Affordable for Whom?
A Case Study of Local Policies and Affordable Housing Distribution in Los Angeles

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EXECUTIVE SUMMARY

In Los Angeles, over half of all renter households are cost-burdened, and the rate of homelessness is the second highest in the country behind New York City (California Housing Partnership, 2024)[1] (USA Facts, 2024)[2]. To tackle this housing affordability crisis, the city has expanded its use of incentive-based programs to promote the development of affordable housing. While incentive-based programs provide developers with benefits to build affordable housing, they fall short of producing equitable affordable housing that serves local community needs. The purpose of this case study is to evaluate whether the following affordable housing policy programs, Density Bonus (DB), Transit-Oriented Incentive Areas (TOIA), and Executive Directive 1 (ED 1), produce adequate, well-distributed affordable units that respond to local affordability and housing needs from 2023 through 2025. This analysis further explores the impact of these policy programs on direct displacement and the commodification of affordable housing.

Equitable development includes many principles, but in the scope of housing, it may be defined as:

"Access to safe, affordable, and quality housing and neighborhoods for everyone to live and thrive in while allowing existing residents to remain in their chosen communities by minimizing the risks of displacement and neighborhood gentrification. This principle further protects tenants, enables opportunities for homeownership, provides quality public amenities, and supports diverse community-scale businesses." (Schilling et al., 2024)

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[1]California Housing Partnership. (2024, December). *Los Angeles County affordable housing outcomes report 2024*. https://chpc.net/wp-content/uploads/2024/12/Los-Angeles-County-Affordable-Housing-Outcomes-Report-2024.pdf

[2] USAFacts. (2025, February 7). *Which US cities have the largest homeless populations?* https://usafacts.org/articles/which-cities-in-the-us-have-the-most-homelessness/ USAFacts

Based on this definition, policy programs utilized to build equitable, affordable housing would include:

- Housing units that are truly affordable to the surrounding neighborhood and community.
- Housing with mixed-income requirements to promote integration of different income levels.
- Affordable housing that is distributed across the county to integrate people from all socioeconomic backgrounds.
- Housing that is developed without directly displacing preexisting occupants.

Using a dataset that I assembled of affordable housing developments using DB, TOIA, and ED 1 across Los Angeles city, this study analyzes key characteristics of each project—including unit affordability levels, council district, policy incentives, and whether the project will demolish an existing, occupied structure. The findings reveal that, overall, the three policy programs are building more affordable units relative to market-rate units. However, the overwhelming majority of affordable housing units across all three policy programs are unaffordable to the surrounding community, regardless of year. Furthermore, affordable housing developments and deeper affordability types are more densely located in lower-income council districts. The majority of affordable housing projects plan to demolish an existing, occupied structure to make room for their developments, which are largely owned by companies.

INTRODUCTION

Los Angeles is in desperate need of affordable housing. Over one million rental households—a staggering 54 percent of all renter households—are cost-burdened, meaning that a household spends 30 percent of its income on rent. Half of those households are severely cost-burdened, with over 50 percent of household income going toward rent. The city is also faced with the second-worst homelessness rate in the country, where over 70,000 people live without a home. Yet, the county has a shortage of 494,446 affordable homes for the lowest-income renters (California Housing Partnership, 2024).[3]

Unaffordable housing is part of a broader trend across the United States; nearly half of all rental households are cost-burdened nationwide (United States Census Bureau, 2024).[4] In response, many cities adopt policies to promote the construction of affordable housing by offering a wide range of incentives to developers. Most of this legislation has taken shape through inclusionary zoning (IZ), a land-use policy program that incentivizes developers to set aside a certain number of affordable housing units within a market-rate project in exchange for off-menu bonuses, or benefits offered to a developer beyond standard IZ requirements. Los Angeles has long adopted IZ policies since the late 1970s and continues adding to its affordable housing policy portfolio, especially in recent decades. The city has set an ambitious goal to create 456,643 new housing units catering to all income levels by 2029 (California Housing Partnership, 2024).[5]

This case study focuses on three affordable housing policy programs used by developers in Los Angeles: Density Bonus (DB), Transit-Oriented Incentive Areas (TOIA, formerly known

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[3] California Housing Partnership. (2024, December). *Los Angeles County affordable housing outcomes report 2024*. https://chpc.net/wp-content/uploads/2024/12/Los-Angeles-County-Affordable-Housing-Outcomes-Report-2024.pdf

[4] U.S. Census Bureau. (n.d.). *Los Angeles City, California* [Data profile]. Retrieved December 11, 2025, from https://data.census.gov/all?q=Los+Angeles+city,+California

[5] California Housing Partnership. (2024, December). *Los Angeles County affordable housing outcomes report 2024*. https://chpc.net/wp-content/uploads/2024/12/Los-Angeles-County-Affordable-Housing-Outcomes-Report-2024.pdf

as Transit Oriented Communities (TOC)), and Executive Directive 1 (ED 1). DB first came into effect in 1979, allowing developers to build more housing than permitted by local zoning laws if they include affordable units. TOIA, passed in 2017, allows developers to build denser housing in areas within a certain distance from a transit area if they include affordable units. ED 1 streamlines affordable housing construction by expediting permit processes for 100% affordable housing projects. While not an inclusionary zoning policy, ED 1 is often paired with DB to build more units than local zoning policy allows, and also fast-tracks approval processes.

This case study explores the impacts of developments produced under DB, TOIA, and ED 1 by comparing over 500 projects with Los Angeles census-tract data. My primary analysis investigates whether each policy program produces a high quantity of units that are legitimately affordable to the median income of the surrounding community across Los Angeles. I continue my analysis by observing whether developments under DB, TOIA, and ED 1 cause direct displacement and deepen socioeconomic disparities. The final part of my research examines the ownership of affordable housing developments.

PROBLEM DESCRIPTION

Density Bonus (DB), Transit-Oriented Incentive Areas (TOIA), and Executive Directive 1 (ED 1) grant developers generous incentives to build dense housing developments in exchange for a minimum number of income-restricted units, in what is generally understood as inclusionary zoning (IZ) policy. A developer is granted base incentives if they meet basic eligibility requirements within the policy program, which typically include increased density, reduced parking, and additional height. A developer could, then, request additional incentives to bypass certain development standards; however, the amount of available additional incentives may vary by policy program. Below are descriptions of each policy program as it pertains to affordability requirements in exchange for increased density and/or bonus incentives:

A. The California Density Bonus Law was first passed in 1979 and has undergone many changes since its inception. Currently, it is administered through the Citywide Housing Incentive Program (CHIP), passed in 2025. It permits developers to build more units than allowed by local zoning policy. Under these provisions, eligible projects must be 5 or more units and may obtain up to a 100% increase in allowable density depending on the set-aside amount of affordable units. To qualify for any density amount, a rental project must include one of the following:

   Very Low-Income (VLI):

   - 5% VLI for minimum density (20%).
   - 11% VLI for maximum density (35%).
   - 15% VLI unlocks 80-100% stackable bonus beyond the 35% cap

   Low-Income (LI):

   - 10% LI for minimum density (20%).

- 20% LI for maximum density (35%).
- 24% VLI unlocks 80-100% stackable bonus beyond the 35% cap

*Every 1% increase in VLI or LI units earns a slightly higher density bonus.

The base density starts at 20% and can increase to 35% if deeper affordability requirements are met, such as for very low-income and under. If a developer adds even more deeply affordable units, they can receive an additional stackable bonus, which could reach a total density increase of 80-100%. This means that a developer could build a project double the size of what is usually allowed. Most mixed-income projects may also qualify for up to four additional incentives (City of Los Angeles, Department of City Planning, 2024).[6]

B. The Transit-Oriented Incentive Areas program, formerly known as the Transit-Oriented Communities program, was originally passed in 2017 through Measure JJJ and has been recently updated under CHIP's Mixed-Income Incentive Program (MIIP). It currently allows developers to add up to 100% of increased base density to projects with affordable housing units that are located within a half-mile radius of a major transit stop. A key provision of the program is the commitment to build affordable units for Extremely Low, Very Low, or Low-Income households at minimum percentages based on the project's tier. Each tier is determined by the distance and type of transit access; the higher the tier, the more widely used and closely located the transit stop (there are four tiers). The main difference between the original TOC and the new TOIA, however, lies in the amount of allowable increased density. Originally, increases could range from 50-80% depending on

[6] City of Los Angeles, Department of City Planning. (2024, May 16). *Implementation of 2023 State density bonus law – AB 1287* (Inter-departmental correspondence). https://planning.lacity.gov/odocument/e2f5c41c-45e1-42e0-be15-8fa4a0f747b2/Implementation_of_2023_State_Density_Bonus_Law_-_AB_1287.pdf

tier type; now, under MIIP, density begins at 100%. The other main difference is how TOIA promotes fair housing distribution, which did not exist under TOC. Density bonuses in Higher Opportunity Areas may earn over 120% density increases, compared to Low-Moderate Opportunity Areas that may earn between 100-120% density increases. Developers are also granted parking and height reliefs, and may request up to four additional incentives under MIIP (previously three under TOC) to further relax development standards. Formerly, income-restricted units were to remain affordable for at least 55 years, but under CHIP, the requirement is at least 99 years (City of Los Angeles, Department of City Planning, 2018).[7]

C. Executive Directive 1 was passed in late 2022 by Mayor Bass and last updated in July 2024. The program accelerates the construction of 100% affordable housing projects and temporary shelters by streamlining review processes. ED 1, by itself, only behaves to fast-track affordable housing development; if a development under ED 1 meets eligibility criteria, it may be combined with density bonuses from DB and TOIA. The program exempts projects from California Environmental Quality Act (CEQA) requirements and eliminates the need for public hearings. As a result, review periods for developments are significantly shortened, requiring City Planning to make an approval decision within 60 days of a complete application submission. As part of being 100% affordable, developments gain significant parking relief (some require 0 parking spaces) and an increase in building height (City of Los Angeles, Department of City Planning, n.d.).[8]

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[7] City of Los Angeles, Department of City Planning. (2018). *Transit Oriented Communities affordable housing incentive program guidelines* (PDF). https://planning.lacity.gov/odocument/39fae0ef-f41d-49cc-9bd2-4e7a2eb528dd/TOCGuidelines.pdf

[8] City of Los Angeles, Department of City Planning. (n.d.). *Executive Directive 1 (ED 1)*. Los Angeles City Planning. https://planning.lacity.gov/project-review/executive-directive-1

In essence, these policy programs offer a few options for developers to incorporate affordable units in their developments. With DB, projects have an overwhelming majority of market-rate units but include a certain percentage of very low-income (VLI) and/or low-income (LI) units based on the desired density bonus. With Transit-Oriented Incentive Areas (TOIA), projects also have an overwhelming majority of market-rate units, but include a certain percentage of LI, VLI, and/or extremely low-income (ELI) units based on their tier type. ED 1 projects are 100% affordable, but consist primarily of moderate- and low-income units. To better understand how these income levels are defined, refer to the following Area Median Income (AMI) limits for a standard four-person household in 2025:

2025 Area Median Income (AMI) Limits for a Standard Four-Person Household (Los Angeles County Department of Regional Planning, 2025):[9]

Acutely Low-Income (ALI) (Maximum 15% AMI)	$16,000
Extremely Low-Income (ELI) (Maximum 30% AMI)	$45,450
Very Low-Income (VLI) (Maximum 50% AMI)	$75,750
Lower Income (LI) (Maximum 80% AMI)	$121,150
Moderate Income (MI) (Maximum 120% AMI)	$127,900
Middle Income (Maximum 150% AMI)	$159,900

(Note: The U.S. Department of Housing and Urban Development (HUD) establishes the AMI for an area based on a four-person household size. The AMI is adjusted for other household sizes).

While each one of these policies seeks to increase the supply of housing in Los Angeles, rental units remain deeply unaffordable for most. Developers typically restrict units for

[9] Los Angeles County Department of Regional Planning. (2025, May 12). *Income limits 2025* (Los Angeles County Affordable Housing Program). https://planning.lacounty.gov/wp-content/uploads/2025/05/Income-Limits-2025.pdf

moderate- and low-income earners, especially under DB and ED 1, ignoring almost 800,000 households earning below 80 percent AMI[10] (California Housing Partnership, 2024). By hiding under the guise of affordability, developers access increased benefits by building bigger and larger to house more high-income earning tenants, with a minimum number of low-income earning tenants (The Angeleno Project, 2023).[11] Affordable housing development generates further inequitable outcomes in the process and aftermath of construction: occupied housing units are commonly demolished; buildings are developed out of scale with the surrounding neighborhood; and housing is concentrated in lower-resource areas (Strathmann, 2025).[12] This case study argues that each affordable housing policy program—DB, TOIA, and ED 1—produces inequitable and unaffordable housing developments in a time when Los Angeles is in need of very-low, extremely-low, and acutely low-income units.

