

aging commercial centers through adaptive reuse of old office buildings, loft conversion in vacant factories and mid-rise new construction. Smaller developers can provide the essential infill developments needed to redevelop underutilized areas. Access to more capital will empower the nonprofit community, which is skilled in doing complex infill projects in difficult areas, to increase its production of permanently affordable housing. Small contractors and family entrepreneurs also have a role to play by housing extended family members and neighbors in small scale rental units built in single family zones or producing additional homeownership housing on split lots in selected areas.

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P1. MODIFY THE CITY'S ZONING CODE TO PROMOTE AFFORDABLE HOUSING

Housing production in the City of Los Angeles is at a virtual standstill, while population continues to grow. Rental housing is increasingly unaffordable for lower wage workers and only 39 percent of the City households are homeowners. A principal barrier to housing production is the lack of land close to employment centers. The City has a very limited supply of vacant land and most new housing must now be built on underutilized residential or commercial parcels. Available sites are scattered and hard to assemble into large enough parcels for efficient development.

Constraints in the supply of land are exacerbated by constraints imposed by the City's land use regulations. A number of provisions in the City's zoning code are not flexible enough to respond to current conditions. Mixed use development, although recommended as a way to create "walkable neighborhoods" and make housing more affordable, has proven nearly impossible to implement due to contradictory requirements of residential and commercial building codes. Restrictions on minimum lot size prevent the development of smaller "beach-style" lots like those in Santa Monica, Venice and other coastal areas, although the creation of such lots would allow more families to achieve the American dream of homeownership.

The changes recommended in this section use a variety of methods to increase project feasibility in multifamily zones, reconcile contradictions between commercial and residential building codes that hinder the development of mixed use projects and increase the number and type of building sites in both single and multifamily zones. The principle underlying these recommendations is that increased density should be encouraged in areas that are adequately served by public transportation.

Allow for more flexible building envelopes in selected residential zones. Include design criteria for reduction in yard requirements.

P1.1 Allow a more flexible building envelope in selected residential zones.

P1.1.1 Allow a 50 percent density bonus for 100 percent affordable housing developments.

A residential development in any multifamily zone will be allowed to increase its base density by 50 percent by right (as opposed to the current 25 percent) if all units are designed to meet the City of Los Angeles affordable housing criteria. In addition, those affordable projects whose unit counts are 25 percent to 50 percent greater than the allowed base density, will be allowed to exceed the base zone's height limit by 10 feet one story.

P1.2 Decrease minimum lot size in selected areas to encourage production of affordable housing.

To encourage the development of affordable units, decrease minimum lot size in R1 and R2 zones by 20 to 25 percent for projects that produce affordable units. For example, in R1 and R2 zones where the common minimum lot size is 5,000 square feet, the minimum lot size could be reduced to 4,000 square feet. Reducing the minimum lot size would help to encourage the production of more units by making it economically feasible to develop some properties that are shaped irregularly or that would not generate revenue sufficient to develop them.

P1.3 Create intermediate residential zoning designations (R1.5, R2.5, R3.5, etc.).

To encourage housing development, introduce revised intermediate zones, (R1.5, R2.5, R3.5, R4.5) with lower per lot and per dwelling unit minimum areas. Allow them to be applied to zones one category lower for properties within 1,500 ft. of transit stops.

P1.4 Revise the zoning code to encourage the development of more family units

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Existing regulations specifying the maximum number of units that can be built on sites a given size in each zoning designation encourage the development of one and two bedroom units because these fit more easily into the permitted building envelope. The Planning Department should consult with developers to assess whether eliminating the determination of the number of units allowed on lots of a given size or creating intermediate zones would provide incentives to build larger units (three and four bedrooms) and make appropriate revisions in the zoning code.

P1.5 Rezone more properties for multi-family uses.

P1.6 Facilitate mixed use projects.

Facilitate mixed use projects by revising and reconciling city planning, zoning, and building and safety requirements for residential and commercial projects, including fire safety, occupancy, health and parking. The incorporation of housing with other compatible uses would result in more efficient use of land, especially in neighborhood where there is a shortage of land for affordable housing.

P1.7 Reduce parking requirements near public transportation.

Provide incentives to develop affordable housing by reducing parking requirements to 1.0 spaces per unit if the property is within 1,500 feet of a public transportation stop or pedestrian oriented public facility or supermarket retail project. Existing parking requirements can add up to \$25,000 to the cost of developing a single housing unit and can have the effect of raising a unit's monthly rent by \$100 to \$150.

P1.8 Allow housing development on obsolete industrial land.

Identify a set of conditions for allowing safe residential development in obsolete industrially zoned land and then rezone areas that meet these conditions. Link applications for development in these areas to a process for informing applicants about environmental assessment and brownfields recovery funds.

P1.9 "Grandfather in" existing land use entitlements for affordable housing reconstruction.

In some cases, rehabilitating an old building is just as expensive or even more expensive than rebuilding it, especially when there are lead or asbestos hazards in the building. But if the building is demolished, any new construction will be limited by current parking, lot coverage and other regulations, making the construction much more expensive. Developers of affordable housing should be allowed to use the old parking and other requirements instead of existing ones when rehabilitation is more expensive as expensive as new construction.

P1.10 Facilitate affordable home ownership with a small lot program in selected areas.

Within selected areas with adequate access to public transportation, reduce minimum area per lot and minimum area per dwelling unit to 2,500 square feet in all one-family dwelling zones (i.e., R1, RU, RZ, RW) as well as R2, RD, RMP and RW2 zones. Permit further subdivision of existing lots within single family areas to encourage more affordable homeownership. Revise required yard and minimum lot width specifications based on good design guidelines. In existing single family neighborhoods, these changes will create "beach lots" like those in Santa Monica and Venice but will retain the basic single family nature of the area.

P1.11 Convene a panel of private sector architects, planners, developers, lender affordable housing advocates and others who are experts on land use and building to make specific, feasible recommendations on zoning reforms.

P1.12 Revise the Los Angeles zoning code for compliance with state and federal fair housing laws.

Review and revise the Los Angeles zoning code for compliance with state and federal fair housing laws and implement the following changes: (1) define "family" without numerical restrictions and any related/unrelated distinction; (2) permit the siting of congregate living arrangements for more than six persons in single family residential zones and those of greater density without a conditional use permit or variance requirement where the living arrangement meets the definition of family; and (3) add a fair housing reasonable accommodation procedure for developers of housing for people with disabilities and for individuals with disabilities.

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P2 EXPEDITE PROCESSING FOR HOUSING DEVELOPMENT

Despite vigorous City efforts to streamline and coordinate the procedures for obtaining building permits and planning approvals, accurate information on zoning, planning, and building requirements is still difficult to obtain, and the process of approval is still slow. Further reforms are necessary to reduce delays and increase the predictability of processing by the Planning and Building and Safety Departments.

P2.1 Create a Building and Safety check list for all approvals needed for new housing development.

Develop a check list (Department of Building and Safety) for housing development that lists all approvals required, fees to be assessed and the likely time for approval. This checklist would be filled out by an experienced plan checker at an early stage of design. The City must then commit to the listed approvals, fees, and time limits.

P2.2 Guarantee completion of a plan check review within two weeks for affordable housing applicants.

P2.3 Create a case manager program for affordable housing developments in both the City Planning Department and the Department of Building and Safety.

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P3 IMPROVE PUBLIC ACCESS TO PLANNING, ZONING AND BUILDING AND SAFETY INFORMATION

Property owners, developers, architects, contractors, real estate brokers, home-seekers and others need to obtain accurate, timely information from City departments. Providing this information to the taxpayers should be a priority of all City departments, but at present, this information is sometimes difficult to obtain, difficult to understand, and not always consistent from one staff person to another or from office to office. Furthermore, despite mandates to reduce traffic congestion and automobile-generated air pollution, crucial information such as zoning is rarely available by phone. Making such information available by phone and on line would eliminate thousands of automobile trips per year. Improvement of training, delivery and quality control of the City's information functions would reduce delays caused by mistakes, contradictions and inaccessibility of needed information.

Some crucial information needed by consumers and the housing and real estate industries is not available at all. Developers need an inventory of vacant land and of parcels suitably zoned for various levels of multifamily housing and communities need to understand both current land use and zoning to effectively participate in neighborhood planning.

P3.1 When the code revision is complete, develop a simple print booklet and online guide to the zoning code for property owners and developers.

P3.2 Make zoning information available on line and by telephone, further reducing the time required for permit processing and plan check.

P3.3 Create an information quality control program.

