



## DEPARTMENT OF CITY PLANNING

### RECOMMENDATION REPORT

#### City Planning Commission

**Date:** April 27, 2023  
**Time:** After 8:30 am  
**Place:** Van Nuys City Hall  
14410 Sylvan St # 215,  
Van Nuys, CA 91401

**Case No.:** CPC-2023-1083-CA

**CEQA No.:**  
ENV-2020-6762-EIR  
ENV-2020-6762-EIR-ADD1

**Public Hearing:** March 14, 2023  
April 27, 2023

**Council No.:** All

**PROJECT LOCATION:** Citywide


**PROPOSED PROJECT:** An ordinance amending Section 16.05 of the Los Angeles Municipal Code (LAMC) to exempt deed restricted affordable units in the site plan review threshold calculations.

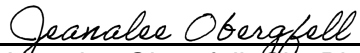
#### RECOMMENDED ACTIONS:

1. Recommend that the City Council FIND, the Project was assessed in the Housing Element Environmental Impact Report ("EIR") No. ENV-2020-6762-EIR, State Clearinghouse No. SCH No. 2021010130 certified on November 29, 2021, and the Addendum (ENV-2020-6762-EIR-ADD1) approved June 14, 2022;
2. Recommend adoption of the proposed ordinance (Exhibit A);
3. Adopt the staff report as the Commission's report on the subject;
4. Recommend that the City Council instruct that the proposed Ordinance be incorporated into the New Zoning Code, subject to changes to conform to the format and style of the New Zoning Code; and
5. Adopt the attached Findings.

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## PROJECT ANALYSIS

### Project Summary

This report recommends the adoption of the proposed amendment to the City's Site Plan Review (SPR) Ordinance to exempt deed restricted affordable units in the Site Plan Review threshold calculations. The ordinance was drafted in response to a motion (CF 22-0268) that was adopted by the City Council on June 1, 2022, directing the Department to prepare and present an ordinance that would amend Section 16.05 of the Los Angeles Municipal Code (LAMC) to exempt deed-restricted affordable units in the site plan review threshold calculations.

The goals of the proposed amendment are to promote cost-effective strategies and reduce the need for affordable housing projects to request planning entitlements and to expedite their approval to address the housing crisis.

### Background

Los Angeles is currently experiencing a severe housing crisis, driven by a lack of available affordable homes. The housing shortage is caused both by external factors and factors within the City's control, such as lengthy approval processes that increase costs and create risk and uncertainty. There is a need for a diversity of housing solutions to address the varying needs of LA's housing affordability crisis. Streamlining the production of deed-restricted affordable housing is in line with the City's housing policy goals and would remove a significant constraint to the production of affordable housing.

The Site Plan Review Ordinance (No. 165,691) was originally adopted by the City Council on May 29, 1990. Site Plan Review (SPR) is a planning process that requires discretionary actions for larger types of developments pursuant to Section 16.05 of the Los Angeles Municipal Code (LAMC). For multi-family housing development, Site Plan Review is required for projects that create a net increase of 50 units or more on a site (prior to any density bonus).

Site Plan Review requires the Director of Planning to make various findings to approve a project, triggers environmental review under the California Environmental Quality Act (CEQA), may result in a public hearing, and allows for appeals to the Area Planning Commission. A consequence is that the Site Plan Review process can significantly expand project review timelines for projects that otherwise comply with all zoning standards. This can cause delays averaging 165 days to process the entitlement, and often longer if appealed or litigated. CEQA is the most common way housing development projects are appealed and litigated.

The current process can also limit the number of affordable units in projects that would otherwise create more housing due to the length and cost of the entitlement process. Affordable housing developers have shared examples where they have reduced project size to avoid going through the Site Plan Review entitlement process — for example, proposing only 49 affordable units on a site that is zoned to support 65 units — thereby reducing the overall number of affordable housing units produced.

The proposed ordinance aims to lower the risks and timelines of building affordable housing to lower costs, increase production and result in a more efficient use of public funds. The cost of

producing affordable housing has been increasing significantly and costs more in California than any other state in the country, according to a 2018 report on the Low-Income Housing Tax Credit program by the federal Government Accountability Office (GAO). The same study found that larger projects (more than 100 units) cost about \$85,000 less per unit than smaller projects (fewer than 37 units), consistent with economies of scale. The additional cost of holding land while awaiting approval or for appeals and litigation can add hundreds of thousands of dollars on property taxes and other carrying costs. Costs now often exceed \$600,000 per unit for typical tax credit projects in the City of Los Angeles, according to a 2020 study on tax credit projects by the Turner Center for Housing Innovation. These escalating costs represent a significant challenge at a time when every affordable unit produced offers hope to an Angeleno in need. The proposed ordinance aims to maximize the impact of limited public funding by removing a process that adds costs and time.

