



What Happened in Hollywood?

**Evaluating the Need for Affordable Housing
in Transit and Redevelopment Areas**

Shane Boland

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I | Executive Summary

Los Angeles is planning to build 80 percent of its new development around transit. This massive shift has the potential to restructure the city, making it more sustainable and livable, but it also poses large risks. As new people flock to transit stations they bring with them the potential to displace the old residents of the neighborhood. The displacement of established residents creates extensive, drastic, and inexcusable problems in every facet of a community. Los Angeles has a unique advantage, over many other major American Cities, because its new transit system is recent and still in the process of evolving allowing its development to be effectively managed. This paper uses Hollywood as a case study to examine the effects that transit and redevelopment investments have on an area. Additionally, Hollywood was chosen because of its commitment to affordable housing, as well as its applicability to Los Angeles. Through interviews, data compilation, and long form census analysis, the changes in Hollywood over the last 20 years were analyzed.

This report found that Hollywood created a large, relative to Los Angeles, supply of new affordable housing. However, the creation of this housing was too little, too late, and did not do enough to offset the affordable units which were destroyed. As a result Hollywood has experienced a large wave of gentrification, which was intensified around transit stations. This report is not extensive enough to adequately measure displacement, but based upon the numerous indicators examined it concludes that it is highly probable that a sizable population was displaced in Hollywood. However, Hollywood did not experience an increase in the Caucasian population often associated with displacement.

Hollywood shows us that our standards for the production of affordable housing, especially in transit areas, are woefully low. As Los Angeles' transit system expands it

needs to prioritize the preservation and creation of new affordable housing. If LA fails to meet its need for affordable housing it will lose the diversity which defines it and become a sterile, inefficient, unsustainable, and undesirable place to live.

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III | Introduction



Los Angeles is arising from the visages of its car depend past as more walkable, livable, and transit-oriented city. Its reemergence coincides with a with a large and rapidly growing demand for dense urban spaces, leaving LA at precipitous. The large demand for transit proximate areas has the potential to displace the urban poor form Los Angeles as its wealthier residents lose interest in the single lot homes which they have occupied for the later part of the century. This could, if proper proactive measures are not taken, force the working poor of Los Angeles from of the city, creating a huge disparity between the location of people and the areas in which they work.

This would force lower income Angelinos to carry a tremendous transportation burden as they would have to commute service jobs within the city. This would have extensive implications for the welfare of the displaced residents, the environment, the economy, and the appeal of Los Angeles. In order to avoid urban displacement, the huge market demand around transit areas needs to be leveraged to create affordable housing. Using Hollywood as an example this paper will display the history of development in Hollywood through a variety of sources. The retrospective analysis of Hollywood aims to uncover where it succeeded and made valuable efforts, and in what areas it fell short. The example of Hollywood can be applied to other neighborhoods on the brink of change throughout Los Angeles. The guidance of a historical analysis of Hollywood can help other areas to effectively develop livable, urban villages around transit while taking the preemptive, extensive, and well planned efforts need to ensure that the long time residents of the neighborhood are not displaced. Creating neighborhoods with are sustainable mixed income environments.



IV A Brief History of Hollywood

It is necessary that the current pattern of development in Hollywood be approached with the appropriate historical context. To give this paper proper grounding we will begin by looking at the history of development in Hollywood. The following section should be read with a contemporary lens as it is the comparison between historical and current development which will be pivotal in understanding the changes which have occurred in Hollywood.

In a typically Western fashion, this paper will begin the history of Hollywood in 1900, long after the indigenous Cahuenga and Cucamonga peoples had been displaced by Spanish missionaries (Williams 2005, 6). In 1900 Hollywood was a community in the midst of change. In previous years, what would later become known as Hollywood was a sleepy farming town adjacent to Los Angeles. It had large immigrant populations who had moved to the area to capitalize on affordable land prices and fertile soil. The agricultural holdings laid a way for the transition to a community of greater density; homes started to go in (Lord 2003, 10). By 1900 many prospectors had caught onto the trends developing in Hollywood and much of the land was owned by absentee prospectors. In 1900 the development in Hollywood started to take off.

The Cahuenga Valley Improvement Association (the city's first redevelopment group) graded Prospect Avenue (Now Hollywood Boulevard), which paved the way for the first electric train to make its way into Hollywood on January 27th, 1900 (Williams 2005, 29). The rail line connected Hollywood to the rest of Los Angeles and served as a tremendous economic engine for the town. With the train came the first tourists, who were brought on guided tours to experience "the modern Garden of Eden" exploring the fruit trees, abundant

flowers, and orchards which filled Hollywood. The association stuck; beauty, paired with the ease of access provided by the electric rail, made Hollywood into “a Mecca for homeowners”. Wealthy families flocked to Hollywood and built expansive mansions amidst the fields, driving up land prices to well above the surrounding rural areas. The mansions adorning Hollywood provided attractions for tourists and business alike. In 1904 the Hollywood Hotel opened along Prospect Avenue, adding an expensive and statuesque building to the wagon shop, bakery, lumberyard, and other relics of Hollywood's Pioneer past which filled the street. Following the wave of post-transit investment a newspaper, the Cahuenga Valley Sentinel, the Hollywood Memorial Church, a gas company, a post office, and street numbers were added to Hollywood. These amenities allowed residents to no longer commute to Colegrove (which no longer exists) for many of their basic needs and marked Hollywood as a distinguished community, laying the groundwork for the forging of an independent identity (Williams 2005, 34).

The city of Hollywood continued to grow, despite minor setbacks. In 1909 the railroad was bought by Pacific Electric Rail, adding to a rail system that would expand across Southern California and enable the sprawl we have today, interlocking Hollywood with Los Angeles (Banham 1971,105). The presence of transit, in addition to Hollywood's inability to deal with all of its water and sewage issues, led to the annexation of the city of Hollywood into Los Angeles in 1910. It was the same year which Hollywood opened its first movie theater “The Idle Hour” (The owner later changed the name.), and the year in which Hollywood's first movie, “Love Among the Roses”, was shot. Hollywood was hopeful about the economic opportunities presented by the movies, and a year later the Blondeau Tavern, a large vacated space, was sold to a film company. The company met with initial success. Encouraged by a climate which allowed year-round filming, and seeing a growing industry,

many filmmakers moved West, establishing studios throughout Southern California (Williams 2005, 37).

Hollywood's access to transit helped it to become the central area for movies in Southern California, and studios began to flock to Hollywood. C.E. Toberman, a successful prospector and developer said of Hollywood: "Hollywood is at the threshold of a new era of development". Once a quaint, lemon-scented suburb, Hollywood was quickly changing and expanding with many new studios going in and businesses expanding to match new demands. In 1915 D.W. Griffith, whose studio was located in Hollywood, released "Birth of a Nation", the first feature-length film and the groundbreaking movie of the era. "Birth of a Nation", in addition to WWI, destroyed the movie scene in Europe and cemented Hollywood as a stronghold of the movie industry. "Birth of a Nation" dramatically increased the price and standards of quality for movies, expanding the economic role of the movie business. The rapid influx of movie developers, allowed by the expansion of the Pacific Electric Railway, was an economic boon but most residents of Hollywood were off put by the drastic changes to the community. Soon Hollywood evolved from a sparse, quaint suburb of Los Angeles into a rapidly expanding neighborhood awash with film stars and movie studios (Williams 2005, 69).

By the early twenties the longtime citizens of Hollywood were on the losing end of a culture war. The prominent Hollywood Boulevard was lined with towering department stores, offices, banks, theaters, etc. This opened the way for Hollywood to become a cultural haven, its main streets, in particular Hollywood Boulevard, transformed into destinations offering the allure of shopping with the stars (Britannica 2011). Hollywood's expansion in the nineteen twenties continued at a tremendous rate, with massive investments, continuous elaborate construction, and an influx of wealthy stars and those

who profited off them. As a result Hollywood was becoming an embodiment of the increasingly prevalent auto-centric culture which was sweeping Los Angeles. The flourishing of Hollywood came with a festive and lavish lifestyle, which coincided with prohibition in the United States.

Hollywood became a center for bootlegging; many businesses functioned as fronts and provided liquor to the actors and studios in the area. Hollywood's period of unrestrained growth came to an abrupt halt with the Great Depression. As Americans' incomes dwindled so did the film business' revenues, although the industry fared better than most by providing an escape from the harsh realities of the depression (Mintz 2007). Just as Hollywood had been an exaggerated representation of the wealth of the twenties it was a magnified reflection of the blight of the Great Depression. Property values plummeted, studios shut down, racketeers preyed upon the hopeful, and unemployment was rampant. The industries that did prosper were illegal: horse betting, bootlegging, and pornography were quickly becoming prominent features of Hollywood. When prohibition came to an end in 1933, the entrenchment of these industries, and the shift in Hollywood, became clear (Behr 1996, 165). Most of the failed businesses along prominent thoroughfares were bought up and replaced: "bars opened every few doors along Hollywood Boulevard and drugstores filled with liquor displays." As the strains of the depression dissipated Hollywood returned to its feet, but it rose a changed neighborhood. No longer did the movie stars live in Hollywood; it was merely a nightclub or dinner destination (Williams 2005, 198).

The decline in Hollywood coincided with the deterioration of the Pacific Electric Rail System. Over the course of the 1930s it was slowly replaced by the more modern technology of busses further solidifying Hollywood as a car-centric neighborhood (Pacific Electric Hollywood Line). During this time radio also picked up much of the slack in

Hollywood which had been created by the decline in the film industry in the area, with many prominent studios opening in Hollywood. Radio's intrusion into the film's hegemonic domination of Hollywood disassociated it from the famous faces of celebrities, and instead added a faceless, unnamable, and overarching allure to Hollywood. WWII further transformed the character of Hollywood, as the influx of troops to the area saved many of the nightclubs. When the war ended, television was allowed to resume broadcasting and the industry exploded in Hollywood with KTLA leading the charge with programs like "Meet me in Hollywood" (Roman 2005, 15). The boom of television cut into radio's previously dominant control of the air waves, forcing cutbacks for the radio stations in Hollywood. As the television industry continued to grow the studios needed more space, and real estate in Hollywood was far too expensive. Before 1955 the major studios had moved out of Hollywood and into cheaper areas like Burbank and Studio City (Britannica 2011).

With radio diminished and television gone, the music industry expanded in Hollywood trying to fill the shoes of television, but it could not. This coincided with the completion of the Hollywood Freeway in 1954. The freeway connected the Valley and downtown with Hollywood, making Hollywood an easily accessible destination (Wanamaker 2009, 14). This cemented Hollywood's complete transition to a car-oriented neighborhood. Automobiles no longer carried the same sense of prestige as they did in the 20s. The Hollywood Freeway made it easy for anyone to come to Hollywood, and development followed this trend. The 12-story height limit was removed in 1957 and soon nondescript apartment and office buildings were replacing old establishments and grandiose single family homes throughout the neighborhood.

With showbiz departing and an increasing influx from the surrounding communities, the make up of Hollywood once again began to change as business began to cater to a

middle class audience. By 1959 Hollywood had lost its glamour. The glitz of the movie stars was replaced with the rowdiness, grunge, and vice of the rock stars. By the mid-1960s Hollywood attractions had shifted to clubs, bars, and dimly lit restaurants. As the neighborhood's image vanished so did its appeal to shoppers and tourists. The previously "vintage" hotels fell into disrepair, many stores closed because of a lack of customers, and property values plummeted. The area remained a musical haven and brought with it the young, rowdy, and desperate. Hollywood's decline was rapid and brutal. Drug use became synonymous with the area. Hippie pads became drug dens in which heroin was the dominant substance, and death from overdose became a part of daily life in Hollywood. While Hollywood was always associated with sex its role increased tremendously as prostitution, and the dingy hotels which accompany it, became rampant in Hollywood. One police officer at the time was quoted: "Hollywood had more open pornography and prostitution than Tijuana" (Williams 2005, 326). New pornography stores opened throughout the area and many traditional movie theaters transitioned into X-rated visages of their old selves. In addition to conversion, many historic buildings were left in utter disregard and allowed to deteriorate dramatically. In the 1970s the first new movie theater built in Hollywood in over 30 years was opened (a duplex porno theater). There was, unsurprisingly, also large gang problems within the area. This trifecta crippled the economy in Hollywood. In 1976, while values were soaring in the rest of Los Angeles, commercial property in Hollywood sold at the same price it had 35 years earlier. The decreased property values and social acceptance/apathy opened the window for a wave of new residents. A large LGBTQ community relocated to Hollywood and the first gay pride parade in Los Angeles took place on Hollywood Boulevard in 1970. There was also a large influx of immigrants from across the world, most notably Thai, Russian, and Armenian populations. The first

Thai restaurant in America opened in Hollywood in the 1970s, and the area became a stronghold for the Thai community in the United States. The early '80s brought more bad tidings for Hollywood, as murder rates doubled from 1980-1981 (Williams 2005, 332). In efforts to regulate violence and gang activity the city closed Hollywood Boulevard on weekend nights. Throughout these blighted years many development plans had been made to restore Hollywood to its glory days, but most of them died on the drawing boards as funders quickly lost interest.

On May 7th, 1986, this changed as the Community Redevelopment Agency of Los Angeles (CRA/LA) was voted in overwhelmingly by the city council, to begin work in Hollywood.

Before continuing this paper, it is important to note that most sources giving a historical account of the CRA development and the recent history in Hollywood have a political bent and are quite biased. This paper has made extensive efforts to balance these sets of opinions and produce a fair account of the redevelopment process in Hollywood. Some sources congratulate the CRA for increasing the economic prosperity of Hollywood and argue that the organization has acted effectively on behalf of community demands. Others are critical of ineffective resource management, and riding on the coattails of the work done by private business owners in Hollywood. Further critiques blame them the destruction of many historical landmarks and the displacement of many lower-income communities within Hollywood. The truth is represented by both these extremes, and both sides are taken into account. The analysis in this paper will aim to provide a synthesis of these divergent opinions and give a rounded perspective of what happened in Hollywood.

As the CRA's plans became public knowledge investors realized the benefits of a community redevelopment area and speculative purchasing and investment caused land

prices to soar. This was problematic because the early price increase was only speculative and not representative of any changes to the community. This left Hollywood with an abundance of expensive property and poor clientèle. This disparity caused a number of strip malls to be erected in Hollywood in the late eighties and led to general citizen discontent (Meyer 1990). To quote Los Angeles Times journalist Josh Meyer in his article written in 1990: "The CRA's \$922-million Hollywood redevelopment project, a beleaguered undertaking that has met with more opposition, scorn and bad publicity than perhaps any other project in the redevelopment agency's history". The article goes on to cite the CRA spokesman: "We are going to acknowledge that the progress has not been what we would have liked," Littman said. "We'll be very candid about that. But there have been some successes" (Williams 2005, 338). These initial setbacks did not hinder the development in Hollywood and the CRA pushed full steam ahead and new developments continued to come into the area.

In 1994 the Northridge earthquake rocked Hollywood, destroying historical and unremarkable buildings alike (Bruneau 1995, 2). The destruction forced the demolition of many buildings in the area allowing for much new development in Hollywood. Shortly after the earthquake there was a problem with the construction of the Red Line subway tunneling under Hollywood. A sink hole was created as some of the supports for the tunnel failed, costing the city millions of dollars. This created more structural damage in the area and forced the closure of many businesses along Hollywood Boulevard because of the construction interfering with business (Hisserich 2011). With some funding from FEMA the CRA was able to continue its revitalization efforts in Hollywood and many large stores like Staples and Home Depot were established in the area along with a number of affordable and senior apartments funded by the CRA (CRA/LA n.d.). There were major revitalization

efforts in the private sector as well, and the business improvement district was founded in 1997. This amalgamation of local business owners created an overall fund for the cleaning of the neighborhood. In 1999 councilwoman Jackie Goldberg designated parts of East Hollywood as Thai Town and Little Armenia, recognizing the large role of the immigrant populations who had come into Hollywood in the 1970s.

