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Unlocking the Potential of the LA Riverway: TOD and Land Value Capture Strategies

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Unlocking the Potential of the LA Riverway

TOD and Land Value Capture Strategies

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16. Abstract This policy brief examines the potential for land value capture (LVC) strategies to fund the completion of the Los Angeles River Bikeway (LARiverWay) through the San Fernando Valley, a critical gap in the city's active transportation network. Despite strong regional momentum around river revitalization, several segments remain unfunded. This report analyzes three incomplete segments—4, 5, and 7—through a one-mile radius land use, demographic, and zoning study. Findings reveal divergent development patterns north and south of the river. The north side exhibits more flexible zoning, higher renter-occupancy rates, and stronger housing demand, suggesting greater LVC feasibility. In contrast, the south side is constrained by single-family zoning and lower growth. The report recommends tailoring LVC tools, such as commercial linkage fees, to fit neighborhood conditions. It also proposes reclassifying the bikeway as a transit corridor to unlock Transit-Oriented Communities (TOC) incentives and revising outdated overlays to support higher-density development. Additionally, the report advocates for expanding or supplementing the existing Project Impact Assessment (PIA) fee and forming public-private partnerships with commercial stakeholders. If implemented, these strategies could equitably finance the bikeway while fostering mixed-use growth and improved access to transit, recreation, and housing.			
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Disclaimer

This report was prepared in partial fulfillment of the requirements for the Master in Urban and Regional Planning degree in the Department of Urban Planning at the University of California, Los Angeles. It was prepared at the direction of the City of Los Angeles as a planning client. The views expressed herein are those of the authors and not necessarily those of the Department, the UCLA Luskin School of Public Affairs, UCLA as a whole, or the client.



Unlocking the Potential of the LA Riverway: TOD and Land Value Capture Strategies

UCLA Institute of Transportation Studies

A comprehensive project submitted in partial satisfaction of the requirements for the degree
Master of Urban and Regional Planning.

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Executive Summary

The Los Angeles River Bikeway (LA Riverway) is a planned 51-mile active transportation corridor. Key segments in the San Fernando Valley (SFV) remain incomplete and unfunded. This report evaluates how land value capture (LVC) and trail-oriented development (TrOD) can help close the funding gap while promoting high-density development.

Study Methodology

- Focused on Segments 4, 5, and 7 of the Riverway.
- Defined a one-mile buffer along each segment to analyze:
- Demographics and housing trends (2018–2023 Census data)
- Zoning, land use, and overlays
- Reviewed LVC tools and TrOD case studies from Los Angeles and peer cities.

Key Findings

- High demand potential: Home values and rents rose faster than citywide averages despite slight population decline.
- Underbuilt zoning: Commercial corridors (e.g., Ventura Blvd) are zoned for higher density (R4) but often host single-story, low-density uses.
- Varying Neighborhood Characteristics:
- North of the river shows strong LVC potential with high renter shares and multifamily zoning.
- South of the river remains constrained by single-family zoning and hillside terrain but has more vibrant commercial usage.
- Existing Land Value Capture Mechanism: Current tools like the Project Impact Assessment (PIA) fee do not support river-related projects.

Recommendations

- Have different LVC strategies for different neighborhoods
- Promote growth by upzoning and activating underutilized zoned areas
- Partner with commercial tenants
- Explore the existing project impact fee and consider new fee assessment programs
- Classify the LA Bikeway as a major transit corridor to enable TOD benefits

Strategic use of land value capture tools and development incentives can bridge the Riverway's funding while promoting development and refining the existing land use. With the right tools and partnerships, the SFV segments can become a model for equitable, trail-oriented development.

Introduction/Background

The Los Angeles River is 51 miles long and stretches from Canoga Park to Long Beach. The Los Angeles Riverway is a Class I pedestrian and bicycle trail that spans the Greater Los Angeles area and currently serves various segments of the LA River. Efforts are underway to close the gaps between trail sections, particularly in the San Fernando Valley (SFV) and downtown Los Angeles. Since 2020, the City of Los Angeles has been working to secure funding to complete these critical segments. Despite these efforts, the remaining unconnected sections require additional funding, especially in the SFV.

The City of LA's Los Angeles River Revitalization Master Plan (LARRMP) introduces a comprehensive framework for physical improvements and policy recommendations to revitalize the river, green the neighborhoods, capture community opportunities, and create value. Completing this bikeway project is a vital component in achieving these goals and paving the way for more parks and open space projects along the river. Under the LARRMP, the River Improvement Overlay (RIO) District was established to guide land development along the river. RIO has design guidelines for properties abutting or adjacent to the river regarding landscaping, fencing, and accessible entry to the river.

The LA River corridor presents a unique opportunity: it is both a key recreational resource and a promising site for residential and mixed-use development. With careful planning, new development along the corridor could help finance public amenities, such as trails, bike paths, and parks, through tools like tax increment financing and land value capture (LVC). However, favorable conditions and a balanced approach are needed for LVC to be successful. For example, imposing too many conditions on developers might discourage investment and ultimately undermine the amenities such development could fund.

This project evaluates that question by focusing on three incomplete segments of the Riverway—Segments 4, 5, and 7. The analysis began with a review of LVC tools, TrOD strategies, and relevant case studies. I then examined zoning, land use, and adopted community and specific plans to understand the existing regulatory and physical context of the surrounding neighborhoods. Finally, I analyzed U.S. Census data from 2018 to 2023 to assess trends in population and housing, to gauge whether these areas are experiencing growth and market activity. Together, these methods assess the feasibility of applying LVC along the corridor.

Analysis of Segments 4, 5, and 7 shows strong market potential for land value capture (LVC). From 2018 to 2023, home values and rents in these areas outpaced citywide trends, indicating rising demand. Neighborhoods north of the LA River show the greatest development readiness, with multifamily zoning, high renter shares, and underutilized commercial corridors ready for redevelopment. In contrast, areas south of the River are limited by restrictive zoning but have a more vibrant commercial corridor. Despite this

opportunity, existing tools like the Project Impact Assessment (PIA) fee do not currently support river-adjacent infrastructure.

To unlock value and support Riverway completion, this project recommends applying place-specific LVC tools, such as EIFDs, special assessments, and linkage fees, in high-growth areas. The City should rezone key corridors, expand eligible uses of PIA fees or introduce new fee structures, and formally designate the Riverway as a major transit corridor to access additional housing incentives. Partnerships with commercial anchors and local stakeholders can further align infrastructure investment with inclusive, trail-oriented development.

Literature Review

Transit Oriented Development to Trail Oriented Development

Transit-oriented development (TOD) has become a significant planning tool for cities and counties seeking to increase density and enhance amenities near transit infrastructure. More recently, trail-oriented development (TrOD) has emerged as a complementary approach, emphasizing active transportation's benefits (National Association of Realtors, 2016). Studies indicate that walking and biking trails are a highly desirable amenity for potential homeowners, which developers are increasingly recognizing and responding to (Urban Land Institute, 2013). As a result, developers often market proximity to trails as a major selling point, with some even providing amenities like bike repair shops and bike-share stations for residents (National Association of Realtors, 2016).

While building trail access can require a higher investment than adding streetscape furniture or wayfinding signage, phased development strategies allow property owners and local governments to gradually enhance trail infrastructure. This approach helps build support and momentum for future projects without requiring substantial upfront costs (Houston-Galveston Area Council, n.d.).

The University of Delaware conducted a literature review and collected data on various trails in North America to find a correlation between property values and bicycle paths. The majority of the studies indicate that there is evidence that bike trails can either increase property value, slightly increase demand for trail-adjacent properties, or have no effect. Many residents agree that the trails have increased their quality of life and open space access. However, some express concerns that properties bordering the trails can lead to a decrease in privacy, safety, and property values (Racca & Dhanju, 2006). It is important to note that many of these studies have different measurements of what is considered “near,” “on/abutting,” or “adjacent” to the trails.

