Review of the 2006-2014 Housing Element

Chapter 5
Review of The 2006-2014 Housing Element

This chapter provides a review of the 2006-2014 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 2006-2014 Regional Housing Needs Assessment (RHNA) allocation, and evaluates the progress, effectiveness and appropriateness of each of the Housing Element goals, objectives and policies in meeting identified needs and quantified objectives. This chapter is organized by the four housing goals established in the previous Housing Element: Housing Production and Preservation; Safe, Livable and Sustainable Neighborhoods; Housing Opportunities Without Discrimination; and Ending and Preventing Homelessness. A detailed evaluation of each policy and program within the four goal areas is attached in a spreadsheet as Appendix I.

The review of the previous Housing Element helped shape the Update in four 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; (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; and (4) it helped identify program areas that have been particularly impacted through the dissolution of the Community Redevelopment Agency of Los Angeles (CRA/LA) and other funding cuts. In general, the goals, objectives, and policies of the previous Housing Element were carried forward into the 2013-2021 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 January 1, 2006– September 30, 2013, was 112,876 new housing units. From 2006 to the end of 2012, building permits were issued for 46,738 net new housing units. If we assume that 2012 development
trends continue through June 30, 2014 (end of the RHNA period), the City would have fulfilled approximately 48% of the estimated new housing construction need as determined by the RHNA allocation. A significant downturn in the national economy resulted in much reduced new construction in Los Angeles, compared to historical trends. From the first year of the period (2006), housing construction began to decline. Beginning in 2010 activity began to slowly increase but was still below levels we saw in the first half of the previous decade. In addition, the City’s RHNA allocation for the 2006-2014 period was based on an expectation of high population growth, which largely did not materialize. In fact, the Census reports that the real rate of population growth from 2006 to January 1, 2013 was 2.4%, while the number of housing units actually increased by 4.8%.

The majority of the new construction during the 2006-2013 period was for market-rate housing (approximately 83%). As illustrated in Table 5.1, the new construction of housing units for all income levels fell short of meeting the RHNA goals. The RHNA goals target 57% of all new units for households with moderate incomes or below, whereas only 17% of the actual new units produced in the prior RHNA served these households. The gap was particularly large at the extremely low income and moderate income levels. These are two income ranges that are particularly difficult for a City like Los Angeles to reach given the lack of housing funding sources that address production needs at these levels.

**TABLE 5.1**

<table>
<thead>
<tr>
<th>RHNA Income Category</th>
<th>RHNA Goal*</th>
<th>Units Built**</th>
<th>% of RHNA met</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low Income 31%-50% County Median Income</td>
<td>27,236</td>
<td>4,921</td>
<td>18.1%</td>
</tr>
<tr>
<td>Low Income 51%-80% County Median Income</td>
<td>17,495</td>
<td>2,933</td>
<td>16.8%</td>
</tr>
<tr>
<td>Moderate Income 81%-120% County Median Income</td>
<td>19,304</td>
<td>103</td>
<td>0.5%</td>
</tr>
<tr>
<td>Above Moderate Income &gt;120% County Median Income</td>
<td>48,839</td>
<td>38,788</td>
<td>79.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>112,876</strong></td>
<td><strong>46,738</strong></td>
<td><strong>41.4%</strong></td>
</tr>
</tbody>
</table>

Source: HCIDLA, DCP.

* The RHNA goal is for the period between January 1, 2006 to June 30, 2014.

** This includes 18,286 building permits for new units from January 2006 through December 2012.
B. Review Of 2006-2014 Housing Element

Goals, Objectives and Policies

Goal 1: Housing Production and Preservation

The goal established to address housing production and preservation was as follows:

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

Goal 1 combined housing production with housing preservation in order to address the broad supply issue, recognizing the importance of both constructing new units and preserving those we have. However, the document separates housing production and preservation by way of distinct policies and programs for each.

The goal is effective at focusing attention on facilitating construction and rehabilitation of a variety of types of housing for a range of income levels and needs. One minor change was made to the goal language—removing the word “sanitary” from the list of housing descriptors. While maintaining sanitary housing conditions remains an important goal of the City, it was felt that the word was slightly redundant, given that the words safe and healthy already exist in the goal.

The objectives listed under Goal 1 include a focus on production (1.1), preservation (1.2), planning and forecasting changing housing needs (1.3), providing an equitable distribution of housing (1.4) and reducing regulatory and procedural barriers to housing production and preservation.

