

# Chapter Four: Adequate Sites for Housing

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## Introduction

Under Housing Element law, the City must demonstrate that it has adequate land zoned to accommodate the entirety of its 2021-2029 Regional Housing Needs Assessment (RHNA) allocation of 456,643 housing units. This Chapter identifies the City's inventory of land suitable for residential development without the need for any legislative action by the City (in accordance with CA Government Code §65583.2), identifies additional alternative methods of satisfying the RHNA (pursuant to CA Government Code §65583.1), provides an analysis of the inventory's compliance with Affirmatively Furthering Fair Housing (AFFH) requirements, and identifies the need for rezoning programs to accommodate the RHNA allocation. The methodology used to identify these sites and conduct the AFFH analysis is also described here. This Chapter also includes information on the availability and suitability of infrastructure to support the development of housing.

The analysis demonstrates that, during the 6th cycle, the City has an anticipated unit potential of 266,647 units, of which 81,312 units are Lower Income. As discussed in the Affirmatively Furthering Fair Housing (AFFH) analysis presented at the end of this Chapter, the Adequate Sites Inventory is found to largely reflect existing conditions in the City. While the Adequate Sites Inventory does not exacerbate existing conditions related to fair housing and patterns of segregation, it does not actively improve them. Rather, it reflects existing disparities in the City's zoning and development patterns. The analysis finds that there is significant opportunity to improve these conditions through the implementation of the 6th Cycle Housing Element.

As a result of the gap between the 6th cycle RHNA Allocation and the City's anticipated unit potential, the City's Housing Element identifies a need to create a Rezoning Program to meet the 219,732 unit shortfall. In addition, the analysis provided in this Chapter provides support for a strong set of anti-displacement policies and programs, paired with the need for a citywide Rezoning Program that focuses on creating significant new opportunities for housing development, particularly affordable housing development, in areas of High Opportunity. To achieve this, the City has identified policies and programs in the Housing Element (see Chapter 6) to increase capacity and remove barriers to the production of a broader variety of housing.

## RHNA Allocation and Target Capacity for Adequate Sites Inventory

### Background on RHNA

The RHNA is the California State-required process that seeks to ensure cities and counties are planning for enough housing to accommodate all economic segments of the community. There are three key steps in the RHNA Allocation process.

1. **Regional Determination:** The California Department of Housing and Community Development (HCD) provides each region a Regional Determination of housing need, which includes a total number of units split into four income categories and considers measures of existing housing need in addition to forecast population growth. The City of Los Angeles is within the region covered by the Southern California Association of Governments (SCAG). HCD provided SCAG a Regional Determination of 1,341,827 units for the 6th Cycle RHNA (2021-2029). This is the total number of units that the cities and counties in the SCAG region must collectively plan to accommodate.
2. **RHNA Methodology:** Councils of Governments (COG), including SCAG, are responsible for developing a RHNA Methodology for allocating the Regional Determination to each city and county in the COG's region. This methodology must further specific state objectives, including but not limited to: promoting infill, equity, environmental protection; ensuring jobs-housing balance; and affirmatively furthering fair housing.
3. **Housing Element Updates:** Each city and county must then adopt a housing element that demonstrates how the jurisdiction can accommodate its assigned RHNA through its zoning or potential rezoning program. HCD reviews each jurisdiction's housing element for compliance with state law.

### City of Los Angeles RHNA Allocation

The City of Los Angeles's share of the regional housing need was determined by a RHNA Allocation Methodology prepared by SCAG, adopted in March 2020. In accordance with SCAG's RHNA Allocation Plan, the City must plan to accommodate a total of 456,643 housing units during the sixth cycle. This is equal to a yearly average of approximately

57,080 housing units. *Table 4.1* below shows the City’s RHNA Allocation by income category.

**Table 4.1**

| <b>City of Los Angeles 6th Cycle RHNA Allocation</b> |                        |                         |
|--|------------------------|-------------------------|
| <b>Income Category</b>                               | <b>Number of Units</b> | <b>Percent of Total</b> |
| Very Low Income                                      | 115,978                | 25.4%                   |
| Low Income   | 68,743                 | 15.1%                   |
| Moderate Income                                      | 75,091                 | 16.4%                   |
| Above Moderate Income                                | 196,831                | 43.1%                   |
| <b>Total RHNA Allocation</b>                         | <b>456,643</b>         | <b>100.0%</b>           |

The City’s Housing Element is required to identify sufficient sites that are available and suitable to accommodate the RHNA by income level, or to identify a rezoning program to accommodate any shortfall (Government Code 65583(c)(1)(A)). Sites identified to accommodate the lower income portion of the RHNA are required to meet specified criteria to demonstrate adequacy of the site for lower income housing, including a requirement that the site be zoned for multi-family densities of 30 dwelling units per acre (du/acre) or greater. The lower income portion of the RHNA includes the very low-income and low-income categories shown in *Table 4.1*.

While the City is not required to physically construct the units, it is required to show that adequate zoning capacity exists and to show the sites where that capacity is located.

### **Target Capacity for Adequate Sites Inventory and Rezoning Program**

Senate Bill 166 (No Net Loss Law) requires sufficient adequate sites to be available at all times throughout the RHNA planning period to meet a jurisdiction’s remaining unmet housing needs for each income category. During the 8-year cycle, if sites are developed with a non-residential use, developed with a lower number of units at each income level than identified in the Adequate Sites Inventory, or rezoned, the City must demonstrate that there are adequate remaining sites in the inventory to accommodate the remaining RHNA Allocation. If the City finds there is insufficient remaining capacity at each income level, it would be subject to further rezoning requirements.

To ensure that sufficient sites are available in the Housing Element to accommodate the RHNA throughout the planning period, the City has followed HCD guidance and set a target capacity that is 10% higher than the RHNA for lower income units, and 15% higher than the RHNA for moderate income units. The buffers are based on anticipated need for additional capacity, based on anticipated production levels of lower income and moderate income housing units during the planning period. In addition, the sites included on the Inventory of Sites have an anticipated development potential that is lower than the maximum zoned capacity on each site, which creates an additional buffer at the site-level. This results in a target capacity for the Adequate Sites Inventory and Rezoning Program of 486,379 units. The target capacity by income category is summarized in *Table 4.2*.

**Table 4.2**

| <b>Target Capacity for Inventory of Sites and Rezoning Program</b> |                        |   |                        |
|--|------------------------|---|------------------------|
| <b>Income Category</b>   | <b>RHNA Allocation</b> | <b>Target Buffer<br/>(% above RHNA)</b> | <b>Target Capacity</b> |
| Lower Income   | 184,721                | 10%                                     | 203,193                |
| Moderate Income  | 75,091                 | 15%                                     | 86,355                 |
| Above Moderate Income  | 196,831                | 0%                                      | 196,831                |
| <b>Total</b>   | <b>456,643</b>         | <b>7%</b>                               | <b>486,379</b>         |

## Overview of Adequate Sites Inventory

The Adequate Sites Inventory presents an inventory of land suitable and available for residential development to meet the City’s RHNA Allocation at all income levels.

Per State law, the City’s Inventory consists of undeveloped and underdeveloped sites upon which the required number of housing units is reasonably likely to be built during the planning period without the need for any legislative action (such as a zone change) by the City. The Inventory includes sites that were identified through three key components, including expected development potential on vacant and underutilized sites, planned and approved development projects, and non-site-specific development potential that provide additional alternative means of meeting the RHNA. These components, along with their anticipated capacity, are summarized in *Table 4.3*. The methodology and conclusions of each component are further discussed in this Chapter.

**Table 4.3**

| <b>Summary of Adequate Sites for Housing, by Income Category</b> |                           |                              |                                    |                    |
|--|---------------------------|------------------------------|------------------------------------|--------------------|
| <b>Component</b>   | <b>Lower Income Units</b> | <b>Moderate Income Units</b> | <b>Above Moderate Income Units</b> | <b>Total Units</b> |
| <b>Vacant and Underutilized Sites</b>                            |                           |                              |                                    |                    |
| Expected Unit Potential  | 19,883                    | 5,243                        | 19,706                             | <b>44,832</b>      |
| <b>Planned and Approved Projects (Development Pipeline)</b>      |                           |                              |                                    |                    |
| Public Land  | 5,267                     | 12                           | 2,035                              | <b>7,314</b>       |
| Warner Center 2035 Specific Plan                                 | 0                         | 0                            | 10,491                             | <b>10,491</b>      |
| Private Development Projects                                     | 18,858                    | 1,241                        | 123,971                            | <b>144,070</b>     |
| <b>Additional Means of Meeting the RHNA - Non-Site-Specific</b>  |                           |                              |                                    |                    |
| ADU Development  | 27,204                    | 2,720                        | 15,416                             | <b>45,340</b>      |
| Project Homekey Expansion  | 4,600                     | 0                            | 0                                  | <b>4,600</b>       |
| Public Land Programs   | 5,500                     | 4,500                        | 0                                  | <b>10,000</b>      |
| <b>Total Development Potential</b>                               | <b>81,312</b>             | <b>13,716</b>                | <b>171,619</b>                     | <b>266,647</b>     |

## Vacant and Underutilized Sites

Recent changes to state Housing Element law have strengthened requirements related to the Adequate Sites Inventory. In particular, AB 1397 (2017) requires that, for each site included in the inventory, the City identifies the realistic development potential for the site within the 8-year planning period. In instances where non-vacant sites comprise over 50% of the Adequate Sites Inventory, existing uses are presumed to impede development unless findings with substantial evidence are provided that the use is likely to be discontinued. The City of Los Angeles is predominantly built out, and the majority of sites are non-vacant; therefore, the methodology used to identify realistic development potential must consider factors such as existing uses, past development trends, market conditions, and the availability of regulatory and/or other development incentives.

Due to the complexity of the new statutory requirements and the scope of analysis needed for the large number of potential vacant and underutilized parcels (over 700,000 potential residentially zoned sites), the City consulted with the Turner Center for Housing Innovation, an academic research center at UC Berkeley, to assist in methodology development. Through this partnership, the Turner Center and MetroSight developed an econometric approach for estimating realistic development potential based on the City's past experience, as reflected in building permit data. The model incorporates a number of factors which are designed to address the state requirements for non-vacant sites.

### **Methodology**

The model draws upon five years of past housing development permits to create a two-step regression model that indicates (1) the likelihood of new housing development occurring on each parcel, and (2) the number of new units that would be expected if development were to occur. The model accounts for a parcel's actual zoned capacity before and after development bonuses, as well as market conditions and various other factors which impact the likelihood for a site to develop into housing, including those the City is required to address per state law. The two-step model is run separately for low density sites (1-4 units), medium density sites (5-50 units), and higher density sites (50+ units), and considers how the factors shown in *Table 4.4* influence the likelihood of development occurring on an individual site.

