

memo: Achieving density and mixed-income housing via a base FAR of 1.5:1

Joe Donlin

Nov 20, 2017 10:38 AM

Posted in group: **Clerk-PLUM-Committee**

Hello. Please share with the members of PLUM. The attached pertains to items on the November 21 agenda.

Note that I will share an additional letter later today, also for November 21.

Best,

Joe

Joe Donlin

Associate Director / Director of Equitable Development

SAJE-Strategic Actions for a Just Economy

152 W. 32nd Street, Los Angeles, CA 90007

D: 213-745-9961, ext. 215

www.saje.net and facebook.com/strategicactions

To: Members of the Planning and Land Use Management committee of LA City Council:
Council Members Huizar (Chair), Harris-Dawson (Vice Chair), Price, Englander and
Blumenfield

From: Joe Donlin, United Neighbors In Defense Against Displacement (UNIDAD)

Re: *Achieving density and mixed-income housing via a base FAR of 1.5:1, for TOD subareas
in the South/Southeast LA Community Plan Implementation Overlays (CPIOs)*

Date: November 20, 2017

Summary

This memo is meant to support conversations around the question of the appropriate base Floor Area Ratio (FAR) and base density for the CPIOs of the South LA and Southeast LA Community Plans. Below we provide rationale demonstrating how a base FAR of 1.5:1 in all TOD subareas – including Subarea H – will not only maximize the density built on those parcels, but also will ensure the use of the affordable housing incentive built into the CPIOs. Not only is a base FAR of 1.5:1 the best policy option for these reasons, but it also will ensure compliance with existing law, as described below.

The CPIO incentives Seek to Achieve Density and Affordability. The objective of the CPIO density provisions is to incentivize affordable and mixed income housing near transit. This is achieved with a simple two-tier "up-zone" structure, whereby TOD sites are given: (1) a lower base FAR; and (2) a higher bonus FAR. A developer can then choose to develop at the lower base FAR without providing any affordable housing, or (hopefully) the much denser bonus FAR if they provide on-site affordable housing. The higher bonus FAR effectuates an "up-zone" that is available to projects providing community benefits. It creates a win-win-win scenario: communities get more affordable housing; the overall housing supply increases at all levels with denser development; and developers increase revenue on individual projects. But if the base FAR is set too high, then there is no real incentive to seek the bonus, and the whole structure falls apart.

This two-tier structure applies to each TOD subarea in both the South and Southeast LA CPIOs. The base FAR is set at 1.5 in every TOD subarea, *except* Subarea H, which covers an area along Washington Blvd in CDs 14 and 9. In Subarea H, the base FAR is currently set at 2.25:1, and the bonus FAR is set at 6:1. The city may be considering a proposal to further increase the base FAR to 3:1.

UNIDAD Supports Density and Affordability. We share the overall policy goal of incentivizing dense TOD development with affordable housing, and for that reason we absolutely support a higher max "bonus" density of 6:1 FAR for this subarea. We hope that the plans incentivize dense mixed income and affordable housing developments that meet the needs of South LA residents. However, as outlined below, increasing the *base* FAR beyond 1.5 may unintentionally discourage the use of the up-zone and thus undermine this goal.

Why a Lower Base FAR achieves Higher Density. Assuming the goal is to maximize density and affordability, the best approach is to set a base FAR of 1.5 - consistent with all other CPIO subareas – and also provide easily attainable incentives to reach higher density with affordability. At first blush, it may seem counter-intuitive to set a lower base density when the goal is to maximize density. But it is really about *maximizing the incentive to build at the higher "bonus" density*. With a base of 1.5, a developer will be induced to provide affordable housing as a means to building a project at any higher density. If the base is set at 3, there is a much higher risk of developers just building at that "middle" rate, and forgoing any incentive. In this case, we get more projects that do not provide any affordable housing, and do not maximize the density available on the site.

How the Costs of Different Construction Types Affects the Size of Projects Built. The risk of building at the "middle rate" (e.g. at FAR of 3:1) is heightened by the interaction between FAR and construction

type. Generally, Type 5 construction refers to wood frame buildings. Anything denser than about 3 FAR requires Type 3 or Type 1 construction, which involves concrete or steel framing and is much more expensive (as well as increased potential for the need to do subterranean parking). Changing construction types (e.g. going from Type 5 to Type 3 or Type 1) increases building costs, reduces the pool of available contractors, and is generally less predictable. Thus, for an incentive to work, it should be operative within Type 5.

But 3:1 FAR is at the outer limit of Type 5 construction. Thus, if the base FAR is set at 3, then a developer would need to change construction types in order to use an incentive in almost any scenario. This again, increases the risk that developers decide to just build at 3 FAR without any affordability, instead of building more units with an affordable component. Instead, setting the base FAR at 1.5 will make the incentive operative within Type 5 construction (i.e., they can use Type 5 construction at both 1.5 FAR and 3 FAR), as well as the other construction types. This will maximize likelihood of use, thereby maximizing density and affordability along an important transit corridor.

Ensuring Compliance with Existing Law. Finally, it should be noted that the vast majority of sites within Subarea H are currently zoned industrial, which does not permit any housing development. By designating these sites as a TOD subarea, the CPIOs are effecting an "industrial conversion" and creating the capacity for housing development where none currently exists. This may be appropriate, but existing city policy requires that such conversions include affordable housing (see City's Industrial Land Use Policy). If the new residential density is then set at a base of 3, the CPIOs would be creating a *significant upzone* (going from no housing permitted all the way up to 3 FAR) *without any affordability*. Upzoning without affordability in this manner would undermine existing affordable housing incentives like the density bonus ordinance and TOC program, which rely on pairing density increases with affordability. Undermining these programs is not just bad policy, it is prohibited by state law (Government Code 65917) and Measure JJJ. Instead, setting the base FAR at 1.5 - consistent with every other subarea in the CPIO - will appropriately pair density increases with affordability. This will ultimately yield higher density projects (up to the full bonus FAR of 6) with on-site affordability, contributing to a more equitable and inclusive future for South LA.

Conclusion. Along with the City Planning Department, UNIDAD maintains that we achieve our shared goals of density near transit and increases in affordable housing by returning the base FAR in the TOD subareas to 1.5:1.

We are happy to discuss further if it is desired. Please contact Joe Donlin at jdonlin@saje.net and by cell phone at 419-944-3645.

UNIDAD comments re: Community Plans of South and Southeast LA

Joe Donlin

Nov 20, 2017 2:38 PM

Posted in group: **Clerk-PLUM-Committee**

Dear Honorable Members of the Planning and Land Use Management Committee of City Council,

Please find attached a letter of comments from the United Neighbors In Defense Against Displacement (UNIDAD coalition) regarding the Community Plans of South LA and Southeast LA, scheduled to be heard at PLUM on November 21, 2017.

Along with the letter are the following attachments:

1. Attachment A: the People's Plan report
2. Attachment B: FEIR comments submitted by UNIDAD
3. Attachment C: Map of Ellis Act evictions in South and Southeast LA CPAs

Also included again is a memo sent previously that outlines the rationale for achieving density near transit and increasing affordable housing via the setting of an appropriate base FAR.

We have all come a long way to bringing these plans to this stage. We appreciate the ongoing partnership by all of the City family and the leadership provided by Council Members Price and Harris-Dawson whose Districts make up the majority of the plan areas. Council Members Huizar, Buscaino and Cedillo have also been pivotal in shaping the plans where their districts are included. And over the course of these past 10 years, the Planning Department has put countless hours of technical and community outreach work that make these plans the reflection of the beautiful people and places that make up South LA.

The UNIDAD coalition would like to bring these plans home in the most equitable form possible. We would like to preserve those elements of the People's Plan that have made into the drafts you are reviewing. And we'd like for the plans to go even further in addressing the displacement of families and small businesses, as we outline in our letter. We are on the verge of creating some great community plans - let's take them all the way.

Thank you for your consideration and partnership in this great effort. Please contact me if there are any questions about the included documents.

Thank you,

Joe Donlin

Joe Donlin

Associate Director / Director of Equitable Development

SAJE-Strategic Actions for a Just Economy

152 W. 32nd Street, Los Angeles, CA 90007

D: 213-745-9961, ext. 215

www.saje.net and facebook.com/strategicactions



Honorable Members of the City Council
Planning and Land Use Management Committee
Los Angeles City Hall
200 N. Spring Street
Los Angeles, CA 90012

RE: South and Southeast LA Community Plans – CF 17-1053, CF 17-1054, CPC-2008-1552-CPU, CPC-2008-1553-CPU, ENV-2008-1780-EIR, ENV-2008-1781-EIR

Dear Councilmembers,

As part of The People's Plan coalition, the United Neighbors in Defense Against Displacement (UNIDAD) is pleased to submit these comments and recommendations concerning the draft South and Southeast LA Community Plans and the Community Plan Implementation Overlay (CPIO) Districts. This letter builds on our long-standing participation in the Community Plan update process, dating back to 2006 and including the submission of detailed policy recommendations in April of 2014 and on February 1, 2017. We have included in Attachment B, a copy of our comments on the Final EIR. You'll also have received numerous letters of support from a diverse group of People's Plan member organizations. The list includes organizations from throughout South LA and representing faith-based organizations, community-based organizations, workforce development groups, youth organizations, environmental groups, affordable housing organizations and more.

UNIDAD is a coalition of tenants, homeowners, workers, business owners, students, teachers, health providers and advocates, faith congregations, and community-based organization who work together to create a healthy and strong South Los Angeles community by ensuring that the interests of low-income communities, especially low-income communities of color, are represented in the decisions and processes that drive development in our neighborhoods. Our collaborative was formed in the early 1990s. We have seen entire blocks of Black residents and Black-owned businesses displaced from our community. We have seen Latino and immigrant communities harmed by slum housing, harassment and illegal eviction tactics. And we have seen large-scale development enter our neighborhoods without genuine and responsive community process. We have seen ill-advised development resulting in the loss of historical and cultural memory. And we understand the role that community-led and community-controlled development can play in restoring the physical, mental, economic and cultural health of a community.

In all of our work, we have sought to deepen the quality of community resident engagement in land use policy creation and implementation, knowing that such engagement ultimately results in better planning and more equitable outcomes. We have built capacity among local residents to be active participants in the planning processes through community-based programs, such as People's Planning School. Through this process residents have created a set of Equitable Development Principles that guide our work. And these principles have been combined with numerous community planning processes to develop what we call **The People's Plan**.

The People's Plan document is attached as an exhibit to this letter named Attachment A. The People's Plan is the result of an extensive community engagement process undertaken over many



years, paired with considerable research, analysis and deliberation. Since the inception of the South and Southeast LA Community Plan updates in 2007, we have worked with families, residents, and business owners throughout South Central LA to build a vision for the Plans that meets our community's needs. From this process emerged a series of recommendations in four broad principles:

- I. Create a net gain of affordable housing.**
- II. Promote inclusive economic development by supporting local workers and businesses.**
- III. Promote community health and wellness.**
- IV. Strengthen community leadership in the land use planning process.**

At a hearing on June 22, 2017 the City Planning Commission praised the People's Plan and then incorporated many of the specific policy recommendations into the draft that was recommended for adoption. As a result, the draft plans that are presented to this Committee reflect many core community priorities and advance important and innovative equitable development policies.

We applaud the Department of City Planning for many years of dedicated work to move this plan forward. We appreciate the collaborative efforts of the entire planning team and commend the Department for embracing and including a number of innovative and important policies to advance equitable development. We also want to recognize the leadership of the Council offices whose districts are included in the Community Plans of South LA and/or Southeast LA. Namely, the longstanding work of Council Districts 9, 8, 14, 15 and 1 in the Community Plan update process.

We are proud to support the strong equitable development policies included in this draft. We also recognize the fundamental and lasting impact of a comprehensive community plan. These plans will guide the growth and development of our communities at a time when we are facing both an unprecedented affordable housing crisis and an extraordinary opportunity to harness transit and other public investment to uplift neighborhoods that have been neglected for too long. As such, it is imperative that we maximize this opportunity to create the most inclusive and equitable plan possible. To that end, we urge the Council to consider the following additional recommendations, and adopt the South and Southeast LA Community Plans consistent with the recommendations outlined below.

