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

This 2006-2014 Housing Element of the General Plan is the City’s blueprint for meeting the housing and growth challenge. It identifies the City’s housing conditions and needs, reiterates goals, objectives, and policies that are the foundation of the City’s housing and growth strategy, and provides the array of programs the City has committed to implement to create sustainable, mixed-income neighborhoods across the City.

Housing Crisis In Los Angeles

The City of Los Angeles is facing an unprecedented housing crisis. The increasing cost of housing has far outpaced the rise in wages and salaries, making it difficult for working people and even multiple-income families to purchase a home or pay market rent. Public school teachers, police officers, healthcare professionals, bus drivers, and childcare workers have been priced out of the City’s homeownership market, and the lack of affordable rental housing combined with a low vacancy rate has put rental housing out of reach for large segments of the City’s population. At the same time, the turmoil in the mortgage lending industry has increased foreclosures and the specter of foreclosure for many of those who were able to purchase homes.

The crisis impacts all segments of the housing market, but is particularly dire for those with low incomes, the homeless, and those with special needs. In the past decade, the median price of a home tripled, from $174,000 in 1997 to $525,000 in 2007,1 and the average monthly rent for a two-bedroom, one-bath apartment almost doubled, from $870 to about $1,650.2 However, during this same time, median family income increased only 18% from $47,800 ($3,983/month) in 1997 to $56,500 ($4,708/month) in 2007.3 In fact, the number of low income households and the pervasiveness of poverty in Los Angeles are so much greater than most urban areas, that making housing affordable in Los Angeles requires far greater subsidies than other cities generally require.

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1 Los Angeles Almanac (California Association of Realtors and Almanac Research), NAHB/Wells Fargo HOI.
2 RealFacts Data for City of Los Angeles, 1st Quarter 2007.
Exacerbated by population growth and the resultant rise in demand, the lack of an adequate housing supply has not only deepened the need for affordable housing for low and very low income families, but has also priced out middle income families from the home ownership and rental markets. The reality facing middle income families in Los Angeles is that the very people who provide the daily services necessary to build the City are being priced out of Los Angeles. In the first quarter of 2007, a family would have had to earn at least $118,344 annually in order to afford a mortgage for a home at the then-current median price of $525,000. Many families who managed to purchase homes within the past few years now face possible foreclosures due to subprime mortgages which will escalate beyond the affordability of the mortgage holders. The 40% homeownership rate in Los Angeles, well below the national rate of 68%, is evidence of the challenges to homeownership in this City.

While the lack of affordable rental housing impacts all renters, low- and very low-income households are most affected as they teeter on the brink of eviction and subsequent homelessness due to unaffordable rents. In the first quarter of 2007, a low-income family making 80% of the monthly Annual Family Income ($3,767) had to spend 44% of its income to afford the average monthly rent for a two-bedroom, one-bath apartment ($1,650). As housing is considered affordable when a household spends 30% or less of its income for rent, low-income families were forced to pay significantly more than what is considered affordable. The reality bodes worse for very low- and extremely low-income families.

Housing accessibility is especially difficult for those who are already homeless. This population frequently has special needs and faces discrimination, disabling conditions, lack of transportation, and unemployment that exacerbate difficulties in accessing permanent housing. The 2007 Greater Los Angeles Homeless Count by the Los Angeles Homeless Services Authority (LAHSA) estimated the homeless population in Los Angeles to be 40,144 persons on any given night. In a survey of homeless individuals in Los Angeles County, 87% reported having living arrangements in their own home, in a home owned by their partner, in rental housing, or with family or friends prior to becoming homeless. While the causes of homelessness are multifaceted, according to LAHSA, the dearth of affordable housing for low-income people is the primary cause of homelessness.

The loss of existing rental units with affordability covenants is also aggravating the shortage of affordable housing. Thousands of units made affordable through federal, state, and local government subsidies are likely to convert to market-rate rents because the covenants governing affordability will expire before 2020. In the past ten years the City lost 4,181 affordable housing units due to the expiration of these covenants. The City could lose another 21,577 affordable units in the next ten years if something is not done to extend the affordability covenants. Replacement of these units is particularly challenging in today’s environment.

Exacerbating the situation further are high development costs for both new construction and rehabilitation, and the need for public subsidies to cover these costs when these sources are shrinking. Development costs for multifamily affordable housing have increased from approxi-
Executive Summary

The median total development cost for preserving an existing affordable housing unit through moderate rehabilitation was approximately $182,700.9 Los Angeles has long been committed to monitoring, notification, funding, and outreach activities that support the preservation of affordable housing. Since 1994 through 2007, the City of Los Angeles has provided local subsidies in the sum of $30.5 million for gap financing to support the preservation of nearly 1,200 at-risk FHA-insured apartments in 16 developments. Additionally, the City’s Tax-Exempt Mortgage Revenue Bond Program has preserved affordable units without local public subsidy. From 2002-2007, the Bond Program has assisted in the financing of 2,011 at-risk units through a $100.1 million dollar commitment of tax exempt bonds. In the last four years, with the formal establishment of the Los Angeles Affordable Housing Preservation Program (AHPP), a dramatic increase in activity has occurred. This activity includes: expanding resources for preservation program activities; tenant outreach and education to residents of at-risk affordable housing developments; monitoring expiration of rental subsidies and/or affordability restrictions on at-risk units; and ensuring enforcement of legal notice requirements.

Additional funding must be identified at all levels of government — local, state, and federal — to support the development and preservation of more affordable housing and to keep pace with the City’s housing needs. Since the 1930s, Congress has passed Housing Acts throughout each decade, renewing the federal government’s commitment to advancing the right to quality housing and appropriating funding to existing and new programs for rental, for-sale and special needs housing. The State of California has also made similar commitments through legislative acts. Through this Housing Element Update, the City also commits to pursue quality housing for all in keeping with these federal and state policies. In spite of renewed commitments, state and federal appropriations have shrunk from year to year for more than a decade. City resources as well have not increased to meet the needs. Considering that the City is responsible for producing 112,876 new units, of which 44,733 units (40%) are designated for very low- and low-income families based on the Regional Housing Needs Assessment (RHNA), without securing additional funding for affordable housing production and preservation, the City will face significant challenges in meeting its RHNA income distribution.

The need for affordable housing for all will intensify as the City’s population continues to grow. However, progress has been made in the recent past to address the housing crisis through the mobilization of leadership from the City and the housing community. The City has the sites for this housing and a General Plan and Zoning Code that allows for the development of the sites. The 2006-2014 Housing Element Update establishes the goals, objectives, policies and programs the City of Los Angeles will pursue to facilitate the construction of affordable and market rate housing units and to encourage the maintenance and rehabilitation of existing housing stock serving people of all income levels.

Strategically Directing Growth to Meet Housing Needs Citywide

For over ten years, the City has been pursuing a sustainable approach to accommodating long-range growth. This approach is established in the Framework Element of the General Plan, first adopted in 1995, which encourages sustainable growth in higher-intensity commercial and mixed-use districts, centers and boulevards, and in proximity to transit. These centers and transit stations and stops are depicted on the map below, Map ES.1. The goals and policies of the Framework Element establish a balanced approach to growth by linking it to the land uses and infrastructure that will support the type of infill development that incurs the least economic, environmental and social costs. The Housing Element fulfills this strategy, as reflected in the overall housing goal established in Chapter 6, “It is the overall housing goal of the City of Los Angeles to create for all residents a city of livable and sustainable neighborhoods with a range of housing types, sizes and costs in proximity to jobs, amenities and services…”

To target growth strategically, the City is developing Transit Oriented District plans and implementing financial and land use incentives to increase the feasibility of infill development near transit. This includes new zoning categories for residential and mixed-use development near transit stops, incentives to increase housing opportunities in Downtown that can support tens of thousands of additional people that will leverage the billions of dollars of rail and other infrastructure investment that has been made there, and zoning to encourage the adaptive reuse of the City’s stock of historic office buildings for housing. City agencies, including the Los Angeles Housing Department (LAHD), the Housing Authority of the City of Los Angeles (HACLA) and the Community Redevelopment Agency of the City of Los Angeles (CRA/LA), are committed to bringing resources necessary to support these neighborhoods, maintaining neighborhood character and upgrading the housing stock while developing livable, affordable, and sustainable neighborhoods.

To encourage the development of housing across the City, policies and programs will also be carried out at a neighborhood and community level through the New Community Plan program. Working with communities to devise neighborhood-based strategies for development, Community Plans implement the Framework and the Housing Element policies by determining the mix, location, and intensities of land uses, the infrastructure necessary to support those uses and funding strategies to achieve those plans.

Through land use planning and financial incentives, the City encourages livable and sustainable neighborhoods that offer a mix of housing at all income levels, jobs, transit and services. The City accomplishes this through infill development strategies which preserve the character of neighborhoods and meet the needs of existing residents as the City continues to grow.
Rail, Orange Line, Rapid Bus Stops and General Plan Framework
Adopted Regional Centers
City of Los Angeles

- 1500 feet from Rapid Bus stop
- Rapid Bus Line
- Planned extension
- 1500 feet from rail & Orange Line stop
- Rail Line
- Planned extension
- Regional center
Housing Element: Purpose and Process

Housing Element and the General Plan

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

The General Plan is a city’s "constitution for development," the foundation upon which all land use decisions are to be based. The City of Los Angeles’ General Plan consists of a Framework Element and twelve issue-focused Elements. The Framework establishes the vision for the City’s future, and the long-range strategies, goals, objectives, and policies to implement that vision. Each of the Elements is a more detailed expression of that vision.

The Framework Element includes chapters that address all urban issues. The Housing Chapter identifies the housing issues, and establishes the City’s goals and policies to address these issues and to guide future actions. The 2006-2014 Housing Element Update embodies these goals and policies and identifies the more detailed strategies the City will implement to achieve them while assuring that the benefits and challenges of growth are shared and that the housing goals are integrated and consistent with all of the other Elements of the General Plan.

Statutory Requirements

The requirements for the Housing Element are delineated in California State Government Code Section 65580 – 65589.9. The Housing Element is required to be updated every five years in accordance with a specific schedule of dates established by the State. For this update, the State granted time extensions for the adoption of the updated Housing Element to June 2008. The current Housing Element therefore covers the period of January 1, 2006 – June 30, 2014.

Public Participation in the Preparation of the 2006-2014 Housing Element

Pursuant to Government Code Section 65583(c)(6)(B), "The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element..." The 2006-2014 Housing Element Update was prepared over a period of 18 months by an interdepartmental team of twelve City departments and with the participation of a variety of stakeholders.

Early in the process, a Task Force of housing experts was created to provide information and
Expertise on the range of housing issues, needs, policies, and programs necessary to achieve the City’s RHNA goals. The Task Force was comprised of 50 members who have special and/or technical knowledge about various facets of housing issues, including the business community, financial institutions, affordable and market-rate housing developers, special needs providers, legal assistance groups, tenants’ rights groups, homeless service agencies, and Certified Neighborhood Councils. The Task Force was co-chaired by Robin Hughes, a member of the City Planning Commission and Evangeline Ordaz-Molina, a member of the Affordable Housing Commission. The Task Force established eight subcommittees to address specific issues and more than 100 additional people participated in these meetings. The Task Force and its Subcommittees met over a five month period from May through September, 2007 and submitted comprehensive recommendations to City staff regarding the needs of the occupants of the 112,876 units and the programs that will be most effective in assuring that these units meet the required income targets. A Summary Report of the Task Force’s work was created and every recommendation was reviewed by City staff. Nearly every recommendation of the Task Force was incorporated into the draft Housing Element.

The Department of City Planning (DCP) created a website to provide on-going information about the Housing Element as it was being prepared. Documents produced by the Task Force and Subcommittees and their meeting dates and agendas were posted. Related documents and links to documents of interest were also posted from time to time.

Following the release of the Draft Housing Element, DCP held seven community workshops throughout the City to discuss the Housing Element with the public and to elicit further input. These workshops were advertised via special mailings to community and business organizations as well as individuals, to the members of the Board of Directors of the 89 Certified Neighborhood Councils in the City, and to approximately 500 news publications, including those oriented towards particular ethnic communities. Public workshops were held in the North San Fernando Valley, South Valley, Downtown, South Los Angeles, East Los Angeles, West Los Angeles, and the Harbor area on either Saturdays or early evenings to encourage the greatest amount of participation.

In addition to the Task Force and Subcommittee meetings and the seven public workshops, public hearings to address the draft Housing Element were held before the Affordable Housing Commission (twice), the City Planning Commission (twice), the City Council’s Planning and Land Use Management Committee, the City Council’s Housing and Community and Economic Development Committee, and the City Council.

Public Participation: Summary of Issues Raised and Responses

- Livability, sustainability, quality urban design, quality development in the public realm and access to green space/open space will be pursued through programs such as zoning
and neighborhood implementation tools for mixed used development, transit oriented district studies, and a walkability checklist, all of which have been incorporated into Goal 2 regarding safe, livable and sustainable neighborhoods.

- Alleviating development constraints and streamlining governmental approval processes in order to facilitate the production and preservation of housing is discussed in detail in Chapter 2, and specific City efforts to accomplish these objectives are incorporated under Goal 1, Objective 1.5 regarding regulatory and procedural barriers.

- Provision of a variety of housing types and distribution of affordable housing and services throughout the City will be pursued through a vast array of housing production and preservation programs undertaken by several City departments and agencies, all of which have been incorporated into Goal 1 regarding provision of an adequate supply of housing for all residents with various needs.
  - Issues regarding increased development and available infrastructure and services are addressed in detail in Chapter 2 regarding infrastructure constraints as well as through programs under Goal 2 to create livable and sustainable neighborhoods.
  - The location of future development will be addressed through programs that will establish greater residential capacity in centers and near transit while reducing the residential capacity in those neighborhoods where preservation of existing character is desired, such that the current zoning and residential capacity reflected in the current inventory of sites for housing will evolve and all residential development and increased residential density will be directed to desired locations.
  - Encouraging the distribution of affordable housing throughout the City will be pursued through a variety of incentives, including construction loans as well as land use concessions, while the exploration of a mixed income housing ordinance may result in additional methods of achieving citywide production of affordable housing.

- Preservation of existing housing, preventing a net loss of units and preventing displacement of residents is discussed in detail in Chapter 1.
  - Achieving preservation and mitigating and/or minimizing the loss of existing housing and displacement of tenants will be achieved through programs which support rehabilitation of individual residential buildings and preservation of affordability, such as preservation of residential hotels and single room occupancy hotels, preservation of rent-stabilized housing units, funding the rehabilitation and refinancing of affordable units in order to extend the affordability terms, all of which are contained under Goal 1, Objective 1.2.
  - Preservation and preventing loss of units and/or displacement of residents will all be addressed through neighborhood preservation programs which support development while preserving neighborhood character and meeting the needs of existing residents, such as down-zoning in order to minimize the incentive to demolish and replace housing
Executive Summary

City of Los Angeles
Housing Element
2006-2014

and development review by neighborhood councils and community stakeholders, all of which are contained under Goal 2, Objective 2.4.

• Ending and preventing homelessness is addressed through programs that provide short-term and long-term housing arrangements for persons with special needs and for persons who are homeless, and include supportive services to prevent and/or end a cycle of homelessness for those persons, all of which are contained in Goal 4 and where the City makes a commitment to work toward reducing homelessness.

• Sustainable residential development is addressed through a variety of programs under Goal 2, Objective 2.2 that specifically promote sustainable buildings, such as sustainable building materials, reducing impediments to innovative design, and priority plan check and expedited permitting for green buildings.

• Education and training for all stakeholders and residents regarding housing issues, needs and effective responses will be implemented through a variety of public outreach and education efforts, such as property management training for landlords, training and outreach with neighborhood councils and other community groups, education for buyers and homeowners to protect against predatory lending practices, and outreach and training programs regarding fair housing awareness and the rights of tenants and property owners.

Summary of the 2006-2014 Housing Element Update

The 2006-2014 Housing Element Update is the City’s plan for addressing housing needs across the City. While fulfilling the statutory requirements of State housing element law, the policies and programs herein also foster on-going partnerships among City departments, with other governmental agencies, and with the private sector to respond to ever-changing housing demands and market conditions. And, finally, the Update provides policy guidance to decision-makers at all levels of City government.

The Update is divided into six chapters, beginning with an assessment of housing needs and constraints to residential development and culminating with Chapter 6 which delineates the City's housing goals and the specific policies and programs that various departments will implement to achieve the goals.

Chapter 1, Housing Needs Assessment, provides a comprehensive overview of the City's population, household, and housing stock characteristics, and an analysis of these factors in order to identify housing needs of the variety of household types and special needs across the City. The analysis indicates high rates of housing cost burden (58% of renters and 47% of owners pay over 30% of their income for housing), low home ownership rate (40% compared
to 68% nationwide, and loss of existing low-rent housing (including subsidized housing as well as rent-stabilized units). More than 20,000 units are at risk of losing affordability covenants in the next ten years. Vacancy rates are low and rental rates and home prices are high in Los Angeles where the median income has remained lower than the County and the nation. Growth estimates for Los Angeles have led to a Regional Housing Needs Assessment (RHNA) allocation for the City of 112,876 new housing units that will be needed during the Housing Element Update planning period of 2006-2014.

Chapter 2, Constraints on Housing Maintenance, Improvement, and Development, addresses regulations and conditions that constitute constraints to housing production and preservation, including governmental regulations, infrastructure requirements, conditions in the City’s Coastal Zone, and market conditions. While governmental regulations are established to protect the health and safety of residents, they also set limits on residential development; these regulations include zoning, land use entitlement processing, redevelopment project area designations, environmental review, and affordable housing covenant requirements. Constraints in the Coastal Zone are created through State laws that exist to protect, maintain, enhance, and restore the overall quality of the Coastal Zone area and its resources, but which also restrict development flexibility by, for example, restricting the density and height of projects. Lastly, market conditions pose significant constraints, including high land, construction and financing costs, and restricted financing availability which may be addressed through policies and programs, although the City has little ability to reduce these constraints.

Chapter 3, Inventory of Sites for Housing - State housing element law requires the City to show that it has adequate land zoned to accommodate the entirety of its RHNA allocation of 112,876 housing units. The Inventory identifies over 21,000 parcels suitable for additional residential development without the need for any discretionary zoning action by the City. While these sites could accommodate over 350,000 units, it is estimated that 13,000 units are likely to be developed each year during the Housing Element Update planning period. With nearly 15,000 units already developed during 2006, the City will be able to provide for the build-out of 112,876 new housing units during the planning period.

Chapter 4, Opportunities for Conservation in Residential Development - State housing element law requires cities to identify opportunities for energy conservation in residential development. The City has broadened this analysis to include energy conservation, water conservation, alternative energy sources and sustainable development which supports conservation and reduces demand. These efforts reduce development costs and improve the affordability of housing units. Specific City programs include providing rebates for energy efficient appliances, shifting the time of energy use, using alternative sources of energy (i.e., solar power), installing green roofs to increase energy efficiency, installing dual glazed windows to increase energy efficiency, requiring more sustainable landscaping and site design, exceeding the State’s Title 24 regulations, meeting Leadership in Energy and Environmental Design (LEED®) standards for certain buildings, and adopting General Plan land use designations and zoning that create
higher-density, compact, infill development near transit.

Chapter 5, Review of the 1998-2005 Housing Element — Preparation of the Housing Element Update included the essential step of evaluating the previous 1998-2005 Housing Element in order to identify accomplishments and evaluate the effectiveness of previous policies and programs. The review shows that over 50,000 housing units were built, fulfilling over 80% of the City’s new construction goal for the previous Housing Element period. Furthermore, the review showed that the goals, objectives and policies of the previous Housing Element remain important, and this Housing Element Update builds upon them, reconfiguring and refining some of them to better focus the City’s strategy. The review showed that the issue of homelessness was not adequately addressed, given its magnitude in Los Angeles, and was elevated in importance in this Update. The goals, objectives and policies continue to be organized around four issues: housing supply; livable communities; housing opportunities; and ending homelessness. Similarly, the evaluation of programs provided insight into effective efforts, and many programs have been reconfigured so that going forward, more will be accomplished. The Housing Element Update also reflects a much broader array of housing programs that are now being carried out by many City departments, compared to those of the previous period.

Chapter 6, Housing Goals, Policies, Objectives and Programs - Housing goals, objectives, policies and programs are guided by the City’s overall housing goal:

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

Housing policies and more than 200 implementing programs were identified as a result of the analysis and public input. They were organized under the following four goals:

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

Objectives were established to divide this goal into five areas: producing rental and ownership
housing, preservation of rental and ownership housing, forecasting changing housing needs, distributing affordable housing citywide, and reducing barriers.

The policies and programs for production include targeted loan programs for homeowners and housing developers, and land use changes to increase opportunity sites. Preservation programs include inspection of housing units for Building Code violations, funding incentives to rehabilitate and maintain the housing stock, and mechanisms to extend the affordability terms of units facing expiring covenants. The City will track its efforts through monitoring programs which assess production and preservation accomplishments against forecasted housing needs. Financing incentives and land use policies and programs, such as density bonus and Redevelopment Project Area activities, will be pursued to encourage the development of affordable housing across the City. And finally, Zoning Code amendments and case processing streamlining will facilitate housing production and preservation in general.

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

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

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

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

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

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

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

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

An adequate supply of housing for homeless persons will be pursued through a variety of policies and programs, from short-term housing such as shelter for victims of domestic violence and other homeless persons, to long-term solutions, such as rental assistance for homeless persons and the development of permanent supportive housing. Efforts also include improved coordination and planning for housing and services as well as pursuing new resources. Policies and programs regarding outreach and education include assistance in accessing housing and services, making information more easily and readily available to the general public, and working with communities to understand and accommodate the unique housing types and broad array of housing needs within communities.

**Summary of the 2006-2014 Housing Element Update Targets**

Through the implementation of the policies and programs set forth in the 2006-2014 Housing Element, the City will pursue the production and preservation of housing for all residents and will strive to meet its RHNA goal of 112,876 new units by 2014. The following chart quantifies the units anticipated through implementation of all of the programs by income and by type of program:

<table>
<thead>
<tr>
<th>Income Level</th>
<th>New Construction Units – RHNA Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Low-Income</td>
<td>4,344</td>
</tr>
<tr>
<td>Very Low-Income</td>
<td>8,576</td>
</tr>
<tr>
<td>Low-Income</td>
<td>8,582</td>
</tr>
<tr>
<td>Moderate-Income</td>
<td>4,415</td>
</tr>
<tr>
<td>Above Moderate Income</td>
<td>86,961</td>
</tr>
<tr>
<td>Total</td>
<td>112,876</td>
</tr>
</tbody>
</table>
In addition to the required RHNA allocation, the City intends to rehabilitate and conserve/preserve the existing housing stock. Rehabilitation includes light, moderate and substantial physical rehabilitation of existing housing units in order to improve the condition of the housing units. Conservation includes the preservation of existing housing through activities that prevent the loss of housing units, such as zoning that assures continued residential use, funding strategies and inspections through the Systematic Code Enforcement Program. Conservation also includes the preservation of affordable housing at-risk of losing government subsidies and converting to market rate housing. Units that are listed for rehabilitation may also be counted as units under conservation/preservation and vice versa.

Table ES.1b  **Quantified Objectives: Rehabilitation and Conservation/Preservation**

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Rehabilitation</th>
<th>Conservation/Preservation Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Low-Income</td>
<td>4,722</td>
<td>17,477</td>
</tr>
<tr>
<td>Very Low-Income</td>
<td>2,964</td>
<td>1,790</td>
</tr>
<tr>
<td>Low-Income</td>
<td>7,605</td>
<td>6,404</td>
</tr>
<tr>
<td>Moderate-Income</td>
<td>413</td>
<td>750</td>
</tr>
<tr>
<td>Above Moderate Income</td>
<td>634,690</td>
<td>250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>650,394</td>
<td>20,907</td>
</tr>
</tbody>
</table>

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 into units as follows:

- Maintenance and conservation of over 239,000 multi-family buildings by preserving residential and SRO hotels, completing urgent repairs, enforcing nuisance abatement, and a number of other programs. The number of units per building varies vastly, from 100 units in a residential hotel to 10 units in a building where nuisance abatement is being pursued.

- Fund and provide other support for the maintenance of short-term housing for homeless persons, including emergency shelter beds and transitional housing beds. This includes over 1,000 beds for victims of domestic violence, 200 beds for persons living with HIV/AIDS, over 1,700 general emergency shelter beds, over 2,800 general transitional housing beds, and over 1,700 winter shelter beds (provided from December through March of each year, as required by weather conditions). These beds generally serve extremely low income households and individuals.

- Rental subsidies through various U.S. Department of Housing and Urban Development
(HUD) funding sources used by qualifying households to help pay rent in market rate units across the City. For example, general Housing Choice Vouchers support approximately 37,000 households; targeted Housing Choice Vouchers serve another 4,000 homeless persons; and other rental assistance programs serve persons living with HIV/AIDS and persons with disabilities.
The Housing Element of the City of Los Angeles addresses the housing needs of the City’s residents based on a comprehensive overview of the City’s population, household types, housing stock characteristics, and special needs. This assessment was based on analyses of information from a variety of sources including Census 2000, American Community Survey (ACS) 2005 of the U.S. Census Bureau, and data produced by the Los Angeles Department of City Planning (DCP), Los Angeles Housing Department (LAHD), and the Los Angeles Department of Water and Power (LADWP). Among other findings, this analysis indicates that the City’s residents experience high rates of housing cost burdens, low home ownership rates, and loss of existing low-rent housing. These issues inform the policies and programs the City is implementing to relieve these housing pressures for the City’s residents.

In discussing housing needs, both supply factors (from condominium conversions and assisted housing at-risk of conversion to discrimination) and demand factors (such as overcrowding and housing overpayment) were analyzed. The discussion concludes with the City’s 2006-2014 Regional Housing Needs Assessment, the City’s assigned portion of the regional housing burden set by the Southern California Association of Governments (SCAG).

The following assessment focuses on housing needs as of the start of the Housing Element Update planning period, January 1, 2006, and, when available, captures more current demographic and housing data (i.e. 2006 and 2007 data). The primary source for demographic data is the United States Department of Commerce, Bureau of the Census, including the 2000 U.S. Census of Population and Housing (Census 2000) and the 2005 American Community Survey (ACS 2005), which covers the time period through the end of 2005. However, due to the small sample size used in the ACS 2005, the ACS 2005 figures are relatively inconsistent with those in other U.S. Census data sets that use larger sample sizes. The assessment therefore also utilizes the more reliable decennial U.S. Census and DCP estimates in order to provide a balanced depiction of the City’s housing needs. However, when such other data is not available on a given topic, the reader should note the limits of the ACS-based analysis due to the small sample size. Similarly, more current Census-related estimates for 2006 and 2007 are not used here due to concerns about accuracy.

A. Population Characteristics

1. Population Growth Trends

There were 3,957,900 persons residing in the City of Los Angeles as of October 2005 (annual estimate prepared by the Demographics Research Unit of DCP). This represents a 7% increase over the Census 2000 figure of 3,694,820, and a 14% increase over the Census 1990 figure of 3,485,398 persons.

The City’s population is growing more rapidly during this decade than it did in the 1990s. From 1990 to 2000, the population increased approximately 6%; whereas, during the first
five years alone of the current decade, the population has already grown 7%. According to the Southern California Association of Governments (SCAG), population growth in the City is keeping pace with that of Los Angeles County, with the City’s 2005 population representing close to 40% of the County population, as it did in 1990 and in 2000. However, by 2014, the end of the Housing Element planning period, SCAG forecasts that the City’s population will be a slightly lower proportion of the County’s population (37.5%, down from 39% in 2005). The City’s population is expected to increase by 133,789, or 3.4%, during the 2006-2014 Housing Element Update planning period.

2. Race and Ethnicity

The number of persons who are Hispanic or Latino has grown in recent decades. However, racial affiliation has become more complex as the Census now permits persons to identify with more than one race, to identify as belonging to an ethnic group, or to specifically not distinguish race from ethnicity. For example, in the Census 2000, of those who self-identified as belonging to one race only, fully one-quarter selected “some other race” than those listed. This makes it difficult to understand and communicate the racial mix within the City. Thus, in order to best represent the racial and ethnic mix of Los Angeles, the ethnic breakdown of Hispanic/Latino versus non-Hispanic/Latino is examined first, and the racial composition is then examined within this breakdown.

The Census 2000 indicated that there were 1,719,073 persons of Hispanic/Latino ethnicity, representing 46.5% of the City’s population. This was an increase from 1,335,683 persons, or 38% of the City’s population, in 1990 (Chart 1.1).
The ACS 2005 estimates the City’s Hispanic or Latino population to be 1,824,373, which is 49% of the City’s total population. This is similar to the County-wide proportion of 47%, yet much greater than the State-wide and national proportions of 35% and 15%, respectively (Chart 1.2).

![Chart 1.2 2005 Hispanic/Latino Population Representation](image)

Source: ACS 2005

The non-Hispanic or Latino population is estimated to be 1,907,064 persons, according to the ACS 2005. This population is identified by race, as follows: 1,063,362 persons are white, (29% of the total population); 355,486 persons are black (9.5%); 408,329 persons are Asian (11%). The remaining 79,887 persons (2%) are Native Americans, Pacific Islanders, other races and those of mixed race.

Since 2000, the non-Hispanic, non-Latino population has declined by 68,683 persons (a 3.5% decrease). This decline was within the White and Black populations, while the Asian population actually increased from 2000 to 2005 (Chart 1.3).
3. Age

The median age in the City has been increasing. In 1990, the City’s median age was 30.6 years. In 2000, it was 31.6 years, and by 2005, it was 33.3 years (per the ACS 2005). Nonetheless, Los Angeles is a “young” city compared to the State (with a median age of 33.3 years in 2000 and 34.4 in 2005) and the nation (with a median age of 35.3 years in 2000 and 36.4 years in 2005). In fact, just over one-fourth (27%) of the City’s population are children, ages 0 to 17 years old. The young adult population, ages 18 to 24, who are generally beginning to form independent households, comprise 10% of the population. Just over one-half (54%) of the City’s population are adults, ages 25 to 64 years old. This leaves a comparably small proportion of the population (9%) that is currently aged 65 years and older (Chart 1.4). However, this age distribution is expected to shift; the older adult population is predicted to almost triple by 2040 in the greater Los Angeles area.¹

4. Employment Trends

The City of Los Angeles is the largest employment center in the region and the number of jobs in the City is projected to grow to 1,823,939 by 2010. In 2005, 66% of the City’s population aged 16 years or older (1,875,776 persons) participated in the civilian labor force, up from 60% in 2000. Along with the growth in resident workers, the unemployment rate in the civilian labor force improved from 9% in 2000 to 8.3% in 2005. This mirrors the trend in Los Angeles County from 2000 to 2004, although the unemployment rate was lower and saw a smaller improvement from 8.2% to 7.7%.

In 2002, more than 146,000 business establishments across nine industries were located in the City of Los Angeles and provided almost 1.5 million employment opportunities to the region (Table 1.1). The number of business establishments grew 23% between 1992 and 2002. The services industry provided the largest portion of employment opportunities during this decade. In 2002, the services sector accounted for the largest portion of the City’s economy, with 47% of the total establishments found in this sector. Retail trade was the second largest industry in 2002, exhibiting a 20% growth rate in the number of business establishments during 1992-2002.

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1 SCAG.
2 ACS 2005.
3 ACS 2005.
Table 1.1  **City of Los Angeles Industry Profile in 2002**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number of Business Establishments</th>
<th>Number Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>69,065</td>
<td>659,443</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>28,309</td>
<td>211,040</td>
</tr>
<tr>
<td>Construction</td>
<td>6,926</td>
<td>46,681</td>
</tr>
<tr>
<td>Finance, Insurance &amp; Real Estate</td>
<td>11,987</td>
<td>113,277</td>
</tr>
<tr>
<td>Transportation, Communication, and Public Utility</td>
<td>5,227</td>
<td>96,102</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>13,178</td>
<td>120,781</td>
</tr>
<tr>
<td>Mining</td>
<td>83</td>
<td>2,972</td>
</tr>
<tr>
<td>Agriculture, Forestry, &amp; Fishing</td>
<td>1,216</td>
<td>8,174</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>10,940</td>
<td>203,715</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>146,931</strong></td>
<td><strong>1,462,185</strong></td>
</tr>
</tbody>
</table>

*Source: Los Angeles Economy Project*

Employment opportunities were distributed somewhat evenly across the City’s industries. In 2005, educational services, health care and social assistance industry group provided the largest number of jobs in the City. About 300,290 persons held such jobs, representing 17.5% of the employed civilian labor force.\(^5\) The professional, scientific, and management, administrative, waste management services industry provided 13% of the City’s job opportunities, the arts, entertainment and recreation, and accommodation and food service provided 11%, and retail trade 10%. This distribution is similar to the City’s employment mix in 2000.

The decline of two of Los Angeles’ three largest sectors since the 1980s, manufacturing and financial services, has had a negative impact on the types of employment opportunities available in the City.\(^6\) While these sectors have paid their employees relatively higher wages and provided more opportunities for advancement than others in the City, as the manufacturing and financial services industries declined, they were replaced with job growth in the real estate, retailing, restaurant, and neighborhood services industries which have not offered as many employment opportunities for social mobility.\(^7\) Subsequently, there has been growing job polarization in the Los Angeles regional economy, and while there has been growth in relatively lower and higher-wage jobs, there has not been a significant growth in middle-wage jobs.\(^8\) In 2006, an annualized salary based on the City’s Living Wage Ordinance was approximately $22,131, and an annualized salary based on the State’s minimum wage was approximately $14,040. Table 1.2 summarizes the hourly and annualized state and local regulated wages in 2006 and salaries for a sample set of industries in 2002.

\(^5\) ACS 2005.

\(^6\) Los Angeles Economy Project, 2.

\(^7\) Los Angeles Economy Project, 3.

\(^8\) Industrial Land Use Policy Report, 16.

\(^9\) Los Angeles Economy Project, 6.
### Table 1.2 State and Local Regulated Wages and Wages Across Sample Industries

<table>
<thead>
<tr>
<th>Wages in 2006</th>
<th>Hourly</th>
<th>Annualized</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 State Minimum Wage</td>
<td>$6.75</td>
<td>$14,040.00</td>
</tr>
<tr>
<td>2006 City Living Wage(^9)</td>
<td>$10.64</td>
<td>$22,131.20</td>
</tr>
<tr>
<td>2006 Los Angeles Median Family Income (HUD adjusted)</td>
<td>$15.72</td>
<td>$32,697.60</td>
</tr>
</tbody>
</table>

#### 2002 Average Wage by 2-Digit NAICS Sector for the City of Los Angeles

<table>
<thead>
<tr>
<th>Sector</th>
<th>Hourly</th>
<th>Annualized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Durable Manufacturing</td>
<td>$29.79</td>
<td>$61,963.20</td>
</tr>
<tr>
<td>Construction</td>
<td>$20.90</td>
<td>$43,472.00</td>
</tr>
<tr>
<td>Professional, Scientific, Technology, Services</td>
<td>$21.85</td>
<td>$45,448.00</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>$18.02</td>
<td>$37,481.60</td>
</tr>
<tr>
<td>Non-Durable Manufacturing</td>
<td>$12.52</td>
<td>$26,041.60</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>$12.10</td>
<td>$25,168.00</td>
</tr>
<tr>
<td>Accommodation &amp; Food Service</td>
<td>$6.71</td>
<td>$13,956.80</td>
</tr>
</tbody>
</table>

Sources: California Department of Industrial Relations; City of Los Angeles Bureau of Contract Administration, July 2006; Los Angeles Economy Project.

### B. Household Characteristics

#### 1. Existing Households

There are a total of 1,284,124 households in the City of Los Angeles, according to the ACS 2005. This is a slight increase (0.7%) over the number of households in 2000 (1,275,412), and a 5.5% increase over the number of households in 1990.

\(^9\) Living Wage Ordinance No. 171547
2. Household Size

With a total of 3,731,437 persons in households, the average household size is 2.91 persons, according to the ACS 2005, compared to 2.92 in the State and 2.6 nationwide. This is a significant increase over the average household size in 2000 (2.83 persons per household) and an even greater increase over the 1990 figure of 2.80 persons per household.

Despite the average, household size varies widely throughout the City. According to the ACS 2005, more than one-half (57.5%) of the City's households are comprised of only one or two persons. Three- and four-person households represent 14.6% and 13.6%, respectively, of all households. Five-person households represent 7.6% of all households, and households with six or more persons represent 7% (Chart 1.5).

Chart 1.5  Household Size: City of Los Angeles

Source: ACS 2005

3. Household Composition

A majority of households (61%, or 784,065 households) are family households, per the ACS 2005. As defined by the Census, a family consists of 2 or more related persons. Of the families, 64% are married couples either with or without children; while nearly one-fourth (24.3%) are headed by single women. Just over one-half (52%) of these families have their own children who are under 18 years of age living with them.

There are 500,059 non-family households, representing 39% of all households. Non-family households consist of single persons living alone and unrelated persons living together. Singles
comprise the vast majority of these non-family households (78%, or 391,780 households). Another 17% are two-person households.

Since 1990, there has been a small decrease in the proportion of households that are families (from 63% in 2000 and 62% in 1990). At the same time, the proportion of families headed by married-couples has decreased (from 67% in 2000 and 68% in 1990) while the proportion of families headed by single women has increased slightly over this time period (from 23% in 2000 and 22% in 1990).

Chart 1.6 shows household composition by type of households.

4. Household Income

The median annual household income in Los Angeles is $42,667 as of the ACS 2005. This figure reflects the median household income in the City of Los Angeles across all households without distinguishing household sizes. While a 16% increase over the 2000 estimate of $36,687, the median household income in the City is significantly less than that of the County ($48,248), the State ($53,629) and the U.S. ($46,242). In other words, the City of Los Angeles has proportionately more households at lower incomes, which was also true in 1990 and 2000. It is important to note that, since 2000, the City’s median income has moved further below that of the County, the State and the U.S., compared to 1990 when it was nearly the same as the U.S. Chart 1.7 shows the distribution of households by annual household income for the City of Los Angeles.
ACS 2005 generally produces lower estimates of income than the Census 2000. Another important measure of median income, therefore, is the estimate of median family income calculated annually by the U.S. Department of Housing and Urban Development (HUD). HUD estimates median family income for regions across the country in order to establish qualifying participants for HUD programs and funding. The HUD estimates are based on ACS data with local income adjustment factors applied to the ACS data. The HUD estimates are also subject to individual program guidelines, including specific definitions of income and family, family size and other factors. Thus, HUD estimates are higher than the ACS estimates alone. According to HUD estimates of median family income for the Los Angeles-Long Beach metropolitan area, the median family income across all family sizes in 2005 was $54,450, which is a higher figure than the ACS 2005 estimate of $46,602. The HUD median family income estimate rose to $56,200 in 2006 and to $56,500 in 2007 (Chart 1.8).
In analyzing and determining needs, households are grouped into four income categories: very low income; low income; moderate income; and, above moderate income. These income categories are used by the Southern California Association of Governments (SCAG), by Federal, State and Local agencies, and by various funding programs. Table 1.3 shows the definitions of these categories and the household distribution across the categories for the City compared to the County. As the table shows, the City has a greater proportion of very low income and low income households compared to the County.

Table 1.3 Household Income Distribution by Income Category, Los Angeles City and County

<table>
<thead>
<tr>
<th>Income Category</th>
<th>Definition as % of County Median Household Income (CMHI)*</th>
<th>% of Total Households LA City</th>
<th>% of Total Households LA County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low</td>
<td>&lt; 50% CMHI</td>
<td>29.5</td>
<td>24.7</td>
</tr>
<tr>
<td>Low</td>
<td>51% to 80% CMHI</td>
<td>16.8</td>
<td>15.7</td>
</tr>
<tr>
<td>Moderate</td>
<td>81% to 120% CMHI</td>
<td>16.6</td>
<td>17.1</td>
</tr>
<tr>
<td>Above Moderate</td>
<td>&gt; 120% CMHI</td>
<td>37.1</td>
<td>42.6</td>
</tr>
</tbody>
</table>

Source: Census 2000.

* Income categories are defined in relation to the County Median Household Income (CMHI).

In 2005, almost a quarter (25%) of the City’s households earned an annual income that was at or less than the City’s Living Wage, annualized (approximately $21,480).10 Almost 18% of the City’s households earned less than the State’s Minimum Wage, annualized (approximately $14,040).11

Another telling measure of income is the proportion of persons living below the poverty line, the federal measure that is three times the annual cost of a nutritionally adequate diet. Persons with below poverty-line incomes are considered poor and lack adequate resources. In 2005, 20.1% of the population in the City were living in poverty (747,613 persons of 3,717,462 total population for whom poverty statistics can be calculated by the Census, per the ACS 2005). This includes both those living alone and those in families. This is far greater than both the County’s poverty rate of 16.3% and the national poverty rate of 13.3%.

5. Households with Special Needs

Certain persons or households face greater challenges than the general population in finding housing given their unique special needs and circumstances. Such circumstances range from fixed incomes to limited mobility to large households. Not all housing units in the general

10 City of Los Angeles Bureau of Contract Administration, July 2006.
11 California Department of Industrial Relations.
housing stock can meet the housing needs of persons or households with such special needs, therefore, efforts must be made to ensure that decent, affordable and accessible housing is available to all such special needs populations. These populations include elderly persons, persons with disabilities, large families, female-headed households, homeless persons, persons living with HIV/AIDS, and farmworkers, and each represents a significant part of the City's population, as illustrated in Table 1.4.

### Table 1.4 Special Needs Populations, City of Los Angeles

<table>
<thead>
<tr>
<th>Subpopulation</th>
<th>Persons</th>
<th>% of Citywide Population</th>
<th>Households</th>
<th>% of Citywide Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly (65 years +)*</td>
<td>345,987</td>
<td>9%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Persons with Disabilities (Ages 16-64)**</td>
<td>546,374</td>
<td>16%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Large Families (5 or more persons)*</td>
<td>-</td>
<td>-</td>
<td>180,595</td>
<td>14%</td>
</tr>
<tr>
<td>Families with Female Heads-of-Household*</td>
<td>-</td>
<td>-</td>
<td>191,232</td>
<td>15%</td>
</tr>
<tr>
<td>Persons living with HIV/AIDS***</td>
<td>11,000</td>
<td>NA</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Homeless****</td>
<td>130,362</td>
<td>4%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Farmworkers**</td>
<td>2,039</td>
<td>0.0005%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Sources:
*ACS 2005
**Census 2000; ACS 2005 estimate not available or appeared to be a severe undercount.
***Los Angeles County Department of Health Services, Semiannual Report for the City of Los Angeles (December 31, 2006).
****2005 LAHSA Greater Los Angeles Homeless Count

**Elderly Persons**

For the purpose of this Housing Element, elderly persons include those persons aged 65 years or older. According to the Census 2000 and the ACS 2005 estimates, elderly persons comprised 9% of the City’s population in both the years 2000 and 2005 (342,901 and 345,987 persons, respectively.) One-fifth of all households citywide (256,432 of 1,284,124 households in 2005) are headed by elderly persons, of which 100,120 households are elderly persons who live alone while the rest are households comprised of elderly heads-of-households living with other person(s). In 2000, 37% (130,864 persons) of the population aged 65 and older owned
their home, and 23% (82,843 persons) were renters.

Elderly persons also live in institutions and other group quarters. Per the Census 2000, an additional 18,009 elderly persons lived in group quarters, which include institutions, hospitals, hospices, nursing homes, correctional institutions, and non-institutional group quarters. This population comprised 5% of the total elderly population in 2000. Data for 2005 is not available.

Generally, elderly persons have lower incomes than the population at large. Among the elderly who are heads of households, the median household income is $28,426, far lower than the citywide median household income of $42,667, according to the ACS 2005. However, the proportion within the elderly population living below the poverty level is less than that within the total City population. In 2005, 12% (42,659 persons) of the City’s elderly were living below the poverty level, compared to 20% of the City’s total population who live below the poverty line. According to the Census 2000, 35,040 elderly households of one or two persons who are renters earned 30% or less of the median family income. These elderly, extremely low income households who rented their homes represented 16.7% of all extremely low income renter households and 38% of all elderly households in 2000. Similarly, 12,573 elderly households of one or two persons who were owners earned 30% or less of the median family income. These elderly, extremely low income households who owned their homes represented 6% of all extremely low income households and 9.8% of all elderly households who owned their homes in 2000.

With lower incomes, the elderly generally face a greater housing cost burden. Of elderly heads of households who are renters, well over half pay more than 35% of their income for rent (44,958 of 83,252 elderly renter households per the ACS 2005). Among the homeowners, nearly one-third pays more than 35% of their income for housing costs (38,850 of 126,354 elderly homeowners). According to the Census 2000, among extremely low income elderly households, 68.8% pay more than 30% of their income for housing and 52.4% pay more than 50% of their income for housing.

Among elderly persons living alone and in households with others, 141,608 (41%) are living with disabilities per the ACS 2005. While physical disabilities are the most prevalent among this population (78%), other disabilities are also significant: 35% have a sensory disability; 36% have a mental disability; 32% have a self-care disability; and 50% have a disability that limits their ability to go outside the home on their own.

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

The City does not collect citywide data on the number of elderly persons currently seeking
housing. Currently, according to the LAHD Affordable Housing Roster, as of March 2008, there are close to 50 senior housing developments. As an example of the demand for affordable housing serving seniors, the Retirement Housing Foundation, a major provider of housing for the elderly in Los Angeles, stated that many of their properties maintain five-year wait lists (some are even closed). As the “baby-boom” generation ages, elderly housing demand will increase substantially. The City of Los Angeles utilizes many programs to assist the elderly, for example: Home Secure (free home maintenance), Alternative Housing for the Aging (affordable), Adult Day Support Centers, LA Cares, Emergency Alert Response Program, Senior Community Service Employment Program, and Housing Information and Referral Services.

Persons with Disabilities

Adults (age 16 – 64 years old) with disabilities who live in households on their own or with others comprise 22% of the total adult population citywide (546,374 persons, and 16% of total population citywide, per the Census 2000; this does not include those persons with disabilities living in institutions or other group quarters). A disability, as defined by the U.S. Census Bureau, is a long-lasting sensory, physical, mental or emotional condition that makes it difficult for a person to undertake activities of daily living such as walking, climbing stairs, dressing, bathing, remembering, or learning. Table 1.5 shows the types of disability and their prevalence within the City’s disabled adult population, per the Census 2000 (adults aged 16-64 are listed separately from adults aged 65 and older).

Some persons with disabilities live in institutions and other group quarters. Per the Census 2000, 5,017 persons lived in group quarters, which include institutions, hospitals, hospices, nursing homes, and non-institutional group quarters (i.e. group homes).

Persons with disabilities in the City face unique problems in obtaining affordable and adequate housing. For these adults, the obstacle to independent living is not only their disability, but also a lack of financial resources.

Over one-half of all disabled adults in the City have “going-outside-home” or other employment limitations which affect the ability to work and earn an income. Without the opportunity to work or with restricted employment opportunities, finding housing in an expensive market is very difficult.

Typical fixed monthly incomes do not adequately cover monthly housing costs and living expenses. Among the adult disabled population (16 years or older), 24% (166,636 adults) live below the poverty level, per the Census 2000. This can be compared to a poverty rate of 18% for the adult population without disabilities. For most of the adult disabled population, the only source of income is a small fixed monthly income from Social Security Disability Insurance (SSDI) and/or Supplementary Security Income (SSI). SSDI is based on prior work under social security and can be supplemented with SSI and/or California State Disability Insurance for low wage workers. SSDI varies based on past earnings with an average payment of $979 per
Table 1.5 **Prevalence of Disability by Type of Disability: City of Los Angeles**

<table>
<thead>
<tr>
<th>Type of Disability</th>
<th>Ages 16 to 64</th>
<th>Ages 65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensory limitation (includes vision and hearing limitations)</td>
<td>8%</td>
<td>31%</td>
</tr>
<tr>
<td>Physical limitation (includes any condition that limits physical activities such as walking, climbing stairs, reaching, lifting or carrying)</td>
<td>22%</td>
<td>66%</td>
</tr>
<tr>
<td>Mental disability (includes any physical, mental or emotional condition lasting six months or more that makes it difficult to learn, remember, or concentrate)</td>
<td>15%</td>
<td>32%</td>
</tr>
<tr>
<td>Self-care limitation (includes any physical, mental or emotional condition lasting six months or more that makes it difficult to dress, bathe, or get around inside the home)</td>
<td>8%</td>
<td>27%</td>
</tr>
<tr>
<td>Going-outside-home limitation (includes any physical, mental or emotional condition lasting six months or more that makes it difficult to go outside the home alone to shop or visit a doctor’s office)</td>
<td>50%</td>
<td>54%</td>
</tr>
<tr>
<td>Employment limitation (includes any physical, mental or emotional condition lasting six months or more that makes it difficult to work at a job or a business)</td>
<td>68%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Source: Census 2000

Month for single disabled persons. SSI is available for low income persons 65 and older and for blind and disabled persons of any age. Eligibility for SSI does not require prior work history, and payments are based on financial need. Average SSI payments in California are $856 for disabled persons and $921 for blind persons (this includes both federal and state payments). In order to qualify for either SSI or SSDI, a person must have a condition that interferes with
basic work related activities and may not make more than $900 per month. The process to qualify for funds can be lengthy.

Nearly one-quarter of disabled adults aged 16-64 and two-thirds of adults over the age of 65 have physical limitations. Newly constructed multifamily units are required to be accessible to disabled persons, however, many older, and therefore more affordable units, are not accessible to those with disabilities. Finding affordable, accessible units is a challenge.

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

As with any population, a full spectrum of affordable housing is needed, from mobile home, temporary shelters to transitional and permanent housing, including group, congregate and independent housing. Independent, supported living is preferable, either through individual or shared homes or apartments, providing each individual with his/her own bedroom. Support services may be provided either on- or off-site. Appropriate housing for persons with mental or physical disabilities includes affordable small or large group homes (near retail services and public transit), apartment settings with support, outpatient/day treatment programs, and inpatient/day treatment programs or crisis shelters. Persons with physical disabilities need affordable, conveniently-located housing which has been specially adapted for wheelchair accessibility, along with other physical needs.

Large Families

Large families are defined as families of 5 or more persons. In 2000, there were 216,749 large family households, per the Census 2000. In 2005, this figure decreased to approximately 180,595 large family households, comprising approximately 23% of family households in the City (ACS 2005).

Among all families in the City, the median family income was $47,434 per the ACS 2005. This includes family households (households consisting of one family who occupies a housing unit) and families of related individuals (with members of varying relationships and who may share a housing unit with another family). The median income among large families is very close to this citywide median for a family of 5 ($44,608), and increases for larger families ($50,033 for a family of 6 and $60,097 for a family of 7 or more persons). These median incomes correspond to low and very-low income categories. Data on family households only is not available in the ACS 2005. According to the Census 2000, 28,810 large family households who rented their homes earned 30% or less of the median family income. These large family, extremely low income renter households represented 13.7% of all extremely low income households and 23% of all large family renter households in 2000. Similarly, 4,105 large family households who were owners earned 30% or less of the median family income. These large family, extremely low income households who owned their homes represented 2% of all
extremely low income households and 4.8% of all large family households who owned their homes in 2000. In addition, according to the Census 2000, among the extremely low income, large family renter households, 84.5% pay more than 30% of their income for housing and 66.4% pay more than 50% of their income for housing. Among the extremely low income, large family households who own their homes, according to the Census 2000, 79.7% pay more than 30% of their income for housing and 73.7% pay more than 50% of their income for housing.

