September 28, 2017

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

FROM: Dennis Slavin  
Acting 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 Public Works (DPW), Public Health, Parks and Recreation, Community Development Commission (CDC), County Counsel, the Fire Department (Fire), and other departments, 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 County efforts during the third quarter of 2017.

I. AFFORDABLE HOUSING

Density Bonus Ordinance

DRP has prepared a preliminary draft of the ordinance. An internal workgroup meeting was held to present the preliminary draft and gather comments from DRP staff. Staff is currently working with County Counsel to get clarification on state mandates and will refine the draft accordingly. The next project milestone is to finalize the draft for public release and begin the public hearing process in the fourth quarter of 2017.

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

DRP continued work on the Affordable Housing Action Plan (Action Plan) and associated studies. The Action Plan will include analyses and recommendations regarding an inclusionary housing policy; the development of a linkage fee on development; affordable housing preservation; value capture and incentive zoning; community land trusts and other shared equity models; and other strategies as appropriate. In addition, the consultant team will prepare three associated studies: (1) an analysis of existing conditions and the real estate market, (2) a linkage fee nexus study, and (3) an inclusionary housing feasibility study. The consultant team submitted a final draft of the analysis of existing conditions and the real estate market, and working drafts of the linkage fee nexus study and inclusionary housing feasibility study in August 2017. DRP has engaged with County Counsel in the review of the two draft studies.

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

DRP released a public draft of the County's updated Accessory Dwelling Unit (ADU) Ordinance. The ADU Ordinance update will implement new state laws that took effect on January 1, 2017 (Senate Bill 1069 (Wieckowski) and AB 2299 (Bloom)). DRP also gathered comments internally and met with County staff, including Fire. DRP staff provided information about the ADU Ordinance update at a community open house in the Santa Monica Mountains, and community meetings for the communities of West Athens-Westmont, Twin Lakes, West Chatsworth/Lake Manor, and Kagel Canyon. DRP and CDC participated in a briefing for the Homeless Policy deputies on the Homeless Initiative Pilot Program. The Board approved the pilot program design on August 15, 2017. DRP and CDC staff conducted several media interviews about the pilot program, which generated
almost 200 calls and e-mails from interested property owners. DRP, CDC and Chief Executive Office staff met with staff from the cities of Los Angeles and Pasadena to discuss ideas for financing ADUs.

II. ENVIRONMENTAL JUSTICE

Toxic Hotspots Map/Green Zones Program

On August 1, 2017, the Board accepted a grant award of $41,000 from the California Strategic Growth Council’s Sustainable Communities Planning Grant & Incentive Program Best Practices Pilot to conduct environmental justice ground truthing in support of the Green Zones Program. DRP developed refined work plans for ground truthing activities in the pilot communities of East Los Angeles and Florence-Firestone. The project will establish partnerships and generate meaningful engagement with environmental justice community-based organizations and residents of the pilot communities. An expected outcome of the project is the collection and verification of local stationary source pollution data that will be incorporated into the draft Toxic Hotspots Map.

DRP also secured a consultant to further develop the draft Toxic Hotspots Map and held a kick-off meeting on August 28, 2017. The final Toxic Hotspots Map is expected to perform analyses and assessments of cumulative impacts and health risks based on facility types and locations, as well as proximity to sensitive uses.

Staff attended one DPW-led Roadmap to a Sustainable Waste Management Future Implementation Subcommittee Meeting and provided comments on the Annual Report to the Board, Roadmap to a Sustainable Waste Management Future.

III. TOOLS

Equity Indicators

DRP developed and refined a draft Equity Indicators Tool based on previous discussions with County and external stakeholders. DRP is continuing to work on strategies to secure a consultant to expand the analysis capabilities and design of the tool.

IV. STAKEHOLDER ENGAGEMENT

DRP convened internal and external stakeholders and received additional feedback on the draft Equity Indicators Tool. DRP staff also presented draft recommendations on how the tool and additional outreach strategies should be incorporated into land use decision making.
The Honorable Board of Supervisors
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The next report back will be provided to you no later than January 30, 2018. Should you have any questions about this report, please contact Connie Chung, Section Head, General Plan Development and Housing Section at (213) 974-6417 or cchung@planning.lacounty.gov.

DS:MC:CC:ems

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

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