

MEMORANDUM



DATE: JANUARY 3, 2008

TO: STAFF, DEPARTMENT OF CITY PLANNING
STAFF, COMMUNITY REDEVELOPMENT AGENCY

FROM: S. GAIL GOLDBERG, AICP, DIRECTOR OF PLANNING,
DEPARTMENT OF CITY PLANNING

CECILIA V. ESTOLANO, CHIEF EXECUTIVE OFFICER,
COMMUNITY REDEVELOPMENT AGENCY

**RE: STAFF DIRECTION REGARDING INDUSTRIAL LAND USE AND
POTENTIAL CONVERSION TO RESIDENTIAL OR OTHER USES**

I. INTRODUCTION

This memorandum provides direction and guidance to staff of the Department of City Planning (DCP) and Community Redevelopment Agency (CRA/LA) regarding industrial zoned land in the City of Los Angeles. ***It underscores that the City's adopted policy is to retain industrial land for job producing uses***, as established in the adopted General Plan Framework and Community Plans, reinforced in several Redevelopment Plans, and consistent with the Mayor's economic development strategy. The instruction provides guidance to implement the adopted policy, and is directed to staff responsible for evaluating entitlement applications as well as those developing new Community Plans, Specific Plans, Overlay Districts, Redevelopment Plans or Plan Amendments, Designs for Development, and other long range planning efforts.

We expect staff to implement the City's adopted industrial land use policies using the directions and guidance contained herein.

Industrially zoned lands in Los Angeles are occupied by active and productive businesses that provide employment and services to thousands of City residents, and are an essential component of the City's diversified economic base. The industrial vacancy rate in Central

Los Angeles is less than one percent, by far the lowest of any major metropolis in the nation. These industrial/employment lands are vital for the City's long term economic sustainability and mechanisms should be implemented to improve their quality, effectiveness and aesthetics.

The direction and guidance to staff contained in this memorandum is based on a number of factors, including the 24-month-long Industrial Land Use Policy project (the "ILUP Project") conducted by DCP and CRA/LA staff to re-evaluate the viability of the City's industrial districts, particularly those areas experiencing the greatest pressure to convert to other uses – industrial districts located in the Central City, Central City North, Boyle Heights, South Los Angeles, Southeast Los Angeles, Hollywood, Wilshire and West Los Angeles Community Plan Areas, and the Adelante Eastside, Central Business District, Central Industrial, Chinatown, City Center, CD9 Corridors South of the Santa Monica Freeway, Hollywood and Wilshire Center-Koreatown Redevelopment Project Areas. The ILUP Project included extensive data analysis, evaluation of community input, and field surveys of these industrial areas. In November 2006 the ILUP Project staff released a set of preliminary conclusions; these were presented to community members, residents, business owners, developers, advocacy groups and City staff for review and comment over a period of six months. Project staff subsequently completed additional analysis and further research to address issues raised during the review process and drafted revised implementation guidelines for staff, which are set forth in this memorandum.

The ILUP Project:

- Establishes guidance to staff of DCP and CRA/LA in processing individual applications for land use changes and for development of future Community Plan updates and CRA/LA redevelopment plans.
- Identifies short- and long-term directions to staff regarding specific geographic areas.
- Identifies areas where industrial uses and zoning should be retained pursuant to existing Plans, along with industrial areas that, for a variety of reasons, may no longer be viable or appropriate for industrial/employment use and should be considered for conversion to other uses.
- Identifies Community Benefits to mitigate the loss of industrial/employment land.
- Identifies the need for new land use and zoning code categories that better address evolving industrial/employment issues as well as the need to revise some of the City's existing zones as part of a longer-term industrial land use strategy.
- Reiterates both the City's adopted land use policy and the CRA/LA's adopted redevelopment plans for areas outside of those studied.

Neither the ILUP Project nor our direction to staff contained in this memorandum takes any action that changes current land use designations or alters the City's existing policy with respect to industrial land.

This memorandum is organized into the following sections:

- A. *Land Use and Zoning Determinations*
- B. *Community Benefits*
- C. *DCP – CRA/LA Long Term Work Program Goals and Directions*

In addition, there are three attachments: Attachment A, Geographically-Specific Staff Directions; Attachment B, the ILUP Project Background Report “*Los Angeles’ Industrial Land: Sustaining a Dynamic City Economy*”, and Attachment C, Supporting Materials.

