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December 2, 2021

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:

**NORTH UNIVERSITY PARK-EXPOSITION PARK-WEST ADAMS NEIGHBORHOOD  
STABILIZATION OVERLAY SUPPLEMENTAL USE DISTRICT – DEPARTMENT OF CITY  
PLANNING REPORT BACK; CF 20-1265**

On January 12, 2020, the Los Angeles City Council adopted a motion (CF 20-1265) instructing the Department of City Planning (DCP) to report to the Planning and Land Use Management (PLUM) Committee with recommendations relative to the North University-Exposition Park-West Adams Neighborhood Stabilization Overlay (NSO) Supplemental Use District (SUD), including working definitions of student housing, co-living facility, and naturally occurring affordable housing; strategies to address the loss of naturally occurring affordable housing and the overconcentration of student housing/co-living facilities; and an analysis of affordable housing production within the NSO SUD.

**Background**

In 2008, the NSO SUD was established in the North University-Exposition Park-West Adams neighborhood by Ordinance No. 180218. The North University-Exposition Park-West Adams NSO SUD is generally bounded by the 10 Freeway to the north, the 110 Freeway to the east, Martin Luther King Boulevard to the south, and Normandie Avenue to the west, fully incorporating the neighborhoods surrounding the University of Southern California (USC) campus. Projects in the NSO SUD are defined in LAMC 13.12 and subject to a Conditional Use Permit (CUP) process,

as outlined in LAMC 12.24 W.52, that requires projects to provide additional parking and meet certain findings such as a requirement that there not be a detrimental concentration of large scale, campus serving housing within close proximity if the project includes units with 5 or more habitable rooms.

The purpose of the North University-Exposition Park-West Adams NSO SUD is to broadly address negative impacts resulting from new multi-habitable room projects in neighborhoods nearby the USC campus, such as parking shortages, oversized development, and poorly designed residential buildings. Per LAMC 13.12, the radius of an NSO SUD is limited to a maximum one-mile radius (approximately 5,280 feet) from the physical boundaries of a college or a university – though the precise boundary may be adjusted for urban features such as topography, freeways, streets, or highways. In general, the NSO SUD was created to ensure development associated with student housing for college campuses is compatible with the residential neighborhoods immediately surrounding these campuses.

In response to the motion, preliminary research on existing zoning and conditions are included as Exhibits. Exhibit A contains an in-depth discussion of the existing conditions and zoning of the NSO SUD area as well as the two expansion areas identified by the council motion, labeled Study Area A and Study Area B. Exhibit B is a reference map which further highlights the additional zoning overlays and land use policies applicable to the areas, including Historic Preservation Overlay Zones, Specific Plans, South Los Angeles Community Plan Implementation Overlay (CPIO) subareas, and the Transient Oriented Communities (TOC) Incentive Program. In general, the interior residential pockets of the study areas have fewer regulations that pertain to design standards while also allowing for more density than what is currently built out. This has led to mostly by-right residential development that is sometimes incompatible with the existing neighborhood character. The combination of existing conditions and current zoning has also compounded concerns about affordable housing, parking and other issues as further discussed in this report.

## **Discussion**

The Council Motion instructed DCP to report on strategies to expand the existing North University-Exposition Park-West Adams NSO SUD to a larger geographic area to the west and to the south of the existing boundaries to address issues related to parking, impacts from student housing and neighborhood compatibility from new developments. However, planning staff's analysis of the NSO program demonstrated that expanding the existing NSO SUD alone will not address the root causes of these issues. Furthermore, any expansion of the NSO SUD would be limited to a one-mile radius pursuant to LAMC 13.12 B; while Study Area A is generally within the one-mile radius of a college or university, Study Area B exceeds the one-mile radius requirement (if compliant, Study Area B would end at Vernon to the south).