The 2021-2029 Housing Element identifies Site Plan Review as a constraint to the production of affordable housing. As such, it includes policies and implementation programs to streamline affordable housing and to pursue amendments to SPR. Policy 1.2.5 of the Housing Element directs the City to “streamline the housing approval process, particularly for Affordable Housing, throughout City departments.” Program 48 (Update Density Bonus and Other Affordable Housing Incentive Program) focuses on developing new strategies and incentives strategies to promote greater affordability. Program 54 (Expedite Affordable Housing Projects) seeks to prioritize affordable housing projects, and expedite processing of permits and entitlements. Specifically, Program 54 explicitly identified a need to modify Site Plan Review thresholds for affordable housing to allow for more administrative review.

Additionally, the zoning code recognizes the need for deviations and exemptions from the current 50-unit threshold. For example, certain project types such as Permanent Supportive Housing currently have their own thresholds (120 units citywide, or 200 in general plan designated Regional Centers). Community Plans and Specific Plans are also able to create new threshold standards. The Downtown and Hollywood Community Plan Updates, currently pending action by the City Council, include proposed tailored (higher) SPR thresholds in their plan areas. The proposed Site Plan Review amendment would deduct restricted affordable units from the 50 unit or guest room threshold, as well as any thresholds created through future work efforts. For example, if a project is proposing 65 units and 20 of those units are restricted affordable units, the project would not be subject to Site Plan Review.

In cases where a density increase (e.g., density bonus) is being provided pursuant to affordable housing incentive programs like Density Bonus or TOC, the unit threshold is based on the maximum allowable density *prior* to the density increase. This is based upon state law, which is codified locally in the LAMC (12.22 A.25(c)(8)) as well as the TOC Guidelines (Section V.II). State law states that the approval of a density bonus shall not trigger other discretionary approvals (CA Government Code section 65915(f)(5)) and this is mirrored in the Density Bonus Ordinance and TOC Guidelines. Therefore, the threshold calculation for projects receiving a density bonus or increase through an affordable housing incentive program is calculated differently than other projects. For example, if a density bonus project has a base density (maximum density allowed on the parcel, prior to a bonus) of 47 units, but receives a 35 percent density bonus to build 64 units, the project would not be subject to Site Plan Review since the base density was under 50 units. If the base density was 53 units, and the proposed project provides 6 affordable housing units, the 6 units would be subtracted from the base density and not from the project total.

On June 1, 2022, the City Council adopted a motion (Council File No. 22-0268) instructing City Planning to amend the SPR Ordinance, to exempt deed-restricted affordable units in the SPR threshold calculations. This amendment is being proposed in response to that motion, as well as in furtherance of the goals of Mayor Bass's Executive Directive (ED) 1 to accelerate and lower the cost of building affordable housing and temporary housing. ED 1 projects are currently exempt from discretionary review processes, including Site Plan Review, under ED 1. The proposed code amendment would support and make permanent an important component of ED 1.

## **Proposed Ordinance**

### Summary of the Proposed Ordinance

The proposed ordinance (Exhibit A) amends Subsection D of Section 16.05 of the Los Angeles Municipal Code (LAMC) to establish a new exception for Site Plan Review to exclude Restricted Affordable Units from the calculation of the current 50-unit project threshold.

The proposed ordinance also deletes an existing exemption in LAMC 16.05 D.8 for Qualified Permanent Supportive Housing (QPSH) Projects that are less than 120 units, or less than 200 units in Regional Centers. This exemption is proposed for removal because it would no longer be needed as the new exception for Restricted Affordable Units would encompass any projects that would otherwise utilize this exemption. QPSH projects are all 100% affordable and this exemption is redundant in light of the proposed amendment.

### *Definition of Restricted Affordable Unit*

For the purposes of this exception from the SPR threshold calculations, the proposed ordinance would define restricted affordable units as follows:

- A unit subject to a covenant or regulatory agreement restricting rents or housing costs so that they do not exceed 30 percent of the maximum gross income of each income category, for households earning up to 120 percent of the area median income, for a period of at least 55 years for rental units, or at least 45 years for for-sale units, as determined by the Los Angeles Housing Department.

