



# SCANPH

Southern California Association of Non-Profit Housing

3345 Wilshire Boulevard ♦ Suite 1005 ♦ Los Angeles, CA 90010 ♦ PH: 213.480.1249 ♦ FAX: 213.480.1788 [www.scanph.org](http://www.scanph.org)

September 7, 2006

**RE: Southern California Association of Non-Profit Housing (SCANPH)  
Los Angeles Affordable Housing Study**

Enclosed please find a copy of our just released report on the loss of affordable housing stock in the City of Los Angeles.

More and more families in the City are now paying a substantial portion of their incomes for housing costs.

It is imperative that the Mayor, City Council members, and City staff look over our findings and begin to address the growing crisis of affordable housing in the City.

Please feel free to contact me at (213) 480-1249 ext. 224 if you would like to discuss this study or require any additional information.

Sincerely,

Paul Zimmerman  
Executive Director

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*The Southern California Association of Non-Profit Housing represents a membership of over 500 affordable housing organizations and individuals who are devoted to preserving and producing affordable housing in Southern California.*



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**EMBARGO UNTIL THURSDAY, SEPTEMBER 7, 2006**

**PRESS ADVISORY**

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## **SCANPH report finds that the City of Los Angeles' Affordable Housing Stock drops to new lows & more families than ever are now facing a "Housing Squeeze"**

A new report by the Southern California Association for Non-Profit Housing (SCANPH) will show that the City of Los Angeles is losing ground in trying to keep up with the affordable housing it needs to fill existing demand and population growth. According to the Housing Element guidelines, the city needs to produce over 4,000 units of affordable housing yearly. That equals 20,300 units between 2001-2006.

SCANPH's analysis of the affordable housing stock reveals two disturbing trends. Not only is the city producing less than 2/3 of the units needed to meet projected demand; but, the increasing removal of Rent Stabilization Ordinance (RSO) units from condominium conversions and demolitions offsets any modest gains made. Due to these losses, the city has only gained less than 10% of the affordable housing units it needs to keep pace.

Since 2001, the city has lost over 11,000 housing units, close to the total amount produced during the same period. Surprisingly, half of the units lost are within two City Council Districts. District 2 lost 1,072 units while only adding 235 units. And, District 11 lost over 4,000 units while adding less than 80 units to its affordable housing stock.

While the city's population grew by 3.9%, the number of new housing units built increased by about 0.8%. This shortfall in housing forces more and more L.A. renters into a "housing squeeze." To continue to live in the city, many renters need to spend an increasingly higher portion of their household income towards housing costs. **In the last five years, the number of rental households paying more than 30% of their income on rent increased by 12.2%, adding to the growing numbers of families finding it more and more difficult to afford housing in L.A.**

The combination of insufficient production of enough new housing to meet growth and the growing loss of affordable housing units, is dramatically eroding the city's efforts to fill its housing needs. A comprehensive strategy is needed now. One that increases resources for production and passes policies reducing housing losses. For a copy of the report when it is available, please call (213) 480-1249.

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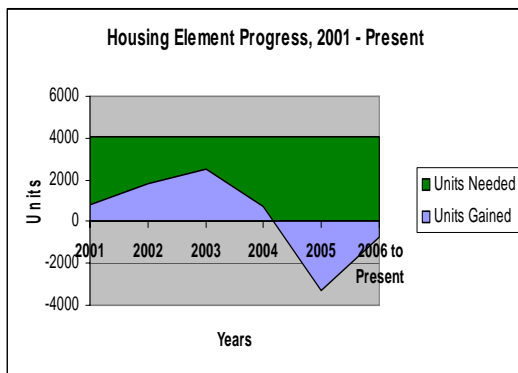
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# SCANPH POLICY ADVISOR

## Changes in Los Angeles Affordable Housing Stock: 2001–2006

According to the most recent Housing Element of the Los Angeles General Plan, the city needs to produce about 4,000 new units of affordable housing a year (or about 20,300 units between 2001–2006) to accommodate existing demand and population growth.<sup>1</sup> However, a recent analysis of changes in the Los Angeles affordable housing stock from 2001 through 2006 reveals two disturbing trends.

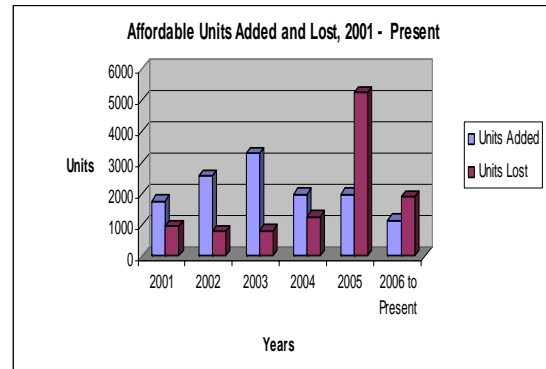


Affordable housing units showed gains through 2001-2003 and then began to move downward in 2004-2006.

Not only are we producing less than 2/3 of the units needed to meet projected

<sup>1</sup> Affordable housing is targeted to households earning up to 80% of the AMI. Housing need projections calculated by the Southern California Association of Governments do not address overcrowding and thus may significantly underestimate housing need. The Housing Element states: "The projected demand for housing units presented in this analysis should be reviewed as a very conservative estimate based on a very simple model. Additional analysis is required to determine the effects of overcrowding..." (See the section "1998-2005 Projected New Construction Needs").

demand and growth, but also the increasing removal of Rent Stabilization Ordinance (RSO) units through condominium conversions and other sources offsets the modest gains we have made. Due to these losses, we have gained less than 10% of the units required by the Housing Element.

