Chapter One: Housing Needs Assessment

Introduction

This chapter contains a comprehensive assessment of the various factors that influence and affect the City's housing needs. Understanding the unique housing needs of the City is vital to the development of housing policies and programs that further the City's housing goals for all residents.

The assessment of housing needs takes stock of the factors that illustrate the existing housing needs in Los Angeles, as well as those that help us identify and plan for future trends. The chapter is organized into the following topic areas:

- Population Characteristics (age, race, ethnicity, special needs, including the unhoused)
- Household Characteristics (household size and composition, tenure and ownership)
- Income and Employment Trends (median income, labor market characteristics, unemployment)
- Housing Stock Characteristics (building typologies, bedroom size, building age)
- Housing Costs and Overcrowding and Tenure (cost burden, overcrowding rates)
- Regional Housing Needs Assessment (RHNA)

Among other findings, this analysis indicates that the City's residents experience the highest rates of housing cost burdens and overcrowding in the nation, one of the lowest homeownership rates, and the rapid loss of existing lower-rent housing. These trends are being compounded by demographic and employment factors such as rapid aging of the population, the continued prevalence of poverty, and low-wage employment.

Data Sources and Select Terminology

This assessment is based on analyses of information from a variety of sources, but primarily the US Census Bureau's American Community Survey (ACS) 2019 5-Year estimates. Where otherwise unsourced, the ACS can be presumed to be the data source. The use of ACS 5-year estimates instead of 1-Year estimates is due to their increased statistical reliability and availability. However, the reader should note the limits of the ACS-based analysis-because 5-Year estimates may not reflect the most current trends since they include data that was collected over the five years prior.[1] This analysis was prepared prior to the release of the 2020 Census data, and as such does not include 2020 data in the analysis.

To properly analyze the varying housing needs of the City's residents and to acknowledge the long-term housing effects of discriminatory policies, it is essential to examine race and ethnicity. New statutory requirements (Government Code Section 65583(c)(10)) added by AB 686 (2018) also call for a more thorough analysis of race and ethnicity data than previous Housing Elements. Sources such as the US Census rely on the term "Hispanic" to refer to people who speak Spanish, however in the City of Los Angeles, most people of Latin American descent self-identify as "Latino(a)." Throughout the document, we will use the gender-neutral and inclusive term "Latinx."

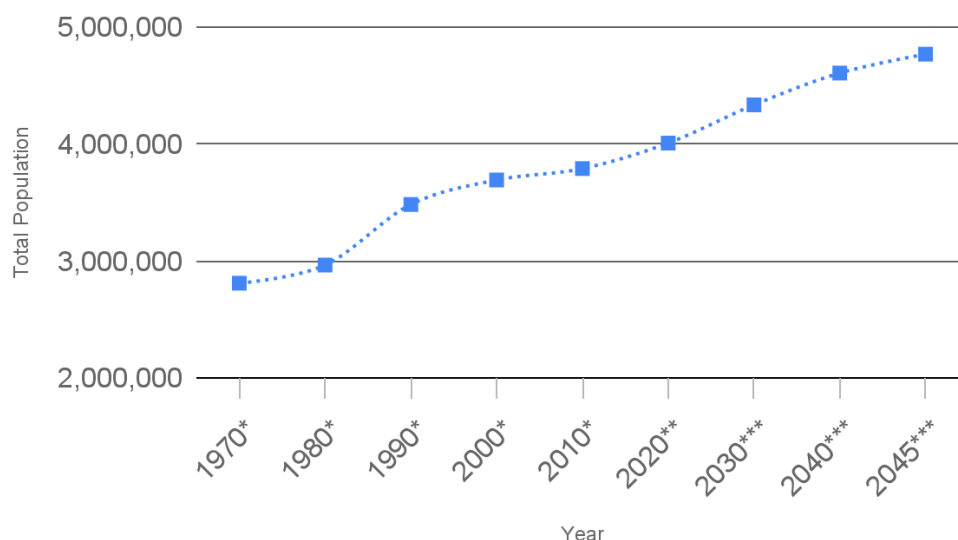# Population Characteristics

Population

Since its inception, the City of Los Angeles has remained a growing city. Overall, the City's population has increased by 42.6% since the 1970s. The 2019 ACS 5-year estimate reported a population of 3,966,366. While data from the 2020 decennial census was not available at the time of this document preparation, the City has grown faster this decade than the prior and is forecast to increase considerably faster in the following decades (see chart below). Specifically, the Southern California Association of Governments expects the City of Los Angeles population to grow by 8.15% during the 2020-2030 time period, with a population estimate of 4,337,394 residents in the City by the end of the Housing Element Cycle (2029). Chart 1.1 illustrates past population growth trends, current forecasts and future growth projections.

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[1] US Census Bureau. *Understanding and Using ACS Data: What State and Local Government Users Need to Know: Considerations When Working With ACS Data*. August 2020: Page 4.
https://www.census.gov/content/dam/Census/library/publications/2020/acs/acs_state_local_handbook_2020.pdf

Chart 1.1.

Population Growth in Los Angeles: 1970-2045

* US Decennial Census - Population Characteristics 1970-2010 **CA Department of Finance - 2020 Population Estimates *** SCAG 2020 RTP/SCS -

The Map 1.1 below shows the distribution of population increases in neighborhoods throughout the City of Los Angeles. Within the City, the fastest growing Community Plan areas are Central City and Central City North, followed by Chatsworth-Porter Ranch and Westchester-Playa Del Rey. The areas with negative growth since 2010 include the Bel Air-Beverly Crest, Sun Valley-La Tuna Canyon, Venice and West Adams Community Plan areas. The 2010-2019 figures reverse some of the trends of the prior decade, which saw population declines in the central and eastern areas of the City and most growth occurring in the San Fernando Valley. Though still, nearly half of citywide population growth since 2010 has been in the Valley.

Map 1.1.
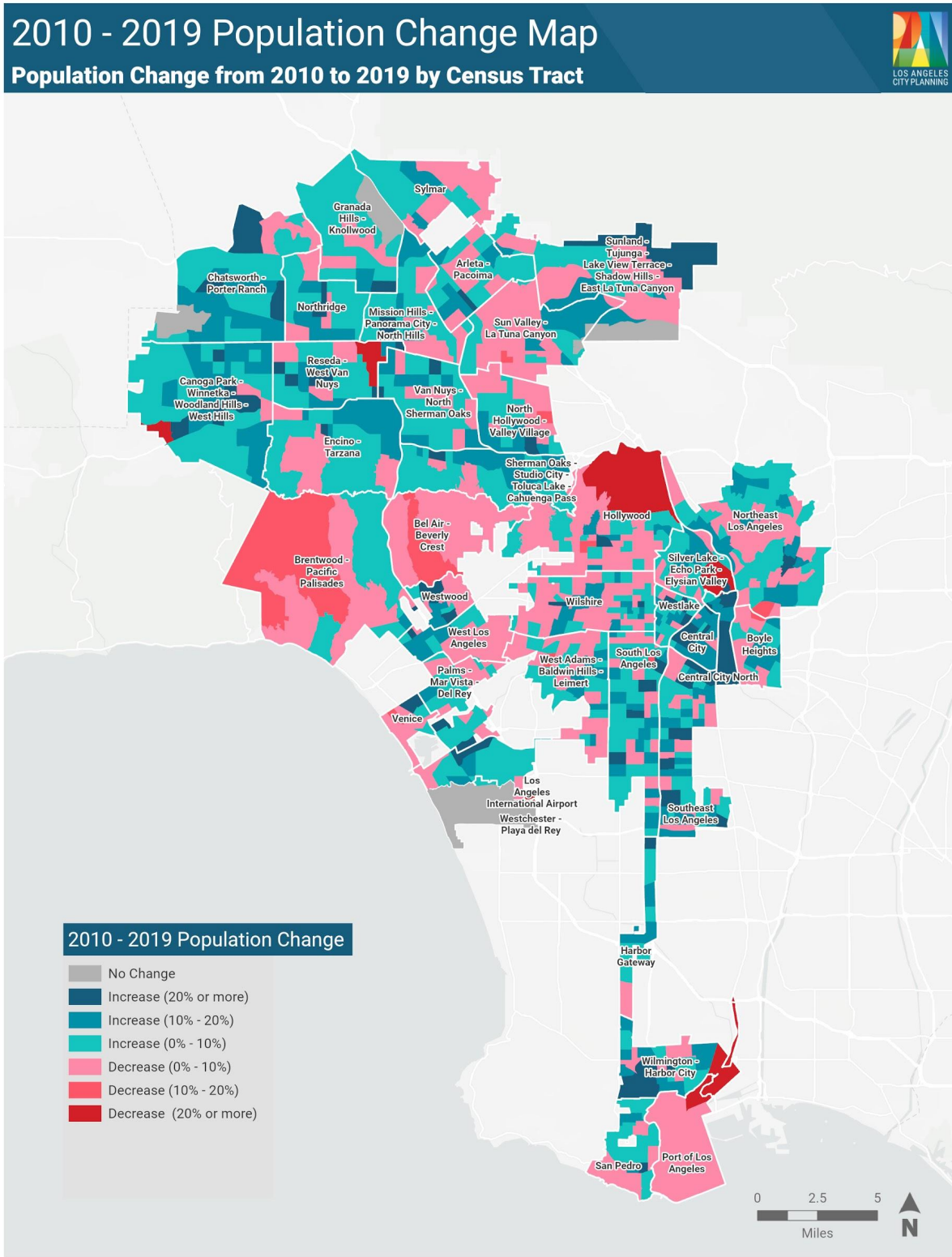
Age

As the City's population increases, the age distribution range significantly affects the housing needs of the City's residents. For example, an aging population generally signals the need for more senior housing, while growing numbers of children and young families would point to the need for more family housing.

The City's population of people over the age of 60 continues to grow, and is estimated to continue to grow over the next few decades. Between 2010 and 2019, the City's population over 60 years old went from 14.3% to 17.6%, representing an increase of approximately 29.3% in the last decade (see Table 1.1 below). In contrast, the population of people under 19 years of age has decreased by 8.5% since 2010. This indicates a decline in families in the City which may be due to a scarcity of affordable housing options for families, in addition to trends towards fewer children.

Table 1.1

Population Change by Age Group 2010-2019					
Age	2010 (ACS 5 Year Estimate)	2010 Percent of Population	2019 (ACS 5 Year Estimate)	2019 Percent of Population	2010-2019 Percent Change
Under 5 years	256,940	6.8%	234,263	5.9%	**-8.8%**
5 to 9 years	236,291	6.3%	225,139	5.7%	**-4.7%**
10 to 14 years	247,215	6.6%	226,079	5.7%	**-8.5%**
15 to 19 years	273,419	7.2%	241,773	6.1%	**-11.6%**
20 to 24 years	304,368	8.1%	301,667	7.6%	**-0.9%**
25 to 34 years	643,125	17.0%	717,319	18.1%	**11.5%**
35 to 44 years	578,461	15.3%	569,174	14.3%	**-1.6%**
45 to 54 years	496,185	13.2%	521,846	13.2%	**5.2%**
55 to 59 years	196,508	5.2%	231,743	5.8%	**17.9%**
60 to 64 years	154,190	4.1%	206,335	5.2%	**33.8%**
65 to 74 years	200,155	5.3%	277,893	7.0%	**38.8%**
75 to 84 years	131,198	3.5%	144,289	3.6%	**10.0%**
85 years and over	54,431	1.4%	69,416	1.7%	**27.5%**
Sources: US Census Bureau; American Community Survey; 2019 and 2010 ACS 5-Year Estimates, Table DP05; <https://data.census.gov/cedsci/>					

The City's median age continues to increase. In 2019 it was 35.4, whereas in 2010, the median age was 33.7. This compares to a national median age of 38.1, up from 36.9. This indicates that the City's population is still relatively young compared to the rest of the country, but is aging at a faster rate. Some neighborhoods in the City have higher numbers of seniors (65+) population, as indicated in Map 1.2 below, particularly in the Valley, hillside areas and northeast and southwest LA.

Map 1.2.

Percent 65 and Over

Source(s): U.S. Census Bureau, American Community Survey 5-year Estimates, 2019
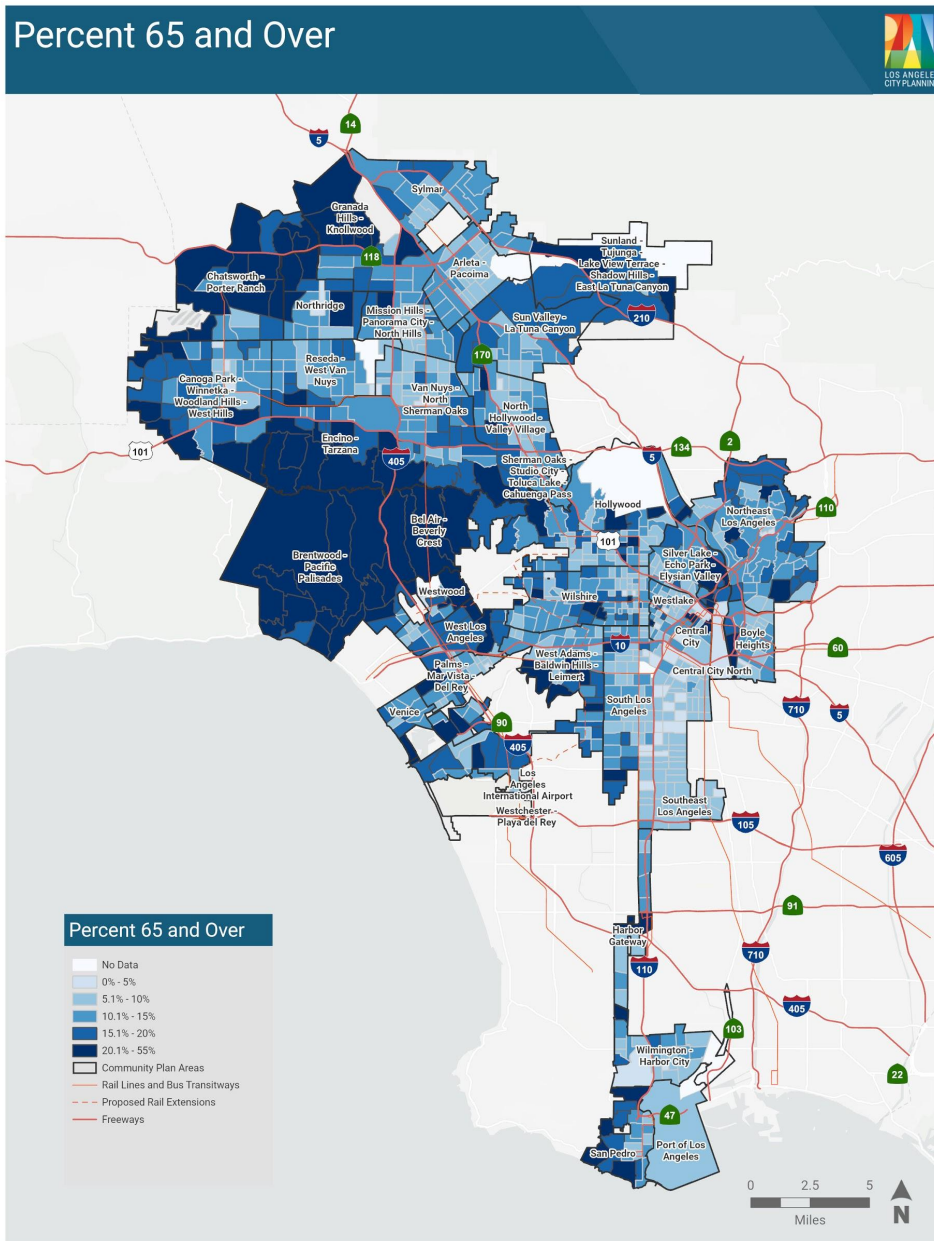
Race, Ethnicity, and Immigration

The City of Los Angeles has a diverse population, with the majority of the population identifying as people of color. Latinx residents make up the largest demographic of the City's population with 1,922,889 persons (48.6%), followed by White residents, who make up over a quarter of the population at 28.5%. Asians make up 11.5% of the population, followed by Black or African Americans at 8.5% of the population, and

Native Americans, Pacific Islanders and those who identify as Other make up the remaining 2.8%.

