

EWMP IMPLEMENTATION COSTS AND FINANCIAL STRATEGY

ES.1.6 EWMP Implementation Costs and Financial Strategy states:

*The capital costs to address Water Quality Priorities by 2037 is estimated at over **\$6.0 billion, with total operations and maintenance costs exceeding \$210 million per year** once fully implemented (see table below).*

Expenditures for the EWMP Implementation Strategy will be coordinated with other regional efforts to improve habitat, promote greenways and increase access to the LA River and its tributaries. In order to garner community support for financing the costs, the multi-benefits of the LID, green streets and regional projects will be quantified including improved aesthetics, increased recreational opportunity, water supply augmentation and climate change resiliency

COMMENTS

There is no Financial Strategy except a dependence to take advantage of the US Army Corps LA River Ecosystem Restoration Feasibility Study and pending legislation for greenways surrounding the LA River. The USACE study is unfunded and estimated at \$1.4 Billion.

LID, Green Streets and Regional Projects are to be quantified, or in other words, have no financial strategy.

Regional Projects on Private Land are 31% of the implementation with no sources identified.

LID Ordinances are 14% of the implementation and the remaining LID strategies are 10%.

Green Streets are 30% of the implementation and involves the area of extensive Bioretention and Biofiltration through subwatersheds. State highways are not delineated and categories of streets are not defined. Authorities are not cited.

Public Health inspections and costs are not addressed as those costs are borne by the inspecting agency.

MILESTONE Capital Costs are \$6,097,870,000. Operation and Maintenance costs are \$3,043,120 through the 2037 compliance period. This Permit, however, expires December 28, 2017.

It is not clear how Storage Costs are addressed. The IMPERVIOUS SURFACE is:

2,464,437,240 square feet producing 802,984,628,584,512 gallons of water.

No Circulation Element facts are presented and we have no idea who has the Mineral Rights, Groundwater Rights or Pipeline Leases. The area is adjudicated in two basins- Upper LA River and Central Basin. There are sections that may not be covered by those adjudication. It is unclear as to the amounts of allowable groundwater extraction.

FINANCIAL STRATEGIES

9.3 Financial Strategies states:

*The costs to implement the EWMP will require orders of magnitude increases in stormwater program funding. The capital and operating costs for EWMP control measures are large and will span decades. Expenditures for the EWMP Implementation Strategy will need to be coordinated with other regional efforts to improve habitat, promote greenways and increase access to the LA River and its tributaries. In order to garner community support for financing the costs, **it will likely be necessary to quantify the multi-benefits of the LID, green streets and regional projects including improved aesthetics, increase recreational opportunity, water supply augmentation and climate change resiliency.** The financial strategy to fund the LID, green streets and regional projects in the EWMP will require a coordinated, regional approach. It will be important for each jurisdiction to have the opportunity to customize the financial strategy to the preferences of its community. As such, the financial strategy presented in this EWMP outlines a set of multiple approaches that allows each jurisdiction to consider and select the strategies that best fit their specific preferences. The detailed financial strategy for EWMP costs will be highly dependent and vary by jurisdiction.*

COMMENTS

As a sample, the City of Los Angeles CONSOLIDATED ANNUAL FINANCIAL REPORT (FY June 30, 2015) requires disclosure under NOTES TO BASIC FINANCIAL STATEMENT:

Total Maximum Daily Loads (TMDLs)

*The USEPA and the LARWQCB are required to develop TMDLs for impaired water bodies. Various watersheds in the Los Angeles area have water body segments that are listed as impaired due to a variety of pollutants. Although some TMDLs have already been released, additional TMDLs will be under development and compliance with both existing and new TMDLs will continue into the next decade. At this time, it is difficult to predict the full impact of TMDLs on the National Pollutant Discharge Elimination System (NPDES) effluent limits at the City's four water reclamation and wastewater treatment plants. **In addition, the proposed Greater Los Angeles County Municipal Separate Stormwater Sewer Systems (MS4) permit, adopted by the LARWQCB in November 2012,***

contains provisions that require compliance with all the adopted TMDLs. It is expected that significant capital improvements funded by Sewer may be required to comply with the TMDLs and their resulting impact on the City's NPDES permits.

This statement discloses Sewer funds as the source for “significant capital improvements.” This permit goes beyond the sewer system into streets and land and the taxpayer has not been notified of the tremendous expected costs.

Stormwater Capture Credit or Cap and Trade was mentioned in the LA Business Council report LA'S NEXT FRONTIER: CAPTURING OPPORTUNITIES FOR NEW HOUSING, ECONOMIC GROWTH, AND SUSTAINABLE DEVELOPMENT IN LA RIVER COMMUNITIES:

*Later, we explore a number of innovative financing tools that can be employed to pay for residential, commercial, and infrastructure development in river communities. Our analysis places special emphasis on two promising financing tools: value capture and tax increment financing facilitated through Enhanced Infrastructure Financing Districts, and **a new stormwater recapture credit program built, in part, on the principles of California's groundbreaking carbon cap-and-trade program. Properly implemented, this stormwater program will encourage more efficient investments in stormwater recapture while meeting or exceeding retention goals, will reduce the costs of development, and will generate additional public revenues for community reinvestment. We include recommendations for how to “make the market” and fund the public purchase of stormwater credits from early-adopters, thereby establishing the program as a proven marketplace and ensuring its future sustainability.***

The Board has no legal authority over a Cap and Trade scheme.

Reasonable Assurance Analysis (RAA)

Section 6 Reasonable Assurance Analysis (RAA) states:

Permit prescribes the RAA as a quantitative demonstration that control measures will be effective, the RAA also uses a modeling process to identify and select potential control measures to be implemented by the EWMP. WMMS is specified in the 2012 MS4 Permit as an approved tool to conduct the RAA. LACFCD, through a joint effort with U.S. Environmental Protection Agency (USEPA), developed WMMS specifically to support informed decisions for managing stormwater.

The RAA demonstrates the calibrated modeling system is able to accurately predict flows and pollutant concentration in the LA River watershed. The RAA was developed based on complying with the applicable

criteria for “limiting pollutants” during 90th percentile storm conditions. Limiting pollutants are the pollutants that drive BMP capacity (i.e., control measures that address the limiting pollutant will also address other pollutants).

COMMENTS

The Modeling Systems offered in the Permit are:

- Watershed Management Modeling System (WMMS)
- Hydrologic Simulation Program-FORTRAN (HSPF)
- Structural BMP Prioritization and Analysis Tool (SBPAT)

WMMS is the chosen model, however, the choice of modeling is not explained on any basis of comparison of CAPITAL COST and OPERATIONS AND MAINTENANCE differences.

CREST (TMDL) used the Monte Carlo model which is not mentioned in the Permit. We do not understand the differences incurred between two different models and the effectiveness of the control methods.

It is unclear how Outfall Monitoring data is incorporated as a comparative basis to the modeling.

PEER REVIEW

April 2010 CREST Monte Carlo Model, Appendix 1: Details for Load Reduction Strategies and Scenarios for the Los Angeles River Watershed Bacteria TMDL Technical Report Dry Weather Implementation Plan states:

Treatment BMPs

*A third general option is that flow from a subwatershed could be routed through a treatment BMP (e.g., a sand filter or a treatment wetland) with the ability to reduce bacteria concentrations in dry weather flows and discharge the treated runoff. It is likely that the effective BMP removal of the bacteria discharged from the outfall would be less than 100%. **Peer-reviewed information on treatment BMPs that effectively reduce bacteria concentrations is scarce.** It is unclear whether treatment BMPs for bacteria would also remove other pollutants and benefit implementation efforts for other TMDLs (e.g., the Metals TMDL).*

COMMENTS

Peer Review is not addressed in any meaningful way.

RAA MODEL PARAMETERS

8.2.3 Updates to RAA Model Parameters states:

*Over time, the parameters in the watershed and BMP models used for the RAA may be updated based on newly available data. For example, as additional control measures are implemented in LA County, **new data may become available regarding performance of control measures for reduction pollutants**. In turn, the performance metrics in the RAA could be updated. Other types of data that could support RAA updates include soil infiltration data, revised catchment delineations, modified operations to impoundments / reservoirs, and major changes to the quality or volume of effluent discharges from publicly owned treatment works.*

COMMENTS

We do not understand how these updates coordinate with monitoring and pollutant reduction load identification other than outfall monitoring. Proposition O projects from the City of Los Angeles have no data that can verify load reductions. This is an NPDES permit based on Source Point discharges.

ADAPTIVE MANAGEMENT FRAMEWORK

ES.1.5 Adaptive Management Framework states:

*One of the key components of the EWMP is the incorporation of an Adaptive Management Approach for evaluating monitoring data and “lessons learned” or experience gained during implementation to evaluate EWMP implementation progress. The Permit specifies that an adaptive management process will be revisited every two years to evaluate the EWMP and update the program. **The EWMP strategy will evolve based on monitoring results by identifying updates to the EWMP Implementation Plan to increase its effectiveness.***

COMMENTS

It is unclear if how Monitoring will be achieved for Regional Projects, LID Low Impact Development and Green Streets. They are not Source Point discharges.

Joyce Dillard
P.O. Box 31377
Los Angeles, CA 90031

Attachments:
ULAR EWMP Implementation Strategy Analysis
LA's Next Frontier

EWMP IMPLEMENTATION STRATEGY ANALYSIS
UPPER LOS ANGELES RIVER
485 SQUARE MILES

REGIONAL PROJECTS	
Public Land-Very High	6%
Public Land-High	18%
Public Land-Medium	2%
Sub-Total Public Land	26%
Private Land	31%
TOTAL REGIONAL PROJECTS	57%

Regional projects: these control measures are an emphasis of the Permit because they are able to capture runoff from large upstream areas. The EWMP emphasizes implementation of regional projects, particularly those that are able to retain the 85th percentile, 24-hour storm event. The ULAR EWMP includes 128 regional BMPs, including multi-benefit regional projects that retain the storm water volume from the 85th percentile, 24-hour storm for the drainage areas tributary to the multi-benefit regional projects. In addition, the EWMP includes regional projects on private land to assure required pollutant reductions are achieved.

LID LOW IMPACT DEVELOPMENT	
Ordinance	14%
Existing/Planned	1%
Public Retrofits	4%
Residential Program	5%
TOTAL LID	24%

Low impact development: control measures implemented on parcels to retain stormwater runoff during rain events. For the runoff during rain events. For the EWMP, the Group members' LID ordinances are also incorporated. In addition, residential LID programs are incorporated to incentivize adoption of rain cisterns and other methods to reduce runoff from residential properties, while also facilitating community engagement and awareness. Group members will also implement LID retrofits on public parcels.

GREEN STREETS 30%

Green streets: the right-of-way along streets offers a significant opportunity to implement control measures on public land. The EWMP includes extensive green streets to retain runoff from roads and alleys. Green streets will potentially offer many other benefits to communities in terms of aesthetics, safety and increased property values.

MILESTONES
CAPITAL COSTS

2017	\$ 168,780,000
2024	458,650,000
2028	2,889,500,000
2037	<u>2,580,940,000</u>
TOTAL	\$ 6,097,870,000

ANNUAL COSTS-OPERATION & MAINTENANCE

		Years	
2017	\$ 17,010,000	3	\$ 51,030,000
2024	55,270,000	7	386,890,000
2028	176,910,000	4	707,640,000
2037	<u>210,840,000</u>	9	<u>1,897,560,000</u>
TOTAL	\$ 460,030,000	23	\$ 3,043,120,000

LA's Next Frontier:

Capturing Opportunities for New Housing,
Economic Growth, and Sustainable
Development in LA River Communities



The Taylor Yards Crossing Community Bridge, proposed by Studio Pali Fekete architects [SPF:a]

THE ROSALINDE AND ARTHUR GILBERT FOUNDATION

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MARTIN H. BLANK, JR., CEO & DIRECTOR
RICHARD S. ZIMAN, COO & DIRECTOR

On behalf of The Rosalinde and Arthur Gilbert Foundation, we congratulate the LABC Institute on its release of *LA's Next Frontier: Capturing Opportunities for New Housing, Economic Growth, and Sustainable Development in LA River Communities*. The content and trends that were identified are among the best we have seen on the LA River and stands out as one of the most significant analyses that articulates why this is such a unique and important opportunity here in Los Angeles.

When environments improve, health behaviors improve. Our ongoing support of the LABC Institute strengthens The Rosalinde and Arthur Gilbert Foundation's work to create healthier environments in LA County for physical activity and access to healthy food. Increasing the park and open recreation space in LA's low-income neighborhoods is crucial to building long-term wellness. LA is severely under-parked in comparison to the rest of the world and yet researchers, funders, and policy makers increasingly recognize that both children and adults must have access to physical activity and healthy foods if they are to act on their desire to eat well and be active. The need is seen as particularly pressing for low-income communities, whose populations have the greatest incidence of type-2 diabetes.

The Foundation believes that this report provides an important business perspective on the job creation and economic development opportunities for the surrounding residents and families and will attract greater engagement from LA's business and corporate stakeholders.

We commend the LABC Institute for its contribution and bringing together of stakeholders from business, local government and non-profits to help guide the LA River development to be of maximum benefit to the surrounding residents and families.

