

THE DYSFUNCTIONAL METROPOLIS:

Reforming Los Angeles's Land Use Planning and Entitlement

A Report for the California YIMBY Education Fund

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The author conducted this study as part of the program of professional education at the Goldman School of Public Policy, University of California at Berkeley. This paper is submitted in partial fulfillment of the course requirements for the Master of Public Policy degree. The judgments and conclusions are solely those of the author and are not necessarily endorsed by the Goldman School of Public Policy, by the University of California or by any other agency.

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Acknowledgements

I would like to express my gratitude to Nolan Gray for his guidance, support, and for entrusting me with this project. I am also very grateful to Dan Acland for consistently improving the quality of my work. Many thanks to Rick Cole, Scott Epstein, Konstantin Hatcher, Shane Phillips, Ned Resnikoff, Mott Smith, and Mark Vallianatos for reviewing and offering valuable suggestions.

I am deeply indebted to all of my interviewees for their time, expertise, and candor. Without their input, this project would not have been possible. I would also like to acknowledge Candy Rosales in the Los Angeles City Clerk's Office and Allyn Reyes and Cally Hardy in the Los Angeles Department of City Planning for providing helpful clarifying information on short notice.

EXECUTIVE SUMMARY

This report, produced for the California YIMBY Education Fund, describes how the dynamics of the Los Angeles City Council influence land use planning and entitlement in Los Angeles, with a focus on the production of multifamily housing. This report aims to document the specific challenges that impede the entitlement of new residential developments and to offer recommendations that the City of Los Angeles could implement to improve its processes.

Recent scandals involving the Los Angeles City Council have created a window of opportunity to introduce reforms. The increased level of attention on the Council provides the political will to address systemic problems in how the city operates, including land use planning.

UNDERSTANDING THE SYSTEM

Land use applications can be approved ministerially (or "by-right") or by discretionary review. A small project that complies with the existing zoning code can be approved by city staff by-right with only administrative checks. Most other projects must undergo discretionary review, which can require two or more public hearings and approval from the Department of City Planning, City Planning Commission (CPC), or City Council. Additionally, discretionary review usually entails an environmental review, as required by the California Environmental Quality Act (CEQA). Each of these stages presents an opportunity for members of the public to voice opposition or introduce litigation to try to block a project.

The Los Angeles City Council is responsible for setting policies related to land use, planning, and zoning and makes determinations about some individual land use matters. Each of the 15 councilmembers has considerable discretion over what occurs in their district. Following the informal principle of "councilmanic privilege," the whole council will typically fall in line with the local councilmember when deciding on an issue that primarily impacts one district. The City Council also has the authority to reverse some actions by the Department of City Planning, CPC, or Area Planning Commissions (APC). As a result, Los Angeles's land use policy is essentially a series of ad hoc decisions made by individuals, rather than a set of predetermined standards applied citywide.

WHERE PROBLEMS ARISE

Undergoing discretionary review can be slow, complicated, and onerous. It can take years for a project to be approved, depending on the project's characteristics, neighborhood opposition, negotiations, and lawsuits. The process is inherently subjective.

- The uncertainty and costs associated with the current discretionary entitlement process make it much harder for small builders to participate in the market.
- The discretionary entitlement process requires public hearings where project opponents can mobilize to publicly protest a project. More often than not, it is affluent, white homeowners who oppose a multifamily residential project in the spirit of NIMBYism.

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• There is the potential for different standards to be applied to similar projects in different areas of the city. Similarly, community benefits might be allocated unevenly and might not adequately serve the needs of all neighborhoods.

The City Council's involvement in the discretionary entitlement process adds another obstacle, slows down the approval process, politicizes land use decisions, and increases the potential for obstruction, all of which can prevent new housing from being permitted and constructed quickly.

- There is a persistent culture of councilmanic privilege, which results in differential outcomes for residents of different districts.
- The Council's Planning and Land Use Management (PLUM) committee has significant influence over land use matters, including the ability to block or delay projects.
- The discretionary review process creates an opportunity for councilmembers to engage in corrupt activities by accepting gifts or bribes from land use developers in exchange for approving a proposed project.

RECOMMENDATIONS

Given the city's housing supply and affordability crisis, Los Angeles decision-makers should implement policies that would produce more housing units and increase the speed at which housing developments are entitled. To that end, Los Angeles should make more application types eligible for ministerial approval and reform the discretionary review process.

To expand eligibility for ministerial review, Los Angeles should:

- Reform or eliminate the site plan review requirement for residential projects; and
- Increase allowable density across the city by gradually updating the general plan and community plans.

To improve the discretionary review process, Los Angeles should:

- **Standardize entitlement** for all land use applications of the same type and introduce and **enforce deadlines** for all stages of review;
- Devolve some of the Council's decision-making authority to the CPC, APCs, or Director of Planning, when allowed by state law; and
- Propose a ballot measure to **eliminate Section 245e of the City Charter** to revoke the Council's ability to overrule the actions of the CPC and APCs.

Of these five policy alternatives, Los Angeles should prioritize taking action to eliminate or reform site plan review, systematize the discretionary review process, and transfer some of the City Council's land use decision-making authority to lower bodies. These reforms would be most effective in increasing housing production and are politically feasible in the current climate.



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I. INTRODUCTION

Imagine a fictional builder named Robert who lives in Los Angeles and owns a small construction company. After years of building single-family homes and duplexes, Robert decides he wants to build a five-story, 60-unit housing development on a large, undeveloped lot in the northeastern San Fernando Valley. He checks the zoning map and finds that his proposed project complies with the site's zoning and height district. The site is not near public transit, so the project is not eligible for certain incentives as part of the city's Transit Oriented Communities (TOC) program. Because he wants to build more than 50 units, Robert's project must undergo a site plan review to be approved, a form of discretionary review.

Before submitting a complete application to the Department of City Planning, Robert meets with a high-level aide to the local councilmember. He knows that the road to approval will be much easier with the support of the local councilmember. If the local councilmember were opposed to the project, Robert would likely have to modify the project to fit the preferences of the councilmember or cease the project altogether. Luckily, this councilmember believes her district needs more housing and is supportive of the project. A city planner reviews Robert's application upon submission, then other affected city departments review the application and approve the project.¹ Acting on behalf of the Director of Planning, the planner issues site plan approval. Robert also requests and is granted a categorical exemption from the California Environmental Quality Act (CEQA) for his infill development project.² Otherwise, he would have had to prepare a mitigated negative declaration (MND), which can be lengthy.

Things are looking great for Robert until a local community group that wants to block the construction of the apartment building issues an appeal. The group claims that the project should not be

eligible for a CEQA exemption. The appeal will be heard by the City Planning Commission (CPC), an appointed board, which will then issue a recommendation to the City Council, the ultimate arbiter of CEQA appeals as required by state law. At the CPC's multi-hour public meeting, the community group also claims that the proposed project is too tall and does not fit with the neighborhood's character. As the proposed project complies with the local zoning, the CPC sides with Robert and recommends to the City Council that they grant the CEQA exemption for Robert's project.

A few months later, the appeal is discussed in a public meeting by the City Council's Planning and Land Use Management (PLUM) committee. Having been told that the local councilmember supports the project, the PLUM recommends to the full Council that they vote to reject the appeal, which the Council does unanimously. Robert's project is finally approved, and he can proceed to applying for building permits. At this point, it has been a year since Robert submitted his land use application. He has been paying expensive land use lawyers and paying loan interest on a parcel that remains empty.

¹ Los Angeles Municipal Code Section 16.05.G.

² A class 32 categorical exemption for infill development projects. <u>https://sfplanning.org/list-ceqa-exemption-types</u>

Having exhausted their opportunities appeal, the community group to files a lawsuit to contest the project's CEQA exemption. Determined to end the litigation as quickly as possible, Robert negotiates with the community group, who agree to drop the lawsuit in exchange for Robert promising to build a new public park and donate to a local neighborhood group. Though his project is eventually approved, Robert resolves to never propose another project that is not eligible for ministerial (or "by-right") approval.

Although fictional, Robert's experience with the City of Los Angeles's land use entitlement system is not far from reality. Robert's experience actually represents a positive outcome in Los Angeles's current system. For projects that must go through discretionary review, it can take years to receive approval from the city to use the land as they intend before they can even apply for building permits. While many cities have onerous entitlement processes. Los Angeles is a somewhat unique case. Councilmembers, who represent large constituencies, have a very high level of discretion over what happens within their districts.

This report presents a policy analysis conducted for the California YIMBY Education Fund ("Yes in my backyard"), a pro-housing research and advocacy organization. The California YIMBY Education Fund sought to understand how the dynamics of the City Council influence land use planning and entitlement in Los Angeles, with a focus on the production of multifamily housing. This report aims to document the specific challenges that impede the entitlement of new residential developments, to analyze alternatives that may address these challenges, and to offer recommendations that the City of Los Angeles could implement to improve its processes.

Recent scandals involving the Los Angeles City Council have created a window of opportunity to introduce reforms. In the past few years, several councilmembers have been convicted of bribery or racketeering for engaging in corruption. Notably, this includes multiple councilmembers who leveraged their land use decision-making authority to acquire expensive gifts or payments from developers.³ Corruption contributes to unfair and suboptimal land use and erodes public trust in local government.

Additionally, an audio recording of a conversation between three Latino members of the City Council—Nury Martinez, Gil Cedillo, and Kevin de Leonand labor leader Ron Herrera was leaked in October 2022.⁴ While being secretly recorded, the councilmembers used racist language, including derogatory comments about a colleague's Black child, and discussed how the redistricting

³ During the writing of this report, two current or former councilmembers were on trial for corruption, as well as a former deputy mayor.

Los Angeles Daily News. "Quick guide to corruption allegations and other scandals gnarling the scene at LA City Hall." January 19, 2023.

⁴ Toohey, Grace. "How L.A. City Hall became so corrupt: A recent history of bribes, kickbacks, scandal, leaks." Los Angeles Times. October 14, 2022. <u>https://www.latimes.com/california/story/2022-10-14/a-guide-to-los-angeles-city-council-scandals</u>

process could be used to help reelect them and increase the political power of Latino Angelenos at the expense of other communities.⁵ The councilmembers specifically conferred on how to limit the political power of Nithya Raman, a reformminded Indian American councilmember who ran on a pro-housing platform, by redrawing district lines to reduce the number of renters in her district.⁶ Upon release of the recording, there was mass indignation and calls for the three councilmembers to resign.⁷

The increased level of attention on the City Council provides the political will to address systemic problems in how the city operates, particularly with regard to land use planning. In the wake of the political scandals, the City Council has formed an ad hoc committee to explore potential reforms, which suggests that there is an interest among city decisionmakers in introducing significant changes. The California YIMBY Education Fund and other pro-housing advocates should take advantage of this window of opportunity to lobby for policy changes that would increase housing production in Los Angeles.

Corruption, racial inequity, and land use policy are closely intertwined in Los Angeles, as they are all symptoms of the Council's dysfunctional policy-making. To limit scope, this report focuses on policy reforms that would increase the production of new multifamily housing in Los Angeles. However, several of the recommendations offered in this report would likely increase equity or limit opportunities for corruption as a concurrent effect. Other analyses could

focus entirely on Los Angeles's land use corruption or how to increase housing equity across the city.

This report begins brief with а explanation of land use entitlement and an introduction to the Los Angeles context. I then summarize the key problems, focusing on two primary challenges: too many projects must go through discretionary review, and the process can be onerous, unpredictable, and highly political. In the subsequent section, I offer policy alternatives to address those problems, including pathways to implementation. I evaluate these alternatives on their predicted effectiveness at increasing the number of housing units permitted and potential to shorten the entitlement process, as well as their political feasibility. The report concludes with recommendations and a discussion of potential unintended consequences.

⁵ Wick, Julia et al. "Breaking down crucial moments in the racist leaked recording of L.A. councilmembers." Los Angeles Times. October 10, 2022.

⁶ Ibid.

⁷ Council President Nury Martinez, who delivered the majority of the racist comments caught on tape, resigned in the days following the leak. Gil Cedillo had already lost reelection in the June 2022 primary election. As of May 2023, Kevin De Leon continues to resist calls for his resignation.

RECOMMENDATIONS

To produce more housing units and increase the speed at which housing developments are entitled, Los Angeles should make more application types eligible for ministerial approval. For project types that would still need to be approved through discretionary review, Los Angeles should improve the process by standardizing certain elements and reducing the City Council's unchecked authority.

To expand eligibility for ministerial review, Los Angeles should:

- Increase allowable density across the city by updating the general plan and community plans; and
- Relax or eliminate the site plan review requirement for residential projects.

To improve the discretionary review process by minimizing variability and decreasing politicization, Los Angeles should:

- Standardize the entitlement process for common land use application types and introduce and enforce deadlines for all stages of review;
- Devolve some of the Council's land use decision-making authority to the CPC or Director of Planning when allowed by state law; and
- Propose a ballot measure to eliminate Section 245e of the City Charter to revoke the Council's ability to veto or supersede the actions of the CPC and APCs.

Of these five policy alternatives, Los Angeles should prioritize taking action to eliminate or reform site plan review, systematize the discretionary review process, and transfer some of the City Council's land use decision-making authority to lower bodies. These reforms would be most effective in increasing housing production, as well as politically feasible in the current climate.