1. Adjust the Base FAR in CPIO Subarea H to more effectively encourage Affordable and Mixed Income Housing.

The South and Southeast LA Community Plan CPIOs establish land use regulations for certain CPIO "subareas." In each of the TOD subareas, the CPIOs promote up-zoning with affordable housing, using a simple two-tier structure that offers a base density, and a higher bonus density for Mixed Income and Affordable Housing projects. In every TOD subarea, the base FAR is set at 1.5, except subarea H, where the proposed based density is 2.25 FAR.

Subarea H – "TOD Regional Center" covers an area along Washington Blvd. and part of Figueroa Avenue near the Metro Blue Line. It is our hope that the CPIO maximizes density *and*

affordability in residential development along Washington Blvd, and we support development up to 6 FAR without units/acre restrictions for projects that include meaningful on-site affordable housing. For such an incentive to function, the CPIOs should set the base FAR for residential and mixed-use projects at 1.5:1, with a generous up-zone to 6:1 FAR for Mixed-Income projects. Setting the base density too high would undermine the incentive structure, thereby reducing the capacity to create affordable units and failing to maximize density, as intended.

In addition, the CPIOs state that the City’s TOC Program is “not an option” for projects in the TOD subarea, and the staff recommendation report states that it “is the intent of these Plans to substitute the TOC Incentives for the South and Southeast Community Plan Areas for the incentive structure provided in the CPIOs.” To the extent the CPIOs intend to supersede the TOC Guidelines, then they must provide an additional incentive for projects that meet Measure JJJ employment standards, as required by Measure JJJ.

Thus, we also recommend setting the Base FAR for Residential and Mixed-Use Projects at 1.5:1, with generous bonuses for Affordable and Mixed Income projects that include affordable housing and additional incentives for project that meet employment standards in Table 2-2. This would be achieved with the following small edits:

(A) Amend CPIO TABLE 2-2 to clarify that base FAR is 1.5:1 in TOD subarea H; allow additional density with affordability; and provide an additional incentive for projects that meet the employment standards in Measure JJJ. [South LA CPIO, p. 26; Southeast LA CPIO, p. 27]

TABLE 2-2 RESIDENTIAL/MIXED-USE DENSITY, FAR, AND HEIGHT* continued				
Subarea	Density Max	Height Max	FAR Max	Incentives/Clarifications
H (TOD Regional Center)	R3	2 Stories minimum,		General commercial uses (i.e. retail, restaurant, entertainment uses) are permitted within the first two floors.
	R4 (maximum density for Density Bonus Projects)	12 Stories Maximum	2-25 1.5:1	Projects may apply for a conditional use for additional height (over 12 stories) pursuant to LAMC Section 12.24 W.
	Unlimited for Mixed-Income or 100% Affordable Housing	Conditional use for additional height over 12 stories.	6:1 Mixed-Income or 100% Affordable Housing	<u>Mixed-Income and 100% Affordable Housing projects that adhere to the construction employment standards in LAMC 11.5.11 may also choose one additional incentive from the menu in LAMC 12.22.A.25(f).</u>

2. Strengthen No Net Loss policies and implementation programs.

The Peoples Plan recommended specific policy and program language to achieve an area-wide No-Net-Loss Program. The Peoples Plan proposal includes three main components: (a) the creation of an inventory of affordable housing; (b) an annual assessment and report on the affordable housing inventory; and (c) strategies to prevent and recover a loss of affordable housing, if recorded.



The CPC approved program language that would establish an inventory (as required by Measure JJJ) and “develop strategies to prevent and recover affordable housing loss, such as annual reports on existing affordable housing inventory and Ellis evictions, as well as specific program and investments to prevent further loss of affordable units and steps to increase affordable housing production in the Plan Area.”

We applaud the Department and CPC for advancing affordable housing tracking and preservation goals in the current drafts. However, given the severity of our affordable housing crisis, we support even stronger policy language, if possible. Below is the No-Net-Loss program language recommended in the Peoples Plan.

(A) Include a new Policy and amend Program 65/63 to establish and implement an Area-wide No-Net-Loss Program (to be adopted with current plan).

Policy [X.XX] Area-wide No-Net-Loss. Immediately establish a comprehensive No-Net-Loss Program for the South/Southeast LA Community Plan Area, consisting of three components: (1) create and monitor an inventory of units subject to a recorded covenant, ordinance or law that restricts rents to levels affordable to persons and families of Lower or Very Low-Income; subject to the City Rent Stabilization Ordinance; and/or occupied by Lower-Income or Very Low-Income households; (2) update and publish annual reports, providing the total number of units by affordability level, the frequency and location of Ellis Act evictions, condominium conversions, and/or residential demolitions within the CPA; and (3) if an annual report demonstrates a reduction in the inventory of units within any affordability category, the Department shall: (a) in partnership with HCID and other appropriate departments, create a Recovery Action Plan with specific programs and investments to prevent further loss and increase affordable housing production in the area; and (b) require applications for discretionary land use approvals in the CPA to include a Displacement Impact Report. These provisions would cease to apply once an annual report demonstrates that the loss has been recovered.

		Policy/Section reference	Responsible Agency	Coordinating Agency
Program Number	Program Description			
P65 (SLA) P63 (SELA) <u>Revise program numbers as necessary to ensure the No Net Loss program is “adopted with</u>	Measure JJJ Area-wide No-Net-Loss Program: Develop strategies to prevent and recover affordable housing loss, such as annual reports on existing affordable housing inventory and Ellis Act evictions, as well as specific programs and investments to prevent further loss of affordable units and steps to increase affordable housing production in the Plan Area. The Plan requires the immediate creation and implementation of a comprehensive No-Net-Loss Program as follows: <u>Create an inventory. Create and monitor an inventory of units within the Community Plan area that are subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of Lower or Very Low-Income; subject to</u>	<u>LU XX.XX</u>	<u>DCP HCID</u>	

current plan."	<u>the Rent Stabilization Ordinance; and/or occupied by Lower-Income; subject to the Rent Stabilization Ordinance; and/or occupied by Lower-Income or Very Low-Income households This inventory should be updated annually and made publicly available.</u> <u>Submit annual reports on existing affordable housing. Publish an annual report of the affordable housing inventory. The report should include the total number of units, by affordability level, in each of three categories required by Measure JJJ (Extremely Low Income, Very Low Income and Low Income). The report should also assess the frequency and location of Ellis Act evictions, condominium conversions, and/or residential demolitions within the CPA.</u> <u>Prevent and recover affordable housing loss. If an annual report demonstrates a reduction in the total number of units within any of the three affordability categories, then additional steps should be taken to recover the loss. These steps should include, but not be limited to: (a) a Recovery Action Plan, created jointly by the Department of City Planning and HCID, with specific programs and investments to prevent further loss of affordable units and steps to increase affordable housing production in the area; and (b) a requirement that applications for discretionary land use approvals include an assessment of the project's impact on a net gain or loss of affordable housing within the CPA. These provisions would cease to apply once the CPA can demonstrate that the loss has been recovered.</u>			
----------------	--	--	--	--

(3) Create opportunities for community-serving small businesses.

Our community serving small businesses are some of the most important assets in South Central. Providing good jobs, essential services, culturally significant food and merchandise and neighborhood stability, these entrepreneurs have anchored our neighborhoods. The Community Plans should recognize the value of entrepreneurship in South Central and take steps to protect and strengthen opportunities for a growing and thriving small business economy. The following additional policy provisions can create and sustain jobs in South LA, and keep local capital in the community, thereby enabling a more inclusive and sustainable economic recovery.

(A) Amend the CPIO Commercial Use Incentives in Table 2-3 to incentivize projects that set-aside a percentage of retail space for reduced rent for community-serving small business.

Subareas: A: Neighborhood Serving Corridor, B: Parkway Corridor, C: General Corridor, D: Commercial-Only Corridor,		
E: TOD Low, F: TOD Medium, G: TOD High, H: TOD Regional Center		
Use	Incentive	Applicable Subarea
Banks/Credit Unions Full Service Grocery Stores	When part of a Mixed-Use Project 50% of this use's floor area may be exempt from the FAR maximum.	E, F, G

Federally Qualified Health Centers Health Clubs <u>Reduced Rent Community Serving Small Business</u>	When part of a Mixed-Use Project 1 additional building story may be allowed.	E, F, G
---	--	---------

(B) Amend the CPIO definition of Targeted Commercial Uses.

Targeted Commercial Uses: Banks/Credit Unions, Child Care, Drug Stores, Federally Qualified Health Centers, Health Clubs, Full Service Grocery Stores, ~~and Sit-Down Restaurants,~~ and Reduced Rent Community Serving Small Businesses.

(C) Include a new CPIO definition of Reduced Rent Community Serving Small Business

Reduced Rent Community-Serving Small Business: A privately owned corporation, cooperative, non-profit, social enterprise or other corporate entity that has a long-term lease guaranteeing below market rate rent and meets the following standards: (a) at the time of executing a lease for commercial space has no more than twenty-five employees/shareholders; (b) is not franchised or affiliated with a national, corporate chain; (c) pays all employees/shareholders a Living Wage; (d) serves the local neighborhood by employing local residents or providing culturally appropriate and/or needed goods or services for a mixed income community.

(D) Include a new Policy and Program to increase availability of long-term commercial leases for local community serving small businesses

Policy [XX.XX] Long-term commercial leases. Promote and enhance the availability of long-term commercial leases for community-serving small businesses.

		Policy/Section reference	Responsible Agency	Coordinating Agency
Program Number	Program Description			
<u>PXX</u>	<u>Long Term Commercial Leases: Identify strategies to promote and enhance the availability of long-term commercial leases for community-serving small businesses.</u>	<u>LUX.X</u>		

(E) Include a new Policy and Program to increase procurement opportunities for community serving small businesses.

Policy [XX.XX] Procurement. Increase opportunities for community serving small businesses and social enterprises to secure procurement contracts from new development projects.

		Policy/Section reference	Responsible Agency	Coordinating Agency
Program Number	Program Description			
PXX	<u>Procurement: Identify strategies to increase opportunities for community serving small businesses and social enterprises to secure procurement contracts from new development projects.</u>	<u>LUX.X</u>		

(4) Minimize the harmful impacts of demolitions & condominium conversions.

Ellis Act evictions, condo conversions and demolitions are on the rise across the region, and threaten the rent stabilized housing stock in the South and Southeast LA Community Plan Areas. In the two Community Plan areas, a total of 1,150 evictions have occurred through the use of the Ellis Act, as shown in the map attaches as Attachment C. To better protect residents from displacement and to ensure healthy and inclusive neighborhoods, we recommend the Plans create an annual allowance for condo conversions and demolitions. We welcome guidance from the Department of City Planning and/or the Housing and Community Investment Department (HCID) on the appropriate annual amount for each CPA.

These protections are consistent with several General Plan policies and programs, including Housing Element Policy 1.2.2 (“Encourage and incentivize the preservation of affordable housing, including non-subsidized affordable units, to ensure that demolitions and conversions do not result in the net loss of the City’s stock of decent, safe, healthy or affordable housing.”). These types of policies have been implemented in other California jurisdictions, including San Francisco, Berkeley, Santa Monica, Beverly Hills, Oakland, Santa Barbara, etc.

(A) *Replace South LA Policy LU19.11 and include a clearer and mandatory Policy and Program in both Community Plans to establish an annual allowance for Residential Conversion Projects.*

~~[South LA] Policy LU19.11 Condo Conversion. Ease condo conversion pressure in TOD areas by limiting the number of existing affordable and rent stabilized units converted to condominiums annually, and by ensuring that such conversions do not negatively affect the local rental market.~~ **Policy XX.XX Residential Conversion annual allowance. Residential Conversion Projects, as defined in LAMC Section 12.95.2, shall be denied if the vacancy rate is five percent or less and if the cumulative effect on the rental housing market is significant. In any event, the maximum number of units converted as part of a Residential Conversion Project in the Community Plan Area shall not exceed [XX] per 12-month period.**

		Policy/Section reference	Responsible Agency	Coordinating Agency
Program Number	Program Description			
<u>XX</u>	<u>Residential Conversion Annual Allowance. The Plan requires the immediate creation and implementation of an annual allowance for residential conversions. The maximum number of residential units converted as part of a Residential Conversion Project, as defined in LAMC Section 12.95.2, in the Community Plan Area shall not exceed <u>XX</u> per 12-month period</u>	<u>LU XX.XX</u>	<u>DCP HCID</u>	

(B) Include a new Community Plan Policy and Program (adopted with current plan) to establish an annual allowance for residential demolition permits.