Large families in family households occupy 27.9% of the 1,284,124 occupied housing units in the City. Of these large family households, 512,799 (40%) own their homes and 771,325 (60%) are renters.

According to Census 2000, of the 491,836 owner-occupied and 783,522 renter-occupied housing units in the City, about 58.4% of owner-occupied units had 3 or more bedrooms, while only 1.7% of rental units had 3 or more bedrooms. Considering that a majority of large families (60%) rent their units, the dearth of larger rental units indicates that there is a high degree of unmet housing needs for large family households. Large family households need large housing units of three or more bedrooms in order to avoid being overcrowded (1.01 or more persons per room, under the Federal standard). Large housing units are generally not affordable to the many low and very low income large families. Given that the majority of large families are renters, there is a continuing need for large rental units. In addition, large families typically require child care facilities and accessible recreation areas.

Families with Female Heads of Households

In the City, of all family households (those households comprised of a family only and include all related individuals), there are 191,232 households headed by a female householder with no partner present, per the ACS 2005. Of these, just over one-half (104,189 female-headed households) include their own children under 18 years old. In 2000, there were 185,486 female-headed households, 104,867 of which include their own children under 18 years old.

Incomes are low among this population. In over one-half of single, female-headed households, the female head-of-household received public assistance (ACS 2005). The median family income for female-headed households with their own children under 18 years old was $19,768 (ACS 2005).

Another indicator of the prevalence of low incomes among female-headed households is the high poverty rate. In the City of Los Angeles, one-third of female householders with no partner present, live below the poverty line (61,226 female householders, ACS 2005).

Single, female-headed households occupy close to 15% of all occupied housing units (ACS 2005). The vast majority of these households – 70% – are renters (133,439 households, ACS 2005).
Given their very low incomes, single, female-headed households need rental units at rents well below the current market rents in Los Angeles and/or significant rental subsidies to help them pay current market rents. These families also require safe recreation space for their children along with accessible childcare. Resources for developing low-income housing are limited; therefore, families with female heads of households compete with all other household types for the short supply of affordable housing.

Resources for rental subsidies are limited and in very high demand. HACLA’s Section 8 waiting list currently has 16,000 families, of which 73% are of extremely-low income, and include families with female heads of households.

Persons Living With HIV/AIDS

As of 2006, there were approximately 11,000 people in the City of Los Angeles living with AIDS. It is estimated that approximately 30,000 people in the City have HIV or AIDS, including those who do not yet know the status of their illness.

Los Angeles County has the second highest number of cumulative AIDS cases in the country, with 45,241 reported cases (New York City having the highest). The City of Los Angeles has reported a cumulative total of 25,696 cases (56% of all cases in the County versus 40% of total County population). Los Angeles residents have been impacted by AIDS more severely than the rest of the U.S. as Los Angeles represents 1.4 percent of the total U.S. population but 3.2 percent of all U.S. AIDS cases ever reported.

HIV/AIDS symptoms requiring treatment can lead to the loss of jobs due to high rates of absence. In 2002, fifty-two percent of respondents to the Los Angeles County HIV/AIDS Comprehensive CARE Plan Needs Assessment Survey indicated that they live in poverty. A study conducted by Shelter Partnership, Inc. in 1999 indicated that 86% of study participants were unemployed. Two-thirds of survey respondents indicated that they spend more than 30% of their income on housing. Without a steady income, stable housing is hard to maintain.

Access to stable housing is necessary to keep up with the complex drug regimen that minimizes symptoms; many drugs require proper storage and refrigeration in order to be effective. Although new HIV/AIDS cases have declined, the number of living patients has increased due to more effective treatments. While therapies such as combined antiretroviral therapy have greatly increased life span for the HIV-infected population, this therapy is very expensive at approximately $2,000 per month and impacts the ability to afford housing.

Estimates suggest that between 30 and 40% of people with HIV/AIDS are uninsured. The challenges to living with HIV/AIDS are frequently compounded by other factors, including mental illness and substance abuse. In the 1999 Shelter Partnership study, 38% of survey respondents also identified a substance abuse issue. As a result, housing this demographic requires a variety of housing types and programs that are flexible and can respond to changing needs.
needs over time.

A 2003 Shelter Partnership report that collected data from HIV/AIDS patients in Los Angeles County identified the following housing options most needed for this population:

1. Rent/mortgage assistance to stay in own home
2. Transitional housing
3. Subsidized independent living
4. Emergency shelter
5. Shared housing with services

This publication also noted a severe shortage of housing for people with HIV/AIDS in the County. As of 2003, there were 3,351 available beds with an additional 38,679 people needing some type of housing assistance. Overall, the biggest barrier to housing for people with HIV/AIDS in LA County is the lack of affordable housing.

**Homeless Persons**

The United States Code defines a homeless person, in part, as:

“an individual who lacks a fixed, regular, and adequate nighttime residence; and an individual who has a primary nighttime residence that is—a supervised publicly or a privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill); b-an institution that provides a temporary residence for individuals intended to be institutionalized; or c-a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.”

Table 1.6 details the homeless population in the City of Los Angeles. On any given night in the City of Los Angeles, there are approximately 40,144 homeless people, according to the 2007 Homeless Count completed by LAHSA. The 2007 annual projection for the homeless population in Los Angeles was 73,489 people. Of the annual projection, 61% were adult men and 24% were adult women. Blacks comprised 61% of the homeless population, while Whites and Latinos respectively comprised 17% and 16%. There were 6,134 homeless families with children. The total number of homeless people in families was 16,336. The total number of youth in families was 8,558. The total number of victims of domestic violence was 7,966. There were 27,166 persons with mental illnesses among the homeless.

A significant proportion of the homeless population is chronically homeless: 14,820 persons. A chronically homeless person, as defined by HUD, is: “an unaccompanied individual with a disabling condition who has been: (a) continually homeless for one year or more; or (b) experienced four or more episodes of homelessness within the past three years.”

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**Notes:**

20 Shelter Partnership Inc., A Strategic Plan for Providing HIV/AIDS Housing with Supportive Services in Los Angeles County (September 2003).
21 Shelter Partnership Inc., A Strategic Plan for Special Needs Populations in Los Angeles County (September 2005).
22 United States Code Title 42, Section 11302, Chapter 119, Subchapter 1.
23 LAHSA’s enumeration is based on an actual enumeration of about 25% of the 1,886 census tracts in the region—about half of which are known to contain a large number of homeless individuals on the street (identified as “must enumerate” census tracts), and about half of which are selected randomly.

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**City of Los Angeles Housing Element 2006-2014**
Table 1.6  Homeless Population: City of Los Angeles
2007 Projection

<table>
<thead>
<tr>
<th></th>
<th>Point-in-Time Results</th>
<th>Annual Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of People</td>
<td>40,144</td>
<td>73,489</td>
</tr>
<tr>
<td>Adult Men</td>
<td>24,172</td>
<td>44,624</td>
</tr>
<tr>
<td>Adult Women</td>
<td>9,598</td>
<td>17,598</td>
</tr>
<tr>
<td>Total Youth (Under Age 18)</td>
<td>5,694</td>
<td>10,062</td>
</tr>
<tr>
<td>Age 18-24</td>
<td>2,959</td>
<td>5,412</td>
</tr>
<tr>
<td>Age 25-55</td>
<td>26,226</td>
<td>48,172</td>
</tr>
<tr>
<td>Age 56+</td>
<td>5,265</td>
<td>9,844</td>
</tr>
<tr>
<td>Black</td>
<td>23,451</td>
<td>44,627</td>
</tr>
<tr>
<td>Latino</td>
<td>6,641</td>
<td>11,759</td>
</tr>
<tr>
<td>White</td>
<td>7,204</td>
<td>12,132</td>
</tr>
<tr>
<td>Multi-Racial and Other</td>
<td>2,848</td>
<td>4,971</td>
</tr>
<tr>
<td># Individual Families with Children</td>
<td>3,443</td>
<td>6,134</td>
</tr>
<tr>
<td># People in Families</td>
<td>9,238</td>
<td>16,336</td>
</tr>
<tr>
<td>Youth in Families</td>
<td>4,854</td>
<td>8,558</td>
</tr>
<tr>
<td>Youth in Families Age 5 or Younger</td>
<td>2,119</td>
<td>3,784</td>
</tr>
<tr>
<td>Veterans</td>
<td>5,338</td>
<td>9,562</td>
</tr>
<tr>
<td>Chronically Homeless</td>
<td>13,680</td>
<td>14,820</td>
</tr>
<tr>
<td>People with a Mental Illness</td>
<td>15,012</td>
<td>27,166</td>
</tr>
<tr>
<td>People with Substance Abuse Problem</td>
<td>15,223</td>
<td>28,143</td>
</tr>
<tr>
<td>People with HIV/AIDS</td>
<td>949</td>
<td>1,698</td>
</tr>
<tr>
<td>Victims of Domestic Violence</td>
<td>4,268</td>
<td>7,966</td>
</tr>
<tr>
<td>Unaccompanied Youth</td>
<td>840</td>
<td>1,504</td>
</tr>
</tbody>
</table>

Source: 2007 LAHSA Homeless Count

Approximately one-half of the homeless population resides in downtown Los Angeles and adjacent areas. Forty-seven percent of the City’s homeless reside in Council Districts 9 (Southeast Los Angeles), 13 (Silver Lake-Echo Park-Elysian Valley) and 14 (Boyle Heights) (2007 Homeless Count, LAHSA). The 50 City blocks comprising Skid Row are home to 10% of the homeless
population—approximately 5,131 homeless people on any given day. Over 80% of the homeless that live in Skid Row are between 25 and 55 years old. Blacks are disproportionately represented, constituting 65% of the population. Skid Row is the most important hub for housing and social services aiding the homeless in the region, with approximately 3,300 beds available to serve the homeless (33% of the City’s available beds).

In 2006, there were 203 program sites with 10,062 beds for short-term housing citywide. This constitutes more than 70% of the available beds in the County. This is an increase in 1,460 beds from the 8,602 beds that were available in the City in 2000. The special needs population groups served by these programs include the chronically homeless, domestic violence victims, emancipated foster youth, families with children, the mentally ill, persons living with HIV/AIDS, the post-incarcerated, pregnant women, runaway or unaccompanied youth, seniors, substance abusers, and veterans.24

The City of Los Angeles not only funds a majority of these short-term housing beds annually (5,122 emergency and 3,063 transitional beds), but also offers housing options for homeless people through 6,420 Section 8 vouchers and other rental assistance programs. The City also maintains 1,527 permanent supportive housing units for homeless persons.

In addition to the existing shelter programs and beds available for short-term housing, the City of Los Angeles has taken measures to ensure that emergency shelters can be built in the City by right, without conditional use permits or other land use entitlements. Since 1986, the City has permitted the establishment of shelters for homeless people in the R4, R5, C2, C4, C5 and CM Zones as a matter of right (Ordinance No. 161,427). Of the more than 21,000 parcels listed in RHNA Inventory of Sites for this Housing Element Update, more than 10,200 sites, ranging from 0.02 to 22.90 acres in size, have one of these zoning designations.

While resources exist in the City to house homeless persons, they are not enough to respond to the housing needs of homeless people. The housing needs of the homeless require special attention because the homeless have little to no income and face physical challenges, mental challenges, social isolation, and transportation limitations, all of which influence their access to appropriate and affordable housing. People that have double or triple diagnoses face more difficult circumstances. Providing appropriate housing is a critical part of the solution to end homelessness.

The lack of income or extremely low incomes is one of the many barriers to adequate housing for homeless people. Income supports available to homeless people, such as General Relief for single adults, TANF for families and SSI for the disabled, are not sufficient to cover housing costs along with other living expenses. The current 10,062 short-term beds for the homeless are available at no charge, but are not sufficient, evidenced by the large number of homeless people sleeping on the street and in cars, nor are they a long-term solution to homelessness.

More short-term housing options (emergency shelters and transitional housing facilities) are needed as well as affordable housing, permanent supportive housing and other forms of

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24 Shelter Partnership Inc., 2006
Short-Term Housing Directory of Los Angeles County (October 2006).
service-enriched permanent housing. In particular, housing options that do not require rent and/or that provide rental subsidies are necessary, especially for the homeless living with disabilities that will always limit their ability to financially support themselves.

**Farmworkers**

Farmworkers, defined by the US Census as "agricultural workers and their supervisors," are a small population in the City of Los Angeles. A total of 2,039 farmworkers were recorded in the Census 2000. Although there are no farms in the City of Los Angeles (per business licenses issued by the City of Los Angeles Office of Finance), there were 1,543 farms in Los Angeles County in 2002, compared to 1,651 in 1997.

Farmworkers generally receive much lower wages than other local occupations. Farmworkers and laborers (crop, nursery and greenhouse) in the Los Angeles-Long Beach-Glendale Metropolitan Division had an annual mean wage of $18,980 in 2005, according to the U.S. Department of Labor. These wages severely limit housing options for farmworkers in Southern California's expensive housing market.

The 1999 California Agricultural Workers Health Survey identified about one-half (48%) of farmworker housing units as overcrowded and one-quarter as extremely overcrowded. In addition, the survey found that 30% of the farmworker housing units are not recognized by the County Assessor or the U.S. Postal Service with 17% of the units lacking adequate facilities (either plumbing or kitchen facilities).

While farmworkers represent a very small percentage of the total City population, this population has different housing needs than other sectors. This is especially true when the distinction is made between permanent farmworkers and migrant farmworkers. The US Census does not distinguish between permanent and migrant farmworkers, so it is not possible to quantify the number of migrant workers living in the City. However, it is important to highlight migrant farmworkers because they have very specific housing needs. In a tight housing market such as Los Angeles, finding appropriate short-term housing can be a challenge.

With low incomes and, in some cases, temporary housing needs, farmworkers are challenged to find decent, affordable housing. As a result, overcrowding and substandard housing conditions are the only option for many farmworkers.

**C. Housing Stock Characteristics**

**1. Housing Growth**

There are 1,371,439 housing units in Los Angeles, according to 2005 Department of City Planning (DCP) estimates. In 2000, there were 1,337,668 housing units, per the Census 2000.
From 2000-2005, 42,360 units were added to the housing stock. During this period, 8,589 units were lost (due to demolitions of housing structures), resulting in a net gain to the housing stock of 33,771 housing units. These housing units include new structures, housing units created through the adaptive reuse of commercial and industrial buildings, and additions to existing housing structures. Table 1.7 and 1.8a below summarize this activity by type of housing structure. Approximately 10% of the structures built over the 6-year period were single family units, while 90% were multifamily units.

### Table 1.7 2000-2005 Changes in Housing Stock Units

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Total Units in 2000</th>
<th>Total Units Gained: 2000-2005</th>
<th>Total Units Lost: 2000-2005</th>
<th>Total Units in 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Units</td>
<td>533,869</td>
<td>7,202</td>
<td>-3,962</td>
<td>537,109</td>
</tr>
<tr>
<td>Multifamily Units</td>
<td>803,799</td>
<td>35,158</td>
<td>-4,627</td>
<td>834,330</td>
</tr>
<tr>
<td>Total</td>
<td>1,337,668</td>
<td>42,360</td>
<td>-8,589</td>
<td>1,371,439</td>
</tr>
</tbody>
</table>

Source: DCP

### Table 1.8a 2000-2005 Changes in Housing Stock Units by Building Activity

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Gains</th>
<th>Losses</th>
<th>6-Year Net Gain</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New Building</td>
<td>Conversion*</td>
<td>Demolition</td>
</tr>
<tr>
<td>Single Family Units</td>
<td>6,277</td>
<td>925</td>
<td>-3,638</td>
</tr>
<tr>
<td>Multifamily Units</td>
<td>27,794</td>
<td>7,364</td>
<td>-4,382</td>
</tr>
<tr>
<td>Total</td>
<td>34,071</td>
<td>8,289</td>
<td>-8,020</td>
</tr>
</tbody>
</table>

Source: DCP

* Gains from Conversions include housing units created through the adaptive reuse of commercial and industrial buildings, and additions to existing housing structures.

In comparison, there was a net gain of 11,837 housing units in 2006, of which 6% was single family housing and 94% was multifamily housing. Compared to housing production trends from 2000-2005, a larger percentage of multifamily units were built compared to single family units in 2006. Table 1.8b shows the changes in housing stock units by building activity in 2006. DCP Building Permit Data are not yet available for 2007.
2. Type and Size

In 2000, single-family units comprised 39% of the housing stock, while multi-family units comprised 60% (Chart 1.9). The remaining 1% was comprised of mobile homes, boats and recreational vehicles. This mix of housing types is nearly the same in 2005. While both the number of single- and multi-family units grew over the four years, the number of mobile homes, boats and RVs remained the same. The number of mobile home parks, 62, has remained the same while the number of pads, 6,622, has slightly decreased since the last Housing Element.

Chart 1.9 2005 Housing Stock

![Pie chart showing the distribution of housing stock types in 2005]

Source: 2005 DCP Estimates

In 2005, just over one-quarter (26%) of the multi-family housing stock was in small residential structures of up to 4 attached units, nearly the same proportion in 2000 of 27%. The DCP estimates for 2005 do not include details regarding larger multi-family structures. However, in 2000, only 20% of multi-family units were in large structures of 50 or more units, and more than one-half of the City's multi-family stock was in small-to medium-sized (5 to 49 unit) structures (Table 1.9).
Table 1.9 Multi-family Units by Size of Structure, 2000-2005

<table>
<thead>
<tr>
<th></th>
<th>Census 2000</th>
<th>DCP 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 unit attached (townhome)</td>
<td>87,776</td>
<td>88,594</td>
</tr>
<tr>
<td>2-plexes</td>
<td>42,814</td>
<td>44,185</td>
</tr>
<tr>
<td>3-plexes and 4-plexes</td>
<td>86,253</td>
<td>86,183</td>
</tr>
<tr>
<td>5 - 9 units</td>
<td>126,263</td>
<td></td>
</tr>
<tr>
<td>10 - 19 units</td>
<td>138,634</td>
<td>615,413</td>
</tr>
<tr>
<td>20 - 49 units</td>
<td>171,633</td>
<td></td>
</tr>
<tr>
<td>50 units or more</td>
<td>150,426</td>
<td></td>
</tr>
<tr>
<td>Total MF dwellings</td>
<td>803,799</td>
<td>834,330</td>
</tr>
</tbody>
</table>

Source: Census 2000; 2005 DCP estimates

In 2000, one- and two-bedroom units together comprised more than one-half of the housing stock, each representing approximately 28% of the stock. During the same time, zero- and three-bedroom units each comprised less than 20% of the housing stock. Large units of four or more bedrooms comprised the smallest proportion, 9% of the stock. The 2005 DCP estimates do not include details regarding unit sizes.

3. Tenure

Los Angeles is much more of a renter-dominated city compared to other cities in the country. Where the nationwide homeownership rate is approximately 68% according to the Census, in Los Angeles it is less than 40%. The overall ratio of owner-occupied to renter-occupied units saw little change from 2000 to 2005 according to the ACS 2005. There were 491,836 owner-occupied units and 783,522 renter-occupied units counted in the Census 2000. By comparison, the ACS 2005 estimated 512,799 owner-occupied units and 771,325 renter-occupied. Table 1.10 compares the number of owner-occupied versus renter-occupied units by bedroom count in 2000.
Table 1.10  **Housing Tenure by Unit Size**

<table>
<thead>
<tr>
<th></th>
<th>Owner-Occupied 2000</th>
<th>Renter-Occupied 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 bedrooms</td>
<td>12,776</td>
<td>200,450</td>
</tr>
<tr>
<td>1 bedroom</td>
<td>48,555</td>
<td>306,180</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>143,160</td>
<td>209,465</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>188,725</td>
<td>54,201</td>
</tr>
<tr>
<td>4+bedrooms</td>
<td>98,620</td>
<td>13,226</td>
</tr>
<tr>
<td><strong>Total units</strong></td>
<td><strong>491,836</strong></td>
<td><strong>783,522</strong></td>
</tr>
</tbody>
</table>

*Source: Census 2000*

4. **Age and Condition**

Approximately two-thirds of the City’s housing units were constructed prior to 1970. Another 10% of the housing stock was built during the 1980s and will soon be 30 years old. Table 1.11 identifies the age of the City’s housing stock by decade. It is important to note that estimates may be high in each category as the 8,589 units demolished or converted from April 2000 to 2005 are not included in the table (data on the year these demolished or converted units were built is not available from DCP estimates; however, these units represent only 0.6% of the existing stock).

Table 1.11  **Age of Housing Stock**

<table>
<thead>
<tr>
<th>Year Built</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Built April 2000 to 2005</td>
<td>42,068</td>
</tr>
<tr>
<td>Built 1990 to March 2000</td>
<td>82,398</td>
</tr>
<tr>
<td>Built 1980 to 1989</td>
<td>148,376</td>
</tr>
<tr>
<td>Built 1970 to 1979</td>
<td>200,978</td>
</tr>
<tr>
<td>Built 1960 to 1969</td>
<td>234,429</td>
</tr>
<tr>
<td>Built 1950 to 1959</td>
<td>274,134</td>
</tr>
<tr>
<td>Built 1940 to 1949</td>
<td>173,789</td>
</tr>
<tr>
<td>Built 1939 or earlier</td>
<td>223,564</td>
</tr>
</tbody>
</table>

*Source: Census 2000, 2005 DCP estimates*
The advanced age of much of the City’s housing stock indicates a greater likelihood of reported problems with units. According to the 2003 American Housing Survey, approximately 10 percent of all units in the City had moderate or severe problems, 83% of which were rental units. Table 1.12 shows the number of reported housing problems by severity and by type of occupant.

Table 1.12  **Reported Problems in Housing by Severity in 2003**

<table>
<thead>
<tr>
<th></th>
<th>Owner-Occupied</th>
<th>Renter-Occupied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severe Problems</td>
<td>12,500</td>
<td>42,500</td>
</tr>
<tr>
<td>Moderate Problems</td>
<td>9,500</td>
<td>68,100</td>
</tr>
</tbody>
</table>

*Source: 2003 American Housing Survey*

For rental properties, the most frequently reported problems involved kitchens. Plumbing, heating and electrical issues were also prevalent, but occurred at slightly lower rates than kitchen problems. Upkeep problems were the least reported by far, representing just 1% of the reported problems in the rental stock. For owner-occupied properties, plumbing problems out-numbered any other category. Kitchen problems, however, were not tracked for owner-occupied units. Table 1.13 shows the number of reported problems by problem type and type of occupant.

Table 1.13  **Reported Problems in Housing by Problem Type**

<table>
<thead>
<tr>
<th></th>
<th>Owner-Occupied</th>
<th>Renter-Occupied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plumbing</td>
<td>8,400</td>
<td>26,900</td>
</tr>
<tr>
<td>Heating</td>
<td>5,200</td>
<td>22,100</td>
</tr>
<tr>
<td>Electric</td>
<td>4,100</td>
<td>25,000</td>
</tr>
<tr>
<td>Upkeep</td>
<td>1,100</td>
<td>1,000</td>
</tr>
<tr>
<td>Kitchen</td>
<td>---</td>
<td>30,300</td>
</tr>
</tbody>
</table>

*Source: 2003 American Housing Survey*

Recent City inspections of approximately 300,000 housing units within the multifamily housing stock found close to 2 million violations of the City’s Building Code (Table 1.14). The majority of violations, on the owner side, were due to maintenance and repair failures such as faulty plumbing causing leaking, broken or lack of smoke detectors, heating and ventilation problems. On the tenant side, the violations were related to poor maintenance of units and the surrounding area, such as sanitation problems and continuously parked, inoperative vehicles.
Table 1.14  **Building Code Violations in Multifamily Residential Property**  
January 1998 - December 2005

<table>
<thead>
<tr>
<th>Building Code Violation</th>
<th>Number of Violations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total SCEP Inspections</td>
<td>306,087</td>
</tr>
<tr>
<td>Owner Violations*</td>
<td>1,867,376</td>
</tr>
<tr>
<td>Tenant Violations*</td>
<td>13,667</td>
</tr>
<tr>
<td><strong>Total Violations</strong></td>
<td><strong>1,881,043</strong></td>
</tr>
</tbody>
</table>

*Owner violations are the responsibility of the property owner and must be resolved by the owner. Tenant violations are those created by tenants.

From 2001 through 2005, owner neglect was persistent with unaddressed violations and unresolved repairs in a significant number of multifamily rental properties. As of December 2005, the City was collecting and holding rents due property owners on 410 properties, pending required repairs, under the Los Angeles Housing Department’s Rent Escrow Account Program. In addition, during this time period, the City prosecuted and sentenced owners of 447 properties for unaddressed violations (Table 1.15).

Table 1.15  **Multifamily Properties with Unresolved Building Code Violations**  
July 2001 - December 2005

<table>
<thead>
<tr>
<th>Rent Escrow Account Program (REAP)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New cases opened</td>
<td>2,617</td>
</tr>
<tr>
<td>Cases still open</td>
<td>410</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City Attorney Criminal Prosecution</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New cases filed</td>
<td>872</td>
</tr>
<tr>
<td>Cases resulting in sentencing</td>
<td>447</td>
</tr>
</tbody>
</table>

*Source: LAHD: Rent Escrow Account Program*
D. Housing Needs Indicators

1. Housing Costs and Overpayment

The amount a household pays each month for rent or for owning a home (mortgage payment, mortgage insurance, homeowner association fees, and property taxes) is deemed affordable if the total payment is 30% or less of the household’s monthly income. In 2007, the Los Angeles-Long Beach metropolitan area was deemed the least affordable City in the country because so few households could purchase a home or rent a unit at a cost that was 30% or less than the household’s income. Less than 3% of homes sold between January and March were affordable to those earning the area median income of $56,500 per the National Association of Home Builders (NAHB)/Wells Fargo Housing Opportunity Index (HOI). While other cities have more expensive housing, Los Angeles’ unique situation is a result of the combined impact of the very low median income of its residents and the high cost of land in the City. Per ACS 2005, 54.8% of renters and 46.5% of owners paid more than 30% of their income for housing costs. Furthermore, housing cost burden is severe for many households; 30.3% of renters pay more than 50% of income for housing costs. Such housing cost burdens were much more prevalent among the 209,341 extremely low income households in 2000. According to the Census 2000, 73.7% of all extremely low income households paid more than 30% of their income for housing and 62.3% of all extremely low income households paid more than 50% of their income for housing. The prevalence of cost burdens among the very low income households was somewhat similar to this (76.6% and 36.7%, respectively, among all very low income households in 2000), and less prevalent among low income households (49.8% and 16.4%, respectively, among all low income households in 2000).

Homeownership Costs

In the first quarter of 2007, the median home price was $525,000 for the Los Angeles-Long Beach Glendale area (per the NAHB/Wells Fargo HOI). A household would have to earn at least $118,344 annually to afford the mortgage for a home at this price (assuming a 30-yr fixed rate mortgage, at the then-current interest rate of 6.41%, with a 10% down payment, and no more than 30% of income dedicated to housing). This income of $118,344 falls between the 8th and 9th deciles, meaning that a family with this income would be earning more than 80% of all families, per the U.S. Department of Housing and Urban Development (HUD) FY2006 income estimates for the Los Angeles-Long Beach metropolitan area at the time.

When property taxes and homeowner insurance are added to the monthly cost, the percentage of the population that can afford this median priced home drops further. If this home is a condominium, homeowner association fees further increase the monthly costs and the proportion of the population that can afford this median priced home drops even further.
During the first quarter of 2007, the median family income for a family of four in the Los Angeles-Long Beach metropolitan area was $56,200 (per HUD FY2006 estimates). At this annual income, a household can afford a home selling for up to $298,412, calculated using the formula above. During the 1st quarter of 2007 (January 1 - March 31, 2007), there was one active listing for a single family home below $298,412 in the City of Los Angeles and not one co-op or condominium listing.

Aside from the high cost of land in Los Angeles, two key factors influence the costs of homeownership significantly – size of mortgage and credit quality of the borrower. These two factors have contributed significantly to the challenge of affordable homeownership in Los Angeles City.

Mortgage Amount: High sales prices trigger higher borrowing costs because mortgage amounts in Los Angeles frequently require non-conforming loans, which are not backed by the Federal government. A loan exceeding $417,000 (as of the end of 2007) will not be backed by governmental financing agencies (such as Fannie Mae), and therefore, lenders require payment of added loan points up front as well as a higher interest rate. Thus, higher sales prices equate to higher monthly costs to the owner. For the median-priced home of $525,000, a mortgage at 80% of sales price is $420,000 and requires borrowers to secure a higher cost, non-conforming loan.

Credit Quality of Borrowers: Lenders offer mortgages at lower interest rates and with fewer loan points to borrowers with the highest credit rating, i.e. those with a long-term, consistent source of income, cash reserves for emergencies or job loss, and a strong credit history. Low and median income families in Los Angeles are often unable to meet these standards and thus pay both higher interest rates and additional fees for mortgages, further reducing the affordability of housing.

Lenders have provided alternative mortgage terms to help buyers afford non-conforming mortgages for high-priced homes. For example, Adjustable Rate Mortgages (ARMs) offer below market interest rates for the first few years, with an escalation to the market rate at some later point in time (known as sub-prime loans because the starting interest rate is below the prime market interest rate). ARMs have provided ownership opportunities to many households, because borrowers with lower incomes and weaker credit history are able to qualify for the initial lower cost mortgage. However, as interest rates increase to market rate, and interest rates themselves increase, borrowers are unable to afford the market rates. As a result, lenders foreclose and such foreclosures are increasing throughout the City. In Los Angeles County, in the three-month period ending June 30, 2007, there were 9,504 foreclosures, a 725% increase over the same period a year earlier, per DataQuick Information Systems. In the City of Los Angeles, there were 716 foreclosures during the first quarter of 2007.

While sub-prime loan products have provided ownership opportunities to a greater share of the City's population, the practice is often “predatory” because so many borrowers cannot truly afford the mortgage costs and ultimately lose their investment and their homes.
Rental Costs

The average rent for a 2-bedroom apartment in Los Angeles in 2007 is $1,643 per month (per Real Facts, “Market Overview for the City of Los Angeles”), requiring an income of at least $5,477 monthly or $65,720 annually to be affordable. This income falls between the median and 6th deciles, meaning that a family with this income would be earning more than 50% of all families, per the HUD FY2007 income estimates for the Los Angeles-Long Beach metropolitan area. Table 1.16 shows the average rents by unit size, the annual income required to afford this rent, and the percentage of the population at this household size that earns this income.

Table 1.16  Market Rents and Annual Income Needed to Afford Rent

<table>
<thead>
<tr>
<th>Apartment Size</th>
<th>Average Monthly Rent*</th>
<th>Wage Needed to Afford Rent**</th>
<th>Annual Income Needed**</th>
<th>Percent of Total Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>$1,140</td>
<td>$21.92/hr</td>
<td>$45,600</td>
<td>14%</td>
</tr>
<tr>
<td>1Bed/1Bath</td>
<td>$1,509</td>
<td>$29.02/hr</td>
<td>$60,360</td>
<td>17%</td>
</tr>
<tr>
<td>2Bed/1Bath</td>
<td>$1,643</td>
<td>$31.60/hr</td>
<td>$65,720</td>
<td>17%</td>
</tr>
<tr>
<td>3Bed/2Bath</td>
<td>$2,483</td>
<td>$47.75/hr</td>
<td>$99,320</td>
<td>8%</td>
</tr>
</tbody>
</table>

**LAHD calculations, assuming 30% of income is allocated to monthly rent.

As illustrated in Chart 1.10, extremely low income and single-person households can afford rents of no more than $400, while low-income, large family households can afford no more than $1600. Such rents are virtually unavailable in Los Angeles.
Rental units with government-restricted rents and occupancies restricted to lower income households address this need. Currently, there are 64,494 publicly-assisted affordable housing units serving very low-, low- and moderate-income households (see discussion below for details regarding this affordable housing stock). This includes more than 7,000 public housing units and more than 51,000 monthly housing assistance payments available to extremely low, very low, and low-income families, administered by the Housing Authority of the City of Los Angeles (HACLA). There is a tremendous demand for HACLA’s housing assistance, as demonstrated by the more than 17,000 families on the public housing waiting list and the more than 16,000 families on the Section 8 tenant-based assistance waiting list in 2007. Of this population, 86% and 73% of the families were of extremely low income, respectively. In 2006, there were more than 7,500 HACLA housing units serving more than 22,000 residents. On average, families spent approximately 28% of their income on rent, with the average rent amongst these units being $350.00, and the average monthly income per family $1,265.00. Table 1.17 shows the voucher payment standard (the maximum amount paid by HACLA for a unit supported by a Section 8 voucher) and the flat rents for public housing units. While residents need to contribute up to 30.0% of their income to supplement these subsidies, these rates are a significantly lower rent compared to the market-rate rents throughout the City.
The City has taken a variety of actions to preserve existing housing stock, minimize rent increases in existing housing, and preserve housing stock that serves lower income households. In Central City East/Skid Row, over the last 20 years, Los Angeles has provided funding to preserve 3,492 units in 50 single room occupancy hotels for the City’s poorest residents. These units now have covenants and are part of the City’s affordable, income restricted stock and are dedicated to serving extremely low- and very low-income households. The replacement cost for this portfolio today would be over $500 million dollars. A complimentary program innovation is the Permanent Supportive Housing Program (PSHP). To date, the PSHP has financed nearly $150 million of supportive housing, which will result in over 500 new units of permanent supportive housing that include the critical on-site amenities and services needed to stabilize homeless residents. The PSHP functions as a partnership with the LAHD, the Community Redevelopment Agency of Los Angeles (CRA/LA), the Housing Authority of the City of Los Angeles (HACLA) and the City’s municipal utility company (LADWP).

This commitment and alignment of financial resources to preserve housing and create more housing that is affordable to lower income households has been augmented by the City’s

### Table 1.17 HACLA Voucher Payment Standards and Public Housing Rents (Maximum Amount Paid by HACLA)

<table>
<thead>
<tr>
<th>Unit Size</th>
<th>Voucher Payment Standard*</th>
<th>Public Housing Flat Rent**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile Home Space</td>
<td>$513</td>
<td>NA</td>
</tr>
<tr>
<td>Single Resident Occupancy</td>
<td>$592</td>
<td>NA</td>
</tr>
<tr>
<td>Zero Bedroom</td>
<td>$789</td>
<td>$501</td>
</tr>
<tr>
<td>One Bedroom</td>
<td>$952</td>
<td>$590</td>
</tr>
<tr>
<td>Two Bedrooms</td>
<td>$1,189</td>
<td>$740</td>
</tr>
<tr>
<td>Three Bedrooms</td>
<td>$1,597</td>
<td>$817</td>
</tr>
<tr>
<td>Four Bedrooms</td>
<td>$1,921</td>
<td>$941</td>
</tr>
<tr>
<td>Five Bedrooms</td>
<td>$2,209</td>
<td>$1,127</td>
</tr>
<tr>
<td>Six Bedrooms</td>
<td>$2,497</td>
<td>NA</td>
</tr>
</tbody>
</table>

* As of 2006: Payment standard is the maximum amount paid by HACLA. Households pay the 30% of monthly income towards rent, and any balance remaining after the HACLA contribution.

** As of 2007: HACLA establishes flat rents for all public housing units. Households pay 30% of monthly income toward the flat rent. However, there is no minimum rent, and extremely low income households may have no rental payment.
ongoing policy advocacy and direct defense against lawsuits that would have weakened the City's renter protections and threatened its affordable housing stock. One such recent policy action was the enactment of the Residential Hotel Unit Conversion and Demolition Ordinance, which aims to preserve the single resident occupancy stock.

Many more affordable rental units are needed because there are more than 600,000 households with incomes below the median, according to the ACS 2005. When families cannot afford market rents they are forced to share units and live in overcrowded conditions in order to afford the rents, or worse they are forced into homelessness. In addition, illegal units are created that do not meet building and zoning codes, posing safety hazards to occupants and negative impacts on neighborhoods.

2. Overcrowding

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

In 2000, 325,958 households, or 25.6% of occupied units in the City, were considered to be overcrowded. Approximately 71% of the overcrowded households were severely overcrowded. This is a greater rate of overcrowding than that of the County or the State. In Los Angeles County in 2000, 23% of housing was overcrowded. In the State, 15% of housing was overcrowded.

Overcrowding is a much greater problem among renter-occupied units compared to owner-occupied units. In 2000, 33% of all renter-occupied housing units were overcrowded and 25% were severely overcrowded. Among owner-occupied units, overcrowding is far less significant—14% were overcrowded and 8% were severely overcrowded. Table 1.18 shows the number of overcrowded units by tenure.

Table 1.18  Overcrowded Units

<table>
<thead>
<tr>
<th></th>
<th>Owner-Occupied</th>
<th>Renter-Occupied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Occupied Units</td>
<td>491,836</td>
<td>783,522</td>
</tr>
<tr>
<td>All Overcrowded Units</td>
<td>66,822</td>
<td>259,136</td>
</tr>
<tr>
<td>Overcrowded</td>
<td>28,065</td>
<td>67,537</td>
</tr>
<tr>
<td>Severely Overcrowded</td>
<td>38,757</td>
<td>191,599</td>
</tr>
</tbody>
</table>

Source: Census 2000

Overcrowded conditions exist due to many reasons. One reason is the lack of appropriately sized and priced dwelling units, especially for large families. According to the Census 2000,
there were 216,749 large family households, or approximately 27% of family households in the City. In order for large families to avoid being overcrowded, they need dwelling units with three or more bedrooms. Although large families were approximately 27% of the family household population, only 9% of rental units in the City had three or more bedrooms in 2000.

Overcrowding may also be attributed to the changes in household composition and cultural differences which accompany immigrants from other countries. Latino and Asian households live in overcrowded conditions more frequently than non-Latino white or African American households, often as a result of customary practice, as well as affordability constraints. Even high income Latino and Asian households have a higher incidence of overcrowding than very poor non-Latino whites and African Americans.29

One of the common consequences of overcrowding is the creation of illegal dwelling units, such as occupied garages. The LAHD routinely inspects multifamily buildings, and when identified, cites property owners for failing to obtain the appropriate building permits and Certificates of Occupancy from the Department of Building and Safety for the change of use or occupancy for the building inspected. The majority of the violations are for garage conversions, recreation room conversions, and basements and attics used as dwelling units. In CY 2007, the LAHD processed over 1,700 violations to bring illegal uses into compliance with City codes.

3. Discrimination

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

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

- Refusing to negotiate, rent or sell housing
- Advertising
- Unlawful evictions
- Public and private land use practices (zoning)

---

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

Fair housing laws also require housing providers to make reasonable accommodations in rules, policies, practices, and services to permit people with disabilities to use and enjoy a dwelling. The law also allows persons with disabilities, at their own expense, to make reasonable modifications of the premises.

Recent Trends

In Los Angeles, the majority of fair housing complaints made between 2000 and 2006 to the Housing Rights Center allege discrimination based on race, familial status, and physical disability. In 2001, physical disability ranked third among the most frequent inquiries, accounting for 15 percent of the inquiries. By 2006, physical disability was the leading cause of inquiries, accounting for 25 percent of the inquiries (Table 1.19). The increase in inquiries among this group is attributed to the greater focus and education that housing rights advocates have afforded this population. As a consequence, individuals with physical disabilities are now better-informed of their rights, have more access to services, and a better understanding of when a complaint or inquiry is warranted.

Discrimination cases develop from further investigation into the inquiries received. Over the

### Table 1.19 Fair Housing Inquiries

<table>
<thead>
<tr>
<th>Type of Inquiry</th>
<th>FY 2000-2001</th>
<th>FY 2005-2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Number</td>
<td>Percent</td>
</tr>
<tr>
<td>Race</td>
<td>242</td>
<td>31%</td>
</tr>
<tr>
<td>Familial Status</td>
<td>172</td>
<td>22%</td>
</tr>
<tr>
<td>Physical Disability</td>
<td>115</td>
<td>15%</td>
</tr>
</tbody>
</table>

*Source: LAHD*
years, familial status, where a landlord refuses to rent a unit to families with children, has been consistently cited. In 2006, familial status accounted for the highest percent of cases filed (Table 1.20).

### Table 1.20  Fair Housing Discrimination Cases

<table>
<thead>
<tr>
<th>Type of Discrimination Case</th>
<th>FY 2000-2001</th>
<th>FY 2005-2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Number</td>
<td>Percent</td>
</tr>
<tr>
<td>Race</td>
<td>131</td>
<td>35%</td>
</tr>
<tr>
<td>Familial Status</td>
<td>93</td>
<td>25%</td>
</tr>
<tr>
<td>Physical Disability</td>
<td>59</td>
<td>16%</td>
</tr>
</tbody>
</table>

Source: LAHD

Increasingly, investigations of housing discrimination complaints conducted through the Citywide Fair Housing Program sustain the allegation of housing discrimination. In 2001, only 36% of the cases/investigations resulted in a finding of discrimination. The number increased to 52% by 2006. The 52% represents 298 cases, the majority of which are renters. The increase can be attributed to better investigation and testing procedures, which have occurred since the program employed full-time attorneys specializing in housing rights. Remedies for housing discrimination can include injunctive relief, monetary damages and penalties, administrative relief through the State Department of Fair Employment and Housing, and conciliation and mediation conducted by HRC or its subcontractors. Between 2001 and 2005, fair housing case settlements amounted to over $3 million.

### Impediments to Fair Housing

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

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

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

The Southern California Association of Governments considers the optimal vacancy rate to range from 1.5% to 2% for homeownership units and 5% to 6% for multifamily rental units. When vacancy rates fall below these levels, residents will likely have a difficult time finding units adequately matched to their household and income needs. Additionally, as the vacancy rate drops, the steeper the competition for units becomes, causing housing prices and rental rates to rise.

According to the U.S. Census, vacancy rates are below optimal levels. Per the Census 2000, the vacancy rate for rental units in the City was 3.5%. In 2005, the vacancy data for rental units was similar at 3.3% (ACS 2005). The situation is similar in the case of for-sale housing vacancy rates. In 2000, the Census Bureau reported a for-sale unit vacancy rate of 1.8%. In 2005, the same measure registered a vacancy rate of 0.9% (Table 1.21).

Table 1.21 2000 & 2005 Vacancy Rates for Rental and For-Sale Units

<table>
<thead>
<tr>
<th>Year</th>
<th>Rental Units</th>
<th>For-Sale Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000 Vacancy Rate</td>
<td>3.5%</td>
<td>1.8%</td>
</tr>
<tr>
<td>2005 Vacancy Rate</td>
<td>3.3%</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

Source: Census 2000, ACS 2005

Estimates of vacancy rates by the Los Angeles Department of Water and Power (LADWP) are similar to the Census figures. The LADWP monitors electrical activity at metered apartment buildings as well as activity recorded in single-family residential meters. Inactive or idle meters over a period of time are a good indication of vacancy and this data is used as an estimate (although meters can be idle for reasons other than vacant units). During 2006, the average vacancy rate for multi-family, individually-metered housing units served by the LADWP was 3.9% (individual units in master-metered buildings excluded). Similarly, the average vacancy rate for single-family dwelling, individually-metered housing units served by the LADWP was 0.65 % (Table 1.22).
Table 1.22  Vacancy Rates of Individually Metered Housing Units

<table>
<thead>
<tr>
<th>Housing Unit Type</th>
<th>Vacancy Rate 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-Family Units</td>
<td>3.9%</td>
</tr>
<tr>
<td>Single-Family Units</td>
<td>0.65%</td>
</tr>
</tbody>
</table>

Source: LADWP

5. Rent Stabilization

The City of Los Angeles’ Rent Stabilization Ordinance (RSO) protects tenants from excessive rent increases, while allowing landlords to incrementally raise rents. The RSO, effective May 1, 1979 and incorporated as Chapter XV of the Los Angeles Municipal Code, applies to rental units in the City that have two or more units on the property, for which a Certificate of Occupancy was issued on or before October 1, 1978. Seventy-five percent of properties under the RSO have four or less units and most were built between 1940 and 1969. In 2006, there were 588,138 registered rent stabilized units in the City.

The RSO regulates four key areas of rental unit management:

(1) Allowable rent increases. The RSO limits the annual allowable rent increase to a minimum of 3 percent and a maximum of 8 percent. Rents for units voluntarily vacated may be raised to market rate (known as vacancy decontrol). Thereafter, the unit is again subject to the allowable annual rent increase under the RSO. The allowable increase is based on a twelve-month average of the Consumer Price Index (CPI) – All Urban Consumers for the Los Angeles Area. The current allowable rent increase, which became effective July 1, 2007, is 5%.

(2) Registration of rental units. All property owners subject to the RSO must register the units before they may demand or collect rents. The annual RSO registration fee is $18.71 per unit. Half of the fee ($9.35) may be passed on to the tenant.

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

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

With restricted rent increases, rents of rent stabilized units are generally lower than market rate rents, but not substantially lower (due to vacancy decontrol). Data presented in Table 1.23 illustrate the difference between average market rents of non-RSO units (i.e., those built after 1978) and average RSO rent levels in 2007.

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>RSO (Units built pre-1978)</th>
<th>Non-RSO (Units built post-1978)</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>$1,098</td>
<td>$1,229</td>
<td>$131</td>
</tr>
<tr>
<td>1 bed 1 bath</td>
<td>$1,404</td>
<td>$1,642</td>
<td>$238</td>
</tr>
<tr>
<td>2 bed 1 bath</td>
<td>$1,499</td>
<td>$1,991</td>
<td>$492</td>
</tr>
<tr>
<td>3 bed 2 bath</td>
<td>$2,435</td>
<td>$2,599</td>
<td>$164</td>
</tr>
</tbody>
</table>

Source: Real Facts First Quarter 2007 Market Overview Data for the City of Los Angeles. April 17, 2007

The combination of vacancy decontrol and high tenant turnover rates (approximately 73% of tenants live in their unit for five years or less) are likely to continue to keep RSO rents near market rate. The trend from 2006 to 2007 confirms this, as LAHD estimates of the rent differential between average non-RSO rent and average RSO rents was $670 in 2006, but far lower in 2007 (ranging from $131 to $492, depending on unit size, as shown in Table 1.23).

In recent years, RSO property owners have increasingly contended that allowable rent increases do not keep pace with operating costs. There are, however, mechanisms built into the RSO that allow owners to increase their operating income for the purpose of investing in their rental properties. Rent increases are allowed for such expenses as capital improvements, rehabilitation work, seismic work and primary renovation (adopted in 2005). In addition to the annual allowable rent increase and increases upon vacancy decontrol, landlords may increase the rent for additional tenants or apply for an extra rent increase under the “Just and Reasonable” provisions of the RSO.

The inventory of rent-stabilized units has diminished since adoption of the RSO. Current State law (the Ellis Act) allows rental property owners to permanently remove rental units from the housing market. As a result, the City of Los Angeles cannot require an owner to continue to

33 California Government Code Section 7060-7060.7
offer a residential property for rent. In 2005, a total of 4,023 RSO units were removed from the rental market by invoking the Ellis Act. Of those, 1,739 units or 309 RSO properties were demolished. Tenants displaced from RSO units face both rising rents and rising home prices.

A Note on Data

The number of RSO units in the City of Los Angeles fluctuates for a variety of reasons. For instance, in 2000, the Housing Department’s database recorded a total of 505,839 registered RSO units. By 2005, the number of registered units was 523,702. In fact, this increase does not represent an RSO unit increase, but an increase in RSO unit registration. It has always been a challenge to obtain full compliance with the RSO unit registration requirement. With the adoption and maturation of the Systematic Code Enforcement Program (SCEP), additional units subject to the RSO have been identified and brought into compliance, adding to the RSO inventory. In addition, the number of temporary exemptions granted fluctuates yearly. For these reasons, in addition to the demolitions and conversions cited above, the exact number of registered RSO units changes annually.

6. Condominium Conversions

The number of rental units being converted to condominiums increased significantly between 2001 and 2005. In 2001, 2 condominium conversion cases totaling 53 units were approved by the City, and in 2005, 48 buildings totaling 1,025 units were approved. As a consequence of this activity, two significant impacts arise: loss of some of the City’s affordable rental housing stock and displacement of tenants.

From 2003 through 2005, 80 apartment buildings containing 2,363 units were approved for conversion to condominiums. This level of activity persisted through the first 4 months of 2006 (the latest period for which data is available), with 37 cases/899 units approved. In addition, during this time another 97 cases totaling 2,614 units were filed and under consideration by the City. Thus, in just over three years 0.6% of the City’s multifamily housing stock was approved or under consideration for condominium conversion.

While the City is able to track applications and approvals for the conversion of apartments to condominiums, there is no way to know how many of the approvals are actually effectuated by owners, as the City has no authority to require a conversion just because an entitlement has been granted. Many apartment owners who seek an entitlement to permit their buildings to be condominiums have no intention of actually converting the building to a for-sale project and, instead intend to retain their building as a rental project in response to particular market conditions. City approval affords the owner flexibility to exercise conversion of a project. This entitlement provides the opportunity to respond quickly to future market conditions. Whether owners exercise the entitlement depends entirely on the housing market at any given time. Many buildings which have been approved as condominiums continue to operate as rental
units. Thus, there is no way to know what the actual balance of rental and ownership units is in the City’s multi-family housing stock (or, for that matter, in the single family stock, as homes can also be rented at the discretion of the owner).

Regardless of the number of condominium conversion approvals, it is clear that from 2000 through 2005, there was a net gain of 30,531 multifamily units in the City’s housing stock, due to new construction (see Tables 1.7 and 1.8a). The City also continued to see net gains in the multifamily housing stock through the end of 2006 (see Table 1.8b).

The affordability of the multifamily housing stock, however, is likely changed by condominium conversion activity. Much of the approved condominium conversions involve older housing stock that includes rent-stabilized properties. Although a high percentage of units in RSO buildings are rented at market rents as a result of vacancy decontrol, those persons who have remained in their unit for many years are paying lower rents. The average rent of rent-stabilized properties in 2007 was less than average market rents (for example, $1,404 for a 1-bedroom, 1-bath unit compared to the corresponding average market rent of $1,642; see Table 1.23, above). Thus, condominium conversions likely add to the shortage of multifamily units that are more affordable than market rate rentals.

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

In response to these impacts of condominium conversions, the City Council approved and the City is now implementing an enhanced, comprehensive relocation assistance package for displaced tenants. This includes significantly larger relocation payments as well as increased and enhanced relocation services. Prior to the new law, relocation payments were $3,450 for an eligible tenant and $8,550 for a qualified tenant (those who are 62 years of age or over, disabled, or with minor dependent children). The new fee structure is as follows (Table 1.24):
To provide some mitigation for the loss of rental units, condominium conversion developers now pay an increased Rental Housing Production fee of $1,500 per unit to the City’s Affordable Housing Trust Fund to fund the development of affordable rental housing.

