

Transit-Oriented Communities: Los Angeles

This brief is part of the Turner Center series “Statewide Goals, Local Tools: Case Studies in Affordable Housing Development in California.”

In California, where housing affordability and environmental sustainability are foremost among the state’s challenges and priorities, the development of affordable housing near public transit has increasingly garnered policy attention. Housing built near transit stations can reduce dependence on vehicles and lower greenhouse gas (GHG) emissions as a result. Transit-oriented affordable housing in particular can be a mechanism for providing access to high-opportunity neighborhoods in which market-rate housing would be out of reach for many. Despite these compelling reasons for supporting production of housing near transit, such proposals can have difficulty gaining traction both as individual projects and as statewide policy goals. For example, Senator Scott Wiener proposed a bill in 2018 (SB 827) that would have mandated minimum building heights around high-frequency transit. That bill encountered significant pushback from a range of stakeholders, including equity advocates and local governments, and ultimately did not pass out of committee. Senator Wiener reintroduced a revised version of the bill in 2019 (SB50) that is under consideration as of the publication of this case study.

In contrast, Los Angeles succeeded in creating the Transit-Oriented Communities (TOC) program, which incentivizes affordable housing production near rapid transit. Measure JJJ, the local ballot initiative that authorized and shaped the TOC program, enjoyed broad coalition-based support and passed with wide margins in 2016. The following case study highlights the practices from the success of Measure JJJ that are broadly applicable throughout California as these issues come under consideration by policymakers both on the local level and statewide.

Background

Los Angeles County, the most populous county in California, embodies the housing pressures felt statewide. A recent report found that Los Angeles County’s lowest-income renters spend on average 70 percent of their income on rent, and that the county—much of which is zoned for low-density single-family housing—would need to produce 551,807 more affordable rental homes to meet the needs of its lowest-income renters.¹

State lawmakers have responded to the housing crisis with the passage of several bills designed to incentivize and streamline affordable housing production statewide. In addition, the state of California has explicitly linked transit and affordable housing through incentive programs focused on transit-oriented development. An example is the Affordable Housing and Sustainable Communities program, a source of funding for affordable housing located near transit.²

In Los Angeles, local policymakers and planners have emphasized both affordable housing and transit-oriented development in recent years. Among other goals such as design and streetscape improvements, the city’s Transit Neighborhood Program aims to incentivize development in transit-rich areas.³ In the last two years, the LA planning department has adopted several ordinances encouraging affordable housing production, including ordinances around permanent supportive housing and affordable housing linkage fees.⁴ The TOC program, created by Measure JJJ, lies at the nexus of affordable housing and transit-oriented development.

The successful passage of Measure JJJ occurred just four months before voters decisively struck down Measure S in March of 2017. Measure S would have halted construction on any development requiring a zoning change. The measure’s essential principle was

to discourage zoning changes for development, in direct contrast to Measure JJJ, and it was strongly opposed by the labor interests who had supported JJJ. In fact, the coalition of affordable housing and labor advocates who created Measure JJJ did so in direct response to the proposal of Measure S, which ultimately failed by a 2-1 margin.^{5/6}

Incentivizing Affordable Housing Near Transit

Los Angeles residents voted overwhelmingly in favor of Measure JJJ.⁷ This ordinance initiative, known as the “Build Better LA Initiative,” focused overall on incentivizing development of transit-oriented housing, and included labor and affordable housing requirements for developments that would require a zoning change. Section Six of the initiative established the TOC program, designating the half-mile radius around each major transit stop an Affordable Housing Incentive Area. In these Incentive Areas, developments that meet certain affordable housing unit-mix standards are eligible for increased density and parking reductions.⁸ The TOC program is complementary to Los Angeles’ Affordable Housing Density Bonus program, enacted in 2008.

Subsequent to the measure’s passage, the city’s planning department issued specific guidelines for TOC, including the following:

- » **Incentives for quantity and deepened affordability of below-market-rate housing.** TOC Affordable Housing Incentive Areas are divided into four tiers, with Tier 4 being closest to transit (Figure 1).⁹ Under the new guidelines, housing developments are eligible for a density bonus of between 35 percent and 80 percent depending on their proximity to specific transit types and if program requirements are met, most crucially if a certain portion of the units is designated affordable (between 8 percent and 25 percent, depending on their tier and the level of unit affordability). Developments providing units of the deepest affordability are eligible for the highest density bonuses and relief from parking requirements, and those which are 100 percent affordable move up a tier in terms of their bonus eligibility.¹⁰
- » **A nuanced definition of “major transit stop.”** A “Major Transit Stop” is defined as an existing or planned “site containing a rail station or the intersection of two or more bus routes with a service interval of 15 minutes or less during the morning and afternoon peak commute periods.” Within this broader definition, program guidelines and incentives differ based on the quality of transit, further incentivizing development near permanent, high-capacity transit stops.
- » **An expedited approval process.** The TOC program is structured such that projects requesting only the base incentives receive ministerial (or “by-right”) approval of higher-density construction and reduced parking requirements. Projects with more than 50 units (before baseline incentives), or those seeking additional incentives (such as a height bonus or a reduction in open space requirements), entail review by the City Planning Department.

Figure 1: TOC Major Transit Stop Categories

Type of Major Transit Stop	Tier 1 (Low)	Tier 2 (Medium)	Tier 3 (High)	Tier 4 (Regional)
Distance from Major Transit Stop				
Two Regular Buses (intersection of 2 non Rapid Bus* lines, each w/ at least 15 min. average peak headways)	750 - 2640 ft.	< 750 ft.	-	-
Regular plus Rapid Bus* (intersection of a Regular Bus and Rapid Bus line)	1500 - 2650 ft.	750 - 1500 ft.	< 750 ft.	-
Two Rapid Buses* (intersection two Rapid Bus lines)	-	1500 - 2640 ft.	< 1500 ft.	-
Metrolink Rail Stations	1500 - 2640 ft.	750 - <1500 ft.	< 750 ft.	-
Metro Rail Stations	-	-	≤ 2640 ft.	< 750 ft. from intersection with another rail line or Rapid Bus*

Source: City Planning Department, City of Los Angeles

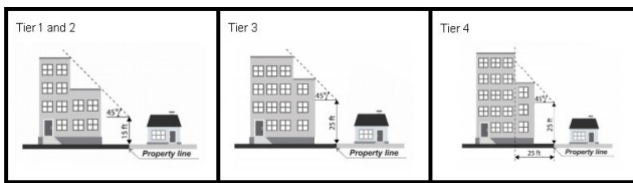
- » **Consideration for existing neighborhood patterns.** Sensitivity to residents in TOD neighborhoods was incorporated into the program in a variety of forms: requirements for non-ministerial projects to meet local design guidelines, strict limitations on the reduction of front yards, and transitional height limits (Figure 2), in which shorter building heights closer to the property line would smooth the visual transition between short and tall buildings.

Implementation

TOC takes a balanced approach to adding dense housing near transit. TOC applies only to projects with five or more units and cannot be used in areas zoned for single-family residences or those that have been the subject of intensive planning in recent years. The TOC program focuses its incentives on areas that are already primed for residential growth. This structure was likely a key reason for Measure JJJ’s successful passage; by circumventing low-density neighborhoods, the measure escaped opposition from single-family homeowners concerned about neighborhood character. However, as a result of these restrictions, of the land within 1/2 mile of major transit stops targeted by the TOC program (about 22% of the city’s total zoned land) only about half (or 10% of the total zoned land) is subject to the TOC program. The measure’s crafters weighed political feasibility against the potential for impact in addressing LA’s housing shortage and restrictive zoning.

Another aspect of the measure that likely smoothed its passage was the inclusion of labor-friendly requirements. Measure JJJ was crafted in partnership with labor representatives. Included in the broader Measure JJJ is a requirement that any development

Figure 2: Transitional Height Requirements



Source: City Planning Department, City of Los Angeles

requiring a zoning change pay workers prevailing wages and prioritize the hiring of licensed, local workers when possible. This requirement does not extend to TOC, although the TOC program provides an incentive for developers to pay prevailing wages.

Early tracking of the TOC program indicates a strong response to its incentives. By the end of December 2018, approximately 30 percent of the units for which the Los Angeles' Department of City Planning received applications were under the TOC program. Out of a total 8,184 units proposed, 1,381 were affordable to those with low and moderate incomes. The program incentivizes deep affordability, and has prompted applications for units affordable to extremely low-income renters (those whose income is less than 30 percent of the Area Median Income), who have historically been underserved in the Los Angeles housing market.¹¹

TOC has also shown preliminary success in spurring development activity in the city's midtown commercial corridors, where zoning allows for housing but antiquated density restrictions have limited the feasibility of developing housing. The TOC program's by-right density and parking bonuses complement the area's zoning requirements to render housing projects more practical for developers in this job-rich area.

