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Los Angeles City Planning Commission
C/O: James Williams, Commission Executive Assistant II
200 N. Spring St., 5th Floor
Los Angeles, CA 90012

**Master Planned Development Zone, CPC-2010-3315-CA
HCIDLA Comments on Supplemental Recommendation Report II**

Dear City Planning Commissioners:

The Los Angeles Housing + Community Investment Department (HCIDLA) hereby submits comments to the revised Master Planned Development (MPD) Zone draft ordinance. HCIDLA recognizes the City Planning Department's (DCP) hard work in preparing the revised MPD report as well as their efforts to address a myriad of issues in crafting a new ordinance for large-scale developments. The revised report seeks to balance the need to streamline an arcane permitting process for large development projects while addressing potential community impacts and the need to create affordable housing opportunities through this new land use planning tool.

HCIDLA appreciates the inclusion of some of our key recommendations in the January 8, 2015 Supplemental Recommendation Report II (Report), including the following: 1) required pre-application meeting with applicable City offices, 2) increasing the minimum lot area from 3 to 5 acres, and 3) requiring more affordable housing for density bonus projects exceeding a 35 percent bonus. As mentioned in the DCP staff report, the HCIDLA has taken the opportunity to work closely with DCP staff and the Office of Mayor Eric Garcetti during the past three months to address serious concerns raised at the October 6, 2014 City Planning Commission hearing; chief among them requiring affordable housing for large-scale developments.

The Report acknowledges the important legislative context within which this ordinance is being considered; namely, the upcoming release of the Mayor's Sustainability Plan as well as several City Council issued motions to address the affordable housing crisis in the City. More specifically, the City Council motions instruct both HCIDLA and DCP to propose recommendations for a permanent local source of funding for the Affordable Housing Trust Fund as well as to propose recommendations for land use tools to incentivize and preserve affordable housing. Additionally in 2014, the Harvard Joint Center for Housing, 2014 State of the Nation's Housing Report, and the 2014 UCLA Ziman Center for Real Estate list the Los Angeles area as the most unaffordable in the Nation. While this ordinance alone will not address the City's affordable housing crisis, it is critical for the MPD to include innovative land use provisions to help address the City's housing needs.

If adopted, MPD projects may have significant long term impacts in surrounding areas, such as an increase in land values that lead to higher rental rates, resulting in the potential displacement of long-term low-income residents. The MPD's catalytic impacts cannot be overlooked; proactive land use measures should be included to ensure that all city residents benefit from MPD large-scale development. We commend the significant steps the DCP has

taken to place the MPD on the right track. However, there are still some critical issues and clean up issues that warrant further discussion and consideration. Thereby, the HCIDLA recommends the following:

- Include a minimum affordable housing percentage requirement for all MPD zones, or
- Require a development agreement for each MPD zone application and ensure all projects have an affordable housing requirement.
- Change the density bonus set-aside requirement for projects that exceed a 35% bonus so that it is consistent with the increase in the *percentage* of restricted units, not the *number* of units as is currently stated.
- Reduce the proposed R4 base FAR for the conversion of M zones to encourage the highest and best use of the land and maximize the density bonus ordinance. If the base FAR remains high (R4), the Density Bonus Ordinance would be undermined.
- An economic study should be required for ALL density bonus applications. The proposed draft calls for an economic study only for those projects that exceed a 35% density bonus.
- Include language in the proposed ordinance, Section J. "Covenant" to stipulate that any affordable housing covenants will be recorded with HCIDLA prior to the Department of City Planning's approval.

We thank you for the opportunity to consider our comments and we look forward in working closely with DCP staff, the Planning Commission and the Mayor's Office in crafting an MPD zone ordinance that does not sacrifice content and innovation for expeditiousness. The MPD zone ordinance presents a unique opportunity for the city to be proactive and creative in crafting new land use tools that promote equitable development.

Should you have any questions or concerns regarding this letter, please contact Claudia Monterrosa, Director of the Public Policy and Research Unit at (213) 808-8650 or claudia.monterrosa@lacity.org.

Sincerely,



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