

Northridge West Neighborhood Council

1960-2015 Profile of US Census Bureau and Bureau of Labor Statistics Data

Los Angeles, CA



FOREWORD

Neighborhood communities and the Councils that represent these are in a position to address the housing shortage, which is the principal driver of housing unaffordability in the LA region. While some may perceive housing unaffordability to be an issue that predominantly affects lower-income households, in fact, the lack of competitively priced housing and the root causes that drive this condition have profoundly adverse effects on the regional economy, the environment, and social equity in various ways. The following study builds onto a body of

FIGURE 1.

The graph below shows trends in US Census Bureau data from 1960-2015 for total population, total dwelling units, and median household income (adjusted for inflation to 2015 dollars) in the census tracts that are within the boundaries of the Neighborhood Council. In some areas, an observed decrease in population is a result of increasing housing unaffordability as total dwelling units do not keep up with the regional population growth, or worse, total dwelling units decrease. A steep upward trend in population in recent years contributes to the demand for dwelling units in the area; if the slope of dwelling unit growth does not reflect population growth, then housing unaffordability is likely to increase.

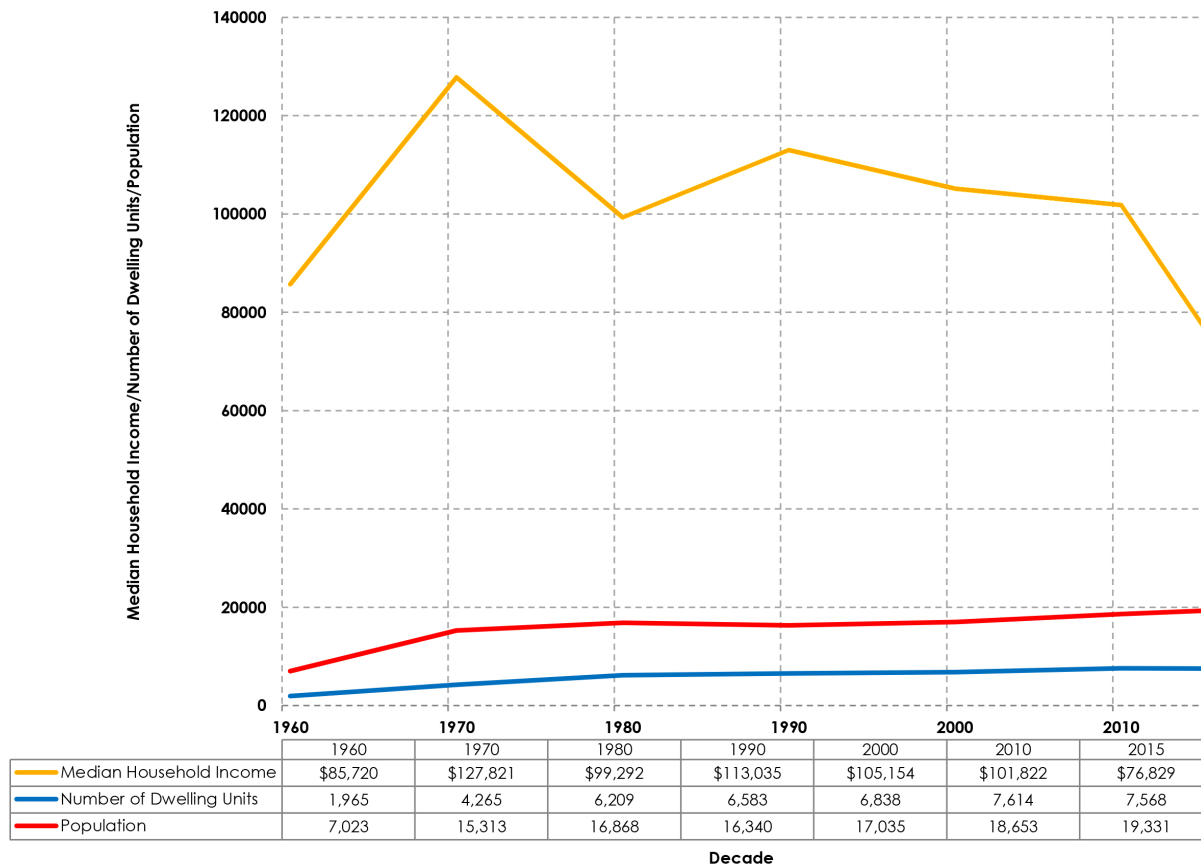


Figure 1. Source: U.S. Census Bureau 1960-2010 Decennial Census, 2015 American Community Survey IPUMS NHGIS, University of Minnesota, www.nhgis.org

