



# Housing Element 2013-2021

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LOS ANGELES DEPARTMENT OF CITY PLANNING

**THE LOS ANGELES**  
**HOUSING**  
**ELEMENT**









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# Executive Summary

The City of Los Angeles continues to grow, and with that growth comes the need for more housing – not only more units, but a broader array of housing types to meet evolving household types and sizes, and a greater variety of housing price points that people at all income levels can afford. We must accommodate this residential development in a sustainable way that respects the collection of unique neighborhoods that characterizes Los Angeles, while at the same time ensuring all residents a high quality of life, a vibrant economy, and accessibility to jobs, open space, and urban amenities. The City’s General Plan lays out the strategy to meet this challenge, by directing growth to transit-rich and job-rich centers and supporting the growth with smart, sustainable infill development and infrastructure investments. By integrating the City’s housing strategy with its growth strategy the City supports economic development, reduces housing costs, minimizes environmental impacts and enhances the quality of life. At the core of this strategy are complete mixed-use, mixed-income neighborhoods strategically located across the City that provide opportunities for housing, jobs, transit and basic amenities for all segments of the population.

This 2013-2021 Housing Element of the General Plan is the City’s blueprint for meeting housing and growth challenges. It identifies the City’s housing conditions and needs, reiterates goals, objectives, and policies that are the foundation of the City’s housing and growth strategy, and provides the array of programs the City has committed to implement to create sustainable, mixed-income neighborhoods across the City. The 2013-2021 Housing Element updates the previous 2006-2014 Housing Element, keeping its general structure in place.

## Housing Crisis in Los Angeles

The Los Angeles region has been at the fore of the nation’s recent housing and economic crisis. Elevated unemployment, foreclosures and continuing levels of unaffordability have altered the City’s housing context since the previous Housing Element Update in 2008. The number of renters has increased significantly, putting upward pressure on rent levels. Housing prices have begun to rebound from the crash that began in 2007, yet hundreds of thousands of Angelenos are “underwater” (owing more than what the house is currently valued at) on their mortgages and many will be unable to stay in their homes. The rapid run-up in housing prices in the 2000s has meant that 60% of Los Angeles residents are paying more than they can afford for housing.



From 2000 to 2010, rents have increased by 31% in real terms, while incomes have only risen 1.2%. This helps explain why nearly a half million (62%) Los Angeles renters paid more than what they can afford for their rents in 2011 and are considered “cost burdened” (paying more than 30% of their income for housing costs). Approximately 275,000 Angelenos are paying half their income for rent, a level considered by the federal Department of Housing and Urban Development, to be unsustainable for most families.

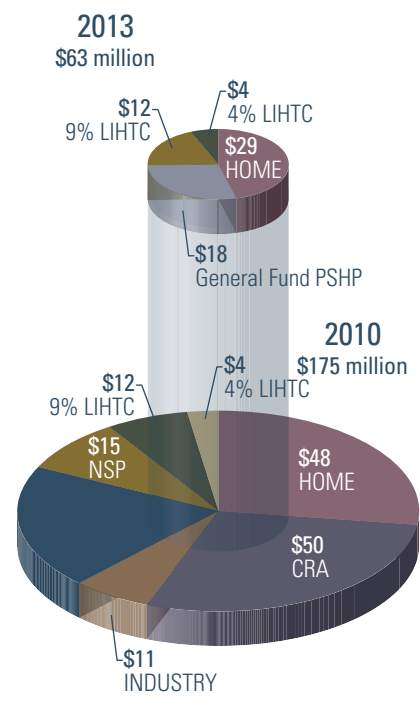
While a household earning a median income in Los Angeles today can afford a home worth about \$190,000, median home prices had reached more than \$400,000 by the end of 2012. Many families who managed to purchase homes within the past decade may face possible foreclosures due to the combination of their mortgage being underwater and subprime adjustable-rate mortgages that could escalate beyond the affordability of the mortgage holders. Workers such as teachers, police officers, healthcare professionals and childcare workers have been priced out of the City’s homeownership market. In addition, tightened credit standards, lack of for-sale supply and continued economic difficulties have made homeownership more difficult to attain. The 37% homeownership rate in Los Angeles, well below the national rate (65%), is evidence of the challenges to achieving homeownership in this City.

While residents are paying more of their income for housing costs than ever, the resources and tools to address the housing problem have diminished dramatically. Federal entitlement spending from the CDBG and HOME programs is down 39% from 2010 to 2012 (-\$47M). The 51% reduction in HOME funds has hit particularly hard, as 70% of the City’s Affordable Housing Trust Fund (AHTF) is comprised of HOME dollars. The dissolution of the Community Redevelopment Agency (CRA/LA) resulted in the State appropriating approximately \$104M in unencumbered low- and moderate-income housing funds, in addition to annual losses of between \$23M and \$50M of tax-increment financing for affordable housing. Prior to dissolution, the CRA/LA contributed an additional 5% of tax increment directly to the AHTF, which resulted in a total contribution of \$57.2M since 2005; this annual contribution no longer exists. The expiration of significant one-time sources of housing funding, like statewide Propositions 46 and 1C, as well as federal housing programs like the Neighborhood Stabilization Program (NSP) funded by the American Reinvestment and Recovery Act (ARRA), further exacerbate the loss in housing funding. Finally, tools to create affordable housing and leverage private investment, such as tax-increment financing (through redevelopment) and neighborhood-level affordability requirements in new construction (i.e. inclusionary zoning) are no longer available to policymakers.

The loss of existing rental units with affordability covenants also aggravates the shortage of affordable housing. Thousands of units made affordable through federal, state, and local government subsidies are likely to convert to market-rate rents because the covenants governing affordability will expire before 2021. Between September 30, 2003 and September 30, 2013, there were 4,552

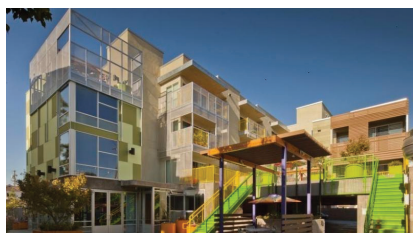
**Recent Losses in Housing Resources**

While residents are paying more of their income for housing costs than ever, the resources and tools to address the housing problem in Los Angeles have diminished dramatically.



housing units located in 325 projects whose affordability restrictions expired or were terminated. Another 19,888 affordable units are eligible for conversion to market-rate in the next ten years. Replacement of these units is particularly challenging in today's environment, given the high costs of development and shrinking resources. However, the Los Angeles Housing and Community Investment Department is committed to identifying financial resources and employing non-financial strategies to preserve as many units as possible.

The number of low-income households and the pervasiveness of poverty in Los Angeles are so much greater than most urban areas, that making housing affordable in Los Angeles requires far greater subsidies than other cities generally require. Further exacerbating the situation are high development costs for both new construction and rehabilitation, which increases the need for public subsidies at the same time these sources are shrinking. Development costs for multifamily affordable housing have increased from approximately \$190,000/unit in 2003 to \$358,000/unit in 2012 for new construction. Costs for preserving an existing affordable housing unit through moderate rehabilitation are comparatively less at approximately \$180,000. Given the substantial cost benefits to preserving existing units as opposed to constructing a new unit, Los Angeles has long been committed to monitoring, notification, funding, and outreach activities that support the preservation of affordable housing. In the last eight years, with the formal establishment of the Los Angeles Affordable Housing Preservation Program (AHPP), a dramatic increase in preservation activity has occurred. From 2003-2011, the City of Los Angeles provided \$37.5 million in local subsidies to support the preservation of 1,226 at-risk, HUD assisted apartments in 15 developments. Additionally, from 2004-2012 the City of Los Angeles issued \$134.7 million in tax exempt, multi-family housing bonds to finance the preservation of 2,297 at-risk units.



While rising housing costs impacts all segments of the housing market, it is particularly dire for those with low incomes, the homeless, and those with special needs. These populations frequently face discrimination, disabling conditions, lack of transportation, and unemployment that exacerbate difficulties in accessing permanent housing. The 2011 Greater Los Angeles Homeless Count by the Los Angeles Homeless Services Authority (LAHSA) estimated the homeless population in Los Angeles to be 23,539 persons on any given night.

Additional funding must be identified at all levels of government – local, state, and federal – to support the development and preservation of more affordable housing and to keep pace with the City's housing needs. Considering that the City is expected to need an additional 82,002 new units through 2021, of which 46,590 units (57%) are designated for very low- and low-income households based on the Regional Housing Needs Assessment (RHNA), the City will face significant challenges in meeting its RHNA income distribution if it is not able to secure additional funding for affordable housing production and preservation.



## Strategically Directing Growth to Meet Housing Needs Citywide

For at least 20 years the City has been pursuing a sustainable approach to accommodating long-range growth. This approach is established in the Framework Element of the General Plan, first adopted in 1995, which encourages sustainable growth in higher-intensity commercial and mixed-use districts, centers and boulevards, and in proximity to transit. These centers and transit stations and stops are depicted on the map below,

The goals and policies of the Framework Element establish a balanced approach to growth by linking it to the land uses and infrastructure that will support the type of infill development that incurs the least economic, environmental and social costs. The Housing Element helps to fulfill this strategy.

Through land use planning and financial incentives, the City encourages livable and sustainable neighborhoods that offer a mix of housing at all income levels, jobs, transit and services. Infill development strategies preserve and strengthen the character of neighborhoods and meet the needs of existing residents as the City continues to grow.

The significant investment in the region’s public transit infrastructure – rail and buses – through the passage of Measure R in 2008, presents an unprecedented asset that touches all communities and provides a strategic opportunity to plan and place future dollars near existing and planned transit.

To target growth strategically, the City is developing Community Plan updates and developing new Transit Neighborhood Plans that provide incentives to increase the feasibility of infill development near transit. Working with communities to devise neighborhood-based strategies for development, Community Plans implement the Framework and the Housing Element policies by determining the mix, location, and intensities of land uses, the infrastructure necessary to support those uses and strategies to achieve those plans.

City agencies, including the Los Angeles Housing and Community Investment Department (HCIDLA), the Housing Authority of the City of Los Angeles (HACLA) and the Department of City Planning (DCP), are committed to bringing resources necessary to support these neighborhoods, maintaining neighborhood character and upgrading the housing stock while developing livable, affordable, and sustainable neighborhoods.

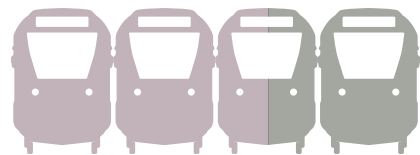
To this end, in February 2012, the Council unanimously approved the City’s first transit-oriented Consolidated Plan (ConPlan), the first in the nation, which establishes policy to fund housing and community investment activities along transit. The ConPlan is the City of Los Angeles’ strategic plan for leveraging the annual allocations of Community Development Block Grant

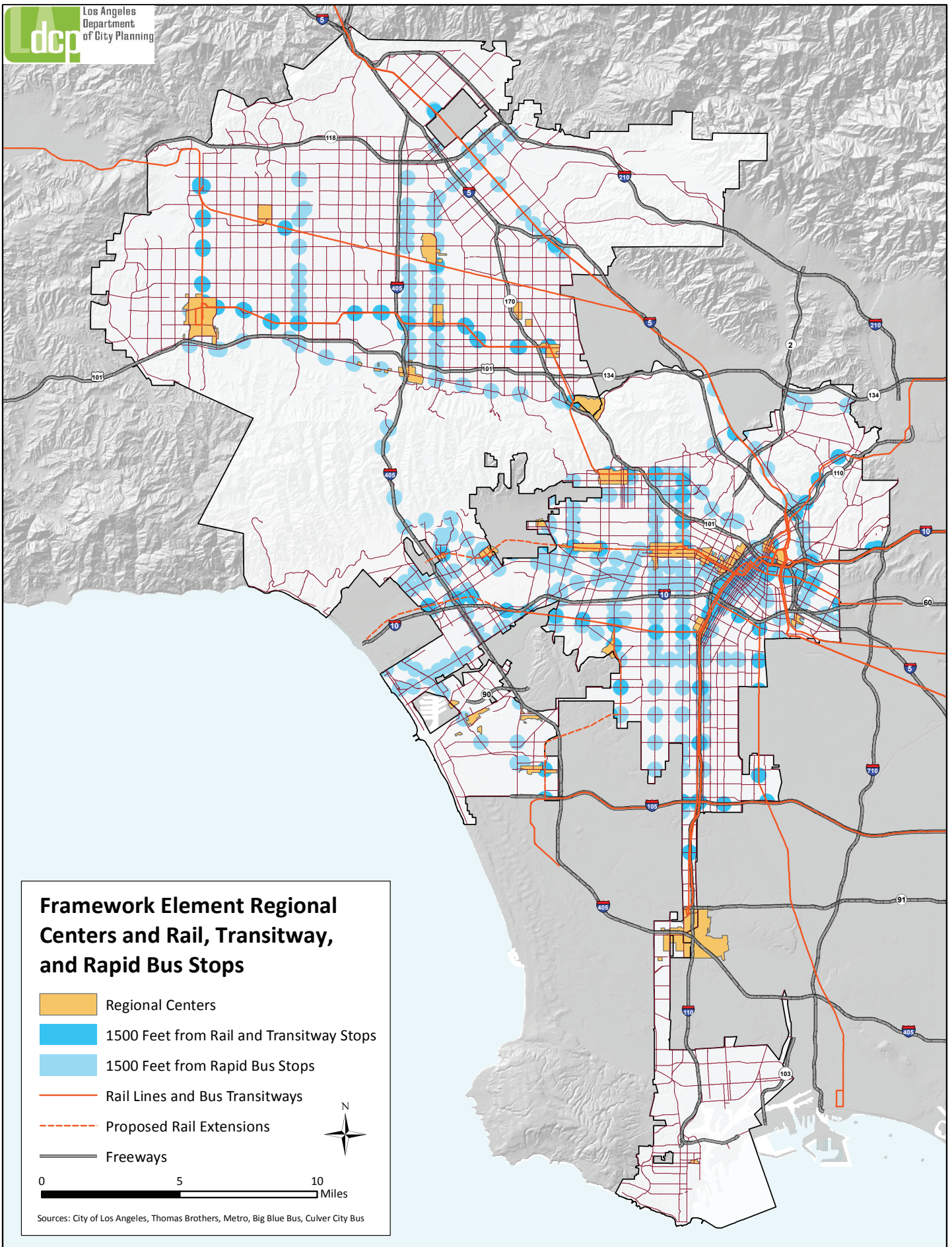
### Historic Investment in Public Transportation

In a few years, the City will have 42 new light rail and rapid bus transit stations, for a total of 113 stations. The significant investment by Metro in the region’s public transit rail and buses presents an unprecedented asset and provides a strategic opportunity for new housing investment to achieve city goals.



71 Existing                      42 New







(CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships Program (HOME), and Housing Opportunities for Persons with AIDS (HOPWA) grants to develop viable urban communities. The recently approved transit-oriented 5-Year ConPlan will respond to present fiscal and policy challenges, as well as opportunities presented by way of transit investment. This will lay the groundwork for response in what is a paradigm shift in how neighborhood development is funded, and why neighborhood development matters in a citywide approach to recovery from the 'Great Recession'.

It is projected that the City of Los Angeles can conservatively receive approximately \$475 million over the next five years in federal entitlement resources from HUD (including program income). Given additional CDBG and HOME leveraged funds, the City can expect to boost that investment by approximately \$1.8 billion over the same time period. Furthermore, ConPlan funds will be leveraged with other government and private sources including, but not limited to the City of Los Angeles' Low Income Housing Tax Credit (TCAC) Apportionment representing up to \$85 million in annual investments, the City's New Generation Fund, a \$52 million acquisition and pre-development fund for the development and preservation of affordable housing, and leveraging of former City of Los Angeles redevelopment assets.

Integrating the City's Consolidated Plan, in effect, aligning its community investment, with its transit/transportation imperatives, the Housing Element and funding will best ensure the City achieves the equitable development and investment of the City's neighborhoods along transit corridors.

According to the California Air Pollution Control Officers Association, living in an affordable, transit-oriented development can reduce a low-income household's greenhouse gas emissions attributable to driving by up to 65 percent. By taking steps such as focusing affordable housing resources near transit, planning for growth to occur near transit and centers, reforming automobile parking policies and facilitating the development review process, the City will build more sustainable and healthy communities, while also helping to meet the residential, economic and mobility needs of the region.

## Housing Goals, Objectives, Policies and Programs

Los Angeles' housing goals, objectives, policies and programs are guided by the City's overall housing vision:

**It is the overall housing vision of the City of Los Angeles to create for all residents a city of livable and sustainable neighborhoods with a range of housing types, sizes and costs in proximity to jobs, amenities and services. In keeping with decades of federal Housing Acts and the Universal Declaration of Human Rights that declared housing as a human right, the City will work towards ensuring that housing is provided to all residents.**

The Housing Element policies and objectives are organized under the following four goals:

**Goal 1: A City where housing production and preservation result in an adequate supply of ownership and rental housing that is safe, healthy and affordable to people of all income levels, races, ages, and suitable for their various needs.**

Objectives within the housing supply goal are divided into five areas: producing rental and ownership housing, preservation of rental and ownership housing, forecasting changing housing needs, distributing affordable housing citywide, and reducing barriers.

The policies and programs for production include bond financing for rental housing, targeted loan programs for homeowners and land use changes to increase opportunity sites. Preservation programs include funding incentives to rehabilitate and maintain the housing stock, outreach and education as well as mechanisms to extend the affordability terms of units facing expiring covenants. The City will track its efforts through monitoring programs which assess production and preservation accomplishments against forecasted housing needs. Financing incentives and land use policies and programs, such as density bonus and allowing second units on single-family lots will be pursued to encourage the development of affordable housing across the City. And finally, the wholesale revision of the City's Zoning Code amendments and case processing streamlining through the realignment of City Departments will facilitate housing production and preservation in general.

**Goal 2: A City in which housing helps to create safe, livable and sustainable neighborhoods.**



Objectives within this goal are delineated into the following four areas of focus: promoting safety and health, promoting neighborhoods with mixed-income housing, jobs, amenities, services and transit, promoting sustainable buildings, and promoting neighborhoods with a mix of housing types, quality design and unique character.

Policies and programs to improve safety and health include designing to prevent crime, and providing access to amenities, such as well-lit walkways to recreational spaces. Sustainable neighborhoods will be facilitated by mixing uses within projects, providing mixed income neighborhoods, locating housing in proximity to a mix of uses, and developing Transit Oriented District plans. The City will require buildings of a certain size to meet sustainability standards, will provide financial incentives to train developers in green building techniques and materials, and encourage the development of higher levels of sustainable buildings. Policies and programs to support livable neighborhoods and preserve their unique character include the development of new urban design standards and new Community Plans that accommodate growth while continuing to serve existing residents.

**Goal 3: A City where there are housing opportunities for all without discrimination.**

Two objectives will guide the policies and programs that implement this goal: ensuring access to housing without discrimination and promoting fair housing practices.

Policies and programs to address discrimination in housing include resolving discrimination cases in the rental or sale of housing, facilitating physical modifications to housing units to better serve persons with disabilities, and encouraging responsible lending practices. Fair housing practices will be encouraged through policies and programs such as providing easy access to information regarding available housing and tenants' and buyers' rights as well as conducting outreach and education with residents, developers and owners of all housing types.

**Goal 4: A City committed to ending and preventing homelessness.**

The issue of homelessness is divided into two areas of focus: providing an adequate supply of housing and services to homeless persons and persons with special needs, and promoting outreach and education in support of homeless persons and persons with special needs.

An adequate supply of housing for homeless persons will be pursued through a variety of policies and programs, from short-term housing such as shelter for victims of domestic violence and other homeless persons, to long-term solutions such as rental assistance for homeless persons and the development of permanent supportive housing. Efforts also include improved coordination and planning for housing and services as well as pursuing new resources. Policies and programs

regarding outreach and education include assistance in accessing housing and services, making information more easily and readily available to the general public, and working with communities to understand and accommodate the unique housing types and broad array of housing needs within their neighborhoods.

## Summary of the 2013-2021 Housing Element Update Targets

Through the implementation of the policies and programs set forth in the 2013-2021 Housing Element, the City will pursue the production and preservation of housing for all residents and will strive to meet its RHNA goal of 82,002 new units by October, 2021. The following chart quantifies the units anticipated through implementation of all of the programs by income and by type of program:

**TABLE ES.1**  
**Quantified Objectives: New Construction**

Income Category	Number of units
Extremely low-income households ( $\leq$ 30% AMI*)	1,730
Very low-income households (31-50% AMI)	3,834
Low-income households (51-80% AMI)	4,873
Moderate-income households (81-120% AMI)	1,122
Above moderate-income households ( $>$ 120% AMI)	48,000
<b>Total</b>	<b>59,559</b>
RHNA Goal	82,002
<b>Difference</b>	<b>-22,443</b>

Source: DCP

\*AMI = Area Median Income

As shown in Table ES.1 above, the City projects that, under current assumptions, it will likely be unable to meet its RHNA targets for new construction. The City is projected to fall short at the affordable (below 120% AMI) income ranges, but exceed above moderate (market-rate) production levels. While the RHNA allocation suggests that more than 46,000 units affordable to households earning less than 120% AMI will be needed, we are projecting that only approximately 11,559 affordable units will be constructed within the eight year RHNA period at this range (25% of the target). The projections are based on past performance and the reduction in funding resources for some of the production programs.



In addition to the required RHNA allocation, the City intends to rehabilitate and conserve/preserve existing housing stock. Rehabilitation includes light, moderate and substantial physical rehabilitation of existing housing units in order to improve the condition of the housing units. Conservation includes the preservation of existing housing through activities that prevent the loss of housing units, such as zoning that ensures continued residential use, funding strategies and inspections through the Systematic Code Enforcement Program (CSEP). Conservation also includes the preservation of affordable housing at risk of losing government subsidies and converting to market rate housing. Units that are listed for rehabilitation may also be counted as units under conservation/preservation and vice-versa.

**TABLE ES.2**  
**Quantified Objectives: Rehabilitation and Conservation/Preservation**

Income Level	Rehabilitation (# of Units)	Conservation/ Preservation (# of Units)
Extremely Low-Income	2,123	2,373
Very Low-Income	1,048	2,432
Low-Income	1,001	2,948
Moderate-Income	300	100
Above Moderate Income	740,000 <sup>1</sup>	250
<b>Total</b>	<b>744,472</b>	<b>6,103</b>

<sup>1</sup> The figure refers to the number of housing units inspected every four years as part of the Systematic Code Enforcement Program, which results in compliance with maintenance, use and habitability codes. The exact income break-down of these units is not collected, so all were placed in above moderate.

In addition to the housing units reflected in the above tables, the City is committed to implementing a number of programs that preserve and maintain significant additional housing that cannot be quantified using the State’s definition. These include the maintenance and conservation of multi-family buildings by preserving residential and SRO hotels, completing urgent repairs and enforcing nuisance abatement. In addition, these numbers do not reflect the funding and maintenance of short-term housing for homeless persons or rental subsidies provided through various U.S. Department of Housing and Urban Development (HUD) funding sources.

**Conclusion**

Housing is critical to the economic and social well-being of the City and its residents. Where we live and how much we have to spend on housing affects the economy, our mobility, health, access to jobs, amenities, educational opportunities and just about everything else.

**Housing Production Likely Insufficient to Meet Future Needs**

- The City needs about 10,250 units/year to keep pace with projected growth, according to the RHNA\*.
- The City has been producing an average of 6,000 units/year since 2006.
- The City’s RHNA calls for about 5,700 units/year affordable to moderate income households or below.
- The City has been producing an average of 1,100 affordable units/year since 2006.

The City of Los Angeles, through its housing objectives, policies and programs aims to treat housing as central to the City's future. The need for affordable housing will only intensify as the City's population continues to grow. However progress has recently been made to address the housing crisis through the mobilization of leadership from the City and the housing community. Good news has also come in the form of increased commitments to end homelessness. Los Angeles stands as a leader in having decreased homelessness in recent years, although much more has to be done. Also, sustained residential code enforcement has led to significant reductions in overcrowding and poor housing conditions.

A rebounding housing market in 2013 brings additional pressure on affordability, but also many opportunities. The next eight years of the Housing Element (2013-2021) will witness rapid build-out of the region's transit network, much of it concentrated in the City of Los Angeles. New sources of funding related to addressing climate change and health, as well as potential new state and federal housing funding, potentially offer a way forward in line with the City's smart growth approach to housing.

## Housing Element: Purpose and Process

### Housing Element and the General Plan

The Housing Element is required by California State law to be a component of every city's General Plan because housing needs are recognized as a State-wide concern. Pursuant to State law, the Housing Element must identify the City's housing needs, the sites that can accommodate these needs, and the policies and programs to assure that the housing units necessary to meet these needs can be provided. The primary goal of the Housing Element is to provide policies, objectives and programs that encourage a range of housing opportunities for all income groups.

The General Plan is a city's "constitution for development," the foundation upon which all land use decisions are to be based. The City of Los Angeles' General Plan consists of a Framework Element and twelve issue-focused Elements. The Framework establishes the vision for the City's future, and the long-range strategies, goals, objectives, and policies to implement that vision. Each of the topic-specific elements provides a more detailed expression of that vision. While the Framework Element includes chapters that address multiple urban issues, the Housing Chapter specifically addresses housing issues, and establishes the City's goals and policies to address these issues and to guide future actions. The 2013-2021 Housing Element update embodies these goals and policies and identifies the more detailed strategies the City will implement to achieve them. The update also ensures that housing goals are integrated and consistent with all of the other Elements of the General Plan.



Statutory requirements for the Housing Element are delineated in California State Government Code Section 65580 – 65589.9. Due to SB 375 (2008), the Housing Element is now required to be updated every eight years (was five) in accordance with a specific schedule of dates established by the State. The current Housing Element therefore covers the period of January 1, 2013 – October 1, 2021.

### Public Participation in the Preparation of the 2013-2021 Housing Element

Pursuant to Government Code Section 65583(c)(6)(B), “The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element...” The 2013-2021 Housing Element Update was prepared over a period of 14 months by an interdepartmental team of twelve City departments and with the participation of a variety of housing stakeholders.

Early in the process, a Task Force of housing experts was created to provide information and expertise on the range of housing issues, needs, policies, and programs necessary to achieve the City’s RHNA goals. The Task Force established four subcommittees to address specific issues and more than 100 additional people participated in these meetings. The Task Force and its subcommittees met over a four-month period from June through October, 2012 and submitted comprehensive recommendations to City staff regarding the housing needs of Los Angeles along with suggested policies and programs that will be most effective in ensuring that these needs are met. Drafts of text were shared online using Google Docs to allow Task Force members to make comments and agree or disagree with other comments in real time. Each recommendation was reviewed by City staff and virtually all unanimous points have been incorporated into the draft Housing Element in one way or another.

The Department of City Planning (DCP) created a website to provide ongoing information about the Housing Element as it was being prepared. Staff PowerPoint presentations and meeting minutes of the 14 Task Force and subcommittee meetings were maintained on a Housing Element Update website at <http://sites.google.com/site/lahousingelement>. Background information on the Housing Element and links to documents of interest were also posted.

Prior to the release of the Draft Housing Element, DCP participated in community meetings throughout the City to discuss the Housing Element with the public and to elicit further input. These meetings included seven regional and citywide Neighborhood Council organizations, the Central City Association, the Valley Industry and Commerce Association, the Los Angeles Chamber of Commerce, the Beverly Hills and Greater Los Angeles Association of Realtors and the American Institute of Architects (SF Valley Chapter). In addition, staff

### Housing Element Task Force

The Task Force was comprised of 60 members who have special and/ or technical knowledge about various facets of housing issues, including the business community, financial institutions, affordable and market-rate housing developers, special needs providers, legal assistance groups, tenants’ rights groups, homeless service agencies, and Certified Neighborhood Councils. The Task Force was co-chaired by Sean Burton, a former member of the City Planning Commission and Stephanie Klasky-Gamer, a member of the Affordable Housing Commission.



City of Los Angeles 2013-2021 Housing Element

The City of Los Angeles is currently updating its Housing Element, a foundational document of the City's General Plan. This website provides information about the 2013-2021 update including information on the update process.

A possible language summary of the Housing Element project can be found [here](#).

**What is a Housing Element?**  
A Housing Element is used to provide the primary policy guidelines for local decision-making regarding housing programs and decisions. It is a comprehensive statement of City need, constraints and strategies to provide housing opportunities to working and living residents.

The Housing Element begins with a detailed analysis of the City's demographic, economic and housing characteristics. It also provides a review of the City's progress in implementing its previous Housing Element policies and programs, including an analysis of implementation. Based on the needs, constraints and opportunities, the Housing Element identifies goals, objectives, and a strategic plan to address the housing needs of present and future residents.

Housing element law requires that cities adequately plan to meet the existing and projected housing needs of all economic segments of the community. The number of housing units and community that plan and accommodate during the term of the plan is called the "Housing Element Housing Element Assessment (HEHA) estimate." The assessment sets housing goals and objectives, by housing that percentage of units be able to be built at sufficient density to be affordable.

The Housing Element is the only document that sets the right, required by law, to be prepared and certified by a local agency. The Department of Housing and Community Development (DHCD)

**What is Los Angeles' Regional Housing Needs Assessment (RHNA) Allocation?**  
Local jurisdictions throughout Southern California are required to fairly satisfy the region's affordable housing needs. The Southern California Association of Governments (SCAG) is the agency responsible for allocating housing units to the cities and counties. The 2013-2021 Regional Housing Needs Allocation Plan sets a goal for 412,718 additional housing units in the 8-county region, with 60,000 of those units allocated to the City of Los Angeles. This total is divided among various income groups, including 20,417 for very low income households, 12,432 for low income households, and 13,151 for moderate income households.

While the City is not responsible for ensuring that the number of units is actually built during the 2013-2021 planning period, it is responsible for establishing a regulatory and policy strategy that provides the opportunity for the number of units to be built. The requirement to meet and the City's goal of providing an adequate supply of housing accessible to persons of all income levels.

**Housing Element in Relation to the General Plan**  
The California Government Code states that planning shall be the central activity of a General Plan. In Los Angeles, this means consistency with the framework and Land Use Ordinance. The City's Housing Element is a key component of the General Plan and is a central planning tool for the City's goal of providing an adequate supply of housing accessible to persons of all income levels. Any action changes to land use must occur through a regular community planning process.

Website at <http://sites.google.com/site/lahousingelement>.

presented on with a focus housing preservation issues to a committee of community organizations representing some of the most impoverished Los Angeles neighborhoods organized by Community Health Councils, Inc.

The draft Housing Element Update was made available for 72 days for public comments and review. Near the conclusion of the comment period a combined Open House/Public Hearing was held on Saturday July 27, 2013, along with a webinar video feed to encourage the greatest amount of participation. The Open House/Public Hearing was advertised via special mailings to community and business organizations as well as interested parties, to the members of the Board of Directors of the 95 Certified Neighborhood Councils in the City, and to approximately 140 news publications, including those oriented towards the City's neighborhoods and ethnic communities. Fifteen information boards were created, which attempted to summarize the major themes of the Housing Element. The Boards were converted to PDFs, optimized for internet viewing and posted on the project website for the public's benefit.

Approximately 47 members of the public attended the Open House/Public Hearing for the draft Housing Element. The Public Hearing featured 26 speakers, including housing advocates, members of Certified Neighborhood Councils, disability rights advocates and the public at large. An audio recording of the Public Hearing was made public and posted on the project website, at the request of those who could not attend the event.

In addition to the 26 comments made at the Public Hearing, an additional 28 letters and emails were received during the initial comment period. The major issues raised by the public were summarized in detail in the Staff Report to City Planning Commission, which was also made available on the project website. Commenters were concerned about various issues, including the preservation of existing affordable housing units (particularly near light-rail transit lines), the protection of neighborhood character, issues around accessibility and affordability of housing for persons with disabilities, concerns around the inventory of sites for housing and locating new funding sources to produce affordable housing. Many of the concerns were addressed in a revised version of the Housing Element draft, with changes identified in a "track change" document prior to City Planning Commission.

Following the staff public hearing a staff report was prepared and submitted to the City Planning Commission and the Affordable Housing Commission. Additional public hearings were held before the City Planning Commission and the Affordable Housing Commission, the City Council's Planning and Land Use Management Committee, the City Council's Housing Committee and the City Council.



## Summary of the 2013-2021 Housing Element Update

State housing element law requires that each City and County identify and analyze existing and projected housing needs within their jurisdiction and prepare goals, policies, programs and quantified objectives to further the development, improvement, and preservation of housing. To that end, State law requires that the housing element:

*Identify adequate sites to facilitate and encourage the development, maintenance and improvement of housing for households of all economic levels, including persons with disabilities; Remove, as legally feasible and appropriate, governmental constraints to the production, maintenance, and improvement of housing for persons of all income levels including persons with disabilities; Assist in the development of adequate housing to meet the needs of low and moderate income households; Conserve and improve the condition of housing and neighborhoods, including existing affordable housing; Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability; and Preserve for lower income households the publicly assisted multi-family housing developments within each community.*

While fulfilling the statutory requirements of State housing element law, the policies and programs herein also foster on-going partnerships among City departments, with other governmental agencies, and with the private sector to respond to ever-changing housing demands and market conditions. Finally, the Update provides policy guidance to decision-makers at all levels of City government.

### Housing Element Organization

The Housing Element of the General Plan is organized into six chapters. Each chapter is further organized into sections that address specific topics described below:

**Chapter 1.** Housing Needs Assessment - Provides a comprehensive overview of the City's population, household, and housing stock characteristics, and an analysis of these factors in order to identify housing needs of the variety of household types and special needs across the City. The analysis highlights low rates of housing affordability and the creation and loss of existing low-cost housing. In addition, demographic changes such as the increase in the senior population and decrease in young families and children were assessed.

**Chapter 2.** Constraints on Housing Maintenance, Improvement, and Development Addresses regulations and conditions that constitute constraints to housing production and preservation, including governmental regulations, infrastructure requirements and market conditions such as land, construction and labor costs as well as restricted financing availability.

**Chapter 3.** Inventory of Sites for Housing - State housing element law requires the City to show that it has adequate land zoned to accommodate expected population growth. For the 8-year plan period (2014-2021), the number of housing units estimated to be needed in Los Angeles is 82,002. The figure is called the Regional Housing Needs Assessment (RHNA). The Inventory of Sites for Housing identifies over 20,000 parcels suitable for additional residential development without the need for any discretionary zoning action by the City. While these sites could accommodate over 300,000 units, it is estimated that fewer than 10,000 units are likely to be developed each year during the Housing Element Update planning period. With less than 5,000 units developed in 2012, the City will need to double housing production to meet projected housing demand.

**Chapter 4.** Opportunities for Conservation in Residential Development - State housing element law requires cities to identify opportunities for energy conservation in residential development. The City has broadened this analysis to include energy conservation, water conservation, alternative energy sources and sustainable development which supports conservation and reduces demand. These efforts reduce development costs and improve the long-term affordability of housing units. The enactment of the LA Green Building Code and other regulations like the Low-Impact-Development Ordinance have greatly strengthened City efforts towards sustainability. Specific City programs include providing rebates for energy efficient appliances, shifting the time of energy use, using alternative sources of energy (i.e., solar power), installing green roofs, requiring more sustainable landscaping and site design and adopting General Plan land use designations and zoning that create higher-density, compact, infill development near transit.

**Chapter 5.** Review of the 2006-2014 Housing Element - Preparation of the Housing Element Update included the essential step of evaluating the previous 2006-2014 Housing Element in order to identify progress and evaluate the effectiveness of previous policies and programs. The review shows that nearly 50,000 housing units were built, fulfilling less than 50% of the City's RHNA goal of 112,876 units for the previous Housing Element period. The economic and housing crisis faced in the second half of the decade obviously played a major role in decreasing housing production during much of the period. The review showed that the goals, objectives and policies of the previous Housing Element remain relevant and important, and this Housing Element Update builds upon them, reconfiguring and refining some of them to better focus the City's strategy. The goals, objectives and policies continue to be organized around four issues: housing supply; livable communities; housing opportunities; and ending homelessness. Similarly, the evaluation of programs provided insight into which efforts were more

effective than others. As a result, many programs have been reconfigured so that going forward, so that more will be accomplished and a more accurate accounting can occur through the Housing Element's Annual Progress Report.

**Chapter 6.** Housing Goals, Policies, Objectives and Programs - The objectives, policies and implementation programs under each goal speak to the diverse housing needs across the City. The City's approach to alleviating housing needs and of creating sustainable mixed-use, mixed-income neighborhoods across the City aim to provide opportunities for housing, jobs, transit and basic amenities for all segments of the population. Each program was crafted to meet particular housing needs of the City, whether they are renters or homeowners, or populations with special needs.



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# Housing Needs Assessment

Chapter 1







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# Housing Needs Assessment

The Housing Element of the City of Los Angeles addresses the housing needs of the City's residents based on a comprehensive overview of the City's population, household types, housing stock characteristics, and special needs. Among other findings, this analysis indicates that the City's residents experience high rates of housing cost burdens, low home ownership rates, and loss of existing low-rent housing. These issues inform the policies and programs the City is implementing to relieve these housing pressures for the City's residents.

In discussing housing needs, both supply factors (from condominium conversions and assisted housing at-risk of conversion to discrimination) and demand factors (such as overcrowding and housing overpayment) are analyzed. The discussion concludes with the City's 2013-2021 Regional Housing Needs Assessment, the City's assigned portion of the regional housing burden set by the Southern California Association of Governments (SCAG).

The following assessment focuses on housing needs as of the start of the Housing Element Update planning period, April 1, 2012, and, when available, captures more current demographic and housing data (i.e. 2011 and 2012 data). This assessment was based on analyses of information from a variety of sources including the 2010 Census of Population and Housing (Census 2010), American Community Survey (ACS) 2010 and 2011 1-year estimates of the U.S. Census Bureau (where possible)<sup>1</sup>, and data produced by the Los Angeles Department of City Planning (DCP), Los Angeles Housing and Community Investment Department (HCIDLA), and the Los Angeles Department of Water and Power (LADWP). The reader should note the limits of the ACS-based analysis due to the small sample size.

<sup>1</sup> Methodology for Census Data Calculations: With the new format of the American Community Survey estimates, data is available for the City of Los Angeles in 1-year, 3-year, and 5-year estimates. Most of the ACS census data presented in this chapter is derived from 1-year estimates so that they encompass the most current ACS data. Although not as reliable as 3-year and 5-year estimates, the 1-year ACS is acceptable when analyzing larger populations such as the City of Los Angeles. In order to ensure a certain degree of reliability, each 1-year estimate was tested against its margin of error so that the coefficient of variation (CV) was no greater than 15% within a 90% confidence interval. This means that 90% of the time, the estimate had no more than 15% of probability distribution. Most of the 1-year estimates fell under these conditions; however it is noted when the CV was greater than 15%, methodology for calculation CV's followed those outlined in "A Compass for Understanding and Utilizing American Survey Data," published by the U.S. Census Bureau.

## A. Population Characteristics

The City of Los Angeles is being affected by population and demographic trends that will have significant impacts on the housing needs of the future. Of most significance are the slowdown in population growth and changes in the age distribution of residents, including fewer children and dramatically higher numbers of seniors. In addition, trends towards increasing low-wage service sector jobs will greatly affect the demand for housing.



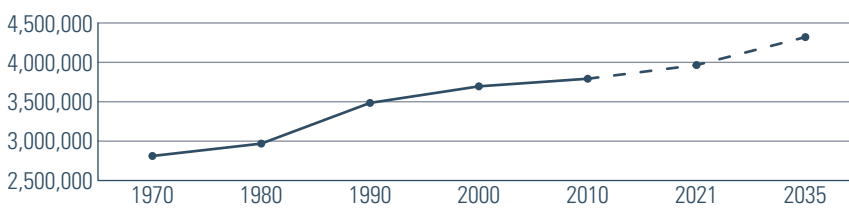
## 1. Population Growth Trends

Los Angeles has remained a growing City since its inception – a rare feat amongst large cities in America. Despite continued growth, the City’s population grew more slowly during the last decade than it has in the City’s history. In fact, the previous decade marks the first time in 110 years that the City’s growth did not equal at least 100,000 over a 10-year period. The population slowdown is believed to have occurred mostly during the middle of the decade (2004-2007), when the City actually lost population.

From 2000 to 2010, the population increased just 2.6%, compared to 6% during the 1990s and 17.5% during the 1980s (Chart 1.1). The growth rate is much slower than the State of California’s (10%) and slightly below Los Angeles County’s (3.1%). The 2010 population figure of 3,792,621<sup>2</sup> is well below the City’s estimated projection of 3,957,900 from just 2005<sup>3</sup>. The official California Department of Finance estimate for the City’s population on January 1, 2012 is 3,825,297. Growth is expected to increase by over 140,000 by the end of the Housing Element Update planning period in 2021, with an expected population of 3,965,433 by September 30, 2021<sup>4</sup>. This would represent a 4.6% growth rate from 2010. Los Angeles is expected to grow to 4,320,600 by 2035<sup>5</sup>.

Compared to the five-county Southern California region, the population of Los Angeles represents an increasingly smaller proportion of regional population, comprising 21.2% of the region, versus 24.7% in 2000. However, the growth rate of the City mostly kept pace with Los Angeles County (2.6% versus 3.1%), something that is rare for cities. Within the City, the fastest growing areas are the North Valley and South Los Angeles (7.4% and 5.1% growth respectively), followed by the South Valley (3.5%). In fact, over 70% of the total population growth occurred in the San Fernando Valley. Growth declined in both the Central and East Los Angeles areas.

**CHART 1.1**  
**Population Trends and Projections, 1970-2035**



Source: US Census Bureau, Historical Census Populations of California, Counties, and Incorporated Cities, 1850-2010

- 2 U.S. Census Bureau. 2010 Census. Profile of General Population and Housing Characteristics.
- 3 Department of City Planning. Demographics Research Unit. City of Los Angeles 2005 Population Estimate. October 1, 2005.
- 4 Southern California Association of Governments (SCAG). 2012 Adopted Growth Forecast.
- 5 SCAG. Adopted 2012 RTP Growth Forecast.



## 2. Age

The age distribution of a city is an important factor in determining current and future housing needs. An aging population generally signals the need for more senior housing, while growing numbers of children and young families would point to the need for more large family housing.

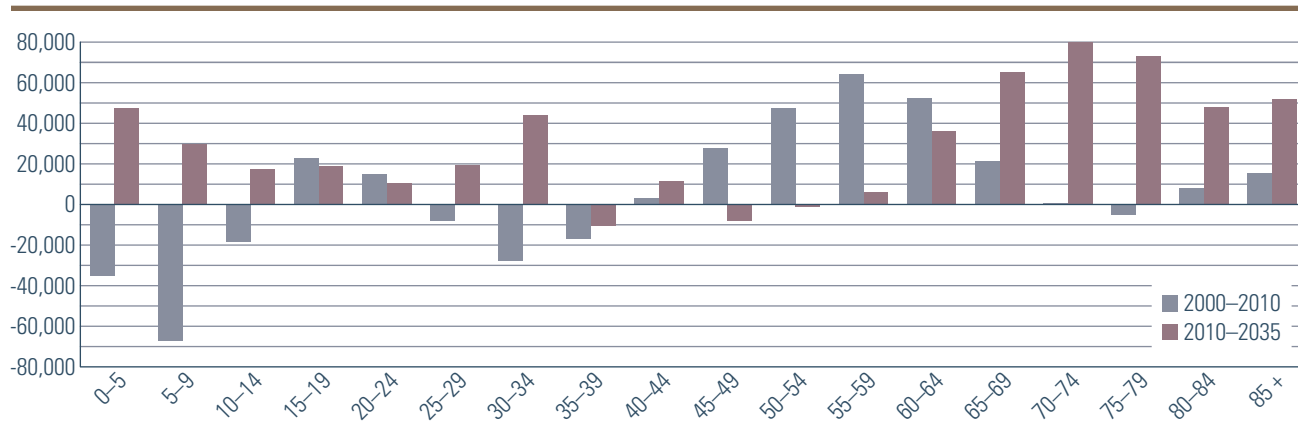
According to the 2010 Census, a little more than one-fourth (26%) of the City’s population in 2010 was young, aged 0 to 19 years old. Young adults (aged 20 to 35), generally the age when people form independent households, made up another quarter of the population (25%). Thirty-eight percent of the City’s population is aged 35 to 64 years old. This leaves about 10.5% of the population that is currently aged 65 years and older (396,696).

The fastest growing age group aligns broadly with the “baby boom” generation, which is currently between about 45 and 65 years old. There are about 190,000 more people in the City within this age group, compared to 10 years ago. In fact, the number of “new seniors” (from 2000 to 2010) increased faster in the Los Angeles region than New York or any other metropolitan area<sup>6</sup>. The rapid growth of seniors is in stark contrast to the decline of children and younger adults. There were approximately 134,000 fewer people younger than 39 in Los Angeles in 2010 compared to 2000 (Chart 1.2). The decreases occurred exclusively in two age ranges - children aged 0-14 (-119,330) and younger adults aged 25-39 (-52,009). This signals a dramatic decline in young families living in the City of Los Angeles. Demographers have noted that the drop in children commenced prior to the economic recession. While falling birth rates is a major factor, demographers have also attributed the loss of families to the high cost of housing, coupled with poor economic conditions at the end of the decade, which significantly slowed in-migration<sup>7</sup>. The median age in the City continues to increase, and at a faster rate than most other areas of the country. In 1990,

6 Mcllwain, John K. “Seniors: In Which Metro Region are They Living?” Urban Land Institute. February 23, 2012. <http://urbanland.uli.org/Articles/2012/Feb/McllwainSeniors1>

7 Lou, Linda and Dowell Myers. “Census Brief: Aging in California and Los Angeles County”. USC Sol Price School of Public Policy. May 24, 2013. [http://www.usc.edu/schools/price/research/popdynamics/pdf/2011\\_Myers-Lou\\_Census-Brief\\_Aging.pdf](http://www.usc.edu/schools/price/research/popdynamics/pdf/2011_Myers-Lou_Census-Brief_Aging.pdf)

**CHART 1.2**  
**Change in Age Distribution: Past and Projected, 2000-2010 & 2010-2035**



Source: U.S. Census Bureau. “Sex by Age”. 2010 and 2000 Census Summary File 1 (SF1)

the City’s median age was 30.6<sup>8</sup> years. In 2000, it was 31.6<sup>9</sup>, and by 2010, it had jumped to 34.1 years old. The increase in median age is being driven by the aging of the population born during the “baby boom” period after World War II (1946-1964). Nonetheless, Los Angeles remains a relatively “young” city compared to the nation (with a median age of 37.2 years in 2010).

According to demographers, the next decade will be marked by growth of households without children, primarily by those headed by householders aged 55 and older<sup>10</sup>. While the City’s overall population is projected to increase by about 4.5 percent between 2010 and 2020, its senior population (65 and older) is expected to grow by approximately 45% percent during this time period (to approximately 562,992)<sup>11</sup>. By 2020, seniors are expected to account for more than 14% of the City’s households, compared to 10.5% in 2010. This far exceeds the growth of any other age groups in the City. The increasing numbers of older Angelenos will have important effects on the demand for housing to come.

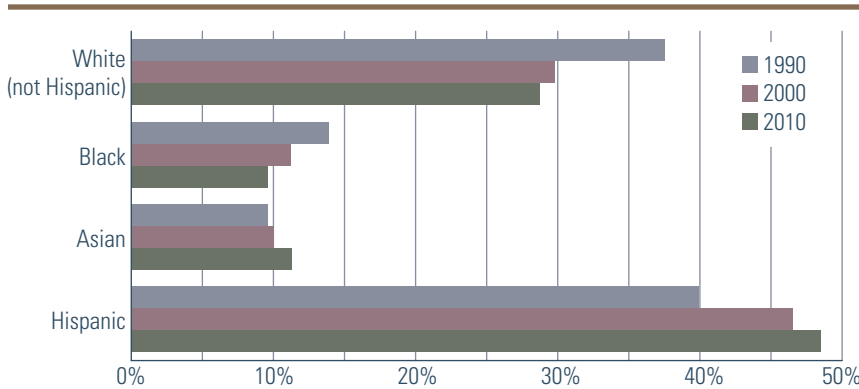
### 3. Race and Ethnicity

Los Angeles is one of the largest and most diverse cities in the world. Owing largely to this diversity, Los Angeles has become far less segregated than it was just a few decades ago. In fact, according to an index of segregation called the “isolation index,” Los Angeles is now the least segregated major city in the United States<sup>12</sup>. Despite this progress, much remains to be done to achieve the overall housing goal of creating balanced, mixed-income communities.

The 2010 Census indicated that there were 1,838,822<sup>13</sup> persons of Hispanic/Latino ethnicity in Los Angeles. Interestingly, Los Angeles is the only major city in the country to see a drop in Hispanic children over the decade<sup>14</sup>. The non-Hispanic population is estimated to be 1,953,799<sup>15</sup> persons, according to the 2010 Census. This population is identified by race, as follows: 1,086,908

- 8 U.S. Census Bureau. “General Population Characteristics: 1990”. 1990 Census of Population.
- 9 U.S. Census Bureau. “Profile of General Demographic Characteristics: 2000”. 2000 Census Summary File 1 (SF1).
- 10 Nelson, Arthur C. “The New California Dream: How Demographic and Economic Trends May Shape the Housing Market,” Urban Land Institute, Washington DC. 2011.
- 11 Economic Roundtable. “Affordable Housing Benefit Fee Study”. 2011. Underwritten by the HCDLA and DCP.
- 12 Glaeser, Edward and Jacob Vigdor. “The End of the Segregated Century: Racial Segregation in America’s Neighborhoods, 1890-2010.” Manhattan Institute for Policy Research. May 24, 2013. [http://www.manhattan-institute.org/html/cr\\_66.htm](http://www.manhattan-institute.org/html/cr_66.htm)
- 13 U.S. Census Bureau. “Race and Hispanic or Latino Origin”. 2010 Census Summary File 1 (SF1).
- 14 Frey, William H. “America’s Diverse Future: Initial Glimpses at the U.S. Child Population from the 2010.
- 15 U.S. Census Bureau. 2010 Census. Race and Hispanic or Latino Origin SF1.

**CHART 1.3**  
**Change in Race and Ethnicity, 1990-2010**



Source: US Census Bureau. “General Population Characteristics”. 1990, 2000, & 2010 Census.

persons are Whites, (29% of the total population); 347,480 persons are black (9%); 420,212 persons are Asian (11%). The remaining 79,887 persons (2%) are Native Americans, Pacific Islanders, other races and those of mixed race.

Current trends show the number of Hispanic and Asian persons in Los Angeles increasing and the number of Whites and Blacks decreasing. The number of persons who are Hispanics (or Latinos) has continued to grow in recent decades (See Chart 1.3); however this growth has slowed significantly since 2000. From growing at a 23.5% rate in the 1990s, Hispanic growth has slowed to 7% from 2000-2010. The percentage of Whites in the City has essentially stabilized, after dropping much faster in the 1980s and 90s. The Black population fell 14% from 2000-2010, compared to a 19% drop in the 1990s. Asians grew at the fastest rate of any race in the 2000s, 13% compared to 4% in the 1990s.

#### 4. Employment Trends

Employment in Los Angeles plays an important role in determining the City's housing needs. Higher-paying jobs provide greater housing opportunities, while low-paying jobs limit housing options. Housing needs should also be thought of as including both current City residents and those who commute to jobs in the City, particularly in light of SB 375, which aims to create greater linkages between job and housing locations in order to reduce Vehicle Miles Traveled (VMT). Like all cities in California, Los Angeles' share of the Regional Housing Needs Allocation (RHNA) reflects the continuing need to provide housing for its workforce.

The City of Los Angeles continues to deal with the lingering effects of the economic crisis that gripped the country in 2007. While employment levels have begun to bounce back, the number of jobs remains well below what it was prior to the crisis. The City unemployment rate has increased from 5.6% in 2007 to 11.3% in (December) 2012, according to the California Economic Development Department (EDD). The rate is significantly higher than the 7.8% national unemployment rate, as well as higher than the State rate of 9.8%.

Los Angeles is the largest employment center in the region with approximately 1.6 million jobs in 2010<sup>16</sup>. The number of jobs in the City is projected to grow to 1,861,630 by 2020<sup>17</sup>. It was estimated in 2010 that 66.6%<sup>18</sup> of the City's population aged 16 years or older was considered to be in the civilian labor force, up significantly from 60% in 2000. This trend of increased workers in the economy differs substantially from national trends, which shows marginally lower labor force participation rates since 2000<sup>19</sup>. It likely reflects the need for more Angelenos to find work given the high costs of living.

The median annual household income in Los Angeles is \$47,031<sup>20</sup> as of the 2010 Census. The relatively low income of the Los Angeles workforce is directly related to the inability to afford much of the available housing in the City. To get a handle

<sup>16</sup> SCAG Profile of the City of Los Angeles, May 2011.

<sup>17</sup> SCAG Growth Forecast, 2012 RTP.

<sup>18</sup> U.S. Census Bureau. "Selected Economic Characteristics". 2010 ACS 1-year estimates.

<sup>19</sup> U.S. Census Bureau. "Profile of Selected Economic Characteristics". 2000 Census Summary File 3 (SF3) Sample Data.

<sup>20</sup> U.S. Census Bureau. "Median Income in the past 12 months (in 2010 inflation-adjusted dollars)". 2010 ACS 1-year estimates.



on what job sectors are growing, at which wage levels, Table 1.1 lists the top 10 projected job openings in Los Angeles, as compiled by the EDD. As can be seen, most new jobs in the City through 2018 will pay less than \$23,000 a year.

**TABLE 1.1**  
**Top 10 Projected Job Openings in Los Angeles, 2008-2018**

Occupation	Job Openings	Median Income
Personal & Home Care Aides	76,900	\$20,890
Cashiers	48,830	\$19,396
Retail Salespersons	46,180	\$21,028
Waiters and Waitresses	38,650	\$19,085
Registered Nurses	28,990	\$80,890
Customer Service Representatives	27,650	\$34,467
Office Clerks, General	26,520	\$27,325
Laborers, Freight, Stock, and Material Movers, hand	25,610	\$22,763
Combined Food Preparation and Serving Workers	24,000	\$18,928
Elementary School Teachers	21,930	\$58,186

Source: CA EDD – 2008 – 2018 Los Angeles County Projection Highlights

The top four occupations with the most job openings are Personal and Home Care Aides, Cashiers, Retail Salespersons and Waiters and Waitresses. These occupations have median wages ranging from \$9 to \$11 per hour, or less than \$21,030 a year. These wages are well below what is generally required to rent or buy a home in Los Angeles. With an average rent of \$1,770<sup>21</sup> for an average apartment in 2012, a household must have an annual income of at least \$70,800 to afford such a unit. Buying an average home is a much further stretch for these workers (see section D.1 Housing Costs and Overpayment).

Table 1.2 below shows the incomes of projected workers, by their Area Median Income (AMI) categories, from 2010 to 2020. As can be seen, workers in the lowest three income bands (0-80% AMI) will account for over 500,000 households in the City by 2020.

<sup>21</sup> Zillow.com Median Rent List Price, calculated 03/05/2013 (data as of January 2013).

**TABLE 1.2**  
**Projected Workers by Income Categories**

Year		2010	2015	2020
Employed Workers		1,647,584	1,737,860	1,833,082
Workers by AMI Bands	0% to 30%	153,796	162,223	171,112
	31% to 50%	239,948	253,095	266,963
	51% to 80%	340,931	359,611	369,873
	81% to 120%	332,444	350,659	369,873
	121% to 150%	171,790	181,203	191,131
	151% to 200%	161,227	170,008	275,309
	Greater than 200%	247,449	261,008	275,309
Workers in Three Lowest AMI Bands		734,674	774,929	817,390
Worker Households in the Three Lowest AMI Bands		459,171	484,331	510,869

Source: Economic Roundtable. *Affordable Housing Benefit Fee Study*. 2011. Underwritten by the HCIDLA and DCP.

## B. Household Characteristics

Households link population to the housing stock. Every occupied housing unit constitutes a household, which can be composed of single individuals, families, unrelated individuals, or combinations thereof. The growth of households (or household formation) is an important driver of housing demand and therefore, prices. Trends towards smaller household sizes and non-family composition are beginning to alter housing needs in the City. Household incomes have been largely stagnant and have actually decreased for renters, making housing costs more difficult to afford. Finally, the housing issues for persons and households with special needs merit particular attention and are evaluated separately.

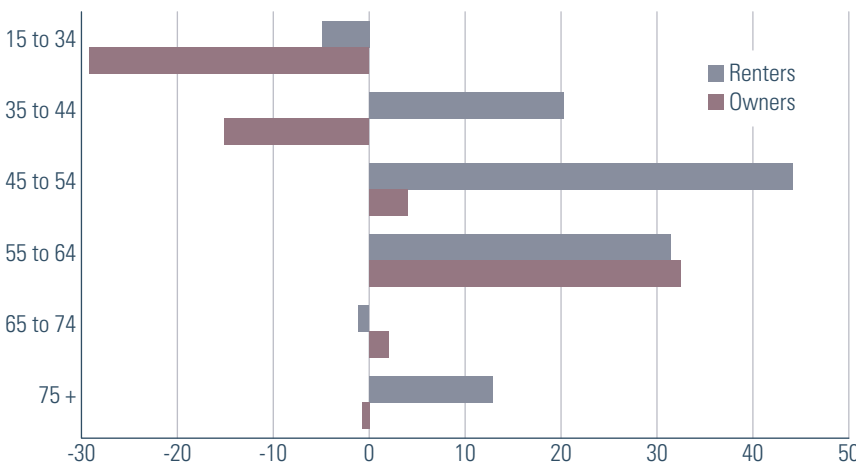
### 1. Household Formation

According to the 2010 Census, there were a total of 1,318,168 households in Los Angeles City<sup>22</sup> in 2010. This represents a 3.4% increase over the number of households in 2000 (1,275,412<sup>23</sup>), and an 8.3% increase over the number of households in 1990 (1,217,406<sup>24</sup>). This growth in households mirrors the overall Los Angeles County household growth rate of 3.4% during the same period. Census 2010 data show that 503,863 (38.2%) of these households are owner-occupied and that 814,305 (61.8%) are renter-occupied.

Household formation is sensitive to economic, social and cultural forces. The housing/economic crisis of recent years, as well as the rapid increase in housing prices, has had significant implications on household formations as well as incomes. Household formation has increased at a faster rate (3.4%) than population growth (2.6%) since 2000. However this was not the case from

22 US Census Bureau. "Households and Families". 2010 Census Summary File 1 (SF1).  
 23 US Census Bureau. "Households and Families". 2000 Census Summary File 1 (SF1) 100% data.  
 24 US Census Bureau. "General Population Characteristics: 1990". 1990 Census of Population.

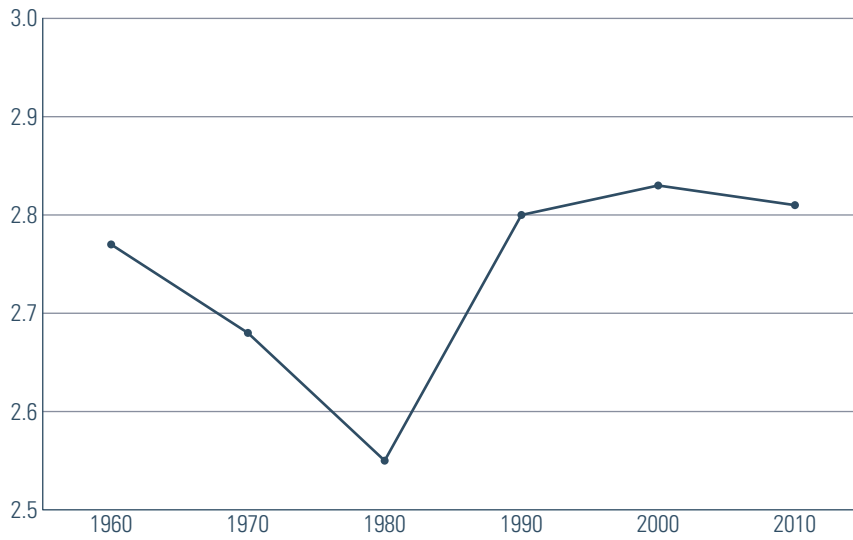
**CHART 1.4**  
**Change in Renter and Owner Households, by Age 2000-2010**



Source: US Census Bureau. "DP-1 - Profile of General Population and Housing Characteristics." 2010 and 2000.



**CHART 1.5**  
**Change in Average Household Size, 1960-2010**



Source: US Census Bureau. "DP-1 - Profile of General Population and Housing Characteristics." 1960 to 2010.

2000-2006 when housing costs were increasing rapidly. During those years the numbers of households actually fell by almost 18,758 households (-.1%), while population increased by 73,903 persons (2%). Conversely, during the years of the housing crisis (2006-2011), the rate of household formation (1.6%) increased faster than overall population growth (1.3%). This goes somewhat against national trends, which saw household formations plummet during the years of the housing crisis, while population growth was largely maintained<sup>25</sup>.

The slowdown in the growth of households was driven largely by fewer younger Angelenos forming new households. There was an 8% decline in the numbers of households headed by individuals under 34 years old since 2000. By tenure, the trend is even more pronounced. There was a troubling 29% decline in the number of homeowners under the age of 34 since 2000 (See Chart 1.4). By far, the largest segment of household growth occurred for those between 55 and 64 years old, who grew 32% over the ten-year period.

## 2. Household Size

The 2010 Census also shows that the average household size in Los Angeles is 2.81 persons, compared to 2.9 in the State and 2.58 nationwide. This is a slight decrease from the average household size in 2000 (2.83), which signals a reversal of the trend towards larger households seen since 1980 (see Chart 1.5). Household size varies widely throughout the City, with an average higher than 4 in communities like Pacoima and South Los Angeles, while less than 2 in Central City, Venice and West Los Angeles.

25 Dunne, Timothy. "Household Formation and the Great Recession". Federal Reserve Bank of Cleveland. May 24, 2013. <http://www.clevelandfed.org/research/Commentary/2012/2012-12.cfm>

According to the 2010 Census, more than one-half (55.3%) of the City’s households are comprised of only one or two persons. Three- and four-person households represent 15.2% and 13.2%, respectively, of all households. Five-person households represent 7.7% of all households, and households with six-or-more persons represent 8.5% (Chart 1.6). The biggest changes since 2000 are the increases in two- and three-person households (4.9% and 5% respectively), while the number of six-person households was the only size to fall (-3.5%). As mentioned in the age section above (A.2), demographers believe the biggest increase in households over the next decade will be for married couples without children and singles (i.e., one- or two-person households)<sup>26</sup>.

### 3. Household Composition

A majority of households (61% or 807,326 households<sup>27</sup>) are family households, per the 2010 Census. As defined by the Census, a family consists of 2 or more related persons. Of the families, 65% are married couples either with or without children; while nearly one-fourth (24.3%) are headed by single women. Just under one-half (48%) of these families have their own children who are under 18 years of age living with them. Almost 90,000 households (or 6.8%) contain at least three generations of family members living together.

Since 2000, there has been a decrease in the proportion of households that are families (from 63% in 2000 to 61% in 2010)<sup>28</sup>. Moreover, the proportion of families headed by married-couples has also decreased (to 65% from 67% in 2000) while the proportion of families headed by single women has increased slightly over this time period (from 23% in 2000 to 24.3% in 2010). Non-family households consist of single persons living alone and unrelated persons living together. These households represent 39% of all households (510,842)<sup>29</sup>. Singles comprise the vast majority of these non-family households (73%, or 373,529 households) (See Chart 1.7).

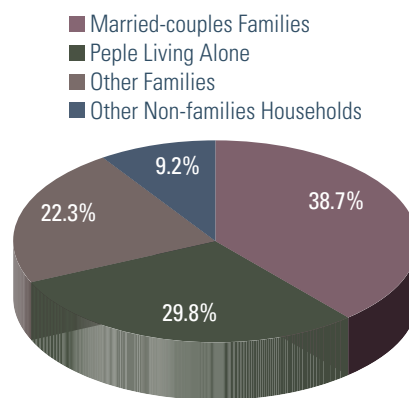
### 4. Household Income

The median annual household income in Los Angeles is \$47,031<sup>30</sup> as of the 2010 Census. This figure reflects the median household income in Los Angeles City across all households without distinguishing household sizes. While representing a 28% increase over the 2000 estimate of \$36,687<sup>31</sup>, when adjusted for inflation, the increase is basically negligible at only 1.2% (\$46,456 in 2010-adjusted dollars)<sup>32</sup>.

Median household income in the City is less than that of the County (\$52,684), the State (\$57,708) and the U.S. (\$50,046)<sup>33</sup>. In other words, Los Angeles City has proportionately more households at lower incomes. It is important to note that, since 2000, the City’s median income has moved further below that of the County, the State and the country. In 1990, the City’s income was nearly the same as the country as a whole.

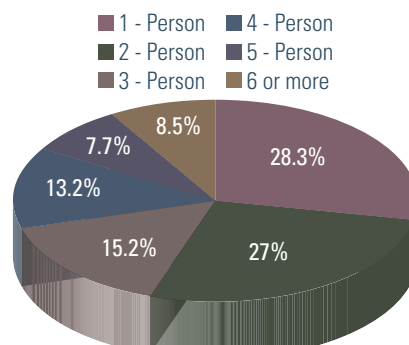
Beyond Los Angeles’ relatively low incomes, the City is also characterized by high levels of inequality between the numbers of poor and more affluent

**CHART 1.6**  
**Household Composition by Type of Households**



Source: US Census Bureau. "Households and Families". 2010 Census Summary File 1 (SF1).

**CHART 1.7**  
**Household Composition by Type of Households**



<sup>26</sup> Mcllwain, J. 2009. *Housing in America: The Next*

Source: U.S. Census Bureau. "Households and Families". 2010 Census Summary File 1 (SF1).

Decade. Washington, D.C.: Urban Land Institute.

<sup>27</sup> U.S. Census Bureau. "Households and Families". 2010 Census Summary File 1 (SF1).

<sup>28</sup> U.S. Census Bureau. "Households and Families" 2010 Census & 2000 Census.

<sup>29</sup> U.S. Census Bureau. "Households and Families" 2010 Census Summary File (SF1).

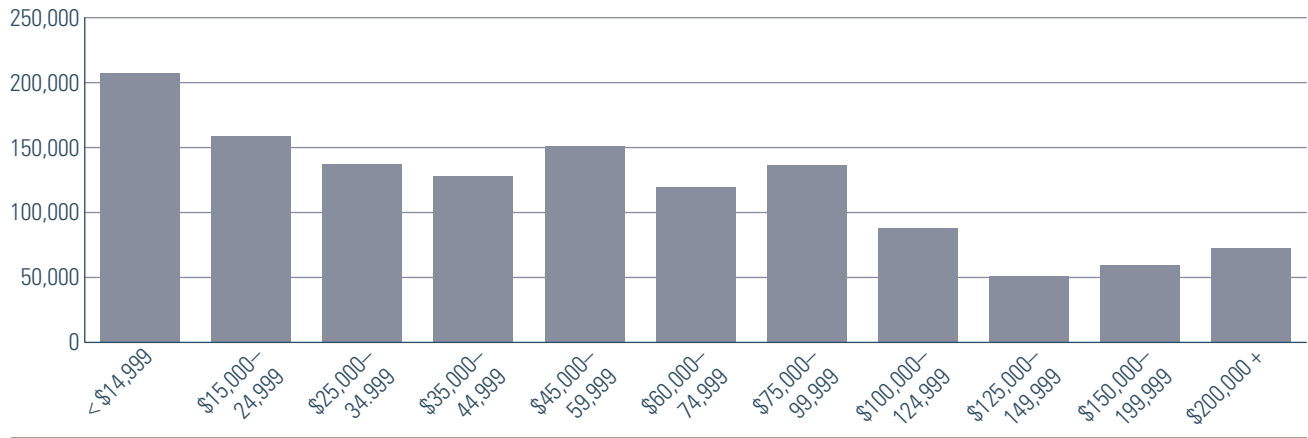
<sup>30</sup> U.S. Census Bureau. "Median Income in the past 12 months (in 2010 inflation-adjusted dollars)". 2010 ACS 1-year estimates.

<sup>31</sup> U.S. Census Bureau. "Median Household Income in 1999". 2000 Census Summary File 3 (SF3) Sample data.

<sup>32</sup> Inflation-adjusted dollars calculated using average annual CPI from US Department of Labor Bureau of Labor Statistics.

<sup>33</sup> U.S. Census Bureau. "Median Income in the past 12 months (in 2010 inflation-adjusted dollars)". 2010 ACS 1-year estimates.

**CHART 1.8**  
**Annual Household Income Distribution**



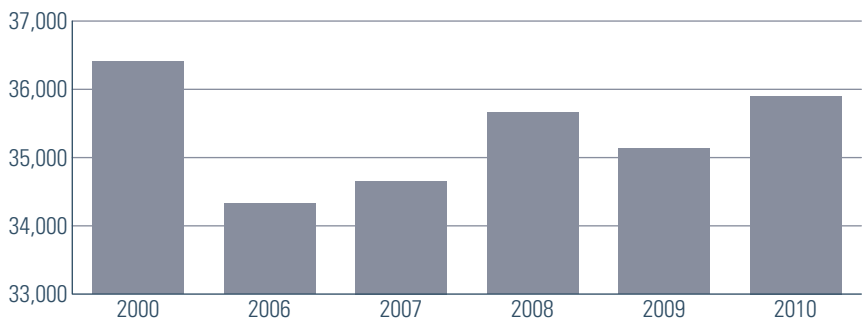
Source: US Census Bureau. "Household Income in the Past 12 Months (in 2010 inflation-adjusted dollars)". 2010 ACS 1-year estimates.

residents. Chart 1.8 shows the distribution of households by annual household income for Los Angeles City. The chart shows a high number of very low and high income residents, with fewer households in the middle.

As renters make up such a large part of the housing market (61%<sup>34</sup>), the income of renters is a key indicator of well-being in Los Angeles. Renters have much lower incomes than owners (\$35,108 vs. \$77,211 in 2010<sup>35</sup>) and pay a larger share of their income for housing costs (36% vs. 30% in 2010). Significantly, the income of renter households has decreased by over \$1,300/yr. from 2000 to 2010, when adjusted for inflation. The loss in incomes at a time when rents have continued to increase helps explain why rent burdens have risen during the decade (See Chart 1.9).

In determining needs, households are generally grouped into five income categories: extremely low-income, very low-income, low income, moderate-income, and above moderate-income. These income categories are used by the Southern California

**CHART 1.9**  
**Median Renter Household Income 2000-2010 (2010 dollars)**



Source: U.S. Census Bureau, American Community Survey, Median Household Income in the Last 12 Months, By Tenure, 2000, 2005, 2006, 2007, 2008, 2008, 2010

<sup>34</sup> U.S. Census Bureau. 2010 Census. General Housing Characteristics SF1.

<sup>35</sup> U.S. Census Bureau. 2010 ACS 1-year estimates: Median Household Income in the past 12 months (in 2010 inflation-adjusted dollars) by Tenure.



Association of Governments (SCAG), by Federal, State and Local agencies, and by various funding programs. Table 1.3 shows the definitions of these categories and the household distribution across the categories for the City. In 2010, there were 594,436 households defined as low-income living in the City of Los Angeles<sup>36</sup>.

**TABLE 1.3**  
**Household Income Distributions by Income Category, Renters & Owners: Median Household Income for Los Angeles County: \$52,684**

Income Category	County Median Household Income (CMHI)*	% of Total Households LA City	Owners	Renters	TOTAL
Very Low 0-50%	<\$26,342	29%	67,578 (13.7%)	317,083 (38.8%)	384,661
Low 51% to 80%	\$26,343 - \$42,147	16.1%	54,787 (11.1%)	149,988 (18.4%)	204,775
Moderate 81% to 120%	\$42,148 - \$63,221	16.2%	75,144 (15.2%)	134,894 (16.5%)	210,038
Above Moderate > 120%	>\$63, 221	38.3%	295,519 (60%)	215,266 (26.3%)	510,785

\*Income categories are defined in relation to the County Median Household Income (CMHI).  
 Source: U.S. Census Bureau, 2010 ACS 1-year estimates: Tenure by Household Income in the past 12 months (in 2010 inflation-adjusted dollars)  
 \*Proportions of income falling above and below each census income category were used to derive the total percentages. All percentages are thus estimates. Income categories for income distribution is different from overall and by tenure; thus cannot compare.

According to the Federal Government’s definition of poverty, 21.6% of the population in the City was considered to be living in poverty in 2010 (806,811 persons<sup>37</sup>). This is greater than both the County’s poverty rate of 17.5% and the national poverty rate of 15.3%, respectively.

