



Citywide Housing Incentive Program

Six-Month Progress Report

February 2025 - August 2025

Six Months of CHIP

On February 11, 2025, Los Angeles launched the Citywide Housing Incentive Program (CHIP)—the largest rezoning program in the country, creating zoning capacity for more than half a million housing units. This six-month progress report provides a look at preliminary applications and applications submitted to Los Angeles City Planning and the Department of Building and Safety (LADBS) from February 11, 2025 through August 12, 2025.

To date, many of the project inquiries City Planning has received are Preliminary Application Referrals (PARs), which are projects that may be further refined before their application is formally submitted to the city for review. Submitting a PAR is the first step in moving through the planning review process. PARs may result in either a discretionary or ministerial application, and they are required for every CHIP project.

Highlights

- 63% of proposed projects are Preliminary Application Referrals, indicating a strong interest in the CHIP program.
- Anticipated housing production has increased throughout the City, with 115 projects proposing 16,659 units through CHIP.
- While development is proposed throughout the City, over 70% of proposed units are located in Central Los Angeles and south of the San Fernando Valley.
- The CHIP program has incentivized 5,714 units, 34% of all proposed units, as covenanted affordable.
- Most projects have been filed under the Affordable Housing Incentive Program (AHIP), often in conjunction with Executive Directive 1 (ED 1).
- CHIP has streamlined the city's review of projects, with 90% of official applications receiving ministerial review through LADBS or the Expanded Administrative Review (EAR) process.

CHIP Overview

The CHIP program is the cornerstone of the City's Housing Element Rezoning Program, created to address state-mandated housing goals and tackle the growing pressures Angelenos face from rising housing costs and instability. Through three subprograms, the State Density Bonus Program, the Mixed Income Incentive Program (MIIP), and the Affordable Housing Incentive Program (AHIP), CHIP incentivizes new housing and streamlines the approval process in transit-rich and high-opportunity neighborhoods.

CHIP represents a generational shift in housing policy: a commitment to accelerating production while safeguarding tenant protections such as the right to return, robust replacement housing, and 99-year affordability covenants. It is a bold step toward a more equitable Los Angeles where stable, affordable housing is within reach for more families.

At a Glance

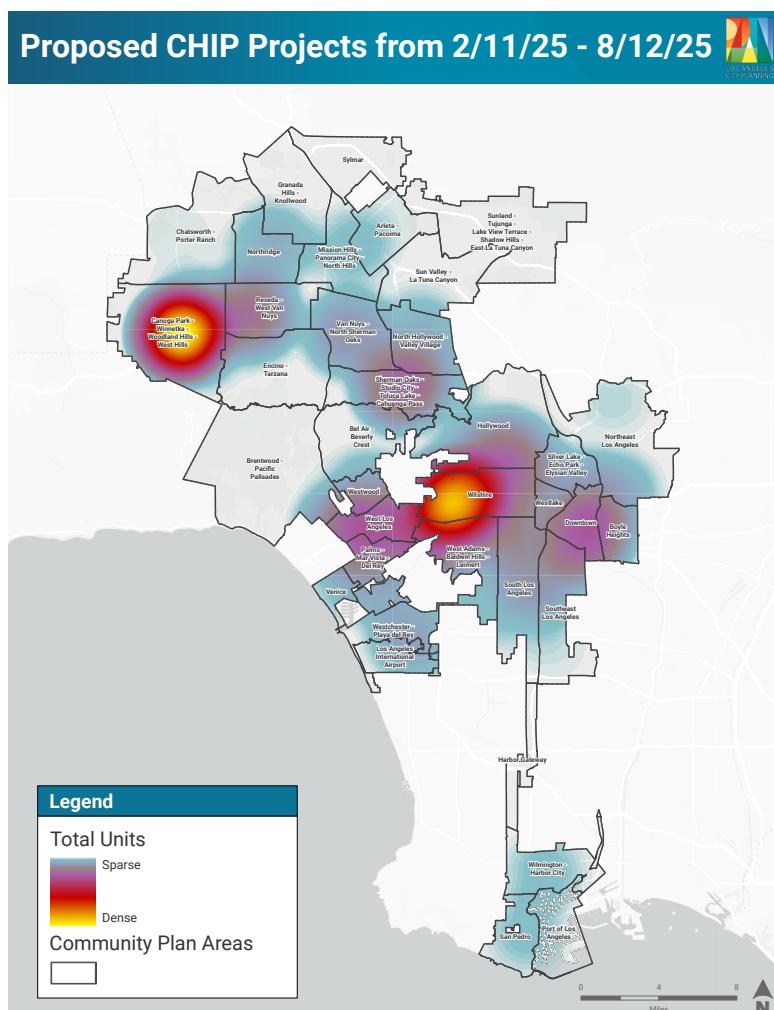
In the first six months of CHIP's effectuation, City Planning received proposals for nearly 16,659 new housing units (12,700 units through PARs, 901 by-right units through LADBS, and 3,058 units through formal applications with City Planning, with more than a third of units proposed as covenantable affordable housing. In comparison, 4,918 units were proposed through entitlements within the first six months of Transit Oriented Communities (TOC)¹ Program adoption and 3,694 units were proposed through planning applications within the first six

