

ORDINANCE NO. \_\_\_\_\_

An ordinance amending Section 14.00, Chapter 1 of the Los Angeles Municipal Code to create a process for granting legal status to currently existing unapproved dwelling units in multiple-family buildings when certain affordability criteria and performance standards are met;

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. Subdivision 10 of Subsection A of Section 14.00 of the Los Angeles Municipal Code is added to read as follows:

**10. Existing Non-Permitted Dwelling Units Where Affordable Housing is Provided**

- (a) **Purpose.** The purpose of this subdivision is to further health and safety standards in multifamily buildings, preserve and create affordable housing units by establishing procedures to legalize certain pre-existing unapproved dwelling units.
- (b) **Eligibility.** A structure with a non-permitted dwelling unit or guest room located in a multiple-family zone (R2 or above) is eligible for the provisions of this section when the following criteria can be proven to the satisfaction of the Director of Planning.
  - 1) **Pre-Existing Unit.** The unit(s) to be legalized can be shown to have been built or occupied as a residential unit on or before December 10, 2015. Examples of the types of evidence to be provided include an apartment lease, utility bill, Rent Stabilization Ordinance (RSO) Rent Registration Certificate, Systematic Code Enforcement (SCEP) documentation, photos able to be accurately dated, or other evidence identified on the approval form and made available for public inspection in the case file.
  - 2) **Restricted Affordable Units.** At least one additional Restricted Affordable Unit is being provided on site. A Restricted Affordable Unit is defined for this section as a residential unit for which rental or mortgage amounts are restricted so as to be affordable to and occupied by Very Low, Low or Moderate Income households, as defined by the California Department of Housing and Community Development (HCD) or any successor agency. Affordable means that rents or housing costs cannot exceed 30 percent of the maximum gross income of each respective household income group. Moderate Income units may be utilized provided the project is not located in a Low-Moderate Census Tract pursuant to the Community Reinvestment Act. Projects shall reserve and maintain the number of dwelling units designated as restricted affordable units for a period of not

less than 55 years. A covenant acceptable to the Housing and Community Investment Department shall be recorded with the Los Angeles County Recorder, guaranteeing that the affordability criteria shall be observed for at least 55 years from the issuance of the Certificate of Occupancy.

(c) **Zoning Compliance.** A property meeting the eligibility criteria above must comply with all applicable zoning codes, except:

- 1) The number of allowable dwelling units or guest rooms can be increased up to 35% over the otherwise maximum allowable residential density under any applicable zoning ordinance and/or specific plan, depending on the percentage of Restricted Affordable Units provided in the building, pursuant to the density bonus charts in CA Health and Safety Code Section 65915. These charts can be extended proportionally upward to permit a density increase and affordable set-aside less than that what is shown on the charts. In addition, a two-unit structure in a multiple-family zone may be permitted to legalize a third unit provided one of the units in the structure is a Restricted Affordable Unit.
- 2) For properties that currently have more legal units than are permitted under current zoning, an increase in currently allowable density beyond 35% can be applied for using the existing Public Benefit process in 14.00 A.2, provided that the minimum number of Restricted Affordable Housing units to receive a 35% density bonus are being provided. The provisions in subsection 2 and 4 of 14.00 A.2 shall not apply to this type of project as long as the unit to be legalized did not add any additional unpermitted height to the overall building.
- 3) New required parking spaces shall be calculated based on the unit(s) being legalized and any other unit(s) in the building that had their number of habitable rooms changed as a result of the alteration that led to the unapproved unit (such as a subdivided unit), unless the applicant requests that the entire building be included. If the total net new number of required parking spaces is other than a whole number, the number shall be rounded up to the next whole number. The following existing parking regulations may be utilized together in calculating the required parking spaces:
  - a) Density Bonus Parking Options 1 or 2 in LAMC 12.22 A.25(e). Parking Option 2 may apply for the legalized unit(s) provided one Restricted Affordable Unit or dwelling unit for Low Income Senior Citizens or Disabled Persons is provided for each legalized unit. Alternatively, for a project located within one half mile of a Major Transit Stop as defined in subdivision (b) of Section 21155 of the

California Public Resources Code, a ratio of .5 parking spaces per bedroom may be requested as a 3rd method of calculating required parking for the new and altered units only.

- b) The Bike Parking Ordinance provisions in LAMC 12.21 A.4.
- 4) The passageway provisions of 12.21 C.2(b) through (e) shall not apply to projects meeting this section.
- 5) The applicant shall be eligible for up to three concessions or incentives as described in California Health and Safety Code Section 65915, depending on the percentage of Restricted Affordable Units provided. For the purposes of this subdivision, a concession or incentive means a reduction in a site development standard or a modification of zoning code requirements or architectural design requirements that exceed the minimum building standards approved by the California Building Standards Commission, including, but not limited to, a reduction in open space requirements and in the ratio of vehicular parking spaces that would otherwise be required.
- 6) In no case may the City apply any development standard that will have the effect of physically precluding the legalization of a development meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted by this section. An applicant may submit to the City a proposal for the waiver or reduction of development standards that would have the effect of physically precluding the legalization of a unit meeting the criteria of subdivision (b) at the densities or with the concessions or incentives permitted under this section, and may request a meeting with the city, county, or city and county to discuss the proposal. Development standards include a site or construction condition, including, but not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation.

(d) **Application.** If a property is eligible for legalization, a Public Benefit application shall be submitted to the Department of City Planning that contains basic information about the project, the owner and/or applicant and conformance with this Section.

(e) **Authority.** The Director of Planning shall review all applications under this section as to their conformance with the eligibility criteria in Subsection (b), zoning compliance in Subsection (c) and adherence to the performance standards in Subsection (i).

(f) **Action.** The application shall be approved by the Director of Planning through a ministerial Public Benefit process that ensures the provisions of this section are met. If a proposed project does not comply with Subsection (i) of this code, the applicant may apply for approval of alternative compliance measures pursuant to the following procedures. The Director will hold a public hearing according to the provisions of 14.00 B, except that any Appeals will be handled by the Area Planning Commission.

(g) **Relationship to the State Density Bonus program.** Where this section references terms or provisions that overlap with State Density Bonus law govern (CA Health and Safety Code section 65915), the relevant provisions of the State Law shall govern, unless otherwise stated in this section.

(h) **Relationship to the Affordable Housing Incentive Guidelines.** The City's Affordable Housing Incentive Guidelines shall not apply to projects under this Subsection.

(i) **Performance Standards.** The property shall meet the following performance standards. If compliance with the standards is not demonstrated, the applicant may apply for approval of alternative compliance measures pursuant to Subsection B of 14.00.

- (1) **Front Yard Landscaping.** All portions of the required front yard not used for necessary driveways and walkways, including decorative walkways, are landscaped and maintained, and not otherwise paved;
- (2) **Lighting.** Security night lighting is shielded so that the light source cannot be seen from adjacent residential properties;
- (3) **Parking Area.** Any surface parking areas are landscaped pursuant to the requirements of Subsection 12.21 A.6(i);
- (4) **Signage.** Any illegal signage should be removed.
- (5) **Code Violations.** A property shall not have units legalized through this section if it has any outstanding code violations other than those being addressed by the legalization;
- (6) **Unpermitted Building Area Expansion.** The units to be legalized shall not result or have resulted in an unpermitted expansion of the building footprint or additional height, except that additions of less than 250 square feet, not resulting in any additional height, may be permitted if they are at the rear of the structure. The purpose of this standard is to limit exterior alterations to those that are minor and do not have a significant impact on the visual character of the building or neighborhood.