Policy [XX.XX] Residential Demolition annual allowance. The maximum number of residential units demolished in the Community Plan Area shall not exceed XX per 12-month period.

		Policy/Section reference	Responsible Agency	Coordinating Agency
Program Number	Program Description			
<u>XX</u>	<u>Residential Demolition Annual Allowance. The Plan requires the immediate creation and implementation of an annual allowance for residential demolition permits. The maximum number of residential units demolished in the Community Plan Area shall not exceed <u>XX</u> per 12-month period.</u>	<u>LU XX.XX</u>	<u>DCP HCID</u>	

(5) Strengthen protections against predatory lending.

The CPC incorporated several of the People's Plan recommendations to minimize the impacts of predatory lending. However, we recommend one additional policy changes to strengthen protections for low-income communities, as follows:

(A) Amend CPIO Table 2-4 to strengthen regulations.

Subareas: A: Neighborhood Serving Corridor, B: Parkway Corridor, C: General Corridor, D: Commercial-Only Corridor, E: TOD Low, F: TOD Medium, G: TOD High, H: TOD Regional Center			
Use	Regulation	Applicable Subarea	Exemptions/ Clarifications

Payday Lenders/ Check Cashing Facilities	<u>Prohibited within ¼ mile of any census tract having a median household income below “Very Low Income” for a two person household</u>	C, D	
	Prohibited	A,B, E,F,G, H	N/A

(6) Elevate community leadership in community plan implementation

The Community Plans and CPIOs do not include any renter oversight programs. We recommend a Low Income Renter Advisory Commission (LIRAC) body to elevate community leadership and implement an effective monitoring and implementation program for housing-related community plan policies and programs. To select the LIRAC members, the City should partner with community-based organizations to create and implement an outreach plan targeting low-income renters and creating the education curriculum to increase the capacity of residents to participate in the LIRAC.

(A) *Include a new Policy establishing a Low-Income Renter Advisory Commission.*

Policy [XX.XX] Low-Income Renter Advisory Commission. Upon adoption of the Plan, the City shall immediately establish a Low Income Renter Advisory Commission, which body shall be charged with monitoring the implementation of Community Plan policies and programs related to affordable housing and rental housing issues.

(B) *Include a new Program, adopted with the current plan, to establish and staff the LIRAC.*

		Policy/Section reference	Responsible Agency	Coordinating Agency
Program Number	Program Description			
<u>XX</u>	<u>Low Income Renter Advisory Commission (LIRAC). The Plan requires the immediate creation and implementation of a Low Income Renter Advisory Commission. The LIRAC shall be charged with monitoring the implementation of Community Plan policies and programs relating to affordable housing and/or rental housing issues and opportunities. The LIRAC shall be comprised of low-income resident renters and staffed by the Department of City Planning/Affordable Housing Commission. All required reports, including the required annual report on affordable housing, shall be submitted for review and comment to the LIRAC.</u>	<u>LU XX.XX</u>	<u>DCP HCID</u>	

(7) Include a new Policy and Program to establish a centralized, accessible database of land transactions.



The Peoples Plan proposes several steps to enhance opportunities to monitor and acquire property for affordable housing, many of which have been included in the current drafts. We also recommend the following policy and implementation program to enhance transparency and access to information relating to land transactions that impact community development and growth.

Policy [XX.XX] Land Transactions. Make information about land sales and property transactions in the Community Plan Area publicly available, to the extent possible.

		Policy/Section reference	Responsible Agency	Coordinating Agency
Program Number	Program Description			
PXX	<u>Land sales/property transactions: Explore options to make information about land sales and property transactions in the Community Plan Area more publicly accessible, to support communities' access to information regarding changes to the built environment.</u>			

The South and Southeast LA Community Plans and CPIOs can be a catalyst for positive community change. As drafted, the plans reflect many community priorities and present an affirmative vision for inclusive growth. We are proud to have contributed to this process through a rigorous and dedicated community engagement process, yielding the People's Plan: a comprehensive, inclusive, and equitable framework for community planning. The Same Neighbors, Better Neighborhoods approach highlighted in the People's Plan offer an opportunity to create better neighborhoods for existing residents and in the process, accommodate the expected influx of new residents, while maximizing the potential of infill development and transit-oriented development. The equitable development solutions in the People's Plan are practical, implementable, and replicable. We hope that the Council will consider including the additional equitable development policies described above, when adopting these Plans and CPIOs.

For follow up on any of the above comments, or regarding the attachments, please contact Joe Donlin at jdonlin@saje.net.

Sincerely,

United Neighbors in Defense Against Displacement (UNIDAD)



[ATTACHMENT A – THE PEOPLE’S PLAN]



[ATTACHMENT B – FINAL EIR COMMENT LETTER]



[ATTACHMENT C – ELLIS ACT EVICTIONS IN SOUTH LA AND SOUTHEAST LA
COMMUNITY PLAN AREAS]

THE PEOPLE'S PLAN



EQUITABLE DEVELOPMENT IN SOUTH LOS ANGELES

unidad-la.org/peoplesplan



Contents

Acknowledgements	2
Introduction	3
Equitable Development Principles	6
Policy Recommendations	8
1. Create a Net Gain of Affordable Housing	8
Overview	8
Recommendations	11
2. Support local workers and businesses	16
Overview	16
Recommendations	16
3. Promote Community Health and Wellness	19
Overview	19
Recommendations	21
4. Strengthen Community Leadership in the Land Use Planning Process	23
Overview	23
Recommendations	24
Conclusion	25
Sources	26



Acknowledgements

The People of South Central Los Angeles

present and those passed displaced, incarcerated or fallen from state-sponsored or state-incited violence. The People's Plan is a result of countless contributions from hundreds of residents of South Central Los Angeles who have brought with them the lived experience and wisdom derived from struggle, survival and thriving in response to the many beauties and atrocities that have made South Central ground zero for movements of Black liberation, Immigrant rights and Indigenous sovereignty.

The process to develop the analysis and recommendations found in this document began in 2007 with Mobile Planning Lab community sessions outside of the City's Scoping Meetings and carried through many episodes of the People's Planning School held by SAJE, Esperanza and other partners over the years. Many, many organizations added their expertise to these pages, as well. Among them are SAJE, Esperanza Community Housing Corporation, TRUST South LA, CDTech, St. Mark's Lutheran Church, United University Church, Public Counsel, Legal Aid Foundation of Los Angeles (LAFLA), St. John's Well Child & Family Center, Physicians for Social Responsibility-Los Angeles (PSR-LA), LA CAN.

Authors, Contributors

Jon Truong
Joe Donlin
Doug Smith
Rabeya Sen

Design Team. Imprenta Communications Group.

About UNIDAD. The United Neighbors in Defense Against Displacement (UNIDAD) coalition is the product of a community collaboration formed to prevent the displacement of residents in South Central Los Angeles and to improve the health and economic well-being of low-income communities of color through responsible development.



Introduction

550,000 people live within the boundaries of the South Los Angeles

(“SLA”) and Southeast Los Angeles (“SELA”) Community Plan areas (“CPAs”) — boundaries that sketch out a community many still proudly call South Central Los Angeles. Sur Centro de Los Angeles. Home. Many more enter each day to attend school or church, play in parks, visit hospitals, or work at the thousands of stores, businesses, factories, restaurants, warehouses, and nonprofits located in these areas. For all of these people, innumerable experiences that make up daily life are fundamentally shaped by this land, the built environment, and the rules about how these may be used.

The Community Plans (“CPs”) and their attached Community Plan Implementation Overlay Districts (CPIOs), in turn, shape the future of the land, buildings, and uses. These plans govern much more than building specifications; they touch all aspects of how land is used. They impact the socio-economic composition of a community by prescribing the nature and mix of an area’s housing stock. They shape a community’s character and economy by dictating the kinds of businesses that are allowed and the types of goods and services that may be sold. Because these plans govern all planning decisions in a community, they also invariably impact existing as well as future uses.

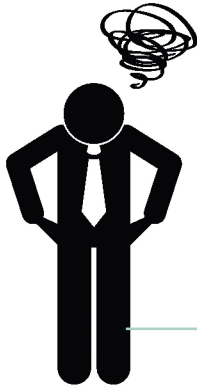
Although local governments have sometimes used this considerable power to exclude people of color or low socio-economic status, it could also be used to unlock a community’s potential, and **to protect its most marginalized members from displacement and community destabilization.**

By the Numbers

The South and Southeast LA Community Plan Areas:

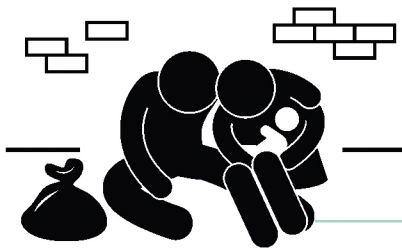
- Contain **550,000 people**, primarily Black and Latino residents greater than the populations of Long Beach, Oakland or Sacramento
- **31 square miles** of land
- **\$100's of Billions** in land value changes will result from the new development allowed for in the proposed CPIOs

Meeting this challenge is perhaps nowhere more critical than in the SLA and SELA CPAs.



SELA CPA residents face greater economic hardship than anywhere else in the city (SLA placed 4th).

More than half of the community's children live in poverty



More homeless men and women live in the area than anywhere else in the city

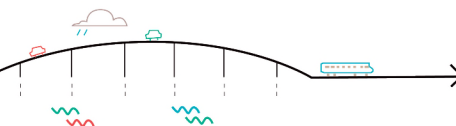
Residents face severely overcrowded housing and poor access to healthy retail food.



1 MILE
12 YEARS OF LIFE



A-town



B-ville

Residents of these communities may live as much as 12 fewer years than residents of wealthier parts of town

Recent developments complicate this already formidable challenge. South Central Los Angeles is seeing a historic influx of public and private investment in major mixed-use commercial projects and multi-modal transportation infrastructure. The passage of Measure M, which renewed a half-cent sales tax to fund Metro transit projects for the next forty years, continues this trend. A combined interest in equitable Transit-Oriented Development (TOD) from lawmakers, investors, and advocates create an opening to define the goals, policies, and strategies in and around the 40 transit stations in South Central LA. The context of investment and urgency of the housing crisis create an opportunity to boldly tackle long-standing issues and firmly place Los Angeles as a city where low-income communities of color can prosper.

Faced with these conditions and opportunities, The UNIDAD Coalition has worked with families, residents, and business owners throughout South Central LA over the last decade to build THE PEOPLES' PLAN: a vision for the community plans that meets our community's needs. From this process emerged recommendations in four broad categories:

- Create a net gain of affordable housing and stop displacement.
- Promote inclusive economic development that supports local workers and businesses.
- Prioritize environmental justice and enhance community health.
- Strengthen community leadership in the land use planning process.

The equitable development proposals described in the People's Plan offer a path forward throughout the Southeast Los Angeles (SELA) and South Los Angeles (SLA) community plan areas to ensure the preservation of the housing, health, and economic livelihood of existing communities. As we anticipate drastic federal cuts to social programs and protections vital to our most marginalized populations, we urge the City of LA—the City Council, Planning Department, and Mayor—to prioritize meaningful public participation and equitable approaches in its land use to ensure that we build better neighborhoods, with the same neighbors.



Equitable Development Principles

“What’s your vision for development in your community?”

We posed this question to residents and stakeholders in South Central LA during a series of workshops and People’s Planning School Sessions. Over the course of these meetings, participants defined the values they wanted to see implemented in the development of their neighborhoods. After much deliberation and reflection, United Neighbors in Defense Against Displacement (UNIDAD) members narrowed down eleven principles for equitable development. These principles guide our advocacy and inform our proposals in the People’s Plan.