months of Mayor Bass' issuance of Executive Directive 1 (ED 1).

The map below showcases the number of proposed units in the first six months of the CHIP program. The map illustrates areas throughout the City with a large concentration of high density units, areas that have a fewer number of units and everything else in between. Of the 115 proposed units, many are located in Central Los Angeles, the San Fernando Valley's southern neighborhoods (South Valley), and West Los Angeles.

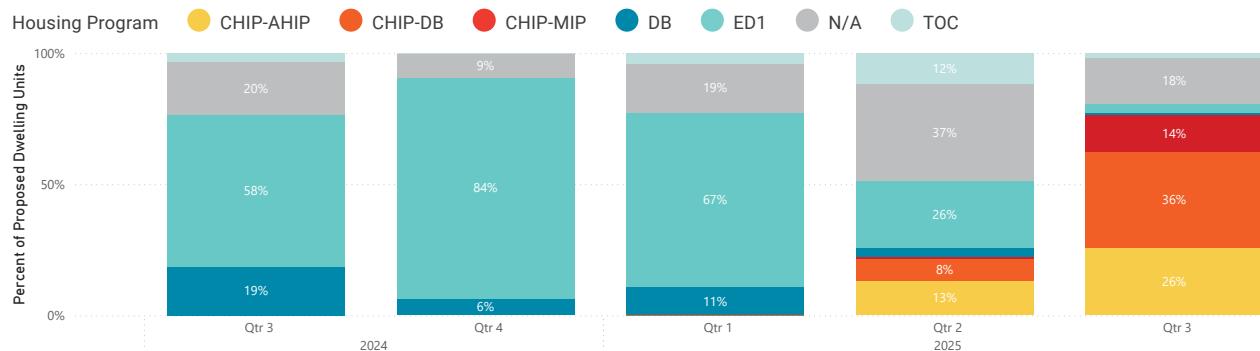
Early CHIP activity is strongest in Central Los Angeles and South Valley, together accounting for more than 70% of proposed units.

A significant number of units have also been proposed in West Los Angeles and South Los Angeles, making up 13% and 12% of proposed units respectively. Housing proposals have increased in all areas of the City because of CHIP, especially in areas where development has not previously been popular or possible.



¹ Reported TOC numbers do not include by-right TOC applications processed by LADBS.

Percent of Proposed Dwelling Units by Year, Quarter and Housing Program



In Quarters 3 and 4 of 2024, prior to CHIP adoption, there was a rise in ED 1 projects and a decrease of Density Bonus, TOC, and projects utilizing other housing programs². Since the adoption of CHIP in Quarter 1 of 2025, there has been a steady rise in proposed units using all three programs, with a majority proposed through the State Density Bonus Program. As CHIP progresses, the gradual increase of proposed dwelling units will likely continue per program.

