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."

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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
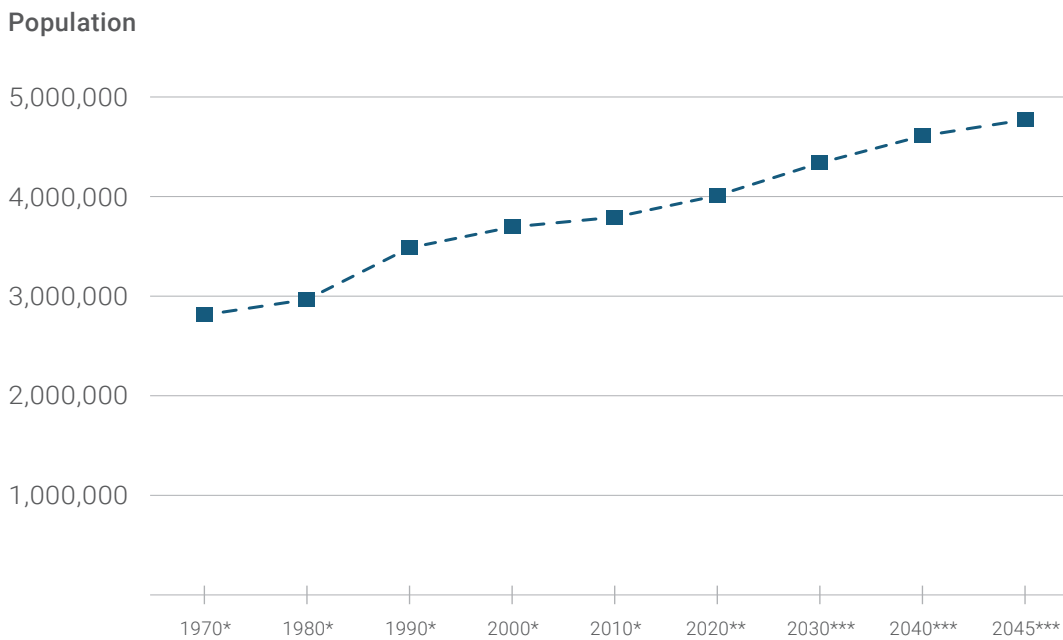
Population Characteristics

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 Char 1.1t). 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.

Chart 1.1:   **Total Population Growth in Los Angeles | 1970-2045**

Population

*Source: *US Decennial Census - Population Characteristics 1970-2010; **CA Department of Finance - 2020 Population Estimates; ***SCAG 2020 RTP/SCS - Demographic and Growth Forecast*

Map 1.1 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.
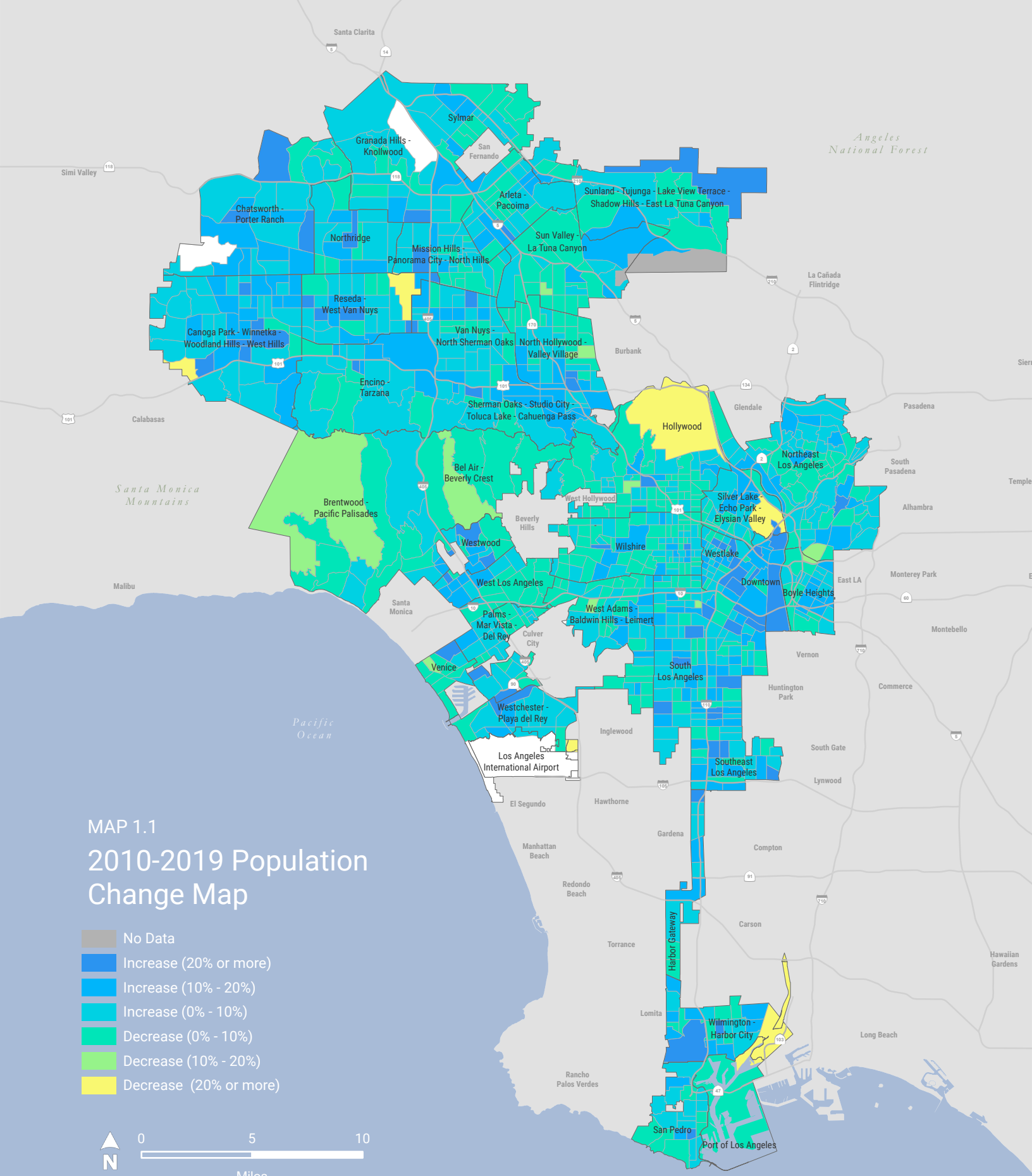
MAP 1.1

2010-2019 Population Change Map

Legend:
- No Data (gray)
- Increase (20% or more)
- Increase (10% - 20%)
- Increase (0% - 10%)
- Decrease (0% - 10%)
- Decrease (10% - 20%)
- Decrease (20% or more)

Scale: 0 — 5 — 10 Miles

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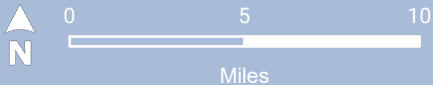
Age

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). 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.

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 , particularly in the Valley, hillside areas and northeast and southwest LA.

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 & up	54,431	1.4%	69,416	1.7%	27.5%
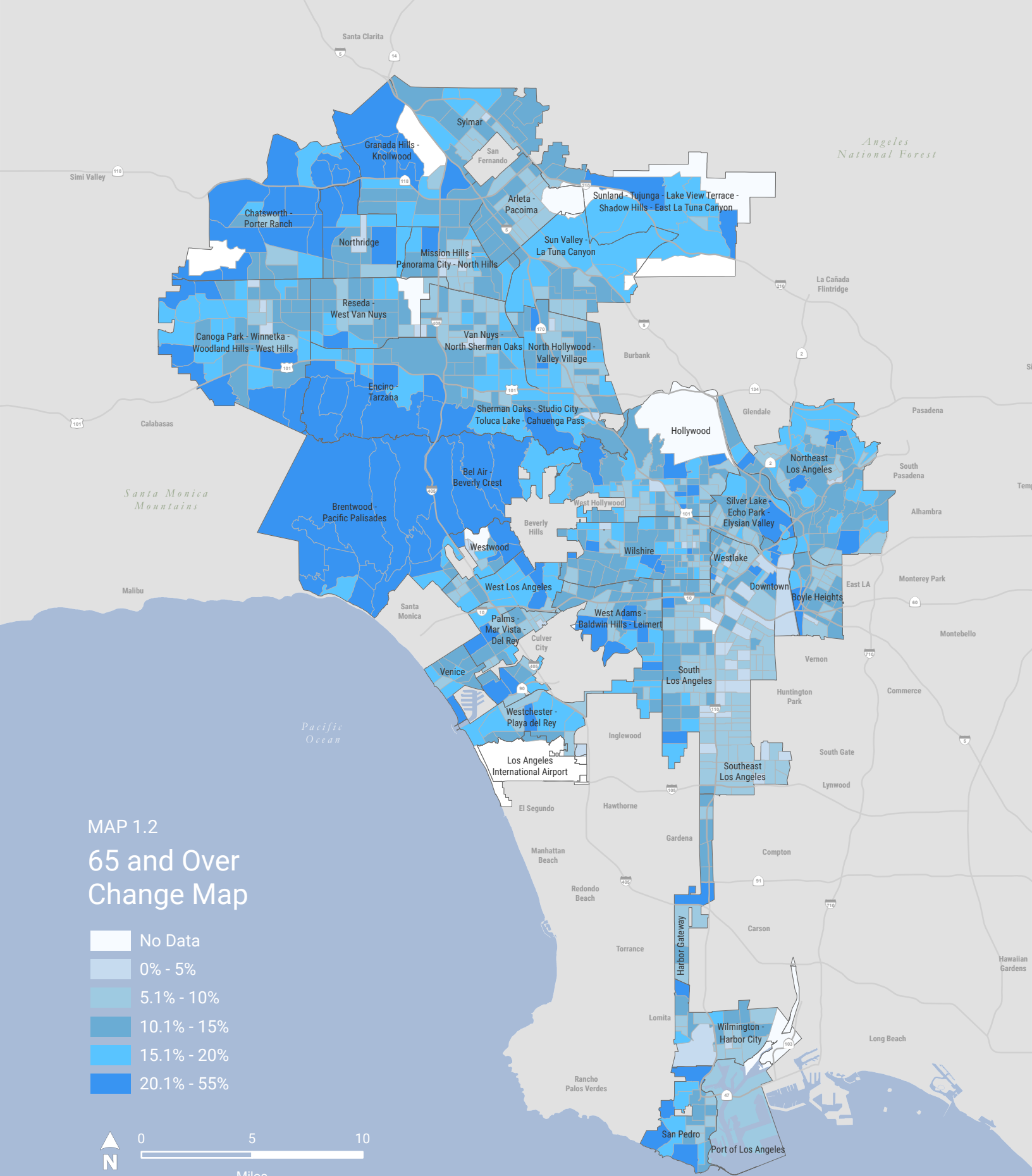
MAP 1.2

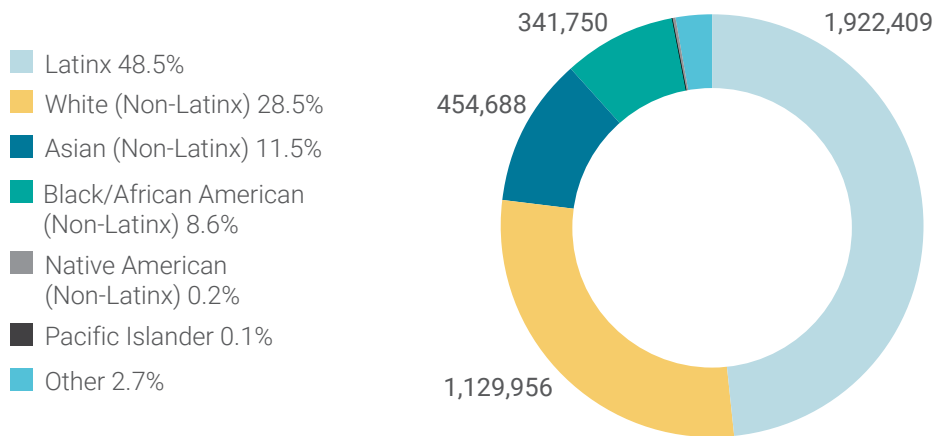# 65 and Over Change Map

Legend:
- No Data
- 0% - 5%
- 5.1% - 10%
- 10.1% - 15%
- 15.1% - 20%
- 20.1% - 55%

0   5   10
Miles

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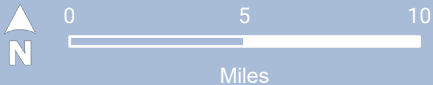
Race, Ethnicity, and Immigration