Land Value Capture Tools

Value capture is a set of public financing tools designed to harness the value generated by infrastructure improvements to raise revenue (Southern California Association of Governments [SCAG], 2020). Relevant programs to this project include:

- **Enhanced Infrastructure Financing District (EIFD):** EIFDs capture the growth in property tax revenue from a designated area to fund improvements or repay bonds. In 2014, Senate Bill 628 revamped existing Infrastructure Financing Districts into EIFDs. Since then, several additional Senate Bills have passed, allowing more flexible use of EIFDs to

fund climate adaptation and infrastructure maintenance projects. They allow local governments to capture a portion of future property tax revenue increases (from the increment) to fund public infrastructure, affordable housing, transit facilities, and environmental projects. These districts do not raise taxes and require approval from affected taxing entities but not from voters. They are flexible, supporting various projects such as parks, sewer systems, and transit facilities, making them effective for regional and multi-jurisdictional infrastructure needs (SCAG).

- **Neighborhood Infill Finance and Transit Improvement Act (NIFTI):** Established in 2017 by Assembly Bill 1568, NIFTI is a financing mechanism that focuses on transit-oriented development (TOD) and infill housing. It uses tax increment financing to channel revenue growth within a designated area toward transit infrastructure improvements and the creation of housing near transit stations. By supporting compact, mixed-use development, NIFTI aims to promote urban densification, reduce vehicle miles traveled (VMT), and improve access to public transit, aligning closely with state goals for reducing greenhouse gas emissions.
- **Special Assessment Districts:** These districts impose an additional tax or assessment on property owners who benefit directly from a specific improvement, such as upgraded sidewalks, streetlights, or new transit stations. The funds are earmarked for those improvements, ensuring a direct correlation between the tax and the benefit. Property owners typically vote to approve the assessment. Special Assessment Districts are common for Business Improvement Districts (BIDs) or infrastructure upgrades in growing neighborhoods (SCAG).
- **Land Value Taxation (LVT):** LVT taxes land based on its unimproved value rather than the property's total value (land and structures). This approach encourages landowners to develop underutilized parcels to their highest potential use, reducing speculation and fostering efficient urban development. LVT is often cited as a way to address housing shortages, sprawl, and inefficient land use patterns while maintaining fairness by taxing value created by communal investments (SCAG).
- **Community Revitalization and Investment Authority (CRIA):** CRIA was introduced by Assembly Bill 2 in 2015 to increase funding for affordable housing and other infrastructure projects in disadvantaged communities, such as areas with high unemployment rates or deteriorating infrastructure. It requires that at least 25% of the tax increment be set aside for affordable housing development. It does not require voter approval. CRIA allows elected officials of cities and counties, along with residents, to form a governing body (SCAG).
- **Linkage/Development Impact Fee:** The Development Impact Fee, sometimes known as a Linkage Fee, is a one-time payment for new development to mitigate the impact it might bring. A common application in California is to levy an impact fee on commercial development to fund affordable housing (City of San José, 2019). Unlike other value capture tools, it can be used to pay for off-site amenities such as roads, schools, or parks. It does not require voter approval and is popular with local governments to fund transportation improvements. The fee is charged to developers and is calculated through

a formulaic process (Federal Highway Administration [FHWA], n.d.; Grounded Solutions Network, n.d.).

Land value capture tools allow agencies to recover some of the increased land value resulting from infrastructure investments. This revenue can finance the infrastructure project itself or fund additional public benefits and amenities (Kim, 2022). This capstone project will primarily focus on the former objective: financing infrastructure investment.

The returns from land value capture can vary widely depending on land characteristics. To analyze these differences, I will select three incomplete segments from the LA Riverway Progress Map provided by the City of Los Angeles to examine how development potential and land value capture vary based on surrounding land characteristics. Since local contexts can vary widely, it is important to study local property markets and other factors, such as the quality of transit service, neighborhood income levels, and housing types (O'Sullivan, 2014).

Certain conditions determine land value capture's success, failure, and efficacy. Challenges to implementing land value capture include insufficient development interest, public and political opposition, market limitations, and misaligned interests and partnerships between stakeholders (Federal Highway Administration [FHWA], n.d.). Misaligned interests between agencies could include internal opposition, inflexible zoning or approval processes, and a lack of institutional capacity (Mathur, 2019).

Case Study

Case Study 1

The Cornfield-Arroyo Seco Specific Plan (CASP), adopted in 2013, aimed to guide development across 660 acres from Chinatown and, across the LA River, to Lincoln Heights. Strict height limits, density restrictions, and industrial preservation requirements discouraged investment, resulting in little housing production. Its incentive-based zoning system failed because the benefits didn't offset development costs.

In response to these issues, the Los Angeles Department of City Planning initiated an update to the CASP. The proposed changes aim to encourage affordable, mixed-income, and permanent supportive housing production by revising land use and zoning regulations, increasing zoning capacity for housing in targeted areas, and establishing a new Community Benefits Program. This program would incentivize the creation of publicly accessible open spaces and community facilities (Sharp, 2023).

Case Study 2

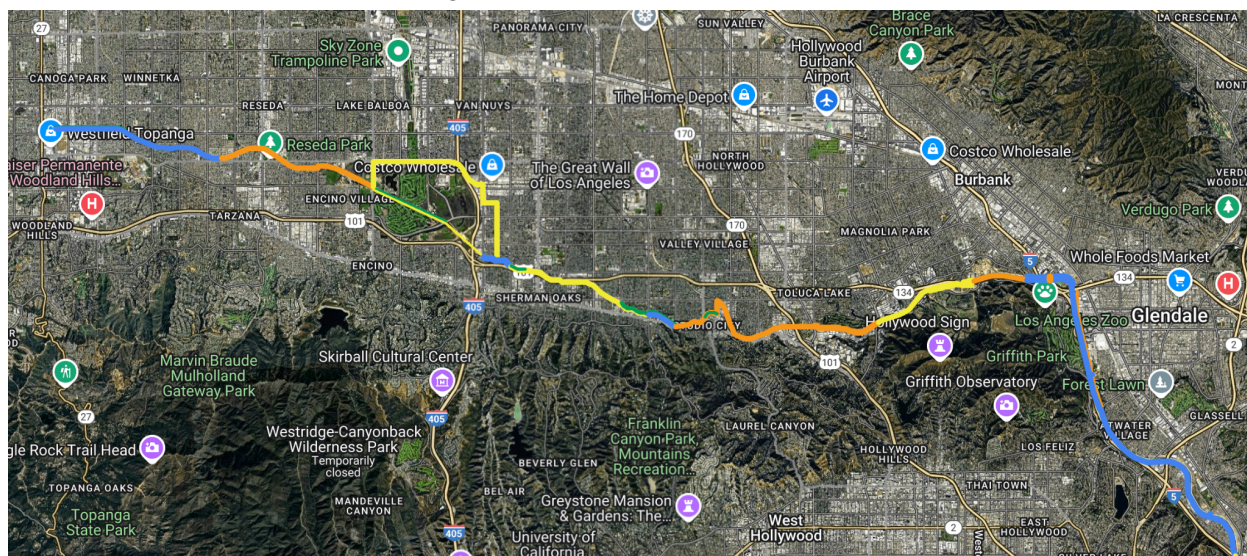
The Atlanta BeltLine is a comprehensive urban redevelopment project converting a 22-mile former railway corridor into a network of multi-use trails, parks, transit options, and affordable housing, aiming to enhance connectivity and community vibrancy across Atlanta.

A key funding mechanism for the BeltLine is a Tax Allocation District (TAD), Georgia's version of Tax Increment Financing (TIF). Established in 2005, the 6,500-acre BeltLine TAD captures increased property tax revenues from rising land values within the district. These funds are allocated to repay project-related debt and finance ongoing development efforts. The TAD is projected to generate significant funding over the project's lifespan, serving as the primary local funding source (Nichols, 2012). This value capture strategy leverages the anticipated appreciation in property values due to public investments in infrastructure and amenities and channels the tax revenue back into the BeltLine's development.

Despite these financial mechanisms, the BeltLine has faced challenges in meeting its affordable housing objectives and has received criticism for exacerbating gentrification. Between 2011 and 2015, home values within a half-mile of the BeltLine rose by 18% to 27%, more than elsewhere in Atlanta, raising concerns about affordability and displacement. As of 2020, only 38% of the targeted 5,600 affordable housing units within the TAD had been completed, prompting critiques regarding the efficacy of the value capture approach in delivering equitable housing outcomes (Axel-Lute & Duong, 2021). However, supporters argue that the project is revitalizing the neighborhood by bringing in 50,000 jobs and creating commercial space for small businesses. It is projected to generate \$10 billion in economic development after completion (Meadows, 2022).

