

# INTERIM MOTEL CONVERSION ORDINANCE

BACKGROUND & FREQUENTLY ASKED QUESTIONS – September 6, 2017



## SUMMARY

The Department of City Planning has drafted an Interim Motel Conversion (IMC) Ordinance to promote creative and cost-effective strategies to expand housing solutions for persons experiencing homelessness. If adopted, it would streamline the approval process to allow existing motels and hotels to be retrofitted and used for supportive and transitional housing for an interim period depending upon the terms of the service contract.

## BACKGROUND

Homelessness continues to be a major challenge facing the City of Los Angeles. The Los Angeles Homeless Authority (LAHSA) count in January 2017 found that approximately 34,189 people are experiencing homelessness in the City of Los Angeles, an increase of 20% from 2016. Complementing a series of strategies aimed at addressing homelessness, the City has identified the use of motels and hotels for supportive and transitional housing as one solution to address the immediate need for housing.

Hotels and motels present an opportunity to utilize existing structures to respond to immediate housing need. These buildings are structurally similar to residential buildings, and have the potential to be quickly adapted to provide interim housing through publicly-funded programs. Measure H, a County-wide measure adopted in March 2017, has expanded the availability of funding to provide rental assistance and supportive services to residents of supportive and transitional housing. County-funded programs will help facilitate the use of hotels and motels for supportive and transitional housing on an interim basis. Once properties are no longer participating in a program to provide supportive and transitional housing, they may be returned to their previous use.

## KEY PROVISIONS

The proposed ordinance is designed to address any potential barriers projects may encounter when participating in a program to provide supportive and transitional housing, including barriers created by Zoning Code regulations. Summarized below are the key provisions of the proposed ordinance.

**Definitions.** The following definitions would be added to the City's Zoning Code:

- **Supportive Housing**, defined as housing for individuals with low incomes and one or more disabilities, including homeless individuals, which is linked to onsite or offsite supportive services.
- **Transitional Housing**, defined as housing provided for a period of no more than 24 months, for individuals with low incomes and one or more disabilities, including homeless individuals, that is linked to onsite or offsite supportive services. It is designed to provide shelter and help stabilize individuals until they are able to move into a more permanent housing solution.
- **Supportive Services**, defined as services that are provided on a voluntary basis to residents of supportive housing and transitional housing, to assist the individual in obtaining and maintaining their housing.

**Contract Requirement.** All projects must maintain a contract to provide supportive housing and/or transitional housing, and associated supportive services and rental assistance. Supportive services may be provided onsite or offsite. The City anticipates that motels and hotels would maintain a contract to provide supportive housing and/or transitional housing for a minimum period of 15 years.

# INTERIM MOTEL CONVERSION ORDINANCE

*BACKGROUND & FREQUENTLY ASKED QUESTIONS – September 6, 2017*



**Preservation of Nonconforming Rights.** Projects will be allowed to be used for supportive and/or transitional housing as long as a contract to provide supportive and/or transitional housing is maintained.

- Any existing buildings which are not in conformance with the current zoning – including density, parking, and use regulations – would be allowed to be used for this purpose without needing additional planning entitlements.
- When the contract to provide supportive and/or transitional housing expires, buildings would be required to revert to their previous use, or any use allowed by the current zoning regulations.

## **Physical Alterations.**

- Projects would be eligible to make minor physical alterations to the interior of the existing structure, for example by adding kitchenettes to individual units or by converting existing floor area to supportive service and case management areas.
- Projects would not be allowed to make any alteration or addition that would create additional units or expand the building's floor area, footprint, or height.

**Residential Hotels.** Properties that are currently subject to the City's Residential Hotel Unit and Conversion Ordinance (RHO) are eligible to participate. All approvals or clearances concerning change in use and/or physical alterations (including any potential reduction in the number of Residential Hotel Units) will be handled by the Housing and Community Investment Department (HCID) in accordance with the provisions of the RHO. Participation in the program will not lead to any increase in the number of Residential Hotel Units at the property once the contract term of the program has been completed.

**Rent Stabilization Ordinance.** Projects shall be able to apply for an exemption from the City's Rent Stabilization Ordinance (RSO) so long as a contract to provide supportive and/or transitional housing is maintained and adhered to.

## **FREQUENTLY ASKED QUESTIONS**

### ***What is the difference between supportive housing and transitional housing?***

Transitional housing is a housing intervention that provides homeless individuals and families with the interim stability and support to successfully move into and maintain permanent housing, typically within a period of 6 to 24 months. Supportive housing provides indefinite rental assistance and supportive services to assist homeless persons with a disability achieve housing stability. Residents of supportive housing maintain a written lease to their unit. Both transitional housing and supportive housing incorporate supportive services such as mental health treatment, addiction therapy and vocational training.

### ***Why are motels suitable for use as this type of housing?***

Hotels and motels provide an opportunity to utilize existing facilities within communities to provide housing and services for families and individuals experiencing homelessness. Agencies specializing in providing housing and supportive services for the homeless are able to convert existing high-density buildings once used for temporary lodging as hostels or motels into transitional housing and supportive housing. The modifications needed to transition to this new use are able to be completed on a much quicker timeline than it typically takes to construct new housing units.

# INTERIM MOTEL CONVERSION ORDINANCE

*BACKGROUND & FREQUENTLY ASKED QUESTIONS – September 6, 2017*



## ***How is this different from the proposed Permanent Supportive Housing Ordinance?***

The proposed Permanent Supportive Housing (PSH) ordinance is intended to remove regulatory barriers that impair the construction of new supportive housing projects. The PSH ordinance will help to implement the City's larger goal of constructing 10,000 units of PSH over the next ten years. In the meantime, the IMC ordinance will allow existing underutilized motels and hotels to be retrofitted and used for transitional housing and supportive housing. To help provide for more immediate solutions that can provide housing options in the near-term, the IMC ordinance is intended to facilitate creative, cost-effective and time-sensitive solutions to increasing the City's supply of transitional and supportive housing.

## **ORDINANCE ADOPTION PROCESS**

The draft ordinance will go through a multi-step process before it can become law. First, the Department will hold a series of information sessions during the middle of September (see the Department's website under *What's New* for the times and dates). Next, staff will hold two Public Hearings scheduled for September 25<sup>th</sup> and 28<sup>th</sup> (see the Department's website under *Ordinances > Proposed Ordinances*) where official testimony will be taken. The ordinance will then go to the City Planning Commission (CPC), which is likely to be held in November 2017. From there, the ordinance is scheduled for the appropriate City Council Committees, who will consider the CPC recommendation and recommend that it is forwarded to the City Attorney for form and legality. The final proposed ordinance will then be voted on by the full City Council.

## **ADDITIONAL INFORMATION**

If you have any questions or comments, please contact Cally Hardy at [cally.hardy@lacity.org](mailto:cally.hardy@lacity.org) or (213) 978-1643. Comments submitted prior to **the end of the day on October 30, 2017** will be considered for the staff recommendation report. Comments submitted after this time should also be directed to the City Planning Commission ([cpc@lacity.org](mailto:cpc@lacity.org)).

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

An ordinance amending Sections 12.03, 14.00 and 151.02 of the Los Angeles Municipal Code establishing regulations to facilitate the use of existing hotels and motels for Supportive Housing and/or Transitional Housing.

