Los Angeles' Affordability Crisis: Contextualizing Investment in North East Los Angeles
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ABSTRACT

This paper analyses how the housing crisis is affecting Los Angeles. The specific focus is North East Los Angeles, an area of 6 zip codes outlined in City's Community Development Plan. The NELA Community Development Plan has not been updated since 1999, and the need for affordable housing guidelines is necessary given the area's demonstrated need relative to available units. Research findings place Los Angeles as part of the housing crisis, with key factors being unaffordable rents with rising prices, and lower incomes relative to other large cities. NELA faces the burden of the crisis harsher than the city as a whole, meeting only 15% of suggested affordable units. Given this, NELA, and the City of Los Angeles, must prioritize increasing the supply of affordable housing as well as ensuring prices remain low for those demonstrating the most financial burden. Additionally, historical preservation cannot be prioritized over increasing development in areas of need, specifically NELA. NELA and Los Angeles must prioritize development and protection for residents most in need.
INTRODUCTION

Upon coming to Occidental College, situated in the media-depicted “up and coming areas” of Highland Park and Eagle Rock, I was thrilled to walk off campus and find I could visit a variety of restaurants, coffee shops, stores, and art spaces. I internally viewed openings of vintage stores in vacant spaces or trendy donuts shops as progress and wealth generating for the neighborhood, without fully thinking about the implications of these stores in a neighborhood of which I never knew the history. The history of Highland Park and Eagle Rock are not defined by the high-end boutiques or coffee shops that now occupy space and attract customers, but rather the stories of generations of families and store-owners who have made their lives here, raised families here, started businesses here, and now, watched the neighborhood transition before their eyes. Neighborhood transition is inevitable, but one cannot help but became curious with this specific Highland Park/Eagle Rock transition. Much like students and peers, I found myself asking the question about how this happened. This, the change of a neighborhood, new interests coming in to dominating a longstanding history, and potentially start something new of its own on the grounds of someone else.

Gentrification is generally used to describe the process happening in Highland Park, and though the concept carries different meaning for different people. In his book, There Goes the Hood, author Lance Freeman provides a definition of gentrification encompassing different aspects. HE says, “gentrification has been depicted as the manifestation of changing cultural, demographic, and economic circumstances among the new middle class, and elsewhere it has been described as representing the bourgeoisie’s revenge on the underclass of the inner city (Freeman, 2006, 6). His definition lays the groundwork for
analysis of gentrification in different neighborhoods, drawing on the notion of changing cultural, demographic, and economic situation driven by an incoming middle class.

A strong negative impact associated with gentrification is the displacement of these cultural, demographic, and economic histories of neighborhoods in favor of the newer ideals and values brought by the incoming residents or visitors. Zuk et al. (2015) describe the displacement process associated with gentrification by noting “given today’s landscape of public investment, advocates and scholars are increasingly concerned that public investments may create a situation in which incumbent residents have fewer options than they did before and are forced out or can’t move in.” (23). This lack of options available for homeowners and renters translates to an ideal setting for displacement, and subjects neighborhoods to the possibility of displacement given lack of alternative options.

I use the term gentrification to refer to the displacement of families, stores, and histories of an area in favor of growth for those who can afford it. Gentrification does not appear from nowhere, and I was curious about factors contributing to gentrification, in Highland Park and beyond, and why neighborhoods become susceptible to gentrification. In analyzing this process, the issue of housing plays a large role – what happens when prices are rising and homeowners can no longer afford to live somewhere? What steps take place to contribute to rising property values in a certain area? How much affordable housing is enough to meet the needs of the population that needs it? These questions led me to the realize the current state of housing in the nation; the crisis of lack of affordable housing for families who need it, and in many cases, the ability for landlords to raise rents on tenants in favor of those willing to pay more. This enormous problem of lack of affordable housing led me to research of North East Los Angeles (NELA) as a case study of
the affordability crisis. My research direction became centered on how to situate the lack of affordable housing in NELA in Los Angeles as a whole, and how the investment in NELA is reflective of certain interests. Sub questions arise from this research, specifically regarding value and importance of different voices and communities. The idea of housing and affordability cannot be assessed solely with available housing in certain areas, but also through ideas about desire to invest in areas, and who the investment is benefitting. With these ideas in mind, I began my research regarding situating NELA’s affordability crisis relative to Los Angeles as a whole, and from there, analyzing investment in the area. This stream of information has brought me to my research questions: How is North East Los Angeles contextualized in the affordable housing crisis plaguing the nation, and specifically how does NELA’s crisis compare to that in Los Angeles? What accounts for lack of investment in certain areas? How do certain interests become dominant in deciding the direction and outcomes of neighborhood investment?

**BACKGROUND**

**NELA**

North East Los Angeles (Figures 1 and 2) as defined by a community plan created in 1999, refers to the areas of Atwater Village, Cypress Park, Eagle Rock, El Sereno, Glassell Park, Highland Park, Lincoln Heights, Montecito Heights, Monterey Hills, and Mt. Washington. These 10 neighborhoods were grouped together in the 70s to encompass an area spanning 15,000 acres east of the LA River, all part of Los Angeles county (City of Los Angeles, 1999). These neighborhoods were included together due to their unique geography, demographics, and potential for change due to proximity to freeway networks.
The 1999 Community Development Plan is developed to establish land use guidelines given that changes that are inevitably coming due to a variety of factors centered on the influx of people and commerce that will come to inhibit this area shortly. The 1999 plan is an update to a plan created in 1979, with the update’s goal to “reflect changed conditions and accurately reflect the prevailing visions and objectives of the area’s residents, property owners, and business operators” (City of Los Angeles, 1999). With this in mind, the plan is useful to gain a sense of the directions of NELA, and how the area will be shaped regarding land use while still keeping community voices in mind. While the plan serves as a key guide for land use, the issue of housing is not addressed as comprehensively as should be given the population growth estimates.