Methodology

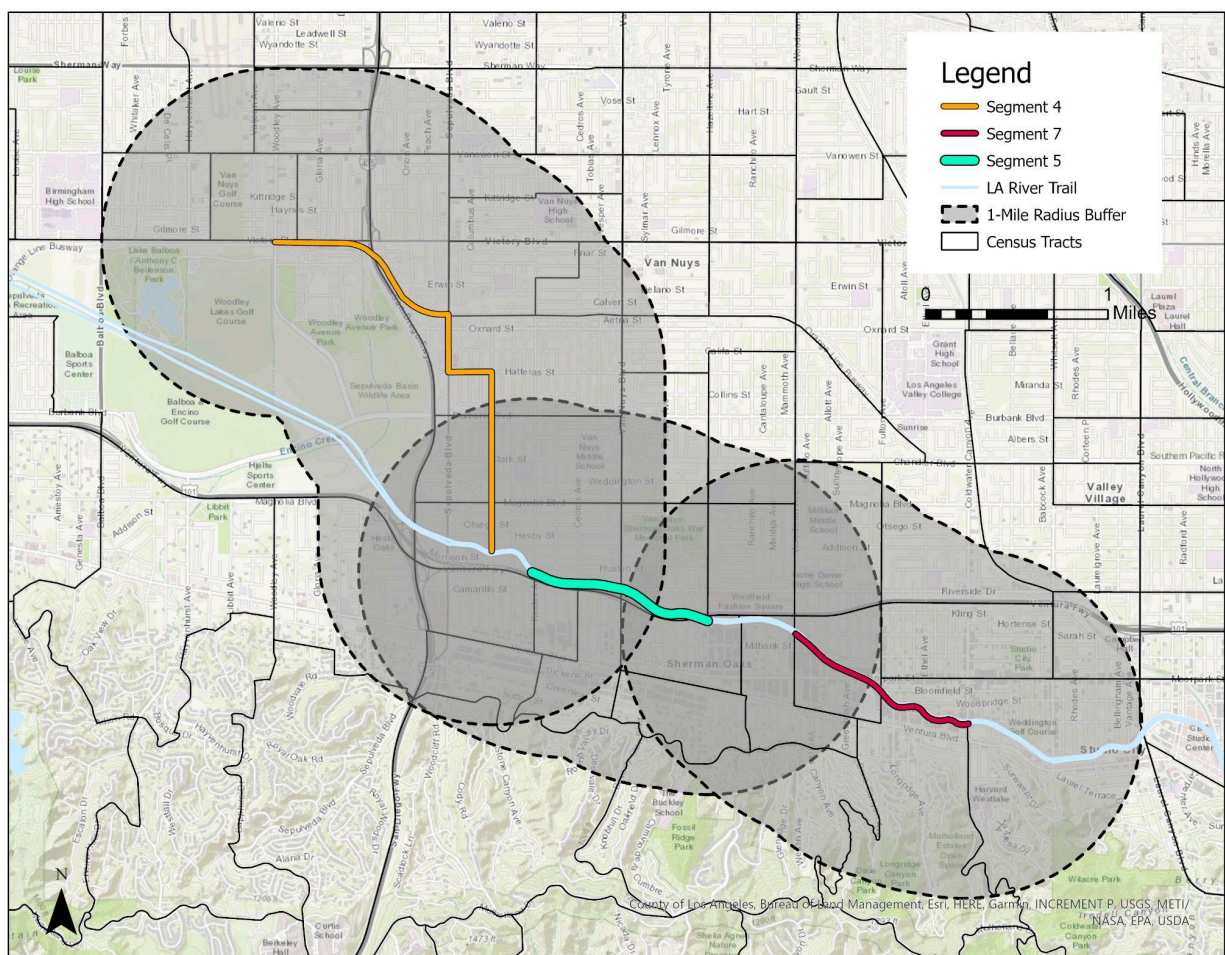
The City of Los Angeles has a LA Riverway Progress Map that shows the completion status of different bikeway segments. These segments were pre-determined by the City with consideration of jurisdictional and physical boundaries. I selected three incomplete Los Angeles River bikeway segments within the San Fernando Valley: Segment 4, Segment 5, and Segment 7. I established a one-mile radius on both sides of the river as the study boundary for each segment to capture adjacent neighborhoods and development patterns likely to be directly impacted by future improvements along the river corridor. This radius helps contextualize the analysis within a walkable and bikeable distance from the river, aligning with transit-oriented development (TOD) principles and supporting my evaluation of the potential economic, social, and environmental benefits for neighborhoods in the area.



Source: LARiverWay Progress Map

Legend: green: in-service trails, yellow: planned, seeking funding, orange: in construction, blue: in-service bike path

Currently, there are eight incomplete segments in the San Fernando Valley, and five of those segments are near the Van Nuys and Sherman Oaks neighborhoods. I will use my analysis of the three selected segments to develop recommendations for the greater Van Nuys and Sherman Oaks area.

Figure 2: Study Areas

Census Data

To better understand local development patterns, I used Census data to track changes in population, housing units, home values, and rental prices between 2018 and 2023. Growth in total population, housing units, and rent would indicate increased demand for development, which suggests a greater likelihood of value capture succeeding. I also compared the proportion of owner-occupied versus renter-occupied units to better understand the type of housing needed. To maintain consistency and relevance to the study area, I only selected census tracts with more than half of their area located within a one-mile radius of the river to be included in the analysis. It should be noted that some census tract boundaries changed between 2018 and 2023, and I used my best judgment to determine the correct tracts during the data collection process.

Zoning and Neighborhood Analysis

I examined zoning designations and notable land uses within the one-mile study radius of each selected segment. Using ZIMAS and City of Los Angeles planning documents, I reviewed

existing neighborhood overlays and special districts, including community plan areas, specific plans, and design guidelines, to understand current regulatory frameworks that may influence or support new development near the river segments. I also observed commercial corridors to see what retail activities and mixed-use spaces are currently active and whether they are being used to their full, zoned potential. I included existing transit amenities and key community facilities in my analysis to evaluate access to essential services and amenities that contribute to neighborhood livability.