One of the largest factors in the development of Hollywood during this time was the opening of the Red Line stations in Hollywood. These stations served as a catalyst for development and were instrumental in the construction of many new commercial developments like the huge D.W. Griffith-themed Hollywood and Highland shopping complex (Hisserich 2011). The shopping complex also incorporated the Kodak Theater, which in efforts to restore the prestige of Old Hollywood, began hosting the Oscars. These various developments, including the Red Line, helped to build Hollywood's reputation as a hip, transit-oriented destination. Hollywood's nightlife also began to reemerge, as a plethora of bars and clubs opened in the area around and between transit. This hub of nightlife once again has attracted celebrities to Hollywood, and the celebrity chasers who come with them. Despite the major investments by the private and public sectors, Hollywood still has its problems. Prostitution and drug use are still disproportionately high within the area and homelessness, although continuously addressed, remains a problem. This paper will continue the historical comparison to examine the shifts in population in Hollywood, the ramifications of those shifts, and the policies and practices which can be used to mitigate them.



V Background to the Change in Hollywood

In order to better understand the demographic change taking place in Hollywood it is important to understand the forces which have restructured the area. To provide the intellectual foundation to understand these issues literature on gentrification, displacement, transit oriented development, and literature on how those issues pertain to Los Angeles and Hollywood will be presented.

Gentrification

In 1962 Herbert Gans helped to make gentrification and displacement commonly used and accepted concepts in his iconic critique of urban renewal: “The Urban Villagers”. Gans describes in detail day-to-day life, community safety nets, and how the Italian-American “urban village” on the west side of Boston functioned. Gans explicitly presents the unique benefits the community provided. He then lays out the effects and process of the affordable “slum” housing being replaced with high-end apartment buildings in the name of urban development (Gans, 283). “The Urban Villagers” set the tone for the study of displacement and gentrification but in the forty-nine years since it was published there is still much debate in the field.

Gentrification and displacement, despite their common confusion, are entirely separate terms and their distinction is important. A common definition would describe gentrification as a pattern of neighborhood change in which a low-income area experiences investment and revitalization often coupled with an increase in property value (Pollack, Bluestone, Billingham 2). Displacement is often described as a pattern of neighborhood change in which residents are pushed out involuntarily because they can no longer afford to

stay in the area (Pollack, Bluestone, Billingham 2010, Freeman 2005). It is important to recognize that displacement can occur because of gentrification, but that gentrification does not explicitly lead to displacement.

Gentrification is an extensively studied topic, with numerous accounts of the factors which help to create it (Smith and Williams 22), the individual sociological motivators behind gentrification (Palen and London 62), the political motivations and implications of gentrification (Palen and London 13), etc. These studies play a very important role in the understanding of neighborhood change but they are not the focus of this paper. The issue addressed here is: What quantitative indicators are best used to measure gentrification. Traditionally, the primary measures have been economic, evaluating gentrification based upon increases in housing prices and land value (Lund 2006, 362) The definitions of gentrification soon expanded, and began to take on the demographics of those living in gentrifying areas, not just economic factors. Initially the demographic indicators for gentrification were defined by a change of income level, as denotation of a social class, of residents coming into a neighborhood (Smith and Williams 1987, 1). Soon a broader array of indicators entered the picture, with changes in race and educational attainment being studied explicitly instead of inferred as a result of an economic shift (McKinnish, T, Walsh, R. & White, K 2008). A report by the Dukakis Center, which will be addressed later, brings car ownership to the table as an important indicator of gentrification. Often in the process of measuring gentrification old-time residents of the neighborhood are ignored in favor of studying the gentrifying population. When studied they assumed a victimized and subservient place in the study. Lance Freeman changed that with his book “There Goes the ‘Hood” in which he extensively interviews longtime community members in two rapidly gentrifying areas of New York. He finds that residents’ feelings about the change occurring

in their neighborhoods are quite mixed, with some expressing excitement for the new opportunities presented to the community and others worried about displacement (Freeman 2006). Freeman shows that it is just as, if not more, important to study those being affected by gentrification than those causing it because they are the ones being displaced. In a previous paper Freeman sets these parameters for neighborhoods to be considered gentrifying:

1. Be located in the central city at the beginning of the intercensal period.
 2. Have a median income less than the median (40th percentile) for that metropolitan area at the beginning of the intercensal period.
 3. Have the proportion of housing built within the past 20 years lower than the proportion found at the median (40th percentile) for the respective metropolitan area.
 4. Have a percentage increase in educational attainment greater than the median increase in educational attainment for that metropolitan area.
 5. Have an increase in real housing prices during the intercensal period.
- (Freeman 2004)

A neighborhood that meets all of these requirements is considered gentrifying by Freeman, a neighborhood meeting three requirements is considered capable of gentrification. This set of qualifications strictly adheres to using indicators which are easily inferred from a standard definition of gentrification. While still valid, this set of assumptions seems more like a critique of the definition than an extensive and accurate measure of gentrification. In order to get a more accurate measure of gentrification it seems that more indicators need to be taken into account. A definite set of definitions in the study of gentrification is elusive, but proves much easier than measuring displacement.

Displacement

While gentrification can lead to displacement, there is a large debate as to whether, and to what extent, it leads to displacement and how that can be tracked. The common

scholastic consensus is that gentrification often leads to displacement, but does not necessarily cause it (Pollack, Bluestone, Billingham 2010). Many indicators have been used in various assessments of displacement. The most common measure of displacement is a rapid increase in housing, primarily rental, prices. An early effort to measure displacement was the shift from renting to homeownership (DeGiovanni 1984). Others measure displacement through an increase in the number of people with college degrees, or through a shift in income (Atkinson 2000). More recently, evaluating a shift in the average income in the bottom quartile of neighborhoods has become a respected method of evaluating displacement (McKinnish, T, Walsh, R. & White, K 2008). In a 2004 study Lance Freeman presented a divergent opinion that had a large impact upon the study of displacement. When he evaluated the connection between gentrification and displacement he found that there was a minimal link relating the two, with gentrifying neighborhoods increasing the likelihood of displacement from .9% to 1.4% (Freeman 2004). When interpreting the effects of gentrification he used the indicators mentioned above. While it presents a limited group of indicators it is consistent with the common scholarly reluctance to directly connect gentrification with displacement (Pollack, Bluestone, Billingham 2010).

Other scholars have echoed the position that gentrification does not result in displacement. Studies done of a number of gentrified neighborhoods in the 1990s found that increases in income are attributable to a rise in educational attainment, specifically increased high school graduation rates of blacks, and in-migration of white college graduates (McKinnish, T, Walsh, R. & White, K 2008). Many indicators have been used in various assessments of displacement. There is also a large body of contemporary work that maintains that there is an extensive link between gentrification and displacement (Newman and Wyly 2006, Atkinson 2000). With such a disparity in the academic literature on

displacement it would be irresponsible to make assumptions about displacement based upon statistical indicators. In order to truly understand the process of displacement, an individual analysis of those displaced must be conducted (UEPI and SCANPH Research Proposal). In light of the difficulty in effectively and accurately measuring displacement, this report will analyze the levels of gentrification and its potential for displacement. Definite assertions about displacement are not the aim of this paper, instead readers will have to draw their own conclusions about displacement based upon their thoughts and understanding of the link between gentrification and displacement.

Gentrification and Displacement Around Transit and Connected to TOD

There is a large and growing body of work on transit-oriented development (TOD) encompassing a wide array of subjects. This report will focus on the literature addressing neighborhood change around and because of transit investment. When referring to transit investment or development this report will be referring to the input of commuter, light, and heavy rail lines used for pedestrian transportation--not expanded bus systems, unless otherwise noted. Neighborhoods are not static entities, and neighborhood transformation is an inevitability which can often bring about needed and welcome changes. It is the way in which these changes take place that is important. Without adequately understanding the effects of an economic infusion into a neighborhood, seemingly positive investments can have detrimental results on the populations they were designed to help. Measuring neighborhood change is a complex topic, with a multitude of inputs. Researchers struggle to find ways to isolate the effects of individual factors on neighborhood change, as it is difficult to chalk up large-scale change to a single issue. Transit, especially rail, represents a large investment which should have an effect on the neighborhoods where it is located.

Public transit changes the physical landscape of a community, those who have access to it, and often those who want to live there. The large debate in TOD literature is the effect and size of its impact.

Many TOD researchers argue the increasingly common opinion that transit-oriented development is a catalyst for growth and investment, spurring economic development in the area. Transit stations often lead to a growth in commercial activity creating shops, restaurants, night clubs, and markets that attract people who do not use public transit (Bluestone, Stevenson & Williams 2008). New clientèle for these businesses and the allure of shopping, dining, and TOD locations can increase the value of land. The Center for Transit-oriented Development found that, in recent studies, access to transit increases the worth of proximate properties (Center for Transit-Oriented Development 2008). A report published by the Dukakis Center, when evaluating prior studies and based upon their own research, found that:

While we can confidently say we found some evidence of gentrification in the majority of newly transit-served neighborhoods, it is more difficult to determine whether this gentrification was accompanied by involuntary displacement of former neighborhood residents. (Pollack, Bluestone, Billingham 33).

The Dukakis Center study evaluated a number of indicators, finding that in TOD communities population, household income, housing costs, in-migration, and vehicle ownership all increased in relation to their metropolitan areas. However, they did not find a shift in the racial composition of the neighborhoods surveyed, a commonly used indicator of displacement. The Dukakis study concluded that their research suggest that in the majority of TRNs lower income residents are leaving the area (Pollack, Bluestone, Billingham 2010, 25)While there is a large body of work asserting that TODs often lead to increased land costs and gentrification, there are many other findings as well.

Many studies have found the opposite: that increased access to public transit reduces property values and leads to the degradation of neighborhoods. These studies suggest that public transit acts as a poverty magnet. In the United States transit is used primarily by those who cannot afford a car; those living in TOD areas in zero-car households are 14 times more likely to use rail-based transit than those living in three-car households (Cervero 2007, 2). Transit-proximate housing often attracts lower-income people without cars, who are transit-dependent riders, because it provides them with easy access to transit (Cervero 2007). This can lead to concentrated poverty which some researchers link to neighborhood deterioration (Coulton and Pandey 1992, 1). A Brookings Institute study looking at neighborhood change in areas with new transit stations between 1970 and 2000 found that, while land value and rents did increase in the areas around transit, they increased less rapidly than in the surrounding areas without transit:

In all [16] cities, mean real household income in new rail transit-accessible areas is below that in other areas, with the gap widening between 1970 and 2000 in all cities except Atlanta and Miami. This widening of the income gap occurs after the new rail lines opened, supporting the prediction of the model in the previous section and the point made by Glaeser, Kahn, and Rappaport that public transit is a poverty magnet. (Baum-Snow and Kahn 25).

In addition to being a poverty magnet some have found no conclusive link between the addition of transit and gentrification, instead finding irreconcilably divergent results in the areas studied (Chapple 2009).

Analysis of the effects of gentrification around transit have been conflicted, with scholars arguing that it serves as a catalyst for development as well as stating that it is poverty magnet. Both sides have presented extensive evidence supporting their arguments, but the study of neighborhoods is dynamic. Proximity to transit, living in walkable environments, and transit-oriented development are rapidly becoming more desirable

(Leinberger 2010, 3). Contemporary research is reflective of these changes and the more commonly held current opinion is that there is often a connection between transit investment and gentrification. While academic opinions are becoming more constant there is no cut and dried answer as to whether the addition of public transit leads to gentrification or displacement on a broad scale. Each transit stop has to be analyzed individually with its unique factors taken into consideration to fully understand the role that transit can play in the gentrification or degradation of a neighborhood.

Los Angeles

There have been many studies done on issues of transit oriented-development, gentrification, and displacement in Los Angeles but none which serve as adequate case studies to understand the set of circumstances that have created change in Hollywood. There have been studies measuring gentrification in other rapidly developing areas of Los Angeles including: The Figueroa Corridor, Downtown and Skid Row, Koreatown, Westlake, and Boyle Heights. There has also been research on TOD around the Blue Line and its feasibility, gentrification pressures from the Gold Line, and reports addressing TOD in Los Angeles as a whole (DeVerteuil 2010, 5). The most substantive study done on TOD and its potential effects in Los Angeles was produced by the Center for Transit Oriented Development. "Creating Successful Transit-Oriented Development in Los Angeles" presents a brief station-by-station analysis that gives a shallow, but broad, understanding of transit dynamics in Los Angeles. It presents a number of findings, the most pertinent being: (1) LA is experiencing momentum around TOD which can be leveraged for supportive resources; (2) TOD areas should be focused around low- and moderate-income housing as those groups benefit the most from transit; (3) and that a restructuring of parking requirements

around transit is needed to maximize ridership and TOD efficiency (Pollack, Bluestone, Billingham 2010, 52).

Studies of the gentrification of Skid Row and downtown Los Angeles are numerous; a contemporary report on gentrification and the de-concentration of poverty lays out the causes behind gentrification and displacement in Skid Row which houses a service-reliant population and is a “weak-center”, city failing to provide adequate infrastructure (Reese 2010, 311). The report finds that the population located in Skid Row is reliant upon the services there, making their displacement less probable and much more damaging were it to occur. While Downtown and Skid Row share two visible similarities with Hollywood--redevelopment and transit--the homeless presence is too large of a factor for studies from Skid Row to be applied to other transit areas in Los Angeles.

Chinatown is yet another area in Los Angeles experiencing the threat of gentrification and also has a notable body of literature surrounding the process. In Jan Lin's work “Los Angeles Chinatown: Tourism, Gentrification, and the Rise of an Ethnic Growth Machine”, he contrasts the gentrification in Chinatown through a historical context drawing parallels to the early development of Los Angeles. His work then turns to the analysis of a burgeoning art and nightlife scene which is divergent in character from much of the rest of Chinatown (Lin 2008). His research finds that as incoming business owners open non-Chinese businesses it detracts from the appeal of Chinatown as a cultural mecca. This change negatively affects the economic viability of other business in the area, presenting large hidden costs to the gentrification of Chinatown. In this respect his analysis of gentrification implicitly identifies racial and cultural factors. This shifts the debate on gentrification from one of economic viability and displacement to one of cultural dispersion and neighborhood character. While neither means of evaluation carries more weight than

the other, the cultural focus within studies done on Chinatown make them much harder to apply to other case studies within Los Angeles.

There have been numerous studies done on neighborhoods within Los Angeles around issues of displacement, but most of these studies seem to present major obstacles in their applicability to other areas of the city, including Hollywood. Hollywood presents a unique set of characteristics which make it much more applicable to Los Angeles than most other case studies sharing factors like a similar racial make up, historical evolution, and a magnified reflection of the problems facing Los Angeles. Hollywood is a story of highs and lows, and is defined by its rapid change, diverse, and dynamic character; through its faults and successes it can serve as an effective guide for other areas on the brink of change.

