

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 public funds 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.
 - Given the smaller size of an average PSH unit, no minimum lot area per dwelling unit would apply in

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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.

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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 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).