

HOUSING AND POVERTY IN LOS ANGELES

WHO IS POOR IN LOS ANGELES?

In 1999, an estimated 1.6 million women, children and men were poor in Los Angeles County, or 16.3% of the county's 9.86 million people. This rate compares to a 1999 national poverty rate of 11.8% and a California rate of 13.8%.¹ In 1999, the poverty line was \$8,501/year for a single individual and \$17,029/year for a family of 4.²

These poor people lived in 528,800 households. Two or more persons resided in 71.5% of the households, 50.2% had children and 23.3% included seniors (65 years old and over).³

WHERE DO POOR PEOPLE LIVE?

The United Way of Greater Los Angeles examined the county distribution of poverty using 1997 US Census data and found poverty spread throughout the county with concentrations in central Los Angeles and

Poverty Rate in Each Region of LA County, 1997⁵

Entire County	22.1%
South Bay/Harbor	19.2%
East	21.4%
South	39.9%
West	15.5%
Metro	32.7%
San Gabriel Valley	18.8%
San Fernando Valley	16.5%
Antelope Valley	15.4%

higher than the national (13.3%) and US metropolitan (12.6%) rates for 1997 and all but three had rates higher than or equal to the 1997 national rate for central cities (18.8%).⁶

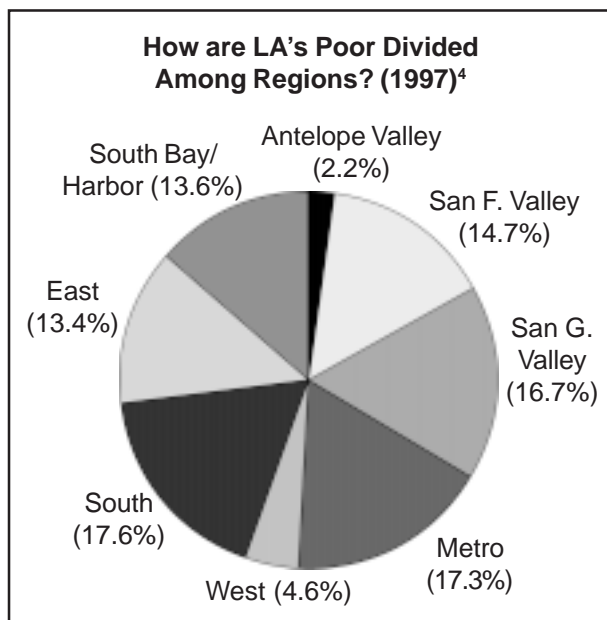
HOW MUCH DO POOR PEOPLE PAY FOR HOUSING?

According to the US Census Bureau, the 1999 LA County median monthly housing cost was \$555 for poor households and \$724 for all households. In 1985 poor households paid \$369 while all households paid \$463. Poor households paid 52% to 73% of their income for housing in 1999 and all households paid 26% to 27%.⁷

Monthly Housing Costs for Poor Households in LA County, 1999⁸

Monthly Housing Costs	% of Poor Households
< \$100	2.1%
\$100 - \$199	8.7%
\$200 - \$249	3.2%
\$250 - \$299	3.9%
\$300 - \$349	6.0%
\$350 - \$399	4.4%
\$400 - \$449	5.9%
\$450 - \$499	6.1%
\$500 - \$599	15.2%
\$600 - \$699	10.6%
\$700 - \$799	9.5%
\$800 - \$999	8.4%
\$1,000 - \$1,249	4.9%
\$1,250 - \$1,499	3.3%
\$1,500 or more	5.1%
no cash rent	2.6%

How are LA's Poor Divided Among Regions? (1997)⁴



pockets in the South Bay, the San Gabriel and the San Fernando Valleys. All regions had poverty rates

WHAT IS THE QUALITY OF HOUSING?

PHYSICAL DEFICIENCIES OF HOUSING

In 1999 moderate and severe physical housing problems were 1.8 times more likely in housing occupied by poor people than in non-poor households. Incomplete kitchen facilities were 2.8 times more likely, lack of heating 2.3 times more likely and incomplete plumbing facilities 1.5 times more likely.⁹

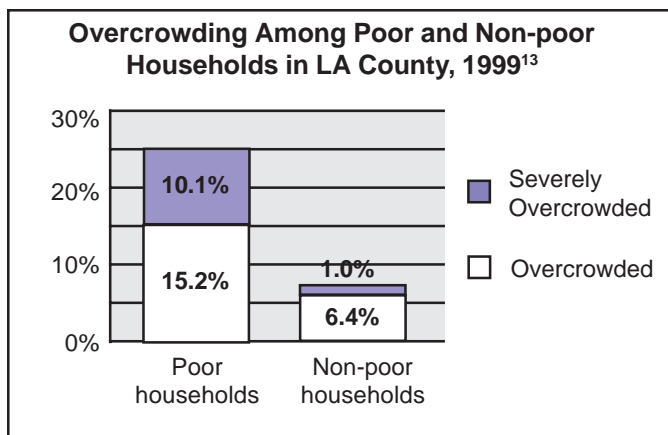
Year	Total Units	Physical Problems			
		Moderate	%	Severe	%
1999	528,800	58,100	11.0%	25,300	4.8%
1995	533,500	39,600	7.4%	21,300	4.0%
1989	292,000	25,400	8.7%	11,400	3.9%
1985	342,900	41,100	12.0%	8,700	2.5%

Among 528,800 poor households in 1999, 53,500 units lacked complete kitchen facilities (sink, refrigerator, oven or burners), 18,700 units lacked some or all plumbing facilities (hot water, bathtub/shower, flush toilet, exclusive use) and 52,200 had signs of rodents in last 3 months.¹¹