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U.S. CENSUS BUREAU DATA SUMMARY OF CHANGES 1960-2015 (55 YEAR SPAN)

	1960	1970	1980	1990	2000	2010	2015	PERCENT CHANGE (1960-2015)	
Los Angeles Metropolitan Statistical Area	Total Population	6,746,356	8,432,862	9,406,302	11,266,101	12,365,627	13,153,964	95%	
	Total Dwelling Units	2,501,432	3,001,670	3,576,955	4,038,197	4,240,393	4,541,165	82%	
	MHI (Inflation Adjusted 2015 \$)	\$63,669	\$79,692	\$58,192	\$70,701	\$67,271	\$69,241	\$60,705	-5%
City of Los Angeles	Total Population	2,482,619	2,805,410	2,971,063	3,492,075	3,704,176	3,788,402	3,694,636	49%
	Total Dwelling Units	994,386	1,076,927	1,191,442	1,302,801	1,341,071	1,413,151	1,381,778	39%
	MHI (Inflation Adjusted 2015 \$)	\$62,817	\$76,915	\$52,954	\$60,201	\$55,462	\$58,066	\$50,205	-20%
Northridge West Neighborhood Council	Total Population	7,023	15,313	16,868	16,340	17,035	18,653	19,331	175%
	Total Dwelling Units	1,965	4,265	6,209	6,583	6,838	7,614	7,568	285%
	MHI (Inflation Adjusted 2015 \$)	\$85,720	\$127,821	\$99,292	\$113,035	\$105,154	\$101,822	\$76,829	-10%

Figure 2. Source: U.S. Census Bureau 1960-2010 Decennial Census, 2015 American Community Survey

academic and policy research into the root causes of the region's inflated housing prices and the most viable solutions, ranked from low hanging fruit to the long range planning efforts that are required. A different and perhaps better Los Angeles is possible: one that provides housing options that are accessible to all segments of society, that contributes to regenerative natural ecosystems, and that fosters economic development, innovation, and contributes to increasing wages. As the saying goes, "it is going to take all of us," to build a Los Angeles that meets the broader needs of all communities.

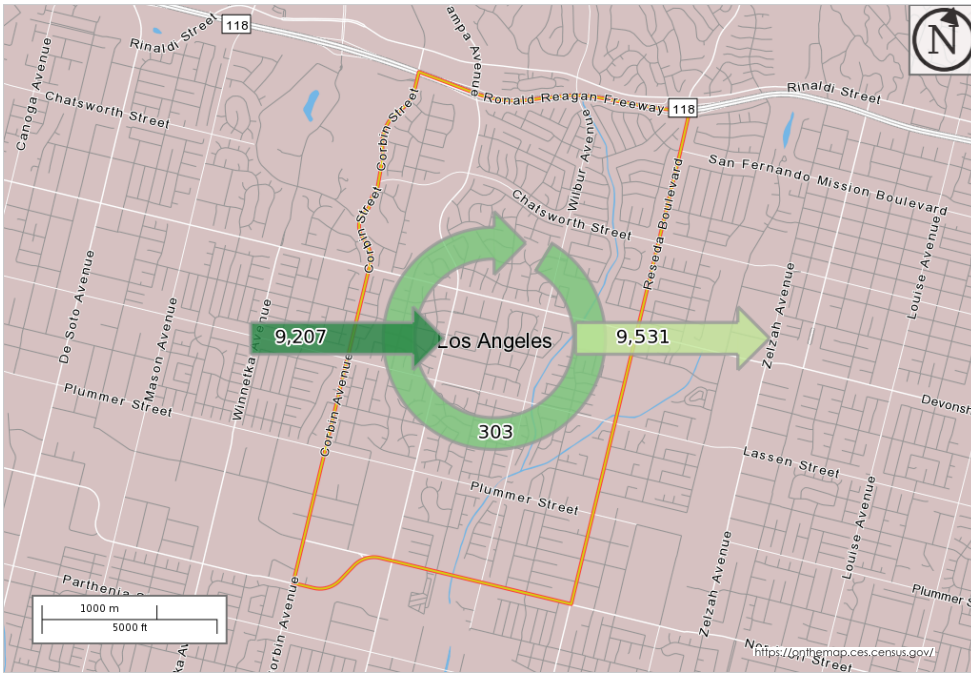
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INTRODUCTION, METHODS AND RESULTS