This definition aligns with the current definition of Restricted Affordable Units used for the City's Density Bonus Ordinance (defined in LAMC 12.22 A.25). It encompasses all affordable units up to the Moderate-Income category (120% Area Median Income) and is meant to broadly cover all LAHD Income and Rent Schedules. The definition additionally clarifies that units may be restricted by typical affordability covenants prepared by the Los Angeles Housing Department (LAHD) and recorded with the Los Angeles County Assessor's office, as well as regulatory agreements filed with state agencies. It also includes a requirement that the affordable units be restricted for at least 55 years, or 45 years for for-sale units, consistent with standard affordability terms in local, state and federal housing programs. LAHD will be responsible for ensuring compliance.

### Summary of Changes Since March 2, 2023 Draft Release

Based on feedback received during the 30-day public comment period, the Department has made minor modifications to the proposed ordinance, as summarized below.

The location of the exemption language was moved to the Exemptions section (D) of the Site Plan Review code section (LAMC 16.05) to better align with other exemptions listed in that subsection, rather than a part of the Requirements section (C). This does not change the meaning or applicability of the amendment.

Based on discussions with the Los Angeles Housing Department (LAHD), the definition of restricted affordable unit was modified to provide additional clarity and remove ambiguity caused by referencing a definition not in Section 12.03 (Definitions) of LAMC Chapter I. The amendments do not make any substantive changes to the original intent. Rather than linking to the current definition of restricted affordable unit in the LAMC (12.22 A.25 - the Density Bonus Ordinance), the definition is now provided in the amended Site Plan Review code section itself. Instead of referencing each eligible income category (Moderate, Low, Very Low, etc.), the added language references that affordable units include households earning up to 120% AMI. Finally, the added language specifies that affordability may be subject to either a covenant or regulatory agreement, provided it is to the satisfaction of LAHD. This is in line with current policy but was added to provide additional clarity that an LAHD covenant is not required if the affordability is pursuant to an agreement with another agency.

More substantively, a requirement was added that specifies that affordability terms must run for at least 55 years, or 45 years in for-sale projects. These affordability terms have become the standard for affordable housing funding and land use incentive programs in the state of California and City of Los Angeles. The LAHD and City Planning is not aware of any applicable affordable housing programs that require shorter terms, although some outdated references to 30 years still exist in the LAMC. The amended language is intended to ensure that an applicant could not volunteer an affordable unit with a shorter affordability term and receive the exemption from Site Plan Review.

## **Discussion of Key Issues**

### Relationship to Existing Development Standards

A general concern received during the public comment period had to do with whether projects exempted from Site Plan Review would have to comply with otherwise applicable development standards, including zoning, landscape, and infrastructure requirements.

Site Plan Review does not impose any particular zoning or development standards, just a different review process. Therefore, removing Site Plan Review does not remove any applicable LAMC requirements, including those in Specific Plans or other Overlay Zones. Public improvements and other requirements related to infrastructure are also enforced the same way through the permitting process. While Site Plan Review allows for conditions to be imposed as part of the decision, conditions typically cover elements of site design. In general, affordable housing projects must adhere to high quality design and construction standards in order to receive public funding; developers work with architectural firms experienced with affordable housing requirements and the multiple levels of architectural review (e.g., LAHD requires conformance with a set of Architectural Design Guidelines).

State law (the Housing Accountability Act) also limits the ability of cities to deny, or impose conditions that reduce the density of, housing development projects that meet all objective

standards, unless they make written findings on a specific, adverse, and unavoidable impact on public health or safety.

### Tree Removal

As summarized in the *Public Hearing and Communications* section, a central concern raised in many comment letters relates to the potential impact of the proposed ordinance on tree removal and the broader tree canopy if projects are permitted through a by-right (ministerial) process.

The proposed amendment does not eliminate or modify existing protections for trees, including street trees, and trees and shrubs included in the Protected Tree and Shrub Ordinance. Ministerial projects are reviewed for compliance with tree regulations during the plan check process at LADBS. Regarding protected trees, LAMC Section 46.00 requires disclosure and protection of certain trees located on private and public property, and that they be shown on submitted and approved site plans. Potential disturbances of protected trees or street trees are referred to the Bureau of Streets Services, Urban Forestry Division (UFD), and may require a report by a tree expert and approval by the Bureau of Public Works. Any permitted removal of a protected tree or shrub is required to be replaced with at least 4 specimens, as conditioned by the Board of Public Works and/or UFD.

By-right projects also remain subject to tree and planting requirements in the LAMC, including the Open Space requirements in LAMC 12.21 that require one tree be planted per every four dwelling units. Projects with six or more units that trigger the open space requirements are referred to City Planning for clearance.