Chart 1.2

Race and Ethnicity Demographics in Los Angeles
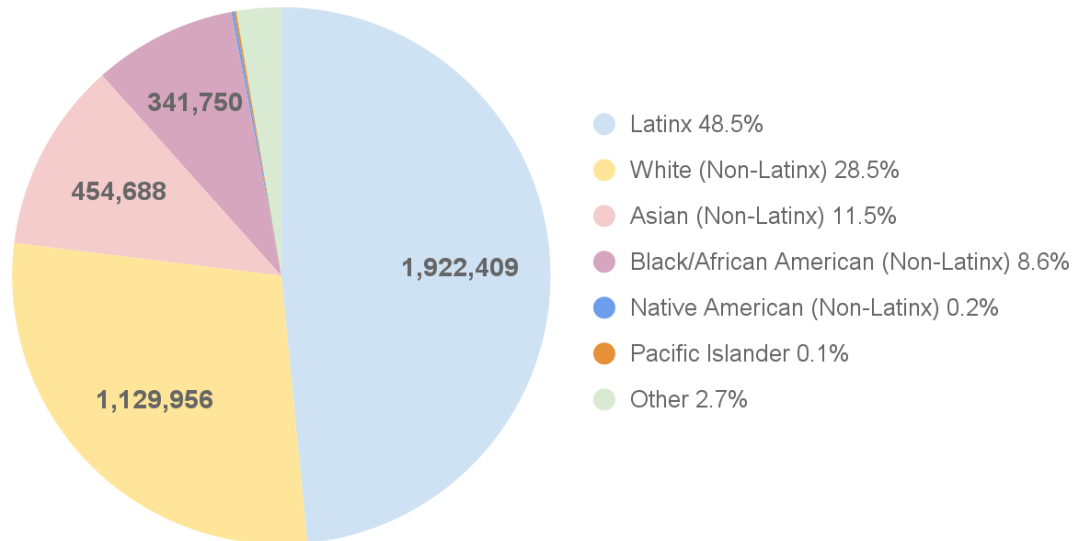
Sources: US Census Bureau; American Community Survey; 2019 ACS 5-Year Estimates, Table DP05

Chart 1.3 below shows the racial and ethnic breakdown of the City over four decades (1990-2019). Since 2000 there has been a significant decline in the percent of the City's Black population (-15%) and increases among Asian (25%), Latinx (12%) and White populations (3%). Over the last decade, trends have stabilized, with more modest changes among racial and ethnic populations between 2010-2019.

Chart 1.3

Change in Race and Ethnicity, 1990-2019
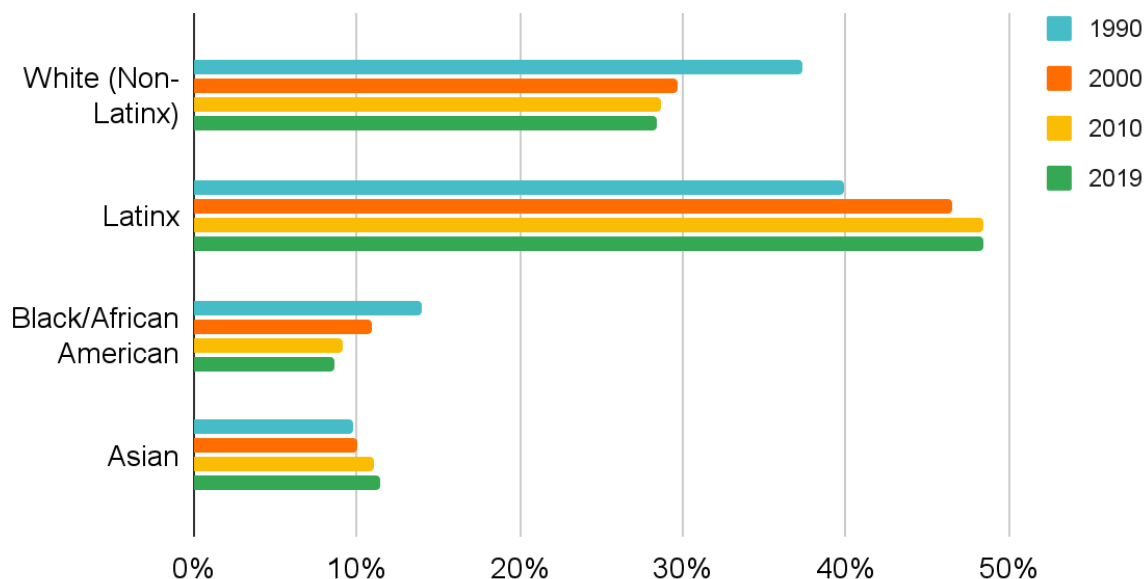
Source: US Census ACS 5-Year Estimates, 2019

Much of the City's diversity is due to immigration. Table 1.2 below shows that while the foreign-born population of the City is significant at 36.9%, it did decline by 2.74% between 2010 and 2019. This decline is at odds with the continued nationwide growth in foreign-born population, which increased by about five million (or about 1%) over the same period.

Table 1.2

U.S. and Foreign-born Population in Los Angeles 2010-2019					
	2010 Population	Percent of Population in 2010	2019 Population	Percent of Population in 2019	Percentage Change 2010-2019
US Born	2,277,540	60.4%	2,504,590	63.1%	2.7%
Foreign Born	1,494,946	39.6%	1,462,346	36.9%	-2.7%
Sources: US Census Bureau; American Community Survey; 2019 and 2010 ACS 5-Year Estimates, Table DP02					

Nonetheless, Latin America and Asia continue to be the main geographies of origin for the City's foreign-born population. However, immigration from Latin America has

decreased by approximately 3% while immigration from Asia has increased by approximately 2%, and now represents the fastest growing population of foreign-born residents nationally.

The City of Los Angeles also has a notable population of undocumented immigrants. In 2019, there were 412,522 undocumented persons living in the City, which is equivalent to 10% of the population. The chart below shows that most of this population has been living in the City for over 10 years. Being undocumented can affect a household's access to housing and stability. For example, undocumented immigrants are restricted from the following types of federal housing assistance programs: Public Housing, Housing Choice Vouchers, Section 8, Project-Based housing, and certain affordable housing developments built utilizing certain grant programs. With the rescission of the Trump-era Mixed-Status rule, which dramatically restricted access to critical assistance programs for families with one or more undocumented household members, families with U.S.-born or documented children can participate in housing assistance programs. Nonetheless, many immigrant households remain hesitant to participate in government programs because of Department of Homeland Security's or Department of State's public charge policies, which may impact individuals' ability to apply for legal residency in the future.

Table 1.3

2018 Undocumented Immigrant Population in the City of Los Angeles		
Time Living in US	**Number**	**Percentage**
10 Years of Less	124,644	30.2%
11-20 Years	172,944	41.9%
21-30 Years	96,139	23.3%
30 Years of More	18,795	4.6%
Total Undocumented Population	**412,522**	100%

Source: California Immigration Data Portal: City of LA. Composition of the immigrant population by recency of arrival: Los Angeles; 2018.

Note: The California Immigrant Data Portal is an organization that utilizes micro-data from recent US Census 5-Year ACS estimates retrieved from IPUMS USA to provide estimates on the number of undocumented residents in major cities of the US.

Income and Employment

Employment and income play an important role in determining the City's housing needs. Due to the high costs of housing, jobs with higher wages provide greater housing opportunities; while low-paying jobs and access to employment limit housing options.

Jobs in the City of Los Angeles accounts for approximately 40.6% of all employment in the County (see Table 1.4 below). The City's civilian labor force consists of persons aged 16 and over who are either working or actively looking for work. Approximately 66.6% of the City's population is in the civilian labor force, up slightly from 66.5% in 2010.[2]

Table 1.4

Comparison of LA City and LA County Employment		
Jurisdiction	**Employment Numbers**	**LA City's Employment Share**
Los Angeles County	4,459,100	
Los Angeles City	1,811,600	40.6%

California Employment and Development Department. Labor Force and Unemployment Rate for Cities and Census Designated Places: Annual Averages Historical Data. 2020. https://www.labormarketinfo.edd.ca.gov/data/labor-force-and-unemployment-for-cities-and-census-areas.html#CCD

The 2019 ACS 5-year Estimate median annual household income in the City is $62,142, which represents an approximate increase of 26.5% from the 2010 median annual household income estimate of $49,138. Despite this percentage increase, Table 1.5 below shows that the City's median household income is still less than that of the County, the State, and the Nation.

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[2] Source: US Census Bureau; ACS; 2019 and 2010 ACS 5-Year Estimates, TableID S2301.

Table 1.5

Median Annual Household Income		
Jurisdiction	**2010 ACS 5-Year Estimate**	**2019 ACS 5-Year Estimate**
City of LA	$49,138	$62,142
County of LA	$55,476	$68,044
State of California	$60,883	$75,235
National	$51,914	$62,843
Sources: US Census Bureau; American Community Survey; 2019 and 2010 ACS 5-Year Estimates, Table DP02		

In determining housing needs, households are generally grouped into five income categories: extremely low-income (ELI), very low-income (VL), low income (Low), moderate-income (Mod), and above moderate-income (Above Mod). These income categories are used by federal, state and local agencies, with some variations, for various funding and incentive programs. Table 1.6 shows the definitions of these categories and the household distribution across the categories for the City.

Table 1.6

2021 US HUD Income Limits for Households, Los Angeles County				
Income Limit Category	**Persons in Family**			
	1	**2**	**3**	**4**
Extremely Low Income	$24,850	$28,400	$31,950	$35,450
Very Low Income	$41,400	$47,300	$53,200	$59,100
Low Income	$66,250	$75,700	$85,150	$94,600
Source: US Housing and Urban Development, 2021				

The top 5 projected occupations through 2028 in the County all have a median income of less than $31,250, indicating wages are not keeping up with the cost of living in Los Angeles. For example, the occupation with the most job openings (personal care aides) earns a median annual wage of only $24,491, meaning they could only comfortably afford spending approximately $600 a month in rent. This signals an urgent need for housing that is affordable to residents earning such low wages given the City's service-based economy.

Table 1.7

Top Five Projected Job Openings in Los Angeles County, 2018-2028		
Occupation	**Job Openings**	**Median Income**
Personal Care Aides	442,830	$24,491*
Combined Food Preparation and Serving Workers, Including Fast Food	221,570	$24,008*
Cashiers	212,980	$29,362
Retail Salespersons	166,200	$31,221
Waiters and Waitresses	163,210	$29,097
Source: California Employment and Development Department. 2018-2028 Local Employment Projections Highlights: LA County. *Data retrieved from 2016-2026 projections due to unavailable data for 2018-2028 projections.		

Higher median annual household incomes tend to be concentrated in the western areas of the City, while lower median annual household incomes tend to be concentrated in the central, eastern and southern areas of the City. The median annual household income disparity in the City is geographically illustrated in the Map 1.2 below.

Map 1.2

Median Household Income by Census Tract

- Under $30,000
- $30,000 - $60,000
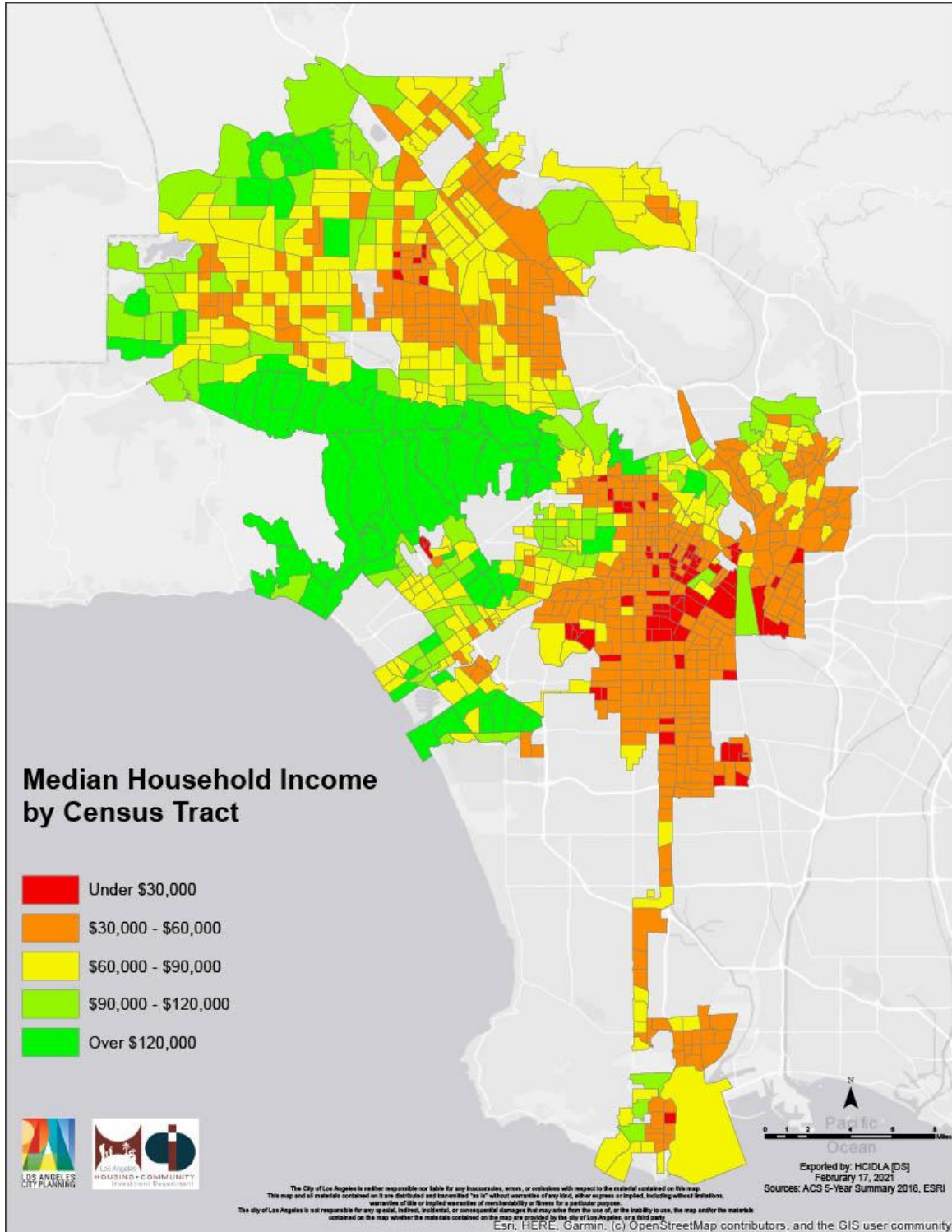- $60,000 - $90,000
- $90,000 - $120,000
- Over $120,000

Table 1.8 below shows the wide variation of incomes present in the City and highlights the high percentage of households with very low incomes. About 22% of the City's

households earn less than $25,000 a year and 42% of all households make less than $50,000 a year.

