DEPARTMENT OF CITY PLANNING 200 N. SPRING STREET, ROOM 525 LOS ANGELES, CA 90012-4801 AND 6262 VAN NUYS BLVD., SUITE 351 VAN NUYS, CA 91401

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March 30, 2012

Honorable City Council City of Los Angeles City Hall, Room 395 Los Angeles, CA 90012

Attention: Planning and Land Use Management Committee

REVISED TRANSMITTAL:

REPORT ON POLICY OPTIONS TO TRANSITION LAND-USE AUTHORITY OF THE COMMUNITY REDEVELOPMENT AGENCY, LOS ANGELES (CRA/LA)

Dear Councilmembers:

This report is a revision of the Department of City Planning's February 21, 2012 transmittal on redevelopment land use authority, expanded to include additional data on p. 2 addressing the economic impacts of development projects in redevelopment project areas.

The dissolution of the Community Redevelopment Agency of Los Angeles (CRA/LA) under AB1x-26 took effect on February 1, 2012. In the immediate aftermath of the California Supreme Court decision on redevelopment, the City Council elected in January not to become the Successor Agency to CRA/LA, and the CRA/LA has now transitioned to become a "Designated Local Authority" (DLA) under the jurisdiction of the State: a three-member governing board has now been appointed by the Governor.

The Council's previous consideration of successor agency status focused heavily on fiscal issues, and did not include a significant discussion of potential land-use impacts of the CRA/LA dissolution. Considerable uncertainty therefore remains within the development community and among City officials and community stakeholders as to how the CRA/LA's land-use controls and incentives will be implemented in the future.

To address these issues, a Council motion (Wesson-Reyes) instructed the Planning Department to prepare an ordinance that would transfer/preserve the land-use powers of

CITY OF LOS ANGELES



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ANTONIO R. VILLARAIGOSA MAYOR the CRA/LA through policy adopted by the City. Because many of the options in pursuing such a transfer would require additional staffing and resources, the Department is seeking policy guidance from the Planning and Land Use Management (PLUM) Committee.

BACKGROUND

Under California Redevelopment Law, Redevelopment Plans of the former CRA/LA contained significant authority to regulate land use and development within redevelopment project areas, going beyond that of the Department of City Planning. It is important to underscore that while AB1x-26 dissolved redevelopment agencies and thereby eliminated redevelopment's economic development and financing tools, it did not abolish the City's 31 existing Redevelopment Project Areas or eliminate the Redevelopment Plans.

These plans continue to exist as legal expressions of public policy, adopted by the City Council, and the land-use designations and authorities granted in the Plans remain effective until each Plan's expiration date. Under AB1x-26, CRA/LA staff remains in place for a 120-day period following the creation of the new DLA, and this staff is continuing to perform land-use reviews under the Redevelopment Plans during this interim period.

AB1x-26 did not provide clear guidance on how these activities were to be transitioned after the first 120 days. Because the legislation forbids amendment to or termination of the Plans, Department of City Planning staff has been meeting regularly with CRA/LA staff and representatives of the Office of the City Attorney through a Land Use Working Group to review options for future administration of these provisions.

ECONOMIC IMPACTS

The continued uncertainty surrounding the transition of redevelopment land-use authority could have a major impact on continued economic development and investment in Los Angeles, which translates into significant fiscal and job impacts to the City. The Department of City Planning worked with CRA/LA staff to calculate the total valuation of all building permits that were reviewed for Redevelopment Plan conformance in each year since 2005.

 2005
 \$514 million

 2006
 \$965 million

 2007
 \$506 million

 2008
 \$654 million

 2009
 data not available

 2010
 \$250 million

 2011
 \$793 million

Average: \$614 million

The average annual investment of over \$600 million into the Los Angeles economy represents a significant source of tax revenue and job creation throughout the city, targeted to some of Los Angeles' most under-served neighborhoods. In 2011, for example, the \$793 million in valuation of building permit activity within these 31 redevelopment project areas represented nearly one-quarter of Los Angeles' \$3.3 billion in construction from the entire city.

