## Appendix A: Data Tables

### Population Age

<table>
<thead>
<tr>
<th></th>
<th>Los Angeles City</th>
<th>All 3 ZIP Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Raw Numbers</td>
<td>Breakdown</td>
</tr>
<tr>
<td></td>
<td>2000* 2010†</td>
<td>2000* 2010†</td>
</tr>
<tr>
<td>Total Population</td>
<td>3,694,820 3,792,621</td>
<td>2.6 100.0 100.0</td>
</tr>
<tr>
<td>Under 5 years</td>
<td>285,976 251,097</td>
<td>-12.2 7.7 6.6</td>
</tr>
<tr>
<td>5 to 9 years</td>
<td>297,837 231,528</td>
<td>-22.3 8.1 6.1</td>
</tr>
<tr>
<td>10 to 14 years</td>
<td>255,604 237,462</td>
<td>-7.1 6.9 6.3</td>
</tr>
<tr>
<td>15 to 19 years</td>
<td>251,632 274,373</td>
<td>9.0 6.8 7.2</td>
</tr>
<tr>
<td>20 to 24 years</td>
<td>299,906 314,543</td>
<td>4.9 8.1 8.3</td>
</tr>
<tr>
<td>25 to 34 years</td>
<td>674,098 638,900</td>
<td>-5.2 18.2 16.8</td>
</tr>
<tr>
<td>35 to 44 years</td>
<td>584,036 570,467</td>
<td>-2.3 15.8 15.0</td>
</tr>
<tr>
<td>45 to 54 years</td>
<td>428,974 503,164</td>
<td>17.3 11.6 13.3</td>
</tr>
<tr>
<td>55 to 59 years</td>
<td>143,965 207,222</td>
<td>43.9 3.9 5.5</td>
</tr>
<tr>
<td>60 to 64 years</td>
<td>115,663 167,169</td>
<td>44.5 3.1 4.4</td>
</tr>
<tr>
<td>65 to 74 years</td>
<td>187,111 209,059</td>
<td>11.7 5.1 5.5</td>
</tr>
<tr>
<td>75 to 84 years</td>
<td>125,829 128,659</td>
<td>2.2 3.4 3.4</td>
</tr>
<tr>
<td>85 years and over</td>
<td>44,189 58,978</td>
<td>33.5 1.2 1.6</td>
</tr>
<tr>
<td>18 years and over</td>
<td>2,713,509 2,918,096</td>
<td>7.5 73.4 76.9</td>
</tr>
<tr>
<td>College aged (18-24)</td>
<td>409,644 434,478</td>
<td>6.1 11.1 11.5</td>
</tr>
</tbody>
</table>

* Data from Decennial 2000 Census Summary File 1.  
† Data from Decennial 2010 Census Demographic Profile Summary File.

### Race/Ethnicity

<table>
<thead>
<tr>
<th></th>
<th>Los Angeles City</th>
<th>All 3 ZIP Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Raw Numbers</td>
<td>Breakdown</td>
</tr>
<tr>
<td></td>
<td>2000* 2010†</td>
<td>2000* 2010†</td>
</tr>
<tr>
<td>Total Population</td>
<td>3,694,820 3,792,621</td>
<td>2.6 100.0 100.0</td>
</tr>
<tr>
<td>Race alone or in combination with one or more other races:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>1,891,358 2,031,586</td>
<td>7.4 51.2 53.6</td>
</tr>
<tr>
<td>Black or African American</td>
<td>444,635 402,448</td>
<td>-9.5 12.0 10.6</td>
</tr>
<tr>
<td>American Indian and Alaska Native</td>
<td>53,092 54,236</td>
<td>2.2 1.4 1.4</td>
</tr>
<tr>
<td>Asian</td>
<td>407,444 483,585</td>
<td>18.7 11.0 12.8</td>
</tr>
<tr>
<td>Native Hawaiian and Other Pacific Islander</td>
<td>13,144 15,031</td>
<td>14.4 0.4 0.4</td>
</tr>
<tr>
<td>Some other race</td>
<td>1,086,167 994,308</td>
<td>-8.5 29.4 26.2</td>
</tr>
<tr>
<td>Hispanic or Latino (of any race)</td>
<td>1,719,073 1,838,822</td>
<td>7.0 46.5 48.5</td>
</tr>
</tbody>
</table>

* Data from Decennial 2000 Census Summary File 1.  
† Data from Decennial 2010 Census Demographic Profile Summary File.
### Households

<table>
<thead>
<tr>
<th>Los Angeles City</th>
<th>All 3 ZIP Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Raw Numbers</td>
</tr>
<tr>
<td>Total households</td>
<td>1,275,412</td>
</tr>
<tr>
<td>Family Households</td>
<td>798,719</td>
</tr>
<tr>
<td>Non-family Households</td>
<td>476,693</td>
</tr>
</tbody>
</table>

* Data from Decennial 2000 Census Summary File 1.  
† Data from Decennial 2010 Census Demographic Profile Summary File.

### Economic Indicators

<table>
<thead>
<tr>
<th>Los Angeles City</th>
<th>All Census Tracts in Study Area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Estimate</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td>9.3</td>
</tr>
<tr>
<td>Mean travel time to work (min)</td>
<td>29.6</td>
</tr>
<tr>
<td>Percent of individuals below poverty line (%)</td>
<td>14.3</td>
</tr>
</tbody>
</table>

* Data from Decennial 2000 Census Summary File 3. Census tract 2216 was aggregated.  
† Data from 5-year 2010 American Community Survey. Census tract 2216 was split into 2216.10 and 2216.20.

### Population Demographics, 2000 to 2010

<table>
<thead>
<tr>
<th>Los Angeles City</th>
<th>90007</th>
<th>90011</th>
<th>90037</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>3,694,826</td>
<td>3,792,621</td>
<td>2.6</td>
</tr>
<tr>
<td>Under 5 years</td>
<td>285,976</td>
<td>251,097</td>
<td>-12.2</td>
</tr>
<tr>
<td>5 to 9 years</td>
<td>297,857</td>
<td>231,528</td>
<td>-22.3</td>
</tr>
<tr>
<td>10 to 14 years</td>
<td>235,604</td>
<td>237,462</td>
<td>-7.1</td>
</tr>
<tr>
<td>15 to 19 years</td>
<td>251,632</td>
<td>274,373</td>
<td>9.0</td>
</tr>
<tr>
<td>20 to 24 years</td>
<td>299,906</td>
<td>314,543</td>
<td>4.9</td>
</tr>
<tr>
<td>25 to 34 years</td>
<td>674,098</td>
<td>638,900</td>
<td>-5.2</td>
</tr>
<tr>
<td>35 to 44 years</td>
<td>594,036</td>
<td>570,467</td>
<td>-2.3</td>
</tr>
<tr>
<td>45 to 54 years</td>
<td>421,978</td>
<td>503,164</td>
<td>17.3</td>
</tr>
<tr>
<td>55 to 59 years</td>
<td>143,965</td>
<td>207,222</td>
<td>43.9</td>
</tr>
<tr>
<td>60 to 64 years</td>
<td>115,063</td>
<td>167,169</td>
<td>44.5</td>
</tr>
<tr>
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<td>209,059</td>
<td>11.7</td>
</tr>
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<td>128,659</td>
<td>2.2</td>
</tr>
<tr>
<td>85 years and over</td>
<td>44,189</td>
<td>58,978</td>
<td>33.5</td>
</tr>
</tbody>
</table>

* Data from Decennial 2000 Census Summary File 1.  
† Data from Decennial 2010 Census Demographic Profile Summary File.
Health Indicators

### Health-Related Quality of Life

<table>
<thead>
<tr>
<th>Health-Related Quality of Life</th>
<th>USC Project Area†</th>
<th>City of Los Angeles‡</th>
<th>Los Angeles County§</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent</td>
<td>95% CI</td>
<td>Percent</td>
</tr>
<tr>
<td>Fair/poor health status</td>
<td>32.5%</td>
<td>22.6 - 42.5</td>
<td>20.3%</td>
</tr>
<tr>
<td>Chronic Conditions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overcrowding</td>
<td>26.7%</td>
<td>16.3 - 38.3</td>
<td>33.3%</td>
</tr>
<tr>
<td>Ever diagnosed with hypertension</td>
<td>45.2%</td>
<td>34.3 - 66.2</td>
<td>36.0%</td>
</tr>
<tr>
<td>Ever diagnosed with a heart disease</td>
<td>25.5%</td>
<td>16.9 - 34.2</td>
<td>23.2%</td>
</tr>
<tr>
<td>Ever diagnosed with diabetes</td>
<td>6.7%</td>
<td>2.0 - 11.5</td>
<td>6.8%</td>
</tr>
<tr>
<td>Accessing Health Care</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Difficulty accessing medical care</td>
<td>53.4%</td>
<td>42.6 - 64.2</td>
<td>39.9%</td>
</tr>
<tr>
<td>Unable to afford medical care or counseling (past year)</td>
<td>16.5%</td>
<td>9.1 - 24.0</td>
<td>14.9%</td>
</tr>
<tr>
<td>Unable to afford dental care (excluding check-ups) (past year)</td>
<td>38.5%</td>
<td>26.2 - 48.8</td>
<td>26.2%</td>
</tr>
<tr>
<td>Unable to afford needed prescription medication (past year)</td>
<td>20.4%</td>
<td>12.0 - 28.9</td>
<td>14.2%</td>
</tr>
</tbody>
</table>

Source: 2000 & 2007 Los Angeles County Health Survey; Office of Health Assessment and Epidemiology, Los Angeles County Department of Public Health.

### Overcrowding

#### Total Owner- and Renter-occupied Units

<table>
<thead>
<tr>
<th>Los Angeles City</th>
<th>All Census Tracts in Study Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000*</td>
<td>2010†</td>
</tr>
<tr>
<td>Total Percentage</td>
<td>Total Percentage</td>
</tr>
<tr>
<td>1,275,358</td>
<td>1,314,198</td>
</tr>
<tr>
<td>Owner occupied</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>491,836</td>
</tr>
<tr>
<td>Less than 1.01 occupant per room</td>
<td>425,014</td>
</tr>
<tr>
<td>Between 1.01 and 1.51 occupants per room</td>
<td>28,065</td>
</tr>
<tr>
<td>More than 1.51 occupants per room</td>
<td>38,757</td>
</tr>
<tr>
<td>Renter occupied</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>783,522</td>
</tr>
<tr>
<td>Less than 1.01 occupant per room</td>
<td>524,386</td>
</tr>
<tr>
<td>Between 1.01 and 1.51 occupants per room</td>
<td>67,337</td>
</tr>
<tr>
<td>More than 1.51 occupants per room</td>
<td>191,599</td>
</tr>
</tbody>
</table>

* Data from Decennial 2000 Census Summary File 3
† Data from 5-year 2010 American Community Survey

### Housing Vacancy

#### Owner Occupied

<table>
<thead>
<tr>
<th>Los Angeles City</th>
<th>90007</th>
<th>90011</th>
<th>90017</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCCUPANCY STATUS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupied housing units</td>
<td>1,377,706</td>
<td>100</td>
<td>1,431,995</td>
</tr>
<tr>
<td>Vacant housing units</td>
<td>62,294</td>
<td>4.7</td>
<td>95,827</td>
</tr>
</tbody>
</table>

#### Renter Occupied

<table>
<thead>
<tr>
<th>Los Angeles City</th>
<th>90007</th>
<th>90011</th>
<th>90017</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCCUPANCY STATUS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupied housing units</td>
<td>1,275,412</td>
<td>100</td>
<td>1,318,168</td>
</tr>
<tr>
<td>Vacant housing units</td>
<td>62,294</td>
<td>4.7</td>
<td>95,827</td>
</tr>
</tbody>
</table>

#### VACANCY STATUS

<table>
<thead>
<tr>
<th>Los Angeles City</th>
<th>90007</th>
<th>90011</th>
<th>90017</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCCUPANCY STATUS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vacant housing units</td>
<td>62,294</td>
<td>4.7</td>
<td>95,827</td>
</tr>
<tr>
<td>For rent</td>
<td>28,529</td>
<td>45.8</td>
<td>53,309</td>
</tr>
<tr>
<td>For sale only</td>
<td>9,035</td>
<td>14.5</td>
<td>10,930</td>
</tr>
<tr>
<td>Rented or sublet, not occupied</td>
<td>5,161</td>
<td>8.3</td>
<td>5,038</td>
</tr>
<tr>
<td>For seasonal, recreational, or occasional use</td>
<td>4,876</td>
<td>7.8</td>
<td>7,540</td>
</tr>
<tr>
<td>For migratory workers</td>
<td>29</td>
<td>0</td>
<td>28</td>
</tr>
<tr>
<td>Other vacant</td>
<td>14,663</td>
<td>23.5</td>
<td>18,982</td>
</tr>
</tbody>
</table>

A-3
Housing Purchasing Capacity in the Nexus Study Area

<table>
<thead>
<tr>
<th>Median HH Income (2008)¹</th>
<th>Available for Housing (33% of gross income)²</th>
<th>Annual Homeowners Fee ³</th>
<th>Supportable Mortgage ⁴</th>
<th>Down Payment (10%) ⁵</th>
<th>Taxes ⁶</th>
<th>Annual Housing Cost ⁷</th>
<th>Purchasing Capacity ²⁷</th>
</tr>
</thead>
<tbody>
<tr>
<td>$23,423</td>
<td>$7,730</td>
<td>$4,200</td>
<td>$95,772</td>
<td>$9,577</td>
<td>$1,096</td>
<td>$13,025</td>
<td>$105,349</td>
</tr>
</tbody>
</table>

¹As reported in the Nexus Study, table B–6. Median household income per 1990 and 2000 U.S. Census; 2008 County per American Community Survey and 2008 Nexus Study Area per Claritas.

²Multiply median household income by .33 to get the amount a household earning $23,423 would have available for housing. 33% of annual income represents what can be considered an affordable mortgage.

³This value represents a $350 per month homeowners or condo association fee and is multiplied by 12 to get the yearly cost.

⁴This value combines the interest rate for the period, the total number of payment periods (in this case a year or 12 months), and the amount of the payment made each period (in this case $7,730) to estimate the yearly value of the mortgage. Supportable mortgage = (.0058*12) - $7,730

⁵To get the down payment multiply the supportable mortgage by .10

⁶To get the taxes multiply the supportable mortgage by 0.01144

⁷Annual housing costs are the sum of the yearly amount available for housing ($13,025), the annual homeowners association fee ($4,200) and the yearly taxes ($1,096)

2012 Housing Wage as Percentage of Minimum Wage in Zip Codes 90007, 90011, 90037

<table>
<thead>
<tr>
<th>Housing wage as percentage of minimum wage – for zip codes and</th>
<th>2012 Fair Market Rent (FMR) for 2-bedroom¹</th>
<th>Annual Income Needed to Afford FMR²</th>
<th>2012 Housing Wage for 2-bedroom FMR³</th>
<th>2008 CA Minimum Hourly Wage</th>
<th>Housing Wage as % of Minimum Wage (1-worker)⁴</th>
<th>Housing Wage as % of Minimum Wage (2-worker)⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zip code 90007</td>
<td>$1,330</td>
<td>$53,200</td>
<td>$25.58</td>
<td>$8.00</td>
<td>320</td>
<td>160</td>
</tr>
<tr>
<td>Zip code 90011</td>
<td>$1,330</td>
<td>$53,200</td>
<td>$25.58</td>
<td>$8.00</td>
<td>320</td>
<td>160</td>
</tr>
<tr>
<td>Zip code 90037</td>
<td>$1,330</td>
<td>$53,200</td>
<td>$25.58</td>
<td>$8.00</td>
<td>320</td>
<td>160</td>
</tr>
</tbody>
</table>

¹Hypothetical Small Area Fair Market Rent – HUD Demonstration Project for Selected Metropolitan Areas in FY 2012 (http://www.huduser.org/portal/datasets/fmr/fmrs/index_sa.html)

²Annual Income Needed to Afford FMR = Multiply the FMR for a unit of a particular size by 12 to get the yearly rental cost (2BR: $1,330 x 12 = $15,960). Then divide by .3 to determine the total income needed to afford $13,560 per year in rent ($15,960 / .3 = $53,200)
Housing Wage = Divide income needed to afford the FMR for a particular unit size (2BR: $53,200) by 52 (weeks per year), and then divide by 40 (hours per work week) ($53,200 / 52 / 40 = $25.58)

Housing Wage as % of Minimum Wage (1-worker) = Divide the Housing Wage for a particular unit size (2BR: $25.58) by any locality’s minimum wage ($8.00 in CA), and then multiply by 100 ($25.58 / $8.00 x 100 = 320%) – for two workers, multiple minimum wage by two

Comparison of LA-Long Beach Self-sufficiency Wage to Hourly Median Wages for Selected Occupations, Los Angeles County, 1st Quarter Earnings, 2011*

<table>
<thead>
<tr>
<th>Occupations</th>
<th>Median Hourly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Preparation and Serving–Related Occupations</td>
<td>$9.31</td>
</tr>
<tr>
<td>Farming, Fishing, and Forestry Occupations</td>
<td>$9.40</td>
</tr>
<tr>
<td>Personal Care and Service Occupations</td>
<td>$10.88</td>
</tr>
<tr>
<td>Building and Grounds Cleaning and Maintenance Occupations</td>
<td>$11.52</td>
</tr>
<tr>
<td>Production Occupations</td>
<td>$12.49</td>
</tr>
<tr>
<td>Healthcare Support Occupations</td>
<td>$12.77</td>
</tr>
<tr>
<td>Transportation and Material Moving Occupinations</td>
<td>$12.96</td>
</tr>
<tr>
<td>Sales and Related Occupations</td>
<td>$12.80</td>
</tr>
<tr>
<td>Office and Administrative Support Occupinations</td>
<td>$16.36</td>
</tr>
<tr>
<td>Protective Service Occupations</td>
<td>$17.10</td>
</tr>
<tr>
<td>Installation, Maintenance, and Repair Occupations</td>
<td>$21.21</td>
</tr>
<tr>
<td>Construction and Extraction Occupations</td>
<td>$22.72</td>
</tr>
<tr>
<td>Community and Social Services Occupations</td>
<td>$22.35</td>
</tr>
<tr>
<td>Education, Training, and Library Occupinations</td>
<td>$25.51</td>
</tr>
<tr>
<td>Self-sufficiency wage for one adult with a preschooler</td>
<td>$26.41</td>
</tr>
<tr>
<td>Arts, Design, Entertainment, Sports, and Media Occupations</td>
<td>$26.77</td>
</tr>
<tr>
<td>Life, Physical, and Social Science Occupinations</td>
<td>$30.66</td>
</tr>
<tr>
<td>Business and Financial Operations Occupinations</td>
<td>$32.25</td>
</tr>
<tr>
<td>Healthcare Practitioners and Technical Occupations</td>
<td>$35.03</td>
</tr>
<tr>
<td>Combined self-sufficiency wage for 2 adults, 1 preschooler, and 1 infant</td>
<td>$37.50</td>
</tr>
<tr>
<td>Computer and Mathematical Occupations</td>
<td>$37.81</td>
</tr>
<tr>
<td>Architecture and Engineering Occupations</td>
<td>$41.69</td>
</tr>
<tr>
<td>Legal Occupations</td>
<td>$55.09</td>
</tr>
<tr>
<td>Management Occupations</td>
<td>$52.02</td>
</tr>
</tbody>
</table>
* Data are provided for the LA–Long Beach Metropolitan Division. Available at: http://www.labormarketinfo.edd.ca.gov/?pageid=152

These survey data are from the 2009 Occupational Employment Statistics (OES) survey. The wages have all been updated to the first quarter of 2010 by applying the US Department of Labor’s Employment Cost Index to the 2009 wages. Occupations are classified using the Standard Occupational Classification (SOC) codes. For details of the methodology, see the Overview of the OES Survey at http://www.labormarketinfo.edd.ca.gov.
Appendix B: 2009 Healthy City Report On Gentrification And Displacement In The Figueroa Corridor
Gentrification and Displacement Mapping and Analysis of the City of Los Angeles & the Figueroa Corridor Community

Prepared by Healthy City for Strategic Actions for a Just Economy (SAJE)
January 2009
# Table of Contents

I. Executive Summary …Page 3

II. Introduction …Page 4

III. Literature Review …Page 7

IV. Context …Page 8

V. Methodology …Page 10

VI. Mapping and Analysis …Page 12

VII. Community Characteristics …Page 14
   a. Demographics …Page 14
   b. Housing and Economics …Page 20
   c. Health outcomes …Page 31

VIII. Community Resources …Page 35

IX. Findings …Page 37

X. Recommendations …Page 38

XI. References and Data Sources …Page 40
Executive Summary
The efforts of this report draw from literature, documented expertise, and demographic, economic, housing and health data to demonstrate the effects of gentrification and displacement on vulnerable populations within the City of Los Angeles. Vulnerable populations in this case are defined as residents of a community likely to be directly or indirectly impacted with negative economic, health, environmental, or social outcomes due to the gentrification process. As urban and suburban redevelopment continue to thrive throughout Los Angeles’ communities, populations in neighborhoods identified for revitalization face considerable challenges to maintaining sound and cohesive communities. The findings of this report present the effects of gentrification and displacement processes as they are generally occurring as consequences of revitalization and renewal throughout the City of Los Angeles, and specifically within the Figueroa Corridor\(^1\) community near the University of Southern California. The report reveals areas of significantly changing demographics that are facing these issues to depict the spread of gentrification in Los Angeles, but also to identify potential methods to mitigate the negative effects of displacement as the process and impacts are better understood.

Gentrification is widely recognized as the migration of middle class persons into working class neighborhoods, spurred by private development and resulting in the revitalization of economically declining communities.\(^2\) The positive outcomes of this process are increased economic vitality, improved living conditions and aesthetically designed neighborhoods. This is one side of the picture, while the alternative effects of redevelopment are often overlooked. Benefits for new populations commonly come at the expense of previously existing residents that are forced out of the community. This effect is largely attributed to a change in the housing market with availability increasing for one population and declining for the other as property values rise with demand. The displacement of specific populations by the arrival of new middle class residents leads to the breaking down of networks and imposing physical, mental and social stress on the displaced populations.

The documentation of gentrification and displacement along with an analysis of social and health outcomes provides substance for promoting understanding of the issues with an attempt to create policy and procedures that aim to diminish negative impacts. This is done by the development of gentrification and displacement indices to show the weight of various housing and demographic changes as they contribute to gentrification around the City of Los Angeles and in the Figueroa Corridor community. Geographic information systems mapping of the indices then displays remarkable pictures of where communities are facing the threats of gentrification and displacement throughout the city. Particularly, communities in downtown Los Angeles, South Los Angeles, and the San Fernando Valley are highlighted on the maps.

Key findings show significant changes in population and housing in the Figueroa Corridor between 2000 and 2008. The percentage of the housing stock for the four ZIP codes in the area with property values under $300k has dropped from an average of 95% in 2000 to 22% of the housing stock in 2008. Conversely, the percentage of the housing stock with property values over $300k has increased from an average of 6% to 79% in the same timeframe, with the highest

\(^1\) Figueroa Corridor is defined in this study as being comprised of ZIP codes 90007, 90011, 90015, 90037.

percentage of housing being over $500k. Despite the significant increase in property values, median household income for the area is $24,565 per year. A household receiving the average income would be able to spend no more than $614 per month on rent if affordability is defined as spending one third of the household income on rent. This rental price seems unlikely to come by given the rise in property values. The disparity between property values and income will inevitably result in the displacement of low-income residents that cannot keep up with rising prices. The necessary reaction to this looming consequence is to put measures in place that protect affordable housing and existing populations in the community.

Other findings show the area to have a relatively large Latino, immigrant population with an average of 66.8% of persons over five years old speaking Spanish in their home. Forty-two percent of the working population is classified as blue collar compared to 23% of workers in the City of LA. Additionally, the renter population makes up 81% compared to 63.7% for the City. These findings support the identification of a significant presence of vulnerable populations in the area.

The analysis and findings of this report are used to make informed recommendations on addressing the issues of gentrification and displacement in vulnerable communities. The social, economic, and health environments of populations are considered to encourage holistic thinking around the process of neighborhood revitalization. In addition to the known benefits of community redevelopment, this includes recognizing proven negative effects as revitalization is imposed on vulnerable populations.

**Introduction**

Some of the most culturally and socially rich communities in Los Angeles are often the most economically disadvantaged areas whose residents rely on alternative methods for achieving community cohesiveness and functioning as a successful place. These neighborhoods are identified as having a rich social capital; possessing intricate social networks and connections that serve to maintain a strong community. Residents of these communities will often form powerful civic bonds in the forms of social groups and networks that look after each other and advocate for the common good. As a result, communities that appear to be in need of economic revitalization often possess deeper social ties that are not superficially apparent to developers and community planners that exist outside of the immediate neighborhood context. This leaves neighborhoods susceptible to redevelopment plans that do not necessarily incorporate measures to maintain their cohesiveness. The process of revitalization as it spurs economic development, increased property values, healthier environments, and more aesthetically designed communities, must be considered for all its impacts, both positive and negative. Subsequently, understanding of the renewal process as it occurs in different types of communities and the effect it has on pre-existing populations in those communities is necessary to create a concerted effort to mitigate the negative impacts in each area. Reviewing neighborhood outcomes should provide support for recognizing those negative effects and providing evidence for adapting methods that are more

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3 Statistical data from Claritas, Inc. US Census Estimates, 2008. Change in Property Values
4 Ibid.
sensitive to existing residents’ needs, aiming to preserve rather than disrupt the current social fabric.\(^5\)

Gentrification must be understood as a process of change over time, characterized by pushing and pulling of vulnerable populations and the replacement of those populations by a wealthier, more educated, and less diverse population.\(^6\) Through gentrification, community residents are pushed away from areas with increasing rents and land values that they can no longer afford, and are pulled toward areas that are more affordable, but also more often over-crowded and lack the capacity to support a sudden influx of an entire community of people. Though the push-pull effect is relatively similar across many areas that see a turnover of a population forced out by a new one, the methods and underlying causes of the process can be very different from one neighborhood to another.

The Figueroa Corridor is a unique area in Los Angeles, forming a gateway between downtown and the University of Southern California. The Figueroa Corridor community has historically been a place of gradually transforming demographics, population migration and shifting land use patterns, creating a community mixed with residential, industrial and commercial uses. The area has faced demographic changes over past decades much like many other communities throughout the city. However, the recent wave of population and community conversion that has taken place over the last ten years and continues to expand, reveals a more rapid process of change. These dynamics appear to be sparked by development intending to “makeover” the neighborhood, rather than the outcomes of a more natural course of population migration. This has resulted from the efforts of city planners and developers to revitalize the neighborhood, as well as the initiative of the University of Southern California to expand its influence and stimulate a positive relationship between the university and the surrounding community. Each entity’s efforts have been well-intentioned to enhance the neighborhood by increasing safety, creating attractive design and encouraging a sense of community. Yet the renewal methods have significantly sped up redevelopment to a pace that has already resulted in the displacement of large numbers of low-income residents, and threatens those who remain with being left behind or swept out of the process.\(^7\)

On one track of redevelopment that has occurred over the past decade, the revitalization of downtown Los Angeles has been following a wave of a condo and loft conversions, booming commercial development, and the relocation of the homeless and low income residents. On another track of redevelopment, the University of Southern California is currently updating its Master Plan to increase student and faculty housing, office and classroom space, and neighborhood connectivity. Downtown’s continuously changing environment in conjunction with the efforts of USC’s Master Plan for expansion into the surrounding neighborhood create a spillage effect as the two separate waves spread on both ends of the Figueroa Corridor and inevitably flood the center of the community. Although both processes have an effect on the


population in the Figueroa Corridor, the university’s expansion poses a distinct set of impacts on the community, while downtown gentrification may indirectly impose consequences as revitalization puts pressure on downtown’s neighboring areas. These differences reinforce the necessity to understand the methods and impacts of each process as they both affect the neighborhood.

Map 1. Figueroa Corridor

The process of direct gentrification that is occurring in the Figueroa Corridor must then be seen as a discrete procedure as it relates to the neighboring university and is combined with indirect consequences of downtown revitalization. The nature of the university-induced process and the gentrifying population are both different than what is often seen of typical urban renewal-sparked gentrification that many urban cores around the nation, including downtown Los Angeles, are currently experiencing. Downtown gentrifying persons are generally young professionals twenty-five to thirty-five years old, with college degrees and relatively higher median household incomes than the populations that they replace. Gentrifying populations in college communities, however, are relatively younger; eighteen to twenty-four years old, have not yet obtained a college degree, generally have low median household incomes or are unemployed. College-age gentrifiers are also attracted to different types of properties and businesses, potentially driving up land and rent values, but not necessarily affecting the housing stock and economic vitality in the same way young professionals would in a downtown area. Migrants into downtown are more attracted to purchasing condos and lofts that are developed at the expense of immediately replacing existing residents. However, college-age gentrifiers demand more rental units, which are often initially shared with community residents, but allow for the gradual replacement of those residents over a period of time. A steady turnover of residents can often mask the course of gentrification so it does not appear as stark as it does in the downtown area.

Subsequently the demographic indicators that identify a person likely to be a gentrifier in a downtown community do not visibly apply to the typical college-age gentrifier. This difference
in demographic characteristics makes it more difficult to distinguish between gentrifiers and vulnerable populations in college communities, further masking the process. This difficulty in identifying populations also presents a challenge to in showing concrete evidence with statistics of a particular population rising and another declining as part of the same or a subsequent process. Vulnerable populations tend to have low educational attainment, low median household incomes, and unemployment rates similar to those of college student gentrifiers. Some resolutions in controlling for the similarities between gentrifiers and vulnerable populations in college communities might be in looking at race/ethnicity and foreign born indicators. Caucasians and native born persons are more likely to be gentrifiers, which is often the case in college communities as well as downtown areas. Conversely, ethnic minorities and recent immigrants are generally members of the vulnerable populations, pushed out by young college students. This report takes these issues into consideration in its endeavors to make sense of these populations and be able to identify them for the purpose of this study.

The report attempts to identify initial indicators that allow for the identification of communities where vulnerable and displaced populations from the Figueroa Corridor are moving. It is the presumption of SAJE community organizers and local leaders that displaced residents in the Figueroa Corridor are moving farther south and east into the surrounding neighborhoods. This report will at least provide indicators and community characteristics for identifying those vulnerable populations, which can then be further analyzed to record specific outcomes these populations are facing. The identification and verification of communities that displaced populations are moving to will require more on-the-ground research and qualitative interviews for a complete study. First-hand investigations are invaluable tools for verifying theories and measuring subsequent outcomes as they affect the new communities that displaced populations inhabit. These methods of community-based research, including interviews and surveys are strongly recommended by this report as almost necessary to make sound conclusions about on the ground changes and impacts residents are facing.

**Literature Review**
Healthy City conducted three literature reviews to determine best practices, indicators and methods for measuring gentrification and displacement. Research then informed the best ways of analyzing the impacts of each occurrence on residents and on the structure of communities. The first two reviews draw upon documented gentrification and displacement patterns to establish appropriate data variables to include in creating an index for indentifying gentrifying areas and establishing indicators for measuring the displacement of vulnerable populations. The indicators measured are a combination of demographic, housing, and economic data variables.

The third literature review explores the impacts of displacement on vulnerable populations as they relate to socio-economic environments. Impacts to be measured include changes to the economic environment, public health outcomes, changes in existing infrastructure and disrupted social and cultural networks. The literature reveals that gentrification, while still not agreed upon in its definition or its relationship to displacement, is becoming more commonly understood as having a negative impact on vulnerable populations, despite the intent to improve communities. The gradual acceptance of this concept allows for more in-depth analysis into the process and effects of neighborhood change, as well as potential solutions to diminish negative outcomes. The classification of areas facing gentrification and displacement is most often based upon the
change in the housing market as it relates to both gentrifiers and vulnerable populations. Gentrifiers are generally the driving force of an increasing housing market, while vulnerable populations are driven out of the housing market by increased land values and rents. However, tracking vulnerable populations to analyze specific negative outcomes, such as poorer health, mental distress, or economic impacts often proves to be difficult. The study of these populations would require the ability to identify the communities that receive the same populations that are being displaced from gentrifying areas.

While areas receiving identified vulnerable populations can be distinctly mapped, the cause of migration is not as clear to be able to link to gentrification alone. Given the nature of migration and immigration, particularly as it is occurs in Los Angeles among foreign-born populations, the identification of communities receiving the displaced populations as a direct result of gentrification is more challenging. Many immigrant communities consist of residents who would be identified as members of vulnerable populations, even if they never face gentrification. These communities are often more transient with younger families, low median household incomes, and lower educational attainment than many native-born communities. Therefore one cannot soundly determine whether a member of a vulnerable population who moves into a new community has been driven there as a result of gentrification, if the individual is migrating due to a transient nature, or has recently immigrated as part of a separate course of migration.

One noted model for measuring displacement consists of first determining a set of socio-economic characteristics to help identify displacement is necessary for a foundation. Then studying the housing market, the quality and cost of units, and their change over time are key baseline factors to be compared with demographic changes such as fluctuation between specific racial/ethnic groups, increase in household incomes and decrease in household sizes. In most cases, it is ideal to support evidence of gentrification and displacement through first-hand qualitative data. Having community residents, especially those of vulnerable and likely displaced populations, verify neighborhood changes and related socio-economic impacts strengthens and enforces the argument for recognizing these impacts. With more support for this argument comes the ability to create measures and begin combating what become proven negative effects on displaced populations.

Context
Gentrification in and of itself is recognized by government and developers as a process that stimulates positive growth and revitalization of economically and physically declining neighborhoods. Results often show improvement in physical conditions, economic vitality, and aspects of the social fabric as new populations move into these “revitalizing” areas. Yet, as every community has unique social, economic, and environmental structures, neighborhoods will face and respond to gentrification in distinct ways. As noted, gentrification in urban cores can often be a structurally different process than gentrification in college communities. However there remain common threads of population shifts, the isolation and displacement of vulnerable groups and ultimate development of negative social, economic, and health outcomes for those who are

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8Literature review by Healthy City: Qualitative and quantitative analysis of gentrification and displacement, 2008.
9 This model is based on a 2006 New York study by Wyly and Newman, discussed in the literature review on qualitative and quantitative analysis for gentrification and displacement.
10 Literature review by Healthy City: Qualitative and quantitative analysis of gentrification and displacement, 2008.
displaced. While increasing property values, economic vitality and aesthetics appeal to new residents, the replacement of populations simultaneously unravels long-built social, health and overall community networks amongst existing populations.\textsuperscript{11}

The multitude of relationships one resident has with neighbors, local shop owners, clinics, schools, and various everyday interactions, form a network with different levels of connectivity. That network begins to break down when even the smallest of connections is severed, creating a domino effect that may eventually deconstruct the entire network. The catalyst can be the loss of one seemingly trivial relationship between a resident and a neighbor, or someone such as a local shop merchant. That relationship may have previously sparked communication with the resident and other local agencies such as a library or a clinic. Consequently the termination of contacts may actually have results that lead to the disconnection of an entire group of people who are all bonded through a common acquaintance or a series of contacts within the same network.

