

# UNAPPROVED DWELLING UNIT (UDU) ORDINANCE

Quick Guide – December 10, 2015



## **What is the purpose of the UDU Ordinance?**

The goal of the UDU Ordinance is to further health and safety standards in existing multifamily zones while preserving and creating affordable housing by establishing procedures to legalize certain unapproved dwelling units when affordable units are dedicated on site. The ordinance does not apply to single-family zoned properties. It would also only apply to properties where unapproved units can be proven to have already existed as of December 10, 2015. It would therefore not encourage any future illegal construction.

## **What is the need for the Unapproved Dwelling Unit (UDU) Ordinance?**

Between 400-500 housing units are removed from the market each year as an unintended result of the Systematic Code Enforcement Program's periodic inspection of all multi-family units. When unapproved units are discovered through the Program, the result is often the dislocation of low and moderate income households and the loss of existing housing stock at a time the City is facing a severe housing crisis. Most of these units are removed due to relatively minor zoning violations that cannot be easily addressed today. For example, the vast majority of eligible properties have just one additional unit beyond current limits, but nonetheless require a Zone Variance, which is ill-suited for this type of review.

## **What would the UDU ordinance do?**

The UDU ordinance would create an alternative to the current Variance process for certain unapproved dwelling units. The provisions would largely mirror the existing State-required density bonus program, including the allowance of a limited number of zoning incentives, depending on the percentage of existing units to be set-aside as long-term restricted affordable housing. Projects would be required to demonstrate compliance with certain "good neighbor" performance standards such as the removal of any illegal signage or parking pads in the front yard.

## **How did the Unapproved Dwelling Unit Ordinance develop?**

A City-facilitated working group of apartment owner and tenant representatives was asked by Councilmember Cedillo (CD 1) to identify a housing policy where it believed common ground among members could be found. The group identified the high number of evictions and unit removals that occur as a result of City initiated code enforcement processes in multifamily buildings as an area where similar goals around safety, affordability and stability could be furthered. In December 2014, the City Council adopted a motion by Councilmember Fuentes ([CF 14-1150](#)) that directed the Department of City Planning (DCP) to propose options to better facilitate the legalization of these unapproved dwelling units. The DCP proposed various options to the Housing Committee of the City Council in a [June 4, 2015 report](#), and was then directed by Councilmembers to prepare an ordinance based on their recommendations.

## **What properties are eligible for using the legalization process?**

To be an eligible project, the residential or mixed-use building with the unapproved dwelling unit must be located in a multiple family zone (R2 or above). The owner must be able to demonstrate that the unit existed as of December 10, 2015 and be willing to provide at least one restricted

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affordable unit for up to 55 years<sup>1</sup>. To be approved, the building must be free from other code violations and comply with a range of other performance standards. Legalization through this process may not result in any increase in building height or expansion of the building's footprint.

## **What Process for Compliance is Available?**

The Public Benefit process in LAMC 14.00 is proposed to be used for these applications. Planners will review the application and ensure compliance with the ordinance. All health and safety codes must be adhered to. Normal planning and zoning standards will also apply, with the exception of the provisions in state density bonus law, which include:

- 1) Additional units may be allowed over the maximum otherwise allowable residential density, up to 35%, depending on the number of set-aside restricted affordable units being provided<sup>2</sup>.
- 2) Up to three additional "incentives or concessions" are permitted, depending on the number of restricted affordable units. These include modifications from zoning code requirements or other site development standards.
- 3) Projects may request a waiver or reduction of additional development standards that will have the effect of physically precluding the legalization of a unit at the densities or with the concessions or incentives permitted under this section.

## **Why require affordable units?**

The provision of affordable housing provides a significant part of the rationale for the City to act proactively and assist property owners, some of whom may have not complied with laws in the past or stand to benefit from a past illegal conversion. This model is based on current State and City zoning law and is an appropriate trade-off for the considerable benefits provided by the ordinance. It is worth noting that in most current legalization cases involving Zone Variances, the property owner already volunteers an affordable housing unit as a condition of approval.

## **How can I find out more information or make comments?**

Comments and questions are encouraged and should be directed to Matthew Glesne at [matthew.glesne@lacity.org](mailto:matthew.glesne@lacity.org), or (213)978-2666. The Public Hearing is scheduled for January 13, 2016 at 6:00 pm at the Deaton Auditorium downtown Los Angeles.

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<sup>1</sup> Including Low or Very Low Income units, as well as Moderate Income units when not located in a Low Moderate Income area as defined by the Community Reinvestment Act.

<sup>2</sup> Multi-family buildings that have a number of legally existing units that exceeds current zoning limits (usually because the property has been downzoned over time) are eligible for a higher level of unit increase because the calculations are based off current zoning limits, not the number of legally established units.