**WHEREAS**, the extreme shortage of housing in the City of Los Angeles has been well documented;

**WHEREAS**, the housing shortage continues to exacerbate the homelessness crisis, as rates of homelessness increased 20% in the City of Los Angeles from 2016 to 2017;

**WHEREAS**, the City of Los Angeles has declared a shelter crisis under California Government Code Section 8698 based on a finding that a significant number of homeless people in Los Angeles are without the ability to obtain shelter, resulting in a threat to their health and safety;

**WHEREAS**, the City Council has determined that, to address this crisis, the public interest or necessity demands the improvement of real property to provide supportive housing and transitional housing for extremely low income or very low income individuals and families who are homeless or chronically homeless, which includes facilities from which assistance and services, such as mental health treatment, health care, drug and alcohol treatment, education and job training, may be provided;

**WHEREAS**, on January 7, 2016, the City of Los Angeles issued a Comprehensive Homeless Strategy Report, which identified more than 60 policy and funding recommendations in addressing homelessness;

**WHEREAS**, Strategy 7C identified in the Comprehensive Homeless Strategy Report directed the Housing and Community Investment Department and the Department of City Planning to identify opportunities for adaptive reuse of existing private properties in the City of Los Angeles that are capable of being converted to Transitional and Supportive Housing, with special focus on existing high-density structures such as hotels and motels;

**WHEREAS**, given limited resources and the extreme need for shelter, it is clear that creative, cost-effective strategies are needed to complement the City's plan to address the homeless crisis in the urgent, comprehensive and persistent manner it deserves; and

**WHEREAS**, the adaptive reuse of hotels and motels presents an opportunity for a cost-effective and expeditious strategy to expand the City's supply of Transitional and Supportive Housing;

**NOW, THEREFORE,**

**THE PEOPLE OF THE CITY OF LOS ANGELES**

**DO ORDAIN AS FOLLOWS:**

Section 1. The following definitions are added to Section 12.03 of the Los Angeles Municipal Code to read:

**SUPPORTIVE HOUSING.** Housing with no limit on length of stay that is occupied by persons with low incomes who have one or more disabilities and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people. The housing is linked to onsite or offsite Supportive Services, and any onsite Floor Area used for the delivery of Supportive Services shall be considered accessory to the residential use.

**TRANSITIONAL HOUSING.** A building that is designed to provide housing and Supportive Services to persons with low incomes who have one or more disabilities and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people, to facilitate movement to permanent housing, typically within 24 months.

**SUPPORTIVE SERVICES.** Services that are provided on a voluntary basis to residents of Supportive Housing and Transitional Housing, including, but not limited to, a combination of subsidized, permanent housing, intensive case management, medical and mental health care, substance abuse treatment, employment services, benefits advocacy, and other services or service referrals necessary to obtain and maintain housing.

Section 2. Subdivision 12 of Subsection A of Section 14.00 of the Los Angeles Municipal Code is added to read as follows:

**12. Interim Use of Motels for Supportive Housing or Transitional Housing.** The purpose of this subdivision is to facilitate the interim use of dwelling units or guest rooms in existing Hotels, Motels, Apartment Hotels, Transient Occupancy Residential Structures and Hostels as Supportive Housing and/or Transitional Housing. This subdivision is further intended to allow such property to return to its previous use, or any use consistent with the underlying zoning, upon termination of the interim Supportive Housing and/or Transitional Housing use.

(a) **Interim Motel Housing Project.** An Interim Motel Housing Project is the physical re-purposing or adaptation of an existing Hotel, Motel, Apartment Hotel, Transient Occupancy Residential Structure, or Hostel for the purposes of using such building or buildings for Supportive Housing and/or Transitional Housing. All dwelling units and guest rooms in the project must be used for Supportive Housing and/or Transitional Housing. The Interim Motel Housing Project may not at any point in time result in any additional Floor Area or an expansion of the building footprint or height, nor shall it result in an increase in the total combined number of dwelling units or guest rooms on the property. Any Floor Area used for onsite Supportive Services shall be considered accessory to the residential use.

(1) For the purposes of this Section, properties and/or units that are subject to the provisions of LAMC Section 47.70, et seq. (Residential Hotel Ordinance) at the time that an Interim Motel Housing Project application is submitted to the Department of City Planning, shall remain subject to all

requirements and restrictions set forth therein both during the contract term to provide Supportive Housing and/or Transitional Housing and thereafter, including, but not limited to, the submission of an Application for Clearance to the Housing and Community Investment Department (HCID). At the conclusion of the contract term, the number of Residential Units at each participating property shall be no greater or less than the number originally determined by HCID pursuant to LAMC Section 47.76 or any subsequent number approved by HCID as part of an Application for Clearance.

**(b) Application and Approval.**

- (1) The Department of Building and Safety shall review all Interim Motel Housing Projects for zoning compliance described in Paragraph (d) and adherence to the performance standards in Paragraph (e). The Interim Motel Housing Project shall be approved if the application requirements, zoning compliance and performance standards of this subsection are met.
- (2) Prior to issuance of a building permit, the applicant shall provide a copy of an executed contract agreement which demonstrates that the Supportive Housing and/or Transitional Housing use to be provided on-site and associated Supportive Services have received funding from a local public agency, as identified on a list maintained by the Department of City Planning, and is in place and ready to commence operation upon project occupancy.

**(c) Termination of Supportive Housing and/or Transitional Housing Contract.**

Upon any termination of the Supportive Housing and/or Transitional Housing contract, the Interim Motel Housing Project shall be required, within 90 days, to notify the Department of Building and Safety and to complete one of the following:

- (1) Submit an application to the Department of Building and Safety to return to the previous use for which a Certificate of Occupancy was valid at the time that the Interim Motel Housing Project application was submitted to the Department of City Planning, or to any use permitted by the current zoning regulations; or
- (2) Provide a copy of a new executed contract agreement in accordance with the requirements in Paragraph (b)(2).

**(d) Zoning Compliance.**

- (1) Interim Motel Housing Projects shall not be subject to any otherwise applicable zoning ordinance and/or specific plan or other overlay district regulations including but not limited to the following:
  - (i) **Minimum Area per Dwelling Unit or Guest Room.** A building, nonconforming as to the area regulations (density) of the underlying zone, may be used for an Interim Motel Housing Project, provided

that the conversion does not create any additional dwelling units or guest rooms.

- (ii) **Off-Street Automobile Parking.** The required number of parking spaces shall be the same as the number of spaces that existed on the site at the time that the Interim Motel Housing Project application was submitted to the Department of Building and Safety, and shall be maintained and not reduced. Interim Motel Housing Projects shall otherwise be exempt from the provisions of Section 12.21 A.4(m) of this Code.
  - (iii) **Use.** Notwithstanding the use provisions of the underlying zoning, an Interim Motel Housing Project shall be permitted.
  - (iv) **Change of Use.** For any change of use of a building or a portion of a building, Section 12.23 B.7 of this Code shall not apply to Interim Motel Housing Projects.
  - (v) **Nonconforming Use of Buildings in Manufacturing Zones.** Notwithstanding the regulations contained in Section 12.23 B.4 of this Code, an Interim Motel Housing Project shall be permitted in M Zones.
  - (vi) **Nonconforming Use in A and R Zones.** The regulations contained in Section 12.23B.2 of this Code shall not disqualify any existing motel from approval as an Interim Motel Housing Project or from returning to a motel use at the termination of the Supportive Housing and/or Transitional Housing contract.
- (2) **Supplementation of Guest Rooms.** For the purposes of this Section, Guest Rooms may be supplemented with cooking facilities including a sink, a refrigerator not exceeding 10 cubic feet, counter space not exceeding 10 square feet, and a hotplate or microwave. Any such supplementation of Guest Rooms shall be permitted to remain at the time that an Interim Motel Housing Project returns to the original use for which a Certificate of Occupancy was valid at the time of application.
- (3) **Preservation of Nonconforming Rights.** Upon termination of the Supportive Housing and/or Transitional Housing use, any building used for an Interim Motel Housing Project that is nonconforming as to area and/or use regulations or any other zoning code requirement or requirements shall be authorized to return to the original use and condition for which a Certificate of Occupancy was valid at the time of application, notwithstanding any physical alterations to the subject property. Any Floor Area used for Supportive Services may be returned to use as guest rooms

and/or dwelling units, or may be converted to accessory amenity spaces, so long as the total number of guest rooms and the total number of dwelling units do not exceed the number approved on the previous Certificate of Occupancy.

(e) **Performance Standards.** The Interim Motel Housing Project shall meet the following performance standards:

(1) **Supportive Service Area.** Floor Area dedicated to Supportive Services may be provided onsite within an existing building, but shall not exceed ten percent (10%) of the total Floor Area of the building.

(2) **Lighting.** Security night lighting shall be shielded so that the light source cannot be seen from adjacent residential properties.

