

## HOUSING

### Housing Needs (91.205)

\*Please also refer to the Housing Needs Table in the Needs.xls workbook

- 1. Describe the estimated housing needs projected for the next five year period for the following categories of persons: extremely low-income, low-income, moderate-income, and middle-income families, renters and owners, elderly persons, persons with disabilities, including persons with HIV/AIDS and their families, single persons, large families, public housing residents, victims of domestic violence, families on the public housing and section 8 tenant-based waiting list, and discuss specific housing problems, including: cost-burden, severe cost- burden, substandard housing, and overcrowding (especially large families).**
- 2. To the extent that any racial or ethnic group has a disproportionately greater need for any income category in comparison to the needs of that category as a whole, the jurisdiction must complete an assessment of that specific need. For this purpose, disproportionately greater need exists when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least ten percentage points higher than the percentage of persons in the category as a whole.**

#### 1) Estimated Housing Needs for 2008-2013

The State Department of Finance estimates that as of January 2007 the City of Los Angeles had 4 million residents. Its population is growing more rapidly during this decade than it did in the 1990s. From 1990 to 2000, City population increased approximately 6%; whereas, during the first five years of the current decade, the population has already grown 7%.

Since housing affordability problems and homelessness surfaced in Los Angeles in the late 1970s, there have been many needs assessments, strategic planning efforts and reports issued about these problems. In addition to the Comprehensive Housing Affordability Strategy (CHAS) and the Housing & Community Development Consolidated Planning process, the City of Los Angeles has considered and adopted recommendations from the:

- Blue Ribbon Committee for Affordable Housing (1988)
- Rental Housing Study (1994)
- Blue Ribbon Citizen's Committee on Slum Housing (1997)
- Housing Crisis Task Force (1999-2000)
- In-fill Housing Subcommittee of the City Planning Commission (2001)
- Housing Trust Fund Advisory Committee (2002)

In addition to ongoing affordability problems, a new housing crisis began on January 17, 1994 when the Northridge Earthquake damaged over 330,000 housing units in the City, including 19,000 vacated units, mostly apartments and condominiums. Many were

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rehabilitated with the special assistance of \$340 million of CDBG, HOME and Section 108 resources from HUD. Until Hurricane Katrina in 2005, the Northridge earthquake held the record as the most damaging natural disaster to affect a major American city.

Over the years, other strategic planning processes have led to the establishment of the Los Angeles Homeless Services Authority (LAHSA) and its Continuum of Care planning, and informed the drafts of several Housing Elements (a state-required portion of the City's General Plan). The Housing Authority of the City of Los Angeles (HACLA), the Community Redevelopment Agency of Los Angeles (CRA/LA) and LAHD have undergone various strategic planning, program evaluation and development and reorganization processes as well.

Development of this new five year Consolidated Plan strategy coincides with the drafting of a new Housing Element for the City, allowing for coordination of demographic research and analysis, program evaluation, and development. Nearly all the reports and strategic planning processes have highlighted similar problems and called for attention to:

- the decreasing affordability of the City's housing stock
- the lack of home ownership opportunities for most City residents
- the growing mismatch of jobs, wages, rent and for-sale prices and the shortage of apartments able to accommodate large families
- the loss of existing lower cost, unsubsidized rental housing through market and other changes (condominium conversions in the 1970s and 80s, earthquake damage in the 1990s, demolition for new development in the 2000s plus a new wave of condominium conversions)
- the loss of existing affordable housing due to expiring affordability restrictions required by earlier federal, state and local subsidies
- the high land costs and a scarcity of vacant land in a largely 'built-out city
- land use and zoning barriers

All of these issues still apply. Home and land prices have continued to rise, in comparison to wages. Thus homeownership is even more out of reach than in 2003 when the last five year strategic Consolidated Plan was written.

The 2007 Greater Los Angeles Homeless Count, released in October 2007, stated that of the approximately 73,702 persons homeless on any given day in the entire County of Los Angeles, 40,144 of them – 55% - reside in the City of Los Angeles. This includes approximately 6,000 homeless children. The Los Angeles County Health Department estimates that 50% of the approximate 60,000 PLWHA in Los Angeles County live within the City of Los Angeles. The 2007 Homeless Count conducted by LAHSA estimates nearly 1,700 homeless PLWHA in the City of Los Angeles.

The median annual household income in Los Angeles is \$42,667 as of 2005 (ACS), significantly less than that of the County (\$48,248), the State (\$53,629) and the U.S. (\$46,242). In other words, Los Angeles City has proportionately more households at lower incomes, which was also true in 1990 and 2000. It is important to note that, since 2000, the City's median income has moved further below that of the County, the State and the U.S., compared to 1990 when it was nearly the same as the U.S. The chart below shows the distribution of households by annual household income for Los Angeles City. (DCP, 2007)

**Table 10 Households in Los Angeles by Annual Income**

INCOME CATEGORY	NUMBER OF HOUSEHOLDS	PERCENT OF ALL HOUSEHOLDS
<b>Total</b>	<b>1,284,124</b>	<b>100%</b>
Less than \$10,000	140,031	11%
10,000 to 14,999	88,374	7%
15,000 to 19,999	86,846	7%
20,000 to 24,999	85,911	6%
25,000 to 29,999	67,230	5%
30,000 to 34,999	74,204	6%
35,000 to 39,000	59,801	5%
40,000 to 44,999	63,091	5%
45,000 to 49,999	51,141	4%
50,000 to 59,999	105,091	8%
60,000 to 74,999	116,009	9%
75,000 to 99,000	127,501	10%
100,000 to 124,999	74,425	6%
135,000 to 149,999	41,923	3%
150,000 to 199,999	42,757	3%
200,000 or more	59,789	5%
<b>Median Household Income (dollars)</b>	<b>42,667</b>	

Los Angeles Housing Department Source: U.S. Census, 2005 American Community Survey

The area median income is established for the entire Los Angeles-Long Beach Metropolitan Statistical Area. The table below shows the City has a greater proportion of very low income and low income households compared to the County. (DCP, 2007)

**Table 11, Household Income Distribution by Income Category, Los Angeles City and County**

Income Category	Definition as % of County Median Household Income (CMHI)*	% of Total Households LA City	% of Total Households LA County
Very Low	< 50% CMHI	29.5	24.7
Low	51% to 80% CMHI	16.8	15.7
Moderate	81% to 120% CMHI	16.6	17.1
Above Moderate	> 120% CMHI	37.1	42.6

Department of City Planning (2007) Source: 2000 U.S. Census

\* Income categories are defined in relation to the County Median Household Income (CMHI). The CMHI is derived from the 2000 U.S. Census.

Of the very low-income households, it is estimated that 18% (228,405 households) are extremely low-income, earning only up to 30% of the county median income (\$14,474 annually), per the 2005 ACS. Another telling measure of income is the proportion of persons living below the poverty line, the federal measure that is three times the annual cost of a nutritionally adequate diet.

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The 2005 poverty rate in Los Angeles City is significant at 20% of the population (747,613 persons of 3,717,462 total population for whom poverty statistics can be calculated by the Census, per the 2005 ACS). This includes both those living alone and those in families. This is far greater than both the County's poverty rate of 16% and the national poverty rate of 13%. (DCP, 2007)

As a result of insufficient household income, many City residents pay far too much for housing, and live in overcrowded conditions. Severe overcrowding, defined as more than 1.51 persons per room, affected over 216,000 households in 2000, more than 18% of all City households (Census 2000).

HUD's CHAS data shows that in Los Angeles, over 167,800 renter households, with incomes ranging from 0 to 80% of the area median, pay over half of their monthly pre-tax income for housing costs, leaving little for other necessities. These households represent approximately 488,000 residents with severe housing affordability problems, based on the City's average household size of 2.91. Over 56,600 low income homeowner households in the same income range, comprising about 164,700 residents, also pay over half of their monthly gross income for housing.

### **Households with Special Needs**

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

The following section identifies persons and households in Los Angeles City with such special needs, and their unique housing issues. These groups represent a significant part of the City's population, and efforts must be made to ensure that decent, affordable and accessible housing is available to all such special needs populations. The Table below identifies each of these groups, or subpopulations, and their respective representation within the City's population. (Department of City Planning, 2007)

**Table 12, Special Needs Populations, City of Los Angeles**

Subpopulation	Persons	Households	% of Citywide Total
Elderly (65 years +)	345,987	X	9%
Persons with Disabilities (16-64 years)	395,014	X	6%
Large Families (5 or more persons)	X	185,276	14%
Families with Female Heads-of-Household	X	195,123	15%
Persons living with HIV/AIDS	30,000***		
Homeless*	48,103*	X	
Farmworkers**	2,039**	X	0.0005%

Department of City Planning (2007) Source: 2005 ACS

\* 2005 Greater Los Angeles Homeless Count

\*\* 2000 Census; 2005 ACS estimate not available.

\*\*\*Los Angeles County Office of AIDS Programs & Policy (OAPP)

## **Elderly**

Elderly persons also live in institutions and other group quarters. Per the 2000 Census, 18,009 elderly Los Angeles residents lived in group quarters, which include institutions, hospitals, hospices, nursing homes, correctional institutions, and non-institutional group quarters. This population comprised 5% of the total elderly population in 2000. More recent data is not available.

Generally, elderly persons have lower incomes than the population at large. Among the elderly who are heads of households, the median household income is \$27,271, far lower than the citywide median household income of \$40,682, according to the 2004 Census. In 2004, 12% (41,998 persons) of the City's elderly residents were living below the poverty level, compared to 18% of the City's total population who live below the poverty line.

With lower incomes, the elderly generally face a greater housing cost burden. Of elderly heads of households who are renters, well over half pay more than 35% of their income for rent (44,877 of 79,618 elderly renter households). Among the homeowners, one-third pays more than 35% of their income for housing costs (40,657 of 128,708 elderly homeowners).

Among elderly persons living alone and in households with others, 150,991 (42%) are living with disabilities. While physical disabilities are the most prevalent among this population (77%), other disabilities are also significant: 39% have a sensory disability; 34% have a mental disability; 26% have a self-care disability; and 45% have a disability that limits their ability to go outside the home on their own.

The housing needs of the elderly are particularly challenging and require special attention because of the combination of fixed incomes, physical challenges, and mobility and transportation limitations, all of which limit access to appropriate and affordable housing.