The 1999 plan highlights some of the issues NELA faces regarding housing, such as deterioration of housing stock, imbalance in quality of housing stock, rising housing prices, and overcrowding (City of Los Angeles, 1999). When discussing affordable housing specifically, the plan suggests a potential program to address the lack of housing. Program 1-21 states “The City Planning Department should continue to assist the City Housing Department to identify vacant or underutilized City- owned properties that have potential for development for affordable housing” (City of Los Angeles, 1999, III-5). Program 11-2.3 also sets the goals of “maximizing opportunities for affordable housing and pedestrian access adjacent to rail stations” (City of Los Angeles, 1999, III-28). These mentions are the only times affordability is addressed, and the remainder of the plan references housing and development as pertains to building specifications and historical preservation strategies (City of Los Angeles, 1999). Nowhere in the plan states desired locations or number of affordable units to be built, but rather provides guidelines for maintaining appearance and
overall character of the neighborhood through preservation and development recommendations

This lack of direction for housing development and affordable housing requirements or suggestions elude to greater problems the area will experience regarding affordability and access to housing. When analyzing the specific housing structures of NELA, it is characterized by older, historic housing: with 35% of its housing structures built before 1940, creating an interesting dilemma for development and historical preservation (Wasilco, Lefkowitz, & Katigbak, 2013). Because of this historical history, affordable development must be thoughtful and with preservation in mind. THE NELA community plan is created with the influx of residents coming in mind, partly because of the historical significance of the area, and also due to the freeway development that will inevitably bring more activity and residents to the area (City of Los Angeles, 1999). The plan, however comprehensive, lacks an adequate response for the need of affordable housing, and since 1999. The need for affordable housing is more demanding than ever, as Highland Park’s demographics closely align with those in Los Angeles related to affordability and housing burden.

A case study to display a the effects of rising home prices occurs in NELA Plan neighborhood Highland Park, zip code 90042. Highland Park, an area of Los Angeles County with about 61,034 residents, faces higher rent burden rates than in Los Angeles City (Wasilco, Lefkowitz, & Katigbak, 2013). Tables 1, 2 and 3 demonstrate Highland Park population characteristics relative to Los Angeles. To summarize data from the charts, Highland Park has a higher Latino population, a higher median household income, and lower poverty rates (Wasilco, Lefkowitz, & Katigbak, 2013).
Table 1: Race and Ethnicity (2010)

(Wasilco, Lefkowitz, & Katigbak, 2013)

Table 2: Median Household Income
Table 3: Responses to: Has income fallen below poverty level in the past 12 months?

In addition to ethnicity, income, and poverty comparisons, Highland Park and Los Angeles have similar rates of renter and homeowners, with both areas having about 60%
renters and 40% homeowners (Wasilco, Lefkowitz, & Katigbak, 2013). A final key comparison between Highland Park and Los Angeles is the age of the housing. Table 4 shows the percentages of housing from different years.

Table 4: Age of Housing

(Wasilco, Lefkowitz, & Katigbak, 2013).

The older age of Highland Park housing relates to the historical nature of Highland Park, and many other areas in NELA. This high percentage of older housing could impact the future of development with regard to historical preservation. While these comparisons paint Highland Park as more wealthy relative to Los Angeles City, that does not mean the demand for affordable and lower-cost housing is not sufficient.

In narrowing in data taken from 2013, there are approximately 60% renters and 40% homeowners in Highland Park (Wasilco, Lefkowitz, & Katigbak, 2013). Out of these renters, over 50% of them are spending more than a third on housing costs, with 25% of them experiencing an extreme housing burden, meaning they are paying more than 50% of
their monthly income on housing. Because of this, Highland Park residents are giving less back to the community economically, inviting in the interests of other, wealthier renters and homeowners who can afford the rent and still manage to pay for other commodities in the local economy. This process of gentrification has been highlighted through media in various way: news stories, podcasts, and personal accounts to name a few. Marketplace podcast series *York and Fig* provides first-person narratives to supplement claims of gentrification publicized by news outlets such as the Los Angeles Times and KPCC. *York and Fig* details stories of long-time homeowners who have been offered large cash sums for their houses on the spot, house-flippers who tackle up to 20 previously foreclosed homes at once and sell them for above market rate prices, and lack of options in Highland Park for those deciding to sell (*Wealth and Poverty Desk, 2015*). These occurrences contribute to the growing gentrification of Highland Park, as seen though expensive retail, food, and arts scene.

The plan’s neglect of affordable housing plays reflects the current state of NELA. Affordable housing is sparse in the city of Los Angeles as a whole, and even worse so in NELA. Almost all 10 neighborhoods in the plan are experiencing some sort of gentrification, as wealthier residents are coming into the neighborhoods and changing the scene and changing the narrative of these areas. Specific examples can be seen on York Boulevard, named “L. A.’s Coolest Street” by Conde Nast in 2013 (*Trinh, 2013*). The article mentions the food, retail, and art that dominates the street and invites new interests and ideas into the area (*Trinh, 2013*). This idea of the neighborhood assumes a narrative of newness, that the histories existing before the new art spaces and retail stores can easily be erased. While seen on the streets though new retail opportunities, the effects of this gentrification
are felt at deeper, more personal levels for long-time residents. In 2013 Redfin, popular online real estate service, named Highland Park the “Hottest Neighborhood of 2013” (Redfin, 2013). The article based this claim on home prices rising 31% with a 73% increase in home sales (Redin, 2013). Drawing attention to the market in Highland Park invites more investment and interest from wealthier families, able to price out long-time residents or renters who can no longer afford to keep with the economic demands.