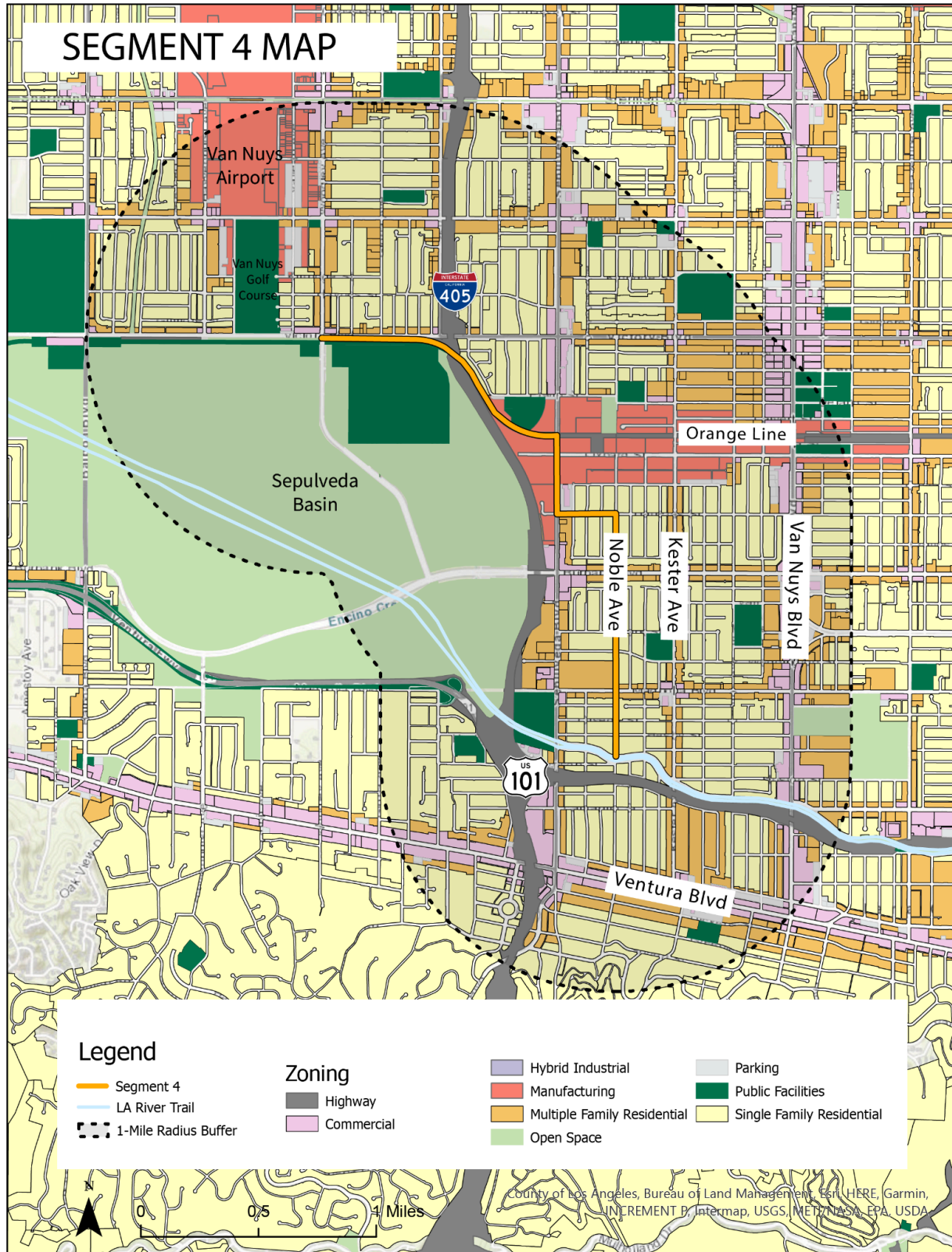
Findings

Zoning and Land Use

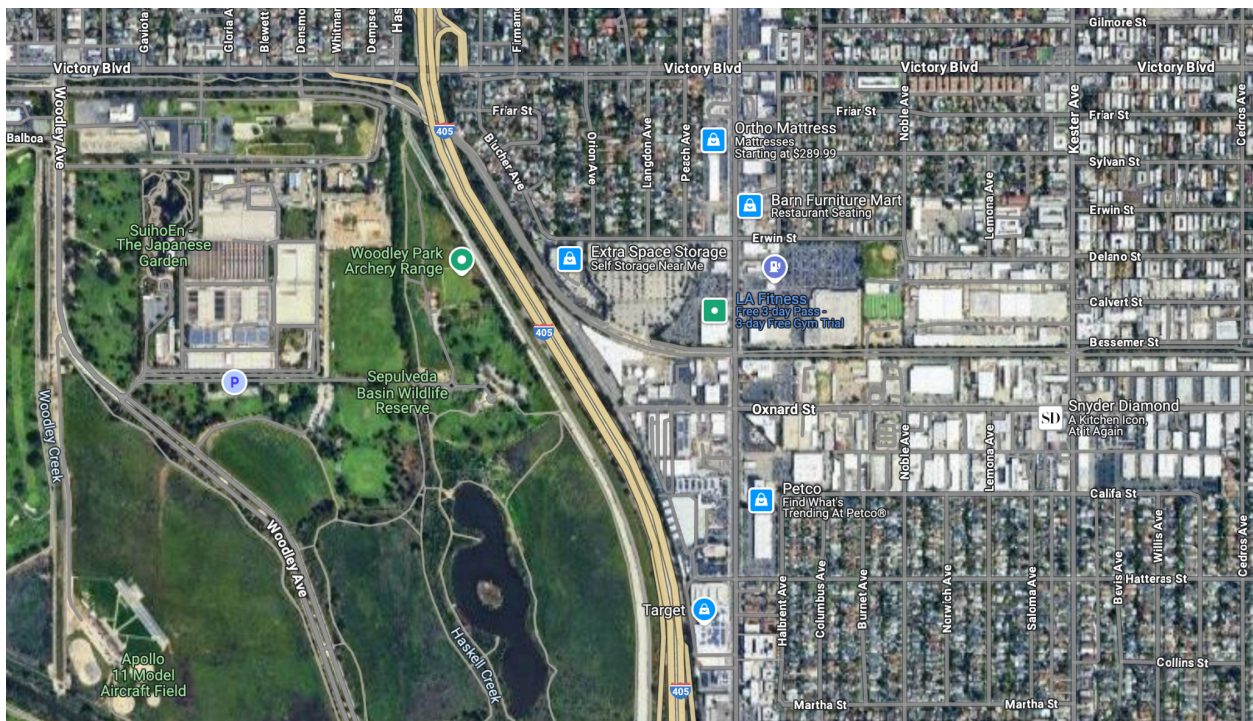
All three study areas feature commercial corridors, but each has different land use compositions and tenant types. Zoning along major streets is primarily RD1.5 and R3-1, which allows multi-family residential development up to 45 feet in height. While there is no floor area ratio (FAR) limit, the 45-foot height cap typically permits buildings of three to four stories. These high-density residential and commercial uses are concentrated along major corridors, while smaller interior streets remain zoned for single-family residential uses. The designated multi-family residential zones generally align with the existing land uses.

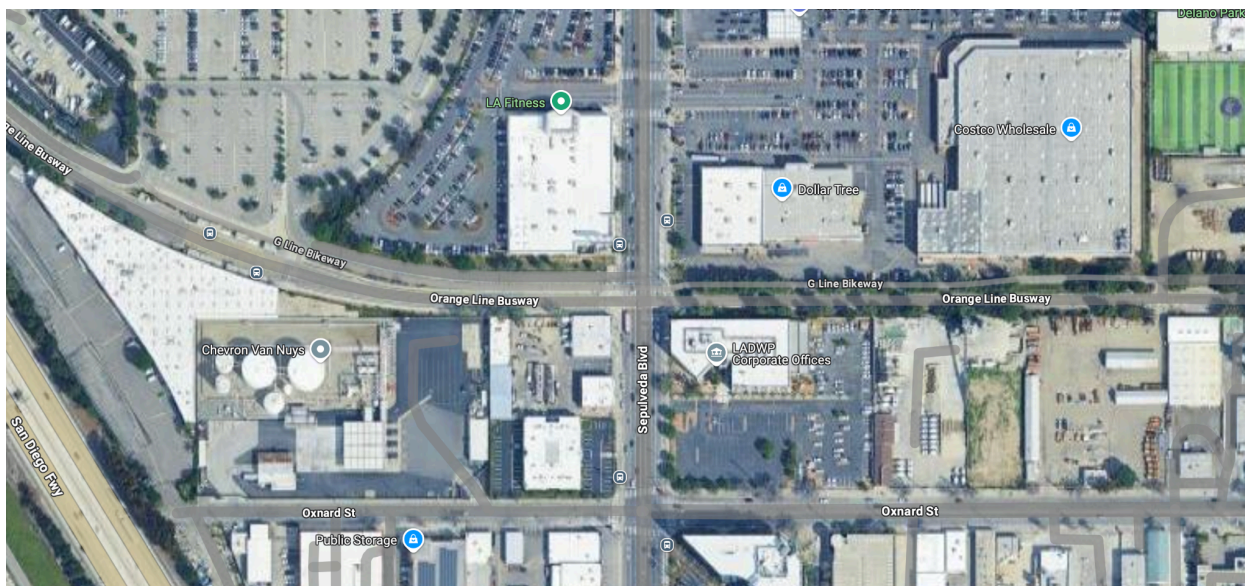
On the south side, Ventura Boulevard is the primary commercial corridor. It falls under the Ventura–Cahuenga Boulevard Corridor Specific Plan, which plays a major role in shaping allowable land use and development in the area. The plan was introduced to promote a balance between transportation infrastructure and land use development, improve traffic circulation, and guide building and site design. It also aims to support compatible relationships between residential and commercial uses, particularly in areas with a mix of multi-family and retail activity. This planning framework reinforces the existing development character along Ventura Boulevard.

Segment 4



The City of Los Angeles identified two routes for Segment 4: a near-term route cutting through neighborhoods and a long-term route traversing the Sepulveda Basin. This analysis focuses on the near-term route, which diverts around the Sepulveda Basin Recreation Area, following the Metro G Line (Orange Busway) before diverging through a manufacturing zone and residential neighborhoods via Noble Avenue to reconnect with the LA River. Segment 4 is the only segment of the three studied that is located near a light manufacturing–zoned area. The portion between Oxnard Street and Sepulveda Boulevard features large retailers such as Costco and Target, as well as smaller construction-related businesses including paint, solar, and flooring suppliers. This segment is also the longest of the three studied at 2.8 miles, and therefore the one-mile radius study area is quite expansive.