[10] California Housing Partnership. (2024, December). *Los Angeles County affordable housing outcomes report 2024*. https://chpc.net/wp-content/uploads/2024/12/Los-Angeles-County-Affordable-Housing-Outcomes-Report-2024.pdf
[11] The Angeleno Project. (2023). *The hard facts: LA homelessness and housing by the numbers – 2023* (Report). https://theangelenoproject.org/wp-content/uploads/2023/11/TheHardFacts2023.110223.pdf
[12] Strathmann, C. (2025, October 22). *L.A. can build new housing while curbing displacement: Local preference programs show the way*. SAJE. https://www.saje.net/build-housing-curbing-displacement/

LITERATURE REVIEW

There is ongoing debate in existing literature about whether housing incentive programs produce equitable, affordable housing. Between 1980 and 2000, Kontokosta (2015) conducted a comparative spatial analysis between Montgomery County, Maryland, and Suffolk, New York, to examine the impact of inclusionary zoning (IZ) policies on the production and spatial distribution of affordable housing. Findings reveal some patterns of racial and class segregation, particularly in Suffolk, where 97.7% of IZ housing was built in just 10% of tracts comprised almost exclusively of low-income communities of color. Affordable housing should exist in neighborhoods that need it most; however, integration across neighborhoods of different income levels is essential for improving social sustainability. In an examination of 50 studies published between 2000 and 2025, Azlan et al. (2025) explore how policy design and implementation factors of inclusionary zoning policies promote or inhibit social sustainability, such as social integration and community stability. Results show that developments with fewer than 10% of affordable units report positive social outcomes to a minimal extent, and that placing IZ units in high-opportunity areas is important for achieving high social sustainability. Furthermore, mixed-income units demonstrate improvements in various social and economic aspects. Jones et al. (2022) note a similar finding when examining the physical and mental health impacts of specific requirements under IZ. Using programs and population health outcomes from 500 U.S. cities, the authors determine that mandatory inclusionary zoning programs are overall successful; however, if these programs are implemented in highly unequal neighborhoods, the health and social benefits may decrease.

Successful affordable housing policy programs must produce a considerable amount of units and fairly distribute them, while also accounting for deeper affordability levels. Existing

literature suggests that some housing policies are more effective than others at developing rental units for the lowest-income individuals. Mukhija et al. (2010) examine the productivity of IZ policy in Los Angeles and Orange County between 1980 and 2006. The authors find that the federal Low Income Housing Tax Credit (LIHTC) program is more effective at producing housing for lower incomes compared to state or county IZ policies. This is because Density Bonus (DB) incentivizes developers to build more market-rate and moderate-income housing to offset the costs of deeper affordable housing requirements. In fact, when it comes to Transit-Oriented Incentive Areas (TOIA) and DB in Los Angeles, Zhu et al. (2021) find that DB typically builds significantly fewer ELI units compared to LI, VLI, and MI units. TOIA projects, therefore, are better at accommodating lower-income people due to higher incentives and faster approval processes. However, TOIA projects are most often built in low-income neighborhoods, increasing vulnerability to gentrification.

Based on interviews with different policymakers, landlords, tenant organizers, developers, and researchers, Stacy et al. (2021) also note that IZ policy typically does not address the affordability needs of those with the lowest incomes. Similar to Mukhija et al. (2010), the authors make an important claim that IZ is best suited for building moderate-income (MI) housing, as incentives often lead to developers building the minimum number of affordable units at an MI level, and a maximum number of market-rate units. Mock et al. (2023) make a similar observation in their case studies of Boston and Southern California, where developers neglect deeper affordability needs to maximize profit. It is extremely important to consider the equity implications of implementing housing policy programs that promote the development of deeply affordable levels across all neighborhoods and respond to local housing needs.

Ensuring equitable housing policy also means mitigating displacement pressures for residents. Chapple and Song (2025) look at displacement and exclusion in Los Angeles and San Francisco and find that subsidized housing generally lowers displacement and exclusion slightly across most markets. However, they make an important consideration of how housing impacts may look different at the city or regional level compared to the neighborhood level. The effects of affordable housing supply may look positive at the city level, but negative at the neighborhood level due to existing inequities.

Housing insecurity and unaffordability are further exacerbated by corporate ownership of rental properties, an increasingly common phenomenon across the United States. Boparai and Dominie (2024) find that corporate landlords treat housing in low-income communities of color as an investment for profit maximization, leading to poor housing and neighborhood conditions. The results show that corporate landlords often hike up rents, neglect upkeep, and file mass evictions, yet face little to no accountability because of their immense wealth and power. While this case study does not specifically address substandard housing conditions and landlord harassment, it motivates my research to explore corporate ownership of affordable housing developments and whether there are potential negative implications for tenants.

Azlan et al. (2025), Mukhija et al. (2010), Wang and Fu (2022), and Zhu et al. (2021) all mention the issue of data monitoring and administrative oversight over the production of affordable housing under IZ policy, including inconsistent and publicly inaccessible datasets. My research will determine whether the availability of DB, TOIA, and ED 1 development information allows for an in-depth analysis of their impacts. This assessment is not only relevant for conducting this case study, but for housing experts and community members to track the

progress of affordable housing delivery and how each development relates to neighborhood and city goals.

My policy recommendations will address how affordable housing program incentives could advance fair distribution practices and incorporate deep affordability levels in developments, while mitigating direct displacement caused by developments. I will examine whether the Citywide Housing Incentive Program (CHIP), released in February 2025 to amend existing affordable housing programs, reforms existing inequities found in DB, TOIA, and ED 1. In existing research on CHIP, Barrall and Phillips (2024) reveal improvements in housing distribution among high-resource areas but an ongoing concentration of affordable units in low-resource areas, particularly due to zoning exemptions. My recommendations will offer adjustments to CHIP aimed at closing distribution gaps, as well as addressing additional disparities revealed in my analysis.

A viable way to enhance CHIP may be through better incentive mechanisms. In Mock et al. (2023), the authors emphasize the importance of incentives for the development of affordable and market-rate housing, with density bonuses and reduced parking requirements being the most effective. Similarly, Jones et al. (2022), Mukhija et al. (2010), and Wang and Fu (2022) each find that mandatory policies with higher incentives yield higher results of affordable housing production. These findings will inform my policy recommendations to consider how existing incentives may be leveraged to require developers to produce deeply affordable, fairly distributed affordable housing under TOIA, DB, ED 1, and/or CHIP.

These authors bring valuable contributions for the enhancement of equitable, affordable housing development that is widely accessible and truly affordable across multilevel income neighborhoods. Findings show that developments built under affordable housing policy

programs produce the best outcomes when accessible in low and high-income neighborhoods, promoting class integration among residents. Furthermore, incorporating lower-income affordability levels (below 80% AMI) in the projects themselves also strengthens this integration on a smaller building-by-building basis. This part of my research explores whether specifically Los Angeles census tracts and council districts meet this standard of equitable development by achieving adequate integration of income backgrounds under DB, TOIA, and ED 1. Through this approach, my research addresses affordable housing policy on a city-wide level to observe how neighborhoods are integrated and segregated by class. I extend my research to examine equity on a development level by analyzing whether housing policy develops below-market rate units that reflect the median income of the neighborhoods they're built in (neighborhood-level) and if units are constructed to address very low-income (VLI), extremely low-income (ELI), and acutely low-income (ALI) earning households.

RESEARCH DESIGN AND METHODS

To evaluate the effectiveness of Density Bonus (DB), Transit-Oriented Incentive Areas (TOIA), and Executive Directive (ED 1) in producing equitable, affordable housing, my research integrates a mixed-methods analysis of case planning documents with LA city census-tract data. This approach begins with assessing housing developments to gather information on the project and policies behind it to provide a measurable, numeric analysis of how effective each policy is at creating a high quantity of affordable housing. To supplement these analyses, I conduct a policy document review of the guidelines of each program. This review focuses on each program's incentive structures (such as density increases), eligibility requirements, and administrative processes. By comparing the design features and implementation timelines of these policies with the housing production data, I assess how specific policy mechanisms affect actual housing outcomes.

In the next step of my research, I assemble a dataset of affordable housing developments from 2023 to 2025 to serve as the foundation of my whole analysis. The analysis starts in January 2023, marking the very beginning of the passage of ED 1 and Karen Bass's mayoral term in Los Angeles. To compile the data, I first examine approximately 70 bi-weekly case filings of proposed projects from the Los Angeles City Planning website (City of Los Angeles, Department of City Planning, n.d.).[13] Each filing includes a table of case reports that vaguely documents commercial and residential projects and their case information, including case number, address, certified neighborhood council (CNC), community plan area, project description, request type(s), council district number, and applicant contact. I determined which projects were DB, TOC/TOIA, and ED 1 based on the case number using the corresponding

[13] City of Los Angeles, Department of City Planning. (n.d.). *Bi-Weekly Case Report*. Los Angeles City Planning. https://planning.lacity.gov/resources/bi-weekly-case-report

policy acronym (for example, DIR-2023-75-TOC-HCA, which indicates that this development was part of the TOC program). Many of these cases have a combination of acronyms and are usually not limited to one; I recorded each case in a document that included any combination of DB, TOC/TOIA, and ED 1.

After compiling a 100-page document of every case type related to these policy programs, I went to the case number search tool on the Los Angeles City Planning website (City of Los Angeles, Department of City Planning, n.d).[14] I input each case number to examine detailed documents and reports of affordable housing developments across the city. This information is spread across a variety of documents under two tabs: "approved" and "proposed." Between these two tabs, I extract information from the following: initial applications, findings (of the development), project plan blueprints, determination letters, and appeal decision reports. However, the abundance of documents varies based on the status of the development. If a project is proposed but not yet approved, only the initially submitted documents are available; if a project is proposed and approved, documents from the city may also be found. The majority of my analysis only covers cases with any type of approval status, having three main ones in particular: approved/authorized, approved if correspondence, and approved with conditions. An approved case indicates that City Planning has allowed the development to move forward to whatever extent permitted; it does not mean the development has started construction yet. I only consider approved cases in my analysis because they are in the nearest stage of development possible. In some cases, projects are terminated, withdrawn, or have no case filings. I still record these cases, but I do not analyze them extensively.

[14] City of Los Angeles, Department of City Planning. (n.d.). *Case Information & Documents (PDIS)*. Los Angeles City Planning. https://planning.lacity.gov/pdiscaseinfo/

I anticipated documenting the building status of approved developments in their different stages, such as whether the construction process has begun, if it is almost completed, or is already complete. However, case filings do not explicitly state whether or not a building has started construction. Therefore, a further analysis would require a separate examination of building permits on the Los Angeles Department of Building and Safety (LADBS) website.

I then split the extracted case data into relevant data categories: case number, filing date, policy incentives, project description, neighborhood, council district, total units, total market-rate units, total affordable units, moderate-income (MI) units, low-income (LI) units, very low-income (VLI) units, extremely low-income (ELI) units, acutely low-income (ALI) units, developer name, present use of the land, case status, square footage of the project, and demolition status. For information that I could not find, I leave the category blank. This portion of content analysis involves examining over 700 case filings in total.

The process of compiling ED 1 data looks different. This information is publicly available on the L.A. City Planning website; however, the data is not downloadable or exportable. The process of accessing a table involves emailing the city, which the community-based organization Strategic Actions for Just Economy (SAJE) had recently conducted and shared with me. Because this table only includes what is on the L.A. city Planning website, there are no categories for the present use of land, demolition status, or developer name(s).

The demolition category is very important for my analysis to determine whether these projects might displace people. In an effort to close this gap, I create a new column for demolition, and if the project description included the words “demolition” or “demo,” the corresponding row yields a “yes.” This is entirely dependent on whether the project description

mentions demolition; therefore, it may be possible for a project to demolish a preexisting building but not include it in its project description. This is a limitation of my data analysis.

While I could mitigate these gaps in ED 1 demolition status by going through each specific case filing, as I do with DB and TOIA, it requires me to dig through 400+ additional documents. Unfortunately, time does not permit this. The ED 1 data, however, includes additional tables such as completion dates and the number of proposed units vs. approved units. I remove every column that does not match those of my existing dataset categories. Fortunately, the ED 1 table includes the majority of the data I need in my primary analysis to determine affordability levels and distribution of housing.

After combining the ED 1 table with my DB and TOIA dataset, I conduct further analysis to determine the quantity and affordability of housing units under each policy program year by year. To determine the quantity of affordable units, I sum up the total number of units, market-rate units, and affordable units for every policy program individually and combined. These functions allow for a comparison of affordable units to total units under each of these policy programs.

To evaluate whether residents in each project's surrounding census tract could theoretically afford the units built at different income-restricted levels, I construct a tract-level affordability classification using a series of binary indicators. First, I count the number of units by affordability level in each development and then identify the income threshold for a standard four-person household for each unit type. The income threshold corresponds with Los Angeles city income limits for the relevant year (2023, 2024, 2025). However, the four-person standard introduces a limitation to my data analysis. Many units produced under affordable housing programs are studios and one-bedrooms, which likely use a single- or two-person household

median income threshold. But, because the four-person median income is the standard measure used for research purposes, I conduct my analysis using this category despite the actual unit size.[15]

I then compare the median income of tracts from the 2020 U.S. Census Bureau's American Community Survey (ACS) five-year estimate to the different income thresholds of each unit type in ArcGIS. I assign a 1 to the development if the median income is above the income threshold by unit type and 0 if the median income is at or below the income threshold by unit type. To visualize these patterns, I create maps representing my findings for each unit type: 1 is symbolized by green, 0 is symbolized by orange.

For example, in 2023, the moderate-income (MI) limit for a four-person household was $117,850. This value would display in a row only when the development includes at least one unit in that income category. Comparing the median household income to the MI unit in 2023 would yield:

- 1 (green dot) if the tract's median household income exceeds the income-limit threshold (e.g., median income > $117,850 for MI in 2023), indicating that a household's median income at the tract level could theoretically afford the restricted units of the development.
- 0 (orange dot) if the tract's median household income falls below the threshold, indicating unaffordability of the units relative to median income at the tract level (e.g., median income < $117,850 for MI in 2023). Because the income-restricted units are above the median income, a household in that tract theoretically cannot afford the units of the development.
- Blank if no units of that income category are provided in the development.

