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CENTURY FREEWAY

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REPLENISHMENT HOUSING PROGRAM

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Housing Plan & Environmental Assessment

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"When we talk about housing it is usually in terms of mortgage rates, inflationary tables, and the obstacles that couples today face in buying a house. And that is probably as it should be. The problems in American Housing are serious ones and should be discussed. But when we talk in those terms we tend to forget what housing really is, it is something that cannot be measured on statistical tables and it is perhaps the most important part of our lives; the thing that gives us a home in which to grow up and to have a family, the thing that gives our lives stability."

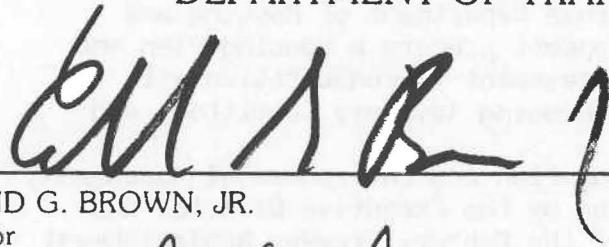
ABC News Night Line  
Monday, October 19, 1981  
Bob Green

# CENTURY FREEWAY REPLENISHMENT HOUSING PLAN

LOS ANGELES COUNTY AND ORANGE COUNTY, CALIFORNIA  
U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION

AND

CALIFORNIA BUSINESS, TRANSPORTATION AND HOUSING AGENCY  
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DEPARTMENT OF TRANSPORTATION

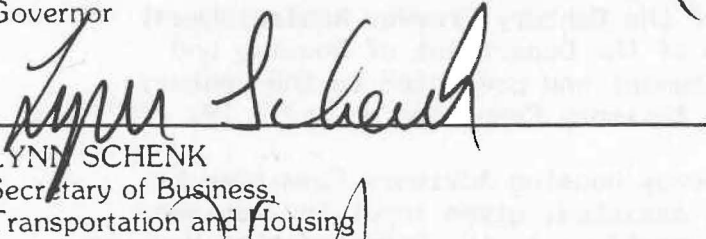
  
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EDMUND G. BROWN, JR.  
Governor

August 6, 1982

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Date

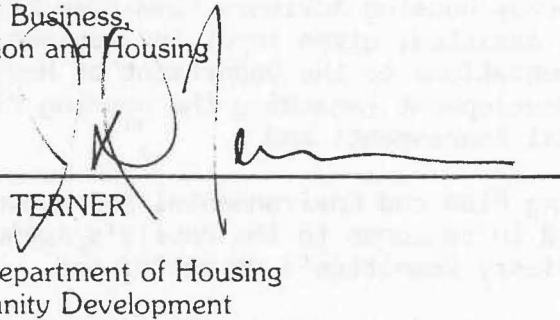
  
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LYNN SCHENK  
Secretary of Business,  
Transportation and Housing

August 6, 1982

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Date

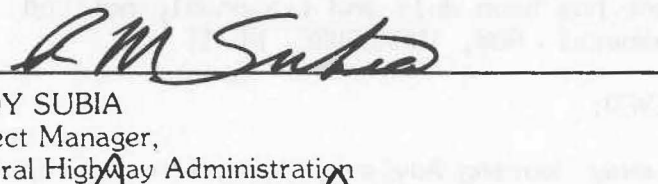
  
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I. DONALD TURNER  
Director,  
California Department of Housing  
and Community Development

August 6, 1982

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Date

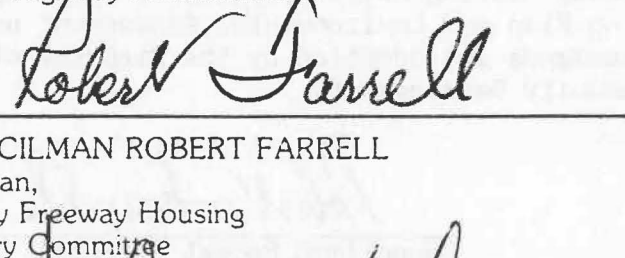
  
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RUDY SUBIA  
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August 6, 1982