Ensure accuracy, completeness and uniformity of information provided to the public by creating a quality control system that includes staff training in both the Planning and Building and Safety Departments.

P3.4 Allow payments of approval and other fees over the phone or Internet.

Modernize procedures in the Departments of Planning and Building and Safety to improve public access and the timeliness of response to public requests. Modernization could include a procedure for paying fees by credit card over the phone or the Internet, email responses to inquiries and so on.

P3.5 Digitize existing and approved land use information and make it available on the City's website.

Set up a system to digitize existing and approved land use information by parcel. There are approximately 800,000 parcels in the City of Los Angeles. Satellite technology can

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be used as the baseline parcel information. Once complete, put the maps on line.

P3.6 Put the City's inventory of 9,200 City-owned sites on line.

Put the City's inventory of 9,200 City-owned sites on line as soon as the Chief Administrative Officer's (CAO) staff has completed its survey of current land uses on City-owned sites. Grant preference for purchase of available sites to developers of affordable housing at a reduced rate and expedite the purchase process.

P3.7 Identify and disseminate data about vacant and underutilized land parcel b parcel.

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P4. CREATE GREATER AFFORDABLE HOUSING INCENTIVES

California state law (Government Code Section 65915) requires all cities and counties adopt density bonus ordinances. These ordinances also have to grant additional incentives to housing developers who use the density bonus. An incentive can be reductions in the required number of parking spaces per unit, reduced permit fees or other concessions. Developers are entitled to the density bonus if they agree to make least 20 percent of the units in a new development affordable to lower income households (60 percent of area median income) or 10 percent of the units affordable to very low-income households (50 percent or less of area median income).

In 1995, in compliance with state law, the Los Angeles City Council enacted the Affordable Housing Incentives Ordinance. In addition to the state-mandated 25 percent density bonus, the ordinance reduces parking requirements and allows fee deferral for developers who incorporate affordable housing units into new developments. The ordinance also allows for the provision of fewer affordable units if they are handicapped accessible and affordable to extremely low-income residents dependent on federal Supplemental Security Insurance (SSI) with an annual income of about \$8,000. Only a few affordable units have been built in response to this ordinance and developers, architects, and housing advocates have commented that additional incentives are necessary to make incorporation of affordable housing into new development financial attractive to developers.

P4.1 Include additional incentives in the City's Affordable Housing Incentives Ordinance.

Broaden the existing Affordable Housing Incentives Ordinance to allow the waiver of a fees that are subject to City discretion, density bonuses up to 50 percent for projects t provide units affordable to households earning 30 percent or less of median income, a other related incentives.

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P5. INCREASE HOME OWNERSHIP OPPORTUNITIES BY PERMITTING THE DEVELOPMENT OF ACCESSORY UNITS

In 1982, the California legislature adopted SB1534 mandating that local governments either enact their own ordinances permitting the construction of second units in single-family neighborhoods or adhere to development standards contained in the state statu Los Angeles does have an accessory unit ordinance (Sec 12.24 of the Los Angeles Municipal Code), but according to a study conducted at UCLA in 1991, the ordinance i so restrictive that few legal accessory units have been built. Under the current ordinance, only attached accessory units may be built and approval is only by conditional use permit. Accessory units can only be built on lots at least 50 percent larger than the minimum lot size in a particular zone and in no event can the size of these lots be less than 7,500 square feet.

The proliferation of illegally constructed garage units in most City neighborhoods, including affluent areas, is clear evidence that there is a need for accessory units. Accessory units can meet a number of family needs over the course of the life cycle including the provision of housing for family members, rental income to help support a elderly couple or new homeowners, housing for caretakers of young children, disabled elderly family members, or space for a home office. These needs will increase as the City's population ages, and telecommuting and home-based businesses increase.

P5.1 Facilitate the production of accessory units in selected areas.

Modify the existing ordinance governing accessory units to stimulate production of

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second units while maintaining the single family character of the neighborhood. To reduce restrictions on accessory units, modify lot size requirements and create a permitting process that allows these units to be developed by right if they are at or below a maximum size. Create a conditional use process for larger units.

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P6. ENSURE THE SAFETY OF RENTERS BY CREATING HABITABILITY STANDARDS AND A LEGALIZATION PROCESS FOR ILLEGAL UNITS

An article published in 1987 in the Los Angeles Times estimated that there may be as many as 42,000 illegal garage units in the City housing about 200,000 persons. These units, which often have faulty wiring, no heat or running water, or other severe deficiencies, pose the danger of fire, carbon monoxide poisoning, hypothermia and of hazards. But the population of the City continues to increase while housing production stagnates and in the absence of other affordable units, property owners continue to create these illegal units and impoverished families continue to rent them. In 1997, after the tragic deaths of eight children and one adult in two separate garage fires, an interdepartmental Garage Housing Task Force, appointed by the City Council, developed a set of alternatives for the garage unit problem that included a hazard reduction program, habitability standards, an interim occupancy program, occupant relocation assistance and a legalization process for the units. At that time the City Council did not adopt most of the recommendations. However, because the illegal garage units continue to be occupied and to pose a hazard to their occupants, it is crucial that the City Council once more consider what to do about existing garage dwellings.

P6.1 Create habitability standards and a process to legalize certain garage units

In order to address the problem of unsafe garage dwellings, adopt habitability standards for existing "garage units" and adopt a program for legalizing these units. Base the legalization program on existing recommendations for legalization of these units or have LAHD prepare additional alternatives. This process would not permit any new garage units.

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P7. ESTABLISH A NEW ENTITY TO PROVIDE ONGOING EXTERNAL LEADERSHIP TO ADDRESS THE CITY'S HOUSING CRISIS

The City's best intentions will be doomed unless key structural leadership vacuums are addressed: leadership on housing issues both inside and outside City Hall.

P7.1 Create a Leadership Council on Affordable Housing and Economic Vitality.

To build public support for the production of more affordable housing—and to hold City government accountable for its efforts—a new advocacy group outside City government is needed. The Mayor and the City Council should call upon community and business leaders from key sectors of the economy to create a Leadership Council on Affordable Housing and Economic Vitality. The job of the Leadership Council would be to advocate a strong, coordinated response to the housing crisis from both public and private sectors. The Council would also evaluate the City's response to the crisis and set forth recommendations for improved internal coordination of the City response.

The Leadership Council would issue an annual 'report card' evaluating the City's annual accomplishments in reducing the gap between the number of new housing units actually produced and the number of units needed to keep pace with population growth, and in achieving a balance between jobs and housing.

P7.2 Review the role, mandate and authority of the existing Affordable Housing Commission and make recommendations to the Mayor and Council.

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P8. EDUCATE THE PUBLIC ABOUT THE NEED TO INCREASE THE SUPPLY OF AFFORDABLE HOUSING FOR ALL INCOME GROUPS

In order to support the development of more housing for all income groups in the City, it is important to provide models of well designed multi-family housing for a variety of infill lots. It is essential to give the public realistic models of well-designed affordable multifamily housing that both enhances neighborhoods and provides more housing.

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Among the residents who will most need to understand the design, construction and finance of affordable housing are the members of the six new area planning commissions and the up to 100 new neighborhood councils established by charter reform. The integration of well-designed housing affordable to low and moderate income households may be a crucial task facing these new councils.

P8.1 Design competition for well-designed alternative models of multifamily housing.

Conduct a design competition for alternative models of multifamily housing. The model would demonstrate the feasibility of well-designed multifamily housing projects. These projects would be compatible with surrounding structures and would promote higher property values in the neighborhood. Use this competition as the basis for a technical assistance program that includes off-the-shelf designs. Tie competition to city-owned lots. Ask the Leadership Council to sponsor the competition and empanel the judges.

P8.2 Design studies for new forms of affordable housing.

Fund design studies to assist in the visualization of smaller versions of single family living style. Include designs for accessory units. Fund and publicize model plans and specifications that can be used by small property owners and general contractors. Create a special unit in the City Planning Department to facilitate the applications of individual homeowners.

P8.3 Educate new area planning commissioners and members of neighborhood councils about the need for affordable housing.

Develop a required education program on affordable housing need, finance and fair share distribution for members of the new area planning commissions and neighborhood councils created by charter reform. Provide technical assistance to neighborhood councils to increase the supply of affordable rental and ownership housing in their communities.