These broad objectives remain relevant and are not being significantly changed. However, some text changes were made to increase clarity and reduce redundancy. For example, the previous Objective 1.1 begins by saying, “Plan the capacity and develop incentives for the production” of housing. It was felt that planning for the capacity of planned residential growth belonged under Objective 1.3, with its existing focus on forecasting changing housing needs. In addition, the specificity of the “develop incentives” language that followed did not fully reflect the breadth of policies and programs related to housing production. The beginning of Objective 1.1 was therefore changed to “Increase the production of rental and ownership housing…” to fully capture all city activities in this area. Similarly, the previous Objective 1.2 contained language that focused on developing incentives for housing preservation. As current preservation activities go beyond developing new incentives, the wording was...
broadened to simply state: “Preserve quality rental and ownership housing…” Multiple policies and programs below Objectives 1.1 and 1.2 refer to the more specific development of incentives for both production and preservation.

Policies and programs that focused on housing production were largely successful and are continuing in the Housing Element Update. The biggest changes are a result of the dissolution of Redevelopment Agencies (RDAs) by the State of California, which not only resulted in the loss of more than $50 million in annual affordable housing funding by the city’s Community Redevelopment Agency (CRA/LA) but also the removal of 18 housing production/preservation programs that administered them. Reducing the level of affordable housing production and preservation lost due to the dissolution of the CRA/LA will be exceedingly difficult.

The reduction in RDA funding is made worse by cuts to many Federal and State housing programs in recent years (CDBG, HOME, etc.). With such drastic cuts, innovative new ways to create affordable housing are desperately needed. New and existing programs that address this need include: New Land Use Programs to Increase Affordable Housing, Modifications to density bonus program, Facilitate Senior and Disabled Housing and Advocate for State, Federal and Local Housing Funds.

A few current production and preservation programs were partially or wholly discontinued due to decreased funding sources, while several were better organized and consolidated to prevent duplication. For example, three single-family home-buyer financial assistance programs have been combined into one and the City’s preservation activities have been consolidated largely into two programs — one focusing on monitoring and outreach and a new
program called Preservation of Affordable Housing focused more on funding and affordability extensions. In several cases, separate programs existed for a given program and its proposed review and modification. These have been merged. Some programs such as Residential Rehabilitation were partially successful in achieving their objectives but could not be continued due to lack of resources. Other programs such as Small Lot Subdivisions or Downtown Affordable Housing Bonus did not meet their objectives due to changes in the housing market; however, such efforts are still worthwhile and have been reconfigured as necessary and continued in the Housing Element Update.

A major focus in Los Angeles is the historic investment being made to the Los Angeles region’s public transportation system (Measures R). Rapid build-out of a much enlarged light-rail and rapid bus system raise many opportunities, but also threats, to the supply of housing for Los Angeles residents (see Executive Summary).

Given this, housing policies and programs near them merit special consideration. While existing policies and programs to promote the production and preservation of affordable housing near transit largely remain valid, much work has been done to re-organize them and add in new programs to meet the objectives.

Generally, the Housing Element Update expands upon the housing production programs established previously but provides additional programs to facilitate housing production. New programs such as Homeownership for Voucher Holders and Housing Alternatives for Seniors already existed, but were not recognized in the Housing Element. Other programs have been newly enacted since the previous Update, such as the Foreclosure Registry. Finally, a few new programs have been created that seek to increase housing production. While many of the programs in the previous Housing Element are being retained, they have been fine-tuned and in some cases consolidated to more comprehensively and more effectively address housing supply.

**Goal 2: Creating Safe, Livable Communities**

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

> A City in which housing helps to create safe, livable and sustainable neighborhoods.

The previous Housing Element made a major effort to include additional objectives, policies and programs to promote sustainable or green building efforts. This reflected the significance of the issue, as well as the work the City had undertaken in recent years to promote sustainable building practices. In addition to sustainability, programs and policies regarding
health, safety, good design and city planning practices round out the livability topic. In general, the livability goal tried to focus on the type and quality of residential activity, as well as locational concerns.

Because the livability goal saw the most successful completion of objectives and overall activity across the City, few changes needed to be made in this area. If anything, the previous Housing Element may have included too many programs under livability that only tangentially related to residential development. In an effort to streamline the document (and subsequent Annual Progress Reports) some programs were removed and others combined to try to strike the right balance. In general, programs relating to conservation and sustainability were retained, as these are specifically called out as requirements in Housing Element law. Programs dealing more with design and planning were often combined or sometimes removed, unless there was a direct tie to housing development.