CATEGORIES OF REDEVELOPMENT LAND-USE REQUIREMENTS

The Land Use Working Group has identified three categories of redevelopment-related land-use requirements that may require future action:

1) Redevelopment Plan Land-Use Provisions

The Department of City Planning administers special land use overlays and specific plans that have provided more tailored land-use requirements for many of Los Angeles' unique neighborhoods. Most of the 31 Redevelopment Plans specify that permits cannot be issued without some level of signoff ensuring that development proposals are consistent with the Plans.

Redevelopment Plans and land use review provide important protections for neighborhoods in regards to development scale, use, density, intensity, parking, design, and historic preservation. These land use tools provide standards for development in many of the City's most economically disadvantaged neighborhoods, in addition to large sections of Downtown Los Angeles, Hollywood, and other employment hubs.

Example: South Los Angeles

South Los Angeles' commercial corridors have land use controls regulating auto related uses, design review of new construction, and preserving employment land uses. Such review may no longer be implemented.

Example: Downtown Los Angeles

Many of Downtown's Historic Core neighborhoods receive design review protection and historic preservation review by CRA/LA. While Broadway has a Community Design Overlay (CDO) adopted through the Department of City Planning, all of the adjacent downtown corridors, including Main Street, Spring Street, and Hill Streets relied upon CRA/LA design review and historic preservation review, which may no longer be implemented.

Example: North Hollywood

All development within North Hollywood underwent design review by CRA/LA to ensure appropriate scale, pedestrian orientation, and uses. There is no design review currently by DCP for most projects in this area.

Example: Pico Union

In Pico Union, the Redevelopment Plans provides for detailed permit review for landuse conformance, height and density limitations, and parking requirements, and an adopted "Design for Development" contains tailored limitations on billboards and signage.

2) Zoning Code References to Redevelopment

The Los Angeles Municipal Code contains hundreds of references to the CRA/LA and uses Redevelopment Plan boundaries for reference.

Examples: Parking Requirements and Superstore Ordinance

The Municipal Code provides for lower parking requirements in certain redevelopment areas. In addition, the City's superstore ordinance currently requires CRA to conduct economic impact analyses when proposed in redevelopment areas.

3) Development Rights Conferred by Redevelopment

Zoning ordinances in key redevelopment areas have granted oversight of density (floor area ratio) controls to CRA/LA. In some redevelopment areas, the CRA/LA Board must take action in order to allow developers to maximize property rights. Continued oversight will be needed to ensure that property owners have a legal mechanism to maximize their development rights.

Examples: Chinatown and Little Tokyo

"D" limitations were applied to zoning designations in these areas, incorporating a requirement that CRA approve all projects that seek to exceed a base level of density and seek approval for higher density, up to 6:1 Floor Area Ratio (FAR)

As a result of AB1x-26, it is unclear how such regulations will continue to be implemented. The Redevelopment Plans remain in effect, and have been adopted by City ordinance. If the City Council wishes to continue enforcing these review processes and local protections, the Department of City Planning is the logical department with the expertise to do so. Also, consolidating all such land use review into the Department of City Planning provides an opportunity to align the Department's land-use regulations with long-standing City revitalization goals. It also eliminates duplicative review and continued uncertainty for the development community, advancing development reform and land use permitting efficiency.

OPTIONS

The Department of City Planning has prepared for three transition scenarios:

#1 Develop a limited transition ordinance, addressing Municipal Code references to redevelopment, and zoning code references to redevelopment to shift decision making authority from CRA/LA to the Director of Planning and the Planning Commission.

No fiscal impact to Department of City Planning. Addresses Zoning Code inconsistencies, but does not address or implement Redevelopment Plan land use regulations.

#2 In addition to #1, develop an ordinance to incorporate all Redevelopment Plan land use permit review authority for existing Redevelopment Plans, and shift authority for implementing land use review from CRA/LA to Director of Planning.

Annual fiscal impact estimate to fund additional staff positions in the Department of City Planning. Addresses both Zoning Code inconsistencies and implements Redevelopment Plan land use regulations.

#3 In addition to #2, adopt transition ordinances for each Redevelopment Plan to fully integrate land use regulatory controls into the Department of City Planning's overlays, specific plans, and code regulations.

No immediate fiscal impact: the Department of City Planning would integrate the projected costs for developing these plans and overlays into future budget requests for work on Community Plans and other policy plans.

