March 30, 2017

TO: Supervisor Mark Ridley-Thomas, Chair
Supervisor Hilda L. Solis
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

FROM: Richard J. Bruckner
Director

REPORT ON BOARD MOTION REGARDING THE EQUITABLE DEVELOPMENT WORK PROGRAM (AGENDA ITEM NO. 2, DECEMBER 8, 2015)

On December 8, 2015, the Los Angeles County Board of Supervisors (Board) instructed the Director of Planning, in coordination with the directors of other departments, including but not limited to Public Works (DPW), Public Health (DPH), Parks and Recreation, Community Development Commission (CDC), County Counsel, and the Fire Department, to initiate an Equitable Development Work Program consisting of the following:

- Update the Density Bonus Ordinance to further ease and incentivize the development of affordable housing. The update should reflect state law changes effected by Assembly Bill (AB) 2222 and AB 744, including the incorporation of a “no net loss” policy and parking requirement revisions; establish targets for deeper and higher levels of affordability, including a category for extremely low-income households; and other changes to strengthen the effectiveness of the ordinance.
- Initiate discussions with the City of Los Angeles on a nexus study for the creation of a linkage fee.
- Provide a menu of options for the implementation of an inclusionary housing program. The program should consider on-site affordable units as a mandatory component of for-sale housing projects and propose approaches to requiring rental projects to provide on-site affordable units in exchange for discretionary entitlements, public subsidy, and other public concessions.
- Review the regulatory barriers to the establishment and expansion of community land trusts and other shared equity models, and potential incentives to provide their greater adoption.
- Propose additional strategies to preserve existing affordable housing and incentivize the protection of new affordable housing; identify any necessary procedural and state and local legislative adjustments.
- Produce a map of contaminated sites, such as Superfund sites, brownfields, and toxic "hotspots" in the unincorporated areas, and provide recommendations on targeted land use policies that can be used to improve the health and quality of life for surrounding residents.
- Develop tools, including heat maps, equity scorecards, healthy design guidelines, and other approaches to evaluate, monitor, and advance equity objectives in the implementation of the General Plan, using relevant data from other County departments as necessary to ensure a comprehensive analysis.
- Instruct the Director of Planning to develop a framework for facilitating robust engagement with affordable housing, economic development, and environmental justice experts designed to provide technical assistance in carrying out this work and to support the Board in strengthening these equitable development tools and exploring new policies that promote equitable growth. The framework may include establishment of an advisory committee.
- Develop the Equitable Development Work Program in consultation with the Healthy Design Workgroup, the Homeless Initiative, and the Affordable Housing Steering Committee, to ensure efficiencies and coordination, and report back to the Board in writing quarterly with an update on the status of implementation and a timeline for the advancement of ongoing initiatives.
- Chief Executive Officer to coordinate with the Director of Planning and other departments, and to include real estate development and building industry experts in the potential advisory committee and outreach of the Equitable Development Work Program.
- To include the following in the report back to the Board: An explanation of AB 2222 and the "no net loss" policy; whether density bonuses are ministerial or require a public hearing; whether density bonuses are usually met with community opposition because additional California Environmental Quality Act analysis is not required, but create additional traffic; whether density bonuses are subject to the same parking requirements as market rate units; the definition of a linkage fee; the necessary analysis to determine the impact a linkage fee will have on housing development; the reason for joining with the City of Los Angeles on a linkage fee study and how the revenue would be split with them; whether the Department of Regional Planning (DRP) has the resources to deal with proposed linkage fees; the number of units necessary to have a mandatory affordable housing program; the definition of a community land trust; examples of other shared equity models; the definition of equity scorecards and how they can be used for or against new development; whether the objectives can be accomplished in an individual Community Standards District or Countywide; and whether to include representatives from the development community, including builders, engineers and architects on the advisory council.
This report provides an overview of DRP's and other relevant departments' efforts over the first quarter of 2017.