Given this, NELA serves as a special context for analyzing the housing crisis. Compared to other areas around Los Angeles of similar size and demographics, affordable housing is also a problem, but not of the same magnitude. Gentrification is spreading in NELA, with the appearance of more expensive shops and restaurants buying out properties, prompting questions about where community investment lies, and who directs the future of neighborhoods. For example the lack of affordability exists in Highland Park, where on average, homes in Highland Park are valued lower than those in Los Angeles, but more renters in Highland Park are facing severe and extreme housing burden than in Los Angeles (Wasilco, Lefkowitz, & Katigbak, 2013). As mentioned previously, by 2013, home and rental values have dramatically increased (Redfin, 2013). These trends fit into a larger context of the housing crisis across the nation, and to understate the literature around the housing crisis contextualizes the situation of NELA, and allows for further research about investment practices and how to combat the affordability crisis.
LITERATURE REVIEW

NATION-WIDE HOUSING CRISIS

The nation is facing an affordable housing crisis. There is a lack of affordable housing and a growing demand for such is creating increased housing burdens, overcrowding, and homelessness. The phenomenon is widespread nationally, but concentrated in large, urban cities due to their diverse economic demographics, resulting in higher concentrations of income inequality. Since 2000, the number of renters needing low-priced housing is increasing while rents nationwide are rising (Liza, Leopold, Blumenthal, Abazajian, & Jordan, 2015). In order to define access to affordable housing and how much exists, affordability must be defined. When describing affordability, scholars generally refer to the housing burden of a given renter or homeowner. The housing burden is measured by the percentage an individual or household spends monthly on rent (Wasilco, Lefkowitz, & Katigbak, 2013). As recognized by housing experts, someone who is rent burdened spends 30% of their monthly income on gross rent (including utilities) and someone experiencing severe rent burden spends 50%+ of their monthly income on rent (Glaeser & Gyourko, 2003). Across the nation there is a disturbingly large number of renters and homeowners living with this housing burden, and the number continues to increase over time. When analyzing the rent-burden nation-wide, the 2013 American Community Survey found that overall 34.1% of all households are rent burdened, and about half of all renters are cost burdened, meaning they are paying over 30% of their monthly income towards rental payments (Joint Center for Housing Studies of Harvard University, 2015). This large percentage shows trends that are nationwide regarding a lack of affordable housing, and not specific to certain conditions that may be urban or rural, or regarding different
occupations or demographic drivers. To further assess what the burden is like in given areas, studies have been conducted to find different measures for different geographic areas.

A measure used to further assess affordability relative to certain areas is the housing wage. This housing wage is developed by the National Low Income Housing Coalition, and refers to “the full time hourly wage that a household must earn to afford a decent apartment at HUD's estimated Fair Market Rent (FMR), while spending no more than 30% of income on housing cost” (Bolton, Bravve, Miller, Crowley, & Errico, 2015). This report is taking the idea of rent burden and applies it to what it would take to afford housing given hourly wages. The report found that nationwide, the housing wage in 2015 was $19.35 (Bolton, Bravve, Miller, Crowley, & Errico, 2015). This number, before taking into account different location-specific adjustments, is higher than any current state’s minimum wage. The report goes on to state that “in no state can an individual working a typical 40-hour workweek at the federal minimum wage afford a one-or-two bedroom apartment for his or her family (Bolton, Bravve, Miller, Crowley, & Errico, 2015). This stunning statement paves the discourse following many discussions following housing affordability nation wide, all centering on the idea that a full time job at minimum wage will not be enough to safety secure a home in this economic situation. Given this, the report then goes on to find the minimum housing wage necessary for each state given different economic influences, and finds that in 13 states and DC, the housing wage is more than $20 per hour (Bolton, Bravve, Miller, Crowley, & Errico, 2015). The housing wage in Los Angeles County is currently $17.56, much higher than the minimum wage (National Low Income Housing Coalition, 2016). With this new indicator, common solutions to address the housing crisis often refer
to raising the minimum wage as a way to get more people access to housing. While this is true, the incredible high housing wage necessary for families to avoid being rent burdened prove raising the minimum wage is not enough. Shifts need to occur from both the supply and demand side when analyzing solutions to the crisis.

**CALIFORNIA IN THE NATIONAL CONTEXT**

When analyzing which states are most affected by the housing crisis, California ranks in the top 10, contributing to this crisis state, according to Edward Glaeser (2003) in his article on housing affordability, is because of lack of government regulation – zoning and other restrictions on buildings. He claims that in order to reduce housing costs, there needs to be a statewide inclusionary mandate of 20% of all housing to be affordable to low-income families. This would ensure enforcement of regional housing needs, federally subsidized at-risk housing, and rent stabilization (Glaeser 2003). The requirement of affordable housing in development projects address concerns regarding incentive programs, because inclusionary zoning is a mandate rather than a suggestion, and ensures a demand for housing is being met. Inclusionary zoning at it's most widely used form is a mandate requiring developers to set aside at least 20% of all newly developed units as affordable (Greenhut & 2015, 2015). The required percentage of affordable housing, however, is not the final solution. Los Angeles city current does not have any inclusionary zoning policies that are mandates citywide. In addressing the issue of affordable question, the important question arises: should developers be required to put aside a certain percentage of affordable housing when developing? If so, what sort of regulations and rules go along with these requirements?

When addressing which problems and solutions are most prevalent to California,
important figures place Los Angeles relative to the rest of the United States regarding rent burden. Figure displays rent burden in Los Angeles relative to the rest of the nation, over time. The figure shows that historically, Los Angeles has experienced more rent burden, both moderate and severe, than the United States as a whole. This statistic is not surprising given the high cost of living in Los Angeles as a large urban area, but still contextualizes Los Angeles as one of the most unaffordable places to live in the country.

