

On April 6, Councilmembers Ed Reyes (Council District 1) and Eric Garcetti (Council District 13) introduced a motion to create an inclusionary zoning program for the City of Los Angeles.

What is Inclusionary Zoning?

Under Inclusionary Zoning developers who are building new apartments, condominiums and homes are required to make some of the units affordable. It is an excellent tool for creating and preserving mixed-income communities because affordable homes and apartments are built at the same time and in the same neighborhoods as market-rate residences. Because new residential development in the City is occurring in relatively job-rich areas, Inclusionary Zoning helps even the housing-jobs balance by putting affordable housing opportunities near jobs.

How many units and how affordable?

Rental

12% of units affordable to 50% AMI or
10% of units affordable to 30% AMI

Homeownership

20% of units affordable to 80% AMI or
40% of units affordable to 120% AMI

Types of developments included

The mandatory requirement for affordable units would apply to all new construction developments across the City that have five units or more.

5 Ways to Meet IZ Requirement

- Build mixed-income units on-site. Developers would have two options in terms of the number of affordable units and the income level of the residents.
- Build units off-site. Developers would have the option to build the affordable units in a different location within the same Community Plan Area. However, they would have to build more units than if build on-site --11% or 13% for rental (depending on income levels), 22% or 44% for homeownership.
- Dedicate land. Developers would have the option to dedicate land suitable for residential development. The value of the land would have to be at least equivalent to the value of on-site units.

- Acquisition with or without Rehab. Developers would have the option to preserve at-risk housing or bring vacant units on line as affordable.
- In-lieu Fees. Developers would have the option of paying an in-lieu fee based on the economic equivalent constructing units. However, the calculation would be based on more units than if built on-site --11% or 13% for rental (depending on income levels), 22% or 44% for homeownership.

Developer incentives

The following package of benefits for developers builds on the City's current Affordable Housing Incentives Ordinance.

- Density bonus. The City now allows a 25% density bonus for developments with some affordable units, 35% if located near transit. Developers choosing mixed-income on-site would be entitled to an additional 15% density bonus if located near transit.
- Building Envelope. Height and Floor Area Ratio (FAR) would be increased to accommodate density bonus. Height District IXL could have an additional story, HD IVL could have two additional stories.
- Expedited Processing. Developers choosing the mixed-income on-site option would get priority in permit processing. The threshold for site plan review would be 100 units (currently 50 units).
- Parking. Under the City's Affordable Housing Incentives Ordinance only one parking space is required for each affordable unit. Guest parking would not be required when building near transit. Compact and tandem spaces would be allowed.
- Fee deferrals. Building permit and impact fees could be deferred until construction is completed. The City would still collect the same fees, but they would be delayed while the development is under construction.