IMPLEMENTATION AND FUNDING

It is logical to consider centralizing all land use plans into the Department of City Planning at this time. As a direct outcome of the dissolution of CRA/LA, continuing to fund the implementation of adopted Redevelopment Plan land use controls would provide neighborhood protection and create a predictable, consistent and orderly regulatory environment. Funding could be secured from the anticipated increase in General Fund net tax increment resulting from the termination of the redevelopment agency.

At its meeting of February 16, 2012, members of the new Governing Board of the CRA/LA Designated Local Authority (DLA) expressed support for centralizing land-use review functions in the Department of City Planning. The Board members stated that it has been cumbersome to have separate, sometimes duplicative review processes in CRA and Planning, and that the current transition presents an opportunity to streamline the development review process.

Based on a full-time-equivalent staffing model prepared by CRA/LA and reviewed by Department of City Planning staff, implementing all Redevelopment Plan land use controls (Option #2 above) would require 11 new planning staff positions, with a DCP cost of \$1.049 million. These positions, addressing only the land-use components of the CRA/LA's former work program, represent a small percentage of the CRA/LA's 190 staff positions. The land-use reviews for the 31 Redevelopment Plans would be overseen by a Senior City Planner, with two City Planners, six City Planning Associates, one Architectural Associate (to conduct historic preservation reviews as required under several Redevelopment Plans), and one Geographic Information Systems (GIS) Supervisor. The Office of the City Attorney may also require additional funding and staffing to perform legal reviews of conformance with existing redevelopment plans and reviews of CRA/LA land-use controls to minimize any potential legal liability to the City.

The January 10, 2012 CLA/CAO report projects an anticipated increase in General Fund tax increment of \$17.9 million for 2012-2013, and \$20.2 million for 2013-2014. The cost of implementing Redevelopment Plan land use controls (Option 2) would utilize less than 10% of these revenues.

ACTION

Functioning now as a Designated Local Authority, it may be necessary for the DLA to delegate responsibility for the implementation of Redevelopment Plan land use controls to the Department of City Planning (DCP).

DCP requests that the City Council direct the Department to prepare transition ordinances under any of the three alternatives above, and identify and allocate the necessary funding and staff positions. DCP also requests that the Council ensure no transition of land-use review authority shall become effective until the associated funding and staffing is secured.

Sincerely, Man Bell for MICHAEL J. LOGRANDE

Director of Planning

ATTACHMENTS

Summary of Redevelopment Plan Land-Use Controls Map of 31 Redevelopment Plans in the City of Los Angeles Staffing Summary

CRA Project Area (Exp.)	# of Plan Areas	Plan Expiration Date	Council District	Community Plan(s)	Redevelopment Plan Land Use Powers	Adopted Land Use Controls
Downtown Region	[
Bunker Hill (2012)	1	1/1/2013	9	Central City	Permit Review for Land Use Conformance; Maximum Lot coverage; Limit on number of residential units; FAR limits; reduced parking	Specific Plan in process; DFD Downtown Design Guide and Street Standards (City adopted April 24, 2009)
Central Business District (2010)	1	Expired	9, 14	Central City	Expired	Potential pending TFAR approvals on projects with DDAs or OPAs; South Park Open Space Maintenance Fee; D4D Downtown Design Guide and Street Standards (City adopted April 24, 2009)
Central Industrial	2	11/15/2032	9, 14	Central City, Central City North	Permit Review for Land Use Conformance	DFD Development and Design Controls for Recycling Centers and Pallet Yards; draft Design Guidelines
Chinatown	2	1/23/2021	1	Central City North, Central City	Permit Review for Land Use Conformance; Limit on number of residential units	Historic Chinatown Signage Guidelines for East and Central Plazas (May 2010 draft); Historic Survey 1980.
City Center	1	5/15/2032	9, 14	Central City	Permit Review for Land Use Conformance; TFAR Approvals; FAR limitations; Limit on number of residential units	DFD Downtown Design Guide and Street Standards; • DFD Billboards and Signs; • Downtown Design Guide (City adopted April 24, 2009). • Broadway Theater and Entertainment District Design Guide (City adopted 10-26-09). • Broadway Streetscape Master Plan (June 2010 draft). • Glass block Restoration Plan • CCE Vision & Action Plan (working draft). • Fashion District Plan DFD / Specific Plan (in-process). • Downtown Open Space Master Plan (grant, not yet started). •LASED Master Plan (greater area than City Specific Plan).
Council District 9 Corridors South of the Santa Monica Freeway	2	12/13/2026	9	Southeast LA, South LA	Permit Review for Land Use Conformance; Prohibited Uses	DFD Billboards and Signs; draft Design Guidelines