II. UNDERSTANDING THE CONTEXT

Los Angeles, the second largest city in the United States, has some of the most expensive housing prices in the nation, in part due to a shortage of housing that affects not just Los Angeles but most of California. There are significant shortfalls of housing affordable to households of all income levels, especially low-income households.⁸ According to the City of Los Angeles's 6th cycle housing element, the city must construct over 456,000 new housing units by 2029 to meet demand.⁹

The housing shortage and affordability crisis is a product of public policies adopted by all levels of government. At the municipal level, Los Angeles has adopted exclusionary zoning policies and created processes that delay and sometimes block the construction of new housing developments. The city also accommodates local political forces that discourage the construction of multifamily or subsidized affordable housing, especially in high opportunity areas.

As the city's primary governing body, the Los Angeles City Council is largely responsible for creating the public policies that maintain this obstruction. The Council both sets citywide laws for land use, planning, and zoning and grants entitlements for individual projects. The latter responsibility allows the Council to make land use policy on a project-by-project basis. Furthermore, each councilmember has significant discretion over what will be built in their district. The result is a system where land use policy is essentially a series of ad hoc decisions made by individuals, rather than a set of predetermined standards applied citywide.

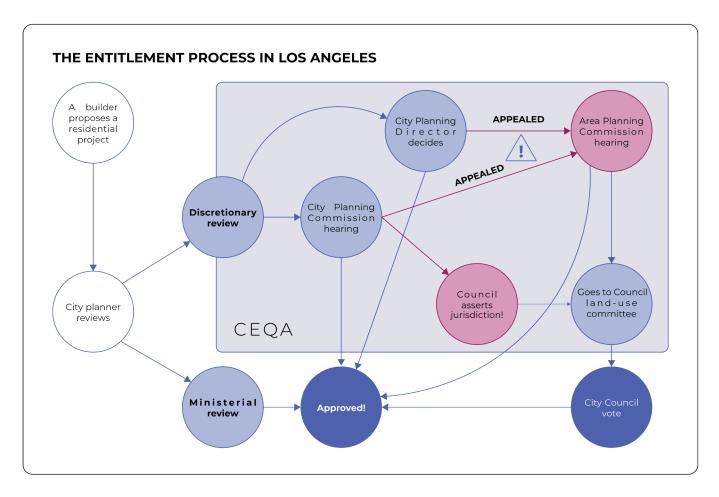


A man crossing the street in Boyle Heights

⁸ California Housing Partnership. "Los Angeles County Annual Affordable Housing Outcomes Report." April 30, 2019. <u>http://chpc.net/wp-content/uploads/2019/06/LA-County-Affordable-Housing-Outcome-Report-V3_with-appendix.pdf</u>

⁹ California Department of Housing & Community Development. "Housing Element Implementation and APR Dashboard." <u>https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/housing-element-implementation-and-apr-dashboard</u>

LAND USE PLANNING AND ENTITLEMENT



By Right Versus Discretionary Entitlement

In most municipalities, including Los Angeles, a housing development's path to approval varies based on the specific details of the project and how that particular location is zoned. Entitlement processes generally take the form of by-right (or as-of-right) approval or discretionary entitlement. A proposed project that complies with the existing zoning code and objective requirements set by the Department of City Planning can be approved by city staff "by-right" with only administrative checks. This is also called administrative or ministerial review. In Los Angeles, single-family homes and most multi-family housing projects with fewer than 50 units are potentially eligible for by-right approval.¹⁰

Most other projects must undergo discretionary review, which presents additional obstacles. Although it varies by the type of entitlement, the discretionary process can require two or more public hearings and approval from the Department of City Planning, CPC, and City Council. Additionally, it usually requires a mitigated negative

Since the Transit Oriented Communities (TOC) program was established in 2017, multifamily projects with more than 49 units near public transit can be eligible for ministerial review. However, this requires that the project meets certain criteria, including that some units are set aside as guaranteed affordable, any units beyond 50 are awarded by a density bonus, and the developer only takes advantage of certain base incentives established by the program. In other words, a project in a TOC zone with a density bonus can be eligible by-right if it applies only the pre-established "on-menu" incentives, but it will become discretionary if the developer requests an "offmenu" incentive or variance.

declaration (MND) or environmental impact report (EIR), as required by CEQA. Each of these stages presents an opportunity for members of the public to voice opposition to a project or even introduce litigation to block a project.

Many projects that might otherwise be eligible for ministerial review are forced to go through discretionary review due to the specifics of the project design or site. For example, this would occur if the proposed building would be slightly taller than the allowed height, if the use of the property is changing, or if it is located in an area that has been designated as historic or environmentally sensitive." While only buildings with 50 or more housing units are required to undergo the discretionary site plan review process, 62 percent of multifamily projects with five to 49 units had to go through discretionary review for other reasons between 2014 and 2016.12 During this same period, 25 percent of permitted housing projects were approved byright, but this represents just six percent of permitted units.13

Common entitlement types that require discretionary review in Los Angeles include: site plan reviews, design reviews, variances, rezonings, general plan amendments, historic preservation permits (certificates of appropriateness), local coastal development permits, conditional use permits, specific plan permits, subdivisions/tentative tract maps, and development agreements. **Appendix 4** presents a table with information on common types and their entitlement approval and appeal processes.

Discretionary projects follow different paths. Some discretionary decisions, such as rezonings or general plan amendments, require legislative action by the City Council following review and recommendation by the Department of City Planning and CPC.¹⁴ Most other determinations can be made by the Director of Planning or the CPC, without going to the Council. For example, the Director of Planning approves site plan review and decides whether to grant density bonuses and on-menu incentives for eligible projects.¹⁵

Members of the public can appeal decisions made by the Department of City Planning, Zoning Administrators, CPC, or Area Planning Commissions (APC) to a higher body. As quasi-judicial bodies, the seven APCs hear appeals of land use decisions within their geographic area made by the Department of City Planning and Zoning Administrators - civil servants who determine variance and conditional use permit applications. In

¹¹ Some plan areas have higher site plan review unit thresholds, including the recently passed Downtown and Hollywood Community Plan areas. <u>https://planning.lacity.org/plndoc/Staff_Reports/2023/04-27-2023/</u> <u>CPC_2023_1083.pdf</u>

¹² O'Neill, Moira, Giulia Gualco-Nelson, and Eric Biber. 2019. "Examining the Local Land Use Entitlement Process in California to Inform Policy and Process: Working Paper #2." <u>https://www.law.berkeley.edu/wp-content/</u> <u>uploads/2019/02/Examining-the-Local-Land-Use-Entitlement-Process-in-California.pdf</u>

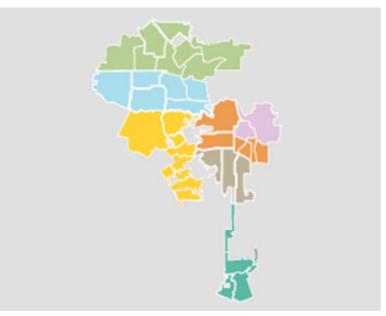
¹³ Ibid.

¹⁴ Rezonings and plan amendments are usually coupled together because the zoning code must be aligned with the city's general plan.

¹⁵ Interview with Senior City Planner, March 2023. Verified by Los Angeles Municipal Code.

some cases, the APC can make determinations on behalf of the Department of Zoning Administration if the department fails to act within a certain amount of time. In cases where an aggrieved member of the public appeals a decision made by an APC, it will typically go to the City Council for determination.

Some appeals must go to the City Council. At this time, many of the land use matters the Council votes on are citizen-initiated appeals of CEQA exemptions, meaning that the developer has been allowed to abstain from an otherwise required MND or EIR.¹⁶



Map of Los Angeles's seven APC districts and 35 community plan areas $^{\rm 17}$

The City Council's Involvement

The City Council is responsible for setting policies related to land use, planning, and zoning and makes determinations about individual land use matters. The Los Angeles City Council has 15 members elected to four-year terms, each representing a single-member district of similar population.¹⁸ Given Los Angeles's large population and relatively small number of council districts, each councilmember represents more than 250,000 people, on average.¹⁹ In no other major US city do councilmembers represent so many constituents.

In comparison to other large cities in the United States, Los Angeles's City Council is particularly powerful in setting a direction for the city. Los Angeles has a strong council that historically has held more power than the mayor.²⁰ As councilmembers

¹⁶ Interviews with City Council staff. March 2023.

¹⁷ Los Angeles Department of City Planning. <u>https://planning.lacity.org/resources/maps</u>

¹⁸ In 1999, two ballot measures that would have increased the number of councilmembers (to 21 or to 25) both failed to pass

¹⁹ City of Los Angeles Controller Data. <u>https://controllerdata.lacity.org/dataset/Population-by-Council-Dis-tricts/2ybs-mbdp</u>

²⁰ While the City Council has long been the preeminent governing body for the City of Los Angeles, a series

can serve for up to three terms, they have the power to shape what happens in their neighborhood for 12 years and can influence the direction the neighborhood will take for decades to come.

Each councilmember has considerable discretion over what occurs in their district. Following the informal principle of "councilmanic privilege," also known as "councilmanic prerogative," the whole council will typically fall in line with the local councilmember when deciding on an issue that primarily impacts one district. If a councilmember does not want a certain project or land use in their district, it is very unlikely to be approved. In fact, it is common for observers, staff, and politicians alike to describe the city as being like fifteen distinct towns or "fiefdoms." Former City Council President Nury Martinez invoked this comparison in 2021 from the Council dais when she said, "We must stop planning as if we were 15 individual cities and create one process and one system for our entire city."²¹

The City Council's five-member Planning and Land Use Management (PLUM) committee holds public hearings on nearly all land use entitlements before they go to the full Council. The PLUM committee considers the judgment issued by the CPC and votes to recommend that the entitlement be approved, denied, or approved with amendments by the full Council.²² PLUM committee members review relevant documents for each project, including files shared by the Department of City Planning and Community Impact Statements issued by Neighborhood Councils.

The PLUM committee may also consult with the councilmember whose district covers the site of the proposed project site or requested change.²³ Councilmembers contend that they have relevant expertise about their district and the preferences of their constituents that can allow the PLUM committee to make a more informed decision. In some cases, the councilmember might use their power to stop a project in their district that they do not approve of. Out of respect for councilmanic privilege, the PLUM committee will strongly weigh the preferences of the councilmember.

The PLUM committee, and especially the committee chair, are widely recognized as being very powerful. The chair has historically had the ability to block or significantly delay projects simply by not putting certain items on the agenda, thus preventing those projects from moving forward. As will be discussed in detail later in this report, former councilmember José Huizar infamously took advantage of his position as PLUM chair to extort developers. From 2013 to 2018, Huizar was a gatekeeper who could essentially decide which large projects would get built and which would not.²⁴

of reforms have gradually strengthened the mayor's authority, especially with regard to managing the City's bureaucracy and operations.

²¹ Recording of Los Angeles City Council meeting on February 16, 2021. Available on Youtube at: <u>https://www.youtube.com/watch?v=UK72vTUaUnQ</u>

The PLUM committee also assesses the mayor's nominees to the CPC and recommends to the full Council that they be confirmed or not.

Often by this point in the process, the developer will have met with the local councilmember or their staff at the outset of the discretionary entitlement process to make sure the councilmember approves of the project.

Los Angeles Times Editorial Board. "Editorial: How L.A. City Hall enabled Jose Huizar's alleged corruption." Los Angeles Times. June 23, 2020.

https://www.latimes.com/opinion/story/2020-06-23/editorial-the-feds-charge-jose-huizar-with-racketeering-willcity-council-wake-up-now

PLUM committee meetings provide an opportunity for members of the public to comment on matters under consideration, which fulfills the requirement for a public hearing on each item, and there does not have to be public comment on the issue at the full City Council meeting. In Los Angeles, the vast majority of decision-making occurs in committee.²⁵ Rarely does an item reach the full Council and not be passed unanimously, not unlike checking a box to approve what the relevant committee has decided.²⁶ It has been the trend that an item will not be brought to the Council floor unless the Council President knows it has sufficient votes to pass.

This helps to explain why the City Council votes unanimously 97 percent of the time. This rate is even higher for land use decisions: more than 99 percent of votes regarding land use issues that primarily affect one district of the city are unanimous.²⁷ Upon being passed by the City Council, the item goes to the mayor to be signed into law, and the mayor nearly always agrees with the City Council. While the mayor has the authority to veto legislation, the Council can override the mayor's veto with a two-thirds majority vote. As the Council typically votes unanimously, they nearly always have a veto-proof majority.

The City Council has the authority to make decisions that are discordant with the recommendations of the Department of City Planning, CPC, or APCs, although it sometimes requires a higher vote threshold. For example, proposed amendments to the general plan, which must be decided by the City Council, can be adopted with a simple majority vote if both the CPC and the mayor approve of the change.²⁸ However, if the CPC or mayor disagree, the amendment can be adopted only by a two-thirds majority of the City Council. If both the CPC and mayor disapprove of the proposed amendment, the Council can still pass the amendment with a three-quarters majority.²⁹ This is an example of the Council's nearly-unconstrained authority over land use decision-making.