[15] Los Angeles County Department of Regional Planning. (2025, May 12). *Income limits 2025* (Los Angeles County Affordable Housing Program). https://planning.lacounty.gov/wp-content/uploads/2025/05/Income-Limits-2025.pdf

This method produces a tract-by-category affordability matrix that identifies the extent to which the median incomes of the surrounding neighborhoods align with, or fall below, the income levels for which the units are restricted. The resulting binary indicators allow for comparisons of local incomes and affordability tiers of each unit type, determining the most effective policies at producing affordable housing based on local needs. To build on this analysis, I summarize how effectively each policy program produces affordable units in its census tract. I conduct this step by counting every 0 and 1 across all programs, and then by individual program per year, in which I calculate the percentage of each binary indicator by the total of both counts combined.

Because my analysis also focuses on the spatial distribution of these projects, I create a series of heat maps on ArcGIS to show where each affordable housing unit type is densely and sparsely located by Council District, using my recorded data of each unit type and its quantity in each development. I proceed to overlay this data with Council District boundaries.

My analysis further explores the number of occupied residential and commercial buildings that may be demolished by new developments, potentially leading to direct displacement. I create a color-coded dot map marking developments that anticipate the removal of an existing, occupied structure under four categories: no (green dot), partial (yellow dot), yes (orange dot), and unsure (gray dot). Developments with a green dot for “no” signify project plans that do not anticipate demolishing a structure; a yellow dot for “partial” signify project plans where only a portion of a structure may be demolished; an orange dot for “yes” signify project plans that do anticipate demolishing a structure; a gray dot for “unsure” signify project plans that do not explicitly state any demolition plans. I, then, identify whether developers plan to demolish commercial, residential, and/or industrial buildings by closely investigating the “present use”

category of the dataset. Some of these descriptions do not explicitly label structures as "residential" or "commercial," so I look for keywords like "office space" or "single-family dwelling" and classify them respectively.

I determine a structure as occupied by looking at data from case files in the beginning data collection stage. In the initial application submission, a developer must disclose whether the existing structure is occupied or vacant. The ED 1 dataset does not include a category specifying what type of structure faces demolition, but still broadly includes demolition status under the project description. Therefore, any ED 1 development that has demolition in its project description is either removing a commercial, industrial, or residential building; the data just doesn't specify which one. Nonetheless, I compile my DB and TOIA data separately from ED 1 in this scenario due to the differences in tangible evidence.

The last step of my analysis involves the investigation of affordable housing ownership. While collecting developer names and titles in the initial research stage, I observe an overwhelmingly majority of business-related terminology, including the word "company" itself, acronyms like LLC for Limited Liability Company and LP for Limited Partnership, and abbreviations, such as INC for incorporated company/corporation. Because the ED 1 dataset does not disclose the names of developers, my analysis excludes figures for this policy program. I distinguish between companies and non-companies based on whether the developer title includes any one or combination of the above business-related terms. Titles without company phrases are classified as non-companies. I then calculate the percentages of company-related developers and non-company-related developers relative to the total number of developers.

Together, these methods provide a thorough, visually impactful understanding of how Los Angeles's affordable housing incentive programs—DB, TOIA, and ED 1—distribute

housing and cater to local needs, based on median household incomes. My research will contribute to best practices for structuring incentive-based policy programs that balance the obligation to increase housing supply through equitable practices to advance affordable housing access across all neighborhoods of Los Angeles.

DATA AND ANALYSIS

Section 1: Proposed vs. Approved Cases

My analysis first records the status of case submissions to determine the volume of developments that are approved, proposed, or voided. My findings demonstrate the following:

- Approved: 514 developments
- Proposed: 151 developments
- Other (terminated, withdrawn, or no cases): 55 developments

With a majority of approved development plans, it is clear that the city is generally receptive to projects utilizing Density Bonus (DB), Transit-Oriented Incentive Areas (TOIA), and Executive Directive (ED 1). I speculate that the trend of high approval rates may reflect the strength of these programs' entitlements, such as density bonuses, incentives, and streamlined review processes, which may limit the city's ability to deny qualifying projects. While approval does not guarantee timely construction or completion, it does demonstrate that these programs are functioning as intended within the administrative process.

Section 2: Measuring the Quantity of Housing Generated Per Year Under Each Policy Program

The following tables present yearly totals of all units, market-rate units, income-restricted units, and the share of income-restricted units by percentage. Table 1 shows net yearly totals without distinguishing between policy programs; tables 2 (DB), 3 (TOIA), and 4 (ED 1) disaggregate each category by specific program. These tables show overall and policy-specific unit production patterns per year to evaluate the volume of affordable units produced through each program.

Table 1: Number of approved units by total, market-rate, and income-restricted by year, across policy program type

Year	# of Total Units	# of Market-Rate Units	# of Income-Restricted Units and % of Total
2023	10,094	4,141	5,953 (58.9%)
2024	22,183	3,203	18,079 (81.4%)
2025	6,746	1,250	5,467 (81%)
TOTAL	39,023	8,594	30,129 (77.2%)

Table 1 shows a clear increase in income-restricted unit production from 2023 to 2025, with a peak in 2024. Importantly, income-restricted units make up the majority of all units generated across these three programs. These patterns indicate that, in aggregate, the programs are effectively meeting their intended goal of adding below-market-rate housing to the city's supply. However, as Chapple and Song (2025) note in their findings, the effects of affordable housing supply may look positive at the city or regional level, while having negative effects at the neighborhood level. Therefore, my research narrows in scope further down this analysis to account for how affordable housing production responds to local needs, not just L.A. city goals.

Table 2: Number of total, market-rate, and income-restricted approved units by year for Density Bonus (DB)

Policy and Year	# of Total Units	# of Market-Rate Units	# of Income-Restricted Units and % of Total
DB 2023	7,044	1,478	5,566 (79%)
DB 2024	20,711	2,217	18,223 (87.9)%
DB 2025	5,869	860	4,980 (84.8%)
DB TOTAL	33,624	4,555	28,769 (85.5%)

Table 2 shows a similar trend with data on DB. The number of income-restricted units dramatically outweighs the number of market-rate units. Again, there is a large peak of income-restricted unit production in 2024, followed by a sharp decline in 2025. Compared to the first table, DB alone creates a larger number of income-restricted units, with its total (85.5%) being 8.3 percentage points higher than that of Table 1's income-restricted total (77.2%).

Table 3: Number of approved units by total, market-rate, and income-restricted by year for Transit Oriented Incentive Areas (TOIA)

Policy and Year	# of Total Units	# of Market-Rate Units	# of Income-Restricted Units and % of Total
TOIA 2023	3,084	2,694	390 (12.6%)
TOIA 2024	1,405	984	421 (29.9%)
TOIA 2025	571	383	188 (32.9%)
TOIA TOTAL	5,060	4,061	999 (19.7%)

TOIA displays vastly different outcomes in unit production compared to previous tables. Market-rate units are produced at far higher rates than income-restricted units, with income-restricted unit percentage totals only reaching 19.7 percent, relative to the total number of units. The peak of the overall quantity of units occurs in 2023, but the quantity of income-restricted units reaches its highest in 2024 (not relative to total units). However, there is an upward trend in the number of income-restricted units relative to total units per year, with a 20.3 percentage point difference from 2023 (12.6%) to 2025 (32.9%).

Table 4: Number of approved units by total, market-rate, and income-restricted by year for Executive Directive 1 (ED 1)

Policy and Year	# of Total Units	# of Market-Rate Units	# of Income-Restricted Units and % of Total
ED1 2023	5,487	112	5,375 (97.9%)
ED1 2024	18,035	284	17,682 (98%)
ED1 2025	5,297	62	5,206 (98.2%)
ED1 TOTAL	28,819	458	28,263 (98%)

ED 1 data in Table 4, on the other hand, produces the highest amount of income-restricted housing compared to all other programs. This makes perfect sense because ED 1 delivers 100% affordable housing with a few market-rate units reserved for managers. In terms of the quantity of units produced, ED 1 peaks in 2024. The number of income-restricted units relative to the total is quite consistent throughout the years, with very subtle increases in percentage points.

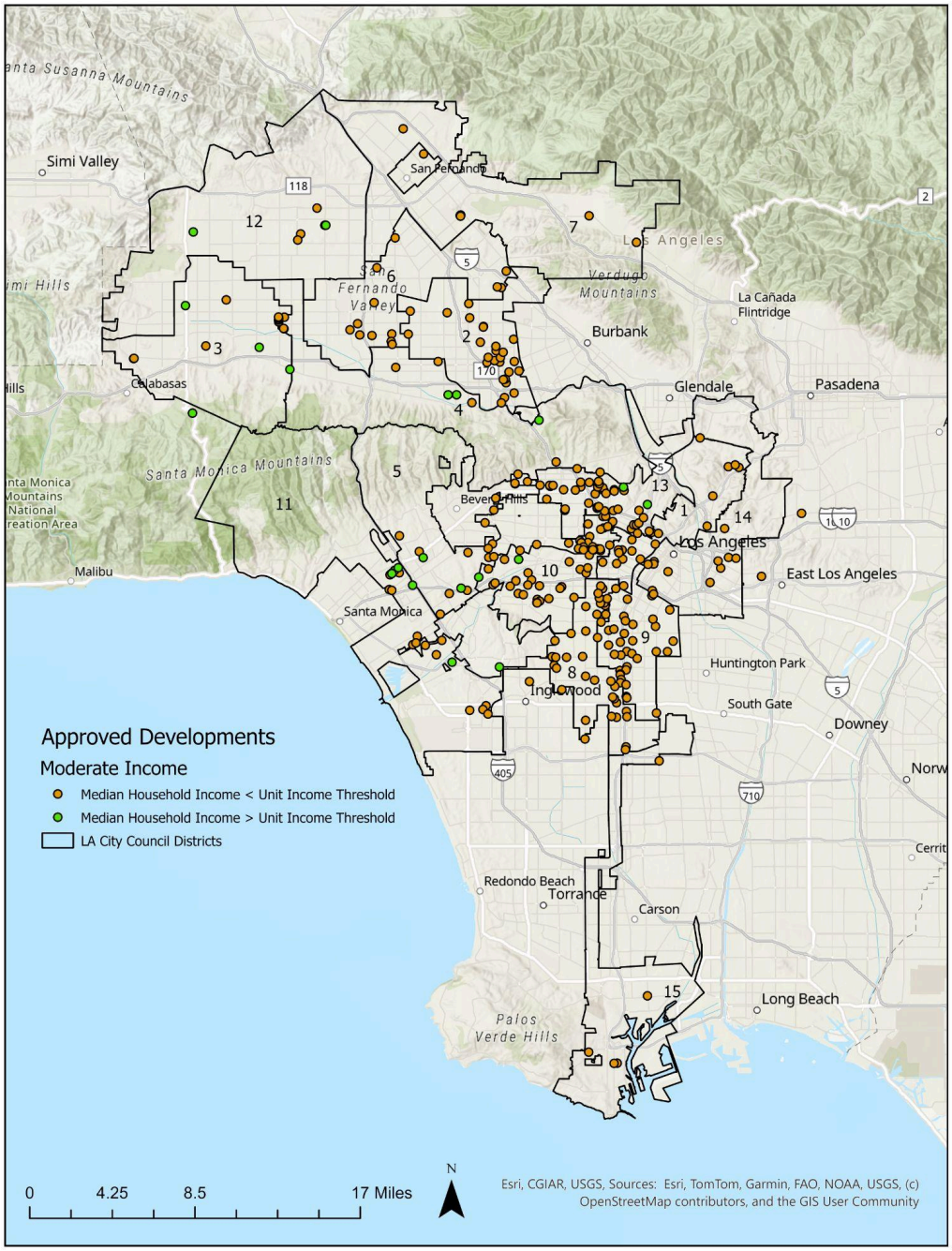
There are a few patterns to dissect from Tables 1-4. In 2025, quantities are the lowest and remain far below the numbers recorded in 2023 and 2024. One possible explanation is that my data collection for 2025 does not go beyond September. That leaves three full months of data excluded from the analysis. Another possible explanation is the adoption of stronger tenant protections in 2025, creating safeguards for residents whose buildings might be demolished. I will explain this in more detail under the policy recommendations section. It remains unclear, though, why the majority of policy programs reach their peak in 2024. The data for DB and ED 1 are significantly more aligned because they are often paired with one another, as opposed to DB and TOIA or ED 1 and TOIA. It is plain, however, that ED 1 produces the highest amounts of income-restricted units, with DB following closely behind it, and TOIA trailing far behind.

Despite TOIA's lack of income-restricted unit production, Table 1 demonstrates that, aggregately, these policy programs produce an overall high percentage of income-restricted units relative to total units.

