

**PLANNING DEPARTMENT TRANSMITTAL
TO THE CITY CLERK'S OFFICE
*SUPPLEMENTAL***

CITY PLANNING CASE:	ENVIRONMENTAL DOCUMENT:	COUNCIL DISTRICT:
CPC-2017-2022-CA	ENV-2017-2023-ND	All
PROJECT ADDRESS:		
Citywide		
PLANNER CONTACT INFORMATION:	TELEPHONE NUMBER:	EMAIL ADDRESS:
Matthew Glesne	(213) 978-2666	matthew.glesne@city.org

NOTES / INSTRUCTION(S):	
<p>Transmitting corrected determination letter.</p>	
TRANSMITTED BY:	TRANSMITTAL DATE:
Rocky Wiles Commission Office Manager	August 17, 2017



LOS ANGELES CITY PLANNING COMMISSION

200 North Spring Street, Room 532, Los Angeles, California, 90012-4801, (213) 978-1300
www.planning.lacity.org

LETTER OF DETERMINATION

MAILING DATE: AUG 17 2017

*Corrected Copy**

Case No.: CPC-2017-2022-CA
CEQA: ENV-2017-2023-ND
Plan Areas: All

Council Districts: All

Project Site: Citywide

Applicant: City of Los Angeles
Representative: Matthew Glesne, City Planner

At its meeting of **July 13, 2017**, the Los Angeles City Planning Commission took the actions below in conjunction with the approval of the proposed ordinance:

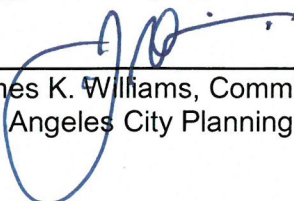
Ordinance amending Sections **12.24 and 14.00*** of the Los Angeles Municipal Code to clarify existing regulations and align affordability requirements across the range of zoning entitlements that allow for increased density or floor area ratio beyond what is allowed by zoning. The ordinance will ensure the creation of affordable housing through certain conditional use permits and public benefit projects.

1. **Found** that adoption of this ordinance, based on the whole of the administrative record, is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15378(b)(4) and 15061(b)(3) and directed staff to file the Notice of Exemption with the County Clerk's office; and, pursuant to CEQA Guidelines Section 15074(b), **recommended adoption** of ENV-2017-2023-ND and **found** based on the whole of the administrative record, that the Negative Declaration reflects the independent judgment and analysis of the decision-maker, and that there is no substantial evidence that the project will have a significant effect on the environment;
2. **Adopted** the staff report as the Commission report on the subject;
3. **Approved and recommended** that the City Council **adopt** the proposed ordinance subject to review by the City Attorney as to form and legality; and
4. **Adopted and recommended** that the City Council **adopt** the attached Findings.

The vote proceeded as follows:

Moved: Padilla-Campos
Second: Dake Wilson
Ayes: Ambroz, Choe, Katz, Millman, Mitchell, Perlman
Absent: Mack

Vote: **8 - 0**


James K. Williams, Commission Executive Assistant II
Los Angeles City Planning Commission

Los Angeles City Planning Commission

Effective Date/Appeals: The decision of the Los Angeles City Planning Commission is final and not appealable.

If you seek judicial review of any decision of the City pursuant to California Code of Civil Procedure Section 1094.5, the petition for writ of mandate pursuant to that section must be filed no later than the 90th day following the date on which the City's decision became final pursuant to California Code of Civil Procedure Section 1094.6. There may be other time limits which also affect your ability to seek judicial review.

