

TRANSIT ORIENTED COMMUNITIES



BACKGROUND & FREQUENTLY ASKED QUESTIONS – March 13, 2017

Transit Oriented Communities Affordable Housing Incentive Program (TOC Program)

Background

On November 8, 2017, Angelenos voted overwhelmingly in support of Measure JJJ. The Measure instituted new labor and affordable housing requirements for projects that receive certain planning entitlements – namely, general plan amendments or zone changes. In exchange, developers are required to designate a percentage of either condos or apartment units for low-income tenants. Section 6 of the Measure instructed the Department of City Planning (Department) to create the Transit Oriented Communities Affordable Housing Incentive (TOC) Program, a new transit-based affordable housing incentive program. The measure requires that the Department establish incentives for residential or mixed-use projects located within ½ mile of a major transit stop. Major transit stops are defined under existing State law, and the proposed guidelines link to this definition. The TOC program incentives would be applicable to a qualified development seeking to provide at least 38% more affordable housing than is currently required under the City's existing density bonus program.

Measure JJJ provided the Department 90 days from City Council adoption (December 13, 2016) to publish the TOC Guidelines that list the incentives, eligibility standards and other necessary components of the TOC Program. The proposed guidelines were released on March 13, 2017, meeting this requirement. The guidelines will be available for public review and comment, prior to the City Planning Commission's (CPC) consideration, which is tentatively scheduled for May 11th. The CPC recommendation on this item will be sent to the Director of Planning, who will then issue the final guideline document.

What are the Objectives of the TOC Program?

The primary objective of the TOC program is to facilitate the development of mixed-income and affordable housing in transit areas. Because Measure JJJ requires a higher percentage of dedicated low income units than the City's existing Density Bonus program, the measure recognizes that additional development incentives are needed to make this additional amount of affordable housing feasible. The proposed TOC incentives also align with the City's General Plan policies to encourage housing around transit-rich centers as a way to grow sustainably, advance housing affordability and maximize the region's investment in transit infrastructure.

What Projects Are Eligible for the TOC program?

Measure JJJ states that the following housing and mixed-use developments are able to take advantage of the TOC incentives:

- A project must include at least 5 or more residential units.
- A project must be located within a 1/2 mile of a major transit stop (an existing rail transit station, a rail transit station that is under construction, or the intersection of two or more bus routes with peak service levels of 15 minutes or less).
- A project must provide on-site affordable housing at one of the following percentages, applied to the total project: at least 7% extremely low income, 11% very low income or 20% low income.
- Replace on a one-to-one basis any units subject to the Rent Stabilization Ordinance or occupied by lower income households that are lost on the site due to demolition or conversion.

What Incentives Must Be Provided?

Measure JJJ instructs the Department of City Planning to develop the incentives offered to TOC projects, and also requires they be consistent with the following:

- Provide a residential density (and/or floor area ratio) increase of 35% or more.

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- Establish parking requirements consistent with AB 744 (2015).
- Include additional 2-3 incentives or concessions consistent with state density bonus law.
- Create an additional incentive for projects that meet labor standards.

What Approach Did the Department Take in Creating this Program?

The TOC program establishes a tier-based system with varying development bonuses and incentives based on a project's distance from different types of transit. The largest bonuses are reserved for those areas in the closest proximity to significant rail stops or the intersection of major bus rapid transit lines. Required affordability levels are increased incrementally in each higher tier. The program includes lower bonuses for properties that have been planned for lower intensity growth or are already located in existing neighborhood-level specific plans. In order to facilitate the development of 100% affordable housing developments, they will be eligible to increase one tier.

How Much of the City Will Be Impacted by the TOC Program?

Approximately 22% of the City's zoned land falls within ½ mile of a major transit stop. However, since much of this land is zoned for low density residential (i.e. R1, R2 or RA zones) or uses that do not permit housing to be built (P, PF or M zones), the amount of developable land subject to the TOC Program is reduced to approximately 10%. In addition, more than three-quarters of the impacted land is located in the lower tiers 1 and 2.

What is the Relationship of the TOC program to the existing Density Bonus program?

While the TOC Program is designed to mirror the structures and procedures of the density bonus program, projects may not utilize the City's existing density bonus program or any other development bonus program if they elect to utilize the TOC program. Similar to the Density Bonus program, the TOC program establishes a set of limited base incentives that do not require project-level City Planning approval and a menu of additional incentives obtained through a discretionary City Planning review process.

Can a Local Area Plan Adopted by Ordinance Supersede the TOC provisions?

Yes. Ordinances can supersede the TOC for a specific transit area. These can include Community Plan Implementation Overlay (CPIO) zones or Specific Plans that establish incentives to achieve the equivalent level of affordable units identified by Measure JJJ. If a TOC area includes a separate plan or zoning ordinance that offers a different bonus system that either does not match or exceed the affordability levels established in the TOC, an applicant would need to choose which of the two density incentive programs to use, if any.

What Protections are in Place to Protect Historic Properties and to Ensure Quality Design?

The TOC Guidelines do not supersede existing regulations for historic properties in Los Angeles (such as Historic Preservation Overlay Zones and Historic-Cultural Monuments). Projects that seek additional incentives under the TOC program will be subject to design guidelines review that will allow for design review conditions to be placed on projects.

When Will the TOC Program Expire?

The program will terminate in 10 years unless extended for an additional five years by the City Council.