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

7. Assisted Housing At-Risk of Conversion to Market

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

Los Angeles has long been committed to monitoring, notification, funding, and outreach activities that support the preservation of affordable housing. Since 1994 through 2007, the City of Los Angeles has provided local subsidies in the sum of $30.5 million for gap financing to support the preservation of nearly 1,200 at-risk FHA-insured apartments in 16 developments. Additionally, the City’s Tax-Exempt Mortgage Revenue Bond Program has preserved affordable units without local public subsidy. From 2002-2007, the Bond Program has assisted in the financing of 2,011 at-risk units through a $100.1 million commitment of tax-exempt bonds. In the last four years, with the formal establishment of the Los Angeles Affordable Housing Preservation Program (AHPP), a dramatic increase in activity has occurred. This activity includes: expanding resources for preservation program activities; tenant outreach and education to residents of at-risk affordable housing developments; monitoring expiration of rental subsidies and/or affordability restrictions on at-risk units; and ensuring enforcement of legal notice requirements.

Inventory of Assisted Housing Developments

The City of Los Angeles currently has 64,494 affordable housing units in more than 1,826 developments, serving very-low, low and moderate-income households [Appendix A]. The vast
majority of these affordable units (88%) are owned and operated by private entities, and were financed with local, State and Federal public subsidies, administered by State agencies or locally through LAHD, CRA/LA, HACLA and LAHSA. The requirements of the public funding include (but are not limited to) maintaining the affordability for a specific number of years. The other affordable units, approximately 12% (7,403 units), are in public housing developments owned and operated by HACLA. These public housing units, funded primarily with HUD funds, are to always be maintained by HACLA as affordable; however, these units do require maintenance, upgrades or replacement as they age.

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

Inventory of Expiring Units

The City currently has 21,577 housing units at-risk of losing their affordability covenants between July 1, 2008 and June 30, 2018. These units were designated as at-risk based on the restrictions established by the primary government funding program used to build or rehabilitate the unit. This primary funding source is interpreted as the most restrictive source of funding in the rental covenant, rental subsidy or funding with the most years of affordability and set-aside units Appendix B provides a summary of the at-risk/expiring properties. Appendix C provides a detailed inventory of the at-risk/expiring properties during this Housing Element Update period.

Units Expiring in 1-5 Years

Between July 1, 2008 and June 30, 2013, 14,594 housing units (23% of the City’s affordable housing stock) are at-risk of losing their rental subsidies or affordability restrictions through the expiration of covenants. The majority of these, 11,402 units (78%), are located in buildings that received financing from the U.S. Department Housing and Urban Development (HUD), including HUD Project-based Section 8 rental subsidies, HUD/FHA 221(D)(3), 221(D)(4), and 236(J)(1) mortgage insurance Programs, and HUD Section 202 and Section 811 loan programs. The HUD/FHA mortgages have 40-year terms, and allow owners to prepay the mortgages after 20 years. Currently, owners of 1,939 units qualify to prepay their loans. The Project-based Section 8 contracts for 9,290 units have passed their initial terms and now can only be renewed on an annual basis, and thus are at-risk of conversion to market every year.

Of the 14,594 units at risk of expiration within the next 5 years, 173 affordable units were developed with HUD Section 202 and Section 811 funds and serve elderly and/or disabled persons. These 173 units are a subset (7.1%) of the 2,448 subsidized units in Los Angeles that received HUD Section 202 and Section 811 funding. These units are also supported with
rental subsidies under Project Rental Assistance Contracts (PRACs). The expiring PRACs can be extended for 60-month terms.

In addition, there are 3,034 affordable units (21%) created through City affordability restrictions that are at risk of expiration. These restrictions resulted from City land use entitlement concessions and/or local funding awards such as HOME, Community Development Block Grant (CDBG), Bond financing, and Community Redevelopment Agency of the City of Los Angeles (CRA/LA) housing programs. Finally, there are 158 units (1%) financed with State loan programs expiring in the next five years.

**Units to Expire in 5-10 Years** Another 6,983 (11%) of the City’s 64,494 affordable housing units will be at-risk of losing their rental subsidies or affordability restrictions through expiration of covenants between July 1, 2013 and June 30, 2018. The majority of these, 4,182 units (60%), are within projects that received local agency financing such as HOME, Bond financing, CRA/LA funding and/or City land use entitlement concessions. An additional 1,932 units (28%) were financed through HUD/FHA mortgage insurance programs and HUD Project-based Section 8 rental subsidies. State loan programs such as the California Housing Finance Agency (CALHFA) and State HCD loan funds subsidized 507 units (7%).

There are 362 (5%) affordable units funded specifically for elderly and/or disabled persons at risk of losing their affordability terms within the next 5-10 years. These units are funded with HUD Section 202 and Section 811 funds and receive rental subsidies under PRACs. Unlike the units expiring in 1-5 years receiving this type of funding, the PRACs are not renewable.

**Units Expired in the Last 10 Years** Between January 1, 1998 and July 1, 2007, there were 4,181 housing units located in 284 projects whose affordability restrictions expired. The majority of these, 2,298 units (55%), were in projects that had affordability restrictions tied to local agency financing and/or City land use entitlement concessions. Another 1,257 units (30%) were located in projects that received HUD assistance; none of these units were in HUD Section 202 or Section 811 projects serving elderly and/or disabled persons. Finally, 626 units (15%) were in State-financed properties.

**Assessment of the Conversion Risk**

Given the high demand for housing at all income levels within the City, expiring affordable units will likely convert to market-rate units. Local rental market conditions contribute to this likely consequence: a vacancy rate of less than 5% for both rental and for-sale units in the past decade; increasing demand for rental units due to increases in foreclosures; the high cost of for-sale units; and the slow-down in construction of for-sale units due to the current credit crisis. This rising demand for rental housing leads to higher rents and therefore a more compelling incentive for landlords who own buildings with at-risk affordable units to pursue opportunities for market-rate rents. In addition, government subsidies that would extend affordability come with many requirements governing the operation of the property (such as, but
not limited to, restrictions regarding tenant selection, tenant income, rent level, rent increases, regular monitoring), adding challenges to the operation of the building.

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

With more than 21,500 affordable housing units at-risk of losing their affordability restrictions in the next ten years (July 1, 2008 - June 30, 2018), the cost to preserve or replace these units will be substantial. In 2004, the construction cost (labor and material costs) per unit for a new market-rate 6-story, 42-unit multi-family building in Los Angeles was $270,660. Similarly, LAHD estimates that the average construction cost to build a new large family apartment unit was $255,442 based on AHTF-approved projects in 2007. The following presents the costs of preserving an expiring unit’s affordability through:

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

Methodology

The costs associated with preserving the affordability of the units at-risk of losing rent restrictions in the next ten years were derived from the Total Development Costs (TDC) for twenty-six projects funded with Affordable Housing Trust Fund dollars in 2006-2007. Data from this subset of 26 projects was used to calculate median, per-unit costs because these projects had secured full funding in the three funding rounds of the 2006 cycle, as well as the first funding round of 2007, and the developers of these projects had advanced to a crucial phase in development – the solicitation of construction bids. At this point in the development process, cost estimates are considered to be useful bases for aggregate costs to be discussed below. In addition to ensuring that the most current cost data is used to calculate a median, this subset of 26 projects was used so that the cost analysis would not require the adjustment of dollar values. Furthermore, to calculate the median, all housing types were combined.

Median figures were used for both the preservation and new construction costs analyses. The calculations consider the land cost, hard construction cost and other soft cost items as defined in the LAHD Pro Forma.

Table 1.25 shows the per-unit, median TDC for AHTF preservation and replacement projects. Based on LAHD’s calculation, the median per-unit TDC to preserve a unit’s affordability through

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moderately rehabilitating an existing affordable unit is approximately $183,000. While the preservation of an existing affordable unit can also occur through substantial rehabilitation (where construction costs represent 75% or more of TDC), there were no such projects in the sample of 26 projects used to calculate the median TDC. Therefore, the figure given for affordable housing preservation through rehabilitating an existing affordable unit is only for moderate rehabilitation.

A unit’s affordability can be preserved through replacement of the unit, either by rehabilitating a previously non-covenanted unit and placing affordability terms on the unit or by building a completely new unit with affordability terms imposed on the unit. Depending on land costs, relocation and/or site preparation costs, design and entitlement costs and a wide range of other factors, newly restricted affordable housing units can range from roughly $292,000 per unit for the rehabilitation of an existing, non-covenanted unit, to $361,000 for the construction of a new affordable unit.

<table>
<thead>
<tr>
<th>Method of Preserving Existing Unit’s Affordability</th>
<th>Median TDC per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate Rehabilitation* of Existing Affordable Unit</td>
<td>$182,726.28</td>
</tr>
<tr>
<td>Replacement through Rehabilitation of Previously Non-Affordable Unit</td>
<td>$291,665.96</td>
</tr>
<tr>
<td>Replacement through New Construction</td>
<td>$360,773.81</td>
</tr>
</tbody>
</table>

* Substantial rehabilitation costs not identified as sample of current projects do not have units requiring substantial rehabilitation.

Given the projected number of at-risk units in the periods between 2008-13 and 2013-18, Table 1.26 depicts an aggregate affordability preservation cost that would be required to preserve all at-risk units from expiration based on the 2007 median TDC of each method of preservation from the sample of 26 AHTF projects.
Table 1.26  Estimated Total Cost to Preserve At-Risk Units: 2008-2013 and 2013-2018

<table>
<thead>
<tr>
<th>Method of Preserving Existing Unit’s Affordability</th>
<th>Cost to Preserve/Replace 14,594 Units Expiring between 2008-2013</th>
<th>Cost to Preserve/Replace 6,983 Units Expiring between 2013-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate Rehabilitation of Existing Affordable Unit</td>
<td>$2.7 Billion</td>
<td>$1.3 Billion</td>
</tr>
<tr>
<td>Replacement through Rehabilitation of Previously Non-Affordable Unit</td>
<td>$4.3 Billion</td>
<td>$2.0 Billion</td>
</tr>
<tr>
<td>Replacement through New Construction</td>
<td>$5.3 Billion</td>
<td>$2.5 Billion</td>
</tr>
</tbody>
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Strategies for Preserving Expiring Affordable Housing

The City is committed to addressing the issue of expiring affordable housing units through the work of its housing agencies. In 2004, the City approved the Affordable Housing Preservation Program, and created the Preservation Coordinator position within LAHD to implement and manage the program, which includes monitoring the at-risk affordable units. Also, the CRA/LA’s Housing Policy commits the organization to cooperate with other City housing agencies in addressing the reduction in the affordable housing supply resulting from loss of federally insured housing projects and to take lead responsibility for preserving affordability in units subject to expiration of the Agency’s use restrictions.

The LAHD has funded tenant and landlord outreach for preservation purposes since early 2000. The outreach to residents of at-risk affordable housing includes information on alternate housing opportunities, expiring/terminated affordability restrictions, State and Federal notice compliance, tenants’ rights and responsibilities, the interaction of the City’s Rent Stabilization Ordinance (RSO), Code Enforcement programs and existing affordability restrictions, as needed. With the formal establishment of the Los Angeles Preservation Program, between May 2006 and June 2007, tenant outreach was conducted at approximately 2000 units. Outreach was primarily conducted to properties with expiring Section 8 contracts, properties opting out, and for the first-time properties with expiring City covenants or land use concessions. LAHD is uniquely positioned to manage this process because it enforces the State notice law at expiring and/or terminating properties, the Rent Stabilization Ordinance and the Systemic Code Enforcement Program; this ensures a better information flow between in-house departmental programs.

Through the AHPP, the LAHD assists property owners and managers of expiring or terminating properties with guidance on compliance with the State notification law, preservation transac-
tions, rent increases following expiration under the RSO, HUD Section 8 Enhanced Voucher requirements and renewal options. Due to these efforts, owners are able to comply with State law notification requirements, RSO allowable rent increases, and other projects continue to be affordable and have renewed beyond their annual contract or notice compliance period.

The City strives to collaborate with local non-profit organizations to acquire and manage at-risk projects, and with financial institutions to preserve affordable units by exploring creative financing and debt refinancing. In the past planning period, LAHD provided financing to local affordable housing developers such as the Los Angeles Community Design Center, Concerned Citizens of South Central Los Angeles, West Angeles Community Development Corporation, Esperanza Community Housing Corporation, and Squier Properties to permanently preserve more than 1,000 at-risk housing units.

While local, state, and federal level financial resources are available for preserving affordable housing, preservation monies are limited as these funds are used for both affordable housing preservation and production activities. However, some funding sources target and/or include a set-aside of funds for at-risk preservation projects, such as the federal Low Income Housing Tax Credit (LIHTC) program administered by the California Tax Credit Allocation Committee (TCAC). A description of resources is provided below.

While there currently are no specific City monies dedicated exclusively to preserving at-risk affordable housing units, the City of Los Angeles continues to create new tools and resources that facilitate preservation. The New Generation Fund and the prioritization for AHTF funding are examples of such innovations. The ongoing commitment of bonds and rehabilitation program dollars are examples of the continuation of resources that have been the mainstay of effective preservation capital. The City also continues its legislative advocacy at the state and federal levels for affordable housing production and preservation funding and to secure a dedicated public source to fund the Affordable Housing Trust Fund.

Not only is effective coordination among housing entities and decision makers essential for accurate ongoing data collection, it also makes for effective problem solving and leads to creative solutions. The regular convening of the spectrum of housing agencies and stakeholders, coupled with the capacities of the AHPP’s up-to-date at-risk rental data, will result in a greater net gain of units preserved.

The Los Angeles Inter-Agency Preservation Working Group was established in 2002 to effectively manage, and to coordinate preservation of the City's affordable housing inventory, especially at-risk housing. The group focuses on preservation strategies, sharing information, specific properties/transactions, policy development and proactive efforts to protect the City's affordable housing. Key participants include the LAHD, CRA/LA, HACLA, HUD, property owners, representatives of the Mayor, City Council and local Congressional offices, affordable housing, tenant and legal services advocates. The value of such collaboration is demonstrated by the success of its past efforts. In 2004, this group moved swiftly to prevent the demolition.
of affordable housing and loss of several project-based Section 8 contracts. Critical assistance was provided by the local HUD staff in the group.

Entities with the Capacity to Acquire and Manage Affordable Units

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

Financial Resources Available for Preservation of Affordable Units

**Community Development Block Grant (CDBG)** This source of funding, allocated on an annual basis, is allocated to programs that fund the development of new affordable housing, single-family and multi-family rehabilitation, and minor home repairs. In 2006/07, the LAHD received approximately $32 million of the entire City allocation of CDBG funds.

**HOME Investment Partnerships Program (HOME)** The City of Los Angeles receives approximately $45 million annually in HOME funds for housing development activities. The LAHD uses these funds for its housing production lending activities, through the Affordable Housing Trust Fund and the Permanent Supportive Housing Programs. HOME funds are available to any preservation project that meets program guidelines.

**City General Fund** The City of Los Angeles allocates a portion of its General Fund for acquiring, developing, constructing, and rehabilitating multifamily residential housing developments. Funds are also used for the purpose of making loans to finance or refinance these activities. These funds are administered by LAHD through the Affordable Housing Trust Fund. Roughly $8 million of General Fund dollars have been allocated to the AHTF in each of the past three fiscal years. These funds are also available to any preservation project that meets program guidelines.

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

**State Bond Financing (Prop 1C)** The availability of financing at the state level, typically funded through voter-approved general obligation bond issuances, is another source for local preservation activities. Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006, allocates $2.85 billion into twelve different programs throughout the State. Programs for new construction, rehabilitation and preservation include a General Housing Program ($345 million), Transit-Oriented Development Implementation Program ($300 million), Affordable Housing Innovation Fund ($100 million), Regional Planning, Housing and Incentives Fund ($850 million), a Housing Urban-Suburban-and-Rural Parks Fund ($200 million), and the Multifamily Housing Program – Supportive Housing ($195 million).

**Low Income Housing Tax Credits (LIHTC)** Low Income Housing Tax Credits are an important source of funding for affordable housing in Los Angeles, but the system presents a unique challenge in that program guidelines and priorities are set by the State of California’s Tax Credit Allocation Committee (TCAC) rather than the City of Los Angeles. The City works with developers of affordable rental housing projects (both preservation and new construction) to ensure that they meet LIHTC thresholds and awarding criteria. While the City of Los Angeles continuously provides commitments to projects that ultimately secure their array of leveraged funding, including the lion’s share of funding from state resources, there is no systematic method to ensure that projects in Los Angeles will receive LIHTCs based on TCAC’s point system. Additionally, TCAC sets aside a dedicated pool of tax credit funds for self-designated “at-risk” projects. However, projects that meet the criteria for “at-risk” designation are not obligated to compete for this dedicated pool of funds. As a result, and for various reasons, projects apply for funding in the more competitive open pool of LIHTC funding, sometimes resulting in an under-subscription of the TCAC at-risk LIHTC pool.

While the City of Los Angeles has designed its AHTF and PSHP to complement those at the state level, TCAC makes the final determination of LIHTC awards.

**CRA/LA Low and Moderate Income Housing Fund** Pursuant to state redevelopment law, CRA/LA allocates not less than 20% of all incremental property tax revenue it receives (along with a proportional share of tax allocation bonds it issues) to its Low and Moderate Income Housing Fund (LMIHF). While all part of a single fund, the LMIHF allocations are tracked separately for each redevelopment project area, to facilitate redevelopment project area specific reporting requirements. These "20% funds" are held in the LMIHF until qualifying projects that preserve, maintain and/or expand the supply of housing restricted to persons and families of low- and moderate-income are ready for funding. Then, they are allocated, via various loan and/or development agreements approved by the CRA/LA Board of Commissioners and City Council, to those projects. Any interest earned and any repayments to the CRA/LA for loans, advances, or grants of any kind from the LMIHF accrue to this fund, and any such income is restricted to the same uses as the initial allocations to the Fund. While "moderate income" allows financing from the LMIHF to go to projects with housing available
to households earning up to 120% of area median income, projects to which these funds are
directed are targeted at households earning less than 80% of area median income, with the
bulk of the funds focused on projects restricted to households whose income is 50% or less
of area median income.

Since 2003, CRA/LA has allotted an amount equal to an additional 5% that has contributed
to the City’s Affordable Housing Trust Fund, for the purpose of further increasing, improving,
and preserving the City’s affordable housing stock.

**New Generation Fund** The New Generation Fund (NGF) is a predevelopment and acquisi-
tion fund that provides loans to affordable housing developers to purchase vacant land for
development, as well as purchase and preserve at-risk projects. For the at-risk projects, the
take-out capital for the project’s rehabilitation (which is provided by other established fund-
ing sources, including AHTF, CRA, TCAC, Bonds, MHP) will ensure the affordability of each
purchased project for an additional 55 years.

### E. Regional Housing Needs Assessment

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

For the RHNA cycle relevant to this Housing Element Update (January 1, 2006 through June
30, 2014), HCD determined that between 687,000 and 733,000 additional housing units are
needed for the six-county region covered by the Southern California Association of Govern-
ments (SCAG) COG. Ultimately, HCD approved a plan that allocated 699,368 units across the
SCAG region allocation, the total assigned to the City of Los Angeles is
112,876 units. Of these, 27,238 are for very low-income, 17,495 are for low-income, 19,304
are for moderate-income and 48,839 are for above moderate-income households.

State law further requires that jurisdictions account for the housing needs of extremely low-
income households (those earning less than 30% of the area median income) in addition
to the other income categories. As the current RHNA allocations do not include this income
category, cities and counties are allowed to calculate it either from census data or by assum-
ing that 50% of the very low-income need is extremely low income. In either case, the total
extremely low and very low needs should equal the RHNA allocation for the very low category (27,238 units for Los Angeles). The City has calculated its extremely low-income need to be 13,619 units using the 50% method.

Table 1.27  City of Los Angeles Regional Housing Needs Assessment Allocation (2006-2014)

<table>
<thead>
<tr>
<th>Income Category</th>
<th>% of total</th>
<th>Number of units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely low income households (≤ 30% AMI*)</td>
<td>12.1</td>
<td>13,619</td>
</tr>
<tr>
<td>Very low income households (31-50% AMI)</td>
<td>12.1</td>
<td>13,619</td>
</tr>
<tr>
<td>Low income households (51-80% AMI)</td>
<td>15.5</td>
<td>17,495</td>
</tr>
<tr>
<td>Moderate income households (81-120% AMI)</td>
<td>17.1</td>
<td>19,304</td>
</tr>
<tr>
<td>Above moderate income households (&gt; 120% AMI)</td>
<td>43.3</td>
<td>48,839</td>
</tr>
<tr>
<td>Total**</td>
<td>100.1</td>
<td>112,876</td>
</tr>
</tbody>
</table>

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

The City of Los Angeles RHNA allocation represents one-sixth of the total SCAG RHNA. Table 1.28 below compares the City’s RHNA allocation to the total SCAG RHNA.

Table 1.28  City RHNA and SCAG RHNA Allocations, 2006-2014

<table>
<thead>
<tr>
<th>Los Angeles City</th>
<th>Very Low*</th>
<th>Low</th>
<th>Moderate</th>
<th>Above Moderate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Units</td>
<td>27,238</td>
<td>17,495</td>
<td>19,304</td>
<td>48,839</td>
<td>112,876</td>
</tr>
<tr>
<td>Percentage of Units</td>
<td>24.10%</td>
<td>15.50%</td>
<td>17.10%</td>
<td>43.30%</td>
<td>100%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>SCAG Region</th>
<th>Very Low*</th>
<th>Low</th>
<th>Moderate</th>
<th>Above Moderate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Units</td>
<td>165,457</td>
<td>113,649</td>
<td>126,715</td>
<td>293,547</td>
<td>699,368</td>
</tr>
<tr>
<td>Percentage of Units</td>
<td>23.70%</td>
<td>16.20%</td>
<td>18.10%</td>
<td>42.00%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: SCAG

*As each jurisdiction will determine its own allocation of extremely low units from the number of low income units, this category has not been included here.
Chapter 2 Constraints on Housing Maintenance, Improvement and Development

One of the challenges to building housing affordable to households of all income levels and appropriate for all special needs populations is the existence of regulations and conditions that pose constraints to the production and preservation of housing. This includes governmental regulations, infrastructure requirements, conditions and special regulations in the City’s Coastal Zone, and market conditions. The City has developed an array of responses to counter these constraints and facilitate residential development. The constraints as well as the City’s strategies to address them are identified in this Chapter. The City continues to explore additional responses, and new efforts to be pursued are identified in Chapter 6, as new programs.

A. Overview Of The City’s Environmental Setting

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

The City of Los Angeles contains 467 square miles or 302,596 acres. Of these, 76% (230,377 acres) is developed and 24% (72,219) is undeveloped. The undeveloped land includes 4,367 acres classified as vacant (subject to urban development), representing 1.4% of the total acreage, and 67,852 acres classified as open space (protected from urban development, representing 22.4% of the total acreage). Some of the major open space areas include Griffith Park, the Santa Monica Mountains National Recreation Area, the Ballona Wetlands south of Marina del Rey, and the Verdugo Mountains in the northeastern sector of the City.

The physical structure of Los Angeles, its “urban form,” has evolved primarily in response to the natural environmental setting and the private automobile. The City consists of relatively flat basins that are defined by the San Gabriel Mountains in the north, and the Santa Susana Mountains, Santa Monica Mountains and Pacific Ocean to the west and south. The Santa Monica Mountains bisect the City, separating the San Fernando Valley from the Los Angeles metropolitan basin. Its eastern edge is defined by the Verdugo Mountains and San Rafael Hills, which subdivide the eastern end of the San Fernando Valley, with the communities of Sunland and Tujunga located to the north.

Three major rivers flow through the Los Angeles Basin to the Pacific Ocean: the Los Angeles River, the Rio Hondo, and the San Gabriel River. Relief within the drainage basins in which the City is located ranges from sea level to over 2,700 feet. Most of the City is located in the coastal plain, a gently sloping area of low relief, containing only a few depressions or ponding areas. Local mountainous areas contain steep-walled canyons with slopes of 70% or more. In mountainous regions, largely natural areas in and near Los Angeles, steep canyon slopes and channel gradients lead to rapid concentrations of storm runoff. Geologic conditions in the local hills and mountains often make construction difficult due to landslide-prone and unpredictable bedrock.
Based on DCP data, approximately 7% of the City is developed with commercial uses and 8% with industrial uses, excluding the Los Angeles Port and LAX. Residential land use represents the largest land use, comprising 58% of the City. The largest share of this residential land use is for single-family dwellings, approximately 48% of the City, while multi-family units comprise approximately 9%.

B. Governmental Constraints

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

1. Land Use: The General Plan

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

Framework Element

The City of Los Angeles Citywide General Plan Framework Element establishes the broad overall policy and direction for the entire General Plan. It is a smart-growth plan that provides a long-range citywide strategy to guide both the implementation and the comprehensive update of all of the General Plan’s elements. The Framework Element also establishes the City’s capacity for residential development, general locations for such development, and the associated infrastructure necessary to support such development. The Environmental Impact Report (EIR) for the Framework Element calculated the total build-out capacity for the City in the locations identified in the Framework Element at 2.4 million housing units, and evaluated the environmental impacts of this build-out capacity. As of 2005, there was a total of 1,371,439 housing units in the City; thus, there remains the capacity to build over one million additional housing units within the Framework Element’s environmental clearance “envelope” that would be consistent with the General Plan and its various Elements.

Land Use Element/Community Plans

The Land Use Element of the City’s General Plan identifies at a community level the loca-
Chapter 2 **Constraints on Housing Maintenance, Improvement and Development**

...tions, densities, and other characteristics of the housing capacity established in the Citywide Framework Element. Due to the size of Los Angeles, the Land Use Element is divided into 35 areas, with 35 Community Plans (Map 2.1) that guide the physical development of each of the City’s neighborhoods, pursuant to the policies established in the Framework Element. The planning process for each Community Plan involves extensive community input to identify issues and opportunities and set goals for development. Community Plans establish sustainable growth patterns while balancing the unique character of individual communities, including the preservation and maintenance of housing that is important to the unique character of each neighborhood. The plans also address infrastructure, urban design, jobs, transportation and mobility issues.

The Department of City Planning (DCP) recently established the New Community Plan Program which seeks to increase the level of detail and specificity in the Community Plans. The new Community Plans will include all necessary re-zonings and other implementation measures, as well as facilities, services and public improvement needs. Under the new program, each Community Plan is anticipated to take three years to complete. Each year, four will be completed and four new ones will be added to the DCP’s work program, so that twelve plans are always in preparation.

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

1. Sylmar
2. Granada Hills / Knollwood
3. Sunland-Tujunga
4. Boyle Heights
5. Hollywood
6. Westlake
7. Central City
8. West Adams/Baldwin Hills/Leimert
9. South Los Angeles
10. Southeast Los Angeles
11. West Los Angeles
12. San Pedro

Part of the Community Plan revision process involves establishing capacity for residential development that carries out the Framework Element policies, but is tailored to the individual neighborhoods that comprise a Community Plan area. In the past, Community Plans have not provided the level of detail or specificity to create the certainty desired by the development community, residents or other stakeholders and facilitate development that is compatible with unique neighborhood character. For example, land use designations allow a broad range of zones and densities, so that an equally broad range of projects comply with the Plan. In the absence of any detail about scale, design, height or density, projects are typically subjected to multiple levels of scrutiny and public review, constraining the development of housing in many neighborhoods.
Map 2.1
Los Angeles Department of City Planning
Community Plan Areas
Alleviating Constraints of the General Plan

The New Community Plan Program seeks to provide more specificity about the scale and design of projects that comply with neighborhood-specific regulations in each Community Plan, which will result in a higher level of certainty and specificity in the development process. The adoption of each new Community Plan update will include corresponding zone changes and additional planning tools necessary to implement General Plan goals. In addition, Environmental Impact Reports (EIRs) will be certified for each new Community Plan. This will reduce some of the environmental review requirements for subsequent projects within each area. For example, housing projects below a certain threshold that comply with the Plan would not need additional environmental review. Lastly, each Community Plan will establish appropriate land use and zoning to accommodate its requisite share of the City’s expected population growth and demand.

2. Land Use: Zoning

Zoning laws divide cities into districts (reflected on the zoning maps) and specify regulations for those districts (set forth in the zoning code). The basic uses are agricultural, residential, commercial, and industrial. Zoning was first upheld by the U.S. Supreme Court in 1926, and since then the regulation of land uses for the public health, safety and welfare has generally been recognized as a valid exercise of a City’s police power. The zoning code and map establish permitted uses and densities, and establish rules about building heights, coverage, setbacks and other characteristics. The regulations govern new construction activity, as well as rehabilitation, preservation, maintenance and demolition activities. While zoning laws establish capacity and volume of space that can be permitted on land, they can also be a constraint on capacity.

Appendix E entitled “Generalized Summary of Zoning Regulations,” summarizes provisions of the Zoning Code regarding the types and densities of residential uses permitted in each of the City of Los Angeles’ zones, including minimum lot areas, required setbacks, maximum building heights, required parking spaces, and maximum densities for each zone. The City’s zoning is consistent with the General Plan land use designations, as required by State law. The zoning in the City is generally cumulative and inclusionary. It permits less intense uses to be built within a zone as the zoning increases in intensity, and permits residential uses to be developed in commercial zones. For instance, R1, R2, and R3 uses are allowed to be built in an R4 zone, and are also permitted in all commercial zones. No minimum requirements are established in any zone.

Multi-family housing (including SROs and permanent supportive housing) are allowed by right in the following residential and commercial zones: RW2; R2; RD 1.5; RD2; RD3; RD4; RD5; RD6; R3; RAS3; R4; RAS4; R5; CR; C1; C1.5; C2; C4; C5; and CM. “By right” means that no process whatsoever is required for the construction of multi-family housing, SROs or permanent housing.
supportive housing in each of these zones. Developers of such housing file building plans with the Department of Building and Safety. Plans are checked for compliance with the Building Code and, when in compliance, permits are issued to begin construction. Multi-family housing projects which create a net increase of 50 units on a site (i.e. 50 units more than previously existed on a site) are subject to Site Plan Review. Site Plan Review is an internal review by Department of City Planning staff to address urban design issues of such projects. There is no public hearing and the review does not affect the number of units (or other entitlements) of a project. Site Plan Review determinations may be appealed to the City Planning Commission. An appeal will include a public hearing. Densities in the multi-family residential zones range from seven units per acre to 218 units per acre. Multi-family housing as well as mixed-use projects are allowed by right in commercial zones, at densities ranging from 54 to 218 units per acre. RAS3 and RAS4 zones allow specific types of neighborhood serving commercial uses to be incorporated on the ground floor of residential buildings.

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

Pursuant to State law, second dwelling units are allowed in all of the City’s single-family zones (A, RA, RE, RS, R1, RMP and RW1). The following development standards must be met in order to proceed with development of a second unit on a single family lot:

1. that the second dwelling unit consists of a group of two or more rooms for living and sleeping purposes, one of which is a kitchen, and the second dwelling unit has a maximum floor area of 640 square feet;

2. that the second dwelling unit is located on a lot having an area at least 50 percent larger than the minimum area required for a lot in the zone in which it is located, and in no event is the lot area less than 7,500 square feet;

3. that the second dwelling unit meets the yard, lot coverage and height requirements applicable to the zone in which it is located; and

4. that the primary dwelling unit and all other existing or proposed buildings meet the use, lot coverage, height, yard and other requirements applicable to the zone in which they are located.

5. At least one covered or uncovered off-street automobile parking space shall be provided for the second dwelling unit, in addition to the off-street automobile parking spaces required by Section 12.21A4(a) for the principal dwelling; provided, however, that the dimensions of the parking facilities (as set forth in Section 12.21A5) may be modified by up to 20 percent, as may be necessary to facilitate vehicular movement on and to the subject property.

6. A second dwelling unit shall be combined with or be attached to a main building containing only one dwelling unit unless:
(a) The second dwelling unit results from the conversion of a legally established, detached accessory living quarters, servants quarters, or guest house which had been issued a certificate of occupancy prior to July 1, 1983; or

(b) That a detached dwelling unit will be constructed in full compliance with setback, lot coverage, height and other requirements applicable to the zone, without adverse impacts on the character of the surrounding neighborhood.

(7) The architectural style of the second dwelling unit shall be compatible with that of the primary dwelling unit, and when viewed from the street frontage it shall appear that there is only one dwelling unit on the lot. Not more than one entrance to the dwellings shall be visible from the street frontage.

(8) A second dwelling unit shall not be located in a Hillside Area, as defined in Section 91.7003 of this Code, in an Equinekeeping District, along a Scenic Highway designated in the General Plan, or where the width of the adjacent street is below current standards as defined in Section 12.37H.

(9) No building nonconforming as to use may be converted to a second dwelling unit.

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

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

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

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

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

Boarding houses are permitted in R3, R4, R5, CR, C1, C1.5, C2, C4, C5 and CM zones.
Conditional Uses: Institutions, public facilities and other special uses are not permitted by right but are permitted by Conditional Use permits. With the exception of density bonus projects that exceed the maximum density permitted by law, multi-family housing projects do not require Conditional Use permits. Conditional Use provisions in the Zoning Code, therefore, do not constrain zoning capacity.

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

**Alleviating Constraints of Zoning**

In May 2005, the City adopted an Adaptive Reuse Ordinance, which waived many of the zoning regulations in order to facilitate the conversion of existing, economically obsolete office buildings into new residential apartments and condominiums. The zoning changes along with the adoption of alternative building codes for older buildings permit substantial, physical alterations to be made that modify the building’s original, intended use without a requirement for any discretionary action by the City. These by-right building and zoning codes are applicable in the following Adaptive Reuse Incentive Areas:

- Downtown Los Angeles (Central City Community Plan Area and the Figueroa Corridor Economic Development Strategy Area)
- Hollywood Redevelopment Project Area
- Wilshire Center/Koreatown Redevelopment Project Area (certain portions only)
- Lincoln Heights and Chinatown
- Central Avenue (between Vernon Avenue and the Santa Monica Freeway)

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

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

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

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

Floor Area and Height Limitations

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

<table>
<thead>
<tr>
<th>Height District</th>
<th>FAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.5 to 1 in C zones/3 to 1 in R zones</td>
</tr>
<tr>
<td>2</td>
<td>6 to 1</td>
</tr>
<tr>
<td>3</td>
<td>10 to 1</td>
</tr>
<tr>
<td>4</td>
<td>13 to 1</td>
</tr>
</tbody>
</table>

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

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

Parking Requirements

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

Guest parking is not required by the City for any by-right housing development under the Zoning Code. However, guest parking is frequently added as a condition of subdivision (condominium) approval at the rate of one-half space per unit in identified parking congestion areas and one-quarter space per unit in non-congested areas.

Providing parking represents a significant cost to developers, which affects affordable housing production. The guest parking requirements could act as a marginal constraint to affordable housing development due to cost. The cost of a parking space increases significantly if parking has to be provided below grade or in an above-grade parking structure. The cost of constructing subterranean parking ranges from approximately $23,000 to $34,000 per space, and can increase to $40,000 or more per space in complicated projects.

Open Space Requirements

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

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

Alleviating Constraints of Residential Development Standards

In order to address the restrictions on housing imposed by Proposition U, the City Council adopted two new zones in December 2002 that permit an increase in FAR on commercial boulevards. These zones (Residential Accessory Services, RAS3 and RAS4) permit 100% housing projects or housing above ground floor neighborhood services, and allow a floor area ratio of three to one, reduced setbacks, and a 50 foot height limit. Property owners must apply for a zone change on a specific site in order to utilize the RAS zones. From 2003 through mid-2007, there have been 8,800 new housing units filed for RAS zone changes on the City’s commercial boulevards.

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

Implementation of the State density bonus law also mitigates the effects of residential development standards by waiving or modifying such standards in return for providing a certain percentage of affordable housing in market-rate residential projects. In Zoning Code Section 12.22 A.25, the City has adopted density bonus regulations and procedures implementing State law. With recent changes in the State density bonus law due to the enactment of SB1818, developers may request up to three incentives in addition to the density bonus and parking relief. The incentives are deviations from the City’s development standards, thus providing greater relief from regulatory constraints. The City has been implementing the amended State density bonus law since it became effective on January 1, 2005, and recently adopted an ordinance to implement the expanded State provisions. The City’s SB 1818 Density Bonus implementing ordinance is intended to facilitate requests for incentives by providing a streamlined process for projects opting for a “menu” of incentives. Incentives on the menu include an increase in FAR from 1.5:1 to 3:1 for commercially-zoned properties in Height...
District 1 that are within 1,500 feet of a rail station or a Rapid Bus stop, greater building height, reduced setbacks, averaging of density, open space and parking across multiple zones and reduced building open space. The Ordinance also permits similar bonuses and incentives for condominium projects in which a requisite number of units are sold to households that qualify as very low, low, or moderate income.

DCP and LAHD data from 1990 to 2007 show that more than 5,200 affordable housing units were produced through the Density Bonus Program (Table 2.2), although the trends in the percentage of affordable units created through the Program has shifted throughout the two decades. Between 1990 and 1999, 4,548 units were produced through the use of density bonus incentives, of which 2,099 units (46.2%) were affordable. In contrast, between 2000 and 2004 in the City of Los Angeles, 143 projects received density bonuses. These projects produced 6,743 units, of which 2,304 (34.2%) were affordable units. Since the 2005 changes in State law, a total of 67 projects were approved using the new density bonus provisions of SB 1818. These projects produced 1,737 units over the three-year timeframe, of which 886 (51.0%) were affordable units.

In the event a zone or particular development standard poses a unique hardship, zone changes or variances to codified zoning requirements are granted when the hardship can be demonstrated and specific findings are met. Such deviations are granted in compliance with an established process that includes a public hearing and one or more levels of decision-making. For some variances that are determined to be non-controversial and minor, public hearings may be waived.

The City’s Adaptive Reuse regulations contain numerous incentives to convert, or rehabilitate for residential use, obsolete buildings built before 1974. Underlying density restrictions, floor area limits, loading and parking requirements are waived under the Adaptive Reuse Ordinance. There is no limit on the number of apartments, live/work units or hotel rooms permitted, so long as no new floor area is added, and the project complies with the standards specified in

<table>
<thead>
<tr>
<th>Year</th>
<th>Density Bonus Projects</th>
<th>Total Units</th>
<th>Affordable Units</th>
<th>Percent Affordable of Density Bonus Project Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-1995</td>
<td>NA</td>
<td>2,343</td>
<td>1,147</td>
<td>49.0%</td>
</tr>
<tr>
<td>1996-1999</td>
<td>NA</td>
<td>2,205</td>
<td>952</td>
<td>43.2%</td>
</tr>
<tr>
<td>2000-2004</td>
<td>143</td>
<td>6,743</td>
<td>2,304</td>
<td>34.2%</td>
</tr>
<tr>
<td>2005-2007</td>
<td>67</td>
<td>1,737</td>
<td>886</td>
<td>51.0%</td>
</tr>
<tr>
<td>Total 1990-2007</td>
<td>NA</td>
<td>13,028</td>
<td>5,289</td>
<td>40.6%</td>
</tr>
</tbody>
</table>

Source: DCP, LAHD
the Ordinance. Loft units may be added, so long as they do not exceed one-third the size of the floor below and comply with the program’s construction guidelines. Although no new parking spaces are required, existing parking spaces must be maintained, but may be used for any on-site or off-site use. Under the Adaptive Reuse Ordinance the minimum size for each apartment and live/work unit is 450 square feet. The minimum average size for all apartments and live/work units in a single building is 750 square feet. From 2000 through mid-2007, 8,558 units have been approved under the Adaptive Reuse regulations.

4. Land Use: Zoning and Neighborhood Implementation Tools

Specific Plans

A Specific Plan is a permanent, tailored zoning ordinance that regulates and provides incentives for certain kinds of development in order to preserve the character of specific neighborhoods. The establishment of Specific Plans is authorized by Section 11.5.7 of the City’s Zoning Code. Specific Plans in Los Angeles range from industrial areas, to commercial areas, to single family and mixed-use neighborhoods. Typical issues addressed by Specific Plans include land uses, density, FAR, building design, height, landscaping and parking requirements.

There are currently 44 Specific Plans in effect in the City of Los Angeles as listed below:

1. Alameda District
2. Avenue 57 TOD Neighborhood Plan
3. Central City West
4. Century City North
5. Century City South
6. Coastal Bluffs
7. Coastal Transportation Corridor
8. Colorado Boulevard
9. Crenshaw Corridor
10. Devonshire/Topanga Corridor
11. Foothill Blvd Corridor
12. Girard Tract
13. Glencoe/Maxella
14. Granada Hills
15. Hollywoodland
16. LAX/El Segundo Dunes
17. Los Angeles International Airport (LAX)
18. Los Angeles Sports and Entertainment District
19. Mt. Washington/Glassell Park
Historic Preservation Overlay Zones (HPOZs)

The City of Los Angeles is comprised of a variety of neighborhoods that contain buildings of cultural, historical, and architectural significance. Historic Preservation Overlay Zones (HPOZs) are a tool to protect the historic fabric and neighborhood character by ensuring that demolitions, new construction, remodeling projects and other changes within the HPOZ follow specific guidelines. The City of Los Angeles has 21 HPOZs located in the central and southern communities of the City south of the Santa Monica Mountains and in Van Nuys.

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

Each HPOZ has a Historic Preservation Board with five appointed members who review projects and prepare a Preservation Plan to specify appropriate architectural styles within the zone.
The 21 HPOZs in the City of Los Angeles are:

1. Adams Normandie  
2. Angelino Heights  
3. Banning Park  
4. Carthay Circle  
5. Gregory Ain Mar Vista Tract  
6. Harvard Heights  
7. Highland Park  
8. La Fayette Square  
9. Lincoln Heights  
10. Melrose Hill  
11. Miracle Mile North  
12. Pico/Union  
13. South Carthay  
14. Spaulding Square  
15. University Park  
16. Van Nuys  
17. Vinegar Hill  
18. West Adams Terrace  
19. Western Heights  
20. Whitley Heights  
21. Windsor Square

HPOZs regulate architectural style rather than the number or the type of dwelling units, and because little new construction typically occurs in these zones, their impact on the production of housing is minimal. To a small degree, HPOZs may be a barrier to affordable housing maintenance, preservation and production due to the additional layer of architectural regulations they impose. Only certain materials are allowed which can raise the cost of housing production and long-term maintenance, and the scale of buildings may be limited.

Alleviating Constraints of Neighborhood Implementation Tools

Specific Plans and HPOZs are tools used to enhance and preserve neighborhood character. While they typically place further restrictions on building housing, neighborhood implementation tools also have the potential to encourage residential development. For instance, the Central City West Specific Plan has an inclusionary affordable housing requirement and a housing linkage fee for all commercial, industrial and the non-residential portion of mixed use projects that will fund very low-income dwelling units. In addition, the Coastal Transportation Corridor Specific Plan allows credits against a trip fee for providing low-income housing. Density and FAR increases are also allowed for certain types of residential development in specific areas, such as the Adaptive Re-Use Specific Plan areas.
5. Land Use: Zoning and the Division of Land

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

While there is a distinction between lot divisions into 5 or more parcels versus 4 or fewer parcels, the process and requirements to prepare the newly cut lots for sale and development are similar for both types of subdivisions. Each new plat must comply with the parcel sizes, widths and density requirements determined in the Zoning Code and General Plan. When the lot does not have frontage or access from a legal street, provisions for a private street must be created. New lots that have met all of their subdivision requirements are recognized by the Department of City Planning for lease, sale, or finance through an issuance of a Certificate of Compliance. Subdivision tract and parcel map applications may include conditions for new streets, open space, and infrastructure prior to the approval of new parcels. These necessary physical improvements are required as conditions of approval and addressed further in the “On-/Off-Site Improvements” discussion, below.

Most housing types, including single family dwelling units, multi-family units, town homes, new condominiums, and condominium conversions are subject to the Subdivision Map Act. New condominiums and condominium conversions are subject to subdivision regulations because they subdivide the air space above the land into “units.” Tract and parcel maps identify the location and layout of buildable lots and the number of units, but do not specify the layout or design of the units.

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

Alleviating Constraints of Division of Land Requirements

The City created a Small Lot Subdivision Ordinance in 2005, to permit the sale of fee simple single-family lots in commercial and multi-family residential zones on parcels as small as 600 square feet. In addition to allowing homes on smaller lots, the Ordinance waives certain zoning requirements and relieves other development standards and requirements for improvements and infrastructure otherwise required by the subdivision process, providing developers
flexibility to allow more affordable home ownership. This Ordinance has enabled the development of approximately 900 new homes since January, 2005.

6. Land Use: Redevelopment Project Areas

The Community Redevelopment Agency of the City of Los Angeles (CRA/LA) is a public agency authorized under California State law to attract private investment into economically depressed communities in the City of Los Angeles. The primary responsibilities of the CRA/LA include eliminating slums and blight, revitalizing older neighborhoods, preserving and creating affordable housing, encouraging economic development, retaining and expanding jobs and creating new investment and employment opportunities.

Redevelopment Project Areas are established for the purpose of redevelopment, disaster recovery, earthquake recovery, and revitalization consistent with the requirements of the California Redevelopment Law (Section 33000 et Seq. of the California Health and Safety Code). Redevelopment Plans are adopted for areas that have become blighted in order to foster job creation, create an environment that will attract and sustain private investment, maintain and increase the supply of housing for low and moderate-income households, and renovate, remove or replace deteriorated and dilapidated structures. CRA/LA currently manages 32 active Redevelopment Project Areas in seven regions throughout the City of Los Angeles: East Valley, West Valley, Hollywood, Central Downtown, Eastside, South Los Angeles and Los Angeles Harbor (see Map 2.2, CRA/LA Redevelopment Project Areas). More information about CRA/LA Redevelopment Project Areas can be found at http://www.crala.org.

Redevelopment is largely funded through tax increment financing, whereby a portion of the increase in property tax collections above the base property tax collections prior to Redevelopment Project Area establishment are directed to the CRA/LA, for investment in the respective Redevelopment Project Area.

The CRA/LA has a variety of powers, including: the ability to acquire and dispose of property; install streets, sidewalks and other public improvements; develop or assist in the development of new and rehabilitated housing; facilitate the development of commercial and industrial properties; issue notes and bonds to finance activities; and impose environmental, land use, open space and urban design controls. All new construction, rehabilitation and demolition activity in Redevelopment Project Areas must comply with the City’s land use regulations in the General Plan and Zoning Code. The CRA/LA may impose development standards and policies in addition to those in the General Plan and Zoning Code.

CRA/LA also has a comprehensive historic preservation program for targeted areas which seeks to maintain the existing housing stock and preserve the historically significant character of neighborhoods. Pursuant to Redevelopment Law, CRA/LA is required to set aside at least 20% of its property tax derived resources for affordable housing and to assure that at least 15% of all housing developed in a Redevelopment Project Area is affordable to low-income residents.
CRA/LA directly invests in affordable housing projects and assists developers through the provision of infrastructure improvements and technical support through the approval process to foster the development of affordable and workforce housing, including housing in mixed-use developments.

CRA/LA anticipates accruing more than $204 million in its Low and Moderate Income Housing Fund (LMIHF) during the 2009-2013 fiscal years. Of these funds, 45% ($91.5 million) is allotted for very low income housing, 26% ($52.8 million) is for low income housing and 29% ($58.9 million) is for moderate income housing. The LMIHF dollars are used for housing production, rehabilitation, and preservation activities such as, but not limited to:

- Housing production through assistance for development on small sites and in-fill housing, housing for seniors and disabled persons, innovative housing unit design, alternative land ownership models for affordable housing, and construction of affordable, for-sale homes in the Redevelopment Project Areas;
- Residential rehabilitation for low-income property owners and property owners with low-income tenants;
- Housing preservation through residential and single room occupancy hotel preservation, transfer of ownership, new ownership of substandard housing, and real estate owned acquisition.

Table 2.3 shows the agency’s housing funds per income category by the 32 Redevelopment Project Areas.

**Alleviating Constraints of Redevelopment Project Areas**

Within Redevelopment Project Areas, the CRA/LA advances policies and programs that support the rehabilitation of existing housing and the development of new housing. While some redevelopment activity can lead to the displacement of residents, the CRA/LA implements policies and regulations that compensate displaced residents and replaces demolished housing on a one-for-one basis as well as develops new affordable housing. The CRA/LA also funds the preservation of residential hotels that provide housing to the most vulnerable population in Los Angeles, typically earning less than 30% of the Area Median Income as defined by HCD.

**7. Land Use: Entitlement Processing**

Development proposals that do not fully comply with adopted regulations or necessitate compliance with special conditions require discretionary action(s) from the Planning Department. Such discretionary actions are generally referred to as “land use entitlements” and require that certain findings, established by law, be made in order to approve the projects and any requested deviations from the rules. In such cases, conditions of approval may be imposed in order to mitigate impacts or assure compliance with policies in the General Plan. Typical
### Table 2.3 CRA/LA Housing LMIHF Resources per Income Category and Projected New Revenues from FY2009 to FY2013

<table>
<thead>
<tr>
<th>Agency Housing Funds</th>
<th>Projected FY09-13 Total</th>
<th>LMIHF Resources by Income Category</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Very Low (45% of Total)</td>
<td>Low Income (26% of Total)</td>
</tr>
<tr>
<td>Bunker Hill</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Beacon Street</td>
<td>$813,000</td>
<td>$365,850</td>
</tr>
<tr>
<td>Council District 9</td>
<td>$14,253,000</td>
<td>$6,413,850</td>
</tr>
<tr>
<td>Central Business District</td>
<td>$1,200,000</td>
<td>$540,000</td>
</tr>
<tr>
<td>Chinatown</td>
<td>$6,780,000</td>
<td>$3,051,000</td>
</tr>
<tr>
<td>Central Industrial</td>
<td>$389,300</td>
<td>$0</td>
</tr>
<tr>
<td>Crenshaw</td>
<td>$1,406,000</td>
<td>$632,700</td>
</tr>
<tr>
<td>Crenshaw/Slauson</td>
<td>$1,062,000</td>
<td>$477,900</td>
</tr>
<tr>
<td>City Center</td>
<td>$1,201,400</td>
<td>$0</td>
</tr>
<tr>
<td>Adelante Eastside</td>
<td>$9,062,100</td>
<td>$4,077,945</td>
</tr>
<tr>
<td>East Hollywood/Beverly</td>
<td>$8,946,800</td>
<td>$4,026,060</td>
</tr>
<tr>
<td>Exposition/University Park</td>
<td>$3,755,000</td>
<td>$1,689,750</td>
</tr>
<tr>
<td>Hollywood</td>
<td>$26,645,000</td>
<td>$11,990,250</td>
</tr>
<tr>
<td>Los Angeles Harbor</td>
<td>$1,118,000</td>
<td>$503,100</td>
</tr>
<tr>
<td>Laurel Canyon</td>
<td>$2,428,000</td>
<td>$1,092,600</td>
</tr>
<tr>
<td>Little Tokyo</td>
<td>$2,476,000</td>
<td>$1,114,200</td>
</tr>
<tr>
<td>Broadway/Manchester</td>
<td>$759,000</td>
<td>$341,550</td>
</tr>
<tr>
<td>Mid-City</td>
<td>$3,458,300</td>
<td>$1,556,235</td>
</tr>
<tr>
<td>Monterey Hills</td>
<td>$3,891,000</td>
<td>$1,750,950</td>
</tr>
<tr>
<td>Normandie 5</td>
<td>$2,354,000</td>
<td>$1,059,300</td>
</tr>
<tr>
<td>North Hollywood</td>
<td>$14,807,200</td>
<td>$6,663,240</td>
</tr>
<tr>
<td>Pico Union 1</td>
<td>$200,000</td>
<td>$90,000</td>
</tr>
<tr>
<td>Pico Union 2</td>
<td>$2,065,000</td>
<td>$929,250</td>
</tr>
<tr>
<td>Pacific Corridors</td>
<td>$5,181,000</td>
<td>$2,331,450</td>
</tr>
<tr>
<td>Pacoima/Panorama City</td>
<td>$28,457,000</td>
<td>$12,805,650</td>
</tr>
<tr>
<td>Rodeo/La Cienega</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Reseda/Canoga Park</td>
<td>$31,311,000</td>
<td>$14,089,950</td>
</tr>
<tr>
<td>Vermont/Manchester</td>
<td>$566,000</td>
<td>$254,700</td>
</tr>
<tr>
<td>Watts</td>
<td>$196,000</td>
<td>$88,200</td>
</tr>
<tr>
<td>Watts Corridors</td>
<td>$1,138,300</td>
<td>$512,235</td>
</tr>
<tr>
<td>Wilshire Center/Koreatown</td>
<td>$19,919,000</td>
<td>$8,963,550</td>
</tr>
<tr>
<td>Westlake</td>
<td>$7,052,500</td>
<td>$3,173,625</td>
</tr>
<tr>
<td>Western/Slauson</td>
<td>$1,927,000</td>
<td>$867,150</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$204,817,900</strong></td>
<td><strong>$91,452,240</strong></td>
</tr>
</tbody>
</table>
discretionary projects include: variances, zone changes, conditional use permits, tract and parcel maps, site plan review, Specific Plan Exceptions, and General Plan amendments. Legally required findings are different for each type of deviation (i.e. variance, zone change, etc.). Such findings are established in the City’s Zoning Code and in the City Charter. Some examples of typical findings are as follows: the project is in compliance with the General Plan; the project is in conformity with public necessity, convenience, general welfare and good zoning practice; that there are special circumstances applicable to the subject property such as size, shape, topography, location or surroundings that do not apply generally to other property in the same zone and vicinity.