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**

Legend:
- Latinx 48.5%
- White (Non-Latinx) 28.5%
- Asian (Non-Latinx) 11.5%
- Black/African American (Non-Latinx) 8.6%
- Native American (Non-Latinx) 0.2%
- Pacific Islander 0.1%
- Other 2.7%

Chart values: 341,750; 1,922,409; 454,688; 1,129,956

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

Chart 1.3 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**

■ 1990   ■ 2000   ■ 2010   ■ 2019
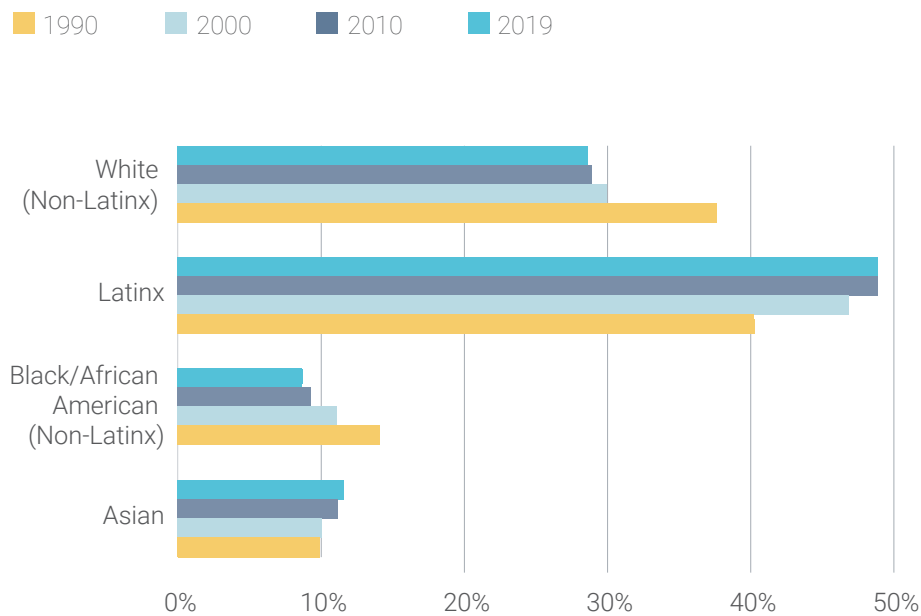
Source: US Census ACS 5-Year Estimates, 2019

Much of the City's diversity is due to immigration. Table 1.2 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.

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.

Table 1.2: **U.S. and Foreign-born Population in Los Angeles 2010-2019**

	2010 Population	**2010** Percent of Population	**2019** Population	**2019** Percent of Population	**2010-2019** Percentage Change
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

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 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 account for approximately 40.6% of all employment in the County (see Table 1.4). 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]

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

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	40.6%
Los Angeles City	1,811,600	

Sources: 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 shows that the City's median household income is still less than that of the County, the State, and the Nation.

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 Map 1.3.

MAP 1.3

Median Household Income
By Census Tract
Change Map

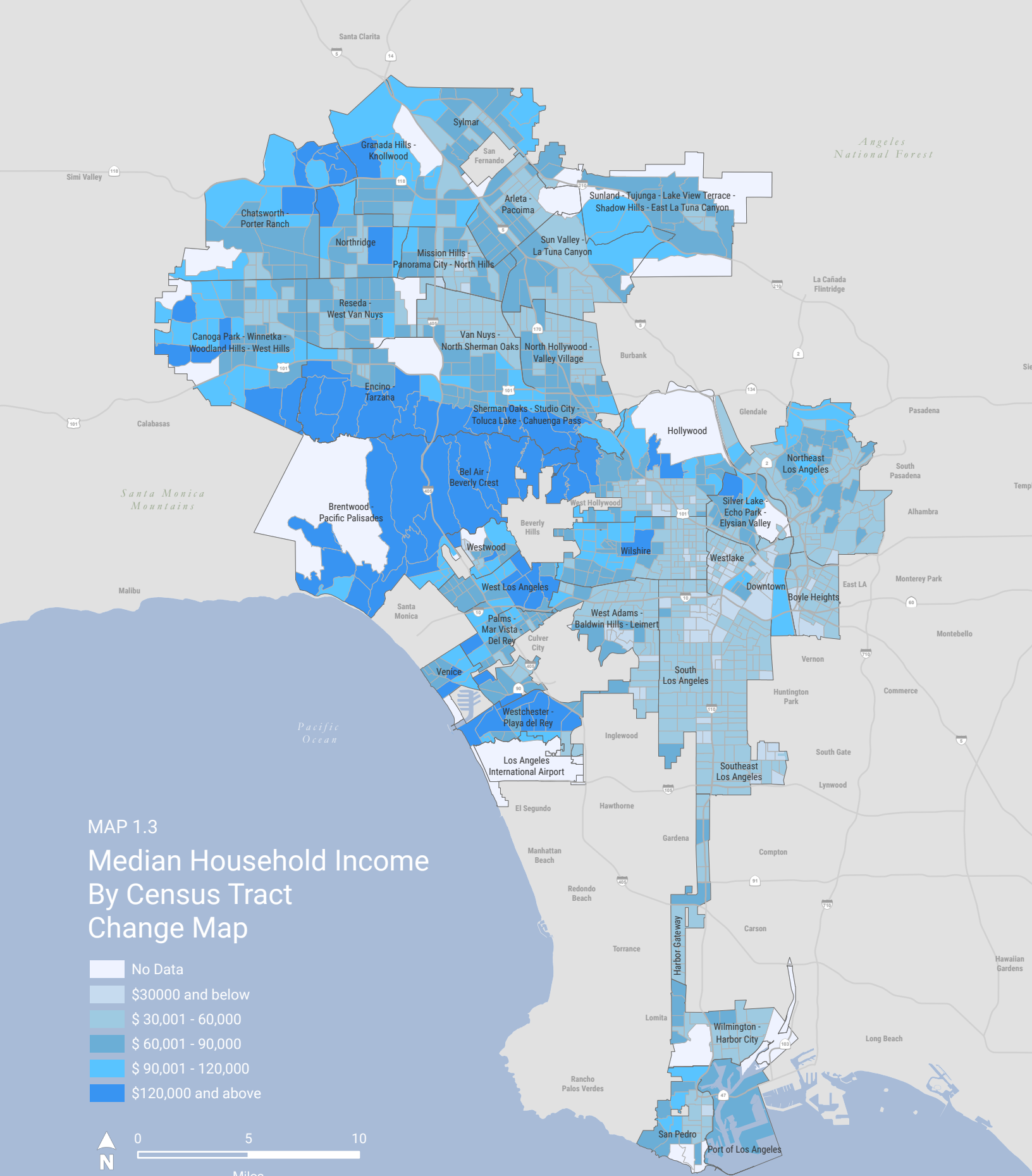|	
	No Data
	$30000 and below
	$ 30,001 - 60,000
	$ 60,001 - 90,000
	$ 90,001 - 120,000
	$120,000 and above

0   5   10

Miles

Table 1.8 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 . 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.

Table 1.9: **Effects of Covid-19 Pandemic on Unemployment**

Month	City of LA	County of LA	State
Feb 2020	4.6%	4.6%	4.3%
Jun 2020	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 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.

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

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 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.

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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

Household Composition and 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). 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]
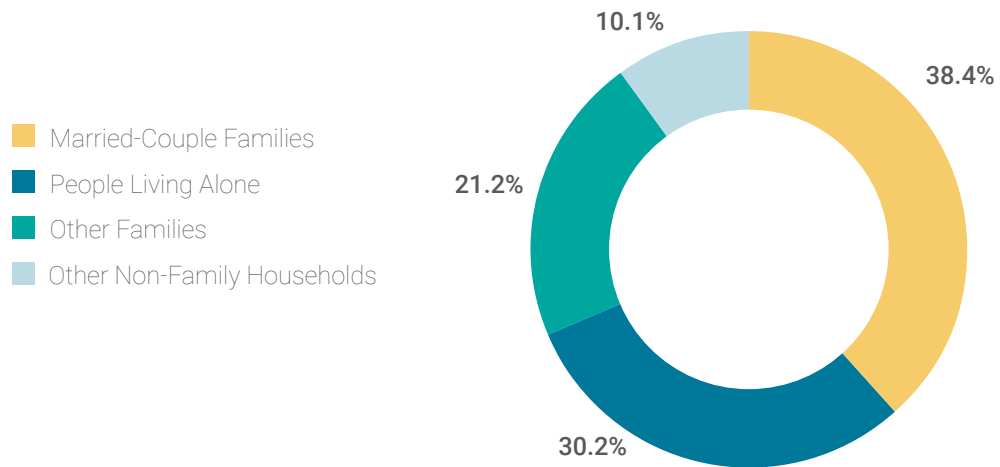
Table 1.10: **Number of Persons in Household, 2010-2019**

Number of Persons in Household	2010 Number of Households	2019 Number and Percentage of Households	2019 Percentage of all Households	2010-2019 Difference in the Number of Households
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

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

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 , 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**

10.1%

38.4%

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

21.2%

30.2%

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 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). 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]

Chart 1.5:   **Change in Tenure by Age | 2010-2019**
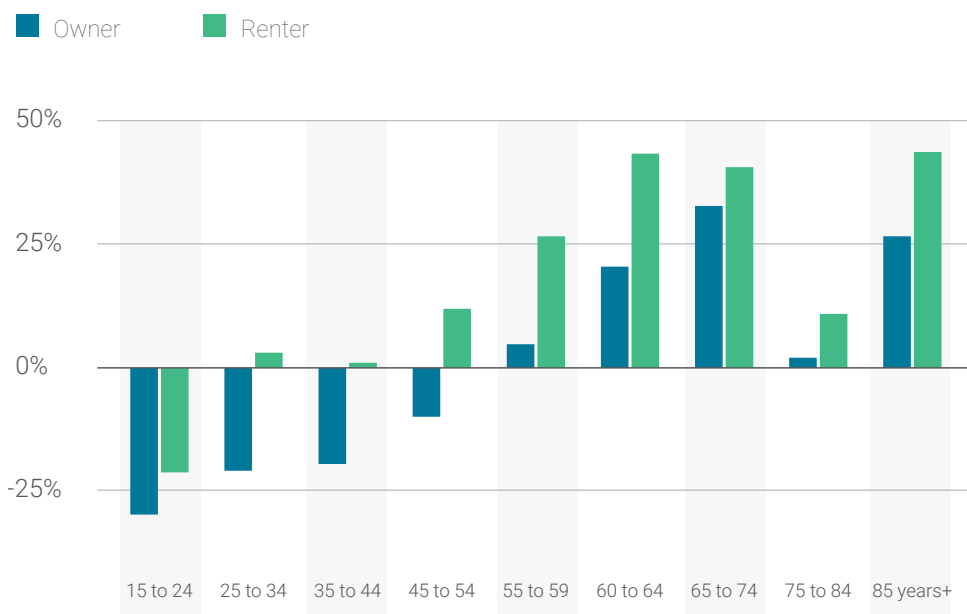
Sources: US Census Bureau; American Community Survey; 2019 and 2010 ACS 5-Year Estimates, Table DP05.

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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.

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 explicit housing discrimination and face unique housing challenges, also due to other zoning and regulatory barriers impacting access to housing and opportunity. 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.

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 the federally-defined poverty level is lower than that of the total city population. Approximately 16% of the City's seniors were living the poverty level, compared to 19% of the City's working-age population (18-64) who live the poverty line.

Chart 1.6:   **Senior Housing Income Distribution in the City of Los Angeles | 2019**

Householders 65 Years and Over
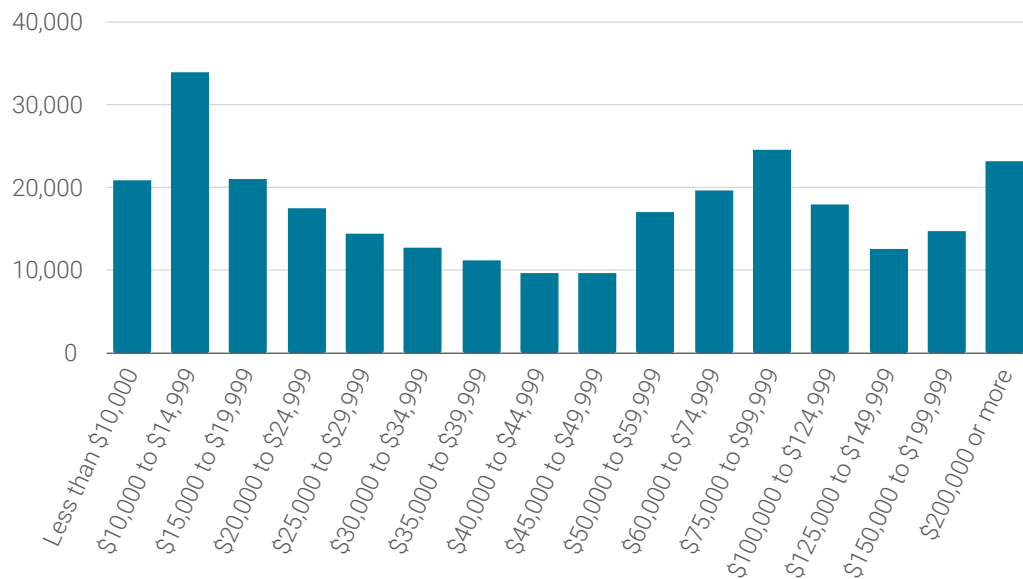
Sources: US Census Bureau; American Community Survey; 2019 and 2010 ACS 5-Year Estimates, Table DP05.

