

Communication from Public

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Comments for Public Posting: Dear Councilmembers, Please see the attached for Abundant Housing LA's comments on the housing element's proposed rezoning plan. Thank you for your consideration. Regards,
Anthony



October 6, 2021

Ms. Samantha Millman
President, City Planning Commission
201 N. Figueroa Street
Los Angeles, CA 90012

Dear Ms. Millman,

Thank you for the opportunity to comment on the process of updating the housing element of the City of Los Angeles' general plan. We are writing on behalf of **Abundant Housing LA** and **YIMBY Law** regarding the 6th Cycle housing element update. **Abundant Housing LA** is a pro-housing, nonprofit advocacy organization working to help solve Southern California's housing crisis, and **YIMBY Law's** mission is to make housing in California more accessible and affordable through enforcement of state housing law. We support more housing at all levels of affordability and reforms to land use and zoning codes, which are needed in order to make housing more affordable, improve access to jobs and transit, promote greater environmental sustainability, and advance racial and economic equity.

That's why we've called for a bold, transformative approach to the housing element update that encourages strong housing growth at all levels of income and in all neighborhoods, particularly high-resource areas that have often opposed new housing opportunities.

Our organizations, together with a broad coalition of groups representing the policy, academic, environmental, business, social justice, and affordable housing communities, have engaged with the City on the housing element update through the process' inception in early 2020:

- [In January 2021, we wrote to recommend that](#), as part of the housing element update process and RHNA rezoning, the City set housing growth targets for each CPA, based on objective, quantifiable criteria like housing costs, median income, access to transit, proximity to job centers, access to parks and schools, patterns of historical exclusion and segregation, and environmental quality.
- In February, [we wrote to express our concern](#) that early drafts of the housing element update did not incorporate an equitable distribution approach to promoting housing growth.
- In April, the California Department of Housing and Community Development (HCD) issued [detailed guidelines](#) that clearly require cities to promote lower-income housing opportunities in high-opportunity neighborhoods, and defines quantitative benchmarks for assessing cities' AFFH compliance. This indicates that HCD intends to set the bar high on AFFH compliance in housing element updates, as required under Assembly Bill 686.

- In June, [we wrote to express support](#) for the Report Relative to Citywide Equitable Distribution of Affordable Housing (CF 19-0416) and the Report Relative to a City Zoning Code Update (CF 20-1042), and encouraged the City Council to incorporate major reforms into the housing element update.
- In July, [we wrote to express enthusiasm](#) for the draft housing element's econometric model to forecast existing site capacity, and to urge the City to propose a transformational rezoning and constraint removal plan in the next iteration of the housing element.

We have reviewed the latest version of the City's draft Housing Element, dated October 1, 2021, and **we are encouraged that the City has made improvements to its forecast of the Adequate Sites Inventory, and proposed a promising, balanced approach to rezoning.**

In particular:

- **The Adequate Sites Inventory was revised to more accurately forecast the City's development potential without policy changes.** The July draft's analysis of the Adequate Site Inventory found that the City's total development potential during the 6th cycle is 266,647 homes¹, suggesting that an annual average of 33,331 homes will be permitted throughout the 6th cycle. However, this is almost double the average number of homes permitted between 2017 and 2020 (about 17,800 homes per year), indicating that the City's forecast was over-optimistic and likely to fall short in reality. The October 1 version updates key assumptions, finding that the City's total development potential is 231,000 homes by 2029² (roughly 29,000 homes per year), and proposes to rezone for 255,000 more homes (an increase of 36,000 homes relative to the July draft).
- **The housing element proposes to accommodate 255,000 more homes by 2029 through balanced rezoning and land use reform.** The rezoning program includes bold policy reforms that encourage equitable citywide housing supply growth, with 45% of new capacity created in higher-resource census tracts.³ This would include an expansion of the City's Transit-Oriented Communities (TOC) program to areas where apartments are banned, an expansion of the City's Density Bonus program, and rezoning of low-density transit corridors.
- **The rezoning plan would expand the City's theoretical zoned capacity by roughly 1.5 million housing units, creating the conditions for 255,000 homes to actually be built.** This recognizes that *realistic capacity* and *theoretical zoned capacity* are two different things, which is consistent with the City's analysis of the sites inventory and accords with Assembly Bill 1397 (2017)'s requirement to discount sites' capacity by the sites' probability of development during the planning period. Just as UCLA admits 3,000 students when they want 2,000 incoming students, the City must increase zoned capacity well above the target number of new homes in order for that target to be achieved.

¹ Housing Element, City of Los Angeles, July 2021 draft, pg. 4-6

² Housing Element, City of Los Angeles, October 2021 draft, pg. 4-1

³ Housing Element, City of Los Angeles, October 2021 draft, pg. 4-82

We thank the hardworking staff at Planning and HCID for taking these important steps towards a successful housing element update that provides long-awaited solutions to Los Angeles' housing shortage.