Key Trends

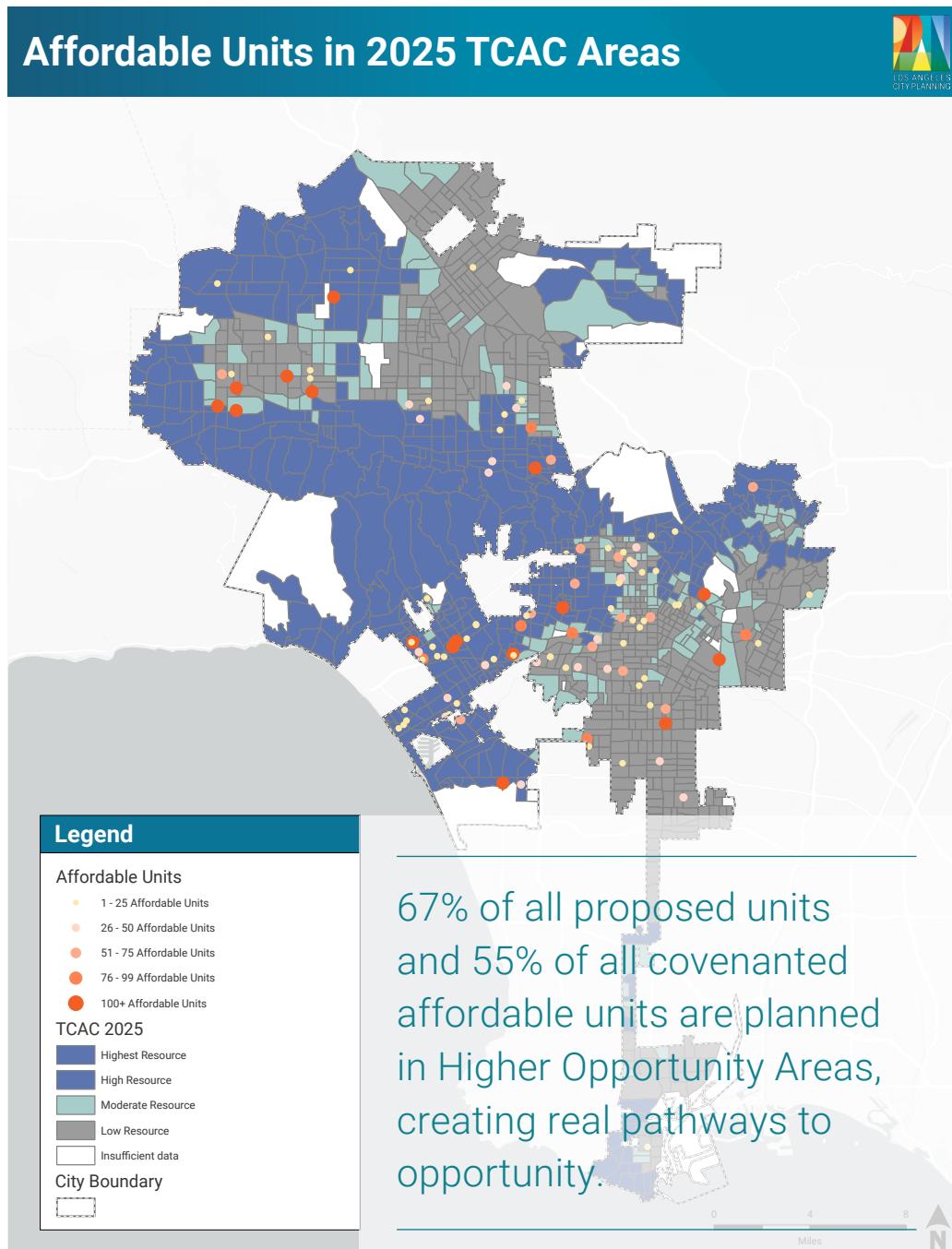
Opportunity Areas

The CHIP program addresses past patterns of inequity by prioritizing the production of affordable housing in Higher Opportunity Areas, giving more Angelenos access to areas of the City that are associated with a higher quality of life outcomes. Higher Opportunity Areas have a denser concentration of access to transit, schools and job centers, along with lower exposure to environmental pollutants. By encouraging multi-family housing production in these areas, Angelenos also have increased chances for educational attainment, earnings from employment, and economic mobility.

The Housing Element established a target of rezoning more than half of its added capacity in Higher Opportunity Areas. Within CHIP's first six months, two-thirds of all proposed projects are located in Higher Opportunity Areas.

² Density Bonus or TOC cases were able to participate in ED 1's processed streamlining, as long as the proposed projects provided 100% affordable units.