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P9. INTEGRATE AFFORDABLE HOUSING IN MAJOR PROJECTS SUCH AS NEW SCHOOLS AND TRANSIT DEVELOPMENT

The Los Angeles Unified School District is planning to build 150 new schools over the next few years, and the Metropolitan Transit Authority is still trying to implement an ambitious Countywide transit system. New development by large agencies often demolishes older, affordable housing units and while there may be requirements to provide relocation assistance to occupants, there are usually no requirements to replace the housing. Those renters displaced must enter a tight rental housing market with few, low-cost apartments available, except for substandard housing. The City must plan to work closely with other agencies to ensure that affordable housing is integrated into school, transit, and other major development programs.

P9.1 Work with other agencies to include affordable housing in the development of civic projects such as schools, large commercial developments and transit.

The City should aggressively seek and pursue opportunities to add affordable housing as a key component of anticipated new buildings and projects such as schools, transit facilities and commercial and industrial projects, where the needs of residential and nonresidential uses can be made compatible. In order to accomplish this, the City should coordinate with other agencies such as the Los Angeles Unified School District and the Metropolitan Transit Authority. In addition to exploring these opportunities, the City should also develop a better process for anticipating and planning ahead for major changes in land use patterns in the Los Angeles area that could create new opportunities for affordable housing.

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P10. ENCOURAGE SUSTAINABLE DEVELOPMENT AND GREEN BUILDING PRACTICES

Sustainable development approaches (green building techniques, brownfield redevelopment, in-fill, and neighborhood revitalization) are highly effective and proven tools in the effort to make housing truly affordable and healthy. Unfortunately, most of these opportunities have not yet been realized as part of the standard practice of either for-profit or nonprofit housing development. Housing is a key component of any community. Its role as a critical land use should be maximized in efforts to strengthen

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existing neighborhoods and improve the local and regional environment. Through training, education, and working to gain the full support of government and industry, sustainable building practices should be made standard practice in all housing developments citywide.

P10.1 Provide incentives to projects that incorporate sustainable building practices.

Provide fee reductions or waivers, expedited processing and/or other incentives for projects that do the following:

P10.1.1 Make more efficient use of sites.

Provide incentives to projects that are developed in an empowerment zone or on a brownfield site, include community gardens or other forms of on-site food production, and/or are an adaptive reuse of an existing building or site.

P10.1.2 Incorporate more efficient energy systems.

Provide incentives to projects that incorporate renewable energy systems such as solar or wind, provide on-site storm water retention, exceed State Title 24 Energy Standard by 20 percent or more, include electric vehicle charging stations, and/or exceed State and City water efficiency requirements through either system design or provision of additional drought tolerant landscaping.

P10.1.3 Emphasize recycling.

Provide incentives to projects that supply superior on-site recycling services such as bins in each unit, commit to a comprehensive demolition and construction recycling program, utilize a minimum of 30 percent of building materials with recycled content, and/or specify non-toxic building materials or utilize only certified lumber products.

P10.2 Eliminate City regulations that hinder sustainable development approach

Remove requirements that parking areas be paved with asphalt or other non-porous surfaces. Allow the installation and use of grey water systems for landscaping in all project types. Modify regulations related to fire walls to allow for a reduction in material use (specifically in townhouse designs where stringent fire rating between first and second levels is redundant). Modify regulations for permitted projects to allow for efficient overhangs on southern and western exposures and to provide light shelves.

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RENTAL HOUSING SUBCOMMITTEE

SUMMARY OF RECOMMENDATIONS

- R1 IMPROVE THE QUALITY OF PUBLIC INFORMATION AT LAHD, AND MAKE IT EASIER FOR THE PUBLIC TO ACCESS
 - R1.1 Develop a user friendly, multilingual LAHD public information telephone system.
 - R1.1.1 Provide adequate staff to reduce wait times to speak to counselors to no more than five minutes
 - R1.1.2 Develop a staff training program.
 - R1.1.3 Make sure that the public information telephone number is accurately listed with all telephone directories used in Los Angeles
 - R1.1.4 Advertise the public information telephone number.
 - R1.2 Provide up-to-date written information on all LAHD programs.
 - R1.2.1 Submit written materials for review by landlord and tenant groups
 - R1.2.2 Update the Landlord/Tenant Q & A handbook on the rent stabilization ordinance in English and in Spanish and distribute the revised edition
 - R1.2.3 Update the LAHD rental housing referral information sheet.
 - R1.2.4 Update the LAHD website at least once a month.
- R2 CROSS-TRAIN LAHD STAFF
- R3 DEVELOP A CITYWIDE RELOCATION POLICY AND A SOURCE OF FUNDING TO ASSIST TENANTS WHO MUST VACATE SLUM PROPERTIES

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IV. Comments and Responses to the Draft EIR

- R3.1 Clarify relocation provisions for slum dwellings and extend to slum dwellings not regulated by the RS
- R3.2 Create a relocation assistance fund
- R3.2.1 Research programs in other cities, such as Sacramento, that have relocation assistance funds for slum properties that are being vacated.
- R3.3 Prevent homelessness when slum properties are vacated
- R3.3.1 Create a rapid response team for building closures
- R3.4 Create a City relocation loan program
- R3.5 Develop a source of funding for the loan and relocation assistance programs.
- R3.5.1 Track and actively support the development of state legislation to create a relocation assistance fund available to tenants displaced from buildings being vacated due to severe, life-threatening code violations.
- R4 PRESERVE EXISTING AFFORDABLE RENTAL HOUSING STOCK AND REQUIRE AFFORDABLE REPLACEMENT HOUSING UNDER CERTAIN CIRCUMSTANCES
- R4.1 Propose legislation to reduce the time that substandard properties remain on delinquent tax rolls before they can be offered for sale.
- R4.2 Facilitate sale of tax-delinquent properties to owners willing to make them affordable.
- R4.3 Provide tax relief to new owners of tax delinquent properties who agree to make units affordable.
- R4.4 Require bank receivers of slum property to notify the court of serious habitability violations that cannot be addressed without the investment of additional funds.
- R4.5 Develop a replacement policy for demolition of affordable rental housing.
- R4.5.1 Use inclusionary zoning to ensure replacement of demolished affordable units in market rate residential construction.
- R4.6 Monitor development of new schools and civic projects to minimize demolition of affordable housing and require replacement housing for civic projects.
- R5 REVIEW SYSTEMATIC HOUSING CODE ENFORCEMENT AND COMPLAINT DRIVEN PROGRAM
- R5.1 Prepare a status report on the Systematic Code Enforcement Program
- R5.2 Create incentives to retain code enforcement inspectors.
- R5.3 Identify funds to continue the Systematic Code Enforcement Program.
- R6 INCREASE INCENTIVES FOR OWNER INVESTMENT IN AFFORDABLE HOUSING
- R6.1 Encourage private sector lending to rehabilitate slum properties.
- R7 EXPLORE THE CREATION OF A MANDATORY CERTIFICATION PROGRAM FOR RESIDENT MANAGERS
- R8 INCORPORATE THE CREATION AND PRESERVATION OF ACCESSIBLE RENTAL HOUSING FOR THE DISABLED INTO THE CITY'S HOUSING POLICY
- R8.1 Provide funds or loans to property owners who are willing to make 25 percent of their units accessible for those with physical disabilities and to make half of the accessible units affordable to disabled individuals on SSI.
- R8.2 Create a joint effort between the Department on Disability and the Housing Department to provide information on accessible housing in general and in particular, accessible housing affordable to individuals on SSI (Supplemental Security Income).
- R8.2.1 Create a current list of accessible and adaptable units.
- R8.2.2 Include group homes for disabled persons in new programs and in research studies undertaken to prevent loss of units. Ensure that new construction is programmatically and architecturally accessible for people with disabilities.
- R8.2.3 Include relevant legal and nonprofit agencies in joint efforts affecting housing for people with disabilities
- R8.3 Ensure review of accessibility compliance during plan check and new construction building inspection
- R9 ENDORSE EXPANSION OF THE STATE LOW INCOME TAX CREDIT AND LIMIT TO PROJECTS PROVIDING AFFORDABILITY TO POOREST TENANTS
- R10 AGGRESSIVELY LOBBY THE FEDERAL GOVERNMENT FOR ADDITIONAL FUNDING FOR SECTION 8 SUBSIDIES
- R11 CREATE A CITY ATTORNEY POSITION TO WORK FULL TIME WITH THE HOUSING DEPARTMENT TO PURSUE CIVIL REMEDIES TO ENFORCE THE CITY'S RENT STABILIZATION ORDINANCE AND OTHER RELATED ORDINANCES

RECOMMENDATIONS OF THE RENTAL HOUSING SUBCOMMITTEE

Introduction

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The City's stock of older rental housing is its most affordable housing. Most rental unit built prior to 1979 are subject to the Rent Stabilization Ordinance. While the majority of owners are responsible and most buildings are relatively well maintained, there are also a number of slum dwellings in the City and in some cases these properties are so dangerous to the tenants that the buildings have to be vacated. The Rent Stabilization Ordinance requires that owners pay for tenant relocation under such circumstances but the ordinance needs to be clarified. No such protection is provided for tenants of buildings constructed after 1979 and not under the jurisdiction of rent stabilization. This inequity should be rectified since the harm to tenants of slum dwellings is the same regardless of the regulatory status of the building. In fact, the City needs a citywide relocation policy to govern relocation of tenants when slum buildings are vacated by the City.