**Figure 7. Rent Burden, US and Los Angeles, 1970-2011**

Table 5: Rent Burden in US and Los Angeles, ACS Survey (Bureau 2011)

This unaffordability in Los Angeles continues to take a toll on the lives on Angelenos. UCLA's Luskin School of Public Affairs Study developed a Quality of Life Index to measure stressors on the Los Angeles Population (Foulsham, 2016). Through surveys of over 1,000 participants, the results indicated the cost of housing as the biggest factors contributing to decreased satisfaction, and a lower quality of life score (Foulsham, 2016). Foulsham’s (2016) analysis of the report claims “forty-one percent of all respondents cited ‘cost of housing’ as most important factor in their cost of living rating” (p 2). These results indicate Angelenos as a whole are dissatisfied with the high cost of living in Los Angeles, not just

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those with lower incomes.

Another study from UCLA’s Luskin Schools of Public Affairs found the combination of stagnating wages combined with raining home values have made Los Angeles the most unaffordable rent market in the nation (Newsroom, 2014). UCLA urban planning professor and researcher for the study Paul Ong says “renters are paying more for the same quality housing, suggesting that neither market forces not changing housing quality fully explain the increasing rents” (2014, p.1). He goes on to suggest the long-term solution to alleviating the crisis is to address root causes, notably low incomes and high rents (Newsroom, 2014).

While the economy may be improving, best seen by California’s decreasing unemployment rate, there still remains an affordable housing crisis. This crisis, plaguing the state but more specifically Los Angeles, is a combination of lack of affordable housing available, and also renters and owners spending a more significant share of their income on their rent. This problem is due to a large number of factors, namely zoning polices, lack of inclusionary zoning, increased gentrification, population density, and desire to live in certain neighborhoods. While these factors lead to a number of solutions that can be implemented, the question remains: what are the factors contributing to the shortage, and what are realistic solutions to addressing the crisis. As stated for the general housing crisis, there is a wide range of tools lawmakers are proposing to incentivize affordable housing and development. These can be in the form of expansion of tax credits, low interest loans, and removal of caps on development fees, with the hope that there will be an increased supply housing that will inevitably increase the affordability of housing (Baxamusa, 2013). These plans can work in California, but due to state regulations currently in place, there are barriers to these strategies in alleviating the crisis. In California, the average rent is 50%
higher than the national average, yet the average income for California residents is not significantly larger than the nation (Baxamusa, 2013).

This means it is inevitable that California residents will have increased housing burden, and there should be solutions to address the problem. Los Angeles has decided to raise the minimum wage to $15/hr by 2020, but this increase alone cannot be expected to solve the problems of housing plaguing cities. Many studies have been conducted linking minimum wage increase not to lower rent prices, but instead, people finally being able to come closer to affording their existing rent prices (Greenblatt, 2015). Many economist equate basic supply and demand principles to the future of rent prices after raising the minimum wage. For example, Alan Greenblatt (2015) states “if people have more to spend in the low-end rental market and there isn’t new construction, prices are bound to rise” (p. 1). If affordable housing supply is to increase over the wage-increase, the effects of the minimum wage would be beneficial to low-income renters and buyers. Realistically in California, however, supply for affordable housing is not increasing at rates to suggest the wage increase will be beneficial enough to alleviate the housing crisis (Joint Center for Housing Studies of Harvard University, 2015).

Given these two discourses regarding affordability; the nation is currently in a crisis state regarding affordability. When looking at California specifically, it is being hit worse than other states, and the effects of this concentrate in high-density areas such as Los Angeles. Because of this, my desire to study affordable housing in Los Angeles led me to analyze data sets as well as elucidate narratives from the NELA area about barriers to affordable development, and where interests lie and prevail in communities.
While there are many factors that will contribute to alleviation from the affordable housing crisis, the initial lack of supply of housing is a large problem the country is facing. Generally speaking, “increasing the supply of affordable housing is critical to meeting the urgent need for housing across the United States”, and with this in mind, one essential question becomes how to incentivize developers to make affordable units that will contribute to the demand for supply (Bolton, Bravve, Miller, Crowley, & Errico, 2015). In order to incentivize supplying affordable housing there can be different forms density bonuses, and reductions in overall housing cost, such as fewer building code specifications and unbundling parking regulations from housing development costs (Ling, 2016). In addition to developer solutions, landlord can protect those in already affordable units by following rent control laws. Rent control is defined as a “law placing a maximum price on what landlord may charge tenants. If it is to have any effect, the rent level must be set at a rate below that which would have prevailed” (Block, 2008). This law ensures changing market forces protects tenants, which is necessary in areas where higher income people are able to compete with people who have lived there for long periods of time for rents. While this does not change the supply of affordable housing, rent control provides great protection for those living in affordable units.

While these measures will provide relief and housing for a majority of the population, it does not fully solve the affordability problem. Literature points to ways to alleviate people out of poverty and bring money back to the local economy, such as raising the minimum wage. By doing this, there could be great effects on affordable housing that will create a lasting solution to solve the problems of high rent, over crowdedness, and homelessness.
that so many cities are currently dealing with.