Section 3: A Spatial Analysis—The Quality vs. The Quantity of Affordable Housing

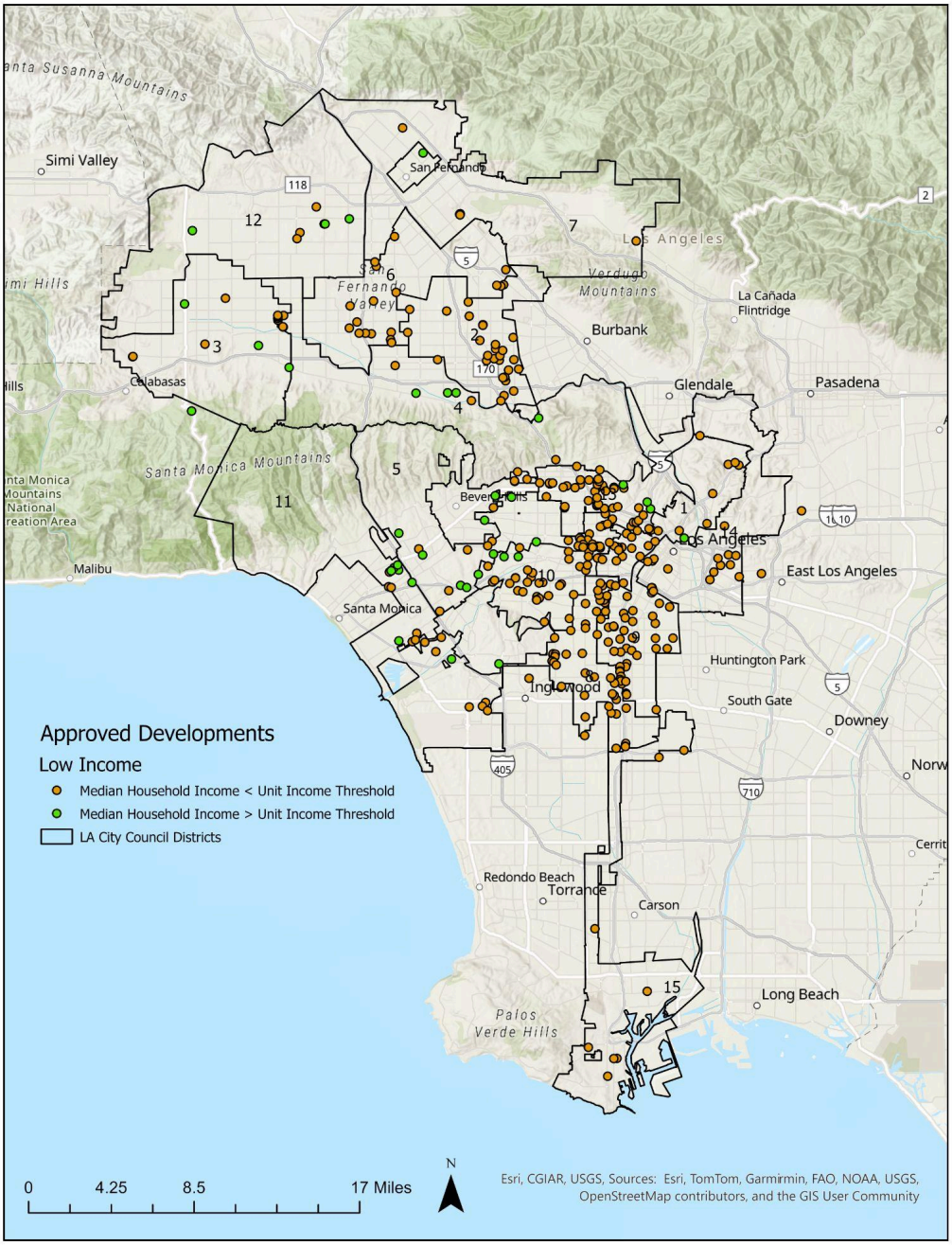
Based on the data from Table 1, these policy programs have overall produced a large quantity of income-restricted housing. But are these income-restricted units affordable to neighborhoods and communities? The following maps compare the median household incomes of each tract to the income levels of each affordable unit type.

Figure 1: *Are Moderate-Income Affordable Units Accessible to Local Residents?*



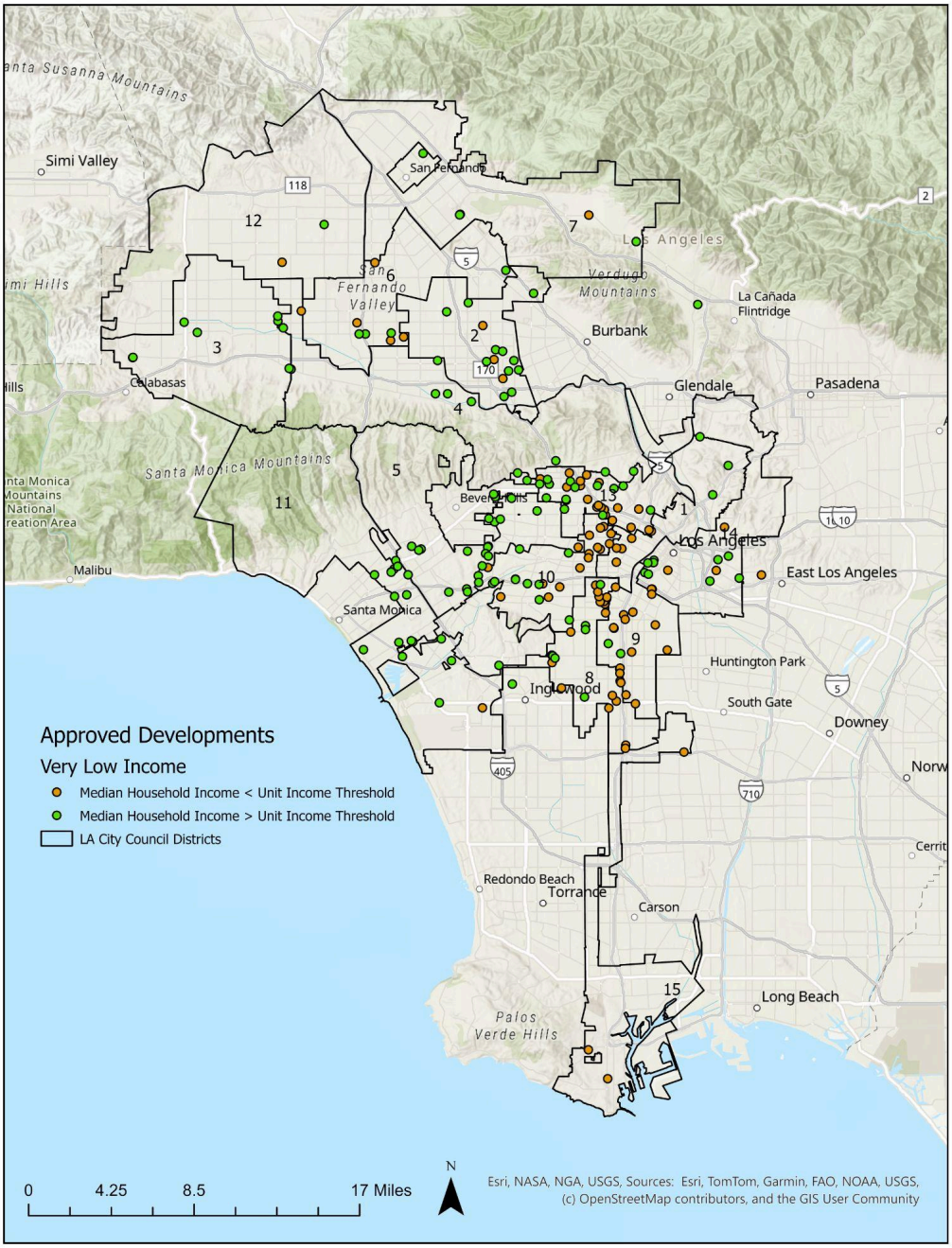
Note: Figure 1 displays developments in Los Angeles that include at least one MI unit. The orange dots symbolize that the median household income of a census tract is below the MI income threshold. The green dots symbolize that the median household income of a census tract is above the MI income threshold.

Figure 2: *Are Low-Income Affordable Units Accessible to Local Residents?*



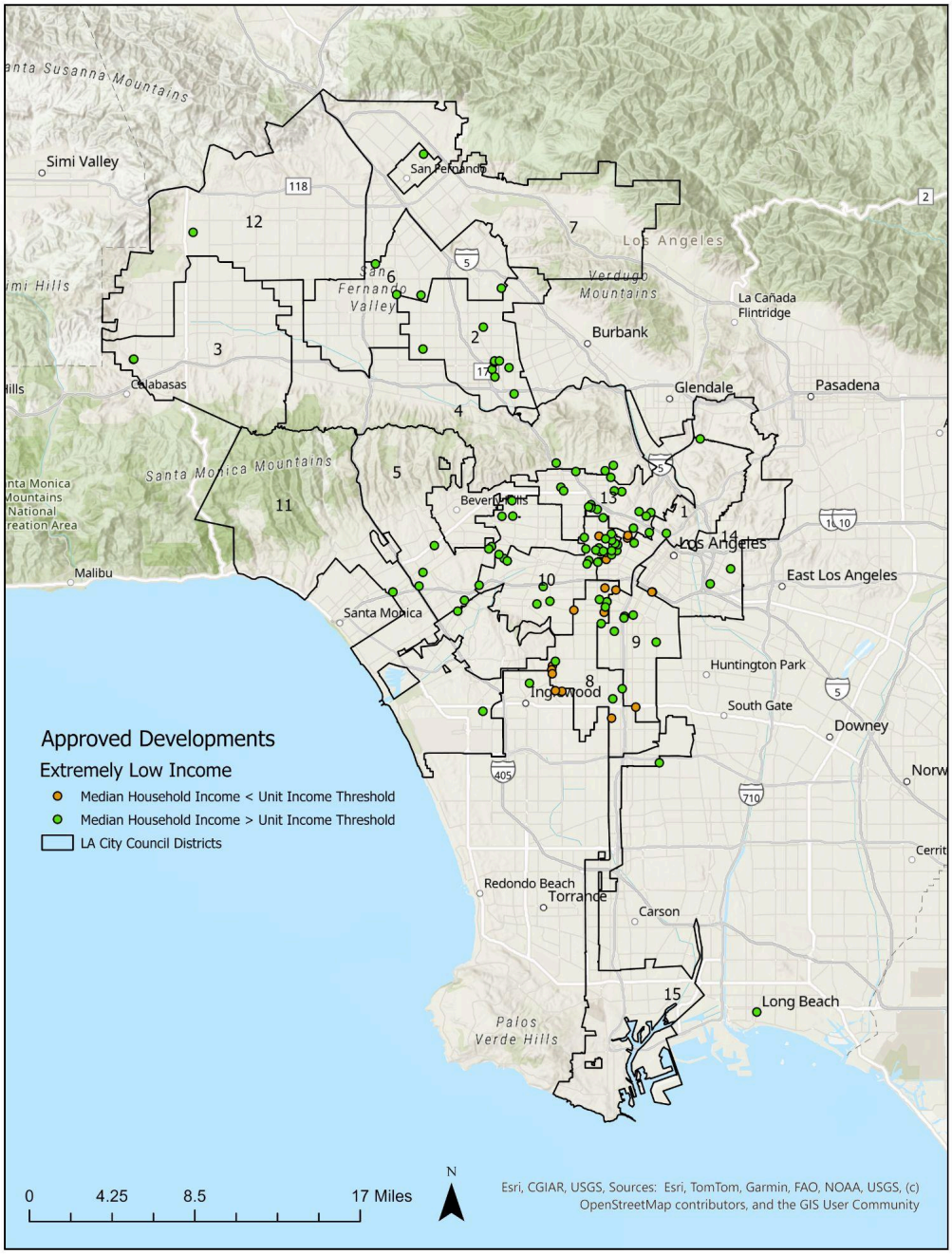
Note: Figure 2 displays developments in Los Angeles that include at least one LI unit. The orange dots symbolize that the median household of a census tract is below the LI income threshold. The green dots symbolize that the median household income of a census tract is above the LI income threshold.

Figure 3: *Are Very Low-Income Affordable Units Accessible to Local Residents?*



Note: Figure 3 displays developments in Los Angeles that include at least one VLI unit. The orange dots symbolize that the median household income of a census tract is below the VLI income threshold. The green dots symbolize that the median household income of a census tract is above the VLI income threshold.

Figure 4: *Are Extremely Low-Income Affordable Units Accessible to Local Residents?*



Note: Figure 4 displays developments in Los Angeles that include at least one ELI unit. The orange dots symbolize that the median household income of a census tract is below the ELI income threshold. The green dots symbolize that the median household income of a census tract is above the ELI income threshold.

Figures 1-4 display powerful differences as income restrictions of units reach deeper affordability levels. Moderate-income (MI) units in Figure 1 are overwhelmingly misaligned with local incomes; 307 are unaffordable, and only 22 are affordable, meaning that 93.3 percent of MI units fall out of reach. Low-income (LI) units in Figure 2 follow the same pattern as Figure 1, with 334 unaffordable units and just 36 affordable, indicating a 90.2 percent unaffordability to surrounding communities. Together, MI and LI categories account for 699 units, revealing that the bulk of affordable housing produced does not correspond with neighborhood earning capacity.

These dynamics shift in Figures 3 and 4: very low-income (VLI) units show a narrow majority of affordability, with 55.1 percent (123 units) of affordable units compared to 44.9 percent (110) of unaffordable units. Extremely low-income (ELI) units, however, demonstrate the strongest alignment with local need: 83.6 percent (92 units) of units are affordable to the community, compared to an unaffordability rate of 16.4 percent. Yet, production of volume dwindles significantly as affordability deepens; Figures 3 and 4 contain just 336 combined units, approximately half the number of units between Figures 1 and 2 (699 units).

