

AFFORDABLE HOUSING INCENTIVES GUIDELINES

Implementing the Affordable Housing
Incentives Program Ordinance No. 170,764

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AFFORDABLE HOUSING INCENTIVES GUIDELINES

I. SCOPE AND PURPOSE

The City of Los Angeles has established an Affordable Housing Incentives Program to encourage the production of housing for qualified lower income residents, including elderly and disabled persons. The program is based on a series of amendments to the Municipal Code. The Affordable Housing Incentives Guidelines, established by resolution of the City Planning Commission, facilitate the use of incentives established by law.

The Municipal Code now encourages broader application for the density bonus provisions of State law by creating incentives that eliminate discretionary review for qualifying developments, relax land use controls, defer payment of fees, and expedite application processing. These incentives, as explained in this document, are grouped into two main options.

The eligibility of a development to benefit from the incentives is determined on a case-by-case basis through application of performance standards. These guidelines set forth in detail the incentives for which developments may qualify and the standards by which they will be evaluated. The guidelines may be modified by resolution of the Planning Commission if needed.

The options permit a developer to receive incentives on the basis of public benefit offered. For example, a limited number of incentives such as reduced parking, deferred fees, and expedited processing are available if restricted affordable dwelling units are provided adjacent to public mass transit.

A development might, however, qualify for a density increase of up to 25%, in addition to the aforementioned incentives; if it meets criteria for tenant "set-asides" established by State law as follows:

- * 10% of dwelling units for "very low" income households (earning no more than 50% of the County median income and paying no more in rent than the amount established by the Los Angeles Housing Department (LAHD) for households earning up to 50% of the median income),

.OR

- * 20% of dwelling units for "lower" income households (earning no more than 30% of the County median income and paying no more in rent than the amount established by LAHD for households earning up to 60% of the median income),

OR

- * 5% of dwelling units for disabled persons whose household income does not exceed Supplemental Security Income (SSI) levels.

Affordable Housing Incentives Program Applications are available at the Public Counter of the City Planning, Building and Safety Departments and at the Department of Housing. Completed applications must be submitted to the Department of Building and Safety for review and approval. Full compliance with each component is required to receive a density bonus or parking reduction without a density bonus.

II. DEFINITIONS

The following program definitions apply:

Affordable Accessible Unit - a dwelling unit or guest room that is adapted to be used by persons who are physically disabled, based on the criteria of Title 24 of the California Code of Regulations or any amendment thereto, where the household income of the residents does not exceed Social Security Supplementary Income (SSI) levels, and where the rent is restricted to no more than approximately 30% of the resident's SSI level according to a rent schedule prepared by the City's Housing Department.

Affordable Housing Incentives Guidelines - the guidelines approved by the City Planning Commission by which applications for affordable housing projects are evaluated for compliance with the goals and policies of the City's Affordable Housing Program.

Affordable Housing Units - dwelling units or guest rooms for which rental or mortgage payments do not exceed the limits stated in Section 65915 of the California Government Code. Dwelling Units or guest rooms designated for lower income households, as defined in Section 50079.5 of the California Health and Safety Code, shall have rents not exceeding 30 percent or 60 percent of the area median income as set forth on the rent schedule prepared by the City's Housing Department or its successor agency. In order for a development project to qualify as a project containing affordable housing units, the owner shall record a document with the Los Angeles County Recorder guaranteeing that these affordability criteria will be observed for at least 30 years from the issuance of the Certificate of Occupancy.

Area Median Income - the estimate of median income in the Los Angeles-Long Beach Primary Metropolitan Statistical Area that is determined periodically by the United States Department of Housing and Urban Development (HUD) or any successor agency, adjusted for household size and which is published periodically.

Density Bonus - a density increase of at least 25% over the otherwise maximum allowable residential density pursuant to California Government Code Section 65915. The density bonus shall apply to housing developments consisting of five or more dwelling units.