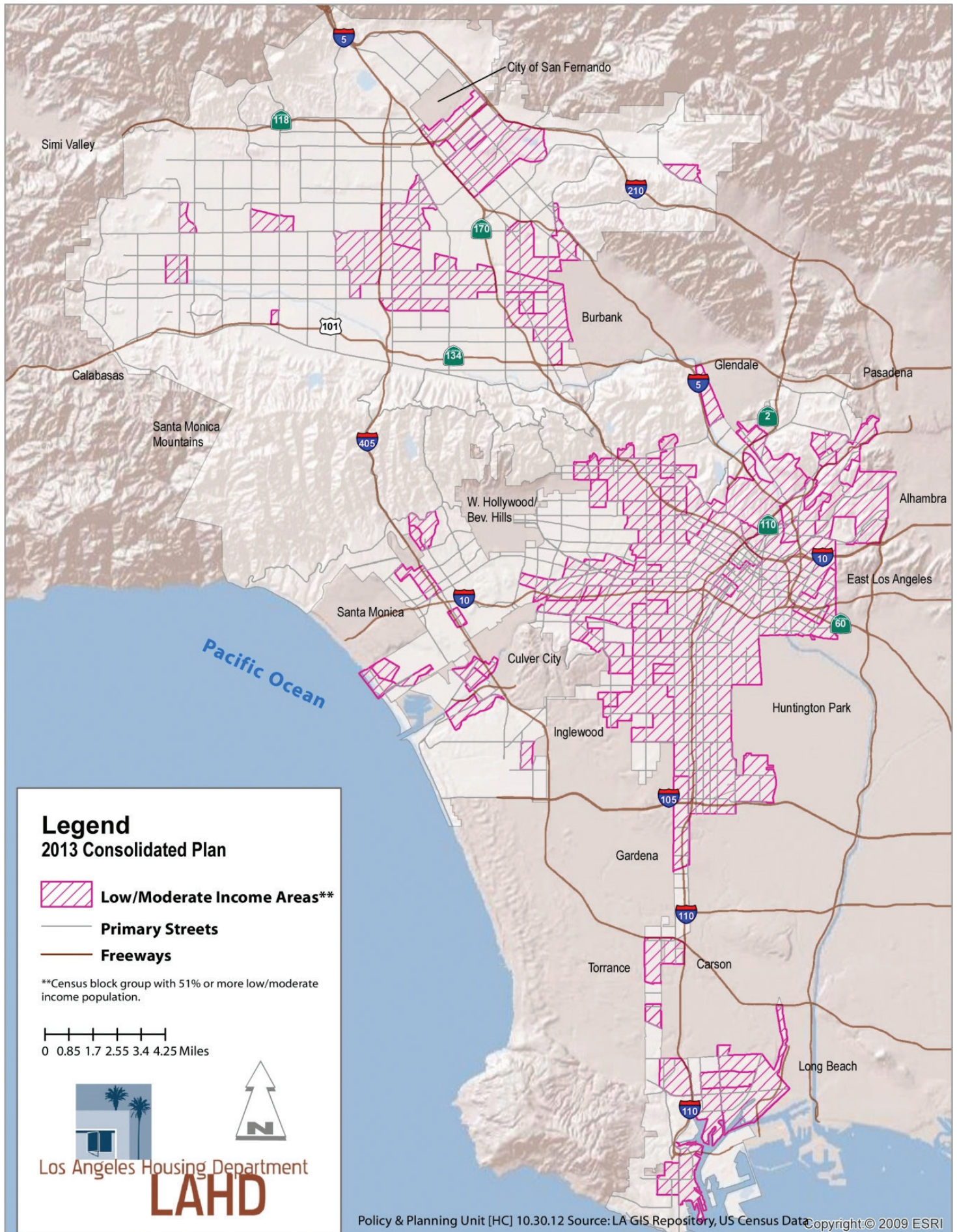
Another telling measure of income is the proportion of persons living below the City’s Living Wage, a measure used by the City to provide workers employed on public works construction projects with a more adequate wage for the work they provide. In 2010, approximately a quarter (24%<sup>38</sup>) of the City’s households earned an annual income that was at or less than the City’s Living Wage, annualized (approximately \$24,274)<sup>39</sup>. This is slightly higher than the percentage in 2000.

The map below shows the City’s majority low and moderate income areas, as defined by census block groups having more than 51% low or moderate income population.

### 5. Households with Special Needs

Certain persons or households face greater challenges than the general population in finding housing given their unique special needs and circumstances. Such circumstances range from fixed incomes to limited mobility to large households. Not all housing units in the general housing stock can meet the housing needs of persons or households with such special needs, therefore, efforts must be made to ensure that decent, affordable

36 U.S. Census Bureau. "Tenure by Household Income in the Past 12 Months (in 2010inflation-adjusted dollars)" 2010 ACS 1-year estimates.  
 37 U.S. Census Bureau. "Poverty Status in the Past 12 months by Sex by Age". 2010 ACS 1-year estimates.  
 38 U.S. Census Bureau. "Household Income in the past 12 months (in 2010-inflation adjusted dollars)." 2010 ACS 1-year estimates.  
 39 City of Los Angeles Bureau of Contract Administration, 2012.





and accessible housing is available to all such special needs populations. The State Housing Element statute identifies these populations as including senior persons, persons with physical, sensory or mental health disabilities, large families, female-headed households, persons who are homeless, persons living with HIV/AIDS, and farm workers. Each represents a certain part of the City’s population, as illustrated in Table 1.4.

Since 2000, increasing shares of households with special needs have not been able to secure affordable housing. In 2008, only 34 percent of households headed by a senior, 32% of households headed by a person with a disability, and 17% of households headed by a low-income single-parent are able to secure housing with rent they can afford<sup>40</sup>.

**TABLE 1.4**  
**Special Needs Populations, City of Los Angeles**

Subpopulation	Persons	% of Citywide Population	Households	% of Citywide Households
Seniors (65+)	396,696	10.5%	239,654	18.2%
Seniors with Disabilities	153,379	38.7% (of seniors)	N/A	N/A
People with Disabilities (16-64)*	172,936	6.9%	N/A	N/A
Large Families (5 or more persons)	N/A	N/A	213,959	16.2%
Single Female-headed Households w/ Related Children	N/A	N/A	118,279	9%
Persons living with HIV/AIDS**	31,000	0.8%	N/A	N/A
Homeless Persons***	23,539	0.6%	N/A	N/A
Farm workers*	9,500	0.5%****	N/A	N/A

Source: 2010 ACS 1-year estimate (unless noted)

\* U.S. Census 2010; \*\* 2012 Estimate by AIDS Coordinator Office, City of Los Angeles. \*\*\* 2011 LAHSA Greater Los Angeles Homeless Count \*\*\*\* Percent of total civilians employed, 16 and older

## Seniors

The housing needs of seniors are particularly challenging and require special attention because of the combination of fixed incomes, physical and sensory disabilities, and mobility/transportation limitations, all of which limit access to appropriate and affordable housing. Housing for seniors should provide or be located in proximity to information, transportation, social/health services, and opportunities for community involvement.

For the purposes of this Housing Element, seniors include those persons aged 65 years or older. According to the Census 2010, seniors comprised 10.5% of the City’s population (396,696 persons<sup>41</sup>). Almost one-fifth of all households citywide (239,654 of 1,318,168 households in 2010<sup>42</sup>) are headed by seniors. Forty-two percent (102,330) of

40 Economic Roundtable. "Affordable Housing Public Benefit Fee", 2011. Underwritten by HCIDLA and DCP.

41 U.S. Census Bureau. "Profile of General Population and Housing Characteristics". 2010 Census.

42 U.S. Census Bureau. "Tenure, Household Size, and Age of Householder". 2010 Census.



these households are seniors who live alone while the rest are households comprised of senior heads-of-households living with other person(s). Nearly 58% (138,657) of those over 65 years old lived in owner-occupied housing, while 42% (100,997) were renters<sup>43</sup>.

**TABLE 1.5**  
**Senior Householders, by Tenure, by Age**

Householder Age	Owners	Renters	Total
65-74 years	69,727	52,913	122,640
75 plus years	68,930	48,084	117,014
<b>TOTAL</b>	<b>138,657</b>	<b>100,997</b>	<b>239,654</b>

Source: U.S. Census Bureau (2010 Census SF 3: H14 and P87)

Many seniors also live in institutionalized settings and other group quarters. Per the Census 2010, 13,853<sup>44</sup> seniors (about 3.5%) lived in group quarters, which include institutions, hospitals, hospices, nursing homes, correctional institutions, and non-institutional group quarters. This population represents a decrease of 4,156 persons (or 23%) living in group quarters since 2000, despite increases in the total elderly population<sup>45</sup>. Generally, seniors have lower incomes than the population at large. Among seniors who are heads of households, the median household income is \$34,266, far lower than the citywide median household income of \$47,031<sup>46</sup>. The majority of senior-headed households are considered low-income (See Chart 1.10).

Of the City's 231,613 senior-headed households, 55.6% (128,897<sup>47</sup>) earned less than 80% of the median family income (i.e. low-income, under the City's definition). About a 23.7% of senior households are considered extremely low-income, earning less than 30% of the area median income. However, the proportion within the senior population living below the federally-defined poverty level is less than that within the total city

43 U.S. Census Bureau. "Tenure, Household Size, and Age of Householder". 2010 Census.

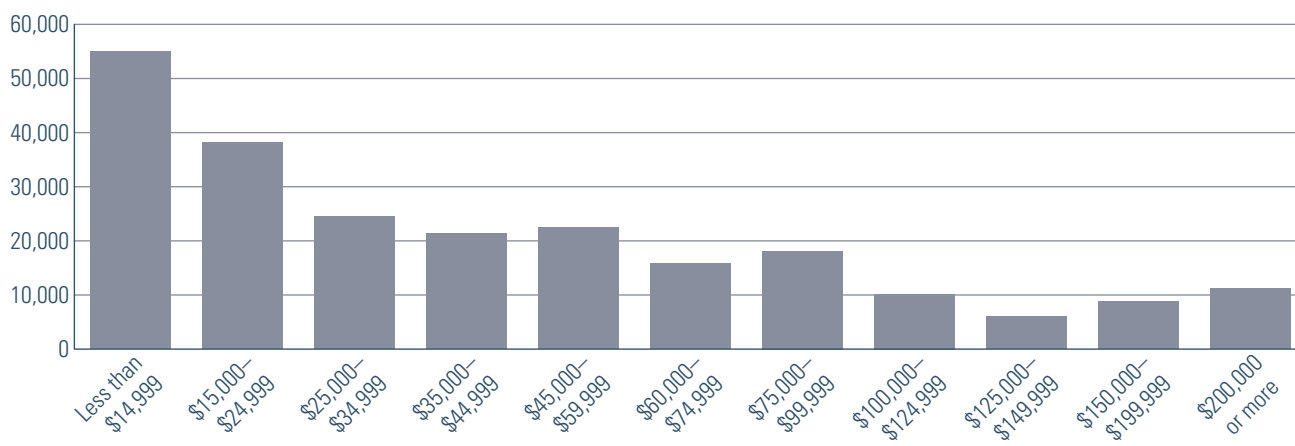
44 U.S. Census Bureau. "Household Type by Relationship for the Population 65 years and Over". 2010 Census.

45 U.S. Census Bureau. "Relationship by Household Type for the Population 65 years and Over". 2000 Census Summary File 1 (SF1) 100% data.

46 U.S. Census Bureau. "Median Household Income in the past 12 months (in 2010 inflation-adjusted dollars) by Age of Householder". 2010 ACS 1-year estimates.

47 U.S. Census Bureau. "Age of Householder by Household Income in the Past 12 Months (in 2010 inflation-adjusted dollars)". 2010 ACS 1-year estimates.

**CHART 1.10**  
**Household Income of Senior Los Angeles Residents, 2010**



Source: U.S. Census Bureau. "Median Household Income in the Past 12 Months (in 2010 Inflation-adjusted dollars) by Age of Householder". ACS 2010 1-Year Estimates.

population. In 2010, 15.8% (60,409) of the City's seniors were living below the poverty level, compared to 19% (479,534) of the City's working-age population (18-64) who live below the poverty line<sup>48</sup>. This figure represents an increase in senior poverty since 2000, during the same period when poverty declined across other age groups.

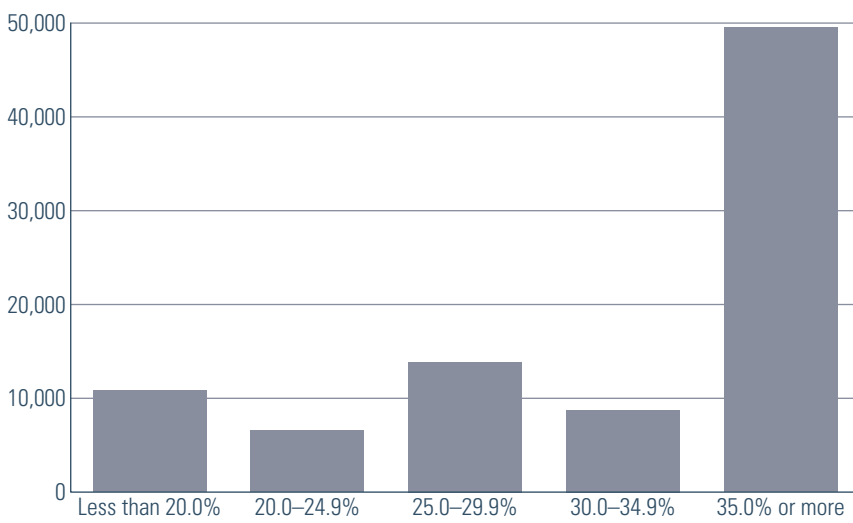
With lower incomes, seniors generally face a greater housing cost burden. Of senior heads of households who are renters, 60.5%<sup>49</sup> pay more than 30% of their income for rent (see Chart 1.11). This is a higher rate of rent burden than any other age group, except those between 18 and 24. The situation is better among senior homeowners, although still troubling. More than one-third (40.6%)<sup>50</sup> of senior homeowners pay more than 30% of their income for owner-related housing costs (55,013 of 135,425 elderly homeowners) (See Chart 1.12).

Among persons 65 years or older, 153,379 (40.1%)<sup>51</sup> are living with disabilities per the ACS 2010. While physical (ambulatory) disabilities are the most prevalent among this population at 28.3%, other disabilities also have a significant impact on limiting housing choices: 21.7% have a hearing/vision disability; 21.4% have an independent-living disability, 13% have a self-care disability; and 11.7% have a cognitive disability.

Older adults over the age of 65 own their homes at the highest rate of any age group (58%)<sup>52</sup>. While most are likely to want to stay in their homes as long as they can, we know that many will not be able to. When seniors move, they are most likely to move into rental apartments. Statewide projections for California indicate that, of those turning 65 in 2011, approximately 60% will have moved into apartments by 2029<sup>53</sup>. The additional demand placed on the City's rental stock by the aging population will be highly significant.

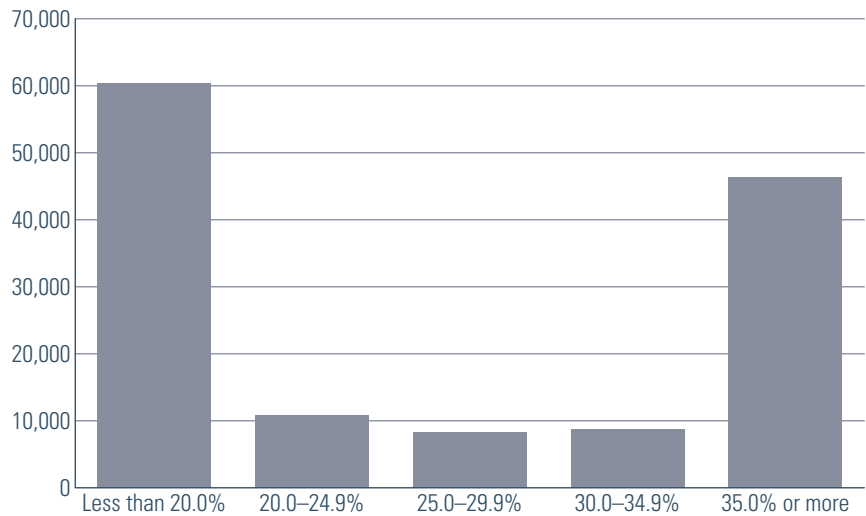
- 48 U.S. Census Bureau. "Poverty Status in the Past 12 Months by Sex and Age". 2010 ACS 1-year estimates.
- 49 U.S. Census Bureau. "Age of Householder by Gross Rent as a Percentage of Household Income in the Past 12 Months". 2010 ACS 1-year estimates.
- 50 U.S. Census Bureau. "Age of Householder by Selected Monthly Owner Costs as a Percentage of Household Income in the Past 12 Months". 2010 ACS 1-year estimates.
- 51 U.S. Census Bureau. "Disability Characteristics". 2010 ACS 1-year estimates.
- 52 U.S. Census Bureau. 2010 Census. Tenure by Age of Householder SF1.
- 53 Nelson, Arthur C. "The New California Dream: How Demographic and Economic Trends May Shape the Housing Market," Urban Land Institute, Washington DC. 2011.

**CHART 1.11**  
**Rents as a Percentage of Household Income, Persons 65 years and Older**



Source: US Census Bureau. "Age of Householder by Gross Rent as a Percentage of Household Income in the Past 12 Months". ACS 2010, 1-Year Estimates.

**CHART 1.12**  
**Monthly Owner Costs as a Percentage of Household**  
**Income, Persons 65 years and Older**



Source: U.S. Census Bureau. "Age of Householder by Selected Monthly Owner Costs as a Percentage of Household Income in the Past 12 Months". ACS 2010, 1-Year Estimates.

The City does not collect citywide data on the number of seniors currently seeking housing. However, in reviewing HCIDLAs list(s) of publically-subsidized affordable housing units, as of May 2011, there are believed to be at least 145 senior housing developments in the City. With an average size of 54 units<sup>54</sup> per development, there is estimated to be approximately 7,800 senior affordable housing units in the City. This compares to approximately 125,000 low-income seniors. This helps explain why we have about 50,000 seniors paying more than 35% of their income for housing. As the "baby-boom" generation ages, demand for affordable senior housing demand will increase substantially.

The City of Los Angeles utilizes many programs to assist the senior population, for example: Handyworker (free home rehabilitation/upgrade), Alternative Housing for the Aging, Adult Day Support Centers, LA Cares, Emergency Alert Response Program, Senior Community Service Employment Program, and Housing Information and Referral Services.

### Persons with Disabilities

A disability is defined by the Federal Government as "a physical or mental impairment that substantially limits one or more major life activities of such individual." (42 U.S.C. § 12102). Encompassing, but not limited to physical, sensory or mental health disabilities, people with disabilities often require special housing considerations in order to accommodate their unique conditions. According to the U.S. Census definition<sup>55</sup>, at least 350,000 City residents (or 9.4%) are considered to have a disability<sup>56</sup>. The largest numbers of persons with

<sup>54</sup> Average of 54 units per affordable senior development is based on HCIDLA's more limited Affordable Housing Roster, which lists 54 developments (not the full list of 145, which includes CRA/LA and HUD financed properties).

<sup>55</sup> US Census Bureau. "Disability Characteristics". 2010 ACS 1-year estimates.

<sup>56</sup> A disability, as defined by the U.S. Census Bureau, is a long-lasting sensory, physical, mental or emotional condition that makes it difficult for a person to undertake activities of daily living such as walking, climbing stairs, dressing, bathing, remembering, or learning. These numbers do not include those persons with disabilities living in institutions or other group quarters.



disabilities are adults aged 18 – 64 (172,936); however the percentage of seniors with disabilities (40%) is far greater than the percentage of non-senior adults with disabilities (7%). The percentage of seniors with disabilities has remained fairly consistent since 2005, with 40.1%<sup>57</sup> of those aged over 65 having a disability.

Table 1.6 below shows the types of disability and their prevalence within the City’s adult population with disabilities, per the Census 2010 (adults aged 18-64 are listed separately from adults aged 65 and older).

**TABLE 1.6**  
**Prevalence of Disability by Type of Disability in 2010**

Type of Disability	Total Population		Disabled Population	
	% Ages 18-64	% Ages 65+	% Ages 18-64	% Ages 65+
Vision and/or Hearing Disability (conditions that include blindness, deafness, or a severe vision or hearing impairment)	2.6%	21.7%	37.4%	54%
Ambulatory Disability (any condition that limits physical activities such as walking, climbing stairs, reaching, lifting or carrying)	3.5%	28.3%	51%	71%
Cognitive Disability (any condition that makes it difficult to learn, remember, or concentrate)	2.8%	11.7%	40%	29%
Self-Care Disability (any condition that makes it difficult to dress, bathe, or get around inside the home)	1.7%	13.1%	24%	33%
Independent Living Disability (any condition that makes it difficult to go outside the home alone to shop or visit a doctor’s office)	2.6%	21.4%	37%	53.4%

Source: U.S. Census Bureau. "Disability Characteristics". 2010 ACS 1-year estimates.

Persons with disabilities in the City face unique problems in obtaining affordable and adequate housing. For many households that have a child or adult with a disability, the lack of financial resources may pose a significant obstacle. This is often related to employment limitations of an adult with a disability. Or, if a child has a disability, a parent that would otherwise be a wage earner may be precluded from working full-time, if at all, due to additional obligations involving caring for the child with a disability. Both the unemployment rates and labor force participation rates between adults with disabilities and those without are very different. In 2011 the unemployment rate for persons with disabilities was 22% versus 12% for those without disabilities<sup>58</sup>. Approximately 59% of all working-age (18-64) adult persons with disabilities were considered out of the labor force in the 2010 ACS compared to 21% of those without disabilities<sup>59</sup>. Many more have their employment choices limited due to their disability, or due to discrimination on the part of employers.

57 US Census Bureau. "Disability Characteristics". 2005 ACS.

58 US Census Bureau. "Employment Status by Disability Status by Type". 2011 ACS 1-year estimates.

For those unable to work, typical fixed monthly incomes do not adequately cover monthly housing costs and living expenses. For most of the population of adults with disabilities, the only source of income is a small fixed monthly income from Social Security Disability Insurance (SSDI) and/or Supplementary Security Income (SSI). SSDI is based on prior work under social security and can be supplemented with SSI and/or California State Disability Insurance for low-wage workers. SSDI varies based on past earnings with an average payment of \$1,111 per month for worker with a disability. SSI is available for low-income persons 65 and older, for persons who are blind and for persons of any age who have disabilities that preclude them from working. Eligibility for SSI does not require prior work history, and payments are based on financial need. Maximum monthly SSI payments in California are \$866<sup>60</sup> for single, independent persons with disabilities and \$921 for single, independent persons who are blind (this includes both federal and state payments). In order to qualify for either SSI or SSDI, a person must have a condition that interferes with basic work-related activities and must have little to no income and few resources. The process to qualify for funds can be lengthy.

The result of low workforce participation and low incomes combined with a lack of affordable housing is a high rate of homelessness amongst persons with disabilities. The City's last "Homeless Count," conducted by the Los Angeles Homeless Services Agency (LAHSA) in 2011, found that approximately 22% of all persons who are homeless in the City had a physical disability, while 33% were mentally ill. These populations represent about 5% and 3% of the City's population, respectively. The prevalence of homelessness amongst the disabled makes the need for increased affordable and accessible options for this population evident, including emergency shelters and supportive housing.

People with vision and/or hearing disabilities often have particular housing needs. Those with vision problems may need accessible signage, auditory alarms, and service dog accommodations to access their housing. People with hearing disabilities, for example, may need visual alerts and accommodations to enable effective communication.

Persons with physical or ambulatory disabilities often require housing with accessible features (i.e., ramps, grab-bars, wider doorways, etc.). One half of adults with disabilities aged 18-64, and more than two-thirds of adults over the age of 65, have some sort of physical limitation due to ambulatory difficulties. Newly constructed multi-family units with four or more units are required to meet the accessibility requirements of the Fair Housing Act. All Federally assisted new housing construction with five or more units must construct 5% of the dwelling units, or at least one unit, whichever is greater, to be accessible for persons with mobility disabilities. These units must be constructed in accordance with the Uniform Federal Accessibility Standards (UFAS) or a standard that is equivalent or stricter. An additional 2% of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities. However, many older, and therefore more affordable units, are not physically accessible to persons with disabilities.

Persons with self-care limitations also have unique housing needs because they need the assistance of a companion or family member in order to accomplish

<sup>59</sup> U.S. Census Bureau. "Employment Status by Disability Status by Type". 2011 ACS 1-year estimates.

<sup>60</sup> "Supplemental Security Income (SSI) In California". January 2012. [www.ssa.gov](http://www.ssa.gov)

daily activities, such as dressing, bathing, or getting around inside the home. Twenty-four percent of disabled adults aged 18-64, and almost one-third of adults over the age of 65, have some sort of self-care difficulty. Resources that could be devoted to housing often need to be diverted to cover personal care assistance.

Locating affordable units that are also accessible is a significant challenge. Currently no central public location offers listings of affordable housing, let alone their accessibility traits. While steps in that direction are being made, an accurate count of affordable accessible units is not yet available. Assuming 5% of the current stock of 68,908 publicly-subsidized units in Los Angeles is fully accessible under the UFAS standard, this would translate to approximately 3,445 such units in Los Angeles.

People with disabilities should have options allowing them to live in the most integrated setting possible. To provide for this, a full spectrum of affordable housing is needed, from conventional residences to transitional and permanent supportive housing, including group, congregate and independent housing. Independent, supported living in the most integrated setting possible is preferable, either through individual or shared single-family homes or apartments, providing each individual with his/her own bedroom. Support services may be provided either on- or off-site. Appropriate housing for persons with mental or physical disabilities may include affordable small or large group homes (near retail services and public transit), apartment settings with support, outpatient/day treatment programs, and inpatient/day treatment programs or crisis shelters. Persons who use wheelchairs need affordable, conveniently-located housing which has been specially adapted for wheelchair accessibility, along with other physical needs.

### Persons with Developmental Disabilities

A “developmental disability” is defined by the State as “a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual. This includes developmental and intellectual disability, cerebral palsy, epilepsy, and autism.”<sup>61</sup>

People with developmental disabilities face many of the housing needs outlined for the larger disability community above, in particular an acute difficulty locating affordable, accessible and/or supportive housing. A person with a developmental disability may have additional special needs if they also have a mental health disability. Those needs may include the need for supported housing, crisis housing, shared housing, and other innovative housing models.

As noted above, there is very little housing stock is available both for those who are employed (at often low wages) and those unable to work due to their disability. Many people with developmental disabilities qualify for SSI, which only pays between \$866 and \$921 a month for individuals. With that amount of monthly income, an affordable rent would need to cost less than \$276/

<sup>61</sup> Section 4512 of the State Welfare and Institutions Code.

<sup>62</sup> Source: U.S. Census Bureau, 2011 American Community Survey.

month - a virtually unheard of amount in Los Angeles. The Census says there were approximately 18,253 apartments renting for that amount in 2011 (or 2.3% of all rental units)<sup>62</sup>, most of which are likely public housing or other highly subsidized units. A cursory search of 6,611 private market apartments for rent on Zillow.com in February 2013 turned up zero valid apartments renting for that amount.

The exact size of the population with developmental disabilities in Los Angeles can be estimated by looking at the numbers of persons served by the Los Angeles area regional centers. Across Los Angeles County, approximately 81,000 persons are served monthly by the seven area regional centers that contract with the State to serve this population (about .8% of the total population). According to the Census, the percentage of City of Los Angeles' persons with "independent living difficulty" and "cognitive difficulty" is about 6% higher than the County. This works out to an approximate figure of 33,311 persons with developmental disabilities being served through the regional centers in the City of Los Angeles. If we assume just 15% of those persons are looking for housing, this is a significant unmet need of over 5,000 housing units.

The housing needs for persons with developmental disabilities are also fast growing<sup>65</sup>. Children and young adults under age 21 are the fastest growing groups of people with developmental disabilities, with a 17% increase from 1997 to 2008. Autism, in particular, appears to be growing rapidly. In addition, persons with developmental disabilities are living longer than previously, due to medical advances. As people with developmental disabilities age and continue to move out into the community, the demand for affordable housing will continue to rise.

Opportunities to provide subsidized housing for people with developmental disabilities are limited by available resources and limits on the actions of the State designated regional centers. The HUD's Section 811 program is the only federal program dedicated to creating affordable, accessible housing for low-income non-elderly people with the most serious disabilities to help them live independently in the community. Historically, it has provided capital dollars to nonprofits for housing development, as well as funding for ongoing rent subsidies to make housing affordable to people who receive SSI. The program has seen deep cuts since it was introduced in 1990 and today provides only about half its original amount, adjusted for inflation. The number of units created by the program has also declined by about a third, to between 700 and 1,000 units a year (nationwide). In 2012, the new Section 811 Project Rental Assistance Demonstration (PRAD) began providing funding directly to state housing agencies that meet new eligibility criteria, including having a partnership with a state health and human services and Medicaid agency to provide essential supports and services. PRAD funds are used to set aside apartments within larger affordable housing developments for supportive housing for extremely low-income people with significant disabilities. This model is just beginning. In addition, federal housing programs such as HOME and CDBG are often used to construct affordable housing for those with special needs, including persons with disabilities. These programs have seen cuts of around 40-50% in recent years. The State offers programs to develop multi-family housing for those with special needs including its Permanent Financing Program and Special Needs Finance Program.

63 California Disability Services Association. "Guide to California's Disabilities Services System". May 24, 2013. [http://www.cal-dsa.org/nomorecuts/Includes/Attachments/111007\\_GuidetoCADisabilityServicesSystem.pdf](http://www.cal-dsa.org/nomorecuts/Includes/Attachments/111007_GuidetoCADisabilityServicesSystem.pdf)

64 Assumes a 10% reduction of the City's proportion of an estimated 240,000 developmentally disabled in the State. The 10% reduction is an estimate based on the proportion of persons with cognitive and independent living disabilities versus the State population.

65 Centers for Disease Control and Prevention. "Developmental Disabilities Increasing in U.S.". May 24, 2013. [http://www.cdc.gov/features/dsdev\\_disabilities/index.html](http://www.cdc.gov/features/dsdev_disabilities/index.html)



An important new source of revenue for providing housing for persons with mental health disabilities is the Mental Health Services Act Housing Program (MHSA). Administered by the California Department of Mental Health and the California Housing Finance Agency on behalf of counties, the MHSA Housing Program offers permanent financing and capitalized operating subsidies for the development of permanent supportive housing, including both rental and shared housing, to serve persons with serious mental illness and their families who are homeless or at risk of homelessness. Persons with developmental disabilities are included in the definition of mental health disabilities for this program. MHSA Housing Program funds will be allocated for the development, acquisition, construction, and/or rehabilitation of permanent supportive housing. The funds were most recently included in the City's 2011 Affordable Housing Trust Fund Notice of Funding Availability.

At the local level, the City has a number of policies and programs that aim to address the immense needs for affordable accessible housing for persons with developmental disabilities. Policies 1.1.3 and all those Policies under Goals 3 and 4 directly or indirectly relate to the City's commitment to work towards the availability of adequate housing for persons with special needs. On the program side, the City has recently committed \$18 million in General Fund monies to support Permanent Supportive Housing (PSH) proposals through the 2013 Affordable Housing Trust Fund (AHTF) Round 1 NOFA and is committing to 30% of all affordable rental units added to the City's housing stock will be Permanent Supportive Housing in Program 6 and 119 of the Housing Element. The PSH housing serves formerly homeless families and individuals with special needs such as a psychiatric disability, mental illness, physical or developmental disabilities. Program 9 outlines the City's approach to facilitating housing for senior and disabled persons such as providing preferential entitlement/permit services for such new housing. Program 11 calls for the facilitation of innovative housing options and to help create and adapt more accessible housing units to employ universal design standards, including the creation of a Task Force on the issue and proposing recommendations for increasing the number of accessible units in multi-family developments occupied by special needs households. Program 20 (Single Family Rehabilitation) provides funding for low-income elderly and disabled persons to provide minor home repair services and installation of safety, security and accessibility features (i.e., locks, peep holes, grab bars, and automatic gas shut-off valves). Local disbursement of Housing Choice Vouchers for seniors and disabled persons is covered in Program 42. Finally, fair housing and reasonable accommodation programs can be found under Programs 99-101.

A large proportion of assistance work is provided by a cadre of committed non-profit organizations whose mission it is to help people with developmentally disabilities. Regional Centers (with the official State mandate to provide services) have supported efforts to create affordable housing for their clients. These strategies include developing apartment complexes to provide subsidized housing or creating separate nonprofit trusts to purchase single-family or small multi-family homes, which these trust often rent to clients at below market rates<sup>66</sup>. However regional centers are barred from owning real property, which limits the effectiveness of this approach.

<sup>66</sup> Weingart Foundation. "Assessment of the Weingart Foundation's Developmental Disabilities Initiative: Final Evaluation Report". May 24, 2013. <http://www.weingartfnd.org/files/DDI-Final-Report.pdf>

## Large Households

Large households, defined as those with five-or-more persons, have special housing needs due to the lack of adequately sized, affordable housing. In 2010, there were 213,959<sup>67</sup> large family households, representing approximately 16% of total households in Los Angeles, per the 2010 Census (See Table 1.3). Large families account for 15% (122,744) of the total rental population and 18.1% (91,215) of owner-occupied. Although the change in percentage of large households was quite small compared to 2000, the number of large households increased greatly from 2005. The percentage of households with 5-or-more persons increased by 16.6% between 2005 and 2010<sup>68</sup>.

One might expect 5-and-6-person households to have higher incomes than 2-person households; however, this is not the case. The median income of two-person households is about \$55,000<sup>69</sup>, compared to \$49,000 and \$51,000 for 5-and-6-person households respectively. While incomes are not much different, the increased housing costs for multiple bedroom dwelling units means that the rent burden amongst large family households is significantly higher than the rest of the population<sup>70</sup>. The housing cost burden is predominately found at the lower income levels.

Large family households need large housing units of three-or-more bedrooms in order to avoid being overcrowded (1.01 or more persons per room, under the Federal standard). According to the 2010 ACS, only 13%<sup>71</sup> of rental units had 3 or more bedrooms, compared to about 69% of owner-occupied units. Consistent with the 2010 Census, large family households comprise 18%<sup>72</sup> of owner-occupied units but only 15% of renter housing. While there are clearly enough large owner-occupied dwelling units, there is a dearth of larger rental units. This is of particular concern considering that a majority of large families (57%) rent their units. The problem becomes more acute as families get larger. For example, there is only about one-quarter the supply of rental housing available for 7-or-more-person households (5-or-more bedrooms) compared to the demand.

Larger housing units are also generally the most expensive; so many low- and very low-income large families are unable to afford them. In addition, large families typically require child care facilities and accessible recreation areas. Given that the majority of large families are renters, there is a continuing need for affordable, large rental units.

## Families with Female Heads of Households

Female-headed households also have specific housing needs given that they generally have lower incomes and higher living expenses. Female-headed households with minor children may also lack the resources needed for adequate child care or job training services, often making the search for affordable, decent and safe housing more difficult.

There are a total of 555,048<sup>73</sup> female-headed households in Los Angeles, 196,922 of which are headed by a female householder with no partner present (See Table 1.7). This number is a 6.2% increase from 185,486<sup>74</sup> in 2005.

67 US Census Bureau. "Tenure by Household Size". 2010 Census Summary File 1 (SF1) 100% data.

68 US Census Bureau. "Tenure by Household Size". 2005 ACS.

69 US Census Bureau. "Median Household Income in the Past 12 Months (in 2010 inflation-adjusted dollars)". 2010 ACS 1-year estimates.

70 Los Angeles Department of City Planning, Housing Element of the General Plan 2006-2014., January 14, 2009.

71 US Census Bureau. "Tenure by Bedrooms". 2010 ACS 1-year estimates.

72 US Census Bureau. "Tenure by Household Size". 2010 Census.

73 US Census Bureau. "Household and Families". 2010 Census Summary File 1 (SF1).

74 US Census Bureau. 2005 ACS.

In the City of Los Angeles, there are approximately 164,501 single-parent households<sup>75</sup>. Almost three-quarters of these households are headed by females (118,279), per the ACS 2010<sup>76</sup>. They account for approximately 29% of all family households in the City (or 20% of total households). Of female-headed single-parent families, 49% (96,615)<sup>77</sup> include their own children under 18 years old. Since 2000, the number of female-headed households with children grew at almost 5 times the rate of population growth as a whole (12.8% versus 2.6%) (See Table 1.7).

**TABLE 1.7**  
**Female-Headed Households**

Householder Type	Number	% of Families
Total Households	1,318,168	100%
Total Female-Headed Households	555,048	42.1%
Total Non-Family* Household, Female Householder (HH)	253,013	19.2%
Total Family Household, Female Householder, (HH)	302,035	22.9%
Female householder Families, no husband present	196,922	14.9%
Female Heads with Related Children under 18	118,279	8.9%
Female Heads with own Children under 18	96,615	7.3%

Source: U.S. Census Bureau, 2010 Census. Household and Families 2010 SF1

\*Non-family Households are defined by the Census Bureau as "a nonfamily household consists of a householder living alone or with nonrelatives only, for example, with roommates or an unmarried partner"

Incomes are generally low among single, female-headed families with children, due in large part to the challenges faced in finding suitable employment given their child care needs. The median family income for female-headed households with their own children under 18 years old in Los Angeles was \$21,463<sup>78</sup> compared to the median family income of all households (\$47,031). More than 31% of single-parent, female-headed households are considered below the poverty line, compared to 11% of married couple households. Similarly, about 44.4% of female-headed households received public assistance, compared to 18% of all married-couple households<sup>79</sup>. The 44.4% figure for 2010 compares to 38.5% receiving public assistance in 2005, reflecting a 15.3% increase in public assistance for this population over 5 years<sup>80</sup>. Historically, female-headed households receiving public assistance generally have had difficulty in securing affordable housing in the private market. Accordingly, female-headed households represent a large segment of those qualifying for, and receiving Section 8 rental subsidy assistance (72% of current voucher holders).

The vast majority of female-headed households (71%<sup>81</sup>) are renters. Given their very low incomes, single, female-headed households need rental units at rents well below the current market rents in Los Angeles and/or significant rental subsidies

75 Single-parent households are defined here as single householders with own children under 18 years.

76 US Census Bureau. "Households and Families". 2010 Census Summary File 1 (SF1).

77 US Census Bureau. "Households and Families". 2010 Census Summary File 1 (SF1).

78 US Census Bureau. "Median Family Income in the Past 12 Months (in 2010 Inflation-Adjusted Dollars) by Family Type by Presence of Own Children Under 18 Years". 2010 ACS 1-year estimates.

79 Public assistance refers to receipt of Supplemental Security Income (SSI), cash public assistance income, or Food Stamps/SNAP in the last 12 months.

80 Cannot compare with ACS 2005 because of different universe (all families vs. families with presence of children under 18).

81 US Census Bureau. "Household Type by Tenure". 2010 ACS 1-year estimates.

to help them pay current market rents. These families also require safe recreational space for their children along with accessible childcare. Resources for developing low-income housing are limited. Therefore, families with female heads of households compete with all other household types for the short supply of affordable housing.

### Persons Living With HIV/AIDS

For persons living with HIV/AIDS, access to safe, accessible and affordable housing is an important measure of overall well-being. For many, the shortage of such housing is a primary barrier to consistent medical care and treatment.

As of 2012, there were approximately 15,000 people in the City of Los Angeles living with AIDS<sup>82</sup>. It is estimated that approximately 31,000 people in the City have HIV or AIDS, including those who do not yet know their HIV status. Fortunately, the number of new HIV/AIDS diagnoses has continued to stabilize since 1992 (1,880 in all of Los Angeles County as of 2011). Of those, it is estimated that about 55% are located in the City of Los Angeles<sup>83</sup>.

Los Angeles County has the second-highest number of cumulative HIV/AIDS cases in the country, with 80,155 reported cases (New York City having the highest<sup>84</sup>). Of those cases, approximately 45,000 are still alive. Los Angeles residents have been impacted by AIDS more severely than the rest of the U.S. as Los Angeles represents 1.4 percent of the total U.S. population but 55% of all U.S. AIDS cases ever reported<sup>85</sup>. HIV/AIDS symptoms requiring treatment can lead to the loss of jobs due to high rates of absence. A study of 785 people living with AIDS in Los Angeles conducted by Shelter Partnership, Inc. in 1999 indicated that 86% of persons living with AIDS study participants were unemployed<sup>86</sup>. The same study showed that 65% had been homeless at some point in their lives. Moreover, about half of the persons with AIDS who were not currently homeless believed that they were at risk of becoming homeless. A total of two-thirds indicated that they spent more than 30% of their income on housing. As is clear by the survey results, without a steady income, stable housing is hard to maintain for those living with HIV/AIDS.

Access to stable housing is necessary to keep up with the complex drug regimen that minimizes symptoms; many drugs require proper storage and refrigeration in order to be effective. Although new HIV/AIDS cases have declined, the number of living patients has increased due to more effective treatments. While therapies such as combined antiretroviral therapy have greatly increased life span for the persons living with HIV/AIDS, this therapy is very expensive at approximately \$2,000 per month, severely impacting the ability to afford housing<sup>87</sup>. A 2003 Shelter Partnership report that collected data from persons living with HIV/AIDS in Los Angeles County identified the following housing options most needed for this population<sup>88</sup>: 1) rent/ mortgage assistance to stay in own home, 2) transitional housing, 3) subsidized independent living, 4) emergency shelter, 5) shared housing with services.

<sup>82</sup> Los Angeles AIDS Coordinator Office, Department of Disabilities.

<sup>83</sup> Ibid.

<sup>84</sup> Mayor's AIDS Leadership Council, HIV and AIDS in Los Angeles: 21st Century Challenges and Approaches (December 2003).

<sup>85</sup> Ibid.

<sup>86</sup> Shelter Partnership Inc. "A Report on Housing for Persons Living with HIV/AIDS in the City and the County of Los Angeles". June 1999.

<sup>87</sup> Bruce R. Schackman, PhD, et al. "The Lifetime Cost of Current Human Immunodeficiency Virus Care in the United States" *Medical Care* 44:11 (November 2006): 990.

<sup>88</sup> Shelter Partnership Inc., A Strategic Plan for Providing HIV/AIDS Housing with Supportive Services in Los Angeles County (September 2003).



This publication also noted a severe shortage of housing for people with HIV/AIDS in the County. As of 2003, there were 3,351 available beds with an additional 38,679 people needing some type of housing assistance. Overall, the greatest barrier to housing for people living with HIV/AIDS in LA County is the lack of affordable housing<sup>89</sup>. The Department on Disability's AIDS Coordinator's Office (ACO) is working with the Housing and Community Investment Department (HCIDLA) and the Los Angeles Coordinated HIV Advisory Committee (LACHAC) to better coordinate the City's HIV prevention and treatment programs within the HCIDLA's Housing Opportunities for Persons with AIDS (HOPWA) program. This will ensure a more seamless service delivery system to individuals living with HIV or AIDS in the community. The ACO has long collaborated with our counterparts in the county to ensure that a continuum of services is available for clients on the prevention side.

## Homeless Persons

High rates of poverty combined with the limited supply and high costs of housing help explain the persistent problem of homelessness in Los Angeles. While the rate of homelessness is comparable to other cities in California, and has been dropping in recent years, Los Angeles continues to have the highest total number of non-sheltered homeless people in the nation. Significant progress has been made since the previous Housing Element, but there is much more to be done to reach the City's goal of ending and preventing homelessness.

Table 1.8 below details the homeless population in Los Angeles, as enumerated through the biennial Greater Los Angeles Homeless Counts from 2007, 2009 and 2011. Persons were considered homeless and included in the count if they fell within HUD's definition of homelessness as follows:

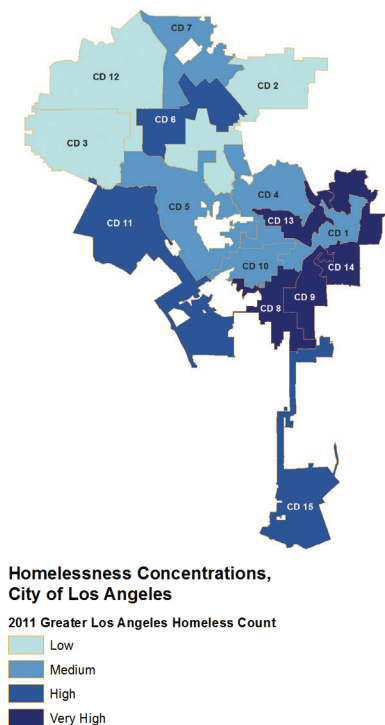
"A person is considered homeless only when he/she resides in one of the three following places: 1) places not meant for human habitation such as cars, parks, sidewalks, and abandoned buildings; 2) an emergency shelter; or 3) transitional housing for homeless persons and who originally came from the streets or emergency shelter."

In January 2011, using a point-in-time approach, there were an estimated 23,539 homeless persons living in the City of Los Angeles, which represents a 9% decrease from the prior count in 2009<sup>90</sup>. A much deeper 36% drop in homelessness has been recorded from 2007-2011. According to homeless advocates, the declines in overall homelessness can be attributed to the utilization of evidence-based approaches such as prevention, rapid rehousing, and housing first; as well as a new and ongoing sustained infusion of (largely federal) funding necessary to bring them to scale<sup>91</sup>. In addition to the significant decrease in total homelessness since 2007, a much larger percentage of the City's homeless population is now considered "sheltered," i.e., they reside in an emergency shelter or transitional housing. In 2007

<sup>89</sup> Shelter Partnership Inc. A Strategic Plan for Special Needs Populations in Los Angeles County (September 2005).

<sup>90</sup> Based on the annualized estimate of 120,070 persons for the Los Angeles region, the estimated of persons who have experience homelessness within the City of Los Angeles during the 12 months that surround the count is approximately 55,000 persons.

<sup>91</sup> <http://hollywood.patch.com/groups/ruth-schwartzs-blog/p/on-the-road-to-solving-homelessness>



the figure was about 21%. It jumped to 39% in 2009 and in 2011 reached 45%. Despite the significant progress, the “sheltered” figure remains far below that of comparable cities like San Francisco and New York City.

In the 2011 count, 58% of homeless persons in Los Angeles were adult men and 27% were adult women. Blacks comprised 49% of the homeless population, while (non-Hispanic) Whites and Latinos comprised 22% and 24%, respectively. The figures indicate a significant increase in Whites and Latinos as a percentage of the homeless since 2009 (from 17% and 16%, respectively), while Blacks have seen their share decrease from 61%.

The homeless population is aging, with nearly 34% of chronically homeless persons aged 55 or older. In comparison, only 20% of the homeless population was 55 or older just two years prior. The aging of the homeless population increases the public cost of homelessness, as more health issues are to be expected. There were 3,589 homeless children (under 18) reported in the homeless count. About 10% of these children (331) were reported to be unaccompanied.

There were 8,265 persons with mental illnesses among the homeless. At a time when homelessness is decreasing, this figure represents a disturbing 36% increase in the number of persons with mental illness among the homeless in just two years. This would appear to be a trend to keep an eye on with future homeless counts. On the other hand, the number of homeless persons with substance abuse problems has decreased dramatically since 2009 – from 10,554 to 7,349 – a 30% drop.

A significant proportion of the homeless population is chronically homeless: 5,579 persons. A chronically homeless person, as defined by HUD, is: an unaccompanied individual with a disabling condition who has been: (a) continually homeless for one year or more; or (b) experienced four or more episodes of homelessness within the past three years.

**TABLE 1.8**  
**Homeless Population: City of Los Angeles 2007, 2009 and 2011 Point in-Time Results**

	Point-in-Time Results 2007	Point-in-Time Results 2009	Point-in-Time Results 2011	Percent Change (2007-2011)
Total Persons	40,144	25,571	23,539	-36%
Unsheltered	32,350	15,770	12,977	-60%
Adult Men	24,172	N/A	13,585	-44%
Adult Women	9,598	N/A	6,365	-34%
Under Age 18	5,694	N/A	3,589	-37%
Age 18-24	2,959	N/A	N/A	N/A
Age 25-55	26,226	N/A	N/A	N/A
Age 56+	5,265	N/A	N/A	N/A
Black	23,451	N/A	11,599	-51%
Latino	6,641	N/A	5,747	-13%
White	7,204	N/A	5,249	-27%
Multi-Racial and Other	2,848	N/A	944 (other only)	N/A
# People in Families	9,238	3,807	5,284	-43%
Youth in Families	4,854	4,885	3,278	-32%
Veterans	5,338	4,107	3,267	-39%
Chronically Homeless Individuals	13,680	6,195	5,579	-44%
Persons with a Mental Illness	15,012	6,056	8,265	-45%
Persons with a Physical Disability	N/A	N/A	5,049	N/A
Substance Abuse Problems	15,223	10,554	7,349	-52%
People with HIV/AIDS	949	650	793	-16%
Victims of Domestic Violence	4,268	2,206	2,253	-47%
Unaccompanied Youth	840	311	311	-63%

Source: 2007, 2009 and 2011 LAHSA Homeless Counts

Approximately one-half of the homeless population resides in downtown Los Angeles and adjacent areas. Forty-six percent of the City's homeless reside in Council Districts 1 (Westlake, Northeast Los Angeles), 9 (Southeast Los Angeles), 13 (Silver Lake-Echo Park-Elysian Valley) and 14 (Boyle Heights) (2011 Homeless Count, LAHSA).

The 50 downtown City blocks comprising "Skid Row" (more formally known as Central City East) is home to the largest concentration of homeless individuals in the City of Los Angeles. The relatively small area is home to 18% of the homeless population, or approximately 4,316 people on any given day. Skid Row is the most important hub for housing and social services aiding persons who are homeless in the region, with approximately 3,300 beds available to serve the homeless (33% of the City's available beds). Given the preponderance of shelters and services, the homeless individuals living on skid row are much more likely to be sheltered than those living in other geographies (78% sheltered, compared to 41% citywide). However, homelessness in Skid Row has increased by 14% (+514 persons) since 2009, after having fallen from a high of 5,137 in 2007.

The 2011 count found 6,069 persons residing in institutions, which includes local and county jails, hospital emergency rooms and beds, and residential alcohol and drug treatment programs who would be homeless if they were not residing in one of these programs. The 2011 figure is down one percent from the last time LAHSA conducted a similar count of institutions in 2007. The special needs population groups served by these programs include the chronically homeless, domestic violence victims, emancipated foster youth, families with children, the mentally ill, persons living with HIV/AIDS, the post-incarcerated, pregnant women, runaway or unaccompanied youth, seniors, substance abusers, and veterans<sup>92</sup>.

In 2011, almost 4,000 homeless individuals were served through permanent supportive programs and just over 3,500 of them, or almost 90%, became stably housed<sup>93</sup>. The expanded Housing Choice Voucher programs that specifically target homeless individuals and families have created 961 new permanent supportive housing units since 2009.

The City has also benefitted from a Federal program introduced in 2009, called the Homelessness Prevention and Rapid Re-housing Program (HPRP). As of March 2012, the program has served some 9,335 people, helping them receive an array of assistance, including utility and rent payments, motel and hotel vouchers, housing location and case management. However, the program funding was depleted in 2012. Additionally, the City has also dedicated a significant portion of its Community Development Block Grant (CDBG) funding to homeless programs and services. Moreover, between 2008 and 2011, 1,650 Veterans Affairs Supportive Housing (VASH) vouchers were awarded to Housing Authorities in the LA Continuum of Care. During this time period, over 1,039 veterans moved into apartments using the VASH subsidy.

<sup>92</sup> Shelter Partnership Inc. Short-Term Housing Directory of Los Angeles County (October 2006).

<sup>93</sup> Los Angeles Homeless Services Authority. "Housing and Urban Development Awards Los Angeles Nearly \$75 Million for Homeless Programs". May 24, 2013. [http://www.lahsa.org/docs/press\\_releases/ HUD-Shelter+Care-Comonent-Descriptions.pdf](http://www.lahsa.org/docs/press_releases/ HUD-Shelter+Care-Comonent-Descriptions.pdf)



Short-term shelters for the homeless are funded primarily through the CDBG, Emergency Solutions Grants (ESG), Year-Round Emergency Shelter Program (YRP) and the Permanent Supportive Housing (PSH) programs. As of 2012, a total of 483 emergency shelter beds and 1,740 transitional housing beds are being maintained within the City of Los Angeles.

In addition to the existing shelter programs and beds available for short-term housing, the City of Los Angeles has taken measures to ensure that emergency shelters can be built in the City by right, without conditional use permits or other land use entitlements. Since 1986, the City has permitted the establishment of shelters for persons who are homeless in the R4, R5, C2, C4, C5 and CM Zones as a matter of right (Ordinance 161,427). Of the 21,336 parcels listed in RHNA Inventory of Sites for this Housing Element Update, approximately 13,384 sites have one of these zoning designations.

Single-room occupancy (SRO), transitional, and supportive housing are multi-family housing and are permitted where multi-family is permitted. The City Zoning Code meets the requirements of State law, wherein under SB 2 transitional and supportive housing meeting the Health and Safety Code definition of a regular rental housing development should be treated no different than any other rental housing in the same zone. The requirement applies not only to multi-family housing but also single-family housing. Based on the Health and Safety Code definition of regular rental development (five or more units in a development and not one of the units can be owner-occupied), transitional and supportive housing can be placed in single-family zones, utilizing a group of single-family homes.

While increased resources have become available in recent years to house persons who are homeless, they are still not nearly enough to respond to the housing needs of the population. The housing needs of persons who are homeless require special attention because they have little to no income and may have physical, mental and/or mental health disabilities, experience social isolation, and have limitations related to transportation, all of which influence their access to appropriate and affordable housing. People that have face more than one of these issues face particularly difficult circumstances. Providing appropriate housing is a critical part of the solution to end homelessness.

The lack of income or extremely low incomes is one of the many barriers to adequate housing for people who are homeless. Income supports available, such as General Relief for single adults, TANF for families and SSI for persons with disabilities, are not sufficient to cover housing costs along with other living expenses. The current 5,892 emergency beds and 16,976 units of permanent supportive housing maintained by the LAHSA Continuum of Care for the homeless are available at no charge, but are not sufficient, as evidenced by the large number of people who are homeless sleeping on the street and in cars, nor are they a long-term solution to homelessness.

A particular challenge to obtain housing is faced by formerly incarcerated persons. Many landlords refuse to rent to former felons and many may not be qualified for some subsidized housing units<sup>94</sup>. This difficulty is exacerbated by an often acute difficulty in finding gainful employment.

More short-term housing options (emergency shelters and transitional housing facilities) are needed as well as affordable, accessible housing, permanent supportive housing and other forms of service-enriched permanent housing. In particular, housing options that do not require rent and/or that provide rental subsidies are necessary, especially for persons with disabilities who are homeless as they will generally have limited ability to financially support themselves.

### Farmworkers

Farmworkers, defined by the U.S. Census as “agricultural workers and their supervisors,” represent a very small percentage of the total population in the City of Los Angeles. A total of 5,446 farmworkers were recorded in the 2010 Census<sup>95</sup>. Although there are no farms in the City of Los Angeles (per business licenses issued by the City of Los Angeles Office of Finance), there were 1,734 farms in Los Angeles County in 2007<sup>96</sup>. Farmworkers generally receive much lower wages than other local occupations. Farmworkers and related laborers (agriculture, forestry, fishing and hunting) in the City had an annual mean wage of \$17,818 in 2010, according to the 2010 American Community Survey. These wages severely limit housing options for farmworkers in Southern California’s expensive housing market. Overcrowding and substandard housing conditions are often the only option.

The U.S. Census does not distinguish between permanent and migrant farmworkers, so it is not possible to quantify the number of migrant workers living in the City. However, migrant farmworkers have very specific housing requirements. With low incomes and temporary housing needs, migrant farmworkers are challenged to find short-term housing in Los Angeles that is decent and affordable.

## C. Housing Stock Characteristics

The characteristics of the City’s housing stock, including its growth, type, size and condition should correspond to the City’s households and their housing needs. Monitoring trends can help identify areas that require policy intervention, or specific programs.

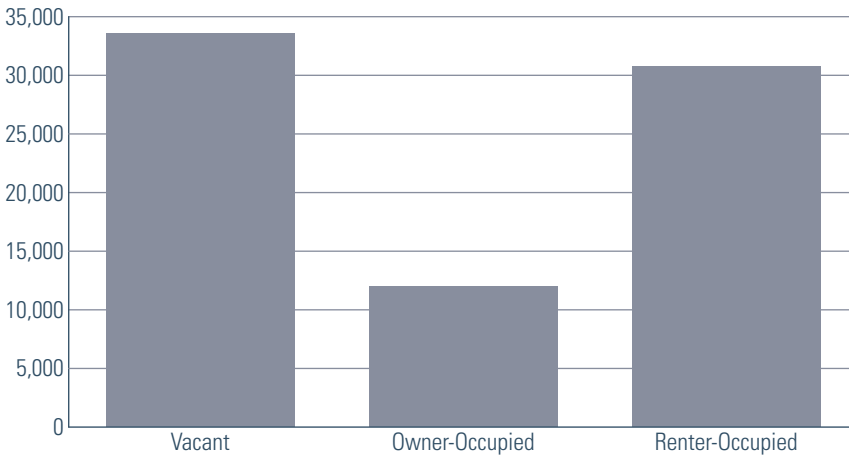
The housing crash, as well as the general economic crisis, has had profound effects on the housing stock of Los Angeles. The biggest change is the massive shift of mostly single-family homes from owner to renter-occupancy. A large increase in vacancies was also recorded in recent years; however that trend had largely abated by 2012.

<sup>94</sup> An analysis of the different Federal and local regulations affecting persons with criminal histories can be found in the following report: Los Angeles Homeless Services Agency (LAHSA), The Section 8 Housing Choice Voucher Program: Federal Rules and Local Policies Affecting Individuals with Criminal Histories, April 2008.

<sup>95</sup> U.S. Census 2010. PCT 86.

<sup>96</sup> U.S. Department of Agriculture NASS, Census of Agriculture, County Profile, Los Angeles (2007).

**CHART 1.13**  
**Increase in Housing Units 2000-2010, By Tenure**



Source: US Census Bureau. "DP-1 - Profile of General Population and Housing Characteristics." 2010 and 2000.

### 1. Housing Growth

There were 1,413,995<sup>97</sup> housing units in Los Angeles in 2010, according to the U.S. Census. In 2000, there were 76,327 fewer units (1,337,706)<sup>98</sup>, which represents an increase of 5.7% over ten years. The percent increase in housing units is more than twice the increase in total population over the same period (2.7%), which would normally indicate a slackening of demand and therefore lower housing costs. However, this has not been the case in Los Angeles (see Section D.1, Housing Costs, below). Part of the reason for this is that much of the increase in housing units occurred in vacant units (44% of the total). The result is that occupied housing units increased by only 3.4% since 2000<sup>99</sup>. Chart 1.13 shows the distribution of the increase in housing units from 2000-2010. Another reason may be due to the historical deficit of housing growth compared to population. Overall, the rate of population growth has exceeded housing growth by 42% from 1980 to 2010. It has only been since 2000 that growth in units has outpaced growth in population, as can be seen in Chart 1.14.

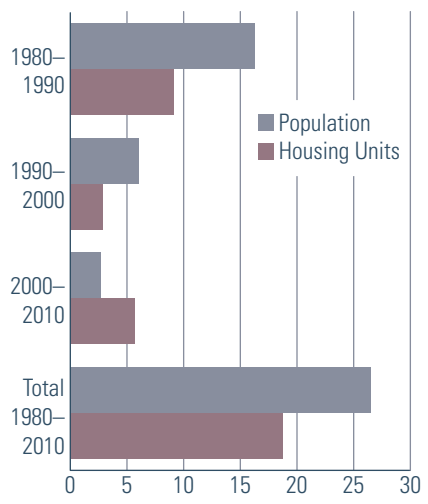
Across geography, housing production outpaced population growth in every area of the City except South Los Angeles<sup>100</sup>. In the North Valley area, the 7.7% increase in housing units barely exceeded the 7.4% increase in population. In the Central and East Los Angeles areas, housing unit growth occurred while population actually fell.

Since the 2010 Census (April 1, 2010), up to the end of 2012, an additional 13,297 dwelling units were added to the housing stock. Therefore the total number of units in the City of Los Angeles at the end of 2012 is estimated to be 1,427,292. Approximately 85% of those post-Census units were located in multifamily buildings, while 15% were single-family.

#### Trend in Housing Unit Production Reversing In Recent Years

- From 1980 to 2010 the rate of growth of population has been 42% faster than the growth in housing units
- Since 2000, however, the City has seen the number of housing units grow at a faster rate than population.

**CHART 1.14**  
**Change in Population Vs. Housing Units, 1980-2010 (%)**



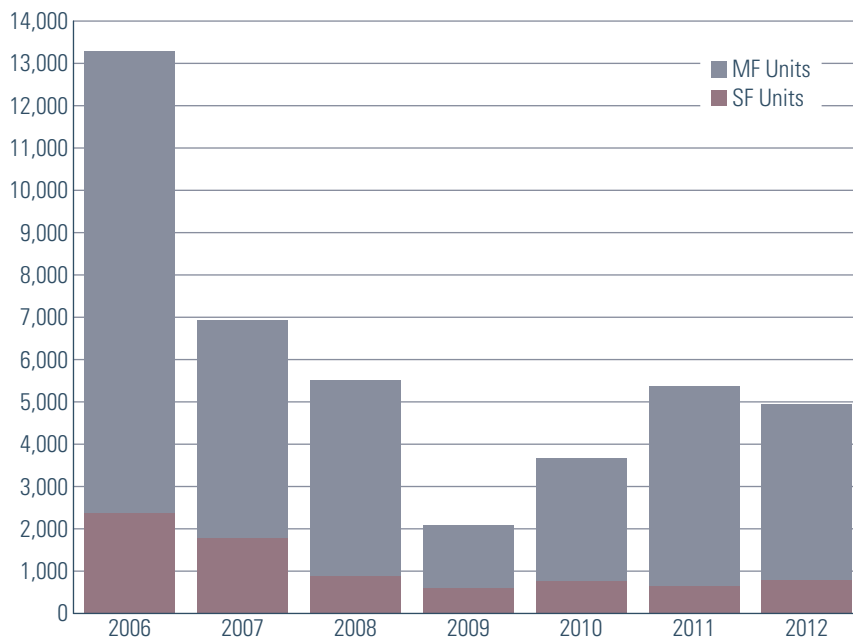
97 U.S. Census Bureau. "General Housing Characteristics". 2010 Census.

98 U.S. Census Bureau. "Profile of General Demographic Characteristics". 2000 Census 100% data.

99 U.S. Census Bureau. 2000 & 2010 Census.

100 Using the six Los Angeles Area Planning Commission subareas.

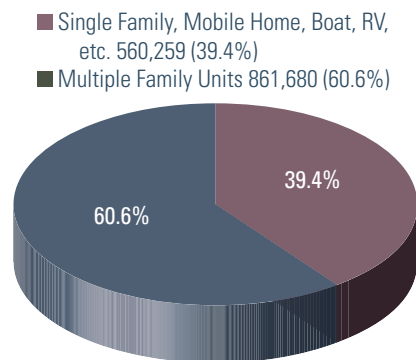
**CHART 1.15**  
Residential Units in Permitted Buildings, 2006-2012



Source: Department of City Planning analysis of permit data, 2013

Another way to look at the growth of housing units is through the number of units permitted each year. The number of housing units permitted grew each year from 2000 to 2005. In 2006 (the first year of the prior Housing Element planning period) a total of 13,276 housing units were permitted by the City<sup>101</sup>. Permitted units then fell to a low of 2,093 in 2009, and have since begun to rebound to total 4,943 in 2012 (see Chart 1.15 and Map 1.1 below).

**CHART 1.16**  
2010 Housing Stock



Source: US Census Bureau. ACS 1-year estimate, 2010.

<sup>101</sup> Department of City Planning analysis of building permits using State reporting criteria.

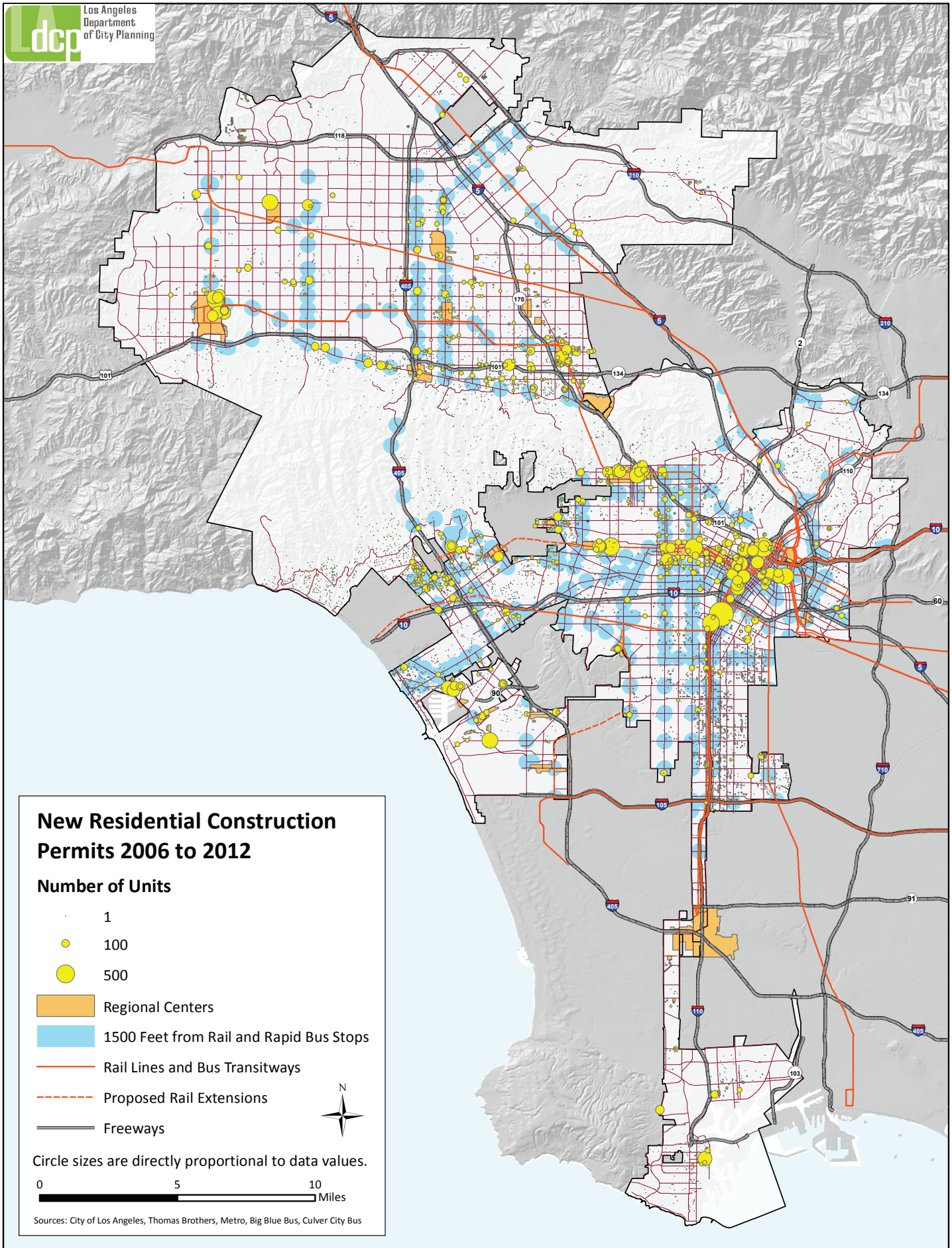
<sup>102</sup> US Census Bureau. 2000, SF 3 General Housing Characteristics. 2010, ACS 1-year estimate.

## 2. Type and Size

While the number of both single- and multi-family units grew since 2000, Los Angeles' housing stock became slightly more multi-family in the 2000s. Multi-family dwellings increased by 57,881 units to reach 861,680 units, while single-family dwellings grew by a smaller amount (26,389) to total 560,258 units. In 2010, multi-family units comprised 60.6% of the City's housing stock, compared to 60.1% in 2000<sup>102</sup>. The distribution of single-family versus multi-family dwellings can be found in Chart 1.16.

Regarding the size of residential structures, the vast majority of owner-occupied housing units (86%) are in 1-unit structures. Renter-occupied units are more dispersed in different-sized buildings, although much more likely to be in larger buildings. Table 1.9 shows the size of residential structures by tenure in 2010.





**TABLE 1.9**  
**Tenure by Size of Structure, 2010**

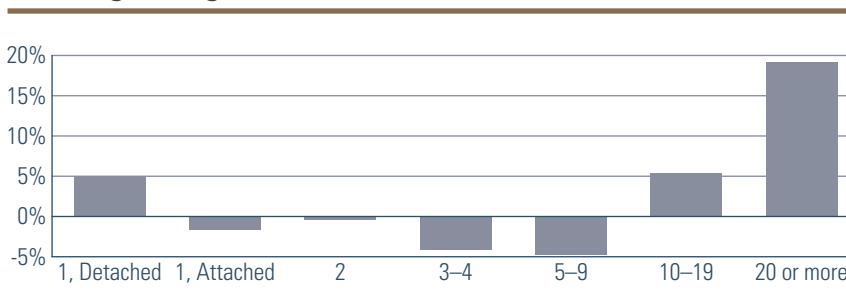
	Owner Units	Renter Units	Total
1 unit (attached or detached)	425,460 (86.3%)	175,018 (21.4%)	600,487 (45.8%)
2 to 4 units	130,25 (2.6%)	129,067 (15.8%)	142,092 (10.8%)
5 to 19 units	15,866 (3.2%)	229,001 (28%)	244,867 (19%)
20 to 49 units	13,980 (2.8%)	162,675 (20%)	176,655 (13.5%)
50 or more units	19,133 (3.9%)	148,541 (18.2%)	167,674 (12.8%)
Mobile home, boat, RV, etc.	5,564 (1%)	2,339 (0.2%)	7,903* (1%)
<b>TOTAL</b>	<b>49,3028</b>	<b>81,7231</b>	<b>1,310,259</b>

Source: ACS 2010 1-year estimates: Tenure by Units in Structure;; U.S. Census 2010: Units in Structure  
\*1 year estimate unreliable (CV>15)

Since 2000, the trend is clearly towards larger buildings. All of the growth in multi-family housing stock during the 2000s occurred in large buildings with 10 or more units (69,259 units). The number of multi-family dwellings in buildings with less than 10 units fell by more than 11,000 units. The result is that a total of 45% of all multi-family housing units are now located in buildings with more than 20 units, compared to 40% in 2000. The biggest changes occurred in the largest sector of buildings, those with 50 units or more. There were 19% more units located in these large buildings in 2010 compared to 2000. Chart 1.17 shows the change in the number of units in residential structures from 2000-2010.

With regards to the number of bedrooms in housing units, Census data indicates a clear trend towards an increase in the number of large bedroom

**CHART 1.17**  
**Percentage Change in Units in Structure, 2000-2010**



Source: US Census 2000 SF3: Units in Structure; ACS 2010 1-year estimates: Units in Structure

units between 2000 and 2010, particularly in owner-occupied housing. However, the Census Bureau cautions against making comparisons between the two years because of inconsistency in the wording and response options<sup>103</sup>. Therefore, only 2010 data will be displayed. Table 1.10 compares the number of owner-occupied versus renter-occupied units by bedroom count in 2010.

**TABLE 1.10**  
**Housing Tenure by Unit Size**

	Owner-Occupied 2010	Renter-Occupied 2010	Total Housing Units
0 bedrooms	3,568* (.7%)	121,217 (14.8%)	124,785 (9.5%)
1 bedroom	19,478 (4%)	303,115 (37%)	322,593 (24.6%)
2 bedrooms	129,143 (26.2%)	283,736 (34.7%)	412,879 (31.5%)
3 bedrooms	212,894 (43.2%)	82,945 (10.2%)	295,839 (22.6%)
4+bedrooms	127,945 (26%)	26,218 (3.2%)	154,163 (11.8%)
Total units	493,028	817,231	1,310,259

Source: U.S. Census Bureau, 2010 ACS 1-year estimates: Tenure by Bedrooms

\*1-year estimate unreliable

### 3. Tenure

Los Angeles residents rent their homes at about double the national rate (61.8%<sup>104</sup>), according to the 2010 Census. While high compared to the national average, the rate is comparable to other large cities such as Chicago and New York. The ratio of renters to owners (i.e., tenure) tilted slightly more towards renter since 2000, when the percentage of renter-occupied units was 61.4% (see Table 1.11). However, this overall ten-year trend masks significant variations in tenure during the decade as a result of the housing crisis.

<sup>103</sup> US Census Bureau. "Comparing 2010 American Community Survey Data". May 24, 2013. [http://www.census.gov/acs/www/guidance\\_for\\_data\\_users/comparing\\_2010/](http://www.census.gov/acs/www/guidance_for_data_users/comparing_2010/)

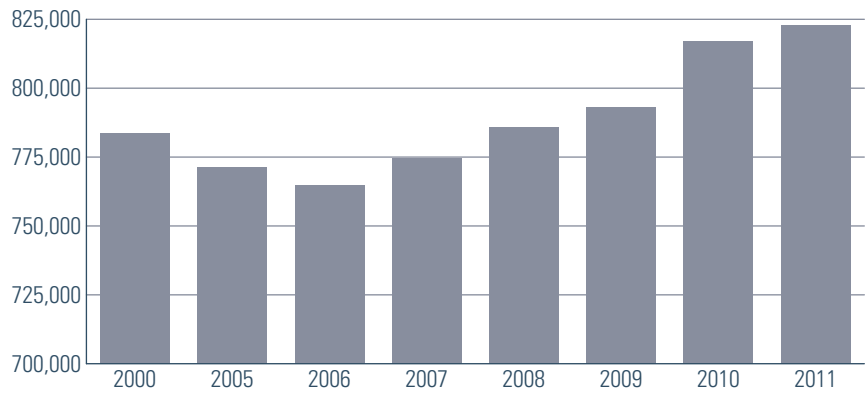
<sup>104</sup> US Census Bureau. 2010 Census. General Housing Characteristics.