Richard S. Ziman
CEO & Trustee

Martin H. Blank, Jr.
COO & Trustee

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April 24, 2015

Los Angeles Business Council
2029 Century Park E, #1240
Los Angeles, CA

Dear Summit Participants,

As supporters of the Los Angeles Business Council (LABC) Institute and their recent report *LA's Next Frontier: Capturing Opportunities for New Housing, Economic Growth, and Sustainable Development in LA River Communities*, the California Community Foundation (CCF) encourages collaborative planning processes that draw together leaders from the public health, civic engagement, environmental justice, and affordable housing sectors. The LA River is a unifying connector that can extend the reach of transit into surrounding communities. In particular, areas near the river with existing growth near transit stops and stations are poised to leverage public investments effectively in the near term.

For four years, CCF has been building partnerships with important organizations like the LABC and other nonprofit groups working on housing, health, environmental, and transportation issues. These partners share several goals, including encouraging the preservation and production of affordable housing, parks, bike paths, safe sidewalks, and good jobs around transit hubs; expanding resources to preserve and produce housing and jobs for low-income residents who make up the core ridership; and ensuring that residents in the neighborhoods have the tools and support they need to fully engage in local planning issues.

In 2013, this partnership completed a study of ways that transit agencies can support affordable housing and job development around transit hubs. The foundation representatives, nonprofit groups, and community residents met over many months with the Metro staff and board members to review the findings of the study. Eventually, the Metro board and staff agreed on the recommendations that appeared most promising, and the results of that process were the five recommendations recently approved by the Metro board last month.

Similarly, it is our hope that this process and report - led by the LABC - provides an actionable framework wherein the Los Angeles River will meet its potential as an environmental, social, and economic hub for every Angeleno across the LA County region.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann E. Sewill".

Ann E. Sewill
Vice President, Housing and Economic Development

About Us

The LABC Institute is a forward-thinking research and education organization dedicated to strengthening the sustainable economy of California, particularly the Southern California region. Founded in 2010, the LABC Institute provides a bridge between the business, government, environmental, labor and nonprofit communities of Southern California to develop policies and programs that promote investment, jobs and business development. We are the research and education arm of the Los Angeles Business Council, one of the most respected business advocacy organizations in Southern California.

A Coordinated Approach

The LABC Institute collaborates with diverse community stakeholders and world class institutions – USC, UCLA, CalTech and others – to conduct research leading to policies and programs that help build healthy communities. Our research focuses on environmental and sustainability best practices that also promote investment and economic development in Southern California.

The results of our research influence a broad range of leaders – including governmental officials, business executives, journalists and directors of community-based organizations – who engage with our work in informal settings and at Institute-sponsored summits, conferences and forums that help shape the public policy agenda.

Achieving Measureable Results

The LABC Institute's ground-breaking research on new energy policies has earned national recognition. Our innovative work on rooftop solar energy options led directly to the implementation of the Feed-in Tariff program, adopted in the spring of 2012 by the City of Los Angeles and the Los Angeles Department of Water and Power. The solar rooftop program will spur new investments and create a significant number of high-quality jobs in Los Angeles.

Our Partners

The LABC Institute works with national experts and scholars, many based in Southern California, who contribute significantly to our research efforts. These partners include many of the region's leading research institutions, including the University of Southern California; University of California, Los Angeles; Loyola Marymount University; and the California Institute of Technology. Subject area expertise is provided by government leaders at such agencies as the Departments of Energy and Housing and Urban Development, as well as key committee members in Congress and the California legislature.

Our ongoing educational partners include the California Governor's Office, the Los Angeles Mayor's Office, the California Air Resources Board, and the California Public Utilities Commission.

For nearly every policy area, the LABC Institute, working with the Los Angeles Business Council, forms a coalition of business, academic, environmental, labor, social justice and nonprofit stakeholders to help raise visibility for the research and drive recommended policies forward.

Our Supporters

The LABC Institute depends on the generosity of our supporters, which include a range of institutions, foundations and individuals, including the William and Flora Hewlett Foundation, the 11th Hour Project, Bank of America, Rockefeller Brothers Fund, JPMorgan Chase, Wells Fargo, Bank of America and the Gilbert Foundation.

The LABC Institute is a tax-exempt 501c3 organization, and is strictly nonpartisan.

Acknowledgements

The LABC Institute is pleased to present **LA's Next Frontier: Capturing Opportunities for New Housing, Economic Growth, and Sustainable Development in LA River Communities** and gratefully acknowledges **The Rosalinde and Arthur Gilbert Foundation** and the **California Community Foundation** for supporting this research. We would like to thank the report's author, **Paul Habibi, UCLA Anderson School of Management**, and the research team of **Ben Feingold and Shane Phillips, Urban One**. The LABC Institute would like to give a very special thanks our advisory committee for their guidance and contributions throughout this study.

LABC Institute LA River Advisory Committee

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Tanner Blackman, *Planning Director, Office of Councilmember José Huizar*
Claire Bowin, *City Planner, City of Los Angeles Department of City Planning*
Omar Brownson, *Executive Director, Los Angeles River Revitalization Corporation*
Diego Cardoso, *Executive Officer, Countywide Planning and Development, Metro*
Brad Cox, *Senior Managing Director, Trammell Crow Company and Chairman, LABC Institute*
Cesar Diaz, *Planning Director, Office of Councilmember Bob Blumenfield*
Cecilia Estolano, *Member, Estolano LeSar Perez Advisors*
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Special thanks to Steve Coulter, LABC Institute, Steve Sugerman, Sugerman Communications Group, Lew Horne, Berick Treidler, and Gary Baragona, CBRE. All stakeholders contributed greatly in terms of thought and input to the final report, however errors are the sole property of the author.

A Livable River

Since 2012, the LABC Institute has emphasized the need to develop livable communities that include a substantial workforce housing component as a part of a comprehensive economic development strategy for the region. Livable communities are those which have a balanced mix of residential and commercial uses, tied together through public transit connections, bicycle and pedestrian paths, and mobility hubs. Rapid expansion of the Los Angeles transit network is providing an incredible opportunity to widen the developable footprint around transit stations and connect livable communities like never before.

While we work to incentivize high quality, livable development in the region, it is critical to expand the supply of affordable and workforce housing for those earning between 50 and 120 percent of the Area Median Income (“AMI”). In Los Angeles County, annual funding for lower-income affordable housing (80 percent AMI or below) has fallen dramatically, from \$732 million in 2008 to \$164 million in 2013—a 78 percent decline in just five years (California Housing Partnership Corporation, 2014). Workforce housing, which is affordable to those earning between 80 and 120 percent of AMI and essential to housing moderate-income residents such as teachers, public servants, and young employees, has similarly suffered from a lack of supply and funding. Without an increased supply of affordable and workforce housing, Los Angeles could see much of its workforce—and subsequently, economic activity—depart to regions with less cost-burdened housing markets.

The Los Angeles River revitalization presents a unique opportunity to develop underutilized land and build new transportation connections, creating a cohesive series of sustainable, thriving, equitable communities throughout Los Angeles County. Successful redevelopment along the river will be a key component of the region’s sustainable growth strategy for years to come.

This report explores the numerous opportunities for development along the river and into the surrounding neighborhoods, and begins with a look at the past and present conditions of the LA River and its adjacent communities. It is followed by a summary of the potential the river holds for revitalization and sustainable development and a brief analysis of the multitude of strategic efforts that have taken place to plan for growth along the river.

Later, we explore a number of innovative financing tools that can be employed to pay for residential, commercial, and infrastructure development in river communities. Our analysis places special emphasis on two promising financing tools: value capture and tax increment financing facilitated through Enhanced Infrastructure Financing Districts, and a new stormwater recapture credit program built, in part, on the principles of California’s groundbreaking carbon cap-and-trade program. Properly implemented, this stormwater program will encourage more efficient investments in stormwater recapture while meeting or exceeding retention goals, will reduce the costs of development, and will generate additional public revenues for community reinvestment. We include recommendations for how to “make the market” and fund the public purchase of stormwater credits from early-adopters, thereby establishing the program as a proven marketplace and ensuring its future sustainability.

Finally, we show how the City of Los Angeles can take the lead in developing a comprehensive developer’s toolkit to encourage livable community development centered on the LA River, with implementation recommendations that have short-term, mid-term and long-term time horizons. With leadership from the City to lay the foundation for a comprehensive governance structure and oversee the river’s revitalization and development, these recommendations can be employed to direct targeted, sustainable growth along the entire length of the river and have a lasting impact on the quality of life of residents throughout the Los Angeles region.

Developer’s Toolkit:

- **Project financing through establishment of EIFDs**
- **Design guidelines created with local stakeholder input**
- **Expedited plan check and permitting for projects complying with design guidelines**
- **True by-right development through revision of Site Plan Review process**
- **Increased density bonus incentives for projects that include workforce housing**

Key Values and Goals of River Revitalization:

- Employment Growth
- Market-Rate and Affordable Housing Production
- Ecosystem Recovery and Pollution Reduction
- Stormwater and Wastewater Retention
- Transportation and Accessibility
- Public Health and Safety
- Social Engagement and Community-Building

History And Background Of The Los Angeles River

The Los Angeles River has a long history as a source of vitality for our region and our city. Before being settled by the Spanish in the late 1700s, for thousands of years the riverlands were home to the Tongva people, who benefited from its rich wetland, marsh, and forest habitats. The Pueblo de Los Ángeles, which over the generations grew into the metropolitan area we know today, was founded in 1781 near today's Union Station, just a few blocks from the river.

Before the 20th century the LA River ran wild and unpredictable, changing course between a westward path along Ballona Creek and a southward track towards San Pedro Bay. These shifts resulted in regular flooding, and as the region grew increasingly settled and became an agricultural powerhouse, the cost and impact of these floods became more severe.

The City made early efforts to manage flooding through the construction of dams, but adequate control wasn't established until a series of major floods from the 1910s to the 1930s spurred the federal government to action. The Los Angeles Flood of 1938 damaged or destroyed over 1/3 of Los Angeles and resulted in the loss of 115 lives, driving Congress to direct the Army Corps of Engineers to build a concrete channel to contain the river's flow and rapidly shuttle water to the ocean during times of heavy rainfall, protecting the region's residents and businesses from dangerous, costly flooding.

The channelization of the 51-miles of the Los Angeles River was completed more than 50 years ago, in 1960. The channel begins in Canoga Park in the San Fernando Valley, traveling east toward Griffith Park and past the cities of Burbank and Glendale, then southward past Downtown LA and a number of smaller LA County municipalities before arriving at San Pedro Bay, next door to the Port of Long Beach. Along its first 32 miles, all within the City of Los Angeles, the river flows through 10 Council Districts, 20 Neighborhood Councils, and 10 Community Planning Areas (City of Los Angeles, 2007).

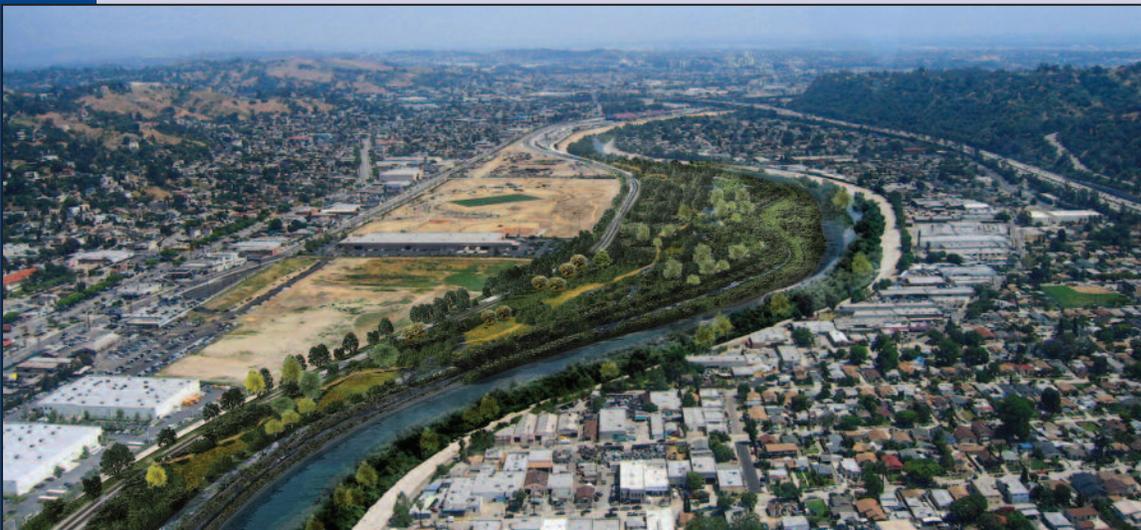
The River Today

Channelization of the LA River helped achieve the flood management goals of the City and the Army Corps of Engineers, but the security of a managed flood channel came at the cost of verdant riparian habitats that had drawn the Tongva and the Spanish settlers to its banks many years before. The habitats once native to the river were lost, and heavy industry, warehouses, and other uses incompatible with vibrant mixed-use communities moved in alongside the channel, dividing river-adjacent neighborhoods from one another and isolating them from nature. Generations later, many of these communities continue to be characterized by high levels of poverty, limited access to parks and open space, and a higher burden of pollution than most other state and county communities.

