



**DEPARTMENT OF CITY PLANNING
SUPPLEMENTAL RECOMMENDATION REPORT**



CITY PLANNING COMMISSION

DATE: June 26, 2014
TIME: After 8:30 a.m.*
PLACE: Van Nuys City Hall Room 350
 200 N. Spring Street
 Los Angeles, CA 90012

PROJECT: CPC-2014-1582-CA
COUNCIL FILES: CF 12-0460
CEQA: ENV-2014-1583-EAF
LOCATION: Citywide
COUNCIL DISTRICT: All
PLAN AREAS: All

SUMMARY: The draft **re:code LA** Zoning Code Evaluation Report (Code Evaluation) outlines the direction and key provisions for the structure of a new citywide zoning code and recommends a comprehensive set of land use regulations to implement the City’s General Plan and other long range planning goals. In addition, the Code Evaluation will guide the development of a Downtown Code, and a new, first-of-its-kind web-based code.

RECOMMENDED ACTIONS:

Approve the draft **re:code LA** Zoning Code Evaluation Report;
Approve the proposed revisions to the Code Evaluation outlined in Appendix A; and
Recommend that City Council approve the amended Code Evaluation.

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The official re:code LA project logo

Background

At its regular meeting on May 22, 2014 and special meeting on June 6, 2014, the City Planning Commission considered the Department's Staff Recommendation Report on **re:code LA's** Zoning Code Evaluation Report (Code Evaluation). At these meetings, staff highlighted four policy directives included within the draft Code Evaluation and provided a 30-item synthesis of comments received from the public, the Zoning Advisory Committee (ZAC), and the Technical Advisory Committee (TAC). In addition, the City Planning Commission (CPC) discussed the pace for implementing the new Code by remapping the City from the existing zoning system to a new system.

This supplemental staff report summarizes the CPC discussion from the previous meeting and incorporates the actual text changes into Appendix A—*Proposed Revisions to the Draft Zoning Code Evaluation Report*. In addition, the approach for implementing the new Code is outlined at the end of this report.

The following chapter titles and descriptions of the Code Evaluation remain the same since the May 22, 2014 and June 6, 2014 meetings and are included for your reference:

Evaluation Report Chapters

Chapter 1 – Distinct Neighborhoods

Preserve neighborhood character while promoting better urban design for multi-family residences.

Chapter 2 – Housing Affordability & Diversity

Modify existing housing regulations and expand housing types.

Chapter 3 – Centers and Corridors

Improve design and landscape standards for the commercial corridors and expand zoning types.

Chapter 4 – Transportation Choice

Develop new parking standards and zoning around transit stations.

Chapter 5 – Jobs and Innovation

Enhance the City's industrial zones.

Chapter 6 – A Strong Core

Target new and updated zoning tools to enhance Downtown Los Angeles as a group of livable, job-rich, mixed-use neighborhoods.

Chapter 7 – A Healthy City

Increase healthy, environmentally friendly initiatives and access to open space.

Chapter 8 – Code Delivery

Ensure a responsive, open and intuitive format and appearance for a new Zoning Code.

Approximately 600 comments were received from the ZAC, the TAC, and the public. Comments are generally in agreement with the goals of the Code Evaluation and none objected to its overall direction. Per CPC instruction on June 6, 2014, a brief summary of recommended changes to the Code Evaluation is organized by topic below.

Summary of CPC Discussion

Chapter 1: Distinct Neighborhoods – No changes to Code Evaluation recommended.

Chapter 2: Housing Affordability and Diversity

Priorities for the City's future growth should include neighborhood preservation and compatibility issues while encouraging green, multimodal, walkable community design and all the changes necessary to accommodate these goals. There is a need for preservation of historic assets that are not yet designated as historic or within a Historic Preservation Overlay Zone (HPOZ). To accomplish this, the new Code should build on the findings of SurveyLA and include more zones tailored to neighborhoods and expand the menu of development options.

The new Code should enhance affordable housing and diversity along major transit corridors, while minimizing displacement of core transit riders. Strategies beyond density bonuses should be considered to identify methods of increasing the production of affordable housing.

Recommendations for specific changes are included in Appendix A.

Chapter 3: Centers and Corridors

Modified commercial zones should make allowances for the needs of small businesses and other entrepreneurial activities, including business incubators. The geographic expansion of the commercial parking credit system, which allows businesses to meet their parking requirements with City-owned parking spaces, should be explored. Other means of strengthening commercial centers would be to expand downtown incentives to other regional centers; and relax minimum parking and setback requirements.

By establishing a two-tier home occupation permit process, the City could modernize and expand enterprise opportunities. In certain areas, it may be advisable to require that work spaces be situated in the front for street activation.

