

Housing and Affordability Crisis

10.29.2015

UCLA Lewis/Ziman Center Lunchtime Lecture

- Is there a housing crisis in LA?
- How did we get here?
- Are there solutions to the crisis?
- What are they?

The CliffNotes answers:

- Yes,
- Indifference,
- Yes, and
- Political Will.

EVIDENCE OF A CRISIS:

- Los Angeles is the least affordable rental market in the US (Ong & Jimenez, 2014)
- ACS counts 1,350,325 households paying more than 35% of gross income for housing in Los Angeles COUNTY, or about 43% total households. (DP04, 2009-13 5-yr. estimates)
- 818,914 rental households, or 50% of renters, pay more than 35% of gross income in rent.
- Los Angeles CITY Housing Element 2013-21 reports that less than 20% of needed affordable housing was built in the prior report period. (5,200 units in six years.)
- It anticipates that less than 25% of the needed affordable units will be built during the current report period of 2014-21. (11,500 units in eight years.)
- Same report anticipates loss of 20,000 affordable units in 2013-23.

HOW DID WE GET HERE?

- Divergence of income and rent trends in Los Angeles COUNTY.
- Downzoning, e.g. in Los Angeles CITY, 2.5 million residents with 10 million zoning capacity in 1960. Today, 4.0 million residents with 4.3 million zoning capacity. (Morrow, 2013)
- In hot markets, homeowners oppose densification. In weaker markets, council offices give out land use concessions like candy without asking for public benefits.
- Affordable housing is the most expensive community benefit.
- Loss of federal, state and local housing funds.
- Not building enough units at the appropriate rent range. (Trickle down does not trickle from \$3,000/mo. to \$1,000/mo.)

SOLUTIONS:

- Money in the billions.

For example, in LA City alone, \$3.6 billion to save the 20,000 expiring covenant units. Another \$7.1 billion to meet the RHNA target of affordable, new units. (LA City only makes up 40% of the County population.)

* New York City is committed to 200,000 affordable units in 10 years with a budget of \$41.4 billion. (Housing New York: A Five-Borough, Ten-Year Plan, 2014)

- Land use reform.

Mandates and incentives. Enforcement and streamlining. Preservation and production. All hands on deck.

MONEY:

- Inclusionary In-lieu fee
- Linkage fee (LA City is looking at raising \$37-112 million per year)
- Redevelopment boomerang funds (LA County voted Tuesday to fund affordable housing at \$100 million per year by 2020.)
- Selling TFAR
- Sales tax
- Community Revitalization and Investment Authorities (CRIA)
- Enhanced Infrastructure Financing Districts (EIFD)
- Other public revenues, plus state and federal support.

LAND USE INCENTIVES:

Trading density for affordable housing. CA state density bonus. CASP. ILUP. TOD.

Trading development standards (including parking requirement) for affordable housing. SB1818. AB2222. AB744.

Use FAR only; eliminate units/acre caps. (reward efficient unit layouts.)

Permit streamlining.

Making ADUs work.

ALL INCENTIVES MUST BE IMPLEMENTED AFTER PRESERVATION MEASURES ARE IN PLACE.

PRESERVATION:

No net loss. Units or people?

Moratorium on condo conversion.

Enforce tenant protection. Relocation fee, just cause eviction with legal representation, advocacy & education,

Stop or slow housing demolition permits when market is hot.

One-to-one replacement. Direct or indirect loss?

COMMON FACTORS:

- Need a giant dose of political will.
- Los Angeles County has 88 cities and 137 unincorporated areas with different existing conditions and quality of life aspirations.
- The overwhelming need v. the overwhelming barriers.

Debbie downer or Polly positive, you choose.

Remember the order of magnitude –

- **hundreds of thousands of households rent burdened,**
- **tens of billions of dollars needed, and**
- **substantial upzoning with community benefits required.**
- **DON'T FORGET PRESERVATION of people and units FIRST.**