

MOTION

The Regional Housing Needs Assessment (RHNA) is a periodic analysis of future housing needs across the income levels of a region and a requirement of California housing law. Every California jurisdiction must plan for their RHNA allocation in the Housing Element of their General Plan. During the last planning cycle, completed in 2013, the City's Housing Element concluded that more than 60 percent of City residents were paying more than they could afford for housing.

As recent data on the growth of homelessness around the City demonstrates, this situation has only worsened. The City of Los Angeles is approving new housing units at a rapid rate, but the RHNA numbers prove that the majority of all newly permitted units will not help our residents in need.

The mix of required housing unit types are allocated across four income levels: Very Low, Low, Moderate, and Above Moderate. In order to build the necessary housing supply the City is tasked with building a unit mix that represents the population; 25 percent Very Low, 15 percent Low, 17 percent Moderate and 43 percent Above Moderate. From 2013 to 2021 the City of Los Angeles is tasked with permitting 82,002 total housing units. Over the last 4 years alone, 80,670 units were permitted, which would seem to indicate that less than 1,500 units are all that is needed to meet the demands of the next four years.

Income level	2104	2015	2016	2017	2018	RHNA Allocation	Total Units (all years)	Total Remaining Units by income levels
Very Low	856*	893*	718*	697*	1101*	20,427	4,265*	16,162
Low	867*	536*	604*	255*	326*	12,435	2,588*	9,847
Moderate	47	45	143	27	168(154* + 14)	13,728	430	13,298
Above Moderate	13,047	15,833	12,231	13,040	19,236	35,412	73,387	-
Total Units	14,817	17,307	13,696	14,019	20,831	82,002	80,670	39,307

Source: Summary tables City of Los Angeles Housing Element Annual progress report

*indicates deed restricted units

However, in reality the units being approved are predominantly Above-Moderate. In the last four years the City permitted 207 percent of the eight-year estimated demand for Above-Moderate Income. Clearly the supply of housing units is not the issue, it is the unit mix. The 207 percent contrasts with a dismal 20 percent supply of our desperately needed Very Low and Low Income housing, which is all covenanted affordable built through housing incentives and requirements.

Meanwhile middle class housing falls even further behind. "Middle Class" is defined by the Pew Research Center as those earning 67 percent to 200 percent of median household income. "Moderate Income" is defined for RHNA purposes as those making 81 percent to 120 percent of area median income or \$42,148 to \$63,221 per year. Moderate Income residents neither qualify for the scarce supply of Low Income housing, nor can they afford above market units. Between 2014 and 2018, only 3 percent (430) of the needed units were built. In the previous housing cycle of 2006 - 2012, the numbers worsen with only 0.5 percent or 103 units built.

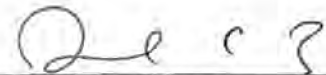
Therefore, it can be concluded that not only are there far too few covenanted affordable units to meet the needs of the most vulnerable, but many LA residents earn too much income to qualify while still finding themselves rent burdened and housing insecure. This segment of the population, both the "Moderate Income" and those "Above Moderate Income" who are still paying more than they can afford for housing, are variably defined, and form an increasingly squeezed middle class.

I THEREFORE MOVE that the Los Angeles Housing and Community Investment Department (HCID), the Department of City Planning (DCP), and any other departments as necessary be instructed to report back with a calculation of the percentage of the City's middle class population that is above the income level that qualifies for affordable housing, but still remain rent burdened or extremely rent burdened – paying more than they can afford for housing.

I FURTHER MOVE that the HCID, DCP, and any other departments as necessary, use the above referenced calculation to assess the percentage and unit count of newly built and existing housing stock that is available in the City for this burdened middle class population, as well as any current causes or barriers that have prevented or disincentivized moderate income housing production in the last two housing cycles.

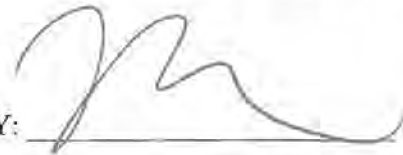
I FURTHER MOVE that the HCID, DCP, and any other departments as necessary, report back on successful moderate income housing programs in other jurisdictions, identify financial or zoning tools available to build these units, and any and all solutions to ensure the City's housing policies and permitting process prioritize the growth of a fair share of middle-class housing.

PRESENTED BY:



DAVID E. RYU
Councilmember, 4th District

SECONDED BY:



ORIGINAL



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