Moreover, the City Council can overrule decisions by the planning commissions even if the decision is typically outside of the Council's dominion. Simply put, the Council can opt to make itself the key decision-maker for projects that otherwise would not be heard by the Council under municipal law. Per Section 245 of the City Charter, the City Council may "assert jurisdiction" by a two-thirds vote to bring a commission item before the Council. The Council then has 21 calendar days within which they can veto the action, which also requires a two-thirds vote.³⁰ Otherwise, the commission's

In some rare cases, a councilmember may request a "waiver" (invoke rule 16) so that a matter skips over the relevant committee and goes straight to the full council. However, this requires a two-thirds vote of the full Council to agree to consider the item at that time; otherwise, the item will go to the relevant committee. See "Rules of the Los Angeles City Council as Amended (January 2019)." <u>https://clerk.lacity.gov/sites/g/files/wph1491/</u> <u>files/2021-02/lacityp_026042.pdf</u>

Most land use matters must be voted on by the Council within a predetermined period of time - 30, 75 or 90 days depending on the type of entitlement. If not approved within this period, the motion dies.

²⁷ Burnett, Craig and Vladimir Kogan. "Local Logrolling? Assessing the Impact of Legislative Districting in Los Angeles." Urban Affairs Review 50(5): 648-671. 2014.

²⁸ Under California law, all cities and counties are mandated to develop and adopt a general plan that details the municipality's future strategy to address land use, housing, open space, and other required elements. The city's zoning code must be consistent with its general plan.

²⁹ Los Angeles City Charter Section 555

³⁰ Los Angeles City Charter Section 245

https://codelibrary.amlegal.com/codes/los_angeles/latest/laac/0-0-0-663

For all commissions except the CPC and APCs, the Council may veto a commission action but may not override it.³¹ However, for actions by the CPC or an APC, the Council may veto the commission's decision and supplant it with a different policy preferred by the Council.³² As such, Section 245 gives councilmembers near-endless authority in land use decisions. While it is relatively rare that the Council overrules a decision by the CPC or APCs, it does happen two or three times per year.³³ A cursory review of Council files suggests that the councilmember who represents the project location typically authors the motion.³⁴

It is essential to note that California's Housing Accountability Act (HAA) prohibits cities from rejecting residential projects that comply with the zoning code, and there is the possibility that the City of Los Angeles could face legal consequences if any decision-making body denies a zoning-compliant project. In 2022, a California Superior Court ruled that Los Angeles had violated the HAA when it rejected a proposed multifamily project that complied with the general plan.³⁵

THE PATH TO THE STATUS QUO

Land use policy in Los Angeles has undergone many changes since the city's founding. Los Angeles first adopted a simple form of use zoning in 1908. In 1921, the city adopted an early version of the current zoning code, with residential, commercial, and manufacturing zones of varying levels of intensity or density.³⁶ Over the twentieth century, the city gradually reduced its allowed density, and much more land was downzoned to be single-family residential. In 1933, just five percent of land in Los Angeles was zoned for single-family residential, versus 75 percent of the city's residential area today.³⁷

Incentivized by the Federal Housing Administration's policies and aided by highway construction, developers built single-family homes further and further from the city center. The 1940s through the 1970s was the era of Los Angeles's "growth machine," a coalition of developers, real estate brokers, business owners, local elected officials, and other local elites who favored urban growth and dominated land use decision-making

³¹ https://my.lwv.org/sites/default/files/leagues/los-angeles/structureofacity.pdf pg. 37-38

³² Ibid.

Los Angeles City Clerk Council File Management System. (Search terms: "charter section 245") and interview with City Council staff. March 2023.

³⁴ Ibid.

³⁵ Jeffer Mangels Butler & Mitchell LLP. "JMBM Wins Another Significant Housing Accountability Act Lawsuit." March 22, 2023. <u>https://www.mondaq.com/PressRelease/109932/JMBM-Wins-Another-Significant-Hous-ing-Accountability-Act-Lawsuit</u>

³⁶ Whittemore. "Zoning Los Angeles: A Brief History of Four Regimes." 2012.

Whittemore. "Zoning Los Angeles." 2012.; Badger, Emily and Quoctrung Bui. "Cities Start to Question an American Ideal: A House With a Yard on Every Lot." The New York Times. June 18, 2019. <u>https://www.nytimes.com/interactive/2019/06/18/upshot/cities-across-america-question-single-family-zoning.html</u>; However, California's Senate Bill 9, passed in 2021, allows for up to four units on any lot zoned single-family.

for decades in the middle of the twentieth century.³⁸ The consensus was that growth was unquestionably good for the residents and economy of Los Angeles.³⁹

In response to the "growth machine" emerged a group of Angelenos advocating for the end of this consistent growth. Initially led by the Federation of Hillside and Canyon Associations, an organization of neighborhood groups in the city's affluent Westside and in the San Fernando Valley, homeowners organized to fight against developments and defend their neighborhoods from construction, traffic, and environmental degradation.⁴⁰ Many Los Angeles homeowners became convinced that their home values depended on the low-density character and "unchanging conditions" of their neighborhoods.⁴¹

Slow growth became a popular position. A 1972 survey found that 57 percent of Angelenos favored slow growth, with it having greater support in West Los Angeles.⁴² They elected slow-growth and anti-growth proponents to the City Council and tried to recall councilmembers who disagreed with them. In 1986, voters overwhelmingly approved Proposition U, championed by Councilmember Zev Yaroslavsky, which reduced maximum building sizes in most commercial areas by half. Proposition U significantly compromised the ability of city planners to make changes to existing commercial corridors.⁴³

This period also saw a shift toward more localized planning. Many community members desired more public participation in planning and held the belief that the government should be responsive to the needs and preferences of the people it serves.⁴⁴ In 1969, Los Angeles adopted a general plan that divided the city into 35 community plan areas.⁴⁵ This new "bottom-up planning process" ensured that zoning would be decided at the hyper-local level and shaped by the preferences of neighborhood residents, especially homeowners.⁴⁶

Since then, affluent homeowners have maintained considerable power in land use decision-making. Areas with strong homeowner groups, usually wealthy, majority-white areas, have often been able to block growth. This is especially true in West Los Angeles. As a result, growth shifted toward lower-income areas where residents had less social capital, and those became much more dense.

Before Los Angeles can build sufficient housing for all residents, the city still has to make up for all of the downzoning that has occurred over time. In 1972, the city's

44 Morrow, Greg. "The Homeowner Revolution: Democracy, Land Use and the Los Angeles Slow-Growth Movement, 1965-1992." Dissertation submitted to University of California, Los Angeles. 2013.

46 Ibid.

Molotch, Harvey. 1976. "The City as a Growth Machine: Toward a Political Economy of Place." American Journal of Sociology 82(2): 309-332.

³⁹ Fulton, William. The Reluctant Metropolis. Baltimore, MD: Johns Hopkins Press, 2001.

⁴⁰ Evans, Heidi. "Slow Growth' Emerges as Key Issue in Local Politics." Los Angeles Times. November 2, 1986. https://www.latimes.com/archives/la-xpm-1986-11-02-me-15499-story.html

⁴¹ Whittemore, "Four Regimes." pg. 399.

⁴² Burleigh, Irv. "Residents favor strict zoning controls." The Los Angeles Times. 1972.

⁴³ Whittemore. "Zoning Los Angeles: A Brief History of Four Regimes." 2012.

⁴⁵ Morrow, Greg. "The Homeowner Revolution: Democracy." 2013.

zoned capacity was reduced by about 60 percent from 9.9 million to four million.⁴⁷ This was accomplished primarily by downzoning medium- and high-density areas and reducing density in residential zones that allowed multi-family housing. However, population growth did not stop. Between 1970 and 2000, the general plan anticipated about 390,000 new residents, but the actual population grew by about 900,000.⁴⁸ As such, Los Angeles became overcrowded quickly. By 2000, the city was already facing a 150,000-unit shortfall, and fifteen percent of households experienced overcrowding.⁴⁹

There are signs that Angelenos have increasingly moved away from a slow-growth mindset and toward an acknowledgment that the construction of more housing units is necessary for the city's affordability and sustainability. In 2016, voters approved Measure JJJ, which encouraged mixed-income and affordable housing production near transit using union labor.⁵⁰ In the same election, voters passed Proposition HHH which designated \$1.2 billion to be spent on permanent supportive housing and shelter for individuals experiencing homelessness.⁵¹



Peter, a homeless man in Downtown Los Angeles outside of the Civic Center

47 Morrow. "The Homeowner Revolution." 2013.

48 Whittemore. "Zoning Los Angeles: A Brief History of Four Regimes." 2012.

49 Ibid.

50 The measure also set restrictions for the kinds of projects that can apply for zone changes or general plan amendments, thus reducing the number of land use applications that must be decided on by the City Council. See: <u>https://bca.lacity.org/measure-JJJ</u>

51 Report from LA Controller Ron Galperin. "The Problems and Progress of Prop. HHH." February 23, 2022. https://controller.lacity.gov/audits/problems-and-progress-of-prop-hhh

III. WHERE PROBLEMS ARISE

While Measure JJJ and other city- and state-level laws have reduced the frequency with which the City Council makes decisions about land use entitlements, the Los Angeles City Council still has expansive authority to make ad hoc decisions about land use, planning, and zoning. In addition to other burdens introduced by the discretionary review process, the City Council's involvement adds obstacles, slows down the approval process, and increases the potential for obstruction - all of which can prevent new housing developments from being permitted and constructed quickly.

In the council's parochial culture, the preferences of individual councilmembers dictate what can be built in different districts of the city, perpetuating inequalities in how density and growth are distributed across the city. The current system also creates the opportunity for councilmembers to engage in corruption, as exemplified by recent pay-to-play schemes, to be discussed later in this report.

Los Angeles's entire entitlement and permitting system thus requires critical review and reform. This section considers how the City Council's involvement in entitlement exacerbates the system's problems.

DISCRETIONARY ENTITLEMENT

Undergoing discretionary review can be slow, complicated, and onerous. The primary characteristics of the discretionary entitlement process are its variability and uncertainty. It often requires negotiation with councilmembers and residents, and a project still faces the possibility of being denied by decision-makers. It can take years for a project to be approved, depending on the project's characteristics, neighborhood opposition, negotiations, and lawsuits. Throughout the process, a developer faces the possibility that their proposed project could be approved or denied. This disincentivizes many builders from proposing any project that is not allowed by-right.

Additionally, the current entitlement system inhibits the ability of city staff and commissioners to effectively plan for Los Angeles's future. Planners' time and capacity are spent reviewing applications and making site-by-site decisions rather than doing city- or community-level planning.⁵²

Costs and Delays

The discretionary entitlement process slows, and at times obstructs, the production of new housing in Los Angeles. In comparison to a by-right project, a discretionary project must go through more rounds of review, extending the length of the process. Among a sample of 350 multifamily projects permitted in Los Angeles between 2018 and 2020, by-right projects received approval 28 percent faster than comparable discretionary projects.⁵³ For multifamily projects with 10 or more units that were eligible for by-right approval, the median length of time to receive a permit — including entitlement by City Planning and permitting by the Los Angeles Department of Building and Safety — was 477 days. Similar projects that required discretionary review had a median approval time of 747 days.⁵⁴ Discretionary projects also had more variable timelines, suggesting that a developer would be less able to predict how long the process is likely to take at the outset.⁵⁵

A long entitlement process raises costs for developers. During this period, the developer may be losing money from having purchased land that is not yet generating value and/or continuing to pay project architects and engineers. They may also have to pay lawyers and lobbyists working to get the project approved. One affordable housing developer estimated that going through the discretionary entitlement process raises project costs by as much as 30 percent.⁵⁶ Concerns about their bottom line might deter market-rate developers from proposing a certain project or might limit the number of guaranteed affordable units they build.

Small Builders are Precluded

The uncertainty and costs associated with the current discretionary entitlement process make it much harder for small builders to participate in the market. Large developers with significant capital can afford to take on risk and compete in this environment. They are likely to be more knowledgeable about how to navigate the entitlement process and more familiar with the decision-makers who can approve their projects.⁵⁷ Having these connections is invaluable, especially when the City Council is involved. Undoubtedly, developers who know how to "work the system" or who have stronger connections to decision-makers are likely to get more favorable outcomes or be in a position to fight appeals. A small builder who lacks these connections and cannot afford to wait months or years for an entitlement is unlikely to try.

Smaller firms with less capital are less able to afford expensive lawyers and lobbyists to help them shepherd their projects through the approval process and fight lawsuits. Small builders are also disproportionately burdened by having to pay prevailing wages to their construction staff.⁵⁸ What results is a market in which most multifamily residential projects are built by large developers. A carry-on effect of this is that multifamily projects have gotten significantly larger over time and less "middle housing" (low-rise multifamily housing such as duplexes or townhouses) is built in Los Angeles.⁵⁹

⁵³ Manville, Michael, Paavo Monkkonen, Nolan Gray and Shane Phillips. "Does Discretion Delay Development?" Journal of the American Planning Association 0(0). 2022. <u>https://www-tandfonline-com.libproxy.berkeley.</u> <u>edu/doi/epdf/10.1080/01944363.2022.2106291?needAccess=true&role=button</u>

⁵⁴ Ibid.

⁵⁵ Ibid.

⁵⁶ Interview with an affordable housing developer. March 2023. This developer primarily builds affordable housing, so this estimate might not be fully generalizable to maket-rate developers.

⁵⁷ Interviews with a developer who leads a small real estate firm and with a former elected official. March 2023.

⁵⁸ Interview with a developer. March 2023.