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CRA Project Area (Exp.)	# of Plan Areas	Plan Expiration Date	Council District	Community Plan(s)	Redevelopment Plan Land Use Powers	Adopted Land Use Controls
Little Tokyo (2013)	1	2/24/2013	9	Central City	Permit Review for Land Use Conformance	DFD Planning and Design Guidelines; East First Street Facades Design Guidelines (not adopted by CRA/LA Board); DFD Downtown Design Guide and Street Standards
Proposed Cornfield Arroyo Seco	2	n/a		Central City North, Northeast LA	n/a	n/a
Hollywood & Central Region						
East Hollywood/Beverly Normandie	2	12/14/2017	4, 13	Hollywood, Wilshire	None	
Hollywood	1	5/7/2027	4, 13	Hollywood	Permit Review for Land Use Conformance; Historic rehabs to standards of Interior Secretery; Overall FAR Limits; Increased FAR possible with Development Agreement; Limit on number of residential units	 Hollywood Boulevard / Franklin Avenue District Urban Design Plan [Dec. 15, 2011 Board forwarded to City Planning Commission for review and comment.] Sunset Boulevard/Civic Center Urban Design Plan [Dec. 15, 2011, Board approved forwarded to City Planning Commission for review and comment.] Hollywood Historic Survey Update [2011]. Information to be forwarded to OHR for inclusion in SurveyLA for the Hollywood Community Plan Area.
Mid City Corridors	3	5/10/2027	10	Wilshire, West Adams- Baldwin Hills, South LA	Permit Review for Land Use Conformance; Discretionary Action required for Residential Uses on Commercial Land	DFD Billboard and Signs
Pico Union 1	1	2/27/2013	1	Westlake	Permit review for land use conformance; height and far limitations; parking and loading requirements	DFD Billboards and Signs; draft Design Guidelines
Pico Union 2	2	11/24/2017	1	Westlake, South LA	Permit review for land use conformance; height limits	DFD Billboards and Signs; draft Design Guidelines
Proposed NELA River Corridor	2	N/A	1	Northeast LA, Silve Lake- Echo Park	n/a	Grant funds to support zoning refinement and street standards revisions

CRA Project Area (Exp.)	# of Plan Areas	Plan Expiration Date	Council District	Community Plan(s)	Redevelopment Plan Land Use Powers	Adopted Land Use Controls
Westlake	2	5/12/2029	1, 13	Westlake, Wilshire	Permit review for land use conformance; limit on the number of buildings and dwelling units; "special consideration" for structures of historical significance.	DFD Billboards and Signs; draft Design Guidelines; Historic Survey 2009
Wilshire Center/Koreatown	1	5/13/2025	1, 4, 10, 13	Wilshire	Permit Review for Land Use Conformance	DFD Billboards and Signs; Historic Survey 2009
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<u>Eastside Region</u> Adelante Eastside	2	3/24/2030	1, 14	Boyle Heights, Northeast LA	Permit Review for Land Use Conformance	DFD Billboards and Signs; DFD Wireless Facilities; Historic Survey 2009
Monterey Hills (2014)	1	7/29/2014	14	Northeast LA	Limit on number of residential units across Plan area (exceeded)	None
South Los Angeles Region						
Broadway/Manchester	2	12/13/2025	8, 9	Southeast LA, South LA	Permit Review for Land Use Conformance; Restricted Commercial/Industrial Uses; Parking standards; Commercial FAR limits; Historic Building controls	Billboards & Signs DFD
Crenshaw	1	5/9/2025 (orig); 5/9/2024 and 12/6/2025 (amend)	<u> </u>	West Adams-Baldwin Hills	Permit Review for Land Use Conformance; Regional Center requirements; Parking standards; Historic Building controls	Billboards & Signs DFD; City's Adopted Crenshaw Corridor Specific Plan
Crenshaw/Slauson	1	10/10/2026	2	West Adams-Baldwin Hills	Permit Review for Land Use Conformance; Parking standards; Historic Building controls	Billboards & Signs DFD

