

## A fiasco foretold – LA’s 2021-2029 Housing Element

By Dick Platkin\*



*Street scene in dystopian film, Blade Runner, about a future Los Angeles.*

**Planning Watch.** In California every city and county must have a General Plan, and one of its mandatory elements (i.e., sections) is Housing. Housing Elements are prepared in nine year increments, and they are the only General Plan element that State agencies carefully review. Furthermore, cities that miss the State’s deadline or do not meet housing goals, in particular up-zoning to accommodate imposed [Regional Housing Needs Assessments](#) (RHNA) allocations, can be fined. Compared to other mandatory General Plan elements -- *land use, transportation, open space, safety, noise, and conservation, plus two new elements: [Environmental Justice](#) and [Air Quality](#)* -- the Housing Element is the only General Plan chapter subjected to such scrutiny. This may therefore explain why LA’s General Plan’s elements are so out-of-date – often more than 20 years old – and why LA’s Housing Element is the only General Plan element that City Hall regularly updates.

LA’s current Housing Element expires this year, and LA’s draft Housing Element for 2021-2029, also called [The Plan to House LA](#), is on an accelerated preparation and adoption schedule. For example, last week LA’s City Planning Commission (CPC) held a [5 ½ hour public hearing](#), at which the Department of City Planning presented the draft Housing Element, including [its 1964 page staff report](#), prior to an open-ended dialog with the CPC. The public also had a chance to participate, in the form of one minute statements. As for [written public comments submitted prior to the hearing](#), they were not considered.

Having listened to this public hearing, my take-away is that the new Housing Element is a *fiasco foretold*. A General Plan element that is based on trickle-down economics through its deregulation of zoning and privatization of public housing through giveaways to private developers is, essentially, dead-on-arrival.

**Why? Because the new Housing Element is based on four faulty assumptions:**

**Faulty assumption #1:** The housing crisis can be successfully addressed by devolving it from the Federal government to cities. First, the Federal government eliminated HUD public housing programs beginning with the Nixon administration, before handing over the responsibility for low-cost housing to the states. Second, the states, like California, then drop-kicked the responsibility for providing low-cost housing to cities and counties. Third, local government then stuck it to private real estate developers to build affordable housing. The result of devolving public housing to private developers should not be a surprise. In Los Angeles, private developers have only proposed about 1000 units of low priced housing per year, and these stats are based on building permits granted, not affordable units completed and rented to vetted low-income tenants.

**Faulty assumption #2:** The housing crisis results from a housing shortage that will be solved by increasing zoning capacity. This assumption is wrong on several levels. First, there is a shortage of housing, but in cities like LA, the shortage is for low-priced affordable housing, not expensive housing, especially luxury, market, and middle-income apartments. For example, a drive through neighborhoods like Miracle Mile and Hollywood reveals an abundance of apartment FOR RENT signs, much of it on new buildings. Second, despite this apartment glut, the Los Angeles Times reports that 600,000 Angelinos want, but still cannot find and afford, low-priced housing. They need more money to rent available housing, not more housing beyond their financial reach enabled by up-zoning.