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

The Site Plan Review process similarly requires a complex application and may require a public hearing if it is deemed that the project may have a significant effect on neighboring properties. The decision regarding the application, however, is made by the Director of Planning. As such, the application process is typically completed within 60 days. While the application process is often not lengthy, and is typically done as part of accompanying entitlements, it does impose additional requirements. Therefore, applicants may design residential projects to fall under the threshold of a net increase of 50 units in order to simplify the land use entitlement process for a project. There is no evidence that projects are redesigned to fall below the 50 unit threshold. In the most recent multi-family housing Affordable Housing Trust Fund (AHTF) Notice of Funding Availability (NOFA), out of 35 projects submitted, 22 are more than 50 units. Additionally, 50 unit projects are a very small fraction of multi-family residential projects built each year in the City of Los Angeles. In 2005, 2006, and 2007, approximately 4-5% of all multi-family projects for which building permits were issued were projects of more than 50 units. The remaining 95-96% of all projects contained less than 50 units.

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

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

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

Pursuant to the California Environmental Quality Act (CEQA), nearly all residential development that requires a discretionary action from the Department of City Planning also requires environmental review concurrent with the approval process. The environmental review process identifies environmental impacts resulting from a project such as seismic hazards, land use, noise, flood hazards, traffic, toxic emissions and aesthetics. If there are no impacts, a Negative Declaration (ND) is issued and no further environmental analysis is required. If potential environmental impacts are identified, but are able to be mitigated to a level less than significant, a Mitigated Negative Declaration (MND) is issued and the mitigation measures are included as conditions of approval for the project. If a proposed project falls below certain thresholds, it may be exempt from CEQA, obviating the need to provide any further analysis or mitigation. If the project is deemed to create significant environmental impacts that cannot be mitigated to a level of insignificance, an Environmental Impact Report (EIR) will be required. The preparation, review and certification of an EIR may take up to 18 months.

Alleviating Constraints of Entitlement Processing

The review periods associated with processing discretionary entitlements have sometimes been perceived as one of the major constraints to housing development due to the costs that an applicant and/or property owner must sustain while waiting for approvals. The Permit Stream-
lining Act (California Government Code Section 65920, Ch. 4.5) establishes maximum time limits for the processing of discretionary permits, with provisions for limited time extensions. In 1995, a citywide Development Reform Committee was formed to identify and streamline City permitting procedures that had caused lengthy processing delays. The committee completed its work and many of its recommendations were implemented and are currently in place. The recommendations included appointment of case managers to assist applicants through the application processes; standardization of procedures; concurrent processing of land use entitlements and consolidation of multiple hearings.

The City has recently amended the Zoning Code to streamline and facilitate the development of eldercare facilities, and to consolidate application and review procedures in order to reduce complexity and time in the land use entitlement process (Section 14.3.1). The definition of "Eldercare Facility" includes Alzheimer’s/Dementia Care Housing, Assisted Living Care Housing, Senior Independent Housing and Skilled Nursing Care Housing. Thus, this Zoning Code change facilitates approvals for a variety of service-enriched housing types for elderly and disabled persons. Other similar efforts to simplify, standardize and streamline the entitlement processes are ongoing.

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

In order to alleviate the lengthy entitlement processing periods, the Department of City Planning created an expedited processing section in 2005, through which applications for tract and parcel maps and certain other entitlements can be expedited for a fee. The expediting processing section has significantly reduced the time period for entitlement processing.

### 8. Building Codes and Building Permit Procedures

The Los Angeles Building Code (LABC) incorporates provisions of the California Building Code (CBC) as well as amendments which tailor the LABC to local conditions. The Los Angeles Department of Building and Safety (LADBS) implements the LABC and the City’s Zoning Code. The Department reviews building plans and other documentation through its “plan check” process to ensure compliance with the LABC and the Zoning Code. In addition, through the plan check process, LADBS ensures that the necessary approvals have been obtained from other agencies whose regulations may also govern a project. When evidence is provided indicating compliance with all requirements, LADBS will issue a building permit for construction.
and related permits that may be necessary (such as electrical, mechanical, HVAC, plumbing, grading, and demolition).

The time required to complete the plan check process varies significantly depending upon the nature and complexity of a project. There is no State or local mandate regarding the timeline for completing the plan check process.

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

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

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

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

To assist developers interested in obtaining building permits more quickly, LADBS offers expedited plan check for a fee. The expedited service grants priority and reduces the time needed to complete the plan check process. During periods of high levels of construction activity, this service is especially helpful to developers. Throughout 2007, for example, approximately 80% of all projects paid for this expedited plan check service.

Affordable housing projects and green building projects may request expedited plan check at no charge. This can save significant time for such projects, although the time saved is not as great as for those which pay a fee for the expedited service.
The City recently updated the LABC, effective January 1, 2008, in order to incorporate the new CBC which is now based on the International Building Code (IBC). This resulted in a general overarching change in approach to regulating and controlling building. The IBC provides more site specific regulations for the structural design, requiring calculations based on the conditions of a given site and a given structure. As a result, requirements may be more restrictive in some circumstances and less restrictive in others. The City of Los Angeles has not amended the IBC and generally will not propose amendments.

9. On-/Off-Site Improvements

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

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

As described above, all tract maps and parcel maps must include the provision of such public improvements (see section 5. Land Use: Zoning and the Division of Land). This includes public improvements within the development site ("on-site improvement") and adjacent to or near the development site ("off-site improvement"). Such improvements include street development or improvement, utilities, street name signs, fire hydrants, retaining walls, storm drains, street lights, street trees, traffic signals, pedestrian walks, alleys, easements for public utilities and water systems, land for park or recreational purposes. If the necessary improvements are not already in place, they will be required as conditions of approval of the subdivision or parcel map. All improvements delineated in the conditions of approval must be completed or a guarantee of their completion provided prior to the City Council’s approval of a Final Tract or Parcel Map. The applicant is required to provide an Improvement Agreement which outlines the infrastructure improvements the applicant will undertake at his or her expense, an Improvement Security in the form of bonds, deposits, or notes, and an Improvement Warranty Guarantee for the improvements for up to one-year after the City Engineer’s approval.

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

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

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

The conditions of approval requiring on- and off-site improvements may be reduced when housing development is located near transit and in fully built-out neighborhoods. These types of development not only best meet the strategic growth goals of the City, but also require far fewer conditions for on- or off-site improvements.

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

10. Fees Affecting Housing Production

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

The LADBS assesses building permit fees and plan check fees to pay for the work of reviewing and approving building plans, conducting inspections throughout the construction period and authorizing occupancy of the completed structure. These fees are calculated by a formula based on project valuation. As such, there is no typical project. The LADBS issues permits for between 700 and 800 multi-family projects each year. Five different 10-unit buildings will have five different valuations, and will therefore pay five different plan check fees.

School impact fees assessed on new residential projects are currently $3.95 per square foot, although affordable housing projects are eligible for a reduced fee. These fees are collected on behalf of the Los Angeles Unified School District (LAUSD) to support the development of additional public school facilities. At present, schools are overcrowded and additional classrooms and schools are needed. The school fee is part of LAUSD’s construction budget.

Park fees are assessed on new residential projects created through a subdivision of land or a change of zone to a residential zone. The fee amount is based on the density of a project and is assessed to each unit created. The fee is collected on behalf of the City’s Department of Recreation and Parks and is used for the development of parks and recreation near each project that paid the fee.
Filing fees for processing DCP discretionary actions are created by ordinance and are intended to pay for the staff time necessary to review projects and expenses associated with mailing notices and conducting public hearings (See Appendix F for summaries of City Planning fees). The City Council and Mayor have authorized a fee study to evaluate staff time spent on all types of discretionary actions so that fees can better reflect actual costs. It is anticipated that a fee study will be completed in 2008 that will result in revised fees that will make all case processing fully cost recoverable.

**Alleviating Constraints of Fees**

City Planning case processing fees, plan check fees and building permit fees compensate the City for processing development applications and permits. Without them, the City’s ability to process applications and permits would be impaired. For some types of minor City Planning cases, if none of the abutting property owners object, the public hearing may be waived, which in turn reduces the filing fee. In addition, the City’s Density Bonus Ordinance provides developers of qualifying affordable housing projects the option to defer payment of City Planning filing fees for two years or until a Certificate of Occupancy is obtained. Development fees, such as school impact and park fees are required by State law and cannot be waived or reduced by the City. Regarding development fees related to infrastructure improvements, developers are required to post a bond and the full payment is required when the City is ready to undertake the improvement, thus deferring significant costs for the developer.

**11. Housing for People with Disabilities**

Current provisions in the Zoning Code and their application by the City have created impediments to siting and developing housing for persons with disabilities. The City’s Zoning Code has been developed over many decades and includes obsolete terminology and provisions that may relate to people with disabilities. Federal and State laws have been enacted which require updating local regulations to assure 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.

Another regulatory and practical constraint impacting housing for people with disabilities is the lack of reasonable accommodation and accessibility within the residences of this population. An analysis of the fair housing complaints serves as evidence for the need to revise regulations and change practices that impede housing siting, development, and access for persons with disabilities. Based on data collected citywide for FY 2005-2006, physical disability was the leading cause of fair housing complaint inquiries, accounting for 25 percent of all inquiries. Ninety-nine percent of these complaints were from in-place tenants requesting assistance with a reasonable accommodation request. Common requests included requests for a closer parking space, requests to build a ramp, and requests to have a companion or service animal
in a building that does not allow pets. The reported fair housing complaints indicate that tenants with disabilities have problems with accessibility features within their living spaces, and speak to the need for property owner and manager awareness and education on reasonable accommodation.

Alleviating Constraints of Building Housing for People with Disabilities

The City of Los Angeles completed an Analysis of Impediments to Fair Housing Choice (AI), and has updated it every five years, as required by the U.S. Department of Housing and Urban Development (HUD). This study and updates assessed land use and zoning constraints on housing for individuals with disabilities and compliance with fair housing laws, Americans with Disabilities Act (ADA), and other housing laws affecting housing rights. The latest update recommended the adoption of a reasonable accommodation procedure, the update of the definition of “family” and the removal of barriers to siting of treatment programs.

The City of Los Angeles adopted Ordinance No. 177325 (effective March 18, 2006) to establish a process for reasonable accommodation requests. The Ordinance provides developers of housing for people with disabilities flexibility in the application of land use and zoning regulations or policies (including the modification or waiver of certain requirements) when it is necessary to eliminate barriers to housing opportunities that relate to their disability. Requests can include a modification or exception to zoning regulations, standards and practices for siting, or development and use of housing or housing related facilities that would eliminate regulatory barriers. The processes for requesting a reasonable accommodation are as follows:

1. A written request for reasonable accommodation from a land use or zoning regulation or policy shall be made on a form provided by the Department of City Planning by any Individual with a Disability, his or her representative or a developer or provider of housing for an Individual with a Disability.

2. A request for reasonable accommodation shall state the basis of the request including but not limited to a modification or exception to the regulations, standards and practices for the siting, development and use of housing or housing related facilities that would eliminate regulatory barriers and provide an Individual with a Disability equal opportunity to housing of his or her choice.

3. The Director may request additional information necessary for making a determination on the request for reasonable accommodation that complies with the fair housing law protections and the privacy rights of the Individual with a Disability to use the specified housing. If additional information is requested, the 45-day time period for making a determination on the request stops running until the additional information is provided.

4. Prior to the issuance of any permits relative to an approved reasonable accommodation, the Director may require the applicant to record a covenant in the County Recorder’s Office acknowledging and agreeing to comply with the terms and conditions established in the
determination. The covenant shall be required only if the Director finds that a covenant is necessary to provide notice to future owners that a reasonable accommodation has been approved (City of Los Angeles Zoning Code, Section 12.22, Exceptions, 27, C).

All fees to modify dwelling units for people with disabilities for reasonable accommodation are waived and no hearing is held for these cases. DCP staff distributes information available about requesting a reasonable accommodation with respect to zoning, permit processing, or building laws. In summary, this process facilitates exceptions to zoning requirements and eases the issuance of building permits for residential structures serving individuals with disabilities.

Since adoption of the Ordinance, 13 requests for reasonable accommodation have been filed. All fees to modify dwelling units for people with disabilities for reasonable accommodation are waived and no hearing is held for these cases. Of the 13 cases, four were requests to add a room in a required setback, three were requests to construct an elevator, two were requests to convert a garage into a unit for a caretaker, two were requests to permit parking and loading in the front yard setback, one was a request to construct an over-in-height fence, and one was a request to install laundry facilities in a garage. All requests have been approved other than the two that were recently filed and are still pending.

The Ordinance also amended the Zoning Code Section 12.03 definition of “family,” which had previously posed a regulatory impediment due to its effect of discriminating against individuals with disabilities residing together in a congregate or group living arrangement. The definition of family now complies with fair housing laws. In addition, the City’s Zoning Code does not include occupancy standards, including no such standards for group living facilities.

In addition, recent amendments to the Zoning Code (Section 12.21 A.4 (u)) offer a parking reduction of 25 percent of the Zoning Code requirement for service-enriched housing facilities occupied by disabled persons in the RD, R3, RAS3, R4, RAS4, R5, CR, C1, C1.5, C2, C4, or C5 Zones. The City’s Zoning Code includes the following definition of a person with disabilities under “Housing Development Occupied by Disabled Persons” as a person who has: (a) physical or mental disabilities, which seriously restricts that person from operating a motor vehicle; (b) is expected to be of long, continued and indefinite duration; (c) substantially impedes his or her ability to live independently; and (d) is of a nature that the ability to live independently could be improved by more suitable housing conditions (Section 12.21 A.4 (u)).

The City does not include a definition of group home in the Zoning Code, and does not regulate or restrict the siting of group homes. Group homes are allowed by-right in single family zones. The City does not regulate group living facilities with more than six persons living in them unless they meet the definition of certain uses, such as rooming/boarding houses, dorms, and fraternity or sorority houses. If services are provided on-site, the group living facility would fall under a definition that might be regulated under the City’s Zoning Code. Group living facilities are reviewed on a project-by-project basis, given the unique nature of each, and a determination is needed as to whether the particular facility falls under a definition or
use that is regulated. Then, the corresponding regulations are applied. If the group home is regulated by the Zoning Code, a public hearing is required and public input is incorporated prior to any decision.

The siting of special needs housing is not restricted regarding location. There are no distance requirements in the City regulating the siting of any type of special needs housing. The Los Angeles Building Code (LABC) incorporates provisions of the California Building Code (CBC). Local amendments to CBC tailor the LABC to local conditions but do not diminish the ability to accommodate persons with disabilities. The LABC does not incorporate any Universal Design Elements.

To address conflicts and complaints regarding accessibility for individuals with disabilities, the City of Los Angeles’ Department on Disability has an ADA Compliance Officer. Compliance is monitored to ensure reasonable accommodation to people who use City programs and facilities, including City-funded housing facilities and emergency shelters. Additionally, the Department of Building and Safety has a special Commission, the Board of Disabled Access Appeals Commissioners, dedicated to resolving Building Code issues that relate to laws dealing with access to public accommodations by physically disabled persons, and to addressing appeals alleging error or abuse of discretion regarding handicapped access and adaptability requirements.

12. Creation of Affordable Housing Covenants (LAHD, CRA/LA)

All affordable housing units required by a City department or agency include the recordation of a covenant to assure that the required affordable units in a project remain affordable for the required time period. Covenants are prepared by LAHD or CRA/LA and recorded with Los Angeles County by the applicants, prior to the issuance of a building permit.

The preparation of covenants is based upon documentation from the project developer, DCP and the LADBS. Through CRA/LA, the covenant is part of the loan agreement; when the developer closes financing, the covenant is recorded. The CRA/LA uses a standard form for the covenant. The CRA/LA sometimes requires that all documentation be signed for presentation to the CRA/LA Board for review and approval, although this occurs prior to the project being fully financed and closing financing. This may result in the developer and the CRA/LA having to renegotiate the CRA/LA financing should the other anticipated resources not come to fruition.

The process with LAHD has two phases. Developers submit their request and the required documentation. Upon review of the material and determination that it is complete, LAHD will issue a letter of commitment to prepare and issue the covenant. It can take up to three months for this letter to be issued. LAHD subsequently prepares the covenant, which can take up to another 3 months.
For residential development that requires land use entitlements from DCP, the covenants reflect the conditions of approval regarding affordable housing requirements within the development. LAHD, CRA/LA, and DCP must work together to assure that the requirements to be included in the covenants are clear and consistent. This may add time to the preparation of covenants.

Thus, approximately three to six months are currently needed to prepare, review, and finalize covenants for affordable housing. This has created delays in the development of housing, as the covenant must be in place before a building permit can be issued. This additional time is also costly.

**Alleviating Constraints of Affordable Housing Covenants**

LAHD has been working with other City departments, including DCP and the City Attorney’s Office, to reconcile conflicts and develop more streamlined covenant procedures. The delays in the preparation of covenants are due in part to conflicts between State and local laws regarding affordability criteria. Resolution of these conflicts would reduce delays in issuing covenants.

The CRA/LA works closely with developers to renegotiate financing and covenants, in the event that other financing sources to do not come through as anticipated.


Residential development needs are in direct competition with school development needs, both vying for developable land. With the growing population, and a historic lack of school construction, the need for more K-12 schools across the City has grown. To meet this need, the Los Angeles Unified School District (LAUSD) has successfully pursued State and local bond measures, which have funded a large acquisition and new construction program. With eminent domain authority, LAUSD has the legal authority to acquire property that private developers might otherwise have purchased. As a result, LAUSD’s school construction program has acquired many sites for school development which might otherwise have been available for residential use. In addition, LAUSD has purchased existing single family and multi-family housing units for school development.

While this has involved the displacement of households, LAUSD has a Relocation Program to ensure that displaced households are relocated or justly compensated. Since 2000, LAUSD has relocated 90% of displaced homeowners and tenants into other housing units, while the remaining 10% have accepted financial assistance and independently pursued alternative housing. In addition, approximately 175 renter households were able to become first-time homeowners through the Relocation Program.
Alleviating Constraints due to Development of School Sites

LAUSD is a superior jurisdiction to the City, and as such, the City has no authority over its land use decisions. However, the City works closely with LAUSD regarding the development and redevelopment of school sites in order to identify optimal sites as well as opportunities for joint use that can serve the needs of residents as well as students. School sites have been identified which can be reconfigured and redeveloped for both school facilities and housing within the site. Other sites provide opportunities for shared open space and recreational facilities, early education facilities, and parking.

14. Contaminated Sites: Superfund Sites and Brownfield Sites

There are sites throughout Los Angeles that are polluted as a result of uses that have operated on the sites. Such sites are known as brownfields, and must be tested and remediated prior to development. One assessment by the Environmental Affairs Department (EAD) identified over 6,000 potentially contaminated brownfields within the City, many of which are located on commercial corridors. The U.S. Environmental Protection Agency (EPA) has also identified four Superfund sites in the City of Los Angeles. Superfund sites are abandoned hazardous waste sites. The EPA requires that these sites be cleaned up and takes the lead in identifying responsible parties and initiating clean up. These polluted sites and abandoned or underutilized properties with low levels of hazardous waste present an opportunity for clean-up and redevelopment for housing. However, uncertainty about the actual level of contamination on a site and the resulting cost of clean-up is a barrier to new investment and reuse.

Alleviating Constraints due to Contaminated Sites

EAD has funding available to conduct Phase I Environmental Assessments to determine the extent of hazardous contamination on potential residential sites. Facilitating access to this information about a site decreases uncertainty in the development process. If contamination is found, EAD can assist with the identification of funding to complete the clean-up necessary for reuse of the site.

15. Availability of Public Funding for Housing

Federal, state and local public funding sources are critical resources for the development of housing for households of all incomes. Public sources supplement as well as leverage private sources for the construction, rehabilitation and preservation of housing units and for rental and purchase assistance subsidies for tenants and buyers. Appropriations by Federal, State and local government fluctuate from year to year, and are not available at a steady level or a level that keeps pace with increases in development costs, inflation, and rising affordable housing need.
Federal funds, in particular, are the backbone of affordable housing financing. Beginning with the Housing Act of 1937, the federal government has enacted housing legislation in each decade to acknowledge the need for quality housing for all residents, affirm the federal government’s commitment to addressing the need, and establish programs to support quality housing. Through tax incentives and expenditures, the federal government supports homeownership and the development of for-sale, rental and homeless housing and services.

The most significant federal resources are provided through tax incentives, including tax credits, tax deductions, and lower tax rates. In 2005, the federal government provided $121 billion in such tax incentives.²

The federal Low Income Housing Tax Credit (LIHTC), instituted in 1986, facilitates the investment of cash from private entities who in return receive a tax credit. Per the California Tax Credit Allocation Committee, in 2005, a total of $71 million in tax credits were allocated to the State of California; this resulted in investment in 71 affordable housing developments statewide, including 13 developments with 671 low income units in the City of Los Angeles. The federal LIHTC allocation to California increased in 2006 to $72.5 million (out of $4.7 billion nationwide), which supported 17 developments with 665 low income units. While federal allocations to California for LIHTCs have increased each year from 2000 through 2006, fewer low income units are funded each year as development costs per unit increased. LIHTCs are very competitive—applications typically exceed available funds by two-to-one.

In support of homeownership, the federal government provides home mortgage interest and property tax deductions to homeowners, as well as lower tax rates on long term capital gains. These tax incentives supporting homeownership dwarf the LIHTC, in effect subsidizing far more households at higher incomes than low-income households.

Federal expenditures in support of housing development and services are far less. In 2005, the federal government provided just over $39 billion in housing assistance.³ In 2006, housing assistance allocations declined to $38 billion. Such declines in resources is felt by low income households as waiting lists for assistance grow, such as the waiting list maintained by HACLA for HUD Section 8 rental assistance which in recent years has had thousands of persons on the list. Federal housing assistance has served just one-fourth of eligible renters and as a share of nondefense discretionary spending has decreased steadily since 1998 (from about 10.0% to about 7.5% in 2006). Furthermore, spending on housing assistance failed to keep pace with inflation, amounting to a 2.3% decrease in real terms in 2007.⁴

There is also a lack of adequate state-level funding for affordable housing production. During the 1980s, the State implemented innovative housing initiatives, including a housing trust fund, a state low income housing tax credit program to supplement the federal LIHTC, and bond issues to support state housing programs. Since the 1980s, fiscal crises have reduced General Fund dollars available for housing programs and the State has had to rely upon generating and accessing funds from other sources, such as state tax credits and bond issues. The

² National Low Income Housing Coalition, Housing Crisis Fact Sheet, December 22, 2006.
need for housing construction funds, homeownership assistance funds and homeless housing funds continues to outstrip the available resources from the State and applications for funding under the various state programs is competitive.

The state tax credit program is only available to affordable housing developments receiving LIHTC. In 2005, $73 million in state tax credits were allocated to projects statewide, and in 2006, $81 million was allocated.

General Obligation Bonds issued by the State of California have been an important source of funds for the State’s housing programs. Voters approved large bond issues in 1988 and in 1990 (Proposition 77 for $150 million, Proposition 84 for $285 million, and Proposition 107 for $115 million). In 2002, California voters approved the largest bond issue, Proposition 46, the Housing and Emergency Shelter Trust Fund Act, for $2.1 billion. These dollars funded housing and homeless programs administered through the State Department of Housing and Community Development (HCD) and the California Housing Finance Agency (CalHFA) from their approval in November 2002 to July 2007. In November 2006, voters again approved a large bond issue, Proposition 1C for $2.8 billion, known as the Strategic Growth Plan housing bond. Of these funds, $1.8 billion are targeted for affordable housing construction programs and homeownership programs. This includes a set-aside for transit-oriented development in order to fund housing and infrastructure within close proximity to transit stations.

At the local level, the County of Los Angeles has been able to make some funds available for affordable housing construction, such as the Industry Fund which distributes tax increment funds generated by the City of Industry. These funds can be used within certain areas of the City of Los Angeles, and are competitive. In addition, the County provides funding for services in housing, such as funds for mental health services and housing allocated to the County under the Mental Health Services Act. Recently, the County has allocated funds to support homeless housing and services, including a partnership with the City to develop permanent supportive housing, which includes support for homeless persons within the City. However, the funds are not sufficient to meet the vast need for housing and services for homeless persons.

The City of Los Angeles has not had significant funds to allocate to affordable housing programs and homeless programs. While the City has allocated some funds from the General Fund, there is a lack of a long-term, dedicated public revenue source for the City of Los Angeles’ Affordable Housing Trust Fund (AHTF). CRA/LA generates a local resource through tax increment financing for use within redevelopment project areas. LADWP has allocated funds set-aside from the user fees collected to support water and energy conservation in affordable housing developments. However, the lack of long-term funds inhibits housing production and availability as housing projects and subsidy programs are subject to expiring funding streams and costs of housing production steadily increase.

California Budget Project, A Primer on California’s Housing Programs (2005).
Alleviating Constraints due to Inadequate Public Funding for Housing

The City of Los Angeles continues to advocate for state and federal funding for affordable housing production and preservation and to secure a dedicated public source to fund the Affordable Housing Trust Fund. The City also works closely with the County to access an equitable share of housing and services funds for homeless persons in the City.

The City has generated its own resources for affordable housing. CRA/LA has committed more of its tax increment resources to low- and moderate-income housing than required. Whereas the State’s Community Redevelopment Law requires that not less than 20% of tax increment generated from redevelopment project areas be allocated for low- and moderate-income housing, CRA/LA dedicates an additional 5% to its Low and Moderate Income Housing Fund. LADWP has allocated $10 million to be distributed through the AHTF over 10 years to qualifying affordable housing projects that incorporate energy and water conservation efforts. As annual budgets permit, the City allocates General Fund monies to the AHTF and has allocated $8 million each year for the past three years. All of these City efforts and resources are used to leverage additional county, state and federal public funds. For example, affordable housing developments receiving funds through the AHTF access other resources at a ratio of $4 for every $1 from the AHTF.

C. Infrastructure Constraints

Infrastructure is a necessary component of residential development, and is planned to accommodate the level and location of growth anticipated in the City’s General Plan. All land that is available for residential development is served by key infrastructure systems and services, including police and fire protection, water, power, sewer and streets. While such infrastructure is available throughout Los Angeles, the costs and the time required to upgrade or replace such systems can represent a constraint on development.

1. Fire Protection

While fire protection and response times are adequate for most development, building in the Very High Fire Severity Zone requires compliance with slope density regulations and special conditions of approval to mitigate fire danger. The Community Plans establish appropriate uses and densities in high fire danger areas, which are generally located in the hillside areas. The slope density regulations contained in Community Plans and in the Zoning Code require a reduction in density as the topography increases in steepness. In high fire danger areas, residential use is generally limited to single-family homes at the lowest density levels in the City, as little as one unit per 40 acres.

Conditions of approval might include reduced density, increased separation between buildings, prohibition on the placement and storage of construction material on substandard public
streets and limitations on where trucks and construction vehicles can park. Additionally, the
Building Code regulates roof materials and prohibits certain types of landscaping materials
within 200 feet of structures.

**Alleviating Constraints due to Fire Protection Costs**

The additional costs of building and maintaining housing in high fire danger areas are neces-
sary in order to protect the safety of residents and real property. The additional conditions
on housing in these zones are intended to mitigate fire danger and are necessary in order to
achieve this objective.

2. Water

The Los Angeles Department of Water and Power (LADWP) provides water for all City residents
and businesses. LADWP has determined that there is an adequate supply of water to serve the
population growth projected through the year 2030, beyond the Housing Element planning
period. However, project implementation creates a cumulative increase in demand on the
City’s water supplies and can approach the City’s water resource limits. This cumulative impact
in conjunction with challenges to the City’s legal water rights, unpredictable climatic condi-
tions and the fact that approximately 85 percent of the City’s water is imported from various
sources is a challenge and potential constraint on residential development.

Pursuant to the California Urban Water Management Planning Act (California Water Code
Division 6, Part 2.6 Sections 10610-10656), the City Council adopted an Urban Water Man-
agement Plan for the City of Los Angeles in December, 2005. The Plan identifies the existing
and planned sources of water available, conservation efforts to reduce water demand, activi-
ties to develop alternative sources of water, an assessment of the reliability and vulnerability of
the water supply, and a water shortage contingency analysis. It also identifies short-term and
long-term water resource management measures to meet the projected population’s water
demands during normal, dry, and multiple-dry years.

**Alleviating Constraints due to Water Costs and/or Limits**

In instances where capacity may not be adequate or identification of the inadequate supply
may not be confirmed until construction, the City imposes mitigation measures on new
development to require conservation. These conditions include the following:

“The project shall comply with Ordinance No. 170,978 (Water Management Ordinance),
which imposes numerous water conservation measures regarding landscape installation
and maintenance (e.g., use drip irrigation and soak hoses in lieu of sprinklers to lower the
amount of water lost to evaporation and overspray, set automatic sprinkler systems to ir-
rigate during the early morning or evening hours to minimize water loss due to evaporation,
and water less in the cooler months and during the rainy season).”
“If conditions dictate, the Department of Water and Power may postpone new water connections for this project until water supply capacity is adequate.”

To alleviate the demand on the City’s water resources, water conservation by consumers is paramount. LADWP implements a two-tiered block rate structure for all customers to encourage conservation. Residential water rates are based on a formula that takes lot size, temperature zone and household size into account. LADWP also offers financial incentives to encourage consumers to purchase water-efficient appliances (see Chapter 6 for more detail). Water conservation programs have been very successful, evidenced by the fact that Angelenos are using the same amount of water today as we did 25 years ago, despite a population increase of one million people.

Although the Los Angeles Aqueduct, groundwater, and purchased water from MWD are the primary sources of water supply for the City, the City also recycles water to tertiary quality. Currently, almost 65,000 acre feet per year (AFY) of the City’s wastewater are recycled for various uses, such as irrigation, industrial uses and environmental uses. The LADWP is pursuing the development of additional conservation, additional recycling, and beneficial reuse of urban runoff to enhance current supplies. Reclaimed water is used to irrigate Griffith Park, several golf courses, Lake Balboa, and the Japanese Gardens at the Tillman Water Reclamation Plant.

3. Power

The LADWP, the largest municipal utility in the nation, delivers electricity supplies to residences and businesses in Los Angeles. LADWP has adequate power supply for all planned end users. Project implementation creates a cumulative increase in demand on the City’s power supplies. In addition, nonrenewable resources are a limited resource. Therefore, the increased demand for power supply could constrain residential development eventually, if the only source of power is nonrenewable.

Alleviating Constraints due to Energy Costs and/or Limits

To alleviate demand for traditional nonrenewable energy sources, LADWP has developed and continues to develop alternative energy sources, including solar and wind power. In addition, LADWP encourages energy conservation through a variety of programs, including rebates for energy-saving appliances, loans for energy conservation in affordable housing, loans and incentives for solar panel installation, and incentives for residential development that qualifies for the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED)-Silver certification.
4. Sewers
The City of Los Angeles’ sewer system is adequate to serve current and long-term housing capacities. Los Angeles has one of the world’s largest wastewater collection and treatment systems, with more than 6,500 miles of sewers. These sewers are connected to the City’s four wastewater and water reclamation plants that process an average of 550 million gallons of wastewater each day. The Department of Public Works (DPW)/Bureau of Sanitation is responsible for operating and maintaining the system, which operates under a number of federal, state and local laws. The DPW implements a comprehensive inspection program of its system, using both closed circuit television and manual inspections to evaluate the condition of its sewers. Some sewers can be repaired and others need to be replaced as part of the City’s 10-year LA Sewers Program.

Alleviating Constraints due to Sewer Capacity
Before issuing a building permit, the City assures that there is adequate sewer capacity to serve the site. In the event that sewer capacity is not adequate for a proposed development, the City imposes mitigation measures including: the requirement for a holding tank large enough to hold three times the project daily wastewater flow so that the tank would hold all project wastewater during peak wastewater flow periods for discharge into the wastewater collection system during off-peak hours; and, a grey water system to reuse wastewater from the project.

In the event that there is limited sewer capacity in a particular area, the City may offset excess wastewater generation by restricting the wastewater generation of other land uses within the same service area (e.g., by requiring the dedication of additional open space).

5. Streets
The City’s street system is designed to meet a variety of needs, including: safe and efficient vehicular transportation, pedestrian and bicycle access, appropriate interface with businesses and residences, stormwater drainage, and utility accommodation. Responsibility for transportation issues in the City falls jointly to the Departments of Transportation, City Planning and Public Works. Streets in many parts of the City operate at or above capacity, resulting in traffic congestion, particularly during morning and afternoon peak hours.

Alleviating Constraints due to Street Capacity
Residential projects requiring discretionary action and, therefore, subject to CEQA, may require a traffic study to analyze the project’s impact on surrounding streets. In congested areas, mitigation measures may include street dedications for street widening, reduced densities, inclusion of affordable housing, requirement for transit passes, transportation demand measures, on-site child care, and similar measures.
In addition, the City continues to develop public transit alternatives to automobile use, including expanded rail transit, Bus Rapid Transit, fixed-guideway systems and DASH bus routes for short distances within neighborhoods. DCP encourages pedestrian-friendly design in residential development, improved transit, expanded bicycle networks, mixed uses and mixed income housing within ¼ mile of rail stations in order to reduce the reliance on the automobile and to reduce vehicle miles traveled.

D. Constraints In The Coastal Zone

The Coastal Zone is generally defined as that land and water area which extends inland 1,000 yards from the mean high tide line of the Pacific Ocean and seaward to the State’s outer limit of jurisdiction as established under the Coastal Act of 1976 (California Public Resources Code Section 30000). Within the City, the Coastal Zone includes the Pacific Palisades, Venice and Los Angeles International Airport area, San Pedro, and the Port of Los Angeles communities. These Coastal Zone areas include 16,790 acres, comprising 5.2% of the City’s total land area (see Map 2.3, City of Los Angeles Coastal Zone).

The topography of the City’s Coastal Zones varies from mountainous coastal bluffs, beaches and large parkland areas in the Pacific Palisades, to coastal bluffs, wetlands, lagoons and sandy beaches in the south.

Per the Census 2000, there were 99,371 residents in the Coastal Zone, representing 2.7% of the City’s total population of 3,694,820. The median income of the Coastal Zone population was $67,223 in 2000, significantly higher than the citywide median income of $40,876. Similarly, the poverty rate was lower with 14.3% of the population (14,203 residents) living in poverty, a third lower than the citywide poverty rate in 2000 of 21.7%.

There were 45,798 housing units in the Coastal Zone in 2000, 3.5% of all housing units citywide in 2000. Of these units, 23,570 (51.5%) were renter-occupied. Thus, the Coastal Zone has a higher home ownership rate than the citywide rate. However, this Coastal Zone home ownership rate is heavily skewed by the high home ownership rate within the Pacific Palisades community (82%) compared to the other Coastal Zone communities, which averaged 39%-40%, similar to the citywide home ownership rate.

During the last Housing Element period, from 1998 through 2005, a net total of 3,397 units were added to the housing stock in the Coastal Zone. This total includes 4,305 units of new construction, 239 conversion gains, 1,101 demolitions and 46 conversion losses. In 2006, another 1,212 units were gained in the Coastal Zone including 1,414 units of new construction, 74 conversion gains, 252 demolitions and 24 conversion losses. As required by State law, looking more broadly at the time period from 1982 through 2006, a net total of 6,309 units were gained in the Coastal Zone. This total is comprised of 8,068 units of new construction, 440 conversion gains, 2,082 demolitions and 117 conversion losses. See Appendix G for a summary of this development activity by year.
City of Los Angeles

COASTAL ZONE

Coastal Zone Boundary
Coastal Zone Commission Authority
Dual Jurisdictional Coastal Zone
Coastal Area Community Plan Areas (CPA)

The boundaries of the Coastal Zone are based on data supplied by the California Coastal Commission, January 2000.
The Coastal Zone is defined in the California Public Resources Code (P.R.C.), Division 20 (commencing with Section 30000), pursuant to the California Coastal Act of 1976.
State law imposes affordability requirements on all residential development activity including new construction, conversion and demolition in the Coastal Zone (see City Implementation of the State Mello Act section below). Since 1982, a total of 1,039 units affordable to low- or moderate-income households were added to meet the State requirements. A total of 446 of these units were built in the Coastal Zone, and the remaining 593 units were constructed within three miles of the Coastal Zone (as allowed under State law). See Appendix G for a summary of this activity by year.

Recent residential activity in the Coastal Zone, from 2000 through 2006, has been characterized by multi-family developments of 10 or more units. During this time period, only 14 percent of new units were single family units and 86 percent of the new units were multi-family units. Of the multi-family units, ninety-six percent of the units constructed during this period were in developments with 10 or more units.

**State Regulation of the Coastal Zone**

**State Regulations and Policy**

The California State Coastal Commission establishes goals and regulations governing activity within the Coastal Zone (California Public Resources Code Section 30000). The purpose of the State law is to protect, maintain, enhance, and restore the overall quality of the coastal zone environment and its natural and artificial resources. Toward this purpose, the Coastal Commission establishes regulations to preserve the existing character of coastal communities, protect and enhance public access to and along the coast, and protect wildlife and other ocean resources. While these regulations serve the purposes of the Coastal Act, they often create constraints on residential development in the Coastal Zone.

The Coastal Commission’s objectives and corresponding regulations to preserve the existing character of the Coastal Zone significantly limit opportunities for additional housing by limiting changes in the density, height, parking, and land use. For example, the Coastal Commission limits the height of new structures in order to preserve views of the coast. Given that the City’s Coastal Zone areas are built out, increases in density and height are often needed in order to develop residential projects.

Protecting public access to the beach by maximizing land for public parking, open space, and public right-of-way reduces the amount of land available for additional residential development. Parking requirements are generally higher than in other parts of the City. For example, three parking spaces per residential unit are required in specific subareas within the Venice Coastal Zone Specific Plan area, instead of the two spaces required by the Zoning Code. Additional parking requirements are imposed on commercial and residential projects in areas designated as Beach Impact Parking Zones that attract significant seasonal traffic (e.g. Venice Beach and Abbot Kinney Boulevard), making it more costly to build housing in the Coastal Zone.
State Regulations and Procedures

State law (Public Resources Code Section 30000) requires local governments to prepare Local Coastal Programs (LCPs) to implement the Coastal Act. An LCP is to include a Land Use Plan (LUP) and a Local Implementation Plan (LIP) which establish land use regulations, zoning and other implementing actions.

The Coastal Commission certifies all LCPs. This certification grants authority to the local government to review and approve coastal development proposals in the Coastal Zone and limits the Coastal Commission’s authority to consider appeals. In the absence of a certified LCP, coastal development permits are under the jurisdiction of the Coastal Commission in addition to the local government.

For specific parts of the Coastal Zone, the Coastal Commission retains permanent jurisdiction. Such areas are identified as “Dual Permit Jurisdiction Zones” and development activity within such areas require the approval of the Coastal Commission and the local government. For Dual Permit Jurisdiction Zones in the City’s Coastal Zone, see Map 2.3.

While the City has adopted Community Plans for all Coastal Zone communities, it does not have a Coastal Commission-certified LCP. Proposals for residential development in the Coastal Zone are therefore reviewed and approved by both the City and the Coastal Commission if located in the designated Dual Jurisdiction Zone, or are subject to appeals to the latter entity if located in the single jurisdiction areas. The entitlement process takes approximately one to six months.

City of Los Angeles Land Use Regulation in the Coastal Zone

The City’s Coastal Zone has very restrictive density and height regulations. In some coastal communities, Floor Area Ratio (FAR) and parking regulations further limit development options. The table below summarizes the density, height, FAR and parking requirements in six of the eight Coastal Zone communities.7

Table 2.4 Coastal Zone Land Use Regulations

<table>
<thead>
<tr>
<th>Community</th>
<th>Density</th>
<th>Height</th>
<th>FAR</th>
<th>Parking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pacific Palisades</td>
<td>2 to 40 (dwelling units/acre)</td>
<td>2 stories, 30 feet</td>
<td>.5:1 to 1:1</td>
<td>1 &amp; 2.5 spaces per unit</td>
</tr>
<tr>
<td>Venice</td>
<td>3 to 40 (dwelling units/acre)</td>
<td>22 to 38 feet</td>
<td>.5:1 to 1.5:1</td>
<td>2-3 spaces per unit</td>
</tr>
<tr>
<td>Del Rey Lagoon</td>
<td>24 to 40 (dwelling units/acre)</td>
<td>45 feet</td>
<td>1.5:1</td>
<td>Code Requirements</td>
</tr>
<tr>
<td>Vista Del Mar Bluffs</td>
<td>3 to 24 (dwelling units/acre)</td>
<td>36 to 45 feet</td>
<td>1.5:1</td>
<td>Code Requirements</td>
</tr>
<tr>
<td>San Pedro</td>
<td>3 to 40 (dwelling units/acre)</td>
<td>26 feet</td>
<td>1.5:1</td>
<td>Code Requirements</td>
</tr>
<tr>
<td>Port of Los Angeles</td>
<td>-</td>
<td>Height district for a property</td>
<td>1.5:1</td>
<td>Code Requirements</td>
</tr>
</tbody>
</table>

Source: DCP

7 Due to the exceptions that govern the Playa Vista and Airport Dunes zones, Coastal Zone Land Use Regulations for these areas have not been summarized in Table 2.4.
Chapter 2 Constraints on Housing Maintenance, Improvement and Development

These land use regulations limit the size of residential projects in the Coastal Zone. Unable to spread the cost of development across more units within a project, the cost per unit necessarily increases. It is therefore particularly challenging to provide housing units affordable to lower income households in the Coastal Zone.

Housing prices in the Coastal Zone are substantially higher than in the rest of the City, and virtually no development sites are available. In 2004, the median price for single-family homes ranged from $1,211,500 to $2,485,000 in Pacific Palisades, from $732,000 to $1,172,500 in Venice-Playa del Rey, and from $335,000 to $699,000 in San Pedro-Harbor. In 2004, the median price for condominiums ranged from $522,500 to $1,475,000 in Pacific Palisades, from $457,500 to $1,237,500 in Venice-Playa del Rey and from $406,000 to $465,000 in San Pedro-Harbor. In 2004, apartment rents for two-bedroom units averaged $2.23 per square foot in Pacific Palisades, $1.89 per square foot in Venice–Playa del Rey and $1.45 per square foot in San Pedro-Harbor.

City Implementation of the State Mello Act

The Mello Act is a State law which mandates local governments to comply with a variety of provisions concerning the demolition, conversion and construction of housing units in California’s Coastal Zone. The Act addresses the replacement of converted or demolished units occupied by low or moderate-income households, as well as the inclusion of affordable units in new housing developments. In addition, the Act prohibits the replacement of existing residential structures with non-coastal-dependent, non-residential uses, except in those cases where residential uses are no longer feasible (“Coastal-dependent uses” are non-residential developments or uses which require a site on, or adjacent to, the sea to be able to function at all). Under the Act, replacement units may be provided on a site other than the site of the proposed development, within three miles of the Coastal Zone.

Since 2001, the City has been implementing Mello Act requirements in accordance with adopted “Interim Procedures” that were established as part of a lawsuit settlement regarding the implementation of the Mello Act.

The City is currently preparing a permanent implementing ordinance to replace the Interim Procedures. Under the proposed implementing ordinance, which has been approved by the City Planning Commission, all converted or demolished affordable housing units must be replaced with an equal number of affordable units. All new residential construction projects of two or more units must include affordable housing in accordance with one of the following two options, depending on project size: (1) for projects of ten or more units, set aside 10 percent of all new units for very low-income households; or, (2) for projects of two to nine units, pay a fee for each square foot of residential floor area. These requirements will apply to multi-family and single family developments. Alternative compliance options will be available, including provision of affordable units at another location and payment of substantial fees, for those projects for which compliance with the requirements would be infeasible.
Compliance with the State Mello Act requires additional review and evaluation when considering a proposed development, and often entails additional costs to developers. Pro formas have frequently been required to substantiate financial feasibility or infeasibility, and covenants are required to ensure long-term compliance with affordability restrictions. Given these additional requirements which extend the entitlement and building permit process, coupled with the requirement to include new or replacement affordable units or pay a fee, developing housing in the Coastal Zone includes increased costs that may deter such development by significantly reducing the financial benefits to the developer.

Environmental Conditions and Constraints

Soil in the Coastal Zone is saturated with water, which typically precludes construction of more than one level of subterranean parking. In addition, a reinforced foundation is necessary for most buildings, which further increases construction costs.

Land use restrictions tied to environmental conditions are also prevalent in the Coastal Zone. In the Venice Coastal Specific Plan area, for example, this includes requirements to: (1) set back buildings 15, 25 or 40 feet, depending on location, from the esplanade along the Ballona Lagoon, (2) limit building height to 30 feet within 60 feet of the high tide line of the Ballona Lagoon with one additional foot in height permitted for each two feet beyond 60 feet for a maximum height of 38 or 45 feet depending on location, and (3) limit building height to 22 feet within ten feet of the Venice Canals with one additional foot in height permitted for each two feet beyond ten feet for a maximum height of 30 feet.

Alleviating Constraints in the Coastal Zone

The Coastal Zone is subject to many development restrictions due to land use, land costs, and Mello Act compliance. However, the City’s Small Lot Subdivision regulations allow the creation of subdivisions on lots with reduced land costs that are more affordable than traditional single-family homes, including in the Coastal Zone. The Small Lot Subdivision regulations permit a reduced lot area of 600 square feet, lot coverage of up to 80%, no direct street frontage, no front, side or rear yard setbacks in most cases, and no passageways. Additionally, the small lot subdivision regulations permit housing to be developed on P-zoned lots which otherwise would only permit surface parking lots. Use of the density bonus law also provides added flexibility to offset the constraints in the Coastal Zone. This law permits additional units beyond what the zoning would otherwise allow, as well as other land use incentives to facilitate development when affordable housing is provided.

In addition, the ability to prove financial infeasibility of including required affordable units on-site and to provide replacement units off-site within the Coastal Zone, or if still financially infeasible, within three miles of the coastal zone, reduces the financial impact of Mello Act compliance. Providing options for meeting the affordable unit set-aside requirements provides
flexibility to a developer and, therefore, greater likelihood of making residential development in the Coastal Zone economically feasible.

E. Market Constraints

There are a number of market constraints to the ability to deliver housing, especially affordable housing, in the City of Los Angeles. The most severe of these are: high land costs; high construction costs (for labor, materials and financing); and financing availability.

1. Land Costs

Virtually no undeveloped or vacant land exists today in Los Angeles. The cost of land available for residential development is quite high compared to less urbanized areas, due to the following factors: the relative scarcity of developable land, the likelihood that zoning limits density, difficulty of assembling small parcels, land costs for developable land that is already urbanized, high cost of clearing land of existing uses and buildings, the cost of displacement or relocation of current occupants, costs associated with remediation of various types of contamination (or at minimum the testing of the land to determine the presence of potential contaminants) and the additional time required to make previously-developed and occupied land available. Land costs are also identified as major constraints in a study by the University of California, Berkeley, Institute of Urban and Regional Development, *Raising the Roof: California Housing Development Projections and Constraints, 1997-2020.*

Land costs are typically measured in dollars per square foot. In a city the size of Los Angeles, land costs vary considerably by factors that include geographic location, proximity to amenities such as waterfront location or views, proximity to commercial services, allowable density of development, proximity to transportation and other factors such as perceived community safety and the quality of schools. Since much of the available land for residential development in Los Angeles is zoned for commercial use, land prices are affected by commercial demand, either actual or perceived. In addition to significant variation in costs across the City, land costs have also increased substantially from year to year. For example, in 2005, land costs ranged from approximately $36 per square foot in South Los Angeles with mixed commercial and residential zoning to $46 per square foot in Panorama City (commercial zone) to $93 per square foot in Westlake/MacArthur Park (for high density multi-family residential). In 2007, similar residential land prices had escalated to $114 per square foot for commercial land in the La Brea/Jefferson area and $111 per square foot for high density multi-family residential land in the Westlake/MacArthur Park area. In fact, in 2007, land prices were as much as $450-$500 per square foot in Central Los Angeles, where densities can exceed 200 units per acre.

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8 John D. Landis, Dept of City & Regional Planning, U.C. California, Berkeley, Reprinted 2000
Alleviating Constraints due to Land Cost

The City of Los Angeles has undertaken, and employs, a number of mechanisms to alleviate the impact of land cost on the development of housing. These include:

- Allowing by right increases in development density by as much as 35%, with the requirement that between 11% and 20% of the units be affordable to very low-income (less than 50% of area median income), low-income (less than 80% of area median income) or moderate-income (less than 120% of area median income) households.

- Making available, on a priority basis, City-owned sites for housing development. This includes surplus property (which is offered on a priority basis to the City's Housing Department, Community Redevelopment Agency and/or non-profit housing developers) and opportunities to develop in conjunction with or on top of City facilities such as public parking lots and garages.

- Reducing the parking requirements to offset a portion of the development costs for senior housing, for housing developed in certain mixed-use configurations (by allowing shared parking), and for housing developed in Transit Oriented Districts. With subterranean parking ranging from approximately $23,000 to $34,000 per space, and up to $40,000 per space or more in complicated projects, parking reductions can reduce construction costs significantly. In addition, where parking requirements can be lessened, site requirements can be reduced, resulting in land acquisition cost savings as well.

- Providing land acquisition and predevelopment funding through the CRA/LA on a regular basis.

- Providing additional funding to affordable housing projects through the City’s Affordable Housing Trust Fund.

