

Chapter Five - Review of the 2013-2021 Housing Element

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Introduction

This chapter provides a review of the 2013-2021 Housing Element and evaluates the City's progress in meeting its housing needs during the planning period. It identifies the number of housing units built compared to the City's target for new construction, as established through the 2013-2021 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.

A detailed evaluation of each policy and program within the four goal areas is included as Appendix 5.1 (Not released in current draft).

The review of the previous Housing Element helps shape the Update in four key ways: (1) It identifies goals, objectives, policies and programs that were either missing or inadequate to address Los Angeles' housing needs; (2) it identifies policies that needed to be strengthened or clarified to better reflect their importance; and (3) it identifies redundancies and areas of overlap and confusion that should be eliminated in order to provide a clearer focus on programs and policies that are the most significant. The goals, objectives and policies that are being carried over into the 2021-2029 Housing

Element Update uphold the strategies to address the City’s housing needs defined in this cycle.

Progress in Meeting the Regional Housing Needs Assessment

The City’s Regional Housing Needs Assessment (RHNA) allocation for the previous Housing Element planning period of January 1, 2013 - September 30th, 2021 was 82,002 new housing units. This is broken down by income categories, into 46,590 affordable units and 35,412 market rate units. The affordable units are further broken out into 20,427 very low income units, 12,435 low income units and 13,728 moderate income units. More information on RHNA, including how goals are allocated and definitions of income categories, are available in Chapter 1: Needs Assessment Analysis and Chapter 4: Inventory of Sites.

From 2014 to the end of 2020 (7 years), building permits were issued for 117,088 new housing units. The City has therefore already met its overall RHNA target of 82,002 units; however, it is not expected to have produced enough housing in the lower and moderate income categories. Table 5.1 presents the City’s progress towards meeting its RHNA through 2020, which is one year short of the full eight year RHNA period.

Table 5.1

New Housing Units by Income Category, 2014 - 2020				
RHNA Category	Income	RHNA Goal* (2014-2021)	Units Built (2014-2020)	Remaining RHNA
Very Low		20,427	7,012	13,415
Low		12,435	3,727	8,708
Moderate		13,728	827	12,901
Above Moderate Rate		35,412	105,522	-
Total		82,002	117,088	-
Source: HCIDLA, DCP.				
*The RHNA goal is for the period between January 1, 2014 to October 1, 2021.				

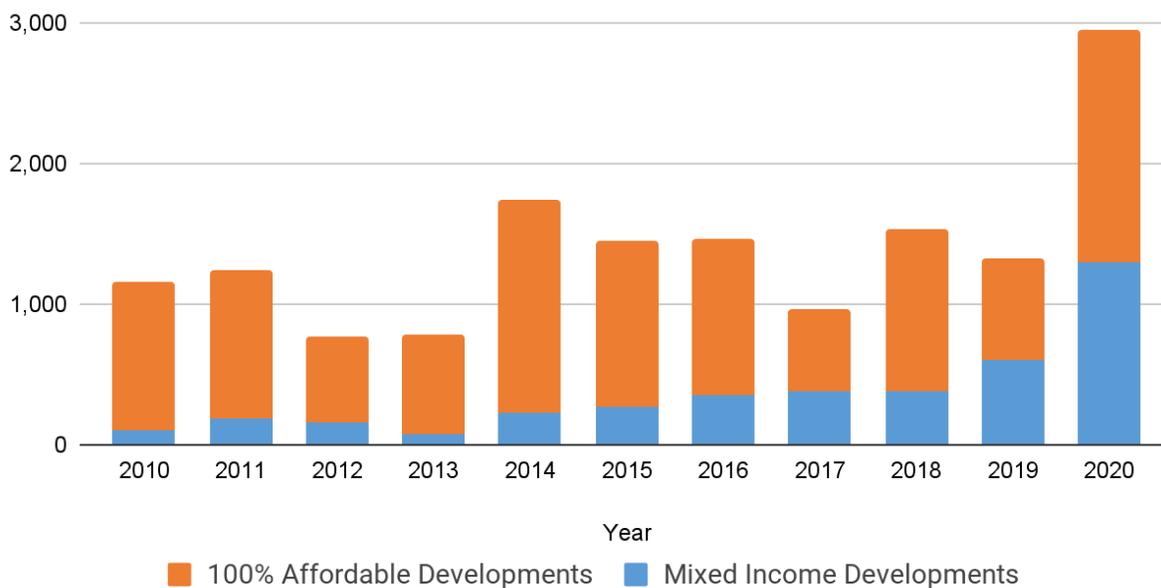
In 2018 and 2019, the City permitted the highest number of units the City has seen since the mid 1980s. This is largely due to a strong economy and high housing prices, in addition to continued efforts by the City and State to promote housing production.