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. on the prevalence of certain disability types including hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty. This data may not capture other psychiatric disabilities or conditions like schizophrenia, bipolar disorder, or post traumatic stress, all of which can severely impact a person's ability to find and maintain housing. Based on the data collected by the Census Bureau, approximately 10% or 395,513 people in Los Angeles have a disability and live in a non-institutional setting. The largest numbers of persons with disabilities are adults aged 18 – 64 (192,460); however the percentage of seniors with disabilities (37%) is far greater than the percentage of non-senior adults with disabilities (7%).

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 . 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 below shows the prevalence of each types of disability among the total population of each age group and among the overall population in the City.

Table 1.13: **Prevalence of Disability by Age and Type of Disability**

Type of Disability	% of the total population under 18	% of the total population Aged 18-64	% of the total population Aged 65+	% of the total population
Hearing Difficulty (Conditions that include blindness or a severe hearing impairment)	0.5	1.2	12.9	2.5
Vision Difficulty (Conditions that include deafness or a severe vision impairment)	0.6	1.6	7.6	2.1
Ambulatory Difficulty (any conditions that limits physical activities such as walking, climbing, stairs, reaching, lifting or carrying)	0.6	3.4	25.61	5.9
Cognitive Difficulty (Any condition that makes it difficult to learn, remember, or concentrate)	3.09	3.5	11.7	4.2
Self-Care Difficulty (Any condition that makes it difficult to dress, bathe, or get around inside the home)	1.1	1.5	12.5	2.8
Independent Living Difficulty (Any condition that makes it difficult to go outside the home alone or visit a doctor's office)	No data available	2.6	19.8	5.2

Source: US Census Bureau: ACS: 2019 ACS 5-Year Estimates. Table S1810

According to the 2012-2017 HUD CHAS Data, approximately 58% of the people with disabilities in the city rent, compared to 65% of people without disabilities. The rate of renters differs slightly by disability type with 55% of people with hearing or vision impairments renting, 58% of people with ambulatory limitations, 61% with cognitive limitations, and 58% with self-care or independent living limitations. Although people with disabilities are slightly less likely to rent than the overall population, they are more likely to be low-income and have higher rates of poverty than Angelenos without disabilities. For example, 35% of Angelenos with a disability are considered extremely low-income (earning 30% or less of the area median income) and 26% live below the federal poverty line.

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. For more information on the housing affordability and accessibility needs of people with disabilities refer to the Affirmatively Furthering Fair Housing Appendix. For more information on housing constraints for persons with disabilities refer to Appendix 2.1.

Persons with Developmental Disabilities

A developmental disability is defined by the State as "a disability that originates before an individual attains age 18 years, continues, or can be expected to continue, indefinitely, and constitutes a substantial disability for that individual. This includes developmental and intellectual disability, cerebral palsy, epilepsy, and autism." In California, a system of regional centers is responsible for coordinating the delivery of supportive services primarily to individuals with intellectual and developmental disabilities. There are seven centers that serve LA County- The Frank D. Lanterman Regional Center, The Harbor Regional Center, The North Los Angeles County Regional Center, The South Central Los Angeles Regional Center, and the East Los Angeles Regional Center. Based on the 2020 data reported by the seven Regional Centers, approximately 114,000 residents received services of whom approximately 46% had autism, 38% had mild or moderate intellectual disabilities, 12% had cerebral palsy, 12% had epilepsy, and 9% had a severe or profound intellectual disability. Considering the City accounts for approximately 40% of the County's population, approximately an estimated 46,000 people with developmental disabilities live within the City boundaries.

Table 1.14: Number of People Served by Regional Centers in Los Angeles County

	Total	Percent
Moderate Intellectual Disability	43,153	37.85%
Autism	51,921	45.54%
Epilepsy	12,772	11.20%
Cerebral Palsy	13,053	11.45%
Severe/Profound Intellectual Disability	9,843	8.63%
Total	**114,000**	

Source: data from the 2020 Regional Performance Contract Reports filed with the Department of Developmental Services for the seven Regional Centers located in LA County

Of the people with developmental disabilities served by the Regional Centers, the vast majority (82%) live with parents or guardians and only 9% live in Community or Intermediate Care Facilities. Parents and guardians who care for people with disabilities are often unable to work full-time and may have to prioritize the cost of needed healthcare and services. This presents significant financial constraints that may make it difficult to find affordable and adequate housing that can serve the needs of the person(s) with developmental disabilities and the needs of the overall household. For a more detailed analysis of the demographics and needs of people with disabilities refer to the Affirmatively Furthering Fair Housing Appendix.

Table 1.15: Living Arrangement of People with Developmental Disabilities in LA County

	Number*	Percent
Live with Parent or Guardian	93,195	82%
Community Care Facility (CCF) or Intermediate Care Facility (ICF)	9,851	9%
Independent Living Skills (ILS)/ Supported Living Services (SLS)	7,548	7%
Foster Home	2,358	2%
Other	1,049	1%
Total	**114,000**	**100%**

Estimates based on percentages reported in 2020 Regional Performance Contract Reports filed with the Department of Developmental Services for the seven Regional Centers located in LA County

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 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.

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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

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 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 1.16: **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.
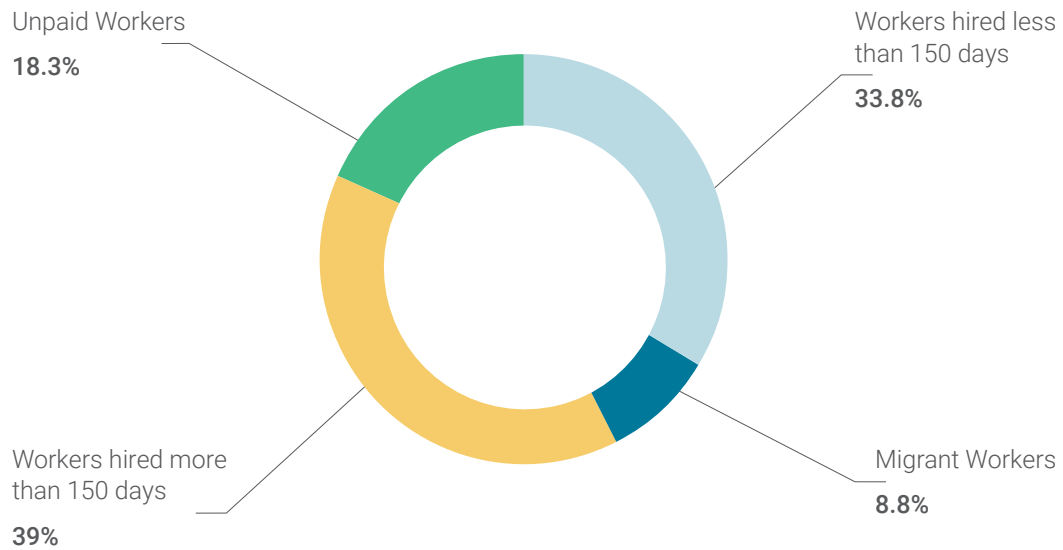
Farmworkers

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 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.

Labor Arrangements for Farmworkers

The USDA 2017 Census of Agriculture documents the labor arrangements between farmworkers and producers, shedding light on their precarious working conditions. Only 39% of workers reported working over 150 days, or roughly 5 months. Approximately 34% of workers working less than 150 days, slightly under 9 percent were contracted migrant workers and approximately 18% were unpaid workers.[9]

Chart 1.7:   **Hired Farm Labor in LA County**

Unpaid Workers
18.3%

Workers hired less than 150 days
33.8%

Workers hired more than 150 days
39%

Migrant Workers
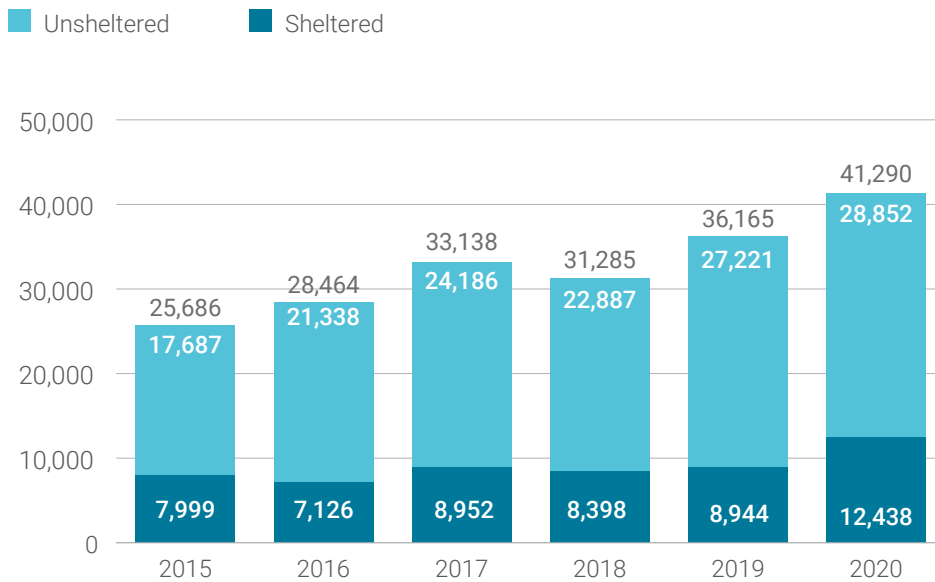**8.8%**

Source: 2017 Census of Agriculture, USDA

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9. U.S. Department of Agriculture (USDA), 2017 Census of Agriculture, County Data; Table 7: Hired Farm Labor - Workers and Payroll.

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 1.8. 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. While the vast majority of those unhoused are single adults over the age of 25, there was a 56% increase in the number of families experiencing homelessness in a year, totalling 20% of those unhoused in the City of Los Angeles. 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 1.8:   **Total Homeless Population**

■ Unsheltered   ■ Sheltered

Year	Total	Unsheltered	Sheltered
2015	25,686	17,687	7,999
2016	28,464	21,338	7,126
2017	33,138	24,186	8,952
2018	31,285	22,887	8,398
2019	36,165	27,221	8,944
2020	41,290	28,852	12,438

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

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 1.9). 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.