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Date

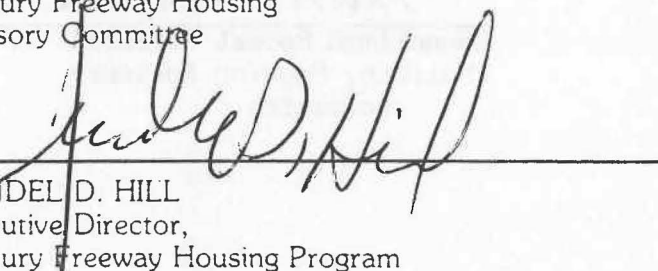
  
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COUNCILMAN ROBERT FARRELL  
Chairman,  
Century Freeway Housing  
Advisory Committee

August 6, 1982

\_\_\_\_\_

Date

  
\_\_\_\_\_

MENDEL D. HILL  
Executive Director,  
Century Freeway Housing Program

August 6, 1982

\_\_\_\_\_

Date

RESOLUTION

The Century Freeway Housing Advisory Committee on this 15th day of July, 1982 hereby adopts the following Resolution:

WHEREAS, The United States District Court in Keith vs. Volpe, Central District, Civil Number 72-355-HP mandated that the California Department of Housing and Community Development prepare a Housing Plan and Environmental Assessment in consultation with the Century Freeway Housing Advisory Committee; and

WHEREAS, the Draft Housing Plan and Environmental Assessment has been prepared by the Executive Director and project staff of the Century Freeway Replenishment Housing Program of the Department of Housing and Community Development and presented to the Century Freeway Housing Advisory Committee on April 19, 1982; and

WHEREAS, the Century Freeway Housing Advisory Committee has consulted with, assisted, given input to, reviewed and made recommendations to the Department of Housing and Community Development regarding the Housing Plan and Environmental Assessment; and

WHEREAS, the Draft Housing Plan and Environmental Assessment has been amended in response to the Public's, Agency's and Housing Advisory Committee's comments; and

WHEREAS, the vote for approval of the Housing Plan and Environmental Assessment has been duly and reasonably noticed to committee members; NOW, THEREFORE, BE IT

RESOLVED:

The Century Freeway Housing Advisory Committee approves the Draft Housing Plan and Environmental Assessment as amended and recommends its adoption by the Director of Housing and Community Development.

*Robert Farrell*

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Councilman Robert Farrell  
Chairman, Housing Advisory  
Committee

## EXECUTIVE SUMMARY

The Housing Plan and Environmental Assessment contained herein represents a major milestone in the process of translating the intent of the Amended Final Consent Decree (U.S. District Court, Central District of California, Keith et. al. vs. Volpe, et. al. dated September 22, 1981) to a workable Century Freeway Housing Program.

This Housing Plan and Environmental Assessment has been prepared by the Executive Director<sup>1</sup> and project staff of the Century Freeway Replenishment Housing Program of the State Department of Housing and Community Development. The Department was assisted in the conduct of the planning study by a multidisciplinary team under the direction of Gruen Associates/The Planning Group. In accordance with the Consent Decree, this document has been prepared in consultation with the Century Freeway Housing Advisory Committee.

This document represents the adopted Housing Plan for the development of approximately 3,700 housing units as replenishment for housing losses resulting from the I-105 (Century) Freeway. In accordance with the Consent Decree, the plan establishes an area six miles in all directions from the freeway/transitway alignment as the priority area or Primary Zone for the location of housing. The Primary Zone encompasses approximately 300 square miles.

This document is divided into seven chapters. The reader is directed to Chapter 5 for the specific recommendations of the Housing Plan. Chapters 4 and 6 contain the assessment of the implications, trade-offs and environmental consequences of the Housing Plan and various policy options. The remaining chapters provide useful background and summary information.