⁵⁹ Tweet from Dan Caroselli. January 3, 2023. <u>https://twitter.com/dancaroselli/sta-tus/1610514052165558275?s=20</u>

Community Opposition and NIMBYism

The discretionary entitlement process requires public hearings where Angelenos can voice their support or opposition to a proposed project. While it may be desirable to have opportunities for community members to provide input on land use issues, public hearings about individual projects are not an ideal avenue for public participation. The residents who are most likely to participate in these public meetings do not reflect Los Angeles's diverse population. They are disproportionately higher-income homeowners.⁶⁰

Holding public hearings opens the door for residents to mobilize in opposition to a project. In some cases, marginalized communities may organize against a project that they feel would negatively impact their community, but more often than not it is affluent, white residents who oppose multi-family residential projects in the spirit of NIMBYism ("Not in my backyard").⁶¹ These groups typically assert that the proposed project would detract from the existing "neighborhood character" or lower their property values - though their opposition may be driven by not wanting certain populations to live in their neighborhood.⁶² While NIMBYism is most often associated with homeowners, one study finds that in cities with high housing costs, like Los Angeles, "renters demonstrate NIMBYism on par with homeowners."⁶³

Localism, the belief that current residents take precedence over potential future residents, drives NIMBYism.⁶⁴ The result has been a very uneven distribution of new housing in Los Angeles. Since the 1970s, the density of several higher-income neighborhoods, including Westwood, Sherman Oaks, and Venice, decreased by more than 20 percent.⁶⁵ During the same period, the density of other neighborhoods increased dramatically. For example, the density of the Arleta-Pacoima area, which is predominantly Latino, increased by 84 percent.⁶⁶

NIMBYism also influences the distribution of deed-restricted affordable housing across the city. Of the affordable housing units permitted between 2009 and 2020, high-opportunity Council Districts 4 and 5 each received about three percent, and Council District 12 had just 0.3 percent of new affordable units (40 units out of nearly 16,000).⁶⁷ Meanwhile, over 15 percent of new affordable units were built in Council District 1, which has high rates of segregation and poverty.⁶⁸

⁶⁰ Musso et al. "Toward Community Engagement In City Governance: Evaluating Neighborhood Council Reform in Los Angeles." 2007.

⁶¹ Einstein, Glick, and Palmer. Neighborhood Defenders. 2019.

⁶² Robbins, Chris. "A Nose for NIMBYs." Planning Commissioners Journal 51 (2003). <u>https://plannersweb.com/</u> wp-content/uploads/2012/08/320.pdf

William A. Fischel, The Homevoter Hypothesis. 2001.; Michael Hankinson, "When Do Renters Behave Like Homeowners? High Rent, Price Anxiety, and NIMBYism," American Political Science Review 112, no. 3 (2018): 473-493.

⁶⁴ Wong, Weihuang. Our Town: Support for Housing Growth When Localism Meets Liberalism. New York: Mimeo. 2018.

⁶⁵ Morrow. "Homeowners Revolution." 2013. Pg. 167.

⁶⁶ Ibid.

⁶⁷ Bertoni, Vincent. "Report Relative to Citywide Equitable Distribution of Affordable Housing." Report from Department of City Planning to PLUM committee. May 21, 2021. <u>https://planning.lacity.org/odocument/0062db2b-073b-4e96-8217-8b103ccde78b/Fair_Share_Report.pdf</u>

Inequitable Land Use Decision Making

Another effect of the discretionary entitlement process is that different standards are applied to similar projects in different areas of the city. When land use policies are applied unevenly, low-income neighborhoods of color are often more likely to experience negative impacts than affluent, majority-white neighborhoods.

Los Angeles has a long and widely-recognized history of inequitable development. New construction projects, including locally undesirable land uses such as jails or landfills, have mostly been built in low-income, majority-minority neighborhoods in South or Central Los Angeles. Environmental justice research on Los Angeles has found that Black and Latino communities are most exposed to hazardous waste pollution.⁶⁹ South Los Angeles in particular has historically been used as "dumping grounds" for undesirable land uses.⁷⁰ As a member of a South Los Angeles neighborhood council stated in an APC meeting, "Things that people don't want in the City of LA find their way into the 8th district."⁷¹

This is often because such projects had been heavily opposed - or because developers knew that they would be opposed - by residents in more affluent, predominantly white areas of the city. Residents in more affluent neighborhoods tend to have more social, economic, and political capital - as well as time and resources - to mobilize against an undesirable land use.⁷²

While Los Angeles has a general plan and zoning code, its land use policy is effectively set through a series of project-by-project decisions. If a city's policies are a reflection of its values, Los Angeles's land use policy-making reveals a city government that accepts disparate outcomes for its different populations.

Community Benefits Allocated Unevenly

As in many other cities, Los Angeles uses its strict zoning code to extract concessions or public amenities from developers.⁷³ The City Council or Department of City Planning may agree to grant an entitlement or approve a project if the developer agrees to provide community benefits, such as a park or improved sidewalks. They may also try to negotiate a payment to the city or a large donation to a local community organization, often behind closed doors. Cities and interest groups are incentivized to maintain restrictive zoning rules so that they have the leverage to extract public amenities from developers without having to use city funds.⁷⁴ This is only possible within the discretionary review process.

⁶⁹ Boer et al. "Is There Environmental Racism? The Demographics of Hazardous Waste in Los Angeles County." Social Science Quarterly 78, no. 4 (1997).

⁷⁰ Musso, Juliet A. "Neighborhood Councils." In Planning Los Angeles. Ed. David C. Sloane. Chicago: American Planning Association Planners Press, 2012, pg. 60.

⁷¹ Ibid.

⁷² Fulton. The Reluctant Metropolis. 1997.

⁷³ Manville and Osman. "Motivations for Growth Revolts." 2017.

Community benefit agreements might not adequately serve the needs and desires of marginalized groups. While some communities may be given a benefit or payment from a developer in exchange for a real harm the neighborhood incurs, such as pollution from a manufacturing site, more affluent communities are likely able to extract grander community benefits that are less closely related to the project itself.⁷⁵

This system also allows neighborhood groups to demand concessions from developers in exchange for their tepid support. In some egregious cases, this more closely resembles extortion when neighborhood groups obstruct a project, often through lawsuits, and do not relent until they receive a payment from the developer. For example, in the early 2010s, the La Mirada Avenue Neighborhood Association of Hollywood sued a developer to block a 100-unit condo project and received a private settlement of \$340,000.⁷⁶ Developers have characterized this form of opposition as a "hostage scenario."⁷⁷ Payoffs are often hundreds of thousands of dollars if not millions.

HOW THE CITY COUNCIL MAKES MATTERS WORSE

As described above, the City Council is brought into the land use entitlement process to issue determinations on certain types of entitlements and appeals. It can be more difficult for projects to be approved because they have to meet the preferences of councilmembers, especially the councilmember who represents that district. Moreover, land use matters heard by the City Council may be more contentious on average than those decided by the CPC because the Council hears appeals of decisions made by the Department of City Planning or APCs.

Councilmanic Privilege

There is a persistent culture of councilmembers deferring to the member who represents the district where the proposed project is located. The PLUM committee's decision-making is swayed by what the local councilmember wants, and when the item reaches the full council, it is rare that any councilmember votes against them.⁷⁸ This culture maintains the feeling that Los Angeles is like 15 different fiefdoms, each ruled by its own "mini-mayor."⁷⁹

At its most constructive, councilmanic privilege allows councilmembers to advocate for their constituents based on their unique knowledge of their district. However, this prerogative can lead to a lack of scrutiny from other councilmembers and enable corruption. It can allow councilmembers' individual preferences to influence what is built in their district, even when the proposed project would have citywide impacts.

To observers, some councilmembers may appear to be more "pro-growth" and others "anti-growth." Researchers CJ Gabbe and Matthew E. Kahn sought to assess the veracity of this perception. While they do not analyze individual councilmembers,

77 https://www.latimes.com/archives/la-xpm-1989-02-26-mn-829-story.html

⁷⁵ Romney, Lee. "Community, Developers Agree on Staples Plan." Los Angeles Times. May 31, 2001. <u>https://</u> www.latimes.com/archives/la-xpm-2001-may-31-mn-4715-story.html

⁷⁶ https://la.curbed.com/2013/1/3/10295162/leaked-settlement-shows-how-nimbys-greenmail-developers-1

⁷⁸ Interviews with current and former Los Angeles City Council staff members. March 2023.

⁷⁹ Morrow. Homeowners Revolution. 2013. pg. 55-56

Gabbe and Kahn find that council district is a meaningful predictor of new housing production in Los Angeles.⁸⁰ When controlling for neighborhood council, council district is a significant predictor of the number of new housing units built between 2000 and 2016.⁸¹ However, Gabbe and Kahn find that the share of single-family zoning and the share of unused parcels in the census tract are stronger predictors of housing units built than council district.⁸²

Committee Discretion

The PLUM committee has significant influence over land use matters that reach the City Council. The powerful PLUM committee chairperson can block or delay a project if they choose. In meetings, the PLUM chair typically offers their opinion about what should be done, and the rest of the committee usually votes in agreement. The committee's recommendation is shared with the full council, which nearly always votes to certify the recommendation without public comment or further discussion. While PLUM chair from 2013 to 2018, José Huizar was able to carry out his pay-to-play scheme because he controlled the committee agenda and would delay putting an item on the agenda until the project developer gave him a payment, contributed to his wife's City Council campaign, or donated to a local nonprofit.⁸³ During his tenure as PLUM committee chair, and before Measure JJJ and state preemption measures reduced the share of projects requiring City Council approval, he could almost single-handedly decide what got built in Los Angeles.

While more proactive in the post-Huizar era, the PLUM committee delayed approval and implementation of the revised Downtown and Hollywood Community Plans for years.⁸⁴ The two community plans were approved by the CPC in 2021 and officially adopted by the City Council in May 2023, just one week before the plans were set to expire.⁸⁵ The Downtown Community Plan update (DTLA 2040) was delayed, in part, because of political scandals involving the councilmembers representing the area.⁸⁶

Los Angeles Times Editorial Board. "Editorial: How L.A. City Hall enabled Jose Huizar's alleged corruption." Los Angeles Times. June 23, 2020.

https://www.latimes.com/opinion/story/2020-06-23/editorial-the-feds-charge-jose-huizar-with-racketeering-willcity-council-wake-up-now

Gabbe, CJ and Matthew E. Kahn. "Housing Supply and Local Political Influence." Journal of Urban Affairs. 2021.

⁸¹ When looking at council districts individually, only Council District Eight was associated with a significantly greater number of new housing units built, and only Council District Three was associated with less housing production.

These findings make sense as developers would likely be limited to building fewer new housing units in a census tract where a greater share of the land is zoned single-family, i.e. where less of the land is zoned for multifamily projects. Where there are more unused parcels, there is more space and opportunity for new housing projects to be erected; Gabbe and Kahn. "Housing Supply and Local Political Influence." 2021.

In 1969, Los Angeles established 35 community plans that prescribe unique land use plans for each neighborhood of the city. These community plans were developed with, and have been updated with, community input. The general plan describes a high-level vision for the city, while the community plans are highly detailed. Source: <u>https://planning.lacity.org/plans-policies/community-plans-overview</u>

Presentation on community plans at City Planning Commission meeting. March 23, 2023. Zoom.; Zahniser, David. "L.A. adopts strategies for bringing 135,000 new homes to downtown and Hollywood." Los Angeles Times. May 3, 2023. <u>https://www.latimes.com/california/story/2023-05-03/l-a-adopts-two-zoning-plans-to-bring-upto-135-000-homes-to-downtown-and-hollywood</u>

Los Angeles Times Editorial Board. "Editorial: L.A. needs to build housing quickly. So why is the City Council sitting on plans to expedite construction?" Los Angeles Times. January 8, 2023. https://www.latimes.com/opinion/story/2023-01-08/downtown-hollywood-community-plans

The DTLA 2040 Community Plan that eventually passed included an inclusionary housing mandate at the insistence of Councilmember Kevin de Leon, whose district encompasses most of the plan area.⁸⁷

Opportunities for Corruption by City Councilmembers

The discretionary review process creates opportunities for councilmembers to make decisions based on factors other than the best interest of their constituents. Specifically, councilmembers might be swayed to act in their own material interests by accepting bribes from developers who want a project to be approved. In several instances in recent history, councilmembers have accepted cash, gifts, and campaign contributions from developers, then voted to approve one of their projects.

In 2020, Los Angeles developer Samuel Leung was found guilty of giving illegal donations to councilmembers and Mayor Eric Garcetti over the course of six years while his development was undergoing review.⁸⁸ The project, a six-story apartment building in the Harbor Gateway neighborhood, was discouraged by the Department of City Planning and rejected by the CPC, but the City Council overruled the CPC.⁸⁹ Among the councilmembers who received donations were José Huizar, Mitch Englander, and Gil Cedillo, all of whom served on the PLUM committee that reviewed the project in 2014.⁹⁰

While neither Mitch Englander nor José Huizar were charged in connection to Leung, both have since been indicted on federal charges for accepting money and other perks from businessmen.⁹¹ Huizar, who was the Chair of the PLUM committee while leading the pay-to-play scheme, has admitted to extorting \$1.5 million from developers.⁹²

Huizar collaborated with at least nine developers to get large projects built downtown, primarily high-rise residential projects.⁹³ In some cases, he requested payment from developers in exchange for pushing through the project by putting it on the PLUM committee agenda, voting for it, and supporting it as the local councilmember. There were cases where, in exchange for a bribe, José Huizar permitted developers to build fewer affordable units in their buildings than had previously been agreed upon and

⁸⁷ Regardie, Jon. "Growth Plan Will Transform DTLA." Los Angeles Magazine. May 9, 2023. <u>https://www.la-mag.com/citythinkblog/growth-plan-will-transform-dtla/</u>

Zahniser, David and Emily Alpert Reyes. "Real estate developer pleads guilty in sprawling L.A. campaign money laundering case." Los Angeles Times. December 3, 2020.

https://www.latimes.com/local/lanow/la-me-In-leung-hearing-20180802-story.html

⁸⁹ Zahniser, David and Emily Alpert Reyes. "A \$72-million apartment project. Top politicians. Unlikely donors." Los Angeles Times. October 30, 2016.

https://www.latimes.com/projects/la-me-seabreeze/#nt=oft07a-2gp1

⁹⁰ Ibid.

