefore, while our overall concerns with moving forward with any MPD ordinance remain, this letter is intended as a status update and largely reflects a summary of our communication with DCP Staff concerning the language of the ordinance as currently drafted. Six critical concerns with the Proposed MPD Ordinance are outlined for you below, and have been previously presented to staff.

We ask the Commission to not move the MPD ordinance forward until each of these concerns is addressed and reflected in the revised ordinance.

Integrate Meaningful Community Benefits & Process

The Proposed MPD Ordinance lacks a mechanism for ensuring meaningful community benefits are included in **all** MPD projects. This is a missed opportunity for the City to implement real value capture policy. MPD developments are, by definition, the largest projects in the City, and as such, will have the greatest impacts on the communities they come into. Therefore, a provision for meaningful community benefits – and a meaningful community input process – is a necessary component. These baseline community benefits should be the starting point for all MPD projects, and should not limit or restrict any additional benefits or mitigation measures that may be determined to be appropriate for individual projects.

All MPD projects, given the size, impact and discretionary nature of the approval, should be required to utilize a Development Agreement.[1] All MPD projects should also be subject to a clearly established and meaningful community input process. Finally, given the significant impacts and value associated with an MPD project, there should be a more substantial affordability component built into the ordinance. Referencing already-existing density bonus law is not sufficient. There are a number of forms such an affordability provision can take. We have included a list of potential approaches below and are interested in exploring which ones would be most appropriate in this context, in addition to ways in which community input can be formally integrated into project review. Many of our organizations have significant experience drafting policies and provisions related to these approaches and we are interested in working with staff to explore which ones would be most appropriate in this context.

- On-site affordable housing requirement for all MPD projects that include a direct financial contribution or any other forms of assistance specified in Chapter 4.3 of Division 1 of Title 7 of the Government Code, including any concessions that

[1] See, e.g., the Santa Monica LUCE, where projects of a certain size are required to enter into Development Agreements.

result in identifiable, financially sufficient and actual cost reductions.[2]

- Affordable Housing Benefit Fee[3]
- Menu of benefits – in addition to universal affordability provision

We have clearly expressed to DCP Staff, and we wish to reiterate here, that the inclusion of a baseline provision of meaningful community benefits is an absolute necessity from our perspective. Although we outline additional concerns with the existing framework below, any changes and amendments that address the following concerns *must* also be paired with a strong vehicle for meaningful community benefits.

Require Economic Study for All MPD Projects

The Proposed MPD Ordinance would require an Economic Study in three limited situations: 1) where the developer requests a Development Agreement; 2) where the developer seeks a Density Bonus; and 3) where the development involves conversion from Industrially-zoned property to the new, proposed MPD zone. As stated above, MPD projects are by definition the largest developments in the City, and thus, will create some level of economic impact on the surrounding neighborhood and market. It is the sheer size and magnitude of an MPD Project - not some other factor like use of a density bonus or a Development Agreement - that brings about the need for a meaningful analysis of economic impacts. Thus, the Economic Study should be a required component of **all** MPD project applications.

We also expressed our concern with the lack of specifics or direction concerning the Economic Study provision. Staff indicated that they are currently working on Draft Guidelines that would spell out in greater detail the contents, procedure and process for evaluating an Economic Study. Staff invited us to provide recommendations for these Guidelines. After several conversations with our community partners, we then carefully drafted and submitted to Staff a detailed memorandum on November 21, 2014. This memo includes specific recommendations regarding the Economic Study Guidelines, and further articulates our other major concerns. (*see* Attachment A). The provisions included in Attachment A should be incorporated into the Economic Study Guidelines and govern the contents of the Study.

To ensure no MPD project will contribute to significant displacement pressure, the City Planning Commission should hold a public hearing, with proper notice, to consider and discuss the Economic Study and the project, and to permit the project applicants, Economic Study consultants and the public to comment on the Economic Study and the proposed project. This hearing should be held prior to any hearing in which the City Planning Commission makes a recommendation. An MPD project may not be approved unless the

[2] Any on-site requirement could be drafted, as proposed above, to fit squarely within the Costa Hawkins exception. See Cal. Civ. Code 1954.52(b).

[3] The 2011 Affordable Housing Benefit Fee Study, commissioned and underwritten by the City of Los Angeles and prepared by Economic Roundtable could serve as the basis for such a fee program.

City can make certain findings,[4] on the basis of the Economic Study and any other available information in the public record. Possible required findings include the following:

a. The MPD will not adversely affect the City's small businesses;
b. The MPD will result in a net gain of housing affordable to and occupied by lower-income households on site; and
c. The MPD will not adversely affect the supply of housing units that are affordable to or occupied by lower-income households within the Impact Area.

Prevent Displacement of lower income households and community serving businesses

MPD projects have enormous potential for displacement of lower income residents. This includes the physical destruction of affordable housing on-site, as well as catalyzing the displacement of lower-income residents in the surrounding community. Likewise, MPD projects threaten the economic displacement of community serving small businesses and important cultural and community assets. This potential is neither acknowledged nor addressed in the current draft. In fact, the draft MPD ordinance actually requires a developer to submit certain sub-plans - including a Circulation Plan and a Landscape Plan - as part of the Development Plan and Standards, and yet there is absolutely no requirement to meaningfully account for any displacement impacts. At a minimum, a developer should submit a comprehensive plan that identifies specific strategies to mitigate or eliminate the physical and/or economic displacement of lower-income residents, small businesses and employment opportunities, both on-site and in the surrounding neighborhood. All MPD projects, not just those that utilize a density bonus, should result in no-net-loss of affordable housing.[5]

Protect Quality Jobs

The potential loss of quality industrial jobs as a result of an MPD zone change is not adequately addressed in the current proposed MPD Ordinance. Currently, the Ordinance states that "[i]t is the City's policy to retain industrial land for job producing uses wherever viable or appropriate. Use of industrial land for uses that are not job producing may be approved only if there is no net loss of existing nonresidential floor area on the site."[6] While we support this general policy, we do not think this language is comprehensive enough. We raised this issue with DCP but it remained unresolved at our meeting. After continued thought and analysis we believe the most appropriate solution

[4] We believe that an Economic Study should be a meaningful tool to evaluate the impacts of projects and ensure that only those projects that benefit the community will be eligible. To this end, we would like to continue discussing the ability to establish findings that the City would make on the basis of the Economic Study.