To prevent this spiral of dissolving relationships and community bonds, there must first be an agreement that these networks are important and worth preserving. There then needs to be a systemic focus to maintain relationships, countering the negative effects of gentrification. The housing market, being a key indicator for gentrification and displacement seems to be one of the most relevant systems to attempt to stabilize in a changing demographic environment. As redevelopment drives up the prices of land and housing, current populations need to be considered and negative effects mitigated. The status of housing cannot be allowed to change so drastically that it suddenly excludes specific populations that previously had access to affordable and adequate housing. A community’s housing supply should instead allow for mixed income residents to share the market in order to support and maintain existing residents while also attracting new ones that will help stimulate the economic environment of the community. The resulting diversity of populations from a mixed-income housing stock will alleviate the pressures and tension of gentrification with a higher probability of making sure existing populations benefit from revitalization the same as new residents do rather than being left at a disadvantage.

As a city with a majority renter population, Los Angeles’ strategies for revitalization and redevelopment must consider the renter population and plan to maintain existing neighborhood networks through renewal.\textsuperscript{12} Housing stability and affordability must be viewed as not only a necessary element to equitable planning, but also a public health priority. The health and cohesive strength of a community is arguably entwined in not only its physical environment, and economic vitality, but also its social capital; the networks and relationships amongst neighbors that create a vibrant community system. The displacement of populations as it disrupts families, relationships, and neighborhoods presents a large impact on the health of a community as it exists as a social unit. This is the main cause of concern for gentrification within the Figueroa Corridor. The community is currently in the midst of dramatic neighborhood changes that could significantly affect the physical, mental, economic, and social health environments of the community and the existing residents who are being displaced by new developments and new residents.


Students of the University of Southern California have shared housing with neighborhood residents of the Figueroa Corridor for years. However there has been a gradual shift in many identified community-occupied housing units that are becoming predominantly student-occupied with high fences or signs unwelcoming to other community members. This process of housing turnover is spurred by an expanding student population and the university’s transition from a primarily commuter to primarily residential school. The university’s recent Master Plan update which plans for more student housing and university-owned buildings expanding into the surrounding community will undoubtedly continue to encourage more housing turnover. USC’s master plan has the goals of accommodating its growing population while providing students and faculty with safe and sustainability environments in and around the campus. The plan also states that it should “act as a catalyst for public and private investment in the surrounding communities, including non-university-owned residential, commercial and open spaces.” This displays the direct aim of the university to affect the surrounding community with its expansion and development. While this plan will most likely create beneficial development, encourage community building, and improved neighborhood conditions for the university’s population, the connection and direct impacts on the existing community residents are not explicitly considered in the goals of the plan.

**Methodology**

Healthy City created indices for gentrification and displacement consisting of the relevant indicators found in the literature reviews, displaying measurable shifting population dynamics over time. The indices measured changes in specific indicators such as median housing value, number of owner occupied units, median household income, educational attainment levels, and occupation from 2000 to 2008 for the City of Los Angeles as well as the Figueroa Corridor. The intended result was to identify areas of gentrification related displacement, and areas receiving displaced populations. The identification of such communities would then allow for the analysis and comparison of both types of communities to determine specific socio-economic outcomes affected by each process. However, the displacement index was compiled as a combination of indicators related to displacement and indicators related to gentrification for the purpose of identifying areas where populations are being displaced from as a direct result of gentrification. This analysis attempts to show at the minimum, a correlation of the two processes and account for areas that may being seeing a population shift due to general outward migration or other movement patterns not particularly resulting from new populations moving in.

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13 The Community Walks conducted by the Figueroa Corridor Community Land Trust, SAJE, and other members of the Figueroa Corridor Coalition for Economic Justice in the Estrella Neighborhood north of the USC campus revealed a complete turnover of 32% (106 of 331) of community-used properties to USC student and/or faculty-use. An additional 10% (32 of 331) of properties turned over to mixed community and student use. This data is shown in chart #9. (see Figueroa Corridor Community Land Trust, “Analysis of Survey Community vs. USC-related Use, Collected by Community Volunteers on March 1, 2008 Community Walk.

14 University Park Housing Study. Enterprise Community Partners, on behalf of University of Southern California. September 2007.


16 Gentrification & Displacement indices variables by Census Block Group: renter-occupied units, owner-occupied units, median house value, workforce occupation, median household income, unemployment, vacancy rates, race/ethnicity, age.
Following the mapping of the indices to identify areas of gentrification and displacement, each individual indicator was mapped city-wide and specific indicators were mapped for the Figueroa Corridor to show independent variable changes over time. Each indicator displayed different patterns of change over time, revealing their different weights on the indices and potential to make basic presumptions about the correlation of certain indicators. For example, looking at the change in unemployment rates alone would not be as influential as showing how the change in unemployment rates relate to rise in median household income or an increase in the Caucasian population in the Figueroa Corridor. In addition to the identified indicators, HC also mapped outcomes related to health, economic and social environments, as well as existing community resources. The comparison of community characteristics and resources as they shift related to population changes supports the notion that displaced populations face negative impacts as a result of gentrification. The ability to depict these differences in impacts and neighborhood outcomes then enforces the idea that impacts should be mitigated and prevented to the extent possible.

The initial intent was to measure characteristics and outcomes in both neighborhoods facing gentrification and displacement as well as communities receiving displaced populations. However, given the limitations of the data and the inability to identify actual communities receiving displaced populations beyond largely assumptions of migration patterns, outcomes are focused on the community of the Figueroa Corridor seeing gentrification and displacement concurrently. As mentioned, qualitative data from first hand accounts of neighborhood changes would provide strong support to identify those communities receiving displaced persons. However this data is limited and would require more time to gather to show its meaningfulness over a certain period of time. There are also limitations in the demographic data sources, such as Census estimates, which may underestimate immigrant populations and not fully capture the extent of the conditions in low-income, high-immigrant communities.

Despite these drawbacks, and considering the literature reviews, mapping and analysis results, and review of neighborhood impacts, findings are presented to shed light on the negative outcomes that vulnerable populations face when gentrification and displacement occur in a particular neighborhood. This is to level the often one-sided depiction of gentrification as a positive process of improving the economic, social and physical conditions of communities. Recommendations are then documented taking into account social, economic, and health environments as they are each affected by gentrification.

The indicators used for the gentrification and displacement indices are listed in Table 1. The attached literature reviews provide detailed explanations of each indicator and reasons for choosing them. Data variables used are gathered from Claritas, Inc. US Census estimates for 2008. The gentrification index contains indicators that identify an area facing significant turnover of existing populations, and the displacement index represents areas that residents are being forced out from as a direct result of gentrification.

Certain indicators, such as change in family structure and crowding were unavailable over the multi-year time frame of this study and were not included in the final indices. In addition, important indicators deemed relevant to the study of gentrification and displacement but unavailable for multiple years include median rent values, renter turnover, and crowding.

17 Important indicators deemed relevant to the study of gentrification and displacement but unavailable for multiple years include median rent values, renter turnover, and crowding.
indicators for occupation, vacancy rates, and gross rents did not have consistent methods for producing datasets from one year to the next due to different data sources or a change in the way the data was collected and categorized from one year to another. To the extent possible, these indicators were substituted with datasets that could be used as a proxy for the missing variables. For example, change in median house values was used as a proxy for change in median rent values based on an accepted common relationship between rising land values and rents. Tables and Charts were also created for remaining indicators and characteristics that could not be easily displayed or were deemed unsuitable to map, but might help to shape the context of gentrifying neighborhoods and displaced populations.

Table 1. Indicators for Gentrification & Displacement.

<table>
<thead>
<tr>
<th>Gentrification Index 2000 and 2008</th>
<th>Displacement Index 2000-2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in renter vs. owner occupied units</td>
<td>Change in renter vs. owner occupied units</td>
</tr>
<tr>
<td>Change in median house value (increase)</td>
<td>Change in median house value</td>
</tr>
<tr>
<td>Change in rent (increase)</td>
<td>Change in rent</td>
</tr>
<tr>
<td>Change in educational attainment levels (increase)</td>
<td>Change in educational attainment levels</td>
</tr>
<tr>
<td>Occupation change over time (increase in white-collar/decrease working class)</td>
<td>Occupation change over time (increase in white-collar/decrease working class)</td>
</tr>
<tr>
<td>Changes in racial/ethnic composition (decrease in vulnerable populations, increase in gentrifiers)</td>
<td>Changes in racial/ethnic composition (decrease in vulnerable populations, increase in gentrifiers)</td>
</tr>
<tr>
<td>Change in median household income (increase)</td>
<td>Median household income (stable or decrease)</td>
</tr>
<tr>
<td>Population by citizenship (decrease in non-citizen)</td>
<td>Population by citizenship</td>
</tr>
<tr>
<td>Vacancy rate (decrease)</td>
<td>Vacancy rate (decrease)</td>
</tr>
<tr>
<td>Unemployment status (decrease)</td>
<td>Unemployment status (increase)</td>
</tr>
<tr>
<td>Change in family structure</td>
<td>Change in family structure</td>
</tr>
<tr>
<td>Crowding (decrease in household size)</td>
<td>Crowding</td>
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</tbody>
</table>

Mapping and Analysis

Geographic Information Systems (GIS) mapping is used to visually display characteristics identifying gentrifying communities and populations being displaced. This also includes maps of community characteristics and outcomes to display the coincidence of such outcomes with the occurrence of gentrification and displacement. The mapping provides spatial analysis of the specific indicators related to gentrification and displacement to geographically show the context.
of place, as well as to graphically display the patterns of the processes within spaces in time. In addition to the spatial analysis conducted with mapping, analysis of the data indicators includes tables and charts to further depict the changing populations as they are affected by revitalization.

The following maps compare the gentrification and displacement indices for the City of Los Angeles. Areas shaded red represent those facing gentrification in the map on the left and displacement as it corresponds to gentrification in the map on the right. Colleges and universities are mapped to show the relationship of these processes in those areas. The maps reveal specific areas in the San Fernando Valley, South Los Angeles and downtown as the main areas facing these issues.


Looking at the following maps, the orange and red shaded areas represent places where the median housing values have increased between 89% and 225% from 2000 to 2008 in the map on the left. The same colors represent the change in vacancy rates\(^\text{18}\) from 2000 to 2008 in the map on the right. As the median housing value has been rising, vacancy rates have decreased throughout the City, potentially due to the lack of affordable housing stock and residents’ inability to purchase new homes or maintain existing housing. Any definite conclusions would have to consider the change in total number of housing units, which are explored in charts later in the report.

\(^{18}\) Vacancy Rate Calculated using Claritas, Inc. Census Estimate Data for 2008. Calculation used: (Total Housing Units – (Owner-Occupied + Renter-Occupied)) divided by Total Housing Units) multiplied by 100.
Figueroa Corridor Community Characteristics & Outcomes

After having a sense of where gentrification and displacement are occurring throughout the City, mapping the various indicators for the Figueroa Corridor provide an in-depth analysis of a specific place to measure outcomes as they are related to gentrification in that area. The following maps look at community characteristics such as the change in race/ethnicity of the population in the Figueroa Corridor, change in educational attainment levels among adults, teen births by ZIP code and violent crimes. Housing and economic indicators are also incorporated to construct the background of the socio-economic environment as it is faced with gentrification and displacement of populations. Finally, health outcomes are charted to specifically examine the physical effects of gentrification and displacement on vulnerable populations. These characteristics and outcomes are all reviewed to not only depict conditions, but also to make inferences regarding their concurrence with multiple facets of neighborhood change. Recognizing and highlighting outcomes as arguable effects of gentrification and displacement processes provides support for advocating for a change in the way neighborhoods respond to these processes of change.

Review of Land Use & Demographic Characteristics

The following map displays land use in the Figueroa Corridor. The area is primarily represented by residential uses. In addition, Figueroa and Flower Streets are major commercial corridors. A largely industrial area lies east of Exposition Park and the University of Southern California, going up to the 10 freeway and into the Southeast portion of Downtown Los Angeles.

Shown in chart 1 below, population has steadily increased in the Figueroa Corridor, similarly to the citywide growth of 7%. Yet the 90015 ZIP code that encompasses the northern end of the
Figueroa Corridor and stretches into the southern area of downtown Los Angeles has seen more than twice as much of an increase (at ~ 20%) than much of the rest of the area.

Map 6. Figueroa Corridor Land Use Map.


Total Population Growth by Zip Code from 2000 to 2008
(Compared to 7% for LA City)

The following map, #7, is a map that compares the changes in African American, Latino, Caucasian and Asian populations in the Figueroa Corridor. The African American population shows a decline in the area and the Caucasian population has dramatically increased throughout the Figueroa Corridor since 2000. The significant rise in the Caucasian population could be reviewed as it relates to the neighboring university and the university’s demographics. This change might show a correlation with overall expansion of the university population and increased population living around the campus. There is also an increase in the Asian population north and northeast of the university. Similar to the Caucasian population, this may be due to an increase in USC students, including graduate students living in the area. Conversely, the Latino population is increasing in the areas west and south of the Figueroa Corridor. While this supports the idea that the existing Latino population is being pushed to surrounding neighborhoods south of the Figueroa Corridor, the conclusion cannot be made that it is strictly due to gentrification. Therefore the additional indicators are examined in the following maps to show the confluence of changes and how they might relate to a larger system of changes.

Map 7. Change in Ethnic Populations in the Figueroa Corridor.

Educational attainment levels among adults 25 years and older, displayed in map #8, show a significant rise in populations with four or more years of college in certain Block Groups of the area. However, there is also a simultaneous increase in the percentage of the population without a high school diploma. This indicates that while gentrifying-type populations, identified by educational attainment levels, may be increasing, the area still remains a place where vulnerable populations are residing and migrating into, if only to be pushed out and displaced within a relatively short timeframe. The increase in adults with four or more years of college education
may also be due in part to the increase in graduate students living in some of these neighborhoods around the campus.

Map 8. Change in Educational Attainment in the Figueroa Corridor, 4+ yrs college vs. No High School Diploma.

Looking at the percent change in the percentage of blue collar workers versus white collar workers in the map below might be better understood now seeing the process of change in educational attainment levels. The percentage of blue collar workers has increased in the Figueroa Corridor between 2000 and 2008. However, just north of the University of Southern California campus, in what is referred to as the Estrella Neighborhood and along the 110 freeway and south of the 10 freeway, there has been a significant increase in white collar workers. It is important to note that graduate students may be included in this workforce. This again shows the concurrent presence of gentrifying populations alongside vulnerable populations. It also supports the idea that gentrification and displacement occur at different paces within adjacent communities. Finally, this occurrence may be used as an indicator of a current process that could likely permeate surrounding neighborhoods as these vulnerable populations and gentrifiers exist in the same spaces.
In the areas encompassing and surrounding the Figueroa Corridor, a majority of people are recognized as Native Born US citizens, yet significant populations in those areas are also defined as Not a Citizen. Citizenship data is pulled from the American Community Survey of the US Census Bureau for Service Planning Area – sub areas. As shown in chart 3, the majority of the population in each ZIP code of the Figueroa Corridor speaks Spanish at home. These characteristics of citizenship and language spoken are often barriers to particular types of services, and can be especially inhibiting when it comes to housing rights advocacy. These populations are vulnerable groups that would most likely experience direct impacts of gentrification.

19 LA County Service Planning Areas (SPA) are broken into sub-SPA areas by the American Community Survey Special Tabulation. The areas representing the Figueroa Corridor are Downtown- Westlake, South Vermont - South Crenshaw, and West Adams - Exposition Park – Vermont Square.
Chart 2. Citizenship in Service Planning Area, Sub-Areas Encompassing the Figueroa Corridor, 2006.\(^{20}\)

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<thead>
<tr>
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<tr>
<td>Native Born</td>
<td>74,130 ± 6,058</td>
<td>88,280 ± 7,499</td>
<td>83,880 ± 6,412</td>
</tr>
<tr>
<td>Naturalized</td>
<td>23,200 ± 2,659</td>
<td>9,645 ± 1,290</td>
<td>12,200 ± 2,190</td>
</tr>
<tr>
<td>Non-Citizen</td>
<td>70,795 ± 6,155</td>
<td>30,815 ± 5,037</td>
<td>34,575 ± 4,940</td>
</tr>
</tbody>
</table>

Native Born: People who indicate that they were born in the United States, Puerto Rico, a U.S. Island area, or those born abroad who had at least one parent who was a U.S. Citizen.

Naturalized: Naturalized citizens are foreign-born people who identify themselves as naturalized. Naturalisation is the conferring, by any means, of citizenship upon a person after birth.

Non-Citizen: People who indicate they are not U.S. citizens.

Margin of Error: The difference between an estimate and its upper or lower confidence bounds. Confidence bounds can be created by adding the margin of error to the estimate (for an upper bound) and subtracting the margin of error from the estimate (for a lower bound). All published margins of error for the American Community Survey are based on a 90 percent confidence level.

Data year: 2006

Universe: Total Population

Source: Chart created on www.healthycity.org using American Community Survey Special Tabulation Data.

Chart 3. Language Spoken at Home in the Figueroa Corridor and City of Los Angeles, 2008.

<table>
<thead>
<tr>
<th>Language Spoken at Home of Population Age 5 and Over 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>LA City</td>
</tr>
<tr>
<td>41.5%</td>
</tr>
<tr>
<td>8.5%</td>
</tr>
<tr>
<td>6.9%</td>
</tr>
<tr>
<td>41.6%</td>
</tr>
<tr>
<td>1.5%</td>
</tr>
<tr>
<td>90037</td>
</tr>
<tr>
<td>35.9%</td>
</tr>
<tr>
<td>0.6%</td>
</tr>
<tr>
<td>0.4%</td>
</tr>
<tr>
<td>62.3%</td>
</tr>
<tr>
<td>0.7%</td>
</tr>
<tr>
<td>90015</td>
</tr>
<tr>
<td>14.3%</td>
</tr>
<tr>
<td>11.3%</td>
</tr>
<tr>
<td>3%</td>
</tr>
<tr>
<td>72.4%</td>
</tr>
<tr>
<td>0.7%</td>
</tr>
<tr>
<td>90011</td>
</tr>
<tr>
<td>19.2%</td>
</tr>
<tr>
<td>0.4%</td>
</tr>
<tr>
<td>0.2%</td>
</tr>
<tr>
<td>79.8%</td>
</tr>
<tr>
<td>0.4%</td>
</tr>
<tr>
<td>90007</td>
</tr>
<tr>
<td>35.0%</td>
</tr>
<tr>
<td>7.7%</td>
</tr>
<tr>
<td>3.4%</td>
</tr>
<tr>
<td>53.0%</td>
</tr>
<tr>
<td>0.8%</td>
</tr>
</tbody>
</table>


\(^{20}\) Data is represented by the American Community Survey Special Tabulation for Service Planning Areas - Sub SPA areas: West Adams-Exposition Park-Vermont Square, South Park, and Downtown-Westlake-Pico Union.
**Housing and Economic Characteristics**

The following charts housing and economic characteristics for the Figueroa Corridor and in some cases are compared to the City of Los Angeles for reference.

Compared to population growth, the change in the housing stock in the Figueroa Corridor shows interesting dynamics. The 90015 ZIP code has seen a 21% increase in housing units since 2000. Again, being a ZIP code that mostly encompasses the south west portion of downtown LA and the northern boundary of the Figueroa Corridor, this should be understood in relation to the housing boom in the downtown area over the past couple years, that has only recently begun to slow down with the sharp downturn in the economy in mid-late 2008. Conversely, ZIP Codes 90007, 90011, and 90037 have seen a much slower and gradual increase in the housing stock, similar to the City of LA. This may be due to condo/loft conversions that have steadily replaced many older apartment buildings with new, and almost always more expensive housing units throughout various parts of the city. This most likely results in the demand for housing increasing as units, especially affordable ones, become scarce and the population continues to grow. The total housing stock by year structure was built is shown in chart 5 for context of the growth pattern of new housing. It is particularly interesting to see the change in number of units from the 1980’s as it shows a slowing down in most cases from the 1960’s and 1970’s, and really only increases in the most recent decade, since 1999. The chart also reveals a significant number of old and very old housing stock in the Figueroa Corridor neighborhoods, with nearly 40% of structures built before 1950 and 28% before 1939.

Chart 4. Change in Number of Housing Units in the Figueroa Corridor and City of Los Angeles, 2000 & 2008.

![Change in Housing Stock 2000-2008](chart)

Chart 5. Total Housing Units in Figueroa Corridor ZIP Codes, 2008.

Chart 6 shows the change in vacancy rates for the Figueroa Corridor and the City of Los Angeles as another point of comparison to the housing stock, property values, and population changes. The vacancy rates make sense in light of population growth, condo conversions, loss of affordable housing, and fewer units being built. The vacancy rate has decreased across the city and in every ZIP code of the Figueroa Corridor, drawing attention to the continuing decline in adequate and affordable housing. When compared to the change in property values, shown in charts 10-13, it becomes clear that decreased vacancy rates and increased property values will hit low income, vulnerable populations the hardest.
As is true for the City of LA, the Figueroa Corridor ZIP codes have significantly higher renter populations than homeowners. Shown in chart 6 below, 73.29% of units in ZIP 90037, 73.07% of units in ZIP 90011, 89.84% of units in ZIP 90015, and 87.83% of units in ZIP 90007 are renter occupied. With almost 75% renters in two of the ZIP codes and nearly 90% in the other two, the significance of this population cannot be overlooked. As the housing stock changes, apartments are converted to condos, and higher income populations move into what were previously known as low income areas, affordable and accessible housing must be preserved for existing renter populations. As it currently stands and is evidenced by the overwhelming number of renters, homeownership is not a viable option for the majority of residents in the City of Los Angeles. This is especially true for identified vulnerable populations, such as those in the Figueroa Corridor.
Data for year householders moved into housing units in the four ZIP codes show that a majority of residents moved in between 1999 and 2008. While the entire city has seen a majority of people moving into housing structures between these years, there is a slightly lower average number of years for people living in housing structures in ZIP codes 90015 and 90007 (6.2 and 7.6 years respectively, compared to an average of approximately nine years for the city and the other two ZIP codes in the Figueroa Corridor). This may mean that people are moving in and out of structures more frequently in these areas, whether by choice or forced migration, rather than just an influx in the overall population.

A community survey of housing units in the Estrella Neighborhood, north of the University of Southern California, noted a complete turnover of 32% of the neighborhoods residential buildings from community-occupied to USC student-occupied, and a partial turnover of an additional 10% of the residential buildings. These units are displayed in chart 9. The implications of this turnover speeds up the process of gentrification, increasing rent prices throughout the neighborhood as buildings convert from long-time community use to new student housing. The nature of student turnover impacts housing prices allowing otherwise rent-stable units to raise rates as new student tenants move in, removing those units from the low-income market at a fast pace than would otherwise be possible if long-term residents remained in the units.21

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Chart 8. Year Householder Moved into Housing Unit in the Figueroa Corridor and City of Los Angeles, 2008.

<table>
<thead>
<tr>
<th>ZIP Code</th>
<th>Average Year Moved in</th>
<th>LA City (Average 9.1 yrs)</th>
<th>ZIP Code 90037 (Average 8.9 yrs)</th>
<th>ZIP Code 90015 (Average 6.2 yrs)</th>
<th>ZIP Code 90011 (Average 8.5 yrs)</th>
<th>ZIP Code 90007 (Average 7.6 yrs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>90007</td>
<td>2008</td>
<td>64.0%</td>
<td>66.4%</td>
<td>71.6%</td>
<td>67.7%</td>
<td>72.6%</td>
</tr>
<tr>
<td>90011</td>
<td>2008</td>
<td>64.0%</td>
<td>66.4%</td>
<td>71.6%</td>
<td>67.7%</td>
<td>72.6%</td>
</tr>
<tr>
<td>90015</td>
<td>2008</td>
<td>64.0%</td>
<td>66.4%</td>
<td>71.6%</td>
<td>67.7%</td>
<td>72.6%</td>
</tr>
<tr>
<td>90037</td>
<td>2008</td>
<td>64.0%</td>
<td>66.4%</td>
<td>71.6%</td>
<td>67.7%</td>
<td>72.6%</td>
</tr>
</tbody>
</table>


Chart 9. Housing Identified as Transitioned to Complete or Partial Student Use from Previous Community Use.

<table>
<thead>
<tr>
<th>Use</th>
<th>Present Use</th>
<th>Past Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>community</td>
<td>227</td>
<td>331</td>
</tr>
<tr>
<td>usc</td>
<td>106</td>
<td>9</td>
</tr>
<tr>
<td>both</td>
<td>32</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>365</td>
<td>341</td>
</tr>
</tbody>
</table>

Source: Chart Provided by SAJE from Figueroa Corridor Community Land Trust, SAJE, and other members of the Figueroa Corridor Coalition for Economic

Looking at economic data for the area, a majority of 55.6% of households in the Figueroa Corridor earn less than $25,000 per year. Each of the four ZIP codes have a significantly higher percentage of households earning less than $25,000 per year compared to the City of Los Angeles average. Although income may be rising in the area as was seen in the individual assessment of indicators related to gentrification, households in the community are still behind the citywide average. Three of the four ZIP codes; 90011, 90037, and 90007, rank as numbers four, six, and eight respectively in the top ten ZIP codes within Los Angeles County that have
the highest percentage of households earning less than $15,000 per year.\textsuperscript{22} The 2008 estimated median household income is $24,509 for ZIP code 90037, $30,649 for ZIP code 90011, $21,721 for ZIP code 90015, and $21,379 for ZIP code 90007.\textsuperscript{23} Consequently, two of the four ZIP codes within the area (90011 and 90037) rank number 1 and number 8, respectively in the top ten ZIP codes with the highest numbers of families living in poverty.\textsuperscript{24} Total household income is represented in chart 10.

Chart 10. Household Income in the Figueroa Corridor Compared to the City of Los Angeles, 2008.

![Total Household Income, 2008](chart)


Property values are used as a proxy for changing rent prices. The following charts depict the changes in property values between 2000 and 2008 for each ZIP Code in the Figueroa Corridor. Housing prices at $300k and above have risen dramatically, while in most ZIP Codes housing under $300k has significantly declined. This undoubtedly affects the rental market, demanding higher rents as property values and taxes increase. It should be noted that these statistics are all relative to the housing market up to its peak in mid 2008. However, while prices may have begun to stabilize, the overall increase still represents the growing lack of affordable housing, particularly for existing populations in the Figueroa Corridor given household incomes.

\textsuperscript{22} Data from HealthyCity.org website using Claritas, Inc. US Census Estimates for 2008.
\textsuperscript{24} Claritas, Inc. US Census Estimates for 2008.


The next set of charts shows data on the workforce in the Figueroa Corridor compared to the City of Los Angeles. The total number of people in workforce in the Figueroa Corridor has risen since 2000 and corresponds to the rise in population. Chart 15 shows that the ZIP code (90015) that has already been identified to have the highest population growth, highest renter population, and the largest percent of residents that moved into housing units in the past decade, has also seen the most growth in number of working people. This ZIP code, which includes the South Park area of downtown Los Angeles and has seen a number of high-end apartments and condos built in the past few years, is also the only ZIP code that has received more housing units in the past decade than any previous decade since 1939. However, these numbers may look different now, as the economy continues to decline since the latter part of 2008.

A high percentage of the total workforce in each ZIP code of the Figueroa Corridor is classified as having blue collar and service occupations, shown in chart 16. Blue collar workers alone represent almost twice as many workers in two of the ZIP codes and more than twice as many in one ZIP code of the Figueroa Corridor than in the City of LA. It is also important to note the extent and limitations of this economic data. There is a significant proportion of workers that are not represented by these statistics, but are part of the informal economy; such as street vendors. These workers, while important to the local economy of the area, are not captured in employment statistics.

Change in Number of People Working Ages 16 and Over, 2000-2008

Chart 16. Workers by Occupation in the Figueroa Corridor compared to Los Angeles, 2008.

The City of LA’s employment by industry, shown in chart 17, appears is evenly split amongst types of work, while the Figueroa Corridor is heavily represented in the manufacturing industry, as well as education and food and services. This corresponds to the high percentage of blue collar workers in the area compared to the City overall.


Despite the relatively stable commute times to work between 2000 and 2008, there is a significant percentage of workers that travels between thirty minutes and over an hour to their job. This issue would need to be examined further with factors such as individual choice versus affordability to make definite conclusions. Yet, the data does at least demonstrate that a job and housing imbalance exists in the city. A further deduction is that this condition of long distance commuting likely has an affect on the physical and emotional well-being of workers.
Health Outcomes

The following charts show health outcomes for 2000 and 2006 for mortality data and 2007 for birth data. The data provide basic understandings of the changes in the health of populations in the area as they relate to other neighborhood changes faced by vulnerable populations. While the following statistics represent physical health, other types of health outcomes are inferred as they relate to physical, social and emotional well-being of individuals. As the noted health conditions are often seen as a result of multiple facets over a period of time affecting an individual, it is difficult to attribute a direct health outcome to gentrification or displacement. However, as these processes undoubtedly at least contribute to the stress and in some cases direct physical ailments of vulnerable populations, discussion of health outcomes brings attention to the importance of this relationship. Further validation of a causal relationship between displacement and negative health outcomes would be best supported by individual accounts and testimonials of changing conditions as a part of a series of occurrences due to gentrification.

While there is not a significant noticeable difference in infant birth weights by each ZIP code, there are some interesting conclusions given the data. The percentage of births that are classified as low birth weights (between 1500 and 2499 grams) show slight increases and decreases in certain ZIP codes in the target area. ZIP code 90015, with the most dramatic change in indicators related to gentrification, saw a decrease in the percentage of births that were low or very low birth weights between 2000 and 2007. This indicates the ability to see positive changes in an area that is experiencing a quicker paced gentrification process. However, the changes are most likely due to a healthier population moving in and forcing pre-existing residents out; not improving the health of existing populations, but potentially negatively impacting the health of
populations being displaced. The other three ZIP codes generally show either a more stable rate of change in low birth weight babies for the same time period. These are areas that are experiencing a slower turnover in population and would expect to see changes at a slower pace.


<table>
<thead>
<tr>
<th>Zip Code</th>
<th>2000 Birth Weight</th>
<th>2007 Birth Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>LA City (00)</td>
<td>93.5%</td>
<td>93.5%</td>
</tr>
<tr>
<td>LA City (07)</td>
<td>92.6%</td>
<td>92.4%</td>
</tr>
<tr>
<td>90037 (00)</td>
<td>93.1%</td>
<td>93.1%</td>
</tr>
<tr>
<td>90037 (07)</td>
<td>90.9%</td>
<td>90.9%</td>
</tr>
<tr>
<td>90015 (00)</td>
<td>92.4%</td>
<td>92.4%</td>
</tr>
<tr>
<td>90015 (07)</td>
<td>95.2%</td>
<td>95.2%</td>
</tr>
<tr>
<td>90011 (00)</td>
<td>93.4%</td>
<td>93.4%</td>
</tr>
<tr>
<td>90011 (07)</td>
<td>93.2%</td>
<td>93.2%</td>
</tr>
<tr>
<td>90007 (00)</td>
<td>92.8%</td>
<td>92.8%</td>
</tr>
<tr>
<td>90007 (07)</td>
<td>92.8%</td>
<td>92.8%</td>
</tr>
</tbody>
</table>

Source: Created by Healthy City Using California Department of Health Services Data, 2000 and 2007.

Causes of death data show heart disease and cancer to be major factors in the Figueroa Corridor area. In 2006, the leading cause of death in all four ZIP codes was diseases of the heart, followed by cancer in three of the ZIP codes. All four areas show a decrease in the percentage of deaths caused by heart disease from 2000 to 2006. This would be expected as gentrification occurs in an area, economic vitality rises, median household income rises, and types of occupation transition from blue collar to more white-collar jobs. Homicides go up in all but one ZIP code; 90015, where they decrease from accounting for 11% of deaths in 2000 to just 4% of all deaths in 2006. This is the same ZIP code that shows the most dramatic increase in population, housing units, employment, and expensive housing prices. The indicators and outcomes of this ZIP code provide that it is gentrifying at a significantly faster rate than the other three ZIP codes of the Figueroa Corridor, most likely due to its split between the downtown LA and the community north of USC. Both forces of gentrification led by downtown development and university expansion impose effects of the processes on the vulnerable populations of this community. It would then be interesting to further analyze all ZIP codes in the area to track the movement of displaced populations through each part of the area over time. An examination of whether the areas facing slower processes of gentrification are actually consequences of the forced migration of vulnerable populations facing more rapid gentrification would help identify how and where populations move to once they are forced out of their current living situations.
Considering the limitations of being able to identify actual communities where displaced populations are moving to, those areas cannot be concretely measured for outcomes. However, research should expect to see negative health outcomes increase in surrounding areas that are most likely destinations for displaced populations; in this case potentially within specific parts of the Figueroa Corridor itself as well as farther south and east of the area. Not only do vulnerable populations face the emotional distress related to being forced out of an established living environment, breaking social ties and community networks, but they potentially face more debilitating physical conditions with tangible health outcomes once they move. Displaced populations most often move to neighboring, yet still relatively affordable areas in desperate attempts to maintain community ties and a social safety net. This most likely means moving into poorer housing conditions to face overcrowding and other unhealthy conditions. Again, qualitative research would help to validate this hypothesis.

Figueroa Corridor Community Resources

Though much focus is placed on depicting negative outcomes within the Figueroa Corridor as they relate to gentrification of the community, there is also a value to representing the positive aspects and resources that the community has to offer. The following maps represent community assets in the Figueroa Corridor for the purpose of profiling the area to display potential targets for collaboration and mobilization of residents to protect and maintain existing resources. The visualization of community resources gives depth to the vibrancy of the community in terms of what it has to offer its residents.

Map 12 displays affordable housing and low income units in the area. There are a total of 248 of these structures in the area; each having multiple low income and affordable housing units for a total of approximately 20,000 such units. This is compared to 62,970 total housing units in the Figueroa Corridor.\(^{25}\) There are also 10,800 rent controlled buildings that could not be presented on the map. The existence of this housing, as housing units and property values show a dramatically sharp increase in the Figueroa Corridor over the past eight years, reinforces the necessity to maintain these units as many residents rely on their affordability. However many of these units have a time limit related to their low income status that threaten to cut the existence of affordable units as redevelopment continues and affordability time frames expire.

