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June 24, 2024

Los Angeles City Council
c/o Office of the City Clerk
City Hall, Room 395
Los Angeles, California 90012

Dear Honorable Members

Joint No Net Loss Analysis pursuant to the Housing Crisis Act for the proposed amendments to the South Los Angeles Community Plan Implementation Overlay (CPIO) District (displacement and preservation of affordable housing), CF 20-1265-S1; and the proposed amendments to the South Los Angeles, Southeast Los Angeles, and West Adams-Baldwin Hills-Leimert CPIOs as part of the Slauson Corridor Transit Neighborhood Plan (TNP) update, CF 18-0445-S1

To demonstrate compliance with the Housing Crisis Act 2019 (HCA) (Gov. Code § 66300(h), the Los Angeles City Planning Department conducted a 'no net loss' analysis of the proposed amendments to the South Los Angeles CPIO (displacement and preservation of affordable housing) and proposed amendments to the South LA, Southeast LA, and the West Adams CPIOs as part of the Slauson TNP update. The analysis demonstrates how any downzoning that occurs under the South LA CPIO amendments related to displacement and preservation of affordable housing are offset by concurrent upzoning that occurs as part of the Slauson TNP update. Therefore, these two ordinances when acted upon concurrently result in an increase in the available residential capacity of approximately 163,454 square feet of residential floor area in the South Los Angeles region of the City.

Legislative Background

On October 9, 2019, Gov. Gavin Newsom signed the Housing Crisis Act (HCA) into law, commonly known as Senate Bill (SB) 330 to respond to the California housing crisis. The HCA has been amended since its adoption by SB 8 in 2021 and AB 1218 in 2023. The law, in part, limits the ability of a local agency to reduce the potential residential intensity of lands zoned for housing without concurrently increasing the residential intensity of other lands. The HCA defines reductions in the intensity of land use to include the addition or modification of development standards.

California Gov. Code § 66300 (b)(1)(A) states:

Changing the general plan land use designation, specific plan land use designation, or zoning of a parcel or parcels of property to a less intensive use or reducing the intensity of land use within an existing general plan land use designation, specific plan land use designation, or zoning district in effect at the time of the proposed change, below what was allowed under the land use designation or zoning ordinances of the affected county or affected city, as applicable, as in effect on January 1, 2018, except as otherwise provided in clause (ii) of subparagraph (B) or subdivision (h). For purposes of this subparagraph, “reducing the intensity of land use” includes, but is not limited to, reductions to height, density, or floor area ratio, new or increased open space or lot size requirements, new or increased setback requirements, minimum frontage requirements, or maximum lot coverage limitations, or any other action that would individually or cumulatively reduce the site’s residential development capacity.

California Gov. Code § 66300 (h)(1) states:

(h)(1) This section does not prohibit an affected county or an affected city from changing a land use designation or zoning ordinance to a less intensive use if the city or county concurrently changes the development standards, policies, and conditions applicable to other parcels within the jurisdiction to ensure that there is no net loss in residential capacity.

Summary of Results

South LA CPIO (Tenant Harassment)

The impact of the proposed South Los Angeles CPIO Amendment on residential capacity results in an approximate loss of 8,397,520 square feet of residential buildable area through the expansion of CPIO Residential Subareas that apply CPIO development standards to an increased number of parcels and the application of R1 Variation Zones (R1R3).

Slauson Transit Neighborhood Plan

The impact of the proposed Slauson Transit Neighborhood Plan (TNP) increases residential capacity by approximately 8,560,974 square feet of residential buildable area through zone changes that convert industrially zoned land to commercial manufacturing (CM), which allow for residential uses, and the upzone of parcels from R2 to R3 in the Slauson SN2 Subarea.

Not Net Loss Calculation

When all three ordinances are acted upon concurrently, the residential capacity from all the changes results in an actual increase of 163, 454 square feet of residential floor area, in other words no net loss of residential capacity has occurred.