[5] Specifically, we urge the City to consider options to apply the replacement framework contained in AB 2222 to all large-scale projects that result in a zone change.

[6] October 9, 2014 Department of City Planning Supplemental Recommendation Report, Project CPC-2010-3315-CA, A-7.

would be to eliminate industrial conversions altogether as eligible for an MPD zone change. This recommendation would then eliminate the need to address our fifth – and next – concern below.

Avoid Undermining the Density Bonus in Industrial Conversion Projects

While we support incentivizing use of the Density Bonus Ordinance for industrial conversion projects, there are serious challenges with implementing such a policy within the proposed MPD framework. Most problematic is that, as currently drafted, the MPD ordinance grants the decision-maker the discretion to set the base density for an industrial conversion at R4 density.[7] It is unlikely that any MPD project would ever seek a density bonus if automatically granted a change from industrial to R4. By permitting a higher base density for industrial conversions, the MPD ordinance would dramatically increase the residential density permitted on a site without any affordability component, thereby undermining the Density Bonus Ordinance. This plainly violates the General Plan's Housing Element.[8] Starting with such a high base density for industrial conversions is also inconsistent with the Industrial Land Use Policy Staff Directive, which calls for the inclusion of community benefits—including affordable housing—in projects that involve an industrial conversion.[9]

If industrial conversion projects are included in the MPD ordinance, they should be subject to a base density, and increases in density should be achieved through compliance with state density bonus law. But this will simply not work if the base density is set at R4. While elimination of the R4 base density option could potentially address this concern, as articulated above, there are other reasons (i.e., the need to adequately protect quality industrial jobs) supporting the elimination of industrial conversions altogether from MPD zone changes. Therefore, a more comprehensive solution to both concerns would be to remove industrially zoned land as eligible for an MPD zone change.

Relationship to Other Zoning Regulations

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[7] When originally presented to the Planning Commission on July 24, 2014, the draft MPD ordinance did not allow a base R4 density. Instead, it established that dwelling units may be approved for those portions of the development site currently zoned industrial, subject to a base density of the R3 zone minimum lot area. Any increases in residential density above R3 were described as being permitted only with the use of a density bonus. Since then, the MPD ordinance was revised to grant the decision-maker the discretion to set the base density for an industrial conversion at the higher R4 density. It is unclear why this change was made. But as described above, the change contravenes the intent behind setting a base density for industrial conversion projects and improperly undermines the state and local density bonus program.

[8] City of Los Angeles Housing Element, Program 73 ("When building envelopes are increased, take care not to undermine the density bonus program."); Program 101 ("Take care to not undermine the density bonus program by providing significant land-use incentives without an affordable housing provision.")

[9] January 3, 2008 Memorandum from Gail Goldberg, Director of Planning and Cecilia Estolano, Chief Executive Officer, Community Redevelopment Agency, to Department of City Planning Staff and Community Redevelopment Agency Staff, re: staff direction regarding industrial land use and potential conversion to residential or other uses, 8.

Absent a citywide policy on affordable housing, communities have successfully advocated for affordable housing policies in various land use planning documents governing development in the City. Recognizing past – and the likelihood of future – efforts to ensure production of affordable housing in communities throughout Los Angeles, it is critical that the Proposed MPD Ordinance enhances rather than undermines such policies. Therefore, if an MPD project is proposed on a site (or sites) that is subject to any affordable housing incentive programs contained in any Specific Plan, Community Plan, Community Plan Implementation Overlay, Transit Neighborhood/Station Area Plan, any Citywide TOD ordinance or other land use tool, the provisions resulting in the greatest number of affordable housing units at the deepest level of affordability shall prevail.

We look forward to continuing to work with DCP staff to ensure that the City's policies protect and benefit the communities most impacted by large-scale development projects. **Again, we ask the Commission to not move the MPD ordinance forward until each of these concerns is addressed and reflected in the revised ordinance.**

Sincerely,

All Peoples Community Center

Asian Pacific Islander Obesity Prevention Alliance

Community Development Technologies Center (CDTech)

Esperanza Community Housing Corporation

Inquilinos Unidos

Koreatown Immigrant Workers Alliance (KIWA)

LA Human Right to Housing Collective

LA-Mas

Little Tokyo Service Center

Los Angeles Community Action Network

People Organized for Westside Renewal (POWER)

Physicians for Social Responsibility-LA

Public Counsel

St. Agnes Church

St. Francis Center

Southeast Asian Community Alliance

Southern California Association of Non-Profit Housing (SCANPH)

Strategic Actions for a Just Economy (SAJE)

Tenemos que Reclamar y Unidos Salvar la Tierra-South LA (T.R.U.S.T. South LA)

Thai Community Development Center

Venice Community Housing Corporation

Women Organizing Resources, Knowledge and Services (WORKS)

ATTACHMENT A

Proposed CPC Guidelines

City of Los Angeles Guidelines for the Preparation and Review of an Economic Study for Master Planned Development Applications

1. Purpose of the Economic Study

The Los Angeles City Planning Commission hereby establishes this policy and procedure for the preparation, review and use of an Economic Study for applications for a Master Planned Development zone. The purpose of the Economic Study is to provide a thorough evaluation of the economic and social consequences of the proposed project. Such evaluation, together with all other available information in the public record, including information received before or at a public hearing, is intended to help the decision-making body, local residents and community stakeholders to assess whether a proposed MPD project will benefit or adversely affect the City's economic viability and the social health and welfare of [the Impact Area, defined as a three mile radius around the proposed site.]