Recommendations for specific changes are included in Appendix A.

Chapter 4: Transportation Choice

Existing parking requirements should be reevaluated and modernized, while taking into consideration spillover effects onto residential areas. Zones that allow off-site residential parking should be considered to facilitate affordability and innovative site design. The Code should recognize the importance of innovative bus service for Transit Oriented Districts (TOD), in addition to rail.

Recommendations for specific changes are included in Appendix A.

Chapter 5: Jobs and Innovation – No changes to Code Evaluation recommended.

Chapter 6: A Strong Core

To improve certainty and predictability, Transfer of Floor Area Ratio (TFAR) regulations and procedures should be streamlined and refined, particularly with respect to receiver and donor sites and the allocation of public benefit trust fund dollars. TFAR could be expanded to other regional centers as appropriate.

Adaptive Reuse should be expanded by-right to other areas citywide, where appropriate. Conversions other than just commercial-to-residential should be considered, and any minimum unit size should be eliminated.

Recommendations for specific changes are included in Appendix A.

Chapter 7: A Healthy City

Equity, public health, environmental justice, and sustainability should be addressed in the new Zoning Code. Development and design standards, as well as standard mitigation measures, should be incorporated into base zoning to help address environmental impacts. Incentives for exceeding the baseline California Green Building Standards (CAL Green) Code should be explored.

Recommendations for specific changes are included in Appendix A.

Chapter 8: Code Delivery

Careful and timely coordination and communication with Department of Water and Power, Department of Building and Safety, Department of Public Works, Police Department, Metro, and other applicable departments is needed to support all City plans and ensure safety, adequate service and infrastructure. New development should be directed toward corridors where transit is planned. Appropriate design guidelines should be converted into standards. Broader use categories should be devised so as to allow for technological advances and changing priorities. The City should be more proactive in regulating new undesirable uses.

Recommendations for specific changes are included in Appendix A.

Implementation of the New Zoning Code

The most important and foundational issue of the Code Evaluation Report is how the new Zoning Code will be implemented. What happens on the first day the new Code goes into effect? What parts of the new Code will take more time to implement? Answers to these fundamental questions are provided below.

1. Case Processing Procedures.

Case processing procedures include both quasi-judicial determinations (such as variances and conditional use permits) and legislative actions (such as applications for individual zone changes or applicant-initiated supplemental use districts). The Code today includes about 70 separate entitlement procedures. One of the primary purposes

of the new Code is to streamline and consolidate these case processing procedures by identifying and standardizing common requirements and eliminating obsolete or redundant procedures, thus reducing the total number of separate processes that the Department must administer.

Implementation Date: The first day the new Code legally becomes effective.

2. Citywide Development Standards.

Regardless of which zone a property is in, it is generally subject to citywide development standards. These include, among many others, parking requirements, private and common open space requirements for multi-family housing, and landscaping standards. The new Code will modernize these standards and align them with the General Plan, including the Plan for a Healthy Los Angeles and Mobility Plan 2035.

Implementation Date: The first day the new Code legally becomes effective.

3. Zoning

Today's Code applies site-specific land use regulations through a complicated system of base zones, overlay zones, height districts, specific plans, and site-specific regulations called Ts, Qs, and Ds. In some cases, individual parcels may have upwards of five layers of land use regulations, enormously complicating the process of determining exactly what can or cannot be built on a piece of property. The new Code will reduce this complexity and provide greater development certainty by creating a more refined set of zones and zoning rules. This will greatly reduce the need for overlays and other cumbersome zoning tools the City has relied upon to provide community-responsive, context-sensitive zoning. As discussed below, implementation of the new zoning system will be accomplished through a two-step process.

a. Zone Conversions

The new Code will deliver a set of new zones and updated standards for some existing zones. This bundle of regulations will closely match the zoning applicable to individual parcels in effect today. But, they will be much simpler to use and easier to understand through updated graphics, simplified text, and consolidated regulations and standards. In much of the City, there is no need to change the existing zoning. For example, most areas today zoned single-family should remain zoned single-family. Likewise, most areas of the City zoned for industrial uses or for open space should likewise remain zoned for industrial uses and for open space. In these areas, the issue is not changing the development standards of these zones through zone changes - and thus fundamentally changing the purpose for which this land should be used - but is rather consolidating the City's existing regulations applicable to this land.