The Housing Plan is intended to serve the day-to-day implementation of the Housing Program by providing policy guidance statements of principles and general intentions. While many of these principles have been initially formulated, specific designs remain to be made during actual implementation of the overall program. In this context, the Housing Plan has achieved the following:

- o A workable housing allocation approach that is sensitive to the realities of housing development, availability of land, developer interest, and local acceptance.
- o Recommendation of a proposed mix between single- and multiple-housing units.
- o Establishment of a recommended construction method approach which includes the mix of new and rehabilitated units for the program.
- o Refinement of the Consent Decree with regard to occupancy priorities.
- o Establishment of resale control instruments.

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<sup>1</sup>Throughout this report, the terms Executive Director and Project Director are used interchangeably.

- o Recommendation of an Article 34 (low-rent housing project) strategy.
- o Establishment of an overall program budget which is predicated upon a five-year production schedule.
- o Proposed alternatives for ongoing funding of program operation and maintenance expenses over a 30-year period.
- o Guidelines for preparing recommendations regarding use of surplus land.
- o Identification of critical issues affecting implementation of the Housing Program.

While much has been accomplished, many open issues remain to be resolved in the future phases of the Program. Important decisions remaining to be made as the Program proceeds, include the following:

- o The site-specific location of housing.
- o The size and configuration of housing developments which will constitute the Program.
- o The selection of projects that will meet program guidelines as well as receive local environmental clearance.
- o Resolution of the use of acquired structures based on the cost experience of the new construction and rehabilitation approaches as reflected in pilot projects and units produced through the initial RFP process.
- o Establishment of a firm policy regarding the dollar amount by which housing will be written down, as well as the determination of the relationship between write-downs and minimum down payment requirements.
- o Closely tied to the issue of write-downs is the formulation of the rental housing program. If write-downs for home ownership limit rental occupancy to the lowest income groups, then methods must be found to ensure the economic viability of rental housing as well as to encourage mixed income projects.
- o Development of a viable approach to funding ongoing operation and maintenance expenses, as well as other periodic non-capital costs.
- o Establishment of a specific approach to the long-term administration of the Program, with particular reference to the rental housing program component.
- o Resolution of the relationship of the Uniform Relocation Act to the Century Freeway Program, particularly as it relates to the comparability issue, the mechanics of last resort remedies, and application of resale controls.

HCD is actively pursuing resolution of these issues.

Given the unprecedented nature of the Century Freeway Replenishment Housing Program, including the objective of producing the housing as rapidly as possible, "action" must necessarily proceed before "all the answers" are available in many cases. Thus, it must be recognized that this Plan, or for that matter, any plan will not provide the definitive roadmap for carrying out the program. Day-to-day decisions, guided by the overall framework of the Plan and experience gained from the "pilot projects" and early housing increments will have to be made in a sensitive manner which reflects the cumulative program experience and is open to emerging opportunities which are currently unknown.





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# **1.0 INTRODUCTION**

## 1.1 THE HOUSING PROGRAM AS A MITIGATION ACTION

The Housing Plan described and evaluated in the body of this document is required under the terms of the Amended Final Consent Decree (U.S. District Court, Central District of California, Keith, et al. versus Volpe, et al.) dated September 22, 1981. As one of the terms allowing the dissolution of the injunction against construction of the I-105 or Century Freeway as it is popularly known, the District Court found that the Housing Plan (as required under Exhibit B of the Consent Decree) is in "full mitigation of the environmental impacts on housing stock resulting from the I-105 Freeway project." As a mitigation measure, the Century Freeway Housing Program is specifically intended to replenish housing units removed by freeway right-of-way clearance as well as provide replacement housing for households yet to be displaced by freeway construction activities.