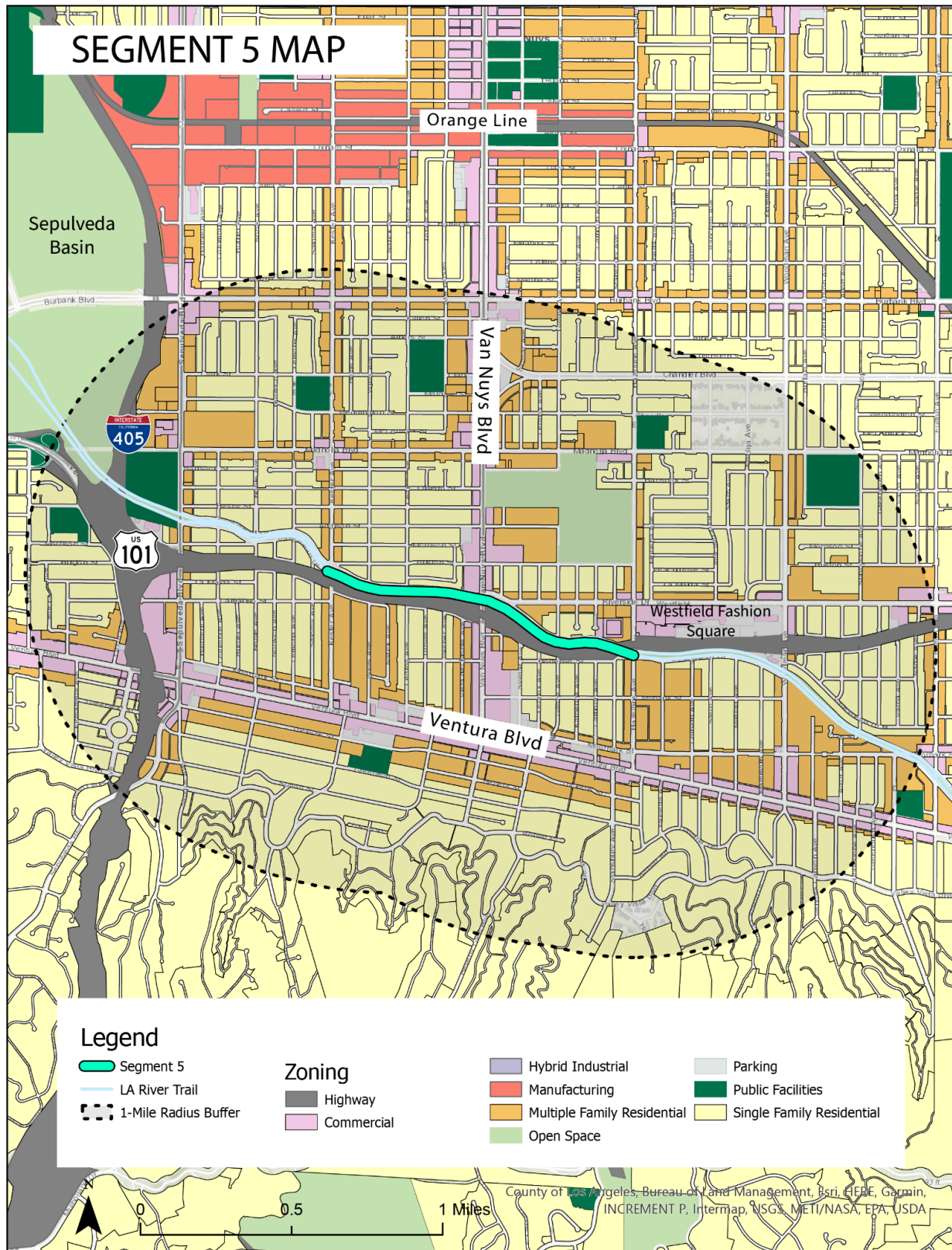


Source: Google Map

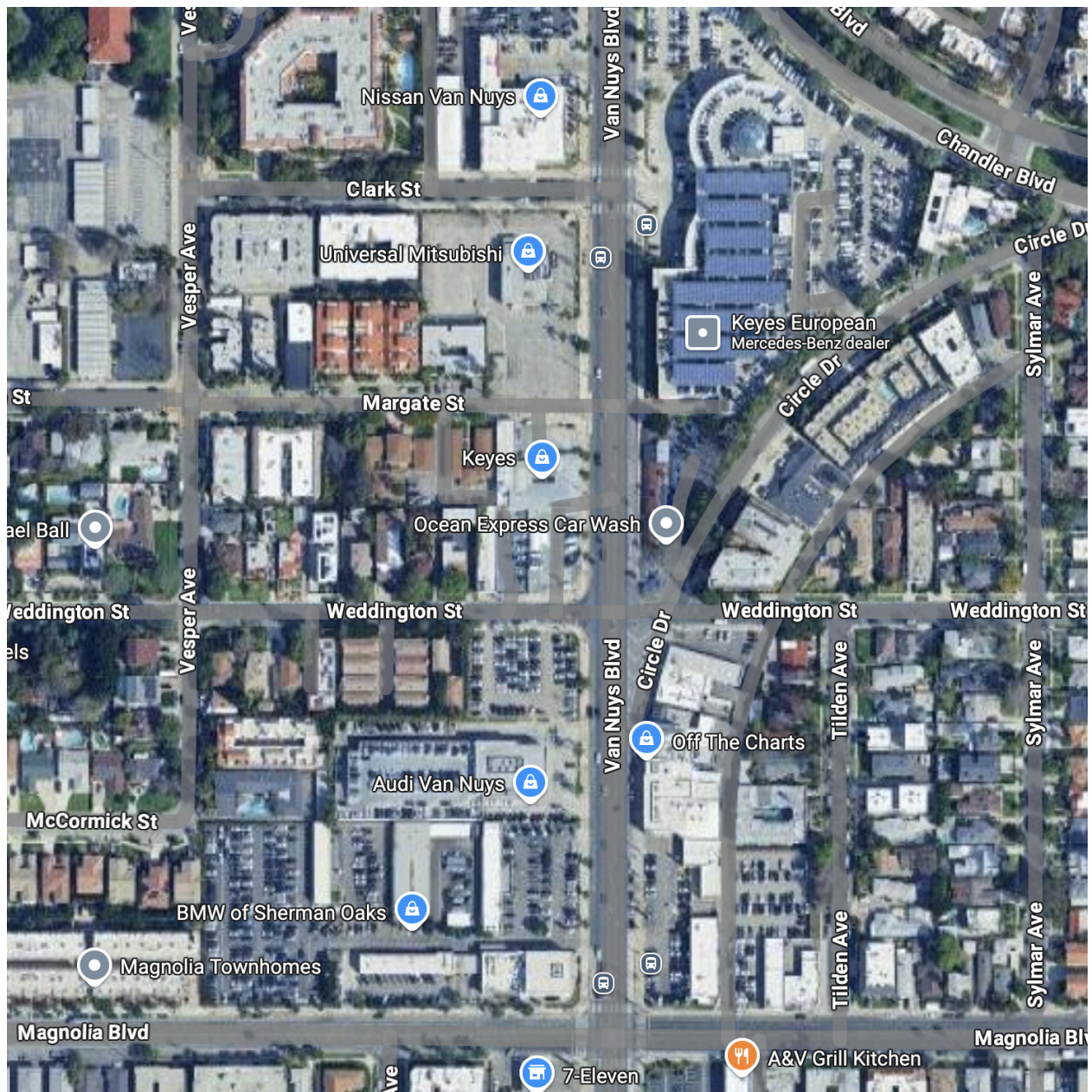
In contrast to the near-term plan, the long-term plan would directly cut through the Sepulveda Basin and follow the LA River more closely. It would better align with the active transportation goals of giving pedestrians and cyclists a path separate from heavy traffic. However, the long-term route presents significant engineering and budget challenges as it would need an overpass of some sort to cut through the Basin. The long-term plan is on a pause as the city focuses on completing the near-term route first.

Most of the study area falls within the Van Nuys–North Sherman Oaks Community Plan area. The northwest section falls within the Mission Hills–Panorama City–North Hills Community Plan, and the southern section, underneath the river, falls under the Sherman Oaks–Studio City–Toluca Lake–Cahuenga Pass Community Plan. The northern portion of the study area is under the TOC zone and the Transit Priority Area (TPA) due to its proximity to the Metro G Line (Orange Busway). Notable amenities within a one-mile radius include the Sherman Oaks Galleria, Van Nuys Middle School, and Kester Elementary School.

