

# Increasing Access, Mobility, and Shelter Opportunities for Disadvantaged Populations: Affordable Housing in Transit-Oriented Developments

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A Research Report from the Pacific Southwest Region University Transportation Center

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<b>16. Abstract</b> The Southern California region faces an affordable housing crisis. This crisis can be addressed by promoting affordable housing for the disadvantaged in Transit Oriented Developments (TODs). TODs frequently face regulatory and non-regulatory barriers. In this study we identify those barriers to affordable housing and recommend how to redress this problem. We present findings from 10 case study station areas in Los Angeles and Orange counties, using mixed-methods approach involving socio-economic and land use analysis, and interviews with planners, policymakers, and housing developers. Our analysis reveals a fundamental disconnect between affordable housing and public transit which is compounded by several factors: the scarcity of funds and a patchwork of financing needed to develop affordable housing; onerous regulatory land use/incentive requirements; unpredictability in the permitting process; and persisting NIMBYism. To mitigate challenges and their concomitant risks, we present recommendations to promote the production of affordable housing in TODs. These recommendations establish the primacy of the transit station – as rings of opportunity – that through incremental policy, procedural streamlining, and “by-right” layering of incentives can stimulate investments for affordable housing. Today, more than ever, regional collaboration, public-private partnerships, and unfettered thinking is needed to address this existential issue.					
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## About the Pacific Southwest Region University Transportation Center

The Pacific Southwest Region University Transportation Center (UTC) is the Region 9 University Transportation Center funded under the US Department of Transportation's University Transportation Centers Program. Established in 2016, the Pacific Southwest Region UTC (PSR) is led by the University of Southern California and includes seven partners: Long Beach State University; University of California, Davis; University of California, Irvine; University of California, Los Angeles; University of Hawaii; Northern Arizona University; Pima Community College.

The Pacific Southwest Region UTC conducts an integrated, multidisciplinary program of research, education and technology transfer aimed at *improving the mobility of people and goods throughout the region*. Our program is organized around four themes: 1) technology to address transportation problems and improve mobility; 2) improving mobility for vulnerable populations; 3) Improving resilience and protecting the environment; and 4) managing mobility in high growth areas.

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## Glossary of Terms

- **3-D** - Density, Diversity, and Design
- **AB** - Assembly Bill
- **Above-MOD** - Above Moderate Income
- **ACS** - American Community Survey
- **ADU** - Accessory Dwelling Units
- **AH** - Affordable Housing
- **AMI** - Area Median Income
- **APU** - Azusa Pacific University
- **CalEPA** - California Environmental Protection Agency
- **CALTRANS** - California Department of Transportation
- **CDFI** - Community Development Financial Institutions
- **CEQA** - California Environmental Quality Act
- **CRA** - Community Redevelopment Agencies
- **CTCAC** - California Tax Credit Allocation Committee
- **DOF** - Department of Finance
- **DU/AC** - Dwelling Units per Acre
- **EIR** - Environmental Impact Report
- **ELI** - Extremely Low-Income
- **FAR** - Floor Area Ratio
- **FRBSF** - Federal Reserve Bank of San Francisco
- **GHG** - Greenhouse Gases
- **GIS** - Geographic Information System
- **HACLA** - Housing Authority of the City of Los Angeles
- **HQTA** - High Quality Transit Areas
- **HCD** - California Department of Housing and Community Development
- **HE** - Housing Element
- **HOO** - Housing Opportunity Ordinance
- **HUD** - Department of Housing and Urban Development
- **LA** - Los Angeles
- **LACDA** - Los Angeles County Development Authority
- **LADRP** - Los Angeles County Department of Regional Planning
- **LAO** - Legislative Analyst's Office
- **LEED** - Leadership in Energy and Environmental Design
- **LI** - Low-Income
- **LIHTC** - Low-Income Housing Tax Credits
- **LISC** - Local Initiative Support Corporation
- **LRT** - Light Rail Transit
- **METRO** - Los Angeles County Metropolitan Transportation Authority
- **MOD** - Moderate Income
- **MPO** - Metropolitan Planning Organization
- **MTR** - Mass Transit Railway
- **NAA** - National Apartment Association

- **NIMBY/NIMBYism** - Not in My Back Yard
- **OC** - Orange County
- **OPR** - State of California Governor's Office of Planning and Research
- **RDA** - California Redevelopment Agencies
- **RHNA** - Regional Housing Needs Allocation
- **RTP/SCS** - Regional Transportation Plan/Sustainable Communities Strategy
- **SB** - Senate Bill
- **SCAG** - Southern California Association of Governments
- **SP** - Specific Plan
- **STR** - Short Term Rentals
- **TIF** - Tax Increment Financing
- **TOC** - Transit Oriented Community
- **TOD** - Transit Oriented Development
- **TZC** - Transit Zoning Code
- **USDOT** - U.S. Department of Transportation
- **VLI** - Very Low-Income
- **VMT** - Vehicle Miles Traveled

## Abstract

The Southern California region faces an affordable housing crisis. This crisis can be addressed by promoting affordable housing for the disadvantaged in Transit Oriented Developments (TODs). TODs frequently face regulatory and non-regulatory barriers. In this study we identify those barriers to affordable housing and recommend how to redress this problem. We present findings from 10 case study station areas in Los Angeles and Orange counties, using mixed-methods approach involving socio-economic and land use analysis, and interviews with planners, policymakers, and housing developers. Our analysis reveals a fundamental disconnect between affordable housing and public transit which is compounded by several factors: the scarcity of funds and a patchwork of financing needed to develop affordable housing; onerous regulatory land use/incentive requirements; unpredictability in the permitting process; and persisting Not in My Backyard (NIMBYism). To mitigate challenges and their concomitant risks, we present recommendations to promote the production of affordable housing in TODs. These recommendations establish the primacy of the transit station – as rings of opportunity – that through incremental policy, procedural streamlining, and “by-right” layering of incentives can stimulate investments for affordable housing. Today, more than ever, regional collaboration, public-private partnerships, and unfettered thinking is needed to address this existential issue.

# Increasing Access, Mobility, and Shelter Opportunities for Disadvantaged Populations: Affordable Housing in Transit-Oriented Developments

## Executive Summary

This study is located in the confluence of three critical public policy concerns in California: reduction of Greenhouse Gas (GHG) emission through sustainable development and reduction in Vehicle Miles Traveled (VMT); the lingering problems of income inequality, social equity, and environmental justice; and the growing crisis in housing affordability. In particular, this study is framed against the background of the current policy interest at the state and local level in increasing the stock of affordable housing in the station areas of the expanding mass transportation network in the Los Angeles area. Labeled as TODs, or Transit-Oriented Developments, comprising an area of one-half mile radius with the train station at the center, these station areas offer strategic opportunities for new higher-density and mixed-use residential developments with housing for low-income transit-served households. Given this, the study explores barriers and opportunities for the development of affordable housing in selected station areas in Los Angeles and Orange counties. Specifically, the study addresses the following research questions:

- What are the barriers to including affordable housing for low-income, minority, and disadvantaged groups in communities that are already served by rail transit?
- How flexible are local land use policies and development regulations in facilitating the development of affordable, mixed-use, and mixed-income housing in the TOD context?
- What are the options available to and used by local governments to pursue infill development in the TOD context? In addition, what is the role of regional and state agencies in addressing barriers to infill development?

The research design integrates a mixed-method approach involving multiple-case study of ten station areas, analysis of socio-economic and land use data, TOD Specific Plans and jurisdictions' Housing Elements, as well as in-depth interviews with city planners, housing developers (developers of affordable housing and market-rate housing), representatives of financial institutions, and public officials at relevant state agencies. Given the Covid-19 restrictions, all the

interviews were conducted via Zoom, or telephone conference calls. The ten station areas were selected from the Los Angeles metropolitan area transit network. Of these, three TODs are around Metrolink stations in Orange County (Anaheim, Fullerton, and Santa Ana) and seven in Los Angeles County (Downtown Azusa LA Metro, Crenshaw/Vernon LA Metro, Baldwin Park Metrolink, Vermont-Western LA Metro, Willowbrook/Rosa Parks LA Metro, West Carson LA Metro, East Los Angeles Atlantic LA Metro). Each of the ten communities selected for this study have adopted Specific Plans for their TODs and have significant proportion of low-income, minority, and disadvantaged populations in the areas. We used American Community Survey (ACS) 5-year census tract level estimates for 2009 and for 2017 to analyze the different dynamics of demographic change, market responses to the affordable housing shortage, and the resulting built form. In addition, we analyzed affordable housing needs, the station area land-use characteristics, the Specific Plans, and the Housing Elements of respective jurisdictions to discuss the implications and to derive recommendations for facilitating affordable housing in TODs.

We collected primary data from semi-structured, in-depth interviews with three groups of professional and institutional representatives responsible for and familiar with the TOD planning process and the development of affordable housing at the local and state level. Urban planners responsible for, or familiar with, TOD planning process comprised one group. Officials representing state and regional agencies familiar with the policy and financing of affordable housing comprised the second group. The developers comprised the third group, which included the for-profit and market-rate housing developers as well as the non-profit affordable housing developers.

We also collected data from secondary sources and from other public agencies that were further corroborated with information provided by real estate developers. The latter comprised a series of semi-structured interviews with representatives of nine developers, whose development portfolio includes affordable housing development. Next, we used audio recordings and transcripts of interviews provided by Zoom for analytical coding and analysis using the qualitative data analysis software NVivo 12.<sup>1</sup>

Our findings are summarized under the following three categories: (a) TOD and the Affordable Housing Landscape; (b) Planning and Policy Tools – Housing Elements, Specific Plans, and the Planners' Perspectives; and (c) The Production Experience: Developers' Perspectives. Specific conclusions under the first

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<sup>1</sup> For more information on NVivo 12, please go to <https://www.qsrinternational.com/nvivo-qualitative-data-analysis-software/about/nvivo>

category include such topics as the nature and extent of the overwhelming housing crisis in California, historically weak nexus of transit and development given the low-density urban sprawl, concerns and risks of gentrification, and spatial mismatch in investments.

Topics under the second category include such issues as the lack of funding for affordable housing at the state and local levels, differences in affordable housing production resulting from the degree of local civil society activism and advocacy, state housing policies like Regional Housing Needs Allocation (RHNA) not always grounded in reality, ineffective Specific Plans and Housing Elements in pursuing affordable housing production, and community opposition and Not in My Backyard (NIMBYism) continuing to act as a barrier to development.

Finally, conclusions under the third category include such items as financing, patchwork of subsidy, intense competition for funding especially among the non-profit developers, sluggish finance and permit process, associated financial risks, and other land-use planning barriers.

The report concludes with some concrete recommendation for improving affordable housing production in the TOD areas. The following are the recommendations: (1) Emulate abridged versions of City of Los Angeles' Transit Oriented Communities Guidelines; (2) Adopt Inclusionary Housing Policies Advancing Equitable-Development Goals in Transit Station Areas; (3) Improve Planning Tools to Better Steward Affordable Housing Opportunities; (4) Streamline Commercial Use Conversion to Residential, By-Right, as is done in the City of Los Angeles; (5) Reinstate Tax Increment Financing to promote affordable housing in Transit Station Areas; (6) Strengthen Institutional Capacity for Regional Collaboration & Implementation; (7) Convert Park and Ride lots in the TOD areas to Affordable Housing and other Community Oriented Uses; (8) Minimize Time-Consuming Permit Process for Housing Development in the TOD areas; and (9) Urban Design Principles for Specific Plans.

A Technical Appendix includes supplementary charts and tables supporting the arguments and conclusion. A detailed bibliography of the relevant literature follows.

## CHAPTER ONE: INTRODUCTION

This study is situated at the nexus of three critical policy concerns in California: increasing the opportunity for greater access and mobility for the underserved population, creating urgently needed affordable housing, and reducing GHG emissions to mitigate the growing crisis of climate change. All of these have led to various legislative actions and public investments in the last two decades. While there have been impressive advances in expanding public transit in the major cities of the state, reduction of VMT has remained minimal. The idea of TOD along transportation corridors or around train stations still remains largely aspirational, despite a quarter century of its evolution from a design concept to a policy tool (see Jamme et al., 2019). The current statewide crisis in housing shortage, particularly of those that are affordable, has impelled renewed interest in the production of affordable housing in TODs.

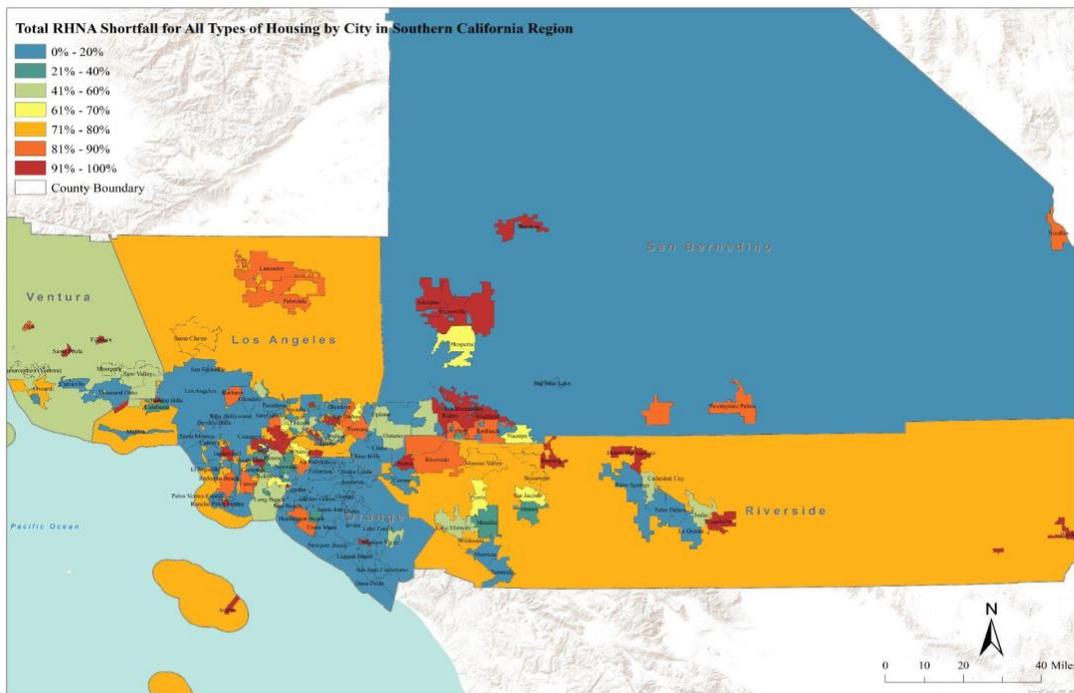
This study explores the current status and the future possibilities for affordable housing in TOD locations in Southern California with the aim of offering recommendations for policy innovations and initiatives. The aim here is to understand the supply side dynamics of affordable housing production, generally, and in particular in the context of one-half mile radius around transit stations. While the demand side of affordable housing is routinely documented in official reports, scholarly articles, and journals, the supply side story has not been fully captured in this discourse. The aim of this research project is to focus on the institutional and market aspects of the supply side story. Our expectation is that this understanding will help us identify how what we consider the “policy ecology” of overlapping housing, transportation, and environmental initiatives at the federal, state and local levels, define the challenges and opportunities and the associated transaction costs of affordable housing production as part of TOD in the Southern California region.

### Background and Motivations

The California Department of Housing and Community Development (HCD) has recently published the 2020 Annual Progress Report of the total number of housing units by income levels that were permitted by local governments that, when compared to the jurisdictions' RHNA indicates the extent to which cities and counties are achieving their housing goals, which in turn indicates the housing shortfall for housing by income levels. Our findings show that most cities in Southern California have a considerable deficit in meeting their RHNA allocation (Figures 1 and 2). Furthermore, in the most recent *Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)* adopted in 2016, the Southern California Association of Governments (SCAG) has highlighted that the region is expected to house an additional 3.8 million

residents by 2040 while facing several problems, including a severe shortage of not just affordable but all types of housing, scarcity of vacant developable land, increasing average travel times, and deterioration of ambient environmental quality (Southern California Association of Governments, 2016). To address the problems and accommodate growth, and to comply with the requirements of California Senate Bill 375,<sup>2</sup> SCAG has recommended that cities in Southern California facilitate infill, walkable, mixed-use, and compact developments that include different types of housing conceived as TODs, located within walking or biking distance of transit stations or transit corridors.

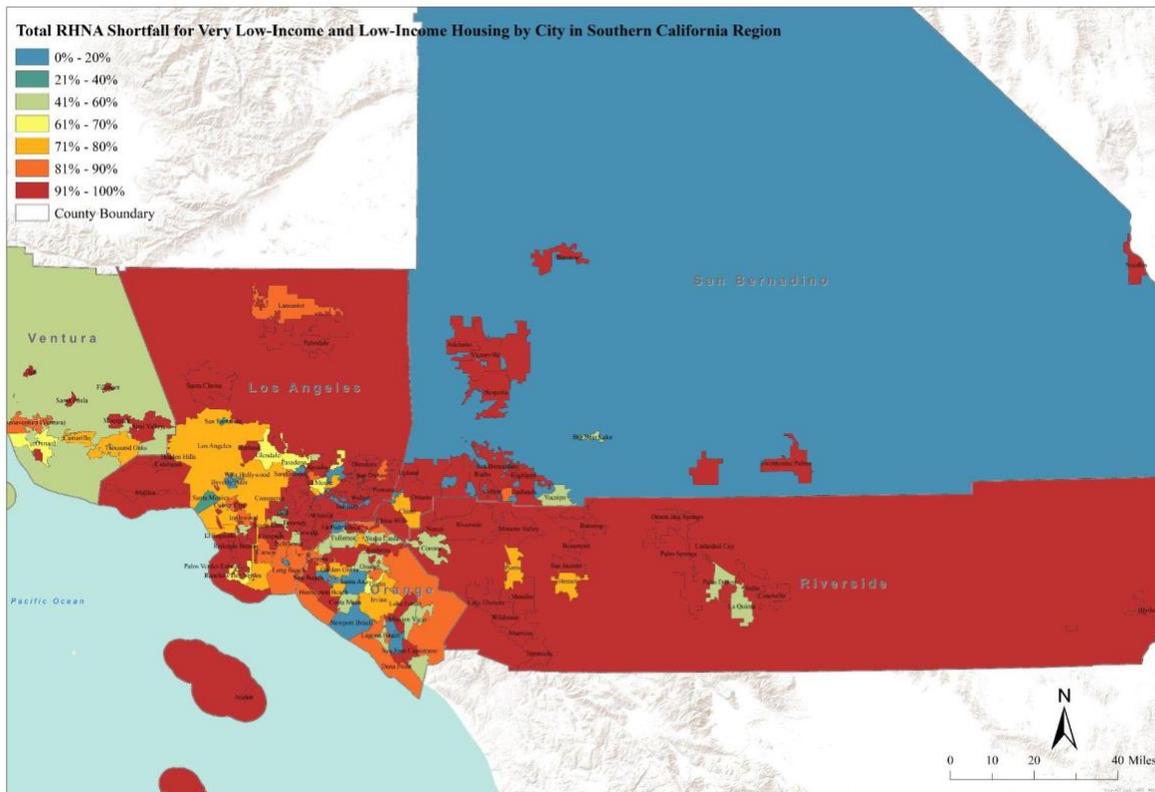
**Figure 1: RHNA Housing Shortfall for All Types of Housing**



Source: California HCD (2020), 5th Cycle RHNA Allocations, Annual Progress Report Permit Summary

**Figure 2: RHNA Housing Shortfall for Very Low- and Low-Income Housing by City**

<sup>2</sup> The Senate Bill that requires statewide response to minimize GHG emissions through coordinated land use and transportation planning



Source: California HCD (2020), 5th Cycle RHNA Allocations, Annual Progress Report Permit Summary

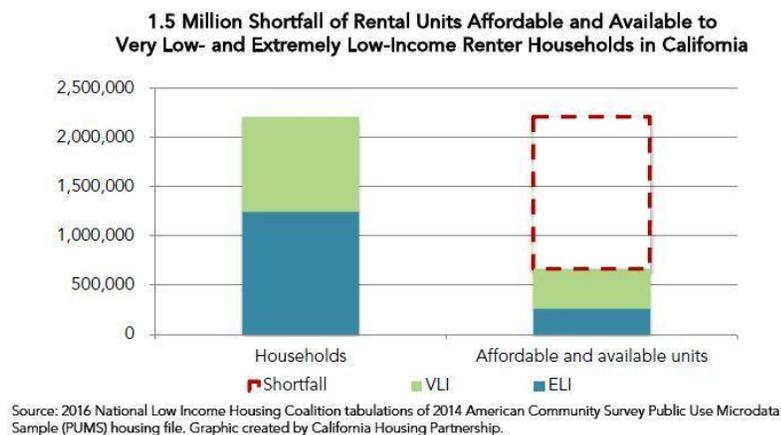
Housing production in California falls far short of housing needs. The production has averaged less than 80,000 new units per year over the last 10 years, whereas the projected needs for the 2015-2025 period amount to 1.8 million new homes, i.e., 180,000 new homes per year (California Department of Housing and Community Development, 2018). Every eight years, based on projected population growth, the state conducts RHNA determining housing needs in each community at different affordability levels. No region of California has ever met the RHNA goals, and the five-county Southern California region that includes Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties is no exception (California Department of Housing and Community Development, 2018). A recent University of California, Los Angeles study (Monkkonen & Friedman, 2019) assessed whether Governor Newsom's ambitious goal to build 3.5 million new homes by 2025, announced before he became governor, is consistent with the planned housing capacity at local level. The study found that the planned capacity falls short by 700,000 units, and that only a fraction of the planned capacity can be built within the time frame. According to the study, "California would need to plan for more than 7 million new housing units

to reasonably expect 3.5 million to be permitted for construction" (Monkkonen & Friedman, 2019).

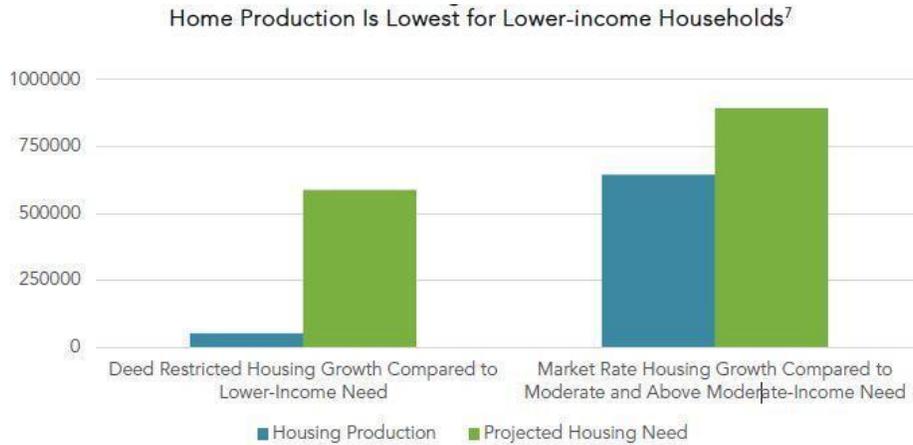
Supply shortfalls have impacted housing affordability for renters and homeowners alike. Eighty percent of renters in the State are considered rent-burdened or overburdened (California Department of Housing and Community Development, 2018); more than half of the 6 million renters in California pay more than 30% of their income towards rent (considered rent-burdened) and nearly a third pay more than 50% of their income (considered severely rent-overburdened). Home prices are higher in California than any other large state in the US (Taylor, 2015) with the second lowest homeownership rate (51%) in the country after the state of New York. (See Appendix A for details and supporting figures).

The housing cost burden is unevenly distributed across income, race/ethnicity. Housing costs disproportionately impact people of color and low- and very low-income households (California Department of Housing and Community Development, 2018). Housing production and demographic trends predict growing inequalities in access to affordable housing. In the existing housing stock, the shortfall of rental units that are affordable for very low- and extremely low-income renter households has been estimated at 1.5 million (Figure 3). Meanwhile, as California's population is aging, and growing increasingly diverse, demographic trends predict even larger shares of vulnerable populations in need of affordable housing in the future. Yet, home production is lowest for these groups (Figure 4). Furthermore, thousands of affordable units are at risk of converting to market rate each year as their rental assistance contract expires, typically 30 to 55 years after construction (Table 1).

**Figure 3: 2014 ACS Shortfall of Very Low-Income (VLI) and Extremely Low-Income (ELI) Rental Units in California**



**Figure 4: Projected Need and Unit Production – Low-Income (LI) vs. Moderate/Above Moderate-Income**



Sources: HCD Regional Housing Needs Allocations 4<sup>th</sup> Cycle Housing Element (2003-2014); DOF E5 Population and Housing Estimates for Cities, Counties, and the State; E8 Historical Population and Housing Estimates for Cities, Counties, and the State; TCAC Mapped Developments.

**Table 1: Expiring California Rental Assistance Contracts 2016-2021**

A vast majority of California residents not only “overpay,” but also “overcrowd” and “over-commute” to remain housed (Bates et al., 2018, p.3). According to California's Housing Future report, 13.5% of all renter households are overcrowded, exceeding the threshold of more than one resident per room in the dwelling unit (that includes bedrooms, kitchen, living room, and all other rooms). The housing affordability crisis closely relates to displacement and homelessness, the two most pressing issues in California's metropolitan areas. The state has a disproportionate share of the U.S. homeless population, 22%, while accounting for 12% of the country's population (Bates et al., 2018, p.1).

Expiring Rental Assistance Contracts 2016-2021

RENT SUBSIDY RISK LEVEL	Contract Expiration	Properties with At-Risk Units	Total Units in Properties	At-Risk Rent Assisted Units (Project Based)
<b>At-Risk</b>	Within 5 years	499	35,785	31,515
<b>Very High Risk</b>	Within 1 year	266	15,471	12,866
<b>High Risk</b>	2-5 years	273	20,314	18,649
<b>Moderate Risk</b>	5-10 years	70	5,760	5,251
<b>Low Risk</b>	Over 10 years	1,209	91,814	80,948
<b>Total</b>		<b>1,778</b>	<b>133,359</b>	<b>117,714</b>

Source: Annual At-Risk Analysis, California Housing Partnership, April 2016

**Figure 5: Difference between Population and Share of Statewide Planned Housing Capacity**



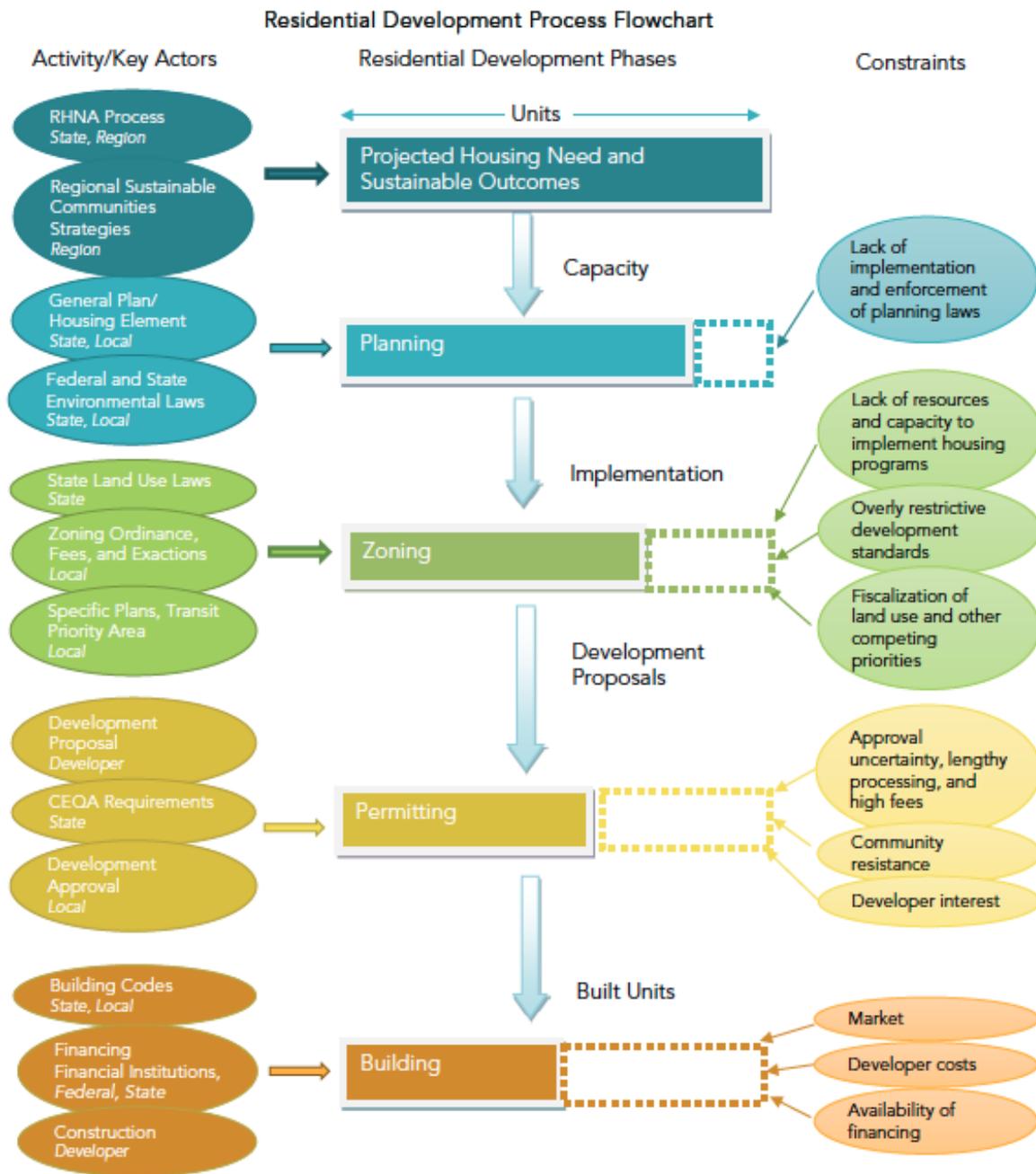
Source: Monkkonen & Friedman, 2019

In Los Angeles and Orange counties, housing and transportation costs combined approach 60% and 65% of households' average income, respectively (California Department of Housing and Community Development, 2018). Average home prices – \$490K in Los Angeles metropolitan area and \$609K in Santa Ana-Anaheim area in 2015 – are above California's average (\$437K), and significantly exceed the US average home prices (\$179K) (Taylor, 2015). Compared to the rest of the state, Los Angeles and Orange counties have the highest shares of households that cannot afford the rent for housing (Woetzel et al., 2016). See Figure 5. Monkkonen and Friedman (2019) summed up the figures in the Housing Elements of all General Plans and found a planned housing capacity of 567,040 units in Los Angeles County and 70,304 in Orange County. This is not sufficient to fill the housing affordability gap. In fact, when compared to other counties in the state, the difference between statewide population and planned housing capacity is the largest in these two counties.

Another key challenge is congestion in the aggregate housing stock. Lee et al. discusses the role of Airbnb and other short-term rentals (STRs). They generate added profit; thus, the Los Angeles area renters are not only experiencing the

risk in market rate rentals and an overall decrease in aggregate supply of housing, but they are also competing against the additional space that STRs take up (Lee, 2016, p.238). In 2014, STRs removed 7,316 units from the city's rental market (Lee, 2016, p.239). This poses risks for the stock of affordable housing in different ways: placing pressure on rent prices to reduce affordable units contributing to evictions; reducing the overall aggregate housing stock; increased rent, gentrification and displacement of lower-income residents; and increased socioeconomic inequality.

**Typical Barriers to Affordable Housing Development in California**  
**Figure 6: Residential Development Process Flowchart**



Source: Bates et al., 2018

Local governments have primary control over land-use and housing development in California, but the supply of new housing units largely depends on home developers' willingness to build. From the perspective of these two categories of stakeholders – local governments and developers – there are a

number of barriers to housing construction, especially to affordable housing development. Figure 6 summarizes the barriers at different stages of the residential development process. It shows an accumulation of constraints at different stages of the process and, as a result, a significant gap between projected housing needs and actual construction. More detail on each type of constraint is provided in Appendix B.

While most of the reviewed literature highlights the nature of barriers to development summarized in Appendix B, which barriers are most constraining remains a subject of debate. It seems that the type of development and the jurisdiction matter. For example, a survey by Harvard's Joint Center for Housing Studies (Colton & Ahluwalia, 2019) found that "labor cost and availability is the number one issue related to housing affordability for both single-family and multifamily builders" (p.3) countrywide, followed by the cost and availability of building materials, and finally, regulatory barriers. Among the "regulatory challenges" rated very high by most developers of multi-family housing were: 1) Land Use/Zoning, 2) Permitting/Development Approval Process, 3) Environmental Regulations, and 4) Development Standards. A study for the National Apartment Association, however, found that in Los Angeles and Orange County, land availability is the most constraining barrier, followed by construction costs, affordable housing requirements, and approval timelines (National Apartment Association, 2019). Furthermore, a recent study by Gabbe (2018) argues that: 1) "developers are commonly constrained by density limits and parking requirements" and 2) regulatory implementation matters as much as—or more than—the written regulations themselves.

### **The Promises and Challenges of TOD**

The Los Angeles metropolitan region has been long considered a challenge for mass transit development. Yet despite its polycentric structure and sprawled urban form, the region has benefitted from almost three decades of rail transit development. Since the adoption of Proposition A in 1980<sup>3</sup> and the inauguration of the Blue Line in 1990, the system has grown to some 105 miles of rail transit lines, including four light-rail, two bus rapid transit, and two subway lines, involving 93 stations in 21 cities and four unincorporated communities. The growing transit footprint with the addition of commuter rail network portends well for Southern California. In this context, higher-density infill development near transit stations and corridors is seen not only as a necessary condition to generate the critical mass of transit patronage, but also as an opportunity for land and economic development.

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<sup>3</sup> It authorized a half-cent increase in sales tax for transit improvement.

Research on TOD benefits have mostly focused on such opportunities (e.g., Loukaitou-Sideris & Banerjee, 1996, 2000; Cervero & Dai, 2014; Dunphy et al., 2004; Schuetz, Giuliano & Shin, 2016a; 2016b; Suzuki & Murakami, 2015, etc.) in conjunction with sustainability goals like reducing GHG (e.g., Nasri & Zhang, 2014; Schlossberg & Brown, 2004; Vale, 2015), and building affordable housing in TOD areas (e.g., Bostic et al., 2016; Palm & Niemeier, 2016). In addition, expected benefits of TODs include increased transportation choices, increased household disposable income by virtue of transportation cost savings, increased economic development in addition to reduced air pollution and energy consumption, and reduced local infrastructure costs (see Bostic et al., 2016; Palm & Niemeier, 2016; Nasri & Zhang, 2014; Schlossberg & Brown, 2004; Vale, 2015). Furthermore, there is a growing literature on the potential of TODs to promote compact development that is less land-consumptive, less auto-dependent, and more sustainable than the low-density development typical of the region.

While institutional factors in support of TOD appear to be very context-specific, as we have found in our earlier studies (Jamme et al., 2019; Banerjee et al., 2018), the challenges and roadblocks remain daunting. These include: (1) private developers may not be sure when there is demand for development in designated TOD areas, and are generally concerned about the “transaction cost” of the permit process; (2) local opposition to neighborhood externalities – parking, congestion, noise, etc. – associated with density, and (3) lack of collaboration and cooperation between land-use and transit planning agencies, between general plan policies and zoning administration, and between the local and regional levels of administrative requirements. Furthermore, TOD implementation is fraught with challenges and requires overcoming economic, financial, political, and structural barriers including NIMBYism and localism (Cervero et al., 1994; Boarnet & Crane, 1998; Boarnet & Compin, 1999; Garde, 2007; Loukaitou-Sideris, 2000; Chappelle & Loukaitou-Sideris, 2019).

TODs often face several regulatory and non-regulatory barriers. In particular, existing zoning regulations tend to restrict infill, mixed-use, and compact developments that may include affordable housing and support alternative modes of transportation. Where cities have taken the initiatives toward such objectives, the resulting thicket of codes and sundry requirements has made the entitlement process intimidating for small-scale developers. Further, when developers try to build in the TOD areas, they face non-regulatory barriers such as protracted permitting process, increased land cost near transit, complexity of building mixed-use projects, lack of adequate infrastructure for higher-density development, difficulty in achieving revitalization without gentrification, high

cost of building infill projects at higher-densities necessary for including affordable housing, and community opposition to such projects (commonly referred to as NIMBYism).

Community opposition to higher density and mixed-use development is typically driven by multiple broad sentiments: (a) fear of neighborhood change, whether focused on gentrification and displacement (i.e. pricing out of affordable housing or small businesses) or exclusionary outcome based on racial/economic prejudice; (b) the specter of increased traffic, shortage of parking, overcrowding in public facilities like parks and playgrounds, and pedestrian safety; and (c) consequent loss of a sense of place and community. In the first case, even if the new housing does not require physical displacement of existing housing, if built on land zoned non-residential, the inflationary effect of TODs on the house prices and small businesses remains real, unless mitigated by subsidized housing or other such measures. Effective urban design that addresses concern about the loss of existing sense of place and community is also quite challenging and has yet to be fully addressed in the TOD planning (See Zahniser, 2019, for example).

The anti-development sentiment is particularly strong in California's coastal counties compared to the rest of the country (Taylor, 2015). However, the extent to which the NIMBY sentiment constitutes a barrier to housing development remains uncertain. Studies by Zuk & Carlton (2015) and the National Apartment Association (2019) suggest that NIMBYism is one of the main constraints to development nationwide. However, a survey by the Federal Reserve Bank of San Francisco (2015) found that only 18% of 71 surveyed developers mentioned it as a concern.

Even where TODs are embraced as part of comprehensive planning policies, the implementation of policies has been difficult because these policies are inconsistently or poorly integrated into the project entitlement and permitting processes. Policies and regulations that actually discourage TODs often endure and remain embedded in zoning ordinances and development regulations. For developers, these lingering barriers are inimical to innovative market response to such possibilities as adaptive reuse of non-residential land or structures that may facilitate affordable housing or other smart growth projects.

In recent years, several cities in Southern California have adopted, and others are in the process of adopting, new zoning and land use regulations for redevelopment of candidate areas of cities as TODs, to implement SCAG's 2016 regional growth recommendations (see Garde, 2017; Garde & Kim, 2017). These regulations are typically adopted to remove barriers inherent in existing zoning

regulations and allow, *by right*, compact and mixed-use developments that integrate mixed-income housing and support alternative modes of transportation. In particular, many cities in Southern California have adopted “specific plans” to achieve particular planning and design objectives and to facilitate TODs that could not be implemented under the previous regime of regulations. Typically, a specific plan is a detailed policy plan or a set of regulations that guides the future physical development within a specifically defined area of the city (Governor’s Office of Planning and Research, 2001). In some jurisdictions in California, specific plans are adopted as zoning changes and carry the weight of local ordinance. Moreover, state law requires public involvement in the process of adoption of the specific plan, which makes it vulnerable to NIMBY opposition from local interest groups that are usually averse to higher-density projects. Thus, while several cities in Southern California have adopted specific plans to facilitate compact, mixed-use, infill development as TODs, with opportunities for affordable housing, it is not clear if such aspirations will materialize. At best, the outcome of these specific plans is likely to vary significantly across jurisdictions.

Against this background, the main objective of this study is to explore the possibility of affordable housing in transit-friendly areas. This objective is consistent with the recent effort to build equitable transit-oriented development (Zuk & Carlton, 2015), also referred to as e-TOD (Enterprise, 2015). The idea is to co-locate affordable housing and transit access in order to provide not only affordable housing for transit dependent population, but also reduce GHG emissions from reduction of VMT and promote long-term economic development.

### Research Questions

This project investigates whether policy initiatives and institutional support for TOD at the local level, i.e., the promotion of mixed-uses and relatively higher density housing near transit, could lead to provision of affordable housing in TOD areas defined as a half-mile radius circle with the transit station at the center. The proposed research design comprises multiple-case studies to investigate regulatory and non-regulatory barriers to housing in TODs in low-income and disadvantaged communities with high transit dependency that still have not been able to leverage the transit infrastructure to pursue infill developments. The following questions are examined:

- What are the barriers to TODs that include housing for low-income, minority and disadvantaged groups in communities that are served by rail transit?

- Assess the flexibility of local land use policies and zoning codes in allowing for the development of affordable, mixed use, and mixed income housing in the TOD context.
- What are the institutional options for local governments and their possible responses to pursue infill development in the TOD context? In addition, what is the role of regional and state agencies in addressing barriers to infill development?

### Organization of the Report

In what follows, this research report will explore barriers and opportunities to affordable housing development at different stages of the development process, with a focus on TOD areas in ten case study communities of Los Angeles and Orange County. The objective is threefold:

- i) to present the perspective of the planners, institutional actors, and that of the developers, drawing on in-depth interviews with categories of stakeholders.
- ii) to enumerate the different types of barriers to affordable housing development and understand how they relate to each other.
- iii) to formulate policy recommendations in order to overcome existing barriers to affordable housing development in TODs.