Table 1.8

Household Incomes in the City of Los Angeles	
Income	**2019 Percentage of Population**
$10,000 to $14,999	5.8%
$15,000 to $24,999	9.3%
$25,000 to $34,999	8.7%
$35,000 to $49,999	11.5%
$50,000 to $74,999	15.4%
$75,000 to $99,999	11.4%
$100,000 to $149,999	14.4%
$150,000 to $199,999	6.9%
$200,000 or more	10.0%
Sources: US Census Bureau; American Community Survey; 2019 ACS 5-Year Estimates, Table DP02	

According to the California Economic Development Department (EDD), as of April 2021 the City's current unemployment rate is 10.9%.[3] In February of 2020, before the COVID-19 pandemic, the unemployment rate had been steadily falling to 4.6%, while during June 2020 the rate had spiked to nearly 20%. The unemployment rate in the City of Los Angeles, LA County and the State are presented in Table 1.9 below. Generally, the City has had slightly higher unemployment rates compared to the State but appears to be recovering slightly better than the County as a whole.

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[3] CA Employment Development Department, May 21, 2021 release; Seasonally unadjusted.

Table 1.9

Effects of Covid-19 Pandemic on Unemployment			
Month	**City of LA**	**County of LA**	**State**
Feb	4.6%	4.6%	4.3%
Jun	19.8%	19.5%	15.1%
April 2021	10.9%	11.7%	8.5%
California Employment and Development Department. *Labor Force and Unemployment Rate for Cities and Census Designated Places: Annual Averages Historical Data.* 2020 and 2021. https://www.labormarketinfo.edd.ca.gov/data/labor-force-and-unemployment-for-cities-and-census-areas.html#CCD			

This employment data indicates that many residents in the City will continue to struggle to keep up with the City's high cost of living. The region is burdened by having extremely high housing costs in relation to incomes. The City of Los Angeles has median incomes similar to more economically depressed cities like Cleveland but has some of the highest housing costs in the country (see below for more on cost burden trends). Trends towards increasing low-wage service sector jobs in the region will greatly affect the demand for housing, in particular affordable housing.

Household Characteristics

This section analyzes household formation and household characteristics, which are both very important to consider planning for housing. A household may be composed of single individuals, families, unrelated individuals, or combinations thereof, each of which have different needs. The analysis below highlights trends towards smaller household sizes and non-family composition, continued movement towards rentals and away from ownership, as well as a "missing middle" in terms of both new building scale and affordability. This section also identifies the housing needs and characteristics of persons with special needs, including the unhoused, to better understand the varying housing needs of the City's diverse population.

Household Formation

Household formation (sometimes called "headship rate") measures the rate in which new households are being formed in relation to population growth. Household formation is an important housing indicator as the inability to form a new household indicates a lack of adequate affordable supply. Household formation has been declining in the Southern California region for many years, with younger Angelenos increasingly

unable to afford their own housing. Relatedly, many households who historically would have been able to purchase a home or condo are being forced to remain in the rental market which adds pressure as more higher income households compete for limited rentals.[4]

There are approximately 1,383,869 households in the City. This represents an almost 5.0% increase over the approximately 1,318,168 households in 2010. This rate of household growth has largely kept up with population growth (4.7%) in the prior decade; However, there remains a significant longstanding regional deficit that creates systemic problems with regards to housing formation. For example, there are more than 75,000 more Angelenos aged 25-34 in 2019 than in 2010 but 5,000 *fewer* heads of household in this key age group that is usually at the forefront of starting new households.

Household Composition & Size

Family sizes have become smaller since 2010, with almost 90,000 additional one and two person households in 2019, and about 43,000 fewer five and more person households (see Table 1.10 below). Approximately 30% of households consist of one-person, 29% are two-person, 15% are three-person and 26% of households have four or more persons. Smaller household sizes are a result of many social phenomena including the general forbearance of marriage and children. The United States has experienced a gradual decline in its fertility rate since the Great Recession.[5]

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[4] Myers, Dowell, Ph.D., "Housing Interconnections in Los Angeles: Shortages, Affordability, and Displacement." *Population Dynamics Research Group, Sol Price School of Public Policy, University of Southern California*, October 2019.
https://cpb-us-e1.wpmucdn.com/sites.usc.edu/dist/6/210/files/2020/04/Haynes-Final-Report-USC-Housing-Interconnections-submitted-100919.pdf
[5] "With a potential 'baby bust' on the horizon, key facts about fertility in the U.S. before the pandemic," *Pew Research Center*, May 7, 2021.
https://www.pewresearch.org/fact-tank/2021/05/07/with-a-potential-baby-bust-on-the-horizon-key-facts-about-fertility-in-the-u-s-before-the-pandemic/#:~:text=The%20general%20fertility%20rate%20in,which%20the%20fertility%20rate%20declined
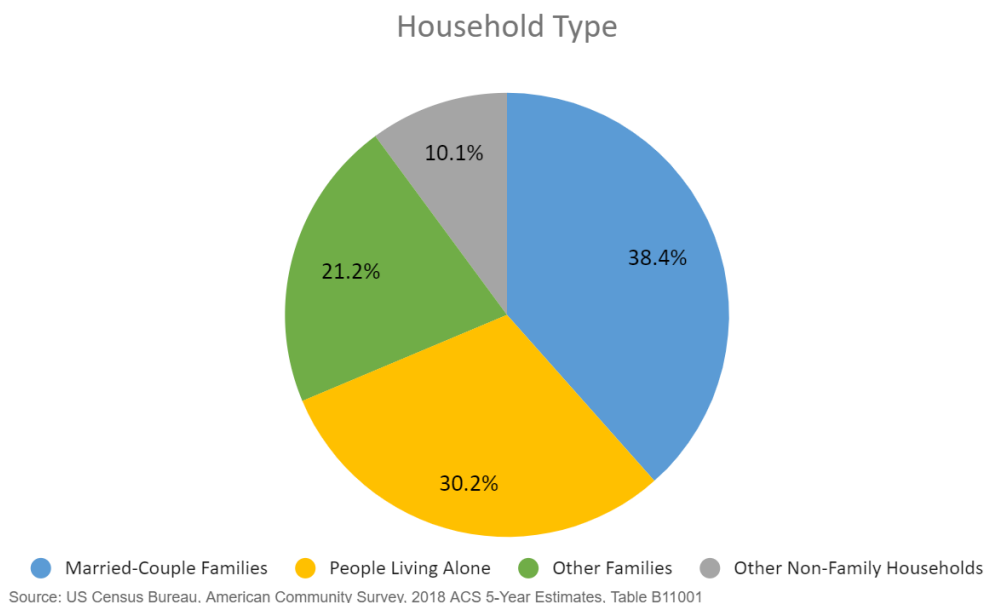
Table 1.10

Number of Persons in Household, 2010-2019				
Number of Persons in Household	**Number of Households, 2010**	**Number and Percentage of Households, 2019**	**Percentage of all Households, 2019**	**Difference in the Number of Households, 2010-2019**
1 Person	373,529	418,680	30%	45,151
2 Person	356,194	399,841	29%	43,647
3 Person	200,443	212,742	15%	12,299
4 Person	174,043	180,936	13%	6,893
5 Person	101,385	94,650	7%	-6,735
6 Person	52,087	41,370	3%	-10,717
7 or More	60,487	35,650	3%	-24,837
Sources: US Census Bureau; ACS; 2019 and 2010 ACS 5-Year Estimates, Table B25009				

A "family" is defined by the Census as a household made up of two or more people living together who are related by blood, marriage, or adoption, one of whom is the Head of Household. A "non-family household" consists of a person living alone or a householder who shares the home with non-relatives only, such as roommates. As shown in Chart 1.4 below, married couple families constitute approximately 38% of all households, followed by people living alone (30%), other families (21%) and other non-family households (10%). Non-family households have increased slightly since 2010, from 39% to 40% from 2010 to 2018.

Chart 1.4

Household Type

Married-Couple Families ● People Living Alone ● Other Families ● Other Non-Family Households

Source: US Census Bureau, American Community Survey, 2018 ACS 5-Year Estimates, Table B11001
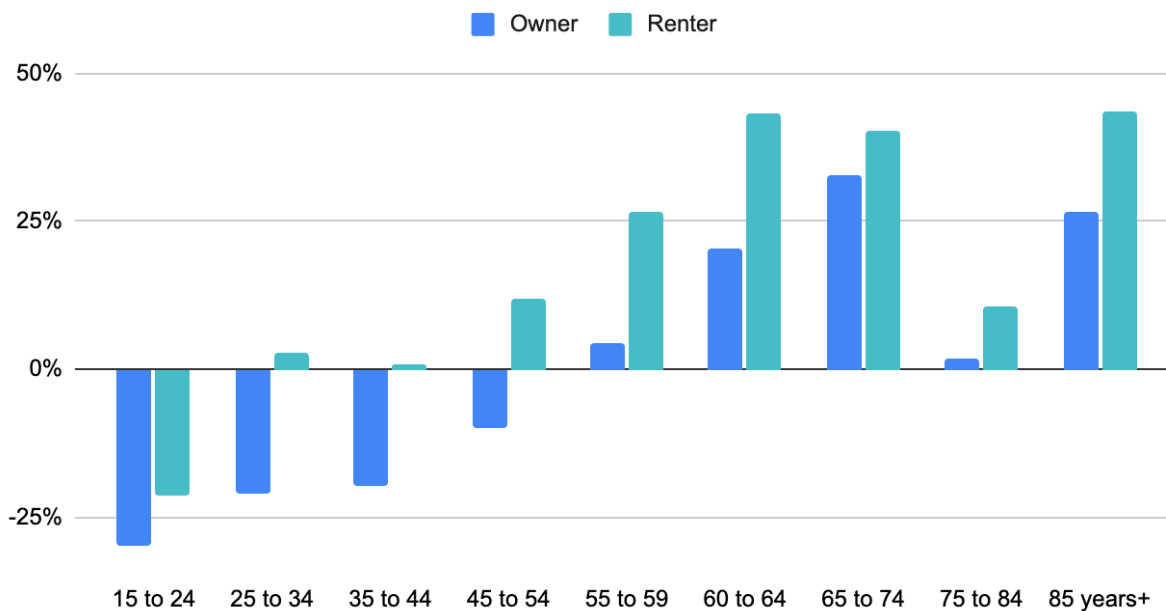
Owner and Renter Households

The vast majority of households in the City rent the homes they live in. About 868,282 households (approximately 63%) in the City rent their housing units, while approximately 505,582 households (approximately 37%) own their homes.

Changes in tenure have disproportionately affected younger Angelenos. From 2010 to 2019, the share of homeowners below age 45 dropped dramatically, by over 25%. It's important to note that this 25% decline did not translate to any increase of renters under age 45 (see Chart 1.5 below). This indicates that most young people cannot afford to create a household in the City and may be more likely to migrate out to other cities or states, or to live with parents or family. These changes affecting younger residents are largely due to housing cost and availability[6].

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[6] How Do Shortages Lead to Dislodgement and Disappearing Renters? (Housing Research Brief 6) by Dowell Myers and JungHo Park, August 2019, USC Sol Price School of Public Policy.

Chart 1.5

Change in Tenure by Age, 2010-2019

■ Owner   ■ Renter

Sources: US Census Bureau; American Community Survey; 2019 and 2010 ACS 5-Year Estimates, Table DP05

Households with Special Needs

Housing is not equally accessible for all residents throughout the City. Elderly, disabled individuals (including those with developmental disabilities), female-headed households, large families (5 or more persons), farmworkers, and homeless households often face significant barriers in obtaining affordable and accessible housing suitable to their specific needs. Residents in these special needs categories are also sometimes subjected to housing discrimination and face unique housing challenges. Therefore state Housing Element law requires an analysis of the housing needs of people who have special needs. Significant portions of the City's population and households fall under this category, as indicated by Table 1.11 below.

Table 1.11

Special Needs Populations, City of Los Angeles		
	Persons	**Households**
Seniors (65+)	491,598	281,001
Seniors with Disabilities	179,493	N/A
Non-Seniors with Disabilities (16-64)	217,738	N/A
Large Families (5 or More Persons)	N/A	172,811
Single Female-Headed Households w/ Related Children	N/A	111,054
Persons Living with HIV/AIDS	N/A	N/A
Homeless Persons	41,290**	N/A
Farm Workers	6,621	N/A
Source: ACS 5-Year Estimate, 2019; * 2009 Estimate by AIDS Coordinator Office, City of Los Angeles; ** 2020 LAHSA Greater Los Angeles Homeless Count		

Senior-Headed Households

As mentioned earlier, the City's population is aging, and addressing the growing housing needs of seniors is imperative. For the purposes of this Housing Element, seniors include persons aged 65 years or older. The housing needs of seniors are particularly challenging and require special attention because of the combination of fixed incomes, varying physical and sensory disabilities, and mobility/transportation limitations, all of which limit access to appropriate, accessible, and affordable housing. Seniors comprise approximately 12% of the City's population (491,598 people), and nearly 20% of all households citywide (281,001) are headed by seniors. Over 44% of these households are seniors who live alone while the rest are households composed of senior heads of households living with other person(s). Over 58% (160,860) of seniors live in owner-occupied housing, while 42% (117,104) are renters.

Table 1.12

| Senior Households by Tenure and Age			
	Owner-Occupied	**Renter-Occupied**	**Total**
65-74 Years	88,303	69,687	157,990
75 Plus Years	72,557	50,454	123,011
Total	160,860	117,104	277,964
Source: US Census Bureau; ACS; 2019 ACS 5-Year Estimates, Table B25007			

Of the City's 281,001 senior-headed households, approximately 34% earned less than $25,000 and 61% earned less than $60,000. However, the proportion of seniors living below the federally-defined poverty level is lower than that of the total city population.

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Approximately 16% of the City's seniors were living below the poverty level, compared to 19% of the City's working-age population (18-64) who live below the poverty line.

Chart 1.6

Senior Household Income Distribution in the City of Los Angeles, 2019
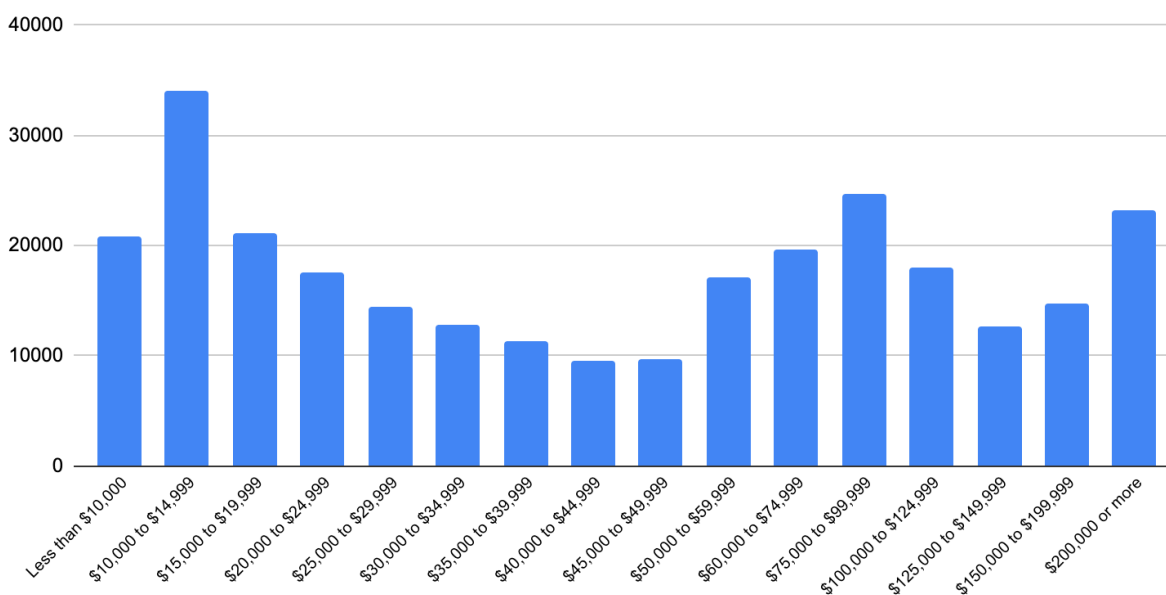
Source: American Community Survey 2019 5-year

The percentage of adults over the age of 55 who are renting has increased much faster than the percentage owning. While the percentage of older adult homeowners has increased by approximately 15%, the percentage of older adult renters has increased by nearly 30%. This indicates rising demand for appropriate and accessible senior rental housing.