Even when tenants are eligible for and entitled to relocation benefits and other civil remedies provided for under City, state and federal laws, they often find it impossible to collect the benefits. A deputy City Attorney position should be dedicated to pursuing civil redress and remedies, including collection of relocation benefits, in order to enforce the Rent Stabilization, Housing Code and other applicable ordinances and laws.

Because older rental units are more affordable than newly constructed housing, the demolition of existing units reduces the supply of housing affordable to the City's low and moderate income families at a time when such units are already in short supply. Los Angeles is nearly built out with little vacant land and most new construction requires the demolition of existing structures. During the last decade, one unit was demolished for every four units built, a loss of 12,500 units. Over the next few years, the rate of demolition may accelerate as the Los Angeles Unified School District seeks sites for 1 new schools and the booming economy stimulates large scale commercial developments. Replacement of affordable housing should be required when such units are demolished for civic projects such as schools and for large commercial and entertainment centers.

In order to address these and other problems and take advantage of the City's housing services, residents need information from the City. The Los Angeles Housing Department provides telephone information to the public about its many programs. These programs include rent stabilization, code enforcement, loan programs for single and multi-family housing, home ownership, meetings and other matters. This information service is important to the public, in many cases residents are seeking assistance that may be vital to their well-being. The public information service should be well organized, accurate and easy to use. It should also be multilingual. The housing staff should be trained to answer the public's questions. Unfortunately, the quality of the current system ranges from adequate to extremely poor. This not only frustrates callers and deprives them of needed assistance, but it also impedes the ability of the Housing Department to effectively deliver its programs.

Nor should training be limited to City employees. Resident managers in private rental housing are responsible for many of the important operations of rental housing. Yet these managers often know nothing about health and safety codes, fair housing laws, rent stabilization, legal notification requirements and other aspects of the landlord-tenant relationship. A training and certification program for resident managers would go a long way toward ensuring that the City's rental housing is well managed.

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R1. IMPROVE THE QUALITY OF PUBLIC INFORMATION AT LAHD AND MAKE IT EASIER FOR THE PUBLIC TO ACCESS

Currently, each Los Angeles Housing Department (LAHD) program has a different telephone number for public information and the quality of information available varies from adequate to extremely poor. None has a voice menu selection for general information, requiring wait times to speak to a counselor that can exceed 15 minutes, the caller often being disconnected before reaching anyone. Some telephone information numbers have messages with wrong information and are in English only (this is a particular problem with the Rent Hotline).

R1.1 Develop a user friendly, multilingual LAHD public information telephone system.

Develop a user-friendly multilingual public information telephone system for LAHD programs and services that the public can access by dialing a single telephone number.

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This line should have menu choices for rent stabilization, registration, code enforcement loan programs, home ownership, REAP, the LAHD web site, upcoming meetings, etc., and an option to connect to a counselor for additional information in English or Spanish

R1.1.1 Provide adequate staff to reduce wait times to speak to counselors to no more than five minutes.

R1.1.2 Develop a staff training program.

Develop a staff training program to ensure that callers receive accurate information and/or develop an internal system in which callers can be quickly and easily referred to a recorded message or specialist for their particular issue.

R1.1.3 Make sure that the public information telephone number is accurately listed in all telephone directories used in Los Angeles.

R1.1.4 Advertise the public information telephone number.

Conduct a multilingual advertising campaign to publicize the public information telephone number. At a minimum, use radio public service announcements (PSAs), billboards, bus posters, and regular newspaper advertisements. Investigate other methods to notify tenants of the public information hotline.

R1.2 Provide up-to-date written information on all LAHD programs.

Provide and systematically update written information on all LAHD programs and regularly distribute specified information to public locations, including all libraries, government offices, tenant, apartment owner, and real estate groups, fair housing agencies, and other relevant locations. Make sure all literature is available in English and Spanish and investigate the need for other languages (Korean, Mandarin or Cantonese, Armenian, Russian, Cambodian, Vietnamese, etc.).

R1.2.1 Submit written materials for review by landlord and tenant groups.

Before distributing new or updated public education literature, ask tenant and landlord groups (or other relevant sources) to review literature to make sure it is in an easy-to-read format, is appropriate for the population it hopes to educate, and is easy to understand.

R1.2.2 Update the Landlord/Tenant Q & A handbook on the rent stabilization ordinance in English and in Spanish and distribute the revised edition.

R1.2.3 Update the LAHD rental housing referral information sheet.

The LAHD rental housing referral information sheet contains addresses, telephone numbers, and service descriptions of legal aid offices, apartment owner associations, municipal and small claims courts, fair housing, low income housing, etc. It must be regularly updated.

R1.2.4 Update the LAHD web site at least once a month.

Include major documents on the website such as the Rent Stabilization Ordinance (RSO), Notices of Funding Availability (NOFAs), etc. Coordinate telephone information menus with the web site format.

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R2. CROSS-TRAIN LAHD STAFF

Develop a curriculum and cross-train all staff and LAHD contractors involved in rental housing (Code Enforcement, Rent, Rent Escrow Account Program (REAP), Rent Reduction Program (RRP), Utility Maintenance Program (UMP), Urgent Repair Program (URP), etc.) to ensure accurate knowledge of laws and regulations, since their work often overlaps. Bring in outside experts to cover relevant topics such as non-RSO landlord/tenant law, fair housing laws, and the Americans with Disabilities Act (ADA).

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R3. DEVELOP A CITYWIDE RELOCATION POLICY AND A SOURCE OF FUNDING TO ASSIST TENANTS WHO MUST VACATE SLUM PROPERTIES

R3.1 Clarify relocation provisions for slum dwellings and extend to slum dwellings not regulated by the RSO.

Clarify the current requirements of the RSO for owner-provided relocation assistance to tenants when a building is vacated by the City due to slum conditions. Extend the obligation to pay relocation assistance to non-RSO slum properties being vacated by the

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R3.2 Create a relocation assistance fund.

Create a fund to provide relocation assistance for tenants who must vacate slum properties. For example, when the owner is required by law to pay relocation assistance and doesn't, the City would pay the relocation assistance and then get a lien on property for the amount paid plus a penalty.

R3.2.1 Research programs in other cities, such as Sacramento, that have relocation assistance funds for slum properties that are being vacated.

R3.3 Prevent homelessness when slum properties are vacated.

In an effort to prevent homelessness when slum properties are vacated, enlist City and County departments responsible for building closures to develop procedures for timely notification of closures to tenants and to government and nonprofit agencies that provide housing and social services to displaced tenants (LAHD, Los Angeles Fire Department, Department of Building and Safety, Los Angeles City Attorney Nuisance and Slum Abatement Programs, County Department of Health Services and others as appropriate).

R3.3.1 Create a rapid response team for building closures.

Designate a rapid response team to notify tenants of impending building closures, counsel them on their rights under the law, and screen them for needs related to finding new housing. Investigate the possibility of obtaining emergency, temporary rental assistance vouchers (90 days) to assist tenants in relocating.

R3.4 Create a City relocation loan program.

Create a relocation loan program to assist owners with relocation assistance when evicting tenants to rehabilitate properties. In exchange for the loan, property owners would have to agree to sign a regulatory agreement making a portion of the units in the building permanently affordable to low-income tenants without overcrowding.

R3.5 Develop a source of funding for the loan and relocation assistance program.

The possible sources of funding for the loan and relocation program include a linkage fee on commercial development, the City general reserve fund, the code enforcement penalty set-aside among others.

R 3.5.1 Track and actively support the development of state legislation to create relocation assistance fund available to tenants displaced from buildings being vacated due to severe, life-threatening code violations.

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RE-PRESERVE EXISTING AFFORDABLE RENTAL HOUSING. DEVELOP AND REQUIRE AFFORDABLE REPLACEMENT HOUSING UNDER CERTAIN CIRCUMSTANCES

Require replacement of affordable housing when such housing is demolished for civic and civic-approved projects, such as new schools, commercial and entertainment centers, monuments, etc. Additionally, when affordable and rent stabilized housing is demolished to build market rate housing, require the developer to set aside a percentage of new units for low-income tenants or pay in-lieu fees to develop affordable housing (See Funding 2.1).