⁹¹ Zahniser, David and Emily Alpert Reyes. "Former L.A. Councilman Mitchell Englander pleads guilty in City Hall corruption case." Los Angeles Times. July 7, 2020. <u>https://www.latimes.com/california/story/2020-07-07/los-an-</u> <u>geles-city-hall-corruption-mitchell-englander</u>

⁹² Finnegan, Michael and David Zahniser. "Former L.A. Councilmember Jose Huizar pleads guilty in corruption case." Los Angeles Times. January 19, 2023. <u>https://www.latimes.com/california/story/2023-01-19/jose-huizar-</u> <u>agrees-to-plead-guilty</u>

⁹³ Regardie, Jon. "The City Hall Corruption Scandal Just Got Even More Intriguing. Here's What You Need to Know." Los Angeles Magazine. December 7, 2020. <u>https://www.lamag.com/citythinkblog/city-hall-corruption-new-charges/</u>

or raised the designated income level of those affordable units. This was true of the residential tower at 520 Mateo Street in the Arts District built by Carmel Partners.⁹⁴ In a city facing a massive shortage of affordable housing, land use corruption is especially concerning if it prevents affordable units that could have housed more low-income families from being built.

In 2019, the Council voted unanimously to approve a 725-unit building in Chinatown with zero deed-restricted affordable units, even after the CPC recommended that five percent of units be set aside as affordable.⁹⁵ Local councilmember and PLUM committee member Gil Cedillo still supported the project and sided with the developer, Atlas Capital Group, when they asserted that they were not obligated to build any affordable units, though he required Atlas to contribute to a community benefits fund.⁹⁶ Around the same time, between 2015 and 2020, Cedillo accepted dozens of campaign contributions from Atlas Capital Group employees.⁹⁷ While there are no signs of direct corruption, the Council's decisions concerning this project raised questions.⁹⁸ As described by researchers Michael Manville and Taner Osman, councilmanic discretion may give the appearance of corruption even when there is none, which can further dissolve trust in government.⁹⁹

There is a long history of Los Angeles councilmembers being investigated for corruption in land use decisions.¹⁰⁰ In the 1920s and 1930s, councilmembers were accused of accepting bribes to grant developers favorable variances or zoning decisions.¹⁰¹ In 1969, Councilmember Thomas Shepard was convicted for accepting bribes related to zoning decisions in his district, the West San Fernando Valley.¹⁰² Each of the transactions Shepard was indicted for involved allowing for the construction of dwellings on land that was not previously zoned as residential.¹⁰³ In each case, the CPC had denied the rezoning, but the Council overruled the CPC and approved it. Corruption at City Hall was such a focus of attention in the late 1960s that a citizens' commission was formed to review the City's planning and zoning practices and recommend reform.¹⁰⁴

97 Twitter thread by Ev Boyle: <u>https://twitter.com/evboyle/status/1509959828327657475?lang=en</u>

Castañeda, Mariah (host). 2021. "Episode 6: The Heyday." [Audio podcast episode] Smoke Screen: The Sellout. Neon Hum and LA Taco. <u>https://www.neonhum.com/show-pages/the-sellout.html</u>

²⁵ Zahniser, David. "Amid gentrification fears, L.A. approves 725-unit apartment project in Chinatown." Los Angeles Times. May 22, 2019. <u>https://www.latimes.com/local/lanow/la-me-In-chinatown-apartments-gentrifica-tion-20190322-story.html</u>

⁹⁶ Ibid.

⁹⁸ Ibid.

⁹⁹ Manville, Michael and Taner Osman. "Motivations for Growth Revolts: Discretion and Pretext as Sources of Development Conflict." City and Community 16(1):66-85. March 2017.

^{100 &}quot;Planning Los Angeles" <u>http://www.planninglosangeles.com/corruption/corrupt.html</u>

^{101 &}quot;Charges Voted Against Davis." The Los Angeles Times. February 16, 1939. http://www.planninglosangeles.com/corruption/PDFs/1939_Feb16.pdf

¹⁰² Einstoss, Ron. "Shepard Convicted on One Bribery Charge." The Los Angeles Times. November 6, 1969.

http://www.planninglosangeles.com/corruption/PDFs/1969_Nov6.pdf; Einstoss, Ron. "Grand Jury Indicts Shepard, Pierson." The Los Angeles Times. September 27, 1968.

http://www.planninglosangeles.com/corruption/PDFs/1968_Sep27.pdf

¹⁰³ Ibid.

^{104 &}quot;New Charges Against City Hall." The Los Angeles Times. September 30, 1968. <u>http://www.plannin-glosangeles.com/corruption/PDFs/1968_Sep30.pdf</u>

"The bad, if not illegal, practice of piecemeal or spot changing of zoning patterns has evolved, resulting in a hodgepodge of land uses... contrary to the basic principles of sound city planning."¹⁰⁵

Despite systemic problems and the well-documented history of corruption, there is a belief among councilmembers that the Council's existing land use decision-making process is fine as is. During a City Council meeting in February 2021, multiple councilmembers expressed that instances of land use corruption were the result of individuals with corrupt intent. Current PLUM committee head Councilmember Marqueece Harris-Dawson, stated, "We don't have a broken process; we have a broken person," in reference to former councilmember José Huizar.¹⁰⁶

Contrary to Councilmember Harris-Dawson's assertion, Los Angeles's current land use planning and entitlement processes are flawed. Excessive discretion, unpredictable time frames, and NIMBYism limit the approval of new housing, which is greatly needed in Los Angeles. While the city has made progress in recent years, such as by enacting TOC, these actions are insufficient to meet Los Angeles's housing needs.¹⁰⁷

In the absence of additional policy or procedural changes, Los Angeles can expect its current challenges to continue—most projects will still need to go through discretionary review and be subject to a convoluted process and councilmembers will continue to have nearly unchecked authority over what is approved within their district.

California state policymakers have enacted dozens of laws in recent years, such as SB 330 and SB 167, to streamline entitlement and increase the supply of housing across the state.¹⁰⁸ Several state-level laws have made it easier for accessory dwelling units (ADUs) to be approved, and in 2021, ADUs comprised more than 20 percent of new housing units permitted in Los Angeles.¹⁰⁹ But Los Angeles cannot rest on its laurels and expect the state to address its problems. Los Angeles can implement policies to streamline entitlement that go beyond what is required by statewide laws with the same aim. Minor procedural and administrative changes can have outsized impacts and should be instituted at the municipal level.

¹⁰⁵ Ibid.

¹⁰⁶ Recording of Los Angeles City Council meeting on February 16, 2021. Available on Youtube at: <u>https://www.youtube.com/watch?v=UK72vTUaUnQ</u>

¹⁰⁷ Since 2015, 197,630 housing units have been entitled by the City of Los Angeles at a rate of 16,000 to 27,000 units per year (peaking in 2019.)

Source: Los Angeles Department of City Planning Housing Progress Reports dashboard. Accessed April 12, 2023. https://planning.lacity.org/resources/housing-reports

SB 330 streamlined the housing entitlement process and banned municipalities from actions that would reduce housing supply. SB 167 strengthened the Housing Accountability Act and prohibits municipalities from denying a housing development that complies with objective zoning standards. <u>https://cayimby.org/sb-330/;</u> <u>https://cayimby.org/sb-167/</u>

¹⁰⁹ Spencer, Carl. "New housing in Los Angeles leans heavily on ADUs." September 20, 2022. <u>https://xtown.</u> <u>la/2022/09/20/adus-los-angeles-housing-numbers/</u>

There are indications that the current City Council is willing to reform the city's planning processes. One sign of progress is the new Ad Hoc Committee on City Governance Reform, which was established in October 2022.¹⁰ Seven councilmembers opted to join the Ad Hoc Committee, rather than the traditional five members, which indicates that there is energy among the current Council to make significant changes to advance good governance. The committee has thus far been primarily focused on reforming the city redistricting process, but it has the opportunity to think critically about the council's role in land use entitlement and consider reform.



Downtown Los Angeles

IV. DEFINING DESIRED OUTCOMES

In this section, I describe the outcomes that Los Angeles should aim to achieve through land use policy reforms. Given the city's housing affordability crisis, decision-makers should prioritize policies that would increase the city's housing stock and the rate at which new housing is approved.

To be considered as a viable improvement over the status quo, potential policy changes or procedural reforms should aim to:

- Increase the number of housing units approved;
- Decrease the average length of the entitlement process;
- Be politically feasible; and
- Limit potential unintended consequences.

Each of these is described in more detail below.

- Effectiveness at increasing the amount of housing units entitled in Los Angeles: It is crucial that Los Angeles build more housing units to accommodate existing residents and anticipated population growth, as predicted by the state. The city needs to increase the supply of housing that is affordable to households of all income levels, especially very- and extremely-low-income households.^{III} New housing units approved by the city should represent a range of housing at all different income levels.
- Effectiveness at decreasing the length of the entitlement process for a housing project: Los Angeles should minimize the average length of time it takes for a housing development to receive a Letter of Determination, i.e. conditional approval to be constructed. In particular, the length of the approval process should be minimized for common, uncomplicated project types.
- **Political feasibility:** Any change to the processes and structures that govern the City Council's authority in land use decisions would need to be voted on by the City Council itself or passed by voters through a ballot measure. Alternatives must be policies that might feasibly be adopted and implemented by the City Council or another decision-making body. In cases where elected officials or civil servants would be the decision-maker, they should aim to institute reforms that are supported by the broader public to limit public backlash.
- **Limit unintended consequences:** Considering that any of these alternatives would be altering the functions of a government that serves over four million people, policymakers must be thoughtful about potential unintended consequences.

V. DISCUSSION OF OTHER CONSIDERATIONS

Los Angeles undoubtedly has many other worthy goals that are not directly addressed by this report. A few of these goals, such as decreasing opportunities for corruption and increasing the size of City Council, might not increase housing production but could have other benefits. These are discussed below.

Corruption: In light of Los Angeles's history of corruption by councilmembers concerning land use decisions, the city should not create any additional incentives to engage in corruption nor produce a system with more opportunities for councilmembers and City of Los Angeles staff to engage in corruption. The Council is actively considering actions to mitigate land use corruption. These include establishing new protocols to increase the transparency of communication between developers and council district offices, as well as creating an Office of the Inspector General.¹¹²

None of the alternatives discussed in this report could fully eliminate all councilmanic corruption, as councilmembers can still use their position to reap material benefits for themselves, their friends, and family through these pathways or others. However, steps can certainly be taken to advance good governance and disincentivize corruption.

Equity: Los Angeles is home to a uniquely diverse population. Any actions to reform Los Angeles's land use entitlement process should not contribute to increasing inequities. In recent decades, residents who live on the westside of Los Angeles and other areas of the city that are predominantly white and affluent have often been able to resist the development of unwanted housing projects.¹¹³ Meanwhile, lower-income communities of color have had less political capital to resist the production of unwanted projects. In an ideal world, the costs and benefits of land use decisions should be distributed equitably across the city's subpopulations.

While expanding equity is an important factor that Los Angeles should consider in all its actions, this report does not focus on producing an equitable distribution of new housing or increasing the equitableness of community engagement in land use decision-making. Additional reports could focus entirely on each of these topics.

Addressing Council Expansion

Other reforms that are frequently advocated for would not improve the issue of land use corruption in Los Angeles, though they might have other benefits. Since the racist recording leaked in the fall of 2022, many reformers have called for an expansion of the City Council by increasing the number of council districts.¹¹⁴ In a 2022 survey conducted

^{112 &}lt;u>https://clkrep.lacity.org/onlinedocs/2020/20-1045_mot_08-19-2020.pdf; https://clkrep.lacity.org/onlined-ocs/2023/23-0188_misc_2-17.pdf</u>

¹¹³ Morrow (2013) and interviews with key informants, February - April 2023.

¹¹⁴ The Times Editorial Board. "Editorial: Why L.A. needs a larger City Council." The Los Angeles Times, November 13, 2022. <u>https://www.latimes.com/opinion/story/2022-11-13/fixing-city-hall-expand-council</u>

by the Los Angeles Times, all but two candidates for elected office in Los Angeles said that they believed that the City Council should be expanded.¹¹⁵ As of April 2023, the Council is considering a potential charter amendment to change the number of council districts to be based on population rather than a fixed number.¹¹⁶

Expanding the Council might have benefits for Angelenos by improving responsiveness or increasing the representation of some communities currently underrepresented by the Council, especially Latinos. It is unlikely, however, to improve the City Council's involvement in land use decision-making as long as there is a culture of councilmember privilege, wherein the Council nearly always votes in agreement with the local councilmember on district-specific issues.

