


**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

**DATE:** October 17, 2023

**TO:** Interested Parties  
Department of City Planning Staff

**FROM:** Vincent P. Bertoni, AICP   
Director of Planning  
Department of City Planning

**SUBJECT: IMPLEMENTATION OF AB 2011 (2022) AND SB 6 (2022)**

On July 1, 2023, two related pieces of state legislation took effect. These are Assembly Bill (AB) 2011, also known as the “Affordable Housing and High Road Jobs Act of 2022,” and Senate Bill (SB) 6, also known as the “Middle Class Housing Act of 2022.” Both bills are intended to permit residential development on sites currently zoned for commercial, retail, or parking uses.

This memorandum will serve as interim guidance for staff and project applicants on the implementation of AB 2011 and SB 6 until such time that this memo is updated or superseded. Please note that this memorandum does not include all applicable planning and building regulations that may apply and other agencies may have their own requirements or procedures not described herein. Staff and interested parties are encouraged to refer to State law, codified in California Government Code (GC) Sections 65400, 65583, 65584, 65585, and 65912, and other State housing statutes as may be relevant, for additional information, as the memo is not exhaustive. Furthermore, this memorandum does not cover all circumstances and may be subject to additional information, interpretation, and consideration.

**Assembly Bill (AB) 2011**

Assembly Bill (AB) 2011 allows eligible residential development projects complying with certain housing affordability and labor standards to be subject to a streamlined, ministerial review process that is exempt from CEQA, in certain commercial areas. The bill creates separate site eligibility requirements, affordability requirements, and development standards for two types of housing developments — 100% Affordable Housing and Mixed-Income Housing. AB 2011 will sunset on January 1, 2033 unless further extended by the State Legislature.

AB 2011 Site Eligibility Criteria

Under AB 2011, a qualifying project utilizing the by-right provisions of the law must be located in zones where office, retail, or parking are a principally permitted use. This is defined as a zone where one of these uses may occupy more than one-third of the square footage of designated use on the site and does not require a conditional use permit. Proposed projects cannot be located on or adjacent to a site with more than one-third of built square footage dedicated to industrial use, which is defined as a site’s existing use, the most recent permitted use, or designated for industrial use in the most recent Community Plan, adopted prior to 2022. AB 2011 sites also cannot be located on a site within any neighborhood plan (as defined, but inclusive of Specific Plans and Transit Neighborhood Plans) that prohibits multifamily residential development of at least five units (including live-work and detached units). A range of environmentally sensitive sites such as wetlands and flood zones listed in GC Sec. 65913.4(a)(6)(B) through (K) are also prohibited, as are sites with a mobile home or recreational vehicle (RV) park. Under AB 2011, none of the new housing units may be sited within 500 feet of a freeway or within 3,200 feet of an active oil or gas refinery, though portions of the site itself may be located within these buffers. Finally, if the site is vacant per the definition in Los Angeles Municipal Code Section 12.03, it must not be located in a Very High Fire Hazard Severity Zone, or result in a non-mitigatable impact on

tribal cultural resources pursuant to Section 21080.3.1 of the Public Resources Code. Vacant sites will require a tribal consultation to identify potential resources per Section 21080.3.1 of the Public Resources Code prior to filing an application. Applicants will be referred to a project planner to start the tribal consultation process.

All development proponents must also complete a Phase I environmental assessment. If a recognized environmental condition is found, a preliminary endangerment assessment must be undertaken to determine the existence of any release of a hazardous substance on the site. Any such hazardous substance shall be removed, or any significant effects of the release shall be mitigated to a less than significant level in compliance with current State and federal requirements. This process must be completed before a Planning application can be filed.

In addition to the above site eligibility criteria, Mixed-Income housing projects are further limited to sites less than 20 acres in size that abut a “commercial corridor” with frontage along the corridor for a minimum of 50 feet. A commercial corridor is defined as a local street (not a freeway) with an existing right-of-way of at least 70 feet and no more than 150 feet. A right-of-way includes the area between the private property on each side of the roadway, including any sidewalks and parkway.