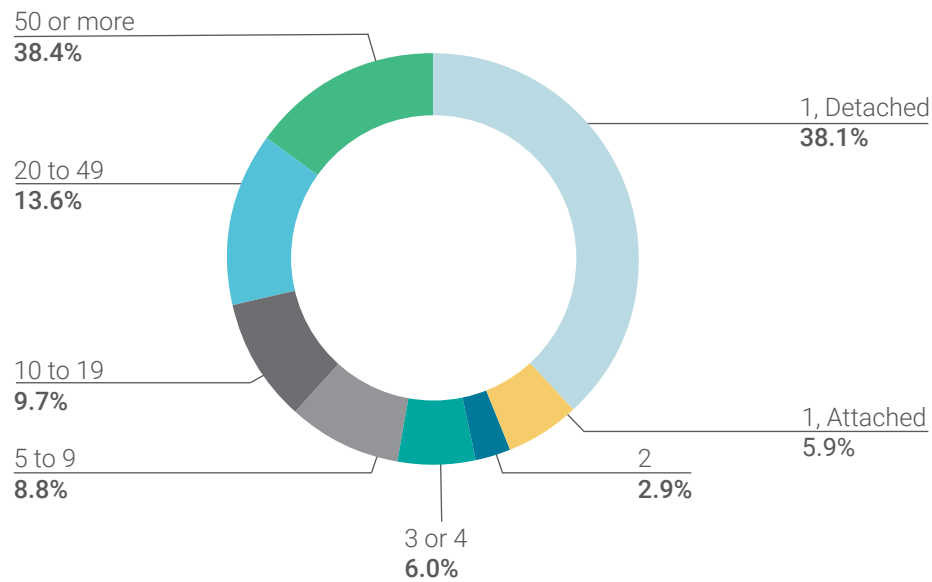Chart 1.9:   **Homelessness in LA**
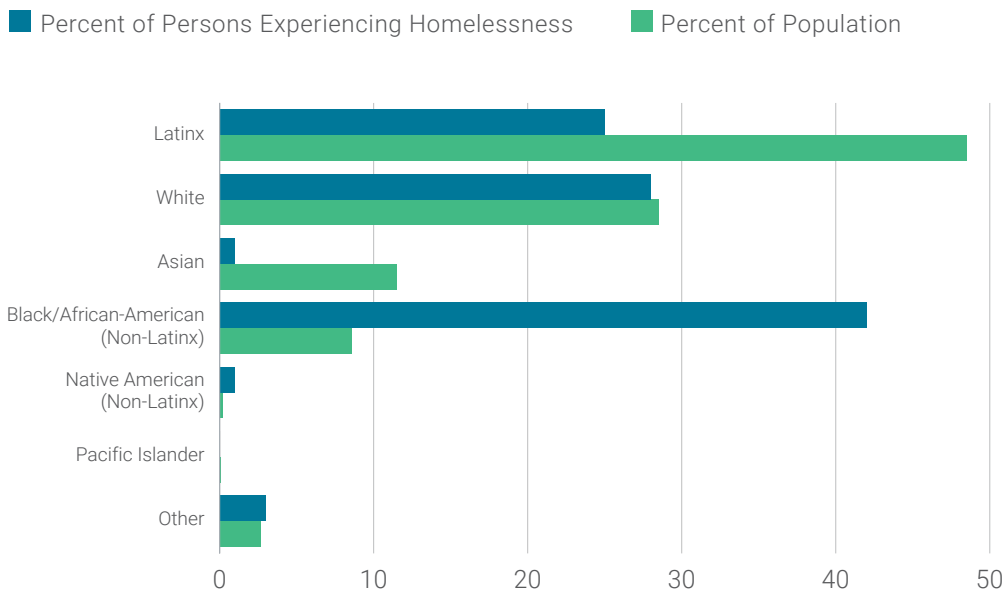
Source: 2020 LAHSA Homeless Count

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 1.10).

Chart 1.10:   **Total Units in Structure by Size of Structure | 2019**

- 50 or more **38.4%**
- 20 to 49 **13.6%**
- 10 to 19 **9.7%**
- 5 to 9 **8.8%**
- 3 or 4 **6.0%**
- 2 **2.9%**
- 1, Attached **5.9%**
- 1, Detached **38.1%**

Source: US Census Bureau ; American Community Survey; 2018 ACS 5-Year Estimates,Table B11001

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 1.17). 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 1.17: **Change in Units in Structure, 2010-2019**

Number of Units	2010-2019 Change in Units	2010-2019 Percent Change
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 1.18: **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 1.19: **Change in Tenure, 2010-2019**

	Renter-Occupied	Owner-Occupied
2019	874,365	509,504
2010	802,713	511,485
2010 - 2019 Change	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 1.20 to see the change in tenure by size of structure.

Table 1.20: **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 unit 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	**-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 1.11). Vacancy rates have risen since then, as they have in many major cities, due in part to the COVID-19 pandemic.[10] 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 1.11:   **Vacancy Rates by Metropolitan Statistical Area | 2020 Q1**
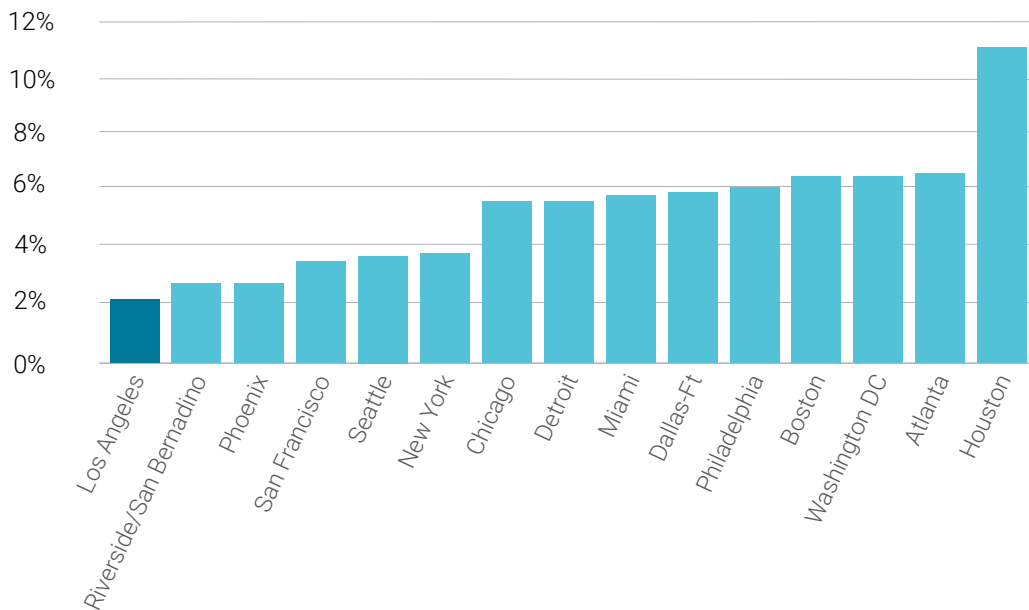
Source: US Census Bureau, Current Population Survey/Housing Vacancy Survey, April 2020

10. 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.
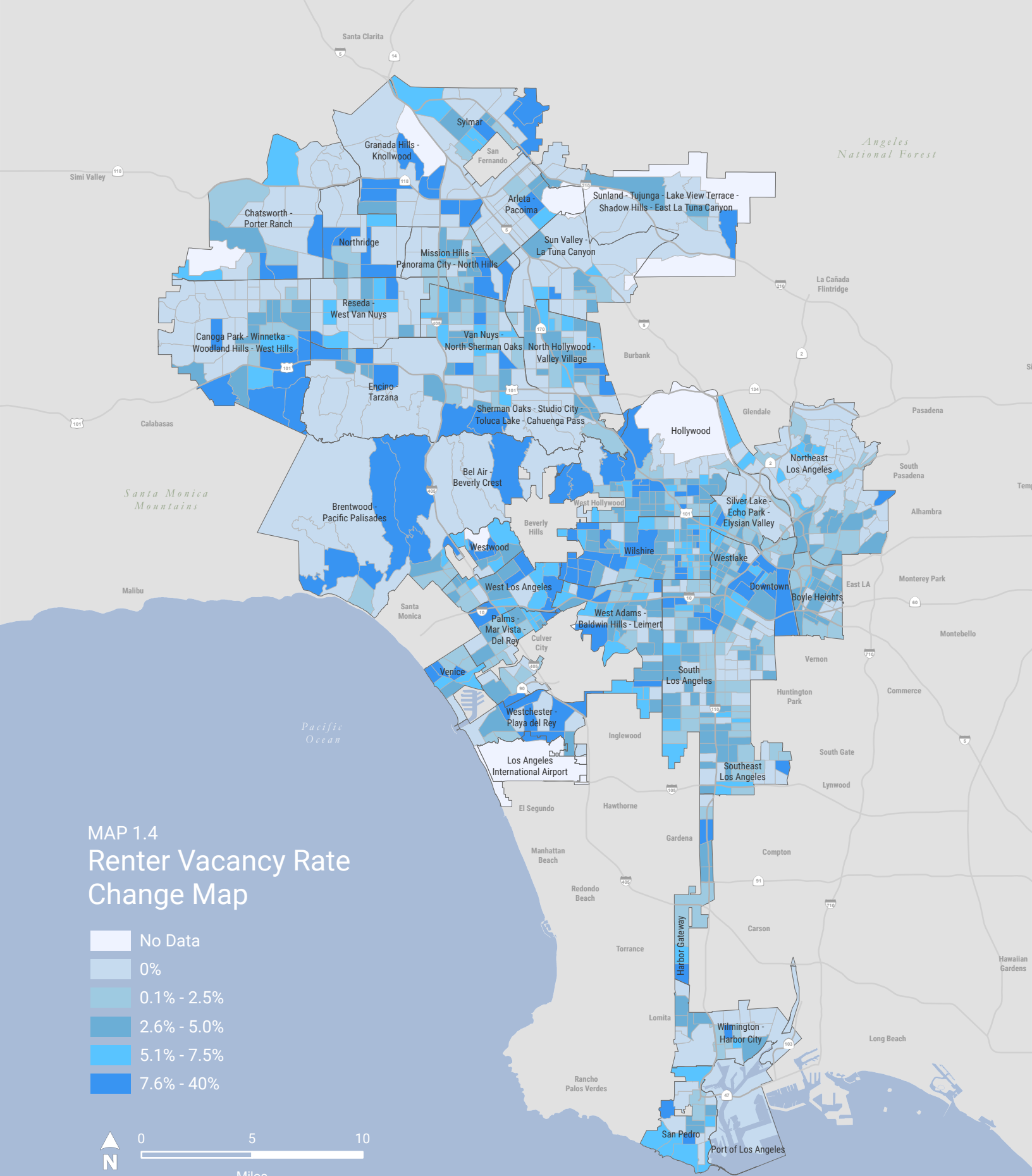
In the 5-year period prior to the COVID-19 pandemic, the rental vacancy rate was 3.7%. The distribution of rental vacancy rates throughout the City are shown in the Map 1.3. Analysis conducted by HCIDLA shows vacancies are lowest among rent stabilized and older housing units. Newer units have higher 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.

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 1.21). 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 1.21: **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**	**100%**

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

MAP 1.4
Renter Vacancy Rate Change Map

Legend:
- No Data
- 0%
- 0.1% - 2.5%
- 2.6% - 5.0%
- 5.1% - 7.5%
- 7.6% - 40%

N

| 0 | 5 | 10 |

Miles

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 1.12). 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 1.12: **Age of Housing Units**

Year Structure Built
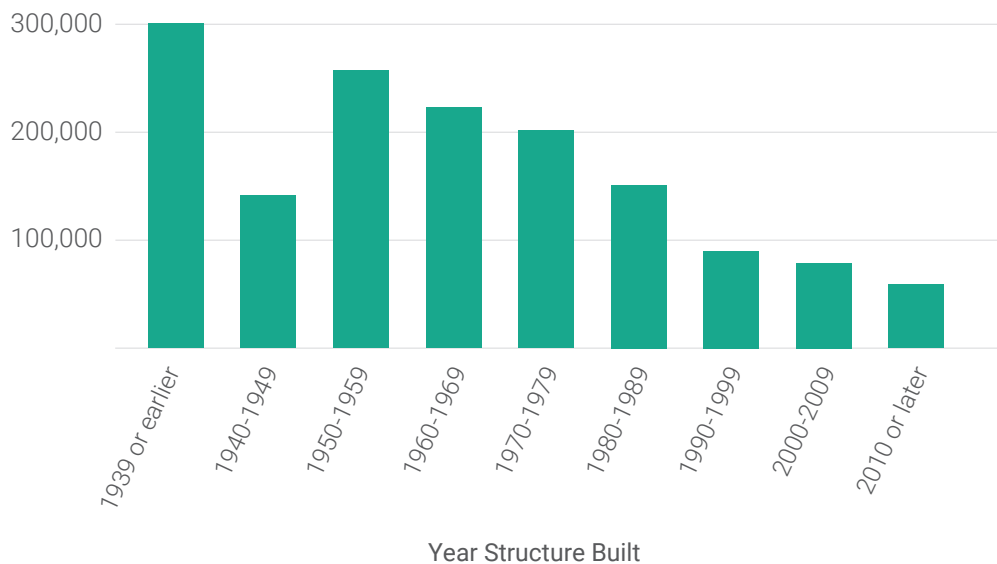
Source: US Census Bureau, American Community Survey 2014-2018

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 1.22: 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 , 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 1.23: 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 1.13.)