In comparison to the current council districts, smaller districts would likely be more homogenous in terms of demographics and political preferences. Relatedly, councilmembers in homeowner-dominated districts would likely be more responsive to their NIMBY constituents who want to block housing construction in their neighborhood. As such, reformers should not consider an expanded council to be a policy change that would result in less corruption, more housing production, or greater equity in the distribution of housing production. Councilmembers accepted bribes in exchange for favorable land use decisions in the 1930s and in the 1960s when Los Angeles was much smaller and each councilmember had many fewer constituents.¹¹⁷

It is possible that the creation of multi-member districts or establishment of a few atlarge councilmembers could impact the culture of the City Council and reduce the influence of councilmanic privilege, but there is not sufficient evidence available at this time to predict the impact and how it would shape land use decision-making. Portland, Oregon may provide valuable learnings as to the impact of multi-member districts on land use policy-making. Residents there recently voted to create multimember council districts, which will go into effect in 2024.¹¹⁸

117 "Charges Voted Against Davis." The Los Angeles Times. February 16, 1939.

http://www.planninglosangeles.com/corruption/PDFs/1939_Feb16.pdf; Einstoss, Ron. "Shepard Convicted on One Bribery Charge." The Los Angeles Times. November 6, 1969.

¹¹⁵ The Times Editorial Board. "Fixing City Hall survey: Who supports a larger City Council?" November 1, 2022. https://www.latimes.com/opinion/story/2022-11-01/editorial-fixing-city-hall-survey-who-supports-a-larger-citycouncil

¹¹⁶ Los Angeles Council File Management System, Council File: 22-1196-S1. <u>https://cityclerk.lacity.org/lacity-clerkconnect/index.cfm?fa=ccfi.viewrecord&cfnumber=22-1196-S1</u>; Report from the Chief Legislative Analyst to the City Council re: Independent Redistricting Charter Report. March 10, 2023. <u>https://clkrep.lacity.org/onlined-ocs/2022/22-1196-S1_rpt_cla_3-09-23.pdf</u>

http://www.planninglosangeles.com/corruption/PDFs/1969_Nov6.pdf

¹¹⁸ Dixon Kavanaugh, Shane. "Portland voters scrap city's odd century-old form of government, approve radical remake." Oregon Live. November 9, 2022. <u>https://www.oregonlive.com/politics/2022/11/portland-voters-scrapcitys-odd-century-old-form-of-government-approve-radical-remake.html</u>

VI. KEY AREAS FOR INTERVENTION

Los Angeles's review process typically begins when a Development Services Case Manager determines whether a land use application can be approved ministerially (by-right) or if it must enter discretionary review.¹¹⁹ This point of divergence, where an application is sent down the path of ministerial review or discretionary review, is a key juncture in the land use entitlement process. It is highly determinative of what will follow.

While the entitlement journey of a by-right project ends once it is found to be compliant, a discretionary project must receive approval from one or more additional decision-makers. Depending on the application type and potential appeals, this may be the Director of Planning, the CPC, an APC, or the City Council. The City Council is often the ultimate decision-maker as to the fate of a project because it is mandated by a local or state law, as a result of an appeal, or because the Council chooses to veto or supersede a planning commission's action. While the City Council may enter the process at several different stages, it represents a "pain point" regardless of when, or how often, it occurs.

This report considers policy alternatives and offers recommendations to address both the determination of a land use application as ministerial or discretionary and the challenges of the discretionary review process. Regarding the former, more project types should be made eligible for ministerial review. This would accelerate the review process for an average project, provide protection from CEQA, and reduce the politicization of some land use decisions. To address the latter, for projects that still must go through discretionary review, interventions can improve the process by reducing the power of councilmembers in land use decision-making. Reforms, such as devolving some of the City Council's decision-making authority to lower bodies, could eliminate a pathway by which some projects reach the Council. Overall, the discretionary entitlement process can be streamlined and standardized to increase predictability and possibly shorten the review process.

EXPAND MINISTERIAL REVIEW

The most effective way to improve the land use entitlement process in Los Angeles to increase housing supply would be to make more types of projects eligible for ministerial review so that those projects could avoid going through the slow, unpredictable discretionary review process.

Multifamily projects will likely be approved and permitted more quickly if they are made eligible for ministerial review. Manville and his co-authors find that by-right projects in

¹¹⁹ Development Services Case Management, Los Angeles Department of Building and Safety. <u>https://www.ladbs.org/services/special-assistance/dscm</u>

Los Angeles were permitted, on average, 33 percent faster than discretionaryprojects.¹²⁰ Many developers actively avoid the discretionary entitlement process. Indeed, many developers will not introduce a project unless they know it can be approved by-right.¹²¹ Developers might be more willing to propose more and different types of residential projects if they can expect that those projects would be eligible for by-right review. For example, a developer might propose to build a project with more units or in an area where residents have historically mobilized to oppose the construction of multifamily housing. Making more types of project eligible for by-right review could lead to a more equitable distribution of new housing across Los Angeles.

Critically, ministerial projects are exempt from securing a Negative Declaration or undergoing an EIR as required by CEQA. This is beneficial because completing an EIR can take years.¹²² In Los Angeles, projects requiring an EIR take an average of 43 months to be approved.¹²³ Conversely, ministerial projects have statutory exemption from CEQA that cannot be appealed.¹²⁴ This is significant because appeals and lawsuits instigated by members of the public based on CEQA create additional costs and delays for developers.¹²⁵

While the discretionary review process takes different forms depending on the type of entitlement, all pathways open the door to potential appeals and lawsuits in all cases. Appeals and lawsuits greatly slow down the entitlement process, causing it to take years for many projects to be approved.¹²⁶ Members of the community who can claim to be negatively impacted by a proposed project can appeal a decision made by the Director of Planning, the CPC, or an APC to another decision-making body. Potentially extending the process even more, an appellant has standing to issue a lawsuit once they have exhausted all of the appeal opportunities at their disposal.

Furthermore, if more projects were eligible for by-right review, planners, the CPC, the PLUM committee, and the City Council would not have to spend so much time adjudicating individual projects. Rather than making planning decisions on a site-by-site basis, they could instead put more time and effort toward citywide planning. Reviewing and negotiating the details of a discretionary project takes significant staff capacity. Planners have expressed frustration that the current volume of projects going through discretionary review inhibits their ability to do long-term, macro-level planning, which they view as their primary job.¹²⁷

¹²⁰ Manville et al. "Does Discretion Delay Development." 2022

¹²¹ Interviews with two developers working in Los Angeles. March 2023.

¹²² Interviews with developers and City of Los Angeles staff. March 2023.

¹²³ O'Neill, Moira, Guilia Gualco-Nelson, and Eric Biber. "Examining the Local Land Use Entitlement Process in California to Inform Policy and Process." Berkeley Center for Law, Energy & the Environment. 2018.

¹²⁴ Section 15268. California Environmental Quality Act, as amended in 2022. <u>https://www.califaep.org/docs/</u> <u>CEQA_Handbook_2023_final.pdf</u>

¹²⁵ Interviews with developers and pro-housing advocates. March-April 2023.; Hernandez, Jennifer, David Friedman, and Stephanie DeHerrera. "In the Name of the Environment." Holland & Knight. 2015.

¹²⁶ Interviews with developers, advocates, and City of Los Angeles staff. March-April 2023.

¹²⁷ Interview with city planner in the Los Angeles Department of City Planning. March 2023.

Alternatives

There are multiple policy actions Los Angeles can take to make more residential projects eligible for by-right review. In general, these amount to amending the municipal code to change the review requirements for different entitlement types. Los Angeles can look to other cities as examples. For instance, in Denver, only rezonings must go through discretionary review.¹²⁸

Reform site plan review

Los Angeles could relax or eliminate the site plan review requirement for residential projects. Currently, residential projects with more than 49 units must undergo a site plan review. This is an arbitrary cut-off, as indicated by the City's willingness to create exemptions for residential projects near public transit with subsidized affordable units as part of the TOC program, in the Greater Downtown Housing Incentive Area, or for permanent supportive housing projects.¹²⁹ The City Council could eliminate or reform site plan review by amending the municipal code. A potential reform might involve raising the unit threshold to 200 or 300 units, for example.

Relaxing or getting rid of the site plan review requirement for residential projects would be effective in expediting the review process. A recent report from the Los Angeles Business Council estimates that site plan review increases the length of the entitlement and permitting process by 106 days on average.¹³⁰ Evidence from the TOC program, which raised the site plan review threshold for eligible projects, suggests that reforming site plan review increased the number of units permitted. From 2018 to 2022, 7,822 units were approved by-right as part of TOC.¹³¹ This includes 2,050 subsidized affordable units, which represent about 10 percent of all affordable units entitled during this period.¹³²

This policy change might be politically tenable to councilmembers, as site plan reviews are generally outside of the Council's direct purview. The Director of Planning makes determinations in site plan reviews, and it would require two levels of appeals for the Council to have to make a determination about a site plan review. There are signs of progress on this issue. Los Angeles's sixth-cycle housing element named site plan review as a factor that constrains the development of affordable housing, and in 2022, the City Council asked the Department of City Planning to draft an ordinance that would exclude all deed-restricted affordable housing units from being counted toward the site plan review unit threshold.¹³³

Eliminating site plan review for residential projects has the potential to introduce

Personal communication with Denver-based land use expert and member of Denver Planning Board.2022.

¹²⁹ Los Angeles Municipal Code, Section 16.05

¹³⁰ Edward Kung and Stuart Gabriel. "Tackling the Housing Crisis: Streamlining to Increase Housing Production in Los Angeles." Los Angeles Business Council Institute. May 11, 2023. <u>https://labusinesscouncil.org/wp-content/uploads/2023/05/FINAL-LABC-Housing-Study.pdf</u>

 ¹³¹ City of Los Angeles Housing Progress Reports. <u>https://planning.lacity.org/resources/housing-reports</u>
132 Ibid.

¹³³ Department of City Planning Recommendation Report. April 27, 2023. <u>https://planning.lacity.org/plndoc/</u> <u>Staff_Reports/2023/04-27-2023/CPC_2023_1083.pdf</u>

negative unintended consequences by allowing some reasonably objectionable projects to be approved by-right. Such projects, however, could be constrained by the underlying zoning and would still enter the discretionary review process if the developer sought an exemption, conditional use permit, or zoning change.

Increase allowable density

To expand its housing supply, Los Angeles could "upzone," or increase the allowable density in, more areas of the city. This can be done by modifying the city's general plan or, at a smaller scale, the community plans. By amending the city's zoning, it would target the undersupply of housing at its source rather than taking project-by-project steps to try to address the problem.

The city could take several approaches to upzoning, ranging from increasing density along major corridors to increasing the allowable density in residential neighborhoods. If Los Angeles were to do the former, it would complement Assembly Bill 2011, which makes affordable housing on commercial lands and mixed-income housing along commercial corridors eligible for ministerial review.¹³⁴ The latter would complement Senate Bill 9, passed in 2021, which permits up to four units on any lot zoned single-family.¹³⁵

To upzone and plan effectively, Los Angeles would need to regularly update its 35 community plans so that developments that comply with the up-to-date zoning can be approved by-right. Currently, several of the community plans have not been updated in decades. By updating the community plans more often, and thoughtfully engaging residents in their development, the zoning in an area will be more reflective of the neighborhood's current characteristics and anticipated changes.¹³⁶ This could reduce the need for "spot-zoning," or requests to change the zoning for a single site. In the process, planners could revise the city's zoning to reduce the overabundance of overlays and eliminate contradictions in zoning rules.

Using the Terner Center's Housing Policy Dashboard, researchers estimate that increasing the allowable density on multifamily parcels by 25 percent would be associated with a 16 percent increase in new units per year.¹³⁷ Similarly, allowing for larger buildings, such as by increasing the maximum height and FAR by 25 percent while reducing required setbacks by 25 percent, is estimated to increase new units per year by 16 percent.¹³⁸ Of the six policy changes modeled, allowing for increased density and building size were predicted to result in the largest increases in housing production.

It is unlikely that all councilmembers would allow upzoning in their districts. Constituents in affluent districts would undoubtedly lobby their councilmember

^{134 &}quot;AB 2011." California YIMBY. 2022. <u>http://cayimby.org/ab-2011/</u>

¹³⁵ Senate Bill 9, The California HOME Act. <u>https://focus.senate.ca.gov/sb9</u>

¹³⁶ An additional benefit of this is that community members might have more trust in the plan and feel that their concerns and opinions were taken into consideration at the time the plan was developed.

¹³⁷ Casey et al. "Modeling New Housing Supply in Los Angeles." Terner Center for Housing Innovation at UC Berkeley. 2022. <u>https://ternercenter.berkeley.edu/wp-content/uploads/2022/10/Dashboard-Brief-Final.pdf</u>

to reject any attempt to upzone their neighborhood. Moreover, it might not be politically feasible to update community plans. This is demonstrated by the Council's unwillingness to even agendize the DTLA 2040 and Hollywood Community Plan updates for years after they were approved by the CPC. As such, California's statelevel laws that require cities to increase density, plan for sufficient housing, and allow some project types by-right are crucial in limiting the ability of the City Council to deny upzoning.

REFORM THE DISCRETIONARY REVIEW PROCESS

For the remaining projects that must still go down the discretionary review path, Los Angeles should reform the process. In this section, I present four policy alternatives that could improve the discretionary process, and I assess them on their political feasibility and effectiveness in producing more housing, more quickly.