VI | **What Was Being Done in Hollywood?**

Hollywood is an area which is commonly applauded for its commitment to the creation of affordable homes and is thought of as a role model for the development of affordable housing within LA. This perception is not accidental, or without merit, but is not a complete assessment. Hollywood has benefited from a number of groups that have promoted and helped to create affordable housing within the neighborhood. These groups include the CRA, non-profit investment, business investment in housing, zoning conducive to affordable production, active and persistent community members and advocacy groups, and a sequence of progressive city council members. Extensive affordable housing was

created in Hollywood, but as will become clear later in this paper it was not nearly enough to stop the tide of gentrification and potential displacement in Hollywood. This section will look at the climate around affordable housing in Hollywood, examining Hollywood's political commitment to affordable housing, its perception of the possibility of gentrification, the aims of its neighborhood revitalization, and any proactive measures taken against displacement. It will also present some statistics on the amount of affordable housing created in Hollywood to gauge if the commitment to affordable housing was carried out.

To uncover the opinions on affordable housing in Hollywood a number of policy makers and community members were interviewed by this author. Mike Woo was the city council member in Hollywood from 1985-1993 and a strong proponent of affordable housing. Mr. Woo notes that even at the time he came into office he was seeing a lot of demographic shifts in Hollywood and saw that it was transitioning away from an immigrant area. New developments were beginning to start up and it was a concern for the council at that time. Mike Woo and his administration were a large part of bringing the CRA to Hollywood and were instrumental in establishing the agency's priorities and policy for the area. Woo states that a large part of bringing the CRA into Hollywood was to reorient the regular actions of the housing market, and ensure that Hollywood was not allowed to develop without maintaining some affordable housing. While positive about the work done in Hollywood by the CRA and local government, Woo concedes that more could have been done to establish extensive, affordable, transit-oriented development to capitalize on the transit investment as well as prevent the demolition of some affordable and rent-controlled housing. Woo and colleagues, in conjunction with the CRA, built Lanewood Pine, a mixed-income project, in their second year of operating. Throughout his time in office, Hollywood was seen as an area that prioritized affordable housing. Once the ball was set rolling by

Woo it continued to be advanced by future council members. Jackie Goldberg continued Mr. Woo's legacy of working towards affordable housing, and is the most celebrated political advocate of affordable housing in Hollywood, according to Alison Becker, an associate planner at the Hollywood CRA: "There were always a few champions on every council: Jackie Goldberg...they were all early champions of affordable housing development." An interview with a community leader in Hollywood provided the same result: "she [Jackie Goldberg] was the only council person who went to the community". Alison Becker, a current CRA employee and project manager of the Hollywood Community Studio, continued her praise for Hollywood:

I think Hollywood has done that as well as if not better than other project areas across the city because it has historically had council members, elected leadership, which have been very, very supportive of affordable housing production. You know the west Valley, for example, which has the same obligation to spend 20% [of its budget on affordable housing] but if you don't have a supportive elected official it doesn't happen. We can't underestimate the politics of it.

Becker makes it clear that without political support the CRA is much less able to implement its affordable housing policies effectively. Goldberg's push for more affordable housing is indicative of a larger neighborhood-wide effort.

Many would like to give the credit for Hollywood's affordable housing to the politicians; Manuel and Ceci Romero, a community leader with "LA Voice", are not two of those people. When the idea that politicians were responsible for creating the affordable housing in Hollywood was brought up, specifically the role of Councilman Eric Garcetti, Mr. Romero quickly responded: "They didn't do that! We forced them to do that!" He was referring to the effect of a large gathering of 1,200 community members, present to testify before Garcetti and the mayor to advocate for more affordable housing in Hollywood. Mr. Romero went on to say that the city would never put in enough housing and without the

constant efforts of the community there would be much less affordable housing in Hollywood. This contention illustrates that a large and heterogeneous group of people is involved with the promotion of affordable housing in Hollywood. Further, much of the success in the creation of housing in Hollywood has been reliant upon a successful inside-outside strategy (whether intentional or not) with sympathetic politicians receiving the community support they need to effectively pass legislation or implement policies. Hollywood had the political will and the community involvement to create affordable housing.

The potential for housing was created by a positive political environment, but developers of affordable housing still needed to provide additional funding if a worthwhile quantity of housing was to be made. Helmi Hisserich, the Regional Administrator for the Hollywood region of the CRA from 1994-2006, described that while working at the CRA there had always been a priority of creating affordable housing, especially in Hollywood. At the time they were unaware of how quickly the neighborhood would change. Although they produced a fair amount of housing, if they had known then what they know now, they would have produced a larger amount to meet the rising demand:

When we established the district in 1986 we could have mandated a 20% affordable housing standard per project, which we should have done for the area. It has, after the revitalization, become too expensive to retroactively add the appropriate amount of affordable housing.

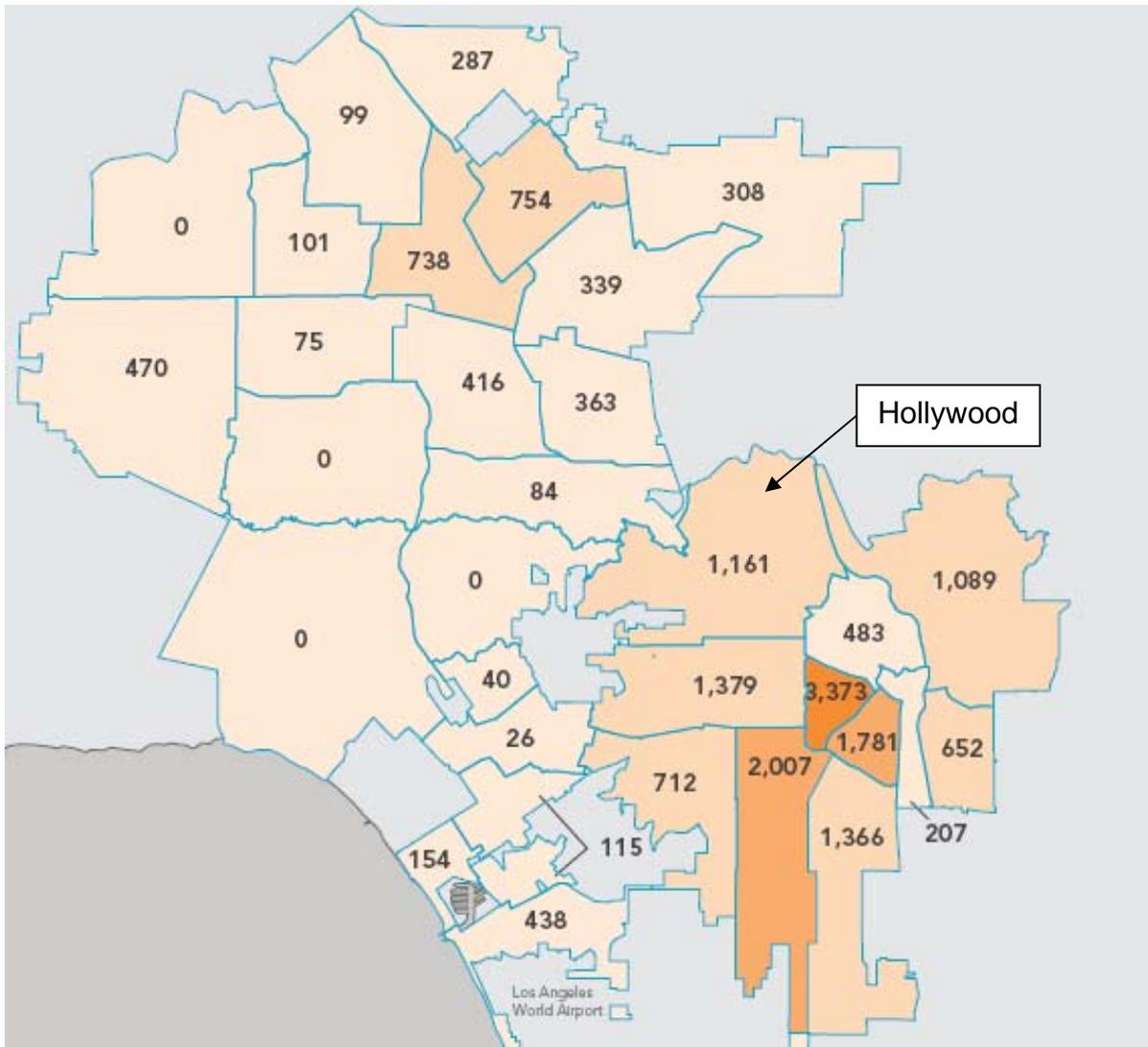
Helmi's retroactive analysis of the CRA's work in Hollywood can serve as an example for future developments and show that it is necessary to create an extensive affordable housing safety net before an area becomes gentrified. This will both prevent displacement and allow more affordable housing to be created, if land is bought at lower, pre-gentrification prices. The CRA does not exclusively fund housing, they are also responsible

for bringing in neighborhood attractions and business, and boosting economic development.

The kind of upscale private developments which the CRA helped finance, Hollywood and Highland and the ArcLight Movie Theater (\$16 dollars a ticket), cater to a more affluent audience. Hollywood, as a tourist center, has a demand for shopping malls and ritzy theaters and the CRA was meeting the demand. In both the Hollywood and Highland complex and the ArcLight Theater, the CRA invested heavily in parking structures for these developments. In order for the CRA to recoup its investment in these luxury-oriented parking structures they need a clientèle base who can afford to use, shop, and eat at these expensive locations. There is a need for these sorts of developments in a tourist hub, but they also indicate that the CRA anticipated a demographic change in Hollywood and planned accordingly. Without wealthier community members these investments would not create a worthwhile return on their value. These sorts of developments are indicative that the bar for affordable housing in Los Angeles needs to be set higher, and that a greater awareness of the impacts of development need to be incorporated into the planning around that project. The CRA, or anyone developing in an area set to rapidly expand, has a responsibility to proactively create extensive affordable housing. Further, they should strive not to merely create buildings to meet some of the housing need, but to create enough housing to allow for the positive effects of gentrification while negating displacement. While the need was not met, there were extensive efforts in Hollywood to create affordable housing. This lack is representative of the substandard assumptions of what “enough” affordable housing is in Los Angeles. Hollywood's progressive, determined and admirable affordable housing advocates can be better understood if the impact of their efforts is examined.

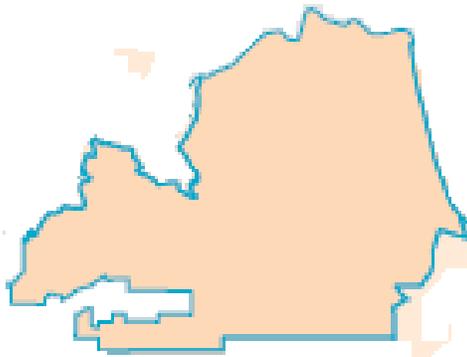
A study produced by Beth Steckler and Adam Garcia titled “Affordability Matters” measured the amount of affordable housing by community plan area produced between 1998 and 2005. Of the 37 plan areas studied, Hollywood provided the 6th most affordable housing, creating 1,161 units. It trailed behind the Central City, Westlake, Wilshire, South Los Angeles, and Southeast Los Angeles in terms of units constructed (Steckler and Garcia, 2008). The distribution of new affordable housing can be seen in the following graphic taken from “Affordability Matters”:

Number of Affordable Homes Built from 1998-2005 by Community Plan Area



Steckler and Garcia go on to point out that while there was a relatively large increase in the affordable housing construction in Los Angeles there were also 9,000 rent-controlled apartments demolished or converted to condominiums between 2001 and 2007. Hollywood was hit hard by losing 1,225 units. This number is drawn from a council district instead of a community plan area. These two areas differ in size with the council district extending further north and south including parts of Wilshire and North Hollywood while the community plan area extends further East and West. The shapes of the two areas are

shown below:



Hollywood Community Plan Area



Council District 4

Any direct statistical comparison between two areas that clearly cover different demographics would be inaccurate, but taking into account a healthy margin of error it can be approximated that in Hollywood a similar number of affordable homes were lost due to the demolition of rent-controlled units as were gained through the production of affordable housing from 1998-2007. This can lead to very skewed perceptions of how much affordable housing is in a neighborhood. The creation of new affordable housing has received major media coverage, and has been celebrated by the community. The destruction of rent controlled units usually goes unnoticed, creating a perception of the amount of net affordable housing in Hollywood that is quite skewed, which can lead to a lack of funding and proactive policy ultimately causing displacement.

These figures overwhelmingly illustrate the importance of preserving rent-controlled units in Los Angeles. A strong push by a diverse coalition of forces was able to create a relatively large amount of affordable housing in Hollywood, which was close to if not entirely

offset by the inability to preserve pre-existing housing. This failure to preserve affordable housing speaks very poorly of Los Angeles' commitment and ability to preserve equality. It is probable that these statistics do not represent a zero sum gain, as it is often the case that older rent-controlled housing will be replaced with newer, safer, more efficient, healthier affordable developments. Further, much of the new affordable development in Hollywood has been centered around transit, and a shift in low-income populations to TOD holds a multitude of benefits which will be detailed later in this paper.

The second assertion which these figures support, and which will be further supported by the following section, is that Los Angeles needs to drastically reevaluate its standards of affordable housing. If Los Angeles wants to become a sustainable, efficient, uncongested, livable, and walkable city it needs to retain its working class citizens within the urban core, primarily around transit. This seems to be an impossibility unless there are increased efforts to preserve our current stock of affordable housing, and ensure that in developing areas there is enough affordable housing to preserve access to housing for the working class. The following section will address what has happened in Hollywood and if the efforts of those fighting for affordable housing were effective.

VII | **How Did Hollywood Change?**

The face of Hollywood has been changing quickly. A walk down Hollywood or Sunset Boulevard is not the same as it was 20 years ago. New development is everywhere, the throngs of tourists are more dense, Metro stops pepper the landscape, the buildings are taller, and the streets are cleaner. These surface-level shifts are self-evident but they do not

paint a complete picture of the changes affecting the diverse group of people who work and live behind the veil of Hollywood. The type, scale, and effects of Hollywood's transformations are less evident, and much more important if such a multi-faceted, dynamic, and symbolic area is to be understood. The following section will use both qualitative and quantitative methods to evaluate the change that has taken place in Hollywood over the last twenty-one years.

The changes in Hollywood have not escaped the public eye, and have been the subject of numerous newspaper articles, blogs, etc. One such article from the LA Times “Neighborhood face-lift gives Hollywood pause” embodies many public perceptions of what is happening in Hollywood:

The changes can be both impressive and alarming to those who know Hollywood best. Residents and business owners marvel at the improvements around them. Yet they prize the lingering charm of Hollywood's golden past and fear that the place they love is slipping away. (Cleeland, 2006).

To delve deeper into an understanding of what happened in Hollywood we will learn from those who were involved with the changes first hand.

To understand what happened in Hollywood it is important to understand the stories of those who live and work there. Our story starts with Manuel and Ceci Romero, who we met earlier in the paper. They are long time community leaders in Hollywood. Mr. and Mrs. Romero lived in Hollywood for nearly twenty years, 1978-1996, but, unable to afford the rising rents in Hollywood, they were forced to move to North Hollywood. Mr. Romero continues to work in Hollywood as a grounds keeper. Manuel and Ceci were both community leaders for what is now “LA Voice”. Mr. Romero describes some of his community work with “LA Voice”:

We started doing clean up campaigns, painting over graffiti, I have some pictures of us on the campaigns. We worked with the homeowners in the

area. It started getting beautiful, but then we started getting pushed out.