The specific methodology, data, and analysis of the data, followed by our overall findings and recommendations are presented in the following order.

Chapter Two presents the research methodology, data obtained, and analysis. Chapter Three includes a review of pertinent literature addressing the TOD experience and housing affordability. Chapters Four through Eight comprise our research findings and conclusions in the following order: Station Area Characteristics and Planning Responses in the Selected Case Studies; Barriers to Affordable Housing; Institutional Barriers; Market Barriers; Political Barriers; and Opportunities for Housing in the TOD context. Finally, in Chapter 9 we present our recommendations for seizing the opportunities for affordable housing in the TOD context. Technical Appendices at the end include research data and supplemental materials.

## CHAPTER TWO: RESEARCH METHODOLOGY

The methodology draws on a mix of quantitative and qualitative methods, including spatial analyses and descriptive statistics of census data, review of policy documents, planning regulations, consulting and research reports, and newspaper articles, and finally, in-depth interviews with planners, policymakers, and real estate developers. The study is organized as comparative research (See Glaser & Strauss, 1967), a commonly adopted social research model, where multiple case studies are conducted to capture the variety of circumstances for the phenomenon being investigated. Here, our focus of inquiry is the nature and content of the local institutional responses to plan for and implement TODs in response to the various State mandates, including recent imperatives for affordable housing that we have reviewed previously in Chapter One. In particular, as the scope of the study dictates, we are interested in transit stations in the vicinity of minority and disadvantaged populations who are economically and environmentally vulnerable.

### Case Study Selection

Ten communities were selected as case studies, all located in the counties of Los Angeles and Orange. The cases were selected based on two additional criteria. First, these communities have a relatively high share of disadvantaged populations, especially low-income and non-white. Second, they have actively promoted TOD near rail or bus stations, as evident in a TOD Specific Plan superseding the previous General Plan for relevant TOD areas.

The TOD area is defined by a half-mile-radius around the transit station, a distance that people are likely to walk to a train station -- 10 minutes at 3 miles per hour. Typically, residents in these areas are likely to be transit dependent, comprising older adults, individuals with disabilities, households without automobiles, and youth (sixteen and under) who likely rely on others for transportation.

According to the California Environmental Protection Agency (CalEPA) the "disadvantaged communities" are those "that are most affected by many sources of pollution, and where people are often especially vulnerable to pollution's effects" (California Office of Environmental Health Hazard Assessment, n.d.). Specifically, communities that are the top 25% scoring areas in CalEnviroScreen, a mapping tool available from CalEPA, are identified as disadvantaged communities. The ten communities selected for this study all have significant low-income, minority and disadvantaged population and have also adopted new specific plans for their TODs.

Of these, three TODs are around Metrolink stations in Orange County (Anaheim, Fullerton, and Santa Ana) and seven in Los Angeles County (Azusa, Crenshaw, Baldwin Park Vermont-Western, Willowbrook, West Carson, East Los Angeles) within the Metro rail network. The map and table below (see Table 2 and Figure 7) situate the ten case study areas. The tables show their locations with the city and county (unincorporated areas) designations along with particular transit lines and stations serving those jurisdictions.

**Table 2: Introduction of Case Studies**

	TOD Area	Jurisdiction	County	Transit Line	TOD Specific Plan (SP)	Adopted
1	Azusa	City of Azusa	Los Angeles	Gold Line (2 stations)	Azusa TOD SP	2015
2	Crenshaw	City of L.A.	Los Angeles	Under construction	Crenshaw Corridor SP	2004
3	Baldwin Park	City of Baldwin Park	Los Angeles	Metrolink (1 station)	Downtown TOD SP	2016
4	Vermont/Western	City of L.A.	Los Angeles	Red Line (3 stations)	Vermont/Western TOD SP	2001
5	Willowbrook	Unincorporated L.A. County	Los Angeles	Blue/Green Line (1 station)	Willowbrook TOD SP	2017
6	West Carson	Unincorporated L.A. County	Los Angeles	Silver Line (1 station)	West Carson TOD SP	2018
7	East L.A.	Unincorporated L.A. County	Los Angeles	Gold Line (4 stations)	East L.A. 3 <sup>rd</sup> St Plan	2014
8	Anaheim	City of Anaheim	Orange	Metrolink (1 station)	Anaheim Canyon SP	2016
9	Fullerton	City of Fullerton	Orange	Metrolink (1 station)	Fullerton Transportation Center SP	2010
10	Santa Ana	City of Santa Ana	Orange	Metrolink (1 station)	Transit Zoning Code	2019

Figure 7: Map of Selected Stations



## Data and Analytical Approach

### Secondary Data Collection

We expected that the chosen station areas, given the fragmented social ecology of the Los Angeles area (Banerjee and Verma, 2005), to have experienced different dynamics of demographic change, market responses to the affordable housing shortage, and the resulting built form. To analyze such changes in each station area, we used ACS 5-year estimates at the census tract level for years 2009 and 2017. A one-half mile radius buffer around each station provided the frame to apportion census data – estimating demographic and physical characteristics in proximity to the station.<sup>4</sup> Considering the specter of gentrification and neighborhood change, this protocol would help to assess the dynamic of change in the station areas. In addition to demographics, we

<sup>4</sup> We apportioned population from census tracts to the half-mile radius by controlling for land use based on SCAG 2016 residential zoning. Due to the variability of census tract overlap in each station area, this method appeared the most consistent of available options.

assessed affordable housing needs and market responses, as well as the land use characteristics from the Specific Plans, along with the quantified and spatialized patterns of RHNA Land Inventory from Housing Elements of the respective General Plans.

**Primary Data Collection**

The primary data came from semi-structured in-depth interviews with three groups of professional and institutional actors responsible for and familiar with TOD planning and affordable housing at the local and state level. Urban planners responsible for, or familiar with, TOD planning comprised one group (See Table 3). Officials representing state and regional agencies familiar with legislations and financing of affordable housing comprised the second group. Finally, developers – both for-profit market rate and non-profit – of affordable housing comprised the third group.

Urban planners responsible for the specific TOD plans were contacted via email, with a request for a conference call or Zoom meeting (in deference to Covid-19 restrictions). They received a questionnaire that included specific questions concerning the TOD and affordable housing before the meetings took place. (See Appendix D).

The interviews or discussions with officials from the second group were less structured but focused on specific themes and issues that came up from our interviews with planners and developers. This group comprised of representatives from the OPR, HCD, Housing Authority of the City of Los Angeles (HACLA), Local Initiative Support Corporation (LISC), and a consultant from the firm Moule & Polyzoides – Architects & Urbanists. These interviews were also conducted as conference calls or Zoom meetings and focused on public policy generally, legislative intents, financing, and implementation.

**Table 3: Meetings with Public Agencies (Urban Planners and other Officials)**

Date	Jurisdiction	Division	Function of Interviewees
03/16/2020	Los Angeles County	Los Angeles County Department of Regional Planning	Supervising regional planner
		Los Angeles County Department of Regional Planning	Senior regional assistant

04/13/2020	City of Fullerton	Community and Economic Development	Director
04/21/2020	City of Azusa	Planning Division	Planning Manager
04/24/2020	City of LA	Housing Authority of the City of LA (HACLA)	Chief strategist development officer
05/06/2020	City of Anaheim	Planning Services Division	Principal Planner
05/13/2020	City of Santa Ana	Planning and Building Agency	Planning Manager
07/26/2020	City of LA	Los Angeles City Planning	Senior City Planner
05/07/2020	State of CA	Office of Planning Research (OPR)	Senior planner and program manager

The data collected from secondary sources and from public agencies were further corroborated with information provided by real estate developers. The latter comprised a series of semi-structured interviews with representatives of eight developers, whose portfolio includes affordable housing development.<sup>5</sup> Selected developers received email invitations along with the interview questionnaire (see Appendix E). We conducted on-line interviews between June 2020 and March 2021 -- in the midst of the Covid-19 pandemic -- using the Zoom video conferencing software. Each interview lasted approximately one hour. The audio recordings and automatic transcripts provided by Zoom served to prepare full transcriptions of the interviews. Transcriptions of the interviews were then coded and analyzed using the qualitative data analysis software NVivo 12. (See Appendix F for a full presentation of interviewed developers).

Although interviewed developers had not developed affordable housing specifically in the selected case study station areas, their insights shed light on the challenges and opportunities related to affordable housing development in general, and near transit in particular. This information was valuable to

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<sup>5</sup> One of the interviewees from the Housing Authority of the City of Los Angeles (HACLA) suggested names of relevant developers and provided contact information.

understand the challenges and opportunities developers are likely to face in the case study TOD areas.

## CHAPTER THREE: LITERATURE REVIEW

In the introductory chapter, we reviewed various reports and studies describing the extent of the housing crisis in California and the growing interest in TOD sites. In this chapter we review relevant literature that examines various aspects of the TOD/Affordable Housing nexus. This review is organized into three broad themes: TOD Opportunities and Challenges, the Gentrification Enigma, and Affordable Housing in TOD areas.

### TOD Opportunities and Challenges

#### Opportunities

TODs present many key market opportunities. High-quality transit accessibility and potential for alternative modes of transportation including walking and biking also contribute to the demand for transit-supported neighborhoods and provide the potential for increased property, land, and rental values. While there is increased market demand and value for these transit-accessible neighborhoods, there is an associated risk for displacement of already resident low-income families, gentrification, and increased housing inequity, further exacerbating the housing crisis. Thus, local governments must incorporate affordable housing strategies in their planning process to mitigate the risks of losing affordable housing stock and the displacement, if not eviction, of local residents and small businesses (Chava & Newman, 2016).

The current literature highlights a variety of opportunities to address the barriers to affordable housing development; among other, increased inter-agency collaboration is demonstrably an effective avenue for streamlining the process. Effective coordination between housing and transit agencies can facilitate affordable housing development projects for TOD. The example of the Hong Kong transit authority is a case in point (He et al., 2018).

A study by Chatman et al. (2019) study indicates that communities that offer discounted transit passes tend to show a lower amount of total car trips and higher average number of transit trips. Residents at transit pass sites took 8% more transit trips compared to residents in sites that did not offer discounted transit passes. Research indicates that a home's location that increases accessibility to transportation choices reduces energy consumption and can decrease home energy and transportation costs (Jonathan Rose Companies, 2011).

### TOD Planning Tools

State Level Policy: The imperative for encouraging the development of TODs stems from landmark legislations California Assembly Bill 32 in 2006 and California Senate Bill 375 in 2008, which established climate goals of GHG emissions reductions and the Sustainable Communities Program as a smart growth planning framework to achieve those goals. One primary goal of SB 375 is to reduce GHG emissions by reducing VMT statewide by promoting transit trips and replacing private auto use. The bill stipulates multilevel government coordination practices for State, regional, and local planning agencies to coordinate transportation planning with development of the built environment to spatially coordinate origins and destinations of trips with public transit infrastructure.

The smart growth framework has faced constructive criticism for its varied efficacy given fluctuations in the distribution of Federal Transportation Funds (Haney, 2010, p.50). The presence of quality transit that can substitute for private auto use has been identified as a necessity: “Increased density represents an important half of the VMT reduction equation but, without the availability of clean, reliable and affordable mass transit, the benefits of high-density living could be significantly reduced or lost entirely” (Darakjian, 2009, p.396). Spatial substitutability is another concern on the transit side – if people can’t get to the various desired destinations by transit, it may be hard to switch from auto use. This dynamic, in addition to the economic cost comparison of private auto use, may help explain why despite mass transit investment and rail transit development in Southern California, ridership in the LA Metro system has declined in recent years (Nelson, 2018).

Housing location is a substantial factor for VMT reduction in Southern California. Sprawling urban form caused housing to be located distant from civic and economic activities, forcing households to rely on private auto use. Furthermore, changes in federal housing policy have reduced the magnitude and funding role of HUD, and changes in the State legislation have eliminated tax increment financing available for affordable housing from the earlier Community Redevelopment Act. At the same time, demand side challenges of extended wage stagnation for low-income households make it increasingly challenging to produce units which households can afford. Under these circumstances, the attempt to co-locate affordable housing near transit presents additional difficulty in production that the State policies have yet to fully address.

RHNA, Density Bonus, and Accessory Dwelling Unit Laws: It is important to consider the institutional context within which California’s housing affordability crisis can be addressed. First, California’s state law requires the Metropolitan Planning Organizations (MPOs) to develop a RHNA method and to determine each jurisdiction’s share of the region’s existing and projected housing needs for

households of all income levels. Further, the state's housing-element law requires local governments (cities and counties) to plan for the projected number of units, to identify appropriate sites in their jurisdiction, and to indicate how they will be able to accommodate their fair share of the regional housing need for all income groups (State of California Department of Housing and Community Development, 2020; Southern California Association of Governments, 2020a, 2020b). The housing-element law, however, requires local governments *only to identify* appropriate sites where the housing units for different income groups could be accommodated, which may, or may not, result in the construction of affordable units on those sites (Garde, 2016).

Further, for decades California's density bonus law has mandated that local governments offer a density bonus, and additional incentives to developers who voluntarily include affordable housing units in their projects, corresponding to specified percentages of units set aside for very low-income, low-income, or moderate-income households (California Government Code Section 65915-65918, 1979). Recent amendment to state's density bonus law additionally requires cities to permit an enhanced density bonus and additional incentives depending on the number of affordable housing units that are included in the proposed development if certain conditions are met, and an additional height increase of up to three more stories or 33 feet if the development is within one-half mile of a major transit stop (State of California, 2020). Moreover, California's accessory dwelling unit (ADU) law requires local governments to approve additional units in residential zones beyond what is permitted under existing land-use regulations if certain conditions are met (State of California, 2019).

Local Policy: As a component of the General plan, the Housing Element is used to plan the locations where future housing development might be viable. In coordination with State and RHNA requirements, local jurisdictions are required to indicate land availability which satisfies the potential to develop units at the affordability levels assigned through the RHNA process. We document the quantification at the jurisdiction level and determine whether the land inventories identify potential to develop housing, and specifically affordable housing, near our sample stations.

In California, local governments have used specific plans to implement the policies and goals adopted in the local general plan. In recent years, several local governments have adopted specific plans to address the requirements of state law (e.g., Senate Bill 375) and to facilitate transit-oriented development around train stations. These specific plans typically regulate important built form characteristics like site-specific density, floor area ratio (FAR), maximum building height, and minimum parking requirements within the area. In addition, these

specific plans include design guidelines for supporting alternative modes of transportation including walking and biking and are adopted by local governments to guide development in TODs. The adoption of specific plans requires public participation and many adopt a program Environmental Impact Report (EIR) to fulfill the California Environmental Quality Act (CEQA) requirement. This strategy can streamline and speed-up the approval process of housing development projects within the Specific Plan Area because an EIR has already been submitted (California Governor's Office of Planning and Research, 2001). In this context, our investigation considers the degree to which Specific Plans have been used to add incentives for creating advantages for affordable housing and determine if there are relevant best practices worth considering.

Other Initiatives: The literature provides a variety of location affordability predicates of which transportation costs are a key in assessing housing affordability, as such location-efficient places are associated with access to services, transportation, and employment. The research recommends housing choices and to avoid high concentration of low-income and assisted households in one area. A variety of D variables – namely, density, diversity, and design -- are seen as measures of destination accessibility (Jahan & Hamidi, 2019).

Financial tools are also key, as financing and funding availability is a significant barrier for affordable housing developers. In addition to designated funds, tax credits, and density bonuses, cities may also designate specific funding for TOD, providing specifically for projects within a half mile radius of transit stations.

### **The Gentrification Enigma**

The academic discussion around TODs has recently shifted to conceptualizing TODs as Transit Oriented Communities (TOCs), emphasizing the role of the community in this urban development process. Both the City of Los Angeles and Los Angeles County Metropolitan Transportation Authority (or Metro) have adopted this perspective. Researchers argue that community engagement is key to developing a sustainable design that does not increase displacement of low-income communities. A study conducted on 14 US cities concluded that “there was greater gentrification near walk-and-ride transit stations than the park-and-ride transit station” (Chava & Newman, 2016, p.4). The study indicated further that the extension of public transit increased the prevalence of gentrification due to increasing housing costs, further underscoring the need for affordable housing strategies in these TOCs.

A key challenge with the increasing demand for TODs is gentrification, defined as “a process of neighborhood change characterized by a neighborhood

upgrading coupled with residential displacement” (Baker & Lee, 2019). Gentrification also refers to the changing of a neighborhood's class composition, essentially driving lower income residents out as more prosperous residents move in. As governments invest further in public infrastructure, property value increases can contribute to gentrification. Studies on the role of TODs on gentrification indicate that there is not a deterministic gentrification effect of Light Rail Transit (LRT) on nearby neighborhoods. However, research indicates that gentrification impacts likely vary depending on localities and planning efforts. In Los Angeles, LRT areas drew relatively less white and educated populations and appeared to potentially experience decline (Baker & Lee, 2019, p. 46).

Proximity to transit could be both a pull factor and a push factor for residents. People tend to be attracted to transit-rich neighborhoods for better accessibility. However, at the same time, the competition in housing demand that led to an increase in rent could make some people choose to leave the neighborhood. The increased consumption from new residents and visitors using transit lines could further attract new commercial development, while negatively affecting original residents and businesses.

Neighborhood change and housing affordability are the two main elements in the discussion of residential gentrification and displacement. Studies show that station areas with higher poverty rates are often candidates for TOD designation. Transit agencies and local governments have incentives to encourage gentrification in areas surrounding stations because it may attract higher-income residents to move in, increase transit ridership and VMT reduction, and also contribute to higher property tax revenue (Rayle, 2015).

Researchers have found that TOD initiatives are often associated with increasing property value (Atkinson-Palombo, 2010; Duncan, 2011a, 2011b; Immergluck, 2009). Moreover, the TOD area urban design involving mixed-use developments, proximity to lifestyle services and amenities, walkable public space, and green areas, has a more significant impact in attracting younger professionals who have the so-called “gentrified characteristics” (e.g., better educated, higher income) thus hastening gentrification that might be already underway. Previously Grier (1978) and LeGates & Hartman (1981), and recently Rayle (2015) conceptualized four types of displacement that guided later studies in the field:

- Direct last-resident displacement: Driven by both physical (e.g., evictions, rehabilitation) and economic reasons (e.g., rising rent) that may occur before, during, or after gentrification.

- Direct chain displacement: Other than the current resident, this type includes the previous household that may have been forced to move out in an earlier stage of gentrification.
- Exclusionary displacement: This refers to those residents who can no longer move into a housing unit as it has been gentrified commanding higher rent and thus beyond their means.
- Displacement pressure: The dispossession suffered by poor and working-class residents, and small businesses during neighborhood gentrification process

A broader and more recent definition used to capture residential displacement is that the vulnerable residents have fewer options within their current neighborhood, and thus are forced to move out, and cannot move into other neighborhoods (Chapple & Loukaitou-Sideris, 2019). However, displacement is very difficult to identify since the new residential locations chosen by the displaced mostly remain unknown (Chapple et al., 2009). Researchers seek to explain the paradox between the lack of evidence that gentrification would lead to displacement, and the community advocates' concern about it. Thus, the method of measuring displacement has always been unclear.

TOD designs often unwittingly target the middle class and young professionals. These are the exact demographic groups that are usually defined to be associated with gentrification. They enjoy the lifestyle and urbanism promoted by TOD designs but might not be the ones who need public transit the most. A large portion of low-income renters who used to be in transit-rich neighborhoods are now forced out. While neighborhood gentrification could bring such benefits as lower crime rate, better education outcome, and higher living quality to the original low-income residents, gentrification would increase the rent burden and price of goods and thus leading to the displacement of low-income households (Chava & Newman, 2016).

The residents in transit-rich neighborhoods are more likely to be vulnerable to displacement due to their predominantly minority and renter demographics (Pollack, Bluestone, & Billingham 2010). Government agencies often place transit infrastructure in these lower-income neighborhoods because of the cheaper land cost and lack of organized local resistance (Banerjee et al., 2005). After the establishment of the new transit station and associated infrastructure, these neighborhoods become the easy target for gentrification.

Low-income renters are generally assumed to be more vulnerable to this kind of change because they are more likely to be displaced than homeowners. If the

renters from lower-income groups got pushed out from the gentrified neighborhood and end up in a car-dependent urban fringe, public transit could fail to provide services to the people who need it the most (Padeiro et al., 2019). These residents might sacrifice in other ways to stay in the neighborhood. For example, paying higher rents, doubling-up with others, moving to smaller and thus cheaper units if available, selling assets, or consuming fewer other goods or services (Rodnyansky et al., 2017).

### **Affordable Housing Development in TOD areas**

#### **An Opportunity to Promote Equitable TOD**

Recent policy efforts have been directed towards TODs as creative strategies to address the affordability crisis by creating new housing stock, while seeking to encourage affordable housing within these areas. Equitable TOD, or e-TOD, appears in principle as a policy solution with great potential to improve the well-being of both families and the broader community. As summarized by Enterprise (2015), e-TOD can, at once:

- “Improve access to employment opportunities
- Lower the cost-of-living for low- and moderate-income households
- Contribute to improved health and well-being
- Support more efficient transportation networks
- Contribute to local and regional economic development, and
- Strengthen municipal finance”

Some of the existing tools to incorporate affordable housing include inclusionary zoning ordinance, density bonuses, parking management measures, and accessory dwelling units. Innovating financing tools include tax increment financing (TIF), TOD targeted housing funds, land banking, and tax credits. Joint development programs in TODs enable cross-sectoral collaboration to implement affordable housing strategies. These programs enlist a variety of tools including public-private partnerships, joint developments to allow private entities to share property interests with government entities, development agreements between local governments and developers, and community benefit agreements between community groups and developers. One strategy outlined in the literature to mitigate NIMBYism and community unrest is to utilize the stakeholder deliberation process framework. The framework relies on informing, involving, and collaborating with the appropriate stakeholders.

### Barriers to Affordable Housing Development in TOD

California continues to experience a housing affordability crisis as rents increase and incomes stagnate. In recent years, this additional attention to the income strata of households in new projects has made the implementation of original TOD goals more challenging. Though the literature provides a multitude of definitions for TODs, its core components generally include proximity of trip origins and destinations to public transit infrastructure, design for multiple modes of mobility, and residential densification near transit stops (Calthorpe, 1993; Bernick & Cervero, 1997). The literature seems to indicate that a “one-size fits all” approach to TOD may not be optimal (Liang et al., 2020). Housing affordability, however, did not necessarily register as an explicitly prioritized goal of TOD in California until recently. The barriers to siting affordable housing near transit are many, including high land acquisition costs, financing limitations, high production and development costs, community opposition to increased density or low-income residents, restriction expiration, and the difficulties of coordinating amongst multiple agencies. Moreover, auto-dependent habits have become deeply ingrained in the culture and practice of daily life for many Californians, particularly in Southern California where a legacy of sprawl is starkly apparent in urban form. Navigating each of these barriers could be improved by expanding research and awareness, broadening involvement in decision-making, and increasing collaboration across sectors (Chava & Newman, 2016).

To add to the challenge, deliberately including low-income households in new developments near transit may not be easy if left to the market, since the private developers' imperative to maximize returns from development can be inimical to the inclusion of lower income housing. Nevertheless, the effort to design policy tools to accomplish this socioeconomic goal of affordable co-location in transit-rich environments is already underway. Jurisdictions are seeking context-specific opportunities and challenges for the inclusion of low-income units in new developments near transit stations in Southern California. This project expects to identify and characterize these efforts, while providing insights for policy strategy moving forward.

## CHAPTER FOUR: STATION AREA CHARACTERISTICS

### Introduction

The ten station areas selected for case study all have a sizable percentage of non-white, lower-income, and transit-dependent populations within a half-mile radius from the station. Aside from a higher percentage of disadvantaged populations, they also exhibit greater susceptibility to gentrification and displacement. The UCLA Urban Displacement Project (UDP), which maps neighborhood change across Southern California, shows that almost all of the census tracts located near the ten station areas are either considered disadvantaged or have experienced gentrification between 1990 and 2015 (Chapple & Thomas, 2020). See Appendix G for a full description of the project's methodology. Though the ten station areas share these similarities, they exhibit variation in land use, demographic, and socio-economic characteristics, which we will discuss below. See Appendix H, I, and J for additional information.

### Land Use

Land use and development patterns vary widely across the ten sample stations (SCAG 2016 Land Use Dataset). Four out of the ten station areas—Azusa, Crenshaw, West Carson, and Willowbrook—are located in predominantly single-family communities, with approximately 40-60% of land within each station's half-mile radius restricted for low-density residential zoning. See Table 5. While the West Carson station lies directly adjacent to several single-family neighborhoods, other stations like Downtown Azusa and Willowbrook comprise multifamily and mixed-use development along transit corridors with single family residences located further out from the station. We see the same principle of concentrating development along major transit and commercial corridors in higher-density station areas such as Vermont/Sunset, Fullerton, Baldwin Park, and Atlantic, which have 20-50% of land zoned for multifamily development. In general, jurisdictions have not fully engaged the entire half-mile station radius outside of major corridors to densify or promote housing production. Santa Ana stands out as an exception, with 58% of mixed-use land across the station's entire half-mile radius.

Other station areas are less residential in nature. Atlantic and Vermont/Sunset have substantial amounts of commercial land, where there are opportunities to convert non-residential parcels to mixed use. The Anaheim Canyon station also stands out among the ten station areas because of its largely industrial character, where very little land is actually zoned for residential use. For these stations, jurisdictions must strike a delicate balance between supporting local businesses in the area and increasing affordable housing production.

**Table 4: SCAG 2016 Existing Land Use Within 1/2 Mile Station Area**

Jurisdiction	Land Use						
	Single-Family	Multi-Family	Commercial	Mixed-Use	Education & Public Facilities	Industrial	Open Space
Atlantic (East LA)	0.40%	18%	53%	1%	24%	4%	
Azusa	47%	13%	1%	14%	15%	9%	1.10%
Baldwin Park	6%	28%	10%	18%	19%	16%	5.00%
Crenshaw	58%	14%	24%		4%	0%	0.50%
Vermont/ Sunset	7%	49%	38%		1%	1%	3.5
West Carson	41%	8%	11%	8%	17%	14%	1.50%
<u>Willowbrook</u>	57%	13%	6%		23%	1%	0.20%
Anaheim Canyon	0.10%		16%	3%	8%	42%	0.30%
Fullerton	13%	31%	12%	18%	16%	8%	3.60%
Santa Ana	17%	1%	13%	58%	4%	6%	1.20%

Note: Due to rounding up errors, totals may not add to 100%.

### Socioeconomic Characteristics

In the last decade, the ten sample stations have experienced significant population and household change, with the share of low-income and non-white populations increasing in many of the station areas. For example, we see significant growth (607.70%) in the Asian population around Willowbrook. While some stations like West Carson, Willowbrook, and Fullerton have had population growth ranging from 1.13% to 22.70%, other stations such as Atlantic, Santa Ana, Vermont/Sunset, Downtown Azusa, Crenshaw/Vernon, and Baldwin Park saw declining numbers ranging from 3.59% to 14.04%. In particular, Anaheim Canyon station gained 202.88% in total population growth with a 305.26% increase in Hispanic population.

With respect to median household income, most of the stations experienced varying degrees of increase from 2009 to 2017, except for Crenshaw/Vernon and West Carson with a 2.57% and 2.46% decrease respectively. Anaheim Canyon station had a significant increase of 53.95% in median household income, while other stations experienced a moderate range of increase from 4.06% to 19.6%. While the increase in median household income could indicate

potential for greater purchasing power, it also suggests that the growth or influx of the middle class might lead to gentrification. As we look at adult poverty level, five of the ten stations selected experienced an increase in population below poverty level ranging from 10.59% to 89.3%. The other three stations—Baldwin Park, Vermont/Sunset, and Atlantic—experienced a decrease in population below poverty level (18 or older) ranging from 10.41% to 79.68%. Although there is some decrease in adult poverty level, the overall trend indicates a general increase in poverty level, which might not be surprising within the context of the current affordability crisis in Southern California.

Coupled with population growth and a rising share of residents below the poverty line, many station areas also saw increases in overcrowding. The American Community Survey categorizes severely overcrowded as more than 1.5 occupants per room and overcrowded as 1-1.5 occupants per room. The ten stations we selected have shown varying levels of overcrowding, with some decrease for several stations. However, in West Carson, there is a significant increase in both overcrowded category and severely overcrowded category, 79% and 338% respectively. Atlantic and Vermont/Sunset stations have also seen an increase in the severely overcrowded categories, 6.06% and 30.48% respectively. Willowbrook, Santa Ana, and Baldwin Park have seen varying degrees of decrease in the severely overcrowded categories (1.77%, 22.90%, and 43.75% respectively), but they have gained some increase in the overcrowded category, ranging from 6.67% to 10.74%. Considering the severity of overcrowding across many of these station areas, the need to increase housing supply and incentivize development is greater than ever.

Unsurprisingly, rent burden also increased significantly across the ten station areas. The American Community Survey categorizes Severely Rent Burdened Households as spending 50% or more income on rent and Rent Burdened Households as spending 30~49% of income on rent. In particular, Anaheim Canyon station had an increase of 888.89% in Rent Burdened Households and an increase of 183.33% in Severely Rent Burdened Households. Other station areas demonstrated similar patterns of increase in rent burdened households. For instance, Santa Ana also experienced a significant increase of 121.53% in Severely Rent Burdened Households and 9.26% in Rent Burdened Households. Baldwin Park experienced a notable increase of 52.59% in Severely Rent Burdened Households, and West Carson experienced a significant increase of 80.09% in Rent Burdened Households. The overall increase in severely rent burdened households clearly indicates a shortage of housing units affordable to residents.

Vehicle ownership for both renters and homeowners had greater variation across the ten station areas. Crenshaw/Vernon and Baldwin Park had a significant decrease in vehicle ownership (58.85% and 50%) in all households. For Fullerton and Vermont/Sunset, there was a decrease in vehicle ownership for all households of 4.2% and 5.68% respectively. In contrast, Santa Ana, Downtown Azusa, Atlantic, and Willowbrook all saw moderate increases in vehicle ownership. Anaheim Canyon and West Carson, in particular, experienced significant increases in vehicle ownership, 62.5% and 41.44% respectively, with a major increase in the renters' category. While the general increase in vehicle ownership corresponds to a long tradition of auto-oriented development in the Los Angeles metropolitan area, there is clearly a need for Transit Oriented Development in station areas like Crenshaw/Vernon and Baldwin Park, where there is a growing share of renters without a vehicle.

### **Gentrification in Case Study Station Areas**

As station areas – TODs that is -- gradually become attractive places to live and work, possibility of gentrification and displacement remains a real threat to affordable housing development, and housing affordability more generally. The transit-dependent population – low-income households, senior citizens on limited incomes and impaired mobility, as well as the working poor -- are often displaced from these station area neighborhoods. Affordable housing is frequently preempted by market-rate housing development. To better understand the dynamics of gentrification in our case study areas, we draw on the research carried out by the Urban Displacement Project (UDP).<sup>6</sup> We observe that gentrification is impacting TODs in both Los Angeles and Orange counties though in varying intensity depending on their context.

Based on the map indicating gentrification and displacement, researchers used several indicators from the database they constructed to categorize the degrees of gentrification (see Appendix H). Table 5 shows different types of gentrification and their criteria for identifying the degree of neighborhood displacement.

### **Table 5: Types of Gentrification and Criteria**

<sup>6</sup> <https://www.urbandisplacement.org/>

MODIFIED TYPES	CRITERIA
LOW-INCOME/SUSCEPTIBLE TO DISPLACEMENT	<ul style="list-style-type: none"> <li>• Low or mixed low-income tract in 2018</li> </ul>
ONGOING DISPLACEMENT OF LOW-INCOME HOUSEHOLDS	<ul style="list-style-type: none"> <li>• Low or mixed low-income tract in 2018</li> <li>• Absolute loss of low-income households, 2000-2018</li> </ul>
AT RISK OF GENTRIFICATION	<ul style="list-style-type: none"> <li>• Low-income or mixed low-income tract in 2018</li> <li>• Housing affordable to low or mixed low-income households in 2018</li> <li>• Didn't gentrify 1990-2000 OR 2000-2018</li> <li>• Marginal change in housing costs OR Zillow home or rental value increases in the 90th percentile between 2012-2018</li> <li>• Local and nearby increases in rent were greater than the regional median between 2012-2018 OR the 2018 rent gap is greater than the regional median rent gap</li> </ul>
EARLY/ONGOING GENTRIFICATION	<ul style="list-style-type: none"> <li>• Low-income or mixed low-income tract in 2018</li> <li>• Housing affordable to moderate or mixed moderate-income households in 2018</li> <li>• Increase or rapid increase in housing costs OR above regional median change in Zillow home or rental values between 2012-2018</li> <li>• Gentrified in 1990-2000 or 2000-2018</li> </ul>
ADVANCED GENTRIFICATION	<ul style="list-style-type: none"> <li>• Moderate, mixed moderate, mixed high, or high-income tract in 2018</li> <li>• Housing affordable to middle, high, mixed moderate, and mixed high-income households in 2018</li> <li>• Marginal change, increase, or rapid increase in housing costs</li> <li>• Gentrified in 1990-2000 or 2000-2018</li> </ul>
STABLE MODERATE/MIXED INCOME	<ul style="list-style-type: none"> <li>• Moderate, mixed moderate, mixed high, or high-income tract in 2018</li> </ul>
AT RISK OF BECOMING EXCLUSIVE	<ul style="list-style-type: none"> <li>• Moderate, mixed moderate, mixed high, or high-income tract in 2018</li> <li>• Housing affordable to middle, high, mixed moderate, and mixed high-income households in 2018</li> <li>• Marginal change or increase in housing costs</li> </ul>
BECOMING EXCLUSIVE	<ul style="list-style-type: none"> <li>• Moderate, mixed moderate, mixed high, or high-income tract in 2018</li> <li>• Housing affordable to middle, high, mixed moderate, and mixed high-income households in 2018</li> <li>• Rapid increase in housing costs</li> <li>• Absolute loss of low-income households, 2000-2018</li> <li>• Declining low-income in-migration rate, 2012-2018</li> <li>• Median income higher in 2018 than in 2000</li> </ul>
STABLE/ADVANCED EXCLUSIVE	<ul style="list-style-type: none"> <li>• High-income tract in 2000 and 2018</li> <li>• Affordable to high or mixed high-income households in 2018</li> <li>• Marginal change, increase, or rapid increase in housing costs</li> </ul>

Source: Urban Displacement Project

Based on the UDP criteria, we find that our case study station areas exhibit a spectrum of risk, from gentrification to exclusion (see Table 6). The following are the station area specific gentrification risks according to the UDP terminology:

- Azusa has experienced “Advanced Gentrification.”
- Vermont/Sunset and East LA have experienced “Early/Ongoing Gentrification.”
- East LA, similar to Santa Ana, is experiencing “Ongoing Displacement.”
- Both Crenshaw and Willowbrook are “Low-Income and Susceptible to Displacement.”
- Baldwin Park is “Stable Moderate/Mixed-Income,” and
- Fullerton and West Carson are “At Risk of Becoming Exclusive.”

Clearly, all of the TODs exhibit either the risk of displacement or becoming exclusive. Our sample of case study areas include economically disadvantaged communities, which makes them even more vulnerable to this threat. In addition, for “tract racial typology,” the UDP team selected the highest percentage racial group or two groups that share a higher percentage to represent the census tract in the station area (Chapple et al., 2017). The UDP team also used median household incomes from 1990 to 2000, and from 2000 to 2015, adjusting dollar values of 1990 and 2000 to 2015 dollars, to show the percentage change in low-income households. Measures must be adopted to obviate or at least redress the impacts of such gentrification and displacement.

**Table 6: Risk of Gentrification in Select Station Areas using the UDP Criteria**

TOD Area	County	Percent of People of Color	Tract Racial Typology	Percentage Change in Low-Income	Risk of Gentrification
Azusa	Los Angeles	78.90%	Latinx-White	-23.30%	Advanced Gentrification
Crenshaw	Los Angeles	95.80%	Black-Shared	20.30%	Low-Income/Susceptible to Displacement
Baldwin Park	Los Angeles	96.20%	Asian-Latinx	26.50%	Stable Moderate/Mixed Income
Vermont/Sunset	Los Angeles	52.90%	Asian-Latinx-White	-21.50%	Early/Ongoing Gentrification

Willowbrook	Los Angeles	99.60%	Black-Latinx	6.60%	Low-Income/ Susceptible to Displacement
West Carson	Los Angeles	93.60%	Asian-Latinx	10.60%	At Risk of Becoming Exclusive
East LA	Los Angeles	98.50%	Asian-Latinx	-7.10%	Early/Ongoing Gentrification & Ongoing Displacement
Anaheim	Orange	74.30%	Asian-Latinx- White	507.00%	Unavailable
Fullerton	Orange	47.20%	Latinx-White	20.90%	At Risk of Becoming Exclusive
Santa Ana	Orange	93.80%	Latinx-Shared	33.00%	Low-Income/ Susceptible to Displacement & Ongoing Displacement

Source: Urban Displacement Project

### Conclusion

To conclude, the ten sample stations have variation, but generally are lower income and have a large percentage of non-white populations and people who do not own vehicles. Azusa, Crenshaw, West Carson, and Willowbrook have relatively low density and are located in single family zones, while Vermont/Sunset, Fullerton, Baldwin Park, and Atlantic have potential for multifamily housing and mixed-use development. Vermont/Sunset and Atlantic have substantial commercial land that could provide opportunities for affordable housing and Anaheim Canyon is largely industrial, which makes it more challenging to develop housing. The wide variation among stations explains the variation in planning tools which will be discussed in next chapter. We will address how different jurisdictions have addressed their RHNA allocations and how they incentivize affordable housing through various planning tools and specific plans.

## CHAPTER FIVE: LOCAL PLANNING TOOLS

The variations in physical and social characteristics among our station areas presage planning objectives and priorities for the station areas. Thus, local government's planning responses represent an important consideration in anticipating TOD implementation. The relevant planning responses we review here are Housing Elements of the General Plans, Station Area Specific Plans, and other pertinent local ordinances. In the following text we review these planning tools to identify and characterize the strategies that local decision-makers use to address the provision of affordable housing near transit stations. In particular, we consider the following questions:

- What are the overall visions for the development of station areas as captured in the Specific Plans and whether they reflect a broader theme of transit community that could integrate affordable housing?
- To what extent do Housing Elements differ in quantifying and identifying specific locations for residential development, especially for potential affordable housing development?
- How do Specific Plans augment land availability and incentives for housing development near stations?
- How do relevant local ordinances augment the strategy to include affordable units near transit?

At the local level, municipal and county jurisdictions use a number of planning tools to shape and implement both endogenous and exogenous development goals. Because conditions at the jurisdiction level and at the station area level can vary across cases, it's reasonable to expect some variation in implementation of such goals. The Housing Element (a required element of the General Plan), as well as Specific Plans adopted to facilitate Transit Oriented Development, are used by planners to implement TOD housing policy in station area neighborhoods. Dates of adoption for plans are listed in Table 7. We reviewed the Housing Elements of each case study jurisdiction to determine the quantification and spatial distribution of land inventory with expected potential for affordable housing development at different income levels. We follow by reviewing TOD Specific Plans to investigate how jurisdictions augment the implementation of General Plan objectives and what incentives for affordable housing might be present in Specific Plans. Lastly, we include a brief discussion of other local policies that jurisdictions have adopted to facilitate net units of subsidized affordable housing. We find that land availability and zoning are generally not insurmountable obstacles in the station areas, and that the Specific Plans we reviewed do augment allotted density near stations but often

do not offer additional incentives that grant substantial competitive advantage to affordable housing projects near transit.

**Table 7: Adoption Dates of Housing Elements and Specific Plans, and Opening Dates for Transit Stations**

Jurisdiction	W. Carson	East LA	Willowbrook	Crenshaw	Vermont/Sunset
Station Open	2000	2009	1990	2021	1999
HE Adopted	2014	2014	2014	2013	2013
SP Adopted	2018	2014	2017	2004	2001
Jurisdiction	Azusa	Baldwin Park	Fullerton	Anaheim	Santa Ana
Station Open	2016	1993	1994	1996	1985
HE Adopted	2013	2013	2015	2014	2014
SP Adopted	2015	2016	2010	2016	2019

We did not examine the rate in time, scale in number, and spatial pattern of rental restriction expirations, the local administrative and staffing costs of approving subsidized housing applicants as the number of restricted units potentially increases, and the scale and spatial pattern of populations who are marginalized in such a way that they are disqualified from receiving federally subsidized housing (e.g., based on citizenship status, criminal justice system status, etc.). These topics should be examined in the future research.