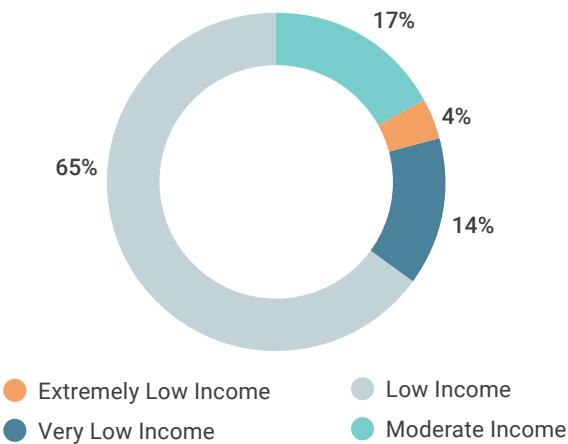
The map below highlights where proposed affordable units are in relation to the 2025 California Tax Credit Allocation Committee (TCAC) map. TCAC data is used to understand how cities can Affirmatively Further Fair Housing to address past patterns of inequity and encourage inclusive communities. Areas in dark blue are where access to opportunity is high, in teal where moderate, and in gray where low. The dots range in color and size where the darker dots indicate more affordable units are being proposed. Based on this map, affordable units are proposed throughout all Opportunity Areas.



Proposed Affordable Units per Income Category

Within each CHIP program, density, Floor Area Ratio (FAR) or building volume, and height bonuses are scaled based on affordability, with greater bonuses offered to projects providing more affordability. Projects receive the greatest incentives through AHIP, as projects are 80% to 100% affordable, followed by MIIP and the State Density Bonus Program.

Percentage of Proposed Affordable Units per Income Category



Of the 5,714 proposed affordable units through CHIP, the majority of affordable units are proposed for low-income households (65%).

Proposed Units per Income Category

	Total Acutely Low Income Units	Total Extremely Low Income Units	Total Very Low Income Units	Total Low Income Units	Total Moderate Income Units	Sum of Affordable Units ³	Sum of Market Rate Units	Total Units
By-Right ⁴	0	47	0	351	16	414	487	901
Pre-Application	0	178	604	2,256	636	3,674	9,026	12,700
City Planning Formal Application	0	6	199	1,129	292	1,626	1,432	3,058
Total Units	0	231	803	3,736	944	5,714	10,945	16,659
Percentage of Covenanted Units	0%	4%	14%	65%	17%	100%	0%	34%

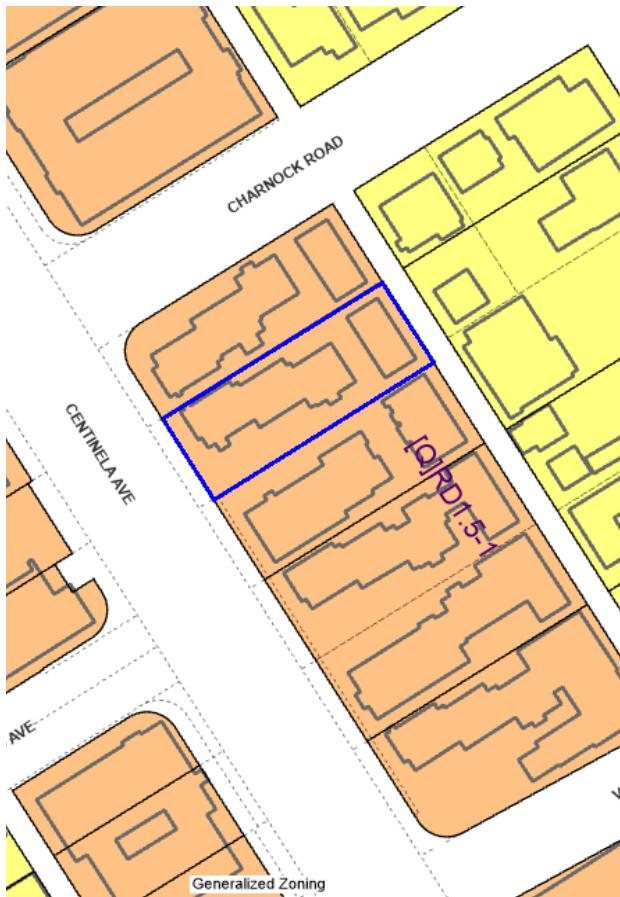
³ The percentages for the Affordable Units is based on area median income (AMI) percentages. Acutely Low Income is categorized as 15% of the AMI, Extremely Low Income as 30% of the AMI, Very Low Income as 50% of the AMI, Low Income as 80% of the AMI, and Moderate Income as 120% AMI.