Economic Studies may also be used as appropriate by the City Council, the City Planning Commission, and City Staff to assist in the negotiation and consideration of development agreements and/or direct assistance for eligible projects.

2. Covered Projects

All applicants for a Master Planned Development zone, as defined in Section 12.03 of the Los Angeles Municipal Code, must prepare and submit an Economic Study to the City for consideration in accordance with Section 12.04.10.B.5 of the Los Angeles Municipal Code.

3. Costs and Preparation of Economic Study

Applicants for an MPD zone shall be responsible for all costs associated with the preparation, administration and processing of the Economic Study, including the cost of consulting services, noticing, and any subsequent analysis required by the City. Consultants preparing Economic Studies must be designated or approved by the City Planning Commission.

4. Contents of the Economic Study

Economic Studies must analyze and discuss each of the following factors in sufficient detail to assist City officials, local residents and bodies responsible for project review and entitlement determinations in assessing whether the proposed MPD project, after consideration of all economic benefits and costs, will materially benefit or adversely affect the City's economic viability and the social health and welfare of the Impact

Area, defined as a three mile radius around the proposed site.

For each factor listed below, the Economic Study should analyze project impacts within a three mile radius for a five year period from the date of application. Economic Studies may analyze and discuss, in addition to the following factors, any additional factors or information an applicant deems important or relevant for a meaningful assessment of the project's economic impact.

d. The economic impacts, including increased land values on site or within the defined Impact Area, resulting from any proposed change of allowed uses or intensity of uses permitted on the site;

e. For the conversion of property zoned MR1, M1, MR2, M2, or M3 to a project containing residential use, consistency with the underlying policies and applicable provisions of the City's Industrial Land Use Policy, including those provisions included in the 2008 Memorandum and Staff Directive concerning Community Benefits;

f. Whether the proposed project would require the demolition of housing, or any other action or change that results in a decrease of housing on site that is affordable to or occupied by Extremely Low-, Very Low-, or Low-income households. For purposes of determining this impact, the applicant must identify whether the site includes housing units that are, or if the dwelling units have been vacated or demolished in the five-year period preceding the application, have been: (1) subject to a recorded covenant, ordinance or law that restricts rents to levels affordable to persons and families of Extremely Low-, Very Low-, or Low-income; (2) subject to any other form of rent or price control; or (3) occupied by Extremely Low-, Very Low-, or Low-income households.

g. Whether the proposed project would contribute to a decrease in housing units affordable to or occupied by lower-income residents on site or in the defined Impact Area, or otherwise result in the physical or economic displacement of any lower-income residents on site or in the defined Impact Area. For purposes of determining this impact, the applicant must undertake a market analysis of existing housing stock and potential revaluations or other displacement pressures to which the proposed project would contribute.

h. Whether the proposed project would contribute to a decrease in the number of businesses or the affordability of commercial space or otherwise result in the physical or economic displacement of any businesses on-site or in the defined Impact Area, specifying the nature of any resulting displacement;

i. Whether the proposed project would result in the destruction or demolition of, or strain the capacity of any park or other green space, playground, childcare facility or community center;

j. Whether the proposed project would displace jobs on the site or provide economic revitalization and/or job creation. For purposes of determining this impact, the applicant must identify (i) the number, sector, and type of jobs

displaced and created, including construction related, permanent, part-time and full-time; (ii) whether the proposed project will result in significantly increased or decreased permanent part-time jobs (35 hours or less per week) or permanent full-time jobs (more than 35 hours per week) compared to applicable local or regional employment projections; (iii) estimated employee wages, benefits and employer contributions, compared with relevant data for the City of Los Angeles, such as living wages established in the Los Angeles Municipal Code or other occupational wage data;

k. Project setting, including relevant population, housing and economic trends and community amenities in the 3-mile radius of the project site. This shall include but not be limited to total population; population by age; vacancy rate; total number of households; households by tenure; average household size; renter households by number of persons in the household; poverty rates; median household income; number of affordable housing units; major employers; employment by industry sector; commute mode and time for residents and employees; historical unemployment rate for the last ten years compared to the County; availability of affordable housing for employees of businesses in the area; and community amenities in the area, including transit stations, schools, parks, libraries, medical clinics, and full scale grocery stores/supermarkets of at least 25,000 gross interior square feet or neighborhood markets of 5,000 gross interior square feet where staples, fresh meat, and fresh produce are sold.

l. Any measures proposed to mitigate any adverse economic or social impacts identified in the Economic Study.

m. Any other information or analysis required by the Director of Planning.

5. Notice of Availability and Public Review

The Economic Study must be completed and submitted for public review prior to the first public hearing. Upon submission, the Director of Planning shall review the Economic Study for completeness with respect to the factors enumerated at Section 12.04.10.B.4 of the Los Angeles Municipal Code. The director shall not accept the submission of any incomplete Economic Study. Upon receipt of the completed Economic Study, the Department of City Planning must provide a public notice of its completion and availability for public review. The notice must be provided by mail to all property owners within 1,000 feet of the project site and to all others that have requested such a notice in writing. The notice should also be provided on the Department of City Planning website. The notice should also contain the time and place of the first public hearing for the project, if such information is available. These procedures concerning a Notice of Availability for the Economic Study are in addition to all other notice requirements for public hearings, including the provisions of Los Angeles Municipal Code section 12.32.C.4.

The City shall provide for public review of the Economic Study on the same timeline as the public review and comment period for the project Environmental Impact Report. But

in no event shall a public hearing be held until the Economic Study has been available for public review for at least [XX] days.

