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Councilmember, Fourteenth District

Los Angeles City Planning Commission
City Hall,
200 N Spring St,
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June 15, 2021

RE: DOWNTOWN LOS ANGELES COMMUNITY PLAN UPDATE, “DTLA 2040”

Commissioners,

As we prepare to embrace the momentous task of updating the Downtown Los Angeles Community Plan, we must view the task before us through the lens of improving the quality of life for every single individual and family who lives or works in this historic center of Los Angeles: the housed, unhoused, and even those visiting from out of town.

In the years since the plans were last updated, much has changed in Los Angeles – especially in our Downtown neighborhoods. As we know, the number of people experiencing homelessness in Skid Row and the surrounding areas has increased. Businesses weathering the economic storm of COVID-19 have struggled, or been forced to shut their doors.

The challenge before us is not so much a challenge, as it is an opportunity to create a vibrant community – from Little Tokyo to South Park to the Historic Core, and Skid Row, and in each of the “Districts”: Arts, Toy, Fashion, Flower, and Financial. This is a chance to jump-start Downtown Los Angeles’ (DTLA) recovery and build livable neighborhoods that Angelenos will be proud to call home.

As the elected representative for the majority of the new Community Plan Area, I am honored to have the opportunity to work with this body and my constituents in finalizing this plan update, one that began long before I took office, and which will hopefully guide the City for years to come.

Downtown Los Angeles is the epicenter of development in Los Angeles, as well as the transit and entertainment hub of the city. What was once a nine-to-five business outpost that cleared out on evenings and weekends has grown into one of the region's biggest economic and business hubs. It has the potential to become a world-class urban center – but we have work to do.

Angelenos who work in DTLA should be able to afford to live in DTLA. Families young and old, raising children and grandchildren should feel safe walking down the street; and entrepreneurs who start their business here should be able to thrive. That's why I've spent the months since taking office listening to the many voices who have shaped this plan: Downtown residents (housed and unhoused), business owners, community service organizations, and developers of market rate and affordable housing. I have reviewed current proposed projects from the larger Transfer of Floor Area (TFAR), and General Plan Amendments down to the Conditional Use Permits and Cannabis Retail requests. I've been to the Frank Gehry project The Grand, on the span of the 6th Street Bridge, and at the entrances of the tents lining Skid Row.

Alongside the skyscrapers, restaurants, luxury high-rises, museums and concert venues is abject human misery – ground zero of a humanitarian crisis that manifests itself in an ever-growing community of people left to face the harsh realities of living on our streets.

Although a land use plan alone is not a cure-all for the intersecting crises of housing, poverty, mental illness, and addiction, it can be part of a holistic approach to improving the affordability and quality of life for a deeply historic community that is rich in both diversity and culture. The current reality is, most Angelenos cannot afford to live Downtown. Our city is warming rapidly, and the lack of green space and abundance of concrete in DTLA creates a brutal heat island. The economic divide is growing, and time is running out to clean the air we breathe and the water we drink. This is our reality, and it must inform the urgency with which we respond to these challenges, and rise to meet the needs of our city.

It is with this in mind, that I share my first and highest priority goals for DTLA 2040. I want to note that this is only the beginning of a dialogue. This letter is not comprehensive of all the issues and diverse visions for Downtown Los Angeles that we need to address as we publicly review DTLA 2040. I fully anticipate that your Committee will need to hold additional public hearings on the plan and that more time will be needed by the Planning Department to respond to the many new comments received since the last materials were released two weeks ago. I request that generous time be given between these two hearings to accommodate review and leave time for additional discussion and more detailed input before your final recommendations are submitted to the City Council.

It's crucially important that we adopt a new plan for Downtown Los Angeles, and that the plan represents the best of all our knowledge, discussion and review. To that end, I am focused today on how we might further cut through the process to **simplify** and **increase** the production of affordable housing, what the largest changes in land use in Downtown Los Angeles will be, and how we craft a thoughtful economic policy for Downtown that will support workers of all incomes and help us recover from the impacts of the COVID-19 pandemic.

Production of New Affordable Units:

My vision for our future Downtown is one where the workers in Downtown can also afford to live in Downtown. A dense, mixed income community that has quality public transit, decreased personal vehicle ownership, electric cars and trucks, wide sidewalks with healthy street trees, public open space and a thriving small business and arts and culture community - a complete city inside our City.

As your Commission knows, most of the tall buildings rising to twenty, thirty, forty stories or more in Downtown Los Angeles provide fewer units of onsite affordable housing than new six or seven story Density Bonus or Transit Oriented Community projects (TOC) in other parts of Los Angeles. Additionally projects which use the Transfer of Floor Area Ratio (TFAR) program are exempted from the Affordable Housing Linkage Fee Ordinance (Linkage Fee). As a result most of the residential skyscrapers in Downtown today have zero onsite affordable housing and do not contribute to the Linkage funds.