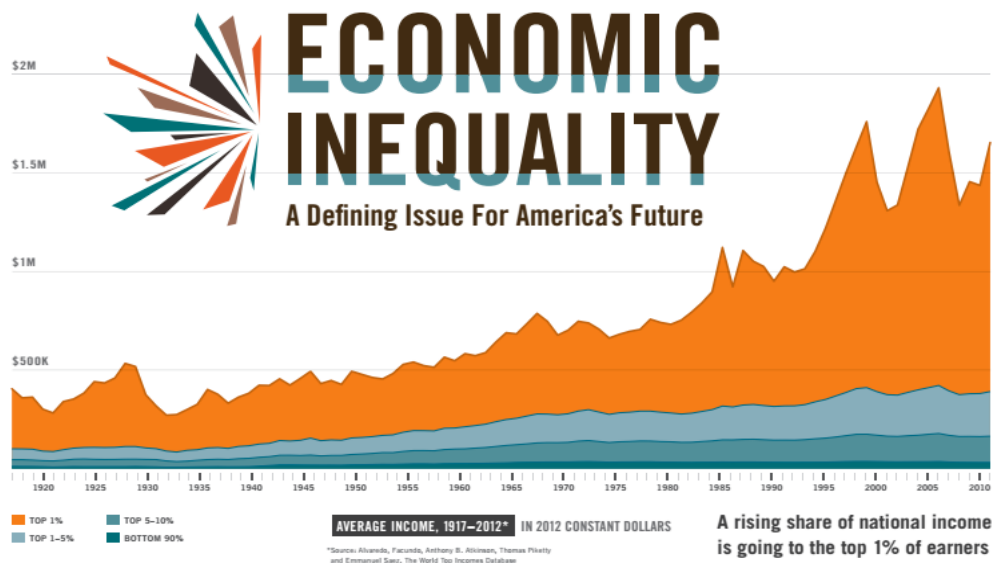
**Faulty assumption #3:** Homelessness and overcrowding result from local policies. The main causes are, however, nationwide: low wages and poverty, not insufficient local zoning capacity. Until wages can be indexed to inflation and poverty reduced, the housing crisis will remain a chronic social problem, often made worse, not better, by local up-zoning ordinances.

**Faulty assumption #4:** The draft Housing Element is based on a housing investment regression model provided gratis to LA's City Hall by the privately-funded Turner Center, a neo-liberal institute affiliated with UC Berkeley. This model has no paper trail, and Public Records Act requests to determine how LA's Department of City Planning acquired the model have, so far, been rejected. I have previously identified the many shortcomings of the Turner model, but here is a condensed list. Like other forecasting techniques, it extrapolates current statistical relationships into the future. As a result, it cannot identify and quickly adapt to unforeseen events that quickly undermine its forecasts. These include likely revisions to interest and tax rates, changing consumer

housing preferences, technological breakthroughs, and Biden Administration housing programs.

**A Fiasco Foretold:** As a result of these faulty assumptions, the Housing Element will be a *fiasco foretold*. Its outcomes are already observable, and once the City Council adopts the Housing Element, these trends will benefit from a powerful tail wind that will make them worse:

- Transit ridership will continue to slide in many neighborhoods. Those who can afford to buy condos or rent market rate apartments also own and drive cars. Even when they live close to bus stops or subway stations, they rarely take mass transit. In contrast, low income residents are transit users because they cannot afford cars. Once they can afford a car, their use of transit sharply drops.
- Air pollution and traffic congestion will rise. Because most infill apartments are expensive, and most occupants drive cars, up-zoning results in more driving and more Green House Gas emissions from cars and from housing construction.
- Economic and racial inequality will grow. Up-zoning bestows wealth on owners of commercial and multi-residential property. Because recent State legislation (e.g., Senate Bills 9 and 10) and their local counterparts, especially the new Housing Element, allow more rentable housing units on existing parcels, the parcels' market values increase. As a result, many existing owners will flip their parcels to pocket windfall profits, while others will evict existing residents in order to build new, expensive apartments at the same location.



- Racial inequality will increase because it is so closely linked to economic inequality. As for racial integration resulting from up-zoning, it will temporarily appear in minority neighborhoods that are gentrified – but only until existing residents are priced out.

- Up-zoning will reduce the percentage of houses and apartments that are owner-occupied. It is part of a long-term process that increases the percentage of the population who rent, now own their homes. This results from [housing corporations that buy single-family homes](#) and then rent them out, as well as from houses that developers bulldoze to make way for rentable duplexes, four-plexes, and small apartment buildings.
- Homelessness and homeless encampments will increase because up-zoning produces [expensive housing](#). While the overall number of housing units can increase, the new units are pricey. They are far beyond the financial reach of those who [market forces have forced into homelessness](#).
- Greenhouse Gas emissions will increase, leading to accelerated climate change. The [worst-case climate forecasts have been the most accurate](#) for a simple reason. Economic growth is a [powerful predictor of the Greenhouse Gas emissions](#) responsible for global warming.

If you have the patience, I invite you to file these predictions away to see how accurate they are. After all, these trends are already underway, and the new Los Angeles Housing Element is designed to extend housing policies and programs already on the books.

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