6. Economic Study Hearing

Before the City Planning Commission makes a recommendation on any MPD application, the City Planning Commission will hold a public hearing, with proper notice, to consider and discuss the Economic Study and the project, and to permit the project applicants, Economic Study consultants and the public to comment on the Economic Study and the proposed project. The purpose of the Economic Study hearing is to have a public discussion of the proposed project's impacts and mitigation proposals before any land use entitlements are granted. If the City Planning Commission determines, as a result of staff review, public comments at the Economic Study hearing, or otherwise, that the Economic Study is incomplete, inaccurate, or otherwise inadequate, the Commission may require the applicant to submit a revised Economic Study before taking further action on the proposal.

ATTACHMENT 1

LAND USE FINDINGS

The Department of City Planning recommends that the City Planning Commission find:

1. In accordance with Charter Section 556, the proposed ordinance (Appendix A) is in substantial conformance with the purposes, intent, and provisions of the General Plan. Specifically, the proposed ordinance implements Economic Development Objective 7.4 of the Framework Element, **"**Improve the provision of governmental services, expedite the administrative processing of development applications, and minimize public and private development application costs" and Goal 7G, "A range of housing opportunities in the City." It also implements Housing Objective 4.4 of the Framework Element, "Reduce regulatory and procedural barriers to increase housing production and capacity in appropriate locations."

   The proposed ordinance simplifies and streamlines the entitlement process for master planned campus-like or otherwise unified and integrated projects by facilitating flexibility of design, clarity of entitlement, and a more coherent and predictable regulatory process. The proposed ordinance eliminates unnecessary procedural barriers and supports investment in innovative mixed-use projects, incentivized to also incorporate affordable housing.

2. In accordance with Charter Section 558 (b) (2), the proposed ordinance (Appendix A) is in substantial conformance with public necessity, convenience, general welfare and good zoning practice. Consistent with City policies to streamline the entitlement of master planned developments, the ordinance promotes better planning practice by encouraging investment and economic development and refocusing review of a project on its overall design and merits instead of an array of exceptions. As a result, the entitlement process becomes less arduous and onerous for the applicant and more comprehendible to the public, promoting more innovative, context-sensitive projects that contribute to building a better community.

ENVIRONMENTAL FINDING

In accordance with the California Environmental Quality Act (CEQA), this ordinance meets the criteria of a General Exemption pursuant to Article III, Sections 15301, 15305, and 15308, Classes 1, 5, and 8 of the CEQA Guidelines. The proposed ordinance (Appendix A) is determined to have no direct or indirect physical impact on the environment. The project is an enabling ordinance that creates a new zone classification; no construction or change in land use, density, or intensity is proposed as a part of the project. Applicants proposing real estate development projects pursuant to the enabling ordinance will be required to

conduct a separate environmental review for their project proposal. The new zone classification will permit proposed projects to be evaluated holistically on their merits rather than as a series of requested exceptions and determinations, thus allowing for more comprehensive identification and mitigation of their impacts on a community, the City, and the environment.

ATTACHMENT 2

LAND USE FINDINGS

The Department of City Planning recommends that the City Planning Commission find:

1. In accordance with Charter Section 556, the proposed ordinance (Appendix B) is in substantial conformance with the purposes, intent, and provisions of the General Plan. The ordinance updates existing Los Angeles Municipal Code provisions in conformance with changes in mandated State density bonus law in Government Code Section 65915, pursuant to Assembly Bill 2222 that became effective January 1, 2015. The ordinance updates existing regulations and requires the replacement of any affordable or rent-stabilized units demolished or converted as part of a density bonus project and lengthens the term of the affordable restrictions.

2. In accordance with Charter Section 558 (b) (2), the proposed ordinance (Appendix B) is in substantial conformance with public necessity, convenience, general welfare and good zoning practice. The ordinance updates existing regulations and requires the replacement of any affordable or rent-stabilized units demolished or converted as part of a density bonus project and lengthens the term of the affordable restrictions. The ordinance synchronizes the City's density provisions with recent changes in State density bonus law in Government Code Section 65915, with which the City is required to comply.

ENVIRONMENTAL FINDING

In accordance with the California Environmental Quality Act (CEQA), this ordinance meets the criteria of a General Exemption, pursuant to Article 5, Section 15061(b)(3) of the CEQA Guidelines. The proposed ordinance (Appendix B) is determined to have no direct or indirect physical impact on the environment. The project is an update of existing Zoning Code provisions to reflect changes in State density bonus law as provided in Government Code Section 65915, pursuant to AB 2222, effective January 1, 2015. The project updates existing regulations and requires the replacement of any affordable or rent-stabilized units demolished or converted as part of a density bonus project and lengthens the term of the affordable restrictions. No construction or change in land use, density, or intensity is proposed as a part of the project. Applicants pursuing density bonus projects will be required to comply with CEQA review applicable to the project being proposed.

Attachment 3

COUNTY CLERK'S USE

CITY OF LOS ANGELES
OFFICE OF THE CITY CLERK
200 NORTH SPRING STREET, ROOM 360
LOS ANGELES, CALIFORNIA 90012

CITY CLERK'S USE

CALIFORNIA ENVIRONMENTAL QUALITY ACT

NOTICE OF EXEMPTION

(California Environmental Quality Act Section 15062)

Filing of this form is optional. If filed, the form shall be filed with the County Clerk, 12400 E. Imperial Highway, Norwalk, CA 90650, pursuant to Public Resources Code Section 21152 (b). Pursuant to Public Resources Code Section 21167 (d), the filing of this notice starts a 35-day statute of limitations on court challenges to the approval of the project. Failure to file this notice with the County Clerk results in the statute of limitations being extended to 180 days.

LEAD CITY AGENCY	COUNCIL DISTRICT
City Council/Department of City Planning	ALL

PROJECT TITLE	LOG REFERENCE
Master Planned Development (MPD) Zone	CPC-2010-3315-CA and ENV 2014-361-CE

PROJECT LOCATION
Citywide

DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT:
An ordinance amending Sections 12.03, 12.04, 17.02, 17.05 of the Los Angeles Municipal Code and adding Section 12.04.10 to the Code to enable a new zone, the Master Planned Development (MPD) Zone for the establishment of provisions to enable innovative, mixed-use, and infill development projects in the City of Los Angeles.