**The Vision and Urban Design**

As we have noted in the previous chapter the imperative of 3-D – density, diversity, and design – are central to successful TOD design. The question we address here is to what extent this 3-D principle has been addressed in the Specific Plan instrument. In the ensuing text we address the diversity (in land use) and density components. Here we focus on the design component of the Specific Plans.

We note also that another implicit aim in TOD planning is to create a sense of community. In fact, The Los Angeles County Metropolitan Transportation Authority (hereafter: Metro) has dropped the TOD term and instead has used TOC or Transit Oriented Community as the operational concept in the transit station area development. The City of Los Angeles has formally integrated the

TOC concept as the basis of coordinating TOD principles. We note, however, that neither Metro nor the City of Los Angeles has offered any formal definition of “community” leaving it to the interpretations of the political jurisdictions of these stations. There is also the larger academic debate as to whether communities – essentially a social concept -- can be designed or obtained from any particular physical-spatial arrangement.

Accordingly, we reviewed the “visions” proposed in the Specific Plans of these ten case studies, and they are summarized in the following Table 8. These visions, although broad and generic in some instances, can be interpreted as local mandates for urban design of station area development.

**Table 8: A Summary of Overall Visions as included in Specific Plans**

Case Study	Overall Visions
Anaheim Canyon	<ul style="list-style-type: none"> <li>-Enhance economic vitality</li> <li>-Create a successful business climate with flexible regulation</li> <li>-Improve the physical image of the public realm to help promote economic growth</li> </ul>
Fullerton	<ul style="list-style-type: none"> <li>-Focus on growth and development around Fullerton's downtown transit station</li> <li>-Increase economic vitality, walkability and mobility</li> </ul>
Downtown Azusa	<ul style="list-style-type: none"> <li>-Build a greater community and sense of identity around downtown and the Gold Line specifically</li> <li>-Encourage pedestrian-friendly design and promote a mix of restaurants, entertainment, retail around transit stations</li> </ul>
Baldwin Park	<ul style="list-style-type: none"> <li>-Revitalization of the city to encourage pedestrian friendly areas</li> <li>-Heavy emphasis on aesthetics of the city to encourage more vibrant community feel and vibe</li> <li>-Encourage greater density in certain areas to provide 'one stop shop' type of locale</li> </ul>
Vermont Western	<ul style="list-style-type: none"> <li>-Emphasis on preservation</li> <li>-Pedestrian oriented environment</li> <li>-Development of public facilities</li> </ul>
Leimert Park	<ul style="list-style-type: none"> <li>-Stimulate economic revitalization</li> <li>-Compatible residential and commercial development</li> <li>-Strong emphasis on pedestrian environment</li> </ul>
West Carson	<ul style="list-style-type: none"> <li>-Placemaking</li> <li>-Increase multimodal mobility</li> <li>-Streamline environmental review</li> </ul>
Willowbrook	<ul style="list-style-type: none"> <li>-Emphasis on preserving and enhancing character</li> <li>-Streetscape improvement &amp; placemaking</li> <li>-Some densification in select areas</li> </ul>

East LA	-Bring energy, growth, and economic vitality -Cohesive community and walkable neighborhood -Reconnect the historic community of East LA
Santa Ana	-Design spaces to increase mobility and encourage pedestrian-friendly environments

A quick scan of these vision statements reveals several leitmotifs: economic growth, development, and vitality; walkability, mobility, and pedestrian-friendly public realm; and also densification, “place-making”, streetscape and mixed-use. Interestingly, the term “community” has been used only on two occasions – with qualifiers as “vibrant”, “cohesive” and “historic.” It is fair to conclude that the concept of a “transit community” that necessarily must include affordable housing, at significantly higher density, and with a mix of households – from the elderly to younger families with children – remains largely absent from these Specific Plans. Earlier studies of residential areas in the Los Angeles region, has shown that “setting deprivation” (desired amenities and facilities not available – “food desert” for example) and “setting aggravation” (presence of undesirable land use) are quite common in the inner-city lower income neighborhoods (See Banerjee and Baer, 1984; Banerjee, Uhm, and Bahl, 2014). As reported in these Specific Plans, the urban design imperatives for the concept of “transit communities’ remain mute, or at best partial. We accept that the local circumstances of built form and land use, may make it difficult to define a vision of “transit community”. Nevertheless, we conclude that it remains a challenge for TOD planning.

**Housing Element Analysis**

In most jurisdictions in California, a much higher percentage of permits are issued for moderate- and above moderate-income housing than for low- and very low-income housing. This is also true in jurisdictions in which our case study stations areas are located (California Department of Housing and Community Development, 2020). The Annual Progress Report of our case studies report production of units at income levels that do not match the income levels of existing residents at the time of Housing Element adoption. This development pattern is similar to cities in Southern California that are experiencing ongoing gentrification. Table 9 below illustrates that permits granted for the jurisdictions relevant to our case studies during the Housing Element cycle were mismatched from reported incomes levels at the start of that period.

**Table 9: Housing Element Household Income Categories and Housing Permits Issued by Income Levels**

Jurisdiction	ELI	VLI	LI	MOD	ABOVE	ELI+VLI+LI
Baldwin Park HH by Income	17%	20%	23%	41%		59%
<i>Baldwin Park Permits</i>	17%		6%	1%	76%	23%
Santa Ana HH by Income	15%	17%	22%	21%	25%	54%
<i>Santa Ana Permits</i>	11%		19%	2%	68%	30%
Azusa HH by Income	16%	15%	23%	47%		53%
<i>Azusa Permits</i>	0%		1%	99%	0%	1%
City of Los Angeles HH by Income	29%		16%	16%	38%	45%
<i>City of Los Angeles Permits</i>	5%		3%	1%	91%	8%
Fullerton HH by Income	15%	13%	17%	19%	37%	44%
<i>Fullerton Permits</i>	21%		11%	0%	68%	32%
Anaheim HH by Income	25%	29%	28%	9%	9%	82%
<i>Anaheim Permits</i>	1%		0%	1%	98%	1%
Los Angeles County HH by Income	<i>LA County reported household income data in different fashion, based on the portion of household income spent on housing for renters and owners. Nearly 50% of households were rent-burdened</i>					
<i>Los Angeles County Permits</i>	12.70%		2.51%	0.39%	84.40%	15.21%

Source: Jurisdiction Housing Elements, HCD Annual Progress Reports 2020

As an example, Anaheim has one of the starkest discrepancies between existing household incomes reported in the Housing Element and permitted units reported: whereas 82.20% of the city’s households were extremely low-income (ELI), very low-income (VLI), or low-income (LI), only 1.46% of permitted units were affordable at those income levels. Conversely, over 95% of the city’s housing permits were issued for above-moderate income households. Similarly in the City of Los Angeles, only 8.50% of permitted units were affordable for ELI, VLI, or LI households, despite the fact that 45.10% of the population earned below moderate income as reported in the Housing Element. Though Fullerton and Santa Ana have smaller shortages of lower-income housing units, it is clear across all of the cases that jurisdictions tend to permit a disproportionate number of moderate and above moderate income units in comparison to the percentage of residents at lower income levels reported in the housing elements. In fact, at least two-thirds of permitted units in all of the jurisdictions are designated for moderate income or market-rate housing.

This pattern is consistent with ongoing gentrification in many primary and secondary cities over the course of the Housing Element cycle. Though it is possible that residents’ incomes could ostensibly grow in place to match higher cost housing, it is often more likely that higher income residents move into new

housing that is priced above moderate incomes for the region. As a result, lower income households searching for housing might on average be expected to find housing through filtering processes rather than by matching to newly constructed units with price restrictions. In Table 10 below, note the substantial shortfalls for VLI and LI permits.

**Table 10: RHNA Shortfall by Jurisdiction (5<sup>th</sup> Cycle)**

Jurisdiction	Very Low-Income			Low-Income			Moderate Income			Above Moderate Income		
	RHNA	Permits	Gap	RHNA	Permits	Gap	RHNA	Permits	Gap	RHNA	Permits	Gap
Los Angeles	20,427	4,265	-79%	12,435	2,588	-79%	13,728	430	-97%	35,412	73,387	100%
Uninc. LA County	7,417	618	-92%	4,287	122	-97%	4,938	19	-99%	10,844	4,107	-62%
Azusa	198	0	-100%	118	6	-95%	127	861	578%	336	0	-100%
Baldwin Park	142	47	-67%	83	17	-80%	90	2	-98%	242	213	-12%
Anaheim	1,256	71	-94%	907	22	-98%	1,038	49	-95%	2,501	6,234	150%
Fullerton	411	264	-36%	299	133	-56%	337	3	-99%	794	843	6%
Santa Ana	45	241	435%	32	440	1275%	37	41	11%	90	1,565	1639%

Source: HCD Annual Progress Report 2020

### Land Inventory Quantification

To comply with RHNA requirements, jurisdictions compile an inventory of vacant and underutilized land available above and below 30 du/ac intensity. For our ten cases, we identify the potential unit capacity that jurisdictions report in the land inventory tables provided in the Housing Element. For large jurisdictions like Los Angeles City and Los Angeles County, we report the subarea level land inventories for the areas in which our stations reside. For the Crenshaw/Vernon station, we use the West Adams/Baldwin Hills/Leimert Community Plan Area. For the Vermont/Sunset station we use the Hollywood Community Plan Area. In the Los Angeles County Housing Element, we use the Willowbrook, East LA, and West Carson subcategories. Additionally, we consider only land zoned 30 du/ac or denser, which according to RHNA requirements under state law is standard practice<sup>7</sup> to be counted as land with the potential for affordable housing. Data from land inventories across Housing Elements is presented in Table 11 below.

<sup>7</sup> Sites Inventory Helpful Hints and Potential Pitfalls - [https://scag.ca.gov/sites/main/files/file-attachments/he082720\\_siteinventoryexamples.pdf?1602450858](https://scag.ca.gov/sites/main/files/file-attachments/he082720_siteinventoryexamples.pdf?1602450858)

**Table 11: Potential Units that Sites could Accommodate by Density and Current Use**

Jurisdiction	Potential Housing Units by Land Use			
	Below 30 du/ac		30+ du/ac*	
	Vacant	Underutilized	Vacant	Underutilized
W. Carson	66	129	106	3148
East LA	357	252	389	1502
Willowbrook	324	260	0	428
Crenshaw	89	1783	326	6172
Vermont/Sunset	350	2217	390	20641
Azusa	59	253	294*	390*
Baldwin Park	58	188	0	774
Fullerton	29	823	70	958
Anaheim	32	1128	0	1845
Santa Ana	59	1098	390	2355

Source: Jurisdiction Housing Elements and Appendices

\*City of Azusa used 27 du/ac instead of 30 du/ac to determine capacity to include affordable housing

These numbers were calculated by adding potential unit counts from tables reported in Housing Element land inventories. Some errors should be assumed due to rounding methodologies for jurisdictions which calculate potential units by multiplying densities by acreages. Certain jurisdictions calculate potential units at 80% of acreage multiplied by density for conservative estimation (Azusa, Baldwin Park). Azusa is unusual in that for its accounting of the potential to include Low-Income units, the Housing Element acknowledges the state policy intensity threshold of 30 du/ac, but selects to identify land which has maximum allowed density of 27 du/ac, on which the assumed density for potential unit calculation is 22 du/ac.<sup>8</sup> In our larger jurisdictions, rather than calculate system-wide, we collected data on potential units from the subarea which

<sup>8</sup> During that 2014-2021 RHNA Cycle, Azusa produced only 6 Low-Income units (Interview).

corresponded to our case study station. For Los Angeles County, we collected data from the land inventory tables for Willowbrook, East LA, and West Carson. For Los Angeles City, we collected data from the Hollywood Community Plan Area and the West Adams Community Plan Area.

Accounting for reporting discrepancies, the above table warrants two important observations. First, jurisdictions seem to have adequate land to accommodate the RHNA requirements demonstrating land and zoning which could be developed at scale. Second, the majority of jurisdictions' potential to develop typically occurs on underutilized land zoned to allow 30 du/ac or more, consistent with the expectations of infill development in the built-out geographies of Southern California. Furthermore, according to state law, these parcels can be used to count toward Low-Income Housing potential. From a quantitative standpoint, ample land appears to be available at the jurisdiction level to accommodate affordable housing.

### Land Inventory Spatialization

In addition to quantifying the potential units which might be accommodated on vacant and underutilized land in the entire jurisdiction, Housing Elements also offer inventories of specific sites with such development opportunity. Jurisdictions have the flexibility to count strategically from anywhere in the jurisdiction in the land inventory process to meet RHNA requirements. This could mean that under certain circumstances, station areas might not be included in such inventories, (as in the case of a densely built-out downtown, for example), even though state law (particularly, SB 375) encourages local governments to promote housing near transit stations. Alternately it could be possible that, among parcels near the station, few to none might be zoned 30 du/ac to count toward the affordable housing portion of land inventory (Azusa and Willowbrook, for example). Accordingly, when adequate land was reported at the jurisdiction level, we examined further if parcels suitable for development, and especially affordable housing development, were located near stations chosen for this study.

Among our case studies, jurisdiction sizes vary considerably from small cities like Baldwin Park to large jurisdictions like Los Angeles County. The geographical locations accordingly vary across jurisdictions. Baldwin Park, for example, is able to map all of its RHNA requirements in a single map that covers the extent of the city and also shows parcel-level detail. The maps included in the Los Angeles County Housing Element, due to its immense scale, are not as detailed and the Housing Element relies on the Specific Plans to implement the General Plan objectives in the local context. Los Angeles County does indicate in land inventory tables whether a given parcel lies in a Transit Oriented District. Keeping

in mind the varied size and shape of TOD Specific Plan Boundaries, which may extend beyond the ½ mile radius area designated as transit districts, this can mean different TOD-identified parcels in Los Angeles County might be closer or further than ½ mile from the station.

Three half-mile station areas in our case studies feature no parcels of land for development density of 30 du/ac at the time of Housing Element adoption. Santa Ana does have vacant/underutilized land in the Metrolink Station Area, but the assumed density of those parcels is reported at 20 du/ac. Azusa similarly has parcels in its Housing Element land inventory in proximity to the Downtown Azusa Metro Station, but the parcels are zoned below 30 du/ac (though Azusa counted those parcels toward the low-income land inventory). Uncharacteristic of other jurisdictions, the 2014 Anaheim Housing Element Land Inventory locates zero potential units in the Metrolink Station area (in part because the area comprises major commercial and industrial uses extant historically).

Because cases studied exclude other bus and train station areas in each jurisdiction, these findings do not explain the entire pattern of land inventory for housing near all transit for a given jurisdiction. In Santa Ana for example, the available land located within the Transit Zoning Code (TZC) near our case study station for the 5<sup>th</sup> RHNA cycle is almost exclusively zoned with an expected density of 20 du/ac. For this cycle of the Housing Element, it appears that the City of Santa Ana targeted its higher density allotments along a different TOD corridor to the West, the Metro Harbor Mixed Use Corridor, in addition to a few other areas outside the TZC. This is important, considering that during the prior RHNA Cycle, Santa Ana was able to permit 474 VLI units in the TZC. The new spatial strategy under the RHNA cycle ending 2021 can help spread the potential for affordable housing to multiple TOD areas of the jurisdiction.

### **Specific Plans – Land Use**

It is important to consider multiple planning tools used in concert across time. No housing unit sites are located in the 2014 Anaheim Housing Element near the station area in part because Anaheim Canyon is traditionally commercial and industrial by use. Through the Specific Plan adopted in 2016 however, residential uses in mixed-use zoned land near the Metrolink Station became permissible through Conditional Use Permit process. Despite these deviations, the patterns among our station areas indicate that, in general, vacant or underutilized land available with zoning to accommodate affordable housing (30+ du/ac) can be commonly found in half-mile station areas for stations typical of our case studies. Often this land is zoned mixed-use, encouraging projects which include street level retail and/or service functions.

Typically Specific Plans in our case studies follow a land use strategy consistent with what has been applied statewide – augmenting zoned capacity for housing density in targeted areas that have minimal existing residential density while on average making proportionally smaller (or none) zoning increases in existing areas of established predominant residential use (See Appendix J ). Though it is common to picture TOD implementation as a transect development pattern where station adjacent parcels achieve highest densities and density decreases with distance from the station, existing land use patterns impact the degree to which this pattern can be followed. Each of our plans in some way balances residential intensification with preservation of some other preexisting use. In some cases, residential areas in the Specific Plan Area include low to minor density changes. In others, the Specific Plan may include certain residential neighborhoods in the area boundary but make no changes to the policy and design frameworks for some of those subareas. Different still, are cases in which the spatial boundaries of the Specific Plan is so narrowly defined as to only include blocks (or lot clusters which may offer consolidation opportunity) immediately adjacent to streets where targeted densification is planned. Differing shapes and sizes of Specific Plan Areas influence the extent to which Specific Plans affect land use and zoning for parcels within a half-mile of a given transit station. Such cases are briefly discussed below.

In Willowbrook TOD Specific Plan, R1 zoned land is focused on “preserving neighborhood character;” a substantial portion of this land lies near the Rosa Parks/Willowbrook Metro Station to the east. Building heights are capped at 35 ft and zoning density falls below 30 du/ac (Willowbrook, p. 49). R2 zoned land also has 35 ft height maximums and less dense zoning, but also encourages two-family residences. R3 encourages low-rise multifamily (capped at 35 ft in height) and is zoned to include 30 du/ac. Each residential zoned area permitted ADUs prior to the California State Law adoptions (AB-68 in 2019; AB-881 in 2019) supporting ADUs across the state. Willowbrook’s most intense density allotments (60 du/ac) are spatially more clustered around the Charles R. Drew University of Medicine and Science and the MLK Jr. Medical Campus than the Rosa Parks/Willowbrook Metro Station, as lower intensity residential land to the east of the station is slated for neighborhood preservation. However, the majority of the Specific Plan area, including the land designated for intense use at 60 du/ac, falls within the half-mile distance buffer commonly used for TOD implementation. Meanwhile, the northern half of the half-mile buffer around the station largely falls in the jurisdiction of the City of Los Angeles. This means that either the City of Los Angeles might focus TOD implementation on that northern portion, or if not, that the transit use by riders coming from or going to that area could fall short of its potential. It’s likely that the dual barrier of both Highway 105 and the Imperial

Highway may make pedestrian or last mile access quite difficult for trips connected to that Los Angeles City area north of the station.

Azusa offers an example of a different strategy regarding densification near station areas where low intensity uses preexist. While the most intense use at and above 30 du/ac is zoned for areas around the Downtown Azusa transit station, land within the Specific Plan boundary near the other transit station adjacent Azusa Pacific University falls in an "Area of No Change." Among the residential uses in this area is a retirement community. Other areas of no change can be found in the half-mile buffer near the Azusa Downtown Station, near the eastern boundaries of the Specific Plan Area where N Angeleno Ave is divided by Metro L Line (formerly Gold Line). These areas also contain low intensity residential developments, which for those parcels may preclude intensification. In the 2016 Specific Plan however, Azusa documents the ability to accommodate RHNA across affordability levels through the new land use framework clustering intensification potential in select areas of downtown.

Different still is the case of the Crenshaw Corridor Specific Plan containing four proposed Metro Stations for the K Line (formerly Crenshaw/LAX line). Nearby residential neighborhoods are excluded from the Specific Plan area that can be seen as preservation by exclusion. The plan uses subarea divisions to organize zoning, design, and massing guidelines in addition to a separate height maximum designation which typically clusters intense uses and high maximum heights nearest to station areas, with the exception of some parcels with low height maximums in the Leimert Park Village area and the Crenshaw Blvd/MLK Jr. Blvd Intersection. This distinction is likely related to those transit stops' potential as a trip destination for riders visiting the Baldwin Hills Mall and Leimert Park small business community, respectively. In addition to Subareas A-H, the plan includes TOD Area Overlays and Pedestrian-Oriented Area Overlays which grant additional incentives for qualifying projects which internalize some of the cost of shaping project-level urban form to accommodate pedestrian and transit use.

The general pattern across Specific Plans illustrates the clustering of intense development potential in key subareas that contain some commercial or industrial uses, often employing mixed-use zoning designation. Sometimes these geographies coincide well with station areas, and sometimes existing land uses near station areas preclude adjacent intensification when preservation takes precedent. An advantage to this strategy includes reduced public resistance to densification as compared to resistance when targeting intensification in existing residential neighborhoods.

## Specific Plan – Design & Affordable Housing Incentives

According to California Government Code, Specific Plans are legally permitted by the State to allow local jurisdictions to implement the General Plan objectives by making location specific changes to the zoning, design, and planning vision policy frameworks. Specific Plans must be consistent with the General Plan objectives, but also include changes to serve larger community interests in specific and targeted areas for change and new developments. Local jurisdictions have the authority to determine what the objectives of a Specific Plan will be, and in many cases, jurisdictions -- including some of our case studies -- may hire firms to assist in the production of the Specific Plan.

Among our case study Specific Plans, we find an array of objectives which include neighborhood preservation, housing use intensification in certain subareas, sustainable design, placemaking strategies, streetscaping, and capital improvement project plans (see Table 7 for overall visions and Appendix J). Sometimes, the design and overall vision of TOD is difficult to achieve due to the existing urban form patterns; for example where major disruptors like freeways bisect the neighborhood, designing continuity for pedestrian or small personal vehicle mobility use can become more difficult. Much of the design focus of our Specific Plans studied emphasizes street level retail frontages to create desirable destinations.

Most Specific Plans adopt a Program Environmental Impact Report (EIR) which can satisfy CEQA requirements for qualifying projects compliant with the plan, helping to streamline approvals for some projects. Some Specific Plans do include additional Affordable Housing Incentives which could contribute to competitive advantage, shown in Table 12. Among our cases, these include the Crenshaw Corridor Specific Plan which adds parking flexibility and FAR increases for certain affordable housing projects. The Vermont Western Specific Plan waived the Parks First Trust Fund Fee for some student and senior housing with 30-year covenants. Specific Plans also make note when publicly owned land is available in the area (in some cases such land was a partial reason for Specific Plan Adoption). Otherwise, many plans are neutral or silent on affordable housing, as shown in Table 12. It was common to find vaguely inclusive language among the Plans: “a range of housing options;” “providing more housing choices;” “new workforce and commuter housing.” In general, affordable housing does not appear to be a high priority objective of these adopted Specific Plans. This does not mean necessarily that jurisdictions expend zero resources toward affordable housing objectives, but rather that during the course of our study, Specific Plans did not appear to be among primary tools used to promote affordable housing projects in the TOD areas studied. This gap could represent an opportunity for local agencies; Specific Plans could be used

as a tool to grant more substantial advantages to affordable housing development near stations.

**Table 12: Specific Plan Analysis Summaries**

Station	Year	Program EIR	Area	Jurisdiction	Affordable Housing Incentives
Anaheim Canyon	2016	Yes	Largely Non-Residential	City of Anaheim	
Baldwin Park	2016	Yes	Single Station Area	City of Baldwin Park	
Crenshaw	2004 (2017)	Yes*	Multiple Stations	LA City	<input checked="" type="checkbox"/>
Downtown Azusa	2015(2018)	Yes	Downtown	City of Azusa	
East LA	2014	Yes	Multiple Stations	LA County	
Fullerton	2010 (2015)	Yes	Single Station Area	City of Fullerton	
Santa Ana	2019	Yes	Downtown	City of Santa Ana	
Vermont-Western	2001	No	Near Medical Campus	LA City	<input checked="" type="checkbox"/>
West Carson	2018	Yes	Near Medical Campus	LA County	
Willow-brook	2017	Yes	Near Medical Campus	LA County	

### Local Inclusionary Housing Ordinances: Los Angeles City Measure JJJ, Santa Ana Housing Opportunity Ordinance, Los Angeles County Inclusionary Housing

In addition to the tools used by local planning agencies, jurisdictions also affect the planning and development landscape by adopting ordinances to address housing processes and outcomes. Among our case studies, three jurisdictions have adopted substantial policies through ballot initiatives and ordinances to require inclusionary housing under certain circumstances.

In 2016, the City of Los Angeles voted to approve Measure JJJ. In addition to “local hire and prevailing wage” requirements, Measure JJJ set in motion the adoption of the Transit Oriented Communities (TOC) program in 2017, establishing special inclusionary housing rules for land in proximity to transit stops in the City of Los Angeles. TOC uses a density bonus logic of cross-subsidy where mixed income projects receive added floor area to cover the revenue loss of price-restricted units. The TOC program also includes requirements to include ELI units in the development if developers do not select into the in-lieu fee or build required affordable housing off site. A progress report of activities through 2020 shows about 4,100 affordable discretionary units approved through the TOC incentive program and about 1,900 affordable units approved through discretionary procedure which took advantage of the TOC program.<sup>9</sup>

In 2015, the City Santa Ana adopted the Housing Opportunity Ordinance (HOO). The HOO required the inclusion of affordable housing for projects which include housing units over 20, and granted the flexibility of on-site inclusion, off-site inclusion, or an in-lieu fee of \$15 per sq ft. Under the original arrangement, qualifying projects either had to include affordable units or pay the in-lieu fee at the established rate. However, the political climate has shifted in Santa Ana, as recent actions in 2020 amended the HOO, lowering the in-lieu fee to \$5 per sq ft and reducing affordable requirements on land which had experienced zone changes since 2011.<sup>10</sup> This new strategy is designed to encourage market rate development, leaning toward aggregate supply objectives and away from low-income housing objectives. This change affects many of the areas identified in the Housing Element as locations for potential housing development across the jurisdiction. The impact on development outcomes is yet to be seen.

In 2020, Los Angeles County adopted a series of housing policies to address the housing crisis, including an Inclusionary Housing Ordinance which applies to unincorporated areas that do not have an affordable housing requirement from a development agreement, a specific plan, or a local policy. For unincorporated areas, this ordinance requires that rental housing in certain subareas<sup>11</sup> and ownership housing in other subareas<sup>12</sup> include affordable units based on a sliding scale. Projects may avail density bonus, and for projects

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<sup>9</sup> LA City Planning Housing Progress Dashboard: <https://planning.lacity.org/resources/housing-reports>

<sup>10</sup> Santa Ana Rolls Back Affordable Housing Restrictions on Developers: <https://www.latimes.com/california/story/2020-08-19/santa-ana-council>

<sup>11</sup> Rental Inclusionary Housing Areas: Coastal South Los Angeles; San Gabriel Valley; or Santa Clarita Valley

<sup>12</sup> Ownership Inclusionary Housing Areas: Antelope Valley (excluding condos), Coastal South Los Angeles, East Los Angeles/Gateway; San Gabriel Valley; Santa Clarita Valley; or South Los Angeles (excluding condos)

which do not include enough price-restricted units to qualify for a density bonus, the County still offers one development incentive, one standard reduction, and the option to include affordable units off-site.

### Summary

Locations and requirements for developing affordable housing are not mandated by the primary planning tools. Instead, as is customary in California, market forces and developer initiatives are expected to prevail in location decisions. The planning tools merely delineate approximate geographies where development may be feasible. Thus, it is possible that affordable housing development follows a spatial pattern more influenced by market feasibility than by inclusive aspirations for neighborhood design near transit. To the degree that public sector agencies can make inclusive TOD a well-resourced priority and take the initiative to guide affordable housing to those areas, planning aspirations for transit communities with mixed income housing may be more effectively achieved.

Due to variation in size of different jurisdictions, there is some discrepancy in defining and reporting land inventories across the jurisdictions that we examined using quantitative and qualitative data from Housing Elements. Standardizing the counting method of potential units may be of some use. Specific Plans often adopt a program level EIR to help streamline approvals for qualifying projects. Our case studies, however, do not show substantial evidence of granting significant competitive advantage to affordable housing, nor do they greatly influence locations of where that housing may be developed. Ostensibly, the political landscape within a jurisdiction plays an important role, as locally adopted ordinances often influence the scale, if not also the location, of affordable housing development.

Our review of Housing Elements demonstrates that among our jurisdictions, land availability at the jurisdiction level does not appear to be a disqualifying factor for affordable housing development. Near station areas, most (7 of 10) of our jurisdictions offer by-right density levels which could potentially accommodate affordable housing. In the jurisdictions which have housing elements that do not accommodate 30 du/ac density near the station, Specific Plans are used to augment permitted density, sometimes by right and sometimes by discretionary process. These locations often encourage or require mixed-use development, which sets in motion our inquiry for planners and developers: Is affordable housing development feasible near stations? Are mixed-use projects compatible with affordable housing? Does densification near transit make affordable housing development easier in those areas? Does making land more attractive (e.g. by upzoning) also make acquiring it for affordable housing more

competitive? In the following two chapters we summarize the responses from interviews of planners and developers to provide their perspectives of barriers to TOD, and to address these questions.

## CHAPTER SIX: THE PERSPECTIVE OF PLANNERS

### Introduction

This chapter reviews the barriers to affordable housing development from the perspective of planners from local governments, along with strategies and practices that local governments are using to promote affordable housing production. We interviewed representatives from planning agencies of seven different jurisdictions between March 2020 and February 2021, responsible for the planning of ten TOD case studies chosen for this study. These jurisdictions vary widely in size, populations, density (urban v. suburban), and location (Orange County v. Los Angeles County). See table below for a summary of the range of jurisdictions represented in these interviews.

**Table 13: Presentation of Public Agencies Interviewed**

Jurisdiction	Level	County	Agency
Los Angeles County	<i>County</i>	Los Angeles	Department of Regional Planning
Fullerton	<i>City</i>	Orange	Community and Economic Development
Azusa	<i>City</i>	Los Angeles	Planning Division
Los Angeles	<i>City</i>	Los Angeles	Housing Authority of the City of Los Angeles (HACLA)
Anaheim	<i>City</i>	Orange	Planning Services Division
Santa Ana	<i>City</i>	Orange	Planning and Building Agency
Baldwin Park	<i>City</i>	Los Angeles	Planning Division of the Community Development Department

### Key Challenges

Across the board, the public agency planners generally focused on three primary challenges in the development of affordable housing: lack of funding, community opposition, and procedural inefficiencies. Though financing and procedural issues remain fairly consistent from jurisdiction to jurisdiction, there is a

broader spectrum of community opposition that is highly nuanced, context-dependent, and neighborhood-specific (See Appendix M for a summary of key thematic extractions).

### Lack of Local Funding

Public agencies frequently cited financing barriers as a major challenge to affordable housing production, given that development costs continue to be prohibitively high across the region. To give an example, interviewees from the City of Los Angeles estimate that development costs across the City average \$300,00-\$400,000 per housing unit, with construction cost, public benefit requirements, prevailing wages, and union demands all driving up per unit cost (City of Los Angeles). Though cities have a vested and valid interest in promoting high standards for labor and public benefits, many interviewees concluded that the implementation of these prescriptive requirements have presented a real barrier for developers producing affordable housing.

Affordable housing developers rely heavily on public subsidies at all levels of government, including local jurisdictions. However, since the dissolution of Community Redevelopment Agencies (CRAs) in 2011, cities have seen drastic reductions in their housing funding. Among these case studies only the City of Fullerton has been able to provide some local subsidies through a housing bond, interviewees from the City of Anaheim noted that *"in the absence of redevelopment agencies, they have an extremely understaffed housing department"* that relies heavily on state and federal funding from cap-and-trade and Section 8 vouchers to support affordable housing (City of Anaheim). Respondents from the City of Baldwin Hills also reported having zero capacity for housing funding (City of Baldwin Hills).

Although cities are not expected to shoulder the entire burden of subsidizing affordable housing, they lack state and/or federal support in paying for the indirect costs of housing production and densification, like maintaining and upgrading aging infrastructure. Representatives from the City of Santa Ana noted that *"NIMBYism [was] starting to become an issue"* as new developments strained their old water and sewage systems and magnified issues of inadequate park space. Interviewees noted that basic impact fees have generally not been sufficient in covering these costs (City of Santa Ana).

Around the Metrolink Canyon Station, for instance, the City of Anaheim rezoned several industrial properties to make room for housing. Given the largely industrial character of the surrounding neighborhood, the City has tried to limit residential development and keep businesses in the area by requiring additional review for residential conversion proposals (City of Anaheim). This tradeoff between increasing housing production and promoting economic development is not unique to Anaheim. Councilmembers in the City of Santa Ana have also struggled to balance commercial and residential uses and have

even considered a cap on residential development in the near future (City of Santa Ana).

### Community Opposition

Most interviewees acknowledged that community support is an integral element for increasing affordable housing stock, and that without it, cities experience resistance. Though demonstrations of NIMBYism have been ubiquitous across all cities, the level and type of NIMBYism experienced have varied from community to community.

Some cities have experienced minimal NIMBYism and understand resistance as a valid reaction to the removal or straining of public amenities. In Santa Ana, for example, where there is a predominantly blue-collar community, planning agency representatives observe that the “*local population has generally accepted increased density*” (City of Santa Ana). However, the City has witnessed an increase in resistance in recent years, particularly from single family communities, concerned about insufficient parking and increased traffic. One affordable housing project along the City’s streetcar line faced opposition from an adjacent single-family neighborhood, but the City managed to earn support through additional amenity investments in the project’s retail center (Ibid.).

We see a completely different climate in more suburban communities like Azusa, which interviewees described as “*the untapped city in the foothills*” where “[*there has not been*] a lot of growth” in the past (City of Azusa). Among residents, the fear of affordable housing replacing jobs and impeding economic development is particularly strong, largely drawn from the belief that housing “competes with” or replaces commercial and industrial development.

Representatives from Azusa note that the community is “*hungry for amenities...they want their share of development and to see signs of growth*” (Ibid.). This fear, coupled with an enduring stigma against the homeless and lower-income households, has been a major barrier to development in Azusa. Interviewees cited an affordable housing project in Atlantis Gardens that has remained in the works for a decade because of community opposition (Ibid.). Given this conflict, municipalities face a value judgement in determining where and to what extent they should be prioritizing affordable housing over economic development.

Given that local elected officials answer to their constituents, community opposition is an inherently political issue. Though there is a general consensus that affordable housing is an urgent need, individual projects (particularly high-density housing without parking) still remain contentious and politically hard to champion. In the City of Los Angeles, interviewees recounted a project in MacArthur Park where a developer had authorization to build with zero parking, but faced staunch opposition from City Council because of constituent resistance (City of Los Angeles). In many cities, councilmembers’ support for

affordable housing remains variable. Interviewees in Baldwin Hills observed a generational difference between older and younger councilmembers in regard to their support for densification (City of Baldwin Hills). In the City of Anaheim, one council member in the past was staunchly opposed to inclusionary housing (City of Anaheim). The local political climate can play an important role in the facilitation or hindrance of affordable housing.

### **Procedural Inefficiencies**

Across all agencies interviewed, there is a general consensus that bureaucracy hinders development by adding unnecessary costs and delays to projects. Agency representatives identified discretionary approvals as a primary culprit for lengthy development reviews: public hearings and requests for entitlements, general plan amendments, and variances provide multiple opportunities to block a project. In most cities, the majority of development projects still require at least some form of variance or discretionary approval. In fact, interviewees from the City of Santa Ana estimate that up to 75% of the city's projects still require discretionary approval because of their old general plan (1986) and zoning code (1982) (City of Santa Ana). For the City of Fullerton, where there are currently no fast-tracking options available for affordable housing, projects have occurred exclusively through the public hearing process. Interviewees noted that as a result, approvals are lengthy and typically take 9 to 14 months to complete (City of Fullerton).

Part of the challenge with streamlining the approvals process lies with a lack of interdepartmental coordination amongst different agencies. Within the development review process, respondents from Los Angeles County indicated that it was difficult to coordinate amongst the Fire Department, Public Works, Development Authority (LACDA), and Regional Planning Department (LADRP) because each department tends to work independently in its own silo. This lack of coordination across agencies and departments, however, is not unique to Los Angeles County.

Outside of discretionary approvals, the implementation of density bonuses also has the potential to delay projects. Though density bonuses are by-right and local jurisdictions are mandated to process eligible projects ministerially, cities can still instate certain requirements on developers. For example, the City of Los Angeles requires developers to sign a covenant and go through public outreach when they decide to use a density bonus, which can invite numerous possibilities for opposition and pushback (City of Los Angeles).

### **Strategies to Increase Affordable Housing Production**

#### **A Range of Success in Producing Affordable Housing**

Municipal agencies have all demonstrated a sustained interest in promoting affordable housing, but some have had greater success than others in meeting RHNA allocations. The range of affordable housing production across

municipalities is large: whereas Azusa has only added 6 units of affordable housing (for seniors) in the last RHNA cycle (2014-2021), Santa Ana has been able to build 3,000 units, with an additional 6,000 to 7,000 units in the pipeline (City of Azusa; City of Santa Ana). Many interviewees expressed frustration with what they considered unrealistic expectations set by RHNA allocations. For example, in a city as built out as Anaheim, planners cautioned SCAG that an allocation of 17,000 units was not feasible for the city (City of Anaheim). Whether they are able to develop at the scale of RHNA allocations or not, most public agencies have been trying to leverage a number of legislative, administrative, and community-oriented strategies to encourage affordable housing production. These are discussed below.

### **Strategies & Solutions Towards TOD Affordable Housing**

Municipalities are proactively taking legislative actions and leveraging planning tools to promote various combinations of densification, inclusionary housing, affordable housing, and/or transit-oriented development in their jurisdiction. Fullerton was one of the cities interviewed that appeared to address all four elements to certain extent. For example, planners have been working on a Housing Incentive Overlay Zone that will allow the construction of inclusionary and affordable housing on under-performing industrial and commercial properties. They are also updating specific plans around the Fullerton Transportation Center, which call for high-density, mixed use developments, to include affordable housing provisions (City of Fullerton).

In most cases, cities have managed to address a few, but not all of the elements enumerated above. In recent years, Los Angeles County has passed a number of ordinances supporting affordable housing, including an Inclusionary Housing Ordinance that uses a sliding scale for average affordability requirements in order to give developers more flexibility in deciding their unit mix. This ordinance, however, does not specifically target transit station areas. They also have an ongoing Transit Oriented District Program that rezones major commercial corridors to 150 dwelling units per acre, but the program does not provide explicit guidance regarding affordable housing (Los Angeles County). Azusa's TOD Specific Plan contains density bonuses and parking reductions as incentives for undertaking higher-density development, but also lacks specific provisions related to affordable housing (City of Azusa). Finally, Anaheim's 2004 General Plan Update designated some properties near the Metrolink Canyon Station for mixed-use and entitled 400 units next to the station, but none were specifically targeted as affordable (City of Anaheim). These examples indicate that there are some missed opportunities to use existing policy levers and planning tools to promote affordable housing near transit stations.

Aside from promoting affordable housing through ordinances and planning tools, cities are also improving interdepartmental coordination where possible to streamline the development review process. While some agencies alluded to

difficulties in coordinating amongst different departments, two municipalities (Santa Ana and Azusa) stood out with their success in integrating coordination efforts. For the past 35 years, the City of Santa Ana has had a development review process which involves all necessary government agencies, including public works, fire, building safety, planning, and the city attorney, from the very beginning (City of Santa Ana). In Azusa, interviewees reported that the city has recently formed department review committees and began sharing work plans in order to better coordinate infrastructure development (City of Azusa).

In regard to community opposition, public agencies have approached neighborhood resistance with proactive, robust engagement efforts to bring to light the wide range of affordable housing needs across their cities. In particular, the City of Azusa has put concerted efforts into humanizing low-income residents and addressing the community's enduring stigma against affordable housing. Their outreach and marketing campaigns have helped put a face to the large blue-collar workforce that works in the community's school districts, universities, and grocery stores.

Outside of engaging with communities to reshape perceptions around affordable housing, public agencies have also been addressing community opposition indirectly through citywide design guidelines. Across all interviews, there was a general posture that affordable housing *"has to be better than high-end housing"* in order to get approved or accepted by the community (City of Los Angeles). This sentiment has resulted in many cities *"treating affordable housing like [they] treat any other project,"* with rigorous standards around design, open space, amenities, and materials (City of Santa Ana). Interviewees from Anaheim also indicated similar levels of integrity in the affordable housing, even inspecting them to affirm their quality of construction (City of Anaheim). Finally, design guidelines are also a core component in promoting ADUs, which have provided an acceptable method of densifying single-family communities in more suburban communities like Azusa and Baldwin Park. With good design, *"people don't even realize that single home areas are full of triplexes"* (City of Azusa). Though stringent design standards can certainly make affordable housing more palatable to residents, developers have presented a different perspective on the efficacy of this strategy adopted by public agencies (see Chapter Seven, Perspective of the Developers).