- Purchasing, assembling, remediating, and/or otherwise facilitating site development by the CRA/LA making them available for development through Requests for Proposals that include affordable housing.
2. Construction Costs

Construction costs include the costs of three key resources: materials; labor; and, financing. The availability of these resources and their corresponding costs are affected by local factors as well as national and global events.

Materials costs vary widely depending on the type of construction (wood frame, wood frame over concrete parking, modified wood-steel frame over concrete parking, steel frame, concrete frame). In the past several years, because of the combination of offshore demand for construction materials, large public works programs in Los Angeles and a strong construction market, construction materials costs have increased substantially. As the national housing market slows, some slight moderation in the rate of increase can be anticipated over the next three to five years.

Labor costs vary with the construction method and the complexity of construction. Large and particularly high-rise buildings involve the most complex and thus the most expensive skilled labor. Most complex and high-density residential developments tend to use predominantly unionized labor while low-rise and low-density development may use a combination of union and non-union labor. A majority of the projects in Los Angeles that receive public funding are required to use Prevailing Wage rates.

From 2003 to 2007 Davis-Bacon wages for nineteen common construction wage determination classifications (i.e., tile layers, drywall installers, electricians, elevator mechanics, painters, plumbers, roofers, bricklayers, etc.) increased an average of 11%, from an average hourly wage of $24.92 to 27.42.9 The greatest hourly increases occurred in the following classifications:

<table>
<thead>
<tr>
<th>Wage Determination Classification</th>
<th>Hourly Wage 2003</th>
<th>Hourly Wage 2007</th>
<th>$ Increase per Hour</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asbestos Removal Workers</td>
<td>$15.75</td>
<td>$19.55</td>
<td>$3.80</td>
<td>24.13%</td>
</tr>
<tr>
<td>Framer &amp; Finisher Carpenter</td>
<td>$18.79</td>
<td>$24.75</td>
<td>$5.96</td>
<td>31.72%</td>
</tr>
<tr>
<td>Electrician</td>
<td>$16.15</td>
<td>$20.20</td>
<td>$4.05</td>
<td>25.08%</td>
</tr>
<tr>
<td>Elevator Mechanic</td>
<td>$31.92</td>
<td>$38.22</td>
<td>$6.30</td>
<td>19.74%</td>
</tr>
<tr>
<td>Ironworker</td>
<td>$27.91</td>
<td>$33.06</td>
<td>$5.15</td>
<td>18.43%</td>
</tr>
</tbody>
</table>

The average labor and materials costs of new housing construction in Los Angeles in 2004 can be seen in Table 2.6 which compares costs among four major cities.10 At $176.63 per square foot, Los Angeles was second, behind New York.
Table 2.6 2004 New Housing Construction Cost Comparison for a 6-Story, 42-Unit Multi-family Building across 4 Cities

<table>
<thead>
<tr>
<th>City</th>
<th>Cost Type</th>
<th>Construction Cost Per Square Foot</th>
<th>Construction Cost Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York City</td>
<td>Labor</td>
<td>$98.12</td>
<td>$144,214</td>
</tr>
<tr>
<td></td>
<td>Materials</td>
<td>$86.03</td>
<td>$126,445</td>
</tr>
<tr>
<td></td>
<td>Total Cost</td>
<td>$184.15</td>
<td>$270,660</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>Labor</td>
<td>$93.67</td>
<td>$137,672</td>
</tr>
<tr>
<td></td>
<td>Materials</td>
<td>$82.96</td>
<td>$121,939</td>
</tr>
<tr>
<td></td>
<td>Total Cost</td>
<td>$176.63</td>
<td>$259,611</td>
</tr>
<tr>
<td>Chicago</td>
<td>Labor</td>
<td>$85.44</td>
<td>$125,572</td>
</tr>
<tr>
<td></td>
<td>Materials</td>
<td>$81.19</td>
<td>$119,333</td>
</tr>
<tr>
<td></td>
<td>Total Cost</td>
<td>$166.63</td>
<td>$244,905</td>
</tr>
<tr>
<td>Dallas</td>
<td>Labor</td>
<td>$66.80</td>
<td>$98,174</td>
</tr>
<tr>
<td></td>
<td>Materials</td>
<td>$67.57</td>
<td>$99,312</td>
</tr>
<tr>
<td></td>
<td>Total Cost</td>
<td>$134.37</td>
<td>$197,487</td>
</tr>
</tbody>
</table>


Labor and materials costs involved in the maintenance or rehabilitation of existing housing can vary. Rehabilitation is unique to the property in that the scope of rehabilitation work required depends upon the condition of the building. An older building will typically require that more components and/or systems be completely replaced. If any hazardous materials are present, such as lead paint or asbestos, the removal of these materials is very costly. The scope of work may trigger requirements to meet current Building Code standards as the original construction of older structures does not likely meet all current requirements. Furthermore, the full cost is often not known until the work is started and conditions are uncovered.

Financing costs for multifamily development typically include the interest rate for construction loans and permanent loans, loan points and/or fees, and legal costs associated with loan documentation. Financing costs for new construction and rehabilitation of multi-family structures have been in flux throughout 2007 due to the broad credit and liquidity crisis in the national and global financial markets. The cost of funds through the Federal Reserve Bank, to which lenders add 1-2 points in lending funds to residential developers, has fluctuated from 5.3% in 2000 to a low of 1.9% in 2004, to 5.25% in the second half of 2006. This rate dropped throughout 2007 and, according to Fannie Mae forecasts, will continue to drop throughout 2008 and 2009. Although the cost of funds has dropped, lenders cannot access large amounts of capital to make loans due to the credit crisis and the loan repayment risk is high due to the current weak housing market.
Labor and materials costs for affordable multi-family housing are essentially the same as labor and materials for market rate units. However, construction financing costs are far different because public resources are available. Affordable housing development, including new construction and rehabilitation activity, blend market financing with public, lower-cost financing. Public resources include loan products that offer very low interest rates and/or deferred payments, or no repayment if the development serves the intended lower income population for the required period of time. Such loan products are available from federal, state, county and local governmental entities. In addition, significant cash is raised from investors through the federal Low Income Housing Tax Credit program, which provides tax relief to the investor for relatively minor up-front financing costs to the project (syndication fees, legal fees). However, these public funds often have additional requirements which offset to some degree the cost savings of the public resource (i.e., requirement to use prevailing wage rates, living wage requirements, Service Contractor Worker Retention requirements).

Table 2.7 below provides the estimated cost of building new and rehabilitating affordable housing based on 21 multifamily projects that the Los Angeles Housing Department reviewed and recommended for funding in 2007 (data from LAHD projects funded in 2004 was not available to compare with the above 2004 construction costs of market rate development).

<table>
<thead>
<tr>
<th>Type of Project</th>
<th>Cost per Square Foot</th>
<th>Cost per Unit</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Family Apartments</td>
<td>$223</td>
<td>$255,442</td>
<td>Based on 11 projects</td>
</tr>
<tr>
<td>Senior Apartments</td>
<td>$216</td>
<td>$168,955</td>
<td>Based on 7 Projects</td>
</tr>
<tr>
<td>Existing Rehabilitation</td>
<td>$77</td>
<td>$50,874</td>
<td>Based on 3 Projects</td>
</tr>
</tbody>
</table>

Source: Los Angeles Housing Department, Policy & Planning Unit. Based on 21 projects recommended for Affordable Housing Trust Fund funding, Round 1 of 2007

For home buyers, financing costs involve the fees and interest rate on home mortgages, rates which have fallen over the past 20 years.\(^1\) This trend in declining mortgage interest rates is projected to continue through 2009 which will give borrowers the opportunity to lower their mortgage payments.\(^2\) However, the creative financing that was less costly to homebuyers is no longer available, including zero-down, no-documentation, minimum-payment plans and speculator loans. New loans therefore include greater up front costs.

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Alleviating Constraints due to Construction Costs

There are limited actions that the City can take to reduce construction costs. The City does not currently implement any programs or policies that reduce labor or materials costs. Financing costs are determined by national governmental agencies and by private financial institutions and investors across global capital markets. The City has no role or authority in these markets and therefore no influence over financing costs.

To support affordable housing development for very low, low and moderate income households, the City reduces financing costs by making local funds available for construction and permanent loans. This includes:

- Over the past three years, the City has provided approximately $8 million each year from its General Fund for affordable housing development.
- In redevelopment project areas, the CRA/LA provides loans from tax increment funds.
- LADWP has committed $10 million in support of affordable housing, which is loaned to affordable housing developments that incorporate water and energy conservation efforts.

The funds from these sources are made available at very low interest rates with deferred or no repayment requirements (i.e., deferred repayment, repayment if cash flow permits, or no repayment if the development serves the intended purpose for the life of the loan).

In addition to these local sources, the City assists developers in accessing other low-cost public resources from county, state and federal sources. The local funds, described above, are in fact leverage for these other public resources. In addition, the LAHD administers other programs through the Affordable Housing Trust Fund, allocating locally-controlled federal funds to affordable housing projects, and CRA/LA administers additional funds such as bond proceeds. As noted in Appendix, between 1998 and 2005, LAHD generated over $245 million for affordable housing development.

For homebuyers, the City accesses other public resources for a variety of homebuyer assistance programs, including Mortgage Credit Certificates and mortgage revenue bond proceeds that provide purchase assistance.
3. Financing Availability

Financing is needed for several phases of the development process: predevelopment; site acquisition; construction; and occupancy/operations. Each phase has its unique risks, and it is rare that one financial institution will provide financing for all of these phases in the same project. Financial institutions seek to spread the risks they undertake.

There are few institutions willing to finance land acquisition and predevelopment costs, the riskiest part of the development process. This is a particular hardship for developers of affordable housing. Without access to site acquisition financing, potential sites are lost to market rate development. Capital availability is identified as a major constraint in a study by the University of California, Berkeley, Institute of Urban and Regional Development titled *Raising the Roof: California Housing Development Projections and Constraints, 1997-2020*.\(^{13}\)

From 2000 through 2006, loans to cover construction costs were readily available for multifamily development. Similarly, permanent financing to repay the construction loan upon project completion was available, with such permanent loans being repaid over time through the operating income following occupancy. Once a loan is originated, lenders can either hold the loan in their own portfolios or sell the loan to investors. When holding the loan, the lender is repaid directly by the borrower through monthly payments. When lenders sell their mortgages, they replenish their funds and immediately have more funds to lend. The marketplace through which lenders sell mortgages is known as the secondary mortgage market.

With the current credit crisis stemming from the default activity in the mortgage market, financial institutions cannot manage the risk involved in making loans. Due to the loss of confidence in return potential of mortgages and mortgage-backed securities, loans cannot be sold in the secondary market as investments and lenders must therefore hold their loans. In addition, the risk is unknown as the default rate is high and changing rapidly, preventing lenders from being able to identify the cost of the risk. There is no certainty and lenders are therefore not readily providing permanent loans. Without permanent loans, construction loans will not be provided. When loans are provided, lenders are using stricter underwriting criteria. This includes lower loan-to-value ratios to lower their risk, causing borrowers to provide more equity and/or other assets as security for the loan. This can render a project financially infeasible.

For affordable multifamily development, public resources for all phases of development are available, but in amounts far below the demand and need. As discussed above under “Governmental Constraints,” resources from federal and state agencies have decreased since 1998. The limited resources available are very competitive, with requests exceeding available funds by as much as 3-to-1, as experienced in a recent round of applications for funds administered by LAHD.

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\(^{13}\) John D. Landis, Dept of City & Regional Planning, U.C. California, Berkeley, Reprinted 2000
For homebuyers, mortgages have been readily available at low costs and through a wide variety of loan types from 2000 through 2006. However, with the default activity in the mortgage market in 2007, it is more difficult to obtain low-cost mortgages.

Mortgages for purchasing a home are provided by a variety of financial institutions who lend directly to the homebuyers, including mortgage companies, savings and loans, commercial banks, credit unions, and state and local housing finance agencies.

Home mortgage lenders also sell mortgages in the secondary mortgage market. Secondary market investors include Fannie Mae, Freddie Mac, various pension funds, insurance companies, securities dealers, and other financial institutions. Fannie Mae is unique in that it was established by the federal government for the express purpose of expanding the flow of mortgage funds and helping lower the costs to buy a home. Other secondary mortgage market investors participate in this market as an additional line of business and/or investment to their core business.

Fannie Mae operates solely in the secondary mortgage market under the public mission to ensure that mortgage bankers and other lenders have enough funds to lend to homebuyers at low rates. Fannie Mae purchases mortgages that comply with its guidelines and loan limits which are geared toward low-, moderate- and middle-income people becoming homebuyers, in keeping with Fannie Mae’s public mission. The loan limits are adjusted each year, in response to changes in housing affordability nationwide. Thus, a lender can reduce its risk by providing loans that conform with Fannie Mae limits because Fannie Mae can purchase these loans.

Fannie Mae mortgage loan limits which remained at $417,000 in 2006 and 2007 (up from $359,650 in 2005),14 were too low to cover the local median house price in Los Angeles of $525,000 in 2007. The need for a non-conforming loan means higher mortgage costs in the form of additional points, fees and higher interest rates in order for the lender to adequately cover the loan risk. In addition, defaults in the mortgage market have led to a lack of funds for other mortgages, and this liquidity crisis has led lenders to remove entire mortgage product lines, such as zero-down loans. Lenders have also tightened eligibility standards. This includes requiring substantial down payments as well as higher Fair Isaac and Company (FICO) credit scores.

**Alleviating Constraints due to Lack of Financing**

There are limited actions that the City can take to improve the availability of financing. The City has no role or authority in the financial markets and therefore no influence over financing availability.

However, by providing public resources for residential development, the City helps developers leverage private resources and spread the risk for private financial institutions investing in residential development. This encourages the availability of financing for affordable housing developments in which the City and other public entities invest.

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For homebuyers, the City assists in accessing resources for purchase assistance, helping homebuyers to meet the down payment requirements and access mortgages in the private market. Public resources are also available for soft second mortgages which reduce the size of the primary mortgage and make that primary mortgage more affordable.
Under Housing Element law, the City must show that it has adequate land zoned to accommodate the entirety of its 2006-2014 Regional Housing Needs Assessment (RHNA) allocation of 112,876 housing units. This Chapter identifies the City’s inventory of land suitable for residential development without the need for any discretionary zoning action by the City, in accordance with California Government Code §65583.2. The methodology used to identify these sites is also described here.

A. Inventory Of Adequate Sites

Per State law, the City’s inventory is comprised of undeveloped and under-developed sites upon which the required number of housing units can be built without the need for any discretionary zoning action by the City. The City has identified 21,522 sites that have excess capacity to accommodate a minimum of 382,851 units. Appendix H contains a list of these sites and maps by the 35 Community Plan Areas. The General Plan land use designation and zoning capacity are identified for each site as well as the potential number of housing units that could be added to the site. While the City is not required to build the units, it is required to show that adequate zoning capacity exists and to show the sites where that capacity is located.

The permitted density for each site is also identified, illustrating the potential of the site to accommodate the very low-, low- and moderate-income units included in the City’s RHNA allocation (per State law, a density of at least 30 units per acre serves as a proxy to identify sites suitable for affordable housing development). Of the identified sites and units, 19,949 sites are available for low- or very low-income units as they permit more than 30 dwelling units per acre. These 19,949 sites currently contain 68,506 existing units, and the excess capacity on these parcels allows the potential for 362,291 more units.

Table 3.1 summarizes where the identified sites are located in the City, by showing the net additional units and acreage of sites in each of the City’s 35 Community Plan Areas.

Any building permits issued between January 2006 and when the Housing Element is submitted to HCD for review can be counted toward the City’s RHNA requirement. In 2006, the City issued permits for 14,969 units. It is estimated that of these units, 800 units were affordable, including 250 very low income units, 420 low income units, and 130 moderate income units. The City has not counted any units permitted in 2007 against the RHNA allocation. Thus, the City has identified sufficient sites for 97,907 housing units (112,876 units less 14,969 units).

B. Development Trends And Future Growth

The City’s analysis of existing capacity shows that a minimum of 382,851 units can be built on 21,523 lots, in addition to what currently exist on these lots. While building activity may
Table 3.1 *Summary of Sites with Housing Capacity by Community Plan Area*

<table>
<thead>
<tr>
<th>CPA</th>
<th>Sites</th>
<th>Net Units</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arleta - Pacoima</td>
<td>96</td>
<td>1,388</td>
<td>89.83</td>
</tr>
<tr>
<td>Bel Air - Beverly Crest</td>
<td>22</td>
<td>135</td>
<td>71.89</td>
</tr>
<tr>
<td>Boyle Heights</td>
<td>587</td>
<td>5,799</td>
<td>185.85</td>
</tr>
<tr>
<td>Brentwood</td>
<td>31</td>
<td>439</td>
<td>96.25</td>
</tr>
<tr>
<td>Canoga Park</td>
<td>351</td>
<td>30,196</td>
<td>699.53</td>
</tr>
<tr>
<td>Central City</td>
<td>474</td>
<td>25,189</td>
<td>129.78</td>
</tr>
<tr>
<td>Central City North</td>
<td>82</td>
<td>4,457</td>
<td>34.25</td>
</tr>
<tr>
<td>Chatsworth</td>
<td>112</td>
<td>5,608</td>
<td>259.86</td>
</tr>
<tr>
<td>Encino - Tarzana</td>
<td>129</td>
<td>1,692</td>
<td>200.52</td>
</tr>
<tr>
<td>Granada Hills</td>
<td>34</td>
<td>492</td>
<td>67.82</td>
</tr>
<tr>
<td>Harbor Gateway</td>
<td>56</td>
<td>682</td>
<td>25.71</td>
</tr>
<tr>
<td>Hollywood</td>
<td>2,184</td>
<td>42,113</td>
<td>829.59</td>
</tr>
<tr>
<td>Mission Hills</td>
<td>375</td>
<td>9,388</td>
<td>362.85</td>
</tr>
<tr>
<td>North Hollywood</td>
<td>1,303</td>
<td>18,988</td>
<td>445.32</td>
</tr>
<tr>
<td>Northeast Los Angeles</td>
<td>263</td>
<td>2,419</td>
<td>195.05</td>
</tr>
<tr>
<td>Northridge</td>
<td>185</td>
<td>2,927</td>
<td>164.68</td>
</tr>
<tr>
<td>Palms - Mar Vista</td>
<td>669</td>
<td>12,652</td>
<td>213.04</td>
</tr>
<tr>
<td>Reseda</td>
<td>236</td>
<td>5,673</td>
<td>189.02</td>
</tr>
<tr>
<td>San Pedro</td>
<td>123</td>
<td>3,739</td>
<td>77.76</td>
</tr>
<tr>
<td>Sherman Oaks</td>
<td>386</td>
<td>4,306</td>
<td>169.67</td>
</tr>
<tr>
<td>Silverlake - Echo Park</td>
<td>431</td>
<td>3,970</td>
<td>124.44</td>
</tr>
<tr>
<td>South Los Angeles</td>
<td>1,536</td>
<td>14,542</td>
<td>353.82</td>
</tr>
<tr>
<td>Southeast Los Angeles</td>
<td>1,374</td>
<td>12,046</td>
<td>295.65</td>
</tr>
<tr>
<td>Sun Valley</td>
<td>321</td>
<td>5,748</td>
<td>220.71</td>
</tr>
<tr>
<td>Sunland - Tujunga</td>
<td>46</td>
<td>538</td>
<td>90.48</td>
</tr>
<tr>
<td>Sylmar</td>
<td>125</td>
<td>2,113</td>
<td>159.86</td>
</tr>
<tr>
<td>Van Nuys</td>
<td>640</td>
<td>11,397</td>
<td>441.57</td>
</tr>
<tr>
<td>Venice</td>
<td>107</td>
<td>1,444</td>
<td>32.98</td>
</tr>
<tr>
<td>West Adams</td>
<td>1,590</td>
<td>21,015</td>
<td>511.34</td>
</tr>
<tr>
<td>West Los Angeles</td>
<td>500</td>
<td>12,741</td>
<td>185.13</td>
</tr>
<tr>
<td>Westchester</td>
<td>488</td>
<td>11,670</td>
<td>212.42</td>
</tr>
<tr>
<td>Westlake</td>
<td>935</td>
<td>16,738</td>
<td>235.55</td>
</tr>
<tr>
<td>Westwood</td>
<td>121</td>
<td>1,353</td>
<td>31.13</td>
</tr>
<tr>
<td>Wilmington</td>
<td>6</td>
<td>86</td>
<td>10.53</td>
</tr>
<tr>
<td>Wilshire</td>
<td>5,605</td>
<td>89,168</td>
<td>1254.70</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>21,523</td>
<td>382,851</td>
<td>8,668.56</td>
</tr>
</tbody>
</table>
shift from year to year, the City anticipates that of these 382,851 units, 3.4%, or 13,100 units, may be developed each year, reaching a total of 98,250 units over the course of the remaining seven-and-a-half years of the Housing Element period (January 2007 through June 2014). As a reference, Table 3.2 shows the trends for the number of new units permitted in the City for 2005 and 2006.

In addition to the existence of 21,523 entitled parcels available for development and redevelopment, the City believes that 3-4% of the units are likely to be built each year for a number of reasons. Los Angeles’ General Plan is guided by its Framework Element, which directs anticipated growth to high density, mixed use centers and to the ¼ mile neighborhoods around its 60 rail stations. The Mayor and City Council have adopted and budgeted for an aggressive program to revise the 35 Community Plans (which together make up the City’s Land Use Element) on a regular basis in order to implement appropriate zoning and land use incentives that will facilitate such development in each of these locations. Los Angeles now has 73 miles of rail and 60 rail stations (including the funded, but not yet completed Exposition Phase I rail line). These new potential Transit Oriented Districts are attracting investors and developers who recognize transit as an asset, and real estate transactions are occurring at an increased rate around many of the stations. The public investment in rail is now attracting the construction of thousands of units of housing and will continue to do so as stations are built out, a vibrant mix of uses is put in place around them, traffic congestion and transit ridership increase region-wide, and gas prices remain high.

Additionally, the aggressive New Community Plan Program furthers implementation of the Framework Element growth strategy. Although only existing zoning is utilized for this inventory of sites, with the Community Plan Updates, more sites will be fully entitled such that the sites available for residential development will coincide with the designated centers, such as Downtown Los Angeles, where the City has made significant public infrastructure investments as depicted in Map ES.1. Many of the programs identified in the Housing Element encourage housing capacity in the strategic and desirable locations throughout the City that are identified in the General Plan. Such programs include Policy 1.1.4 Program F “Infill Opportunities,” Policy 1.1.4 Program G “Infill Opportunities: Downtown Center”, Policy 2.2.6 Program A “Targeting Growth in Community Plan Areas”, and Policy 2.4.3 Program B “Planning for Neighborhoods”. In particular, Policy 2.4.3 Program F “Neighborhood Preservation – Downzoning” shifts additional capacity away from neighborhoods where growth is undesired and steers it to other areas of the same Community Plan Area where housing growth can be better accommodated (i.e., in mixed use centers and near rail stations), as directed by the Framework Element growth strategy. When all 35 Community Plans are updated, the sites identified in the Inventory will all be located within areas designated for growth by the Framework Element of the General Plan.

While City policy dictates that housing units be located strategically, rather than dispersed evenly throughout the City, affordable housing should be dispersed evenly throughout the City. Affordable housing is needed in all communities and must be made available in all parts of the City, despite the diversity of neighborhoods and the differences in incomes and economics. Land use and planning tools to generate affordable housing are limited. The City has no ability to force property owners to build and little ability to force property owners to build housing that is affordable to people of all income levels. Substantial public dollars are required to eliminate the gap between real housing costs and rents. However, as a Citywide policy, the Housing Element includes Program A of Policy 1.4.2, “Community Plan Affordable Housing Targets”
### Table 3.2  New Housing Units by Community Plan Area – 2005-2006

<table>
<thead>
<tr>
<th>CPA</th>
<th>Single Family</th>
<th>Multi Family</th>
<th>Single Family</th>
<th>Multi Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arleta – Pacoima</td>
<td>32</td>
<td>44</td>
<td>64</td>
<td>77</td>
</tr>
<tr>
<td>Bel Air – Beverly Crest</td>
<td>36</td>
<td>12</td>
<td>26</td>
<td>0</td>
</tr>
<tr>
<td>Boyle Heights</td>
<td>49</td>
<td>61</td>
<td>9</td>
<td>328</td>
</tr>
<tr>
<td>Brentwood</td>
<td>111</td>
<td>50</td>
<td>104</td>
<td>118</td>
</tr>
<tr>
<td>Canoga Park</td>
<td>55</td>
<td>495</td>
<td>82</td>
<td>848</td>
</tr>
<tr>
<td>Central City</td>
<td>0</td>
<td>412</td>
<td>0</td>
<td>582</td>
</tr>
<tr>
<td>Central City North</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Chatsworth</td>
<td>225</td>
<td>146</td>
<td>134</td>
<td>419</td>
</tr>
<tr>
<td>Encino – Tarzana</td>
<td>65</td>
<td>38</td>
<td>75</td>
<td>384</td>
</tr>
<tr>
<td>Granada Hills</td>
<td>32</td>
<td>11</td>
<td>22</td>
<td>8</td>
</tr>
<tr>
<td>Harbor Gateway</td>
<td>7</td>
<td>44</td>
<td>10</td>
<td>59</td>
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<tr>
<td>Hollywood</td>
<td>39</td>
<td>615</td>
<td>47</td>
<td>1,004</td>
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<td>Mission Hills</td>
<td>34</td>
<td>117</td>
<td>141</td>
<td>4</td>
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<tr>
<td>North Hollywood</td>
<td>24</td>
<td>571</td>
<td>35</td>
<td>438</td>
</tr>
<tr>
<td>Northeast Los Angeles</td>
<td>155</td>
<td>182</td>
<td>134</td>
<td>56</td>
</tr>
<tr>
<td>Northridge</td>
<td>6</td>
<td>0</td>
<td>2</td>
<td>202</td>
</tr>
<tr>
<td>Palms – Mar Vista</td>
<td>24</td>
<td>945</td>
<td>47</td>
<td>413</td>
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<tr>
<td>Reseda</td>
<td>46</td>
<td>47</td>
<td>57</td>
<td>118</td>
</tr>
<tr>
<td>San Pedro</td>
<td>21</td>
<td>163</td>
<td>26</td>
<td>496</td>
</tr>
<tr>
<td>Sherman Oaks</td>
<td>64</td>
<td>545</td>
<td>90</td>
<td>270</td>
</tr>
<tr>
<td>Silverlake – Echo Park</td>
<td>32</td>
<td>85</td>
<td>21</td>
<td>144</td>
</tr>
<tr>
<td>South Los Angeles</td>
<td>34</td>
<td>286</td>
<td>44</td>
<td>114</td>
</tr>
<tr>
<td>Southeast Los Angeles</td>
<td>112</td>
<td>246</td>
<td>179</td>
<td>367</td>
</tr>
<tr>
<td>Sun Valley</td>
<td>43</td>
<td>21</td>
<td>53</td>
<td>117</td>
</tr>
<tr>
<td>Sunland – Tujunga</td>
<td>56</td>
<td>28</td>
<td>40</td>
<td>31</td>
</tr>
<tr>
<td>Sylmar</td>
<td>63</td>
<td>94</td>
<td>309</td>
<td>386</td>
</tr>
<tr>
<td>Van Nuys</td>
<td>48</td>
<td>247</td>
<td>91</td>
<td>356</td>
</tr>
<tr>
<td>Venice</td>
<td>23</td>
<td>21</td>
<td>45</td>
<td>341</td>
</tr>
<tr>
<td>West Adams</td>
<td>31</td>
<td>22</td>
<td>15</td>
<td>198</td>
</tr>
<tr>
<td>West Los Angeles</td>
<td>40</td>
<td>207</td>
<td>40</td>
<td>124</td>
</tr>
<tr>
<td>Westchester</td>
<td>11</td>
<td>69</td>
<td>80</td>
<td>623</td>
</tr>
<tr>
<td>Westlake</td>
<td>3</td>
<td>459</td>
<td>0</td>
<td>828</td>
</tr>
<tr>
<td>Westwood</td>
<td>10</td>
<td>229</td>
<td>6</td>
<td>371</td>
</tr>
<tr>
<td>Wilmington</td>
<td>38</td>
<td>235</td>
<td>21</td>
<td>185</td>
</tr>
<tr>
<td>Wilshire</td>
<td>17</td>
<td>502</td>
<td>12</td>
<td>1,935</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,586</strong></td>
<td><strong>7,249</strong></td>
<td><strong>2,061</strong></td>
<td><strong>11,944</strong></td>
</tr>
</tbody>
</table>

Source: DCP. 2006 figures for distribution by CPA are preliminary. The most current citywide estimate of building permit data shows 14,969 new units permitted in 2006.
that will establish an affordable housing goal for each Community Plan. These targets will serve as affordability goals for new development in each Community Plan Area, so that new housing construction strives to meet the same income targets as the City’s RHNA allocation. In the process of revising each Community Plan, neighborhood-specific tools and incentives can be incorporated to implement these goals that will work in each community. While a broad citywide policy can be developed to address affordability, a one-size-fits-all implementation strategy is not possible for the diverse communities of this City. In order to be effective, unique, neighborhood-specific implementation tools must be developed at a Community Plan level that reflect local circumstances and the particular character of each neighborhood.

The City also recognizes the importance of ensuring that sites are adequately zoned and available for the development of emergency and temporary shelters. Since 1986, the City has permitted the establishment of shelters for homeless people by-right in the R4, R5, C2, C4, C5 and CM Zones (Ordinance No. 161,427). Of the more than 21,000 parcels listed in RHNA Inventory of Sites for this Housing Element Update, more than 10,200 sites, ranging from 0.02 to 22.90 acres in size, have one of these zoning designations.

C. Sites Suitability Analysis

In the City of Los Angeles, only 4,367 acres representing 1.4% of the total acreage is classified as vacant, undeveloped land subject to urban development. As the City is essentially built-out, most of the City’s growth must occur and has been occurring on sites with existing uses. A DCP analysis of 2 years of building permits showed that 77% of all multifamily projects were built on sites that had another use on them. As recycling land with existing uses is virtually the only strategy to develop housing in the City, the existence of another use will not impede the development of housing in Los Angeles.

Infill Development and Redevelopment

Nearly all sites with residential development potential already have an existing use, including some residential units on site. The Inventory of Sites shows the potential number of net units as the available housing capacity over and above what is already on the site. Of the 21,523 parcels in the Inventory of Sites, 14,203 parcels (66%) have 75,553 residential units on them. On these commercially and residentially zoned sites where there are existing residential uses, there is capacity for 155,069 more residential units in excess of what already exists on these sites. Thus, these 14,203 parcels have a gross capacity of at least 230,622 units. While the existing 75,553 units may be lost if these sites are redeveloped, in aggregate, the sites are zoned to support three times the number of units that already exist on these sites.

Some sites in the Inventory currently support commercial and institutional uses. These sites provide opportunities for infill development and redevelopment, particularly parking lots, which are being developed with housing, and churches and schools, which frequently have
excess land or parking areas that can be developed with housing. The Department of City Planning (DCP) is working closely with the Los Angeles Unified School District (LAUSD), for example, to reconfigure school sites in order to “free up” land for the development of affordable housing, particularly for teachers. LAUSD now has an entire new Division focused on this effort and DCP is working closely with the Division in the development of several sites. It is anticipated that several hundred new affordable housing units can be created on LAUSD school sites through this collaboration.

The City recognizes the importance of preserving the affordability of units that may be lost due to demolition and redevelopment of an existing site. Therefore, the City is committed to preserving the affordability of any publicly subsidized housing project identified in the Inventory facing redevelopment by requiring that the new units retain their affordability covenants if redevelopment occurs on the site.

For units protected under the Rent Stabilization Ordinance, the City will enforce the replacement and relocation requirements if and when these units are redeveloped.

Density and Realistic Capacity

While the Inventory of Sites shows the capacity for a minimum of 382,851 additional units on 21,523 lots, 57.0% of the units are on 8,092 commercially zoned sites, and 43.0% are on 13,431 residentially zoned sites. Recent trends in development show that much of the housing in Los Angeles is now being built in commercial zones. In 2001, 40% of building permits for new multi-family housing in the City were on sites in commercial zones. By 2005, 60% of all multi-family housing in Los Angeles was being built on commercially-zoned sites.

While the City permits relatively high density residential development by-right in all of its commercial zones, we recognize that not all of the commercially-zoned sites will be redeveloped with residential use. Therefore, in the aggregate, we assume that only 50% of the capacity of commercially-zoned sites in the Inventory will be utilized for residential uses to reflect the potential these sites also have for commercial and mixed use development. This assumption reduces the Inventory capacity to 273,721 units.

Suitability of Small Sites

While the size of lots in the Inventory range from 5,000 square feet to several acres, all sites in the Inventory are suitable for the development of housing, including affordable housing. The densities permitted in the Zoning Code allow many more units, including affordable housing units, to be built on smaller sites. This is because in Los Angeles, unlike many cities, zoning regulations facilitate housing construction at relatively high densities. In Los Angeles, development can occur at densities as high as 50 to 100 units in many multi-family neighborhoods and along transit corridors, up to 218 units per acre in all of our regional centers, and due to a recent zoning ordinance, density is completely unlimited in all of the Downtown (building sizes are now limited only by a floor area ratio). This zoning facilitates strategic growth per the
The suitability of small sites is evidenced by a sample of fourteen 100% affordable housing projects that were approved in the past three years, which range in size from 5,212 square feet to 23,126 square feet. These fourteen projects range from 6 units to 59 units for a total of 468 affordable units. In addition, many of the current Round of Affordable Housing Trust Fund project submittals are on sites that are less than .4 acres.

Also, the City of Los Angeles has promoted infill development on smaller sites through its Small Lot Ordinance, which has been used to provide affordable home ownership. The Small Lot Ordinance allows fee-simple, structurally independent infill housing (such as town homes, row houses, bungalows) to be built on commercial and multi-family zoned lots as small as 600 square feet without yard or setback requirements. From January 2005, when the Ordinance came into effect, to March 2008, 139 projects have produced 1,117 homes on lots that range from 1,000 to 2,000 square feet. The Enterprise Foundation and the CRA/LA have both used the Small Lot Ordinance to provide affordable home ownership in South Los Angeles and other lower income neighborhoods.

Water and Sewer Capacity

All parcels identified in the Inventory of Sites are suitable for development in the current planning period, pursuant to Zoning and Building Code requirements, and are not subject to any general environmental constraints that would preclude development. Water, sewers, and other utilities are available throughout the City of Los Angeles and their capacity and availability have been analyzed in the environmental analysis for the Framework Element of the City’s General Plan. Streets and highways are available to all sites in the Inventory and in most cases, transit is within close proximity. In addition to its streets and freeways, the City of Los Angeles has a heavy rail, light rail, rapid bus, fixed guideway, and an extensive bus transit system. Each housing project will be granted a permit on a site-by-site basis, at which time it is possible that some projects may be required to improve the existing infrastructure or comply with specific environmental regulations (such as certain types of roofing materials in high fire areas). However, the City’s environmental laws in general do not preclude development. A project proposed on any site in the Inventory would be allowed “by-right” and would be issued a permit by the Department of Building and Safety (provided no extraordinary site-specific health and safety circumstances were found to exist).

D. Selection Methodology

One of the main requirements of the Inventory is that it shows that the requisite capacity (RHNA allocation) can be built without the need for a zone change. Every effort was therefore made to eliminate parcels which might require a zone change in order for (additional) units to be built. Also, since the Inventory is intended to identify parcels with the potential for redevelopment, it excludes parcels smaller than 5,000 square feet, which were deemed un-
likely to be suitable for development. Also, the Inventory excludes parcels on which buildings have been constructed in the past 20 years. Sites with existing structures that are 20 years or older were used as an appropriate threshold for potential redevelopment for the following reasons. Property owners begin to weigh alternatives for their properties at the 20 year mark as significant building systems, such as roofs, decks, or HVAC require replacement around this time. Also, before the mid-1980s, residential buildings were built well under the maximum densities, as there was land available for development in the City.

The total capacity figure was calculated according to the following method:

- All parcels with zoning that does not allow by-right residential development were eliminated. As such, all industrial zones were eliminated, despite the fact that the City is currently in the process of evaluating its industrial land and has identified some industrial zoned land in which residential use could be mixed with industrial uses and some industrial land that should be converted to residential use. In the end, only residential and commercial-zoned parcels were counted as eligible for the Inventory.

- For the initial screen, all parcels in a Specific Plan area or in a Historic Preservation Overlay Zone were removed from consideration. At a later stage, each Specific Plan was analyzed individually and parcels within those plans were included in the Inventory if the Specific Plan did not limit, or only minimally limited density of residential development. (For example, some Specific Plans limit only alcohol permits, some affect only commercial development, some address design).

- For the initial screen, all zones with “Q” (Qualified) and “D” (Development) conditions were removed from consideration. Each Q and D condition is a unique and tailored condition tied to a specific zoning ordinance for a particular site and there are several hundred thousand throughout the City. As such, there is no generalized way of knowing what, if any, density restrictions a Q or D condition puts on a particular zone without reading each enacting ordinance. After the initial screen was completed, some Q- and D-conditioned zones were individually reviewed and added back in. For example, much of the Central City Community Plan area is governed by zones with the same D condition applicable to all lots; these lots were added back in to the Inventory.

- Parcels within a hillside area that are designated for Minimum Density Residential Use and subject to the Slope Density Ordinance were removed from the Inventory.

- Under the Los Angeles Zoning Code there are two main tools for regulating the capacity of sites — Floor Area Ratio (FAR) and density (lot area per unit). As a rule of thumb, FAR is more likely to be the determining factor for the number of units that one can build on a commercially zoned property and density the more likely determining factor for capacity of residentially zoned property. This is largely because some 80% of the commercially zoned land falls into Height District 1, which is limited to an FAR of 1.5:1. Following this rule of thumb, the capacity of a given parcel was calculated using FAR for commercial properties
and lot size per unit for residential properties. A few exceptions to this rule were made when residential parcels had zoning with Q-conditions or were in a Specific Plan area that limited FAR, in which case FAR was used to calculate capacity. The FAR calculation was made by multiplying the lot square footage by the FAR to obtain a total buildable square footage. (Using the lot square footage as a base represents an average because the City’s Zoning Code defines “lot area” in commercial zones with many deviations, some of which effectively increase the size of the lot and some of which effectively decrease the size of the lot for purposes of calculating the buildable area; see below for details). This number was then divided by 1,378, the square footage of the average multiple family residential unit built in the City over the last five years.

- Any units existing on a site were subtracted from the total capacity to obtain the net capacity for each parcel.
- Finally, only parcels with a net capacity of at least 5 units were included in the Inventory.
- The data used in the Inventory were collected on or prior to November 2007 from the Los Angeles County Assessor’s Office and the Los Angeles Department of City Planning.

*The following regulations define the “buildable area” in commercial zones:

a. Residential development in commercial zones requires side and rear yard setbacks as established for the R4 zone (except that the CR zone requires the side and rear setbacks established in the R3 zone). Buildable area is calculated using the lot area minus the setbacks and multiplying by the FAR.

b. Zoning Code Section 12.22 A.18(c) eliminates all setback requirements for mixed-use buildings located on commercially-zoned lots (excluding CM Zones) on the sides of a lot that abut a street, private street, or alley.

c. Zoning Code Section 12.22 C.16 permits property that abuts one or more alleys to include one-half the width of the alley as a portion of the lot area in calculating the number of allowed dwelling units.

d. Zoning Code Section 12.22 C.10 permits rear yards that open onto an alley or a court to count one-half of the width of the alley or court, up to 15 feet, as a portion of the rear yard requirement.

e. Zoning Code Section 12.22 A.18(a) permits the R5 zone density (218 units per acre) rather than the R4 zone density (108 units per acre) for residential development on commercially zoned lots (excluding CM Zones) in areas designated as “Regional Center,” “Regional Commercial,” “High Intensity Commercial” and within any redevelopment project area of the Central City Community Plan Area.

f. Zoning Code Section 12.22 C.3 eliminates all setback requirements in the Greater Downtown Housing Incentive Area.
Chapter 4  Opportunities for Conservation in Residential Development

This chapter delineates the opportunities that exist for energy conservation in residential development as required by California Government Code §65583(a)(8), as well as opportunities for water conservation, all of which can reduce development costs and improve the affordability of housing units. The discussion includes the conservation efforts that the City of Los Angeles is practicing, from efforts to reduce consumer use of energy and water to minimizing the need for traditional energy and water sources. The discussion also addresses building design and land use planning that contribute to conservation, including green building and mixed-use, transit-oriented sustainable development.

In September 2006, Assembly Bill 32, the Global Warming Solutions Act of 2006 was approved. This bill codifies the State of California’s goal to reduce emissions contributing to global warming. Specifically, the bill commits to reducing the emission of greenhouse gases statewide to 1990 levels by 2020.

Furthering the effort to reduce greenhouse gas emissions locally, Mayor Villaraigosa initiated Green LA – An Action Plan to Lead the Nation in Fighting Global Warming in May 2007. This program commits the City of Los Angeles to reducing greenhouse gas emissions to 35% below 1990 levels by 2030. Achieving this goal requires cooperation from many City departments, and includes the incorporation of conservation measures into residential developments. The City has developed and is pursuing a number of programs to support this initiative, many of which are offered by the Los Angeles Department of Water and Power.

The methods described below and in Chapter 6 are efforts that the City is undertaking to reduce energy and water consumption and thereby work toward the greenhouse gas emission reduction levels set by Assembly Bill 32 and the Mayor’s Green LA Plan. Specific objectives, policies and programs relating to conservation are detailed in Chapter 6 under Goal 2: Safe, Livable and Sustainable Neighborhoods.

A. Reducing Consumer Use of Energy and Water

Energy Efficiency Methods

Title 24, Part 6 of the California Code of Regulations establishes energy efficiency standards for residential buildings. These standards were most recently updated in the fall of 2005. The City implements Title 24 regulations through the Department of Building and Safety in conjunction with the issuance of building permits.

Mayor Villaraigosa’s program seeks to exceed Title 24 requirements for public and private buildings. Toward that end, the City Planning Commission has adopted a new ordinance to require all buildings that exceed 50 units or 50,000 square feet to meet LEED® standards of
sustainability. Additionally, plans for buildings that meet the LEED® Silver standard will be expedited through the Departments of Building and Safety (LADBS), City Planning (DCP), Public Works (DPW), and Water and Power (LADWP). At the State level, the California Tax Credit Allocation Committee recognizes the benefit of energy conservation by awarding additional points for affordable housing projects that exceed Title 24 minimum requirements.

Efficient Appliances

Implementing conservation measures with regard to energy use will decrease the operating costs of a home or apartment, making it more affordable for the tenant or owner. One means of lowering energy costs is by using more efficient appliances. The US Environmental Protection Agency’s Energy Star rating program identifies specific manufacturers’ appliances that use between 10 and 50 percent less energy and water than other manufacturers. There are periodic manufacturer’s rebates available for these products to off-set their initial cost. In addition, as of 2007, LADWP offers the following rebates for the purchase of energy efficient appliances:

- $30 to $50 rebate for qualifying dishwashers with an Energy Factor (EF) of .65 or greater.
- $35 to $75 rebate for energy-efficient clothes washers (these appliances will use up to 35 to 50% less water and up to 50% less energy per load).
- $30 rebate for an energy-efficient water heater with an "Energy Factor" (EF) rating of .62 or higher (which will save up to 10% on water heating costs).
- $200 to $300 rebate for qualifying natural gas furnaces with an Annual Fuel Utilization Efficiency (AFUE) rating of 92%.

Home Energy Audit

LADWP encourages and assists homeowners to perform energy audits as a way to make homes more energy efficient. A home energy audit benchmarks how much energy a home uses, measuring the efficiency of its heating and cooling systems. The audit identifies ways to conserve hot water and electricity and helps to determine what measures homeowners can take to make their home more energy efficient. LADWP provides information for do-it-yourself audits as well as a list of professionals who will perform professional home energy audits.

Influencing Hours of Use of Energy Sources

LADWP’s pricing of electricity use is structured to encourage conservation. Electric bills are based on the time and extent of use, with rates being the highest during the peak hours and lowest during off-peak hours.
Building Design and Materials

DCP reviews and evaluates site plans and other urban design features for projects over 50 units and 50,000 square feet in order to work with developers to reduce energy consumption by maximizing natural light and natural ventilation, reducing impermeable surfaces, and optimizing landscaping for energy efficiency. The review considers building orientation, materials, landscaping, and other site planning issues. In addition, DCP encourages the installation of energy-efficient roofs such as green roofs and cool roofs (light colored roofs) to achieve energy savings. Other energy-efficient building measures, such as window glazing and insulation that help to increase energy savings are implemented through the plan check process by LADBS.

Landscaping

The City has adopted a landscape ordinance to help shade buildings, minimize direct sunlight, and reduce water consumption. The landscape ordinance helps to reduce the amount of paved surfaces and the resulting heat island effect. It provides developers with a menu of options by allocating points for various elements and requiring a total number of points, depending on the size of a residential project.

Water Conservation Methods

Approximately 85 percent of the water provided to customers in the City of Los Angeles is imported from 300 miles away, therefore water conservation and efficiencies are very important for the region.

Efficient Appliances

There are a number of opportunities to reduce water consumption and decrease long term operational costs in residential buildings. High efficiency toilets, urinals, shower heads, sink faucets and tankless water heaters are readily available and save money over the long term. The LADWP offers several rebate and financial incentive programs for single family and multi-family residential customers to assist them with the installation of pre-approved equipment and products.

Influencing level of use of water

LADWP implemented a two-tiered rate schedule in 1993 in order to encourage conservation. Residential rates are calculated based on usage, season, lot size, temperature zone, and household size. Conserving water will decrease both the rate and the overall water cost. In the hot, dry, Southern California climate, planting native, drought-resistant landscaping that
requires little to no irrigation will reduce water use. Installing a high-efficiency system and watering in the evening or early morning will yield the greatest water conservation and the lowest water rates.

**Grey Water**

The City is investigating the technical issues associated with the installation of dual plumbing systems in residential buildings. Dual plumbing systems conserve water by reusing “grey” water from sources such as clothes washers, bathtubs, showers and sinks. This water is treated and re-used for outdoor irrigation or for indoor plumbing.

**Recycled Water**

The City of Los Angeles has four wastewater treatment plants. The Donald C. Tillman Water Reclamation Plant, for example, treats waste flows from the San Fernando Valley and provides 26 million gallons of recycled water per day for uses in the Valley. The Tillman Plant, together with the Los Angeles-Glendale Water Reclamation Plant, are the leading producers of recycled water in the San Fernando Valley. Recycled water from the Tillman Plant is currently used for irrigation of golf courses, its on-site Japanese gardens and replenishment of flow through public use recreational lakes in the Sepulveda Basin. The City hopes to use 5,149 more acre-feet of Tillman water on four more golf courses and for other uses by 2013. The City has installed 10 miles of pipeline for a $55-million project that uses treated, recycled water from the Donald C. Tillman Water Reclamation Plant to provide recycled water to the San Fernando Valley for landscape irrigation and industrial uses. Water from the Donald C. Tillman Water Reclamation Plant in the past was not used on private or public property due to concern over high levels of chlorides. The regulators have since relaxed chloride limits which will enable greater uses of recycled water in the San Fernando Valley.

The City of Los Angeles will be aggressively expanding the water recycling program over the next five to six years. The Mayor’s Water Supply Action Plan released in May 2008 sets a goal of increasing retail recycled water production to 19,350 AFY by July 2014. This will all be for non-potable purposes such as irrigation and industrial uses. The majority of the customers targeted are refineries in the Harbor area, golf courses, parks, and schools throughout the entire city. LADWP plans on installing over 100,000 feet of pipeline, two storage tanks, and two pumping stations in the recycled distribution system by July 2014. Major existing customers include the Valley Generating Station, golf courses in the Sepulveda Basin (Woodley, Balboa, and Encino), portions of Griffith Park (Wilson and Harding Golf Courses, Gene Autry Museum), Loyola Marymount University, Forest Lawn and Mount Sinai Cemeteries, and the Dominguez Gap for seawater intrusion barrier.
Rainwater can also be collected in roof catchments or other collection basins. Harvested rainwater can be stored and reused for irrigation or in conjunction with a dual plumbing system for indoor water re-use.

B. Minimizing Need For Traditional Energy and Water Sources

Renewable Energy

In order to meet the Mayor’s goal of reducing greenhouse gas emissions to 35% below 1990 levels by 2030, it will be necessary to shift some energy use to alternative sources. Making this switch on a large scale will provide long term price and supply stability for the City of Los Angeles.

On-Site Energy Generation

Energy generated off-site loses efficiency when it is transported for residential use. Integrating more on-site energy generation into residential projects will both reduce the amount of off-site energy required and increase the efficiency of the system.

Residential installations of photovoltaic (PV) generation are becoming more common and more cost effective. Increasingly more efficient PV cells have made it more feasible to install solar panels on homes and on multi-family buildings. In addition, tax credits and rebates are available to help off-set the initial installation costs. LADWP offers a rebate of $.14/kWh for qualified PV equipment with an additional $.02/kWh for equipment manufactured in Los Angeles.

Other sources of on-site energy generation will evolve and become available over time. In addition, existing technologies will change and become more feasible. In order to maximize the potential to integrate alternative energy sources, new residential projects can leave space for equipment and hook-ups for on-site energy generation even if it is not feasible to include the technology at the time of construction.

Other Renewable Energy Options (purchased through DWP)

LADWP’s Green Power for Green LA program allows residential customers to support renewable energy sources by paying a slightly increased rate on their power bills ($.03 additional per kilowatt hour) so that a percentage of their energy comes from an alternative source (minimum of 20% of usage). The program supports solar, wind and hydroelectric power which are all non-polluting and renewable sources of energy.
Sustainable Development

Land use patterns and development can occur in ways that are more sustainable and help to conserve resources. Sustainable development connects land use, natural resources and transportation to reduce energy consumption, reduce dependence on the automobile, and provide long term environmental benefits, health benefits, and cost savings.

Land Use Patterns

In a large, urban, built-out City like Los Angeles, compact, mixed income residential development close to transit and other amenities offers many benefits including added affordability. When housing is located near transit and other neighborhood services, both work trips and non-work trips can occur without the use of an automobile. Additionally, when a wide variety of housing types and affordability levels are incorporated, people who work in our City’s neighborhoods are not forced to drive long distances to afford housing. Statistically, households make ten trips per day, only two of which are work trips. Providing neighborhood services and a mix of uses within walking distance of transit creates the opportunity for some of the eight non-work trips to occur without a car. The City intends to develop detailed plans for the neighborhoods around all of the 60 rail stations to establish appropriate land uses, zoning, incentives, and design guidelines to encourage such “complete neighborhoods.” As of 2007, funding has been secured for ten of the 60 plans, and work on these 10 transit oriented district plans is underway. The City’s General Plan is based on accommodating a large percentage of growth (including residential development and affordable housing of all types) in these Transit Oriented Districts.

Development Standards/Performance Standards

Developing sustainably also pertains to building and development standards. Building with sustainable materials is beneficial for resource conservation as well as for public health. Technologies and materials are constantly evolving and frequently are no more costly than less sustainable options. Green building rating systems such as the U.S. Green Building Council’s LEED® (Leadership in Energy and Environmental Design) program, Enterprise Community Partner’s Green Home Program, and the Energy Star Program offer guidance for sustainable residential construction.