## **Persons with Disabilities**

Adults (ages 16 –64 years old) with disabilities who live in households on their own or with others comprise 6% of the population citywide (223,572 persons), per the 2004 U.S. Census (this does not include those persons with disabilities living in institutions or other group quarters). A disability, as defined by the U.S. Census Bureau, is a long-lasting sensory, physical, mental or emotional condition that makes it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. The types of disability and their prevalence within the City's disabled population are as follows, per the 2004 U.S. Census:

Sensory limitation (includes vision and hearing limitations):	24%
Physical limitation (includes any condition that limits physical activities such as walking, climbing stairs, reaching, lifting or carrying):	65%
Mental disability (includes any physical, mental or emotional condition lasting six months or more that makes it difficult to learn, remember, or concentrate):	34%
Self-care limitation (includes any physical, mental or emotional condition lasting six months or more that makes it difficult to dress, bathe, or get around inside the home):	26%

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Going-outside-home limitation (includes any physical, mental or emotional condition lasting six months or more that makes it difficult to go outside the home alone to shop or visit a doctor's office):	22%
Employment limitation (includes any physical, mental or emotional condition lasting six months or more that makes it difficult to work at a job or a business):	50%

Department of City Planning (2007)

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

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

Among the adult disabled population (16 years or older), 24% (166,636 adults) live below the poverty level, per the 2000 U.S. Census. This can be compared to a poverty rate of 18% for the adult population without disabilities. For most of the adult disabled population, the only source of income is a small fixed monthly income from Social Security Disability Insurance (SSDI) and/or Supplementary Security Income (SSI). SSDI is based on prior work under social security and can be supplemented with SSI and/or California State Disability Insurance for low wage workers.

SSDI varies based on past earnings with an average payment of \$979 per month for single disabled persons. SSI is available for low income persons 65 and older and for blind and disabled persons of any age. Eligibility for SSI does not require prior work history, and payments are based on financial need. Average SSI payments in California are \$856 for disabled persons and \$921 for blind persons (this includes both federal and state payments). In order to qualify for either SSI or SSDI, a person must have a condition that interferes with basic work related activities and may not make more than \$900 per month. The process to qualify for funds can be lengthy.

Persons with disabilities in the City face unique problems in obtaining affordable and adequate housing. For these adults, the obstacle to independent living is not only their disability, but also a lack of financial resources. Typical fixed monthly incomes do not adequately cover monthly housing costs and living expenses. Another barrier faced is discrimination. In 2001, the City's fair housing contractor, the Housing Rights Center, found that physical disability ranked third among the most frequent inquiries, accounting for 15 percent of all inquiries. By 2006, physical disability was the leading cause of inquiries, accounting for 25 percent of the inquiries. This increase is attributed to the greater focus and education that housing rights advocates have provided to persons with disabilities, who are now better-informed of their rights, have more access to services, and a better understanding of when a complaint or inquiry is warranted.

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

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

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

### **Large Families**

Large families are defined as families of five or more persons. In 2005, there were 180,595 large family households, comprising approximately 23% of all family households in the City (2005 ACS).

In Los Angeles, the median family income in 2005 was \$47,434 (2005 ACS). This includes family households (households consisting of one family who occupies a housing unit) and families of related individuals (with members of varying relationships and who may share a housing unit with another family). The median income among large families is very close to this citywide median for a family of 5 (\$44,608), and increases for larger families (\$50,033 for a family of 6 and \$60,097 for a family of 7 or more persons). These median incomes correspond to low and very low income categories. Data on family households only is not available in the 2005 ACS.

Large families occupy 28% of the 1,284,124 occupied housing units in the City. Large family households need large housing units of three or more bedrooms in order not experience overcrowding (1.01 or more persons per room, under the federal standard). Large housing units are generally not affordable to the many low and very low income large families. Given that the majority of large families are renters, there is a continuing need for large rental units. In addition, large families typically require child care facilities and accessible recreation areas. (DCP, 2007)

### **Families with Female Heads of Households**

Female-headed families are families in which the mother is rearing children on her own. In Los Angeles City, of family households (those households comprised of a family only and include all related individuals), there are 191,232 households headed by a female householder with no husband present, per the 2005 ACS. Of these, just over one-half (104,189 female-headed households) include their own children under 18 years old.

Incomes are low among this population. Over one-half of single, female-headed households receive public assistance (2005 ACS). One-third of female householders with no husband present, live below the poverty line (61,226 female householders, 2005 ACS).

Single, female-headed households occupy close to 15% of all occupied housing units (2005 ACS) The vast majority of these households—70%--are renters (133,439 households, 2005 ACS).

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Given their very low incomes, single, female-headed households need rental units at rents well below the current market rents in Los Angeles and/or significant rental subsidies to help them pay current market rents. These families also require safe recreation space for their children along with accessible childcare.

### **Persons Living With HIV/AIDS**

In a report published by the County of Los Angeles HIV Epidemiology Program, as of June 2006, there are a total of 51,011 cumulative cases of persons living with AIDS (HIV/AIDS Semi-Annual Surveillance, 2006). The Los Angeles County Office of AIDS Programs and Policy (OAPP) estimates that 60,000 individuals are living with HIV/AIDS in Los Angeles County, including 12,500 and 15,000 individuals unaware of their infection. About 53% of persons living with HIV/AIDS in the County reside within the City of Los Angeles, or more than 30,000 residents. Only New York City has a higher prevalence of reported AIDS cases as a percent of its population.

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

Access to stable housing is necessary to keep up with the complex drug regimen that minimizes symptoms; many drugs require proper storage and refrigeration in order to be effective. Although new HIV/AIDS cases have declined, the number of living patients has increased due to more effective treatments. While therapies such as combined antiretroviral therapy have greatly increased life span for the HIV-infected population, this therapy is very expensive at about \$2,000 per month (Schackman et al., 2006) and reduces their ability to pay for housing.

Estimates suggest that between 30 and 40% of people with HIV/AIDS are uninsured (County of Los Angeles, 2002). The challenges to living with HIV/AIDS are compounded by other factors, including mental illness and substance abuse. In a Shelter Partnership study, 38% of survey respondents also identified a substance abuse issue (Shelter Partnership Inc., 1999). As a result, a variety of housing types and flexible programs are required, that can respond to changing needs over time.

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

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

This publication also noted a severe shortage of housing for people with HIV/AIDS in the County. As of 2003, there were 3,351 available beds with an additional 38,679 people needing some type of housing assistance. Overall, the biggest barrier to housing for people with HIV/AIDS in LA County is the high cost of housing and the shortage of affordable alternatives (Shelter Partnership, 2005).

**Housing Needs of those served by the Housing Authority of the City of Los Angeles (HACLA)**

A. Housing Needs of Families in the Jurisdiction/s Served by the PHA  
 Rating Factor for each family type: 1 = "No Impact"  
 5 = "Severe Impact"

Family Type	Overall	Affordability	Supply	Quality	Access-ability	Size	Location
Income <= 30% of AMI	251,468	5	5	5	5	5	5
Income >30% but <=50% of AMI	181,163	4	4	4	4	4	4
Income >50% but <80% of AMI	209,280	4	4	4	4	4	4
Elderly	3,701,104	4	4	4	4	4	4
Families with Disabilities	424,631	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	N/A	N/A	N/A	N/A	N/A	N/A	N/A

U.S. Census data: the Comprehensive Housing Affordability Strategy ("CHAS") dataset 2005 American Community Survey

**Table 14, Housing Needs of Families on the Public Housing and Section 8 Tenant- Based Assistance Waiting Lists**

Housing Needs of Families on the Waiting List			
Public Housing			
	# of families	% of total families	Annual Turnover
Waiting list total	17,194		364
Extremely low income <=30% AMI	14,786	86%	
Very low income (>30% but <=50% AMI)	2,407	14%	
Low income (>50% but <80% AMI)	7	0%	
Families with children	8,236	47.9%	

<b>Housing Needs of Families on the Waiting List</b>			
Elderly families	4,488	26.1%	
Families with Disabilities	1,169	6.8%	
Hispanic	8,334	48.5%	
African American	6,184	36%	
Caucasian	965	5.6%	
Asian	1,671	9.7%	
Bedroom Size Characteristics	# Families	% of Total Families	Annual Turnover
1BR (inc 0 bedroom)	9,074	52.8%	58
2 BR	3,319	19%	199
3 BR	4,266	24.8%	71
4 BR	527	3.1%	26
5 BR	6	0%	10
5+ BR	2	0%	N/A

<b>Table 15, Housing Needs of Families on the Waiting List</b>			
Section 8 Tenant-Based Assistance			
	# of families	% of total families	Annual Turnover
Waiting list total	16,486		
Extremely low income <=30% AMI	12,035	73%	
Very low income (>30% but <=50% AMI)	4,121	25%	
Low income (>50% but <80% AMI)	330	2%	
Families with children	6,594	40%	
Elderly families	8,243	50%	
Families with Disabilities	8,243	50%	
Hispanic	3,292	20%	
African American	9,232	56%	
Caucasian	3,627	22%	
Asian	330	2%	
Bedroom Size Characteristics	# Families	% of Total Families	Annual Turnover
1BR (inc 0 bedroom)	6,430	39%	
2 BR	6,598	40%	
3 BR	2,803	17%	
4 BR	495	3%	
5 BR	148	.90%	
5+ BR	12	.07%	N/A

**Priority Housing Needs (91.215 (b))**

1. **Identify the priority housing needs and activities in accordance with the categories specified in the Housing Needs Table (formerly Table 2A). These categories correspond with special tabulations of U.S. census data provided by HUD for the preparation of the Consolidated Plan.**
2. **Provide an analysis of how the characteristics of the housing market and the severity of housing problems and needs of each category of residents provided the basis for determining the relative priority of each priority housing need category.**  
(Note: Family and income types may be grouped in the case of closely related categories of residents where the analysis would apply to more than one family or income type.)
3. **Describe the basis for assigning the priority given to each category of priority needs.**
4. **Identify any obstacles to meeting underserved needs.**

1. **Table 2A, Priority Housing Needs/Investment Plan Table (Table 16)**

Priority Housing Needs (Households)		Priority		Unmet Need
Renter	Small Related	0-30%	High	59,290
		31-50%	High	49,030
		51-80%	Medium	60,225
	Large Related	0-30%	High	28,810
		31-50%	High	28,505
		51-80%	Medium	32,395
	Elderly	0-30%	High	35,040
		31-50%	High	20,955
		51-80%	Medium	13,905
	All Other	0-30%	High	56,800
		31-50%	High	31,695
		51-80%	Medium	44,280
Owner	Small Related	0-30%	High	7,235
		31-50%	High	7,630
		51-80%	Medium	17,685
	Large Related	0-30%	High	4,105
		31-50%	High	6,575
		51-80%	Medium	14,705
	Elderly	0-30%	High	12,573
		31-50%	High	14,624
		51-80%	Medium	19,878
	All Other	0-30%	High	5,488
		31-50%	High	3,844
		51-80%	Medium	5,705

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<b>*Non-Homeless Special Needs</b>	Elderly	0-80%	High	no data available
	Frail Elderly	0-80%	High	no data available
	Severe Mental Illness	0-80%	High	no data available
	Physical Disability	0-80%	High	no data available
	Developmental	0-80%	High	no data available
	Alcohol/Drug Abuse	0-80%	High	no data available
	HIV/AIDS	0-80%	High	no data available
	Victims of Domestic V	0-80%	High	no data available

Los Angeles Housing Department (2007)

\* **Non-Homeless Special Needs** – CHAS data is not available for this category to complete the “Unmet Need” for persons with Housing Needs.