In keeping with the previous practice, 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 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 livability, rather than in housing production as in the previous Housing Element. This is because the distribution of growth has more to do with promoting livable communities than purely a growth in supply. It is a qualitative aspect of residential development, rather than purely quantitative.

Mixed use development was successfully promoted in the previous Housing Element with such tools as the Zoning and Neighborhood Implementation Tools for Mixed Use Development. This is continued in the Housing Element Update with minor changes. Other efforts such as Jobs/Housing Balance Incentives and Education about Growth, Housing Need, Mixed-Use and Mixed-Income Neighborhoods were not previously successful due to lack of funding or staff resources, but these programs have been reconfigured in an attempt to advance these effort in a more realistic fashion.

Many of the City’s programs promoting building sustainability have been supplanted by the introduction of the Los Angeles Green Building Code, which was based on the 2010 California Green Building Standards Code (commonly known as “CALGreen”). In cases where the programs go beyond existing development standards and require a dedicated City work program, the programs were retained. However some were eliminated if they were not directly related to residential development or conservation in building. These include:
• Improved Street Standards, Streetscapes and Landscaping
• Crime Prevention through Environmental Design (CPTED)
• Neighborhood Watch
• Safer City Initiative, Mayor

Several CRA/LA programs relating to livability were ended with the dissociation of the Redevelopment Agencies. These include Response to Development Opportunities, Neighborhood Stabilization Program, Homeownership Lots in Pacoima and Sustainable Practices Demonstration Program.

Goal 3: 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 narrowed the focus of this issue area 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 policies and objectives under this area were mostly found to be adequate in their approach to ensuring opportunity for all. Los Angeles has largely met its commitments to ensuring fair housing opportunities. However, several programs under this area did not meet their potential during the previous period.

Programs such as the Citywide Fair Housing Program were effective in achieving their objectives and are continued in the Housing Element Update. Programs such as Don’t Borrow Trouble are a part of the Citywide Fair Housing Program, and are therefore better discussed within that program rather than as their own stand-alone program. Completing the Education for Buyers and Homeowners program is a requirement for certain HCIDLA homebuyer programs, but it is not funded nor administered by the City. Therefore it does not need to be its own program.

**Goal 4: Homelessness**

The homelessness goal is as follows:

> A City committed to ending and preventing homelessness.

The previous review of the previous Housing Element (2006-2013), made it clear that the issue of homelessness should be elevated in importance and involved a separate set of policies and programs, apart from production and preservation. Therefore, the prior document created a new City goal that focuses on preventing and ending homelessness. The current review found no reason to change this approach.

Several new programs were added under this section to reflect the changes at the National level on homeless policy. These were largely a result of the Homeless Emergency and Rapid Transition to Housing (HEARTH) Act, which amends (with substantial changes) and reauthorizes the main source of homelessness funding – the McKinney-Vento Homeless Assistance Act. The legislation reflects “the change in the program’s focus from addressing the needs of homeless people in emergency or transitional shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.” The new ESG program builds on the success of the Federal Stimulus-funded Homelessness Prevention and Rapid Rehousing Program (HPRP) and emphasizes rapid rehousing and diversion. The HPRP funding has run out and this program is therefore being deleted.

Several new programs that have been developed by LAHSA or HUD in recent years were included into the Update. These include the Family Solutions Systems, Veterans Affairs Supportive Housing (VASH), Access to Housing and Health Program (AHH) and Homeless Management Information Systems Data Collection.

The Project 50 Pilot Program has met its objectives and can be removed. The Technical Assistance to Homeless Housing Providers was not taking place due to lack of staffing and resources and is therefore being removed. Two CRA programs dealing with homelessness have ended with the dissolution of the Redevelopment Agencies - Priority Occupancy for Homeless Persons and New Resources for Rental Assistance. The Federal funding for the Citywide Rent to Prevent Eviction Program has run out and is therefore being deleted. Finally, a program to identify specific site locations for homeless housing and services in new Community Plans is being removed as this is not taking place in the current round of plans.

The policies and objectives under this area were largely found to be adequate in their approach to preventing and ending homelessness. However there was some confusion with the use of the term “special needs” and attempts were made to differentiate between individuals with special needs other than being homeless or at-risk of homeless. Two policies having to do with informing homeless persons and those at risk of homelessness of their rights and doing outreach to inform them of the available services were merged.