The purposes of this report are 1) to provide an academic literature review into the root causes of the housing shortage in the City of Los Angeles and the broader region, and 2) using spatial analysis tools, to analyze 55 year data trends (1960 through 2015) for total population, total dwelling units, and median household income in each of the 97 Neighborhood Council areas in the City of Los Angeles, as well as each of the 15 City Council Districts, the City of Los

Angeles as a whole, and the broader LA region (Los Angeles-Long Beach-Anaheim Metropolitan Statistical Area or LA MSA). Further, in order to paint a more complete picture of traffic as it relates to housing, and explore potential reductions to traffic through the supply of housing near places of employment that is affordable to those employed, 2015 Bureau of Labor Statistics data for each of the 97 Neighborhood Council areas were analyzed and the number of daily vehicle trips that are made into, out from, and within each neighborhood for work were reported. Lastly, the distance traveled from work to home for people employed in each neighborhood but who live elsewhere were also reported. A goal of publishing the results of this study is that the definition of problems, the formulation of solutions, and policy discussions among individuals, communities, and decision-makers may be informed by observed empirical evidence.

Housing in the Los Angeles region is among the most unaffordable markets in the U.S. The principal driver of inflated housing prices in the region is the shortage in the number of dwelling units in relation to the number of households. As scarcity of housing has driven prices up, particularly along the coast, potential renters and buyers who are priced out move inland to seek housing, which causes prices in the overall region to be artificially inflated (Legislative



Inflow/Outflow Counts of All Jobs for Selection Area in 2015

All Workers

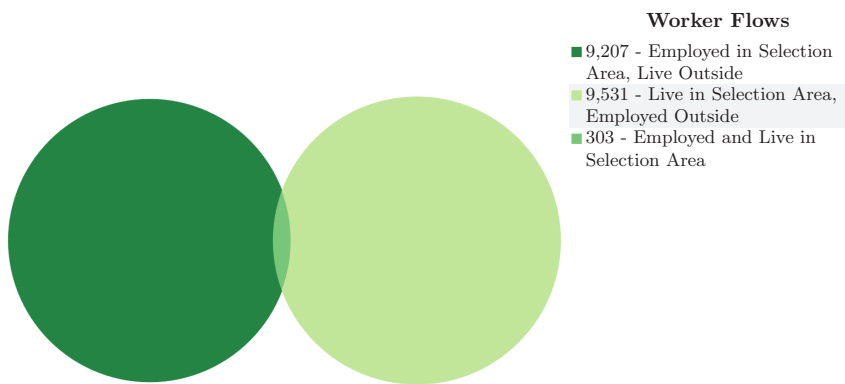


Figure 3. Source: <https://onthemap.ces.census.gov/>

Jobs by NAICS Industry Sector

2015

	Count	Share
Agriculture, Forestry, Fishing and Hunting	3	0.0%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%
Utilities	0	0.0%
Construction	102	1.1%
Manufacturing	36	0.4%
Wholesale Trade	210	2.2%
Retail Trade	3,394	35.7%
Transportation and Warehousing	6	0.1%
Information	1,391	14.6%
Finance and Insurance	194	2.0%
Real Estate and Rental and Leasing	342	3.6%
Professional, Scientific, and Technical Services	167	1.8%
Management of Companies and Enterprises	4	0.0%
Administration & Support, Waste Management and Remediation	172	1.8%
Educational Services	335	3.5%
Health Care and Social Assistance	631	6.6%
Arts, Entertainment, and Recreation	124	1.3%
Accommodation and Food Services	2,122	22.3%
Other Services (excluding Public Administration)	277	2.9%
Public Administration	0	0.0%
Total All Jobs	9,510	100.0%