Cost Burdens for Seniors

Due to these lower incomes, seniors generally face a greater housing cost burden. Households that pay 30% or more of their monthly income for rent or for owning a home are deemed "cost-burdened," and those that pay 50% or more on rent or mortgage payments are "severely cost-burdened" (a deeper analysis of cost burden is provided later in this chapter). Of senior heads of households who are renters, nearly 65% pay more than 30% of their income on rent. This is a higher rate of rent burden than any other age group, except those between 18 and 24 years of age.

Cost burden is lower among senior homeowners, however still significant. More than 38% of senior homeowners spend over 30% of their income on owner-related housing costs. Households headed by seniors who own their home may face physical and

financial barriers in maintaining their properties or retrofitting them to accommodate mobility limitations. Additionally, many senior-headed homeowners in the City are "home-rich and cash-poor," which means they have significant home equity but little income or savings. These seniors are often specifically targeted for reverse mortgages and other predatory home loans, which undermines long-term housing security for them and their families.

Persons with Disabilities

A disability is defined by the Federal Government as "a physical or mental impairment that substantially limits one or more major life activities of such an individual." (42 U.S.C. § 12102). People with disabilities, which include but are not limited to physical, sensory, or mental health disabilities, often require special housing accommodations. Approximately 10% or 395,513 people in Los Angeles have a disability and live in a non-institutional setting. Of those, approximately 45% are over the age of 65 and 27% are over the age of 75.

The most common disabilities for people between 18 and 64, are ambulatory difficulties (serious difficulty walking or climbing stairs), cognitive difficulties (due to physical, mental, or emotional condition, having difficulty remembering, concentrating, or making decisions), and vision or hearing difficulties (deaf or having serious difficulty hearing, blind or having serious difficulty seeing, even when wearing glasses). For people over the age of 65, the most common disabilities are ambulatory, vision and hearing difficulties, living independently and difficulties providing self-care, see Table 1.13 below. The Census defines people with independent living difficulties as those who need assistance with errands, such as visiting a doctor's office or shopping, due to a physical, mental, or emotional issue. Similarly, difficulty with self-care is defined as having difficulty bathing or dressing.

Table: 1.13

Prevalence of Disability by Age and Type of Disability			
Disability	**% Under 18**	**% Aged 18-64**	**% Aged 65+**
Vision and/or Hearing Difficulty	1.1	2.9	21.1
Ambulatory Difficulty	0.7	3.5	26.1
Cognitive Difficulty	2.9	3.1	12
Self-Care Difficulty	0.7	1.4	12.7
Independent Living Difficulty	1	2.6	20.1
Source: US Census Bureau; ACS; 2018 ACS 5-Year Estimates, Table S1810			

People with vision and/or hearing disabilities often have particular housing needs, and may need accessible signage, auditory alarms, and service animal accommodations to access their housing. People with hearing disabilities, for example, may need visual alerts and accommodations to enable effective communication. Persons with physical or ambulatory disabilities often require housing with accessible features, such as ramps, grab-bars, and wider doorways.

Persons with HIV/AIDS

For persons living with HIV/AIDS, access to safe, accessible and affordable housing is an important measure of overall well-being. For many, the shortage of such housing is a primary barrier to consistent medical care and treatment. According to the LA County Public Health's 2019 Annual HIV Surveillance Report, a total of 52,004 persons were living with a positive HIV diagnosis in Los Angeles County.[7] According to the 2018 Medical Monitoring Project's HIV Surveillance Special Report, four in ten persons with HIV lived in households at or below the poverty threshold, and nearly one in 10 experienced homelessness.[8] Black men have the highest rates of HIV and the highest rates of homelessness in the City, which is reflective of the historic and ongoing impacts of systemic racism.

Large Households

Large households, defined as those with five or more persons, have special housing needs due to the lack of adequately sized and affordable housing. In 2019, there were 172,580 large family households, representing approximately 13% of total households in the City of Los Angeles. The majority of large households (98%) are family members living together, which could include multi-generational households. Since 2010, the number of large family households decreased by approximately 4% while the number of large non-family households increased by nearly 26%. These trends likely reflect the ongoing housing affordability crisis as larger units are increasingly occupied by adult roommates who typically have a combined household income greater than families, which may include children and elderly persons.

The trend towards more roommate housing arrangements exacerbates the shortage of

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[7] HIV Surveillance Annual Report 2019, Division of HIV and STD Programs, Department of Public Health, County of Los Angeles, May 19, 2020; Can be accessed here: http://www.publichealth.lacounty.gov/dhsp/Reports/HIV/2019Annual_HIV_Surveillance_Report_08202020_Final_revised_Sept2020.pdf
[8] Centers for Disease Control

appropriately-sized housing available to large families, particularly large families seeking rental housing. In 2019, only 12% (163,000) of combined renter- and owner-occupied units contained four or more bedrooms and only 30,000 of these were rentals.

Families with Female Heads of Households

Female-headed households also have specific housing needs given that they generally have lower incomes and higher living expenses, which could be attributed to the systemic gender pay gap that also varies greatly based on race and ethnicity. Female-headed households with minor children may also lack the resources needed for adequate child care or job training services, often making the search for affordable, decent and safe housing more difficult. In the City, there are over 477,000 female headed households, accounting for over 35% of all households. Of these households, over 111,000 households are caring for children (under 18) of relatives. Female Single Custodial Parent households tend to have lower incomes and higher rates of poverty.

Table 1.14

Female Headed Household Types	
Type of Household	**Total**
Total Households	1,373,864
Total Female-Headed Households	477,349
Total Non-Family Households, Female Householder	278,485
Total Family Households, Female Householder	198,864
Female Heads with Related Children Under 18	111,054
Female Heads with Own Children Under 18	90,658
Source: US Census Bureau; ACS; 2018 ACS 5-Year Estimates, Tables B11003, B11004, B11005.	

Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) Households

LGBTQ individuals and households also face higher rates of discrimination and homelessness, particularly transgender individuals, youth, and lower-income LGBTQ households. According to the 2020 LA City Point in Time Count, there are 666 individuals experiencing homelessness who identify as transgender, of whom 531 are unsheltered. The unsheltered rate among transgender homeless individuals is nearly double that of the overall unhoused population (43% compared to 80% respectively). This suggests that transgender people face significant barriers accessing emergency and temporary shelter, and experience serious challenges with housing instability. There are also 4,133 unhoused people who identify as gay, lesbian, bisexual, or queer, and

2,015 (49%) are unsheltered. Service providers and LGBTQ advocacy organizations report that homelessness is particularly common among LGBTQ youth who may be forced out of their homes and have nowhere else to live.

Not all LGBTQ households face the same level of housing barriers. A 2015 statewide study by the Williams Institute at UCLA School of Law found that LGBTQ women, Latinx and Black households, and those who are also undocumented, are all more likely to be lower-income. Approximately 30% of LGBTQ females have incomes under $24,000 a year compared to 23% of males. Similarly, 36% of Latinx and 30% of Black LGBTQ persons have annual incomes lower than $24,000 compared to 15% of White LGBTQ persons. Race, gender, and income disparities within the LGBTQ community are often compounding factors that make finding and maintaining affordable and welcoming housing even more difficult.

Farmworkers

Farmworkers are defined by the Census as "agricultural workers and their supervisors," and represent a very small percentage of the City's total population. According to the Census, there are about 6,621 farmworkers employed in this field in Los Angeles. This constitutes a very small portion of both the total jobs and workers in the City. Farmworkers generally receive much lower wages than other local occupations. Farmworkers and related laborers (agriculture, forestry, fishing and hunting) in the City had an annual mean wage of $21,328 in 2019, according to the 2019 ACS. These wages severely limit housing options for farmworkers in Southern California's expensive housing market. Overcrowding and substandard housing conditions are often the only option.

Homeless Persons

The number of homeless individuals and households increased significantly since the previous Housing Element. According to the Point in Time Count, between 2015 and 2020, the total number of people experiencing homelessness rose from 25,686 to 41,290 persons, see Chart 1.7 below. The sheltered population rose in 2020, reflecting various city efforts to open new shelters and increase access to temporary housing; however, nearly 70% of the City's unhoused population still remains unsheltered. See Chapter 5 for more information on the City's efforts on homelessness.

Individuals and families are generally considered homeless if they lack a fixed, regular, and adequate nighttime residence. Unhoused people who are sheltered include

individuals or families in temporary living arrangements. This includes those who are living in transitional housing, whereas unsheltered people include individuals/families living in a place not meant for permanent human habitation (such as tents, boxes, recreational vehicles, or personal vehicles).

Chart 1.7

Total Homeless Population, City of Los Angeles

Source: LAHSA Homeless Count, 2020

Homelessness is not equally experienced across demographic groups. Black people, men, and survivors of domestic violence are disproportionately more likely to experience homelessness. Black residents constitute just 8.6% of the City's overall population, but make up at least 38% of all homeless individuals (see Chart 1.8 below). Latinx homelessness accounts for the greatest increase in homelessness. The racial disparities related to housing and homelessness are rooted in structural racism and historic and ongoing discrimination.

Chart 1.8

Homelessness in LA
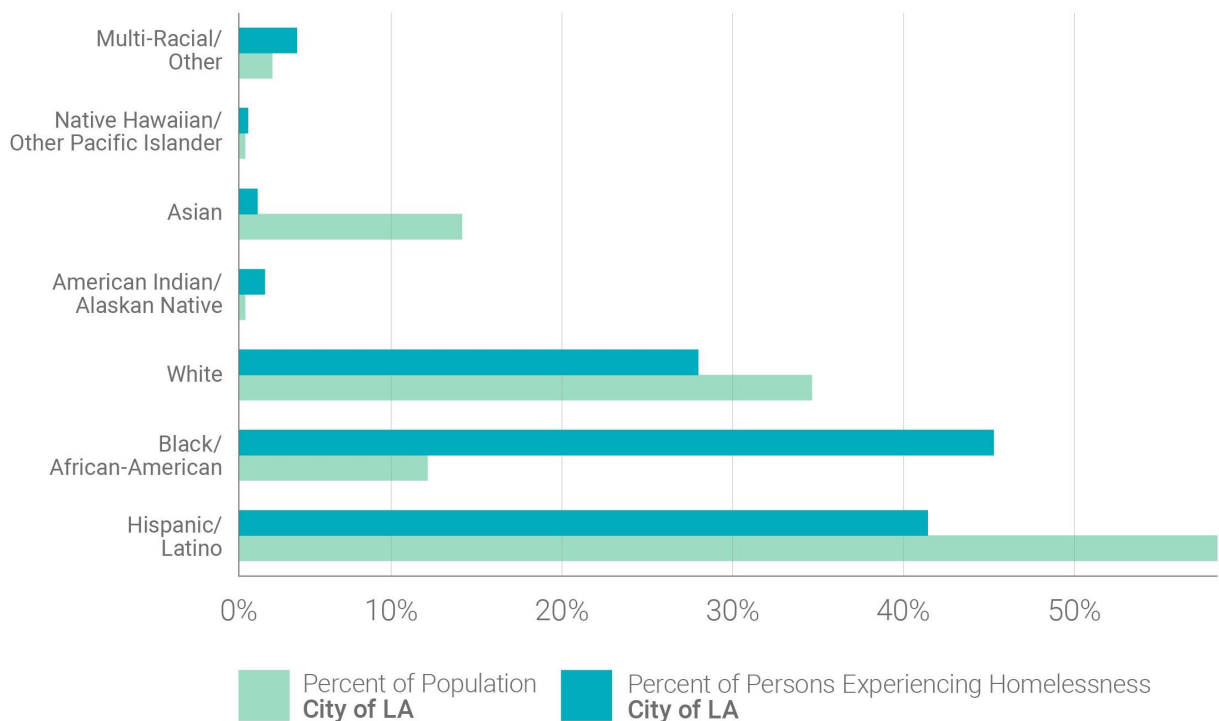
Data Source: National Equity Atlas/PolicyLink and the USC Program for Environmental and Regional Equity.

Housing Stock Characteristics

Type and Size

Single-family dwelling units are the most common type of housing in the City. There are approximately 565,000 detached single-family dwelling units in the City, accounting for approximately 38% of the housing stock. One-third of the City's housing stock includes units in low-density, attached multi-family developments with less than 20 units per building. Approximately 28% of the housing stock includes units in larger multi-family housing, more than 20 units per building (See Chart 1.9).

Chart 1.9

Total Units in Structure by Size of Structure, 2019

50 or more
15.0%

20 to 49
13.6%

10 to 19
9.7%

5 to 9
8.8%

1, detached
38.1%

1, attached
5.9%

2
2.9%

3 or 4
6.0%
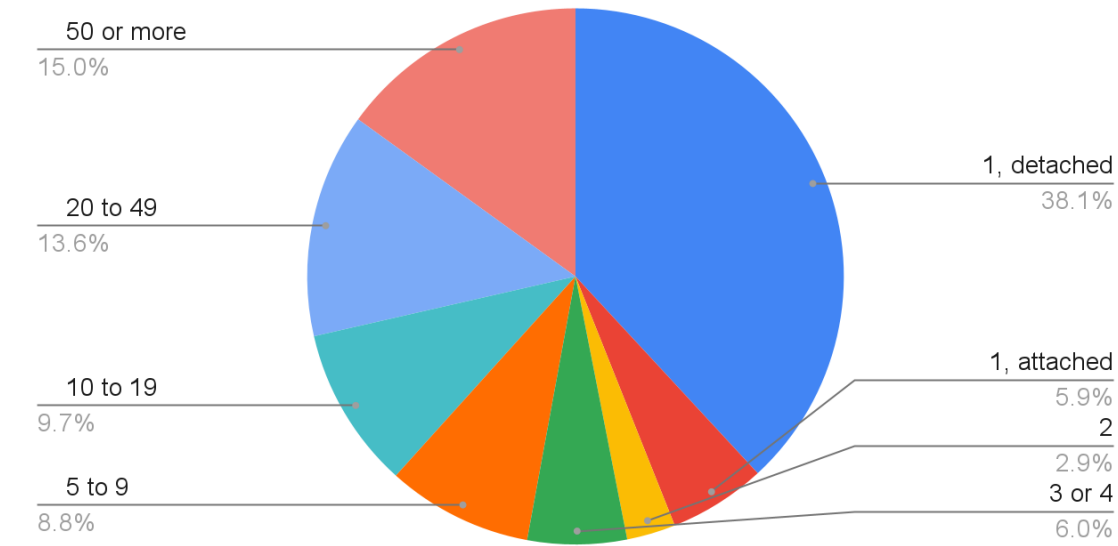
Source: US Census Bureau; ACS; 2018 ACS 5-Year Estimates, Table B25024

From 2010 to 2019, more than half of all new housing units created have been in larger multi-unit buildings with more than 50 units. This is an increase of 50.6% in this category (see Table 1.15 below). The second fastest growing housing structure size are 20-49 unit developments, which grew 16.7%. In that same period, the City added 9,734 new single-family detached units, which is a significant numerical gain but represents an 11.5% increase. Units between 2 to 19 units grew between 3 and 6.7%, indicating modest gains in missing middle housing.