However, the majority of new construction during the 2014-2020 period was for above moderate, or market-rate, housing. As illustrated in Table 5.1 above, the RHNA goals target nearly 40% of all new units for households with low incomes or below, whereas only about 9% of the actual new units produced in the prior RHNA served these households. The gap is even larger at the moderate income category. This distribution reflects the current orientation of housing funding sources and other incentives and highlights the ongoing need for significantly more funding and additional land use incentives and requirements to achieve the City's housing goals.

In 2020, the City saw a significant increase in affordable housing production - to nearly 3,000 units, more than double the prior five-year average (see Chart 5.1 below) and triple the figures seen from 2010-2014. The significant increase in affordable housing production in 2020 is attributed primarily both to the permitting of Measure HHH projects, as well as a doubling in unsubsidized affordable units in incentivized mixed-income projects. Both types of development have been facilitated by the introduction of the Transit Oriented Communities (TOC) Affordable Housing Incentive Program in 2017. The TOC program has resulted in approvals of projects containing over 35,000 housing units approvals, almost 25% of which are affordable (mostly for extremely low income households). The introduction of the Affordable Housing Linkage Fee has also compelled many projects into using the City's housing incentive programs such as TOC or Density Bonus to provide on-site units and avoid the fee.

Chart 5.1

Affordable Housing Production, 2009-2020, by Source of Affordability



Source: HCID and LACP; Annual Progress Reports of the Housing Element, 2010-2020

Future housing pipeline indicators such as recent planning approvals also indicate that greater increases in affordable units may be possible in future years. For example, City Planning has approved an average of more than 5,200 affordable units per year in 2019 and 2020, compared to about 1,300 affordable units in 2014-2016. Again, these figures are likely the positive result of Measure HHH as well as the TOC and Linkage Fee programs. If these positive affordable housing production trends continue, the City could see an increase in the number of affordable units produced in the next RHNA period.

The development of Accessory Dwelling Units (ADUs) has also increased housing production since state reforms were introduced in 2017. Since that time, the City has permitted more than 14,000 ADUs through December 2020, with more than 19,000 total permit applications. Based on recent research by SCAG, 55% of these ADUs are believed to be rented at affordable income levels (15% Extremely Low, 1% Very Low, 27% Low and 12% Moderate) but are not counted towards the RHNA progress since these units are not typically deed restricted¹.

¹ SCAG Regional Accessory Dwelling Unit Affordability Analysis. 2020

Although the number and percentage of non-subsidized affordable units produced through land use incentives has increased substantially in recent years, the majority of affordable units produced since 2014 have been through a public subsidy. Since 2013, the City and County have approved a variety of local funding sources to support affordable housing development including Proposition HHH, Measure H, and the Affordable Housing Linkage Fee. The funding from Proposition HHH and Measure H is now fully allocated and the City will need to identify additional funding sources to maintain current affordable housing production levels. To increase affordable housing production to a level required to meet the new RHNA goals will require significant resources.

Review of 2013-2021 Housing Element Goals, Objectives, and Policies

The City began the Housing Element update process by revisiting the 2013-2021 Goals, Objectives, Policies and Programs, sharing them at public workshops, online webinars and with the Housing Element Task Force. Individuals were asked to comment on which aspects of the 2013-2021 framework worked well, and which considerations needed to be better emphasized or were missing entirely.

Based on this process the City developed six “*Concepts*” to guide the Housing Element Update. These *Concepts* integrate feedback from the public alongside requirements from the state to illustrate how the City will shift its policy focus to meet increasingly ambitious housing goals.

Housing Element *Concepts* to Guide the Housing Element Review and Update

- **Housing Stability and Anti-Displacement:** Protect Angelenos - especially persons of color - from indirect and direct displacement, and ensure the stability of existing vulnerable communities.
- **Housing Production:** Increase the production of new housing, particularly affordable housing.
- **Access to Opportunity:** Increase access to opportunities and proactively desegregate the City by planning for more affordable and mixed-income housing in higher-resource areas.
- **Homelessness:** Prevent and end homelessness in a manner that centers human dignity and respect by developing early interventions, significantly expanding permanent housing options, and providing appropriate services and support.