**Table 2A Priority Housing Activities (Table 17)**

Priority Need	5-Yr. Goal Plan/Act	Yr. 1 Goal Plan/Act	Yr. 2 Goal Plan/Act	Yr. 3 Goal Plan/Act	Yr. 4 Goal Plan/Act	Yr. 5 Goal Plan/Act
<b>Renters</b>						
0 - 30 of MFI	1070	261	235	212	191	171--
31 - 50% of MFI	536	131	118	106	95	86
51 - 80% of MFI	532	130	117	105	95	85
<b>Owners</b>						
0 - 30 of MFI	206	52	52	34	34	34
31 - 50 of MFI	206	52	52	34	34	34
51 - 80% of MFI	274	68	68	46	46	46
<b>Homeless*</b>	0	0	0	0	0	0
**Individuals	1126	275	248	223	200	180
**Families	1126	275	248	223	200	180
<b>Non-Homeless Special Needs</b>						
Elderly	5000	1000	1000	1000	1000	1000
Frail Elderly	0	0	0	0	0	0
Severe Mental Illness	0	0	0	0	0	0
Physical Disability	7500	1500	1500	1500	1500	1500
Developmental Disability	0	0	0	0	0	0
Alcohol/Drug Abuse	0	0	0	0	0	0
HIV/AIDS	7431	1431	1500	1500	1500	1500
Victims of Domestic Violence	0	0	0	0	0	0
<b>Total</b>						
<b>Total Section 215</b>						
<b>215 Renter</b>	1924	470	423	381	343	308
<b>215 Owner</b>	TBD					

Los Angeles Housing Department (2007)

**Table 2A Priority Housing Activities (Table 18)**

<b>Priority Need</b>	<b>5-Yr. Goal</b>	<b>Yr. 1 Goal</b>	<b>Yr. 2 Goal</b>	<b>Yr. 3 Goal</b>	<b>Yr. 4 Goal</b>	<b>Yr. 5 Goal</b>
	Plan/Act	Plan/Act	Plan/Act	Plan/Act	Plan/Act	Plan/Act
<b>CDBG</b>						
Acquisition of existing rental units						
Production of new rental units	0	0	0	0	0	0
Rehabilitation of existing rental units						
Rental assistance	0	0	0	0	0	0
Acquisition of existing owner units	0	0	0	0	0	0
Production of new owner units	0	0	0	0	0	0
Rehabilitation of existing owner units						
*Homeownership assistance	686	172	172	114	114	114
<b>HOME</b>						
Acquisition of existing rental units						
Production of new rental units	2,138	522	470	423	381	342
Rehabilitation of existing rental units						
Rental assistance	0	0	0	0	0	0
Acquisition of existing owner units	0	0	0	0	0	0
Production of new owner units	0	0	0	0	0	0
Rehabilitation of existing owner units						
*Homeownership assistance	686	172	172	114	114	114
<b>HOPWA</b>						
*Rental assistance	2,431	431	500	500	500	500
Short term rent/mortgage utility payments	5,000	1,000	1,000	1,000	1,000	1,000
Facility based housing development	0	0	0	0	0	0
Facility based housing operations	3,491	683	683	700	700	725
Supportive services	63,896	12,704	12,817	12,800	12,800	12,775
<b>Other</b>						

Los Angeles Housing Department (2007)

**2. Provide an analysis of how the characteristics of the housing market and the severity of housing problems and needs of each category of residents provided the basis for determining the relative priority of each priority housing need category.**

The variety of housing problems and needs experienced by residents of Los Angeles requires a range of housing activities to address them. There is no “one size fits all” solution, nor are there sufficient resources to ameliorate the problems of many. It is for this reason that ‘high’ priority is assigned to the needs of both renter and owner households below 50% of median income, and ‘medium’ priority is given to those between 50-80% of median income. We make the assumption that the lower the household income, the more affected the residents will be by high housing costs, with a greater likelihood of overcrowding, and poor housing conditions.

**3. Describe the basis for assigning the priority given to each category of priority needs.**

In each category, highest priority has been assigned to the needs of the lowest income residents, be they renter or owner, based on the assumption that in this high cost real estate market, they are at greater risk of displacement, homelessness or other serious housing situation due to limited financial resources. Similarly, high priority is assigned to the housing needs of low-income persons with disabilities or other special needs for assistance, given the other difficulties and limitations they face.

**4. Obstacles to meeting underserved needs.**

The main obstacle faced by Los Angeles in its efforts to meet underserved needs is the lack of sufficient funds. The needs of City residents in an expensive real estate market far exceed the available Consolidated Plan and Section 8 rental assistance resources. Limited funds for maintaining and modernizing conventional public housing, and limited program funds to leverage with City resources, such as HUD's 202 and 811 loan programs, as well as insufficient homeless assistance funding all have a major negative impact on the City's ability to serve its residents and ensure that they have decent, affordable homes in which to live.

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

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

- Refusing to negotiate, rent or sell housing
- Advertising
- Unlawful evictions
- Public and private land use practices (zoning)
- Setting different terms or conditions for sale or rental of a dwelling
- Application and selection process
- Terms and conditions of tenancy
- Providing different housing services or facilities
- Mortgage loans and insurance, real estate services and transactions
- Unlawful restrictive covenants
- Falsely denying to someone that the housing is available for inspection, sale, or rental
- For profit, steering owners to sell or rent
- Denying anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing

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

**Recent Housing Discrimination Trends**

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

**Table 19, Fair Housing Inquiries**

	<b>FY 2000 - 2001</b>	<b>Percent</b>		<b>FY 2005-2006</b>	<b>Percent</b>
<b>Race</b>	242	31%		177	14%
<b>Familial Status</b>	172	22%		299	24%
<b>Physical Disability</b>	115	15%		311	25%

Department of City Planning (2007)

Discrimination cases develop from further investigation into the inquiries received. Over the years, familial status, where a landlord refuses to rent a unit to families with children, has been consistently cited. In 2006, familial status accounted for the highest percent of cases filed (see table below).

**Table 20, Cases**

	<b>FY 2000 - 2001</b>	<b>Percent</b>		<b>FY 2005-2006</b>	<b>Percent</b>
<b>Race</b>	131	35%		67	12%
<b>Familial Status</b>	93	25%		206	36%
<b>Physical Disability</b>	59	16%		137	24%

Department of City Planning (2007)

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

## Housing Market Analysis (91.210)

Please also refer to the Housing Market Analysis Table in the Needs.xls workbook

- 1. Based on information available to the jurisdiction, describe the significant characteristics of the housing market in terms of supply, demand, condition, and the cost of housing; the housing stock available to serve persons with disabilities; and to serve persons with HIV/AIDS and their families. Data on the housing market should include, to the extent information is available, an estimate of the number of vacant or abandoned buildings and whether units in these buildings are suitable for rehabilitation.**
  - 2. Describe the number and targeting (income level and type of household served) of units currently assisted by local, state, or federally funded programs, and an assessment of whether any such units are expected to be lost from the assisted housing inventory for any reason, (i.e. expiration of Section 8 contracts).**
  - 3. Indicate how the characteristics of the housing market will influence the use of funds made available for rental assistance, production of new units, rehabilitation of old units, or acquisition of existing units. Please note, the goal of affordable housing is not met by beds in nursing homes.**
- 1. Describe the significant characteristics of the housing market in terms of supply, demand, condition, and the cost of housing**

The amount a household pays each month for rent or for owning a home (mortgage payment, mortgage insurance, homeowner association fees, and property taxes) is deemed affordable if the total payment is 30% or less of the household's monthly income. In 2007, the Los Angeles-Long Beach-Glendale metropolitan area was deemed the least affordable area in the country because so few households can purchase a home or rent a unit at a cost that is 30% or less than the household's income. Only 3% of homes sold between January and March were affordable to those earning the area median income of \$61,700 [per the National Association of Home Builders (NAHB)/Wells Fargo Housing Opportunity Index (HOI)]. The Los Angeles region has the distinction of being rated the least affordable large metropolitan area in this index since 2005.

While other cities have more expensive housing, Los Angeles' unique situation is a result of the combined impact of the very low median income of its residents and the high cost of land in the City. 57.5% of renters and 46.5% of owners pay more than 30% of their income for housing costs. Furthermore, housing cost burden is severe for many households; 30.3% of renters pay more than 50% of income for housing costs.

### **Homeownership Costs**

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

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Urban Development (HUD) FY2006 income estimates for the Los Angeles-Long Beach metropolitan area at the time.

When property taxes and homeowner insurance are added to the monthly cost, the percentage of the population that can afford this median priced home drops further. If this home is a condominium, homeowner association fees further increase the monthly costs and the proportion of the population that can afford this median priced home drops even further.

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

### ***Mortgage Amount***

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

### ***Credit Quality of Borrowers***

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

Borrowers earning below 80% of area median income, eligible for City assistance with HOME and ADDI grant funds, cannot afford such high prices. LAHD second mortgage assistance is combined only with prime, not sub-prime, mortgage finance. However, many others in Los Angeles, fearful that the housing market would continue to rise, took the subprime mortgage option to buy a home they could not afford, and now face default and foreclosure. In Los Angeles County, in the three-month period ending June 30, 2007, there were 9,504 foreclosures, a 725% increase over the same period a year earlier

### ***Rental Costs***

In larger rental properties (100+ units) The average rent for a 2 bedroom apartment in Los Angeles in 2007 is \$1,643 per month (per Real Facts, "Market Overview for the City of Los Angeles"), requiring an income of at least \$5,477 monthly or \$65,720 annually to be affordable. Yet only 36% of the City's households earn \$60,000 or more annually. The following table shows the average rents by unit size, the annual income required to afford this rent, and the percentage of the population at this household size that earns this income.

