

HOUSING PROGRESS REPORT

Accessory Dwelling Units

Unpermitted Dwelling Units

Transit Oriented Communities Incentives

Density Bonus

Date: 11/27/18

Submitted in PLUM Committee

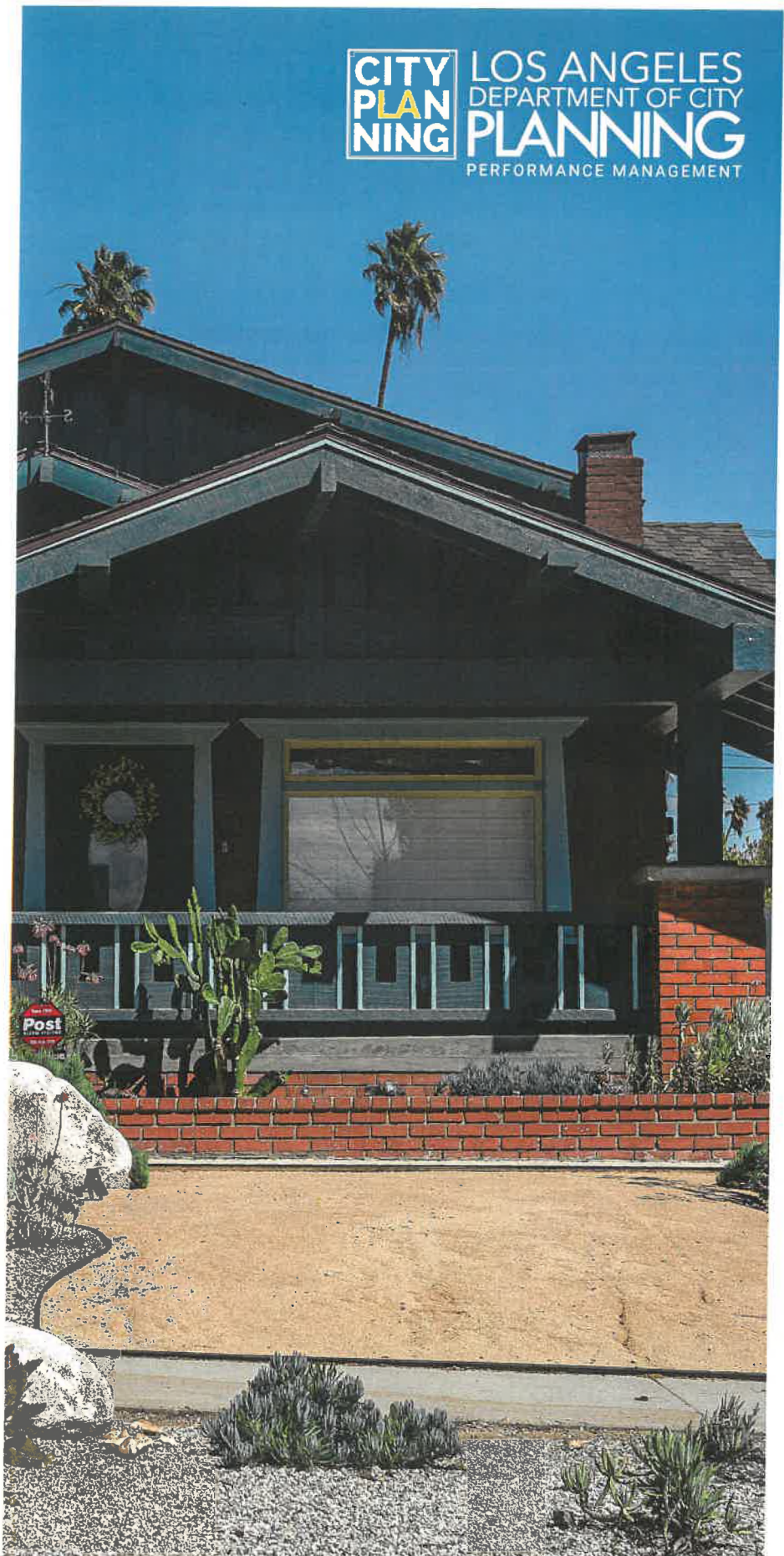
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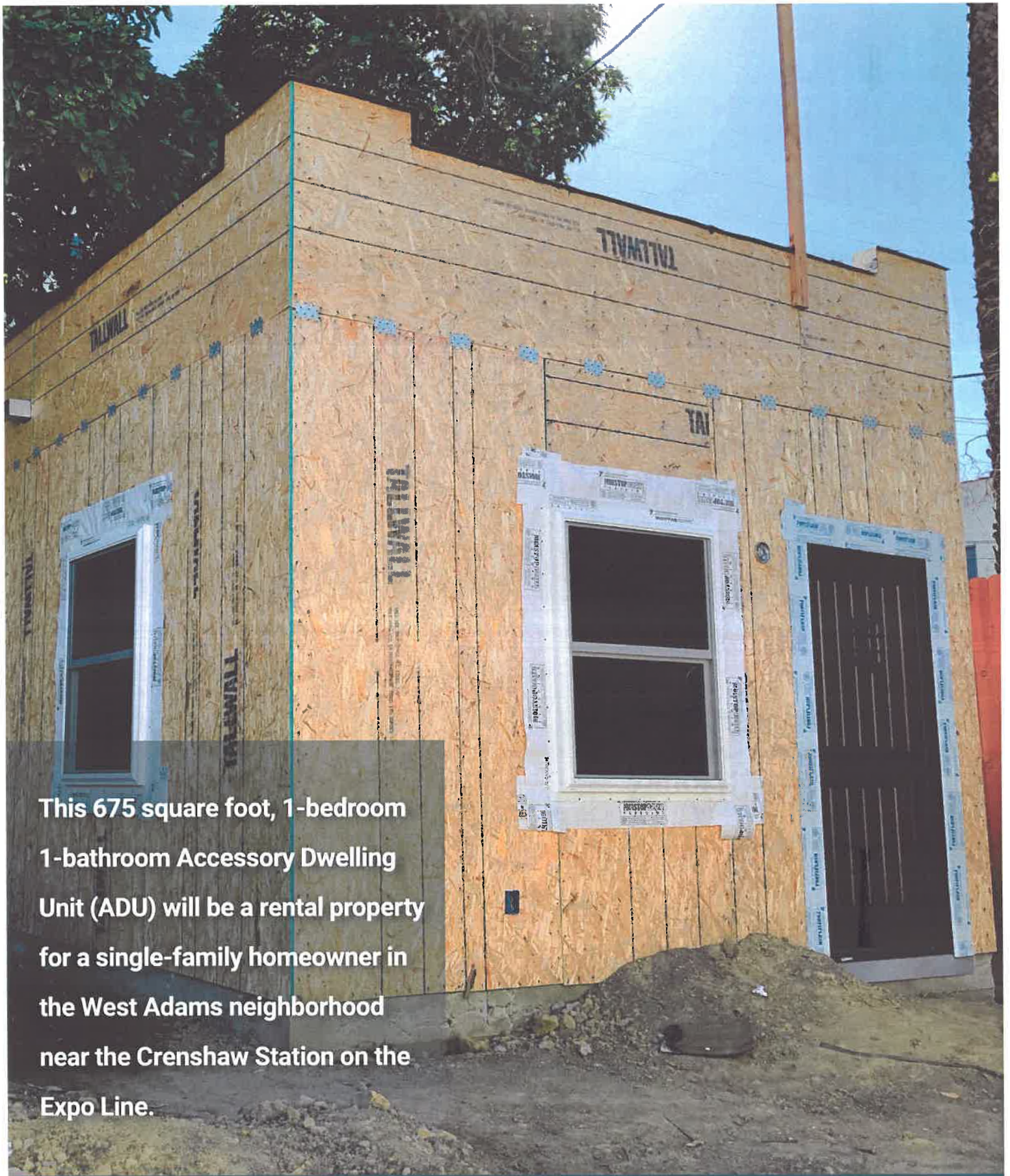
Communication from
Department of City
Planning