Despite its current state of disinvestment, numerous groups have recognized the environmental, social, and economic potential of a restored Los Angeles River ecosystem. These groups have been pushing for investment in a revitalized river for many years, and their work culminated in the development of the Los Angeles River Revitalization Master Plan (LARRMP), completed in May 2007. The Plan identified four core principles to follow as the river and its surrounding communities were engaged in a process of renewal and reinvestment:

- 1 Revitalize the River**
- 2 Green the Neighborhoods**
- 3 Capture Community Opportunities**
- 4 Create Value**

Other programs underway include the much-heralded partnership between the City and the Army Corps of Engineers to invest upwards of \$1 billion in the revitalization of an 11-mile section of the river near Griffith Park, efforts to connect all 51 miles of the river with a continuous greenway bicycle and pedestrian path (Greenway 2020), and myriad other initiatives aimed at restoring the river ecosystem and improving quality of life for those living in river-adjacent communities.



Taylor Yards in Northeast Los Angeles, existing and as proposed in the US Army Corps of Engineers' draft plan for ecosystem restoration. Copyright City of Los Angeles/US Army Corps of Engineers from The Los Angeles River Draft Ecosystem Restoration Integrated Feasibility Report (2013)

Restoration and revitalization of the Los Angeles River is no longer just an idea, but a movement whose time has finally arrived. Forward-thinking planning will be needed to ensure that growth and development along the river is managed collaboratively, comprehensively, and in a way that fairly distributes the benefits of redevelopment and reinvestment. Now is the ideal time to explore complementary efforts—in addition to funding options and governance structures—that will help the region and its residents achieve the shared goals of a revitalized river ecosystem, sustainable and equitable community redevelopment, cultivation of new business and employment opportunities, and safe, healthy options for physical activity and social engagement.

Building off of the work and valued input of long-time stakeholders in local government, non-profit advocacy, neighborhood groups, business, and real estate development, this report seeks to identify best practices and create a framework to ensure that every community can be a part of and benefit from the Los Angeles River's bright future.

River Communities: Where They're Headed

As Los Angeles and the rest of the nation have recovered from the debilitating impacts of the Great Recession and associated housing crash, change has come rapidly to many river-adjacent communities. Similar to the approach taken in the LABC Institute's Annual Livable Communities Reports in years past, we sought to measure those changes and determine which communities along the river have shown indications, over the past several years, that they may be best poised to attract additional investment, residents, and businesses in the years to come.

Balanced Employment Growth Along the River

From 2010 to 2014, many areas along the LA River corridor saw substantial employment growth; as with housing and population, much of this growth took place in the area from the West San Fernando Valley to North Hollywood and Studio City. Downtown and the surrounding area also experienced significant increases in employment, particularly around Metro subway and light rail stations (U.S. Census Bureau, 2010) (Esri, 2014). The balanced nature of this growth supports the LABC Institute's belief that many river-adjacent communities are ripe for revitalization and reinvestment, bringing new amenities and job opportunities to a broad cross-section of the city and county population. At the same time, a concentration of opportunities at redevelopment "nodes"—locations such as Warner Center and Canoga Park, Studio City and North Hollywood, and much of the area to the north and northeast of Downtown—should allow the city to retain the lower-density residential, commercial, and semi/light-industrial character of many historic river-adjacent communities.

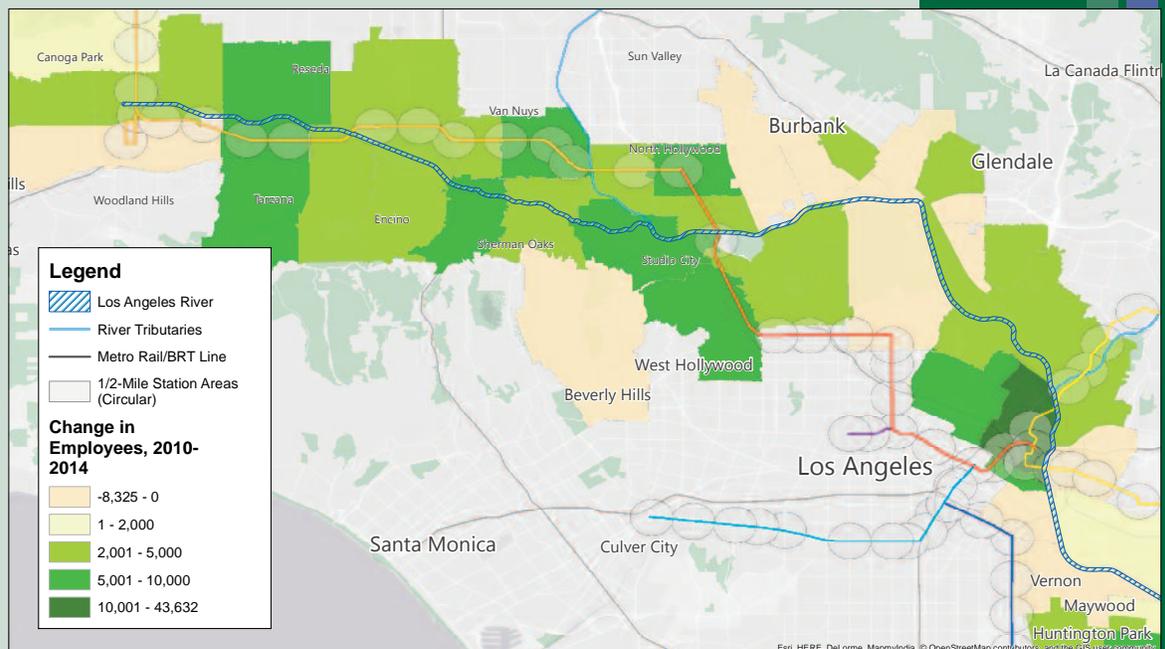
Office rental rate and vacancy data from CBRE indicates continued opportunities for business cultivation along the river corridor. Low rental rates in the Downtown LA Industrial zone suggest potential for new investment and upgrading of facilities as heavy industry continues its migration away from the city core. Likewise, high rental rates in the Studio City, North Hollywood, and non-industrial Downtown neighborhoods are evidence of these areas' strong appeal to businesses, which will continue

to grow as the river revitalization progresses; Studio City appears especially desirable, with both high rental rates and very low vacancy rates. Since 2009, Woodland Hills and Sherman Oaks have seen some of the sharpest declines in vacancy rates, so these may also be targets for future investment, providing additional space for an increasingly tight office rental market (CBRE, 2014).

	OFFICE VACANCY RATE				ASKING LEASE RATE (\$/SF)			
	1Q 2009	4Q 2014	2020 Projection	Change 2014-2020	1Q 2009	4Q 2014	2020 Projection	Change 2014-2020
Downtown	15.30%	18.90%	18.50%	-0.30%	\$3.01	\$2.96	\$3.86	30.50%
Downtown Industrial	2.10%	2.40%	Unavailable	N/A	\$0.55	\$0.74	\$1.01	37.00%
Woodland Hills	17.20%	12.80%	11.40%	-1.40%	\$2.54	\$2.37	\$3.02	27.50%
Sherman Oaks	13.20%	11.60%	11.40%	-0.20%	\$2.66	\$2.18	\$2.85	30.50%
Studio City	2.20%	1.50%	1.50%	0.00%	\$3.10	\$2.85	\$3.72	30.50%
Canoga Park	16.10%	34.80%	31.10%	-3.70%	\$1.77	\$1.67	\$2.12	27.50%
North Hollywood	18.50%	19.50%	19.20%	-0.30%	\$2.52	\$2.48	\$2.93	18.30%

Source: CBRE

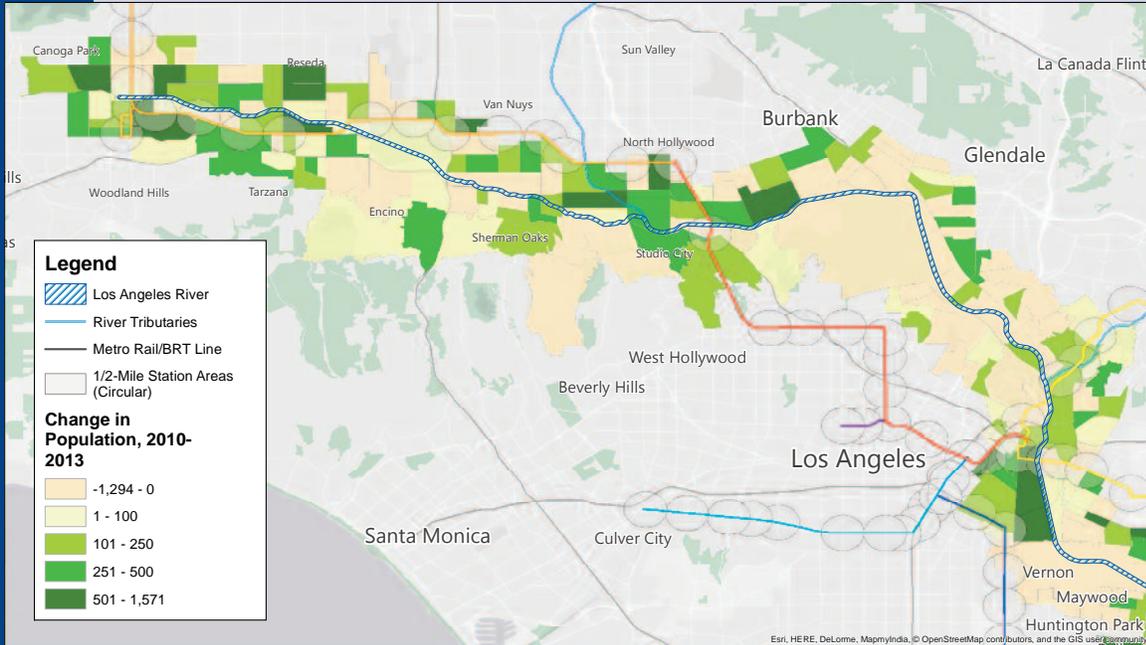
Change in Employment in River-Adjacent Communities, 2010-2014



Strong Population Growth Across the River Corridor

In evaluating the population change between 2010 and 2013, we begin to see three nodes of growth appear: Warner Center and its surrounding neighborhoods, the Studio City-North Hollywood region where the Red Line and Orange Line transit routes intersect, and the area in and around Downtown LA (U.S. Census Bureau, 2010 and 2013). Each of these nodes attracted thousands of new residents over this time period.

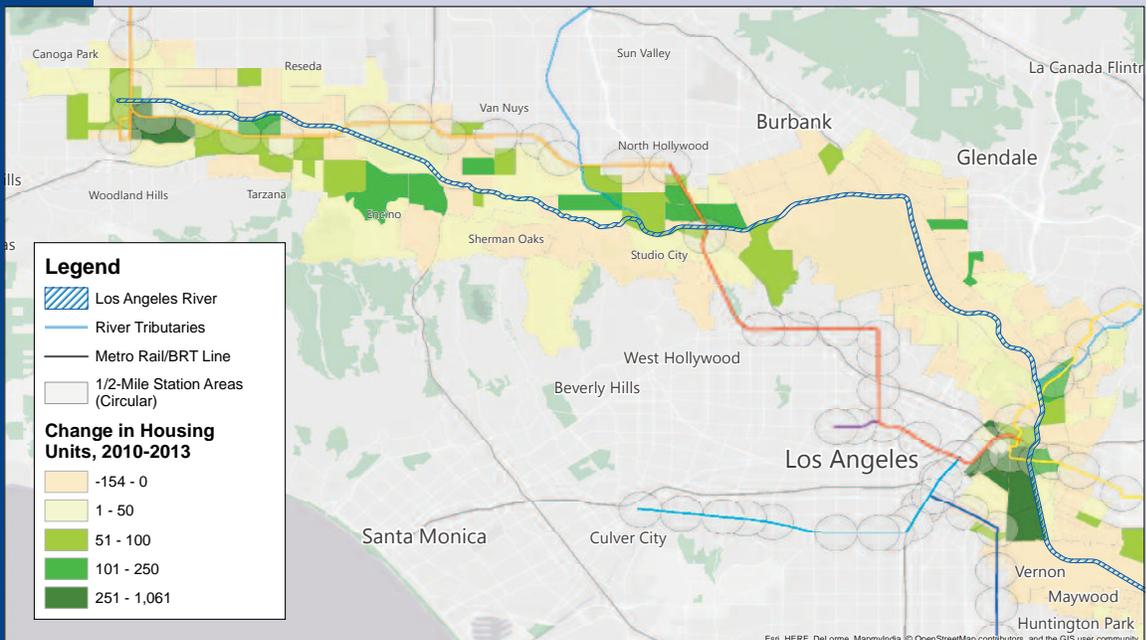
Population Change in River-Adjacent Communities, 2010-2013



Housing Unit Growth Focused in Select Neighborhoods

Similar to population, increases in housing tended to be concentrated in three nodes near the western terminus of the Orange Line, the area around North Hollywood and Studio City, and in Downtown LA and nearby regions of Northeast LA (U.S. Census Bureau, 2010, 2013). Such growth indicates residents' willingness to support increased investment in their communities, and represents an expression of confidence on the part of developers and business owners that these areas will continue to attract more residents in the future.