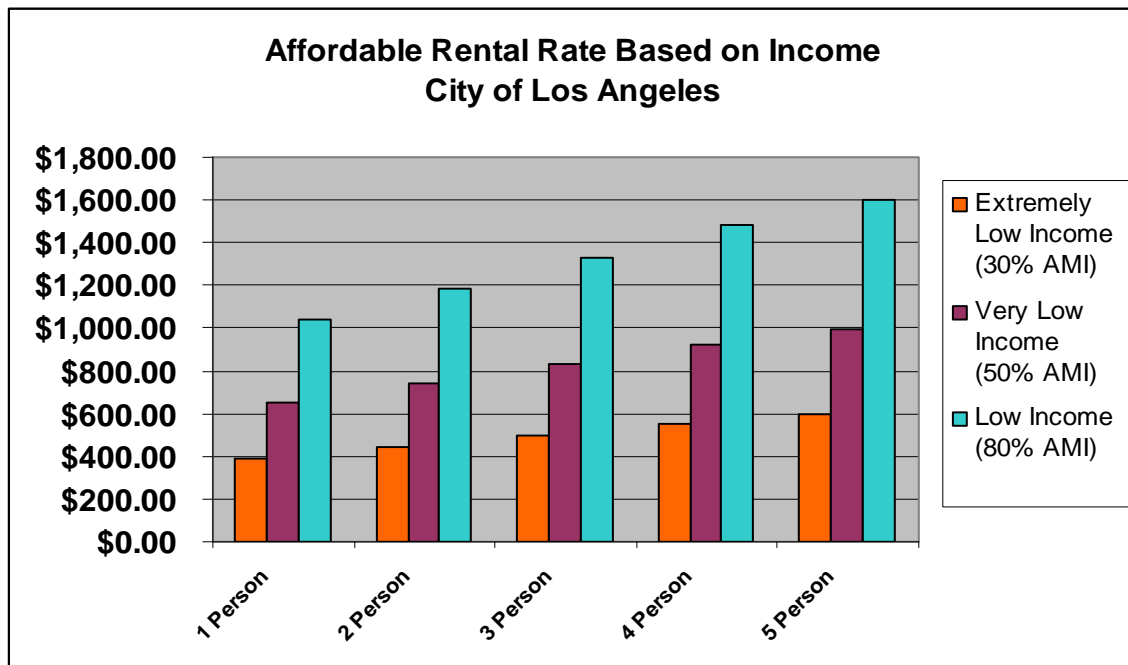
Apartment Size	Average Monthly Rent*	Wage Needed to Afford Rent**	Annual Income Needed to Afford Rent**	Percent of Total Households
Studio	\$1,140	\$21.92/hr	\$45,600	14%
1Bed/1Bath	\$1,509	\$29.02/hr	\$60,360	17%
2Bed/1Bath	\$1,643	\$31.60/hr	\$65,720	17%
3Bed/2Bath	\$2,483	\$47.75/hr	\$99,320	8%

Department of City Planning (2007)

\*Real Facts. Market Overview for the city of Los Angeles. Average Rent. First Quarter 2007.

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

As illustrated in the chart below, extremely low income and single-person households can afford rents of no more than \$400, while low income, large family households can afford no more than \$1600. Such rents are virtually unavailable in Los Angeles.



Source: Department of City Planning (2007) FY 2007 Income Limits Summary. Los Angeles – Long Beach, CA HUD Metro Fair Market Rent Area. "Affordable" is defined as spending no more than 30 percent of the specified Area Median Income on housing.

Rental units with government restricted rents and occupancies restricted to lower income households address this need. However, more affordable rental units are needed because the number of households with incomes below the median is so large. HUD's CHAS data shows 460,930 households below 80% of area median income with unmet housing needs, representing 59% of all renter households in the City.

Consequences of the huge disparity between rents and incomes include homelessness and overcrowding as households are forced to share units in order to afford the rents. In addition, illegal units are created that do not meet building and zoning codes, posing safety hazards to occupants and negative impacts on neighborhoods.

### Overcrowded Housing

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

In 2000, 325,958 of households, or 25.6% of occupied units in the City, were considered to be overcrowded. About 71% of the overcrowded households were *severely* overcrowded. In 2006, within the five-county SCAG region, Los Angeles County had the highest rate of overcrowded housing (12.1%). (SCAG, *State of the Region Report*, p. 55, 2007)

Source: US Census 2000 and 2005 American Community Survey

<b>Table 22 Overcrowded Housing Units</b>		
	Owner Occupied	Renter Occupied
Total Occupied Units	491,836	783,522
Overcrowded	28,065	67,537
Severely Overcrowded	38,757	191,599
All Overcrowded Units	66,822	259,136

Department of City Planning (2007)

Table 22 indicates that overcrowding is more severe among renter households than owner occupied households. As the price of owning a home has increased, many who cannot afford to own homes live in rental housing. As more renters are experiencing overcrowding, this may signal an increase in the experience of overcrowding for Angelenos of lower incomes. In fact, in 2000 over 53% of Angelenos paid over 30% of their income for housing (Census Table H69).

The rate of overcrowding is greater in Los Angeles City compared to Los Angeles County and the State. In Los Angeles County in 2000, 23% of housing was overcrowded. In the State, 15% of housing was overcrowded.

Overcrowded conditions exist due to many reasons. One reason is the lack of affordable dwelling units, especially for large families. In 2000, there were 216,749 large family households, comprising approximately 27% of family households in the City. In order for large families to avoid being overcrowded, they need dwelling units with three or more bedrooms. Although large families were approximately 27% of the family household population, only 8.6% of rental units in the City had three or more bedrooms in 2000.

One of the frequent consequences of overcrowding is the creation of illegal dwelling units, such as occupied garages. The high incidence of these residences signifies a housing market that is lacking units affordable to low-income households or larger households.

### Vacancy Rate

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

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

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rate drops, the steeper the competition for units will become, causing an increase in housing prices and rental rates.

According to the U.S. Census, vacancy rates are below optimal levels. In the 2000 Census, data collected by the Census Bureau for the vacancy rate for rental units in the City was calculated at 3.5%. In 2005, the vacancy data for rental units was similar at 3.3%. The story is similar in the case of for-sale housing vacancy rates. In 2000, the Census Bureau reports a for-sale unit vacancy rate of 1.8%. In 2005, the same measure registers a vacancy rate of 0.9%.

**Table 23, Census Vacancy Data**

VACANCY RATE	PERCENTAGE	BY YEAR
Rental Units	3.5%	2000
Rental Units	3.3%	2005
For-Sale	1.8%	2000
For-Sale	0.9%	2005

Department of City Planning (2007)

Estimates of vacancy rates by the Los Angeles Department of Water and Power (LADWP) are similar to the Census figures. The LADWP monitors electrical activity at metered apartment buildings as well as activity recorded in single-family residential meters. Inactive or idle meters over a period of time are a good indication of vacancy and this data is used as an estimate (although meters can be idle for reasons other than vacant units). Based on the LADWP, the average vacancy rate in the City of Los Angeles in 2006 was 3.9% (see table below).

During 2006, the average vacancy rate for multi-family, individually-metered housing units served by the DWP was 3.9%. This does not include data on individual units in older properties with one 'master-meter' for water and power. Similarly, the average vacancy rate for single-family dwelling, individually-metered housing units served by the DWP was 0.65 % (Table 3.21).

<b>Table 24 Vacancy Rates of Metered Housing Units</b>	
Multi-Family Units	
2006 Vacancy rate	3.9%
Single-Family Units	
2006 Vacancy rate	0.65%

Source: LADWP

### Housing Conditions

Approximately two-thirds of the City's housing units were constructed prior to 1970 and nearly a third were built prior to 1950. The advanced age of so much of the City's housing means, naturally, a high incidence of reported problems with units. According to the 2003 American Housing Survey, approximately 10 percent of all units had moderate or severe problems, 83% of which were rental units.

**Table 25, All Housing Units, 2005**

Year Built	Estimated units
Total:	1,355,741
Built 2005 or later	3,411
Built 2000 to 2004	36,287

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Built 1990 to 1999	76,916
Built 1980 to 1989	147,155
Built 1970 to 1979	202,539
Built 1960 to 1969	198,638
Built 1950 to 1959	269,179
Built 1940 to 1949	156,325
Built 1939 or earlier	265,291

Census ACS 2005 – NOTE: ACS and Census figures on the age of housing stock rely on reported data and are not separately verified with building permit or other data.

**Table 26, Reported Problems with Housing**

	Owner Occupied	Renter Occupied
Severe Problems	12,500	42,500
Moderate Problems	9,500	68,100

Department of City Planning (2007) Source: 2003 American Housing Survey

For rental properties, problems with the kitchen were the most reported, with plumbing, heating and electrical issues more or less evenly split. Upkeep problems were the least reported by far, though this may be because this was a catchall category for anything that did not fit into one of the others. For owner-occupied properties, plumbing problems outnumbered any other category. Kitchen problems, however, were not tracked for owner-occupied units.

**Table 27, Housing Condition Details**

	Owner Occupied	Renter Occupied
Plumbing	8,400	26,900
Heating	5,200	22,100
Electric	4,100	25,000
Upkeep	1,100	1,000
Kitchen	---	30,300

Department of City Planning (2007) Source: 2003 American Housing Survey

The Housing Department implements the City's Systematic Code Enforcement Program (SCEP), which inspects every multifamily housing building in the City on a regular basis. From January 1998 to December 2005, the SCEP unit inspected 306,087 units, recording nearly 1.9 million violations. The vast majority of these were violations which the owner was responsible to address.

<b>Table 28, Systematic Code Enforcement Program (SCEP) Cycle 1 Data (January 1998 - December 2005)</b>	
Total SCEP Inspections	306,087
Owner Violations*	1,867,376
Tenant-caused Violations	13,667
Total Violations	1,881,043

Department of City Planning (2007) \*Violations which the owner must address.

In severe cases of landlord neglect or active abuse, tenants may take advantage of the Housing Department's Rent Escrow Account Program (REAP), which allows them to pay their rent into an escrow account controlled by LAHD. The landlord may only receive this

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money after demonstrating that necessary repairs have been made. From July 2001 to December 2005, 2,617 properties entered REAP. Nearly 85 percent of these were closed within this same period.

New Cases	<b>2,617</b>
Closed Cases	<b>2207</b>
Open Cases	<b>410</b>

Department of City Planning (2007)

In rare cases a landlord's misconduct leads to a criminal prosecution by the City. From July 1999 through June 2005, the Housing Department referred 1,148 cases to the City Attorney for prosecution. Of these, 477 resulted in sentences.

## **2. City of Los Angeles Affordable Housing Inventory**

The LAHD maintains a database of existing, affordable multi-family rental units at risk of conversion to market-rate housing due to termination of a public funding subsidy contract, mortgage prepayment, or other expiring use restrictions. The production of new, affordable housing, as well as the preservation of existing affordable units is crucial in maintaining a stock of affordable housing.

Los Angeles currently has 63,562 rent-restricted affordable housing units across the city in 1,826 developments, serving very low income; low income and moderate income households. The vast majority of these affordable units have been financed using a combination of private and public funds. The requirements of the public funding include maintaining the affordability for a specific number of years.

As these terms are fulfilled, the affordability of these units become at-risk of converting to market rate units and will no longer serve lower-income households. It is estimated that over the next ten years as much as one-third of this current stock - about 21,000 units - could convert to market rate prices, and displace current residents.

In the last ten years, 4,181 housing units located in 284 developments lost their affordability restrictions. The majority of these, 2,298 units had received local financing and their covenants matured. Over 1,250 units had received HUD assistance; owners prepaid their mortgages or terminated, or 'opted-out' of, their project-based Section 8 rental subsidy contracts. Additionally, 626 units were located in state financed properties where initial 15-year Tax Credit rental restrictions expired.

### *Units Expiring in 1-5 Years*

An analysis of units tracked indicates that between July 1, 2008 and June 30, 2013, there are 14,594 housing units that are at-risk of terminating their housing rental subsidies or will otherwise lose their affordability restrictions through the expiration of covenants and termination of restrictions.