- **Built Environment:** Design and regulate housing to promote health and well-being, increase access to amenities, contribute to a sense of place, foster community and belonging, and plan for a sustainable future
- **Meeting the Needs of all Angelenos:** Build, operate, and maintain welcoming and accessible housing for Angelenos with unique needs, including those with disabilities, large families, older adults, and other people facing housing barriers.

The prior Housing Element’s Vision, Goals, Objectives, Policies and Programs were all evaluated against these six *Concepts* to determine how best to update this policy framework for the 2021-2029 Housing Element.

Housing Element Vision

Los Angeles’ housing Goals, Objectives, Policies, and Programs are guided by the City’s overall housing Vision. The Vision established in the prior Housing Element read:

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 prior vision included the importance of viewing housing as a human right that must be provided for all residents. It also stressed the importance of housing in meeting the City’s important livability and sustainability goals as well as the need for an array of housing types in proximity to amenities and jobs to meet these goals. However, when compared to the Housing Element *Concepts* above, the importance of undoing past discriminatory practices and creating greater access to housing opportunities were perhaps not sufficiently emphasized. In addition to adding these *Concepts* into the Vision, a new term called Citywide Housing Priorities has been created to help summarize the mix of *Concepts* and introduce them into selected policies below to better implement the Vision. These Citywide Housing Priorities specifically address the housing shortage, advancing racial equity and access to opportunity, protecting Angelenos from displacement, and promoting sustainability and resilience.

Prior 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, and affordable to people of all income levels, races, ages, and suitable for their various needs.

The Previous Housing Element combined housing production with housing preservation in Goal 1 to consider them together as encompassing the total housing supply. The results of the production part of the goal can be seen as progress toward RHNA (see above).

The City also made significant progress toward preservation. The Rent Stabilization Ordinance (RSO) was updated several times, and HCIDLA undertook an ambitious campaign to better inform tenants of RSO protections. Housing replacement requirements that ensure a “no net loss” and a tenant’s “right of first refusal” are now in place for most, but not all, types of projects. Short-term rentals are now regulated through the Home-Sharing Ordinance and the number of online listings in the City has dropped by about 90%, though enforcement challenges remain. The City also adopted an Unpermitted Dwelling Unit (UDU) Ordinance that provides a pathway for units to be legalized instead of vacated.

An adequate supply of homes is necessary to achieving both housing affordability and greater stability. The 2013-2021 goal recognizes the importance of both constructing new units and preserving those affordable units we already have. The two issues are often intertwined; however, they do require distinct strategies. The 2013-2021 Objectives, Policies and Programs beneath Goal 1 are largely separated as either related to production or preservation/protection. To more clearly expand upon and delineate both Goals, production and preservation have been separated as individual Goals for 2021-2029.

The production related parts of the Goal have been modified in a number of key ways. First, the 2013-2021 document consistently targeted an “adequate” supply of housing. In keeping with the RHNA discussion above, this language has been modified to target an “ample” supply of housing that also meets the tremendous *existing* housing needs, as expressed through rates of overcrowding and cost burden, not just those a result of projected (future) growth. The production focus of Goal 1 also requires less emphasis on health and safety, as these elements are covered by the building code and are more

relevant to the preservation and livability goals. Instead, equity and affordability are highlighted in the revised goal and its related objectives.

The production related objectives listed under Goal 1 largely remained relevant and were retained, including the focus on forecasting and planning for changing housing needs (1.1), facilitating housing production, especially for Affordable Housing and housing meeting Citywide Housing Priorities (1.2), and promoting a more equitable distribution of housing (1.3). The prior order was changed to place planning for housing first to reflect its order in the chronology of addressing housing needs, as well as the increased importance of the RHNA. The importance of creating affordable housing was clarified by adding a newly defined term “Affordable Housing,” which refers specifically to income-restricted units. Finally, the defined term Citywide Housing Priorities was also added to all three Objectives to ensure each one reflects the need to address the overarching Housing Element vision and *Concepts* described above.

Policies and programs that focused on housing production have largely remained relevant and are continuing in the Housing Element Update. However, the scale of the housing crisis and its impact on already marginalized communities requires further advancements.

