NEIGHBORHOODS IN TRANSITION PANEL
LOCAL GOVERNMENT PERSPECTIVE

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CITY OF LOS ANGELES

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Outline

- Accommodating Growth
- Growth Trends
- CEQA as a Tool to Address Displacement
- Other Tools to Consider
THE SITUATION

NEED TO ACCOMMODATE GROWTH
NEED TO RESPOND TO TRANSPORTATION INVESTMENTS
NEED TO REDUCE VMT

(IDEALLY, WITHOUT DISPLACEMENT)
SCAG 2012 RTP/SCS

Vision for regional growth based on four principles
- Mobility, Livability, Prosperity and Sustainability

Vision to reduce per capita VMT

Source: SCAG (2012)
## GROWTH IN THE CITY

### SCAG 2012 – 2035 Growth Projections for the City of Los Angeles

- **Population Growth**: +550,100
  - +4.5% from 2008
- **Household Growth**: +316,700
  - +24% from 2008
- **Employment Growth**: +171,600
  - +10% from 2008

### Table

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<tbody>
<tr>
<td>Los Angeles</td>
<td>Los Angeles</td>
<td>3,770,500</td>
<td>3,991,700</td>
<td>4,320,600</td>
<td>1,309,900</td>
<td>1,455,700</td>
<td>1,626,600</td>
<td>1,817,700</td>
<td>1,906,800</td>
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Source: SCAG (2012)
TRANSPORTATION INVESTMENTS

EXHIBIT 2.4 Rail Transit System (2035)

Source: SCAG (2012)
LIMITED CAPACITY FOR GROWTH

- Full-build-out capacity of zoning has shrunk in Los Angeles

Source: Morrow, Gregory (2013)
CONCENTRATED GROWTH PATTERN
CONSEQUENTIAL GEOGRAPHIES

- Need to accommodate growth (SCAG RTP/SCS)
- Need to acknowledge historic growth patterns
- Need to respond to transit investments
- Need to prevent displacement and protect communities
- Need to reduce city-wide VMT
HOW CAN WE ADDRESS DISPLACEMENT WHILE RESPONDING TO TRANSIT INVESTMENTS AND REDUCING VMT?

Through CEQA?

Probably Not
XXX. POPULATION AND HOUSING -- Would the project:

a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?

b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?

c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?
The determination of significance with regard to impacts on housing shall be made on a case-by-case basis, considering the following factors:

- The current and anticipated housing demand and supply of market rate and affordable housing units in the project area;
- The total number of residential units to be demolished, converted to market rate, or removed through other means as a result of the proposed project, in terms of net loss of market-rate and affordable units;
- The land use and demographic characteristics of the project area and the appropriateness of housing in the area; and
- Whether the Project is consistent with adopted City and regional housing and population policies, such as the Framework and Housing Elements, HUD Consolidated Plan and CHAS policies, redevelopment plans, Rent Stabilization Ordinance, and the Regional Comprehensive Plan and Guide.
LEGAL VULNERABILITY

- CEQA documents are targets of litigation
- To separate analysis of displacement from legal challenge, consider other types of studies and/or tools
THE QUESTION

HOW CAN WE ADDRESS DISPLACEMENT WHILE RESPONDING TO TRANSIT IMPROVEMENTS AND REDUCING VMT?

Through other studies, policies, plans, regulatory tools?

Maybe!
Other Tools

- Nexus Study
- Development Agreements (Community Benefits Agreements)
- Zoning Tools
1. NEXUS STUDY

- Made in addition to an EIR to provide greater detail into aspects of community concern

- Duplicates some analysis and exceeds some analysis found in an EIR

- Infrastructure Gap Analysis

- Housing Conditions
- Employment Conditions
- Parks and Recreation
- Mobility and Parking
- Public Infrastructure
- Public Facilities and Services
Socio-Economic comparisons of the study area to the city

<table>
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<tr>
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<th>Nexus Area</th>
<th>Citywide</th>
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<tbody>
<tr>
<td>Annual Household Income</td>
<td>$23,423</td>
<td>$48,882</td>
</tr>
<tr>
<td>Households earning less than</td>
<td>66%</td>
<td>38%</td>
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<tr>
<td>$35,000</td>
<td></td>
<td></td>
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<tr>
<td>Population 18 and over with</td>
<td>52%</td>
<td>26%</td>
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<tr>
<td>no high school diploma</td>
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Overall Housing Finding: there will be **indirect household impacts** in the Nexus Study Area and outside the Nexus Study Area as a result of university expansion

The project which included housing for students and faculty would have a beneficial rather than adverse impact
2. Development Agreements

- Contract between City and Applicant.
- Can require benefits above and beyond those needed to mitigate impacts of the project.
3. VALUE CAPTURE ZONING

- Some land value is created by Government investments and regulations
  - The public should reap some benefits

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<table>
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<tr>
<th>Tier One</th>
<th>Establishes the base height &amp; FAR</th>
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<td>Tier Two</td>
<td>Allows additional height &amp; FAR when community benefits are added</td>
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<tr>
<td>Tier Three</td>
<td>Even more height &amp; FAR are allowed in exchange for higher levels of community benefits</td>
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- Total Land Value
  - Landowners should profit from this portion of land value increases
  - Land buyers pay to obtain property rights
  - Public service providers should capture this portion of land value increase to cover costs of service provisions
  - The government (on behalf of the general public) should capture this portion of land value increase

Source: Calavita and Wolfe, 2014

Source: WRI Ross Center for Sustainable Cities, 2015
4. HOUSING PRESERVATION/PRODUCTION STRATEGIES

- Rent stabilization
- Inclusionary Zoning
- Density Bonus
- Housing Trust Fund
- Housing Benefit Fee (i.e. Linkage Fee)
- Condo Conversion Restrictions

Lessons Learned
LESSONS LEARNED(ING)

- CEQA has limitations
  - Doesn’t deal with gentrification
- Need to rely on other tools
  - Nexus Studies may have some potential, but they should be neutral processes
- Development Agreements are a means to obtain public benefits
- Land Use/Regulatory Tools
- Combine as many tools as possible!!
NEED MORE TOOLS

Available to City of Los Angeles

- State
  - Density Bonus
  - AB 2222 – No Net Loss
  - Cap and Trade Funds (AB 32)
- Local
  - Affordable Housing Trust Fund
  - Value Capture / Tiered Zoning
  - Rent Stabilization
  - Condo Conversion Restrictions

Not Available

- Federal
- State
  - CRA
- Local
  - Inclusionary Zoning (in flux)
  - Commercial and Market-Rate Residential Linkages Fee
THANK YOU

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