Some concerns appear to be focused on the tree-related administrative processes and procedures used to identify protected trees when applications are not reviewed by the Department of City Planning. City Planning has been working closely with other City departments and offices to make improvements to the citywide tree and landscape procedures. For example, the proposed Site Design and Landscape Ordinance aims to reconfigure the current Landscape Ordinance to better address important issues around urban cooling, tree canopy, and biodiversity. It is anticipated to apply to by-right and discretionary projects.

### Impact on Mixed Income Development Projects

The primary objective of the proposed ordinance is to provide streamlining for 100% affordable housing projects, but the exemption of affordable units would also apply in a more limited way to mixed-income projects. Some commenters requested that the amendment not apply to mixed-income projects, while others asked that it be expanded to cover more types of housing projects.

The proposed ordinance is not expected to affect the vast majority of mixed-income projects. The exception may be a small subset of projects proposed on sites with the number of base units at or near the 50-unit threshold. For example, if a TOC project was proposed on a site to allow 55 units, it would need to provide 6 affordable units to qualify for the exemption. In that instance, it may have a choice whether to meet its affordable housing requirement at a different income category (e.g., Very Low vs. Extremely Low) and/or to add an additional affordable housing unit. In many of these edge cases, it will not make economic sense to add affordable housing given the significant cost (in lost revenue) of dedicating even one or two affordable housing units.

### Relationship to the New Zoning Code

The Processes and Procedures Ordinance (Ord. 187,712) was recently adopted in December 2022 and will take effect in July 2023. It is the initial part of a larger effort to comprehensively revise the City's Zoning Code. Under the Process and Procedures Ordinance, the Site Plan Review process has been renamed to "Project Review," but otherwise was not substantially amended. Upon the operative date of Ord. 187,712, the proposed amendments will be integrated into the newly published Sec. 16.05 Project Review, rather than Sec. 16.05 Site Plan Review under Chapter 1 of the LAMC.

Currently, the Zoning Code resides in Chapter I of the Los Angeles Municipal Code (LAMC). The Code is undergoing a comprehensive revision, which will be established in a new Chapter 1A of the LAMC and is planned to be implemented in phases as each community plan is updated, starting with the Downtown Community Plan.

In its actions on September 23, 2021, the City Planning Commission recommended approval of the Downtown Community Plan Update and the proposed Chapter 1A or New Zoning Code. In the event that the City Council adopts Chapter 1A of the LAMC, the proposed Ordinance would be incorporated into the New Zoning Code, which contains the rules of measurement for Project Review thresholds in Article 4. The City Planning Commission's action on the proposed amendment to the Site Plan Review Ordinance for affordable housing would include recommending that the City Council instruct that the proposed Ordinance be incorporated into the New Zoning Code, subject to changes to conform to its format and style, making the proposed amendments applicable in the Downtown Plan Area and throughout Chapter 1A of the New Zoning Code.

### **Conclusion**

The proposed amendment to the Site Plan Review ordinance will encourage the production of affordable housing for current and future residents, by streamlining approval processes for housing projects that otherwise comply with zoning regulation.



## FINDINGS

### General Plan/Charter Findings

#### **City Charter Section 556 and 558, and LAMC Section 12.32**

Pursuant to City Charter Sections 556 and 558, and LAMC Section 12.32, as described below, the proposed ordinance is in substantial conformance with the purpose, intent and provisions of the General Plan, as well as in conformance with the public necessity, convenience, general welfare and good zoning practice. Specifically, the action addresses each of the following goals, objectives and policies of the General Plan as outlined below.

#### **General Plan Findings**

##### General Plan Framework Element

The proposed amendment to the Site Plan Review Ordinance for Affordable Housing 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 to encourage sustainable growth in a number of higher-intensity commercial and mixed-use districts, centers and boulevards in proximity to transit. The amendment supports the development of much-needed affordable housing in areas identified as suitable for multi-family housing development in the General Plan by removing procedural barriers. In particular, the proposed amendment to the Site Plan Review ordinance would further the intent and purpose of the following relevant goals, objectives, and policies of the Framework Element:

*Objective 3.1:* Accommodate a diversity of uses that support the needs of the City's existing and future residents, businesses, and visitors.

*Objective 3.4:* Encourage new multi-family residential, retail commercial, and office development in the City's neighborhood districts, community, regional, and downtown centers as well as along primary transit corridors/boulevards, while at the same time conserving existing neighborhoods and related districts.

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

Policy 4.1.1: Provide sufficient land use and density to accommodate an adequate supply of housing units by type and cost within each City subregion to meet the twenty-year projections of housing needs.