LOS ANGELES
DEPARTMENT OF CITY
PLANNING
PERFORMANCE MANAGEMENT



QUARTERLY REPORT: JULY – SEPTEMBER 2018



**This 675 square foot, 1-bedroom
1-bathroom Accessory Dwelling
Unit (ADU) will be a rental property
for a single-family homeowner in
the West Adams neighborhood
near the Crenshaw Station on the
Expo Line.**

HOUSING PROGRESS REPORT

JULY - SEPTEMBER 2018

In July, the City Planning Department released the first issue of the Housing Progress Report, which focused largely on the housing outcomes of Measure JJJ and the Transit Oriented Communities (TOC) Incentive Program through June 30, 2018.

In an effort to increase data transparency and analysis around policy outcomes, the Department has expanded the report to also include Density Bonus, Accessory Dwelling Units (ADUs), and Unapproved Dwelling Units (UDUs). Collectively, these programs identify how the City is advancing a more diverse mix of housing types, including units set aside as affordable.

Moving forward, these quarterly reports will provide regular updates on housing and related development trends. They will inform future policy considerations — ensuring that zoning and planning regulations accommodate the City's housing needs, while balancing those with the needs of its neighborhoods.

What Is Affordable Housing?

In general, housing is considered **affordable** when individuals and households pay no more than 30% of their income for housing-related costs.

"Restricted affordable" or "covenanted affordable" units are required to be made available at rental or sale rates affordable to families that earn less than 120% of the Area Median Income (AMI). These units have both income and price restrictions in order to help lower-income families secure affordable housing. Moderate income is defined as earning between 80% and 120% of AMI - \$58,200 for a one-person household. Low income is 80% of AMI — \$54,250, Very Low is 50% of AMI — \$33,950, and Extremely Low is 30% of AMI — \$20,350 for one person.



ACCESSORY DWELLING UNITS HOUSING PROGRESS REPORT

JANUARY 2015 - SEPTEMBER 2018

An Accessory Dwelling Unit (ADU) is a self-contained housing unit located on the same property as a single-family home. Often referred to as granny flats, guest houses, or casitas, they have been recognized by the State as an important housing option for renters and homeowners. ADUs tend to be more affordable for family members, students, and the elderly seeking housing opportunities within existing neighborhoods.



BUILDING AN ADU

GUIDEBOOK TO ACCESSORY DWELLING UNITS
IN THE CITY OF LOS ANGELES



citylab

ADU PERMIT APPLICATIONS SUBMITTED

BUILDING TYPE	2015	2016	2017	2018 YTD	TOTAL
<i>New Construction</i>	151	124	622	748	1,645
<i>Addition</i>	76	71	1,309	1,396	2,852
<i>Conversion</i>	55	59	1,890	1,778	3,782
TOTAL	282	254	3,821	3,922	8,279

20%

ADUs that are new ground-up construction. The majority are conversions of, or additions to existing buildings

5,000

Record number of ADU permit applications expected to be submitted in 2018

15x

Increase in ADU permit applications from 2016 to 2017, after change in State law

RECENT UPDATES TO STATE ADU LAWS

State legislation that took effect on January 1, 2017 made it easier for homeowners to build, convert, or repurpose existing space for ADUs. For more information, see the **"Building an ADU" Guidebook** at lamayor.org/aduhandbook.