⁴ While projects marked as 'By-Right' are currently filed through LADBS and not Planning, this data may come to Planning in the future as a City Planning Formal Application.

Case Study: 3608 S. CENTINELA AVENUE

Through the AHIP program, the development potential of proposed projects significantly increases when providing 100% affordable housing. For example, an AHIP project at 3608 S. Centinela Avenue, a [Q]RD1.5-1 zoned site with a four-unit, multi-family residence in Mar Vista (EAR-2025-2128-AH-HES) was filed on April 9, 2025, to facilitate a 49 unit five-story development on a 9,017 square foot site. The project, which received the Letter of Compliance on September 4, 2025, was processed ministerially through EAR, and granted increased density, FAR, height, and parking reductions through AHIP's base incentives, as well as five off-menu incentives for yard reductions,

open space reductions, and bike parking reductions. Two waivers were requested for yard reductions, but because the site is identified as a Lower Income Rezoning Housing Element Site and meets the affordability requirements, the project was eligible for ministerial approval. Without this designation, the proposed project would have been required to file a discretionary application for the two requested waivers or could have been processed ministerially through AHIP and ED 1 if it had reduced its request to one waiver. Without AHIP, the development standards limit the site to 12 units, with a FAR of 3:1 and height limit of 25 feet.



Existing zoning, ZIMAS



Rendering of 3608 S. Centinela Ave, Stockton architects, Inc., EAR-2025-2128-AH-HES

CHIP Project Distribution in the City by Program

CHIP is made up of three programs: State Density Bonus Program, Mixed Income Incentive Program (MIIP), and Affordable Housing Incentive Program (AHIP).



State Density Bonus

Localizes State Density Bonus incentives for mixed-income housing



Mixed Income Incentive Program

Expands mixed-income housing near transit, jobs, along corridors, and in Higher Opportunity Areas



Affordable Housing Incentive Program

Facilitates 80-100% Affordable Housing and housing on public land, faith based owned sites

Proposed Projects and Units per CHIP Program⁵

Nearly half (49%) of all proposed CHIP projects are pursuing AHIP incentives, making it the most popular program within CHIP. Interest in AHIP reinforces the success of the ED 1's program alongside CHIP projects, with 31% of AHIP projects proposed in conjunction with ED 1. While most projects are filed under AHIP, the majority (56%) of units are proposed through the State Density Bonus Program, highlighting its significant role in overall unit production. Within the State Density Bonus Program the majority (81%) of the program's proposed units come from large projects that propose more than 500 units. The MIIP represents 18% of proposed CHIP projects, with 90% of MIIP projects utilizing the TOIA Program, and the remaining 10% pursuing the Opportunity Corridors program.

Program	Number of Proposed Units		Percentage of Projects
	Total		
Affordable Housing Incentive Program (AHIP)	5,070	By-Right: 412 Pre-Applications: 3,166 Planning Formal Applications: 1,492	49%
State Density Bonus Program (DB)	9,267	By-Right: 0 Pre-Applications: 7,773 Planning Formal Applications: 1,494	31%
Mixed Income Incentive Program (MIIP)	2,308	By-Right: 475 Pre-Applications: 1,761 Planning Formal Applications: 72	18%
Total	16,645		100%

⁵ This does not count all projects filed directly to LADBS.

CHIP Case Study: 10609 W. LANDALE STREET

Alongside Affirmatively Furthering Fair Housing, 100% Affordable projects receive greater incentives compared to State law. At 10609 W. Landale Street, an R3-1-RIO zoned site with a multi-family residence in Toluca Lake, an AHIP project (EAR-2025-4356-AH-HCA-RED1), was filed on August 4, 2025. This 100% affordable project was filed in conjunction with ED 1 to propose a 52 unit, 6 story development on a 9,919 square foot site. The project, deemed compliant on October 7, 2025, was

