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CITY PLANNING**

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April 4, 2019

Los Angeles City Council  
c/o Office of the City Clerk  
City Hall, Room 395  
Los Angeles, California 90012

Attention: PLUM Committee

Dear Honorable Members:

**COMMUNITY REDEVELOPMENT AGENCY / LOS ANGELES DESIGNATED LOCAL  
AUTHORITY (CRA/LA-DLA) AND MEASURE JJJ TRANSIT ORIENTED COMMUNITIES  
INCENTIVES; CF 18-1023**

On February 1, 2019 the City Council adopted a motion requesting the Department of City Planning report back with information regarding the relationship between the Measure JJJ Transit Oriented Communities (TOC) Affordable Housing Incentive Program (TOC Program) and policies of the Community Redevelopment Agency / Los Angeles, a Designated Local Agency (CRA/LA-DLA), the successor agency to the Community Redevelopment Agency / Los Angeles (CRA/LA).

In particular, the Council instructed the Planning Department, in consultation with the City Attorney, to report on the impact of the CRA/LA-DLA June 27, 2018 Memorandum (Attachment 1) indicating that six City "redevelopment plans" have land use limitations that potentially detrimentally affect development projects in Redevelopment Project areas because they restrict the implementation of certain incentives of Measure JJJ's Transit Oriented Communities (TOC) Program, and to provide an update on the status of TOC projects being impacted; provide information as to what development project applicants have been informed by staff regarding their filed applications or those filing applications; and provide information as to any communication, if any, that has occurred between the Planning Department and the CRA/LA-DLA as to the land use impacts/ramifications of the Memorandum.

## **Background**

The City of Los Angeles established the former CRA/LA in 1948 pursuant to state law. In 2011, state law dissolved redevelopment agencies across California. The City of Los Angeles elected not to designate itself as the successor agency and in 2012 the Governor appointed a Designated Local Agency (DLA) to wind down the former agency's operations.

There are currently 19 active redevelopment plans covering 19 communities (project areas) that were prepared by the former CRA/LA and adopted by the City Council by ordinance. Redevelopment plans may, in some instances, include more restrictive development standards than City zoning code standards. These plans will expire on various dates with two expiring in the next three years and the final plan expiring in 2032. In the interim, the land use authority established by the redevelopment plans is being implemented by the CRA/LA-DLA staff, including assessing compliance of proposed development projects with various development standards codified in the redevelopment plans. A proposed ordinance and resolution are currently before the City Council (CF 13-1482-S3) that would transfer the land use related plans and functions of the former agency to the City pursuant to state law.

Measure JJJ, passed by the voters of Los Angeles in November 2016, created the TOC Affordable Housing Incentive Program. The program provides development incentives such as additional density and floor area for projects that include required amounts of affordable housing and are located within ½ mile of state-defined major transit stops. A TOC project, like any other type of development project located in redevelopment plan areas, requires permit review by CRA/LA-DLA staff.

On June 27, 2018, the CRA/LA-DLA issued a memorandum titled Transit Oriented Communities (TOC) Density Bonuses. The memo indicated that the CRA/LA-DLA has determined that density in the redevelopment plans may not be superseded by the TOC Program and that up to six redevelopment plans contain land use limitations that could potentially affect TOC projects.

## **Redevelopment Plans and TOC Projects Impacted**

The June 27, 2018 CRA/LA-DLA memo raises an issue of compliance with a set of regulations that exist in several of the redevelopment plans. Maximum plan densities and/or floor area ratios (FARs) are prescribed in different plan areas, as well as a specific method to request density or floor area bonuses beyond the CRA/LA limits. State Density Bonus law may be utilized to exceed this maximum allowable residential density. However, the CRA/LA-DLA memo states that the density limits contained in redevelopment plans are not superseded by Measure JJJ and the TOC Guidelines. The justification cited for this is that the TOC Program is a locally created incentive system, whereas the density bonus program derives from state law (as do the redevelopment plans).

The CRA/LA-DLA June 27, 2018 Memorandum indicated that six redevelopment plans may have land use limitations that potentially affect TOC Projects. Upon further evaluation, this list has been narrowed to three of the plans: Hollywood, North Hollywood and Central Industrial. Notably, the Central Industrial area is an industrially zoned area where TOC

incentives generally cannot be utilized. The other three plans originally identified in the June 27, 2018 memo by CRA/LA-DLA were found not to include any relevant limitations.