UNAPPROVED DWELLING UNITS HOUSING PROGRESS REPORT

MAY 2017 - SEPTEMBER 2018

The Unpermitted Dwelling Unit Ordinance (UDU) allows for unpermitted units in multi-family buildings to be legalized through a voluntary program — provided that life and safety conditions are met and at least one restricted low- or moderate-income affordable housing unit is offered for each legalized unit. This program was implemented in May 2017.

STATUS	2017				2018			TOTAL
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
Applications Filed	N/A	38	50	36	42	41	43	250
Applications Approved	N/A	23	42	33	30	36	29	193
Final City Planning Sign-off	N/A	0	0	3	11	6	5	25

6 STEPS TO LEGALIZING AN UNAPPROVED DWELLING UNIT

1 Submit.

Submit an application to the Department's Housing Services Unit for initial review and to determine eligibility.

2 Provide.

Provide site, floor, and elevations plans to Building and Safety to verify compliance with the existing building and zoning code.

3 Consult.

Consult with the Department's Housing Services Unit to receive the necessary zoning incentives in order to proceed.

4 Sign.

Sign and record a covenant with the Housing + Community Investment Department to confirm the number of affordable units.

5 Obtain.

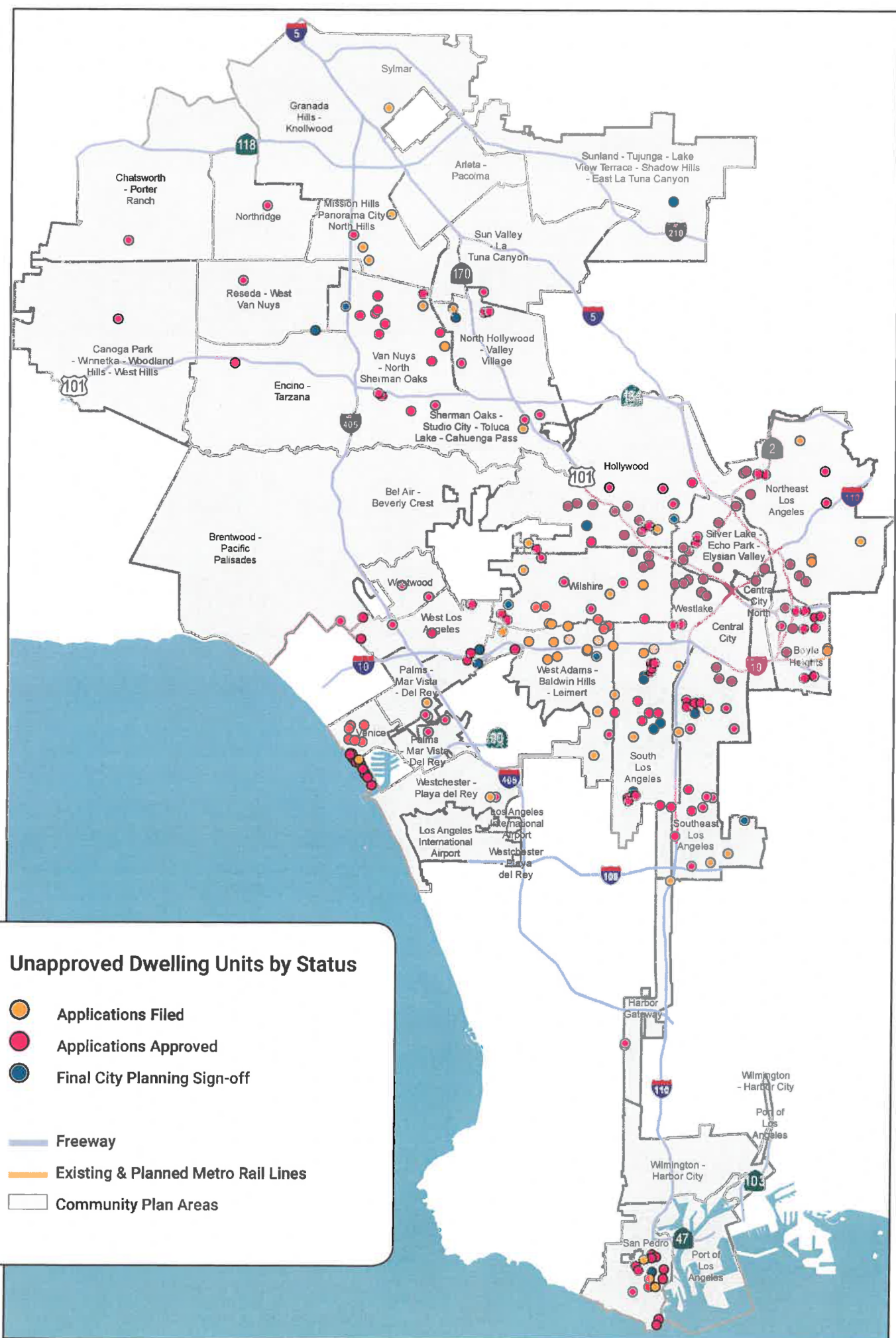
Obtain final sign-off from the Department's Housing Services Unit after demonstrating compliance with all of the performance standards.