The majority of these, 11,402 units (78 percent), are located in buildings that received financing from the U.S. Department Housing and Urban Development (HUD), Project-based Section 8 rental subsidies and/or are financed through FHA 221(D)(3), 221(D)(4), 236(J)(1), and 202 and 811 HUD loan subsidy programs. HUD required investors to make the units available to very low and low income households at approved rents throughout

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the term of the mortgage. Although the mortgages have 40-year terms, most owners are able to prepay their mortgages after 20 years. Most of these properties have now exceeded the 20-year term and have prepaid or are able to prepay their loans. Most of the Project-based Section 8 contracts (9,290 units) in the City of Los Angeles have passed the initial 20-year term and are renewing their respective contract with HUD on an annual basis. For these reasons, federally financed and assisted properties are considered at-risk.

There are also 3,034 units financed by the City with HOME, Community Development Block Grant (CDBG), tax-exempt mortgage revenue bond financing, local Community Redevelopment Agency housing programs and units set aside by land use concessions that will expire between 2008 and 2013. In addition, there are 158 units (1 percent) financed with state loan programs expiring in the next five years.

#### *Units to Expire in 5-10 Years*

An analysis of units with expirations between July 1, 2013 and June 30, 2018 identified 6,983 housing units that are at-risk of terminating their housing rental subsidies or that will otherwise lose their affordability restrictions. The majority of these, 4,182, are located in projects financed by the City with HOME, tax-exempt mortgage revenue bond financing, Community Redevelopment Agency housing programs or land use concessions. The remainder is comprised of 2,294 units with FHA insurance and Project-based Section 8.

The loss of 21,000 units over the next 10 years, one-third of the City's existing affordable housing stock, would be devastating. At this time, approximately 1,000 new units of affordable housing are completed in the City every year, and most of them are not affordable to extremely low income residents such as those served by Section 8 rental subsidies.

### **Specific Housing Objectives (91.215 (b))**

- 1. Describe the priorities and specific objectives the jurisdiction hopes to achieve over a specified time period.***
- 2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by the strategic plan.***

#### ***1. Describe the priorities and specific objectives***

To remain economically competitive, the city of Los Angeles must have housing that is affordable to workers with a wide range of incomes. Existing and new businesses consider the availability of workforce housing in making decisions on where to locate. In addition, businesses with goods and services to sell need consumers with discretionary income; in other words, local businesses need a population whose housing costs are not so burdensome that they can't afford to purchase other goods and services.

However, Los Angeles has one of the lowest rates of homeownership in the country, and one of the widest gaps between income and housing costs. The statistics reveal a housing crisis for middle-income people wanting to buy homes, moderate-income families unable to afford decent housing, and poor people living in slum conditions. For these reasons, shortages of affordable housing have made Los Angeles a less desirable place

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for businesses to locate. For its future economic vitality, the City needs an adequate supply of housing that is affordable to all people.

But the City acknowledges that it cannot build its way out of the housing crisis. There simply is not enough supply of housing to meet ever-increasing demand. Instead, it must find ways to create synergies between its housing development and housing preservation programs, and work aggressively to both increase true rental and homeownership opportunities while at the same time preserving through diligent code enforcement and targeted rehabilitation of the City's existing housing stock.

LAHD must balance competing needs for scarce resources. As can be seen in the Housing Needs table, the need for assistance by the City's low income households far exceeds the available resources. HUD's CHAS data shows that 35,040 elderly renter households and 28,810 large related families, all with incomes below 30% of area median income, have unmet housing needs

Over the next five years, LAHD proposes to accommodate population growth through the preservation of existing rental housing, creation of Transit-Oriented Developments and workforce housing; spur housing production by removing barriers to development; prevent and end homelessness through the development of permanent supportive housing; rebuild the middle-class through the creation of homeownership opportunities; and strengthen Los Angeles neighborhoods through a coordinated design and development process that includes the community's interests.

***2. Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs in the following ways:***

**Affordable Rental Housing Development**

The City's Affordable Housing Trust Fund (AHTF) was created in 2000 to provide resources to alleviate Los Angeles' severe affordable housing shortage. The AHTF resources may be used for a variety of affordable housing development and preservation needs, including loans for predevelopment, acquisition, new construction, rehabilitation or restoration of rental housing. LAHD is also working with the Mayor's office and other City departments to develop acquisition loan programs to support the AHTF and the Permanent Supportive Housing Program. Preservation of at-risk affordable housing is a high priority as the expiration dates of numerous properties fall within the next 10 years, as described above.

The AHTF is currently generating nearly four additional dollars to every one Trust Fund dollar. Resources expected to be available for affordable rental housing development include:

- HOME and CDBG
- City General Fund
- Redevelopment tax increment
- Los Angeles Department of Water and Power resources for energy-efficient, sustainable building expenses
- Conventional bank loans
- Tax-exempt mortgage revenue bond finance
- 9% and 4% low-income housing tax credits
- HUD 202 and 811 programs
- Supportive Housing Program

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- Shelter Plus Care and other homeless assistance programs for permanent housing
- Voter-approved State Proposition 1C funds for the Multifamily Housing Program (MHP) and other state funding programs
- Federal Home Loan Bank Affordable Housing Program (AHP)
- Other sources as they become available

### **Homeownership Assistance**

LAHD's Homeownership Programs provide assistance for low- and moderate-income homebuyers wishing to purchase their first home. The Department provides a variety of services intended to augment the purchasing power of those prospective buyers. The CDBG and HOME Program-funded Purchase Assistance (PA) and Purchase Assistance with Rehabilitation (PAR) programs provide soft second loans with no payments due until the home is sold or transferred. Federal American Dream Downpayment Initiative (ADDI) program funds provide low-income buyers with cash grants. This program provides an important boost to the Department's homeownership assistance programs.

Resources expected to be available to leverage with HOME and CDBG for homeownership assistance to first time homebuyers include:

- Voter-approved State Proposition 1C funds for the Building Equity and Growth in Neighborhoods (BEGIN) program grants and CalHOME program
- Tax-exempt mortgage revenue bond finance, provided in partnership with the California Housing Finance Agency (CalHFA) and its downpayment assistance programs
- Mortgage Credit Certificate (MCC) Program
- Municipal Housing Finance Fund, fees from tax exempt bond issuances for moderate income buyers ineligible for HUD funds

### **Needs of Public Housing (91.210 (b))**

*In cooperation with the public housing agency or agencies located within its boundaries, describe the needs of public housing, including the number of public housing units in the jurisdiction, the physical condition of such units, the restoration and revitalization needs of public housing projects within the jurisdiction, and other factors, including the number of families on public housing and tenant-based waiting lists and results from the Section 504 needs assessment of public housing projects located within its boundaries (i.e. assessment of needs of tenants and applicants on waiting list for accessible units as required by 24 CFR 8.25). The public housing agency and jurisdiction can use the optional Priority Public Housing Needs Table (formerly Table 4) of the Consolidated Plan to identify priority public housing needs to assist in this process.*

### **Public Housing Strategy (91.210)**

- 1. Describe the public housing agency's strategy to serve the needs of extremely low-income, low-income, and moderate-income families residing in the jurisdiction served by the public housing agency (including families on the public housing and section 8 tenant-based waiting list), the public housing agency's strategy for addressing the revitalization and restoration needs of public housing projects within the jurisdiction and improving the management and operation of such public housing, and the public housing agency's strategy for improving the living environment of extremely low-income, low-income, and moderate families residing in public housing.***

2. **Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake to encourage public housing residents to become more involved in management and participate in homeownership. (NAHA Sec. 105 (b)(11) and (91.215 (k))**
  
3. **If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation. (NAHA Sec. 105 (g))**

**Public and Assisted Housing**

Table 29, HACLA Sites and Configurations								
SITE NAME, ADDRESS, AND TYPE	Bedrooms						Total Bedroom Count Available for Occupancy	City Council
	0	1	2	3	4	5		
Ramona Gardens: 2830 Lancaster Ave., L.A. 90033		22	236	178		59	495	(14)
Pueblo Del Rio: 1801 E. 53rd St., L.A. 90058		123	186	72	8		389	(9)
Rancho San Pedro: 275 W. 1st St., San Pedro 90731		96	139	45	3	1	284	(15)
William Mead: 1300 N. Cardinal, L.A. 90012		69	266	45	19	16	415	(1)
Estrada Courts: 3232 Estrada St., L.A.. 90023		74	109	26	4		213	(14)
Rose Hill Courts: 4466 Florizel St., L.A. 90032		28	48	20	4		100	(14)
Avalon Gardens: 701 E. 88th Pl., L.A. 90002		40	85	28	8		161	(9)
Gonzague Village: 1515 E. 105th St., 90002		52	94	28	8		182	(15)
Nickerson Gardens: 1590 E. 114th St., L.A. 90059		104	634	241	73	5	1057	(15)
Pueblo Ext.: 1801 E. 53rd St., L.A. 90058		13	155	48	48	6	270	(9)
Jordan Downs: 9800 Grape St., L.A. 90002		80	254	270	61	25	690	(15)
Rancho San Pedro Ext.: 275 W. 1st St., San Pedro 90731		8	114	29	30	10	191	(15)
SITE NAME, ADDRESS, AND TYPE	Bedrooms						Total Bedroom Count Available for Occupancy	City Council
	0	1	2	3	4	5		
Imperial Courts: 11541 Croesus St., L.A.	0	34	319	78	56	3	490	(15)
Estrada Courts Extension: 3232 Estrada St., L.A.. 90023		8	122	32	34	4	200	(14)
Mar Vista Gardens: 11965 Allin St., Culver City 90230		61	241	221	62	10	595	(11)
San Fernando Gardens 10995 Lehigh, Pacoima 91331		42	152	179	49	24	446	(7)
Dana Strand: 401 Hawaiian Ave., Wilmington 90744		71	213	92	8		384	(15)
New Pico (Pico I & II): 1526 E. 4th St., L.A. 90033		66	88	66	20	14	254	(14)
Las Casitas: 358 S. Clarence St., Los Angeles 90033			28	14			42	(14)
Aliso Village: 1202 Via Las Vegas, L. A. 90033	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(14)

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<b>PUBLIC HOUSING - SENIOR SITES</b>									
Independent Square: 2455 S. St. Andrews Pl. L.A. 90018	<b>60</b>	<b>136</b>						<b>196</b>	<b>(10)</b>
609 California Ave Venice 90291		<b>50</b>						<b>50</b>	<b>(11)</b>
Gibson Manor 1501 East Century Blvd L.A. 90002		<b>50</b>						<b>50</b>	<b>(15)</b>
Westside Manor: 1224 S. Norton Ave., L.A. 90019	<b>34</b>							<b>34</b>	<b>(10)</b>
7540-7541 Simpson Ave., No. Hollywood 91605		<b>39</b>		<b>3</b>	<b>2</b>			<b>44</b>	<b>(6)</b>
Art Snyder Villa: 1536 Yosemite Dr., L.A. 90041		<b>80</b>						<b>80</b>	<b>(14)</b>