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The presence of a diversity of service-related community resources gives strength to the area’s social capital. However, the sparse distribution of those resources further supports the need to preserve what few underlying community networks already exist. Map 13 shows all community resources relating to housing allies, educational support services, employment services, grocery stores, and health services. There are only a couple housing ally resources located within the Figueroa Corridor. These organizations are essential to advocating for understanding of the issues of gentrification facing vulnerable populations and pushing for preventative and mitigating measures to protect those populations.

Educational services are sparsely distributed but represent necessary resources to the community and can also be helpful community partners in documenting effects of gentrification as they see changes in or impacts on student populations. Employment services are also lacking in the area but provide useful information on the economic challenges faced by vulnerable populations. Health services are the most abundant of mapped resources in the community. These are key resources that can provide accounts for changes in the health of the community population, the migration of patients in and out of the community, as well as any first-hand experiences of physical or mental health effects that have been shared by community residents as a result of the forces of neighborhood changes.

The distribution of community resources in the area should promote the need to preserve them as they exist to provide much needed neighborhood services, as well as they represent the
foundations of social and civic networks. These resources are vital to communities of vulnerable populations with their potential to document the challenges facing those populations and support advocacy to counteract the negative effects of gentrification.

Map 13. Community Resources in the Figueroa Corridor

Findings
Research on gentrification and related effects of displacement reveals that not all redevelopment is good for all people. As numerous major cities attempt to revitalize their urban centers and communities to attract growth of middle class families, higher incomes, and economic vitality, the consequent outcomes prove threatening to vulnerable populations. Gentrification and displacement need to be understood as at least correlated processes that impact vulnerable populations’ physical, social, and environmental health in addition to the positive outcomes that new residents will benefit from in the process.

Gentrification in Los Angeles is occurring in predictable parts of the city such as the downtown center and around universities. Yet, the gentrification and displacement indices reveal that these processes are also occurring in less obvious areas of the San Fernando Valley, Koreatown, and South Los Angeles. This depicts the widespread context in which the City’s diverse communities will be confronted with issues associated with gentrification. The neighborhoods identified are largely places where vulnerable populations reside. These populations include ethnic minorities, immigrants, elderly, low income households, persons with low educational attainment, high unemployment rates, and a high proportion of blue collar workers. Given the extent of
gentrification and the potential it has to displace significant populations, the City needs to assist local communities in adapting regulations and methods for redesigning controlling the process.

The analysis of housing and demographic data in this report reveals a significant increase in property values in the Figueroa Corridor and citywide from 2000 to 2008. This is combined with a decrease in vacancy rates and an increase in total population, the working population, and specifically the Caucasian population.

Noted in the literature reviews and supported by the mapping an analysis in this report, the relationship between gentrification and the housing market is no mystery as new development and redevelopment drive up land prices, attract new residents and make housing less and less affordable for specific populations. This forces many renters into the category of vulnerable populations as apartments are so readily converted to condos and luxury housing. However, the renter population has the largest potential of vulnerable populations to engage residents and create a unified force to advocate for rights and combat the negative effects of gentrification.

Unsurprisingly, with expensive prices of homes and scarcity of affordable housing, the renter population in the City of LA holds a majority over homeowners. Yet, renters are routinely prevented, discouraged, ignored or excluded from participating in setting policies and making decisions that directly affect their communities and their futures. There is an assumption that homeowners have an inherent right to control and direct development in their communities due to their vested interest paid through property taxes and home owners’ association fees. However, the investments of renters into the well-being and cohesion of their communities is significant and should not be overlooked or counted with less importance than those of a property owner. The renter population proves to be significant and relevant to displaying the negative impacts of gentrification as proof of the necessity to garner support and advocate for the rights of vulnerable populations.

**Recommendations**
Based on the literature reviews, mapping and data analysis, and findings of this report, the following recommendations are given to shed light on the gentrification and displacement issues and attempt to prevent or mitigate negative effects of these processes.

*Facilitate Agreement and Understanding of the Issue*
While gentrification has become a common term among urban centers across the nation, the actual process as it follows revitalization and redevelopment of communities at the expense of previously existing populations is not universally recognized. Particularly, the idea that gentrification results in specific negative outcomes including displacement, remains to be proven in many areas. Despite efforts such as this report to avoid having to prove theories but instead focus on measurable negative outcomes and potential solutions to the issue, a basic acceptance of a problem is necessary. Before community planners, developers, and policy makers can begin to deal with the effects of gentrification, there must be at least an agreement that there is a process of change taking place in vulnerable communities. There then needs to be a common understanding of the process and all its affects, positive and negative, as they relates to and will most likely impact pre-existing and vulnerable populations.
Support Quantitative and Qualitative Research
The limitations of this report reinforce the importance of qualitative research to support theories and conclusions being made about neighborhood changes that directly affect specific populations. Conducting surveys and interviews to gather first-hand data and testimonials to support research and statistical findings allows for the verification of theories around gentrification and displacement. Being able to document a community resident’s forced migration, severance of relationships, negative health outcomes or increased psychological stress as these effects relate to neighborhood conversion is invaluable to the research process. As SAJE continues to conduct neighborhood walks and interviews, the results should be analyzed to produce support to the findings of the administrative data such as population and ethnicity changes, increased household incomes, rising property values, and the aforementioned potential negative effects on vulnerable populations. The more voice personal and qualitative accounts can give to the persons most affected by the processes of gentrification and displacement, the stronger a case for change in these processes can be demanded to recognize and prevent negative effects.

Advocate for Community Benefits Agreements
SAJE and other community organizing groups have proven invaluable as a unifying force to demand equal and appropriate benefits from new community developments be put back into the existing community and residents. This can play out in multiple ways; allocating a certain percentage of new jobs and housing to existing residents, as well as maintaining the affordability of any new housing so that land values do not eventually push current residents out. The process of developing a Community Benefits Agreement can be worked out with universities, such as USC, in same way they have been in the past with other developers imposing projects on the community such as was done with the development of the Staples Center and LA LIVE. Along these lines, revitalization efforts need to include community input to ensure the community’s voice is heard and that existing residents will actually reap benefits. In combination with a Community Benefits Agreement, current residents should have first priority for new housing at controlled affordable prices.

Insist on Public Health Impacts & Social Impacts Assessments
As public health effects become more of a concern among public health and urban planning professionals, the review of health impacts are being implemented into more planning regulations. The idea is that similar to environmental impact reviews and assessments there should be an evaluation of the potential health effects of any proposed development. This would include the impacts on any health aspect from the physical changes in a neighborhood to any new elements that would affect not only the physical, but social and emotional health of residents. This should also mean conducting housing assessments to understand the potential for increased property values, a change in the social fabric of a community, rising household incomes, or an increase in white collar jobs, all of which may result in the displacement or at the least have subsequent impacts on the existing community residents and current housing conditions.

Develop and Broaden Housing Rights Advocacy
As seen in the findings of this report, the Figueroa Corridor is no outlier when it comes to the significance of the renter population in the City of Los Angeles. Renters make up a majority of
the population in the City and particularly in the Figueroa Corridor as compared to the population of homeowners. This fact supports the need for a unified voice for renters to advocate for rights to affordable and adequate housing. Renters should have appropriate representation in developing policy and planning for new housing units, as well as maintaining certain rights as a renter. The organization of renters into a cohesive group that can advocate for their needs will position the renter population to then demand public health impacts of new developments as they specifically relate to housing and health concerns.

**Encourage Community Partnerships and Involvement**

Utilizing existing community groups provides a trustworthy source for residents to confide in and get involved with community matters. Along with the idea of a consolidated effort to advocate for housing rights among the renter population, residents should also be encouraged to take leadership in community issues and actively participate in community processes and decision making. This will not only result in more vibrant social capital and awareness, but a sense of community ownership, investment and empowerment among residents. Participation leads to the ability of residents to directly affect policies in their neighborhoods and control potential impacts of new developments in order to maintain existing social and community cohesion.

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California Department of Health Services – Birth Records, Total Number of Births 2007.

California Tax Credit Data for Figueroa Corridor. Provided by SAJE, 2008.


Community Redevelopment Agency of Los Angeles, Low Income Housing Developments. Provided by SAJE, 2008.

Community Walks conducted by the Figueroa Corridor Community Land Trust, SAJE, and other members of the Figueroa Corridor Coalition for Economic Justice in the Estrella Neighborhood This data is shown in chart #9. (see Figueroa Corridor Community Land Trust, “Analysis of Survey Community vs. USC-related Use, Collected by Community Volunteers on March 1, 2008 Community Walk.

LA County Office of the Assessor – Land Use Data, 2007-2008

Grocery Store Data- Downloaded April, 2008 from the California Nutrition Network website http://www.cnngis.org/.
California Food Retailers, Downloadable Data, Published Jan 2008.

Housing allies resource points provided by SAJE, 2008.

NavTEQ, Inc. geographic map base technology.

PACMIS Data from the Los Angeles Police Department – violent crimes, gang-related crime 2007.

2-1-1 LA County Resource Data, 2008.
Appendix C: Status Report On Housing Affordability Analysis In The USC Nexus Study Area, And The LAHD Affordable Housing Addendum To The USC Nexus Study
February 17, 2012

Los Angeles City Council
c/o City Clerk’s Office
200 N. Spring Street, Room 395
Los Angeles, CA 90012

ATTN: PLUM Committee

Dear Honorable Members:

STATUS REPORT ON HOUSING AFFORDABILITY ANALYSIS IN THE USC NEXUS STUDY AREA

The Planning Department is currently in the process of creating and adopting the USC Specific Plan for the area bound by 30th Street and the alley south of 30th Street to the north, Jefferson Boulevard to the northeast, Exposition Boulevard to the south, Hoover Street and Flower Street to the east, and Vermont Avenue to the west, as well as a small area to the south of Exposition Boulevard and a second area to the east of the Harbor Freeway (I-110), adjacent to Jefferson Boulevard between Hope and Hill Streets. The USC Specific Plan will establish a land use regulatory framework for the physical development proposed in USC’s Master Plan.

The goal of the Specific Plan is to foster a unified vision that benefits both the University and the surrounding community. The Planning Department has prepared a Nexus Study for the larger community area surrounded by USC which is bounded by the following streets: Washington Blvd, to the north, Grand Avenue to the east, Normandie Avenue to the west and Vernon Avenue to the south. The Nexus Study analyzed affordable housing, open space and parks, parking, car-sharing opportunities and infrastructure needs within this study area surrounding the proposed specific plan area.

At its meeting on August 2, 2011 the PLUM committee directed staff to prepare a separate analysis on housing affordability in the Nexus Study Area. The purpose of the study was to specifically address the affordability of market rate housing in the Nexus Study Area in response to community concerns that lower income households are being displaced by USC students, who can afford to pay higher asking rents. The attached analysis addresses several socio-economic characteristics that impact a household’s ability to afford housing, and analyzes affordability for the Nexus Study Area households based on established income and rent guidelines, as well as a sample of current market rate rental units in the Nexus Study Area. In conjunction with the Department of City Planning, staff from the Los Angeles Housing
Department is preparing a separate analysis related to affordability covenants for low-income housing in the Nexus Study Area.

If you have questions, please get in touch with Faisal Roble or Debbie Lawrence of my staff at (213) 978-1168 or (213) 978-1163.

Sincerely,

ALAN BELL, AICP
Deputy Director of Planning

Attachments: USC Development Plan Nexus Study: Rental Housing Affordability in the Nexus Study Area

cc: Council Districts 1, 8, and 9
Background

The purpose of this analysis is to assess the affordability of market rate rental housing for residents located in the Nexus Study Area of the proposed USC Development Plan. USC-owned and affiliated housing on- and off-campus currently accommodates about 27.5 percent of the total student population but no faculty or staff. USC students, faculty and staff residing in rental units accounted for 23.1 percent of the local area’s private market rental housing supply (i.e., not including USC-owned and affiliated units) in 2009, according to the Nexus Study.

The Nexus Study stated that the proposed USC project is adding a substantial new supply of student and faculty housing stock on the USC campus that will result in the opening up and reduction of pricing in Nexus Study Area rental units that are currently occupied by USC students and faculty. However, some community groups believe that a large portion of the units in the Nexus Study Area will continue to be rented to USC students at a higher market rate, and displace those potential tenants who could otherwise rent the unit at a lower rate. According to the Nexus Study, only about 11.4 percent of the buildings in the local area are subject to the Rent Stabilization Ordinance, which leaves a large percentage of units not subject to market rate rental controls.

Data from the 2000 Census shows that both owner- and renter-occupied households in the Nexus Study Area reported paying a larger share of their income for housing costs than was the case for households in both the City and the County for that year. From 2005 to 2009, approximately 37 percent of renters in the Nexus Study Area were estimated to be paying in excess of 30 percent of household income for housing costs. This analysis addresses several socio-economic characteristics that impact a household’s ability to afford housing, and analyzes affordability for the area households based on a sample of current market rate rental units in the Nexus Study Area.

This report is organized into the following sections:

- Socio-economic Characteristics in the Nexus Study Area: Income, Educational Attainment and Labor Force
- Housing Affordability in the Nexus Study Area
- Market Rate Rental Housing in the Nexus Study Area

Methodology

Although there are many components that impact affordability, this assessment focuses on the annual household income compared to widely used income and monthly rental cost standards for housing affordability. Key characteristics that
determine rental housing affordability in addition to the rent amount include household income, household size, and the number of bedrooms in the rental unit. Socio-economic characteristics for the Nexus Study Area, including annual household income, educational attainment and labor force occupation, are presented. These characteristics are connected in the sense that they all impact one’s ability to afford housing. Detail information for each of the census tracts that comprise the Nexus Study area is also presented. This includes average household size, median household income, and median rent paid. Demographic Data is from the 2000 Census and from the American Communities Survey Data (ACS) from 2005 - 2009. Wage data is from the California Employment Development Department. Where appropriate, household income and wages are provided in constant dollars, to account for the effects of inflation (i.e. household income in 2009 dollars is expressed in 2011 dollars).

The concept of housing affordability is addressed in terms of housing costs as a percentage of household income. In general, the regulatory definition of “affordable housing” links family or household (not individual) incomes with household size or number of bedrooms per unit, and a maximum percentage of household income that should be devoted to housing costs. Rental housing is typically deemed to be “affordable” if costs (e.g., monthly rent and utilities) do not exceed 30 percent of household income. A sample of asking rents in the Nexus Study Area was obtained in late 2011 from a survey of 137 rental units on various rental websites. Using this sample, the annual household income required to afford the average unit was estimated based on the 30-percent guideline.

Geographies for Study

The “Nexus Study Area” is generally bounded by Washington Boulevard on the north, Vernon Avenue on the south, Main Street on the east and Normandie Avenue on the west. For purposes of the analysis, these boundaries have been approximated with 20 census tracts based on the 2000 Census that generally correspond to these boundary streets (map attached). The area is also approximated using the boundaries of ZIP Codes 90007 and 90037, which slightly crosses over the area to Slauson Avenue on the south.
Socio-economic Characteristics in the Nexus Study Area: Income, Educational Attainment and Labor Force

Median Annual Household Income

In the Nexus Study Area, the 2000 Census reported a median household income of $19,397. In 2008, the median household income was estimated at $23,423. The median household income in the Nexus Study Area was lower than the citywide median household income, which was $36,687 in 2000 and $48,882 in 2008.

Figure 1 – Annual Median Household Income

Source: HR&A Advisors, Inc. USC Nexus Study, July 2011.

Distribution of Annual Household Income

Table 1 shows the distribution (number of households by income range) of annual household income in the Nexus Study Area during 2000 and 2005 - 2009. Overall the percentage of households with annual household incomes of less than $35,000 decreased from 2000, from 74 percent to about 66 percent. However, more than two thirds of Nexus Study Area households were still earning less than $35,000 annually. In comparison to the City of Los Angeles, about 38 percent of households had annual household incomes of less than $35,000 from 2005 to 2009.
Table 1 – Distribution of Households by Annual Household Income, Nexus Study Area

<table>
<thead>
<tr>
<th>Household Income Range</th>
<th>2000</th>
<th>2005-2009</th>
<th>% of Total</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $10,000</td>
<td>6,049</td>
<td>4,019</td>
<td>29.0%</td>
<td>18.8%</td>
</tr>
<tr>
<td>$10,000 to $14,999</td>
<td>2,590</td>
<td>3,080</td>
<td>12.4%</td>
<td>14.4%</td>
</tr>
<tr>
<td>$15,000 to $24,999</td>
<td>3,900</td>
<td>4,179</td>
<td>18.7%</td>
<td>19.6%</td>
</tr>
<tr>
<td>$25,000 to $34,999</td>
<td>2,918</td>
<td>2,723</td>
<td>14.0%</td>
<td>12.7%</td>
</tr>
<tr>
<td>$35,000 to $49,999</td>
<td>2,419</td>
<td>2,802</td>
<td>11.6%</td>
<td>13.1%</td>
</tr>
<tr>
<td>$50,000 to $74,999</td>
<td>1,581</td>
<td>2,691</td>
<td>7.6%</td>
<td>12.6%</td>
</tr>
<tr>
<td>$75,000 to $99,999</td>
<td>772</td>
<td>1,008</td>
<td>3.7%</td>
<td>4.7%</td>
</tr>
<tr>
<td>$100,000 or more</td>
<td>606</td>
<td>872</td>
<td>2.9%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Total</td>
<td>20,835</td>
<td>21,374</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

% Less than $35,000: 74.2% 65.5%


Educational Attainment

Educational attainment is an important socio-economic characteristic, since higher-wage jobs are generally associated with the completion of college education, or at a minimum, high school. Table 2 shows the educational attainment levels of the population age 18 and older in the Nexus Study Area in 2000 and 2005-2009. As shown, overall, the educational attainment of residents increased during this time period. The number of residents with no high school diploma decreased, from 60 percent to 52 percent. Additionally, the number of residents with some level of college education increased, even if only slightly.

Table 2 – Educational Attainment in the Nexus Study Area, Population 18 Years of Age and Older

<table>
<thead>
<tr>
<th>Educational Attainment (highest level)</th>
<th>2000</th>
<th>2005-09</th>
<th>% of Total</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No High School Diploma</td>
<td>22,831</td>
<td>20,089</td>
<td>60%</td>
<td>52%</td>
</tr>
<tr>
<td>High school graduate</td>
<td>5,715</td>
<td>8,192</td>
<td>15%</td>
<td>21%</td>
</tr>
<tr>
<td>Some college no degree</td>
<td>4,604</td>
<td>4,806</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Associate degree</td>
<td>1,315</td>
<td>1,410</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>2,046</td>
<td>2,733</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Post-Grad or Prof. Degree</td>
<td>1,797</td>
<td>1,631</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Total</td>
<td>38,308</td>
<td>38,841</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

As shown in Table 3, when compared to the City of Los Angeles from 2005 - 2009, educational attainment in the Nexus Study Area was lower. About twice as many (52 percent) of the residents of the Nexus Study Area had not received a high school diploma when compared to the City as a whole (26 percent).

Table 3 – Educational Attainment, 2005-09

<table>
<thead>
<tr>
<th>Educational Attainment (highest level)</th>
<th>Nexus Study Area</th>
<th>% of Total</th>
<th>City of Los Angeles</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No High School Diploma</td>
<td>20,069</td>
<td>52%</td>
<td>647,603</td>
<td>26%</td>
</tr>
<tr>
<td>High school graduate</td>
<td>8,192</td>
<td>21%</td>
<td>473,917</td>
<td>19%</td>
</tr>
<tr>
<td>Some college no degree</td>
<td>4,806</td>
<td>12%</td>
<td>454,067</td>
<td>18%</td>
</tr>
<tr>
<td>Associate degree</td>
<td>1,410</td>
<td>4%</td>
<td>143,912</td>
<td>6%</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>2,733</td>
<td>7%</td>
<td>506,173</td>
<td>20%</td>
</tr>
<tr>
<td>Post-Grad or Prof. Degree</td>
<td>1,631</td>
<td>4%</td>
<td>255,588</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38,841</strong></td>
<td><strong>100%</strong></td>
<td><strong>2,481,240</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>


Labor Force and Wages

The housing industry and all levels of government define affordable housing based on the combined income of everyone living in a household. This is a key concept, and sometimes overlooked by studies of this type, which may focus just on the wages earned by an individual worker. Most people live in households with more than one adult worker, each earning an income from their work and sharing costs. Thus, the key to measuring how much a household can afford to pay for housing is the combined income of all workers in the household. The wages shown below are for an individual worker, and thus cannot be used alone to assess housing affordability. However, as stated previously, it is an important socio-economic indicator of the ability to afford housing.

Table 4 shows the Nexus Study Area labor force composition based on 2000 Census data with estimated annual wages. Comparable data for a more recent time period was not available for the Nexus Study Area. The labor force represents those workers who reside in the Nexus Study Area -- the job of a worker may be located elsewhere. As shown, most of the Nexus Study Area labor force in 2000 was employed in Educational Services and Manufacturing occupations, with estimated average annual salaries of $29,565 and $37,689, respectively. Overall, the estimated annual salary was $42,302.
The term “Housing Affordability” is commonly used by policy-makers to describe the relationship between household income and the percent of income spent for housing costs. In general, housing analysts consider 30 percent of household income as the maximum amount that should be spent on housing costs; if a higher percent of income is spent on housing, the result is considered unaffordable. For rental units, housing costs include rent plus utilities, not including phone service. The key variables addressed here that determine a household’s ability to afford rental housing include:

- Annual household income
- Monthly rent amount
- Size of household (persons per household)
- Number of bedrooms in rental unit
Annual Household Income Limits for Affordability

For purposes of developing many affordable housing financing programs, certain household income limits are set each year by the U.S. Department of Housing and Urban Development (HUD) for every county in the U.S. This benchmark is then used by HUD and the California Department of Housing and Community Development (HCD) to generate the limits for extremely low, very low, low, and moderate levels of household income for each county. These limits apply to designated housing assistance programs and are used to determine applicant eligibility based on household size and income and calculate affordable housing cost based on county 4-person area median income as specified in Health & Safety Code Sections (H&SC) 50052.5 and 50053. The income limits shown in Table 5 are for a 4-person household in 2011, and are based on currently effective median income of Los Angeles County. The income standards range from $25,600 for an extremely low income household to $76,800 for a moderate income household.

Rental Cost Limits for Affordability

As with affordable household income, there are schedules of “maximum affordable” rents that are applicable to various Federal housing programs, State programs and California Redevelopment Law. The maximum affordable gross monthly rents vary by bedrooms per unit and income category. The amounts for 2011 are shown in Table 5 by number of bedrooms for a 4-person household. As illustrated, extremely low income 4-person households can afford rents of no more than $336 to $518 per month, depending on the number of bedrooms.

<table>
<thead>
<tr>
<th>Category</th>
<th>4-person Household Income Standard</th>
<th># of Bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4-person Household Income Standard</td>
<td>- 1 2 3 4</td>
</tr>
<tr>
<td>Extremely Low</td>
<td>$25,600</td>
<td>$336 $384 $432 $480 $518</td>
</tr>
<tr>
<td>Very Low</td>
<td>$42,700</td>
<td>$560 $640 $720 $800 $864</td>
</tr>
<tr>
<td>Lower</td>
<td>$68,300</td>
<td>$672 $768 $864 $960 $1,037</td>
</tr>
<tr>
<td>Moderate</td>
<td>$76,800</td>
<td>$1,232 $1,408 $1,584 $1,760 $1,900</td>
</tr>
</tbody>
</table>

Source: California Department of Housing and Community Development operative as of June 23, 2011.
Annual Household Income in the Nexus Study Area by Census Tract

Data by census tract during 2005-2009 is shown in Table 6. In order to compare the data with the income standards for Los Angeles County during 2011 (shown previously in Table 5), the median income has been adjusted for inflation and shown in 2011 dollars. As indicated, all of the households in these census tracts are either in the very low or extremely low income categories based on average household size and median income. The median income in 2011 ranged from $8,368 for census tract 231100 to $32,830 for census tract 222100. In comparison, the median income in 2011 for the City of Los Angeles was $50,685 and average household size was about 2.84 persons per household.

Table 6 – Annual Median Household Income and Income Eligibility Category by Census Tract

<table>
<thead>
<tr>
<th>Census Tract</th>
<th>Number of Households</th>
<th>Average HH Size</th>
<th>Median Household Income (2011 dollars)</th>
<th>Income Eligibility Category</th>
<th>Income Standard (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>221600</td>
<td>1,332</td>
<td>n/a</td>
<td>$32,625</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>221710</td>
<td>1,388</td>
<td>3.06</td>
<td>$24,649</td>
<td>Very Low</td>
<td>$38,450</td>
</tr>
<tr>
<td>221810</td>
<td>885</td>
<td>2.78</td>
<td>$17,139</td>
<td>Extremely Low</td>
<td>$23,050</td>
</tr>
<tr>
<td>221820</td>
<td>939</td>
<td>2.49</td>
<td>$14,323</td>
<td>Extremely Low</td>
<td>$23,050</td>
</tr>
<tr>
<td>221900</td>
<td>975</td>
<td>2.62</td>
<td>$11,633</td>
<td>Extremely Low</td>
<td>$23,050</td>
</tr>
<tr>
<td>222100</td>
<td>1,072</td>
<td>3.52</td>
<td>$32,830</td>
<td>Very Low</td>
<td>$42,700</td>
</tr>
<tr>
<td>222200</td>
<td>1,065</td>
<td>3.33</td>
<td>$28,062</td>
<td>Very Low</td>
<td>$38,450</td>
</tr>
<tr>
<td>222600</td>
<td>1,537</td>
<td>3.29</td>
<td>$25,028</td>
<td>Very Low</td>
<td>$38,450</td>
</tr>
<tr>
<td>224020</td>
<td>559</td>
<td>2.91</td>
<td>$11,305</td>
<td>Extremely Low</td>
<td>$23,050</td>
</tr>
<tr>
<td>224410</td>
<td>934</td>
<td>2.90</td>
<td>$25,902</td>
<td>Very Low</td>
<td>$38,450</td>
</tr>
<tr>
<td>224420</td>
<td>654</td>
<td>2.96</td>
<td>$26,088</td>
<td>Very Low</td>
<td>$38,450</td>
</tr>
<tr>
<td>224600</td>
<td>874</td>
<td>4.15</td>
<td>$23,271</td>
<td>Extremely Low</td>
<td>$25,600</td>
</tr>
<tr>
<td>224700</td>
<td>542</td>
<td>2.16</td>
<td>$30,138</td>
<td>Very Low</td>
<td>$34,200</td>
</tr>
<tr>
<td>231100</td>
<td>460</td>
<td>3.88</td>
<td>$8,368</td>
<td>Extremely Low</td>
<td>$25,600</td>
</tr>
<tr>
<td>231210</td>
<td>1,072</td>
<td>3.56</td>
<td>$15,882</td>
<td>Extremely Low</td>
<td>$25,600</td>
</tr>
<tr>
<td>231220</td>
<td>1,097</td>
<td>3.53</td>
<td>$27,164</td>
<td>Very Low</td>
<td>$42,700</td>
</tr>
<tr>
<td>231600</td>
<td>1,922</td>
<td>3.64</td>
<td>$27,563</td>
<td>Very Low</td>
<td>$42,700</td>
</tr>
<tr>
<td>231710</td>
<td>1,234</td>
<td>3.72</td>
<td>$22,040</td>
<td>Extremely Low</td>
<td>$25,600</td>
</tr>
<tr>
<td>231720</td>
<td>1,255</td>
<td>3.58</td>
<td>$31,084</td>
<td>Very Low</td>
<td>$42,700</td>
</tr>
<tr>
<td>231800</td>
<td>1,545</td>
<td>4.06</td>
<td>$24,282</td>
<td>Extremely Low</td>
<td>$25,600</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15,137</strong></td>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Income standard based on 4-persons per household. Household size is rounded.


Consumer Price Index, all urban customers 2009-2011: 1.0435
Rent Paid in the Nexus Study Area by Census Tract

Table 7 shows the median gross rent paid during 2005-2009 for the Nexus Study Area census tracts. It is also shown as a percentage of annual household income. In order to compare the data with the household income in 2011 dollars, the median gross rent paid has been adjusted for inflation and also shown in 2011 dollars. As indicated, the median gross rent in all of the census tracts was 30 percent or more of the median household income. The median monthly rent paid ranged from $685 in census tract 224020 to $1,145 in census tract 221820.

**NOTE: the household income and rent are reported as the points in the middle, meaning that half of the households would have amounts above, and half would have amounts below that point.**

<table>
<thead>
<tr>
<th>Census Tract</th>
<th>Number of Households</th>
<th>Average HH Size</th>
<th>Median Household Income (2011 dollars)</th>
<th>Median Monthly Gross Rent (2011 dollars)</th>
<th>Annual Rent as % of Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>221600</td>
<td>1,332</td>
<td>n/a</td>
<td>$32,625</td>
<td>$762</td>
<td>n/a</td>
</tr>
<tr>
<td>221710</td>
<td>1,388</td>
<td>3.06</td>
<td>$24,649</td>
<td>$773</td>
<td>38%</td>
</tr>
<tr>
<td>221810</td>
<td>885</td>
<td>2.78</td>
<td>$17,139</td>
<td>$837</td>
<td>59%</td>
</tr>
<tr>
<td>221820</td>
<td>939</td>
<td>2.49</td>
<td>$14,323</td>
<td>$1,145</td>
<td>96%</td>
</tr>
<tr>
<td>221900</td>
<td>975</td>
<td>2.62</td>
<td>$11,633</td>
<td>$961</td>
<td>99%</td>
</tr>
<tr>
<td>222100</td>
<td>1,072</td>
<td>3.52</td>
<td>$32,830</td>
<td>$916</td>
<td>33%</td>
</tr>
<tr>
<td>222200</td>
<td>1,065</td>
<td>3.33</td>
<td>$28,062</td>
<td>$775</td>
<td>33%</td>
</tr>
<tr>
<td>222600</td>
<td>1,537</td>
<td>3.29</td>
<td>$25,028</td>
<td>$902</td>
<td>43%</td>
</tr>
<tr>
<td>224020</td>
<td>559</td>
<td>2.91</td>
<td>$11,305</td>
<td>$685</td>
<td>73%</td>
</tr>
<tr>
<td>224410</td>
<td>934</td>
<td>2.90</td>
<td>$25,902</td>
<td>$958</td>
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<tr>
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<td>$26,088</td>
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<tr>
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<tr>
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<tr>
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</tr>
<tr>
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<td>$16,882</td>
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<tr>
<td>231220</td>
<td>1,097</td>
<td>3.53</td>
<td>$27,164</td>
<td>$841</td>
<td>37%</td>
</tr>
<tr>
<td>231600</td>
<td>1,922</td>
<td>3.64</td>
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<td>$797</td>
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</tr>
<tr>
<td>231710</td>
<td>1,234</td>
<td>3.72</td>
<td>$22,040</td>
<td>$831</td>
<td>45%</td>
</tr>
<tr>
<td>231720</td>
<td>1,255</td>
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<td>$31,084</td>
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</tr>
<tr>
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<tr>
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<td></td>
<td></td>
<td>15,137</td>
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Consumer Price Index, all urban customers 2009-2011: 1.0435
Market Rate Rental Housing in the Nexus Study Area

Asking Rents in the Nexus Study Area in 2011

In order to get a more current assessment of rental housing costs in the Nexus Study Area, a sample of asking market rents was obtained in late 2011 for zip codes 90007 and 90037 using local rental websites. It is important to mention that this sample represents asking rent and not contract rent, or the amount actually paid. The data by zip code and number of bedrooms is shown in Table 8. The monthly asking rents for the units in the sample range from a low of $600 to a high of $6,000 in zip code 90007, and from $569 to $2,395 in zip code 90037. Overall, rents are less in zip code 90037 (south of Exposition Boulevard) than in zip code 90007.

Table 8 – Estimated Rental Ranges in the Nexus Study Area, by Zip Code

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<th>Unit Size</th>
<th>Units</th>
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<td>Rent/Month</td>
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</tr>
<tr>
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<td>1-bedroom</td>
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<td>14</td>
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<tr>
<td>88</td>
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<tr>
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</tr>
<tr>
<td>Total</td>
<td>137</td>
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</table>

As shown in Figure 2, the average rent for a 1-bedroom unit in the Nexus Study Area was $1,176 and the average rent for 5-bedroom unit was about $3,733.

**Figure 2 – Average Monthly Rent in the Nexus Study Area by Unit Size**

Source: see Table 8.

**Affordability of Market Rate Rental Units for Households in the Nexus Study Area**

As a benchmark, Figure 3 shows the percentage of units by number of bedrooms that would be affordable to lower income households. About 19 percent of the 1-bedroom units in the sample would be affordable to lower income households, while only 5 percent of the 2-bedroom units would be affordable. As shown previously in Table 5, low income 4-person households can afford rents of no more than $768 to $1,037 per month, depending on the number of bedrooms.

The median household income for the census tracts that comprise the Nexus Study Area falls within the extremely low and very low income categories. According to the income standards, extremely low income 4-person households can afford rents of no more than $336 to $518 per month, depending on the number of bedrooms, and very low income households can afford rents of no more than $560 to $864 per month.
**Figure 3 - Percent of 1-, 2-, 3- and 4-Bedroom Units at Affordable Rent for Lower Income Households**

Source: see Table 8.

**Income Required for Affordability of Market Rate Rental Units in the Nexus Area**

Table 9 shows the estimated annual household income required to afford the average rent of a unit in the Nexus Study Area, based on the assumption that annual housing rent expenditures should comprise no more than 30 percent of the annual household income. At an average rent of $1,504 for a 2-bedroom, an income of at least $60,000 annually would be required for the unit to be affordable. Since the households within the Nexus Study Area census tracts are within the extremely low- and very low-income categories, the average rent for units in the sample would not be affordable to these households. However, the data being used for analysis is limited to medians and averages, meaning that a portion of the rental inventory would be priced below these levels and could be affordable to some of the households.