Table 1.15

Change in Units in Structure, 2010-2019		
Number of Units	**Change in Units 2010-2019**	**Percent Change 2010-2019**
1, detached	9,734	11.5%
1, attached	541	0.6%
2	4,585	5.4%
3 or 4	2,528	3.0%
5 to 9	5,664	6.7%
10 to 19	3,996	4.7%
20 to 49	14,120	16.7%
50 or more	42,697	50.6%
Source: U.S. Census Bureau; ACS, 2019 ACS 5-Year Estimates, Table DP04		

There is a fairly even distribution of housing with varying unit sizes. Nearly one quarter (24%) of all units have one bedroom, about one third have two bedrooms, and another quarter (24%) have three bedrooms. Renter-occupied units tend to be much smaller than owner-occupied housing, roughly half are studios or one-bedroom units. Just about 15% of the renter-occupied housing stock encompasses three or four bedroom units. This is a drastic difference compared to the 70% of owner-occupied housing having three or four bedrooms. As mentioned previously, the lack of three- and four-bedroom rental units makes it difficult for larger households to find appropriate and affordable rental housing.

Table 1.16

Housing Tenure by Unit Size (2019)						
	Owner-Occupied		**Renter-Occupied**		**Total**	
	Units	**Percentage**	**Units**	**Percentage**	**Units**	**Percentage**
0 Bedrooms	5,437	1%	130,570	15%	136,007	10%
1 Bedroom	19,599	4%	309,594	36%	329,193	24%
2 Bedrooms	128,217	25%	302,105	35%	430,322	31%
3 Bedrooms	218,297	43%	96,287	11%	314,584	23%
4+ Bedrooms	134,565	27%	29,193	3%	163,758	12%
Total Units	**506,115**	**100%**	**867,749**	**100%**	**1,373,864**	**100%**
Source: U.S. Census Bureau; ACS, 2019 and 2010 ACS 5-Year Estimates, Table B25042						

Tenure

The majority of housing units in the City are renter-occupied (approximately 63%). From 2010 to 2019, the total number of renter-occupied housing units increased by 8.9% (71,652 more units) while owner-occupied housing decreased by less than 1% (1,981 fewer units).

Table 1.17

Change in Tenure, 2010-2019		
	Renter-Occupied	**Owner-Occupied**
2019	874,365	509,504
2010	802,713	511,485
Change 2010 - 2019	**71,652**	**-1,981**
% Change	**8.9%**	**-0.4%**
Source: U.S. Census Bureau; ACS, 2019 and 2010 ACS 5-Year Estimates, Table B25032		

This continued shift in tenure towards rentals is due in large part to the construction of primarily rental units as well as continued conversions of owner-occupied single-family dwellings to rentals. This includes a loss of almost 5,000 owner-occupied single-family (detached and attached) units and a simultaneous increase of over 10,000 in renter-occupied single-family units. Conversion of single-family homes to rentals continues a trend that began during the Great Recession and foreclosure crisis in the latter part of the prior decade, whereby homes were often bought by corporate investors (such as private equity firms and hedge funds) and turned into rental properties. See Table 1.18 to see the change in tenure by size of structure.

Table 1.18

Tenure by Size of Structure, 2010-2019 Change						
	Owner-Occupied		**Renter-Occupied**		**Total**	
	Units	Percentage	Units	Percentage	Units	Percentage
1 unit detached	-2,386	-0.6%	7,549	6.2%	5,163	1.0%
1 units attached	-2,545	-7.1%	2,686	5.9%	141	0.2%
2 units	101	1.5%	3,188	10.9%	3,289	9.2%
3 or 4 units	-71	-1.1%	3,173	4.4%	3,102	4.0%
5 to 9 units	1,864	26.7%	3,360	3.1%	5,224	4.5%
10 to 19 units	-156	-1.5%	3,947	3.3%	3,791	2.9%
20 to 49 units	740	5.3%	12,010	7.6%	12,750	7.4%
50 or more units	1,166	6.0%	34,874	24.5%	36,040	22.3%
Mobile home, or Boat, RV, van, etc.	-675	-10.3%	690	31.5%	15	0.2%
Total Occupied Units	**-1,962**	**-0.4%**	**71,477**	**8.9%**	**69,515**	**5.3%**

Source: U.S. Census Bureau; ACS, 2019 and 2010 ACS 5-Year Estimates, Table B25032

Ownership trends vary significantly by age and race/ethnicity. Homeownership is becoming particularly out of reach for younger families, with a 13% decline in the number of owner-occupied households headed by individuals under 45 years old since 2010. With regards to race and ethnicity, the number of Black homeowners has decreased by 11%, while the number of Asian homeowners increased by 14% and Latinx by 4%. White homeownership fell by about 1%, while White renters increased by 14%.
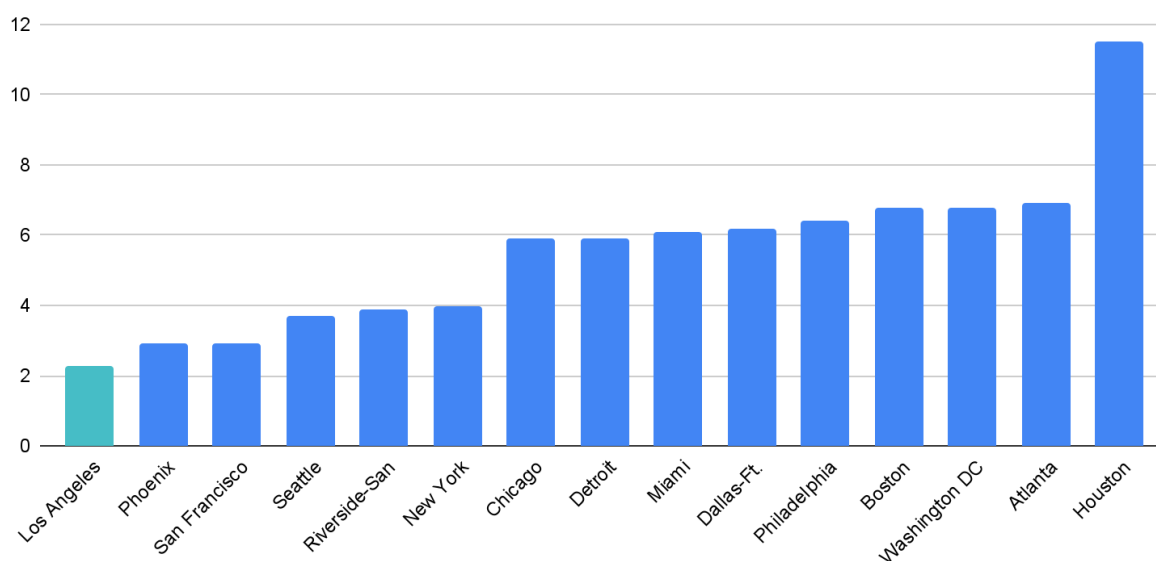
Vacancy Rate

For a housing market to function smoothly, a healthy amount of vacant units are needed. Too low of a vacancy rate means demand is outstripping supply and housing prices therefore typically rise.

The Los Angeles region has had very low vacancy rates for a long time. Prior to COVID-19 (1Q 2020), the Los Angeles metro area had the second lowest rental vacancy

rate in the United States and the lowest of major metropolitan areas (2.3% - see Chart 1.10 below). Vacancy rates have risen since then, as they have in many major cities, due in part to the COVID-19 pandemic[9]. The first quarter vacancy rate of 5.5% is the highest in the last six years. The rise in vacancies since 2020 has coincided with a recent decrease in rents in Los Angeles and many other high-cost cities where vacancies have risen.

Chart 1.10

Vacancy Rates by Metropolitan Statistical Area, 2020 Q1

Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, April 2020

In the 5-year period prior to the COVID-19 pandemic, the rental vacancy rate was 3.7%. The distribution of rental vacancy rates throughout the City are shown in the Map 1.3 below. Analysis conducted by HCIDLA shows vacancies are lowest among rent stabilized and older housing units. Newer units have higher vacancy rates due in part to the lag time in lease-up, as well as the often higher rents found in new construction as compared to older housing stock.

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[9] As of the publication/writing of this document, it is still unclear what the long-term impacts of the COVID-19 pandemic will be on vacancy rates in the City.

Map 1.3

Renter Vacancy Rate
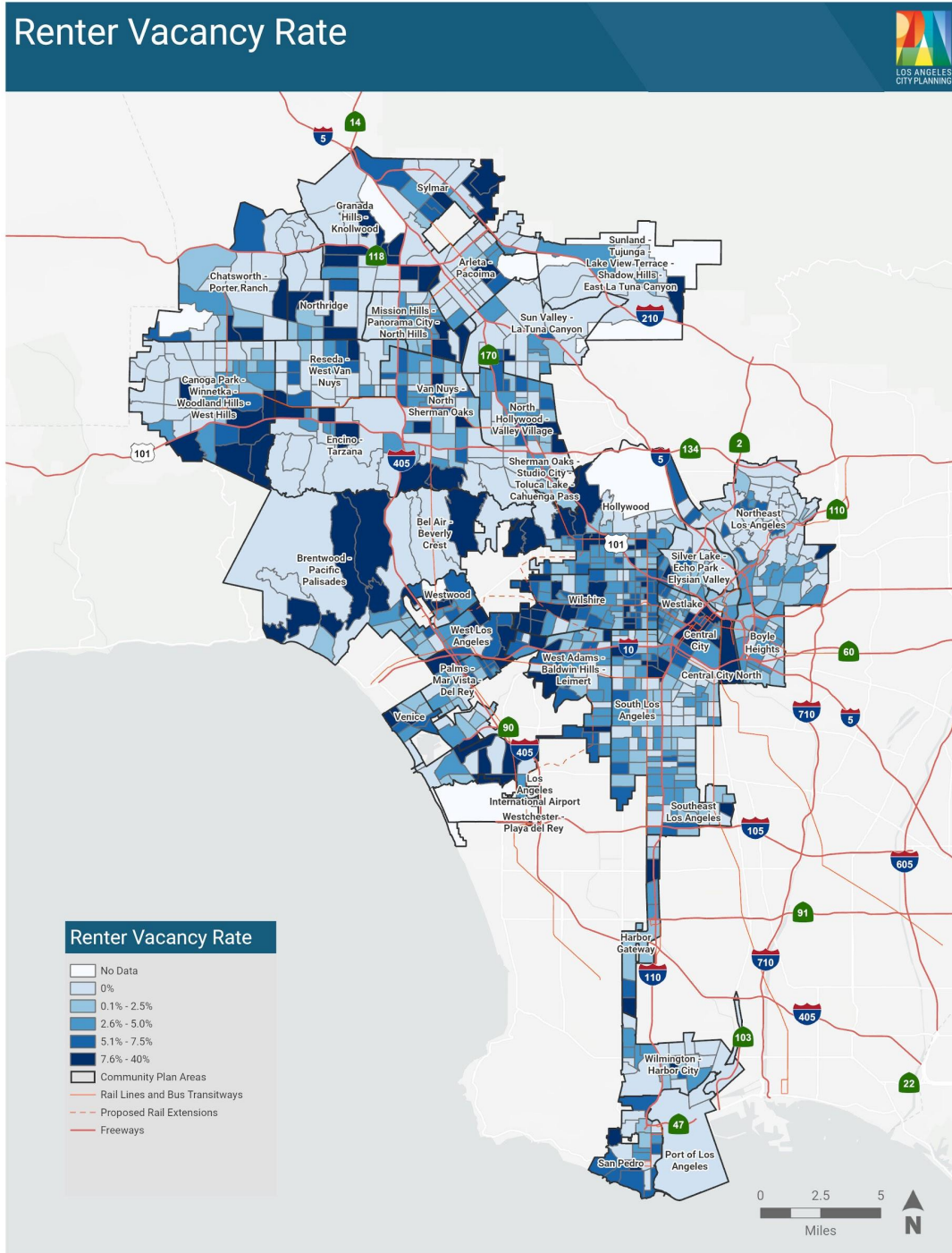
Vacancy is the result of different factors, including the natural turnover of units, but also use for other purposes (e.g., short term rentals). About one-half of all vacant units in Los Angeles are actively for rent or for sale, or already rented or sold but not occupied

(see Table 1.19 below). The "seasonal, recreation or occasional use" vacancy category has increased most from 2010 to 2019, while the "for rent" category has decreased the most. The rental vacancy rate in the ACS (reported above) is the proportion of the rental inventory which is vacant "*for rent*."

Table 1.19

| Vacancy Status by Housing Type		
Housing Type:	**Total**	**Percent**
For rent	34,278	31.4%
Rented, not occupied	9,998	9.2%
For sale only	5,636	5.2%
Sold, not occupied	4,500	4.1%
For seasonal, recreational, or occasional use	13,850	12.7%
For migrant workers	92	0.1%
Other vacant	40,885	37.4%
Total	**109,239**	

Source: Source: US Census Bureau; American Community Survey; 2019 and 2010 ACS 5-Year Estimates, Table DP02.

Age and Condition

Nearly half of the City's housing stock was built prior to 1960 and is now over sixty years old. Approximately one in five housing units (20%) were built before 1939 (See Chart 1.11 below.) The percentage of housing built in the 1990s and 2000s is the lowest of any decade. Rental housing tends to be a bit newer than owner-occupied housing.

Chart 1.11

Age of Housing Units
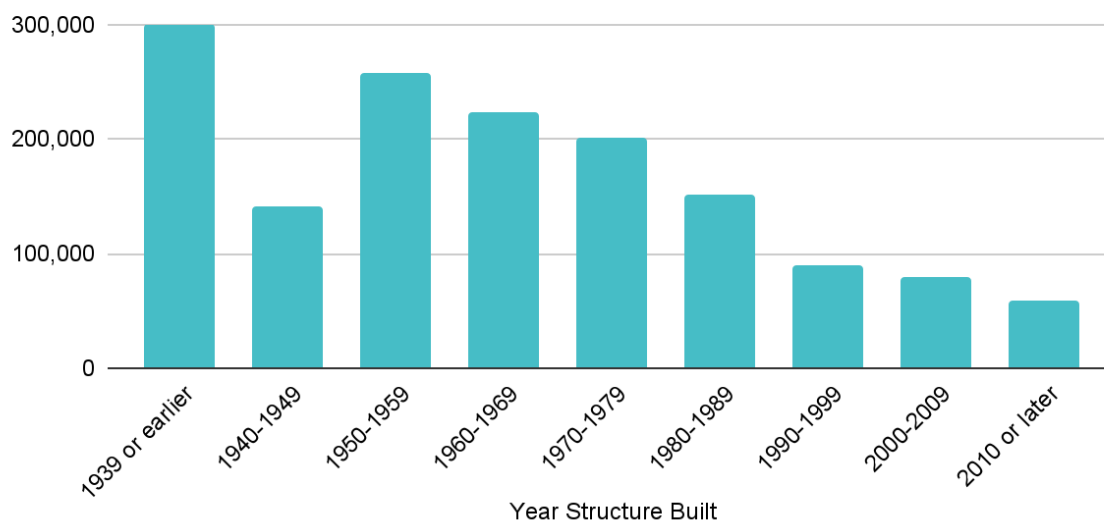
Source: US Census Bureau, American Community Survey 2014-2018

An aging housing stock requires continual maintenance and is more likely to have significant habitability issues. For example, housing built prior to the 1940s is more prone to have lead paint, mold, and other hazards that can cause significant neurological and respiratory health issues, especially for younger children aged 1 to 5. Older housing is also likely to have significant structural issues and inadequate or unsafe plumbing and electrical systems.