Attachments: Ordinance, Findings

c: Claire Bowin, Senior City Planner
Matthew Glesne, City Planner

ORDINANCE NO. _____

An ordinance amending Sections 12.24 and 14.00 of the Los Angeles Municipal Code to clarify existing regulations and align affordability requirements across the range of zoning entitlements that allow for increased density or floor area ratio beyond what is allowed by zoning. The ordinance will ensure the creation of affordable housing through certain conditional use permits and public benefit projects.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Subsection F of Section 12.24 of the Los Angeles Municipal Code is amended to read:

F. Conditions of Approval. In approving a project, the decision-maker may impose conditions related to the interests addressed in the findings set forth in Subsection E. The decision may state that the height and area regulations required by other provisions of this Chapter shall not apply to the conditional use approved. If the Density Bonus is increased beyond the maximum allowed as defined in LAMC 12.22 A.25, the development project must also contain the requisite number of Restricted Affordable Units as set forth in Section 12.24 U.26(a)(1) through (5) of the Los Angeles Municipal Code.

Section 2. Subdivision 26 of Subsection U of Section 12.24 of the Los Angeles Municipal Code is amended to read:

26. Density Bonus for a Housing Development Project in which the density increase is greater than the maximum permitted in Section 12.22 A.25.

(a) In addition to the findings set forth in 12.24 E., the City Planning Commission shall find:

- (1) that the project is consistent with and implements the affordable housing provisions of the Housing Element of the General Plan;
- (2) that the project contains the requisite number of ~~affordable units~~ Restricted Affordable Units, based on the number of units permitted by the maximum allowable density on the date of application, as follows and/or senior citizen units as set forth in California Government Code Section 65915(b):
 - a. 11% Very Low Income Units for a 35% density increase; or

- b. 20% Low Income Units for a 35% density increase; or
- c. 40% Moderate Income Units for a 35% density increase in for-sale projects

The project may then be granted additional density increases beyond 35% by providing additional affordable housing units in the following manner:

- d. For every additional 1% set aside of Very Low Income Units, the project is granted an additional 2.5% density increase; or
- e. For every additional 1% set aside of Low Income Units, the project is granted an additional 1.5% density increase; or
- f. For every additional 1% set aside of Moderate Income Units in for-sale projects, the project is granted an additional 1% density increase.
- g. In calculating the density increase and Restricted Affordable Units, any number resulting in a fraction shall be rounded up to the next whole number;

(3) that the project meets any applicable dwelling unit replacement requirements of California Government Code Section 65915(c)(3);

(4) that the project's Restricted Affordable Units are subject to a recorded affordability restriction of 55 years from the issuance of the Certificate of Occupancy, recorded in a covenant acceptable to the Housing and Community Investment Department, and subject to fees as set forth in Section 19.14 of the Los Angeles Municipal Code; and

(5) that the project addresses the policies and standards contained in the City Planning Commission's Affordable Housing Incentives Guidelines.

~~(b) The payment of filing fees may be deferred pursuant to the provisions of Sections 19.01 O., 19.05 A.1. and 5. of this Code.~~

Section 3. Subsection V of Section 12.24 of the Los Angeles Municipal Code is amended to read:

V. Conditional Use Permit – Area Planning Commission With Appeals to the City Council. (Amended by Ord. No. 182,095, Eff. 5/7/12.) The following uses and activities may be permitted in any zone, unless restricted to certain zones or locations, if approved by the Area Planning Commission as the initial decision-maker or the City Council as the appellate body. In addition

to the requirements set forth below, the decision-maker shall follow the procedures set forth in Subsections B. through Q.