(f) **Purpose.** The use of these guest rooms and dwelling units under this subdivision shall not be considered an increase in density or other change which requires any corresponding discretionary action. Floor Area dedicated to Supportive Services shall be accessory to the Supportive Housing and/or Transitional Housing use. Lighting on the site should be adequate to provide for public safety and should not spill out on adjoining residential uses.

Section 3. Section 151.02 of the Los Angeles Municipal Code is amended to read as follows:

**Rental Units.** ... The term shall not include:

13. Housing accommodations in Supportive Housing and/or Transitional Housing participating in an Interim Motel Housing Project pursuant to LAMC Section 14.00.A.13.

This exemption shall apply only to housing accommodations which have been issued a housing exemption by the Department indicating satisfaction of the following conditions:

- (1) the subject housing accommodations are subject to and operating in accordance with a contract to provide Supportive Housing and/or Transitional Housing; and
- (2) any tenant remaining in the housing accommodations at the commencement of the contract term to provide Supportive Housing and/or Transitional Housing shall be afforded all rights and protections provided by this Article, including, but not limited to, LAMC Section 151.09A pertaining to the recovery of housing accommodations from any such tenant.





# PERMANENT SUPPORTIVE HOUSING ORDINANCE

**BACKGROUND & FREQUENTLY ASKED QUESTIONS – August 31, 2017**

## **SUMMARY**

Homelessness is a significant challenge facing the City of Los Angeles. To advance service-enriched housing for persons experiencing homelessness, the Department has drafted a Permanent Supportive Housing (PSH) ordinance. If adopted, it would establish a set of standardized criteria and definitions for PSH and remove regulatory barriers that impair the construction of new supportive housing.

## **BACKGROUND**

According to the City's Comprehensive Homeless Strategy, a total of 1,000 PSH units need to be constructed annually to house the City's homeless population – a significant increase from the current annual supply of 300 units. To help meet these goals, the Los Angeles electorate adopted Measure HHH in November 2016, a voter initiative that will create \$1.2 billion in new funding over the next decade to construct PSH units. The voters also adopted Measure H in March 2017, a County-wide measure that will provide ongoing funding to support rent subsidies and services for PSH, among other homeless services.

The proposed ordinance implements the will of the voters by ensuring that PSH units can go through a consolidated planning process and that public funds, which are often dedicated for these developments, are efficiently utilized to facilitate the production of PSH units throughout the City. It consolidates planning approvals to cut down on the overall development timeline, while incorporating new standards intended to reflect the unique characteristics of PSH and enhance the overall design of the project.

## **KEY PROVISIONS**

Summarized below are the key provisions of the proposed PSH ordinance.

### ***Qualifying Projects***

- In order to be considered a Qualified PSH Project, all units are required to be affordable and a minimum of half of the total units would be restricted to persons who are homeless. PSH projects are required to be linked to onsite or offsite supportive services.
- Projects must also comply with the following requirements:
  - Demonstrate that an appropriate level of Supportive Services will be provided onsite or offsite;
  - Dedicate a 55-year affordability covenant;
  - Ensure one-to-one replacement of any existing affordable units; and
  - Post a public notice of the project application.

### ***Process Improvements***

- The proposed ordinance would streamline the approval process for Qualifying PSH projects, significantly reducing the average time it takes for a PSH developer to begin construction. To benefit from this process, projects must meet specific criteria and requirements. *(See "Qualifying Projects")*
- The ordinance would increase the threshold for Site Plan Review for Qualified PSH projects to 120 units (200 units in Central City).

### ***Zoning Compliance***

- Qualified PSH Projects would be allowed in zones that allow a multifamily residential use (RD zone and less restrictive).
- All projects would need to adhere to the underlying zoning requirements, with the following exceptions.



# PERMANENT SUPPORTIVE HOUSING ORDINANCE

## BACKGROUND & FREQUENTLY ASKED QUESTIONS – August 31, 2017

- Given the smaller size of an average PSH unit, no minimum lot area per dwelling unit would apply in multifamily residential zones (R3 and less restrictive), while a minimum lot area of 500 square feet per unit would apply in the RD1.5 zone.
- Parking would not be required for any units restricted to the formerly homeless. Additional parking would be required to accommodate on-site supportive services staff.
- Areas to be used for supportive services and common areas would be excluded from the total allowable floor area (FAR) calculation.
- Conversion or replacement of existing Residential Hotels to PSH would be permitted in any zone, regardless of the use provisions of the underlying zoning.

### ***Building Incentives***

- Projects would be eligible to request additional concessions or incentives, which allow for modifications in development standards such as setback and open space requirements.
- The menu of incentives was developed to ensure that PSH projects are not out of scale with surrounding neighborhoods.

### ***Performance Standards***

- Projects would be required to be located in a High Quality Transit Area, as identified in the current Regional Transportation Plan (RTP/SCS).
- To ensure quality design, PSH projects would be required to adhere to a set of design standards such as façade transparency, building articulation, and street orientation requirements.
- Additional standards pertaining to unit amenities, on-site Supportive Service areas, and environmental mitigation are also included in the draft ordinance.

### ***Public Facilities (PF) Zone***

- To further the City's strategy of utilizing City-owned land located in a PF zone for PSH, the ordinance would facilitate the development of joint public-private PSH projects that are compatible with the surrounding zoning.

## **FREQUENTLY ASKED QUESTIONS**

### ***What is permanent supportive housing?***

PSH is a type of housing for the formerly or chronically homeless which incorporates supportive services such as mental health treatment, addiction therapy and vocational training. Integrating services with affordable housing provides formerly homeless individuals and families the ongoing help they need to remain housed and able to live independently. Like other affordable housing, PSH is designed to look like existing housing in the surrounding neighborhood. PSH primarily consists of apartments with a high percentage of single units in buildings with space for onsite case managers.

### ***What is the current need for PSH?***

According to a January 2017 report from the Los Angeles Homeless Services Authority (LAHSA), there are approximately 34,189 people experiencing homelessness in the City of Los Angeles, a number which grew by 20% since last year and has been increasing steadily. The vast majority of these individuals, approximately 25,237 (74%), have no access to homes. A significant number of homeless persons often experience multiple health issues, trauma, mental illness, and disability. Almost a quarter have substance abuse issues needing treatment while over a third have experienced domestic violence.



# PERMANENT SUPPORTIVE HOUSING ORDINANCE

## BACKGROUND & FREQUENTLY ASKED QUESTIONS – August 31, 2017

### ***What approach did the Department take in developing the draft ordinance?***

To better understand what types of PSH projects have been built in the City of Los Angeles, the Department assembled a database of all PSH projects which have been constructed in recent years. This database included information on project characteristics, as well as the types of entitlements requested. Additionally, the Department conducted site visits to PSH projects, spoke with PSH residents and convened a working group of PSH developers, architects and other experts to fully understand the particular needs of PSH projects and residents. Furthermore, Department staff wrote the draft ordinance in response to the adopted strategies that were referenced in the City's Comprehensive Homeless Strategy.

### ***Where can PSH projects be built in the City?***

Per State law in California SB 2 (2007), PSH projects are required to be treated the same as any residential use in the same zone. This means that PSH projects can be built anywhere a multifamily residential building is allowed under the Zoning Code. The proposed ordinance does not change where PSH units are currently allowed in the city. To be eligible for project streamlining and the incentives provided by the draft ordinance, Qualified Permanent Supportive Housing Projects are required to be located near public transit.

### ***How would PSH projects be different under the proposed ordinance?***

The proposed ordinance would allow individual projects to incorporate additional units, given that PSH units are often designed for individuals and therefore are often much smaller than in typical housing projects. However, individual projects would be subject to the same height and floor area (FAR) limitations that would apply under the existing density bonus program, ensuring that buildings would be similar in scale to a typical affordable housing project that could be developed today. Based on the typical allowable floor area on available sites in the City, the majority of projects are expected to be between 30 and 75 units. For those that are located on larger sites that allow larger projects, projects utilizing this streamlined process would be limited to a maximum size of 120 units, or 200 units if located in the Greater Downtown Housing Incentive Area.