Segment 5



Segment 5 runs along the LA River and spans approximately 1.07 miles. The segment is anchored by major commercial corridors, each with distinct land use patterns. Van Nuys Boulevard, located on the north side of the river, is zoned for mixed-use development. However, it is primarily comprised of car dealerships, auto repair shops, and healthcare facilities with very little housing, mixed-use, or walkable spaces. In contrast, Ventura Boulevard on the south side of the river has similar zoning but a stronger presence of retail businesses and multi-family housing.



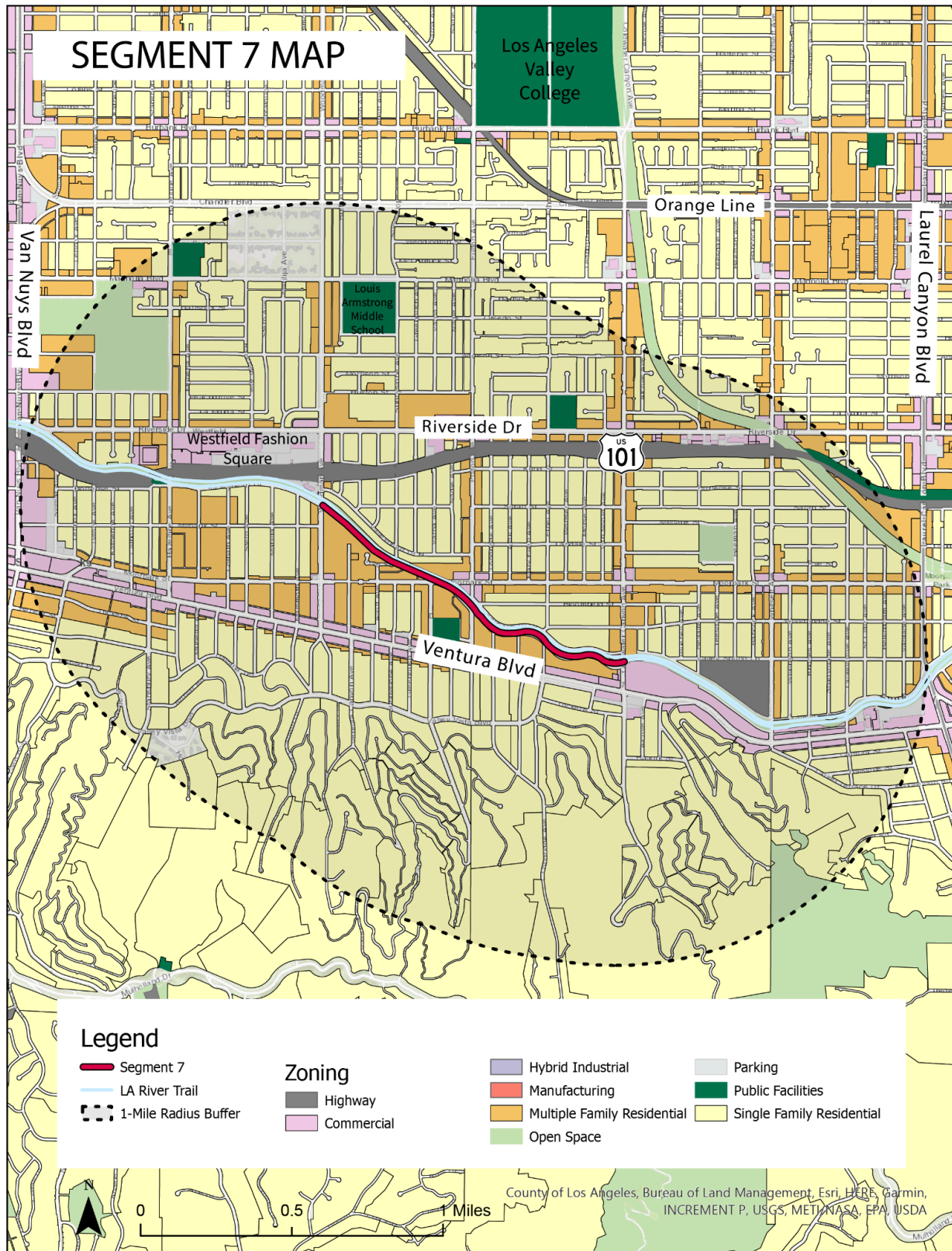


Source: Google Map

The north side of Segment 5 falls within the Van Nuys–North Sherman Oaks Community Plan area. Notable amenities include the Van Nuys/Sherman Oaks Recreation Center, the Van Nuys-Sherman Oaks War Memorial Park, Van Nuys Middle School, Sherman Oaks Community Hospital, and the entry point of the trail is by Westfield Fashion Square. The south side is under the Sherman Oaks–Studio City–Toluca Lake–Cahuenga Pass Community Plan. Notable facilities in the area include two major shopping centers, Sherman Oaks Square and Sherman Oaks Town Center, and Sherman Oaks Elementary School.

Two portions of the Ventura Boulevard by Segment 5 are designated as a Pedestrian Oriented Area and a Pedestrian Development District. These designations prohibit certain uses, such as auto-related businesses and drive-through establishments. They also provide design guidelines to prioritize ground-level retail activity, outdoor dining, and pedestrian-friendly design.

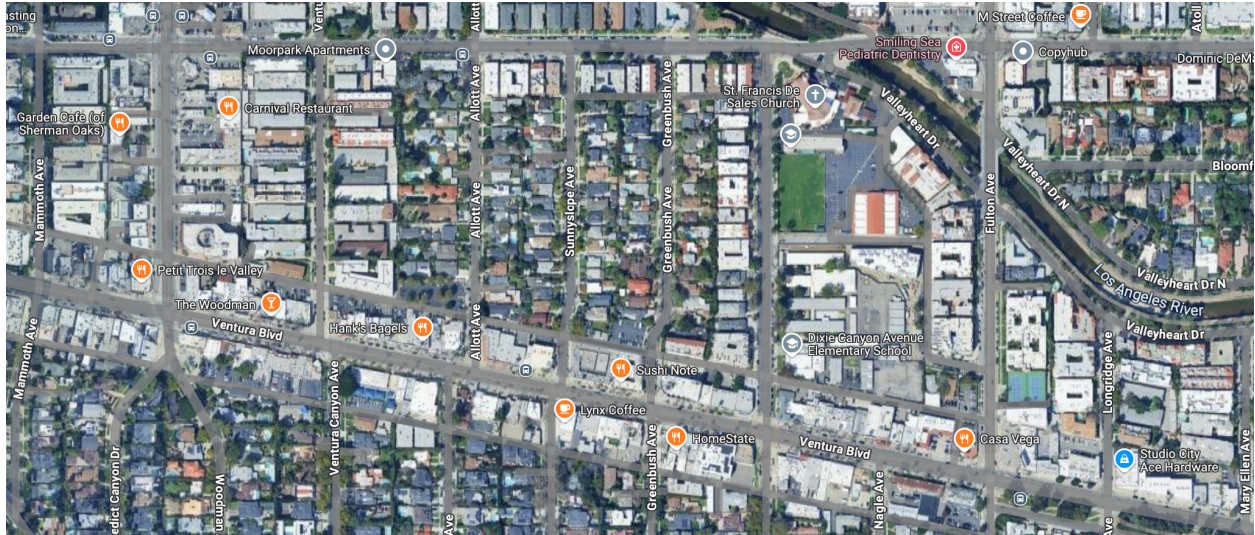
Segment 7



Segment 7 also runs alongside the LA River and spans approximately 1.25 miles. The surrounding neighborhood on the south side features a high concentration of multi-family dwellings. Like Segment 5, Ventura Boulevard in this area supports a strong mix of retail and multi-family residential uses. The south side of the study area is within the Sherman Oaks–Studio City–Toluca Lake–Cahuenga Pass Community Plan area. The south side also borders the Studio City commercial district to the east, including The Shops at Sportsmen's Lodge, a key retail destination. A portion of Ventura Boulevard is designated as a Pedestrian Oriented Area, which restricts auto-related and drive-through uses to promote a more walkable environment and encourage pedestrian activities.