These maps, viewed side-by-side, report a troubling pattern. The majority of MI and LI affordable units produced under all three incentive-based programs are unaffordable to local residents; yet, these unit types are most commonly built within developments. On the other hand, VLI and ELI units are far more affordable to local residents, but comprise a much smaller share of affordable units produced from these three programs.

Section 4: Cross-Program Analysis—The Quality of Affordable Housing

Building from Figures 1-4 in Section 3, this portion of the analysis measures the percentages of affordable and unaffordable housing units per the median income of each census

tract, by individual policy program and year. Table 5 presents net-yearly percentages of affordability and unaffordability rates, without distinguishing between policy programs; Tables 6 (DB), 7 (TOIA), and 8 (ED 1) disaggregate each affordability category by specific program. These tables reveal affordability measures based on comparisons between unit income thresholds and surrounding median incomes, allowing for an assessment of how each policy program may or may not generate housing that is truly affordable for local residents.

Table 5: Percent of Affordable Units to Census Tract by Income-Restricted Unit Types, Across Policy Program

Year	% of Affordable to Census Tract	% of Unaffordable to Census Tract
2023	30.7%	69.2%
2024	22.4%	77.5%
2025	18.4%	81.5%

Table 6: Percent of Affordable Units to Census Tract by Income-Restricted Unit Types, Density Bonus

Policy/Year	% of Affordable to Census Tract	% of Unaffordable to Census Tract
DB 2023	26.60%	73.30%
DB 2024	20.6%	79.3%
DB 2025	16%	83.7%

Table 7: Percent of Affordable Units to Census Tract by Income-Restricted Unit Types, Transit-Oriented Incentive Areas

Policy/Year	% of Affordable to Census Tract	% of Unaffordable to Census Tract
TOIA 2023	83%	16.9%
TOIA 2024	56%	43%
TOIA 2025	28%	71.4%

Table 8: Percent of Affordable Units to Census Tract by Income-Restricted Unit Types, Executive Directive 1

Policy/Year	% of Affordable to Census Tract	% of Unaffordable to Census Tract
ED1 2023	23.5%	72.5%
ED1 2024	18.8%	81.1%
ED1 2025	14.8%	85.1%

As Table 5 shows, the totals across three years show that the overwhelming majority of units produced by the policy programs combined are unaffordable to the census tract in which they exist. In fact, every policy program produces a higher percentage of unaffordable units and a lower percentage of affordable units each year. As demonstrated in previous findings, the data from the DB and ED 1 units are very closely aligned compared to TOIA. Especially in 2023 and 2024, TOIA is the greatest outlier because it is the sole policy program that yields a higher

percentage of affordable units than unaffordable units; only 16.9 percent of units generated by TOIA in 2023 were unaffordable. These findings reinforce the existing research by Zhu et al. (2021), who find that TOIA is best suited for accommodating lower-income levels than other programs. However, there is a striking shift in 2025 in which 71.4 percent of units are unaffordable under TOIA, signalling a divergence from past scholarly findings.

There may be a few reasons for the progressive unaffordability of TOIA. TOIA has undergone many amendments since its inception in 2017, potentially allowing developers to build with less deep affordability requirements. As described in the problem statement, TOIA grants developers the flexibility to choose its affordability requirements based on tier. For example, at tier 4, a developer can either include 11 percent of ELI units or 25 percent of LI units. It may be possible that opting for more LI units than fewer ELI units became more profitable in later years.

DB and ED 1, however, remain consistent in generating high percentages of unaffordable units compared to affordable ones. I speculate that this trend is caused by DB and ED 1 producing LI and MI units almost exclusively, a consistency noted by Stacy et al. (2021) and Mukhija et al. (2010). These authors find that IZ policies, such as DB and ED 1, mostly cater to MI and LI earners rather than those with the lowest incomes. The majority of median household incomes by census tract are below the LI threshold, categorizing MI and LI units as unaffordable in this analysis.

Section 5: Summarizing the Efficacy of Each Policy Program

The following tables measure how effectively each policy program produces income-restricted units by quantity and affordability per year, allowing for a comprehensive

evaluation of Density Bonus (DB), Transit-Oriented Incentive Areas (TOIA), and Executive Directive 1 (ED 1).

Table 9: Quantity and Affordability Rankings Per Policy Program, 2023

Policy/Program	Quantity	Affordability
DB	High	Low
TOIA	Low	High
ED1	High	Low

Table 10: Quantity and Affordability Rankings Per Policy Program, 2024

Policy/Program	Quantity	Affordability
DB	High	Low
TOIA	Low	Somewhat High
ED1	High	Low

Table 11: Quantity and Affordability Rankings Per Policy Program, 2025

Policy/Program	Quantity	Affordability
DB	High	Low
TOIA	Low	Low
ED1	High	Low

This analysis, so far, identifies two important factors to measure the efficacy of each policy program: the quantity of affordable units produced and the affordability level of units relative to the median household incomes of local residents. Throughout all three years, DB and ED 1 produce high quantities of affordable housing that are, overall, unaffordable to their communities. A high number of income-restricted units does not mean a policy program is

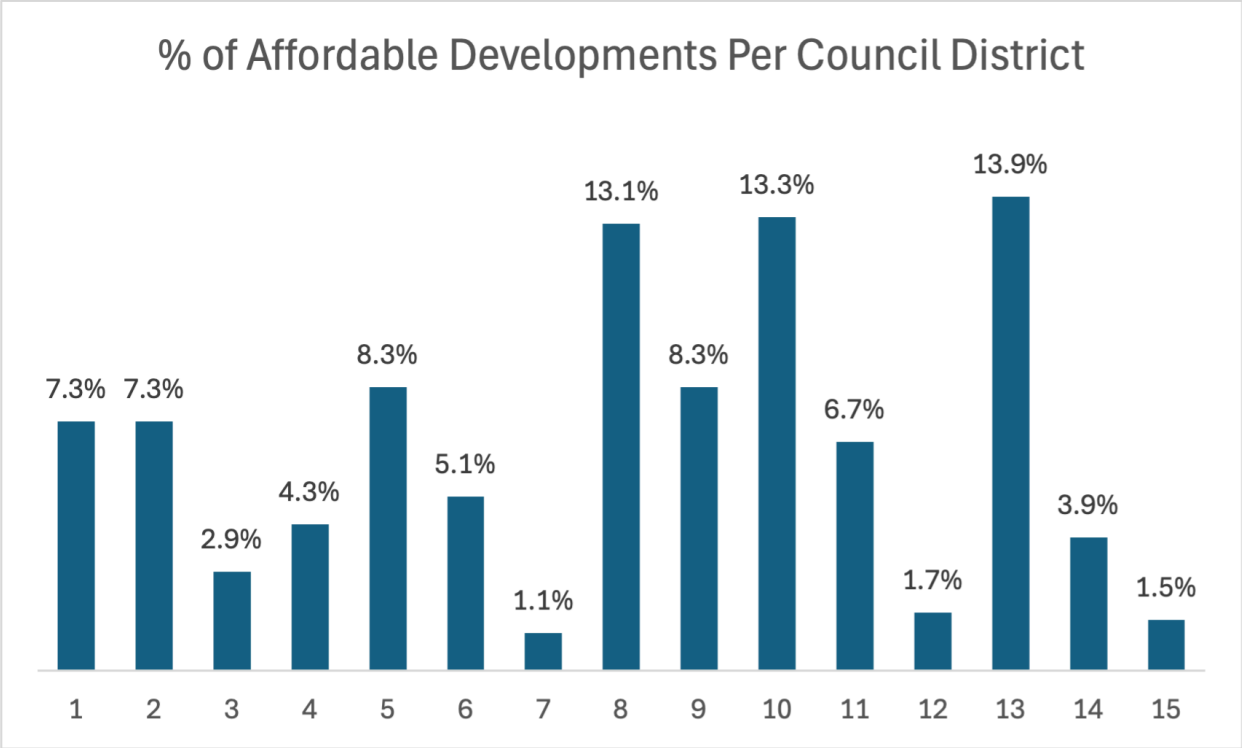
effectively serving the community if rents are still too high for local residents to afford. Conversely, a low number of deeply affordable units, represented by TOIA, does not mean a policy program is effectively serving the community if access is too limited because supply is low. As of 2025, the former is more relevant: all three policy programs, overall, are flooding the affordable housing market with unaffordable units. As the years go on, this pattern only worsens; TOIA, a program that once produced units with deep affordability levels as opposed to its policy counterparts, now follows poor affordability trends of DB and ED 1 in 2025. In addition, TOIA continues to produce a small quantity of affordable housing. These tables, when viewed annually, display a persistent underperformance in DB and ED 1 outcomes and a steady decline in affordability under TOIA.

Section 6: The Distribution of Affordable Housing Across Council Districts

Affordable housing is not spread evenly across Los Angeles (California Housing Partnership, n.d.).[16] This occurrence is already evidenced by Figures 1-4 in prior sections, as seen by dot counts of total developments and units with higher concentrations of affordable housing in certain areas than in others. Figures 5-8 hone in on the spatial density of affordable units by Council District, highlighting the unequal distribution of housing.

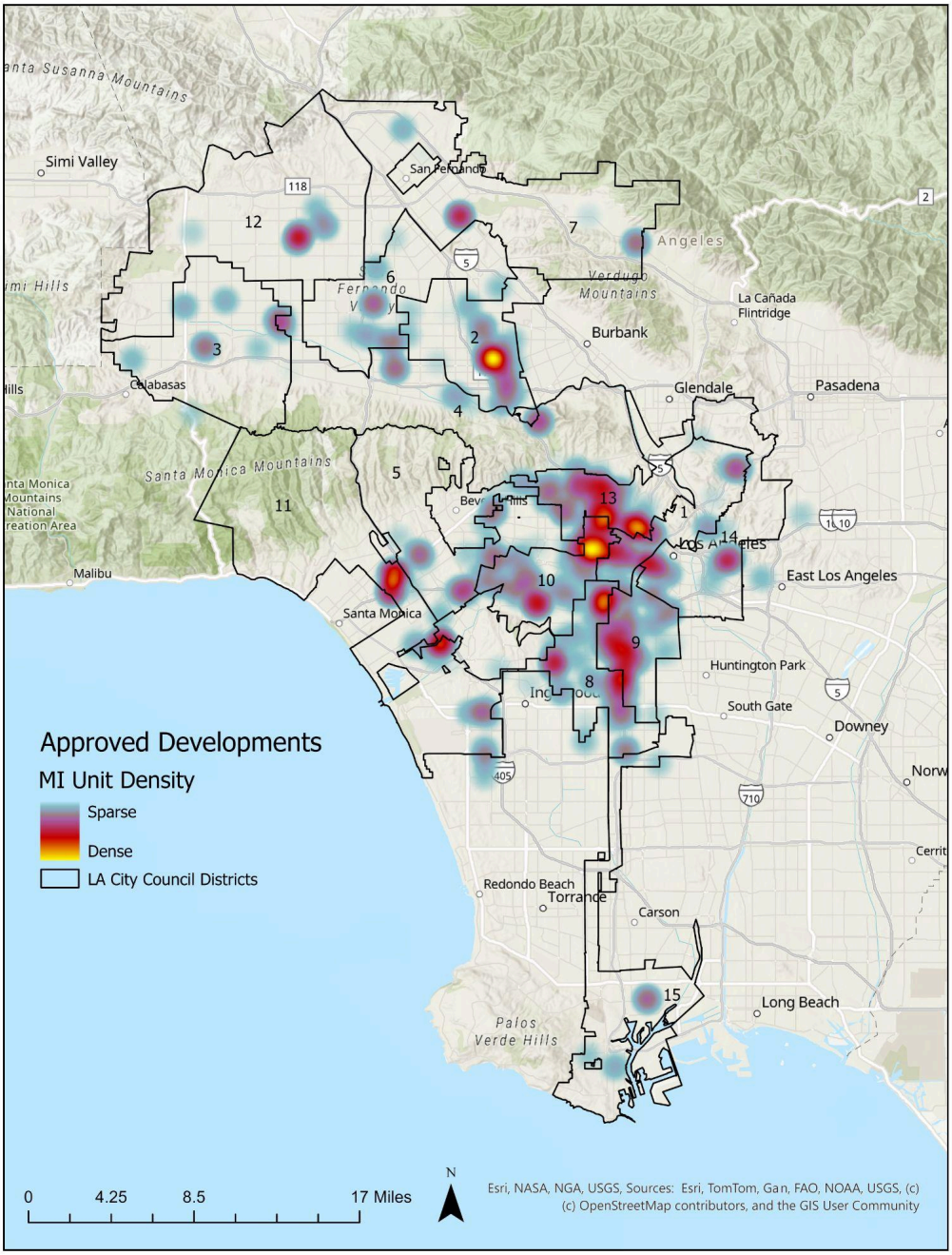
[16] California Housing Partnership. (n.d.). *California Affordable Housing Map & Benefits Calculator*. https://affordablehomes.chpc.net/?view=34.083437,-118.32979,12&tract=tcac&rural=1,0&funding=hud,usda,lihtc,hcd,calhfa