This memorandum provides both short- and long-term guidance. In the short term, staff should apply the geographically-specific directions in Attachment A in evaluating entitlement applications, including general plan amendments, redevelopment plan variations, zone changes and live/work applications. In the long term, staff should use these directions along with the materials in Attachments B and C when formulating comprehensive planning recommendations related to industrially-zoned land, including the work program (Section C) to update Community Plans, Redevelopment Plans and the Zoning Code, along with other policies to accommodate the changing nature of industrial land uses. Together, this guidance will help protect Los Angeles’ current and future economic base and enhance industrial/employment lands throughout the City.

II. STAFF DIRECTION

The General Plan Framework, Community Plans and Redevelopment Plans have been adopted by the Mayor and City Council to establish the City’s vision and implementing policies. These policies guide City decision-making, capital expenditures and annual budget allocations. They are comprehensive in nature and any modification to them requires thorough analysis and broad based community participation. Recognizing that the process to change adopted plans is lengthy, this memorandum provides direction to staff for both **short- and long-term** approaches to industrial/employment districts.

A. LAND USE AND ZONING DETERMINATIONS

ILUP Project staff studied industrial districts located in the Central City, Central City North, Boyle Heights, South Los Angeles, Southeast Los Angeles, Hollywood, Wilshire, and West Los Angeles Community Plan Areas as well as the Adelante Eastside, Central Business District, Central Industrial, Chinatown, City Center, CD9 Corridors South of the Santa Monica Freeway, Hollywood and Wilshire Center-Koreatown Redevelopment Project Areas; studied lands were categorized into the following four typologies:

1. “**Employment Protection Districts**” - Areas where industrial zoning should be maintained, and where adopted General Plan, Community Plan and Redevelopment Plan industrial land use designations should continue to be implemented. Residential uses in these Districts are not appropriate.

2. **“Industrial Mixed Use Districts”** - Areas that should remain as predominantly industrial/employment districts, but which may support a limited amount of residential use.
3. **“Transition Districts”** - Areas where the viability of industrial use has been compromised by significant land use conversions or the adoption of “Alternate Policies” (AP) such as Specific Plans or Transit Oriented Districts (TOD), and where this transition to other uses should be continued. Unlike “Industrial Mixed Use Districts,” stand-alone housing or mixed-use developments containing housing and commercial uses may be appropriate in “Transition Districts.”
4. **“Correction Areas”** - Areas where earlier land use decisions resulted in inappropriate land use patterns. A change in zoning and land use designations to correct existing land use conflicts is appropriate and should be encouraged.

See Section C: DCP – CRA/LA Long Term Work Program Goals for additional direction and Attachment A: Geographically-Specific Staff Directions for maps and corresponding detailed staff direction.

1) EMPLOYMENT PROTECTION DISTRICTS

Short Term:

- Recommendations for change of use or zone should not be made in these areas. Staff should generally recommend that applications for residential uses be denied.

Long Term:

- Identify mechanisms, standards and means to improve the physical and operating environment for industrial users, address land use incompatibilities and address the interface between industrial/employment areas and adjacent neighborhoods.
- Identify through the Community Plan update process the capital and infrastructure needs and the actions necessary to assure the long-term viability of these areas for jobs and industry. These should include a capital improvement program that will improve conditions for industrial businesses (streets, access and loading, lighting, sewerage, drainage, design, etc.) to generate confidence among industrial users in the long term viability of these Districts.
- Revise zoning in these Districts to prohibit non-industrial uses and uses that compromise job-producing potential.
- Support the development of a business attraction/investment strategy that includes improvements to zoning regulations and identifies targeted future uses such as “clean technology” by coordinating with the Mayor’s Business Team and other City Departments.

2) INDUSTRIAL MIXED USE DISTRICTS

Short Term:

- Staff should generally recommend denial of applications for conversion of industrial to other uses.
- To ensure that Industrial Mixed Use Districts remain primarily job-producing lands, staff should recommend approval of a residential development only with a jobs-producing component and other Community Benefits (see Section B). Where staff can make the findings for a project's approval, Community Benefits should be applied to address the loss of economic activity and jobs, and to offset the impact of the permanent loss of employment land.

