

LA's Transit Oriented Communities Program Will Benefit Developers And Community, Experts Say

May 14, 2018 | Joseph Pimentel, Bisnow Los Angeles [✉](#)



Before Captiva Ventures Managing Partner Brian Abers moved to Los Angeles eight years ago from Florida, he had already bought a car.

Knowing how car-centric Los Angeles was, Abers' first priority — before even finding housing — was a car to get around the vast area.

If he were to move here now, he would do things differently.

“If I were moving here today for the first time, that would not be the case,” Abers said. “I would first look at where I’m going to live then where I’m going to work before making a determination on buying a car.”



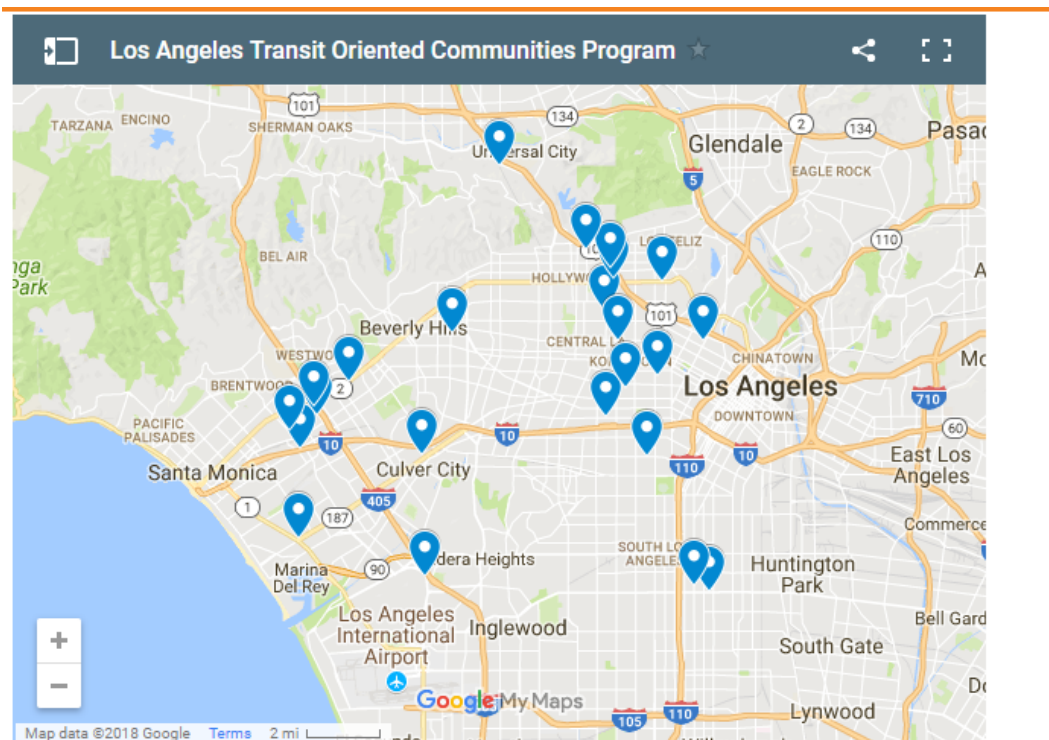
Google street view

To take advantage of the city's new Transit Oriented Communities program, nonprofit PATH Ventures plans to create an affordable housing project at 5627 West Fernwood Ave. in Los Angeles.

Abers' reversal in opinion signifies the growing change in attitude among Los Angeles residents seeking to get out from behind the wheels of their cars as well as investors and developers who are catering to a new generation of residents. Experts will discuss transit-oriented development and the state of multifamily at the [Bisnow Multifamily Annual Conference SoCal all-day event](#) July 18 in Los Angeles.

With ride-sharing services on the rise and a push from the city of Los Angeles for developers to create more residential units near bus stops and metro stations, Abers is one of those developers looking to take advantage of the city's [Transit Oriented Communities Affordable Housing Incentive Program](#).

Since the program launched in September, developers for at least 23 multifamily projects totaling approximately 1,300 units, including 400 for affordable housing throughout Los Angeles, have applied for the program, according to the Los Angeles Planning Department.



Better known as TOC, the program provides new incentives to developers to create mixed-income and affordable housing within a half-mile of a major transit stop.

“The TOC program will help us build sustainable, inclusive housing along our growing transit network — so more Angelenos can wake up in safe and affordable homes, catch a train nearby, and get where they’re going on time,” [Los Angeles Mayor Eric Garcetti](#) said in a [news release](#) when the program was announced last fall.



Courtesy of Cox, Castle & Nicholson LLP

Cox, Castle & Nicholson LLP partner David Waite

The TOC program came about due to the 2016 passage of Measure JJJ, Cox, Castle & Nicholson LLP partner **David Waite** said.

Measure JJJ or the **Build Better LA** initiative, which passed with more than 64% of the vote, requires developers to hire a certain number of local workers in construction projects, provide higher pay and, in exchange for setting aside as much as 20% of units in their new projects for affordable housing, receive various development incentives.

Waite said it allows developers with projects within a half-mile radius of a rail station or the intersection of two bus routes to take advantage of various incentives such as an increase in density and floor-to-area ratio in exchange for providing certain levels of affordable housing for low income, very low income or extremely low income tenants.

“It is a sort of carrot and stick approach on this, which is you get the benefit of the incentive in the TOC program for providing affordable housing,” Waite said.

The program is tiered so the closer a new project is to a transit stop, the higher the level of incentives, he said. Incentives reach up to 80% density bonus, 55% FAR and a substantial reduction of residential on-site parking. It also streamlines the approval process for a project.

Waite said several developers that wish to take advantage of the program have contacted his firm.

“If you have a tight site that is constrained because it has some impediments ... you can really max out the density on the site by using the incentive as well as the bonus and the FAR increase,” he said. “This is really a beneficial program.”



Bisnow/Joseph Pimentel

A Metro sign on Hollywood Boulevard

Abers, the Captiva Ventures managing partner, said his company is actively looking to acquire property that would fit into the tier 3 and tier 4 category — projects closest to transit stops.

“By reducing some of the uncertainty and risk in entitlements, the program is going to encourage more housing,” said Abers, adding that the city is severely undersupplied in housing.

But even if the program is a big hit for developers by adding more units and other incentives, the question still remains about the attitudes of Angelenos. In car-centric Los Angeles, who will want to live in these units?

In Los Angeles County, metro rail and bus ridership have declined by 15% to 397.5 million trips over the past five years, [according to the LA Times](#). Ridership on the bus system has fallen by 21% since 2013, the Times reported.

In a 2016 [Metro](#) survey, riders expressed safety concerns, inefficiency and difficulty as reasons why they stopped riding the bus or train.

Abers said the increase of people using ride-sharing and new projects along transit stops could change that.

“By improving and developing real estate that is within walking distance to public transport, communities could actually develop in a more vibrant, sustainable and livable way,” Abers said. “So this is a win-win for developers and the community they serve.”

Find out more about what is shaping the future of multifamily at the [Bisnow Multifamily Annual Conference SoCal all-day event](#) July 18 in Los Angeles.