Nevertheless, we still have major concerns about the City's plan to meet its state-mandated RHNA targets, and recommend changes ahead of final submission of the plan to HCD. Portions of the revised draft continue to contain major inconsistencies with HCD's instructions and the requirement that housing element updates affirmatively further fair housing under Assembly Bill 686, and does not provide a detailed, specific, and credible plan for implementation of a successful rezoning and land use reform program, as required under Government Code Section 65583(c).

The following issues are of particular concern to us:

1. Portions of the Adequate Sites Inventory methodology are still over-optimistic about the City's likely housing development potential without rezoning or major land use reforms. As a result, the housing element only proposes to accommodate 255,000 homes through rezoning, when rezoning for a minimum of 300,000 homes is needed to achieve the City's RHNA goal.

The draft housing element's analysis of the Adequate Site Inventory finds that the City's total development potential during the 6th cycle is roughly 231,000 homes, or an annual average of about 29,000 homes. This is much higher than the average number of homes permitted between 2017 and 2020 (about 17,800 homes)⁴, suggesting that many of the Adequate Site Inventory's assumptions are unlikely to be realized in reality. For example, forecasts for Private Development Project completion, ADU production, and Public Land Programs remain over-optimistic, the proposed No Net Loss buffer is insufficient, and the Adequate Site Inventory includes parcels containing rent-stabilized units as potential redevelopment sites. These issues cause the Adequate Site Inventory's estimate of total development potential to be unrealistically high (see pg. 4-9 of [our July 27 comment letter](#) for additional explanation).

While we are encouraged that the latest Adequate Site Inventory estimate was reduced to 231,000 homes (from 266,000 homes in the July draft), and that the rezoning target was increased to 255,000 homes (up from 219,000 homes in the July draft), we estimate that the rezoning target would need to be increased further, to 306,000 homes, in order to achieve the RHNA target.⁵ This also accords with policy instructions in a letter signed by seven City Councilmembers, which endorsed a rezoning target of 300,000 homes.⁶

⁴ [HCD APR Dashboard](#), Units Permitted by Structure per Year, 2017-20

⁵ [Comment Letter on Draft Housing Element, July 27, 2021, p. 10](#)

⁶ [Comment Letter from City Councilmembers. RE: Draft Housing Element and CF: 20-1042. August 13, 2021, p. 2](#)

We urge the City to update the Adequate Sites Inventory methodology to include more realistic assumptions about the City's likely housing development potential without major land use reforms, and to update the rezoning target to at least 300,000 homes.

2. The City's rezoning plan may be over-optimistic about the likelihood that rezoned parcels will be developed during the 6th cycle. More parcels, especially R1-zoned lots in high-resource neighborhoods, must be added to the rezoning plan.

According to Planning, the City's rezoning program would encourage the development of 255,000 more homes by creating about 1.56 million units of new zoned capacity.⁷ This roughly assumes that 16% of new zoned capacity will be developed during the 6th cycle.

However, this assumption may overestimate a rezoned site's likelihood of development. In the City's econometric analysis of the sites inventory, where recent parcel-level redevelopment trends were used to forecast likely future residential development in a "business as usual" scenario, the model forecasted that the sites with the strongest redevelopment opportunities (i.e. in the top 1 percent of redevelopment likelihood) only had a 13% probability of redevelopment during the coming 8 years.⁸ Although a rezoning program would strengthen the economic feasibility of redevelopment of more parcels, it may still be over-optimistic to assume that the *average* rezoned parcel would have a higher likelihood of redevelopment than the *best* parcels under current zoning.

For this reason, the housing element's rezoning plan should be amended to create additional new zoned capacity (this will also make it easier to achieve an increased rezoning target of 300,000 homes). The plan could increase new zoned capacity by allowing larger buildings on the parcels already identified in the rezoning plan, and by adding more parcels to the rezoning plan. One way to do both would be to legalize 8 housing units on more R1-zoned parcels, particularly in high-resource areas outside of environmentally sensitive or very high fire risk areas. The recently-passed Senate Bill 10 would help to facilitate this local reform.

3. The rezoning plan should be updated to remove sites whose redevelopment is extremely unlikely, and should also remove all public facility sites such as schools.

The City's rezoning plan includes many large sites that are entirely unrealistic for residential redevelopment, including the Los Angeles County Museum of Art, the La Brea Tar Pits, the Academy Museum of Motion Pictures, the Petersen Automotive Museum, the Cathedral of Our Lady of the Angels, and the Hyperion Wastewater Reclamation Plant. It is completely understandable that a rezoning analysis containing over 250,000 parcels would accidentally include these types of sites. The rezoning plan should be reviewed in order to remove infeasible sites from the final site list.