### ***How will PSH project applications be processed?***

Qualifying PSH projects will be eligible for an expedited public benefit application through the Department of City Planning's Priority Housing Project (PHP) Program. The goal of the PHP program is to provide priority case processing for housing projects that include affordable housing, in order to cut down on the overall timeline and cost of securing planning entitlements.

### ***How will I know if a PSH project is proposed in my neighborhood?***

In order to obtain approval from the Planning Department, developers of PSH projects will be required to demonstrate they have provided proper noticing to the community by posting a notice on the project site and mailing a notice to adjacent property owners and the City Council office with jurisdiction over the site.

### ***Who do I contact with questions or comments?***

If you have any questions or comments, please contact Cally Hardy at [cally.hardy@lacity.org](mailto:cally.hardy@lacity.org) or (213) 978-1643. Comments submitted prior to **the end of the day on October 30, 2017** will be considered for the staff recommendation report. Comments submitted after this time should also be directed to the City Planning Commission ([cpc@lacity.org](mailto:cpc@lacity.org)).

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

An ordinance amending Sections 12.03, 12.04.09, 14.00, and 16.05 of the Los Angeles Municipal Code establishing regulations to facilitate the production of Permanent Supportive Housing.

**THE PEOPLE OF THE CITY OF LOS ANGELES**

**DO ORDAIN AS FOLLOWS:**

Section 1. The following definitions in Section 12.03 of the Los Angeles Municipal Code are added to read:

**SUPPORTIVE HOUSING.** Housing with no limit on length of stay that is occupied by persons with low incomes who have one or more disabilities and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people. The housing is linked to onsite or offsite Supportive Services, and any Floor Area used for Supportive Services shall be considered accessory to the residential use. This definition includes a Qualified Permanent Supportive Housing Project, as that term is defined in Section 14.00 A.11(a) of this Code.

**SUPPORTIVE SERVICES.** Services that are provided on a voluntary basis to residents of Supportive Housing and Transitional Housing, including, but not limited to, a combination of subsidized, permanent housing, intensive case management, medical and mental health care, substance abuse treatment, employment services, benefits advocacy, and other services or service referrals necessary to obtain and maintain housing.

Section 2. Subdivision 11 of Subsection A of Section 14.00 of the Los Angeles Municipal Code is added to read as follows:

**11. Permanent Supportive Housing.**

(a) **Definitions.** Notwithstanding any provision of this Code to the contrary, the following definitions shall apply to this subdivision:

(1) **Qualified Permanent Supportive Housing Project.** The construction of, addition to, or remodeling of a building or buildings containing Supportive Housing, located in a zone that allows multiple dwellings (RD1.5 or less restrictive), where all of the total combined units or guest rooms, exclusive of any manager's units, are affordable to and occupied by Extremely Low, Very Low or Low Income households, as those income ranges are defined by the United States Department of Housing and Urban Development

(HUD) or any successor agency, as verified by the Housing & Community Investment Department (HCIDLA). Affordable means that rents or housing costs cannot exceed 30 percent of the maximum gross income of each respective household income group. A minimum of fifty (50) percent of the total combined units or guest rooms is occupied by the Target Population.

(2) **Target Population.** Persons with qualifying lower incomes who:

- (i) Have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, and are homeless as defined in 42 U.S.C. 11302; or
- (ii) Are chronically homeless, as defined in 42 USC 11360 (2).

(b) **Application and Approval.** The applicant shall submit an application on a form developed by the Department of City Planning that contains basic information about the project, the owner and/or applicant and conformance with this section. The Director of Planning shall review all applications for compliance with the definitions in Paragraph (a), requirements in Paragraph (c), zoning compliance in Paragraph (d), and adherence to the performance standards in Paragraph (g). The application shall be approved by the Director of Planning through a ministerial Public Benefit process if the eligibility criteria and performance standards of this subsection are met.

(1) **Other Affordable Housing Incentive Programs.** Except as described in Paragraph (f), Qualified Permanent Supportive Housing Projects approved pursuant to this Section are not eligible for affordable housing incentive programs offered in the Greater Downtown Housing Incentive Area in Section 12.22 A.29, Density Bonus in Section 12.22 A.25, the Transit Oriented Communities Affordable Housing Incentive Program in Section 12.22 A.31, Community Plan Implementation Overlays, or any other affordable housing incentive program.

(c) **Requirements.** A Qualified Permanent Supportive Housing Project must comply with the following requirements:

(1) **Supportive Services.** Applicants shall provide documentation describing the Supportive Services that will be provided onsite or offsite. Prior to any approval of a Qualified Permanent Supportive Housing Project by the Department of City Planning, the applicant shall submit information demonstrating that Supportive Services will be provided to residents of the project. The applicant shall indicate the name of the entity or entities that will provide the Supportive Services, funding source(s) for those services, and proposed staffing levels. A signed letter of intent from a local public agency, as identified on a list maintained by the Department of City Planning, shall be provided, verifying that the Supportive Services have received a preliminary funding commitment from the local public agency. If

no funding commitment is needed, the applicant shall demonstrate that the entity or entities that will provide the Supportive Services are listed on a prequalified list of service providers maintained by a local public funding agency.

- (2) **Affordable Housing Covenant.** Projects shall record a covenant acceptable to the Housing and Community Investment Department (HCIDLA) that reserves and maintains the number of dwelling units designated as restricted affordable for at least 55 years from the issuance of the Certificate of Occupancy.
- (3) **Housing Replacement.** Projects shall meet any applicable dwelling unit replacement requirements of California Government Code Section 65915(c)(3), as verified by the Housing and Community Investment Department (HCIDLA) prior to the issuance of any building permit.
- (4) **Notification of Application.** The following requirements shall be completed at least 30 days prior to the Department of City Planning's approval of the Qualified Permanent Supportive Housing Project entitlement:
  - (i) The Department shall send written notices of the application by U.S. mail to the abutting property owners and the Council District Office of the site for which a Qualified Permanent Supportive Housing Project application has been proposed; and
  - (ii) The applicant shall post, in a conspicuous place near the entrance of the property, a public notice of the Qualified Permanent Supportive Housing Project application. The applicant shall submit documentation of the public notice on a form provided by the Department, along with required photographs.
- (d) **Zoning Compliance.** A Qualified Permanent Supportive Housing Project meeting the requirements in Paragraph (c) and the performance standards in Paragraph (g) must comply with all objective requirements in any applicable zoning code, specific plan or overlay district regulations except:
  - (1) **Minimum Lot Area per Dwelling Unit or Guest Room.** In zones where multiple dwelling uses are permitted (R3 and less restrictive), the number of allowable dwelling units or guest rooms shall not be subject to the otherwise maximum allowable residential density under any applicable zoning ordinance and/or specific plan. In the RD1.5 Zone, the minimum lot area per dwelling unit or guest room shall be 500 square feet. All applicable standards pertaining to height and floor area under any applicable zoning ordinance and/or specific plan or overlay shall apply.

- (2) **Automobile Parking Requirements.** The following requirements shall apply to all Qualified Permanent Supportive Housing Projects. Up to 40% of the total required parking may be provided by compact stalls.
- (i) No parking spaces shall be required for dwelling units or guest rooms restricted to the Target Population.
  - (ii) For Qualified Permanent Supportive Housing Projects located within one-half (1/2) mile of a Transit Stop as defined in Section 12.22 A.25(b), no more than one-half (1/2) parking space shall be required for each income-restricted dwelling unit or guest room not occupied by the Target Population. Otherwise, no more than one (1) parking space shall be required for each income-restricted dwelling unit or guest room not occupied by the Target Population.
  - (iii) One parking space for every twenty (20) dwelling units and/or guest rooms shall be required for the purpose of accommodating guests, supportive services, and case management.
  - (iv) **Exception for Projects Located in the Greater Downtown Housing Incentive Area.** Notwithstanding Paragraph (b)(1), for projects located in the Greater Downtown Housing Incentive Area, no parking space shall be required for dwelling units or guest rooms dedicated or set aside for households that earn less than 50% of the Area Median Income as determined by the Housing and Community Investment Department.
- (3) **Floor Area.** In computing the total floor area, any area designated exclusively for use in conjunction with Supportive Services and any public area accessible to all residents, including public common areas that serve residential or Supportive Services uses, shall not be considered part of the total floor area of the building for the purposes of calculating the total allowable floor area. The floor area shall be measured to the center line of partitions.
- (4) **Use.** Notwithstanding the use provisions of the underlying zoning, a Qualified Permanent Supportive Housing Project developed pursuant to this section shall be permitted when such project is being converted from or is a replacement of a Residential Hotel as defined in Section 47.70 et seq. of this Code and is a continuation of an existing residential use. Any such replacement shall comply with the provisions of Section 47.70 et seq. The total number of dwelling units or guest rooms may increase as a result of the conversion or replacement.
- (5) **Guest Rooms.** For the purposes of this Section, a guest room may contain cooking facilities including a sink, refrigerator not exceeding 10 cubic feet, counter space not exceeding 10 square feet, and a hotplate or microwave.