**Table 4.4**

| <b>Regression Model Variables</b>  |                           |                           |
|--|---------------------------|---------------------------|
| <b>Factors Considered in Model</b>   | <b>Included in Step 1</b> | <b>Included in Step 2</b> |
| Number of base-zoned units allowed (per zoning)  | ✓                         | ✓                         |
| Number of bonus-zoned units allowed (the sum of base-zoned units and any additional units allowed per development bonus) | ✓                         | ✓                         |
| Ratio of existing units to base-zoned units  | ✓                         |                           |
| Indicators for residential market area type  | ✓                         | ✓                         |
| Existing use   | ✓                         |                           |
| Age of existing structure  | ✓                         |                           |
| Floor Area Ratio (FAR) utilization of existing structure   | ✓                         |                           |
| Applicability of City's Rent Stabilization Ordinance (RSO) to existing structures  | ✓                         |                           |
| Ratio of total permitted units to total based-zoned units in the Community Plan Area (CPA), over a 5-year period         | ✓                         | ✓                         |
| Typical estimated home value in the zip code area (Zillow Home Value Index)  | ✓                         | ✓                         |
| Typical estimated asking rent in the zip code area (Zillow Observed Rent Index)  | ✓                         | ✓                         |
| Average rental vacancy rate in the Census Public Use Microdata Area (PUMA) during the prior 5-year period                | ✓                         | ✓                         |
| Average remaining commercial lease duration in the CPA (Compstak)  | ✓                         |                           |

## Results

The results of both steps of the model are then applied to potential sites that are zoned to permit residential development, to determine the realistic development potential on each site during the 8-year planning period (2021-2029). Every parcel is assigned a maximum density considering any available density bonus (including the City's Transit



Oriented Communities Affordable Housing Incentives (TOC)). The model applies the factors in Table 4.4 above to create two percentages that are applied to every parcel: 1) a probability the site will develop into housing in the 8-year period, and 2) the percentage of maximum capacity expected to be built, if developed as housing.

*Site Example:* A typical R3 zoned site in South LA is allowed 10 units after a density bonus through the TOC program. The regression model assumes the site will get built out at 78% of its allowable density (rounded to 8 units) but only have a 1% chance of being redeveloped into new housing. The site is therefore assigned a realistic development potential of 0.08 units during a 5-year period (10 units x 80% x 1%). Adjusted to 8 years, the site is assigned a realistic development potential of 0.13 units.

Table 4.5 shows how the results are applied to this site example. The full list of sites and their realistic development potential are provided in **Appendix 4.1**. Importantly, the outcome of the model is that each site is assigned an anticipated development potential that is well below the zoned capacity for the site, as there are many factors which make it difficult to identify precisely which sites will develop with housing over the 8-year period. It is not expected that all sites identified using this model will redevelop with their identified realistic development potential; rather, the much more likely outcome is that a smaller number of sites are developed with their expected build out (outcome of step 2 of the model). To further illustrate, for the site example provided above, the model shows that given 100 similar sites, it would be expected that one site would develop with 8 units during the planning period. As it is not possible to identify precisely which site would redevelop, the model indicates that each site has a small percent chance of redeveloping. This approach inherently incorporates a buffer on each site, consistent with HCD suggested guidance for compliance with SB 166.

**Table 4.5**

| <b>Application of Model Results to Sample Site</b>                            |                    |
|---|--------------------|
| <b>Model Steps</b>  | <b>Sample Site</b> |
| Community Plan Area   | South LA           |
| Zone  | R3-1               |
| Base-zoned units  | 6                  |
| Bonus-zoned units   | 10                 |
| Probability site will develop with housing (Step 1)                           | 1.0%               |
| Percent of bonus-zoned capacity expected to be built, if developed (Step 2)   | 78%                |
| Predicted number of new units, conditional on development occurring (rounded) | 8.00               |
| Expected Unit Potential (5-year period)                                       | 0.08               |
| Expected Unit Potential (8-year period)                                       | <b>0.13</b>        |

When applied to vacant and non-vacant sites that permit residential development without legislative action, the model results in an overall expected development potential of 44,832 new units over 8 years, distributed over 203,316 potential sites. Most sites zoned for residential use without known constraints were included in the initial model. Additional sites were removed based on the model results, as they were not found to have a likelihood of redeveloping. In addition, sites which do not permit a net increase in residential units were excluded from the final inventory, as well as vacant sites located in a Very High Fire Hazard Severity Zone (VHFHSZ).

*Table 4.6* shows the total number of units that are expected at each income level. Lower income units were assigned to sites with qualifying minimum residential densities (a minimum of 30 du/acre permitted by base zoning), and which are of an adequate size to accommodate development of lower income housing. There is demonstrated experience of lower income housing units being built on sites of varying sizes, including small sites

of less than a half-acre in size.<sup>1</sup> This includes both 100% affordable housing development as well as mixed-income housing development. Moderate income units were assigned to sites located in low and medium residential market areas, which are zoned for lower density multi-family residential uses (at least 4 units, up to 30 du/acre permitted by base zoning). Above moderate income units were assigned to all remaining sites identified through the model.

**Table 4.6**

| <b>Expected Unit Potential, Vacant and Underutilized Sites (Regression Analysis)</b> |                     |                        |                              |                                    |
|--|---------------------|------------------------|------------------------------|------------------------------------|
|  | <b>Lower Income</b> | <b>Moderate Income</b> | <b>Above Moderate Income</b> | <b>Total Development Potential</b> |
| <b>Expected Unit Production</b>  | 19,883              | 5,243                  | 19,706                       | 44,832                             |

*Map 4.1* shows the location and distribution of the total expected unit potential resulting from the regression model. The location and distribution of the lower income units resulting from the analysis is shown in *Map 4.2*.

**Appendix 4.1** includes the detailed list of all sites. The general plan land use designation and zoning capacity are identified for each site, as well as the number of housing units that the site can realistically accommodate during the planning period.

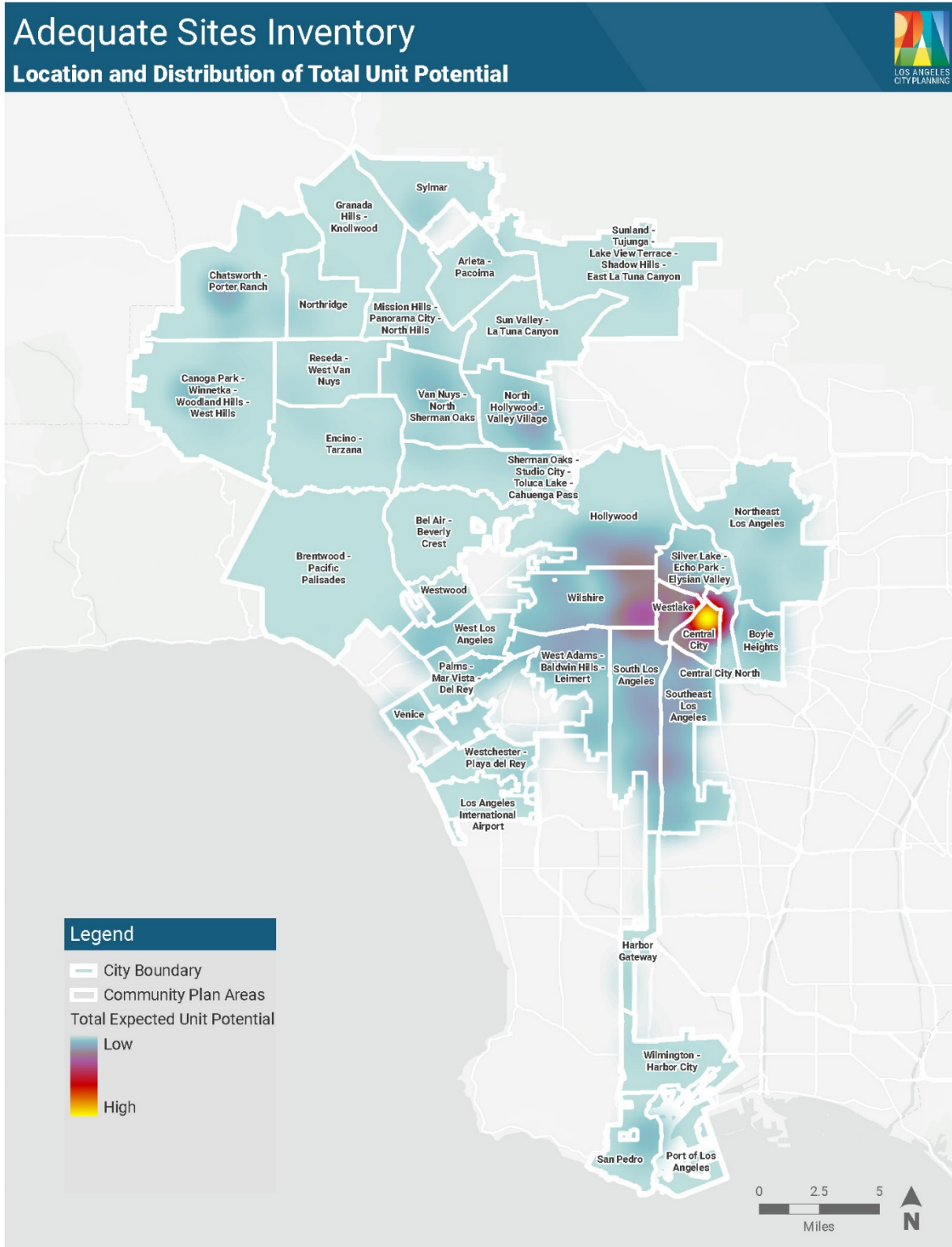
The inventory also includes the following information for each site:

- Size, in acres
- A description of the existing use
- Whether the site is publicly owned or leased
- Whether the site has available or planned and accessible infrastructure
- Whether the site was identified in a previous planning period site inventory