Equitable Development Principles

Land use planning and development should benefit low-income communities and communities of color by:

1. **Investing in people first.** The land should support human development and economic equity;
2. **Doing no harm:** Stabilizing and strengthening communities of color, rather than causing or leading to the displacement of residents from their homes or communities;

3. **Providing tangible economic benefits** for local residents, including housing for low-income households, jobs with family-supporting wages, targeted hiring for local and disadvantaged residents and the opportunity to build equity and wealth among low-income individuals and communities;
4. **Supporting housing as a human right** through the preservation and creation of an ample supply of housing affordable for all residents, including low-income and homeless members of the community;
5. **Strengthening the health and well-being of residents** through accessibility to parks and open space, health care services, walkable and bikeable streets;
6. **Capturing land value for community benefit** that has been increased due to public infrastructure investments and zoning decisions;
7. **Preserving the culture and values** of the local people;



8. **Supporting the rights** of tenants;
9. **Ending the criminalization** of people of color, the homeless, low-income tenants and other members of our community;
10. **Institutionalizing the genuine participation** of low-income communities in decision-making, policy implementation and monitoring;
11. **Advancing the people's control of the land**, including through democratic community-based institutions, such as community land trusts and cooperatives.



Policy Recommendations: The People's Plan

1. Create a Net Gain of Affordable Housing Opportunities

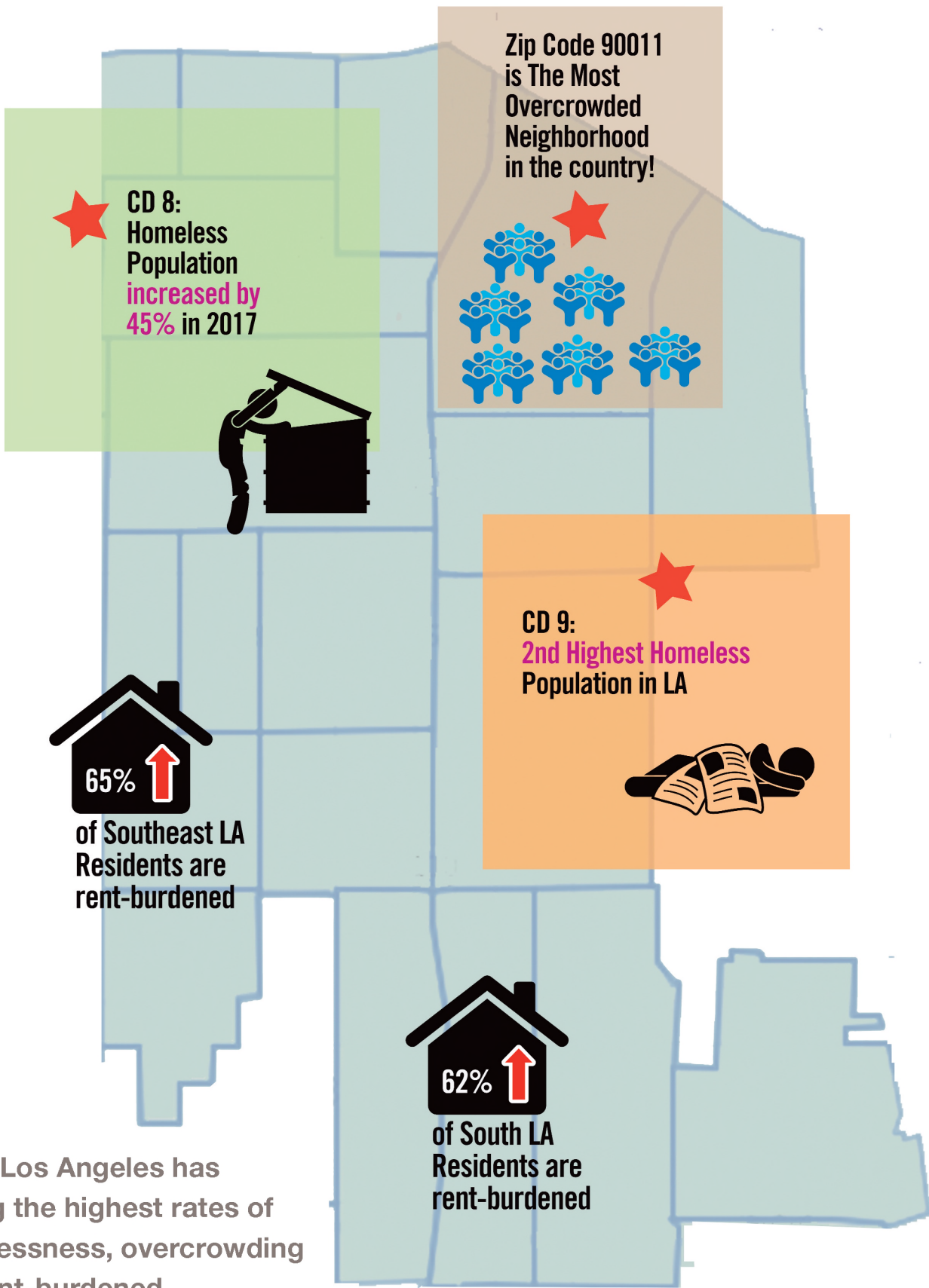
> Overview

Los Angeles County, where renters make up 53% of households, remains one of the least affordable places to live in the United States. 58.5% of renters in the Los Angeles metro area are rent-burdened, spending more than 30% of their income on rent. Renters must work 3 minimum-wage full time jobs to be able to afford a market-rate two bedroom apartment.

In South Central LA, the housing crisis has grown especially acute. Council Districts (CD) 8 and 9, which make up a majority of the Southeast and South LA community plan areas, have the second and sixth highest total homeless populations in Los Angeles, respectively. The remaining Council Districts that comprise South Central, CDs 1, 10, and 14, each rank in the top ten highest homeless populations of all the council districts. Sixty-two percent of residents in South LA and sixty-five percent Southeast LA are considered rent-burdened—the highest levels of any community plan area of Los Angeles. The area also faces some of the highest rates of overcrowding in the nation. In Historic South-Central LA (zip code 90011), 42.2% of units fall within this category making it the most overcrowded neighborhood in the nation.

The impact of housing insecurity is profound: rent-burdened families have been shown to suffer worse health outcomes due to factors such as poor housing quality, overcrowded conditions, the stress of financial and housing instability, or a lack of funds for nutritious food and healthcare. Residents of the SELA and SLA community plan areas have relatively lower household incomes and are significantly more likely to be renters, factors that place them at higher risk of displacement when property values rise in connection with transit investment and new development along transit.

In the face of these challenges, we urge the City to seize this once-in-a-generation opportunity to establish a strong, sustainable framework for a “Net Gain” of affordable housing in the South and Southeast LA CPAs. This requires a set of coordinated land use policies to: (1) produce new affordable housing; (2) preserve existing affordable housing; and (3) enhance and protect the rights of low-income tenants.



South Los Angeles has among the highest rates of homelessness, overcrowding and rent-burdened households.

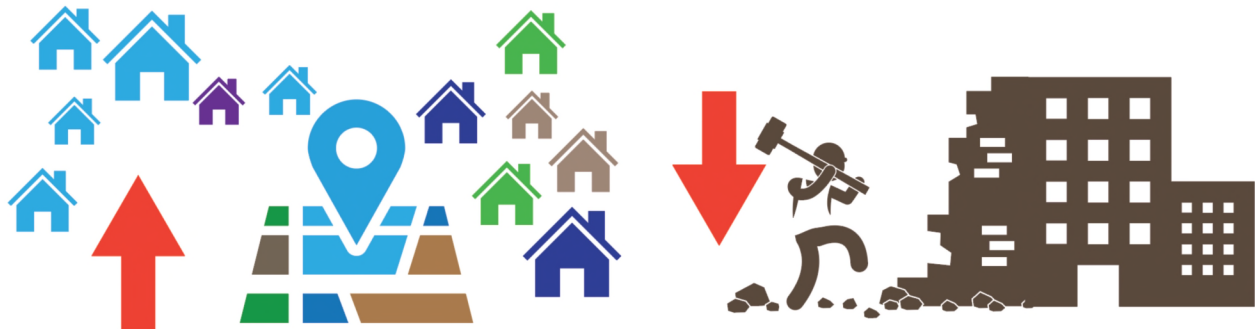
To achieve a net gain of affordable housing opportunities in South LA, we recommend the following suite of policies and programs to be included in the Community Plans and CPIOs.

PRODUCE



- Ensure strong replacement and anti-displacement protections in the CPIO Incentive Program
- Increase the incentives for 100% Affordable Housing projects by creating a Transfer of Floor Area Ratio (TFAR) Program.
- Establish inclusionary requirements for for-sale housing development
- Enhance opportunities for affordable housing developers and community land trusts to acquire property.

+ PRESERVE



- Create **Displacement Free Zones** (aka No Net Loss)
- Minimize the loss of rent-controlled homes by regulating condo conversions and demolitions

+ PROTECT



- Require new developments to provide existing **tenants a right to return**
- Establish **proactive coordination** between HCID and tenant rights organizations.
- Enhance RSO enforcement
- Establish a Low-Income Renter Advisory Commission (**LIRAC**)

> Recommendations

A. Incentivize new affordable housing production

The Community Plan update process presents an opportunity to direct new growth and density where it is appropriate, namely near major transit corridors. But an increase in allowable residential density (aka “upzoning”) - which generates additional land value - must always be aligned with on-site affordable housing. And any affordable housing that is vacated or demolished must always be replaced and displaced tenants offered a right of return. To achieve this objective, the People’s Plan calls for robust community plan policy language and a strong CPIO Affordable Housing Incentive Program.

A CPIO Affordable Housing Incentive Program will identify sites in the community plan area that are eligible for density increases contingent upon the provision of specific levels of affordable housing and other community benefits. The core elements of a strong CPIO affordability program include the following:

- The CPIO incentive program must cover every parcel designated for increased density in the Community Plan Area.
- Any parcel that is designated for upzoning should have a “base” density that is the same as current zoned density, or if the site was previously zoned industrial, the new base density should be 1.5:1 FAR.
- Increases to the new, higher allowable density should only be permitted for Mixed Income and 100% Affordable Housing developments.
- “Mixed Income” development should be defined in the CPIO as a development project that includes affordable housing at percentages that meet or exceed the Measure JJJ standards for the TOC Incentive Program: 7% ELI; 11% ELI or 20% LI. These percentages should apply to the total project unit count, not the base density.
- 100% Affordable housing developments should be eligible for additional incentives.
- Any project eligible for increased density should be subject to replacement housing requirements in state density bonus law.

Please see the attached matrix for details on the specific changes are necessary to bring the draft CPIOs in line with the principles and objectives of the People’s Plan.

Set the base FAR in all TOD subareas at 1.5 FAR, with increases in FAR allowed with the inclusion of affordable housing and other community benefits. The Draft South LA CPIO currently sets the base FAR for the TOD Regional subarea at 3:1, which effectively upzones those sites without any affordability attached. Upzoning should occur in coordination with the provision of affordable housing.

Adjust the affordable housing set-asides required for “Mixed Income Housing.”

To qualify for increases in FAR, the CPIOs should require Mixed Income Housing developments to provide a minimum of 7% of the total units for Extremely Low Income households, AND either an additional 4% of units for Very Low Income households (11% total) or an additional 13% of units for Low Income households (20% total). These percentages meet the baseline standards required by Measure JJJ, while accounting for the demonstrated need for deeper affordability in south LA communities.

Expand application of affordable housing incentives to the full ½ mile around a Major Transit Stop.

Ensure strong replacement and anti-displacement protections in the CPIO Mixed Income Incentive Program. Under the current drafts, to be eligible for the Mixed Income Incentives, a project must meet the replacement housing requirements contained in state density bonus law (AB 2222). We strongly support this requirement. To strengthen this commitment, the City should explore options for requiring or incentivizing a right of return for lower income former tenants of any units that are vacated or demolished in the development of any project seeking incentives.