Mixed Commercial/Residential Use Developments

1. **Findings.** In addition to the findings set forth in Section 12.24 E., the Area Planning Commission shall find:
 - (a) that the project is consistent with and implements the affordable housing provisions of the General Plan's Housing Element;
 - (b) that the project will further the City's goal of achieving an improved jobs-housing relationship, which is needed to improve air quality in the City;
 - (c) that pursuant to an agreement entered into under Government Code Sections 65915-65918, the project will include the number of Restricted Affordable Units as set forth in Section 12.24 U.26(a)(1) through (5) of the Los Angeles Municipal Code, with any percentage increase in floor area treated the same as a percentage increase in density for purposes of calculating the number of Restricted Affordable Units. sufficient to qualify for a 35% Density Bonus pursuant to Section 12.22 A.25. of this Code;
 - (d) that the affordability of all reserved lower income dwelling units will continue for a minimum of ~~30~~55 years;
 - (e) that the construction and amenities provided for the reserved lower income dwelling units will be comparable to those provided for the market rate dwelling units in the development, including the average number of bedrooms and bathrooms per dwelling unit;
 - (f) that the approval of a mixed use development pursuant to this section will constitute an incentive under Government Code Section 65915 and the Transit Oriented Communities program in LAMC 12.22 A.31; and
 - (g) that the approval of a mixed use development on the site will ~~reduce the cost per unit of the~~ provide for affordable housing costs in the housing development.

Section 4. Subdivision 2 of Subsection A of Section 14.00 of the Los Angeles Municipal Code is amended to read:

2. Density increase for a Housing Development Project to provide for additional density in excess of that permitted in Section 12.22 A.25. (Subdivision Title Amended by Ord. No. 179,681, Eff. 4/15/08.)

(a) Performance Standards:

- (1) The development project contains the requisite number of ~~affordable Restricted Affordable Units and/or senior citizen units~~ as set forth in Section 12.24 U.26(a)(1) through (5) of the Los Angeles Municipal Code California Government Code Section 65915(b);

FINDINGS

I. General Plan Findings

City Charter Section 556 and 558

In accordance to Charter Sections 556 and 558, the proposed ordinance is in substantial compliance with the purposes, intent, and provisions of the General Plan. It would address the following goals, objectives, and policies of the General Plan outlined below.

A. General Plan Framework Element

The proposed Value Capture ordinance will meet the intent and purposes of the General Plan Framework Element to encourage the creation of housing opportunities for households of all types and incomes, while at the same time promoting livable neighborhoods. In particular, the proposed Value Capture ordinance would further the intent and purpose of the following relevant goals, objectives, and policies of the Framework Element:

Objective 3.7 - Provide for the stability and enhancement of multi-family residential neighborhoods and allow for growth in areas where there is sufficient public infrastructure and services and the residents' quality of life can be maintained or improved.

Goal 4A - An equitable distribution of housing opportunities by type and cost accessible to all residents of the City.

Objective 4.1 - Plan the capacity for and develop incentives to encourage production of an adequate supply of housing units of various types within each City subregion to meet the projected housing needs by income level of the future population to the year 2010.

Policy 4.1.2 - Minimize the overconcentration of very low- and low-income housing developments in City subregions by providing incentives for scattered site development citywide.

Policy 4.1.6 - Create incentives and give priorities in permit processing for low- and very-low income housing developments throughout the City.

Goal 7G - A range of housing opportunities in the City.

B. Housing Element

The proposed TOC Guidelines are in substantial conformance with the purpose, intent and provisions of the General Plan in that they would further accomplish the goals, objectives and policies of the Housing Element outlined below:

Objective 1.1 - Produce an adequate supply of rental and ownership housing in order to meet current and projected needs.

Policy 1.1.2 - Expand affordable rental housing for all income groups that need assistance.

Policy 1.1.3 - Facilitate new construction and preservation of a range of different housing types that address the particular needs of the city's households.

Policy 1.1.7 - Strengthen the capacity of the development community to develop affordable housing.

Objective 1.2 - Preserve quality rental and ownership housing for households of all income levels and special needs.

Policy 1.2.2 - Encourage and incentivize the preservation of affordable housing, including non-subsidized affordable units, to ensure that demolitions and conversions do not result in the net loss of the City's stock of decent, safe, healthy or affordable housing.

Policy 1.2.7 - Strengthen the capacity of the development community to preserve and manage affordable housing.

Policy 1.2.8 - Preserve the existing stock of affordable housing near transit stations and transit corridors. Encourage one-to-one replacement of demolished units.