The City of Los Angeles is currently implementing a Green Building Program with both mandatory and voluntary components. The Program establishes a Standard of Sustainability and a Standard of Sustainable Excellence, and shall be administered by an interdepartmental “Green Team.” The new Standard of Sustainability mandates that new construction over 50,000 square feet or 50 units and substantial remodel projects meeting similar thresholds meet the intent of the US Green Building’s LEED® Program at the base Certified Level. The Standard of Sustainable Excellence establishes a voluntary program of incentives for projects
designed to meet a higher sustainability threshold of LEED® Silver. A Green Team, comprised of all relevant City departments, has been established to identify regulatory and procedural impediments and recommend the adoption of necessary code changes on an ongoing basis to increase the level of sustainability of residential construction. In addition, the Green Team will develop a public outreach program to disseminate green building information to residents, homebuilders, architects, engineers and contractors involved in residential construction.
Chapter 5  Review of the 1998-2005 Housing Element

This chapter provides a review of the 1998-2005 Housing Element and evaluates the City’s progress in meeting its housing needs during that planning period. It identifies the number of housing units built compared to the City’s target for new construction, as established through the 1998-2005 Regional Housing Needs Assessment (RHNA) allocation, and evaluates the progress, effectiveness and appropriateness of each of the Housing Element goals, objectives and policies in meeting identified needs and quantified objectives. This chapter is organized by issue area. It evaluates progress made in the four issue areas established in the previous Housing Element: Housing Quantity; Livable Communities; Housing Opportunity; and Governmental and Non-Governmental Constraints. A detailed evaluation of each policy and program within the four issues areas is attached in a spreadsheet as Appendix I.

The review of the previous Housing Element helped shape the Update in three key ways: (1) it identified goals, objectives, policies and programs that were either missing or inadequate to address Los Angeles’ housing needs; (2) it identified policies that needed to be strengthened or clarified to better reflect their importance; and (3) it identified redundancies and areas of overlap and confusion that needed to be eliminated in order to provide a clear focus on the most important programs and policies for the City. In general, the goals, objectives, and policies of the previous Housing Element were carried forward into the 2006-2014 Housing Element Update, enhanced, expanded, and reconfigured with additional details in order to more clearly define the City’s strategy in addressing housing needs.

A. Progress in Meeting the Regional Housing Needs Assessment Allocation

The City’s Regional Housing Needs Assessment (RHNA) allocation for the previous Housing Element planning period of July 1, 1998 – December 31, 2005, was 60,280 new housing units. During that period, building permits were issued for 50,548 additional housing units, fulfilling 84% of the estimated new housing construction need as determined by the RHNA allocation. In the early part of the period, the late 1990s and early 2000s, there was a significant downturn in the local economy and little construction activity occurred. Beginning in 2001, however, activity increased and much of the City’s housing production occurred during the last four years of the planning period, from 2001 to 2005.

The majority of the new construction was for market-rate housing. As illustrated in Table 5.1, the new construction of housing units for very low, low and moderate income households fell short of meeting the goals for each of these income categories. The RHNA goals target two-thirds of all new units for these lower income households, whereas only one-third of the actual new units targeted these households.
Table 5.1  New Housing Units by Income Category, July 1, 1998 – December 31, 2005

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<th>RHNA Income Category</th>
<th>RHNA Goal</th>
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<tr>
<td>Very Low Income &lt;50% County Median Income</td>
<td>17,990</td>
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<td>Low Income 51%-80% County Median Income</td>
<td>10,416</td>
<td>5,146</td>
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<tr>
<td>Moderate Income 81%-120% County Median Income</td>
<td>11,314</td>
<td>606</td>
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<tr>
<td>Above Moderate Income &gt;120% County Median Income</td>
<td>20,560</td>
<td>38,874</td>
</tr>
<tr>
<td>Total</td>
<td>60,280</td>
<td>50,548*</td>
</tr>
</tbody>
</table>

Source: LAHD, DCP.

* This includes 42,360 building permits for new units from April 2000 through December 2005. Because data collection methodologies have evolved, data on building permits issued for new units for the period of July 1998 through March 2000 is not as detailed as it is for subsequent years, and therefore could not be as thoroughly analyzed as data collected after March, 2000. Based on Department of Building and Safety summary reports of the total number of building permits issued for each calendar year, 8,188 housing units were added during this period. This estimate is derived by assuming one-half of the permits issued in 1998 were issued between July and December 1998, and one-fourth of the permits issued in 2000 were issued between January and March 2000, and adding those to all permits issued in 1999.


**Issue: Housing Quantity**

The goal established to address Housing Quantity was as follows:

“A City where housing production and preservation result in an adequate supply of ownership and rental housing affordable to people of all income levels, races, ages, and suitable for all needs.”

The previous Housing Element combined housing production with housing preservation in order to address the supply issue, and included policies and programs addressing homeless issues. It was determined that housing production and preservation are distinct issues better served by establishing policies and programs targeting each separately. Therefore, the Update
separates housing production and housing preservation and establishes policies and programs for each, which will help the City achieve our housing quantity goals.

Additionally, the review made it clear that the issue of homelessness should be elevated in importance and that the Update should create a new City goal that focuses on preventing and ending homelessness. The provision of services to meet the special needs of persons who are homeless or who are at high risk of homelessness is included under this new goal, rather than under the Housing Quantity goal, as it was in the previous Housing Element.

A focus on facilitating construction and rehabilitation of a variety of types of housing to provide decent, safe, healthy and sanitary housing for extremely low-, very low-, low-, and moderate-income households was added. A policy was also added to the Housing Element Update to monitor the production and preservation of housing supply to help the City track progress and identify deficiencies.

Programs that focused on lead-based paint removal and home repairs were very successful and are continuing in the Housing Element Update, while they are better organized and consolidated. Some programs, such as the Normandie 5 Move-On program to save and restore homes, were partially successful in achieving their objectives but cannot be continued due to high costs. HACLA was able to successfully reconstruct and update many of their units, but some programs, such as the Public Housing Development and Major Rehabilitation of Obsolete Public Housing, were dependent upon receiving funds from the U.S. Department of Housing and Urban Development, and sufficient funds were not received. These efforts will be continued in the Housing Element Update. Other programs such as Employer-Assisted Housing, House Los Angeles and Asset Control Area did not meet their objectives due to changes in the housing market; however, such efforts are still worthwhile and have been reconfigured and continued in the Housing Element Update.

The previous Housing Element included several County-administered programs that address housing and services for homeless and special needs populations. These programs were successful; however, City-specific results are not available and the effectiveness in meeting the needs of City residents could not be fully evaluated. Because these programs, and other County programs, provide important resources, the Housing Element Update includes continued efforts to access these resources for City residents and increase the amount of resources serving the City.

Generally, the Housing Element Update expands upon the housing production programs established previously but provides additional programs to facilitate housing production. New programs have been created to construct healthy housing units and to provide increased homebuyer assistance. While many of the programs in the previous Housing Element are being retained, they have been fine-tuned and in some cases reorganized and consolidated to more comprehensively and more effectively address housing supply.

The following programs achieved their objectives relating to Housing Quantity and are no
longer needed, so they are not included in the Housing Element Update:

- Neighborhood Recovery Program
- Tie-Down LA
- Community Housing Development Organizations (CHDOs)
- LA Eco-Village Demonstration Program
- City Planning Commission (In-fill Housing Subcommittee Recommendations and Housing Crisis Task Force Recommendations)
- Promote the Production of Large Housing Units by Changing the Density Calculation Methodology
- Soft Second Financing of for-Sale Town Homes in the Pico/Aliso Housing Development Area

**Issue: Livable Communities**

The Livable Communities goal sought to preserve, stabilize and enhance livability/sustainability in all neighborhoods throughout the City as follows:

“A City which actively takes steps to preserve, stabilize, and enhance livability/sustainability in all neighborhoods throughout the City and maintains the quality of life in all residential areas.”

In the previous Housing Element, there was a lot of overlap between the Housing Quantity and Livable Communities goals. While it is recognized that the two goals are both interrelated and interdependent, the redundancies have been removed in the Housing Element Update to better clarify the issues and to help focus City policies and programs in each of these areas.

The previous Housing Element only briefly addressed sustainability and included very little in the way of programs to promote sustainable or green building efforts. The previous Housing Element did not capture all of the current efforts being undertaken by the City of Los Angeles nor did it reflect the significance this issue has now taken on. Objectives and policies were therefore added in the Housing Element Update, including a new objective to promote environmental sustainability within buildings and a number of new objectives to capture the work that the City is doing to promote sustainable residential buildings.

The objective in the previous Housing Element addressing safety and sustainability was separated into two distinct objectives in the Update. Under the new safety objective, housing issues that relate to safety and improved health outcomes on the community and neighborhood level are addressed, while the sustainability objective includes mixed-use, mixed-income housing,
jobs, amenities, services and transit within communities. Policies concerning the safety and health of actual housing units are more appropriate under the housing quantity (production) goal, which establishes policies and programs to construct safe and healthy housing. Therefore, in the Housing Element Update, issues of health and safety within housing units are addressed as components of housing production and preservation, while neighborhood health and safety issues are addressed as components of livability.

In the Housing Element Update, the distribution of affordable housing throughout the City is addressed under housing quantity, rather than under livability as in the previous Housing Element. However, to support sustainable land use patterns and development, the Housing Element Update adds a new policy to target projected growth in centers and near transit, in accordance with the City’s General Plan Framework Element.

Mixed use development was successfully promoted in the previous Housing Element with such tools as the Residential Accessory Zones which is continued in the Housing Element Update with minor changes. Other efforts such as Urban Greening were not previously successful due to lack of funding, but old programs have been reconfigured and new programs have been designed for the Housing Element Update that will advance this effort. Many new programs to support this objective are contained in the Housing Element Update.

The following programs were able to achieve their objectives relating to Livable Communities and are no longer needed, so they are not included in the Housing Element Update:

- Neighborhood Recovery Program
- City Planning Commission (In-fill Housing Subcommittee Recommendations and Housing Crisis Task Force Recommendations)
- LA Eco-Village Demonstration Program
- Citywide Replacement Policy.

**Issue: Housing Opportunity**

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

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

The previous Housing Element included such issues as the availability of housing to all and the removal of barriers to the production and preservation of housing in this goal. The Update attempts to strengthen the focus of this objective by limiting it to those policies and programs that promote fair housing practices by all stakeholders. Toward that end, policies and programs addressing availability and the removal of barriers are covered under production and preservation because they directly affect the ability to construct housing and thus, the quantity of the housing stock. Similarly, policies relating to the promotion of a variety of housing types
are also addressed under production and preservation in the Housing Element Update.

The Housing Element Update includes a new objective under Housing Opportunity to promote fair housing practices and accessibility among residents, community stakeholders and those involved in the production, preservation and operation of housing.

Programs such as the Citywide Fair Housing Services were effective in achieving their objectives and are continued in the Housing Element Update. The Antidiscrimination Legislation program was found to be an ineffective implementation strategy for addressing discrimination practices and was not continued in the Housing Element Update. Programs such as the Home Equity Fraud Intervention Program and Community Reinvestment had some success, but were impeded from achieving full success by a court order and a lack of funding. These programs have been re-crafted in the Housing Element Update.

Many of the programs listed in the previous Housing Element under Housing Opportunity are continuing in the Housing Element Update, but have been moved to support the new goal addressing Homelessness. Additionally, there was a lot of overlap in the previous Housing Element between Housing Quantity and Housing Opportunity and these redundancies have been removed in the Housing Element Update.

Several County-administered programs supported the City’s fair housing objectives and policies, including those targeted toward special needs populations and homeless persons. As noted above, the Housing Element Update includes continued efforts to access these resources for City residents and increase the amount of resources serving the City. Such programs are included under the new goal on Homelessness.

The following program was completed and is therefore not included in the Housing Element Update:

- Promote the Production of Large Housing Units by Changing the Density Calculation Methodology.

**Issue: Governmental and Non-Governmental Constraints**

The Governmental and Non-Governmental Constraints goal served the dual purpose of both providing incentives and reducing constraints for the production and preservation of housing as follows:

“A City that provides incentives and reduces constraints for the production and preservation of all housing.”

The review of the previous Housing Element made it clear that removing governmental and non-governmental constraints is a means to an end, not an end itself. Removing constraints helps to produce and preserve housing, and as such, policies and programs related to these
constraints were included as part of a new objective under the Housing Quantity goal rather than retaining it as a distinct goal of its own as it was in the previous Housing Element. Similarly, incentives for the production and preservation of housing were found to be more appropriate under the Housing Quantity goal because they directly affect the supply of housing.

The previous Housing Element addressed the need to facilitate multiple-bedroom dwelling units for large families. The Housing Element Update broadens this issue to facilitate new construction of a variety of housing types. The Housing Element Update targets affordable housing incentives for use in mixed-use developments, designated centers and Transit Oriented Districts. Overall, other than being reorganized, the policies relating to constraints in the previous Housing Element are continuing with few changes in the Housing Element Update.

The program “Amend the Building and Zoning Codes for Non-Conventional Housing” was successful in amending the Zoning Code to allow for small lot subdivisions. This program is modified and expanded in the Housing Element Update. The Affordable Housing Building Permit Expeditor was discontinued early in the previous Housing Element period because it was administered by a prior mayor and the subsequent Mayor’s Office work program did not include this program. However, implementation of a more effective effort to be administered by City departments rather than the Mayor’s Office will be explored under the Housing Element Update. The RTC and REO Acquisition Program had mixed success due in part to the dissolution of the RTC. This program is re-crafted in the Housing Element Update. The Production of In-fill Affordable Housing Task Force program was revised during the previous Housing Element period and will be continued in the Housing Element Update. Overall, a number of programs under this issue were reorganized to fit better under the housing production and preservation goal in the Housing Element Update. New incentive programs and means to reduce constraints were also created.

The following programs were able to achieve their objectives relating to Governmental and Non-Governmental Constraints and are no longer needed, so they are not included in the Housing Element Update:

- Promote the Production of Large Housing Units by Changing the Density Calculation Methodology
- City Planning Commission (In-fill Housing Subcommittee Recommendations and Housing Crisis Task Force Recommendations)
Chapter 6  Housing Goals, Objectives, Policies and Programs

The City of Los Angeles is committed to providing affordable housing and amenity-rich, sustainable neighborhoods for its residents, answering the variety of housing needs of its growing population. Toward this end:

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

The City of Los Angeles will achieve this goal amidst a variety of governmental, infrastructure, and market constraints to residential development through aligning its actions in accordance with four detailed goals, each of which contain objectives, policies, and implementing programs. These goals embody the City’s commitment to meeting housing needs. The four detailed goals are as follows:

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

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

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

**Goal 4**  
A City committed to ending and preventing homelessness.
The objectives under each goal further speak to the nuances of housing needs across a city as diverse in population and housing needs as Los Angeles. The corresponding policies formulate the City's housing approach of creating complete mixed-use, mixed-income neighborhoods strategically located across the City that provide opportunities for housing, jobs, transit and basic amenities for all segments of the population. Each program was crafted to meet particular housing needs of the City, whether they are renters or homeowners, or populations with special needs. As the City is committed to environmental stewardship, there are programs that are tailored to conservation and efficient use of scarce resources in residential development. Together, these goals, objectives, policies and programs comprise the City's housing action plan for the 2006-2014 planning period. These goals, objectives, policies, and programs will guide daily decision-making by City officials and staff, while equipping citizens with the awareness of the housing programs that the City initiated to meet its overall housing goal and a sense of the overall approach the City is taking regarding housing.

The Housing Element 2006-2014 policies and programs will be implemented by many City departments and agencies. With each program description herein, the primary City departments responsible for implementation are identified as “Lead Agencies.” A brief description of each of these departments is contained in Appendix J.

Each program has quantified targets. The table below summarizes the combined housing production targets of all programs.

Table 6.1 Quantified Objectives 2006-2014

<table>
<thead>
<tr>
<th>Income Level</th>
<th>New Construction Units</th>
<th>Rehabilitation Units</th>
<th>Conservation/Preservation Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremly Low-Income</td>
<td>4,344</td>
<td>4,722</td>
<td>17,477</td>
</tr>
<tr>
<td>Very Low-Income</td>
<td>8,576</td>
<td>2,964</td>
<td>1,790</td>
</tr>
<tr>
<td>Low-Income</td>
<td>8,582</td>
<td>7,605</td>
<td>640</td>
</tr>
<tr>
<td>Moderate-Income</td>
<td>4,415</td>
<td>413</td>
<td>750</td>
</tr>
<tr>
<td>Above Moderate Income</td>
<td>86,961</td>
<td>634,690</td>
<td>250</td>
</tr>
<tr>
<td>Total</td>
<td>112,876</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In addition to the housing units reflected in the above table, the City is committed to implementing a number of programs that preserve and maintain significant additional housing that cannot be quantified into units as follows:

- Maintenance and conservation of over 39,000 multi-family buildings by preserving residential and SRO hotels, completing urgent repairs, enforcing nuisance abatement, and a number of other programs. The number of units per building varies vastly, from 100 units in a residential hotel to 10 units in a building where nuisance abatement is being pursued.
• Fund and provide other support for the maintenance of short-term housing for homeless persons, including emergency shelter beds and transitional housing beds. This includes over 1,000 beds for victims of domestic violence, 200 beds for persons living with HIV/AIDS, over 1,700 general emergency shelter beds, over 2,800 general transitional housing beds, and over 1,700 winter shelter beds (provided from December through March of each year, as required by weather conditions). These beds generally serve extremely low-income households and individuals.

• Rental subsidies through various U.S. Department of Housing and Urban Development (HUD) funding sources used by qualifying households to help pay rent in market rate units across the City. For example, general Housing Choice Vouchers support approximately 37,000 households; targeted Housing Choice Vouchers serve another 4,000 homeless persons; and other rental assistance programs serve persons living with HIV/AIDS and persons with disabilities.

The following acronyms are used in the program descriptions.

Table 6.2 List of Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AHTF</td>
<td>Affordable Housing Trust Fund, City of Los Angeles</td>
</tr>
<tr>
<td>BEDI</td>
<td>Brownfields Economic Development Initiative, HUD</td>
</tr>
<tr>
<td>CalHFA</td>
<td>California Housing Finance Agency</td>
</tr>
<tr>
<td>CalHOME</td>
<td>CalHome Mortgage Assistance Program</td>
</tr>
<tr>
<td>CDBG</td>
<td>Community Development Block Grant</td>
</tr>
<tr>
<td>CDD</td>
<td>Community Development Department, City of Los Angeles</td>
</tr>
<tr>
<td>CDLAC</td>
<td>California Debt Limit Allocation Committee</td>
</tr>
<tr>
<td>CLA</td>
<td>Chief Legislative Analyst, City of Los Angeles</td>
</tr>
<tr>
<td>CRA/LA</td>
<td>Community Redevelopment Agency/Los Angeles</td>
</tr>
<tr>
<td>DCP</td>
<td>Department of City Planning, City of Los Angeles</td>
</tr>
<tr>
<td>DHS/FEMA</td>
<td>Department of Homeland Security/Federal Emergency Management Agency</td>
</tr>
<tr>
<td>DOD</td>
<td>Department on Disability, City of Los Angeles</td>
</tr>
<tr>
<td>DONE</td>
<td>Department of Neighborhood Empowerment, City of Los Angeles</td>
</tr>
<tr>
<td>DPW</td>
<td>Department of Public Works, City of Los Angeles</td>
</tr>
<tr>
<td>EAD</td>
<td>Environmental Affairs Department, City of Los Angeles</td>
</tr>
<tr>
<td>EDI</td>
<td>Economic Development Initiative, HUD</td>
</tr>
<tr>
<td>EOO</td>
<td>Emergency Operations Organization, City of Los Angeles</td>
</tr>
<tr>
<td>EMD</td>
<td>Emergency Management Department, City of Los Angeles</td>
</tr>
</tbody>
</table>

City of Los Angeles Housing Element 2006-2014
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG</td>
<td>Emergency Shelter Grant</td>
</tr>
<tr>
<td>GSD</td>
<td>General Services Department, City of Los Angeles</td>
</tr>
<tr>
<td>HACLA</td>
<td>Housing Authority of the City of Los Angeles</td>
</tr>
<tr>
<td>HOME</td>
<td>Home Ownership Made Easy Investment Partnerships Program</td>
</tr>
<tr>
<td>HOPWA</td>
<td>Housing Opportunities for People with AIDS</td>
</tr>
<tr>
<td>HRC</td>
<td>Human Relations Commission, City of Los Angeles</td>
</tr>
<tr>
<td>HUD</td>
<td>United States Department of Housing and Urban Development</td>
</tr>
<tr>
<td>ITA</td>
<td>Information Technology Agency, City of Los Angeles</td>
</tr>
<tr>
<td>LADBS</td>
<td>Los Angeles Department of Building and Safety, City of Los Angeles</td>
</tr>
<tr>
<td>LADOT</td>
<td>Los Angeles Department of Transportation, City of Los Angeles</td>
</tr>
<tr>
<td>LADWP</td>
<td>Los Angeles Department of Water and Power, City of Los Angeles</td>
</tr>
<tr>
<td>LAFD</td>
<td>Los Angeles Fire Department, City of Los Angeles</td>
</tr>
<tr>
<td>LAHD</td>
<td>Los Angeles Housing Department, City of Los Angeles</td>
</tr>
<tr>
<td>LAHSA</td>
<td>Los Angeles Homeless Services Authority</td>
</tr>
<tr>
<td>LAPD</td>
<td>Los Angeles Police Department, City of Los Angeles</td>
</tr>
<tr>
<td>LAUSD</td>
<td>Los Angeles Unified School District</td>
</tr>
<tr>
<td>LIHTC</td>
<td>Low Income Housing Tax Credit</td>
</tr>
<tr>
<td>LMIHF</td>
<td>Low and Moderate Income Housing Fund</td>
</tr>
<tr>
<td>MCC</td>
<td>Mortgage Credit Certificate</td>
</tr>
<tr>
<td>MHFF</td>
<td>Municipal Housing Finance Fund</td>
</tr>
<tr>
<td>MHSA</td>
<td>Mental Health Services Act</td>
</tr>
<tr>
<td>OCA</td>
<td>Office of the City Attorney, City of Los Angeles</td>
</tr>
<tr>
<td>PSHP</td>
<td>Permanent Supportive Housing Program</td>
</tr>
<tr>
<td>RAP</td>
<td>Department of Recreation and Parks, City of Los Angeles</td>
</tr>
<tr>
<td>RSO Fees</td>
<td>Rent Stabilization Ordinance Fees</td>
</tr>
<tr>
<td>SCAG</td>
<td>Southern California Association of Governments</td>
</tr>
<tr>
<td>SCEP Fees</td>
<td>Systematic Code Enforcement Program Fees</td>
</tr>
<tr>
<td>SCQAMD</td>
<td>South Coast Air Quality Management District</td>
</tr>
<tr>
<td>SHP</td>
<td>Supportive Housing Program</td>
</tr>
</tbody>
</table>
A: Housing Production and Preservation

Provision of an adequate supply of both rental and ownership housing for all income levels is paramount to minimizing housing problems such as overcrowding and overpayment that are common in the City. As Los Angeles is renter-dominated, programs to assure an adequate supply of rental housing are needed in addition to helping to facilitate ownership where possible. Due to the advanced age of the City’s housing stock, programs to address building conditions will facilitate the upkeep of housing for the benefit of resident health. In addition, current and future City households comprise a diverse set of needs that can only be met by providing a wide variety of housing types. Serving City residents also requires that housing options be equitably distributed across the City to promote access to job opportunities and services. As such, in order to meet this goal, the following City policies and programs provide mechanisms to minimize barriers and provide financial incentives where possible to promote the production and preservation of a diverse, safe, healthy and affordable housing stock.

GOAL 1

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

Objective 1.1

Plan the capacity and develop incentives for the production of an adequate supply of rental and ownership housing for households of all income levels and needs.

Policy 1.1.1

Promote home ownership opportunities and support current homeowners in retaining their homeowner status.

Programs

A. Homebuyer Assistance: Purchase Assistance

Provide financial assistance to low- and moderate-income first-time homebuyers for down payment, closing and rehabilitation costs. Assistance is ultimately structured as a soft-second mortgage for the borrower with deferred repayment.

Lead Agency: LAHD
Funding Source: CDBG, HOME, American Dream Downpayment Initiative, General Fund, MHFF, CalHOME
Objective:  366 loans for low income homebuyers  
200 loans for moderate income homebuyers  
72 loans for above moderate income homebuyers  
Schedule:  2006 - 2014  

B. Homebuyer Assistance: Mortgage Credit Certificates (MCCs)  
Provide first-time homebuyers with a federal tax credit of up to 20% of the mortgage interest 
paid, effectively allowing buyers to qualify for and support a larger mortgage. Regularly apply 
to the California Debt Limit Allocation Committee (CDLAC) for an allocation of MCCs. Work 
with participating lenders to provide mortgages which take into account the value of the MCC.  
Lead Agency: LAHD  
Funding Source: CDLAC  
Objective:  168 MCCs for low income homebuyers  
252 MCCs for moderate income homebuyers  
Schedule:  2006 - 2014  

C. For-Sale Developer Assistance: Forward Commitment Program  
Enter into contracts with developers to provide purchase assistance to eventual homebuyers in 
return for a set-aside of newly-constructed units for moderate-income buyers.  
Lead Agency: LAHD  
Funding Source: MHFF, General Fund  
Objective:  Contracts for 30 moderate income homebuyers  
Contracts for 85 above moderate income homebuyers  
Schedule:  2006 - 2014  

D. For-Sale Developer Assistance: Small Sites Development Opportunities  
Provide loans to developers for the acquisition and rehabilitation of existing single-family 
homes or the new construction of single-family homes for low-income, first-time homebuyers.  
Lead Agency: LAHD  
Funding Source: CDBG, HOME  
Objective:  Finance for-sale developments, providing 44 low-income ownership units  
Schedule:  2006 - 2014
E. For-Sale Developer Assistance: In-fill Housing Development

Identify sites for in-fill, for-sale housing development for first-time homebuyers of all income levels within CRA/LA project areas with focus on small lot development opportunities. The CRA/LA will provide funding to assist such projects.

Lead Agency: CRA/LA
Funding Source: Tax Increment, Low and Moderate Income Housing Fund (LMIHF)
Objectives: 45 for-sale moderate income units and 5 low income units annually
Schedule: 2006 - 2014

F. For-Sale Developer Assistance: New Housing Opportunities

Identify and fund the construction of new for-sale developments or affordable/workforce units in larger for-sale developments.

Lead Agency: CRA/LA
Funding Source: Tax Increment, LMIHF
Objective: 45 for-sale moderate-income units and 5 for-sale low-income units annually in the CRA/LA Downtown project areas
Schedule: 2006 - 2014

G. For-Sale Developer Assistance: Response to Housing Opportunities

Review and respond to unsolicited development proposals in CRA/LA Redevelopment Project Areas for consistency with CRA/LA Redevelopment Plans. Meet with developers, provide technical assistance, and prepare participation agreements in accordance with Redevelopment Plans.

Lead Agency: CRA/LA
Funding Source: Tax Increment, LMIHF
Objective: 25 for-sale moderate income units and 25 for-sale low income units annually in CRA/LA project areas.
Schedule: 2006 - 2014
H. For-Sale Developer Assistance: Small Lot Subdivisions

Facilitate the development of small lot subdivisions (Zoning Code Section 12.22 C.27), which permit detached, fee simple home ownership on lots as small as 600 square feet, thus providing more affordable alternative for-sale housing types within commercial and multi-family residential zones. The Department of City Planning will provide site specific consultation and advice to prospective subdividers.

Lead Agency: DCP
Funding Source: General Fund
Objective: 314 market-rate units within small lot subdivisions annually
Schedule: Developer Workshop - 2010
Simplified forms and procedures - 2011
Individual developer consultations - 2006 - 2014

Policy 1.1.2
Promote affordable rental housing for all income groups that need assistance.

Programs
A. Mortgage Revenue Bond Financing for New Rental Housing

Issue tax-exempt and taxable multi-family housing mortgage revenue bonds (MRBs) for qualified rental developments, the proceeds of which provide construction financing for new rental housing that includes at least 20% of the units for low and very-low income households. The bond financing ensures affordability for a period of 55 years.

Lead Agencies: LAHD, CRA/LA
Funding Source: Multifamily Mortgage Revenue Bonds
Objective: 75 low-income rental units and 300 above moderate income units annually, through CRA/LA
180 very low-income rental units, through LAHD
Schedule: 2006 - 2014

B. Affordable Housing Trust Fund (AHTF) for New Rental Housing

Provide loans and grants for predevelopment activities, site acquisition, new construction, and other activities that contribute to an increased supply of affordable housing. Maintain federal and local funding sources in the AHTF for funding these loans and grants. Set target to have $100 million/year in new revenues for the Affordable Housing Trust Fund by 2013.
C. New Rental Housing Opportunities

Identify and fund the construction of new rental housing developments. Within the adopted redevelopment project areas, identify under-utilized and vacant parcels that are appropriately located and zoned for residential development, acquire certain of those sites, issue requests for proposals or similar solicitations to both for-profit and non-profit developers, assist in funding applications to local, state and federal sources, and provide as needed predevelopment loans, land write-downs as well as construction loans for remaining funding shortfalls after other funding sources have been explored and identified.

Lead Agency: CRA/LA
Funding Source: Tax Increment, LMIHF, LIHTC, State Bond Proceeds
Objectives: 70 very low income, 70 low income, and 60 moderate income rental units annually
Schedule: 2006 - 2014

D. Response to Rental Housing Opportunities

Review and respond to unsolicited development proposals for consistency with CRA/LA Redevelopment Plans. Identify and fund the construction of new housing opportunities for rental developments. Meet with developers, provide technical assistance, and prepare participation agreements in accordance with Redevelopment Plans.

Lead Agency: CRA/LA
Funding Source: Tax Increment, LMIHF
Objectives: 50 very low income, 50 low income, and 50 moderate income rental units approved annually in CRA/LA project areas.
Schedule: 2006 - 2014
E. Project-Based Rental Assistance

Assist developers in obtaining construction and permanent financing by providing Housing Assistance Payment (HAP) Contracts to developers and guaranteeing a rental stream for qualifying rental developments. Provide HAP Contracts through CRA/LA for developments in Redevelopment Project Areas.

Lead Agency: HACLA
Funding Source: HUD Section 8 funds
Objective: 1,074 (430 extremely low, 644 very low income) households housed through project-based rental assistance vouchers
745 low income units of rental housing
Schedule: 2006 - 2014

F. New Generation Fund—New Affordable Housing

Fund acquisition and predevelopment loans to support the development of new affordable rental and homeownership units.

Lead Agency: LAHD
Funding Source: $10 million in LAHD investment, private investors
Objective: Support the construction of 2,560 new units
Schedule: 2008 - 2014

Policy 1.1.3

Facilitate new construction of a variety of housing types that address current and projected needs of the city’s households.

Programs

A. Housing for Senior and Disabled Persons

Assist developers in developing housing for seniors and for disabled persons through streamlined land use entitlement procedures for a variety of housing types, including: Independent Senior Housing, Assisted Living Care Housing, Skilled Nursing Care Housing and Alzheimer’s/ Dementia Care Housing. Support developers in their applications for public housing funds for very low-, low- and moderate-income seniors and disabled persons, in particular the HUD Section 811 and HUD Section 202 Programs.
Chapter 6 Housing Goals, Objectives, Policies and Programs

Lead Agencies: DCP, CRA/LA, HACLA
Funding Sources: HUD Section 811, HUD Section 202, LMIHF
Objective:
- 50 units for very low income seniors annually
- 50 units for very low income disabled persons annually
Schedule: 2009 - 2014

B. Housing for All Household Sizes and Types

Fund the development of affordable large family housing units (families of 5 or more members) and establish affordable rent levels based upon the allowable family size occupying the large unit, as published and utilized by the City. Fund the development of housing for intergenerational households, including grandparents caring for grandchildren. Fund the development of small housing units, including efficiency units, for small households of 1 or 2 persons.

Lead Agencies: DCP, CRA/LA, HACLA
Funding Sources: LMIHF, HACLA capital funds
Objective: 75 large family low income units and 75 small low income units
Schedule: 2006 - 2014

C. Innovative Housing Unit Design

In the review of development proposals, encourage developers to design and develop modular housing units that employ universal design in order to accommodate different life stages with minimal structural changes. DCP staff will meet with developers, review their plans, and suggest changes to project plans in order to: (1) encourage developers to design for work-at-home needs, such as including the electrical infrastructure to support internet access, computers and other home office equipment; (2) encourage alternative multi-family residential design, such as congregate living and conversion of large homes to multiple independent housing units or shared housing. Explore and propose recommendations for increasing the minimum number of required accessible units in multi-family developments.

Lead Agency: DCP, CRA/LA, LADBS
Funding Sources: General Fund, Tax Increment, LMIHF
Objective:
- 50 very low income units of alternative multi-family housing
- 50 very low income units with universal design elements
- Provide assistance to developers and property owners during project review
D. Alternative Multi-Family Development

Provide technical assistance to develop second units on single-family lots by providing training and support to applicants who are seeking City approval for second dwelling units under Zoning Code Section 12.24 W.43 and W.44, thus encouraging the provision of additional rental housing types.

Lead Agency: DCP
Funding Source: General Fund
Objective: 20 second units on lots annually, including 6 low income units, 7 moderate income units and 7 above-moderate income units
Schedule: 2006 - 2014

E. New Programs to Increase the Production of Affordable Housing

Request the City Council to develop and introduce a motion for City Council consideration of a citywide mixed income ordinance that requires new housing construction to include provisions for the preservation and/or construction of units that are made affordable to extremely low, very low, low, and moderate income households for at least thirty years.

Lead Agency: City Council, Mayor’s Office
Funding Source: General Fund
Objective: Introduce Motion
Schedule: December 2008

F. Small Sites for Affordable Housing

Explore strategies to make the development of affordable housing on small sites more financially feasible. Such strategies might include zoning, incentives, and advocating for changes in state funding regulations. Implement strategies that are determined to be most effective.

Lead Agencies: DCP, CRA/LA, LAHD
Funding Sources: General Fund
Objective: Report to the Mayor and City Council
Draft ordinance, policies, procedures as determined in Study

Schedule: Ordinance, policies, procedures - 2010

Policy 1.1.4
Expand location options for residential development, particularly in designated Centers, Transit Oriented Districts and along Mixed-Use Boulevards.

Programs
A. Adaptive Reuse
Facilitate and provide incentives, and expand the opportunities for, adaptive reuse of existing, economically obsolete commercial buildings to be used for housing, in accordance with the Downtown Adaptive Reuse Ordinance (Zoning Code Section 12.22 A 26 and Section 12.95.3 F 1 (h)) and the Citywide Adaptive Reuse Ordinance (Zoning Code Section 12.24 X 1). Concessions in the Zoning and Building Codes facilitate the modification and conversion of these buildings to residential use. Explore additional incentives to facilitate adaptive reuse, such as shared or publicly developed parking opportunities to support proposed developments. Explore additional requirements in order to meet a broader spectrum of housing needs. Prepare a report addressing the comprehensive impacts of such additional requirements.

Lead Agencies: DCP, CRA/LA

Funding Sources: General Fund, Tax Increment and LMIHF

Objective: 450 market rate and 50 affordable housing units annually

Schedule: Report on impediments and analysis of requiring affordable component - 2009
Revised ordinance - 2010
Facilitate proposed developments - 2006 - 2014

B. Redevelopment of City-Owned Property
Analyze City-owned property for residential redevelopment potential for very low-, low- and moderate-income housing, including surplus, non-super vacancy and developed parcels. Analyze City-owned parking facilities for potential joint development of housing, transit-oriented uses and parking structures. Evaluate the barriers and short comings to identifying more available properties under the City-owned excess property program to guide formulation of a new program. Regularly post updated inventory of City-owned property and the identified
redevelopment potential on the Housing Department’s website. Publicly post City proposals for redevelopment of City-owned property and solicit development partners to conduct the redevelopment.

Lead Agencies: LAHD, CRA/LA, DCP, LADOT, GSD

Funding Sources: General Fund, Tax Increment, LMIHF, HOME, CDBG

Objective: Post updated inventory of City-owned property at least once a year Create opportunity for development of: 50 low-income rental units through CRA/LA 188 low-income rental units 31 low-income homeownership units 15 moderate income homeownership units 15 above-moderate homeownership units

Schedule: 2008 - 2014

C. Industrial Land: Redevelopment Opportunities

Conduct analysis of industrial land to identify those limited parcels no longer viable or appropriate for long-term industrial use. In these limited locations, pursue changes in land use designations and zoning for such parcels as well as recommendations for affordable housing objectives through comprehensive Community Plan Updates in order to facilitate redevelopment of qualifying industrial land for housing.

Lead Agencies: DCP, CRA/LA, EAD

Funding Sources: General Fund, CDBG, Federal Economic Development Administration Funding

Objective: Complete Industrial Land Use Study and 16 Community Plan Updates Adopt regulations requiring affordable housing set-aside with redevelopment of industrial land Create opportunity for development of 400 market rate work force housing units and 100 affordable housing units during the planning period, including 25 extremely low-income units, 25 very low-income units, 25 low-income units, and 25 moderate-income units

D. Redevelopment of Brownfield Industrial and Commercial Sites

Explore redevelopment of brownfield commercial and industrial sites and the use of public funds for housing and/or mixed use development on such sites when commercial or industrial use is not appropriate. Support funding applications for brownfield clean-up and redevelopment for housing on brownfield commercial sites that are well-served by public transit and that are proximate to public facilities and amenities. Support funding applications for brownfield clean-up and redevelopment for housing on limited brownfield industrial sites where the sites can be cleaned to an acceptable level and where their use for industrial or other jobs-producing purposes is limited by inadequate infrastructure, proximity to sensitive uses such as homes, schools and hospitals, and where such use would be more consistent with the intent of the general plan.

Lead Agencies: DCP, CRA/LA, EAD, CDD

Funding Sources: General Fund, CDBG, Federal Economic Development Administration Funding, EDI, BEDI, Tax Increment, LMIHF, LIHTC, State Bond Proceeds

Objective: Environmental clean-up of at least five brownfield sites
Create opportunity for 100 units, including 10 very low and 10 low income units

Schedule: Site identification, acquisition and clean-up - 2008 - 2011
Development of up to 100 units - 2011 - 2014

E. Public Facilities Zoned Land: Joint Use Opportunities

In conjunction with LAUSD, explore the potential to reconfigure older school sites in order to make land available for community uses, including affordable housing. Explore redevelopment and joint use of other public facilities sites that may be appropriate for housing. As opportunities are identified, establish project-based partnership with LAUSD and pursue project-based resources for the joint redevelopment of LAUSD sites.

Lead Agencies: DCP, CRA/LA, GSD

Funding Sources: General Fund, Tax Increment, LMIHF

Objective: Create opportunities for 50 very low and 50 low income units during the planning period

Schedule: Identify potential LAUSD sites - 2006 - 2008
Secure entitlements for housing on 2 LAUSD sites - 2008 - 2011
Propose 5 sites to LAUSD Board - 2010 - 2014
F. Infill Opportunities

Assist developers and planners in identifying residential development infill opportunities through the use of a computer-based tool, the Infill Scenario Mapping System. Complete development of the tool, which allows users to test infill strategies and identify parcel-based development potential that meet various parameters. Identify residential infill strategies in designated Centers, in Transit Oriented Districts, along Mixed-Use Boulevards, along transit corridors, and within residential neighborhoods.

Lead Agencies: DCP, CRA/LA

Funding Sources: SCAG and Private Grants

Objective: Assist planners and developers to identify 10 new locations for residential development annually

Schedule: Identify software needs and costs - 2011
Create pilot on ZIMAS - 2012

G. Infill Opportunities: Downtown Center

Encourage development of additional housing in the Downtown Center through incentives and identification of infill opportunities and through appropriate rezoning and General Plan changes. Through the Transfer of Floor Area Rights (TFAR) incentive, enable the transfer of unutilized floor area to desired development sites and collect public benefit fees (see program below, “Downtown TFAR Public Benefit Fee”) to support the development of community amenities and affordable housing.

Lead Agencies: DCP, CRA/LA

Funding Sources: General Fund

Objective: Create locations for 700 housing units, including 40 moderate, 30 low, and 30 very low income units

Schedule: 2008 - 2014

H. Coordination of Infrastructure Improvements

Identify infrastructure needs, target infrastructure investments in neighborhoods that support housing (i.e. parks, roads, transit, schools, libraries, police and fire stations); conduct regular coordinating meetings with departments responsible for infrastructure planning to monitor implementation. Explore incorporating facilities financing plans within each Community Plan update. Explore the feasibility and efficacy of allocating a percentage of budgets for parks,
street and sidewalk improvements, and tree trimming to a fund exclusively for projects in areas where affordable housing has been built or planned.

Lead Agencies: DCP

Funding Sources: General Fund

Objective: Facilities financing plan in up to 8 updated Community Plans

Schedule: Develop template for community plan-specific infrastructure needs - 2009
Matrix of infrastructure costs - 2010
Create financing methodology and adopt with new Community Plans - 2011 - 2014

**Policy 1.1.5**

Develop financial resources for new construction of affordable housing.

**Programs**

**A. Permanent and New Funding Sources for the Affordable Housing Trust Fund**

Develop a local, permanent funding source for the Affordable Housing Trust Fund (AHTF) that provides additional funding annually for new affordable housing development projects (including predevelopment, site acquisition, new construction and rehabilitation activities for rental and for-sale units) and for permanent supportive housing for chronically homeless persons. Explore options for generating funds locally, such as fees on development or on other activity.

Lead Agencies: LAHD

Funding Sources: General Fund, potential local or state bonds, potential Federal Economic Development Administration Funding sources

Objective: $100,000,000 annually

Schedule: 2006 - 2014

**B. Advocate for State and Federal Housing Funds**

Advocate for adequate levels of affordable housing development funds from State and Federal agencies, given the high land and construction costs in Los Angeles and the magnitude of low-income households. Advocate for funding levels to track inflation. Obtain City Council support of State and Federal legislation and state-wide voter initiatives that create funding programs, create new sources of funds (i.e., bond initiatives), and allocate funding to new and existing affordable housing development programs.
Lead Agencies: CLA, Mayor’s Office, LAHD

Funding Sources: General Fund

Objective: Support State and Federal bills that provide funds for affordable housing development in the City of Los Angeles in each legislative session

Schedule: 2006 - 2014

C. Affordable Housing Public Benefit Fee

Study the feasibility of an Affordable Housing Public Benefit Fee that is assessed citywide on all commercial and residential development, industrial to residential zone changes and condominium conversions for the purpose of creating a permanent funding stream for the Affordable Housing Trust Fund and/or infrastructure improvements that may be necessary to accommodate the development. Complete the required nexus study for establishing such a fee and report the findings to the City Council and Mayor.

Lead Agency: DCP, CRA/LA, LAHD

Funding Sources: General Fund

Objective: Complete nexus study to establish a Public Benefit Fee

Adopt amendments to the Zoning Code to implement a Public Benefit Fee

Target $20 Million in fees collected to support affordable housing development and/or infrastructure improvements

Schedule: Nexus Study - 2009

Adopt Ordinance - 2010

Collect Fees - 2010 - 2014

D. Downtown TFAR Public Benefit Fee

Assess a Public Benefit Fee on all projects in the Downtown Area that use TFAR. Consider dedicating a portion of the Public Benefit Trust Fund payment to the Affordable Housing Trust Fund for projects that use the TFAR ordinance. The payment deposited into the AHTF will be used for affordable housing development in downtown or within 3 miles of the project receiving TFAR.

Lead Agency: CRA/LA, DCP

Funding Sources: Developer Fees

Objective: $20 Million for affordable housing development

Schedule: 2007 - 2014
**Policy 1.1.6**
Facilitate innovative models that reduce land, materials and labor costs.

**Programs**

**A. Off-Site Parking Options**
Facilitate the development of shared and off-site parking options, including traditional parking structures and robotic parking structures. Continue implementation of the Venice parking impact trust fund, and facilitate establishment of parking impact trust fund in other neighborhoods accommodating off-site parking options, as a means to fund shared parking facilities/structures.

Lead Agencies: DCP, LADOT

Funding Sources: General Fund and Fees for users, Parking Revenue Bonds, Special Parking Revenue Fund

Objective: Reduce the cost of housing production by reducing the cost of parking in 10 neighborhoods

Schedule: Draft State Building Code amendments for robotic parking structures - 2010
Amend State Building Code for robotic parking structures - 2012
Robotic parking for 10 projects - 2010 - 2014

**B. Cooperative Labor Agreements and Cooperative Materials Purchasing Agreements**
Facilitate meetings of residential developers to explore the possibility of cooperative labor agreements and cooperative materials purchasing agreements as mechanisms to reduce development costs. Assist in developing the structure and implementation of such tools among developers.

Lead Agencies: CRA/LA

Funding Sources: General Fund, Tax Increment (administrative cost only)

Objective: Demonstration cooperative agreement for labor and/or materials among several residential developers

Schedule: 2009 - 2014
C. Land Ownership Alternatives

Identify and evaluate alternative land ownership models for affordable housing, such as land trusts and leased land. Consider demonstration projects as a means to inform the feasibility of a citywide program.

Lead Agencies: CRA/LA

Funding Sources: General Fund, Tax Increment, LMIHF

Objective: Demonstration project with one or more developers employing alternative land ownership structures

Schedule: 2010 - 2014

Policy 1.1.7

Strengthen the capacity of the development community to develop affordable housing.

Programs

A. Case Management and Case Processing Assistance

Provide case management and case processing assistance for housing developers and applicants. Prioritize affordable housing developments for this assistance. DCP will provide one-on-one assistance to all housing projects. When there are multiple projects requesting assistance, DCP and LADBS staff will assist affordable housing projects before all others.

Lead Agencies: DCP, LADBS

Funding Sources: General Fund

Objective: Assist 50 projects per year

Schedule: Identify roles; program structure, fees; train staff - 2007 - 2009
Individual developer consultations - 2006 - 2014

B. Employer-Assisted Housing

Explore models for large employers to provide housing for employees. Provide technical assistance to interested employers. If useful models emerge, the City will take the next steps to develop an action plan, identify the most promising employer willing to work with the City, and develop a pilot program on a specific site.

Lead Agencies: CRA/LA, CDD

Funding Sources: General Fund, Tax Increment, LMIHF (administrative costs only)
Objective: Create 50 moderate and 50 above moderate housing units as demonstration project with one employer
Schedule: 2008 - 2014

Objective 1.2
Develop incentives for the preservation of quality rental and ownership housing for households of all income levels and special needs.

Policy 1.2.1
Facilitate the maintenance of existing housing in decent, safe, healthy, and sanitary condition.

Programs
A. Systematic Code Enforcement Program (SCEP)
Inspect all multifamily rental housing regarding maintenance, use and habitability for compliance with the Housing Code and the California Health and Safety Code at least once every four years. Re-inspect non-compliant properties until compliance is achieved.

Lead Agencies: LAHD
Funding Sources: General Fund, SCEP Fees
Objective: Inspect 1,629,553 rental units
Schedule: 2006 - 2014

Policy 1.2.2
Encourage and incentivize the preservation of affordable housing to ensure that demolitions and conversions do not result in the net loss of the City’s stock of decent, safe, healthy, sanitary, or affordable housing. Encourage but not require one-for-one replacement of demolished affordable units, except as mandated by law or ordinance.

Programs
A. Single Family Rehabilitation
Provide minor home repair services and installation of safety, security and accessibility features (i.e., locks, peep holes, grab bars, automatic gas shut-off valves) for low-income, elderly and disabled residents. Services are provided by City-approved contractors through the Handy-worker and Home Secure Programs.
Lead Agencies: LAHD
Funding Sources: CDBG
Objective: 3,052 extremely low income units
2,050 very low income units
1,178 low income units
Schedule: 2006 - 2014

B. Residential Rehabilitation
For properties of 1-4 units, provide loans to low-income property owners or owners of properties occupied by low-income tenants for rehabilitation and general improvement costs. In the case of the CRA/LA Neighborhood Home Rehabilitation Loan Program, target community revitalization and redevelopment areas with both interior (code and related upgrades) and exterior (neighborhood beautification and stabilization) improvements. Provide direct loans to property owners and interest write-downs to participating lenders for direct loans to property owners to fund property upgrades for building code compliance. Under special targeting of the Small Rental Rehabilitation Program, provide loans to property owners of buildings with 5-28 units for general habitability upgrades as well as for upgrades for building code compliance.

Lead Agencies: LAHD, CRA/LA
Funding Sources: CDBG, HOME, LMIHF, Tax Increment
Objective: 189 very low income units
290 low income units
Schedule: 2006 - 2014

C. Utility Maintenance Program
Prevent termination of utility service and displacement of tenants in multi-family master-metered properties when owners fail to pay utility bills. Apartment buildings are referred to the program, and tenants pay rent to the City and avoid utility shut-off, until the property owner pays all delinquent utility bills.

Lead Agencies: LADWP, LAHD
Funding Sources: RSO Fees and SCEP Fees
Objective: Prevent the vacation of 2,050 master-metered apartment buildings
Schedule: 2006 - 2014
D. Residential Rehabilitation of Obsolete Public Housing

Identify obsolete public housing sites and implement major rehabilitation, redesign, and/or demolition and replacement, including modifications to housing units, office and community spaces. Improvements include changes in density, unit mix, site design, amenities, traffic circulation, and parking patterns without a net loss of affordable housing at current levels of affordability. Continue rehabilitation efforts at Harbor View. Initiate rehabilitation efforts at Jordan Downs.

Lead Agencies: HACLA

Funding Sources: Public/Private mix

Objective: Complete revitalization of Harbor View and Jordan Downs
77 above moderate-income, 200 moderate-income, 25 low-income, and 103 very low-income units in the Harbor View Development
280 extremely low income, 280 very low income, and 140 low income 1-for-1 replacement Public Housing units; 700 workforce housing units and market rate homeownership; 700 market rate rental units in the Jordan Downs Development

Schedule: 2006 - 2014

E. Residential Hotel and Single Room Occupancy (SRO) Hotel Preservation

Preserve residential hotels and SROs in accordance with the Residential Hotel Unit Conversion and Demolition Ordinance and in accordance with CRA/LA Development Guidelines and Controls for residential hotels and SRO hotels in downtown that provide housing for extremely low and very low income residents, which may include, but are not limited to: (1) restricting the use and redevelopment of hotels to affordable housing unless a fee is paid to the City of Los Angeles in an amount equal to 80 percent of the cost of construction of an equal number of comparable residential units plus 100 percent of the site acquisition costs; the fee will be paid into the Affordable Housing Trust Fund to be used in accordance with the City’s Residential Hotel Ordinance and the CRA/LA Development Guidelines and Controls for Residential Hotels, as applicable. For hotels with more than 250 units, permit conversion of the residential hotel to a mixed-income building where 80 percent of the units are restricted for 55 years as affordable housing units and the remaining 20 percent of the units are available for conversion at market rate; (2) guaranteeing one-for-one replacement of units when a hotel is proposed for conversion or demolition; (3) preventing or mitigating hardship to lower income tenants in the event of redevelopment and displacement; (4) providing the right of first refusal to tenants upon construction completion; (5) assuring that new units provide the same affordability level as previous units; (6) allowing reduction in number of units in order to accommodate amenities such as bathrooms and kitchens.
Lead Agencies: CRA/LA, DCP, LADBS
Funding Sources: CDBG, LIHTC, State Bond Proceeds, Tax Increment, LMIHF, AHTF, PSHP
Objective: Acquisition and rehabilitation of SRO hotels
Schedule: 2008 - 2014

F. Regulation of Conversion and Demolition of Residential Hotels

In accordance with the Residential Hotel Unit Conversion and Demolition Ordinance (RHO), review applications for the demolition or conversion of residential hotels to assure compliance with the ordinance. Require an in-lieu fee or one-for-one replacement of any units demolished or converted. Affordable projects are exempt.