Income, Lower and Very Low - annual income of a household that does not exceed the area median for either income category as specified in California Health and Safety Code Sections 50079.5 and 50105, as determined by the City's Housing Department.

Mass Transit Station - a transit stop for a fixed rail system, or a major bus center. A station is one that is currently in use or whose location is proposed and for which a full funding contract has been signed by all funding partners, or one for which a resolution to fund a preferred alignment has been adopted by the Los Angeles County Metropolitan Authority or its successor agency.

Major Bus Route - a bus route with peak-hour headways of 15 minutes or less.

Restricted Affordable Unit - an affordable housing unit in a development rented to a household with very low or lower income residents, and/or very low income senior citizens. In order for a development to qualify as a development containing affordable housing units, the owner shall record a document with the Los Angeles County Recorder guaranteeing that the relevant affordability criteria will be observed for at least 30 years from the issuance of the Certificate of Occupancy.

Senior Citizens - individuals who are at least 62 years of age, except that for density bonus projects of at least 150 dwelling units, a threshold of 55 years of age may be used, provided all applicable city, state, and federal regulations are met.

Single Room Occupancy Hotel - an apartment building, hotel, or other structure containing six or more guest rooms, and which may also contain dwelling units, in which 30% or more of the dwelling units or guest rooms do not contain a private bath and toilet facilities within the dwelling unit or guest room.

III. DESCRIPTION OF THE AFFORDABLE HOUSING INCENTIVES

The following options provide alternatives and incentives by which affordable housing dwelling units may be constructed.

A. Incentives Option 1

This is a minimum "by right" density bonus option provided by State law (Government Code, Section 65915) granted to a residential project which provides the set-aside dwelling units listed on Page 2, Section I of these guidelines, or in which at least 50% of the dwelling units are reserved for senior citizen tenancy. In exchange, the project shall receive the following:

a. A 25% density bonus*

A maximum density increase of 25% over the otherwise allowable residential density pursuant to California Government Code Section 65915. The density bonus applies to new or existing housing developments consisting of five or more dwelling units.

When calculating the number of dwelling units allowed in a project, the density figure will be rounded upwards from fractions of one-half ($\frac{1}{2}$) and more from that permitted by the applicable zone, to allow one additional dwelling unit.

*In cases where dwelling units will be targeted for senior citizens at market rate, the applicant may receive the 25% density bonus, but only through a conditional use permit. Any density bonus of 26% and above requires a conditional use permit.

b. Reduced parking requirements for the restricted dwelling units**

Parking requirements for each restricted affordable dwelling unit is as follows:

- 1.00 parking space per dwelling unit irrespective of the number of habitable rooms
for a project located within 1,500 feet of a mass transit station or major bus routes
- 1.00 parking space per dwelling unit
for restricted affordable dwelling units with 1 and 2 habitable rooms
- 1.50 parking space per dwelling unit
for restricted affordable dwelling units with 3 or more habitable rooms
- 0.50 parking space per dwelling unit or guest room
for dwelling units restricted to senior citizens and/or disabled
- 0.25 parking space per dwelling unit
for single-room occupancy hotels, with a minimum of 5 parking stalls per facility.

**The parking reduction is "by right", subject to conformance with the applicable conditions stipulated in the Affordable Housing Incentives Program Application. Any request for a parking reduction in excess of that permitted in the Affordable Housing Incentives Application shall be processed separately for discretionary action through the Department of City Planning.

c. Waiver of guest parking provision for restricted dwelling units

The requirement to provide guest parking is waived for only restricted dwelling units. Market rate dwelling units shall comply with the parking requirements as specified in the Zoning Code.

d. Deferred payment of selected permits and fees

The application and environmental fees (Department of City Planning) may be deferred up to the time of the issuance of any Certificate of Occupancy. However, fees must be paid for services performed regardless of project outcome.

e. Expedited processing of building plans and permits

Projects providing affordable housing will receive expedited processing as currently available.