Increase the incentives for 100% Affordable Housing projects by creating a Transfer of Floor Area Ratio (TFAR) Program. As currently drafted, the CPIOs provide 100% Affordable developments with the same benefits as Mixed Income developments. In order to strengthen the incentives for 100% affordable housing projects, the Department should consider creating a transfer of floor area ratio (TFAR) program. Under this TFAR program, 100% Affordable Housing projects could be granted 6:1 FAR and permitted to sell unused FAR to receiver sites (mixed income developments that have already utilized an incentive program), or to an FAR bank established by the City. Selling unused FAR would help generate additional financing to support affordable housing. This program may be modeled after the TFAR program contained in the Cornfield Arroyo-Seco Specific Plan (CASP).

Establish inclusionary requirements for for-sale housing development. Affordable homeownership helps stabilize households and communities, giving them the opportunity to build assets that can be passed on. It can serve as a bulwark against displacement and gentrification, locking households in to an affordable mortgage payment that won't fluctuate. The City should consider requiring for-sale housing developments and condominium conversions to include a percentage of units affordable to low and moderate-income households.

Enhance opportunities for affordable housing developers to acquire property. Affordable housing developers face numerous barriers to acquiring the property necessary to develop much-needed housing for low-income residents. This is especially challenging as land speculation increases in areas near transit. The Community Plans should include policies and programs that support opportunities and resources for affordable housing acquisition, including but not limited to (i) proper implementation and utilization of the state Surplus Land Act, (ii) joint development on city-owned land, (iii) a proactive plan to advance land acquisition goals for community land trusts (CLTs) and affordable housing developers, and (iv) the creation of a centralized, accessible database of land transactions.

B. Preserve Existing Affordable Housing

Production of new affordable housing, alone, is insufficient to address the affordable housing crisis or effectively prevent the impacts of gentrification and displacement. In addition to incentives, the People's Plan also calls for specific policies and programs to preserve our stock of existing affordable housing. *Please see the attached matrix for more detail on specific policies:

Create Displacement Free Investment Zones (aka No Net Loss). The Community Plans should establish and immediately implement an area-wide No-Net-Loss Program, or "Displacement Free Zone," as follows:

Step 1: create an inventory of existing affordable housing. As a result of Measure JJJ, the City is now obligated to create an inventory of existing affordable and rent stabilized housing assets, including housing that is occupied by low income tenants. This inventory should rely on existing data sources, such as the new rent registry, existing covenants, and a listing of RSO properties. For occupancy by lower income households, the Department should look to census data and/or other available sources. This inventory should be updated annually and made publicly available.

Step 2: submit annual reports on existing affordable housing. The City should publish an annual report of the affordable housing inventory. The report should also assess the frequency and location of Ellis Act evictions, condominium conversions, and/or residential demolitions within the CPA.

Step 3: Prevent and recover affordable housing loss. If an annual report demonstrates a reduction in the total number of units within any of the three affordability categories, then additional No Net Loss Tools should be activated for all areas that demonstrate a loss. These Tools should include, but not be limited to: a Recovery Action Plan, created jointly by the Department of City Planning and HCID, with specific programs and investments to prevent further loss of affordable units and steps to increase affordable housing production in

the area; and a requirement that applications for discretionary land use approvals include a Displacement Impact Report. These provisions would cease to apply once the CPA can demonstrate that the loss has been recovered

Minimize the harmful impacts of condominium conversions. The SLA Draft Community Plan includes a Policy that calls on the City to “[e]ase condo conversion pressure in TOD areas by limiting the number of existing affordable and rent stabilized units converted to condominiums annually, and by ensuring that such conversions do not negatively affect the local rental market.” The Southeast LA Community Plan should include this policy as well.

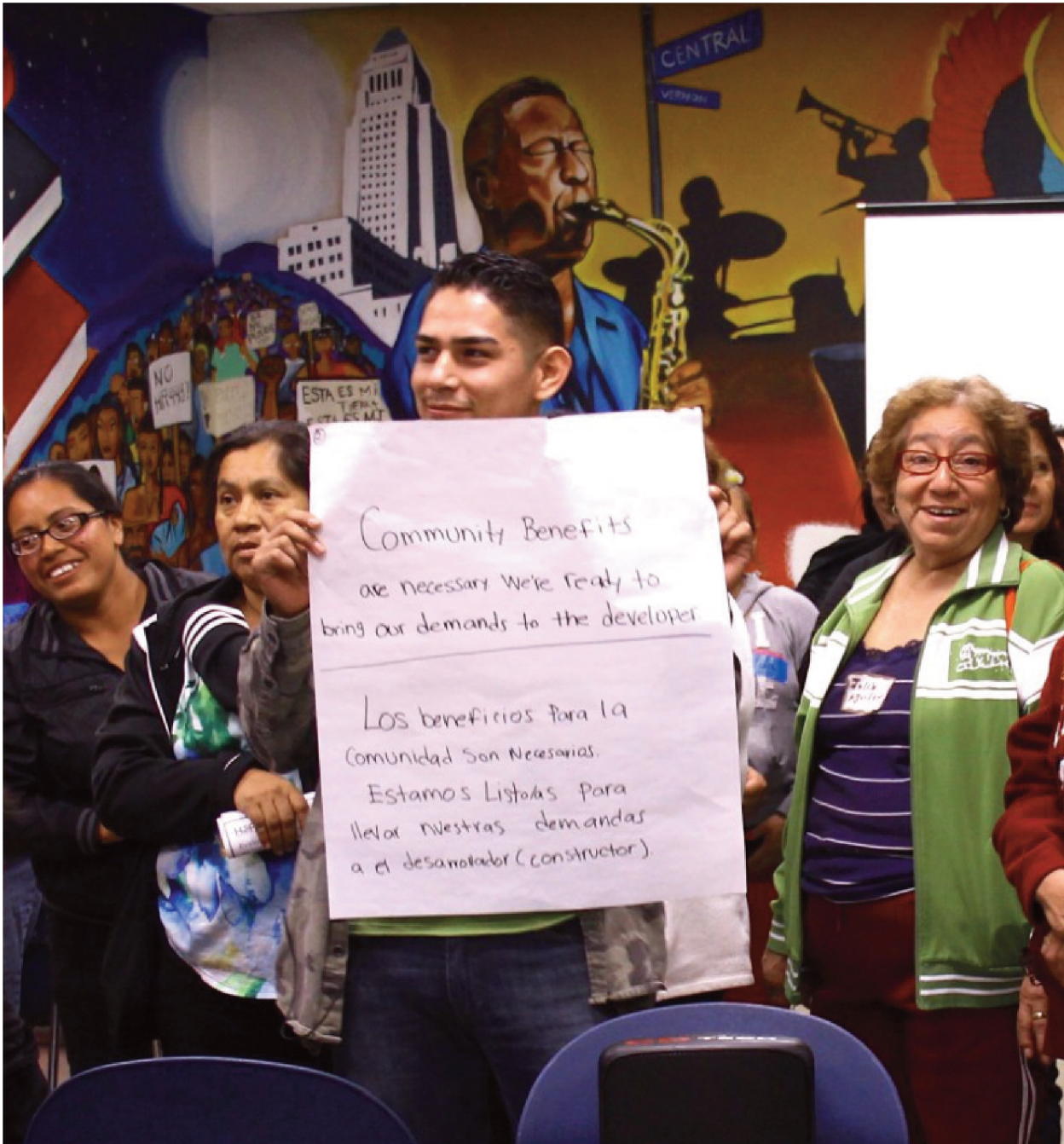
Moreover, in addition to requiring denial of residential conversions when the vacancy rate is five percent or less, both Community Plans should also limit the number of condo conversion that may be approved annually, during years that the vacancy rate is above five percent. These Residential Conversion regulations should apply to the entire CPA, not just the CPIOs. Finally, developers requesting condominium conversion permits should be required to notify existing tenants that the property will be put up for sale and allow them the ability to match offers for purchase.

Minimize the harmful impacts of demolitions. The draft Community Plans are currently silent on the issue of residential demolitions. Given the significant impacts of residential demolitions, the Plans should implement regulations to address the harm (please see the matrix for details). (1) if the vacancy rate in the CPA falls to 5% or less, applications for demolitions should be placed on a wait list until such time that the vacancy rate is greater than 5%; (2) at all times, there should be a limit on the number of demolition permits that may be granted per year; and (3) in order to minimize the harmful impacts of vacant lots, no demolition permit in multi-family residential zoning (R3 zones or higher) should be granted until an applicant has obtained all necessary building permits.

C. Enhance and protect the rights of low-income tenants.

Establish proactive coordination between the Housing and Community Investment Department (HCID) and tenant rights organizations. Community-based organizations (CBOs) like SAJE work to directly with tenants to empower them to exercise their legal and human rights to shelter. Tenant rights CBOs foster relationships with local renters and are best positioned to support the implementation and enforcement of tenant protections.

Establish a Low-Income Renter Advisory Commission. The Community Plans should establish a Low-Income Renter Advisory Commission (LIRAC). The LIRAC would be charged with monitoring the implementation of Community Plan policies. Each LIRAC would be comprised of low-income resident renters and staffed by the City Planning Department. The City Planning Department can partner with community-based organizations to create and implement an outreach plan targeting low-income renters and creating the education curriculum to increase the capacity of residents to participate in the LIRAC.



Establish proactive coordination between the City and tenant rights organizations.

A number of Community Based Organizations (CBOs) and public interest law firms in South Central work directly with tenants to empower them to exercise their legal and human rights to shelter. These organizations foster relationships with local renters and are well positioned to support the implementation and enforcement of tenant protection regulations.

The Community Plans should include a program devoted to fostering effective collaboration and coordination between City departments (like the Department of City Planning and the Housing and Community Investment Department) and tenant organizations working in the CPAs.

Enhance RSO Enforcement. While each draft plan includes policies that call for preservation of rent stabilized units, these policies do not reference any specific tools or programs to achieve this goal. Moreover, these policies are silent on the issues of habitability and tenant protections for residents of rent stabilized units. In addition to the preservation policies described herein, the Community Plans should also include a policy and program to establish and designate neighborhood-based RSO Enforcement Specialists responsible for proactively working with tenants, landlords, and community groups to enhance the habitability and prevent the loss of RSO units in the CPAs.

2. Promote Inclusive Economic Development that Supports Local Workers and Businesses

> Overview

The dismantling of the CRA had a particularly devastating impact on workers, resulting in the loss of important policies that had previously given local residents an opportunity to access some of the benefits resulting from major development projects. Specifically, policies requiring employers to hire locally and from disadvantaged populations, and to pay living or prevailing wages, had helped ensure that residents could share in the opportunities created by new developments in their neighborhoods.

By including local and disadvantaged hiring and high-quality job policies in both Draft community plans, the City has taken an important step towards addressing this grievous loss. However, we need actionable tools in the Plans and CPIOs in order to operationalize these goals. The People's Plan calls for the following additional policies and programs to strengthen the Community Plans' economic development provisions and enhance economic mobility opportunities for residents of South Central.

> Recommendations

A. Create Pipelines to Good Local Jobs

Provide incentives for projects that adhere to the labor standards in Measure JJJ.

Pursuant to Measure JJJ, in order to approve a Community Plan update, the City must first complete a comprehensive assessment to ensure that changes to the Community Plan do not “reduce the capacity for the creation and preservation of affordable housing and access to local jobs.” Furthermore, Measure JJJ's TOC Incentive Program requires the City to offer incentives for projects that adhere to the labor standards contained in Measure JJJ, and these incentives may be adjusted through the Community Plan update process.



In order to be consistent with this existing framework, the CPIOs must be amended to include incentives for projects to meet the employment standards contained in Measure JJJ. As the blueprint for growth and investment in South Central for years to come, the CPIO Incentives should be structured to harmonize the dual benefits of on-site affordable housing and quality employment standards in new development. *Please see the matrix for policy details.

Prioritize opportunities for local residents with barriers to employment. The draft plans contain important policies and programs aimed at encouraging job training and hiring for local residents. These policies should be amended to also include the hiring and training of individuals facing barriers to employment, including but not limited to being homeless; being a custodial single parent; receiving public assistance; lacking a GED or high school diploma, having a criminal record or other involvement with the criminal justice system; suffering from chronic unemployment; history of substance abuse; or being a veteran.