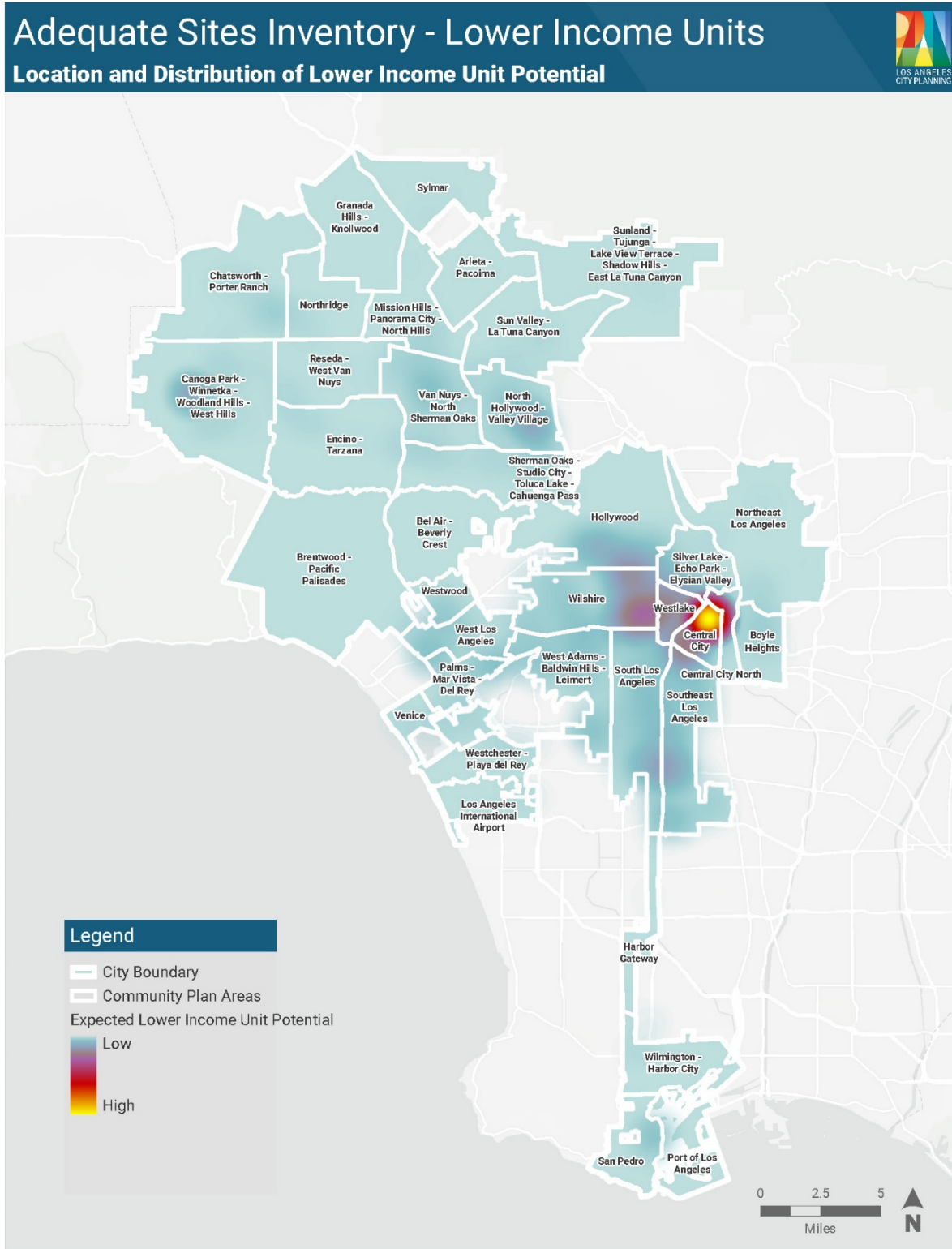
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<sup>1</sup> There are many examples of proposed and permitted small-site affordable housing developments provided in the Housing Element Annual Progress Reports (APRs) prepared for the 5th Cycle. Some examples include: a 6 unit mixed-income development built on a 0.14-acre site, with 1 very low income unit and 5 above moderate income units (APN: 5154005004); a 21-unit, 100% affordable development built on a 0.22 acre site, with 1 very low income unit, 20 low income units and 1 above moderate income manager's unit (APN: 6048004025); and a 57-unit, 100% affordable development built on a 0.26 acre site, with 56 very low income units and 1 above moderate income manager's unit (APN: 5101030030).

**Map 4.1. Location and Distribution of Expected Unit Potential**



Map 4.2. Location and Distribution of Lower Income Unit Potential



### **Sites Suitability Analysis and Availability of Infrastructure**

All identified parcels 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. 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.

Parcels included in the inventory have sufficient water, sewer, and dry utilities available to support housing development. Water, sewers, and other utilities are available throughout the City of Los Angeles as an urbanized area. The City's infrastructure capacity and availability are being analyzed in the environmental analysis prepared for this Update to the Housing Element.

Environmental or other known features (e.g., presence of floodplains, protected wetlands, VHFHSZ) are not anticipated to impact the development viability of the identified sites on the sites inventory. The City of Los Angeles has a presence of many known environmental features and sites located within those that preclude residential development were removed from the inventory. For example, vacant sites were excluded from the inventory if they were located in the VHFHSZ, as those sites are presumed to have additional environmental conditions such as slopes that have made residential development infeasible up until now. The presence of certain environmental or other known features is not anticipated to preclude development on the identified sites.

The methodology used to develop the Adequate Sites Inventory is designed to consider the suitability and availability of each site for residential development during the planning period. The methodology takes into consideration the suitability of the parcel's size as part of the evaluation of whether a site is likely to be redeveloped, including many suitability factors such as the allowable density and realistic capacity of the site, the existing use, age of existing structure, and the current utilization of existing buildings.

Each housing development 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 hazard 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 if consistent with the zoning provisions for that site, 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).

## Planned and Approved Projects (Development Pipeline)

The housing element may satisfy its RHNA requirement through a variety of methods other than identifying specific sites (Government Code Section 65583.1). This includes the identification of units permitted, built, entitled, or pending that may occur through planned and approved projects that are already in the development pipeline within the jurisdiction. Following is an analysis of planned and approved projects that are anticipated to occur during the 6th cycle on publicly owned land, in the Warner Center 2035 Specific Plan Area, and through other private development projects.

### Publicly Owned Land

There are a number of ongoing programs at local agencies for the development of affordable and supportive housing on publicly owned land. The Adequate Sites Inventory includes pipeline development projects from three public agencies, including Los Angeles County Metropolitan Transit Authority (Metro), the Housing Authority of the City of Los Angeles (HACLA), and the City of Los Angeles. Specifically, the inventory includes development projects that are part of the following programs:

- **Metro Joint Development Program.** A real estate development program through which Metro collaborates with qualified developers to build transit-oriented developments on Metro-owned properties.
- **HACLA - Project Homekey Sites.** Motels and hotels that will be converted to permanent housing as a part of the first round of the State's Project Homekey program.
- **HACLA - Public Housing Redevelopment.** A program to develop new housing units at existing public housing locations.
- **City of Los Angeles - City Owned Sites development.** The City's program to develop affordable housing and supportive housing on City-owned properties, in partnership with qualified local affordable housing developers.

All included development projects are expected to be completed within the 6th cycle, as they represent projects which have a defined development program, a selected developer and development agreement, and/or have received approval from the appropriate oversight board or council to move forward for development. It is likely that these

programs result in more housing units than are included here; however, as many projects are earlier in the joint development process, they were excluded from the inventory at this time. As shown in *Table 4.7*, these development projects account for a total of 7,314 housing units, of which 5,267 are lower income. The full list of development projects is provided in **Appendix 4.2**.

**Table 4.7**

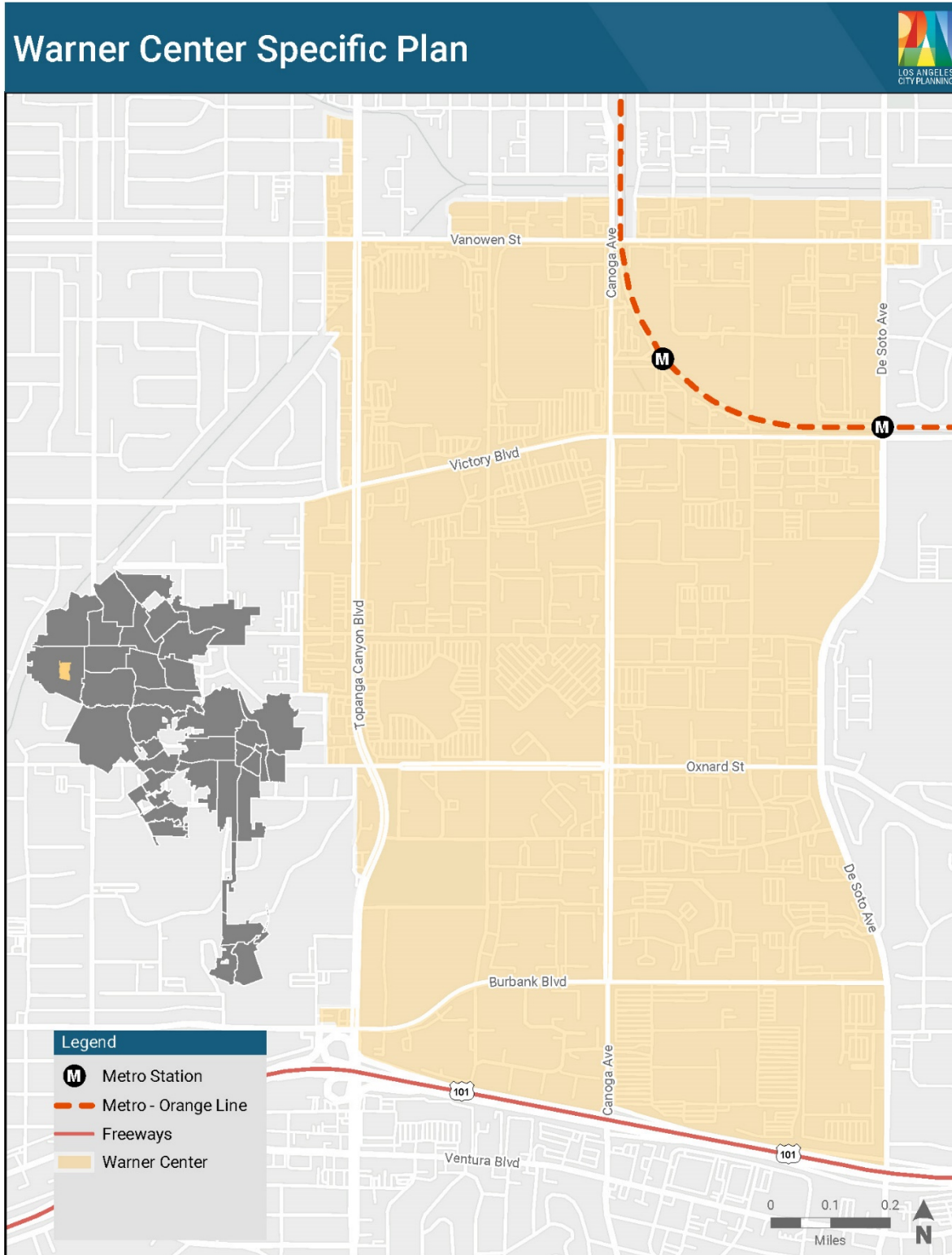
| <b>Summary of Pipeline Development Projects on Public Land, Anticipated Development by Income Level</b> |                     |                        |                              |                                    |
|---|---------------------|------------------------|------------------------------|------------------------------------|
|   | <b>Lower Income</b> | <b>Moderate Income</b> | <b>Above Moderate Income</b> | <b>Total Development Potential</b> |
| Metro Joint Development (JD)  | 1,047               | 0                      | 1,520                        | 2,567                              |
| Housing Authority of the City of Los Angeles (HACLA)  | 2,002               | 0                      | 0                            | 2,002                              |
| City Sites - Affordable and Supportive Housing  | 2,218               | 12                     | 515                          | 2,745                              |
| <b>Total</b>  | <b>5,267</b>        | <b>12</b>              | <b>2,035</b>                 | <b>7,314</b>                       |

### **Warner Center 2035 Specific Plan**

The Warner Center 2035 Specific Plan (adopted 2013) adopted zoning regulations in the Warner Center Plan area, in order to promote a mixed-use, transit-oriented district for the Plan area and surrounding communities. The Warner Center Plan area is located in the Canoga Park - Winnetka - Woodland Hills - West Hills Community Plan Area in the west San Fernando Valley and is served by the Metro Orange Line (see Map 4.3).