The NSO currently requires development projects to go through a discretionary Conditional Use Permit (CUP) process for projects with units that include 5 or more habitable rooms. Nine cases

have been approved under this process since its inception in 2008 (Exhibit C). Staff has identified some unintended consequences of the NSO process related to project design, including residential units that: a) only provide smaller 1 or 2 bedrooms, b) eliminate shared living spaces such as living rooms in order to include more bedrooms, and/or c) contain extremely large bedrooms. Because these developments include units that are designed to have less than 5 habitable rooms, they are not considered "Projects" under the NSO and therefore are not subject to the CUP process. The emergence of these housing typologies affects the development pattern in this area, raising concerns about the type of residential buildings that are being constructed in this neighborhood. These concerns have been confirmed by the North Area Neighborhood Development (NANDC) Taskforce - a group of community leaders and stakeholders that Planning staff was directed to work with to collect comments and recommendations.

#### *Initial Outreach*

In conversations with Council District 8 and 9 staff and community stakeholders from the NANDC Taskforce, Planning staff heard that development pressures in the immediate area were having a negative impact on the built environment and the quality of life for existing residents. Participants of these meetings expressed concerns about affordable housing, demolitions, displacement, parking, and project design. Specific concerns include the loss of naturally occurring affordable housing, that new development was focused on serving the student population, that stable single-family neighborhoods or low-density neighborhoods were being demolished and replaced with out-of-scale and incompatible development, and that the community is experiencing parking impacts resulting from the increased intensity of development.

#### *Affordable Housing Production and/or Preservation*

The neighborhoods in the NSO SUD and the study areas face a shortage of housing at levels that are affordable to a majority of existing residents. These areas may have an existing supply of naturally occurring affordable housing (NOAH), which typically refers to older residential rental properties that maintain low rents without government subsidy. These units are particularly susceptible to losing their affordability after being sold and rehabilitated. Thus, the redevelopment of NOAH units and rising rents of newer units are contributing factors to the displacement of longtime residents, families, and other multi-unit households of the area.

#### *Design and Neighborhood Character*

While much of the NSO SUD area and the study areas are zoned for multi-unit residential development, there is a prevailing single-family residential character. New multi-unit infill development is occurring by-right, conforming to the general plan land use designation and the corresponding zoning. This difference between the existing built environment and what is allowable per zoning creates dissonance between the prevalent neighborhood scale and design and the types of multi-unit projects that are being developed. These new multi-unit developments may be designed to maximize rentable square footage and may not necessarily prioritize design compatibility with existing adjacent single-family homes. A majority of the interior residential pockets in the NSO SUD and study areas do not fall within a CPIO subarea or other overlays that regulate design.

### *Parking and Mobility*

Parking shortages, lack of access to first mile last mile connections, and limited high quality mobility options are ongoing issues of significant concern in the NSO SUD and the study areas, where older housing stock may have limited on-site parking and where multi-generational or overcrowded households may exist. Parking shortages are further exacerbated by projects that benefit from reduced parking incentives under programs such as TOC or the Density Bonus (DB) state law.

### *Affordable Housing Data and Definitions*

As instructed by Council, the Department also analyzed affordable housing unit production via the TOC Program and Small Lot Subdivisions entitlements (Exhibit D). The data revealed that 24% of TOC discretionary affordable units approved citywide were in the South Los Angeles Community Plan Area with 4% in the NSO area. By-right TOC permit applications, however, accounted for about 14% of the citywide TOC affordable units approved in South Los Angeles with fewer than a dozen TOC tier verification applications originating from the NSO area. Only one Small Lot Subdivision case in the NSO area, which rendered one affordable unit, was found as part of the analysis.

Affordable housing produced under the Density Bonus program and the South Los Angeles CPIO were also examined. Of the total number of affordable units approved citywide under the Density Bonus program, about 0.5% are located in the NSO area and 2.5% are located in the South Los Angeles Community Plan area. Only one project in 2021 has used the CPIO bonus incentive system; because applicants can utilize either TOC, DB, or CPIO for affordable housing incentives, TOC tends to offer the maximum benefits. These numbers suggest that TOC is the main driver of affordable housing production in this area which can be attributed to its proximity to the E Line (formerly the Expo Line) light rail system and other major transit routes.

Finally, while not defined in the LAMC, the Department examined existing policies and programs to develop working definitions for student housing, co-living facilities and naturally occurring affordable housing (NOAH) in Exhibit E. This background information can be used to shape the policy direction of a future work program, as described below.

