

# RISE ★ TOGETHER

## An Initial Roadmap to Housing Affordability

Los Angeles is unaffordable. There's no question that rising land and home prices have created wealth for many, but when more than 70% of the city has to "stretch" to make rent or mortgage payments, we've crossed the line from economic disparity to outright crisis. This crisis has been decades in the making, and how we got here is important as a history lesson to avoid repeating the mistakes of the past. Still, our most important question is not where we've been, but where we go from here? For far too long, we've been in limbo, as extreme wings fight each other with no interest in compromise or consensus. We have vilified housing advocates, developers, and everyone in between. Housing advocates are not bad; they are simply trying to create more inventory for those who need it most. Developers are not bad; they are simply trying to build in a broken system using the tools available to them. And single-family homeowners are not bad; they are simply trying to preserve their own homes, investments, and communities. The reality is that no one group of stakeholders is in the wrong; they have all been forced into extreme positions by a broken system and a broken city. The fix is not to attack them; it's to fix Los Angeles itself.

With scapegoating and vilification rampant, we have missed the true antagonist: the city's failed leadership and failed policies; not the people who have tried to maneuver around them. After consuming thousands of pages of materials and studies, and conducting hundreds of interviews, we've made a plan—a plan we hope everyday Angelenos can and will get behind. There are policies and solutions that work to solve the crisis of affordability, and we've done the research to put some of them together. This is the *Rise Together Triage Roadmap to Housing Affordability*. It is not the only plan, nor should it be; it is not the final plan, but it is a place to start the conversation. Our goal is not perfection, our goal is the most reasonable, realistic policies we can put in place to help the most people without hurting others.

The solution to affordability is, at its core, building. How we build, where we build, and for whom we build is the question. But in order to create more affordable housing, we have to build it; only 13% of LA's total housing capacity has been built in the last 30 years, so we're not building for 1991, let alone 2021. Yes, we can preserve capacity; yes, we can build ethically and responsibly; yes, we can focus on affordable housing; yes, we can use market forces; yes, we can maintain, protect, and foster communities; and yes, we can do that all while building. All of these tenets are policy executions embedded in our plan.

Our roadmap is broken out into three parts: leadership, law & policy, and execution. This city has no competent leadership when it comes to building. Elected officials not only lack the expertise to craft policy, they have a vested interest in protecting the status quo, which preserves their individual fiefdoms of power at the expense of the people. Individual departments, such as building and planning, are arcane bureaucracies impossible to navigate, filled with leaders and employees who openly defy both the spirit and the letter of the law. Our laws are decades old and designed for a city that no longer exists, or are laws that were written with the best

intentions, but have been twisted beyond recognition. As a result, we've gone from being a city that helps people to one that stops everyone, from housing advocates to developers and everyone in between, from moving forward. At the core of our roadmap is better, stronger leadership; clearer, smarter and more modern policies and laws that reflect today's needs; and a system that is built to execute those laws with the focus of building responsibly and ethically.

#### The Goal:

- A city where people can afford—and want—to live, work, and play.
- 500,000 new units of housing over 10 years, including 200,000 designated as affordable, made possibly through critical incentives and cost offsets by local government

#### Our Targets & Timeline:

- A viable, functioning housing market where supply and demand are balanced within 10 years
- Strong leadership, ethical lawmaking, and a process to build that actually works and fosters responsible construction
- Preservation of existing affordable housing and housing capacity
- Protection of communities and neighborhoods
- Updated zoning that reflects both modern economic practice and the needs of the people
- Increased density, economic, and community development in key areas where it makes sense for current and future residents
- Course correction against past exclusionary policies, including affirmatively fostering equity and fair housing
- Mixed-use development that creates & fosters communities

#### Our Pillars:

- Restore...real leadership and responsiveness to the people by the city
- Protect...existing historic communities and neighborhoods
- Preserve...existing housing capacity
- Build...more market and affordable housing without disturbing any community
- Rely...on real economic theory, not broad government mandates
- Update...our policies and laws to reflect modern needs
- Rapidly...scale our work
- Provide...interim solutions until market forces can operate efficiently
- Emphasize...local control over not state mandates

#### How:

- Leadership
  - The city's elected leadership refuses to take on its own bureaucracy. Individual city council members wield the power to approve or deny any project, and focus on their own power rather than the success of development for the people. Individual department leaders and employees have halted planning and building. As a result, timelines for construction become unwieldy and costs skyrocket. This not only inhibits new construction; it makes affordable housing financially unworkable except through arbitrary mandates.