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT, IF OTHER THAN LEAD CITY AGENCY:

CONTACT PERSON	AREA CODE	TELEPHONE NUMBER	EXT.
Phyllis Nathanson	213	978-1474	

This is to advise that on the City of Los Angeles has made the following determinations:

EXEMPT STATUS: (Check One)

	STATE CEQA GUIDELINES	CITY CEQA GUIDELINES
☐ MINISTERIAL	Sec. 15268	Art. II, Sec. 2b
☐ DECLARED EMERGENCY	Sec. 15269	Art. II, Sec. 2a (1)
☐ EMERGENCY PROJECT	Sec. 15269 (b) & (c)	Art. II, Sec. 2a (2) & (3)
☑ CATEGORICAL EXEMPTION	Sec. 15300 *et seq.*	Art. III, Sec. 1

Class 1,5,8 Category 15301,15305,15308 (State CEQA Guidelines)

☑ OTHER (See Public Resources Code Sec. 21080 (b) and set forth state and City guideline provision.
State CEQA Guidelines Sec. 15061(c)(2) and City CEQA Guidelines Art. II, Section 2m.

JUSTIFICATION FOR PROJECT EXEMPTION:
The ordinance would have no direct or reasonably foreseeable indirect physical impact upon the environment. Also, the ordinance solely impacts the operation of existing private structures involving negligible or no expansion of use; is a minor alteration in land use limitations; is an action to assure the maintenance, enhancement, or protection of the environment; and is an action to enforce a law, general rule, standard, and objective. See CEQA Narrative found in the above-noted files.

IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT ISSUED BY THE CITY PLANNING DEPARTMENT STATING THAT THE DEPARTMENT HAS FOUND THE PROJECT TO BE EXEMPT.

SIGNATURE	TITLE	DATE
Phyllis Nathanson	Planning Assistant	May 6, 2014

FEE:	RECEIPT NO.	REC'D. BY	DATE

DISTRIBUTION: (1) County Clerk, (2) City Clerk, (3) Agency Record

Rev. 11-1-03

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) NARRATIVE:

ENV 2014-361-CE

I. PROJECT DESCRIPTION

A proposed ordinance amending Sections 12.03, 12.04, 12.04.10, 17.02, and 17.05 of the Los Angeles Municipal Code to add the "MPD" Master Planned Development Zone to enable innovative, master planned developments.

No development is proposed as part of the project. No change in land use, density or intensity is proposed as part of this project.

II. PROJECT HISTORY

On September 11, 2008, the City Planning Commission approved "an initiative to complete nine code studies and amendments to rewrite selected provisions of the city's zoning ordinance ... to update and streamline a document in urgent need of simplification." Further, in a joint venture with the Urban Design Studio, "this code study and amendment will provide the city with an enhanced tool for promoting quality and innovation consistent with the general plan's key land use policies." The development of the Master Planned Development Zone is the final Code Amendment in this series of code studies and amendments. These code studies and amendments are intended to enhance and streamline the Zoning Ordinance, in preparation for the re:code effort, which plans to comprehensively re-synthesize the contents of the Code for more efficient and clear representation of the City's land use provisions.

III. EXISTING ENVIRONMENT

The City of Los Angeles is the second largest city in the United States by population with an estimated 4 million residents. The City's boundaries cover a total area of 498.3 square miles, comprising 469.1 square miles of land and 29.2 square miles of water, reflecting diverse terrain of urbanized area, beaches, mountains and valleys. The City of Los Angeles is divided into 15 Council Districts and 35 Community Plan Areas.

IV. ENVIRONMENTAL REVIEW UNDER CEQA

Staff has concluded that the following CEQA exemptions are appropriate for the proposed ordinance:

A. 14 California Code of Regulations ("State CEQA Guidelines") Section 15060(c)(2) exempts an activity that "*will not result in a direct or reasonably foreseeable indirect physical change in the environment*"; and

City of Los Angeles Environmental Quality Act Guidelines, Article II, Section 2, Class m consists of "*the adoption of ordinances that do not result in impacts on the physical environment.*"

No development is proposed as part of the project. No change in land use, density or intensity is proposed as part of this project. This ordinance is an enabling ordinance for the creation of a new Master Planned Development Zone. If the ordinance is approved, applicants will be allowed to entitle their proposed Master Planned Development or Major Project via this new zone, but will be required to perform a preform an environmental review for the project.

B. State CEQA Guidelines Section 15301 consists of "*the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination*"; and

City of Los Angeles Environmental Quality Act Guidelines, Article III, Class 1 consists of "*the operation, repair, maintenance or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that previously existing.*"

No development is proposed as part of the project. No change in land use, density or intensity is proposed as part of this project. This ordinance is an enabling ordinance for the creation of a new Master Planned Development Zone. If the ordinance is approved, applicants will be allowed to entitle their proposed Master Planned Development or Major Project via this new zone, but will be required to perform a preform an environmental review for the project.

C. State CEQA Guidelines Section 15305 consists of "*minor alterations in land use limitations in areas with an average slope of less than 20%, which do not result in any changes in land use or density...*"; and

City of Los Angeles Environmental Quality Act Guidelines, Article III, Class 5 consists of "*minor alterations in land use limitations in areas with less than a 20% slope which do not result in any changes in land use or density...*"

No development is proposed as part of the project. No change in land use, density or intensity is proposed as part of this project. This ordinance is an enabling ordinance for the creation of a new Master Planned Development Zone. If the ordinance is approved, applicants will be allowed to entitle their proposed Master Planned Development or Major Project via this new zone, but will be required to perform a preform an environmental review for the project.