Figure 5: *(data from 2023-2025)*



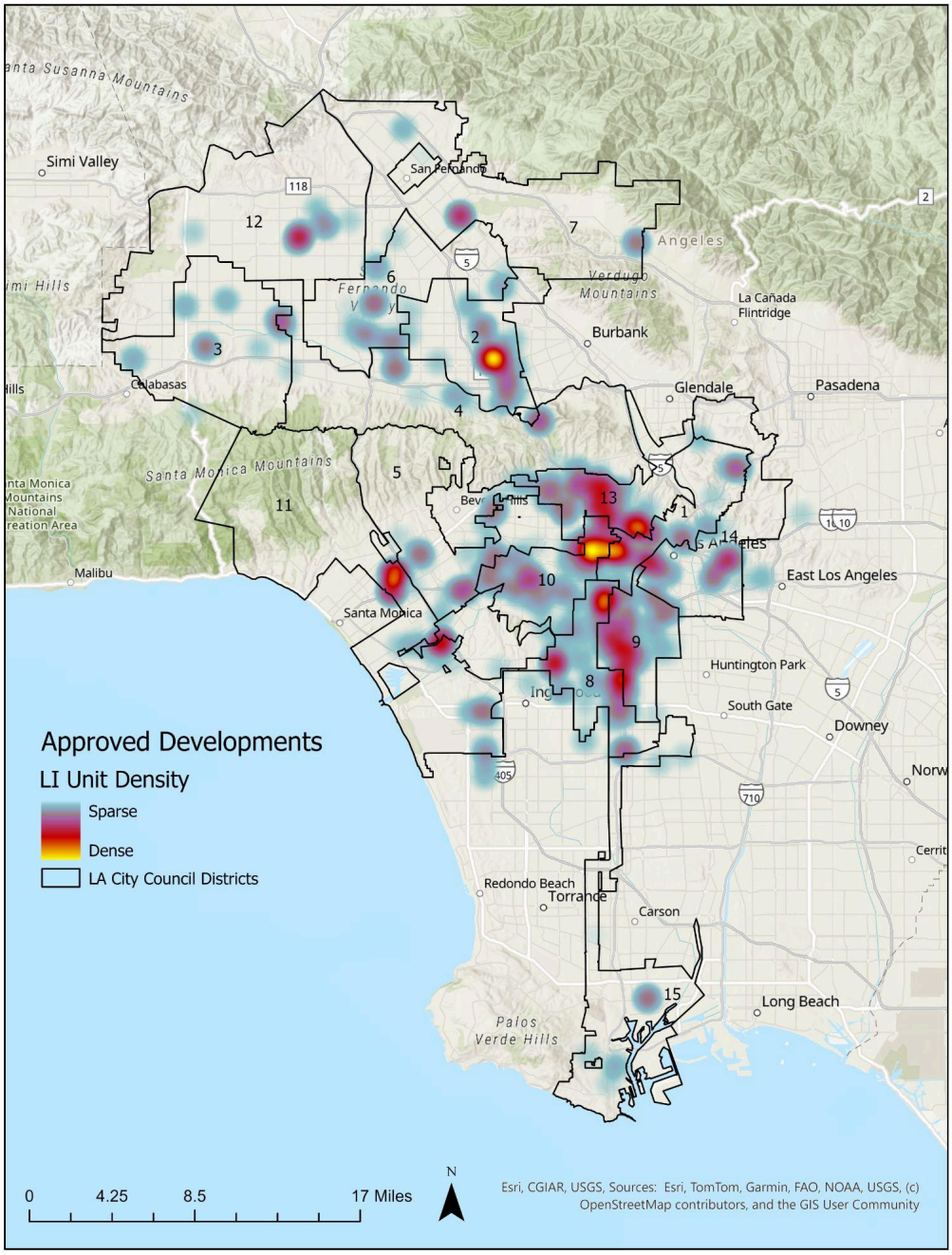
Note: Figure 5 reveals high concentrations of developments in certain CDs relative to others.

Figure 6: *Where Are Moderate-Income Affordable Units Concentrated?*



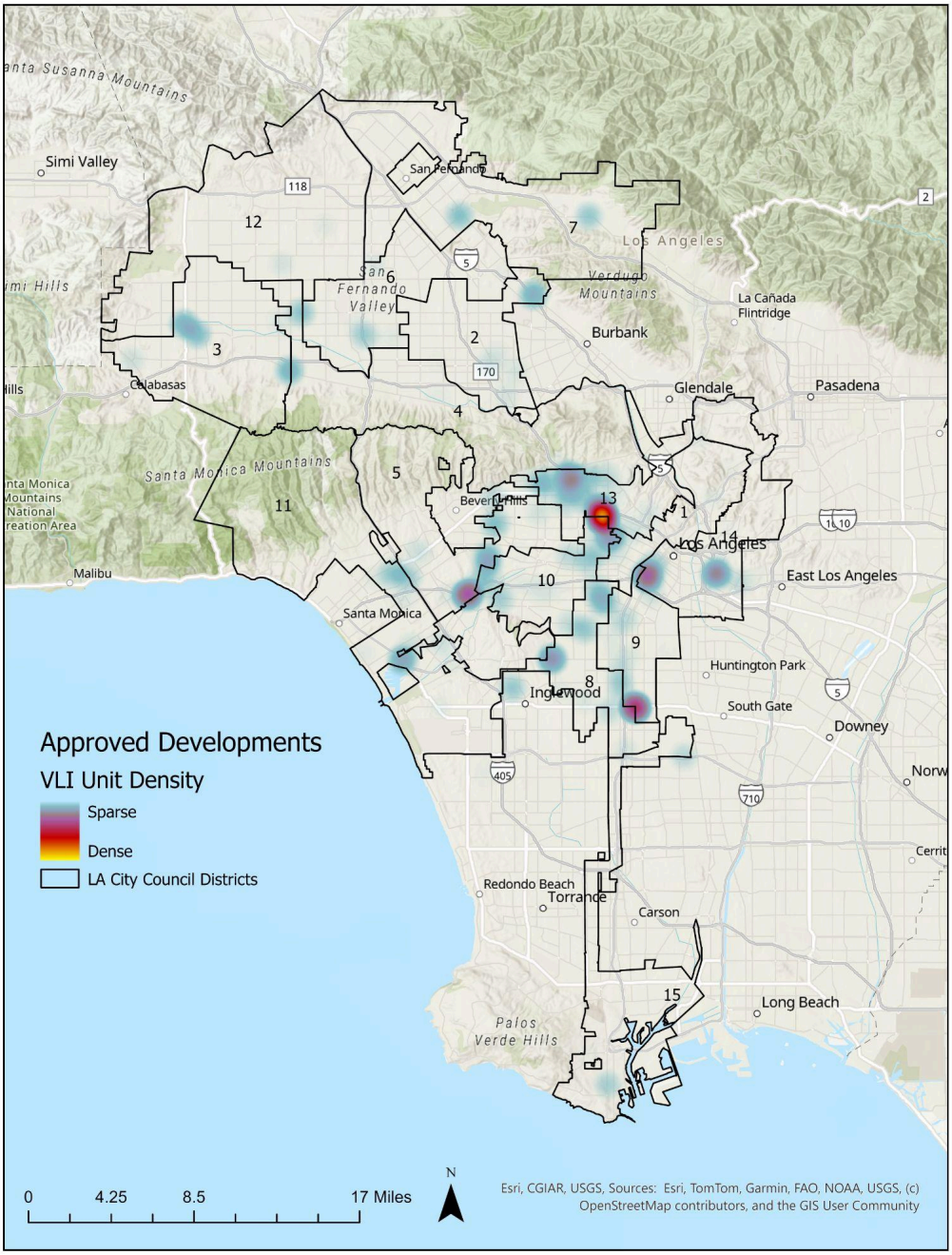
Note: Figure 6 reveals MI units are densely concentrated in Council Districts 1, 2, 8, 9, 10, 11, and 13.

Figure 7: *Where Are Low-Income Affordable Units Concentrated?*



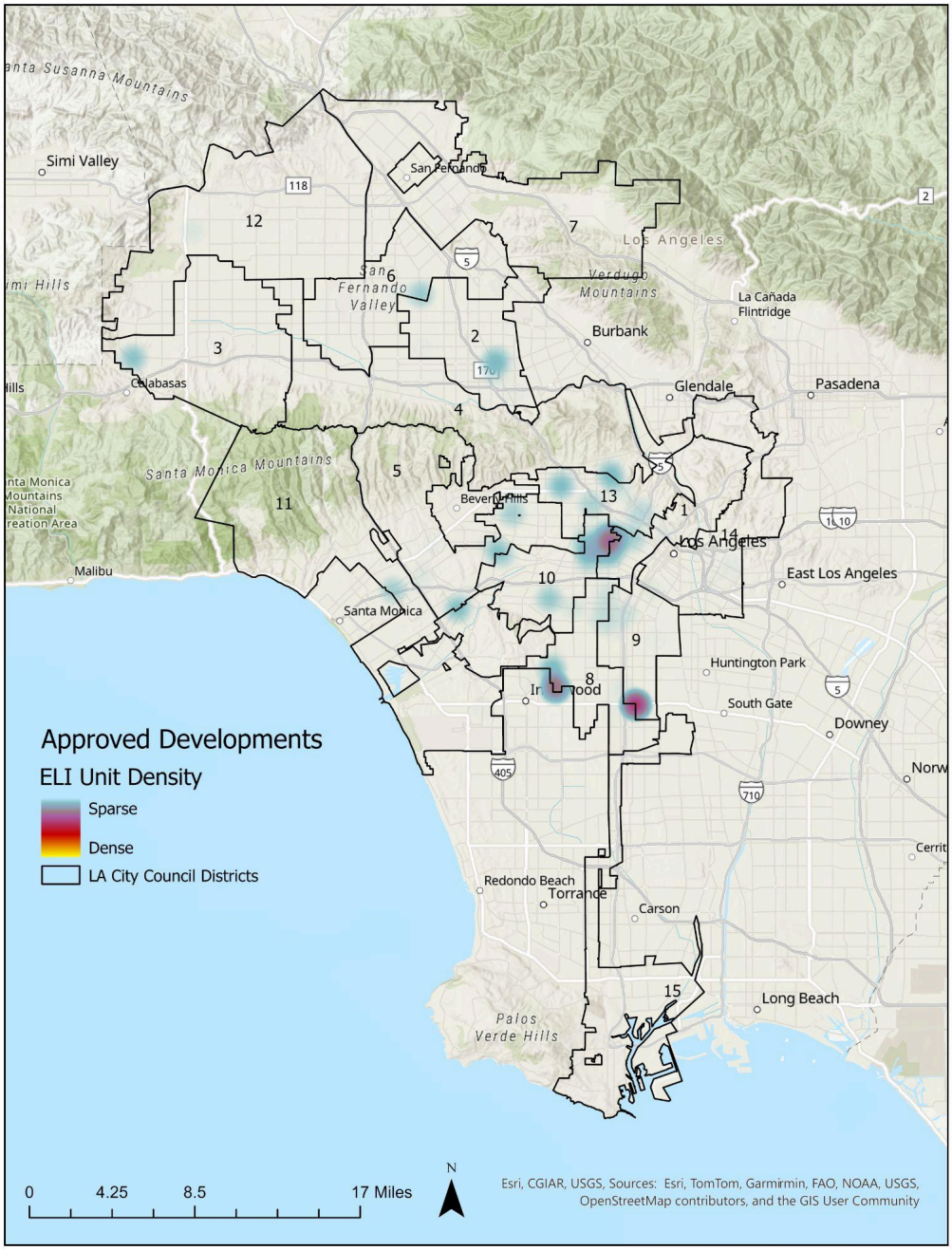
Note: Figure 7 reveals LI units are densely concentrated in Council Districts 1, 2, 8, 9, 10, 11, and 13.

Figure 8: *Where Are Very Low-Income Affordable Units Concentrated?*



Note: Figure 8 reveals VLI units are densely concentrated in Council Districts 5, 9, 10, and 13.

Figure 9: *Where Are Extremely Low-Income Affordable Units Concentrated?*



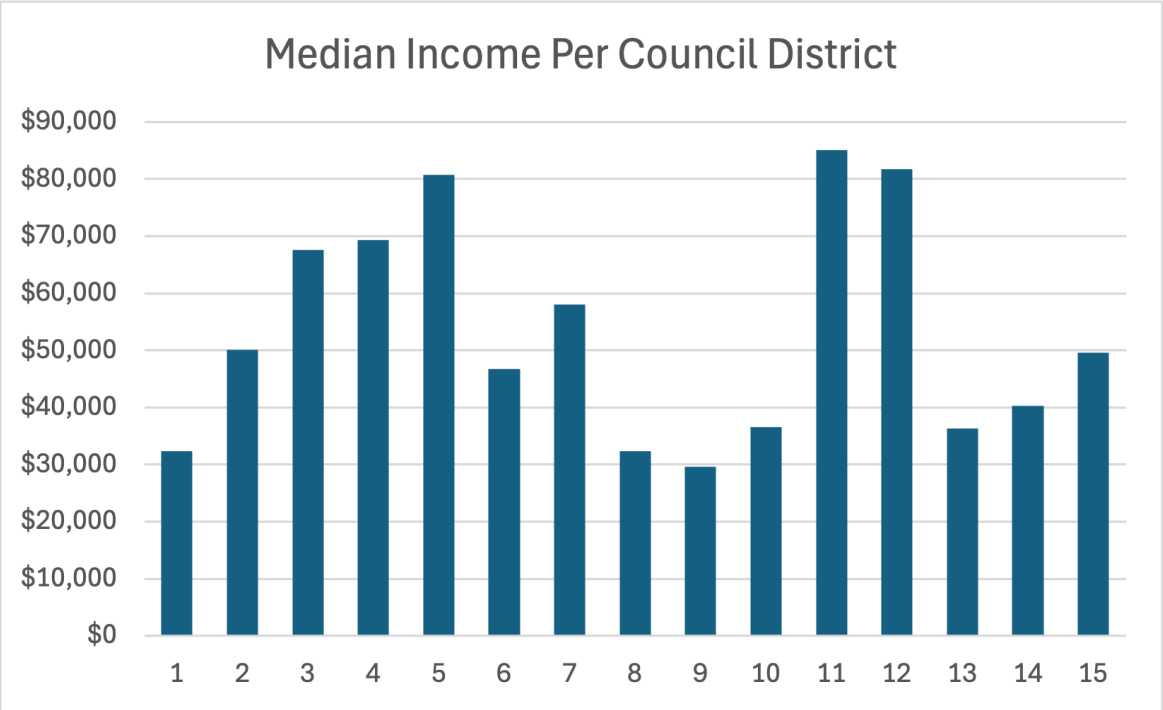
Note: Figure 9 reveals ELI units are densely concentrated in Council Districts 1, 8, and 9.