Implement a First Source Referral process for new development and redevelopment projects. Create and/or utilize existing pipelines for local and disadvantaged hiring policies and programs. Establish effective monitoring and enforcement mechanisms, including a meaningful community oversight program, to ensure that hiring goals are being met.

Encourage living wage jobs. The Community Plans should couple the local hiring policies with living wage policies. Specifically, the Community Plans should include a policy and corresponding program to “maintain and increase the availability of living wage jobs for community residents.”

B. Create & Protect Opportunities for Local Small Business That Serve Low Income Communities of Color.

Incentivize reduced rent for community serving businesses. The CPIO Commercial Use Incentives should allow FAR adjustments and/or parking incentives for projects that set-aside a percentage of retail space devoted to reduced rent for community-serving small businesses and social enterprises. This will support the retention and expansion of locally-grown business owners.

Define appropriate parcel designations and sizes for small

businesses. The Community Plans and/or CPIOs should develop innovative parcel designations appropriate and beneficial to small businesses, which may not require the same type or size as larger enterprises. The Community Plans should also include a policy to identify resources to develop retail spaces of the appropriate size for small businesses and designate public space for sidewalk vending.



Provide resources for financing locally based and community-serving small business expansion.

The Community Plans should include a program directing the City to explore the availability of resources and approaches to assist in financing small business startup/expansion for local entrepreneurs committed to benefitting the local community, as well as the financing of construction that supports developers who seek to lease to local and less-credit-ready small businesses. The Community Plans should also include a program directing the City to encourage and create incentives for long-term small business leases.

Explore local procurement policies that support local small businesses. The Community Plans should include a program directing the City to explore options to provide local community-serving small businesses and social enterprises with the first opportunity to secure procurement contracts from new development projects.



C. Promote land use that supports inclusive, sustainable economic growth.

Strengthen regulations relating to predatory lending institutions. These community plans must include strong regulations to address the harmful impacts of an overconcentration of Payday Lenders / Check Cashing Facilities. In addition to the restrictions currently in the draft CPIOs, the City should further restrict these uses within the General and Commercial Corridor subareas and increase the level of review required for approval.

The City should also consider regulations that may address an oversaturation of already approved/permitted Payday Lenders / Check Cashing Facilities. Specific options to consider include: (1) Permanent moratorium on the establishment of new applications for Payday Lenders/Check Cashing Facilities (2) Prohibit new Payday Lender / Check Cashing Facilities from being located in proximity to a Very Low Income Census Tract.

Protect industrial and manufacturing zoning from conversion to other uses. The community plans must maintain consistency 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.

3. Prioritize Environmental Justice and Enhance Community Health and Wellness

> Overview

The SLA and SELA CPAs currently suffer from myriad localized sources of pollution, such as proximity to high-traffic highways and industrial uses, in addition to a dearth of health-promoting uses such as parks and healthcare facilities. The community plans offer an opportunity to address these grave health disparities affecting community residents.

Home to seven of the ten most ozone-polluted cities in the country, 84% of the California's residents live in areas of poor air quality. And while all Angelenos suffer the impacts of this unhealthy air, low-income communities, especially communities of color, are especially vulnerable. The CalEnviroScreen Tool identified the SLA and SELA CPAs as among the **top 10% of communities in the state of California that are disproportionately burdened by multiple sources of pollution.**

The primary cause of this vulnerability is the disproportionate proximity of these communities to high-density freeways and highways and to pollution-emitting factories and industries. These uses expose community residents to multi-source air toxins and fine particulate matter from gasoline and diesel-powered motor vehicles. **The health costs of this exposure are severe, ranging from reproductive issues and low birth weight to respiratory and cardiovascular illnesses.** The Union of Concerned Scientists reached the horrifying conclusion that **“70 percent of the cancer risk from the air we breathe is attributable to diesel PM.”**

The SLA and SELA CPAs are bound by three freeways and contain over 30 major commercial corridors serving as a “pass through” for vehicular and commercial traffic traveling north-south and east-west. The Community Plans and respective CPIOs must limit the risk that this proximity entails.

Meanwhile, South LA residents are severely underserved by healthcare professionals. Historic divestment of medical service facilities from the area has left community members dangerously out of reach from many health services. No major hospital is easily accessible to most of its residents, and significant portions of both CPAs have been designated **“Health Professional Shortage Areas.”** Many low-income South LA residents haven't seen a doctor in years.





Additionally, residents of the SLA and SELA CPAs have access to less than one acre of parkland per thousand residents. Compare that with the 19 park acres per thousand residents enjoyed by residents Hollywood, the 26 acres enjoyed by residents of Bel Air, or the jaw dropping 198 acres enjoyed by Brentwood residents.

Such limited access contributes to both physical ailments such as obesity, as well as psychological ailments such as irritability, mental fatigue, and impulsivity.

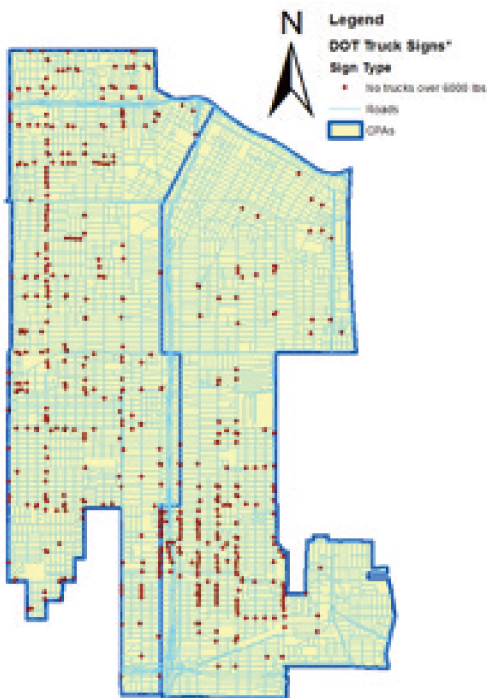
An **equity framework** would harness the opportunity presented by public and private investment and increase much needed resources, community-serving amenities, and opportunities to existing residents.

> Recommendations

Prohibit oil extraction. There are upwards of 30 active oil extraction sites in the CPAs. Urban oil extraction and their related practices produce harmful emissions that seep into surrounding communities. Residents in the CPAs suffer from low-dose chronic exposures to hydrocarbons and other harmful associated chemicals and express symptoms including spontaneous nose bleeds, lingering headaches, chronic fatigue, dizziness, and loss of smell. The city should prohibit all urban oil extraction uses and techniques, including but not limited to acidization, fracking, and urban oil drilling, as all these practices are incompatible with human health.

Increase accessibility and amount of public open/green space. The Community Plans and/or CPIOs should designate surplus City-owned land in Transit-Oriented Districts as Open Space when parcels are feasibly repurposed for park or recreation purposes in compliance with the Surplus Land Act. The Community Plans should include a program to commit resources to improving and maintaining open space in the CPAs.

In September 2016, the Los Angeles City Council voted unanimously to adopt an ordinance to overhaul the City's fee program to fund park acquisition and capital improvements. As part of this process, the City adopted an amendment to the General Plan that created a service standard of 10 park acres per 1,000 people. In order to be compliant with the General Plan and the Plan for a Healthy Los Angeles, the Community Plans should include a policy/program to ensure consistency with the City's fee program to fund park acquisition and capital improvement and meet or exceed the service standard of 10 park acres per 1,000 people.



Protect air quality by limiting truck activity.

The Community Plan should Limit truck routes solely on commercial corridors, away from sensitive receptors like schools and residences. Restrict truck idling and parking on residential streets to limit toxic diesel emissions.

Reduce air pollution from highways.

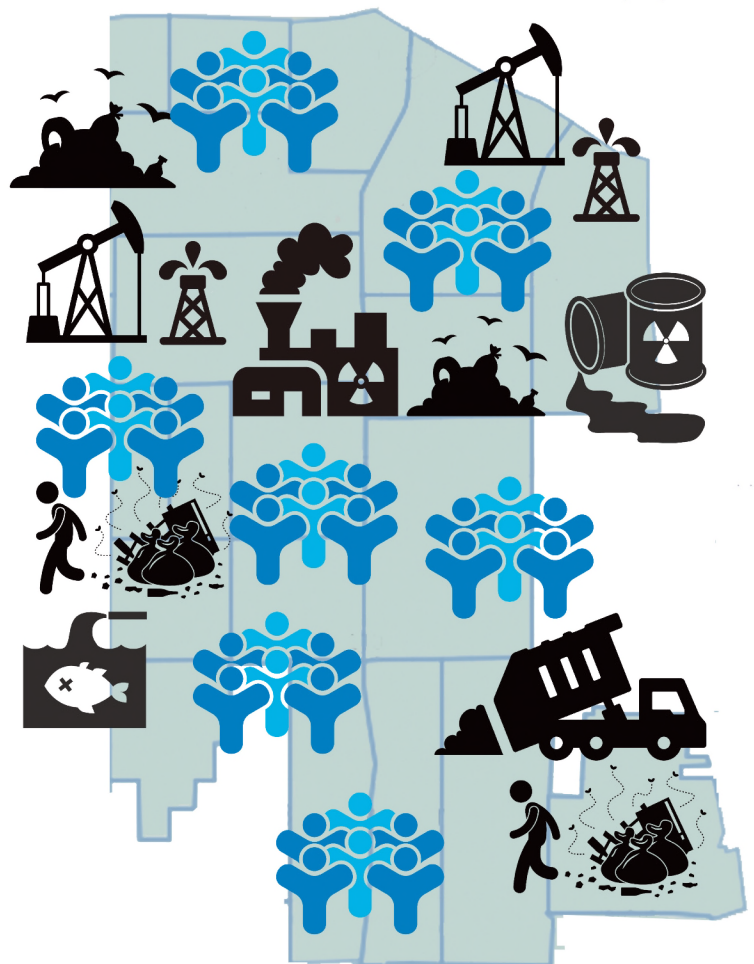
The Community Plans should create green buffers next to highways that are not publicly accessible to reduce the amount of particulate matter in residential areas. Further, the Community Plans should require the installation of high efficiency filtration systems (MERV 17 to 20) for all housing within 500 feet from sources of pollution including freeways and existing oil drilling sites.

Develop policies that reduce residential/industrial land use conflicts and provide incentives to mitigate exposure to harmful air pollutants emitted from industrial uses of land. There are countless neighborhoods in the South and Southeast Community Plans that are saddled with the environmental burden of noxious industrial land uses.

In fact, 21% — approximately 59,000 individuals — of Southeast LA residents live adjacent to noxious land uses.

Furthermore, the communities that are most disproportionately impacted by these conditions are low-income communities and communities of color. Scientific studies show that living in close proximity to industry increases rates of asthma, heart disease and low birth weight.

Given this reality, we recommend that the Community Plans include policies that reduce residential to industrial land use conflicts, while also providing incentives to businesses residing on industrial parcels of land to reduce harmful air pollutants and mitigate the pollution burden on surrounding communities.



4. Strengthen Community Leadership in the Land Use Planning Process

> Overview



The Community Plans – and this current process to update the plans – should follow and enhance best practices designed to deepen public participation, especially among residents who are typically left out, due to cultural, economic or social barriers. The current Community Plan update process has now spanned 10 years. This inordinate amount of time does not, however, justify any speeding up of the planning process that could come at the expense of the well-being of our communities.

Further, we note that the Community Plan update process for South LA and Southeast LA had previously been independent public processes. Now, they are merged into a singular process. While there may be benefits to asking residents and stakeholders to attend fewer meetings, we must name the risk that this represents in diminished opportunity for public process.

Where there were previously two environmental review processes and two City approval processes, there is now just one. This gives residents half the opportunity to weigh in on critical matters and doubles the amount of information they must process – especially for residents, students, small business owners and organizations who reside, study and/or operate in both Community Plan Areas. This is an unfortunate outcome to a perceived effort to speed up the Community Plan Updates, which could result in unnecessary harm to the most marginalized members of the community who typically have the least access to resources necessary to weigh in on documents that are heavy with technical jargon. Thus, we call for every opportunity to be given and every available resource to be exhausted to be sure that the Community Plans are not approved without significant and authentic community involvement.