Mixed-Income housing developments will also be precluded if they require the demolition of any of the following: 1) structures listed on a state, federal or local historic register; 2) units subject to the Rent Stabilization Ordinance (RSO) or an existing affordability covenant; or 3) units occupied by a tenant currently or within the last 10 years. Any site with housing units within the last 10 years will be screened by the Los Angeles Housing Department (LAHD) for purposes of determining eligibility. Any property that contains one to four units is also precluded from being developed with Mixed-Income housing using AB 2011, as is any vacant property that is not zoned for multifamily use (defined as five units or more). A determination from LAHD will be required to determine the presence of any protected housing units.

For the purposes of implementation, a screening checklist is available at [zimas.lacity.org](https://zimas.lacity.org) (under the Planning and Zoning tab) that evaluates many of the site eligibility criteria on a parcel level. The screening checklist is intended as an advisory document, and further review may be needed to verify a site’s eligibility.

### Affordability Requirements

Under AB 2011, to qualify as a 100% Affordable Housing project, all units in the project, excluding managers’ units, must be dedicated to lower income households at an affordable cost, using LAHD Land Use Schedule 6, or an affordable rent set in an amount consistent with the rent limits established by the California Tax Credit Allocation Committee, using LAHD Schedule 9. The appropriate rent schedule will be selected based on the proposed project, contingent on the project meeting all applicable requirements. A minimum deed restriction of 55 years for rental and 45 years for owner-occupied is required, as verified by LAHD.

Mixed-Income rental projects using AB 2011 must provide one of two 55-year affordability options using LAHD Land Use Schedule 6: (1) 8% Very Low Income and 5% Extremely Low Income units, or (2) 15% Low Income units. Mixed-Income owner-occupied projects must include either a 45-year provision of 30% Moderate Income units, or 15% Low Income units. Set asides are calculated as a percent of the total units within the project. AB 2011 additionally specifies that below market rate housing units must be equitably distributed and have the same bedroom/bathroom count ratios and same quality appliances, fixtures, and finishes as the market rate units in the project.

Mixed-Income projects must also adhere to any local affordable housing requirements that may apply, if more stringent than AB 2011’s requirements. If AB 2011 is being used along with an affordable housing incentive program, such as Density Bonus or the City’s Transit Oriented Communities (TOC), the project

must also meet these applicable requirements (though affordable units may be counted for both). A clearance from LAHD will be required prior to permit issuance. Contact the LAHD Land Use Covenant section at [lahd-landuse@lacity.org](mailto:lahd-landuse@lacity.org) for more information.

### Development Standards

For 100% Affordable projects, the residential density must meet or exceed 30 units to an acre and residential use shall constitute at least two-thirds of the floor area of the development. The project will be deemed compliant with the maximum density allowed within that zoning or land use designation, whichever is greater.

Other applicable development standards for 100% Affordable projects are tied to those that apply to the zone that allows residential use at the larger density between either the existing zoning designation for the parcel (if it allows multifamily residential use of 5 units or more), or the zoning designation for the closest parcel that allows residential use at a 30 units to an acre density (i.e. RD 1.5 or above).

A project applicant can utilize the State Density Bonus incentive and any local density incentive like Transit Oriented Communities (TOC) in conjunction with AB 2011. The project must meet both AB 2011 eligibility criteria along with the density incentive program criteria.

### *Density for Mixed-Income Projects*

For Mixed-Income projects, the residential density is determined by the mix of zoning, site size, the width of the commercial corridor or proximity to a major transit stop. The allowable density shall be the maximum density allowed on the parcel, or the following, whichever is greater:

- 30 units per acre for sites of less than one acre in size;
- 40 units per acre for sites of one acre in size or greater located on a commercial corridor of less than 100 feet in width;
- 60 units per acre for sites of one acre in size or greater located on a commercial corridor of 100 feet in width or greater; or
- 80 units per acre for sites within one-half mile of a major transit stop (regardless of whether another condition above applies).