**METHODS**

**Data Analysis**

For my research, I initially analyzed existing data regarding availability of housing in different Los Angeles areas. I utilized 6 zip codes representing the areas of the NELA development plan, 90031, 90032, 90039, 90041, 90042, and 90065, and found the affordable housing information for these areas. The information I gathered was the address, number of affordable units, developer, and total development costs. With this information I was able to create a general statement and descriptive statistics about NELA as a whole regarding affordability, and then compare it to other areas in Los Angeles. To find overall Los Angeles housing data, I analyzed data from the Los Angeles Housing Element. The LA Housing Element “identifies the City’s housing condition and needs, establishes the goals, objectives, and policies that are the foundation of the City housing and growth strategy” (Los Angeles City Planning, 2013). The current plan outlines goals, objectives, and policies for the 8-year period of 2013-2021. The Housing Element contains housing needs assessment, inventory of sites for housing, review of the previous housing element (Los Angeles City Planning, 2013). This provides context for NELA regarding affordability and investment in the community.

Regarding demographic information, I gathered data from the American Community Survey (ACS) and Census data from 2010. The census data allows for neighborhood comparisons within different Los Angeles neighborhoods to the city as a whole. Once NELA
was put in comparison with Los Angeles as a whole, I compared NELA zip codes to another area, West Hollywood.

I used West Hollywood (zip code 90069) as a comparison for these areas, because it has a similar number of residents, and has the same sorts of accessibility downtown Los Angeles as NELA. This accessibility factor makes for an ideal comparison because the NELA Community Development Plan notes the proximity NELA has to downtown LA as reason for future development, and given West Hollywood’s similar proximity, arguments about desire to invest could be made (City of Los Angeles, 1999). Findings when comparing the two areas include demographic comparisons, as those are important in establishing the similarities of the population seeking and using housing. While the areas are in no ways the same, the sizes of the neighborhoods relative to each other make for meaningful comparisons about amounts of affordable housing. Data was gathered from the LA County Housing Database and the Housing Element. Real estate websites such as Zillow, Trulia, and Redfin were also used to gather information about price trends over time.

**Narratives**

In order to complement the data about availability of housing in NELA relative to Los Angeles and neighborhoods of similar size, I gathered narratives about housing in NELA. One source of narratives came from the NELA Plan-a-Thon, an event put on by Occidental College to envision a future for Los Angeles. The plan-a-thon invited residents, stakeholders, professors, researchers, and students to engage in planning and community-based activities about the future of NELA, and the most pressing issues in the community. The plan-a-thon involved a survey that all participants filled out, as well as team activities to reimagine NELA. The survey data grasps the feelings of those invested in the future of
NELA, as the plan-a-thon was marketed towards people looking to thinking pragmatically about community development and needs assessment in NELA.

The other component of research was 3 semi-structured interviews with people and organizations working towards protecting NELA’s history and long-time residents. While the data itself provides useful information regarding what types of housing exists, interviews were necessary in order to contextualize the crisis with people, communities, businesses, and developers in the area. The 2 interviews were done with the North East Los Angeles Alliance, a group dedicated to advocating for voices being lost through gentrification. Another interview was with the Occidental Center for Community Based Learning (CCBL), a center devoted “enriching students’ learning and commitment to social responsibility by bringing together students, faculty, and community partners as co-thinkers and collaborators, in order to solve social justice related issues” (Occidental College, 2016). The CCBL works in tandem with Highland Park groups and residents committed to local social justice issues. While neither organization is committed to housing specifically, housing cannot be ignored in any social justice work occurring in NELA. The interviews took were informal, and asked respondents to answer about perceived barriers to affordable development, and also investment in NELA. Barriers and investment were not defined when asking respondents about the area, as they can mean different things to different people. These interviews were conducted in person and through phone calls, and were intended to capture voices of the community and feelings about how community needs are being met. The interviews provided more organized efforts of the survey data collected from the plan-a-thon. This study provides housing and demographic
data as well as narratives to ensure the data is backed up with residents and community activists.

LIMITATIONS

When analyzing affordable housing data, there were several major limitations that arose, contributing to potential gaps in findings. One major limitation was the availability of access to affordability data, as well as what constitutes affordable housing. Most of the housing data includes only units that have openings for rental, thus limiting the potential to include units that are currently not completely full. Additionally, some affordable units found in these areas had special requirements to be a resident – for example senior homes or disability homes. While these cannot be left out when considering affordability, they are not entirely accessible to all, and create a limit to the conclusions that can be drawn by including them in the data. The main focus of this study includes affordable housing accessibly to families or persons who do not need special assistance outside of possibly monetary subsidies. Another limitation that arose in my study was lack of engagement with community members and renters themselves. I was able to obtain stories and voices from members engaging in work in the community, but an essential narrative from the community members themselves is gone from this study, leading to findings that are do not entirely represent the neighborhood. The plan-a-thon surveys provide a prospective of the neighborhood narrative, but do not represent the entirety of NELA’s population and various interests. Additionally, being able to compare the housing situation in other areas of Los Angeles made for small comparison and generalizations to be made given the results of studying just one area.
FINDINGS

DEMOGRAPHICS

In order to analyze NELA in context with the city of Los Angeles, their demographic information and comparisons play a large role in measuring investment. The American Community Survey (ACS) is an ongoing survey that provides vital information on a yearly basis about the nation and its people, and uses that information to determine how federal funds will be allocated (Bureau, 2014). This information from this study uses different sample populations to make estimates about the national’s population as a whole, covering a wide range of demographic, economic, and social information. The survey is useful for gathering demographic information about given areas and zip codes. The total population for Los Angeles city is 3,862,210, with 48.6% Hispanic, and the population for the 6 zip codes if NELA (90031, 90032, 90039, 90031, 90042, and 90065), is 250,212, with a Hispanic population percent of 59.43% (Bureau, 2014). The large Hispanic percentage relative to Los Angeles city plays a role in determining other characterizes of the neighborhood, and is important in contextualizing NELA relative to Los Angeles city as a whole.