Long Term:

- Prioritize in DCP and CRA/LA work programs key areas designated as industrial mixed use districts, such as the Cornfields Arroyo Seco Specific Plan (Chinatown) and the Artist in Residence District, so that appropriate zoning and General Plan changes can be made expeditiously.
- Use Community Plan updates, Specific Plans, Overlay Districts, Designs for Development, Redevelopment Plan Amendments and other comprehensive planning efforts to most effectively address the need for specific investment, amenities, design regulations and mitigations in areas that allow for the introduction of a broader mix of uses but which remain primarily industrial districts.
- Identify through the Community Plan update process the capital and infrastructure needs and the actions necessary to assure the long-term viability of these areas. These should include a capital improvement program that will enhance conditions for industrial businesses in areas that will continue to be predominantly industrial (streets, access and loading, lighting, sewerage, drainage, design, etc.) while addressing the needs of allowed non-industrial uses.
- Incorporate in the Community Plan updates measures or Community Benefits (see Section B) to address the loss of employment lands and the need to provide amenities in areas that have not previously been planned for non-industrial use.
- Revise zoning in these districts to identify and encourage industrial and employment uses that complement one another and support the development of an Industrial Mixed Use district.

3) TRANSITION DISTRICTS

Short Term:

- Staff should generally recommend approval of applications for changes of use or zone provided Community Benefits are incorporated to facilitate the successful integration of uses and to compensate for the loss of industrial/employment land, consistent with any Alternate Policy (if one exists for the area) such as a Transit Oriented District (TOD), Specific Plan or Design

for Development (Where such are in place or in process, they are noted on the individual maps in Attachment A).

Long Term:

- Make key targeted planning efforts a high priority, such as the Washington Boulevard Request for Proposal (RFP) Area, the Boyle Heights/1st and Mission and 1st Street/Alameda/Little Tokyo TOD areas.
- Use Community Plan updates, Specific Plans, Overlay Districts, Designs for Development, Redevelopment Plan Amendments and other comprehensive planning efforts to most effectively address the need for specific investment, amenities, design regulations and mitigations in areas that convert from industrial zoning and land use.
- Incorporate measures or conditions in the Community Plan update process to address the loss of employment lands and the need to provide amenities in areas that have not previously been planned for non-industrial use. The Community Benefits list (Section B) should be used for guidance in identifying conditions that could be considered.
- Develop a capital improvement strategy that provides appropriate infrastructure where there will be a new mix of uses.
- Revise zoning in these districts to promote uses that are compatible, prohibiting heavy industrial and/or other noxious uses.

4) CORRECTION AREAS

Short Term:

- Projects that convert industrial zoning to non-industrial zoning are generally appropriate. In such cases, Community Benefits related to industrial displacement are not required, although specific conditions may be required to address particular use juxtapositions on a site-by-site basis.

Long Term:

- Staff should seek to remedy these land use situations by establishing the proper land use and zoning through the Community Plan update process. Community Benefits related to industrial displacement are not required.
- New Community Plans should identify actions and City departments and agencies responsible for providing amenities and infrastructure in areas that have not previously been planned for non-industrial use.

5) INDUSTRIAL LAND NOT IN ILUP PROJECT STUDY AREAS

Short Term:

- Staff should continue to implement current City policy to preserve industrial zoning for employment uses. Retain industrial land designation, pursuant to adopted City policy. Applications in industrial zones outside of the ILUP Project Study Areas should be handled in the same manner as those in Employment Protection Districts (see Section A1).
- Provide more thorough analysis of projects including consistency with the General Plan Framework's Industrial Land Use and Economic Development policies, principles and criteria (Attachment B), as well as Community Plan and Redevelopment Plan goals and objectives related to job retention and expansion.
- Consider applications for live/work conversions and adaptive reuse entitlements on an area-by-area, rather than only on a project-by-project basis, i.e., consider district- or area-wide impacts of the introduction of new uses on existing industrial operations along with the discussion, analysis, and criteria contained in this memorandum.

Long Term:

- Use and build upon the body of research and recommendations contained herein during the Community Plan update process. Except in unique situations, only consider land use changes in conjunction with a comprehensive planning update effort. It is recognized that some industrial districts may have been compromised or are no longer optimal for industrial use. The Community Plan update process, in which a comprehensive planning effort can address appropriate land use and zoning in conjunction with the need for infrastructure and Community Benefits, is the appropriate mechanism for addressing such circumstances.
- When evaluating areas for industrial/employment potential:
 - Retain and improve industrial/employment districts for current and future employment uses until and unless otherwise designated through the Community Plan update process.
 - Avoid the creation of non-conforming and incompatible uses or juxtapositions of incompatible uses.
 - Explore the use of Designs for Development or Overlay Districts to institute standards and regulations to guide development.
 - Explore ways in which displaced businesses can most effectively be relocated and/or their employees directed to new employment or employment opportunities.
 - Explore design standards and approaches wherein existing industrial uses can be retained even when other non-industrial uses are introduced.
 - Work to incorporate these recommendations into other initiatives that affect industrial lands such as the City's Green Building Program, Los Angeles River Revitalization efforts, and CRA/LA's Healthy Neighborhoods Policy.