Analyst's Office, 2015). At the root of these trends are a series of local land-use policies and rulings that have cumulatively reduced the total number of dwelling units that are allowed to be built. (Morrow, 2013; Shoup, 2014; Lens & Monkkonen, 2016). Policy changes are desirable if not simply to address the lack of competitively priced housing in the region, but also to mitigate the various negative repercussions of housing unaffordability.

It is calculated that the local economy loses \$100 billion annually as a result of decreased disposable income and wages lost in various industries (McKinsey, 2016). As housing scarcity and unaffordability drive households to live farther from their place of employment, the total regional

FIGURE 3.

The map above visualizes the daily number of workers who commute into (inflow), out from (outflow), and within each neighborhood council area. Areas with relatively large numbers of people driving into these for work may point to a deficient supply of competitively priced housing and could be present an opportunity for locating housing near places of work. Locating housing that is affordable to households that work in an area will decrease traffic and reduce air pollution.

number of vehicle miles traveled increases, which drives traffic congestion, productivity lost as a result of the time spent in traffic, increased greenhouse gas emissions and deteriorated air quality. (Taylor, 1993; Taylor & Wachs, 2014).

All Jobs for All Workers in 2015

Distance and Direction from Work Census Block to Home Census Block, Employed in Selection Area

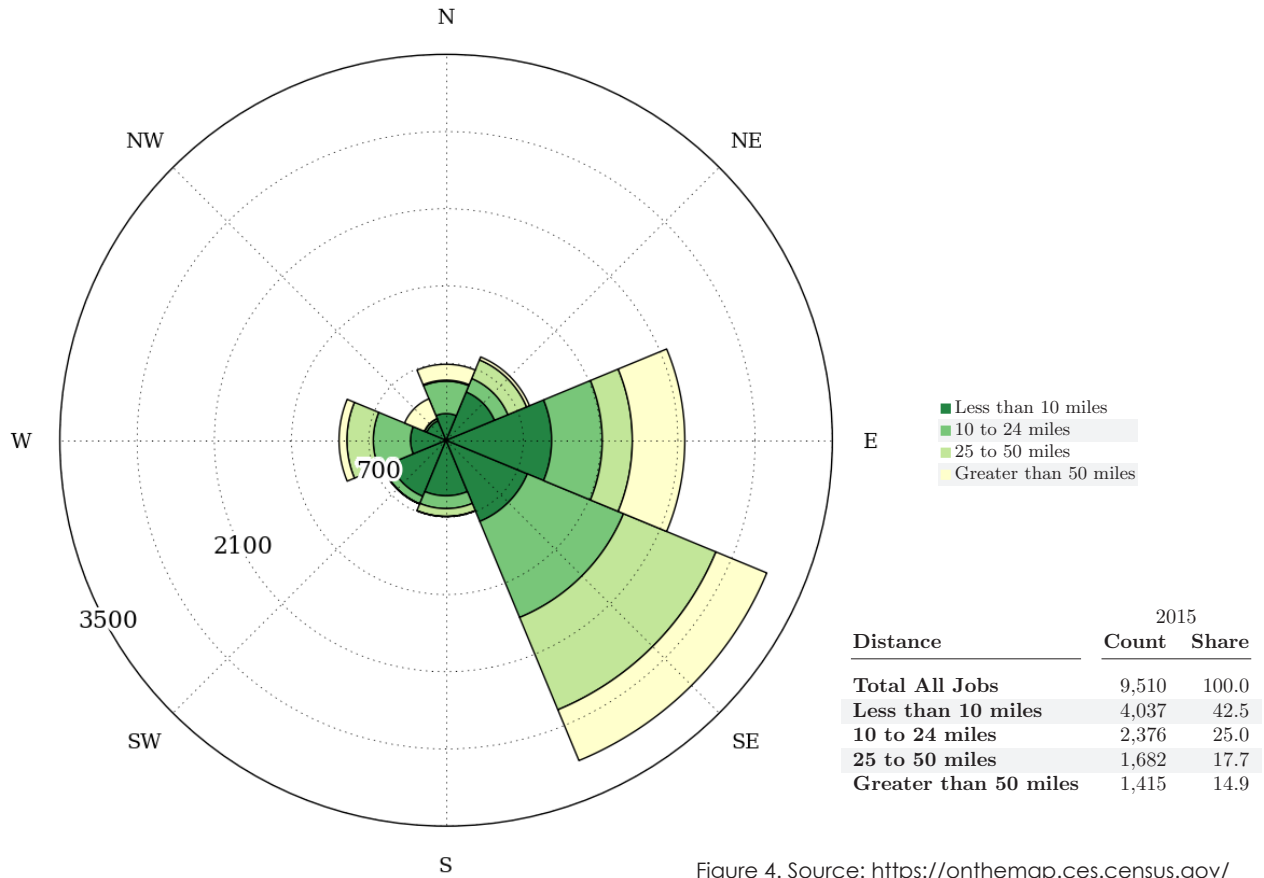


Figure 4. Source: <https://onthemap.ces.census.gov/>

FIGURE 4.