**Table 9 – Annual Income Required for Rental Housing Affordability, Nexus Area**

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Units</th>
<th>Monthly Rent</th>
<th>Annual Income Required (1)</th>
</tr>
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<tbody>
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<td>$600</td>
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<td>43</td>
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<td>6-bedroom</td>
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<td>$2,800</td>
<td>$6,000</td>
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</tbody>
</table>

(1) This assumes that on average 30 percent of household income is spent on rent.
USC Development Plan Nexus Study: Rental Housing Affordability in the Nexus Study Area

Figure A-2
Overlay of Census Tract Boundaries and Nexus Study Area
Detail Listing of Sample Units Available for Rent
(Obtained for Zip Codes 90007 and 90037 in November 2011)

<table>
<thead>
<tr>
<th>ZIP code</th>
<th>Apartment type</th>
<th>Rent asked Low</th>
<th>Rent asked High</th>
<th>Rent/Month</th>
<th>Maximum rent for 4-person Lower Income Household</th>
<th>% of Sample &lt; or = to Max. Affordable</th>
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<tbody>
<tr>
<td>90007</td>
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<td>600</td>
<td>1750</td>
<td>$672</td>
<td>50.0%</td>
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<td>studio</td>
<td>675</td>
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<td></td>
<td></td>
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<tr>
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## Rental Housing Affordability in the Nexus Study Area

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<th>Rental Range</th>
<th>Maximum Rent for 4-person Lower Income Household</th>
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### USC Development Plan Nexus Study: Rental Housing Affordability in the Nexus Study Area

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<th>Apartment type</th>
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<th>Low</th>
<th>High</th>
<th>Maximum rent for 4-person Lower Income Household</th>
<th>% of Sample ≤ or = to Max. Affordable</th>
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<td>5850</td>
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### Rental Housing Affordability in the Nexus Study Area

<table>
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<tr>
<th>ZIP code</th>
<th>Apartment type</th>
<th>Rent asked</th>
<th>Rental Range</th>
<th>Maximum rent for 4-person Lower Income Household</th>
<th>% of Sample &lt; or = to Max. Affordable</th>
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COMMITTEE TRANSMITTAL: AFFORDABLE HOUSING ADDENDUM TO REPORT BACK RELATIVE TO THE UNIVERSITY OF SOUTHERN CALIFORNIA (USC) DEVELOPMENT AGREEMENT NEXUS STUDY

SUMMARY

The Los Angeles Housing Department submits the attached addendum to the USC Development Agreement Nexus Study in direct response to the Planning and Land Use Management Committee’s (PLUM) request for additional information. This addendum serves to inform the overarching USC Development Plan approval process. Specifically, the LAHD submits qualitative and quantitative information to provide a more detailed picture of 1) the area’s stock of affordable housing, 2) the physical state of the area’s multi-family stock of housing, 3) a snapshot of the effects of ongoing foreclosures in the areas, and 4) an overview of the City’s investment in the creation of affordable housing through the Affordable Housing Trust Fund.

RECOMMENDATION

LAHD recommends that the PLUM committee consider the data and discussion contained in the attached addendum.
BACKGROUND

The City is in the process of reviewing the USC Development Plan. The University of Southern California and its growth will have critical immediate and far-reaching effects on the area's physical look and feel, as well as apply pressure to the area's growing needs for services and amenities. Housing needs, in particular, and its implications on the USC area and its surrounding community, are only one in a longer list of critical discussions that must be had. More specifically, the tenure and condition of the multi-family stock in the USC area must be considered as the City moves forward in the approval of the USC Development Plan.

FISCAL IMPACT STATEMENT

There will be no impact on the General Fund.
BACKGROUND

On November 1, 2011, the Planning and Land Use Management Committee (PLUM) instructed the Department of City Planning (DCP) to work with the Los Angeles Housing Department (LAHD) regarding the shortage of affordable housing and other housing needs in the USC study area. As a result, the LAHD has put together a housing supply profile in the USC Study area using unique LAHD proprietary data. Rich data regarding the substandard conditions of housing in the area is central to the analysis because of the economic effect it likely has in neighborhood property value(s) as well as in the habitability conditions for tenants in the area.

This report to the PLUM Committee is geared towards providing a basic quantitative analysis on the rental housing supply characteristics in the USC Study Area. For the purposes of this report, the USC study area includes twenty census tracts that intersect what is defined as the USC Nexus Study area, not including tract 222700, which contains the USC campus. The analysis uses a combination of publicly-available data and a variety of proprietary LAHD data to give an overview of the multi-family housing context. Specifically, this report will look at: (1) substandard housing conditions as indicated by LAHD-created data collection, (2) the at-risk affordable housing counts in the area, (3) the RSO property and unit counts in the area, (4) the impact of the prevalence and incidence of foreclosures in the area, and (5) a snapshot of the City’s investment in creating affordable housing through the LAHD’s Affordable Housing Trust Fund.

This analysis is intended to supplement the USC Nexus study report as well as respond to comments received at the PLUM nexus study update meeting on August 2, 2011.

Single-family and Multi-family Property and Unit Count in the USC Study Area

The universe of residential property and unit counts presented in the USC Study Analysis is a hybrid data set containing LAHD and LUPAMS data. The Land Use Planning and Management Systems (LUPAMS) data does not distinguish between uses; for some APNs the unit counts may reflect a mix of residential and commercial uses. The LAHD data housing count provides a more accurate number of multi-family properties because the LUPAMS numbers are verified by code enforcement inspectors on the ground during SCEP inspections. For this hybrid data set, when LAHD property or unit counts totaled zero, LUPAMS data was cross referenced to depict a more accurate representation of the property and unit information. In effect, a custom, hybridized data set was created and is continuously updated and analyzed to improve accuracy in calculating (multi-family) housing unit numbers in the USC Study Area. Table 1 below shows the results of the hybridized data set.
TABLE 1: USC Study Area Housing Counts (Single and Multi-family)

<table>
<thead>
<tr>
<th>Census Tracts</th>
<th>Properties</th>
<th>Units</th>
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<tbody>
<tr>
<td>221600</td>
<td>559</td>
<td>1417</td>
</tr>
<tr>
<td>221710</td>
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<td>174</td>
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<td>25,114</td>
</tr>
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</table>

Figure 1 below depicts the USC 20 USC Study Area census tracts analyzed in this report, with a Council District Overlay to show jurisdictional boundaries that may be helpful when making decisions.
1. Substandard Housing Conditions

In the Nexus Study, the non-scientific survey conducted by Enterprise Community Partners notes that students generally indicated "...the quality of private market housing available to the non-student community was generally poor, and more expensive, due to a preference by some landlords to favor students as tenants over non-students."  

The following discussion sections present an analysis of properties in substandard conditions, as cited by the LAHD, using two different measurements. Specifically, this report reviews the number of properties that received low scores according to the Reliable Information to Score Effectively (RISE) rating system used in the Systematic Code Enforcement (SCEP) Cycle II (2006-2009), as well as data related to properties subject to the Rent Escrow Account Program (REAP).

Reliable Information to Score Effectively (RISE)

The City of Los Angeles inspects all properties containing two or more units, regardless of when they were built, to ensure that these units are in compliance with building, health and habitability codes and standards. All multi-family properties in the City of Los Angeles are inspected on a four-year cycle. The RISE score analysis below (See TABLE 3) is derived from inspection data gathered during SCEP Cycle II, which occurred between 2006 and 2009.

According to the Los Angeles Municipal Code, properties subject to SCEP must meet the following conditions, in pertinent part:

- All residential rental properties with two or more dwelling units, efficiency dwelling units, light housekeeping rooms, guest rooms and suites, as these terms are defined in Section 12.03 of this Code, where one or more of these units are rented or offered for rent on the same lot, land, buildings and structures relating to or belonging to said buildings. A unit is inspected on a four-year cycle or in response to a property violation complaint.

- Mobilehomes, condos (not for rent), single-family homes, hotels and vacant properties are NOT (emphasis added) subject to SCEP.

During the inspection process, inspectors take note of building code violations per unit. Based on the number and severity of the violations, inspectors assign each multi-family property a score between one and ten. A score on the low end of the scale indicates an inhospitable and potentially uninhabitable set of living conditions. Properties with low rise scores reflect many of the characteristics of properties in the Rent Escrow Account Program (REAP). As such, properties with low RISE scores are also highly susceptible to referral to the Rent Escrow Account Program (See discussion below). A look at the prevalence of low-scoring RISE properties/units can give a window into the concentration of low-quality housing at risk of lapsing into REAP.
A RISE score is considered low when a property scores a 6 or below. Properties start with a base score of 10, where points are deducted based on the following scale:

**TABLE 2: RISE Score Sheet**

| 1. Case takes over 120 days for compliance | -1 |
| 2. Number of violations is over 5 per unit | -1 |
| 3. Case is referred to enforcement | -1 |
| 4. Property had more than 3 valid complaints | -1 |
| 5. Case required a GM hearing | -1 |
| 6. Property was issued a substandard order | -3 |

With this in mind, **TABLE 3** below shows the number of properties (by Census Tract) in the USC Study Area with low RISE scores. Properties that received a Low RISE score in the USC Study Area for SCEP Cycle II (2006-2009).

**TABLE 3: Low RISE Score By Census Tract**

<table>
<thead>
<tr>
<th>Census Tract</th>
<th>Property Count</th>
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<td>6</td>
</tr>
<tr>
<td>221710</td>
<td>12</td>
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<tr>
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<td>3</td>
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<td>221820</td>
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<td>17</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>216</strong></td>
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</tbody>
</table>
As it relates to units, TABLE 4 below indicates that there are nearly 1,000 units in properties with low RISE scores in the USC Study Areas. Additionally, while there are about twice as many properties with low RISE scores that are smaller in total unit size, more of the units found in low-scoring RISE properties are in properties with five or more units. This finding indicates that efforts to address properties with low RISE scores may benefit from a targeting of resources to larger-unit properties; more units may be mitigated with a concentrated and targeted set of efforts.

<table>
<thead>
<tr>
<th>Number of Units</th>
<th>Properties</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two to Four Units</td>
<td>145</td>
<td>421</td>
</tr>
<tr>
<td>Five or More Units</td>
<td>71</td>
<td>571</td>
</tr>
<tr>
<td>Total</td>
<td>216</td>
<td>992</td>
</tr>
</tbody>
</table>

City of Los Angeles Housing Department Rent Escrow Account Program (REAP)

The Rent Escrow Account Program is an enforcement tool to encourage landlords to maintain their properties and to bring properties that have existing violations into compliance. REAP is a voluntary tenant participation program to correct code violations that make their individual units habitable.

In order for a property to be referred to the REAP program the following is required:

1. The building or unit(s) was subject to one or more Notices to Comply, or Notice of Substandard Conditions.²

2. The elapsing of the period allowed by the Notice to Comply, including any extensions.³

3. The cited violation affects on the health and safety of the occupants as determined at the LAHD General Manager hearing (the landlord can appeal hearing officer decisions to the Rent Adjustment Commission).

As of January 31, 2012, the following tables (TABLES 5 and 6) list properties that have been referred to the REAP in the USC Study Area by property tenure and census tract, respectively.

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² These notices are provided either through the regular SCEP cycle inspection of the unit/property or through a SCEP response to a complaint.
³ This period of time can vary by violation.
USC Development Agreement - Nexus Study: Housing Supply Characteristics
Prepared by the Los Angeles Housing Department

While REAP status is determined on a unit-by-unit basis, TABLE 5 below indicates that roughly 75 percent of units in a property referred to REAP are in substandard condition. The trend that REAP-referred properties contain a majority of total units to be uninhabitable illustrates the need for systemic structural repairs, on a property-wide basis, to be made to help bring each unit into compliance.

<table>
<thead>
<tr>
<th>Properties</th>
<th>Total Units (In Property)</th>
<th>Units in REAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two to Four Units</td>
<td>45</td>
<td>157</td>
</tr>
<tr>
<td>Five or more units</td>
<td>23</td>
<td>126</td>
</tr>
<tr>
<td>Total</td>
<td>73</td>
<td>283</td>
</tr>
</tbody>
</table>

The number of REAP properties, per census tract, ranges from a low of zero to a high of 11 properties per census tract. The map depicting REAP properties in the USC Study Area shows that the census tracts with the highest concentrations of REAP properties are located immediately south of the USC Specific Plan Area.

<table>
<thead>
<tr>
<th>Census Tract</th>
<th>REAP Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>221600</td>
<td>4</td>
</tr>
<tr>
<td>221710</td>
<td>5</td>
</tr>
<tr>
<td>221810</td>
<td>1</td>
</tr>
<tr>
<td>221820</td>
<td>0</td>
</tr>
<tr>
<td>221900</td>
<td>0</td>
</tr>
<tr>
<td>222100</td>
<td>8</td>
</tr>
<tr>
<td>222200</td>
<td>1</td>
</tr>
<tr>
<td>222600</td>
<td>7</td>
</tr>
<tr>
<td>224020</td>
<td>2</td>
</tr>
<tr>
<td>224410</td>
<td>0</td>
</tr>
<tr>
<td>224420</td>
<td>3</td>
</tr>
<tr>
<td>224600</td>
<td>6</td>
</tr>
<tr>
<td>224700</td>
<td>0</td>
</tr>
<tr>
<td>231100</td>
<td>0</td>
</tr>
<tr>
<td>231210</td>
<td>8</td>
</tr>
<tr>
<td>231220</td>
<td>3</td>
</tr>
<tr>
<td>231600</td>
<td>7</td>
</tr>
<tr>
<td>231710</td>
<td>11</td>
</tr>
<tr>
<td>231720</td>
<td>3</td>
</tr>
<tr>
<td>231800</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>73</td>
</tr>
</tbody>
</table>
Additionally, a review of the area's RISE and REAP profile showed that the average score for RISE properties in the lower end of the scoring spectrum is a score of 5. Also, the median age of REAP properties in the area is just under 100 years old (97 years).

The map below shows the scatter of REAP properties in the USC Study Area. Similarly, the map below also shows that, in the census blocks just southwest of the USC Specific Plan Area – particularly just south of the Metro Expo Line - you have the highest concentration REAP properties as well as number of properties with low RISE scores per census block. Census blocks shaded in pink, goldenrod and red have anywhere from two to five properties with a low RISE score (i.e., a score of 0 to 6). In sum, the area southwest of the USC Specific Plan Area is particularly vulnerable, with the highest concentration of housing stock that is either already in REAP, or likely to fall into REAP.
2. At-Risk Affordable Housing

The Affordable Housing Database (AHD) is comprised of housing units that are assisted and or rent-restricted by various federal, state and local sources, as well as units that received non-monetary assistance, such as City land use concessions. This inventory also includes public housing sites managed/owned by the Housing Authority of the City of Los Angeles.

Similarly, the LAHD tracks a subset of its affordable housing stock that is at risk of expiring. An "at-risk" property is identified as such when its primary source of funding (often only one in an array of funding sources) is expected to expire or terminate in the ensuing 5 years. A majority of the properties tracked through this inventory have multiple sources of funding and rental subsidies (e.g. up to five varying sources). However, ONLY their primary, most restrictive source of affordability is accounted for in the at-risk count. Housing developments include new construction, preservation transactions and rehabilitation with affordability restrictions that have been placed in service.

Table 7 below is a summary of the all units with expiring affordability restrictions in the USC Study Area within the next 20 years.

<table>
<thead>
<tr>
<th>Census Tract</th>
<th>Properties Expiring in the Next 5 years (2012-2016)</th>
<th>Units Expiring in the Next 5 years (2012-2016)</th>
<th>Properties Expiring in the Next 6-20 years (2017-2032)</th>
<th>Units Expiring in the Next 6-20 years (2017-2032)</th>
</tr>
</thead>
<tbody>
<tr>
<td>221600</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>221710</td>
<td>5</td>
<td>71</td>
<td>3</td>
<td>138</td>
</tr>
<tr>
<td>221810</td>
<td>4</td>
<td>115</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>221820</td>
<td>1</td>
<td>12</td>
<td>2</td>
<td>22</td>
</tr>
<tr>
<td>221900</td>
<td>1</td>
<td>151</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>222100</td>
<td>3</td>
<td>151</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>222200</td>
<td>7</td>
<td>124</td>
<td>2</td>
<td>18</td>
</tr>
<tr>
<td>222600</td>
<td>3</td>
<td>112</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>224020</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>224410</td>
<td>3</td>
<td>48</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>224420</td>
<td>1</td>
<td>105</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>224600</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>224700</td>
<td>3</td>
<td>169</td>
<td>2</td>
<td>144</td>
</tr>
<tr>
<td>231100</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>231210</td>
<td>1</td>
<td>45</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>231220</td>
<td>5</td>
<td>70</td>
<td>1</td>
<td>22</td>
</tr>
<tr>
<td>231600</td>
<td>2</td>
<td>64</td>
<td>2</td>
<td>23</td>
</tr>
<tr>
<td>231710</td>
<td>1</td>
<td>10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>231720</td>
<td>1</td>
<td>24</td>
<td>1</td>
<td>96</td>
</tr>
<tr>
<td>231800</td>
<td>2</td>
<td>25</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>1,299</td>
<td>15</td>
<td>488</td>
</tr>
</tbody>
</table>
The at-risk affordable housing stock containing affordability restrictions that are set to expire in the next 5 years comprises 75% of the total properties expiring in the next 20 years. This at-risk stock comprises 37% of the affordable housing expiring within the next 51 years in the USC Study Area.

The 1,299 at-risk affordable housing units comprise 5% of the total housing stock (25,114 Units) in the USC Study Area. This is a significant potential loss of affordable housing in the next 5 years. Of the small inventory of affordable housing that currently exists in the USC Study Area, a majority has the potential of being lost in the next 5 years, further reducing the availability of affordable housing in the area.

The nearly 1,300 housing units with affordability restrictions set to expire in the next five years; house families and individuals with household incomes earning as little as 30 percent of the area median income to up to 80 percent of the area median income. In the ensuing 20 years almost 500 additional restricted units are set to lose their affordability restrictions.

The figure below shows a general concentration of the at-risk properties, just northwest of the USC Specific Plan. Similarly, a majority of the units expiring between six and 20 years from today are found due north and northwest of the USC Specific Plan.
3. Rent-Stabilized Units

Units subject to the City of Los Angeles Rent Stabilization Ordinance (RSO) are defined by the following minimum requirements:

1. The property must be within the City of Los Angeles
2. There must be two or more units on the lot
3. The building must have a Certificate of Occupancy issued on or before 10/1/78 (for mobile homes the permit to operate date should be 2/10/86)

Tables 8 and 9 below summarize the universe of rent-stabilized units in the USC Study Area.

<table>
<thead>
<tr>
<th>TABLE 8: Rent-Stabilized Units as of 2011 in the USC Study Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Properties</td>
</tr>
<tr>
<td>Condominium</td>
</tr>
<tr>
<td>Two to Four Units</td>
</tr>
<tr>
<td>Five or more units</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

The vast majority of rent-stabilized units are found in properties containing five or more units.

<table>
<thead>
<tr>
<th>TABLE 9: Rent Stabilized Properties and Units in the USC Study Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Census Tract</td>
</tr>
<tr>
<td>221600</td>
</tr>
<tr>
<td>221710</td>
</tr>
<tr>
<td>221810</td>
</tr>
<tr>
<td>221820</td>
</tr>
<tr>
<td>221900</td>
</tr>
<tr>
<td>222100</td>
</tr>
<tr>
<td>222200</td>
</tr>
<tr>
<td>222600</td>
</tr>
<tr>
<td>224020</td>
</tr>
<tr>
<td>224410</td>
</tr>
<tr>
<td>224420</td>
</tr>
<tr>
<td>224600</td>
</tr>
<tr>
<td>224700</td>
</tr>
<tr>
<td>231100</td>
</tr>
<tr>
<td>231210</td>
</tr>
<tr>
<td>231220</td>
</tr>
<tr>
<td>231600</td>
</tr>
<tr>
<td>231710</td>
</tr>
<tr>
<td>231720</td>
</tr>
<tr>
<td>231800</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
In the USC Study area, RSO properties comprise 45% of the total housing stock. These properties are subject to rent increase protections that stabilize the rental rates of current tenants. It is also important to note that when an RSO unit is vacated, that unit can be rented at the prevailing market rental rate for the area.

However, as described by the Department of City Planning’s “USC Development Plan Nexus Study: Rental Housing Affordability in the Nexus Study Area” report to PLUM (dated February 17, 2012), there is a high concentration of extremely-low and very-low income tenants who reside in the area. This underscores the need to protect the existing RSO housing stock and the ability for existing renters to remain in the area, especially in light of development pressures that are currently taking place (e.g. METRO Expo Line).

4. Foreclosures

Another way by which to gauge the relative condition and state of the housing stock in the USC Study Area is by tracking the incidence of foreclosures in the area. Since 2007, the LAHD has been tracking foreclosure data, identifying trends and "hotspots", on a citywide basis. The basic, data-collecting and analysis function has allowed for the City to target resources in an array of efforts that ranges from preventing foreclosure to addressing the destabilizing effects on neighborhoods when foreclosures have already occurred. Table 10 below shows the number of foreclosures in the USC Study Area.

<table>
<thead>
<tr>
<th>TABLE 10: Q1-Q3 2011 Foreclosures in the USC Study Area by Property Type</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property Type</strong></td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>Condominium</td>
</tr>
<tr>
<td>Two to Four Unit/Props</td>
</tr>
<tr>
<td>Five or More Unit/Props</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

According to TABLE 10 above, the majority of foreclosures occurred among small multi-family properties; properties with two to four units on a lot were foreclosed upon at a higher rate. On a per-census tract basis, the incidence of foreclosures in the USC Study Area occurs at a higher rate in the census tracts south of the USC Specific Plan Area.

The map below shows, visually, the scatter of foreclosures that occurred for the latest data available to the LAHD. Between Quarters 1 and 3 of last year, 90 properties, containing 231 units were foreclosed upon.
5. The Affordable Housing Trust Fund (AHTF)

Since 2003, the City of Los Angeles, through the AHTF, has invested over $583 million dollars in the creation of over 10,100 units of affordable rental housing throughout the City. The AHTF is a gap-financing tool that enables affordable housing developments to be competitive while seeking other funding sources that look for local assurances and commitments to affordable housing investment.

As listed in TABLE 11 below, a total of ten developments have been sited in the USC Study Area since 2003. The almost 450 affordable rental units created in the Study Area represent an over $21 million City investment, leveraging other funding sources that total over $113 million in total development costs.
While an impressive amount of investment in the creation of long-term affordable, rental units, the AHTF cannot compete with the potential loss of restricted units in the next five years as well as the existence of heavy concentrations of REAP and low-scoring RISE properties.

CONCLUSION

In sum, the housing profile in the USC Study area reflects a high number of multi-family housing properties, a high number of RSO properties, substandard housing conditions and foreclosed single and multi-family housing units. While the City's investment in creating affordable housing in the Study Area is noteworthy, the investment, in terms of dollars invested and units yielded, is dwarfed by the large number of vulnerable properties. The 442 units of affordable housing created in the Study Area since 2003, through the AHTF, does not backfill the potential loss of 1,299 units with affordability restrictions in the next five years. In conclusion, the rate of potential loss far outpaces any reinvestment the City can hope to accomplish in this part of the City.
Appendix D: Other Measures Related to Housing (Affordable and Market-Rate)

The USC Nexus Study outlines three specific changes in development regulations that it states intend to “expand the housing supply, including the supply of affordable housing, in the general vicinity of the Nexus Study Area”:

- North University Park–Exposition Park–West Adams Neighborhood Stabilization Overlay (NSO) District, Ordinance #180218
- General Plan Amendment for Commercially Designated Properties on Figueroa Street and the West Side of Flower Street from the Santa Monica Freeway on the North to Martin Luther King Jr. Boulevard on the South (Council file 06–3236)
- Greater Downtown Housing Incentive Ordinance

However, the Nexus Study provides no data or evidence to demonstrate that any of these measures have achieved the intention of expanding the supply of affordable housing in the area. On the contrary, given the scale of displacement documented by community groups, it is difficult to see how any of these policies have been successful in this regard.

The Nexus Study also mentions two citywide policies that promote affordable housing:

- Density Bonus Ordinance
- Rent Stabilization Ordinance (RSO)

The former, however, is significantly undercut in the Nexus Study area by the General Plan Amendment for Figueroa and Flower, and the latter allows units to be raised to market rate when a tenant moves out (“vacancy decontrol”).

Further consideration of each of these policies, and their effects and impacts on affordable housing in and for the USC Nexus Study area, is clearly warranted.

---

1 City of Los Angeles, Department of City Planning. Nexus study for the USC University park specific plan. July 2011. B–32.

North University Park–Exposition Park–West Adams Neighborhood Stabilization Overlay (NSO) District, Ordinance #180218.

On August 11, 2006, the Los Angeles City Council established the Neighborhood Stabilization Overlay District, bounded by the Santa Monica Freeway (I–10) to the north, Harbor Freeway (I–110) to the east, Martin Luther King Jr. Boulevard to the south, and Normandie Avenue to the west. The major impact of this ordinance is to require additional parking spaces for larger developments (in addition to satisfying the existing on-site parking space requirements, the project must provide one additional on-site parking space for each habitable room at or above five habitable rooms). In terms of student vs. non-student housing, the ordinance’s relevant provision is to ensure that there is no “detrimental concentration” of “large scale” “campus serving housing” within a one-thousand-foot radius of the proposed project. However, none of these terms are defined in the ordinance, thus leaving it entirely up to the discretion of the Planning Department to determine whether a particular development will lead to a “detrimental concentration” of such campus-serving housing. In addition, the ordinance provides an exemption for properties fronting on Figueroa Street. (Thus Icon Plaza, a 56-unit luxury student housing development at Figueroa Street and Exposition Boulevard, set to open in Fall 2012, is exempt from the ordinance.

General Plan Amendment for Commercially Designated Properties on Figueroa Street and the West Side of Flower Street from the Santa Monica Freeway on the North to Martin Luther King Jr. Boulevard on the South” (Council file 06–3236).

On March 20, 2007, the Los Angeles City Council adopted a General Plan Amendment (GPA) which added a footnote to both the South and Southeast Los Angeles Community Plans to allow for an increase in density along both sides of Figueroa Street and the west side of Flower Street from the Santa Monica Freeway (I–10) to the north to Martin Luther King Jr. Boulevard to the south. The amendment increased the allowable height (via Floor Area Ration (FAR)) with a very small affordability requirement (20% of the units in the additional increment of FAR, as opposed to 20% of the units in the development as a whole); moreover, the acceptable affordability level is set very broadly (anywhere from very low-income (30% AMI) to moderate income (120% AMI), at the developer’s discretion. Most importantly, the amendment exempted from this affordability requirement “projects reserved for and designed primarily to house students and/or students and their families.” The amendment has thus permitted the development of luxury student housing such as University Gateway (which opened in 2010), where, at the time of the writing of this report, 4-bed/2-bedroom apartments cost $4,000 per month, with each student paying $1000 per month. It should also be noted that this amendment directly undercuts the Density Bonus Ordinance (see below). To give just one example: The Tuscany, a USC-managed development of Westar Housing (built by Conquest Housing) is a prime example of the combined effects of the exemptions available for developers on Figueroa. The development received exemptions from set-back and height restrictions, density bonuses without
affordability requirements, and a reprieve from the Neighborhood Stabilization Ordinance's parking space proportionality, only to provide student housing at extraordinarily above-market rates.

**Greater Downtown Housing Incentive Ordinance.**
On August 7, 2007, the Los Angeles City Council established the Greater Downtown Housing Incentive Ordinance, which updated the standards for residential development so as to incentivize the production of housing in all residential and commercially planned areas within Community Redevelopment Project Areas generally bounded by the Hollywood Freeway (US-101) to the north, the Harbor Freeway (I-110) and Figueroa Street (south of Adams Boulevard) to the west, Washington Boulevard and Martin Luther King Jr. Boulevard (west of Broadway) to the south, and Alameda Avenue and Grand Avenue (south of 21st Street) to the east. The purpose of the Ordinance was to respond to the City’s housing shortage crisis by enabling the production of more housing than would otherwise be permitted in the Downtown area. However, incentivizing the creation of more housing does not necessarily result in the creation of more affordable housing. The Nexus Study presents no evidence that the GDHIO has resulted in the creation of any additional affordable housing in the Nexus Study area.

**Density Bonus Ordinance.**
On February 20, 2008, the City Council adopted Los Angeles Ordinance No. 179681. This ordinance implements State density bonus requirements, as set forth in California Government Code Sections 65915–65918, commonly known as SB 1818, which was intended to increase the production of affordable housing. SB 1818 required all cities in California to adopt such an implementing ordinance. The effectiveness of the Density Bonus Ordinance for incentivizing affordable-housing creation in the Nexus Study area is substantially undercut by the Figueroa Street Corridor General Plan Amendment (see above). Additionally, the Nexus Study provides no evidence that the Density Bonus has incentivized affordable-housing creation elsewhere in the Nexus Study area.

**Rent Stabilization Ordinance (RSO).**
As described by LAHD, “The purpose of the Rent Stabilization Ordinance is to protect tenants from excessive rent increases, while at the same time allowing landlords a reasonable return on their investments. The Rent Stabilization Ordinance is Chapter XV of the Los Angeles Municipal Code.” With some exceptions, the ordinance covers properties located within the City of Los Angeles, comprising two or more units, and having a certificate of occupancy issued on or before October 1, 1978.³

The Rent Stabilization Ordinance is an important citywide measure that protects affordable housing to some degree, but its effectiveness in the Nexus Study area is substantially undercut by the Figueroa Street Corridor General Plan Amendment (see above). Additionally, the Nexus Study provides no evidence that the RSO has incentivized affordable-housing creation elsewhere in the Nexus Study area.

area is compromised. The two recent addenda to the Nexus Study provide conflicting statistics regarding the percentage of RSO units in the Nexus Study Area. The Planning Department's “Status Report on Housing Affordability” says that 11.4% of the buildings in the area are rent-stabilized, but the Housing Department's “Affordable Housing Addendum” says that 45% are rent-stabilized. The higher figure is most likely more accurate,⁴ but whichever one is correct, the existence of rent-stabilized units does not mean those units are affordable to very low-income or extremely low-income residents. On the contrary, the Planning Department's “Status Report on Housing Affordability” demonstrates that most of the private–market housing in the area (whether rent-stabilized or not) is not affordable to such residents, who make up the great majority of the area’s population. This is likely due to a phenomenon about which the Housing Department's “Affordable Housing Addendum” cautions: “It is also important to note that when an RSO unit is vacated, that unit can be rented at the prevailing market rental rate for the area.” Given this opportunity (known as “vacancy decontrol”), landlords of rent-stabilized buildings thus have a strong financial incentive to entice or impel tenants whose rents are well below the prevailing market rate to move out.

Neither the City nor USC has tracked such escalation of rent-stabilized rents in the area, although SAJE, Esperanza, and other community groups have encountered and reported numerous instances of landlords in the Nexus Study area illegally harassing and evicting such tenants. Significantly, though, the Housing Department's “Affordable Housing Addendum” stresses the importance of protecting rent-stabilized units: “However, as described by the Department of City Planning's ‘USC Development Plan Nexus Study: Rental Housing Affordability in the Nexus Study Area’ report to PLUM (dated February 17, 2012), there is a high concentration of extremely–low and very–low income tenants who reside in the area. This underscores the need to protect the existing RSO housing stock and the ability for existing renters to remain in the area, especially in light of development pressures that are currently taking place (e.g. METRO Expo Line).”

---

⁴ The higher figure is most likely more trustworthy, given that the 11.4% statistic is simply repeated by the Planning Department from the Nexus Study itself, rather than being the result of new research, whereas the source of the 45% figure is the Housing Dept., which did conduct new research for its study.
Appendix E: Los Angeles TOD Plans And Market Studies
Los Angeles TOD Plans & Market Studies

Appendices

Submitted to The City of Los Angeles Department of City Planning
by IBI Group in association with Meléndrez and Strategic Economics
July 2011
# Table of Contents

- Appendix A: Market Study and Affordable Housing Assessment ......................................................... 5
- Appendix B: Los Angeles TOD Plans and Market Studies Community Workshops ............................. 103
- Appendix C: Portland TOD Tour Summary Report .................................................................................. 139
- Appendix D: Mechanisms for Neighborhood Amenities from New Development ............................... 155
Appendix A

Market Study and Affordable Housing Assessment
Date: October 19, 2009

Revised Memo To: Jane Choi, Planning Assistant, City of Los Angeles
Marsha Bousquet, Associate/Senior Planner, IBI Group
From: Strategic Economics
Project: Exposition Line TOD Study
Subject: Existing Conditions and Market Overview

This memo provides a summary of major findings and conclusions from Strategic Economics’ market study for the Exposition Line Transit-Oriented Development (TOD) study area. The findings from the market study are presented in greater detail in the attached PowerPoint (“Exposition Light Rail Line: Existing Conditions and Market Overview”), which Strategic Economics presented to Los Angeles City staff on March 5, 2009.

The first phase of the Exposition (Expo) Line is expected to open in 2010 and will connect downtown Los Angeles to Culver City along the Figueroa and Exposition corridors. The second phase, anticipated in 2015, will extend the line to Santa Monica. Strategic Economics conducted a market study in order to understand how the introduction of the Expo Line will influence market potential in the TOD study area. The analysis also evaluated the potential impact of new development on existing neighborhood residents.

This market study diverges slightly from a classic market study that evaluates the strength of the market for the full range of potential land uses in a given location. Instead, this analysis evaluates the potential for the introduction of light rail to impact market dynamics from the 23rd Street station area, to the Western Avenue station area. Broadly speaking, the question this study asks is: Does the introduction of the Expo Line make the study area more or less likely to attract residential and commercial uses than it was before the introduction of the transit? The market study was also used to identify priorities for further research.

The following sections discuss the implications of the Expo Line on the residential and commercial markets in the study area, the University of Southern California’s evolving role in the neighborhood, and other local conditions that are likely to impact market dynamics. Summary conclusions and recommendations are also offered.

1 comprised of the 23rd, Jefferson, Trousdale, Vermont, and Western station areas (See Slide 6)

Implications of Transit on Market Potential

By creating permanent linkages with job centers and housing markets at other stations, a new rail transit line can influence the market for residential and employment uses in the station areas. This section explores how the Exposition Line is likely to affect the market for residential and employment uses in the TOD study area.

The Expo Line is more likely to impact the demand for housing in the study area than the demand for employment uses. The Exposition Line is likely to make the study area considerably more attractive for new residents by connecting it with downtown, Culver City, and eventually Santa Monica (Slide 7). The advantages and desirability of living near transit, especially in a congested region, will only increase as Los Angeles’ transit system continues to expand and make more destinations accessible.

On the other hand, the introduction of transit is unlikely to drive a significant increase in demand for employment uses in the study area. The study area is not likely to compete for new office users with downtown Los Angeles, located just a few stops away. Downtown's
high vacancy rates – 13 percent in the fourth quarter of 2008, compared with 11 percent in the whole of Los Angeles County\(^2\) – indicate that significant absorption must occur downtown before spillover demand will drive office development into the surrounding neighborhoods and is unlikely to occur in the foreseeable future. The potential impact of the Expo Line on industrial uses is discussed in the following section.