**TABLE 1.11**  
**Housing Tenure 2000-2010**

	2000	2010	2000-2010	% Change
Owner-Occupied Units	491,882 (38.6%)	503,863 (38.2%)	11,981	2.4%
Renter-Occupied Units	783,530 (61.4%)	814,305 (61.8%)	30,775	3.9%
Total Occupied Units	1,275,412	1,318,168	42,756	3.4%
Vacant Housing Units	62,294	95,827	33,533	44.0%
Total Housing Units	1,337,706	1,413,995	76,289	5.7%

Source: U.S. Census Bureau, 2010 Census. General Housing Characteristics & 2000 Census. Profile of General Demographic Characteristics

**CHART 1.18**  
**Renter-Occupied Housing Units, 2000-2010**



Source: US Census 2010 SF 1: General Housing Characteristics; 2005-2011 ACS 1 Year Estimates: Tenure

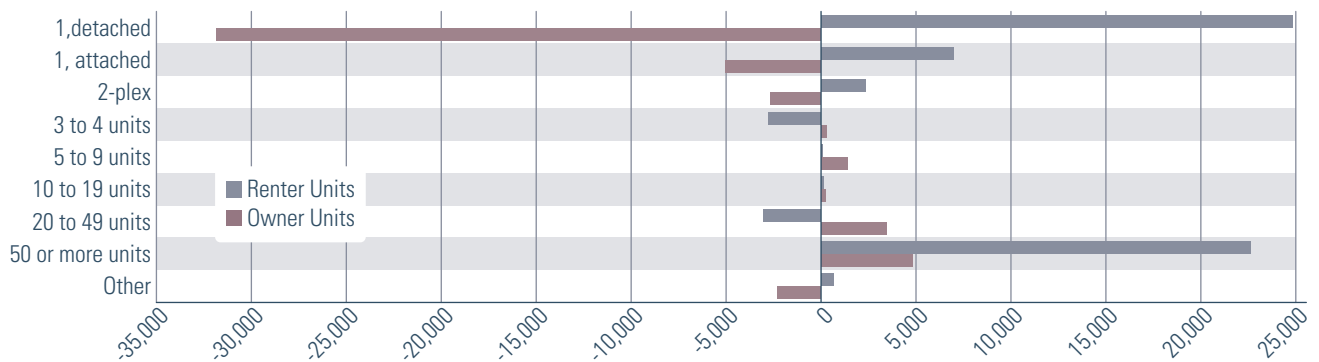
The nationwide housing crisis significantly altered the trajectory of housing growth in Los Angeles, as it did nationwide. From 2000 to 2005, the number of renter-occupied units had been in decline, while owner-occupied units had been increasing. This trend reversed course in the second half of the decade when owner-occupied units began converting to rental properties and vacancies increased significantly (54% from 2005 to 2010).

Since 2006, the City’s rental housing inventory has grown 7.6%, which is a very large amount in such a short time period. This is largely due to the amount of owner-occupied properties that have been foreclosed upon and/or converted to rental use<sup>105</sup>. Chart 1.18 shows the dramatic increase in the number of rental housing units, beginning in 2006.

<sup>105</sup> Economic Roundtable. "Rental Housing 2011". May 24, 2013. [http://www.scanph.org/files/Econ-Roundtable-Rental\\_Housing\\_2011.pdf](http://www.scanph.org/files/Econ-Roundtable-Rental_Housing_2011.pdf)

Chart 1.19 shows the net change of housing units, by size of structure, during the time of the housing crisis. The most dramatic trend detected is

**CHART 1.19**  
**Net Change in Housing Units, 2005-2011**



Source: 2005 and 2011 ACS 1 year Estimates: Tenure by Units in Structure



with regards to single-family detached homes, which shifted dramatically from owner-occupancy to renter-occupancy. A total of almost 32,000 owner-occupied single-family detached homes were lost during this five-year span, mostly converted to rentals or becoming vacant. The number of rental, single-family detached homes increased by nearly 25,000. Similar patterns occurred with single-family attached (townhomes) and duplexes.

#### 4. Age and Condition

The median dwelling unit in Los Angeles was built in 1960<sup>106</sup>, more than 50 years ago. More than half of the City’s housing units were constructed prior to 1950 (51%), while almost 90% were built prior to 1990. The percentage of housing built in the 1990s and 2000s is the lowest of any decades listed in Table 1.12. This table identifies the age of the City’s housing stock by decade. Rental housing tends to be a bit newer than owner-occupied housing, with a median year-built of 1964 versus 1956.

**TABLE 1.12**  
**Age of Housing Stock, by Tenure**

Year Built	Percent of Owner-Occ.	Percent of Renter Occ.
Built 2000 to 2009	4.9%	6.4%
Built 1990 to 1999	4%	6.6%
Built 1980 to 1989	8.5%	11.3%
Built 1970 to 1979	10.3%	15.6%
Built 1960 to 1969	12.8%	16%
Built 1950 to 1959	24.6%	15.3%
Built 1940 to 1949	14%	9.5%
Built 1939 or earlier	21%	19.4%

Source: U.S. Census Bureau, 2010 ACS 1-year estimate: Tenure by Year Structure Built

The advanced age of much of the City’s housing stock indicates a greater likelihood of reported habitability problems with units. Unfortunately, the American Community Survey has reduced reporting on housing problems and their severity, making it difficult to determine the level of housing conditions in the City. The 2011 American Housing Survey only has metropolitan-level data for this type of information. But the previous 2003 Survey showed that approximately 10 percent of all units in the City had moderate or severe problems, 83% of which were rental units.

<sup>106</sup> US Census Bureau. 2010 ACS 1-year estimate: Median Year Structure Built by Tenure.

The 2010 ACS does report on the availability of complete plumbing and kitchen facilities. Rental properties have a significantly higher rate of incomplete facilities, including 2.9% lacking kitchen facilities and

8% lacking proper plumbing. Table 1.13 displays the data on units lacking complete facilities.

**TABLE 1.13**  
**Housing Units Lacking Complete Facilities**

Lacking Complete Facilities	Owner Occupied	Renter Occupied
Plumbing	1,364 (.3%)	6,778 (.8%)
Kitchen	2,821 (.6%)	23,374 (2.9%)

Source: U.S. Census Bureau, 2010 ACS 1 Year Estimates: Tenure By Kitchen Facilities; Tenure by Plumbing facilities

Another way of looking at the conditions of residential buildings is a system the City has developed called the Reliable Information System Evaluation (RISE). RISE is an index that ranks buildings’ code compliance based on various factors, such as number of violations, duration of non-compliance and how far cases advance up the chain of command before resolution. The scale of 0-9, 0 being positive (up to code) 9 negative (multiple code violations). HCIDLA places buildings with the worst RISE scores at the beginning of the current inspection schedule. Map 1.2 below shows the most recent RISE scores across the City.

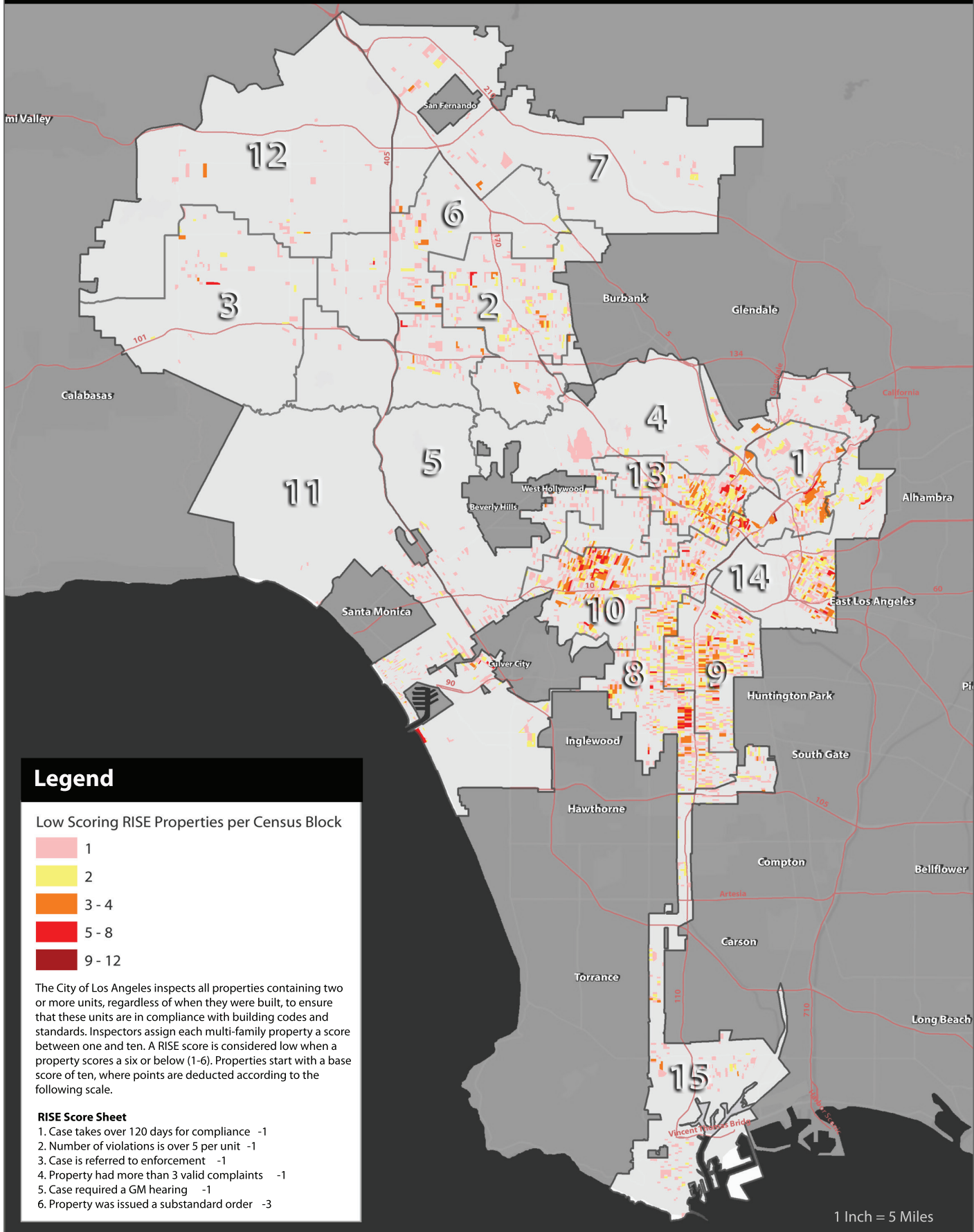
According to the 2010 Census, there are more than 1 million (1,026,068<sup>107</sup>) housing units in the City of Los Angeles that may contain lead-based paint because they were constructed before 1980. A 2002 HUD study estimates that about 25% of these homes (256,517 units) are likely to contain “significant lead-based paint hazards.”<sup>108</sup>

Recent City inspections of almost 300,000 housing units within the multifamily housing stock found approximately 800,000 violations of the City’s Building Code (Table 1.14). On the owner side, the majority of violations were due to maintenance and repair failures such as faulty plumbing causing leaking, broken or lack of smoke detectors as well as heating and ventilation problems. On the tenant side, the violations were related to poor maintenance of units and the surrounding area, such as sanitation problems and continuously parked, inoperative vehicles.

<sup>107</sup> US Census Bureau. 2010 ACS 1-year estimate: Tenure by Year Structure Built.

<sup>108</sup> Jacobs, David E. et al., “The Prevalence of Lead-Based Paint Hazards in U.S. Housing,” Environmental Health Perspectives, October 2002, 110:10: A599-606.

**City of Los Angeles Housing and Community Investment Department  
Systematic Code Enforcement Cycle II, 2005-2009: Low RISE Scoring Properties per Census Block**



**TABLE 1.14**  
**Building Code Violations in Multifamily Residential Property January 2006 - October 2012**

Total SCEP Inspections	294,757
Owner Violations*	805,418
Tenant Violations*	2,014
Total Violations	807,432

Source: Los Angeles Housing and Community Investment Department Systematic Code Enforcement Program (SCEP)

\*Owner violations are the responsibility of the property owner and must be resolved by the owner. Tenant violations are limited to tenant sanitation.

From 2006 through October 2012, owner neglect was persistent with unaddressed violations and unresolved repairs in a number of multifamily rental properties. As of October 2012, the City was collecting and holding rents due to property owners on 1,240 properties. These were pending required repairs, under the Los Angeles Housing and Community Investment Department’s Rent Escrow Account Program. (Table 1.15).

**TABLE 1.15**  
**Multifamily Properties with Unresolved Building Code Violations January 2006 - October 2012**

Rent Escrow Account Program (REAP)	
New cases opened	6,043
Cases still open	1,240
City Attorney Criminal Prosecution	
New cases filed	1,011

Source: HCDLA Compliance Division



## D. Housing Needs Indicators

### 1. Housing Costs and Overpayment

Many housing problems, from overpayment to overcrowding and poor livability, are directly related to the cost of housing. Housing is generally the largest single expense facing American families. Los Angeles has long been one of the least affordable metropolitan areas in the country due to its high housing costs and relatively low household incomes. While the bursting of the housing bubble in 2007 has generally led to lower home prices, these gains in affordability have been outweighed by the high run-up in housing prices prior to the bust. According to available census data, the number of Los Angeles households paying too much for their housing has never been higher.

The amount a household pays each month for rent or for owning a home<sup>109</sup> is deemed “unaffordable” if the total payment is 30% or more of the household’s monthly income and “severely unaffordable” if the total payment is 50% or more of said income. The terms “cost-burdened” and “severely cost burdened” are also used interchangeably.

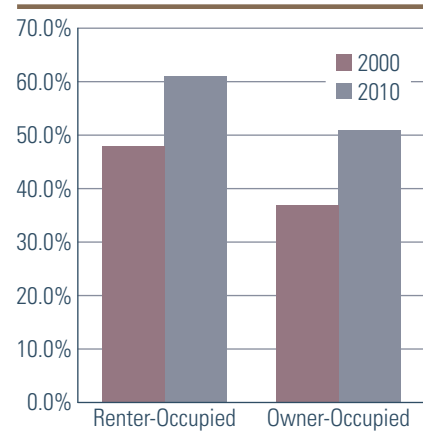
In 2010, 55% (721,224) of all households in Los Angeles City paid greater than 30% of their income for housing costs. This includes 60.1% of renter households (472,847) and 50.1% of owner households (248,337)<sup>110</sup>.

The number of cost-burdened households in the City increased by an astounding 215,827 households between 2000 and 2010. The percentage increase was 27% for renters and 34% for owners.

The increase in severely cost-burdened Angelenos was even more dramatic. About 55% more owner households and 38% more renters paid in excess of half their income for housing costs in 2010 than in 2000. This represents an increase of 134,309 households who have entered this precarious position over the decade. Close to thirty-three percent (32.7%) of renters and a quarter (25.6%) of owners paid more than half their income for housing costs in 2010. These appear to be the highest levels of cost burden recorded in Los Angeles since at least 1970<sup>111</sup>. Charts 1.20 and 1.21 display the increase in cost burdens and severe cost burdens for renters and owners since 2000.

As may be expected, the housing cost burden is most severe for lower and middle-income households. According to the Census 2010, 88.3% (413,246)<sup>112</sup> of all households making less than \$35,000 a year paid more than 30% of their income for their housing. Renters were disproportionately overpaying for housing at this income level; there were 341,246 renter-occupied households versus 72,000 owner-occupied households paying greater than 30% of their income on housing. In addition, more than half (54%) of those middle-income households earning between \$35,000 and \$75,000 a year paid more than

**CHART 1.20**  
**Percentage of Households with Housing Cost Burdens, 2000 – 2010**



Source: U.S. Census Bureau, 2010 ACS 1-year estimates: Gross Rent as a % of Household Income in the Past 12 Months & Mortgage Status by Selected Monthly Owner Costs as a % of Household Income in the Past 12 Months; U.S. Census Bureau, 2000 Census. Gross Rent as a % of Household Income in 1999 (SF3 Sample Data) & Selected Monthly Owner Costs as a % of Household Income in 1999 (SF3 Sample Data)

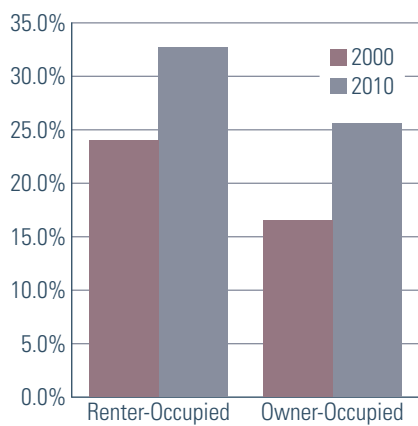
<sup>109</sup> Costs of homeownership include mortgage payment, mortgage insurance, homeowner association fees, and property taxes.

<sup>110</sup> U.S. Census Bureau. 2010 ACS 1-year estimates: Gross Rent as a Percentage of Household Income in the last 12 Months & Mortgage Status by Selected Monthly owner costs as a Percentage of Household Income in the last 12 Months.

<sup>111</sup> U.S. Census Bureau. 1970, 1980, 1990, 2000 and 2010.

<sup>112</sup> U.S. Census Bureau. “Tenure by Housing Costs as a Percentage of Household Income in the last 12 Months”. 2010 ACS 1-year estimates.

**CHART 1.21**  
**Percentage of Households with Severe Housing Cost Burdens 2000 – 2010**



Source: U.S. Census Bureau, 2010 ACS 1-year estimates: Gross Rent as a % of Household Income in the Past 12 Months & Mortgage Status by Selected Monthly Owner Costs as a % of Household Income in the Past 12 Months; U.S. Census Bureau, 2000 Census. Gross Rent as a % of Household Income in 1999 (SF3 Sample Data) & Selected Monthly Owner Costs as a % of Household Income in 1999 (SF3 Sample Data)

113 DQNews.com reports resale single-family residences and condos as well as new homes.

114 Historical data from Zillow.com was used, as opposed to Data Quick, as it was more readily available. The Zillow Median Home Price is defined as the mid-point of the price homes have sold for in Los Angeles. Half the homes sold above this number and half sold below.

30% of their income for housing. Finally, there was a greater percentage of lower income renters paying more than 30% of their income for housing, while for owners, there was a greater percentage of higher income occupants paying more than 30% of their income on housing (See Chart 1.22).

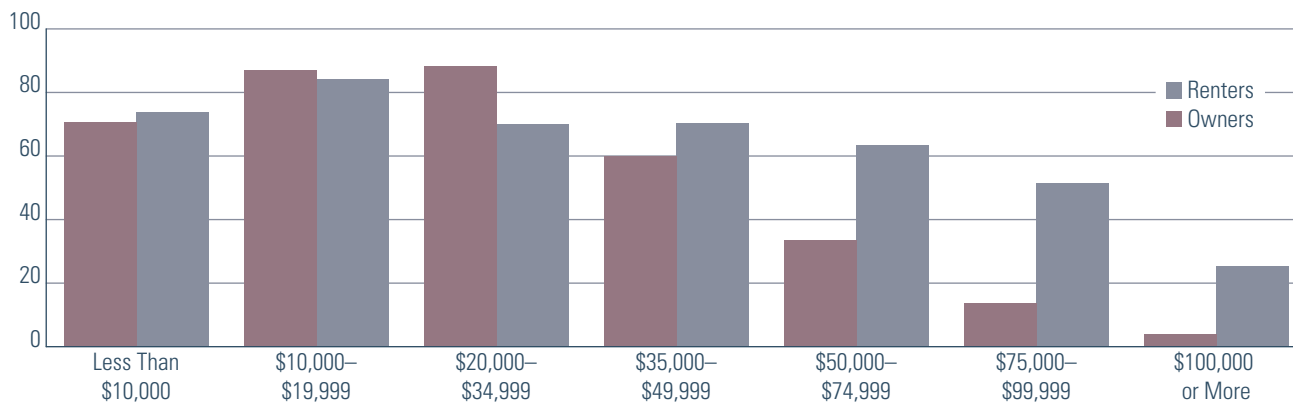
**Homeownership Costs**

According to real estate data company DataQuick, the median sales price for all homes in Los Angeles in July 2013 was \$515,000<sup>113</sup>. Another data source, Zillow.com, reports a slightly lower median price of \$466,900 as of July 31, 2013. The DataQuick figure represents a 43% year-over-year increase, while Zillow reports a 25% annual gain.

Chart 1.23 depicts the dramatic changes in median sales prices in the City of Los Angeles in the last ten years. From 2003 to 2007, the median sales price of homes in Los Angeles doubled, from roughly \$300,000 to \$600,000. After the burst of the housing bubble in fall 2007, median sales prices fell back to reach a low of \$351,500 by February 2012. However, as can be seen, prices have rebounded strongly since then, reaching the \$400,000 mark by August 2012 and rising to \$450,000 in April 2013. Chart 1.23 Median Sales Price, City of Los Angeles, 1996-2013<sup>114</sup>.

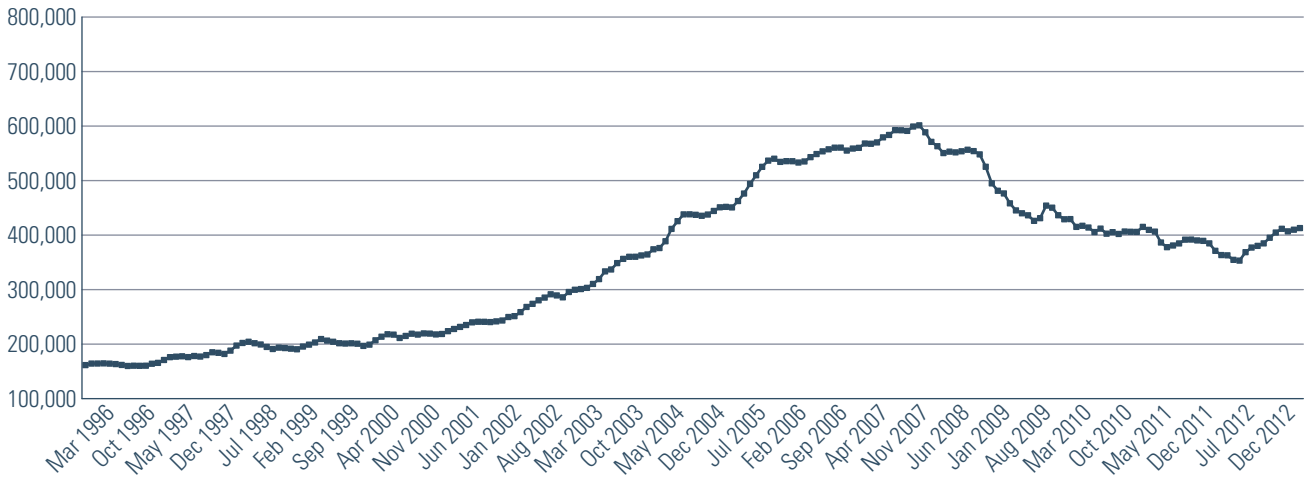
While homes are certainly more affordable than they were during the height of the housing bubble, they still remain out of reach for most in the City of Los Angeles. With the median home price at (at least) \$466,900, a household would have to earn at least \$127,787 annually to afford a home mortgage at this price (assuming a 30-yr fixed rate mortgage, at the then-current interest rate of 4.59%, with a \$20,000 down-payment, and no more than 36% of income dedicated to monthly debt payments). Only about 15% of Los Angeles households earn enough to afford

**CHART 1.22**  
**Percent of Cost Burdened Households, by Income Bracket, 2010**



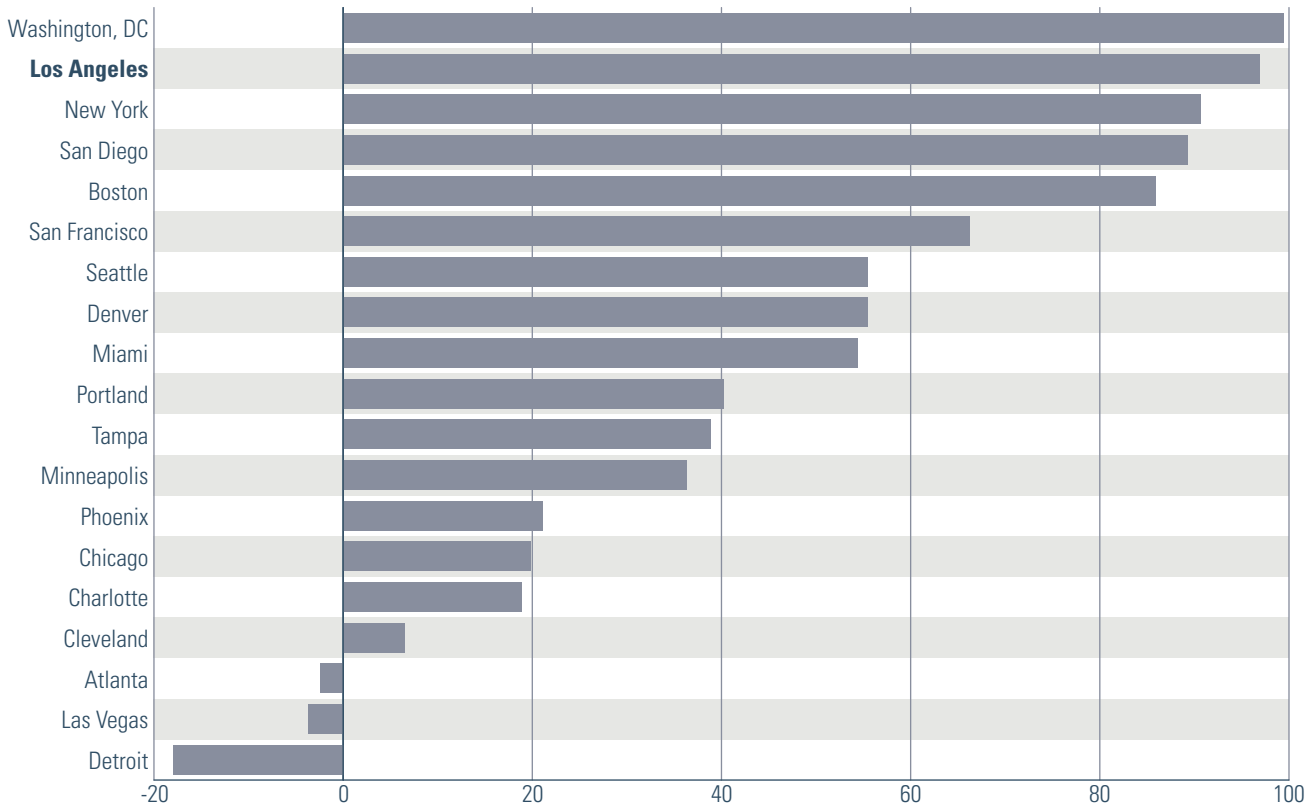
Source: U.S. Census Bureau, 2010 ACS 1-year estimates: Household Income by Gross Rent as a % of Household Income in the Past 12 Months; Household Income of Selected Monthly Owners Costs as a % of Household Income in the Past 12 Months

**CHART 1.23**  
**Median Sales Price, Los Angeles-Long Beach-Glendale Metro Area, 2000-2012**



Source: Housing Opportunity Index: The NAHB/Wells Fargo Housing Opportunity Index: Complete History by Metropolitan Area (1991-Current). Los Angeles-Long Beach-Glendale, CA ^^^. Median Price. National Association of Home Builders.

**CHART 1.24**  
**Variance in Metropolitan House Prices, 1998-2012**



Source: Federal Reserve Bank of St. Louis. *The Boom and Bust of U.S. Housing Prices from Various Geographic Perspectives* Federal Reserve Bank of St. Louis Review, September/October 2012.

**Why Affordability Matters**

- Housing is generally the largest single expense facing American families.
- High housing costs reduce the income to buy other goods and services.
- Lack of affordable housing results in overcrowding, poor livability and homelessness.
- Urban sprawl and traffic are made worse by lack of housing options.
- Access to good schools, healthy food and safe streets is determined by affordability.

this median home. Despite the near-record low mortgage interest rates, the low levels of for-sale housing inventory, a low median income relative to fast-rising home prices and the tight lending procedures are making it very difficult for Angelenos to purchase a home. The particular situation Los Angeles finds itself in is due in large part to the fact that, over the last 15 years, home prices have risen more in Los Angeles than in almost every other major City in the country (see Chart 1.24). While good news for long-time homeowners, the situation has created a difficult situation for younger households and those with more limited means.

The citywide median household income in 2011 was \$46,148<sup>115</sup>. At this income level, a household can afford a home priced up to approximately \$188,429 using the methodology described above<sup>116</sup>. While this median price varies significantly depending on the location within the city, there are still very few areas with homes priced at affordable levels for an average household in Los Angeles (see Table 1.16).

**TABLE 1.16  
Los Angeles Home Sales Prices Medians, by Sub Area, 2011-2012**

Area of Los Angeles	#Sold	2012	2011	% Change Year-to-Year
Westside	1,238	\$1,110,000	\$1,100,000	0.9%
West LA	2,378	\$640,682	\$622,500	2.9%
Central City	4,054	\$556,000	\$489,750	13.5%
South LA	3,979	\$207,000	\$200,000	3.5%
North East LA	1,947	\$280,000	\$259,000	8.1%
West SF Valley	6,965	\$355,000	\$344,000	3.2%
Northeast SF Valley	4,732	\$289,000	\$280,000	3.2%
Southeast SF Valley	1,513	\$389,000	\$365,000	6.7%

DQ News. "California Homes Sales Price Medians by County and City - Home Sales Recorded in 2011 and 2012"

The costs of homeownership have dropped since the recession; yet buying a home still remains out of reach for the majority of Los Angeles residents. Compounded with a relative lack of market supply and continued problems in the lending markets, homeownership remains an elusive goal for many. While the sky-high prices of the mid-2000s have receded, the legacy of those high costs has resulted in a higher percentage of Angelenos paying more than they can afford for mortgage costs than ever before. Table 1.17 shows the housing costs that are affordable to Angelenos at different income levels, by household size.

115 US Census. 2011 11-Year ACS. City of Los Angeles Median Income.

116 Zillow.com Mortgage Affordability Calculator



**TABLE 1.17**  
**Affordable Housing Costs, by Income and Household Size**

Household	Annual Income	Affordable Cost		Utilities		Taxes and Insurance	Affordable Rent	Affordable Home Price
		Renter	Ownership	Renter	Ownership			
<b>EXTREMELY LOW INCOME (UNDER 30% MFI)</b>								
1-person	\$17,750	\$444	\$444	\$71	\$112	\$89	\$373	\$42,717
2-person	\$20,250	\$506	\$506	\$79	\$141	\$101	\$427	\$46,406
3-person	\$22,800	\$570	\$570	\$90	\$175	\$114	\$480	\$49,573
4-person	\$25,300	\$633	\$633	\$99	\$205	\$127	\$564	\$52,913
5-person	\$27,350	\$684	\$684	\$114	\$252	\$137	\$570	\$51,858
<b>VERY LOW INCOME (30 TO 50% MFI)</b>								
1-person	\$29,550	\$739	\$739	\$71	\$112	\$148	\$668	\$84,203
2-person	\$33,750	\$844	\$844	\$79	\$141	\$169	\$765	\$93,872
3-person	\$37,950	\$949	\$949	\$90	\$175	\$190	\$859	\$102,837
4-person	\$42,150	\$1,054	\$1,054	\$99	\$205	\$211	\$955	\$112,154
5-person	\$45,550	\$1,139	\$1,139	\$114	\$252	\$228	\$1,025	\$115,845
<b>LOW INCOME (50 TO 100% MFI)</b>								
1-person	\$47,250	\$1,181	\$1,181	\$71	\$112	\$236	\$1,110	\$146,433
2-person	\$54,000	\$1,350	\$1,350	\$79	\$141	\$270	\$1,271	\$165,067
3-person	\$60,750	\$1,519	\$1,519	\$90	\$175	\$304	\$1,429	\$182,997
4-person	\$67,450	\$1,686	\$1,686	\$99	\$205	\$337	\$1,587	\$201,104
5-person	\$72,850	\$1,821	\$1,821	\$114	\$252	\$364	\$1,707	\$211,827
<b>MODERATE INCOME (100 TO 120% MFI)</b>								
1-person	\$54,450	\$1,361	\$1,588	\$71	\$112	\$318	\$1,290	\$203,652
2-person	\$62,200	\$1,555	\$1,814	\$79	\$141	\$363	\$1,476	\$230,343
3-person	\$70,000	\$1,750	\$2,042	\$90	\$175	\$408	\$1,660	\$256,536
4-person	\$77,750	\$1,944	\$2,268	\$99	\$205	\$454	\$1,845	\$282,875
5-person	\$83,950	\$2,099	\$2,499	\$114	\$252	\$490	\$1,985	\$300,044

## Assumptions:

1. California Department of Housing and Community Development income limits 2012
2. Health and Safety code definitions of affordable housing costs (between 30 and 35% of household income depending on tenure and income level).
3. HUD utility allowances
4. 20 percent of monthly affordable cost for taxes and insurance.
5. 10 percent down payment.
6. Five percent interest rate for a 30-year fixed-rate mortgage loan.
7. Taxes and insurance apply to owner costs only, renters to not usually pay.

Sources: HCD Income Limits, 2012; Veronica Tam and Associates

Those who purchased during the most recent run-up in prices during the middle of the last decade are particularly hard-hit, as they are strapped with high mortgage payments and likely “underwater” in terms of owing more than their house is worth. Combined with the significant job losses in the region, the situation created is one where, in some cases, homeowners are no longer able or even willing to pay underwater mortgages and have ultimately defaulted and ended up in foreclosure or a short-sale process. This chain of events has been seen in concentrations on the Eastside of the City, South Los Angeles and the Northeast San Fernando Valley.

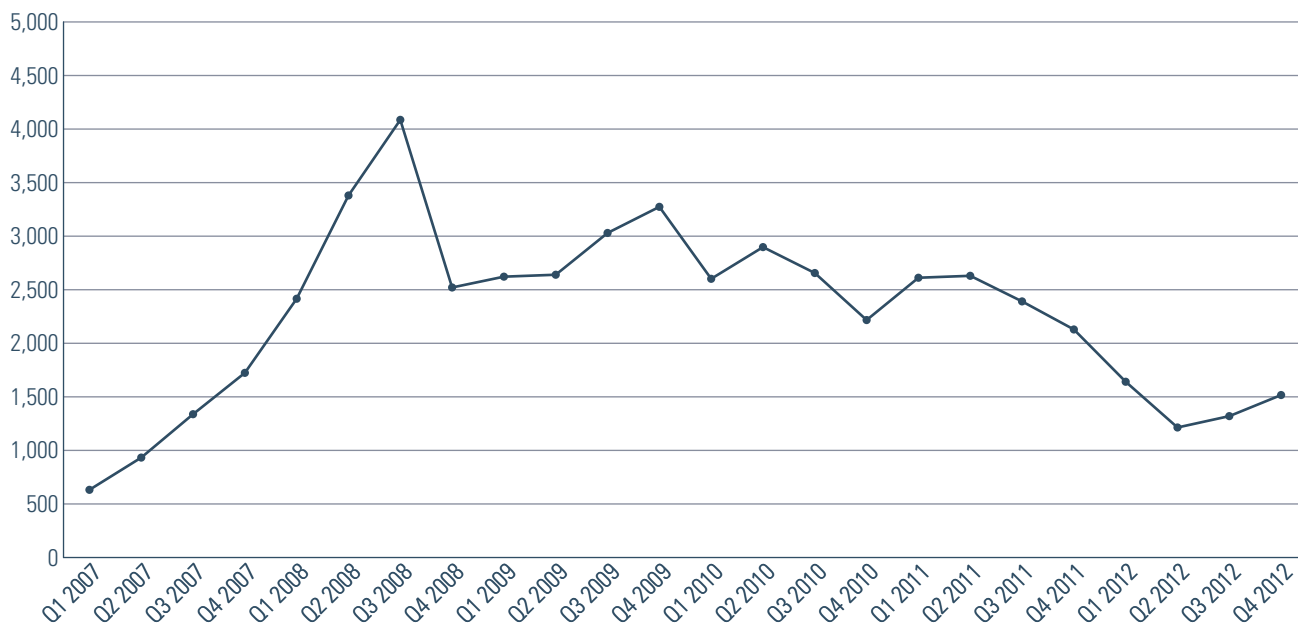
### Foreclosures

The foreclosure crisis has moderated since the height of the housing crisis but continues to contribute to economic stagnation for the City and its residents. Since 2007, over 54,423 housing units have been foreclosed upon in the City of Los Angeles<sup>117</sup>. Foreclosures in the City peaked at 12,403 in 2008 and began dropping to 8,762 in 2011. By 2012, foreclosures had fallen to 5,692 (see Chart 1.25 below). Foreclosures in the City of Los Angeles, for the fourth quarter of 2012, account for roughly 42% of the total foreclosures in Los Angeles County and 7% of the total foreclosures for the State of California during the same period.

The vast majority of foreclosures have occurred in neighborhoods in South Los Angeles, the San Fernando Valley, and eastern portions of the City (see the map of 3rd Quarter 2012 Foreclosures below). These hardest hit areas

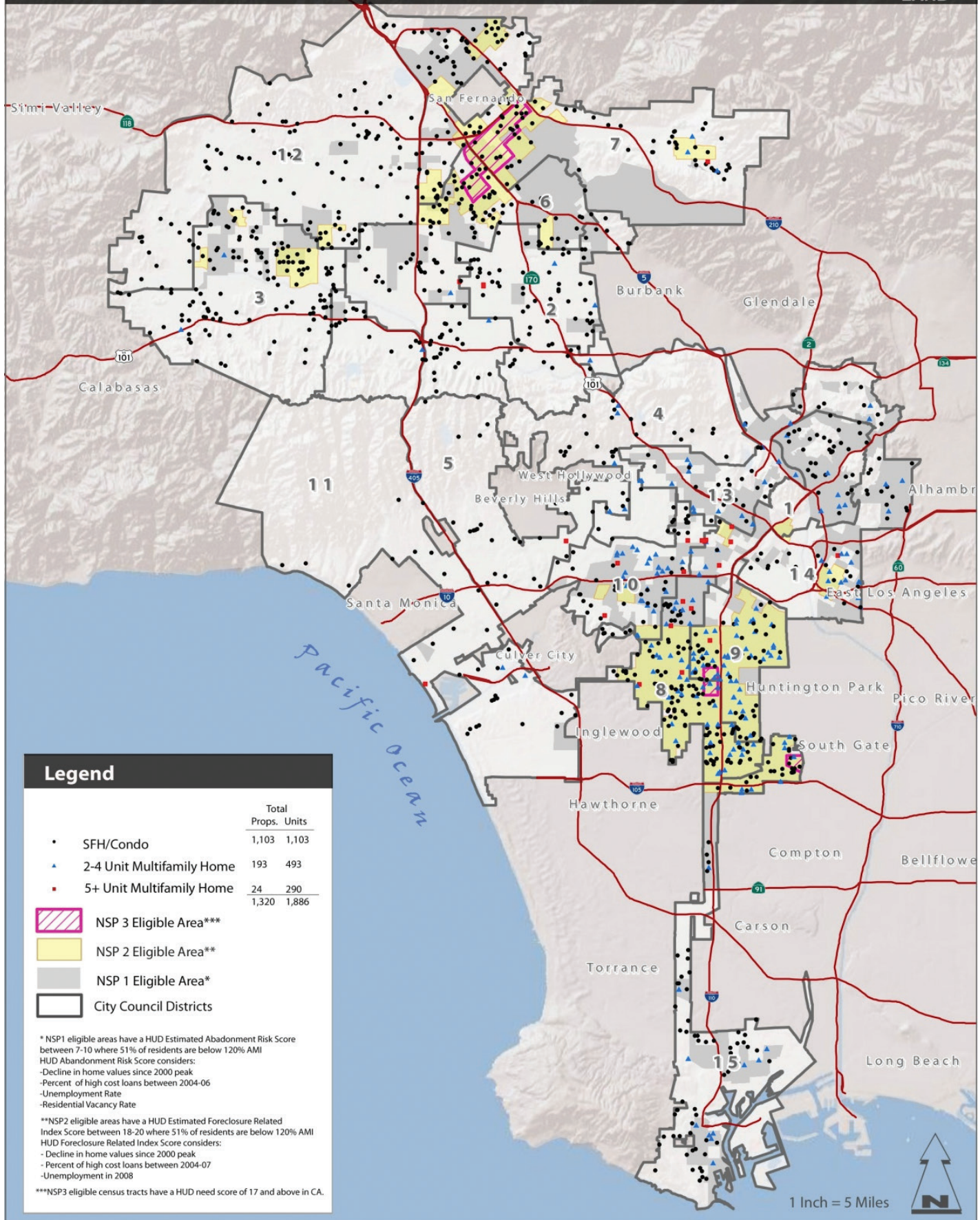
117 Since 2007, the HCIDLA has purchased raw Notice of Default (NOD) and foreclosure (TD) data from DataQuick on a quarterly basis for all Census Tracts in the City of Los Angeles to analyze foreclosure trends in the City. As part of this analysis, the data we purchase is scrubbed and analyzed with Geographic Information Systems (GIS). Data cleaning involves removing duplicate records, ensuring that a foreclosure has not occurred twice on the same property in the past 8 months, verifying Use codes, correcting unit counts, and contacting owners, in some cases, to check for accuracy. Mapping the data ensures that all TDs have occurred within the boundaries of the unique shape of the City of Los Angeles, which does not perfectly correspond to census tract, census block, zip code, or metropolitan statistical area boundaries. GIS analysis adds corresponding Council District information to each foreclosed property and allows the City to analyze geospatial trends occurring within the City boundaries.

**CHART 1.25**  
**Foreclosures in Los Angeles 2002-2012**



Source: HCIDLA Analysis of Data Quick Trustee Deed Filings: City of LA Zip Codes Q1 2007-Q4 2012

# City of Los Angeles Foreclosures Q3 July - September 2012



### Legend

	Total Props.	Units
• SFH/Condo	1,103	1,103
▲ 2-4 Unit Multifamily Home	193	493
■ 5+ Unit Multifamily Home	24	290
	1,320	1,886

- NSP 3 Eligible Area\*\*\*
- NSP 2 Eligible Area\*\*
- NSP 1 Eligible Area\*
- City Council Districts

\* NSP1 eligible areas have a HUD Estimated Abandonment Risk Score between 7-10 where 51% of residents are below 120% AMI  
 HUD Abandonment Risk Score considers:  
 - Decline in home values since 2000 peak  
 - Percent of high cost loans between 2004-06  
 - Unemployment Rate  
 - Residential Vacancy Rate

\*\* NSP2 eligible areas have a HUD Estimated Foreclosure Related Index Score between 18-20 where 51% of residents are below 120% AMI  
 HUD Foreclosure Related Index Score considers:  
 - Decline in home values since 2000 peak  
 - Percent of high cost loans between 2004-07  
 - Unemployment in 2008

\*\*\* NSP3 eligible census tracts have a HUD need score of 17 and above in CA.

1 Inch = 5 Miles





represent communities with high concentrations of poverty and lower median sales prices. This fact is consistent in Los Angeles as it is across the State. DataQuick reports that 2012 foreclosures remain concentrated in the State's poorer communities; zip codes with fourth-quarter 2012 median sale prices below \$200,000 collectively saw 4.3 homes foreclosed on for every 1,000 homes in existence. That compares with 2.0 foreclosures per 1,000 homes for zip codes with medians from \$200,000 to \$800,000, and 0.5 foreclosures per 1,000 homes in the group of zip codes with medians over \$800,000.

Foreclosed residences have a destabilizing effect on a neighborhood, most notably, reducing surrounding property values, leaving the remaining homeowners with negative equity, making them more susceptible to default and foreclosure, and in turn, causing a negative domino effect. Many foreclosed homes are not maintained or secured, causing theft and vandalism. Furthermore, many households facing potential foreclosure, particularly minority and senior households, fall victim to scams that claim to assist them with loan modifications in exchange for paying a fee. When cost burdened homeowners can no longer make payments, displacement soon follows. Displaced residents –displaced by a foreclosure of their home, or displaced from a multifamily rental unit – place pressure on citywide rental market that is already very tight.



*A home rehabilitated and sold at an affordable price through the City's Neighborhood Stabilization Program (NSP)*

To remedy the foreclosure crisis, the City's Neighborhood Stabilization Program (NSP) was designed to focus on areas with the highest incidence of foreclosures. Specifically, target areas were selected using the HUD-issued foreclosure index risk scores that identified those areas most impacted by foreclosures, including the number and percent of foreclosures, sub-prime mortgages, mortgage defaults and mortgage delinquencies.

As a result of the concentration of foreclosures in these areas, home values have also significantly declined, depressing the economic health of the surrounding community.

- Since 2007, home values have decreased by as much as 50% in neighborhoods most impacted by foreclosures.
- Neighborhoods most impacted by foreclosures have a higher than average residential vacancy rate
- For many households, the equity value in their home represented a significant source of wealth that has evaporated in recent years.

To combat the insidious effects of concentrated foreclosures, the City designed the use of formula and competitive Neighborhood Stabilization Program dollars to focus on foreclosure mitigation, but also to pay attention to putting Angelenos back to work; contributing to overall economic recovery and stabilization in the places that need it most. The NSP has created hundreds of



local jobs and has made a concerted effort to hire local, small and minority owned firms and businesses. To date, the City has acquired or made development commitments for over 800 housing units and we anticipate completing up to 1,100 housing units with the NSP grant funding. In addition, all NSP homes were rehabilitated to support a rising interest in “green”, cost-efficient living.

While the City’s NSP is successfully remediating some of the negative consequences of foreclosures in targeted areas, on a regional scale, the foreclosure crisis is causing unintended consequences for the rental market as well as for small business investment. The LA Times reports, “The foreclosure crisis destroyed home values — but drove up rents, as repossessions created a new wave of rental demand from would-be owners with ruined credit. Fresh demand from young workers, a short supply of newly built rental units, and stricter mortgage requirements have also made the rental market competitive.”<sup>118</sup>

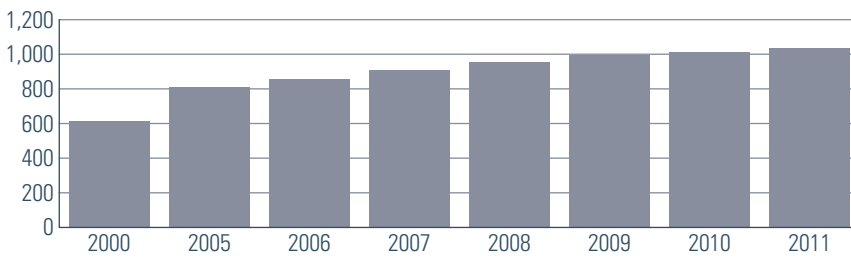
As a result, low home values have enticed large scale investors and private Wall Street equity firms to penetrate the housing market, purchase single family homes in bulk, and turn them into rental properties. Small mom and pop landlords, who typically owned the bulk of rental properties in the City of Los Angeles, now have to compete with large and institutional Investors looking to make a profit given this new market.

This trend is coupled with recent data that indicates the number of homes bought with cash in California is at an all-time high. Cash purchases accounted for a record 32.4 percent of California’s overall homes sales in 2012, which is more than double the annual average of 15.6 percent since Data Quick began tracking these statistics in 1991<sup>119</sup>. In Los Angeles County, the number of homes purchased without mortgage financing increased 26.1% between 2011 and 2012. Multi-home buyers in California, accounted for roughly 28% of last year’s cash sales, however, 88% of these same buyers purchased fewer than 5 properties with cash. Whether it be large or small scale investors that are seeking to profit from the housing meltdown, the entire housing and rental market is changing and we are only beginning to realize the consequences.

<sup>118</sup> Los Angeles Times, “Housing Investors Buy in Bulk” 3/16/2013.

<sup>119</sup> DQNews “Record Number of California Homes Bought with Cash”, 2/6/2013.

**CHART 1.26**  
**Median Contract Rent for Renter-Occupied Housing Units**



Source: US Census Bureau. 2000 Sample-Data Census; 2005 & 2006 ACS; 2007, 2008, 2009, & 2010 ACS 1-year estimates.

### Rental Costs

Up to date rental costs are more difficult to obtain than homeownership, as there is not one listing that captures every apartment for rent in the City. In addition, there exists a sizable difference between what people are paying for rent and what current market prices are for a new apartment. The Census does not record median rental rates by bedroom size. RealFacts has up-to-date rental cost data for market-rate apartments, but only for those with over 100 units. Zillow.com maintains a listing with more than 6,000 apartments currently for rent in the City of Los Angeles but not at what price the apartments actually get rented. Since each source has pros and cons we are presenting data from each location in this discussion.

According to Zillow, The median rent list price for an apartment in Los Angeles in January 2013 was \$1,770, requiring an income of about \$5,900 monthly or \$70,800 annually to be affordable (rent list price does not include utilities). The median rent list price for a 2-bedroom apartment in Los Angeles City was \$1,940 per month, requiring a monthly income of at least \$6,466 or \$77,582 annually to be affordable. As per the ACS in 2011, only 34% of households in the city could afford this rental rate. Table 1.18 shows the average rents by unit size, the annual income required to afford this rent, and the percentage of the population at each household size that earns this income.

**TABLE 1.18**  
**Rental Listing Prices and Annual Income Needed to Afford Rent\***

Apartment Size	Average Monthly Rent	Wage Needed to Afford Rent*	Annual Income Needed**	Percent of Total Households
All	\$1,770	\$5,899	\$70,800	33.9%
Studio	\$950	\$3,166	\$37,996	58.8%
1-bed	\$1,440	\$4,780	\$57,594	41.9%
2-bed	\$1,940	\$6,466	\$77,582	30.4%
3-bed	\$2,400	\$8,000	\$95,999	15.2%
4-bed	\$2,600	\$8,666	\$103,990	13.4%

Assuming 30% of income is allocated to monthly rent.

\*\*Percent of Total Households as per U.S. Census Bureau, 2010 ACS 1-year estimates

\* Zillow.com Median Rent List Price, calculated 03/05/2013 (data as of January 2013)

According to RealFacts, an average studio apartment (in 100+ unit buildings) was renting for \$1,248 in the 4th quarter of 2012, while an average 2 bedroom rented for \$1,822 and a 3-bedroom for \$2,656 (See Table 1.19 below).

**TABLE 1.19**  
**Market Rents and Annual Income Needed to Afford Rent**

Apartment Size	Average Monthly Rent	Wage Needed to Afford Rent	Annual Income Needed to Afford Rent*
Studio	\$1,248	\$24/hr	\$49,920
1Bed/1Bath	\$1,605	\$31/hr	\$64,200
2Bed/1Bath	\$1,822	\$35/hr	\$72,880
3Bed/2Bath	\$2,656	\$51/hr	\$106,240

\*Assuming 30% of income is allocated to monthly rent.  
 Real Facts. Inventory Analysis for the City of Los Angeles. Average Rent. 4th Quarter 2012.  
 HCIDLA calculations assume 30 percent of income is allocated to monthly rent.

With such high rental rates and relatively low wages, it bears repeating that 59% of renters in the City of Los Angeles pay more than 30 percent of their income toward rent<sup>120</sup>. People in vital occupations such as restaurant cooks, counselors, housekeepers, nursing assistants and pre-school teachers, earn less than \$49,000<sup>121</sup>, and based on average rents, are unable to afford a studio, much less an apartment with bedrooms. A minimum wage worker earning \$8.00 per hour would have to work 120 hours per week in order to make the monthly rental payment of \$1,248 for a studio and still have money for groceries, transportation and health care.

120 U.S. Census Bureau, 2011 American Community Survey  
 121 May 2012 Metropolitan Area Occupational Employment and Wage Estimates

**CHART 1.27**  
**Affordable Rental Rate Based on Household Income**



Source: FY 2012 Income Limits Summary. Los Angeles – Long Beach, CA HUD Metro Fair Market Rent Area, 30% of Monthly Income towards housing

Census data on median rent levels is shown below to indicate 10-year trends. The rent levels reflected in Census data are significantly lower than current market rents (above) as they reflect what people are paying versus what prospective tenants are facing in the current rental market. Adjusted for inflation, median contract rent increased by 31% over the decade. This compares to an (inflation-adjusted) increase of household incomes of less than 1.2%. The wide difference in change of incomes and rents largely explains the increasing unaffordability of rental units in Los Angeles.

As illustrated in Chart 1.27, extremely low income and single-person households can afford rents of no more than \$444, while low-income, large family households can afford no more than \$1,821. Such rents are virtually unavailable in Los Angeles private-market rentals.

### Rental Costs in Publicly-Subsidized Housing Stock

Rental units with government-restricted rents and occupancies restricted to lower income households address the expansive need for affordable housing. As of 2012, approximately 122,000 very low-, low- and moderate-income households lived in affordable housing that is publicly-subsidized in some way. This includes more than 61,000 privately-owned affordable housing development as well as 6,921 public housing units and households receiving 53,276 monthly housing assistance payments administered by the Housing Authority of the City of Los Angeles (HACLA). There is a tremendous demand for HACLA's housing assistance, as demonstrated by the more than 29,607 families on the public housing waiting list (as of October 2012) and the more than 7,779 families on the Section 8 tenant-based assistance waiting list in 2012. Of this population, 94% and 86% of the families, respectively, were of extremely low income – both up significantly since 2006.

The roughly 7,000 HACLA public housing units currently serve more than 22,000 residents. On average, families in public housing spend approximately 28% of their income on rent, with the average rent amongst these units being \$388, and an average monthly income of \$1,490 per family. Table 1.20 shows the voucher payment standard (the maximum amount paid by HACLA for a unit supported by a Section 8 voucher) and the flat rents for public housing units. While residents need to contribute up to 30.0% of their income to supplement these subsidies, these rates are a significantly lower rent compared to the market-rate rents throughout the City.



*Pueblo del Sol (Boyle Heights)*



*Pueblo del Rio (Southeast LA)*



**TABLE 1.20  
HACLA Voucher Payment Standards and Public Housing Rents  
(Maximum Amount Paid by HACLA)**

Unit Size	Voucher Payment Standard*	Public Housing Flat Rent**
Mobile Home Space	\$660	NA
Single Resident Occupancy	\$719	NA
Zero Bedroom	\$958	\$563
One Bedroom	\$1,156	\$664
Two Bedrooms	\$1,443	\$833
Three Bedrooms	\$1,939	\$920
Four Bedrooms	\$2,331	\$1,059
Five Bedrooms	\$2,681	\$1,269
Six Bedrooms	\$3,031	NA

Source: HACLA website January 3, 2012; HACLA Flat Rent Schedule for the Public Housing Program October 2012

\* As of 12/1/12: Payment standard is the maximum subsidy HACLA can provide toward the median value (rent plus utility allowance for utilities, stove or refrigerator paid or provided by the tenant. If the gross rent is more than the Payment Standard, the family must make up the difference out of its own pocket.

\*\* As of 10/12: Each year the HACLA will reassess the Flat Rent structure as part of the Annual Plan process. The flat rent is based on the market rent charged for comparable units in the private unassisted rental market. It is equal to the estimated rent for which the HACLA could lease its public housing units in the private, unassisted market. Households pay 30% of monthly income toward the flat rent. However, there is no minimum rent, and extremely low income households may have no rental payment.



*PWilliam Mead (Chinatown/Lincoln Heights)*

Many more affordable rental units are needed because there are more than 650,000 households with incomes below the median income in the city of \$47,031, according to the 2010 ACS 1-year estimates. When families cannot afford market rents they are forced to share units and live in overcrowded conditions in order to afford the rents, or worse they are forced into homelessness. Lack of affordable housing supply has facilitated the profusion of illegal units that do not meet building and zoning codes, posing health and safety hazards to occupants and negative impacts on neighborhoods.

## 2. Overcrowding

According to the Federal Government, overcrowding occurs when a dwelling unit is occupied by 1.01 or more persons per room. Severely overcrowded units are defined as those occupied by 1.51 persons or more per room.

In 2010, 190,953<sup>122</sup> households, or 14.6% of occupied units in the City, were considered to be overcrowded. Approximately 51.3% of the overcrowded

<sup>122</sup> US Census Bureau. 2010 ACS 1-year estimates: Tenure by Occupants per Room.

households were severely overcrowded. This is a greater rate of overcrowding than that of the County or the State. In 2000, 12.8% of housing was overcrowded in Los Angeles Count. In the State, 8.6% of housing was overcrowded.

Overcrowding is a much greater problem among renter-occupied units compared to owner-occupied units. In 2010, 19.4% of all renter-occupied housing units were overcrowded and 10.1% were severely overcrowded. Among owner-occupied units, overcrowding is far less significant—6.5% were overcrowded and 2% were severely overcrowded. Table 1.21 shows the number of overcrowded units by tenure.

**TABLE 1.21  
Overcrowded Units 2010**

	Owner Occupied	Renter Occupied
Total Occupied Units	493,028	817,231
Overcrowded	32,074	158,879
Severely Overcrowded	9,578	88,285

Source: U.S. Census Bureau, 2010 ACS 1-year estimates: Tenure by Occupants per room

Overcrowded conditions exist due to many reasons. One reason is the lack of appropriately sized and priced dwelling units, especially for large families. According to the Census 2010, there were 213,959 large family households, or approximately 16% of family households in the City. In order for large families to avoid being overcrowded, they need dwelling units with three or more bedrooms. Although large families were approximately 16% of the family household population, only 10.2% of rental units in the City had three or more bedrooms in 2010.

Overcrowding may also be attributed to the changes in household composition and cultural differences which accompany immigrants from other countries. Latino and Asian households live in overcrowded conditions more frequently than non-Latino White or Black households, often as a result of customary practice, as well as affordability constraints. Even high income Latino and Asian households have a higher incidence of overcrowding than very poor non-Latino Whites and Blacks<sup>123</sup>.

One of the common consequences of overcrowding is the creation of illegal dwelling units, such as occupied garages. The HCIDLA systematically inspects multifamily buildings, and when identified, cites property owners for failing to obtain the appropriate building permits and Certificates of Occupancy from the Department of Building and Safety for the change of use or occupancy for the building inspected. The majority of the violations

<sup>123</sup> Center on Budget and Policy Priorities, In Search of Shelter: The Shortage of Affordable Rental Housing, 1998, p. 23.

are for garage conversions, recreation room conversions, and basements and attics used as dwelling units. In CY 2012, the HCIDLA cited 827 unapproved units to bring them into compliance with City codes.

### 3. Discrimination

Housing discrimination occurs when a person is denied an equal opportunity to rent or buy housing of their choice, as defined under state and federal fair housing laws. The Federal Fair Housing Act -- Title VIII of the Civil Rights Act of 1968 -- was enacted on April 11, 1968, and amended in 1988. It prohibits discrimination based on race, color, national origin, religion, sex (gender and sexual harassment), disability (mental and physical, including AIDS and HIV), and familial status (including children under the age of 18 living with parents of legal custodians, pregnant women, and people securing custody of children under the age of 18). The California Fair Employment and Housing Act (FEHA) and the Unruh Civil Rights Act include all the protected categories listed under the Federal Fair Housing Act and also include ancestry, source of income, marital status, medical condition, age, and sexual orientation. In addition, the City of Los Angeles enacted ordinances to prohibit discrimination based on age, student status, AIDS status, and age of mobile homes.

The fair housing laws prohibit discrimination and harassment in housing practices, including:

- Refusing to negotiate, rent or sell housing
- Advertising
- Unlawful evictions
- Public and private land use practices (zoning)
- Setting different terms or conditions for sale or rental of a dwelling
- Application and selection process
- Terms and conditions of tenancy
- Providing different housing services or facilities
- Mortgage loans and insurance, real estate services and transactions
- Unlawful restrictive covenants
- Denying access to someone for inspection, sale, or rental of a unit that is in fact available
- For profit, steering owners to sell or rent
- Denying anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing

Fair housing laws also require housing providers to make reasonable accommodations in rules, policies, practices, and services to

**Public Housing Modernization/ Redevelopment**

The majority of City’s public housing stock was built in the early 1940’s and 1950’s and requires significant revitalization. HACLA has completed a Physical Needs Assessment (PNA), which helped to identify needs. The capital needs from the PNA total over \$533 million, with \$103 million needed over the next 10 years. Many sites require major infrastructure (water, sewer, gas line) replacement and others may need comprehensive modernization/revitalization. Two examples of current and future redevelopment include the Dana Strand Revitalization Project in Wilmington and the redevelopment of Jordan Downs in Watts.



Dana Strand Phase III - Senior Apartments

permit people with disabilities to use and enjoy a dwelling. The law also allows persons with disabilities to make reasonable modifications of the premises, albeit at their own expense.

**Recent Trends**

In Los Angeles, the majority of fair housing complaints made to the Housing Rights Center between 2006 and 2011 allege discrimination based on race, familial status, and physical disability. In every year during this period, physical disability ranked first among the most frequent inquiries, accounting for between 27 and 34 percent of the inquiries. By 2011, physical disability was the leading cause of inquiries at 34% (Table 1.22). The continued high number of disability-related complaints is attributed to fact that persons with physical disabilities are now better-informed of their rights, have more access to services, and have a better understanding of when a complaint or inquiry is warranted. Also, as opposed to race or familial status, some apartment owners make direct comments refusing to make reasonable accommodations or modifications for people with disabilities so discrimination is easier to detect.

**TABLE 1.22**  
**Fair Housing Inquiries**

Type of Inquiry	FY 2006 -2007		FY 2010-2011	
	Total Number	Percent	Total Number	Percent
Race	224	16%	134	11%
Familial Status	218	16%	204	17%
Physical Disability	383	27%	416	35%

Source: HCIDLA

Discrimination cases develop from further investigation into the fair housing inquiries received. Familial status, typically where a landlord refuses to rent a unit to families with children, has recently been cited as the most common form of fair housing complaint leading to a discrimination case (see table 1.23).

**TABLE 1.23**  
**Fair Housing Discrimination Cases**

Type of Discrimination Case	FY 2005-2006		2004-2011*	
	Total Number	Percent	Total Number	Percent
Race	67	12%	531	15.2%
Familial Status	206	36%	962	27.6%
Physical Disability	137	24%	881	25.2%

Source: HCIDLA; HCIDLA "Analysis of Fair Impediments to Fair Housing Choice 2012" Public Review Draft May 30, 2012



Increasingly, investigations of housing discrimination complaints conducted through the Citywide Fair Housing Program sustain the allegation of housing discrimination. In 2001, only 36% of the cases/investigations resulted in a finding of discrimination. The number increased to 43% for the period between 2004 and 2011 and was up to 49% for the year of 2011. A total of 246 cases were filed in 2011, the majority of which were renters. The increase can likely be attributed to better investigation and testing procedures, which have occurred since the program employed full-time attorneys specializing in housing rights. Remedies for housing discrimination can include injunctive relief, monetary damages and penalties, administrative relief through the State Department of Fair Employment and Housing, and conciliation and mediation conducted by HRC or its subcontractors.

### Impediments to Fair Housing

Every five years, HUD requires that the City conduct or update an Analysis of Impediments to Fair Housing Choice (AI). It is an objective assessment of how laws, regulations, policies and procedures affect housing availability, accessibility and location in the City. The most recent assessment was completed in January 2006 and the general areas of concern that emerged from the study include:

- Housing and Household Characteristics: discrimination faced by various population groups;
- Access to Financing: predatory lending, among minorities and residents of low income neighborhoods, in particular;
- Public Policies: local programs, regulations, and lack of coordination which can create barriers to fair housing choice;
- Fair Housing Services: insufficient capacity of agencies in Los Angeles to serve all residents.

## 4. Vacancy Rates

Los Angeles has a very tight housing market. Vacancy rates in rental and for-sale units are low compared to industry-accepted optimal levels. A certain number of vacant units are needed in any community to allow for sufficient housing choices for residents, to provide an incentive for landlords and owners to maintain and repair existing housing units, and to protect against steep rent increases.

The Southern California Association of Governments considers the optimal vacancy rate to range from 1.5% to 2% for homeowners and 5% to 6% for multifamily rental units. When vacancy rates fall below these levels, residents will

<sup>124</sup> The final submission and adoption of the 2012 draft AI is subject to the pending release of HUD guidelines that govern localities' responsibilities to affirmatively furthering fair housing.

likely have a difficult time finding units adequately matched to their household and income needs. Additionally, as the vacancy rate drops, the steeper the competition for units becomes, causing housing prices and rental rates to rise.

According to the most recent information, vacancy rates in the City are below optimal levels in 2012. This comes after a significant increase in vacancy as a result of the housing crisis. Per the Census 2005, the vacancy rate for rental units in the City was 3.3%. In 2010, the vacancy rate for rental units had increased dramatically to 6.1% (2010 Census). The situation is similar but not as drastic in the case of for-sale housing vacancy rates. In 2005, the Census Bureau reported a for-sale unit vacancy rate of 0.9%. In 2010, the same measure registered a vacancy rate of 2.1% (Table 1.24).

**TABLE 1.24**  
**Vacancy Rates for Rental and For-Sale Units, 2000, 2005, 2010**

	Rental Units	For-Sale Units
2000 Vacancy Rate	3.5%	1.8%
2005 Vacancy Rate	3.3%	0.9%
2010 Vacancy Rate	6.1%	2.1%

Source: Census 2000, ACS 2005

Estimates of vacancy rates by the Los Angeles Department of Water and Power (LADWP) are typically in line with Census figures. In May 2012 (latest data available), the average vacancy rate for multi-family, individually-metered housing units served by the LADWP was 3.9% (individual units in master-metered buildings, excluded)<sup>125</sup>. The average vacancy rate for single-family dwelling, individually-metered housing units served by the LADWP was 0.8 % (Table 1.25).

**TABLE 1.25**  
**Vacancy Rates of Individually Metered Housing Units, 2012**

Housing Unit Type	Vacancy Rate May, 2012
Multi-Family Units	3.9%
Single-Family Units	0.8%

Source: LADWP

## 5. Rent Stabilization

The City of Los Angeles' Rent Stabilization Ordinance (RSO) protects tenants from excessive rent increases, while allowing landlords to incrementally raise rents. The RSO, effective May 1, 1979 and incorporated as Chapter XV of the Los Angeles Municipal Code, applies to rental units in the City that for which

<sup>125</sup> The LADWP monitors electrical activity at metered apartment buildings as well as activity recorded in single-family residential meters. Inactive or idle meters over a period of time are a good indication of vacancy and this data is used as an estimate (although meters can be idle for reasons other than vacant units).

a Certificate of Occupancy was issued on or before October 1, 1978, generally with two or more units on a lot. Seventy-five percent of properties under the RSO have four or less units and most were built between 1940 and 1969. There are approximately 638,000 rent stabilized units in the City. Since its adoption in 1979, the Los Angeles Rent Stabilization Ordinance has always permitted vacancy decontrol, which allows the rent to be set to market upon vacancy. The effect is to stabilize rents and provide tenants with predictability and consistency regarding increased housing costs, while allowing moderate annual rent increases.

### The RSO regulates four key areas of rental unit management:

(1) Allowable rent increases. The RSO limits the annual allowable rent increase to a minimum of 3 percent and a maximum of 8 percent. Rents for units voluntarily vacated may be raised to market rate (known as vacancy decontrol). Thereafter, the unit is again subject to the allowable annual rent increase under the RSO. The allowable increase is based on a twelve-month average of the Consumer Price Index (CPI) – All Urban Consumers for the Los Angeles Area. The current allowable rent increase, effective as of July 1, 2012, is 3%.

(2) Registration of rental units. All property owners subject to the RSO must register the units before they may demand or collect rents. The annual RSO registration fee is \$24.51 per unit. Half of the fee (\$12.25) may be passed on to the tenant.

(3) Evictions. The RSO permits fourteen legal reasons for eviction: 1) failure to pay rent; 2) material violation of the rental agreement; 3) committing or permitting a nuisance or damage; 4) use of the unit for illegal purposes; 5) failure to extend or renew the rental agreement; 6) denial of access to the unit; 7) the person in possession of the unit is not approved by the landlord; 8) landlord seeks unit as a residence for him/her or a relative; 9) the tenant has failed to relocate in accordance with the Tenant Habitability Plan; 10) the landlord seeks to recover the unit in order to demolish or remove it from the rental market; 11) the government issues an order to vacate; 12) HUD is both the owner and plaintiff and seeks to recover possession; 13) for demolition or conversion of a residential hotel, with certain restrictions; 14) to convert the property to an affordable housing accommodation.

(4) Payment of relocation assistance to tenants. A landlord must provide monetary relocation assistance to tenants that are subject to no-fault evictions due to condominium conversions, primary renovation, for use by the owner or resident manager, permanent removal from the rental market, demolition, government order to vacate, or when HUD seeks to recover possession in order to vacate the property prior to sale, or in order to convert to affordable housing.

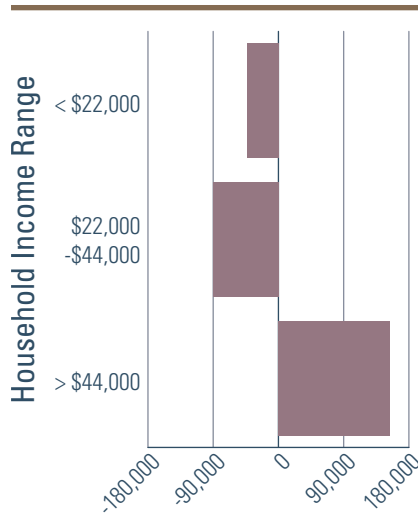
**Much Less Affordable Housing Available Since 2000**

- From 2000 to 2011, 40% of the City’s rental units that were affordable to households making less than \$22,000 a year became unaffordable.
- 143,000 rental units that were affordable to households making less than \$44,000 a year are now too expensive.

With restricted rent increases, rents of rent-stabilized units are generally lower than market rate rents, but not substantially lower (due to vacancy decontrol). According to the findings of the 2009 Economic Study of the Rent Stabilization Ordinance and the Los Angeles Housing Market (Study), the rent differential between RSO and non-RSO units ranged from a higher \$500 to virtually no difference, depending on the unit size and area of the City. The median monthly rent for an RSO unit was \$113 less than the median rent for a non-RSO unit and the average monthly rent for an RSO unit was \$142 less.

Current State law (the Ellis Act) allows rental property owners to permanently remove rental units from the housing market. As a result, the City of Los Angeles cannot require an owner to continue to offer a residential property for rent. Since 2001, a total of 17,635 RSO units were removed from the rental market for permanent removal or demolition. Losses of housing units previously regulated by the City’s Rent Stabilization Ordinance surged during the housing boom in the mid-2000s and have since receded.

**CHART 1.28**  
**Change in # of Affordable Rentals by Income, 2000-2011**



RSO property owners may contend that allowable rent increases do not keep pace with operating costs. This was not supported by the findings of the Study, which found that, on average, investments in RSO apartments performed superior to the average performance of apartment buildings in the United States and comparable to non-RSO apartments in Los Angeles. The Study also found that the rates of appreciation and increases in value between RSO buildings and non-RSO buildings were similar. According to the Study, the average value of RSO apartments increased by 134% between 2001 and 2006, compared to 99% for all Los Angeles apartments. There are RSO provisions that allow owners to increase their operating income and recover their investment in their rental properties. Rent increases are allowed for such expenses as capital improvements, rehabilitation work, and primary renovation work. In addition to the annual allowable rent increase and the increases upon vacancy decontrol, landlords may increase the rent for additional tenants or apply for a rent increase under the “Just and Reasonable” provisions of the RSO based on a financial review of the property’s Net Operating Income.

**6. Condominium Conversions**

The number of rental units being converted to condominiums has been decreasing each year since the last Housing Element. From 223 condo conversion applications to the Department of City Planning in 2006, the number fell to 47 in 2007, then to 10 in 2009 and just 6 in 2011. The reason for the sharp decrease is most likely due to the dramatic change in the homeownership market over those years. The trend is likely to reverse as the economy gains steam in the years ahead. However the slowdown may also have been heightened by a series of policy changes around condo conversions that happened in late 2006.



From applications filed from 2007 through July 2012, 64 apartment buildings containing 1,039 units were approved for conversion to condominiums. This compares to the conversion of 2,363 units during a shorter three year period from 2003 to 2005. Within the more recent five-and-a-half year period, 9 conversion cases were denied by the Advisory Agency and one was initially denied, but approved on appeal with the inclusion of some affordable housing units. Therefore, of the cases that were decided upon by the end of 2012, approximately 86% were eventually approved, with 14% denied. Approximately 13 additional cases were either withdrawn or terminated.

