

Creating and Sustaining a Mixed-Income Downtown District

The dream of creating a vibrant, mixed-income district in downtown Los Angeles is visible on the horizon. However, a truly mixed-income community must include decent, stable housing for very low-income people.

There is enough room for current residents

The success of the downtown lofts has put into motion market forces that are threatening the existence of residential hotels, “the housing of last resort” for the lowest income Angelenos. Maintaining affordability while upgrading the conditions in the slum hotels is the right thing to do for both humanitarian and revitalization purposes. The City needs a strong policy to maintain the affordability of the slum hotels, similar to the Residential Hotel Preservation Policies in San Francisco and San Diego, and to back up that policy with money to assist with acquisition and rehabilitation.

Although most of the people now living in the Historic Core and Central City East are very low income, it is not necessary to push them out in order to create a mixed-income district. This is so because of the large amount of housing in the process of being built downtown. There are currently approximately 8,000 units affordable to very low-income residents, although half are in extreme slum conditions, and 7,800 market rate units. But since most of the units being developed now are market rate units (8,500 market rate in various stages of development and only several hundred affordable units in development), the balance is shifting away from a predominately low-income district into a mixed-income community. However, the City needs to intervene to ensure the neighborhood can remain mixed-income; that market forces do not eliminate the remaining privately-owned affordable housing and push thousands of residents out; and that new construction better reflects the needs of the City.

The City’s Housing Needs

The City’s Housing Element calls for about a half of new housing construction to be affordable to low income people. Now that we have moved toward a mixed-income downtown with the large number of market rate units built in the past five years, we need to ensure that new production

Percent of Area Median Income	Percent of LA’s Housing Element Goal	Number of People in Family	Annual Income	Affordable Monthly Rent
Very low income Less than 50%	30%	one	\$19,000/yr	\$480
		two	\$22,000/yr	\$540
		three	\$24,000/yr	\$600
Low income 50% - 80%	17%	one	\$30,000/yr	\$750
		two	\$35,000/yr	\$870
		three	\$39,000/yr	\$990
Moderate income 80%-120%	19%	one	\$46,000/yr	\$1,140
		two	\$52,000/yr	\$1,320
		three	\$54,000/yr	\$1,470
Above moderate income over 120%	34%	Over the amounts listed above for moderate income		

matches the needs of the neighborhood and the City of Los Angeles. More specifically that about one third should be affordable to people with incomes below 50% of area median income and about half to be affordable to people at below 80%. The following chart shows the relationship with incomes and affordable rents.