The Romero's experience is not an isolated incident. Many residents saw their hard work and dedication to the community turn against them as rents began to rapidly increase; many could no longer afford to live in the area they worked so hard to revitalize. Mr. Romero on an action in 2008 to promote affordable housing in Hollywood:

We had another big action with more than 800 people, people of all faiths-- Muslims, Jewish people, everyone--because they are all getting displaced too. (Romero 2011).

Hollywood housed a very active citizenry that fought hard for affordable housing and community betterment. Despite their efforts working class people throughout Hollywood saw the communities they had created dismantled as the cost of living became too high to remain.

Socorro Callejas shares a similar experience as the Romeros. A long-time resident of Hollywood and involved community member she was forced to relocate from Hollywood to Inglewood and leave her home and community behind as she could no longer afford the increasing rents. After she was displaced from Hollywood, Callejas was one of the many who applied to live in affordable housing developments in Hollywood. Unlike the vast majority of applicants she was lucky enough to get an apartment. For Callejas the Hollywood she returned to was not the same as when she left:

We fought for what we have now. No more gangs, no more prostitution, it is better than it was. The thing is that right now my neighbors aren't here. This makes me sad, because it's like when you clean a house but after it's clean you don't live there anymore. Other people come and live there now. This is the reason I'm not happy.

Long time working-class residents of Hollywood who were able to avoid the pressures of displacement through homeownership or by having the good fortune to be accepted into

affordable housing have watched their communities dissipate before them, eroding much of what they valued in their communities initially. New community members are perceived to be less involved with the community by long-time residents, and there is the pervading sentiment that the community is not unified. In Callejas 's words:

Now it's different people. People used to be more active in the community, people used to be about more, they used to worry about the community, and the neighborhood. (Callejas, 2010)

To gain further insight about these community members' perspectives of government change it is important to gain an understanding of the opinions held by the policy makers who were instrumental in the shaping of Hollywood.

Helmi Hisserich, now at the Los Angeles housing Department, was with the CRA from 1994-2006 and played a leading role with the CRA's Hollywood project area. Hisserich acknowledged that there was some gentrification in Hollywood throughout the 1990s but thought the neighborhood started changing in earnest, after the Romeros had already been displaced, with the opening of the Red Line:

The Red Line changed everything in Hollywood. It served as a catalyst for development and gave the CRA the ability to push forward a lot of its developments and made them much more effective. (Hisserich 2011)

The Red Line added to Hollywood's already strong cachet, allowing it to redefine itself as a sustainable, transit-oriented, and walkable community. To capitalize on the transit investment the CRA targeted its developments around the edges of the redevelopment area, where the Metro stops were located. There was an emphasis on creating a walkable environment:

There was a big fight to build transit-oriented development without putting in too much parking. Part of this effort was to make Hollywood a walkable area with restaurants and nightlife. (Hisserich 2011)

Walkable neighborhoods are scarce in Los Angeles, and highly desired (Gehrke 2010, 8)

). Hollywood maximized the benefits of its access to transit as it sparked extensive investment in the area, with major development coming to life around transit stops. As planned, the private investors were also able to cash in on the public investment as a slew of up-scale restaurants, bars, etc. were capitalizing on the “walkable” environment of Hollywood. The CRA's efforts at redevelopment were greatly aided by a cooperative city council:

Progressive city council members helped to make the project a success and made the process much easier. It allowed us to get the project done with living wage, union labor, green building standards, etc. (Hisserich 2011).

Having a city council pushing for affordable housing, green, union etc. construction gave some in the CRA the leverage to help promote extensive affordable housing. In addition to a cooperative city council, an alliance of business leaders within the community greatly aided the redevelopment process by forming the Hollywood Businesses Improvement District. The BID aided redevelopment through neighborhood beatification, cleanliness, and security. The BID was a representation of the strong business interests which allowed CRA's bookend strategy, of developing on the edges and relying upon private investment to fill in the middle, to work very effectively, by development standards. The re-branding of Hollywood, its iconic image, a cooperative city council, the local business community, a simultaneous investment of the CRA and transit all led to Hollywood becoming a “hot” market:

The CRA's developments in their key areas spurred the creation of a lot of funding that they didn't have to invest in. It was a successful, economically speaking, revitalization catalyst. The downside to this progressive and seemingly successful revitalization is that the neighborhood has become gentrified and many people have been displaced.

While the CRA has an obligation, legally, to spend at least 20% of its budget on affordable housing (City of Los Angeles, 2001) in rapidly developing areas, like

Hollywood, it is not enough to stop displacement.

There are a number of policies in place to prevent displacement, but in Hollywood where housing values and prices are increasing quickly, some landlords find ways to get around them (Hisserich, Romero 2011). You cannot renovate four or more units in a building without a relocation agreement, but Hisserich noted that this law was often skirted through the development of three units at a time. The Romeros shared a similar experience:

We used to live like a little town, everyone knows each other. So our kids grew up, in their elementary and high school years knowing the families and friends around, and then suddenly the prices started jumping up. They used different tactics. They would say: We are going to remodel the apartment building and we need you to move. They would give you a very small amount of money to relocate. They didn't do what they were saying. They would just paint, little bits of paint.

Through these sorts of subversive methods many landlords and developers in Hollywood were able to capitalize on the governmental and private investments without being held accountable for their actions or giving any form of reinvestment in the community. This led to tenants being pushed out, increased rents, and a less equitable Hollywood.

Alison Becker was more reluctant to acknowledge any displacement had occurred in Hollywood:

While we do see newcomers coming in who are young, white, affluent and that tends to get a lot of media attention, there still is a predominance of working people in central Hollywood who have been here for a very long time.

Becker also points out that most of the development which took place in Hollywood occurred on top of parking lots or other open space. In addition to building in ways which did not lead to direct displacement there has been a disproportionately large amount of affordable housing produced in Hollywood when compared to other

developing areas, although it was not enough. The CRA in Hollywood was able to work with a group of council members who fully supported increased affordable housing and preserving a diverse community. This allowed for greater community benefits obtained by the CRA.

In terms of access to affordable housing in Hollywood the CRA played an important and varied role. The CRA is responsible for much of the affordable housing in the area and has provided affordable homes to many who would not have access to them otherwise. They have done this through direct development and through incentivizing developers to build a percentage of affordable housing in their developments. At the same time, they have also spurred a lot of development which has had an undeniably large role in making Hollywood unaffordable. Supporters of the CRA would argue that this development would have happened regardless of the CRA's activity but would have happened in an unplanned way. They argue that the CRA was able to mold development to make Hollywood a more affordable, livable, and vibrant neighborhood (Hisserich 2011).

As one could predict there are mixed perceptions of what has happened in Hollywood. Each story lends a valuable perspective, but one also colored by the teller's experiences. When viewed as a collective whole these stories and opinions should help to paint a detailed picture of Hollywood and the change it has undergone. Whether a displaced community activist or a city council member, all parties agree that there has been some change and gentrification in Hollywood. What is not agreed upon is what form this change has taken, what has caused it, who was affected by it, and how large it was. In efforts to more thoroughly understand what type of change has happened in Hollywood, a historically comparative statistical analysis from a variety of sources will be examined. As alluded to in the background section, the next section will include both an overview of

pertinent existing findings on Hollywood and original research.

Statistical Findings:

The Hollywood Community Studio, an organization created by the CRA to track changes taking place in Hollywood ([Hollywood Community Studio, n.d.](#)), conducted extensive interviews for their 2009 report: “Central Hollywood Now”. The survey interviewed 244 people in what constitutes, approximately, the lower half of the area this report studies, as will be detailed in the following section. They also produced a “Central Hollywood North Now!” survey but it was much less extensive than its central counterpart and its information was consistent with the “Central Hollywood Now” survey’s results (Hollywood Community Studio, 2010). Their findings that are relevant to this study follow.

Central Hollywood Now presents some demographic data which will be covered in greater detail through this report’s analysis of census data. The focus will be on presenting questions they were able to ask to obtain data which is otherwise unattainable. Below are some of their figures on housing in Hollywood:

Figure 5: How long have you lived in Hollywood?

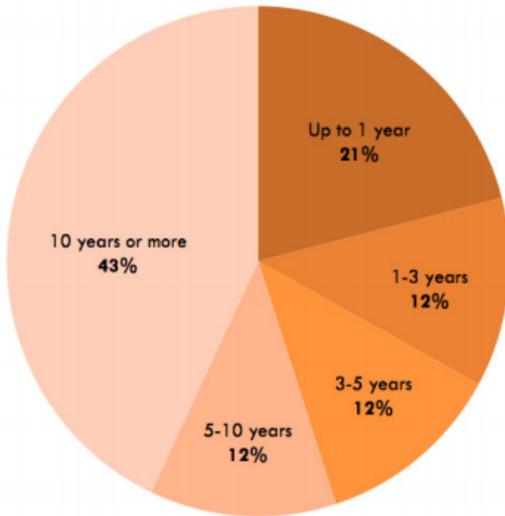
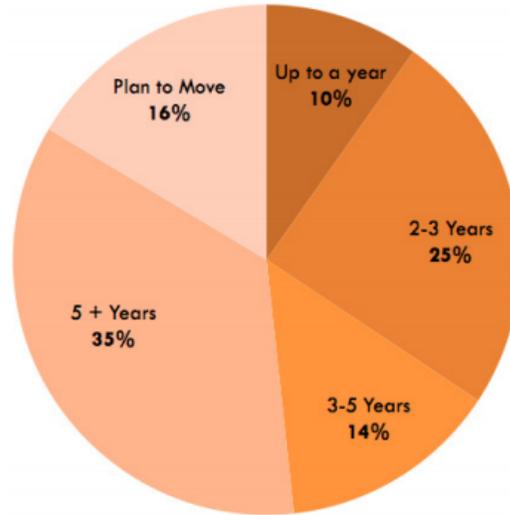


Figure 6: How long do you plan to live in Hollywood?



The Studio also asked residents in what ways they thought their neighborhood was changing positively or negatively. The five largest concerns were: Traffic (67%), access to parking (59%), cost of living (58%), affordable rent (49%), and employment opportunities (46%). The most positive changes were: cafes, neighborhood walkability, and diverse shopping. When asked what kinds of additional housing were desired in Hollywood the top three responses were low income (59%), 1-2 story apartments (35%), and single-family housing (30%) (Hollywood Community Studio, 2009). The fact that 65 percent of residents do not plan to live in Hollywood for more than five years shows that Hollywood is an area with rapid resident turn over and with fewer long term residents.

They also used a survey, conducted in 1984, but only to show the contrast with current data on community perceptions of Hollywood:

1984 CRA OPINIONNAIRE	
Do you see your area:	
Improving	21%
Deteriorating	54%
Staying the Same	25%

2009 HD-OD OPINIONNAIRE	
Do you see your area:	
Improving	53%
Deteriorating	14%
Staying the Same	33%

The Central Hollywood Now Study is the most extensive body of research done on demographic change in Hollywood but not the only one.

The Center for Transit Oriented Development created an extensive study “Creating Successful Transit-Oriented Districts in Los Angeles”. The work is focused on LA as a whole but includes analysis of individual station areas, including: Hollywood/Highland, Hollywood/Vine, and Hollywood/Western. The study evaluates the housing plus transportation costs for each station as a percent of LA's median income. I have added to their charts so that they include the percentage of Hollywood's median income (\$20,557 in 2000, the same year as the census data they are using), in addition to an average for the three station areas.

Station	Line	H+T Costs as % of LA's Median Income	T Costs as % of LA's Median Income
Hollywood/Vine	Red	40.73	22.06
Hollywood/Western	Red	41.15	22.21
Hollywood/Highland	Red	43.08	21.7

Average of Totals		41.65	21.99
		H+T Costs as % of	T Costs as % of
		Hollywood's Median Income	Hollywood's Median Income
Hollywood/Vine	Red	71.33	38.63
Hollywood/Western	Red	72.06	38.9
Hollywood/Highland	Red	75.44	38
Average of Totals		72.94	38.51

This table illustrates that Hollywood is an extremely rent-burdened area, and that the rent burden is higher around transit stations. Residents around transit stations unable to afford rent is indicative that many community members living around transit stations may be on the verge of displacement. CTOD also shows the job housing mix with the number of jobs/residents per station area. Hollywood/Vine has the highest of the 3 with .7, Hollywood/Highland has a .58 ratio and Hollywood/Western has a minuscule .15 (the 3rd lowest of the 21 stations with 21,000 persons within a half mile). For comparison's sake, the highest stop is the Civic Center/Tom Bradley with 24.64 Jobs/Resident, Little Tokyo Arts stop with 9.87, the Glendale stop with 3.01, while Wilshire/Western has a comparable .43 ratio (Gehrke 2010, 27).

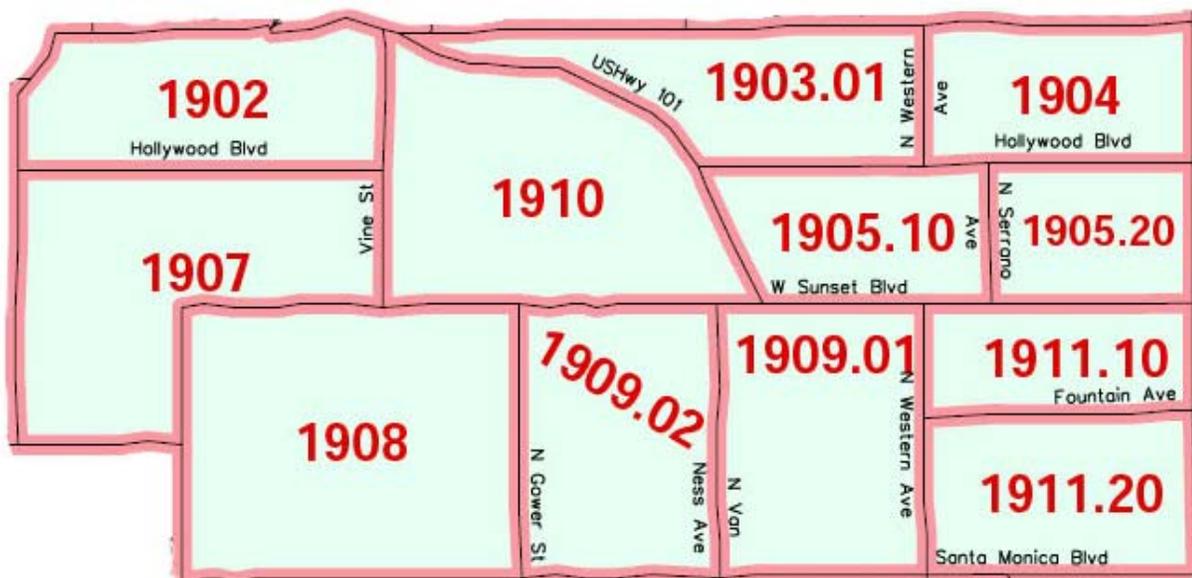
All three station areas are comprised of at least 65% renters, a common indicator of susceptibility to displacement. Additionally, at both the Hollywood/Highland and Hollywood/Vine stations funding for at least 85% of the proximate Federally-Assisted Affordable Housing Units will expire by 2015 (Gehrke 2010, 53).

