

## **3J. Population and Housing**

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### **3J.1 INTRODUCTION**

This section analyzes the nature and extent of property acquisitions, and subsequent residential displacement, that would occur as a result of the proposed learning center project. In accordance with CEQA, this section identifies the levels of significance of any property acquisitions and the impacts resulting from residential displacement. The impacts of residential property acquisitions on housing stock are also examined.

Important population and housing issues include changes in the number, characteristics (including rent level or purchase price), geographic distribution, timing of implementing new housing units, supply-demand relationships, and the degree to which project-related changes are consistent with growth policies.

The current shortage of housing units throughout Southern California, especially in the Los Angeles area, is expected to worsen over the next few years because of increasing population and lack of available vacant lands. Consequently, the demand to provide educational facilities to meet the needs of the growing population continues to be at the forefront of LAUSD's objectives. These constraints are exemplified by the lack of vacant land in urban Southern California, and the need to displace existing land uses to accommodate new schools.

### **3J.2 SETTING**

The project site is located in an area bounded by Wilshire Boulevard on the north, South Mariposa Avenue on the west, West 8<sup>th</sup> Street on the south, and South Catalina Avenue on the east in the City of Los Angeles, California (see Figure 2-2). The site is comprised of five contiguous parcels, and totals approximately 23.77 acres. Figure 2-1 (Chapter 2) shows the project site and vicinity. The project site is currently occupied with multiple land uses, including hotel, multi-family residential, commercial, and parking uses. The Ambassador Hotel complex, which contains the vacant 444-room 7-story hotel building, six 2-story bungalows (located along the eastern edge of the project site) and one swimming pool with accompanying cabana /health club occupies the majority of the project site. The multi-family residential component of the project site includes two 2-story, 8-unit apartment buildings located at the intersection of West 7<sup>th</sup> Street and South Mariposa Avenue; and, one 2-story, 6-unit apartment building, located on the southeast portion of the site (along South Catalina Street). In addition, there is a currently vacant one-story commercial building (Vitamin E) on the southeast corner of the site.

The project site is located in zip code 90005 and is bounded on the north by zip code area 90010. Demographic data for both zip code areas, City of Los Angeles (City) and Los Angeles County (County) were used to assess the potential impacts of the proposed project on population and housing.

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## Regional Demographics

The proposed project area is defined within this section of the Draft EIR to be the zip code 90005. Table 3J-1 summarizes the population and household characteristics of the project area, the adjacent zip code area (90010), and the City and County of Los Angeles.

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TABLE 3J-1: GEOGRAPHIC AREA POPULATION, HOUSING UNITS, HOUSEHOLDS AND POPULATION DENSITY

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<u>Study Area</u>	<u>Population (2000)</u>	<u>Housing Units</u>	<u>Households (2000)</u>	<u>Density (persons/household)</u>
90005 Zip Code	43,014	15,905	15,306	2.80
90010 Zip Code	1,943	996	960	2.02
Los Angeles City	3,694,820	1,333,706	1,275,412	2.83
Los Angeles County	9,519,338	3,270,909	3,133,774	2.98

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Source: U.S. Census Bureau (2000)

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## Project Area Economic Data

Household income distribution and median household income for the study areas are summarized in Table 3J-2. According to 2000 Census data, the median household income for the project area is \$21,998, well below that of the adjacent zip code area, and the City and County of Los Angeles.

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TABLE 3J-2: HOUSEHOLD INCOME DISTRIBUTION AND MEDIAN HOUSEHOLD INCOME

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<u>Study Area</u>	<u>Less than \$15,000</u>	<u>\$15,000- \$34,999</u>	<u>\$35,000- \$50,000</u>	<u>\$50,000- \$99,999</u>	<u>\$100,000 and over</u>	<u>Median Household Income (\$)</u>
90005 Zip Code	36.0%	35.2%	11.9%	12.5%	4.4%	21,998
90010 Zip Code	23.7%	23.5%	14.2%	13.9%	19.5%	32,083
Los Angeles City	20.6%	27.0%	14.6%	23.9%	13.6%	36,687
Los Angeles County	17.0%	24.8%	15.1%	28.0%	15.1%	42,189

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Source: U.S. Census Bureau (2000)

The U.S. Department of Housing and Urban Development (HUD) establishes income limits to determine eligibility for HUD's Section 8 housing program. Income limits are also considered when determining a household's eligibility for LAUSD's Last Resort Housing Program.