I. AFFORDABLE HOUSING
   Density Bonus Ordinance

During the first quarter, DRP released an interim memo to assist with the implementation of new state laws on density bonuses that took effect on January 1, 2017 (AB 2501 (Bloom), AB 2442 (Holden), and AB 1934 (Santiago)), and completed a memo to assist in the implementation of AB 2556 (Nazarian). The interim memos will ensure continued compliance with the State Density Bonus Law until the ordinance update is completed. The next project milestone is to release a draft of the ordinance in April 2017, and commence stakeholder outreach.

Linkage Fee, Inclusionary Housing, and Community Land Trusts and Other Shared Equity Models

During the first quarter, DRP initiated work on the Affordable Housing Action Plan and associated studies. This effort will provide an analysis of existing conditions and the real estate market, and support the establishment of a linkage fee and an inclusionary housing policy. The Action Plan will include analyses and recommendations for an inclusionary housing policy; the development of a linkage fee on development; affordable housing preservation; value capture and incentive zoning strategies; community land trusts and other shared equity models; and other strategies as appropriate. In February 2017, the consultant contract process was completed and a kick-off meeting was held with the consultant to begin work on the Action Plan.

Other Affordable Housing Efforts: Accessory Dwelling Unit Ordinance Update and Pilot Program

During the first quarter, DRP released an interim memo and checklist of standards to assist with the implementation of new state laws on accessory dwelling units that took effect on January 1, 2017 (SB 1069 (Wieckowski) and AB 2299 (Bloom)). These documents will ensure continued compliance with State law until the ordinance update is completed. DRP's web site was updated with current information about ADU permitting and a Spanish translation of the web site was developed. DRP also refined its draft ordinance update to reflect these new laws. DRP met with staff from CDC, DPW, the CEO and Arts Commission to finalize the Homeless Initiative pilot program budget and work
program to facilitate the new construction of ADUs and the legalization and upgrade of unpermitted ADUs.

II. ENVIRONMENTAL JUSTICE

Toxic Hotspots Map/Green Zones Program

During the first quarter, DRP refined its first draft of the toxic hotspots inventory map by adding additional data layers and functionality, including sensitive uses and buffers. Additionally, DRP is in the process of securing a consultant to further develop the map by analyzing and assessing cumulative impacts and health risks. Based on consultation with experts and stakeholders, DRP is also planning for ground-truthing efforts with community members and is seeking grant opportunities, such as the California Strategic Growth Council’s Sustainable Communities Planning Grant and Incentives Program: Best Practices Pilot.

During the first quarter, staff attended one DPW-led Roadmap to a Sustainable Waste Management Future Implementation Subcommittee meeting. DRP also kicked off a series of DRP taskforce meetings to receive input on developing the draft ordinance for the Green Zones Program.

III. TOOLS

Equity Indicators

During the first quarter, DRP facilitated a process to narrow down a list of the draft indicators that will be included in the Draft Equity Indicators Tool, and commenced the development of the tool. DRP convened meetings with the Policy and GIS subcommittees to review the progress and the current display of the indicators on a GIS map. In the next quarter, staff will continue to develop the draft tool and review data resources.

IV. STAKEHOLDER ENGAGEMENT

During the first quarter, DRP convened a group of equitable development stakeholders, comprised of representatives from legal aid organizations, funders, community organizers, public health experts, affordable housing developers, architects, and representatives from the real estate and building industry. DRP presented an early draft of its equity indicator tool and received feedback on how the tool could support public engagement strategies.
In addition, DRP continued one-on-one meetings with environmental justice advocates, grassroots organizations, and staff from other County departments and State agencies to discuss environmental justice issues, such as contaminated sites, recycling facilities, and current programs or regulations. DRP will host its fourth Green Zones Stakeholder meeting and Inter-Agency Coordinating Committee meeting in early April to discuss business support programs, land use issues related to contaminated sites, and improving coordination among agencies. Information on the status of the program is available at planning.lacounty.gov/greenzones.

The next report back will be provided to you no later than June 30, 2017.

Should you have any questions about this report, please contact Connie Chung, General Plan Development and Housing Section at (213) 974-6417 or cchung@planning.lacounty.gov.

RJB:MC:CC:cc:lm

c: Executive Office, Board of Supervisors
   County Counsel
   Chief Executive Office
   Community Development Commission
   Fire Department
   Internal Services
   Parks and Recreation
   Public Health
   Public Works