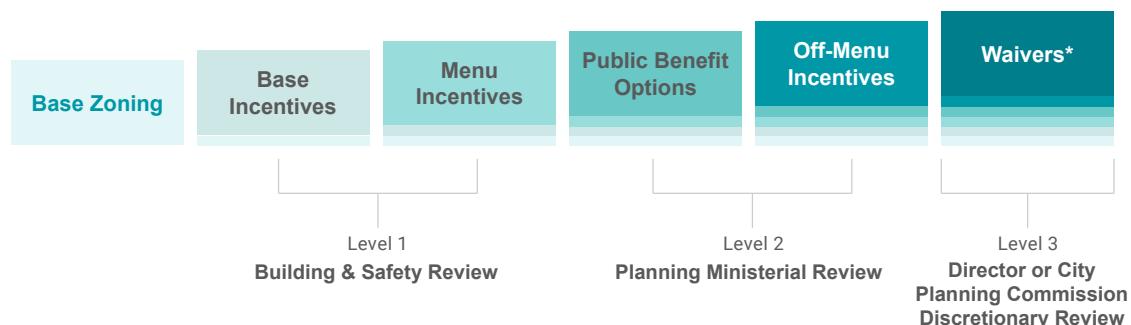
processed ministerially through Expanded Administrative Review (EAR), for increased FAR, height, and parking reductions through AHIP's base incentives and requested four off-menu incentives for bicycle parking reductions, yard reductions, open space reductions, and tree requirement reductions. While eligible for up to one waiver through AHIP and ED 1, waivers have not been requested at this time. Without AHIP, the development standards limit the site to 13 units, with a FAR of 3:1 and height limit of 45 feet.



Rendings of 3990 S. Wade Street, Commun Associate, EAR-2025-2397-AH-HCA-RED1

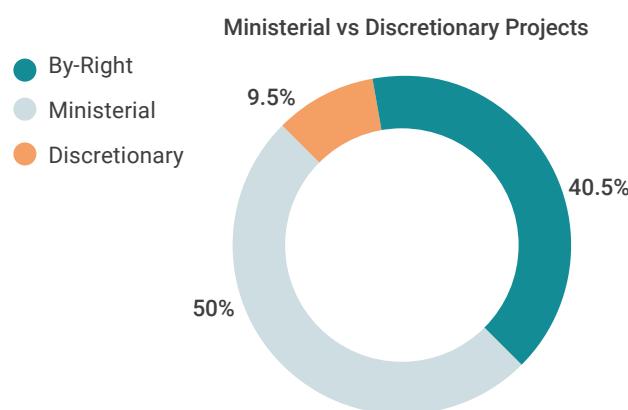
CHIP's Framework and Applicable Procedures

CHIP projects are eligible for three levels of review. Projects in Level 1 are those that seek base incentives as well as incentives that are on a predetermined Menu of Incentives (Menu). These projects are by-right and may proceed directly to LADBS to file a building permit application. Those in Level 2 are processed ministerially through City Planning's Expanded Administrative Review (EAR), which is available to projects requesting Public Benefits or incentives not on the Menu. AHIP projects can also request up to 1 waiver in alignment with ED1 streamlined processing. Projects in Level 3 are processed under discretionary review by the Director of Planning or City Planning Commission (CPC) and include waivers requests.



* AHIP projects can receive 1 waiver under ministerial review

Applicable Procedure ⁶	Count of Projects
By-Right Review	17
Ministerial	21
Discretionary	4
Total	42



Housing developers can encounter complicated entitlement processes, but the CHIP now streamlines the City's review projects to allow more projects to be filed without discretionary review. Of the projects that have been filed through the CHIP, 90% have been processed ministerially.

⁶ This data includes projects receiving By-Right Review, Expanded Administrative Review (EAR), Director's Determination, or CPC review. This does not include projects that have only submitted their Preliminary Application Referral forms.

Proposed Projects and Units per Procedure⁷

This section highlights the key trends in the CHIP applications received to date. Of the 115 proposed projects during the first six months, 63% (73 out of 115 projects) were preliminary applications. As projects submit formal applications, these applications will move from PAR to a formal application. 50% of all formal projects are processed through the Expanded Administrative Review (EAR) process, utilizing the streamlining established through the CHIP program.

Preliminary Application Referral forms (PARs) are projects that have submitted a referral form, not a formal application to City Planning, and are subject to change and refinement prior to formal filing.