Map 4.3. Warner Center 2035 Specific Plan boundaries



Among other strategies, the Warner Center 2035 Specific Plan aims to promote dense, mixed use neighborhoods by establishing unlimited residential density on most sites located within the plan area, until the plan’s build-out limitation is reached, or the plan horizon year of 2035 is reached. Under the plan, total dwelling units within the plan area can increase from the baseline development condition of 6,200 in 2008 to a maximum of 26,048 in 2035. After the build-out limitation of 26,048 units is reached, sites within the plan area revert to R3 residential density, which is a density equivalent to approximately 54 dwelling units per acre.

In the first 7 years of the 22-year plan period, nearly 60% of the residential build-out limitation has been met through existing, completed, and pending new development (see *Table 4.8*). By 2029 (the end of the 6th cycle RHNA planning period), there would only be 6 years remaining until the Warner Center Specific Plan horizon is reached in 2035. Given the rate of development activity in the Warner Center Specific Plan Area, the plan is on track to reach the build-out limitation in advance of the plan horizon year. As such, it is reasonable to anticipate that the build-out limitation is likely to be reached during the 6th cycle RHNA planning period. Additional development may occur after the build-out limitation is met and development standards revert to R3 residential density; however, it is not currently possible to estimate the level of development that would occur at that time.

**Table 4.8**

| <b>Warner Center 2035 Specific Plan, Residential Build-Out Limitation</b> |                      |   |
|---|----------------------|---|
|   | <b>Housing Units</b> | <b>Residential Square Footage (sq. ft.)</b> |
| Plan Build-Out Limitation (2035)  | 26,048               | 32,600,000                                  |
| Current Existing Development plus Entitled Development Not Yet Built      | 15,557               | 19,459,521                                  |
| <b>Remaining Plan Capacity</b>  | <b>10,491</b>        | <b>13,140,479</b>                           |

As a result, it is anticipated that a total of 10,491 housing units are reasonably likely to occur in the Warner Center Specific Plan Area during the 6th cycle. While all sites in the Warner Center 2035 Specific Plan have sufficient density to accommodate development

of lower-income housing, based on current development activity in the plan area, no new housing has been developed for lower-income households (although some development projects have proposed to include workforce housing units). The City Council has called for a study of the feasibility of incorporating an inclusionary housing requirement in the plan area; however, this inclusionary requirement has not yet been adopted. As a result, at this time there is no evidence to support an estimate of the future development of lower income housing in the Warner Center 2035 Specific Plan Area. *Table 4.9* displays the anticipated capacity by income category located in the Warner Center 2035 Specific Plan Area.

**Table 4.9**

| <b>Warner Center 2035 Specific Plan, Anticipated Capacity by Income Category</b> |                     |                        |                              |                                    |
|--|---------------------|------------------------|------------------------------|------------------------------------|
|  | <b>Lower Income</b> | <b>Moderate Income</b> | <b>Above Moderate Income</b> | <b>Total Development Potential</b> |
| Warner Center 2035 Specific Plan   | 0                   | 0                      | 10,491                       | 10,491                             |

### **Other Pipeline Residential Development**

The City of Los Angeles has a significant pipeline of development projects that are seeking entitlements or are actively pursuing construction. *Table 4.10* summarizes the current inventory of residential and mixed-use development projects with active entitlements or pending building permits. As of Fall 2020, there were an estimated 144,070 housing units in the pipeline that are expected to be completed during the planning period and are therefore counted toward meeting the RHNA. The total number of housing units is subject to change, as the inventory of pipeline development projects will be refreshed and finalized prior to final adoption of the Housing Element in Fall of 2021.

To estimate the number of proposed pipeline development projects that are expected to reach completion during the 6th cycle, the City examined completion rates of pipeline development projects from 2015, which is the earliest date that complete and accurate pipeline data is available. Those completion rates were then applied to the current pipeline to determine the number that would be expected to be completed within the next eight years.

**Table 4.10**

| <b>Summary of Expected Pipeline Residential Projects</b>                             |                             |   |                                       |
|--|-----------------------------|---|---------------------------------------|
| <b>Project Type By Income Category</b>   | <b>Proposed Units Added</b> | <b>% Units Expected to be Completed</b> | <b>Units Expected to be Completed</b> |
| <b>Active Planning Entitlements</b>  |                             |   |                                       |
| <i>Lower Income</i>  | 20,587                      | 53%                                     | 10,911                                |
| <i>Moderate Income</i>   | 1,152                       | 53%                                     | 611                                   |
| <i>Above Moderate Income</i>   | 154,168                     | 53%                                     | 81,709                                |
| <b>Total Units</b>   | <b>175,907</b>              | <b>53%</b>                              | <b>93,231</b>                         |
| <b>Approved Planning Entitlements with No Building Permit</b>                        |                             |   |                                       |
| <i>Lower Income</i>  | 11,165                      | 58%                                     | 6,476                                 |
| <i>Moderate Income</i>   | 1,085                       | 58%                                     | 629                                   |
| <i>Above Moderate Income</i>   | 60,287                      | 58%                                     | 34,966                                |
| <b>Total Units</b>   | <b>72,537</b>               | <b>58%</b>                              | <b>42,071</b>                         |
| <b>By-Right Building Permit Applications (Permit not Issued)</b>                     |                             |   |                                       |
| <i>Lower Income</i>  | 708                         | 95%                                     | 673                                   |
| <i>Moderate Income</i>   | 0                           | 95%                                     | 0                                     |
| <i>Above Moderate Income</i>   | 3,005                       | 95%                                     | 2,855                                 |
| <b>Total Units</b>   | <b>3,713</b>                | <b>95%</b>                              | <b>3,527</b>                          |
| <b>Approved Building Permits with No Certificate of Occupancy (Since March 2020)</b> |                             |   |                                       |
| <i>Lower Income</i>  | 841                         | 95%                                     | 799                                   |
| <i>Moderate Income</i>   | 1                           | 95%                                     | 1                                     |
| <i>Above Moderate Income</i>   | 4,674                       | 95%                                     | 4,440                                 |
| <b>Total Units</b>   | <b>5,516</b>                | <b>95%</b>                              | <b>5,240</b>                          |

Table 4.11 shows the expected breakdown of this pipeline development potential, by expected income category. The income categories for individual development projects are based on the actual proposed affordability level requested or approved as part of the

entitlement request. The full list of pipeline development projects, including expected unit counts by income category, is provided in **Appendix 4.3**.

**Table 4.11**

| <b>Total Pipeline Development Potential, by Income Category</b> |                     |                        |                              |                                    |
|---|---------------------|------------------------|------------------------------|------------------------------------|
|   | <b>Lower Income</b> | <b>Moderate Income</b> | <b>Above Moderate Income</b> | <b>Total Development Potential</b> |
| Active Planning Entitlements                                    | 10,911              | 611                    | 81,709                       | 93,231                             |
| Approved Planning Entitlements with No Building Permit          | 6,476               | 629                    | 34,966                       | 42,071                             |
| By-Right Building Permit Applications (Permit not Issued)       | 673                 | 0                      | 2,855                        | 3,527                              |
| Approved Building Permits with No COO (Since March 2020)        | 799                 | 1                      | 4,440                        | 5,240                              |
| <b>Total Pipeline Development Projects</b>                      | <b>18,858</b>       | <b>1,241</b>           | <b>123,971</b>               | <b>144,070</b>                     |

### **Additional Means of Meeting the RHNA (Non-Site-Specific)**

In addition to identifying pipeline development, the housing element may satisfy its RHNA requirement through a variety of methods other than identifying specific sites (Government Code Section 65583.1). Following is an analysis of additional housing units that are anticipated to occur during the 6th cycle through programmatic or other non-site-specific activities, including through Accessory Dwelling Unit (ADU) production, an expansion of Project Homekey, and new public land development programs.

### Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs)

In addition to considering planned and approved development projects as additional means of meeting the RHNA, cities may also consider the potential for accessory dwelling units (ADUs) or junior accessory dwelling units (JADUs).

Since 2017, the State Legislature has passed a series of new laws that have significantly increased the potential for development of new ADUs and JADUs by removing development barriers and requiring their approval through ministerial permits. To determine the potential for ADU and JADU development during the 6th cycle, the City has analyzed trends in ADU and JADU production since January 2018. *Table 4.12* shows ADU permits issued from 2018 to 2020, during which period an average of 4,534 permits were issued per year.

**Table 4.12**

| <b>ADU and JADU Permits Issued, City of Los Angeles 2018 to 2020</b> |             |             |             |                                  |
|--|-------------|-------------|-------------|----------------------------------|
| <b>Year</b>  | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>Annual Average, 2018-2020</b> |
| <b>Total ADU/JADU Permits Issued</b>                                 | 4,646       | 4,766       | 4,190       | 4,534                            |

State ADU law was further amended (effective 2020) to allow multiple ADUs on single-family lots and multi-family lots, and these amendments have been incorporated into the City’s Zoning Code in LAMC 12.22 A.33. This amendment has dramatically expanded the potential for ADU production within the City of Los Angeles. Additionally, the City continues efforts to expand awareness of new ADU laws and to further facilitate the permitting process. The City’s ADU Ordinance allows for Movable Tiny Houses to be used as ADUs, helping to expand the available housing typologies that can be used for ADUs. In March 2021, the City launched the ADU Standard Plan program, which provides a simplified permitting process for the design and construction of ADUs. The use of standard plans reduces the time required for plan check resulting in faster permit issuance, as plans are pre-approved for compliance with the Building, Residential, and Green Codes. As the market is maturing, the City is seeing new innovative ADU typologies

and financing models that have further expanded the ability for homeowners to build ADUs.