The diagram above illustrates the direction and distance in miles that employees in the neighborhood council area travel for work. (The share of total jobs located in the neighborhood council area by industry sector are reported in Figure 3).

While some of the most immediately affected by the narrowing supply of housing are households burdened with rent that exceeds 30% of their annual income, increasing housing prices also drive households that are in living in a state of precariousness into periods of homelessness (U.S. Department of Housing and Urban Development, 2016). Further, housing scarcity and spatial segregation by income limits access of lower-income households to healthy food and quality education, which systemically places children of lower-income households at an unfair disadvantage in regards to future income and health outcomes, etc. (Lens & Monkkonen, 2016; Kahlenberg, 2017).

OBSERVATIONS

Population in the Los Angeles region (LA MSA) has increased by approximately 95% in the last 55 year period, while the population of City of Los Angeles has increased by 49%. The change in total population and number of dwelling units is unequally distributed throughout the City of LA. For example, whereas the City of LA has observed a close to 40% increase total number of dwelling units over the last 55 years, the total number of dwelling units in the Venice neighborhood area has only increased by 19% in the same period. Further, when one focuses on the 90291 area code in Venice, the total number dwelling units has observed a net decrease. A similar phenomenon is observed in other affluent neighborhoods in the City of LA, which has led to an unfair overburdening in the share of housing by lower income areas (Morrow, 2013).