### *Height for Mixed-Income Projects*

Maximum height standards for Mixed-Income projects are determined by the height allowed on the parcel or the following, whichever is greater:

- 35 feet for sites on a commercial corridor of less than 100 feet in width;
- 45 feet for sites on a commercial corridor of 100 feet in width or greater; or
- 65 feet for sites that are within one-half mile of a major transit stop and not within a coastal zone.

### *Setbacks for Mixed-Income Projects*

The required setbacks (or yards) for Mixed-Income projects vary. For the portion of the property that fronts a commercial corridor, no setbacks shall be required, except all at or above-grade parking must be set back at least 25 feet and, on the ground floor, a building or buildings must be located within 10 feet of the property line for at least 80 percent of the frontage. For the portion of the property that fronts a side street, a building or buildings must be located within 10 feet of the property line for at least 60 percent of the frontage. For the portion of the property that abuts an adjoining property that also abuts the same commercial corridor as the property and does not contain a residential use constructed prior to July 1, 2023, no setbacks are required. When it does contain a residential use, or when the portion of

the property that does not abut a commercial corridor, a side street, or an adjoining property that also abuts the same commercial corridor as the property, the following shall occur:

- Along property lines that abut a property that contains a residential use:
  - The ground floor of the development project shall be set back at a minimum of 10 feet, or less if permitted by City Planning in the letter of approval.
  - Starting with the second floor of the property, each subsequent floor of the development project shall be stepped back in an amount equal to seven feet multiplied by the floor number. For purposes of this paragraph, the ground floor counts as the first floor. The amount required to be stepped back may be decreased if permitted by City Planning in the letter of approval.
- Along property lines that abut a property that does not contain a residential use, the development shall be set back 15 feet. The amount required to be stepped back may be decreased by the local government.

#### *Parking for Mixed-Income Projects*

No parking shall be required for AB 2011 projects, except that the state law does not eliminate any requirements to provide bicycle parking, electric vehicle supply equipment installed parking spaces, or parking spaces that are accessible to persons with disabilities that would have otherwise applied to the development if this article did not apply. Similar to AB 2097 (2021), this provision means that if any parking spaces are voluntarily provided, the electric vehicle and accessible parking standards required by the LAMC will be applied.

#### *Other Development Standards for Mixed-Income Projects*

Mixed-Income projects are subject to other objective zoning standards, objective subdivision standards, and objective design review standards for the closest zone in the City that allows multifamily residential use at the residential density described above pursuant to GC 65912.123(b).

The applicable objective standards shall be those in effect at the time that a development application is submitted and application fees are paid. Applicable objective standards may include a requirement that up to one-half of the ground floor square footage of the housing development project be dedicated to retail use and a Density Bonus concession may not be used to reduce a requirement that complies with this standard.

#### *Commercial Tenants*

If a potential Mixed-Income project is located on a site with existing commercial tenants, the development proponent must notify all existing commercial tenants on the parcel of the application submitted to the Department of City Planning by submitting proof of mailing along with the application (see [mailing instructions](#)). The development proponent must also complete an [AB 2011 Commercial Tenant Certification \(CP 4084\)](#) and provide relocation assistance to each eligible commercial tenant. Please see Government Code Section 65912.123(i) for additional information on eligible tenants, the amount of relocation assistance required, and the use of relocation funds. A third party relocation assistance specialist may help to ensure compliance with these requirements. A clearance prior to issuance of a building permit will also be required to verify compliance.

#### Labor Standards

Qualifying AB 2011 projects are required to adhere to certain labor standards. Projects with less than 50 units must follow the prevailing wage requirements in GC Section 65912.130, while those with 50 or more

units must follow the apprenticeship and health care provisions of GC Section 65912.131. These provisions require the development proponent to have contracts with construction contractors and provide certain certifications and reporting requirements to the City. An [AB 2011 Labor Compliance Certification form \(CP 4081\)](#) will need to be completed as part of the application, as will monthly reports. A clearance prior to issuance of a Certificate of Occupancy may also be required to verify compliance.