### **Work Program Recommendation**

The Department reviewed existing land uses and zoning tools applicable to the study area including the existing NSO SUD, the South Los Angeles CPIO, the TOC incentive program guidelines, and the potential future application of new “re:code” zones (comprehensive and modular zoning that will be introduced in Chapter 1A). To address the identified community issues, an initial analysis rendered four potential scenarios with varying degrees of timelines and scope. These scenarios were to: amend the NSO; amend the NSO and TOC, amend the South Los Angeles CPIO and TOC; or, conduct a comprehensive update to the South Los Angeles Community Plan and apply new re:code zones that could comprehensively streamline the multiple

overlays into modular zoning that addresses all the concerns brought forth. Creating a new specific plan in the area was also suggested by the community as an additional option to explore adding a 6<sup>th</sup> overlay to this specific geography.

These five initial considerations were analyzed while prioritizing timeline expectations, scope of work, and a sense of urgency to resolve ongoing community concerns. After receiving additional feedback from council offices and the NANDC taskforce to prioritize an expedited 12-month timeline, the Department developed a two-phase work program proposal. This two-phased approach prioritizes feasible aspects of a comprehensive work program within a 12-month timeline as requested by the council office, while reserving the remaining tasks for a subsequent 30 to 40-month work program:

First Phase	Second Phase
<p><u>Amend CPIO</u></p> <ul style="list-style-type: none"> <li>Apply CPIO subareas to the NSO SUD, Study Areas A and B - making them all eligible for CPIO provisions and process</li> </ul> <p><u>Enhance CPIO Provisions</u></p> <ul style="list-style-type: none"> <li>Evaluate adding unit replacement requirements and tenant protections in collaboration with LAHD – see explanation below.</li> </ul>	<p><u>Community Plan Update</u></p> <ul style="list-style-type: none"> <li>Apply new re:code zones</li> <li>Refine TOC</li> </ul>

First Phase

The first phase acknowledges the immediate concerns related to compatible design and displacement and enlists the provisions in the existing South Los Angeles CPIO subareas by applying these provisions to additional areas in the NSO SUD study areas. This strategy would immediately address design and compatibility concerns as well as tenant protections by way of adding new provisions to the CPIO regarding unit replacement requirements and right of return.

The existing review process for projects which are zoned as part of a CPIO subarea requires projects to undergo an administrative review process conducted by the Department prior to the issuance of any permit for demolition, new construction, additions, alterations, change of use, signs, fences, walls, or site grading. In addition, all properties identified as potential or eligible historic resources undergo additional review. The development standards associated with each CPIO subarea can be applied to preserve neighborhood character by increasing the predictability of the development process and creating consistency in design and project outcomes. In addition, in order to address neighborhood housing stability, the CPIO text could be enhanced with tenant protections and covenanted unit replacement provisions for demolitions, conversions, remodels, and new construction – expanding the replacement provisions to address not only new

construction but also demolitions and conversions. The evaluation of tenant protections and unit replacement provisions requires ongoing collaboration and coordination with LAHD as the city evaluates consistent standards and implementation, while keeping in mind the priorities of the work program, staffing resources, and the effectuation of upcoming state legislation that might apply to ministerial (by-right) projects.

#### Second Phase

The second phase of the Department's recommendation is a comprehensive update to the South Los Angeles Community Plan. When the South Los Angeles Community Plan was adopted in 2018, "re:code" zones were not yet available. However, the new "re:code" zones or comprehensive update known as Chapter 1A of the LAMC - are currently underway. This approach would examine the entire plan area to tailor zoning regulations at the parcel level. This level of tailoring provides more flexibility than a stand-alone specific plan, which requires a contiguous area of parcels. In addition, this approach would allow for the opportunity to tailor development incentives, development standards, and community benefits, including the refinement of TOC provisions for the area.