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PUBLIC HOUSING - SCATTERED SITES								
1416 Crenshaw Blvd., L.A. 90019				3			3	(10)
2927 Partridge Ave., L.A. 90039			2	3			5	(13)
14753 Delano St., Van Nuys 91411			1	1	1		3	(6)
14743 Friar St., Van Nuys 91411			1	1	1		3	(6)
14311 Haynes St., Van Nuys 91401			1	1	1		3	(6)
6114 Hazelhurst Pl., No. Hollywood 91606			2	4			6	(2)
11218 Emelita St., No. Hollywood 91606				3			3	(4)
11442 Emelita St., No. Hollywood 91606				3			3	(4)
5737 Klump Ave., No. Hollywood 91601				3			3	(4)
11818 Vanowen St., No. Hollywood 91605				7			7	(2)
6900 & 6910 Morella Ave., No. Hollywood 91605				7			7	(6)
11736 Hart St., No. Hollywood 91605				1			1	(6)
11740 Hart St., No. Hollywood 91605				2			2	(6)
11737 Hart St., No. Hollywood 91605				3			3	(6)
6923 Simpson Ave., No. Hollywood 91605				3			3	(6)
11913 Runnymede St., No. Hollywood 91605			3	2	1		6	(6)
8325 Penfield Ave., Canoga Park 91306			2	2	1		5	(12)
14145 Calvert St., Van Nuys 91401			4				4	(6)
6615 Lemp Ave., No. Hollywood 91606			4				4	(2)
6530 Vineland Ave., No. Hollywood 91606			14	8	8		30	(2)
1158 E. Adams Blvd., L.A. 90011				3			3	(9)
145 E. 54th St., L.A. 90011				3			3	(9)
1059 E. 48th St., L.A. 90011				3			3	(9)
215 E. 93rd St., L.A. 90003				3			3	(9)
685 E. 43rd St., L.A. 90011				3			3	(9)
4331 Honduras St., L.A. 90011				3			3	(9)
3206 S. Naomi Ave., L.A. 90001				3			3	(9)
210 W. 91st St., L.A. 90003				3			3	(8)
1100 & 1100 1/2 E. 112th St., L.A. 90059			2				2	(15)
1613 & 1613 1/2 E. 41st Pl. L.A. 90011				2			2	(9)
110 & 110 1/2 E. 94th St., L.A. 90003				2			2	(8)
245 & 245 1/2 E. 102nd St., L.A. 90003				2			2	(8)
1539 & 1539 1/2 E. 57th St., L.A. 90011				2			2	(9)
216 & 216 1/2 E. 87th Pl., L.A. 90003				2			2	(9)
354 & 354 1/2 E. 105th St., L.A. 90003				2			2	(8)
339 & 339 1/2 E. 107th St., L.A. 90003				2			2	(8)
1565 & 1565 1/2 E. 43rd St., L.A. 90011				2			2	(9)
1330 W. 57th St., L.A. 90037				3	4		7	(9)
2326 Ridgeley Dr., L.A. 90016				8			8	(10)
563 W. 92nd St., L.A. 90044				7	2		9	(8)
205 Opp St., Wilmington 90744				6			6	(15)
207 Opp St., Wilmington 90744				1	2		3	(15)
3814 Montclair St., L.A. 90018				2	1		3	(10)
3910 Montclair St., L.A. 90018				3	1		4	(10)
744 N. Tularosa Rd., L.A. 90026					5	2	7	(13)
<b>TOTALS</b>	<b>94</b>	<b>1356</b>	<b>3510</b>	<b>1842</b>	<b>523</b>	<b>177</b>	<b>7502</b>	

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HACLA's Agency Plan includes the Capital Fund Program (CFP) Annual Statement and Five-Year Plan. The Annual Statement details the work to be carried out in the plan year using funds allocated to HACLA via a nationwide formula. Most of these funds will be used for capital construction projects. Those projects include continuation of comprehensive modernization at three public housing communities: Pueblo Del Rio Extension, Estrada Courts Extension, and San Fernando Gardens. Other major work includes replacing windows at the William Mead Homes community, east of downtown.

**Table 30, Comprehensive Modernization Activities**

Proposed Activities for the Next Five years

<b>CAL No</b>	<b>Development Site</b>	<b>Number of Units To Be Completed</b>	<b>Proposed Construction Time Frame</b>
415	Pueblo Del Rio Extension	5	Jan 2007 - Dec 2008
420	Estrada Courts Extension	12	Sept 2006 - Dec 2007
422	San Fernando Gardens	140	Jan 2007 - Dec 2008
<b>TOTAL PROPOSED UNITS:</b>		<b>157</b>	

HACLA is required by HUD to make periodic assessments of the needs for capital improvements and to submit them as part of its annual Agency Plan, which is an installment of the PHA five-year plan for capital projects. This document indicates to HUD what specific capital projects will be funded from the next CFP grant and what projects are planned for the four years following. HACLA projects receiving \$17.5 million in its federal fiscal year (FFY) 2008 CFP grant.

HACLA is also required by HUD regulations to use CFP funds to address the most pressing capital improvements needs first and specifically to address handicapped accessibility in units, to reduce hazards from lead-based paint and improve energy efficiency.

HACLA must maintain its public housing units in decent, safe and sanitary condition. HACLA conducts preventive maintenance inspection of all its units twice a year. Units are also subject to periodic inspections by HUD. HACLA is required to track its maintenance work orders (tenants phone in work orders to a centralized work order center) and to report to HUD on turn around times for various categories of work.

HUD has consistently found HACLA's units to be well maintained and HACLA's performance on turn around of maintenance requests to meet standards. However, HACLA foresees challenges to maintaining its properties because of subsidy cuts implemented through the new operating fund rule.

**Table 31,  
Priority Public Housing Needs  
Local Jurisdiction**

<b>Public Housing Need Category</b>	<b>PHA Priority Need Level High, Medium, Low, No Such Need</b>	<b>Estimated Dollars To Address</b>
<b>Restoration and Revitalization</b>		
Capital Improvements	High	\$616,552,840
Modernization		
Rehabilitation		
Other (Specify)		
<b>504 Accommodations</b>	High	\$31,338,860
<b>Management and Operations</b>	High	\$58,755,477 (FY 2007)
<b>Improved Living Environment</b>		
Neighborhood Revitalization (non-capital)		
Capital Improvements		
Safety/Crime Prevention/Drug Elimination	High	\$39,546,919.98
Other (Specify)		
<b>Economic Opportunity</b>		
Resident Services/ Family Self Sufficiency	High	\$5,189,765
Other (Specify)		
<b>Total</b>		

HACLA also may propose a tenant in place change in subsidies (HUD’s official term is disposition) of one or more of the large family developments listed above, which constitute all of the Authority’s sites containing nearly 400 or more units. This would be done as a means of advancing the redevelopment of public housing in the south or east sides of the city. All of the large Watts developments are distressed with high crime rates, and past renovation efforts have failed to bring about the necessary improvement in living conditions. By taking this step, the HACLA will be able to generate additional revenue for citywide redevelopment. All of the developments listed above present substantial challenges in terms of current conditions; HACLA would determine which, if any of these sites to propose based on further financial and feasibility analysis and resident consultation.

It is envisioned that redevelopment will triple the number of housing units now available, including full one-for-one replacement of the public housing units as well as market-rate rental units and a sizable component of workforce homeownership units. Additional possibilities include retail and educational/workforce redevelopment components.

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Upon approval for the disposition of one or more of the sites listed above to one of HACLA's instrumentalities, HACLA would be entitled to request additional vouchers with respect to all eligible units. HACLA then would seek to fulfill all requirements necessary to project-base vouchers at that site or sites. In this manner, current residents of the site or sites will be fully protected and after one year of occupancy, may stay or accept tenant-based vouchers if they choose to do so.

The use of project-based vouchers at one or more of these sites would provide a substantial additional revenue stream, estimated at several million dollars annually that HACLA would use for resident programs or extraordinary maintenance, or in connection with redevelopment. HACLA could use these funds for initial redevelopment planning and architectural expenses, as well as land acquisition and construction costs. This additional funding source will be needed, in conjunction with many other resources such as Low Income Housing Tax Credit (LIHTC), Community Redevelopment Agency (CRA), City of L.A. Housing Trust Fund (HTF), Tax Increment Financing (TIF), public housing Replacement Housing Factor funds and others, to make a redevelopment effort of this magnitude a reality.

Activity Description	Number of Days After HUD Approval
Notify residents of program approval - including explanation of change in subsidies	Immediate after program approval
Disposition and subsidy change	Promptly upon receipt and preliminary processing of the necessary vouchers

The Housing Authority of the City of Los Angeles (HACLA) will consider the option of proposing disposition of 2 of its public housing portfolios – scattered and senior sites totaling 43 HUD project numbers consisting of 51 properties and 651 units. Under the Scattered portfolio, the following sites are being considered for disposition from the public housing inventory:

**Table 32, Units Considered for Disposition from Public Housing Inventory**

HUD Project #	Site Name	Site Address	# Units
CA004039	1100 & 1100 1/2 E. 112th St.	1100 & 1100 1/2 E. 112th St., L.A.	2
CA004053	Vanowen - Morella	11818 Vanowen St., N. Hollywood	7
		6900/6910 Morella Ave., N. Hollywood	7
CA004054	Delano, Friar, Haynes, Hazelhurst	14753 Delano St., Van Nuys	3
		14743 Friar St., Van Nuys	3
		14311 Haynes St., Van Nuys	3
		6114 Hazelhurst Pl., N. Hollywood	7
CA004059	1416 Crenshaw Blvd.	1416 Crenshaw Blvd., L.A.	3
CA004060	2927 Partridge Ave.	2927 Partridge Ave., L.A.	5
CA004062	1613 & 1613 1/2 E. 41st Pl.	1613 & 1613 1/2 E. 41st Pl., L.A.	2