Objective 2.2. - Promote sustainable neighborhoods that have mixed-income housing, jobs, amenities, services and transit.

Policy 2.2.3 - Promote and facilitate a jobs/housing balance at a citywide level.

Objective 2.5 - Promote a more equitable distribution of affordable housing opportunities throughout the City.

Policy 2.5.2 - Foster the development of new affordable housing units citywide and within each Community Plan Area.

The proposed ordinance is in conformance with the range of General Plan goals related to affordable housing production and preservation, as described in the above list of goals, objectives, and policies. The City's General Plan recognizes the need for affordable housing which benefit the public good. Imposing standardized affordable housing production and preservation requirements on entitlement pathways that allow for substantial density increases will greatly assist the City in meeting its growing affordable housing needs.

Furthermore, the proposed ordinance is the implementation of Housing Element's Program 8 – Land Use Program to Increase the Production of Affordable Housing and Program 9 – Facilitate Housing for Senior and Disabled Persons. Additionally, it is in conformance with or related to the following implementation program of the Housing Element: Program 6 – New Production of Affordable Housing, Program 16 – New Programs to Increase the Production of Affordable Housing, Program 27 – Preservation of the Rental Housing Stock – Condominium Conversions and Demolitions, and Program 41 – Preservation of Affordable Housing. The proposed Value Capture ordinance would achieve the implementation of these programs by introducing standardized affordability requirements and requiring affordable housing replacement for certain conditional use permits, public benefit projects, and eldercare facilities.

II. CEQA Findings

The proposed ordinance qualifies under the “common sense” CEQA exemption pursuant to CEQA Guidelines Section 15061(b)(3), which provides that, where it can be seen with certainty that there is no possibility that a project may have a significant effect on the environment, the project is not subject to CEQA. CEQA only applies to projects that have the potential to cause a significant effect on the environment – either through a direct impact or reasonably foreseeable indirect impact. The proposed ordinance does not have that possibility

The regulations in the proposed ordinance are intended to clarify existing regulations and align affordability requirements across the range of planning entitlements that allow for increased density or FAR. A percentage of affordable housing will be required based upon the percent of density increase, across the range of City policies, as the proposed ordinance would extend existing Density Bonus affordable housing requirements proportionally to any additional density beyond 35%.

The ordinance has no foreseeable chance of directly or indirectly creating any development that would not otherwise occur. Further, any potential indirect impact of the ordinance on the environment will be minor as the proposed ordinance is not anticipated to alter existing development patterns. The City reasonably expects that implementation of the ordinance will not affect the number, type, size or location of development projects built in the City, due to the fact that the ordinance largely clarifies existing city policy. In the one Section where new affordability requirements will be introduced (LAMC Section 12.24 F) the changes are not expected to alter development patterns.

Though the proposed ordinance may result in an increase of affordable housing units produced within new development projects, any increase is expected to be modest and shall not be considered new units added, as the affordable housing units would have been built as market rate. Furthermore, it is expected that projects subject to the new requirements would not be negatively impacted, as they all would receive significant density increases from their allowable zoning. The affordable housing requirements are designed to be consistent with a proportional

formula that has proven to be economical and financially feasible under the density bonus program. The limited change included in the proposed ordinance is supported by market conditions and developer expectations throughout the City. As such, the City reasonably expects that development patterns will not be substantially altered from the baseline as a result of this ordinance.

As a result of this analysis, it can reasonably be concluded that the imposition of the affordable housing requirements recommended in the proposed ordinance will have no discernable impact on existing development patterns. This analysis is based largely on the fact that the amount of residential development currently occurring under these entitlements is minimal. Because the proposed ordinance is not anticipated to significantly alter development patterns throughout the City, it thus can be seen with certainty that there is no possibility that it may have a significant direct or indirect effect on the environment, and therefore it is not subject to CEQA pursuant to CEQA Guidelines Section 15061(b)(3).