### Project Area Housing Demographics

According to U.S. Census Bureau 2000 data, housing occupancies in the project area consist of over 92 percent renters, with a vacancy rate of 3.8 percent, which equates to 599 unoccupied units. Table 3J-3 summarizes housing occupancy and vacancy data for the study area.

TABLE 3J-3: PROJECT AREA HOUSING DEMOGRAPHICS

<u>Study Area</u>	<u>90005</u>	<u>%</u>	<u>90010</u>	<u>%</u>	<u>City</u>	<u>%</u>	<u>County</u>	<u>%</u>
Total Housing Units Available	15,905	100	996	100	1,337,706	100	3,270,909	100
Total Housing Units Occupied	15,306	96.2	960	96.4	1,245,412	95.3	3,133,774	95.8
Vacant Housing Units/Vacancy Rate	599	<b>3.8</b>	36	<b>3.6</b>	62,294	<b>4.7</b>	137,135	<b>4.2</b>
Occupied/Owner	1,092	7.1	239	24.9	491,882	38.6	1,499,744	47.9
Occupied/Renter	14,214	92.9	721	75.1	783,530	61.4	1,634,030	52.1

Source: U.S. Census Bureau (2000)

### Los Angeles Metropolitan Housing Market

LAUSD has retained a consultant to conduct a comprehensive study of the existing housing stock's capacity to absorb households displaced by the proposed project and other school projects currently planned by LAUSD (Hamilton, Rabinovitz & Altschuler, Inc. 2001). Applicable setting information from this study is summarized in this section, except where noted.

#### Overview

According to preliminary 2000 census data, the County had a total of 3.3 million housing units, of which 3.1 million were occupied. Just under 1/2 (48%) were owner-occupied units and just over 1/2 (52%) were renter-occupied. The overall vacancy rate for year-round units (excludes 13,565 seasonal or recreational vacant units) was 3.8%, or 123,570 units.

The 1999 edition of the American Housing Survey (AHS) for the County provides estimates of housing stock characteristics based on extrapolations from a scientific sample survey of the housing stock. The AHS estimated, for example, that about one-third (31%) of the County's vacant rental units were on the market for less than one month, about another one-third (38%) were vacant for one to six months, and another 1/4 (26%) were available for more than 6 months

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(data for the remaining 5% of the vacant units were not available). Vacant for-sale units remained available for much longer periods than rental units (e.g., 43% available for 2 to 6 months).

Vacant rental and ownership units exhibited characteristics that were generally similar to occupied units (e.g., distribution by number of bedrooms and age of building). Median monthly rent for vacant rental units (\$617) was somewhat less than the median for occupied rental units (\$663), but both were substantially less than the median rent for units constructed during the past 4 year (\$1,149). Less than 1/4 (22%) of occupied rental units rent for less than \$500 per month, but more than 1/4 (27%) of vacant rental units had asking rents under \$500; less than one in ten (7%) of the units constructed during the past four years had rents of less than \$500.

The City of Los Angeles had 1.4 million housing units in 2000, according to the national census, which represented approximately 41% of the County's total. This includes 1.3 million occupied units, of which somewhat more than one-third (39%) were owner-occupied and about two-thirds (61%) were renter-occupied. There were 57,418 vacant units available for year-round use in 2000, which is an overall vacancy rate of 4.3%. The homeowner vacancy rate was 1.8% and for renters it was 3.5%.