With 15 council districts in total, four hold almost half (48.6%) of all affordable housing developments produced by the three affordable housing policy programs: CD 8, CD 10, CD 13, and CD 5 or CD 9 (both districts have the same percent value). Meanwhile, the four lowest-ranked districts possess only 7.2% of total affordable housing developments: CD 3, CD 7, CD 12, and CD 15. The difference between distribution levels is stark: CD 13 has the highest percentage of developments at 13.9%, with CD 7 at the lowest percentage—1.1%—a difference of 12.8 percentage points. These percentages are based on a total of 501 units across all districts.

While affordable housing developments tend to cluster within a few council districts, the distribution of units by income restriction reveals patterns of both continuity and variation. Figures 6 and 7 show that both moderate- (MI) and low-income (LI) units share nearly identical spatial patterns among the same six council districts (CDs 1, 2, 8, 9, 10, 11, and 13), all exceeding the 6.5 percent citywide average. In contrast, Figures 8 and 9 reveal a sparser distribution of deep affordability levels. Very low-income (VLI) units represent slight density patterns in only four districts (CDs 5, 9, 10, and 13), with an even steeper dropoff for extremely low-income (ELI) units. ELI units are very sparse, with only three districts (CDs 1, 8, and 9) showing even slight concentration. This reduction signifies that deeply affordable units are not only fewer in number but are also geographically constrained, limited to a small set of districts willing to accommodate them. Notably, CD 9 is the only district that consistently demonstrates denser production across all affordability tiers. This phenomenon may reflect a difference in policy priorities or land costs that make CD 9 a recurring site for affordable housing development; however, further research is needed to concretely assert these claims. Overall, these findings highlight a spatial inequity in the distribution of affordable housing developments and income-restricted units across the city.

Based on my findings of unevenly distributed affordable housing under DB, TOIA, and ED 1, I test whether the density of affordable housing projects is more prevalent in lower-income Los Angeles City Council districts, as Kontokosta (2015) finds across their study of two U.S. cities. Specifically, the author claims that IZ policy reveals patterns of socioeconomic and racial segregation by concentrating development in low-income communities of color. My data, however, does not explore the distribution of affordable housing development by racial demographics.

Figure 10 *(Census Data from 2020)*:



My analysis draws on a comparison of Figures 5 and 10 to assess whether districts with higher concentrations of affordable housing developments also correspond to lower median income levels. The overall median income of Figure 10 is $49,571, which neither CD 8, 9, 10, nor 13 exceeds, despite possessing nearly half of all developments under all three policy programs. This exemplifies a disproportionate distribution level of affordable housing in districts with lower median incomes. CD 5, however, is an outlier: the median income is just above $80,000 while having the same percentage of affordable developments as CD 9.

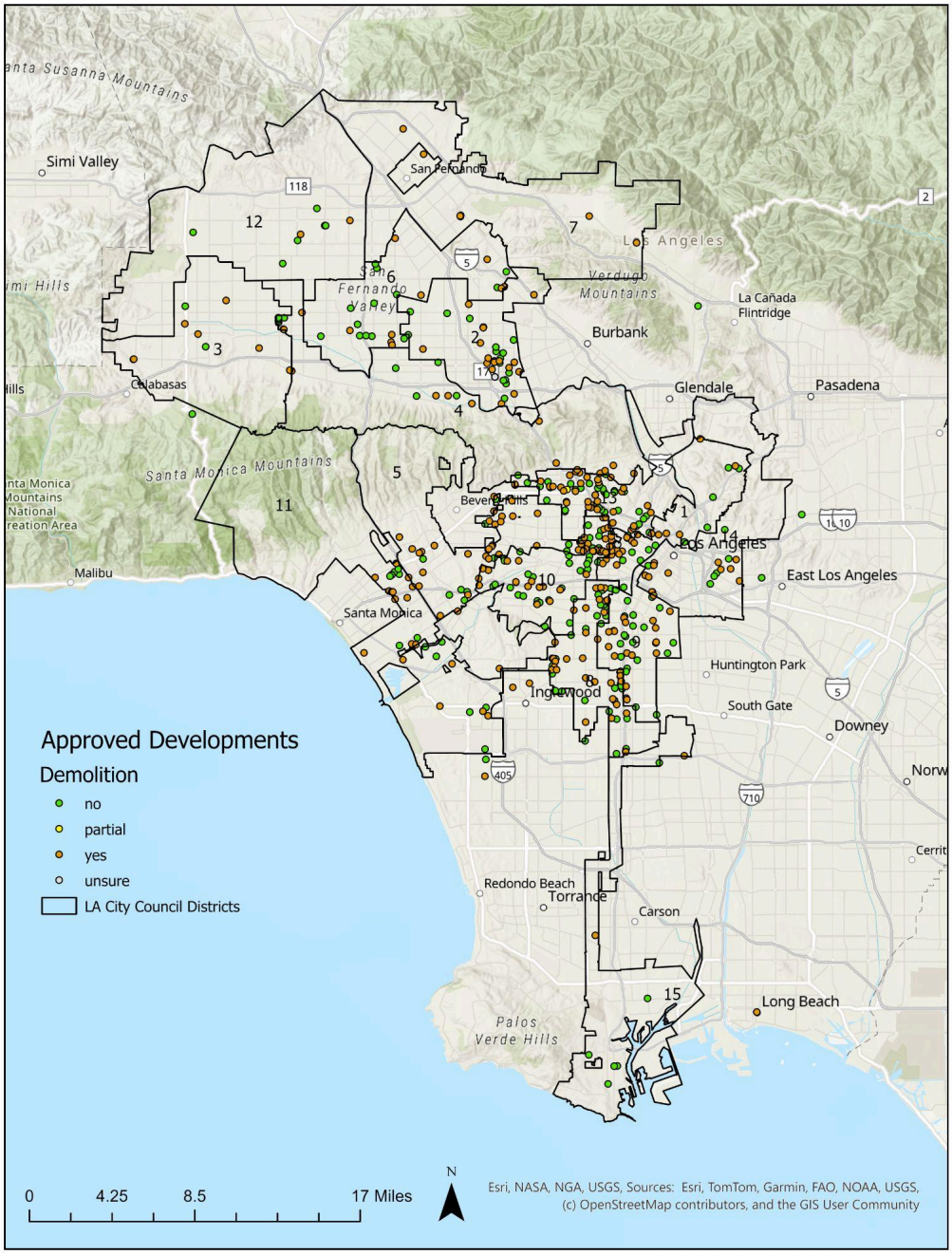
I also discover that districts with the least amount of affordable housing developments—CD 2, CD 7, CD 12, and CD 15—exceed the overall median income threshold. These results reinforce the findings of Kontokosta (2015), establishing that affordable housing is primarily concentrated in lower-income neighborhoods in Los Angeles.

However, CD 5 is an anomaly, which may be caused by limitations in district-level analysis. There is substantial demographic variation within district boundaries because of their larger scope. A tract-level or neighborhood-level examination would provide a more precise understanding of how socioeconomic composition intersects with affordable housing distribution.

Section 7: Direct Displacement—An Overview of Demolition

Building an affordable housing complex under Density Bonus (DB), Transit-Oriented Incentive Areas (TOIA), and Executive Directive 1 (ED 1) requires more land to accommodate the density and size of the building. Therefore, developers may demolish structures on surrounding lots, build on already vacant lots, or convert existing buildings into housing. My analysis records whether each approved development includes a demolition plan and the present use of the space that may be demolished. Across each year and policy program, 505 approved developments specified whether or not they would demolish an existing structure(s). Of those 505 developments, 260 included demolition plans, and 245 did not.

Figure 11: *Affordable Housing Projects with Plans to Demolish Existing Structures*



Note: Figure 11 displays approved developments whose project plans involve demolishing at least one existing commercial, residential, and/or industrial building from 2023 to 2025. The green dot means "no" for project plans that do not anticipate demolishing a structure, a yellow dot means "partial" for project plans where only a portion of a structure may be demolished, an orange dot means "yes" for project plans that do anticipate demolishing a structure, and a gray dot means "unsure" for project plans that do not explicitly indicate demolition plans.

Demolition plans recorded in Figure 11 include the removal of residential buildings, commercial buildings, or both. Of DB and TOIA across all years, 57 developments would demolish residential housing, whereas three would not; 43 would demolish commercial buildings, whereas two would not. For ED 1, 162 developments call for plans of demolition, but once again, the data does not specify which type of structure. It is suggested that ED 1 projects would primarily demolish residential and commercial buildings, as they are far more prevalent than industrial buildings, which would raise the figures far higher if aggregated with DB and TOIA data.

The demolition of occupied housing, motivated by new affordable housing developments, may have dangerous implications. For instance, a 14-unit rent-stabilized apartment building at 951 S Berendo Avenue faces plans of demolition to make room for a tier 3, TOIA development. The development would include 77 total units, 69 market-rate units, and eight ELI units in Boyle Heights, a primarily Latinx neighborhood with a median household income of $51,389 (City of Los Angeles, Department of City Planning, 2025).[17] A year after 951 Berendo LLC Moalej Builders Inc. bought the building in 2023, the corporate owner filed a “notice of intent to withdraw” through the Ellis Act. The Ellis Act allows developers to remove their buildings from the rental business, serving as a loophole to legally evict tenants from rent-stabilized buildings without just cause. The Act has a built-in 5-year and 10-year rule: if the owner re-rents within 5 years, they must offer units back to the original tenants; if they re-rent within 10 years, it must stay under rent-control (City of Los Angeles, Los Angeles Housing Department, n.d.).[18] Many

[17] City of Los Angeles, Department of City Planning. (2025). *Standard Report 2022: Boyle Heights demographic profile* (PDF). https://planning.lacity.gov/odocument/338ef37c-4d26-43f9-836e-78dcfbcc79eb/standard_report2022_BOYLE_HTS_mail.pdf

[18] City of Los Angeles, Los Angeles Housing Department. (n.d.). *Ellis Act information*. https://housing.lacity.gov/rental-property-owners/ellis-act-information (housing.lacity.gov)

developers wish to avoid these requirements, so they will demolish the building and sit on a vacant lot for 10+ years when they are no longer entitled to provide rent-stabilized units (Hall, 2023). It is unclear how this development will take shape, but as of August 2025, it sits boarded up and empty with no guarantee of return for rent-stabilized tenants (Google Maps, 2025).[19]

My research also identifies other cases of Ellis Act withdrawals by affordable housing developers, according to ZIMAS. Properties such as 6319 Brynhurst Avenue and 12760 Caswell Avenue, both located in low-income communities, show residents being displaced through Ellis Act evictions to make room for developments under TOIA and DB. These units are not protected under the Rent Stabilization Ordinance (RSO), which protects tenants from annual rent increases and evictions across specific rental units, most commonly those constructed before 1978 (City of Los Angeles, Los Angeles Housing Department, 2025).[20] However, the absence of RSO status does not indicate that rents are reflective of market conditions. In non-RSO buildings, especially in historically disinvested neighborhoods, tenants may pay naturally occurring affordable rents that are significantly below market-rate rents. With these units facing removal from the market through the Ellis Act, tenants lose units that are affordable to them without being formally income-restricted, but function as such. Without RSO coverage, low-income tenants receive fewer protections, such as lower relocation assistance, no right to return if units are re-rented within five years, and no long-term rent regulation if units are re-rented within ten years. This means that non-RSO tenants who are evicted by affordable housing developers under the Ellis Act have no pathway back to the new development or protection against the loss of affordability.

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[19] Google. (2025). *951 S Berendo Avenue, Los Angeles, CA – Google Maps*. https://www.google.com/maps/place/951+S+Berendo+Avenue/@34.0540866,-118.2937191,3a,75y,90.42h,90t/data=!3m4!1e1!3m2!1seMT2gvakHrq58wnqgG9duA!2e0!4m2!3m1!1s0x80c2c7818b4d8c55:0xf32cda382a370fe0

[20] City of Los Angeles, Los Angeles Housing Department. (2025, July 17). *RSO overview*. https://housing.lacity.gov/residents/rso-overview

These cases give a glimpse into the potential displacement effects of these three affordable housing programs. Future research should investigate how the Ellis Act may be used to clear land for incentive-driven affordable housing development, and what this practice means for tenant stability and neighborhood affordability. A deeper exploration of this dynamic would clarify whether the policy tools designed to produce affordable units inadvertently facilitate the loss of naturally occurring affordable housing and intensify displacement pressures in low-income communities.

Section 8: Who Owns Affordable Housing?

