

MOTION
PLANNING & LAND USE MANAGEMENT

Cornfield – Arroyo Seco Specific Plan: Interpretation of Affordable Housing Bonus Option

On June 28, 2013, the Los Angeles City Council adopted Ordinance No. 182,617 which established the Cornfield – Arroyo Seco Specific Plan (“CASP”) in portions of the Central City North, Northeast Los Angeles, and Silver Lake-Echo Park/Elysian Valley Community Plan areas. On August 14, 2013, the ordinance became effective.

Since CASP’s inception, there have been conflicting interpretations of the methodology for implementing Affordable Housing Bonus Option Strategy B (“Strategy B”). It was the City Council’s intent to establish land-use incentives to promote the production of mixed-income housing and to ensure that additional residential floor-area-ratio (FAR) could be secured as a meaningful incentive. However, the interpretation to require a proposed project to first meet or exceed the maximum base allowable FAR for non-residential and non-commercial uses prior to being allowed to utilize residential bonuses pursuant to Strategy B is contrary to CASP policy objectives. Because many properties are limited in the percentage of total project area which can be used for residential and non-commercial uses, if a proposed project were otherwise required to provide full build-out of non-residential FAR before being allowed to apply Strategy B incentives, the total amount of residential area available to areas would be substantially less than needed. New projects would likely be rendered economically infeasible because market conditions or investment capital could not support the amount of non-residential square-footage required to reach the base FAR needed to trigger the affordable housing incentives.

The Department of City Planning’s (“DCP’s”) initial implementation and interpretation of Strategy B - providing that Strategy B may be utilized *even where the maximum base allowable FAR for non-residential and non-commercial uses is not met* - was consistent with the City Council’s intent as noted above. This interpretation of Strategy B was adopted by DCP’s approval of various project plans prior to May 30, 2017. Proposed projects being planned within the CASP boundaries have placed heavy reliance on and made substantial investment decisions based on this interpretation.

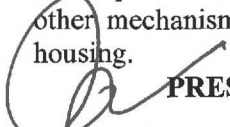
Because the CASP has reached its five-year mark, it is timely and appropriate to request the DCP to conduct a review of CASP policies with respect to their effectiveness in advancing the plan’s stated policy goals and purposes, including providing “a range of housing types and price levels that offer a full range of choices, including affordable housing opportunities, for people of diverse ages, ethnicities, household sizes and incomes” and “facilitate the development of mixed-use and affordable housing projects”.

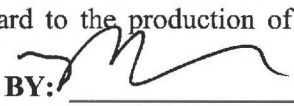
The City Council desires to affirm its purpose and intent relative to CASP Affordable Housing Bonus Strategies, ensure the timely development of planned and future mixed-income housing and mixed-use projects relying on Strategy B, consider an evaluation of CASP policies at the five-year mark, and guarantee that these incentives shall be maintained for future projects to catalyze investment in the CASP area.

I THEREFORE MOVE that the City Council instruct the Department of City Planning, in consultation with the City Attorney, to prepare and present an amendment to the Cornfield – Arroyo Seco Specific Plan to clarify that Affordable Housing Bonus Option Strategy B may be utilized to exceed residential floor area limits, even where the maximum base allowable floor-area-ratio for non-residential and non-commercial uses is not met, consistent with the Department’s initial implementation and interpretation.

I FURTHER MOVE that the Council instruct the Department of City Planning to adopt and implement as its governing interpretation, until such time as the amendment set forth above is adopted, that Strategy B may be utilized even where the maximum base allowable floor-area-ratio for non-residential and non-commercial uses is not met for all previous, current and future projects in the entitlement pipeline which are subject to the CASP.

I FURTHER MOVE that the Council instruct the Department of City Planning to prepare and present a report with recommendations, in consultation with key community stakeholders and Council District 1, with an evaluation of CASP policies at the five-year mark, including but not limited to a review of the effectiveness of land-use incentives and other mechanisms as measured against policy objectives, particularly with regard to the production of mixed-income housing.

 PRESENTED BY: GILBERT A. CEDILLO
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Councilmember, 1st District

SECONDED BY: 

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