D. State CEQA Guidelines Section 15308 consists of "*actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment. Construction activities and relaxation of standards allowing environmental degradation are not included in this exemption*"; and

City of Los Angeles Environmental Quality Act Guidelines, Article III, Class 8 consists of *"actions taken by regulatory agencies as authorized by State or local ordinance to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment. Construction activities are not included in this exemption."*

No development is proposed as part of the project. No change in land use, density or intensity is proposed as part of this project. This ordinance is an enabling ordinance for the creation of a new Master Planned Development Zone. If the ordinance is approved, applicants will be allowed to entitle their proposed Master Planned Development or Major Project via this new zone, but will be required to perform a preform an environmental review for the project.

The development of the a new MPD Zone grew out of the City Planning Department's desire to evaluate innovative, context-sensitive development proposals on the merits of the project rather than through the complicated lens of entitlements requests. Not containing any general regulatory provisions regarding height, massing, use, parking, and other select provisions within Chapter 1 of the Code, The MPD Zone would offer the Planning Department the opportunity to tailor the general provisions in such a way as to create a project that meets the goals of the involved Community Plan, objectives of the General Plan as well as the overall needs of the surrounding community and City as a whole. While certain provisions regarding the built structures and their placement can be tailored, other provisions meant to preserve the character of a community, such as Specific Plans, Design Review Board Areas, Historic Overlay Zones, Supplemental Use Districts and other Specialized Land Use Districts will not be subject to change without the appropriate deviation requests.

IV. EXCEPTIONS TO THE USE OF CATEGORICAL EXEMPTIONS

Planning staff evaluated all the potential exceptions to the use of Categorical Exemptions for the proposed ordinance and determined that none of these exceptions apply as explained below:

A. *Cumulative Impact: The exception applies when, although a particular project may not have a significant impact, the impact of successive projects, of the same type, in the same place, over time is significant.*

There are no successive projects of the same type planned for the City of Los Angeles. There may be further revisions of this proposed ordinance as the need arises, but such revisions, if any, cannot be precisely predicted at this time. Furthermore, as set forth below in the Additional Factual Support section, any impact from the proposed ordinance is negligible or close to *de minimis*, so that any incremental effect from the proposed ordinance would not be cumulatively considerable. Finally, it should be noted that existing conditions do not include any new construction, change in land use, density or intensity of land use. Each future project that would be entitled through this zone would be

required to follow the CEQA Environmental Clearance project for impacts of the proposed development. Therefore, there would not be any direct incremental effects from the proposed ordinance.

B. *Significant Effect Due to Unusual Circumstances: This exception applies when, although the project may otherwise be exempt, there is a reasonable possibility that the project will have a significant effect due to unusual circumstances. Examples include projects which may affect scenic or historical resources.*

There is no reasonable possibility that the proposed ordinance will have a significant effect due to unusual circumstances. As demonstrated above, there is nothing about any impacts associated with the proposed ordinance that differ from general circumstances of the exemptions listed. This ordinance is an enabling ordinance for the creation of a new Master Planned Development Zone and does not include any new construction, change in land use, density or intensity of land use. Therefore, this enabling ordinance will not cause an impact due to unusual circumstances when an entire city is impacted en masse by this proposed ordinance.

C. *Scenic Highway: Projects that may result in damage to scenic resources within a duly designated scenic highway.*

The proposed ordinance does not affect what type of buildings can or cannot be built and will therefore not damage scenic resources within a duly designated scenic highway. The proposed ordinance merely provides an enabling ordinance for a new MPD Zone. Future entitlement requests utilizing the enabling Ordinance will be required to undergo project-specific environmental analysis and mitigated accordingly.

D. *Hazardous Waste Site: Projects located on a site or facility listed pursuant to California Government Code 65962.5.*

The proposed ordinance does not supersede any existing regulation on hazardous material site because the proposed ordinance merely provides an enabling ordinance for a new MPD Zone. Future entitlement requests utilizing the enabling Ordinance will be required to undergo project-specific environmental analysis and mitigated accordingly.

E. *Historical Resources: Projects that may cause a substantial adverse change in the significance of an historical resource.*

The proposed ordinance would not cause an adverse change in the significance of a historical resource as defined in State CEQA 15064.5. This is because the proposed ordinance merely provides an enabling ordinance for a new MPD Zone. Future entitlement requests utilizing the enabling Ordinance will be required to undergo project-specific environmental analysis and mitigated accordingly.

V. ADDITIONAL FACTUAL SUPPORT

Below is a consideration of all categories on the Initial Study Checklist to demonstrate further that the proposed ordinance qualifies for the listed categorical exemptions:

A. *Aesthetics*

A proposed ordinance amending Sections 12.03, 12.04, 17.02, 17.05 of the Los Angeles Municipal Code to add a new Zone, the Master Planned Development Zone (MPD) for the establishment of provisions to enable innovative, mixed-use, and infill development projects in the City of Los Angeles.

The proposed ordinance does not include language dictating specific physical development criteria. It amends only existing zoning code language relevant to the establishment of an MPD Zone. The proposed ordinance will not change existing City regulations governing building heights, nor will it change allowed land uses or development intensities within the City of Los Angeles.

Without exception, all future MPD Zone Change applications submitted under the proposed code amendment will be subject to the same level of CEQA review required of other similar (non-MPD) development applications; including, but not limited to, the assessment of the impact of a proposed MPD zone upon the aesthetic of a surrounding neighborhood and community.

B. *Agricultural*

A proposed ordinance amending Sections 12.03, 12.04, 17.02, 17.05 of the Los Angeles Municipal Code to add a new Zone, the Master Planned Development Zone (MPD) for the establishment of provisions to enable innovative, mixed-use, and infill development projects in the City of Los Angeles.

The proposed ordinance does not include language dictating specific physical development criteria. It amends only existing zoning code language relevant to the establishment of an MPD Zone. The proposed ordinance will not change existing City regulations governing building heights, nor will it change allowed land uses or development intensities within the City of Los Angeles.