## 1.2 PURPOSE OF THIS ENVIRONMENTAL ASSESSMENT

An environmental assessment of the proposed Century Freeway Housing Plan is required by the National Environmental Policy Act of 1970 (NEPA) and the California Environmental Quality Act of 1970 (CEQA). Under the provisions of NEPA and CEQA, the Federal Highway Administration is the lead agency for the Federal environmental review and the Department of Housing and Community Development is the lead agency for the State environmental review. They have jointly determined that the Century Freeway Housing Program is not categorically exempt and will require the preparation of an environmental document. Federal regulation governing categorical exemptions include 42 U.S.C. 4321 et seq. National Environmental Policy Act of 1969 as amended; 40 CFR et seq. Regulations for Implementing the Procedural Provisions of the National Environmental Policy Act; and 23 CFR 771.115(b). Governing State requirements are contained in the California Administrative Code, Title 25, Chapter 6.5, Subchapter 3, Article 5. The purpose of this Environmental Assessment is to describe, at a broad level, the social, economic and environmental consequences of the Century Freeway Housing Plan within an approximate area of 300 square miles and extending six miles to the north, south, east and west of the proposed I-105 Century Freeway alignment (hereafter referred to as the Primary Zone and shown in Figure 1-1). It should be noted that implementation of the Plan will be carried out in a series of projects and that project level environmental evaluation must comply to all Federal and State, and local regulations and plans. The broad perspective incorporated into this document is intended to accomplish a number of objectives. Specifically, this assessment will:

- o Provide an occasion for consideration of areawide consequences of the Housing Plan.
- o Provide consideration of the cumulative impacts of developing approximately 3,700 housing units within the Primary Zone.
- o Allow consideration of guiding principles and policy issues affecting the Housing Program.
- o Serve as a base document, for incorporation by reference, in project-level environmental documents that will be required.



- o Provide a framework for the assessment of site-specific projects which may require more detailed environmental analysis in the future.

### 1.3 SUMMARY OF THE HOUSING PLAN

The Housing Plan is governed by the general provisions of the Consent Decree. Table 1-1 summarizes these key requirements.

While the Consent Decree establishes the framework for the Housing Plan, further policy refinement is necessary to ensure a viable housing program. The Housing Plan and Pilot Projects are a starting point for the Century Freeway Housing Program. It is an essential step in the process of formulating a Housing Program which will reflect the mandates of the Consent Decree, the objectives of the Century Freeway Housing Advisory Committee, and the "last resort" housing needs of households displaced by the Century Freeway.

The key issues to which the Housing Plan responds are:

#### HOW MUCH REPLENISHMENT HOUSING WILL BE PROVIDED?

The Consent Decree authorizes the production of 1,175 last resort units, 1,025 units on sites authorized for purchase by HCD, and as many units as possible through leveraging a \$110 Million Fund. It is estimated that this fund can produce 1,500 units. Thus a total of approximately 3,700 replenishment units will be provided by the program. Recycling and leveraging the \$110 Million Fund (allowed under the decree) could provide an added number of units, depending on market forces and other influences on housing production (Figure 1-2).

#### WHERE WILL REPLENISHMENT HOUSING BE LOCATED?

This Plan document establishes an initial set of housing entitlements. The major thrust of the entitlements is to replenish housing first in the Corridor Jurisdictions that have lost housing due to freeway clearance. As shown in Figure 1-3, 1,850 units are allocated to the Corridor Jurisdictions proportional to the amount of housing an individual jurisdiction lost compared to the total housing removed by the freeway. The remaining 1,850 units are allocated among the three Housing Replenishment Areas. This pool of housing may be used by Corridor Jurisdictions or by other Primary Zone jurisdictions to meet affordable housing commitments.

#### HOW FLEXIBLE ARE THE HOUSING PLAN ENTITLEMENTS?

The Plan will serve as a guide to the development of housing by the private sector. After construction proposals from housing developers have been received and evaluated by HCD, fundable projects will be compared with the entitlement objectives. If the entitlements do not appear to be fully achievable, HCD would consider other fundable projects in other Primary Zone jurisdictions. In the event that an insufficient number of projects are found suitable to meet the original entitlements, readjustments may be made to assure the timely delivery of the Housing Program.