The following section will present original research gathered from analysis of long-

form data from the 1990 Census, the 2000 Census, and the 2005-2009 American Community Survey (ACS). To give a holistic representation of the population shifts occurring in Hollywood twenty indicators were looked at: total population, median household income, persons per household, same house and different house five (or one in the case of the American Community Survey) years ago, cumulative degrees of those twenty-five and older as a percent of the population, median gross rent, white population, African-American population, Asian-American and Pacific Islander-American population, Hispanic population, households with zero accessible vehicles and one or more available, the number of households, percentage of population below the poverty line, and the per-capita income by race for White, Black, Asian, and Hispanic people. These indicators were chosen based upon the indicators of gentrification, displacement, and population shift presented by the best research available. There are some deviations from a set of more standard indicators because the study is tailored to a specific, confined geographic area.

Cumulative degrees of those twenty five and older as a percent of population was selected in place of the more standard percentage of population with degrees. The standard method of definition fails to take into account the presence of advanced degrees; if one possesses both a doctorate and a bachelor's degree they will be accounted for in the same way as someone with just a bachelor's degree. Those with more advanced degrees tend to have higher incomes and are a population which is more indicative of gentrification, and for this reason the indicator of cumulative degrees was chosen. Median home value was not included in this analysis because the ACS did not provide consistent information on a census-tract level. Finally land value as represented by property tax revenues will be presented in a different data set.

The census data presented is taken from the census following twelve tracts: 1902, 1903.01, 1904, 1905.10, 1905.20, 1907, 1908, 1909.01, 1909.02, 1910, 1911.10, and 1911.20. The number of tracts has grown since the 1990 census as some tracts have been split up, but the geographic area remains the same. These tracts cover an area roughly defined by Franklin Ave. on the North, Santa Monica Blvd. on the South, Highland Ave. on the West, and Normandie Ave. on the East. The area and census tracts are shown below:



As with any study, there is a margin of error which must be taken into account. It gains particular importance because the margin of error on a census tract basis is larger in the American Community Survey than the census. For instance in the census tracts analyzed there was an average margin of error of 10.6% when evaluating the total population. While there is some margin of error, an adequate quantity of census tracts were analyzed. This spreads any discrepancies thinly enough to minimize any impact on the validity of their findings. All dollar amounts were adjusted for inflation based upon the consumer price index, the standard measure of inflation and the method of analysis

recommended by the census, and are in 2009 dollars. 1990 Dollars had an inflation rate of 64% while 2000 dollars had an inflation rate of 25% according to the Bureau of Labor Statistics. The tables following display the previously addressed information; for the complete long-form data consult the appendix.

	1990		2000		2005	/2009
	Los Angeles	Hollywood	Los Angeles	Hollywood	Los Angeles	Hollywood
Total Population	3485398.0	60412.0	3694834.0	57583.0	3796840.0	54041.0
Median Household Income (\$)	50717.0	28539.0	45858.8	25695.8	48570.0	28946.4
Per Capita Income (\$)	26548.3	14162.7	25838.8	15013.1	27070.0	19015.4
Persons Per Household	2.8	2.6	2.8	2.4	2.9	2.3
Same House 5 years ago (Same house 1 year ago 2005-9)	3837105.0	18284.0	1689891.0	22575.0	570697.0	9005.0
Different House 5 years ago	3882762.0	42128.0	1722998.0	31383.0	3226143.0	45036.0
Cumulative Degrees of those 25 and older as percent of population	20.00%	12.88%	19.00%	16.44%	22.95%	46.14%
Median Gross Rent (\$)	984.0	848.4	840.0	710.9	1029.0	875.1
White Population	1845133.0	41617.0	1728232.0	29169.0	1908225.0	28506.0
Black Population	485949.0	3314.0	411089.0	3148.0	371325.0	2904.0
Asian Population	341986.0	4519.0	368644.0	4410.0	405425.0	4722.0

Hispanic Population	1370476.0	28885.0	1719916.0	26797.0	1841119.0	24327.0
No Vehicles Available	185737.0	8250.0	210770.0	8592.0	164146.0	6447.0
1 or more vehicles Available	1031668.0	14703.0	1064588.0	14196.0	1134204.0	16889.0
Number of Households	1217405.0	23017	1275358.0	23654	1298350.0	23336
Percent of Population Below Poverty Line	0.19	0.32	0.20	0.33	0.19	0.27
Per Capita Income, White (\$)	36393.24	14667	36295	15981	35255.00	21795
Per Capita Income, Black (\$)	18461.48	20220	20965	22570	22501.00	17982
Per Capita Income, Asian (\$)	22755.00	16017	24441	16642	28869.00	23885
Per Capita Income, Hispanic (\$)	11662.04	9874	1337	15013	13775.00	13375

	% Change From 1990-2005/9		% Change From 1990-2000		% Change from 2000-2005/9	
	Los Angeles	Hollywood	Los Angeles	Hollywood	Los Angeles	Hollywood
Total Population	108.94%	89.45%	106.01%	95.32%	102.76%	93.85%
Median Household Income (\$)	95.77%	101.43%	90.42%	90.04%	105.91%	112.65%
Per Capita Income (\$)	101.97%	134.26%	97.33%	106.00%	104.77%	126.66%

Persons Per Household	105.95%	88.23%	102.54%	92.75%	103.33%	95.13%
Same House 5 years ago (same house 1 year ago 2005-9)	N/A	N/A	44.04%	123.47%	N/A	N/A
Different House 5 years ago	N/A	N/A	44.38%	74.49%	N/A	N/A
Cumulative Degrees of those 25 and older as percent of population	114.76%	358.13%	95.00%	127.57%	120.80%	280.73%
Median Gross Rent (\$)	104.57%	103.15%	85.37%	83.80%	122.50%	123.09%
White Population	103.42%	68.50%	93.66%	70.09%	110.41%	97.73%
Black Population	76.41%	87.63%	84.60%	94.99%	90.33%	92.25%
Asian Population	118.55%	104.49%	107.80%	97.59%	109.98%	107.07%
Hispanic Population	134.34%	84.22%	125.50%	92.77%	107.05%	90.78%
No Vehicles Available	88.38%	78.15%	113.48%	104.15%	77.88%	75.03%
1 or more vehicles Available	109.94%	114.87%	103.19%	96.55%	106.54%	118.97%
Number of Households	106.65%	101.39%	104.76%	102.77%	101.80%	98.66%
Percent of Population Below Poverty Line	101.40%	84.96%	105.94%	102.96%	95.72%	82.51%
Per Capita Income, White (\$)	96.87%	148.59%	99.73%	108.96%	97.13%	136.38%
Per Capita Income, Black (\$)	121.88%	88.93%	113.56%	111.62%	107.33%	79.67%

Per Capita Income, Asian (\$)	126.87%	149.12%	107.41%	103.90%	118.12%	143.52%
Per Capita Income, Hispanic (\$)	118.12%	135.45%	110.25%	152.05%	107.14%	89.09%

When examining the long-form data for the “Cumulative degrees for those 25 and older as percent of population” information the margins of error were unreasonably high in some census tracts. This may have led to a misrepresentation of the changes of educational attainment in Hollywood due to inaccurate data from the American Community Survey. The census tracts which seemed divergent from neighborhood trends were removed and other neighboring tracts were added in efforts to present information which has a lower margin of error¹:

	1990		2000		2005 /2009	
	Los Angeles	Hollywood	Los Angeles	Hollywood	Los Angeles	Hollywood
Cumulative Degrees of those 25 and older as Percent of Population	20%	17%	19%	22%	23%	32%

These numbers represent a skewed statistical analysis which could be interpreted, incorrectly, as a product of research bias. The changes made seek to remedy the statistical shortcomings of the American Community Survey, nothing more. Both sets of numbers are representative of the difficulty of analyzing such small statistical areas. Despite this obstacle both indicate the same finding with varying degrees of scale; there has been a rapid increase in the number of college-educated residents in Hollywood.

The data acquired from the decennial censuses and American Community Survey

¹ The Census tracts used in the re-evaluation of “Cumulative Degrees of those 25 and older as Percent of Population” were: 1901, 1902, 1903.1, 1905, 1907, 1908, 1910

will act as the empirical bread and butter of this report but in order to provide a complete understanding other data sources will be analyzed. The following information shows the percent of each school which is Asian, Filipino, White, Black, English learners, and the recipient of free meals. To provide a variety in age of students and variation within type of school the two largest high schools and elementary schools were analyzed and compared to the cumulative results of all the public schools in the Los Angeles Unified School District. Unfortunately the extensive and accessible data provided by the state only dates back until 2000. To give a more historically grounded educational profile the racial data from Hollywood High, the only data set available, will also be presented.

Fairfax SH	% Asian	% Filipino	% Hispanic	% White	% Black	English Learner %	% free meals
2000/2001	12.1	2.6	52.3	14.5	18.2	30.5	65.00%
2005/2006	13.4	2	56	9.9	18	23.9	75
2009/2010	18.8	1.7	52.6	7.2	18	18.3	77.1
Hollywood SH							
2000/2001	2	2.5	64.5	23.1	7.7	40.3	69
2005/2006	2.9	3	72.4	13.1	8.4	37.9	82.2
2009/2010	3.3	3	70.3	10.1	10.9	21.9	76
Alexandria Ave Elementary							
2000/2001	2	2.6	93.5	1.5	0.5	81.3	97
2005/2006	4.4	4.4	89.4	0.9	0.8	76.1	87.5
2009/2010	3.3	3.9	88.6	1.3	1.3	54.7	85.4
Grant Elementary							
2000/2001	2.3	2.1	69	23.6	2.2	78.3	94.4
2005/2006	3.1	2	70.8	18.9	5	64.7	89.9
2009/2010	4.4	2.3	70.2	17.7	3.8	49.5	90.5
Totals							
2000/2001	4.6	2.45	69.825	15.675	7.15	57.6	65.2625
2005/2006	5.95	2.85	72.15	10.7	8.05	50.65	83.65
2009/2010	7.45	2.725	70.425	9.075	8.5	36.1	82.25
LAUSD							
2000/2001	4.1	1.9	70.8	9.9	12.8	42.6	73.9

2005/2006	3.8	2.2	73.2	8.8	11.4	40.4	77.3
2009/2010	3.8	1.7	73.6	8.9	10.3	31.2	76.4

SCHOOL NAME	SCHOOL YEAR	% ASIAN	% FILIPINO	% BLAC K	% HISPANI C	% WHITE	TOTAL
HOLLYWOOD SH	2009-2010	7.28	0.00	10.90	70.86	9.97	1716
HOLLYWOOD SH	2008-2009	3.83	4.02	9.55	71.69	10.49	2116
HOLLYWOOD SH	2007-2008	3.64	3.61	7.29	75.10	9.87	3101
HOLLYWOOD SH	2006-2007	3.49	2.98	7.73	73.90	11.51	3119
HOLLYWOOD SH	2005-2006	2.92	2.98	8.43	72.35	13.09	3284
HOLLYWOOD SH	2004-2005	2.77	3.08	7.61	71.94	14.36	3182
HOLLYWOOD SH	2003-2004	2.71	3.12	7.33	70.43	16.28	3138
HOLLYWOOD SH	2002-2003	2.46	3.02	7.22	69.01	18.09	3046
HOLLYWOOD SH	2001-2002	2.42	2.52	7.03	67.33	20.48	3101
HOLLYWOOD SH	2000-2001	2.01	2.47	7.68	64.52	23.08	3033
HOLLYWOOD SH	1999-2000	2.05	2.15	8.91	63.03	23.43	2975
HOLLYWOOD SH	1998-1999	1.96	1.96	8.26	63.44	23.97	2954
HOLLYWOOD SH	1997-1998	2.11	2.44	7.22	63.07	24.83	3033
HOLLYWOOD SH	1996-1997	2.41	2.68	6.48	64.26	23.82	3027
HOLLYWOOD SH	1995-1996	2.32	2.43	6.25	62.47	25.94	2926
HOLLYWOOD SH	1994-1995	2.38	2.11	5.71	62.12	27.01	3028
HOLLYWOOD SH	1993-1994	2.51	2.00	5.41	59.80	30.03	2348
HOLLYWOOD SH	1992-1993	2.36	1.92	5.13	60.84	29.58	2454
HOLLYWOOD SH	1991-1992	3.01	2.33	5.26	58.09	31.07	2491

HOLLYWOOD SH	1990-1991	3.59	3.51	5.19	56.88	30.58	2449
HOLLYWOOD SH	1989-1990	4.42	3.83	5.11	54.95	31.46	2193
HOLLYWOOD SH	1988-1989	5.61	3.85	6.65	52.49	30.59	2105
HOLLYWOOD SH	1987-1988	6.16	3.67	8.68	52.14	28.11	2177
HOLLYWOOD SH	1986-1987	6.90	2.63	9.44	50.54	29.54	2319
HOLLYWOOD SH	1985-1986	8.16	2.84	9.36	47.69	31.20	2426
HOLLYWOOD SH	1984-1985	8.07	2.26	11.12	44.90	33.57	2392
HOLLYWOOD SH	1983-1984	7.93	2.90	10.41	42.75	35.71	2585
HOLLYWOOD SH	1982-1983	11.26	2.98	10.15	38.37	37.01	2718
HOLLYWOOD SH	1981-1982	12.34	3.17	9.09	33.91	40.62	2772
HOLLYWOOD SH	1980-1981	14.93	4.17	9.44	28.92	42.28	2351

The data presented above is not a complete education profile of Hollywood, and should not be viewed as such. It is presented here to give a divergent perspective on race and income from the census data. A key educational factor in measuring gentrification and displacement is the examination of elementary school enrollment.

School	Enrollment by Year	
	2000/2001	2009/2010
Grant Elementary	1,459	729
Alexandria Elementary	1,718	889
Cahuenga Elementary	1,299	988
Dayton Heights Elementary	1,173	498

Third Street Elementary	801	715
Ramona Elementary	1,316	669
LAUSD Elementary Totals	721,346	671,088
% Change in LAUSD	93.03%	
% Change in Hollywood	57.79%	

A steep drop off of in the number of elementary school students is a clear indicator that larger families are being pushed from the neighborhood and being replaced by those with no, or fewer, children. The transition from a family-based neighborhood to a neighborhood filled with younger professionals is a common sign of gentrification, and are indicative of displacement (Cleeland, 2006). These schools are six of the largest elementary schools in Hollywood and provide an accurate representation of the elementary school population in the area.

The large piece missing from the data presented thus far is an evaluation of land and housing costs. The data presented below is an analysis done by the CRA of property tax revenue in the Central Hollywood Redevelopment area, an area which closely mirrors the area documented by the census data. Property tax is based upon the value of land, and improvements to that land (e.g. buildings). Property tax is speculative and often, but not necessarily, represents the market value of the land or the rental and housing costs associated with it . It also serves as a good measure of investment in the area as increased property taxes are often indicative of both increased housing prices and the addition of large-scale improvements to the land.