Chart 1.13:   **Percentage of Rent Burdened Household, Major US Cities**
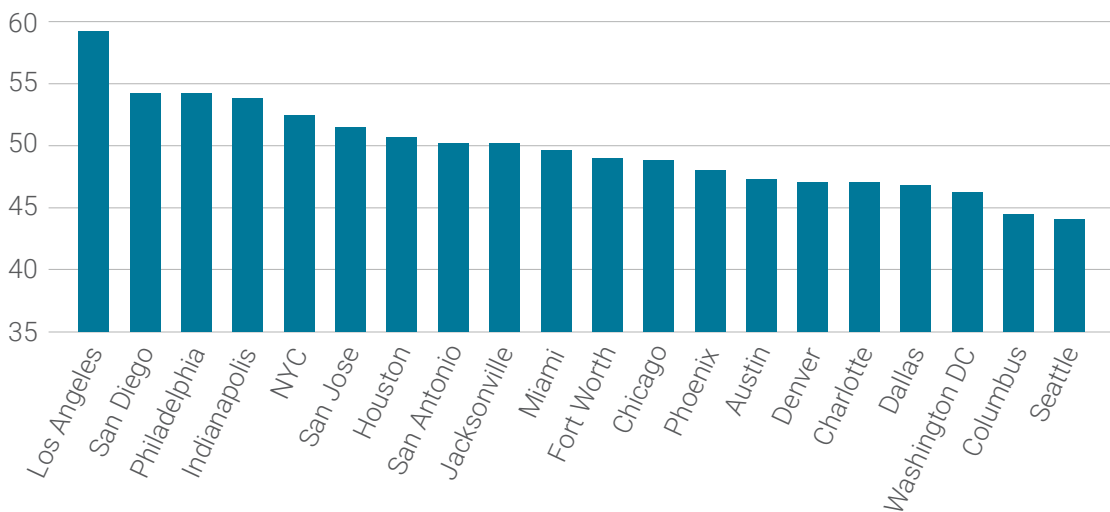
Source: American Community Survey; 2019 ACS 5-Year Estimates

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 1.24). 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 1.24: **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. Based on the 2013-2017 HUD CHAS Database, there are approximately 45,345 extremely low-income homeowners in the City, of whom 78% are cost burdened and 67% are severely cost burdened. Similarly of the 261,995 extremely low-income renters, 82% are cost burdened and 69% are severely cost burdened.
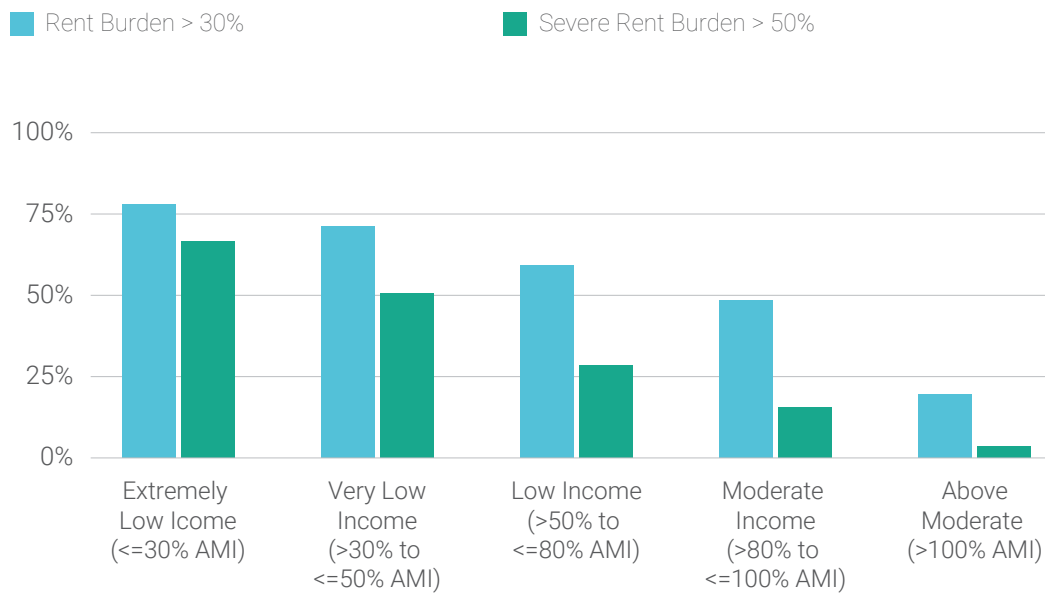
Chart 1.14: Cost Burden by Income for Renters

■ Rent Burden > 30%   ■ Severe Rent Burden > 50%
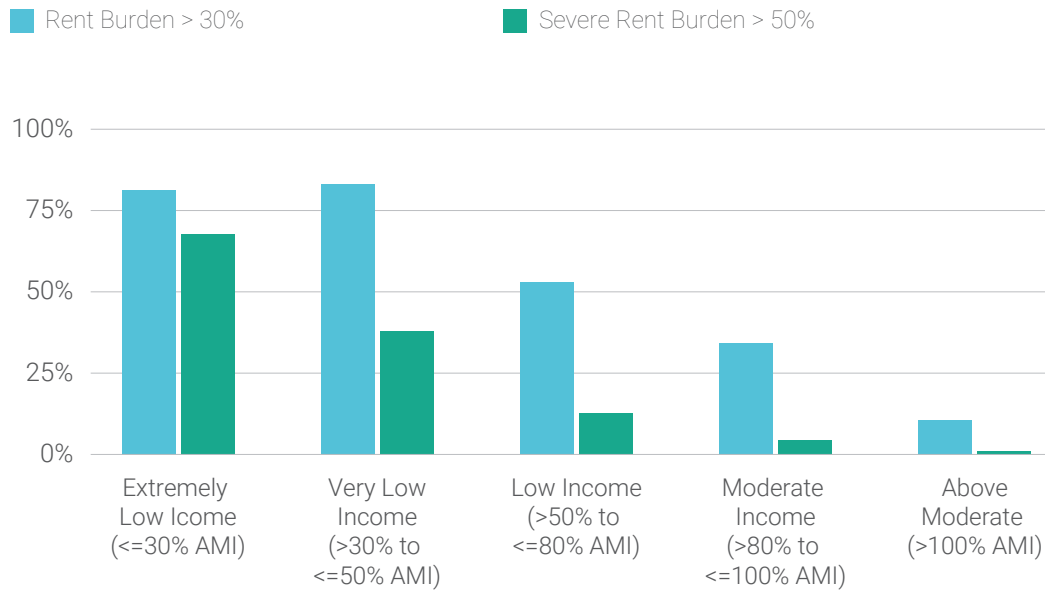
Source: HUD CHAS Data 2013-2017

Chart 1.15: Cost Burden by Income for Owners

■ Rent Burden > 30%   ■ Severe Rent Burden > 50%

Source: HUD CHAS Data 2013-2017

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 1.16 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 1.16:   **Median Contract Rent | 2010-2019**
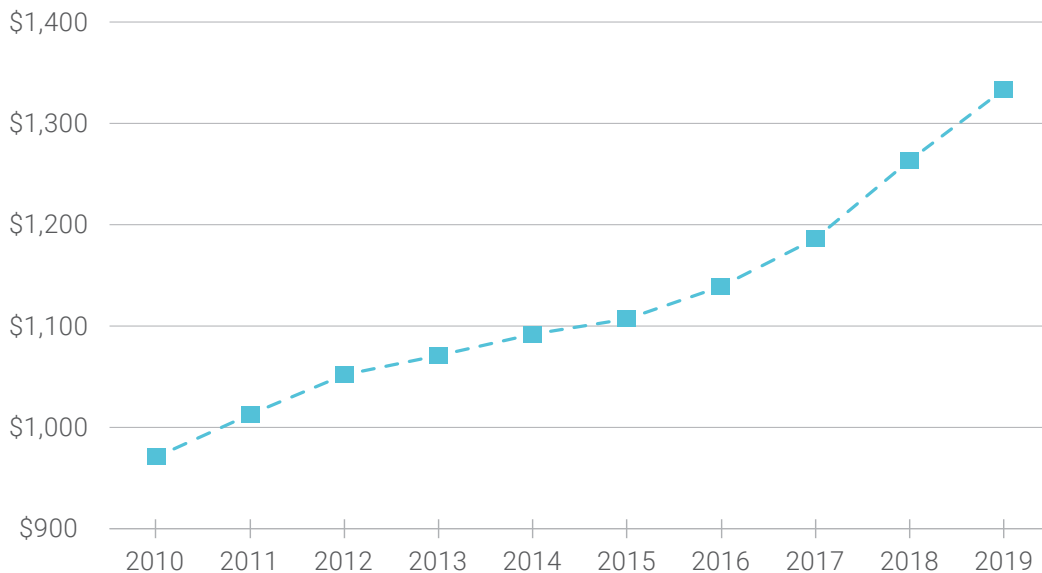
Source: 2010 and 2019 ACS 5-Year Estimates

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 1.25). Fewer than 29% of households in the city can afford this median rental rate.

Table 1.25: **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.

Since 2010, the City has continued to lose thousands of lower cost rental units. Chart 1.17 shows a net reduction of more than 111,000 units with rents $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.[11]

Chart 1.17:   **Number of Rental Units with Contract Rents Above or Below Certain Points | 2010-2019**
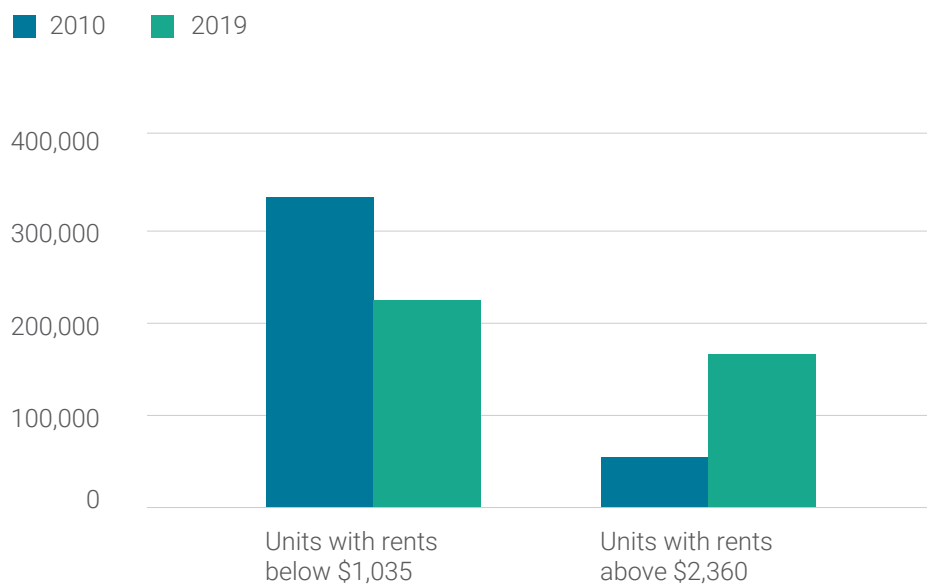
Source: 5-Year ACS (2010 and 2019); Inflation Adjusted Dollars

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

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11. HCIDLA Ellis Act Data Analysis, 2014-2020.

able to afford a 20% down payment, or $170,000.[12] 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 hown in the Map 1.5.

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 1.26). This is a much higher rate of overcrowding than any other major city in the United States (see Chart 1.18).

Table 1.26: **Overcrowded Households by Tenure**

	Renter-Occupied	Percentage of Renter-Occupied	Owner-Occupied	Percentage of 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