R4.1 Propose legislation to reduce the time that substandard properties remain delinquent tax rolls before they can be offered for sale.

The County should authorize the sale of tax defaulted properties at less than the amount of the tax lien to buyers willing to sign long-term affordability covenants.

R4.3 Provide tax relief to new owners of tax delinquent properties who agree to make units affordable.

Propose state legislation to allow back tax relief for new owners (nonprofit and for profit) who purchase slum properties with large tax liens. This relief would be conditioned on regulatory agreement requiring rents to be affordable to the poorest tenants without overcrowding.

R4.4 Require bank receivers of slum property to notify the court of serious habitability violations that cannot be addressed without the investment of

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additional funds.

Propose state legislation to require bank receivers of slum property to notify the court serious habitability violations that cannot be addressed without the investment of additional funds. Require the court to take appropriate action (i.e., the bank or owner would be required to lend money to address conditions or terminate or place a time li on the receivership).

R4.5 Develop a replacement policy for demolition of affordable rental housing.

Research current City policies on replacement housing and develop a policy to ensure one-to-one replacement of affordable rental housing when housing is demolished due civic projects, such as building schools, commercial and entertainment centers, etc. T policy should include a requirement that replacement housing meet the needs of the families that are being displaced.

R4.5.1 Use inclusionary zoning to ensure replacement of demolished affordable units in market rate residential construction.

When affordable and rent stabilized housing is demolished to build market rate housin require the developer to set aside a percentage of the new units for low-income tenant or pay in-lieu fees to develop affordable housing.

R4.6 Monitor development of new schools and civic projects to minimize demolition of affordable housing and require replacement housing for civic projects.

Create a new position or committee within the LAHD to track and ensure that civic projects do not result in affordable housing loss. The Rental Housing Subcommittee is particularly concerned about the Los Angeles School District's (LAUSD) plans to creat 150 new schools in residential districts and about the proposed City of Angels project i downtown Los Angeles. Both plans include sites with rent stabilized housing. LAHD should encourage consideration of sites that minimize the loss of affordable housing. I housing is demolished, there must be a corresponding replacement of affordable housing.

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R5. REVIEW SYSTEMATIC HOUSING CODE ENFORCEMENT AND COMPLAINT DRIVEN PROGRAMS

R5.1 Prepare a status report on the Systematic Code Enforcement Program.

By July 2000, instruct LAHD to prepare a status report on both the Systematic Code Enforcement Program (SCEP) since its inception, and the complaint driven program since its transfer to LAHD from the Department of Building and Safety. The status rep should include a discussion of coordination between the two programs.

R5.2 Create incentives to retain code enforcement inspectors.

Research and develop incentives to attract and retain inspectors who are leaving LAH to take less demanding positions with equal pay with the Department of Building and Safety. Include a review of inspector safety concerns that may be causing some inspectors to leave.

R5.3 Identify funds to continue the Systematic Code Enforcement Program.

Identify a source of funding for the continuation of the Systematic Code Enforcement Program (SCEP) if the City appeal of the Court decision in the lawsuit by the Apartme Association of Greater Los Angeles (AAGLA) is ultimately unsuccessful. The Court rul that the fee charged by SCEP is subject to a public vote under the provisions of Proposition 218. The appeal has been accepted for review by the California Supreme Court.

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R6. INCREASE INCENTIVES FOR OWNER INVESTMENT IN AFFORDABLE HOUSING

Increase the incentives for owner investment in the development and rehabilitation of affordable housing and make finance more available including. The types of available finance should include low and no interest loans, City bond financing, tenant subsidies tax credits, property tax exemptions, and waivers of construction permit fees. **R6.1 Encourage private sector lending to rehabilitate slum properties.**

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Encourage the Mayor to work with the banks participating in the Lender's Summit to provide loans, particularly much needed micro-loans, to help rehabilitate slum property and to purchase smaller multifamily properties in problem areas.

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R7 EXPLORE THE CREATION OF A MANDATORY CERTIFICATION PROGRAM FOR RESIDENT MANAGERS

State law currently requires that rental properties with 16 or more units must have a resident manager on site, but there is no requirement that resident managers be certified in rental and fair housing laws. Many violations of law occur due to a resident manager's lack of knowledge of these laws and of the requirements for legal notice. This lack of knowledge is detrimental to both tenants and apartment owners. Certification program should be available at low cost (possibly through community colleges and adult school) to develop a qualified pool of employees.

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R8 INCORPORATE THE CREATION AND PRESERVATION OF ACCESSIBLE RENTAL HOUSING FOR THE DISABLED INTO THE CITY'S HOUSING PROGRAM

R8.1 Provide funds or loans to property owners who are willing to make 25 percent of their units accessible for people with disabilities and to make half of the accessible units affordable to disabled individuals on SSI.

Provide funds or loans for owners of existing decent and affordable multifamily units who are willing to make 25 percent of the units accessible and/or adaptable for people with physical disabilities and at least 50 percent of those at rents affordable to disabled individuals on SSI (Supplemental Security Income) which is about \$8,000 per year. Such rents would need to be \$200 or less per month for an individual.

R8.2 Create a joint effort between the Department on Disability and the Housing Department to provide information on accessible housing in general and in particular, accessible housing affordable to individuals on SSI (Supplemental Security Income).

R8.2.1 Create a current list of accessible and adaptable units.

Survey and create a current list of accessible and adaptable units in the City. This list will be used to help people with disabilities find accessible dwellings. Consider working with the County to develop a City-County database.

R8.2.2 Include group homes for disabled persons in new programs and in research studies undertaken to prevent loss of units. Ensure that newly constructed housing is programmatically and architecturally accessible for people with disabilities.

R8.2.3 Include relevant legal and nonprofit agencies in joint efforts affecting housing for people with disabilities.

R8.3 Ensure review of accessibility compliance during plan check and new construction building inspections.

Direct the Department of Building and Safety to check new housing developments for compliance with accessibility requirements. Create incentives, such as fee reductions, encourage landlords of multifamily units to make a certain percentage of units accessible to disabled persons when properties are renovated. Make a greater effort to educate developers and apartment owners about the City's existing Affordable Housing Incentives Program which offers a 25 percent density bonus option requiring fewer units than the state law if the units are accessible to and affordable for disabled individuals and families dependent on SSI (rents about \$200 per month).

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R9 ENDORSE EXPANSION OF THE STATE LOW INCOME HAD PROGRAM AND LIMIT TO PROJECTS PROVIDING AFFORDABILITY TO PROJECT TENANTS

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R10 AGGRESSIVELY PURSUE THE FEDERAL GOVERNMENT WITH ADDITIONAL FUNDS FOR LOW COST HOUSING

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When the Housing Authority's waiting list was finally opened in 1998, 153,000 families, 10 percent of all the City's households, signed up. The waiting list is now 10 years long. It is critically important that the federal government expand the City's allocation of Section 8 subsidies to ensure that the City's residents can afford decent housing.

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R11. CREATE A CITY ATTORNEY POSITION DESIGNATED TO WORK FULL-TIME WITH THE HOUSING DEPARTMENT TO PURSUE CIVIL REMEDIES TO ENFORCE THE CITY'S RENT STABILIZATION ORDINANCE AND OTHER RELATED ORDINANCES

LAHD's work raises so many legal issues that have to be addressed by a City Attorney that a city attorney should be permanently assigned to the department. This will ensure that all civil matters arising out of rent stabilization and other housing department operations will be addressed in a timely manner by an attorney who is expert in housing law.