Property Tax Revenue in Hollywood

Year	Fiscal Amount	Change From Prior Year	
Inception to 1991	14,246,055		
1992	7,027,237		
1993	8,279,206	18%	
1994	9,164,375	11%	Northridge Earthquake
1995	7,877,342	-14%	Sinkhole
1996	5,378,724	-32%	
1997	5,271,434	-2%	
1998	6,183,568	17%	
1999	6,353,196	3%	Metro Hollywood/Vine
2000	6,712,893	6%	
2001	7,143,624	6%	Metro Hollywood/Highland
2002	7,648,684	7%	
2003	15,866,891	107%	
2004	14,385,891	-9%	
2005	10,871,071	-24%	
2006	15,347,387	41%	
2007	30,058,470	96%	
2008	34,293,061	14%	
2009	43,519,135	27%	
2010	44,831,845	3%	
2011	38,480,000	-14%	(projection)
2012	35,397,000	-8%	(projection)

Change from 2000-2010 = 568%

“Sinkhole” references the accidental collapse of a portion of the subway tunnel, during the construction of the Metro Red Line, discussed earlier in the paper. This cave-in delayed construction and blocked off Hollywood Boulevard disrupting businesses and playing a large role in the decrease in property tax revenue from 1995-1997 (Hisserich, 2011). Metro

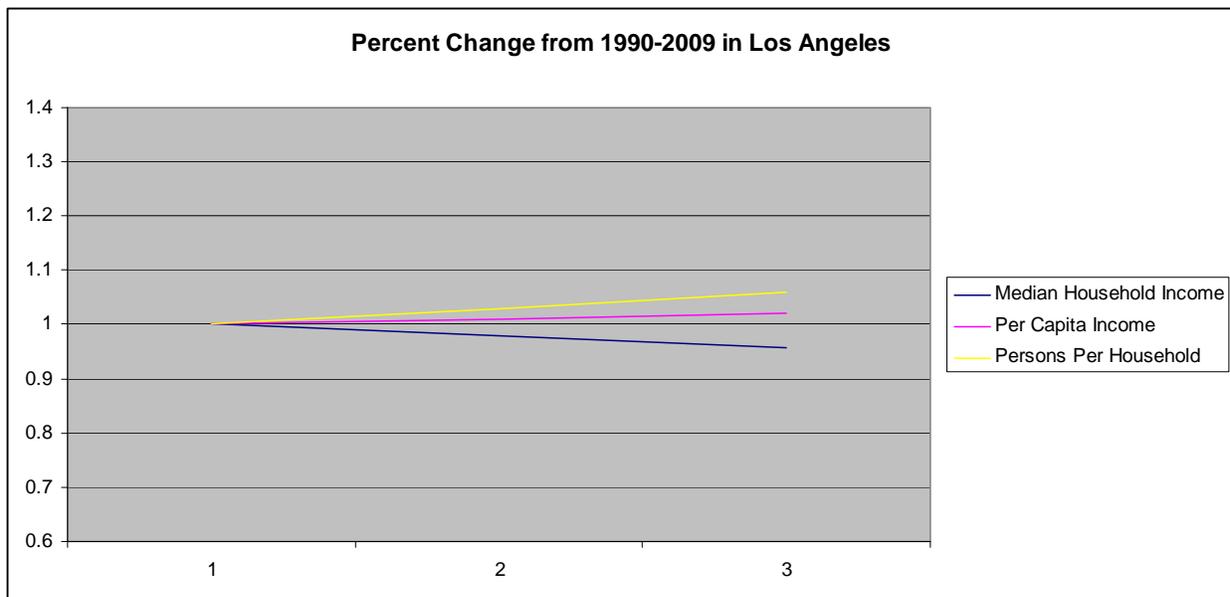
Hollywood/Vine and Metro Hollywood/Highland refer to the opening of the respective Metro stations in Hollywood.

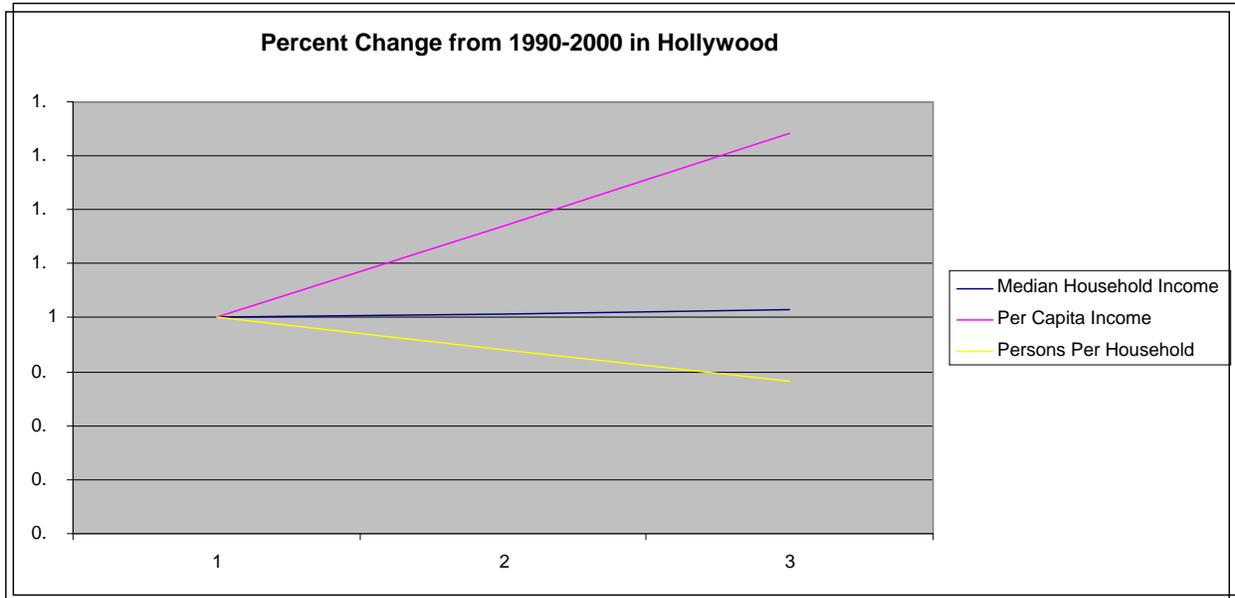
Statistical Analysis:

The two largest factors in a gentrifying neighborhood which are indicative of displacement are a high percentage of renters and a rapid and substantial increase in rents (Pollack, Bluestone, Billingham 2010, 17). In the census tracts studied 96% of households are renters, compared to only 61% of households in Los Angeles and 33% of the households in the United States (American Community Survey 2009). If percent of rental households is applied to percent of population who rent it presents a slightly skewed picture as rental households generally house fewer people than owner-occupied units. That being said Central Hollywood has an astronomically high percentage of renters. The “Central Hollywood Now” study found that median household income in Hollywood is \$27,500 a year; \$2,291 a month. The average price of rent for a 2 bed, 1 bath is \$1,017 a month in Hollywood (Hollywood Community Studio, 2009). In order for a household to not become rent-burdened they cannot spend more than 30 percent of their income on rent; \$688 a month. This leaves a \$330 gap between the median household income and the median unburdened rent. When unaffordable housing costs and a high percentage of renters are combined it creates a neighborhood which is ripe for displacement.

My research found that median household income in Hollywood remained relatively constant, when adjusted for inflation; from 1990-2009 it only rose 1.4%. By comparison the median household income, adjusted for inflation, fell 4.2% between these same dates in Los Angeles. This minor increase over the regional average is not particularly telling in and

of itself. However, the process by which the median household remained relatively similar is of significance. From 1990-2009 the household size fell from 2.6 to 2.3 in Hollywood while growing from 2.8 to 2.9 in Los Angeles. During the same time the per capita income in Hollywood, adjusted, rose from \$14,162 to \$19,105 a 34% increase. During this same time in Los Angeles adjusted per capita income rose from \$26,548 to \$27,020, a 2% increase. Although Median household incomes are remaining constant how that income is being made has shifted. This information tells us that in Hollywood larger families with multiple wage earners are being replaced with smaller families earning higher incomes. This shows that household size is shrinking and residents of Hollywood are becoming wealthier. The following chart shows the percent changes from 1990-2009 of these 3 factors in LA and Hollywood:





The Los Angeles chart is what you would expect to see with a relatively consistent median household income tied to consistent per capita incomes and persons per household. In Hollywood two divergent figures create a relatively stable change in median household income as they balance one another out. It is clear that if only the median household income, the product of these two numbers, is looked at it fails to illustrate an important story of neighborhood change.

Shifts in family size and household type can also be evaluated through looking at educational data. A reduction in the number of students enrolled in elementary schools is a clear indicator of a neighborhood shifting away from housing families. From 2000 to 2010 the six largest elementary schools in Hollywood saw a decrease in enrollment of 3,738 students, a 42% decline. By comparison, in the Los Angeles Unified School District elementary schools saw a decrease in enrollment of only 7%. The disparity between these two numbers is mildly enhanced by a slight decrease in the population of Hollywood between 2000-2009, 6%, and a minor increase in the population of Los Angeles, 2%, over

the same period. This only accounts for a minimal portion of the change and does not change the significance of the findings. This supports the census data in stating that Hollywood, when compared to Los Angeles, has seen an increase in the number of younger, higher earning people and a decrease in lower wage earning families

A modification of McKinnish, Walsh & White's measure of gentrification, the average income in the bottom quartile of neighborhoods, this study measured the change in percentage of population below the poverty line. The goal of both of these measurements was to note not just the change in the neighborhood characteristics as a whole but notice the shift in the number of people who are quite poor in the neighborhood. From 1990-2009 there was a 15 percent decrease in the number of people below the poverty line in Hollywood compared to a 1.4 percent increase in Los Angeles. This is primarily representative of 1 or 2 things: that the lower-income people in the neighborhood benefited from increased access to education, housing, social services etc. and were able to raise themselves out of poverty, or that the poorest in the neighborhood were no longer able to afford increasing living costs in the neighborhood and were displaced.

This measure is further substantiated if the change in the distribution of income is examined. As the center for transit oriented development found median incomes can remain relatively constant while a polarization of income is occurring, shown by a decrease in incomes in mid range incomes and an increase in high and low incomes (Gehrke 2010, 55). In Hollywood there was a minor increase in the number of very lower income residents but a large decrease in the number of low income residents, an increase in moderate income residents, and a very large increase in high income residents as is shown below:

1990	2009
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Income	# of Residents	% of Residents	Income	# of Residents	% of Residents
>24,500	10106	43.91%	>25,000	10339	44.30%
24,500-41,000	5787	25.14%	25,000-40,000	4482	19.21%
41,000-74,800	5018	21.80%	40,000-75,000	5649	24.21%
74,800-98,400	1205	5.24%	75,000-100,000	1335	5.72%
<98,400	901	3.91%	<100,000	1531	6.56%

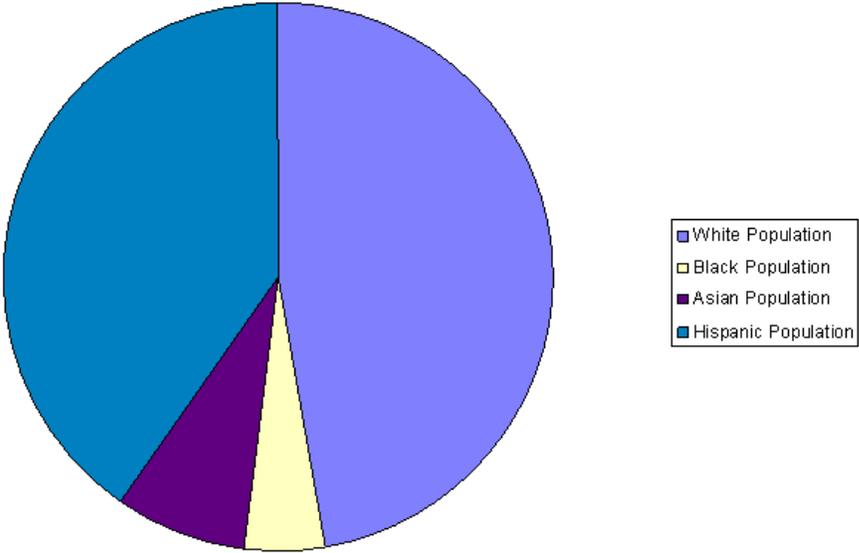
²(Census 1990, American Community Survey 2005-2009)

While there was not a direct polarization in Hollywood there was a shift with low income residents being replaced by those with high and moderate incomes.

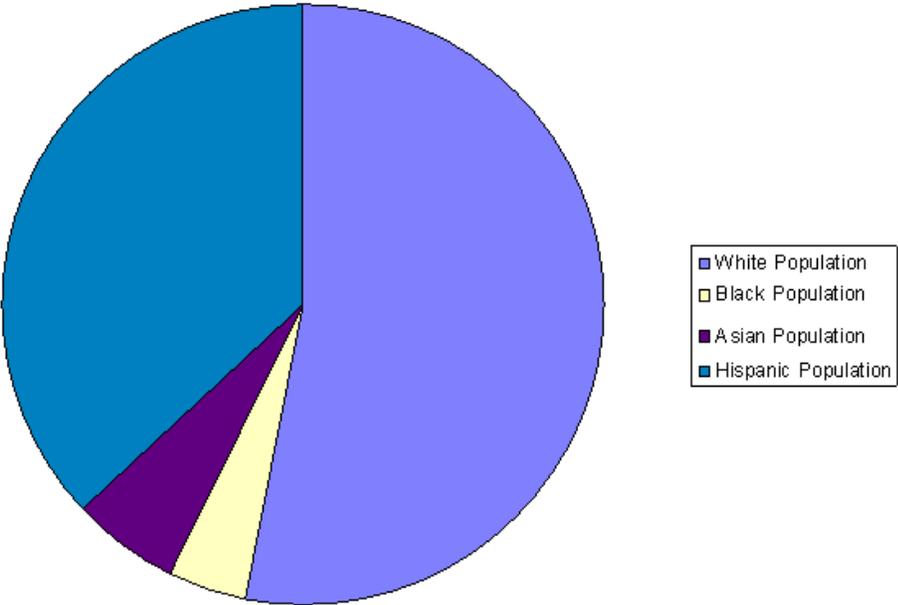
This study supports the findings, presented by the Dukakis Center, that gentrification does not necessarily represent a change in race. Both census and educational data show that there was a decrease in population in Hollywood. More interestingly, they also show that from 1990-2009 the racial makeup of Hollywood has shifted with the largest relative increase in the Hispanic population, in addition to a minor increase in the Asian population. During this same time there was a decrease in the white population as illustrated below:

² The slight differentiation between the 1990 and 2009 incomes is the result of adjustment for inflation. The data accessed was only available in increments of \$2,500-\$5,000 and numbers presented represent the closest fit possible to the 2005-2009 data set.

Hollywood 1990



Hollywood 2009



The common perception of gentrification revolves around wealthy whites moving into poor

minority communities but this is often not what the contemporary face of gentrification looks like. Gentrification which does not reflect a massive influx of Caucasians is not any less of a social concern. It still presents the same potential for displacement and economic homogeneity, with the consequences it brings, as a racially charged gentrification. To further understand the racial shifts in Hollywood and their implications income by race was also examined.