Based on current interest and demand for ADUs, and ongoing and planned future programs to promote ADU development in the City (see Programs 63 and 64 in Chapter 6), it is anticipated ADU production is reasonably likely to increase by at least 25% above the current annual average, to approximately 5,668 ADUs per year during the 6th cycle.

To provide local governments in the region with assumptions for ADU affordability, SCAG recently conducted a study of ADU market rents<sup>2</sup>. This study was reviewed and pre-certified by HCD on August 27, 2020<sup>3</sup> as compliant with statutory requirements and may be used in 6th cycle Housing Element Updates as the required analysis of ADU affordability. The study reflects the geographic distribution, size, and other characteristics of ADUs across the counties and subregions of SCAG. For purposes of the study, the City of Los Angeles was included in LA County Region 1, which also included Las Virgenes-Malibu, South Bay Cities, and Westside Cities subregions. The results of the study for the City of Los Angeles are summarized in *Table 4.13*.

**Table 4.13**

| <b>ADU Affordability Assumptions, LA County Region 1 (Including City of Los Angeles)</b> |                             |                        |                   |                        |                              |
|--|-----------------------------|------------------------|-------------------|------------------------|------------------------------|
|  | <b>Extremely Low Income</b> | <b>Very Low Income</b> | <b>Low Income</b> | <b>Moderate Income</b> | <b>Above Moderate Income</b> |
| Percent of ADUs/JADUs  | 15%                         | 2%                     | 43%               | 6%                     | 34%                          |
| <i>Source: SCAG, 2020</i>  |                             |                        |                   |                        |                              |

Based on the current annual average production of ADUs, the anticipated increase in ADU production as a result of recent state amendments, and the ADU affordability assumptions shown above, the total anticipated ADU capacity by income category for the 6th cycle is found in Table 4.14.

<sup>2</sup>SCAG, SCAG Regional Accessory Dwelling Unit Affordability Analysis, [https://scag.ca.gov/sites/main/files/file-attachments/adu\\_affordability\\_analysis\\_120120v2.pdf?1606868527](https://scag.ca.gov/sites/main/files/file-attachments/adu_affordability_analysis_120120v2.pdf?1606868527)

<sup>3</sup>HCD letter to SCAG: August 27, 2020, [https://scag.ca.gov/sites/main/files/file-attachments/hcd\\_precertified\\_localhousingdata\\_letter082720.pdf?1602114715](https://scag.ca.gov/sites/main/files/file-attachments/hcd_precertified_localhousingdata_letter082720.pdf?1602114715)

**Table 4.14**

| <b>Anticipated ADUs and JADUs, by Income Category</b> |                     |                        |                              |                                    |
|---|---------------------|------------------------|------------------------------|------------------------------------|
|   | <b>Lower Income</b> | <b>Moderate Income</b> | <b>Above Moderate Income</b> | <b>Total Development Potential</b> |
| ADUs and JADUs  | 27,204              | 2,720                  | 15,416                       | 45,340                             |

### Project Homekey Expansion

Project Homekey is a central part of the state’s response to providing housing for persons experiencing homelessness who are at high risk for serious illness and are impacted by COVID-19. Administered by HCD, Project Homekey makes grant funding available to local public entities to purchase and rehabilitate housing, including hotels, motels, vacant apartment buildings, and other buildings and convert them into interim or permanent, long-term housing.

The Governor recently announced an expansion of Project Homekey, which would create opportunities for a total of 46,000 units statewide. Based on the City’s population size, it is anticipated that approximately 10% of those units could be developed in the City during the planning period. This expansion is currently in the planning process, and no sites have been identified at this time. *Table 4.15* shows the anticipated unit potential from the expansion of Project Homekey, by income category.

**Table 4.15**

| <b>Project Homekey Expansion, Anticipated Capacity by income Category</b> |                     |                        |                              |                                    |
|---|---------------------|------------------------|------------------------------|------------------------------------|
|   | <b>Lower Income</b> | <b>Moderate Income</b> | <b>Above Moderate Income</b> | <b>Total Development Potential</b> |
| Project Homekey Expansion   | 4,600               | 0                      | 0                            | <b>4,600</b>                       |

### Public Land Programs



The City was recently awarded a Local Early Action Planning (LEAP) Grant to help develop a program that would streamline and scale up the production of affordable housing on public land, beyond the current levels of anticipated pipeline development discussed under *Publicly Owned Land*, above. The program is a strategic plan to create 10,000 units of equitable housing on public land within five years. The plan focuses on using 300 acres of public land to drive a scaled housing solution that would create ten housing development opportunities with 1,000 units each. The plan would also create a \$500 million infrastructure fund to address funding gaps. The program is currently in the planning process, and no sites have been secured at this time.

The program focuses on providing equitable housing opportunities that prioritize community engagement in the planning process. As part of this effort, the program proposes to create housing for a mix of incomes that range from extremely low-income housing (30% AMI) to moderate income workforce housing (150% AMI), and would encompass rental, homeownership, and community land trust opportunities. *Table 4.16* shows the anticipated unit potential of this public land program by income category.

**Table 4.16**

| <b>Scaling Up Equitable Housing on Public Land, Anticipated Capacity by income Category</b> |                     |                        |                              |                                    |
|---|---------------------|------------------------|------------------------------|------------------------------------|
|   | <b>Lower Income</b> | <b>Moderate Income</b> | <b>Above Moderate Income</b> | <b>Total Development Potential</b> |
| Public Land Programs  | 5,500               | 4,500                  | 0                            | <b>10,000</b>                      |

## Summary of Adequate Sites for Housing and Identification of Rezoning Need

Table 4.17 provides a summary of the total anticipated development potential in the inventory of adequate sites for housing, compared to the City’s 6th Cycle RHNA Allocation and the target capacity. After consideration of all three components of the Inventory – including development potential on vacant and underutilized sites, planned and approved development projects, and non site-specific development potential that provide additional alternative means of meeting the RHNA – the City has identified a total development potential of 266,647 units, which is insufficient capacity to accommodate both the RHNA Allocation of 456,643 units and the target capacity of 486,379 units. The land inventory includes capacity for 81,312 lower income units, 13,716 moderate income units, and 171,619 above moderate income units. As a result, the Housing Element identifies a shortfall at all income levels. Overall, there is an identified shortfall of 219,732 units, including a shortfall of 121,881 lower income units, 72,639 moderate income units, and 25,212 above moderate-income units.

Chapter 6 provides an overview of the programs needed to be completed by October 2024 in order to accommodate the identified shortfall. The RHNA Rezoning Program (Program 120) describes the rezoning efforts that will be undertaken to accommodate the shortfall. The Rezoning Program is also informed by the conclusions of the AFFH Analysis provided in the following section.

**Table 4.17**

| <b>Summary of Residential Capacity Compared to 6th Cycle RHNA and Target Capacity by Income</b> |                           |                              |                                    |                    |
|---|---------------------------|------------------------------|------------------------------------|--------------------|
|   | <b>Lower Income Units</b> | <b>Moderate Income Units</b> | <b>Above Moderate Income Units</b> | <b>Total Units</b> |
| RHNA Allocation   | 184,721                   | 75,091                       | 196,831                            | 456,643            |
| Target Capacity   | 203,193                   | 86,355                       | 196,831                            | 486,379            |
| Total Development Potential   | <b>81,312</b>             | <b>13,716</b>                | <b>171,619</b>                     | <b>266,647</b>     |
| <b>Shortfall</b>  | <b>121,881</b>            | <b>72,639</b>                | <b>25,212</b>                      | <b>219,732</b>     |

## Affirmatively Furthering Fair Housing (AFFH) Analysis

### Background on Affirmatively Furthering Fair Housing and the Sites Inventory

Pursuant to Assembly Bill (AB) 686, the Housing Element must include an analysis and determination of consistency with Affirmatively Furthering Fair Housing (AFFH) requirements. AFFH means:

*“[T]aking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. (Government Code Section 8899.50(a)(1).)*

The duty to affirmatively further fair housing extends to a public agency’s activities and programs relating to housing and community development, including the Housing Element’s analysis of adequate sites for housing. Specifically, the Inventory of Sites suitable for housing development must be identified throughout the City in a manner that affirmatively furthers fair housing opportunities. The goal is to have identified sites serve the purpose of replacing segregated living patterns with truly integrated and balanced living patterns, and ultimately transforming racially and ethnically concentrated areas of poverty into areas of opportunity.

For purposes of the housing element site inventory, as advised by HCD, this means that sites identified to accommodate the lower-income portion of the RHNA are not concentrated in low-resourced areas (lack of access to high performing schools, distance from jobs centers, location disproportionately exposed to pollution or other health impacts) or areas of segregation and concentrations of poverty. Sites identified to accommodate the lower income RHNA must be distributed throughout the community in a manner that affirmatively furthers fair housing.

HCD has provided additional guidance on topics that should be addressed as part of the AFFH Analysis for the Adequate Sites Inventory. This includes the following components:

- **Improved Conditions:** A discussion of how the sites are identified in a manner that better integrates the community with a consideration for the historical patterns and trends, number of existing households, the magnitude (e.g., number of units) of the RHNA by income group and impacts on patterns of socio-economic and racial concentrations.
- **Exacerbated Conditions:** Similar to above, an explanation of identified sites relative to the impact on existing patterns of segregation and number of households relative to the magnitude (e.g., number of units) of the RHNA by income group.
- **Isolation of the RHNA:** An evaluation of whether the RHNA by income group is concentrated in areas of the community.
- **Local Data and Knowledge:** A consideration of current, planned, and past developments, investment, policies, practices, demographic trends, public comment, and other factors.
- **Other Relevant Factors:** Any other factors that influence the impacts of the identification of sites to accommodate the regional housing need on socio-economic patterns and segregation. This requirement should address any pending or approved plans, other elements of the general plan and relevant portions of the housing element and site inventory analysis requirements including, but not limited to, effectiveness of past programs in achieving the goals of the housing element, suitability of sites, existing uses and impacts of additional development potential, including potential for displacement of residents, businesses and other community amenities and infrastructure capacity.

**Summary of Conclusions and Approach to Policies and Programs:** Based on the outcomes of the analysis, the element must summarize conclusions and directly identify policies and programs needed to address identifying and making available adequate sites to accommodate the RHNA in a manner that affirmatively furthers fair housing.

## Methodology

The AFFH Analysis was conducted by considering locations and concentrations of the total expected development potential identified in the sites inventory, as well as the locations and concentrations of the lower income development potential. To analyze data compared to Census data, expected development potential was aggregated from all individual sites identified within a census tract boundary. Census tracts were then categorized based on their total expected unit potential into five categories, from the

lowest capacity neighborhoods to the highest, as shown in Table 4.18. Selected tables resulting from the AFFH analysis are included in this Chapter. For the full data results, see **Appendix 4.4**. Because the distribution of lower income development potential is fairly consistent with the overall distribution of total expected development potential, a detailed data analysis of the lower income development potential is provided in **Appendix 4.4**. The findings presented in this Chapter are applicable to the locations of lower income development potential as well.