While the City is able to track applications and approvals for the conversion of apartments to condominiums, there is no way to know how many of the approvals are actually effectuated by owners. The City has no authority to require a conversion just because an entitlement has been granted. Many apartment owners who seek an entitlement to convert their buildings to condominiums decide to retain their building as a rental project in response to particular market conditions. Many buildings which have been approved as condominiums therefore continue to operate as rental units. Thus, there is no way to know what the actual balance of rental and ownership units is in the City's multi-family housing stock (or, for that matter, in the single family stock, as homes can also be rented at the discretion of the owner).

The affordability of the multi-family housing stock is likely changed by condominium conversion activity. Much of the approved condominium conversions involve older housing stock that includes rent-stabilized properties. Although a high percentage of units in RSO buildings are rented at market rents as a result of vacancy decontrol, those persons who have remained in their unit for many years are likely paying lower rents. Thus, condominium conversions add to the shortage of multi-family units that are more affordable than market rate rentals.

With conversions, tenants unable to purchase units are faced with having to locate another place to live. Costs are likely significant and include moving expenses, security deposits, first and last months' rent, as well as the likelihood of increased monthly rental rates. In mid-2006, the Los Angeles Housing and Community Investment Department (HCIDLA) estimated that average relocation costs were \$4,575. HCIDLA also estimated at the time that the increase in monthly rent from an average RSO unit to an average market rate unit was \$670.

In response to these impacts of condominium conversions, the City Council approved and the City is now implementing an enhanced, comprehensive relocation assistance package for displaced tenants. This includes significantly larger relocation payments as well as increased and enhanced relocation services. Prior to the new law, relocation payments were \$3,450 for an eligible tenant and \$8,550 for a qualified tenant (those who are 62 years of age or over, disabled, or with minor dependent children). The new fee structure is as follows (Table 1.26)<sup>129</sup>:

<sup>126</sup> Slightly reduced relocation assistance payments are permitted for Mom and Pop property owners for a good faith eviction for occupancy by the owner, family member or a resident manager, provided that certain requirements are met as prescribed in Section 151.30 of the L.A.M.C.

**TABLE 1.26**  
**Relocation Assistance for Displaced Tenants**

Type of Tenant	Less than 3 years of tenancy	3 or more years of tenancy	Income Less than 80% AMI
Eligible	\$7,450	\$9,850	\$9,850
Qualified	\$15,800	\$18,650	\$18,650

Source: HCIDLA: Effective July 1, 2012 through June 30, 2013

HUD's Area Median Income Limits. In 2007, the 80% AMI for a family of four in the City of Los Angeles was \$59,200.

To provide some mitigation for the loss of rental units, condominium conversion developers now pay an increased Rental Housing Production fee to the City's Affordable Housing Trust Fund to fund the development of affordable rental housing. The fee started at \$1,500 in 2007 and increases every year thereafter based on inflation.

The City also adopted an ordinance regulating the re-rental of RSO units removed from the rental market, pursuant to the Ellis Act (Los Angeles Municipal Code Section 151.28). If such units are re-rented within a five year period, the new units are either subject to the RSO or 20 percent of the new units must be set aside as affordable units with recorded covenants that keep the units affordable for 30 years. This rule eliminates a previous practice of landlords or developers invoking their Ellis Act right to demolish RSO units, and later rebuilding rental units that were exempt from the RSO. Under the new law, building owners can set the initial rents at market rate for the new units, but all subsequent increases will be limited by the annual percentage prescribed by the RSO. Owners may apply for an exemption if they have occupied a building that consisted of four or fewer rental units for three years prior to the demolition of the building.

Given these regulatory disincentives for demolitions and conversions of RSO units, as well as the poor state of the economy, a report commissioned by the HCIDLA and DCP projects a smaller number of RSO unit losses this decade versus the last<sup>127</sup>. The study projects that the City of Los Angeles will lose approximately 3,463 RSO housing units – or about 0.5% of current RSO stock – during the period 2010 to 2020. The most common types of evictions in RSO Units are due to demolitions and conversions<sup>132</sup>.

Apartment buildings built 30 or more years ago, may well continue to be attractive sites for new development, especially as the economy improves. These development projects will displace low- and moderate-income households, whose ability to find replacement housing at comparable rents will be challenged by the rising price of market-rate rental housing and the overall gentrification of some of the City's previously low-cost neighborhoods.

<sup>127</sup> Affordable Housing Benefit Fee Study.

<sup>128</sup> Los Angeles Housing and Community Investment Department. Landlord Declarations of Intent to Evict. 2008.

## 7. Assisted Housing At-Risk of Conversion to Market

Housing Elements must include an analysis of existing, affordable multi-family rental units at risk of conversion to market-rate housing within the next ten years due to termination of a public funding subsidy contract, mortgage prepayment, or expiring use restrictions. While the production of new, affordable housing is critical, so is the preservation of existing affordable units to maintain a stock of affordable housing.

Los Angeles has long been committed to monitoring, notification, funding, and outreach activities that support the preservation of affordable housing. From 2003-2011, the City of Los Angeles provided \$37.5 million in local subsidies to support the preservation of 1,226 at-risk HUD assisted apartments in 15 developments. Additionally, from 2004-2012 the City of Los Angeles issued \$134.7 million in tax exempt multi-family housing bonds to finance the preservation of 2,297 at-risk units. In the last eight years, with the formal establishment of the Los Angeles Affordable Housing Preservation Program (AHPP), a dramatic increase in activity has occurred. This activity includes: expanding resources for preservation program activities; tenant outreach and education to residents of at-risk affordable housing developments; monitoring expiration of rental subsidies and/or affordability restrictions on at-risk units; and ensuring enforcement of legal notice requirements.

### Inventory of Assisted Housing Developments

The City of Los Angeles currently has approximately 68,908 affordable housing units in more than 1,764 developments, serving very-low, low and moderate-income households (Appendix A). The majority of these affordable housing units are owned and operated by private entities, and were financed with local, State and Federal public subsidies, administered by State agencies or locally through the HCIDLA, CRA/LA, HACLA and LAHSA. The requirements of the public funding include (but are not limited to) maintaining the affordability for a specific, extended number of years. The other affordable units, approximately 10% (6,921 units), are in public housing developments owned and operated by HACLA. These public housing units, funded primarily with HUD funds, are to always be maintained by HACLA as affordable; however, these units do require maintenance, upgrades or replacement as they age.

As affordability terms are fulfilled, the privately-owned affordable units will likely convert to market rate rents, making them out of reach for lower-income households. It is estimated that over the next ten years, as much as one-third of the City's current affordable housing stock could convert to market rate. Appendix A provides a summary of the total number of affordable housing projects and restricted affordable housing units within the City of Los Angeles.

## Inventory of Expiring Units

The City currently has 19,888 housing units at risk of losing their affordability use restrictions between October 1, 2013 and September, 30 2023. These units were designated as at-risk based on the restrictions established by the primary government funding program used to build or rehabilitate the unit, use agreement, covenant and/or rental subsidy program. This primary funding source is interpreted as the most restrictive source of funding in the rental covenant, rental subsidy or funding; it is the source with the most years of affordability and set-aside units. Appendix B provides a summary of the at-risk/expiring properties. Appendix C provides a detailed inventory of the at-risk/expiring properties during this Housing Element Update period.

### Units Expired in the Last 10 Years

Between September 30, 2003 and September 30, 2013, there were 4,552 housing units located in 325 projects whose affordability restrictions expired or were terminated. The majority of these, 3,127 units (69%), were in projects that had affordability restrictions tied to local agency financing and/or City land use entitlement concessions. Almost half (47%) of the local agency properties were restricted by the Community Redevelopment Agency of the City of Los Angeles. Another 799 units (18%) were located in projects that received HUD assistance; none of these units were in HUD Section 202 or Section 811 projects serving elderly and/or disabled persons. Finally, 626 units (14%) were in State-financed restricted properties.

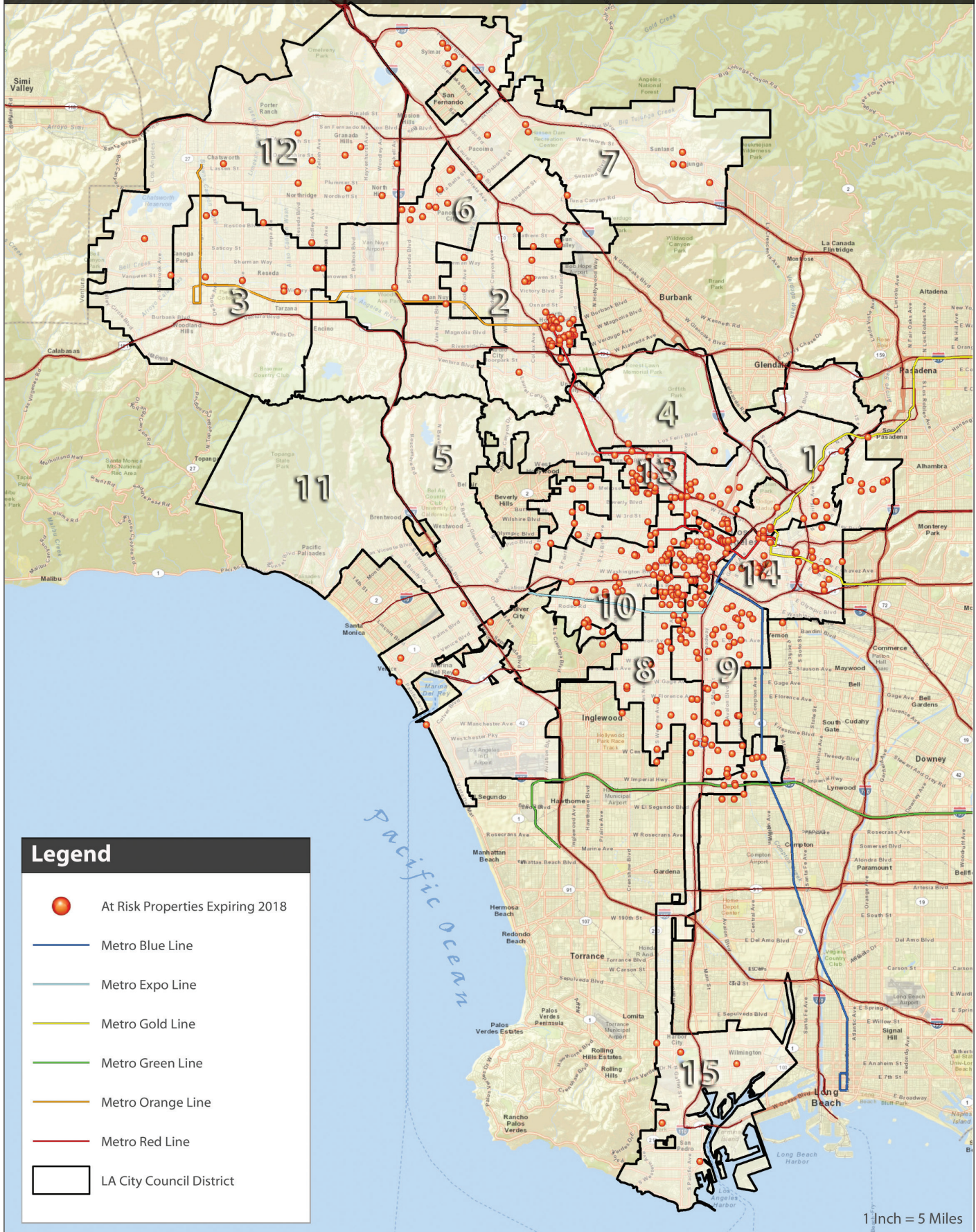
### Units Expiring in 1-5 Years

Between October 1, 2013 and September 30, 2018, 15,354 housing units (22% of the City's affordable housing stock) are at risk of losing their rental subsidies or affordability restrictions through the expiration of covenants and termination of subsidies. The majority of these, 10,225 units (67%), are located in buildings that received financing from HUD in the form of HUD Project-based Section 8 rental subsidies, HUD/FHA 221(D)(3), and 236(J) (1) mortgage insurance programs, and HUD Section 202 and Section 811 loan programs serving elderly and/or disabled. These programs offer reduced mortgage payments in exchange for long-term affordability. Most mortgages have a 40-year term and many owners are allowed to prepay after 20 years. Currently, most owners qualify to prepay their loans or are nearing maturity.

The HUD Project-Based Section 8 rental subsidy program provides deep rental subsidies to enable projects to serve very low income tenants. Of the federally assisted, at-risk inventory, 8,307 units (54%) consist of Project-based Section 8 contracts. These rental subsidy contracts have an original term between five and 30 years, but most commonly 20 years. Most of these contracts have passed their initial terms, and owners may choose to terminate ("Opt-out")



City of Los Angeles Housing and Community Investment Department  
Properties Containing At Risk Units Expiring by 2018



or renew them on a year-to-year basis, and are thus, at-risk of conversion to market every year. Renewal of longer-term contracts (i.e., 5-20 years) is also possible, though they are still subject to annual appropriations.

There are 4,438 affordable units (29%) created through City affordability restrictions that are at risk of expiration within the next 5 years. These restrictions resulted from City land use entitlement concessions and/or local funding awards such as HOME, Community Development Block Grant (CDBG), Bond financing, and the now-defunct CRA/LA housing programs. State loan programs such as the California Finance Agency (CalHFA) and State Housing and Community Development (HCD) loans funds subsidized 515 units (3%) expiring in the next five years.

There are 301 (2%) affordable units funded specifically for elderly and/or disabled person at risk of losing their affordability terms within the next 5 years. These units developed with HUD Section 202 and Section 811 funds and receive rental subsidies under Project Rental Assistance Contracts (PRACs).

### **Units Expiring in 5-10 Years**

Between October 1, 2018 and September 30, 2023, fully 7% of the City's affordable housing stock (4,534 units) is at risk of losing rental subsidies or affordability restrictions. Of the 4,534 units at risk of expiration within the next 5 to 10 years, there are 2,074 units (46%) created through City affordability restrictions that are at risk of expiration. These restrictions resulted from City land use entitlement concessions and/or local funding awards such as HOME, Bond financing, and CRA/LA housing programs. State loan programs such as the California Low Income Housing Tax Credit (LIHTC), CalHFA and State HCD loan funds subsidized 1,246 units (27%) expiring in the next 5 to 10 years. An additional 1,214 units (27%) were financed through HUD/FHA mortgage insurance programs (including Section 202 and Section 811 funds), HUD Project-based Section 8 rental subsidies and HACLA.

### **Assessment of the Conversion Risk**

The affordability of the City's affordable housing units is not, permanently assured. Based on the current expiring portfolio, the three major threats to preservation in the City are prepayment or maturity of federally-subsidized mortgages, expiration and termination of subsidy contracts (Project-Based Section 8 rental subsidy contracts), and the expiration of use restrictions of City-funded projects. As previously stated, most of the at-risk developments are owned by private entities and given the high demand for housing at all income levels within the City, expiring affordable units are at serious risk of converting to market rate units.

The reduction and uncertainty of government funds and rental subsidies make property owners wary of new long-term affordability commitments.



Also, government subsidies that would extend affordability come with many requirements governing the operation of the property (such as, but not limited to: restrictions regarding tenant selection, tenant income, rent level, rent increases, regular monitoring), adding challenges to the operation of the building.

Local rental market conditions also contribute to this likely consequence: a vacancy rate of about 4% for both rental and for-sale units in the past decade; increasing demand for rental units due to increases in foreclosures; increase in lending regulations that may impede or slow bank (mortgage) lending; and the continual slow-down in construction of for-sale units due to the current financial crisis. This continuous demand for rental housing leads to higher rents and therefore a more compelling incentive for landlords who own buildings with at-risk affordable units to pursue opportunities for market-rate rents. All of these factors play a significant role in an owner's decision to extend affordability restrictions on income-restricted projects.

### **Costs of Preserving Affordability: Analysis of Preserving Existing Affordable Units versus Building New Affordable Units**

With more than 19,888 affordable housing units at risk of losing their affordability restrictions in the next ten years (October 1, 2013 - September 30, 2023), the cost to preserve or replace these units will be substantial. In 2012, the construction cost (labor and material costs) per unit for a new market-rate 4-story, 74-unit multi-family building in Los Angeles was \$210,722<sup>129</sup>.

The following presents the costs of preserving an expiring unit's affordability through:

- Acquisition and rehabilitation of an existing affordable housing unit, and extending its affordability through a new covenant;
- Acquisition and Rehabilitation of a previously non-affordable unit and placing affordability terms on the unit, thereby "replacing" the lost affordable unit;
- Building of a completely new unit and imposing affordability terms, thereby "replacing" the affordable unit.

### **Methodology**

The costs associated with preserving the affordability of the units at risk of losing rent restrictions in the next 10 years were derived from the average Total Development Costs (TDC) for 7 projects funded through the HCIDLA's Affordable Housing Bond Program (AHBP) and 7 projects (3 acquisition/rehabilitation and 4 new construction) funded with Affordable Housing Trust Fund (AHTF) dollars in 2012. Data from this subset of projects was used to calculate average, per-unit costs because these projects had secured full funding in 2012, and the

<sup>129</sup> Balboni, Barbara. *RSMeans Square Foot Costs*, 33rd Annual Edition, (Norwell, MA, Construction Publishers & Consultants, 2011).

developers of these projects had advanced to a crucial phase in development – the solicitation of construction bids. At this point in the development process, cost estimates are considered to be useful bases for aggregate costs to be discussed below. No preservation projects were funded by the AHTF in 2012.

Average figures were used for both the preservation and new construction costs analyses. The calculations consider the land cost, hard construction cost and other soft cost items as defined in the HCIDLA Pro Forma required of all developer applicants.

Table 1.26 shows the per-unit, average TDC for AHBP preservation and new construction projects. The HCIDLA has the authority to induce bonds for affordable housing projects that may otherwise not require a public subsidy for their development, rehabilitation, and preservation. Due to the shortage of competitive housing subsidies and other market factors, the HCIDLA has seen an increase in the use of bond financing for the preservation of affordable housing. The issuance of bonds has been one of the primary programs to preserve affordable housing in the City at a minimal cost. Over the last 8 years, the HCIDLA has assisted in the financing of more than 2,000 at-risk units through a commitment of tax-exempt bonds of approximately \$135 million.

Based on HCIDLA's calculation, the average per-unit TDC to preserve a unit's affordability through acquisition and rehabilitation of an existing affordable housing unit, and extending its affordability through a new covenant/regulatory agreement is approximately \$179,000 (Table 1.27).

A unit's affordability can be replaced either by rehabilitating a previously non-covenanted unit and placing affordability terms on the unit or by building a completely new unit with affordability terms imposed on the unit. Depending on land costs, relocation and/or site preparation costs, design and entitlement costs, and a wide range of other factors, newly-restricted affordable housing units can range from roughly \$301,000 per unit for the rehabilitation of an existing, non-covenanted unit, to \$358,000 for the construction of a new affordable unit. Therefore, it is more cost-effective to preserve and rehabilitate a unit than to build new.

**TABLE 1.27**  
**Average Total Development Costs per Unit for Preservation or Replacement Projects: 2012**

Method of Preserving Existing Unit's Affordability	Acquisition (rounded)	Rehabilitation/Construction (rounded)	Financing/Other (rounded)	Total
<b>Preservation:</b>				
Acquisition and Rehabilitation of Existing Affordable Units	\$79,000	\$57,000	\$44,000	\$180,000
<b>New Production:</b>				
Acquisition and Rehabilitation of Previously Non-Affordable Units	\$99,000	\$137,000	\$65,000	\$301,000
<b>New Construction</b>				
New Construction	\$20,000	\$267,000	\$71,000	\$358,000

Source: HCIDLA

Given the projected number of at-risk units in the periods between 2013-18 and 2018-23, Table 1.28 depicts and aggregate affordability preservation cost that would be required to preserve all at-risk units from expiration based on the 2012 average TDC for each method of preservation.

**TABLE 1.28**  
**Estimated Total Cost to Preserve At-Risk Units: 2013-2018 and 2018-2023**

Method of Preserving Existing Unit's Affordability	Cost to Preserve/Replace 15,354 Units Expiring between 2013-2018	Cost to Preserve/Replace 4,534 Units Expiring between 2018-2023
Acquisition and Rehabilitation of Existing Affordable Housing Units	\$2.8 Billion	\$813.8 Million
Acquisition and Rehabilitation of Previously Non-Affordable Units	\$4.6 Billion	\$1.4 Billion
New Construction	\$5.5 Billion	\$1.6 Billion

Source: HCIDLA

### Non-Financial Strategies for Preserving Expiring Affordable Housing

The City remains steadily committed in its efforts towards the preservation of assisted housing through its various housing programs and available resources. In 2004, the City approved the Affordable Housing Preservation Program (AHPP), and created the Preservation Coordinator position within HCIDLA to implement and manage the program, which includes monitoring the at-risk affordable units, database management, agency coordination, and outreach and education efforts.



In 2009, the City of Los Angeles successfully secured a \$1 million dollar, 4-year grant from the John D. and Catherine T. MacArthur Foundation. This grant was part of the Foundation's awards for State and Local Housing Preservation Leaders for the development and expansion of innovative public sector initiatives to preserve and improve the existing stock of affordable rental housing nationwide to 12 public agencies. Over the last four years, the HCIDLA has used these funds to enhance its Affordable Housing Preservation Program (AHPP) data system, engage in a robust data collection effort on affordable housing; develop criteria to identify and prioritize at-risk projects; enhance owner and tenant outreach components; improve coordination with other City and financing agencies; hire one program support staff person; and direct more resources toward preserving affordable rental housing. The CRA/LA used part of the fund to conduct an education and outreach effort for tenants and property owners, and to initially build the capacity of two nonprofit developers to ensure preservation of SRO housing units in the Skid Row area of the City. The City will continue to look for funding to conduct studies, research and training to assist identify and prioritizing at-risk projects.

The HCIDLA has funded tenant and landlord outreach for preservation purposes since early 2000. The outreach to residents of at-risk affordable housing includes information on alternate housing opportunities, expiring/terminated affordability restrictions, State and Federal notice compliance, tenants' rights and responsibilities, the interaction of the City's Rent Stabilization Ordinance (RSO), Code Enforcement programs and existing affordability restrictions, as needed. With the formal establishment of the AHPP, between 2005 and 2012, tenant outreach was conducted at approximately 8,000 units. Outreach was primarily conducted to properties with expiring Section 8 contracts, to properties opting out, and on the first-time properties with expiring City covenants, land use concessions or foreclosed properties. HCIDLA is uniquely positioned to manage this process because it enforces the State notice law at expiring and/or terminating properties, the Rent Stabilization Ordinance and the Systemic Code Enforcement Program; this ensures a better information flow between in-house departmental programs.

Through the AHPP, the HCIDLA assists property owners and managers of expiring or terminating properties with guidance on compliance with the State notification law, preservation/renewal support and technical assistance, rent increases following expiration under the RSO, HUD Section 8 Enhanced Voucher requirements and renewal options. Due to these efforts, owners are able to comply with State law notification requirements and RSO allowable rent increases, while other projects continue to be affordable and have renewed affordability beyond their annual contract or notice compliance period. The HCIDLA will continue to ensure compliance with noticing requirements (when properties are set to expire), continue to conduct outreach and education of tenants and property owners of at-risk housing.

Not only is effective coordination among housing entities and decision-makers essential for accurate ongoing data collection, it also makes for effective problem

solving and leads to creative solutions. The regular convening of the spectrum of housing agencies and stakeholders, coupled with the capacities of the AHPP's up-to-date, at-risk rental data, will result in a greater net gain of units preserved.

The City, through the HCIDLA, will continue to dedicate staff time to support the L.A. Preservation Working Group and other related activities. The LAPWG's mission and goals are to protect and preserve the City's affordable housing stock by sharing information, tracking the expiring inventory, and developing creative preservation strategies and transactions. The HCIDLA is a core member of the L.A. Preservation Working Group (LAPWG) and, since 2009 the HCIDLA, has actively collaborated with the group's members by helping to develop the agenda topics and by meeting with member organizations of the LAPWG on an ongoing basis. The LAPWG is comprised of the federal and local housing agencies in the City, affordable housing advocates, non-profit developers and legal services organizations. The HCIDLA will continue to dedicate staff time to support the L.A. Preservation Working Group, and provide information and continue with efforts to establish partnerships with entities qualified to acquire and manage at-risk units (See Appendix D).

The City strives to collaborate with local non-profit organizations to acquire and manage at-risk projects, and with financial institutions to preserve affordable units by exploring creative financing as well as debt refinancing. In the past planning period, HCIDLA provided financing to affordable housing developers such as the Little Tokyo Service Center (LTSC) Community Development Corporation, A Community of Friends (ACOF), Beyond Shelter Housing Development Corporation, Retirement Housing Foundation, and Preservation Partners Development (PPD) to permanently preserve more than 2,000 at-risk housing units.

### Entities with the Capacity to Acquire and Manage Affordable Units

There are a number of experienced housing development agencies that are active in the City of Los Angeles. Many of these organizations focus their efforts within targeted neighborhoods while others work throughout the City and County of Los Angeles. The organizations and agencies listed in Appendix D have expressed an interest in acquiring and managing expiring and at-risk properties within the City of Los Angeles through the "Notice of Opportunity to Submit an Offer to Purchase" qualified entity criteria pursuant to California State Government Code Section 65863.11.

The City will continue to establish partnerships with these qualified entities to develop a preservation action plan upon notice of conversion, sale or other actions that threaten the affordability of these properties.

## Financial Resources Available for Preservation of Affordable Units

### Community Development Block Grant (CDBG)

This source of funding, allocated on an annual basis, is allocated to programs that fund the development of new affordable housing, single-family and multi-family rehabilitation, and minor home repairs. Due to adjustments related to the 2010 U.S. Census Bureau and federal government budget cuts, the City's entitlement CDBG grant was reduced from a high of \$77.98 million in 2010 to \$52.67 million in 2012, an almost 32% decrease. In the 2012-2013 Plan Year (PY), CDBG was further reduced by 19% and funds over this term will likely be no greater than in the current \$52 million range. In the 2012/13 PY, the HCIDLA received approximately \$18 million of the entire City allocation of CDBG funds.

### HOME Investment Partnerships Program (HOME)

The City of Los Angeles receives approximately \$21 million annually in HOME funds which are combined with about \$7.5 million in program income to be used for housing development activities. The HOME entitlement grant was substantially reduced from a high of \$43.44 in 2009 to \$21.35 million in 2012, an almost 51% decrease in HOME funding since 2009. The largest decrease, approximately \$17 million, occurred between 2011 and 2012. The HCIDLA uses these funds for its housing production lending activities, through the Affordable Housing Trust Fund and the Permanent Supportive Housing Programs. HOME funds are available to any preservation project that meets program guidelines.

### City General Fund

The City of Los Angeles has allocated a portion of its General Fund for acquiring, developing, constructing, and rehabilitating multi-family residential housing developments. Funds have also been used for the purpose of making loans to finance or refinance these activities. These funds are administered by HCIDLA through the Affordable Housing Trust Fund. Over the years, the City of Los Angeles' own budgetary constraints have hampered its ability to make a permanent financial commitment to affordable housing development. Since early in 2005, the City's Affordable Housing Trust Fund has not received any General Fund dollars. These circumstances have inadvertently increased the City's dependence on State and Federal resources. Nevertheless, this year, the City Council and Mayor approved an \$18 million commitment to the Affordable Housing Trust Fund from the City General Fund. This commitment will be used strictly for the financing of permanent supportive housing for the homeless, and the first time since 2008, the City will have contributed General Fund monies to the Affordable Housing Trust Fund. This is a one-time commitment from the City's General Fund.

## Mortgage Revenue Bonds

Since 1982, the City has issued tax-exempt revenue bonds for the development of multi-family rental housing. Tax-exempt revenue bonds are used as a resource for acquiring and preserving at-risk units. Part of the City's preservation strategy is to refinance such projects with tax-exempt bond proceeds in exchange for extended and strengthened affordability controls. The City through the HCIDLA acts as a conduit and provides assistance to applicants navigating through the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) hearing process and other phases of the bond issuance process. In addition, through HCIDLA the City induces bonds for affordable housing projects, allowing for reimbursement of project costs incurred prior to the bond issuance.

## State Bond Financing (Prop 1C)

The availability of financing at the state level, typically funded through voter-approved general obligation bond issuances is another source for local preservation activities. In 2006, Proposition 1C, the Housing and Emergency Shelter Trust Fund Act, allocated \$2.85 billion into twelve different programs throughout the State. While most of the funds have been depleted, this year, the State will make available funds through a Notice of Funding Availability ("NOFA") for the Infill Infrastructure Grant Program ("IIG") and the Transit-Oriented Development Housing Program ("TOD"). Both of these programs can be used for the preservation and construction of new affordable housing. Pursuant to the funding authority in AB 1585/Ch. 777, Statutes 2012 ("AB 1585"), the Department of Housing and Community Development (HCD) will be issuing NOFAs to appropriate \$25 million each for IIG and TOD, respectively. The final amounts and future funding may increase subject to additional funds being made available through the disencumbrance of prior awards and any proposed legislation to allocate funding.

## Low Income Housing Tax Credits (LIHTC)

Low Income Housing Tax Credits are an important source of funding for affordable housing in Los Angeles, but the system presents a unique challenge in that program guidelines and priorities are set by the State of California's Tax Credit Allocation Committee (TCAC) rather than the City of Los Angeles. The City works with developers of affordable rental housing projects (both preservation and new construction) to ensure that they meet LIHTC thresholds and awarding criteria. While the City of Los Angeles continuously provides commitments to projects that ultimately secure their array of leveraged funding, including the lion's share of funding from state resources, there is no systematic method to ensure that projects in Los Angeles will receive LIHTCs based on TCAC's point system. Additionally, TCAC sets aside a dedicated pool of tax credit funds for self-designated "at-risk" projects.

In 2013, TCAC established a City of Los Angeles Geographic Region from which all projects located within the City will be funded. The City will proactively manage access of this resource, and by doing so, provide the determining influence



necessary to effectuate the housing priorities of the City. The City will establish and maintain a managed pipeline of approximately 24 projects annually. The managed pipeline will create certainty for both the City and the development community, and allow for better planning and allocation of limited resources.

### New Generation Fund

The New Generation Fund (NGF) is a \$52 million predevelopment and acquisition loan fund that provides loans to affordable housing developers to purchase vacant land for development, as well as to purchase and preserve at-risk projects.

### The Supportive Housing Loan Fund

In 2007, HCIDLA collaborated with the Corporation for Supportive Housing (CSH) to develop SHLF. The Supportive Housing Loan Fund (SHLF) is a \$30M fund for acquisition and predevelopment loans for the production of permanent supportive housing for homeless persons; HCIDLA has invested \$5M into the Loan Fund. In response to developers' difficulty in gaining site control, SHLF meets the need for flexible, readily-deployed acquisition and predevelopment funding while developers secure permanent financing. In addition, a loan loss guarantee from HCIDLA enables CSH to leverage funding needed to make acquisition and predevelopment loans at below market rates to supportive housing developers in Los Angeles.

## Allocation and Streamlining of Financial Resources

The Los Angeles Housing and Community Investment Department (HCIDLA) will streamline its efforts into three primary programs, 1) Preservation, 2) New Production, and, 3) Pre-development and Acquisition Financing.

### Preservation

Under the Preservation program, the HCIDLA will focus on preserving 500 units annually. Preservation will happen through various efforts including (a) facilitating the renewals of Project-based Section 8 (or similar) contracts, (b) facilitating the re-structure and/or purchase of properties with Project-based Section 8 (or similar) contracts, and (c) re-capitalizing existing affordable housing projects in exchange for lengthening their current affordability restrictions. Preservation projects will target all populations, including, homeless, large families, and seniors. Preservation projects will also have varying levels of affordability citywide or within designated transit-oriented districts (TOD).

In 2013, the City undertook efforts to strengthen its Affordable Housing Bond Program (AHBP). The new and improved AHBP is now streamlined by reducing application processing time by approximately eight weeks. In addition, new policies for re-capitalization of projects that have met their tax credit compliance period (15 year period over which a project must continue to satisfy the various tax credit requirements

in order to avoid tax credit recapture) were incorporated into the Bond Program. These policies will assist in facilitating the re-structure and/or purchase of federally-assisted, at-risk properties and the re-capitalization of existing affordable properties

### New Production

The HCIDLA will focus on adding 500 units annually to the City's affordable housing stock. The new production Program will add units to the City's affordable housing stock through New Construction and acquisition and rehabilitation. New production projects will target all populations, including, homeless, large families, and seniors, with the goal that at least 30% of the annual production serve the homeless through service-enriched housing (i.e., 150 units). New production projects will also have varying levels of affordability and located Citywide. Finally, the HCIDLA will accept the land assets of the former CRA/LA and use them to minimize costs and maximize production of new units. The City is inheriting approximately 60 lots assembled into approximately 21 developable parcels.

### Predevelopment and Acquisition

In order to support preservation and new Production efforts, the HCIDLA will facilitate pre-development and acquisition financing through the New Generation Fund (NGF) and the Los Angeles Supportive Housing Loan Fund (SHLF). Both funds will be used to feed both the preservation and new production pipelines. Moreover, the managed pipeline described under new production will allow for the certainty of "take-out"<sup>130</sup> financing for all predevelopment and/or acquisition loans. The City has not been able to provide this level of certainty in the past, which has caused significant hardship for projects and limited the use of the NGF and the SHLF fund.

## E. Regional Housing Needs Assessment

Under California state law, every jurisdiction is obligated to provide housing to meet its "fair share" of the regional need. The California Department of Housing and Community Development (HCD) is mandated to determine the state-wide housing need for a given planning period. In order to do this, HCD works with regional Councils of Government (COGs) to determine growth projections for the areas they represent. This growth projection is then translated into a Regional Housing Needs Assessment (RHNA), which consists of the total number of new units required to meet the growth needs. Each COG then develops a methodology for assigning each jurisdiction its share, based on factors such as employment, migration, growth and building activity. The number of units assigned to each city or county is known as the "RHNA allocation."

For the RHNA cycle relevant to this Housing Element Update (January 1, 2014 through September 30, 2021), HCD determined that 412,721<sup>131</sup> additional housing units are needed for the six-county region covered by the Southern California

Association of Governments (SCAG) COG. Of the SCAG region allocation, the total assigned to the City of Los Angeles is 82,002 units. Of these, 20,426 are for very low-income, 12,435 are for low-income, 13,728 are for moderate-income and 35,412 are for above moderate-income households (Table 1.29).

**TABLE 1.29**  
**City of Los Angeles Regional Housing Needs Assessment Allocation (2014-2021)**

Income Category	% of total	Number of units
Extremely low income households ( $\leq$ 30% AMI*)	12.5	10,213
Very low income households (31-50% AMI)	12.5	10,213
Low income households (51-80% AMI)	15.2	12,435
Moderate income households (81-120% AMI)	16.8	13,728
Above moderate income households ( $>$ 120% AMI)	43.2	35,412
<b>Total**</b>	<b>100.1</b>	<b>82,002</b>

Source: DCP

\*AMI = Area Median Income \*\*Percentages add up to more than 100% due to rounding.

State law further requires that jurisdictions account for the housing needs of extremely low-income households (those earning less than 30% of the area median income) in addition to the other income categories. As the current RHNA allocations do not include this income category, cities and counties are allowed to calculate it either from census data or by assuming that 50% of the very low-income need is extremely low income. In either case, the total extremely low and very low needs should equal the RHNA allocation for the very low category (20,426 units for Los Angeles). The City has calculated its extremely low-income need to be 10,213 units using the 50% method.

The City of Los Angeles RHNA allocation represents one-fifth of the total SCAG RHNA. The City's current share of the RHNA allocation compared to the SCAG region has increased from the previous 4th Round, when it was approximately one-sixth. The increasing share for Los Angeles represents the RHNA Plan's compliance with the Sustainable Communities Strategy of the Regional Transportation Plan (SCS/RTP), which is required by SB 375, State legislation that passed in 2008. The City of Los Angeles has a very high proportion of the region's High Quality Transit Areas, which affected SCAG's development of its Integrated Growth Forecast.

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# Constraints on Housing Maintenance, Improvement and Development

Chapter 2









# Constraints On Housing Maintenance, Improvement and Development

Producing, maintaining and developing housing that is affordable to households of all income levels and appropriate for special needs populations has many challenges. This is in part due to the existence of regulations and conditions that pose constraints to the production and preservation of housing. Some of these constraints include governmental regulations, infrastructure requirements and market conditions. The City has developed an array of responses to counter these constraints and to facilitate residential development. This Chapter identifies key constraints, as well as the City's strategies to address them. The City continues to proactively explore additional responses to these housing obstacles in the form of new efforts and programs identified in Chapter 6.

## A. Overview Of The City's Environmental Setting

The unique physical landscape of the City of Los Angeles and the measures taken to manage and protect its natural assets produce constraints on housing maintenance, improvement and development within the City. The following discussion of Los Angeles' geography and environmental setting sets the stage for understanding some of these key housing constraints.

The City of Los Angeles contains 467 square miles, or 302,596 acres. Of these, approximately 78% (239,072 acres) is developed and 22% (66,981) is undeveloped. The undeveloped land includes 15,467 acres classified as vacant (subject to urban development), representing 5.1% of the total acreage, and 51,514 acres classified as open space (protected from urban development, representing 16.8% of the total acreage). Major open space

areas in the City of Los Angeles include Griffith Park, the Santa Monica Mountains National Recreation Area, the Ballona Wetlands south of Marina del Rey, and the Verdugo Mountains in the northeastern sector of the City.

Los Angeles' "urban form," or its physical structure, has evolved in response to its natural environmental landscape, to the street car system of the early twentieth century, and to the adoption of the automobile as the main mode of transportation in the latter half of the twentieth century. The City consists of relatively flat basins that are defined by the San Gabriel Mountains to the north, and by the Santa Susana Mountains, the Santa Monica Mountains and the Pacific Ocean to the west and south. The Santa Monica Mountains bisect the City, separating the San Fernando Valley from the Los Angeles metropolitan basin. Its eastern edge is defined by the Verdugo Mountains and the San Rafael Hills, subdividing the eastern end of the San Fernando Valley, with the communities of Sunland and Tujunga located to the north.

Three major rivers flow through the Los Angeles Basin to the Pacific Ocean: the Los Angeles River, the Rio Hondo, and the San Gabriel River. Relief within the drainage basins in which the city is located ranges from sea level to over 2,700 feet. Most of the City is located in the coastal plain, a gently sloping area of low relief, containing only a few depressions or ponding areas. Local mountainous areas contain steep-walled canyons with slopes of 70% or more. In mountainous regions, largely natural areas in and near Los Angeles, steep canyon slopes and channel gradients lead to rapid concentrations of storm runoff. Geologic conditions in the local hills and mountains often make construction difficult due to landslide-prone and unpredictable bedrock.

Based on Department of City Planning (DCP) data, approximately 7% of the City is developed with commercial uses and 8% with industrial uses, excluding the Los Angeles Port and LAX. Residential land use represents the largest land use, comprising 56% of the City. The largest share of this residential land use is for single-family dwellings, approximately 44% of the City, while multi-family units comprise approximately 12%.



## B. Governmental Constraints

The supply, distribution, and cost of housing in Los Angeles are all affected by local, state and federal land use regulations and state environmental laws. While the current shortage of affordable housing inventory is primarily due to high land and construction costs, these factors are often exacerbated by governmental regulations. This section examines the impact of governmental regulations on residential development.

### 1. Land Use: The General Plan

California State Law requires every city and county to adopt a comprehensive General Plan to guide its future development. The General Plan essentially serves as a “constitution for development” – the foundation for all land use decisions. Every jurisdiction’s General Plan includes seven required elements mandated by State law (land use, circulation, housing, conservation, open space, noise and safety); local governments may adopt additional elements to address local priorities and planning goals. All elements are required to be consistent with each other.

#### Framework Element

The City of Los Angeles Citywide General Plan Framework Element (adopted in 1996) establishes the broad overall policy and direction for the entire General Plan. It is a smart-growth plan that provides a long-range citywide strategy to guide both the implementation and the comprehensive update of all of the General Plan’s elements. The Framework Element also establishes the City’s capacity for potential residential development, general locations for such development, and the associated infrastructure necessary to support it. The Environmental Impact Report (EIR) for the Framework Element calculated the total build-out capacity for the City in the locations identified in the Framework Element at 2.4 million housing units, and evaluated the environmental impacts of this build-out capacity. As of 2010, there was a total of 1,413,995 housing units in the City; thus, there remains the capacity to build almost one million additional housing units within the Framework Element’s environmental clearance “envelope” that would be consistent with the General Plan and its various Elements.

#### Land Use Element

The Land Use Element of the City’s General Plan identifies the locations, densities, and other characteristics of the housing capacity at the community level, as established in the Citywide Framework Element. Due to Los Angeles’ size, the Land Use Element is divided into 35 areas, with 35 Community Plans (Map 2.1), which guide the growth and physical development, or urban form, for each of the City’s neighborhoods. This is pursuant to the

policies established in the Framework Element. The planning process for each Community Plan involves extensive community outreach, participation and input, in order to identify issues and opportunities, as well as to set goals for development. Community Plans aim to establish sustainable growth patterns while balancing the unique character of individual communities, including the preservation and maintenance of housing. The plans also address infrastructure, urban design, jobs, transportation and mobility issues.

Table 2.1 lists General Plan land use categories (both residential and non-residential) that permit housing. The table also lists the corresponding zoning and residential density ranges. As shown, the City of Los Angeles permits a wide range of housing densities to accommodate varying housing types throughout its 35 communities.

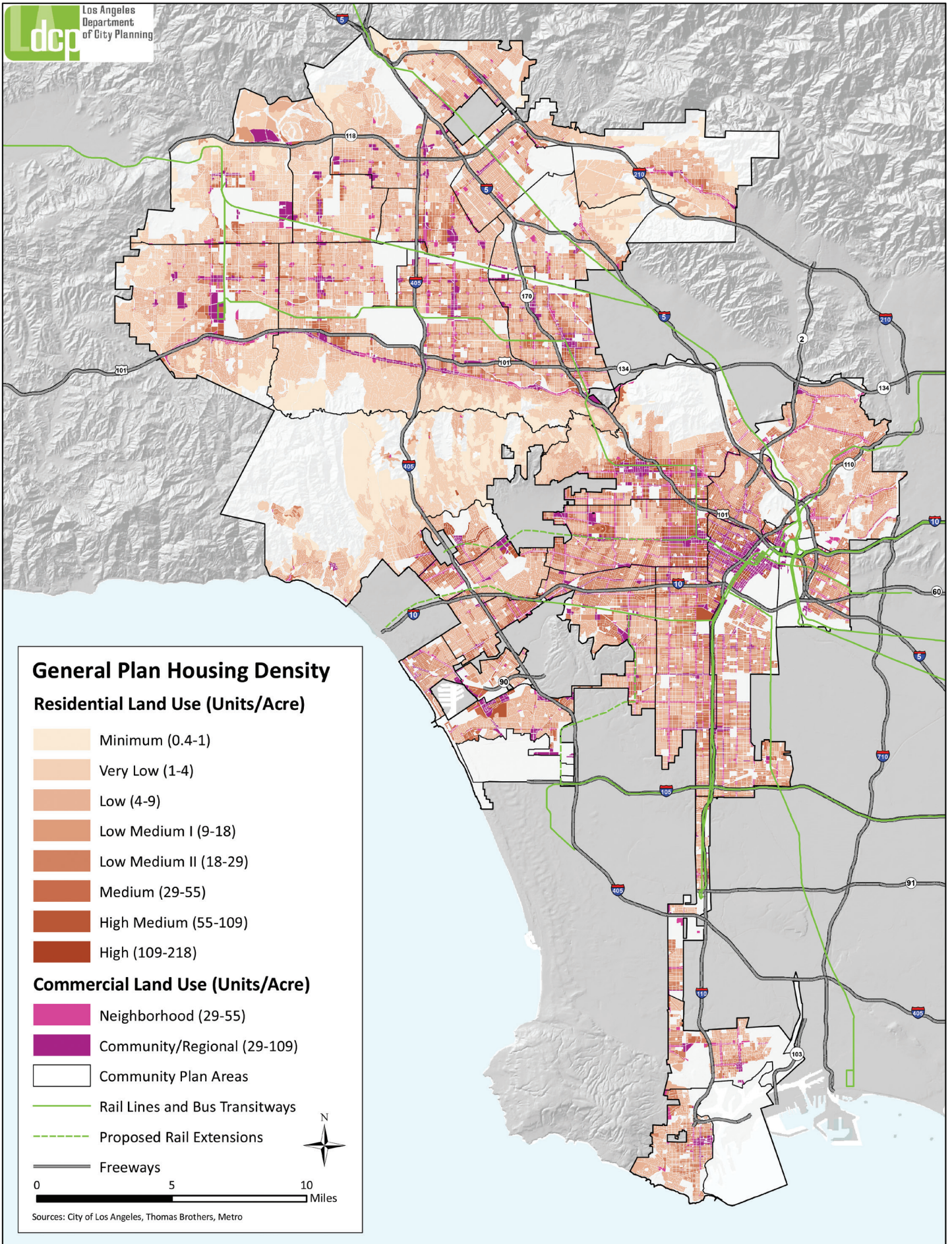
**TABLE 2.1:**  
**General Plan Land Use Categories**

Residential Land Use Categories	Corresponding Zoning <sup>1</sup>	Density (Units / Net Acre)
Minimum	A1, A2, RE 40	0.4 – 1
Very Low I	RE 20, RA	1 – 3
Very Low II	RE 15, RE 11	3 – 4
Low I	RE 9, RS, RU	4 – 9
Low II	R1, RZ5	4 – 9
Low III	RD 5, RD 6	7 – 9
Low Medium I	R2, RD3, RD4, RZ3, RZ4, RU, RW1	9 – 18
Low Medium II	RD1.5, RD2, RW2, RZ2.5	18 – 29
Medium	R3	29 – 55
High Medium	R4	55 – 109
High	R5	109 – 218
Limited Commercial	C1, C1.5, CR, R3, RAS3, P	29 – 55
Neighborhood Commercial	C1, C1.5, CR, C2, C4, R3, RAS3, P	29 – 55
Community Commercial	C1.5, CR, C2, C4, R3, RAS3, R4, RAS4, P	29 – 109
Regional Center/ Regional Commercial	C1.5, CR, C2, C4, R4, RAS4, R5, P, PB	29 – 109
Hybrid Industrial	CM, P	29 – 109

Source: City of Los Angeles, Department of City Planning



Map 2.1  
Residential Land Use in Los Angeles



Each community planning area has its own land use plan that specifies the acreages of permitted land uses (see Map 2.1 for current residential land use designations). Residential land use categories vary from Minimum (corresponding with zoning categories of open space, agricultural, and residential estate at one dwelling unit per acre or less) to High (corresponding with zoning category R5 at densities as high as 218 dwelling units per acre). Commercial land use categories correspond with one or more of seven commercial zones that permit residential development according to either R3 or R4 zoning standards.

The City's General Plan, as expressed through land use policies for each of the community plans, offers a range of housing choices and does not represent a potential impediment to providing equal housing opportunities, according to the most recent Analysis of Impediments to Fair Housing Choice.

### New Community Plan Program

DCP is currently updating seven Community Plans as part of its New Community Plan (NCP) Program and an additional four on hold, pending additional resources. An additional plan, the Hollywood Community Plan, was approved by City Council in 2012. The NCP program is a major ongoing effort of the department.

A major objective of the NCP program is to increase the level of specificity in the Community Plans and to implement the Plan's major policies and objectives through the concurrent adoption of previously addressed zoning and regulatory tools, subsequent to plan update and adoption. The new Community Plans will include all necessary re-zonings and other implementation measures, such as specific plans, historic preservations and/or design overlays.

Currently, the following seven Community Plan revisions are in progress:

- |  |                          |
|--|--------------------------|
| 1. Sylmar                                | 4. South Los Angeles     |
| 2. Granada Hills / Knollwood             | 5. Southeast Los Angeles |
| 3. West Adams/Baldwin Hills/Leimert Park | 6. San Pedro             |
|  | 7. Boyle Heights         |

The following four Community Plan revisions are on hold pending additional staff resources:

- |                    |                      |
|--------------------|----------------------|
| 8. Central City    | 10. West Los Angeles |
| 9. Sunland-Tujunga | 11. Westlake         |



Part of the Community Plan revision process involves ensuring that adequate capacity for residential development can be met and is tailored to the individual neighborhoods that comprise a Community Plan area. Each new Community Plan establishes appropriate land use and zoning to accommodate its requisite share of the City's expected population growth and demand. In the past, Community Plans were so broad as to not provide the level of detail or specificity desired by the development community, residents or other stakeholders or facilitate development that was most compatible with unique neighborhood character. For example, land use designations allow a broad range of zones and densities, so that an equally broad range of projects comply with the Plan. In the absence of any tailored regulations for scale, design, height or density, projects are typically subjected to multiple levels of scrutiny and public review, hindering the development of new housing in some locations.

### **Alleviating Constraints of the General Plan**

The New Community Plan Program seeks to provide more specificity about the scale and design of projects that comply with neighborhood-specific regulations in each Community Plan, which will result in a higher level of certainty and specificity in the development process. The adoption of each new Community Plan update will include corresponding zone changes and additional planning tools necessary to implement General Plan goals.

An important new tool enabled through the Zoning Code in 2011 is the Community Implementation Overlay Zone (CPIO). The purpose of the CPIO is to provide for supplemental development regulations tailored to each Community Plan area to ensure that development enhances the unique architectural, environmental, and cultural qualities of the neighborhood. Potential impacts of the new CPIO districts on residential development will be analyzed separately under Section 4 below, under Zoning and Neighborhood Implementation Tools.

Environmental Impact Reports (EIRs) will be certified for each new Community Plan. This will reduce some of the environmental review requirements for subsequent projects within each area. For example, housing projects below a certain threshold that comply with the Plan would not need additional environmental review.

## **2. Land Use: Zoning**

Zoning laws divide cities into districts (reflected on the zoning maps) and specify regulations for those districts (set forth in the zoning code). The basic uses are agricultural, residential, commercial, and industrial. The zoning code and its associated maps establish permitted uses and densities, and establish rules about building heights, coverage, setbacks and other characteristics. The regulations govern new construction activity,

as well as rehabilitation, preservation, maintenance and demolition activities. While zoning laws establish capacity and volume of space that can be permitted on land, they can also be a constraint on capacity.

The City's zoning districts allow for a variety of housing types and densities – from agricultural residential at less than one dwelling unit per acre to high density at over 200 dwelling units per acre. Appendix E entitled "Generalized Summary of Zoning Regulations," summarizes the types and densities of residential uses permitted in each of the City of Los Angeles' zones, including minimum lot areas, required setbacks, maximum building heights, required parking spaces, and maximum densities for each zone. The zoning in the City is generally cumulative and inclusionary. It permits less intense uses to be built within a zone and permits residential uses to be developed in commercial zones. For instance, R1, R2, and R3 uses are allowed within a R4 zone, and are also permitted in all commercial zones. No minimum requirements are established in any zone.

Los Angeles' Zoning Code was last comprehensively updated in 1946. Since then, every time a complex issue arose the only practical way to address the problem was to create new zones, entitlements, or overlays. Because of these amendments, the code has grown to over 600 standard-format pages, with more than 70 types of discretionary entitlements. New entitlements are added to this list virtually every year. In addition, over 60% of the City is covered by site-specific conditions (called Q, T, & D Conditions), and special overlays. The process of addressing each specific issue and individual neighborhood on a piecemeal basis is clear evidence that the Code is not living up to the needs of the City. It has become a document that is not fiscally effective or sustainable for either developers required to file for discretionary approvals or the Planning staff required to process them.

### Zoning for A Variety of Housing Types

Multiple Family Housing: Multi-family housing (including SROs and permanent supportive housing) are allowed by right in the following residential and commercial zones: RW2; R2; RD 1.5; RD2; RD3; RD4; RD5; RD6; R3; RAS3; R4; RAS4; R5; CR; C1; C1.5; C2; C4; C5; and CM. "By right" means that no process whatsoever is required for the construction of multi-family housing, SROs or permanent supportive housing in each of these zones. Developers of such housing file building plans with the Department of Building & Safety. Plans are checked for compliance with the Building Code and, when in compliance, permits are issued to begin construction. Multi-family housing projects that create a net increase of 50 units on a site (i.e. 50 units more than previously existed on a site) are subject to Site Plan Review.

Site Plan Review is an internal review by Department of City Planning staff to address urban design issues of such projects. There is no public hearing and the review does not affect the number of units (or other entitlements) of a project. Site Plan review determinations may be appealed to the City





Planning Commission. An appeal will include a public hearing. Densities in the multi-family residential zones range from seven units per acre to 218 units per acre. Multi-family housing as well as mixed-use projects are allowed by right in commercial zones, at densities ranging from 54 to 218 units per acre. RAS3 and RAS4 zones allow specific types of neighborhood-serving commercial uses to be incorporated on the ground floor of residential buildings.

Factory-Built (Manufactured) Housing: State law requires factory-built homes complying with federal standards and installed on a permanent foundation be permitted on any parcel where the City allows conventional single-family homes. The homes must also be permitted under the same development standards as the "site-built" homes. The City's Zoning Ordinance expressly allows factory-built housing units in the RU zone but is otherwise silent on this building type. Factory-built housing is permitted in all single-family zones as long as standard life-safety guidelines are met.

Mobile Home Parks: The City's RMP Zone allows development of residential mobile home parks to encourage the provision of affordable housing by permitting both the retention and expansion of existing, as well as the establishment of new, mobile home parks.

Secondary (Accessory) Living Units: Pursuant to State law, second dwelling units are allowed by right in all of the City's single-family zones (A, RA, RE, RS, R1, RMP and RW1) as long as the AB 1866 standards are met, as follows:

- 1) The unit is not intended for sale and may be rented;
- 2) The lot is zoned for single-family or multifamily use;
- 3) The lot contains an existing single-family dwelling;
- 4) The second unit is either located within the living area of the existing dwelling (attached) or on the same lot as the existing dwelling (detached);
- 5) The total area of the increased floor area of an attached second unit does not exceed 30 percent of the existing living area;
- 6) The total area of the floor area for a detached second unit shall not exceed 1,200 square feet;
- 7) The requirements relating to height, setback, lot coverage, architectural review, site plan review, fees, charges, and other zoning requirements generally applicable to residential construction in the zone in which the property is located;

8) The local building code requirements which apply to dwellings, as appropriate, are also met; and

9) A minimum of one additional covered or uncovered off-street parking space is provided. If not otherwise prohibited by the zoning ordinance or any other land use regulation, tandem parking is permitted and the parking may occur in a required yard.

**Homeless Shelters:** Homeless shelters are allowed by right in R4 (with performance standards), RAS 4, R5, C1.5, C2 (with performance standards), C4, C5, and CM zones. In addition, as a public benefit, homeless shelters of under 30 beds are allowed by right in R3, M1, M2 and M3 zones provided that they comply with certain performance standards. The performance standards limit homeless shelters to 30 beds designed to serve not more than 30 people and require that shelters be located at least 600 feet from another such shelter. Winter emergency shelters are allowed by right in any zone on a government owned or operated site or in R3, RAS3, R4, RAS4, R5, C2, C4, C5, CM, M1, M2 and M3 zones if operated by a charitable organization.

**Homes for Seniors:** Philanthropic institutions, homes for the aged associated with philanthropic organizations, and boarding houses for the aged associated with philanthropic organizations are permitted in R4, R5, CR, C1, C1.5, C2, C4 and C5 zones. Conditional use permits are required if not permitted by right.

Private homes for the aged, private boarding homes for the aged, hospitals, convalescent homes and sanitariums are permitted in R5, C1, C1.5, C2 and C5 zones. Conditional use permits are required if not permitted by right.

Retirement homes are permitted in R4, R5, CR, C1, C1.5, and C2 zones. A conditional use permit is required in C zones if a retirement home is within 500 feet of an R zone.

In 2006, the City amended the Zoning Code to streamline and facilitate the development of "Eldercare Facilities" to consolidate application and land use entitlement review procedures. The Ordinance allows the development of Eldercare Facilities in any residential zone as long as neighborhood compatibility findings are made, per a Zoning Administrator determination. The definition of "Eldercare Facility" includes Alzheimer's/Dementia Care Housing, Assisted Living Care Housing, Senior Independent Housing and Skilled Nursing Care Housing.

**Apartment houses and Condominiums:** Apartment houses and condominiums are permitted in R2, RD, R3, R4, R5, RAS3, RAS4, CR, C1, C1.5, C2, C4, C5, and CM zones.

**Boarding Houses:** Boarding houses are permitted in R3, R4, R5, CR, C1, C1.5, C2, C4, C5 and CM zones.

Conditional Uses: Institutions, public facilities and other special uses are not permitted by right but are permitted by Conditional Use permits. With the exception of density bonus projects that exceed the maximum density permitted by law, multi-family housing projects do not require Conditional Use permits. Conditional Use provisions in the Zoning Code, therefore, do not constrain zoning capacity.

In general, uses that were in existence in an area prior to a change in zoning designation for the area are allowed to continue. However, changes to the structure or use and expansions may not be approved if they do not comply with the current zoning regulations for the site. This can pose substantial constraints to the preservation and maintenance of existing, older residential facilities. Substantial rehabilitation may be necessary for the safety of occupants; yet zoning requirements may trigger additional and costly renovation, which could lead to demolition rather than preservation.

Adaptive Reuse of Older Buildings: In 1999 the City adopted an Adaptive Reuse Ordinance, which waived many of the zoning regulations in order to facilitate the conversion of existing, economically obsolete office buildings into new residential apartments and condominiums. The zoning changes, along with the adoption of alternative building codes for older buildings, permit substantial, physical alterations to be made that modify the building's original, intended use without a requirement for any discretionary action by the City. This resulted in the creation of at least 9,000 housing units in the downtown area alone. These by-right building and zoning codes are applicable in the following Adaptive Reuse Incentive Areas:

Downtown Los Angeles (Central City Community Plan Area and the Figueroa Corridor Economic Development Strategy Area)

Hollywood Redevelopment Project Area

Wilshire Center/Koreatown Redevelopment Project Area (certain portions only)

Lincoln Heights and Chinatown

Central Avenue (between Vernon Avenue and the Santa Monica Freeway)

Older, obsolete buildings located outside the incentive areas may also qualify for adaptive reuse, but they must meet additional criteria and require discretionary approval.

### **Alleviating Constraints of Zoning**

The Los Angeles Department of City Planning is embarking on a five-year work program to completely rewrite and simplify the City's Zoning Code. The

central purpose of comprehensively revising the City’s antiquated zoning code is to enable and facilitate better implementation of the City’s General Plan. Completion of this project will benefit the City through: 1) simplified, accessible land use regulations, understandable to both neighborhood stakeholders and developers; 2) an economic development tool that will help shore up the City’s tax base; 3) tools for revitalizing Downtown Los Angeles; and 4) more effective planning and place-making tools to improve our communities.



### 3. Land Use: Residential Density and Development Standards

The City of Los Angeles residential density standards are defined by the zone (See Appendix E, Generalized Summary of Zoning Regulations). Zones dictate the number of units allowed per lot. A, RA, RE, RS, R1, RZ, and RW1 zones are limited to one dwelling unit per lot. The R2 and RW2 zones are limited to two dwelling units per lot. The RD, RMP, R3, RAS, R4, R5, and C zones allow multiple dwelling units at densities ranging from seven units per acre to 218 units per acre.

The City of Los Angeles development standards relating to setbacks, floor area, height, open space and parking are outlined in the City’s Planning and Zoning Code and are comparable to those of surrounding cities. These development standards have been established to maintain public health and safety and are enforced by the Department of Building and Safety. This uniformity protects property values and provides certainty to the development process. They could also be considered density constraints. They also could be constraints to the preservation of older residential stock, as rehabilitation of such stock may not be able to comply with current development standards and therefore demolition might be more cost effective than maintenance and preservation.

#### Floor Area and Height Limitations

All zones are also in designated Height Districts in Los Angeles, which establish the maximum building size through floor area ratios (FAR) and, in some instances, height limitations, as follows:

**TABLE 2.2  
Height Districts and Corresponding Floor-Area-Ratios (FAR)**

Height District	FAR
1	1.5 to 1 in C zones/3 to 1 in R zones
2	6 to 1
3	10 to 1
4	13 to 1



Even the lowest FAR for residential zones of three to one is not a constraint on build-out of density for residential development, as it provides sufficient buildable area to maximize allowable densities (parking, stairwells, elevator shafts and other building components are excluded from the FAR calculation). Approximately 5% of land in Height District 1 is subject to specific height limits, identified as 1L (6 stories/75 feet), 1VL (45 feet) and 1XL (30 feet). In most cases these limits do not prevent development of the full number of units allowed in the zone in which they are imposed.

In 1986, voters in Los Angeles approved Proposition U, which reduced the allowable floor area ratio in all commercially and industrially-zoned parcels in Height District 1, from a floor area ratio (FAR) of three times the buildable area of the lot, to one and one-half times the buildable area. This directly affected housing production because residential units are permitted by right in the commercial zones, and the General Plan encourages housing on commercial corridors that are in close proximity to transit. Furthermore, many of the City's transit corridors are zoned for commercial use and are in Height District 1. Thus, this voter initiative made building housing in transit corridors more difficult and constitutes a significant constraint.

### Parking Requirements

General parking requirements for the City are contained in Section 12.21 (General Provisions) of the L.A. Municipal Code. The number of parking spaces is determined by the number of dwelling units and the number of habitable rooms in each unit. Two covered, on-site parking spaces are required for a single-family dwelling, except for those created through small-lot subdivisions and in hillsides. Parking for small-lot subdivisions need not be covered or located on-site so long as the spaces are within the boundaries of the parcel or tract map that created the small lot subdivision. For single-family hillside developments, two covered on-site parking spaces are required plus one parking space for each 1,000 square feet above 2,500 square feet of floor area. For multi-family residential, one parking space is required for a dwelling unit of less than three habitable rooms, one and one-half spaces for a dwelling unit with three habitable rooms and two parking spaces for dwelling units of more than three habitable rooms (the Zoning Code includes kitchens as habitable rooms).

The cost of a parking space increases significantly if parking has to be provided below grade or in an above-grade parking structure. The cost of constructing typical above-ground parking is between \$26,000 and \$30,000 per stall and rise to \$50,000 per space if required to be subterranean<sup>130</sup>. Guest parking is not required by the City for any by-right housing development under the L.A. Municipal Code. However, guest parking is frequently added as a condition of subdivision (condominium) approval at the rate of one-half

<sup>130</sup> [http://www.lbl.gov/Workplace/transportation/assets/doc/WC08-2572\\_Parking\\_Structure\\_Memo\\_012909.pdf](http://www.lbl.gov/Workplace/transportation/assets/doc/WC08-2572_Parking_Structure_Memo_012909.pdf)

space per unit in identified parking congestion areas and one-quarter space per unit in non-congested areas. The parking requirement for by-right rental developments is based solely on the number of habitable rooms.

Providing parking represents a significant cost to developers, which affects affordable housing production. Parking requirements, therefore, likely act as a constraint to affordable housing development. However, financial lenders to housing developers often require the provision of a certain level of parking, regardless of the City's regulation. In addition, market demand often mandates the provision of parking, regardless of the City's regulation.

### Open Space Requirements

The Open Space ordinance (Ordinance Number 171,753, LAMC Section 12.21 G) was adopted in 1997 to provide common and private open space for the tenants of multi-family residential projects. The ordinance requires a minimum of 100 square feet of on-site usable open space for every dwelling unit with less than three habitable rooms in new developments having six or more units. It requires a minimum of 125 square feet of open space for every dwelling unit with three habitable rooms, and 175 square feet for each unit with more than three habitable rooms. The objectives of the Open Space Ordinance are: 1) to provide for outdoor and recreational space; 2) to provide safer play areas for children; 3) to improve the aesthetic quality of buildings by reducing massing; and 4) to increase natural light and ventilation, improve pedestrian circulation, and provide access to on-site recreation facilities. This requirement for open space improves urban design and contributes positively to the quality of life.

Although the open space requirement could be considered a constraint to affordable housing development as it causes a reduction in the number of units which could be developed, the market would likely require the provision of some open space, regardless of the City's regulation.

### Alleviating Constraints of Residential Development Standards

In order to address the restrictions on housing imposed by Proposition U, the City Council adopted two new zones in December 2002 that permit an increase in FAR on commercial boulevards. These zones (Residential Accessory Services, RAS3 and RAS4) permit 100% housing projects or housing above ground floor neighborhood services, and allow a floor area ratio of three to one, reduced setbacks, and a 50 foot height limit. Property owners must apply for a zone change on a specific site in order to utilize the RAS zones. From 2003 through 2012, there have been approximately 10,000 new housing units filed for RAS zone changes on the City's commercial boulevards.



Constraints on the production of housing created by density and FAR limitations are being addressed by expanding the concept of FAR averaging and Transfer of Floor Area Ratios (TFAR). The averaging of floor area ratios will now be permitted beyond just downtown (i.e. citywide) for buildings which will comprise a unified mixed-use development in the C or M zones, or in the R5 zone within the Central City Community Plan Area, even if buildings on each individual parcel or lot would exceed the permitted floor area ratio. In addition, the Transfer of Floor Area Ratios between sites has been established in new Specific Plans such as Cornfield-Arroyo Seco near downtown, as well as re-established in the central city after the dissolution of the Redevelopment Authority put the program in jeopardy.

In regards to parking, constraints on the production and preservation of housing are addressed by allowing less parking in certain developments and creating new innovative parking strategies at the neighborhood level. Reduced parking may be allowed for senior citizen housing projects under the L.A. Municipal Code (LAMC), Section 12.24 C1.1 (g). Frequently, shared parking plans are approved allowing commercial and residential users to utilize portions of the same parking areas at different times of day. Also, through recent changes in the City's Zoning Code, mechanical lifts and robotic garages are now allowed in the city. This can improve housing production by allowing more on-site parking on less land.

The City recently adopted the Modified Parking Requirements Ordinance (2012), which enables the City to use one of six new innovative parking strategies at the neighborhood level. The Ordinance allows alternatives to current parking standards, such as: 1) change of use parking standards, 2) use of a new Parking Reduction Permit, 3) off-site parking within 1,500 feet, 4) decreased parking requirements, 5) commercial parking credits, and 6) maximum parking limits. The City intends to deploy these new parking strategies as part of community planning efforts across the City.

The need for reduced parking for affordable and senior housing has long been recognized and addressed in various parts of the Code, which permits parking reductions by-right, including but not limited to projects in the Downtown area (1 space per unit), Central City West area (1 to 1.25 spaces per unit); narrow lot dwellings (1 space per dwelling); senior housing projects (50% of normally required spaces); conversion of a single dwelling to 2 or more units (1 space per unit); and homeless shelters (25% of required spaces) (LAMC, Section 12.21-A,4). Income-restricted affordable housing developments are eligible to take advantage of one of two reduced parking options contained in the Density Bonus code (12.22-D, 1-2). The 2006 Eldercare Ordinance facilitated reductions in required parking for certain types of senior housing. In addition parking for restricted affordable units was limited to one space per units, per section 12.22-A,25(d) (2) of the Los Angeles Municipal Code (affirmed by ZA 2009-2676-ZAI).

Implementation of the State density bonus law also mitigates the effects of residential development standards by waiving or modifying such standards

in return for providing a certain percentage of affordable housing in market-rate residential projects. In LAMC Section 12.22 A.25, the City has adopted density bonus regulations and procedures implementing State law. With recent changes in the State density bonus law due to the enactment of SB 1818, developers may request up to three incentives in addition to the density bonus and one of two parking relief options. The incentives are deviations from the City’s development standards, thus providing greater relief from regulatory constraints. Density bonus projects are also able to sell or rent parking spaces separately from the dwelling units, so that buyers and tenants have the option of purchasing or renting a unit without a parking space.

The City’s SB 1818 Density Bonus implementing ordinance is intended to facilitate requests for incentives by providing a streamlined process for projects opting for a “menu” of incentives. Incentives on the menu include greater building height, reduced setbacks, averaging of density, open space and parking across multiple zones and reduced building open space. The City’s ordinance also permits an increase in FAR from 1.5:1 to 3:1 for commercially-zoned properties in Height District 1 that are within 1,500 feet of a rail station or a Rapid Bus stop, which promotes greater transit-orientation of housing projects.

Data from DCP and HCIDLA data from 2006 to 2011 show that a total of 185 Density Bonus projects received affordable housing covenants from 2006-2011, to produce 3,453 affordable units and 7,890 total units. The production in this more period is 36% higher than the 2,544 affordable housing units produced through the Density Bonus Program from the prior six year-period, from 2000-2005 (Table 2.3). The trends in the percentage of affordable units created through the program have also shifted over the years. Between 1990 and 1999, 46.2% of the (4,548) units were produced through the use of density bonus incentives were affordable. In contrast, between 2000 and 2011, the percentage of affordable units was 39.7%. Combined, these trends illustrate greater “market-based” use of the Density Bonus programs since the passage of SB 1818.

**TABLE 2.3**  
**Affordable Units through Density Bonus Incentives – 1990-2012**

Year	Density Bonus Projects	Total Units	Affordable Units	Percent Affordable Units
1990-1995	N/A	2,343	1,147	49.0%
1996-1999	N/A	2,205	952	43.2%
2000-2005	164	7,235	2,544	35.2%
2006-2011	185	7,890	3,453	43.8%
Total 1990-2011	N/A	19,673	8,096	41.2%

Source: Los Angeles Housing and Community Investment Department, Department of City Planning



In the event a zone or particular development standard poses a unique hardship, zone changes or variances to codified zoning requirements are granted when the hardship can be demonstrated and specific findings are met. Such deviations are granted in compliance with an established process that includes a public hearing and one or more levels of decision-making. For some variances that are determined to be non-controversial and minor, public hearings may be waived. An existing program to assess barriers to the preservation of dwelling unit has been modified and expanded to reflect work that has taken place as well as possible new policy directions (Preservation Barriers Assessment).

The City's Adaptive Reuse Ordinance contains numerous incentives to convert, or rehabilitate for residential use, obsolete buildings built before 1974. Underlying density restrictions, floor area limits, loading and parking requirements are waived under the Adaptive Reuse Ordinance. There is no limit on the number of apartments, live/work units or hotel rooms permitted, so long as no new floor area is added, and the project complies with the standards specified in the ordinance. Loft units may be added, so long as they do not exceed one-third the size of the floor below and comply with the program's construction guidelines. Although no new parking spaces are required, existing parking spaces must be maintained, but may be used for any on-site or off-site use. Under the Adaptive Reuse Ordinance the minimum size for each apartment and live/work unit is 450 square feet, as compared to elsewhere in the city where the minimum average size for all apartments and live/work units is 750 square feet. From 2006 to 2012, a total of 92 building permits containing 4,127 units have been issued for Adaptive Reuse projects. This compares to more than double the number of units (8,558) that were approved under the Adaptive Reuse regulations from 2000 to mid-2007. The reduction in production under the program is likely a result of fewer buildings able to be easily converted, as well as escalating property costs downtown.

#### **4. Land Use: Zoning and Neighborhood Implementation Tools**

##### **Specific Plans**

A Specific Plan is a permanent, tailored zoning ordinance that regulates and provides incentives for certain kinds of development in order to preserve the character of specific neighborhoods. The establishment of Specific Plans is authorized by Section 11.5.7 of the City's Zoning Code. Specific Plans in Los Angeles range from industrial areas, to commercial areas, to single family and mixed-use neighborhoods. Typical issues addressed by Specific Plans include land uses, density, FAR, building design, height, landscaping and parking requirements. However their scope can be quite broad, including transportation mitigations that link affordable housing and trip credits, such as those found in the Coastal Transportation Corridor Specific Plan.

Some Specific Plans effectively loosen zoning restrictions and increase residential density, while others act as a constraint on the amount of residential development that could otherwise be built in an area. A few Specific Plans contain measures that incentivize or require the provision of affordable housing (including Glencoe-Maxella and Playa Vista), while some other Plans might, inadvertently, result in the accelerated loss of existing affordable rent stabilized housing. For these reasons, it is difficult to ascertain overall impacts to the production and preservation of housing in the City's 45 Specific Plans.

Inclusionary housing provisions contained in the Central City West and Warner Center Specific Plans have been deleted due to the Palmer vs. City of Los Angeles lawsuit (2009). The courts have ruled that requiring a developer to set-aside a percentage of rental units for affordable housing is in violation of the statewide Costa-Hawkins law and therefore the City cannot enforce those provisions in its Specific Plans (the ruling does not affect owner-occupied housing). No replacement housing policies for these areas has been identified, as yet.