Changes to production related policies and programs include a greater emphasis on alleviating existing housing needs and implementing strategies to better align citywide and community level housing planning efforts. To reduce racial and economic segregation, this update includes a much stronger focus on locating Affordable Housing in all communities, creating more housing in Higher Opportunity Areas and allocating housing targets within Community Plan areas in a way that Affirmatively Furthers Fair Housing. Anti-displacement is added as a core component to future planning and land use strategies and the importance of more state and regional coordination is also strengthened.

The new Goal 2 related to preservation has been restructured to reflect the broader emphasis on promoting housing stability, which requires a combination of affordable housing preservation, habitability code enforcement, tenant protections, and homeownership strategies. There is an overall increased emphasis on preventing displacement and protecting communities of color, which was not explicitly discussed in the previous Housing Element. New strategies include an Eviction Defense Program, a Just Cause Eviction Program, adopting a Tenant Anti-Harassment Ordinance, a Housing Stability Program, strengthening enforcement of the Ellis Act and RSO, and expanding “no net loss” requirements, affordable housing replacement policies and a tenant’s right

to return to any new housing construction on the site of a demolition. Concepts such as extending affordability covenant terms, establishing community/tenant preference policies as well as promoting emerging ideas such as community land trusts and tenant/community opportunity to purchase programs were also added. One new preservation strategy involves the purchase of naturally affordable housing in order to remove units from the speculative market, help insulate tenants from price increases, and create housing for low-income families. Finally, the focus on promoting homeownership has been broadened and relocated from the production goal to this goal, with a new focus on protecting communities (especially communities of color) from predatory real estate practices and using homeownership as a tool to increase community stability and build intergenerational wealth.

Prior 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 second goal of the 2013-2021 Housing Element placed a strong focus on complete communities, illustrating the role of housing in creating and preserving vibrant neighborhoods. The city has seen advancement in many of the programs under this goal. The TOC program continues to concentrate housing growth near transit, working toward the city's Sustainability objectives. The focus on health, wellness and equity was further emphasized in the Plan for a Healthy Los Angeles (The Health and Wellness Element of the General Plan) when it was adopted in 2015. A revised Baseline Mansionization Ordinance, Citywide Design Guidelines, and the adoption of five new HPOZs helped further some of the design objectives of this goal. Finally, Community Plans drafted and adopted during this cycle each introduced a local set of design guidelines and requirements for each geography.

The policies and programs falling under this goal promote sustainable neighborhoods that lessen impacts on natural resource consumption by directing housing toward locations near jobs and transit and employing green-building techniques. These efforts to facilitate high quality, healthy housing in neighborhoods that mix incomes and improve accessibility to jobs and services have been carried over into the 2021-2029 Housing Element.

While the general focus of this goal on equity, livability and sustainability has been preserved, a few key details have been further developed for the 2021-2029 update. The

focus on health has increased, with new policies guiding development to better orient building siting and features toward beneficial uses and away from polluting or hazardous features. The existing focus on safety has shifted to disaster resilience and has been elevated to a unique objective with several new policies. References to “neighborhood character,” which have been criticized as being too vague, have been replaced with language about architectural context and diverse cultural heritages within communities.

Prior Goal 3: Housing Opportunity

The housing opportunity goal addressed the provision of equal housing opportunities for everyone as follows:

A City where there are housing opportunities for all without discrimination.

Evaluating and responding to fair housing issues is a continued priority for the City of Los Angeles. During the prior Housing Element Cycle, HCIDLA and HACLA conducted an extensive Assessment of Fair Housing that for the first time included an assessment of racial and economic segregation and analyzed racial and ethnic disparities in accessing opportunity. The goals, objectives, and strategies from that document helped inform and lay the foundation for the City’s 2021 Housing Element Update. The City also proactively enforced fair housing complaints through a contract with the Housing Right Center.

A new Objective (4.3) was added that commits the City to proactive measures to promote diverse, inclusive communities that grant all Angelenos access to housing. Given changes to federal and state law, including a State requirement to Affirmatively Further Fair Housing and a statewide ban on discrimination based on source of income, it is essential that the City continue to implement and expand effective programs that prevent and respond to individual and systemic-level discrimination. As such, previous policies and programs such as facilitating 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 have been continued here, as well as added to other Goals, Objectives and Policies (discussed above).