Due to the housing affordability crisis in the City, many residents end up renting unregistered and illegally-constructed units, many of which do not have kitchens and lack proper infrastructure like plumbing. There are also at least 300 single-room occupancies (SROs), also known as residential hotels, with more than 10,000 units (guest rooms) that lack kitchen facilities. In total, nearly 25,000 renter-occupied units in the City do not have a complete kitchen and approximately 7,400 units do not have working plumbing. Many of these units without kitchen facilities are heavily concentrated in the central areas of the City, which historically have a larger share of SROs and residential hotels.

Table 1.20

Housing Units Lacking Complete Facilities (2019)				
	Owner-Occupied		**Renter-Occupied**	
	Units	**Percentage**	**Units**	**Percentage**
Plumbing	1,161	0.2%	7,441	0.9%
Kitchen	1,776	0.4%	24,524	2.8%
Source: U.S. Census Bureau; ACS, 2019 ACS 5-Year Estimates, Table B25053				

Data from the City's Systematic Code Enforcement Program (SCEP) and Rent Escrow Account Program (REAP) further illustrates the dire habitability issues facing many tenants in the City. Based on 2021 SCEP data, there are over 409 multi-family properties in the City that have severe habitability issues and violations (these properties are referred to as "Tier 2"). Most of these properties are concentrated in the neighborhoods of Westlake, East Hollywood, South Park, Vermont Square, and Florence in South and Southeast Los Angeles. If a property owner fails to respond to and correct habitability violations, the property is put into the Rent Escrow Account Program (REAP) which requires that all rent revenue be used to address outstanding violations. As of late 2020, nearly 700 properties throughout the City have been placed into REAP. These properties are disproportionately located in the central and southern neighborhoods of the City.

Protected units

There are over 620,000 rental units in the City that are regulated by the Rent Stabilization Ordinance (RSO), which limits rent increases, protects tenants from arbitrary eviction, and requires that evicted tenants receive relocation assistance. The RSO covers most multi-family rental properties constructed before October 2, 1978. As shown in the charts below, the older core of the City (including the Wilshire, Hollywood, and South Los Angeles areas) have the most RSO units in the City. By Council District, the highest number of RSO units are located (in order) in Districts 13, 10, 4, 5, 1 and 11.

Table 1.21

| Top Ten Community Plan Areas by Number of RSO Units	
Community Plan Area	**Total RSO units**
Wilshire	87,415
Hollywood	68,359
South Los Angeles	50,739
West Adams/Baldwin Hills/Leimert	42,218
Southeast Los Angeles	37,251
Northeast Los Angeles	33,238
Van Nuys/N. Sherman Oaks	29,133
Westlake	28,624
North Hollywood/Valley Village	25,917
Palms/Mar Vista/Del Rey	25,837
Source: Housing and Community Investment Department of Los Angeles	

Housing Costs and Overcrowding

Housing is generally the largest single expense facing American households. In Los Angeles, the extremely high cost of housing in relation to incomes is a primary cause of many of the City and region's most intractable problems (see the Executive Summary). Better understanding of these costs, both for rental and for-sale housing, is important to making progress to make more housing affordable and attainable. This section will include analysis of past cost trends and comparisons to other major cities in order to provide perspective to the scale of the affordability crisis in the City.

Cost Burden

While housing costs may be higher in some other major cities, the City of Los Angeles has long been one of the least affordable areas in the country when comparing housing costs to median incomes. When households pay more than 30% of their income for housing costs, they are considered "rent burdened" or "cost burdened" because the amount is considered unaffordable. If the total payment is 50% or more of the household's monthly income the term is "severely cost burdened." In 2019, Los Angeles had a higher percentage of cost burdened renter households (59.2%) than any other major American city (see Chart 1.12 below).

Chart 1.12

Percentage of Rent Burdened Households, Major US Cities
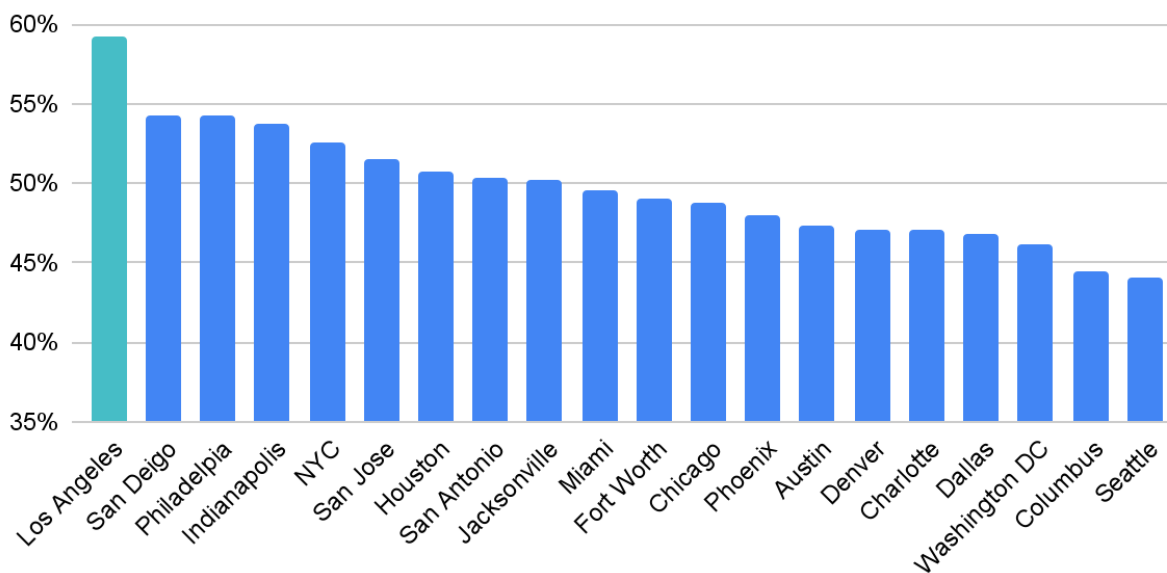
American Community Survey; 2019: ACS 5-Year Estimates

In Los Angeles, almost 52% of total households are considered cost burdened. The overall percentage of cost burdened households has fallen three percentage points since 2010, but risen slightly for renters and decreased significantly for owners (see Table 1.22). The decrease in owner cost burdens is also seen nationwide and may reflect the large number of over-extended owners that existed in the 2010 data and changes to lending standards put in place since the subprime mortgage crisis.

Table 1.22

Percentage of Cost Burdened Households by Tenure, 2010 and 2019		
	2010	**2019**
Renter Occupied	58.0%	59.3%
Owner Occupied	49.9%	39.3%
Total Households	**54.8%**	**51.7%**
Source: U.S. Census Bureau; ACS, 2019 ACS 5-Year Estimates, Tables B25091 and B25070		

Households are most at risk of housing instability if they are paying more than 50% of their income for housing costs. In Los Angeles, there are 362,000 severely cost burdened households (27%). About 32% of renters are severely cost burdened and about 19% of owners.

Housing cost burden is most severe for low- and extremely low-income households. As of 2018, over 366,000 households with incomes under $35,000 pay more than 30% of their income on rent. Approximately 84% of low-income renter households and 75% of low-income homeowner households are cost-burdened.
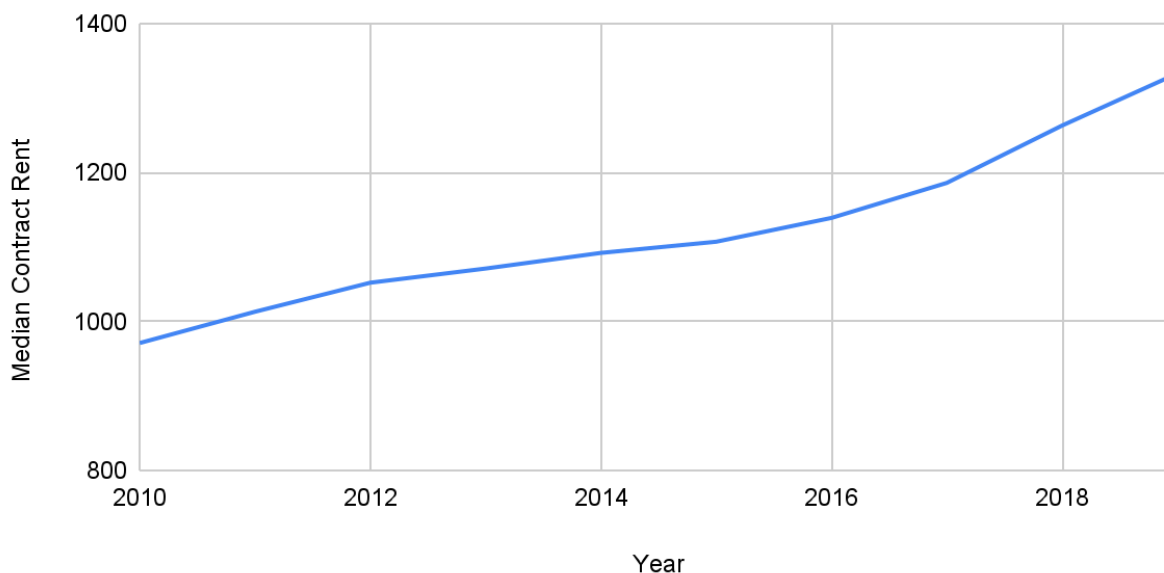
Rents

Rents in Los Angeles have increased significantly since 2010, though have fallen somewhat over the last couple years. There exists a sizable difference between what households in Los Angeles are paying for rent and current market prices for a new apartment. The 2019 Census (ACS) captures what all Angelenos are paying for rent over a 5-Year period. Online listing platforms like Zillow and Zumper maintain current (and historical) listings for thousands of apartments for rent in the City of Los Angeles but not the actual price the apartments are rented for. Since each source has pros and cons, data from both sources are included in this discussion.

The ACS 5-Year median contract rent reflects the monthly rental cost expenses for renters, not counting utilities, during the period of 2015-2019. Chart 1.13 below shows the median rent paid by Angelenos has been increasing steadily. The rise in rents has outpaced the rise in wages for renter households. From 2010 to 2019, contract rents in the City increased by 37% while median income of renters increased by 29%. While this continues to add to the renter cost burden, the ratio is not as unbalanced as it had been in the prior decade, when the figures were a 31% increase in rents and 1% increase in incomes.

Chart 1.13.

Median Contract Rent, 2010-2019

Source: 2010 and 2019 ACS 5-Year Estimates

More recent market data shows that asking rents for two-bedroom units have fallen about 17% since highs in 2018, although they appear to be rebounding. The median rent list price for a 2-bedroom apartment in Los Angeles as of June 2021 was $2,750, requiring a household income of about $111,000 annually to be considered affordable, or not cost burdened (Zumper, see Table 1.23 below). Fewer than 29% of households in the city can afford this median rental rate.

Table 1.23

| Average Rental Listing Prices and Income Needed to Afford Rent			
Unit Size	Average Monthly Rent	Monthly Income Needed to Afford Rent	Annual Income Needed to Afford Rent
Studio	$1,495	$4,980	$59,800
1 Bedroom	$1,995	$6,650	$79,800
2 Bedroom	$2,750	$9,170	$111,000
3 Bedroom	$3,995	$13,320	$159,800
4 Bedroom	$6,750	$22,500	$270,000
Source: Zumper, June 2021 (based on 3,258 listings)			
Note: Income needed to afford rent is based on not paying more than 30% of monthly and annual income for rent.			

Historical rental data (from Zillow) by zip code reveals geographic variation between the changes in market rent. The neighborhoods with the smallest change in median rent are located in Downtown (3 of the 6 lowest zip codes), Westlake, Koreatown, Warner Center and Playa Vista. All these neighborhoods have seen a significant amount of higher density rental unit construction in the last 10 years. Neighborhoods with the highest rent increases during the period are Westchester, Jefferson Park, El Sereno and University Park/Adams-Normandie.

Since 2010, the City has continued to lose thousands of lower cost rental units. Chart 1.14 below shows a net reduction of more than 111,000 units with rents below $1,035 from 2010 to 2019 (inflation adjusted). During the same period, almost the same amount of units were added in the category of renting above $2,360. The City has experienced a loss of a number of lower priced rental units that have been reset to market rate upon a new occupancy. Over 8,000 RSO units have been removed from the rental market through the Ellis Act and therefore reflect a portion of the loss[10].