This inquiry showed that in 1990 African Americans had the highest incomes followed by Asians, Caucasians, then Hispanics. By 2009 this had shifted when, adjusted for inflation, there was a large increase in the income of White and Asian populations, and Hispanics to a lesser extent, and a decrease in adjusted African-American per capita income. In 2009 Asians enjoyed the largest per capita income, followed by Caucasians, then African-Americans with Hispanics maintaining the lowest incomes. During this same time, per capita incomes in Los Angeles remained relatively consistent with Caucasians earning the largest amount followed by Asians, Blacks, then Hispanics. The table below details these changes

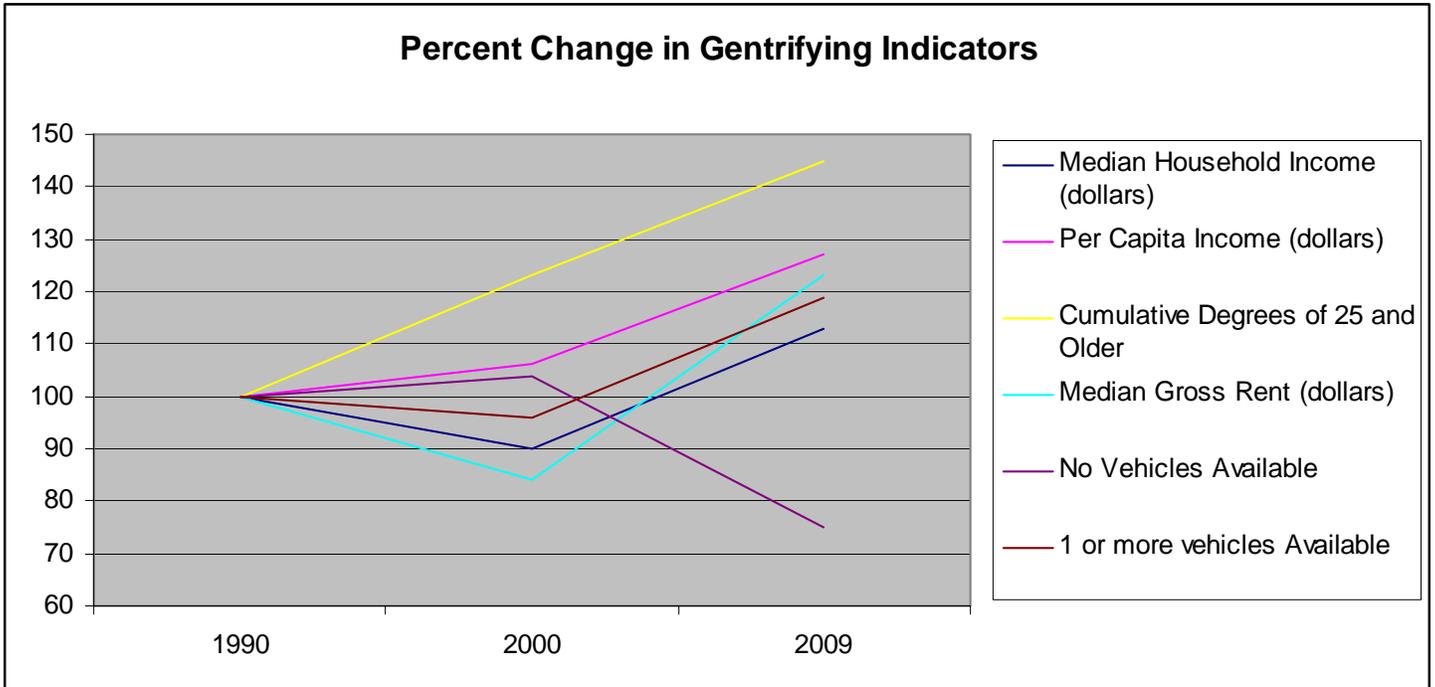
Per Capita Income by Race in Hollywood and Los Angeles

		White	Black	Asian	Hispanic
Hollywood	1990 (dollars)	14667.5	20220.0 5	16017.3 9	9874.11 2
	2009 (dollars)	21794.8 3	17982.3 3	23884.5	13374.5 8
	% Change	1.32701 9	0.87556	1.32938 1	1.26172 6
LA					
	1990 (dollars)	36393.2 4	18461.4 8	22755	11662.0 4
	2009 (dollars)	35255	22501	28869	13775

	% Change	0.96872 4	1.17952 6	1.21178 4	1.15339 1
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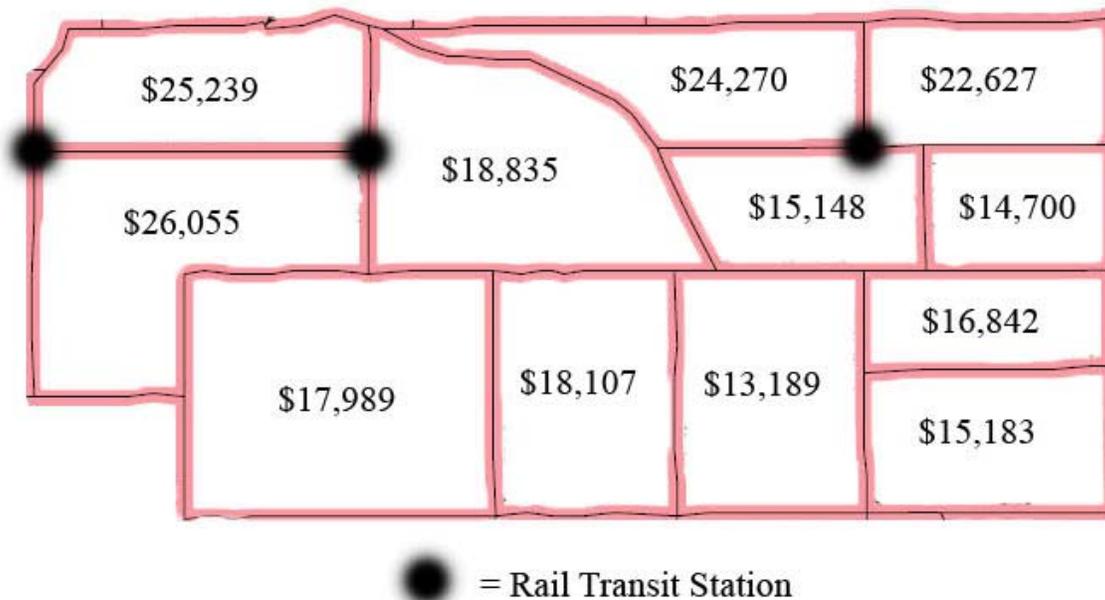
The disproportionately large increase in incomes in White and Asian populations helps to explain the presence of gentrification without a net increase in races with statistically higher earning potential. It suggests that gentrification occurred within racial groups, instead of across racial groups, as the racial composition of the neighborhood remained relatively constant.

In addition to measuring gentrification, it is important to note where within the project areas those shifts are taking place. When looking at shifts from 1990-2009 it is important to note when these changes occurred. Most of the indicators which denote wealth, education, or other traits associated with gentrification shifted dramatically after 2000 (when the initial transit stops came into Hollywood). This chart shows a change in that period for a number of indicators. It shows percent change from 1990-2000 and from 2000-2009. It is clear that all of the indicators presented shift, in ways which are conducive to gentrification, much more quickly after 2000 than before it.



This visual aid helps us to see that in the indicators shown, all of which have been used as indicators for gentrification, there is much more rapid change in from 2000-2009 than there was from 1990-2000. This tells us that gentrification in Hollywood was much more pronounced from 2000-2009 than it was from 1990-2000. In 2000 the Red Line opened in Hollywood, which served as a catalyst for development and gentrification. These statistics support the claim that transit is a cause for gentrification. This claim is further supported if one examines the break up of incomes on a census tract level in relation to the location of transit stops:

Per Capita Income in 2009 by Census Tract



This graphic clearly shows that the highest incomes are concentrated around transit, and the development they helped spawn. This furthers the claim that proximity to transit is a desirable housing characteristic and that it attracts more wealthy residents. Through this same assumption it can be concluded that a transit investment will attract higher income residents making the area less affordable.

It is impossible to make definitive statements about displacement without a much more extensive study tracking individual residents, but nevertheless this study suggests that displacement has occurred in Hollywood and has had a more pronounced effect around and since the Red Line. The diminishing number of white residents in Hollywood leads to the additional conclusion that displacement in Hollywood is happening within racial groups, as newer wealthier residents often replace poorer members of their own community. Based upon the rapid increase in per capita income around transit in central Hollywood and

conversations with displaced Hollywood residents, it can be hypothesized that there has been some displacement within Hollywood. This would happen as poorer residents have been forced to relocate from the core of Hollywood to its periphery. Hollywood has embodied many of the key indicators which lead to gentrification and displacement, and has changed extensively over the last 20 years. These shifts have wide-reaching implications which will be examined in the following chapter.

VIII | **Why Displacement Matters and How Affordable Housing Can Prevent It**

This study focused on Hollywood, but it is representative of a much larger problem in Los Angeles and throughout the United States. Most working class neighborhoods around Hollywood are feeling similar pressures of gentrification as affordable places to live are growing more scarce. For instance, the once affordable neighborhoods of Echo Park, Los Feliz, Koreatown, and Silver Lake, which surround Hollywood, are involved in their own struggles with gentrification (DeVerteuil 2010, 5). As whole regions become unaffordable the severity of gentrification greatly increases. No longer does displacement mean that a resident has to move to a proximate neighborhood. Many of the residents displaced from Hollywood were unable to afford to remain in Los Angeles (Romero, 2011). Gentrification is no longer a geographically isolated incident, and the lessons learned from Hollywood should be looked at with a regional focus.

When working class citizens are pushed out of a neighborhood it creates a spatial disparity between jobs and housing. Nearly all urban areas have a demand for low wage workers in service industries like retail, janitorial, and dining. When gentrification and

displacement occur the demand for these kinds of jobs rises as wealthier residents have more discretionary money to spend. Simultaneously, the lower income residents of the neighborhood are being pushed out, destroying the proximate work force needed to fill the positions.

Displacement has a negative influence on the economies of neighborhoods it affects. A bad job-housing fit leads to a shortage of low income workers. This lack of supply forces employers to pay higher wages, and increases the operating costs of their businesses (Atkins 2000). A dismantled job housing fit also has obvious consequences for those who were displaced.

Displaced residents face higher transportation costs. Residents who keep their jobs in their previous places of employment will presumably have to commute further to get there. This presents increased costs in terms of time, and, if they are commuting by car, also increased expenses in terms of gas and maintenance. Inversely, the reduced transportation burden from living in affordable TOD, even at 80-120% AMI (\$66,250-\$75,600 for a family of 4 in Los Angeles), allows residents to afford higher rents and remain in their housing (Department of Regional Planning Housing Section, 2010). Displaced residents longer commutes also increase the number of vehicle miles traveled.

In addition to providing an efficient transportation system, reduced vehicle miles traveled is a major goal of the transit systems in Los Angeles (Rutten 2009, 1). Reduced vehicle miles are obtained through transit when ridership increases. Gentrification and/or displacement around transit reduces transit ridership(Quingley 2010, 4). As wealthier people move into a neighborhood they bring their cars with them and displace poorer residents with fewer or no vehicles (Pollack, Bluestone, Billingham 2010, 22). This was evident in Hollywood where from 1990-2009 there was a 22% reduction in the number of

households without access to a vehicle and a 15% increase in households with access to a vehicle. This has huge effects on ridership. Households with no cars are 14 times more likely to use transit than households with three or more cars (Cervero 2007). Out of 42 transit areas studied by the Dukakis Center they found that 40% of station areas experienced a decrease, relative to the metropolitan statistical area, in public transit use for commuting. They concluded that this shift was primarily the result of the replacement of transit-dependent people with car owners (Pollack, Bluestone, Billingham 2010, 24).

Access to transit and a reduction in vehicle miles traveled has a major impact on a multitude of issues. Households residing within a 1/4 mile of transit generate 25% less CO₂ emissions in their travel than other residents. Households account for 75% of travel emissions, which account for 28% percent of the emissions in the United States. These numbers suggest that were America to be transit-oriented it would reduce its total greenhouse emissions by at least 6.3% (Schwartz 2010, 3). This shows the already large impact of transit on the emissions of the United States, which could be much higher if lower income residents were able to remain proximate to transit. In addition to greenhouse gas emissions and the multitude of health, environmental, and justice issues which come along with it, vehicle miles also correlate with congestion and traffic. Congestion is a major concern for most in Los Angeles; in the Central Hollywood Now survey residents listed their four largest concerns as traffic, access to parking, cost of living, and affordable housing. (The creation of affordable housing around transit would directly resolve all of these issues.) In addition to impacting the quality of life, traffic hinders a city's economic viability, slowing down the speed at which business can operate (Vasirani 2009, 619).

As Sorroco Callejas's story explains, and the numbers presented previously help to prove, displacement breaks up communities and families, changing neighborhood

characteristics. Newcomers usually do not integrate into the same social and political networks that former community members were a part of. A loss of community cohesion also tears apart an extensive web of informal support networks. A large portion of Gans' groundbreaking study was spent detailing the benefits and services provided by a strong community (Gans 1962, 15). It has been shown that a loss of these support networks lead to increased drop out rates and diminished economic performance within the community. Further, fragmented community groups are less politically engaged, becoming more inadequately equipped to combat the displacement affecting them.

Displaced residents also suffer from a lack of access to higher paying jobs available in many wealthier areas. As they are displaced they also are unable to cash in on many place-based governmental programs aimed to increase employment amongst the urban poor, like local hire agreements.

When residents are displaced from wealthier neighborhoods they can often lose access to businesses which are not available in less wealthy, red lined areas. For instance many low income areas will have a large number of pay day loan centers instead of banks, corner and fast food stores instead of grocery stores, walk-in clinics instead of hospitals, worse schools, and higher crime rates. This shift increases the already rising cost burden on displaced residents, adds to health risks, and promotes cyclical poverty for displaced residents (Bolen 2003, 2). These hidden cost factors of displacement need to be taken into account when evaluating the effects of displacement, and creating the tools to combat it.

Displacement has a multitude of negative effects, but the worst result of them is homelessness. Los Angeles has a staggeringly large homeless population of 48,000, the highest in the country (Nagourney 2010, 1). Although there are many organizations doing admirable work around the issue of homelessness, the population is too large to adequately

provide for. Providing housing for the homeless is incredibly important and needs expansion to help address the homeless crisis in LA. It should also be kept in mind that housing for and very low-income (For a family of 4 \$41,400) and extremely low residents (For a family of 4 \$24,850), in addition to its other benefits, acts as a proactive measure against homelessness (Department of Regional Planning Housing Section, 2010). As many studies have shown, the ability of the homeless to obtain jobs, support themselves etc. is experientially more difficult when they are on the street and not in a home (Susser 1997, 153). This paper argues that effectively combating homelessness in LA requires a two pronged housing approach providing both housing reserved for homeless populations in addition to increased very-low-income housing to ensure that people do not slip into the cyclical pattern of homelessness because of displacement.

Antithesis

Developers, homeowners and other opponents present two main arguments in opposition to affordable housing: It reduces home values in the area, acting as a poverty magnet, and imposing restrictions on developers, in order to make affordable housing, makes developments infeasible. Developers claim affordable housing raises housing costs, damages the housing market, and diminishes the benefits of owning a home, all while making housing less affordable (Tombari n.d.). These conclusions are reached through a simple economic process: regulating development in order to produce affordable housing makes development less profitable which disincentivizes construction of new housing; when profits in constructing new homes decrease so will the number of units built, which will constrain the market supply, and as supply of an inelastic good decreases demand and price increase. It is further argued that the reduction in housing construction will also

stagnate the economy, decrease employment, and reduce the number of people who can afford housing.

Developers also make the case that they are forced to cover the cost of a problem that cannot be conclusively linked to their actions. They argue that the process of gentrification is, as we have seen in this paper, an incredibly complex issue and cannot be attributed to a single factor. Due to the inability to isolate individual causes for displacement they should not be responsible for shouldering so much of the weight to solve it.

The beauty and downfall of the developers' argument on affordable housing increasing housing costs is its simplicity. Its simplicity makes it easily accessible and widely applicable but it fails to take into account critical market forces. For instance, in San Francisco there has been a mandatory inclusionary zoning policy on the books since 1992, which was made more extensive in both 2002 and 2006. Throughout this entire time period San Francisco has experienced steadily increasing construction of new housing units (Petro 2009, 17). San Francisco is one of many cities that has experienced increased growth of its housing market after enacting inclusionary zoning or other housing policies which regulate housing development.