**A Final Note on TOD:** When considering affordable housing in transit-rich areas, jurisdictions with Metrolink stations observe that Metro and Metrolink inherently serve different populations and thus require different strategies for development. Interviewees from Baldwin Hills noted that *"Metrolink routes serve longer distances, so they have fewer stops than Metro"* (City of Baldwin Hills). Metrolink stations, which cater primarily to commuters, typically dedicate a much larger portion of land to parking and are heavier, noisier, and faster than Metro light rail. A well-known urban design consultant experienced in TOD design described

the difference in size and speed between Metro light rail and Metrolink projects as “*so much energy and vibration and all these issues that you got to really separate from the rest of the development in cities like Burbank or Baldwin Park*”. Taking these considerations into account, public agencies are uncertain whether Metrolink station areas would encourage as much affordable housing (or as much housing in general) as Metro light rail stations. Moving forward, it would be useful for public agencies to continue discussions around how to tailor development strategies around different types of transit stations, including housing over commuter parking lots.

## Conclusions

From the perspective of public agencies, lack of local funding, varied community opposition, and inefficiencies in the development approvals process remain the largest barriers to affordable housing production. Overall, municipalities are promoting affordable housing along three different fronts:

1. On the legislative end, they are adopting ordinances, specific plans, overlays, and other planning tools to promote a combination of policy tools -- densification, mixed income (inclusionary) housing, and public subsidy – to produce affordable housing. Some cities have been more proactive than others in providing explicit guidance around affordable housing through these planning tools and incentives.
2. At an administrative level, they are "cutting red tape" by streamlining approval processes and increasing by-right density where possible. Densification strategies have varied across cities, with larger jurisdictions focusing on major commercial corridors and transit routes, and more suburban communities relying on ADUs to densify single family communities.

From a community standpoint, they are proactively addressing community opposition by inviting citizen participation from the onset and maintaining stringent design standards for affordable housing.

## CHAPTER SEVEN: THE PERSPECTIVE OF THE DEVELOPERS

### Overview

This chapter reviews and classifies the barriers to affordable housing development as presented by developers in semi-structured interviews conducted between June 2020 and March 2021. Interviewees represented eight different developers, including five non-profit affordable housing developers and three for-profit market-rate developers whose portfolios include at least some affordable housing.

Appendix F summarizes key facts and figures characterizing the selected developers. Their geographic scope of activity varies from a city boundary (e.g., Developer #1 builds only in ethnic neighborhoods of the City of LA) to the entire nation (e.g., Developer #3). Selected developers also vary in size and capacity, ranging from only three projects throughout the existence of one newer non-profit developer to at least 2,000 units at any given time in the pipeline of a for-profit developer.

Six of the eight housing developers we interviewed have some experience of building affordable housing near transit. However, one limitation of our selection of developers is that only one of them has an on-going housing project in one of the TOD areas selected as case studies in this project (the Santa Ana Metrolink station area).

We review the barriers to affordable housing development in TODs from the perspective of developers, along with tentative solutions suggested by the interviewees in detail in the sections included below (see Appendix N, O, and P) for a summary of key thematic extractions). Despite the fact that the interview questions were focused on the matter of building in TODs, most interviewees talked almost exclusively about barriers to affordable housing development in general. It appears that transit-oriented affordable housing development is faced with the same barriers as affordable housing development in general, plus an extra layer of complications added due to the primacy of location near transit.

### Regulatory Barriers

#### Financing

Pulling financing sources together appears to be the overarching barrier to the expedited development of affordable units in large numbers. Indeed, most barriers to affordable housing development covered in this chapter relate in one way or another to the challenge of obtaining funding from multiple sources. Specifically, financial barriers to affordable housing development can be classified as follows:

- **Subsidy dependence:** Affordable housing development largely relies on public subsidies as targeted populations have low capacity to pay for

housing. Public subsidies typically prioritize deep targeting (very-low and low-income households), which further reinforces the need for deeper subsidies.

- **Subsidy patchwork:** There are no singular funding sources sufficient to finance a whole affordable housing project. Developers have to assemble increasingly complex and layered financing arrangements. Missing one application can set developers back by months, even years in getting the project started. Some types of subsidies, such as Low-Income Housing Tax Credits (LIHTC), also expire after a certain amount of time. This means that even when developers are able to secure tax credits, there is a possibility that they will lose the credits if the project timeline is unexpectedly or excessively delayed.
- **Competition for funding:** Public subsidies at all levels – federal, state, county, and city – are extremely competitive and require enormous amounts of time and effort to obtain. The time spent in applying and securing funding translates into additional transaction costs that increase the cost of affordable housing development and limits their affordability.
- **Financial risks:** Developers bear the costs and the risk associated with pulling together different sources of funding, especially since the dissolution of Community Redevelopment Agencies (CRAs) in 2011. Acquisition and pre-development are particularly risky parts of the development process, since there are no plans, approvals, architectural drawings, or knowledge of what is in the soil. Most non-profit developers lack the financial capability to secure loans from traditional banks for these riskier stages of development, often relying on alternative sources like Community Development Financial Institutions (CDFIs).
- **Uncertainty and unpredictability:** Public subsidies are subject to budget cuts and changes in political priorities; the uncertainty and unpredictability attached to the system of public subsidies is one of the most challenging aspects of designing and implementing affordable housing developments.

Within this landscape, TOD areas are considered particularly high-opportunity areas to enhance both mobility and housing affordability: *“Almost all of our communities use public transit. So, it’s important for us to be close to transit [...] not only for incentives on the development side but also just for the quality of life of our residents afterwards”* said one affordable housing developer (Developer #2). The same person also explains that most funding sources have a sustainability focus and priority is given to such projects.

Nevertheless, transit proximity typically adds an extra layer of complexity in regard to funding opportunities. Interviewees from two different affordable housing developers agreed that policy circles try to achieve too many policy goals at once in TOD opportunity areas. *“Not only do they have the intention of providing housing, but they have a lot of policy goals,”* including reducing greenhouse gas emissions, limiting indoor pollution, promoting environmental justice, encouraging energy efficient buildings, requiring local hiring, providing community benefits, *“you name it”* (Developer #2). In combination, these overly prescriptive requirements significantly increase development costs:

*“If you want to comply with Labor Compliance, that increases your budget by 10%; if you want to do more pollution control, that’s really expensive. If you want to do more community benefits or this or that, it becomes very expensive compared to just doing housing. And we are trying to solve [...] all the problems of disadvantaged communities”* (Developer #3).

At the time of the interviews, there used to be *“three big HCD programs for transport-oriented development. They are what makes it easier to build adjacent to transit”* (Developer #4). However, uncertainty and unpredictability around the future of these financing programs present an additional element of risk for developers. The same interviewee noted that *“the suspicion that HCD isn’t going to come through is enough to prevent people from even endeavoring to pursue new projects on transit-oriented sites...looming budget cuts [make] it very scary to pursue any new transit-oriented project in the hope of HCD coming through”* (Ibid.).

Though the process of pulling together funding sources is certainly competitive, risky, and unpredictable, these barriers both indicate and exacerbate a broader issue with an insufficient supply of subsidies. A non-profit CDFI based in Los Angeles keenly summarized the overarching issue with financing affordable housing developments: on the whole, *“there are simply not enough subsidies available to cover the state’s enormous demand for affordable units, and only so many groups who understand how to use these subsidies (not to mention have the time and resources to apply for fifteen different sources).”* Even when developers are able to secure funding, the strings attached to public gap financing are extraordinarily expensive. In the County of Los Angeles, *“Metro requires labor agreements that can add up to 25% to total development costs”* (Developer #7). All of these factors make the financing of affordable housing increasingly complex and challenging.

### Recommendations by Developers to Overcome Financing Barriers

- **Streamlining the Approval Process:** *“there’s a huge regulatory cost associated with affordable housing,”* due in particular to the fact that the financing process is not streamlined, that different agencies are *“not necessarily on the same page”* (Developer #1).

- **Accelerating Local Implementation of State Legislation:** e.g., environmental clearances adopted at state level in California – “some of these bills passed the state and then they take time, or they still have not been implemented at the local level” (Developer #1). The bills that this participant refers to include important exemptions that apply for affordable housing projects in transit priority areas. In the meantime, developers continue to go through “a host of studies...that cost money” (Ibid.).
- **Subsidizing Operations:** “Operating subsidy is really hard to find right now...The City of Los Angeles is inundated with affordable housing projects. They don’t have operating subsidies... and we don’t have enough project-based batches to fund that and with [the funding sources uncertainty] we’re sort of looking at new models on how we can capitalize those operating reserves – otherwise you could have your entire capital stack ready to go. But you won’t set the project until you have operating subsidy” (Developer #2).

### Land Use Planning Barriers

The findings presented in this section on planning-related barriers to affordable housing development are especially relevant from the TOD perspective. The barriers have been classified using the 6D-framework commonly used in the land use and transportation literature. Cervero and Kockelman (1997) originally identified 3 Ds – Density, Diversity, Design – to explain how characteristics of the built environment relate to sustainable travel behaviors. Additional Ds, including Demand Management, that is, reduced parking (along with Distance and Destination, which are not mentioned in this section) have come to expand the list of built environment characteristics supportive of TOD (Ewing & Cervero, 2010).

While the Ds have come to be associated with sustainable transportation behaviors – walking, biking, and using transit – interviews with developers revealed some incompatibilities of these expectations with affordable housing development in TODs. This section demonstrates that the promotion of Density, Diversity, and certain aspects of Design may actually raise planning barriers to affordable housing development in TODs.

### Density: Density and Affordability Do Not Always “Go Together”

In the TOD literature, population density has been significantly associated with walkability and reduced car dependence. In housing literature, a major premise is that raising allowable density alleviates the pressure on housing prices by increasing the supply of housing units. Without contesting these two established facts, this section brings to light how policies promoting density can sometimes act as a barrier to the production of affordable housing in TODs.

Regarding developers' response to density incentives, one interviewee (Developer #1) claimed that density and affordable housing development “*just don't go together.*” This assertion speaks to two types of issues that interviews with developers have revealed: one is the competitive advantage that market-rate developers have in areas with additional by-right density; the other is that in practice, it is difficult to finance higher densities of affordable units with density bonuses alone.

First, the incompatibility between density by-right and overall production of affordable housing is due to the sizable advantage of market-rate developers in prime areas where density by-right is likely to be promoted. In principle, the benefits of by-right policies apply to all developers, both market-rate and non-profit. But in fact, “*I don't have any advantage*” said one interviewee who works on building affordable units for a market-rate developer (Developer #6). “*We're not going to be able to compete.*” She explained that density by-right works so well as an incentive to attract development of market-rate units that it becomes a disincentive for building affordable ones:

*[With density by-right], you can go build as tall as you want, any amount of density, but for me as an affordable housing developer, I don't have any advantage. I just have to pay the same as a market rate guy [who will most likely not be] bringing affordable housing into that area. So really, density is what would push [...] an affordable [developer] away.*

In these situations, density by-right creates a quagmire where market-rate developers price out affordable housing developers from what has been described as not a “*leveled playing field*” (Developer #6).

Beyond the uneven playing field between market-rate and affordable housing developers, additional challenges confront developers when considering mixed income projects that are financially feasible. Although density bonuses reduce the per unit cost of development, developers still need to obtain supply-side subsidies to cover the added affordability gap for restricted units. As Developer #5 notes, “*All public financing sources want deep targeting, but the deeper you target rents, the more subsidies you need to fill the affordability gap. It can take years to find enough funding sources.*” Within this context, developers face a difficult tradeoff between choosing a higher number of moderately affordable units or a smaller number of deeply affordable units. Although the former case technically produces a higher density of affordable units, it has the potential to exclude extreme lower-income families from such housing.

### **Diversity (of Uses): The “Retail Burden”**

Diversity is the second D of the D-framework in the TOD literature. It typically refers to diversity of land uses, where mixed-used environments are associated with reduced car-dependence. Like density, the promotion of mixed-uses

through planning and policy also tends to complicate affordable housing development. It has become increasingly common for cities to require mixed-use developments in urban cores, with some storefronts on the ground floor and housing units on the upper floors, especially in TOD areas. They think *“it’s super sexy,”* said one respondent (Developer #3). But in developers’ opinion, *“honestly, it’s a burden”* (Developer #4).

I think sometimes we feel like the city is kind of [...] cramming commercial uses down our throat, for the sake of just having commercial uses at the project and I don’t think that’s the most responsible thing to do when we’re in a housing crisis (Developer #6)

For the non-profit affordable housing developers commercial development is neither their core competency, nor their preference. In principle, developers should be able to use the cash flows from renting out retail spaces to offset some of the costs of building affordable housing. But in fact, very rarely do mixed-use incentives work to their advantage. In projects where commercial properties are rented, the benefits that developers might get from potential commercial revenue needs to be measured against the loss that they are accounting for due to the loss of subsidy for that area. It is indeed extremely difficult to finance the retail portion of an affordable housing development. As Developer #4 notes, it is *“nobody’s job or goal to fund retail.”* The portion of the project open to the public is not eligible for tax credits, and soft funding sources are *“not willing”* to cover this portion either (Ibid.). Affordable housing finance is mostly based on proposed coverage ratios, so projections of retail cash flows do not enter the equation. Therefore, developers have to secure bank loans to finance the retail portion, but as another respondent explained, banks are reluctant because retail spaces are difficult to rent out (Developer #3). Leasing up the current glut of commercial space is a challenge these days, exacerbated by the changing shopping behavior in the context of the Covid-19 pandemic. *“Sometimes they go vacant for years”* (Ibid.).

Furthermore, affordable housing developers often lack the expertise to design and manage the retail portion of a project. As most jurisdictions are interested in activating the street-front urbanism, they tend to require commercial elements through entitlements. Yet mixed use development is difficult for developers who lack the expertise to lease and finance retail space and manage the additional challenges around security, durability, and street-front engagement. This requirement for TOD projects further increases the burden for the developers (Developer #7). In addition, the retail space in one of the interviewee’s affordable housing projects was smaller than a traditional lot for retail, and they could not find a business willing to lease that space (Developer #8). In another project, they had to rezone in order to increase the number of units and incorporate the non-residential portion and a clinic into the development. Other developers indicated that they could appreciate a potential for mixed use

development including grocery stores and health care services, but did not have the financial support and knowledge for such auxiliary economic development (Developer #6 & #8). Given the difficulty of leasing retail spaces, the risk of commercial gentrification is another issue that developers must grapple with in mixed-use developments. One interviewee did share a TOD “success story” where they were building an affordable housing development above a light rail station. Within this project, they were able to dedicate “*the entire ground floor...to local traditional businesses*” (Developer #1). As an affordable housing developer historically focused on low-income minority neighborhoods, this interviewee emphasized that it is their responsibility to make sure small local businesses, instead of chain stores, have access to the commercial space.

### **Diversity (of Units): The “Missing Middle”**

In contrast to the diversity of uses that planners excessively promote, funders put excessive restrictions on the diversity of units (or unit mix). Such diversity is not one of the factors typically associated with the Ds of the TOD literature. Nevertheless, we dedicate a short section to it here because all developers referred to this barrier. We make the case that it matters when looking at affordable housing in TOD, and the associated vision of “transit community.”

According to the developers, it is nearly impossible to target people with different income levels, household sizes, or age groups within one single development, due to prescriptions attached to different funding schemes. Such prescriptions prevent economies of scale, which again has repercussions for affordability. This is especially the case when financing schemes target senior, special-needs, or supportive housing. In these types of deals, only studios are expected, but “*a studio unit is probably the most expensive on a per-unit basis...because adding a bedroom to a unit is not very costly; you’re just adding walls. But it’s when you have bathrooms and kitchens [that it is] the most expensive construction*” (Developer #3).

Such prescriptions contribute to what one interviewee called “*the missing middle,*” the “*forever underserved niche,*” that is, the “*workforce housing*” (Developer #6). The trend is for subsidy programs to aim for “deep targeting,” that is, target the lowest AMIs as possible (30%-50% AMI or below). There are no funding mechanisms available to subsidize housing for people in the 50-80% AMI groups, out of fear that it would constitute a direct competition with market-rate development. Yet, in a place like California, most people are now in need of affordable housing: working class people with 50-80% AMI are faced with major affordability issues and yet there are no subsidies available to target this population group.

### **Design: Unrealistic Expectations Rooted in the Political Economy of Places**

Developers seemed a bit frustrated with design expectations from cities and public funding sources. Tax credits in particular have many eligibility requirements and competitive advantages, including stringent design and sustainability standards (for example, higher points are assigned to LEED Platinum certification). Nonprofit developers need to look for financial sources and plan for additional design expectations which increase their overall cost, whereas market rate developers are not held to these same standards.

At the neighborhood scale, when planners have a design overlay that applies to an entire neighborhood, especially in TOD areas, it also speaks to political issues related to who lives there and who has control over the neighborhood's character and identity. One interviewee working for the developer that specializes in low-income minority neighborhoods in Los Angeles argued that the aesthetics conveyed by the design overlays for TOD areas are *“thinly veiling concerns over having [...] poor and minorities in their neighborhoods”* (Developer #1). It is in fact a matter of *“having little semblance of control over what's happening in their areas. And that's really because what you see are these gentrifying developments that make their way into [TOD areas] transit by transit stops.”* The gentrification issue is discussed further under Political Barriers. In addition, one developer expressed concern for potential conflicts among overlays such as Specific Plans, Community Plan Implementation Overlays, and the Los Angeles Transit Oriented Communities Program, which often push developers into a discretionary approval process (Developer #5).

### **Demand Management: Re-Visiting Parking**

Demand Management typically promotes reduced parking requirements in dense TOD areas in an effort to sustain transit ridership. Although this incentive reduces construction costs and aligns with developers' priority to allocate as much urban space as possible to affordable housing, developers often face strong opposition from residents, business owners, and Councilmembers who answer to their constituents (this issue is discussed further under Political Barriers). In fact, agency representatives from the City of Los Angeles noted that *“a block or two away from transit stations, most developers are still building at least a minimum level of parking,”* even when they are authorized to build with zero parking. The fact that developers are not necessarily taking full advantage of parking reductions reflects how many communities have yet to fully accept zero parking or loss of parking. This challenge in implementing parking reductions indicates a need for public agencies and developers to reshape broader narratives and perceptions around parking in TOD areas.

## Recommendations by Developers to Overcome Planning Barriers

- **Relaxing expectation regarding diversity of uses:** Developers “typically would prefer to have kind of segregated uses” (Developer #6).
- **Maximizing and prioritizing housing, especially in disadvantaged communities:** “take down the strip center and put housing there. The commercial is not robust enough to be successful” (Developer #6). Prioritizing housing over commercial space is especially important in disadvantaged communities “where you might have a strip center with eight spaces and only three of four occupied” (Ibid.). Prioritizing affordable housing there would also be a way to mitigate both residential and commercial gentrification risks (see below under Political Barriers).
- **Facilitating diversity of units:** less prescriptive funding schemes regarding Area Median Income (AMI).

## Community Opposition

In the views of interviewed developers, community opposition equated with getting involved in lawsuits, public hearings, discretionary and therefore extended approval processes, which ultimately entail higher transaction cost and financial losses. The risk of facing community opposition is high. It is especially prevalent when projects are subject to the CEQA review process, where every step of the way is another opportunity for the community to sue the project. Non-profit affordable housing developers did not refer to the CEQA barrier as much as their for-profit counterparts, as 100% affordable housing projects are CEQA exempt. However, this barrier seemed especially problematic for market-rate developers who attempt to mix affordable housing and market-rate units using the density bonus. The “typical NIMBY” sentiment, as one interviewee called it, is the type of community opposition that is well documented in literature where homeowners would sue projects that add density in their mostly single-family residential neighborhoods. However, “density is never the root concern,” as one interviewee put it. “The real concern [...] is racism [against] low-income immigrant communities” (Developer #1).

Nevertheless, the importance of the “typical NIMBY” barrier was somewhat tempered by interviewees, in three different ways. First, “Not in My Driveway” sometimes held precedence over “Not in My Backyard” as a driver of community opposition. The “Not in My Driveway” sentiment relates to parking-related concerns that are not limited to single-family homeowners. Indeed, one interviewee who worked on an affordable housing project in the Crenshaw neighborhood said that opposition emanated from business owners who were concerned with the loss of parking spots for their customers, and not from homeowners as initially expected from the neighboring single-family community (Developer #5). Another respondent talked with much empathy about what she sees as “legitimate” and “understandable” concerns emanating from residents

of an already dense and low-income community in East LA; they too were worried about the additional demand for parking that 200 additional residents of an affordable housing project would represent (Developer #3).

Second, the housing crisis is so acute in California that affordable housing now seems more politically acceptable than it once was in the past. As a result of this political moment, developers reported experiencing relatively mild opposition from most communities. From their perspective, Developer #3 saw that *“people are understanding the housing crisis in this State and actually, nationwide.”*

A third and related reason is that local residents, especially those of low- and middle-income neighborhoods, welcome new affordable housing developments as an opportunity to remain in their community. Such groups may express opposition to dense developments, but most likely it will be against market-rate developments. According to the interviewee who mentioned “racism” as the root cause of NIMBYism, “gentrification” is the real concern of more vulnerable groups, which fosters a type of community opposition that applies especially to dense market-rate developments: *“When you have a dense project coming, it’s typically 80% market and 20% affordable, at most, so what you’re going to see is [...] an entirely new population with a different set of demographics and you can see these projects have a gentrifying effect on the neighborhood”* (Developer #1). Because of the gentrifying effect of increased density, private developers are wary of the community opposition they may encounter when taking advantage of the incentives in place. This loops back to the problem with density mentioned above, as a planning barrier to affordable housing in TOD areas.

In sum, these findings invite stakeholders to adopt a nuanced and context-specific approach when analyzing community opposition to new developments. Community opposition is often presented as opposition to density but would be better understood if presented as opposition to neighborhood change. Otherwise, from the narrow perspective of density, there would even appear to be a certain connivance between NIMBY homeowners and low-income vulnerable renters. Both groups oppose large housing developments when their fear of neighborhood change is triggered; they fight against a potential influx of new residents with sociodemographic backgrounds that differ significantly from the existing neighborhood population.

This apparent connivance, however, has differentiated consequences when it comes to accepting or opposing affordable housing development. NIMBY homeowners will be more likely to oppose 100% affordable housing developments regardless of size and added density, while more vulnerable communities of renters may welcome such developments as opportunities to remain in their communities and maybe even increase their quality of life. In contrast, these communities will be more likely to oppose market-rate

developments, including those that include affordable units to increase density, in fact, the larger the development, the more likely their opposition, due to fear of eviction.

### Political Leadership

Political leadership plays a significant role in either mitigating or exacerbating community opposition. In the City of Los Angeles, *“even though it’s supposed to be the planning department that oversees [...] the approval process, the fact of the matter is [...] that it’s a very political process and the Council person holds a ton of weight [regarding] whether a project goes through or not”* (Developer #1). Elected officials have a vested interest in representing the concerns of their constituents. In the experience of one affordable housing developer, *“sometimes there can be NIMBY opposition trying to influence the Council office”* (Developer #2). As a result, developers often need to work with council members to gain approval of their projects. One of our interviewees shared a success story where they were able to change a council member’s perception of affordable housing through a robust community engagement strategy (Developer #8).

Where affordable housing is concentrated in certain neighborhoods, there is often pushback from council members who associate affordable housing with “concentration of poverty.” One of the developers found a way to navigate this issue by appealing to the workforce and “missing middle” narrative to shift the stigma against affordable housing (Developer #8). Further, there is also commercial gentrification which might cause neighborhood opposition and displacement. As mentioned earlier in the “Retail Burden” section, economic development is one of the expectations in addition to affordable housing from the council office and developers are struggling to produce housing and bring more commercial space, which requires additional financing sources and expertise on the retail industry.

### Conclusion

Across the board, it is clear that financing issues remain the largest barrier for developers to produce affordable housing. With the dissolution of CRAs, reductions in local funding opportunities, uncertainties around the future of HCD programs, and extensive strings attached to public financing, affordable housing developers are composing increasingly complex arrangements of subsidies in order to cover development costs. The process of pulling together multiple funding sources and fulfilling the different policy goals of each subsidy is laborious, time-consuming, and ultimately costly. While the overall shortage of public subsidies is certainly one of the root causes of patchwork financing, it is clear that regulatory inefficiencies, particularly the lack of streamlined approvals across agencies, are directly tied to many of these financial barriers preventing affordable housing production. By running funding programs with vastly different timelines, eligibility requirements, and policy goals, public agencies perpetuate

the expectation that developers need to find multiple subsidy sources to build affordable housing. This inefficient status quo needs to be critically reexamined.

With recent amendments to the Density Bonus law increasing incentives for developers near transit stations, interviewees have also seen a growth of competition between market-rate and affordable housing developers. The half-mile radius around transit stations has become hot spots for development, particularly in the City of Los Angeles. With the increase of by-right units, we could see a potential to improve local policies to respond to state density bonus laws and coordination among different parties like local jurisdictions, developers, and state agencies.

Other regulatory barriers identified by developers are less obvious than financing issues, because their policy objectives (such as activating street fronts, promoting economic development, or ensuring high-quality, sustainable design) seem beneficial to the public at face value and are heavily championed by local elected officials. Developers are in general consensus that although planning policies seeking to promote sustainable transportation behavior would appear to support affordable housing, they can actually impede affordable housing development by forcing developers to find additional funding sources to cover such prescriptive requirements. This regulatory quagmire brings to question whether developers should be expected to solve or address the myriad of policy issues ascribed to affordable housing. In certain cases, there may be a need for cities and funding programs to provide greater flexibility around commercial, design, and unit mix requirements.

Beyond financing and regulatory barriers, community opposition remains a major barrier to affordable housing production, even with the public's general consensus around the urgency of the state's housing crisis. The community resistance experienced by developers is nuanced, ranging from traditional NIMBY sentiment from single family neighborhoods, to housing fatigue or fear of gentrification from working class communities, to parking concerns from local business owners. Politically, councilmembers play a significant role in shaping these views, as they answer to their local constituents and their economic needs. Coupled with the CEQA review process, there are then possibilities for lawsuits at every stage of the development process. While all of the developers interviewed recognized the value in proactively engaging with the community to allay concerns around new development, the process of reshaping the narrative around poverty, homelessness, and affordable housing is far bigger than what the development realm alone can achieve.

## CHAPTER EIGHT: SUMMARY OF FINDINGS

In California, the premise of including new affordable housing near transit stations combines multiple objectives given the plans to transform its urban form to reduce private auto use emissions. Over the long run, it will be important for households of all income levels to have convenient access to public transit in order to achieve VMT reduction at a scale consistent with California's GHG reduction goals. However, the task of transforming the extant urban form presents additional transaction cost, in part, because the current development trends and housing preferences resist change from decades of building sprawling suburbs and exurbs. Procedural costs, local community opposition, and the public political discussion regarding the scale and pace of changes add to a price landscape already influenced by rising land, labor, and materials costs. Including affordable housing anywhere in any jurisdiction, let alone near High Quality Transit Areas (HQTAs) where land values can be higher than the norm, remains a structural challenge in the face of reduced State-level and Federal funding resources. Institutional, economic, and procedural challenges appear to influence affordability outcomes near transit stations in addition to funding challenges that are of primary concern. Seemingly then for disadvantaged populations, TOD may turn out to be economically exclusionary unless substantial public sector resources become available to subsidize the development cost, and efforts are made at multiple levels of government to prioritize equity as an essential goal of TOD.

### **TOD and the Affordable Housing Landscape**

California's cumulative deficits in housing, especially affordable housing for low- and very low-income households, are overwhelming. As the housing price has skyrocketed in recent decades, income stagnation has exacerbated the rent burden and the affordability crisis. The history of low-density auto-oriented development in the Los Angeles metropolitan area presents a formidable political challenge to transforming the extant urban form. Yet, TOD represents a significant intervention in a Southern California landscape characterized by urban sprawl where historically public transit has played a limited role in meeting transportation needs for the average household. Transformation to an urban form in which transit provides a comparable or preferable substitute for private auto use remains a formidable challenge.

Meanwhile, as development occurs in response to market forces, risks of gentrification arise in economically distressed neighborhoods. Furthermore, despite RHNA requirements, typically local jurisdictions could only produce housing at price ranges that low-income residents cannot afford. Some housing protagonists advocate increasing the overall housing stock, thus relying on the

filtering process to make housing more affordable. Though housing filtering has been demonstrated to occur in the academic literature, the spatial nature and the temporal dynamic of the filtering process remains uncertain. It would be reasonable to expect that populations facing discrimination at entry, retention, and advancement in housing markets may not benefit from the filtering dynamics, as demonstrated through residential segregation patterns over time.

TOD designation to land near station areas can attract development, escalating land costs, thus making it challenging to build affordable housing. New market-rate developments in these locations can obviate housing at the Low- and Very Low-Income levels. Funding resources and policy initiatives which could make affordable housing more competitive are likely to obtain desirable outcomes. However, the pressure of minimizing restrictive requirements remains strong in a “buyer’s market.” Cities often face the pressure of maintaining a developer-friendly atmosphere so as not to discourage potential investors. Conversely, cities facing significant market indolence, may be hesitant to champion additional affordability requirements for fear of remaining stagnant.

### **Planning and Policy Tools: Housing Element and Specific Plan**

In general, our study of Housing Elements for jurisdictions selected for case study reveal that the availability of land for future housing development near station areas is not a major problem. In 7 of 10 station areas, several parcels of land zoned for density of 30 du/acres or higher were identified as either vacant or underutilized where new housing projects could be built. Estimates of new housing and selection of parcels with potential to host housing at different densities (with variations across jurisdictions), were in compliance of RHNA requirements.

The land inventories included in Housing Elements of different jurisdictions varied in the assessment criteria for land on which potential housing could be accommodated. Some jurisdictions like Azusa, for example, used land less dense (less than 30 du/acres) than what is typical to assess the potential for low-income housing development. Elsewhere available land may have been more clustered or more dispersed, affecting the viability of new housing in transit station areas. Further, as acceptable in State requirements, jurisdictions do not systematically specify locations where different levels of Low-Income affordability might be plausible.

In three jurisdictions with Housing Elements that did not feature available land for adding housing above 30 du/ac near transit station, each of those three Specific Plans implemented zoning changes that allowed either by-right or discretionary housing development which could potentially include affordable

housing. Specific Plans among our case studies were generally used to advance “place making” strategies – “density, diversity, design” -- to attract development, often allowing for flexible project-level design through form-based code. Affordable housing objectives were not substantially reflected in these documents, as a variety of other objectives were prioritized.

Specific Plans incorporate different strategies, seemingly to protect and preserve low-density residential neighborhoods – the essence of urban sprawl -- which are near transit stations. Physical urban form barriers, including freeways, intense transit infrastructure, or jurisdiction boundaries can reduce the effective area at which TOD principles like densification are applied. The pressure to preserve neighborhood form does come into conflict with the density objectives of TOD policy, which limits land availability in station area proximity.

### **Planners’ Perspectives**

Planners identified the lack of funding for affordable housing as a major problem. However, they report three main categories of action that jurisdictions are taking to facilitate and build affordable housing. To date, these strategies however are not often intentionally focused on TOD geographies.

Legislative strategies, including policies and ordinances that follow ballot initiatives, have created incentives for a combination of intensification, mixed-income housing, and affordable housing. Some cities, like the cities of Los Angeles and Santa Ana, have been more proactive than others in providing explicit guidance around affordable housing through these planning tools and incentives. Such active positions, however, are subject to the vicissitudes in political leadership. Thus, in the case of Santa Ana, which had earlier adopted ordinances to advantage affordable housing, dramatically reduced inclusionary requirements in Fall of 2020 with the change in political leadership. Some of the opposition come from the fact that political leadership may see a trade-off between advancing affordable housing goals and the imperatives of local economic development and improving the community facilities and amenities unacceptable.

Administrative strategies include streamlining approval processes and increasing by-right density in targeted corridors, both as State Level and Local Level policy. Densification strategies have varied across cities, with larger jurisdictions focusing around converting commercial and industrial areas to mixed use, with smaller cities of low-density characteristics hoping that ADU policy changes may add density to those neighborhoods. Affordability requirements remain scarce in such jurisdictions when it comes to planning policy overtures, though some

jurisdictions have adopted ordinances to advance affordability when this is politically feasible.

It is apparent also that local community-based advocacy and activism for affordable housing influence policy outcomes and initiatives at the local level, as apparent in the case of the cities of Los Angeles and Santa Ana.

Within the context of community resistance, planners are proactively addressing NIMBY opposition by practicing early outreach and engagement and proposing stringent design standards for affordable housing to keep the quality of new housing consistent with the extant community character. Planners also report the usefulness of public education strategies to minimize the stigma of affordable housing, reminding the public that the broad universe of people served include not only the working poor, but also educated professionals like teachers and public servants whose wages have also been outpaced by rent increases.

### **Developer's Perspectives**

From the developers' interviews, particularly that of non-profit developers, it is clear that financing issues remain the most formidable barrier to producing affordable housing. With the loss or reduction of substantial public funding repositories, affordable housing developers must now secure financing through increasingly complex arrangements of subsidies at the state or federal level to cover development costs. This process is laborious, time-consuming, and ultimately costly, as with each source included in patchwork financing, there can be additional concomitant requirements complicating the process further.

For developments near transit stations, developers have also seen a growth of competition between market-rate and affordable housing developers. The area defined by the half-mile radius around transit stations is highly favorable, especially considering place-specific incentives like LA City's Transit Oriented Communities Program or recent changes to Density Bonus Law. Parcel-level competition for land acquisition in these areas is also increased where land uses are resistant to intensification; for example, if half of the land near a station currently features a single-family neighborhood, intensification and affordability goals often get shifted to other land nearby.

In general, the developers we interviewed are in consensus that although planning policies promoting sustainable transportation appear to support affordable housing, advancing such expectations without financing resources can actually impede affordable housing development. This regulatory quagmire brings to question the degree to which developers can immediately address the

affordable housing crisis. In certain cases, there may be a need for cities and funding programs to provide greater flexibility around commercial, design, and unit mix requirements. Further, the scale of support that most cities would need to even approach fulfilling RHNA goals at the lower affordability levels would likely require higher level of State-Level and Federal-Level resources.

Community opposition remains a major barrier to affordable housing production, despite public awareness of the state's housing crisis. Understandably community concerns with higher density are about parking, traffic, and displacement. Resistance comes from multiple perspectives: from NIMBY opposition in wealthier single-family neighborhoods, to anti gentrification NIMBYs concerned about displacement. Developers recognize the value in addressing and resolving concerns about new development but are less certain about their ability and capacity to redress societal challenges of poverty, homelessness, and housing affordability.

Overall, the development of affordable housing in TODs is incredibly context dependent – where conditions of the transit infrastructure, existing urban form patterns, economic desirability, the policy ecology from local to federal make even the conventional TOD objectives tricky to accomplish. Prioritizing the objective of economic inclusion also adds layers of difficulty related to finance, planning and development procedures, and opportunities for community opposition. To achieve the inclusionary housing goal, substantial enduring support on a political and economic basis along with creative policy response could likely improve outcomes.

The overall findings are summarized as follows, leading to specific recommendations presented in the concluding section.

## **TOD AND AFORDABLE HOUSING**

- 1. California's cumulative deficits in housing and more specifically affordable housing are overwhelming**
  - a. Over the years, incomes have not increased commensurate with housing costs exacerbating the affordability crisis
- 2. The nexus of transit and development generally is rather weak or non-existent, especially in the largely suburban context of the Los Angeles metropolitan area**
- 3. Consequently, possibilities of affordable housing requiring significantly higher density remain limited, given the low-density housing context of suburban sprawl**

- a. Traditionally low-density middle to upper income single-family housing context remains inimical to affordable housing
- b. The connection between density and affordability remains an enigma
4. **Risks of gentrification are especially high in inner city economically distressed neighborhoods and a cause for concern**
  - a. A TOD designation (any public sector incentive) escalates land costs making it even more challenging to build affordable housing
  - b. New market rate developments invariably increase costs (rents) and crowd out opportunities and resources for the working poor
  - c. This phenomenon is evident mainly in the inner-city locations so far
5. **Evident spatial mismatch in investments that leads to suboptimal outcomes in housing production**
  - a. Affluent cities such as Santa Monica and Pasadena are adept at lining up housing investments, whereas we see market indolence in communities of color

#### **PLANNING AND POLICY TOOLS: PLANNER'S PERSPECTIVES**

6. **Lack of funding to produce affordable housing at the state and local levels**
  - a. In the past, tax increment financing was made possible by California's innovative Community Redevelopment Act (CRA) that helped produce affordable housing. Dissolution of CRA in 2011 removed the tax increment financing mechanism
7. **Differences in the affordable housing outcome at the local level can be attributed to local civil society advocacy and activism**
  - a. City of Los Angeles TOC approach and Proposition JJJ, along with the Housing Element Plan by the City of Santa Ana are cases in point
8. **State policy like RHNA is well intentioned but not grounded in reality**
  - a. At the local level, there is considerable pushback to such policy mandates due to challenges in implementation
9. **Aspirational Specific Plans and Housing Elements**
  - a. Considerable ambiguity in the planning and policy documents as they lack teeth for affordable housing implementation
  - b. Not always covering the conventional one-half mile radius area
  - c. Little coordination in plan preparation when multiple jurisdictions are involved
  - d. Overall vision is often lacking
  - e. City of LA TOC plans can be seen as a best practice for promoting affordable housing

- f. Little guidance from planning documents: “the code is silent about affordability”
- 10. **Community opposition or NIMBYism can stonewall any public or developer initiative**
  - a. Developers often cite CEQA as the poison pill, a convenient way for NIMBYs to get around to killing affordable housing projects they dislike
- 11. **The Specific Plans largely remain mute about the urban design implications of the notion of "transit community"**
  - a. Vision for urban design is typically partial, fragmented, and formulaic at best

## THE PRODUCTION EXPERIENCE: DEVELOPERS' PERSPECTIVES

- 12. **Developers consider TOD areas high opportunity areas for new development**
  - a. But the lack of funding (especially from the perspective of non-profit developers) remains a barrier
- 13. **Subsidy Patchwork**
  - a. Affordable housing developers are dependent on subsidy, which is obtained through a patchwork of sources, but mainly as Low-Income Housing Tax Credits (LIHTC)
- 14. **Competition for Funding**
  - a. Public subsidies at the local, state, and federal level are highly competitive and time-consuming
- 15. **Financing and Permitting Process**
  - a. Subsidy to pencil out the proforma often are not available, or on time
  - b. Transaction costs are high as any lapse in financing or inability to secure permit in a timely fashion can derail a project
- 16. **Financial Risks**
  - a. Land acquisition and pre-development stages are particularly risky for developers. Non-profit developers dependent on public subsidy often cannot compete with for-profit developers with financial capability to secure conventional loans
- 17. **Implementation authority necessary to produce affordable housing in TODs remain decentralized subject to political vicissitudes at the local level**
  - a. Absent are such innovative measures as TIF, CRA etc.
- 18. **Land Use Planning Barriers**

- a. The 3-D goals – density, diversity, and design – for achieving sustainable transportation behavior are not always compatible with affordable housing development goals
- b. Density and affordability do not always “go together”
- c. Diversity of uses may lead to what many developers consider the “retail burden” with the declining demand for retail use
- d. The “Demand Management” initiative to limit parking in the TOD areas, while lowering development cost, often faces strong opposition from local residents

## CHAPTER NINE: RECOMMENDATIONS

Today, more than ever, bigger and bolder ideas, better coordination at the federal, state, and local levels, public-private partnerships, and regional collaboration is needed to address market failures to produce affordable housing. Having gained insights from talking with developers with deep understanding of real estate markets and processes, planners and policymakers empowered by local initiatives and policy tools, we present recommendations that could potentially increase the share of affordable housing in transit station areas. They are as follows:

1. Emulate Abridged Versions of City of Los Angeles' Transit Oriented Communities Guidelines
2. Adopt Inclusionary Housing Policies Advancing Equitable-Development Goals in Transit Station Areas
3. Improve Planning Tools to Better Steward Affordable Housing Opportunities
4. Streamline Commercial Use Conversion to Residential, By-Right, as is done in the City of Los Angeles
5. Reinstate Tax Increment Financing to Promote Affordable Housing in Transit Station Areas
6. Strengthen Institutional Capacity for Regional Collaboration & Implementation
7. Convert Park and Ride Lots in the TOD areas to Affordable Housing and other Community Oriented Uses
8. Minimize Time-Consuming Permit Process for Housing Development in the TOD areas
9. Urban Design Visions of "Transit Community" to Guide Principles for Specific Plans

These recommendations should be viewed through the lens of possibility, albeit ranging from rather conservative to more ambitious, depending on the aperture of a community's willingness to be more risk averse or proactive. The recommendations are not prescriptive in nature, instead an opening for a dialogue, and a call for action to planners, developers, policymakers, politicians, and community stakeholders.