Part 1: South Los Angeles Community Plan Implementation Overlay Amendment ([CPC Staff Report](#)) Council File [20-1265-S1](#) and [20-1265](#)

Background

This South LA CPIO Amendment aims to strengthen neighborhood stability, promote the preservation of affordable housing, and encourage equitable housing opportunities along select Transit-Oriented Development corridors. The project involves the creation of the CPIO Protected Unit Area to apply residential unit replacement requirements and tenant protections. The proposed amendment includes the expansion of existing CPIO Residential Subareas which provide development standards that guide new infill residential development consistent with prevailing neighborhood building character. The project will expand the existing CPIO Residential Subareas to include additional 7,375 residentially zoned parcels. The expansion of Residential Subareas in the South LA CPIO does not reduce allowed height or number of units but does potentially reduce allowed residential floor area and therefore, involves a potential reduction in “residential development capacity.” The reduction analyzed takes into account CPIO Residential Subarea standards, including stepback and setback requirements, and R1 Variation Zone FAR restrictions on larger lots.

Residential Subareas in the existing CPIO include design standards which impact the building envelope and roof form. There are three Residential Subareas in the South Los Angeles CPIO: Legacy Single-Family (Subarea M), Multi-Family (Subarea N), and Character Residential (Subarea O). Subarea M includes standards for new projects or additions to preserve the character of low-density neighborhoods. Subarea N includes standards for all new infill development that improve aesthetic quality of low-medium to medium density neighborhoods. Subarea O includes standards for all new development to complement the historic character of the surrounding neighborhood. The intent of these development standards is to shape the form and scale of low to multi-level residential buildings to allow and support additional density, such

as accessory dwelling units, duplexes, or triplexes as permitted by the base zoning. The proposed amendment does not decrease the existing zoning regulations for density, floor area, or height.

Analysis

The CPIO Amendment rezones two R1 single-family zoned neighborhoods, the greater Fenway Park tract and Vermont Avenue Villa tract, to the R1R3 single-family Rear Mass Variation Zone with the application of the Character Residential Subarea O. The application of the R1R3 Variation Zone allows additional height in the rear portion of the lot to reduce the visual impact of second stories when viewed from the street. The intent is to ensure compatibility with the existing built environment and preserve neighborhood character. This modification does not constitute a change to the underlying R1 zoning density nor the Low II Residential general plan land use designation.

The Department quantified the impact of proposed regulations on residential capacity in terms of residential floor area, the metric representing the maximum habitable area of a building, such as a single-family home or an apartment building. Where proposed standards have no quantifiable impact on residential capacity, a qualitative analysis describing the outcomes of the application of the proposed standards is provided.

Assumptions about “residential development capacity” reductions relied on lot area and development standards for the underlying Los Angeles Municipal Code (LAMC) zone compared to the development standards and regulations proposed in the CPIO Residential Subarea. The analysis assumes full build-out of the development envelope utilizing the lot area and development standards for each underlying zone in order to produce the largest possible estimate for total reductions. The following table below summarizes the assumptions utilized to quantify the reduction in residential floor area.

CPIO Subarea	Assumptions
M	<ul style="list-style-type: none">• Stepback requirements were deducted from the LAMC Buildable Area.• A reduction for additional parking requirements was subtracted assuming at least one unit per parcel contains at least 3 bedrooms.• Assumptions were made about the average size of a parking stall at grade level; average lot width, lot depth
N	<ul style="list-style-type: none">• No assumptions, subarea does not influence building envelope.
O	<ul style="list-style-type: none">• Three CPIO standards were identified as having potential impact on buildable area: stepbacks, side elevation length, and front setbacks. Each standard was deducted from the LAMC buildable area.

	<ul style="list-style-type: none"> • An allowance for accessory structures was added. • Assumptions were made on prevailing setbacks, average lot width, and lot depth. • LAMC buildable area calculated did not include all LAMC standards, therefore the analysis is conservative. • For R1R3 Zones, the FAR difference between an R1 and the R1R3 Zones was used as a ratio to calculate residential floor area.
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The project area consists of 15,913 residentially zoned parcels, of which 7,375 are proposed to be added to existing CPIO Residential Subareas. The expansion of CPIO Residential Subareas along with the inclusion of the R1R3 Rear Mass Variation Zone in select areas result in a loss of approximately 8,397,520 million square feet of residential floor area, as shown below (Table A).