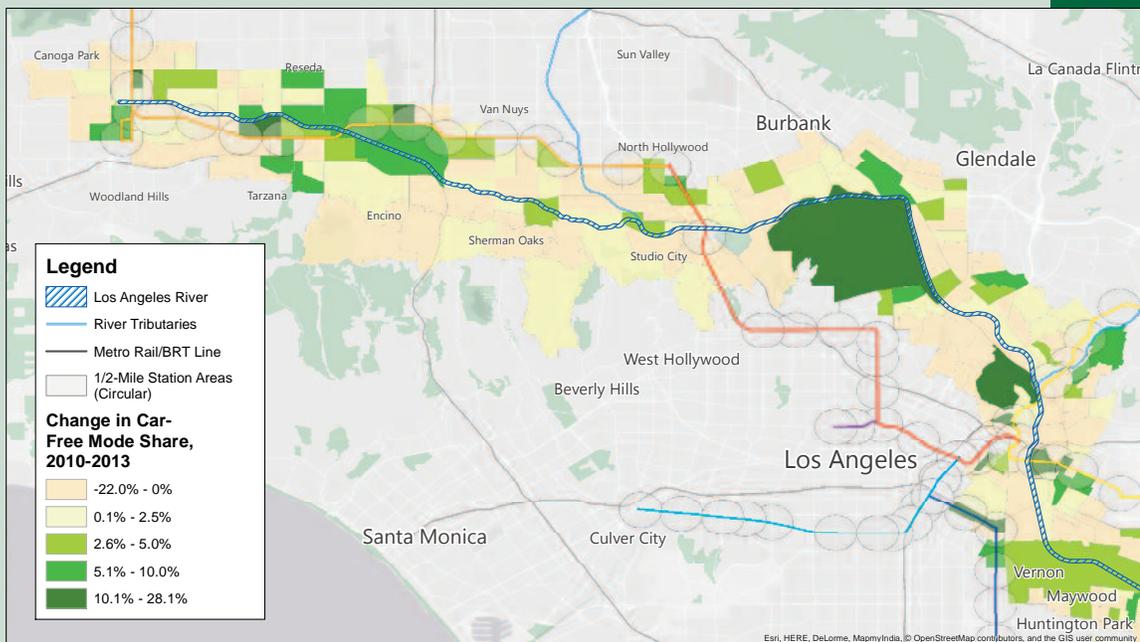
Net New Housing Units in River-Adjacent Communities, 2010-2013



Significant Gains in Car-Free Mode Share

Many census tracts within a one-mile radius of the LA River saw a significant increase in residents who rely upon car-free transportation modes for their commuting trips (transit, walking, and bicycling), particularly in the area between Encino and Reseda, in neighborhoods near Griffith Park, and to the north and east of Downtown Los Angeles (U.S. Census Bureau, 2010, 2013). These increases represent thousands of residents that will benefit from accessibility and street safety improvements, and should serve as examples of what is possible, even with limited investments, for other communities that have not yet adopted less car-dependent lifestyles¹. The lack of any large areas with widespread mode shift is evidence that there is still much work to be done to create the right type of development around transit hubs, and to allow Los Angeles residents and employees to get out of their cars and into alternate modes of transportation.

Change in Car-Free Mode Share in River-Adjacent Communities, 2010-2013

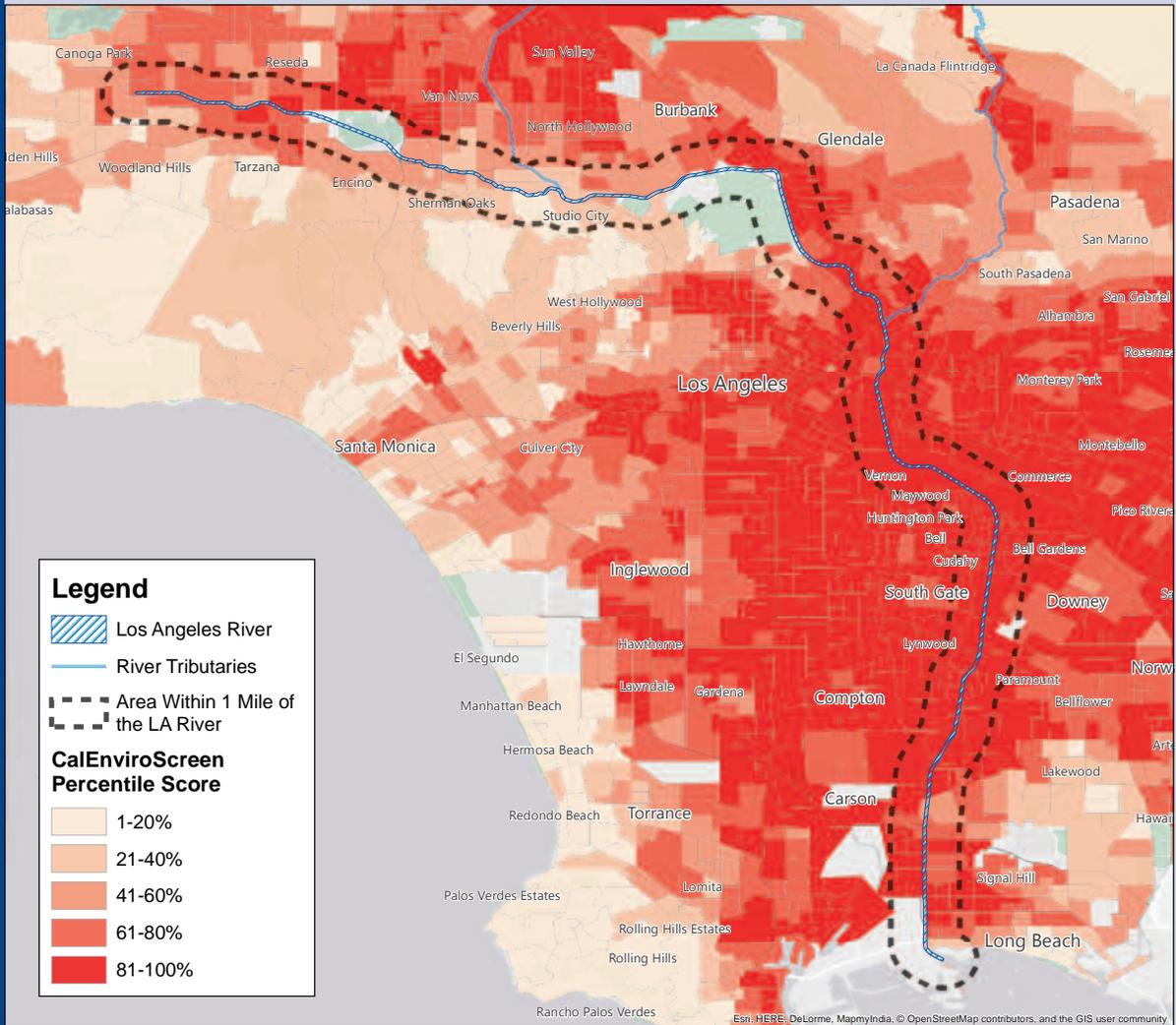


Highest Burden of Pollution in River-Adjacent Communities

CalEnviroScreen is a screening methodology used by the state to identify communities that suffer a disproportionate pollution burden and are most vulnerable to its ill effects, due to negative socioeconomic and health indicators such as high rates of poverty, low average birth weights, and large numbers of asthma-related hospital visits. Based on these indicators, CalEnviroScreen ranks communities from least-burdened (low percentile score) to most-burdened (high percentile score) by pollution.

Census tracts in the 91st to 100th percentile are considered the most burdened in the state—the worst 10 percent—and LA County has a disproportionate share: 19 percent of census tracts in the county rank among the most-burdened in the state, compared to just 10 percent of census tracts statewide. When this analysis examines just the census tracts within ½-mile of the LA River, that proportion jumps to a shocking 37 percent (State of California Office of Environmental Health Hazard Assessment, 2014). Although this is not a comparison over time as with the above demographic and employment data, it highlights the challenges currently faced by many river-adjacent communities, and the value that investments in sustainable infrastructure and new development can bring to some of the region’s most disadvantaged residents.

¹ Note: Change in car-free mode share represents an absolute change (e.g., a census tract with 1% car-free mode share in 2010 with a 10% increase would have an 11% car-free mode share in 2013, not a 1.1% share).



River Revitalization: Challenges And Opportunities

In previous years, the LABC Institute’s Annual Livable Communities Report identified a vital need for equitable community redevelopment throughout Los Angeles; it also highlighted many of the obstacles that stand in the way of realizing that vision. The LA River Revitalization Master Plan was released in 2007. Since that time, the decline and subsequent recovery of local housing and employment markets have heightened concerns over the potential impacts of gentrification and displacement in many of LA’s diverse and historic river communities.

Recovery in employment has been bimodal, with strong gains in the low-wage and high-wage sectors and relatively modest increases in middle-class job opportunities (Hsu, 2014). Improvements in the housing sector have been uneven as well, with homeowners in wealthy neighborhoods seeing rapid appreciation in the value of their homes since the housing crash, while homeowners in lower-income and working class neighborhoods have seen little improvement since they purchased their homes, with many mortgages still underwater (PropertyShark, 2015). Renters continue to face a tight market, with little relief in sight: Rents are increasing far more quickly than wages, and many residents face the prospect of displacement to neighborhoods with less access to parks and social gathering spaces, and fewer affordable transportation options and employment opportunities.

Various river revitalization initiatives offer opportunities to bolster our region’s ongoing economic recovery while ensuring that market forces are managed for the benefit of not just the lucky few, but for all city and county residents. These opportunities extend to nearly every facet of our residents’ lives; many of these potential impacts are summarized below.

Employment Growth

Recovery from the Great Recession has been a long, protracted process. To this day, the City has yet to match its pre-crash employment rate, and its recovery has stubbornly lagged behind that of California and the nation as a whole (State of California Employment Development Department, 2015). Los Angeles is particularly in need of jobs that are accessible to middle- and working-class residents, many of whom worked in the industrial, manufacturing, and warehousing businesses once prevalent along the river. As we move ahead investing billions of dollars in our river and the communities along its banks, creating opportunities for job growth in new, broadly-accessible industries will be a central aim of the Los Angeles Business Council and its partners.

UNEMPLOYMENT RATES (February 2015)

United States	5.5%
California	6.7%
Los Angeles County	7.8%
City of Los Angeles*	8.1%

*Data for City of Los Angeles not seasonally adjusted

Market-Rate and Affordable Housing Production

Housing affordability is a growing concern in LA County, with rapid appreciation of homes leading to displacement of many lower-income and working-class families. According to a recent study by the California Housing Partnership Corporation, LA County needs almost 500,000 more units that are affordable to households earning less than 50 percent of the metropolitan area median income (California Housing Partnership Corporation, 2014). Mayor Garcetti has set admirable goals in his Sustainable City pLAN to build 100,000 new residential units by 2021, and begin construction of 17,000 of those new units within 1,500 feet of transit by 2017. Furthermore, the Mayor set a goal to reduce the number of LA households who are severely rent-burdened by 10% by 2025 and Metro's Board recently voted to establish a portfolio-wide goal to ensure that at least 35% of all residential units developed on Metro land are affordable to low-income residents. Funding assistance from a variety of sources - among them Metro resources and revenues from the state's growing cap-and-trade fund - will help us ensure that many of the new units are reserved for lower-income households.

Reversing the history of disinvestment along the river corridor presents an excellent opportunity to build many of those hoped-for housing units in sustainable, transit-oriented and active transportation-oriented communities. At the same time, we must balance new development with preservation of existing housing—especially market-rate units that have historically been affordable to lower- and middle-income renters. Taken together, these efforts will help counter the displacement of long-time residents and provide new options for current and future residents of revitalized river communities.



Artist's rendering of new residential development featuring pedestrian access to the LA River. Copyright City of Los Angeles from the Los Angeles River Revitalization Master Plan (2007)

Ecosystem Recovery and Pollution Reduction

The Los Angeles River is currently the destination for polluting, waste-ridden runoff from throughout the region. Under these circumstances, most sections of the river have been unable to support a riparian habitat for many decades. Industrial uses along the river further contribute to poor local environmental conditions, not just for the river but for nearby residents as well.

As highlighted earlier in the report, according to the latest data from CalEnviroScreen, 37 percent of census tracts within a half-mile of the river fall within the most-polluted (worst 10 percent) tracts in California—twice the rate of LA County and nearly quadruple the average rate for the state as a whole (State of California Office of Environmental Health Hazard Assessment, 2014). A restored river

LOCATION	SHARE OF CENSUS TRACTS AT OR ABOVE 90 TH PERCENTILE FOR CALENVIROSCREEN POLLUTION INDEX
California	10%
LA County	19%
Within ½-Mile of the LA River	37%

ecosystem, new stormwater retention and filtration infrastructure, and upgraded connections to local parks and open space have the potential to dramatically improve environmental conditions for local residents and employers, transforming the LA River from a liability into a world-class network of parks and a tool for local pollution mitigation. Additional plant life will also have an immediate positive impact, cleansing the air of toxic chemicals and particulates while reducing the heat island effect in our urban communities.

Stormwater and Wastewater Retention

The LA River was paved and channelized to facilitate the rapid transport of stormwater from the city to the sea, and that remains its primary purpose to this day. While the value of flood control is beyond dispute, the current design of the river channel leads to the loss of large quantities of stormwater and wastewater that could otherwise be filtered through our soils, reducing pollution from runoff and adding to the local supply of groundwater. Aside from the environmental benefits of reduced pollution and a stronger local water supply, this would also have financial ramifications for the region: According to the LA County Flood Control District, during the heavy rainfall years of 2011-2012 the county was able to conserve 1 million acre-feet of water through recapture—a quantity that would have cost \$550 million to buy from imported sources (Scauzillo, 2014). Mayor Garcetti has set a goal of decreasing the city’s reliance on imported water by 50 percent over the next 10 years (Office of Los Angeles Mayor Eric Garcetti, 2014); with approximately 85 percent of our water imported from outside the region, a bold, committed effort will be required to achieve that goal.