B. Incentives Option 2

All the incentives listed above under Option 1, except the density bonus (incentive (a)) are also available to developers for projects that offer fewer affordable dwelling units than the amount listed on Page 1, Section I of these guidelines. Those projects are not entitled to the 25% density bonus available in Option 1.

AFFORDABLE HOUSING INCENTIVES PROGRAM

Options Summary

Under Incentives Option 1, if a project of 5 or more dwelling units provides:

10% "very low" income,

or

20% "lower" income,

or

5% affordable accessible dwelling units

the applicant shall receive the following:

a. 25% Density Bonus

b. reduced parking for restricted dwelling units

c. waiver of guest parking provisions for restricted units

d. deferred payment of fees and permits

e. expedited processing of plans and permits

Under Incentives Option 2, if a project provides dwelling units for:

low income seniors,

or

low income disabled persons,

or

other low income households with incomes at 80% or less of County median with rents set at 60% of median

the applicant shall receive the following:

b. reduced parking for restricted dwelling units

c. waiver of guest parking provisions for restricted dwelling units

d. deferred payment of fees and permits

e. expedited processing of plans and permits

IV. PERFORMANCE STANDARDS FOR OPTIONS 1 AND 2

The Performance Standards listed and described below are requirements of all projects with restricted dwelling units for which OPTION 1 or 2 is sought. The Performance Standards are included into three main categories:

- A. Project Design (Location of Restricted Units, Noise, Wall, Lighting)
- B. Equal Distribution of Amenities
- C. Eligibility, Affordability and Monitoring Requirements

A. Project Design

- Design of Restricted Affordable Units in Mixed-Income Projects:

Restricted dwelling units shall be comparable in every manner, except in the quality of interior "finish" materials (e.g., floor and wall coverings), to market-rate dwelling units, including total square footage, bedrooms size, closet space, amenities, number of bathrooms, etc. The design of restricted dwelling units should generally reflect the average number of bedrooms per dwelling unit in the development.

Restricted dwelling units shall not be confined to one type of dwelling unit within a development.

- Location of Restricted Units Within Mixed-Income Projects:

Restricted dwelling units must be interspersed among market-rate dwelling units within the same building. They may not be grouped together on one level or in one or more "less desirable" corners or areas of the building. In multiple building developments, restricted dwelling units must be reasonably dispersed among the buildings.

- Noise

Common recreational uses, such as swimming pools and barbecue areas, shall not be located immediately adjacent to neighboring residential uses.

Any building within 500 feet of a railroad, major highway or freeway, airport or aircraft pathway shall be constructed so as to provide a Sound Transmission Class of 50 or greater as defined in the Uniform Building Code.

- Wall

A decorative masonry wall 6 feet in height shall be constructed along any common property line between the subject property and any adjoining property containing a single-family use.

Lighting

Lighting shall be located so as not to shine onto any adjacent residential property.

B. Equal Distribution of Amenities

Residents of restricted dwelling units may not be charged for amenities that are provided at no cost to other residents including, but not limited to, access to recreational facilities, parking, cable TV, and interior amenities such as dishwashers and microwave ovens.

Optional services provided must be optional for all residents, and available to all under the same terms and conditions.

All incentives (e.g. one month free rent specials) must be offered to all new residents, not only residents of market rate dwelling units.

C. Affordability, Eligibility and Monitoring Requirements

Affordability Requirements:

1. All restricted dwelling units shall comply with the affordability restrictions on household income as established by the Los Angeles Housing Department ("LAHD") in conformance with the U.S. Department of Housing and Urban Development.
2. The affordability restrictions for income and rent are subject to change periodically. The owner can contact LAHD to receive the periodic changes in the affordability restrictions.
3. For the purpose of a density bonus incentive, State law requires that households with incomes between 60% and 80% of the median income be assigned rents that do not exceed 60% of the median rent.
4. For developers seeking a parking reduction without a density bonus, dwelling units must be restricted to low income households (80% of median) with rent levels set at the rates for households with incomes at 60% of median.
5. The project shall reserve and maintain the number of dwelling units designated as restricted dwelling units for a period of not less than 30 years from the issuance of any Certificate of Occupancy.