TABLE A: Residential Floor Area Reductions (Sq.Ft.)		
<i>Existing Zone</i>	<i>CPIO Residential Subarea Applied</i>	<i>Total Loss in Square Feet (Approximate)</i>
R1	O	11,989
R2	M	1,814,400
R2	O	855,531
R3	O	99,489
RD3	M	49,600
RD2	O	2,044,763
RD1.5	O	2,822,110
[Q]R3	O	684,650
[Q]R4	M or O	3,000
<i>Subtotal Residential Floor Area Reduction (CPIO Subareas) (Approximate)</i>		-8,385,531 sq.ft.
R1	R1R3 Zone Change	11,989
Total Reduction in Residential floor area sq.ft. (Approximate)		- 8,397,520 sq.ft.

The creation of the Protected Unit Area, the proposed Residential Unit Replacement requirements, and the proposed tenant protections do not result in the loss of residential development capacity. Therefore, no analysis was required.

Part 2: The Slauson Corridor Transit Neighborhood Plan (TNP); Council File [18-0445-S1](#)

Background

The Slauson Corridor TNP amends three existing Community Plan Implementation Overlays (CPIOs) for South Los Angeles, Southeast Los Angeles, and West Adams-Baldwin Hills-Leimert Community Plans to establish additional land use regulations, development standards, and incentives to expand residential development opportunities, encourage green employment uses, and facilitate building design next to the Los Angeles Metro future Active Transportation Corridor (i.e. bicycle and pedestrian path).

The Slauson Corridor TNP consists of ten Slauson Subareas: Hybrid Limited (SI), Hybrid Industrial (SJ), Compatible Industrial Hub (SK1), Compatible Industrial Corridor (SK2), Industrial Innovation (SL), Multi-Family 1 (SN1), Multi-Family 2 (SN2), General Corridor (SC), TOD Medium (SF), and TOD High (SG). For the purposes of supplementing the residential floor area of the South Los Angeles CPIO Amendment, the analysis quantifies the amount of industrially zoned land in 2018, which is being rezoned to allow for residential uses through the TNP for Subareas SI, SJ, SN1, SC, SF, and SG. For the Slauson Multi-Family 2 Subarea, the analysis quantifies the residential floor area from the R2 (2018 Zone) to R3 (TNP Zone).

The Slauson Compatible Industrial Hub (SK1), Compatible Industrial Corridor (SK2), and Industrial Innovation (SL) Subareas were excluded from this analysis given that they do not allow residential uses and retain their existing industrial characteristics to prioritize jobs.

Analysis

The Slauson Corridor TNP predominantly expands residential capacity through zone changes in select industrial areas to allow for residential development, and the R2 to R3 upzone of existing residential areas in the Multifamily Residential Subarea SN2. The analysis assumes full build-out of the development envelope utilizing the lot area and development standards for each underlying zone in order to produce the largest possible estimates. The amount of industrially zoned land in each subarea, which currently prohibits residential uses, was identified and the proposed Slauson TNP Floor Area Ratio (FAR) was applied to calculate the approximate gain in residential floor area. The proposed Slauson Corridor TNP does not downzone existing residentially zoned parcels. Path-oriented development standards for sites that abut the Active Transportation Corridor in existing industrially zoned parcels do not depict a reduction in residential floor area, given that the proposed Slauson TNP Subareas would allow for residential uses in areas where such use is currently not allowed.

A reduction in residential floor area was identified in the Slauson Commercial - Subarea SC, given path-oriented development standards for sites that abut the Active Transportation Corridor, and zone changes from Commercial Manufacturing (CM) to Commercial (C2) Zones. Assumptions about “residential development capacity” in this subarea relied on lot area and development standards for the underlying LAMC zone compared to the development standards and regulations proposed in the Slauson TNP Subareas.