There are currently 48 Specific Plans in effect in the City of Los Angeles as listed below (\*In revision):

1 Alameda District	14 Girard Tract
2 Avenue 57 TOD Neighborhood Plan	15 Glencoe/Maxella
3 Bunker Hill	16 Granada Hills*
4 Central City West	17 Hollywoodland
5 Century City North	18 LAX/El Segundo Dunes
6 Century City South	19 Los Angeles International Airport (LAX)
7 Coastal Bluffs	20 Los Angeles Sports and Entertainment District
8 Coastal Transportation Corridor	
9 Colorado Boulevard	21 Mt. Washington/Glassell Park
10 Cornfield-Arroyo Seco	22 Mulholland Scenic Parkway
11 Crenshaw Corridor	23 NBC Universal
12 Devonshire/Topanga Corridor	24 North University Park
13 Foothill Blvd Corridor	25 North Westwood Village

26 Oxford Triangle	39 Valley Circle/Plummer St. Scenic Corridor
27 Pacific Palisades Community Village and Neighborhood	40 Valley Village
28 Park Mile	41 Venice Coastal Zone
29 Playa Vista Area B	42 Ventura/Cahuenga Blvd
30 Playa Vista Area C	43 Vermont-Western TOD Station Neighborhood Area Plan
31 Playa Vista Area D	44 Warner Center*
32 Porter Ranch	45 West Los Angeles Traffic Improvement and Mitigation Plan*
33 San Gabriel/Verdugo Mountains Scenic Preservation	46 Westwood Community Multiple Residential
34 San Pedro	47 Westwood Design Review Board
35 San Vicente Scenic Corridor	48 Westwood Village
36 Sepulveda Corridor	49 Wilshire-Westwood Scenic Corridor
37 South Central Alcohol Sales	
38 University of Southern California (USC)	

**Historic Preservation Overlay Zones (HPOZs)**

The City of Los Angeles is comprised of a variety of neighborhoods that contain buildings of cultural, historical, and architectural significance. Historic Preservation Overlay Zones (HPOZs) are a tool to protect the historic fabric and neighborhood character by ensuring that demolitions, new construction, remodeling projects and other changes within the HPOZ follow specific guidelines. The City of Los Angeles has 29 Historic Preservation Overlay Zones, including eight that have been established since the previous Housing Element Update.

The establishment of HPOZs is authorized by Section 12.20.3 of the Zoning Code and administered by the City Planning Department in concert with the Cultural Heritage Commission and the City Council. Each zone must have a Historic Resources Survey certified by the Cultural Heritage Commission that identifies the properties to be preserved (contributing structures). Each HPOZ

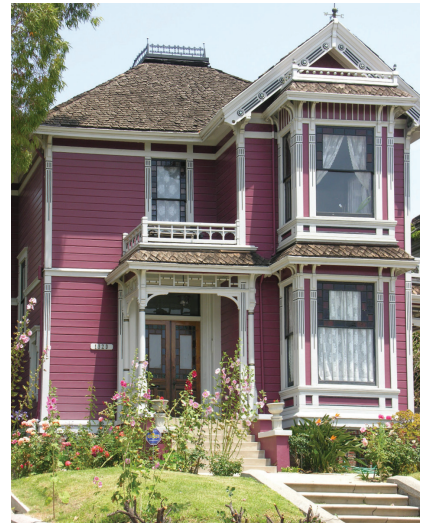
has a Historic Preservation Board with five appointed members who review projects and prepare a Preservation Plan to specify appropriate architectural styles within the zone. The 29 HPOZs in the City of Los Angeles are:

- |                                |                        |
|--------------------------------|------------------------|
| 1. Adams Normandie             | 16. Miracle Mile North |
| 2. Angelino Heights            | 17. Pico/Union         |
| 3. Balboa Highlands            | 18. South Carthay      |
| 4. Banning Park                | 19. Spaulding Square   |
| 5. Carthay Circle              | 20. Stonehurst         |
| 6. Country Club Park           | 21. University Park    |
| 7. Gregory Ain Mar Vista Tract | 22. Van Nuys           |
| 8. Hancock Park                | 23. Vinegar Hill       |
| 9. Harvard Heights             | 24. West Adams Terrace |
| 10. Highland Park-Garvanza     | 25. Western Heights    |
| 11. Hollywood Grove            | 26. Whitley Heights    |
| 12. Jefferson Park             | 27. Wilshire Park      |
| 13. La Fayette Square          | 28. Windsor Square     |
| 14. Lincoln Heights            | 29. Windsor Village    |
| 15. Melrose Hill               |                        |

Pending HPOZs under active consideration (in order of date of initiation by City Council motion):

- |   |                   |
|---|-------------------|
| 1. Vinegar Hill Expansion               | 4. Carthay Square |
| 2. Tifal Brothers East 52nd Place Tract | 5. Vermont Square |
| 3. 27th and 28th St./Paloma Avenue      |                   |

HPOZs regulate architectural style rather than the number or the type of dwelling units. However, certain historically compatible designs and materials can raise the cost of housing production and rehabilitation, and the scale of buildings may





be limited to fit in with the historic scale of the neighborhood. To a small degree, HPOZs may therefore be a barrier to affordable housing maintenance, preservation and production due to the additional layer of architectural regulations they impose. However, most HPOZs are located in lower density residential areas and less than three percent of the City's residential parcels (almost 25,000) are located in HPOZs. Given the limited number of parcels affected, and the fact that most are lower density areas already, the overall impact on housing production is limited.

### **Alleviating Constraints of Neighborhood Implementation Tools**

Specific Plans and HPOZs are tools used to enhance and preserve neighborhood character. While they typically place further restrictions on building housing, neighborhood implementation tools also have the potential to encourage residential development by bringing greater specificity and transparency into the entitlement process. Specific Plans remain an important land use tool with the ability to either alleviate constraints in the production and preservation of housing, or alternatively, to act as a deterrent.

## **5. Land Use: Zoning and the Division of Land**

The subdivision of land is both the process and the result of laying out a parcel of undivided land into lots, blocks, streets, and public areas for the purpose of sale, lease, or finance. The division of land into multiple parcels for the purpose of sale is subject to the State Subdivision Map Act as well as Section 17.00 of the City's Zoning Code. The Subdivision Map Act distinguishes between subdivisions consisting of five or more parcels, which require tentative and final maps, and four or fewer parcels, which require parcel maps. The purpose of the Subdivision Map Act and the subdivision process is to protect the ultimate buyer of the lot, ensuring that the lot is buildable, accessible and served by necessary infrastructure.

While there is a distinction between lot divisions into five or more parcels versus four or fewer parcels, the process and requirements to prepare the newly cut lots for sale and development are similar for both types of subdivisions. Each new plat must comply with the parcel sizes, widths and density requirements determined in the Zoning Code and General Plan. When the lot does not have frontage or access from a legal street, provisions for a private street must be created. New lots that have met all of their subdivision requirements are recognized by the Department of City Planning for lease, sale, or finance through an issuance of a Certificate of Compliance. Subdivision tract and parcel map applications may include conditions for new streets, open space, and infrastructure prior to the approval of new parcels. These necessary physical improvements are required as conditions of approval and addressed further in the "On-/Off-Site Improvements" discussion, below.

Most housing types, including single family dwelling units, multi-family units, town homes, new condominiums, and condominium conversions

are subject to the Subdivision Map Act. New condominiums and condominium conversions are subject to subdivision regulations because they subdivide the air space above the land into “units.” Tract and parcels maps identify the location and layout of buildable lots and the number of units, but do not specify the layout or design of the units.

Upon approval of a tentative tract map or a parcel map, the applicant, by State law, has up to 36 months to record and submit a final map to the City. Applicants may extend the time for an additional 60 months by filing a request for extension. On average, it takes about two years for an applicant to complete the subdivision process.

### **Alleviating Constraints of Division of Land Requirements**

In recent years, the State Legislature has adopted a series of bills to add time extensions to the life of subdivision map approvals. The City recently codified these bills while also expanding the scope of applicability to all discretionary approvals. The Multiple Approvals Ordinance (2012) eliminates the Los Angeles Municipal Code extensions of time provision, categorically granting a three year “life” for all stand-alone quasi-judicial grants (see program 7 Entitlement Processing ). Since its effective date, the Planning Department has accepted over 90 time extensions of expired or soon-to-be expired residential project approvals, including single family homes, apartments, subdivisions, adaptive re-use, and mixed-use projects. Examples include mixed-use projects in Westlake (376 units) and in Chatsworth-Porter Ranch (338 units) as well as 46 units in an adaptive re-use joint live-work quarters in Northeast Los Angeles. All in all, these time extensions have revived the approval and likely construction of over 6,000 units.

The City created a Small Lot Subdivision Ordinance in 2005 to permit the sale of fee simple, single-family lots in commercial and multi-family residential zones on parcels as small as 600 square feet. In addition to allowing homes on smaller lots, the ordinance waives certain zoning requirements and relaxes other development standards and requirements for improvements and infrastructure otherwise required by the subdivision process, providing developers flexibility to provide more affordable home ownership. This ordinance has resulted in the construction of 629 new homes since January 2005 (and approval of roughly twice that amount).

In 2003, the City also amended the Zoning Code to allow the Advisory Agency to waive the required public hearings for parcel map and private street applications in non-controversial cases, with adjacent owners’ approvals. Also, the Advisory Agency was given the discretion to approve minor deviations from area, yard, and height requirements as part of Division of Land matters, including the width of passageways between residential buildings or main buildings. This change also eliminated further appeals for parcel maps and private streets beyond the City Planning Commission or the Area Planning Commissions.

## 6. Land Use: Redevelopment Project Areas

In June 2011, the State of California passed ABX1 26, eliminating existing redevelopment agencies statewide, including the Community Redevelopment Agency of the City of Los Angeles (CRA/LA). When the dissolution of CRA/LA became effective on February 1, 2012, the City did not elect to become the successor entity, whereupon a Designated Local Authority (DLA) and its board was appointed by the Governor to close-out the operations of the former CRA/LA. The land-use authorities granted in the Redevelopment Plans remain effective and will continue to be administered.

At the time of its dissolution, CRA/LA managed 31 active Redevelopment Project Areas in seven regions throughout the City of Los Angeles: East Valley, West Valley, Hollywood, Central Downtown, Eastside, South Los Angeles and Los Angeles Harbor. With the dissolution of the CRA, the 31 Redevelopment Project Areas and Redevelopment Plans remain active, currently under the jurisdiction of the successor agency. Although the Council subsequently elected to opt-out as the Successor Agency to the CRA/LA, it did choose to become the Housing Successor Agency and adopted a Resolution on January 25, 2012 opting to retain the housing assets and functions of the former CRA/LA within the City of Los Angeles Housing and Community Investment Department (HCIDLA). The CRA/LA housing asset list was submitted to the State Department of Finance on August 1, 2012. While much remains in flux, the HCIDLA has provided a transition plan for the short and long-term management of the housing assets and functions of the former CRA/LA. The plan includes management for projects currently in development, portfolio management (loans), occupancy compliance, accounting, systems, and legal functions. The state Department of Finance approved the City's housing asset list on March 27, 2013. Subsequently, the HCIDLA formally signed the transfer agreement on April 5, 2013. The final transfer of housing assets to the HCIDLA includes approximately 23,000 affordable housing units, in effect doubling HCIDLA's portfolio.

### Alleviating Constraints of Redevelopment Project Areas

Within old CRA/LA Redevelopment Project Areas, the Designated Local Authority currently administers land-use authority over certain types of permits, which may encourage pedestrian orientation, disallow certain auto-related uses or require historic preservation review. These authorities are planned to be transferred to the Department of City Planning. A few plans provide for detailed project-level review with regards to land use conformance, density and height limits as well as parking requirements. Most Redevelopment Plans will have little to no impact on housing development. In those cases where further restrictions on building housing exist, redevelopment plans tools have the potential to encourage residential development by bringing greater specificity

<sup>131</sup> A current proposal would move the functions of administering the land use portions of the Redevelopment Plans to the Department of City Planning.

and transparency into the entitlement process. Redevelopment Plans remain an important land use tool with the ability to either alleviate constraints in the production and preservation of housing, or alternatively, to act as a deterrent.

## 7. Land Use: Entitlement Processing

Development proposals that do not fully comply with adopted regulations or necessitate compliance with special conditions require discretionary action(s) from the Planning Department. Such discretionary actions are generally referred to as “land use entitlements” and require that certain findings, established by law, be made in order to approve the projects and any requested deviations from the rules. In such cases, conditions of approval may be imposed in order to mitigate impacts or assure compliance with policies in the General Plan. Typical discretionary projects include: variances, zone changes, conditional use permits, tract and parcel maps, site plan review, Specific Plan Exceptions, and General Plan amendments. Legally required findings are different for each type of deviation (i.e. variance, zone change, etc.). Such findings are established in the City’s zoning code and in the City Charter. Some examples of typical findings are as follows: the project is in compliance with the General Plan; the project is in conformity with public necessity, convenience, general welfare and good zoning practice; that there are special circumstances applicable to the subject property such as size, shape, topography, location or surroundings that do not apply generally to other property in the same zone and vicinity.

If an applicant chooses to seek a discretionary action, the approval process can take six to twelve months. Discretionary actions typically require a complex application involving the submittal of plot plans, floor plans, elevations, radius maps, mailing labels of property owners and occupants within a 500-foot radius, completed questionnaires, and justifications for requests. A field investigation by a planner is conducted to analyze the site and surroundings; an analysis of potential environmental impacts is conducted (pursuant to the California Environmental Quality Act); input from other departments is considered; a staff report is written explaining how the proposal may, or may not, be consistent with the General Plan and making the legally required findings; a hearing notice is sent out to neighbors and posted on the site; comments are solicited and a public hearing is held. A determination or a recommendation to a higher level decision-making body is issued and there is a 15-day appeal period.

The Site Plan Review process similarly requires a complex application and may require a public hearing if it is deemed that the project may have a significant effect on neighboring properties. The decision regarding the application, however, is made by the Director of Planning. As such, the application process is typically completed within 60 days. While the application process is often not lengthy, and is typically done as part of accompanying entitlements, it does impose additional requirements. Applicants may design residential projects to fall under the threshold of a net increase of 50 units in order to simplify



the land use entitlement process for a project, though there is little evidence of this when looking at recent multi-family housing Affordable Housing Trust Fund (AHTF) Notice of Funding Availability (NOFA) applications. Additionally, 50 unit plus projects are a very small fraction of multi-family residential projects built each year in the City of Los Angeles (approximately 4-5%).

Tract Map and Parcel Map applications follow a similar process. They are distributed to 16 agencies, the maps are reviewed, and recommended conditions of approval are submitted by the agencies to the Planning Department. A hearing is held by the Deputy Advisory Agency in conjunction with the Subdivision Committee or Parcel Map Conference Committee made up of representatives from several departments (including the Departments of Building and Safety, City Planning, Fire, General Services, Water and Power, Recreation and Parks, Public Works). Tract maps have 10-day appeal periods from the written determination date, and parcel maps have a 15-day appeal period. Appeals are heard by either the Area Planning Commission or the City Planning Commission. Tract map cases may be appealed further to the City Council.

Zone Changes are subject to a similar application process, but are first heard by a hearing officer where public testimony is taken on behalf of the City Planning Commission. A staff report is written with a recommendation to the Area Planning Commission (APC) or the Citywide Planning Commission (CPC). The CPC or APC recommendation is subsequently considered by the City Council Planning and Land Use Management (PLUM) Committee, who conducts another public hearing. The PLUM Committee--made up of three members of the City Council--makes a recommendation to the full City Council. A decision is then made by the full City Council. The City Council may place the property in a Tentative ("T") classification pending the completion of any public street dedications, payments, and infrastructure improvements that were required. Similarly, "Q" (Qualified) conditions may be placed on the property, imposing additional limitations regarding use and development standards. The final Council action must be approved by the Mayor and becomes an ordinance.

General Plan Amendments are required when a zone change request is not consistent with the General Plan. General Plan Amendments follow the same process as a Zone Change, although the Council action follows the Mayor's action, and the final approval is in the form of a Resolution, rather than an ordinance.

Pursuant to the California Environmental Quality Act (CEQA), nearly all residential development that requires a discretionary action from the Department of City Planning also requires environmental review concurrent with the approval process. The environmental review process identifies environmental impacts resulting from a project such as seismic hazards, land use, noise, flood hazards, traffic, toxic emissions and aesthetics. If there are no impacts, a Negative Declaration (ND) is issued and no further environmental analysis is required. If potential environmental impacts are identified, but are able to be mitigated to a level

less than significant, a Mitigated Negative Declaration (MND) is issued and the mitigation measures are included as conditions of approval for the project. If a proposed project falls below certain thresholds, it may be exempt from CEQA obviating the need to provide any further analysis or mitigation. If the project is deemed to create significant environmental impacts that cannot be mitigated to a level of insignificance, an Environmental Impact Report (EIR) will be required. The preparation, review and certification of an EIR may take up to 18 months.

Effective November 8, 2012 the Department of City Planning instituted Zoning Information (Z.I.) No. 2427, titled Freeway Adjacent Advisory Notice for Sensitive Uses. The Z.I. requires that all applicants with discretionary projects within 1,000 feet of designated freeways receive a copy of an Advisory Notice regarding the City Planning Commission's concerns relative to the placement of sensitive uses near freeways. Sensitive uses are defined using the guidance provided by the South Coast Air Quality Management District (AQMD) and include residential uses, retirement homes, hospitals, parks and schools. The notice includes background information on the issue and provides guidance that will assist the City Planning Commission in making required findings for discretionary approvals after considering the unique circumstances of each individual case. Typical project design alternatives that may help to reduce or address impacts and public health risks are identified in the Notice to assist applicants.

The Advisory Notice is informational in nature and does not impose any additional land use or zoning regulations. It is not a prohibition or moratorium on new development near freeways. It is advisory only and intended as an early notification to applicants of discretionary projects that may not otherwise be aware of the potential impacts on future building occupants of siting a building near a freeway. Several recommended approaches are highlighted to assist in navigating through this complex issue; however, applicants need not adhere to any one particular method for addressing air quality impacts on a particular project. Project design features or conditions may be tailored to individual projects as deemed appropriate. The notice does not present any new constraints on residential development and, in fact, is meant to assist applicants early on in the process to facilitate a smooth application process.

## Alleviating Constraints of Entitlement Processing

The review periods associated with processing discretionary entitlements have sometimes been perceived as one of the major constraints to housing development due to the costs that an applicant and/or property owner must sustain while waiting for approvals. The Permit Streamlining Act (California Government Code Section 65920, Ch. 4.5) establishes maximum time limits for the processing of discretionary permits, with provisions for limited time extensions.

In 2011, a citywide Development Reform Strategic Plan was<sup>132</sup> issued that attempted to identify current development processes and offer proposed solutions

<sup>132</sup> [http://www.losangelesworks.org/resources/uploads/Dev\\_Reform\\_Strategic\\_Plan\\_Vol\\_1.pdf](http://www.losangelesworks.org/resources/uploads/Dev_Reform_Strategic_Plan_Vol_1.pdf)

that would create a more efficient, predictable and transparent City entitlement review and permitting process. The Plan was accompanied by an action plan, which sought to implement as many of the recommendations as possible.

While many of the reforms have more to do with permitting (and are therefore listed in the next section), entitlement reform is also a major part of the Plan. The largest change was approved by City Council on May 29, 2013 - the integration of development services programs of multiple City departments into a new development services department for the purpose of providing streamlined services and greater accountability for its customers. The Council approved the functional transfer of the Building and Safety Department, Department of City Planning, planning functions from the Department of Transportation (DOT), plan-check functions from the Fire Department (LAFD), and land use planning functions from Public Works, Bureau of Engineering (BOE) into the new department effective January 1, 2014. The goal is to create an optimum development process that is all inclusive, clear, predictable, customer-based, projected-oriented process from pre-development to occupancy, which also encourages community input.

Another entitlement change already in effect is the the new multi-agency Development Services Management Office, which seeks to identify required entitlements earlier in the process through a zoning screening pre-check. These services are currently available to major projects (50 or more units) as well as affordable housing and senior/disabled developments.

In addition, the City is investing in a new technology action plan called BUILD LA that will provide City staff with tools to help them work more efficiently, and create a less paper-intensive review process. The system is also intended to provide the public with greater transparency and enhanced access to real-time project information.

Previous sections have mentioned the comprehensive update to the Zoning Code, as well as the New Community Plan program, which both aim to achieve more predictability and transparency in the development review process, as well as reduce the number and complexity of entitlements required to start a project.

The Multiple Approvals Ordinance mentioned previously (subsection 5 above), clarifies that when multiple entitlements are given to a project, the overall time limit to effectuate said project, is afforded to the longest running entitlement. The changes apply to all discretionary permit case types in the Planning and Zoning Code. Relatedly, the City plans to implement a Land Development Committee, which would help to resolve cases of conflicting conditions placed on a project approval.

In 2005, the Department of City Planning created an expedited processing section, through which certain entitlements can be expedited for a fee. The expediting processing section has significantly reduced the time period

for entitlement processing. Priority is given to tract map applications for housing developments located in areas of economic need, for those providing affordable housing, for those providing childcare facilities or those seeking to meet the Standard of Sustainable Excellence.

## **8. Building Codes and Building Permit Procedures**

The City recently updated the Los Angeles Building Code, effective January 1, 2011, in order to incorporate the new Los Angeles Green Building Code (GBC), which is now based on the California Green Building Code (CALGreen). The CALGreen code was developed by the State to attain consistency among the various jurisdictions within the State; reduce the building's energy and water use; reduce waste; and reduce the carbon footprint. This resulted in a general overarching change in approach to regulating and controlling development. The new Code includes mandatory requirements for site selection, storm water control during construction, construction waste reduction, indoor water use reduction, material selection, natural resource conservation, site irrigation conservation and more. The Green Building Code applies to all new construction projects, additions, as well as alterations valued at over \$200,000. The GBC also provides site specific regulations for the structural design, requiring calculations based on the conditions of a given site and a specific structure. As a result, requirements may be more restrictive in some circumstances and less restrictive in others.

The Los Angeles Department of Building & Safety (LADBS) implements the Building Code as well as the City's Zoning Code. The Department reviews building plans and other documentation through its "plan check" process to ensure compliance with the LABC and the Zoning Code. In addition, through the plan check process, LADBS ensures that the necessary approvals have been obtained from other agencies whose regulations may also govern a project. When evidence is provided indicating compliance with all requirements, LADBS will issue a building permit for construction and related permits that may be necessary (such as electrical, mechanical, HVAC, plumbing, grading, and demolition). The time required to complete the plan check process varies significantly depending upon the nature and complexity of a project.

### **Alleviating Constraints due to the Building Code and Building Permit Procedures:**

One of LADBS' primary goals is to make sure the new mandatory Green Building Code is implemented in a manner that parallels the permitting and inspection process so as not to cause delay or negatively affect customer service. To ensure effective, consistent, and practical implementation, the Department established a Green Building Division consisting of engineers and inspectors who are charged with implementing the Green Building Code. The staff in this division continually receives appropriate training to properly perform their duties.

For smaller projects, not subject to the Green Building Code, LADBS typically completes the plan check process and issues a building permit “over the counter” the same day plans are submitted for review. Such projects typically include minor repairs or alterations to single family homes. By providing this simple, clear and time-efficient process, small developers and homeowners, who may not have the resources to navigate complicated permit procedures, are encouraged to maintain and/or upgrade their properties.

To facilitate the start of construction, LADBS will issue permits for the construction of a building foundation only, if the required approvals from other agencies have been obtained. This allows projects that are pursuing land use entitlements and/or plan check review to initiate construction while waiting for other approvals. While compensating for lengthy approval processes, this is particularly helpful to projects that must expend construction funds within a given timeframe or risk losing the funds. Affordable housing projects often take advantage of this, as public funds, tax-exempt financing and tax credit proceeds typically must be spent within specific timelines.

To facilitate the plan check and permit process, LADBS manages electronic sign-offs of Clearance Summary Worksheets through the Plan Check and Inspection System (PCIS) in addition to requiring the original signed hard copy. Approvals may be obtained from various departments electronically by entering sign-offs into a single case record for the project. This system, which has been in place since 1996, ensures easy access for all departments, reduces time frames for required sign-offs, and provides the ability for anyone to determine the status of a project at any given time.

The 2011 Development Reform Strategic Plan (mentioned in the prior section) offered additional solutions in order to create a more efficient, predictable and transparent City permitting process. Many of the Plan’s recommendations were implemented and are currently in place. In 2011, the City opened the Development Services Case Management Office, which brings together experienced staff from key City departments to solve problems and offer more one-on-one customer service. All projects with 50 or more units are eligible for the service, as are affordable housing developments with 20 units or more. Case Managers perform project feasibility studies, coordinate pre-development meetings with other City departments, conduct preliminary plan reviews to identify potential building site and code issues, and resolve issues arising from design considerations and code requirements as they assist applicants with plan check corrections and the citywide clearance processes.

A related new process, called Parallel Design-Permitting Process (PDPP) allows the design process and the permitting processes to run concurrently. The Department of Building and Safety will start to check plans at the conceptual design phase and continue to provide plan check, correction verification, and code consultation services throughout the various design phases. By the time



final drawings are completed, the building permit should be ready for issue. This helpful new service is available for major project developments, as well as most publicly-assisted projects. Since its adoption in early 2010, at least eight affordable housing projects totaling 515 units have benefitted from the PDPP service.

An additional option to expedite the plan check process is available for an Expedite fee equal to 50% of the plan check fee. Plans being expedited are usually assigned to a plan check engineer within five working days from the time of submittal.

Finally, the Department of Building and Safety, in cooperation with the Fire Department, other jurisdictions, and private industry, has been working to develop a mutually acceptable path for permitting automated (or robotic) parking in Los Angeles. Although automated parking is now fairly common in Asia and Europe, it has been slower to catch-on and to get approved by regulatory agencies in the United States, particularly in Los Angeles. The City recently approved two automated parking structures – a 15-car fully automated lift in the Valley and a 17-car facility in Chinatown. Although these two units are small, they are still very significant because they are the first of a new generation of automated parking structures to be constructed in Los Angeles. A 708-car complex for a proposed 283-unit apartment project in Century City is currently going through the entitlement process. The EIR is being done with and without automated parking<sup>133</sup>.

## 9. On-/Off-Site Improvements

The City requires public improvements in connection with development to ensure the safety and quality of life of all residents. The vast majority of required public improvements are provided through subdivision approvals. However, some improvements apply to all development approvals.

Proposed development abutting a major or secondary highway or a collector street may be required to dedicate and improve a portion of the lot in order to meet the standards of the highway or collector street.

As described above, all tract maps and parcel maps must include the provision of such public improvements (see section 5. Land Use: Zoning and the Division of Land). This includes public improvements within the development site ("on-site improvement") and adjacent to or near the development site ("off-site improvement"). Such improvements include street development or improvement, utilities, street name signs, fire hydrants, retaining walls, storm drains, street lights, street trees, traffic signals, pedestrian walks, alleys, easements for public utilities and water systems, and land for park or recreational purposes. If the necessary improvements are not already in place, they will be required as conditions of approval of the subdivision or parcel map. All improvements delineated in the conditions of approval must be completed or a guarantee of their completion provided prior to the City Council's approval of a Final

<sup>133</sup> [http://ladbs.org/LADBSWeb/LADBS\\_Forms/Publications/PEP\\_@\\_2\\_Progress\\_Report.pdf](http://ladbs.org/LADBSWeb/LADBS_Forms/Publications/PEP_@_2_Progress_Report.pdf)

Tract or Parcel Map. The applicant is required to provide an Improvement Agreement which outlines the infrastructure improvements the applicant will undertake at his or her expense, an Improvement Security in the form of bonds, deposits, or notes, and an Improvement Warranty Guarantee for the improvements for up to one-year after the City Engineer's approval.

The Department of Public Works (DPW) oversees and approves the installation of the required improvements. Frequently conditions are not precisely defined, but left to the satisfaction of DPW. This unpredictability can result in time delays and increased costs.

While requirements for infrastructure improvements increase the cost of housing, these improvements are necessary to ensure safety and quality of life of the City's neighborhoods, to mitigate identified environmental impacts and to assure the orderly development of land. Such improvements are also mandated by the State Subdivision Map Act and the California Environmental Quality Act.

### **Alleviating Constraints of On-/Off- Site Improvements**

The Advisory Agency considers the unique circumstances and site-specific characteristics of each proposed subdivision and grants exemptions in certain cases as provided in the Zoning Code. California non-profit corporations are exempted from the Improvement Guarantees to the extent provided in the Subdivision Map Act.

The conditions of approval requiring on- and off-site improvements may be reduced when housing development is located in fully built-out neighborhoods. In addition, transportation-related improvements may be partially offset through the use of trip credits or Traffic Impact Assessment fee reductions for certain projects located near transit. These types of development not only best meet the strategic growth goals of the City, but also require far fewer conditions for on- or off-site improvements.

LADOT is looking to modify its traffic analysis procedures to provide greater flexibility for implementing infill development or infrastructure projects that benefit transit riders, pedestrians and bicyclists. Current procedures focus on automobile level of service as a measure of development impact. The new traffic analysis procedures may inform the traffic and transportation analysis for the Mobility Element Update.

Requirements to infrastructure improvements are satisfied by a developer posting a bond for the cost of the required improvement. This assures the City that the cost will be covered, and this minimizes and defers costs for the developer as the bond will be called at a later date when the City is ready to undertake the improvements.

## 10. Fees Affecting Housing Production

There are two types of development fees imposed by the City: administrative fees that fund direct services for processing the necessary permits for a project (such as fees for a zone change or variance, for building permits, a plan check, etc.), and infrastructure fees which are used to fund physical infrastructure (such as sewerage facilities, schools, parks, etc.). When developers of affordable housing refer to development fees as impediments to housing construction, they are generally referring to both types of fees.

Filing fees for processing DCP discretionary actions are created by ordinance and are intended to pay for staff time necessary to review projects and to cover the expenses associated with mailing notices and conducting public hearings (See Appendix F for summaries of City Planning fees). The LADBS assesses building permit fees and plan check fees to pay for the work of reviewing and approving building plans, conducting inspections throughout the construction period and authorizing occupancy of the completed structure. These fees are calculated by a formula based on project valuation. As such, there is no typical project. Five different 10-unit buildings will have five different valuations, and will therefore pay five different plan check fees.

Park in-lieu fees (or Quimby fees) are assessed on new residential projects created through a subdivision of land or a change of zone to a residential zone. The fee amount is based on the density of a project and is assessed to each unit created. The fee is collected on behalf of the City's Department of Recreation and Parks and is used for the development of parks and recreation near each project that pays the fee. The City also allows for exemptions or deferments of Quimby fees when the development or conversion involves low-income housing units.

Similar to Quimby, in 1985, the City adopted Zone Change Park fees. The zone change fee applies only to the approval of zone changes required for multiple residential projects. The fee schedule for both zone changes and Quimby is exactly the same.

In 1986, the state passed Assembly Bill 2926, to assist in providing facilities to serve students generated by new development projects. School impact fees assessed on new residential projects are currently \$3.97 per square foot; affordable housing projects are eligible for a reduced fee. These fees are collected on behalf of the Los Angeles Unified School District (LAUSD) to support the development of additional public school facilities. At present, schools are overcrowded and additional classrooms and schools are needed. The school fee is part of LAUSD's construction budget.

## Alleviating Constraints of Fees

City Planning case processing fees, plan check fees and building permit fees compensate the City for processing development applications and permits. Without them, the City's ability to process applications and permits would be impaired. For some types of minor City Planning cases, if none of the abutting property owners object, the public hearing may be waived, which in turn reduces the filing fee. In addition, the City's Density Bonus Ordinance provides developers of qualifying affordable housing projects the option to defer payment of City Planning filing fees for two years or until a Certificate of Occupancy is obtained. Development fees, such as school impact and park fees are required by State law and cannot be waived or reduced by the City.

In 2009, the City conducted a fee study aimed at evaluating staff time spent on all types of discretionary actions so that fees can better reflect actual costs. The goals of the 2009 Fee Study was "full-cost recovery" on discretionary actions. This resulted in revised fees in order to make most case processing fully recoverable. Based on input from Neighborhood Councils and from the City council, several fee reductions were put in place. For example, a new fee category was added for small (1-4 unit) condominium conversions units at a reduced rate. Compliance and plan approvals related to Design Review Boards or Community Design Overlay projects have been classified as minor, standard, and major projects, with the fees commensurate to the level of work required for each classification. Finally, several proposed surcharges were delayed.

## 11. Housing for People with Disabilities

Federal and State laws have been enacted which require updating local regulations to ensure that no City procedures or development standards pose obstacles to the production or preservation of housing for people with disabilities. This includes a variety of housing types, treatment facilities, community facilities, and short- and long-term housing. In line with those efforts, every five years the City of Los Angeles completes an analysis of impediments to Fair Housing, as required by the U.S. Department of Housing and Urban Development (HUD). This study and subsequent updates assess land use and zoning constraints on housing for individuals with disabilities and compliance with Fair Housing laws, Americans with Disabilities Act (ADA), and other housing laws and court decisions affecting housing rights.

Persons with physical, sensory, mental, and developmental disabilities often require special housing to accommodate their special conditions. For many who are physically disabled, features such as handrails, ramps, wider doorways, specially designed cabinetry and electrical outlets, special door and faucet handles, and non-skid flooring are necessary. People with who are deaf or hard of hearing may require door "bells" and emergency alarms that use flashing light instead of sound, and people who are blind or have a visual disability may require that

large print, braille labels, or tactile dots be placed on equipment, tools, facilities, and documents. In addition, people with developmental disabilities may live in small group homes or with a roommate and be provided with support services.

The City's Zoning Code has been developed over many decades and includes obsolete terminology and provisions that may have unintentionally diminished housing opportunities for people with disabilities. The City's Zoning Code includes the following definition of a person with disabilities as a person who has: (a) physical or mental disabilities, which seriously restricts that person from operating a motor vehicle; (b) is expected to be of long, continued and indefinite duration; (c) substantially impedes his or her ability to live independently; and (d) is of a nature that the ability to live independently could be improved by more suitable housing conditions (Section 12.21 A.4 (u)).

Another regulatory and practical constraint impacting housing for people with disabilities is the unwillingness of some landlords to comply with state and federal fair housing laws by providing reasonable accommodations and allowing reasonable modifications. An analysis of the fair housing complaints serves as evidence for the need to revise regulations and change practices that impede housing siting, development, and access for people with disabilities. Based on data collected citywide, physical disability was the leading cause of fair housing complaint inquiries, accounting for 28 percent of all inquiries from 2004-2011. Most of these complaints were from in-place tenants requesting assistance with a reasonable accommodation or modification request. Common requests included: a closer parking space, the building of a ramp, and a companion or service animal in a building that does not allow pets.

### **Alleviating Constraints on Housing for People with Disabilities**

The City of Los Angeles adopted Ordinance No. 177325 (effective March 18, 2006) to establish reasonable accommodation request policies and procedures. The Ordinance provides developers of housing for people with disabilities, as well as individuals seeking to make modifications to existing structures on the basis of disability, flexibility in the application of land use and zoning regulations or policies (including the modification or waiver of certain requirements) when it is necessary to eliminate barriers to housing opportunities that relate to disability. Requests can include a modification or exception to zoning regulations, standards and practices for siting, or development and use of housing or housing related facilities that would eliminate regulatory barriers. The processes for requesting a reasonable accommodation are as follows:

- (1) A written request for reasonable accommodation from a land use or zoning regulation or policy shall be made on a form



provided by the Department of City Planning by any Individual with a Disability, his or her representative or a developer or provider of housing for an Individual with a Disability.

(2) A request for reasonable accommodation shall state the basis of the request including but not limited to a modification or exception to the regulations, standards and practices for the siting, development and use of housing or housing related facilities that would eliminate regulatory barriers and provide an Individual with a Disability equal opportunity to housing of his or her choice.

(3) The Director may request additional information necessary for making a determination on the request for reasonable accommodation that complies with the fair housing law protections and the privacy rights of the Individual with a Disability to use the specified housing. If additional information is requested, the 45-day time period for making a determination on the request stops running until the additional information is provided.

(4) Prior to the issuance of any permits relative to an approved reasonable accommodation, the Director may require the applicant to record a covenant in the County Recorder's Office acknowledging and agreeing to comply with the terms and conditions established in the determination. The covenant shall be required only if the Director finds that a covenant is necessary to provide notice to future owners that a reasonable accommodation has been approved (City of Los Angeles Zoning Code, Section 12.22, Exceptions, 27, C).

As part of the City's effort to constantly improve its procedures, Program 100 (Reasonable Accommodation forms) in this Housing Element (Chapter 6) includes language on improving application forms, outreach, advertising and informational materials to increase use of the reasonable accommodation provision by people with disabilities.

All fees to modify dwelling units for people with disabilities for reasonable accommodation are waived and no hearing is held for these cases. An appeal may be filed within 15 days by the reasonable accommodation applicant or abutting property owners. DCP staff distributes information available about requesting a reasonable accommodation with respect to zoning, permit processing, or building laws. In summary, this process facilitates exceptions to zoning requirements and eases the issuance of building permits for residential structures serving individuals with disabilities.

Since adoption of the Ordinance, 32 requests for reasonable accommodation have been filed. All fees to modify dwelling units for people with disabilities for reasonable accommodation are waived and no hearing is held for these cases. Of the 32 cases, most were to add a new accessory unit or rooms/floor area

that would otherwise not be permitted. There were also requests to construct an elevator, enlarge driveway access, permit fewer parking spaces, construct an over-in-height fence, and one request to install laundry facilities in a garage. All but two of the requests have been approved; one denial is currently being appealed.

The Reasonable Accommodation Ordinance also amended the Municipal Code Section 12.03 definition of “family,” which had previously posed a regulatory impediment against group housing for people with disabilities due to its effect of discriminating against individuals with disabilities residing together in a congregate or group living arrangement. The definition of family now complies with Fair Housing laws. In addition, the City’s Zoning Code does not include occupancy standards, whether for conventional housing or group living facilities.

The Department on Disability will be working with the Planning Department to better publicize the Zoning Code’s Reasonable Accommodation Ordinance (2006) to facilitate developers and other members of the public making reasonable accommodation requests from the Planning Department. This will make it easier for developers to create accessible and affordable group homes for people with disabilities, and easier for homeowners to make disability-related modifications to their homes. The DOD and Planning Department will conduct trainings on the Reasonable Accommodation Ordinance and the Americans with Disabilities Act (ADA) for front line staff and supervisors in order to better serve the public and reduce barriers to housing for people with disabilities.

In addition, recent amendments to the Zoning Code (Section 12.21 A.4 (u)) offer a parking reduction of 25 percent of the Zoning Code requirement for service-enriched housing facilities occupied by people with disabilities in the RD, R3, RAS3, R4, RAS4, R5, CR, C1, C1.5, C2, C4, or C5 Zones.

The City does not include a definition of group home in the Zoning Code, and does not regulate or restrict the siting of group homes. Group homes are allowed by-right in single family zones. The City does not regulate group living facilities with more than six persons living in them unless they meet the definition of certain uses, such as rooming/boarding houses, dorms, and fraternity or sorority houses. If services are provided on-site, the group living facility would fall under a definition that might be regulated under the City’s Zoning Code. Group living facilities are reviewed on a project-by-project basis, given the specific, relevant facts in each situation, and a determination is needed as to whether the particular facility falls under a definition or use that is regulated. Then, the corresponding regulations are applied. If the group home is regulated by the Zoning Code, a public hearing is required and public input is incorporated prior to any decision.

The siting of disability-related special needs housing is not restricted regarding location. There are no distance requirements in the City regulating the siting of any type of disability-related housing. The Los Angeles Building Code (LABC)

incorporates provisions of the California Building Code (CBC) related to needs of people with disabilities. Local amendments to CBC tailor the LABC to local conditions but do not diminish the ability to accommodate people with disabilities.

To address conflicts and complaints regarding accessibility for people with disabilities, the City of Los Angeles' Department on Disability has an ADA Compliance Officer. Compliance is monitored to ensure that reasonable accommodation are provided, when requested to people who use City programs and facilities, including City-funded housing facilities and emergency shelters. Additionally, the Department of Building & Safety has a special Commission, the Board of Disabled Access Appeals Commissioners, dedicated to resolving building code issues that relate to laws dealing with access to public accommodations by persons with physical disabilities, and to addressing appeals alleging error or abuse of discretion regarding handicapped access and adaptability requirements.

The Department on Disability (DOD) and the Los Angeles Housing and Community Investment Department (HCIDLA) have been working together to develop HCIDLA's policies and procedures to help ensure that the developers are aware of their obligations under fair housing and disability laws with respect to accessibility, reasonable accommodations, and affirmative marketing and to ensure that the City's affordable housing stock is built and managed in a manner that is accessible to people with disabilities. Enhancements to existing policies include the updating of HCIDLA's Notice of Funding Availability (NOFA), the Loan Document, and the online application for developers seeking to partner with the City to create affordable housing. Additionally, HCIDLA provides compliance training to property managers on fair housing and disability laws.

## **12. Creation of Affordable Housing Covenants (HCIDLA)**

All affordable housing units required by a City department or agency include the recordation of a covenant to assure that the required affordable units in a project remain affordable for the required time period. Covenants are prepared by HCIDLA and recorded with Los Angeles County by the applicants, prior to the issuance of a building permit.

The covenant process with HCIDLA, is described in the October 2011 memo titled "Affordable Housing Land Use Covenants: Preparation and Monitoring," available on the HCIDLA website. Residential developers who receive a land use concession from the City or are required by City laws or Ordinances to provide affordable housing submit a land use application and other required documentation to HCIDLA. Upon review of the documents, HCIDLA will prepare and issue the covenant. The covenants reflect the conditions of approval regarding affordable housing requirements within the development. The HCIDLA, DCP and LADBS work together to ensure that the requirements to be included in the covenants are clear and consistent. This may add time to the preparation of

covenants. The timeline of six to eight weeks (sometimes longer if the project is complicated) to execute a covenant creates delays in the development of housing, as the covenant is required before a building permit can be issued.

### **Alleviating Constraints of Affordable Housing Covenants**

The six to eight week time required to receive a covenant in 2013 has improved significantly from the three to six month period reported in the previous Housing Element update in 2008. The HCIDLA has been working with other City Departments, including DCP and the City Attorney's Office, to reconcile conflicts and develop more streamlined covenant procedures. The delays in the preparation of covenants are due in part to conflicts between State and local laws regarding affordability criteria. Resolution of these conflicts would reduce delays in issuing covenants.

### **13. Development of School Sites (Los Angeles Unified School District)**

Residential development needs are in competition with school development needs, both vying for limited developable land. With the growing population, and a historic lack of school construction, the Los Angeles Unified School District (LAUSD) has successfully pursued State and local bond measures to fund a large acquisition and new school construction program. With eminent domain authority, LAUSD has the legal authority to acquire property that private developers might otherwise have purchased. As a result, LAUSD's school construction program has acquired many sites for school development which might otherwise have been available for residential use. In addition, LAUSD has purchased existing single family and multi-family housing units for school development.

While this has involved the displacement of households, LAUSD has a Relocation Program to ensure that displaced households are relocated or justly compensated. Since 2000, LAUSD has relocated 90% of displaced homeowners and tenants into other housing units, while the remaining 10% have accepted financial assistance and independently pursued alternative housing. In addition, approximately 175 renter households were able to become first-time homeowners through the Relocation Program.

### **Alleviating Constraints due to Development of School Sites**

As a State-authorized agency, LAUSD is a superior jurisdiction to the City, and as such, the City has no authority over its land use decisions. However, the City works closely with LAUSD regarding the development and redevelopment of school sites in order to identify optimal sites as well as opportunities for joint use that can serve the needs of residents as well as students. School sites have

been identified, which can be reconfigured and redeveloped for both school facilities and housing within the site. Other sites provide opportunities for shared open space and recreational facilities, early education facilities, and parking.

#### **14. Contaminated Sites: Superfund Sites and Brownfield Sites**

There are sites throughout Los Angeles that are polluted as a result of uses that have operated on the sites. Such sites are known as brownfields, and must be tested and remediated prior to development. One assessment by the Environmental Affairs Department (EAD) identified over 6,000 potentially contaminated brownfields within the City, many of which are located on commercial corridors. The U.S. Environmental Protection Agency (EPA) has also identified four Superfund sites in the City of Los Angeles. Superfund sites are abandoned hazardous waste sites. The EPA requires that these sites be cleaned up and takes the lead in identifying responsible parties and initiating clean up. These polluted sites and abandoned or underutilized properties with low levels of hazardous waste present an opportunity for clean-up and redevelopment for housing. However, uncertainty about the actual level of contamination on a site and the resulting cost of clean-up is a barrier to new investment and reuse.

##### **Alleviating Constraints due to Contaminated Sites**

The City has funding available to conduct Phase I Environmental Assessments to determine the extent of hazardous contamination on potential residential sites. Facilitating access to this information about a site decreases uncertainty in the development process. If contamination is found, the City can assist with the identification of funding to complete the clean-up necessary for reuse of the site.

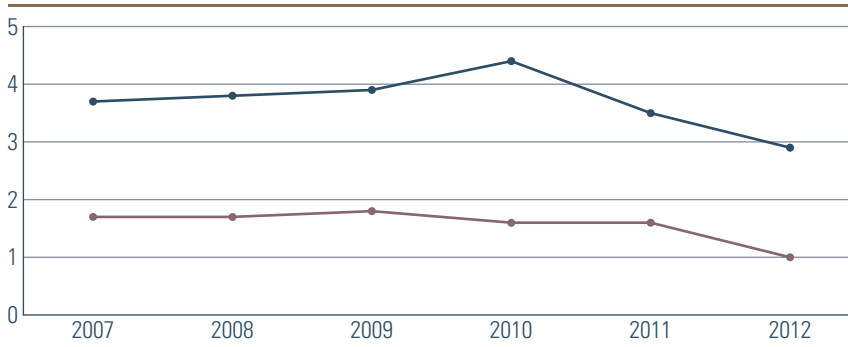
#### **15. Availability of Public Funding for Housing**

Federal, state and local public funding sources are critical resources for the development of housing for households of all incomes. Public sources supplement as well as leverage private sources for the construction, rehabilitation and preservation of housing units and for rental and purchase assistance subsidies for tenants and buyers. Appropriations by Federal, State and local government fluctuate from year to year, and are not available at a steady level or a level that keeps pace with increases in development costs, inflation, and rising affordable housing need.

Federal funds, in particular, are the backbone of affordable housing financing. Beginning with the Housing Act of 1937, the federal government has enacted housing legislation in each decade to acknowledge the need for quality housing for all residents, affirm the federal government's commitment to addressing



**CHART 2.1**  
**HUD Annual Funding for Housing-Related Programs (in Billions)**



the need, and establish programs to support quality housing. Through tax incentives and expenditures, the federal government supports homeownership and the development of for-sale, rental and homeless housing and services.

The most significant federal resources are provided through tax incentives, including tax credits, tax deductions, and lower tax rates. In 2005, the federal government provided \$121 billion in such tax incentives<sup>134</sup>.

The federal Low Income Housing Tax Credit (LIHTC), instituted in 1986, facilitates the investment of cash from private entities who in return receive a tax credit benefit. Nationally, the LIHTC has been considered an exceedingly successful program. Based on 2009 data from the National Council of State Housing Agencies Fact Book, it is estimated that annually the LIHTC created approximately 95,000 new full-time jobs and added \$7.1 billion in income to the U.S. economy<sup>135</sup>.

Per the California Tax Credit Allocation Committee, in 2012, a total of \$87 million in tax credits were allocated to the State of California; this resulted in investment in 102 affordable housing developments statewide, including 13 developments with 671 low income units in Los Angeles City. While federal allocations to California for LIHTCs have generally increased over time, fewer low-income units are funded each year as development costs per unit have increased. LIHTCs are very competitive—applications typically exceed available funds by two-to-one.

In support of homeownership, the federal government provides home mortgage interest and property tax deductions to homeowners, as well as lower tax rates on long term capital gains. These tax incentives supporting homeownership dwarf the LIHTC, in effect subsidizing far more households at higher incomes than low-income households.

Federal expenditures in support of affordable housing development and services have declined significantly in the past two years. Once the fiscal stimulus in the immediate aftermath of the Great Recession ended, federal housing funds began a steep decline and additional cuts are being proposed presently. In the 2012 federal

<sup>134</sup> National Low Income Housing Coalition, Housing Crisis Fact Sheet, December 22, 2006.

<sup>135</sup> National Association of Home Builders Low Income Housing Tax Credit: The Most Successful Affordable Rental Housing Production Program in our Nation's History Fact Sheet, 2011.

budget approval process, the cuts resulted in a 12 percent reduction to HUD's Community Development Block Grant (CDBG) fund and a 38 percent reduction to the HOME fund (see Graph 1 below); for Los Angeles these cuts translate to 18 and 44 percent cuts respectively from 2011 level funding for the City.

The demise of redevelopment in the State of California eliminated dedicated tax increment for affordable housing, which was one of the most heavily relied upon sources of income for the production and preservation of housing. Prior to the dissolution of redevelopment, the Low-Mod Housing Fund provided an annual tax increment - ranging between \$23M and \$50M - for affordable housing development to the City of Los Angeles. These dollars assisted nearly every new affordable housing development in the City. In addition, the Los Angeles redevelopment agency contributed an additional 5% of tax increment directly to the Affordable Housing Trust Fund (AHTF), which resulted in a total contribution of \$57.2M since 2005. When redevelopment ended, the State appropriated approximately \$104M in unencumbered low and moderate income housing funds from the City. Those funds, would have contributed to as many as 500 new units of affordable housing and as many as 5,700 jobs.

Furthermore, due to the continued economic crisis and the implementation of sequestration (across-the-board budget cuts) at the federal level in, housing and community development programs will be further cut by approximately 8.2% from their FY13 Continued Resolution levels. These cuts, added to programs that have already experienced significant cuts over the last two federal fiscal years, will have a tremendous impact on affordable housing programs that serve low- and moderate-income individuals. In the City of Los Angeles, it is estimated that sequestration represents a cut as high as \$115 million in 2012-13: \$23 million from community development and public safety related programs and \$92 million from public housing and other housing assistance programs. Specific program reductions will impact the City's Section 8 housing voucher program, public housing, Community Development Block Grant (CDBG) and the HOME Investment Partnership programs. These programs face an additional 28% reduction beginning in 2013 through 2021. In the FY2014 proposed budget, cuts to new affordable housing construction are presented as a way to achieve savings. The sizeable cut to the HOME program is especially troublesome since the City's Affordable Housing Trust Fund (AHTF) relies on the HOME program for 70 percent of its funding.

The City's Section 8 program will be particularly hard hit by sequestration - expected to experience a \$35 million cut. This will decrease the ability of the Housing Authority of the City of Los Angeles (HACLA) to issue new Housing Choice Vouchers as they become available. Perhaps most devastating, should HUD not "set-aside" funding for severely impacted programs, HACLA may be forced to reduce payment assistance to 95 percent of the fair market rents as determined by HUD. HACLA anticipates that as many as 24,000 families that currently receive Section 8 voucher assistance will be affected by these cuts resulting in a decrease of payment of an average of approximately

<sup>136</sup> Although that scenario above is what HACLA expects for the Section 8 program, the current information (April 2013) from HUD is that they will not issue payment standard waivers, but will instead attempt to cover PHA shortfalls with set aside funding. That includes HACLA's, which is sized by HUD at \$11 million. If this occurs then it may be that: 1) HACLA cannot replace vouchers that attrit from the program, at least for this funding cycle, which will shrink the program and further reduce administration fees, 2) subsidy reserves become exhausted, jeopardizing future ability to lease up to our allocated baseline and otherwise manage leasing, and 3) we may be required to cancel at least some of the vouchers now on the street, which would impact our homeless programs particularly, perhaps as many as 100 homeless voucher holders. HACLA will continue with a payment standard decrease, but it will take place on the regular, one-year delay, schedule. We will also continue with the other, non-waiver linked cost saving measures.

\$200 per month. Many of these families will not be able to absorb such an increase in rent and will need to look for alternatives if landlords choose not to cover the difference<sup>136</sup>. The budget impacts to residents of public housing will be less dramatic but nonetheless painful. For FY13, the federal public housing operating subsidy will be cut by \$199 million and the public housing capital subsidy will be cut by \$94 million. Sequestration will further exacerbate needed major repairs to the public housing stock. No one will have to move out of their public housing units but the level of resident services and management services will likely be impacted due to the expected loss in staffing at HACLA. Management of the sites will require some consolidation, which will result in less access for residents as office hours are reduced.

Such declines in resources are felt by low-income households as waiting lists for assistance grow, such as the waiting list maintained by HACLA for public housing and Section 8 vouchers. The waiting list for public housing units has increased 114% from 2007 to 2012. The waiting list for vouchers has been closed since 2005 but nearly 8,000 families remain on the list.

There is also a lack of adequate state-level funding for affordable housing production. During the 1980s, the State implemented innovative housing initiatives, including a housing trust fund, a state low-income housing tax credit program to supplement the federal LIHTC, and bond issuances to support State housing programs. Since the 1980s, fiscal crises have reduced General Fund dollars available for housing programs and the State has had to rely upon generating and accessing funds from other sources, such as State tax credits and bond issuances. The need for housing construction funds, homeownership assistance funds and homeless housing funds continues to outstrip the available resources from the State and applications for funding under the various State programs is highly competitive.

The State tax credit program is only available to affordable housing developments receiving LIHTC. In 2011, approximately \$87 million in State tax credits were allocated to projects statewide, and in 2012, \$85 million was allocated.

General Obligation bonds issued by the State of California have been an important source of funds for the State's housing programs. Voters approved large bond issuances in 1988 and in 1990 (Proposition 77 for \$150 million, Proposition 84 for \$285 million, and Proposition 107 for \$115 million). In 2002, California voters approved the largest bond issuance, Proposition 46, the Housing and Emergency Shelter Trust Fund Act, for \$2.1 billion. These dollars funded housing and homeless programs administered through the State Department of Housing and Community Development (HCD) and the California Housing Finance Agency (CalHFA) from their approval in November 2002 to July 2007<sup>137</sup>. In November 2006, voters again approved a large bond issuance, Proposition 1C for \$2.8 billion, known as the Strategic Growth Plan housing bond. Of these funds, \$1.8 billion were

<sup>137</sup> California Budget Project, A Primer on California's Housing Programs (2005).

targeted for affordable housing construction programs and homeownership programs. This includes a set-aside for transit-oriented development in order to fund housing and infill infrastructure within close proximity to transit stations.

In the 2011-2012 legislative session, underutilized Proposition 1C funds totaling \$80 million were repurposed. Approximately \$30 million in unused Prop 1C Affordable Housing Innovation Funds originally designed to create programs to demonstrate innovative, cost-savings approaches to creating or preserving affordable housing were repurposed into the Multifamily Housing Program. This program assists new construction, rehabilitation and preservation of permanent and transitional rental housing for lower income households. Additionally, \$50 million in Prop 1C bond revenues were repurposed for the Infill Infrastructure Grants Program and the Transit-Oriented Development program. The funds were made available from former awardees that returned the funds because they were unable to complete projects. Program guidelines for the Notice of Funding Availability (NOFA) that the Housing and Community Development Department expects to release later this year are currently under review.

At the local level, the County of Los Angeles, until recently, made some funds available for affordable housing construction, such as the (City of) Industry Fund which distributed affordable housing tax increment funds generated by the City of Industry. These competitive funds were used within certain areas of the City of Los Angeles. The dissolution of redevelopment eliminated this countywide affordable housing fund. Nevertheless, the County continues to provide funding for services in housing, such as funds for mental health services and housing allocated to the County under the Mental Health Services Act. Recently, the County has allocated funds to support homeless housing and services, including a partnership with the City to develop permanent supportive housing, which includes support for homeless persons within the City. However, the funds are not sufficient to meet the vast need for housing and services for homeless persons.

Over the years, the City of Los Angeles' own budgetary constraints have hampered its ability to make a permanent financial commitment to affordable housing development. Since early in 2005, the City's Affordable Housing Trust Fund (AHTF) has not received any General Fund dollars. These circumstances have inadvertently increased the City's dependence on State and Federal resources. The LADWP allocated \$10 million to be distributed through the AHTF over 10 years to qualifying affordable housing projects that incorporate energy and water conservation efforts but these funds have been completely expended. The lack of long-term funds inhibits housing production and availability as housing projects and subsidy programs are subject to expiring funding streams and costs of housing production steadily increase.

## Alleviating Constraints due to Inadequate Public Funding for Housing

The City of Los Angeles continues to advocate for state and federal funding for affordable housing production and preservation and to secure a dedicated public source to fund the Affordable Housing Trust Fund. In the last three years, the City Council and the Mayor have adopted resolutions in support of a statewide dedicated funding source to support the creation of affordable housing for workers and their families. The City also works closely with the County to access an equitable share of housing and services funds for homeless persons in the City. These City efforts and resources are used to leverage additional County, State and Federal public funds. For example, affordable housing developments receiving funds through the AHTF access other resources at a ratio of \$4 for every \$1 from the AHTF.

### 16. Public Funding for Homelessness Housing and Prevention

One area that has seen some increased Federal investment is in addressing homelessness. In 2009, President Obama signed the Homeless Emergency and Rapid Transition to Housing (HEARTH) Act. The HEARTH Act amends (with substantial changes) and reauthorizes the main source of homelessness funding – the McKinney-Vento Homeless Assistance Act into a single grant program and renames it the Emergency Solutions Grant program. In 2011, the Department of Housing and Urban

Development (HUD) released the Interim Rule for the Emergency Solutions Grant (ESG), which establishes procedures and guidelines for the ESG program as modified by the HEARTH Act and also codifies in law the Continuum of Care planning process.

The new Emergency Solutions Grant replaces the former Emergency Shelter Grant and reflects “the change in the program’s focus from addressing the needs of homeless people in emergency or transitional shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.”

The new ESG program builds on the success of the Federal Stimulus-funded Homelessness Prevention and Rapid Rehousing Program (HPRP) and emphasizes rapid rehousing and diversion. The interim rule also requires area-wide systems coordination, including coordination with other targeted homeless services, system and program coordination with mainstream resources and centralized or coordinated assessment.

<sup>138</sup> HCIDLA Substantial Amendment to the 2011-2012 Action Plan for the Emergency Solutions Grant Program – 2nd Allocation (<http://lahd.lacity.org/lahdinternet/LinkClick.aspx?link=Substantial+Amendment+4.13.pdf&tabid=36&mid=542&language=en-US>)



### Alleviating Constraints due to Inadequate Public Funding for the Homeless

The Los Angeles Homeless Services Authority (LAHSA) is a Joint Powers Authority established in 1993 as an independent agency by the City and County of Los Angeles. LAHSA is the lead agency in the Los Angeles Continuum of Care (LA CoC), and coordinates and manages over \$79 million dollars annually in Federal, State, County and City funds for programs providing shelter, housing and services to homeless persons in Los Angeles City and County<sup>138</sup>. LAHSA has historically administered the ESG activities for the City and County of Los Angeles. LAHSA administers funding, program design, outcomes assessment and technical assistance to nearly 300 homeless services programs and over 100 nonprofit partner agencies operating in the City and County of Los Angeles. LAHSA's partners provide a diversity of programs ranging from outreach, access centers, emergency shelters, safe havens, transitional and permanent housing and prevention along with the necessary supportive services designed to provide tools and skills required to obtain a stable housing environment.

The Los Angeles Continuum of Care (COC) has 5,892 emergency housing beds, including 1,492 winter shelter beds, 1,307 beds for families and 3,183 beds for individuals. The Continuum has 16,976 permanent supportive housing beds, including 8,332 for families and 8,644 beds for individuals.

The Los Angeles Housing and Community Investment Department (HCIDLA), the Los Angeles County Community Development Commission (CDC), and LAHSA are currently in the planning phase for new Emergency Solutions Grant funds, which will be focused primarily on rapid re-housing activities and will build upon the program infrastructure created with HPRP resources to create a coordinated countywide system. In 2012-2013, the County of Los Angeles and the City of Los Angeles will be pooling ESG resources and leveraging other mainstream funding to build a coordinated system for families. This is in line with HEARTH regulations that require jurisdictions to start planning and implementing a coordinated system of crisis response, services and housing. To that end, the County and City have been meeting on a monthly basis to design a program tailored to the needs of our community.

This new LAHSA ESG program for the Los Angeles CoC will further HEARTH/ESG goals of reducing lengths of stay in emergency shelter and transitional housing and increasing housing retention through rapid re-housing and diversion from shelter by:

- Focusing on assisting those already homeless and prevent those who have previously exited homelessness from returning to homelessness.

- Shifting from a linear Continuum of Care model to a “Crisis Response System” that moves/returns people to housing quickly and provides the specific level of assistance and services needed by that family or individual to remain in housing.
- Building on the programmatic infrastructure built and lessons learned from HPRP.
- Collaborating with mainstream resources and other resources that serve the homeless.

To ensure that LAHSA’s funding priorities align with national goals established in the Federal Strategic Plan to Prevent and End Homelessness as well as best benefit the LA CoC, LAHSA has adopted Funding Principles that include recommendations from the LA CoC Coordinating Council (elected leadership of homeless coalitions) and have been approved by the LAHSA Board of Commissioners. LAHSA is committed to funding LA CoC programs whose performance closely meets or exceeds the highest performance standards outlined below:

- Fund programs that target chronically homeless, veterans, families and youth.
- Fund programs that are fully utilizing the Homeless Management Information System (HMIS), the LA CoC system of record; or are committed to utilizing HMIS.
- Fund programs that are outcomes-driven with performance standards that, where applicable, meet or exceed HUD requirements.
- Promote fair-share funding distribution to solve local community homelessness
- Fund programs that demonstrate community and continuum integration that is part of a “system of care”
- Fund programs that are cost effective and reflect local and national leading practices

An innovative complimentary program serving formerly homeless persons who have special needs is the Permanent Supportive Housing Program (PSHP). The fund was created in 2006 as part of the City’s Affordable Housing Trust Fund (AHTF) by the Los Angeles Housing and Community Investment Department (HCIDLA) as a partnership with the Housing Authority of the City of Los Angeles (HACLA), the City’s Department of Water and Power (LADWP), and the then-Community Redevelopment Agency of the City of Los Angeles (CRA/LA), with a corollary acquisition fund developed by the Corporation for Supportive Housing (CSH) and a number of additional investors. It funds over 100 new permanent supportive housing units each year (depending on available funding).

Although funding amounts and sources have been reduced, the PSHP continues to fund the rehabilitation and new construction of affordable units for homeless and chronically homeless individuals who have special needs (e.g., mental illness, substance abuse, and HIV/AIDS). To date, the City has provided \$136.5 Million of the City's AHTF dollars to create and preserve permanent supportive housing; these funds have been leveraged by \$618 million from various sources. As a result, 36 permanent supportive housing projects have been financed, totaling 2,288 PSHP units.

This commitment and alignment of financial resources to preserve housing and create more housing that is affordable to lower income households has been augmented by the City's ongoing advocacy and direct defense against lawsuits that would have weakened the City's renter protections, threatening its affordable housing stock. One such recent policy action was the enactment of the Residential Hotel Unit Conversion and Demolition Ordinance, which aims to preserve the single resident occupancy stock.

The City has taken a variety of actions to preserve existing housing stock, to minimize rent increases in existing housing, and to preserve housing stock that serves the poorest households – and therefore those most likely to fall into homelessness. In Central City East/Skid Row, over the last 25 years, Los Angeles has provided funding to preserve approximately 3,500 units in 50 single room occupancy hotels for the City's poorest residents. These units now have covenants and are part of the City's affordable, income-restricted stock and are dedicated to serving extremely low- and very low-income households. The replacement cost for this portfolio today would be more than \$500 million dollars.

## C. Infrastructure Constraints

Infrastructure is a necessary component of residential development, and is planned to accommodate the level and location of growth anticipated in the City's General Plan. All land that is available for residential development is served by key infrastructure systems and services, including police and fire protection, water, power, sewer and streets. While such infrastructure is available throughout Los Angeles, the costs and the time required to upgrade or replace such systems can represent a constraint on development.

### 1. Fire Protection

While fire protection and response times are adequate for most development, building in the Very High Fire Severity Zone requires compliance with slope density regulations and special conditions of approval to mitigate fire danger. The Community Plans establish appropriate uses and densities in high fire danger areas, which are generally located in the hillside areas. The slope density regulations contained in Community Plans and in the Zoning Code

require a reduction in density as the topography increases in steepness. In high fire danger areas, residential use is generally limited to single-family homes at the lowest density levels in the City, as little as one unit per 40 acres.

Conditions of approval might include reduced density, increased separation between buildings, prohibition on the placement and storage of construction material on substandard public streets and limitations on where trucks and construction vehicles can park. Additionally, the Building Code regulates roof materials and prohibits certain types of landscaping materials within 200 feet of structures.

### **Alleviating Constraints due to Fire Protection Costs**

The additional costs of building and maintaining housing in high fire danger areas are necessary in order to protect the safety of residents and real property. The additional conditions on housing in these zones are intended to mitigate fire danger and are necessary in order to achieve this objective.

## **2. Water**

The Los Angeles Department of Water and Power (LADWP) provides water for all City residents and businesses. The Los Angeles Department of Water and Power (LADWP) has determined that there is an adequate supply of water to serve the population growth projected through the year 2030, beyond the Housing Element planning period. However, project implementation creates a cumulative increase in demand on the City's water supplies and can approach the City's water resource limits. This cumulative impact in conjunction with challenges to the City's legal water rights, unpredictable climatic conditions and the fact that approximately 85 percent of the City's water is imported from various sources is a challenge and potential constraint on residential development.

Pursuant to the California Urban Water Management Planning Act (California Water Code Division 6, Part 2.6 Sections 10610-10656), the City Council adopted an Urban Water Management Plan for the City of Los Angeles in December, 2010. The Plan identifies the existing and planned sources of water available, conservation efforts to reduce water demand, activities to develop alternative sources of water, an assessment of the reliability and vulnerability of the water supply, and a water shortage contingency analysis. It also identifies short-term and long-term water resource management measures to meet the projected population's water demands during normal, dry, and multiple-dry years.

### **Alleviating Constraints due to Water Costs and/or Limits**

In instances where capacity may not be adequate or identification of the inadequate supply may not be confirmed until construction, the City imposes mitigation measures on new development to require conservation. These conditions include the following:

- “The project shall comply with Ordinance No. 170,978 (Water Management Ordinance), which imposes numerous water conservation measures regarding landscape installation and maintenance (e.g., use drip irrigation and soak hoses in lieu of sprinklers to lower the amount of water lost to evaporation and overspray, set automatic sprinkler systems to irrigate during the early morning or evening hours to minimize water loss due to evaporation, and water less in the cooler months and during the rainy season).”
- “If conditions dictate, the Department of Water and Power may postpone new water connections for this project until water supply capacity is adequate.”

To alleviate the demand on the City’s water resources, water conservation by consumers is paramount. LADWP implements a two-tiered block rate structure for all customers to encourage conservation. Residential water rates are based on a formula that takes lot size, temperature zone and household size into account. LADWP also offers financial incentives to encourage consumers to purchase water-efficient appliances (see Chapter 6 for more detail). Water conservation programs have been very successful, evidenced by the fact that Angelenos are using the same amount of water today as we did 25 years ago, despite a population increase of one million people.

Although the Los Angeles Aqueduct, groundwater, and purchased water from MWD are the primary sources of water supply for the City, the City also recycles water to tertiary quality. Currently, almost 65,000 acre feet per year (AFY) of the City’s wastewater are recycled for various uses, such as irrigation, industrial uses and environmental uses. The LADWP is pursuing the development of additional conservation, additional recycling, and beneficial reuse of urban runoff to enhance current supplies. Reclaimed water is used to irrigate Griffith Park, several golf courses, Lake Balboa, and the Japanese Gardens at the Tillman Water Reclamation Plant.

### 3. Power

The LADWP, the largest municipal utility in the nation, delivers electricity supplies to residences and businesses in Los Angeles. LADWP has adequate power supply for all planned end users. Project implementation creates a cumulative increase in demand on the City’s power supplies. In addition, nonrenewable resources are a limited resource. Therefore, the increased demand for power supply could constrain residential development eventually, if the only source of power is nonrenewable.

#### Alleviating Constraints due to Energy Costs and/or Limits

To alleviate demand for traditional nonrenewable energy sources, LADWP has developed and continues to develop alternative energy sources, including solar and wind power. In addition, LADWP encourages energy conservation through a variety of programs, including rebates for energy-saving appliances, loans for energy



conservation in affordable housing, loans and incentives for solar panel installation, and incentives for residential development that qualifies for the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED)-Silver certification.

#### 4. Sewers

The City of Los Angeles' sewer system is adequate to serve current and long-term housing capacities. Los Angeles has one of the world's largest wastewater collection and treatment systems, with more than 6,500 miles of sewers. These sewers are connected to the City's four wastewater and water reclamation plants that process an average of 550 million gallons of wastewater each day. The Department of Public Works (DPW)/Bureau of Sanitation is responsible for operating and maintaining the system, which operates under a number of federal, state and local laws. The DPW implements a comprehensive inspection program of its system, using both closed circuit television and manual inspections to evaluate the condition of its sewers. Some sewers can be repaired and others need to be replaced as part of the City's 10-year LA Sewers Program.

#### Alleviating Constraints due to Sewer Capacity

Before issuing a building permit, the City assures that there is adequate sewer capacity to serve the site. In the event that sewer capacity is not adequate for a proposed development, the City imposes mitigation measures including: the requirement for a holding tank large enough to hold three times the project daily wastewater flow so that the tank would hold all project wastewater during peak wastewater flow periods for discharge into the wastewater collection system during off-peak hours; and, a grey water system to reuse wastewater from the project.

In the event that there is limited sewer capacity in a particular area, the City may offset excess wastewater generation by restricting the wastewater generation of other land uses within the same service area (e.g., by requiring the dedication of additional open space).

#### 5. Streets

The City's street system is designed to meet a variety of needs, including: safe and efficient vehicular transportation, pedestrian and bicycle access, appropriate interface with businesses and residences, stormwater drainage, and utility accommodation. Responsibility for transportation issues in the City falls jointly to the Departments of Transportation, City Planning and Public Works. Streets in many parts of the City operate at or above capacity, resulting in traffic congestion, particularly during morning and afternoon peak hours.

#### Alleviating Constraints due to Street Capacity

Residential projects requiring discretionary action and, therefore, subject to CEQA, may require a traffic study to analyze the project's impact on surrounding streets.

In congested areas, mitigation measures may include street dedications for street widening, reduced densities, inclusion of affordable housing, requirement for transit passes, transportation demand measures, on-site child care, and similar measures.

In addition, the City continues to develop public transit alternatives to automobile use, including expanded rail transit, Bus Rapid Transit, fixed-guideway systems and DASH bus routes for short distances within neighborhoods. DCP encourages pedestrian-friendly design in residential development, improved transit, expanded bicycle networks, mixed uses and mixed income housing within ¼ mile of rail stations in order to reduce the reliance on the automobile and to reduce vehicle miles traveled.

## D. Constraints in The Coastal Zone

The Coastal Zone is generally defined as that land and water area which extends inland 1,000 yards from the mean high tide line of the Pacific Ocean and seaward to the State's outer limit of jurisdiction as established under the Coastal Act of 1976 (California Public Resources Code Section 30000). Within the City, the Coastal Zone includes the Pacific Palisades, Venice and Los Angeles International Airport area, San Pedro, and the Port of Los Angeles communities. These Coastal Zone areas include 16,790 acres, comprising 5.2% of the City's total land area (see Map 2.3, City of Los Angeles Coastal Zone).

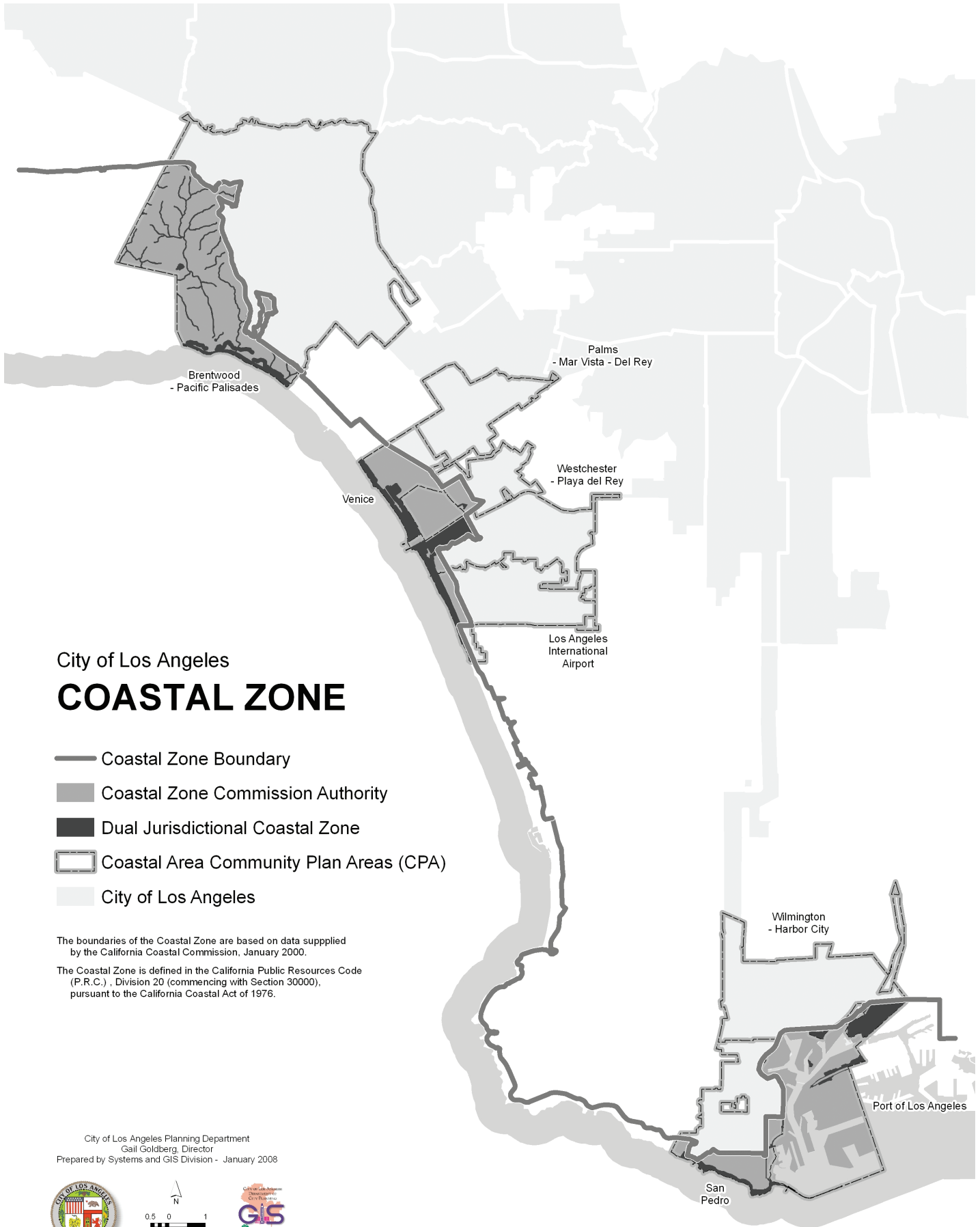
The topography of the City's Coastal Zones varies from mountainous coastal bluffs, beaches and large parkland areas in the Pacific Palisades, to coastal bluffs, wetlands, lagoons and sandy beaches in the south.