B. COMMUNITY BENEFITS

When considering approval of projects within “**Industrial Mixed Use**” and “**Transition**” **Districts**, staff recommendations should include Community Benefits set forth below. Such Community Benefits would be in addition to any other requirements set forth in the Los Angeles Municipal Code (LAMC), adopted Community or Redevelopment Plans, the project’s environmental evaluation and clearance, or other conditions that might be appropriate based on the characteristics of the subject site and its surroundings.

If staff determines that unique circumstances suggest that approval of an application for change of use or zone in an Employment Protection District or an area not studied is appropriate, the findings for such determination must be clearly articulated¹ and the project should be required to incorporate Community Benefits to ensure compatibility and to compensate for the permanent loss of employment land. If Community Benefits are not assessed, staff must provide findings as to why the project does not require such Community Benefit(s).

The use of development agreements is strongly encouraged as a means of effectuating appropriate Community Benefits.

a. Relocation Consultation for Displaced Business

- Require the use of a relocation consultant, paid for by the applicant, to identify sites, needed entitlements at relocation sites, and other conditions which would need to be met to effectuate the relocation.

b. Job Training Assistance Fund

- Require a \$15,000 payment² for each industrial job displaced into a City approved job training assistance fund. Assistance will be targeted to employees of displaced businesses wherever possible.

c. Minimum Job-Producing Space

- Require and appropriately design (with regard to floor to ceiling heights, clearances, access to loading docks, etc.) a minimum percentage of project floor area equivalent to at least one (1) story or 0.5 FAR, whichever is less, to be permanently maintained for industrial/employment use and occupancy.

d. Affordable Housing

- Require a minimum number of on-site affordable units in residential, mixed-use, artist housing or live/work projects, based on the following percentages: 10% very low, 15% low, or 20% moderate income. A density bonus may be used towards satisfying this requirement.
- Use covenants to restrict affordability for a minimum of 55 years; provide for shared equity recovery if the units are developed as for-sale units.

¹ The General Plan Framework Land Use Policies 3.14.6 should be addressed in such instances.

² Conservative costs for assistance for displaced jobs are at least \$15,000 per job, comprised of \$10,000 for retraining, case management and job placement services; \$2,500 for supportive services (childcare, transportation, tools/equipment); and \$2,500 for wage support during training and placement. Enrollees may also need an on-the-job training subsidy to obtain specific skills for that particular employer.

- If on-site affordable units are infeasible, assess a fee for or require offsite units within a reasonable proximity to the site, but not on parcels that would exacerbate the loss of industrial land.

e. Open Space

- Require an open space fee equivalent to the Quimby fee in high-density residential (R5) zones for all housing types (including rental units), regardless of the density of the project.
- Allow offsets to the open space fee for privately created and maintained, but publicly accessible, open space.

f. Infrastructure Improvements

- Require appropriate infrastructure improvements such as sidewalks, curbs, gutters, trees, street lighting, etc. to create residential amenities in conjunction with changes to land use and/or zoning to provide residential uses. Such improvements should be designed to advance urban design, access and walkability standards appropriate to the particular site and its environs.

g. Additional Conditions Within the Artist in Residence District Only (including the potential expansion thereto):

- Require that the applicant covenant all residential or live/work units for artists³ with a valid business license.
- Prohibit private covenants, conditions and restrictions (CCRs) that restrict “hot arts” and artists that manufacture art.
- Include a certain percentage of floor area to be designated for communal work, gallery or other artist-related uses. (This can be credited toward the Community Benefit Minimum Job Producing Space requirement).

Exceptions:

Deviations (hardship exemptions) from above Community Benefit requirements should be considered only with appropriate documentation of the hardship or unique circumstances.