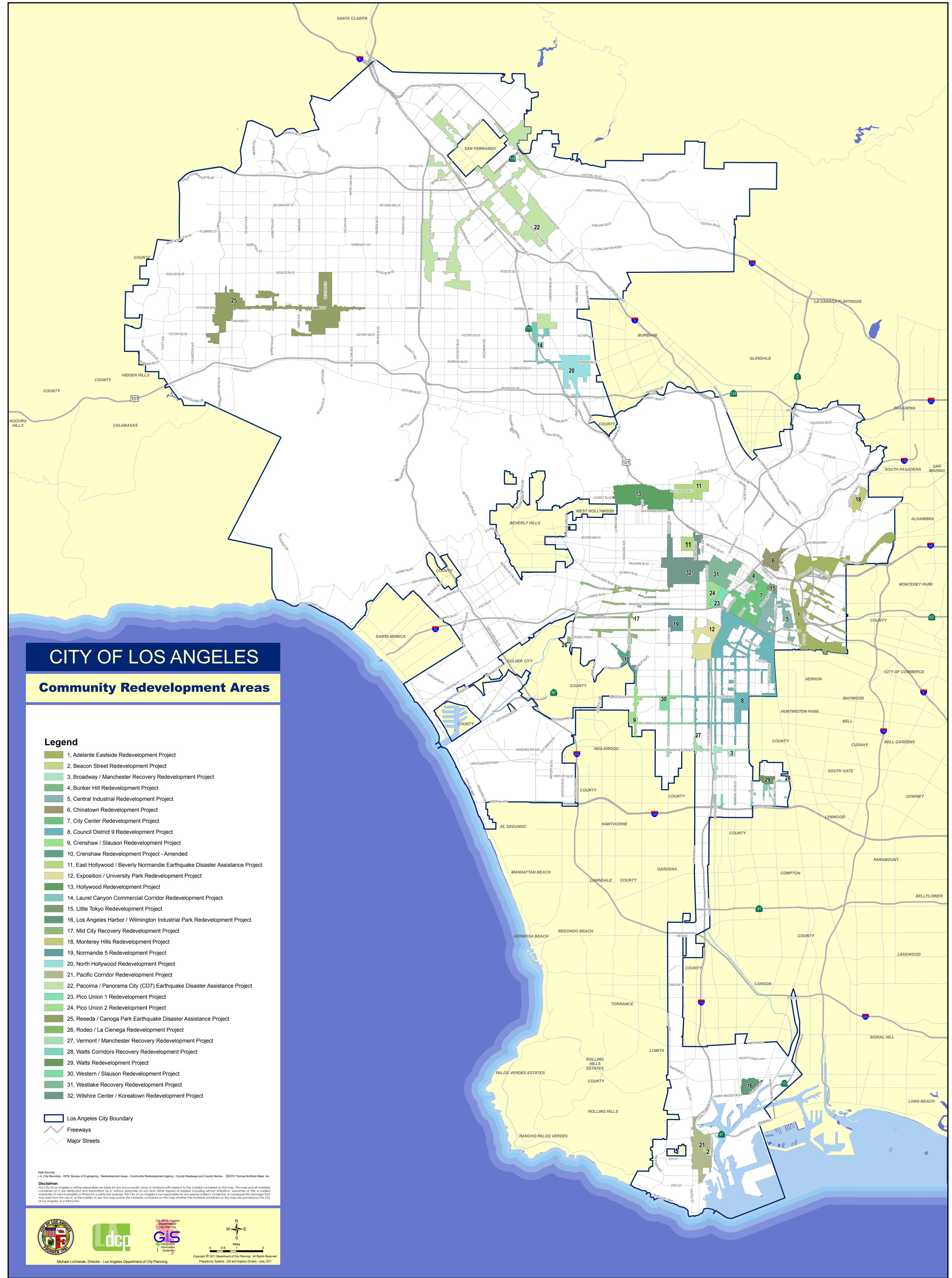
CRA Project Area (Exp.)	# of Plan Areas	Plan Expiration Date	Council District	Community Plan(s)	Redevelopment Plan Land Use Powers	Adopted Land Use Controls
Exposition/University Park (2013, 2030)	2	11/11/2026 (amend 4); 5/12/2029 (amend 5)	8, 9	South LA, Southeast LA	Permit Review for Land Use Conformance; Set- back requirements; Parking and loading requirements; Residential density bonus; Historic Building controls; USC Campus controls; Neighborhood Commercial Center requirements	Billboard DFD in Expanded Area (4th Amendment)
Normandie 5 (2013)	1	10/7/2013	1, 8, 10	South LA	Permit Review for Land Use Conformance; Historic Building controls; Specific Residential Land Use controls; New Construction controls; Sign standards; Commercial Development controls	Billboards & Signs DFD
Vermont/Manchester	2	5/10/2027	8	South LA, Southeast LA	Permit Review for Land Use Conformance; Restricted Commercial Uses; Alternate Use allowances; Parking & Loading standards; Historic Building controls	Billboards & Signs DFD
Watts	1	1/1/2013	15	Southeast LA	Permit Review for Land Use Conformance; Set- back requirements; Lot coverage and FAR limits; Parking and loading requirements; Lighting and landscaping requirements; Historic Building controls	Billboards & Signs DFD