Slauson Hybrid Industrial Subareas

The Slauson Hybrid Limited Industrial (SI) Subarea encourages a diversity of light industrial and commercial uses. Mixed-use projects may include live/work uses or limited residential with no more than 50 percent of the building’s floor area for residential uses (with an exemption for CPIO 100 Percent Affordable Housing Projects and Permanent Supportive Housing). The Slauson Hybrid Limited Industrial (SI) Subarea currently includes approximately 93,943 square feet of industrial land which zoning prohibited residential uses in 2018. The proposed TNP Base FAR for this area is 1.5, which results in an approximate total of 70,458 square feet of buildable area, of which 50 percent would allow for residential uses. This results in a total gain of approximately + 35,229 square feet of residential floor area.

The Slauson Hybrid Industrial Subarea (SJ) allows for light industrial, commercial, as well as live/work and residential uses. This Subarea does not limit residential floor area and includes 2,034,954 square feet of industrial land which current zoning prohibits residential uses. The proposed TNP Base FAR for this area is 1.5, resulting in a total gain of approximately + 3,052,431 square feet of residential floor area.

Slauson Residential Subareas

The Slauson Multi-Family 1 Subarea (SN1) establishes development standards for mixed-use, multi-family neighborhoods and addresses compatibility issues between industrial and residential land. The Subarea includes 750,234 square feet of land which was zoned industrial in 2018 and prohibited residential uses. The Base FAR for this area is 3, which results in a total gain of approximately + 2,250,704 square feet of residential floor area.

The Slauson Multi-Family 2 (SN2) Subarea also includes development standards for multi-family neighborhoods with the goal of ensuring that new development projects are well-designed to enhance their respective neighborhoods. The area was zoned R2-1 in 2018, the TNP proposes to increase residential capacity by upzoning the area to R3-1-CPIO, which would result in a total gain of + 247,651 square feet of residential floor area.

Slauson Commercial and Transit-Oriented Development (TOD) Subareas

The Slauson General Corridor (SC) Subarea allows for a broad range of commercial uses and allows multi-family residential development, with path-oriented building design for sites that abut the Active Transportation Corridor. The area included approximately 781,149.5 square feet of industrial zoned land which prohibited residential uses in 2018. The TNP Base FAR for this area is 1.5, which results in a total of approximately + 1,171,724 square feet of residential floor area. Some zone changes, along with path-oriented development standards for sites that abut the Active Transportation Corridor indicate a loss in buildable area of approximately - 150,672 square feet of residential floor area. With consideration to this reduction, the Slauson SC Subarea accounts for a total gain of approximately + 1,021,052 square feet of residential floor area.

The Slauson TOD Medium (SF) Subarea is located in close proximity to Metro light rail stations or major Metro Rapid bus intersections. This Subarea offers moderate incentives for projects that include affordable housing, with path-oriented building design for sites that abut the Active Transportation Corridor. The area included approximately 1,016,690.5 square feet of industrial zoned land which prohibited residential uses in 2018. The TNP Base FAR for this area is 1.5, which results in a total gain of approximately + 1,525,035 square feet of residential floor area.

The Slauson TOD High (SG) Subarea is located in close proximity to Metro light rail stations or major Metro Rapid bus intersections. This Subarea offers greater incentives than those offered in the Slauson TOD Medium Subarea for projects that include affordable housing, as well as path-oriented building design for sites that abut the Active Transportation Corridor. The area included approximately 285,912.6 square feet of industrial zoned land which prohibited residential uses in 2018. The TNP Base FAR for this area is 1.5, which results in a total gain of approximately ± 428,869 square feet of residential floor area.

The cumulative gain in residential floor area provided by the Slauson Corridor TNP to supplement the South Los Angeles CPIO Amendment is approximately + 8,560,974 square feet.

No Net Loss Calculation

As demonstrated in Part 1, the changes proposed through the South Los Angeles CPIO Amendment (CF 20-1265-S1) result in a decrease in residential capacity of - 8,397,520 square feet of residential floor area. The proposed Slauson TNP provides a total gain of approximately ± 8,560,974 square feet of new residential capacity through zoning and land use changes. Therefore, providing a total *no net loss* gain of approximately + 163,454 square feet of residential floor area, demonstrating that there is no cumulative loss in residential capacity.

If you have any additional questions, please contact Zuriel Espinosa at (213) 978-1249.

Sincerely,



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Director of Planning

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