

**Los Angeles' affordable housing shortage**

Los Angeles has had a shortage of decent, affordable housing for more than 20 years, starting with the escalation in local rents and home prices in the late 1970s. The former phenomenon led to the establishment of rent stabilization in the City of Los Angeles in 1979, as well as similar measures in other jurisdictions around the state of California. The latter led to the enactment of Proposition 13, to contain the rapid rise in property taxes based on increased values, which was burdening homeowners living on fixed incomes. Homelessness became a problem in the 1980s in Los Angeles. Widespread substandard housing became a focus of attention by the City in the late 1990s. Los Angeles has the largest stock of federally subsidized housing at risk of mortgage prepayment or Section 8 contract opt-out in California. Numerous Blue Ribbon commissions and task forces have produced reports on various aspects of the housing crisis and suggested ways to address it. (Sally Richman, LAHD.)

**INFORMATION FOR THE CITY OF LOS ANGELES IN 1999 & 2000**

(Sources include U.S. Census, U.S. Bureau of Labor Statistics, LAUSD, Los Angeles City website)

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Total persons: 3,694,820<sup>1</sup>

Median household income in 1999: \$36,687

1,337,668 housing units (single family detached homes = 39%; apartments = 60% [60% are smaller properties with less than 20 rental units]; and 1% are mobile homes, cars, vans & boats.)

61% of all occupied housing units are renter-occupied.

The current national standard is that paying 30% of gross household income towards housing costs is considered affordable to renters, as is 35% of gross income for owners. (Before 1981 the national standard was 25% of gross income.)

45% of renter households in the City pay 30% or more of their household income on rent.<sup>2</sup>

29% of owner households in the City pay 35% or more of their household income on housing payments.<sup>3</sup>

18% of housing units in the City are severely overcrowded, with 1.51 or more persons per room, or the equivalent of 7 persons living in a 2-bedroom apartment.

Looking at six income groups in Los Angeles:

1. **Extremely low income** households earning less than 30% of county median income
  - Maximum income \$11,550 for one person, \$ 16,550 for family of four.
  - Affordable rent is \$289 for one; \$414 for four.
  - Affordable monthly mortgage and related costs total \$337 for one; \$483 for four.

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<sup>1</sup> Source: U.S. Bureau of the Census, Census 2000. Summary File 1 (SF1) 100-percent data.

<sup>2</sup> Source: U.S. Bureau of the Census, Census 2000. Table DP-4. Gross rent as a percentage of household income in 1999.

<sup>3</sup> Source: U.S. Bureau of the Census, Census 2000. Table DP-4. Selected monthly owner costs as a percentage of household income in 1999.

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2. **Very low income** households earning less than 50% of county median income
    - Maximum income \$19,300 for one person, \$27,550 for family of four.
    - Affordable rent is \$483 for one; \$689 for four.
    - Affordable monthly mortgage and related costs total \$564 for one; \$804 for four.
  3. **Low income** households earning less than 80% of county median income
    - Maximum income \$30,850 for one person, \$44,100 for family of four.
    - Affordable rent is \$771 for one; \$1,102 for four.
    - Affordable monthly mortgage and related costs total \$900 for one; \$1,286 for four.
  4. **Low-moderate income** households earning between 80% and 100% of median income
    - Income range from \$30,850 - \$38,600 for one person, \$44,100 - \$55,100 for four.
    - Affordable monthly rent range is \$771 - \$965 for one; \$1,102 - \$1,378 for four.
    - Affordable monthly mortgage and related costs total \$900 - \$1,126 for one; \$1,286 - \$1,607 for four.
  5. **High-moderate income** households earning between 100% and 120% of median income
    - Income range from \$38,600 - \$46,320 for one person; \$55,100 - \$66,120 for four
    - Affordable rent range is \$965 - \$1,158 for one; \$1,378 - \$1,653 for four
    - Affordable monthly mortgage and related costs total \$1,126 - \$1,351 for one person; \$1,607 - \$1,929 for four
  6. **Middle income** households earning between 120% and 160% of median income
    - Income range from \$46,320 - \$61,760 - for one person; \$66,120 - \$88,160 for four
    - Affordable rent range is \$1,158 - \$1,544 for one; \$1,653 - \$2,204 for four
    - Affordable monthly mortgage and related costs total \$1,351 - \$1,801 for one person; \$1,929 - \$2,571 for four