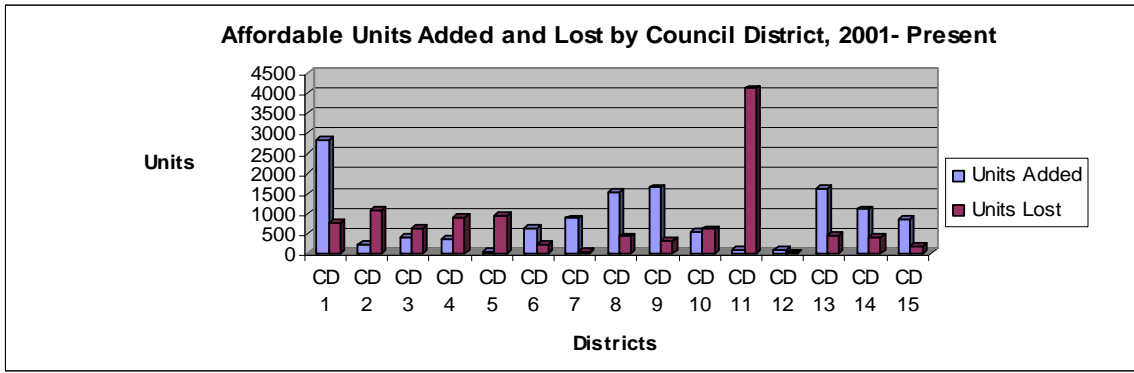


Affordable housing units were being built faster than losses during 2001-2004 but lost pace since 2005.

Affordable housing production in Los Angeles arises from a variety of funding programs and policies, most significantly the Affordable Housing Trust Fund (AHTF), Low Income Housing Tax Credits (LIHTC), and the density bonus program. These sources, in combination with other venues such as Community Redevelopment Agency projects and Mello Act, Central City West and Westlake Plan set-asides, have produced about 12,800 affordable housing units from 2001 to the present.<sup>2</sup>

Unit distribution varies significantly by council district. Close to half of all units produced in the city originate in Districts 1, 9 and 13, which have experienced the biggest increases in their affordable

<sup>2</sup> Affordable Housing Trust Fund and LIHTC units included through Round 1 2006. Density bonus units included through January 2006. Central City West Plan, Westlake Plan, and Mello Act set-asides are partially included, although the number of units unaccounted for is small.



Affordable housing units are being lost across the City but is lost in Los Angeles City Council District 11 at the greatest rates.

housing stock. Although District 1 has produced about 2,800 units during this period, Districts 2, 3, 4, 5, 6, 10, 11, and 12 have produced less than this amount combined.



*L.A. City Council Member Rosendahl's District 11 suffered significant housing losses since 2001. Passage of his proposal for a one-year moratorium on condo conversions in the district would send a strong message that the City is ready to deal with the affordable housing crisis.*

Decreases in the existing affordable housing stock through condo conversions, new school construction, downsizing and other sources continue to undermine recent gains in affordable housing production. Since 2001, the city has lost over 11,000 units—close to the total amount produced.<sup>3</sup>

Half of total unit loss originated in Districts 2 and 11. District 2 lost 1,072 units while only adding 235 units. Decreases were most pronounced in District 11; despite adding less than 80 units to its affordable housing stock, the area lost more than 4,000 affordable units. Other areas incurring a net unit loss include Districts 3, 4, 5, and 10.

<sup>3</sup> RSO unit loss is accounted for through May 2006.

Although the Los Angeles population increased by about 3.9% between 2000 and 2004, the number of housing units increased by only about 0.8%. The number of rental households paying 30% or more of their income on rent has increased by 12.2%.<sup>4</sup>

The combination of insufficient production through current sources with increasingly unregulated loss through condominium conversions, demolitions and other practices renders us unprepared to meet our city's growing housing needs. Instead, we need to carry out a comprehensive affordable housing strategy composed of increased resources for production and policies to reduce loss.

Shortfalls in housing forces more and more renters into the "**housing squeeze**," while they continue to live in the city, they need to spend an increasingly higher portion of their household income towards housing costs. In the last five years, with the number of rental households paying more of their income on rent increasing over 12%, the "**housing squeeze**" is

<sup>4</sup> This figured was obtained through a comparison of the number of Los Angeles rental households paying 30% or more of their income on rent from the 2000 U.S. Census and the 2004 American Community Survey. While 353,270 households were spending 30% or more in 2000, an estimated 396,226 households were spending 30% or more in 2004, which is an increase of about 12.2%.

affecting greater numbers of renters than ever before.

A comprehensive strategy is needed immediately to address these concerns and make more housing available for L.A. families. One that increases resources for production and passes policies reducing housing losses. Measures such as the LA Housing Bond and the City Council's proposed Interim Control Ordinance are necessary steps to address these concerns.

More importantly, a proposal by Council Member Rosendahl to place a temporary moratorium on condo conversions in his district is a good first step to address the crisis. Rosendahl's district faced the greatest losses of housing since 2001 according to our research.

Passage of these new policies to address the affordable housing crisis must be one of the City's highest priorities; if we are to ensure that all of L.A.'s working families can afford a place to live and create a sustainable future for the City.

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