³ Per code section 12.13A,2(a)(27) Occupations limited to those that may be practiced in live/work units: accountants; architects; artist and artisans; attorneys; computer software and multimedia professionals; consultants; engineers; fashion, graphic interior and other designers; insurance, real estate and travel agents; and photographers. Similar occupations, as determined by a Zoning Administrator, may also be practiced in live/work units.

C. DCP - CRA/LA LONG TERM WORK PROGRAM GOALS AND DIRECTIONS

In addition to the geographically-specific directions set forth in Attachment A, staff should integrate the following guidance into future work programs.

1. COMMUNITY PLAN AND REDEVELOPMENT PLAN UPDATES

The City's adopted policy is to retain industrial land for job producing use. All of the City's industrial districts must regularly be evaluated and strategies developed to improve their current conditions. The premise of this regular evaluation is that the City's industrial districts should be retained and improved as centers of employment and production.

- *Revise Plans for Consistency*
An initial step would be to employ the process used in the ILUP Project in examining industrial lands in other parts of the City. The application of this methodology should result in the classification of the City's remaining industrial lands into the typologies identified in this memorandum (see Section A). Incorporate new zoning and general plan land use designations in Community Plans and Redevelopment Plans or Plan Amendments (see section on Zoning & Building Code Revisions).
- *Identify new Industrial/Employment Districts*
Identify and evaluate areas not currently designated for job producing uses (including areas zoned for public facilities) that could be added to the industrial/employment land supply. Determine if any such areas should be converted to new industrial/employment districts (review the typology in Section A), especially if zones are amended as discussed below.
- *Increase Industrial Floor Area Ratio (FAR)*
Explore permitting a FAR greater than 1.5:1 in targeted higher density areas such as those located in or near planned TODs, Specific Plans or Design for Development Areas, especially where such additional density can assist in producing more jobs or job-producing space, such as residential-industrial or office-industrial mixed-use environments. If it is determined that additional FAR adds sufficient value to potential projects, this can be achieved through a floor area ratio payment such as that calculated pursuant to the formula for Transfer of Floor Area Rights (Los Angeles Municipal Code, Chapter 1, Article 4.5) so that the City receives funds to finance public improvements in these districts.

2. ZONING & BUILDING CODE REVISIONS

While manufacturing processes have changed over time, zoning regulations have not kept pace with changes in technology and industrial operations. The Zoning Code should be revised to create more refined industrial/employment districts: zones that are exclusively employment; zones that permit commercial and/or retail uses by design; those that permit other uses that can co-exist with employment uses, etc. Appropriate minimum design and performance standards should be developed for each.

- *Amend Existing Industrial Zones and Update the Range of Uses Allowed in Industrial/Employment Zones*
 - Create exclusive industrial or employment zones by revising current zones and drafting new zones. Minimize the current permissiveness in M zones that allow other uses (i.e., commercial big box and free-standing office uses by right), and apply mixed zoning only where a particular mix of uses is specifically intended or appropriate. Where non-industrial uses appear appropriate, consider permitting such uses under a conditional use process so that mitigations and performance standards can be applied to avoid their adverse impact on the by-right industrial uses. Industrial and mixed use zones should provide a hierarchy of industrial/employment and non-industrial uses, along the following lines:

Heavy industrial/employment – for uses that involve processes which result in noxious products or by-products; involve substantially noisy processes, vibrations or smells; create substantial demand for truck and rail movements and/or operate at hours that are detrimental or adverse to other uses. Prohibit most other uses in these areas so that they are reserved for these types of production.

- Rezone certain M2 areas to M3 areas where these heavier impact uses exist and are appropriate. Such areas include those industrial zones in the vicinity of the Harbor, areas immediately proximate to major freight transportation hubs and those with excellent access to rail and freeways.

Moderate industrial/employment – for uses that involve processes which are generally not noxious or objectionable but whose material movement, hours of operation or transport needs make their isolation from other uses desirable, and for which the intrusion of other uses could economically result in their displacement. These may be considered appropriate buffer zones between heavy and light zones. Examples include sound stages and warehouses.

Light industrial/employment – for uses that involve processes or procedures that generally are compatible with other (non-industrial)

uses but which could likely be adversely affected economically by allowing a substantial number of non-industrial uses in the zone. Examples include garment manufacturing, electronic assembly and research and development uses.

