

# FACT SHEET

## Cornfield Arroyo Seco Specific Plan (CASP) Update

### Summary

In response to a City Council Motion (Council File No. 13-0078-S2), Los Angeles City Planning is launching a new effort to evaluate and amend the Cornfield Arroyo Seco Specific Plan (CASP). Specifically, City Planning is looking to update the CASP's incentive zoning regulations so that they can better advance opportunities for affordable and mixed-income housing. The effort is anticipated to be a multi-year process, beginning with initial public outreach during Fall 2020.

### Background

The CASP is a land use plan adopted in 2013, developed in collaboration with community stakeholders and housing advocates, that rezoned largely industrial properties adjacent to the Los Angeles River, and in proximity to three Metro L (Gold) Line stations. The CASP encompasses an area of 660 acres (1.0 square mile), with approximately 6,201 individuals (1,814 households) residing within its boundaries in 2018. Additionally, the CASP abuts the existing communities of Chinatown, Lincoln Heights, and Cypress Park.

One of the community's goals for the CASP is to facilitate the production of affordable housing for Extremely Low and Very Low Income households<sup>1</sup>. Approximately 48 percent of renter households in the CASP are Extremely Low or Very Low Income, compared to 30 percent with the City of Los Angeles as a whole<sup>2</sup>. However, since the CASP's adoption, both affordable and mixed-income housing production within the CASP has been limited. In response to a Council motion, City Planning is embarking on a work program that will update the CASP so that it can better advance housing opportunities for all Angelenos.

<sup>1</sup> Extremely Low and Very Low Income households are defined as those earning 0-30% and 30%-50% of Area Median Income (AMI) respectively.

<sup>2</sup> U.S. Census ACS 2014-2018



Updates to the Specific Plan may include recalibrated zoning and incentives that better support the production of affordable and mixed-income housing, along with technical revisions that can help ensure consistency, clarity, and ease of implementation. As part of this process, City Planning will consult with local community groups, residents, businesses, housing and development professionals, and other stakeholders to reconfirm the values and vision that will guide the update moving forward.

## Key Provisions

A key feature of the CASP is its groundbreaking value capture incentive zoning system, developed in close collaboration with community stakeholders and housing advocates. The system grants housing developers additional floor area rights in exchange for setting aside affordable units for low-income households.

City Planning is looking to make targeted revisions to the CASP, including its incentive zoning system, that further strengthen the original vision and intent of the Specific Plan. This update involves the following components:

- Recalibrating zoning regulations and incentives to incentivize affordable housing development more strongly;
- Identifying additional opportunity areas that could allow for affordable and mixed-income housing development;
- Updating the Specific Plan to reflect current and future demographic, regulatory, environmental, and economic conditions; and
- Updating the Specific Plan’s standards, processes, and procedures to be more intuitive and transparent.

## Frequently Asked Questions

**How many units of housing have been proposed or approved pursuant to the CASP?**

Since the CASP was adopted in 2013, a total of 360 residential dwelling units have been proposed in conformance with the CASP’s zoning regulations. Of these 360 units, six units would be reserved as affordable units for Extremely Low Income households pursuant to the CASP’s affordable housing incentives.

An additional 2,188 units have been proposed or approved within the CASP boundaries, but those projects were not subject to or in conformance with the CASP’s zoning regulations.

## Why has the production of housing been so limited pursuant to the CASP?

Aside from encouraging affordable housing, a primary goal of the CASP is to protect existing industrial areas from residential encroachment, while also finding areas where residential, commercial, and light industrial uses can co-locate. Accordingly, the majority of land in the CASP has been zoned to not allow predominantly residential development. A limited number of parcels, comprising 25 percent of land in the CASP, is zoned Urban Village which allows for residential projects. The CASP's limitations on residential development, and emphasis on job-producing uses, help to explain the limited housing production seen in the CASP.

As part of this update, the City is not moving away from the adopted goals of the CASP. The CASP will continue to preserve viable industrial land that can be used as employment sites. However, City Planning will identify additional areas where residential development may be suitable to further the CASP's other goal of supporting affordable and mixed-income housing production.

