

PLANNING & LAND USE MANAGEMENT

MOTION

One method to compel the production of affordable housing through market rate developments is the use of “zoning incentive” programs in exchange for recording covenants on some portion of the units to be used for affordable housing. Both the State of California and the City of Los Angeles offer such programs, such as the Density Bonus and Transit Oriented Communities (TOC) programs.

Additionally, the State has established criteria to offer options for streamlined environmental review for projects which meet specific criteria. Eligibility for streamlined review includes criteria such as their proximity to public transit and their overall percentage of residential units. These reviews are known as Sustainable Communities Environmental Assessment (SCEA) and Sustainable Communities Project Exemption (SCPE).

Incentive based housing projects come in many forms across many residential and commercial zones. They can be new buildings or conversions of existing buildings, they can be entirely residential or they can be mixed uses made up of both commercial and residential uses.

Of particular note in mixed use projects is the role hotels play. Hotels walk a complex definitional line between residential and commercial uses in the municipal code. Even though hotel floors may physically resemble apartment buildings, hotels still have reduced affordable housing linkage fees per square foot, and do not contribute to covenanted affordable housing. Additionally, hotels benefit from Floor Area Ratio advantages in commercial zones due to their residential use definition, without truly functioning as a residential use.

Typical mixed use density bonus and TOC projects have relatively minimal amounts of commercial square footage. Out of hundreds of TOC projects two recent projects: ZA-2018-3409-CU-CUB-SPR-TOC and ZA-2019-1744-CU-MCUP-SPR-TOC propose projects which mix hotel and residential uses. Both of these projects provide more commercial hotel rooms than residential units and include additional ground floor commercial square footage.

The inclusion of some affordable housing makes these hybrid hotel housing projects eligible for substantial increases in density, reductions in parking, and streamlined environmental review.

I THEREFORE MOVE that the Department of City Planning and the CLA be instructed to report back on whether new hotel uses in conjunction with incentives based on residential uses have the potential to negatively impact the overall goals of housing promoting incentive programs and policies such as the Density Bonus and TOC programs and consider whether hotel uses should be prohibited, or deterred and whether the programs should be modified such that hotel units in mixed use projects also result in set asides of affordable housing units.

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