(e) **Additional Concessions or Incentives.** The project shall be eligible for any combination of up to four concessions or incentives described below, as applicable. Incentives shall not be used to exempt compliance with the performance standards described in Paragraph (g).

(1) **Yard/Setback.** Up to 20% decrease in the required width or depth of any individual yard or setback except along any property line that abuts an R1 or more restrictively zoned property provided that the landscaping for the Permanent Supportive Housing project is sufficient to qualify for the number of landscape points equivalent to 10% or more than otherwise required by Section 12.40 of this Code and Landscape Ordinance Guidelines “O.”

(2) **Lot Coverage.** Up to 20% increase in lot coverage limits, provided that the landscaping for the Permanent Supportive Housing project is sufficient to qualify for the number of landscape points equivalent to 10% more than otherwise required by Section 12.40 of this Code and Landscape Ordinance Guidelines “O.”

(3) **Floor Area Ratio.**

- (i) Up to 35% increase in the allowable Floor Area Ratio; or
- (ii) In lieu of the otherwise applicable Floor Area Ratio, a Floor Area Ratio not to exceed 3:1, provided the parcel is in a commercial zone.

(4) **Height.** Up to 35% increase in the height requirement in feet, applicable over the entire parcel regardless of the number of underlying height limits. For purposes of this subparagraph, Section 12.21.1 A.10 of this Code shall not apply. In its place, the following transitional height requirements shall be applied.

- (i) In any zone in which the height or number of stories is limited, this height increase shall permit a maximum of eleven additional feet and one additional story, whichever is lower.
- (ii) When adjacent to or across an alley from an R2 or more restrictive zone, the building’s transitional height shall be stepped-back within a 45 degree angle as measured from a point 25 feet above grade at the property line.





- (5) **Open Space.** Up to 20% decrease from an open space requirement, provided that the landscaping for the Qualified Permanent Supportive Housing Project is sufficient to qualify for the number of landscape points equivalent to 10% more than otherwise required by Section 12.40 of this Code and Landscape Ordinance Guidelines “O.”
  - (6) **Common Open Space.** Notwithstanding the requirements in LAMC 12.24 G, recreation rooms at least 600 square feet in area for a development of 16 or more dwelling units or guest rooms, or at least 400 square feet in area for a development of fewer than 16 dwelling units or guest rooms, may qualify as common open space, but shall not qualify for more than 40 percent of the total required usable open space.
  - (7) **Averaging of Floor Area Ratio, Parking or Open Space, and permitting Vehicular Access.** A Qualified Permanent Supportive Housing Project that is located on two or more contiguous parcels may average the floor area, open space and parking over the project site, and permit vehicular access through a more restrictive zone to a less restrictive zone, provided that:
    - (i) The proposed use is permitted by the underlying zone(s) of each parcel; and
    - (ii) No further lot line adjustment or any other action that may cause the Permanent Supportive Housing Project site to be subdivided subsequent to this grant shall be permitted.
  - (8) **Ground Floor Use.** Where nonresidential floor area is required by the Department of City Planning in a zoning ordinance, Specific Plan, Community Plan, Pedestrian Overlay Zone or other set of development standards, that requirement may be satisfied by any active ground floor use such as community rooms, resident amenities, supportive service areas, and common open space.
  - (9) **Other Development Standard.** Up to a 35% relief may be provided from one other development standard not described in this section, as that term is defined in California Government Code Section 65915(o)(1).
- (f) **Request for Additional Waivers.** The City may not apply a development standard that will physically preclude the construction of the Qualified Permanent Supportive Housing Project. As part of the Public Benefit Project, applicants may request additional waivers pursuant to the procedures described in Section 12.22 A.25(g)(3) of this Code, except that the application shall not be required to provide a pro forma or other documentation to show that the waiver or modification of any development standard(s) are needed in order to make the Qualified Permanent Supportive Housing Project economically feasible. Additional waivers shall not be

used to exempt compliance with the performance standards described in Paragraph (g).

(g) **Performance Standards.** The project shall meet the following performance standards. If otherwise applicable performance standards or design standards established under any zoning code, specific plan, or other overlay requirements conflict with this Section, those requirements shall supersede the standards provided in this Section.

(1) **Location Requirement.** The Qualified Permanent Supportive Housing Project shall be located within a High Quality Transit Area for the horizon year in the current Regional Transportation Plan/Sustainable Communities Strategy for the Southern California Association of Governments region.

(2) **Unit/Guest Room Requirements.** Each dwelling unit or guest room shall have a private bathroom and cooking facilities containing, at minimum, a sink, refrigerator, counter space, and a hotplate or microwave.

(3) **On-Site Supportive Services Requirement.** Nonresidential floor area shall be provided for on-site Supportive Services in the following ratios:

(i) For Qualified Permanent Supportive Housing Projects with 20 or fewer total combined units or guest rooms, no less than 90 square feet of dedicated office space shall be provided; or

(ii) For Qualified Permanent Supportive Housing Projects with greater than 20 dwelling units or guest rooms, a minimum of three (3) percent of the total residential floor area shall be dedicated for the provision of on-site Supportive Services that are limited to tenant use, including but not limited to community rooms, case management offices, computer rooms, and/or a community kitchen.

(4) **Façade Transparency.**

(i) For any building located on a commercial corridor, a minimum of 25 percent of that portion of the exterior street-facing walls which are between 2 feet to 8 feet above the sidewalk grade, shall be comprised of transparent (untinted, unfrosted, non-reflective) windows or openings, exclusive of areas for walkways, driveways, paseos and plazas.

(ii) Glass Transparency. Glass is considered transparent where it has a transparency higher than 80 percent and external reflectance of less than 15 percent.

(5) **Massing.** Buildings more than 300 feet in length shall include a design element that provides visual relief every 200 feet. The design feature shall

either setback from or step forward from the primary face of the building by at least a depth of 12 inches and shall be a width of no less than 5% of the building face (ex: 5% of 200' = 10') and shall extend up the face of the building at least the full height of the building's first story.

- (6) **Building Orientation.** All buildings shall be oriented to the street by providing primary entrances, windows, architectural features or balconies on the front and along any street-facing elevations. Primary entrances shall be connected to and visible from a public street such that a pedestrian entering the building need not walk through a vehicle parking area in order to arrive at the entrance.
- (7) **Landscaping.** All portions of the required front yard not used for necessary driveways and walkways, including decorative walkways, shall be landscaped and maintained, and not otherwise paved.
- (8) **Lighting.** Security night lighting shall be shielded so that the light source cannot be seen from adjacent residential properties.
- (9) **Surface Parking.** Any surface parking areas shall be landscaped pursuant to the requirements of Subsection 12.21 A.6(i) of this Code.
- (10) **Construction Standards.** The following standards shall be met during project construction and shall be verified prior to issuance of the Certificate of Occupancy:
  - (i) No pile driving shall be allowed. Where piles are needed, they shall be drilled;
  - (ii) Where excavating below previously excavated depths, the project shall require monitoring by a qualified archaeologist and/or paleontologist if any fossil remains are found at the project site;
  - (iii) Where past use indicates potential for contamination, Phase I and, as needed, Phase II Environmental Site Assessments shall be prepared. Applicants shall consult with appropriate oversight agencies, including the Department of Toxic Substances Control and the Los Angeles Regional Water Quality Control Board, and implement remediation measures to minimize human exposure and prevent further environmental contamination; and
  - (iv) Where excavation could extend below previously disturbed levels, notification shall be provided to California Native American tribes that are traditionally and culturally affiliated with the geographic area of the project site, if the Tribe has submitted to the Department of City Planning a request in writing to be notified of proposed projects in that area.