Therefore, the two redevelopment plans impacting TOC projects are Hollywood and North Hollywood. Both feature density limitations that limit the applicability of the TOC density increases in residential areas. Other TOC incentives such as parking and setbacks continue to be generally available in residential areas of these two affected redevelopment plans.

### **Status of Potentially Impacted TOC Projects**

Department staff has researched proposed TOC projects located in the three affected redevelopment plan areas, based on a review of submittals through March 21, 2019. A total of sixteen TOC projects have been filed within these three plan areas and are awaiting approval from the Department of City Planning and/or the Department of Building and Safety. All but two of those projects required a discretionary entitlement. The current status of these sixteen potential TOC projects falls into different categories:

- Six projects have building permit applications pending with the Department of Building and Safety.
- Ten projects currently have a discretionary TOC entitlement pending with the Department, or have an approved TOC entitlement but have not yet filed for building permits.

A summary of these projects, by location, is provided in Table 1, below.

**Table 1. Current Status of TOC Projects Impacted by Redevelopment Plans**

<b>Current Status of Impacted TOC Projects in Redevelopment Plan Areas</b>	<b>TOC Projects with Pending Building Permits from LADBS</b>	<b>Discretionary TOC Case Pending with City Planning or Approved by City Planning</b>	<b>Total</b>
Hollywood	4	8	<b>12</b>
North Hollywood	2	2	<b>4</b>
Central Industrial	0	0	<b>0</b>
<b>Total Impacted TOC Projects</b>	<b>6</b>	<b>10</b>	<b>16</b>

*Note: Data is provided as of March 21, 2019*

### **Direction Provided by the Department of City Planning Staff**

The Department issued its own advisory memorandum on January 9, 2019 (Attachment 2) to provide guidance on the issue and direct applicants to consult with Department staff for compliance options. For TOC cases that were previously accepted and are now in the entitlement pipeline, Department staff has contacted all sixteen applicants to provide them

with this memorandum and provide alternative entitlement options, which generally involve a conversion of the TOC case into a Density Bonus request (either on-menu or off-menu) with a Conditional Use entitlement (LAMC 12.24 U.26). There may be other exceptions, conditional uses and public benefit entitlements that apply. Development Service Center staff is also sharing the January 9th memorandum with all potential applicants who inquire about filing for potential TOC projects in the affected redevelopment areas.

## Conclusion

The Department has provided information responsive to the City Council motion and is happy to answer any additional questions. For questions regarding this report, please contact Matt Glesne at (213) 978-2666. For questions regarding the TOC program, please contact the Department's Housing Services at (213) 202-5456, or in person on the 5th floor of the Development Services Center at 201 N. Figueroa.

Sincerely,

VINCENT P. BERTONI, AICP  
Director of Planning

A handwritten signature in black ink, appearing to read "K.J. Keller", with a long horizontal flourish extending to the right.

Kevin J. Keller, AICP  
Executive Officer

VPB:KJK:ALV:mg

## Enclosures

Attachment 1 – June 27, 2018 CRA/LA-DLA Memorandum

Attachment 2 – Department of City Planning January 9, 2019 Advisory Memo

June 27, 2018

DATE /

FILE CODE /

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[www.crala.org](http://www.crala.org)

### **Transit Oriented Communities (TOC) Density Bonuses**

Following passage of City Measure JJJ, the Los Angeles City Council adopted the TOC Ordinance which provides incentives to developers who construct housing in proximity to transportation infrastructure and systems. In some instances, the incentives provide for up to 80% density bonuses if affordable units are included in the project. While there are ongoing discussions with the Department of City Planning and the Office of City Attorney, CRA/LA has determined that the density limits contained in the redevelopment plans are not superseded by Measure JJJ and the implementing TOC Ordinance.

The density limitations affect potential development in six (6) redevelopment project areas: City Center, Central Industrial, Hollywood, North Hollywood, Wilshire Center/Koreatown, and Pacific Corridor. Please consult the appropriate redevelopment plan to determine if your proposed project may be impacted by the plan's limitations. The redevelopment plans are available on CRA/LA's website ([www.crala.org](http://www.crala.org)) under the "Project Areas" tab.