Industrial/employment mixed – for uses that involve processes or procedures that generally are compatible with non-industrial uses and for which a mix of limited commercial and residential uses may be reasonable. In specific areas, the mix may be limited through the use of performance standards, Qualifying (“Q”) Conditions or by requiring conditional use permits. In all cases the industrial/employment use shall be a by-right use.

Service industrial/employment – for uses that are generally not compatible with neighborhood or regional commercial uses, but which provide basic business and personal services and therefore need to be located proximate to business and residential consumers. Examples include lumber yards that serve entertainment industry studios, animal hospitals and kennels, plumbing and electrical supply, and small-scale automotive repair and service.

- *Create More Dense Industrial Zones*
 - Allow increased floor area ratio (FAR) in certain industrial zones to accommodate emerging uses and changes in building typologies. Many industrial areas are limited to a 1.5:1 FAR. Increasing the allowable floor area may provide the incentive developers need to improve properties and operations. Such increase may facilitate research or office uses above or adjacent to warehouse or production areas or allow for more seamless continuity from research to production to distribution of certain products.
 - Consider a floor area or density increase in Industrial Mixed Use areas where specific types of worker housing or work-live housing may be desirable because such housing would promote more effective and efficient employment activity. Consider a floor area or density bonus for preferred industrial uses (such as projects with a high number of skilled/job ladder and living wage and higher paying jobs).
- *Amend Existing Commercial Zones*
 - Update the list of allowable uses in certain commercial (C) zones to reflect modern types of industrial uses. This would result in a broadening of areas in which compatible employment and support service uses can be located. Allow a greater range of commercial and light industrial activities within certain commercial zones in specific geographic areas.
 - Expand uses allowed in some commercial zones to include services, light industrial uses and animal hospitals, which are currently only

allowed in industrial zones, where those uses can be compatible with other commercial uses. Identify minimum design and performance standards to ensure integration of new allowable uses. Explore the use of Qualifying (“Q”) conditions, conditional use permits, or performance standards to ensure compatibility of new allowable uses in C zones in specific geographic areas.

- Amend the Commercial Manufacturing (CM) Zone or develop a new zone(s) that would allow a broader range of uses such as creative office, software development, and the like, and would allow residential to coexist with these uses within new buildings. Such a zone would require a minimum number of jobs or job producing uses or spaces integrated into new housing development. This recommendation may require that both the LAMC and the Building Code be amended to allow greater vertical integration of uses.⁴
- *Address Non-Conforming Use Regulations*
 - Address the LAMC provisions governing nonconforming uses to support an orderly transition to any new land use.
 - *Develop Urban Design Standards*
 - Adopt standards that promote unified, attractive industrial and employment districts. DCP and CRA/LA staff should collaborate to develop minimum standards for setbacks, massing, blank walls, landscaping, fencing, street and sidewalk dimensions, turning radii, loading zones and docks and streetscapes that enhance industrial districts and contribute to the attractiveness and effectiveness of these areas. Connections to adjacent districts should be encouraged through pedestrian and bicycle linkages where appropriate. Appropriate buffers should be developed to avoid adverse and incompatible juxtapositions of uses at the edges of such districts. Green Building Program and Healthy Neighborhood principles should be evaluated for applicability.

⁴ The Building Code does not currently allow the mixing of residential and industrial occupancies within the same “unit” in a new building; such mixing is only permitted within a unit in industrial buildings converted to residential or joint live/work quarters.

3. ECONOMIC INVESTMENT STRATEGIES

The City's industrial lands cannot be revitalized and improved by planning and zoning efforts alone. A comprehensive City strategy must be developed, which may include the following activities:

- Implement the following Industrial Development Policy Initiative (IDPI) Recommendations (*refer to IDPI Phase 1 and 2 Reports for additional discussion of potential strategies*):
 - develop an economic development strategy,
 - revise the tax structure for industrial businesses,
 - appoint an ombudsman for industrial retention and attraction, and
 - enhance workforce development strategies, employee retraining and funding for such programs.
- Develop infrastructure analyses and capital improvement plans for industrial/employment areas.
- Provide relocation assistance to businesses in identified Employment Protection Zones.
- Consider concerted effort to attract industries that develop green technologies.
- Cooperate with other agencies to identify and implement economic development strategies. For instance, the Community Development Department oversees the implementation of state and federal Enterprise and Empowerment Zones in the City. These economic incentive zones provide business tax relief, reduced water fees, reduced parking requirements and increased allowable heights within designated areas. Designated areas retain these incentives only when a certain minimum percentage of industrial uses are present.
- CRA/LA should enhance its work program to acquire and prepare sites for industrial development (for example, the bio-medical park currently being formed in the CRA/LA Adelante Eastside Redevelopment Project Area, adjacent to the Los Angeles County Whiteside Redevelopment Project Area).
- Consider the creation of mechanisms to foster additional industrial clusters such as studio and entertainment production, creative industry, logistics, "green industries" and so forth.
- Consider the creation of publicly-owned Industrial Parks to ensure affordable space for industrial tenants, and to allow the creation of industrial buildings that the market may not be able to deliver such as multi-story structures.
- Pursue University Industrial Partnerships: Industrial districts present a unique opportunity to develop a technology campus where research and development, and academic instruction can be co-located. A limited amount of housing to directly support academic research and visiting staff /employees could be developed in a new zone or overlay area.