Transportation and Accessibility

With the advancement of initiatives like Greenway 2020 and numerous parks and open space sites identified in the LA River Revitalization Master Plan, the river has the potential to become a key transportation and recreation corridor for residents and visitors to the city. The Master Plan envisions the river as a “green spine” snaking throughout the city, with “nerves” of green streets and pathways extending into local communities, bringing life wherever they reach.

As reinvestment and redevelopment along the river progresses, it will be essential to facilitate growth that supports these connections for the benefit of whole communities. This will require that some property be used for other than its highest and best economic use, such as for park space frontage along the river or for pedestrian paths into the community. Incentives or other forms of compensation must be identified to make this palatable to owners and developers, or we risk squandering the potential of this once-in-a-lifetime opportunity. We must also make the most of ongoing investments in Metro’s rail program by coordinating station area improvements with links to key river and neighborhood greenway corridors.

Additionally, local, regional, and state governments should address funding inequities that lead to a disproportionately small share of transportation dollars being invested in public transit and active transportation. According to the 2012 California Household Travel Survey, the share of trips made by

walking, bicycling, and public transit have all doubled between 2000 and 2012, from a total of 11.4 to 22.5 percent of all trips (California Department of Transportation, 2013), yet just 1 percent of the state transportation budget is invested in active transportation (Curry, 2014). Shifting funding levels to match mode share targets, as was recently done in San Luis Obispo (Meyer & Rivoire, 2015), would provide a massive influx of local transportation investment that would benefit river-adjacent neighborhoods, businesses, and communities throughout Southern California.

Public Health and Safety

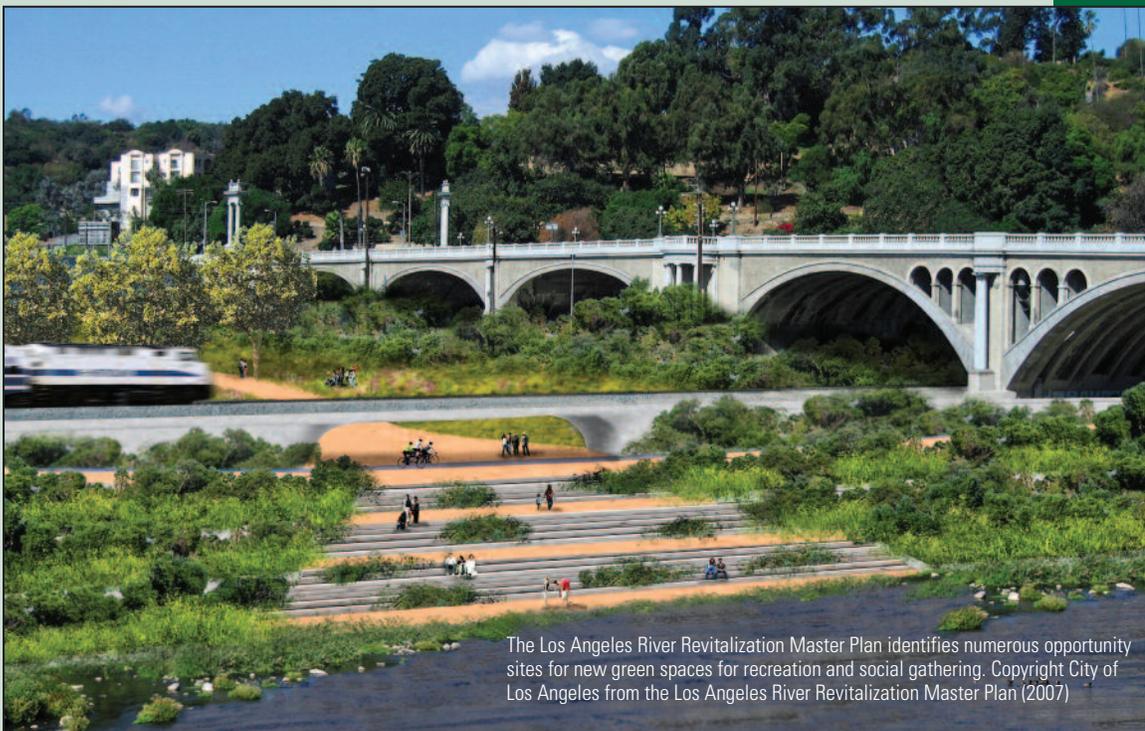
The health costs of physical inactivity are disproportionately paid by inner-city residents, people of color, and our lowest-income residents, all of whom have significantly less access to open, green spaces. Ensuring that all members of our region are given equal opportunities to live healthful, productive lives should be among our highest priorities while working to restore vitality to the river and its neighboring communities.

According to a recent study by the UCLA Center for Occupational & Environmental Health, the financial costs of physical inactivity far exceed the costs of investing in bikeways and walking paths along urban rivers. By one estimate, \$1 spent on trails results in a savings of \$3 in direct medical benefits. Another study found that the average annual cost per user of bicycle and pedestrian trails was \$235, far less than the annual per-capita medical cost of physical inactivity, which is \$622. In every case, river trails were found to be cheaper than the long-term costs associated with sedentary lifestyles (Jackson, et al., 2014).

Social Engagement and Community-Building

The planning process for river restoration and community redevelopment will provide local communities with opportunities for engagement and empowerment, with local residents playing an integral role in directing the future of their individual neighborhoods. At the same time, new parks and recreational spaces create physical assets for civic pride and open the door to informal social gatherings as well as programmed community-building events such as outdoor festivals, farmers markets, and cultural celebrations.

The social benefits of added green space are well established. In one important study from the University of Illinois, researchers found that “people living in buildings near green areas had a stronger sense of community and coped better with everyday stress and hardship,” and that these environments can also lead to lower personal and property crime rates. It was also found that children with attention deficit disorders were better able to concentrate, complete tasks, and follow directions when exposed to natural environments (Ackerman, 2006).



The Los Angeles River Revitalization Master Plan identifies numerous opportunity sites for new green spaces for recreation and social gathering. Copyright City of Los Angeles from the Los Angeles River Revitalization Master Plan (2007)

CURRENT RIVER AND RIVER-COMMUNITY REVITALIZATION INITIATIVES

As noted above, there are numerous initiatives underway aimed at restoration of the river ecosystem and the environmental and economic revitalization of adjacent communities. A summary of some of the most prominent initiatives is included below. Although these initiatives and programs address a range of issues, what they all share is a need for coordinated leadership in developing and maintaining a comprehensive vision for the future of the river corridor.

Los Angeles River Revitalization Master Plan (LARRMP)

The LARRMP is in many ways the framework around which the various other river initiatives are built. It has helped lay the groundwork for many of the projects being planned or currently underway, largely by outlining its four core principles for river and community revitalization, described below.

Revitalize the River

Goals related to this principle include re-creation of a continuous riparian habitat corridor within the channel, and removal of the river's concrete walls where feasible. A full restoration to the river's naturalized condition would likely result in the loss of its ability to handle large-scale flooding events, so this goal must be balanced against the need to preserve the channel's flood control elements.

Green the Neighborhoods

With this goal the LARRMP authors identify a desire to create "a green ribbon throughout the City, with green strands extending the river's influence into adjacent neighborhoods in order to reconnect communities to the river and to each other." This aligns well with the goals of the Greenway 2020 initiative (below), the river access projects contemplated by the Army Corps of Engineers (below), and the mobility hub concept introduced in past LABC Institute Livable Community Reports.

Capture Community Opportunities

Reinvesting in the river and its adjacent neighborhoods will require input from local stakeholders to identify each unique community's goals and aspirations. A revitalized river will present new opportunities for recreation and social engagement, provide spaces for new public facilities and events, foster civic pride, and celebrate the cultural heritage of river communities.

Create Value

This principle refers to not just economic value, but to social, health, and environmental value as well. Initiatives along the river will serve to increase the attractiveness of the region as a place to live and work, will empower communities through participation and consensus-building, and will provide the many underserved neighborhoods along the river with a more equitable distribution of resources and opportunities.

Five primary values underpin the LARRMP vision: *environmental responsibility; social and geographic equity; community engagement; sustainable economics; and approaching issues with a system-wide perspective*. Each value is evident in the principles and goals outlined above, and specific case studies are highlighted in 20 "Opportunity Areas" identified as sites for potential investment, restoration, and redevelopment along the river.

Army Corps of Engineers' Los Angeles River Ecosystem Restoration, Alternative 20

The Los Angeles River Ecosystem Restoration Integrated Feasibility Report studies the potential for restoration of an approximately 11-mile section of the LA River, from Griffith Park to Downtown Los Angeles. The recommended alternative (Alternative 20) is the most expensive—exceeding \$1 billion—and most comprehensive of the alternatives listed in the feasibility report. Its goals include reestablishing "riparian strand, freshwater marsh, and aquatic habitat communities," reconnecting the river to its major tributaries and regional habitat zones, and providing recreational opportunities and improved connections between the river and neighboring communities.

The City of Los Angeles will be responsible for funding a sizable portion of the restoration effort, in partnership with the federal government, so identifying revenue and financing options will be crucial to seeing this showcase river project move forward. Also, although the Corps' restoration project is an outstanding model for what is possible along the river, its geographically-limited scope—approximately one-fifth of the length of the river—highlights the need for additional restoration plans along the remainder of the corridor, as well as the considerable cost of a river-wide ecosystem restoration effort. Public and private leadership must work together to develop a unified, comprehensive revitalization plan while respecting the unique needs and wishes of communities along the river corridor.

Greenway 2020

Greenway 2020 is a combination of efforts by the City and County of Los Angeles, championed by the Los Angeles River Revitalization Corp, in partnership with local community organizations, business associations, foundations and elected leaders. To date, over half the route – 26 miles - has been completed through contributions from the County, local municipalities, and their partners. Companies have stepped in as well, including NBCUniversal's \$13 million donation and partnership with LA County to extend the existing seven-mile river path from Griffith Park Zoo to Lankershim Boulevard by 2016.

The Los Angeles River Revitalization Corp has been highly effective at securing philanthropic, business and community support for the Greenway 2020 campaign. Several of their project successes include the La Kretz Crossing, a philanthropically-funded bicycle and pedestrian bridge that will connect Atwater Village to Griffith Park and a creative partnership with Golden Road Brewery that establishes the Greenway 2020 brand while raising funds to support its mission.

The Greenway is one of the few projects that includes the entire length of the river in its vision. As such, the LA River Revitalization Corp's experience in advancing this initiative will prove invaluable to supporting the development of a comprehensive river-wide planning and governance structure. The project may also serve as the starting point for expanding mobility and accessibility infrastructure beyond the river into nearby communities.



Copyright City of Los Angeles/US Army Corps of Engineers from The Los Angeles River Draft Ecosystem Restoration Integrated Feasibility Report (2013)

Los Angeles River Improvement Overlay (LA-RIO)

The LA-RIO is a special use district located along the 32-miles of the river found within the City of Los Angeles, from the river's headwaters to Boyle Heights. The LA-RIO was a recommendation of in the Los Angeles River Revitalization Master Plan and was adopted as an ordinance by the Los Angeles City Council in 2014. Design guidelines associated with the LA-RIO are currently being folded into the City's broader re:codeLA project. The district's intended function is to assist with implementation of the LA River Revitalization Master Plan, providing design guidelines related to watershed management, urban design, and mobility. These elements will guide private development and public investment in a way that encourages watershed improvements, promotes sustainable habitats, and improves mobility along the River Greenway and within surrounding neighborhoods (City of Los Angeles Department of City Planning, 2008).

With standards and guidelines for both property improvement and "complete green streets," the LA-RIO can play an integral supporting role in raising the bar for urban form along the length of the LA River, while still maintaining the character of each distinct neighborhood. As new developments, renovations, and modernizations take place along the river, the City should provide incentives that encourage broad adoption of the proposed guidelines and promote investments in building more equitable communities.

Cornfield Arroyo Seco Specific Plan (CASP)

In 2013, the City of Los Angeles adopted the Cornfield Arroyo Specific Plan after a planning process that included extensive community-driven public outreach and stakeholder participation. The CASP seeks to incentivize development in the area just northeast of Downtown Los Angeles through detailed design guidelines and reduced restrictions on projects that comply with them. In fact, the CASP is the first specific plan in Los Angeles that has no minimum parking requirements, instead allowing developers and the marketplace determine the appropriate level of parking to provide (City of Los Angeles Department of City Planning, 2013).

The CASP is still a relatively new plan, and it remains to be seen how effective it will be in generating healthy growth in this neighborhood; regardless, this specific plan is an excellent example of how community input and creative planning may be used to attract desirable investment and development to a community that is poised for growth.

Northeast Los Angeles (NELA) Riverfront District Vision Plan and Economic Development Implementation Strategy ("NELA Vision Plan")

This vision plan focuses on the Glendale Narrows section of the LA River and was developed by the city in partnership with community members from Atwater Village, Cypress Park, Elysian Valley, Glassell Park, and Lincoln Heights. The plan was created to help leverage river revitalization efforts for the benefit of the participating neighborhoods, and is a model for community engagement in creating a holistic vision for redevelopment and restoration along the riverfront.