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BASIC RESEARCH SUBCOMMITTEE

Summary of Recommendations

- BR1 COMPLETE AND ADOPT THE CITYWIDE HOUSING POLICY
- BR2 CREATE A RESEARCH UNIT
 - BR2.1 Create an LAHD "Rapid Response" data analysis system.
 - BR2.2 Conduct research for the Rent Stabilization Division.
- BR3 RESEARCH ZONING BARRIERS TO THE DEVELOPMENT OF AFFORDABLE HOUSING
- BR4 EVALUATE POLICY ALTERNATIVES TO ENSURE ADOPTION OF EFFECTIVE POLICIES AND PROGRAMS
- BR5 EVALUATE LAHD DESIGN GUIDELINES FOR CONSUMER SATISFACTION AND COST EFFECTIVENESS
 - BR5.1 Conduct a consumer satisfaction survey.
 - BR5.2 Conduct a cost-benefit analysis of design mandates such as garden-style apartments
 - BR5.3 Review LAHD's written guidelines and revise based on findings of surveys and literature review.
 - BR5.4 Assess compliance with and effectiveness of the accessibility and adaptability guidelines.
- BR6 NOTIFY AFFORDABLE HOUSING DEVELOPERS WHEN PUBLICLY OWNED SITES ARE MADE AVAILABLE FOR PURCHASE
- BR7 MONITOR IMPLEMENTATION OF COST EFFECTIVE ENVIRONMENTAL PROGRAMS FOR HEALTH HOMES AND SUSTAINABLE BUILDING THAT COULD BE ADOPTED IN LOS ANGELES
- BR8 EVALUATE THE PERFORMANCE OF ALL CITY-FUNDED HOUSING PROGRAMS

RECOMMENDATIONS OF THE BASIC RESEARCH SUBCOMMITTEE

The Los Angeles Housing Department (LAHD) oversees the annual expenditure of about \$45 million in housing production funds. In 1998, LAHD financed 20 percent of all new units constructed in the City and half of all multifamily construction. This makes LAHD a major player in the City's housing market. Many of the actions that might be taken to alleviate the City's crisis of housing affordability rely upon LAHD for implementation. The department's ability to act swiftly and decisively in this crisis depends a great deal upon the quality of information at its disposal, and on the extent to which its actions are guided by a comprehensive housing policy.

When designing new programs, the Housing Department needs current information on housing market conditions, income, and other factors affecting the City's residents. It is

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not enough to rely on decennial Census data to monitor housing conditions in the City. This data is out of date almost as soon as it is released and as time goes on projections from this data become more and more inaccurate. Furthermore, current data on the City's housing market are absolutely critical to the Rent Stabilization Division's ability to administer the Rent Stabilization Ordinance and to the City's ability to adopt policy initiatives needed to ensure an adequate supply of affordable rental and owner housing. Therefore, LAHD needs to collect data on an ongoing basis and enter it into an integrated database that can analyze a wide range of housing and demographic variables.

Policy and program planning and implementation rely upon accurate data about the City's housing stock, about social and economic conditions in the City and the performance of the City's housing programs. LAHD often has to react quickly to policy initiatives at the state or federal level that affect the City's housing conditions. Cooperation from those City agencies that also provide housing (Community Redevelopment Agency, Housing Authority of the City of Los Angeles and the Los Angeles Homeless Services Authority) is essential.

As a major financier of affordable housing, the City is able to impose guidelines for unit and building design and materials cost and quality. Even when these are based on well-accepted principles, the department must survey the tenants who live in these buildings to discover how they are affected by the design and materials and survey developers and contractors on the costs in time and money of adhering to the guidelines. Without this essential feedback, the City cannot know whether its housing programs produce projects that are efficiently built to meet the needs of the residents.

It is clear that LAHD needs to maintain a fully-staffed Policy and Planning Unit and reestablish an active Research Division to respond to the many challenges facing the City and its residents.

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BR1. COMPLETE AND ADOPT THE CITYWIDE HOUSING POLICY

The development of a citywide housing policy is one of the principal responsibilities of the Affordable Housing Commission. This policy is in draft form and should be completed and adopted.

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BR2. CREATE A RESEARCH UNIT

BR2.1 Create an LAHD "Rapid Response" data analysis system.

Create a template/format for data analysis where new information can be assessed automatically to provide immediate analysis. Hire staff dedicated to this purpose. The template will require the design of a system for collecting and analyzing housing data that allows LAHD to track housing conditions and make program recommendations to meet changing conditions. The following data sources should be considered for incorporation into the system:

- Census data
- American Housing Survey
- Citywide affordable housing units with the subsidy program expiration dates
- City data (HOPWA study, code enforcement data, LAHSA, CRA, HACLA)
- Homeless count (source: Shelter Partnership)
- Code Enforcement databases
- LAHD program performance

BR2.2 Conduct research for the Rent Stabilization Division.

Conduct ongoing research for the Rent Stabilization Division by designing a system that gathers and analyzes data on rent stabilized units. This will enable LAHD to monitor the effectiveness of the rent stabilization program. Make the data available on the City's website.

Examples:

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- Rent stabilized rent surveys - to monitor how much tenants are actually paying rent in Los Angeles
- Asked-for rent surveys - which provide information on market-rate rents
- Analysis on household income of rent stabilized units.
- Vacancy rates across the city (provided by DWP and available on LAHD's web site)
- New construction data citywide (provided by Building and Safety and available the Planning Department's web site)
- Yearly changes in the Consumer Price Index
- Demolition data on residential units (provided by Building and Safety)

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BR3. RESEARCH ZONING BARRIERS TO THE DEVELOPMENT OF AFFORDABLE HOUSING

LAHD should conduct ongoing research on barriers in the zoning code to the development of affordable housing and identify changes acceptable to the community that would remove barriers to housing development or rehabilitation.

The Planning Department has identified underutilized commercially zoned strips as areas where affordable multi-family housing could be developed. Immediate research is needed on the adaptive reuse of vacant and underutilized commercially zoned property outside downtown to remove barriers to residential conversion. Downtown's loft conversions should be used as a model in developing standards to the extent applicable. In adaptive reuse programs, the grandfathering in of existing nonconforming uses is essential to ensure that projects are not made infeasible by the application of current parking requirements and other requirements to an existing building.

The city should explore the sale of air rights in residential areas using the model of Downtown's sale of air rights to increase density for specific buildings without increasing overall city or neighborhood density. For example, a single family home owner on a lot zoned for multiple dwellings could sell air rights to a nearby affordable housing buildin

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BR4. EVALUATE POLICY ALTERNATIVES TO ENSURE ADOPTION OF EFFECTIVE POLICIES AND PROGRAMS

The City redesigns existing programs and develops new initiatives in response to changes in the economy and local, state and federal policies. For example, in the case of distressed properties, the challenge for local government is how to best assist developers of affordable housing to secure and restore these properties. The possible options for solutions include receivership programs and auctions of tax delinquent properties. How can local government best assist developers of affordable housing to secure and restore these properties?

Another example of the need for evaluation of program alternatives can be found in the issue of barriers to housing rehabilitation. LAHD current funding policy prioritizes purchase and rehabilitation rather than new construction. But there are many barriers to successful rehabilitation of older housing that must be addressed and mitigated. These include: (1) overcrowding, (2) relocation costs, (3) unit reconfiguration (for the population that will live in the building), (4) environmental hazards (lead and asbestos), (5) seismic reinforcement, and (6) existing substandard building code notices.

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BR5. EVALUATE LAND DESIGN GUIDELINES FOR CONSUMER SATISFACTION AND COST EFFECTIVENESS

BR5.1 Conduct a consumer satisfaction survey.

LAHD's design guidelines were developed to enhance neighborhoods by creating well designed, quality homes, but no formal "satisfaction survey" has been conducted of residents in these buildings. Tenants and managers of housing developed with LAHD funds should be surveyed about the quality and utility of unit design and common spac

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features such as the community room, open spaces, placement of laundry rooms and other features.

BR5.2 Conduct a cost-benefit analysis of design mandates such as garden-style apartments.

LAHD guidelines promote garden style apartments and impose many other requirements on contractors and developers. However, these designs may not be the most cost effective given funding constraints, land availability and densities of development. A cost study should be conducted that includes a survey of developers and contractors and review of the department's project records. This information should be compared with consumer satisfaction studies to determine both the cost and the benefit of guidelines.

BR5.3 Review LAHD's written guidelines and revise based on findings of survey and literature review.

Review current published design guidelines and best practices manuals and revise LAHD's design guidelines based on the consumer survey, cost effectiveness study and literature review. The documents reviewed should include: Architectural Design Guidelines, Crime Prevention Through Environmental Design-Design Guidelines; "Design Out Crime," Good Neighbors, Housing That Supports Stable Communities, Fi Home Guidelines for Building LA's Small Sites and the City's current policies and NOF requirements.

BR5.4 Assess compliance with and effectiveness of the accessibility and adaptability guidelines.

It is crucial to understand whether accessibility and adaptability guidelines are being followed and whether they work for disabled occupants.

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BR6. NOTIFY AFFORDABLE HOUSING DEVELOPERS WHEN PUBLIC ENTITIES ARE MADE AVAILABLE FOR PURCHASE

Establish a standardized mechanism to notify affordable housing developers when suitable for residential development that are owned by the City of Los Angeles and other public entities, such as the Los Angeles Unified School District, the Department of Water and Power and others become available for purchase.