⁷ Housing Element, City of Los Angeles, October 2021 draft, pg. 4-50

⁸ Appendix 4.6, Housing Element, City of Los Angeles, October 2021 draft, pg. 22-23. The model predicted that the top 1% of sites had an 8.6% probability of redevelopment in the coming 5 years, which is equivalent to a 13.4% probability over 8 years.

Additionally, the rezoning plan anticipates about 9,600 new homes to be built on the sites of public facilities, including schools, through public-private joint development programs.⁹ While “The capacity assumptions recognize that the vast majority of public land (99%) is not suitable for housing development due to existing public use and insufficient public resources to develop 100% affordable housing”¹⁰, even an assumption that 1% of publicly-owned land will be developed into mixed-income housing by 2029 seems unrealistic, given that this pace of joint development has not occurred in recent years. Additionally, the Adequate Sites Inventory already counts 10,000 units of “equitable housing” on 300 acres of public land towards the city’s Adequate Sites Inventory¹¹, which also seems unlikely to occur without additional funding. Assuming an additional 10,000 units on top may be double-counting.

For these reasons, the Public Facilities parcels should be removed from the rezoning plan, and the rezoned capacity made up for on other parcels with a higher likelihood of redevelopment.

4. The rezoning plan should be cross-checked with a Fair Share methodology, to ensure that all CPAs are accommodating new rezoned capacity commensurate with their objective housing need. The City’s current plan would yield little housing growth in many high-resource Westside CPAs, a problem that could be solved by using a Fair Share methodology to guide rezoning.

Earlier this year, Councilmember Gil Cedillo and Council President Nury Martinez called for a “Fair Share” approach to future planning for affordable housing growth and to the housing element’s rezoning program. The resulting Report Relative to Citywide Equitable Distribution of Affordable Housing (CF 19-0416) and Report Relative to a City Zoning Code Update (CF 20-1042) illustrate that restrictive zoning, especially apartment bans, have discouraged housing production (both market-rate and subsidized) in Los Angeles’ higher-cost, supply-constrained neighborhoods. These reports, as well as the July housing element draft, proposed a Citywide Housing Needs Allocation Process/Targeted Fair Share Zoning Allocation formula that would guide a future Framework Element update and community plan updates.

However, the City’s rezoning plan did not incorporate a Fair Share methodology to apportion new rezoned capacity by CPA, based on an estimate of each CPA’s housing needs. One way to create this estimate would be through a formula that quantifies factors like housing costs, median income, access to transit, access to opportunity, and historical housing production. This would be in keeping with HCD’s recommendation that cities distribute lower-income housing opportunities throughout the city, and first identify development potential for lower-income housing in high-opportunity neighborhoods. This would also align with HCD’s standards for AFFH compliance in housing elements.

⁹ Housing Element, City of Los Angeles, October 2021 draft, pg. 4-47

¹⁰ Housing Element, City of Los Angeles, October 2021 draft, pg. 4-47

¹¹ Housing Element, City of Los Angeles, October 2021 draft, pg. 4-30

About 45% of the new capacity created through the City's proposed rezoning plan would be located in higher-resource census tracts. While this represents laudable progress, it's likely not enough to firmly shift a status quo where most new housing is accommodated in lower-opportunity areas. According to the City's site inventory analysis, only 29% of the city's existing development potential is located in higher-resource tracts, while 51% is located in low-resource and high segregation/poverty tracts.¹²

Additionally, many high-resource, supply-constrained Westside CPAs would accommodate very little of the new capacity created through the City's proposed rezoning plan. Westchester (2.7% of the rezoning plan's total new housing production), Sherman Oaks (2.3%), Westwood (1.2%), Venice (0.9%), and Brentwood (0.4%) all would see little rezoning, despite tremendous housing need and extremely high housing costs.¹³ While we recognize that portions of these CPAs are exposed to very high fire risk and future flooding risk, there are significant areas within these CPAs that do not face these risks and should accommodate more of the total rezoning plan.

We recommend merging the proposed Equitable RHNA Rezoning Program and Citywide Housing Needs Allocation Process/Targeted Fair Share Zoning Allocations methodologies, ensuring that a consistent set of standards would guide RHNA rezoning, a Framework Element update, and all future community plan updates. This methodology should be cross-checked with the City's rezoning plan, and used to guide revisions to the City's rezoning plan prior to finalizing the housing element update. This would ensure that a solid majority of new housing opportunities are accommodated in moderate-, high-, and highest-resource census tracts.