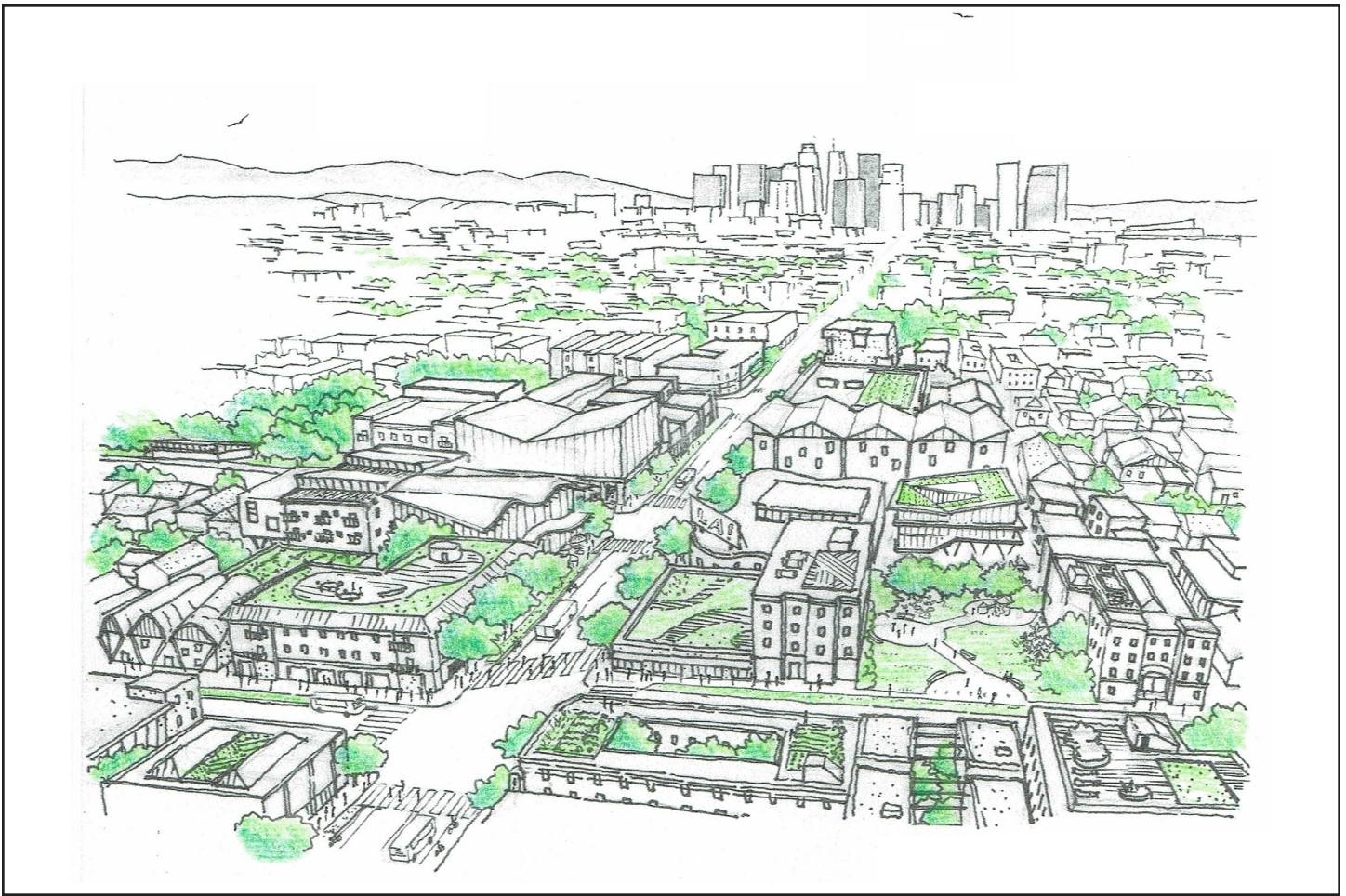


Figure 5. Vision for an equitable and competitively priced housing market in Los Angeles. Artist: Alex Motoda

CONCLUSION

In the context of stagnant wages and a increasing population, the principal driver of housing unaffordability is a lack in the supply of competitively priced dwelling units. At the root of this are local resistance to development and restrictive land use regulations (zoning) that prohibit the construction of additional dwelling units in some areas and prohibit multi-family dwellings altogether in other areas. For example, Assembly Bill 283 (1978), which was intended to bring the City's zoning code and General Plan into consistence with each other, and Proposition U (1986), which lowered the ratio of developable floor area to lot size (Floor Area Ratio, or FAR) on commercial-zoned parcels by half, reduced the allowable dwelling unit capacity of many neighborhoods. Further, interest groups have effectively resisted new development unequally in certain neighborhoods, which over time has contributed to an overburdening of neighborhoods in some areas while others avoid providing a fair share of the housing required.

VISION FOR EQUITABLE LOS ANGELES HOUSING

A different and perhaps better Los Angeles is possible: one that provides housing options that are accessible to all segments of society, that contributes to regenerative natural ecosystems, and that fosters economic development, innovation, and contributes to increasing wages. Local communities are in a position to engage with decision-makers and to become the builders of a better, more equitable LA region.

February 2018, Los Angeles

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