Source: dailynews.com



Source: Google Map

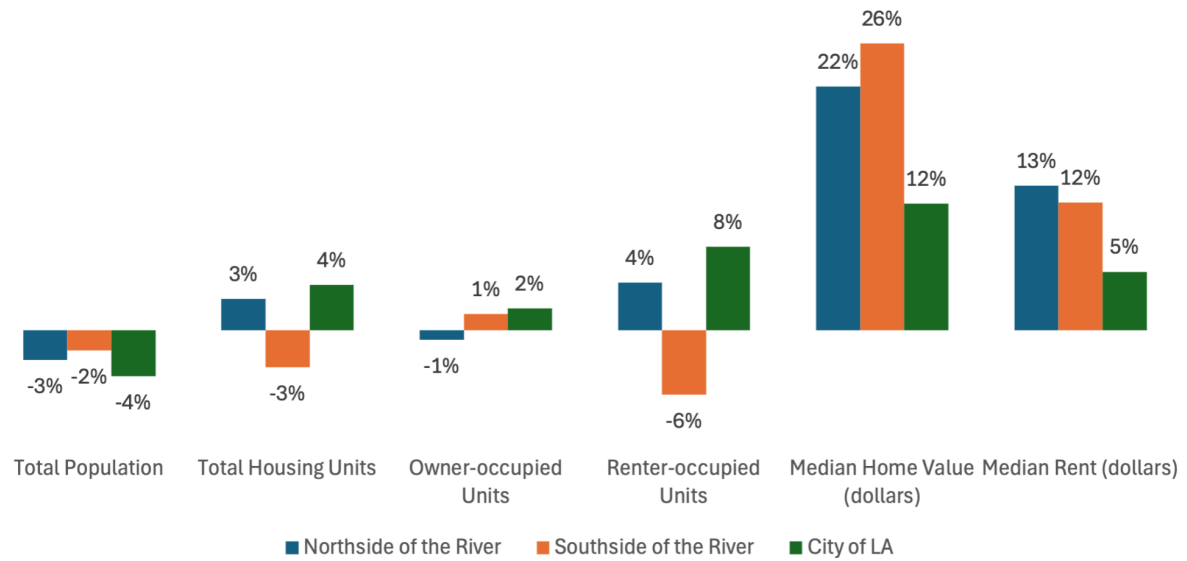
The north side of Segment 7 is predominantly residential, with no major commercial corridors directly in the study area. Westfield Fashion Square is located near the segment's entry point on the west side. The north side falls under two community plans: the Van Nuys–North Sherman Oaks Community Plan to the west and the North Hollywood–Valley Village Community Plan to the east.

Census Data

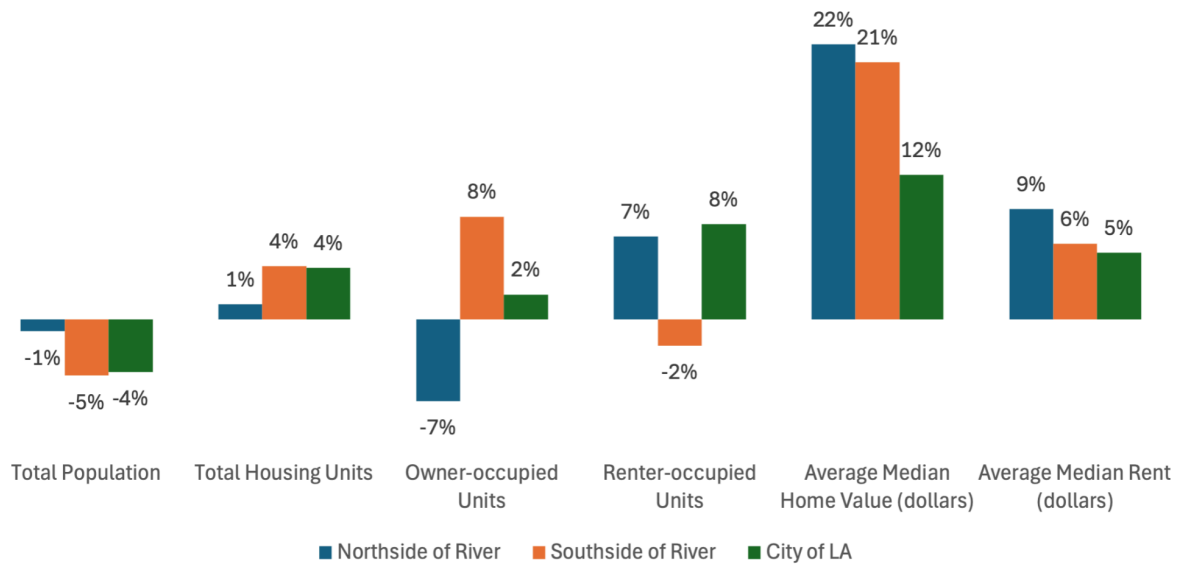
Census data show that the total population declined on both sides of the LA River across the three study areas, reflecting the broader trend of population decline in the City of Los Angeles. The total number of housing units remained relatively low or grew at a pace similar to the citywide average. However, across all three segments, both sides of the river experienced higher growth rates than the city overall in median home values and median rents. This trend suggests a strong market for growth and development, indicating that land value capture could be a viable funding mechanism in these areas.

Tenure patterns also varied between the north and south sides of the river. On the north side, owner-occupied housing units generally declined, while renter-occupied units increased by a similar margin. On the south side, renter-occupied units declined, and owner-occupied housing grew. This difference may be attributed to existing zoning patterns: the south side features more single-family homes, while the north side includes a greater presence of mixed-use and multi-family developments.

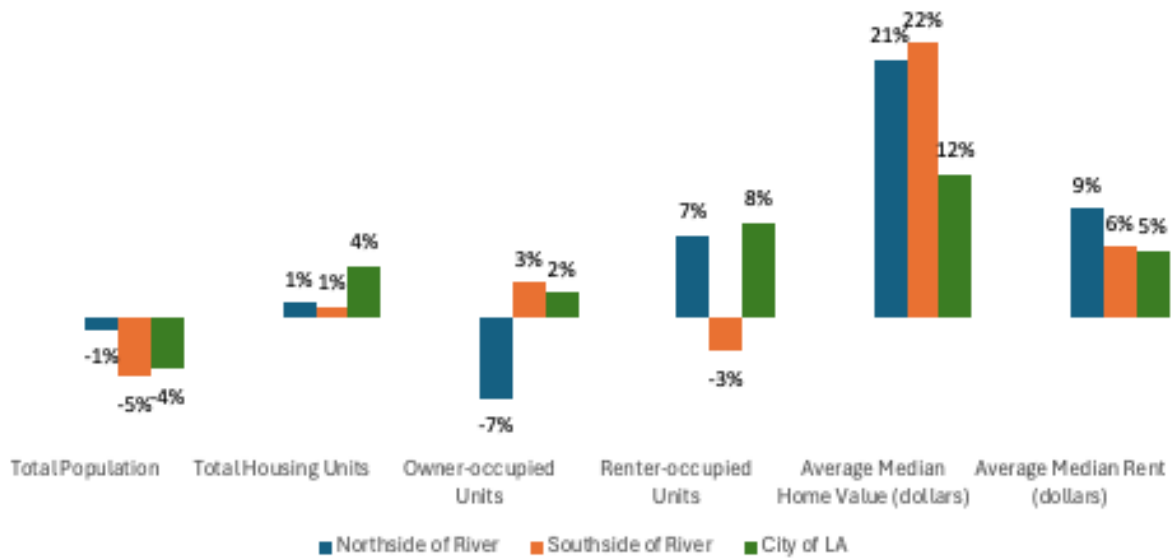
Segment 4 Neighborhood Changes (2018 to 2023)



Segment 5 Neighborhood Changes (2018 to 2023)



Segment 7 Neighborhood Changes (2018 to 2023)



Recommendations

1. Have different LVC Strategies for Different neighborhoods

Given the distinct differences between the north and south sides of the LA River corridor, land value capture (LVC) strategies should be tailored to the unique characteristics of each area. For example, while the River Improvement Overlay (RIO) District applies uniform design guidelines within 500 feet of the river, applying a single LVC strategy across both sides may not be effective. Instead, LVC mechanisms should be customized to reflect the existing built environment and development potential specific to each side of the river. This approach would ensure that land value capture aligns more closely with neighborhood conditions and yields more equitable and effective outcomes.