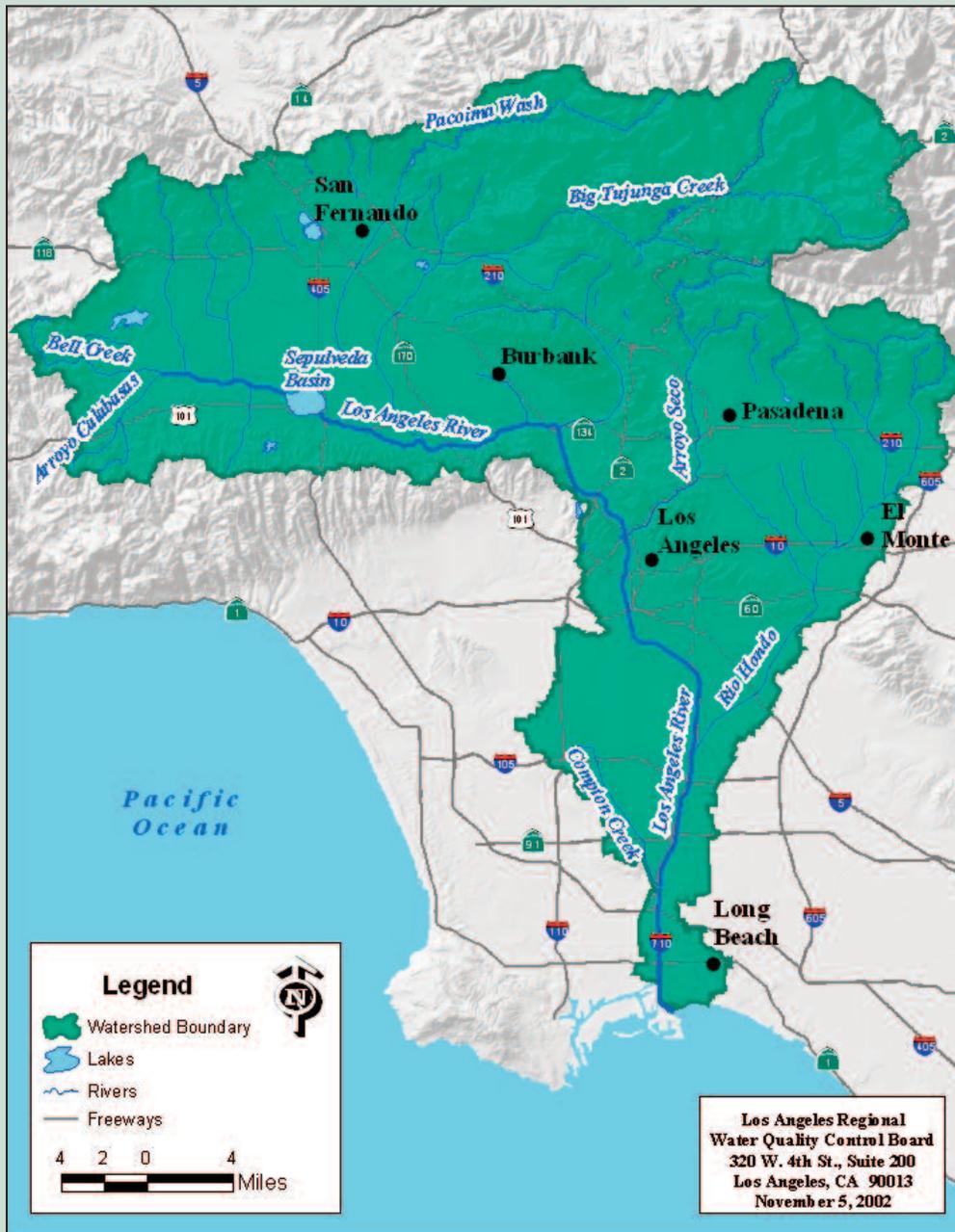
The NELA Vision Plan identifies a number of key goals, including the enhancement of a "sense of place" along the river, connecting neighborhoods to the river with mobility improvements, strengthening and supporting employment opportunities, improving governmental regulation and coordination of reinvestment activities, making space for social equity, and promoting sustainable economic development (Northeast L.A. Riverfront Collaborative, n.d.). These goals align well with those identified by the LABC Institute and its partners, highlighting further opportunities to collaborate with river communities in developing visions for redevelopment that enjoy the shared support of neighborhood groups, city staff, business groups, and real estate developers.

City of Los Angeles "One Water LA" Initiative

"One Water LA" is a City of Los Angeles initiative which seeks to address water quality, conservation, and flood control issues in a comprehensive manner. It seeks to break down "siloes" between how we plan for and manage storm water, recycled water, waste water, and other water types, and to approach watershed planning in a way that meets environmental goals while providing economic and social benefits to local communities (City of Los Angeles, 2015).

The City of Los Angeles Bureau of Sanitation is responsible for ensuring that the water quality within all of the city's watersheds are compliant with all prevailing regulations; the LA River and its tributaries account for a very large share of that territory. Because the Bureau's responsibilities extend to the tributaries and other water sources that feed into the LA River, the One Water initiative presents an opportunity to bring water quality improvements and ecosystem restoration beyond the banks of the LA River, into the neighboring communities through which those tributaries flow. Examples include the Arroyo Seco in Northeast LA, and the Tujunga Wash, which runs to the south between Van Nuys and North Hollywood. By improving water quality and managing the flow rates of tributaries and other water sources for the river, upstream improvements will have a direct impact on restoration efforts within the LA River itself.

Los Angeles River Watershed



Source: Los Angeles Regional Water Quality Control Board

Moving Forward

The above plans and initiatives, in addition to a host of others not mentioned, will play valuable roles in the revitalization of the river and the recovery of its adjacent communities. Thus far, however, there has been a lack of high level coordination bringing all of these plans and initiatives together. Each has its own geographic focus, sometimes overlapping with the boundaries of others; its own goals, generally in agreement with those of other initiatives, though not always; and its own funding strategy, where one exists at this stage of development.

To manage an effort of this scale and complexity, a governance structure will be required that can coordinate funding, programming, and investment, as well as manage conflicts when they inevitably arise. Without such a framework in place, the LA River will not meet its potential as an environmental, social, and economic hub for the LA County region. A fragmented, piecemeal, and most likely partial restoration will result, with groups competing for space and for dollars rather than cooperating for the benefit of all. The matter of governance and structure will be addressed in later sections of this report.

Revenue And Financing Opportunities

For nearly all of the initiatives seeking to restore the LA River and revitalize its neighboring communities, securing funding will be critical to success. With that in mind, we have identified a number of potential revenue and financing opportunities, with a special extended discussion of two of the most innovative and promising possibilities: *Enhanced Infrastructure Financing Districts* and a *Stormwater Mitigation Bank / Cap-and-Trade Program*.

Enhanced Infrastructure Financing Districts

With approval of California Senate Bill 628 in September 2014, the state authorized the establishment of Enhanced Infrastructure Financing Districts (EIFDs), an upgrade to existing infrastructure financing district (IFD) law that expands the scope of district activities and eases the path to district formation and approval of local funding mechanisms. Seen by many as a partial replacement for Redevelopment Agencies (RDAs), EIFDs provide cities and counties with a means for funding public capital facilities, redevelopment and brownfield development projects, construction and rehabilitation of affordable housing, transportation investments, and projects to implement sustainable communities strategies.

Like RDAs before them, EIFDs may use tax-increment financing to fund projects, though the scope of taxing jurisdictions has been curtailed compared to the former Redevelopment Agencies' relatively permissive structure. Unlike RDAs, EIFDs may primarily collect only the city and county share of property tax increment, and only with the consent of each participating taxing entity—taxes earmarked for school districts, or for local governments that don't wish to participate in the EIFD, may not be used. Despite these limitations, the revenue potential of this model remains significant, and it includes a number of other potential funding sources beyond tax increment, such as fees or assessment revenues. It also offers a governance structure that can encourage collaboration and an equitable distribution of benefits between stakeholders.

Projects relevant to the revitalization of the LA River, such as redevelopment of industrial sites, design and construction of new parkland, stormwater retention infrastructure, affordable housing, and neighborhood greenway connections, could all potentially be funded, at least in part, by Enhanced Infrastructure Financing Districts. The flexibility of EIFDs also allows for local districts that are tailored to the individual needs and goals of specific neighborhoods.

The primary advantages of the EIFD law, compared with the former IFDs, are the following:

- The maximum term of incremental tax allocation to districts is extended to 45 years from the date of issuance of a bond. Formerly, the limit was 30 years from the date of district formation.
- Joint Powers Authorities (JPAs) may now be established among participating jurisdictions.
- New financing tools are available in addition to tax-increment financing, including fees and assessment revenues, availability payments, and other sources; the former IFD law allowed tax increment financing only.
- EIFD funds may be used on a broader array of project types, no longer limited to public capital facilities (although some uses, such as for maintenance purposes, are still disallowed).
- Whereas IFDs required a 2/3 vote of approval by voters within a district, for both district formation and bond issuance, EIFDs require only one vote to move forward—at bond issuance—with approval of just 55 percent of voters.

Establishing an Enhanced Infrastructure Financing District (EIFD)

- 1 Legislative bodies of participating taxing entities (City Councils and/or the County Board of Supervisors) authorize formation of a public financing authority (PFA)
- 2 Approve Resolution of intention to form EIFD, including identification of boundaries, facilities to be financed, proposed projects, economic development goals for the district, and statement of intent to finance EIFD activities with incremental property tax revenues
- 3 Develop an Infrastructure Financing Plan (IFP), which includes proposed boundaries, public facilities and other planned developments, and financing plan
- 4 Hold a public hearing before each taxing agency’s legislative body to adopt the IFP; once all local agencies have adopted the IFP the EIFD is officially formed

EIFD Funding Opportunities

When an EIFD is established, existing tax revenues are set at a baseline level, and those revenues continue to be passed on to existing taxing entities over the course of the district’s life. For jurisdictions that choose to participate in the EIFD, the growth in tax revenues above that baseline is then reserved for the uses laid out in the Infrastructure Financing Plan. At the decision of the PFA, and with the approval of registered voters within the district, this revenue stream can be bonded against to generate more up-front funding for projects.

Since the LA River runs through such a large portion of the county, the land immediately surrounding the river presents a sizable revenue-generating opportunity for value capture by way of an EIFD. To see the magnitude of this potential, we analyzed a hypothetical EIFD spanning the 51-mile length of the river and including all parcels located within 1 mile in either direction of the riverbank. Our assumptions for this exercise are that only local municipalities along the river are involved in the EIFD—meaning that all county revenues and those of other taxing entities like school districts and community colleges would continue to be passed through to those jurisdictions—and that approximately 15 percent of the 1% General Levy in LA County is returned to local jurisdictions. The following table shows tax revenue and bond revenue potential for an LA River EIFD:

Potential EIFD Tax Increment Generation (All parcels within one mile of LA River)

	2% CONSERVATIVE GROWTH RATE	3% ENHANCED GROWTH RATE
Current Local-Share Tax Revenue	\$208,538,171	\$208,538,171
Year 1 EIFD Tax Increment	\$4,170,763	\$6,256,145
Total 45-Year Tax Increment (Nominal \$)	\$5,608,156,608	\$9,951,412,607
NPV of Total Increment (7% Discount Rate)	\$849,372,536	\$1,437,475,328

Note: A more complete analysis of the EIFD potential along the river is included in **Appendix A** available at labcinstitute.org

The logistics of creating an EIFD of this size, which also crosses multiple city boundaries, would prove extremely difficult, so the prospects for establishing a single river-wide district are slim. Nonetheless, the above exercise illustrates that there are billions of dollars in potential value-capture available along the river for cities to direct to riverfront restoration and infrastructure development. The Implementation section below sets forth strategies through which these dollars can be put to work.

Stormwater Retention Credits (Bank) / Stormwater Cap-and-Trade Program

The Los Angeles River Basin has an overwhelming level of untapped potential for the retention of stormwater, wastewater, and recycled water. According to the Department of Water and Power (DWP), the City of Los Angeles currently imports over 85 percent of its water, with just 11 percent originating from local groundwater supplies (Los Angeles Department of Water and Power, 2014). Increasing the share of water that is retained and used to recharge our supply of groundwater can dramatically reduce the amount we spend on imported water, and can help to significantly offset the costs of greening our river and our neighborhoods.

Over the long term (to year 2099), the DWP estimates that the city could double or triple its water capture rates, from a current rate of 11 percent to between 24 and 33 percent (Los Angeles Department of Water and Power, 2014)—increasing from 92,400 acre-feet² today to between 197,300 and 285,900 acre-feet in the future. With current Metropolitan Water District rates set at \$923 per acre foot of treated imported water (Metropolitan Water District of Southern California, n.d.), this equates to an approximate annual savings of \$90-\$180 million in 2015 dollars. (Water costs have also increased faster than inflation in recent years).

Given that a sizable share of our water retention goals can be achieved through distributed infrastructure projects that are compatible with green building techniques—including rain gardens and bioswales, permeable pavement, ecosystem restoration, and parkway development—there exists a clear opportunity to offset the cost of these investments with a reduction in imported water expenditures. Investing in more sustainable communities can be a means not only to improve the social and environmental quality of our neighborhoods, but also to enrich them economically.