### **Housing Market Trends Throughout Los Angeles County**

The composition of Southern California's population growth is expected to result in a relatively larger increase in demand for multi-family housing than for single-family units. Although the County population is projected to grow at an annual rate of slightly more than 1% over the coming decade, much of the population growth will come from younger, less affluent workers who have a relatively lower level of education and income. This group is unlikely to be able to purchase a home and will be the primary driver of growth in demand for multi-family housing units in the County during the coming decade. Single-family dwelling unit prices are so high locally that many working families will have to buy condominiums or rent apartments. Although rents have increased significantly in recent years, renting is still the only viable option for lower- or even many middle-income households.

Multi-family construction in the County is currently at the highest level since 1993, when construction of multi-family units virtually stopped (i.e., only 2,884 units with permits). High land and construction costs have generally prevented developers from constructing the thousands of apartments that were built during the boom years of the 1960s, 1970s, and 1980s. Multi-family construction in the County peaked in 1986, when development permits were issued for nearly 53,000 apartment and condominium units. In 2000, permits for 8,542 units were issued.

Another major impediment to multi-family housing construction is the lack of available development sites, particularly in the coastal areas. Much of the current apartment construction in the County is in-fill on smaller parcels. New apartment construction is currently aimed at the high-income and luxury markets, featuring above-average amenities in design, services and unit features. Few apartments are aimed at the low- and moderate-income segments of the population. In spite of growing population-based demand for affordable units, high construction and land cost make it difficult to develop apartments for lower- and moderate-income families without significant subsidies.

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Housing prices and rent have increased throughout the greater Los Angeles area since 1998, particularly for single-family homes. In 2000, apartment rents in the County reached record levels with correspondingly low vacancy rates. One 12-month apartment forecast predicts that rents in the County will increase between 5% and 6% in the coming year, vacancies will decline by approximately 0.6%, and sale prices for apartment buildings are expected to increase 1%, despite increased construction. Looking five years out, another forecast predicts an accelerating pace of new construction, with corresponding decreases in rents and increases in vacancy rates, as delivery of finished units exceeds absorption. Though very little of this new supply will be affordable to lower-income households, the expanded supply may indirectly benefit such households by increasing price competition and creating new openings along the price continuum as higher-income households absorb the newer supply.

### **Mid-City/West Adams/Pico Heights Submarket Housing Supply and Trends**

Housing stock and market data are even more limited for scales of geography below the County level, particularly for rental units. When considering housing markets, the County can be broken down into 37 submarkets. Seven of these subareas account for all of the LAUSD school sites that may involve relocation of existing households.

The proposed Central Los Angeles Area New Learning Center No. 1 is located within the Mid-City/West Adams/Pico Heights Submarket. This submarket is bounded roughly by Pico Boulevard to the north, Martin Luther King Boulevard to the south, La Cienega Boulevard to the west, and the I-110 freeway to the east.

This submarket includes 342 rental properties with 15,393 units.<sup>1</sup> The apartment stock is dominated by older buildings (median year built is 1970), and the median number of units per building is 37, or less than 1/2 the median for the County as a whole. Mean rent is \$724, which represents a 2.1 percent increase since last year. No units have been added to this submarket in recent years, so absorption of about 140 units per year has resulted in a mean vacancy rate of 2.3 percent, or about 247 units. Among buildings with rent under \$500, the vacancy rate is under one percent.

Approximately 363 new units are anticipated to become available in 2004, which would result in a higher mean vacancy rate (2.7%).<sup>2</sup>

## **3J.3 APPLICABLE REGULATIONS**

### **Federal Uniform Relocation Act**

The Federal Uniform Relocation Act requires that comparable, decent, safe, and sanitary replacement housing that is within a person's financial means (comparable and affordable) be

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<sup>1</sup> Hamilton, Rabinovitz & Alshuler, Inc. *Capacity of the Housing Stock to Absorb Households Displaced by New School Projects*. July 19, 2001.