Lead Agency: LAHD
Funding Sources: Administrative Fees
Objective: Preserve 15,000 residential units in 315 hotels or convert to affordable units
Schedule: 2008 - 2014

G. Section 8 Moderate Rehabilitation Single Room Occupancy

To support the rehabilitation of SRO housing units, provide rental assistance for rehabilitated single room occupancy units serving homeless persons.

Lead Agencies: HACLA
Funding Sources: Section 8 Moderate Rehabilitation SRO
Objective: Maintain Section 8 rental assistance for existing 1,300 participating SRO units
Schedule: 2006 - 2014

H. Mobile Home Park Preservation

Preserve residential use of mobile home parks that are in RMP zones and/or within residential areas. Support legislation that expands local authority over conversion of mobile home parks to ownership structures. Provide relocation benefits to mobile home park occupants. Facilitate access to purchase and mortgage assistance to tenants in the event of conversion to ownership.

Lead Agencies: DCP
Funding Sources: General Fund
Objective: Assist 100 mobile park tenants
250 market-rate mobile home park pads in residential areas preserved

Schedule: Council motion to amend relocation assistance ordinance - 2008
Adopt revised ordinance - 2009

I. Preservation of Affordable Housing

Track the dates when affordable housing units will convert to market rate units due to expiration and termination of affordability covenants. Assist owners, tenants and developers in identifying financial resources to preserve existing affordable housing stock. Provide outreach and education to tenants and owners of at-risk and expiring affordable housing. Enforce the State Notice requirement law with respect to projects pending conversion to market rate.

Lead Agencies: LAHD, CRA/LA, HACLA
Funding Sources: CDBG, Tax Increment, LMIHF, HOME, Section 8, General Fund

Objective: Preserve affordability in up to 15,850 expiring units

Schedule: 2006 - 2014

J. Preservation of the Rental Housing Stock - Condominium Conversions

Implement Section 12.95.2 of the Zoning Code in the evaluation of applications for conversions of multi-family rental housing to condominiums. Re-examine and strengthen Zoning Code Section 12.95.2 and the five factors that must be considered in order to make the required finding that a condominium conversion will not have a significant impact on the rental housing market.

Lead Agency: DCP
Funding Source: General Fund, Developer Fees

Objective: Propose Zoning Code amendment

Schedule: 2009

K. Condominium Conversions

Complete a study that identifies strategies to limit the conversion of viable, stable affordable rental housing and/or rental housing that is subject to the Rent Stabilization Ordinance. Develop an ordinance to implement the most effective strategies identified in the study.

Lead Agencies: DCP
Funding Sources: General Fund
Objective: Complete Study
Draft ordinance

Schedule: Completed Study - 2009
Ordinance to City Planning Commission - 2010
Ordinance to City Council - 2010

L. Demolitions - Preservation of Community Character

Complete a study that identifies strategies to discourage the demolition of viable, stable affordable rental housing and/or rental housing that is subject to the Rent Stabilization Ordinance.

Lead Agency: DCP
Funding Source: General Fund

Objective: Complete Study
Draft ordinance

Schedule: Completed Study - 2009
Ordinance to City Planning Commission - 2010
Ordinance to City Council - 2010

M. Preservation of Rent-Stabilized Housing Units

To encourage preservation of housing units subject to the Rent Stabilization Ordinance (RSO). Provide rent adjustments for owners for completed capital improvements, seismic work and rehabilitation in accordance with the Just and Reasonable Rent Increase provisions of the RSO. Provide rent adjustments for owners and tenant protections or temporary tenant relocation when carrying out replacement or substantial modification of major building systems or abatement of hazardous materials, in accordance with the Primary Renovation Program requirements.

Lead Agencies: LAHD
Funding Sources: RSO Fees

Objective: Preserve 633,000 RSO units

Schedule: 2006 - 2014

N. RSO Enforcement

LAHD’s Investigation and Enforcement Unit investigates complaints related to the Rent Stabilization Ordinance (RSO). Determinations are issued to ensure compliance. Non-compliant cases are referred to the City Attorney for legal action.
Lead Agencies: LAHD, OCA
Funding Sources: RSO Fees
Objective: Refer 60 cases to the City Attorney annually
Schedule: 2006 - 2014

O. Preservation through Transfer of Ownership
For properties previously assisted by the City that have fallen into financial trouble, provide stand-by resources to re-acquire properties through foreclosure, provide property management services during interim City ownership, and transfer properties to new owners.
Lead Agencies: CRA/LA
Funding Sources: General Fund, CDBG, Tax Increment, LMIHF
Objective: Rehabilitate 20 substandard housing units per year
Schedule: 2006 - 2014

P. Mortgage Revenue Bond Financing for Rehabilitation of At-Risk Rental Housing
Issue tax-exempt and taxable multi-family housing mortgage revenue bonds (MRBs) for qualified at-risk rental developments, the proceeds of which provide rehabilitation financing for rental housing that includes at least 20% of the units for low-income households. In partnership with developers of qualified rental developments, apply for an allocation of the Statewide MRB authority from the California Debt Limit Allocation Committee (CDLAC) for each project.
Lead Agencies: LAHD
Funding Source: Multifamily Mortgage Revenue Bonds
Objective: Rehabilitate 524 low-income units annually
Schedule: 2006 - 2014

Q. Affordable Housing Trust Fund (AHTF) – At-Risk Rental Housing Rehabilitation
Prioritize loans and grants for predevelopment activities, site acquisition, rehabilitation and other activities that contribute to the preservation of at-risk affordable housing. Maintain federal and local funding sources in the AHTF for funding these loans and grants.
Lead Agency: LAHD
Funding Sources: HOME, General Fund, Tax Increment, LADWP, State and Federal grant funds
Objective: Rehabilitate 113 low-income units annually
Schedule: 2006 - 2014

R. Public Housing Annual Inspections
Conduct annual inspections of public housing units and ensure that needed repairs are completed. Conduct annual inspections of units supported by Section 8 rental assistance.

Lead Agencies: HACLA

Funding Sources: HACLA Operating Funds

Objective: All public housing units inspected annually
All Section 8 units inspected annually

Schedule: 2006 - 2014

S. Lead-Safe Housing: Privately-owned Housing Units
Test and abate lead-based paint in residential rehabilitation and repair projects serving lower income households with children. Disseminate information to residents and property owners regarding lead-safe repair and rehabilitation practices. Conduct outreach to tenants regarding lead hazards, how to identify such hazards, and how to report hazards. Provide “Lead-Related Construction Certification” training to employees of lead remediation contractors.

Lead Agency: LAHD

Funding Sources: HUD rehabilitation loan sources
HUD Lead Hazard Reduction Demonstration Grant Program
HUD Lead-based Paint Hazard Control Grant

Objective: Complete lead abatement in 90 extremely low income units
Complete lead abatement in 135 very low income units
Complete lead abatement in 225 low income units

Schedule: 2006 - 2011

T. Lead-Safe Housing: HACLA Housing Units
Under the Lead-Based Paint Evaluation and Abatement Program, conduct environmental assessments and testing for lead-based paint at public housing sites and within individual units. Abate lead-based paint hazards. Conduct an extensive public education process.

Lead Agency: HACLA

Funding Sources: HUD Public Housing Funds
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Objective: Abate lead-based paint hazards in 35 units annually
Schedule: 2008 - 2014

U. At-Risk Affordable Housing Tenant Outreach and Education

Conduct tenant outreach and education to residents of at-risk affordable housing developments. Outreach will include: education on expiring/terminating affordability restriction; tenants’ rights and responsibilities; working directly with residents, members of the affordable housing community and tenant groups/agencies to facilitate tenant participation in preservation efforts.

Lead Agency: LAHD
Funding Source: MHFF

Objective: Involve up to 8,000 residents of identified at-risk units in preservation efforts
Schedule: 2006 - 2014

V. Preserve Affordability Covenants of At-Risk Units

Monitor and track the dates when affordable housing units will convert to market rate units due to the termination of rental subsidies and/or affordability restrictions. Ensure enforcement of notice requirements, as mandated by federal, state and/or local authority. Assist owners, managers and developers to identify resources and options to extend and/or preserve existing at-risk affordable housing.

Lead Agency: LAHD
Funding Source: General Fund

Objective: Monitor all 15,850 units with expiring covenants
Extend and preserve affordability of up to 2,000 at-risk units

Schedule: 2006 - 2014

W. Mortgage Revenue Bond Financing--Rehabilitation of Affordable Rental Housing

Issue tax-exempt and taxable multi-family housing mortgage revenue bonds (MRBs) for qualified affordable rental developments, the proceeds of which provide rehabilitation financing for existing affordable rental housing that includes at least 20% of the units for very low-income households. The bond financing extends the affordability period for an additional 55 years.

Lead Agency: LAHD
Funding Source: Multifamily Mortgage Revenue Bonds
Objective: Rehabilitate 540 very low-income units
Schedule: 2006 - 2014

**Policy 1.2.3**
Rehabilitate and/or replace substandard housing with housing that is decent, safe, healthy, sanitary and affordable and of appropriate size to meet the City’s current and future household needs.

**Programs**

A. **Urgent Repair Program**
Order property owners to carry out immediate repairs within 48 hours of citation for life-threatening conditions in residential buildings. LAHD carries out repairs if not completed by the owner, and places buildings in the Rent Escrow Account Program (see below) to protect tenants.

Lead Agencies: LAHD
Funding Sources: CDBG, SCEP Fees

Objective: Prevent the vacation of 4,509 market-rate apartment buildings due to life-safety Housing Code and the California Health and Safety Code violations
Schedule: 2006 - 2014

B. **Nuisance Abatement in Vacant Residential Buildings**
Employ code enforcement tactics such as inspections, issuance of Orders to Comply and Abate Orders, owner notifications, case management conferences with property owners, hearings to consider revoking use or occupancy, and civil and criminal court actions to resolve nuisance problems at vacant residential properties. Work with property owners to return vacant properties to productive use and re-occupancy. Work with lenders to transfer foreclosed properties to qualified homeowners. Respond promptly to nuisance complaints.

Lead Agencies: OCA, LAPD, LADBS, LAHD, DCP
Funding Sources: General Fund, CDBG

Objective: Respond to 31,000 nuisance complaints on residential properties annually
Resolve nuisance issues on 25,000 residential properties annually
Schedule: 2006 - 2014
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C. Citywide Nuisance Abatement Program

Coordinate inter-departmental nuisance abatement strategies to target chronic problem properties with illegal activities and gang problems. Coordinate interdepartmental response to neighborhoods experiencing a high concentration of crime and nuisance plagued problem properties. Facilitate the eviction of tenants engaged in narcotics-, weapon-, and gang-related criminal activities.

Lead Agencies: OCA, LAPD, LADBS, DCP
Funding Sources: General Fund, CDBG
Objective: 1,200 chronic problem properties and nuisance issues resolved annually
Schedule: 2006 - 2014

D. Rent Escrow Account Program (REAP)

Administer escrow accounts for substandard residential buildings in which owners have consistently refused to comply with City Housing Code. Tenants continue to pay their rent, but funds accrue to the City-administered escrow account, rather than to the landlord. Under the Rent Reduction Program (RRP) and Habitability Enforcement Program (HEP) components of REAP, tenants may pay lower rents until the apartment building’s services and conditions are restored to a habitable level. Pursue program improvements, such as limiting the time a property remains in REAP, requiring tenants to pay rent into the escrow account, and improving the notification process. Pursue progressive reduction in number of annual cases.

Lead Agencies: LAHD
Funding Sources: RSO Fees and SCEP Fees
Objective: 5,820 cases
Schedule: 2006 - 2014

E. Housing Enforcement (Inter-Agency Slum Housing Task Force)

Coordinate multi-agency (LAHD, LAFD, and LA County Department of Health Services) enforcement at substandard rental housing buildings through issuance of Orders to Comply and prosecutions of violations of the Zoning Code, California Housing Code, Building Code, Fire Code and Health and Safety Codes. Bring civil receivership and Unlawful Business Practice lawsuits against slumlords engaged in illegal management practices. Prosecute violations of LAMC’s Rent Stabilization Ordinance.

Lead Agencies: OCA
Funding Sources: General Fund
Objective: 500 properties subjected to Task Force review and/or prosecution annually
Schedule: 2006 - 2014

F. New Ownership of Substandard Housing
Evaluate and design an implementation strategy for the use of court-appointed receivers to assume operation of substandard housing, abate slum conditions and transfer the property to a new, permanent owner.
Lead Agencies: CRA/LA, OCA
Funding Sources: General Fund, CDBG, LMIHF
Objective: Adopt a receivership program
Place 25 properties into receivership annually
Schedule: 2006 - 2014

G. American Dream Program
Through the City Attorney’s American Dream Program, develop vacant nuisance properties into affordable, workforce and market rate housing, community businesses, and pocket parks. Work with private developers and assist them in acquiring vacant nuisance properties. Assist private developers in navigating the City agencies to obtain approvals, reduce or eliminate nuisance abatement liens, and provide information and general assistance when needed.
Lead Agencies: CRA/LA, OCA
Funding Sources: General Fund, CDBG, LMIHF
Objective: Place 25 properties into American Dream Program annually
Schedule: 2006 - 2014

Policy 1.2.4
Plan for post-disaster reconstruction of housing.

Programs
A. Expedited Residential Recovery
Provide assistance in obtaining land use entitlement approvals, building permits, coordinating inspections and other necessary activities in order to facilitate the required demolition of hazards and the repair, restoration and rebuilding of damaged structures to comparable or
better conditions (as provided for in Zoning Code Sections 12.23 A.4, 12.23 A.5, and 12.24 X.16). Expedite entitlement applications and building permit applications in the event of a natural disaster and provide the building permits for no fee.

Lead Agency: DCP, LADBS
Funding Source: General Fund, DHS/FEMA
Objective: In the event of a natural disaster, issue entitlement approvals within 4 weeks of application for reconstruction
Schedule: 2006 - 2014

B. Emergency Allocation of Residential Reconstruction Funds

In the event of a natural disaster, temporarily suspend City’s underwriting provisions in order to provide emergency funds for the reconstruction of severely damaged residential structures. Seek emergency funds from Federal and State sources. Develop a local funding source for emergency reconstruction needs.

Lead Agency: LAHD, CRA/LA, HACLA
Funding Source: General Fund, Tax Increment, LMIHF, AHTF, FEMA
Objective: In the event of a natural disaster, issue loans and grants within 4 weeks of application for reconstruction funds
Schedule: 2006 - 2014

Policy 1.2.5

Develop financial resources for the long-term affordability of publicly assisted rental and ownership housing.

Programs

A. Resources for Preservation of Affordable Housing

Identify and utilize new tools and resources to preserve existing affordable housing stock. “At risk” developments/units are those with affordable covenants set to expire within five years.

Lead Agencies: LAHD, CRA/LA, HACLA
Funding Sources: CDBG, Tax Increment, LMIHF, HOME, Section 8, General Fund
Objective: Preserve affordability in up to 15,850 expiring units
Expand resources for program administration
Expand resources for the preservation of affordable housing

Schedule: 2006 - 2014

B. Advocate for Affordability Preservation Funds
Advocate at the State and Federal levels for increased funding for the preservation of affordability in publicly-funded housing.

Lead Agencies: LAHD, CRA/LA, HACLA, Mayor’s Office, CLA

Funding Sources: General Fund, Tax Increment (administrative funding only)

Objective: Support State and Federal Bills that provide funds for preserving affordable housing in each legislative session

Schedule: 2008 - 2014

C. Tenant and Tenant-Approved Nonprofit Buyouts of At-Risk Buildings
Identify strategies, such as the Tenant Opportunity to Purchase Act (TOPA), to assist in tenant and tenant-approved nonprofit buyouts where affordable housing is at risk of converting to market rate. A tenant buyout would preserve affordability of at-risk units. Develop an ordinance to implement the most effective strategies identified in the study. Set aside a resource of funding if available. If no opportunities exist in a given year to assist a tenant buyout, the money may be redirected to other affordable housing initiatives.

Lead Agencies: LAHD, CRA/LA

Funding Sources: General Fund, CRA, AHTF, New Generation Fund, Section 8

Objective: Create an effective strategy to assist in tenant and tenant-approved nonprofit buyouts of affordable housing projects where at-risk units would remain affordable under tenant or nonprofit control
Identify the possible funding sources, including a recommended set aside of funding resources appropriate per year

Schedule: Complete study - 2009
Develop ordinance - 2010
D. Los Angeles Inter-Agency Preservation Working Group

Maintain activities of an inter-agency group, established in 2002, to manage and to coordinate preservation of the City’s affordable housing inventory, especially at-risk housing. The group shares information, specific properties/transactions, policy development and proactive efforts to protect the City’s affordable housing. Key participants include LAHD, CRA/LA, HACLA, HUD, property owners, representatives of the Mayor, City Council and local Congressional offices, affordable housing, tenant and legal services advocates.

Lead Agency: LAHD, CRA/LA, HACLA, Mayor’s Office

Funding Source: CDBG, HOME

Objective: Citywide and subregional efforts to create strategies for preserving at-risk housing

Regular reports on strategies identified

Schedule: 2008 - 2014

E. New Generation Fund – Preservation of At-Risk Housing

Fund predevelopment and acquisition loans to affordable housing developers to purchase and preserve at-risk projects. The take-out capital for the project’s rehabilitation (which is provided by other established funding sources, including TCAC, Bonds, MHP) will ensure affordability of each purchased project for an additional 55 years.

Lead Agency: LAHD

Funding Sources: General Fund, private investors

Objective: Support preservation of 640 low-income units

Schedule: 2008 - 2014

Policy 1.2.6

Provide incentives that extend affordability to existing market rate housing units.

Programs

A. Rent Stabilization Ordinance (RSO)

In units built prior to October 1, 1978, regulate rent increases, provide tenant protections, regulate evictions and require tenant relocation assistance from landlords. Register all qualifying rental units. Limit rent increases in units to an annual percentage increase based on the Consumer Price Index. Require filing of a declaration prior to no-fault evictions. Require clear-
ance on demolition permits and permanent removal of units. Provide education to landlords regarding RSO requirements. Provide landlords partial cost recovery of upgrades and replacements to rental units or common areas. Conduct an assessment of the effectiveness of the RSO in the current market.

Lead Agency: LAHD
Funding Source: RSO Fees
Objective: Maintain registration of 633,000 units annually
Protect tenants from unreasonable rent increases while providing landlords with a just and reasonable return
Schedule: 2006 - 2014

B. Housing Choice Voucher Program

Provide rental assistance to very low-income families in the form of vouchers that cover a share of the monthly rental payment of privately-owned market rate rental housing.

Lead Agency: HACLA
Funding Source: HUD Section 8 funds
Objective: Maintain 37,000 Section 8 vouchers for very low-income households
Schedule: 2006 - 2014

C. Section 8 Vouchers for Disabled and Elderly Households

Under specialized programs, provide rental assistance to very low-income persons with disabilities and to elderly persons in the form of vouchers that cover a share of the monthly rental payment of privately-owned market rate housing. Specialized programs include: Aftercare Program for persons in rehabilitation programs and/or receiving supportive services related to their disability; Hope for Elderly Independence Program for frail, elderly persons who have difficulty performing daily living activities; Mainstream Housing Opportunities for Persons with Disabilities for persons with disabilities; Medicaid Waiver Program for Medicaid-eligible disabled persons to continue living in their homes rather than being placed in care facilities.

Lead Agency: HACLA
Funding Source: HACLA Section 8 Funds
Objective: Continue to provide 518 vouchers
Schedule: 2006 - 2014
D. Real Estate Owned (REO) Acquisition

Facilitate the acquisition and rehabilitation of REO residential properties of financial institutions for sale to lower income homebuyers.

Lead Agency: LAHD, CRA/LA

Funding Source: LAHD line of credit, CDBG, Tax Increment, LMIHF, Program Income

Objective: 50 REO properties purchased by low-income households, 50 REO properties purchased by moderate-income households

Schedule: 2006 - 2014

E. Neighborhood Stabilization Program—Foreclosed Properties

To implement the provisions of HR 3221, *(The American Housing Rescue and Foreclosure Prevention Act of 2008 and Emergency Assistance Provision, Public Law No: 110-289)*, by acquiring, rehabilitating, and reselling/renting foreclosed properties to qualified buyers/renters.

Lead Agency: LAHD

Funding Source: Federal Funds

Objective: 1,000 moderate income units (120 percent of AMI) or below acquired, rehabilitated, and resold/rented

25 percent of all funding for very low income units (50 percent of AMI) and below

Schedule: 2009 - 2014

F. Mortgage Revenue Bond Financing – Affordable Units in Market Rate Housing

Issue tax-exempt and taxable multi-family housing mortgage revenue bonds (MRBs) for qualified rental developments, the proceeds of which provide rehabilitation financing for existing market-rate rental housing. The bond financing ensures affordability for a period of 55 years.

Lead Agency: LAHD

Funding Source: Multifamily Mortgage Revenue Bonds

Objective: Rehabilitate 90 units for very low-income households

Schedule: 2006 - 2014


**Policy 1.2.7**
Provide incentives for the preservation of historic residential structures.

**Programs**

**A. Historic Preservation**
Provide incentives for the rehabilitation or adaptive reuse of historic resources in redevelopment project areas. Facilitate the removal of barriers to accessibility in historic buildings.

Lead Agency: DCP, CRA/LA

Funding Source: Tax Increment, LMIHF, General Fund

Objective: 25 units per year in historic structures for moderate income households
Accessible unit(s) in every project

Schedule: 2006 - 2014

**B. Incentives for Affordable Housing in Historic Preservation Overlay Zones**
Provide financial incentives for rehabilitation of affordable housing and of contributing structures in Los Angeles’ 21 historic districts. Provide funding to low-income homeowners in low-income HPOZs.

Lead Agency: DCP, CRA/LA

Funding Sources: CDBG, General Fund

Objective: Rehabilitation of 10 homes occupied by low-income households in HPOZs annually

Schedule: Establish interdepartmental working group to identify potential incentives - 2010
Report to Council on incentives - 2011
Incentives established and posted - 2012

**C. Mills Act Implementation**
The Mills Act is a statewide program implemented at the local level. It allows qualifying owners of historic properties to receive a potential property tax reduction and use the savings to help rehabilitate, restore and maintain their homes. The Office of Historic Resources at the Department of City Planning oversees the project work for the substantial rehabilitation of homes. This program ensures adequate maintenance of housing stock in economically diverse neighborhoods.
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Lead Agency: DCP
Funding Source: General Fund
Objective: 25 homes annually
Schedule: 2006 - 2014

Policy 1.2.8
Strengthen the capacity of the development community to preserve and manage affordable housing.

Programs
A. Rent Stabilization Training Program

Require first time buyers and managers of RSO properties to complete the property management training program within 180 days of registration.

Lead Agency: LAHD
Funding Sources: General Fund
Objective: Complete development of training materials
Distribute information
Schedule: Report to Council - 2009
Adopt new measure - 2010

B. Property Management Training Program

The City will provide funding to agencies that will provide training in housing management skills, including maintenance, rent collection, and filling vacancies, to owners who have been cited for non-compliance with health and safety codes and to owners of recently-purchased distressed buildings. Training provided by apartment owner trade associations.

Lead Agency: LAHD
Funding Sources: RSO Fees and SCEP Fees
Objective: Training completed for 3,413 management entities
Schedule: 2006 - 2014
**Objective 1.3**
Forecast changing housing needs over time in relation to production and preservation needs.

**Policy 1.3.1**
Monitor the production and preservation of the housing supply.

**Programs**

**A. Coastal Zone Monitoring**
Maintain a database of existing housing units serving low- and moderate-income households in the Coastal Zone areas. Track and maintain new construction, conversion and demolition of affordable housing in the Coastal Zone areas of the City, including new construction of affordable housing and replacement affordable housing in or within 3 miles of the Coastal Zone areas.

*Lead Agency:* LAHD, DCP

*Funding Sources:* HOME, CDBG

*Objective:* Annual reports on the status of the affordable housing stock in the Coastal Zone
Monitor and enforce compliance with affordability covenants

*Schedule:* 2006 - 2014

**B. Affordable Housing Monitoring**
Maintain a database of existing housing units citywide serving very low-, low- and moderate-income households, including the location, affordability expiration date, and income level served. Track new construction, conversion and demolition of affordable housing units, including affordable housing production in relation to the City’s Article 34 production targets. Identify affordability covenants in ZIMAS. Publish regular reports on the status of the affordable housing inventory.

*Lead Agency:* LAHD, CRA/LA, HACLA, DCP

*Funding Sources:* HOME, CDBG

*Objective:* Annual reports on the status of the affordable housing inventory
Monitor and enforce compliance with affordability covenants

*Schedule:* 2006 - 2014
C. Citywide Housing Production System

Design database and report software to facilitate tracking the City’s housing production and any covenants which address affordability requirements, such as restrictions on land use, occupant income, rent levels and sales prices. Generate reports and post them on the Housing Department’s web site.

Lead Agency: LADBS, LAHD, DCP

Funding Sources: HOME, CDBG

Objective:
- Create new inter-departmental system
- Generate reports

Schedule: 2008 - 2014

D. RSO Monitoring

Maintain a database of properties subject to and registered with the Rent Stabilization Ordinance (RSO), and maintain records of properties exempt from RSO and rent registration requirement. Track demolitions and conversions of RSO properties. Monitor rental units removed from the rental housing market.

Lead Agency: LAHD

Funding Sources: RSO Fees

Objective: Annual report on the status of RSO properties

Schedule: 2006 - 2014

E. Inventory Update

Monitor the development of sites included in the Housing Element “Inventory of Sites,” including the total number of housing units and the number of affordable, income-restricted units developed. Assess the need to facilitate and provide incentives for the development of sites. Monitor the development of sites by Community Plan area, and assess the need to facilitate and provide incentives within any given Community Plan area in order to encourage the development of housing within that area. Publish regular reports on the development of sites included in the Site Inventory.

Lead Agencies: DCP, LAHD

Funding Sources: General Fund

Objective: Annual report on development of sites included in the Inventory of Sites

Schedule: 2006 - 2014
F. Monitor Housing Production Goals

Establish goals for each City department involved in the production and preservation of housing and monitor progress in meeting those goals. Publish periodic reports on accomplishments in relation to goals.

Lead Agency: DCP, LAHD, CRA/LA, HACLA, LAHSA

Funding Sources: General Fund, CDBG, and Tax Increment

Objective: Periodic report on the City’s housing production and preservation goals and accomplishments

Schedule: 2006 - 2014

G. Annual Report on the City’s Housing Stock

Identify and track new residential development, including single family and multifamily units, additions, alterations and demolitions. Publish regular reports on changes in the residential stock.

Lead Agency: DCP

Funding Sources: General Fund

Objective: Quarterly and annual reports on residential building activity
Regular report on changes in the rental housing stock

Schedule: 2006 - 2014

H. Monitor the Affordable Housing Incentives Program

Track the production of affordable housing units produced as a result of density bonus requests, including the location and income levels served. Track affordable housing units created through the granting of parking reductions, including: the number of affordable housing units exchanged for the concession; the location; and, income levels served. Track and assess the granting of other incentives in conjunction with density bonus requests. Assess the need to make adjustments to incentives and to the Affordable Housing Incentives Program Guidelines. Take steps to address the problems identified in the monitoring and tracking.

Lead Agency: DCP, LAHD

Funding Sources: General Fund, HOME, CDBG
Objective: Periodic report on affordable housing units produced as a result of land use incentives

Schedule: Create multi-department systems working group - 2009
Draft of new tracking system - 2010
Final tracking system developed; pilot tracking - 2011
Track affordable housing; post results quarterly - 2011-2014

Policy 1.3.2
Advocate for the production of data necessary for the City’s planning purposes, particularly with regard to special needs populations.

Programs
A. Advocacy for State and Federal Data Production
Advocate for State and Federal legislation that supports the production and collection of data needed for the City’s planning purposes, particularly with regard to special needs populations.

Lead Agency: DCP, CLA, Mayor’s Office, DOD, CDD, LAHD

Funding Sources: General Fund (for administrative costs only)

Objective: Support State and Federal bills that provide for the production and collection of data that supports the City’s planning needs

Schedule: 2006 - 2014

B. Collaboration on Data Production and Collection
Collaborate with federal, state, regional, and county agencies to produce and collect data to support the City’s planning purposes. Provide financial support for the regional bi-annual Homeless Count, which includes analysis of data on a City level.

Lead Agency: DCP, CLA, CDD, LAHD, LAHSA

Funding Sources: General Fund, CDBG, Emergency Shelter Grants

Objective: Additional data from Federal, State, regional and County agencies Homeless Count with City of Los Angeles data

Schedule: 2006 - 2014
C. Census 2010

Assist the U.S. Census Bureau with outreach and education to the community in order to obtain more complete and accurate data collection and reporting in the 2010 Census, particularly with regard to data necessary for assessing the City's housing needs.

Lead Agency: DCP, CLA, OCA, ITA, Mayor's Office, LAHD

Funding Sources: General Fund, CDBG, other grant funds

Objective: Census forms and methodologies that better reflect the City’s needs

Schedule: 2006 - 2010

Policy 1.3.3

Collection, report and project citywide and local housing needs on a periodic basis.

Programs

A. Housing Needs Assessment by Community Plan Area

In accordance with the growth strategies adopted in the General Plan Framework, identify the housing needs of each community when each Community Plan is updated. Assure that revised Community Plans include the identification and implementation of measures needed to achieve appropriate housing capacities. Include fair share affordable housing goals that are consistent with the City's growth strategy in the 12 Community Plan updates that are currently in progress.

Lead Agency: DCP

Funding Sources: General Fund

Objective: Adopt revisions of Community Plans that include the designation of appropriate locations and densities of housing
 Adopt implementation measures to assure that such sites are designated and zoned appropriately
 Develop different scenarios for each community to reach fair share goals in the Community Plans where updates will not be completed by 2014 and conduct public participation process to discuss and select the preferred scenario

Schedule: 2006 - 2014
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B. Database for Evaluating Housing Needs

Maintain a database of population, employment, income, infrastructure, housing, and service capacities within the City and within each Community Plan Area to enable the ongoing evaluation of citywide and local housing needs. Publish regular reports of socioeconomic and demographic data on a citywide basis and by Community Plan Area. Publish special reports of socioeconomic and demographic data in response to unique requests. Provide socioeconomic and demographic data to the public through various media, including the DCP website.

Lead Agency: DCP

Funding Sources: General Fund, CDBG (for administrative costs only)

Objective: Database of current socioeconomic and demographic data
        Periodic reports of socioeconomic and demographic data

Schedule: 2006 - 2014

C. Adjust Production and Preservation Goals on A Periodic Basis

Evaluate data generated by monitoring the City's housing stock and affordable housing stock, and socioeconomic and demographic reports. Adjust goals and program priorities in accordance with changing needs and resources.

Lead Agency: LAHD, DCP

Funding Sources: HOME and CDBG

Objective: Periodic adjustment of housing production and preservation goals and program priorities

Schedule: 2006 - 2014

Objective 1.4

Promote an equitable distribution of affordable housing opportunities throughout the City.

Policy 1.4.1

Provide incentives to include affordable housing in residential development, particularly in mixed use development, Transit Oriented Districts and designated Centers.
Programs

A. Density Bonus

In accordance with State law, provide a density bonus up to 35% over the otherwise allowable density as well as reduced parking requirements for all residential developments that include units affordable to very low-, low- and/or moderate-income households. Provide additional incentives and concessions to required development standards in order to provide the buildable area needed for the affordable units and increased density. Amend the Zoning Code and the Affordable Housing Incentives Program Guidelines to implement the most recent requirements of the State law. Require and facilitate recordation of covenants to ensure provision of the required affordable housing units.

Lead Agency: DCP, LAHD

Funding Sources: General Fund, HOME, CDBG, Developer Fees

Objective:
- Adopt amendments to the Zoning Code to reflect current State density bonus law
- Adopt amendments to the Affordable Housing Incentives Program Guidelines to facilitate implementation of the most recent density bonus requirements
- 45 very low income units annually
- 129 low income units annually
- 118 moderate income units annually

Schedule: 2006 - 2014

B. Downtown Affordable Housing Bonus

Provide the following incentives for all residential developments in Downtown that include very low-, low-, moderate-income, or workforce housing: 35% more floor area; exclusion of halls and lobbies from the calculation of allowable floor area; option to pay an in lieu fee for 50% of the internal building open space requirement; elimination of parking requirements for units serving very low-income households; reduction in parking requirement to one space per dwelling unit. Require one-for-one replacement of all converted or demolished units serving households earning up to 30% of the area median income in downtown. Amend the Zoning Code to implement these incentives. Require and facilitate recordation of covenants to ensure provision of the required affordable housing units.

Lead Agency: DCP, LAHD, CRA/LA

Funding Sources: General Fund, Tax Increment, LMIHF
Objective: Adopt amendments to the Zoning Code to implement incentives in Downtown
40 moderate, 30 low, and 30 very low income affordable units annually

Schedule: Adopt ordinance - 2007
Post on web site and disseminate to developers - 2008 - 2014
Individual developer consultations - 2008 - 2014

C. Affordable Housing in the Coastal Zone (Mello Act Implementation)

In accordance with State law (the “Mello Act”), implement affordable housing set aside requirements and affordable housing replacement requirements for all residential development in the City’s Coastal Zone. Amend the Zoning Code and the Affordable Housing Incentives Program Guidelines to implement the State law and to implement the requirements of the Settlement Agreement and Implementing Procedures. Require and facilitate recordation of covenants to ensure provision of the required affordable housing units.

Lead Agency: DCP, LAHD
Funding Sources: General Fund

Objective: Adopt amendments to the Zoning Code to implement inclusionary and replacement housing requirements in the Coastal Zone
Adopt amendments to the Affordable Housing Incentives Program Guidelines to facilitate implementation of affordable housing requirements in the Coastal Zone
45 very low income units
30 low income units
50 moderate income units

Schedule: 2006 - 2014

D. Expedite Affordable Housing Projects

Explore creating a program to expedite building permits and entitlement approvals for all residential development that includes a minimum number of affordable units, for no additional fee. Amend the Affordable Housing Incentives Program Guidelines to implement this incentive. Require and facilitate recording of covenants to ensure provision of the required affordable housing units.

Lead Agency: DCP, LADBS, LAHD

Funding Sources: General Fund
Objective: Adopt amendments to the Affordable Housing Incentives Program Guidelines to facilitate implementation of expedited processes for affordable housing development
Prioritize affordable housing projects to expedite processing of permits and any related entitlements
Reduce building permit processing time by up to 3 months
Reduce entitlement processing time by up to 3 months

Schedule: 2010 - 2014

Policy 1.4.2
Promote the development of new affordable housing units citywide and within each Community Plan area.

Programs
A. Community Plan Affordable Housing Targets
With each comprehensive update of a Community Plan, establish a goal for the development of affordable housing units as a percentage of all new residential development. The goal should be consistent with the current Regional Housing Needs Assessment (RHNA) allocation for the City. In addition, the goal should reflect a target for each of the three lower income groups that is the same as the percentage identified for each group in the current RHNA allocation.

Lead Agency: DCP
Funding Sources: General Fund

Objective: Break down the citywide RHNA housing goals plus other unmet housing needs (fair share goals) among the 35 community plans by affordability level and units

Schedule: 2008 - 2014

B. Neighborhood Level Affordable Housing Programs
Through adoption of Specific Plans or other implementation tools which enable and facilitate redevelopment of geographic sub-regions within a Community Plan area, provide incentives for inclusion of affordable housing in residential development and/or other mechanisms that address impacts on the provision or retention of affordable housing units and need (such as
replacement of demolished or converted affordable housing units or payment of in lieu fees to support development of affordable housing off-site). Facilitate affordable housing development in existing Specific Plans that include such provisions, including Central City West, Playa Vista, and Warner Center.

Lead Agency: DCP

Funding Sources: General Fund

Objective: Central City West: 670 low-income units
Playa Vista: 190 moderate-income for-sale and 100 low-income rental units in Phase 1, and 125 moderate-income for-sale and 83 low-income rental units in Phase 2
Warner Center: 1200–1300 workforce housing units (200 per year for the next 6 years) by 2014

Schedule: 2006 - 2014

C. Redevelopment Project Area Housing Programs

For each Redevelopment Project Area, assure that, in the aggregate, at least 30% of all new housing developed by the CRA/LA serves very low-, low- and moderate-income households and that at least 15% of all new housing developed by other entities serves very low-, low- and/or moderate-income households.

Lead Agency: CRA/LA

Funding Sources: CRA/LA Program Income, CDBG, LMIHF

Objective: Adopt inclusionary affordable housing requirements within each redevelopment project area’s Five Year Plan in conformance with the Community Redevelopment Law

Schedule: 2006 - 2014

D. Redevelopment Project Area Workforce Income Housing Programs

Develop a program to implement goals and policies to provide housing affordable to “workforce income” households, as defined in CRA/LA Housing Policy.

Lead Agency: CRA/LA

Funding Sources: Tax Increment

Objective: Adopt Workforce Income Housing Program Guidelines

Schedule: 2008 - 2014
Objective 1.5
Reduce regulatory and procedural barriers to the production and preservation of housing at all income levels and needs.

Policy 1.5.1
Streamline the land use entitlement, environmental review, and building permit processes.

Programs
A. Preservation Barriers Assessment
Identify Zoning Code requirements (such as parking, sewer, and street dedications) that typically pose challenges in the rehabilitation of existing housing. Identify Zoning Code requirements in Historic Preservation Overlay Zones that pose challenges to the use of existing residential structures (such as covered parking requirements for single family homes which discourage preservation of existing garage structures for non-parking uses when such structures are inadequate for parking). Amend the Zoning Code to facilitate rehabilitation of quality housing and the reuse of existing structures that contribute to neighborhood character rather than encouraging demolition or disinvestment.

Lead Agency: DCP, DPW
Funding Sources: General Fund
Objective: Identify development standards that pose compliance difficulties for preservation projects
Adopt amendments to the Zoning Code to alleviate challenges
Schedule: 2006 - 2014

B. Streamlined Review Process for Redevelopment Project Areas
Streamline and/or expedite site plan, zone change, conditional use permit, variance and other entitlement or permit approval procedures to housing projects in Redevelopment Project Areas.

Lead Agency: CRA/LA, DCP, LADBS
Funding Sources: General Fund, Tax Increment, LMIHF
Objective: Reduce entitlement processing time for residential development by at least 3 months
Schedule: 2006 - 2014
C. Improvements to Entitlement Processing

Undertake a fee study in order to achieve full cost recovery and timely processing of DCP applications for market rate projects. For affordable housing development, reduce and/or defer application fees. Revise procedures to ensure processing time limits in accordance with the Permit Streamlining Act. Adopt a “case management” approach to entitlement application processing for better coordination and reduced time. Establish improved coordination with other City departments in order to define clear conditions of approval for proposed developments early in the entitlement process as well as reduce the number of City departments required to approve and sign-off for building permit issuance.

Lead Agency: DCP

Funding Sources: General Fund

Objective: Complete fee study of entitlement processing costs

Amend the Zoning Code to implement full cost recovery
Reduce entitlement processing time for residential development by at least 3 months
Reduce the number of City departments involved in approving and signing-off for building permit issuance

Schedule:
Issue request for proposal for consultant - 2008
Fee study completed and approved by Council - 2009
Ordinance adopted with new fees - 2010
Streamlined procedures designed by interdepartmental working group – 2008 - 2009
System for condition clearance designed, tested, implemented - 2009 - 2014

D. Development and Design Standards

With each comprehensive update of a Community Plan, incorporate clear development and design standards for residential development at a neighborhood level.

Lead Agency: DCP

Funding Sources: General Fund

Objective: Reduce need for entitlements for residential development projects.
Include development and design standards in 16 Community Plans

Schedule: 2008 - 2014
E. Zoning Code Reform

Update and simplify components of the Zoning Code, including: review and approval process; citywide development standards; public benefits and unified development permits; multiple approvals and life of entitlements. Conduct public workshops to solicit input on needed changes in these areas. Identify and pursue targeted code amendments.

Lead Agency: DCP
Funding Sources: General Fund

Objective:
- Adopt Zoning Code amendments to streamline the review and approval process
- Adopt various packages of grouped code amendments

Schedule: 2008 - 2010

F. Amend the Zoning Code to Facilitate Non-Conventional Housing

Identify modifications needed in the Zoning Code to facilitate innovative housing types, such as shared housing, congregate living, modular and pre-fabricated housing, and group quarters, including consideration of parking requirements, open space requirements, and other development standards, and the need to better regulate through conditional use permits.

Lead Agency: DCP
Funding Sources: General Fund

Objective: Adopt amendments to the Zoning Code to accommodate innovative multifamily types

Schedule: 2008 - 2014

G. Update the Los Angeles Building Code

Update the Los Angeles Building Code by adopting the current California Building Code (which now reflects the International Building Code). Conduct training and make needed changes in procedures regarding changes to the LABC.

Lead Agency: LADBS
Funding Sources: General Fund

Objective: Adopt the CBC

Schedule: 2006 - 2008
H. Complete Community Plan EIRs

Prepare Environmental Impact Reports for each revised Community Plan so that appropriate land use designations and zone changes can be initiated to accommodate needed capacity. Assure that EIRs address housing needs.

Lead Agency: DCP

Funding Sources: General Fund

Objective: Minimal environmental review (i.e., Negative Declaration) required for residential development projects

Schedule: 2008 - 2014

I. Modifications to Small Lot Subdivision Process

Identify obstacles to developing under Zoning Code Section 12.22 C.27, and propose amendments or other relief to eliminate impediments.

Lead Agency: DCP

Funding Source: General Fund

Objective: Identify development standards, code requirements, and procedures that pose compliance difficulties for small lot subdivisions

Adopt amendments to the Zoning Code to alleviate challenges

Schedule: 2006 - 2014

J. Modifications to Second Unit (“Granny Flat”) Process

Identify obstacles to implementing State law enabling second units on single family lots (AB 1866), and propose Code amendments to address the obstacles. Include a specific analysis and mitigation of the constraints to the second unit ordinance. Complete a study by 2009 that identifies constraints and analyzes strategies to legalize and rehabilitate illegal second units, including the possibility of affordability covenants on those units.

Lead Agency: DCP

Funding Source: General Fund

Objective: Identify development standards and code requirements that pose compliance difficulties to Second Unit Process

Adopt amendments to the Zoning Code to alleviate challenges

Schedule: 2008 - 2014
K. Streamline Affordable Housing Covenant Process

Develop the format for complete and accurate conditions of approval which establish affordability requirements for proposed developments (such as household income to be served, number of units to be income-restricted and the time period over which the units must serve these incomes). Facilitate preparation of covenants which enforce affordability conditions by clearly stating DCP’s intentions regarding affordability requirements in the conditions of approval.

Lead Agency: DCP, LAHD

Funding Sources: General Fund, CDBG, HOME

Objective: Reduce time needed to prepare affordable housing covenants
Reduce time needed to obtain clearance from LAHD for building permits
Annual report on covenant production and processing time

Schedule: 2006 - 2014

Policy 1.5.2

Streamline affordable housing funding processes.

Programs

A. Inter-agency and Inter-jurisdictional Coordination

Advocate for coordinated funding cycles across local, County, regional, State and Federal funding programs. Advocate for conformity of standards and incomes served among State public funding programs, in particular within redevelopment law, TCAC regulations and HCD rules.

Lead Agency: LAHD, CRA/LA, HACLA, LAHSA, Mayor’s Office, CLA

Funding Sources: General Fund, Tax Increment, and CDBG

Objective: Leverage 7:1 (instead of current 4:1) in additional County, regional, State and Federal funds to local funds for residential development

Schedule: 2006 - 2014
B: Safe, Livable, and Sustainable Neighborhoods

In a fast growing City such as Los Angeles, attention to the way in which the City grows helps to balance current resident needs with incoming population growth and to create safe, livable and sustainable neighborhoods. The following policies and programs promote sustainable neighborhoods that will lessen impacts on natural resource consumption by directing growth toward centers and transit and employing green-building techniques. Strategically directing long-range growth is consistent with the approach established by the Framework Element of the General Plan. The impetus to incorporate conservation into building techniques aligns with new Mayoral goals to encourage sustainable practices and is being pursued by a newly-initiated consortium of City departments. Overall, these efforts will facilitate high quality, healthy housing in neighborhoods that mix incomes and improve accessibility to jobs and services by encouraging residential proximity to these compatible land uses.

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

Objective 2.1
Promote safety and health within neighborhoods.

Policy 2.1.1
Establish development standards and policing practices that reduce the likelihood of crime.

Programs
A. Crime Prevention through Environmental Design (CPTED)
Provide technical assistance to developers, architects and others regarding techniques of CPTED. Encourage and facilitate the use of the City’s “Design Out Crime Guidelines” among developers, architects and property owners.

Lead Agency: DCP, LAPD
Funding Sources: General Funds
Objective: 40 residential projects given technical assistance and recommendations annually
Schedule: 2008 - 2014
B. Neighborhood Watch

Encourage the establishment of and support existing Neighborhood Watch Programs which enlist the active participation of citizens in cooperation with law enforcement to reduce crime in their communities. These programs promote neighbors getting to know each other and working together to provide mutual assistance; citizens being trained to recognize and report suspicious activities in their neighborhoods; and implementation of crime prevention techniques such as home security and operation identification.

Lead Agency: LAPD
Funding Sources: General Funds
Objective: Technical support and assistance to 20 new Neighborhood Watch programs annually
Schedule: 2008 - 2014

C. Safer City Initiative

Provide on a continuing basis the expanded police protection on Skid Row to reduce criminal activity, coupled with community outreach and direction/diversion to services. Direct homeless persons to supportive service and housing programs.

Lead Agencies: Mayor’s Office, LAPD
Funding Sources: General Fund
Objective: 10% reduction in criminal activity on Skid Row annually
400 homeless persons directed to housing and service programs annually
Schedule: 2007 - 2014

Policy 2.1.2

Establish development standards that enhance health outcomes.

Programs

A. Health-based Buffer Zones for Residential Neighborhoods

Incorporate ample buffer zones and appropriate transitions between residential development and noxious or hazardous industries, highways and other hazardous situations into Community Plans. Define the amount of buffer area needed to protect the health of residents. Identify modifications needed in the Zoning Code to ensure ample health-based buffer zones. Apply mitigation (air filtration systems) to new residential development.
Lead Agency: DCP
Funding Sources: General Fund

Objective: Establish appropriate buffers in 12 Community Plans
Make modifications to the Zoning Code and project-based mitigation measures as necessary

Schedule: 2008 - 2014

B. Reducing Construction-Related Pollution

Identify construction-related pollutants. Explore additional methods for further reducing and preventing pollution associated with construction activity. Update guidelines and amend necessary City Codes, regulations and/or standard mitigation measures as appropriate.

Lead Agency: LADBS, EAD, DCP
Funding Sources: General Funds

Objective: Revised construction-related pollution guidelines
Changes to Zoning Code, Building Code and project-based mitigation measures as necessary

Schedule: 2008 - 2014

C. Increase Access to Parks, Recreation Areas and Green Spaces

Through Community Plan updates, identify park and green space access needs and ways to improve the quality of connections from residential neighborhoods to these spaces in order to facilitate physical activity. In each Community Plan update, establish policy and design guidelines for increasing access to parks and green spaces. Coordinate with City departments, including RAP, DPW and LADOT, to develop design guidelines for quality pathways and access routes, such as pedestrian walkways, paseos, parkways and bike paths. Work with developers to incorporate quality pathways in developments and facilitate access to parks and open spaces.

Lead Agency: DCP
Funding Sources: General Fund

Objective: Increased accessibility to parks and open spaces designated in 16 Community Plan Updates

Schedule: 2008 - 2014
Objective 2.2
Promote sustainable neighborhoods that have mixed-income housing, jobs, amenities, services and transit.

Policy 2.2.1
Provide incentives to encourage the integration of housing with other compatible land uses.

Programs

A. Zoning and Neighborhood Implementation Tools for Mixed Use Development
Facilitate the development of mixed-use projects through the use of incentives and regulations, such as Residential Accessory Services (RAS) zones and Mixed-Use Overlay Districts. Adopt appropriate ordinances, guidelines, and implementation mechanisms in conjunction with Community Plans.

Lead Agency: DCP
Funding Sources: General Fund
Objective: 1,000 housing units in mixed use developments
Identify targets in all Community Plans
Adopt ordinances if appropriate
Schedule: 2008 - 2014

B. Healthy Neighborhoods
Establish policy guidelines for sustainable projects within Redevelopment Project Areas and CRA/LA projects. Prioritize funding of projects that implement the policy, including transit-oriented development, mixed-use projects incorporating affordable housing in proximity to transit, joint development projects and projects which incorporate both jobs and housing.

Lead Agency: CRA/LA
Funding Sources: Tax Increment
Objective: Adopt Healthy Neighborhood Policy with guidelines for sustainable practices and implement policy
30 units for extremely low income (30% AMI) annually
90 units for very low income (50% AMI) annually
130 units for above-moderate income (up to 200% AMI) annually
Schedule: 2009 - 2014
C. Childcare Facilities

Facilitate the development of childcare facilities in residential and commercial development, activity centers and near park and ride facilities. Develop funding programs to support childcare facilities. Establish guidelines and development standards. Implement State density bonus law and adopt local implementing ordinance to provide a density bonus for projects that include a child care facility.

Lead Agency: DCP, CDD, CRA/LA

Funding Sources: CDBG, Tax Increment, General Fund

Objective: 5 childcare facilities and 375 slots in residential projects
6 childcare facilities and 450 slots in commercial development and/or near transit

Schedule: 2008 - 2014

Policy 2.2.2

Develop design standards that promote sustainable development in public and private open space and street rights-of-way.

Programs

A. Million Trees LA – Public Property and Rights-of-Way

Plant trees on public property and along City-controlled parkways, medians and other public rights-of-way with appropriate tree canopy to reduce air pollution, provide cooling through shading, and to improve blighted neighborhoods.

Lead Agency: DPW, Mayor’s Office

Funding Sources: CDBG, SCQAMD, Private Donations, LADWP

Objective: 300,000 trees planted on public property and public rights-of-way

Schedule: 2006 - 2014

B. Walkability Checklist

Promote, facilitate and expand the applicability of the walkability checklist developed by DCP to support improved pedestrian access and orientation of development projects.