5. Commit to a 2022 implementation of as much of the rezoning plan as possible.

A majority of the City's rezoning plan would be created through policy updates that apply citywide, such as an expansion of TOC, an expansion of the Density Bonus, a rezoning of low-density corridors, and encouragement of "missing middle" residential development. In order to encourage stronger housing production as early as possible in the 6th cycle, these proposals must be swiftly approved by the City Council in 2022.

However, the City still proposes to rely on Community Plan updates to achieve 43% of the RHNA rezoning program. This is concerning, since the Community Plan update process has a very poor track record of delivering strong, rapid housing growth. Recent Community Plan updates have suffered from years-long delays to develop and implement, often due to nuisance lawsuits from housing opponents (the Hollywood Community Plan update is a particularly salient example). Additionally, these updates often reflect the policy preferences of vocal housing opponents (e.g. the Westside Community Plan), rather than the broader community, which is why they generally do not meaningfully increase new housing opportunities. Relying on a

¹² Housing Element, City of Los Angeles, October 2021 draft, pg. 4-65

¹³ While these percentages are not stated outright in the housing element, AHLA staff tabulated anticipated new housing growth through rezoning by CPA in Appendix 4.7 (Inventory of Candidate Sites for Rezoning spreadsheet).

fundamentally broken process to achieve a rezoning program that must be implemented by October 2024 is a recipe for failure.

The long-delayed Downtown and Hollywood Community Plans must be approved by the City Council in 2022. The rezoning policies that are proposed for the other 14 community plans, and are in earlier stages of development, should be fast-tracked outside of the traditional community plan process and approved by City Council in one single package, potentially in tandem with the other citywide policy updates called for in the rezoning plan (e.g. TOC expansion). Full implementation of the rezoning plan by the end of 2022 is an ambitious but necessary goal.

6. The City must update the Framework Element by 2024, in parallel with the RHNA rezoning.

The Framework Element, a strategy for long-term growth that influences future community plan and citywide element updates, is decades out of date. By relying on flawed and outdated forecasts of future neighborhood population growth, it effectively sets artificial caps on housing production in many neighborhoods, acting as a significant barrier to an equitable distribution of new housing opportunities citywide.

While the Housing Element and Fair Share Reports recognize the need for an updated Framework Element, they don't commit to a date by which to achieve this effort. Updating the Framework Element by 2024 is a necessary step towards implementation of a high-quality, comprehensive Fair Share approach to the RHNA rezoning program, especially one that significantly expands new housing production in higher-resource Westside neighborhoods.

7. Commit to a 2022 implementation of a strong constraint removal program that would apply citywide.

Government Code Section 65583(c) requires housing elements to include programs with concrete action steps to facilitate housing production.¹⁴ Per HCD's [Housing Elements Building Blocks](#), "Programs must include specific action steps the locality will take to implement its policies and achieve its goals and objectives. Programs must also include a specific timeframe for implementation, identify the agencies or officials responsible for implementation, describe the jurisdiction's specific role in implementation, and (whenever possible) identify specific, measurable outcomes." Building Blocks lists definite time frames for implementation, demonstration of a firm commitment to implement the program, description of the local government's specific role in program implementation, description of the specific action steps to implement the program, and proposed measurable outcomes (e.g., the number of units created,

¹⁴ "The element shall contain all of the following: A program [or programs] that sets forth a schedule of actions during the planning period, each with a timeline for implementation, that may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives..."

completion of a study, development of a homeless shelter, initiation of a rezone program, preservation of at-risk units, etc.) as appropriate examples of concrete action steps.

While the Housing Element discusses at length the many governmental constraints that restrict housing production and foster housing scarcity and unaffordability, it lacks a detailed, credible plan for constraint removal that would apply citywide, as required under California housing element law. The Goals section of the draft housing element frequently uses words like “plan”, “explore”, “consider”, “examine”, but contains very few firm commitments to action or implementation.

In order to encourage stronger housing production as early as possible in the 6th cycle, the City must commit to the following constraint removal policies in 2022:

- Eliminate on-site parking requirements, instead allowing property owners to decide how much on-site parking is necessary.
- Reduce restrictions on maximum height, floor-area ratio, unit size, and lot coverage.
- Raise the Site Plan Review threshold to 250 homes, and establish a fast by-right review process for all new multifamily and mixed-use buildings which meet the zoning law and the General Plan.
- Pre-approve standard ADU, small-scale “missing middle” multifamily and small lot subdivision housing plans, allowing developers to receive a permit quickly if they use a pre-approved design.
- Reduce fees on new multifamily residential development.

The City of Los Angeles has a legal obligation to sufficiently plan to meet current and future residents’ housing needs, in a way that guarantees access to opportunity for Californians of all racial and ethnic backgrounds. We respectfully urge you to support the above recommendations, and to encourage the City Council to incorporate these recommendations into the final version of the housing element update.

Thank you for your time and consideration.

Sincerely,

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