#### Additional Considerations

Although there are concurrent citywide efforts to update the zoning code and housing policies; address affordable housing production and preservation; and revise transportation demand management strategies, the proposed work program recommendation would be focused on South Los Angeles. In addition, any work program must comply with state law including Senate Bill 330 (SB 330), which limits land use regulations that could potentially result in decreased intensity of development. Pursuant to SB 330, new zoning development standards that limit scale, size, and density requirements would need to be considered with accompanying upzones in order to offset the possible loss of housing production. The future work program would include continued public outreach with community stakeholders, including the established taskforce, further data analysis and background research, the retention of consultant services (if determined to be necessary), an evaluation of environmental review compliance, preparation of an open house and public hearing, and the preparation of a staff report and ordinance for consideration.

**Conclusion**

To address short-term priorities and long-term goals, the Department of City Planning recommends a two-phased approach that expedites a work program with a target completion of 12 months in the first phase and an additional 30 to 40 months for the second phase. This level of prioritization will require the resources of two staff members and continued collaboration with the Housing Department and the Department of Building and Safety. Additional staff resources may be evaluated as the city departments coordinate the most effective implementation of the work program as needed.

If you have any additional questions, please contact Senior City Planner Christine Saponara at (213) 410-7837 or City Planning Associate Fabiola Inzunza at (213) 978-1321.

Sincerely,

A handwritten signature in black ink, appearing to read 'V. Bertoni', with a stylized flourish at the end.

VINCENT P. BERTONI, AICP  
Director of Planning

VPB:SB:HUL:CMS:JJK:FI

Enclosures  
Exhibits A, B, C, D, and E

## **Exhibit A: Existing Conditions and Zoning**

For the purposes of this report, the existing North University-Exposition Park-West Adams Neighborhood Stabilization Overlay (NSO) Supplemental Use District (SUD) area, and each of the areas identified by the council motion, Study Area A and Study Area B, have been analyzed separately in order to account for the different existing conditions and zoning within each study area.

### *Existing NSO SUD Area*

As depicted in the reference map Exhibit B, the existing NSO SUD is bounded by several existing zoning overlays and zoning tools. The northern portion of the district includes two Historic Preservation Overlay Zones (HPOZ), the Adams Normandie HPOZ and the University Park HPOZ both adopted in the year 2000 as well as the North University Park Specific Plan adopted in August 1983 (compliant with HPOZ regulations). The USC Specific Plan adopted in December 2012 covers the central east area of the district. In addition, the recent update to the South Los Angeles Community Plan in 2018, established the Community Plan Implementation Overlay (CPIO) which created 15 different thematic subareas; the NSO SUD contains six of these subarea designations: Neighborhood Serving Corridor, General Corridor, Transit Oriented Development (TOD) Low, TOD Medium, TOD High, Multi-Family, and Character Residential which are all mostly concentrated in the southwestern portion of the area. While the NSO SUD contains six CPIO subarea designations, please note that the majority of the residential pockets within the NSO SUD do not fall within a CPIO subarea - where the more obvious incompatible by-right development is occurring, and these areas would be candidates for CPIO expansion. A majority of the existing NSO SUD area is found within a designated tier as defined by the Transient Oriented Communities (TOC) Incentive Program Guidelines.

### *Study Area A: CD-8 Portion*

Study Area A is located west of the existing North University-Exposition Park-West Adams NSO SUD boundaries, generally bounded by the I-10 Freeway on the north, Martin Luther King Boulevard on the south, the 110 Freeway on the east, and Western Avenue on the west. The residential General Plan Land Use designations for this study area generally range from Low Density Residential to Multiple Family Residential (Low II to Low Medium II) with corresponding zoning ranging from R1 to RD2. About 40% of the study area is zoned R2 and RD2. Within this study area, close to 90% of the existing stock of housing was built prior to 1978 which makes them subject to the Rent Stabilization Ordinance (RSO).

The portion of the study area located north of Jefferson Boulevard is almost entirely designated with a South Los Angeles CPIO Subarea, with a majority of the residential area designated as part of the Character Residential Subarea. The southern portion of the study area is flanked with TOD Subarea designations to the west along Western Avenue with some General Corridor Subarea designations around the rest of the perimeter.

Lots in Study Area A contain an average of 3 units. The existing zoning regulations allow for more density than what is built out on the ground today, prompting planning staff to re-examine various TOC projects, the Density Bonus law, and CPIO affordable housing incentives in this study area. While these incentives were designed to promote greater housing opportunities, issues such as the loss of naturally occurring affordable housing, the construction of out-of-scale by-right development, and small percentages of covenanted affordable units, coupled with a high demand for student housing, speak to a need to further refine incentives.