In order to address this lack of affordable housing the new DTLA 2040 Plan proposes a “base bonus” incentive system modeled after Density Bonus and TOC. Under this system, “base” projects which use the base heights, density and Floor Area Ratios will provide no affordable housing, and no additional benefits. Residential projects which want to increase above this base will provide affordable housing units and then a series of additional benefits such as open space, historic preservation credits and so on.

The alternative to an incentives based affordable housing program is a mandatory inclusionary housing program. Provision of mandatory onsite ranges of affordable housing from extremely low to moderate income units will be better for everyone. Los Angeles created housing incentives programs such as the Linkage Fee, and the TOC program during a time period when inclusionary programs were under legal attack, as the next best thing to inclusionary. But the State of California has since fixed this issue legislatively and now many jurisdictions in California have adopted inclusionary housing, including the County of Los Angeles. I’m pleased that my colleague Councilmember Cedillo has already proposed that the City adopt a Citywide Inclusionary Housing Ordinance. I support inclusionary housing as a whole, and particularly in Downtown Los Angeles.

Inclusionary housing has several benefits as compared to incentives or fee based housing programs. The first and primary benefit is simplicity. An interlocking system of benefits and fees such as the base bonus system is complicated. Complexity adds time and cost. In-lieu fees and trust fund payments are not transmitted until the projects are either finished with their review or issued certificates of occupancy, which means that the City cannot use the fees right away. Time is lost again in selecting projects through City processes and in building. This is a major issue in the provision of affordable housing - the City is already behind in increasing the supply of affordable and protected housing. In comparison, mandated on-site affordable housing becomes available at the exact same time the project is completed, which means that each unit is more quickly available.

A final benefit of inclusionary housing is that it separates the need for affordable housing from the decision by a developer as to whether or not to maximize the site. In incentives based programs, developers may find the market supports a smaller project to avoid the levels where housing incentives kick in. In an inclusionary program, all levels of the project will need to provide a percentage of affordable housing, therefore increasing the project density will no longer be related to whether or not the increase in project size is offset by provision of affordable housing. I believe this change will incentivize use of the bonus system in and of itself.

I ask your Commission to support me in recommending that the Downtown Los Angeles Community Plan become the first new plan update to implement an Inclusionary Housing Ordinance. We cannot wait for the Citywide Inclusionary Program when the opportunity is here right now to create a new baseline for affordable housing that will affect the greatest concentration of future residential units in the City. The plan is projected to add 176,000 new residents by 2040, and these residents cannot all live in above market rate housing.

Secondly I believe that we must do more to ensure that 100% affordable housing projects are entitled to the best options in project streamlining and the highest level of bonuses possible. As introduced in my Council Motion [21-0054](#), I am paying close attention to the process of affordable housing project review.

The DTLA 2040 plan should be designed to pair with process improvements by offering advantageous zoning and use standards that will provide fully affordable housing projects the greatest possible flexibility to maximize sites and minimize complicated review. The Community Plan Implementation Overlay Ordinance establishes additional incentives for affordable housing projects and I support this and any additional recommendations to offer every type of affordable housing project; from temporary and transitional shelters; to adaptive reuse; to ground up new builds a simple by-right process which will yield the greatest number of units on site and cut through the bureaucratic maze.

Housing Preservation:

I support aggressive protection for Downtown's historic affordable housing stock. The commitments made in previous plans have been continually undermined - the City and other government agencies have a long history in Downtown of pushing poor communities further away from the power centers of the area from Bunker Hill to Skid Row. Therefore, I will be looking closely at the recommendations provided by community stakeholders, the City Planning Department and this Commission on how to stop loss of existing affordable housing protected in any prior plans, covenants and programs. We have an obligation to ensure the City makes these commitments real and measurable and to provide transparency and accountability.

Skid Row:

Any discussion of a future plan for Downtown Los Angeles must include discussion of the policies and practices which will apply to Skid Row. Such discussion is always going to be challenging. The communities centered in Skid Row have complex needs that go well beyond land use and zoning. Zoning is an inadequate tool to express the entire vision of a community.

However, Skid Row was also shaped and changed through land use policy and practice and it is therefore crucial to consider if what we do together in this plan will protect or harm the community as a whole.

That's why it is important to note that the community boundaries of Skid Row should not be confused with the zoning designation of Ix1. I acknowledge the community boundaries of Skid Row are Main Street to Alameda Street and Third Street to Seventh Street. Many interrelated service providers of social housing, recovery services, arts and culture programming, and medical care exist in a radius around the proposed Ix1 zone and they too are part of what Skid Row is today. The zoning use of the Ix1 is not the entirety of what Skid Row is or where it is located, even though much of the discussion around Skid Row centers on this proposed zone.