6 Secure.

Secure building permits and certificate of occupancy from Building and Safety.

This property in Northeast Los Angeles is using the Unapproved Dwelling Unit program to legalize an existing third unit in the RD3 multi-family zone.





TRANSIT ORIENTED COMMUNITIES INCENTIVES PROGRAM HOUSING PROGRESS REPORT

OCTOBER 2017 - SEPTEMBER 2018

On September 22, 2017, the Department adopted the Transit Oriented Communities (TOC) Incentives in accordance with Measure JJJ – a voter initiative approved in November 2016 to incentivize affordable housing near transit. The TOC program created a new tier-based system of incentives for certain residential projects. Projects that qualify can request additional building incentives in exchange for a specific set-aside of restricted affordable units.

HOUSING PROPOSED THROUGH TOC

Level of Review	# of Cases	# of Housing Units Proposed		
		Market Rate	Affordable	Total
Discretionary Cases	128	5,344	1,364	6,708
By-Right Building Permits	121	2,653	548	3,201
TOTAL	249	7,997	1,912	9,909

65%

of housing units for which entitlements were filed in July-September were proposed through the TOC program.

249

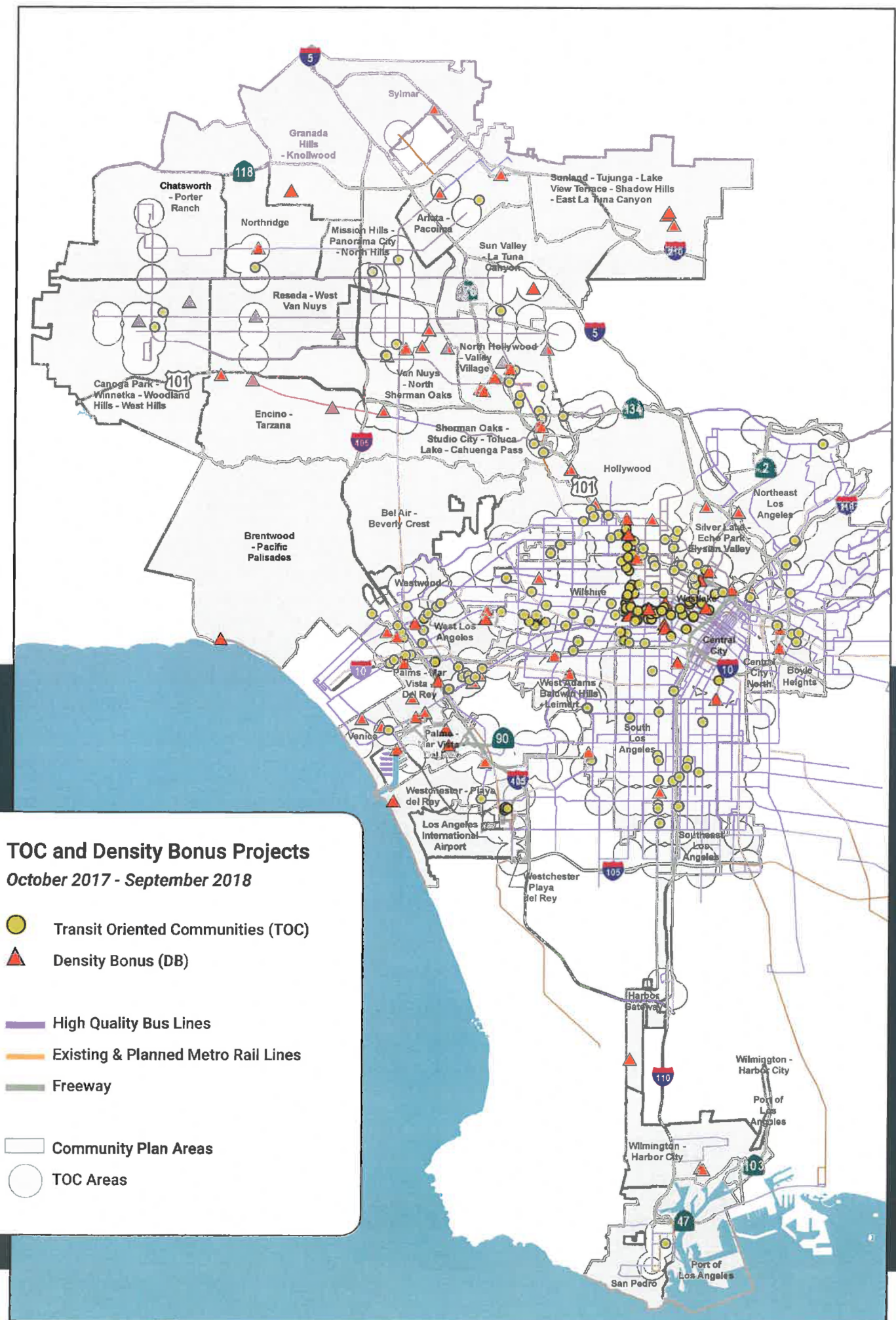
projects have filed under the TOC program since it took effect in September 2017. Nearly half (49%) of those projects were by-right.

20%

of units proposed through TOC are restricted affordable. Of the nearly 2,000 affordable units, 38% are reserved for Extremely Low Income households.

TOC AND DENSITY BONUS: COMPLIMENTARY INCENTIVE PROGRAMS

Density Bonus is a State-mandated program that allows developers to build more dwelling units than what is allowed by the zoning, in exchange for setting aside a percentage of those units as restricted affordable. Density Bonus projects can be built in multi-family zones across the City, while the TOC program only applies within a one-half mile radius of a Major Transit Stop. Working together, these two programs are the biggest drivers of mixed-income housing.