(11) **Historic Resources.** The Qualified Permanent Supportive Housing shall not involve a historical resource, as defined by Public Resources Code Section 21084.1 as determined by the Director, in consultation with the Office of Historic Resources

(h) **Purpose.** The purpose of this subdivision is to facilitate the expedient production of Permanent Supportive Housing units meeting the definitions and regulations established herein, in order to provide high-quality, well-serviced and affordable housing units which are responsive to the needs of the Target Population. Qualified Permanent Supportive Housing Projects should be located at sites that are accessible by public transit, including paratransit. Individual units and/or guest rooms should be provided with basic amenities that are sufficient to support independent living. Areas should be made available on the subject property to provide the appropriate level of Supportive Services to the Target Population. Architectural features should be incorporated in building design to ensure that buildings are street-oriented, provide visual interest at the street level, and facilitate pedestrian access. Landscaping should be provided in any front yard area or on any surface parking area to provide additional visual interest at the street level. Lighting on the site should be located so as to not reflect on adjoining residential uses.

Section 3. Subdivision 9 of Subsection B of Section 12.04.09 of the Los Angeles Municipal Code is amended to read as follows:

**SEC. 12.04.09. “PF” PUBLIC FACILITIES ZONE.**

9. Any joint public and private development uses permitted in the most restrictive adjoining zones if approved by the Director utilizing the procedures described in Section [16.05](#) E to H. The phrase “adjoining zones” refers to the zones on properties abutting, across the street or alley from or having a common corner with the subject property. If there are two or more different adjoining zones, then only the uses permitted by the most restrictive zone shall be permitted. If the joint public and private development is a Qualified Permanent Supportive Housing Project developed pursuant to Section 14.00 A.11 of this Code, the uses and standards permitted by the least restrictive zone within a 1,320 foot radius shall be permitted utilizing the procedures described therein.

Section 4. Subdivision 8 of Subsection D of Section 16.05 of the Los Angeles Municipal Code is added to read as follows:

8. A Qualified Permanent Supportive Housing Project developed pursuant to Section 14.00 A.11 of this Code and containing no more than 120 units, or no more than 200 units if it is located in the Greater Downtown Housing Incentive Area.

# INTERIM MOTEL CONVERSION ORDINANCE

BACKGROUND & FREQUENTLY ASKED QUESTIONS – September 6, 2017



## SUMMARY

The Department of City Planning has drafted an Interim Motel Conversion (IMC) Ordinance to promote creative and cost-effective strategies to expand housing solutions for persons experiencing homelessness. If adopted, it would streamline the approval process to allow existing motels and hotels to be retrofitted and used for supportive and transitional housing for an interim period depending upon the terms of the service contract.

## BACKGROUND

Homelessness continues to be a major challenge facing the City of Los Angeles. The Los Angeles Homeless Authority (LAHSA) count in January 2017 found that approximately 34,189 people are experiencing homelessness in the City of Los Angeles, an increase of 20% from 2016. Complementing a series of strategies aimed at addressing homelessness, the City has identified the use of motels and hotels for supportive and transitional housing as one solution to address the immediate need for housing.

Hotels and motels present an opportunity to utilize existing structures to respond to immediate housing need. These buildings are structurally similar to residential buildings, and have the potential to be quickly adapted to provide interim housing through publicly-funded programs. Measure H, a County-wide measure adopted in March 2017, has expanded the availability of funding to provide rental assistance and supportive services to residents of supportive and transitional housing. County-funded programs will help facilitate the use of hotels and motels for supportive and transitional housing on an interim basis. Once properties are no longer participating in a program to provide supportive and transitional housing, they may be returned to their previous use.

## KEY PROVISIONS

The proposed ordinance is designed to address any potential barriers projects may encounter when participating in a program to provide supportive and transitional housing, including barriers created by Zoning Code regulations. Summarized below are the key provisions of the proposed ordinance.

**Definitions.** The following definitions would be added to the City's Zoning Code:

- **Supportive Housing**, defined as housing for individuals with low incomes and one or more disabilities, including homeless individuals, which is linked to onsite or offsite supportive services.
- **Transitional Housing**, defined as housing provided for a period of no more than 24 months, for individuals with low incomes and one or more disabilities, including homeless individuals, that is linked to onsite or offsite supportive services. It is designed to provide shelter and help stabilize individuals until they are able to move into a more permanent housing solution.
- **Supportive Services**, defined as services that are provided on a voluntary basis to residents of supportive housing and transitional housing, to assist the individual in obtaining and maintaining their housing.

**Contract Requirement.** All projects must maintain a contract to provide supportive housing and/or transitional housing, and associated supportive services and rental assistance. Supportive services may be provided onsite or offsite. The City anticipates that motels and hotels would maintain a contract to provide supportive housing and/or transitional housing for a minimum period of 15 years.

# INTERIM MOTEL CONVERSION ORDINANCE

*BACKGROUND & FREQUENTLY ASKED QUESTIONS – September 6, 2017*



**Preservation of Nonconforming Rights.** Projects will be allowed to be used for supportive and/or transitional housing as long as a contract to provide supportive and/or transitional housing is maintained.

- Any existing buildings which are not in conformance with the current zoning – including density, parking, and use regulations – would be allowed to be used for this purpose without needing additional planning entitlements.
- When the contract to provide supportive and/or transitional housing expires, buildings would be required to revert to their previous use, or any use allowed by the current zoning regulations.

## **Physical Alterations.**

- Projects would be eligible to make minor physical alterations to the interior of the existing structure, for example by adding kitchenettes to individual units or by converting existing floor area to supportive service and case management areas.
- Projects would not be allowed to make any alteration or addition that would create additional units or expand the building's floor area, footprint, or height.

**Residential Hotels.** Properties that are currently subject to the City's Residential Hotel Unit and Conversion Ordinance (RHO) are eligible to participate. All approvals or clearances concerning change in use and/or physical alterations (including any potential reduction in the number of Residential Hotel Units) will be handled by the Housing and Community Investment Department (HCID) in accordance with the provisions of the RHO. Participation in the program will not lead to any increase in the number of Residential Hotel Units at the property once the contract term of the program has been completed.

**Rent Stabilization Ordinance.** Projects shall be able to apply for an exemption from the City's Rent Stabilization Ordinance (RSO) so long as a contract to provide supportive and/or transitional housing is maintained and adhered to.

## **FREQUENTLY ASKED QUESTIONS**

### ***What is the difference between supportive housing and transitional housing?***

Transitional housing is a housing intervention that provides homeless individuals and families with the interim stability and support to successfully move into and maintain permanent housing, typically within a period of 6 to 24 months. Supportive housing provides indefinite rental assistance and supportive services to assist homeless persons with a disability achieve housing stability. Residents of supportive housing maintain a written lease to their unit. Both transitional housing and supportive housing incorporate supportive services such as mental health treatment, addiction therapy and vocational training.

### ***Why are motels suitable for use as this type of housing?***

Hotels and motels provide an opportunity to utilize existing facilities within communities to provide housing and services for families and individuals experiencing homelessness. Agencies specializing in providing housing and supportive services for the homeless are able to convert existing high-density buildings once used for temporary lodging as hostels or motels into transitional housing and supportive housing. The modifications needed to transition to this new use are able to be completed on a much quicker timeline than it typically takes to construct new housing units.

# INTERIM MOTEL CONVERSION ORDINANCE

*BACKGROUND & FREQUENTLY ASKED QUESTIONS – September 6, 2017*



## ***How is this different from the proposed Permanent Supportive Housing Ordinance?***

The proposed Permanent Supportive Housing (PSH) ordinance is intended to remove regulatory barriers that impair the construction of new supportive housing projects. The PSH ordinance will help to implement the City's larger goal of constructing 10,000 units of PSH over the next ten years. In the meantime, the IMC ordinance will allow existing underutilized motels and hotels to be retrofitted and used for transitional housing and supportive housing. To help provide for more immediate solutions that can provide housing options in the near-term, the IMC ordinance is intended to facilitate creative, cost-effective and time-sensitive solutions to increasing the City's supply of transitional and supportive housing.