Table 6: Hispanic and Non-Hispanic Population Percentages: ACS Survey,
Analyzing other demographic information, such as median income, poverty levels, and unemployment levels highlight NELA relative to Los Angeles. Median income in NELA is slightly higher than in Los Angeles city, with the figures being $52,633 and $49,682, respectively (Bureau, 2014). While the median household income may be slightly larger, the higher median home values in NELA given recent jumps create a disparity between median income and availability of housing. With the exception of Montecito Heights, all other zip codes in the NELA community development plan have higher median household prices than Los Angeles, while the average median income for the plan areas remain greater than Los Angeles (Zillow, 2016). Tables 7 and 8 display trends of rising median home prices in two NELA areas where prices are rising rapidly, Highland Park and Eagle Rock.

Table 8: This chart displays the rise in median home values in Highland Park relative to Los Angeles
Table 8: This chart displays the rise in median home values in Eagle Rock relative to Los Angeles.

(Zillow, 2016)
Home prices continue to rise in NELA higher than Los Angeles city as a whole, yet median income of NELA areas remains smaller than the city as a whole. Given this, the question becomes how will affordable housing be prioritized in the different areas?

**HOUSING: NELA RELATIVE TO LOS ANGELES**

The City of Los Angeles Housing Element of the General Plan provides statistical data to back up claims made by the City Planning Department about the housing crisis. The City Planning Department (2013) attributes elevated unemployment, foreclosures, and widening inequality to continuing levels of unaffordability (c-xiii). The plan outlines amounts of housing need to be developed in order to ensure enough housing exists for the Los Angeles population at all income levels. The plan says 83,002 units must be added by October, 2021, with income levels below in Table 9.

<table>
<thead>
<tr>
<th>Income Category</th>
<th>% of total</th>
<th>Number of units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely low income households (≤ 30% AMI*)</td>
<td>12.5</td>
<td>10,213</td>
</tr>
<tr>
<td>Very low income households (31-50% AMI)</td>
<td>12.5</td>
<td>10,213</td>
</tr>
<tr>
<td>Low income households (51-80% AMI)</td>
<td>15.2</td>
<td>12,435</td>
</tr>
<tr>
<td>Moderate income households (81-120% AMI)</td>
<td>16.8</td>
<td>13,728</td>
</tr>
<tr>
<td>Above moderate income households (&gt; 120% AMI)</td>
<td>43.2</td>
<td>35,412</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.1</strong></td>
<td><strong>82,002</strong></td>
</tr>
</tbody>
</table>

(Source: DEP)

*AMI = Area Median Income  **Percentages add up to more than 100% due to rounding.

(Los Angeles City Planning, 2013)

The table indicates affordable housing (for low, very low, and extremely low incomes, should account for 40.2% of all developments made over the 7-year period. The number of affordable units is 32,861 (Los Angeles City Planning, 2013). When putting these numbers in comparison with developments over the previous general plan period, the
results did not prove successful. Table 10 shows the suggested growth numbers and actual developments during the period, highlighting the category with substantial development was for projects marketed above county median income (Los Angeles City Planning, 2013). Given this information, conclusions can be made about the amount of developments that will realistically be made during the period the plan provides suggestions for. In order to keep with paces set by development goals, at least 10,205 units/year need to be built, with 5,700 affordable units per year (Los Angeles City Planning, 2013). Given that since 2006 the city has been producing an average of 1,1000 affordable units/year since, development needs to increase rapidly and largely (Los Angeles City Planning, 2013).

<table>
<thead>
<tr>
<th>RHNA Income Category</th>
<th>RHNA Goal</th>
<th>Units Built</th>
<th>% of RHNA met</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low Income 31%-50% County Median Income</td>
<td>27,236</td>
<td>4,921</td>
<td>18.1%</td>
</tr>
<tr>
<td>Low Income 51%-80% County Median Income</td>
<td>17,495</td>
<td>2,933</td>
<td>16.8%</td>
</tr>
<tr>
<td>Moderate Income 81%-120% County Median Income</td>
<td>19,304</td>
<td>103</td>
<td>0.5%</td>
</tr>
<tr>
<td>Above Moderate Income &gt;120% County Median Income</td>
<td>48,839</td>
<td>38,788</td>
<td>79.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>112,876</strong></td>
<td><strong>46,738</strong></td>
<td><strong>41.4%</strong></td>
</tr>
</tbody>
</table>

(Los Angeles City Planning, 2013)
Currently, the city of Los Angeles has 68,908 affordable units in 1,764 developments serving very-low, low, and moderate-income households (Los Angeles City Planning, 2013). Los Angeles has a population of 3.8 million, with the NELA Community Development Plan area’s population estimated at 250,212, meaning NELA represents about 15.19% of the city’s population (Bureau, 2010). Given the similar overall median incomes of the area, NELA’s would be expected to have 10,486 of the affordable units, as calculated by finding 15% of the total 68,909 affordable units. The 6 NELA zip codes currently have 1,652 reported units in 24 developments, giving them 15.75% of the desired amount of units they should have relative to the population and incomes of the zip codes (LA County Housing, 2016). Given this information, NELA needs to significantly increase the amount of affordable housing present in the area to comply with standards outlined in the Housing Element of the General Plan. The housing crisis is hitting Los Angeles’s unaffordable markets worse than many other U.S. cities (National Low Income Housing Coalition, 2016), and it is seen worse in NELA, as shown by the extreme lack of available housing.

