

PLANNING AND LAND USE MANAGEMENT (PLUM) COMMITTEE REPORT relative to options for an Affordable Housing Overlay Zone (AHOZ) in the City, considerations for the development of incentive programs for 100 percent affordable housing projects, and related matters.

Recommendations for Council action:

1. INSTRUCT the Department of City Planning (DCP), in consultation with the City Attorney, to prepare and present an Ordinance with tailored incentives in different contexts, as well as ministerial approval, for 100 percent affordable housing projects that meet objective criteria, including the following:
 - a. For projects located on land already zoned for multi-family housing (at least five units), expand upon and exceed existing affordable housing incentives, including consideration of form-based density limits, an expanded menu of incentives (floor area, height, parking, commercial or ground-floor requirements, etc.), and ministerial approval of defined waivers or modifications. Focus these efforts particularly in commercial (C) zones, transit areas, and on corridors.
 - b. Develop unique zoning incentive strategies to more easily allow 100 percent affordable housing on publicly-owned land [Public Facilities Zones (PF), Parking Zones (P and PB), land owned or leased by faith-based institutions, and certain industrial- zoned (M) land located on corridors when consistent with General Plan Policies].
 - c. For projects located in lower density multi-family residential zones (R2 and RD zones that allow less than five units) that do not currently qualify for affordable housing incentives, allow contextual modifications to existing zoning regulations, including modestly increased development envelopes (height/floor area ratio) with density limits to promote a mix of housing types and deviations from standards such as building separation, passageway, parking, and setbacks.
2. INSTRUCT the DCP, with the assistance of the City Administrative Officer (CAO), to identify funding for contractual services to prepare an economic feasibility study and stakeholder engagement process, further analyze the following issues in order to maximize production of affordable housing using the zoning tool described above, particularly in higher resource areas, and to affirmatively further fair housing, including the following:
 - a. Variations in the level of incentives and development standards in higher resource areas, as well as based on proximity to transit, activity centers, and major corridors.
 - b. Potential non-applicability in High-Segregation and Poverty Areas (per the California Tax Credit Allocation Committee Opportunity Map).
 - c. Variations to affordability requirements, including income-mixing, applicable rent schedules, United States Department of Housing and Urban Development Fair Market Rents paired with Housing Choice Vouchers, income averaging, etc.
 - d. Enhanced tenant protections and replacement requirements for existing housing units on site, particularly in areas experiencing displacement pressures.
3. INSTRUCT the DCP, as part of the development of the zoning tool, to prepare and present an Ordinance, in consultation with the City Attorney, to create new policies and processes that further important City objectives, including the following:
 - a. Tailored regulations and mitigations for historic properties and areas with increased risk of environmental hazards.

- b. An advisory design consultation process through the Los Angeles City Planning Urban Design Studio.
4. INSTRUCT the DCP to prepare reports with recommendations on the following:
- a. Recommendations in response to Motion (Martinez-Cedillo) in Council file No. 21-1045, adopted by the Council on February 8, 2022, relative to Senate Bill 9 and provisions for affordable housing and community land trusts, the development of a contextual “affordability bonus” in single-family residential zones, with incentives to increase ownership opportunities, including traditional and non-traditional (shared) ownership, (for example, higher income allowances, sale to nonprofits, land trust and cooperative incentives, simplified parcel map requirements, early start permits, etc.).
 - b. Recommendations that create a local incentive program that requires increased affordability requirements in higher resource areas compared to current requirements, as part of the effort to update local affordable housing incentives (Density Bonus, Transit Oriented Communities, etc.) for mixed-income housing.
 - c. Recommendations on the feasibility of developing additional subsidy sources to assist development of affordable housing that may utilize the zoning tool, including the following:
 - i. A potential partnership with the Housing Authority of the City of Los Angeles that could provide assurance to affordable housing developers regarding the availability of rental subsidies (housing vouchers) to lower rents to deeper affordability levels, and to foster greater integration in higher resource areas.
 - ii. Potential expansion of the California Property Tax Welfare Exemption through statewide legislation, as well as potential new revenue sources such as the real estate transfer tax funding measure being proposed for the November 2022 ballot, or a vacancy tax.

Fiscal Impact Statement: None submitted by the DCP. Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: Yes

For, if Amended: Westside Neighborhood Council

Summary:

At a regular meeting held on August 16, 2022, the PLUM Committee considered the DCP report relative to options for an AHOZ in the City, considerations for the development of incentive programs for 100 percent affordable housing projects, and related matters. DCP staff provided an overview of the matter. After providing an opportunity for public comment, the Committee recommended to approve the recommendations contained in the DCP report as amended to include additional instructions, as detailed above. This matter is now submitted to the Council for consideration.

Respectfully Submitted,

PLANNING AND LAND USE MANAGEMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
HARRIS-DAWSON:	YES
CEDILLO:	YES
BLUMENFIELD:	YES
LEE:	YES
RODRIGUEZ:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-