## 1. Emulate Abridged Versions of City of Los Angeles' Transit Oriented Communities Guidelines for Broader Application to TODs

In the interviews we conducted, at least three housing developers lauded the effectiveness of City of Los Angeles' Transit Oriented Communities Affordable Housing Incentive Program Guidelines (TOC Guidelines). Adopted by Los Angeles on Sep. 22, 2017, the TOC Guidelines incentivize affordable housing near transit pursuant to voter-approved Measure JJJ in November 2016 (Los Angeles City Planning, 2017). Although the program is relatively new, the tier-based system of incentives has provided a clear signal in the marketplace and clarified opportunities for developers to build in one-half mile radius of a major transit stop. The incentives are organized into four tiers based on proximity of the property to a major transit stop and can be requested in exchange for a specific set-aside of restricted affordable units. For instance, Tier 4 (Regional), eligible projects less than 750' from a Metro Rail Station or Rapid Bus qualify for maximum building incentives (Los Angeles City Planning, n.d.). Projects that qualify can receive incentives such as additional density, reduced parking, higher lot coverage, increased height, and reduced setbacks requirements among others.

In Los Angeles nearly 30% of all housing units proposed between Jan. 1, 2017 to Dec. 31, 2020 utilized TOC Guidelines amongst all types of entitlements available (Los Angeles City Planning, n.d.). During that time frame, TOC Guidelines program was instrumental in generating permits for 34,692 housing units of which 27,192 (78%) were market rate and 7,500 (22%) affordable. The following is the breakdown for the proposed discretionary and by-right housing units:

- Proposed Discretionary Units: 27,008 totals; 21,430 units market rate, 5,578 (21%) affordable.
- Proposed By-Right Units: 7,684 totals; 5,762 units market rate, 1,922 (25%) affordable (Ibid.)

TOC Guidelines are notably applicable only in the City of Los Angeles and not in any other jurisdictions of Los Angeles County or Orange County. The relatively rapid adoption by developers of TOC Guidelines as a strategy to entitle property and take advantage of the building incentives underscores the need to expand this program region-wide. There are three main reasons why TOC Guidelines should be emulated, and they are as follows:

1. The TOC Guidelines explicitly acknowledge the primacy of the transit station and provide a set of building incentives to develop affordable housing in one-half mile radius around the station.

2. Qualifying TOC projects can opt to pursue development by-right and apply directly for permit without City Planning review which significantly streamlines the development process.
3. Any NIMBY backlash is potentially averted as the development of affordable housing is codified in the one-half mile radius station area in TOC Guidelines.

An expansion of the TOC Guidelines region-wide would eliminate the discontinuity of affordable housing incentives and provide a predictable set of incentive framework for developers around all Metro stations. It could be a first step in developing a unifying regional strategy towards developing affordable housing next to transit. Los Angeles' TOC Guidelines might not be replicable entirely, but jurisdictions can simplify guidelines to better suit their community contexts, whether urban or suburban.

To further enhance the TOC program, zoning standards could be adopted in TOD areas in a context sensitive manner. For example, one TOD area could have a zone that only allows a maximum of 15 units per acre while another TOD area could have a maximum density of 50 units per acre. Having a consistent maximum density would enable developers to easily move from one TOD area to another without having to redesign a product to fit differing density requirements as well as increase land use efficiency.

## **2. Narrowly Craft Inclusionary Housing Policies Advancing Affordability Goals in Transit Station Areas**

Inclusionary housing policies have been used nationwide and in more than 170 cities and counties in California to ensure the production of affordable housing in market-rate developments (Local Government Commission, 2018). Recently, the Board of Supervisors for Los Angeles County adopted the Inclusionary Housing Ordinance on November 10, 2020, to advance equitable development goals and support the creation of more economically diverse and inclusive communities (Los Angeles County Department of Regional Planning, 2020). It is a policy tool that allows local governments to require housing developers seeking to build market-rate housing to either set aside affordable units for lower income households on site or provide in-lieu fees towards an affordable housing trust fund. Inclusionary housing is a proven strategy that increases affordable housing stock for both rental and homeownership opportunities for lower income households, thus helping reduce segregation, concentration of poverty, and gentrification.

The developers we interviewed pointed out how infill sites around station areas are typically scarce and fierce competition leads to escalation in land prices. Unless subsidized by public agencies affordable housing developers often cannot compete with market-rate developers. In the absence of any public intervention, developers are likely to produce solely market-rate housing with little or no affordable housing built in them. In order to mitigate this eventuality, we suggest the targeted application of the inclusionary housing policy in the one-half mile radius around the transit station. Inclusionary housing policy does not have to be adopted jurisdiction-wide; it can be selectively applied to the station areas or the concomitant Specific Plan areas.

A system-wide approach is needed to integrate affordable housing with market rate developments. And to make this nexus stronger, we encourage the in-lieu fee option that allows developers to contribute resources towards an affordable housing trust fund to be used in the designated TOD areas only. In-lieu fund, as an option, should be calibrated to capture the true cost of developing on-site units. However, if it cannot be guaranteed that a site will be found for development in the station area, it might lead to disproportionately fewer affordable housing units developed over the long run (Local Government Commission, 2018).

Consistent with Recommendation #1, it should be noted that market-rate developers who comply with on-site inclusionary requirements that meet affordable housing requirements of the state Density Bonus Law receive benefits such as increased density, concessions and incentives, reduced parking, and waivers of development standards.

### **3. Improve Planning Tools to Better Steward Affordable Housing Opportunities**

Millions, if not billions of dollars, are spent on a typical light rail project. It takes decades of planning, environmental reviews, and stakeholder input to get a project implemented. An outcome of the planning process is a particular line alignment – along with the identification of station areas. Invariably, a retrofit, the superimposition of a transit line on an existing urban area enhances access, increases property values, and creates potential opportunities for infill development. Yet there are numerous studies that demonstrate a persistent disconnect between the underlying land use and transit/mobility infrastructure. More specifically, planning barely addresses how affordable housing could enhance transit or vice versa. After all, the market segment most often transit dependent—the working poor, blue collar workers, and senior citizens who have low or limited incomes— has urgent need for affordable housing more than anyone else. It is in this context we would like to draw your attention to the

various planning tools and how ineffective they are in promoting the affordable housing-transit nexus, and what might be done to rectify the situation. Here are a few observations:

- Development around a transit station area is often guided by a Specific Plan, which is a comprehensive planning and zoning document that provides development standards and design regulations implementing the City's General Plan framework. "Code is silent on affordable housing", was a cautionary refrain from one of the planners we interviewed early on in our project. As such, there is considerable ambiguity in how specific plans across jurisdictions address the issue of affordable housing. While some specific plans spell out a number or a range of housing/affordable housing units that could be built over time, others do not address this issue at all. Typically, TOD specific plans are reluctant to change land use or density of existing single family residential areas, which is often the case in the suburban areas.
- Housing Element, another integral part of a City's General Plan, typically provides an inventory of underutilized and vacant parcels. Yet again, there is considerable variation amongst housing elements in the reporting of data, often obscured with no guidance on estimated housing yield specifically in transit station areas. In addition, our analysis reveals no linkage between the housing element and the specific plan; they tend to be mutually exclusive, asynchronous, and not in any way integrated.
- The last piece of the puzzle is the Regional Housing Needs Assessment (RHNA), interrogated by a few planners and ignored altogether by developers. It "is mandated by State Housing Law as part of the periodic process of updating local housing elements of the General Plan" (SCAG, n.d.). The California Department of Housing and Community Development (HCD) approved the 6<sup>th</sup> Cycle Final RHNA Allocation Plan on March 22, 2021. It quantifies the need for housing within each jurisdiction from October 2021 through October 2029. SCAG's RHNA Plan determines the need for 812,060 housing units for Los Angeles County and 183,661 units for Orange County, respectively. The allocation for the City of Los Angeles alone is a whopping 456,643 housing units. Although the goal is ambitious and regional in scope, yet there is no strategy or means to implementing it. In fact, SCAG unequivocally points out: "Jurisdictions are required to plan for their RHNA allocation and there are penalties for not doing so, but there are no direct penalties for not building enough housing" (Ibid.).

So, what might be done to address this apparent inefficiency and lack of coordination between the various planning instruments?

SCAG's 6<sup>th</sup> Cycle RHNA methodology breaks down housing needs in two main categories: Projected Need and Existing Need. Projected Need is based on household growth (2020-2030), future vacancy needs, and replacement need. Existing Need is based on job accessibility, share of region's population within the high-quality transit areas (HQTAs) based on future 2045 HQTAs, and residual distribution within the county (SCAG, 2020). According to SCAG, "HQTA is within one-half mile from a "major transit stop" and a "high-quality transit corridor" and developed based on the language in SB375 and codified in the CA Public Resources Code" (SCAG, n.d.). Based on the RHNA Final Allocation Calculator, the existing need due to HQTAs, as an example, for the City of Los Angeles is 165,517 housing units, which represents 36% of the total housing need determined for the city (Ibid.).

It would be helpful if SCAG's RHNA methodology working in coordination with the City of Los Angeles would disaggregate the 165,517 housing units *spatially* into the various "major transit stops" and "high quality transit corridors". Until and unless that exercise is undertaken and estimates of build-out at station areas determined, very little can be achieved in terms of goal setting and implementation at the local level. Guidance on spatial distribution of affordable housing, akin to a visual dashboard, would be elemental in targeting opportunities for affordable housing in station areas for developers and policy makers alike. We recommend further that instead of following the eight-year allocation cycle the localities annually update their RHNA targets and achievements for the TOD area annually. Furthermore, this requirement will apply to not just existing TOD areas, but new TOD areas as new stations are opened with the on-going expansion of the network.

As we understand, RHNA provides guidance to jurisdictions and informs their housing elements. Per HCD, "housing policy in California rests largely upon the effective implementation of local general plans and, in particular, local housing elements" (HCD, n.d.). It would be prudent if housing elements drawing on RHNA guidance address the housing opportunity presented by HQTAs, especially affordable housing build-out in transit station areas. In the same vein, Specific Plans cannot be vague or static, and not reflect market realities or affordable housing opportunities afforded by transit stations. They ought to be dynamic and consistent with the General Plan's housing element and RHNA framework.

We note further:

“Government Code Section 65583.2, subdivision (c) requires the housing element to identify which RHNA income category that each site in the sites inventory is anticipated to accommodate. The site inventory must specify whether the site or a portion of the site is adequate to accommodate lower income housing, moderate-income housing, or above moderate-income housing. Sites can accommodate units for more than one income category. However, the site inventory should indicate the number of units of each income category, and together the total of units attributed to each income category may not exceed total units attributed to the site, so that no unit is designated for more than one income category. This requirement is particularly important because the No Net Loss Law (Government Code section 65863) requires adequate sites be maintained throughout the planning period to accommodate the remaining RHNA by income category.”<sup>13</sup>

#### **4. Streamline Commercial Use Conversion to Residential By-Right**

E-commerce and online retail are having a major impact on the economic landscape and built environment largely due to the accelerated patterns of buying and selling goods and services in cyberspace. The estimated U.S. retail e-commerce sales as a percent of total quarterly sales, adjusted for seasonal variation, dramatically increased from 0.8% in the 1<sup>st</sup> quarter of 2000 to 11.8% in the 1<sup>st</sup> quarter of 2020 (U.S. Census Bureau, 2021). In the 2<sup>nd</sup> quarter of 2020, e-commerce retail sales as a percent of total sales shot up to an all-time high of 16.2%, in the middle of Covid-19.

Changing consumer trends and the rapid adoption of e-commerce has rendered many commercial establishments obsolete. Amazon and its ilk of online disruptors were already having a significant impact on the marketplace prior to Covid-19. The pandemic added fuel to fire with brick-and-mortar stores bearing the brunt of the damage enabled by a precipitous decline in economic activity, mandatory lockdowns, and social distancing. According to *Fortune* magazine, a record 12,200 retail stores big and small closed during 2020, up from 10,000 during 2019 (Wahba, 2021). Retailers like Macy’s, JCPenney, GameStop, and Gap underwent major contraction while Pier 1 Imports with 950 stores closed altogether last year. Ironically, these trends are expected to continue with strong e-commerce growth projected for the future. Store and mall closures along with high commercial vacancy rates negatively impact the local tax base and have a deleterious impact on the physical environment. To better utilize land zoned commercial or stores and malls that are no longer economically viable, we suggest streamlining and prioritizing the conversion of

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<sup>13</sup> Comments from HCD.

formerly commercial uses to affordable housing by-right in the one-half mile radius of the transit station area.

Repurposing obsolete or underutilized commercial property into residential use is not a new idea.

- The City of Los Angeles has created two zones, RAS3 and RAS4 Residential/Accessory Services Zones, to revitalize older commercial corridors. RAS3 and RAS4 allow a max. FAR of 3.0 allowing the integration of new residential with commercial use to accommodate projected population growth in mixed use developments.
- At a regional level, SCAG has developed growth vision and provided resources and technical assistance to jurisdictions through a variety of programs such as Compass Blueprint, Sustainability Planning Grants, and Sustainable Communities Program to concentrate future population growth and density in centers and corridors. Such programs encourage housing integration with transit infrastructure and active transportation strategies for the reduction of vehicle miles traveled (VMT) and greenhouse gas emissions (GHG) (SCAG, 2021).
- Last year, at the state level, there were a suite of bills authored to streamline and increase housing production contributing to California's economic recovery in response to the pandemic. Among them was Senate Bill (SB) 1385, the Neighborhood Homes Act, authored by Senator Caballero. Although SB 1385 failed, it was aimed at increasing housing production on commercially zoned retail and office spaces to address the growing deficits in housing and the affordability gap (The Planning Report, 2020).

It appears consistent with the ongoing consumer shopping trends and rapid adoption of e-commerce that the adaptive reuse of vacant or underutilized commercial properties for affordable housing would be a prudent strategy for the state to pursue. Repurposing dysfunctional or underutilized commercial real estate into affordable housing in a half-mile radius around transit station areas would not only be more productive but an environmentally just use. Streamlining of the permit process, development by-right, and stackable incentives would be the catalyst for jumpstarting affordable housing development in transit station areas.

Several bills are under consideration in the State legislature addressing similar goals. These are:<sup>14</sup>

- [SB 6](#) Housing in office/retail zones. Some places allow housing in downtowns and other commercial zones, but many places are currently office, parks, or malls only. SB 6 would allow housing as well. Skilled & Trained (union) labor required for larger projects.
- [SB 15](#) Incentives for cities to rezone retail. One reason many cities zone for retail is they want the sales tax money. As an incentive to allow housing instead, SB 15 would give cities money if they rezone.
- [AB 115](#) Housing in office/retail zones. Similar to SB 6, but broader. It would also raise height limits to the highest zone within a half mile.
- [SB 621](#) Hotel conversions. Streamlines the approvals process for converting hotels to housing. Requires 10% of the homes to be for low-income people, also requires Skilled & Trained (union) labor.
- [AB 672](#) Conversion of golf courses. Would require cities to rezone golf courses so that someone could build a combination of housing and open spaces.
- [AB 1551](#) Conversion of commercial space. Allows adaptive reuse of commercial space built in the last 5 years.

### 5. Reinstate Tax Increment Financing in Transit Station Areas

Funding and financing of affordable housing has often been cited as the single most potent barrier to developing affordable housing. It's not only spelled out in literature but was reaffirmed by developers we interviewed. The dissolution of California Redevelopment Agencies (RDAs) in 2012 meant that dedicated funding for affordable housing was eliminated. Notably, 20% of tax-increment generated in a redevelopment area was dedicated to the development of affordable housing. In FY 2008-09, redevelopment housing funds accounted for \$1.14 billion or 60.2% of the state's \$1.89 billion housing investments. A decade later, in FY 2018-19, redevelopment housing funds contributed zero dollars to the total \$1.04 billions of state's housing investments. State housing investment fell a yawning 45%, as a significant source, the redevelopment funds dried up leaving local governments hamstrung with inevitable housing production shortfall (California Housing Partnership, 2020).

<sup>14</sup> Courtesy of HCD comments to an earlier presentation.

The chronic housing crisis presents an opportunity to reinstate redevelopment and tax-increment financing (TIF), and if only in the transit station areas, to prevent any excesses and abuse that led to its demise. The narrow application of TIF in half-mile radius around station areas would give local jurisdictions the ability to exercise eminent domain to help with parcel assembly, often cited as a barrier to development. Any tax increment generated from the project area should ideally be shared equally, half going towards infrastructure associated with higher densities, mobility and pedestrian improvements, and the other half dedicated towards financing affordable housing. The incremental proceeds for TIF would be instrumental in floating bonds and marrying other equity and financing sources to build affordable housing through public-private partnerships. Such a strategy would infuse transit station areas with new capital and create much needed momentum for building affordable housing.

The upside to such a strategy is predictability in cash flow for affordable housing production and quantifiable results. The downside, of course, is redevelopment/TIF approval which could be tied up in a political quagmire.

Another variant of this is the value capture financing approach, where a property owner in the vicinity of any public improvement benefits from the insertion of public improvement like a transit station. Accordingly, the property value will be reassessed to capture the tax increment due to the value accruing to the property.

## **6. Strengthen Institutional Capacity for Regional Collaboration & Implementation**

The affordable housing crisis and its accompanying disconnect with public transportation transcends municipal boundaries and impacts us all. Just like how California addressed the issue of air quality that once seemed out of control, we need a regional vision, a coordinated and holistic approach, and public-private partnerships to tackle this complex problem. Innovative institutional arrangements or partnerships are needed to address a highly decentralized framework that encourages fierce competition amongst cities for resources and the tax base.

We recommend that an organization such as The Los Angeles County Metropolitan Transportation Authority or Metro take a more proactive role in developing the housing-transportation nexus. An example to emulate is Hong Kong's Mass Transit Railway (MTR) Corporation. We do realize Hong Kong is very different, marked by its hilly terrain, high population density, scarce land resources, and a centralized political system. Nevertheless, there are lessons to

be learned from a system that has operated for the last 30+ years without taxpayer subsidies on a self-sustaining basis.

An article by McKinsey describes how MTR has been effective in delivering performance and value to riders, business, and government alike. “One important reason the system has been able to perform so well is that the government of Hong Kong has enabled MTR to make money from the property-value increases that typically follow the construction of rail lines. The key is a business model called “Rail plus Property” (R+P). For new rail lines, the government provides MTR with land “development rights” at stations or depots along the route. To convert these development rights to land, MTR pays the government a land premium based on the land’s market value without the railway. MTR then builds the new rail line and partners with private developers to build properties” (Leong, 2016).

The article further extolls the virtues of the Hong Kong model by outlining lessons learned: “Encouraging commercial and residential development near transit hubs, for example, is something that many cities can do. Another lesson is to consider allowing transit systems to capture some of the value of the real estate along their routes. Profit-sharing deals with developers, partial ownership of new developments, and on-site property rentals can all yield revenue to help pay for new investments in transit. These approaches can ease the financial strain of expanding public transit while making cities better places to live and work” (Leong, 2016).

In the last 25 years, the Los Angeles metropolitan area has changed with a growing footprint of Metro stations. Preferences of people, in general, have also changed over these years. Instead of heading to suburban communities, there is an increasing trend of living in vibrant urban centers with easier access to amenities. People have also become more receptive to living in higher density developments as commutes have become inordinately long. In spite of all the favorable lifestyle trends, there remains a persistent scarcity of affordable housing around transit. We believe it is an opportune time for Metro to take leadership, perhaps, in concert with SCAG, and municipalities to pursue development opportunities and create station areas as the hub of social and economic activity. Expanded institutional capacity and an authority to buy and sell property, enter into partnerships, and leverage private sector investments akin to what MTR has done in Hong Kong will go a long way in ensuring positive outcomes in the near future.

## 7. Convert Park and Ride lots in the TOD areas to Affordable Housing and other Community Oriented Uses

Many of the outlying Metrolink stations established to serve the daily commuters provide enormous amounts of land devoted solely for parking. These park and ride lots can be found in many suburban stations in the metropolitan transit network. We propose that these lots, some already under public ownership, be made available for mixed use development with significant amounts of affordable housing, with commuter parking consolidated in multi-level parking structures with direct connection to the station concourse. The land will remain in public ownership but should be made available for development under land lease arrangement (as at UC Irvine or Stanford University faculty and staff housing) thereby significantly reducing development cost and making such housing more affordable.

## 8. Minimize Time-Consuming Permit Process for Housing Development in the TOD areas

Both for-profit and nonprofit developers complain about the lengthy approval process, red tapes, and other sundry requirements. This increases financial risk of developers and overall transaction cost, ultimately increasing production cost. This is particularly onerous for the nonprofit developers who have limited financial means and heavily dependent on a patchwork of tax-credits, subsidies, and other grants, etc. The localities should be able to minimize this type of transaction cost for housing developers committed to build affordable housing in the TOD area by consolidating and streamlining the permit process.

## 9. Urban Design Principles for Specific Plans

The Specific Plans we had a chance to review seemed to lack an overall vision of "community design" in their proposal. The urbanisms inherent in these proposals are essentially a continuation of the ubiquity of urban form and land use typical of the uninspiring everyday urban landscape of the Los Angeles urban sprawl. There is very little urban design, so to speak, in these proposals. We propose that future development of the Specific Plans consider the entire designated TOD area and develop an overall vision of a "transit community."

Accordingly, the TOD area should be considered to have three distinct components: The *Station Concourse*, The *Station Precinct*, and the *Station District*. The concourse should be designed to have safety of access and egress, comfortable waiting areas, easy connection to local bus connection, storage of bikes, and docking areas for shared bikes and scooters. The precinct is a larger area that will include not only such commercial uses as coffee shops, small grocery stores, cleaners, mailing services, and barber shops, but also public

spaces for social contact, recreation, and the like. One could imagine even such community facilities as day care centers, pre-school facilities, post offices, and even a branch library (Anaheim Metrolink station offers an automated book borrowing facility run by the city's library system located on the concourse). Beyond the precinct lies the district that will include housing in variable density gradient, with ample light and air and open spaces, walkable streets, biking lanes, and so on. Parking will be largely distributed in parking structures located within a short walk from each housing unit.

Street design will be pedestrian friendly and safe for children and the elderly, and the like. Such performance criteria for community design should be a required supplement for the TOD specific plans.

In Table 14 below, we present major actors who can play a key role in implementing each recommendation, and a proposed timeline for action.

**Table 14: Recommendations, Timeline for Action, and Implementers**

No.	Recommendation	Timeline for Action	Implementing Agent(s)
1.	Emulate Abridged Versions of City of Los Angeles' Transit Oriented Communities Guidelines	Immediate	Local Govt.
2.	Adopt Inclusionary Housing Policies Advancing Equitable-Development Goals in Transit Station Areas	Immediate	Local Govt.
3.	Improve Planning Tools to Better Steward Affordable Housing Opportunities	Immediate to Longer Range	Local, MPO, and State Govt.
4.	Streamline Commercial Use Conversion to Residential, By-Right, as is done in the City of Los Angeles	Immediate	Local and State Govt.
5.	Reinstate Tax Increment Financing to Promote Affordable Housing in Transit Station Areas	Immediate	State Govt.
6.	Strengthen Institutional Capacity for Regional Collaboration & Implementation	Immediate to Longer Range	Metro/Metrolink, MPO, and Local and State Govt.
7.	Convert Park and Ride Lots in the TOD areas to Affordable Housing and other Community Oriented Uses	Immediate	Metro/Metrolink and Local Govt.
8.	Minimize Time-Consuming Permit Process for Housing Development in the TOD areas	Immediate	Local Govt.
9.	Urban Design Visions of "Transit Community" to Guide Principles for Specific Plans	Immediate	Local Govt.



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## Data Management Plan

### Products of Research

The research team collected data from multiple public sources and supplemented it with interviews from representatives of public agencies, private developers, and other consultants. We used 2009 and 2017 American Community Survey (ACS) data from the Census Bureau, 2016 SCAG land use data, Specific Plans and Housing Elements from case study jurisdictions, 6<sup>th</sup> Cycle RHNA numbers from SCAG, and images from Google. In addition, we conducted interviews with a diverse constituency of public and private experts over Zoom.

### Data Format and Content

The format and content of each file type is as follows:

- 2009 and 2017 ACS: Excel; Station area socio-economic and housing data
- 2016 SCAG Land Use Data: GIS; Station-area maps
- Recent Specific Plans and Housing Elements: PDF; Station area specific documents for case study jurisdictions
- 6<sup>th</sup> Cycle RHNA: PDF; SCAG's housing allocation for the region
- Google Images: JPEG; Station-area aerial pictures
- Zoom video and audio transcripts: Video and text files; interviews with representatives from state and local agencies, developers, and other consultants

### Data Access and Sharing

Except the interviews we conducted, all of the data outlined above is available online, accessible, and in the public domain.

### Reuse and Redistribution

Interview transcripts can be provided to the general public for reuse and redistribution contingent on them obtaining a written permission from the interviewee. Other data is publicly available for reuse and redistribution.

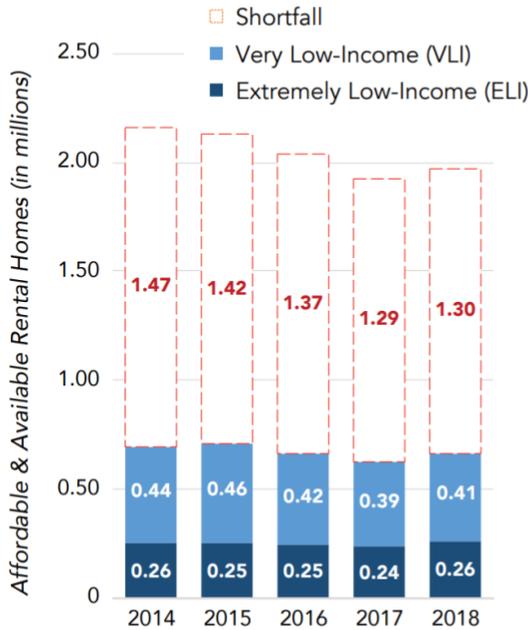
# Appendix

## Appendix A: State of California's Housing Crisis

Source: California Housing Partnership, March 2020

### CALIFORNIA NEEDS 1.3 MILLION MORE AFFORDABLE RENTAL HOMES

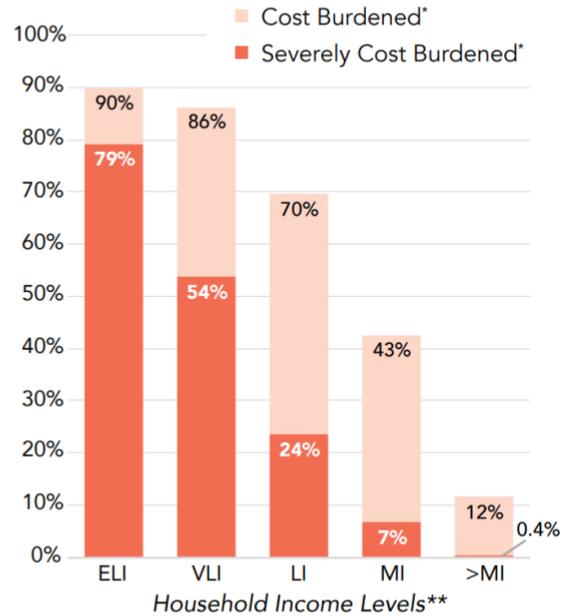
While the shortfall has declined by 11% since 2014, the share of housing need not being met has remained relatively constant because the number of low-income households has also declined.\*



Source: California Housing Partnership analysis of 2018 1-year American Community Survey (ACS) PUMS data with HUD income levels. Methodology was adapted from NLIHC gap methodology.

\*The proportion of total unmet housing demand for low-income renters (shortfall / total demand) from 2014 to 2018, was 68%, 67%, 67%, 67%, and 66%, respectively.

### 79% OF CALIFORNIA'S EXTREMELY LOW-INCOME HOUSEHOLDS ARE SEVERELY COST BURDENED COMPARED TO 7% OF MODERATE-INCOME HOUSEHOLDS

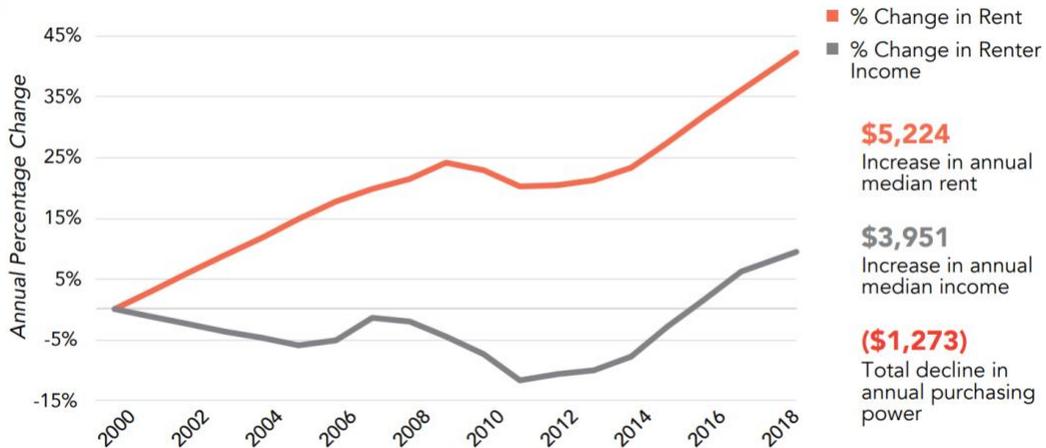


Source: California Housing Partnership analysis of 2018 1-year American Community Survey (ACS) PUMS data with HUD income levels. Methodology was adapted from NLIHC gap methodology.

\*Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.

\*\*ELI: Extremely Low-Income, VLI: Very Low-Income, LI: Low-Income, MI: Moderate-Income, >MI: Above Moderate-Income

### FROM 2000 TO 2018, CALIFORNIA'S MEDIAN RENT INCREASED 40% WHILE MEDIAN RENTER INCOME INCREASED ONLY 8%



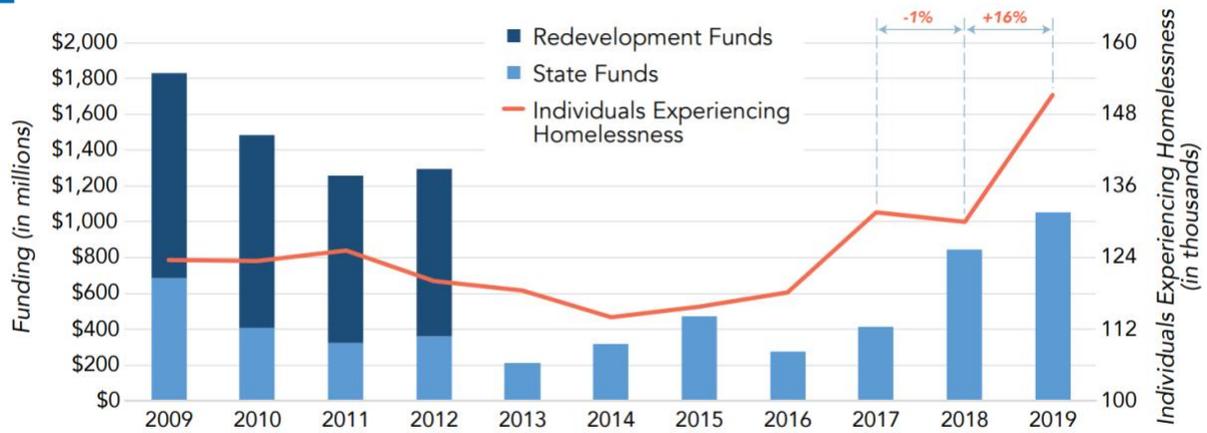
**\$5,224**  
Increase in annual median rent

**\$3,951**  
Increase in annual median income

**(\$1,273)**  
Total decline in annual purchasing power

Source: California Housing Partnership analysis of the Census Bureau's 2000–2018 American Community Survey (ACS) data. Median renter income and rent from 2001–2004 are estimated trends. Median rent and median renter income are inflation adjusted to 2018 dollars.

**DESPITE THE 2017 HOUSING PACKAGE, STATE FUNDING STILL FALLS SHORT, UNDERMINING PROGRESS ON HOUSING INDIVIDUALS EXPERIENCING HOMELESSNESS**



**Source:** California Dept. of Housing and Community Development (HCD) Redevelopment Housing Activities Report 2009 -2011. HCD Program Reports, 2009-2019. U.S. Dept. of Housing and Urban Development (HUD) PIT and HIC Data since 2007. California Business, Consumer Services and Housing Agency, Homeless Emergency Aid Program, 2018. California Strategic Growth Council Affordable Housing and Sustainable Communities Program, 2014-2019. Note: Fiscal years are represented by the second half of the fiscal year (e.g. FY 2008-2009 is presented as 2009).

## Appendix B: Barriers to Development

Stage	Barrier	Detail
PLANNING	Implementation and enforcement of planning laws	<ul style="list-style-type: none"> <li>- The State of California has enacted a series of land use and housing-related laws (<b>Appendix C</b>) promoting the provision of affordable housing. The policy objective often is twofold, <i>i.e.</i>, achieving equity and environmental sustainability. A series of laws enacted in the last few years therefore promotes affordable housing development in transit-rich areas.</li> </ul>
	Lack of land and infrastructure Availability	<ul style="list-style-type: none"> <li>- <u>Limited developable land</u>: In fact, several sources argue that the amount of developable land is not a constraint <i>per se</i> (MGI, 2016; California Forward, 2019). As a way of example and keeping in mind that MGI’s methods have been criticized for leading to overestimates, MGI (2016) found that “Los Angeles County has 5,600 to 8,900 vacant parcels zoned for multifamily use, with zoned capacity for 32,000 to 75,000 units”</li> <li>- <u>Lack of willingness or proactiveness to support development or redevelopment</u> by local communities. Redevelopment is an option they can exercise, but a rather complex and expensive one compared to greenfield development.</li> <li>- <u>Limited capacity of infrastructure</u>: New housing developments can strain existing infrastructure such as streets, water, and sewage networks, fire protection, schools, and parks. Housing production goals are typically not tied to infrastructure investments.</li> </ul>
ZONING	Institutional Lack of resources and capacity to implement housing programs	<ul style="list-style-type: none"> <li>- <u>Planning departments may lack resources and adequate capacities</u>, especially after the Great Recession and the dissolution of Redevelopment Agencies in 2012 by Governor Jerry Brown (Federal Reserve Bank of San Francisco, 2015).</li> <li>- <u>Weak planning</u>: e.g., weak Housing Element in the General Plan.</li> <li>- <u>Scarce data</u>: Planning departments do not always keep track of the evolution of the housing stock, parking supply, and so forth.</li> </ul>

		<ul style="list-style-type: none"> <li>- <u>No ad-hoc working group or cross-sectoral agency</u> to promote housing development near transit and/or e-TOD.</li> </ul>
	Overly restrictive development standards	<ul style="list-style-type: none"> <li>- <u>Limits on development</u>: on density, building heights, unit sizes or for by-right developments</li> <li>- Excessive parking requirements</li> <li>- <u>Growth control</u>: capping the number of new units that can be built per year</li> </ul>
	Fiscalization of land use and other competing priorities	<ul style="list-style-type: none"> <li>- <u>Priority to non-residential development</u>: because of their local finance structure, localities may prefer to give priority to sales-tax generating developments, typically, commercial over residential</li> </ul>
PERMITTING	Approval uncertainty, lengthy processing, and high fees	<ul style="list-style-type: none"> <li>- Excessive impact fees</li> <li>- <u>Approval uncertainty and lengthy processing</u>: Multiple levels of discretionary reviews –building department, health department, fire department, planning commission, and city council, and sometimes others – increase processing time and uncertainty. Developers prefer ministerial processes for transparency and time efficiency reasons.</li> <li>- <u>Changes in zoning laws</u>: Projects take even more time when required.</li> <li>- <u>California Environmental Quality Act (CEQA)</u>: A long process. CEQA requires local governments to conduct detailed review of the potential environmental effects – e.g., parking, traffic, air and water quality, endangered species, historical site preservation – of new housing construction prior to approval.</li> </ul>
	Community Opposition	<ul style="list-style-type: none"> <li>- Poorly managed public engagement processes.</li> <li>- <u>Referendums and voter approval</u>: “more often than not, voters in California’s coastal communities vote to limit housing when given the option” (NAA, 2019).</li> <li>- <u>Opposition through the CEQA process</u>: It gives opponents to new developments significant opportunities to reduce density, slow or stop development, even after approval. Environmental claims may serve to convey non-environmental concerns, such as the fear of change in the</li> </ul>

		character of neighborhoods (e.g., low-density single-family housing neighborhoods).
	Developer interest	<ul style="list-style-type: none"> <li>- <u>Priority to certain types of housing constructions</u>: Single-family homes in inland counties, for example (greenfield developments) may appear more viable and profitable than infill development in existing developed areas.</li> <li>- <u>Speculation in TODs</u>: Areas with planned transit investments may appear risky for developers as land prices may start rising long before transit lines open despite remaining uncertainties regarding the success of the transit project.</li> </ul>
BUILDING	Market conditions	<ul style="list-style-type: none"> <li>- Weak market conditions, unattractive market for economic reasons.</li> </ul>
	Financing	<ul style="list-style-type: none"> <li>- Lack of visibility regarding financing options available.</li> <li>- Limited access to pre-development financing.</li> <li>- <u>Unstable funding for affordable home development</u>: A survey of 71 affordable housing developers (FRBSF, 2015) found that 65% of the respondents mentioned the lack of funding for affordable housing in California as a development concern.</li> </ul>
	Developer costs	<ul style="list-style-type: none"> <li>- High land acquisition and labor costs: The State of California, in particular, requires higher quality building materials (windows, insulation, heating and cooling systems) to achieve energy efficiency goals.</li> </ul>

## Appendix C: California Housing Bill Summaries

Bill	Author	Title	Type	Effect	Basics	Intention
<b>SB 2</b>	Atkins	Building Homes and Jobs Act	Funding	Adds a recording fee of \$75 per document to a real estate transaction, up to \$225 per transaction, per parcel. 2018 calendar year funds split 50% to DHCD for homelessness 50% to local gov's for specified purposes. 2019 calendar year funds split 75% to DHCD for mixed income multi-fam residential housing for low to moderate incomes	Property Transfer Document Fee creates DHCD funding	Generate Revenue
<b>SB 3</b>	Beall	The Veterans and Affordable Housing Bond Act of 2018	Funding	Authorizes \$4B in bonds. \$3B to finance existing housing programs, as well as infill infrastructure financing and affordable housing matching grant programs. \$1B in additional funding for existing programs for farm, home, and mobile home purchase assistance for Veterans. Issue placed before voters Nov 2018	\$3B in housing bonds \$1B in housing bonds for Veterans	Generate Revenue, Target Veterans
<b>AB 571</b>	Eduardo Garcia	Farmworker Housing: Income Taxes: Insurance Tax: Credits: Lox Income Housing: Migrant Farm Labor Centers	Funding/ Processing/ Streamlining	Modify percent requirement to qualify for "low-income building" status as related to taxation of insurers & redefine farmworker housing to have 50% farmworker residence threshold in place of 100%. Authorize DHCD Director to provide advance payments of up to 20% of annual operating costs of migrant labor centers to pay the contractors (both in procurement and construction) & deletes the limitation that state funds to extend occupancy past 180 days be used in first 14 days thereafter & caps occupancy at 275 days. Tax increase requires 2/3 support in both houses. "Urgency Statute."	Raise tax revenue, make "farmworker housing" status easier to obtain	Accelerate farm housing development
<b>SB 35</b>	Wiener	Planning and Zoning: Affordable Housing: Streamlined Approval Process	Streamline/ Mandate	Conforms Housing Element of planning agencies' annual reports to the DHCD standards, terms, and definitions. Requires planning agencies to report new net units of housing and have DHCD post annual report online. Authorizes development proponents to submit streamlined applications for multifamily housing developments & limits local government parking standards. Declare access to housing a "statewide concern." "State mandated local program."	Standardizes planning agencies to DHCD, requires specifications for annual planning report	Standardize housing elements statewide. Limit parking standards