From my perspective, the proposed Ix1 hybrid industrial and affordable housing zone is essentially "no change" zoning that acknowledges the critical epicenter of service providers of affordable housing, recovery services and medical care in a portion of Skid Row, which are currently within an industrial zone. It allows what currently exists, to continue to exist. I understand the legitimate concerns that such zoning concentrates poverty. However, if the Ix1 zone were changed to allow market rate housing, the historic patterns of change in Downtown Los Angeles would indicate that poor residents would be pushed out over time, and as it currently stands, there is nowhere else for them to go. The new plan will be densifying and allowing changes on all sides of Skid Row. Residents and stakeholders in Skid Row have entirely reasonable fears, backed up by historical patterns and decisions in Downtown that they will be displaced without some specific plan protections.

Therefore, I support holding the line on the zoning of Ix1 until such time as there is ample supply of permanent supportive housing Citywide or some alternate plan that will ensure many locations across the City offer both social support services and transitional housing. Here too, I see the provision of inclusionary housing and the protection of existing affordable housing in all of Downtown Los Angeles as also crucially important to decreasing the hard lines between Skid Row and the rest of Downtown.

Within the full community boundary area of Skid Row, I also recommend our policies address sensitive uses. While I don't believe that liquor or cannabis uses are inherently negative uses, many residents of Skid Row are in recovery or newly entered into sobriety. As such, within the Skid Row boundaries, there should be no further expansion of additional alcohol and cannabis retail uses, the number of existing licenses should be reviewed and capped, to ensure that as the areas around Skid Row change, the community is not flooded and Skid Row is reasonably buffered from neighboring districts. Downtown has a high concentration of these uses already. During the COVID-19 pandemic bars and restaurants became able to offer liquor to go and to offer expanded outdoor alcohol service. In most areas in the city these new options have been welcome changes, but in Skid Row, this expansion may have negative impacts on our residents.

Industrial Zones:

Currently Downtown Los Angeles is zoned so that 41% of the plan area is zoned industrial. Within this 41%, 17% is M2 Light Industrial and 24% is M3 Heavy Industrial. In the new plan,

17% of Downtown Los Angeles will remain a more traditional type of Light Industrial zoning, in two zones known as I1, at 5% and I2, at 12%. Heavy Industrial Zoning will be fully removed. The other four zones will be Hybrid Industrial Zones allowing for an assorted mix of additional residential and commercial uses including hotels, daycare, pre-school through high school, offices, and homesharing.

This is potentially the largest single use change to the City's Industrial Zones to ever occur in Los Angeles. Some of these changes are focused on areas that have already experienced some residential infill from the Adaptive Reuse Ordinance or General Plan Amendment projects and some areas will welcome the changes. However, I have concerns that the expansion of sensitive uses, particularly those for children such as daycares and schools may be in conflict with the existing neighboring industrial uses.

I have serious concerns that blue collar jobs and businesses or arts and artisan production may be pushed out in favor of a hotel, office, and residential mix that could be accommodated in all other parts of the City and the rest of Downtown. Moreover, I am concerned that the artists and small business owners whose hard work created communities in Downtown will suddenly be unable to afford workspaces in Downtown. I do however, want our industrial zones to become more walkable, more green, more vibrant, more adaptable to future industries, and more flexible for both large industrial uses and smaller workshops and businesses. If we are allowing for new housing, in most of our Downtown Industrial zones, I want this plan to fully consider which types of housing are appropriate and where.

I come to you with these concerns so we can start to have a public dialogue. I am listening to all the input and I particularly welcome the input of this Commission which has reviewed so much of the ongoing change in the area over the last two decades. We must work together thoughtfully with the Planning Department in considering if this plan has fully explored the unintended consequences of these hybrid industrial/residential uses. While many of the proposed uses have existed at some level in the industrial areas of Downtown for many years, such as in Skid Row, or the Arts District, in all such cases industrial uses were still the primary function of the area and this plan will change that, for better or worse. It is my goal that such change will be positive.

Hotels:

In general I support regulations to simplify the development process - to reduce project-by-project review and shorten approval timelines. Good regulation does not result in tailored case-by-case conditions unique to each site that must be constantly monitored and enforced. However, the call to require a Conditional Use Permit for hotels in Downtown Los Angeles is one which merits serious consideration, and I welcome the input from this Commission as to their thoughts and discussion on this subject.

Hotels in the new Hybrid Industrial zones are currently proposed to require discretionary review. Additionally, I have specific concerns about hotels that convert existing units of housing to hotel uses, sites where housing is demolished and a hotel is later proposed, or historic hotels that change from the Single Room Occupancy (SRO) into other models (particularly those hotels

subject to the Wiggins Settlement Agreement), and hotels which intend to request Incentive Agreements from the City. The DTLA 2040 Plan does contain some language for preventing some of these scenarios, but in all such cases, I would support additional time for public input and consideration of whether or not the hotel is replacing existing jobs or housing, adding new local employment and is a hotel type that is needed under the Los Angeles Tourism Master Plan. Downtown must balance the needs of visitor serving uses with those of residents.