Alternatives

Streamline and set time limits

Los Angeles could greatly simplify its discretionary entitlement process so it is easier for developers and community members to understand and participate. The current discretionary entitlement process can be confusing, as different entitlements can take different routes in the approval process. Developers often hire attorneys and public affairs lobbyists to help them navigate the process.

Los Angeles could take inspiration from San Diego and Seattle, both of which have simple, clear frameworks. Both cities have a system that assigns each land use decision to one of five categories.¹³⁹ Lower numbers correspond to less discretion, while higher numbers indicate a higher level of discretion. In San Diego, Process 1 projects are eligible for ministerial review and cannot be appealed. Process 2 projects are decided on by planning staff but can be appealed, and so on.¹⁴⁰ The five processes are described in the table below produced by San Diego's Development Services Department.¹⁴¹ In both San Diego and Seattle, the City Council is only involved in level 4 and level 5 projects.¹⁴² Typically level 5 projects are policy changes enacted by the City Council. The advantage of these simple frameworks is that they are easy to understand and define clear rules.

^{139 &}quot;Master Use Permit (MUP) Overview." Seattle Department of Construction and Inspections. 2020. <u>https://</u> www.seattle.gov/DPD/Publications/CAM/cam201.pdf

¹⁴⁰ City of San Diego. "The Development Review Process: A City Planning Committee Member's Guide." March 2005. <u>https://www.sandiego.gov/sites/default/files/legacy/planning/community/pdf/cow/reviewprocess.pdf</u>

¹⁴¹ City of San Diego. "2022 Community Planning Group Orientation Workshop." 2022. <u>https://www.sandiego.</u> <u>gov/sites/default/files/2022_cpgow_powerpoint_presentation_plan_dsd.pdf</u>

¹⁴² Seattle Department of Construction and Inspections. "Master Use Permit (MUP) Overview." January 1, 2020. <u>https://www.seattle.gov/DPD/Publications/CAM/cam201.pdf</u>

Process	Decision Maker	Appeal to
Process One (Ministerial)	City Staff	No appeals – Ministerial
Process Two (Discretionary)	City Staff	Planning Commission: Private projects City Council: Public projects
Process Three (Discretionary)	Hearing Officer	Planning Commission
Process Four (Discretionary)	Planning Commission	City Council
Process Five (Discretionary)	City Council	No appeals – Final decision maker

Table displaying San Diego's five types of land use "Processes."¹⁴³

Los Angeles could also reform the review process by setting clear expectations for what applicants and members of the public can expect. Crucially, a timeline should be established with clear durations for each part of the review process. Establishing and enforcing strict time limits, or "shot clocks," that each body must adhere to would expedite the entitlement process and increase its predictability.¹⁴⁴ Several bodies involved in land use decision-making, including the City Council, CPC, and APCs, already have timeframes, but they can grant themselves time extensions.¹⁴⁵

Since 1976, New York City has had a standardized process with strict time frames for certain projects that require approval by the CPC and City Council.¹⁴⁶ The Uniform Land Use Review Process (ULURP) defines each step of the discretionary review process and mandates time limits for each stage.¹⁴⁷ ULURP involves review by the community board, borough president and borough board, CPC, City Council, and Mayor.¹⁴⁸ Written into the city charter, ULURP establishes clear expectations and guards against a project being delayed to the extent that it becomes void. If any decision-making body fails to take action within the predetermined time frame, the project is presumed to be approved and proceeds to the next stage.¹⁴⁹

New York City also has an optional, expedited review process for some ministerial projects. Under the "Fast Track" program, many common land use applications that are exempt from undergoing environmental review are eligible for expedited review.

¹⁴³ City of San Diego. "2022 Community Planning Group Orientation Workshop." 2022.

¹⁴⁴ A recent report on city governance reform from the Central City Association likewise recommends establishing strict time limits for council action on land use entitlements. <u>https://www.ccala.org/clientuploads/directory/</u> whitepapers/CCA_Report_LA_City_Governance_Reform_FINAL.pdf

Los Angeles Municipal Code Sec. 11.5.12.; Los Angeles City Planning Commission Rules and Operating Procedures. 2000. <u>https://planning.lacity.org/StaffRpt/InitialRpts/Revision%20to%20CPC%20ROPs.pdf</u>

¹⁴⁶ NYC Planning. "Step 5: Uniform Land Use Review Procedure (ULURP)." <u>https://www.nyc.gov/site/planning/applicants/applicant-portal/step5-ulurp-evolution.page</u>

¹⁴⁷ Entitlement types that must go through ULURP include changes to the zoning code, map amendments, subdivisions, and some special permits. Source: <u>https://www.nyc.gov/site/planning/applicants/applicant-portal/step5-ulurp-actions.page</u>

¹⁴⁸ The ULURP process is displayed in this graphic: <u>https://www.nyc.gov/assets/planning/download/pdf/appli-</u> <u>cants/applicant-portal/lur.pdf</u>

¹⁴⁹ NYC Planning. "Step 5: Uniform Land Use Review Procedure (ULURP)."

These include individual setback and lot line variances.¹⁵⁰ If a project meets certain criteria and the applicant adheres to the expected timeline, they can expect that their project review will be completed in less than 180 days.¹⁵¹

Increasing the predictability and speed of the land use approval process might encourage builders to construct more housing, which could result in more units being built overall. Standardization would likely be effective at increasing the speed at which proposed housing projects are approved and, in turn, contribute to increasing the supply of housing. The Terner Center's Housing Policy Dashboard estimates that streamlining the entitlement process in Los Angeles by reducing entitlement duration, costs, and density compromises by 25 percent would be associated with a 9.8 percent increase in new housing units per year.¹⁵² Less conservatively, Edward Kung and Stuart Gabriel estimate that housing production would increase by 25.2 percent if those changes were implemented.¹⁵³

There is reason to believe that this type of systematization is politically feasible. Per the City Charter, the City Council has the authority to "establish time limits by which action shall be taken on all requests for quasi-judicial approvals and proposed zone changes."¹⁵⁴ The Council has had time limits for Council action on land use matters for decades, though the specific time limits are not enshrined in the City Charter like in New York.¹⁵⁵ The time limits were recently reinstated after a three-year pause due to the COVID-19 pandemic.¹⁵⁶

The time limit for Council action is 30, 75, or 90 days, depending on the item being considered.¹⁵⁷ If not heard by the full Council during this period, the measure dies.¹⁵⁸ The deadlines for Council action address a known problem. Through their agenda-setting power, the chairperson of the PLUM committee previously had complete authority over what projects would be put on the agenda and, in turn, could move forward. The new standards require the PLUM committee to put each item on the agenda for a public hearing.

In addition, shot clocks are already being used in Los Angeles to boost affordable housing production. In December 2022, Mayor Karen Bass issued Executive Directive 1, which set a 60-day time limit by which 100 percent affordable housing projects and

¹⁵⁰ New York Codes, Rules, and Regulations. "617.5 Type II actions." <u>https://govt.westlaw.com/nycrr/Document/</u> <u>14ec3a767cd1711dda432a117e6e0f345?viewType=FullText&originationContext=documenttoc&transitionType=Cate-</u> <u>goryPageItem&contextData=(sc.Default)</u>

^{151 &}lt;u>https://www.nyc.gov/site/planning/applicants/applicant-portal/fast-track.page</u>

Casey et al. "Modeling New Housing Supply in Los Angeles." Terner Center for Housing Innovation at UC Berkeley. 2022. <u>https://ternercenter.berkeley.edu/wp-content/uploads/2022/10/Dashboard-Brief-Final.pdf</u>

¹⁵³ Edward Kung and Stuart Gabriel. "Tackling the Housing Crisis." Los Angeles Business Council Institute. May 11, 2023.

¹⁵⁴ Los Angeles City Charter Section 566.

¹⁵⁵ Los Angeles Municipal Code 12.32.C.

¹⁵⁶ Memo from Director of City Planning. "Tolling and the Conclusion of the COVID-19 Local Emergency Order." February 24, 2023. <u>https://planning.lacity.org/odocument/5af66a37-85b6-4510-9c91-566500d516b8/Tolling_and_the_Conclusion_of_the_COVID-19_Local_Emergency_Order.pdf</u>

¹⁵⁷ Interviews with two Los Angeles City Council staff. March 2023.

¹⁵⁸ This is the opposite of New York City's ULURP policy where a project is deemed automatically approved if a decision-maker fails to act in time.

shelters must be approved and permitted by the Department of Building and Safety.¹⁵⁹ The Mayor or Council might consider instituting time limits for the Department of City Planning and/or Department of Building and Safety to act on discretionary mixed-income or market-rate projects. The Director of Planning could also introduce time limits as a procedural change.

Empower commissions and planning staff

Other policy reforms could reduce the uncertainty and politicization of land use entitlement. Where possible, Los Angeles could shift the land use decision-making authority from the Council to other bodies, namely the CPC or the Director of Planning. Appeals regarding EIRs, mitigated negative declarations, and CEQA exemptions must be decided by the City Council, per state law, but the City otherwise has the authority to change its processes.¹⁶⁰

Civil servants could have a standard list of variances that developers could request without forcing the project to go through discretionary review. This is similar to the existing TOC program which has a list of "on-menu" incentives available to developers in exchange for providing affordable housing units in transit-rich areas. This list should be developed with the most common needs of builders in mind.

Delegating decision-making to staff and commissions could make some land use decisions less political. In some cases, this might be preferable for councilmembers. When there is a controversial project in their district, the councilmember would probably benefit from not having to vote or otherwise issue a public statement on the controversial project. For example, labor unions sometimes leverage the discretionary process to benefit their membership, such as by demanding that the developer hire only union labor to construct the project. Publicly opposing the unions creates a political risk for councilmembers, who might prefer to not voice a public position on a labor dispute.¹⁶¹

While it might seem unlikely that councilmembers would want to relinquish power, in a 2022 candidate survey conducted by the Los Angeles Times, a majority of candidates for the City Council and other elected positions said they supported reducing the City Council's land use power.¹⁶² Therefore, this might be a politically feasible alternative.

¹⁵⁹ "Mayor Bass Signs Executive Directive to Dramatically Accelerate and Lower the Cost of Affordable Housing and Temporary Housing." December 16, 2022. <u>https://mayor.lacity.gov/news/mayor-bass-signs-executive-direc-</u> <u>tive-dramatically-accelerate-and-lower-cost-affordable-housing</u>

¹⁶⁰ Sections 15061, 15074, 15090, and 21151. California Environmental Quality Act, as amended in 2022. <u>https://www.califaep.org/docs/CEQA_Handbook_2023_final.pdf</u>

¹⁶¹ Interviews with developers and city staff. March 2023.

^{162 &}quot;Fixing City Hall Survey." Los Angeles Times. November 1, 2022. <u>https://www.latimes.com/opinion/sto-</u>ry/2022-11-01/fixing-city-hall-survey-who-supports-reducing-council-members-power-over-land-use-decisions

This is exemplified by the following quote from former mayor and councilmember Eric Garcetti:

"There's a theory that city councilmembers enjoy having discretionary power over planning and development in their districts. I'll give you my answer, I did 12 years of it. I hated it and many of my colleagues hated it.... I think it's a myth that we at City Hall love this power and revel in the idea that projects must come and kiss the ring for approval."¹⁶³

Giving more decision-making authority to commissions and civil servants would likely reduce the length of the approval process by cutting out one or more actors. It would also increase the predictability of the process. Furthermore, it could result in more equitable outcomes, as planners and commissioners on the CPC are accountable to the whole city, rather than to one council district. This model also exists in other large cities. In Washington DC, nearly all land use and zoning decisions are made by the Zoning Commission or the Board of Zoning Adjustment while the Council only votes on the general plan.¹⁶⁴

Though uncertain, empowering commissioners also has the potential to increase the number of housing units approved. The Los Angeles Times found that the CPC and APCs recommended approval for about 90 percent of general plan amendments, rezonings, or height district changes, typically allowing projects to be larger than the zoning would otherwise allow.¹⁶⁵ As they are legislative changes, the Council would likely still have to vote on general plan amendments and zone and height district changes. Nevertheless, these findings indicate that the planning commissions are willing to support the construction of larger projects.

With this change, there is the possibility of corruption simply shifting from one set of actorstoanother. If decision-making authority is devolved to planners or commissioners, those individuals might be tempted to accept bribes or gifts from developers, in spite of the city's code of ethics. In recent years, the City Council has considered reforms to increase transparency and reduce corruption among councilmembers, and any such reforms should be extended to city staff and commissioners, where appropriate.¹⁶⁶

¹⁶³ Christopher Hawthorne. "Lack of Adequate Community Planning—Not NIMBYs—Drives Opposition to New Development." The Planning Report. June 20, 2019. <u>https://www.planningreport.com/2019/06/20/mayor-er-ic-garcetti-planning-density-and-growth-2017</u>

¹⁶⁴ Schweitzer, Ally. "After Years Of Arguing, D.C. Finally Has An Amended Comprehensive Plan." The DCist. May 19, 2021.