*Study Area B: CD-9 Portion*

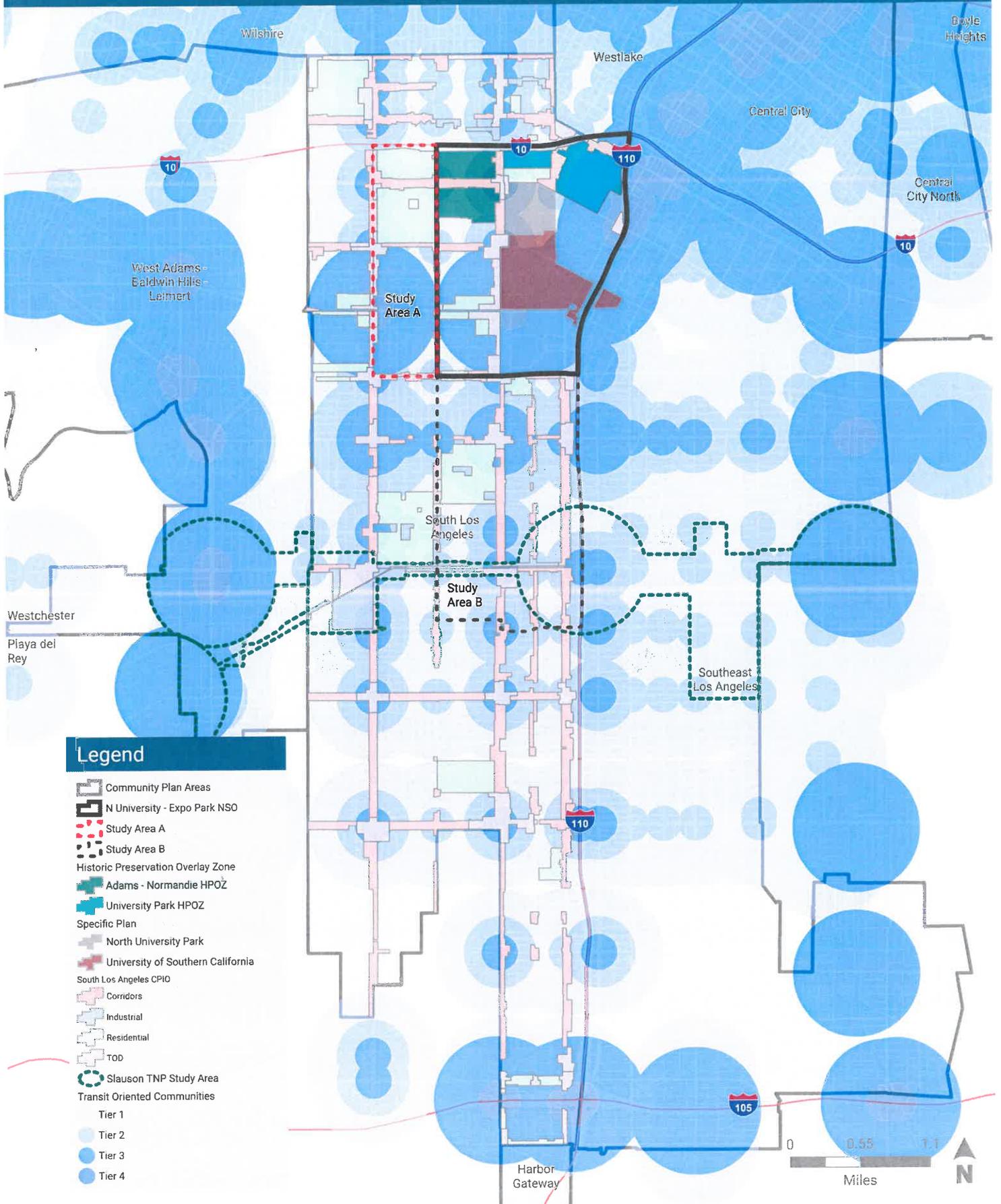
Study Area B is generally bounded by Martin Luther King Jr. King Boulevard to the north, the 110 Freeway to the east, Normandie Avenue to the west and Gage Avenue to the south. The residential General Plan Land Use designations for this study area generally range from Low Density Residential (Low II and Low Medium I) to Multiple Unit Residential (Low Medium II to Medium) with corresponding zoning ranging from R1 to R3. About one third of the study area is zoned R2. Within this study area, about 90% of the existing stock of housing was built prior to 1978.