- Elected leaders must take on the city itself; we must “clean house” with fresh leadership in the building and planning departments that is focused on fostering ethical and responsible construction. Employees who refuse to follow a fresh approach must face consequences through accountability.
      - Building, Planning, and Safety must have a single organizational structure with clear accountability, preventing “not in my department” arguments.
    - We must reform the city charter to remove the power and personal fiat of city council members over their districts’ building projects. We must create transparency that eliminates favor trading over plans and policy.
  - We must establish a public accountability advocate, whose job is ensuring that city employees follow the law and foster ethical and responsible building.
    - For example, although plans must be approved within 90 days, city employees don’t deem plans complete for 6 months – illegally extending their 90-day window to a 9-month window.
  - Public union re-negotiation. We must re-engage the city’s unions to be advocates for change, or be sidelined in it, in an honest, public conversation.
    - The city’s arcane processes and skyrocketing costs, when combined with the increased costs of union construction, make most affordable developments financially unworkable. We support union labor, but to keep the costs of union projects feasible, the city must give way; we need organized labor’s help to bring tangible solutions to the table in fixing our broken city machinery.
  - Declare an affordability crisis and state of emergency.
    - A state of emergency and a leadership declaration of crisis provides extraordinary power to its leaders to deal with the question of affordability. The City Council and the Mayor must take every step necessary to cut through red tape, access additional local, state and federal funds, and solve this crisis.
    - Appoint a one-time public commission of community advocates, developers, general contractors, builders, and economic experts to create a detailed plan for building 400,000 units within 10 years, with the plan delivered within 6 months.
      - The commission will make recommendations for updated staffing, leadership, and policies. The city’s building department must be held accountable to help build, not block all development.
      - The commission will hold public hearings in every district and be empowered with a full promotional budget to meet community members both accessibly and transparently.
  - Completion of Re:Code LA.
    - The city’s rewrite of its 1946 zoning code has been underway for a decade. It must be completed with modern, updated provisions, within 18 months that meets the needs of today’s society.
      - Much of the desired laws & policies are detailed below; but leadership must focus on not just inclusion and implementation of

these policies, but on completion of the actual comprehensive city code update.

- Above all else, our code must be “black and white” in its clarity. We must provide greater “by right” building opportunities, with clearcut regulations. In other cities, when a parcel is zoned for permissible development, it can be developed in line with policies. In Los Angeles, plans and builds are subject to numerous additional permutations, permissions, requirements, and administrative fiat. This must end.
- Law & Policy
  - The city’s laws and policies need a ground-up rewrite focused on the pillars we’ve provided above. Where possible, policies should lean into market forces using incentives over regulation, and using government power to foster a future market, with policies that guide it to economic maturity. Some of these policies could include:
    - Preservation of historic single-family home neighborhoods (those composed primarily of single-family homes constructed prior to 1959 which remain in that condition)
    - Increased density and capacity for other neighborhoods, including upzoning, where it makes sense, such as:
      - Parking lots, transit hubs, empty spaces, industrial zones, commercial space, and similar.
      - Neighborhoods where single-family homes are not currently predominant, or otherwise are not classified as historically-single-family.
      - “Touch zones” where buildings that “touch” main commercial thoroughfares such as Ventura, Sunset, Wilshire, and Hollywood Boulevards may be developed at greater height and density requirements.
      - Up to six stories in other commercial thoroughfares, such as Beverly, Melrose, etc. with affordability components tied to height increases.
      - Use value capture policies to foster smart growth in land values.
    - Rezoning of historically industrial zones for mixed-use development, with a focus on “live-work-play” construction.
      - Accelerated approvals process for projects that demonstrate traffic reduction capability by helping provide more balanced capacity in “live, work, and play,” i.e. projects that allow for more people to live, work, and play in the same neighborhood.
    - Create a tax-exempt bond program to fund affordable housing, with scalable exemptions to match the percentage of units and average median income. Foster affordability using government-provided long-term, zero cost ground leases where projects meet critical affordability thresholds. Utilize tax increment policy to incentivize and fund additional affordable units, with revenue tied to economic factors and automated sunsets.

- Updated and modernized residential requirements that use a formula to balance the needs of projects and residents based on modern standards of transportation, parking, tree coverage, and beyond, including neighborhood character requirements, as well as increasing ties and requirements for affordable units into new construction.
  - Create “character of community” design requirements that ensure even new, larger construction reflects the existing aesthetic of each neighborhood, to the extent one exists.
  - Tie affordability covenants to market conditions, not arbitrary time periods. For example, an independent economic authority would have to certify that the median income in Los Angeles has enough capacity available to it that no more than 30% is allocated towards rent, in order to begin a rolling, tolling period towards market rate adjustment.
  - Amplify and increase affordability incentives, such as increased project capacity.
    - Create union project waiver for crossing certain affordability thresholds.
    - Re-evaluate and update CEQA, including new provisions to prevent misuse for arbitrary anti-development efforts; foster creation of additional incentives, limitations and exemptions to facilitate responsible development; modify the appeals process for affordable housing; limit “serial” appeals; and create community of interest and stakeholder requirements for appeals.
    - Create a “tradable” affordable housing credit to foster market growth, where affordable units become “credits” that can be traded between projects within a limited geographic radius.
  - Creation of a fast-track approvals process that accelerates project approval and completion when projects hit benchmarks for volume, affordability, and community benefit.
    - For example, a project that provides the ability for current tenants to move “laterally” to units of similar size, character, and cost within the neighborhood, avoiding displacement, can face accelerated approvals processes.
  - Enforce LA’s home-sharing ordinance, providing teeth to current legal provisions.
  - Start a tenant support hotline that provides streamlined resources to prevent eviction, displacement, and harassment. A 24/7 hotline with dedicated caseworkers should be promoted to all at-risk communities with greater penalties and enforcement for tenant harassment and disruption, with lower barrier to use by vulnerable individuals.
  - Foster greater use of public transit with expansion of the city’s own pilot ride-share program with an emphasis on connection to transportation hubs.
- Execution
  - We need strong leadership willing to take on the entrenched powers that control the city for their own interests. We need laws that make sense, are actionable, and

foster growth. But additionally, we must make sure city employees execute those laws and follow that leadership through groundbreaking policies, such as:

- Levy penalties on the city for projects that are unduly delayed by administrative barrier or burden.
- Remove liability protections for employees that intentionally execute the law incorrectly, as determined by an independent external authority, or who exercise intentionally personal fiat over community benefit, allowing personal lawsuits against employees.