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HUD Project #	Site Name	Site Address	# Units	
CA004063	11218 Emelita St.	11218 Emelita St., N. Hollywood	91601	3
CA004064	11442 Emelita St.,	11442 Emelita St., N. Hollywood	91601	3
CA004065	110 & 110 1/2 E. 94th St.	110 & 110 1/2 E. 94 <sup>th</sup> St., L.A.	90003	2
CA004067	5737 Klump Ave.	5737 Klump Ave., N. Hollywood	91601	3
CA004068	245 & 245 1/2 E. 102nd St.	245 & 245 1/2 E. 102nd St., L.A.	90003	2
CA004072	1565 & 1565 1/2 E. 43rd St.	1565 & 1565 1/2 E. 43rd St., L.A.	90011	2
CA004073	1539 & 1539 1/2 E. 57th St.	1539 & 1539 1/2 E. 57th St., L.A.	90011	2
CA004074	216 & 216 1/2 E. 87th Pl.	216 & 216 1/2 E. 87th Pl., L.A.	90003	2
CA004075	14145 Calvert St.	14145 Calvert St., Van Nuys	91401	4
CA004077	8325 Penfield Ave.	8325 Penfield Ave., Canoga Park	91306	5
CA004078	11913 Runnymede St.	11913 Runnymede St., N. Hollywood	91605	6
CA004079	6615 Lemp Ave.	6615 Lemp Ave., N. Hollywood	91606	4
CA004080	11737 Hart St.	11737 Hart St., N. Hollywood	91605	3
CA004081	11736 & 11740 Hart St.	11736 & 11740 Hart St., N. Hollywood	91605	3
CA004082	6923 Simpson Ave.	6923 Simpson Ave., N. Hollywood	91605	3
CA004088	354 & 354 1/2 E. 105th Pl.	354 & 354 1/2 E. 105th Pl., L.A.	90003	2
CA004097	339 & 339 1/2 E. 107th St.	339 & 339 1/2 E. 107th St., L.A.	90003	2
CA004098	1714 & 1714 1/2 E. 111th Pl.	1714 & 1714 1/2 E. 111th Pl., L.A.	90059	2
CA004102	6530 Vineland Ave.	6530 Vineland Ave., N. Hollywood	91606	30
CA004137	1158 E. Adams Blvd.	1158 E. Adams Blvd., L.A.	90011	3
CA004138	145 E. 54th St.	145 E. 54th St., L.A.	90011	3
CA004139	1059 E. 48th St.	1059 E. 48th St., L.A.	90011	3
CA004141	215 E. 93rd St	215 E. 93rd St., L.A.	90003	3
CA004142	685 E. 43rd St.	685 E. 43rd St., L.A.	90011	3
CA004143	4331 Honduras St.	4331 Honduras St., L.A.	90011	3
CA004144	3206 Naomi Ave.	3206 Naomi Ave., L.A.	90011	3
CA004145	210 W. 91st St.	210 W. 91st St., L.A.	90003	3
CA004170	57 <sup>th</sup> & Ridgley	1330 W. 57th St., L.A.	90037	7
		2326 Ridgeley Dr., L.A.	90016	8
CA004181	744 N. Tularosa Rd., L.A.	744 N. Tularosa Rd., L.A.	90026	7
CA004182	Montclairs	3814 Montclair St., L.A.	90018	3
		3910 Montclair St., L.A.	90018	4
CA004183	205/207 Opp St.	205/207 Opp St., Wilmington	90744	9
CA004184	563 W. 92nd St.	563 W. 92nd St., L.A.	90044	9

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The senior sites being considered for disposition are the following:

HUD Project #	Site Name	Site Address		# Units
CA004026A	Independent Square	2455 S. St. Andrews Pl., L.A.	90018	196
CA004028	Scattered Sites (California Apts & Gibson Manor)	609 California Ave., Venice	90291	50
		1501 E. Century Blvd., L.A.	90002	50
CA004038	Westside Manor	1224 S. Norton Ave., L.A.	90019	34
CA004046	Simpson Saticoy **	7541 Simpson Ave., N. Hollywood	91605	40
		7540 Simpson Ave., N. Hollywood	91605	5
CA004048	Arthur K. Snyder Villa	1536 Yosemite Dr., L.A.	90041	80

\*\* Simpson Saticoy consists of a senior building with 40 units and across the street a 5-unit townhouse building with family units. The 40 unit building will remain with the senior portfolio and the 5 units building will join the scattered portfolio.

With the reduction of public housing subsidy to support the continued operations of these properties as public housing, the most viable way to maintain these properties as affordable housing is to transfer title of them to one of the HACLA's instrumentalities. By operating outside of the public housing program, these sites will be able to access funding sources not currently available under the public housing program.

In the case of the senior portfolio, if continued to operate under the public housing funding environment, not only would the every day front line costs not be covered, but also the ability to address any extraordinary or deferred maintenance would be impossible. Even over a short period of time, this lack of funding would lead to a deterioration of the properties and threaten not only the safety of the residents, but the availability of affordable housing in the city.

Once the new operating formula is fully implemented, the HACLA estimates an overall annual loss of over \$4.7 million. While the scattered sites are currently financially viable, they will not be under the new funding formula. By making them market-rate, non-public housing available to voucher-holders, we will be able to leverage them to generate revenue to support the remaining public housing inventory.

To preserve affordability, the HACLA will provide to the residents in the scattered site units a tenant-based Housing Choice Voucher, which they can use in place or they can relocate using the voucher in the private rental market. The residents in the senior portfolio also will be provided voucher resources so that they will be able to remain in place. It is anticipated that their units would be covered by project-based vouchers, subject to fulfillment of all HUD requirements for project-basing of those units, and in that case they will be offered project-based vouchers. If residents from either portfolio wish to remain in the public housing program, they can request a transfer to one of the large public housing developments remaining in the inventory.

Upon approval of the disposition activity, the HACLA will notify residents both in writing and through meetings of the change in the property status and request from them their preference to either remain in place or relocate. Any relocation to a public housing location will be paid for by the HACLA.

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The timetable for disposition activity is proposed as the following:

<b>Activity Description</b>	<b>Number of Days After HUD Approval</b>
Notify residents of program approval – including notifying residents of relocation options	Immediate after program approval
Begin any relocation of any residents wishing to continue to live in public housing	30 days following notification to residents
Disposition	Promptly upon completion of any relocation to public housing

## **2. Section 3**

HACLA made resident employment a key component of its Comprehensive Modernization program even before Section 3 of the HUD Act was amended in 1995. HACLA has partnered with trade unions to train and employ public housing residents in the construction field, with some residents moving on to independent employment in the private sector. HACLA has an active Section 3 program to assure maximum participation in hiring of residents, and view HUD's Section 3 mandate -- to foster local economic development, neighborhood improvement, and individual self-sufficiency -- in its construction activities as a key part of its overall mission. In addition to providing opportunities in the construction trades, the Authority provides employment opportunities in related activities such as relocation counseling, packing and moving of resident possessions, and site security for construction projects.

### **Resident Management Corporations (RMCs)**

To develop economic self-sufficiency and build leadership capacity, HACLA has contracts with several of its Resident Management Corporations (non-profits formed by the elected representatives of public housing residents.) Most of these contracts are for ancillary services related to redevelopment or modernization of the public housing stock, such as security, moving or cleaning.

### **HACLA Resident Leadership and Citywide Services: Accomplishments**

HACLA works to ensure that residents of public housing throughout the city of Los Angeles have equal access to effective employment and training programs. These initiatives are provided through HACLA's Workforce Development and Community Services unit.

Various grants and contracts through the Federal Department of Housing and Urban Development (HUD), the Los Angeles Community Development Department (CDD), and the Los Angeles County Department of Senior and Community Services provide funding for these programs. For example, in 2006-07, the following took place:

### **Activities**

- 87 individuals residing in and around public housing were placed into permanent unsubsidized employment during 2006 meeting its contractual obligation at 124%.
- HACLA traditionally serves the most difficult to serve yet maintained the lowest citywide placement rate at a cost of \$2,993 per placement.
- 70% of HACLA's 87 Adult customers obtained an occupational credential.
- 85% of Adult program participants were employed after program participation.
- After participating in HACLA's Workforce Development programs customers increased their income by an average of \$5,338.

### ***WIA Adult Dislocated (DW) Employment and Training***

- 40 dislocated individuals residing in and around public housing were placed into permanent unsubsidized employment.
- HACLA maintained the lowest citywide dislocated placement rate at a cost of \$2,905 per placement.
- 100% of HACLA's 40 dislocated customers obtained an occupational credential.
- HACLA's dislocated workers earned an average of 122% of their pre-layoff salary.
- 82% of DW program participants were employed after program participation.

### ***Summer Youth Employment***

Public housing youth were employed at various governmental and non-profit agencies throughout the city of Los Angeles, specifically:

- 100 public housing youth were employed for approximately 200 hours during summer months funded through the Los Angeles Community Development Department.
- 200 public housing youth were employed for approximately 200 hours in the summer months funded by the Los Angeles County Department of Public Social Services (DPSS) through their General Fund.
- 200 public housing youth were employed using money received from HACLA discretionary funds.

### ***Universal Services***

Universal access services are services available at the service centers with no appointment necessary. Residents are able to use computers, printers, internet, phone, fax, copier, open a free email account, and receive limited staff assistance.

- 3,996 residents used services at the centers

### **Specialized Training Opportunities**

HACLA partnered with the South Bay Center for Counseling to provide a unique opportunity for residents to obtain hi-tech training and employment with local oil refineries. Partners to this unique collaboration include Exxon-Mobil, British Petroleum and Conoco Phillips with LA Harbor College as the training entity.

- 6 residents completed classroom training and 4 have been offered employment as Process Technicians with a starting wage of \$70,000 including overtime. The remaining three are in the interview process.
- 15 residents completed Turn Around Worker/Safety Attendant training at Los Angeles Harbor College.
- 12 of the 15 have been placed into employment with Timech.
- Additionally, 14 residents will start Safety Attendant Training as their first step in this Process Technician Career Ladder program.

### **HUD ROSS Grants**

- 132 residents received training in the construction, transportation, and medical fields.

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Los Angeles County WIA Limited English Speaking Program HACLA also offers intensive case management and specialized training to individuals with limited English speaking skills.

- 17 individuals were enrolled
- 17 completed C.N.A. training
- 17 passed the state exam
- 15 are employed as Certified Nursing Assistants

\*\*All employment referenced above is permanent and non-subsidized.

### **Employment Technology Centers**

HACLA's Employment Technology Centers (ETC) are a combination of existing Community Service Centers and Computer Learning Centers. These newly named centers offer a combination of social services, individual and family development, educational related activities, computer education, probation intervention programming, community events as well as employment and training opportunities offered through the Workforce Investment Act program. Four of the Employment Technology Centers (San Fernando Gardens, Ramona Gardens, Mar Vista Gardens, Jordan Downs, and Imperial Courts) offer entrance into the WorkSource center service continuum providing a host of employment related services.

The 11 ETC centers are all located on public housing property. Sites include: Avalon Gardens, Imperial Courts, Independent Square, Jordan Downs, Mar Vista Gardens, Nickerson Gardens, Pueblo del Rio, Ramona Gardens, Rose Hills Courts, San Fernando Gardens and William Mead Homes.

The ETC service design allows leveraging of resources and combination of efforts to help promote a comprehensive service design. The ETC operates using a combination of in-kind and funding streams including: Housing Based Day Supervision under the auspices of the LA County Department of Probation, DOL WIA funds allocated locally through the Community Development Department, HUD ROSS Grants, and HACLA operating funds.

Noteworthy events and activities include:

- 20 Job Fairs and recruitments were held throughout all public housing sites. Companies such as Securitas, MTA, TSA, UPS, and Shoe Warehouse were on site to hire over 64 youth and adults.
- Various trips and outings were provided to program participants including: 200 senior residents to Descanso Gardens and 91 youth and adults to financial literacy workshop to Universal Studios auditorium.
- Over 275 youth participate weekly in UCLA's Lets Read, Project Literacy and Project Numeracy. 100 youth also are bused weekly to UCLA for one on one tutoring.
- Job Shadowing - Approximately 45 youth participated in job shadowing and mentoring activities this year.
- Summer Youth Employment - 500 youth were provided with meaningful work during summer months along with workshops in employment preparation and college awareness.
- 135 customers were enrolled into the WorkSource Center with over 90% placed into permanent, unsubsidized employment.