In addition to the development of large-scale stormwater, wastewater, and recycled water retention infrastructure and other publicly-funded investments—potentially funded by the EIFD mechanism noted above—a **stormwater retention credit system could spur cost-effective recapture investments at a smaller scale, on a parcel-by-parcel basis.**

Such credits could function similar to a cap-and-trade system, in which a pre-determined amount of stormwater capture would be required of new development throughout the geographical region. Owners and developers would be free to buy and sell credits to determine the least expensive means of achieving that goal, rather than being required to each meet some minimum threshold, regardless of the individual characteristics of their parcels. In this respect, the system would operate more efficiently and likely with overall greater gains in water recapture, than Low Impact Development standards in place today.

For an example, one can imagine the owner of a flat parcel of land with high soil porosity. That owner might choose to invest extra funds into stormwater recapture on her site due to the high efficiency of water retention per dollar invested. Having exceeded the average stormwater retention requirement for a parcel of her size, she could then sell a portion of her credits to the owner of a hillside parcel for whom investing in retention infrastructure would be costly and relatively ineffective. Under such a system both parties profit: The owner of the flat parcel is able to earn a profit on the sale of her stormwater retention credits (she earns more from sale of the credits than it cost to build the additional retention infrastructure), and the owner of the hillside parcel is able to purchase the credits at less expense than it would cost to build additional retention infrastructure on his unwieldy site. Communities and the local government also benefit: They achieve at least the same level of total water recapture as if each site had managed its stormwater recapture independently, and they reduce the risk that onerous environmental regulations will prohibit otherwise productive redevelopment that increases the supply of housing, creates jobs, and contributes to a stronger tax base.

The Role of a Stormwater Retention Credit "Bank"

Developers might initially be concerned with the lack of a track record for such an arrangement—that, if they spent extra on stormwater recapture, there would be no buyer for their excess credits. To avoid this problem the City or a JPA of the County and river-side cities could step in to establish a Stormwater Retention Credit "Bank". Such a bank could initially be funded through a capital expense set-aside tied to future savings on imported water costs, or more conventional sources such as from the recently-approved \$7.5 billion state water bond, Proposition 1. The bank could benefit the cap-and-trade market in several distinct ways: By acting as a buyer for early-adopting developers to "make the market" before the program is self-sustaining; by serving as a clearinghouse and marketplace for landowners seeking to buy and sell credits; and by developing green infrastructure projects that go far above and beyond the on-site stormwater capture requirements, then selling the credits created by those projects to generate a new revenue source for future public projects.

² An acre-foot of water will cover one acre of ground to a depth of one foot, and contains 325,829 gallons.

Implementation Strategy: Identifying Pilot Districts

For a comprehensive LA River development strategy to have sustained success, long-term financing streams must first be identified, then complemented by planning and development tools that enable developers to make private investments that leverage public spending in the region. Successful plans must have both short-term and long-term strategies and achievable, quantifiable goals. The vast area covered by the river and its neighboring communities makes the prospect of crafting a single plan to enhance livable community development along its entire length daunting. Consequently, an ideal first step toward a comprehensive strategy would be to develop smaller geographic areas along the river—scalable “pilot districts” that serve as a proof of concept for financing, and development tools that can eventually be utilized along the entire river.

This report contemplates two such pilot districts that can be used as proving grounds for a river-wide development program. While these are by no means the only river-adjacent communities that stand to benefit from investment or contain the most development opportunity sites, our analysis of demographic and development trends point to these geographies as areas that are well-positioned to demonstrate the potential of a river-focused planning and policy agenda relatively quickly. The ultimate goal of these pilot districts would be to test the effectiveness of a comprehensive “developer’s toolkit” that can then be scaled and applied to all suitable communities along the river. In selecting pilot district locations, we have considered the following criteria:

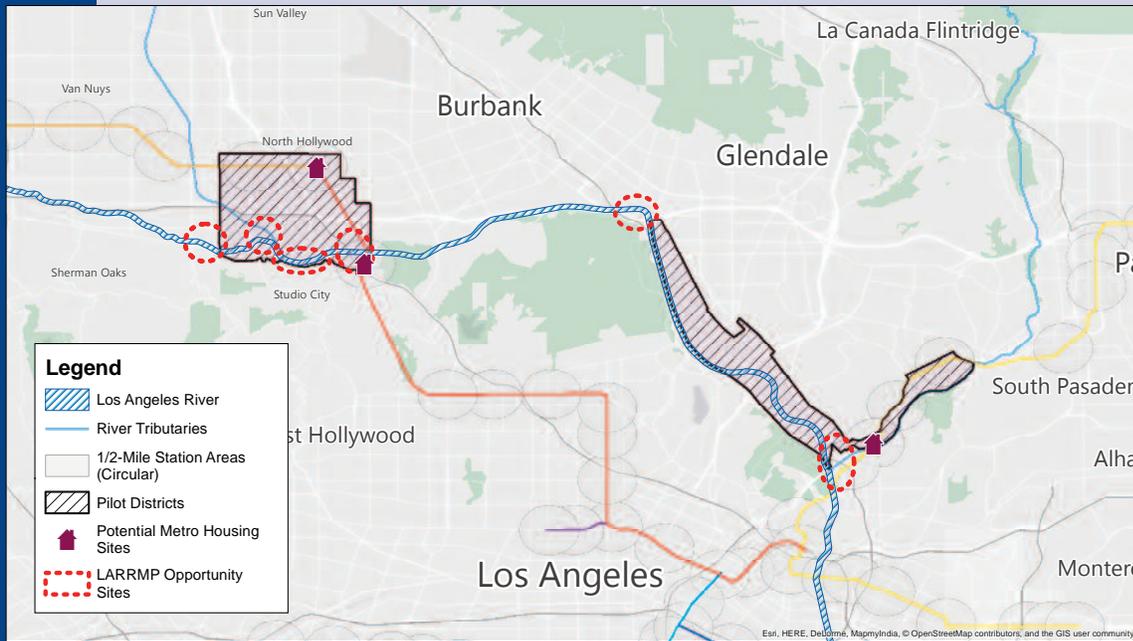
- **Demographic trends that show potential for sustainable growth.** These trends include increased employment, population and housing density, or propensity for use of transit and active transportation. While few areas throughout the city exhibit indicators of growth in all of these areas, those that do are more likely to embrace increased development around the river and near transit hubs, and to successfully integrate this new development into existing communities.
- **Intersection between the river, transit infrastructure, and community assets.** As illustrated in previous LABC Institute Livable Communities Reports, the right mix of uses and infrastructure is essential for the sustainable development of livable neighborhoods. The LA River, home to an extensive network of planned or completed pedestrian paths and urban trails, is a unifying connector that can extend the reach of transit into surrounding communities. In particular, areas near the river with existing growth near transit stops and stations are poised to leverage public investments effectively in the near term. In identifying potential pilot district locations, we searched for opportunities to connect transit lines with neighborhoods that have potential to grow and meet the region’s development needs.
- **Developer sentiment and trends of recent or planned investment.** There are always “hot” neighborhoods that defy explanation by demographic trends alone. Development so often comes in waves, and one catalytic project can spark a market trend that spreads throughout the area. Though this criterion is more subjective and less quantifiable than the prior two, our pilot districts seek to identify areas that have either seen recent investment by developers or have a number of opportunity sites that may be attractive for development due to low land costs, proximity to other growing neighborhoods, or high quality transit connections.

Demographic trends presented earlier in this report pointed to three key nodes of growth activity along the LA River: the Warner Center area, Studio City-North Hollywood, and Downtown Los Angeles. The Warner Center Specific Plan is already in place and being used to manage a recent surge in development in that area, and Downtown LA proper has seen unprecedented growth without the need for sizable incentives beyond already-favorable zoning, so those two areas are not ideal for river pilot districts. Northeast Los Angeles (NELA), just outside of Downtown, and Studio City-North Hollywood, however, each provide unique opportunities to identify and implement successful strategies for river redevelopment.

Northeast Los Angeles (NELA) River District

The Northeast Los Angeles River District, as illustrated in the map below, is a relatively small, L-shaped area that extends along both sides of the river from the 134 Freeway on the north to the 110 Freeway on the south, then follows the path of the Gold Line light rail corridor along the 110 Freeway northeast to Highland Park station. Though the land area of the district is relatively small—just over 5 square miles—it serves as a crossroads between light rail transit and the active transit corridor

River Pilot Districts and Development Opportunity Sites



being developed alongside the river. The neighborhoods within this district are characteristic of the smaller-scale, underutilized development patterns seen surrounding many stretches of the river, and there are a number of opportunity sites for residential, office, and light industrial uses located within this small area. At the same time, many surrounding neighborhoods have seen significant private investment in recent years, providing excellent active streets, businesses, and community assets in close proximity to this pilot district.

In addition to market trends that may make the NELA River District attractive for investment, there is a substantial amount of overlap between the boundaries of this pilot district and the NELA Vision Plan described earlier in this report. The Vision Plan is an exemplary model of community engagement that can drive successful planning processes. That process has identified the key development priorities of the NELA riverfront communities that the pilot district should seek to address. Previous planning efforts along the river have conflicted with one another, at times, but this is an opportunity to build a pilot district on the foundation of visionary and strategic work already performed by public and community partners. This level of coordination will encourage new development that fits within the context of existing neighborhoods and discourages displacement of current residents and employees.

Studio City-North Hollywood River District

This district falls along a different point on the development spectrum than the Northeast LA District, with a substantially higher density of existing residential and commercial development, but is typical of a number of other communities along the river. This geographic area has seen some of the highest job and population growth of any riverside neighborhood over the past few years, and these trends are poised to continue as developers have honed in on this area for multifamily residential and commercial investment.

Studio City is located immediately adjacent to the river and contains several key development opportunity sites. North Hollywood, though located slightly farther from the river, is connected to Studio City through development patterns and transit, and is home to a large public transportation hub at the intersection of the Red Line subway and Orange Line bus rapid transit (BRT) corridor. These transit connections have led to real growth in the proportion of local residents using public transportation, walking, and bicycling for their daily commute trips.

Though there has been a high level of recent investment in this community, there are no current efforts to directly manage development in a fashion that integrates livable community development with the river infrastructure. As such, there is an opportunity for this pilot district to provide a comprehensive vision and set of tools to manage larger-scale development along or near the river.

The Developer’s Toolkit

Identifying the geographical boundaries for the pilot districts described above is only the first step in the creation of a successful implementation strategy. The districts must be equipped with a set of financing options, planning tools, and development incentives to be able to achieve the stated goals for river redevelopment. The following “Developer’s Toolkit” is a set of new funding sources and planning tools that are not yet available to developers and should be established within the river pilot districts to help incentivize catalytic developments, leverage public investment, and expand the supply of workforce housing in these areas. Since these recommendations are a departure from Los Angeles City Planning and Building and Safety policies, the institution of this Developer’s Toolkit within pilot districts can be used by policymakers to evaluate which tools are most effective and which should be explored for expansion to other parts of the region.

Developer’s Toolkit:

- Project financing through establishment of EIFDs
- Design guidelines created with local stakeholder input
- Expedited plan check and permitting for projects complying with design guidelines
- True by-right development through revision of Site Plan Review process
- Increased density bonus incentives for projects that include workforce housing

Project Financing: EIFDs

The value capture potential of an Enhanced Infrastructure Financing District along the entire length of the river was examined in the Revenue and Financing Opportunities section of this report, but here are numerous obstacles to establishing an EIFD that crosses so many jurisdictional boundaries. Focusing EIFDs on smaller pilot district geographies can more feasibly generate revenue streams to invest in local catalytic projects at the neighborhood level, and these smaller EIFDs could be more efficiently established and managed.

The chart below, along with **Appendix B and Appendix C** available at labcinstitute.org, show that even relatively small EIFDs within pilot districts can generate significant revenue streams to pursue public-private development goals. The Year 1 Tax Increment in the table below provides a baseline revenue figure, which will be used by finance professionals to estimate future revenue streams and determine bond capacity; annual revenues grow rapidly, however, as the differential between baseline property tax rates and increasing property values grows larger. The Net Present Value (“NPV”) of the 45-year tax increment is calculated to reflect a realistic (though conservative) estimate of bonding potential, based on the timing of revenue collections and the expected financial return on competing investment opportunities for potential bond buyers.

EIFDs within pilot districts can be combined with complementary financing tools to generate substantial public investment in green infrastructure, commercial development and workforce housing. While EIFDs are not a “silver bullet” for funding all local needs, tax-increment financing can be used with other incentives outlined in the developer’s toolkit to leverage private investment. Further, implementation of pro-growth land use policies combined with the developer’s toolkit and local funding will demonstrate a strong commitment to sustainable economic development, and may help secure additional funding from various local, state, and federal sources for projects within the pilot district.