Below is the Affordable Housing Incentives Program maximum rent schedule by bedroom size.

MAXIMUM RENTS EFFECTIVE MAY 5, 1995

No. of Bedrooms	Affordable Accessible SSI Levels	Very Low Income up to 50% Median	Lower Income up to 60% Median
SRO	\$181	\$332	\$398
0	\$181	\$372	\$427
1	\$181	\$426	\$488
2	\$330	\$479	\$549
3	\$330	\$579	\$659
4	\$330	\$660	\$756

These rents are the upper limits that may be charged to "lower", "very low" income and Disabled households. The actual rents charged to households of restricted dwelling units may be lower to reflect actual market conditions.

Eligibility of Seniors and Disabled Persons:

Each dwelling unit so designated shall be occupied by at least one person who is disabled or 62 years of age or older. Disabled persons are those persons having a physical or mental impairment which seriously restricts that person from operating a motor vehicle, is expected to be of long-term and indefinite duration, which substantially impedes his or her ability to live independently, and is of a nature that such ability could be improved by more suitable housing conditions.

Below are the Affordable Housing Incentives Program Household Income eligibility criteria.

HOUSEHOLD INCOME TABLE EFFECTIVE MAY 5, 1995

Household Size	Affordable Accessible SSI Levels	Very Low Income* 50% Median	Lower Income* 80% Median
1	\$ 7,236	\$17,950	\$28,150
2	\$13,200	\$20,500	\$32,150
3	\$13,200	\$23,100	\$36,200
4	\$13,200	\$25,650	\$40,200
5	\$13,200	\$27,700	\$43,400
6	\$13,200	\$29,750	\$46,650
7	\$13,200	\$31,800	\$49,850
8	\$13,200	\$33,850	\$53,050

*Above limits are adjusted for Los Angeles and based on the 1995 HUD-determined County Median Family Income of \$45,200.

Monitoring Requirements:

All projects shall comply with the annual monitoring requirements established by the Los Angeles Housing Department (LAHD) by means of a covenant and agreement.

It is the responsibility of the owner to notify LAHD of any changes in the building that may affect compliance, such as change of ownership, management agent or on-site manager, vacancies in restricted dwelling units, or changes in compliance with the performance standards approved by the Department of Building and Safety.

The following are LAHD requirements (a complete list is found in the LAHD covenant):

1. LAHD must complete initial reviews of new tenants eligibility for restricted dwelling units prior to occupancy.
2. LAHD must annually review tenants eligibility for restricted dwelling units.
3. LAHD must receive an annual review letter from the owner about the number of restricted dwelling units, household income and size, rent levels, dwelling unit size and verification of vacancies. LAHD may at any time audit the building occupancy to monitor restricted dwelling units.
4. LAHD may make annual site visits to ensure that the restricted dwelling units are maintained in decent, safe and sanitary condition and that they are provided with the same level of services, including security and maintenance, as are applied to the other dwelling units in the development.

Violations of the regulatory agreement will be levied against the building owner for non-compliance including legal proceedings. It is the responsibility of the owner to adhere to all program requirements.

VI. PROCEDURE FOR OBTAINING A BUILDING PERMIT AND CERTIFICATE OF OCCUPANCY

In addition to the standard requirements of the Building and Safety Department, the following clearances must be obtained to ensure compliance with the Affordable Housing Program Ordinance:

Prior to the issuance of a building permit, the following clearances must be obtained:

- Housing Department pre-qualification of application for conformity to Options 1 or 2 of the Affordable Housing Incentives Program Ordinance. Applications must include location and floor plans of the restricted affordable units. (Applications may be obtained at the public counters of the Building and Safety and Planning Departments as well as at the Housing Department.)
- Planning Department approval of complete development plans, including landscaping and irrigation plans.
- Proof of recordation of Agreement Containing Covenants Affecting Real Property for the project satisfactory to Housing Department. This Agreement shall reflect the information provided in the Affordable Housing Incentives Program Application, including the Performance Standards.