My initial data collection confirmed the lack of affordable housing available in Los Angeles, as well as put NELA in perspective relative to another areas throughout LA. When finding the amount of affordable housing available in NELA, I used 6 zip codes that account for Atwater Village, Cypress Park, Eagle Rock, El Sereno, Glassell Park, Highland Park, Lincoln Heights, Montecito Heights, Monterey Hills, and Mt. Washington. The population of this entire area is estimated at 250,212 (Advameg, INC., 2016). When analyzing the types of units available, affordable units included those developed specifically for seniors or persons with disabilities, units with only affordable housing, as well as any affordable units part of other market-rate developments. Data collected included address, number of units...
affordable units, developer, and federal money given to develop these units. By collecting data in these different categories, conclusions can be made about number of units relative to population as well as monetary investment given in these areas. The data gathered from the Los Angeles Housing Resource Center is updated as developments become available or are added by property owners and retailers, and should be an accurate estimate of the area. NELA as a whole has 1,652 reported units in 24 developments (LA County Housing, 2016). The amount of federal award given to these 24 projects was $22,883,099 (LA County Housing, 2016). While potentially seemingly large, comparisons to other areas in Los Angeles display the lack of housing in each area, as these overall figures are representative a very large population, and the total investment is not large when looking at the number of residents needing assistance. The units are also not dispersed evenly over the area, with some zip codes having only 2-3 developments and others more than 5 (Table 11).
Table 11: Map of Affordable Development Projects

(Google Maps, 2016)

WEST HOLLYWOOD: A COMPARISON

A comparison to a zip code of similar size would put this data in perspective regarding the affordability crisis in Los Angeles in areas of comparable sizes and incomes. West Hollywood is situated north west of Downtown Los Angeles, about the same distance as many neighborhoods in NELA. The access to transportation is also similar, with major rail lines and bus lines running through the city and making downtown more accessible. The population of the West Hollywood zip code 90046 is estimated at 35,288 people (Advameg, INC., 2016). When analyzing affordable units here, there are 498 units listed at
14 different developments, with total monetary investment being $6,979,543 (LA County Housing, 2016).

Table 7: Low Income

<table>
<thead>
<tr>
<th>Low Income Units</th>
<th>Annual Federal Award</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NELA</td>
</tr>
<tr>
<td>LA</td>
<td><img src="chart1.png" alt="Chart" /></td>
</tr>
<tr>
<td></td>
<td>1,652</td>
</tr>
</tbody>
</table>

These initial comparisons do no conclude much when standing alone, due to the differences in size. However, when broken down to units per person, the comparisons become more meaningful. According to 2015 data, the 6 zip codes representing NELA have a total population of 248,523, while the West Hollywood zip code represents approximately 35,288 people (Advameg, INC., 2016). These 35,288 represent .9% of the city’s population, and would be deemed as needing 620 of the 68,909 affordable units in Los Angeles, relative to population and income sizes. West Hollywood current has 439 affordable units, making them still lacking necessary housing, but having a much closer number to realistically meeting the ideal number of units.

Given these numbers, the total number of units per 1000 residents in NELA is 6, and per 1000 WEHO residents is 12. While these numbers seem extremely small, factors such as personal income and homeownership rates need to be taken account. Each resident of
these areas is not seeking affordable housing. However, the numbers are important when analyzing the need for affordable housing in each area, and the disparities among the locations.

Case Studies

By gathering data from each neighborhood in NELA and comparing it to West Hollywood, which has a similar population to each area, I found that each neighborhood in NELA has significantly fewer affordable housing units, as well as dollars spent investing in these areas. To compare amounts the affordable housing available in Los Angeles, I took a small section of NELA, Eagle Rock (90041), and compared it to West Hollywood (90046). Both areas have almost the same population, 34,644 and 35,288 respectively, but the amount of investment and housing available in each shows the disparities in NELA. Eagle Rock has a total of 2 developments, with 88 affordable units, while West Hollywood has 14 developments with 430 affordable units. This comparison reflects the same occurrences happening through the NELA neighborhoods, with WEHO having more units than each separate neighborhood in NELA.

Another comparison can be made between West Hollywood and Highland Park (90042), which has a population of 57,566. Highland Park has a significantly larger population than West Hollywood but still does not have as many units or as much monetary investment as West Hollywood. Highland Park has 3 developments with 193 units to WEHO’s 14 with 430 – an incredible stark contrast given the populations of the two areas. When finding possible answers to why these numbers are so different, there is no clear data that is answers the question. Highland Park and WEHO have similar median
income levels at $45,478 and $52,855 respectively, so the arguments regarding the market of renters do not explain the discrepancies in availability of units (Los Angeles Times, 2015). Given Highland Park’s much higher population and the differences in amount of housing, important questions about prioritizing development and desire to invest are raised. Investigating Highland Park and WEHO as case studies further illustrates prioritization of interest when analyzing the history of the areas. To further analyze comparison between the two areas and understand the differences in housing, I conducted interviews in the NELA area to understand the shortage of housing.

**Plan-a-Thon**

Survey results from the plan-a-thon add community voices to the data regarding apparent need for housing. Participants of the plan-a-thon were asked to rank their top 7 concerns for NELA, with the choices for answering being cost of housing, poverty and inequality, transit, economy and jobs, gentrification, homelessness, parks and open space, streets, schools, drought, trash and blight, LA river, climate change, and crime. The results found that people are overwhelmingly concerned with the cost of housing, with 70% of respondents choosing cost of housing as a top concern (UEPI, 2016). The next most important issue respondents found facing NELA is poverty and inequality, a key factor relevant to the housing crisis and specific problems NELA faces (UEPI, 2016).
Table 9: Results from Plan-a-Thon

These results were backed up by many respondents adding “affordable housing” to what they desired most in the community, in addition to policies to ensure residents can continue to live in NELA, such as rent stabilization (UEPI, 2016). There is demonstrated need from the community for increase affordable housing as well as stabilization for affordable properties that are being priced up due to the growing demand to live in NELA.