CRA Project Area (Exp.)	# of Plan Areas	Plan Expiration Date	Council District	Community Plan(s)	Redevelopment Plan Land Use Powers	Adopted Land Use Controls
Watts Corridors	1	11/15/2026	15	Southeast LA	Permit Review for Land Use Conformance; Restricted Commercial/Industrial Uses; Alternate Uses allowances; Parking & Loading standards; Historic Building controls	Billboards & Signs DFD
Western/Slauson	1	11/10/2026	8	South LA	Permit Review for Land Use Conformance; Parking & Loading standards; Historic Building controls	None
East Valley Region						
Laurel Canyon	1	12/9/2028		North Hollywood-Valley Village	The Plan was amended in 2009 and allows for permit review for land use conformance	None
North Hollywood	1	2/21/2021	4	North Hollywood-Valley Village	Permit Review for Land Use Conformance; Discretionary land uses require Owner Participation Agreement	Commercial Core Urban Design Guidelines [DFD adopted September 2007]
Pacoima/Panorama City	7	12/31/2015	2, 6, 7	Sylmar, Arleta-Pacoima, Sunland-Tujunga, Sun Valley-La Tuna Canyon, North Hollywood-Valley Village, Mission Hills- Panorama City, Reseda- West Van Nuys	None	None
West Valley Region						

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CRA Project Area (Exp.)	# of Plan Areas	Plan Expiration Date	Council District	Community Plan(s)	Redevelopment Plan Land Use Powers	Adopted Land Use Controls
Reseda/Canoga Park	2	12/13/2015	3, 12	Canoga Park-Winnetka, Reseda-West Van Nuys	None	None
L.A. Harbor Region						
Beacon Street (2012)	1	12/13/2015	15	San Pedro	Permit Review for Land Use Conformance; Lot coverage restrictions. Redevelopment Plan controls (lot coverage, FAR, building height, parking standards, • land use vision for sub- areas (ie. "small shops in a park-like setting"), • signs ("only those signs necessary for identificaiton of buildings, premises, and uses")	
L.A. Harbor Industrial Center (2017)	1	7/18/2017	15	Wilmington-Harbor City	Permit Review for Land Use Conformance; Detailed development regulations in the Redevelopment Plan including land use, FAR, building height, setbacks, circulation and parking, landscaping, and building material	Design Guidelines DFD; Billboard and Pole Sign DFD
Pacific Corridor (2032)	1	5/1/2032	15	San Pedro	Pering Review for Lano Use Conformance	Pacific Corridor Design Guidelines (adopted 2005). Appointed Design Advisory Panel

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STAFFING ATTACHMENT

Redevelopment Plan Land Use Review Department of City Planning Feb 21, 2012

<u>Position</u>

Estimated Salary (Step V)

Senior City Planner	\$122,138
City Planner	\$103,750
City Planner	\$103,750
City Planning Associate	\$88,067
Architectural Associate III	\$101,046
GIS Info Sys Supervisor II	\$89,586

Total DCP Salary Cost

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\$1,048,674

-0,8