**DEPARTMENT OF CITY PLANNING**  
**Executive Office**

City Hall, 200 N. Spring Street, Room 525, Los Angeles, CA 90012

**January 9, 2019**

TO: Department of City Planning Staff  
Interested Parties

FROM: Kevin J. Keller, AICP  
Executive Officer

*for*

**SUBJECT: ADVISORY MEMO ON APPLICATION OF TRANSIT ORIENTED COMMUNITIES (TOC) INCENTIVES IN CRA/LA REDEVELOPMENT PLAN AREAS**

On June 27, 2018 the CRA/LA issued a memorandum entitled *Transit Oriented Communities (TOC) Density Bonuses* (see attached). The memo addresses the manner in which CRA/LA is implementing its land use authority over redevelopment plans with regards to the City's TOC Affordable Housing Incentive Program (TOC Program). The CRA/LA is the Designated Local Agency for the former Community Redevelopment Authority of the City of Los Angeles. The following guidance clarifies how the TOC Program will be administered by the Department, in light of the CRA/LA memo.

The TOC Program was created as a result of Measure JJJ, which was approved by the voters of Los Angeles in November 2016 (codified in LAMC 12.22 A.31). The TOC Program establishes a set of incentives, such as density and floor area increases for qualifying residential and mixed-use projects located near major transit stops provided such projects include a set percentage of affordable housing.

The CRA/LA memo states that some incentives in the TOC Guidelines are currently not recognized by the CRA/LA as being effective in some redevelopment plans. The following redevelopment areas are identified as being potentially affected: City Center, Central Industrial, Hollywood, North Hollywood, Wilshire Center/Koreatown and Pacific Corridor. Projects utilizing TOC incentives in any of these redevelopment areas which exceed certain density regulations established by the redevelopment plans may not be able to receive clearance by CRA/LA staff at this time.

TOC applicants, including those who have filed applications and are in process, those who have received approvals from the Department or those who are by-right and cleared by the Department of Building and Safety, are advised to contact their assigned Department of City Planning project planner or the Department's Housing Services Unit on options for compliance with City regulations as well as CRA/LA requirements. Planning staff are available to answer questions on potential alternative entitlement options via a consultation. The Department's Housing Services staff are located on the 5th floor of the Development Services Center at 201 N. Figueroa St., or by calling (213) 202-5456.

The Department continues to work collaboratively with the CRA/LA on this topic and will provide future updates on this matter as appropriate.



### **Transit Oriented Communities (TOC) Density Bonuses**

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The density limitations affect potential development in six (6) redevelopment project areas: City Center, Central Industrial, Hollywood, North Hollywood, Wilshire Center/Koreatown, and Pacific Corridor. Please consult the appropriate redevelopment plan to determine if your proposed project may be impacted by the plan's limitations. The redevelopment plans are available on CRA/LA's website ([www.crala.org](http://www.crala.org)) under the "Project Areas" tab.



## APPLICATION OF TRANSIT ORIENTED COMMUNITIES (TOC) INCENTIVES IN CRA/LA REDEVELOPMENT PLAN AREAS FREQUENTLY ASKED QUESTIONS (FAQ)

### How are Density Bonus projects affected by CRA's memo?

Projects approved pursuant to state Density Bonus law, as codified in the City's 2008 Density Bonus Ordinance (Ordinance 179,861), are not affected by the CRA/LA memo. This includes both on-menu and off-menu Density Bonus projects approved per LAMC Section 12.22 A.25.

### What options are available for Projects which are exceeding CRA density limitations and seeking other incentives through the Transit Oriented Communities Affordable Housing Incentive Program Guidelines (TOC Guidelines)?

A Project may be eligible for a Conditional Use Permit entitlement for density increases greater than 35% (per LAMC Sections 12.24 U.26) in conjunction with a Density Bonus entitlement. Applicants should contact Planning staff to explore these and other potential options.

### Are By-Right TOC Projects in CRA Areas Affected?

Applicants who have filed a by-right project with the Department of Building and Safety and are within one of the six CRA Plan areas that contain density limitations are advised to contact the Department of City Planning's Development Services Center (DSC) on options for compliance with City regulations as well as CRA/LA requirements. The DSC has three convenient locations:

DSC Metro  
Figueroa Plaza  
201 N. Figueroa Street  
Main Public Counter, 4<sup>th</sup> Floor  
Los Angeles, CA 90012  
(213) 482-7077

DSC Valley  
Marvin Braude Building  
6262 Van Nuys Blvd.  
Main Public Counter, Suite 251  
Van Nuys, CA 91401  
(818) 374-5050

DSC West Los Angeles  
1828 Sawtelle Blvd.  
Main Public Counter, 2<sup>nd</sup> Floor  
Los Angeles, CA 90025  
(310) 231-2901

### What if a TOC Project is located in a CRA/LA redevelopment project area, but not one of the six specified in the CRA's memo?

A Project that is not located in one of the six redevelopment project areas mentioned in the CRA/LA memo is not impacted by this advisory.

January 9, 2019