Many programs have been added or expanded to overcome patterns of segregation and foster inclusive communities. All Housing Element programs that have been identified to affirmatively further fair housing (AFFH) are identified as part of the AFFH Program (126) in Chapter 6. These include programs that range from creating more affordable housing opportunities in Higher Opportunity Areas, to protecting tenants, and ensuring

broader and more transparent access to the affordable housing opportunities that are created.

Revisions for the Housing Element update include the addition of policies that take proactive measures to affirmatively further fair housing and promote diverse and inclusive communities by developing housing solutions that increase access to opportunity in high resource areas. To emphasize the importance of these new policies they have been developed under a new objective specifically focused on affirmatively furthering fair housing. Additionally, revisions to the policies place emphasis on identifying unmet housing needs (especially for large families, multigenerational households, and aging populations) which were not clearly addressed in the previous Housing Element. Finally, language has been added to address populations that face housing discrimination but fall outside of the definition of a “protected class,” such as individuals that have been formerly incarcerated.

Prior Goal 4: Ending and Preventing Homelessness

The goal to end and prevent homelessness is as follows:

A City committed to preventing and ending homelessness.

The previous Housing Element (2013-2021) made it clear that the issue of homelessness should be elevated in importance and confronted as a problem that can be solved. This goal reiterates the City’s vision to see every homeless individual and family housed by preventing them from becoming homeless and by rapidly rehousing those who do fall into homelessness. Despite this, homelessness in the City of Los Angeles has risen sharply since the last Housing Element, reaching a total of 41,290 people experiencing homelessness in the city according to the 2020 Greater Los Angeles Homeless Count. While the continued increase has come as a result of several factors, most notably including a drastic shortfall in available affordable housing available to people with the lowest incomes throughout the region, the homeless services system has scaled up and become more effective and efficient in response.

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. This focus is largely maintained in the 2021-2029 policy framework.

Most objectives and policies from the previous Housing Element were preserved in the current cycle. However, revisions were made to emphasize the need and demand for supportive services and compassionate care as part of the commitment to prevent and end homelessness. Additionally, revisions were made to enhance outreach and education on the root causes of homelessness and effective approaches to help as a means to correct common misconceptions. More direct policy language was added to specify that supportive services, including housing and temporary facilities, need to be included in all neighborhoods of the city. Finally, policies were added to emphasize the need to compassionately care for individuals experiencing homelessness with facilities like restrooms, showers and drinking fountains.

Programs relevant to Goal 4 were largely retained but revised to address changing needs and approaches. In an effort to further streamline programs and combine efforts aiming to achieve similar goals, many programs were combined to strike an efficient balance. For example, programs relating to rental assistance for homeless households, supportive services for persons living with HIV/AIDS and certain homeless count services were combined. Additionally, the City of Los Angeles' Comprehensive Homeless Strategy, adopted by the Los Angeles City Council in 2016, serves as a comprehensive approach to address short- and long-term homelessness issues and is adopted in tandem with the Homeless Initiative approved concurrently by the County of Los Angeles Board of Supervisors. It reflects the collaborative efforts of the City Council, its Homelessness and Poverty Committee, the Office of the Mayor, City Departments, the Los Angeles Homeless Services Authority, the County of Los Angeles, homeless service providers and the public. With inflow into homelessness identified as a key driver of the increasing number of people on the street, the City began scaling more homelessness prevention programs to prevent people from falling into homelessness before they enter the homeless services system. Some examples include the Problem Solving program led by LAHSA, which identifies people experiencing a housing crisis by working with mainstream social services systems to provide support before they fall into homelessness. In identifying similar homelessness prevention programs, like LAHSA'S Problem Solving Program or Coordinated Entry System Program (see Appendix 2.1), the City aims to slow inflow into homelessness and allow the interventions moving people out of homelessness – like rapid rehousing or supportive housing – to actually reduce the overall numbers of people experiencing homelessness.

The City of LA has also worked to instill a data-driven approach to the Homeless Services System, conducting annual "gaps analysis" to determine what interventions are most needed in the system, and what balance between different interventions (such as shelter vs. rental assistance) can best maximize the number of housing placements. All of this has coincided with rapid increases in funding for service providers, which has enabled the City of LA to invest in capacity building for existing service providers while lowering barriers to bring new service providers into the system.