**The market for the area east of the 110 freeway that is protected by the City’s industrial land policy is unlikely to be heavily impacted by the introduction of the Expo Line.** It is unlikely that the introduction of the Expo Line will lead to significant expansion in employment-related uses in this area, so long as the area serves a range of industrial users. Industrial users are not typically significant users of transit because individual works often must have their own vehicles for traveling to job sites and are less likely to take transit to work than office workers. Additionally, the built environment needed to support industrial operations is often not pedestrian friendly because industries require long blocks for warehouses and manufacturing centers, and generate significant truck traffic, noise, and emissions. For these reasons, industrial users do not typically place as high a value on locating near transit as office or residential users do. While some users, USC and the Los Angeles Orthopaedic Hospital, for example, will benefit from the close proximity to the new transit line, the introduction of transit is unlikely to change the market dynamics in the industrial area in a significant way.

Nevertheless, the area east of the 110 freeway offers strong market potential for attracting other employment-generating uses to the area, regardless of transit. Currently there are several major institutional, industrial, and light industrial uses in this area, including: the University of Southern California (USC), Los Angeles Trade Tech College, the Los Angeles Orthopaedic Hospital, and the Figueroa corridor car dealerships. The presence of these strong institutions signals the current strength of the areas as an employment center and affirms the value of this location for these users. The proximity of these industrial lands to the freeway, the City’s proposed “green-tech” corridor, and the presence of these institutions also suggests strong future market potential for attracting other employment-generating uses to these areas. This will be especially true if industrial lands elsewhere in the region are converted to other uses and if opportunities for synergies and research and development spin-offs with USC are exploited. Recent conversations between the consultant team, City, CRA, and the Stevens Institute for Innovation at USC suggest that USC students and faculty need incubator space that can accommodate spin-off businesses. The employment area east of the 110 freeway is viewed as a desirable location for such an incubator campus because it is within biking and walking distance of USC’s main campus, which would facilitate mobility between the two areas. An initiative like this would only serve to improve the competitive advantage of this area.

**By creating permanent linkages, the Exposition Line positions the study area to capture demand for housing near transit from around the region.** Prior to the introduction of transit, the study area appealed primarily to households with particular ties to the neighborhood – for example, USC students and families with ties to the local Hispanic community. While the new transit line will continue to serve these existing residents, it is likely to make the neighborhood more appealing to workers employed downtown, potentially in Culver City and Pasadena, and – in the long run – even in Santa Monica. The Exposition Line is also likely to make the study area a more attractive residential location for USC students, faculty, and staff. Strategic Economics estimates that this potential demand for housing near the first phase of the Exposition Line could total 64,100 to 68,915 new households by

2035, translating to 5,240 to 5,740 units in each of the twelve station areas (Slide 13).³

The ability to capture demand for housing near transit will depend on characteristics of the local market, including housing supply, amenities, and placemaking. The extent to which the regional demand for housing near transit is actually captured along the corridor, or in any particular station area depends on the same local characteristics that influence any neighborhood’s housing market (Slide 13). The most important of these characteristics include the type and quality of the neighborhood’s housing stock; amenities and placemaking features, such as retail and entertainment opportunities, neighborhood retail including grocery stores and dry cleaners, a sense of security when walking, and a sense of neighborhood cohesion and identity.

Because of neighborhood demographics, the same features that are likely to attract new demand to the study area may also cause displacement of existing residents. By attracting middle or upper income households, features such as proximity and connectivity to major job centers, amenities and placemaking, and an architecturally historic housing stock may also increase the potential for existing residents to be displaced as housing prices and the cost of living increase. A high share of renters and low-income households can make the existing community particularly vulnerable to displacement.

The following sections describe how USC’s expansion plans and the neighborhood’s existing housing stock and demographics are likely to both increase the study area’s potential to capture regional demand for TOD, as well as contribute to the displacement of existing residents.

USC’s Evolving Role

Over the last decade, USC has evolved from a primarily commuter campus into a more traditional major university where students expect to live on or near campus. However, while student demand for local housing has increased, the University has not built a significant number of new student beds. As a result, students have increasingly moved into privately owned housing in the neighborhoods to the north and east of campus. A study commissioned by the University⁴ reports that as student demand for housing has increased, non-student residents have experienced a rise in legal and illegal evictions, landlord harassment, and fair housing violations. These findings have been verified by local community groups as well.

In response to the demand for student housing and in order to create a more residential feel on campus, USC is planning to invest significantly in student housing over the coming decades. The University’s recently completed master plan calls for 7,600 new student beds by 2030, including several thousand privately owned units near campus. The City is currently conducting a Specific Plan and Nexus Study to understand the impacts of USC’s expansion on the surrounding neighborhood. Early Specific Plan proposals call for an additional 5,400 students beds and 250 units of faculty housing, as well as new retail, office, and hotel development centered in University Village just north of campus (Slide 15).

While USC’s new student beds will absorb some of the existing student demand for housing, it is likely that the University’s plans will increase the attractiveness of the neighborhood for students, faculty, and staff as well as downtown workers and other, relatively affluent households and could result in more displacement. USC’s expansion plans may increase the likelihood that the study area will capture a significant share of the regional demand for housing near transit, as well as the likelihood that local residents may face displacement. An influx of new households may drive further displacement of existing residents not affiliated with the University.

³ This projection is based a methodology created by the Center for Transit-Oriented Development (CTOD), a non-profit joint venture that includes Strategic Economics. CTOD has created a profile of TOD demand based on the characteristics and percentages of households currently living within a half-mile of existing fixed-guideway stations in the United States. The CTOD demand profile was applied to population projections for Los Angeles County to arrive at the total potential household demand for living near transit. This demand was then apportioned across existing and proposed fixed-guideway transit corridors based on the quality of each (determined in this case by mode and size). Sources: 2006 U.S. American Community Survey; California, Department of Finance, “Race/Ethnic Population with Age and Sex Detail, 2000–2050,” July 2007; Center for Transit-Oriented Development, National TOD Database, 2005; Strategic Economics, 2009.

⁴ Enterprise Community Partners, “University Park Housing Study,” conducted on behalf of the University of Southern California, September 2007.
Other Local Market Characteristics

HOUSING AND DEMOGRAPHICS

The study area’s demographics and housing stock are characterized by several factors that are likely to increase the potential for capturing demand for housing near transit. Most notably, the housing stock is older compared to the City as a whole and many single-family homes are architecturally distinct (Slide 22). The high – and reportedly expanding – share of undergraduate, graduate, and University students indicate that the neighborhood is increasingly attractive for more affluent populations (Slide 20). At the same time, the neighborhood’s high share of renters (Slide 23) and low median incomes (Slide 19) indicate that neighborhood residents may be particularly vulnerable to displacement.

Recent housing market trends corroborate the idea that the neighborhood is likely to attract more affluent residents as the market recovers, transit is introduced, and USC expands. Housing prices have historically remained low compared to the City as a whole, while rising and falling at approximately the same rate as the rest of the City (Slide 26). However, brokers interviewed for the market study reported that significant rehabilitation, including some flipping, took place during the boom. Historic homes were particularly affected by this trend (Slide 25).

SMALL PARCEL DEVELOPMENT OPPORTUNITIES

While the new transit line and USC’s growth plans are likely to attract increased demand for housing in the study area, the majority of opportunities for new infill development are on small and shallow parcels. As Slide 29 shows, 87 percent of underutilized7 parcels in the study area are less than 1/4 acre in area, and 95 percent are less than 1/2 acre. A few larger parcels exist east of I-110, but these lots would be more appropriate for employment-related uses and are designated as such in the City’s Industrial Land Policy. The financial and transactional obstacles of assembling small parcels may be a challenge to generating significant new residential development of either the market-rate or affordable variety.

However, there are a number of strategies that the City and CRA can pursue to encourage small parcel development and parcel assembly, which are discussed in the Affordable Housing Overview memo. (Slide 27).

SUMMARY OF MARKET, DEMOGRAPHIC, AND NEIGHBORHOOD CHARACTERISTICS

The Exposition Line will open the study area to regional demand for housing near transit. USC’s plans to provide new amenities and a sense of place will further increase the likelihood that households who want to live near transit will choose to locate in the study area. As a result, the study area will likely see significant reinvestment in the coming years, although the potential for new development is limited by the study area’s small parcels. Without a strategy to address the issue of parcel size, new investment in the study area is likely to take the form of rehabilitation of existing single-family and multi-family homes, accompanied by rising sales and rental prices. The resulting potential for displacement of existing, low-income residents is particularly acute considering that the neighborhood’s small parcels will limit affordable as well as market-rate development. The Affordable Housing overview, presented in a separate memo, offers recommended strategies for preventing and addressing displacement pressures.

Recommendations

SMALL PARCEL DEVELOPMENT AND ASSEMBLY

Many of the obstacles to development addressed in this memo – including small lots, parcelized ownership patterns, and excessive parking requirements – are ultimately hindering the neighborhood’s potential to evolve into a more intense transit-oriented neighborhood. Understanding

5 Unless otherwise noted, the demographic and housing data in this section is from the 2000 U.S. Census.
6 Trulia.com, March 2009.
7 Potential opportunity sites are those with an improvements to land (or I/L) ratio of less than one, meaning that as determined by the County assessor’s office, the building and other improvements made to the land are worth less than the value of the land.
these dynamics will provide insight into how the City can adjust existing policies to encourage new and different types of development. There are several important recommendations that can be drawn from this analysis as well as Strategic Economics’ work in other parts of LA and California:

**The Planning Department should reduce parking ratios and enact shared parking policies.** Previous research by Strategic Economics in Los Angeles and in other California communities indicates that meeting generous parking requirements is usually the most significant impediment to making small lot development financially feasible. The reason for this is twofold: first, the structured parking required for such a small site is expensive to build, costing from $30,000 to $35,000 a space; second, every parking space constructed takes up space that could otherwise be occupied by a housing unit that generates revenue to a project and improves overall project feasibility, unlike a parking space. Another solution to reducing the space taken up by cars is to utilize parking lifts or elevators that stack cars vertically without the need for ramps. While this is a viable strategy to address space constraints it does not negate the expense associated with providing significant amounts of parking for a small project.

Previous work conducted by Strategic Economics suggests that parking ratios from .5 spaces per unit to 1 space per unit plus additional off-site or in-lieu parking might be appropriate for emerging transit-oriented neighborhoods. Similar parking ratios are probably appropriate in the Expo Line study area, however, this analysis did not examine the efficacy of specific parking ratios and further study in this realm is needed to ensure that lowered parking ratios preserve the marketability of new units.

**Parking requirements for affordable housing should be reduced.** Developers elsewhere in the city have reported that parking lots at affordable housing projects are often only half full. Affordable housing requires less parking because lower-income households tend to be more transit-dependent, have lower rates of vehicle ownership, and are more likely than higher-income residents to use the bus or walk farther distances to a rail station. In an analysis of parking requirements in Boyle Heights, Strategic Economics recommended parking affordable housing from .5 spaces per unit to 1 space per unit based on proximity to the station and the tenure of the development.

**Use Community Plans and the USC Specific Plan to develop a district-wide parking strategy that includes public and shared parking and allows developers to unbundle parking by paying into an in-lieu parking fund.** Unbundling of nonresidential parking is critical to improving the development potential of small parcels. It can also make small parcels more suitable for ground floor retail because without it on-site parking could occupy the majority of a lot and will sometimes require a curb cut that can eliminate prospects for retail street frontage. This strategy does, however, require a closely coordinated district-wide parking policy which includes public, shared parking structures and an in-lieu fee requirement for new, nonresidential development. Moreover, public safety considerations need to be addressed to encourage patrons to park and walk to their destinations.

While unbundling residential parking can be attractive because it allows developers to fit more units on one lot, market support must be carefully considered before such a policy is adopted. In the study area, unbundled residential parking may be a possibility for additional parking beyond 1 space per unit. In many cases, the management of off-site residential parking will require additional safety measures on the part of the developer to ensure resident safety when accessing the parking at all hours. Ultimately, additional research is needed to understand the full impact of off-site residential parking in Downtown Los Angeles on the marketability of units.

**Although reducing parking requirements is an important strategy for improving financial feasibility, enacting parking maximums could choke development unless they are strategically devised after consultation with the development and lending communities.** Before parking maximums are established, additional research and interviews with the lending community are needed.

10 These numbers vary based on proximity to the station, whether the development is affordable or market-rate, and tenure. For more detail, please see the Strategic Economics memorandum dated January 20, 2009, Preliminary Recommendations for Regulatory Changes in Support of TOD (Working Memo), written in support of the Eastside Extension TOD Study.
Such a policy will need to ensure that parking maximums satisfy lenders who may not offer construction loans to developers if they believe a project is underparked and therefore, not marketable.

**Streamline the entitlements process for new development in this area and include “by-right” zoning for desirable development, particularly affordable housing, in the Community Plans and USC Specific Plan.** Large well-capitalized developers are not typically drawn to areas with lots of small lots because of the time and expense involved in acquiring multiple parcels and the relatively small returns possible from such development. For this reason, developers of small parcels tend to be local entrepreneurs with strong community ties but limited financial resources or expertise. Because this type of developer is highly sensitive to financial and schedule setbacks, streamlining the entitlement process and providing a detailed explanation of exactly what will be expected from developers regarding public hearings, permitting, fees, and design requirements could make the difference between a feasible and infeasible project and will provide predictability to small developers considering entering the market. Additionally, making high-density and affordable housing development a “by right” use rather than a “conditional” use, can help facilitate new construction by eliminating the time and expense associated with some of the plan review process.

**Utilize a Property Acquisition Fund to assemble land.** Public facilitation of land assembly is often necessary for large-scale assemblage to occur since securing financing without some guarantee that a property will gain value over time through development makes holding land for an extended time financially infeasible in the private market. The option of a TOD acquisition fund is discussed in more detail in the Affordable Housing Memo.

**Along commercial corridors – which generally accommodate more opportunity sites – be strategic about where ground floor commercial is required. Only require ground floor commercial in key designated areas, allowing ground floor residential in other parts of the corridor.** To encourage development of smaller, shallower, or oddly configured parcels, regulations must be explicit requiring ground floor retail only where its absence would adversely affect economic competitiveness, pedestrian orientation, or other priorities of the local neighborhood. Retailers are much more sensitive to parking ratio reductions than residential tenants, as they consider parking to be a key asset to enhancing their visibility and access to potential consumers. Additionally, it can be very challenging to fit on-site parking entry and egress on a site if ground floor retail is required, particularly for more narrow sites where a parking entry can require the entire parcel width. Finally, vertical mixed-use development is significantly more complex to build than single use development.

**Implementation Strategy**

While this market memorandum has offered some initial recommendations for potential regulatory and programmatic changes that can help the study area to generate future development intensification, IBI Group will provide a more thorough implementation strategy later in the TOD planning process.
Existing Conditions and Market Overview

EXPOSITION LIGHT RAIL LINE
TOD STUDY

ORIGINALLY PRESENTED ON MARCH 5, 2009
REVISED OCTOBER 19, 2009

strategic economics
Objective of this Analysis

- Evaluate Current Market Conditions within the Corridor
  - Where is there development potential?
  - For what types of uses?
  - How does this differ among the station areas?

- Evaluate whether new transit will influence this potential

- Evaluate the vulnerability of the station area for displacement and gentrification

- Define next steps for Strategic Economics’ analysis
Indicators of Transit’s Ability to Influence the Market

- Transit-supportive demographics (e.g., high share of households without children, low car ownership rates)
- Strong housing market and regional demand for housing
- Good connectivity to major destinations
- Development pressure elsewhere on the line
- Availability of opportunity sites
- Zoning and regulations that support more intense development
- Community support for high density development
Indicators of Potential for Gentrification

- Architecturally-significant housing stock
- Low income households
- High share of renters
- Track record of flipping and speculation
- Strong housing market
- Good connectivity to major destinations
- Development pressure elsewhere on the line
- Limited opportunity sites for new affordable housing development

Strategic Economics
Corridor and Neighborhood Context
Study Area Boundaries

Exposition Light Rail Corridor - Phase 1

• Phase 2 will continue the line to Santa Monica
The Study Area will Serve as an Origin and as a Destination

- The stations studied play different roles within the corridor.
- Western, a primarily residential station, will serve as an origin station.
- Vermont, Trousdale, Jefferson, and 23rd have a combination of residential, commercial and institutional uses, and will serve both as destination and origin stations.

Strategic Economics
For Residents of the Study Area, the Expo Line Improves Connectivity to Many Employment Centers

- Expo Line improves connectivity to many major employment centers that have the types of jobs that study area residents are currently employed in, such as:
  - Downtown – retail & service jobs, professional jobs
  - USC – educational services jobs
  - Industrial area east of I-110 – manufacturing jobs

<table>
<thead>
<tr>
<th>Industry</th>
<th>#</th>
<th>%</th>
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<td>Professional, Scientific, and Technical Services</td>
<td>960</td>
<td>6.0%</td>
<td>28,620</td>
<td>18.8%</td>
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<td>Finance, Insurance &amp; Real Estate</td>
<td>987</td>
<td>6.2%</td>
<td>16,345</td>
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<tr>
<td>Educational Services</td>
<td>1,436</td>
<td>9.0%</td>
<td>16,638</td>
<td>10.9%</td>
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<td>Admin &amp; Support</td>
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<td>8.8%</td>
<td>10,610</td>
<td>7.0%</td>
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<tr>
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<td>10.7%</td>
<td>10,454</td>
<td>6.9%</td>
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<td>Retail, Accommodation, Food Services</td>
<td>3,544</td>
<td>22.1%</td>
<td>18,574</td>
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<td>1,397</td>
<td>8.7%</td>
<td>6,472</td>
<td>4.2%</td>
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<td>Other</td>
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<td>28.6%</td>
<td>44,582</td>
<td>29.3%</td>
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</table>

Source: LEHD, 2006; Strategic Economics, 2009.
The Expo Line May Also Help Many Workers Employed in the Study Area Access their Jobs
New Connections Could Bring Development Pressures and Pent-Up Demand from Elsewhere on the Line
The Expo Line Also Positions the Study Area to Attract Regional Demand for Housing Near Transit

- Up to 64,100 units could be absorbed in the corridor by 2035, including downtown. This translates to approximately 5,240 units in each of the twelve station areas.
- Whether this demand is actually captured in the study area depends largely on the quality of the transit and the quality of the place.

Potential Demand for Housing Near Transit

- Housing Stock
- Quality of Transit Service
- Placemaking
  - Location, Location, Location
- Demand Captured in a Particular Location
Other Changes in the Study Area that Could Increase Demand for Housing

- USC’s continued transition to a residential university
- $30 million Figueroa streetscape project
USC’s Specific Plan

Goals:
1. Increase academic space
2. Increase University-affiliated housing near campus in order to:
   • Preserve housing for residents
   • Decrease commute time for USC students, faculty, staff
3. Provide services to meet needs of students, faculty, staff, community.

Sources: USC Specific Plan Project Description; USC Master Plan EIR NOP, 2009.

Strategic Economics
Together, the Expo Line and USC’s Planning Efforts are Likely to Increase the Demand Captured in the Study Area.

Potential Demand for Housing Near Transit

Housing Stock

Quality of Transit Service

Placemaking
Location, Location,
Location

More Demand Captured in Study Area

Strategic Economics
Existing Conditions: Demographics and Housing Stock
Demographic Trends

- Compared to the City of Los Angeles, the Exposition Line Study Area is characterized by:
  - Lower median household income ($26,167 in study area v. $44,845 in L.A. in 2008)
  - Larger average household size (3.4 persons in study area v. 2.9 persons in L.A.)
  - Lower median age (26 in study area v. 34 in L.A.)
  - Fewer vehicles available (32% of households with no vehicles in study area v. 17% in L.A.; 1.1 average vehicles per household in study area v. 1.4 in L.A.)

- Within the study area, demographics vary widely by subarea.
Low Median Household Incomes

- Lowest median household incomes surrounding the Vermont, Trousdale, Jefferson, and 23rd Stations.
- Higher incomes closer to Western Station.
Significant Student Population

- Percent of school-aged population enrolled in college, grad, or professional school:
  - Study Area: 16 percent
  - L.A.: 8 percent
  - Students concentrated directly north of USC in Subarea 2.
63% of the study area’s population is Hispanic, compared to 47% in the City as a whole.
Housing Stock

- Compared to the City of Los Angeles, the Exposition Line Study Area’s housing stock is characterized by:
  - Older housing stock (median unit built in 1957 in study area v. 1962 in L.A.)
  - More renters (79 percent in study area v. 62 percent in L.A. in 2008)

![Median Year Housing Stock Built](chart.png)

Source: Claritas, 2009; Strategic Economics, 2009
High Share of Renters

- Highest share of renter-occupied units north of USC and east of I-110.
- Fewer renters in western part of study area, but high shares of renters exist throughout the study area.
Existing Conditions: Real Estate Market Trends
Recent Real Estate Market Trends

- Significant rehabilitation, including flipping, of single-family homes occurred during the housing boom, especially in historic neighborhoods.

- USC students are gradually beginning to move north of Adams and west of Vermont.

- Increasing neighborhood concern about displacement of renters by students.

- Lower income homeowners particularly affected by foreclosure and credit crises.
Trends in study area home prices have historically tracked that of L.A.

However, prices have remained significantly lower in the study area compared to the city.

Sources: Trulia.com, 2009; Strategic Economics, 2009.
Limited Private Development Activity

- **Recent Private Development:**
  - The Tuscany: High-end student apartments and ground floor retail at Fig and 37th (opened 2006)
  - Texere Plaza renovation: Ground floor retail and loft apartments at 23rd and Flower (opened 2004-05)
  - Volvo, Volkswagen, Porsche, Audi dealerships (2005-06)

- **Recent Institutional Development:**
  - Renovations and expansions at USC, Exposition Park, Orthopedic Hospital, other institutions

- **Planned/Under Construction:**
  - Housing at 23rd and Flower (Palmer development)
  - University Gateway: Student housing and ground-floor retail
  - Additional dealerships & institutional projects
Existing Conditions: Development Opportunities

Strategic Economics
Small Parcels Limit Development Opportunities

- 37 percent of all parcels in the study area are considered “potential opportunity sites” (I/L<1).
- 95 percent of potential opportunity sites are less than 0.5 acres; 87 percent are less than 0.25 acres.
Potential Opportunity Sites in the Expo Line Study Area

Legend
- Expo Line
- Blue Line
- Freeways
- Half-Aisle Radius
- Study Area

Parcels
I/L Ratio
- 0.00 - 0.26
- 0.27 - 0.48
- 0.49 - 0.72
- 0.73 - 0.99
- 1 or more
- Parks, Schools, Institutions

Sources: Landis, 2004/05; Esri; IBI Group; Strategic Economics, 2009.
Potential Opportunity Sites Zoned Residential in the Expo Line Study Area

Legend
- Expo Line
- Blue Line
- Freeways
- Half Mile Radius
- Study Area
- Parcels
- I/L Ratio
  - 0.00 - 0.20
  - 0.27 - 0.48
  - 0.49 - 0.72
  - 0.73 - 0.99
- 1 or more/Non-Residential
- Parks, Schools, Institutions

Underutilized Residential Parcel Sizes

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<tr>
<th>Parcel Size</th>
<th>Percentage</th>
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<tr>
<td>1.0 - 2.0 acres</td>
<td>11%</td>
</tr>
<tr>
<td>0.65 - 1.0 acres</td>
<td>11%</td>
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<tr>
<td>0.25 - 0.5 acres</td>
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<tr>
<td>2.0 - 6.5 acres</td>
<td>6%</td>
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Sources: Landix, 2004-05; ESR; BI Group; Strategic Economics, 2009.
Potential Opportunity Sites Zoned Commercial, Industrial, and Mixed-Use in the Expo Line Study Area

Legend
- Expo Line
- Blue Line
- Freeways
- Half-Mile Radius
- Study Area

Parcels
I/L Ratio
- 0.00 - 0.26
- 0.27 - 0.48
- 0.49 - 0.72
- 0.73 - 0.99
- 1 or more/Residential
- Parks, Schools, Institutions

Sources: Landis, 2004-05; ESRI; IBI Group; Strategic Economics, 2009.

Underutilized Commercial, Industrial, and Mixed-Use Parcel Sizes

Strategic Economics
Potential Vacant Opportunity Sites in the Expo Line Study Area

Legend
- Expo Line
- Blue line
- Freeways
- Half-Mile Radius
- Study Area

Parcels
- Commercial
- Residential
- No Land Use Code
- Parks, Schools, Institutions
- 1/1>1/Occupied

Size Distribution of Vacant Parcels

Sources: Landis, 2004-05; ESRI; IBI Group; Strategic Economics, 2009.
Conclusions
Strong market potential exists for new development in the corridor, but the lack of development sites is a constraint.

- Transit-supportive demographics
- Strong housing market and potentially increasing demand in the subarea as a result of the introduction of the Expo Line and changes at USC
- Good connectivity to major destinations
- Development pressures
- **Availability of opportunity sites**
- Supportive zoning and regulations *(in progress – TOD Study, South and Southeast LA Community Plans, USC Specific Plan)*
- Community support for high density development
- Strong regional demand for locations near transit

*Strategic Economics*
Residents are vulnerable to displacement

- Older housing stock
- Low income households
- High share of renters
- Track record of flipping and speculation
- Strong housing market and potentially increasing demand in the subarea as a result of the introduction of the Expo Line and changes at USC
- Good connectivity
- Development pressures
- Limited opportunity sites for new affordable housing development
Next Steps
### Affordable Housing Strategy Menu and Decision Guide

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<th>Step</th>
<th>Affordable Housing</th>
<th>Small Parcel Development</th>
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<td>1. Understand Local Context</td>
<td>✓ Overview of demographics, housing, market trends</td>
<td>✓ Inventory and evaluate site characteristics of potential development sites</td>
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<tr>
<td></td>
<td>❑ Detailed analysis of demographic, housing and market trends that may influence displacement</td>
<td>❑ Inventory subsidized housing, and identify risk for losing affordable units</td>
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<td>❑ Inventory and evaluate site characteristics of potential development sites</td>
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| 2. Identify neighborhood-specific goals, challenges, and opportunities | ❑ Phone interviews and face-to-face focus group with:  
  • Staff from Planning, HACLA, LAHD, and CRA  
  • Market-rate and affordable housing developers  
  • Other stakeholders | ❑ Phone interviews with:  
  • Staff from Planning, HACLA, LAHD, and CRA  
  • Market-rate and affordable housing developers |
|                                            | ❑ Match appropriate tools and policies to local context, goals, challenges, and opportunities | ❑ Match appropriate tools and policies to local context, goals, challenges, and opportunities |

**Strategic Economics**

38
Memorandum

Date: October 19, 2009 Revised
To: Jane Choi, Planning Assistant, City of Los Angeles
Marsha Bousquet, Associate/Senior Planner, IBI Group
From: Strategic Economics
Project: Exposition Line TOD Study
Subject: Affordable Housing Assessment and Action Guide

This memo is a companion piece to Strategic Economics’ market study memo, dated October 19, 2009. The market study memo examined the potential impact of the Expo Line on the residential and commercial markets in the Expo Line Transit-Oriented Development Study Area. The market study memo found that the new light rail line, combined with planned improvements at the University of Southern California (USC), will position the study area to capture significant regional demand for housing near transit. Despite the strong market potential, the market study identified the neighborhood’s small lots and parcelized land ownership patterns as challenges that will need to be overcome in order to stimulate construction of new market-rate and affordable housing. In addition, the market study found that while the neighborhood has historically served as an important source of low-cost rental housing, low-income residents have experienced displacement over the last decade. The Expo Line and USC’s planned improvements are likely to increase displacement pressures by attracting increased demand from households throughout the region who are interested in living near transit. Ultimately, the market study’s findings suggested that there is strong potential for new residential (and commercial) uses in the study area, but that without appropriate interventions, this increased market competitiveness is likely to result in significant displacement of the existing population. Based on the concerns raised about potential displacement in the market study, Strategic Economics was tasked with conducting a more in-depth assessment of the neighborhood’s affordable housing needs. This memo introduces the benefits of mixed-income, transit-oriented development; summarizes the major findings from the affordable housing assessment; and offers recommendations tailored to the particular dynamics of the study area. The accompanying PowerPoint is a revised version of what was originally presented to City staff on April 2, 2009, and provides additional details on the findings and strategies discussed in this memo.

The Benefits of Mixed-Income, Transit-Oriented Development

Mayor Antonio Villaraigosa’s Sustainable Communities Initiative and Housing That Works blueprint plan prioritize creating sustainable transit communities and promoting mixed-income housing as two of the City of Los Angeles’ chief housing policy objectives. The Exposition Line Transit-Oriented Development Study Area (Slide 14) offers the opportunity to address both of these objectives at the same time, and thereby achieve the synergistic benefits provided by mixed-income, transit-oriented development. Transit-oriented development (TOD) is commonly defined as high-density, mixed-use development within walking distance (a ½ mile) of a multi-modal transit station. To be truly transit-oriented, the connections between the development and the transit should include walkable streets, pedestrian-friendly buildings, and public spaces. Well-designed TOD provides a range of benefits including increased transit ridership, reduced vehicle miles traveled, greater access to jobs and amenities, and healthier, more walkable neighborhoods. Neighborhoods with a mix of both affordable and market-rate housing can also provide many benefits, such as reducing income segregation and providing lower-income residents with opportunities to move up the occupational and social ladders. Mixed-income, transit-oriented communities can achieve not only the
separate benefits of TOD and mixed-income housing, but also reap synergistic benefits that come from bringing the two together (Figure 1). These benefits include:

- **Truly Affordable Housing:** Many lower-income households make significant trade-offs between lower housing prices and higher commute costs. Providing low-cost housing near transit can significantly lower the combined housing and transportation burden. While the average American family spends roughly 19 percent of household income on transportation, households with access to good transit service spend only 9 percent.1

- **Stable Transit Ridership:** Lower income-households are more transit-dependent and less likely to own a car than other demographic groups, and are more likely than higher-income households to use transit for non-work trips during “off-peak” hours. Mixed-income transit-oriented development helps ensure that transit’s highest percentage riders have access to transit, helping to stabilize or increase transit ridership.

- **Broadened Access to Opportunity:** Housing opportunities near transit for low-income households can improve access to employment, education, and services, without the high transportation costs associated with driving.

- **Workforce Stability:** When more workers live in areas with easy access to transit, employers benefits from broader recruitment, improved retention, and reduced tardiness.

- **Health Benefits of TOD Extended to All Incomes:** The hallmarks of transit-oriented communities – a diversity of land uses, grid street and sidewalk networks, close proximity of housing, retail and employment, and accessible, high-quality transit – are highly correlated with higher rates of walking and biking, lower probabilities of being overweight or obese, and lower risks of life threatening, obesity-related diseases for residents.2

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The City and local stakeholders will need to overcome significant challenges in the Expo Line TOD study area in order to achieve the benefits of accommodating regional growth near transit, while also ensuring that the neighborhood continues to serve a diverse mix of incomes. One of the most pressing challenges is preventing displacement of existing, lower-income residents as the market becomes more competitive.

Strategic Economics conducted a detailed affordable housing needs assessment in order to understand the forces driving displacement in the study area, as well as the community’s many assets and the challenges facing local affordable housing activists and developers. The assessment included an extensive demographic analysis, an inventory of the existing affordable housing supply, and interviews with City staff, community stakeholders, and local affordable housing developers. This section synthesizes the major findings from the assessment.

Historically, the area has been an important source of low-income rental housing, including both subsidized units and relatively low-cost, market-rate apartments. Over 1,800 units of federally subsidized rental housing are located in the study area, accounting for nearly 15 percent of the City’s supply (Slides 28 and 29). The study area also includes 207 units built with low-income housing tax credits (LIHTC), 211 units owned by the Housing Authority of Los Angeles (HACLA), and 160 units.

Figure 1. The Synergies of Mixed-Income TOD
Major Findings From the Affordable Housing Assessment

The City and local stakeholders will need to overcome significant challenges in the Expo Line TOD study area in order to achieve the benefits of accommodating regional growth near transit, while also ensuring that the neighborhood continues to serve a diverse mix of incomes. One of the most pressing challenges is preventing displacement of existing, lower-income residents as the market becomes more competitive. Strategic Economics conducted a detailed affordable housing needs assessment in order to understand the forces driving displacement in the study area, as well as the community’s many assets and the challenges facing local affordable housing activists and developers. The assessment included an extensive demographic analysis, an inventory of the existing affordable housing supply, and interviews with City staff, community stakeholders, and local affordable housing developers. This section synthesizes the major findings from the assessment.

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5 HACLA, September 2004.
6 CRA/LA, Exposition/University Park Redevelopment Project, “5-Year Implementation Plan – FY2005-2009.” The count of 642 units built in the project area excludes 200 units listed in the 5-Year Implementation Plan that are accounted for as federally-assisted units for the purposes of this analysis.
7 HACLA, April 2009.
Forces Driving Displacement

Over the past decade, low-income renters have begun to experience displacement as USC has evolved from a commuter to a residential university without building substantial numbers of new student beds. Recent studies have estimated that 80 to 90 percent of housing units directly north of USC (between W. Adams Ave, West Jefferson Blvd., South Vermont Ave., and South Figueroa St.) and 30 percent of units north of West Adams (between Vermont, I-10, and I-110) are occupied by students (Slide 6). Landlords can often charge higher rents if they lease to students – who split the cost among a group of roommates – rather than to a family. Community groups report that many of the units currently occupied by students have turned over from community use in the past decade, and that students are continuing to move north of Adams and west of Vermont. According to community activists interviewed for this report, as well as a recent study commissioned by the University, tenants have faced legal and illegal evictions, harassment, and discrimination from landlords who prefer to rent their units to students.

In combination with the introduction of the Exposition Line, USC’s plans to build more beds and improve University Village are likely to attract additional students and other new residents to the neighborhood, increasing the risk of displacement of existing residents from both subsidized and market-rate units. As Slide 11 shows, the University’s plan to build an additional 5,400 student beds by 2030 is expected to absorb the current demand for housing. However, a recent student survey showed that if the University meets its goal of guaranteeing four years of housing for undergraduates and one year of housing for graduate students, demand will increase slightly above the anticipated 2030 supply (“Demand with Guaranteed Housing” bar on Slide 11). Furthermore, the new student housing and other “placemaking” elements of the University’s plans – including several hundred thousand square feet of new retail, hotel and conference space at University Village, and improved streetscaping and urban design – are likely to increase the neighborhood’s desirability for students (“Demand with Placemaking” bar on Slide 11). And if 100 percent of undergraduates and first-year graduate students wanted to live on campus, demand would outstrip supply by nearly 6,000 units in 2030 (“100% Residential Campus” on Slide 11).