## Why is the City interested in increasing housing production in the CASP area?

This planning effort is in response to a City Council Motion (Council File No. 13-0078-S2) calling for an evaluation and amendment of the CASP's land use incentives, particularly with regard to mixed-income housing production.

Additionally, City Planning is responding to urgent calls for more affordable housing throughout Los Angeles, including within the communities in and around the CASP. The CASP has a substantially higher share of low-income households, which are more vulnerable to indirect displacement caused by rent increases, compared to the City as a whole. As of 2018:

- 33 percent of households in the CASP earn less than \$25,000 annually, compared to 21 percent of households with the City as a whole;
- 76 percent of households in the CASP are renter-occupied, compared to 63 percent of households within the City as a whole; and
- 48 percent of renter households in the CASP are Extremely Low or Very Low Income, compared to 30 percent of households within the City as a whole.

Twenty-eight percent of households in the CASP are severely rent-burdened, spending more than 50 percent of their monthly income on rent. Across the City, this high rent burden disproportionately affects communities of color, including within the CASP, where 89 percent of residents are persons of color. City Planning is committed to addressing these disparities and seeks to advance opportunities for affordable and mixed-income housing production through this update to the CASP.

## How can the CASP support affordable and mixed-income housing development?

As part of the CASP update, City Planning will be identifying additional opportunity areas that could allow for housing development, including affordable and mixed-income housing.

Additionally, the CASP has an existing incentive-based zoning system, developed in collaboration with community stakeholders and housing advocates, that grants developers additional floor area rights, in exchange for reserving a portion of units for low-income households. The system seeks to capture the land value increases that result from rezoning and public investment to create public benefits such as affordable housing. City Planning will be recalibrating these incentives to reflect market conditions and enhance their effectiveness. Since the Specific Plan's adoption, new state and local legislation relative to affordable housing incentives has also opened new opportunities.

Furthermore, the CASP can encourage affordable and mixed-income housing production more broadly by easing development restrictions on new residential projects. For example, variable height limits could allow for innovative, cost-saving building types such as modular construction. City Planning will also update the Specific Plan's standards, processes, and procedures to be more intuitive and transparent with the goal of enhancing development certainty for both private and non-profit developers.

## Will Affordable Housing Bonus Option Strategy B be modified or reinterpreted?

The Council Motion calls for an amendment to the CASP to revise an existing affordable housing incentive known as the Affordable Housing Bonus Option Strategy B. As part of the CASP update, City Planning will revisit and recalibrate existing incentives. The revisions will be informed by economic analysis with the goal of supporting affordable and mixed-income housing production. Existing incentives, including Strategy B, may be updated with a revised base and bonus system intended to establish a clearer set of objective standards for projects that wish to build beyond their base zoning.

## What is the timeline for this process?

The evaluation and amendment of the CASP is expected to be a multi-year process, beginning with initial public outreach during Fall 2020. During this phase, the City will work with stakeholders to reconfirm the values and vision that will guide the work program moving forward, evaluate potential barriers to housing production in the Specific Plan Area, and update regulations to support affordable housing goals.

Following this initial phase, work will begin on drafting proposed Specific Plan and zoning updates and on environmental analysis of proposed regulations. Draft Plan

updates, environmental documents, and other materials will be released to the public for review and comment throughout 2021.

The eventual adoption of a revised Specific Plan will involve a City Planning Hearing Officer public hearing, approval by the City Planning Commission, and adoption by the City Council.

### How can the public engage with the City in this process?

As part of its evaluation of the CASP, the City will consult with local community groups, residents, businesses, housing and development professionals, and other stakeholders. In order to ensure the wellbeing of our public, and our public servants, engagement will be hosted online in a variety of forums including webinars, small group discussions, open-house style and interactive web displays, as well as traditionally mailed material and conference calls. In person gatherings may occur, when advisable consistent with Los Angeles City directives. Spanish, Cantonese, Mandarin, and Vietnamese interpretation will be provided at workshops and open houses.

Contact information is provided below. Interested stakeholders and organizations are encouraged to submit their contact information to remain informed and involved. More information on the proposed CASP update can be found at [Planning4LA.org/casp-update](https://Planning4LA.org/casp-update).

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