



# CENTRAL CITY WEST SPECIFIC PLAN AMENDMENT

Revised November 2018

## SUMMARY

The proposed ordinance amends the affordable housing provisions of the Central City West Specific Plan. The purpose of the amendments is to align the Central City West Specific Plan's affordable housing requirements with State law and City ordinances that have been adopted subsequent to the 1991 adoption of the Central City West Specific Plan (Specific Plan), while continuing to facilitate the production of affordable housing dwelling units in the area. The proposed amendment was initiated by a City Council motion (adopted June 13, 2018), which instructed the Department of City Planning to update the Specific Plan to phase the reinstated inclusionary housing requirement and prepare other revisions to the Specific Plan's affordable housing provisions that make them more consistent with current affordable housing laws.

The proposed amendments include:

- Modifying the method for calculating affordable dwelling units to align with State Density Bonus law (a percentage applied to the base density rather than total units proposed);
- Adding the Very Low income category as an additional option to comply with the Specific Plan's inclusionary housing requirements;
- Replacing the Specific Plan's "Housing Linkage fee" with commensurate fees required by the Citywide Affordable Housing Linkage Fee Ordinance; and
- Phasing the implementation of the modified inclusionary housing requirements.

## BACKGROUND

In 2009, in *Palmer/Sixth Street Properties, L.P. vs. City of Los Angeles* (Palmer), the Second District Court of Appeal held that the Central City West Specific Plan's inclusionary housing provisions for rental units were preempted by the State Costa-Hawkins Rental Housing Act. Since the Palmer decision, the City has treated the Specific Plan's inclusionary housing requirement for residential units as unenforceable, and projects have been processed without an inclusionary housing requirement, in accordance with the Palmer decision.

A recent State law, Assembly Bill (AB) 1505, which became effective January 1, 2018, explicitly allows cities to impose inclusionary housing requirements and declared its intent to supersede the court ruling in the Palmer decision. With the passage of AB 1505, local jurisdictions have authority to impose inclusionary housing laws. Consequently, the City is once again implementing the Specific Plan's inclusionary housing requirements. Additionally, in the intervening time since the Palmer decision, a number of State laws and

City ordinances have been adopted to facilitate the development of affordable housing units Citywide.

## FREQUENTLY ASKED QUESTIONS

### What are the differences between the existing and proposed regulations?

The table below describes the differences between the Specific Plan’s existing affordable housing regulations and the proposed amendments.

<b>Existing Requirements</b>	<b>Proposed Amendments</b>
<p><b><i>Calculation of affordable dwelling units</i></b></p> <p>Not defined in the Specific Plan. Dwelling units are calculated after land use incentive, relying on the common definition of “total” **</p>	<p><b><i>Calculation of affordable dwelling units</i></b></p> <p>Dwelling units calculated on base allowable density, prior to land use incentive, similar to State Density Bonus law**</p>
<p><b><i>Inclusionary Housing requirements</i></b></p> <ul style="list-style-type: none"> <li>• 15% Low Income set-aside</li> </ul>	<p><b><i>Inclusionary Housing requirements</i></b></p> <ul style="list-style-type: none"> <li>• 15% Low Income set-aside; or</li> <li>• 8% Very Low Income set-aside</li> </ul>
<p><b><i>Fees</i></b></p> <ul style="list-style-type: none"> <li>• Nonresidential floor area is subject to Specific Plan’s Housing Linkage Fee. The Specific Plan’s Housing Linkage Fee is generally triggered for a development project consisting of nonresidential floor area greater than 40,000 square feet.</li> <li>• Projects have the option of paying a per-unit, “In Lieu Fee” instead of constructing required affordable dwelling units on-site.</li> </ul>	<p><b><i>Fees</i></b></p> <ul style="list-style-type: none"> <li>• Specific Plan’s Housing Linkage Fee replaced with Citywide Affordable Housing Linkage Fee: <ul style="list-style-type: none"> <li>○ Nonresidential floor area is subject to the Citywide Affordable Housing Linkage Fee schedule. Exemptions will be the same as the Citywide Affordable Housing Linkage Fee (LAMC Section 19.18), except that development projects consisting of 10 dwelling units or less are exempt from paying the Citywide Affordable Housing Linkage Fee.</li> <li>○ Residential floor area is exempt from the Citywide Affordable Housing Linkage Fee when the development project complies with the Inclusionary Housing requirements, either by constructing the units on-site or paying the Specific Plan’s “In Lieu Fee.”</li> </ul> </li> </ul>

\*\*Residential and mixed-use projects consisting of 11 dwelling units or more within the Specific Plan must provide affordable dwelling units or pay the Specific Plan’s per-unit “In Lieu Fee,” regardless of participation in any other incentive program (e.g., Density Bonus). All required affordable dwelling units count toward meeting the requirements of the other affordable incentive programs.

### **How do these modified regulations affect my project?**

Upon the effective date of the ordinance, residential or mixed use development projects consisting of 11 dwelling units or more are subject to the modified Inclusionary Housing requirements, in accordance with the phasing provisions of the ordinance.

Projects seeking incentives per the Transit Oriented Communities Affordable Housing Incentive Program (TOC), Density Bonus, or any other affordable housing incentive program are still subject to the requirements of those respective incentive programs, regardless of the Specific Plan's phased implementation timeline.

### **Who can I contact for more information?**

For additional information, contact Giselle Corella at [giselle.corella@lacity.org](mailto:giselle.corella@lacity.org) or (213) 978-1357. Media inquiries should be directed to Lauren Alba at [lauren.alba@lacity.org](mailto:lauren.alba@lacity.org) or (213) 978-1190.