The corridors in this study area have been largely designated in the South Los Angeles CPIO as General Corridor Subareas with some major intersections designated as TOD Medium Subareas. Aside from two neighborhoods designated as Character Residential Subareas, the other residential areas have no subarea designations. Additionally, the corridor along Slauson Avenue and a portion of the eastern boundary surrounding the Metro J Line (formerly the Silver Line) is also part of the Slauson Corridor Transit Neighborhood Plan (TNP) study area. The Slauson TNP study area centers on the future Metro Rail-to-Rail Bike Path from Alameda to Crenshaw and focuses on neighborhoods with connection to transit and areas of significant employment activity.

Lots in Study Area B contain an average of 2.9 units with a significant portion of land eligible for TOC Tiers 2 and 3 incentives that apply to properties where 5 units or more are allowed by right. The parking incentives for TOC projects that are adjacent to or within overcrowded multi-residential areas presents an opportunity to re-examine and verify existing parking demand and utilization for areas lacking enough parking supply. While the major corridors are served by public transit, considerable feedback was received about the inadequate supply of parking for resident-owned vehicles used to support their economic livelihoods.

# Exhibit B: Neighborhood Stabilization (NSO) Overlay District Study Area

Council File: 20-1265



## Legend

- Community Plan Areas
- N University - Expo Park NSO
- Study Area A
- Study Area B
- Historic Preservation Overlay Zone
  - Adams - Normandie HPOZ
  - University Park HPOZ
- Specific Plan
  - North University Park
  - University of Southern California
- South Los Angeles CPIO
  - Corridors
  - Industrial
  - Residential
  - TOD
- Slauson TNP Study Area
- Transit Oriented Communities
  - Tier 1
  - Tier 2
  - Tier 3
  - Tier 4



Source: Los Angeles Department of City Planning, Historical City Planning

**Exhibit C: Analysis of North University-Exposition Park-West Adams Neighborhood Stabilization Overlay (NSO) Supplemental Use District (SUD)**

An analysis of approved projects since the establishment of the North University-Exposition Park-West Adams NSO SUD in 2008 on Table 1 revealed that nine cases have been approved in total and two have been denied, excluding any withdrawn or terminated cases.

Of the nine cases approved:

- three were proposed additions to a single family dwelling unit;
- three were small lot subdivision cases proposing new single family dwelling units;
- two were proposed duplexes replacing a single family dwelling unit; and
- one case that also qualified for a Density Bonus proposing the construction of 99 dwelling units with varying amounts of habitable rooms.

<b>Table 1 - North University-Exposition Park-West Adams NSO SUD Cases</b>	
Total Cases Approved: 9	Additions to Single Family Dwelling Units: 3  Small Lot Subdivisions resulting in new Single Family Dwelling Units: 3  Duplexes replacing a Single Family Unit: 2  Density Bonus Case: 1

**Exhibit D: Analysis of Affordable Housing Unit Production**

Table 2 below lists the number of units approved by TOC and Small Lot Subdivision discretionary cases within the existing North University-Exposition Park-West Adams NSO SUD area since 2015.

In total, 3 TOC program discretionary cases proposing 153 units in total were approved with 15 units at the Extremely Low-Income level and 2 units at the Very Low-Income level. 3 Small Lot Subdivision Cases were approved with 1 unit at the Very Low-Income Level (via a Density Bonus).