Chart 1.14

Number of Rental Units with Contract Rents Above or Below Certain Points, 2010-2019
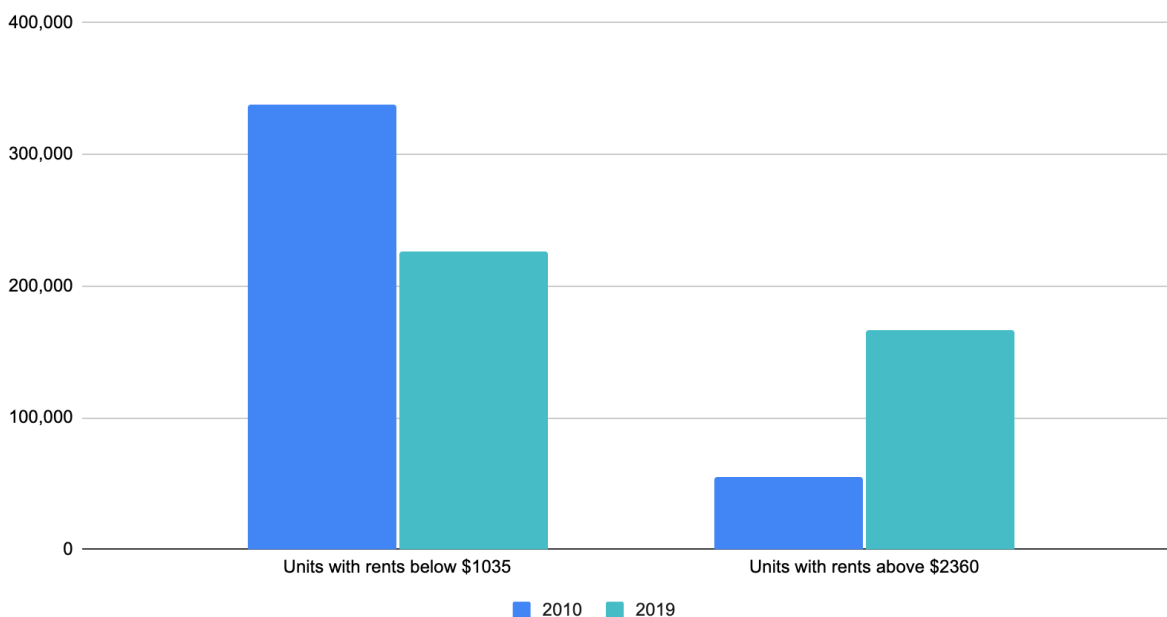
Source: 5-Year ACS (2010 and 2019); Inflation Adjusted Dollars
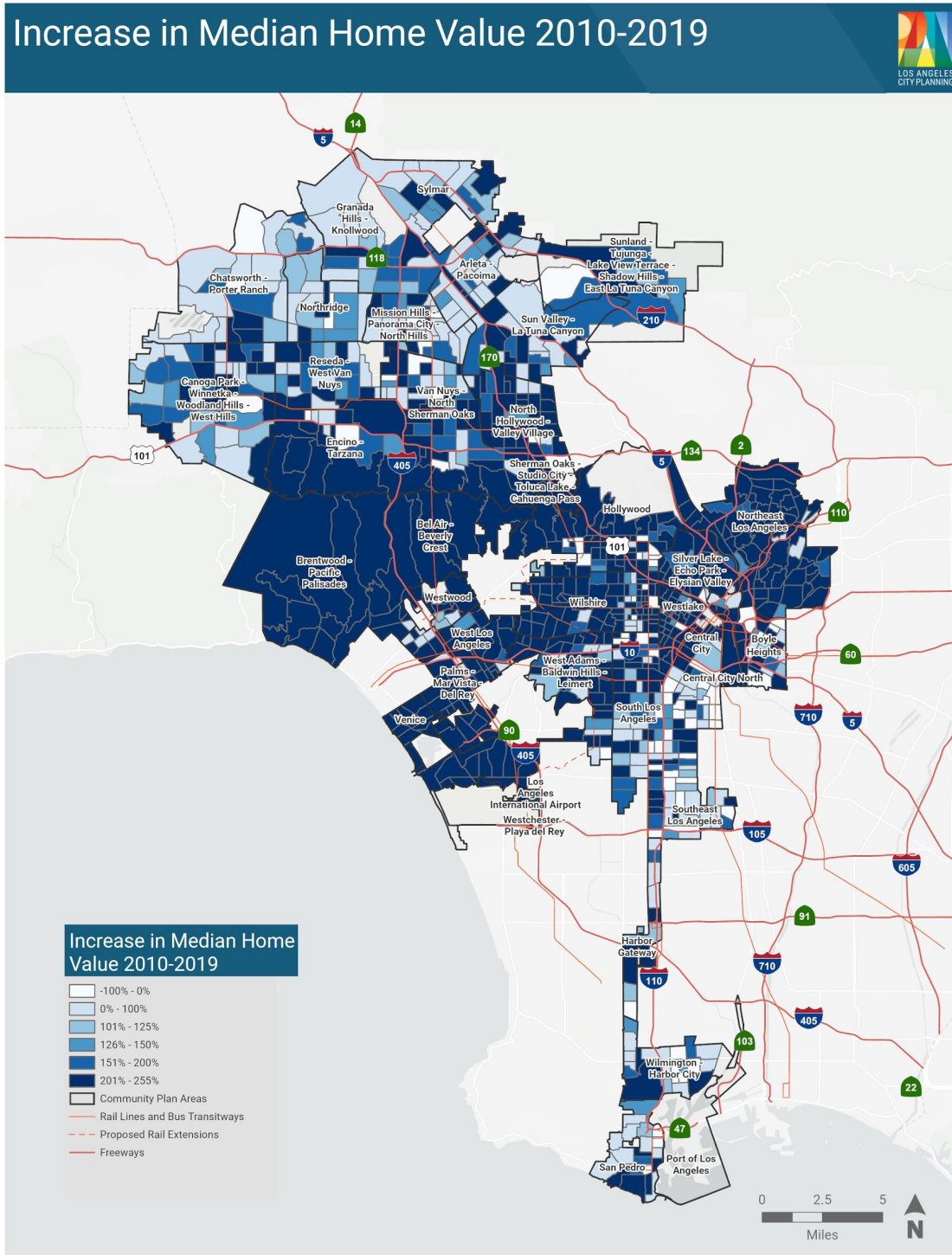
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[10] HCIDLA Ellis Act Data Analysis, 2014-2020.

Home Prices

For sale home values (including single-family homes, condominiums and other homeownership typologies) have reached historic levels in mid-2021 to an median price of over $864,000 as of May 31, 2021 according to Zillow.com. To afford this median price a household would need to make at least approximately $130,000 and be able to afford a 20% down payment, or $170,000.[11] Only about 23% of households in Los Angeles earn this amount, and many fewer have the needed down payment. This means that the vast majority of homes that are placed on the for-sale market are well out of reach for most residents. Median home prices have doubled since the lows of the foreclosure crisis in 2012, according to Zillow. Changes in home prices vary greatly in different areas of the City. In order to illustrate differences at a census tract level, changes to median home values from the 2010 and 2019 ACS are shown in the Map 1.5.

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[11] Nerdwallet Affordability Calculator; Can be accessed here:
https://www.nerdwallet.com/mortgages/how-much-house-can-i-afford/calculate-affordability

Map 1.5

Increase in Median Home Value 2010-2019

Overcrowding

Another direct result of not having enough homes for the population is overcrowding. Many families and individuals find themselves forced to live in crowded conditions due to the mismatch between housing costs and incomes discussed above. According to the Census overcrowding occurs when a dwelling unit is occupied by 1.01 or more persons per room (including bedrooms and living spaces). Severely overcrowded units are defined as those occupied by 1.51 persons or more per room.

In 2019, nearly 14% of all households in Los Angeles (approximately 270,000) were overcrowded or severely overcrowded, including 17% of all renter-occupied households (approximately 153,000) and 6% of all owner-occupied households (approximately 29,000). About 80,000 renter households (9%) are considered severely overcrowded (see Table 1.24). This is a much higher rate of overcrowding than any other major city in the United States (see Chart 1.15).

Table 1.24

Overcrowded Households by Tenure				
	Renter-Occupied	**% Renter-Occupied**	**Owner-Occupied**	**% Owner-Occupied**
Overcrowding	152,791	17%	29,365	6%
Severe Overcrowding	80,150	9%	8,297	2%
Source: U.S. Census Bureau; ACS, 2019 ACS 5-Year Estimates, Table B25014				

Chart 1.15

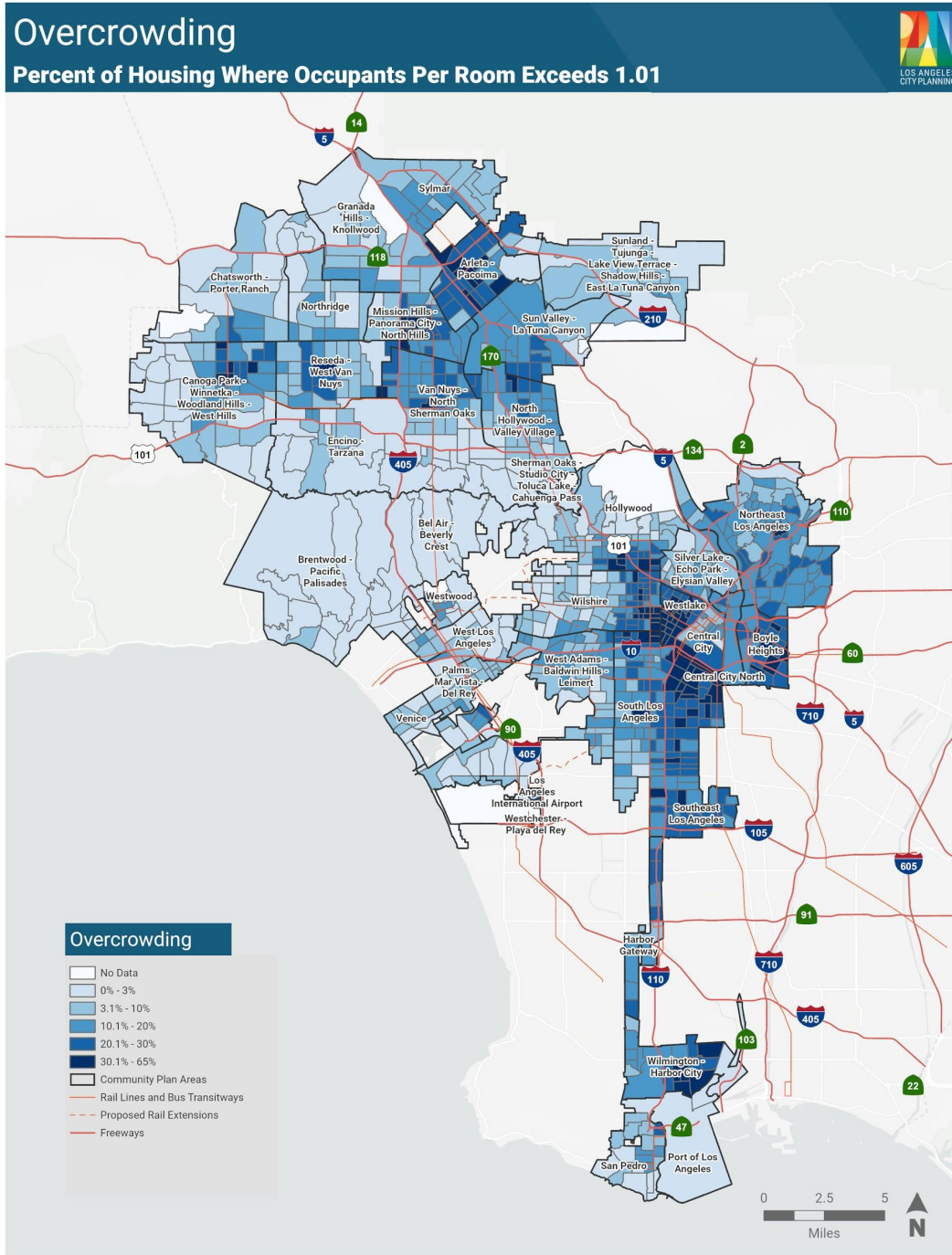## Percent of Housing that is Overcrowded, Major US Cities
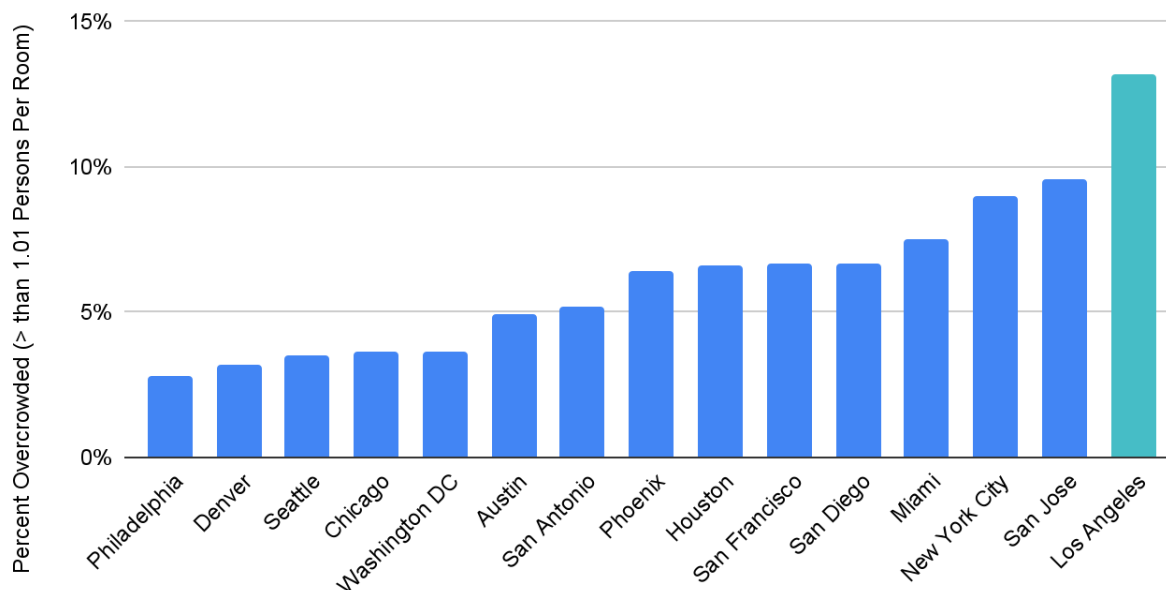
Source: American Community Survey 5-year 2019.

Overcrowding significantly contributes to health and education inequities. Health experts believe that overcrowded conditions in the City facilitated the spread of the COVID-19 virus during the recent viral pandemic that began in early 2020.[12] Latinx and Black communities in the City disproportionately experienced high COVID-19 infections and mortality rates, due a number of compounding factors, including overcrowding.[13] Communities where the highest proportions of residents are experiencing overcrowding are shown on Map 1.6.

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[12] "The neighborhoods where COVID collides with overcrowded homes," CalMatters, June 26, 2020. https://calmatters.org/projects/california-coronavirus-overcrowded-neighborhoods-homes/

[13] See also "When coronavirus invaded their tiny apartment, children desperately tried to protect dad," *Los Angeles Times,* January 29, 2021

Map 1.6

Overcrowding
Percent of Housing Where Occupants Per Room Exceeds 1.01

Overcrowding
- No Data
- 0% - 3%
- 3.1% - 10%
- 10.1% - 20%
- 20.1% - 30%
- 30.1% - 65%
- Community Plan Areas
- Rail Lines and Bus Transitways
- Proposed Rail Extensions
- Freeways

Source(s): U.S. Census Bureau, American Community Survey 5-year Estimates, 2019

The Regional Housing Needs Assessment (RHNA)

The amount of housing the City of Los Angeles is obligated to plan for depends highly on its Regional Housing Needs Assessment (RHNA) allocation. The RHNA allocation is set by the California Department of Housing and Community Development (HCD) and distributed by the Southern California Association of Governments (SCAG). Every eight years HCD allocates a regional housing target for each region in the State. SCAG is then responsible for allocating a share of the regional housing target to each local jurisdiction within the Southern California region. The 6th RHNA allocation cycle covers the planning period from October 2021 to October 2029.

In the previous 5th Housing Element cycle, projected household growth was used to determine a jurisdiction's allocation. In this cycle, existing unmet housing needs, taking into account factors such as overcrowding and cost burden, were included to better account for the housing deficit. These new factors resulted in significantly larger 6th RHNA cycle allocations.

Table 1.25

Regional Housing Needs Assessment	2013-2021 Allocation	2021-2029 Draft
SCAG Region	421,137 units	1,341,827 units
Los Angeles	82,002 units	456,643 units
Lower Income Units (0-80% Area Median Income)	32,862 units	184,721 units

Source: SCAG and Los Angeles Department of City Planning

The City's 2021-2029 RHNA allocation of 456,643 units is five times greater than the previous allotment and represents approximately 34% of the region's total share. Under State Housing Element Law, local jurisdictions must show that they have adequate land zoned to accommodate the RHNA allocation, or must rezone within three years in order to accommodate the assigned allocations. The methodology used to identify these sites is described in Chapter 3.

In addition to planning for market rate development, roughly 40%, or 184,721 units, of the RHNA allocation are dedicated to planning for lower-income housing (0-80% Area Median Income). This target is also significantly greater than the previous cycle's

targets. See the 5th vs. 6th Cycle comparison in Table 1.26 below. The RHNA allocation is further segmented into four income categories based on area median income (AMI) according to the chart below. The total units are divided by income level as follows: approximately 25.4% Very Low Income, 15.1% Low Income, 16.5% Moderate Income, and 43.1% Above Moderate Income. State law also requires the City to identify the projected need for extremely low-income housing. The City assumes that 50 percent of the very low-income housing need is equal to the extremely low-income housing need. As such, there is a projected need for 57,989 extremely low-income housing units.