Without exception, all future MPD Zone Change applications submitted under the proposed code amendment will be subject to the same level of CEQA review required of other similar (non-MPD) development applications; including, but not limited to, the assessment of the impact of a proposed MPD zone upon existing agriculture and forest resources in a surrounding neighborhood and community.

C. *Air Quality*

A proposed ordinance amending Sections 12.03, 12.04, 17.02, 17.05 of the Los Angeles Municipal Code to add a new Zone, the Master Planned Development Zone (MPD) for the establishment of provisions to enable innovative, mixed-use, and infill development projects in the City of Los Angeles.

The proposed ordinance does not include language dictating specific physical development criteria. It amends only existing zoning code language relevant to the establishment of an MPD Zone. The proposed ordinance will not change existing City regulations governing building heights, nor will it change allowed land uses or development intensities within the City of Los Angeles.

Without exception, all future MPD Zone Change applications submitted under the proposed code amendment will be subject to the same level of CEQA review required of other similar (non-MPD) development applications.

The proposed ordinance does not result in any significant impacts on traffic (as impacts are close to *de minimis*), as set forth below in the Transportation/Circulation Section below. Therefore, air quality impacts from any increase in traffic would be similarly less than significant. Finally, because air quality impacts would be substantially less than significant, it is expected that any greenhouse gas contribution would also be less than significant.

D. *Biological Resources*

The proposed ordinance will not create changes in conditions that could yield an incremental increase in potential impacts to any species identified as a candidate, sensitive, or special status species. There are no biological resources, including riparian habitat, or other sensitive natural community or federally protected wetlands, native resident or migratory fish/wildlife species that would be impacted. The proposed ordinance would not result in direct removal, filling, or hydrological interruption to any resources. This is because the proposed ordinance merely creates an enabling ordinance for a new zone and does not include any construction. New structures are subject to project-specific environmental analysis and mitigated accordingly.

E. *Cultural Resources*

The proposed ordinance would not cause an adverse change of a historical resource as defined in State CEQA 15064.5. The proposed ordinance will not cause an adverse change in significance of an archaeological resource, paleontological resource, site, or unique geologic feature, or any human remains. This is because the proposed ordinance merely creates an enabling ordinance for a new zone and does not include any construction. New structures are subject to project-specific environmental analysis and mitigated accordingly.

F. *Geology and Soils*

The proposed ordinance in and of itself will not pose any risks of human injury and property damage due to potential regional earthquakes. As is common in the Southern California region, there will be continued risks of human injury and property damage because of potential regional earthquakes. While generally the potential exists for geologic hazards due to geologic and seismic conditions throughout the City, this specific project proposes no changes that would alter these conditions because the proposed ordinance merely creates an enabling ordinance for a new zone and does not include any construction. New structures are subject to project-specific environmental analysis and mitigated accordingly.

G. *Hazards and Hazardous Materials*

The proposed ordinance would not result in the routine transport, use, production or disposal of hazardous materials. The proposed ordinance would merely prohibit an activity from operation and would not involve the use of potentially hazardous materials that could create a significant public hazard through the accidental release of hazardous materials into the environment. This ordinance creates an enabling ordinance for a new zone and does not include any construction. New structures are subject to project-specific environmental analysis and mitigated accordingly.

H. *Hydrology and Water Quality*

The proposed ordinance would not violate any water quality standards or waste discharge requirements, nor would it have a substantial impact on groundwater supplies or recharge. The proposed ordinance would not substantially deplete groundwater supplies or interfere with groundwater recharge.

The proposed ordinance would not create or contribute to runoff water or substantially degrade water quality. The proposed ordinance is not near a levee or dam, and thus would not threaten to expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam.

This is because the proposed ordinance merely creates an enabling ordinance for a new zone and does not include any construction. New structures are subject to project-specific environmental analysis and mitigated accordingly.

I. *Land Use and Planning*

The development of the a new MPD Zone grew out of the City Planning Department's desire to evaluate innovative, context-sensitive development proposals on the merits of the project rather than through the complicated lens of entitlements requests. Not containing any general regulatory provisions regarding height, massing, use, parking, and other select provisions within Chapter 1 of the Code, The MPD Zone would offer the Planning Department the opportunity to tailor the general provisions in such a way as to create a project that meets the goals of the involved Community Plan, objectives of the General Plan as well as the overall needs of the surrounding community and City as a whole. The proposed ordinance has a positive impact on land use and planning in that it furthers the following goals and objectives of the General Plan:

- Housing Element goal 5A to create "a livable City for existing and future residents and one that is attractive to future investment."
- Economic Development goal 7B to create "a City with land appropriately and sufficiently designated to sustain a robust commercial and industrial base."
- Economic Development goal 7.2 to "establish a balance of land uses that provides for commercial and industrial development which meets the needs of local residents, sustains economic growth, and assures maximum feasible environmental quality."

- Economic Goal 7.4 to "Improve the provision of governmental services, expedite the administrative processing of development applications" in order to "develop and maintain a streamlined development review process to assure the City's competitiveness within the ... region"
- Economic Development goal 7D to create "a City able to attract and maintain new land uses and businesses."

Additionally, the proposed Master Planned Development Zone is intended to streamline and simplify the Department's approval of Master Planned Developments where the application of conventional zoning regulations would create impediments in satisfying the core goals and objectives of the General Plan. The proposed Zone will allow the Planning Department to create clear, context-sensitive land use provisions which support the goals and objectives of the General Plan thereby allowing the community, applicant and Planner the opportunity to asses a project's merits and public benefit rather than a myriad of planning entitlements. Therefore, the proposed ordinance has a positive impact on land use and planning.

J. *Mineral Resources*

The proposed ordinance would not result in the loss of availability of a known mineral resource or locally-important mineral resource recovery site. This is because the proposed ordinance merely creates an enabling ordinance for a new zone and does not include any construction. New structures are subject to project-specific environmental analysis and mitigated accordingly.