Census data and neighborhood analysis reveal that the south side predominantly consists of single-family homes and has experienced less population growth. The declining number of renter-occupied units also suggests a weaker rental market. Additionally, physical constraints such as the Santa Monica Mountains to the south, beyond Valley Vista Road, limit the potential for significant new development or changes in land use.

In contrast, the north side has shown consistent growth across multiple indicators, including population, housing, and property values. With fewer geographic barriers and more flexible land use patterns, the north side presents greater potential for new development and densification.

2. Promote Growth by Upzoning and Activating Underutilized Zoned Areas

Major street corridors in the study area are generally zoned for either mixed-use or multi-family residential use. In zones designated for multi-family housing, the current land use largely aligns with what the zoning allows. However, the commercial corridors with mixed-use zoning are underutilized and do not reflect the full development potential permitted by the zoning code. This represents a missed opportunity, particularly given the rising land values in these neighborhoods and the growing need for additional housing and development.

For example, C1.5, C2, and C4-zoned parcels can be found along Ventura Boulevard and Van Nuys Boulevard. Under current zoning standards, these commercial zones permit residential uses similar to R4, allowing for multiple dwellings above ground-floor commercial activity. However, very few mixed-use complexes exist along these corridors. One restriction to note is

that some of these parcels may fall under Specific Plans and Overlays, which can limit allowable density or impose additional design requirements.

Ventura Blvd	C2-1L	Allows R4 uses, height limit 75 ft
Ventura Blvd	C4-1L	Allows R4 uses, height limit 75 ft
Van Nuys Blvd	C1.5-1VL	Allows R4 uses, height limit 45 ft

Activating these areas with more residential and commercial uses could help create a more vibrant and pedestrian-friendly corridor that aligns with the LA River Bikeway's active transportation goals. The single-family zones, especially on the south side, could benefit from targeted upzoning to allow more multi-family development. This approach would help capture land value and support more equitable growth in the region.

3. Partner with Commercial Tenants

All three study areas exhibit a strong retail presence, including major destinations such as Westfield Fashion Square and grocery stores like Erewhon and Whole Foods. Ventura Boulevard on the south side also features a concentration of trendy shops and restaurants that contribute to a vibrant commercial environment. Despite these activities, there is still significant potential to redevelop underutilized retail spaces for more robust usage, especially on the north side.

Introducing additional major retailers and unique small businesses could enhance the area's appeal and attract more visitors. To support equitable development and capture the value these new businesses could bring, the City could consider implementing a commercial linkage fee for large-scale retail projects. This fee should apply only to major retailers, in order to avoid placing the burden on small businesses. Currently, the City does not have any formal partnerships with local businesses to activate the LA River Bikeway. Establishing such relationships could be a valuable opportunity to promote the bikeway as an inclusive connector between housing, retail, and recreation in a unified corridor. More housing, active commercial tenants, and a well-used bikeway could form a symbiotic system that supports community engagement and economic vitality.

4. Explore the Existing Project Impact Assessment (PIA) Fee and New Fee Assessment Programs

Currently, the Project Impact Assessment (PIA) fee is the only development fee imposed within the study areas. This one-time fee is required before the City issues any permits for building, demolition, excavation, or similar activities and is paid to the Department of Transportation. The

fee is intended to fund improvements outlined in the Ventura/Cahuenga Boulevard Corridor Specific Plan, particularly for pedestrian infrastructure and transportation facilities (Ventura/Cahuenga Boulevard Corridor Specific Plan, 2001). The funds collected through the PIA fee are used to support local transportation projects, including public transit improvements, off-street parking maintenance, intersection upgrades, and freeway ramp enhancements along U.S. 101.

However, the specific plan does not mention any strategies for river-related improvements. Given that the LA River corridor is an active transportation project, and that PIA funds can be used for pedestrian-related infrastructure, the City could consider expanding the PIA fee to include river-related projects that would benefit the Ventura/Cahuenga Boulevard corridor.

Alternatively, the City could establish a new development impact fee program specifically dedicated to river-adjacent development. Like the existing PIA fee, it could be structured as a one-time payment collected prior to the issuance of permits for commercial or residential construction. The City could also offer more flexible options, such as in-lieu contributions or developer-led public improvements—such as building a park or bike path—as a direct community investment.

This strategy could also be integrated with other LVC mechanisms, such as Enhanced Infrastructure Financing Districts (EIFDs) and special assessment districts. Capturing value from residential areas to reinvest future increases in property tax revenues represents a key opportunity. From the Census data analysis, we observe that home values have increased significantly over the past few years. With further improvements to the river and potential zoning and land use changes, we can reasonably assume that the property value of both existing and new developments will continue to rise and could become a reliable revenue stream. This approach would ensure that a portion of neighborhood appreciation is returned to the community to fund the bikeway and other river-related projects, such as parks and ecological restoration.

Special assessment districts would also be an appropriate strategy to impose a fee within defined areas along the river in recognition of the benefits these communities will enjoy. This strategy is particularly well-suited if the City is interested in creating several localized special assessment districts to better tailor assessments to the specific needs and conditions of each neighborhood.

5. Classify the LA Bikeway as a Major Transit Corridor to Enable TOD Benefits

When completed, the LA River Bikeway has the potential to serve as a key connector to existing and future transit infrastructure, such as the Metro G Line (Orange Line Busway), Metrolink

stations, and Metro stations in the San Fernando Valley (SFV). It could also become a major corridor for residential and commercial development, as well as new public amenities.

To realize this potential, the City should explore strategic partnerships with both internal and external stakeholders to position the bikeway as an integral component of transit-oriented development (TOD). Currently, the bikeway does not meet the City's definition of a "major transit stop" and therefore does not qualify for TOD-related incentives. Under existing criteria, a "major transit stop" is defined as a rail station, a ferry terminal served by bus or rail, or the intersection of two or more frequent bus lines (LA City Planning Memo, April 2024).

However, if the bikeway were recognized as a qualifying transit service under programs like the Mixed-Income Incentive Program (MIIP) or the Transit Oriented Communities (TOC) Incentive Program, nearby development could be eligible for density bonuses ranging from 50% to 120% (CHIP Fact Sheet, 2024). This could incentivize developers to build denser and taller projects—beneficial both for land value capture and housing production. Although this change would require cross-agency collaboration to redefine transit service eligibility, it is worth exploring how the bikeway can be more fully integrated into the City's broader development strategy.

A simplified projection of allowable housing growth illustrates the potential impacts of TOD and MIIP incentives at their full potential. Due to the lack of readily available parcel-level data on multifamily dwellings, the analysis uses renter-occupied units as a proxy for multifamily housing, as single-family homes typically do not qualify for such incentives. The projection examines changes in renter-occupied units from 2018 to 2023 and applies the same growth or decline rates to estimate a five-year baseline projection through 2028. From that baseline, three bonus scenarios are applied: a 50% density bonus (minimum Tier 1 TOC incentive), a 100% bonus (MIIP for Moderate and Low Opportunity Areas), and a 120% bonus (MIIP for High Opportunity Areas).

Segment	2028 Projected Renter Units	2028 Projected Units with TOD bonus (50%)	2028 Projected Units with MIIP bonus (100%)	2028 Projected Units with MIIP bonus (120%)
4 North	16,545	24,818	33,090	36,399
4 South	4,828	7,242	9,656	10,622
5 North	9,665	14,498	19,330	21,263
5 South	7,127	10,691	14,254	15,679
7 North	9,665	14,498	19,330	21,263
7 South	8,298	12,447	16,596	18,256

Source: Census, 5-Year Estimates

This projection highlights the relative impact of development potential under different policy scenarios but does not reflect precise parcel boundaries, eligibility, or specific program criteria. A more detailed analysis would require parcel-level zoning data within TOD and MIIP-eligible boundaries, accurate counts of existing multifamily units, development site availability, floor area ratio (FAR) constraints, and a review of applicable Specific Plans and Overlays.

The results suggest that TOD and MIIP incentives could significantly increase housing production—especially on the north side of the river, where renter-occupied units already show upward trends. Segments on the south side, where renter-occupied units have declined, also show potential gains under incentive programs, despite recent slower growth. This indicates that additional planning tools, such as upzoning, may be necessary to improve project feasibility and attract developer interest.

By increasing allowable density, these programs enhance the potential for value capture. Higher development intensity boosts land value and expands the local tax base, strengthening the effectiveness of the value capture tools previously recommended.

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