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<b>SB 540</b>	Roth	Workforce Housing Opportunity Zone	Streamline - CEQA Bypass	Authorize local governments to establish WHOZ by <b>preparing an EIR</b> for the zone and adopt a specific plan including public hearings about the plan where amendments to the new plan zoning would require a new EIR, and local governments can get grants to work on the plans. Once WHOZ plan adopted, there's a 5-year window of bypassing EIRs and require agency approval within 60 days if the development meets the criteria of the plan and other regulations. Local agency must provide annual report to Office of Planning and Research and DHCD on status of gen plan and progress in meeting RHNA. Include WHOZ #s in report. Access to affordable housing is a "statewide concern"	Creates WHOZ 5 year EIR bypass window. Works WHOZ into annual report to DHCD	Bypass CEQA, target mixed income development
<b>AB 73</b>	Chiu	Planning and Zoning: Housing Sustainability Districts	Streamline - CEQA Bypass	Features may exceed the height limits of this District up to 10 feet, subject to Economic and Community Development Director approval**	Authorize city to establish HSD with 10-year EIR bypass window (up to one 10 year additional window)	Bypass CEQA, target mixed income development
<b>SB 166</b>	Skinner	Residential Density and Affordability	Amend Gov Code	Prohibits city or county from permitting or causing inventory to fall short of RHNA for lower and moderate-income households. Expands definition of "lower residential density." Require cities and counties to document breaches of the development obligation for the housing element. When approval of a development project results in falling short of the housing element threshold, the jurisdiction would be required to "identify and make available" sites to account. New sites would bypass CEQA.	Prohibits entities from falling short of RHNA; documentation of breaches of development need	Empower DHCD
<b>SB 167</b>	Skinner	Housing Accountability Act	Amend Gov. Code	Raises standard of denial from "written findings" to "preponderance of evidence" when approving developments for VL, L, or moderate-income housing OR emergency shelters. Establish that zoning changes that occur after application to develop don't make basis for disapproval. Requires mixed use developments to have at least 2/3 of sq ft be residential. Raises standard for compliance from "written evidence" to "substantial evidence for a reasonable person to conclude" compliant & requires local	Changes "written finding" threshold to "preponderance of evidence" when disapproving developments for lower income housing/emergency shelters. Greatest	Raise evidence standard, Impose fines on agencies for disapprovals

				agencies to provide documented reason of disapproval, without which developments default to compliant status. Entitles housing orgs to attorney's fees if they prevail. Authorizes courts to direct local agencies to approve developments when they have disapproved in bad faith. Creates fine floor for disapproval with insufficient evidence, \$10k per unit & if agency acted in bad faith, fee multiplies by 5. Allows a party to appeal, rather than petition to appeal, a trial court's order, or judgment. Technical changes. No reimbursement required.	minimum fine \$10k (or 50k) per unit when faulty disapproval occurs	
<b>AB 72</b>	Santiago	Housing	Processing/ Streamlining	Requires DHCD to review any action or failure to action as either complying or being inconsistent with housing element. If DHCD finds such and issues written findings, it can revoke findings of former compliance and give agency 30 days to respond to move back towards compliance.	DHCD review of planning agency actions for compliance	Empower DHCD
<b>AB 678</b>	Bocanegra	Housing Accountability Act	Amend Gov. Code	Raises standard of denial from "written findings" to "preponderance of evidence" when approving developments for VL, L, or moderate-income housing OR emergency shelters. Specifies that changes to zoning that occur post dev application can't be basis for disapproval. Requires "mixed-use" to have 2/3 residential sq ft. Specifies that consistency and compliance are defined by substantial evidence that would make a reasonable person conclude. Requires written documentation of inconsistency, and defaults to consistency if fails to provide documentation. Entitles Attorney fees. Require court to impose fines of 10k (or 50k if bad faith) per unit to the agency if agency disapproved without substantial findings. Allow parties to jump to appeal instead of applying first.	Changes "written finding" threshold to "preponderance of evidence" when disapproving developments for lower income housing/emergency shelters. Greatest minimum fine \$10k (or 50k) per unit when faulty disapproval occurs	Raise evidence standard, Impose fines on agencies for disapprovals

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<p><b>AB 879</b></p>	<p>Grayson</p>	<p>Planning and Zoning: Housing Element</p>	<p>Amend Gov. Code</p>	<p>Requires that annual planning report include # of housing development applications received in prior year, units included in all development applications, units approved/disapproved, and listing of sites rezoned. Require that analysis of governmental constraints include local ordinances that directly impact the cost and supply of residential development. Requires analysis of non-governmental constraints include requests to develop at lower densities and length of time between receiving approval and applying for building permits and analysis of effort to remove non-governmental constraints that create gap between planned development of housing and actual construction. Required to address and remove non-governmental constraints to maintenance/implementation/ development of housing. Require DHCD to complete study evaluating reasonability of local fees charged to new developments. "State Mandated local program"</p>	<p>Specify annual planning report outcomes for housing development applications, unit approved/not, list of rezoned sites. Analysis of governmental and non-gov constraints</p>	<p>Raise standard for housing element report</p>
<p><b>AB 1397</b></p>	<p>Low</p>	<p>Local Planning: Housing Element: Inventory of Land for Residential Development</p>	<p>Amend Gov. Code</p>	<p>Requires inventory of land in housing element to be not just "suitable" but "available" for residential development and include vacant sites. Require listing of properties strictly by assessor property number (eliminating other ID methods) and require parcels have sufficient water, sewer, and dry utilities. Require that inventory specify for each site number of units that can realistically be accommodated on that site, and whether the site is adequate to accommodate moderate or above moderate-income housing. Require methodology used to determine developability of sites to consider regional body's past experience converting to higher density residential development, current demand for existing use, and analysis of leases/contracts that would presently deter development. Restrict by-right use where 20% of units are affordable to lower income households. No reimbursement obligations.</p>	<p>Housing element inventory needs "available" land, not "suitable." Restrict by-right use where 20% of unit affordable to lower income households</p>	<p>Raise standard for housing element report</p>
<p><b>AB 1505</b></p>	<p>Bloom</p>	<p>Land Use: Zoning Regulations</p>	<p>Amend Gov. Code</p>	<p>Authorizes city/county to adopt ordinances that require affordable housing as a</p>	<p>Authorize cities to adopt affordable</p>	<p>Bypass Palmer Case,</p>

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				prerequisite to development. Authorizes DHCD, within 10 years of adopting such an ordinance, to review the ordinance for developments of residential rental units that require 15% or more to be reserved for 80% or less of "area median income." Authorizes DHCD to demand an economic feasibility report; if study finds that ordinance is a hindrance, DHCD will be able to limit the ordinance.	housing requirements for developments	target mixed income development
<b>AB 1515</b>	Daly	Planning and Zoning: Housing	Amend Gov. Code	Changes definition in Housing Accountability Act such that "consistent" and "compliant" mean that there is "substantial evidence for a reasonable person to conclude" that a housing development or emergency shelter is consistent or compliant	"substantial evidence for a reasonable person to conclude" compliance	Raise evidence standard
<b>AB 1521</b>	Bloom	Land Use: Notice of Proposed Change: Assisted Housing Developments	Amend Gov. Code	Requires owner of assisted housing development that is <b>within 3 years</b> of expiration of rental restrictions to notify tenants. Injunctive reliefs may include re-imposition of prior restrictions, and restitution of rent collected improperly. Authorizes court to award attorney fees. Limits ability of owner to terminate subsidy contract or prepay mortgage without allowing a party to purchase the property. Bill requires such entities to own and operate at least 3 comparable rent- and income-restricted properties regulated by CA. Requires purchasing entities to be verified by DHCD, which will create a certification process and keep a list of certified entities. Requires offer for purchase to be at market value as negotiated between parties first, and by appraisal if needed second, and would require owner to accept a bona fide offer or declare non-sale for 5 years under penalty of perjury. DHCD must refer perjury to attorney general. Authorize Tenants association to enforce requirements in "law or equity," award attorney fees. No reimbursement required.	Requires owners to notify tenants when within 3 years of expiration of rental restrictions. Penalties for non-compliance. Requires buyers to operate 3 rent-income-restricted properties regulated by CA. Requires bona fide offers to be accepted or declaration of non-sale for 5 years.	Strengthen Renter protections in assisted housing developments

## Appendix D: Questionnaire for Public Agencies

1. How proactive has your city/community been in supporting affordable housing development in transit station areas?
2. Station areas often represent opportunities for infill development while enhancing sustainable mobility and accessibility. Are you taking advantage of this opportunity to develop new affordable housing? If so, how? If not, why not?
  - What opportunities do you see for affordable housing production in transit rich areas (vacant parcels, infill opportunities, developer interest, community support, etc.)?
3. What strategies have been successful in stimulating affordable housing production in transit station areas? Please share any strategies (densification/density bonus, reduced parking, subsidies, public-private partnerships, etc.) and examples of affordable housing outcomes in your specific plan area.
4. In the last decade, how has affordable housing production in or near the TOD area taken place? What are the barriers to permitting or producing affordable housing in a transit-oriented development context? (Planning/zoning, permitting, development, financing, etc.)
5. Has affordable housing production taken place in your jurisdiction more often by-right or through public hearing process?
  - Not by-right: How long does it typically take to complete the approval process of new affordable housing development?
  - Not by-right: Does your jurisdiction offer fast-track processing (expediting and granting priority for the review and approval) or streamlined approval of applications that include affordable housing?
6. Is the surrounding community supportive, resistant, or neither regarding new housing construction in general? How supportive it is of developing new affordable housing?
7. Would you please tell us about your jurisdiction's strategy to produce affordable housing in order to meet RHNA goals?
8. How supportive is the political leadership of affordable housing production in your jurisdiction? Are there any potential legislative changes (CEQA reform, passage of local policies or ordinances similar to SB 50, for example) that could jumpstart affordable housing production? How are you preparing for such new mandates?
9. Are there any best practices nationwide that your jurisdiction might want to emulate to increase affordable housing production in transit rich areas?
10. Could you please share with us a list of community stakeholders – especially for-profit and nonprofit housing developers – who are interested in promoting transit-oriented housing in your jurisdiction?
11. Some of the station areas in our sample lie near administrative boundaries like the city or county line. If this is your situation, is there an effort to collaborate with “the other side” to coordinate TOD principles into the development of that land? Are the areas outside your city

within the sphere of influence of the city? How effective is the collaboration with neighboring/overlapping jurisdictions to implement TOD?

## Appendix E: Questionnaire for Developers

1. Developer Profile and Project Type: Please describe the type of housing projects you have developed--are these market-rate, affordable housing or both? If both, what is the breakdown? How many of these are multi-family or mixed used projects? How many are TODs?
2. On Barriers: What are some of the major challenges to developing housing in California? Please share with us your experience about the differences in any or all of the following:
  - a. infill or greenfield development
  - b. affordable housing generally
  - c. affordable housing near transit stations
3. On Barriers (cont'd.): Public discourse identifies multiple sources of barriers to the production of housing generally, and affordable housing in particular, including and not limited to costs associated with land assembly, labor, materials, financing, CEQA review, other regulatory burdens, development approval, and community opposition. Can you please rank these? And discuss your experience with each? Does the concern for displacement and gentrification become a major element of community opposition?
4. On Opportunities: California's pent-up demand for housing seems to be a major opportunity for development. Is there a niche market that you target, and why? What are some advantages of developing housing in TOD or along transit corridors in terms of project approval and permit process?
5. By-Right or Discretionary Approval: Please discuss your experience with either of these approaches to development approval. What is your preference, and in what context does it work the best?
6. On Strategy: What is your strategy to development? How do you minimize risk -- spatial/product diversification, asset/portfolio management, public/private partnerships, tax credits, other? How do you engage, inform, and educate community to mitigate potential opposition?
7. On Investing: What are your criteria for investing in communities? What might be an attractive community for you from the investment perspective?
8. On Transit: What is your experience of building in TOD area or near rail stations? Does transit access and dependency figure into your scoping of projects? And if so, how do you leverage it to your advantage?
9. On Incentives: Please discuss the effectiveness of incentives, such as density bonus and reduced parking requirements. Which of these did you use for developing affordable housing? Typically, do you have to negotiate with the City about such incentives?
10. On Inclusionary Housing: Do you build affordable units on-site as part of a market-rate development or do you develop housing that does not mix housing types (e.g., build only market rate housing or only affordable housing)? Conversely, do you prefer to pay in-lieu fees instead of including affordable units in market-rate housing projects?

11. COVID-19: How do you see COVID-19 pandemic affecting housing development opportunities for your firm in the near- or long-term? Are there any shifts in project priorities?

## Appendix F: Presentation of Interviewed Developers

#	Type	Scope	General Presentation	Projects and Pipeline	Affordable Housing in TOD in CA
1	<b>Non-Profit Affordable Housing developer</b>	City of LA	A community development corporation established in 1979 as a neighborhood-based social service agency. Started real development in the 1990s. Not just a developer. Has a planning department. Target group: 50% AMI or below	About 1,000 units since beginning. 440 units currently in the pipeline.	One on-going project on top of a Metro light rail station
2	<b>Non-Profit Affordable Housing developer</b>	LA County	Small company (staff: 11). An offspring of a mental health service provider founded in 2000. Became independent as a real estate developer in 2015. Typical project has a combination of affordable and supportive housing in the same building, with on-site supportive services. Outsourced property management. Target group: 30-60% AMI	3 projects in total, including one under construction and one midway through development.	One 54-unit Permanent Supportive Housing project in East LA in a high-quality transit corridor.
3	<b>Non-Profit Affordable Housing developer</b>	USA	Established in 1992. First specialized in rehabilitation of existing buildings. Recently shifted to new construction. A fully integrated company, with their own general contractor, property management group, and asset management group. A sister organization provides supportive services and social services to residents. Portfolio mostly includes 100% affordable, with some mixed-income and a handful of mixed-use projects.	9,000 units nationwide, including almost 7,000 in California. 1,200 units currently in the pipeline.	One project next to Santa Ana Metrolink Station* One project in Inglewood across from the Crenshaw Station One project in East LA near Gold Line One project right on top of a transit station in San Diego
4	<b>For-Profit developer</b>	LA County	Established over 40 years ago. Develops luxury, affordable, and mixed-use rental housing.	6,000 units since beginning	Currently have a project in the pipeline that is adjacent to a light rail
5	<b>For-Profit developer</b>	CA	One of the biggest affordable housing developers in California. Most developments are 80% market-rate 20% AH. An owner-operator with their own property management company.	At least 2,000 units in the pipeline at any given time.	Completed TOD project with 70 units of senior housing (Crenshaw/54th)
6	<b>For-Profit developer</b>	USA	A national rental developer founded on the East Coast.	74 communities (71 affordable + 3	One project near 103rd St Blue Line

			Focuses on production of different types of housing, including student, military, and affordable housing. Started in California with a rural portfolio in 2008, then on urban and suburban markets in 2012.	military); 9,280 units in California in total	station in Los Angeles One project at Palmdale Transit Center One site across from a BART station in Oakland
7	<b>Non-Profit Affordable Housing developer</b>	CA, OR, WA	35-year+ nonprofit based in San Francisco. One of the biggest affordable developers in California. Vertically integrated with their own management company and affiliate construction management company. 60-70% of their portfolio is TOD.	About 20,000 units in portfolio and 6,000 in pipeline	Two projects near BART stations One project in San Diego One project near Soto Street Station in Boyle Heights
8	<b>Non-Profit Affordable Housing developer</b>	CA	A nonprofit social enterprise that has been rooted in community development throughout the State of California since 1968. Their work includes affordable housing and housing inclusion that integrates families and individuals with neighborhoods so communities at-large can thrive.	Developed nearly 50 residential communities with more than 3,000 affordable homes throughout California; 1285 in pipeline	Rolland Curtis Gardens TOC project, LAUSD on TOD in Hollywood, and Boyle Heights

## Appendix G: Urban Displacement Project Methodology

The Urban Displacement Project (UDP) team used census tracts that have populations of more than 500 people and determined eligible tracts that are susceptible to gentrification if they met three out of the four indicators of any combination: percentage of low-income households higher than the regional median; percentage of college educated households lower than the regional median; percentage of renters higher than the regional median; and percentage of nonwhites higher than the regional median (Chapple et al., 2017). Then, they determined if the census tracts that met the above criteria are “gentrified or gentrifying” if they met all of the following criteria: percentage change in college-educated, non-Hispanic white population, percentage change in the median household income, and median gross rent that are higher than county levels, respectively. Please see Figure 8 which illustrates the indicators described above for selection of these census tracts from different time periods.

The UDP team used median household incomes from 1990, 2000, and 2015, and dollar values for 2000 and 1990 were “adjusted to 2015 dollars using CPI-U-RS”. For the racial-ethnic composition, the majority race is “defined as 50% or more” for 1990, 2000, and 2015. Based on the map indicating gentrification and displacement, researchers used several indicators from the database they constructed to categorize the degrees of gentrification. For “tract racial typology,” they selected the highest percentage racial group or two groups that share a higher percentage to represent the census tract in the station area (Chapple et al., 2017).

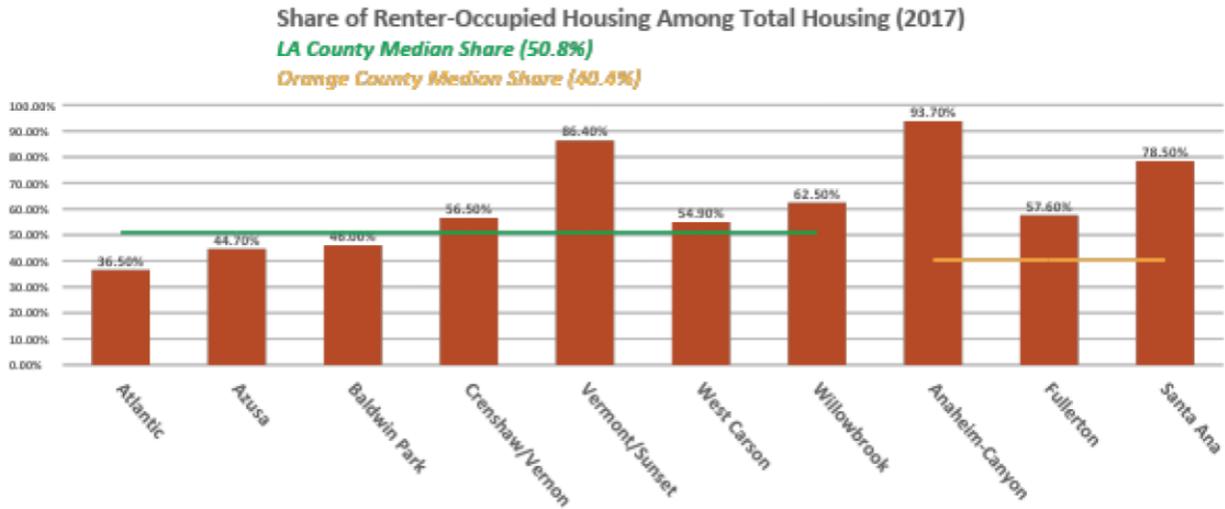
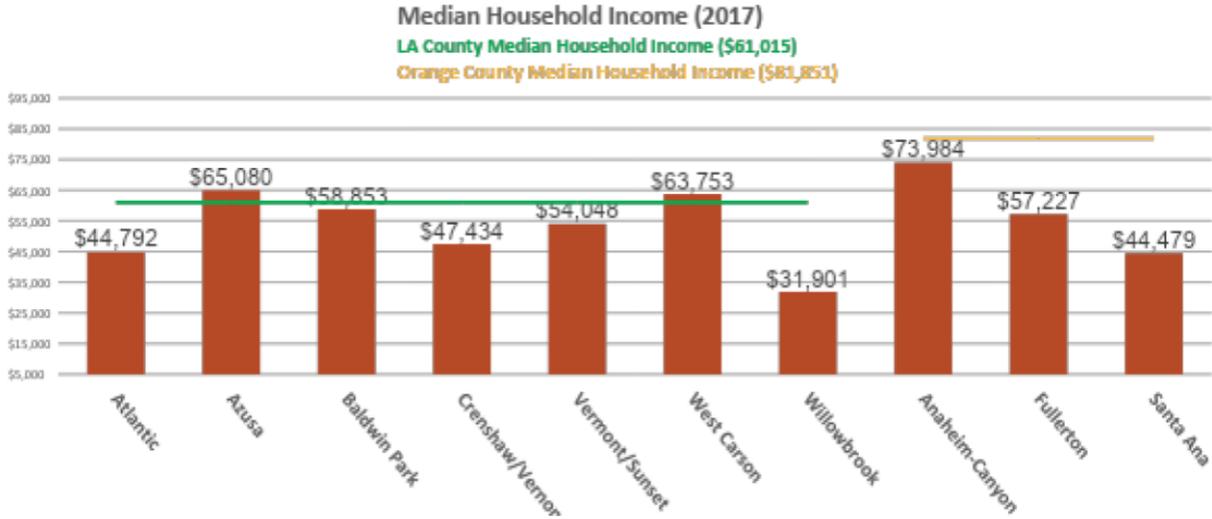
The final version of the neighborhood change database (updated in July 2018) includes Los Angeles, Orange, and San Diego Counties, with gentrification and sociodemographic indicators based on 2015 data from the American Community Survey. It shows whether each census tract in these three counties gentrified between 1990 and 2000, between 2000 and 2015, gentrified during both periods, or exhibited characteristics of a “disadvantaged” tract that did not gentrify between 1990 and 2015. The UDP team found that “the number of gentrified Census tracts in Los Angeles County increased by 16% between 1990 and 2015.” Of the three counties, Orange County “exhibited the greatest share of neighborhoods that were considered to be ‘disadvantaged’ and potentially susceptible to gentrification (~43%)” (Chapple et al., 2017).

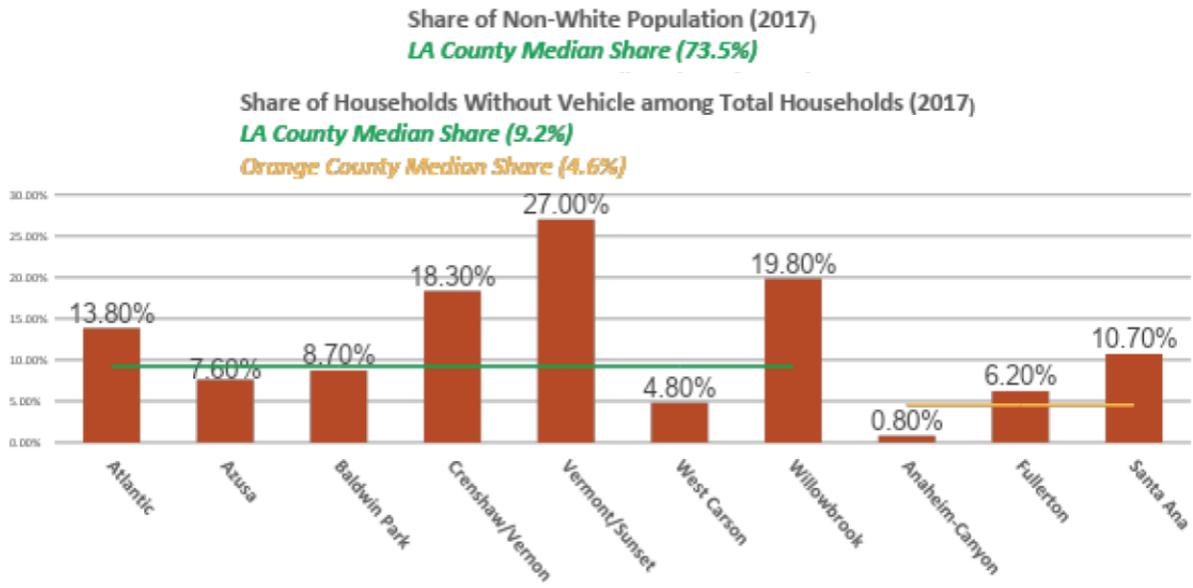
Indicator		Los Angeles County	Orange County	San Diego County
<p><b>Disadvantaged neighborhoods</b> are those census tracts that are "eligible" or susceptible to gentrification. A tract must meet all of the following criteria:</p> <ol style="list-style-type: none"> <li>1. Population = 500 people</li> <li>2. Any combination of at least 3 indicators:                             <ul style="list-style-type: none"> <li>• % low income households &gt; regional median</li> <li>• % college educated &lt; regional median</li> <li>• % renters &gt; regional median</li> <li>• % nonwhite &gt; regional median</li> </ul> </li> </ol>	Total Tracts	2346 Tracts	583 Tracts	628 Tracts
	Disadvantage in 1990 only:	962 Tracts	248 Tracts	243 Tracts
	Disadvantage in 2000 only:	924 Tracts	244 Tracts	242 Tracts
	Disadvantaged both decades:	850 Tracts	224 Tracts	212 Tracts
<p><b>Gentrified neighborhood</b>, once a census tract is determined to be "eligible", it is considered "gentrified or gentrifying" if it meets all of the following criteria:</p> <ul style="list-style-type: none"> <li>• Change in % college-educated &gt; county (percentage points)</li> <li>• Change in % non-Hispanic white &gt; county (percentage points)</li> <li>• Change in median household income &gt; county (absolute value)</li> <li>• Change in median gross rent &gt; change county median gross rent (absolute value)</li> </ul>	Gentrified between 1990-2000 only:	69 Tracts	9 Tracts	11 Tracts
	Gentrified between 2000-2015 only:	80 Tracts	9 Tracts	13 Tracts
	Gentrified both decades:	8 Tracts	0 Tracts	3 Tracts

Figure 8: Analysis of Los Angeles, San Diego, and Orange County

## Appendix H: Station Area Demographics

Sources: ACS 5-Year Estimates; 2017 ACS 5-Year Estimates

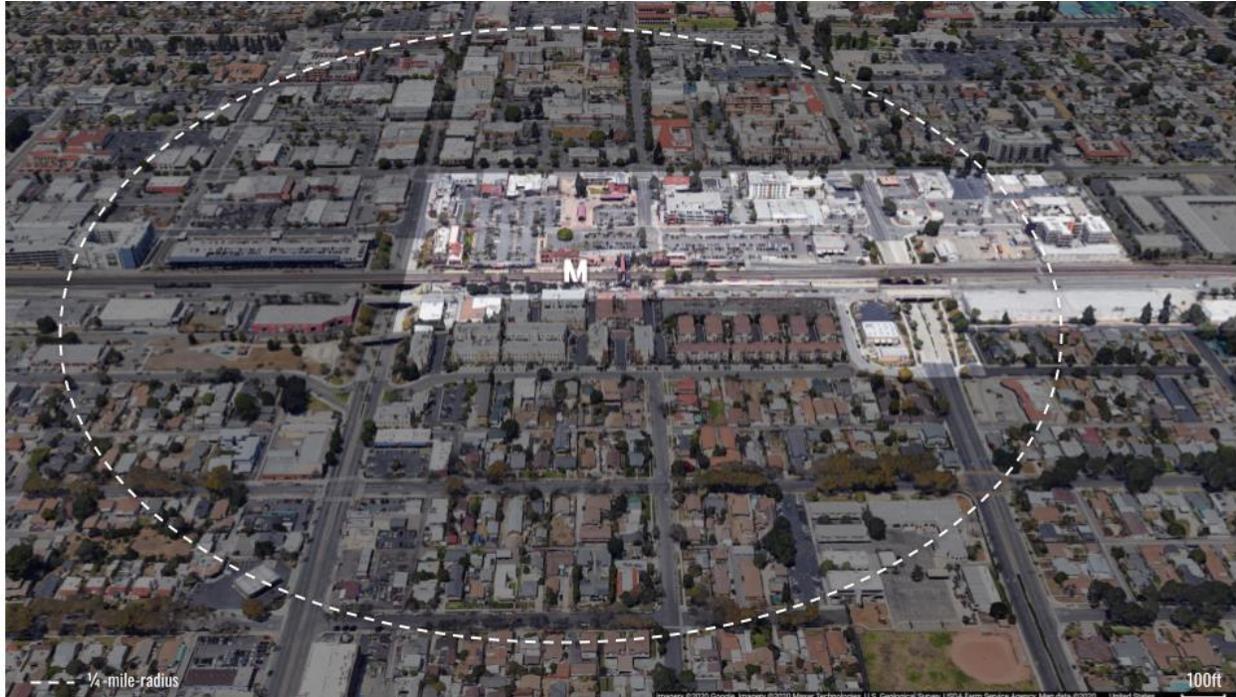




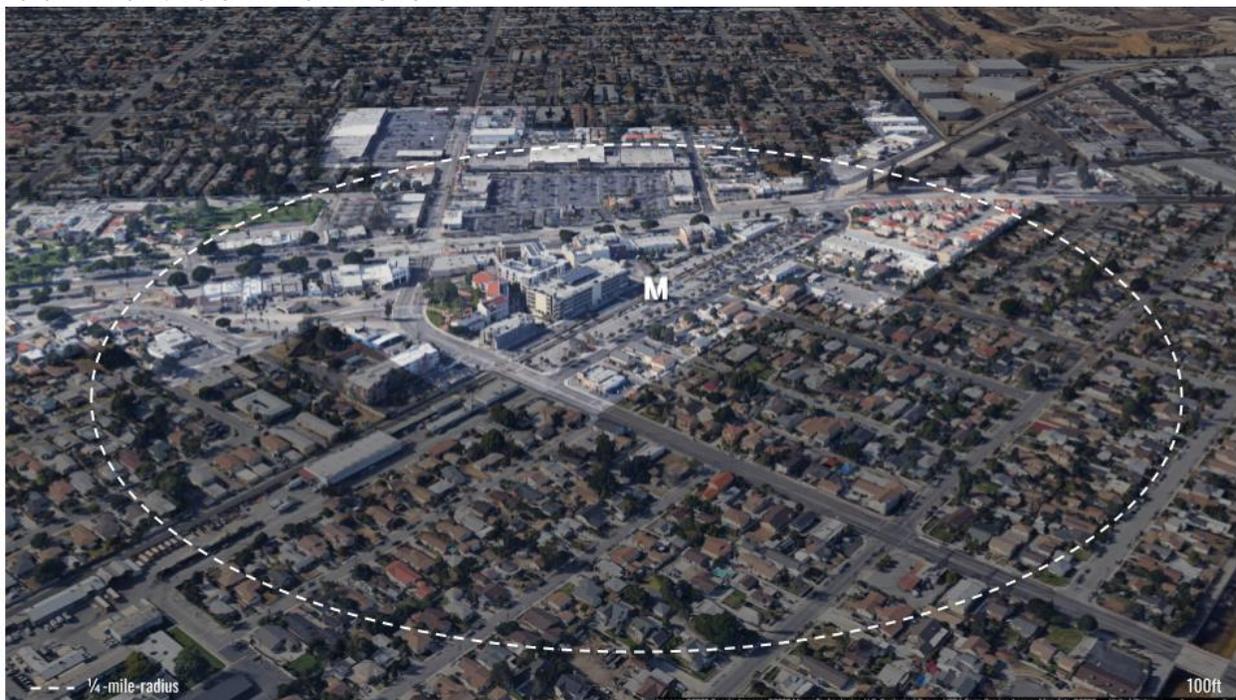
## Appendix I: Station Area Urban Form Images

Source: Google Earth Imagery | Note: Lightened areas correspond to Specific Plan areas

### Fullerton: Fullerton Transportation Center Metrolink



### Baldwin Park: Baldwin Park Metrolink



**West Carson: Carson Street Silver Line**



**Azusa: Downtown Azusa Gold Line**



**Santa Ana: Santa Ana Metrolink**



**Willowbrook: Rosa Parks Green/Blue Line**



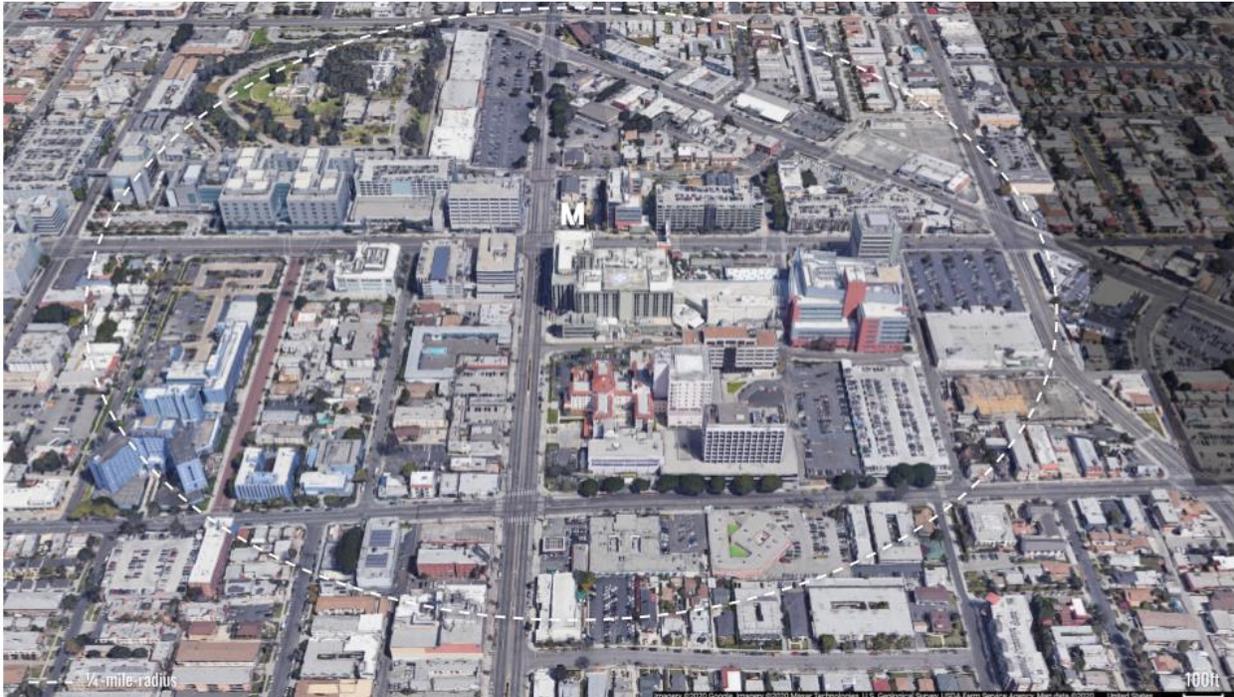
Anaheim: Anaheim Canyon Metrolink



East LA: Atlantic Gold Line



**Vermont: Sunset Vermont Red/Orange Line**



**Crenshaw: Vermont/Leimert Park**



# Appendix J: Station Area Factsheets

Sources: SCAG 2016 Land Use Dataset; 2009 ACS 5-Year Estimates; 2017 ACS 5-Year Estimates

Transit Catchment (half-mile) Socio-Demographic Analysis	2009		2017		2009-2017 % Change
	N	% of Total	N	% of Total	
<b>Total Population</b>	312	100%	845	100%	+269%
Hispanic	57	18%	231	24%	+305%
Non-Hispanic White	0	0%	35	4%	N/A
Non-Hispanic African-American	0	0%	139	15%	N/A
Non-Hispanic Asian	255	82%	464	52%	+84%
<b>Age Breakdown</b>					
Number of Seniors 65 or above	17		30		+72%
Households	0		11		N/A
<b>Total Households</b>	64	100%	377	100%	+489%
Family Households	47	73%	195	52%	+315%
<b>Households Without Vehicle</b>	8	13%	3	1%	-63%
All Households without vehicle	8	13%	3	1%	-63%
Homeowners Without Vehicle	0	0%	0	0%	0%
<b>Total Workers</b>	90	29%	566	66%	+539%
Workers commute on transit	0	0%	10	2%	N/A
<b>Housing Units Available</b>					
All Housing Units	64	100%	396	100%	+519%
Renter Occupied Housing Units	64	100%	371	94%	+480%
Owner Occupied Housing Units	0	0%	6	2%	N/A
Vacant Housing Units	0	0%	19	5%	N/A
<b>Median Household Income</b>					
All Households Median Income	\$48,056		\$73,984		+54%
Houseowners Median Income	N/A		N/A		N/A
Renters Median Income	\$48,056		\$73,984		+54%
<b>Poverty Level</b>					
Population below poverty level	0	0%	0	0%	N/A
Population below poverty level (18 or older)	0	0%	49	5%	N/A
Population below poverty level (18 or older)	0	0%	49	5%	N/A
<b>Median Rent Price</b>	\$1,379		\$1,961		+42%
<b>Overall Rent Burden</b>					
Rent Burdened Households (30-39% of income on rent)	9	14%	89	24%	+889%
Severely Burdened Households (50% or more of income on rent)	30	47%	85	23%	+183%
Median Mortgage Cost (% of Annual Household Income)	N/A		N/A		N/A
<b>Overcrowding</b>					
Overcrowded (1.0 - 1.5 occupants per room)	38	59%	39	10%	+3%
Severely Overcrowded (> 1.5 occupants per room)	0	0%	22	6%	N/A
<b>Housing Units by Number of Bedrooms</b>					
0 (studio)	0	0%	22	6%	N/A
1	1	0%	143	38%	N/A
2-3	56	88%	212	56%	+279%
4 or more	8	13%	0	0%	-100%
<b>Median Age of Housing (yrs.)</b>	34		14		-58%

## FACTSHEET – ANAHEIM CANYON SPECIFIC PLAN

**EXISTING LAND USE CONDITION (2016)**

**SPECIFIC PLAN IMPLEMENTATION (2016)**

	2016		2017	
	sq. mi.	%	sq. mi.	%
Single Family Residential	0.001	0.1%	0.001	0.1%
Commercial and services	0.10	16%	0.10	16%
Mixed-use (commercial + residential)	0.02	3%	0.02	3%
Education and public facilities	0.05	8%	0.05	8%
Industrial	0.27	42%	0.27	42%
Open space	0.002	0.3%	0.002	0.3%
Water	0.20	31%	0.20	31%
Undevelopable or protected land	0.001	0.1%	0.001	0.1%

**KEY HOUSING ELEMENT CHARACTERISTICS**

	DA-1	DA-2	DA-3	DA-4	DA-5	DA-6
FAR	0.5	0.5	3.0	0.45	0.5	0.1
DU / acre	60	60	60	60	60	60
Max Height (ft)	60	60	100	60	60	30

*Does Specific Plan include*

<b>Density Bonus?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Affordable Housing Orientation?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Mention of RHNA Goals?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**FACTSHEET – FULLERTON SPECIFIC PLAN**



Transit Catchment (half mile) Socio-Demographic Analysis			
	2009	2017	2009-2017 % Change
	N	% of Total	Population
<b>Total Population</b>	6,535	100%	6,609
Hispanic	4,186	64%	4,409
Non-Hispanic White	1,713	26%	1,463
Non-Hispanic African-American	158	2%	204
Non-Hispanic Asian	319	5%	398
<b>Age Breakdown</b>			
Median Age (Years)	30		32
Number of Seniors 65 or above	642		680
<b>Total Households</b>	2,664	100%	1,987
Family Households	1,302	63%	1,303
<b>Households Without Vehicle</b>	119	6%	124
All Households without vehicle	84	4%	83
Renters Without Vehicle	35	2%	31
Homeowners Without Vehicle			
<b>Total Workers</b>	3,192	49%	2,997
Workers commute on transit	220	7%	102



EXISTING LAND USE CONDITION (2016), 1/2 mile radius			
	sq. mi.	%	
Single family Residential	0.07	13%	
Multi-family Residential	0.17	31%	
Commercial and services	0.07	12%	
Mixed-use (commercial + residential)	0.10	18%	
Education and public facilities	0.09	16%	
Industrial	0.04	8%	
Open space	0.02	3.6%	

Does Specific Plan Include			
	Build Out Scenario(s)?	Enumeration Strata Defined?	Parking Incentives?
Density Bonus?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Affordable Housing Orientation?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mention of RHNA Goals?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Poverty Level			
	Population	Housing Units	%
Population below poverty level (18 or younger)	552	8%	8%
Population below poverty level (18 or older)	646	10%	11%
<b>Median Rent</b>	\$1,241		
<b>Median House Price</b>	\$476,636		
<b>Overall Rent Burden</b>			
Rent Burdened Households (30-49% of income on rent)	347	17%	20%
Severely Rent Burdened Households (50% or more income on rent)	251	12%	16%
(% of Annual Household Income)	31%		
<b>Overcrowding</b>			
Overcrowded (1.0 - 1.5 occupants per room)	285	13%	21%
Severely Overcrowded (> 1.5 occupants per room)	133	6%	4%
<b>Housing Units by Number of Bedrooms</b>			
0 (studio)	49	7%	3%
1	451	22%	17%
2-3	1,430	69%	70%
4 or more	134	6%	5%
<b>Median Age of Housing (yrs.)</b>	63		-2%

**FACTSHEET – DOWNTOWN AZUSA SPECIFIC PLAN**



Plan Adoption	2015
Authority(author)	City of Azusa
Area	350 acres
Max Height	60 ft
FAR	1.38
Form Based vs Conventional	District-based; hybrid of form and use base

Public Outreach  
 One planning workshop May 2014  
 Overall Vision  
 • Build a greater community and sense of identity around downtown and the Gold Line specifically  
 • Encourage pedestrian-friendly design and promote a mix of restaurants, entertainment, retail around transit stations

EXISTING LAND USE CONDITION (2016): 1/8 mile radius	
sq.mi.	%
Single family residential	47%
Multi-family residential	13%
Commercial and services	1%
Mixed-use (commercial + residential)	14%
Education and public facilities	15%
Industrial	9%
Open space	1.1%



Dwelling Unit Minimum Floor Area	KEY HOUSING ELEMENT CHARACTERISTICS		
	1-Bedroom	2-Bedroom	>3-Bedroom
Studio	600 sq. ft.	725 sq. ft.	875 sq. ft.
Goldline District	Downtown District	Downtown Expansion	Transition District
60	50**	45**	35
Max Height (ft.)	40; 50 for hospitality uses**		

\*\*features may exceed the height limits of this District up to 10 feet, subject to approval

**Does Specific Plan Include**

Density Bonus?  Build Out Scenario(s)?  Mention of RHNA Goals?