In some cases the new Code will update and strengthen an existing zone. For example, it may be possible that the new Code will retain the MR1 and MR2 Zones intact; these are industrial reservoirs intended to protect and nurture industrial jobs and guard against encroachment by commercial uses. The new Code may simply update the use regulations applicable to all property currently zoned MR1 and MR2 today, but only to better carry out the purpose of industrial land preservation. In some cases, the existing regulations are so complicated through various overlays and other site-specific rules that a new zone may need to be created. The new zone will be drafted to closely match the existing regulations, but utilize the new and improved presentation that will be a hallmark of the new Code.

All of these changes that do not involve remapping or otherwise changing the boundaries of existing zones, but that merely update, simplify, and consolidate existing regulations are classified as “zone conversions” to distinguish them from zone changes, as discussed below. The zone conversions can be accomplished as part of the **re:code LA** project and therefore will go into effect on day one of the new Code.

Implementation Date: The first day the new Code becomes legally effective.

b. Zone Changes (Remapping)

A zone change fundamentally alters the purpose for which a parcel of land may be used. For example, rezoning industrial land to commercial or rezoning single-family land to multi-family are fundamental changes. Such fundamental changes often also mean changing the Community Plan, to make sure the General Plan and the zoning are consistent, as required by State law. Zone changes address policy needs and community issues, and typically are directed at areas of the City where the existing zoning is inadequate to carry out the Community Plan, either as it exists today or as it is being revised. When the City systematically changes the zoning in a neighborhood through a Community Plan revision process, it focuses on active change areas – for example, areas where a new transit station is planned, or where development pressures are harming the character of an existing neighborhood. Areas identified for change might require stricter development controls to preserve historic and stable single-family neighborhoods.

The question as to whether or not fundamental changes should be made to an existing community’s zoning is therefore a policy and planning issue, best addressed through the community plan update process. The zone conversions discussed above cannot address these core planning issues. For example, if a single-family neighborhood is improperly zoned and development pressures are fundamentally altering its character, then downzoning or other rezoning is the only solution. Likewise, if the existing zoning for Downtown or around a transit station puts up too many roadblocks for the kind of development the General Plan prioritizes, then zone conversions, as characterized above, will not be enough to implement the Plan. Zone changes carried out through a

systematic community plan update process will likely be necessary. As such, zone changes necessary to carry out planning policies cannot be accomplished as part of the **re:code LA** effort. Instead, they can only be carried out through community plan updates or considered as part of a private application for a zone change.

Implementation Date: The dates vary, depending on when community plans are updated. In addition, the Department will continue to process individual zone change applications submitted by developers and other private parties. The Department recognizes the need to expedite the preparation of community plans in order to make new, context-sensitive zoning tools available more quickly. To carry out this objective the Department will develop a strategic plan to expedite its long-range planning processes, including the process of updating the General Plan and community plans. A key focus of this strategic plan will be reorienting the community plans to deliver the new Zoning Code.

c. Specific Plans

The **re:code LA** project will not amend any existing adopted specific plans, including through the zone conversion process described above. Existing adopted specific plans will remain intact. As part of future community plan updates, however, communities may conclude that the new Zoning Code provides a more effective means for achieving a particular specific plan's goals and policies. They may then decide that rezoning using the new zones should be conducted.

Conclusion

Approving the Code Evaluation with the recommended changes sets a roadmap for the **re:code LA** team to proceed in comprehensively rewriting the Zoning Code, including the development of a Downtown Code and a new, first-of-its-kind web-based code. The Code Evaluation provides the policy direction for crafting new zoning provisions and how to best allocate the project budget. Over the next four years the project will be guided by the Code Evaluation.

To serve its intended purpose and maximize the City's investment, the new Zoning Code must be implemented expeditiously. In order to update the City's zoning to the classifications established in the new Code, the City must pursue both zone conversions and zone changes. Zone conversions can be accomplished through the **re:code LA** effort, and zone changes can be achieved via a community plan update program. Given that our current community plan update program is unable to implement such a monumental effort in a timely manner, a better strategy for updating community plans must be developed.

Appendix A – Proposed Revisions to the Draft Zoning Code Evaluation Report

(CPC June 12, 2014 Action)

Page 24 **Revise 2.1. CONTINUE TO PROVIDE INCENTIVES FOR AFFORDABLE HOUSING, as follows:**

~~To promote greater production of affordable housing near transit, the ordinance also permits an increase in Floor Area Ratio (FAR) from 1.5:1 to 3:1 for commercially zoned properties in Height District 1 that are within 1,500 feet of a rail station or a rapid bus stop. The City should consider expanding the bonus and incentive provisions with the hope of increasing the supply of affordable units within walking distance of transit facilities.~~

Although State law allows only modest improvements to the existing density bonus provisions (often referred to as SB 1818), the Department will explore revisions to the Zoning Code that could result in a net increase in the production of affordable units.