12. Nerdwallet Affordability Calculator; Can be accessed here: https://www.nerdwallet.com/mortgages/how-much-house-can-i-afford/calculate-affordability
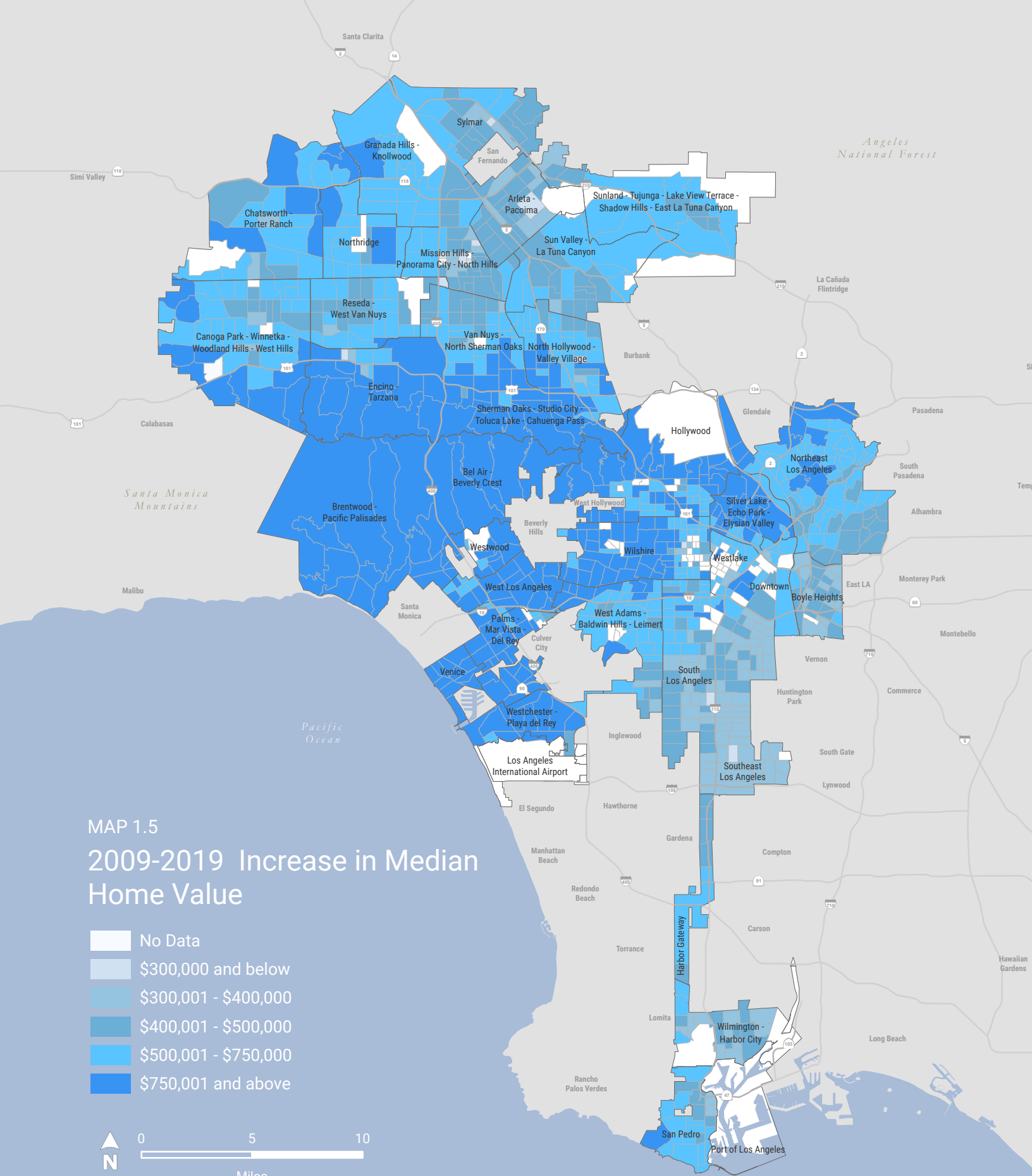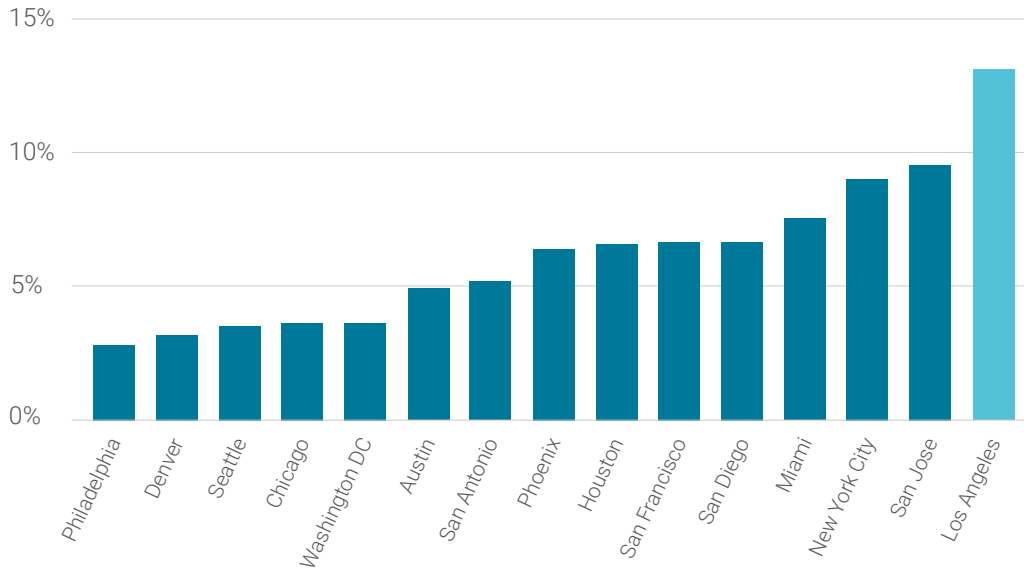
MAP 1.5

2009-2019 Increase in Median Home Value

No Data
$300,000 and below
$300,001 - $400,000
$400,001 - $500,000
$500,001 - $750,000
$750,001 and above

0   5   10
Miles

N

Chart 1.18: Percentage of Housing that is Overcrowded, Major US Cities

**Percent Overcrowded (> than 1.01 Persons Per Room)**

Source: US Census Bureau ; American Community Survey; 2018 ACS 5-Year Estimates,Table B11001

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.[13] Latinx and Black communities in the City disproportionately experienced high COVID-19 infections and mortality rates, due a number of compounding factors, including overcrowding.[14] Communities where the highest proportions of residents are experiencing overcrowding are shown on Map 1.6.

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

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

MAP 1.6

Overcrowding

Legend:
- No Data
- 0% - 2%
- 2.1% - 5%
- 5.1% - 10%
- 10.1% - 20%
- 20.1% - 50%

N

0   5   10
Miles
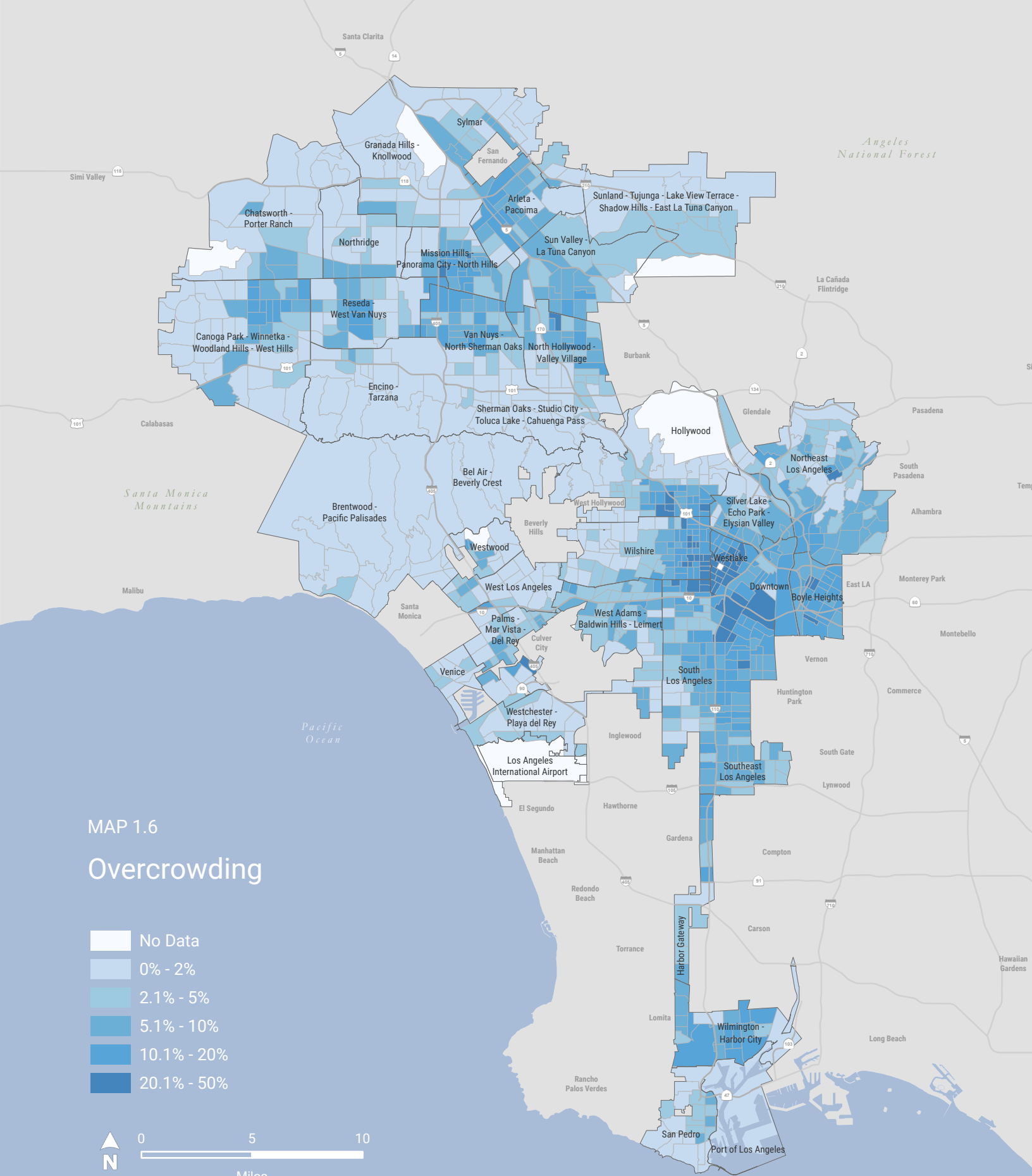
The Regional Housing Needs Assessment (RHNA)

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 1.27: **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 Three.

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 . The RHNA allocation is further segmented into four income categories based on area median income (AMI) according to the chart . 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% 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 1.28: RHNA Targets and Progress for 5th and 6th Housing Element Cycles

Income Level	2014-2021 RHNA Goal*	2014-2020 Total Units Permitted	2014-2020 Average Units Permitted/	2021-2029 Draft Allocation	Units/Year Needed to Meet 21-29 RHNA	Annual Percentage 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.[15] 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 1.29.

Table 1.29: **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	10,000	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 1.29 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 (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

15. 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

increase in housing production at all income ranges compared to prior cycles, due in part, to many of the Programs identified in Chapter 6.

The total projected quantified objective for new construction is based on the amount of housing development potential identified in the adequate sites analysis in Chapter 4 (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 6). 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. Objectives for Moderate income units are based on already planned and approved projects, ADUs and public land programs described in Chapter 4 as well as an estimate of market rate new construction. 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 Table 1.30). 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 1.30: **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.

Summary of Housing Element Assessment of Fair Housing

The need to build a more just and equitable Los Angeles has never been more urgent nor more opportune. Mass mobilizations around racial justice have heightened the awareness of structural racism in urban planning and policy making. Skyrocketing homelessness and a growing affordability crisis has forced cities to reimagine how to accomodate more housing and identify strategies for ending exclusionary zoning. And in the midst of the COVID-19 pandemic, all levels of government have enacted renter protection and support programs that seemed impossible just a year prior.

The imperative to change housing policy is in direct response to decades of discrimination and racial segregation, inequitable zoning practices, lack of tenant protections, and unjust patterns of investment and disinvestment. Although Los Angeles is a diverse city and home to people from over 140 countries who speak 224 languages, racial and ethnic segregation remains highly entrenched throughout the city, leading to inequitable access to job centers, high performing schools, and environmentally healthy neighborhoods. Seventy years ago the patterns of racial, ethnic, and economic segregation were established by law through financial practices like redlining and restrictive covenants and today these patterns are perpetuated through zoning, inequitable investment, and housing discrimination. By planning for land use reforms and tenant protection policies and programs, the Housing Element can address these historic and ongoing patterns of inequity and create a blueprint for a more inclusive, equitable, and prosperous city.

Through the Housing Element update, the City continues its efforts to better understand and address the racial and socioeconomic disparities stemming from the land use planning and housing investment practices embedded in LA's history. Implicit and explicit forms of discrimination practiced nationwide and goes back to the origins of this country, has excluded communities of color and special needs populations from homeownership and wealth-building opportunities; denied access to educational resources, jobs and healthy neighborhoods; and perpetuated segregation, displacement, inequity and exclusion. In addition to the Housing Element Assessment of Fair Housing described below, LACP has secured consulting services through the Regional Early Action Planning Grant (REAP), to prepare a Historical Housing and Land Use Study detailing the patterns of discriminatory housing and land use policies that have furthered segregation and inequities in Los Angeles, as is described in program 130. This study seeks to evaluate and document the role of city planning, the zoning code, deeds and covenants, lending practices, city investment, urban renewal, housing policy and the siting of and disinvestment in affordable housing in creating and furthering inequities in the City. The findings of this study will inform RHNA related rezoning and our efforts to affirmatively further fair housing.

The Affirmatively Furthering Fair Housing Assessment includes an analysis of the disproportionate housing needs, segregation patterns, and disparities in access to opportunity by race, income, disability and familial status using data from HCD and the American Community Survey (See Appendix 1.1, forthcoming). A summary of the results, included below, illustrate that reducing racial and economic disparities, increasing access to accessible housing for people with disabilities, and designing housing for various family configurations must be the cornerstones of future housing policies in the city.

Summary of Findings by Race and Ethnicity:

Housing insecurity affects Latinx, Black, and Asian communities distinctly.[16] The Latinx community has the lowest median income (slightly over $36,500), lowest rates of homeownership (28%), highest rates of overcrowding (26%), largest average household size (3.67), and second highest rate of rent burden (60%). The Black community has similarly high rates of rent burden (66%) and the second lowest median incomes behind Latinx households (at $41,500), and the second lowest homeownership rate (29%). However, unlike Latinx households, Black households have a smaller average household size (2.24) and are not as impacted by overcrowding, with only 5% of households considered overcrowded. Black households are, however, more likely to be impacted by homelessness, more likely to rely on public transit and more likely to have a disability than any other racial group in the city. More than 20% of Black households do not have access to a vehicle (compared to 13% of Latinx and Asian residents and 9% of white residents) and 17% of Black residents have a disability (compared to 8% of Latinx residents, 10% of Asian residents, and 11% of white residents). The rate of Black homelessness is most alarming with over 38% of the unhoused population identifying as Black compared to just 8% of the overall population.