Affordable Housing Orientation?  Enumeration Strata Defined?  Parking Incentives?

Transit Catchment (half-mile) Socio-Demographic Analysis	2009		2017		2009-2017 % of Total Change
	N	% of Total Population	N	% of Total Population	
<b>Total Population</b>	7,077	100%	6,747	100%	-5%
Hispanic	5,358	75%	4,992	74%	-10%
Non-Hispanic White	1,000	14%	1,058	16%	+4%
Non-Hispanic African-American	164	2%	84	1%	-49%
Non-Hispanic Asian	227	3%	522	8%	+130%
<b>Age Breakdown</b>					
Median Age (Years)	32		33		+4%
Number of Seniors 65 or above	621		750		+21%
<b>Total Households</b>	2,062	100%	1,937	100%	-6%
Family Households	1,453	70%	1,499	77%	+3%
<b>Households Without Vehicle</b>					
All Households without vehicle	196	10%	147	8%	-25%
Renters Without Vehicle	110	5%	118	6%	+7%
Homeowners Without Vehicle	86	4%	29	2%	-66%
<b>Total Workers</b>	3,195	45%	3,147	47%	-2%
Workers commute on transit	204	6%	123	4%	-40%
<b>Housing Units Available</b>					
All Housing Units	2,123	100%	2,060	100%	-3%
Renter Occupied Housing Units	1,000	48%	920	45%	-9%
Owner Occupied Housing Units	1,051	50%	1,017	49%	-3%
Vacant Housing Units	62	3%	123	6%	+98%
<b>Median Household Income</b>					
All Households Median Income	\$56,116		\$65,080		+16%
Houseowners Median Income	\$68,792		\$79,383		+15%
Renters Median Income	\$40,054		\$43,685		+9%
<b>Poverty Level</b>					
Population below poverty level (18 or younger)	1,006	14%	509	8%	-49%
Population below poverty level (18 or older)	637	9%	966	14%	+52%
<b>Median Rent</b>	\$1,156		\$1,321		+14%
<b>Median House Price</b>	\$406,140		\$393,680		-3%
<b>Overall Rent Burden</b>					
Rent Burdened Households (30-49% of income on rent)	239	12%	319	16%	+33%
Severely Rent Burdened Households (50% or more income on rent)	336	16%	298	15%	-11%
Median Mortgage Cost (% of Annual Household Income)	\$406,140		\$393,680		-3%
<b>Overcrowding</b>					
Overcrowded (1.0 - 1.5 occupants per room)	238	12%	210	11%	-12%
Severely Overcrowded (> 1.5 occupants per room)	92	4%	58	3%	-37%
<b>Housing Units by Number of Bedrooms</b>					
0 (studio)	39	2%	24	1%	-38%
1	232	12%	282	15%	+21%
2-3	1,569	81%	1436	74%	-8%
4 or more	136	7%	195	10%	+44%
Median Age of Housing (yrs.)	41		51		+24%

**FACTSHEET – BALDWIN PARK SPECIFIC PLAN**

Plan Adoption	2008
Authority (author)	City of Baldwin Park
Area	115 acres
Max Height	MU-1 Zone: 50 ft
FAR	Mixed Use Development: 2.0 Commercial Use: 1.5
Form Based vs Conventional	Form
	Public Outreach
	3 public workshops with City Council and Planning Commission



- Overall Vision**
- Revitalization of the city to encourage pedestrian friendly areas
  - Heavy emphasis on aesthetics of the city to encourage more vibrant community feel and vibe
  - Encouraging greater density in certain areas to provide 'one stop shop' type of locale
- Density Bonus**
- Offers residential density bonus for community amenities (public open spaces, public art)



EXISTING LAND USE CONDITION (2016): 1/2 mile radius							
	Single family residential	Multi-family residential	Commercial and services	Mixed-use (commercial + residential)	Education and public facilities	Industrial	Open Space
Sq. mi.	0.02	0.11	0.04	0.07	0.08	0.06	0.02
%	6%	28%	10%	18%	19%	16%	5%

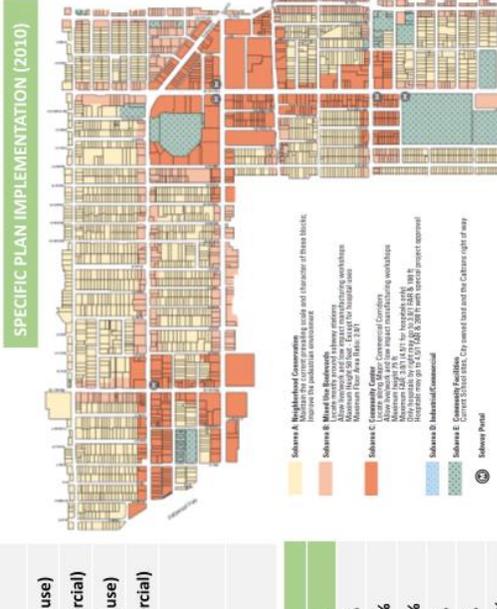
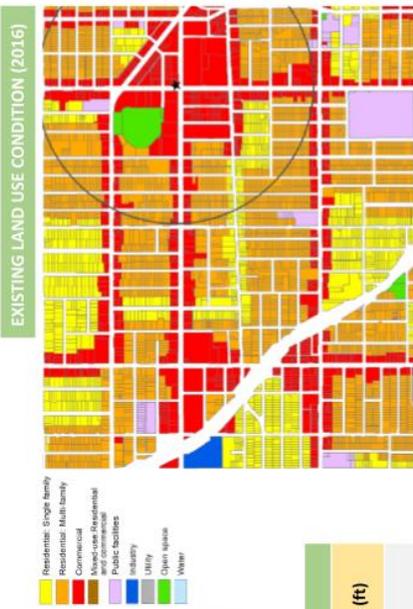
**Does Specific Plan Include**

**Density Bonus?**  **Build Out Scenario(s)?**  **Mention of RHNA Goals?**

**Affordable Housing Orientation?**  **Enumeration Strata Defined?**  **Parking Incentives?**

Transit Catchment (half-mile) Socio-Demographic Analysis				2009-2017		2009-2017	
	2009	2017	N	% of Total	N	% of Total	Change %
<b>Total Population</b>	9,819	10,000	8,892	100%	8,892	100%	-9%
Hispanic	7,621	78%	6,343	71%	6,343	71%	-17%
Non-Hispanic White	703	7%	358	4%	358	4%	-49%
Non-Hispanic African American	60	1%	245	2%	245	2%	+308%
Non-Hispanic Asian	1,315	13%	1,624	18%	1,624	18%	+24%
<b>Age Breakdown</b>							
Median Age (Years)	31		35		35		+15%
Number of Seniors 65 or above	816		1,089		1,089		+33%
<b>Total Households</b>	2,361	100%	2,281	100%	2,281	100%	-3%
Family Households	2,026	86%	1,829	80%	1,829	80%	-10%
<b>Households Without Vehicle</b>							
All Households without vehicle	132	6%	108	9%	108	9%	+50%
Renters Without Vehicle	97	4%	173	8%	173	8%	+78%
Homeowners Without Vehicle	35	1%	25	1%	25	1%	-29%
<b>Total Workers</b>	4,109	42%	3,893	43%	3,893	43%	-7%
Workers commute on transit	148	4%	167	4%	167	4%	+13%
<b>Housing Units Available</b>							
All Housing Units	2,423	100%	2,555	100%	2,555	100%	+5%
Renter Occupied Housing Units	947	39%	1,174	46%	1,174	46%	+24%
Owner Occupied Housing Units	1,474	58%	1,379	43%	1,379	43%	-22%
Vacant Housing Units	61	3%	275	11%	275	11%	+351%
<b>Median Household Income</b>							
All Households Median Income	\$52,197		\$58,853		\$58,853		+13%
Homeowners Median Income	\$61,474		\$66,568		\$66,568		+8%
Renters Median Income	\$43,335		\$46,697		\$46,697		+8%
<b>Poverty Level</b>							
Population below poverty level (18 or younger)	771	8%	42	0%	42	0%	-95%
Population below poverty level (18 or older)	925	9%	188	2%	188	2%	-80%
<b>Median Rent</b>	\$1,066		\$1,363		\$1,363		+28%
<b>Median House Price</b>	\$375,383		\$396,417		\$396,417		+5%
<b>Overall Rent Burden</b>							
Median Household Income (30-49% of rent)	325	14%	306	13%	306	13%	-6%
Severely Rent Burdened Households (50% or more income on rent)	232	10%	354	16%	354	16%	+53%
Median Mortgage Cost (% of Annual Household Income)	35%		28%		28%		
<b>Overcrowding</b>							
Overcrowded (1.0 - 1.5 occupants per room)	300	13%	320	14%	320	14%	+7%
Severely Overcrowded (> 1.5 occupants per room)	176	7%	99	4%	99	4%	-44%
<b>Housing Units by Number of Bedrooms</b>							
0 (studio)	19	1%	61	3%	61	3%	+186%
1	206	11%	330	15%	330	15%	+61%
2-3	1,971	88%	1,487	65%	1,487	65%	-33%
4 or more	209	9%	403	18%	403	18%	+93%
<b>Median Age of Housing (yrs.)</b>	44		53		53		+20%

# FACTSHEET – VERMONT/WESTERN SPECIFIC PLAN



Plan Adoption	2001
Authority(author)	City of Los Angeles
Area	2.2 sq. mi.
Max Height	75 ft
Form Based vs Conventional	Use-based
Overall Vision	Emphasis on preservation Pedestrian oriented environment Development of public facilities

KEY HOUSING ELEMENT CHARACTERISTICS		
	FAR	Max Height (ft)
Subarea A: Neighborhood Conservation	Max. two lots combined (15,000 sq ft) for any residential project	N/A
Subarea B: Mixed Use Boulevard	2.0 (mixed-use)	50 ft (mixed use)
Subarea C: Community Center	1.5 (commercial)	35 ft (commercial)
Subarea D: Light Industrial/Commercial	3.0 (mixed-use)	75 ft (mixed use)
Subarea E: Public Facility	1.5 (commercial)	35 ft (commercial)
	N/A	N/A
	N/A	N/A

EXISTING LAND USE CONDITION (2016): 1/2 mile radius		
	sq.mi.	%
Single family residential	0.04	7%
Multi-family residential	0.28	49%
Commercial and services	0.22	38%
Education and public facilities	0.01	1%
Industrial	0.01	1%
Open space	0.02	3.5%

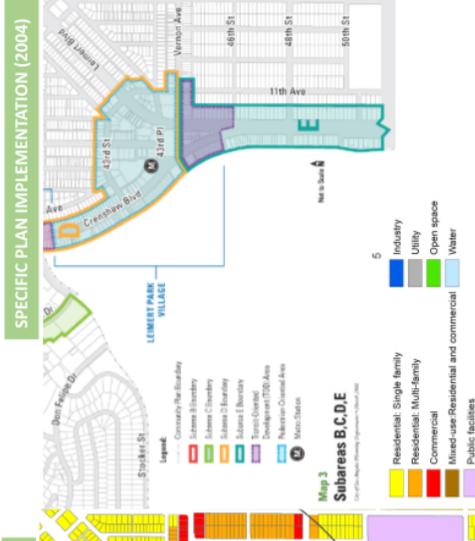
**Does Specific Plan Include**

- Density Bonus?**
- Affordable Housing Orientation?**
- Mention of RHNA Goals?**
- Build Out Scenario(s)?**
- Enumeration Strata Defined?**
- Parking Incentives?**

Transit Catchment (half-mile) Socio-Demographic Analysis					
	2009		2017		2009-2017 Change
	N	% of Total	N	% of Total	
<b>Total Population</b>	10,032	100%	8,624	100%	-14%
Hispanic	4,640	46%	3,156	37%	-32%
Non-Hispanic White	3,839	38%	3,437	40%	-10%
Non-Hispanic African American	226	2%	204	2%	-10%
Non-Hispanic Asian	1,237	12%	1,563	18%	+26%
<b>Age Breakdown</b>					
Median Age (Years)	37		39		+5%
Number of Seniors 65 or above	870		1,459		+68%
<b>Total Households</b>	3,800	100%	3,584	100%	-6%
Family Households	1,834	48%	1,660	46%	-9%
<b>Households Without Vehicle</b>					
All Households without vehicle	915	24%	967	27%	+6%
Renters Without Vehicle	848	22%	958	27%	+13%
Homeowners Without Vehicle	67	2%	9	0%	-87%
<b>Total Workers</b>	5,114	51%	4,678	54%	-9%
Workers commute on transit	1,143	22%	1,032	22%	-10%
<b>Housing Units Available</b>					
All Housing Units	3,999	100%	3,882	100%	-3%
Renter Occupied Housing Units	473	12%	231	6%	-51%
Owner Occupied Housing Units	3,326	83%	3,353	86%	+1%
Vacant Housing Units	200	5%	298	8%	+49%
<b>Median Household Income</b>					
All Households Median Income	\$45,441		\$54,048		+19%
Houseowners Median Income	\$75,094		\$96,116		+28%
Renters Median Income	\$39,099		\$46,395		+19%
<b>Poverty Level</b>					
Population below poverty level (18 or younger)	1,470	15%	487	6%	-67%
Population below poverty level (18 or older)	1,499	15%	681	8%	-55%
<b>Median Rent</b>	\$927		\$1,209		+30%
<b>Median House Price</b>	\$627,420		\$632,140		+1%
<b>Overall Rent Burden</b>					
Rent Burdened Households (30-49% of income on rent)	823	22%	855	24%	+4%
Severely Burdened Households (50% or more income on rent)	797	21%	939	26%	+18%
Median Mortgage Cost (% of Annual Household Income)	43%		26%		
<b>Overcrowding</b>					
Overcrowded (1.0 - 1.5 occupants per room)	284	7%	180	5%	-37%
Severely Overcrowded (> 1.5 occupants per room)	374	9%	488	13%	+30%
<b>Housing Units by Number of Bedrooms</b>					
0 (Studio)	600	15%	873	23%	+46%
1	1,640	41%	1,563	40%	-5%
2-3	1,560	39%	1,038	27%	-33%
4 or more	320	8%	110	3%	-66%
<b>Median Age of Housing (yrs.)</b>	62		66		+6%

**FACTSHEET – LEIMERT PARK SPECIFIC PLAN**

<b>Plan Adoption</b>	2017
<b>Authority (author)</b>	City of Los Angeles
<b>Area</b>	unknown
<b>Max Height</b>	75 ft.
<b>Form Based vs Conventional</b>	Use-based
<b>Public Outreach</b>	Not specified
<b>Overall Vision</b>	<ul style="list-style-type: none"> <li>Stimulate economic revitalization</li> <li>Compatible residential and commercial development</li> <li>Strong emphasis on pedestrian environment</li> </ul>



	EXISTING LAND USE CONDITION (2016): 1/2 mile radius			Education and public facilities		Open Space
	Single family residential	Multi-family residential	Commercial and Services			
Sq. mi.	0.32	0.08	0.13	0.02	0.003	
%	58%	14%	24%	4%	0.5%	

	KEY HOUSING ELEMENT CHARACTERISTICS						
	Subarea A	Subarea B	Subarea C	Subarea D	Subarea E	Subarea F	Subarea G
FAR	3 (mixed-use) ; 2 (other)	2 (mixed-use)	3 (mixed-use) ; 2 (other)	2 (mixed-use)	3 (mixed-use) ; 2 (other)	3 (mixed-use) ; 2 (other)	3 (mixed-use) ; 2 (other)
Max Height (ft)	45, 60, 75	45, 48	45, 60, 75	45, 48, 60	45, 48, 60, 75	45, 48, 60, 75	45, 48, 60, 75

**Does Specific Plan Include**

**Density Bonus?**  **Build Out Scenario(s)?**

**Affordable Housing Orientation?**  **Enumeration Strata Defined?**

**Mention of RHNA Goals?**  **Parking Incentives?**

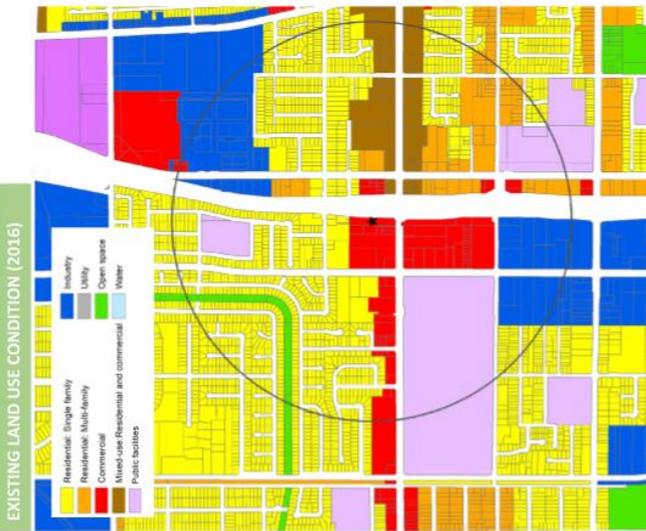
Transit Catchment (half-mile) Socio-Demographic Analysis				2009		2017		2009-2017
		N	% of Total Population	N	% of Total Population	N	% of Total Population	% Change
<b>Total Population</b>		71,190	100%	6,860	200%	6,860	200%	-5%
	Hispanic	663	9%	871	13%	48%	7%	+31%
	Non-Hispanic White	58	1%	284	4%	226	3%	+390%
	Non-Hispanic African-American	6,000	8.3%	5,220	7.6%	-780	-13%	-13%
	Non-Hispanic Asian	98	1%	206	3%	108	1%	+110%
<b>Age Breakdown</b>								
	Median Age (Years)	40		44		4		+10%
	Number of Seniors 65 or above	1,080		1,252		172		+16%
<b>Total Households</b>								
	Family Households	3,292	100%	3,330	100%	38		+1%
	Households Without Vehicle	1,753	53%	1,393	42%	-360		-21%
<b>Households Without Vehicle</b>								
	All Households without vehicle	384	12%	610	18%	226		+59%
	Renters without vehicle	326	10%	531	16%	205		+63%
	Homeowners without vehicle	58	2%	78	2%	20		+34%
<b>Total Workers</b>								
	Workers commute on transit	3,171	4%	3,002	4%	-169		-5%
	Workers not on transit	342	1%	210	7%	-132		-39%
<b>Housing Units Available</b>								
	All Housing Units	3,592	100%	3,604	100%	12		0%
	Renters Occupied Housing Units	2,185	61%	2,035	56%	-150		-7%
	Owner Occupied Housing Units	1,406	39%	1,569	44%	163		+12%
	Vacant Housing Units	300	8%	274	8%	-26		-9%
<b>Median Household Income</b>								
	All Households Median Income	\$48,685		\$47,434		-\$1,251		-3%
	Homeowners Median Income	\$67,255		\$60,247		-\$7,008		-10%
	Renters Median Income	\$32,656		\$37,864		+\$5,208		+16%
<b>Poverty Level</b>								
	Population below poverty level (18 or younger)	354	5%	160	2%	-194		-55%
	Population below poverty level (18 or older)	935	13%	1,034	15%	99		+11%
<b>Median Rent</b>								
	Median Rent	\$1,002		\$1,120		+\$118		+12%
<b>Median House Price</b>								
	Median House Price	\$538,032		\$522,241		-\$15,791		-3%
<b>Overall Rent Burden</b>								
	Rent Burdened Households (30%-49% of income on rent)	446	14%	353	11%	-93		-21%
	Severely Rent Burdened Households (50% or more income on rent)	286	9%	308	9%	22		+8%
	Median Mortgage Cost (% of Annual Household Income)	37%		30%		-7%		-18%
<b>Overcrowding</b>								
	Overcrowded (1.0 - 1.5 occupants per room)	91	1%	56	1%	-35		-38%
	Severely Overcrowded (> 1.5 occupants per room)	32	1%	17	0%	-15		-47%
<b>Housing Units by Number of Bedrooms</b>								
	0 (studios)	113	1%	169	2%	56		+48%
	1	96	1%	113	1%	17		+18%
	2-3	1,967	3%	1,660	2%	-307		-16%
	4 or more	250	0%	368	0%	118		47%
<b>Median Age of Housing (yrs.)</b>								
	Median Age of Housing (yrs.)	71		80		9		+13%

FACTSHEET – WEST CARSON SPECIFIC PLAN

KEY HOUSING ELEMENT CHARACTERISTICS	
Plan Adoption Authority(author)	2018 LA County
Area	2.3 sq. mi.
Max Height	50 ft
Form Based vs Conventional	Conventional
Public Outreach	
- Quarterly task force meetings	
- 2 public workshops	
- Surveyed developers and medical center employees	
Overall Vision	
- Placemaking	
- Increase multimodal mobility	
- Streamline environmental review	

Does Specific Plan Include	
Density Bonus?	<input type="checkbox"/>
Affordable Housing Orientation?	<input checked="" type="checkbox"/>
Mention of RHNA Goals?	<input checked="" type="checkbox"/>
Build Out Scenario(s)?	<input checked="" type="checkbox"/>
Enumeration Strata Defined?	<input checked="" type="checkbox"/>
Parking Incentives?	<input type="checkbox"/>

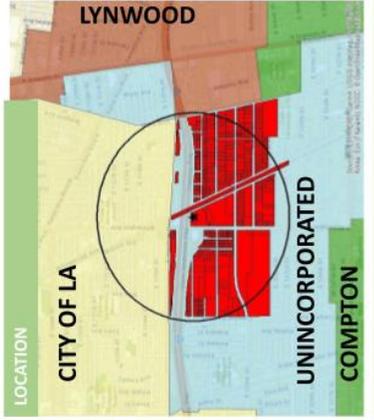
Transit Catchment (half-mile) Socio-Demographic Analysis			
	2009	2017	2009-2017 % Change
	N	N	% of Total Population
Total Population	8,282	8,800	+6%
Racial Population			
Hispanic	2,321	2,745	+18%
Non-Hispanic White	988	989	+0%
Non-Hispanic African-American	691	735	+6%
Non-Hispanic Asian	3,918	4,338	+11%
Age Breakdown			
Median Age (Years)	40	44	+11%
Number of Seniors 65 or above	1,215	1,710	+41%
Total Households	2,637	2,726	+3%
Family Households	1,820	2,029	+11%
Households Without Vehicle	222	130	-41%
All Households without vehicle	139	74	-46%
Renters Without Vehicle	83	56	-33%
Homeowners Without Vehicle	56	18	-68%
Total Workers	3,912	4,228	+8%
Workers commute on transit	170	67	-61%
Housing Units Available			
All Housing Units	2,736	2,788	+2%
Renter Occupied Housing Units	1,080	1,530	+42%
Owner Occupied Housing Units	1,557	1,196	-23%
Vacant Housing Units	99	62	-37%
Median Household Income			
All Households Median Income	\$65,359	\$63,753	-2%
Homeowners Median Income	\$73,009	\$79,148	+8%
Renters Median Income	\$37,534	\$50,051	+33%
Poverty Level			
Population below poverty level (all ages)	1,070	728	-32%
Population below poverty level (18 or older)	526	385	-27%
Population below poverty level (18 or older)	526	385	-27%
Median Rent	\$1,106	\$1,295	+17%
Median House Price	\$420,767	\$390,200	-7%
Overall Rent Burden			
Rent Burdened Households (30-49% of income on rent)	216	389	+80%
Severely Rent Burdened Households (50% or more income on rent)	163	165	+1%
Median Mortgage Cost (% of Annual Household Income)	29%	27%	-7%
Overcrowding			
Overcrowded (1.0 - 1.3 occupants per room)	126	216	+72%
Severely Overcrowded (> 1.3 occupants per room)	24	105	+338%
Housing Units by Number of Bedrooms			
0 (studio)	147	85	-42%
1	515	468	-9%
2-3	2,173	1,863	-14%
4 or more	252	310	+21%



MapData: Area and Structure from 1

**FACTSHEET – WILLOWBROOK SPECIFIC PLAN**

<b>Plan Adoption</b>	2017
<b>Authority (author)</b>	LA County
<b>Area</b>	312 acres
<b>Max Height</b>	75 ft
<b>Form Based vs Conventional</b>	Form Based
<b>Public Outreach</b>	Public Outreach
<b>Regular stakeholder meetings (14 grps)</b>	
<b>Overall Vision</b>	
<b>- Emphasis on preserving and enhancing character</b>	
<b>- Streetscape improvement &amp; placemaking</b>	
<b>- Some densification in select areas</b>	



KEY HOUSING ELEMENT CHARACTERISTICS				
	Mixed Use 1	Mixed Use 2	MLK Zone	Education
<b>FAR</b>	1.5	3.0	1.65	1.5
<b>DU / acre</b>	30	60	60	0
<b>Max Height (ft)</b>	50	50	75	75

KEY HOUSING ELEMENT CHARACTERISTICS				
	Residential 1	Residential 2	Residential 3	
<b>FAR</b>	N/A	N/A	N/A	N/A
<b>DU / acre</b>	9	18	30	30
<b>Max Height (ft)</b>	35	35	35	35

*Does Specific Plan Include*

**Density Bonus?**  **Build Out Scenario(s)?**

**Affordable Housing Orientation?**  **Enumeration Strata Defined?**

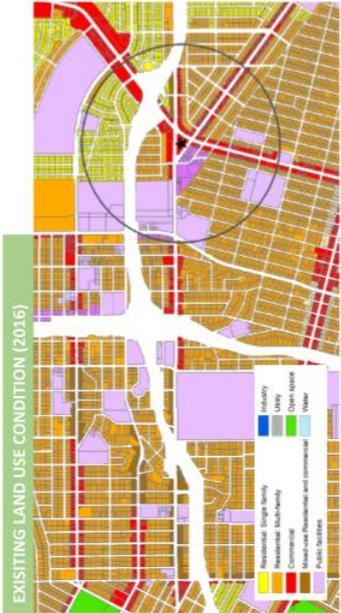
**Mention of RHNA Goals?**  **Parking Incentives?**

Transit Catchment (half-mile) Socio-Demographic Analysis					
	2009		2017		2009-2017 % of Total Change
	N	% of Total	N	% of Total	
<b>Total Population</b>	8,351	100%	10,249	100%	+23%
Hispanic	5,203	62%	6,967	68%	+34%
Non-Hispanic White	139	2%	123	1%	-12%
Non-Hispanic African-American	2,848	34%	3,022	29%	-6%
Non-Hispanic Asian	13	0%	92	1%	+688%
<b>Age Breakdown</b>					
Median Age (Years)	24		25		+4%
Number of Seniors 65 or above	324		427		+32%
<b>Total Households</b>	2,028	100%	2,241	100%	+11%
Family Households	1,583	78%	1,790	80%	+13%
<b>Households Without Vehicle</b>					
All Households without vehicle	471	23%	464	20%	-6%
Renters without vehicle	100	21%	100	21%	0%
Homeowners without vehicle	51	3%	46	2%	-10%
<b>Total Workers</b>	2,255	27%	3,308	32%	+47%
Workers commute on transit	233	10%	320	10%	+37%
<b>Housing Units Available</b>					
All Housing Units	2,214	100%	2,357	100%	+7%
Renter Occupied Housing Units	1,334	60%	1,474	63%	+11%
Owner Occupied Housing Units	694	31%	767	33%	+11%
Vacant Housing Units	186	8%	116	5%	-38%
<b>Median Household Income</b>					
All Households Median Income	\$26,662		\$31,901		+20%
Homeowners Median Income	\$45,673		\$62,215		+36%
Renters Median Income	\$18,489		\$23,776		+29%
<b>Poverty Level</b>					
Population below poverty level (18 or younger)	1,820	22%	1,836	18%	+1%
Population below poverty level (18 or older)	1,590	19%	1,962	19%	+23%
<b>Median Rent</b>	\$784		\$1,016		+30%
<b>Median House Price</b>	\$310,237		\$281,426		-9%
<b>Overall Rent Burden</b>					
Rent Burdened Households (30-49% of income on rent)	397	20%	346	15%	-13%
Severely Rent Burdened Households (50% or more income on rent)	569	28%	655	29%	+15%
Median Mortgage Cost (% of Annual Household Income)	43%		43%		
<b>Overcrowding</b>					
Overcrowded (1.0 - 1.5 occupants per room)	192	10%	212	10%	+10%
Severely Overcrowded (> 1.5 occupants per room)	218	11%	168	8%	-23%
<b>Housing Units by Number of Bedrooms</b>					
0 (studio)	87		32		-62%
1	302		342		+13%
2-3	1,385		1,466		+6%
4 or more	252		400		+59%
<b>Median Age of Housing (yrs.)</b>	78		77		-1%

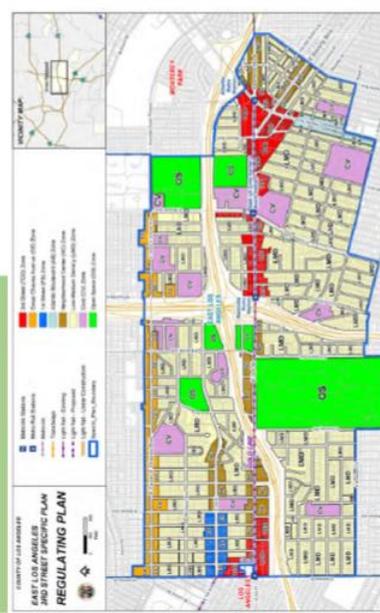
**FACTSHEET – EAST LA SPECIFIC PLAN**

Plan Adoption	2014
Authority(author)	LA County
Area	2 sq. mi.
Max Height	N/A
Form Based vs Conventional	Form Based
Public Outreach	
ELA PAC met quarterly Oct 2009-2011 4 Discovery Workshops (July 2009)	
Overall Vision	
<ul style="list-style-type: none"> <li>- Bring energy, growth, and economic vitality</li> <li>- Cohesive community and walkable neighborhood</li> <li>- Reconnect the historic community of East LA</li> </ul>	
Specific Plan does not include any information on distinction in subarea/zone types or descriptive details for FAR, DU/acre or max height.	

**LOCATION**



**SPECIFIC PLAN IMPLEMENTATION (2014)**



EXISTING LAND USE CONDITION (2016): 1/2 mile radius			
	Multi-family residential	Commercial and services	Education and public facilities
Sq. mi.	0.002	0.27	0.12
%	0.4%	53%	24%
		Mixed-use (commercial + residential)	Industrial
		0.003	0.02
		1%	4%

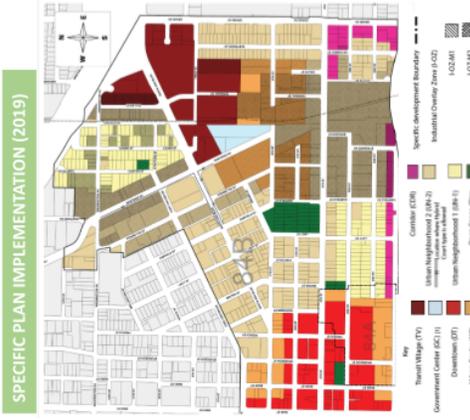
*Does Specific Plan Include*

Density Bonus?	<input checked="" type="checkbox"/>	Build Out Scenario(s)?	<input checked="" type="checkbox"/>
Affordable Housing Orientation?	<input type="checkbox"/>	Enumeration Strata Defined?	<input type="checkbox"/>
Mention of RHNA Goals?	<input checked="" type="checkbox"/>	Parking Incentives?	<input type="checkbox"/>

Transit Catchment (half mile) Socio-Demographic Analysis					
	2009	2017	2009-2017 % Change		
	N	% of Total	N		
<b>Total Population</b>	8,562	100%	8,255	100%	-4%
Hispanic	8,036	94%	7,285	88%	-8%
Non-Hispanic White	97	1%	233	3%	+140%
Non-Hispanic African-American	5	0%	17	0%	+240%
Non-Hispanic Asian	420	5%	642	8%	+53%
<b>Age Breakdown</b>					
Median Age (Years)	33		35		+6%
Number of Seniors 65 or above	1,003		1,077		+7%
<b>Total Households</b>	2,346	100%	2,373	100%	+1%
Family Households	1,737	74%	1,757	74%	+1%
<b>Households Without Vehicle</b>	461	20%	328	14%	-29%
All Households without vehicle	400	17%	277	12%	-31%
Renters Without Vehicle	61	3%	51	2%	-16%
<b>Total Workers</b>	3,029	35%	3,285	40%	+8%
Workers commute on transit	334	11%	273	8%	-18%
<b>Housing Units Available</b>	2,444	100%	2,518	100%	+3%
All Housing Units	1,311	54%	930	37%	-30%
Renter Occupied Housing Units	1,035	42%	1,173	46%	+13%
Owner Occupied Housing Units	266	11%	145	6%	-46%
Vacant Housing Units	97	4%	145	6%	+48%
<b>Median Household Income</b>					
All Households Median Income	\$38,103		\$44,792		+18%
Householders Median Income	\$58,268		\$61,451		+5%
Renters Median Income	\$27,217		\$35,783		+31%
<b>Poverty Level</b>					
Population below poverty level (18 or younger)	1,448	17%	662	8%	-54%
Population below poverty level (18 or older)	980	12%	878	11%	-10%
<b>Median Rent</b>	\$825		\$1,018		+23%
<b>Median House Price</b>	\$411,100		\$389,233		-5%
<b>Overall Rent Burden</b>					
Rent Burdened Households (30-49% of income on rent)	400	17%	351	15%	-12%
Severely Rent Burdened Households (50% or more on rent)	296	13%	379	16%	+28%
Median Monthly Cost (% of Annual Household Income)	32%		34%		
<b>Overcrowding</b>					
Overcrowded (1.0 - 1.5 occupants per room)	284	12%	202	9%	-29%
Severely Overcrowded (> 1.5 occupants per room)	132	6%	140	6%	+6%
<b>Housing Units by Number of Bedrooms</b>					
0 (studio)	68	3%	35	2%	-49%
1	600	25%	600	25%	0%
2-3	2,017	85%	1,568	66%	-22%
4 or more	299	13%	169	7%	-43%
<b>Median Age of Housing (yrs.)</b>	56		66		+18%

**FACTSHEET – SANTA ANA SPECIFIC PLAN**

<b>Plan Adoption</b>	2019
<b>Authority (author)</b>	City of Santa Ana
<b>Area</b>	unknown
<b>Max Height</b>	25 stories
<b>Form Based vs Conventional</b>	Form-based
<b>Public Outreach</b>	
<b>Not specified</b>	
<b>Overall Vision</b>	
<b>Design spaces to increase mobility and encourage pedestrian-friendly spaces.</b>	
<b>Transit-Housing Linkage</b>	
<b>Linkage to affordable housing is vague. Increasing housing density and building housing around the TOD area to encourage a more pedestrian-friendly community.</b>	



Transit Catchment (half-mile) Socio-Demographic Analysis					
	2009		2017		2009-2017 % Change
	N	% of Total	N	% of Total	
<b>Total Population</b>	11,530	100%	10,254	100%	-11%
Hispanic	10,149	88%	9,083	89%	-11%
Non-Hispanic White	959	8%	600	6%	-37%
Non-Hispanic African-American	100	1%	108	1%	+8%
Non-Hispanic Asian	216	2%	356	3%	+65%
<b>Age Breakdown</b>					
Median Age (Years)	28		32		+14%
Number of Seniors 65 or above	599		670		+12%
<b>Total Households</b>	2,492	100%	2,595	100%	+4%
Family Households	1,921	77%	2,039	79%	+6%
<b>Households Without Vehicle</b>					
All Households without vehicle	359	14%	277	11%	-23%
Renters Without Vehicle	328	13%	261	10%	-20%
Homeowners Without Vehicle	35	1%	16	1%	-54%
<b>Total Workers</b>	5,073	44%	4,465	44%	-12%
Workers commute on transit	853	17%	355	8%	-58%
<b>Housing Units Available</b>					
All Housing Units	2,629	100%	2,675	100%	+2%
Renter Occupied Housing Units	1,899	72%	2,099	78%	+11%
Owner Occupied Housing Units	594	23%	495	19%	-17%
Vacant Housing Units	137	5%	80	3%	-42%
<b>Median Household Income</b>					
All Households Median Income	\$42,743		\$44,479		+4%
Homeowners Median Income	\$60,142		\$62,904		+5%
Renters Median Income	\$39,773		\$41,111		+3%
<b>Poverty Level</b>					
Population below poverty level (18 or younger)	996	9%	962	9%	-3%
Population below poverty level (18 or older)	757	7%	1,433	14%	+89%
<b>Median Rent</b>	\$976		\$1,219		+25%
<b>Median House Price</b>	\$369,863		\$385,887		+4%
<b>Overall Rent Burden</b>					
Rent Burdened Households (Rent Burdened = 30% or more of household income)	648	26%	708	27%	+9%
Severely Rent Burdened Households (50% or more income on rent)	274	11%	607	23%	+122%
Median Mortgage Cost (% of Annual Household Income)	36%		30%		-18%
<b>Overcrowding</b>					
Overcrowded (1.0 - 1.5 occupants per room)	475	15%	526	20%	+11%
Severely Overcrowded (> 1.5 occupants per room)	622	25%	611	24%	-2%
<b>Housing Units by Number of Bedrooms</b>					
0 (studio)	190	8%	361	14%	+90%
1	1,013	41%	964	37%	-5%
2-3	1,131	45%	1,166	45%	+3%
4 or more	159	6%	104	4%	-35%
<b>Median Age of Housing (yrs.)</b>	51		52		+2%

**EXISTING LAND USE CONDITION (2016): 1/2 mile radius**

	Multi-family residential	Commercial and services	Mixed-use (commercial + residential)	Education and public facilities	Industrial	Open space
<b>Sq. mi.</b>	0.09	0.07	0.30	0.02	0.03	0.01
<b>%</b>	1%	13%	58%	4%	6%	1.2%
<b>KEY HOUSING ELEMENT CHARACTERISTICS</b>						
<b>DU / acre (by building type)</b>	Tower-on-Podium	Flex Block	Lined Block	Stacked Dwellings	Hybrid Court	Courtyard Housing
	75-90	30-40	45-50	40-50	45-50	20-30
<b>Max Height (stories)</b>	Live/Work	Rowhouse	Tuck-Under	Bungalow Court	Du/Tri/Quadplex	House
	12-15	7-18	12-18	10-15	10-15	5-7
<b>Does Specific Plan Include</b>	Subarea A (TV)	Subarea B (DT)	Subarea C (UC)	Subarea D (CDR)	Subarea E (UN2)	Subarea F (UN1)
	25	10	5	3	5	2

<b>Density Bonus?</b>	<input checked="" type="checkbox"/>	<b>Build Out Scenario(s)?</b>	<input type="checkbox"/>
<b>Affordable Housing Orientation?</b>	<input checked="" type="checkbox"/>	<b>Enumeration Strata Defined?</b>	<input type="checkbox"/>
<b>Mention of RHNA Goals?</b>	<input type="checkbox"/>	<b>Parking Incentives?</b>	<input checked="" type="checkbox"/>

**Appendix K: Specific Plan Matrix**

Specific Plan	Total # units permitted and as % of RHNA for the city	Density	Height Restrictions	Inclusionary Zoning Promoting AH?	City Owned or Vacant Potential AH?	Public Amenity Requirements?	Incentives Promoting AH
<b>Fullerton</b>	1,560 residential units (inclusive of affordable housing units)- <b>85% of RHNA total(SP)</b>  RHNA VLI: 411- <b>22%</b> RHNA LI: 299- <b>16%</b> RHNA MOD: 337- <b>18%</b> RHNA ABV MOD: 794- <b>43%</b> RHNA total: 1,841	Upto 60 du/acre	70 ft. (Cannot exceed 77ft.)	Encourages, but doesn't require, all projects to include at least 15% of residential units as AH units	2 narrow alleys, 27,600 sq. ft. of city-owned property, but designated potentially for parks	Common open space 50 sf/du; each building must have one common open space minimum 35 ft by 35 ft	As an incentive to providing affordable housing, the parking requirements for all residential units with a project (market-rate and affordable units) may be reduced if at least 15 percent of the units are affordable or if affordable housing is provided in compliance with California State Density Bonus Law 3-36
<b>Azusa</b>	Multi-family du 840- <b>107% of RHNA total(HE)</b> RHNA VLI: 198- <b>25%</b> RHNA LI: 118- <b>15%</b> RHNA MOD: 127- <b>16%</b> RHNA ABV MOD: 336- <b>44%</b> RHNA Total: 779	All moderate-density residential parcels permit densities up to 27 units per acre allowing for adequate AH	60 ft		1.4 acres for 31 potential low-income dwelling units, plus potential for additional 253 dwelling units	Requires new development to minimize light, noise, and other impacts to the community; general requirements for parking management; 100 sf/du private if single use; 60 sf/du private if mixed use 25 sf/du common if single use; 65 sf/du common if mixed use	N/A
<b>Anaheim-Anaheim Canyon</b>	1,256 residential units (SP) 2,166 affordable units since '05- <b>38% of RHNA VLI and LI(HE)</b> RHNA VLI: 1,256 (83) - 6% RHNA LI: 907 (367) - 40%	60 du/acre	100 ft	A qualifying project must be at least one acre in size with at least 36 units and a minimum of 20% of the total units or five units, whichever is greater, must	Vacant Housing Units: 6,959 3.3 acres of vacant land that could be developed with upto 64 du	N/A	Creating of AH Strategic Plan aiming for 2,812 units of AH and includes affordable for-sale housing, rehabilitation of existing structures and preservation of "At-Risk" rental housing. City also implemented an expedited City review and entitlement process for affordable housing projects

## Affordable Housing in Transit-Oriented Developments

	RHNA MOD: 1038 RHNA ABV MOD: 2501 RHNA total: 5,702 (4,282) - 75%			be affordable to very low-income households for at least 55 years			
<b>Baldwin Park</b>	Potential AH Units: 70 LI units - <b>31% of RHNA VLI and LI(SP)</b> RHNA VLI: 142 - <b>25%</b> RHNA LI: 83 - <b>15%</b> RHNA MOD: 90- <b>16%</b> RHNA ABV MOD: 242- <b>43%</b> RHNA Total: 557	Upto 30 du/acre	50 ft		1.7 acres of vacant land , with potential yield of 28 moderately affordable units 12 acres (188 units) of additional land 68 new AH units at density	Common open space: 250 sf/du Private open space: 200 sf/du R-1 20% of net lot area	N/A
<b>Santa Ana</b>	Potential AH Units: 75 - <b>97% of RHNA VLI and LI (HE)</b> RHNA VLI: 45- <b>22%</b> RHNA LI: 32- <b>15%</b> RHNA MOD: 37- <b>18%</b> RHNA ABV MOD: 90- <b>44%</b> RHNA Total: 204	Upto 50 du	25 stories	Affordable housing proposals can develop at a minimum density of 31 units per acre by right up to 47 units per acre. At least 15% must be affordable to VLI or LI households for at least 55 years.	40 units of vacant/underused land along 2 transit corridors	N/A	N/A
<b>Crenshaw</b>	Potential AH units: 10,437 - <b>32% of RHNA VLI and LI(HE, p. c-xxi)</b> RHNA VLI: 20,427- <b>25%</b> RHNA LI: 12,435- <b>15%</b> RHNA MOD: 13,728- <b>16%</b> RHNA ABV MOD: 35,412- <b>43%</b> RHNA Total: 82,002	30 du/acre	75 ft. (architectural features may exceed by 20%)	Density of least 30 units per acre serves as a proxy to identify sites suitable for affordable housing development	New Generation Fund (NGF) is a \$52 million predevelopment and acquisition loan fund that provides loans to affordable housing developers to purchase vacant land for development. The City is inheriting 60 lots assembled into approximately 21 developable parcels	May substitute common space with private open space with the following hard minimums: 350 sf common for projects <10units 600 sf common for projects ≥10units	For projects with residential uses in TOD areas which meet the requirements to receive a 35% density bonus under CA State law, relocating parking from podium to underground or off-site may grant up to an addition of 1.0 in maximum FAR.