Page 25 **Add a NEW SECTION 2.2 discussing issues of displacement, as follows, and renumber the next sections accordingly:**

2.2. MINIMIZE THE DISPLACEMENT OF CORE TRANSIT RIDERSHIP

Many Transit-Oriented Districts (TOD) across the City include substantial housing stock that is inhabited by core transit riders. The majority of transit riders in Los Angeles are low income or very low income individuals. As transit corridors and nodes are developed, every attempt should be made to ensure that this development does not reduce transit ridership.

A policy focused on ensuring that core transit riders are not displaced as new development occurs is an appropriate component of many TOD plans (“no net loss”). Where current policy direction has been established, the new zoning should incorporate mechanisms that enable the inclusion of affordable units for transit riders through legally allowable means.

We need to ensure that rent-stabilized units (based on those buildings with two or more units built before 1978) are retained in the future. Unfortunately, there are a variety of ways rent-stabilized units are lost:

- » Redevelopment
- » Conversion to condominiums
- » Major rehabilitation

Other strategies for retaining and increasing housing that is affordable should be explored for projects where the City approves a discretionary land use entitlement as legally allowed. In those cases where the development occurs within the existing rules, there is no legal option for forcing the retention of rent-stabilized units.

Tenant relocation plans are typically only required of discretionary review projects, or as part of the environmental review process. This means that tenant relocation is rarely addressed in ministerial (by-right) projects. To the extent possible, the new Code should require relocation plans for all development (whether discretionary or by-right), especially in areas near transit and where riders may be lost to relocation.

Page 34-35 On the second page of Section 3.6. CONSIDER IMPROVED OPTIONS FOR DESIGN REVIEW, add a new paragraph after the first full paragraph discussing issues of alternative designs, as follows:

Review bodies should be allowed to consider whether materials and design options presented by an applicant are “equivalent or better” than the requirement in the Code. For example, this concept could be used to approve a new type of electric vehicle charging station. Use of this concept ensures that the Code does not become out-of-date as new materials and design approaches are introduced over time.

Page 38-39 Revise the following sentences in 4.1. RETHINK ZONING AROUND TRANSIT STATIONS:

In order to help ensure enough people live near transit (especially rail and bus rapid transit) to fully utilize the system, it makes sense to allow for increased density options around transit stations and bus-rapid transit corridors.

Zoning for station areas and bus rapid transit corridors must feature walkability, paying special attention to the interface between buildings and the street.

Additional Reading:
First Mile/Last Mile Study

Page 42-43 Revise the following paragraphs in 4.3. RIGHTSIZING THE CODE’S APPROACH TO PARKING:

» Provide standards for automated (mechanical) parking systems, unbundled parking, and shared-valet services.

In summary, the current approach to parking across the City should be reevaluated in light of contemporary development trends. Parking ratios should be more responsive to context and the availability of transit, without significantly impacting surrounding

residential areas.

Page 49 In 5.4. ENHANCE THE JOBS HOUSING BALANCE, add the following new paragraph before Live/Work:

Home-Based Businesses. The conservative nature of the City's existing provisions for home occupations discourages entrepreneurs that might otherwise successfully run a business from their home. Currently, the City's Building Code allows five employees to be engaged in a home occupations, which contradicts the Zoning Code's limit of one. The City should consider an option allowing applicants to exceed the thresholds for number of employees, expand the use list, and explore further accommodations for live-work arrangements. This option would typically be exercised only following a public hearing on the proposed home-based business. While this option is not appropriate for all portions of the community, it should be a part of the toolbox of options in the new zoning.

Page 54 In 6.3. Rethink the Transfer of Floor Area (TFAR)

The Zoning Code regulates the process for approving transfers of floor area, which require the approval of the City Planning Commission, City Council, and Mayor. As part of the approval of any transfer of floor area rights, the current Code requires that payments be earmarked for the TFAR Public Benefit Payment Trust Fund, which is paid out to support the provision of public benefits either on public or private property. As part of the re:code LA project, TFAR should be reviewed for revisions to make the program more efficient and effective. Alternative mechanisms that achieve the same goals and objectives as TFAR should also be identified and considered. Public Benefit Trust Fund dollars should only be used for physical development projects, and not to fund broader citywide policy efforts. With a new and improved transfer of development rights or equivalent system, the City can explore the possibility of expanding this new tool to other areas, as appropriate.

Page 61 Revise 7.4. REMOVE BARRIERS TO GREEN SOLUTIONS to add a new paragraph at the end of the bulleted list, and edit the existing text as follows:

- Any other options that serve to reduce carbon emissions.

