

MOTION

HOUSE LA: *Permitting Micro-Unit Housing*

For many Angelinos, pursuing the purchase of an oversized house has lost its appeal particularly with the prospect of an unmanageable mortgage. At the same time, people are remaining single, living alone or choosing not to have children for longer periods of time. These demographic shifts, changing lifestyle preferences and affordability constraints have led to a rise in popularity of small self-contained homes popularly known as "micro-units".

Tiny houses and micro apartments are an emerging niche trend in the housing market. Smaller spaces are touted as being more environmentally friendly, more affordable and perhaps even more communal. This type of smaller unit appeals to young, single professionals who desire the convenience of living in areas such as Downtown or near transit and might not be able to afford a conventional one bedroom apartment. Micro-units also provide an alternative housing option for senior, single-households and others who prefer lower housing costs.

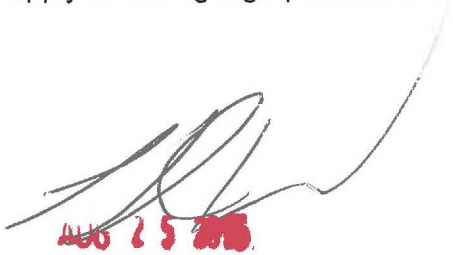
These relatively small apartments (by traditional standards), leasing at approximately 20% to 30% lower monthly rent than conventional units, have been offered or are being considered in urban and urbanizing locales, particularly in high-density, expensive metropolitan markets such as Boston, New York, San Francisco, Seattle, and Washington, D.C. The size of a micro-unit is determined by the housing market. The unit sizes in New York City are in the 300 square-foot range whereas those in some Midwestern and Texas markets may range in size from 400-500 square feet.

In Los Angeles, the current Building Code does not effectively facilitate this new housing type. Density limitations also restrict the application of micro-units: a regulatory system prescribing density based on a maximum number of units per acre or a minimum lot area per unit creates an impediment to creating these type of units.

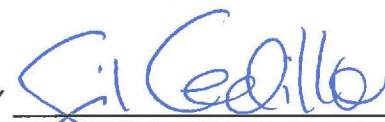
In 2007, the City Council adopted the "Greater Downtown Housing Incentive Ordinance" (Ordinance No. 179,076) which eliminated the restrictions on the allowable number of housing units in residential and mixed-use developments in the City's Downtown Area while retaining the floor area ratio and height regulations defining a "building's envelope". By all accounts, the legislation has contributed to the stimulation of housing production within the target area, while providing the possibility of producing micro-units as an alternative housing solution. Given the City's compelling need to produce housing serving a full spectrum of household and providing a range of housing types, City policymakers ought to explore the applicability of this model to other areas where it makes sense, given the real world experience with the ordinance.

In areas where density regulations currently apply, such as near transit, creating incentives to produce micro-units could help to provide a more affordable housing option using an alternative approach eliminating the traditional measure of density using dwelling units per acre. The placement of micro-unit housing may not be appropriate in all locations, but as a unit type, it is worth considering as an alternative housing solution and should be part of the conversation amongst policymakers about future housing affordability in Los Angeles.

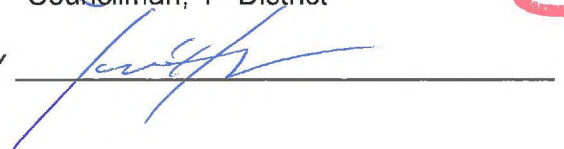
I THEREFORE MOVE that the City Council instruct the Department of City Planning, in consultation with the Housing and Community Investment Department, to prepare and present a report with an evaluation of the Greater Downtown Housing Incentive Ordinance as a model to encourage the production of micro-units, the potential impact micro-units can have on our affordable housing needs, and the benefit of expanding this model to apply to other geographic areas of the City.

  
AUG 25 2015

PRESENTED BY

  
GILBERT A. CEDILLO  
Councilman, 1<sup>st</sup> District

SECONDED BY



ORIGINAL