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June 2, 2015

Honorable Members of the City Council  
City of Los Angeles  
c/o City Clerk, City Hall  
200 North Spring Street  
Los Angeles, CA 90012

Attention: Richard Williams, Legislative Assistant

**COMMITTEE TRANSMITTAL: LOS ANGELES HOUSING AND COMMUNITY INVESTMENT DEPARTMENT REPORT BACK RELATIVE TO: BRINGING INTO COMPLIANCE ILLEGAL/UNAPPROVED DWELLING UNITS AND OPTIONS FOR PRESERVATION OF THOSE UNITS (C.F. 14-1150)**

**SUMMARY**

In December 2014, the City Council directed the Los Angeles Housing and Community Investment Department (HCIDLA) to report back relative to bringing into compliance illegal/unapproved dwelling units and options for preservation of those units (Motion: Fuentes/Koretz).

The Department was asked to identify the number of illegal or unapproved units over the past five years. From 2010 to 2015, the Department issued orders against 2,560 illegal/unapproved dwelling units, of which 201 were legalized and 1,765 were removed. The Table below illustrates this information by year.

Years	Number of Illegal Units Cited	End Result				
		Units Legalized		Units Removed		Units Unresolved
		Number	Percentage	Number	Percentage	
2015	192	0	0	0	0	192
2014	225	7	3.1%	123	54.7%	95
2013	529	37	7.0%	377	71.3%	115
2012	522	44	8.4%	407	78.0%	71
2011	504	52	10.3%	405	80.4%	47
2010	588	61	10.4%	453	77.0%	74
Total	2560	201	8.5%	1765	74.5%	594

Table 1

In addition, HCIDLA, the Department of City Planning and the Department of Building and Safety were directed to conduct meetings with tenants and property owners to explore options for preservation. As a result, HCIDLA reconvened its landlord/tenant working group consisting of a partnership of tenant and landlord advocates (Apartment Association of Greater Los Angeles, Bet Tzedek, California Apartment Association, Coalition for Economic Survival, Inner City Law Center, Legal Aid Foundation of Los Angeles, LACAN and others). The workgroup reached consensus on the issue of legalizing illegal/unapproved dwelling units and has expressed its interest in having the City establish a method for preserving illegal/unapproved dwelling units for use as low cost rental housing provided that the housing is maintained for use as low-cost housing and that the housing will meet the life-safety requirements of all applicable codes.

The Department of City Planning will report on what other cities have done to legalize unapproved dwelling units as planning and zoning regulations are usually the main obstacles to legalization. However, the City and County of San Francisco has, in addition to addressing planning and zoning issues, established a process that requires a property owner to “hire a professional representative (engineer, architect, or contractor) who will be responsible for providing the owner with a professional assessment of what legalization may entail.” The process also allows an owner or their representative to consult with city staff anonymously before filing a permit application. Once an owner files a permit application, anonymity ends. This process has three practical benefits: 1) anonymity is an incentive for owners to participate in a legalization program, 2) the burden of determining the feasibility of legalizing a unit is placed on the owner who created or maintains the illegal/unapproved unit, and 3) the end result is a permit applicant suitable for assistance by the Department of Building and Safety’s existing Case Management Program.

**RECOMMENDATION**


Note and file.

## **BACKGROUND**


In order to address illegal dwelling units and the quality and safety of rental housing, the City added Chapter XVI, Article 1 to the Municipal Code, known as the Los Angeles Housing Code in 1998. In accordance with the Housing Code, HCIDLA manages the Systematic Code Enforcement Program (SCEP) to carry out regular inspections of all multi-family rental properties. As a result, illegal dwelling units are discovered more frequently than at any time in the City's history. However, once an illegal dwelling unit has been discovered, great uncertainty exists for both the tenant and the property owner. The tenant is likely relocated and or displaced, which can cause huge disruptions to quality of life, create economic hardship and limit the ability to live in the area of their choosing. The property owner may be required to go through a lengthy and costly process to bring the dwelling unit into compliance with the Housing Code, or is forced to return the structure to its original condition, eliminating the housing unit.

For the above reasons, the Housing and Community Investment Department's Landlord-Tenant Workgroup, a partnership of tenant and landlord advocates (Apartment Association of Greater Los Angeles, Bet Tzedek, California Apartment Association, Coalition for Economic Survival, Inner City Law Center, Legal Aid Foundation of Los Angeles, LACAN and others) took up the issue. The workgroup found that given the City's increasing housing shortage, and the likelihood that many illegal dwelling units have existed for a number of years, are habitable or potentially habitable, and are rented at lower rents, it would be in the best interest of the City to establish a process that would make it easier to legalize illegal dwelling units, provide for life-safety of the residents and to preserve the affordable rents. This proposed solution will require a review of and potential changes to existing planning and zoning regulations as well as a documented process for landlords to follow to ensure a safe, habitable and permanently affordable dwelling unit.

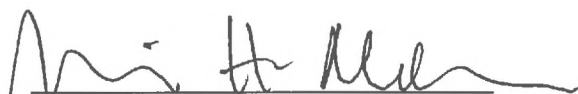
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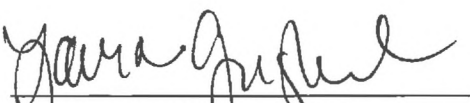
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