Prior to the issuance of any Certificate of Occupancy, the following clearances must be obtained:

- Final clearance from the Housing Department that all conditions of Agreement Containing Covenants Affecting Real Property have been met.
- Planning Department clearance for payment of deferred fees.

Addresses:

Building and Safety Department
City Hall
200 N. Spring St., Room 460
Los Angeles, CA 90012
telephone: (213) 485-2327

Los Angeles Housing Department
400 S. Main St., Room 280
Los Angeles, CA 90013
telephone: (213) 847-7624

City Planning Department
City Hall
200 N. Spring St., Room 460
Los Angeles, CA 90012
telephone: (213) 485-7826

MTA LINES OPERATING ON A FREQUENCY OF 15 MINUTES OR BETTER

Line No.	Line Name	Frequency	
		Peaks	Midday
1	Hollywood BI-Fairfax Av	7	10
2	Sunset BI-Beverly Dr	5	12
3	Sunset BI-Beverly Dr Branch of Line 2	5	10
4	Santa Monica BI	7	9
10	Melrose Av-Virgil Av-Temple St	14	24
11	Melrose-Vermont-Temple Branch of 10	14	24
14	Beverly BI-West Adams BI	8	12
16	West Third St	3	10
18	West Sixth St-Whittier BI	4	10
20	Wilshire BI-Santa Monica	12	27
21	Wilshire BI-UCLA Branch of Line 20	12	27
22	Wilshire BI-Century City-Brentwood Br of Line 20	12	27
26	Seventh St-Virgil Av-Franklin Av	8	24
27	W. Olympic BI-Burton Way Br. of Line 28	12	24
28	W. Olympic BI	12	24
30	W. Pico BI-E. First St-Floral Dr	5	10
31	W. Pico BI-E. First St Branch of Line 30	4	8
33	Venice BI	8	10
37	W. Adams BI-Branch of Line 14	7	12
38	W. Jefferson BI-City Terrace	12	20
40	Hawthorne-Downtown Los Angeles	6	10
42	LA-Westchester-LAX-Branch of Line 40	6	10
45	Broadway-Mercury Av	6	10
46	Broadway-Griffin Av-Branch of Line 45	6	10
48	Maple Av-S. Main St-Branch of Line 10	9	24
51	San Pedro St-Avalon BI-Branch of Line 51	4	12
53	Central Av	8	15
55	LA-Compton Av-Imperial Sta.	4	16
60	Long Beach BI-Santa Fe Av	3	8
65	Washington BI-Indiana St-Gage Av	15	45
66	East Olympic BI-West 8th St	3	10
67	East Olympic BI-Branch of Line 66	3	0
68	West Washington BI-Chavez Av	9	12
70	LA-El Monte via Garvey Av	8	14
71	City Terrace-Sybil Brand-Branch of Line 38	15	21
76	LA-El Monte via Valley BI	12	15
78	LA-Alhambra-South Arcadia	14	34
79	LA-Arcadia-Branch of Line 78	14	34
81	Figueroa St	7	15
83	Pasadena Av-York BI-Branch of Line 28	8	15
84	Cypress Av-Eagle Rock BI-Branch of Line 28	15	32
85	Verdugo Rd-Glendale Col-Branch of Line 28	15	32
92	LA-Glendale-Burbank-San Fernando via Glendale BI	11	20
93	LA-Glendale-Burbank-San Fernando via Allesandro-Branch of Line 92	11	20
94	Los Angeles-San Fernando	8	17
96	LA-Riverside Dr	15	30