All Proposed Projects

Applicable Procedure	Total Units	Percent of Units	Total Projects	Percent of Projects
Preliminary Application Referral (PAR)	12,700	76%	73	63%
By-Right Review	901	5%	17	15%
Expanded Administrative Review (EAR)	1,758	11%	21	18%
Director's Determination (DIR)	207	1%	1	1%
City Planning Commission (CPC)	1,093	7%	3	3%
Total	16,659	100%	115	100%

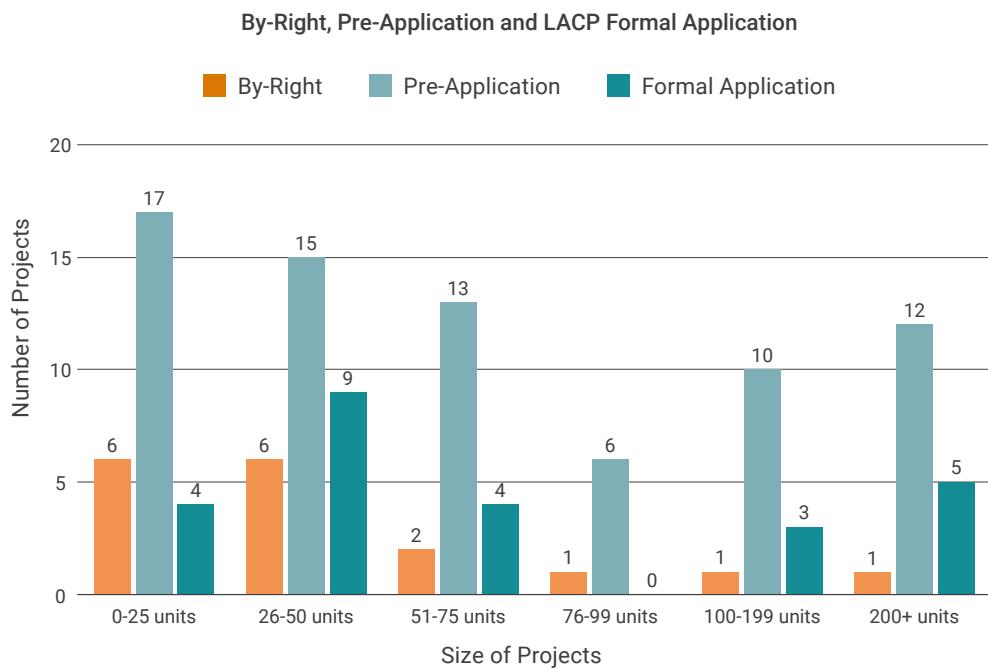
City Planning Formal Applications

Applicable Procedure	Total Units	Percent of Units	Total Projects	Percent of Projects
By-Right Review	901	23%	17	40%
Expanded Administrative Review (EAR)	1,758	44%	21	50%
Director's Determination (DIR)	207	5%	1	2%
City Planning Commission (CPC)	1,093	28%	3	7%
Total	3,959	100%	42	100%

⁷ While projects marked as 'By-Right' are currently filed through DBS and not Planning, this data may come to Planning in the future.

Size of Projects⁸

The data below showcases the differences between the size of projects filed By-Right, through Pre-Applications, or through formal applications with City Planning. Of the 115 proposed projects, 26% propose between 26 to 50 units. By-Right projects are most likely to provide 0 to 50 units, while formal applications are most likely to provide 26 to 50 units.



Size of Project	By-Right Projects	Pre-Application Projects	Formal Application Projects
0-25 units	5%	15%	3%
26-50 units	5%	13%	8%
51-75 units	2%	11%	3%
76-99 units	1%	5%	0%
100-199 units	1%	9%	3%
200+ units	1%	10%	4%
Total		100%	

⁸ While projects marked as 'By-Right' are currently filed through DBS and not Planning, this data may come to Planning in the future. This data used for this section contains By-Right, Pre-Application, and City Planning Formal Application projects.

Looking Ahead

Throughout the first six months of the Citywide Housing Incentive Program (CHIP), 115 projects proposing 16,659 housing units have been submitted through pre-applications, Planning formal applications, or by-right through LADBS—marking a steady increase in housing production across Los Angeles. These early trends show that CHIP is meeting its core goals of fostering greater access to housing, with 55% of proposed covenanted affordable units and 67% of all proposed units in Higher Opportunity Areas, through its three cornerstone programs: the State Density Bonus Program, MIIP, and AHIP. By combining streamlined review processes with robust affordability incentives, CHIP is not only increasing housing supply but also setting a precedent for equitable growth citywide. Though these findings are preliminary, City Planning looks forward to monitoring how CHIP continues to shape housing development and access in the years ahead.



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