Table 1.26

RHNA Targets and Progress for 5th and 6th Housing Element Cycles						
Income Level	RHNA Goal* (2014-2021)	Total Units Permitted 2014-2020	Average Units Permitted/ Year 2014-2020	Draft Allocation 2021-2029	Units/Year Needed to Meet 21-29 RHNA	Annual % Increase Needed
Very Low Income*	20,427	7,012	1,002	115,978	14,497	1347%
Low Income*	12,435	3,727	532	68,743	8,593	1514%
Moderate Income	13,728	827	118	74,091	9,261	7739%
Above Moderate Income	35,412	92,407	13,201	196,831	24,604	86%
Total	**82,002**	**103,973**	**17,329**	**456,643**	**57,080**	**229%**

Source: Permit Data Department of City Planning
* The RHNA goal is for the period between January 1, 2014 to October 1, 2021.

As described in Chapter 2, the City has limited funding for the construction of Affordable Housing, which means that achieving the RHNA allocation would require substantial legislative reform and public subsidy. A 2019 joint report by the Departments of City Planning and Housing + Community Investment, along with the Office of the Chief Administrative Officer, estimated that approximately $3.8 billion in City funds per year and $12 billion in private, state and federal funding would be needed

per year to ensure full project financing for the buildout of the RHNA.[14] As this funding is not available, the City is constrained by its financial resources.

The following chart quantifies the units anticipated through implementation of all of the Housing Element programs by income and by type of program. The estimate of the number of units likely to be constructed, rehabilitated, or conserved/preserved by income level during the planning period is called "quantified objectives" under state law. These objectives do not represent a ceiling on development, but rather set a reasonable target goal based on needs, resources, and constraints. The quantified objectives for new construction are compared to the RHNA goals in Table 1.27 below.

Table 1.27

Quantified Objectives for New Construction vs. RHNA Goals						
	Extremely Low Income*	Very Low Income*	Low Income	Moderate Income	Above Moderate Income	TOTAL
New Construction	21,000	12,000	29,000	1,000	247,000	310,000
RHNA GOALS	57,989	57,989	68,743	75,091	196,831	456,643
*Note: Extremely Low Income and Very Low Income goals reflect a split of the Very Low income RHNA allocation						

As shown in Table 1.27 above, the City estimates that, under current assumptions, it will likely be unable to meet its total RHNA targets for new construction. The City is projected to fall short at the affordable (below 120% AMI) income ranges, but meet the above moderate (market-rate) production levels. While the RHNA allocation suggests that almost 260,000 units affordable to households earning less than 120% AMI will be needed, it is anticipated that approximately 62,000 affordable units may be constructed within the eight year RHNA period at this range (about 34% of the target). This is a reflection that total housing needs for lower and moderate income households greatly exceeds the ability to meet those needs with existing financial resources and incentives. However, it is important to highlight that this Housing Element is projecting a significant increase in housing production at all income ranges compared to prior cycles, due in part, to many of the Programs identified in Chapter Six.

The total projected quantified objective for new construction is based on the amount of

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[14] Office of the City Clerk, City of Los Angeles. *Comments on the 6th Cycle Regional Housing Needs Assessment Methodology.* https://clkrep.lacity.org/onlinedocs/2019/19-0773_misc_10-25-2019.pdf

housing development potential identified in the adequate sites analysis in Chapter Four (266,647), along with an increase based on the RHNA Rezoning Program and other Housing Element Programs anticipated to be accomplished during the period (see Chapter Six). The adequate sites figure reflects an analysis of available land, constraints, reasonable development potential, and potential housing projects in the development pipeline. The figures for the affordable income categories are based on the approximate percentages of affordable housing being proposed in housing entitlement applications the last two years (2019-20), broken out by income categories, adjusted based on anticipated fluctuations based on future funding and incentive programs. Housing needs and implementation programs described in Chapter Six also help inform the amount of lower and moderate income housing that can potentially be developed through a coordinated effort.

In addition to the required RHNA allocation, the City intends to rehabilitate and conserve/preserve existing housing stock (see Chart 1.28 below). Rehabilitation includes light, moderate and substantial physical rehabilitation of existing housing units in order to improve the condition of the housing units, including through the Systematic Code Enforcement Program (SCEP). Conservation includes the preservation of existing housing through activities that prevent the loss of housing units, such as zoning provisions that allow for legalization of residential uses, funding strategies and preservation of affordable housing at risk of losing government subsidies and converting to market rate housing. Units that are listed for rehabilitation may also be counted as units under conservation/preservation and vice-versa.

Table 1.28

Quantified Objectives for Rehabilitation and Conservation/Preservation vs. RHNA Goals					
	Very Low Income	**Low Income**	**Moderate Income**	**Above Moderate Income**	**TOTAL**
Rehabilitation	280	280	280	*800,000	800,840
Conservation/ Preservation	1,084	2,904	250	250	4,488
RHNA Goals	115,978	68,743	75,091	196,831	456,643
*The figure refers to the number of housing units inspected every four years as part of the Systematic Code Enforcement Program, which results in compliance with maintenance, use and habitability codes. The exact income break-down of these units is not collected, so all were placed in Above Moderate.					

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

Reference Chapter Four, Five, and Six for more information on Site Selection, RHNA progress and Rezoning programs.

Affirmatively Further Fair Housing (AFFH) Introduction

NOTE: The complete Assessment of Fair Housing for the Housing Element will be included at a later time in the final adopted plan.

How does Housing Contribute to Historic and Ongoing Inequities?

In compliance with AB 686, the 2021-2029 Housing Element cycle includes an Affirmative Furthering Fair Housing (AFFH) analysis that will subsequently create the framework for the City of Los Angeles' upcoming update to the Assessment of Fair Housing (AFH). HCIDLA has been the lead department in the City of Los Angeles that conducts studies, ongoing analysis, enforcement and tracking of Fair Housing issues. To that end, the City of Los Angeles seeks to align its goals of accelerating housing production and equitably increasing access to opportunity for residents.

The City of Los Angeles is experiencing a dire housing affordability crisis, albeit the compounding problems of affordability, habitability and stability were still present and shaped the goals and programs of the last Housing Element. Identifying and remedying the historic inequities facing low income residents and people of color have consistently been a priority and commitment for the City of Los Angeles.

In 2017, the City of Los Angeles commenced the 2018-2023 Assessment of Fair Housing (AFH)and AFH was approved by the City Council and Mayor in 2018.[15] The AFH analyzed a variety of fair housing issues including patterns of integration and segregation of members of protected classes; racially or ethnically concentrated areas of poverty (R/ECAPs) within Los Angeles and regionally; disparities in access to opportunity in education, employment, transportation, environmental health, and exposure to poverty; and disproportionate housing needs. The AFH also examined publicly supported housing, fair housing issues for persons with disabilities, and private and public fair housing enforcement, outreach capacity, and resources.

In order to best position the City (through programming and implementation at HCID and HACLA) to address these fair housing issues, the AFH analyzed contributing factors for each fair housing issue. Some of the key contributing factors identified during the AFH process include the availability of affordable units in a range of sizes, displacement of residents due to economic pressures, lack of access to opportunity due to high housing costs, restrictive land use and zoning laws, loss of affordable housing, private discrimination, and source of income discrimination.

Our City's diversity, however, is not reflective of residential racial and ethnic integration. In fact, the City and the region remain starkly segregated with Black and Latinx residents facing the highest levels of segregation and often having limited housing options outside of R/ECAPs, which are majority non-White census tracts with poverty rates of 40% or more. This segregation as well as a myriad of other factors discussed in the AFH have had significant and pervasive harmful effects on quality of life and access to opportunity for Black and Latinx residents of the City and the region. The neighborhoods in which Black and Latinx residents disproportionately reside have chronically low access to proficient schools and clean air. Many are areas of concentrated poverty where households experience overcrowding and severe housing cost burden. Private discrimination coupled with low economic mobility and public policies that reinforce existing demographic patterns have limited the ability of residents to achieve the widely shared goal of providing a better life for their children. And, when historically segregated neighborhoods that are negatively impacted by disinvestment begin to see an inflow of private capital and public improvements, displacement to newly emerging R/ECAPs on the periphery of the region often follows close behind.

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[15] The full Assessment of Fair Housing can be found here:
https://hcidla2.lacity.org/wp-content/uploads/2020/05/city_of_la_afh_plan.pdf?download=1

For persons with disabilities, the dimensions of segregation and lack of access to opportunity are not primarily spatial. Instead, the structural challenges facing persons with disabilities often relate to insufficient resources for home and community-based services, a shortage of integrated housing in the community, including permanent supportive housing, and ineffective coordination between housing and service delivery systems. The combination of resource shortages, discrimination in the private market and the failure to provide reasonable accommodations may push persons with disabilities into congregate settings like large group homes and institutions like nursing homes. Lack of access to opportunity for persons with disabilities is particularly acute in the area of employment where labor force participation is chronically low and persons with disabilities who have jobs often work for less than minimum wage.

Contributing Factors Limiting Access to Opportunity

The adopted AFH identified several key factors limiting housing production and the city's goals of proactively addressing access to opportunity.

Location and Type of Affordable housing

Widespread single-family zoning and community opposition prevent affordable multi-family housing from being built in many parts of the City thus contributing to segregation by race and income. Among LA County housing submarkets, average rents are lowest in South LA and Koreatown-Mid City, areas with large populations of color, and are highest on the Westside, where white residents are largely concentrated. Findings also concluded that all forms of publicly supported housing including Low-Income Housing Tax Credit properties, Project-Based Section 8 properties, Public Housing units, and other multi-family units are more concentrated in less affluent communities in South LA, East LA, Central LA, and portions of the San Fernando Valley with relatively little affordable housing is located on the Westside.

Lack of Access to Opportunity Due to High Housing Costs

The lack of a mandatory inclusionary requirement in all new developments foregoes an opportunity to provide lower income residents with opportunities to live in higher opportunity areas. Additionally, the Low Income Housing Tax Credit (LIHTC) project siting practices between 2003 and 2015 have constructed few units in higher opportunity areas. The City has adopted several initiatives to incentivize the development on-site affordable housing, such as the TOC program, and enforcement of laws preventing Source of Income discrimination.

Lack of public investments in specific neighborhoods, including services or amenities

A lack of public investments is a significant contributing factor to disparities in access to proficient schools in the City of Los Angeles and the broader region. The distribution of low-performing schools also roughly coincides with the geographic spread of R/ECAPs.

Lack of private investments in specific neighborhoods

A lack of private investments is a significant contributing factor to disparities in access to employment in the City of Los Angeles and the broader region. Specific neighborhoods with low-income communities of color have the greatest need for private investments to construct affordable housing, invest in new small businesses, and increase access to community amenities, such as supermarkets and banks. Indicators include number of building permits, access to grocery stores, banks and pharmacies.

Community opposition

Community opposition is a significant contributing factor to disparities in access to proficient schools, environmentally healthy neighborhoods, and low poverty neighborhoods in the City of Los Angeles and the broader region. In recent years, community opposition has played a role in hindering the development of high-density or affordable housing, both of which are disproportionately occupied by people of color and lower-income households.

During the AFH process, the City, HACLA, Enterprise, the Lawyers' Committee, and numerous community stakeholders proposed several broad goals and specific strategies to address the types of fair housing issues and contributing factors affecting people of color, large families with children, and persons with disabilities discussed. Six overarching goals with over 50 strategies are part of the adopted AFH Plan. The Goals outlined are the following:

1. Increase the stock of affordable housing through the city, particularly in neighborhoods of opportunity
2. Preserve the existing stock of affordable housing and rent stabilized housing
3. Prevent displacement of low and moderate income residents
4. Ensure equal access to housing for persons with protected characteristics, lower-income, and homeless residents
5. Expand access to opportunity for protected classes
6. Increase community integration for persons with disabilities

These goals, strategies and programs have served as a "north star" for the investments and policies the City of Los Angeles has explored and adopted in recent years and is informing the Housing Element update. The final Housing Element will outline programs designed to address issues facing protected classes, factors affecting access to housing and opportunities and programs intended to directly remedy historical patterns of racial discrimination and exclusion as the City plans to accommodate the production of housing.

On January 26, 2021 President Biden issued "Memorandum on Redressing Our Nation's and the Federal Government's History of Discriminatory Housing Practices and Policies" directing HUD to examine the effects that repealing the AFFH rule had on "HUD's statutory duty to affirmatively further fair housing." The Biden memorandum also directed HUD to take the steps necessary to implement the Fair Housing Act's requirement to administer its programs in a manner that affirmatively furthers fair housing. On June 10, 2021, HUD issued an interim final rule to restore the implementation of the Fair Housing Act's Affirmatively Furthering Fair Housing (AFFH) requirement. The City of Los Angeles has consciously maintained a commitment to affirmatively further fair housing, irrespective of previous changes at the federal level to weaken fair housing programs during the previous administration. We anticipate HUD will soon release final guidelines to inform the City's update to the AFH in 2022 to fulfill our compliance with AB 686.

Analysis that will be included in the final Housing Element

This Housing Element draft includes initial findings based on data analysis on publicly supported housing, fair housing issues for persons with disabilities, and private and public fair housing enforcement, outreach capacity, and resources. Chapter 4: Adequate Sites for Housing includes the required AFFH analysis. The final, adopted Housing Element update will include a comprehensive analysis of available data and knowledge to further identify:

- integration and segregation patterns and trends;
- racially or ethnically concentrated areas of poverty;
- disparities in access to opportunity;
- disproportionate housing needs within the City of Los Angeles, including displacement risk; and,
- new strategies and actions to implement those priorities and goals, which may include, but are not limited to: better transportation options for residents, such as improving pedestrian access to public transit options; continuing to encourage

the development of new affordable housing in high and moderate opportunity areas; and, place-based strategies to encourage community revitalization, including preservation of existing affordable housing, and protecting existing residents from displacement.

Fostering Inclusive Public Engagement

As mentioned in an earlier section, the Department of City Planning and the Department of Housing and Community Investment (HCID) engaged the public through numerous digital and in-person events (prior to the Covid-19 pandemic), and through other innovative ways, to collect the public's input. This outreach, participation and input has been used to guide and inform the updating process of the Housing Element.

An additional component of the Housing Element outreach process involves community-based organizations assisting with workshops with a particular focus on residents living in neighborhoods with higher percentages of populations that fall into the protected classes.

In Los Angeles, like many cities, renters, unhoused residents, youth, and residents in lower-income areas have far lower rates of participation in long-term planning processes like the Housing Element. The lack of diverse voices in the planning process has historically resulted in an imbalance of single-family zoning in high resource areas and a disproportionate share of multi-family and affordable housing development located in High Segregation/High Poverty areas. In order to affirmatively further fair housing and effectively reach communities in a culturally-appropriate, language-inclusive manner, the City will utilize grant funding to support additional outreach across many housing efforts including the Housing Element Update and other strategies initiated by the City of Los Angeles to accelerate housing production and promote equity-based models for increasing affordable housing development. HCIDLA will be engaging communities both through community partners such as community based organizations (CBOs) and through direct communication both in person and digitally. Through the LEAP and REAP grant funding from HCD, the City of Los Angeles will be hosting virtual and in-person (when safe and appropriate) meetings during evenings and potentially weekends to maximize participation from populations with a disproportionate amount of "essential" workers, those impacted by the pandemic, and residents with limited English proficiency.