Per the Census 2000, there were 99,371 residents in the Coastal Zone, representing 2.7% of the City's total population of 3,694,820. The median income of the Coastal Zone population was \$67,223 in 2000, significantly higher than the citywide median income of \$40,876. Similarly, the poverty rate was lower with 14.3% of the population (14,203 residents) living in poverty, a third lower than the citywide poverty rate in 2000 of 21.7%.

There were 45,798 housing units in the Coastal Zone in 2000, 3.5% of all housing units citywide in 2000. Of these units, 23,570 (51.5%) were renter-occupied. Thus, the Coastal Zone has a higher home ownership rate than the citywide rate. However, this Coastal Zone home ownership rate is heavily skewed by the high home ownership rate within the Pacific Palisades community (82%) compared to the other Coastal Zone communities, which averaged 39%-40%, similar to the citywide home ownership rate.

During the last Housing Element period, from 2006 through the end of 2012, a net total of 1,067 units were added to the housing stock in the Coastal Zone<sup>139</sup>. This total includes 1,307 units of new construction, 446 conversion gains, 358 demolitions and 328 conversion losses. As required by State law, looking more broadly at the time period from 1982 through 2012, a net total of 7,376 units

<sup>139</sup> Department of City Planning. A total of 18,286 permits from 2006 to 2012 were address-matched and mapped with 97% success. Using the geographic layer for the Coastal Zone Commission jurisdiction, permits within the jurisdiction were identified and analyzed.



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were gained in the Coastal Zone. This total is comprised of 9,375 units of new construction, 886 conversion gains, 2,440 demolitions and 445 conversion losses. See Appendix G for a summary of this development activity by year.

State law imposes affordability requirements on all residential development activity including new construction, conversion and demolition in the Coastal Zone (see City Implementation of the State Mello Act section below). Since 1982, a total of 1509 units affordable to low- or moderate-income households were added to meet the State requirements. A total of 455 of these units were built in the Coastal Zone, and the remaining 1054 units were constructed within three miles of the Coastal Zone (as allowed under State law). See Appendix G for a summary of this activity by year.

Recent residential activity in the Coastal Zone from 2006 through 2012, has been characterized predominantly by multi-family developments of 10 or more units along with multi-family developments of less than 10 units and single-family developments. During this time, 20 percent of new units were single-family and 80 percent were multi-family. Of the multi-family units, 84 percent of the units constructed in this period were in developments of 10 or more units.

## State Regulation of the Coastal Zone

### State Regulations and Policy

The California State Coastal Commission establishes goals and regulations governing activity within the Coastal Zone (California Public Resources Code Section 30000). The purpose of the State law is to protect, maintain, enhance, and restore the overall quality of the coastal zone environment and its natural and artificial resources. Toward this purpose, the Coastal Commission establishes regulations to preserve the existing character of coastal communities, protect and enhance public access to and along the coast, and protect wildlife and other ocean resources. While these regulations serve the purposes of the Coastal Act, they often create constraints on residential development in the Coastal Zone.

The Coastal Commission's objectives and corresponding regulations to preserve the existing character of the Coastal Zone significantly limit opportunities for additional housing by limiting changes in the density, height, parking, and land use. For example, the Coastal Commission limits the height of new structures in order to preserve views of the coast. Given that the City's Coastal Zone areas are built out, increases in density and height are often needed in order to develop residential projects.

Protecting public access to the beach by maximizing land for public parking, open space, and public right-of-way reduces the amount of land available for additional residential development. Parking requirements along the coast are also generally higher than in other parts of the City. For example, three parking spaces per residential unit are required in specific subareas within the Venice Coastal

Zone Specific Plan area, instead of the two spaces required by the Zoning Code. Additional parking requirements are imposed on commercial and residential projects in areas designated as Beach Impact Parking Zones that attract significant seasonal traffic (e.g. Venice Beach and Abbot Kinney Boulevard). Together, these additional requirements make it more costly to build housing in the Coastal Zone.

### State Regulations and Procedures

State law (Public Resources Code Section 30000) requires local governments to prepare Local Coastal Programs (LCPs) to implement the Coastal Act. An LCP is to include a Land Use Plan (LUP) and a Local Implementation Plan (LIP) which establish land use regulations, zoning and other implementing actions.

The Coastal Commission certifies all LCPs. This certification grants authority to the local government to review and approve coastal development proposals in the Coastal Zone and limits the Coastal Commission's authority to consideration of appeals. In the absence of a certified LCP, coastal development permits are under the jurisdiction of the Coastal Commission in addition to the local government.

For specific parts of the Coastal Zone, the Coastal Commission retains permanent jurisdiction. Such areas are identified as "Dual Permit Jurisdiction Zones" and development activity within such areas require the approval of the Coastal Commission and the local government. For Dual Permit Jurisdiction Zones in the City's Coastal Zone, see Map 2.3.

While the City has adopted Community Plans for all Coastal Zone communities, it does not have a Coastal Commission-certified LCP. Proposals for residential development in the Coastal Zone are therefore reviewed and approved by both the City and the Coastal Commission if located in the designated Dual Jurisdiction Zone, or are subject to appeals to the latter entity if located in the single jurisdiction areas. The entitlement process takes approximately one to six months.

### City of Los Angeles Land Use Regulation in the Coastal Zone

The City's Coastal Zone has very restrictive density and height regulations. In some coastal communities, Floor Area Ratio (FAR) and parking regulations further limit development options. The table below summarizes the density, height, FAR and parking requirements in six of the eight Coastal Zone communities<sup>140</sup>.

<sup>140</sup> Due to the exceptions that govern the Playa Vista and Airport Dunes zones, Coastal Zone Land Use Regulations for these areas have not been summarized in Table 4.2.



**TABLE 2.4**  
**Coastal Zone Land Use Regulations**

Community	Density	Height	FAR	Parking
Pacific Palisades	2 to 40 (dwelling Units/acre)	2 stories, 30 feet	.5:1 to 1:1	1 & 2.5 spaces per unit
Venice	3 to 40 (dwelling Units/acre)	22 to 38 feet	.5:1 to 1.5:1	2-3 spaces per unit
Del Rey Lagoon	24 to 40 (dwelling Units/acre)	45 feet	1.5:1	Code Requirements
Vista Del Mar Bluffs	3 to 24 (dwelling Units/acre)	36 to 45 feet	1.5:1	Code Requirements
San Pedro	3 to 40 (dwelling Units/acre)	26 feet	1.5:1	Code Requirements
Port of Los Angeles	-	Height district for a property	1.5:1	Code Requirements

Source: DCP

These land use regulations limit the size of residential projects in the Coastal Zone. Unable to spread the cost of development across more units within a project, the cost per unit necessarily increases. It is therefore particularly challenging to provide housing units affordable to lower income households in the Coastal Zone.

Housing prices in the Coastal Zone are substantially higher than in the rest of the City, and very few development sites are available. In February 2013, the median sales price for single-family homes ranged from highs of \$1,253,000 in Pacific Palisades and \$1,211,800 in Venice to lower prices of \$468,000 in Playa del Rey and \$358,000 San Pedro<sup>141</sup>.

### City Implementation of the State Mello Act

The Mello Act is a State law which mandates local governments to comply with a variety of provisions concerning the demolition, conversion and construction of housing units in California's Coastal Zone. The Act addresses the replacement of converted or demolished units occupied by low or moderate-income households, as well as the inclusion of affordable units in new housing developments. In addition, the Act prohibits the replacement of existing residential structures with non-coastal-dependent, non-residential uses, except in those cases where residential uses are no longer feasible ("Coastal-dependent uses" are non-residential developments or uses which require a site on, or adjacent to, the sea to be able to function at all). Under the Act, replacement units may be provided on a site other than the site of the proposed development, within three miles of the Coastal Zone.

Since 2001, the City has been implementing Mello Act requirements in accordance with adopted "Interim Procedures" that were established as part of a lawsuit settlement regarding the implementation of the Mello Act.

The City is currently preparing a permanent implementing ordinance to replace the Interim Procedures. Under the proposed implementing ordinance, which has

<sup>141</sup> Zillow.com

been approved by the City Planning Commission, all converted or demolished affordable housing units must be replaced with an equal number of affordable units. All new residential construction projects of two or more units must include affordable housing in accordance with one of the following two options, depending on project size: (1) for projects of ten or more units, set aside 10 percent of all new units for very low-income households; or, (2) for projects of two to nine units, pay a fee for each square foot of residential floor area. These requirements will apply to multi-family and single family developments. Alternative compliance options will be available, including provision of affordable units at another location and payment of substantial fees, for those projects for which compliance with the requirements would be infeasible.



Compliance with the State Mello Act requires additional review and evaluation when considering a proposed development, and often entails additional costs to developers. Proformas have frequently been required to substantiate financial feasibility or infeasibility, and covenants are required to ensure long-term compliance with affordability restrictions. Given these additional requirements which extend the entitlement and building permit process, coupled with the requirement to include new or replacement affordable units or pay a fee, developing housing in the Coastal Zone includes increased costs that may deter such development by significantly reducing the financial benefits to the developer.

### Environmental Conditions and Constraints

Soil in the Coastal Zone is saturated with water, which typically precludes construction of more than one level of subterranean parking. In addition, a reinforced foundation is necessary for most buildings, which further increases construction costs.

Land use restrictions tied to environmental conditions are also prevalent in the Coastal Zone. In the Venice Coastal Specific Plan area, for example, this includes requirements to: (1) set back buildings 15, 25 or 40 feet, depending on location, from the esplanade along the Ballona Lagoon, (2) limit building height to 30 feet within 60 feet of the high tide line of the Ballona Lagoon with one additional foot in height permitted for each two feet beyond 60 feet for a maximum height of 38 or 45 feet depending on location, and (3) limit building height to 22 feet within ten feet of the Venice Canals with one additional foot in height permitted for each two feet beyond ten feet for a maximum height of 30 feet.

### Alleviating Constraints in the Coastal Zone

The Coastal Zone is subject to many development restrictions due to land use, land costs, and Mello Act compliance. However, the City's Small Lot Subdivision regulations allow the creation of subdivisions on lots with reduced land costs that are more affordable than traditional single-family homes, including in the Coastal Zone. The Small Lot Subdivision regulations permit

a reduced lot area of 600 square feet, lot coverage of up to 80%, no direct street frontage, no front, side or rear yard setbacks in most cases, and no passageways. Additionally, the small lot subdivision regulations permit housing to be developed on P-zoned lots which otherwise would only permit surface parking lots. Use of the density bonus law also provides added flexibility to offset the constraints in the Coastal Zone. This law permits additional units beyond what the zoning would otherwise allow, as well as other land use incentives to facilitate development when affordable housing is provided.

In addition, the ability to prove financial infeasibility of including required affordable units on-site and to provide replacement units off-site within the Coastal Zone, or if still financially infeasible, within three miles of the coastal zone, reduces the financial impact of Mello Act compliance. Providing options for meeting the affordable unit set-aside requirements provides flexibility to a developer and, therefore, greater likelihood of making residential development in the Coastal Zone economically feasible.

## E. Market Constraints

There are a number of market constraints to the ability to deliver housing, especially affordable housing, in the City of Los Angeles. The most severe of these are: high land costs; high construction costs (for labor, materials and financing); and financing availability.

### 1. Land Costs

Virtually no undeveloped or vacant land exists today in Los Angeles. The cost of land available for residential development is quite high compared to less urbanized areas, due to the following factors: the relative scarcity of developable land, the likelihood that zoning limits density, difficulty of assembling small parcels, land costs for developable land that is already urbanized, high cost of clearing land of existing uses and buildings, the cost of displacement or relocation of current occupants, costs associated with remediation of various types of contamination (or at minimum the testing of the land to determine the presence of potential contaminants) and the additional time required to make previously-developed and occupied land available. Land costs are also identified as major constraints in a study by the University of California, Berkeley, Institute of Urban and Regional Development, *Raising the Roof: California Housing Development Projections and Constraints, 1997-2020*<sup>142</sup>.

Land costs are typically measured in dollars per square foot. In a city the size of Los Angeles, land costs vary considerably by factors that include geographic location, proximity to amenities such as waterfront location or views, proximity to commercial services, allowable density of development, proximity to transportation and other factors such as perceived community safety and the

<sup>142</sup> John D. Landis, Dept of City & Regional Planning, U.C. California, Berkeley, Reprinted 2000

quality of schools. Since much of the available land for residential development in Los Angeles is zoned for commercial use, land prices are affected by commercial demand, either actual or perceived. In addition to significant variation in costs across the City, land costs have also increased substantially from year to year. For example, in 2005, land costs ranged from approximately \$36 per square foot in South Los Angeles with mixed commercial and residential zoning to \$46 per square foot in Panorama City (commercial zone) to \$93 per square foot in Westlake/MacArthur Park (for high density multi-family residential). In 2007, similar residential land prices had escalated to \$114 per square foot for commercial land in the La Brea/Jefferson area and \$111 per square foot for high density multi-family residential land in the Westlake/MacArthur Park area. In fact, in 2007, land prices were as much as \$450-\$500 per square foot in Central Los Angeles, where densities can exceed 200 units per acre.

### Alleviating Constraints due to Land Cost

The City of Los Angeles has undertaken, and employs, a number of mechanisms to alleviate the impact of land cost on the development of housing. These include:

- Allowing by right increases in development density by as much as 35%, with the requirement that between 11% and 20% of the units be affordable to very low-income (less than 50% of area median income), low-income (less than 80% of area median income) or moderate-income (less than 120% of area median income) households.
- Making available, on a priority basis, City-owned sites (including ex-CRA-owned sites) for housing development. This includes surplus property (which is offered on a priority basis to the City's Housing and Community Investment Department, and/or to non-profit housing developers) and opportunities to develop in conjunction with or on top of City facilities such as public parking lots and garages.
- Reducing the parking requirements to offset a portion of the development costs for senior housing, for housing developed in certain mixed-use configurations (by allowing shared parking), and for housing developed in Transit Oriented Districts. With subterranean parking averaging around \$50,000, parking reductions can reduce construction costs significantly. In addition, where parking requirements can be lessened, site requirements can be reduced, resulting in land acquisition cost savings as well.
- Providing additional funding to affordable housing projects through the City's Affordable Housing Trust Fund.

## 2. Construction Costs

Construction costs include the costs of three key resources: materials; labor; and, financing. The availability of these resources and their corresponding costs are affected by local factors as well as national and global events.

Materials costs vary widely depending on the type of construction (wood frame, wood frame over concrete parking, modified wood-steel frame over concrete parking, steel frame and concrete frame). While the 2007 recession led to some slight moderation in materials costs, as residential market conditions improve overall, prices for materials have increased significantly<sup>143</sup>. Since the last Housing Element analysis, offshore demand for construction materials has remained high, as well as materials demand for the ongoing development of large public works programs, namely, increased capital construction activity in public transit projects in the City.

Labor costs vary with the construction method and the complexity of construction. Large and particularly high-rise buildings involve the most complex and thus the most expensive skilled labor. Most complex and high-density residential developments tend to use predominantly unionized labor while low-rise and low-density development may use a combination of union and non-union labor. A majority of the projects in Los Angeles that receive public funding are required to use federal and local prevailing wage rates.

In the previous Housing Element Update, a discussion on Davis-Bacon wages indicated that these had not only increased overall (across classifications), but that prevailing wages (e.g., Davis Bacon wages), were higher than other, comparable disciplines that were not subject minimum wage amounts. From 2007 to 2013 Davis-Bacon wages for common construction wage determination classifications (e.g., electricians, elevator mechanics, carpenters, etc.) have increased nominally. In some instances, wages have remained stagnant, or have otherwise fallen (see Table 2.5 below).

<sup>143</sup> John D. Landis, Dept of City & Regional Planning, U.C. California, Berkeley, Reprinted 2000

**TABLE 2.5**  
**2007-2013 Hourly Wage Adjustments for Selected Construction Occupations**

Wage Determination Classification	Hourly Wage 2007	Hourly Wage 2013 (as of April)	\$ Change per Hour
Asbestos Removal Workers	\$19.55	\$18.70	(\$.85)
Framer & Finisher Carpenter	\$24.75	\$29.55	\$4.80
Electrician	\$20.20	\$20.20	\$0.00
Elevator Mechanic	\$38.22	\$48.23	\$10.01
Ironworker	\$33.06	33.00	(\$.06)

<http://www.bradenton.com/2013/04/25/4497892/housing-rebound-in-us-hampered.html#storylink=cpy>



The average labor and materials costs of new housing construction in Los Angeles in 2012 can be seen in Table 2.6, which compares costs among four major cities<sup>144</sup>. At \$302 per square foot, Los Angeles was third, behind Chicago.

The average construction costs of new housing in Los Angeles in 2012 can be seen in Table 2.6 which compares costs among four major cities<sup>145</sup>. At \$302 per square foot (including parking), Los Angeles was third, behind New York and Chicago.

**TABLE 2.6**  
**2012 New Housing Construction Cost Comparison for A 4-Story, 83-Unit Multi-family Building**

		Total Construction Cost Per Square Foot	Construction Cost	Construction Cost Per Unit
New York City	Residential	\$250	\$14,972,730	\$202,086
	Parking	\$134	\$2,006,708	\$27,084
	<b>Total</b>	<b>\$383</b>	<b>\$16,979,438</b>	<b>\$229,170</b>
Los Angeles	Residential	\$197	\$11,803,320	\$159,309
	Parking	\$105	\$1,581,930	\$21,351
	<b>Total</b>	<b>\$302</b>	<b>\$13,385,250</b>	<b>\$180,660</b>
Chicago	Residential	\$222	\$13,333,380	\$179,960
	Parking	\$119	\$1,786,995	\$24,119
	<b>Total</b>	<b>\$341</b>	<b>\$15,120,375</b>	<b>\$204,079</b>
Dallas	Residential	\$151	\$9,071,070	\$122,432
	Parking	\$81	\$1,215,743	\$16,409
	<b>Total</b>	<b>\$232</b>	<b>\$10,286,813</b>	<b>\$138,840</b>

Source: RS Means Square Floor Costs 2012

Labor and materials costs involved in the maintenance or rehabilitation of existing housing can vary. Rehabilitation is unique to the property in that the scope of rehabilitation work required depends upon the condition of the building. An older building will typically require that more components and/or systems be completely replaced. If any hazardous materials are present, such as lead paint or asbestos, the removal of these materials is very costly. The scope of work may trigger requirements to meet current Building Code standards as the original construction of older structures does not likely meet all current requirements. Furthermore, the full cost is often not known until the work is started and conditions are uncovered.

<sup>144</sup> www.dol.gov; Federal government website to obtain appropriate Service Contract Act (SCA) and Davis-Bacon Act (DBA) wage determinations for each official contract action.

<sup>145</sup> Reducing the Cost of Housing in New York City, 2005 Update, New York University School of Law and Robert F. Wagner Graduate School of Public Service

Financing costs for multifamily development typically include the interest rate for construction loans and permanent loans, loan points and/or fees, and legal costs associated with loan documentation. Financing costs for new construction and rehabilitation of multi-family structures fluctuated during the height of the financial crisis of 2007 and 2008, but have largely remained relatively low and stable since 2009. The cost of funds through the Federal Reserve Bank, to which lenders add 1-2 points in lending funds to residential developers went from 2.8% in the first quarter of 2012 to 2.7% in the last quarter. However, according to Fannie Mae's Housing Forecast, the projection for 2013 through 2014 shows an increase in rates, from an estimated average of 3% in 2013 to 3.6% in 2014<sup>145</sup>. Although the cost of funds has dropped, lenders are still challenged in making loans due to stubborn credit access issues and risky loan repayment due to the continuing fragility of the housing market and the economy in general.

Labor and materials costs for affordable multi-family housing are essentially the same as labor and materials for market rate units. However, construction financing costs are far different because public resources are available. Affordable housing development, including new construction and rehabilitation activity, blend market financing with public, lower-cost financing. Public resources include loan products that offer very low interest rates and/or deferred payments, or no repayment if the development serves the intended lower income population for the required period of time. Such loan products are available from federal, State, County and local governmental entities. In addition, significant cash is raised from investors through the federal Low Income Housing Tax Credit (LIHTC) program, which provides tax relief to the investor for relatively minor up-front financing costs to the project (syndication fees, legal fees). However, these public funds often have additional requirements which off-set to some degree the cost savings of the public resource (i.e., requirement to use prevailing wage rates, living wage requirements, Service Contractor Worker Retention requirements).

Table 2.7 below provides the average construction cost, by type, of building new and rehabilitating affordable housing based on multifamily projects that the Los Angeles Housing and Community Investment Department reviewed and recommended for funding in 2011 and 2012. Construction costs, for the 2011 and 2012 projects analyzed represented well over a third of total development costs, to just under half the costs.

<sup>146</sup> Fannie Mae, Economic and Strategic Research, "Housing Forecast: April 2013. Rates stated are for 5-year, adjustable rate mortgages.

**TABLE 2.7**  
**2012 Estimates of Average Construction Cost for Affordable Housing by Housing Type**

Type of Project	Construction Cost per Unit	Total Development Cost (Avg./per unit)	Percentage of Total Development Cost
Preservation	\$80,609	\$180,000	45%
Acquisition/Rehabilitation (Newly Affordable)	\$139,110	\$301,000	46%
New Construction (Newly Affordable)	\$140,007	\$358,000	39%

Source: Los Angeles Housing and Community Investment Department, Policy and Planning Unit, Based on projects that were either funded by the Affordable Housing Trust Fund, or were financed with bond proceeds in 2011 and 2012

### Alleviating Constraints due to Construction Costs

There are limited actions that the City can take to reduce construction costs. The City does not currently implement any programs or policies that reduce labor or materials costs. Financing costs are determined by national governmental agencies and by private financial institutions and investors across global capital markets. The City has no role or authority in these markets and therefore no influence over financing costs.

Nevertheless, with respect to identifying and quantifying cost components, including construction costs statewide, the California Tax Credit Allocation Committee, the California Debt Limit Allocation Committee (CDLAC), the State Department of Housing and Community Development (HCD) and the California Housing Finance Agency (CalHFA) procured an analytical consultant to help conduct a cost study. This multi-agency sponsored study will provide vital insight into the nature of cost drivers for affordable housing development, and importantly, will inform how capital sources of financing might accommodate or address high development costs, including construction costs. A final draft version of the study is planned for 2013.

To support affordable housing development for very low-, low- and moderate-income households, the City reduces financing costs by making local funds available for construction and permanent loans. Over the past three years, the City has provided approximately \$65 million each year from its HOME and CDBG allocations for affordable housing development. The funds from these sources are made available at very low interest rates with deferred or no repayment requirements (i.e., deferred repayment, repayment if cash flow permits, or no repayment if the development serves the intended purpose for the life of the loan).

In addition to these local sources, the City assists developers in accessing other low-cost public resources from County, State and Federal sources. The local funds, described above, are in fact leveraged for these other public resources.

In addition, the HCIDLA administers other programs through the Affordable Housing Trust Fund, allocating locally-controlled federal funds to affordable housing projects. Between 2006 and 2012, HCIDLA awarded over \$486 million in Affordable Housing Trust Fund dollars for affordable housing development.

For homebuyers, the City accesses other public resources for a variety of homebuyer assistance programs, including Mortgage Credit Certificates and mortgage revenue bond proceeds that provide purchase assistance. Most notably, since the last Element update, the City has successfully met critical Neighborhood Stabilization Program milestones, acquiring and rehabilitating over 820 housing units, expending 100 percent of its NSP 1 and 2 awards, representing over \$130 million dollars in formula competitive grant awards.

### 3. Financing Availability

Financing is needed for several phases of the development process: predevelopment; site acquisition; construction; and occupancy/operations. Each phase has its unique risks, and it is rare that one financial institution will provide financing for all of these phases in the same project. Financial institutions seek to spread the risks they undertake.

There are few institutions willing to finance land acquisition and predevelopment costs, the riskiest part of the development process. This is a particular hardship for developers of affordable housing. Without access to site acquisition financing, potential sites are lost to market rate development. Capital availability is identified as a major constraint in a study by the University of California, Berkeley, Institute of Urban and Regional Development titled *Raising the Roof: California Housing Development Projections and Constraints, 1997-2020*<sup>147</sup>. This difficulty persists today; availability and access to capital for pre-development costs is scarce and when it does exist, particularly at a local level, is highly scrutinized and offered through a process that ensures the investment of local funds is protected. A complicated pre-development loan process that places primacy on the protection of the City's investment has unduly created obstacles to maximizing loan approvals. In the City of Los Angeles, the New Generation Fund, a \$100 million, pre-development acquisition fund, was launched in 2008 for affordable housing developers to access, with the intent of creating an affordable housing pipeline with a direct path to the city's Affordable Housing Trust Fund. However, the New Generation Fund finished its term with lower-than-expected loan approvals. Anecdotally, affordable housing developers identified loan terms that required repayment in too-quick a turnaround timeframe, as well as an unmitigated risk of borrowing from the pre-development loan fund with no clear source of "take-out" financing at the city level that could help pay off the New Generation Fund loan (see Alleviating Constraints due to Lack of Financing below)

For affordable multifamily development, public resources for all phases of development are available, but in amounts far below the demand and

<sup>147</sup> John D. Landis, Dept of City & Regional Planning, U.C. California, Berkeley, Reprinted 2000

need. As discussed above under “Government Constraints,” resources from Federal and State agencies have decreased significantly since 2006. Most dramatically, the loss of redevelopment as a tool to locally finance affordable housing has effectively halved the financial capacity on a year-to-year basis. The limited resources available are very competitive, with requests exceeding available funds by as much as 3-to-1, for funds administered by HCIDLA.

In the market-rate multi-family submarket, credit largely appears to be available for development. LA’s housing supply is constrained, and rents are rising, so market rate projects appear to be getting financed. However, lenders continue to work under strict conditions in order to manage risk, therefore certain deals in certain lower-performing submarkets may continue to face difficulties. When loans are indeed provided, lenders are often using stricter underwriting criteria. This includes lower loan-to-value ratios to lower their risk, causing borrowers to provide more equity and/or other assets as security for the loan. This can render a project financially infeasible.

Mortgages for purchasing a home are provided by a variety of financial institutions that lend directly to the homebuyers, including mortgage companies, savings and loans, commercial banks, credit unions, and state and local housing finance agencies. Home mortgage lenders also sell mortgages in the secondary mortgage market. Secondary market investors include Fannie Mae, Freddie Mac, various pension funds, insurance companies, securities dealers, and other financial institutions. Fannie Mae is unique in that it was established by the Federal government for the express purpose of expanding the flow of mortgage funds and helping lower the costs to buy a home. Other secondary mortgage market investors participate in this market as an additional line of business and/or investment to their core business.

Fannie Mae operates solely in the secondary mortgage market under the public mission to ensure that mortgage bankers and other lenders have enough funds to lend to homebuyers at low rates. Fannie Mae purchases mortgages that comply with its guidelines and loan limits which are geared toward low-, moderate- and middle-income people becoming homebuyers, in keeping with Fannie Mae’s public mission. The loan limits are adjusted each year, in response to changes in housing affordability nationwide. Thus, a lender can reduce its risk by providing loans that conform with Fannie Mae limits because Fannie Mae can purchase these loans.

Current Fannie Mae mortgage loan limits for high-cost areas are at \$652,500 (2013; up from \$417,000 in 2006 and 2007)<sup>148</sup>. In a previous section, the Element discusses a regional median home price that hovers around \$345,000. While Fannie Mae loan limits appear to accommodate home prices, the challenge still resides in a relative scarcity of housing stock at prices that conform to Fannie Mae-backed loans, as well as a more stringent set of underwriting criteria. Former homeowners - those with recent foreclosures and/or short sales in their credit profiles – will have limited to no access to Fannie Mae-backed loans.

<sup>148</sup> The Federal Housing Finance Agency (FHFA) publishes the conforming loan limits annually that apply to all conventional mortgages that are delivered to Fannie Mae, including both the general loan limits and the high-cost area loan limits.



A re-emerging loan product, in the form of subprime loans, is increasing in accessibility to respond to former homeowners with bad credit profiles due to bankruptcies, foreclosures and short sale transactions. The renewed need for non-conforming loans, in the form of subprime loans, or loan products that accommodate bad credit scores, means higher mortgage costs in the form of additional points, fees and higher interest rates in order for the lender to adequately cover the loan risk<sup>149</sup>. In addition, defaults in the mortgage market have led to a lack of funds for other mortgages, and this liquidity crisis has led lenders to remove entire mortgage product lines, such as zero-down loans. Lenders have also tightened eligibility standards. This includes requiring substantial down payments as well as higher Fair Isaac and Company (FICO) credit scores.

### Alleviating Constraints due to Lack of Financing

There are limited actions that the City can take to improve the availability of financing. The City has no role or authority in the financial markets and therefore no influence over financing availability.

However, by providing public resources for residential development, the City helps developers leverage private resources and spread the risk for private financial institutions investing in residential development. This encourages the availability of financing for affordable housing developments in which the City and other public entities invest.

In the spring of 2013, the City renewed its New Generation Fund and resized it at \$52 million. This amount was based on lessons learned to accommodate the market needs, providing, in part, a longer holding period. This change was in direct response to developer input regarding one of the more onerous loan requirements. The success of the New Generation Fund was and is dependent on a known source of capital financing.

For homebuyers, the City assists in accessing resources for purchase assistance, helping homebuyers to meet the down payment requirements and access mortgages in the private market. Public resources are also available for soft second mortgages which reduce the size of the primary mortgage and make that primary mortgage more affordable.



<sup>149</sup> Reckard, E. Scott, "Lenders Venturing Back Into Subprime Market," Los Angeles Times. April 27, 2013.

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# Inventory of Sites for Housing

Chapter 3







Landscape  
by ZAC

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# Inventory of Sites for Housing

Under Housing Element law, the City must show that it has adequate land zoned to accommodate the entirety of its 2013-2021 Regional Housing Needs Assessment (RHNA) allocation of 82,002 housing units. This Chapter identifies the City's inventory of land suitable for residential development without the need for any discretionary zoning action by the City, in accordance with California Government Code §65583.2. The methodology used to identify these sites is also described here.

## A. Inventory of Adequate Sites

Per State law, the City's inventory is comprised of undeveloped and under-developed sites upon which the required number of housing units can be built without the need for any discretionary zoning action by the City. The City has identified 21,336 sites that have excess capacity to accommodate a minimum of 308,052 units (see Map 3.1 for locations of these sites). Appendix H contains a list of these sites and maps of the identified sites for each of the 35 Community Plan Areas. The general plan land use designation and zoning capacity are identified for each site as well as the potential number of housing units that could be added to the site. While the City is not required to build the units, it is required to show that adequate zoning capacity exists and to show the sites where that capacity is located.

The permitted density for each site is also identified, illustrating the potential of the site to accommodate the very low-, low- and moderate-income units included in the City's RHNA allocation (per State law, a density of at least 30 units per acre serves as a proxy to identify sites suitable for affordable housing development). Of the identified sites and units, 10,198 sites are available for low- or very low-income units as they permit more than 30 dwelling units per acre.

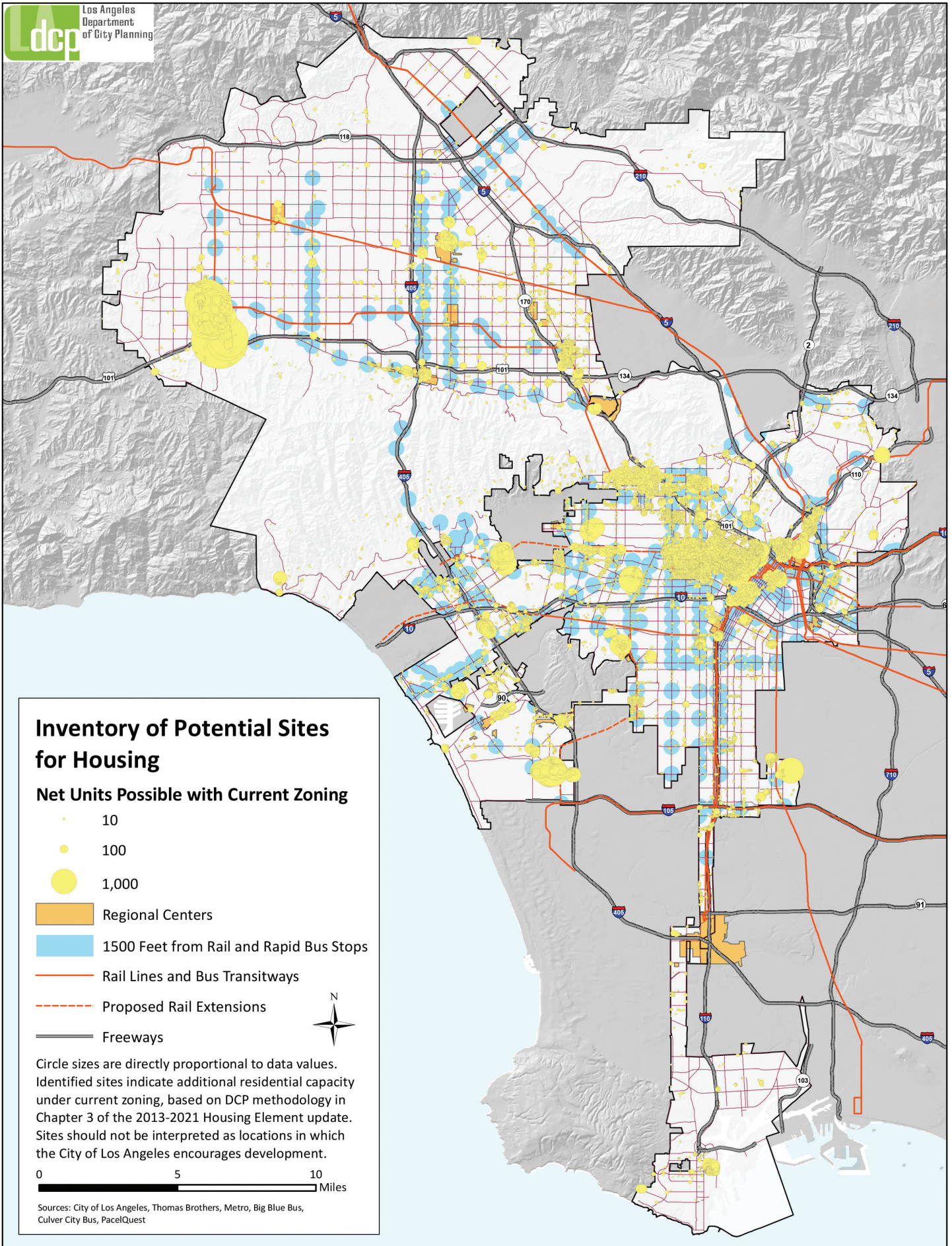
Table 3.1 summarizes where the identified sites are located in the City, by showing the net additional units and acreage of sites in each of the City's 35 Community Plan Areas.



**TABLE 3.1**  
**Summary of Sites with Housing Capacity by Community Plan Area**

CPA	Sites	Net Units	Acres
Arleta - Pacoima	92	308	47.6
Bel Air - Beverly Crest	39	241	115.7
Boyle Heights	593	2,805	157.8
Brentwood	64	1,211	222.2
Canoga Park	402	60,750	883.5
Central City	443	17,893	123.3
Central City North	453	11,490	179.6
Chatsworth	76	860	164
Encino - Tarzana	181	1,355	224.4
Granada Hills	27	240	49.3
Harbor Gateway	168	1,346	77.5
Hollywood	2,024	24,185	662.1
Mission Hills	214	3,872	225
North Hollywood	1,193	8,726	329.5
Northeast Los Angeles	425	6,018	276.4
Northridge	124	350	79.4
Palms - Mar Vista	721	9,263	237.3
Reseda	168	1,344	107.4
San Pedro	190	4,137	92.4
Sherman Oaks	283	2,895	150.3
Silverlake - Echo Park	476	3,732	148.2
South Los Angeles	1,729	6,405	386
Southeast Los Angeles	1,691	8,405	413.5
Sun Valley	254	1,267	144
Sunland - Tujunga	47	443	65.6
Sylmar	105	690	123.1
Van Nuys	444	2,542	254.3
Venice	190	907	46.4
West Adams	1,456	8,368	417.3
West Los Angeles	629	10,862	268.6
Westchester	371	12,645	291.7
Westlake	1,853	39,506	500
Westwood	170	1,261	46.1
Wilmington	22	241	30.8
Wilshire	4,019	51,490	1,014.2
<b>TOTAL</b>	<b>21,336</b>	<b>308,052</b>	<b>8,554.3</b>

**Map 3.1**  
**Inventory of Potential Sites for Housing**





## B. Development Trends and Future Growth

The City's analysis of existing capacity shows that a minimum of 308,052 units can be built on 21,336 lots, in addition to what currently exist on these lots. While building activity may shift from year to year, the City anticipates that of these 308,052 units, almost 2.0%, or 6,000 units, may be developed each year on average, reaching a total of 46,500 units over the course of the nearly eight years of the Housing Element RHNA period (January 1, 2014 through September 30, 2021).

Los Angeles' General Plan is guided by its Framework Element, which directs anticipated growth to high density, mixed use centers and to the neighborhoods around its 80 rail stations. As part of this Plan, the City has recently embarked on an ambitious program to create Transit Neighborhood Plans for 24 current and proposed light-rail station areas across the City. Up-zoning is anticipated to occur in many of these areas located within ½ mile of light-rail and rapid bus transit, thereby creating additional capacity for housing growth. Up-zoning approved in 2013 for an update to the Warner Center Specific Plan and the new Cornfield Arroyo Seco Specific Plan (both along high-quality transit lines), will add approximately 41.6 million square feet of expected residential area to the City through 2035.

In addition, the City continues to update its 35 Community Plans (which together make up the City's Land Use Element) on a regular basis in order to implement appropriate zoning and land use incentives that will facilitate such development in each of these locations. Although only current zoning is utilized for this inventory of sites, with the 10 Community Plan updates expected to be completed through 2021, more sites will be available for residential development during the life of this Housing Element update. These sites will coincide with the Framework Element's emphasis on designated centers, such as downtown Los Angeles and areas along the City's current and proposed light-rail and bus rapid transit lines, where the City has made significant public infrastructure investments, as depicted in Map ES.1. Only the Hollywood Community Plan has been adopted since the last Housing Element, but Community Plans for other transit-oriented neighborhoods such as West Adams-Leimert Park-Baldwin Hills, Boyle Heights, Sylmar, South and Southeast Los Angeles are likely to be approved in the next few years. Each is planned to add residential capacity, particularly in areas around transit stops, mixed-use boulevards and centers. Funding was approved in 2013 for important Community Plan updates in the downtown areas of Central City and Central City North.

Many of the programs identified in the Housing Element encourage housing capacity in the strategic and desirable locations throughout the City that are identified in the General Plan. Such programs include Program 70 "Targeting Growth in Community Plan Areas" and Program 89 "Planning for Neighborhood



Character". Program 60 "Implement CEQA Streamlining Measures" aims to facilitate the utilization of Statewide CEQA streamlining measures, including those transit-oriented projects that implement the regional Sustainable Communities Strategy. Program 68 "Reduced 'Trips' for Housing near Transit and/or with Affordable Housing" and Program 73 "Jobs/Housing Balance Incentives: Residential Exemptions in Transportation Specific Plans" both provide incentives for transit-oriented development. Program 69 "Transit Oriented District Studies" calls for conducting studies to identify housing opportunities and market potential for the neighborhoods around rail and bus rapid transit stops in the City.

While City policy dictates that housing units, in general, be located strategically, rather than dispersed evenly throughout the City, affordable housing should be dispersed throughout the City, per Objective 2.5. Affordable housing is needed in all communities and must be made available in all parts of the city. Nevertheless, land use and planning tools to generate affordable housing are severely limited with the demise of the Community Redevelopment Agency. In addition, following the Palmer vs. City of Los Angeles court decision, the City has no ability to require property owners to build rental housing that is affordable to people of all income levels<sup>150</sup>. Substantial public dollars are required to eliminate the gap between real housing costs and affordable rents. The Housing Element includes Program 98, "Community Level Affordable Housing Programs" that will establish affordable housing goals based on RHNA for each major community planning effort that enables or facilitates residential development. These targets will serve as affordability goals for new development in each Community Plan Area, so that new housing construction strives to meet the same income targets as the City's RHNA allocation. In the process of revising each Community Plan, neighborhood-specific tools and incentives can be incorporated to implement these goals that will work in each community. While a broad citywide policy can be developed to address affordability, a one-size-fits-all implementation strategy is not possible for the diverse communities of this city. In order to be effective, unique, neighborhood-specific implementation tools must be developed at a Community Plan level that reflect local circumstances and the particular character of each neighborhood.

The City also recognizes the importance of ensuring that sites are adequately zoned and available for the development of emergency and temporary shelters. Since 1986, the City has permitted the establishment of shelters for homeless people by-right in the R4, R5, C2, C4, C5 and CM Zones (Ordinance 161,427). Of the 21,336 parcels listed in RHNA Inventory of Sites for this Housing Element Update, 13,281 sites, ranging from 0.02 to 28.6 acres in size, have one of these zoning designations.

## C. Sites Suitability Analysis

In the City of Los Angeles, 15,467 acres, representing only 5.1% of the City's total acreage, is classified as vacant, undeveloped land. As the City is essentially built-out,

<sup>150</sup> Except in the state's Coastal Zone where the Mello Act requirements still apply.

most of the City's growth must occur and has been occurring on sites with existing uses. A DCP analysis of two years of building permits showed that the vast majority of all multifamily projects were built on sites that previously had another use. As recycling land with existing uses is virtually the only strategy to develop housing in the City, the existence of another use will not impede the development of housing in Los Angeles.

### **Infill Development and Redevelopment**

Nearly all sites with residential development potential already have an existing use, including some residential units on site. The Inventory of Sites shows the potential housing capacity (number of net units) over and above what is already on the sites. Of the 21,336 parcels in the Inventory of Sites, 8,791 parcels (41%) have 16,778 residential units on them. On these commercially and residentially zoned sites where there are existing residential uses, there is capacity for 83,040 more residential units in excess of what already exists on these sites. Thus, these 8,791 parcels have a gross capacity of at least 99,818 units. While the existing 16,778 units may be lost if these sites are redeveloped, in aggregate, the sites are zoned to support nearly six times the number of units that already exist on these sites.

In a change to the City's methodology of computing its inventory of sites from the previous update, every parcel with residential units on it must now be zoned to accommodate at least three times the number of existing units in order to be included in the inventory. That is, if a current site has 10 units on it, the potential must exist to construct at least 30 units under current zoning. This change was made to be more realistic about current development trends in Los Angeles, based on an evaluation of recent building permit data and in consultation with the City's development community. While City staff was advised that circumstances vary widely depending on the local market and different development circumstances, developers typically only begin to look at a site when they can at least triple or quadruple the number of units on an existing residential site. The threshold is used in Housing Elements across the State according to our CEQA housing sub-consultant Veronica Tam and Associates. The housing developers on the Housing Element Task Force agreed with this threshold and permit data backed it up. For example, a 16-unit apartment building in the Koreatown neighborhood was demolished in 2007 to make way for a 49-unit apartment. Another 23-unit apartment in Westlake was demolished that year to make way for a 74-unit affordable housing development.

In line with the policies of directed growth in the City's Framework Element, a total of 85% of all the net units that could be built on sites included in the inventory are located within a half-mile of a high-quality transit stop (rail and transitway, as well as rapid bus stops) and/or a designated Regional Center (262,986 units). Seventy percent of the units (216,086) are located within 1,500 feet of such a location. This indicates that the City has more than sufficient development capacity in its transit and mixed-use centers to accommodate the entire RHNA for the 2013-2021 period.



Some sites on the Inventory currently support commercial and institutional uses. Many of these sites, with redevelopment potential, frequently have excess land or parking areas that can be developed with housing. The Department of City Planning is working closely with the Los Angeles Unified School District, for example, to reconfigure school sites in order to “free up” land for the development of affordable housing, particularly for teachers. LAUSD has a Division focused on this effort and the Planning Department is working closely with the Division in the development of several sites. It is anticipated that several hundred new affordable housing units can be created on LAUSD school sites through this collaboration. For example, the fifty unit Rio Vista apartment complex that was built in Glassell Park in 2011 is on a site that previously had been a parking lot for Glassell Park Elementary School. Another similar project is currently in pre-development in the University Park neighborhood and is proposed to have 29 units.

The City recognizes the importance of preserving the affordability of units that may be lost due to demolition and redevelopment of an existing site. Therefore, the City is committed to preserving the affordability of any publicly subsidized housing project identified in the Inventory facing redevelopment by requiring that the new units retain their affordability covenants if redevelopment occurs on the site.

For units protected under the Rent Stabilization Ordinance, the City will enforce the replacement and relocation requirements if and when these units are redeveloped.

### Density and Realistic Capacity

While the Inventory of Sites shows the capacity for a minimum of 308,052 additional units on 21,336 lots, 58% of the units are on commercially zoned sites and 42% are on residentially zoned sites. Recent trends in development show that much of the housing in Los Angeles is now being built in commercial zones. In 2001, 40% of building permits for new multi-family housing in the City were on sites in commercial zones. From January 1, 2006 to May 31, 2012, 47% of building permits for new multi-family units in the City were located in commercial zones.

While the City permits relatively high density residential development by-right in all of its commercial zones, we recognize that not all of the commercially-zoned sites will be redeveloped with residential use. Therefore, in line with the City’s current Community Plan capacity methodology, we assume different “conversion factors” in different land use categories to reflect the potential these sites have for commercial and mixed use development. In Community Commercial areas with Height District 1 (FAR = 1.5:1) we assume that only 10% of the capacity of commercially-zoned sites in the inventory will be utilized for residential uses. In Community Commercial areas with FARs over 3:1 a 50% factor is used, while areas considered Regional Centers use 60%. These assumptions reduce the Inventory capacity on commercially zoned properties by 55% from 396,764 to 179,067 potential units.

## Suitability of Small Sites

While the size of lots on the Inventory range from 1,000 square feet to several acres, all sites on the Inventory are suitable for the development of housing, including affordable housing. Smaller sites were only included if they were able to accommodate a minimum of five new units. The small sites that are included are generally of a higher density, which allows for the construction of significant numbers of units, including affordable housing units, to be built on smaller sites. This is because in Los Angeles, unlike many cities, zoning regulations facilitate housing construction at relatively high densities. In Los Angeles, development can occur at densities as high as 50 to 100 units per acre in many multi-family neighborhoods and near transit nodes, and up to 218 units per acre in all Regional Centers. In addition, due to a recent zoning ordinance, density is completely unlimited in all of the downtown (building sizes are now limited only by a floor area ratio). This zoning facilitates strategic growth per the Framework Element as depicted in Map ES.1.

The suitability of small sites is evidenced by a sample of 34 100% affordable housing projects that were permitted between 2006 and 2011. These 34 projects range from 6 units (6,991 sf) to 97 (43,580 sf) units for a total of 895 affordable units. In addition, many of the current round of Affordable Housing Trust Fund project submittals are on sites that are less than .4 acres.

The City of Los Angeles has also promoted infill development on smaller sites through its Small Lot Ordinance, which has been used to provide affordable home ownership. The Small Lot Ordinance allows fee-simple, structurally independent infill housing (such as town homes, row houses, bungalows) to be built on commercial and multi-family zoned lots as small as 600 square feet without yard or setback requirements. From January 2005, when the Ordinance came into effect, to the middle of 2012, 184 projects have been filed with the City, representing 1,527 homes on lots that range from 1,000 to 2,000 square feet. Los Angeles Neighborhood Housing Services, the Enterprise Foundation and the CRA/LA have all used the Small Lot Ordinance to provide affordable home ownership in South Los Angeles and other lower income neighborhoods.

Finally, the City has also recently expanded the ability to utilize floor area ratio averaging across several parcels in a unified development in greater areas of the City. This allows developers to more easily combine parcels for lot consolidation. The City is also updating the planned unit development (PUD) code provisions, which currently are tailored towards larger single-family suburban type developments. The idea is to update the Zoning Code (LAMC 13.04) to make this tool available for a broader range of infill and mixed-use development types.

## Water and Sewer Capacity

All parcels identified in the Inventory of Sites are suitable for development in the current planning period, pursuant to zoning and building code requirements, and are not



subject to any general environmental constraints that would preclude development. Water, sewers, and other utilities are available throughout the City of Los Angeles and their capacity and availability have been analyzed in the environmental analysis for the Framework Element of the City's General Plan. Streets and highways are available to all sites in the inventory and in most cases, transit is within close proximity. In addition to its streets and freeways, the City of Los Angeles has a heavy rail, light rail, rapid bus, fixed guideway, and an extensive bus transit system. Each housing project will be granted a permit on a site-by-site basis, at which time it is possible that some projects may be required to improve the existing infrastructure or comply with specific environmental regulations (such as certain types of roofing materials in high fire areas). However, the City's environmental laws in general do not preclude development. A project proposed on any site in the Inventory would be allowed "by-right" and would be issued a permit by the Department of Building and Safety (provided no extraordinary site-specific health and safety circumstances were found to exist).

## D. Selection Methodology

One of the main requirements of the Inventory is that it show that the requisite capacity (RHNA allocation) can be built without the need for a zone change. Every effort was therefore made to eliminate parcels which might require a zone change in order for (additional) units to be built. Also, since the inventory is intended to identify parcels with the potential for redevelopment, it excludes parcels smaller than 1,000 square feet, which were deemed unlikely to be suitable for development. Also, the inventory excludes parcels on which buildings have been constructed in the past 20 years. Sites with existing structures that are 20 years or older were used as an appropriate threshold for potential redevelopment for the following reasons. Property owners begin to weigh alternatives for their properties at the 20 year mark as significant building systems, such as roofs, decks, or HVAC require replacement around this time. Also, before the mid-1980s, residential buildings were built well under the maximum densities, as there was land available for development in the City.

The total capacity figure was calculated according to the following method:

- All parcels with zoning that does not allow by-right residential development were eliminated. As such, all industrial zones were eliminated, despite the fact that the City is currently in the process of evaluating its industrial land and has identified some industrial zoned land in which residential use could be mixed with industrial uses and some industrial land that should be converted to residential use. In the end, only existing residential and commercial-zoned parcels were counted as eligible for the Inventory.
- Some parcels have more than one zoning designation. When a parcel had a residential or commercial component, it was included in the inventory.

- For the initial screen, all parcels in a Specific Plan area, a Historic Preservation Overlay Zone, a Historic Cultural Monument, or subject to the Mills Act were removed from consideration. At a later stage, each Specific Plan was analyzed individually and parcels within those plans were included in the inventory if the Specific Plan did not limit, or only minimally limited density of residential development. (For example, some Specific Plans limit only alcohol permits, some affect only commercial development, some address design).
- Parcels with a General Plan land use designation of "Regional Center Commercial" and "Regional Commercial" were removed and calculated separately, in accordance with Zoning Code Section 12.22 A.18 (a) that permits the R5 zone density (218 units per acre) rather than the R4 zone density (108 units per acre) for residential development on commercially zoned lots (excluding CM Zones) in areas designated as "Regional Center" and "Regional Commercial."
- For the initial screen, all zones with "Q" (Qualified) and "D" (Development) conditions were removed from consideration. Each Q and D condition is a unique and tailored condition tied to a specific zoning ordinance for a particular site and there are several hundred thousand throughout the City. As such, there is no generalized way of knowing what, if any, density restrictions a Q or D condition puts on a particular zone without reading each enacting ordinance. For the previous update, some Q- and D-conditioned zones were individually reviewed and added back in. For example, much of the Central City Community Plan area is governed by zones with the same D condition applicable to all lots; these lots were added back in to the inventory. Due to workforce and time constraints, the potential net units for Qs and Ds were not recalculated for this update. The numbers from the previous Housing Element update were carried over into this update.
- Parcels within a hillside area that are designated for Minimum Density Residential Use and subject to the Slope Density Ordinance were removed from the inventory.
- Under the Los Angeles zoning code there are two main tools for regulating the capacity of sites –Floor Area Ratio (FAR) and density (lot area per unit). As a rule of thumb, FAR is more likely to be the determining factor for the number of units that one can build on a commercially zoned property and density the more likely determining factor for capacity of residentially zoned property. This is largely because some 80% of the commercially zoned land falls into Height District 1, which is limited to an FAR of 1.5:1. Following this rule of thumb, the capacity of a given parcel was calculated using FAR for commercial properties and lot size per unit for residential properties. A few exceptions to this rule were made when residential parcels had zoning with Q-conditions or were in a specific plan area that limited FAR, in which case FAR was used to calculate capacity. The FAR calculation was made by multiplying the lot square footage by the FAR to obtain a total buildable square footage. (Using the lot square footage as a base represents an average because the City's zoning code defines "lot area" in commercial zones with many deviations, some of which effectively

increase the size of the lot and some of which effectively decrease the size of the lot for purposes of calculating the buildable area; see below for details).<sup>\*</sup> This number was then divided by 1,406, the square footage of the median multiple family residential unit built in the City from August 2007 to May 2012. .

- Any units existing on a site were subtracted from the total capacity to obtain the net capacity for each parcel.
- Net units calculated for a site were divided by the number of existing units on the site. Only those sites with a net potential three times the existing number of units were kept in the inventory. For example, if a site had three existing units and was calculated to show a potential of nine or more net units, it was kept in the inventory.
- Only parcels with a net capacity of at least five units were included in the inventory<sup>151</sup>.
- The data used in the Inventory were collected on or prior to February 2013 from the Los Angeles County Assessor's Office and the Los Angeles Department of City Planning.

<sup>\*</sup>The following regulations define the "buildable area" in commercial zones:

- a. Residential development in commercial zones requires side and rear yard setbacks as established for the R4 zone (except that the CR zone requires the side and rear setbacks established in the R3 zone). Buildable area is calculated using the lot area minus the setbacks and multiplying by the FAR.
- b. Zoning Code Section 12.22 A.18(c) eliminates all setback requirements for mixed-use buildings located on commercially-zoned lots (excluding CM Zones) on the sides of a lot that abut a street, private street, or alley.
- c. Zoning Code Section 12.22 C.16 permits property that abuts one or more alleys to include one-half the width of the alley as a portion of the lot area in calculating number of allowed dwelling units.
- d. Zoning Code Section 12.22 C.10 permits rear yards that open onto an alley or a court to count one-half of the width of the alley or court, up to 15 feet, as a portion of the rear yard requirement.
- e. Zoning Code Section 12.22 C.3 eliminates all setback requirements in the Greater Downtown Housing Incentive Area.

<sup>151</sup> Parcels that show less than 5 units do so because of commercial conversion factors explained earlier.



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# Opportunities for Conservation in Residential Development

Chapter 4









# Opportunities for Conservation in Residential Development

This chapter delineates the opportunities that exist for water and energy conservation in residential development as required by California Government Code §65583(a)(8), all of which can reduce development costs and improve the affordability of housing units. The discussion highlights the conservation efforts being made by the City of Los Angeles, which aim to both reduce energy and water consumption at the consumer end through regular usage, as well as to minimize the need or demand for traditional energy and water sources. This chapter also addresses building design and land-use planning initiatives, which contribute to conservation such as green building programs, the promotion of infill projects and mixed-use development, and transit-oriented sustainable development.

In September 2006, Assembly Bill 32 approved the Global Warming Solutions Act. This bill codifies the State of California's goal to reduce emissions contributing to global warming. The bill commits to reducing the emission of greenhouse gases statewide to 1990 levels by the year 2020. At the City level, in May 2007, furthering the effort to reduce greenhouse gas emissions locally, the City initiated Green LA - An Action Plan to Lead the Nation in Fighting Global Warming. Through this program, the City of Los Angeles commits to a more ambitious target over a longer-term, aiming to reducing greenhouse gas emissions to 35% below 1990 levels by 2030. Some of the other Green LA goals include :

- Increase renewable energy from solar, wind, biomass, and geothermal sources to 20% by 2010 & to 35% by 2020
- Complete energy efficiency retrofits of all city-owned buildings to meet a 20% or more reduction of energy consumption
- Reduce per capita water consumption by 20%
- Recycle 70% of all trash by 2015
- Expand City employee rideshare program

<sup>152</sup> [http://www.ci.la.ca.us/mayor/villaraigosaplan/EnergyandEnvironment/LACITY\\_004467.htm](http://www.ci.la.ca.us/mayor/villaraigosaplan/EnergyandEnvironment/LACITY_004467.htm)

- Extend the regional rail network
- Promote high-density housing close to major transportation arteries and public transit train and bus lines
- Support and implement transit oriented development

Achieving these goals requires cooperation from many city departments, and includes the incorporation of conservation measures into residential developments. The City has developed and is pursuing a number of programs to support this initiative, many of which are offered by the Los Angeles Department of Water and Power. The methods described below, as well as those described in Chapter 6, are efforts that the City is currently undertaking to reduce energy and water consumption, thereby working towards the greenhouse gas emission reduction levels set by AB 32, and as part of the City's Green LA Plan.

Please note that specific objectives, policies and programs relating to conservation are detailed in Chapter 6 under Goal 2: Safe, Livable and Sustainable Neighborhoods.

## A. Reducing Consumer Use of Energy and Water

### Los Angeles Green Building Code

On January 1, 2011, the Los Angeles Green Building Code (LA Green Code) went into effect citywide. The Code is based primarily on the 2010 California Green Building Standards Code (CALGreen), the nation's first statewide green building standards code. Both were direct responses to meeting the goals of Assembly Bill 32 (AB 32), California's landmark greenhouse gas legislation, which seeks to reduce the energy and water use of construction; reduce waste; and reduce the carbon footprint.

The LA Green Code expands upon CALGreen's policies and regulations, incorporating some earlier green provisions in the pre-existing LA Code, as well as replacing some overlapping provisions requiring that certain projects meet a LEED® standard. The LA Green Code exceeds CALGreen by applying not only to all new residential structures, but also to all building additions and alterations with a value in excess of \$200,000. It also incorporates some green provisions in the pre-existing Code by requiring "solar ready" roofs and electric vehicle-ready components for all new buildings. In addition, the LA Green Code attempted to clarify various code sections within the CALGreen Code to make it easier to understand and implement.





The LA Green Code is a comprehensive approach to greener building in the city and touches on numerous conservation opportunities in residential development. Since much of the Code mirrors statewide efforts and are now mandatory, it is not necessary to cite many of its details. However, significant segments of the code, particularly those not part of CALGreen, are noted in this chapter under their respective categories.

## Energy Efficiency Methods

### Cap-and-Trade

Cap-and-trade is a central element of California's Global Warming Solutions Act (AB 32) and addresses major sources of greenhouse gas emissions. It establishes a "cap" on emissions and allows companies to "trade" their carbon allowances thus incentivizing them to innovate to meet their allocated limit. The less they emit, the less they pay so they are economically encouraged to pollute less. The built environment significantly contributes to greenhouse gas emission. Housing location is critical for contributing toward energy efficiencies. In fact, buildings and transportation jointly account for approximately 70% of energy use nationally and are responsible for about 62% of U.S. greenhouse gas emissions<sup>153</sup>.

Given cap-and-trade's importance and funding prospects, the City has an opportunity to ensure a portion of the cap-and-trade auction proceeds are directed to affordable housing investments to further advance AB 32's goals. To this end the City will be actively monitoring this issue to ensure these proceeds are invested in affordable multi-family housing located near transit, the preservation of existing affordable multi-family housing through green retrofits, and preventing the displacement of disadvantaged communities by prioritizing and directing proceeds to an affordable housing development program. With local resources diminishing, the City needs to seek new State and Federal resources for continued affordable housing efforts along transit corridors.

### Case Processing Incentives

When the LA Green Code went into effect in January 2011, the City's primary green project expediting incentive program ended. The program had tied permit expediting to meeting the LEED® Silver standard. However when the LEED® Silver standard essentially became mandatory for most projects, there was no need to incentive such projects. However, the Department of City Planning opted to alter its expedited policies soon after the switch to retain a sustainability incentive. Projects that voluntarily commit to the highest levels of green building (Tier 1) under the LA Green Code can receive expedited ("top of stack") case processing from City Planning under the Standard of Sustainability Excellence program. This expediting process creates an incentive to go beyond the mandatory provisions of the new LA Green Code.

<sup>153</sup> United States Environmental Protection Agency, "Location Efficiency and Housing Type – Boiling it Down to BTUs," [http://www.epa.gov/dced/location\\_efficiency\\_BTU.htm](http://www.epa.gov/dced/location_efficiency_BTU.htm)

## Efficient Appliances

Implementing conservation measures with regard to energy use will decrease the operating costs of a home or apartment, making it more affordable for the tenant or owner. One means of lowering energy costs is by using more efficient appliances. The US Environmental Protection Agency's Energy Star rating program identifies specific manufacturers' appliances that use between 10% and 50% less energy and water than other manufacturers. There are periodic manufacturer's rebates available for these products to off-set their initial cost. In addition, as of April 2013, LADWP offers the following rebates for the purchase of energy efficient appliances<sup>154</sup>:

- \$65 per unit for an ENERGY STAR® rated refrigerator minimum 15 cubic foot
- \$50 rebate for refrigerator/freezer recycling program that is between 10 to 25 cubic square feet and 10 years or older and in working condition.
- \$50 per unit rebate for ENERGY STAR® rated Room Air Conditioner
- Up to \$120 per ton rebate for Energy Efficient Central Air Conditioner or Heat Pump (condenser must be rated 15 SEER or greater)
- \$200 per unit for Whole House Fan (permit(s) required) and requires permanent installation and must move at least 1.000 cubic feet of air per minute.
- \$500 per units for Variable/Multi-speed Pool Pump and Motor
- Up to \$8,000 for whole house retrofit
- Up to \$2 per square foot for Energy Star Windows

The 2011 Los Angeles Green Building Code also requires that each appliance provided and installed in all new buildings meets ENERGY STAR® requirements if ENERGY STAR® designation is applicable to that appliance.

## Home Energy Audit

LADWP encourages and assists homeowners to perform energy audits as a way to make homes more energy efficient. A home energy audit benchmarks how much energy a home uses, measuring the efficiency of its heating and cooling systems. The audit identifies ways to conserve hot water and electricity and helps to determine what measures homeowners can take to make their home more energy efficient. LADWP has started offering free home energy improvement assessments performed by trained technicians

<sup>154</sup> LADWP website, retrieved 2013

to its residential customers under the Home Energy Improvement Program (see Program #89 in Chapter 6). The program aims to identify the most appropriate and effective improvements to save water and energy.

### Influencing hours of use of energy sources

LADWP's pricing of electricity use is structured to encourage conservation. Electric bills are based on the time and extent of use, with rates being the highest during the peak hours and lowest during off-peak hours.

### Building design and materials (Passive Solar Design)

DCP reviews and evaluates site plans and other urban design features for projects over 50 units and 50,000 square feet in order to work with developers to reduce energy consumption by maximizing natural light and natural ventilation, reducing impermeable surfaces, and optimizing landscaping for energy efficiency. The review considers building orientation, materials, landscaping, and other site planning issues. In addition, DCP encourages the installation of energy-efficient roofs such as green roofs and cool roofs (light colored roofs) to achieve energy savings. Other energy-efficient building measures, such as window glazing and insulation that help to increase energy savings, are implemented through the plan check process by DBS.

The 2011 Los Angeles Green Building Code also touches upon building design and material elements that promote more passive solar design. It requires high-rise residential and nonresidential buildings to comply with indoor moisture level requirements that have direct impact on air quality and insulation. The LA Green Code also requires access and space for future solar in new low-rise residential and solar-ready pre-wiring for future solar for all other new buildings.

### Landscaping

The City has amended its landscape ordinance in 2005 to go further in helping to shade buildings, minimize direct sunlight, and reduce water consumption. The landscape ordinance helps to reduce the amount of paved surfaces and the resulting heat island effect. It provides developers with a menu of options by allocating points for various elements and requiring a total number of points, depending on the size of a residential project.

### Recycling

In another effort to reduce GHG emissions, Mandatory Commercial Recycling Law Assembly Bill 341 was adopted by the Air Resources Board (ARB). The regulation is effective from July 1, 2012 and requires both businesses that generate more than 4 cubic yards or more of solid waste per week and Multi-Family dwellings that have 5-units or more to arrange regular recycling

services. Increased recycling has been shown to decrease GHG emissions during the multiple phases of product production as well as decreased methane emissions at landfills from the decomposition of organic materials.

The City Green Building Code also requires newly constructed high-rise residential and non-residential buildings to have designated areas for recycling that are readily accessible for the entire building.

### Energy Efficiency and Conservation Block Grant: Multi-Family Retrofit Program

The City of Los Angeles received \$37 million in Energy Efficiency and Conservation Block Grant (EECBG) funding from the U.S. Department of Energy. The Los Angeles Housing and Community Investment Department received \$4.7 million of these funds to green the City's multi-family housing stock. The first component was the Multi-Family Retrofit Program which provided \$3.8 million in loans for 10 properties to achieve at least 20% improvement in energy efficiency by completing retrofit work. This program has had a significant impact not only on these properties but also in informing future programs. Based on the lessons learned, two other programs have been strategically developed to continue to pursue the energy efficiency and water conservation goals of the EECBG. They are the Gateway to Green Program and the Los Angeles Better Buildings Challenge.

#### Gateway to Green

Gateway to Green (G2G) builds on the work currently performed by the HCIDLA's Systematic Code Enforcement Program (SCEP), which inspects all multi-family rental properties in the City on a 4-year cycle. Gateway to Green leverages SCEP by allowing existing housing inspectors to perform energy efficiency and water conservation surveys. G2G will inform building owners of a menu of cost-saving options available to them for water and energy retrofit work. In preparation and development of this program, housing inspectors have been trained on green energy standards to conduct the "green" surveys. G2G has been piloted and appropriate modifications are being made. The HCIDLA plans to roll out this program in 2013.

#### Los Angeles Better Buildings Challenge

Part of a national initiative, the Los Angeles Better Buildings Challenge (Challenge) calls on leaders in business and academia (among others) to volunteer and make a significant commitment to building energy efficiency. Los Angeles has expanded the Challenge to include multi-family properties. Leaders who respond to the call agree to conduct an energy efficiency assessment of their building portfolio; take action by showcasing an energy efficiency project and implementing a plan to achieve lasting energy savings; and report results by sharing costs effective approaches for saving energy and performance data that demonstrates the



success. It should be noted that six of the ten projects awarded loans through the EECBG Multi-Family Retrofit Program participate in the Challenge. This amplifies their accomplishments and connects them to a larger environmental effort.

### Water Conservation Methods

Approximately 85% of the water provided to customers in the City of Los Angeles is imported from 300 miles away, therefore water conservation and improved efficiencies are very important for the region.

#### Efficient appliances

There are a number of opportunities to reduce water consumption and decrease long term operational costs in residential buildings. High efficiency toilets, urinals, shower heads, sink faucets and tankless water heaters are readily available and save money over the long term. The LADWP offers several rebate and financial incentive programs for single family and multi-family residential customers to assist them with the installation of pre-approved equipment and products. In addition, LADWP began offering home energy improvement services to its customers in October 2011 under the ARRA-funded Weatherization Program. After ARRA funding ran out, LADWP decided to continue this program as the Home Energy Improvement Program as mentioned above and listed as a new program in Chapter 6.

#### Influencing level of use of water

In June 2009, the City of Los Angeles introduced a Mandatory Water Conservation program which placed restrictions on outdoor water usage and prohibited certain uses of water. Notably, the measure restricted sprinkler usage for lawns to a maximum of 3 days a week as well as prohibiting customers from hosing down driveways and sidewalks along with an array of other measures. In the hot, dry, Southern California climate, limiting outdoor water usage is especially critical to reducing overall water usage. Since the measure has been in place, LADWP customers have successfully reduced water consumption citywide by nearly 20%.

Alternatives to traditional turf grass such as native, drought-resistant landscaping can also help reduce water use. The Metropolitan Water District of Southern California (MWD) aims to encourage such creative alternatives for outdoor landscaping through their Turf Removal Program. Started in 2009, the program provides rebates of \$1 or more per square foot of removed turf grass that has been substituted with approved alternatives.

The City Green Building Code also aims to reduce water usage in all applicable newly constructed buildings by requiring a 20% reduction in the overall usage of potable water for the entire building. In addition, it outlines standards flow rates for different fixtures and fixture fittings in all of the buildings falling under its code



## Graywater

Since August 2009, the California Building Standards Commissions approved emergency graywater regulations that have been put into effect that revised graywater standards. Graywater systems have been re-categorized into 4 different types of systems: clothes washer, simple, complex, and treated. Differentiating these systems allows the city to better regulate graywater usage in residential buildings. As of March 2013, the LADWP first-tier water rate for single-dwelling unit residential customers is \$3.963 per hundred cubic feet.

## Recycled Water

The City of Los Angeles has four wastewater treatment plants, including the Hyperion Treatment Plant, Terminal Island Water Reclamation Plant, the Donald C. Tillman Water Reclamation Plant, and the Los Angeles – Glendale Water Reclamation Plant. The Tillman Plant is the largest of the four and treats waste flows from the San Fernando Valley, providing around 26 million gallons of recycled water per day. The Tillman and Los Angeles-Glendale Water Reclamation Plants combined are the leading producers of recycled water in the San Fernando Valley. Recycled water from the Tillman Plant is currently used for irrigation of golf courses, the on-site Japanese gardens, the Wild Life Reserve, DWP pumping station, and replenishment of flow through public use recreational lakes in the Sepulveda Basin. The City hopes to use 5,149 more acre-feet of Tillman water on four more golf courses and for other uses by 2013. The City has installed 10 miles of pipeline for a \$55-million project that uses treated, recycled water from the Donald C. Tillman Water Reclamation Plant to provide recycled water to the San Fernando Valley for landscape irrigation and industrial uses. Water from the Donald C. Tillman Water Reclamation Plant in the past was not used on private or public property due to concern over high levels of chlorides. The regulators have since relaxed chloride limits which will enable greater uses of recycled water in the San Fernando Valley.

In May 2008, the City's Water Supply Action Plan was released, setting a goal of increasing retained recycled water production to 19,350 AFY by July 2014. This water will be used exclusively for non-potable purposes such as irrigation and industrial uses. The plan outlines the expansion of the existing "purple pipe" system that distributes water for irrigation and industrial uses as well as continuing to develop a "groundwater replenishment" water-recycling program. The majority of the customers targeted for utilization of recycled water are refineries in the Harbor area, golf courses, parks, and schools throughout the entire city. Major existing customers include the Valley Generating Station, golf courses in the Sepulveda Basin (Woodley, Balboa, and Encino), portions of Griffith Park (Wilson & Harding Golf Courses, Gene Autry Museum), Loyola Marymount University, Forest Lawn and Mount Sinai Cemeteries, and the

Dominguez Gap for seawater intrusion barrier. In addition to increasing recycled water production in Los Angeles City, the plan also integrates water conservation, addressing storm water runoff, and ground water cleanup.

### Storm Water Runoff

Storm water runoff has been identified as one of the principle causes of water quality impacts in urban areas. As urbanization increases, the amount of open land decreases reducing opportunities for natural groundwater recharge. In November of 2011, the City of Los Angeles adopted the storm water Low-Impact Development (LID) Ordinance (Ordinance #181899) in order to mitigate the impacts of increases in runoff and storm water pollution as close to its source as possible. The ordinance will require 100% of rainwater from 0.75 inch of rainstorm to be captured, infiltrated, and, or used, onsite – at most developments and redevelopments where more than 500 square feet of hardscape is added. In small-scaled residential projects with less than 500 square feet added, best management practices such as rain barrels, planter boxes, rain gardens, dry wells, and permeable pavement can be prescribed.