USC’s placemaking efforts are also likely to make the neighborhood more attractive for faculty, staff, and middle- and upper-income households not affiliated with the University. As new, wealthier residents move into the neighborhood, sales and rental prices are likely to continue rising. The likelihood that rents will continue to increase is particularly strong because USC’s plans for new student housing include privately developed housing built to the top end of the student market, so price-sensitive students may continue to compete with non-students for market-rate rental housing. As a result of rising housing prices, low-income renters will most likely continue to experience evictions, landlord harassment, and discrimination. In addition, the supply of subsidized housing units is likely to shrink as the profit-motivated owners of project-based Section 8 units find renting at market rates to be more profitable than continuing in the Section 8 program, and as households with vouchers are priced out of the neighborhood. Some of the affordable units built in the Exposition/University Park Redevelopment Project Area are also at risk of reverting to market-rate as the CRA’s covenants expire.

Challenges of Affordable Housing Development and Preservation

Affordable housing developers report that it is difficult to find appropriate sites for new construction. Analysis of parcel sizes show that 95 percent of potential opportunity sites in the station areas are smaller than half an acre and 87 percent are smaller than a quarter acre. Such small parcel sizes present a challenge to assembling enough contiguous land to develop a financially feasible project. Instead, developers such as the Esperanza Community Housing Corporation and the Coalition for Responsible Community Development have focused their
efforts on purchasing pre-World War II era apartment buildings, relocating residents, and rehabilitating the units.

While the Figueroa Community Land Trust and other housing providers have the capacity to rehabilitate, develop, and manage more affordable housing, their efforts are limited by lack of funds and increasing property values. Rapidly rising real estate prices over the past decade have made it difficult for non-profit developers to purchase properties at fair market values. For example, the Executive Director of the Figueroa Land Trust said that while purchasing large, at-risk, project-based Section 8 properties would be the most cost-effective approach to preserving affordable housing, larger buildings are out of the Trust’s price range. Esperanza Housing, meanwhile, has not completed a project since 2001 due to lack of funds and an inability to compete in the marketplace for properties.

Preservation efforts are also hampered by the high costs of relocating residents, and the antiquated and dilapidated conditions of older buildings. Many of the older buildings in the study area were built as single room occupancies (or SROs), or with very small units that are today occupied by multiple families. Many of the buildings also require extensive rehabilitation because of age and deferred maintenance. In order to preserve the properties, therefore, affordable housing developers must find funding not only to purchase the building, but also to conduct extensive renovations and relocate all of the residents. The renovations must often enlarge the units in order to comply with today’s standards, and since an affordable housing developer cannot allow overcrowded conditions to continue, rehabilitated buildings may end up housing fewer families than originally lived in the building.

8 Enterprise Community Partners, “University Park Housing Study,” conducted on behalf of the University of Southern California, September 2007.
9 Healthy City, “Gentrification and Displacement Mapping and Analysis of the City of Los Angeles & the Figueroa Corridor Community,” prepared for Strategic Actions for a Just Economy, January 2009.
12 In the 1970’s and 80’s, the federal government signed contracts with individual property owners under the project-based Section 8 program. The property owners received federal subsidies for construction or rehabilitation, and in return were required to rent a specified number of units to low income families and the elderly. HUD paid property owners the difference between what HUD considered to be the “Fair Market Rent” (FMR) in the metropolitan area, and 30% of a low-income family’s annual adjusted income. Property owners were originally required to sign 15-20 year contracts to join the program; the first contracts began to expire in 1991. While property owners that maintain their properties still have the option to renew the contracts, in high-rent markets property owners may be able to make more by charging market-rate rents. The incentive to convert to market-rate housing is particularly strong for for-profit owners; non-profits owners are more likely renew contracts, depending on the non-profit organization’s mission.
13 Section 8 vouchers follow individual families, rather than being tied to a particular unit. Under the voucher program, HUD pays the landlord the difference between 30 percent of a household’s income and the HUD-determined FMR for metropolitan area. Voucher recipients may choose units with a higher rent than the FMR, but must pay the additional rent themselves.
14 Delila Sotelo (Deputy Chief of Operations Housing Policy, CRA/LA), in discussion with Strategic Economics, April 2009.
Neighborhood Assets

Several strong community organizations with the capacity to lead local efforts to address displacement and affordable housing production and preservation are working in the study area. Several organizations are already engaged in tenant organizing and affordable housing preservation, rehabilitation, and construction in and around the study area. These organizations include:

- Figueroa Community Land Trust – Created to purchase and retain ownership of land to ensure the long-term affordability of rental units.
- Strategic Actions for a Just Economy (SAJE) – Tenant organizing and advocacy group.
- Esperanza Community Housing Corporation – Affordable housing developers; health and education providers.
- Figueroa Corridor Coalition for Economic Justice – Coalition of Figueroa Community Land Trust, SAJE, and Esperanza Housing.
- Abode Communities – Affordable housing developers.
- Coalition for Responsible Community Development – Affordable housing developers, targeted at homeless youth.

USC and community groups share common goals, and have the opportunity to work together to make USC a national model for “town-gown” relations. USC and community groups share several goals for the future of the neighborhood. All entities would like to see as many USC students housed on campus as possible. This will help USC achieve its vision of becoming a residential campus and the University’s lower-income neighbors will also benefit if fewer students are competing with them for housing in the private rental market. The University and neighborhood groups also share the goal of building a safe, strong, and diverse community. While USC’s relations with the community have not always been harmonious in the past, the University currently has the opportunity to assert itself as a national model for “town-gown” relations. USC has already demonstrated its commitment to being a good neighbor by investing millions of dollars a year in local schools and educational programs, safety and neighborhood councils, and other local organizations. It also offers several community programs that benefit local community organizers and non-student residents. However, current circumstances offer even more potential for USC to help forge partnerships between the various stakeholders operating in the neighborhood. One such opportunity is by incorporating community members into the planning process for University Village, where many community residents now shop. Other opportunities for USC to contribute to the neighborhood’s evolution, such as donating to a Property Acquisition Fund, are discussed in more detail in the Recommendations section.

Formulating an Affordable Housing Strategy

In order to ensure that the study area achieves the benefits of mixed-income, transit-oriented development, it is critical to prevent continued displacement of lower-income families while also leveraging market forces to stimulate reinvestment and intensification. This section outlines an action plan for addressing the challenges identified in the affordable housing assessment, while also encouraging market-rate development to help revitalize the area without displacing existing residents. To reiterate, the challenges are:

- Potential for low-income renter households to be displaced by landlords interested in serving higher-paying tenants, including USC students, and new households with a demand for living near the light rail or USC.
- Small parcels – often less than ¼ acre in size – and fragmented parcel ownership, making land assembly and development a challenge.
- Shallow parcels along parts of the area’s main commercial corridors (Figueroa Avenue and Exposition Boulevard), which back onto single family or lower density residential neighborhoods.
- Limited funds for affordable housing development, and potential redirection of funds to alleviate area foreclosure rates.
- Rising property values, and increased potential for land speculation near transit.
AFFORDABLE HOUSING STRATEGIES: PRODUCTION VS. PRESERVATION

An affordable housing strategy can prioritize preservation of existing affordable units, production of new affordable units, or a mix of the two types of strategies. In general, preservation should be the primary strategy in districts where there is a strong potential for displacement of low-income households, multiple preservation opportunities, and a scarcity of new production opportunities. An emphasis on affordable housing production, on the other hand, makes sense when there are multiple opportunity sites for new development, and/or there are limited opportunities for housing preservation. The two types of strategies are complementary; for example, even in situations where preserving existing low-cost, market-rate and subsidized housing is the highest priority, opportunities for production of new affordable housing units should still be pursued. The Expo Line study area meets the criteria for an affordable housing strategy that focuses primarily on preservation, while also encouraging new housing production. In particular, the following characteristics support a focus on preservation:

- **Existing low-income population**, including an estimated 9,000 to 16,900 low-income households living in market-rate units.
- **Significant displacement potential**, given the high share of low-income renters occupying market-rate units; architecturally-significant housing stock and some anecdotal evidence of flipping; the recent history of evictions, landlord harassment, and housing discrimination; and the likelihood that the introduction of transit and the planned improvements at USC will further increase rents and demand for living in the study area.
- **Multiple preservation opportunities**, including 1,800 federally subsidized units (60 percent of which are owned by profit-motivated landlords and are particularly vulnerable to conversion to market-rate apartment or condos), and several hundred units built with low-income housing tax credits or CRA assistance – all of which are at risk of being lost to the private market as contracts and covenants expire. The neighborhood also has multiple affordable housing developers that are equipped to purchase and rehabilitate market-rate and subsidized units.
- **A scarcity of new production opportunities**, resulting from the neighborhood’s small lot sizes and parcelized land patterns.

Given these conditions and the realities of limited funding for affordable housing, overcoming the challenges to preserving existing, subsidized and low-cost housing should be the highest priority in the study area. At the same time, however, production of new units – including both market-rate and affordable housing – should be encouraged. Intensifying the areas immediately around the Expo Line light rail stations will allow the district to achieve the benefits of transit-oriented development.

NEIGHBORHOOD-SPECIFIC GOALS AND STRATEGIES

Based on the findings from the affordable housing assessment, and the realization that preserving existing subsidized and low-cost units must be a priority, Strategic Economics recommends the following goals for the study area:

1. Preserve Existing, Subsidized Rental Units.
2. Minimize Immediate Displacement from Rental Units.
3. Acquire Targeted Market-Rate Units and Convert to Permanent Affordable Housing.
4. Accommodate USC’s Residential, Faculty, and Staff Population on University-Owned Land to the Extent Possible.
5. Recognize Goals Shared by USC and the Surrounding Community, and Work to Foster Improved Relationships and Communication.
6. Facilitate the Development of Sustainable, Mixed-Income Transit Communities by Improving the Financial Feasibility of Small Lot Development.

The following recommendations include strategies for achieving these goals.
Recommendations

As discussed earlier, the development climate and demographic characteristics of the study area suggest that strategies to preserve existing, subsidized affordable housing units are vitally important to stemming displacement in the area. While preservation efforts are critical, new construction is also important for achieving the goals set forth in Mayor Villaraigosa’s Sustainable Communities Initiative and Housing that Works blueprint, which emphasize the importance of transit-oriented development, as well as mixed-income development. While additional research is still needed in some areas, these recommendations are a starting point for addressing the broad goal of developing a mixed-income, transit-oriented neighborhood in the study area.

**PRESERVE EXISTING, SUBSIDIZED UNITS**

*Establish a dedicated Property Acquisition Fund that can be used to assemble land; purchase expiring at-risk, subsidized rental housing; and multi-family properties targeted for affordable housing.* Strategic Economics recommends that LAHD and the CRA work to establish permanent funding sources for an acquisition fund that could be used to purchase properties for affordable housing preservation and creation, and assemble land for future development. A well-funded Property Acquisition Fund would be a powerful tool to help achieve several of the major objectives for the study area. It will allow for more robust preservation of existing affordable housing opportunities by providing a funding source for acquiring at-risk Section 8, LIHTC, and CRA properties near transit. It will make new affordable housing development more likely through the acquisition of key buildings and sites. And it can be used to assemble parcels, thereby reducing a major barrier to new market rate housing development in the study area.

*Next steps in establishing a Property Acquisition Fund:*

**Convene a Steering Committee and Establish a Vision:** The first step in establishing a Property Acquisition Fund is to convene a steering committee group comprised of City and local partners to establish visioning principals for the Fund. Based on the findings from this analysis, Strategic Economics recommends that the vision support both market rate and affordable housing projects, depending on specific local contexts and need. The fund should also be structured to purchase land and buildings. In cementing a vision for the fund, the following questions should be addressed:

1. What is the geography of the fund? Are funds available city-wide, in designated neighborhoods near transit stations, in areas with existing, subsidized affordable units, etc.?
2. Within these parameters, where are the target locations that will leverage additional funding and support from the community?
3. Where are the locations where public policy is most supportive of the goals of the fund and where the fund can have the most impact? Where and how does the City need to change its public policy to be supportive and complementary to the goals of the fund?
4. What sites will have a catalytic impact on the surrounding neighborhood?
5. Who are potential funders? What will the funding sources be? Will they be dedicated sources? What are the terms of the funders and how does that impact the objectives of the fund?

In addition to these questions, the issue of short-, vs. long-term investments must also be addressed. Inherent in the goals of the fund as they are conceived of in this memo, there is a dual role of this fund:

1. Acquiring land in order to facilitate the immediate development of transit-supportive uses and mixed-income housing, or acquiring buildings in order to preserve the affordability of existing, at-risk affordable housing; and
2. Acquiring land in order to maintain affordability for future development and ensure that the form of future development is transit supportive.
These two goals may often work in concert. If a parcel is purchased prior to a significant increase in value, then the goals of maintaining affordability and controlling the form of development may be met simultaneously. However, a structure set up to primarily address the second goal, which has a long time-horizon and requires “patient capital,” may not be nimble enough to address the first one, which may require a rapid decision-making process. This may be especially true during periods and in places of high market activity where land is being developed rapidly and the acquisition process must proceed quickly in order to gain control of key parcels. As such, Strategic Economics recommends a “two-tiered” approach to allocating funds. In addition to being guided by distinct goals, these two funding pools could focus on different geographies, provide loans or grants with different terms, and follow different operating mechanisms.

1. Short Term Opportunities: Funding from this pool will be reserved for sites where there is immediate potential for development or acquisition. In these cases, development of some sort is imminent; the fund will be deployed in order to ensure that the “right” kind of development occurs or an at-risk, affordable property is acquired. Because this requires relatively quick action, careful thought must be applied to the mechanism by which sites are selected and funding is dispersed. While having a staff-person assigned to monitor development opportunities may fill this need, it is more likely that this will function best as a “bottom-up” process. One possibility would be to issue a Notice of Funding Availability (NOFA) to key community groups and non-profit developers within the geographic focus area, and invite applications to the fund. Some regional acquisition funds allocate funding through this mechanism, making use of community expertise to increase the fund’s responsiveness to community needs and opportunities.

2. Long Term Opportunities: In this context, the fund could be deployed to acquire key sites with strong long-term potential, but where current market conditions are unfavorable to higher density development.

In these cases, land will be acquired and held, potentially for several years, until high quality, economically-inclusive transit-oriented development is feasible. While holding land entails additional costs, including financing fees, taxes and insurance, this strategy helps to keep the price of land from escalating. These savings can be used to ensure higher quality development by reducing developer cost and/or boost the depth or quantity of affordable housing provided. Because there will not usually be a need for quick action in these cases, a more “top-down” approach, including more comprehensive strategic planning, can be employed to identify properties to be acquired.

In both of these capacities, the fund would work within the guiding principles identified in the fund’s vision.

Create a Framing Document or Business Plan: The answers to these questions can be used to create a framing document for approaching potential funders, including foundations and other capital partners, both private and public. After funder interest has been evaluated, including the amount of funding as well as preferences for the fund’s structure and desired outcomes, another series of steering committee meetings should be convened. Further investigation into land values should be conducted at this stage to help determine what size the fund should be. At this point, the business plan can be refined to include the desired size of the fund and amount of capital needed, sources of funding, technical details on staffing, and plans for fund operations and the appropriate management entity. If a the fund is structured with a “two-tiered” approach, the business plan should specifically explain the operational structure of both tiers.
The following is a preliminary outline of elements the business plan should consider:

**Fund Administration**

1. Identification of potential funders
   a. Type and terms of funding available
      i. Capital investment in loan fund
      ii. Grant monies for fund
      iii. Grant funds for fund administration

2. Discussion of fund manager(s) and operator(s)

3. Determine if eligible sites will be identified by the fund’s managers or if there will be a competitive application process, or both (as may be advisable under the two-tier approach).

**Fund Operation**

4. Establish eligibility criteria
   a. Type of borrower or grantee
   b. Type of proposed development
   c. Site characteristics and location
   d. Asset ownership and management

5. Determine whether funds will be provided as loans or grants, and under what conditions
   a. Outline loan and grant terms

The Figueroa Community Land Trust is a strong possible candidate for administering the fund. They are well-positioned for this task because of their on-going work and expertise in the area of land trusts and in the study area. Potential funding sources of an Acquisition Fund include inclusionary zoning in-lieu fees; loans, bonds, or donations from USC; the CRA/LA; funds from the national Neighborhood Stabilization Program; as well as local and national foundations.

**Explore applying first-right-of-refusal laws to expiring Section 8 properties.** Planning, LAHD, and CRA should evaluate the City’s current on-going research in this area and determine the practicality of such a proposal. In theory, such legislation would give non-profits and/or tenant groups an opportunity to purchase the expiring buildings at market rates before they are sold and affordability is lost. Such a law gives tenants a mechanism to acquire their buildings as participants in limited equity co-ops or tenancies in common, or help nonprofits preserve affordable rental opportunities near transit. Washington, DC uses such a law to facilitate limited equity co-ops in many of its gentrifying neighborhoods. Under DC’s Tenant Opportunity to Purchase Act (TOPA), tenants can also transfer their first right of refusal to another entity, such as a limited-equity housing cooperative.

**Consider efforts, like offering tax abatements, for private owners of expiring Section 8 contracts, if they renew their participation in the program.** Efforts to persuade or entice private landlords into renewing their participation in the program can go a long way to ensuring ongoing transit zone affordability. Waving property taxes is one possible concession, but interviews with private landlords would likely reveal others that could help make remaining in the Section 8 program economically competitive with a conversion to market rate.

**Explore the potential for limited equity co-ops to purchase expiring buildings.** Limited equity co-ops offer residents of a building an opportunity to purchase the property through a cooperative ownership model. They can be designed to preserve long-term affordability of units by placing resale limits on ownership shares so that affordability will be
preserved for subsequent buyers. They are also well-suited to a low-income population because they offer an opportunity for ownership at a lower cost than is usually possible through a conventional purchasing model. Planning, LAHD, CRA, and a newly formed Acquisition Fund all play roles in facilitating limited equity co-ops through financial support of the non-profits that manage them and by making them eligible for local subsidies. Research currently underway by the City will help to evaluate the costs associated with creating co-ops and whether affordability levels will reach deep enough to serve the needs of targeted residents.

MINIMIZE IMMEDIATE DISPLACEMENT FROM RENTAL UNITS.

Aggressively address complaints of tenant intimidation by increasing funding for tenant organizing and assistance, and improving enforcement of the existing housing code, rent stabilization ordinance, and housing discrimination laws. LAHD should emphasize enforcement of existing policies related to housing codes, rent stabilization, condominium conversions, foreclosure evictions, and housing discrimination law in the study area and throughout the city. USC and local non-profits can have an impact in facilitating education about renters’ rights, tenant organizing, and providing legal assistance to tenants.

Case Study Example: The City of Oakland

Target Homeownership Assistance programs to transit zones as well as first-time and low-income households. LAHD should tailor city-run homebuying programs, such as down-payment and closing cost assistance, forgivable loans, below-market-rate mortgages and mortgage guarantees, to target transit zones. This could allow low-income homeowners living in the study area a chance to purchase a home and remain in the area.

Acquire Targeted Market-Rate Units and Convert to Permanent Affordable Housing. A well-funded acquisition fund, as discussed earlier, could be used not only to acquire expiring units, but to expand the amount of affordable housing in the study area through key property acquisitions.

Accommodate USC’s Residential Student, Faculty, and Staff Population on University-Owned Land to the Extent Possible.

Demand for on-campus housing from the USC community has significant impacts on the broader community. It is likely that this demand will increase as placemaking efforts at USC continue. Planning efforts currently underway as part of the USC Specific Plan offer an opportunity to address this issue. As part of these efforts, the Planning Department should ensure that the USC Specific Plan is written to allow high-density residential development on land owned by USC. Furthermore, on-campus student housing should not be luxury units, but should be priced affordably, so most students can afford these units and will not need to look within the broader neighborhood for housing. Additionally, Planning should also encourage USC to explore the potential for building workforce housing on land owned by USC.

Recognize Goals Shared by USC and the Surrounding Community, and Work to Foster Improved Relations and Communication. The dynamics at play in this area offer key stakeholders an opportunity to create a national example of how to manage town/gown tensions. USC has an opportunity to be viewed as a national leader in how to evolve as a residential campus while also equitably mitigating the impact of its growth on local residents.

USC, Planning, and local community groups share mutual goals for a stable and vibrant community and combining the powerful resources from all these groups can help facilitate the realization of these mutually-held objectives. For starters, the Planning Department and USC should ensure that local residents are included in the USC planning process. Additionally, USC, Planning, and local non-profits should explore the potential for USC to support affordable housing preservation in the broader neighborhood. There are several ways USC could make a significant and positive impact in this realm: a) participating in the funding or management of a land acquisition fund; b) using its bonding authority to raise funds for large capital projects in the broader community or making direct donations of land or funding to these causes; c) creating incentives for students to
rent in designated areas, or from designated landlords, closer to campus to alleviate pressures on the rest of the neighborhood; d) offering “good neighbor” training to students to heighten their awareness and sensitivity to neighborhood dynamics; e) ensuring that community goals are incorporated into the redevelopment of University Village.

Further case study research into the experiences of other universities pressed with this issue is recommended. For example, the University of California, Los Angeles (UCLA) is planning to build both student and workforce housing. UC Santa Cruz and UC Riverside reportedly have programs that encourage students to rent from specified private landlords.

Facilitate the Development of Sustainable, Mixed-Income Transit Communities by Improving the Financial Feasibility of Small Lot Development. Many of the obstacles to affordable housing development addressed in this memo – including small lots, parcelized ownership patterns, and excessive parking requirements – also limit the potential for market-rate development. Understanding these dynamics will provide insight into how the City can adjust existing policies to encouraging new and different types of development. For example, inclusionary and parking requirements may need to be adjusted to encourage both market-rate and affordable housing development. The Market Study Memorandum provides a basic set of regulatory and programmatic guidelines that the City and other parties can pursue to encourage development on small parcels. In addition, the City should pursue analysis of affordable housing policies on small parcel development. Strategic Economics recommends further study to determine specifics regarding inclusionary housing requirements for the area. This additional study should:

Examine the impact of an inclusionary policy on the feasibility of small lot development, as part of the City’s inclusionary housing study. Inclusionary zoning can be a useful tool in expanding the supply of affordable housing in an area. However, in some cases inclusionary requirements can overburden a development, making it infeasible. This is often the case with development on very small parcels and should be carefully studied and considered when formulating inclusionary housing requirements. For example, just as inclusionary ordinances often exempt projects with fewer than five units, they could also be written to exempt lots of a specified size.

The City’s inclusionary housing study should also explore the possibility of a flexible inclusionary housing ordinance that adjusts geographically based on the market conditions from neighborhood to neighborhood. Understanding that market and site conditions vary by neighborhood, a flexible inclusionary policy should be considered to ensure that variations in development context are accounted for so that disincentives for developing certain areas or types of projects aren’t inadvertently created. A flexible policy can be applied in neighborhoods with strong housing markets and waved in those with weaker markets or other factors that make development more challenging. A flexible policy also will allow for customization to local circumstances. For example, in the Expo Line study area, an inclusionary policy could designate that privately developed housing targeted to students must comply with the inclusionary requirements.

Note: Strategic Economics is aware that the City’s inclusionary policy has been challenged in court. SE has included this recommendation assuming that the City might appeal the decision made in Palmer vs. City of Los Angeles, or that the City can determine other means of requiring affordable housing of market rate developers.
Affordable Housing Needs Assessment and Recommendations

EXPOSITION LINE TOD STUDY

STRATEGIC ECONOMICS
Contents of the Presentation

• Present community context, demographic findings and affordable housing supply inventory (Step 1)
• Discuss major findings and formulate goals (Step 2)
• Discuss potential strategies (Step 3)
Strategic Economic’s Market Study determined that there is potential for displacement in the study area based on the presence of the following indicators:

- Architecturally-significant housing stock
- Low income households
- High share of renters
- Track record of flipping and speculation
- Strong housing market
- Good connectivity to major destinations
- Development pressure elsewhere on the line
- Small sites limit the opportunity for affordable (and market rate) development

Strategic Economics

April 30, 2009
Limited Opportunities for New Development

Potential Opportunity Sites in the Expo Line Study Area

Legend
- Study Area
- Employment Protection District
- Transition District
- Industrial Mixed-Use District
- Correction Area

Parcels
- U/R Ratio
  - 0.00 - 0.26
  - 0.27 - 0.48
  - 0.49 - 0.72
  - 0.73 - 0.99
  - 1 or more
  - City-Owned Land
  - Institutions
Housing Competition from USC students has Increased

USC has become an increasingly residential campus, and students are competing with residents for housing.
More Changes are in the Works

- Introduction of the Expo Line
- Regional demand for housing near transit
- USC’s continued transition to a residential university
- $30 million Figueroa streetscape project & new affordable housing development

Strategic Economics

April 30, 2009
New Connections Could Bring Development Pressures and Pent-Up Demand from Elsewhere on the Line

Potential Development Pressures Affecting the Study Area

Legend
- Study Area
- Existing Metro Rail
- Expo line [Under Construction]
- Employment Center
- Industrial Employment Zone
- Institution
- Open Space
- Potential Development Pressures

Sources: GoogleEarth Pro, 2008; Strategic Economics, 2009.
The Expo Line Positions the Study Area to Attract Regional Demand for Housing Near Transit

- Whether this demand is actually captured in the study area depends largely on the quality of the transit and the quality of the place.
USC Specific Plan

Goals:

1. Increase academic space
2. Increase University-affiliated housing near campus in order to:
   - Preserve housing for residents
   - Decrease commute time for USC students, faculty, staff
3. Provide services to meet needs of students, faculty, staff, community.

Sources: USC Specific Plan Project Description; USC Master Plan EIR NOP, 2009.
Supply and Demand for University Housing

- New USC-owned housing could absorb some student demand
- Nevertheless, there is potential for demand to increase more

Sources: USC, 2009; Dept of City Planning, 2009; Enterprise, 2007; Strategic Economics, 2009.
Together, the Expo Line and USC’s Planning Efforts are Likely to Increase the Demand Captured in the Study Area.

Potential Demand for Housing Near Transit

- **Housing Stock**
- **Quality of Transit Service**
  - Will Improve with the Introduction of Expo Line
- **Placemaking**
  - Location, Location, Location
  - Likely to Improve as a Result of USC Planning Efforts and Improvements on Figueroa

More Demand Captured in Study Area
Demographics and Housing Affordability Findings

Step 1: Community Context & Data

Step 2: Formulate Goals

Step 3: Strategy Development & Recommendations

Strategic Economics April 30, 2009
Study Area Subareas

Legend
- Expoline
- Blue line
- Freeways
- Half Mile Radius
- Study Area
- No Data Available/
  Institutional Land Use

Source: ESR; IBI Group, 2008; Strategic Economics, 2009.
Low Household Incomes Throughout the Area

Estimated median household income in 2008:
- Study Area: $26,167
- City of Los Angeles: $44,845

April 30, 2009
High Share of Residents with Extremely Low Incomes

**Household Income Distribution, 1999**

- **Under $14,999 (Extremely Low Income)**
- **$15,000 - $24,999 (Very Low Income)**
- **$25,000 - $39,999 (Low Income)**
- **$40,000 - $59,999 (Moderate Income)**
- **$60,000 or More**

**Sources:** U.S. Census, 2000; Strategic Economics, 2009.

Strategic Economics

April 30, 2009
Many Extremely Low Income Residents Near USC

Household Income Under $15,000

Renters Account for Most of the Population

**Study Area**
- Renter-Occupied Units: 18%
- Owner-Occupied Units: 82%

**City of Los Angeles**
- Renter-Occupied Units: 35%
- Owner-Occupied Units: 65%
Renters Are Spread Throughout the Study Area
Single-Family Homes and Small Multi-Family Structures Make Up Most of the Housing Stock

<table>
<thead>
<tr>
<th>Size of Housing Structures, 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of Total Housing Stock</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Study Area</td>
</tr>
<tr>
<td>City of Los Angeles</td>
</tr>
</tbody>
</table>

- Single-Family, Detached or Attached: 40% (Study Area), 45% (City of Los Angeles)
- 2-4 Units: 20% (Study Area), 15% (City of Los Angeles)
- 5-9 Units: 10% (Study Area), 10% (City of Los Angeles)
- 10-19 Units: 5% (Study Area), 5% (City of Los Angeles)
- 20-49 Units: 5% (Study Area), 5% (City of Los Angeles)
- 50 or More Units: 1% (Study Area), 1% (City of Los Angeles)
- Other: 0% (Study Area), 0% (City of Los Angeles)

Strategic Economics

April 30, 2009
Single-Family Homes Have Particularly High Rental Rates

Share of single-family units occupied by renters:
- Study Area: 53 percent
- City of LA: 27 percent

Most of these homes are in Subareas 2 and 3.
Age of Housing Stock

Relatively old housing stock compared to the City of Los Angeles

Nearly 30% of units were built in 1939 or earlier in the study area, compared to 17% in L.A. as a whole.

Source: Clerics, 2009; Strategic Economics, 2009
Homeowners Prefer Older Units

53 percent of owner-occupied units in the study area were built before 1939 (v. 24 percent in the City of LA)

Renters occupying pre-war units may be at greatest risk for displacement.
Housing Burden

Households Spending 30% or More of Household Income on Housing

<table>
<thead>
<tr>
<th>Percent of Housing Units</th>
<th>Study Area</th>
<th>City of LA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renter-Occupied Units</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Owner-Occupied Units with a Mortgage</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>Owner-Occupied Units without a Mortgage</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>


Households Spending 50% or More of Household Income on Housing

<table>
<thead>
<tr>
<th>Percent of Housing Units</th>
<th>Study Area</th>
<th>Los Angeles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renter-Occupied Units</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Owner-Occupied Units with a Mortgage</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Owner-Occupied Units without a Mortgage</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Subprime Lending

Relatively high share of loans made by subprime lenders indicates that foreclosure rates may rise.

Source: dataplace.org
Foreclosures

Study Area, January 2007-June 2008:

- 43 single family homes or condos
- 59 multifamily buildings with 2-4 units (estimated 175 units)
- 2 multifamily buildings with 5+ units

Source: LAHD, 2008
Affordable Housing Inventory

Step 1: Community Context & Data

Step 2: Formulate Goals

Step 3: Strategy Development & Recommendations
Federally Assisted Housing in the Study Area

1,814 assisted units in the study area:
- 62% profit-motivated
- 21% non-profit
- 13% unknown

Strategic Economics

April 30, 2009
Within the corridor, most federally assisted units are in the study area.
Market rate units are an important source of affordable housing

- Approximately 4,900 subsidized units in the study area
- Estimated low-income population between 13,900 - 21,800
- 9,000 – 16,900 estimated low-income households in the study area NOT living in subsidized housing

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Households in Study Area</th>
<th>Households Served by Subsidized Housing</th>
<th>Low-Income Households Not Served by Subsized Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $30,0000 (50% AMI)</td>
<td>13,896</td>
<td>4,901</td>
<td>8,995</td>
</tr>
<tr>
<td>Less than $50,000 (80% AMI)</td>
<td>19,050</td>
<td>4,901</td>
<td>14,149</td>
</tr>
<tr>
<td>Less than $75,000 (120% AMI)</td>
<td>21,771</td>
<td>4,901</td>
<td>16,870</td>
</tr>
</tbody>
</table>

Market Dynamics and Subsidized Housing

When FMR < actual median rent:

- Households with vouchers must move or pay the difference out of pocket.
- Landlords of project-based Section 8 housing have an incentive not to renew contracts.

USC’s plans to increase privately-owned student housing could increase local median rent.

Source: HUD Data User, 2008; Housing4Students.com; Westsidereental.com, March 2009; Strategic Economics, 2009
Major Findings and Goals

Step 1: Community Context & Data

Step 2: Formulate Goals

Step 3: Strategy Development & Recommendations
**Major Findings: USC**

- **Evolving from a commuter to a residential campus without building new student housing**
  - Result: Students live in the neighborhood, have bid up rents and displaced residents
  - Students migrating west of Vermont and north of Adams

- **Plan to build more beds and improve University Village**
  - Likely to attract additional students to the neighborhood
  - Plans include privately developed/managed housing built to the top end of the student market

- **USC is an important community asset**
Major Findings: Exposition Line

- The Exposition Line, in combination with improvements at USC, is likely to draw housing demand from around the region to the study area.
Major Findings: Renters

- Renters account for the majority of neighborhood residents
- Many low-income renters live in market-rate units
- Historically, renters have been a relatively stable population
- In the past decade, non-student renters have experienced discrimination, harassment, evictions
- Renters participate in community organizations, and have strong social networks
Major Findings: Rental Supply

- Historically area has been an important source of low-income housing: market-rate and subsidized
  - More rental units in study area than City as a whole
  - High concentration of project-based Section 8 units
- Benefits of locating affordable and mixed-income housing near transit
  - Transportation + housing affordability
- Single-family homes and small multi-family buildings account for most of the rental housing
- Rising rents place market-rate, subsidized units, and vouchers at risk
- Students drive up rents throughout the study area for multiple reasons:
  - Higher incomes
  - Roommates
  - New student housing built to top end of the student market – price sensitive students compete with residents
Major Findings: Identifying Strategies

- USC and other community groups share common goals:
  - Housing more students on campus
  - Building strong, diverse community
- Small parcels & limited opportunity sites for new development
- Preservation more of a priority than production
- TOD and USC Specific Plans offer opportunity to address local affordability/displacement issues
- Community organizations have the capacity to implement strategies
- USC has the opportunity to be a national model for evolving into a residential campus
Goals

1. Preserve Existing, Subsidized Rental Units.
2. Minimize Immediate Displacement from Rental Units.
3. Acquire Targeted Market-Rate Units and Convert to Permanently Affordable Housing.
4. Accommodate USC's Residential Student, Faculty, and Staff Population on University-Owned Land to the Extent Possible.
5. Recognize Goals Shared by USC and the Surrounding Community, and Work to Foster Improved Relations and Communication.
6. Facilitate the Development of Sustainable, Mixed-Income Transit Communities by Improving the Financial Feasibility of Small Lot Development.

Strategic Economics

April 30, 2009
Potential Strategies – See Accompanying Memo

Step 1: Community Context & Data

Step 2: Formulate Goals

Step 3: Strategy Development & Recommendations

Strategic Economics

April 30, 2009
Appendix B

Los Angeles TOD Plans and Market Studies
Community Workshops
Executive Summary

1.0 Study Purpose

The purpose of this study is to provide the Los Angeles Department of City Planning with Transit Oriented Development recommendations and market studies for the station areas along the proposed Expo Line within a ½ mile radius of the planned light rail stations. The study area includes the surrounding ½ radius of land area and the stations located at 23rd Street, Jefferson, USC/Exposition Park, Vermont, and Western. All five stations are located south of Highway 10 and the Harbor Freeway acts as a boundary intersecting the 23rd Street and Jefferson station areas. For the purpose of station area analysis, the USC/Expo Park and the Vermont station areas have been combined into an expanded station area because of their close proximity to one another and shared land area.