Lead poisoning of children, often from lead-based paint, disproportionately affects children in poor communities. The two poorest regions of LA County, South and Metro, had 60.6% of all reported county cases, as of January 2001.¹²

OVERCROWDING

The United States Department of Housing and Urban Development (HUD) defines *overcrowded* units as those that possess an occupancy level of 1.01 to 1.5 persons per room and *severely overcrowded* units having 1.51 or more persons per room (calculations exclude bathrooms



and include kitchens).¹⁴ Poor households in 1999 were three times more likely to be overcrowded or severely overcrowded than non-poor households.¹⁵

HOUSING AND JOBS

HOUSING AND EMPLOYMENT

The City of LA Housing Crisis Taskforce reports that recent job growth for low income households has been concentrated in low wage sectors, while housing prices have continued to rise, noting a “growing gap between wages and housing costs.”¹⁶ A full time worker earning the minimum wage (\$6.25/hour) earns \$1,083.33/month before taxes.

HOUSING AND TRANSPORTATION

The average commute to and from work for all workers in LA County is 12-13 miles with some evidence that low-income workers commute less.¹⁷ In 1999, 30.9% of poor households in LA County lacked access to cars, trucks or vans, compared to 7.9% of non-poor households.¹⁸ Among employed LA welfare recipients, the estimated one-way transit time to work (including dropping children off at childcare) for those with cars was 67 minutes while those using public transit averaged 103 minutes.¹⁹

HOME OWNERSHIP

In LA County, the 1999 home ownership rate of 48.1% of the population lagged behind California (55.7%) and US metro areas (64.7%).²⁰ The home ownership rate among poor households was 26.7%.²¹ The April 2001 median house price was \$223,000 in the county, \$142,000 in Boyle Heights, \$129,000 in Compton and \$140,000 in Pomona.²² Most poor homeowners (66%) moved into their homes before 1990 compared with about half of non-poor homeowners (51%).²³

RENTAL HOUSING

VACANCY RATES

The overall rental vacancy rate in LA County was 4.7% in 2000, compared to a US rate of 8% and an average US metropolitan rate of 7.7%.²⁴

RENTS

The US Department of Housing and Urban Development estimates the 2001 fair market rent (FMR) in Los Angeles for a one-bedroom apartment at \$618 and a two-bedroom at \$782.²⁵ The FMR reflects rents at the 40th percentile of the LA rental housing market.²⁶

In May 2001, the LA Times reported that a survey of larger apartment complexes found that rents had “jumped to record highs in the Southland”, noting that the average renter in LA County paid ‘\$1,187/month, with two bedroom apartments averaging nearly \$1,400/month in LA and Orange Counties.’²⁷

SUBSIDIZED HOUSING

PUBLIC HOUSING

The City owns more than 60 public housing projects with over 8,000 units, has a wait list of 11,694 families and a turnover rate of 1,083 units/year.²⁸ The County manages over 3,600 public housing units at 68 sites, has a wait list of 52,667 families and a turnover rate of 2%/year.²⁹

SECTION 8

Section 8 certificates and vouchers provide rent subsidies for low-income households. The City manages 29,338 regular and 15,962 project based/special Section 8 vouchers/certificates, has a wait list of 150,000 eligible families for regular vouchers/certificates and an estimated waiting time of up to 8 years.³⁰ The County manages 17,694 regular and 3,635 project based/special Section 8 vouchers/certificates, has a wait list of 113,874 eligible families for regular vouchers/certificates and an estimated turnover rate of 5%/year.³¹

AFFORDABLE HOUSING

AFFORDABILITY

The Federal government generally defines *affordable* rents as those requiring not more than 30 percent of an income.³² Based on this definition and LA’s Fair Market Rents, the National Low Income Housing Coalition calculated that a LA County wage earner in 2000 would have needed to make \$11.88/hour to afford a one-bedroom apartment, and \$15.04/hour to afford a two-bedroom apartment.³³

AFFORDABLE UNITS

The City of LA’s 2000 Housing Crisis Taskforce report stated, “The City of Los Angeles is in the grip of a profound crisis of housing affordability. The majority of the City’s households are renters who are paying higher percentages of their incomes for rent than anyone else in California.”³⁴

In December 2000, HUD reported an affordable housing shortage for the region with 401,000 households in

metro Los Angeles with “worst case needs for rental housing assistance”. These households had incomes below 50 percent of the area median and pay over half their income for rent or live in severely substandard housing.³⁵

In 1995 HUD calculated that there were only 33 units in the LA area for every 100 households with extremely low incomes (below 30% of median). HUD further noted that “since many of these units were occupied by higher-income renters, only 21 units were both affordable and available....”³⁶

FUTURE HOUSING DEVELOPMENT

NEEDS ASSESSMENT

The Southern California Association of Governments (SCAG) estimates that 185,005 new housing units will need to be built in Los Angeles County between 1998 and 2005 to meet overall housing demand, including 72,629 units for very low and low income residents. This includes 60,280 units (including 28,406 units for low and very low-income people) in the City of LA.³⁷

In 2000, there was a net increase of 1,900 units of housing in the City of LA.³⁸

PLANNING RECOMMENDATIONS

The 2000 Los Angeles City Housing Crisis Taskforce Report details numerous recommendations to address the shortage of decent, affordable housing, including:³⁹

1. *Establish a housing trust fund with dedicated sources of local revenue.*
2. *Develop a comprehensive strategy to preserve existing affordable housing.*
3. *Create more affordable homeownership opportunities through innovative land use.*
4. *Make the City user-friendly with phone and Internet information services for housing, building, zoning and planning.*

THE INSTITUTE FOR THE STUDY OF HOMELESSNESS AND POVERTY

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