Storm water regulation is also contained within the Los Angeles Green Building Code. All applicable newly constructed buildings have requirements for managing storm water if they disturb more than one acre of soil. Specifically, high-rise residential and nonresidential buildings are required to develop a Storm Water Pollution Prevention Plan (SWPPP) that has been designed specifically for its site. For low-rise residential, the regulations focus on managing storm water drainage during construction.

### Rainwater Harvesting

Rainwater harvesting provides additional means of water conservation, utilizing roof catchment or other basins to collect rainwater. Harvested rainwater can be stored and reused for irrigation or in conjunction with a dual plumbing system for indoor water re-use. The Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Act of 2000 launched a Rainwater Harvesting Pilot program in July 2009 and provided funding to outfit 600 homes with a single rain barrel each. While the percentage of rainwater captured through rainwater harvesting is minimal, the program has had a significant impact towards encouraging water conservation. Benefits of rainwater harvesting include reducing runoff, reducing energy demands, and recharging underground aquifers.

### Renewable Energy

In order to meet the City's goal of reducing greenhouse gas emissions to 35% below 1990 levels by 2030, it will be necessary to shift some energy use to alternative sources. Making this switch on a large scale will provide long term price and supply stability for the City of Los Angeles.

## On-Site Energy Generation

Energy generated off-site loses capacity the further it is transported. Integrating more on-site energy generation into residential projects will both reduce the amount of off-site energy required and increase the efficiency of the system.

Residential installations of photovoltaic (PV) generation are becoming more common and more cost effective. Increasingly, more efficient PV cells have made it feasible to install solar panels on homes and on multi-family buildings. In addition, tax credits and rebates are available to help off-set the initial installation costs. LADWP's Solar Incentive Program was approved August 2006 to comply with SB1 and provides a lump sum payment to LADWP customers that purchase or lease solar photovoltaic (PV) systems to offset traditional energy consumption at the installation site. The program's incentive levels are structured as a 10-step declining incentive, based on the amount of solar PV installed and connected to LADWP's electric grid in order to keep the program affordable as it becomes more popular.

In addition to rebates for installing PV equipment, in January 2013, the Board of Water and Power Commissioners approved the 100 megawatt (MW) Feed-in Tariff (FiT) Program as the first component of the 150 MW FiT Program. FiT allows the LADWP to partner with program participants to purchase, under a standard power purchase contract, energy generated from a participant's renewable energy generating system. This builds on LADWP pilot program in 2012.

Other sources of on-site energy generation will evolve and become available over time. In addition, existing technologies will become more feasible. In order to maximize the potential to integrate alternative energy sources, new residential projects can leave space for equipment and hook-ups for on-site energy generation even if it is not feasible to include the technology at the time of construction. While this has been optional in the past, the Los Angeles Green Building Code has made this a requirement, mandating that buildings that fall under the code anticipate future electrical solar systems. For low-rise residential projects, there must be space allotted and future accessibility for electrical solar systems; in high-rise and nonresidential, projects must include prewiring and solar-ready pre-wiring during construction.

## Other Renewable Energy Options (purchased through DWP)

LADWP's Green Power for Green LA program allows residential customers to support renewable energy sources by paying a slightly increased rate on their power bills (\$.03 additional per kilowatt hour) so that a percentage of their energy comes from an alternative source (minimum of 20% of usage). The program supports solar, wind and hydroelectric power which are all non-polluting and renewable sources of energy. Some examples of the renewable technology include wind turbines, small hydroelectric turbines, and photovoltaic (solar) cells.

## B. Planning and Land Use

### Sustainable Development

Land use patterns and development can occur in ways that are more sustainable and help to conserve resources. Sustainable development recognizes the connections between land use, natural resources and transportation to reduce energy consumption, reduce dependence on the automobile, and provide long term environmental benefits, health benefits, and cost savings.

The 1994 Framework Element of the General Plan is the City's strategy for growth, setting a citywide context to guide the update of the community plan and citywide elements. The Plan clearly sets forth a vision of sustainable growth in that it focuses on growth occurring in specific areas linked to existing and planned infrastructure and services. The primary objectives of the policies in the Framework Element's Land Use chapter are to support the viability of the City's residential neighborhoods and commercial districts, and, when growth occurs, to encourage sustainable growth in a number of higher-intensity commercial and mixed-use districts, centers and boulevards and industrial districts particularly in proximity to transportation corridors and transit stations.

### Land Use Patterns

In a large, urban, built-out city like Los Angeles, compact, mixed-income residential development close to transit and other amenities offers many benefits including added affordability. When housing is located near transit and other neighborhood services, both work trips and non-work trips can occur without the use of an automobile. Additionally, when a wide variety of housing types and affordability levels are incorporated, people who work in our city's neighborhoods are not forced to drive long distances to afford housing. Providing neighborhood services and a mix of uses within walking distance of transit creates the opportunity for some of the non-work trips to occur without a car, thereby decreasing vehicle miles traveled. Getting people out of their cars is among the most effective ways of reducing transportation's greenhouse gas emissions.<sup>155</sup> Individuals and families living in affordable housing are more likely to use public transit and less likely to own a car. Data indicates households earning less than \$20,000 per year are four times more likely than higher income households to be transit riders<sup>156</sup>. Furthermore, preserving affordable housing near transit sites can prevent the loss of affordable housing while also maintaining the riders that already use public transit.

In alignment to this effort, the Los Angeles Housing and Community Investment Department (HCIDLA) has been offering preference points for affordable housing development near transit in its policies. The HCIDLA has also increasingly been instituting sustainable building practices in its

<sup>155</sup> Reid Weing, Keith Bartholomew, Steve Winkelman, Jerry Walters, Don Chen, *Growing Cooler: The Evidence on Urban Development and Climate Changes*, Urban Land Institute, 2007, p. 11.

<sup>156</sup> CHPC Working Paper, *Building and Preserving Affordable Homes Near Transit: Affordable TOD as a Greenhouse Gas Reduction and Equity Strategy*, California Housing Partnership Corporation, January 2013.

developments further reducing emissions. With unprecedented investment in public transportation infrastructure, Los Angeles has an opportunity to continue to strategically invest its affordable housing funds near transit. Moreover, affordable housing near transit ensures equitable access to transportation, jobs, and nearby amenities for extremely-low to low-income households.

The City has been developing detailed plans for the neighborhoods around rail stations in order to establish appropriate land uses, zoning, incentives, and design guidelines to encourage such “complete neighborhoods. There are currently 71 light-rail or bus rapid transit stations in Los Angeles City, 26 of which have transit-oriented plans completed or under progress. 19 more metro stations are being planned as part of the Westside Subway, Expo Phase 2, Crenshaw, and Regional Connector projects. In June 2012, the Los Angeles Department of City Planning kicked-off a 2-year effort to create Transit Neighborhood Plans for the areas surrounding 22 new or proposed transit stations. The City’s General Plan is based on accommodating a large percentage of growth (including residential development and affordable housing of all types) in these Transit Oriented Districts.

Complementing the TOD plans, the Modified Parking Requirements Ordinance was passed August 2012 to provide greater parking flexibility at a community level. Utilizing seven tools, the modified ordinance will help alleviate the strict parking requirements that encourage car usage, wastes precious land and discourage investment in housing, restaurants, and businesses. For example, the ordinance allows off-site parking for all uses within 1,500 feet of transit, creating more opportunities for mixed-use and shared lots. The ‘change of use’ parking standards have also been modified to allow buildings that have had a change of use to be exempt from additional parking requirements. This new flexibility in parking requirements works alongside of the City’s goal of channeling growth along transit corridors. To minimize displacement, it should be noted that the Modified Parking Requirements Ordinance exempts housing subject to the Rent Stabilization Ordinance (RSO) and sites with restricted affordable units.

Goals to improve bicycle use and accessibility have gone hand in hand with goals to rethink parking in the City. In 2012, the City Council’s Planning and Land Use Management Committee recommended approving revisions to the Bike Parking Ordinance to further facilitate bike usage in the City. The revision expands bike parking requirements to all new buildings, providing incentives for increased bike parking. The revision allows the substitution of four bike spaces for every one required parking space, with varied maximum caps for different buildings. The revised ordinance will build upon the Modified Parking Requirements Ordinance, with the effect of positively affecting land use patterns in the City.

The City of Los Angeles is actively promoting housing opportunities and compact infill development, both in Transit-Oriented Districts (TOD’s) and other designated parts of the city through zoning code and building regulations. Chapter 2 of the Housing Element goes into greater depth of these issues.



In addition to pursuing development near transit, Los Angeles City is working towards encouraging greater compact infill development. Planned Unit Development, or PUD, is a comprehensive development plan that serves as a tool to provide flexibility in design and building placement, promote attractive and efficient environments, and preserve natural or cultural resources. PUD is being proposed to replace Residential Planned Development (RPD) meaning single-family, suburban-style, and residential development, alternatively promoting a broader range of mixed-use development, including commercial or industrial uses. PUD would thus better enable more innovative, mixed-used, infill projects within urbanized areas. Currently, a draft ordinance has been completed and may be passed in 2013.

### Development Standards/Performance Standards

Developing sustainably also pertains to building and development standards. Building with sustainable materials benefits resource conservation as well as public health. Technologies and materials are constantly evolving and frequently are no more costly than less sustainable options. Green building rating systems such as the U.S. Green Building Council’s LEED® (Leadership in Energy and Environmental Design) program, Enterprise Community Partner’s Green Home Program, and the Energy Star Program offer guidance for sustainable residential construction.

The adoption of CALGreen and LA Green Building Code has furthered the effort towards greater sustainability in development. CALGreen was created as a set of statewide regulations that would address the concept of Sustainable Building Design for newly constructed low-rise residential structures (three stories or less). It aims to improve public health, safety, and general welfare through enhancement of design and construction of buildings using building concepts that



reduce negative impacts or have positive environmental impacts, and encourage sustainable construction practices. Deriving and expanding from CALGreen, the City of Los Angeles created and adopted the 2011 City of Los Angeles Green Building Code, which requires compliance from every new building, every building alteration with a building permit valuation of over \$200,000, and every building addition (unless otherwise indicated), throughout the city of Los Angeles.

The 2011 Los Angeles Green Building Code differentiates between low-rise residential buildings (up to and including six stories) from high-rise (over six stories) residential and all non-residential buildings. Similar to the US Green Building's LEED® Program, the Green Building Code evaluates planning & design, energy efficiency, water efficiency & conservation, material conservation & resource efficiency, and environmental quality criteria on applicable projects.

### Green Streets + Standard Plans (BoE)

The Green Streets Standard Plans are City approved construction details for Green Street elements that incorporate storm water "best management practices," or BMP's, into pre-approved designs. By having pre-approved engineering drawings that address storm water concerns, such plans can be readily incorporated into new street improvements. The Green Streets



Standard Plans are designed to improve water quality and to increase water use efficiency by: diverting street runoff into planter areas to cleanse storm water and urban runoff, providing irrigation for landscaping, and recharging groundwater. By adopting and utilizing Green Street Standards Plans, Los Angeles will have more uniform storm water BMP's throughout the city.

### Neighborhood Stabilization Program

The Neighborhood Stabilization Program (NSP) is funded by the U.S. Department of Housing and Urban Development. With over \$142 million in NSP funding, the HCIDLA is purchasing and rehabilitating foreclosed single family homes and multi-family properties throughout the City in areas such as South Los Angeles and Pacoima, communities which have been significantly affected by foreclosures. The HCIDLA is maximizing the long-term impact of these funds by targeting the most distressed properties and by instituting sustainable building practices. Sustainable materials are more durable than less expensive options and they do not need to be replaced with as much frequency and therefore are often more cost effective over the life of the material. All NSP homes adhere to Enterprise Community Partners' Green Communities sustainable building standards which improve a property's energy and water efficiency and create a healthier living environment. The criteria focus on the use of environmentally sustainable materials and methods, reduction of negative environmental impacts, and increased energy and water efficiency. Examples include recycled content ceramic flooring or sustainable wood flooring, tankless water heaters, drought tolerant landscaping and low VOC paints. With program income and remaining NSP funding, the HCIDLA will continue to institute these green standards.

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# Review of the 2006-2014 Housing Element

Chapter 5





# CENTRE STREET LOFTS

THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL UTILITIES AND EQUIPMENT LOCATED IN THIS AREA.



# Review of The 2006-2014 Housing Element

This chapter provides a review of the 2006-2014 Housing Element and evaluates the City's progress in meeting its housing needs during that planning period. It identifies the number of housing units built compared to the City's target for new construction, as established through the 2006-2014 Regional Housing Needs Assessment (RHNA) allocation, and evaluates the progress, effectiveness and appropriateness of each of the Housing Element goals, objectives and policies in meeting identified needs and quantified objectives. This chapter is organized by the four housing goals established in the previous Housing Element: Housing Production and Preservation; Safe, Livable and Sustainable Neighborhoods; Housing Opportunities Without Discrimination; and Ending and Preventing Homelessness. A detailed evaluation of each policy and program within the four goal areas is attached in a spreadsheet as Appendix I.

The review of the previous Housing Element helped shape the Update in four key ways: (1) it identified goals, objectives, policies and programs that were either missing or inadequate to address Los Angeles' housing needs; (2) it identified policies that needed to be strengthened or clarified to better reflect their importance; (3) it identified redundancies and areas of overlap and confusion that needed to be eliminated in order to provide a clear focus on the most important programs and policies for the City; and (4) it helped identify program areas that have been particularly impacted through the dissolution of the Community Redevelopment Agency of Los Angeles (CRA/LA) and other funding cuts. In general, the goals, objectives, and policies of the previous Housing Element were carried forward into the 2013-2021 Housing Element Update, enhanced, expanded, and reconfigured with additional details in order to more clearly define the City's strategy in addressing housing needs.

## A. Progress in Meeting the Regional Housing Needs Assessment Allocation

The City's Regional Housing Needs Assessment (RHNA) allocation for the previous Housing Element planning period of January 1, 2006– September 30, 2013, was 112,876 new housing units. From 2006 to the end of 2012, building permits were issued for 46,738 net new housing units. If we assume that 2012 development

trends continue through June 30, 2014 (end of the RHNA period), the City would have fulfilled approximately 48% of the estimated new housing construction need as determined by the RHNA allocation. A significant downturn in the national economy resulted in much reduced new construction in Los Angeles, compared to historical trends. From the first year of the period (2006), housing construction began to decline. Beginning in 2010 activity began to slowly increase but was still below levels we saw in the first half of the previous decade. In addition, the City's RHNA allocation for the 2006-2014 period was based on an expectation of high population growth, which largely did not materialize. In fact, the Census reports that the real rate of population growth from 2006 to January 1, 2013 was 2.4%, while the number of housing units actually increased by 4.8%.

The majority of the new construction during the 2006-2013 period was for market-rate housing (approximately 83%). As illustrated in Table 5.1, the new construction of housing units for all income levels fell short of meeting the RHNA goals. The RHNA goals target 57% of all new units for households with moderate incomes or below, whereas only 17% of the actual new units produced in the prior RHNA served these households. The gap was particularly large at the extremely low income and moderate income levels. These are two income ranges that are particularly difficult for a City like Los Angeles to reach given the lack of housing funding sources that address production needs at these levels.

**TABLE 5.1**  
**New Housing Units by Income Category, 2006 - 2012**

RHNA Income Category	RHNA Goal*	Units Built**	% of RHNA met
Very Low Income 31%-50% County Median Income	27,236	4,921	18.1%
Low Income 51%-80% County Median Income	17,495	2,933	16.8%
Moderate Income 81%-120% County Median Income	19,304	103	0.5%
Above Moderate Income >120% County Median Income	48,839	38,788	79.4%
<b>Total</b>	<b>112,876</b>	<b>46,738</b>	<b>41.4%</b>

Source: HCIDLA, DCP.

\* The RHNA goal is for the period between January 1, 2006 to June 30, 2014.

\*\* This includes 18,286 building permits for new units from January 2006 through December 2012.



## B. Review Of 2006-2014 Housing Element Goals, Objectives and Policies

### Goal 1: Housing Production and Preservation

The goal established to address housing production and preservation was as follows:

*A City where housing production and preservation result in an adequate supply of ownership and rental housing that is safe, healthy, sanitary and affordable to people of all income levels, races, ages, and suitable for their various needs.*

Goal 1 combined housing production with housing preservation in order to address the broad supply issue, recognizing the importance of both constructing new units and preserving those we have. However, the document separates housing production and preservation by way of distinct policies and programs for each.

The goal is effective at focusing attention on facilitating construction and rehabilitation of a variety of types of housing for a range of income levels and needs. One minor change was made to the goal language – removing the word “sanitary” from the list of housing descriptors. While maintaining sanitary housing conditions remains an important goal of the City, it was felt that the word was slightly redundant, given that the words safe and healthy already exist in the goal.

The objectives listed under Goal 1 include a focus on production (1.1), preservation (1.2), planning and forecasting changing housing needs (1.3), providing an equitable distribution of housing (1.4) and reducing regulatory and procedural barriers to housing production and preservation.

These broad objectives remain relevant and are not being significantly changed. However some text changes were made to increase clarity and reduce redundancy. For example, the previous Objective 1.1 begins by saying, “Plan the capacity and develop incentives for the production” of housing. It was felt that planning for the capacity of planned residential growth belonged under Objective 1.3, with its existing focus on forecasting changing housing needs. In addition, the specificity of the “develop incentives” language that followed did not fully reflect the breadth of policies and programs related to housing production. The beginning of Objective 1.1. was therefore changed to “Increase the production of rental and ownership housing...” to fully capture all city activities in this area. Similarly, the previous Objective 1.2 contained language that focused on developing incentives for housing preservation. As current preservation activities go beyond developing new incentives, the wording was

broadened to simply state: “Preserve quality rental and ownership housing...” Multiple policies and programs below Objectives 1.1 and 1.2 refer to the more specific development of incentives for both production and preservation.

Policies and programs that focused on housing production were largely successful and are continuing in the Housing Element Update. The biggest changes are a result of the dissolution of Redevelopment Agencies (RDAs) by the State of California, which not only resulted in the loss of more than \$50 million in annual affordable housing funding by the city’s Community Redevelopment Agency (CRA/LA) but also the removal of 18 housing production/preservation programs that administered them. Reducing the level of affordable housing production and preservation lost due to the dissolution of the CRA/LA will be exceedingly difficult.

The reduction in RDA funding is made worse by cuts to many Federal and State housing programs in recent years (CDBG, HOME, etc.). With such drastic cuts, innovative new ways to create affordable housing are desperately needed. New and existing programs that address this need include: New Land Use Programs to Increase Affordable Housing, Modifications to density bonus program, Facilitate Senior and Disabled Housing and Advocate for State, Federal and Local Housing Funds.

A few current production and preservation programs were partially or wholly discontinued due to decreased funding sources, while several were better organized and consolidated to prevent duplication. For example, three single-family home-buyer financial assistance programs have been combined into one and the City’s preservation activities have been consolidated largely into two programs – one focusing on monitoring and outreach and a new





program called Preservation of Affordable Housing focused more on funding and affordability extensions. In several cases, separate programs existed for a given program and its proposed review and modification. These have been merged. Some programs such as Residential Rehabilitation were partially successful in achieving their objectives but could not be continued due to lack of resources. Other programs such as Small Lot Subdivisions or Downtown Affordable Housing Bonus did not meet their objectives due to changes in the housing market; however, such efforts are still worthwhile and have been reconfigured as necessary and continued in the Housing Element Update.

A major focus in Los Angeles is the historic investment being made to the Los Angeles region's public transportation system (Measures R). Rapid build-out of a much enlarged light-rail and rapid bus system raise many opportunities, but also threats, to the supply of housing for Los Angeles residents (see Executive Summary).

Given this, housing policies and programs near them merit special consideration. While existing policies and programs to promote the production and preservation of affordable housing near transit largely remain valid, much work has been done to re-organize them and add in new programs to meet the objectives.

Generally, the Housing Element Update expands upon the housing production programs established previously but provides additional programs to facilitate housing production. New programs such as Homeownership for Voucher Holders and Housing Alternatives for Seniors already existed, but were not recognized in the Housing Element. Other programs have been newly enacted since the previous Update, such as the Foreclosure Registry. Finally, a few new programs have been created that seek to increase housing production. While many of the programs in the previous Housing Element are being retained, they have been fine-tuned and in some cases consolidated to more comprehensively and more effectively address housing supply.

## **Goal 2: Creating Safe, Livable Communities**

The livable communities goal sought to preserve, stabilize and enhance livability/sustainability in all neighborhoods throughout the City as follows:

*A City in which housing helps to create safe, livable and sustainable neighborhoods.*

The previous Housing Element made a major effort to include additional objectives, policies and programs to promote sustainable or green building efforts. This reflected the significance of the issue, as well as the work the City had undertaken in recent years to promote sustainable building practices. In addition to sustainability, programs and policies regarding

health, safety, good design and city planning practices round out the livability topic. In general, the livability goal tried to focus on the type and quality of residential activity, as well as locational concerns.

Because the livability goal saw the most successful completion of objectives and overall activity across the City, few changes needed to be made in this area. If anything, the previous Housing Element may have included too many programs under livability that only tangentially related to residential development. In an effort to streamline the document (and subsequent Annual Progress Reports) some programs were removed and others combined to try to strike the right balance. In general, programs relating to conservation and sustainability were retained, as these are specifically called out as requirements in Housing Element law. Programs dealing more with design and planning were often combined or sometimes removed, unless there was a direct tie to housing development.

In keeping with the previous practice, policies concerning the safety and health of actual housing units are more appropriate under the housing quantity (production) goal, which establishes policies and programs to construct safe and healthy housing. Therefore, in the Housing Element Update, issues of health and safety are addressed as components of housing production and preservation, while neighborhood health and safety issues are addressed as components of livability.

In the Housing Element Update, the distribution of affordable housing throughout the City is addressed under livability, rather than in housing production as in the previous Housing Element. This is because the distribution of growth has more to do with promoting livable communities than purely a growth in supply. It is a qualitative aspect of residential development, rather than purely quantitative.

Mixed use development was successfully promoted in the previous Housing Element with such tools as the Zoning and Neighborhood Implementation Tools for Mixed Use Development. This is continued in the Housing Element Update with minor changes. Other efforts such as Jobs/Housing Balance Incentives and Education about Growth, Housing Need, Mixed-Use and Mixed-Income Neighborhoods were not previously successful due to lack of funding or staff resources, but these programs have been reconfigured in an attempt to advance these effort in a more realistic fashion.

Many of the City's programs promoting building sustainability have been supplanted by the introduction of the Los Angeles Green Building Code, which was based on the 2010 California Green Building Standards Code (commonly known as "CALGreen"). In cases where the programs go beyond existing development standards and require a dedicated City work program, the programs were retained. However some were eliminated if they were not directly related to residential development or conservation in building. These include:

- Improved Street Standards, Streetscapes and Landscaping
- Crime Prevention through Environmental Design (CPTED)
- Neighborhood Watch
- Safer City Initiative, Mayor
- Health-based Buffer Zones for Residential Neighborhoods
- Construction-Related Pollution
- Increase Access to Parks, Recreation Areas and Green Spaces

Several CRA/LA programs relating to livability were ended with the dissociation of the Redevelopment Agencies. These include Response to Development Opportunities, Neighborhood Stabilization Program, Homeownership Lots in Pacoima and Sustainable Practices Demonstration Program.

### Goal 3: Housing Opportunity

The housing opportunity goal addressed the provision of equal housing opportunities for everyone as follows:

*A City where there are equal housing opportunities for all without discrimination.*

The previous Housing Element narrowed the focus of this issue area by limiting it to those policies and programs that promote fair housing practices by all stakeholders. Toward that end, policies and programs addressing availability and the removal of barriers are covered under production



and preservation because they directly affect the ability to construct housing and thus, the quantity of the housing stock. Similarly, policies relating to the promotion of a variety of housing types are also addressed under production and preservation in the Housing Element Update.

The policies and objectives under this area were mostly found to be adequate in their approach to ensuring opportunity for all. Los Angeles has largely met its commitments to ensuring fair housing opportunities. However, several programs under this area did not meet their potential during the previous period.

Programs such as the Citywide Fair Housing Program were effective in achieving their objectives and are continued in the Housing Element Update. Programs such as Don't Borrow Trouble are a part of the Citywide Fair Housing Program, and are therefore better discussed within that program rather than as their own stand-alone program. Completing the Education for Buyers and Homeowners program is a requirement for certain HCIDLA homebuyer programs, but it is not funded nor administered by the City. Therefore it does not need to be its own program.

#### Goal 4: Homelessness

The homelessness goal is as follows:

*A City committed to ending and preventing homelessness.*

The previous review of the previous Housing Element (2006-2013), made it clear that the issue of homelessness should be elevated in importance and involved a separate set of policies and programs, apart from production and preservation. Therefore, the prior document created a new City goal that focuses on preventing and ending homelessness. The current review found no reason to change this approach.

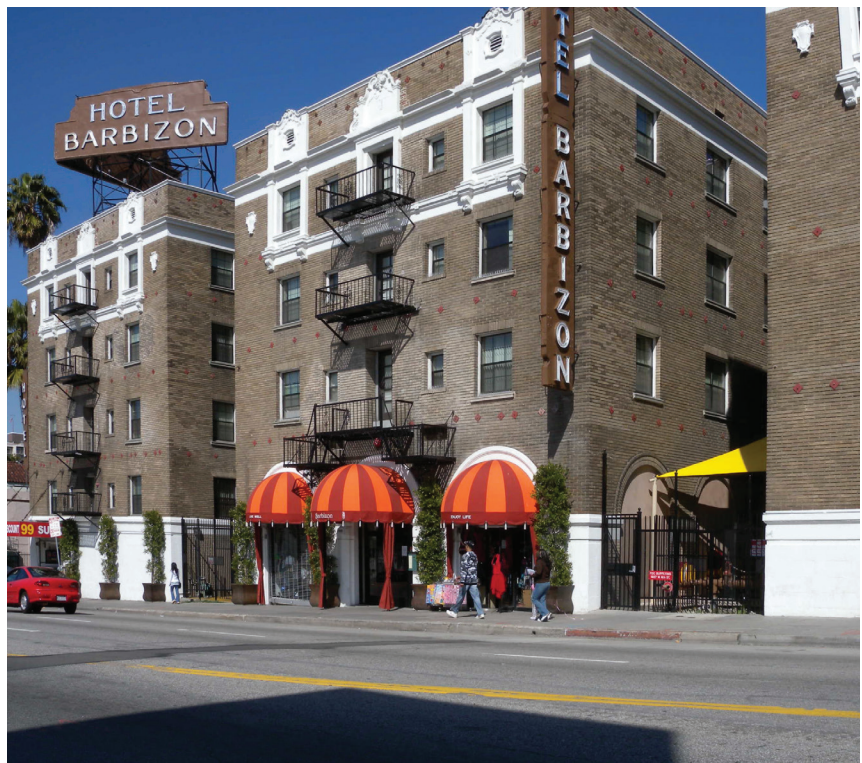
Several new programs were added under this section to reflect the changes at the National level on homeless policy. These were largely a result of the Homeless Emergency and Rapid Transition to Housing (HEARTH) Act, which amends (with substantial changes) and reauthorizes the main source of homelessness funding – the McKinney-Vento Homeless Assistance Act. The legislation reflects “the change in the program’s focus from addressing the needs of homeless people in emergency or transitional shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.”<sup>157</sup> The new ESG program builds on the success of the Federal Stimulus-funded Homelessness Prevention and Rapid Rehousing Program (HPRP) and emphasizes rapid rehousing and diversion. The HPRP funding has run out and this program is therefore being deleted.

<sup>157</sup> [http://documents.lahsa.org/finance/2012/fsc/rfp/2012-Family-Solutions-Centers-RFP\\_FINAL.pdf](http://documents.lahsa.org/finance/2012/fsc/rfp/2012-Family-Solutions-Centers-RFP_FINAL.pdf)

Several new programs that have been developed by LAHSA or HUD in recent years were included into the Update. These include the Family Solutions Systems, Veterans Affairs Supportive Housing (VASH), Access to Housing and Health Program (AHH) and Homeless Management Information Systems Data Collection.

The Project 50 Pilot Program has met its objectives and can be removed. The Technical Assistance to Homeless Housing Providers was not taking place due to lack of staffing and resources and is therefore being removed. Two CRA programs dealing with homelessness have ended with the dissolution of the Redevelopment Agencies - Priority Occupancy for Homeless Persons and New Resources for Rental Assistance. The Federal funding for the Citywide Rent to Prevent Eviction Program has run out and is therefore being deleted. Finally, a program to identify specific site locations for homeless housing and services in new Community Plans is being removed as this is not taking place in the current round of plans.

The policies and objectives under this area were largely found to be adequate in their approach to preventing and ending homelessness. However there was some confusion with the use of the term "special needs" and attempts were made to differentiate between individuals with special needs other than being homeless or at-risk of homeless. Two policies having to do with informing homeless persons and those at risk of homelessness of their rights and doing outreach to inform them of the available services were merged.





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# Housing Goals, Objectives, Policies and Programs

Chapter 6









# Housing Goals, Objectives, Policies and Programs

The City of Los Angeles is committed to providing affordable housing and amenity-rich, sustainable neighborhoods for its residents, answering the variety of housing needs of its growing population. Toward this end:

The City of Los Angeles will achieve this goal amidst a variety of governmental, infrastructure, and market constraints to residential development through aligning its actions in accordance with four detailed goals, each of which contain objectives, policies, and implementing programs. These goals embody the City's commitment to meeting housing needs. The four detailed goals are as follows:

**GOAL 1:** A City where housing production and preservation result in an adequate supply of ownership and rental housing that is safe, healthy and affordable to people of all income levels, races, ages, and suitable for their various needs.

**GOAL 2:** A City in which housing helps to create safe, livable and sustainable neighborhoods.

**GOAL 3:** A City where there are housing opportunities for all without discrimination.

**GOAL 4:** A City committed to preventing and ending homelessness.

The objectives under each goal further speak to the nuances of housing needs across a city as diverse in population and housing needs as Los Angeles. The corresponding policies formulate the City's housing approach of creating sustainable mixed-use, mixed-income neighborhoods strategically located across the City that provide opportunities for housing, jobs, transit and basic amenities for all segments of the population. Each program was crafted to meet particular housing needs of the City, whether they are renters or homeowners, or populations with special needs.

In a departure from the previous Housing Element, programs are now being separated out from specific policies in this Update. This is in line with the City's new General Plan format, as the City found that having programs listed as achieving only one policy objective is too restraining when many

of the City's housing programs meet the objectives of multiple policies. However, to provide some level of organization to the program list (below), programs are listed below their most relevant objective. Specific policies that relate to the programs are listed below their program description, along with the timeline, objectives, lead agencies and funding source.

In another change, the schedule for the implementation of the program was not included if it was to take place throughout the eight-year planning period (2013-2021). Only more specific implementation schedules were noted.

Together, these goals, objectives, policies and programs comprise the City's housing action plan for the 2013-2021 planning period. These goals, objectives, policies, and programs will guide daily decision-making by City officials and staff, while equipping citizens with the awareness of the housing programs that the City initiated to meet its overall housing goals.

The Housing Element 2013-2021 policies and programs will be implemented by many City Departments and agencies. Programs are subject to the review and direction of the City Council and Mayor, as well as the relevant City Departments, subsequent to City's approval of the Housing Element 2013-21 Update. With each program description herein, the primary City Departments responsible for implementation are identified as "Lead Agencies." A brief description of each of these Departments is contained in Appendix J.

Program implementation is contingent on the availability of funding, which is likely to change due to economic conditions, the priorities of federal and regional governments and funding agencies, and other conditions. The programs will be reviewed periodically and prioritized, where necessary, to reflect funding limitations and the City's objectives. Not all plan policies can be achieved in any single action, and in relation to any decision, some goals may be more compelling than others. On a decision-by-decision basis, taking into consideration factual circumstances, decision makers will determine how best to implement the adopted policies of the general plan in any way which best serves the public health, safety, and general welfare. Amounts and sources of funding, initiation dates, responsible agencies, and the detailed work scope of programs may be changed without requesting amendments to the Housing Element.

Additionally, throughout the City's housing policies and programs there is an implicit acknowledgement that they, whether or not created specifically for populations with disabilities, must be built in accordance with all applicable accessibility standards so that people with disabilities are afforded equal opportunities to live in all kinds of housing.

Each identified housing program below has quantified targets. The table below summarizes the combined housing production targets of all programs.





**TABLE 6.1**  
**Quantified Objectives: January 1, 2014- September 30, 2021**

Income Level	New Construction Units – RHNA Allocation	Rehabilitation Units	Conservation/ Preservation Units
Extremely Low-Income	1,730	2,123	2,373
Very Low-Income	3,834	1,048	2,432
Low-Income	4,873	1,001	2,948
Moderate-Income	1,122	300	100
Above Moderate Income	46,500	740,000*	250
<b>Total</b>	<b>59,559</b>	<b>744,472</b>	<b>6,103</b>

\* The figure refers to the number of housing units inspected every four years as part of the Systematic Code Enforcement Program, which results in compliance with maintenance, use and habitability codes. The exact income break-down of these units is not collected, so all were placed in above moderate.

In addition to the housing units reflected in the above table, the City is committed to implementing a number of programs that preserve and maintain significant additional housing that cannot be quantified into units as follows:

- Maintenance and conservation of approximately 39,000 multi-family buildings by preserving residential and SRO hotels, completing urgent repairs, enforcing nuisance abatement, and a number of other programs. The number of units per building varies vastly, from 100 units in a residential hotel to 10 units in a building where nuisance abatement is being pursued.
- Fund and provide other support for the maintenance of short-term housing for homeless persons, including emergency shelter beds and transitional housing beds. This includes 587 beds for victims of domestic violence, 175 beds for person living with HIV/AIDS, 4,490 general emergency shelter beds, and 1,492 winter shelter beds (provided from December through March of each year, as required by weather conditions). These beds generally serve extremely low-income households and individuals.
- Rental subsidies through various U.S. Department of Housing and Urban Development (HUD) funding sources used by qualifying households to help pay rent in market rate units across the City. For example, general Housing Choice Vouchers support approximately 47,500 households; including 2,000 for homeless veterans and more than 4,300 units in special programs. Targeted Housing Choice Vouchers serve approximately 4,000 formerly homeless persons and families; and other rental assistance programs serve persons living with HIV/AIDS and persons with disabilities.

## Goal 1: Housing Production and Preservation

Provision of an adequate supply of both rental and ownership housing for all income levels is paramount to minimizing housing problems such as overcrowding and overpayment that are common in the City. As Los Angeles is renter-dominated, programs to assure an adequate supply of rental housing are needed in addition to helping to facilitate ownership where possible. Due to the advanced age of the City's housing stock, programs to address building conditions will facilitate the upkeep of housing for the benefit of resident health. In addition, current and future City households comprise a diverse set of needs that can only be met by providing a wide variety of housing types. Serving City residents also requires that housing options be equitably distributed across the City to promote access to job opportunities and services. As such, in order to meet this goal, the following City policies and programs provide mechanisms to minimize barriers and provide financial incentives where possible to promote the production and preservation of a diverse, safe, healthy and affordable housing stock.

### Objective 1.1

Produce an adequate supply of rental and ownership housing in order to meet current and projected needs.

#### Policies:

- 1.1.1 Expand affordable home ownership opportunities and support current homeowners in retaining their homeowner status.
- 1.1.2 Expand affordable rental housing for all income groups that need assistance.
- 1.1.3 Facilitate new construction and preservation of a range of different housing types that address the particular needs of the city's households.
- 1.1.4 Expand opportunities for residential development, particularly in designated Centers, Transit Oriented Districts and along Mixed-Use Boulevards.
- 1.1.5 Develop financial resources for new construction of affordable housing.
- 1.1.6 Facilitate innovative models that reduce the costs of housing production.
- 1.1.7 Strengthen the capacity of the development community to develop affordable housing.

**Objective 1.2**

Preserve quality rental and ownership housing for households of all income levels and special needs.

**Policies:**

- 1.2.1 Facilitate the maintenance of existing housing in decent, safe and healthy condition.
- 1.2.2 Encourage and incentivize the preservation of affordable housing, including non-subsidized affordable units, to ensure that demolitions and conversions do not result in the net loss of the City's stock of decent, safe, healthy or affordable housing.
- 1.2.3 Rehabilitate and/or replace substandard housing with housing that is decent, safe, healthy and affordable and of appropriate size to meet the City's current and future household needs.
- 1.2.4 Develop financial resources for the long-term affordability of publicly assisted rental and ownership housing.
- 1.2.5 Provide incentives that extend affordability to existing market rate housing units.
- 1.2.6 Provide incentives for the preservation of historic residential structures.
- 1.2.7 Strengthen the capacity of the development community to preserve and manage affordable housing.
- 1.2.8 Preserve the existing stock of affordable housing near transit stations and transit corridors. Encourage one-to-one replacement of demolished units.

**Objective 1.3**

Forecast and plan for changing housing needs over time in relation to production and preservation needs.

**Policies:**

- 1.3.1 Monitor and report on the production and preservation of the housing supply.
- 1.3.2 Advocate and collaborate for the production of data necessary for the City's planning purposes, particularly with regard to special needs populations.
- 1.3.3 Collect, report and project citywide and local housing needs on a periodic basis.

- 1.3.4 Plan for post-disaster reconstruction of housing.
- 1.3.5 Provide sufficient land use and density to accommodate an adequate supply of housing units by type and cost within the City to meet the projections of housing needs, according to the policies and objectives of the City's Framework Element of the General Plan.

### Objective 1.4

Reduce regulatory and procedural barriers to the production and preservation of housing at all income levels and needs.

#### Policies:

- 1.4.1 Streamline the land use entitlement, environmental review, and building permit processes, while maintaining incentives to create and preserve affordable housing.
- 1.4.2 Streamline affordable housing funding processes.

## Goal 2: Safe, Livable, and Sustainable Neighborhoods

In a fast growing City such as Los Angeles, attention to the way in which the City grows helps to balance current resident needs with incoming population growth and to create safe, livable and sustainable neighborhoods. The following policies and programs promote sustainable neighborhoods that will lessen impacts on natural resource consumption by directing growth toward centers and transit and employing green-building techniques. Strategically directing long-range growth is consistent with the approach established by the Framework Element of the General Plan. The impetus to incorporate conservation into building techniques aligns with new Mayoral goals to encourage sustainable practices and is being pursued by a newly-initiated consortium of City Departments. Overall, these efforts will facilitate high quality, healthy housing in neighborhoods that mix incomes and improve accessibility to jobs and services by encouraging residential proximity to these compatible land uses.

### Objective 2.1

Promote safety and health within neighborhoods.

#### Policies:

- 2.1.1 Establish development standards and policing practices that reduce the likelihood of crime.



- 2.1.2 Establish development standards and other measures that promote and implement positive health outcomes.

### **Objective 2.2**

Promote sustainable neighborhoods that have mixed-income housing, jobs, amenities, services and transit.

#### **Policies:**

- 2.2.1 Provide incentives to encourage the integration of housing with other compatible land uses.
- 2.2.2 Provide incentives and flexibility to generate new multi-family housing near transit and centers, in accordance with the General Plan Framework element, as reflected in Map ES.1.
- 2.2.3 Promote and facilitate a jobs/housing balance at a citywide level.
- 2.2.4 Educate the public to understand and support the benefits of mixed-use and mixed-income communities to accommodate projected growth.
- 2.2.5 Provide sufficient services and amenities to support the planned population while preserving the neighborhood for those currently there.

### **Objective 2.3**

Promote sustainable buildings, which minimize adverse effects on the environment and minimize the use of non-renewable resources.

#### **Policies:**

- 2.3.1 Streamline entitlement, environmental, and permitting processes for sustainable buildings.
- 2.3.2 Promote and facilitate reduction of water consumption in new and existing housing.
- 2.3.3 Promote and facilitate reduction of energy consumption in new and existing housing.
- 2.3.4 Promote and facilitate reduction of waste in construction and building operations.
- 2.3.5 Promote outreach and education regarding sustainable buildings.



**Objective 2.4**

Promote livable neighborhoods with a mix of housing types, quality design and a scale and character that respects unique residential neighborhoods in the City.

**Policies:**

- 2.4.1 Promote preservation of neighborhood character in balance with facilitating new development.
- 2.4.2 Develop and implement design standards that promote quality residential development.
- 2.4.3 Develop and implement sustainable design standards in public and private open space and street rights-of-way. Increase access to open space, parks and green spaces.

**Objective 2.5**

Promote a more equitable distribution of affordable housing opportunities throughout the City.

**Policies:**

- 2.5.1 Target housing resources, policies and incentives to include affordable housing in residential development, particularly in mixed use development, Transit Oriented Districts and designated Centers.
- 2.5.2 Foster the development of new affordable housing units citywide and within each Community Plan area.

## Goal 3: Housing Opportunities Without Discrimination

The need to protect against housing discrimination and provide equal housing opportunities has been formalized by state and federal fair housing laws. The policies and programs below facilitate access to equal housing opportunities by promoting responsible community lending, encouraging education about fair housing practices, and collecting and reporting data on housing discrimination complaints.

**Objective 3.1**

Ensure that housing opportunities are accessible to all residents without discrimination on the basis of race, ancestry, sex, national origin, color, religion, sexual orientation, marital status, familial status, age, disability (including HIV/AIDS), and student status.



**Policies:**

- 3.1.1 Promote and facilitate equal opportunity practices in the construction, provision, sale and rental of housing.
- 3.1.2 Promote responsible mortgage lending that meets community credit needs and the Community Reinvestment Act (CRA).

**Objective 3.2**

Promote fair housing practices and accessibility among residents, community stakeholders and those involved in the production, preservation and operation of housing.

**Policies:**

- 3.2.1 Provide outreach and education for homebuyers and renters regarding rights, financing options, rental subsidies available and protections in the purchase, rental and/or modification of a housing unit.
- 3.2.2 Provide outreach and education for the broader community of residents, residential property owners and operators regarding fair housing practices and requirements.
- 3.2.3 Collect and report findings on discrimination in the sale and rental of housing.

## Goal 4: Ending and Preventing Homelessness

Homelessness is a solvable problem. The vision for Los Angeles is to see every homeless individual and family housed by preventing them from becoming homeless and by rapidly rehousing those who do fall into homelessness. Permanent housing coupled with supportive services is central to combating homelessness. Beyond the City's efforts to provide housing and services to the currently homeless, the City also focuses on targeting resources to individuals at risk of becoming homeless, including those with varying degrees of special needs. The policies and programs focus on a tiered approach that recognizes the need to provide sufficient temporary and emergency shelters to meet short-term needs while working toward a rapid return to more stable housing or permanent supportive housing over the longer-term. Outreach and education efforts under this goal seek both to increase awareness for all City residents about the needs of the homeless and to inform the homeless about housing and service opportunities. These policies and programs also strive to remove barriers to siting housing for homeless persons throughout the City.

**Objective 4.1**

Provide an adequate supply of short-term and permanent housing and services throughout the City that are appropriate and meet the specific needs of all persons who are homeless or at risk of homelessness.

**Policies:**

- 4.1.1 Ensure an adequate supply of emergency and temporary housing for people who are homeless or are at a risk of becoming homeless, including people with disabilities.
- 4.1.2 Promote and facilitate programs and strategies that ensure the rapid re-housing of all people who become homeless.
- 4.1.3 Provide permanent supportive housing options with services for homeless persons and persons/families at risk of homelessness to ensure that they remain housed and get the individualized help they may need.
- 4.1.4 Target chronically homeless individuals and prioritize the most vulnerable among them for services and Permanent Supportive Housing, including through the coordination of service provision and the efficient access to information so as to rapidly match available services to those in need of services.
- 4.1.5 Plan for emergency housing needs that will result from natural or man-made disasters.
- 4.1.6 Provide housing facilities and supportive services for the homeless and special needs populations throughout the City, and reduce zoning and other regulatory barriers to their placement and operation in appropriate locations.

**Objective 4.2**

Promote outreach and education to: homeless populations; residents; community stakeholders; health, social service and housing providers and funders; criminal justice system agencies; and, communities in which facilities and services may be located.

**Policies:**

- 4.2.1 Provide a high level of outreach targeted to the chronically homeless to inform them of their rights and opportunities to move them from the streets into permanent housing with appropriate support services.
- 4.2.2 Inform communities about special needs populations in the City and effective approaches to meeting their housing needs.

- 4.2.3 Strengthen the capacity of the development community to locate, construct and manage housing facilities for the homeless.
- 4.2.4 In accordance with the federal Hearth Act, target outreach and permanent supportive housing resources to the chronically homeless so as to move them from the streets into permanent housing with appropriate supportive services.
- 4.2.5 Promote and facilitate a planning process that includes homeless persons, formerly homeless and providers of housing and services for the homeless in order to provide up-to date information for the more effective coordination and use of resources.

**TABLE 6.2**  
**List of Acronyms**

ADDI	American Dream Downpayment Initiative
AHTF	Affordable Housing Trust Fund, City of Los Angeles
APR	Annual Progress Report of the Housing Element
ARRA	American Recovery and Reinvestment Act
BEDI	Brownfields Economic Development Initiative
CalHFA	California Housing Finance Agency
CalHOME	CalHome Mortgage Assistance Program
CDBG	Community Development Block Grant
CDLAC	California Debt Limit Allocation Committee
CLA	Chief Legislative Analyst, City of Los Angeles
CRA/LA	Community Redevelopment Agency/Los Angeles
DCP	Department of City Planning, City of Los Angeles
DHS/FEMA	Department of Homeland Security/Federal Emergency Management Agency
DOD	Department on Disability, City of Los Angeles
DONE	Department of Neighborhood Empowerment, City of Los Angeles
DPW	Department of Public Works, City of Los Angeles
EAD	Environmental Affairs Department, City of Los Angeles
EDI	Economic Development Initiative, HUD
EOO	Emergency Operations Organization, City of Los Angeles
EMD	Emergency Management Department, City of Los Angeles
ESG	Emergency Shelter Grant
GSD	General Services Department, City of Los Angeles
HACLA	Housing Authority of the City of Los Angeles
HOME	Home Ownership Made Easy Investment Partnerships Program
HOPWA	Housing Opportunities for People with AIDS
HRC	Human Relations Commission, City of Los Angeles
HUD	United States Department of Housing and Urban Development
ITA	Information Technology Agency, City of Los Angeles



**TABLE 6.2**  
**List of Acronyms**

LADBS	Los Angeles Department of Building and Safety, City of Los Angeles
LADOT	Los Angeles Department of Transportation, City of Los Angeles
LADWP	Los Angeles Department of Water and Power, City of Los Angeles
LAFD	Los Angeles Fire Department, City of Los Angeles
HCIDLA	Los Angeles Housing and Community Investment Department, City of Los Angeles
LAHSA	Los Angeles Homeless Services Authority
LAPD	Los Angeles Police Department, City of Los Angeles
LAUSD	Los Angeles Unified School District
LIHTC	Low Income Housing Tax Credit
MCC	Mortgage Credit Certificate
MHFF	Municipal Housing Finance Fund
MHSA	Mental Health Services Act
OCA	Office of the City Attorney, City of Los Angeles
PSHP	Permanent Supportive Housing Program
RAP	Department of Recreation and Parks, City of Los Angeles
RSO	Rent Stabilization Ordinance
SCAG	Southern California Association of Governments
SCEP	Systematic Code Enforcement Program
SCQAMD	South Coast Air Quality Management District
VA	Department of Veterans Affairs
ZIMAS	Zone Information Map Access Service

## 2013-2021 Listing Of Housing Programs

### Objective 1.1

Produce an adequate supply of rental and ownership housing to meet current and projected needs

#### 1. Homebuyer Financial Assistance

Provide financial assistance to largely low- and moderate-income first-time homebuyers through down payment/closing cost assistance, loans, tax credits and rehabilitation costs. Includes the following: Low Income Purchase Assistance, Mortgage Credit Certificates, and Forward Commitment Program. Require new homebuyers to attend homebuyer education classes.

Lead Agency:	HCIDLA
Funding Source:	Federal: CDBG, HOME, ADDI, ARRA State: BEGIN, CalHOME, CDLAC
Objectives:	During the first year, 80 loans for low-income homebuyers and 30 loans for moderate-income homebuyers; 50 loans for low-income homebuyers per year thereafter, if funding permits; Issue 80 MCCs per year: 40 for low-income and 40 for moderate-income.
Respective Policy:	1.1.1

#### 2. Homeownership for Voucher Holders

Allow Section 8 participants to become homeowners by using their Vouchers to purchase a home. Depending on funding levels and lender support, HACLA will explore the feasibility of utilizing the homeownership program within the context of public housing revitalization activity.

Lead Agency:	HACLA
Funding Source:	HUD
Objective:	Increase homeownership opportunities among voucher holders.
Respective Policy:	1.1.1

### 3. Small Lot Subdivisions

Facilitate the development of small lot subdivisions (Zoning Code Section 12.22 C.27), which permit detached, fee simple home ownership on lots as small as 600 square feet, thus providing more affordable alternative for-sale housing types within commercial and multi-family residential zones. Identify obstacles in the development standards, code requirements, and procedures to developing Small Lot Subdivisions and propose revisions to the Small Lot Subdivision Guidelines, clarification memos, Code Amendments or other measures to eliminate impediments. The Department of City Planning will provide site specific consultation and advice to prospective subdividers.

Lead Agency:	DCP
Funding Source:	General Fund
Objectives:	1400 market-rate units; 100 moderate income units; Revised Small Lot Subdivision Guidelines - 2013-2014; Inter-departmental clarification memo - 2013-2014.
Respective Policy:	1.1.1

### 4. Barriers to Limited Equity Housing Cooperatives

Explore barriers to the development of Limited Equity Housing Cooperatives (LEHCs) in the Zoning Code and housing funding processes. Explore greater ways for the City to promote LEHCs, which offer ownership opportunities to low and moderate income households while retaining the units as affordable after they move on.

Lead Agency:	DCP, HCDLA
Funding Source:	General Fund
Objectives:	Study barriers to the greater utilization of limited-equity cooperatives; Utilize limited equity co-ops as a tool to facilitate affordable homeownership.
Respective Policy:	1.1.1

### 5. Predevelopment/Acquisition Financing for the Development of Affordable Housing

Facilitate predevelopment and/or acquisition financing for approximately 500 units annually through the New Generation Fund (NFG) and the Corporation

Supportive Housing (CSH) funds. Predevelopment/acquisition financing will be aligned to the production and preservation goals elsewhere mentioned herein, including the production of permanent supportive housing units.

Lead Agency:	HCIDLA
Funding Source:	\$52M in revolving funds from the New Generation Fund (NFG) and \$30M the Corporation Supportive Housing (CSH) funds
Objective:	Facilitate predevelopment and/or acquisition financing for approximately 500 units annually.
Respective Policy:	1.1.2, 4.1.3, 4.1.1

### 6. New Production of Affordable Housing

Add 500 rental units annually to the City of Los Angeles affordable housing stock, of which approximately 30% will be Permanent Supportive Housing (PSH). The remaining 70% will be a mix of housing targeting large families and seniors. Addition of units into the City of Los Angeles affordable housing stock will be in the form of both new construction and acquisition/rehabilitation. Total production over 8 years is estimated to be 4,000 units, of which 1,200 will be PSH units. The funding resources will include tax credit proceeds, HOME, CDBG, former CRA assets, City-owned land and other intermittent resources.

Lead Agency:	HCIDLA
Funding Source:	Approximately \$25M in HOME funds annually from HCIDLA, used to leverage approximately \$150M from other public and private lenders and tax credit investors
Objectives:	Add 500 units annually to the City of Los Angeles affordable housing stock; 30% of units to be Permanent Supportive Housing (PSH); Construct housing for seniors, the disabled and large families.
Respective Policy:	1.1.2, 4.1.3, 4.1.1

### 7. Project-Based Rental Assistance

Assist developers in obtaining construction and permanent financing by providing Housing Assistance Payment (HAP) Contracts to developers and guaranteeing a rental stream for qualifying rental developments.

Lead Agency:	HACLA
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Funding Source:	HUD Section 8 funds
Objective:	1,074 (430 extremely low-income, 644 very low-income) households housed through project-based rental assistance vouchers.
Respective Policy:	1.1.2

### 8. Land Use Program to Increase the Production of Affordable Housing

Explore the feasibility and appropriateness of creating affordable housing requirements for projects that receive benefits from the City, including projects that receive City subsidies or City land, projects receiving zone changes that result in significantly more units than otherwise permitted, as well as projects that obtain a Development Agreement. Aim to adopt affordable housing requirements through an ordinance.

Lead Agency:	City Council, Mayor’s Office, DCP, HCIDLA
Funding Source:	General Fund
Objective:	Increase the supply of affordable and mixed-income housing; Prepare draft ordinance Schedule 2014 – 2018.
Respective Policies:	1.1.1 and 1.1.2

### 9. Facilitate Housing for Senior and Disabled Persons

Give senior and disabled housing projects preferential access to Development Services Case Management (development review service). Assist developers in developing housing for seniors and for disabled persons through streamlined land use entitlement procedures for a variety of housing types, including: Independent Senior Housing, Assisted Living Care Housing, Skilled Nursing Care Housing and Alzheimer’s/Dementia Care Housing, pursuant to the Eldercare Facilities Ordinance. Explore options to introduce greater accessibility and affordability into the Eldercare process, given the significant zoning benefits provided. Provide expedited permitting services for senior developments through the Development Services Case Management (DSCM) program as well as the Parallel Design Permitting Program (PDPP). Also see the support of accessible design in housing unit design (Program 11), the development of supportive housing options that serve persons with special needs (5, 6, 119, and 121) and the removal of zoning barriers to health and health facilities (133).

Lead Agencies:	DCP, HACLA
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Funding Sources:	General Fund
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Objectives:	Assist in the development of 250 senior units a year; Construct 1750 Eldercare units; Explore the creation of an affordability component to Eldercare Ordinance.
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Respective Policy:	1.1.3
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### 10. Housing Alternatives for Seniors

The Department of Aging contracts with a non-profit organization (currently Affordable Living for the Aging), which provides shared housing services for elderly Los Angeles residents. The organization meets with seniors to provide timely information on upcoming housing opportunities, open wait lists and details about their Shared Housing Program (a service that matches individuals to share private residences throughout Los Angeles County).

Lead Agency:	DoA
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Funding Source	CDBG
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Objective:	Find alternative housing solutions for 1,600 senior residents.
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Respective Policy:	1.1.3
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### 11. Innovative Housing Unit Design

A variety of initiatives are needed to help create and adapt more housing units to employ universal design standards in order to accommodate different life stages with minimal structural changes. 1) Establish a Task Force to review current barriers in City Codes to accessible design and ability to “age-in-place.” 2) Explore and propose recommendations for increasing the number of accessible units in multi-family developments occupied by special needs households. 3) Assist older adults understand various types of home modifications that may be helpful.

Lead Agency:	DCP, LADBS, HCIDLA, DOD, DoA
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Funding Sources:	General Fund
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Objectives:	500 units with universal design elements; Provide assistance to developers and property owners during project review; Increase the number of affordable, accessible units occupied by persons with special needs.
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Schedule:	Establish Task Force to review City Codes - 2015 Task Force report and recommendations – 2016 Revised regulations – 2017 Individual developer consultations – 2013 – 2021
Respective Policy:	1.1.3

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## 12. Adaptive Reuse

Facilitate and provide incentives and expand the opportunities for adaptive reuse of economically obsolete commercial buildings for housing, in accordance with the Downtown Adaptive Reuse Ordinance (L.A.M.C. Section 12.22 A 26 and Section 12.95.3 F 1 (h)) and the Citywide Adaptive Reuse Ordinance (L.A.M.C. Section 12.24 X 1). Explore additional incentives to facilitate adaptive reuse such as reduced minimum unit sizes, or shared/publicly developed parking opportunities to support proposed developments.

Lead Agencies:	DCP
Funding Sources:	General Fund
Objective:	4,000 market rate and 100 affordable housing units
Schedule:	Report on incentives to facilitate re-use - 2014; Revised ordinance - 2015; Facilitate proposed developments – 2013 - 2021.
Respective Policies:	1.1.4, 1.1.6

## 13. Redevelopment of Brownfield Industrial and Commercial Sites

Explore redevelopment of brownfield commercial and industrial sites and the use of public funds for housing and/or mixed used development on such sites when commercial or industrial use is not appropriate. Support funding applications for brownfield clean-up and redevelopment for housing on brownfield commercial sites that are well-served by public transit and that are proximate to public facilities and amenities. Support funding applications for brownfield clean-up and redevelopment for housing on limited brownfield industrial sites where the sites can be cleaned to an acceptable level and where their use for industrial or other jobs-producing purposes is limited by inadequate infrastructure, proximity to sensitive uses such as homes, schools and hospitals, and where such use would be more consistent with the intent of the general plan.

Lead Agencies:	DCP, BOS, HCIDLA
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Funding Sources:	General Fund, CDBG, Federal Economic Development Administration Funding, EDI, BEDI, LIHTC, State Bond Proceeds
Objectives:	Environmental clean-up of at least five brownfield sites; Create opportunity for 100 units, including 10 very low- and 10 low-income units.
Respective Policy:	1.1.4

#### 14. Public Facilities Zoned Land: Joint Use Opportunities

In conjunction with LAUSD, explore the potential to reconfigure older school sites in order to make land available for community uses, including affordable housing. Explore redevelopment and joint use of other public facilities sites that may be appropriate for housing. As opportunities are identified, establish project-based partnership with LAUSD and pursue project-based resources for the joint redevelopment of LAUSD sites.

Lead Agencies:	DCP, GSD,
Funding Sources:	LAUSD
Objective:	Create opportunities for 50 very low and 50 low income units during the planning period.
Schedule:	Identify potential LAUSD sites - 2013 – 2021; Secure entitlements for housing on two LAUSD sites - 2013 - 2021.
Respective Policy:	1.1.4

#### 15. Advocate for Housing Funds

Advocate for adequate levels of affordable housing development and preservation funds from State, Federal and local sources, given the high land and construction costs in Los Angeles and the magnitude of low-income households. Support a permanent source of funding for the City, State and Federal housing trust funds. Explore options for generating funds locally. Obtain City Council support for State and Federal legislation and voter initiatives that create funding programs, create new sources of funds (i.e., bond initiatives), and allocate funding to new and existing affordable housing development programs. Advocate for increased housing-related data production and collection.

Lead Agencies:	CLA, HCIDLA, Mayor’s Office, City Council, HACLA, DCP
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Funding Sources:	General Fund
Objectives:	Support State and Federal bills that provide funds for affordable housing development and preservation in Los Angeles City in each legislative session; Increase the Affordable Housing Trust Fund.
Respective Policy:	1.1.5

**16. New Programs to Increase the Production of Affordable Housing**

Identify major policy options for the production of additional affordable housing. Explore the development of a local, permanent funding source for the Affordable Housing Trust Fund (AHTF) that provides additional funding annually for new affordable housing development (including predevelopment, site acquisition, new construction and rehabilitation activities for rental and for-sale units), preservation of existing affordable housing projects, and for the development of permanent supportive housing. Explore options for generating funds locally, such as fees on new development that increases the demand for affordable housing, a voter-approved bond measure, and/or the dedication of property tax increment previously generated under the now dissolved redevelopment agency (CRA/LA) for affordable housing. Upon the legal resolution of inclusionary zoning, explore the option of a citywide mixed income ordinance on new housing construction to include provisions for the preservation and/or construction of units that are made affordable to extremely low, very low, low, and moderate income households for at least thirty years, or payment of an in-lieu fee.

Lead Agency:	HCIDLA, DCP, City Council, Mayor’s Office
Funding Sources:	General Fund, \$ TBD, subject to Council and Mayoral approval.
Objective:	Prepare reports to Council and the Mayor that identify potential policies and programs to address the increase in funding for the production and preservation of affordable housing – 2014 - 2015.
Respective Policies:	1.1.5, 1.1.2, 1.1.3, 1.1.4

**17. Downtown TFAR Public Benefit Fee**

Assess a Public Benefit Fee on all projects in the Downtown Area that use TFAR. Study the relationship between the incentives provided under the Downtown TFAR program and those in the Downtown Affordable Housing Bonus program (#99). Consider dedicating a portion of the Public Benefit Trust Fund payment

to the Affordable Housing Trust Fund for projects that use the TFAR ordinance. The payment deposited into the AHTF will be used for affordable housing development in downtown or within three miles of the project receiving TFAR.

Lead Agency:	DCP
Funding Sources:	Developer Fees
Objectives:	\$20 million for affordable housing development; Evaluate whether changes are needed as part of the re:code:LA Unified Downtown Development Code (Program 66).
Schedule:	2014-2015
Respective Policy:	1.1.5

### 18. Innovative Parking Strategies

Encourage the utilization of alternatives to current parking standards that lower the cost of housing production and preservation, including provisions in the Modified Parking Requirements Ordinance (2012), the development of robotic parking structures and the establishment of parking impact trust funds as a means to fund shared parking facilities/ structures. Continue to implement the Venice parking impact trust fund.

Lead Agency:	DCP, LADBS, LADOT
Funding Sources:	General Fund and Fees for users, Parking Revenue Bonds, Special Parking Revenue Fund
Objective:	Incorporate parking recommendations into Community Plans, Specific Plans and Transit Neighborhood Plans, where appropriate.
Respective Policies:	1.1.6, 1.1.2, 1.1.4

### Objective 1.2

Preserve quality rental and ownership housing for households of all income levels and special needs.

### 19. Systematic Code Enforcement Program (SCEP)/Gateway to Green

Proactively inspect all multi-family rental housing regarding maintenance, use and habitability for compliance with the Housing Code and the California Health and Safety Code at least once every four years. Re-inspect non-compliant properties until compliance is achieved. In addition to regular systematic



inspections, complaints about code violations in individual units or common areas can be filed at any time by renters or property owners. Initiate "Gateway to Green" program to conduct energy efficiency assessments simultaneously with standard inspection of multifamily units as described above.

Lead Agencies:	HCIDLA
Funding Sources:	General Fund, SCEP Fees
Objectives:	Inspect 180,000 multi-family residential rental units annually for compliance with state health and safety codes and the Los Angeles Housing Code; Achieve code compliance with habitability standards within 120 days of systematic inspection; Initiate contact for complaint inspections within 72 hours of complaint receipt 80% of the time; Launch Gateway to Green Program in 2014.
Respective Policy:	1.2.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5

## 20. Foreclosure Registry Program

The Foreclosure Registry Ordinance (181,185, 2012) was established as a mechanism to protect residential neighborhoods, including abandoned properties, from blight through the lack of adequate maintenance and security as a result of the foreclosure crisis. Any lender (or beneficiary or trustee who holds or has an interest in a deed of trust) who issues a notice of default on a residential property located within the City of Los Angeles must register that property with the Los Angeles Housing and Community Investment Department (HCIDLA).

Lead Agencies:	HCIDLA, LADBS
Funding Sources:	Foreclosure Registration Fees
Objective:	Maintain a database of contact information of all residential properties within the City of Los Angeles that are subject to Ordinance No. 181,185.
Respective Policy:	1.2.1

## 21. Single Family Rehabilitation

Provide minor home repair services and installation of safety, security and accessibility features (i.e., locks, peep holes, grab bars, automatic gas shut-off valves) for low-income, elderly and disabled residents. Services are provided by City-approved contractors through the Handyworker program.

Lead Agencies:	HCIDLA
Funding Sources:	CDBG
Objective:	384 extremely low-, very low- and low-income units annually.
Respective Policy:	1.2.1

## 22. Residential Rehabilitation of Public Housing

Identify public housing sites in need of major rehabilitation, redesign, and/or demolition and replacement, including modifications to housing units, office and community spaces. Improvements include changes in density, unit mix, site design, amenities, traffic circulation, and parking patterns without a net loss of affordable housing at current levels of affordability. Initiate revitalization efforts at Jordan Downs.

Lead Agencies:	HACLA
Funding Sources:	Public/Private mix
Objectives:	Complete revitalization of Jordan Downs, including: 280 extremely low income, 280 very low income, and 140 low income 1-for-1 replacement Public Housing units; 100 new extremely low-income units, 400 new very low-income units (< 60% AMI), 20 low-income workforce housing units (< 80% AMI) and 380 market-rate units.
Respective Policies:	1.2.1, 1.2.3

## 23. Foreclosure Eviction Moratorium

The Los Angeles City Council enacted the Foreclosure Eviction Ordinance (180,441) on December 17, 2008. This Ordinance provides that banks or lenders who foreclose on single family homes or multifamily properties cannot evict tenants merely because they foreclose on the property and can only evict a tenant based on the legal reasons permitted under the RSO. This ordinance, which was adopted with an urgency clause, applies to any rental units to which title is obtained through a foreclosure on or after December 17, 2008, regardless of the date of construction of the rental unit.

Lead Agency:	HCIDLA
Funding Source:	Property owner fees

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Objective:	Determine the applicability of the moratorium on an annual basis and enforce registration requirement for foreclosed Los Angeles rental properties.
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Respective Policies:	1.2.2
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### 24. Utility Maintenance Program

Prevent termination of utility service and displacement of tenants in multi-family master-metered properties when owners fail to pay utility bills. Apartment buildings are referred to the program, and tenants pay rent to the City and avoid utility shut-off, until the property owner pays all delinquent utility bills. If tenants choose not to participate in UMP, electric and water services are subject to disconnection.

Lead Agencies:	LADWP, HCIDLA
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Funding Sources:	RSO Fees and SCEP Fees
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Objectives:	LADWP-referred cases: 30 DWP utility shut-offs prevented through issuance of payments: 130
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Respective Policy:	1.2.2
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### 25. Mobile Home Park Preservation

Preserve residential use of mobile home parks that are in RMP zones and/or within residential areas. Support legislation that expands local authority over conversion of mobile home parks to ownership structures. Provide relocation benefits to mobile home park occupants. Facilitate access to purchase and mortgage assistance to tenants in the event of conversion to ownership.

Lead Agencies:	DCP
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Funding Sources:	General Fund
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Objectives:	Assist 100 mobile park tenants; 250 market-rate mobile home park pads in residential areas preserved.
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Respective Policy:	1.2.2
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### 26. Monitor and Preserve At-Risk Affordable Housing

Track the dates when housing units will convert to market rate due to expiration and termination of affordability restrictions. Assist property owners, tenants and developers in identifying options and resources to

preserve existing affordable housing stock. Provide outreach and education to tenants and owners of at-risk and expiring affordable housing. Monitor State Notice requirement law with respect to projects pending expiration/ termination of affordability restrictions. Support Citywide and inter-agency efforts to share information, develop preservation action plans, policy development and proactive efforts to protect the City’s affordable housing.

Lead Agencies:	HCIDLA
Funding Sources:	CDBG, HOME, LMIHF, MHFF, Section 8, General Fund
Objectives:	Monitor and report on identified assisted affordable housing at-risk of conversion annually through the Annual Progress Report; Involve property owners and residents of identified at-risk units in preservation efforts; Create non-financial strategies and support Citywide and inter-agency efforts to create strategies for preserving at-risk housing.
Respective Policies:	1.2.2, 3.2.1

**27. Preservation of the Rental Housing Stock - Condominium Conversions and Demolitions**

Complete a study that identifies strategies to discourage the demolition and condo conversion of viable, stable affordable rental housing and/or rental housing that is subject to the Rent Stabilization Ordinance, particularly near rail transit stations. Implement Section 12.95.2 of the Los Angeles Municipal Code in the evaluation of applications for conversions of multi-family rental housing to condominiums. Encourage the replacement of demolished affordable housing stock with new affordable housing opportunities. To provide more information to decision-makers, explore the idea of requiring that developers of discretionary projects provide information on potential housing impacts and that the information is presented in relevant staff reports. Develop an ordinance or a Director’s Interpretation to implement the most effective strategies identified in the study.

Lead Agency:	DCP
Funding Source	General Fund, Developer Fees
Objective:	Propose Zoning Code amendment or Director’s Interpretation.
Respective Policies:	1.2.2, 1.28

### 28. Preservation of Rent-Stabilized Housing Units

Encourage preservation of housing units subject to the Rent Stabilization Ordinance (RSO). Provide rent adjustments for owners for completed capital improvements, seismic work and rehabilitation in accordance with the Just and Reasonable Rent Increase provisions of the RSO. Provide rent adjustments for owners and tenant protections or temporary tenant relocation when carrying out replacement or substantial modification of major building systems or abatement of hazardous materials, in accordance with the Primary Renovation Program requirements.

Lead Agencies:	HCIDLA
Funding Sources:	RSO Fees
Objectives:	Preserve more than 638,000 RSO units; Approximately 330 rent adjustment applications will be processed for over \$13 million in property improvements will be approved annually.
Respective Policy:	1.2.2, 1.2.8

### 29. RSO Enforcement

HCIDLA's Investigation & Enforcement Unit investigates complaints related to the Rent Stabilization Ordinance (RSO). Determinations are issued to ensure compliance. Non-compliant cases are referred to the City Attorney for legal action.

Lead Agencies:	HCIDLA, OCA
Funding Sources:	RSO Fees
Objectives:	Investigate and enforce 6,000 RSO violations annually; Refer 60 non-compliant cases to the City Attorney annually.
Respective Policy:	1.2.2, 1.2.8

### 30. Public Housing Annual Inspections

Conduct annual inspections of public housing units and ensure that needed repairs are completed. Conduct annual inspections of units supported by Section 8 rental assistance.

Lead Agencies:	HACLA
Funding Sources:	HACLA Operating Funds



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Objectives:	All public housing units inspected annually. All Section 8 units inspected annually.
Respective Policy:	1.2.1

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### 31. Healthy Homes and Lead-Safe Housing

Inspect and rate the level of hazards within a property. Provide physical interventions to make the property healthy, based on the findings of the inspection. Provide behavioral interventions to both owners and tenants regarding pest management, green cleaning and other methods of keeping the property healthy. Test and abate units with lead-based paint in rental properties serving lower income households with children. Disseminate information to residents and property owners regarding lead-safe repair and rehabilitation practices. Conduct outreach to owners and tenants regarding lead hazards, how to identify such hazards, and how to report unsafe work hazards. Provide "Lead-Related Construction Certification" training to employees of lead remediation contractors, painters or other industries that disturb paint

Lead Agency:	HCIDLA
Funding Sources:	HUD rehabilitation loan sources HUD Lead Hazard Reduction Demonstration Grant Program HUD Lead-based Paint Hazard Control Grant
Objective:	Complete interventions in 52 extremely low-, 79 very low- and 131 low-income units annually.
Respective Policy:	1.2.3

### 32. Lead-Based Paint Evaluation and Abatement Program in Public Housing

Conduct environmental assessments and testing for lead-based paint at public housing sites and within individual units. Abate lead-based paint hazards. Conduct an extensive public education process.

Lead Agency:	HACLA
Funding Sources:	HUD Public Housing Funds
Objective:	Abate lead-based paint hazards in 280 units.
Respective Policy:	1.2.1

### 33. Urgent Repair Program

Requires property owners to make immediate repairs of hazardous conditions that affect the health and safety of building occupants within 48 hours. If the owner fails to take prompt action, the HCIDLA, through a City approved contractor, intervenes to complete the repairs, and bills the owner to recover repair costs and penalties, and may secure a lien against the property with the Los Angeles County secured tax roll.

Lead Agencies:	HCIDLA
Funding Sources:	CDBG, SCEP Fees
Objective:	Prevent the vacation of 4,500 market-rate apartment buildings due to life-safety Housing Code and the California Health and Safety Code violations.
Respective Policy:	1.2.3

### 34. Nuisance Abatement in Residential Buildings

Employ code enforcement tactics such as inspections, issuance of Orders to Comply and Abate Orders, owner notifications, case management conferences with property owners, hearings to consider revoking use or occupancy, and civil and criminal court actions to resolve nuisance problems at residential properties. Work with property owners to return vacant properties to productive use and re-occupancy. Work with lenders to transfer foreclosed properties to qualified homeowners. Respond promptly to nuisance complaints.

Lead Agencies:	DBS, HCIDLA, OCA, DCP
Funding Sources:	General Fund, CDBG
Objective:	Respond to and successfully resolve 30,000 nuisance complaints on residential properties annually.
Respective Policy:	1.2.3

### 35. Rent Escrow Account Program (REAP)

In 1988, the City established the Rent Escrow Account Program (REAP) whereby tenants may voluntarily place their rents into an escrow account when the landlord failed to correct cited housing code and other deficiencies within the time permitted (LAMC Section 162.00 et seq). REAP provides a just, equitable and practical method, in conjunction with and in addition to existing City and State Building and Safety Codes, to provide economic incentives for a landlord to quickly bring their buildings up to code. Administer escrow accounts for substandard residential buildings in which owners have

consistently refused to comply with City Housing Code. Under the Rent Reduction Program (RRP) and Habitability Enforcement Program (HEP) components of REAP, tenants may pay lower rents until the apartment building’s services and conditions are restored to a habitable level. Prevent shut-off of utilities.