Among the Asian community, there are significant disparities by ethnicity. For example, Filipino and Korean households have significantly lower per capita income than Chinese households ($39,334 and $38,671 respectively compared to $48,503) and much higher rates of overcrowding (14.7% and 10.9% compared with 5.9%). Compared to the Filipino population, Chinese and Korean residents are more likely to live in poverty and rely on public transit. Nearly 20% of Korean residents and 15% of Chinese residents do not have access to a vehicle, compared to 6% of Filipino residents, and the poverty rate of Koreans and Chinese residents is over twice that of Filipino residents (20% and 18% respectively compared to 7%). These differences speak to the need to develop specific and catered strategies to meet the unique needs of each racial and ethnic group. Understanding the nuanced needs by race and ethnicity, including within each ethnic group, will become increasingly important as the city plans for the growing Latinx and Asian populations and develops policies and programs to slow the exodus of Black residents from the city.

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16. All statistics are based on ACS 2019 1-Year Summary Data

Analyzing dissimilarity and isolation indices—key demographic measurements of segregation—further reveals the entrenced level of racial segregation in the city. They help determine what percentage of a racial and ethnic group would need to move in order to have a distributive population across the city. Black/white and Latinx/white groups each surpass the dissimilarity index threshold score of 60 defining them as highly segregated. Although segregation patterns between Black and white residents have declined since the 1990s, they still remain the largest segregated group in the city. The decreased levels of Black segregation may be less due to increased integration and more due to displacement and out-migration. Since 1990, the share of the Black population has declined by over 35% and nearly 154,000 fewer Black people live in Los Angeles today than did 30 years ago. For Latinx residents, while they have accounted for the largest growth in population within the past three decades, the Latinx/white dissimilarity score has essentially remained the same demonstrating the current pathway towards integration is inadequate. The isolation index scores reinforce comparable findings with the Latinx population having the highest level of isolation of any racial group and steadily increasing within the past four decades. And while the white isolation score has declined during the same period, the City's white residents still rank second highest in isolation.

Economic segregation combined with racial segregation results in Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs) defined by HUD as census tracts with a majority non-white population and at the minimum 40% of individuals live at or below the poverty line. Geographically concentrated and racialized poverty has increased substantially since the 1990s and the city now has a greater share of the population living in R/ECAPs than the rest of the metropolitan region. Approximately one in five Black and Latinx residents in the city live in areas considered High Segregation and High Poverty by HCD's Opportunity Map and 15% live in R/ECAPs.

As discussed in a recent paper published by the U.S. Housing and Urban Development Department, Racially or Ethnically Concentrated Areas of Poverty are enabled and perpetuated through the ongoing segregation of white, affluent residents who have historically used their influence and privilege over land use and zoning to maintain exclusive neighborhoods and form what are called Racially Concentrated Areas of Affluence (RCAA).[17] Approximately 7.5% of the census block groups in the city have a majority white population and a median income more than twice that of the rest of the city. As detailed in Chapter 4, approximately 95% of the residentially developable land in these census tracts is zoned for single-family uses, thereby prohibiting multi-family housing, supportive housing or group housing that command lower rents and can house lower-income individuals and families. The presence of these Racially Concentrated Areas of Affluence, which have some of the highest performing schools, greatest access to employment, and greatest access to environmental health, reinforce power imbalances and inhibit the equitable redistribution of resources and amenities.

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17. Goetz, Edward et al, "Racially Concentrated Areas of Affluence: A Preliminary Investigation" . The Fair Housing Act at 50. Volume 21 No 1 https://www.huduser.gov/portal/periodicals/cityscpe/vol21num1/article4.html

As a result, neighborhoods that are majority Black and Latinx have lower performing schools, less access to employment, and higher levels of environmental contamination than majority white neighborhoods, and white residents are more likely to live in higher resource areas. Approximately 65% of the white population live in High or Highest Resource areas (as defined by HCD) compared with 41% of Asian residents, 18% of Black residents, and 13% of Latinx residents.

The racial disparities between white and non-white households is evident in the city of Los Angeles. Robust housing policies backed by AFFH analyses will be required to halt and reverse the ongoing trends of Black households rapidly exiting the city, Latinx households continuing to enter the city but remain isolated from white neighbors, and white households almost exclusively thriving in areas of affluence. Racial segregation has clear consequences in harming key qualities of life for lower-income, Black, Indigenous and People of Color (BIPOC) while the majority of the city's benefits remain with affluent white households. As discussed more in the contributing factors section of this appendix, ongoing segregation and racialized disparities in access to opportunity is due to exclusionary zoning and land use, a lack of affordable housing, overinvestment in RCAAs and a lack of investment in lower-income, non-white neighborhoods. Evictions and displacement further exacerbate racial inequality and limit the ability of lower-income, BIPOC residents to benefit from greater neighborhood investment.

Summary of Findings by Income

The majority of Angelenos are considered lower-income and the city has a higher proportion of extremely low-income people and people in poverty than the rest of the metro region. Over half (55%) of the households in the city are considered lower-income (meaning they have incomes below 80% of the area median) and 23% are considered Extremely Low-Income (ELI) (meaning they have incomes below 30% of area median). Not surprisingly, low-income people have the highest rates of housing insecurity and over 68% of ELI households spend more than half of their income on rent.

The city's collapse of the aerospace industry in the 1990s led in large part to the exodus of many middle-income jobs. As a result, neighborhood-level income disparities have increased throughout the city, with a greater proportion of people living either in high poverty neighborhoods or very affluent neighborhoods. Then most recently, the severe economic impact of the COVID-19 pandemic and the subsequent uneven economic recovery threatens to further exacerbate these trends. Pockets of concentrated wealth are primarily located in West Los Angeles and the West and South San Fernando Valley. In contrast, the greatest concentrations of low and moderate-income households are located in South Los Angeles (particularly Southeast Los Angeles), Boyle Heights, Westlake/Pico Union, Chinatown, and parts of the San Fernando Valley including Pacoima, Panorama City, and Van Nuys.

Economic segregation primarily results in disparities in access to opportunity which perpetuates existing and generational poverty. Over half (58%) of low and moderate-income households in the city live in areas defined by the State of California as "Low Resource" or "High Segregation and Poverty" and nearly two thirds (65%) of people in poverty live in these areas. At the regional level, low and moderate-income residents have slightly more access to higher resource areas than they do within the City of Los Angeles. It is important to note that while economic and racial segregation are highly correlated, racial segregation is more pronounced than economic segregation in the city (based on statistical indices) and research shows that economic factors alone cannot account for the extreme racial disparities described.

Summary of Findings for People with Disabilities

Approximately 10%, or nearly 400,000 residents, have a disability and live in a non-institutional setting in the city. The three largest disability types are ambulatory (26%), independent living (20%), and cognitive (19%). Households with one or more people with disabilities often face significant financial difficulties that limit their ability to find suitable housing. Nearly two-thirds of working-aged people with disabilities in the city are not in the workforce and those who are working have median earnings that are 27% lower than individuals without disabilities. Based on State data, only 16% of people with developmental disabilities work and earn an annual income of just $10,317. As a result of lower labor market participation, lower incomes, ongoing discrimination and ableism, people with disabilities have much higher rates of poverty and are more likely to be homeless.

Although people with disabilities live throughout the city, nearly half of people with disabilities (49%) live in designated Low Resource or High Segregation and High Poverty areas. Most notably, the Skid Row neighborhood of Downtown has a far higher concentration than any other neighborhood of the city, with nearly 45% of residents in the southern portion of Skid Row living with a disability. Many of the residents in Skid Row are unhoused and based on the 2020 Point in Time Count, 38% of unhoused residents living in Skid Row had a serious mental illness, 26% had a physical disability, and 18% had a developmental disability. Because the majority of unhoused residents in Skid Row are also Black, addressing the housing needs of this community requires addressing the ongoing and intersecting role of racism (particularly anti-Black racism), ableism, and classism in housing and service provision.

The disproportionate concentration of people with disabilities in lower resource areas of the city is due both to more accessible housing built in these areas and to a lack of affordable accessible housing in the Higher and Highest resource areas. Of the nearly 2,500 permanent supportive housing units financed through proposition HHH, 76% are located in Low Resource or High Segregation and High Poverty areas. Increasing access for people with disabilities to higher resource areas with higher performing schools is particularly important in order to reduce educational disparities. As detailed in the City's 2018-2023 Assessment of Fair Housing (AFH), people with disabilities have

low levels of academic achievement and face significant barriers accessing needed educational services.

Summary of Findings by Household Size and Type

Of all household types, elderly households and large family households have the highest rates of cost burden at 65% and nearly 60%, respectively, and are the most likely to be low-income. However, while elderly households and large family households have higher rates of housing insecurity, small families and other non-family households (which include non-elderly people living alone or with roommates) still make up the majority of lower income households. Together, they constitute 64% of the total extremely low-income population.

Single-parent households also face significant financial challenges and have a poverty rate nearly triple that of two-parent households (38% compared to 13%). Single-parent households are very common in the city and found in nearly all neighborhoods, but are more concentrated in South Los Angeles. The spatial concentration of single-parent households results in lower access to opportunity. Nearly one-third (30%) of children in single-parent households live in High Segregation and High Poverty areas while only 17% of single-parent households live in High or Highest resource areas.

Large family households are primarily concentrated in the Northeast Valley (including Pacoima and Arleta) and Southeast LA. As discussed previously, these areas are majority Latinx and have higher rates of overcrowding, substandard housing conditions, and lower access to opportunity. Many larger family households also include adult children living with their parents and more than half (54%) of the households live in Low Resource or High Segregation and High Poverty areas.

Summary of Additional Analysis Including Displacement

The city has recently seen an increase in Rent Stabilization Ordinance (RSO) complaints, Ellis Act evictions, and tenant buyout filings. For example, RSO complaints have increased by nearly 40% from 2015 to 2019 and the number of RSO demolitions doubled during the same time period. These trends demonstrate a spike in new development and real estate speculation, which often results in the demolition or remodeling of RSO units and the displacement of long-term tenants to capitalize on rising market rents.

Displacement is often a neighborhood-level phenomenon sparked by changing preferences among higher income people that move into lower income areas and change the financial landscape and/or increased private or public investment (such as public transit, green space, or commercial revitalization efforts). Although the city has not yet developed a methodology to evaluate neighborhood-level displacement risk, initial research by the LAHD and by the Urban Displacement Project suggests that certain neighborhoods in the central part of the city (including East Hollywood, Pico

Union, and Westlake), South LA (including West Adams, Leimert Park, and Jefferson Park) and East/Northeast LA (including Lincoln Heights, Glassell Park, and Boyle Heights) experience some of the greatest displacement pressures. As described in Program 122 in Chapter 6, the city will be conducting a more thorough analysis of displacement and integrating the results in new or enhanced tenant rights and land use policies.

The need for stronger anti-displacement policies is even more urgent now due to the disproportionate impacts of the COVID-19 pandemic and the ongoing economic vulnerability experienced by many low-income Black, Indigenous and People of Color in the city. Data from the 2021 Emergency Rental Assistance Program (ERAP) indicates that tenants owe nearly $500 million in back rent. Latinx tenants reported the greatest share of back rent at over $149 million and larger families also appear disproportionately impacted by the pandemic. Federal, State and local eviction protections combined with rental assistance and unemployed assistance have helped keep families in place; however, when the protections are lifted, the city may experience a spike in evictions and further displacement.

Contributing Factors

Summary of Contributing Factors

AB 686 requires an identification and prioritization of contributing factors to fair housing issues based on all the previously required analysis (outreach, fair housing assessment, site inventory). This identification and prioritization must give highest priority to factors that limit or deny fair housing choice or access to opportunity or negatively impact fair housing or civil rights. The following factors are listed in order of priority based on an analysis of housing cost burden, housing needs by protected class, displacement risk, and access to opportunity. The analysis also looks particularly at contributing factors for persons with disabilities.

Lack of Access to Opportunity Due to High Housing Costs

Los Angeles has some of the highest rates of housing insecurity in the region, with 68% of ELI households spending more than half of their income on rent. While affordable housing incentive programs such as the Transit Oriented Communities (TOC) and Density Bonus programs have had success in increasing the production of affordable housing units in market rate development, studying the feasibility of establishing a citywide or geographically specific, on-site affordable housing requirement could allow the city to develop a more nuanced and geographically specific approach to maximizing inclusive affordable development and create a permanent program that can expand on the TOC program incentives.