K. *Noise*

The proposed ordinance would not result in the exposure of persons to or generation of noise in levels in excess of standard levels. Furthermore, the proposed ordinance would not result in the exposure of people to or generation of excessive ground borne vibration or ground borne noise levels or create a substantial periodic or permanent increase in ambient noise levels. The proposed ordinance merely creates an enabling ordinance for a new zone and does not include any construction. New structures are subject to project-specific environmental analysis and mitigated accordingly.

L. *Population and Housing*

The proposed ordinance would not impact the distribution of population and housing Citywide. The proposed ordinance creates an enabling ordinance for a new zone and does not include any construction, which does not impact residential uses because new structures which may include residential uses are subject to project-specific environmental analysis and mitigated accordingly. After adoption of the proposed ordinance, residential uses can continue operating in the same fashion as they did prior to adoption.

M. *Public Services*

The proposed ordinance would not result in the gain or loss of public services. The proposed ordinance merely creates an enabling ordinance for a new zone and does not include any construction. New structures are subject to project-specific environmental analysis and mitigated accordingly.

N. *Recreation*

The proposed ordinance would not impact the public recreational facilities throughout the City. The proposed ordinance creates an enabling ordinance for a new zone and does not include any construction. New structures are subject to project-specific environmental analysis and mitigated accordingly. Therefore, the proposed ordinance will not impact recreational uses. After adoption of the proposed ordinance, public recreational facilities can continue operating in the same fashion as they did prior to adoption.

O. *Transportation/Circulation*

The proposed ordinance would not impact the traffic circulation throughout the City. The proposed ordinance creates an enabling ordinance for a new zone and does not include any construction. New structures are subject to project-specific environmental analysis and mitigated accordingly. Therefore, the proposed ordinance will not impact transportation and circulation.

P. *Utilities*

The proposed ordinance would not exceed wastewater treatment requirements of the applicable regional water quality control board, nor require the construction of new water or wastewater treatment facilities. The proposed ordinance would not require the construction of new storm water drainage facilities or expansion of existing facilities. The proposed ordinance would not have an effect on water supplies, nor affect wastewater treatment. Moreover, the proposed ordinance would not have any solid waste disposal needs or generate any solid waste disposal itself. This is because proposed ordinance merely creates a new MPD Zone. New structures which may utilize the proposed ordinance are subject to project-specific environmental analysis and mitigated accordingly.

Q. *Mandatory Findings of Significance*

The proposed ordinance would not substantially degrade environmental quality, substantially reduce fish or wildlife habitat, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plan or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory. This is because the proposed ordinance merely proposed ordinance creates an enabling ordinance for a new zone and does not include any construction. New structures are subject to project-specific environmental analysis and mitigated accordingly.

As noted previously in the Exceptions to the Use of Categorical Exemptions section, the proposed ordinance would not have a cumulatively considerable impact.

PREPARED BY:
CITY OF LOS ANGELES, DEPARTMENT OF CITY PLANNING
CHRISTINE SAPONARA., CITY PLANNER

5/6/2014
DATE

Phyllis Nathanson
BY: PHYLLIS NATHANSON
PLANNING ASSISTANT
Telephone (213) 987-1474
for
CHRISTINE M. SAPONARA
CITY PLANNER

ATTACHMENT 4

COUNTY CLERK'S USE

CITY OF LOS ANGELES
OFFICE OF THE CITY CLERK
200 NORTH SPRING STREET, ROOM 360
LOS ANGELES, CALIFORNIA 90012

CITY CLERK'S USE

CALIFORNIA ENVIRONMENTAL QUALITY ACT

NOTICE OF EXEMPTION

(California Environmental Quality Act Section 15062)

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LEAD CITY AGENCY	COUNCIL DISTRICT
City of Los Angeles Department of City Planning	Citywide

PROJECT TITLE	LOG REFERENCE
Code Amendment - AB 2222 Implementation	ENV-2014-4821-CE

PROJECT LOCATION
✖ Citywide, Los Angeles, CA

DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT:
Code amendment to implement AB 2222, which amended sections of the State Density Bonus Law (Gov. Code §§ 65915).

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT, IF OTHER THAN LEAD CITY AGENCY:
✖

CONTACT PERSON	AREA CODE	TELEPHONE NUMBER	EXT.
David Somers, Citywide Section	(213)	978-3307	

EXEMPT STATUS: (Check One)

		STATE CEQA GUIDELINES	CITY CEQA GUIDELINES
☐	MINISTERIAL	Sec. 15268	Art. II, Sec. 2b
☐	DECLARED EMERGENCY	Sec. 15269	Art. II, Sec. 2a (1)
☐	EMERGENCY PROJECT	Sec. 15269 (b) & (c)	Art. II, Sec. 2a (2) & (3)
☐	CATEGORICAL EXEMPTION	Sec. 15300 *et seq.*	Art. III, Sec. 1
✔	GENERAL EXEMPTION	Sec. 15060	n/a

Class _____ Category _____ (City CEQA Guidelines)

☐ OTHER (See Public Resources Code Sec. 21080 (b) and set forth state and City guideline provision.

JUSTIFICATION FOR PROJECT EXEMPTION: The code amendment implements amended section of the State Density Bonus Law, which requires the replacement of any affordable units demolished or converted as part of a density bonus housing project, and lengthen the term of the affordable restrictions. It is determined that, in codifying these provisions, there is no possibility of causing a significant environmental impact, and therefore the activity is covered by the general rule exemption from CEQA as specified in Section 15061 (b)(3) of the State CEQA Guidelines.

IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT ISSUED BY THE CITY PLANNING DEPARTMENT STATING THAT THE DEPARTMENT HAS FOUND THE PROJECT TO BE EXEMPT.

SIGNATURE	TITLE	DATE
	City Planning Associate	12/22/14

FEE:	RECEIPT NO.	REC'D. BY	DATE

DISTRIBUTION: (1) County Clerk, (2) City Clerk, (3) Agency Record