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BR7. MONITOR IMPLEMENTATION OF COST EFFECTIVE ENVIRONMENTAL PROGRAMS FOR HEALTHY HOMES AND SUSTAINABLE BUILDING THAT COULD BE ADOPTED IN LOS ANGELES

LAHD should monitor pilot programs and experiments for more cost effective environmental programs. For example, Esperanza Community Housing Corporation a Strategic Actions for a Just Economy (SAJE), are conducting a pilot program of the Healthy Homes concept and its incorporation of Section 3 local hiring jobs within the local community. Examples of Healthy Homes programs include: education on the health effects of molds in damp living quarters, childhood asthma and its relation to vermin infestations, and chipping and peeling paint and the effects of elevated blood lead level in early childhood development. There are also a number of sustainable building practices that should be evaluated for adoption by affordable housing programs in Los Angeles.

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BR8. EVALUATE THE PERFORMANCE OF ALL CITY-FUNDED HOUSING PROGRAMS

Regular evaluation ensures that City housing programs deliver prompt and effective services to meet the City's housing goals. The programs that should be evaluated include, new construction and rehabilitation programs, homeownership programs, the Handyworker program, Neighborhood Preservation and Recovery programs and the Targeted Neighborhood Initiative. Consult developers, contractors and others on the timeliness and accuracy of loan commitments, closing and processing including the payment of construction draws and consulting contracts. The timely completion of regulatory agreements should also be evaluated.

Include among other items reviewed, the total number of units funded, affordability to

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residents, rate of payback on loans and the long-term benefits of the use of LAHD fun
MATRIX

The attached matrix lists the various data resources cited in the recommendations.

• add

ECONOMIC DEVELOPMENT SUBCOMMITTEE

Summary of Recommendations

- ED1 HELP THE WORKING POOR INCREASE THEIR INCOME
 - ED1.1 Assess current public job training programs to determine effectiveness and adequacy to serve more people.
 - ED1.2 Conduct an outreach program to prospective employers and employees.
- ED2 EDUCATE THE CITY'S WORKERS
 - ED2.1 The City must ensure that literacy and English as a Second Language programs are available for all workers who need them.
 - ED2.2 The City must seek all federal programs available to help immigrants acquire employable skills.
 - ED2.3 Vastly improve the city's primary and secondary education system.
- ED3 LAUNCH A CITYWIDE INFORMATION AND EDUCATION PROGRAM
 - ED3.1 Educate the City's residents on the need for affordable housing.

RECOMMENDATIONS OF THE ECONOMIC DEVELOPMENT SUBCOMMITTEE

The City's crisis in housing affordability arises largely out of the widening gap between wages and housing prices. During the last 20 years, Los Angeles' economy has been restructured from a manufacturing economy rich in industrial and aerospace jobs to a service economy with well paid professionals on one side of the wage scale and low wage data entry clerks, janitors, cooks, and teacher aides on the other side. With a booming economy, the problem for workers isn't unemployment, it is earning enough to afford the City's rental housing without paying half or more of income in rent. Manufacturing jobs haven't disappeared, but they have changed their nature, from high wage unionized jobs in auto and tire factories to \$10 per hour jobs in furniture, comput and other assembly plants. In the construction industry, unionized workers earn high wages and good benefits but most residential construction in the City is non-union wit painters, roofers and laborers earning about \$10 per hour without benefits. Child care workers only earn seven or eight dollars an hour. Beginning teachers earn about \$12 hour.

Housing costs have risen much more rapidly than wages. This year in Los Angeles, th "fair market rent" recognized by the U.S. Department of Housing and Urban Development is \$766 per month for a two-bedroom apartment. In order to keep housin costs within 30 percent of income, a national standard for affordability, a worker must earn \$14.90 per hour, or \$31,000 per year. A minimum wage worker only earns \$13.5 per year and even the beginning teacher only earns \$25,000 per year. High housing costs restrict the family's capacity to purchase other essential goods and services. Th 1990 Census found that 92 percent of all low-income renter households were paying 5 percent or more of their incomes for rent. These 162,000 households made up 15 percent of all City households in 1990.

The use of public subsidies to make housing more affordable helps both renters and owners. All home buyers take advantage of the income tax deduction for mortgage interest. Only a portion of all renters are both eligible for and able to receive a rental subsidy. So the solution to high housing costs for renters is two-fold. These household need greater access to affordable housing but they also need help to increase their earnings. In a survey of employers about the skills of entry-level employees, basic English was identified by 41 percent of employers as a skill lacking at the entry level.

Low wage workers also need to increase their technical skills. As computers are more and more integrated into our daily lives, auto mechanics, sales clerks and teacher aid

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all need to understand this technology. Nearly all office jobs require competence in computer operation. Even assembly jobs may require the use of a computer to read shop drawings or manuals. Good English skills and well designed technical education programs are the keys to enhancing worker incomes.

Affordable housing is a crucial factor in the City's expanding economy. Without affordable housing for its workers and programs to enhance worker skills, the City's economic growth may falter.

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ED1: HELP THE WORKING POOR INCREASE THEIR INCOME

Higher paying jobs increase the ability of Los Angeles residents to pay higher rents and also stimulate the production of new housing units. But better-paying jobs require skill and well-trained workers. The majority of workers who now comprise the City's working poor lack the skills and education to get high-paying jobs.

ED1.1 Assess current public job training programs to determine effectiveness and adequacy to serve more people.

The current employment and job training programs of the City may need to be expanded to fill the needs of a growing workforce. Quantitative need for such programs must be identified to develop more far-reaching programs equal to the needs of the City's residents.

ED1.2 Conduct an outreach program to prospective employers and employees.

Statistics show that there is a lack of awareness and overall acceptance of the services of the Employment Development Department (EDD) and the One-Stop Centers. The services are provided for free, the labor pool is broad, and training can be used to enhance skills to match employer needs. Through an educational outreach program, both EDD and One-Stop Centers must implement an ongoing and focused marketing effort to become recognized resource centers for employer recruiting and training need.

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ED2: EDUCATE THE CITY'S WORKERS

Between 1990 and 1998, 900,000 immigrants from all over the world moved to Los Angeles County, an average of 113,000 people per year. More than 84 different languages are now spoken in the City and County. For those immigrants who join the workforce, mastery of spoken and written English is a critical skill and should be included in all worker training programs serving immigrant workers. Low wage workers also need opportunities to learn a wide variety of technical skills to improve their earning capacity. In order to enhance its resources, the City should seek funds from all possible sources to educate its workers.

ED2.1 The City must ensure that literacy and English as a Second Language programs are available for all workers who need them.

ED2.2 The City must seek all federal programs available to help immigrants acquire employable skills.

ED2.3 Vastly improve the city's primary and secondary education system.

The public school system has the responsibility for providing basic educational skills, including reading and basic mathematics, and should use more of its resources on the objectives.

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ED3: LAUNCH A CITYWIDE INFORMATION AND EDUCATION PROGRAM

There is good reason to believe that the majority of the general public is unaware of the extent to which both middle and low-income households are affected by the shortage of affordable housing. Solving the shortage of affordable housing will be very difficult without public support.

ED3.1 Educate the City's residents on the need for affordable housing.

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The City must launch a program to educate its residents on the need for affordable housing for both low and middle income households and demonstrate that this housing can enhance, rather than detract from neighborhood quality and stability. The education program must be ongoing to be effective (See also 8.1, 8.2 and 8.3 in the Land Use a Planning Subcommittee Recommendations).

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This EIR was prepared in partial fulfillment of a contract with the City of Los Angeles Planning Department to provide support to the City of Los Angeles Planning Department and staff in the preparation of the City of Los Angeles Housing Task Force Report. The City of Los Angeles Planning Department is not responsible for the content of this EIR. The City of Los Angeles Planning Department is not responsible for the content of this EIR.

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RESPONSE 15.42

The comment is noted for the record and will be forwarded to the City decision makers for their review and consideration. The information provided in this comment has been addressed in Response to Comment 15.6.

COMMENT 15.43**The Other Los Angeles****EXECUTIVE SUMMARY**

Los Angeles for many people evokes scenes of Hollywood glamour and a luxurious life by the beach. But millions of residents know the other L.A., where work does not even guarantee decent pay and good health care, let alone SUVs and swimming pools.

Indeed, one in four workers in Los Angeles County is poor, defined in this report as qualifying for government assistance. Over one million Angelenos were among the working poor in the late 1990s (an average of 1997 and 1999 survey data): janitors, maids, teachers, health practitioners, sewing machine operators, actors, parks and recreation workers, parking lot attendants. While overall employment in Los Angeles increased by only 2 percent during the 1990s, the number of working poor, as defined in this report, increased by 34 percent. (In this report, "Los Angeles" refers to the County unless otherwise indicated.)