HISTORICAL PRESERVATION OVERLAY ZONES
The interviews conducted asked participants to describe different barriers to development as well as potential reasons for lack of investment in given neighborhoods. A reoccurring theme from these discussions was preserving the historic nature of NELA, as outlined though different historical overlays drafted and implemented in the 1980s and 90s. These historical overlays designated areas within Los Angeles county that would require different zoning laws due to historical preservation and desire to ensure neighborhood history is protected. A Preservation Plan exists that covers the area of Garvanza, Highland Park, Montecito Heights, and Mount Angelus, representing two zip coders in the NELA community development plan (Table 12).

Table 12: Historical Overlay Zones in NELA Plan

(City of Los Angeles, 1999)
An understanding of the goals of the plan and its implementation are found in the “Urgency Clause” of the updated plan from 2010. It states:

The City Council finds and declares that this Ordinance is required for the immediate protection of the public peace, health and safety for the following reasons: The Urgency Clause will immediately preserve public peace, health and safety by preventing the alteration, degradation or loss of irreplaceable, historically and culturally significant structures, buildings and natural features that together comprise an invaluable permanent historic preservation regulations to take effect” (Lagmay, 2010).

This urgency clause encompasses the general relevance of the preservation plans to the future of development in these areas: historical preservation will be prioritized over the future of possible development. While seemingly harmless in nature, the plan has a large impact on the future of development in areas that are part of the plan. The plan does not state only that preservation should occur, but provides guidelines for the architectural styles that are acceptable, what to do in the event of rehabilitation residentially and commercially, and outlines a procedure for residential additions. Chapter 9: Residential Infill contains regulations for the process of infill, defined as “building a new structure on a vacant site within an existing neighborhood (City of Los Angeles, 2010). This infill development chapter outlines 12 guidelines for new development, all highlighting preservation of the visual appeal of the development. The language in this document is not standard governmental language, but instead states guidelines as such: “Parking areas should be located to rear of the property. Designation of parking spaces within a front yard area is generally inappropriate” (City of Los Angeles, 2010). This informal and judgmental (i.e. use of “inappropriate”) language of this guideline is represented throughout the report, highlighting certain interests drafting this report that may have a backing from those not viewing the priority of development of these areas as something to fit within the historical context. While making these conclusions given the language of the report may seem
reductive, the impacts of the relationships with the city council and those fighting for historical preservation paved the way for the future developments and prioritization of interests in NELA. The historical overlay zones have guided direction of development in NELA since the 80’s and the close relationship with City Council and those dedicated to historical preservation have worked together to protect structures while new ones could be built.

Due to these historical overlay procedures, the ability to build quickly to meet the needs of the area is not possible, and thus some stagnation occurs when attempting to build necessary structures to meet demands, and in turn, the demands from the community can become silenced. There needs to be a clearer understanding of how the community reacts to growth that represented voices that have been silenced more than others.

**FURTHER RESEARCH**

The data gathered in this project leaves more room for further research than answers to any questions about the community voices in this project, as well as how the community partners are working with other preexisting networks of developers and organizations to find solutions to the crisis. An interesting comparison could be Los Angeles as a whole relative to another large metropolitan area, because as seen in data, the entire nation is facing an affordability crisis. Questions for further research include what is at stake for the future of these areas facing affordability crises, and how will neighborhoods continue to preserve existing histories and land while still meeting growing and existing demand for affordable units.
RECOMMENDATIONS

DEVELOPERS AND LANDLORDS

When thinking about recommendations for addressing problems of lack of affordable housing and incentives for developers, the obvious and simple answer is that there needs to be more affordable housing in general, especially in areas that display a demonstrated need though lower income residents or high density populations. When thinking about how to incentivize developers to create more affordable housing, laws such as density bonuses and low income housing tax credits give developers a return on investment, or tax breaks for their development towards affordable housing. What needs to happen, however, are ordinances such as inclusionary zoning to ensure the housing is being built. When developers can make more from building units market-rate and above, most developers will take that option due to the capitalistic nature of development and the desire to continue making gains. The invectives given for development of affordable housing are a great push towards more development, but are not the ordinances necessary to attempt to alleviate areas from the affordability crisis. In addition to development related policies, many community-oriented goals and polices required change to meet the needs of the community.

COMMUNITY
Development has been prioritized to reflect the historic interests of the neighborhood, and now that is reflected by rising prices and newer, wealthier residents moving in and displacing the previous residents because they have the economic means. What I propose needs to shift is the narrative by which the neighborhood interests are represented, and enabling the voices of those who have been quieted to have access in the development process. A finding from interviews was that there is not enough advocacy specific to NELA that promotes development for all, and finding was to engage community members and advocacy organizations to devote time and work to this area would result in progress representing varied needs of the community.

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APPENDIX

Figure 1: Map of Planning Areas (Los Angeles City Planning, 2009)
Figure 2: NELA Generalized Land Use Map
(Los Angeles City Planning, 2014)
Plan-a-Thon Survey

1. What kind of place would you like Northeast LA to be in twenty years? What should it be like to live or work in?

2. Do you think that the City of LA should update the Northeast Los Angeles Community Plan (last updated 1999)?

3. What do you think are the most important issues facing NELA? Choose up to 7
   a. Climate change
   b. Cost of housing
   c. Crime
   d. Drought
   e. Economy and jobs
   f. Gentrification
   g. Homelessness
   h. LA River
   i. Parks and open space
   j. Poverty and inequality
   k. Schools
   l. Streets
   m. Transit
   n. Trash and blight
   o. Other (please specify)

4. If you have ideas for improving any of these issues in NELA, write them next to the topic