**Table 4.18**

| <b>Census Tracts by Expected Unit Potential and Expected Lower Income Unit Potential</b> |                             |  |
|--|-----------------------------|--|
| <b>Census Tract Category</b>   | <b>Total Unit Potential</b> | <b>Total Lower Income Unit Potential</b> |
| Lowest Capacity Neighborhoods  | 0 - 20                      | 0 - 3                                    |
| Lower Capacity Neighborhoods   | 21 - 73                     | 4 - 38                                   |
| Moderate Capacity Neighborhoods  | 74 - 100                    | 39 - 56                                  |
| Higher Capacity Neighborhoods  | 101 - 127                   | 57 - 73                                  |
| Highest Capacity Neighborhoods   | 128 +                       | 74 +                                     |

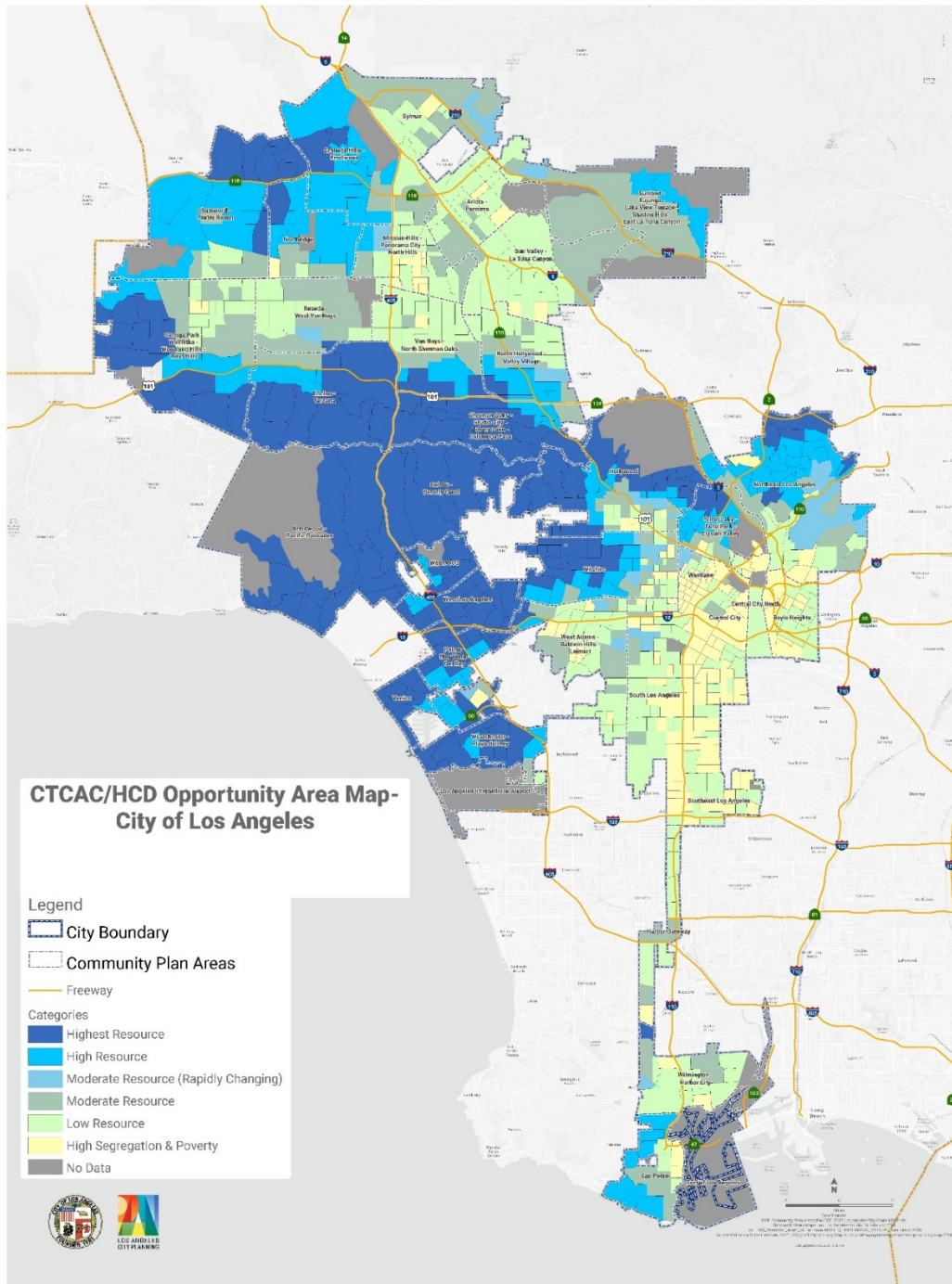
In addition to conducting a detailed data analysis of anticipated development potential identified in the Sites Inventory, the AFFH analysis includes a narrative analysis of the expected location and distribution of development potential anticipated through the various other means of meeting the RHNA, including pipeline development, anticipated geographic distribution of ADUs and JADUs, and other non-site-specific components. In addition, the analysis includes an evaluation of current and historical patterns of subsidized housing.

Data sources used to conduct the analysis include U.S. Census data, including household level sociodemographic data and data on protected classes, including population by race, disability, and familial status. The analysis also utilizes the 2021 California Tax Credit Allocation Committee (TCAC)/California Department of Housing and Community Development (HCD) Opportunity Map, which is shown in Map 4.4.

The TCAC/HCD Opportunity Map is developed by the state as a way to measure and visualize place-based characteristics linked to critical life outcomes, such as educational attainment, earnings from employment, and economic mobility. The Opportunity Area

categories are assigned based on a composite score that considers indicators from three domains: economic, environmental, and education. The data and mapping tool are updated annually by the state. Additional information on the methodology used to create the map can be accessed at <https://www.treasurer.ca.gov/ctcac/opportunity.asp>.

Map 4.4. TCAC/HCD Opportunity Map, City of Los Angeles





### Analysis of Adequate Sites Inventory

Table 4.19 shows a summary of the share of census tracts assigned to each category based on total development potential, as well as their respective share of the total expected unit potential identified in the Inventory of Sites. Most of the expected development potential identified in the Inventory of Sites is concentrated in a small proportion of neighborhoods in the City. The high and highest capacity neighborhoods account for 34% of the City’s expected production of new units, despite comprising just 10% of the total census tracts in the City. Meanwhile, the lowest capacity neighborhoods comprise a larger share of the City’s geography (35%) but have very little expected development potential (6%).

**Table 4.19**

| <b>Summary of Census Tracts by Assigned Category, Total Development Potential</b> |  |  |
|---|--|--|
| <b>Census Tract Category</b>  | <b>Percent of Total City Census Tracts</b> | <b>Percent of Total Unit Potential</b> |
| Lowest Capacity Neighborhoods   | 35%  | 6%                                     |
| Lower Capacity Neighborhoods  | 46%  | 42%                                    |
| Moderate Capacity Neighborhoods   | 10%  | 18%                                    |
| Higher Capacity Neighborhoods   | 5%   | 11%                                    |
| Highest Capacity Neighborhoods  | 5%   | 23%                                    |

When considering only the lower income unit potential identified in the Adequate Sites Inventory, this trend is even more pronounced. Table 4.20 shows the respective share of the total expected unit potential identified in the Inventory of Sites for each Census Tract category. The neighborhoods with the higher and highest capacity for lower income housing account for 39% of the City’s expected production of new units, despite comprising just 7% of the total census tracts in the City. Meanwhile, the neighborhoods with the lowest capacity for lower income housing comprise nearly one-third of the City’s geography (29%) but have very little expected potential for lower income housing (1%).

**Table 4.20**

| <b>Summary of Census Tracts by Assigned Category, Lower Income Development Potential</b> |                                       |   |
|--|---------------------------------------|---|
| <b>Census Tract Category</b>   | <b>Percent of Total Census Tracts</b> | <b>Percent of Lower Income Unit Potential</b> |
| Lowest LI Capacity Neighborhoods   | 29%                                   | 1%  |
| Lower LI Capacity Neighborhoods  | 57%                                   | 45%   |
| Moderate LI Capacity Neighborhoods   | 7%                                    | 15%   |
| Higher LI Capacity Neighborhoods   | 3%                                    | 8%  |
| Highest LI Capacity Neighborhoods  | 4%                                    | 31%   |

Table 4.21 shows the share of total population in each group of census tracts that identify as White, Black/African American, Latinx, or Asian, compared to citywide racial/ethnic demographics. This analysis shows that neighborhoods with the lowest identified development potential have a higher share of White residents, compared to the City as a whole. By contrast, the neighborhoods with the highest share of identified development potential have a higher share of population of Black/African American residents and Asian residents, compared to the rest of the City. Latinx residents are relatively dispersed throughout, though are also less represented in the lowest capacity neighborhoods. While the lowest capacity neighborhoods have the fewest persons of color, these neighborhoods are not homogenous, and are still home to a relatively representative share of people of color. This demographic analysis illustrates the ongoing role of land use and density on perpetuating racial inequity and segregation patterns, but also shows that patterns of segregation are related to a variety of additional factors.



**Table 4.21**

| <b>Racial / Ethnic Composition of Neighborhoods Identified in Sites Inventory</b> |  |   |                                    |  |
|---|--|---|------------------------------------|--|
| <b>Census Tract Category</b>  | <b>Percent Population - White (Non-Latinx)</b> | <b>Percent Population - Black/African American (Non-Latinx)</b> | <b>Percent Population - Latinx</b> | <b>Percent Population - Asian (Non-Latinx)</b> |
| Citywide Average  | 28%  | 9%  | 49%                                | 11%  |
| Lowest Capacity Neighborhoods   | 34%  | 5%  | 46%                                | 12%  |
| Lower Capacity Neighborhoods  | 28%  | 8%  | 49%                                | 11%  |
| Moderate Capacity Neighborhoods   | 21%  | 14%   | 50%                                | 12%  |
| Higher Capacity Neighborhoods   | 19%  | 17%   | 51%                                | 10%  |
| Highest Capacity Neighborhoods  | 16%  | 13%   | 53%                                | 15%  |

*Source: US Census Bureau; American Community Survey; 2019 ACS 5-Year Estimates.*

Table 4.22 shows the tenure and median household income of neighborhoods identified in the Sites Inventory. All neighborhoods except those with the lowest identified total development potential have a higher share of renters than the citywide average. In addition, there is a clear relationship between anticipated development potential and median household income. Lower capacity neighborhoods have a disproportionately higher median household income (\$80,172, compared to \$64,065 citywide), while the highest capacity neighborhoods have a disproportionately lower median household income (\$47,989). While renter households have a lower overall median household income, the data follow the same trend across lower and higher capacity neighborhoods.