MTA LINES OPERATING ON A FREQUENCY OF 15 MINUTES OR BETTER

Line No.	Line Name	Frequency	
		Peaks	Midday
105	Vernon Av-La Cienega Bl	9	15
108	Slauson Av	10	20
110	Gage Av-Centinela Av-Fox Hills Mall	12	30
111	LAX-Florence Av-Leffingwell Rd	10	15
112	Florence Av-Otis St-Branch of Line 111	10	15
115	Manchester Av-Firestone Bl	7	15
117	Century Bl	15	20
120	Imperial Hwy	12	20
121	Imperial Hwy	12	20
125	Rosecrans Av	15	30
152	Fallbrook Av-Roscoe Bl-Vineland Av-Burbank	12	30
161	Westlake-Canoga Park	15	60
163	Sherman Wy-Hollywood	15	20
164	Victory Bl-Branch of Line 165	15	30
165	Vanowen St	15	30
175	Fountain Av-Talmadge St-Hyperion Av	15	60
180	Hollywood-Glendale-Pasadena via N. Lake	8	12
181	Hollywood-Glendale-Pasadena-PCC	8	12
200	Alvarado St-Echo Park Av	9	10
204	Vermont Av	4	5
206	Normandie Av	10	17
207	Western Av	5	17
210	Vine St-Crenshaw Bl	10	16
212	La Brea Av	8	20
217	Fairfax Av-Hollywood-Branch of Line 1	7	10
230	Laurel Canyon Bl	15	30
232	Long Beach-LAX	12	30
233	Van Nuys Bl-Branch of Line 561	10	12
234	Sepulveda Bl-Brand Bl-Sayre St	15	20
243	Desota Av-Ventura Bl-Winnetka Av	15	50
251	Soto St-Daly St-Seville Av-103rd Station	12	24
252	Soto St-California Av-Huntington Dr-Branch of Line 251	12	24
260	Artesia Sta-Pasadena-Altadena via Atlantic Bl	10	20
304	Santa Monica Bl Limited-Branch of Line 4	4	7
320	Wilshire Bl Limited-Branch of Line 20	5	9
322	Wilshire Bl-Century City-Brentwood Limited Br of Line 20	15	43
328	W. Olympic Bl Limited-Branch of Line 28	8	0
333	Venice Bl Limited-Branch of Line 33	9	0
345	Broadway Limited-Branch of Line 45	8	12
354	Vermont Av Limited-Branch of Line 204	7	15
357	Western Av Limited-Branch of Line 207	10	0
378	LA-Alhambra-So Arcadia Ltd-Branch of Line 78	13	0
379	LA-Arcadia Limited-Branch of Line 79	13	0
401	LA-Pasadena-No. Allen Express	12	30
402	LA-Pasadena Park-n-Ride-Branch of Line 401	15	0
420	LA-Van Nuys-Panorama City Express	6	10

MTA LINES OPERATING ON A FREQUENCY OF 15 MINUTES OR BETTER

Line No.	Line Name	Frequency	
		Peaks	Midday
424	LA-Ventura BI Express	9	10
425	LA-Ventura BI Exp. Limited-Branch of Line 424	6	0
426	San Fernando Valley-Wilshire Express	15	0
434	LA-Santa Monica-Malibu Express	10	30
442	LA-Hawthorne Exp.-Branch of Line 40	14	0
470	LA-Whittier-La Habra-Brea Mall Express	12	30
471	LA-Whittier-Puente Hills Mall Exp-Branch of Line 470	12	30
483	LA-Altadena via Fair Oaks Express	11	20
484	LA-El Monte-La Puente-Pomona Express	12	30
485	LA-Altadena via Lake Ave Exp-Branch of Line 483	11	20
487	LA-San Gabriel-Sierra Madre Express	8	20
489	LA-Hastings Ranch Express	8	0
490	LA-El Monte-Covina-Brea Express	15	30
497	LA-Pomona Park-n-Ride Express	9	0
522	LACC-Ventura BI-Reseda BI	12	20
561	Green Line-LAX-Van Nuys BI Ltd. Exp.	15	30
620	Boyle Heights Shuttle	0	12
801	Metro Blue Line	6	12
802	Metro Red Line	5	8
803	Metro Green Line	7	12