Simplify The Bonus System:

By changing the DTLA Community Plan to require inclusionary housing, the Community Benefit program can correspondingly be simplified. To that end, I also ask the Commission to thoughtfully consider the proposed Community Facilities incentive category. It has an admirable aim to create onsite uses and spaces that are very much needed in Downtown Los Angeles. However, I am not yet fully convinced that the City currently has the technical and staffing capacity to monitor and maintain these quasi-public spaces in privately owned properties and this may create unintended consequences and additional review times in years to come.

Consistency Review:

There are a substantial number of larger projects across Downtown Los Angeles which have applied for entitlements in advance of this DTLA 2040 plan update. In reviewing these Downtown projects which may be heard at your Commission and the City Council concurrent with our public review of the DTLA 2040 Plan, or after we have adopted this new plan, and before it is in effect, I am requesting that the Planning Department add an additional section to their staff reports that analyzes each project's compatibility with the proposed DTLA 2040 plan and whether or not the project will be a conforming use in the future plan. Currently there are projects under review requesting changes to the zoning and land use designations. What is special about the Community Plan update is that these current zone and land use change applications are asking to change to zones which will soon cease to exist.

When the new DTLA 2040 plan is updated these applicants should know if these projects will become immediately non-conforming in their new zones and as decision makers we must use that information to guide our recommendations. A public and informational conformance review would be preferable to implementing a pause on all projects in DTLA that seek to change their zoning until such time as the plan is in effect, which would be the other possible way to prevent projects that may be in conflict with the future zoning and land use.

Small Business Recovery:

Many of the letters I have received from community members regarding the Downtown Community Plan Update mention the need to help local small businesses thrive. In particular, as Downtown recovers from the impacts of the COVID-19 pandemic, I am encouraged to see policies which support small businesses, such as support for commissary uses that will help food trucks and street vendors. Thoughtful policies which strive to ensure DTLA stays a cultural hub

are needed and should be coordinated with the Economic & Workforce Development Department and the Department of Arts and Culture. In particular, I support efforts to ensure local hiring and local education in Downtown Los Angeles.

I also support the policy language from the Hollywood Community Plan which calls for the development of a pre-qualification process that evaluates contractors on their record and commitment to high road wage and benefit standards and local hire training. We must do everything we can to support the ecosystem of workforce training in Downtown Los Angeles.

Additionally, I note several letters that mention that daycares and preschools are capped at 50 students in the Plan. This cap should be lifted. Downtown needs more childcare options to support workers and residents. State regulations and local fire codes should be able to address the adequate staffing and occupancy requirements for local child care. I agree with my constituents that this cap does not seem necessary at this time to solve any particular zoning issue.

Parking Program:

The new community plan removes parking minimums for new projects in Downtown Los Angeles and permits new parking spaces to be “unbundled”. I support this increased flexibility in Downtown. Additionally, I would request that the Commission consider whether we should institute a by-right program to allow all current and existing parking to similarly be reduced and unbundled, so that by-right changes of use are not held up by parking requirements that new buildings are not required to meet. This step may also help businesses in Downtown recover from the events of the last year and would increase consistency in project review.

Conclusion:

We often speak of Downtown Los Angeles being a microcosm for the challenges the rest of our city is facing – but it is also a proving ground for the world-class future we envision for all of Los Angeles. This is where we will create and test best-practices for expanding and protecting our affordable housing stock and housing our unhoused neighbors. This is where we will expand and develop our iconic skyline; and incubate a car-free lifestyle that can be replicated across the city. We will fight to preserve our existing small businesses, and foster a resurgence of new residents, jobs, and open space.

As I said the day I took office for Council District 14, we must use our authority as leaders to shape development in Los Angeles, to create transparency, predictability and contain the costs of construction. We must make sure every bit of the process is designed to prioritize, accelerate and expand affordable housing and provide support to our unhoused residents with speed. The DTLA 2040 Plan is a welcome update to replace older regulation with new ideas, new innovation, and explicit priorities to prevent gentrification and still spur new development; to create a better, cleaner, and equitable Downtown. I am honored to work together on the DTLA 2040 Plan, to move forward into a better future for every resident and visitor.

Lastly, I want to thank your Commission, the staff of the City Planning Department and the stakeholders in my district for all their hard work. I know we're approaching the end of this lengthy and overdue update and as we work together to finalize the DTLA 2040 Plan.

I look forward to working closely with each of you.

Sincerely,

KEVIN DE LEÓN

Councilmember, District 14

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