



Los Angeles County
Department of Regional Planning

Planning for the Challenges Ahead



Richard J. Bruckner
Director

August 15, 2017

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

The Honorable Board of Commissioners
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles CA 90012

Dear Supervisors/Commissioners:

**RECOMMENDATION TO APPROVE SECOND DWELLING UNIT PILOT PROJECT
UNDER HOMELESS INITIATIVE STRATEGY F4: SECOND DWELLING UNITS PILOT PROGRAM
(ALL SUPERVISORIAL DISTRICTS) (3-VOTES)**

SUBJECT

Recommend approval of Second Dwelling Unit Pilot Project (Pilot Project), as instructed by the Board of Supervisors (Board) under Homeless Initiative Strategy F4: Development of the Second Dwelling Unit Pilot Program, that aims to streamline the permitting process, provide technical assistance to homeowners, provide incentives for preserving and constructing second dwelling units in exchange for housing homeless families/individuals, and promote the development of second dwelling units as a source of affordable housing.

IT IS RECOMMENDED THAT THE BOARD:

Approve the Pilot Project under the auspices of Homeless Initiative Strategy F4: Development of Second Dwelling Unit Pilot Program.

IT IS RECOMMENDED THAT THE BOARD, ACTING AS THE BOARD OF COMMISSIONERS OF THE COMMUNITY DEVELOPMENT COMMISSION:

Authorize the Executive Director, or his designee, to execute any necessary agreements with

contractors and/or homeowners who wish to participate in the Pilot Project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On February 9, 2016, the Board approved a comprehensive set of 47 strategies to combat homelessness in Los Angeles County. Under Strategy F4: Development of Second Dwelling Units Pilot Project, second dwelling units (also known as accessory dwelling units) are identified as a source of affordable housing in single-family neighborhoods. In adopting Strategy F4, the Board directed the Department of Regional Planning to work with the Community Development Commission (CDC), the Chief Executive Office (CEO) and the Department of Public Works to develop and recommend for Board approval a pilot program that streamlines the permitting process, provides technical assistance to homeowners, and provides incentives for preserving and constructing second dwelling units in exchange for housing homeless families/individuals.

The proposed Pilot Project and budget are outlined in the attachment and will pilot the financing and construction of new second dwelling units; the remodeling and legalization of existing unpermitted second units; and the promotion of second units with a design competition and exhibition. The program is expected to be completed within 18 months of Board approval.

Implementation of Strategic Plan Goals

Implementation of Homeless Initiative Strategy F4 furthers the County's Strategic Plan, Goal I, Make Investments That Transform Lives, by increasing affordable housing throughout Los Angeles County (Strategy I.1.5.).

FISCAL IMPACT/FINANCING

In adopting Strategy F4, the Board approved a one-time program budget of \$500,000, and an additional \$50,000 for administrative costs. Funding for the program currently resides in the CEO Homeless and Housing Program budget and will be transferred to CDC (via funding agreement) and the Arts Commission (via FY 2017-18 Supplemental Change adjustment).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

All required documents will be subject to approval by County Counsel prior to execution by any of the participating County departments and the CDC.

ENVIRONMENTAL DOCUMENTATION

The Pilot Program will not have an effect on the environment and is exempt from California Environmental Quality Act (CEQA), pursuant to Section 15303 of the CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Board action will facilitate implementation of Homeless Initiative Strategy F4.

Should you have any questions, please contact Connie Chung, Section Head, General Plan Development and Housing Section at (213) 974-6417 or cchung@planning.lacounty.gov

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Richard J. Bruckner". The signature is fluid and cursive, with a large loop at the end of the last name.

RICHARD J. BRUCKNER

Director

RJB:MC:CC:ems

Enclosures

c: Executive Office, Board of Supervisors
Arts Commission
Chief Executive Officer
Community Development Commission (Rogan)
County Counsel
Public Works

Homeless Initiative Strategy F4: Second Dwelling Unit Pilot Program

Purpose of the Pilot Program

1. Expedite the review and approval of Accessory Dwelling Units (ADUs).
2. Provide technical assistance to homeowners.
3. Provide County incentives to assist homeowners in constructing new ADUs or preserving existing, unpermitted ADUs in exchange for accepting homeless families/individuals.
4. Promote the development of ADUs

Major Components of the Pilot Program

1. ADU Ordinance

The Department of Regional Planning (DRP) is in the process of updating the County ADU Ordinance to ensure compliance with new State laws (AB 2299, SB 1069) and streamline the ADU approval process.

2. Architectural Competition

In partnership with DRP, the Los Angeles County Arts Commission is developing an architectural competition for the purpose of generating momentum and interest for ADUs through engagement events and technical workshops. The top three designs will each win an award in the amount of \$10,000. The total budget for the competition is \$75,000.

3. ADU New Construction

A maximum subsidy of \$75,000 per unit will be set aside to build 2-3 new ADUs. The subsidy will be provided in the form a "Soft Second" loan tied to a commitment to rent the ADU to a homeless family/individual.

4. ADU Preservation

A maximum subsidy of \$50,000 per unit will be set aside to preserve 2-3 existing unpermitted ADUs. The subsidy will be in the form of a grant, and the CDC will identify possible candidates using their existing pipeline of homeowners from other programs. The purpose of this component is to maintain the stock of affordable housing.

Proposed Budget

Line Item	Amount
Financial Incentives for New ADUs (2-3 units)	\$225,000
Consultant for New ADU Pilot	\$30,000
Financial Incentives for Unpermitted ADUs (2-3 units)	\$145,000
Design Competition (Arts Commission)	\$75,000
Project Management of Unpermitted ADUs	\$25,000
CDC Administrative Costs	\$50,000
Total	\$550,000

Potential Challenges

The main challenges that are anticipated:

- Replicability / Scalability
- Whether the incentives will be enough to attract homeowners
- Long-term monitoring
- To what extent will this increase the stock of affordable housing