Lead Agencies:	HCIDLA
Funding Sources:	RSO Fees and SCEP Fees
Objective:	Enforce REAP as a vehicle to motivate property owners to maintain their properties and comply with health, safety and habitability standards.
Respective Policy:	1.2.3

**36. Rent Escrow Account Program (REAP) Rehabilitation Loan Pilot Program**

The Rent Escrow Account Program (REAP) Rehabilitation Loan Pilot Program is designed to assist small-scale property owners, with properties subject to the Rent Stabilization Ordinance (RSO) which are in REAP. This program will target property owners who have a demonstrated difficulty securing the funding to perform the necessary repairs to bring their properties into compliance with the Housing Code. Property owners who participate in this program will be offered low-interest, deferred payment loans of up to the lesser of \$50,000 per building or \$10,000 per REAP unit. This program aims to reduce blight, restore neighborhoods, and help maintain the City’s rent stabilized housing stock in a safe and habitable condition.

Lead Agency:	HCIDLA
Funding Sources	To be identified.
Objectives:	Provide 20 qualifying small-scale property owners with a low interest, deferred payment loan to rectify Housing Code violations; ensure rental units are properly maintained and provide a safe and healthy residence for the tenants of RSO units; and expedite the removal of properties from REAP. Removing the property from REAP will allow the property owner to restore their source of rental income. The pilot program will last for 18 months.
Respective Policies:	1.2.3, 1.2.2, 1.2.1

**37. Housing Enforcement (Inter-Agency Slum Housing Task Force)**

Coordinate multi-agency (HCIDLA, LAFD, and LA County Department of Health Services) enforcement at substandard rental housing buildings through issuance of Orders to Comply and prosecutions of violations of

the L.A. Municipal Code, California Housing Code, Building Code, Fire Code and Health and Safety Codes. Bring civil receivership and Unlawful Business Practice lawsuits against slumlords engaged in illegal management practices. Prosecute violations of L.A.M.C.'s Rent Stabilization Ordinance.

Lead Agencies:	OCA
Funding Sources	General Fund
Objective:	500 properties subjected to Task Force review and/or prosecution annually.
Respective Policy:	1.2.3

### 38. Billing Information Management System

Maintain historical property ownership data records for all Los Angeles residential rental property for program revenue purposes and a reference source to support other HCIDLA programs. A robust system is essential due to the fluidity of the data (20% property ownership changes each year). The system was developed in 2008/9 and became available November 2009.

Lead Agencies:	HCIDLA
Funding Sources:	Rent Stabilization and Code Enforcement Funds
Objective:	Maintain Billing Information Management System.
Respective Policy:	1.3.1

### 39. Due Process Hearing

The HCIDLA administers General Manager (GM) hearings and Rent Adjustment Commission (RAC) appeals under the authority of and in accordance with the Housing Regulations (Chapter XVI), Rent Stabilization Ordinance (LAMC, Chapter XV) and the RAC Regulations thus affording the landlords, tenants and other interested parties their due process rights. There are two levels of appeals that are afforded to landlords, tenants and other interested parties for the purpose of obtaining a third-party review of the HCIDLA's actions with respect to Rent Stabilization and Code Enforcement Programs: General Manager's Hearings and Rent Adjustment Commissioner/Appeals Board Hearings. At the hearings, the aggrieved parties have the opportunity to present their case in a public setting. There are 14 types of hearings, which include: Code; Rent Escrow Account Program (REAP); Utility Maintenance Program (UMP); REAP and UMP Release of Escrow; Urgent Repair Program (URP), Tenant Relocation Assistance; Tenant Habitability Program (THP); Primary Renovation; Capital Improvement; Just and Reasonable; Luxury Exemption; Income-Based Relocation Payment; Residential Hotel; and Relocation Assistance.

Lead Agencies:	HCIDLA
Funding Sources:	Rent Stabilization and Code Enforcement Funds
Objective:	Conduct 1,300 hearings.
Respective Policy:	1.2.3

#### 40. Outreach and Education of Enforcement Programs

HCIDLA’s Compliance Division is responsible for maximize the collection of all fees pertaining to programmatic and service-based charges of the Regulatory, Compliance and Code Bureau, pursuant to the City of Los Angeles’s ordinances, policies and guidelines. In addition, the Compliance Division administers the Rent Escrow Account Program and Utility Maintenance Programs, which are enforcement programs. Multi-media outreach and educational initiatives are critical to ensuring that property owners and tenants have a clear understanding of their rights and responsibilities, as well as the ways HCIDLA can provide assistance. This outreach will occur through dissemination of printed materials, monthly workshops, community-based outreach as well as increased use of multi-media outlets. Constituents also have continued access to two dedicated hotlines to inquire about billing issues and/or REAP specific inquiries. Expanded outreach and educational efforts will include: ongoing updates on HCIDLA’s website; online informational videos and tutorials, and availability of one-on-one meetings with contracted outreach organizations. HCIDLA will continue to communicate directly with landlord organizations to ensure that their members are aware of HCIDLA programs through onsite training and by publishing articles in their publications. Assistance will be available in English and Spanish.

Lead Agencies:	HCIDLA
Funding Sources:	Rent Stabilization and Code Enforcement Funds
Objective:	Conduct 14 informational workshops.
Respective Policy:	1.2.3

#### 41. Preservation of Affordable Housing

Preserve and/or extend the affordability of approximately 500 units annually currently part of the City of Los Angeles affordable housing stock. Do this through recapitalizing existing projects and/or facilitating the execution of project-based Section 8 (or similar) contract renewals. Total preservation over 8 years is estimated to be 4,000 units. Also maintain activities of an inter-agency preservation working group to manage and to coordinate preservation of the City’s affordable housing inventory, especially at-risk housing.



Lead Agencies:	HCIDLA
Funding Sources:	Approximately \$250 million annual bond financing and 4% LIHTC. Some projects will also include project-based Section 8 (or similar) renewals,
Objective:	Preserve and/or extend the affordability of 500 units annually currently part of the City of Los Angeles affordable housing stock.
Respective Policy:	1.2.4, 1.2.2, 1.2.8

#### 42. Rent Stabilization Ordinance (RSO)

In units built prior to October 1, 1978, regulate rent increases, provide tenant protections, regulate evictions and require tenant relocation assistance from landlords. Register all qualifying rental units. Limit rent increases in units to an annual percentage increase based on the Consumer Price Index. Require filing of a declaration prior to no-fault evictions. Require clearance on demolition permits and permanent removal of units. Provide education to landlords regarding RSO requirements. Provide landlords partial cost recovery of upgrades and replacements to rental units or common areas. Mobile homes and recreational vehicles (if located in a mobile home park or a recreational vehicle park) are included under the RSO. Amend RSO Ordinance regarding Mobile Home Parks.

Lead Agency:	HCIDLA
Funding Source:	RSO Fees
Objectives:	Maintain registration of 638,000 units annually; Protect tenants from unreasonable rent increases while providing landlords with a just and reasonable return; Maintain registration of 6,500 spaces in 57 mobile home parks; 400 landlord declarations of intent to evict will be processed annually; 300 tenant households will be provided approximately \$3 million in relocation assistance through the HCIDLA contractor annually.
Schedule:	Council motion to amend RSO Ordinance – 2013-2014
Respective Policies:	1.2.5, 1.2.2, 1.2.8, 1.1.2

### 43. Housing Choice Voucher Program

Provide rental assistance to very low-income families in the form of vouchers that cover a share of the monthly rental payment of privately-owned market rate rental housing. Continue outreach to potential landlords and to streamline the program administration.

Lead Agency:	HACLA
Funding Source:	HUD Section 8 funds
Objective:	Maintain 47,500 Section 8 vouchers for very low-income households.
Respective Policies:	1.2.5, 1.1.2

### 44. Section 8 Vouchers for Disabled and Elderly Households

Under specialized programs, provide rental assistance to very low-income persons with disabilities and to elderly persons in the form of vouchers that cover a share of the monthly rental payment of privately-owned market rate housing. Specialized programs include: Aftercare Program for persons in rehabilitation programs and/or receiving supportive services related to their disability; Hope for Elderly Independence Program for frail, elderly persons who have difficulty performing daily living activities; Mainstream Housing Opportunities for Persons with Disabilities; Medicaid Waiver Program for Medicaid-eligible disabled persons to continue living in their homes rather than being placed in care facilities.

Lead Agency:	HACLA
Funding Source:	HACLA Section 8 Funds
Objective:	Continue to provide 375 vouchers.
Respective Policies:	1.2.5, 1.1.3, 1.1.2, 4.1.1

### 45. Neighborhood Stabilization Program—Foreclosed Properties

Implement the provisions of HR 3221, (The American Housing Rescue and Foreclosure Prevention Act of 2008 and Emergency Assistance Provision, Public Law No: 110-289), by acquiring, rehabilitating, and reselling/renting foreclosed properties to qualified buyers/renters.

Lead Agency:	HCIDLA
Funding Source:	Federal Funds

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Objective:	300 units acquired, rehabilitated, and resold/rented.
Respective Policies:	1.2.5, 1.1.1

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#### 46. Historic Preservation

Designate historic and culturally significant neighborhoods as Historic Preservation Overlay Zones (HPOZs) and individual buildings as Historic-Cultural Monuments (HCMs). Such designations allow historic residential buildings to qualify for tax incentives and other incentives for their rehabilitation and adaptive reuse. Explore the provision of additional incentives for the rehabilitation of affordable housing and for low-income homeowners of historic properties in HPOZs. Facilitate the removal of barriers to accessibility in historic buildings.

Lead Agency:	DCP
Funding Source:	General Fund
Objectives:	Expand the number of HPOZs and HCMs; Study the provision of a historic rehabilitation grant program for low-income homeowners in HPOZs.
Respective Policy:	1.2.6

#### 47. Mills Act Implementation

The Mills Act is a statewide program implemented at the local level. It allows qualifying owners of historic properties to receive a potential property tax reduction and use the savings to help rehabilitate, restore and maintain their homes. The Office of Historic Resources at the Department of City Planning oversees the project work for the substantial rehabilitation of homes. This program ensures adequate maintenance of housing stock in economically diverse neighborhoods.

Lead Agency:	DCP
Funding Source:	General Fund
Objective:	50 homes annually
Respective Policy:	1.2.6

#### 48. Property Management Training Program (PMTTP)

The HCIDLA will refer owners who have failed to comply with orders to correct health and safety code violations within a mandated time frame to partnering apartment owner associations that will provide training

in housing management skills, including maintenance, rent collection, and filling vacancies to educate owners and encourage future timely compliance. Landlords in Rent Escrow Account Program (REAP) are required to attend PMTP classes & others may attend voluntarily. Encourage first-time buyers and managers of RSO properties to complete the property management training program within 180 days of registration.

Lead Agency:	HCIDLA
Funding Sources:	RSO Fees and SCEP Fees
Objectives:	Complete 12 Property Management Training programs annually for approximately 420 landlords & managers; Refer non-compliant property to property management training programs provided by partnering apartment owner associations in Los Angeles.
Respective Policy:	1.2.7

**Objective 1.3**

Forecast and plan for changing housing needs over time in relation to production and preservation needs.

**49. Affordable Housing Monitoring**

Continue to maintain a database of existing housing units citywide serving very low-, low- and moderate-income households, including the location, affordability expiration date, income level served and mechanism used to create the units. Track new construction, conversion, preservation affordability covenants, and demolition of affordable housing units, including affordable housing production in relation to the City’s Article 34 production targets. Identify affordability covenants in ZIMAS. HCIDLA monitors regulatory agreements and land use covenants for compliance with affordability restrictions which have been produced with loans, grants and/or land use concessions. Publish annual reports on the status of the affordable housing inventory, i.e. the Annual Progress Report on the Housing Element (APR). Adjust goals and program priorities in accordance with changing needs and resources. Generate reports on affordable housing inventory.

Lead Agency:	HCIDLA, HACLA, DCP
Funding Sources:	HOME, CDBG
Objectives:	Annual reports on the status of the affordable housing inventory; Monitor and enforce compliance with affordability covenants; Identify affordability covenants in ZIMAS.

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Respective Policy: 1.3.1

### 50. Citywide Housing Production System (CHPS)

Continue to maintain the Citywide Housing Production System and develop reports to facilitate tracking the City’s housing production and any covenants which address affordability requirements, such as restrictions on land use, occupant income, rent levels and sales prices. Generate reports and post them on the Housing and Community Investment Department’s web site.

Lead Agency: HCIDLA, HACLA, DCP

Funding Sources: HOME, CDBG

Objective: Maintain and continue to enhance the Citywide Housing Production System (CHPS).

Respective Policy: 1.3.1

### 51. RSO Monitoring

Maintain a database of properties subject to and registered with the Rent Stabilization Ordinance (RSO), and maintain records of properties exempt from RSO and rent registration requirement. Track demolitions and conversions of RSO properties. Monitor rental units removed from the rental housing market as well as denials of conversions. Report on the status of the RSO inventory annually (i.e. the APR).

Lead Agency: HCIDLA

Funding Sources: RSO Fees

Objectives: Annual report on the status of the RSO inventory; 50 Ellis removal applications processed annually.

Respective Policy: 1.3.1

### 52. Housing Element Sites Inventory Update

Assess the need to facilitate and provide incentives for the development of sites. Monitor the development of sites by Community Plan area, and assess the need to facilitate and provide incentives within any given Community Plan area in order to encourage the development of housing within that area. Publish annual reports on the development of sites included in the Site Inventory (i.e. the Annual Progress Report).



Lead Agencies:	DCP, HCIDLA
Funding Sources:	General Fund
Objective:	Annual report on development of sites included in the Inventory of Sites.
Respective Policy:	1.3.1

### 53. Monitor and Report on Housing Production Goals

Establish goals for each City Department involved in the production and preservation of housing and monitor progress in meeting those goals. Publish periodic reports on accomplishments in relation to goals. Identify and track new residential development, including single family and multifamily units, additions, alterations and demolitions. Publish regular summaries and reports on changes in the residential stock.

Lead Agency:	DCP, HCIDLA, HACLA, LAHSA
Funding Sources:	General Fund and CDBG
Objectives:	Quarterly and annual summaries on residential building activity; Annual report on the City’s housing production and preservation goals and accomplishments; Annual report on changes in the rental housing stock.
Respective Policy:	1.3.1

### 54. Monitor and Update the Density Bonus Program

Track the production of affordable housing units produced as a result of density bonus requests, including the location and income levels served. Track affordable housing units created through the granting of parking reductions, including: the number of affordable housing units exchanged for the concession; the location; and, income levels served. Track and assess the granting of other incentives in conjunction with density bonus requests. Assess the need to make adjustments to incentives and to the Affordable Housing Incentives Program Guidelines. In particular, examine strategies to increase the production of affordable housing units, facilitate the use of density bonus at Transit Stops/Major Employment Centers, encourage more large family and senior units, and transfer unused density bonus rights.

Lead Agency:	DCP, HCIDLA
Funding Sources:	General Fund, HOME, CDBG

Objectives:	Annual report on affordable housing units produced as a result of land use incentives; Make revisions to the density bonus provisions in the Code; Update the Affordable Housing Incentives Guidelines.
Schedule:	Track affordable housing; post results annually; Study ways to improve the density bonus program – 2014-2015; Update the Code and Affordable Housing Program Guidelines - 2015 - 2017.
Respective Policy:	1.3.1

### 55. Collaboration on Data Production and Collection

Collaborate with Federal, State, regional and County agencies to produce and collect data to support the City’s planning purposes. Provide financial support for the regional bi-annual Homeless Count, which includes analysis of data on a City level.

Lead Agency:	DCP, CLA, HCIDLA, LAHSA
Funding Sources:	General Fund, CDBG, Emergency Shelter Grants
Objectives:	Additional data from Federal, State, regional and County agencies; Homeless Count with City of Los Angeles data.
Respective Policy:	1.3.2

### 56. Census 2020

Assist the U.S. Census Bureau with outreach and education to the community in order to obtain more complete and accurate data collection and reporting in the 2020 Census, particularly with regard to data necessary for assessing the City’s Housing needs.

Lead Agency:	DCP, CLA, OCA, ITA, Mayor’s Office, HCIDLA
Funding Sources:	General Fund, CDBG, Other grant funds
Objective:	Census forms and methodologies that better reflect the City’s needs.
Schedule:	2016 – 2020
Respective Policy:	1.3.2

### 57. Housing Needs Assessment by Community Plan Area

In accordance with the growth strategies adopted in the General Plan Framework, identify the housing needs of each community when each Community Plan is updated. Ensure that revised Community Plans include the identification and implementation of measures needed to achieve appropriate housing capacities and further the policies and objectives found in the Housing Element, in particular, meeting the needs of housing at all income levels.

Lead Agency:	DCP
Funding Sources:	General Fund
Objectives:	Adopt revisions of Community Plans that include the designation of appropriate locations and densities of housing; Adopt implementation measures to assure that such sites are designated and zoned appropriately.
Respective Policy:	1.3.3

### 58. Database for Evaluating Housing Needs

Maintain a public database of population, employment, income, and housing within the City and within each Community Plan Area to enable the ongoing evaluation of citywide and local housing needs. Publish regular reports of socioeconomic and demographic data on a citywide basis and by Community Plan Area. Publish special reports of socioeconomic and demographic data in response to unique requests. Provide socioeconomic and demographic data to the public through various outlets, including the DCP website.

Lead Agency:	DCP
Funding Sources:	General Fund, CDBG (for administrative costs only)
Objectives:	Database of current socioeconomic and demographic data on DCP website; Periodic reports of socioeconomic and demographic data.
Respective Policy:	1.3.3

### 59. Consolidated Plan

The Consolidated Plan is an assessment of affordable housing and community development needs and market conditions required by HUD to help make data-driven, place-based investment decisions. The City’s recently completed 5-year Plan provides a transit-orientation to the City’s spending priorities. Complete

one- and five-year Plans to create decent housing, a suitable living environment and expanded economic activities for low- and moderate-income City residents through the use of Federal programs including CDBG, HOME, ESG and HOPWA.

Lead Agency:	HCIDLA, Mayor’s Office, Planning, HACLA, LAHSA
Funding Sources:	CDBG (for administrative costs only)
Objective:	Complete one-and five-year Plans.
Respective Policy:	1.3.3

**60. Expedited Residential Recovery**

Provide assistance in obtaining land use entitlement approvals, building permits, emergency funds, coordinating inspections and other necessary activities in order to facilitate the required demolition of hazards and the repair, restoration and rebuilding of damaged structures to comparable or better conditions (as provided for in L.A.M.C. Sections 12.23 A.4, 12.23 A.5, and 12.24 X.16). In the event of a natural disaster, temporarily suspend City’s underwriting provisions in order to provide emergency funds for the reconstruction of severely damaged residential structures. Seek emergency funds from Federal and State sources. Expedite entitlement applications and building permit applications in the event of a natural disaster and provide the building permits for no fee.

Lead Agency:	DCP, DBS, HCIDLA, HACLA
Funding Source:	General Fund, DHS/FEMA, AHTF
Objectives:	Issue entitlement approvals within four weeks of application for reconstruction, in the event of a natural disaster; Issue loans and grants within four weeks of application for reconstruction funds.
Respective Policy:	1.3.4

**Objective 1.4**

Reduce regulatory and procedural barriers to the production and preservation of housing at all income levels and needs.

**61. Expedite Affordable Housing Projects**

Assist publicly-assisted affordable housing projects to receive priority treatment in the building permit and entitlement process. Follow the inter-departmental coordinated review plan contained in the Affordable Housing Project Review Procedures Memo + Flowchart. Allow projects to take advantage of the Parallel Design Permitting Program (PDPP) and Development Services Case

Management (DSCM) at lower thresholds than projects without affordable housing. Both programs greatly assist in the permitting and entitlement process. DCP provides one-on-one assistance to all affordable housing projects and will reduce and/or defer application fees for such projects. DCP will explore ways to prioritize entitlement processing for affordable housing projects.

Lead Agency:	DCP, DBS, HCIDLA
Funding Sources:	General Fund
Objectives:	Reduce building permit processing time by up to 12 months Adopt amendments to the Affordable Housing Incentives Program Guidelines to facilitate implementation of expedited processes for affordable housing development; Prioritize affordable housing projects to expedite processing of permits and any related entitlements; Assist 20 affordable housing projects per year; Reduce entitlement processing time by up to three months.
Schedule:	Amend Affordable Housing Incentives Program Guidelines - 2014- 2016
Respective Policy:	1.4.1

**62. Implement CEQA Streamlining Measures**

Prepare Environmental Impact Reports for each revised Community Plan, Specific Plan or Transit Neighborhood Plans so that appropriate land use designations and zone changes can be initiated to accommodate needed capacity. Assure that EIRs address housing needs. Facilitate the utilization of Statewide CEQA streamlining measures, including those that implement the regional Sustainable Communities Strategy (SB 375) and those that promote infill projects (SB 226). Promote Transit Priority Projects by completing program-level Environmental Impact Reports that analyze potential impacts when undertaking community planning efforts. Adopt “uniformly applicable development policies” that would substantially mitigate the effects of infill projects. Create necessary policies and procedures to facilitate streamlining efforts.

Lead Agency:	DCP
Funding Sources:	General Fund
Objectives:	Allow for streamlined environmental review (i.e. SCEA) required for Infill and Transit Priority Projects; Assist 10 Transit Priority Projects and Infill Projects per year.



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Schedule:	Adopt necessary uniformly applicable development policies, forms, CEQA policies and procedures - 2013-2015.
Respective Policies:	1.4.1, 1.1.2, 2.5.1 2.2.2

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**63. Preservation Barriers Assessment**

Identify Zoning Code requirements (such as parking, zoning, sewer and street dedications, etc.) that typically pose challenges in the rehabilitation of existing housing. Amend the Zoning Code to facilitate rehabilitation of housing to habitable levels rather than encouraging demolition or disinvestment. Identify Zoning Code requirements that pose challenges to the use of existing residential structures and analyze strategies to legalize and rehabilitate existing non-conforming units, including permitting certain modifications when affordability covenants on those units are offered or the property is located near transit.

Agency:	DCP, DPW
Funding Sources:	General Fund
Objectives:	Identify development standards that pose compliance difficulties for preservation projects; Adopt amendments to the Zoning Code to alleviate challenges.
Respective Policies:	1.4.1, 1.2.2, 1.2.8, 2.5.1, 2.5.2

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**64. Improvements to Entitlement Processing/ Department Realignment**

In order to provide a streamlined and more efficient development process in the City, the City Council voted on May 29, 2013 to approve the realignment of the Departments of Building and Safety with City Planning along with development functions and some staffing from the Departments of Fire, Transportation and Bureau of Engineering, Land Development Section. The goal is to create a an optimum development process that is all inclusive, clear, predictable, customer-based, projected-oriented process from pre-development to occupancy, which also encourages community input. In addition, the City will continue to undertake regular fee studies in order to achieve full cost recovery and timely processing of applications development projects. Revise procedures to ensure processing time limits in accordance with the Permit Streamlining Act. DCP will maintain a fee estimator on its website. (Also see Program 61).

Lead Agency:	DCP, LADBS, HCIDLA
Funding Sources:	General Fund

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Objectives:	Complete fee study of entitlement processing costs; Amend the Zoning Code to implement full cost recovery.
Respective Policy:	1.4.1
Schedule:	Complete fee study in 2017; Amend Zoning Code 2017.

### 65. Development and Design Standards

With each comprehensive update of a Community Plan, incorporate clear development and design standards for residential development at a neighborhood level. Introduce Community Plan Implementation Overlays (CPIOs), which improve development standards and reduce the need for entitlements for residential development projects.

Lead Agency:	DCP
Funding Sources:	General Fund
Objective:	Include development and design standards in 10 Community Plans.
Respective Policies:	1.4.1, 2.4.1, 2.4.2, 2.4.3

### 66. Zoning Code Revision

Complete a comprehensive revision of the City’s Zoning Code that includes the following major deliverables: a clear and predictable Zoning Code that will apply to Los Angeles’s diverse needs and neighborhoods; an online Zoning Code that will allow for a customized and interactive online experience; a series of easy-to-read guides to the Zoning Code that will help people navigate through regulations and procedures; and a new set of zoning tools for the revitalization of Downtown effective within the first 24 - 30 months of the program. Conduct public workshops and hearings to solicit input on needed changes in these areas. Completion of this project will result in simplified, more accessible land use regulations, understandable to both neighborhood stakeholders and developers.

Lead Agency:	DCP
Funding Sources:	General Fund, Construction Services Trust Fund, General Plan Maintenance Surcharge
Objective:	Adopt a brand new Zoning Code that establishes clear and predictable regulations.

Schedule:	New Downtown Development Code - 2015 new Zoning Code - 2017
Respective Policy:	1.4.1

**67. Amend the Zoning Code to Facilitate Non-Conventional Housing**

Identify modifications needed in the Zoning Code to facilitate innovative housing types, such as shared housing, congregate living, cooperative housing, modular and pre-fabricated housing, and group quarters.

Lead Agency:	DCP
Funding Sources:	General Fund
Objective:	Adopt amendments to the Zoning Code to accommodate innovative multifamily housing types.
Respective Policies:	1.4.1, 1.1.1, 1.1.2
Schedule:	Amend the Zoning Code in 2017.

**68. Second Unit (“Granny Flat”) Process**

Provide training and support to applicants who are seeking City approval for second dwelling units on single-family lots, thus encouraging the provision of additional rental housing types and making ownership of those lots more affordable. Implement the State law enabling second units on single family lots (AB 1866), and provide additional options for projects that do not meet the State criteria (including a Second Dwelling Unit Conditional Use Permit under Section 12.24 W.43 and W.44). Identify obstacles to enabling second units on single family lots and propose ways to address the obstacles.

Lead Agency:	DCP
Funding Source:	General Fund
Objectives:	30 second units on lots annually; Identify development standards and code requirements that pose compliance difficulties to second unit process; Adopt amendments to the Zoning Code to alleviate challenges.
Respective Policies:	1.4.1, 1.2.2, 1.1.2
Schedule:	2014 - 2017

## 69. Update the Los Angeles Building Code

Update the Los Angeles Building Code by adopting the most recent versions of the California Building Code (which now reflects the International Building Code). Conduct training and make needed changes in procedures regarding changes to the LABC.

Lead Agency:	LADBS
Funding Source:	General Fund
Objectives:	Adopt the most recent version of the CBC when released.
Respective Policies:	1.4.1

### Objective 2.1

Promote safety and health within neighborhoods.

### Objective 2.2

Promote sustainable neighborhoods that have mixed-income housing, jobs, amenities, services and transit.

## 70. Zoning and Neighborhood Implementation Tools for Mixed Use Development

Facilitate the development of mixed-use projects through the use of incentives and regulations, such as Residential Accessory Services (RAS) zones, Community Plan Implementation Overlay districts (CPIOs), ground floor commercial requirements and Mixed-Use Overlay Districts. Adopt appropriate ordinances, guidelines, and implementation mechanisms in conjunction with Community Plans. Amend the Zoning Code to modify the Residential Planned Development (supplemental use) Districts to allow for more mixed use and infill development.

Lead Agency:	DCP
Funding Sources:	General Fund
Objectives:	1,000 housing units in mixed use developments; Identify targets in all Community Plans; Adopt ordinances if appropriate.
Respective Policy:	2.2.1

### 71. Reduced “Trips” for Housing near Transit and/or with Affordable Housing Units

Provide “trip credits” of up to 25% for residential development that is located in close proximity to Metro fixed rail and fixed guideway stations and transit stops with frequent bus service. Provide trip credits for up to 5% for developments with affordable housing units. Should relevant empirical data that reveals lower trip rates for affordable housing units when compared to market rate units be provided to DOT, consider increasing the trip credits accordingly.

Lead Agency:	LADOT
Funding Sources:	General Fund
Objective:	Increase the trip credits provided for affordable housing units.
Schedule:	Study on daily trips by income - 2013-2015 Revise Traffic Study Policies and Procedures - 2015-2016
Respective Policies:	2.2.2, 2.2.3, 2.5.1

### 72. Transit Oriented District Studies

Conduct studies to identify housing opportunities and market potential for the neighborhoods around rail and bus rapid transit stops in the City. Develop ideas for new housing, new housing typologies as well as design guidelines for appropriate mixes and scales of uses. Incorporate recommendations into Community Plans and new Transit Neighborhood Plans for the next wave of light-rail stations in the City (Expo Line Phase 2, Crenshaw/LAX line, Orange Line Bus Rapid Transit, Central City Community Plan Stations and Westside Subway Extension). Also carry out a citywide study of housing issues around light-rail stations and develop strategies to meet housing goals through other ongoing community planning efforts such as new Community Plans, Specific Plans and Community Plan Implementation Overlay districts. Adopt strategies, including changes to the Zoning Code, as needed. Continue to pursue additional funding sources to carry out further planning efforts around TODs.

Lead Agency:	DCP
Funding Sources:	METRO grants, SCAG Grants, State/Federal funding
Objective:	Complete Transit Neighborhood Plans (TNPs) for 24 transit stations.
Schedule:	Complete TNPs; adopt ordinances - 2013 – 2017
Respective Policies:	2.2.2, 2.2.3, 2.5.1



### 73. Targeting Growth in Community Plan Areas

Update Community Plans and Transit Neighborhood Plans to establish appropriate land uses, densities, and mixes of housing types and levels of affordability in areas well served by public transit, including employment centers and activity centers. Resolve design issues and adopt design guidelines to assure that residential, commercial and industrial development facilitate corresponding development goals for the area. Change land use designations, initiate zone changes and adopt Community Plan Implementation Overlay districts. When building envelopes are increased, take care not to undermine the density bonus program. Aim to attach community benefits, including affordable housing, to significant bonuses in floor area and density.

Lead Agency:	DCP
Funding Sources:	General Fund
Objective:	Identify targeted growth areas and incorporate appropriate land use designations in 10 Community Plans; Complete Transit Neighborhood Plans (TNPs) for 24 transit station.
Schedule:	Complete TNPs; adopt ordinances - 2013-2017
Respective Policies:	2.2.2, 1.1.4

### 74. Housing Element Relationship to Land Use Entitlement and Long-Range Planning

Prepare and present a report to the City Planning Commission describing how the Planning Department will use the Housing Element to guide project level decisions. Prepare and present a report to the City Planning Commission describing how the Community Plans will implement the land use objectives of the Housing Element and shift residential capacity to desired sites, in compliance with the Framework Element and Map ES.1.

Lead Agency:	DCP
Funding Sources:	General Fund
Objective:	Annual report to City Planning Commission.
Respective Policies:	2.2.2, 2.4.2

**75. Congestion Management Program Land Use Strategy**

Comply with state-mandated program to mitigate regional traffic congestion by linking transportation and land use decisions with their impacts on regional transportation and air quality. Assure that Los Angeles receives land use mitigation credits for residential and mixed use development around transit center and transit corridors.

Lead Agency:	DCP, LADOT
Funding Sources:	General Fund
Objectives:	Report on all projects developed and all demolitions around major transit stations and transit corridors annually; Certify compliance with the Los Angeles County Congestion Management Program annually.
Respective Policies:	2.2.3, 1.3.1, 1.3.3

**76. Jobs/Housing Balance Incentives: Residential Exemptions in Transportation Specific Plans**

In Transportation Specific Plan areas that are jobs rich and housing poor, exempt new residential projects from Traffic Impact Assessment fees on new development. Or, at a minimum, consider exempting affordable housing units and high-density transit-oriented residential projects.

Lead Agency:	DCP, LADOT
Funding Sources:	Transportation Specific Plan Trust Funds
Objective:	Add fee exemption for residential units to Transportation Specific Plans that govern employment centers.
Respective Policy:	2.2.3

**77. Education about Growth, Housing Need, Mixed-Use and Mixed-Income Neighborhoods**

Provide training to neighborhood councils and other community groups regarding the planning process and accommodating and responding to growth, including the siting of housing, affordable housing and special needs housing, mixed-use and mixed-income development. DCP will provide “Planning 101” training and focus groups to residents and stakeholders on issues such as zoning, housing and mobility, as well as provide access to data and information on entitlements and land use decisions. An overview of the Housing Element and housing needs will be carried out at regional and citywide neighborhood councils when updated. Explore establishing a program to provide information and training to neighborhood

councils and other community organization on fair housing issues. The EmpowerLA Leadership Institute will provide training to neighborhood councils on issues of City governance, conflict resolution, planning and development as well as provide a reference library and online classroom for instant access to helpful topics.

Lead Agency:	DCP, DONE, HACLA, HRC
Funding Sources:	General Fund
Objectives:	50 training sessions/workshops; 100 participating neighborhood council members and community organization members annually.
Respective Policy:	2.2.4

### 78. Services in Public Housing

Provide educational and career assistance including tutoring, assistance with financial aid applications, help to re-enter school and college, computer training, job training, mentoring and career counseling in publicly assisted housing developments. Incorporate recreational, education and cultural programs into publicly assisted housing for youth ages 8-21.

Lead Agency:	HACLA
Funding Sources:	Public Housing Budget, CDBG, Grants
Objectives:	50 residential clients served by educational assistance programs; 100 residential clients served by computer training programs; 100 youth served by recreational, educational and cultural programs; 1,600 residential clients served by career assistance programs; Submit application for Workforce Investment Act Recertification for 2013 -15.
Respective Policy:	2.2.5

### Objective 2.3

Promote sustainable buildings, which minimize adverse effects on the environment and minimize the use of non-renewable resources.

### 79. Entitlement Case Management and Expediting for Green Building Projects

DCP provides priority entitlement processing for green projects that go beyond the new mandatory requirements and meets Tier 1 or Tier 2 levels of sustainability in the LA Green Building Code.

Lead Agency:	DCP
Funding Sources:	Developer fees
Objective:	Reduce plan check process time for 50 Tier 1 and 2 projects.
Respective Policy:	2.3.1

**80. Financial Incentives to Conserve Water**

Provide financial rebates for installing water conserving appliances and systems, such as high-efficiency clothes washers and toilets, and weather-based irrigation controllers.

Lead Agency:	LADWP
Funding Sources:	LADWP Public Benefit Program
Objective:	Installation of high efficiency clothes washers in 5,000 households per year.
Respective Policy:	2.3.2

**81. Stormwater Mitigation**

Promote and facilitate on-site adherence to the Low Impact Development Ordinance to capture, treat and infiltrate stormwater and urban runoff in association with residential development. Promote innovative stormwater best management practices such as rain barrels, rain gardens, bioswales and permeable pavement in order to infiltrate stormwater where appropriate. Provide technical assistance to residential developers in developing mitigation plans for stormwater capture and re-use and for general efficient management of water resources, in accordance with the City’s Water/Wastewater Integrated Resources Plan (Manage Water Resources). Utilize Green Streets design guidelines to treat and infiltrate stormwater runoff from public rights of way in residential neighborhoods. Promote innovative best management practices such as rain sensors where appropriate.

Lead Agency:	DCP, DPW, LADWP, LADOT
Funding Sources:	General Fund
Objective:	Integrate on-site stormwater design guidelines into project review process.
Respective Policies:	2.3.2, 2.4.3

### 82. Incentives to Conserve Energy

Provide financial rebates and appliance exchanges of old appliances for new energy-saving models. Under the Refrigerator Turn-In and Recycle (RETIRE) program, provide rebates for old refrigerators and freezers. For low-income qualifying households, provide a program where residents can exchange older refrigerators with new more energy efficient models. Rebates also exist for Energy Star Windows, Cool Roofs, Room and Central Air Conditioners, Heat Pumps, Whole House Fans and Variable/Multi-Speed Pool Pumps and Motors. For a limited time, incentives of up to \$8,000 are available through Southern California Gas Company and Energy Upgrade California for LADWP customers who conduct whole home energy efficiency retrofits. Distribute Compact Fluorescent Light Bulbs (CFLs). Disseminate information and encourage participation in rebate and incentive programs offered by other agencies, including the Southern California Gas Company and the South Coast Air Quality Management District.

Lead Agency:	LADWP, Southern California Gas Company
Funding Sources:	LADWP Public Benefit Program
Objectives:	50,000 low income households obtain more energy-efficient refrigerators; 2,000 households retire non-energy efficient refrigerators annually.
Respective Policy:	2.3.3

### 83. Encourage Energy Conservation through Pricing

Reduce electricity use by adjusting the pricing and timing of use by customers. Propose rate restructure to shift rate from demand based pricing to energy based pricing, so customers can manage their usage and save money. Set rate policy to Time-Of-Use (TOU) Rate, which charges higher price for energy during the peak period, and reduces the price during the base period to encourage conservation. Residential customers whose monthly energy use exceeds 3,000 kWh are now required to use TOU pricing.

Lead Agency:	LADWP
Funding Sources:	Rate Payer Fee
Objective:	10,000 residential customers on the TOU rate.
Respective Policy:	2.3.3



**84. Green Power for a Green LA**

Offer households the opportunity to purchase renewable energy sources (solar, wind and water) in place of traditional sources for a small premium. Distribute free energy efficient products to encourage customers to take advantage of DWP incentives. Market and publicize the program.

Lead Agency:	LADWP
Funding Sources:	Supplemental Rate Payer Fee
Objective:	25,000 households choosing alternative energy sources.
Respective Policy:	2.3.3

**85. Million Trees LA**

Distribute free shade trees to residents to increase shade, energy efficiency and clean air in individual homes and multi-family residential properties as part of the Million Trees LA program. Plant trees on public property and along City-controlled parkways, medians and other public right-of-ways with appropriate tree canopy to reduce air pollution, provide cooling through shading, and to improve blighted neighborhoods.

Lead Agency:	LADWP, DPW, Mayor’s Office
Funding Sources:	CDBG, SCAQMD, Private Donations, LADWP Funds
Objective:	600,000 shade trees planted citywide.
Respective Policies:	2.3.3, 2.4.3

**86. Building Design for Sustainability**

Provide technical assistance and disseminate information and guidelines to residential developers to encourage energy-efficient residential building design, including: systems that reduce the need for energy use (such as tankless water heaters, green roofs, shade trees); building orientation that takes advantage of solar and natural ventilation opportunities; energy-efficient building products for windows, insulation, roofing and other building components. Address water and energy conservation and sustainability through the development of code standards bodies. Provide technical assistance and disseminate information and guidelines to residential developers to encourage improved air quality in residential development, including: building orientation that takes advantage of natural ventilation opportunities; filtered air systems; landscaping, venting appliances to the outside; use of low-emitting construction and finish materials.

Lead Agency:	DCP, LADWP
Funding Sources:	General Fund, LADWP Funds
Objective:	Guidelines developed and updated; Integrate guidelines into all project reviews.
Respective Policy:	2.3.3

**87. Incentives to Encourage Green Building Solutions in Existing Buildings**

Explore ways to encourage green building solutions in existing buildings. Strategies might include incentives for existing buildings to perform energy audits and retrofits to Green Building Program standards. Develop a funding program to support green retrofitting of residential structures.

Lead Agency:	LADWP
Funding Sources:	LADWP
Objective:	Develop green building incentives program for existing buildings.
Respective Policy:	2.3.3

**88. Recycle Construction Waste**

Provide incentives for waste haulers to source-separate for recycling construction and demolition debris by waiving City waste hauling fee. Provide rebates for waste haulers who take construction and demolition to a City-certified waste processor for recycling. Develop and implement an ordinance that requires all construction and demolition waste be taken to a City-certified waste processor. Provide technical assistance and disseminate information and guidelines to residential developers.

Lead Agency:	DPW
Funding Sources:	Citywide Recycling Trust Fund (Private waste hauler fees)
Objectives:	Establish incentive program for source separation of construction and demolition waste; Establish rebate program for construction and demolition waste taken to a City-certified waste processor; Adopt ordinance to require construction and demolition waste to be taken to a City-certified waste processor.
Respective Policy:	2.3.4

### 89. Sustainable Building Materials and Practices

Implement the sustainable building materials requirements of the new LA Green Building Code. Provide technical assistance and disseminate information and guidelines to the residential development community to encourage the use of quality building materials, sustainable materials and practices to protect air quality, water conservation, energy efficiency, etc. Develop and maintain outreach websites on LA's sustainability programs (LADWP.com and environmentla.org). Publish data regarding energy and water consumption and the need to reduce consumption. Conduct workshops and other education forums.

Lead Agency:	DCP, LADBS, LADWP, EAD
Funding Sources:	Developer Fees
Objectives:	Integrate guidelines into project review process; Develop and maintain an outreach website.
Respective Policies:	2.3.4, 2.3.5

### 90. Recycling Collection in Residential Development

Provide on-site recycling bins and weekly curbside pickup for all residential developments. Single-family homes and multi-family complexes under five units are provided with recycling service directly from the City's Bureau of Sanitation. Expand recycling program citywide to all multi-family complexes on a voluntary basis through a City-contracted waste hauler.

Lead Agency:	DPW
Funding Sources:	Citywide Recycling Trust Fund (Private waste hauler fees)
Objective:	Provide on-site recycling bins and weekly pick-up for all residential developments.
Respective Policy:	2.3.4

### 91. Home Energy Improvement Program

Through the Home Energy Improvement Program, LADWP will assess the energy and water efficiency of the City's housing stock and provide information to property owners on opportunities for conservation and available City rebates and incentives that would benefit their properties. Allow owners to request free assessments.

Lead Agency:	LADWP
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Funding Sources:	LADWP
Objective:	Provide free green assessments to property owners.
Respective Policies:	2.3.5, 2.3.2, 2.3.3, 2.3.4

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### Objective 2.4

Promote livable neighborhoods with a mix of housing types, quality design and a scale and character that respects unique residential neighborhoods in the City.

#### 92. Planning for Neighborhood Character

Conduct regular updates of Community Plans in order to address changing local needs. Adopt implementation tools, such as overlay zones and design guidelines to guide new development and protect existing neighborhood character. Explore mechanisms to address better transitions between single family and multi-family development, between commercial and residential development, and between industrial and residential development. Enforce the Baseline Mansionization Ordinance, which limits the size of homes in proportion to lot size throughout the City. Create new Residential Floor Area districts to protect neighborhood character. Utilize the Community Plan Implementation Overlay districts as another neighborhood character tool.

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Lead Agency:	DCP
Funding Sources:	General Fund, General Plan Implementation Fee (if adopted)
Objectives:	10 updated Community Plans; Implementation tools as appropriate.
Respective Policy:	2.4.2

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#### 93. Community and Neighborhood Council Development Review

Provide duplicate case files to Certified Neighborhood Councils (CNCs) for all proposed projects in their neighborhoods (Certified Neighborhood Council Notification Pilot Program). Maintain the Early Notification System for notifying neighborhood councils on a bi-weekly basis of all development applications filed. Post Case Filing Activity by CNC on the DCP website bi-weekly. Facilitate access to and communication with the Department of City Planning through a Neighborhood Council Liaison position in DCP.

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Lead Agency:	DCP, DONE
Funding Sources:	General Fund

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Objectives:	Duplicate case files provided to CNCs for proposed projects; Notifications to CNCs for filed applications bi-weekly; Case filing activity posted on DCP website bi-weekly.
Respective Policy:	2.4.2

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**94. SurveyLA – The Los Angeles Historic Resources Survey**

Conduct a multi-year citywide survey of historic resources. Identify buildings and sites of historic, architectural, and cultural significance and create planning tools that will provide greater up-front certainty in the development process and CEQA review process for developers, property owners, community members and policymakers. Develop a historic resources data management system to record and manage information on all designated and surveyed resources. Information will be available via the SurveyLA website and the City’s ZIMAS Geographic Information System.

Lead Agency:	DCP
Funding Sources:	General Fund, Getty Foundation Grant
Objectives:	Complete citywide survey; Publish results.
Schedule:	2013-2016
Respective Policies:	2.4.2, 1.2.6

**95. Neighborhood Preservation - Downzoning**

Preserve stable multi-family residential neighborhoods that provide older, and therefore, relatively affordable, but high quality housing stock. Evaluate the feasibility of downzoning such neighborhoods to approximate the existing densities in order to eliminate the incentive to demolish and replace such neighborhoods with higher density, more expensive, new construction. Assure that there is no net loss of capacity in the Community Plan by assuring that any such downzoning occurs only when accompanied with a corresponding shift of the capacity that would have been created in the downzoned neighborhood to other areas of the Community Plan where the additional housing units can be better accommodated.

Lead Agency:	DCP
Funding Sources:	General Fund
Objective:	Rezone appropriate areas in 10 Community Plans.



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Respective Policies: 2.4.2, 1.2.6

## 96. Urban Design Studio

Maintain the urban design studio to review and provide advice on residential projects and guidance regarding sustainable alternatives for public right of way improvements associated with residential projects. Continue to utilize the Professional Volunteer Program (PVP) as a forum for local design professionals to participate in raising design and sustainability standards in private development.

Lead Agency: DCP

Funding Sources: General Fund

Objectives: Maintain Urban Design Studio as a division within the DCP;  
Maintain the Professional Volunteer Program (PVP).

Respective Policies: 2.4.2, 2.4.1, 2.4.3

## 97. Landscape Design

In accordance with the City's Landscape Ordinance, promote and facilitate landscape design standards that reduce heat island effects and reduce water and electricity consumption through the inclusion of non-paved areas, shade-producing trees and drought-resistant landscaping. Capture, treat and infiltrate stormwater and urban runoff utilizing the Low Impact Development Ordinance, as well as additional water conservation measures outlined in programs 89 and 91.

Lead Agency: DCP

Funding Sources: General Fund

Objective: Integrate Landscape Ordinance and  
Low Impact Development;  
Ordinance into project review process.

Respective Policies: 2.4.3, 2.4.2, 2.3.2

## Objective 2.5

Promote a more equitable distribution of affordable housing opportunities throughout the City.

## 98. Density Bonus

In accordance with State law, provide a density bonus up to 35% over the otherwise allowable density as well as reduced parking requirements for all

residential developments that include units affordable to very low-, low- and/ or moderate-income households. Provide additional incentives and concessions to required development standards in order to provide the buildable area needed for the affordable units and increased density. Assess the need to make adjustments to density bonus incentives and to the Affordable Housing Incentives Program Guidelines (AHIPG) to better achieve City goals (see Program 54).

Lead Agency:	DCP, HCIDLA
Funding Sources:	General Fund, HOME, CDBG, Developer Fees
Objectives:	Create 375 non-subsidized very low income units; Create 750 non-subsidized low income units; Create 187 non-subsidized moderate income units; Make revisions to the density bonus provisions in the Code and the Affordable Housing Incentives Program Guidelines.
Schedule	Study ways to improve the density bonus program - 2013-2015 Update the Code and Affordable Housing Program Guidelines - 2015-2016
Respective Policies:	2.5.1, 2.5.2, 1.1.1, 1.1.2, 1.1.4

**99. Downtown Affordable Housing Bonus**

Provide the following incentives for all residential developments in Downtown that include very low-, low-, moderate-income, or workforce housing: 35% more floor area; exclusion of halls and lobbies from the calculation of allowable floor area; option to pay an in lieu fee for 50% of the internal building open space requirement; elimination of parking requirements for units serving very low-income households; reduction in parking requirement to one space per dwelling unit. Require one-for-one replacement of all converted or demolished units serving households earning up to 50% of the area median income in downtown. Explore ways to improve affordable housing production under the program, including how the incentives under this program relate to those provided under the Downtown TFAR program (#17) and whether the parks fee in lieu of required open space constrains affordable housing development.

Lead Agency:	DCP, HCIDLA
Funding Sources:	General Fund,

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Objectives:	300 moderate, 225 low, and 225 very low income affordable units; Study whether program is meeting objectives and ways to make improvements.
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Respective Policies:	2.5.1, 1.1.1, 1.1.2, 1.1.4
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**100. Affordable Housing in the Coastal Zone (Mello Act Implementation)**

In accordance with State law (the “Mello Act”), implement affordable housing set aside requirements and affordable housing replacement requirements for all residential development in the City’s Coastal Zone. Amend the Zoning Code and the Affordable Housing Incentives Program Guidelines to implement the State law and to implement the requirements of the Settlement Agreement and Implementing Procedures. Require and facilitate recordation of covenants to ensure provision of the required affordable housing units.

Lead Agency:	DCP, HCIDLA
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Funding Sources:	General Fund
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Objectives:	Adopt amendments to the Zoning Code to implement inclusionary and replacement housing requirements in the Coastal Zone; Adopt amendments to the Affordable Housing Incentives Program Guidelines to facilitate implementation of affordable housing requirements in the Coastal Zone; 45 very low income units; 30 low income units; 50 moderate income units.
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Respective Policies:	2.5.1, 1.1.1, 1.1.2
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**101. Community Level Affordable Housing Programs**

With each major community planning effort, establish a goal for the development of affordable housing units based on the current Regional Housing Needs Assessment (RHNA) allocation for the City. and Housing Element objectives and policies. Through adoption of Community Plans, Specific Plans or other implementation tools that enable and facilitate residential development, provide incentives for inclusion of affordable housing in residential development and/or other mechanisms that address impacts on the provision or retention of affordable housing units and need. Take care to not undermine the density bonus program by providing significant land-use incentives without an affordable housing provision. Facilitate affordable housing development in existing Specific Plans that include such provisions, including Playa Vista, Central City West and Cornfield Arroyo Seco.

Lead Agency:	DCP
Funding Sources:	General Fund
Objectives:	Playa Vista: 125 moderate-income for-sale and 83 low-income rental units in Phase 2; Cornfield Arroyo Seco: 20 very low-income and 46 low-income units; Central City West: 500 low-income units; Creation of 10 community plans with affordable housing incentives.
Respective Policies:	2.5.2, 2.5.1

**Objective 3.1**

Assure that housing opportunities are accessible to all residents without discrimination on the basis of race, ancestry, sex, national origin, color, religion, sexual orientation, marital status, familial status, age, disability (including HIV/AIDS), and student status.

**102. Reasonable Accommodation**

DOD will work with City Departments to coordinate the City’s compliance with the ADA and the Rehabilitation Act of 1973. Monitor compliance and ensure reasonable accommodation to people who use all City programs and facilities. Assess need for amendments to the reasonable accommodation provision in the Zoning Code which facilitates modifications to housing units occupied by persons with disabilities. Develop a staff training program regarding implementation of the reasonable accommodation provision. Improve application forms, outreach, advertising and informational materials to increase use of the reasonable accommodation provision by people with disabilities.

Lead Agencies:	DOD, DCP
Funding Sources:	General Fund, Building Permit Fees, CDBG
Objectives:	Train City Planning Department staff on processing Reasonable Accommodation requests; Produce and disseminate materials regarding Reasonable Accommodation process; Improve forms and outreach.
Schedule:	2013-2014: Revise Reasonable Accommodation Form
Respective Policy:	3.1.1

**103. Office of the City Attorney Dispute Resolution Program (DRP)**

Refer persons with landlord/tenant and neighbor/neighbor housing-related conflicts, and housing disputes concerning physical access (i.e., architectural) and HIV/AIDS discrimination (i.e., rental discrimination) who utilize DOD’s referral services to the OCA’s Dispute Resolution Program for mediation, conciliation and facilitation services.

Lead Agencies:	OCA, DOD
Funding Sources:	General Fund
Objective:	Refer and resolve 20 housing-related disputes.
Respective Policy:	3.1.1

**104. Citywide Fair Housing Program**

Through a contract with the Southern California Housing Rights Center, provide resolution to illegal housing discrimination by accepting and investigating housing discrimination complaints that allege a violation of federal, state, or local fair housing law (i.e. complaints concerning advertising, lending, insurance, steering, blockbusting and hate crimes). Provide remedies for valid complaints, including conciliations, legal action and administrative referrals to state and federal fair housing agencies. Provide counseling, education, and training about fair housing laws rights, and responsibilities to persons residing, seeking housing, or providing housing in the City of Los Angeles. Conduct proactive testing to determine patterns and practices of discrimination. Provide information about home equity fraud and predatory lending scams to residents through a free telephone hotline and other information tools.

Lead Agency:	HCIDLA
Funding Sources:	CDBG, RSO Fees
Objectives:	Receive 7,310 fair housing inquiries annually; Resolve 413 fair housing investigations annually; Conduct 67 fair housing training sessions annually; Train 35 new fair housing testers annually; Maintain the Housing/Predatory Lending Hotline.
Respective Policy:	3.1.1

**Objective 3.2**

Promote fair housing practices and accessibility among residents, community stakeholders and those involved in the production, preservation and operation of housing.



**105. Housing Information**

Consolidate available housing unit databases across departments to provide an on-line, one-stop housing information clearinghouse for homebuyers and renters seeking for-sale and rental housing. Disseminate information on affordable rental and for-sale units through non-profit and for-profit entities. Continue to provide referrals to Departments through the City’s 311 Hotline and the list of available Section 8 Voucher units online. Explore the feasibility of expanding housing referral services and maintain such services provided by the DOD’s AIDS Coordinator’s Office and the OCA’s Dispute Resolution Program.

Lead Agencies:	HACLA
Funding Sources:	General Fund
Objectives:	Establish a consolidated housing information database on the City’s website; Update available Section 8 Voucher units online.
Respective Policy:	3.2.1

**106. RSO Tenant/Landlord Outreach and Education Program**

Educate landlords, brokers, property managers, and tenants on the RSO and SCEP programs, as well as their rights and responsibilities through a combination of state of the art technology and traditional community-based outreach methods. Distribute information through print materials and media outlets. Develop a program to ensure that buyers of real property subject to the Rent Stabilization Ordinance are aware of the City’s regulations by requiring sellers of RSO buildings at the time of a sale to disclose that the building is subject to the RSO and to provide the RSO regulations to the buyer and the buyer’s representative.

Lead Agency:	HCIDLA
Funding Sources:	RSO Fees and SCEP Fees
Objectives:	Develop mechanism to ensure disclosure; 120 public presentations will be conducted annually, including Property Management Training Program presentations, community presentations, landlord/tenant workshops and drop-in sessions, and fair housing clinics.
Respective Policy:	3.2.1

**107. Fair Housing Research**

Conduct studies to evaluate the level of housing discrimination in Los Angeles City. Comply with the HUD requirement for an Analysis

of Impediments to Fair Housing Choice (AI) study to be conducted approximately every five years as a condition of receiving Consolidated Plan grant funds. Develop action items per results of studies.

Lead Agencies:	HCIDLA
Funding Sources:	CDBG, RSO Fees
Objective:	Complete the AI Identify and implement action items.
Respective Policy:	3.2.1

### 108. Housing Legal Services for Seniors

The Department of Aging contracts with a non-profit legal services organization (currently Bet Tzedek) to provide free, expert legal advice to assist seniors in various legal issues including: public entitlement, housing related laws, legal aid, landlord/tenant disputes, government benefits, health law consumer protection, nursing home law and powers of attorney. Appointments can be scheduled at any of the 16 Multipurpose Senior Centers.

Lead Agency:	DoA
Funding Source	CDBG
Objective:	Assist 200 seniors with legal advice each year.
Respective Policy:	3.2.1

### Objective 4.1

Provide an adequate supply of short-term and permanent housing and services throughout the City that are appropriate and meet the specific needs of all persons who are homeless or at high risk of homelessness.

### 109. Domestic Violence Shelter Program

Provide safe and secure emergency and transitional shelter, case management and related supportive services to domestic violence survivors and their children through contracted operators. Assist persons in crisis situations with counseling, job skill and search training, and other services.

Lead Agencies:	HCIDLA
Funding Sources:	CDBG

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Objectives:	Provide 1,500 individuals with access to public services annually; Maintain 580 shelter and transitional beds annually for domestic violence victims.
Respective Policies:	4.1.1, 4.1.3

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**110. HOPWA Emergency Shelter and Transitional Housing Program**

Provide housing subsidies to low-income persons with HIV/AIDS in Los Angeles County, including Tenant- and Project-Based Rental Assistance; Short Term Rent, Mortgage, and Utility Assistance (STRMU); Scattered Site Rental Assistance; Permanent Housing Placement grants; Emergency Motel and Meal Vouchers; and Emergency and Transitional Housing.

Lead Agencies:	HCIDLA
Funding Sources:	Housing Opportunities for People with AIDS (HOPWA)
Objective:	1,589-2,162 housing subsidies per year.
Respective Policies:	4.1.1, 4.1.3

**111. Emergency Shelter and Transitional Housing Facilities**

Fund the operating and supportive services costs of existing facilities and programs providing emergency and transitional housing to homeless persons citywide.

Lead Agencies:	LAHSA
Funding Sources:	CDBG, ESG, Continuum of Care (CoC)
Objectives:	483 existing emergency shelter beds funded annually; 1,740 existing transitional housing beds funded annually.
Respective Policies:	4.1.1, 4.1.3

**112. Overnight Shelter (Winter Shelter and Year-Round Shelter)**

Provide temporary shelter to homeless men and women through a Winter Shelter program (December 1st through March 15th), and to men, women and families through a Year Round shelter program. Provide vouchers for low cost hotels/motels for persons not suited to large group shelters including elderly persons and people with communicable diseases.

Lead Agencies:	LAHSA
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Funding Sources:	ESG, City and County General Fund
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Objectives:	871 temporary shelter beds year round; 1,335 temporary winter shelter beds.
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Respective Policy:	4.1.1
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**113. New Resources for Rental Assistance**

Develop additional subsidies from existing sources and/or create new resources for short-term and long-term rent assistance to prevent eviction and to enable homeless persons to access existing housing. Pursue rental subsidies under the County’s AB2034 mental health services program and the Mental Health Services Act (MHSA) programs. Pursue expansion of or supplements to County Department of Public Social Services (DPSS) rental assistance.

Lead Agencies:	Mayor’s Office, LAHSA
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Funding Sources:	County General Fund, Federal Funds, General Fund, CDBG, AB2034 and other potential sources
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Objective:	Increase the funding base for rental assistance for homeless households and households at high risk of homelessness.
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Respective Policy:	4.1.1
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**114. Family Solutions System**

The Family Solutions System (FSS) is a new system of service delivery in Los Angeles County, developed to improve and expedite the delivery of housing and other supportive services to homeless families in Los Angeles County. The Family Solutions System (FSS) was developed by a collaboration of partner organizations and adopted in 2013 by the Los Angeles Homeless Continuum of Care. Key to the Family Solutions System (FSS) is standardized assessment and coordinated access, which reduces the time it takes for families to find the appropriate and right-sized services they need. FSS provides families with services that keep them together and connected to their own local community. In addition to direct services, the FSS also has the added ability to provide direct financial assistance for rapid rehousing, including a security deposit for an apartment; partial rent for three months or a motel voucher and utilities, etc.

Lead Agencies:	LAHSA, HCDLA
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Funding Sources:	ESG, HPI
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Objective:	Initiated seven regional Family Solution Systems throughout the Los Angeles CoC; Serve approximately 1,200 homeless and at- risk persons per year.
Respective Policies:	4.1.1, 4.12, 4.1.3

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**115. Veterans Affairs Supportive Housing (VASH)**

The HUD Veterans Affairs Supportive Housing (HUD-VASH) program combines Housing Choice Voucher (HCV) rental assistance for homeless Veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). VA provides these services for participating Veterans at VA medical centers (VAMCs) and community-based outreach clinics.

Lead Agencies	HACLA
Funding Sources:	HUD, VA
Objective:	Maintain 1,000 housing vouchers for formerly homeless Veterans.
Respective Policies:	4.1.1, 4.1.3, 4.1.2

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**116. Job Training and Placement for Homeless Individuals**

Increase economic opportunity for homeless persons through educational or vocational training, employment placement and retention services through the shelter system and affordable housing developments.

Lead Agencies:	LAHSA, HCLDLA
Funding Sources:	CDBG
Objective:	Provide educational/vocational training and employment placement/retention services to 1000 homeless persons annually.
Respective Policy:	4.1.3

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**117. HOPWA Supportive Services for Persons Living with HIV/AIDS**

Provide low-income persons living with HIV/AIDS with services to help locate, obtain, and maintain appropriate and affordable housing, and improve/obtain financial resources and benefits, employment, health care, food and nutrition services, mental health and substance abuse counseling, and legal services.



Lead Agencies:	HCIDLA
Funding Sources:	HOPWA
Objective:	Provide between 4,618-6,613 clients with supportive services annually.
Respective Policy:	4.1.3

**118. Rental Assistance for Homeless Households**

Provide HUD Section 8 Housing Choice Vouchers to qualifying homeless families. Provide supportive services to help homeless households make the transition to stable, affordable housing. Pursue local administrative changes in order to expedite application processes and facilitate voucher portability across jurisdictions.

Lead Agencies:	HACLA
Funding Sources:	HUD Section 8
Objective:	Maintain 4,000 Housing Choice Vouchers to homeless individuals or households.
Respective Policy:	4.1.3, 4.1.2, 4.1.1

**119. Rental Assistance for Homeless Households with Disabilities**

Provide rental assistance and supportive services for homeless persons with disabilities, specifically those with serious mental illness, chronic substance abuse problems and/or HIV/AIDS through four components: 1) tenant-based rental assistance; 2) sponsor-based rental assistance; 3) project-based rental assistance; and 4) SRO moderate rehabilitation rental assistance. Pursue local administrative changes in order to expedite application processes and facilitate voucher portability across jurisdictions. Pursue coordination with HCIDLA to improve and facilitate utilization of project-based Shelter Plus Care assistance.

Lead Agencies:	HACLA, LAHSA
Funding Sources:	CoC
Objective:	Maintain housing for 2,400 homeless households with disabilities annually.
Respective Policy:	4.1.3, 4.1.2, 4.1.1

**120. HOPWA Housing Development for Persons Living with HIV/AIDS**

Provide HOPWA funds to the Affordable Housing Trust Fund (AHTF) to develop permanent supportive housing specifically for low-income persons living with HIV/AIDS and their families. HOPWA funds are leveraged with other funds in the AHTF, primarily for new construction.

Lead Agencies:	HCIDLA
Funding Sources:	AHTF, PSHP, CDBG, HOME, SHP, HUD 811 Loan Program, HUD Section 8, LIHTC
Objective:	Financing commitment to, at minimum, 10 units per year dedicated to serving persons living with HIV/AIDS and their families.
Respective Policies:	4.1.3, 4.1.1

**121. Resources for Housing Serving the Mentally Ill**

Coordinate with the Federal, State and County Governments to access and leverage mental health funding.

Lead Agencies:	Mayor’s Office, LAHSA, HCIDLA, HACLA
Funding Sources:	General Fund
Objective:	Pursue funding towards permanent housing units for homeless mentally ill annually.
Respective Policies:	4.1.3, 4.1.1

**122. Permanent Supportive Housing For Homeless Persons**

Provide long-term housing with supportive services designed to enable homeless persons with mental and physical disabilities to live as independently as possible in a permanent setting. Target the regular turnover of Permanent Supportive Housing units to place and serve the chronically homeless in those units. Fund the maintenance and operating and supportive services costs of Permanent Supportive Housing serving homeless persons with special needs citywide.

Lead Agencies:	LAHSA
Funding Sources:	CoC
Objective:	Maintain 1,477 permanent supportive housing units for homeless households annually.

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Respective Policies: 4.1.3, 4.1.1

### 123. Access to Housing for Health Program (AHH)

Provide permanent affordable housing linked to case management and other appropriate services for homeless individuals who are frequent users of the Los Angeles County Hospital system. The AHH program helps to improve access to permanent housing, medical care, mental health care, alcohol/substance use treatment and other supportive services. Upon acceptance into the AHH program, Homeless Health Care Los Angeles will assist the participant in securing temporary housing and applying for affordable housing.

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Lead Agencies: County of Los Angeles Department of Health Services

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Funding Sources: LA County

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Objective: Assist approximately 70 persons per year.

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Respective Policy: 4.1.3

### 124. Homeless Housing and Services Coordination

Coordinate with LAHSA, the County and other government and non-profit agencies to develop plans to reduce and end homelessness and to implement homeless policies and programs. Support the Homes for Good initiative and work to implement the Homes for Good Action Plan. The Continuum of Care's strategy is continuing to evolve through development of place-based community plans aligned with the Federal Strategic Plan and Home for Good. A total of 10 community plans will be developed and incorporated into the CoC's strategic efforts over the next five years (not all in the City of Los Angeles). Participate in regular coordinating efforts with LAHSA and ensure that the needs of all sectors of the homeless population are addressed. Coordinate the local distribution of public funding sources for the effective use of resources and program implementation. Monitor LAHSA's financial and contract management to ensure effective, efficient program implementation consistent with the City's goals.

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Lead Agencies: LAHSA, Mayor's Office, HCIDLA

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Funding Sources: General Fund, Homes for Good Initiative, LA County

Objectives:	Citywide and sub-regional plans to reduce and end homelessness adopted by the City Council; Regular reports on financial management; Regular reports on contract management and program implementation; Report on applicability of Standards for Excellence criteria being developed by Home for Good.
Schedule	Develop 10 community plans and incorporate into the CoC’s strategic efforts – 2013-2018
Respective Policy:	4.2.5

**125. Access New Resources and Services for the Homeless**

Monitor Federal, State and County legislative and budgetary initiatives that affect homeless persons, including homeless subpopulations with special needs, such as persons with disabilities. Report on such initiatives and make recommendations to the City. Engage in legislative advocacy efforts. Explore new resources and services for homeless persons with special needs.

Lead Agencies:	Mayor’s Office, LAHSA
Funding Sources:	General Fund
Objective:	Periodic reports on legislative and budgetary initiatives.
Respective Policies:	4.2.5, 4.1.1, 4.1.3

**126. Housing and Services Planning for Persons Living with HIV/AIDS**

Convene monthly meetings of the Los Angeles Countywide HOPWA Advisory Committee (LACHAC). Provide advice regarding administration of the HOPWA Program and planning and policy issues. Coordinate with other HIV/AIDS programs. Advocate for low-income persons living with HIV/AIDS and their families. Assess and evaluate HOPWA-funded supportive services and housing programs in meeting short- and long-term priorities.

Lead Agencies:	HCIDLA
Funding Sources:	HOPWA
Objective:	Regularly updated plan for the use of HOPWA grant funds.
Respective Policies:	4.2.5, 4.1.1, 4.1.3

### 127. City Homeless Coordinator

Provide a City Homeless Coordinator to: regularly convene stakeholders; conduct research and evaluation; identify gaps in housing and services; improve access to and delivery of services. Act as the liaison to LAHSA and other County and regional agencies that provide housing and services to homeless persons.

Lead Agencies:	Mayor’s Office, LAHSA
Funding Sources:	General Fund
Objective:	Periodic reports on homeless housing and service delivery and recommendations for improvement.
Respective Policy:	4.2.5

### 128. Biennial Homeless Count

Coordinate the biennial point-in-time Greater Los Angeles Homeless Count for the Los Angeles Continuum of Care (CoC) as part of the national effort to enumerate the homeless population required by the U.S. Department of Housing and Urban Development (HUD). Continue to include the following components in order to further capture as accurate a count as possible: 1) The Unsheltered Street Count; 2) The Sheltered and Institution Count; 3) The Demographic Survey; and 4) The Survey to Identify the Hidden Homeless.

Lead Agencies:	LAHSA
Funding Sources:	HUD
Objective:	Biennial count and survey of sheltered and unsheltered homeless persons residing in the Los Angeles CoC area.
Schedule:	2013, 2015, 2017, 2019 and 2021
Respective Policies:	4.2.5, 1.3.1

### 129. Homeless Management Information Systems (HMIS) Data Collection

Support homeless service providers in the implementation of the HUD-required HMIS to gather data on individuals and families who use homeless service systems. Collect and analyze data over time to better identify service needs, barriers to accessing services, and program-, region-, and system-wide results. Share data on clients with other service providers. Continue HMIS User Group Forums, a discussion series that helps generate ideas for further innovations to help ease use of the system. Develop and expand a comprehensive HPRP data quality process to ensure that information collected exceeds HUD’s quality standards.



Lead Agencies:	LAHSA
Funding Sources:	SHP, General Fund
Objective:	All providers receiving City funding shall participate in HMIS.
Respective Policies:	4.2.5, 1.3.1

**130. Temporary Housing Facilities for Disaster Response**

Establish partnerships with supporting City Departments and community organizations to develop a disaster preparedness, response and recovery plan to meet temporary housing needs in the event of a disaster, including: identification of hotels/motels for emergency stays; identification of recreation centers and school sites to be used as temporary shelters and/or providing furnishings (such as beds, chairs). Establish housing information and referral services which are activated in the event of a disaster. Coordinate special needs services to assist with issues such as accessibility of sites/ facilities and services for the elderly, disabled and evacuees with pets.

Lead Agencies:	EMD, EOO, DRP, HCDLA
Funding Sources:	DHS/FEMA, General Fund
Objective:	120 sites available throughout the City within 24 hours of a natural disaster.
Respective Policy:	4.1.5

**131. Outreach and Training for Emergency Preparedness and Response**

Conduct outreach and training with neighborhood and community groups to prepare residents and businesses for emergencies. Disseminate information through publications and the internet, and by participating in fairs, expos and community meetings. Provide citywide training programs. Provide emergency management training to City employees.

Lead Agencies:	EMD, EOO, HCDLA, ALL
Funding Sources:	General Fund
Objectives:	4 fairs during Emergency Preparedness Month annually; 2 Neighborhood Preparedness Ambassadors Trainings annually; Outreach to neighborhood and community groups as requested.

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Respective Policy: 4.1.5

### 132. Zoning and Development Standards for Homeless Housing

Identify and adopt changes to the Zoning Code to facilitate by-right siting of a greater variety of shelter, transitional and permanent supportive housing facilities throughout the City (such as larger facilities, different development standards, different performance standards, etc.).

Lead Agencies: DCP

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Funding Sources: General Fund

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Objective: Adopt amendment to zoning code to facilitate by-right siting of shelter and transitional housing facilities.

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Schedule: 2014-2017

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Respective Policy: 4.1.6

### 133. Zoning for Health Facilities

Facilitate siting of housing and services for all persons, including those with special needs. Eliminate Zoning Code provisions that restrict locations of public health and treatment programs, including day treatment facilities and residential based treatment programs, in order to comply with federal and state fair housing laws.

Lead Agency: DCP

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Funding Source: General Fund

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Objective: Adopt amendment to Zoning Code to remove restrictions on locations of public health and treatment program facilities.

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Respective Policy: 4.1.6

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Schedule: 2014-2015

#### Objective 4.2

Promote outreach and education to: homeless populations; residents; community stakeholders; health, social service and housing providers and funders; criminal justice system agencies; and, communities in which facilities and services may be located

**134. Assistance for Homeless Persons in Accessing Housing and Services**

Fund community-based organizations to provide outreach and referral assistance to homeless persons including: housing referrals; food, blankets and other necessities; needs assessment and engagement in social services; medical, mental health and/or substance abuse services. Assist clients to move off the streets or out of places not meant for human habitation and into any form of housing.

Lead Agencies:	LAHSA
Funding Sources:	SHP, CDBG
Objectives:	Continue funding 1 organization to reach 300 or more homeless individuals; Explore expanding outreach funding to community-based organizations within the City.
Respective Policy:	4.2.1

**135. Computerized Information Center/Information & Referrals for Persons with Disabilities**

Provide assistance to callers seeking social service programs for homeless services and housing resource referrals in times of need and crisis. Assess the need/crisis via client intake, locate appropriate resource/service provider, and explain programs offered by the community-based organization and/or government agency.

Lead Agencies:	DOD
Funding Sources:	CDBG
Objective:	Assist 150 or more clients seeking homeless services and housing resource referrals annually.
Respective Policy:	4.2.1

**136. HOPWA Centralized Countywide Housing Information Services Clearinghouse**

Fund outside agencies to maintain a centralized, countywide HIV/AIDS-related housing information clearinghouse. Provide referral information for housing services from emergency and transitional housing to hospice and permanent housing.

Lead Agencies:	HCIDLA
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Funding Sources:	HOPWA
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Objective:	Assist between 25,140-36,000 clients seeking HIV/AIDS housing information annually.
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Respective Policy:	4.2.1
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**137. Neighborhood Awareness of Special Needs Housing**

Pursue funding for community organizations and advocates to conduct outreach and disseminate information regarding housing approaches for special needs populations.

Lead Agencies:	LAHSA
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Funding Sources:	CDBG, General Fund
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Objective:	Establish outreach curriculum; Pursue funding for training program.
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Respective Policy:	4.2.2
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**138. Homeless Needs Outreach**

Identify the housing needs of special needs populations in Community Plan updates. Through the Community Plan update process, provide information and educational materials to the public at workshops and public hearings.

Lead Agencies:	DCP, LAHSA
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Funding Sources:	General Fund
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Objective:	Disseminate information about the housing needs of special needs populations to 2,000 people.
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Respective Policy:	4.2.2
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**139. Technical Assistance to Homeless Housing Providers**

Fund technical assistance training to new and existing homeless housing providers regarding the development and funding of emergency, transitional and permanent housing facilities for homeless persons. Distribute informational material and conduct workshops. Provide outcomes report trainings for funding recipients. Fund outside agencies to provide technical assistance to LAHSA in a variety of areas relating to homeless services. These areas include: assistance with the completion of the Continuum of Care SuperNOFA;

program analysis and development; executive level assistance to LAHSA and the City of Los Angeles; Short-Term housing directory; program linkages & workshops; state policy and support for homeless re-entry program.

Lead Agencies:	LAHSA
Funding Sources:	CDBG
Objective:	Technical assistance provided to 20 providers annually.
Respective Policy:	4.2.3





# THE LOS ANGELES HOUSING ELEMENT