¹⁶⁵ Dakota Smith and Ben Poston. "When developers want to build more than zoning allows, L.A. planning commissioners almost always say yes, Times analysis finds." Los Angeles Times. February 10, 2017. <u>https://www.latimes.com/local/lanow/la-me-ln-planning-commission-zoning-changes-20170210-story.html</u>

¹⁶⁶ Memo from Director of City Planning to City Council PLUM Committee. June 17, 2022. <u>https://clkrep.lacity.org/onlinedocs/2022/22-0736_rpt_PLAN_06-20-22%20(1).pdf</u>

Amend Section 245 of the City Charter

Through a ballot measure, Angelenos could vote to amend Section 245 of the Los Angeles City Charter, which allows the City Council to review and potentially veto any action by an appointed commission. Notably, there is a unique carve-out for the CPC and APCs. In addition to having the authority to veto a commission action, the City Council can also take action that overrides or replaces the action by the CPC or APC.¹⁶⁷ This element of Section 245, subsection (e), allows the Council to overrule any planning decision made by a CPC or APC, giving councilmembers near-endless authority in land use decisions.

In 2020, amid concerns about corruption and the Council's immense power over land use, Councilmember David Ryu proposed a ballot measure that would have considered eliminating Section 245e from the City Charter.¹⁶⁸ This would remove the additional authority the Council has over planning commissions and would align the Council's oversight of the CPC and APCs with that of all other committees.¹⁶⁹ This motion never advanced and expired after two years of inaction per Council policy.¹⁷⁰ This indicates that there is little interest among other councilmembers to revoke the power vested in them by Section 245e.

A ballot measure would be required to amend Section 245, as it is part of the City Charter. Despite the Council's inaction, members of the public could collect signatures to get the charter amendment put on the ballot as an initiative. However, it is such a niche topic that it seems unlikely that local citizens could collect signatures from 15 percent of the city's population, or nearly 600,000 people, to put the charter amendment on the ballot.

Even if Section 245 were amended, it would not be very effective in increasing the number of housing units approved. In recent years, the City Council has invoked Section 245e to review planning commission actions only two to three times per year. ¹⁷¹However, the threat of a Council veto likely shapes the CPC and APC's actions. A cursory review of Council files suggests that former District Five councilmember Paul Koretz often invoked Section 245e to review projects in his district, but he is no longer on the City Council.¹⁷²

171 Los Angeles City Clerk Council File Management System. Search terms: "charter section 245."

172 Ibid.

¹⁶⁷ Los Angeles City Charter, Section 245. https://codelibrary.amlegal.com/codes/los_angeles/latest/laac/0-0-0-663

^{168 &}quot;Motion: Limiting Unilateral Influence in Development Decisions." <u>https://clkrep.lacity.org/onlined-ocs/2020/20-0609_mot_05-19-2020.pdf</u>

¹⁶⁹ Ibid.

¹⁷⁰ Council File 20-0609. <u>https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccfi.viewrecord&cfnum-ber=20-0609</u>

VII. POTENTIAL UNINTENDED CONSEQUENCES

In a large, complex city such as Los Angeles, any policy change could introduce unintended consequences. A potential negative consequence of expanding by-right approval is that some projects that could reasonably be considered locally undesirable or harmful to the community may be approved simply because they comply with the zoning code. For example, a project with negative environmental impacts might be exempt from undergoing an EIR. As countless historical examples have shown, projects with negative externalities are often built in low-income neighborhoods, subjecting marginalized communities to further harm. Los Angeles would have to try to mitigate any potential unintended consequences that would further the legacy of land use decisions inflicting harm to low-income neighborhoods of color. This risk could be mitigated by regularly updating the community plans to revise the allowed land uses in a neighborhood with the health and vitality of the community in mind.

Reducing the role of the City Council in land use decisions could also result in objectionable projects being approved. Councilmembers, who have intimate knowledge of their home districts, can elevate the concerns of residents who live close to a proposed project site or who would be impacted by a change to the zoning code. If a project under review could potentially introduce harm to a neighborhood, such as by displacing existing residents, creating significant traffic, or producing loud noise or another nuisance, the councilmember might advocate on behalf of their constituents and try to stop the project or find a solution. As an example, former Council President Nury Martinez blocked the development of an apartment complex to preserve an existing mobile home park in her district.¹⁷³

Furthermore, removing members of the public or elected officials from the planning process could be criticized as undemocratic. As many Angelenos already distrust the City Council, being perceived as anti-democratic would not help to strengthen the trust. This could be mitigated by providing residents with other opportunities to engage with the City government in land use planning, such as during community plan updates. Councilmembers are elected by their constituencies to represent them, and some might say that the process is more democratic if an elected representative can make discretionary decisions based on the individual context of each case.

On the contrary, it would be more democratic for all Angelenos to reduce the discretion of councilmembers in land use decision-making and have standardized rules that would apply to all proposed entitlements. All residents in a city should be treated equally by their local government. In the case of land use in Los Angeles, this might mean that a project would have roughly the same likelihood of being approved and permitted in the affluent, predominantly white Westside as in the lower-income, majority-minority south side. However, the current system privileges residents with the loudest voices and

¹⁷³ Interview with city planner and former City Council staffer. March 2023.

the most political, economic, and social capital while other residents are left unheard. The Angelenos who engage with local government by attending public meetings or participating in their Neighborhood Council are disproportionately wealthy, white, and homeowners.¹⁷⁴ By elevating the voices of some communities at the expense of others, Los Angeles's existing entitlement system fails to be democratic.

Furthermore, members of the public are involved in developing community plans. When the local councilmember regularly supports projects that deviate from the existing plan, they are essentially going against the expressed preferences of their constituents. This undermines existing processes to involve the community in land use planning and may build distrust.

Michael Manville and Taner Osman assert that "as land use planning becomes less predictable, citizens become less satisfied with it."¹⁷⁵ To a typical member of the public, the Council's discretionary actions might suggest that developers have captured local government or appear corrupt, even if all actions are legal and in line with procedures. As such, Angelenos might find it preferable to have less discretion. If strict adherence to the zoning code was the norm, members of the public might be less likely to object to proposed projects through NIMBYism.

Another potential consequence of limiting the Council's discretion is that it might reduce the ability of developers to seek intervention from councilmembers when rules and regulations are intractable or even contradictory. If a project is stuck at a standstill because the developer cannot feasibly obtain a required building permit, the local councilmember can sometimes be a useful arbiter.¹⁷⁶ Some developers contend that this form of "selective rule-breaking" is essential to projects being permitted.¹⁷⁷ While councilmanic intervention may be useful in overcoming these obstacles, that such intervention is so often required points to a need for zoning and permitting rules to be reformed.

¹⁷⁴ Musso et al. "Toward Community Engagement In City Governance: Evaluating Neighborhood Council Reform in Los Angeles." 2007. <u>https://councils.thewebcorner.com/assets/photos/5/page5fbda754e9530.pdf</u>

¹⁷⁵ Manville and Osman. "Motivations for Growth Revolts." 2017.

¹⁷⁶ Edward Kung and Stuart Gabriel. "Tackling the Housing Crisis." 2023.

¹⁷⁷ Interviews with land use developers working in Los Angeles. March 2023.

VIII. RECOMMENDATIONS

Above I present a menu of policy alternatives that Los Angeles could implement to improve its land use planning and entitlement. To be most effective, Los Angeles should enact many of these policy changes.

To produce more housing units and increase the speed at which housing developments are entitled, the City of Los Angeles should make more application types eligible for ministerial approval. For project types that would still need to be approved through discretionary review, Los Angeles should improve the process by standardizing certain elements and reducing the authority of the City Council.

To expand eligibility for ministerial review, Los Angeles should:

- **Reform or eliminate the site plan review requirement** for residential projects.
- Increase allowable density across the city by gradually updating the general plan and community plans; and

To improve the discretionary review process by minimizing variability, Los Angeles should:

- Standardize entitlement for all land use applications of the same type and introduce and enforce deadlines for all stages of review; and
- **Devolve some of the Council's decision-making authority** to the CPC or Director of Planning when allowed by state law; and
- Propose a ballot measure to **eliminate Section 245e of the City Charter** to revoke the Council's ability to veto or supersede the actions of the CPC and APCs.

Of these five policy alternatives, Los Angeles should prioritize taking action to eliminate or reform site plan review, systematize the discretionary review process, and transfer some of the City Council's land use decision-making authority to lower bodies. These reforms would be most effective in increasing housing production as well as politically feasible.

IX. CONCLUSION

As a result of reported corruption and other scandals involving the City Council, Los Angeles enjoys a window of opportunity to make significant reforms to its land use planning processes. The city should seize this opportunity to develop policies that encourage the production of more housing units and expedite the approval process.

Most critically, Los Angeles should make more land use application types eligible for by-right approval. This is the most effective way for more housing projects to be approved quickly and to insulate them from potential appeals, lawsuits, and political controversy. In tandem, Los Angeles should systematize the discretionary entitlement process and reduce the nearly unchecked authority of the City Council.

Furthermore, some policy changes that would improve land use entitlement in Los Angeles must be enacted at the state level. In particular, CEQA requires reform. It is commonly used by members of the public to block infill housing, rather than achieving its original goal of protecting the environment.¹⁷⁸ California should introduce reforms to make it more difficult to file a CEQA lawsuit, require greater transparency, or make more project types exempt from CEQA. Policy-makers have considered strategies to reform CEQA for decades, and there is currently renewed interest in CEQA reform.¹⁷⁹ Advocates should continue to put pressure on the California State Legislature to reform CEQA so it does not continue to impede housing production.

When combined with the other pro-housing policy changes that have been enacted in Los Angeles and across California in recent years, these reforms would contribute to increasing Los Angeles's housing stock and gradually address the city's housing crisis. While this report has primarily focused on market-rate housing, it is crucial that Los Angeles also incentivize and facilitate the construction of more deed-restricted affordable housing units in all parts of the city. Only through a combination of policy responses will housing become attainable to all Angelenos.

^{178 80} percent of CEQA lawsuits are filed against projects in infill locations. Of these, 25 percent of lawsuits target residential projects.

Jennifer Hernandez and David Friedman. "In the Name of the Environment: Litigation Abuse Under CEQA." Holland and Knight. August 2015. <u>https://www.hklaw.com/en/insights/publications/2015/08/in-the-name-of-the-envi-</u> <u>ronment-litigation-abuse-un</u>

^{179 &}lt;u>https://www.ppic.org/wp-content/uploads/content/pubs/op/OP_405EBOP.pdf;</u> <u>https://calmatters.org/</u> commentary/2023/02/environmental-ceqa-law-reform/

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APPENDIX B: ACRONYM GLOSSARY

AB	Assembly Bill				
APC	Area Planning Commission				
CAC	Community Amenity Contributions				
CEQA	California Environmental Quality Act				
CPC	City Planning Commission				
EIR	Environmental Impact Report				
MND	Mitigated Negative Declaration				
NIMBY	Not in my backyard				
PLUM	Planning and Land Use Management				
SB	Senate Bill				
SCEA	Sustainable Communities Environmental Assessment				
TFAR	Transfer of floor-area ratio				
тос	Transit-Oriented Communities				
ULURP	Uniform Land Use Review Process				
YIMBY	Yes in my backyard				

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APPENDIX C: LIST OF INTERVIEWS CONDUCTED (ANONYMIZED)

2 staff members who support the Los Angeles City Council including committees

l former staff member of a council district office

- l city planner in the Los Angeles Department of City Planning
- 2 developers who work for and/or have led small land use development companies
- l developer who works for a large land use development company
- l academic researcher who studies housing
- 2 former elected officials in local governments in the Los Angeles area
- l policy-maker in affordable housing and homelessness
- 2 pro-housing policy advocates in the Los Angeles area

APPENDIX D: TYPES OF LAND USE ENTITLEMENT APPLICATIONS AND THEIR APPROVAL PROCESS

Type of entitlement*	Decision-maker	Appealed to?	Further appeal(s)?	Relevant section of city charter or municipal code
Zone or height district change	City Council (following review by CPC)	Not subject to appeal	Not subject to a further appeal	LAMC Sec. 12.32.F
General plan amendment	City Council (following review by CPC)	Not subject to appeal	Not subject to a further appeal	City Charter Sec. 555, LAMC Sec. 11.5.6
CEQA exemption	City Council (following review by CPC)	Not subject to appeal	Not subject to a further appeal	City Charter Sec. 197.01
Site plan review	Director of Planning	APC	Not subject to a further appeal	LAMC Sec. 16.05
Variance (use, area, or height)	Zoning Administrator	APC	CPC or City Council (only if granted by APC)	LAMC Sec. 12.27 and Charter 562
Conditional use permit	Zoning Administrator, APC, CPC	APC or City Council	Only one level of appeal allowed	LAMC Sec. 12.24 and Charter 563
Parcel map	Advisory Agency, City Council	APC or CPC	Not subject to a further appeal	LAMC Sec. 17.54
Tentative tract map	Advisory Agency	APC or CPC	City Council	LAMC Sec. 17.01-17.06
Waiver or Modification of Development Standards, "on menu"	Director of Planning	CPC	Not subject to a further appeal	LAMC Sec. 12.22
Waiver or Modification of Development Standards, "off-menu"	CPC	Not subject to appeal	Not subject to a further appeal	LAMC Sec. 12.22.25
Adaptive Reuse Projects	Zoning administrator	APC	Not subject to a further appeal	LAMC Sec. 12.24.X
Reasonable accommodation for a disabled person	Director of Planning	City Council	Not subject to a further appeal	LAMC Sec. 12.22.27
Zone (or height district) boundary adjustment	Director of Planning	APC	Not subject to a further appeal	LAMC Sec. 12.30
Design review	Director of Planning (following review by design review board)	APC	Not subject to a further appeal	LAMC Sec. 16.50