Looking at the distribution of low- and moderate-income households, the data follow a similar trend. Citywide, 61% of households are considered low- and moderate-income. Neighborhoods with the lowest identified development potential have a lower percentage of low and moderate income households (51%), while the highest capacity

neighborhoods have a disproportionately high share of low- and moderate-income households (74%). However, even despite these disparities, 29% of the city’s low and moderate income households live in the lowest capacity areas, reflecting the heterogeneity of the City’s lower density neighborhoods.

**Table 4.22**

| <b>Tenure and Median Household Income of Neighborhoods Identified in Sites Inventory, Total Unit Potential</b> |                                  |                                |  |   |
|--|----------------------------------|--------------------------------|--|---|
| <b>Census Tract Category</b>   | <b>Percent Renter Households</b> | <b>Median Household Income</b> | <b>Median Household Income - Renter Households</b> | <b>Percent Low/Moderate Income Households</b> |
| Citywide Average   | 63%                              | \$64,065                       | \$50,404   | 61%   |
| Lowest Capacity Neighborhoods  | 45%                              | \$80,172                       | \$56,625   | 51%   |
| Lower Capacity Neighborhoods   | 70%                              | \$57,382                       | \$49,133   | 65%   |
| Moderate Capacity Neighborhoods  | 76%                              | \$52,886                       | \$43,372   | 70%   |
| Higher Capacity Neighborhoods  | 75%                              | \$49,185                       | \$41,016   | 71%   |
| Highest Capacity Neighborhoods   | 81%                              | \$47,989                       | \$42,086   | 74%   |

*Source: US Census Bureau; American Community Survey; 2019 ACS 5-Year Estimates.*

Table 4.23 and Table 4.24 provide data on the family structure and household characteristics for neighborhoods with identified development potential. Considering the citywide average of 30% of all households having children, there are not substantial disparities across neighborhoods; however, there is a slightly higher proportion of households with children in the neighborhoods with the lowest identified capacity (33%), and a slightly lower proportion in the higher capacity neighborhoods (26%). Similar trends are evident when considering the distribution of elderly households aged 65 years and

older.

Looking closer at family structure, there are not significant differences across neighborhoods, although higher capacity neighborhoods have a slightly lower share of married households compared to the citywide total (28%, compared to 35% citywide) and a higher percentage of people living alone (20%, compared to 14% citywide).

**Table 4.23**

| <b>Household Characteristics of Neighborhoods Identified in Sites Inventory, Total Unit Potential</b> |   |                      |
|---|---|----------------------|
| <b>Census Tract Category</b>  | <b>Percent Households with Children</b> | <b>Household 65+</b> |
| Citywide Average  | 30%                                     | 20%                  |
| Lowest Capacity Neighborhoods   | 33%                                     | 23%                  |
| Lower Capacity Neighborhoods  | 29%                                     | 19%                  |
| Moderate Capacity Neighborhoods   | 28%                                     | 16%                  |
| Higher Capacity Neighborhoods   | 28%                                     | 18%                  |
| Highest Capacity Neighborhoods  | 26%                                     | 19%                  |

*Source: US Census Bureau; American Community Survey; 2019 ACS 5-Year Estimates.*

**Table 4.24**

| <b>Family Structure of Neighborhoods Identified in Sites Inventory, Total Unit Potential</b> |                           |                                 |  |                                  |  |  |
|--|---------------------------|---------------------------------|--|----------------------------------|--|--|
| <b>Census Tract Category</b>   | <b>Percent Live Alone</b> | <b>Percent Live with Spouse</b> | <b>Percent Live with Unmarried Partner</b> | <b>Percent Live with Parents</b> | <b>Percent Live with Other Relatives</b> | <b>Percent Live with Non-Relatives</b> |
| Citywide Average   | 14%                       | 35%                             | 7%   | 15%                              | 19%                                      | 10%                                    |
| Lowest Capacity Neighborhoods  | 10%                       | 40%                             | 6%   | 17%                              | 19%                                      | 8%                                     |
| Lower Capacity Neighborhoods   | 15%                       | 33%                             | 8%   | 14%                              | 19%                                      | 11%                                    |
| Moderate Capacity Neighborhoods  | 16%                       | 30%                             | 8%   | 14%                              | 19%                                      | 12%                                    |
| Higher Capacity Neighborhoods  | 15%                       | 29%                             | 8%   | 15%                              | 21%                                      | 12%                                    |
| Highest Capacity Neighborhoods   | 20%                       | 28%                             | 8%   | 13%                              | 20%                                      | 11%                                    |

*Source: US Census Bureau; American Community Survey; 2019 ACS 5-Year Estimates.*

Table 4.25 shows the percentage of the population with disabilities in each neighborhood, compared to the citywide average, as well as the percent of households receiving SSI. Considering the population with disabilities as a whole, there is no clear distinction among the neighborhoods based on their identified development potential. However, there is a minor difference among the percent of households receiving SSI. The lowest capacity neighborhoods have a slightly lower percent of SSI households (6%, compared to 7% citywide), while highest capacity neighborhoods have a slightly higher percent of SSI households (9%).

**Table 4.25**

| <b>Disability Status of Neighborhoods Identified in Sites Inventory, Total Unit Potential</b> |                               |                                   |
|---|-------------------------------|-----------------------------------|
| <b>Census Tract Category</b>  | <b>Percent SSI Households</b> | <b>Population with Disability</b> |
| Citywide Average  | 7%                            | 10%                               |
| Lowest Capacity Neighborhoods   | 6%                            | 10%                               |
| Lower Capacity Neighborhoods  | 7%                            | 10%                               |
| Moderate Capacity Neighborhoods   | 7%                            | 9%                                |
| Higher Capacity Neighborhoods   | 8%                            | 10%                               |
| Highest Capacity Neighborhoods  | 9%                            | 11%                               |
| <i>Source: US Census Bureau; American Community Survey; 2019 ACS 5-Year Estimates.</i>        |                               |                                   |

*Table 4.26* shows the distribution of the total sites, total development potential, and total lower income development potential by TCAC/HCD Opportunity Area. The share of total development potential and total lower income development potential by TCAC/HCD Opportunity Area is fairly consistent with the City as a whole, though the High Segregation and Poverty tracts are somewhat overrepresented in terms of overall unit potential as well as lower income unit potential. This pattern is reflected in residential zoning patterns, as shown in *Table 4.28*, below. This suggests that while the Sites Inventory does not actively improve conditions, it does not exacerbate them. Rather, it is a fairly accurate representation of existing conditions in the City.

**Table 4.26**

| <b>Sites Inventory Analysis by TCAC/HCD Opportunity Area</b> |  |                                      |  |   |
|--|--|--------------------------------------|--|---|
| <b>TCAC/HCD Opportunity Area</b>                             | <b>Percent of City's Census Tracts</b> | <b>Percent of Sites on Inventory</b> | <b>Percent of Total Unit Potential</b> | <b>Percent of Lower Income Unit Potential</b> |
| Highest Resource   | 19%                                    | 17%                                  | 16%                                    | 13%   |
| High Resource  | 15%                                    | 14%                                  | 12%                                    | 11%   |
| Moderate   | 17%                                    | 15%                                  | 15%                                    | 16%   |
| Moderate Rapidly Changing                                    | 5%                                     | 5%                                   | 6%                                     | 5%  |
| Low  | 28%                                    | 28%                                  | 29%                                    | 29%   |
| High Segregation   | 16%                                    | 21%                                  | 22%                                    | 25%   |
| Unknown  | 1%                                     | 0%                                   | 0%                                     | 0%  |

*Source: TCAC/HCD Opportunity Area Map, 2021*

When considering the component scores within the three domains that comprise the overall Opportunity Area score, as shown in *Table 4.27*, there are some minor differences, but the Inventory of Sites is largely consistent with existing conditions citywide. Lowest capacity neighborhoods are found to have higher environmental domain and educational domain scores than the rest of the City (0.54 and 0.47 respectively, compared to 0.44 and 0.39 average citywide), while highest capacity neighborhoods are lower than the citywide average (0.32 and 0.22, respectively). Most notably, educational scores in the highest capacity neighborhoods are roughly half of what they are in all other neighborhood types. The economic domain score is relatively consistent across all neighborhood types.

**Table 4.27**

| <b>TCAC/HCD Opportunity Area Domains, Average Score by Neighborhoods Identified in Sites Inventory</b> |                                      |   |   |
|--|--------------------------------------|---|---|
| <b>Census Tract Category</b>   | <b>Average Economic Domain Score</b> | <b>Average Environmental Domain Score</b> | <b>Average Educational Domain Score</b> |
| Citywide Average   | 0.53                                 | 0.44                                      | 0.39                                    |
| Lowest Capacity Neighborhoods  | 0.52                                 | 0.54                                      | 0.47                                    |
| Lower Capacity Neighborhoods   | 0.55                                 | 0.42                                      | 0.38                                    |
| Moderate Capacity Neighborhoods  | 0.54                                 | 0.32                                      | 0.34                                    |
| Higher Capacity Neighborhoods  | 0.51                                 | 0.33                                      | 0.25                                    |
| Highest Capacity Neighborhoods   | 0.54                                 | 0.32                                      | 0.22                                    |

*Source: TCAC/HCD Opportunity Area Map, 2021*

### Analysis of Zoning

Overall, the findings above are reflective of overall discrepancies in the distribution of residential zoning in the City. Considering all land zoned to allow residential uses, approximately 76% of residential parcels in High and Highest Resource Areas are limited to single-family uses and approximately 20% are zoned to allow multi-family (see *Table 4.28*). In contrast, just 18% of the residentially zoned land in the areas considered High Segregation and Poverty is allocated to single-family uses, whereas over 80% allows multi-family development.

Additional details with respect to ecologically sensitive or hazardous areas, including high risk for fire and sea level rise, as well as impacts on communities of color, should also be noted. Much of the city’s single-family zoning is in ecologically sensitive and hazardous areas of the city. In fact, approximately 35% of the parcels of the City’s single-family zoning are in Very High Fire Hazard Severity Zones (VHFHSZ) or areas with vulnerability

to Sea Level Rise (SLR) exposure.<sup>4</sup> In addition, the prevalence of single-family housing in Los Angeles means that this component of the housing stock exists across nearly all communities in the City, including many established Black communities and communities of color.