Affordable housing developments under Density Bonus (DB) and Transit-Oriented Incentive Areas (TOIA) are overwhelmingly owned by companies as opposed to mom-and-pop landlords. Corporate ownership of rental units is problematic because business-driven entities commonly seek profits over the well-being of their tenants. Boparai and Dominie (2024) find that corporate landlords harm public health in a variety of ways, from neglecting upkeep, hiking up rents, filing mass evictions, and exerting strong influence over policy to weaken tenant protections.

Of 144 approved DB and TOIA developments, 93% are owned by companies, and the remaining 7% are not company-related. Such findings reveal the scope of corporate control over the affordable housing market, having potentially threatening implications for tenants. Profit ventures that drive affordable housing development may serve as the reason why Los Angeles policy programs fail to generate rental units deeply affordable to their residents, an argument supported by Mock et al. (2023) for the cases of Boston and Southern California. With affordable housing production in the hands of private developers, who intend to yield a profit with the help of generous incentives, the needs of the people may go ignored.

POLICY RECOMMENDATIONS

A Critical Examination of the Citywide Housing Incentive Program (CHIP)

In February 2025, Los Angeles passed the Citywide Housing Incentive Program (CHIP) to increase affordable housing production and strengthen incentives within existing affordable housing policy programs, particularly in high-opportunity areas. The adoption of this ordinance comes in response to analyses done by the 2021-2029 Housing Element and Affirmatively Furthering Fair Housing (AFFH) conducted by the city. The findings reveal that Los Angeles is falling short of its housing production goals due to current zoning regulations, while failing to equitably distribute affordable housing across the region. CHIP intends to increase affordable housing production and strengthen incentives within existing affordable housing policy programs, like Density Bonus (DB), Transit-Oriented Incentive Areas (TOIA), and Executive Directive 1 (ED 1).

CHIP expands upon existing affordable housing programs in a few meaningful ways, one of which is the addition of the Mixed Income Incentive Program (MIIP). The MIIP essentially behaves as a sister program to TOIA, but is tailored for neighborhoods that do not qualify for traditional TOIA incentives. MIIP introduces "Opportunity Corridors" and "Opportunity Corridor Transition Areas," granting developers incentives if they are within a certain distance of a transit line in a high-resource area (City of Los Angeles, Department of City Planning, 2024).[21] Granting developers incentives to build developments in higher resource areas would ideally distribute income-restricted units across the city, combating discriminatory practices of almost exclusively constructing affordable housing in low-income communities of color.

[21] City of Los Angeles, Department of City Planning. (2024, March 12). *Citywide Housing Incentive Program (CHIP) Ordinance fact sheet* (CPC-2023-7068-CA, ENV-2020-6762-EIR). https://planning.lacity.gov/odocument/a38fe378-2c4b-4260-807e-af66a053a95b/FD_CHIP_Fact_Sheet.pdf

While the CHIP Six-Month Progress Report, released in Fall 2025, reports higher proposals of affordable developments in high resource areas (City of Los Angeles, Department of City Planning, 2025),[22] there still remains a significant concentration of income-restricted units in low-income areas. This trend continues because single-family zoned parcels are excluded from core CHIP programs, which represent 74% of residential land in Los Angeles. Furthermore, larger amounts of land in high-resource areas are at fire hazard and coastal zones that are deemed ineligible for DB and Affordable Housing Incentive Program (AHIP) incentives. AHIP is another expansion under CHIP that deals with 100% affordable housing projects, such as ED 1. With both single-family and hazardous environmental zoning facing exemption of MIIP and AHIP incentives, almost half of the net realistic capacity is concentrated in neighborhoods the state classifies as low-resource (Barrall and Phillips, 2024). Importantly, CHIP does not include any further requirements to include deeply affordable units (very low-, extremely low-, or acutely low-) in income-restricted developments. In that case, the same patterns may likely emerge from my research findings: extremely high quantities of affordable units that are built without being affordable to the majority of the city or surrounding communities. MIIP, AHIP, and State Density Bonus under CHIP *may* also require a public hearing only if there is a request for additional incentives that are not already on the menu of incentives. These hearings are purely conditional and do not guarantee community input from residents who may have concerns about negative neighborhood impacts.

[22] City of Los Angeles, Department of City Planning. (2025). *Citywide Housing Incentive Program (CHIP) six-month progress report: Fall 2025* (Version 17) (PDF). https://planning.lacity.gov/odocument/02d08e38-baa1-42b7-9415-1c54b8a5b7bc/CHIP_ProgressReport_fall2025_v17.pdf

Strong Tenant Protections in Advancing Equitable Development

CHIP seeks to address relevant concerns of affordable development, enhancing current policy programs to build more fair housing across the city. However, the weight of fair housing construction for existing residents does not rest upon the provisions of CHIP itself, but because of separate, co-existing tenant protections. At the same time CHIP was passed, the Renters Protection Ordinance (RPO) took effect to codify and expand protections from the state Housing Crisis Act (HCA). With that said, many of the same protections were already in place under the HCA, but the RPO made them permanent, local, and enforceable in all of Los Angeles. As a result, all demolition for new constructions in Los Angeles with protected units must follow relocation-assistance and right-to-return requirements. All tenants must be served with six months' notice before they must vacate if a redevelopment occurs, and a right-to-remain up until six months before construction begins. Renters are also guaranteed a right-to-return if the demolition does not proceed. Lower-income households are also entitled to hefty relocation payments and a right-to-return to the new development with an income-restricted unit of the same rental amount, if below the new amount of rent (City of Los Angeles, Department of City Planning, 2025).[23]

Maintaining strong tenant protections from the RPO is essential in mitigating the detrimental displacement effects of affordable housing developments for existing residents. This may explain why, in 2025, there are far fewer affordable housing developments being built—because of renter protection rights that may deter developers from speculative demolition. However, the city should enact more stringent zoning, distribution, affordability, transparency,

[23] City of Los Angeles, Department of City Planning. (2025, October). *Replacement unit requirements and occupant protections fact sheet* (PDF). https://planning.lacity.gov/odocument/90056ebd-3861-48fc-b647-86c44466af04/Fact_Sheet_Replacement_Requirements_and_Occupant_Protections.pdf

and community input requirements to ensure affordable housing developments are responding to the needs of the community. While CHIP incentivizes affordable housing developers to build across high-resource areas under MIIP, the exemption of single-family zoned land significantly limits the reality of high-resource development distribution. Therefore, without single-family upzoning working alongside distribution efforts, the city will not be able to achieve its fair housing goals (Barrall and Phillips, 2024). Generally, the city must hold all Council Districts responsible for developing affordable housing, which is currently concentrated in primarily low-income districts. This recommendation does not propose that low-resource districts should halt affordable housing construction, but that affluent districts should be obligated to carry their weight, too.

Integrating Deeper Affordability Needs in Affordable Housing Development

The city, alongside developers, must also guarantee that developments have affordability requirements catered to very-low, extremely-low, and acutely-low income people. The lack of deeper income-restricted unit provisions is a severely missed opportunity for CHIP. As my findings show, affordable housing units are the least affordable they have been since 2023, going from 69.2% (2023) to 81.5% unaffordable in 2025. This 12.3% difference exists because developers continue to construct a majority of moderate and low-income housing units that are unaffordable to most of Los Angeles. If the city plans to alleviate cost-burden for half of L.A. renters and house unhoused people, then developments must allocate income-restricted units for people making below 50%, 30%, and 15% of the area median income.

Enhancing Public Data Transparency

Tracking affordable housing developments under incentive-based programs remains a significant hurdle without accessible public datasets documenting the details of individual

projects. Azlan et al. (2025), Mukhija et al. (2010), Wang and Fu (2022), and Zhu et al. (2021) each express a similar sentiment, noting inconsistent and publicly inaccessible datasets. As mentioned in my data and methods section, I first had to parse through approximately seventy bi-weekly case-filings to retrieve case numbers of incentive-based developments. Then, I closely examined over 700+ case-specific development documents to find and extract information on project type, affordability levels, present use, demolition status, developer names, and more. The case documents do not determine whether or not approved developments are in the building process, although the construction status of developments is valuable for tracing the timeline of when projects move from approval to actual delivery of housing.

Because the city lacks a comprehensive dataset on all affordable housing projects, collecting data on each development was a long and tedious process. When I discovered an ED 1 table on the LA city planning website, I was relieved. However, the table was not downloadable or exportable, so before I could conduct data analysis, I would have needed to email LA city planning and wait for a response (though I was spared that delay because SAJE already had the dataset on hand). Retrieving ED 1 data through these means, rather than by individual case documents, undoubtedly saved lots of time. However, as noted by my findings, this dataset did not include key details for my research, such as present use, demolition status, and developer names, that I made sure to document in my DB and TOIA datasets.

The above categories—along with address, council district, case number, incentive type(s), total square feet, unit type(s), and totals—are important for housing experts, researchers, and government agencies to evaluate the efficacy and equity of affordable housing program policies. This data also matters to community members, whose neighborhoods are directly affected by the development and who want to ensure the city and developers are held

accountable for producing housing that meets their needs. Therefore, data on individual developments using any affordable housing incentive should be public, interactive, and updated with relevant project details.

Engaging the Community in Neighborhood Decisions

Public hearings are needed to address neighborhood concerns and gain valuable community input, especially when the demolition of existing structures is involved. While strong tenant protections exist for residents whose units will be demolished, the physical and emotional process of relocating cannot be ignored. Forced out-migration can lead to cyclical housing instability, poverty, and deeply affect local ties to a community. (Boshart, 2023). Furthermore, incentive-based affordable housing projects that build bigger buildings, often with less green space and parking requirements, may have serious social, economic, and cultural effects on the fabric of a neighborhood. While my research does not cover indirect displacement impacts caused by affordable housing projects, many scholars and housing experts find that dense, less affordable developments have long-term gentrification and displacement effects on neighborhoods (United Neighbors in Defense Against Displacement, 2024). The community must have a voice in decisions that affect their own future and the fate of their neighborhoods.

CONCLUSION

Housing is a human right and should be treated as such. It should not belong in the hands of private developers who make decisions in the interest of profit over people; yet, the current affordable housing market functions this way. Income-restricted units are largely unaffordable to residents because accommodating deeper affordability levels—very low-, extremely low-, and acutely low-incomes—are less profitable. While the above recommendations propose reforms for affordable housing programs, I believe that LA's affordable housing model is fundamentally impractical. Even with housing policy reform, affordable housing still exists within a profit-driven business framework that is responsive to communities, and remains far from socially or economically ambitious. For housing to be truly affordable and equitable to people, it must be in public hands.

A social housing model, where housing exists in the hands of the public, is a viable alternative to privately-owned affordable housing. Under a social housing model, non-profits, public entities (housing authorities or local, state, or federal government), or residents own and make decisions about housing, rather than for-profit developers. Because social housing is decommodified, it can ensure long-term, deep affordability for tenants and community members (Alliance for Housing Justice, n.d).

Under current Los Angeles policy, the overwhelming majority of housing, particularly under Density Bonus (DB) and Executive Directive 1 (ED 1), creates housing for moderate- and low-income households, failing to provide affordable units for those making under 50%, 30%, and 15% AMI. A social housing model grants the community direct decision-making authority in how their housing is developed and managed, helping to mitigate displacement and prevent unaffordable rents. Preexisting, occupied housing is demolished more than half of the time when

a DB, Transit-Oriented Incentive Areas (TOIA), or ED 1 project is approved by the city, causing longtime residents to face displacement. ED 1 is particularly threatening since developers can bypass public hearings. However, in social housing, the community is the voice that decides how the project is built, developed, and maintained. Community control will ensure that long-time residents are not negatively impacted by the development at all stages of development (Alliance for Housing Justice, n.d).

The most prominent form of social housing in the United States is public housing. Over 1 million of the lowest-income people live in public housing across the country, which has existed for 86 years. However, the government continues to disinvest from this program in racially discriminatory ways, and residents are at risk of eviction if their incomes rise above a certain amount (Alliance for Housing Justice, n.d). For public housing to be effective, it must be adequately invested in and properly managed. While this form of housing should remain a pillar of social housing for years to come, in its current form, it is not equitably administered. On the other hand, Community Land Trusts (CLTs) are a successfully executed social housing model, and over 225 exist in the United States. CLTs are managed by non-profit organizations governed by CLT residents (leaseholders), community members who live in the area, and local representatives from the nonprofits, funding agencies, and the government. The CLT purchases and owns the land but sells or leases the housing to surrounding community members at an affordable rate. Permanent ownership of the land keeps it out of the speculative market, keeping prices affordable over time. By removing land speculation, CLTs also protect residents from displacement caused by developers flipping homes and gentrifying neighborhoods (Lincoln Institute of Land Policy, n.d.).

While this case study uncovers many harsh realities of Density Bonus (DB), Transit-Oriented Incentive Areas (TOIA), Executive Directive 1 (ED1)—including shallow affordability output, uneven distribution levels across council districts, direct displacement concerns, corporate ownership, and data accessibility hurdles—future research is necessary to investigate other aspects and impacts of these programs. I initially anticipated exploring the indirect displacement effects of affordable housing developments, which may contribute to gentrification and a deterioration of neighborhood cohesion. In addition, with the recent release of the Los Angeles Affordable Housing Registry—which functions to display all affordable housing available in the city—it is worth analyzing the performance of the website to ensure it accurately reflects the affordable housing stock for tenants to view and access. With a constantly changing affordable housing landscape in Los Angeles, it is crucial to trace the outcomes of its incentive-based policy programs to hold the city accountable for meeting not only its regional goals but also the needs of local communities.

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