In spite of these trends—or perhaps because of them—Los Angeles has generated some of the most innovative responses to the problem of low-wage work and working poverty. Community-based organizations are exposing illegal working conditions at restaurants in Koreatown; a revived labor movement organized 90,000 new members in 1999 alone; a local coalition of community groups, clergy and labor unions worked to pass a living wage law for the City of Los Angeles and Los Angeles County. If Los Angeles epitomizes the problem of working poverty more than any other metropolitan area in the United States, it also points us towards solutions for the 21st century.

**Defining Poverty for This Report:
A More Realistic Assessment of Need**

The official Federal Poverty Level has been widely criticized for substantially understating the needs of families, thus resulting in underestimates of the extent of poverty. By this federal measure, a family of four would be considered poor only if they had an income of less than \$16,700 in 1998.

In this report, we have set a more realistic, "needs-based" poverty threshold, based on two criteria: the income levels at which families are still eligible for government anti-poverty programs, and the actual cost of living in Los Angeles. We have determined this threshold to be 200 percent of the Federal Poverty Level.

Accordingly, the working poor are defined here as individuals with a total family income below 200 percent of the Federal Poverty Level. (For a family of four, this was \$33,300 in 1998.) A working poor family must have at least one member who reported income from work in the last year.

Poverty and Economic Inequality Are on the Rise in Los Angeles

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In spite of the economic recovery, poverty in Los Angeles is worse than it was in 1990. Since the mid-1990s, Los Angeles has added 384,000 jobs and cut the unemployment rate from a high of 9.8 percent in 1993 to a low of under 6 percent in 2000. Nevertheless, over the 1990s, poor families rose from 36 percent to 43 percent of the population in Los Angeles, and now account for some 4.1 million residents, according to our needs-based poverty threshold. In the next recession, half of the residents of Los Angeles could be considered poor by our poverty threshold, which means they would be eligible for government anti-poverty programs.

The official Federal Poverty rate, a more dire assessment of need, also rose over the 1990s in Los Angeles, from 16 percent in 1990 to 24 percent in 1995, falling to just under 20 percent by the late 1990s. Poverty as defined by both measures is significantly higher—and increased more during the 1990s—in Los Angeles than in California as a whole. Meanwhile, the Federal Poverty rate in the United States declined slightly over the past decade.

The stereotypical view that people are poor because they do not work is discredited by the evidence in this study. In the late 1990s, 64 percent of all Los Angeles' poor adults and children, as defined by this study's poverty threshold, lived in a household in which at least one member worked *full-time*. This proportion is greater than it was in 1990 (60 percent), and is greater than the current percentage for California as a whole (58 percent). Almost half of adults below our poverty threshold worked. A greater share of poor adults in Los Angeles work today than did in 1990, and a greater percentage of poor adults work in Los Angeles than do in California as a whole.

Inequality is worsening as most of the increased income and wealth from the new economy is accruing to a small group at the top. During the 1990s, inequality between the top 20 percent and the middle 20 percent of earners in Los Angeles grew significantly. In the late 1990s, the richest 20 percent of Angelenos earned almost four times what the middle 20 percent earned, an increase of 17 percent from 1990. Our analysis looks solely at income from work and does not measure wealth inequality, which is also growing at a rapid pace nationwide. Nationally, the net worth of the top 1 percent swelled by 17 percent (when adjusted for inflation), while the bottom 40 percent lost an astounding 80 percent of their net worth. In 1997, the top one percent of US households owned 40 percent of the nation's wealth. This polarization of rich and poor is starkly evident in Los Angeles.

Who Are the Working Poor in Los Angeles?

The working poor in Los Angeles are increasingly middle-aged. During the 1990s, the number of working poor in Los Angeles ages 36 to 50 rose over three times as fast as the total number of workers in this age group. This trend is particularly dramatic considering these are the years when many workers reach their full earnings potential.

The vast majority of the working poor work full time. Seventy-seven percent of the working poor in Los Angeles work full time, only slightly less than the 83 percent of all employed persons who work full time.

People living in two-adult households with children are the most likely to be members of working poor families in Los Angeles. About 45 percent of people in such households were members of working poor families, compared to 33 percent in California. Members of this

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group in Los Angeles totaled 2.4 million in the late 1990s, 80 percent of the three million people in working poor households.

Though the working poor in Los Angeles come from many backgrounds, Latinos are over-represented. While Latinos make up 40 percent of the Los Angeles workforce, they account for 73 percent of the working poor. In every industry and occupation, Latinos constitute a far greater proportion of poor workers than their proportion of the general workforce. The number of working poor Latinos rose twice as fast as the number of Latinos in the labor force in Los Angeles in the 1990s.

Foreign-born non-citizens are more likely to be among the working poor. Sixty-three percent of the 1.1 million working poor in Los Angeles are foreign-born non-citizens, although they represent only 31 percent of the workforce.

Working poverty in Los Angeles is striking those with less education harder. Nearly seven out of ten people in Los Angeles with no high school education were working poor in the late 1990s. The chances of being working poor increased substantially during the 1990s for all groups with a high school degree or less.

The Changing Economy Is Generating More Working Poor in Los Angeles

The rise in working poverty is linked to changes in the Los Angeles economy over the past two decades, including the increase in service sector jobs and the decline in durable manufacturing jobs.

Employment in the service sector (e.g., motion pictures, business services, health care, hotels) has increased by almost 50 percent over the past 15 years, creating both well-paying and poor-paying jobs. While manufacturing employment as a whole has declined—and has suffered particularly from large losses in such high-paying industries as aerospace—Los Angeles remains the largest manufacturing center in the country. Lower-paying, non-durable manufacturing industries, such as garment and food processing, have experienced moderate growth since the 1980s. Finally, the relentless expansion of the retail and restaurant industries led to the largest increase in working poor jobs of any sector.

Workers employed in manufacturing and service jobs are more likely to be poor in Los Angeles than in the U.S. One-third of Angelenos who work in manufacturing are poor, as opposed to 16 percent nationally. Similarly, 51 percent of workers employed in the personal service sector in Los Angeles are among the working poor, as opposed to 31 percent in the country as a whole.

The following industries account for 80 percent of the working poor in Los Angeles:

- ∅ Manufacturing: 245,000 working poor, with over 90,000 in the apparel industry alone.
- ∅ Retail: over 218,000 working poor, with restaurants and bars employing about half of this group.
- ∅ Professional Services: 136,000 working poor, with 53,000 in education and 46,000 in hospitals and medical establishments

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- ∅ Personal Services: 98,000 working poor, including hotel workers and domestics.
- ∅ Business Services: 93,000 working poor, including janitors, security guards, and temp agency workers.
- ∅ Construction: 80,000 working poor.

Low pay, rather than part-time work, contributes more to low earnings among the working poor. In each of the five industries that together account for 63 percent of all the working poor in Los Angeles, part-time workers account for no more than 25 percent of the workforce. Part-time employment of the working poor is significant in personal services and professional services, however.

Seven of the ten fastest growing occupations in Los Angeles pay an average of less than \$8.50 an hour. The rapid creation of low-paying jobs suggests that improving education alone will not solve the problem of working poverty.

Low Rates of Unionization Contribute to Working Poverty

Unionization rates are lower among the working poor than they are among higher-income working people. In the late 1990s, 4 percent of Los Angeles' working poor were covered by a collective bargaining agreement compared to 22 percent of other workers. In addition, the average income of unionized workers in Los Angeles was 20 percent greater than that of non-union workers.

Rates of working poverty are lowest in industries that have high rates of unionization, such as transportation and public administration. Similarly, rates of working poverty tend to be highest in sectors that have low rates of unionization, such as retail and personal services. However, rates of working poverty are considerable in construction despite high rates of unionization, indicating large disparities between union and non-union pay scales in that industry.

Working Poverty and the Crisis in Health Care

Poor workers in Los Angeles are more likely to lack health benefits than are the working poor in the rest of California and the U.S. Fifty-nine percent of Los Angeles' working poor do not have health care coverage. Half of poor workers who lack health insurance have children, suggesting dire consequences for many families. Low rates of health insurance span all industries.

Los Angeles trails the state and the nation in the rate of employer-provided health insurance. Most health insurance is provided through employers. But employer-provided health insurance covers only about half of Los Angeles' working age population, compared to 60 percent in California as a whole and 68 percent in the United States.

Unionized workers have high rates of health care coverage. Eighty-eight percent of Los Angeles workers who are covered by a collective bargaining agreement have health

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