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

Objective 4.4: Reduce regulatory and procedural barriers to increase housing production and capacity in appropriate locations.

##### Housing Element

The proposed amendment to the Site Plan Review Ordinance for Affordable Housing is in substantial conformance with the purpose, intent, and provisions of the General Plan in that it would further accomplish the goals, objectives, policies and a program of the Housing Element outlined below:

Goal 1: A City where housing production results in an ample supply of housing to create more equitable and affordable options that meet existing and projected needs.

Objective 1.1: Forecast and plan for existing and projected housing needs over time with the intention of furthering Citywide Housing Priorities

Policy 1.1.1: Collect, report, and analyze existing housing needs (such as overcrowding, cost burden and vacancy rates) and use this information to project and plan for housing needs at a local and citywide level balancing other factors such as job and transit access.

Program 54: Expedite Affordable Housing Projects<sup>1</sup> [Consider unique procedural requirements for qualified Affordable Housing projects including shorter appeal times and modifying Site Plan Review thresholds to an administrative review process.]

Objective 1.2: Facilitate the production of housing, especially projects that include Affordable Housing and/or meet Citywide Housing Priorities.

Policy 1.2.2: Facilitate the construction of a range of different housing types that addresses the particular needs of the city's diverse households

Policy 1.2.5: Streamline the housing approval process, particularly for Affordable Housing, throughout City departments.

Policy 1.2.6: Create new citywide and local land use incentives and programs that maximize the net gain of affordable housing and produce housing that meets Citywide Housing Priorities. Explore varied affordability ratios, the feasibility of inclusionary zoning requirements, and a greater mix of incomes based on market areas.

Policy 1.2.9: Allow for zoning flexibility for Affordable Housing at the project review and planning levels when broader Citywide Priorities are being advanced.

Goal 2: A City that preserves and enhances the quality of housing and provides greater housing stability for households of all income levels.

Objective 1.3: Promote a more equitable distribution of affordable housing opportunities throughout the city, with a focus on increasing Affordable Housing in Higher Opportunity Areas and in ways that further Citywide Housing Priorities.

Policy 1.3.2: Prioritize the development of new Affordable Housing in all communities, particularly those that currently have fewer Affordable units.

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<sup>1</sup> See more information regarding Los Angeles' 2021-2029 Housing Element, Chapter 6 Program 54 here: [https://planning.lacity.org/odocument/6fbfbbd0-a273-4bad-a3ad-9a75878c8ce3/Chapter\\_6\\_-\\_Housing\\_Goals,\\_Objectives,\\_Policies,\\_and\\_Programs\\_\(Adopted\).pdf](https://planning.lacity.org/odocument/6fbfbbd0-a273-4bad-a3ad-9a75878c8ce3/Chapter_6_-_Housing_Goals,_Objectives,_Policies,_and_Programs_(Adopted).pdf)

As made evident by the list of General Plan goals, objectives, and policies above, the proposed ordinance is in conformance with a range of General Plan goals related to the provision of a variety of housing opportunities and more specifically affordable housing. The City's General Plan clearly recognizes that housing is a human right, and the City should promote policies and programs that result in the increase of affordable housing production and a more equitable distribution. The proposed amendment responds to the General Plan by providing an opportunity to streamline affordable housing production.

The proposed amendment not only responds to goals in the Framework element but to goals found in the City's community plan updates and the citywide elements, including the Mobility Plan, Health and Safety Elements, by increasing housing stability and a variety of housing opportunities that enhance affordability, equity, livability, sustainability and resilience.

Housing, transportation, health, and safety are inextricably linked. Where a person lives determines their access to, or lack of, health promoting resources such as goods and services, quality schools, transportation access, and jobs. Housing affordability is a serious issue throughout Los Angeles, as rising housing costs force households to spend more of their financial resources, limiting their opportunities to purchase healthy food, access transportation, and engage in preventative care, which particularly affects low-income families that are already living with limited financial resources that might prevent households from mitigating hazards at home. As stated earlier, the proposed amendment to the Site Plan Review Ordinance for affordable housing is not in substantial conformance with the purpose, intent and provisions of the General Plan in that it would also further accomplish the goals, objectives, policies and a program of the fellow citywide elements:

#### Mobility Plan 2035

Chapter 3: Access for All Angelenos: a transportation system is only useful insofar as it is accessible and convenient.

Objective: Ensure that 90% of households have access within one mile to the Transit Enhanced Network by 2035.

Objective: Reduce the average share of household income spent on transportation costs to 10 % by 2035 through the provision of more transportation options.