<b>Table 2 - Discretionary TOC and Small Lot Subdivision Cases in NSO SUD</b>	
<i>Total Units Approved by Case Type</i>	<i>Affordable Units Approved</i>
3 TOC Cases: 153 units	Extremely Low Income: 15 units Very Low Income: 2 units
3 Small Lot Subdivision Cases: 20 units	Very Low Income: 1 unit

For comparison, since the inception of the TOC program, 984 discretionary units have been approved in the South Los Angeles Community Plan area with 34% of these units deemed affordable. By-right TOC permit applications in the South Los Angeles Community Plan area represent an additional 612 units with 45% of those units deemed affordable. Table 3 summarizes this data below:

<b>Table 3 - Discretionary and By-Right TOC Cases in South Los Angeles Community Plan</b>		
Discretionary TOC Cases	984 Units Approved 34% Affordable	Extremely Low Income: 68 units Very Low Income: 19 units Low Income: 248 units Total Affordable Units: 335 units
Discretionary TOC affordable units in NSO compared to the rest of the City: 4% Discretionary TOC affordable units in South LA compared to the rest of the City: 24%		
By-Right TOC Cases*	612 Units Applied 45% Affordable	Extremely Low Income: 48 units Very Low Income: 7 units Low Income: 190 units Total Affordable Units: 245 units
By-right TOC affordable units in South Los Angeles compared to the rest of the City: 14%		
* Unit counts are estimates until a building permit has been issued. Affordability levels are finalized at time of permit issuance.		

For perspective, while only three TOC discretionary cases have been approved, approximately ten applications have been submitted to DCP for TOC tier verification in the area bounded by the existing North University-Exposition Park-West Adams NSO SUD. Eight additional applications for TOC tier verification were submitted in the proposed expansion areas of the NSO per the boundaries described in the Council instructions for this report.

**Density Bonus**

Approximately 439 discretionary Density Bonus units have been approved in the South Los Angeles Community Plan area with 38% of these units deemed affordable. Table 4 summarizes this data below. For perspective, approximately three discretionary Density Bonus cases within the area bounded by the existing North University-Exposition Park-West Adams NSO SUD have been approved resulting in 278 units with 11% of these units deemed affordable.

<b>Table 4 - Discretionary Density Bonus Cases</b>		
Discretionary Density Bonus Cases in South Los Angeles Community Plan Area	439 Units Approved 38% Affordable	Extremely Low Income: 36 units Very Low Income: 63 units Low Income: 39 units
Discretionary Density Bonus Cases within NSO SUD	278 Units Approved 11% Affordable	Very Low Income: 30 units
Discretionary affordable units in NSO compared to the rest of the City: 0.5%		
Discretionary affordable units in South Los Angeles compared to the rest of the City: 2.5%		

**South Los Angeles Community Plan Implementation Overlay**

The South Los Angeles Community Plan Implementation Overlay (CPIO) was adopted in 2018 and includes a bonus program to incentivize affordable housing projects by permitting an increase over the allowable base of a project. This bonus is available for projects found within a Transit Oriented Development (TOD) subarea and allows an applicant to choose between DB, TOC, or the CPIO incentives. Due to the higher incentives offered by TOC particularly at the higher level TOD subareas, many applicants choose to use these benefits over those offered by DB or the CPIO. Therefore, affordable housing production enabled by the CPIO is accounted for via the data provided for TOC and DB as only very few cases have been determined to have benefitted from the CPIO bonus. For instance, one project in 2021 has thus far applied for the CPIO bonus which set aside six units at the extremely low-income level.

## **Exhibit E: Working Definitions for Student Housing, Co-Living Facilities and Naturally Occurring Affordable Housing**

Council requested working definitions for the following terms: student housing, co-living facilities, and naturally occurring affordable housing. Although none of these terms are defined in the LAMC, the following is presented for consideration.

### *Student Housing*

Student housing is mentioned within Specific Plans established with a college or university in the City. For instance, both the University of Southern California Specific Plan and the Loyola Marymount University Specific Plan reference planned residential structures to help fulfill their on-campus housing goals. This type of housing is exclusively owned, leased, or otherwise operated by the educational institutions. A definition could be based on ownership or operation of the housing in order to distinguish it from the rest of the City's housing stock. Further discussion with the City's college or university campuses could help better understand how a definition might impact future student housing development.