**Table 4.28**

| <b>Share of Residential Parcels Zoned for Single-Family Residential Use by TCAC/HCD Resource Category</b>  |                               |  |  |
|--|-------------------------------|--|--|
| <b>Resource Category</b>   | <b>Single-Family Parcels*</b> | <b>All Residential (R) or Commercial (C) Parcels**</b> | <b>Percentage Limited to Single-Family</b> |
| Highest Resource   | 162,777                       | 196,427  | 83%  |
| High Resource  | 104,410                       | 131,750  | 79%  |
| Moderate Resource  | 125,158                       | 174,443  | 72%  |
| Low Resource   | 73,619                        | 115,268  | 64%  |
| High Segregation & Poverty   | 20,502                        | 109,833  | 19%  |
| *Single-family parcels include all zones in which residential uses are restricted to one-family dwellings (as well as accessory dwelling units). |                               |  |  |
| **Commercial (C) zoned parcels are included as they generally allow 100% residential uses.   |                               |  |  |
| Source: TCAC/HCD Opportunity Area Map, 2019  |                               |  |  |

### Analysis of Development Trends

Recent development trends have shown similar discrepancies. Map 4.5 shows the location and distribution of affordable housing development from 2009 to 2020. As shown in *Table 4.29*, relatively little affordable housing has been developed in Higher Opportunity Areas (including High and Highest Resource Areas). Of the affordable units permitted in the last ten years, only 14% (almost 1,600 units) were produced in the City’s High or Highest Resource Areas, while 62% were located in the Low Resource and High Segregation and Poverty areas. In Higher Opportunity Areas, mixed-income affordable housing is more likely to be built than 100% affordable housing developments. Overall,

<sup>4</sup> Areas with vulnerability to SLR exposure are identified as 100-year SLR areas. University of Southern California Sea Grant Program, *Sea Level Rise Vulnerability Study for the City of Los Angeles*, 2013, [https://dornsife.usc.edu/assets/sites/291/docs/pdfs/City\\_of\\_LA\\_SLR\\_Vulnerability\\_Study\\_FINAL\\_Summary\\_Report\\_Online\\_Hyperlinks.pdf](https://dornsife.usc.edu/assets/sites/291/docs/pdfs/City_of_LA_SLR_Vulnerability_Study_FINAL_Summary_Report_Online_Hyperlinks.pdf).

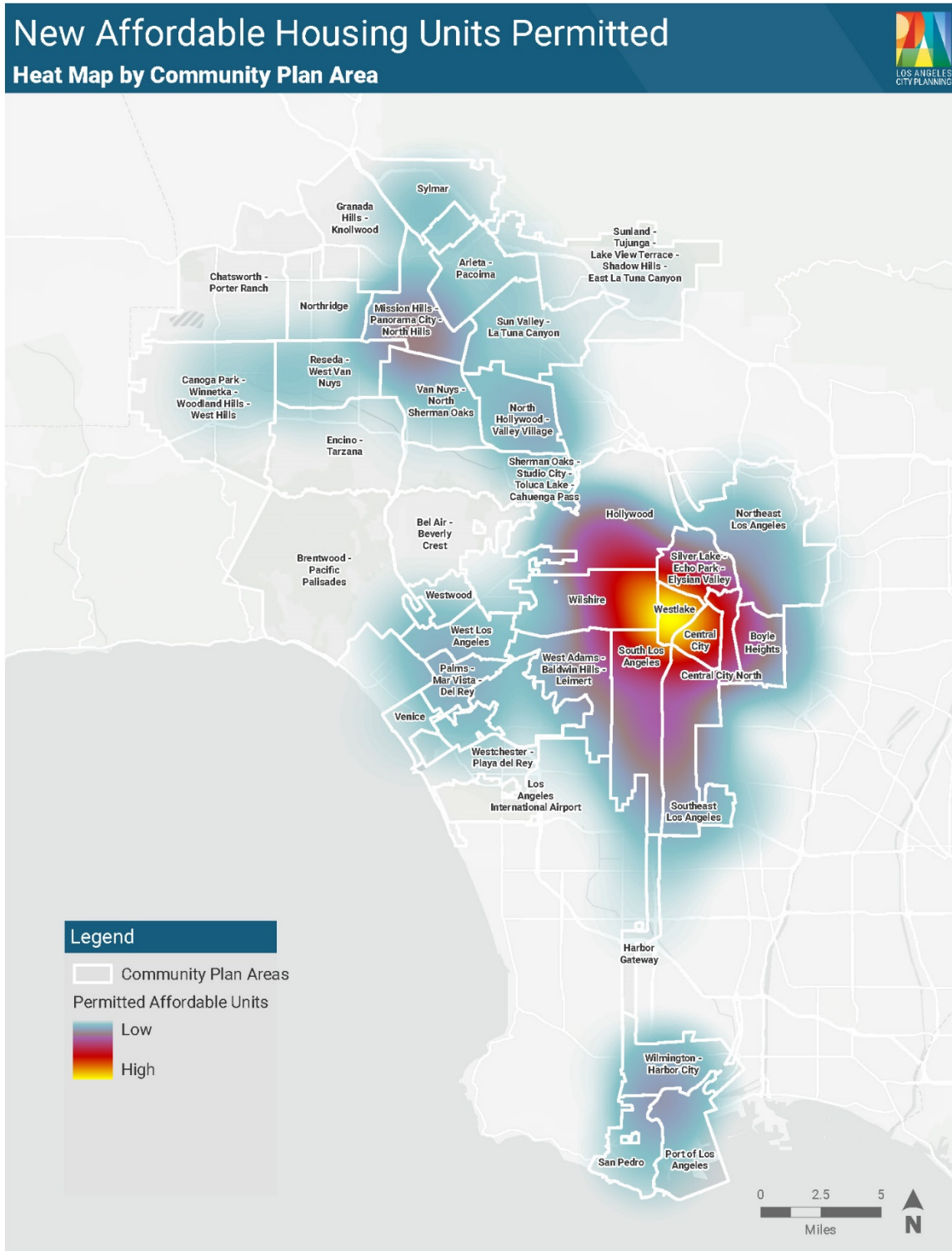


mixed-income projects supported by land use incentives have a much higher rate of producing affordable housing in Higher Opportunity Areas, compared to those produced through financial subsidy alone. Nearly half (46%) of the non-subsidized affordable housing units produced through land-use incentives were in the Higher Opportunity Areas, whereas only 6% of subsidized affordable projects were built in these areas. Overall, subsidized affordable developments are overwhelmingly located in lower resourced neighborhoods.

**Table 4.29**

| <b>Affordable Units Permitted in the City by TCAC/HCD Resource Category, 2009-2018</b> |                         |                   |                          |
|--|-------------------------|-------------------|--------------------------|
| <b>Resource Category</b>   | <b>Affordable Units</b> | <b>% of Total</b> | <b>% of City Tracts*</b> |
| High Segregation & Poverty   | 4,104                   | 35%               | 24%                      |
| Low Resource   | 3,160                   | 27%               | 23%                      |
| Moderate Resource  | 2,737                   | 24%               | 18%                      |
| High Resource  | 1,038                   | 9%                | 18%                      |
| Highest Resource   | 553                     | 5%                | 17%                      |
| Insufficient/Missing Info*   | 11                      | <1%               |                          |
| <b>TOTAL</b>   | <b>11,603</b>           | <b>100%</b>       | <b>100%</b>              |
| *Excludes 13 census tracts that were not evaluated because of insufficient data        |                         |                   |                          |
| Source: TCAC/HCD Opportunity Area Map, 2019  |                         |                   |                          |

**Map 4.5. New Affordable Housing Units Permitted, Heat Map by Community Plan Area, 2009-2020**



### **Analysis of Additional Alternative Means of Meeting the RHNA**

Another component of the Adequate Sites analysis is the non-site-specific development potential that exists as additional alternative means of meeting the RHNA. These include Pipeline Projects, projects located in the Warner Center 2035 Specific Plan area, Accessory Dwelling Units (ADUs), and ongoing programs at local agencies for the development of affordable and supportive housing on publicly owned land (see above for more detail on each of these components).

- Pipeline Redevelopment Projects are expected to be consistent with the patterns of expected development potential identified in the Sites Inventory analysis described above, as well as with the analysis of zoning and development trends. Therefore, there is not expected to be significantly different conclusions drawn about these components.
- The Warner Center 2035 Specific Plan area is an area zoned largely for higher capacity located in an area with a mix of Highest, High, Moderate and Low Resource Areas (per the TCAC/HCD Opportunity Maps). As such, the analysis for those factors described above is relevant.
- Accessory Dwelling Units (ADUs) are being constructed in a variety of mostly lower capacity neighborhoods in Los Angeles. As such, the conclusions should not be significantly different from those described for those areas above.
- Public land programs are intended to facilitate the identification of less costly housing typologies, conduct modeling and site analysis of publicly owned land, and negotiate and execute interagency agreements to maximize the construction of affordable housing on public land. The locations are not known at this time; however, it is anticipated that development resulting from the public land programs will be distributed throughout the City in a manner consistent with the overall distribution of expected development potential. As a result, it is premature to draw substantially different conclusions regarding these programs.
- Established during the Covid-19 pandemic, Project Homekey is a state program that provides funding to cities to acquire hotels, and motels for the purpose of housing homeless individuals to expedite access to housing for the most vulnerable residents. The City is in the process of developing a more robust program to acquire, or through exploring Lease to Own agreements, hotels and motels to expand the pipeline of Permanent Supportive Housing. The locations are not known at this time; however, it is anticipated that development resulting from an expansion of Project Homekey will be distributed throughout the City in a

manner consistent with the overall distribution of expected development potential. As a result, it is to draw substantially different conclusions regarding this program.

### **Key Conclusions and Summary of Actions Needed to Affirmatively Further Fair Housing**

Because the Sites Inventory is so reliant on existing zoning capacity as well as recent development patterns, it is largely a reflection of these existing conditions. As a result, the disparities found in the Sites Inventory reflect existing disparities in the City's zoning and development patterns. Therefore, as stated, the Sites Inventory does not exacerbate existing conditions. However, there is significant opportunity for programs and rezoning efforts to improve these conditions.

Additionally, the analysis shows that the RHNA is largely accommodated in relatively few parts of the City, which are primarily those that are zoned for multi-family residential uses and have more active residential development activity.

Chapter 6 introduces the Goals, Objectives, Policies, and Programs centered in racial equity, environmental justice, and resilience pertaining to deficiencies found in the City's zoning and Inventory of Adequate Sites for Housing. In particular, the analysis provided in this Chapter provides support for a strong set of anti-displacement policies and programs, paired with the need for a citywide Rezoning Program that focuses on creating significant new opportunities for housing development, particularly affordable housing development, in areas of High Opportunity. Together, these goals, objectives, policies, and programs comprise the City's housing action plan for the 2021-2029 planning period. Informed by this chapter's analysis, Chapter 6 is designed to guide daily decision-making by City officials and staff and will provide benchmarks on the housing programs that the City initiated to meet its overall housing goals.