Policy: 3.3 Land Use Access and Mix: Promote equitable land use decisions that result in fewer vehicle trips by providing greater proximity and access to jobs, destinations, and other neighborhood services.

#### Chapter 5: Clean Environments and Healthy Communities

Objective: Decrease VMT per capita by 5% every five years, to 20% by 2035

Policy: 5.2 Vehicle Miles Traveled (VMT): Support ways to reduce vehicle miles traveled (VMT) per capita

- Increasing the availability of affordable housing options with proximity to transit stations and major bus stops.

- Land use policies aimed at shortening the distance between housing, jobs, and services that reduce the need to travel long distances on a daily basis

### Plan for Healthy Los Angeles

#### Chapter 1: Los Angeles, a Leader in Health and Equity

##### Policy: 1.6 Poverty and Health

Reduce the debilitating impact that poverty has on individual, familial, and community health and well-being by promoting cross-cutting efforts and partnerships to increase access to income; safe, healthy, and stable affordable housing options; and attainable opportunities for social mobility

##### Policy: 1.7 Displacement and Health

Reduce the harmful health impacts of displacement on individuals, families, and communities by pursuing strategies to create opportunities for existing residents to benefit from local revitalization efforts by: creating local employment and economic opportunities for low-income residents and local small businesses; expanding and preserving existing housing opportunities available to low-income residents; preserving cultural and social resources; and creating and implementing tools to evaluate and mitigate the potential displacement caused by large-scale investment and development.

#### Chapter 2: A City Built for Health

##### Policy: 2.2 Healthy building design and construction

Promote a healthy built environment by encouraging the design and rehabilitation of buildings and sites for healthy living and working conditions, including promoting enhanced pedestrian-oriented circulation, lighting, attractive and open stairs, healthy building materials and universal accessibility using existing tools, practices, and programs.

### Safety Element

GOAL 1: Hazard Mitigations A city where potential injury, loss of life, property damage and disruption of the social and economic life of the City due to hazards is minimized.

Objective 1.2: Confront the global climate emergency by setting measurable targets for carbon reduction that are consistent with the best available methods and data, center equity and environmental justice, secure fossil free jobs, and foster broader environmental sustainability and resiliency

Policy: 1.2.5 Housing and Development. In keeping with the Housing Element, create housing opportunities that enhance affordability, equity, livability, sustainability and resilience.

### CEQA Findings

Adoption of the Proposed Amendment for Site Plan Review is a program in the Housing Element of the City of Los Angeles. Program 54 of the Housing Element (Expedite Affordable Housing

Projects) calls for the Department of City Planning to modify Site Plan Review thresholds for affordable housing projects so that they undergo an administrative review process, rather than a discretionary review process. The completion of Program 54 requires adoption of the Proposed Amendment by the City Council.

An Environmental Impact Report (EIR) (ENV-2020-6762-EIR, SCH No. 2021010130) that analyzed the environmental effects of the 2021-2029 General Plan Housing Element and Safety Element, and a Rezoning Program for the creation of additional housing was certified by the Los Angeles City Council on November 24, 2021. An Addendum to the EIR (ENV-2020-6762-EIR-ADD1) was subsequently certified by the Los Angeles City Council on June 14, 2022. For the purposes of this report, the EIR and Addendum will be referred to as the Housing Element EIR.

The Housing Element EIR was prepared to examine the potential environmental effects of the 2021-2029 Housing Element Update, including build out of the Regional Housing Needs Assessment (RHNA) Allocation, as well as the programs and policies that have the potential to result in physical environmental effects, and the Inventory of Sites and Rezoning Program needed to demonstrate zoned capacity needed to accommodate the City's RHNA Allocation. Additionally, the EIR analyzed the potential effect from the construction and operation of 420,327 housing units (full RHNA build out of 456,643 units minus the 36,316 housing units that have been approved but not built). The Housing Element EIR found that the environmental impacts of several of the issue areas were significant and unavoidable, even with imposition of mitigation measures. Based on the analysis in the Housing Element EIR, the EIR concluded the implementation of the 2021-2029 Housing Element Update would result in unavoidable significant environmental impacts with regard to:

- Air Quality (Exceedance of Criteria Pollutants—Construction and Operations)
- Biological Resources (Special Status Species, Sensitive Habitats, Wildlife Corridors)
- Cultural Resources (Historical Resources and Archaeological Resources)
- Geology and Soils (Paleontological Resources)
- Hazards and Hazardous Materials (Hazardous Materials Near Schools and Hazardous Materials Sites)
- Noise (Construction Noise, Operation Noise, and Construction Vibration)
- Public Services (Fire Protection, Police Protection, and School Facilities)
- Recreation (Deterioration of Recreational Facilities and Construction of Recreational Facilities)
- Transportation (Freeway Queuing)
- Tribal Cultural Resources (Construction: Ground Disturbance during Construction)
- Wildfire (Impair Emergency Response Plan, Exacerbate Wildfire Risks in State Responsibility Area or VHFHSZ, Require Infrastructure that may Exacerbate Fire Risk, Expose People or Structures to Significant Risks in State Responsibility Area or VHFHSZ, and Expose People or Structures to Significant Risks Involving Wildland Fires)

The Housing Element EIR also identified the following significant impacts that were anticipated to be reduced to less than significant with identified mitigation measures:

- Air Quality: Construction-related emissions of toxic air contaminants
- Hydrology: Impeding or Redirect Flood Flows
- Transportation: Circulation Plan Consistency, Hazardous Design, Emergency Access

As stated above, adoption of the Proposed Ordinance was analyzed in the EIR. The proposed amendment to Site Plan Review for Affordable Housing allows the City to meet its Regional Housing Needs Assessment (RHNA) Allocation by providing for streamlined, administrative review of affordable housing. Adoption of the Proposed Ordinance is needed to implement the City's Housing Element. The City's 2021-2029 Housing Element implements State housing law mandates for the City to adopt zoning ordinances to accommodate RHNA units for which the City cannot identify existing inventory of sites. To meet the State law mandates, the Housing Element requires the City, through zoning and other actions, to make it possible to build almost 185,000 affordable units for lower-income renters in eight years.

The Proposed Ordinance is needed to facilitate the production of affordable housing in the City. The Housing Element EIR fully analyzed the environmental impacts that could occur as a result of the implementation of the 2021-2029 Housing Element, including the construction and operation of up to 420,327 housing units (185,000 affordable), and rezoning programs to facilitate the construction and operation of those housing units. The Housing Element EIR anticipated and fully analyzed that the construction and operation of these housing units would require action to streamline approvals of these housing units, including making more projects subject to by-right or administrative review and eliminating discretion in the approval of affordable housing developments.<sup>2</sup> The City does not find there is a change to the project, change to circumstances, or new information as described in PRC Section 21166 or CEQA Guidelines Section 15162(a).

This ordinance does not impact any applicable development standards, nor lessen the ability of the City to deny or condition a housing development project in a way that would reduce the project's density. It only impacts the approval procedures of affordable housing on land already zoned (and environmentally cleared) for multi-family housing. The state of California Air Resources Board recently said in its 2022 Scoping Plan for Achieving Carbon Neutrality that "certain product types (such as affordable infill housing) are generally clearly consistent with state climate goals..." If a project requires certain deviations from zoning or is located in a special overlay zone, it will remain discretionary. Environmentally sensitive areas like the Coastal Zone, Hillside Areas and Very High Fire Severity Hazard Zones areas have their own requirements.

The Housing Element EIR is available for review at the City of Los Angeles, Department of City Planning Records Management, 221 N. Figueroa Street, Room 1450 Los Angeles, and online at the following weblinks:

- Draft EIR: [https://planning.lacity.org/development-services/eir/Housing-Element\\_2021-2029\\_Update\\_Safety-Element\\_Update\\_deir](https://planning.lacity.org/development-services/eir/Housing-Element_2021-2029_Update_Safety-Element_Update_deir)

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<sup>2</sup> Housing Element Draft EIR Environmental Analysis can be found here: [https://planning.lacity.org/eir/HEU\\_2021-2029\\_SEU/deir/files/04\\_Environmental%20Analysis.pdf](https://planning.lacity.org/eir/HEU_2021-2029_SEU/deir/files/04_Environmental%20Analysis.pdf)

- Final EIR: <https://planning.lacity.org/development-services/eir/housing-element-2021-2029-update-safety-element-update-0>
- EIR Administrative Record: Los Angeles City Council File 21-1230 - <https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=21-1230>
- Addendum to the EIR: [https://clkrep.lacity.org/onlinedocs/2021/21-1230-S1\\_misc\\_7\\_5-24-22.pdf](https://clkrep.lacity.org/onlinedocs/2021/21-1230-S1_misc_7_5-24-22.pdf)
- Addendum Administrative Record: Los Angeles City Council File 21-1230-S1 - <https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=21-1230-S1>

## **PUBLIC HEARING AND COMMUNICATIONS**

### **1. Public Outreach and Public Comment Summary**

The proposed amendment to the Site Plan Review Ordinance for Affordable Housing was released on March 2, 2023 for a 30-day public comment period that ended on April 3, 2023. During that period, the Department held one virtual webinar and staff public hearing, and attended the Neighborhood Council's PlanCheck LA monthly meeting on March 11, 2023. The virtual webinar and staff public hearing was attended by approximately 62 members of the public.