Potential EIFD Tax Increment Generation for River Pilot Districts

	NELA RIVER DISTRICT		STUDIO CITY-NORTH HOLLYWOOD DISTRICT	
	2% Growth	3% Growth	2% Growth	3% Growth
Year 1 Tax Increment (TI)	\$91,101	\$136,652	\$453,567	\$680,351
Total 45-Year TI	\$122,498,189	\$217,367,328	\$609,882,514	\$1,082,208,106
Net Present Value of TI at 7% Discount Rate	\$18,552,727	\$31,398,575	\$92,368,579	\$156,324,284

Existing and Potential Complementary Funding Sources

- State cap-and-trade proceeds (Affordable Housing and Sustainable Communities Program)
- State water bond (Proposition 1)
- California Active Transportation Program
- Congestion Mitigation and Air Quality Improvement (CMAQ) program
- Metro Call for Projects and Transit-Oriented Development Program
- Measure R 2.0 funds
- Quimby Fees

Design Guidelines

The physical connections between new developments and the river, and the manner in which new construction near the river interacts with transit, storm and wastewater systems, existing neighborhoods, and other key infrastructure, are all integral to the sustained success of community revitalization. At the same time, as illustrated by the differing scale and intensity of development between the two pilot districts described above, each river-adjacent community has its own neighborhood context that must be taken into account when attracting new investment.

Consequently, each pilot district should have prescriptive design guidelines that are established with ample participation from both local residents and real estate industry professionals, helping developers readily understand exactly how their projects can fit in with their surroundings. As a starting point, pilot district communities may take cues from the LA River Improvement Overlay (LA-RIO) guidelines, building on them to develop more comprehensive, contextual specifications for neighborhood design and development. Design guidelines in other parts of Los Angeles are often viewed as an afterthought in the planning process, but guidelines for these pilot districts should be the jumping-off point for new development and should be tied to other benefits and incentives.

Expedited Plan Check and Permitting

Design guidelines established for each pilot district may need to be quite detailed in order to integrate project massing, public access, neighborhood aesthetics, and low-impact development standards. To attract developers to the districts, those projects that strictly abide by the guidelines must be given a “fast track” path to entitlement and permitting. This gives developers a set of clear expectations, rather than submitting projects to uncertain discretionary processes with significant risks as to final schedule and conditions of approval.

By-Right Development and Site Plan Review

In prior LABC Institute reports, we have brought attention to the need for true “by-right” development for projects that the City wants to incentivize in particular locations. In fact, an oft-cited challenge of doing business in Los Angeles is the City’s arduous and unpredictable permitting and review process. The Department of Building and Safety is admirably working on policies and programs to reduce permitting obstacles for all development, including enhanced case management, customer service, and concurrent design, entitlements, and plan check processes, but more must be done to facilitate increased development in the river pilot districts.

The development community is also well aware of challenges of the California Environmental Quality Act (CEQA) compliance process, and pilot districts can look to the example set by the Warner Center Specific Plan to overcome these challenges. At Warner Center, the City underwent a Master Environmental Impact Review (EIR) process, studying the impacts of the most intensive development allowable under the new specific plan. Under this Master EIR, large new projects will be able to receive their entitlements under a Mitigated Negative Declaration (MND) rather than being forced to complete a full EIR, potentially saving incoming developers years on their schedules and millions of dollars in entitlements costs.

On a local level, the City’s Site Plan Review process too often acts as a deterrent to new construction rather than as a guide for healthy development. Because any project that results in an increase of 50 residential units or 50,000 square feet of non-residential floor area is subject to Site Plan Review, which adds time, cost, and potential conditions of approval, the policy is detrimental to meeting Los Angeles’ housing needs. Within pilot districts, projects that comply with underlying zoning, meet all of the design guidelines, and reach affordability goals appropriately set for each district, should either bypass the Site Plan Review process regardless of their size or only be subject to an administrative clearance by City Planning staff, with an expedited path to the plan check process.

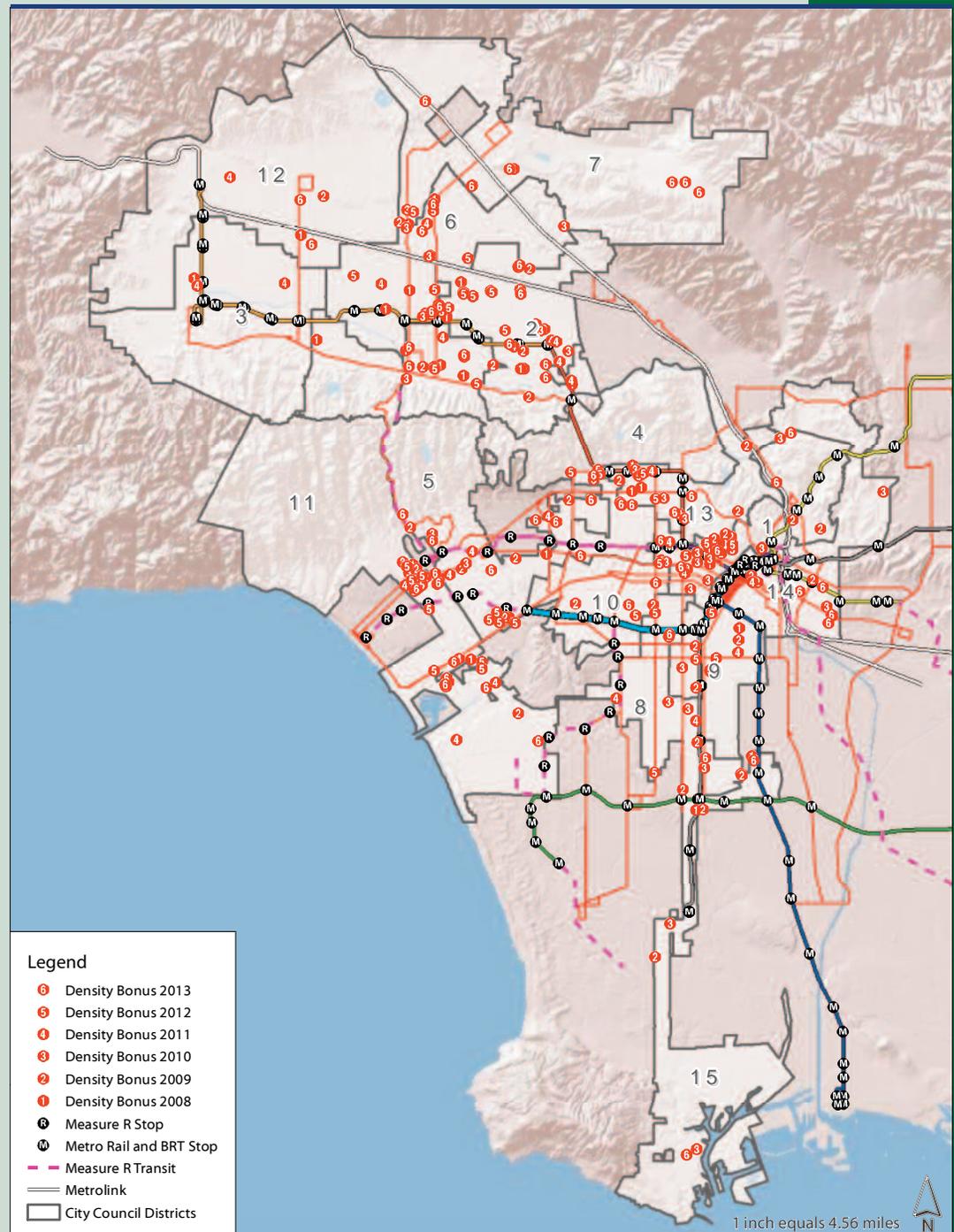
³ Estimating approximately 30,000 housing units in multifamily buildings with 10+ units built between 2008 and 2013, based on American Community Survey 5-Year Estimates for Selected Housing Characteristics.

Density Bonus Incentives

California’s state-mandated density bonus law provides incentives to developers who commit to building housing units at different affordability levels. In the City of Los Angeles, however, these bonuses have not been sufficient to yield a significant amount of additional affordable units in projects that would otherwise be all market rate housing. According to data from the City’s Housing and Community Investment Department, between 2008 and 2013 only 187 market rate projects took advantage of the density bonus, providing a total of 1,406 residential units affordable to households earning 80% of Area Median Income (AMI) or less, and only 81 units affordable to those earning between 80% and 120% of AMI—what earlier LABC Institute reports have identified as workforce housing that is critical to a healthy regional economy. Unfortunately, these numbers pale in comparison to the number of affordable and workforce units that must be built annually to meet the city’s needs, and accounts for only approximately 5 percent of the total multifamily units constructed over this time period³.

The density bonus is a promising tool for encouraging development of more housing that is affordable to all Angelinos. However, the City must make substantial changes to the thresholds to be met for a project to qualify, and to the magnitude of the bonus once that threshold is reached or exceeded. Los Angeles should take the lead on pursuing meaningful analysis of existing density bonus policies to create a more useful tool that can better help the city meet its ambitious affordable housing goals.

CITY OF LOS ANGELES
Density Bonus Projects 2008-2013



HCIDLA Public Policy and Research Unit [HC] 3.2.15 Datasources: ESRI, LA City GIS Repository, MTA

Connecting The Dots: The Role Of Governance In A Successful Development Strategy

Earlier in this report we pointed out many of the plans and programs, each with their own geographies and jurisdictions, seeking to revitalize the LA River and the neighborhoods connecting this critical piece of infrastructure to the greater region. Without adequate planning, our recommended pilot district implementation strategy may only serve to muddy the waters even further. Therefore, quality partnerships and effective governance are essential to the long-term success of the region's development efforts along the river.

The pilot district program and the EIFD funding tool offer the City of Los Angeles an opportunity to take the lead in the creation of a governance structure that can bridge the many agencies and jurisdictions with a connection to the river. The Public Financing Authority required of an EIFD could be vested in an existing agency with the institutional experience to oversee funding and land use decisions, or with a new regional body with representation at the city and county level and authority to act in collaboration with other jurisdictions. This entity should be empowered beyond the management of EIFD funds, with land use authority and access to additional funding sources where appropriate. The LA River is an essential component of Los Angeles' long-term growth, and establishment of a governing body to make strategic development decisions with the greater river vision in mind will dramatically enhance the quality of that growth. The critical issue of governance along the river is a key area for further research by the LABC, and city and county partners.

Metrics for Success and Implementation Timeline

Recommendations found in this report have different effective timeframes, with some requiring substantial public processes that will take years to complete, and others capable of being implemented quickly within the existing policy framework. The following are short-, mid-, and long-term implementation strategies, along with quantifiable milestones against which to measure policy and programmatic success:

Metrics for Success

- **Open space and ecosystem recovery, measured by green space accessible to river-adjacent communities**
- **Improved neighborhood connections to the river, measured by the Mayor's "miles of LA River public access" metric**
- **Construction of new housing units, meeting stated targets for affordable and workforce units**
- **Adoption and expansion of stormwater credits and cap-and-trade program**
- **Increased mode shift to non-automobile transportation**
- **Equitable distribution of environmental benefits**
- **Job and tax base growth from new commercial development**
- **Private to public investment ratio in target communities, to measure leverage of public funding**
- **Minimized displacement by new development, measured by replacement units vs. demolished units at each affordability level**

Implementation Timeline

Short-Term (1-2 Years)

- Develop framework for stormwater credits / cap-and-trade system
- City of Los Angeles take the lead in coordinating with other jurisdictions to develop governance structure for managing river development
- Engage pilot district community members to develop district design guidelines
- Analyze existing neighborhood conditions and socioeconomic data to determine desirable affordable and workforce housing goals for pilot districts, to be tied to density bonuses

Mid-Term (Approx. 5 Years)

- Complete and approve specific plans and design guidelines
- Establish and manage pilot district EIFDs and PFAs to oversee funding; complete MOUs with other governing bodies to give PFAs additional authority over land use and development

Long-Term (15+ Years)

- If feasible, establish and manage EIFD for greater length of river to help fund regionally significant projects
- Review development trends in pilot districts on an annual basis to determine which developer tools should be replicated and expanded to other river-adjacent communities

A Revitalized LA River: The Time Is Now

There are widespread opportunities for livable, sustainable growth around the Los Angeles River, and now is the time to leverage the resources of the public and private sectors to make the most of them. This critical spine, running through the heart our county, should no longer be viewed as an obstacle to traverse, but rather a focal point for economic, community, and environmental revitalization—an essential resource for bringing vitality and sustainability to the region’s diverse communities.

After many years of work on the part of stakeholders from across the region, a critical threshold of support for river revitalization has been reached. Now, the City of Los Angeles must build upon that strong foundation, taking the lead and establishing a comprehensive strategy and governance structure that can make the most of scarce resources to see projects such as the Army Corps of Engineers ecosystem restoration through to fruition, and to promote equitable investments in river communities throughout the city. A well-crafted plan, using new and innovative funding and policy tools, can take advantage of the region’s greatest untapped resource, providing opportunities for new housing and commercial development and connecting abundant new green space with cleaner, healthier, more affordable transportation options. Now is the time to capitalize on this opportunity and help create LA River communities that will set the standard for sustainability and livability in the years to come.

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A more complete analysis of the EIFD potential along the LA River and in both pilot districts can be found in Appendix A, Appendix B, and Appendix C to this report at <http://labcinstitute.org/LABC-Institute-Research>, or by using the QR Code below.



Notes

The Taylor Yards Crossing Project won for this years' 2015 Los Angeles Architecture Awards for the Design Concept Category.

While the initial intention was to leave the riverbed uninterrupted, the mandated support becomes a catalyst for community interaction. In addition to permanent viewing decks, temporary event spaces can be installed and it is all powered through the solar panels on top of the bridge.

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