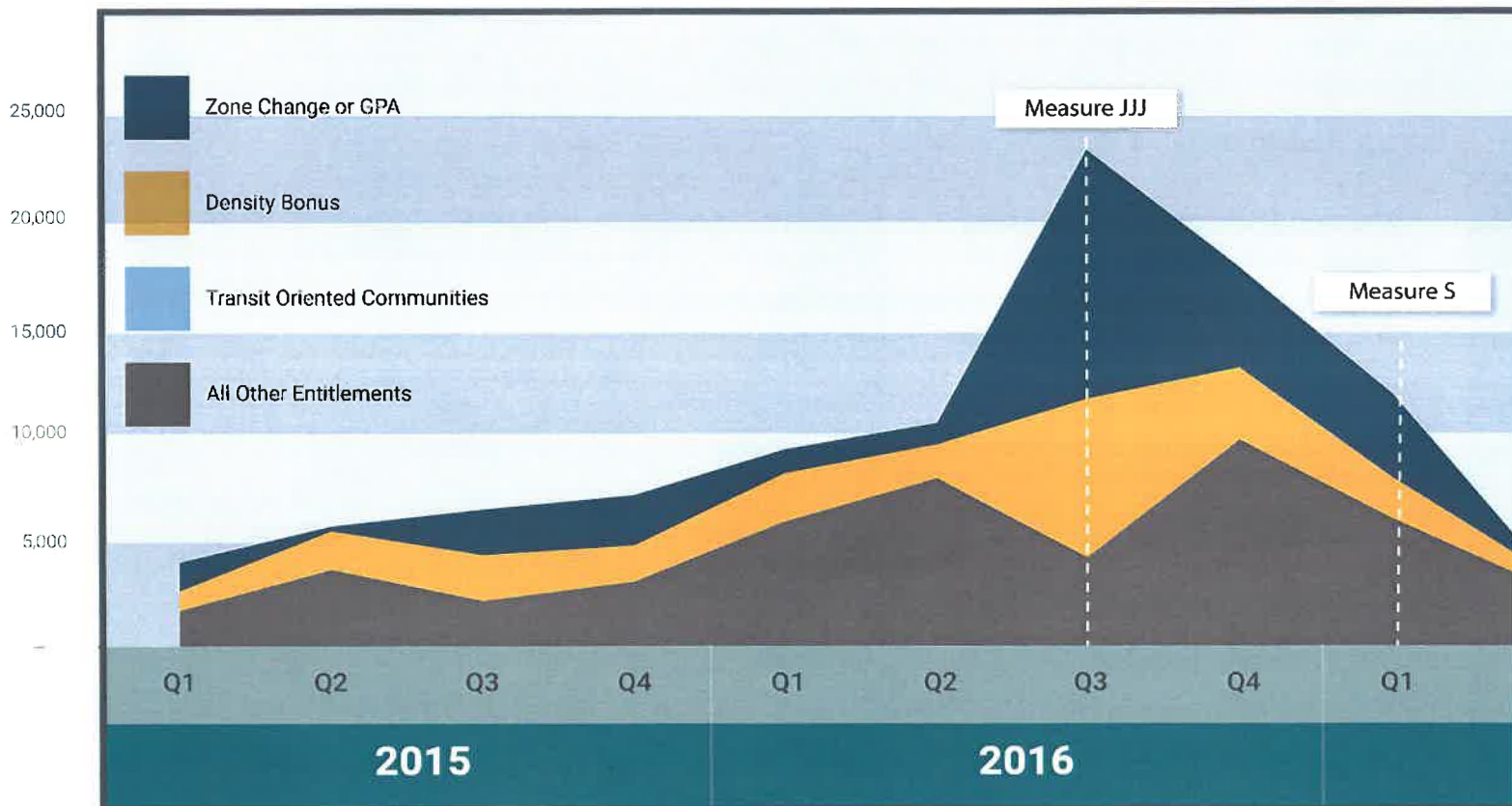


THE BIG PICTURE HOUSING PROGRESS REPORT

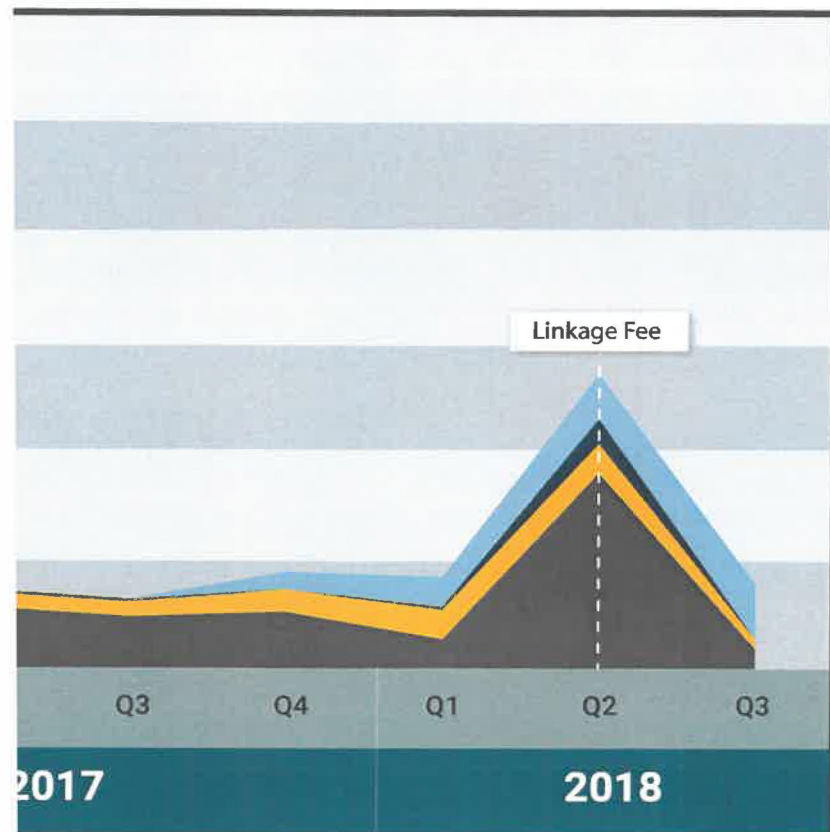
JANUARY 2015 - SEPTEMBER 2018

HOUSING UNITS PROPOSED BY ENTITLEMENT TYPE, 2015-2018

	2015				2016				Q1
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<i>Zone Change or General Plan Amendment (GPA)</i>	1,318	292	2,103	2,400	1,131	1,049	11,872	4,774	3,974
<i>Density Bonus</i>	916	1,807	2,201	1,747	2,303	1,650	7,565	3,436	1,954
<i>Transit Oriented Communities</i>	-	-	-	-	-	-	-	-	-
<i>All Other Entitlements</i>	1,710	3,612	2,142	3,048	5,931	7,930	4,155	9,834	6,075
Total Units Proposed	3,944	5,711	6,446	7,195	9,365	10,629	23,592	18,044	12,003



2017			2018			TOTAL
Q2	Q3	Q4	Q1	Q2	Q3	
4	140	8	126	1,171	87 2%	30,449
134	659	985	1,337	1,378	406 10%	29,078
-	-	863	1,423	1,918	2,504 65%	6,708
835	2,387	2,600	1,350	9,116	881 23%	63,606
573	3,186	4,456	4,236	13,583	3,878 100%	129,841



MEASURE JJJ UPDATE

In November 2016, voters in the City of Los Angeles approved a ballot initiative requiring developers to provide affordable units or pay an in-lieu fee when requesting certain entitlements for qualifying residential projects. This applies to residential projects with 10 or more units seeking a General Plan Amendment and/or Zone Change.

30%

of projects subject to Measure JJJ have terminated, withdrawn, converted, or are not expected to progress.

Measure JJJ Units in Progress

# of Projects	Number of Housing Units Proposed		
	Market Rate	Restricted Affordable	TOTAL
2016 and Prior			
10	1,234	111	1,345
2017			
18	2,470	1,289	3,759
2018			
5	961	256	1,217
TOTAL			
33	4,665	1,656	6,321

Measure S

In March 2017, Los Angeles voters considered a local ballot initiative that would have imposed a two-year moratorium on development projects seeking General Plan Amendments and/or Zone Changes for certain residential projects. The measure failed with more than two-thirds of Angelenos casting votes against it.

Affordable Housing Linkage Fee

The City Council adopted a fee on certain types of new market-rate residential and commercial development in December 2017. While the amount of the fee varies based on the type of use and location, the revenue collected helps provide local funding for affordable housing.

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