The Department of City Planning recently updated the Code Amendment Hearing Notice template to be more user-friendly, with a web-based interface on the Department's website. The hearing notice for the staff public hearing was advertised in a newspaper posting and distributed to interested parties via email on March 2, 2023. The Department issued a second public hearing notice on April 13th for a second public hearing that will occur during the regularly scheduled City Planning Commission's April 27th, 2023, meeting after 8:30 a.m.

#### **Public Hearings**

The Department held one virtual staff-level public hearing on the matter: on March 14, 2023. The March 14, 2023, hearing attracted 62 attendees and 13 speakers, of which 4 were supportive of the amendment and 6 raised concerns regarding the impacts of the amendment, and 4 made general comments and suggestions.

Comments raised during the public hearing were generally consistent with the comments summarized below.

#### **Public Comment Letters Received**

During the public comment period, the Department received approximately 17 public comment letters, of which 5 were supportive of the ordinance, 10 were opposed, and 1 had concerns with the proposed ordinance.

Comments raised during the public hearings were generally in line with the comments summarized below.

#### **Comments supportive of the draft ordinance**

Comments in support of the proposed amendment cited its benefit of increasing affordable housing supply and streamlining development timelines. Some members of the public also asked staff if additional threshold amendments to Site Plan Review would be considered, or if the City is considering removing the Site Plan Review entitlement completely.

Linc Housing, a local affordable housing developer, provided a public comment letter that mentioned Linc's two newest projects located in Encino (200 proposed units) and in Downtown LA bordering Chinatown (114 proposed units) would likely be subject to Site Plan Review, without passage of the proposed ordinance. The letter expressed that the proposed amendment would likely get over 300 new units online more quickly and ensure that another 300 households could be housing secure.



General comments and suggestions on the draft ordinance

One comment suggested the Department explore programs that would incentivize developers to build housing that could transition from leased units to right to own units for low-income renters.

Several comments raised concerns that the proposed ordinance bypasses CEQA, which could have negative impacts on tree canopy and open spaces.

Comments were also raised about the concerns of people living on top of oil wells, seismic land, and that the City has due diligence to avoid disasters.

There was a general comment about bus and street infrastructure and the negative impacts of TOC.

Comments with concerns or opposition to the draft ordinance

The most common comments in opposition came from those concerned about the proposed ordinance's potential impact on tree protections and on the tree canopy.

There were a few concerns expressed that the City would not be getting enough affordable or restricted units with the proposed amendment.

There were several concerns regarding an increase in development because of the proposed ordinance, creating overcrowding situations in places like Downtown LA.

There was concern of future developments not being completed and lack of compatibility with specific plans.

Concerns were raised regarding restricted affordable units not being rented out at affordable rates and that the City did not provide enough time for Neighborhood Councils to vote on the proposed amendment.

# **EXHIBIT A:**

## **Proposed Amendment to the Site Plan Review Ordinance**

ORDINANCE NO. \_\_\_\_\_

An ordinance amending Sections 16.05, of Chapter 1 of the Los Angeles Municipal Code for the purpose of facilitating affordable housing.

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

Section 1. Subdivision 8 of Subsection D of Section 16.05 of the Los Angeles Municipal Code is amended to read as follows:

**D. Exemptions.**

~~—8.— A Qualified Permanent Supportive Housing Project as defined in Section 14.00 A.11.(a)(1) of this Code and containing no more than 120 units, or no more than 200 units if it is located either in the Greater Downtown Housing Incentive Area or on a lot with a general plan land use designation of Regional Center Commercial, Regional Commercial, or Regional Mixed Commercial. **(Added by Ord. No. 185,492, Eff. 5/28/18.)**~~

8. Any restricted affordable unit shall not be counted towards the dwelling unit or guest room thresholds described in section 16.05C1(b). A restricted affordable unit is a unit or guest room subject to a covenant or regulatory agreement restricting rents or housing costs so that they do not exceed 30 percent of the maximum gross income of each income category, for households earning up to 120 percent of the area median income, for a period of at least 55 years for rental units, or at least 45 years for for-sale units, as determined by the Los Angeles Housing Department.