In light of the current changes in process, we further make the following proposals that should affect planning in South LA and Southeast LA going forward:

> Recommendations

Enhance Language Access of All Planning Documents. Language access for the Community Plans and CEQA-related documents continues to be a challenge. The City of Los Angeles must set a new standard for full disclosure of its planning documents through the translation into the various languages spoken in our communities.

Hold Community Planning Meetings at Night and/or On the Weekends at Locations in the Community. City planning hearings typically take place at City Hall during the middle of the work day. The distance from community neighborhoods and the conflict with the work day represent two enormous barriers for resident participation. For these reasons, we recommend that hearings pertaining to development in South LA and Southeast LA held by the City Planning Commission, the Planning and Land Use Management Committee of City Council, and the full City Council be held at night and/or on the weekends at locations in the Community Plan Area.

Exercise the Discretionary Power to Pace the Planning Process According to Community Needs. The City of Los Angeles should assess regularly how the planning process is being heard and understood by local residents – prioritizing the most disenfranchised members, including people of color, low-income people, the homeless and people for whom English is a second language. When it becomes clear that residents need additional time to review plans, that time should be given in the acknowledgement that land use decisions have a multi-generational impact on the lives of residents and the communities impacted by these decisions.



Conclusion

The South and Southeast LA Community Plan updates represent a watershed moment for our city. This is an opportunity to reaffirm a commitment to real planning, done in partnership with those communities that have historically been excluded from – and harmed by – the planning process. This is an opportunity to be forward-looking and bold in creating the conditions for healthy community-serving development without displacement. We believe that done correctly, these Plans could effectively coordinate public and private investment with the strengths and assets of the South Central community in order to promote inclusive, equitable, just growth. With these opportunities in mind, we submit this, the People’s Plan.

The Same Neighbors, Better Neighborhoods approach highlighted in the People’s Plan offers an opportunity to create better neighborhoods for existing residents and in the process, accommodate the expected influx of new residents while maximizing the potential of infill development and transit-oriented development. Done correctly, public and private investments can be used as a tool to raise the standard of living for existing residents by increasing housing affordability through lower housing and transportation costs, increasing healthy housing standards, linking workers to employment centers, creating living-wage jobs, protecting community-serving small businesses, preventing displacement, and increasing the resources available to community residents.

The equitable development solutions in the People’s Plan are practical, implementable, and replicable. Los Angeles can still become a city where working class residents and future generations can achieve prosperity but **the time to act is now!**



Sources

- "Health Atlas for the City of Los Angeles" (LA City Planning Department, June 20, 2013), 28, <http://planning.lacity.org/cwd/framwk/healthwellness/text/HealthAtlas.pdf>.
- Manuel Pastor, Jennifer Ito, and Anthony Perez, "There's Something Happening Here... A Look at The California Endowment's Building Healthy Communities Initiative" (University of Southern California: USC Program for Environmental and Regional Equity, February 2014), 43, [http://archive.calendow.org/uploadedFiles/Health_Happends_Here/Communities/TCE-BHC-Narrative-PERE%20\(1\).pdf](http://archive.calendow.org/uploadedFiles/Health_Happends_Here/Communities/TCE-BHC-Narrative-PERE%20(1).pdf).
- "Health Atlas for the City of Los Angeles," 160.
- Ibid., 158–59.
- Ibid., 128.
- Ibid., xiii.
- Megan Bolton et al., "Out of Reach 2015," Out of Reach (National Low Income Housing Coalition), 34, accessed January 29, 2016, http://nlihc.org/sites/default/files/oor/OOR_2015_FULL.pdf.
- "America's Rental Housing: Expanding Options for Diverse and Growing Demand" (Joint Center for Housing Studies of Harvard University), accessed February 2, 2016, <http://www.jchs.harvard.edu/research/publications/americas-rental-housing-expanding-options-diverse-and-growing-demand>.
- Bolton et al., "Out of Reach 2015," 34.
- "2015 Greater City of Los Angeles Homeless Count," LAHSA - Homeless Count - Council Districts, accessed February 17, 2016, <http://www.lahsa.org/homeless-count/council-district>.
- "Health Atlas for the City of Los Angeles," 158.
- Bianca Barragan, "Historic South-Central Has the Most Crowded Housing in the US," Curbed LA, March 10, 2014, <http://la.curbed.com/2014/3/10/10134306/historic-southcentral-has-the-most-crowded-housing-in-the-us>.
- "Social Determinants of Health: Housing & Health in Los Angeles County" (Los Angeles County Department of Public Health, February 2015), 2, <http://hcidla.lacity.org/social-determinants-health-housing-health-los-angeles-county>.
- Rosten Woo, "Neighborhood Health Profiles," Health Profiles City Neighborhoods, September 21, 2015, <http://healthyplan.la/interactive/neighborhoods/#id=23>.
- Amanda Gehrke, "Creating Successful Transit Oriented Districts in Los Angeles: A Citywide Toolkit for Achieving Regional Goals," 20–21, accessed January 10, 2017, http://media.metro.net/projects_studies/tod/images/CTOD%20-%20Creating%20Successful%20Transit-Oriented%20Districts%20in%20Los%20Angeles.pdf.
- "State of the Air 2016 California Overview" (American Lung Association), accessed January 10, 2017, http://www.lung.org/local-content/california/documents/state-of-the-air/2016/sota-2016_ca-overview.pdf.
- "CalEnviroScreen 1.1 | OEHA" (California Environmental Protection Agency, September 13, 2013), <http://oehha.ca.gov/calenviroscreen/report-general-info/calenviroscreen-11>.
- "Proposed Regulations for In-Use On-Road Diesel Vehicles Appendix D" (California Air Resources Board, October 2008).
- "Diesel Trucks, Air Pollution and Public Health," Union of Concerned Scientists, accessed April 4, 2014, http://www.ucsusa.org/clean_vehicles/why-clean-cars/air-pollution-and-health/trucks-buses-and-other-commercial-.
- "Health Atlas for the City of Los Angeles," 88.
- Ibid.
- Robert García, Seth H Strongin, and Anahid Brakke, "Healthy Parks, Schools, and Communities: Green Access and Equity for Los Angeles County 2011" (The City Project), accessed January 10, 2017, <http://www.mapjustice.org/images/LosAngelesENGLISH.pdf>.
- "Division of Oil, Gas & Geothermal Resources Well Finder," California Department of Conservation, 2014, <http://maps.conservation.ca.gov/doggr/index.html#close>.



unidad-la.org/peoplesplan



October 2, 2017

Attn: Marie Cobian, Melissa Alofaituli
City of Los Angeles Department of City Planning
200 North Spring Street, Room 750
Los Angeles, CA 90012-2601

Via email to marie.cobian@lacity.org and melissa.alofaituli@lacity.org

Re: Final Environmental Impact Report for the South Los Angeles and Southeast Los Angeles Community Plans (City EIR Nos. ENV-2008-1781-EIR; ENV-2008-1780-EIR; SCH Nos. 2008101097, 2008101098)

Dear Ms. Cobian and Ms. Alofaituli,

On behalf of the United Neighbors in Defense Against Displacement Coalition (UNIDAD), we submit these comments on the Final Environmental Impact Report (FEIR) for the South Los Angeles and Southeast Los Angeles Community Plans (Plans). Nothing in these comments is intended to waive any comments submitted in connection with the Draft Environmental Impact Report (DEIR). We commend the incorporation of significant elements of the People's Plan, which was developed by the UNIDAD coalition through years of extensive outreach and engagement with community members living in the areas impacted by these Plans. By incorporating these policies, the City has recognized the depth of expertise which exists in local communities and the potential for improved, inclusive, community-led planning processes, and the Community Plans have been improved as a result.

However, the FEIR fails to consider the incorporation of a range of policies which would serve as feasible measures to mitigate identified significant environmental impacts resulting from the Community Plans. Further, the City has failed to acknowledge the links between increased development capacity, economic displacement of long-standing communities, and the resulting environmental impacts which occur when residents are forced to move and when replacement housing is constructed in order to accommodate them in other neighborhoods. Similarly, the FEIR does not fully consider the nuances of locating housing near transit and the fact that transit ridership is substantially affected by the incomes of residents living in proximity to transit stations. Finally, the City has failed to consider and incorporate a range of policies related to supporting community-serving small businesses, a key component of community cohesion and an important factor in realizing the assumed benefits of the new Community Plans.



The Statement of Overriding Considerations for both Plans states that all feasible mitigation measures have been adopted. However, the City has failed to consider adopting several of the policies suggested by the UNIDAD Coalition as outlined in the People's Plan, despite the fact that these would serve to mitigate the Plans' significant environmental impacts, and has not outlined why the inclusion of such measures is infeasible. As pointed out in comments on the DEIR, the People's Plan policies which have not been included would serve to mitigate several impacts which are listed in the statement of overriding considerations as "unavoidable significant adverse impacts." For example, annual allowances for demolitions and condo conversions would mitigate both the construction-related air quality and noise impacts which the FEIR states are unavoidable, by limiting the concentration of construction activities simultaneously contributing to these impacts. Despite this, and the fact that the potential for the People's Plan policies to mitigate significant impacts was repeatedly pointed out during the public comment period, the FEIR fails to consider them as mitigation measures and does not address their feasibility. CEQA requires the inclusion of feasible mitigation measures which would serve to minimize significant impacts; the failure to consider adopting feasible policies contained in the People's Plan, which would serve to reduce or avoid identified significant impacts, likely constitutes a CEQA violation. Cal. Pub. Res. Code § 21100; 14 Cal. Code Regs §15126.

The City repeatedly references the affordable housing production incentives incorporated from the People's Plan in order to support its Statement of Overriding Considerations. It is absolutely critical to the success of these incentives that the base density in all CPIO subareas be maintained at 1.5 FAR. A key requirement of CEQA is that significant environmental impacts which would result from a project be minimized through the inclusion of concrete, specific, and enforceable mitigation measures. "The purpose of these requirements is to ensure that feasible mitigation measures will actually be implemented as a condition of development, and not merely adopted and then neglected or disregarded." *Federation of Hillside & Canyon Associations v. City of Los Angeles*, 83 Cal. App. 4th 1252, 1261 (2000).

The Plans' affordable housing incentives are structured in such a way as to incentivize the production of affordable housing in light of the existing base density; they operate by granting a developer increased density in exchange for providing a certain set-aside of affordable housing, and this serves to incentivize such set-asides because the developer is able to benefit financially from the increased density (while at the same time increasing the stock of desperately needed affordable housing). If the base density is increased above 1.5 FAR in CPIO subareas, this will remove the financial incentives for developers



to provide affordable housing set-asides, as developers would likely experience a greater financial return without the incentives than with them (even with the option of building at greater density when providing affordable units). If the base density upon which the incentives depend is increased, this will disrupt the City's analysis of the mitigating effect of such incentives on significant environmental impacts, requiring a new analysis. In other words, the City cannot rely on the affordable housing incentives to mitigate environmental impacts if they are not utilized by developers, which would be the practical result of an increase in base density.

Furthermore, the City's failure to consider and incorporate recommended policies and mitigation measures conflicts with its stated reasons for recommending adoption of the Plans despite their significant impacts. Many of the People's Plan policies would serve to advance the City's stated reasons for supporting the Community Plans' approval:

Accommodating Project Area Population Growth; Addressing the Affordable Housing Crisis

The Statement of Overriding Considerations recommends adoption of the Plans because they would accommodate anticipated population growth in Los Angeles. However, the City has consistently failed to reach its Housing Element goals with respect to affordable housing production, and vacancy rates in higher-end developments are relatively high; in other words, while the City suffers from a chronic shortage of housing affordable to its lower-income residents, recently produced higher-cost housing sits empty. By including the Coalition's recommendations regarding incentives for affordable housing, limitations on conversion and demolition, and preserving the base density in CPIO subareas at 1.5 FAR, the City could better accommodate anticipated growth by ensuring that the housing stock produced under the Plans accommodates all economic segments of the communities they apply to.