<sup>2</sup> *Ibid.*

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made available before any person is displaced. The new housing, to the maximum extent practicable, should be housing of the tenant's choice, on a nondiscriminatory basis, without regard to race, color, religion (creed), national origin, handicap, age, or sex, and in compliance with applicable federal and state laws. Regulations require that replacement housing:

- Meet applicable housing and occupancy requirements;
- Be structurally sound, weather-tight, and in good repair;
- Contain a safe, adequate electrical wiring system;
- Have adequate living space for the occupants;
- Have a kitchen and sink, hot and cold running water, and connections for a stove and refrigerator;
- Have a separate, complete bathroom with hot and cold running water;
- Have heating as required by climactic conditions; and
- Be free of barriers which would preclude the physically handicapped a reasonable use of the unit.

In addition, assistance to all displaced tenants and owners must include:

- Assistance in finding suitable replacement housing;
- Payment of actual, reasonable moving costs;
- Counseling and advisory services to assure that full choices and real opportunities exist; and,
- Housing offered includes a full range of neighborhoods, and is in and outside of areas of minority concentration.

In the event that such replacement housing is not available to "re-house" persons displaced by the project within the statutory limits for replacement housing payments, LAUSD may provide Last Resort Housing, on a case-by-case basis, in a number of ways, including but not limited to:

- Rehabilitating, constructing additions and/or making minor repairs to existing replacement dwellings and making them available to the displaced persons;
- Removing barriers or rehabilitating structures to accommodate handicapped displaced persons when suitable replacement housing is not available; and,
- Making replacement housing payments in excess of the statutory limits of \$22,500 for owner/occupants and \$5,250 for renters.

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All eligible displaced persons have freedom of choice in the selection of comparable replacement housing, and LAUSD will not require any displaced person, without their written consent, to accept a replacement dwelling provided by LAUSD.

### **Relocation Assistance and Real Property Acquisition Guidelines**

The Relocation Assistance and Real Property Acquisition Guidelines (Guidelines) were established by 25 CCR 1.6. The Guidelines were developed to assist public entities with developing regulations and procedures implementing Title 42, Chapter 61 of the United States Code's Uniform Relocation Assistance and Real Property Acquisition Policies for Federal and Federally Assisted Programs. The Guidelines are designed to ensure that uniform, fair, and equitable treatment is given to people displaced from their homes, businesses, or farms as a result of the actions of a public entity. In accordance with these guidelines, people shall not suffer disproportionate injury as a result of action taken for the benefit of the public as a whole. Additionally, public entities must ensure consistent and fair treatment of owners of such property, and encourage and expedite acquisitions by agreement with owners of displaced property in order to avoid litigation.

The Guidelines stipulate that a public entity shall not participate in or undertake a project that will displace individuals from their homes unless comparable replacement dwellings will be available within a reasonable period of time prior to displacement. Furthermore, no public entity may proceed with any phase of a project or other activity that will result in the displacement of any person, business or farm until it makes the following determinations:

- Fair and reasonable relocation payments will be provided to eligible persons as required by Article 3 of the Guidelines.
- A relocation assistance program offering the services described in Article 2 of the Guidelines will be established.
- Eligible persons will be adequately informed of the assistance, benefits, policies, practices and procedures, including grievance procedures.
- Comparable replacement dwellings will be available, or provided, if necessary, within a reasonable period of time prior to displacement sufficient in number, size, and cost for the eligible persons who require them.
- Adequate provisions have been made to provide orderly, timely, and efficient relocation of eligible persons to comparable replacement housing available without regard to race, color religion, sex, marital status, or national origin with minimum hardship to those affected.
- A relocation plan must be prepared in accordance with the requirements of Section 6038.