Assessing mandatory affordable housing requirements in higher opportunity areas where market-rents are out of reach could open access to ELI households in larger numbers--especially for the disabled community who require housing to meet physical

specifications for complete access and enjoyment to their tenancies. The types of housing that are most likely to be accessible to people with disabilities include multi-family housing that is subject to the design and construction requirements of the Fair Housing Amendments Act of 1988, as well as housing that has received Federal financial assistance and is subject to the requirements of Section 504 of the Rehabilitation Act of 1973. These types of housing exhibit patterns of concentration. The areas with the highest concentrations of multi-family housing in the city are Downtown Los Angeles; neighborhoods immediately to the west of Downtown such as Pico-Union, Westlake, and Koreatown, East Hollywood; and areas of the San Fernando Valley. The neighborhoods that are likely to have more accessible and affordable housing tend to have low levels of access to high performing schools, greater exposure to poverty, and reduced environmental health.

Land Use and Zoning Laws

Land use and zoning laws are a significant contributing factor to disproportionate housing needs in the city of Los Angeles and the broader region. As stated in Chapter 2, Federal and State laws have been enacted which require updating local regulations to ensure that no city procedures or development standards pose obstacles to the production or preservation of housing for people with disabilities. This includes a variety of housing types, treatment facilities, community facilities, and short- and long-term housing. Protected classes disproportionately occupy high-density housing, and land with zoning to accommodate this type of housing is not widely available.

For purposes of the Housing Element's Inventory of Adequate Sites for Housing (Chapter 4), as advised by HCD, sites identified to accommodate the lower-income portion of the RHNA are to not be concentrated in low-resource areas (lack of access to high performing schools, distant from job centers, location disproportionately exposed to pollution or other health impacts) or areas of segregation and concentrations of poverty. Sites identified to accommodate the lower income RHNA must be distributed throughout the community in a manner that affirmatively furthers fair housing. Considering all land zoned for residential uses, approximately 76% of residential parcels in High and Highest Resource Areas are limited to single-family uses and approximately 20% are zoned to allow multi-family housing. In contrast, just 18% of the residentially zoned land in the areas considered High Segregation and Poverty is allocated to single-family uses, whereas over 80% allows multi-family development. Strategically rezoning portions of High and Highest Resource areas, while ensuring there are affordable housing requirements and protections for existing residents, would contribute to a more balanced and accessible housing stock in those neighborhoods and would create opportunities to foster residential integration within those neighborhoods, which are predominantly white and are least likely to have restricted, publicly funded affordable and accessible housing for persons with disabilities. This approach is reflected in the Rezoning Program, as discussed in Chapter 4 and Program 121 in Chapter 6.

Availability of Units in a Range of Sizes

The availability, or lack thereof, of affordable housing in a range of family sizes is a significant factor to housing burden and overcrowding among Black and Latinx households, and large families with children in the city. The shortage of affordable housing in Los Angeles is particularly acute for people with disabilities. A significant portion of the affordable, accessible housing in the city consists of Single-Room Occupancy (SRO) units and one-bedroom and studio units in more integrated developments with a permanent supportive housing component. These units meet critical needs, but are not adequately sized and as such do not provide access to affordable housing for families including people with disabilities or for people with disabilities who need the services of a live-in aide to allow persons to live independently in non-institutional settings. The settlement agreement in Independent Living Center of Southern California, et. al v. City of Los Angeles resulted in the creation of the Accessible Housing Program (AcHP) to carry out the obligations under the Corrected Settlement Agreement. The Settlement Agreement requires the city to produce 4,000 accessible units through new construction, substantial rehabilitation or retrofit of existing developments over a ten year period from the effective date of September 6, 2016. For units produced through new construction and substantial rehabilitation, 10% must be mobility units and 4% must be hearing/vision units.

Tenant Protections

Evictions or the threat of eviction causes severe housing instability for thousands of Los Angeles tenants each year, often resulting in displacement or homelessness. Prior to the COVID-19 pandemic, approximately 60,000 evictions were filed annually countywide. Of this number, an estimated 30,000 were filed in the city of Los Angeles. Early negotiations between landlords and tenants in units subject to the city's Rent Stabilization Ordinance (RSO) can help resolve eviction-related issues before an unlawful detainer is issued. This kind of early intervention, particularly if it is combined with flexible rental assistance, provides a faster and less costly response for tenants and landlords. More than 620,000 of the city's 800,000 multifamily rental units are covered by the RSO. The adoption of AB 1482, effective January 1, 2020, provides some rent stability for units not covered by the RSO by prohibiting landlords from increasing rents beyond five percent plus inflation annually. In addition, the new law's strong renter protections that extend Just Cause protections to tenants that have lived in their units for at least one year will be integrated into the city's Eviction Defense Program, also known as Stay Housed LA. This program consists of a partnership between Los Angeles County, the City of Los Angeles, local community, and legal service providers who assist tenants in understanding their rights and responsibilities as renters and provide legal assistance to ensure residents can remain in their homes.

Violations of the RSO are also a significant contributing factor to disproportionate housing needs. For the 2018-2023 AFH, LAHD analyzed RSO cases by Council District in 2017. This data is consistent with the possibility of racial, ethnic, and national origin disparities in the incidence of violations of the RSO. The Valley and West districts, which have higher concentrations of white residents, have by far the lowest rates of open cases. The East, South, and Wilshire districts, which have a larger concentration of residents of color, have much higher rates of open cases. The especially high rate of open cases in the Wilshire district may reflect higher concentrations of rental housing than in East and South LA along with greater gentrification pressures that incentivize landlords to break the law. Additionally, between 2014 and 2020, there was nearly a 40% increase in the number of RSO open cases. The city's recently adopted Tenant Anti-Harassment Ordinance provides additional protections for tenants experiencing unlawful harassment, and landlords may be fined up to $5,000 if the tenant is older than 65 years or is living with a disability.

Housing Discrimination

Residents that fall into protected classes face disproportionate housing needs due to housing discrimination. The City of Los Angeles relies primarily on a contract with the Housing Rights Center (HRC) to enforce fair housing laws and conduct proactive outreach on fair housing issues. Between 2013-2019, HRC reported over 5,200 fair housing complaints, with close to 80% involving discrimination on the basis of a physical disability, 12% on family status, and 8% on the basis of race. In 2019, the City of Los Angeles entered into a Voluntary Compliance Agreement (VCA) with the U.S. Department of Housing and Urban Development (HUD) and its Office of Fair Housing and Equal Opportunity (FHEO) to provide greater access to affordable housing for Angelenos with disabilities through a multi-billion-dollar program. The VCA, which was executed subsequent to the settlement agreement with the Independent Living Center of Southern California, et al. , requires the city to produce 4,031 accessible units over a ten-year period from an effective date of August 2, 2019. Of the total accessible units, 3,100 must be through the retrofit of existing developments. For the new construction and substantial alteration of developments, 11% must be mobility units and 4% are to be for hearing/vision units.

Under the ten-year VCA the City has agreed to:

- Retrofit hundreds of existing multifamily housing developments across the city to provide 3,100 accessible housing units designed for persons with mobility disabilities, individuals who are deaf or hard of hearing, and individuals who are blind or have low vision, as well as accessible public and common use areas;

- Produce accessible units in new construction and substantial alteration developments at a higher percentage rate than required by State (10% mobility and 4% hearing/vision units) and Federal (5% mobility and 2% hearing/vision units) minimums, to yield an anticipated 1,500 new accessible housing units over ten years from the effective date of August 2, 2019;

- Implement a new Enhanced Accessibility Program to produce state-of-the-art, "super-accessible" units with features that provide greater accessibility than currently required by Federal standards;

- Implement policies to ensure that accessible units designated for occupancy by individuals with disabilities are actually made available for occupancy by the persons who need the accessibility features they provide; and

- Allocate substantial financial resources to provide the funding necessary to accomplish the actions required by the agreement.

In December 2020, The State's TCAC regulations increased the minimum accessible units in new construction developments to 15% mobility units and 10% hearing/vision units. The City of Los Angeles ensures the compliance with these accessibility requirements in TCAC funded affordable housing developments and compliance with the accessibility requirements for senior housing developments set forth in the Unruh Act.

Displacement of Residents Due to Economic Pressures

Displacement of residents due to economic pressures is a significant factor to disproportionate housing needs in the City of Los Angeles, and across Southern California. Loss of affordable housing is a significant contributing factor resulting in displacement of residents and, in particular, housing cost burden continues to be a major issue facing Black and Latinx households. More than one in four Latinx households is overcrowded, and the rate of overcrowding for Latinx households is seven and a half times greater than that of White households and five times the rate of Black households. Overall, Los Angeles County has lost 6,156 of covenanted affordable units between 1997 and 2020.[18] The city currently has 9,412 housing units at risk of losing their affordability use restrictions between October 1, 2021 and September, 30, 2031. Dedicated funding from state and federal funding sources for preserving expiring affordable housing will prove necessary to maintain housing stability for low income residents.

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18. California Housing Partnership, "Affordable Homes at Risk," February 2021; https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2021/02/Affordable-Homes-At-Risk-Report-2021.pdf

Moreover, unless steps are taken to mitigate the effects of development on low-income BIPOC renters, the city's development policies could have unintended consequences. The continued expansion of LA Metro's transit system with upcoming openings of the Crenshaw/LAX Line, Regional Connector, and construction of the Purple Line to the Westside has increased opportunities for housing development along these transit corridors. If new development is going to further the goals of fair housing and desegregation, measures must be taken to ensure that new development is both available to members of protected classes and benefits are spread widely throughout the city. The city will need to continue to take proactive steps to protect more vulnerable renters, such as ongoing enforcement of the RSO, a robust Eviction Defense Program, and stricter enforcement of Ellis Act provisions to ensure that any new development does not substantially reduce the stock of affordable housing, and additional resources to preserve affordable housing.

Lack of Investment in Communities of Color

The lack of private investments in specific neighborhoods is a significant contributing factor to disproportionate housing needs in the City of Los Angeles and the broader region. Specific neighborhoods with low-income, predominantly people of color populations have the greatest need for private investments to construct or rehabilitate housing, investment in new small businesses, and increased access to community amenities, such as supermarkets, pharmacies, and banks. When assessing the various metrics that reflect lack of private investment in specific neighborhoods, it is predominantly low-income, and predominantly communities of color, that suffer the greatest consequences and are often left without an opportunity for economic mobility.

Lack of affordable in-home or community-based supportive services is a significant contributing factor to segregation for people with disabilities in Los Angeles. For example, of those experiencing homelessness, 29% have serious mental illness, 22% have physical disability, and 13% have a developmental disability. Permanent supportive housing units are also highly concentrated in Skid Row and in neighborhoods near Downtown that include R/ECAPs and offer limited access to opportunity for residents, especially for persons with disabilities. Clearly, there is an unmet need for affordable, integrated housing for individuals who need supportive services.

Greater economic mobility and access to inclusive community amenities for protected class members would reduce rent burden. Generally, the distribution of community problems such as the lack of adequate housing, the lack of high-quality education, the lack of investments in small businesses, and the lack of access to community amenities, impedes economic mobility for low-income people of color and prevents them from accessing high opportunity areas, thus perpetuating patterns of segregation.

Goals and Actions

Select programs identified in Chapter 6 intended to promote the city's goals of affirmatively furthering fair housing are identified below for prioritized contributing factors. Specific actions are either ongoing activities or will be undertaken by LAHD and/or LACP as part of actions to address AFFH issue areas in partnership with key local stakeholders. See Program 124.

Conclusion

More than four decades after Congress passed the Fair Housing Act, fair housing issues remain critical to the pursuit of strong, sustainable, inclusive communities and equal opportunity for all residents. Racial segregation in housing has not only endured, but along with increasing income segregation, has also created areas of concentrated poverty populated predominantly by people of color. Residential segregation carries high costs for individuals, families, and society as a whole, constricting opportunity and life chances and limiting economic growth. These impacts have disproportionate consequences for Black and Latinx residents, low income families, as well as persons with disabilities. The City of Los Angeles aims to increase access to opportunity for all residents by reforming land use policies, prioritizing housing production, especially affordable housing, promoting housing stability for all residents, especially renters, and correcting the harms of explicit and implicit forms of discrimination in housing choice by prioritizing development in high opportunity, high resource areas. Housing production that proactively desegregates parts of the city must be balanced with the significant needs and challenges faced by residents that are part of protected classes residing in distressed, low resource areas and R/ECAPs. This can be accomplished by setting priorities that expressly alleviate the disproportionate factors that negatively impact the quality of life for residents of color in the city through prioritizing more resources and investments in these areas.