The proposed Expo Line is part of the Metro Rail/Fixed Guideway network in Los Angeles County and LRT line will connect Downtown Los Angeles to Culver City and travels along South Flower Street during peak periods and 10 minute headways during off peak periods. The Expo Line may also include express service which does not stop at every station. The estimated ridership of the Expo Line for year 2020 will be 43,000 riders daily.

1.1 Project Schedule

The Los Angeles TOD Plans and Market Studies project commenced in October 2008 and meetings with the Los Angeles Department of City Planning were held to refine the project tasks and conduct site visits of the four station areas. Key Stakeholder groups and parties of interest were identified for the station areas for the purpose of creating a stakeholder data base and outreach plan to be used for workshops and other public meetings. The stakeholder data base provided a list of key community members and groups which are beneficial to include in the Community workshop phase of the project. The first Community Workshops were held on February 7th and February 14th, 2009 and their purpose was to identify the issues and opportunities for each of the four station areas. A transit oriented site visit to Portland, Oregon will occur in late March 2009 to study successful transit oriented development projects around the TriMet light rail and coordinate with agency and transit system personnel. Stakeholders and City staff will have the opportunity to attend the site visit to Portland, Oregon. The second phase of community workshops will begin in mid April 2009. The second workshop themed “Concepts and Solutions” will identify TOD concepts and TOD solutions for the station areas. The third set of workshops will be completed in mid May 2009 and the purpose of the workshop will be to review the transit oriented development plan and receive feedback on the TOD plan. The final TOD plan will be presented in July 2009.
2.0 Community Workshops

In order to provide the Los Angeles Department of City Planning with Transit Oriented Development recommendations, three community workshops for each study area must be held to identify existing community issues, concerns and opportunities for the future. The workshops are intended to integrate the community perspectives, receive feedback from participants, and improve the communities' understanding of the Expo Line light rail transit system, transit oriented development and various types of land use and density levels.

2.1 Round 1 Community Workshop

(WESTERN, VERMONT, AND USC/EXPO PARK STATIONS)

The first workshop of three community workshops was classified as the "Issues and Opportunities" workshop. The Community Workshop I was held at Ahmanson Senior Center in Expo Park on Saturday, February 7, 2009 from 10 am to 2 pm and focuses primarily on the USC/Expo Park, Vermont and Western stations. Approximately 20 participants attended representing residents and non profit interest groups in the area. The second Community Workshop I was held at Los Angeles Trade Tech College on Saturday, February 14th from 10am to 2 pm and focused primarily on the 23rd and Jefferson stations.

The purpose of the Community Workshop I was to inform the participants on the components of the transit oriented development study and educate them on the 18 key principles important to the success of any TOD area. It was to also to inform participants of the overall process of the Los Angeles TOD Plans and Market Studies project, to educate them on the concept of Transit Oriented Development, and to set a platform to receive the necessary feedback and participation needed to move forward to the second set of workshops. The participants were also educated on precedent transit oriented developments located in Los Angeles, Pasadena, Portland and Seattle.

SITE ANALYSIS

Station Area Framework was introduced to show station area context, land use plans, station area features, station area demographics and station area opportunities and constraints. The existing City of Los Angeles Plan Areas included the: community plan boundaries, specific plans, overlay districts, and CRA/LA Redevelopment Areas. Exhibits of the community plan boundaries, specific plans, overlay districts, and CRA/LA Redevelopment Areas are located in Exhibit 1-4.

PLENARY DISCUSSION

The Plenary Discussion followed the Site Analysis presentation. The Plenary Discussion was the first opportunity to receive input from the meeting participants regarding the community, station areas, and Expo Line. The Plenary session was set up in a town hall format. The facilitator prompted discussion by asking questions such as “what works in your community?” and “what needs to be changed?”. Many participants voiced the existing attributes and constraints of the station areas and their neighborhoods. They also provided suggestions for...
opportunities and what they would like to see changed in the station areas and their neighborhoods.

Some key points presented by the participants included the preservation of the Historic Preservation Overlay Zone and the maintaining of the existing historic charm/architecture, the proposed Expo Line Connections and how it will affect the existing community, the scale of proposed developments in the station area as a result of the Expo Line, the density of the existing neighborhoods and the lack of existing infrastructure, parking, and facilities, the opportunity for affordable and mixed income housing as well as opportunity sites for amenities such as grocery stores and pharmacies, proposed development and redevelopment along the Exposition corridor, opportunities for redevelopment and development in the station areas and surrounding neighborhoods, and expansion of existing key attributes in the area such as Expo Park and the existing recreation facilities.

The following is a summary of the entire Plenary Discussion.

HPOZ AND HISTORIC DISTRICT ARCHITECTURE

1. Respect the Historic Preservation Overlay Zone and respect the content of the Historic District Architecture.

2. Conserve the neighborhoods Historic Charm by controlling the design on proposed developments i.e. colors and materials. The historic neighborhood has originality and these historic attributes should be enhanced.

3. Participants are concerned with the densities of proposed developments and would like to maintain the historic character of the area. Participants suggested a density such as the Brooklyn Brownstones to be appropriate.

4. This area was once the Beverly Hills of Los Angeles at the turn of the century with buildings and homes designed by John Perkins. These historic buildings must be maintained as it adds to family development. The “Urban Village” concept must respect the existing community (family oriented).

5. There is already tremendous diversity and uniqueness in housing.

EXPO LINE CONNECTIONS

1. Improve on connections between the Expo Line and existing transit systems to create a network of connections. Transit stations have been spaced too far apart and feeder connections are being rearranged to improve access. Metro is expanding their local services such as DASH.

2. There is a strong patronage along the corridor which determined Expo Line station locations. There is not a good location for a Normandie Expo station.

3. Participants stated that sidewalk conditions need to be improved because the sidewalks are very narrow and it creates a difficult environment to walk. The ½ mile radius around each station area is considered a manageable walk.
Exhibit 2
Specific Plans

Legend
- 1/2 Mile Station Area Buffer
- North University Park
- University Park Master Plan
- Original Project Area
- University Park Master Plan Expansion Area
4. Activity centers need to be created between stations to provide an origin, destination, and something in the middle. Station areas are large enough to allow “nodes” to occur “in between”.

SCALE

1. It is important to build to the right scale to allow for smaller tenants. There needs to be a small lot initiative and more green space in the neighborhoods. More services should also be provided for the youth.
2. Participants would like to see smaller spaces to make streets more walkable.
3. Create an area that is not too sparse, but not too crowded. Participants are concerned about increased density and how density will increase traffic.

DENSITY

1. The station areas are already very dense and existing infrastructure is lacking. Upgrading existing infrastructure is required especially if density is increased. However, there is a lack of money to provide these infrastructure resources.
2. The area has few home owners and many renters. There is a shortage of student housing which contributes to the problem of there not being enough housing for residents.
3. There needs to be more public investment for affordable housing and these issues are not just in the station areas, but are in the whole community.
4. Emphasize local business vs. national change. Standards must be set regarding acceptable businesses and housing. Standards must also be set to identify what is allowed in the study areas.
5. There is concern regarding assembly especially with respect to many small properties. There is also concern regarding equitable distribution.
6. Residents would prefer higher densities to be located on the corridors and not integrated into the rest of the community. Mix of uses required for new developments and parks and open space should be incorporated especially with an increased density. There are density
concerns for proposed developments and a comfortable range of densities must be determined.

7. “If we don’t build it, they won’t come.”

8. Insufficient parking can be a problem and can lead to safety issues. Convenient parking required at stations required.

9. Service and funding are based on area.

10. There is overcrowding in the neighborhoods and residents would like for more high quality, low income housing to be built. Many housing units were converted into student housing.

11. There are also traffic/congestion concerns with an increased density.

DIVERSITY AND HOUSING – ETHNIC AND ECONOMIC

1. Affordable housing should be tied to the transit stations. The neighborhoods are very diverse with different economic backgrounds. There needs to be more affordable housing in the neighborhood which will bring more transit dependent residents. Safe, affordable housing should be provided for seniors that are safe and mixed with other family types.

2. An attribute to the community is its ethnic and socioeconomic diversity. There should be homeownership opportunities for all of these incomes.

3. Participants noted that there are insufficient services in their neighborhood such as grocery stores and pharmacies. They want local businesses to fill these needs. There needs to be grocery equity and food security. A smaller market should be required.

4. Public safety and parking are a major concern. There needs to be more parking structures in the area.

DEVELOPMENT AND REDEVELOPMENT

1. There needs to be more green spaces for activities and services for the youth.

2. All development and redevelopment has been put on hold at the moment and there needs to be action. “Stop fact finding and start doing.”

3. Participants are wondering how land developments will occur because there are currently multiple property owners in these station areas.

4. Jefferson and Flower has some potential site opportunities east of the Freeway. Around the 23rd and Flower station area, there are some land uses that can accommodate for larger uses such as a Costco.

5. There needs to be parking for businesses as well as housing. This is also a safety issue. Participants suggested shared parking lots for residents. Participants suggested parking districts to control parking in the residential areas. To mitigate the parking situation, the vacant parking lots of churches can be used for residents during off peak hours.

6. Participants would like to have a grocery store located within the TOD. A smaller grocery store will act as an anchor to the TOD and will be approximately 18,000 to 20,000 sf. Local shopping and corner stores are needed, not just larger stores.

7. One resident noted that because of proposed developments, there are limited potential sites. For example for the Expo and Jefferson station, USC owns property at all of the Flower and Jefferson intersections and Western Avenue is the only opportunity station area. There is a lot of land lock, but some improvements can still be made. TOD will be limited in some areas due to existing development. USC is a developer in the area and owns a lot of the existing property. Smaller interventions may be required. Development should be consistent with existing community.

8. There will have to be more of a corridor development instead of just a specific station area development. This will connect the station areas.

9. The old uses and amenities that were removed from the station areas have not been replaced, such as banks, stores, and pharmacies.
Participants would like the have these amenities convenient and within close proximity.

10. Redevelopment must occur and more services and better housing must be recommended.

11. The intersection of Normandie and Exposition Boulevard is a possible development site.

12. Expo Park is under utilized especially the “great lawn”. Exposition Park is an amenity to the area. Funds should be available to existing attributes to let these facilities grow.

13. Reflect “Main Street Downtown” as a concept for these streets. Participants suggested looking at what Main Street originally looked like to get ideas for development.

14. New development must address ALL nodes of transportation and new development should be used as an opportunity to support the community.

15. Bike facilities and bike parking needed is needed. Facilities such as bike lockers and showers should be provided for bicyclists. Citywide bike plan is being updated and the bike plan should be tied to transit.

**CRIME**

1. A transition rehab center should be provided for residents. The transition rehab will provide services, clothing food, etc and will attract people and mitigate negative activity.

2. Existing and established businesses contribute to the high crime activity in the neighborhood.

3. Remove the transitional center to improve home values and remove bad elements.

4. The City should not allow rehabs in an area where there is already high crime.

**BREAK-OUT SESSION**

The Break-Out Discussion provided participants the opportunity for focus on each specific station area to identify the station area’s opportunity and constraints. The idea for the Breakout Discussion was record ideas for how the station area could be in the future and to identify some of the social, economic and environmental goals. Participants were separated into smaller groups for this activity and each group discussion was lead by the table facilitator. Each table produced ideas for the Vermont Station/USC-Exposition Park Station and the Western Station. Some common ideas for the group discussion on the Vermont Station/USC-Exposition Park Station included proposed mixed use developments, enhancing streetscape, maximum heights on proposed developments, potential development parcels and sites, expand on existing community attributes, and provide more amenities to the community. Common ideas for the Western Station included allowing for mixed use and commercial development along Western Avenue, providing a commuter shuttle to neighborhoods outside of the station areas, provide more parks and green spaces, and providing grocery stores and other amenities in the neighborhoods. A detailed write up of the Break-out Group discussion is summarized below. The discussion is separated by station and each group’s feedback for that station. Detailed Western Station maps from the
Break-Out session are in Exhibits 5-9. Table maps of the Western station area from the February 14th, 2009 workshop are included in the exhibits.

**Western Station**

**GROUP 1 IDEAS: WESTERN STATION**

1. A 30-35 foot height maximum along Exposition Boulevard was suggested. This height maximum could be higher if there is historic architectural quality present. There should be mixed use development facing Exposition Boulevard.

2. Allow for commercial and mixed use development on Western Street between Exposition and Jefferson. The development should have a height maximum of 60 to 80 feet.

3. An historic architectural quality for all development proposed should be a goal.

4. A community shuttle or circulator should connect surrounding communities to the Expo Line stations to increase ridership.

5. There should be little to zero setbacks to pull the development to the street.

6. There is a City owned parcel at the intersection of Arlington and Exposition. This is a great opportunity site for a park.

7. Improve sidewalk and street conditions along Western.

8. Provide funding to the existing parks and open spaces, such as Martin Luther King Jr. Park and the Denker Recreation Center. Green spaces from the parks and recreational spaces should also be moved outside of the parks to create nice pathways for walking.

9. Opportunity sites for grocery stores include the parcel on the southeast corner at the intersection of Martin Luther King Jr Boulevard and Western and the parcel to the southeast corner at the intersection of Jefferson and Western.

10. Provide a DASH shuttle through the neighborhoods outside of the ½ mile station areas. This will provide residents with access to the Expo Line.

**GROUP 2 IDEAS: WESTERN STATION**

1. Provide pocket parks and community gardens in the station area.

2. Along Western Avenue, provide a convenient bike lane to connect to the bike path.

3. Provide a Dash service around the station areas that will connect to the station.

4. Denker Recreation Center and Martin Luther King Jr Park are attributes to the station area.

5. Upgrade existing buildings located along Western Avenue.

6. Along Exposition Boulevard, provide a higher density with wider sidewalks.

7. Need improvements at the corner at Western/Exposition or Normandie/Exposition.

**GROUP 3 IDEAS: WESTERN STATION/JEFFERSON STATION**

1. Maintain existing street character in the Western station area and preserve existing single family housing.

2. Martin Luther King Jr Park and Foshay Learning Center are existing attributes and the Foshay Learning Center is an opportunity site for joint development with LAUSD.

3. Improve the linkage between the intersection of Western Avenue and Exposition Boulevard and the Martin Luther King Jr. Park.

4. County facilities are located along Western Avenue between W. 38th Street and Middleton Place. This is a potential development site.

5. Locate a grocery store at the intersection of Western Avenue and Exposition Boulevard.
Exhibit 7
Breakout Session (2/7/09) Group 3 Western Station
Exhibit 9
Breakout Session (2/14/09) Group 4 Western Station
JEFFERSON STATION

1. The pedestrian connection on both sides of the freeway must be improved. Way finding signage should be added.
2. Mercado la Paloma is an existing benefit to the station area and a connection to the market and additional streetscape must be provided.
3. The senior housing located within the USC Master Plan area must be conserved. Conserve the existing Jefferson Gardens housing.
4. Improve sidewalk and streetscape of Figueroa Boulevard and provide a location for community services and local restaurants to reduce the amount of fast food.
5. The Harbor Freeway is a constraint and connections must be provided from one side of the freeway to the other.
6. Hoover Recreation offers many amenities and needs to be increased in size.

GROUP 4 IDEAS: WESTERN STATION

1. Information was requested on the Emergency Plan with respect to the Expo LRT.
2. Concern was expressed about crossing safety for children at the Foshay school with the light rail station located at street level. One resident indicated that the station and system should be elevated.
3. Low-scale retail and neighborhood services (non-auto related) should be located along the street on Exposition close to intersections (stations) – these could be interspersed with mid-rise brownstone-style residential buildings. Transitions in heights to the single family neighborhoods are needed.
4. Façade improvements are needed for the store at the NW corner of Western and Exposition.
5. It was noted that MTA has awarded $4 million for streetscape improvements along the Exposition Line – however, this is not enough.
6. Street lighting improvements are required to improve safety and security and encourage transit use. The example of good street lighting for the project team to review is in the Adams/Normandie/25th neighborhood. Another good example is the candle lights at Exposition/Vermont on the USC campus.
7. Left-turn only signals are needed on Western Avenue. Project team to review the street improvements plans for the area to verify if new left-turns are proposed.

8. Retail uses on Western Avenue south of Exposition are relatively marginal and improvements are needed to the streetscape. There is a new library next to Martin Luther King Jr. Park which is a good community asset but Western is not an attractive place to walk.

9. Businesses on Western Avenue need adequate parking to make them viable and to minimize parking by retail customers on the nearby residential streets.

10. Signage on businesses needs to be better controlled as there is a lot of unsightly signage in the neighborhood.

11. Street food vendors need to be regulated as many are operating along Western without licenses. The Needs Assessment Report evaluated the current and future transit needs in the City of Anaheim through an assessment of demographics, land use, travel patterns, and the existing and planned transportation network. An assessment of transit need was determined using a variety of land use and transportation criteria, resulting in the identification of potential corridors that would benefit from either a high capacity system or from increased local bus service. The report also identified areas of unmet transit needs.

**Vermont Station / USC-Exposition Park Station**

**GROUP 1 IDEAS: VERMONT STATION / USC-EXPOSITION PARK STATION**

1. Participants would like mixed use/commercial uses with a 60-90 foot height of buildings (preferably 60 ft) along Vermont Avenue. They would also like a 3 story height maximum on new development. It was suggested to develop the parking lots along Vermont Avenue that would also include open space. These lots are only used 8 times per year.

2. For proposed developments, it is suggested to have mixed use buildings (office/retail on ground floor with housing above). The mixed use building should wrap a parking structure. Ground level retail must be required.

3. For any use facing Exposition Boulevard, there should a 30-35 foot height max for mixed use buildings.

4. Participants would prefer to have zone changes and no eminent domain.

5. Create small commercial businesses on Normandie. Along Normandie, residents would like a quality chain store like Trader Joes and Cost Plus.

6. The tree canopy needs to be improved, especially between schools, recreation centers, and wherever people walk. The London Plain tree was suggested as a street tree.

7. Trees will already be planted with the Expo Line construction – there is no need to spend resources for trees on Exposition. The money could be used elsewhere.
8. Improve and highlight existing street trees and streetscape.

9. Mixed Income housing and mixed use buildings are required for this station area.

10. The State owns the parcels adjacent to the University of Southern California on Vermont Street at the southwest intersection of Vermont and Exposition. These parcels are opportunity sites.

11. Articulation, pull buildings to the street, 2 bedroom and senior housing.

12. Invest funds into existing facilities like the South lawn and the Jessie A Brewer Jr. Park.

13. The parking lots located along Vermont Avenue provide a location for mixed use development.

GROUP 2 IDEAS: VERMONT STATION / USC-EXPOSITION PARK STATION

1. Provide pocket parks and community gardens in this station area.

2. A bike path is needed along Martin Luther King Jr. Boulevard.

3. Along Exposition Boulevard, provide higher density development and design for wider sidewalks.

4. Higher density development is desirable at the corner of Vermont and Exposition.

5. Mixed use development should be explored along Vermont Avenue between Jefferson Boulevard and Exposition Boulevard.

6. An incentive should be created for local churches to share their parking with residents during off hours.

7. The South Lawn at Expo Park is an amenity and it should be converted into a cultural garden.

8. The parking lots located on Vermont Avenue adjacent to the University of Southern California should be developed to mixed use buildings and underground parking.

9. There is potential for development under the Harbor Freeway.

10. Redevelop the development along South Figueroa adjacent to the Los Angeles Memorial Sports Arena to allow for housing, retail and underground parking.

11. Locate a grocery store/other major store to the east of the Harbor Freeway between the freeway and Grand Street.

12. There is traffic congestion along Vermont Avenue between Jefferson and Exposition.

13. Locate a pharmacy adjacent to the Shrine Auditorium.

GROUP 3 IDEAS: VERMONT STATION / USC-EXPOSITION PARK STATION

1. Vermont Street is a community asset. In addition, the parking lots located on Vermont are an opportunity site. The former library site located on 37th and Vermont provides an opportunity for affordable housing. The site located to the west of Jesse A. Brewer Jr. Park is also an opportunity site for affordable housing or for a market.

2. Maintain existing street character in the Western station area and preserve existing single family housing.

3. Grocery stores should be provided adjacent to the station areas on Western and Vermont.

4. The Indian Shopping Center at Jefferson and Vermont provides a good location for mixed use development.

5. Develop the parking lots located along Vermont Street and Martin Luther King Jr Boulevard in Expo Park.

6. Vermont Avenue provides a location for local businesses. There is great street frontage along Vermont Avenue.

GROUP 4 IDEAS: VERMONT STATION / USC-EXPOSITION PARK STATION

1. Redevelopment with street retail and more housing density should be considered along the Exposition Boulevard Corridor frontage in
1. Redevelopment with street retail and more housing density should be considered here. USC-related housing or workforce housing should be considered here.

5. Develop the parking lots located along Vermont Street and Martin Luther King Jr. Boulevard in Expo Park.

4. The Indian Shopping Center at Jefferson and Vermont provides a good location for higher density residential. The whole northwest quadrant could redevelop into higher intensity uses. USC-related housing or workforce housing should be considered here.

7. It was suggested that the presence of USC in the neighborhood should be leveraged to generate jobs through the creation of R&D space or bio-tech space.

6. Vermont Avenue between Jefferson and Exposition is a good location for higher density residential. The whole northwest quadrant could redevelop into higher intensity uses. USC-related housing or workforce housing should be considered here.

8. The post office facility on Vermont Avenue at 35th would be a good opportunity site for infill housing/mixed-use. A small postal outlet could remain on the ground floor and the larger facility could be relocated to the industrial area east of I-110 freeway.

9. Any future development should adequately provide for automobile parking.

10. The existing parking area to the west of the Coliseum and fronting on Vermont is an opportunity site – active recreational uses (playing fields) should be considered here.

2.2 Round 1 Community Workshop

(23RD AND JEFFERSON STATIONS)

The purpose of the first workshop was to identify the “issues and opportunities” in and around the station areas. This exercise allowed participants to highlight issues and opportunities of specific sites and parcels on a block by block basis for the 23rd Street and Jefferson station areas. This information was then recorded and will be applied to further workshops. The second Community Workshop I was held on Saturday, February 14, 2009 at Los Angeles Trade Tech College from 10 am to 2 pm. Approximately 10 participants attended the workshop and represented residents and non profit interest groups in the 23rd Street and Jefferson station areas.

Like the community workshop held on February 7, 2009, the purpose of this Community Workshop I was to inform the participants on the...
components of the transit oriented development study and to educate them on the 18 key principles important to the success of any TOD area. It was to also to inform participants of the overall process of the Los Angeles TOD Plans and Market Studies project, to educate them on the concept of Transit Oriented Development, and to set a platform to receive the necessary feedback and participation needed to move forward to the second set of workshops. The participants were also educated on precedent transit oriented developments located in Los Angeles, Pasadena, Portland and Seattle. The existing City of Los Angeles Plans such as the community plans, specific plans, overlay districts, and CRA/LA Redevelopment were introduced to demonstrate the Planning Framework of the station area. Exhibits of the community plan boundaries, specific plans, overlay districts, and CRA/LA Redevelopment Areas are located in Exhibits 1-4.

Plenary Discussion

The Plenary Discussion was the first opportunity to receive input from the meeting participants regarding their community, the station areas located at 23rd and Jefferson, and Expo Line. The Plenary session was set up in a town hall format. The facilitator prompted discussion by asking questions such as “what works in your community?” and “what needs to be changed?”. Many participants voiced the existing attributes and constraints of the station areas and their neighborhoods. They also provided suggestions for opportunities and what they would like to see changed in the station areas and their neighborhoods.

Some key points presented by the participants included adding signage to the station areas to identify the transit stations, incorporating new bike paths that will connect the station areas to Downtown and to the west side of Los Angeles, providing affordable housing for very very low incomes and for students, implementing the CRA façade program for local businesses in the station areas, and connecting both sides of the community together that are now separated by the Harbor Freeway.

The following is a summary of the entire Plenary Discussion:

**TRANSIT AND SIGNAGE**

1. Use signage to point out the location of nearby transit stops. Buses and rail stops are not just a destination point, but they have an identity.

2. Participants suggested incorporating new bike paths into the area and improving on the existing bike framework. It is important to connect downtown to the Westside of Los Angeles via bike paths. Participants would like City staff to consider incorporating alleys as a possible location for bike paths for the Bike Path Master Plan.

3. There are many TOD opportunities with the Metro Blue Line station on Washington and participants would like the Washington station which is part of the Metro Blue Line network to be included in the study.

4. Light Rail vehicles need to show key destination points on card.

**AFFORDABLE HOUSING**

1. Housing is provided for students, but there is a lack of housing for residents. Very very low income housing is needed because residents cannot afford the low income housing offered. Students also have a difficult time affording the housing on the USC campus and they also need affordable housing.
2. CRA is working to build affordable housing and retail adjacent to the Washington Boulevard Blue Line station locations. CRA is forcing all new projects to have commercial and retail activity on the ground floor of buildings.

3. Participants recognize how the area has changed over the past 25 years and noted these changes are for the better. They are concerned with how expensive the area has become. People who have left the area are unable to come back due to how expensive the area is and if people cannot afford to live here anymore then where can they go?

4. Participants stated that the affordable housing being built in this area is not “affordable” for this area. Residents cannot afford the affordable housing offered.

BUSINESSES

1. Consider the community that already lives in the station areas. Work with local businesses to provide services to the area instead of bringing in chain stores and outside businesses.

2. The residents cannot afford to shop at grocers like Whole Foods and the existing super markets do not have healthy foods. Participants do not need a grocer like Whole Foods, but they should not have to travel so far to buy good food. There needs to be food diversity within the station areas. The existing shops charge a premium for food.

3. A farmers market is an opportunity to help local businesses. Participants recommended creating a program which involves working with existing businesses in the community to reposition foods in at the front of the store to create a “green grocer”.

4. Participants noted that an economic community is missing from the area. There is lack of economic opportunity in the area. They appreciate how codes have bee changed to limit fast food restaurants to allow for local businesses.

5. Participants stated that the façade program is a great way to help local businesses and CRA would like the façade program to expand to local businesses in the area.

DENSITY

1. Expand the ½ mile circles around the station areas to accommodate housing needs so the benefit of more dense housing is available. At some station areas, expand the ½ mile to the west.

2. As the TOD Plan moves forward it is critical to focus on each station as an individual station as certain parts of the stations already have higher densities and more intense uses. There will be some station areas that cannot accommodate such densities.

DEVELOPMENT / REDEVELOPMENT

1. There is a conflict between residential uses and commercial uses. People continue to be pushed away for commercial development and the area become gentrified.

2. Zoning of property prohibits commercial and residential uses. Participants would like to encourage commercial and residential uses instead of prohibit them. Participants would like to reuse the existing buildings for commercial and residential uses.
3. Participants are concerned with segregation from one side of the community to the other side of the community. Do not separate the communities by looking at a map. We must find a way to creatively connect the sides of the community together.

4. Redevelopment agencies will work on building façade improvements in the station areas. Opportunities must be leveraged and existing blocks must be focused on individually. CRA money needs to be brought in for the façade improvements. On Adams and Central, CRA has provided façade improvement money. The existing buildings in the station areas have nice “bones” and architectural features.

5. Cal Trans will be using some of the proposed Cap Park land for HOV lanes and this information needs to be included in the plans.

6. Residents provide an identity for the community and believe that it is unfair for developers come in and displace the residents that once gave the community character.

**BREAK-OUT SESSION**

The Break-out Discussion provided participants the opportunity for focus on each specific station area to identify the station area’s opportunity and constraints. The idea for the Breakout Discussion was record ideas for how the station area could be improved in the future and to identify some of the social, economic and environmental goals. Participants were separated into smaller groups for this activity and each group discussion was lead by the table facilitator. There were three break-out groups for this workshop and each break-out group produced ideas for the 23rd station and the Jefferson station.

Participants provided common ideas and improvements for both the 23rd and Jefferson station areas and these ideas revolved around the concepts of affordable housing, more locations for medical care, increased parks and open spaces, food diversity, a diversity of available jobs and education opportunities.

A detailed write up of the Break-out Group discussion is summarized below. Many of the ideas that apply to both station areas, 23rd and Jefferson, have been included in the write ups of both station areas. The break-out discussion feedback has been separated by station. Detailed 23rd and Jefferson maps from the Break-Out session are in Exhibits 9-13. Table maps of the 23rd station area from the February 7th, 2009 workshop are included in the exhibits.

**23rd Station**

**GROUP 2 IDEAS: 23RD STATION**

1. This TOD plan has to benefit the local community and this study must determine what can logically be fixed in the station areas.

2. Participants would like to see the “heart of the area” located adjacent to nearby housing. It is too far for residents to walk six blocks to the stations.

3. There is an affordable housing issue and the line of affordable housing is a very low line. The existing housing not is maintained, but if the poor conditions get reported the housing will just get condemned.

4. One participant noted that a Fresh and Easy grocery store will be incorporated into one of the station areas. Fresh and Easy grocery stores are approximately 20,000 sf. There also needs to be more clinics in the area. There is one existing clinic between the two station areas.

5. To increase park space, school yards can share green space with residents and become more of a community asset to the area. There are no community gardens in the area.

6. The freeway is a major constraint in the community. Select a street corner on either side of freeway with 6 or 8 businesses to produce a “place” for the community. Create a plaza and an urban heart for the area.
Exhibit 9
Breakout Session (2/14/09) Group 2 23rd Station
7. There is no economic justice in the station areas and this economic justice concept is very basic. It is the fundamentals and elements for any community to survive. There is no existing community center, parks and recreation are closed, there are a lack of clinics and there is only one clinic being utilized right now. There is no bilingual training and there needs to be more public outreach. Expo Park is not accessible to the community and it is only used for programmed events. There are existing parks located at Hoover and Adams and Estrella and 21st Street. The Jackie Robinson Park the school rents out the park and there is a charge for activities.

8. There needs to be affordable housing in the station area. The community will improve with more jobs and new housing.

9. Locate the community centers closer to the neighborhoods to lessen travel time to the community centers for residents.

10. Gentrification is a result of land being lost to new developments in the station area.

11. The community planning process needs to be incorporated into what is occurring with this TOD planning process.

GROUP 3: 23RD STATION

1. Provide pedestrian friendly streets along 23rd and Adams. Right now there is major congestion on these streets.

2. Provide a connection to get from Orthopedic High school to the other side of the station.

3. There is opportunity for high density and mixed use development along Figueroa and Flower between the Harbor Freeway to Jefferson.

4. Improve the existing DASH system.

5. Provide a pedestrian friendly street along Grand Avenue for the John Adams Middle School students as well as the Amino Jackie Robinson school. Try to figure out where the students live.

6. There does not need to be much improvement adjacent to the Cap Park. Provide mixed use on the Cap Park and adjacent to the Cap Park.

7. Provide retail around the existing industrial areas specifically at the 23rd station area.

8. There is a potential for high density development on the LATTC parcel at the corner of Washington Boulevard and Flower Street. There is an opportunity to provide new lofts and apartments to the east of the Metro Blue Line station along Washington Boulevard and CRA plans to develop the eastside of Washington Boulevard. Improve Washington Boulevard to the west of Flower Street.

9. There should be a wider sidewalk located on Washington Boulevard adjacent to the Metro Blue Line station or a pedestrian over pass connecting to the station. There are also crosswalk problems on Washington Boulevard by the Metro Blue Line station.

10. Provide a new main entrance for Los Angeles Trade Tech College along Grand Avenue. Improve the building façade of LATTC along South Flower Street. This is a good marketing opportunity for the
college. The back of Los Angeles Trade Tech can be improved will murals.

11. A transit hub should be located at the Cap Park adjacent to the 23rd Street station on South Flower Street. There should also be a pedestrian bridge from South Flower to the Cap Park.

12. Grand Avenue and South Hill Street should be pedestrian friendly streets. 23rd Street and Adams Boulevard are important pedestrian connections and these streets are not pedestrian friendly. Provide more trees along Figueroa Boulevard from Martin Luther King Jr. Boulevard to 7th Street.

13. A developer, Palmer, bought a portion of the Orthopaedic School which is adjacent to the 23rd station.

14. Provide mixed use development and office space along the Figueroa Corridor and regulate the design standards of the proposed mixed use development. Along Figueroa, from 23rd to Jefferson there should be a mixed use corridor and from Highway 10 to the Cap Park should be auto space.

15. There should be a walking path and bike facilities at and around the proposed Cap Park by the existing churches. Cal Trans owns the southwest corner of the Cap Park.

16. The County of Los Angeles building located on Adams Boulevard is an opportunity site for development. A clinic is located to the east of the County of Los Angeles building.

GROUP 4: 23RD STATION

1. Bike paths are needed in the station area. Focus on how to connect a bike path to a transit station. Work with local businesses along Figueroa Avenue to provide bike parking. Provide bicycle lanes that connect the station area to Downtown Los Angeles and Union Station. Provide bicycle paths along Figueroa Avenue, West 23rd Street, West Adams Boulevard, Jefferson Boulevard, and Hoover Street. Avoid conflict with bus routes and bicycle paths as a lot of small streets already have buses.

2. Recognize local businesses in the station areas and figure out how to maintain the local businesses. Locate signage on Figueroa Avenue to identify businesses. Educate local businesses about existing programs and preserve the existing local businesses. Invest in local businesses.

3. Provide more street lights, street trees and signage. Do not block street lights with street trees.

4. Improve “green spaces” that are not quite green such as the Hoover Recreation field. This space is heavily used. The recreation centers need to be improved.

5. Increase intensity from Adams Boulevard to 32nd Street.

6. Participants do not agree with locating housing near the freeways.

7. CRA has a policy on Figueroa Boulevard that encourages small setbacks and buildings up to the street.
8. Chain restaurants can be removed. Local businesses need affordable rents. There is also a need for drug stores in the station areas.

**Jefferson Station**

**GROUP 2: JEFFERSON STATION**

1. This TOD plan has to benefit the local community and the study must determine what can logically be fixed.

2. There is an affordable housing issue and there needs to be very low income affordable housing. The existing housing not maintained, but if the poor conditions get reported the housing will just get condemned.

3. Lack of grocers in the area is an issue. Within the station areas there is a Superior grocery store (32nd and Hoover) and a Ralph’s (Adams and Vermont). The Superior grocery store quality does not have quality food and the Ralph’s grocery store are too expensive. Available food must be placed within walking distance. This food must be nutritious, have value, and is tied into farmers markets. Residents have to drive outside the neighborhood to shop. There is a good case study in the area at Grand and Adams for a small market.

Use this case study to jump start other development. In the station areas there are no other large markets.