Enhanced Mobility and Transit Ridership; Reductions in GHG Emissions

The City also recommends adoption of the Plans because they will "enhance mobility by focusing future growth in areas well-served by transit... in order to encourage transit ridership, walking, and bicycling." As pointed out in the UNIDAD Coalition's comments to the DEIR, the goal of combatting recent declines in transit ridership and alleviating traffic would also be better served by incorporating the People's Plan policies which serve to buffer communities against displacement and incentivize affordable housing in transit-rich neighborhoods. Those comments cited studies showing the fact that lower-income residents who live near transit are far more likely to utilize it in lieu of personal vehicle travel than their higher-income neighbors. Preserving base densities in CPIO



subareas, limiting condo conversions and demolitions, and providing support for small businesses would all serve to ensure that lower-income residents have opportunities near transit which would simultaneously support increased ridership, reduced personal vehicle use, and concomitant reductions in greenhouse gas and air pollution emissions. Without including these provisions in the Plans, incentives for the production of affordable housing may go unutilized, or may be outweighed by displacement and loss of existing housing, and declining transit ridership may go uncorrected. They City should ensure, rather than assume, that anticipated benefits of the Plans will be realized.

Reducing Vehicle Miles Traveled; Ensuring Economic Viability and Opportunity

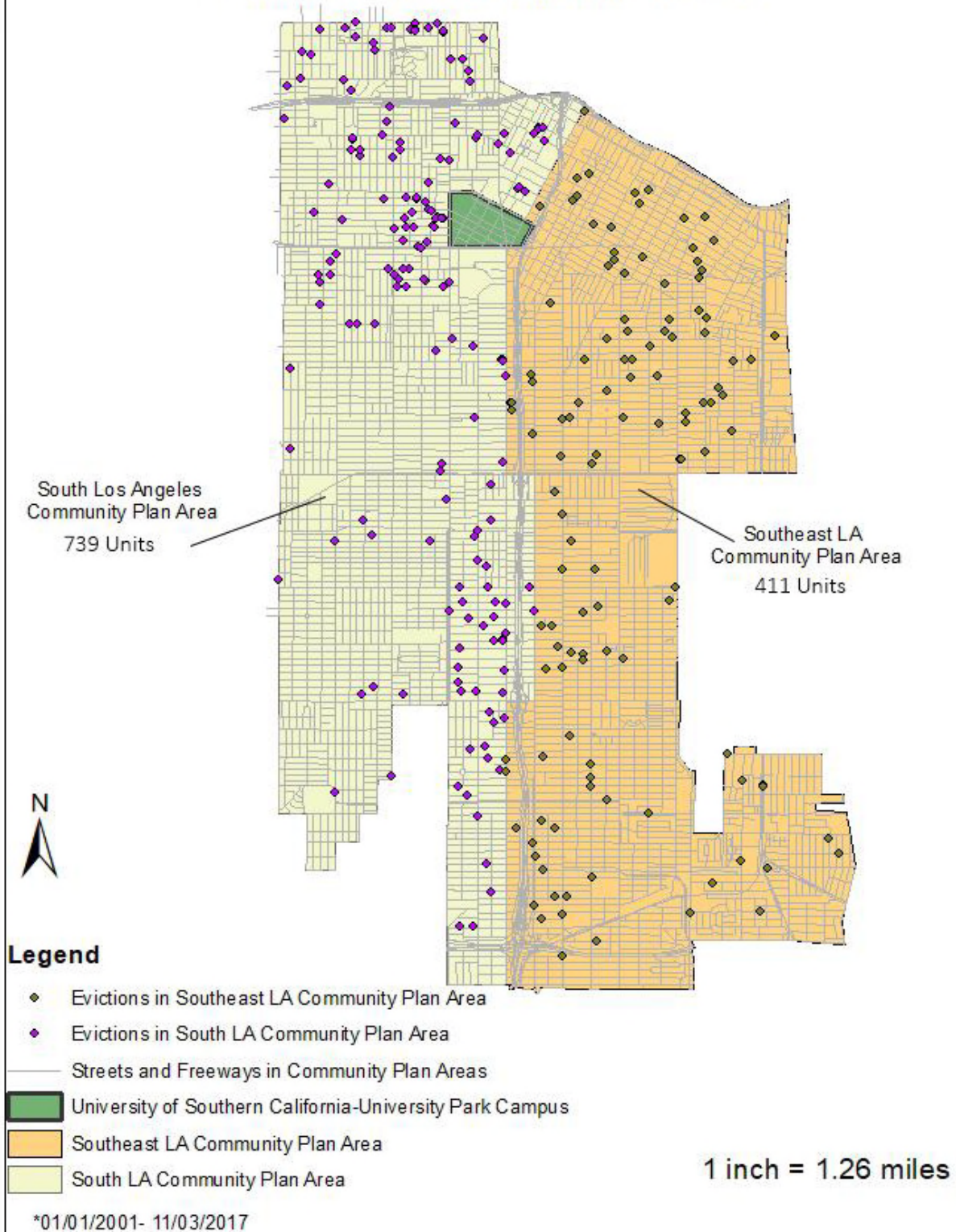
The policies contained in the People's Plan related to support, stability and reduced rent for community-serving small businesses also further the City's goals with respect to both reducing VMT and GHG emissions and promoting an appropriate jobs-housing balance in the Community Plan Areas. Increasing stability for community-serving small businesses lessens the displacement pressures they are already experiencing, as demonstrated by information submitted with UNIDAD's DEIR comments, which would foreseeably increase as a result of the Plans. This, in turn, reduces the likelihood that local community members who are both employed by such businesses and who frequent them would be driven to seek replacement options elsewhere, and reduces the potential for urban decay. Incentivizing arrangements which provide stability and support for local small business also accomplishes the City's stated goal of "ensur[ing] the continued economic viability of the commercial and industrial districts of the CPAs."

We appreciate the City's consideration of the People's Plan and the comments submitted on both the Draft and Final Environmental Impact Reports. We encourage the City to fully comply with CEQA by considering incorporation of additional People's Plan policies as mitigation of identified significant environmental impacts, and as a mechanism for better accomplishing the goals of both the City and Community as stated in the Statement of Overriding Considerations and the People's Plan.

Sincerely,

Alexander Harnden, Attorney
Legal Aid Foundation of Los Angeles
On behalf of the UNIDAD Coalition

Evictions by Ellis Act in South LA and Southeast LA Community Plan Areas From 2001 to November 2017*



To: Members of the Planning and Land Use Management committee of LA City Council:
Council Members Huizar (Chair), Harris-Dawson (Vice Chair), Price, Englander and
Blumenfield

From: Joe Donlin, United Neighbors In Defense Against Displacement (UNIDAD)

Re: *Achieving density and mixed-income housing via a base FAR of 1.5:1, for TOD subareas
in the South/Southeast LA Community Plan Implementation Overlays (CPIOs)*

Date: November 20, 2017

Summary

This memo is meant to support conversations around the question of the appropriate base Floor Area Ratio (FAR) and base density for the CPIOs of the South LA and Southeast LA Community Plans. Below we provide rationale demonstrating how a base FAR of 1.5:1 in all TOD subareas – including Subarea H – will not only maximize the density built on those parcels, but also will ensure the use of the affordable housing incentive built into the CPIOs. Not only is a base FAR of 1.5:1 the best policy option for these reasons, but it also will ensure compliance with existing law, as described below.

The CPIO incentives Seek to Achieve Density and Affordability. The objective of the CPIO density provisions is to incentivize affordable and mixed income housing near transit. This is achieved with a simple two-tier "up-zone" structure, whereby TOD sites are given: (1) a lower base FAR; and (2) a higher bonus FAR. A developer can then choose to develop at the lower base FAR without providing any affordable housing, or (hopefully) the much denser bonus FAR if they provide on-site affordable housing. The higher bonus FAR effectuates an "up-zone" that is available to projects providing community benefits. It creates a win-win-win scenario: communities get more affordable housing; the overall housing supply increases at all levels with denser development; and developers increase revenue on individual projects. But if the base FAR is set too high, then there is no real incentive to seek the bonus, and the whole structure falls apart.

This two-tier structure applies to each TOD subarea in both the South and Southeast LA CPIOs. The base FAR is set at 1.5 in every TOD subarea, *except* Subarea H, which covers an area along Washington Blvd in CDs 14 and 9. In Subarea H, the base FAR is currently set at 2.25:1, and the bonus FAR is set at 6:1. The city may be considering a proposal to further increase the base FAR to 3:1.

UNIDAD Supports Density and Affordability. We share the overall policy goal of incentivizing dense TOD development with affordable housing, and for that reason we absolutely support a higher max "bonus" density of 6:1 FAR for this subarea. We hope that the plans incentivize dense mixed income and affordable housing developments that meet the needs of South LA residents. However, as outlined below, increasing the *base* FAR beyond 1.5 may unintentionally discourage the use of the up-zone and thus undermine this goal.

Why a Lower Base FAR achieves Higher Density. Assuming the goal is to maximize density and affordability, the best approach is to set a base FAR of 1.5 - consistent with all other CPIO subareas – and also provide easily attainable incentives to reach higher density with affordability. At first blush, it may seem counter-intuitive to set a lower base density when the goal is to maximize density. But it is really about *maximizing the incentive to build at the higher "bonus" density*. With a base of 1.5, a developer will be induced to provide affordable housing as a means to building a project at any higher density. If the base is set at 3, there is a much higher risk of developers just building at that "middle" rate, and forgoing any incentive. In this case, we get more projects that do not provide any affordable housing, and do not maximize the density available on the site.

How the Costs of Different Construction Types Affects the Size of Projects Built. The risk of building at the "middle rate" (e.g. at FAR of 3:1) is heightened by the interaction between FAR and construction

type. Generally, Type 5 construction refers to wood frame buildings. Anything denser than about 3 FAR requires Type 3 or Type 1 construction, which involves concrete or steel framing and is much more expensive (as well as increased potential for the need to do subterranean parking). Changing construction types (e.g. going from Type 5 to Type 3 or Type 1) increases building costs, reduces the pool of available contractors, and is generally less predictable. Thus, for an incentive to work, it should be operative within Type 5.

But 3:1 FAR is at the outer limit of Type 5 construction. Thus, if the base FAR is set at 3, then a developer would need to change construction types in order to use an incentive in almost any scenario. This again, increases the risk that developers decide to just build at 3 FAR without any affordability, instead of building more units with an affordable component. Instead, setting the base FAR at 1.5 will make the incentive operative within Type 5 construction (i.e., they can use Type 5 construction at both 1.5 FAR and 3 FAR), as well as the other construction types. This will maximize likelihood of use, thereby maximizing density and affordability along an important transit corridor.

Ensuring Compliance with Existing Law. Finally, it should be noted that the vast majority of sites within Subarea H are currently zoned industrial, which does not permit any housing development. By designating these sites as a TOD subarea, the CPIOs are effecting an "industrial conversion" and creating the capacity for housing development where none currently exists. This may be appropriate, but existing city policy requires that such conversions include affordable housing (see City's Industrial Land Use Policy). If the new residential density is then set at a base of 3, the CPIOs would be creating a *significant upzone* (going from no housing permitted all the way up to 3 FAR) *without any affordability*. Upzoning without affordability in this manner would undermine existing affordable housing incentives like the density bonus ordinance and TOC program, which rely on pairing density increases with affordability. Undermining these programs is not just bad policy, it is prohibited by state law (Government Code 65917) and Measure JJJ. Instead, setting the base FAR at 1.5 - consistent with every other subarea in the CPIO - will appropriately pair density increases with affordability. This will ultimately yield higher density projects (up to the full bonus FAR of 6) with on-site affordability, contributing to a more equitable and inclusive future for South LA.

Conclusion. Along with the City Planning Department, UNIDAD maintains that we achieve our shared goals of density near transit and increases in affordable housing by returning the base FAR in the TOD subareas to 1.5:1.

We are happy to discuss further if it is desired. Please contact Joe Donlin at jdonlin@saje.net and by cell phone at 419-944-3645.