## **ORDINANCE ADOPTION PROCESS**

The draft ordinance will go through a multi-step process before it can become law. First, the Department will hold a series of information sessions during the middle of September (see the Department's website under *What's New* for the times and dates). Next, staff will hold two Public Hearings scheduled for September 25<sup>th</sup> and 28<sup>th</sup> (see the Department's website under *Ordinances > Proposed Ordinances*) where official testimony will be taken. The ordinance will then go to the City Planning Commission (CPC), which is likely to be held in November 2017. From there, the ordinance is scheduled for the appropriate City Council Committees, who will consider the CPC recommendation and recommend that it is forwarded to the City Attorney for form and legality. The final proposed ordinance will then be voted on by the full City Council.

## **ADDITIONAL INFORMATION**

If you have any questions or comments, please contact Cally Hardy at [cally.hardy@lacity.org](mailto:cally.hardy@lacity.org) or (213) 978-1643. Comments submitted prior to **the end of the day on October 30, 2017** will be considered for the staff recommendation report. Comments submitted after this time should also be directed to the City Planning Commission ([cpc@lacity.org](mailto:cpc@lacity.org)).

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

An ordinance amending Sections 12.03, 14.00 and 151.02 of the Los Angeles Municipal Code establishing regulations to facilitate the use of existing hotels and motels for Supportive Housing and/or Transitional Housing.

**WHEREAS**, the extreme shortage of housing in the City of Los Angeles has been well documented;

**WHEREAS**, the housing shortage continues to exacerbate the homelessness crisis, as rates of homelessness increased 20% in the City of Los Angeles from 2016 to 2017;

**WHEREAS**, the City of Los Angeles has declared a shelter crisis under California Government Code Section 8698 based on a finding that a significant number of homeless people in Los Angeles are without the ability to obtain shelter, resulting in a threat to their health and safety;

**WHEREAS**, the City Council has determined that, to address this crisis, the public interest or necessity demands the improvement of real property to provide supportive housing and transitional housing for extremely low income or very low income individuals and families who are homeless or chronically homeless, which includes facilities from which assistance and services, such as mental health treatment, health care, drug and alcohol treatment, education and job training, may be provided;

**WHEREAS**, on January 7, 2016, the City of Los Angeles issued a Comprehensive Homeless Strategy Report, which identified more than 60 policy and funding recommendations in addressing homelessness;

**WHEREAS**, Strategy 7C identified in the Comprehensive Homeless Strategy Report directed the Housing and Community Investment Department and the Department of City Planning to identify opportunities for adaptive reuse of existing private properties in the City of Los Angeles that are capable of being converted to Transitional and Supportive Housing, with special focus on existing high-density structures such as hotels and motels;

**WHEREAS**, given limited resources and the extreme need for shelter, it is clear that creative, cost-effective strategies are needed to complement the City's plan to address the homeless crisis in the urgent, comprehensive and persistent manner it deserves; and

**WHEREAS**, the adaptive reuse of hotels and motels presents an opportunity for a cost-effective and expeditious strategy to expand the City's supply of Transitional and Supportive Housing;

**NOW, THEREFORE,**

**THE PEOPLE OF THE CITY OF LOS ANGELES**

**DO ORDAIN AS FOLLOWS:**

Section 1. The following definitions are added to Section 12.03 of the Los Angeles Municipal Code to read:



**SUPPORTIVE HOUSING.** Housing with no limit on length of stay that is occupied by persons with low incomes who have one or more disabilities and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people. The housing is linked to onsite or offsite Supportive Services, and any onsite Floor Area used for the delivery of Supportive Services shall be considered accessory to the residential use.

**TRANSITIONAL HOUSING.** A building that is designed to provide housing and Supportive Services to persons with low incomes who have one or more disabilities and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people, to facilitate movement to permanent housing, typically within 24 months.

**SUPPORTIVE SERVICES.** Services that are provided on a voluntary basis to residents of Supportive Housing and Transitional Housing, including, but not limited to, a combination of subsidized, permanent housing, intensive case management, medical and mental health care, substance abuse treatment, employment services, benefits advocacy, and other services or service referrals necessary to obtain and maintain housing.

Section 2. Subdivision 12 of Subsection A of Section 14.00 of the Los Angeles Municipal Code is added to read as follows:

**12. Interim Use of Motels for Supportive Housing or Transitional Housing.** The purpose of this subdivision is to facilitate the interim use of dwelling units or guest rooms in existing Hotels, Motels, Apartment Hotels, Transient Occupancy Residential Structures and Hostels as Supportive Housing and/or Transitional Housing. This subdivision is further intended to allow such property to return to its previous use, or any use consistent with the underlying zoning, upon termination of the interim Supportive Housing and/or Transitional Housing use.

(a) **Interim Motel Housing Project.** An Interim Motel Housing Project is the physical re-purposing or adaptation of an existing Hotel, Motel, Apartment Hotel, Transient Occupancy Residential Structure, or Hostel for the purposes of using such building or buildings for Supportive Housing and/or Transitional Housing. All dwelling units and guest rooms in the project must be used for Supportive Housing and/or Transitional Housing. The Interim Motel Housing Project may not at any point in time result in any additional Floor Area or an expansion of the building footprint or height, nor shall it result in an increase in the total combined number of dwelling units or guest rooms on the property. Any Floor Area used for onsite Supportive Services shall be considered accessory to the residential use.

(1) For the purposes of this Section, properties and/or units that are subject to the provisions of LAMC Section 47.70, et seq. (Residential Hotel Ordinance) at the time that an Interim Motel Housing Project application is submitted to the Department of City Planning, shall remain subject to all

requirements and restrictions set forth therein both during the contract term to provide Supportive Housing and/or Transitional Housing and thereafter, including, but not limited to, the submission of an Application for Clearance to the Housing and Community Investment Department (HCID). At the conclusion of the contract term, the number of Residential Units at each participating property shall be no greater or less than the number originally determined by HCID pursuant to LAMC Section 47.76 or any subsequent number approved by HCID as part of an Application for Clearance.

**(b) Application and Approval.**

- (1) The Department of Building and Safety shall review all Interim Motel Housing Projects for zoning compliance described in Paragraph (d) and adherence to the performance standards in Paragraph (e). The Interim Motel Housing Project shall be approved if the application requirements, zoning compliance and performance standards of this subsection are met.
- (2) Prior to issuance of a building permit, the applicant shall provide a copy of an executed contract agreement which demonstrates that the Supportive Housing and/or Transitional Housing use to be provided on-site and associated Supportive Services have received funding from a local public agency, as identified on a list maintained by the Department of City Planning, and is in place and ready to commence operation upon project occupancy.

**(c) Termination of Supportive Housing and/or Transitional Housing Contract.**

Upon any termination of the Supportive Housing and/or Transitional Housing contract, the Interim Motel Housing Project shall be required, within 90 days, to notify the Department of Building and Safety and to complete one of the following:

- (1) Submit an application to the Department of Building and Safety to return to the previous use for which a Certificate of Occupancy was valid at the time that the Interim Motel Housing Project application was submitted to the Department of City Planning, or to any use permitted by the current zoning regulations; or
- (2) Provide a copy of a new executed contract agreement in accordance with the requirements in Paragraph (b)(2).

**(d) Zoning Compliance.**

- (1) Interim Motel Housing Projects shall not be subject to any otherwise applicable zoning ordinance and/or specific plan or other overlay district regulations including but not limited to the following:
  - (i) **Minimum Area per Dwelling Unit or Guest Room.** A building, nonconforming as to the area regulations (density) of the underlying zone, may be used for an Interim Motel Housing Project, provided

that the conversion does not create any additional dwelling units or guest rooms.