- Pursue Private/Public partnerships to provide new public facilities in conjunction with new development.
 - Develop a City-CRA/LA Team to monitor the inventory of industrial/employment land and to evaluate the effectiveness of the City’s industrial/employment land use policies.
 - Explore the establishment of funding strategies such as impact fees to pay for capital improvements and offset impacts of transition from industrial uses.
 - Expand CEQA analyses of industrial zone changes to better address impacts to public services, land use, transportation and infrastructure.
-

Attachment A:

GEOGRAPHICALLY-SPECIFIC STAFF DIRECTIONS (see Map Packet)

- 1) Citywide Industrial Land Index Page (map of Studied Areas)
- 2) Sub Area Index Map & Summary Statistics: Acreage and Employment Data, and Typologies Description
 - Sub Areas:*
 - Central City - Alameda
 - Central City - Downtown
 - Boyle Heights
 - Southeast Los Angeles
 - Central City North - Chinatown
 - West Los Angeles
 - Hollywood
- 3) Analysis Area Maps & Detailed Staff Directions: Acreage and Employment Data, Existing Land Use Summary, Plan Overlay & Special Districts (30 map pages)

Attachment B:

LOS ANGELES’ INDUSTRIAL LAND: SUSTAINING A DYNAMIC CITY ECONOMY

Introduction and Background

- I) Industrial Land and Zoning In Los Angeles
 - Industrial Zones and the Industrial Sector
 - Industrial Land Supply in Los Angeles
 - Evolving Industrial Districts
 - Strategic Importance of Downtown Los Angeles
 - Land for Emerging Industry Sectors

- II) The Importance of Industrial Land to the Los Angeles Economy
 - Los Angeles’ Industrial Workforce
 - “Ripple Effects” to the Los Angeles Economy

III) Real Estate Economics Shaping Industrial Land Uses in Los Angeles

- Current Industrial Demand and Vacancy Rates
- Demand for Housing in Industrial Districts
- Opportunities for Housing Development throughout Los Angeles
- Economic Impact of Conversion to Housing on the City’s General Fund
- Impacts of Industrial-to-Residential Conversion on the City’s Long Term Development

Conclusion

Appendices

1. Methodology / Analytical Framework
2. General Plan Framework—Land Use and Economic Development Excerpts
3. Other Existing Policies That Shape Industrial Districts
4. Other Cities’ Industrial Land Use Policies

Attachment C: SUPPORTING MATERIALS

- 1) Memo from Bud Ovrom, Deputy Mayor, to General Managers requesting recommendations and strategies to preserve city’s industrial zones, December 12, 2005.
- 2) ILUP Research Memorandum, “Downtown Housing – Relative Affordability of Downtown Core and Industrial Units,” Keyser Marston Associates, October 27, 2006.
- 3) ILUP Research Memorandum, “Industrial to Residential Land Use Conversion – Comparative Land Value Analysis,” Keyser Marston Associates, January 27, 2007
- 4) ILUP Research Memorandum, “Industrial Land Use Conversion – San Jose Experience,” Keyser Marston Associates, March 27, 2007.
- 5) ILUP Research Memorandum: “Residential and Industrial Area Comparison,” Keyser Marston Associates, June 26, 2007.

COPIES TO: Honorable Mayor Antonio Villaraigosa
Honorable City Councilmembers
City Planning Commissioners
Community Redevelopment Agency Commissioners
Deputy Mayor Bud Ovrom
Deputy Mayor Helmi Hisserich
Deputy Mayor Larry Frank
Chief Legislative Analyst Gerry F. Miller