4. One participant noted that a Fresh and Easy grocery store will be incorporated into one of the station areas. Fresh and Easy grocery stores are approximately 20,000 sf.

5. To increase park space, school yards can share green space and become a community asset to the area. There are no community gardens in the area.

6. There is a language barrier in the station area and there needs to be more accessible language training which can eventually provide more jobs to residents. Los Angeles Trade Tech College is nicely located in the community and we should work with the college to have an immediate community outreach program for the station area. Currently, there is not a lot of community outreach in the station areas.

7. The freeway is a major constraint in the community. Select a street corner on either side of freeway with 6 or 8 businesses to produce a “place” for the area. Create a plaza and an urban heart for the area.

8. There needs to be economic justice and this economic justice concept is very basic. It is the fundamentals and elements for any community to survive. There is no existing community center, parks and recreation are closed, there is a lack of clinics and there is only one clinic being utilized right now. There is no bilingual training and there needs to be more public outreach.

9. There is a third TOD circle which corresponds around the Metro Blue Line and the development in that circle can be intensified.

10. Participants would like to see the “heart of the area” located adjacent to nearby housing. It is too far for residents to walk six blocks to the stations.
11. The Orthopaedic medical center was removed and there are not many hospital/clinics available for residents to use. The closest option is on 28th Street and Grand Avenue.

12. Gentrification is a result of land being lost to new developments in the station area.

13. The community planning process needs to be incorporated into what is occurring with the TOD planning process.

GROUP 3: JEFFERSON STATION

1. Are there any opportunities behind the Felix Chevrolet dealership on Jefferson Boulevard? The Felix Chevrolet site is also a potential development site.

2. There needs to be an underpass located at Jefferson Boulevard. There also needs to be a connection between east and west sides of the Harbor Freeway. The sidewalk also needs to be improved under the Freeway.

3. There is potential for the development of a Costco at the Amino Jackie Robinson High and the Central LA Middle School sites. Provide pedestrian access for the Amino Jackie Robinson High and the Central LA Middle School.

4. There should be Research and Development uses for Engineering, Cinema, Architecture and Planning at and around USC.

5. Create a super block between 28th Street and 30th Street to allow the space for pedestrians.

6. There is major congestion at the end of the Harbor Freeway on Adams Boulevard.

7. Along Figueroa Street, from 23rd Street to Jefferson Boulevard there should be a mixed use corridor. From Highway 10 to the Cap Park there should be Auto space.

8. There needs to be more bike rack parking in the station area. Provide more bike parking in front of local businesses.

9. Incorporate Figueroa Street and Flower Street into the new City of Los Angeles Bike Plan.

10. Provide more lighting at a pedestrian level.

11. Consolidate some properties between Figueroa Street and Flower Street from Adams to Jefferson Boulevard to incorporate parks and development.

GROUP 4: JEFFERSON STATION/WESTERN

1. Provide more street trees to the east of the Harbor Freeway along 29th Street and Jefferson Boulevard.

2. Provide restaurants along Maple Avenue.

3. Local businesses need façade improvements along South Vermont Avenue. façade improvements are needed for existing structures and local businesses. CRA has targeted outreach on Central Avenue and Vermont Avenues for façade improvements of existing buildings. The Annual Allocation is $1 million dollars and most grants are $25,000. Enquire about nuisance buildings in the station area from neighborhood councils.

4. Make affordable housing available to residents and utilize public spaces. There are the University of Southern California parking lots that are under utilized. Apply the concept of “green roofing” for the parking lots located at USC. All parking lots should be consolidated into a parking structure with a green roof. There is also potential for farmers market in front of swim stadium.

5. Increase development intensity from Adams Boulevard to 32nd Street.

6. Provide bicycle lanes that connect the station area to downtown and Union Station. Provide bicycle paths along Figueroa Avenue,
3.0 Conclusion

The following summarizes the key points gathered from the Round 1 Community Workshops. The information encompasses the feedback from both the 23rd and Jefferson stations workshop and the USC/Expo Park and Western stations workshop. There was commonality of key points between the two workshops such as providing more affordable housing, building mixed use development along corridors and major streets, improving transit connections to the Expo Line stations, and providing more amenities such as grocers, hospitals, and banks as well as enhancing the existing neighborhood attributes within the station areas. Below is a list of ten key points from the Round 1 Community Workshops.

- Respect the neighborhoods within the Historic Preservation Overlay Zones and conserve the existing historical charm of these neighborhoods by controlling the densities and design of proposed developments.
- Improve connections between the Expo Line and the existing transit systems, such as DASH and the bicycle network, to create a network of connections. Dash and other services should expand their services to penetrate into the neighborhoods surrounding the Expo stations. Provide appropriate bicycle facilities along the bicycle network. Bicycle paths should connect station areas to Downtown Los Angeles and to the west side of Los Angeles.
- Improve overall pedestrian connections by enhancing streetscape with street trees and street lights and improving the existing sidewalks. Provide appropriate signage for way finding. Improve the pedestrian connections between the west and east sides of the Harbor Freeway.
- Activity centers need to be created in between the proposed Expo Line stations to provide an origin, a destination, and something in the middle for patrons and residents. These activity centers should be located along outside of the residential areas on the major streets.

West 23rd Street, West Adams Boulevard, Jefferson Boulevard, and Hoover Street. Avoid conflict with bus routes and bicycle paths as a lot of small streets already have buses. Allow for bike parking at the intersection of 29th Street and South Figueroa Street.

7. Preserve the existing character of the neighborhood. There should be mandatory affordable housing required in both station areas. There should also be affordable student housing and mandated affordable housing for the area. There are potential infill housing sites located on South Vermont Avenue.

Western

1. Intensify residential uses along Exposition Boulevard by providing three to four story housing.
2. Conserve the historic homes in the station area and maintain the character of the area. Find the appropriate mix of density for the area.
3. Locate higher density along corridor. Provide mixed use and commercial development along Western Boulevard. It is noted that residents working in Korea Town make their connection to work via Western Boulevard.
• Focus on providing a comfortable range of densities at a high quality as the existing neighborhood around the Expo Line Western station is already very dense and appropriate infrastructure and parking are lacking. Improve existing structures in the station areas by the CRA Façade Improvement Program, specifically along Figueroa Street.

• Provide a mix of affordable housing that is safe and has access to the Expo Line transit system for residents and USC students. The term “affordable” needs to be for very very low income families.

• Provide basic amenities as part of new developments for residents and locate opportunity sites for these basic amenities such as banks, pharmacies, grocery stores, and local “mom and pop” stores. There needs to be more food diversity for residents such as green grocers and farmers markets. Focus the development along a corridor instead of just around the immediate station area. Utilize the existing amenities such as Expo Park, Martin Luther King Jr. Park and Foshay Learning Center and make these existing amenities more accessible to the public.

• Recognize the presence of USC in the neighborhood as an asset for generating jobs through the creation of research and development space or bio-tech space.

• Improve the building façade of LATTC campus by adding murals. LATTC could also provide language training which can eventually provide more jobs to residents and have a community outreach program.

• Provide mixed use development and office space along the Figueroa Corridor from 23rd Street to Jefferson Boulevard and regulate the design standards for proposed developments along the corridor. Locate automobile dealerships along the Figueroa Corridor from the proposed Cap Park to Highway 10.
Appendix C

Portland TOD Tour Summary Report
Portland Tour Overview

As part of the Exposition Line TOD District Plans and Market Study project, a study trip was organized of the Portland, Oregon MAX light rail line and the Portland streetcar on April 9 and 10, 2009. Residents who had participated in earlier workshops related to the project and who were also active in the New Community Plan process for South Los Angeles and Southeast Los Angeles, accompanied City Planning Department and Community Redevelopment Agency staff and the project team consultants to meet with Portland city planners, transit agency staff, affordable housing providers, business owners, and developers who have been involved in various aspects of implementing light rail transit and TOD in that city.

Tour participants rode Portland's MAX light rail line and the Portland Streetcar, viewing firsthand the significant impact that it has had on encouraging adjacent development, affordable housing, and other public amenities. Also, they experienced how these rail systems function, integrate with the community and contribute to overall livability in the city.

The intended outcome for the tour was to stimulate new thinking by the participants in terms of how they might envision changes to land uses over time within the Exposition Line station areas. Further, to provide them with the perspective of a place that has successfully implemented new development in a way that has benefited all members of the community – with the intention that participants would be inspired to speak with their neighbors and encourage them to actively participate in the TOD study process.

The tour was divided into two days to allow for the opportunity to see a number of different areas along the rail transit system. On Day 1, the group focused on downtown Portland, the Pearl District and the South Waterfront. Day 2 of the tour focused on the neighborhood developments in Old Town and Hollywood. Below are the summaries of the places visited during the tour. Images of the places are provided in the Exhibits section.

Portland Tour: Day 1 (April 9)

South Waterfront District – The South Waterfront District is a former industrial area that has begun a transformation into a new urban neighborhood – which also has the distinction of being the largest green development in the country. Located along the Willamette River, the area is redeveloping with high rise residential buildings, offices and retail uses. In addition to the Portland Streetcar and bus service to the area, an aerial tram provides a unique transportation connection between the OHSU Center of Health and Healing and the OHSU hospital. The neighborhood has a noticeable amount of bicycle parking and is connected to Portland’s 40-mile bike loop.

Art Pierce, Project Manager for the City of Portland Office of Transportation, met with the tour group to discuss the evolution of the South Waterfront District which includes the new OHSU Center of Health and Healing and various other projects.

Portland State University – Portland State University (PSU) has an enrolment of 26,000 students at its downtown campus, which exemplifies a successful integration of a university with the urban fabric of the city. Its buildings are arranged within the downtown street grid. This allows for students and non-students alike to easily walk in and out of the campus, which fits into the surrounding context in much the same way as any other nearby non-university building. Direct connections between the PSU campus and the neighboring community are provided by the Portland streetcar, which runs at slow speeds through the campus with a stop at the plaza between the Urban Center, PSU bookstore and the new Academic and Student Recreation Center, which is under construction. Beginning in September 2009, the campus will also be served by the new MAX Green Line light rail.

Ian Stude, PSU Transportation Options Coordinator, and Emily Lieb, Associate Planner at PSU, met with the tour group to discuss the relationship between the university, the Portland Streetcar, and the proposed MAX Green Line light rail. They also shared with the group the benefits of having the system integrated on campus.
Museum Place – Museum Place is located at SW Jefferson Street between SW 10th Avenue and SW 11th Avenue in Portland’s Cultural District. It is a three block mixed-used development, which comprises a 47,000 square foot Safeway grocery store and 1,100 square feet of retail space on the ground level, and 140 loft-style rental apartments located above - in a combination of townhouses and a 6-level apartment building. A landscaped garden courtyard provides common amenity space for residents. Of the 140 units, 28 are reserved for residents earning less than 50% of the area median income. The development is directly served by the Portland Streetcar and MAX light rail service is within close walking distance.

Doug Obletz, principal at Shiels Obletz Johnsen, who developed the project met with the group on site to provide details of the project that now serves as a neighborhood landmark.

Powell’s City of Books – Powell’s City of Books is an institution in Portland with one million new and used books in stock and an active contributor to the local literary scene, hosting frequent author events and exhibits at the store. The 68,000 square foot flagship store is located on an entire city block in the Pearl District, near a Portland Streetcar stop.

Michael Powell, the owner, met with the group to discuss the Portland Streetcar project from the perspective of a local business owner and also as the board chair of Portland Streetcar, Inc.

Jamison Square - Since opening in 2002, Jamison Square has been a popular gathering place for children and families - especially during the summer months. The park is located at NW Johnson Street Avenue between NW 10th Street and NW11th Street in the Pearl District and encompasses a full city block. The park offers a grass-covered area and an interactive fountain which simulates a shallow tide pool. Parks and open spaces were an important goal in the planning of the Pearl District, which now includes three that contain recurring elements.

Pearl District – The Pearl District is neighborhood diverse and rich in culture, which is easily accessible to downtown Portland by a short 5-minute trip on the Portland Streetcar or by walking. The neighborhood is a recognized leader in urban renewal and offers a mix of retail, residential and open spaces. Buildings offer a combination of renovated historic warehouses and new modern condominium structures at varying scales. Careful attention to urban design detail has occurred here through reuse of old cobblestone and other contextual materials such as a wooden boardwalk sidewalk adjacent to Jamison Square, which leads to Tanner Springs Park that incorporates a small wetland along with public art that captures the former industrial yard heritage.

Three local developers met with the group to discuss their involvement in the transformation of the Pearl District. John Carroll, principal of Carroll Investments, shared experience from the perspective of a developer and manager of numerous mixed-use, mixed income projects. Patrick Wilde, sustainability expert at a Portland development firm, explained the importance of mixed-use projects which help create community, walkability and public spaces. Tiffany Sweitzer, President of Hoyt Street Properties, discussed the efforts that were necessary to bringing the Pearl District to fruition.

Day 1 Dinner – Invited speakers Stuart Gwin, Planner with the City of Portland Office of Transportation; and Christopher Yake, Senior Project Manager with Metro’s TOD Program; spoke about ways to bring transportation improvements to neighborhoods through the planning process and how to facilitate public-private developments near transit.

Portland Tour: Day 2 (April 10)

Day 2 Breakfast - Invited speakers Rex Burkholder and Megan Gibb met with the group during breakfast. Rex Burkholder, Councillor for District 5 of the Metro regional governing body, discussed strategies to increase affordable housing and economic opportunity. Megan Gibb, Manager of Metro’s TOD Program, shared ways to create public-private development and incentives to enable mixed-use projects near transit.
Harris Supportive Housing Development (Central City Concern) – Central City Concern is a 501 (c)(3) non profit agency that assists people with supportive housing focused on addiction recovery. The Harris project is a 180-unit recovery center located in Old Town Portland District on NW 8th Avenue between NW Couch St and W Burnside. Residents of the Harris project worked to restore a portion of the adjacent North Park Blocks that was once an area concerned with illicit activity. The development is directly served by the Portland streetcar with stops located on NW 10th Avenue and NW Couch Street and the SKIDMORE Fountain MAX station is in close proximity.

Traci Manning, Chief Operating Officer of Central City Concern, provided the tour group with details on services offered for the residents at Harris project along with its positive impact on the community.

Everett Station Lofts – The Everett Station Lofts building is located at NW Everett between NW Broadway and NW 6th Avenue in Portland’s Old Town District. Three adjacent buildings were converted to affordable 47 live/work units, lofts, and galleries with a shared courtyard. 16 of the 47 live/work units are reserved for artists that provide the public access to their workspaces during regular business hours. The project is located five blocks from the Old Town/Chinatown MAX light rail station and NW 10th & Everett streetcar stop. Frequent bus service is provided two blocks away on Everett Avenue, Gilsan Avenue, and 4th Street.

Katherine Ball, Co-Curator of SEAchange Gallery at Everett Station Lofts, discussed the nonprofit developer Artspace and how Everett Station Lofts created a new ‘artist neighborhood’ in Old Town.

Hollywood Library and Bookmark Apartments – The project is located 5 blocks from the Hollywood Transit Center and 42nd Avenue MAX light rail station. Frequent bus service is provided on Sandy Avenue two blocks away. The Bookmark Apartments is the first joint venture between Multnomah County (library owner) and Sockeye Development, LLC (retail and residential owner). The mixed-use project combines a 13,000-square foot County library branch and 815-square foot café on the ground floor, and 47 mixed-income apartments on three floors above the library. Affordable housing was integrated into the project, where 19 of the units are for households earning up to 60% of the area median income. There are 37 parking spaces on site, 28 of which are shared by the apartments and the library, and the rest are reserved for Dania Furniture, which previously owned the land.

The tour group met with June Nicholson, employee of Multnomah County Library, and Kari Hauge, Hollywood Branch Librarian, to discuss the successful partnership between Multnomah County and Sockeye Development, LLC, which resulted in this project getting built. The library is clearly an anchor in the neighborhood, appreciated and frequented by residents of all ages.
Tour Participant Feedback

The following list of questions was provided to each of the tour participants at its conclusion in order to obtain written feedback on their observations:

- Was the trip to Portland helpful to you in understanding TOD? If so, how?
- Of the places we visited, which of them provided the most useful example of TOD for the EXPO line in Los Angeles and why?
- Name 2-3 features that you would like to see incorporated in your community (from the tour)? and thinking back to the presentations, did you hear anything that surprised you or would be something to take back and apply to your community?
- Is there any particular component, development or feature that you think would NOT be suitable for your community?

Key observations made in the responses to the study tour questions are summarized below.

Observations of Portland

*Was the trip to Portland helpful to you in understanding TOD, If so, how?*

- Portland provided a great example of a TOD model. The trip allowed the opportunity to visualize the many TOD opportunities available in a variety of settings and applications. The options for transit oriented development in South Los Angeles appear to be more feasible after seeing the many examples in Portland.
- The South Los Angeles EXPO Line area should be looked at as its own self-contained district with distinct possibilities.
- Portland demonstrated examples of how new development can be integrated into existing neighborhoods and the relationship between the land uses and the transit system.
- Participants were able to understand benefits, challenges, responsibilities and process of a TOD project and recognized the planning necessary to have a positive outcome. For the planning of the downtown area, the City of Portland and private interest groups were able to partner with developers to develop cultural and business objectives that best suited sites based on best practices and subsidies.
- METRO was a good solution for Portland’s downtown because it mitigated traffic and pollution from cars and buses, increasing the air quality.

*Of the places we visited, which of them provided the most useful example of TOD for the EXPO Line in Los Angeles and why?*

Participants regarded the neighborhoods along Yellow Line, specifically the neighborhood surrounding the Kenton/N. Denver Avenue station, and Hollywood neighborhood along the Red Line as the most analogous to South Los Angeles. This is because of the nearby schools, the community scale and age (both neighborhoods are older), single family housing and similar types of existing developments. The neighborhoods along the Yellow Line showed an example of how a community could transform itself with government and private capital.

Participants noted these mixed-use projects in Portland as useful examples of TOD:

- Bookmark Apartments – the project identified a service need and the development included housing and education.
- Museum Place Lofts & Townhouses – (store w/ mixed income rental apartments, town homes, and open space above) - provided a very compelling example of TOD. The development is a useful example of TOD for the EXPO Line because it would retain diversity in the South Los Angeles community and offer a needed amenity, which is a quality market.
- Jamison Square/Pearl District – the project provided a good example of mixed income housing, mixed use, good scale and green space
• Portland State University – the PSU area offered university resources, green buildings, and a connection with the streetcar and the community.
• Harris Supportive Housing Development (Central City Concern) – provided a good example of a homeless center that provided multiple resources and access to transportation.

South Los Angeles is so diverse that most of the transit oriented development examples found in Portland could be applied in some way.

**Name 2-3 features that you would like to see incorporated in your community (from the tour)? and thinking back to the presentations, did you hear anything that surprised you or would be something to take back and apply to your community?**

• Within Portland, there is great accessibility to trains. The light rail stations are located adjacent to streetcar and bus stations to provide a convenient and easy transfer between the different transportation modes offered by TriMet.
• The stations have good design with informational signage, station art, bike racks available at the stations and bike racks within the light rail cars. The Expo line should accommodate for bike transport.
• Streetcars traveling at speeds of 10-13 miles are a good way to link up the community. The Expo Line light rail should stop at hospitals, stores, parks, and other popular locations and should provide a “free zone” for travel within a designated portion of the city.
• One-way streets and curb side service could increase safety for pedestrians and help mitigate traffic in South Los Angeles.
• Participants want to see high quality design standards and mixed use (retail/residential, library/residential, youth and community/housing) developments located near transit. Services could also be provided at stations as an alternative to commercial uses.
• Great place-making and careful retail programming are needed in South Los Angeles.
• It is important to mix market rate housing with affordable housing in South Los Angeles. The Pearl District provided a great example of mixed use and mixed income housing. Transit oriented development can be used as an asset building strategy for low income households.
• Three-to four-story development with new public open space along corridors is appropriate for South Los Angeles.
• Artist loft and other live/work spaces are suited for the major corridors along the EXPO line.
• Wider sidewalks with pedestrian amenities (benches, landscaping, street trees, pedestrian scale lighting) are desired.
• Streets should also be narrower to encourage pedestrian and bicycle activity.
• Parking should be reduced near transit and zip cars should be provided at housing developments.
• Community oriented parks and plazas that serve the community (i.e. Jamison Park) should be scattered every few blocks as a shared space (open space, NOT development).
• Participants noted that Portland City government and developers seemed to be on the same page for approaching issues. Prior to ground breaking of a project, it is important to include community government and local businesses in any project.

**Is there any particular component, development or feature that you think would NOT be suitable for your community?**

• Eliminating or having too severe of a reduction in parking requirements would not be suitable for South Los Angeles. The transit system must be in place before people are willing to give up their cars entirely. With a light rail system intact, many families may reduce the number of cars they own and others will begin by reducing car usage. However, they will still want to maintain a car and storage for the car should be provided.
• High end retail, market rate housing, artsy lofts, and homeless housing are also not suitable for South Los Angeles. Luxury apartments are not appropriate for an area with low income families.
• 3-4+ story developments at Vermont or Western stations would not blend with the existing community and that the light rail system is only appropriate in neighborhoods that border the main corridor.
Post-Portland Tour Focus Group

A Post-Portland Tour focus group was held in Los Angeles on May 5, 2009, at the Exposition Park – Dr. Mary McLeod Bethune Regional Branch Library. The focus group was attended by a number of the tour participants including residents, City of Los Angeles Planning Department staff, and Community Redevelopment Agency staff. The focus group was facilitated by IBI Group and provided an opportunity to further discuss what was seen on the tour in terms of “best practice” ideas for transit-oriented development that could be applied within the Exposition Line station areas under study.

IBI Group began with a short presentation on five broad topics related to the built environment adjacent to the LRT and streetcar systems in Portland and compared/contrasted them using photo images to development patterns in South Los Angeles near the Exposition light rail corridor. These topics included:

- Retail/On-Street Parking
- Sidewalks
- Parks and Plazas
- Housing Types
- Block Sizes

These five different elements, if they are introduced to the Expo Line station areas, will start to give more definition to South and Southeast Los Angeles in terms of place-making.

Retail/On-Street Parking

The value that retail streets lend to communities is important to keep in mind. Being able to shop in the local community and having pleasant retail street environment adds tremendous value to a neighborhood. Having those retail streets is not enough, in and of itself; but rather, it is how they are designed that makes a difference in terms of being able to sustain economic activity.

Signage is also a contributor to the overall street image. Portland has minimal retail signage that is of good quality and is effective without causing visual clutter on the street. It was noted that another good example of retail signage can be found in Santa Fe, New Mexico, which makes use of blade signage, which results in an overall effect that is quite nice.

Signage in South Los Angeles, by contrast, is all for the benefit of the car and not oriented to the pedestrian. In South Los Angeles the current signage that is being displayed does not serve its intended purpose as people are busy driving and don’t really look at the retail signs. The signage is detrimental to the neighborhood in that there is so much of it that is competing with other signage and billboards that it is creating visual blight.

Sidewalks

There are a number of examples of South Los Angeles sidewalks that are not functional in terms of quality place-making. Sidewalks are too narrow as to allow walking in conjunction with street trees, light poles and everything else that is needs to be placed on the street to create a strong pedestrian environment.

On the other hand, there is also the problem of sidewalks getting too wide – as the example of one street in Portland showed – where people get too far away from the retail shops creating a dead zone that isn’t as active as it should be.

Sidewalk materials are also important to street beautification. Concrete sidewalks are prevalent in South and Southeast Los Angeles and this is not the best material for adding character to the street.

Parks & Plazas

Beyond the issue of trees and grass, Portland is implementing a system of open spaces that perform different functions beyond just traditional park uses. Jamison Square and Tanner Park in the Pearl District of Portland together showed that a lot of use and activity can be packed into a small
park space such as the examples in Portland (retention pond, sitting steps, green spaces, boardwalk paths, and art walls).

Portland also showed that it isn’t always necessary to have large parks – which can be too far away from most residents to be used frequently. Smaller park spaces that are well-connected can add a lot more to the overall value of a neighborhood simply because they are accessible, more secure as they can be monitored by neighbors, and they are used.

Portland has a number of interesting block-long parks, which are pretty nice spaces, and allow for more green areas to be introduced across the city. While there is a lot of green space in Exposition Park in South Los Angeles, it is almost non-existent within the residential neighborhoods surrounding the Expo Line stations.

Housing Types

South LA has lower-scaled residential buildings in comparison to Portland – although the single family neighborhoods are dominated by small lots and are quite dense; however, they lack the types of amenities that are typically provided by larger-scale private developments.

Portland has many great examples of intermediate-scaled buildings of 5-9 stories in height, which would work well in the Exposition Line station areas if the notion of more density would be acceptable to the neighbors. IBI Group’s development experience has shown that when people don’t want density they are really reacting against height. However, the building types in Portland can achieve high densities with reasonable heights – these densities are needed to drive the population needed to get the restaurants and shops that people want to see in South Los Angeles.

Block Sizes

Block sizes are all over the board in South Los Angeles but what works nicely is that they are laid out in a grid system. There may be areas where long blocks could be divided up with pedestrian mews, which would allow people to more easily negotiate their way around the block, to access Exposition Boulevard and the Expo Line stations.

It was noted that the sidewalk seems to carry across the street in Portland vs. in LA where as soon as someone steps off a curb they realize that they are in the domain of the automobile.

Special attention is also paid to curb cuts in Portland so they are less noticeable.

Focus Group Discussion

Participants discussed their impressions of what they observed during the Portland tour and also what development features would be desirable to implement in the Expo Line station areas under study. Points raised during the discussion were as follows:

• In Portland, citizen groups and community members were actively engaged in working with the transportation agencies to have real input into what they wanted to see on the system and in their neighborhoods. Community input opportunities are paramount to facilitating change in the neighborhood.
• Having convenient ways to get to places is important.
• There is a different attitude about shared space in Portland than in Los Angeles. In Los Angeles, everything has a fence around it. It feels like it is permissible to be in the public realm in Portland. In Los Angeles, the open space doesn’t connect to the individual citizen as it is provided with balconies and private areas vs. becoming part of the public realm.
• There are symbolic gestures that can be designed into the community that will help move towards more community – these relate to shared space.
• If the sidewalks were used as part of the effort, that would be a good place to start. Street furniture is important such as the chairs in Santa Monica. There needs to be places for human interaction where people can begin to see familiar faces in their neighborhoods.
• Kids are into biking and skateboarding and there should be places to do this next to the light rail corridor.
• If we want to try to make a new generation of bike riders, then some semblance of safety needs to be offered.
At the intersection of Exposition and Vermont there is a convergence of resources. In Portland there is good integration of town and gown (city and university). At Vermont, the very hard edge that USC has erected needs to be softened.

At Exposition Park there is a truly great opportunity to create a terrific urban park similar to Central Park in New York. How can this occur?

There is a problem about land aggregation in Los Angeles. If you build light rail, development does not necessarily come. Creative thinking is needed about how to join parcels together and how to create sites that will allow some great developments to occur. How can people be incentivized to participate in the process i.e. sell their land?

USC needs to move away from being a fortress. The specific plan for the campus proposes a new urbanist type village but in reality it appears to be increasing the fortress-like atmosphere. The TOD plan needs to work towards minimizing this.

The “chicklet” notion of spillover of uses into the community from the university was discussed – i.e. bookstores.

There is an opportunity to provide input into the USC Specific Plan effort. The City might have some leverage with them. The community needs to have an understanding from the planners as to what they should ask for from USC.

Columbia University is also insular because it had similar safety concerns to USC.

Columbia is a few years ahead of USC in its planning and it might be interesting to talk with them to see what changed the balance there. Columbia bought a lot of land to build housing for students but then they still had to convince students that it was safe to walk through the neighborhoods surrounding the campus.

USC runs buses that are only for students but they should do a streetcar like in Portland that everybody rides.

Public transportation in Los Angeles currently isn’t very comfortable to use. Something is needed here that is beneficial to the community, is beautified and allows everyone to get where they need to go i.e. something up and down Western.

Opportunities that are a block or two away from the transit also need to be explored – similar to those seen in the Hollywood/Grant Park neighborhood surrounding the Red Line’s Hollywood/NE 42nd station in Portland.

Some of the stops are very near schools and a lot of residential. Services are lacking in our community, so professional service nodes would be appropriate to include.

The population in South Los Angeles is much higher than in Portland and community recreation centers are needed to give children and youth something to do. Developers won’t build these uses because they are not profitable. A Boys and Girls Club would be nice.

Current mono-block projects in LA are done because they are easy to do, but they have no retail or services. The Portland Pearl District is somewhat over retailed, so the balance of what goes in needs to be carefully considered. However, if developers want to build to the scale that is necessary to bring in retail and services, then they need to know the neighbors aren’t going to be fighting them.

The Portland neighborhoods that were visited on the second day of the tour were done at a nice scale. What are the key things that bring in affordable developers? It was noted that parking reductions are a huge deal for them.

Organizations that are part of the CAC Board have wanted to work with developers to build youth centers. One proposal for transitional housing was presented to the board.

The board gave him suggestions, but the project never got built. The community can get the things it needs if it works early on with the developers to tell them what those things are but then the community has to back the developers up on the project so that it gets approved.

Developers will see the rail as a fixed asset that will benefit their project.

Safety of LRT was discussed. Portland slows its train down in the downtown. The sidewalk size can also help to keep these areas safe next to the train.
• Live-work gallery spaces or small business incubators similar to those seen in Portland might be good interim uses until the intensity for mixed-use retail can happen in new buildings.
• Portland is inviting during the day and the evening – there are no roll-down doors and bars.
• Pedestrian-scale lighting is not a standard in Los Angeles like it is in Portland – this would help to make the station areas inviting places in the evening.
• Use metro stops or bus stops to advertise community meetings at the street level so that people walking can see the notices.
• Community etchings built into the sidewalks would be a good way to create special identity.
• Get rid of all of the different types of fencing and the different kinds of signage but have a good public art program instead. Different stations should provide opportunities for each community to display itself.
Exhibits

South Waterfront District

Portland State University
Museum Place

Powell’s City of Books

Jamison Square
PORTLAND TOD TOUR SUMMARY REPORT

Pearl District

Harris Supportive Housing Development (Central City Concern)

EXPOSITION LINE TRANSIT ORIENTED DISTRICT PLANS AND MARKET STUDIES
PORTLAND TOD TOUR SUMMARY REPORT

Hollywood Library and Bookmark Apartments

EXPOSITION LINE TRANSIT ORIENTED DISTRICT PLANS AND MARKET STUDIES
Appendix D

Mechanisms for Neighborhood Amenities from New Development
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This memo describes four mechanisms for obtaining amenity contributions from new development projects. These are:

1. Tax Increment Financing
2. Direct Development Contributions or Fees
3. Density Bonuses for Amenities
4. Voluntary Contributions (Rezoning)

1. Tax Increment Financing

This assumes that increases in property values will result from investment by the City in amenities or other types of infrastructure as this investment will attract new development. Property tax increases associated with the new development (over and above the base tax amount prior to the development) are set aside to pay for the amenity/infrastructure investment. This is commonly used in California and is used by CRA in the City of Los Angeles.

2. Direct Development Contributions or Fees (Mello Roos)

This allows cities to obtain contributions to public amenities or infrastructure that are independent of zoning actions. This can be done in the following two ways:

- Requiring the developer to provide the infrastructure directly (i.e. requiring dedication of a certain percentage of parkland as a condition of subdivision approval); or
- Imposing fees that require developers to make cash payments to the City in order to contribute to community-wide amenities or infrastructure. These fees are known as Mello Roos and they levy special charges on property within a Community Facility District (“CFD”) that is an assessment district created by developers in an area to finance amenities and other improvements. The Mello-Roos Act provides the statutory authority and procedures for creating CFDs. Typically, a total cost is determined for the required facilities and calculation of the special charge is done on a $/residential unit or $/square foot basis based on a pro-rata share for each parcel within the district. Bonds are sold to pay for the required facility and repaid through the special charges (secured by a lien on real property).

Mello-Roos Bonds are managed by the City Administrative Officer in Los Angeles. The City establishes project review criteria and limits Mello-Roos and Assessment Debt in any given fiscal year to a percentage of projected additional debt capacity.

3. Density Bonuses for Amenities

This method allows cities to use zoning regulations to secure amenity contributions with new development. The zoning should include the following:

- A base density is established that allows as-of-right development without an amenity contribution; ideally, at an amount that will still allow for viable projects.
- A defined additional density amount that can occur if an amenity contribution is provided. The contribution can be negotiated or defined in a schedule.
- The option for development to occur either at the base density amount (without an amenity contribution) or to a higher density by providing the amenity.
For larger projects, some jurisdictions choose to determine amenity contributions on a case-by-case basis. Other jurisdictions use a formula that applies across a district.

In order for the amenity density bonus system to work, the City must not grant rezoning to projects within the density bonus district outside of the density bonus framework. Otherwise, developers will be able to obtain rezonings to increase FAR without making amenity contributions. Additional FAR must only be obtainable through the density bonus framework.

In order for the density bonus to be an incentive to developers, the value of the additional density should be at least equal to the cost of providing the amenity.

Using a district approach is difficult because this requires the entire system to be detailed in a formulaic manner within the zoning ordinance (or overlay), which gives little flexibility. It is also difficult to compare the cost of amenities against the value of the additional density.

If the case-by-case approach is used, while it requires more on the administrative side, it allows the City the ability to negotiate or better define the type of amenity for a particular project. If a negotiated approach is used, then the system becomes similar to that of a voluntary contribution, which is explained below.

4. Voluntary Contributions

This system is used in Western Canada, and is the norm for new developments in the City of Vancouver (through the Community Amenity Contribution), and a highly effective means of achieving amenities and public realm improvements. The legality of its use in California would need to be determined. While it could be argued that it means the City is effectively selling density, this additional density does have a value to a developer, and it gives the City greater bargaining ability during rezoning.

What is interesting is that the impact of the voluntary contributions usually serve to keep land values lower as the amenity contributions are factored into the overall costs. Thus, the amenity contributions are not passed onto the buyers, nor are they born by the developer.

On a basic level, the contributions are based on this formula:

\[
\text{Average Land Value (SF/\text{SF}) \times Proposed Amount of Density Bonus} \\
\text{Floor Area (SF) = Contribution Value (\$)}
\]

The contribution can be to a Public Realm Improvement Fund that can be used for defined purposes such as enhanced streetscapes, bicycle paths, new park acquisition and development. The City could create a list of projects every 3-4 years (to allow time for the fund to build up) and identify the funding priorities.

The average land value needs to be established annually by the City for each type of land use to which it is applied (i.e. residential, commercial, office, industrial). The contribution value represents the amount a developer would need to pay for additional land in the area to accommodate the additional floor area that is being requested above the base density amount.
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