**Language Services Unit**

Accomplishments include:

- Translating and editing approximately documents of varying length for various HACLA programs
- Completing and coordinating translation of documents into languages such as Cambodian, Vietnamese, Korean, Russian, and Armenian
- Providing simultaneous and consecutive interpretation for meetings, including HACLA Board, Resident Advisory Council/Resident Management Council, and other HACLA meetings
- Coordinating interpretation services for RMC/RAC monthly meetings

**Section 8 Homeownership**

In October 2000, HUD rules changed by allowing housing authorities to exercise the option under Section 8 regulations (24 CFR 982.625) and allow families the use of Section 8 vouchers for homeownership. The basic concept is that Instead of using voucher subsidy to help families with rent, the program allows first-time homeowner to use their voucher subsidy to meet monthly homeownership expenses.

In order to participate in the program, clients must meet the following eligibility requirements: be a current Section 8 participant enrolled in HACLA's Family Self-Sufficiency (FSS) Program, or be a recent FSS participant eligible for transitional supportive services, or be a current Section 8 participant who is elderly or disabled, or be a current resident of a HACLA Public Housing unit who is participating in the HUD – Resident Opportunity Supportive Services (ROSS) Homeownership Supportive Services Program, or be a household displaced by the action of a government agency or school district. Eligible participants are also required to attend a pre-purchase first-time home buyer counseling program approved by HACLA and be issued a certificate of completion, to meet the minimum income and employment requirements (employment requirements are not applicable for elderly or disabled), to have minimum FICO score of 620, to attend a post-purchase workshop, and not have an outstanding debt with HACLA or any other Housing Authority.

Qualified participants are responsible for obtaining their own financing subject to HACLA'S approval, meeting all lenders' requirements, locating a property (single family residence, townhouse, condominium, etc.) of their choice that meets the program standards within HACLA's jurisdiction. HACLA will determine the maximum Housing Assistance Payment (HAP) to the family based on the Payment Standards and use the HAP amount toward the monthly homeownership cost, which includes principal and interest, real estate taxes and public assessments on the home, hazard insurance, homeowner association dues or maintenance fees if any, and the utility allowance according to the HACLA's utility schedule. The Family is responsible for all homeownership expenses not covered by the HAP payment.

If homeownership expenses exceed the payment standard, the family pays the difference out-of-pocket in addition to the Total Tenant Payment (TTP). The total monthly homeownership expenses shall not exceed 60% of the family's adjusted monthly income at the time of the purchase.

Since the program's inception in 2000, HACLA has successfully assisted 47 clients become homeowners. Of the 47, 10 have achieved self-sufficiency and opted out of the

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program. Two participants are currently in the Homeownership process. At present, the average HAP for Homeownership participant is \$726, and 49% of the homeowners have purchased condominiums. The purchase prices have ranged from \$95,200 to \$399,000.

The Section 8 Homeownership Program is working to expand current partnerships with lending institutions, certified Homebuyer Education providers, Individual Development Account/Empowerment Programs, and private agencies to provide resources to eligible program families. While each family selects the home that will meet their individual needs and requirements, HACLA continues to market and inform approved families of affordable housing choices throughout the City of Los Angeles area.

To participate in the Section 8 Homeownership Program, a family must be a first-time homebuyer, which means that no family member can have been an owner for at least 3 years before receiving ownership assistance; and no one may have an interest in another home. The family must have an annual household income of at least \$15,600. Welfare and SSI income will be counted toward the minimum income requirement for elderly and disabled families only, but no one else. Except for the elderly or disabled, the family also must have at least one adult household member who has been continuously employed full-time for a year before the start of homeownership assistance.

HACLA manages and maintains a diverse affordable housing portfolio:

**HACLA - Total Units Available for Occupancy: 6-30-2007**

Category	Total Dwelling Units
Senior Housing-Public Housing	455
Senior Housing-S8NC/PBA*	790
Senior Housing-Unsubsidized	394
Family Housing-Public Housing	6,952
Family Housing-S8NC/PBA	35
Family Housing-Unsubsidized	355
Family Housing-LIHTC**	32
TOTAL	9,080

\* S8NC/PBA – Section 8 New Construction/Project-Based Assistance

\*\* LIHTC – Low-Income Housing Tax Credit

**Barriers to Affordable Housing (91.210 (e) and 91.215 (f))**

- 1. Explain whether the cost of housing or the incentives to develop, maintain, or improve affordable housing are affected by public policies, particularly those of the local jurisdiction. Such policies include tax policy affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment.***
- 2. Describe the strategy to remove or ameliorate negative effects of public policies that serve as barriers to affordable housing, except that, if a State requires a unit of general local government to submit a regulatory barrier assessment that is***

***substantially equivalent to the information required under this part, as determined by HUD, the unit of general local government may submit that assessment to HUD and it shall be considered to have complied with this requirement.***

The most critical barriers to the production and preservation of affordable housing include:

- Current available financial resources are insufficient to address affordable housing needs.
- Housing units with supportive services are lacking especially for the homeless, frail elderly, mobility impaired, and other special needs populations.
- Many city residents face insufficient income AND a high cost of living.
- The City housing stock has an average age of 45 years or more, and there are units in poor condition, that are a hazard to their occupants, even with systematic code enforcement.
- The City's stock of existing subsidized housing units is severely threatened by expiring use restrictions
- Housing Discrimination
- The federally established rents for Section 8 are too low in many areas and holders of Section 8 vouchers cannot find any landlord who will rent to them.

The supply, distribution, and cost of housing in Los Angeles is affected by local, state and federal land use regulations and environmental laws established over the years as a result of public and private pressure. The current shortage of affordable housing inventory is exacerbated by high land and construction costs arising, in part, from these governmental regulations. Los Angeles is now nearly built-out and there is a shortage of appropriately zoned and suitably sized vacant land for affordable multi-family development.

Local and state building codes affect the cost and nature of residential development. Interim Control Ordinances (ICOs) often impose a temporary moratorium on most or all development, further restricting the supply of land available for housing development or redevelopment.

This section examines the effect of the following governmental regulations on development: specific plans, development standards, permit processing procedures, interim control ordinances, and historic designations. Table 30 is a summary of those factors that may serve as barriers to construction of new single-family and multi-family housing.

**Table 30 - Summary - Barriers to Affordable Housing**

TYPE OF BARRIER	CONDITION CAUSING BARRIER	PROVISIONS TO REMOVE BARRIERS
Specific Plans	37 Specific plans citywide impose a wide variety of conditions on development	Some plans include requirements or incentives for development of affordable housing
Development Standards	85% of land zoned single family  15% of land zoned multi-family  Multifamily allowed by right in RW2,R2,RD2,RD3,RD4, RD5, RD6, R3,R4,R5,CR, C1,C1.5,C2,C4,C4,and CM.	<ul style="list-style-type: none"> <li>• Accessory units ('granny flats') allowed but need approval of Zoning Administrator</li> <li>• Mixed residential and commercial use allowed in commercial zones by right</li> <li>• RMP zone allows residential mobile home parks</li> <li>• General Plan Framework directs higher density housing to transit corridors and underused commercial strips</li> <li>• Adaptive Reuse Ordinance to create housing in old commercial buildings</li> </ul>
Parking Requirements	One parking space for a single-family dwelling and each three habitable rooms. Two parking spaces for a unit with more than three habitable rooms	Parking reductions for senior housing and for affordable housing in areas near public transportation
Open Space Requirements	Necessary but may be a constraint	
Permit Processing	Many complaints from developers about time required.	Permit Streamlining Act. Sets maximum time periods for discretionary approvals
Land Division Regulations	Time consuming, may include assessments for street, condo projects require a lengthy Planning Department review	None
Historic Districts	Preserve cultural historic resources and maintain affordability but impede development and lengthen the development review process	None
Interim Control Ordinance	Temporarily stop or reduce development	Not a permanent barrier
Amendments to the Uniform Building Code	Amendments for seismic strengthening of masonry and stone veneer, for glazing and anchoring and strengthening of elements to resist Santa Ana winds, heavy rains, floods and fires.	Necessary for safety but may increase costs

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**Analysis of Impediments to Fair Housing**

A new Analysis of Impediments to Fair Housing (AI) study for the City of Los Angeles was completed in March 2006, as required by HUD. It was designed to (a) identify obstacles that certain persons and population groups face when trying to access decent, affordable housing, (b) assess the extent to which these obstacles are a factor in the City's housing market, and (c) make recommendations for actions that the City can take to remedy the impediments.

**Particular themes that emerged in the study include:**

- Housing and Household Characteristics: Discrimination faced by various population groups;
- Access to Financing: Particular concerns expressed about predatory lending.

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- Public Policies: Concerns about local programs, regulations, and coordination which can create barriers to fair housing choice.
- Fair Housing Services: Concerns about the existing capacity of agencies in Los Angeles to serve all residents.

In Program Year 2008-09, LAHD will complete an action plan to address the identified impediments. This may result in proposals for new programs and other activities.

### **Land Use and Zoning Changes to Remove Barriers and Facilitate Housing Production**

A multi-year effort by LAHD and the City Planning Department resulted in the enactment of Ordinance No. 177325, effective March 17, 2006. It made four amendments to the Land Use & Zoning Code to bring the City into compliance with fair housing laws, including 1) adoption of a Reasonable Accommodations procedure to allow individuals with disabilities, or developers of housing for people with disabilities, to request flexibility in the application of land use and zoning regulations or policies when needed to eliminate barriers to housing; and 2) the change in the definition of family to remove the restriction that only five or fewer unrelated persons could live together in a single-family zoned area.

Even though the City had not enforced its out-of-date zoning code language for many years, LAHD insisted, and the City Planning Department agreed, that it was important to remove any potential for misinterpretation or discrimination in the future from the City's zoning code. Much of the legal work on this project was performed by a legal subject expert on contract with LAHD, paid for by CDBG administrative funds allocated via a competitive request for qualifications (RFQ).

### **Adaptive Re-Use Ordinance**

The City of Los Angeles created incentives to facilitate reuse of pre-1974 historic downtown buildings for residential and work facilities in 1999. The adaptive reuse ordinance provides a number of zoning and building code incentives. Building on the success of the downtown Adaptive Reuse Ordinance, similar ordinances were adopted for Chinatown, Lincoln Heights, Hollywood, South LA, and Mid-Wilshire. A variation of these ordinances was also adopted to apply citywide. These ordinances have produced over 5,000 units of newly permitted housing units in buildings that had previously been abandoned commercial structures. Additionally, there are currently several thousand units in the design and development stage throughout the City.