- (ii) **Off-Street Automobile Parking.** The required number of parking spaces shall be the same as the number of spaces that existed on the site at the time that the Interim Motel Housing Project application was submitted to the Department of Building and Safety, and shall be maintained and not reduced. Interim Motel Housing Projects shall otherwise be exempt from the provisions of Section 12.21 A.4(m) of this Code.
  - (iii) **Use.** Notwithstanding the use provisions of the underlying zoning, an Interim Motel Housing Project shall be permitted.
  - (iv) **Change of Use.** For any change of use of a building or a portion of a building, Section 12.23 B.7 of this Code shall not apply to Interim Motel Housing Projects.
  - (v) **Nonconforming Use of Buildings in Manufacturing Zones.** Notwithstanding the regulations contained in Section 12.23 B.4 of this Code, an Interim Motel Housing Project shall be permitted in M Zones.
  - (vi) **Nonconforming Use in A and R Zones.** The regulations contained in Section 12.23B.2 of this Code shall not disqualify any existing motel from approval as an Interim Motel Housing Project or from returning to a motel use at the termination of the Supportive Housing and/or Transitional Housing contract.
- (2) **Supplementation of Guest Rooms.** For the purposes of this Section, Guest Rooms may be supplemented with cooking facilities including a sink, a refrigerator not exceeding 10 cubic feet, counter space not exceeding 10 square feet, and a hotplate or microwave. Any such supplementation of Guest Rooms shall be permitted to remain at the time that an Interim Motel Housing Project returns to the original use for which a Certificate of Occupancy was valid at the time of application.
- (3) **Preservation of Nonconforming Rights.** Upon termination of the Supportive Housing and/or Transitional Housing use, any building used for an Interim Motel Housing Project that is nonconforming as to area and/or use regulations or any other zoning code requirement or requirements shall be authorized to return to the original use and condition for which a Certificate of Occupancy was valid at the time of application, notwithstanding any physical alterations to the subject property. Any Floor Area used for Supportive Services may be returned to use as guest rooms

and/or dwelling units, or may be converted to accessory amenity spaces, so long as the total number of guest rooms and the total number of dwelling units do not exceed the number approved on the previous Certificate of Occupancy.

(e) **Performance Standards.** The Interim Motel Housing Project shall meet the following performance standards:

(1) **Supportive Service Area.** Floor Area dedicated to Supportive Services may be provided onsite within an existing building, but shall not exceed ten percent (10%) of the total Floor Area of the building.

(2) **Lighting.** Security night lighting shall be shielded so that the light source cannot be seen from adjacent residential properties.

(f) **Purpose.** The use of these guest rooms and dwelling units under this subdivision shall not be considered an increase in density or other change which requires any corresponding discretionary action. Floor Area dedicated to Supportive Services shall be accessory to the Supportive Housing and/or Transitional Housing use. Lighting on the site should be adequate to provide for public safety and should not spill out on adjoining residential uses.

Section 3. Section 151.02 of the Los Angeles Municipal Code is amended to read as follows:

**Rental Units.** ... The term shall not include:

13. Housing accommodations in Supportive Housing and/or Transitional Housing participating in an Interim Motel Housing Project pursuant to LAMC Section 14.00.A.13.

This exemption shall apply only to housing accommodations which have been issued a housing exemption by the Department indicating satisfaction of the following conditions:

- (1) the subject housing accommodations are subject to and operating in accordance with a contract to provide Supportive Housing and/or Transitional Housing; and
- (2) any tenant remaining in the housing accommodations at the commencement of the contract term to provide Supportive Housing and/or Transitional Housing shall be afforded all rights and protections provided by this Article, including, but not limited to, LAMC Section 151.09A pertaining to the recovery of housing accommodations from any such tenant.



# PERMANENT SUPPORTIVE HOUSING ORDINANCE

**BACKGROUND & FREQUENTLY ASKED QUESTIONS – August 31, 2017**

## **SUMMARY**

Homelessness is a significant challenge facing the City of Los Angeles. To advance service-enriched housing for persons experiencing homelessness, the Department has drafted a Permanent Supportive Housing (PSH) ordinance. If adopted, it would establish a set of standardized criteria and definitions for PSH and remove regulatory barriers that impair the construction of new supportive housing.

## **BACKGROUND**

According to the City's Comprehensive Homeless Strategy, a total of 1,000 PSH units need to be constructed annually to house the City's homeless population – a significant increase from the current annual supply of 300 units. To help meet these goals, the Los Angeles electorate adopted Measure HHH in November 2016, a voter initiative that will create \$1.2 billion in new funding over the next decade to construct PSH units. The voters also adopted Measure H in March 2017, a County-wide measure that will provide ongoing funding to support rent subsidies and services for PSH, among other homeless services.

The proposed ordinance implements the will of the voters by ensuring that PSH units can go through a consolidated planning process and that public funds, which are often dedicated for these developments, are efficiently utilized to facilitate the production of PSH units throughout the City. It consolidates planning approvals to cut down on the overall development timeline, while incorporating new standards intended to reflect the unique characteristics of PSH and enhance the overall design of the project.

## **KEY PROVISIONS**

Summarized below are the key provisions of the proposed PSH ordinance.

### ***Qualifying Projects***

- In order to be considered a Qualified PSH Project, all units are required to be affordable and a minimum of half of the total units would be restricted to persons who are homeless. PSH projects are required to be linked to onsite or offsite supportive services.
- Projects must also comply with the following requirements:
  - Demonstrate that an appropriate level of Supportive Services will be provided onsite or offsite;
  - Dedicate a 55-year affordability covenant;
  - Ensure one-to-one replacement of any existing affordable units; and
  - Post a public notice of the project application.

### ***Process Improvements***

- The proposed ordinance would streamline the approval process for Qualifying PSH projects, significantly reducing the average time it takes for a PSH developer to begin construction. To benefit from this process, projects must meet specific criteria and requirements. *(See "Qualifying Projects")*
- The ordinance would increase the threshold for Site Plan Review for Qualified PSH projects to 120 units (200 units in Central City).

### ***Zoning Compliance***

- Qualified PSH Projects would be allowed in zones that allow a multifamily residential use (RD zone and less restrictive).
- All projects would need to adhere to the underlying zoning requirements, with the following exceptions.

The Department shall have the authority to revoke an exemption issued pursuant to this Subdivision for failure to adhere to any of the conditions for an exemption set forth in this Subdivision.

This exemption shall be deemed automatically revoked upon termination of the contract term or failure to operate in accordance with the contract to provide Supportive Housing and/or Transitional Housing.

**Section 4. URGENCY CLAUSE.** The City finds and declares that this ordinance is required for the immediate protection of the public peace, health, and safety for the following reasons: The Los Angeles Homeless Authority (LAHSA) January 2017 point in time count found that approximately 34,189 people are experiencing homelessness in the City of Los Angeles, reflecting a 20% increase from 2016. Over 73% of this number, or 25,237 people, are unsheltered, meaning that their primary nighttime residence is a public or private place not designated or ordinarily used as a regular sleeping accommodation for human beings. A significant portion of people experiencing homelessness in the City of Los Angeles experience multiple health issues, trauma, and disability: 20% have a substance use disorder, 33% have a serious mental illness, and 19% have a physical disability, while 36% have experienced domestic violence. Furthermore, approximately 31% of this population are experiencing chronic homelessness, a group that, when unsheltered, often incurs significant public costs related to emergency room visits, law enforcement, and incarceration. These costs have been shown to be significantly reduced when individuals are placed into supportive housing. The process in the proposed ordinance is designed to promote the expeditious expansion of the availability of supportive housing and transitional housing within the City. Supportive housing and transitional housing provide stable shelter for individuals experiencing homelessness, along with supportive services which help to address health and disability issues such as substance abuse, serious mental illness, and physical disabilities. For all these reasons, the ordinance allowing Interim Use of Motels for Supportive Housing or Transitional Housing shall become effective upon publication pursuant to Section 253 of the Los Angeles City Charter.

**Section 5. SEVERABILITY.** If any portion, subsection, sentence, clause or phrase of this ordinance is for any reason held by a court of competent jurisdiction to be invalid, such a decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each portion or subsection, sentence, clause and phrase herein, irrespective of the fact that any one or more portions, subsections, sentences, clauses or phrases be declared invalid.