Even if there were a direct correlation between regulating development and a decrease in development through effective place-based policy implementation, it could be easily avoided. The opposition's arguments against affordable housing construction are based around a static comparison of options. They operate under the assumption that if regulation on the construction of housing is imposed in one area it will be comparatively less profitable to build there so developers will invest in other areas producing the same before-regulation value, thereby increasing their profits elsewhere. This is a flawed assumption that presents different geographic areas as flat in terms of potential return on

investment for development. This assumption does not hold true for Los Angeles.

Los Angeles is in the midst of a massive investment, reflective of demand, in transit and transit-oriented development. An article published by the Brookings Institute identifies the projected increase in demand for walkable transit-oriented housing by noting that baby boomers will become empty nesters, and no longer have a need for large suburban homes. The younger millennials (born between 1977-94) will not be filling the sprawling houses left in the suburbs. 77% of millennials plan to live in the urban core. In 2012 the largest group of millennials will turn 22 while the first wave of baby boomers will turn 65. Both of these groups will converge on the urban core looking for walkable, vibrant, transit-oriented communities: “from 2013-2018 there will be more aspiring first-time home buyers in the American marketplace than ever before.” (Leinburger 2010, 3)

Los Angeles has recognized this demand and is extensively expanding its transit system. The 30/10 plan is an extension of Measure R (passed in 2008) that plans to build 12 new metro projects, increasing ridership in LA by a projected 77 million rides annually in 10 years instead of 30. In addition to Measure R California has also passed SB 375, a bill which joins land use and transportation through the requirement that Regional Transportation Plans include a Sustainable Community Strategy. This will lead to increased coordination and align transit and housing (Urban Land Institute 2010, 2). In a presentation to SCANPH Alan Bell, the Deputy Planner of Los Angeles, asserted that Los Angeles plans to enact policies that will drive 80% of new development to areas around transit (Bell 2011). Furthering this trend, findings presented by Arthur C. Nelson show that current and planned TOD areas, if developed appropriately, have the capacity to absorb all residential developments until 2035. Were that to happen, by 2035 a third or more of the demand for TOD would still not be met (Nelson 2011). The infrastructure which will be created with

Measure R and SB 375 working in conjunction with a massive increase in market demand will make transit-oriented development an incredibly desirable place to live as transit in LA becomes more effective, driving costs rise, and housing preference changes. This massive increase in demand for TOD could be either incredibly problematic or hugely beneficial for affordable housing.

It is clear that in Los Angeles there is and will be a very large demand for TOD, greatly increasing the possibility of profit for developers building in transit areas. To capitalize on the huge demand for TOD, extensive affordable housing regulations, with appropriate developer concessions (primarily density, parking reductions, increase in height restrictions, floor area ratio, and streamlined approval), should be put into all areas near transit. While regulations would make development in TOD areas slightly less attractive than development in TOD areas without any regulations, the excessive demand and increased building envelopes would create extensive leverage for affordable housing in transit areas. Even TOD areas with regulations and some government stipulations will be more profitable investments than larger lot, less dense, removed from urban core development with lengthy approval processes and minimal governmental incentives. It is undeniable that fees and mandates cut into developers' profits but, if done properly by zoning in areas experiencing a rapid increase in value, then regulation of development in order to create affordable housing will not disincentive development, constrain supply, or make market-rate housing less affordable.

How these sorts of policies are implemented and their scale will require extensive study, and is outside the scope of this paper. Maximizing ridership in these developments will present a difficult balancing act. As we know, having low-income residents in TOD maximizes the ridership/population ratio. However, if too much regulation is put into TOD

areas in efforts to create affordable housing it could outweigh the extensive demand and reduce the development around transit, leading to fewer potential transit riders. What form these “regulations” of development take, and other policy-based strategies for increasing affordable housing in Los Angeles, will be addressed next.

IX | **Policy Recommendations**

Although other factors do contribute, the one concrete and universally agreed upon method of stopping displacement is through increasing the supply of affordable housing (through new construction and the preservation of existing housing). The following policy recommendations will be focused on creating affordable housing in Los Angeles, although the principals suggested should be applied to other cities as well. As we have seen through Measure R and SB 375, future development in Los Angeles will be centered around transit. This transit-oriented development represents both the biggest risk and the largest opportunity for affordable housing in the recent history of Los Angeles. Hollywood has shown us that transit has the potential of creating displacement, serving as a catalyst for development and gentrification, but it also has the ability to greatly increase how desirable, livable, and sustainable a neighborhood can be. Transit should serve as an incredibly effective tool to leverage affordable housing in transit areas, forcing governmental investment to perform its intended function of serving those in need. Transit can do this because it represents a government investment which developers and landlords are profiting from, giving a needed nexus to create affordable housing. If a critical number of these policy recommendations were put into practice, Los Angeles could become a

revolutionary example, expanding its transit system, economic diversity, and sustainability. Through the following measures transit and affordable housing can become the integrated policies they ought to be.

1. Ensure that Federally-Assisted Affordable Housing Units are Renewed in Transit Areas

As we saw in Hollywood the destruction of rent-controlled, and federally-assisted, units can go largely unnoticed but have a drastic effect on the affordability of a neighborhood. Renewing expiring affordable housing covenants is much cheaper than constructing new affordable housing, especially in neighborhoods which have seen their property values increase drastically since the units were constructed (Quigley 2011, 16). Due to the reduced price/unit of restoring assisted housing, in contrast to construction, Los Angeles should ensure that it is a priority to renew all of the 25,000 units which are set to expire in 2014, and continue this commitment to preserving already existing affordable housing (Gehrke 2010, 51). If the budget does not permit, and more funds cannot be produced, units within 1/2 mile of a rail station should be renewed first, followed by units in areas with planned stations, because they represent units that, among other positive factors, increase: transit ridership, affordability, and the job housing balance.

2. Increase Parking Prices in TOD Areas

Free or low-cost parking does not reflect the true cost of driving, or providing parking. When businesses or organizations provide free parking they absorb the cost into their goods and services; those who use vehicles and those who do not share equally in the

costs of driving (Schoup 1997, 5). This perpetuates economic inequality within Los Angeles and forces the poorer community members to support the habits of the wealthy.

2.5 Use the Money Generated from Parking Revenues to Build Affordable Housing

Without the large body of research which has become available recently this sort of policy tool would be disallowed by the Nollan v. Coastal Commission decision. The Nolan decision puts limits on impact fees and exactions:

It does, however, require that government establish the existence of a "nexus" or link between the exaction and the state interest being advanced by that exaction. Once the adverse impacts of a project have been quantified, the local government must then document the relationship between the project and the need for the conditions which mitigate those impacts. (LA Planning Department, 2007)

In short, if the government imposes a fee on a project the revenue from that fee must go to counteracting a negative externality of the project. Before the proposal for a parking fee nexus is presented it must be acknowledged that there are other excellent nexus studies currently being used in Los Angeles. One of these studies connects the effects of market rate housing, commercial and industrial development, with the jobs they create. The kind of employment created is low paying, while the housing generated is generally expensive. This creates a clear disparity between the price of new housing and income levels of people in the area. The nexus seeks to close the gap between jobs and housing through a affordable housing benefit fee (Payne 2011). This nexus is well conceived, and the following proposals are meant to be used in conjunction with this and other nexuses if it would help to bolster the political will supporting them.

The nexus to impose a fee on parking, in the form of increased parking rates, to fund affordable housing within 1/2 mile of transit is as follows: The negative externality of the low-

cost parking is reduced transit ridership. Parking located near transit encourages automobile use by those living in the area, and by those coming into the area, which in turn reduces transit ridership. This nexus provides two ways in which to mitigate the adverse impacts of parking availability near transit-oriented development. First, if a fee is imposed upon parking it would increase the cost of driving, make the use of public transportation, by comparison, more affordable and so increase transit ridership, offsetting the negative externality. Second, using the fee to create low-income housing would further offset the negative externality of low-cost parking. Wealthier residents of a neighborhood are more likely to own cars, while poorer residents are less likely to own cars. Those who do not own cars are more likely to ride transit. Through the creation of affordable housing near transit you increase ridership by making transit accessible to those who are most in need of the transit, least likely to be able to drive to it, and least likely to be able to afford higher parking rates. Wealthier car owners would still have access to transit by reason of being able to drive to it even if they live at a distance and pay the parking costs of adjacent parking.

3. Refocus Efforts Towards Mandatory Inclusionary Zoning in Los Angeles

Inclusionary zoning exists in 170 cities in California and 17 cities in Orange and Los Angeles Counties but has yet to be adopted in Los Angeles. LA is a city which fully embodies the three main indicators which lead to IZ: expensive coastal neighborhoods, areas with a high percentage of renters, and areas with pervasive economic segregation. Despite this, attempts at creating city- or even neighborhood-wide blanket inclusionary zoning policies have proved ineffective (Knapp, Bento, Lowe 2008, 8). Mixed income housing ordinances in Los Angeles are often met with strong resistance. This assertion is evidenced by the closely lost push for Inclusionary Zoning in 2004 spearheaded by council

members Eric Garcetti and Ed Reyes, in addition to both of the rulings on Palmer/Sixth Street Properties v. The City of Los Angeles. While LA faces some setbacks around the implementation of inclusionary zoning, the fight to amend Costa-Hawkins should be given serious attention in addition to pursuing alternative methods of creating affordable housing if the ruling remains in its current form.

There are efforts being made to make amendments to the Costa-Hawkins ruling which would clarify the language. The primary legislation working towards this is SB 184 which seeks to show that Costa-Hawkins should not apply to Inclusionary Zoning thereby removing the legal precedent preventing mixed income housing ordinances (League of California Cities, 2011). These efforts should be fully supported, but not relied upon entirely. Until SB 184 or a similar bill is passed ways to work around the Palmer Decision need to be sought out.

The Palmer decision prevents mixed income housing from being applied to rental units which do not receive governmental assistance on the grounds that it would violate California's Costa-Hawkins ruling:

Notwithstanding any other provision of law, an owner of residential real property may establish the initial rental rate for a dwelling or unit, except where any of the following applies: ...The owner has otherwise agreed by contract with a public entity in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.

In order to get mixed-income developments approved under the Palmer decision, owners have to agree to accept governmental incentives, like an increased housing envelope, for their project. This ruling could be accommodated by applying mandatory mixed-income housing exclusively to rental and for-sale units in transit areas. This could be done through an interpretation of public financial support to include the value added to developments by

the presence of a transit station (a governmental expenditure). In order to develop or remodel housing within the designated transit area, property owners would have to agree by contract that they are receiving assistance in the form of enhanced services that have an impact on the value of their property. In order for this policy suggestion to be implemented a detailed nexus study would have to be conducted conclusively linking the presence of transit with an increase in property values in Los Angeles.

An MIZ policy in transit areas would be of immeasurable importance in preserving equity in Los Angeles. The percentage of units which would be affordable and the targeted income of the IZ would also require individuated study, but based upon the findings presented earlier it seems a high percentage of units and low income group could be proposed.

4. Stricter Affordable Housing Mandates in CRA development Areas

Like transit, the CRA creates “hot” housing markets, in addition to an increased building envelope, in which developers stand to make increased profits compared to investments in other areas. For this reason in these areas more affordable housing can be mandated without pushing development away. The CRA has an obligation to spend 20% of its budget on affordable housing but more could be done to diminish the effects of displacement in CRA areas. The CRA should mandate a higher level of required level of affordable units throughout its entire project area. Further, it should be a made a priority to make sure that developers and landlords adhere to the affordable requirements.

5. Encourage Housing in TOD Areas to Unlink Housing and Parking Rates

To encourage increased transit use and to make housing in TOD areas more affordable, parking costs should not be bundled and imposed equally on all units. Developments should be encouraged to have separate rental or sale rates for units with and without parking spaces, and a decreased parking availability requirement. With parking spaces costing around \$25,000 a piece, 8.2% of the standard \$300,000 cost of developing an apartment, the unpackaging of these costs could lead to worthwhile savings for those without cars (Ling 2011). This can be done through changing the structure of parking requirements. If parking price was included in the cost of a rental unit it would also provide a financial disincentive for car ownership and driving and increase ridership in the area.

6. Reward Owners who Accept Section 8 Vouchers in TOD Areas

Lower income residents are more likely to use transit. If incentives are provided to developers to offset the perceived added “costs” of housing section 8 voucher holders, it could result in a dramatic increase in the number of lower income people living near transit. As we have discussed earlier, this can have a wide array of positive effects.

7. Set Aside Property Acquisition Funds for the Preemptive Purchasing of Future TOD Areas

This policy recommendation is presented last, and carries the least weight, because it is the only recommendation, aside from the renewal of federally assisted units, which requires governmental expenditures. This report recognizes that California and Los Angeles are both massively in debt and need to find ways to enact progressive policy without spending money. With that being said, while this policy would require a monetary

investment, that same investment could be leveraged to pay back some of its cost in addition to saving the state and local governments large amounts of money in the long run.

Earlier in this paper data provided by the CRA showed us that property values in Hollywood increased by 568% from 2000-2010. It can be reasonably assumed based upon the other findings presented in this paper that much of the increase was because of the opening of transit in the area, or development which was sparked by the transit investment. By the time the CRA and other government agencies realized how drastically Hollywood was changing, they were already priced out of creating adequate affordable housing. Had they had the funds and foresight to see that land in Hollywood would increase tremendously in value through the preemptive purchasing of property they would have been able to produce a much more substantive amount of affordable housing. Further, they could have used their limited funds to buy land and then, after an increase in property value, sold some of the land to 100% affordable housing developers, or for profit developers who agree to build a very high percent of affordable units in their project. This would achieve the goal of increasing the affordable housing stock as well as recouping the governmental investment in the land.

Setting a Standard of Inclusionary Zoning in Hollywood

Hollywood has 23,336 households. If they wish are going to be able to afford the average rent of 2 bed 1 bath apartment (\$1,017) they are going to have to make just over \$40,000/year (Hollywood Community Studio, 2009). In Hollywood 14,821 (65%) households make less than \$40,000/year, (American Fact Finder 2005-2009). With such a large percentage of the population unable to meet the standard of housing it will be crucial to set

a high standard of MIZ.

X | Conclusion

Hollywood was able to harness its expanding housing market, and use it to create a decent number of new affordable homes. This success was widely applauded, and Hollywood is seen as an area in Los Angeles which is aggressively pursuing the creation of affordable housing. What often goes unseen is that a comparable number of units were lost due to the destruction of rent controlled units and expiring affordable housing covenants. Hollywood quickly became gentrified, and without the appropriate supply of affordable housing many were displaced. Much of the displacement could have been avoided if preemptive action would have been taken to creating affordable housing before rising home costs made it economically infeasible to do so. Further, had policy been in place to protect the pre-existing affordable units in Hollywood a large supply of housing could have been saved with relative ease.

Hollywood is the beginning of an intensifying trend towards transit-oriented development in Los Angeles. It shows us that much more extensive action needs to be taken if Los Angeles is to remain an affordable city. The increasing demand for TOD poses bigger risks, but also could be used to create much more extensive benefits. Los Angeles has the opportunity to learn from Hollywood and ensure effective future developments.

It is of the highest priority to ensure that an adequate supply of affordable housing is created in our transit and redevelopment areas. Through this Los Angeles can capitalize on the amazing opportunity it has been presented with to create a city unparalleled in its

sustainability, functionality, and equity.

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