## Affordable Housing in Transit-Oriented Developments

<b>East LA - City of LA</b>	Potential AH units: 10,437 - <b>32% of RHNA VLI and LI</b> (HE, p. c-xxi) RHNA VLI: 20,427- <b>25%</b> RHNA LI: 12,435- <b>15%</b> RHNA MOD: 13,728- <b>16%</b> RHNA ABV MOD: 35,412- <b>43%</b> RHNA Total: 82,002	30 du/acre	N/A	Density of least 30 units per acre serves as a proxy to identify sites suitable for affordable housing development	"New Generation Fund (NGF) is a \$52 million predevelopment and acquisition loan fund that provides loans to affordable housing developers to purchase vacant land for development. The City is inheriting 60 lots assembled into approximately 21 developable parcels"	N/A	Adaptive Reuse Ordinance contains numerous incentives to convert, or rehabilitate for residential use, obsolete buildings built before 1974.
<b>Vermont/Western - City of LA</b>	Potential AH units: 10,437 - <b>32% of RHNA VLI and LI</b> (HE, p. c-xxi) RHNA VLI: 20,427- <b>25%</b> RHNA LI: 12,435- <b>15%</b> RHNA MOD: 13,728- <b>16%</b> RHNA ABV MOD: 35,412- <b>43%</b> RHNA Total: 82,002	30 du/acre	75 ft	Density of least 30 units per acre serves as a proxy to identify sites suitable for affordable housing development	"New Generation Fund (NGF) is a \$52 million predevelopment and acquisition loan fund that provides loans to affordable housing developers to purchase vacant land for development. The City is inheriting 60 lots assembled into approximately 21 developable parcels"	Open space requirement amount unchanged, up to 50% may be located above grade or first habitable level	Adaptive Reuse Ordinance contains numerous incentives to convert, or rehabilitate for residential use, obsolete buildings built before 1974.
<b>West Carson - LA County</b>	Potential AH units: Unclear RHNA VLI: 7,854- <b>26%</b> RHNA LI: 4,650- <b>15%</b> RHNA MOD: 5,060- <b>16%</b> RHNA ABV MOD: 12,581- <b>41%</b> RHNA Total: 30,145	Upto 50 du/acres	50 ft.	Minimum set asides of 5% and 10% for VLI and LI respectively with a 35% maximum for a 20% bonus	5,445 vacant/underutilized land sites for AH (2013) 10,587 (2008) 16,032 vacant units for AH	For residential, 200 sf/du (mix of common and private allowed)	Developers are entitled to incentives to help mitigate the cost impacts of providing affordable and senior housing, including fee exemptions. The Ordinance specifies incentives: reduced setbacks, increased heights and number of stories, reduced parking, reduced minimum lot sizes and lot width, additional density increases, and fee waivers.
<b>Willowbrook - LA County</b>	Potential AH units: Unclear RHNA VLI: 7,854-	Upto 30 du/acre	75 ft.	Minimum set asides of 5% and 10% for VLI and	5,445 vacant/underutilized land sites for AH	50 sf/du common 50 sf/du private	Developers are entitled to incentives to help mitigate the cost impacts of providing affordable and senior

## Affordable Housing in Transit-Oriented Developments

<p><b>26%</b> RHNA LI: 4,650- <b>15%</b> RHNA MOD: 5,060- <b>16%</b> RHNA ABV MOD: 12,581- <b>41%</b> RHNA Total: 30,145</p>			<p>LI respectively with a 35% maximum for a 20% bonus</p>	<p>(low) 2,295 (moderate) 17,443 vacant units (2010)</p>	<p>1000 sf/ac non-residential common</p>	<p>housing, including fee exemptions. The Ordinance specifies incentives: reduced setbacks, increased heights and number of stories, reduced parking, reduced minimum lot sizes and lot width, additional density increases, and fee waivers.</p>
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## Appendix L: Housing Element Matrix

Note that numbers in parentheses refer to page numbers in the relevant Housing Element documents

### Transit Oriented Development

	Fullerton	Santa Ana	City of LA	County of LA	Baldwin Park	Azusa	Anaheim
<b>TOD</b>	(89) Prev cycle review – specific plans: 2010 - Fullerton Transportation Center Area (FTCSP) SOCO Downtown Core and Corridor Specific Plan (DCCSP)	(44, 153) 1. Transit Zoning Code (TZC) Transit Corridors: 2. Harbor Boulevard Mixed Use Transit Corridor 3. Fifth Street 4. First Street 5. Metro East Mixed-Use Overlay Zone (MEMU) - residential development	(206) "In June 2012, the Los Angeles Department of City Planning kicked-off a 2-year effort to create Transit Neighborhood Plans for the areas surrounding 22 new or proposed transit stations."	(25) "Eleven TODs will be located along the Metro Blue Line, Green Line, Gold Line, Gold Line Extension and near the Metro Silver Line."	(134) Site K adjacent to Metrolink station (135) Site J	Around the Gold Line Station	
<b>Identified Zones and Corridors</b>							X
<b>TOD-Related Mentions</b>	(97) Prev cycle review – "Projects selected for assistance through the NOFA met the criteria of close proximity to transit (within mile of transit center and supporting uses (shopping, parks, schools). FTC SP, which provides for up to 1,560 new housing units, is a mixed-use transit oriented development	"Transit-oriented" mentioned 13 times Encourages transit-oriented developments with mixed-income	Mentioned in 4 sections (16) "The City is developing Community Plan updates and developing new Transit Neighborhood Plans that provide incentives to increase the feasibility of infill development near transit." "In February 2012, the Council unanimously approved the City' first transit-oriented Consolidated Plan (ConPlan), the first in the nation,"	Mentioned in 5 sections (25) Program 6: Transit Oriented Districts Program "Transit Oriented Districts (TODs) are areas that will be established by the General Plan Update, within a 1/2 mile radius from a Metro transit stop. All TODs will be implemented by TOD specific plans,"	(93) "The City's downtown Metrolink station provides opportunities, as indicated in the General Plan, for transit-oriented development and the facilitation of a pedestrian district." (134) Detailed Sites Analysis "These development standards were tailored to achieve maximum densities and foster lively pedestrian and transit-oriented districts...The City's vision for this area is to reinvent downtown as a mixed-use pedestrian and transit-oriented urban village" (135) "Site J has the capacity for at least 27 new housing units. This site encompasses 1.2 acres and is located adjacent to the Metrolink station. This site is suitable for a transit-oriented mixed-use development."	(57, 87) The Monrovia Nursery Specific Plan: "...as well as a transit-oriented development with attached dwelling units adjacent to a future Gold Line Station. The Specific Plan for this project was adopted in 2004." (80) "The Downtown District, which contains land designated Transit Center and Commercial/Residential Mixed Use, is the heart of the City, and will be anchored by the planned Gold Line transit station." (49) "In addition to the more traditional low-, medium-, and moderate-density residential areas, the City also identifies Neighborhood Center, Mixed Use, and Transit Station areas as having residential components."	

### Housing in TOD by Affordability Level

	Fullerton	Santa Ana	City of LA	County of LA	Baldwin Park	Azusa	Anaheim	
<b>Housing in TOD by Affordability</b>	(112) FTCSP - Potential buildout scenarios mention AH units (131) "In 2010 the Fullerton Transportation Center Specific Plan (FTCSP) was adopted, designating 39 acres for transit-oriented residential, commercial, and office uses...The FTCSP further encourages at least 15% of units in any new development to be restricted to very, low, low or moderate income households...an unaccommodated need of 41 exclusive residential lower-income units is carried over to the 5th cycle...Policy Action 1.1(a) in the Housing Plan includes a commitment to rezone sites sufficient to accommodate 41 exclusive residential lower-income units in addition to the 5th cycle RHNA allocation of 710 lower-income units...While the FTCSP created more residential development capacity than needed to accommodate the additional 647 lower-income units called for in the 4th cycle rezoning program, the regulations did not specify minimum density of 20 units/acre as required by..."	(44) "The TZC puts an emphasis on providing a range of housing options, including affordable housing." (86) Harbor Mixed Use Transit Corridor - "Require that unmet lower income RHNA be accommodated on at least 10.1 acres designated exclusively for residential use (see Appendix C, Exhibit C-2 and Table C-4) For sites addressing the lower income RHNA, permit owner occupied and rental multifamily uses by right, allow at least 16 units per site, and require a minimum density of 20 du/ac" (178) MEMU (but this is not TOD): "In conformity with Section 65583.2(c)(3)(b) of the California Government Code, the identified sites are zoned so they allow at least 30 units per acre and therefore have the capacity to accommodate lower income housing." Descriptions for other transit corridors mention mixed-use, high-density, but not affordable housing/income level goals	(17, 18) Executive summary: "taking steps such as focusing affordable housing resources near transit." (206) Section on Land Use Patterns: "There are currently 71 light-rail or bus rapid transit stations in Los Angeles City, 26 of which have transit-oriented plans completed or under progress, 19 more metro stations are being planned as part of the Westside Subway, Expo Phase 2, Crenshaw, and Regional Connector projects. In June 2012, the Los Angeles Department of City Planning Kicked-off a 2-year effort to create Transit Neighborhood Plans for the areas surrounding 22 new or proposed transit stations. The City's General Plan is based on accommodating a large percentage of growth (including residential development and affordable housing of all types) in these Transit Oriented Districts." (205) "(HCD/LA) has been offering preference points for affordable housing development near transit in its policies... With unprecedented investment in public transportation infrastructure, Los Angeles has an opportunity to continue to strategically invest its affordable housing funds near transit. Moreover, affordable housing near transit ensures equitable access to transportation, jobs, and nearby amenities for extremely-low to low-income households."	(22) Program 4: Density Bonus Ordinance (25) Program 6: TOD and under other programs "Policy 2.1: Support the development of housing for low and moderate income households and those with special needs near employment and transit." (40) and under other programs "Policy 6.2: Allocate state and federal resources toward the preservation of housing, particularly for low income households, near employment and transit."	(134) Detailed Sites Analysis "A total of 774 Mixed-Use sites were identified, more than ample to meet the RHNA of 557 units... The density of the identified sites facilitates the development of housing affordable to lower-income households... These development standards were tailored to achieve maximum densities and foster lively pedestrian and transit-oriented districts." (136) "Sites E and F are located just south of the Baldwin Park Metrolink station...The parcels that compose Site E have a combined capacity for at least 68 new housing units, developed at a density that accommodates affordable housing."		X	X (Mentioned in community outreach minutes but not adopted)

## Housing Profile

	Fullerton	Santa Ana	City of LA	County of LA	Baldwin Park	Azusa	Anaheim
<b>Housing Profile</b>							
Built out	0	0	(113) 78% (239,072 acres) is developed; 5.1% (15,467 acres) classified as vacant (subject to urban development)		0	0	0
Vacancy Rate (and Tenure)	(20) Renter: 7% (43%) Owner: 1.1% (51%)  => More owner-occupied homes	(31) 2010 Overall: 4.8% (mentions significant increase in foreclosures as a factor)  54% renter 47% owner		(10) 2010 Overall: 6%	(31) 2010 Renter: 3.3% (38.5%) Owner: 1.3% (58.4) Overall: 3.08% (weighted optimum:3.09%)  => More owner-occupied homes	(31) 2010 Renter: 6.6% (47%) Owner: 1.4% (53%) Overall: 5% (weighted optimum: 3.4%)  => More owner-occupied homes	(28) No vacancy breakdown by tenure 6.5% in 2010 (optimum would be 3.5%ish) 5.5% in 2011  53.7% renter 46.3% owner
Housing Conditions	(22) Info on 228 substandard units that need rehabilitation; no age info?			(82) 28%ish 50-30 years old 45%ish 50+ years old	(32) 36% 50+ years old 42% 50-30 years old	(32) 36% 50+ years old 36% 50-30 years old (33) 15%	(29) 28% 50+ years old 43% 30-50 years old (39) 16.6%
Overcrowded	(26) 4% of owner, 18% of renter	(34) 33%	(56) 14.6% of 190,953 households	(83) 12%	(33) 25%		
Housing Cost and Affordability						(37) "Azusa has long been and remains one of the most affordable cities in Los Angeles County, with among the lowest housing costs in the County, low homeownership rates, and an aging housing stock."	
Total Housing Units			(115) 1,413,995 units  According to EIR, total build-out capacity of 2.4 million housing units; thus <b>remaining capacity is one million units</b>	(78) 290,716 ? Calculated from vacancy	(48) 17,736 units (2010)		(55) "According to the current General Plan, a total of 131,385 dwelling units are anticipated within the City's planning areas at build-out. As of January 2012, the State Department of Finance (DOF) reports that 105,657 dwelling units exist in Anaheim. This leaves a <b>remaining capacity of 25,728 new dwelling units.</b> "
At-Risk Units	(139) "Assuming an approximate per-unit value of \$275,000, acquisition of 100 units would require an investment of \$27.5 million." (total 101 at-risk units)	(209) 880 units (at risk of conversion by 2024)	(67) 19,888 units (at risk of losing affordability use restrictions by 2023)	(88) 582 units	(43) "the cost of replacing all 222 affordable at-risk units would be approximately \$44.4 million."	(39) "the cost of replacing all 323 affordable at-risk units (with new low-income housing) would be approximately \$64.6 million."	(219) 516 units

## Housing Production Strategy

	Fullerton	Santa Ana	City of LA	County of LA	Baldwin Park	Azusa	Anaheim
<b>General: Housing Production Strategy</b>	X	Decent? No clear leaning either way? Many corridors identified	Better constraints section that is organized into constraints and what have been/plans to be done to address them. Better description/writing of what it all means.	Flexible	Overall language averse to density; Portrays low density as desirable; Little explicit provisions for AH	X	Language that emphasizes AH and encourages density
Summary on Housing, Affordable Housing Efforts & Density			(138.) Identifying entitlement process as a big barrier and talking about streamlining permitting, entitlement, covenant, etc. processing is something I haven't seen in other HEs?				
Maximum Density (units/acre)	(40) Single-family: 6 Multi-family: Over 28 Downtown & Neighborhood Center Mixed Use: 60 Urban Center Mixed Use: 80	(138) Single-family: 7 Multi-family: 15 District Centers: 90	(116) High Medium and 3 other categories: 109 High: 218	(120) Couldn't find zoning map? "for the purposes of the Adequate Sites Inventory, the County assumes densities of 17 du/acre or more can accommodate housing for moderate income households, and densities of 30 du/acre or more can accommodate housing for low income households."	(40) Single-family residential: 8.7 Multi-family: 20 Mixed-use: 30 (not including density bonus)	27 (not including density bonus)	(54) Single-Family: 6.5 Multi-Family: 36 Mixed-Use : 100  (55) Many density levels as low as 1.5, but also "default" density is a minimum of 30? (not including density bonus)
Maximum Building Height	(45) "20 ft./ 1 story if within 50 ft. of R-1 property; 30 ft./ 2 stories if 50-100 ft. of R-1 property; unlimited otherwise"	(145) Residential Development Standards Max: R4 - 50 ft  (146) Multi-Family Residential Development Standards Class 3: 60 ft Class 4: No Limit  (149) Exception: up to 25% of max height	(124) "Height Districts...establish the maximum building size through floor area ratios (FAR) and, in some instances, height limitations..."  Max FAR: 13 to 1	(93) "The maximum height for all residential development is generally 35 feet, with the exception residential developments in zones R-4, C-3 and C-M, which do not specify a maximum height limit, but permit buildings with total floor area that does not exceed 13 times the buildable area on one parcel of land. Joint live and work units and vertical mixed use developments in zones C-3 and C-M, pursuant to the Mixed Use Ordinance, have a maximum height limit of 60 feet."	(56) 50ft for MU-1	(51-53) 3 stories or 40ft	(63-68) For mixed-use zoning: "Arena & Stadium Districts: unlimited. All others: 100 feet (greater heights permitted by conditional use permit)"

	Fullerton	Santa Ana	City of LA	County of LA	Baldwin Park	Azusa	Anaheim
Parking Requirement (multi-family? Apartments? Condo?)	(49) Single-family (4 or less bedrooms): 2 Multi-family: (diff for zones)	(147) Single-family: 4 per unit plus one space for each add'l bedroom in excess of five Multi-family: 1 per unit plus offstreet parking equivalent to the number of bedrooms on-site (148) + Lower req in Growth Areas	(125) Single-family: 2 covered Multi-family (< 3 habitable rooms): 1	(94) "The County's parking requirements are similar to most communities and more lenient than some communities in Southern California."  Single-family: 2 covered spaces Apartment (Bachelor): 1 covered Apartment (One bedroom): 1.5 covered	(57) ?? Single-family Detached, condominium, etc. (4 or fewer bedrooms): 2 spaces in garage per unit, plus 1 additional garage or surface space where unit contains 5 or more bedrooms  Apartments: 1 carport space/unit, plus 1 other space/unit	(55) Single-family (4 or fewer bedrooms): 2 spaces in a garage per unit Single-family (5 or more bedrooms): 3 spaces in a garage per unit Multi-family (one bedroom or studio): 1 covered space in a garage per unit	(71) Single-family (6 or fewer bedrooms): 4 (2 in garage)  Multi-family (studio): 1.25 per unit Multi-family (one bedroom): 2.0 per unit
Development Fees Per Unit	(56) Single-family: \$25,380.07 ("2,000-square-foot, 4-bedroom single-family detached dwelling unit") Multi-family: \$18,252.00 ("1,000-square-foot, 2-bedroom unit in a 4-unit apartment project")	(162) Single-family: \$26,875 300-unit condominium: \$17,033	X	(106) Development fees  (107) Impact fees	(64) Less than Azusa, El Monte, West Covina  Has breakdowns but no comprehensive numbers like Anaheim	(67) Single-family: \$8,197 in planning and impact fees; Rough estimate 2.7% of median home price	(92) Single-family: \$22,000 per unit; 3.8% of the total development cost Multi-family: \$9,000-\$17,500 per unit; 4.6-9.0% of total development cost
Total Development Costs?	X	X	X	X	X	X	X
Processing Time	(62) Single-family: 2 weeks Subdivision: 3 months Multi-family (<= 6 units): 4 weeks Multi-family (>6 units): 3.5 months	(160) Multi-family: 7-10 months	X	-102	X	X	X
Expedited Processing Time for AH?	X	X	X	X	X	?	X

Incentives

	Fullerton	Santa Ana	City of LA	County of LA	Baldwin Park	Azusa	Anaheim
<b>Incentives</b>							
General Incentives	X	X	(128) State density bonus law (but is this not specific to City of LA?)  "The City's SB 1818 Density Bonus implementing ordinance is intended to facilitate requests for incentives by providing a streamlined process for projects opting for a "menu" of incentives. Incentives on the menu include greater building height, reduced setbacks, averaging of density, open space and parking across multiple zones and reduced building open space. The City's ordinance also permits an increase in 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, which promotes greater transit-orientation of housing projects."  (129) "Adaptive Reuse Ordinance contains numerous incentives to convert, or rehabilitate for residential use, obsolete buildings built before 1974."	(112) "Developers are also entitled to incentives to help mitigate the cost impacts of providing affordable and senior housing. The Ordinance specifies a menu of incentives, which includes reduced setbacks, increased heights and number of stories, reduced parking, reduced minimum lot sizes and lot width, additional density increases, and fee waivers." (113) TODs "in addition [to special development standards], 25% fee reduction for site plan reviews and a 50% fee reduction for CLUPs for projects within" TODs (114) Fee Exemptions for AH Developers "-non-profit developers of very low and lower income housing are exempted from planning and zoning fees or deposits for their project. For-profit developers are also exempt from the payment of planning and zoning fees or deposits for very low and lower income housing, and the developer requests a fee waiver as an incentive eligible under the Density Bonus Ordinance."	X	X	X
Density Bonus Ordinance	(50) "consistent with current state law."	(150) Just state law	(128) Implemented State law. Couldn't tell if City of LA added anything? Refer to the above "Incentives" cell	(112) "The County offers a density bonus for small infill projects that are not covered under state law requirements, if they participate in the County's Infill Sites Utilization Program. For small residential projects of two to three units, an additional bonus unit can be granted. Furthermore, the Ordinance includes two discretionary...for qualifying projects that request density bonuses and/or incentives that go beyond the State Density Bonus law."	(63) Less Density Bonus flexibility than Anaheim		(74) Many density bonus scenarios (75) Go beyond state mandate

## Housing Barriers

	Fullerton	Santa Ana	City of LA	County of LA	Baldwin Park	Azusa	Anaheim
Housing Barriers	X	(123) "Homeownership opportunities for extremely low income households are generally considered financially infeasible throughout much of California, including Santa Ana, due to the levels of subsidies required for a single unit...Meeting the goal of providing housing affordable to extremely low income housing is challenging due to the present fiscal and economic climate and the financial subsidies required to make these projects financially feasible." (133)	X	X	(48) "approximately half of the land in the City is designated for residential use, including mixed-use development. The majority of existing housing consists of low-density, single-family units (averaging close to 7.8 dwelling units per acre). This pattern reflects Baldwin Park's origins as a suburban community..."	(49) "Housing supply and costs are affected by the amount of land designated for residential use and the density at which development is permitted. According to the General Plan, 1,255 acres in Azusa (22.6%) are designated for residential use."	Couldn't find info
Designated for Residential Use (Better in Housing Profile section?)							
Market	(67) 1. Land Prices 2. Construction Costs 3. Financing	1. Land Costs 2. Construction and rehabilitation costs 3. Availability of financing 4. Recent trend in foreclosures	X	(125) "The General Plan Update offers opportunities for affordable housing development, with greater access to transit and jobs. However, even with this infill development solution, the high cost of land in the unincorporated areas makes developing affordable housing costly."	X	(45) 1. Construction costs 2. Land costs 3. availability of financing	(102) 1. Vacant and Underutilized Land 2. Land Prices 3. Construction Costs 4. Financing
Governmental - Section Overview	X	1. Land use regulations 2. Developer standards 3. Building codes 4. Permit procedures 5. Local policies	(152) "While federal allocations to California for LIHTCs have generally increased over time, fewer low-income units are funded each year as development costs per unit have increased. LIHTCs are very competitive—applications typically exceed available funds by two-to-one.  In support of homeownership, the federal government provides home mortgage interest and property tax deductions to homeowners, as well as lower tax rates on long term capital gains. These tax incentives supporting homeownership dwarf the LIHTC, in effect subsidizing far more households at higher incomes	X	(48) 1. Land use controls 2. Building codes and their enforcement 3. Fees and exactions 4. Processing and permit procedures 5. Housing for people with disabilities	(49)1. Land use controls - "Azusa has adopted a form-based code" - "1,255 acres in Azusa (22.6%) are designated for residential use." - (57) Density Bonus "of 20 to 35 percent. The density bonus regulations also allow for exceptions, to further encourage development of affordable housing." 2. Building codes and their enforcement - (64) "Enforcement of building code standards does not constrain the production or improvement of housing in Azusa, but instead serves to maintain the condition of the City's neighborhoods." 3. Site improvements (on and off-site) 4. Fees and exactions 5. Processing and permit procedures	(54) Resources and Constraints 1. Land Use Controls 2. Density Bonus Ordinance - (72) 20 to 35% 3. Senior Citizens Housing 4. Emergency Shelters 5. Second Dwelling Units 7. Building Codes and Enforcement 8. Development Fees 9. Local Processing and Permit Procedures - (93) table; up to 12 weeks for standard; up to 10 weeks for Very-low/Low Income AH projects 10. Environmental and Infrastructure 11. Successor Agency to the Anaheim Redevelopment Agency

# Affordable Housing in Transit-Oriented Developments

	Fullerton	Santa Ana	City of LA	County of LA	Baldwin Park	Azusa	Anaheim
Governmental - Notes	X	X	X	X	(52) "Residential neighborhoods in Baldwin Park are very well established, and future development activity in this fully developed community is expected to occur outside of the low-density residential neighborhoods. In particular, the City promotes development in mixed-use areas of downtown. The City's strategy is to intensify and promote residential opportunities in downtown to leverage access to transportation and encourage higher-density development in a mixed-use setting."	(50) Form-based code with more emphasis on "urban design objectives for each area of the city" (54) "The parking and development standards in Azusa are similar to those established for surrounding communities in the San Gabriel Valley, and do not pose a constraint to residential development." (54) "The City has tailored the standards to allow properties to achieve maximum permitted densities while retaining neighborhood character and amenities." (76-83) Tries very hard to justify why density can be low in Azusa and still fulfill affordable housing needs: (83) "due to the significantly lower housing costs in Azusa relative to other Los Angeles County communities, the City has determined that [27 units per acre] is adequate to facilitate the development of...housing affordable to very low- and low-income households."	(62) "Based on the numerous constructed and approved multifamily projects in Anaheim that have been developed while adhering to these standards, the City has not found that the development standards adversely impact the cost and supply of the housing or the ability to achieve maximum densities." (71) "Parking requirements do not constrain the development of housing directly. However, parking requirements may reduce the amount of available lot areas for residential development...Based on the numerous constructed and approved projects in the Anaheim, the City has found that the parking requirements do not unduly impact the cost and supply of housing."

	Fullerton	Santa Ana	City of LA	County of LA	Baldwin Park	Azusa	Anaheim
Constraints - Summaries	<ul style="list-style-type: none"> <li>* Identified as constraints: (50) "development standards including maximum lot coverage and FAR, minimum unit sizes, parking requirements, and maximum building height"; (61) design review;</li> <li>* Identified as NOT gov constraints: (50) "development standards including maximum lot coverage and FAR, minimum unit sizes, parking requirements, and maximum building height"; (61) design review;</li> </ul>	<ul style="list-style-type: none"> <li>* Identified as constraints: (135) Construction costs; (152) Acquiring large enough lot sizes for AH developers; (157) Building codes raise construction costs and (159) permit process adds to the length of time, but are necessary;</li> <li>* Identified as NOT gov constraints: (139) The elimination of high density (HR) residential land use designations; (148) Multi-family parking standards (easy to qualify for reduced standards); (143) MEMU parking requirements; (159) Design review process;</li> <li>* Identified as (potential) successes: (143) Live-work community; (148) Hydraulic, stacked parking systems for decreasing the cost of parking; (148) Parking reqs reduction in TOD; (152) Graduated density might be a promising strategy that will be considered; (153) MEMU and TZC (no specific affordability level)</li> </ul>	<ul style="list-style-type: none"> <li>* Identified as constraints: (120) LA's 70 yo, 500+ page Zoning Code; (125) Proposition U approved by voters in 1986 "made building housing in transit corridors more difficult and constitutes a significant constraint"; (126) Parking and open space reqs, but will be demanded by market regardless of gov regulations; (130) Palmer vs. City of Los Angeles lawsuit (2009); (133) HPDCs; (138) "review periods associated with processing discretionary entitlements have sometimes been perceived as one of the major constraints to housing development"; (144) Development fees; (150) long timeline to execute AH covenant, partly due to "conflict between State and local laws regarding affordability criteria; (155) budget constraints for public funding of AH</li> <li>* Identified as NOT gov constraints: (125) "Even the lowest FAR for residential zones of three to one";</li> <li>* Identified as successes/efforts: (124) "Development of 5-year year work program to completely rewrite and simplify the City's Zoning Code."; (126) two new zones to counter Prop U and 10,000 units took advantage of it; (127) Expanding FAR averaging and TFAR to address density and FAR limitations; (127) innovative parking strategies and Modified Parking Requirements Ordinance (2012); (138) The Permit Streamlining Act, Development Reform Strategic Plan, BUILD LA, etc.; (141) More streamlining permitting process; (142) Automated parking; (145) Fee reductions based on a study; (150) long timeline required to receive covenant already reduced from 3-6 months to 6-8 weeks</li> </ul>	<ul style="list-style-type: none"> <li>* Identified as constraints: (116) Current definition of family and disability are barriers to housing for ppl w disabilities;</li> <li>* Identified as NOT gov constraints: (90) Land use controls;</li> <li>* Identified as successes/efforts: (102) "The time and financial cost of land investments during the development permit process can contribute significantly to housing costs." -&gt; (105) streamlined entitlement process and (114) various fee reductions/waivers</li> </ul>	<ul style="list-style-type: none"> <li>* Identified as constraints: (70) Processing time (budget constraint - reduced staff; no expedited processing for AH); (69) Parkland fees are high but justified...exemptions available for AH</li> <li>* Identified as NOT gov constraints: (55) Development standards (after emphasizing desirability of suburban character); (55) Minimum unit size req to address overcrowding; (59) Zoning code; (64) Enforcement of building code standards; (66) Fees said to be no more than surrounding communities</li> </ul>	<ul style="list-style-type: none"> <li>* Identified as constraints: Lack of vacant land, economic crisis</li> <li>* Identified as NOT gov constraints: (54) Azusa's parking requirements; (76-83) low max density; (64) enforcement of building code standards; (69) design review</li> </ul>	<ul style="list-style-type: none"> <li>* Identified as constraints: (90) Americans with Disabilities Act reqs, but mandated by federal law;</li> <li>* Identified as NOT gov constraints: (62) Anaheim's development standards; (71) Parking requirements; (89) Enforcement of building and safety codes</li> <li>* Identified as gov successes: (70) Downtown Mixed-Use (DMU) Overlay Zone "allows for maximum flexibility" and led to a development with up to 102 du/ac; (75) Density Bonus Ordinance beyond state mandate;</li> </ul>

**Appendix M: Thematic Extractions from Public Agency Interviews**

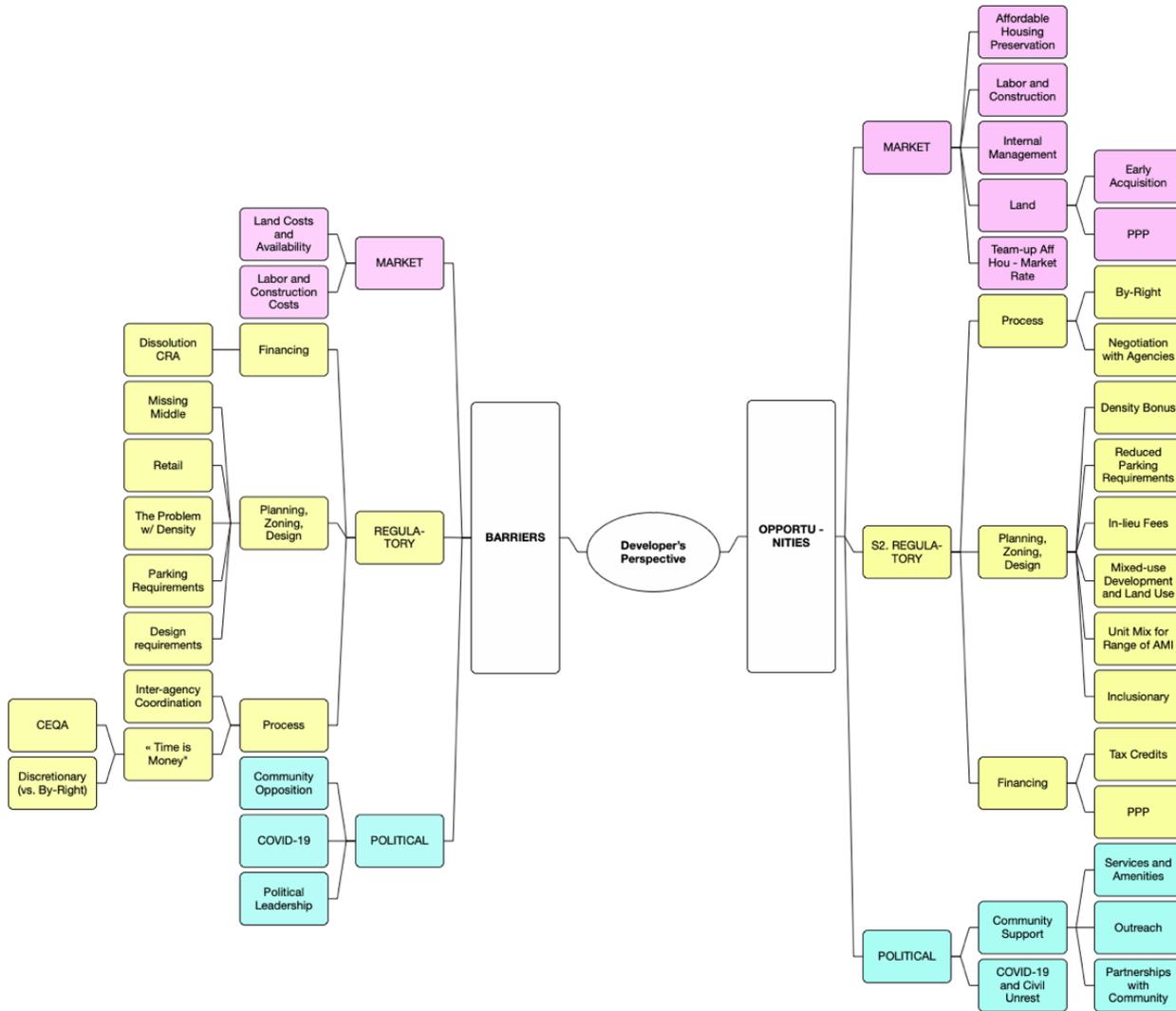
	Success and Challenges	Community Opposition	Procedural Issues	Inter jurisdictional Coordination	Political Climate towards AH	Proactiveness Towards AH	Strategy Towards AH
<b>LA County</b>	Lack of funding is a key challenge	Strong NIMBYism	Most developments in commercial areas still require discretionary approval/Conditional Use Permits	Coordination is difficult	N/A	Very proactive	Incentivizing AH by removing 'red tape'
<b>City of LA</b>	Lack of funding is a key challenge	General NIMBYism	Density bonuses have an approvals process (still have to sign a covenant/go thru public outreach)	N/A	Councilmembers answer to locals and have opposed zero parking before	Very proactive	Incentivizing AH through density bonuses
<b>Fullerton</b>	Lack of funding is a key challenge	General NIMBYism	Approval process is lengthy	N/A	Planning Commission and City Council are supportive of AH development	Fairly proactive	Incentivizing AH through subsidies
<b>Azusa</b>	Balancing AH w/economic development is a key challenge	Strong NIMBYism	N/A	Robust coordination between departments	N/A	Fairly proactive	Incentivizing AH by promoting ADUs and supporting densification in Housing Element Update
<b>Anaheim</b>	Balancing AH w/economic development is a key challenge	Not as much NIMBYism	Most large projects still require a variance	N/A	Variable political climate (depends on councilmembers)	Fairly proactive	Leveraging available state/federal funding, maintaining high design standards for AH
<b>Santa Ana</b>	Impact fees don't adequately cover aging infrastructure	Not as much NIMBYism	Majority of developments still require discretionary approval	Robust coordination between departments	City Council generally supportive of AH development	Very proactive	Increasing by-right where possible, practicing upfront community engagement, maintaining high design standards
<b>Baldwin Park</b>	Lack of funding is a key challenge	Not as much NIMBYism	N/A	N/A	City Council generally supportive of AH development	Very proactive	Incentivizing AH through density bonuses and subsidies, promoting ADUs



## Appendix N: Thematic Extractions from Developer Interviews

No.	Affordable Housing Strategy	Opportunities	Regulatory Barriers	Financing/Market Barriers	Political Barriers
1	Proactive community organizing & partnerships with local businesses	Pedestrian-friendly communities with good public transit infrastructure	Discretionary approvals increase project risk (appeals/lawsuits)	Patchwork financing, lack of funding for commercial uses	NIMBYist concerns around race/class mixing
2	Pursue city RFPs/develop on publicly owned land on when possible	AH overlays are a potential policy strategy to increase affordable units	CEQA process lengthens project timeline	Patchwork financing, lack of operating subsidies	Negotiations with public agencies/council district offices
3	Proactive in avoiding neighborhood displacement and understanding unique needs of communities	Taking advantage of TOD overlays that provide additional by-right density	N/A	Patchwork financing, high land costs around built-out areas	NIMBYist concerns from both single-family neighborhoods and working-class communities experiencing "housing fatigue"
4	Uses TOC program incentives	Public private partnerships around light rail	Funding cycles and CEQA process lengthens project timeline	Funding uncertainty with HCD programs, competitive to get bonds and tax credits	N/A
5	Proactive in understanding unique needs of communities, negotiate unit mixes with cities on larger projects	Underutilized, free, and/or discounted sites provided by public agencies	Unrealistic design expectations, difficult to have a completely by-right project	Patchwork financing, expensive land acquisition around transit	Not-In-My-Driveway (NIMDW) concerns from business owners (concerns around parking loss)
6	Target working-class family housing, prioritize building trust with the community, will negotiate with cities and pursue city RFPs	Taking advantage of TOC program, see retail potential in mixed use projects	CEQA process/extensive design requirements lengthen project timeline	Competitive funding sources, high labor costs, market rate developers often have competitive advantage	Pressure from municipalities to include retail
7	Proactive community engagement process, BD team actively searching for by-right sites	HCD's "super-NOFA" should theoretically allow developers to get all their money at one time	CEQA process lengthens project timeline, commercial requirements in entitlements are a burden (retail hard to finance)	Patchwork financing, competitive RFPs	NIMBYist concerns from working-class communities who feel like a "dumping ground" for AH
8	Proactive community engagement process, raise additional money from private foundations/investors	LA Permanent Supportive Housing Ordinance somewhat streamlines AH	Discretionary approvals process lengthens project timeline; difficult to have a completely by-right project	Challenge to attract retail/services, competitive funding sources and RFPs	NIMBYist concerns around gentrification, pushback from councilmembers against concentrating AH in their districts

## Appendix O: Conceptual Map of Barriers and Opportunities for Affordable Housing Development from the Developers' Perspective (produced in NVivo 12)



## Appendix P: Hierarchy of Barriers to Affordable Housing Development from the Developers' Perspective