### Project Review Procedures

Projects seeking approval under AB 2011 shall be approved ministerially by the City as described in Government Code Section 65912.124(h) and be exempt from the California Environmental Quality Act (CEQA). Applicants must be informed of inconsistencies with qualifying criteria within 60 days or 90 days of submission of a complete planning application, depending on whether the project contains 150 units or fewer, or more than 150 units. In addition, any design review required for a project must be based on objective criteria and be completed within 90 days or 180 days, depending on the same size criteria. In addition, all applicants are not notified of inconsistencies within applicable timelines, then the project is deemed compliant with the qualifying criteria.

### **Senate Bill (SB) 6**

Senate Bill (SB) 6 establishes the Middle Class Housing Act, which also allows residential uses on any parcel zoned for office, retail, or parking uses without the need for a zone change. However, unlike AB 2011, SB 6 does not provide a new ministerial CEQA-exempt approval pathway; rather it provides that eligible projects may invoke prior streamlining legislation ([SB 35 - 2017](#)) as well as the Housing Accountability Act. SB 6 also requires applicants to pay prevailing wages and adhere to “skilled and trained” workforce requirements but does not contain any affordable housing requirements. It also has fewer site exclusions than AB 2011.

### SB 6 Site Eligibility Criteria

SB 6 requires that projects are either 100% residential or mixed-use with at least 50% residential square footage. Under SB 6, a qualifying project shall be deemed an allowable use, subject to discretionary approval, on a parcel that is within a zone where office, retail, or parking are a principally permitted use if the project complies with the standards below.

The project site must be 20 acres or less and located in an urban area. Proposed projects cannot be on a site or adjacent to any site where more than one-third of the square footage on the site is dedicated to an industrial use (either by current use, most recent permitted use or designated in the most recent Community Plan) and must also be consistent with any applicable and approved sustainable community strategy (i.e., SCAG’s Connect SoCal plan).

Like AB 2011, a project applicant must provide notice to commercial tenants, and prescribed relocation assistance to certain qualifying independently owned commercial tenants is required.

### Development Standards

Under SB 6, proposed projects must meet or exceed the required minimum density for lower-income units pursuant to housing element law, which is 30 units per acre. The proposed project shall be subject to local zoning, parking, design, and other ordinances, local code requirements and procedures applicable to the processing and permitting of a housing development in the closest zoned parcel that allows for the housing with the density required by SB 6. If the existing zoning for the parcel allows residential use at the 30 units per acre density, then the standards for the zone apply. All necessary procedures for processing and permitting a residential development in the specified zone must be followed.

The proposed project must be consistent with all other objective local requirements for a site, other than those that prohibit residential use, or allow residential use at a lower density than provided for lower income households pursuant to housing element law. This includes, but is not limited to, compliance with inclusionary requirements or impact fees.

### Labor Standards

SB 6 also contains a specific set of labor standards that a project must comply with. Developers must pay laborers the general prevailing wage of Los Angeles and contractors must employ a “skilled and trained workforce,” with limited exceptions.

### **Implementation and Effective Date**

On July 1, 2023, the provisions of AB 2011 and SB 6 became effective and available to any housing development project that meets the criteria in state law described above. Projects that meet the criteria for AB 2011 will follow the process outlined in the Department’s [Application Instructions for AB 2011](#), also available on the Department’s website at [planning.lacity.org](http://planning.lacity.org) (see Forms).

Certain requirements may be conditioned as part of City Planning’s administrative approval and a clearance may be required prior to issuance of a Certificate of Occupancy.

For existing entitlement cases for which a Letter of Determination has not yet been issued, and an applicant would like to request to utilize additional allowances provided by this bill, please contact the planner assigned to the case (available in the online Planning Case Tracking System (PCTS)). The Affordable Housing Referral Form and any other relevant materials shall be amended to include the new request (fees may apply).

For any questions related to this memo, please contact the Affordable Housing Services Section at [planning.priorityhousing@lacity.org](mailto:planning.priorityhousing@lacity.org). For questions about the building permit process please contact LADBS through the City’s 311 call center by dialing 311 or by visiting <https://www.ladbs.org/ourorganization/customer-services/contact-us>.