A separate, but relevant issue related to defining student housing includes examining the impact of properties in close proximity to buildings near a university or college campus that advertise rental units to students. While these buildings are not owned, leased, or otherwise operated by the nearby educational institutions, such marketing could be interpreted to mean that they are meant to be exclusively for students. However, California fair housing laws preclude owners or operators from discriminating against a potential tenant based on certain protected class statuses, which include age and familial status. Furthermore, Article 5.6 of the LAMC also prohibits against the discrimination of tenants based on their status as students or non-students.

### *Co-Living Facilities*

Co-living facilities are a growing housing trend, usually involving housing arrangements with a number of private spaces for sleeping combined with interior common areas including a shared kitchen, dining room, and living room. Such flexible living arrangements usually provide occupants who rent individual rooms with a wide variety of amenities and services which may come with a lower price point than renting a traditional apartment. However, these living arrangements may sometimes involve a higher concentration of occupants in a single unit compared to surrounding properties.

While this type of use is not currently defined in the Zoning Code, the City's current definition of "family" (one or more persons living together in a dwelling unit, with common access to, and common use of all living, kitchen, and eating areas within the dwelling unit), which determines who can legally occupy a single dwelling unit, allows almost any type of group and/or shared housing arrangement. The Housing Element of the General Plan (Program 67 - Amend the Zoning Code to Facilitate Non-conventional Housing) promotes the facilitation of shared housing such as congregate living, cooperative housing, and other types of group housing arrangements such as co-living facilities.

A definition for co-living facilities would need to consider a policy intent that incorporates the existing policy guidance of the General Plan and Community Plan for flexible living spaces, but also acknowledges and reconciles the immediate needs of the community facing a strong market demand for this type of housing while also facing the loss of family housing that sometimes serves larger intergenerational households.

*Naturally Occurring Affordable Housing (NOAH)*

In general, housing is considered affordable when individuals and households pay no more than 30% of their income for housing related costs. In the City, affordable housing with covenants are specifically defined with established metrics as it pertains to the entitlement process. There are several discretionary and administrative processes where projects meeting a particular set of standards qualify for additional building incentives in exchange for setting aside a specified number of restricted affordable units generally for residents whose income is within a range that does not exceed 30%-120% of the Area Median Income (AMI). The Los Angeles Housing Department (LAHD) applies a land use rent-income schedule depending on the type of project and other site-specific criteria. Each rent-income schedule identifies qualifying income levels based on family size and maximum allowable rent levels by bedroom numbers. The thresholds for AMI are derived from the California Department of Housing and Community Development by LAHD.

In comparison, naturally occurring affordable housing (NOAH) generally refers to housing that is affordable without subsidies, which in essence is local market rate housing. NOAH makes up the largest supply of affordable housing nationwide. It is typically older rental housing stock that is likely to be rehabilitated or redeveloped after being sold, making it vulnerable to exiting the low-to-moderate housing market.

Some municipalities utilize their AMI thresholds to define NOAH by identifying the type of housing and the percentage of units renting at levels deemed affordable. For instance, in Minneapolis, MN, it is generally defined as unsubsidized multifamily rental housing projects that have at least 20% of units with rents affordable to households with incomes at or below 60% AMI.

While there is no existing definition or reference to NOAH in the Zoning Code, LAHD currently operates the NOAH Loan Program, which sponsors the ability to acquire and moderately rehabilitate smaller multi-family properties and preserve them as income restricted affordable housing for the long-term. The goal of the NOAH Loan Program is to promote mixed income neighborhoods, by preserving long term affordability in communities experiencing gentrification by restricting existing units to between 50% and 120% AMI. The NOAH loan program is made possible by funds appropriated via the USC Specific Plan Development Agreement which allocated funds for the USC Nexus Study Area. The USC Nexus Study Area is bounded by Washington Boulevard to the north, Maple Avenue and Main Street to the east, Vernon Avenue to the south, and Normandie and Western Avenues to the west.

Factors that may need additional consideration upon defining NOAH, include contemplating a policy intent such as preservation, identifying data variables to define and track this type of housing, and due to the scope of the rental market in the City of Los Angeles, consideration of how it may apply to different geographic areas or types of housing. Further discussion and coordination with LAHD would need to occur to properly define this term in the LAMC.