Lead Agency: DCP

Funding Sources: General Fund
Objective: Integrate Walkability Checklist into the project review process
Schedule: 2006 - 2014

C. Urban Design Studio
Develop an urban design studio to review and provide advice on residential projects and guidance regarding sustainable alternatives for public right of way improvements associated with residential projects.
Lead Agency: DCP
Funding Sources: General Fund

Objective: Establish Urban Design Studio as a division within the DCP
Maintain Urban Design Studio with an annual operating budget
Increase staff to run Urban Design Studio
Schedule: 2006 - 2014

D. Stormwater Collection and Mitigation
Promote and facilitate on-site adherence to the Standard Urban Stormwater Mitigation Plan (SUSMP) to capture, treat and infiltrate stormwater and urban runoff in association with residential development. Promote innovative stormwater best management practices such as bioswales and permeable pavement in order to infiltrate stormwater where appropriate.
Lead Agency: DCP, DPW
Funding Sources: General Fund

Objective: Adopt on-site stormwater design guidelines
Integrate on-site stormwater design guidelines into project review process
Schedule: 2008 - 2014

E. Green Streets
Adopt design guidelines to treat and infiltrate stormwater runoff from public rights of way in residential neighborhoods. Promote innovative best management practices such as rain sensors where appropriate.
Lead Agency: DPW, DCP, LADOT
Funding Sources: General Fund
Objective: Adopt stormwater design guidelines for public rights-of-way. Integrate stormwater design guidelines into project review process regarding needed off-site improvements.

Schedule: 2008 - 2014

F. Landscape Design

In accordance with the City's Landscape Ordinance, promote and facilitate landscape design standards that reduce heat island effects and reduce water and electricity consumption through the inclusion of non-paved areas, shade-producing trees and drought-resistant landscaping.

Lead Agency: DCP

Funding Sources: General Fund

Objective: Integrate Landscape Ordinance into project review process.

Schedule: 2008 - 2014

Policy 2.2.3

Provide incentives and flexibility to generate new housing and to preserve existing housing near transit.

Programs

A. Reduced Requirements for Housing near Transit

Provide additional “trip credits” for residential development that is located in close proximity to Metro fixed rail and fixed guideway stations and transit stops with frequent (15 minute frequency or less between 7:00 am and 6:30 pm) bus service. Provide additional trip credits for mixed-use development and mixed income development located near transit. Reduce project required traffic mitigations.

Lead Agency: LADOT

Funding Sources: General Fund

Objective: Adopt revised traffic impact study policies. Reduce traffic mitigation requirements for housing near transit.

Schedule: 2006 - 2014
B. Transit Oriented District Studies

Conduct studies to identify housing opportunities and market potential for the neighborhoods around ten rail stops in the City. Develop ideas for new housing, new housing typologies as well as design guidelines for appropriate mixes and scales of uses. Incorporate recommendations into appropriate Community Plans.

Lead Agency: DCP

Funding Sources: SCAG Grants, Proposition 1C

Objective: Complete 10 transit oriented district studies
Incorporate study recommendations into the Community Plans

Schedule: Complete TOD plan for La Cienega/Jefferson TOD - 2007
Council authorization to fund 9 TOD plans - 2007
Contracts approved for consultant teams - 2008
Complete 9 TOD plans; adopt ordinances - 2009 - 2010

C. Innovative Parking Strategies

Evaluate the feasibility of establishing alternatives to current parking standards, such as parking districts, parking maximums in place of parking minimums near transit, shared parking strategies, parking pricing, and in-lieu fees.

Lead Agency: DCP

Funding Sources: General Fund, SCAG Grants

Objective: Complete studies of parking alternatives including maximum and shared parking feasibility study
Incorporate parking study recommendations into Community Plans and the Zoning Code where appropriate

Schedule: 2008 - 2014
Policy 2.2.4
Promote and facilitate a jobs/housing balance at a citywide level.

Programs
A. Congestion Management Program Land Use Strategy
Comply with state-mandated program to mitigate regional traffic congestion by linking transportation and land use decisions with their impacts on regional transportation and air quality. Assure that Los Angeles receives land use mitigation credits for residential and mixed use development around transit centers and transit corridors.

Lead Agency: DCP, LADOT
Funding Sources: General Fund
Objective: Report on all projects developed and all demolitions around major transit stations and transit corridors annually
Certify compliance with the Los Angeles County Congestion Management Program annually
Schedule: 2008 - 2014

B. Jobs/Housing Balance Incentives: Residential Exemptions in Transportation Specific Plans
In Transportation Specific Plan areas that are jobs rich and housing poor, exempt new residential projects from Traffic Impact Assessment fees on new development.

Lead Agency: DCP, LADOT
Funding Sources: Transportation Specific Plan Trust Funds
Objective: Add fee exemption for residential units to Transportation Specific Plans that govern employment centers
Schedule: 2008 - 2014
Policy 2.2.5
Educate the public to understand and support the benefits of mixed-use and mixed-income communities to accommodate projected growth.

Programs
A. Education about Growth, Housing Need, Mixed-Use and Mixed-Income Neighborhoods
Provide training to neighborhood councils and other community groups regarding the planning process and accommodating and responding to growth, including the siting of housing, affordable housing and special needs housing, mixed-use and mixed-income development through avenues such as the Carol Baker Tharp Neighborhood Leadership Institute. Provide access to data and information on land use decisions. Explore establishment of a certificate program or required participation in training for neighborhood council board members. Establish a regular Housing Expo regarding development of a variety of affordable housing.

Lead Agency: DCP, CRA/LA, HACLA, DONE, HRC
Funding Sources: General Fund

Objective:
100 presentations
Develop training curriculum
Quarterly training workshops throughout the City of Los Angeles
100 participating neighborhood council members and community organization members annually

Schedule: 2008 - 2014

Policy 2.2.6
To accommodate projected growth to 2014 in a sustainable way, encourage housing in centers and near transit, in accordance with the General Plan Framework Element, as reflected in Map ES.1.

Programs
A. Targeting Growth in Community Plan Areas
Update Community Plans to establish appropriate land uses, densities, and mixes of housing types and levels of affordability in areas well served by public transit, including employment centers and activity centers. Resolve design issues and adopt design guidelines to assure that residential, commercial and industrial development facilitate corresponding development goals for the area. Change land use designations and initiate zone changes.
Objective 2.3
Promote sustainable buildings, which minimize adverse effects on the environment and minimize the use of non-renewable resources.

Policy 2.3.1
Streamline entitlement, environmental, and permitting processes for sustainable buildings.

Programs
A. Priority Plan Check and Expedited Permitting for Green Building Projects
Provide priority plan check for no fee and guaranteed expedited B-Permit and Lateral Support Permit for a fee to qualifying green building projects that meet the LEED®-Silver certification level under the United States Green Building Council designation.

Lead Agency: LADBS, DPW
Funding Sources: Developer fees
Objective: Reduce plan check and permit process time for any LEED®-Silver residential projects
Schedule: 2006 - 2014

B. Entitlement Case Management and Expediting for Green Building Projects
For a fee, provide expedited land use entitlement processing for green building projects that meet the LEED®-Silver certification level under the U.S. Green Building Council designation.
Lead Agency: DCP
Funding Sources: Developer fees
Objective: Reduce entitlement processing time for 100 LEED®-Silver residential projects
Schedule: 2008 - 2014

C. Sustainable Practices: Green Team
Establish an interdepartmental “Green Team” to facilitate, promote, and eliminate barriers for the development of sustainable buildings. Develop guidelines, ordinances and informational material in all relevant departments. Develop guidelines for energy efficient design, improved air quality and sustainable building material use in residential construction.
Lead Agency: Mayor’s Office, CLA, DCP, CRA/LA, DPW, LADWP, LADBS, EAD, LAFD, LAHD
Funding Sources: General Fund
Objective: Establish Green Team
Establish and maintain Standard of Sustainability
Establish and maintain Standard of Excellence
Develop and implement ordinances as necessary
Schedule: 2008 - 2014

D. Reduce Impediments to Innovative Design
Seek improvements to the Research Report process to facilitate the use of new, green technologies and materials in residential development.
Lead Agency: LADBS
Funding Sources: General Fund
Objective: Improved and streamlined procedures
Schedule: 2008 - 2014
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Policy 2.3.2
Promote and facilitate reduction of water consumption in new and existing housing.

Programs
A. Financial Incentives to Conserve Water
Provide financial rebates for installing water conserving appliances and systems, such as high-efficiency clothes washers and toilets, and weather-based irrigation controllers.

Lead Agency: LADWP
Funding Sources: LADWP Public Benefit Program
Objective: Installation of high efficiency clothes washers in 5,000 households per year
Schedule: 2006 - 2014

B. Manage Water Resources
Provide technical assistance to residential developers in developing mitigation plans for stormwater capture and re-use and for general efficient management of water resources, in accordance with the City’s Water/Wastewater Integrated Resources Plan. Pursue changes in procedures that will allow stormwater re-use.

Lead Agency: DPW, LADWP
Funding Sources: Developer Fees
Objective: Adopt changes in procedures as needed to allow stormwater reuse
Facilitate integration of stormwater capture into site plan review
Schedule: 2009 - 2014

Policy 2.3.3
Promote and facilitate reduction of energy consumption in new and existing housing.

Programs
A. Incentives to Conserve Energy
Provide financial rebates and appliance exchanges of old appliances for new energy-saving models. Under the Refrigerator Turn-In and Recycle (RETAIR) program, provide rebates for old refrigerators and freezers. For low-income qualifying households, provide a program where residents can exchange older refrigerators with new more energy efficient models. Distribute
Compact Fluorescent Light Bulbs (CFLs). Disseminate information and encourage participation in rebate and incentive programs offered by other agencies, including the Southern California Gas Company and the South Coast Air Quality Management District.

Lead Agency: LADWP
Funding Sources: LADWP Public Benefit Program
Objective: 50,000 low income households obtain more energy-efficient refrigerators
2,000 households retire non-energy efficient refrigerators annually
Schedule: 2006 - 2014

B. Loans for Energy Conservation in Affordable Housing Development
Provide loans to developers of affordable housing projects in which energy efficiency exceeds Title 24 energy standards.

Lead Agency: LADWP
Funding Sources: LADWP funds
Objective: 2,900 affordable housing units with energy efficient systems
Schedule: 2006 - 2014

C. Encourage Energy Conservation through Pricing
Reduce electricity use by adjusting the pricing and timing of use by customers. Propose rate restructuring to shift rate from demand based pricing to energy based pricing, so customers can manage their usage and save money. Set rate policy to Time-Of-Use (TOU) Rate, which charges a higher price for energy during the peak period, and reduces the price during the base period to encourage conservation.

Lead Agency: LADWP
Funding Sources: Rate Payer Fee
Objective: 10,000 residential customers on the TOU rate
Schedule: 2008 - 2014

D. Green Power for a Green LA
Offer households the opportunity to purchase renewable energy sources (solar, wind and water) in place of traditional sources for a small premium. Distribute free energy efficient products to encourage customers to take advantage of LADWP incentives.
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E. Million Trees LA – Private Property

Distribute free shade trees to residents to increase shade, energy efficiency and clean air in individual homes and multi-family residential properties as part of the Million Trees LA program.

Lead Agency: LADWP, Mayor’s Office
Funding Sources: CDBG, SCAQMD, Private Donations, LADWP Funds
Objective: 700,000 shade trees planted citywide
Schedule: 2006 - 2014

F. Building Design for Energy Efficiency

Provide technical assistance and disseminate information and guidelines to residential developers to encourage energy-efficient residential building design, including: systems that reduce the need for energy use (such as tank-less water heaters, green roofs, shade trees); building orientation that takes advantage of solar and natural ventilation opportunities; energy-efficient building products for windows, insulation, roofing and other building components.

Lead Agency: DCP, LADWP
Funding Sources: General Fund, LADWP Funds
Objective: Guidelines developed and updated
Integrate guidelines into all project reviews
Schedule: 2008 - 2014

G. Building Design for Improved Air Quality

Provide technical assistance and disseminate information and guidelines to residential developers to encourage improved air quality in residential development, including: building orientation that takes advantage of natural ventilation opportunities; filtered air systems; landscaping, venting appliances to the outside; use of low-emitting construction and finish materials.
Lead Agency: DCP, LADBS
Funding Sources: General Fund
Objective: Guidelines developed and updated
Integrate guidelines into all project reviews
Schedule: 2008 - 2014

H. Loans for Conservation
Provide loans to LADWP residential customers for solar energy projects.
Lead Agency: LADWP
Funding Sources: LADWP Funds
Objective: 700 loans to households for installing solar systems
Schedule: 2008 - 2014

I. Incentives to Encourage Green Building Solutions in Existing Buildings
Explore ways to encourage green building solutions in existing buildings. Strategies might include incentives for existing buildings to perform energy audits and retrofits to Green Building Program standards. Develop a funding program to support green retrofitting of residential structures.
Lead Agency: LADWP
Funding Sources: LADWP
Objective: Develop green building incentives program for existing buildings
Schedule: 2006 - 2014

Policy 2.3.4
Promote and facilitate reduction of waste in construction and building operations.

Programs
A. Recycle Construction Waste
Provide incentives for waste haulers to source-separate for recycling construction and demolition debris by waiving City waste hauling fee. Provide rebates for waste haulers who take construction and demolition debris to a City-certified waste processor for recycling. Develop
and implement an ordinance that requires all construction and demolition waste be taken to a City-certified waste processor. Provide technical assistance and disseminate information and guidelines to residential developers.

Lead Agency: DPW

Funding Sources: Citywide Recycling Trust Fund (Private waste hauler fees)

Objective: Establish incentive program for source separation of construction and demolition waste
Establish rebate program for construction and demolition waste taken to a City-certified waste processor
Adopt ordinance to require construction and demolition waste to be taken to a City-certified waste processor

Schedule: 2006-2011

B. Sustainable Building Materials

Provide technical assistance and disseminate information and guidelines to the residential development community to encourage the use of quality building materials with a long life span, recycled materials and sustainable materials.

Lead Agency: DCP, CRA/LA, LADBS, LADWP, EAD

Funding Sources: Developer Fees

Objective: Issue and maintain guidelines
Integrate guidelines into project review process

Schedule: 2009 - 2014

C. Recycling Collection in Residential Development

Provide on-site recycling bins and weekly curbside pick-up for all residential developments. Single-family homes and multi-family complexes under five units are provided with recycling service directly from the City’s Bureau of Sanitation. Expand recycling program citywide to all multi-family complexes on a voluntary basis through a City-contracted waste hauler.

Lead Agency: DPW

Funding Sources: Citywide Recycling Trust Fund (Private waste hauler fees)

Objective: Provide on-site recycling bins and weekly pick-up for all residential developments

Schedule: 2006 - 2014
Policy 2.3.5
Promote outreach and education regarding sustainable buildings.

Programs

A. Information and Referral and Technical Assistance Regarding Sustainable Practices
Disseminate information to residential developers, architects, contractors and neighborhood councils regarding the City's goals, policies and development standards for green and sustainable building practices. Provide technical assistance and referral information to resources and guidance available from other agencies. Develop and maintain an outreach website. Publish data regarding energy and water consumption and the need to reduce consumption. Conduct workshops and other education forums.

Lead Agency: DCP, CRA/LA, LADBS, LADWP, EAD

Funding Sources: General Fund

Objective: Develop and maintain an outreach website
1,000 residential development stakeholders (architects, engineers, developers, general contractors, and others) trained in sustainable practices annually

Produce Green Building Report Card annually

Schedule: 2009 - 2014

B. Sustainable Practices Demonstration Projects
Facilitate single-family and multi-family sustainable residential development demonstration projects to illustrate desired practices and the beneficial outcomes to both developers and occupants of housing.

Lead Agency: CRA/LA, LAHD, DCP

Funding Sources: General Fund, Grants, Tax Increment, Private Contributions

Objective: One multi-family demonstration project and five single family demonstration projects annually

Schedule: 2009 - 2014
Objective 2.4
Promote livable neighborhoods with a mix of housing types, quality design and a scale and character that respects unique residential neighborhoods in the City.

Policy 2.4.1
Provide sufficient services and amenities to support the planned population while preserving the neighborhood for those currently there.

Programs
A. Neighborhood Stabilization Program
Identify distressed neighborhoods and unique neighborhoods in need of support and services. Provide needed neighborhood services such as policing, infrastructure improvements, social services, employment programs, rehabilitation loans and homeownership programs. Adopt appropriate Community Plan land use designations and design guidelines, and policies that identify these areas and direct resources to these areas.

Lead Agency: CRA/LA, DCP, CDD
Funding Sources: General Fund, CDBG, Tax Increment
Objective: 6 residential neighborhoods served by program
Adoption of new Community Plans
Schedule: 2008 - 2014

B. Services in Public Housing
Provide educational and career assistance including tutoring, assistance with financial aid applications, help to re-enter school and college, computer training, job training, mentoring and career counseling in publicly assisted housing developments. Incorporate recreational, education and cultural programs into publicly assisted housing for youth ages 8-21.

Lead Agency: HACLA
Funding Sources: Public Housing Budget, CDBG, Grants
Objective: 50 residential clients served by educational assistance programs
100 residential clients served by computer training programs
100 youth served by recreational, educational and cultural programs
1,600 residential clients served by career assistance programs
Schedule: 2006 - 2014
Policy 2.4.2
Develop and implement design standards that promote quality development.

Programs
A. Improved Street Standards, Streetscapes and Landscaping
Adopt design standards for a variety of street types along with streetscape and landscaping guidelines to improve the aesthetics of the built environment and adhere to universal design objectives. Incorporate amenities to enhance streetscapes where appropriate.
Lead Agency: DCP
Funding Sources: General Fund
Objective: Adopt new street standards
Schedule: 2008 - 2014

B. Improved Quality of Bicycle and Pedestrian Paths
Increase non-motorized access to transit by improving existing and constructing new bicycle and pedestrian paths. Clearly define the bicycle and pedestrian paths with striping and signs to improve safety for pedestrians and cyclists. Include connections to public transit in the City’s Bicycle Plan, in the Transportation Element of the General Plan and in Community Plans.
Lead Agency: DCP, LADOT
Funding Sources: General Fund, Propositions A and C
Objective: Adopt policies in Bicycle Plan, Transportation Element and Community Plans that promote pedestrian and bicycle transit linkages
10 bicycle route segments constructed/improved
100 pedestrian paths improved
Schedule: 2008 - 2014

C. Urban Design Standards
Include an urban design chapter in the Community Plan updates to identify unique characteristics of neighborhoods and to articulate development standards that will enhance those characteristics.
Lead Agency: DCP
Funding Sources: General Fund
Objective: Adopt urban design standards in 16 Community Plans
Schedule: Develop template for urban design chapter of Community Plans - 2008
Incorporate into plans and tailor to each community - 2008 - 2014

D. Bicycle Facilities
Facilitate the development of bicycle facilities within all residential developments of 50 units or more. Establish guidelines and development standards.

Lead Agency: DCP, CRA/LA
Funding Sources: Tax Increment, General Fund, Private Developers
Objective: Establish guidelines and development standards
40 bicycle facilities developed in residential projects annually
Schedule: 2009 - 2014

Policy 2.4.3
Promote preservation of neighborhood character in balance with facilitating new development.

Programs
A. Response to Development Opportunities
Respond to development opportunities, review building permits, monitor and implement the Creative Sign Ordinance, and provide technical assistance to developers and property owners to ensure conformance with appropriate plans and requirements in Redevelopment Project Areas.

Lead Agency: CRA/LA
Funding Sources: Tax Increment
Objective: 20 developers and property owners provided with technical assistance annually
Schedule: 2006 - 2014
B. Planning for Neighborhoods

Conduct regular updates of Community Plans in order to address changing local needs. Adopt implementation tools, such as overlay zones and design guidelines to guide new development and protect existing neighborhood character. Explore mechanisms to address better transitions between single family and multi-family development, between commercial and residential development, and between industrial and residential development.

Lead Agency: DCP
Funding Sources: General Fund, General Plan Implementation Fee (if adopted)
Objective: 16 updated Community Plans
Implementation tools as appropriate
Schedule: 2008 - 2014

C. Community and Neighborhood Council Development Review

Provide duplicate case files to Certified Neighborhood Councils (CNCs) for all proposed projects in their neighborhoods (Certified Neighborhood Council Notification Pilot Program). Maintain the Early Notification System for notifying neighborhood councils on a bi-weekly basis of all development applications filed. Post Case Filing Activity by CNC on the DCP website bi-weekly. Produce and post Quarterly Case Activity Maps by Area Planning Council on the DCP website. Facilitate access to and communication with DCP through a Neighborhood Council Liaison position in DCP.

Lead Agency: DCP, DONE
Funding Sources: General Fund
Objective: Duplicate case files provided to CNCs for proposed projects
Notifications to CNCs for filed applications bi-weekly
Case filing activity posted on DCP website bi-weekly
Case activity maps posted on DCP website quarterly
Schedule: 2006 - 2014

D. SurveyLA – The Los Angeles Historic Resources Survey

Conduct a multi-year citywide survey of historic resources. Identify buildings and sites of historic, architectural, and cultural significance and create a planning tool that will provide greater up-front certainty in the development process and CEQA review process for developers, property owners, community members and policymakers. Capture data in the City’s ZIMAS Geographic Information System, linked to a SurveyLA web site.
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Lead Agency: DCP
Funding Sources: General Fund, Getty Foundation Grant
Objective: Complete citywide survey
Publish results
Schedule: 2006 - 2012

E. Anti-Mansionization Regulations
Develop regulations regarding massing and height to assure that new infill single family homes are compatible with existing neighborhoods.
Lead Agency: DCP
Funding Sources: General Fund
Objective: Adopt an ordinance to regulate new single-family home construction in flatland areas
Adopt an ordinance to regulate new single-family home construction in hillside areas
Schedule: Adopt ordinance for flat lands - 2008
Adopt ordinance for hillsides - 2009

F. Neighborhood Preservation – Downzoning
Preserve stable multi-family residential neighborhoods that provide older, and therefore, relatively affordable, but high quality housing stock. Evaluate the feasibility of downzoning such neighborhoods to approximate the existing densities in order to eliminate the incentive to demolish and replace such neighborhoods with higher density, more expensive, new construction. Assure that there is no net loss of capacity in the Community Plan by assuring that any such downzoning occurs only when accompanied with a corresponding shift of the capacity that would have been created in the downzoned neighborhood to other areas of the Community Plan where the additional housing units can be better accommodated.
Lead Agency: DCP
Funding Sources: General Fund
Objective: Rezone appropriate areas in 16 Community Plans
Schedule: 2008 - 2014
Policy 2.4.4
Promote residential development that meets the needs of current residents as well as new residents.

Programs
A. Homeownership Properties Acquisition Demonstration Project
Construct affordable, for-sale single-family homes, townhomes or condominiums along targeted corridors in the Downtown Region Redevelopment Project Areas.

Lead Agency: CRA/LA

Funding Sources: Tax Increment, LMIHF

Objective: 150 affordable units sold to moderate income families

Schedule: 2008 - 2014

B. Home Ownership on Large Lots in Pacoima
Develop prototype home ownership models for two to four additional units on single-family zoned lots greater than 10,000 square feet in Pacoima. Work with the community to identify desirable prototypes and amend necessary codes to implement them.

Lead Agency: DCP, CRA/LA

Funding Sources: General Fund

Objective: 1 pilot project in Pacoima

Schedule: 2008 - 2014

C: Housing Opportunities Without Discrimination
The need to protect against housing discrimination and provide equal housing opportunities has been formalized by state and federal fair housing laws. The policies and programs below facilitate access to equal housing opportunities by promoting responsible community lending, encouraging education about fair housing practices, and collecting and reporting data on housing discrimination complaints.

GOAL 3
A City where there are housing opportunities for all without discrimination.
Objective 3.1
Assure that housing opportunities are accessible to all residents without discrimination on the basis of race, ancestry, sex, national origin, color, religion, sexual orientation, marital status, familial status, age, disability (including HIV/AIDS), and student status.

Policy 3.1.1
Promote and facilitate equal opportunity practices in the sale and rental of housing.

Programs
A. Reasonable Accommodation
Monitor implementation and assess need for amendments to the reasonable accommodation provision in the Zoning Code which facilitates modifications to housing units occupied by persons with disabilities. Develop a staff training program regarding implementation of the reasonable accommodation provision. Improve application forms, outreach, advertising and informational materials to increase use of the reasonable accommodation provision by people with disabilities.

Lead Agencies: DCP
Funding Sources: General Fund, Building Permit Fees, CDBG, Tax Increment, LMIHF
Objective: Train DCP staff on processing Reasonable Accommodation requests
Produce and disseminate materials regarding Reasonable Accommodation process
Schedule: 2007 - 2014

B. ADA Compliance Officer(s)
Work with all City departments to coordinate the City's compliance with the ADA and the Rehabilitation Act of 1973. Monitor compliance and ensure reasonable accommodation to people who use City programs and facilities.

Lead Agencies: DOD
Funding Sources: General Fund (administrative cost only)
Objective: Reasonable accommodation provided in all appropriate and covered facilities and programs including residential shelters
Schedule: 2006 - 2014
C. Office of the City Attorney Dispute Resolution Program (DRP)

Refer persons with landlord/tenant and neighbor/neighbor housing-related conflicts, and housing disputes concerning physical access (i.e., architectural) and HIV/AIDS discrimination (i.e., rental discrimination) who utilize DOD’s referral services to the OCA’s Dispute Resolution Program for mediation, conciliation and facilitation services.

Lead Agencies: DOD, OCA

Funding Sources: General Fund

Objective: Refer and resolve 50 housing disputes related to persons with disabilities

Schedule: 2006 - 2014

D. Citywide Fair Housing Program

Through a contract with the Southern California Housing Rights Center, provide resolution to illegal housing discrimination by accepting and investigating housing discrimination complaints that allege a violation of federal, state, or local fair housing law (i.e. complaints concerning advertising, lending, insurance, steering, blockbusting and hate crimes). Provide remedies for valid complaints, including conciliations, legal action and administrative referrals to state and federal fair housing agencies. Provide counseling, education, and training about fair housing laws, rights, and responsibilities to persons residing, seeking housing, or providing housing in the City of Los Angeles. Conduct proactive testing to determine patterns and practices of discrimination.

Lead Agency: LAHD

Funding: CDBG, RSO Fees

Objective: Receive 600 fair housing inquiries annually
Resolve 480 fair housing investigations annually
Conduct 67 fair housing training sessions annually
Train 35 new fair housing testers annually
Answer 1,400 calls regarding fair housing issues annually through the Fair Housing/Predatory Lending Hotline

Schedule: 2006 - 2014

Policy 3.1.2

Promote responsible mortgage lending that meets community credit needs and the Community Reinvestment Act (CRA).
Programs

A. Community Reinvestment

Explore options for addressing foreclosure crisis by increasing the availability of foreclosure counseling resources. Explore options and incentives to encourage lenders to better serve low and moderate income neighborhoods by providing loan products that match the credit capacity of lower income potential home buyers. Develop and implement a demonstration program.

Lead Agencies: Mayor’s Office

Funding Sources: General Fund

Objective: Implement a demonstration program in at least one low or moderate income neighborhood

Schedule: 2008 - 2014

B. Responsible Lending Training with Financial Institutions

Explore development of an outreach and training program for staff, lending institutions and non-profit legal aid organizations to discourage predatory lending and sub-prime lending. Explore development of a training program to encourage thorough underwriting of proposed projects when making funding decisions, including consideration of the impacts of any demolition or displacement involved in a proposed project (i.e., consider not funding a project if such impacts are significant).

Lead Agency: Mayor’s Office

Funding Sources: General Fund

Objective: Implement a demonstration outreach and training program

Schedule: 2008 - 2014

Objective 3.2

Promote fair housing practices and accessibility among residents, community stakeholders and those involved in the production, preservation and operation of housing.

Policy 3.2.1

Provide outreach and education for homebuyers and renters regarding rights, financing options, rental subsidies available and protections in the purchase, rental and/or modification of housing units.
Programs

A. Housing Information Clearinghouse

Consolidate available housing unit databases across departments to provide an on-line, one-stop housing information clearinghouse for homebuyers and renters seeking for-sale and rental housing. Continue to provide referrals to Departments through the City's 311 Hotline. Explore the feasibility of expanding housing referral services and maintain such services provided by the DOD's AIDS Coordinator's Office and the OCA's Dispute Resolution Program.

Lead Agencies: CRA/LA, HACLA

Funding Sources: General Fund

Objective: Establish a consolidated housing information database on the City's website

Schedule: 2006 - 2014

B. Housing Information Services

Identify opportunities to distribute and disseminate information on affordable rental and for-sale units through non-profit and for-profit entities.

Lead Agencies: HACLA, CRA/LA

Funding Sources: General Fund

Objective: Identify avenues to distribute and disseminate information

Schedule: 2008 - 2014

C. Don’t Borrow Trouble: Education against Home Equity Fraud and Predatory Lending Scams

Provide information and educational opportunities about home equity fraud and predatory lending scams to residents through a free telephone hotline and other information tools.

Lead Agency: LAHD

Funding: CDBG

Objective: Answer 60 DBT/predatory lending calls annually through the Fair Housing/Predatory Lending Hotline

Schedule: 2006 - 2014
D. Education for Buyers and Homeowners

Provide education to buyers to protect themselves against predatory and sub-prime lending practices. Provide continuing education to homeowners about good home maintenance practices and available City resources for covering maintenance costs.

Lead Agency: LAHD

Funding Sources: CDBG

Objective: 3,000 individuals assisted annually

Schedule: 2006 - 2014

E. Education for Property Owners

Provide continuing education to property owners and managers about housing management practices and regulations, including: training on environment, health and safety; training on sound management techniques; training on applicable laws; training on lawful tenant screening practices; training on tenants’ rights. Establish a program for landlords to ensure best practices. Establish a training and education program for police officers regarding tenant and landlord rights.

Lead Agency: CRA/LA

Funding Sources: Tax Increment

Objective: Provide education about housing management practices and regulations and promote knowledge of housing rights

Schedule: 2006 - 2014

F. RSO Tenant/Landlord Outreach and Education Program

Educate landlords, brokers, property managers, and tenants on the RSO and SCEP programs, as well as their rights and responsibilities through a combination of state of the art technology and traditional community-based outreach methods. Distribute information through print materials and media outlets. Develop a program to ensure that buyers of real property subject to the Rent Stabilization Ordinance are aware of the City’s regulations by requiring sellers of RSO buildings at the time of a sale to disclose that the building is subject to the RSO and to provide the RSO regulations to the buyer and the buyer’s representative.

Lead Agency: LAHD

Funding Sources: RSO Fees and SCEP Fees
Objective: Develop mechanism to assure disclosure
Schedule: 2008 - 2014

Policy 3.2.2
Provide outreach and education for the broader community of residents, residential property owners and operators regarding fair housing practices and requirements.

Programs
A. Fair Housing Awareness Training Program (Neighborhood Councils)
Explore establishing a program to provide information and training to Neighborhood Councils and other community organizations on fair housing issues. Pursue funding sources to support such a program such as HUD Fair Housing Education and Outreach Initiative funds.

Lead Agencies: DONE
Funding Sources: General Fund

Objective: Establish fair housing education programs
Pursue funding for training initiatives

Schedule: 2008 - 2014

Policy 3.2.3
Collect and report findings on discrimination in the sale and rental of housing.

Programs
A. Fair Housing Research
Conduct studies to evaluate the level of housing discrimination in the City of Los Angeles, including the HUD requirement for an Analysis of Impediments to Fair Housing Choice (AI). Develop action items per results of studies.

Lead Agencies: LAHD
Funding Sources: CDBG, RSO Fees

Objective: Complete the AI
Identify and implement action items

Schedule: 2006 - 2014
D: Ending and Preventing Homelessness

The persistence of homelessness in the City of Los Angeles and the unique housing and supportive service needs of homeless persons lead to the creation of Goal 4 and its supporting policies and programs below. In addition, the City’s efforts focus on targeting resources to individuals at risk of becoming homeless, including those with special needs. The policies and programs focus on a tiered approach that recognizes the need to provide sufficient temporary and emergency shelters to meet short-term needs while working toward a return to more stable housing or permanent supportive housing over the long-term. Outreach and education efforts under this goal seek both to increase awareness for all City residents about the needs of the homeless and to inform the homeless about housing and service opportunities. These policies and programs also strive to remove barriers to siting housing for homeless and special needs populations throughout the City.

**GOAL 4**

A City committed to ending and preventing homelessness.

**Objective 4.1**

Provide an adequate supply of short-term and permanent housing and services throughout the City that are appropriate and meet the special needs of persons who are homeless or who are at high risk of homelessness.

**Policy 4.1.1**

Ensure an adequate supply of emergency and temporary housing for people who become homeless or are at a high risk of becoming homeless, including special needs populations.

**Programs**

A. Domestic Violence Shelter Program

Provide safe and secure emergency and transitional shelter, case management and related supportive services to domestic violence survivors and their children through contracted operators. Assist persons in crisis situations with counseling, job skill and search training, and other services.

Lead Agencies: CDD

Funding Sources: CDBG
Objective:  Provide 2,850 individuals with access to public services annually
Maintain up to 1,006 shelter and transitional beds annually for domestic
violence victims

Schedule:  2006 - 2014

B. HOPWA Emergency Shelter and Transitional Housing Program

Fund the acquisition, new construction and renovation of existing short-term residential facili-
ties serving persons living with HIV/AIDS. Fund the operating and supportive services costs
of short-term residential facilities serving very-low and low-income residents living with HIV/ AIDs.

Lead Agencies:  LAHD
Funding Sources: Housing Opportunities for People with AIDS (HOPWA)

Objective:  20 existing HIV/AIDS emergency shelter beds funded annually
152 existing HIV/AIDS transitional housing beds funded annually
30 new HIV/AIDS transitional housing beds funded annually

Schedule:  2006 - 2014

C. Shelter and Transitional Housing Facilities

Fund the operating and supportive services costs of existing facilities and programs providing
emergency and transitional housing to homeless persons citywide.

Lead Agencies:  LAHSA
Funding Sources: SHP, ESG

Objective:  829 existing emergency shelter beds funded annually
2,880 existing transitional housing beds funded annually

Schedule:  2006 - 2014

D. Overnight Shelter (Winter Shelter and Year-Round Shelter)

Provide temporary shelter to homeless men, women and families through a Winter Shelter
program (December 1 through March 15) and Year-Round Shelter program. Provide vouchers
for low-cost hotels and motels for persons not suited to large group shelters (this includes
parents with minor children, elderly persons, and people with communicable diseases).

Lead Agencies:  LAHSA
Funding Sources: ESG, CDBG, General Fund, County General Fund
Objective:  954 temporary shelter beds year round
Serve 30 or more families by vouchers in the Year Round Shelter Program
1,768 temporary winter shelter beds
Serve 200 or more families and 15 or more individuals by vouchers in the Winter Shelter Program

Schedule:  2006 - 2014

E. Resources for Shelters

Fund outside organizations to solicit and collect new or excess supplies such as health, beauty, cleaning, arts and crafts, and janitorial merchandise from manufacturers and used office supplies, electronics, and furniture from local businesses and households to distribute to homeless shelter and social service agencies in Los Angeles City at no charge to the agencies.

Lead Agencies:  CDD, DPW/Bureau of Sanitation

Funding Sources: Sunshine Canyon Franchise Fee

Objective:  Distribute goods to 220 or more homeless service agencies and housing providers annually

Schedule:  2006 - 2014

Policy 4.1.2

Promote and facilitate programs and strategies that ensure the rapid return to housing of all special needs populations who become homeless.

Programs

A. Priority Occupancy for Homeless Persons

Explore legal barriers to providing priority occupancy for homeless and special needs households in new construction affordable housing projects. Establish policy and procedures to provide priority access to affordable housing for homeless populations.

Lead Agencies:  CRA/LA, LAHD, HACLA

Funding Sources: General Fund, Tax Increment

Objective:  Adopt citywide policy and amend city codes and regulations to facilitate priority housing occupancy for homeless and special needs households

Schedule:  2007 - 2014
**Policy 4.1.3**

Provide permanent supportive housing options for homeless persons and special needs households with services such as job training and placement programs, treatment, rehabilitation and personal management training to assure that they remain housed.

**Programs**

A. Community Based Development Organization (CBDO)

Increase economic opportunity for homeless persons through educational or vocational training, employment placement and retention services through the shelter system and affordable housing developments.

**Lead Agencies:** CDD, LAHSA  
**Funding Sources:** CDBG  
**Objective:** Provide educational/vocational training and employment placement/retention services to 280 homeless persons annually  
**Schedule:** 2006 - 2014

B. HOPWA Supportive Services for Persons Living with HIV/AIDS

Assist low-income persons living with HIV/AIDS, and their families, with access to permanent housing, financial independence, stable employment, health care, nutrition, meal preparation/delivery, food banks, and assistance with legal issues.

**Lead Agencies:** LAHD  
**Funding Sources:** HOPWA  
**Objective:** Provide 13,500 clients with supportive services annually  
**Schedule:** 2006 - 2014

C. Rental Assistance for Homeless Persons

Provide HUD Section 8 Housing Choice Vouchers to qualifying homeless families. Provide supportive services to help homeless households make the transition to stable, affordable housing. Pursue local administrative changes in order to expedite application processes and facilitate voucher portability across jurisdictions.

**Lead Agencies:** HACLA  
**Funding Sources:** HUD Section 8
Objective: Distribute 4,000 Housing Choice Vouchers to homeless households annually
Schedule: 2006 - 2014

D. Rental Assistance for Homeless Persons with Disabilities
Provide rental assistance and supportive services for homeless persons with disabilities, specifically those with serious mental illness, chronic substance abuse problems and/or HIV/AIDS through four components: 1) tenant-based rental assistance; 2) sponsor-based rental assistance; 3) project-based rental assistance; and 4) SRO moderate rehabilitation rental assistance. Pursue local administrative changes in order to expedite application processes and facilitate voucher portability across jurisdictions. Pursue coordination with LAHD to improve and facilitate utilization of project-based Shelter Plus Care assistance.

Lead Agencies: HACLA
Funding Sources: Shelter Plus Care

Objective: Maintain housing of 2,000 homeless households with disabilities annually
Schedule: 2006 - 2014

E. HOPWA Rental Assistance for Persons Living with HIV/AIDS
Provide short and long term financial assistance to low-income persons living with HIV/AIDS, and their families, such as monthly rental subsidies (i.e., Tenant-based Rental Assistance (TRA), Project-based Rental Assistance (PBRA)); Short-Term Rent, Mortgage and Utility Assistance – Connections Program (STRMU); and Scatter Site Master Leasing in order to promote access to and retention of affordable housing throughout Los Angeles County.

Lead Agencies: LAHD, HACLA
Funding Sources: HOPWA, HOME

Objective: 63 extremely low income and 21 very low income households receive TRA annually
13 extremely low income and 18 very low income households receive PBRA annually
305 low income households receive STRMU assistance annually

Schedule: 2006 - 2014
F. Citywide Rent-to-Prevent-Eviction Program
Provide one-time assistance to at-risk individuals with disabilities or families with low- and very-low-incomes in order to prevent eviction and homelessness. Through the program, provide at-risk individuals or families with landlord/tenant mediation and other follow-up and referral services to ensure that recipients are able to retain their housing after receiving assistance.

Lead Agencies: LAHSA
Funding Sources: CDBG
Objective: Assist 110-125 individuals or families at risk of homelessness annually
Schedule: 2006 - 2014

G. New Resources for Rental Assistance
Develop additional subsidies from existing sources and/or create new resources for short-term and long-term rent assistance to prevent eviction and to enable homeless persons to access existing housing. Pursue rental subsidies under the County's AB2034 mental health services program and the Mental Health Services Act (MHSA) programs. Pursue expansion of or supplements to County Department of Public Social Services (DPSS) rental assistance.

Lead Agencies: CRA/LA, Mayor's Office
Funding Sources: County General Fund, Federal Funds, General Fund, CDBG, AB2034 and other potential sources
Objective: Increase the funding base for rental assistance for homeless households and households at high risk of homelessness
Schedule: 2008 - 2014

H. HOPWA Housing Development for Persons Living with HIV/AIDS
Fund the acquisition, rehabilitation, and/or new construction of affordable rental housing for low-income persons living with HIV/AIDS and their families.

Lead Agencies: LAHD
Funding Sources: AHTF, PSHP, CDBG, HOME, SHP, Tax Increment, HUD 811 Loan Program, HUD Section 8, LIHTC
Objective: Financing commitment to, at minimum, one housing development per year dedicated to serving persons living with HIV/AIDS and their families
Schedule: 2006 - 2014
I. Permanent Supportive Housing Program

Fund the acquisition, rehabilitation and/or new construction of permanent housing with supportive services for homeless and very low-income households. Identify funding sources for rental subsidies and operating costs in funded developments. Identify new capital funding sources separate from and in addition to those in the AHTF. Establish and implement design standards in funded projects that contribute to quality urban form and support local redevelopment efforts. Partner with developers to identify sites and build permanent supportive housing.

Lead Agencies: LAHD, HACLA, CRA/LA, LAHSA and LADWP

Funding Sources: HACLA Project Based Section 8, HOME, LADWP Utility, Infrastructure, Energy Efficiency, and Water Conservation Funds, LMIHF, other state and local funds

Objective: 2,224 permanent supportive housing units financed for homeless households

Schedule: 2008 - 2014

J. New Resources for Housing Serving the Mentally Ill

Coordinate with the County Department of Mental Health to access and leverage mental health funding under the MHSA.

Lead Agencies: Mayor’s Office, LAHSA

Funding Sources: MHSA

Objective: Pursue funding towards permanent housing units for homeless mentally ill annually

Schedule: 2008 - 2014

K. Permanent Housing (for persons with disabilities)

Provide long-term housing with supportive services designed to enable homeless persons with mental and physical disabilities to live as independently as possible in a permanent setting. Fund the maintenance and operating and supportive services costs of permanent supportive housing serving homeless persons with special needs citywide.

Lead Agencies: LAHSA

Funding Sources: SHP
Objective: Maintain 1,477 permanent supportive housing units for homeless households annually
Schedule: 2008 - 2014

L. Los Angeles Supportive Housing Acquisition Fund

Through the $30 million Supportive Housing Acquisition Fund, provide acquisition and predevelopment loans to supportive housing developments.

Lead Agencies: LAHD

Funding Sources: $5 million LAHD investment (General Fund), private investors

Objective: Support site acquisition and pre-development of up to 1,500 housing units
Schedule: 2008 - 2014

Policy 4.1.4

Promote and facilitate a planning process that includes providers of housing and services for the homeless.

Programs

A. Homeless Housing and Services Coordination

Coordinate with LAHSA, the County and other local government agencies to develop sub-regional and Skid Row plans to reduce and end homelessness in 10 years and to implement homeless policies and programs. Participate in regular coordinating efforts with LAHSA and ensure that the needs of all sectors of the homeless population are addressed. Coordinate the local distribution of public funding sources for the effective use of resources and program implementation. Monitor LAHSA’s financial and contract management to ensure effective, efficient program implementation consistent with the City’s goals.

Lead Agencies: LAHSA, Mayor’s Office

Funding Sources: General Fund

Objective: Citywide and sub-regional plans to reduce and end homelessness adopted by the City Council
Regular reports on financial management
Regular reports on contract management and program implementation

Schedule: 2008 - 2014
B. Access New Resources and Services for the Homeless

Monitor federal, state and county legislative and budgetary initiatives that affect homeless persons, including homeless subpopulations with special needs, such as persons with disabilities. Report on such initiatives and make recommendations to the City. Engage in legislative advocacy efforts. Explore new resources and services for homeless persons with special needs.

Lead Agencies: Mayor’s Office, LAHSA

Funding Sources: General Fund

Objective: Periodic reports on state and county legislative and budgetary initiatives

Schedule: 2008 - 2014

C. Housing and Services Planning for Persons Living with HIV/AIDS

Convene monthly meetings of the Los Angeles Countywide HOPWA Advisory Committee (LACHAC). Provide advice regarding administration of the HOPWA Program and planning and policy issues. Coordinate with other HIV/AIDS programs. Advocate for low-income persons living with HIV/AIDS and their families. Assess and evaluate HOPWA-funded supportive services and housing programs in meeting short- and long-term priorities.

Lead Agencies: LAHD

Funding Sources: HOPWA

Objective: Regularly updated plan for the use of HOPWA grant funds

Schedule: 2006 - 2014

D. City Homeless Coordinator

Provide a City Homeless Coordinator to: regularly convene stakeholders; conduct research and evaluation; identify gaps in housing and services; improve access to and delivery of services. Act as the liaison to LAHSA and other county and regional agencies that provide housing and services to homeless persons.

Lead Agencies: Mayor’s Office, LAHSA

Funding Sources: General Fund

Objective: Periodic reports on homeless housing and service delivery and recommendations for improvement

Schedule: 2008 - 2014
Policy 4.1.5
Plan for emergency housing needs that will result from natural or man-made disasters.

Programs
A. Temporary Housing Facilities for Disaster Response

Establish partnerships with supporting City departments and community organizations to develop a disaster preparedness, response and recovery plan to meet temporary housing needs in the event of a disaster, including: identification of hotels/motels for emergency stays; identification of recreation centers and school sites to be used as temporary shelters and/or providing furnishings (such as beds, chairs). Establish housing information and referral services which are activated in the event of a disaster. Coordinate special needs service to assist with issues including services for the elderly, disabled and evacuees with pets.

Lead Agencies: EMD, EOO, DRP

Funding Sources: DHS/FEMA, General Fund

Objective: 120 sites available throughout the City within 24 hours of a natural disaster

Schedule: 2006 - 2014

B. Outreach and Training for Emergency Preparedness and Response

Conduct outreach and training with neighborhood and community groups to prepare residents and businesses for emergencies. Disseminate information through publications and the internet, and by participating in fairs, expos and community meetings. Provide citywide training programs. Provide emergency management training to City employees.

Lead Agencies: EMD, EOO

Funding Sources: General Fund

Objective: 4 fairs during Emergency Preparedness Month annually
2 Neighborhood Preparedness Ambassadors Trainings annually
Outreach to neighborhood and community groups as requested

Schedule: 2006 - 2014

Policy 4.1.6
Eliminate zoning and other regulatory barriers to the placement and operation of housing facilities for the homeless and special needs populations in appropriate locations throughout the City.
Programs

A. Siting Homeless Housing and Services

Identify housing and service needs of the homeless population in each Community Plan as part of the Community Plan update program. Identify land use designations where permanent housing and housing with supportive services can be located by right in each Community Plan Area.

Lead Agencies: DCP

Funding Sources: General Fund

Objective: Identify locations for housing with supportive services in 16 Community Plans
Identify targets in all Community Plans

Schedule: 2008 - 2014

B. Zoning and Development Standards for Shelters

Identify and adopt changes to the Zoning Code to facilitate by-right siting of a greater variety of shelter and transitional housing facilities throughout the City (such as larger facilities, different development standards, different performance standards, etc.).

Lead Agencies: DCP

Funding Sources: General Fund

Objective: Adopt amendment to Zoning Code to facilitate by-right siting of shelter and transitional housing facilities

Schedule: 2008 - 2014

C. Zoning for Health Facilities

Facilitate siting of housing and services for all persons, including those with special needs. Eliminate Zoning Code provisions that restrict locations of public health and treatment programs, including day treatment facilities and residential based treatment programs, in order to comply with federal and state fair housing laws.

Lead Agency: DCP

Funding Source: General Fund

Objective: Adopt amendment to Zoning Code to remove restrictions on locations of public health and treatment program facilities

Schedule: 2008 - 2014
**Objective 4.2**

Promote outreach and education to: homeless populations; residents; community stakeholders; health, social service and housing providers and funders; criminal justice system agencies; and, communities in which facilities and services may be located.

**Policy 4.2.1**

Inform homeless persons and persons at risk of homelessness of their rights and assist them in accessing services to which they are entitled.

**Programs**

**A. Assistance for Homeless Persons in Accessing Housing and Services**

Fund community-based organizations to provide outreach and referral assistance to homeless persons including: food, blankets and other necessities; needs assessment and engagement in services; medical, mental health and/or substance abuse services. Assist clients to move off the streets or out of places not meant for human habitation and into any form of housing.

Lead Agencies: LAHSA

Funding Sources: SHP, CDBG

Objective: Continue funding 1 organization to reach 300 or more homeless individuals
Explore expanding outreach funding to community-based organizations within the City

Schedule: 2006 - 2014

**B. Computerized Information Center/Information and Referrals for Persons with Disabilities**

Provide assistance to callers seeking social service programs for homeless services and housing resource referrals in times of need and crisis. Assess the need/crisis via client intake, locate appropriate resource/service provider, and explain programs offered by the community-based organization and/or government agency.

Lead Agencies: DOD, CDD

Funding Sources: CDBG

Objective: Assist 150 or more clients seeking homeless services and housing resource referrals annually

Schedule: 2006 - 2014
C. HOPWA Centralized Countywide Housing Information Services Clearinghouse

Fund outside agencies to maintain a centralized, countywide HIV/AIDS-related housing information clearinghouse. Provide referral information for housing services from emergency and transitional housing to hospice and permanent housing.

Lead Agencies: LAHD

Funding Sources: HOPWA

Objective: Assist 2,640 clients seeking HIV/AIDS housing information referrals

Schedule: 2006 - 2014

Policy 4.2.2

Inform communities about special needs populations in the City and effective approaches to meeting their housing needs.

Programs

A. Awareness of Special Needs Housing (Neighborhood Councils)

Pursue funding for community organizations and advocates to conduct outreach and disseminate information regarding housing approaches for special needs populations.

Lead Agencies: CDD, LAHSA

Funding Sources: CDBG

Objective: Establish outreach curriculum
Pursue funding for training program

Schedule: 2008 - 2014

B. Homeless Needs Outreach

Identify the housing needs of special needs populations in Community Plan updates. Through the Community Plan update process, provide information and educational materials to the public at workshops and public hearings.

Lead Agencies: DCP, LAHSA

Funding Sources: General Fund

Objective: Disseminate information about the housing needs of special needs populations to 2,000 people

Schedule: 2008 - 2014
Policy 4.2.3
Strengthen the capacity of the development community to locate, construct and manage housing facilities for the homeless.

Programs
A. Technical Assistance to Homeless Housing Providers

Fund outside agencies to provide technical assistance to new and existing homeless housing providers regarding the development and funding of emergency, transitional and permanent housing facilities for homeless persons. Distribute informational material and conduct workshops.

Lead Agencies: CDD
Funding Sources: CDBG
Objective: Technical assistance provided to 20 providers annually
Schedule: 2006 - 2014

Policy 4.2.4
Provide a high level of outreach targeted to the chronically homeless to move them from the streets into permanent housing with appropriate support services.

Programs
A. “Project 50” Pilot Program Targeting the Chronically Homeless

Introduce the “Streets to Home” model of providing permanent supportive housing for chronically homeless persons, which is a model of few to no requirements for accessing the housing (very low barrier to entry housing) and inter-agency coordination for full service provision for residents. Collaborate with the County of Los Angeles to move 50 of the most vulnerable chronically homeless persons from Skid Row, the most concentrated area of homelessness in Los Angeles, directly into this model of permanent supportive housing. Conduct street outreach to identify 50 of the most vulnerable chronically homeless persons. Provide on-site primary health and mental health services.

Lead Agencies: LAHSA, HACLA
Funding Sources: Shelter Plus Care, CDBG, MHSA
Objective: 50 long-term chronically homeless individuals housed
Schedule: 2008 - 2010