LA should review existing regulations on these and similar sustainability concepts, to ensure that existing rules do not create barriers to implementation of useful ideas. The City should also investigate opportunities to exceed the base requirements using incentives. Many of these issues may already have been interpreted to be acceptable practices by the City staff.

Page 63 Add a NEW SECTION 7.5 discussing standard mitigation measures, as follows:

7.5 REVIEW THE STANDARD MITIGATION MEASURES FOR IMPROVED ZONING STANDARDS

The City has a standard list of mitigation measures imposed when a project is subject to environmental review. Unfortunately, many projects in the City do not cross the thresholds requiring this review, and therefore the impact measures are not imposed. The series of specific use and design requirements in the standard mitigation measures should be reviewed, and where appropriate, incorporated in the new Zoning Code. Some of the specific development standards that have been identified include:

- Grading
- Landscaping
- Light colored roofs
- Noise
- Outdoor lighting
- Retaining walls
- Site design adjacent to the LA River
- Stormwater mitigation
- Tenant relocation
- Trash receptacles
- Tree removal

Some of the specific use standards that should be considered, including:

- Auto repair garages
- Helipad/helistop
- Horsekeeping facilities
- Spray painting

Page 63 Add a NEW SECTION 7.6 discussing Quimby and Fracking, as follows:

7.6 OTHER ISSUES, SUCH AS PROVISION OF PARKS AND FRACKING

Parks

The fact that Los Angeles is a park-poor city compared to other large American cities is common knowledge, and is supported by a wealth of studies and statistics. More specifically, the City's park deficiency is concentrated in lower-income areas. The City's "Quimby" regulations (named after the State law) require developers of residential

subdivisions to dedicate land or pay an in-lieu fee which the City uses to develop and improve parks and recreational facilities that serve the residents of the subdivision. Quimby applies only to residential subdivisions (for example, condos and “tract homes”). The fees vary by zone and are charged per unit.

Since Quimby fees are paid only by subdivisions, they generate park funding only for neighborhoods where subdivision development takes place. Subdivisions typically take place to either divide up vacant land into individually saleable parcels, or to divide up airspace within a proposed condominium development. The Department of City Planning will be revising the Quimby ordinance separately from re:code LA. The Quimby program may be revised to ease distance restrictions on spending, update the credit system, provide fair standards for affordable units, encourage land dedication over in park impact in lieu fees, require park impact fees for rental units, and incentivize on-site open space.

Fracking

Recently, energy companies have expanded their use of hydraulic fracturing, or fracking, to extract petroleum and gas from rock layers and shale. The fracking process involves injecting water and chemicals into those rock layers at very high pressures in order to extract the petroleum and gas. In several cases this has led to contamination of groundwater and air quality, and some have hypothesized that there is a relationship between fracking and increased seismic activity.

While there are few regulations on fracking at the State and national level, several cities have implemented laws designed to ensure that fracking operations do not harm their residents’ health and safety. City Council recently introduced a motion directing the Planning Department to change the Zoning Code to prohibit all activity associated with well stimulation.

Page 64 Revise 8.1. DEVELOP CLEAR AND TRANSPARENT REVIEW PROCEDURES by adding the following paragraph at the end:

To the extent possible, the new zoning should also be aligned with other codes and plans, eliminating conflicts and redundancies. City Departments that sit on the Technical Advisory Committee will help ensure this alignment, including the Department of Building and Safety, the Bureau of Sanitation, Public Works, Police, Fire, and Metro. Specific attention should be paid to aligning the zoning with Building and Fire codes, as well as the Long Range Transportation Plan.

Page 67 Add a NEW SECTION 8.3 discussing use regulation, as follows, and renumber the next sections accordingly:

8.3. APPLY A BROADER APPROACH TO USE REGULATION

The City currently regulates uses with a lengthy matrix of allowable uses published as a Zoning Administrator’s Interpretation. This long list of specific uses is still far from comprehensive, and is not set up to accommodate the addition of new uses. Other cities are approaching this problem by consolidating a variety of uses into a use category, and placing that category in a table. For example, the table might include a use described as “retail sales.” A definition of the category, along with example uses, is provided in the Zoning Code. This supports the interpretation of new uses by the City over time.

In addition to making the Zoning Code more flexible, there is a unique opportunity to use the web-based system to provide a more comprehensive list of existing uses, with a determination of which use category they are allowed in. This complete use list may run to thousands of uses, but would allow applicants and staff to easily determine how a specific use is intended to be handled.

Where uses are identified as having external impacts that must be managed, a set of use standards can be applied to ensure the impacts of a specific use are mitigated.