It is possible that TOC's early successes will pave the way for future similar initiatives. In June of 2018, the Los Angeles City Council greenlighted the Exposition Line Transit Neighborhood Plan, a plan that, among other goals, would incentivize denser development of housing and commercial space near the Expo light-rail line, which runs between downtown Los Angeles and Santa Monica.¹² The incentives are in line with those of TOC, allowing for increased density within the ½ mile corridor around Expo line stations, and largely avoids rezoning of single-family neighborhoods (though not entirely). If successful, it is estimated to allow for approximately 6,000 new housing units along the transit corridor.¹³

Lessons Learned

- » **Build on existing successful policy.** The incentives included in Transit-Oriented Communities had precedent, including an existing density bonus program for affordable housing that had been in place for a decade. It is likely that the passage of Measure JJJ was helped by the existence of a similar predecessor.
- » **Balance local zoning with potential impact.** The TOC program takes a relatively measured approach to local zoning, and as a result has less potential for increasing LA's housing

stock than a more aggressive measure might have. On the other hand, this approach was likely a key to Measure JJJ's successful passage.

- » **Garner coalition-based support.** From its inception Measure JJJ included provisions that benefit tenants, incentives for deeply affordable housing, and benefits for workers. Successfully balancing streamlined development with economic and social equity concerns through this coalition-based support likely contributed to Measure JJJ's political success.

Useful Sources

Transit-Oriented Communities FAQ

https://planning.lacity.org/ordinances/docs/TOC/TOC_FAQ.pdf

Measure S Description

[https://ballotpedia.org/Los_Angeles,_California,_Changes_to_Laws_Governing_the_General_Plan_and_Development,_Measure_S_\(March_2017\)](https://ballotpedia.org/Los_Angeles,_California,_Changes_to_Laws_Governing_the_General_Plan_and_Development,_Measure_S_(March_2017))

Expo Corridor Transit Neighborhood Plan

<http://www.latnp.org/expo-line/expo-draft-plan/>

Endnotes

1. California Housing Partnership. (2017). “Los Angeles County Renters in Crisis: A Call for Action.” Retrieved from: <http://1p08d91kd0c03rlxhmhtydpr.wpengine.netdna-cdn.com/wp-content/uploads/2017/05/Los-Angeles-County-2017.pdf>.
2. California Department of Housing and Community Development. “Affordable Housing and Sustainable Communities Program (AHSC).”
3. Los Angeles Department of City Planning. (2017). “Transit Neighborhood Plans Program Overview.” Powerpoint. Retrieved from: <http://www.latnp.org/wp-content/uploads/2015/09/2017-October-LATNP-Program-Website-Overview-V1.pdf>.
4. Los Angeles Department of City Planning Website. See: <http://planning.lacity.org/>.
5. Zahniser, D., Alpert Reyes, E., and Poston, B. (2017). “Measure S Defeated after a Heated, Costly Battle over Future L.A. Development.” *The Los Angeles Times*.
6. Glesne, Interview with Matthew Glesne, City Planner at the City of Los Angeles.
7. Chiland, E. “Measure JJJ Triggers New Incentives to Encourage Affordable Housing near Transit.” *Curbed*.
8. “The Build Better LA Initiative.”
9. Los Angeles Department of City Planning. (2017). “Transit Oriented Communities Affordable Housing Incentive Program Guidelines.” Retrieved from: <http://highlandparknc.com/wp-content/uploads/2017/03/TOCGuidelines-1.pdf>.
10. “Transit Oriented Communities: Background & Frequently Asked Questions.” (2017). Retrieved from: https://planning.lacity.org/ordinances/docs/TOC/TOC_FAQ.pdf.
11. Glesne, Interview with Matthew Glesne, City Planner at the City of Los Angeles.
12. Los Angeles Transit Neighborhood Plan. “Exposition Corridor Transit Neighborhood Plan.” <http://www.latnp.org/expo-line/expo-draft-plan/>.
13. Editorial Board. (2018). “It’s Time for L.A. to Put up or Shut up about Building Denser Housing around Transit.” *The Los Angeles Times*.

Acknowledgements

We would like to thank Liana Arnold and Echo Bergquist for their contributions to the research and authorship of these case studies, and to Sarah Mawhorter for her oversight of the case study research process. We're deeply grateful to the California Department of Housing and Community Development for the funding that made this work possible, as well as for their guidance and insights on which policies and case studies to select. We would also like to thank all of the local officials and stakeholders who shared their knowledge and experience through the interviews documented in these case studies.