The State of California's Government Code Section 7260, et seq. brings the California Relocation Act into conformity with the Federal Uniform Relocation Act. In the acquisition of real property by a public agency, both the federal and state acts seek to: 1) ensure consistent and fair treatment for owners of real property; 2) encourage and expedite acquisition by agreement to

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avoid litigation and relieve congestion in the courts; and, 3) promote confidence in public land acquisition.

Owners of private property have federal and state constitutional guarantees that their property will not be taken or damaged for public use unless they first receive just compensation.

Just compensation is measured by the "fair market value" of the property taken, defined as follows:

*The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for doing, each dealing with the other with the full knowledge of all the uses and purposes for which the property is reasonable adaptable and available [Code of Civil Procedure Section 1263.320(a)].*

### 3J.4 IMPACTS AND MITIGATION

#### Criteria for Determining Significance

The criteria used to determine the significance of an impact related to population and housing are based on the model initial study checklist in Appendix G of the State CEQA Guidelines. The project may result in significant impacts if it would:

- Induce substantial population growth in the area either directly or indirectly; or,
- Displace substantial numbers of people, housing, or businesses, necessitating the construction or replacement housing elsewhere.

#### Project Impacts

Three existing apartment buildings, containing 22 units, are planned for demolition under Alternatives 1 through 5. The following table summarizes the proposed project's level of impact on population and housing.

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TABLE 3J-4: POPULATION AND HOUSING IMPACT SUMMARY

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	<u>Alternative 1</u>	<u>Alternative 2</u>	<u>Alternative 3</u>	<u>Alternative 4</u>	<u>Alternative 5</u>
<b>Impact 3J1</b>	LTS	LTS	LTS	LTS	LTS
<b>Impact 3J2</b>	LTS	LTS	LTS	LTS	LTS

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LTS = Less Than Significant Impact

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**Impact 3J1: The proposed project would not result in the inducement of substantial population growth in the project area.**

Population impacts are often associated with substantial increases in population from a project. Housing impacts may result directly from construction of new housing units or indirectly from changes in housing demand associated with new non-residential development, such as office, manufacturing, and industrial uses that increase employment in an area.

The proposed project does not result in the direct inducement of growth, but rather responds to the demand for additional educational facilities. The proposed project will accommodate existing and projected future increased demands for educational and support facilities in the project area. The proposed project, therefore, accommodates rather than induces growth. New schools are needed to serve existing students and projected population growth (as a result of required class size reduction and to alleviate overcrowding). The project area is currently served by urban infrastructure that can accommodate the proposed learning center. Therefore, no significant impacts would occur.

**Mitigation Measures**

No mitigation is required.

**Residual Impacts**

Impacts would be less than significant.

**Impact 3J2: The proposed project would not result in the displacement of substantial numbers of people and housing.**

The proposed project would include the demolition of 22 multi-family residential units to accommodate the proposed learning center. This is not considered a substantial displacement in light of the vacancies in the project area and the County (approximately 600 single-family residences and 137,000 multi-family residences), and would not necessitate construction of replacement housing elsewhere.

Pursuant to state law, LAUSD has developed and implemented a relocation assistance program that would not only compensate tenants and landowners for displacement, but would proactively work with those requiring relocation on an individual basis. Under the program, LAUSD would pay for relocation and would work to find comparable existing housing in the area. If comparable housing is not available within the tenants' current range of affordability, the relocation assistance program would further compensate those being relocated so they can afford to relocate to better available housing.

The proposed 22-unit multi-family housing displacement would not have a perceptible impact on the stock of available housing in the County, City or project area (90005). Thus, the proposed housing displacement would not necessitate construction of replacement housing, and no significant impacts would occur.

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**Mitigation Measures**

No mitigation is required.

**Residual Impacts**

Impacts would be less than significant.

**Impact 3J3: Together with other area projects, the proposed project would not have cumulative impacts on population and housing.**

The proposed project would have no impact on housing, and would therefore, not contribute to a cumulative impact.

**Mitigation Measures**

No mitigation is required.

**Residual Impacts**

Impacts would not be cumulatively considerable.