Table 1-1

## SUMMARY OF KEY CONSENT DECREE PROVISIONS

OBJECTIVE:	Replenish the housing stock of communities affected by the freeway and provide last resort housing for persons now residing within the right-of-way.
PROJECT ELEMENTS:	<p>Provision, through new construction or rehabilitation, of 1,025 units of housing pursuant to approvals given by FHWA prior to August 25, 1981.</p> <p>Construction or rehabilitation of no fewer than 1,175 units to meet the "last resort" housing needs of remaining RAP-eligible displacees.</p> <p>Provision of as many units as possible through a \$110 Million Fund. 1,500 estimated units with opportunity to produce additional units through recycling of the fund. One year inflation protection authorized.</p>
PRIORITY FOR THE LOCATION OF HOUSING:	The Housing Plan will attempt to place as many units as possible in the Primary Zone. The Primary Zone approximates an area within six miles on each side of the I-105 right-of-way.
HOUSING PRODUCTION SCHEDULE AND FREEWAY CONSTRUCTION SCHEDULE:	The freeway project shall be phased so that a given percentage of housing units will be available for occupancy when a given percentage of the freeway construction contracts are awarded. At any time after 2,000 units of housing are in place or 75 percent of the freeway construction contracts have been awarded, a review of the housing program may be conducted, and adjustments made, if required.
STRUCTURE FOR PLANNING AND IMPLEMENTATION:	The organizational structure to plan and implement the housing program includes the Project Director and staff; California Department of Housing and Community Development; a Housing Advisory Committee with a Steering Committee, and Federal agencies, as appropriate.
HOUSING PLAN APPROVAL PROCESS:	Housing Plan submitted to HAC by Project Director; HAC Steering Committee holds public hearings and full HAC approves Plan; Plan then reviewed and approved by the Director of HCD; optional review by HAC; approval by Secretary of Business and Transportation; concurrence by FHWA.
LOW AND MODERATE INCOME HOUSING PRIORITY FOR PURCHASE:	<p>All units not purchased by RAP-eligible displacees will be made affordable per the following priorities:</p> <ul style="list-style-type: none"> <li>• First - Persons with incomes less than 120 percent of the LA-LB SMSA median income who are displaced after 10/11/79 and who resided in the acquired unit for at least 180 days prior to that date.</li> <li>• Second - Households on Housing Authority waiting lists.</li> <li>• Third - Households in the community at-large whose incomes fall below 120 percent of the median income.</li> </ul>

Table 1-1 (continued)

<p>LOW AND MODERATE INCOME HOUSING PRIORITY FOR RENTAL:</p>	<p>All units not rented at fair market value by RAP-eligible displacees will be made affordable per the following priorities:</p> <ul style="list-style-type: none"> <li>. First - Persons with income less than 120 percent of the SMSA median income who are displaced after 10/11/79 and who resided in the acquired unit for at least 180 days prior to that date.</li> <li>. Second - All persons with income less than 120 percent of the SMSA median who are displaced after 10/11/79 and who have commenced occupancy prior to 1/1/82.</li> <li>. Third - Households on Housing Authority waiting lists.</li> <li>. Fourth - Households in the general community whose incomes are below 120 percent of the SMSA median income.</li> </ul>
<p>AFFORDABILITY:</p>	<p>Replacement dwellings shall be considered affordable as follows:</p> <ul style="list-style-type: none"> <li>. Ownership Units - a household will pay no more than 35 percent of its adjusted income for principal, taxes, interest, insurance, utilities and maintenance.</li> <li>. Rental Units - a household will pay no more than 25 percent of its adjusted income for rent and utilities.</li> <li>. Income is adjusted by deducting \$300 per minor child from net annual income.</li> </ul>
<p>AFFORDABLE HOUSING PAYMENT:</p>	<p>When necessary to achieve or approach affordable housing payments, title may be transferred at a cost of \$1,000.</p>
<p>DISTRIBUTION AND ELIGIBILITY FOR UNITS:</p>	<p>All units shall be made affordable according to the following distribution schedule:</p> <ul style="list-style-type: none"> <li>. Very very low income households - 5% of units</li> <li>. Very low income households - 25% of units</li> <li>. Low income households - 25% of units</li> <li>. Moderate income households - 25% of units</li> <li>. 20% of units discretionary</li> </ul>
<p>SPECULATION AND RESALE CONTROLS:</p>	<p>The Housing Plan shall develop speculation and resale controls for units developed to assure that all ownership units purchased at less than fair market value and all rental units shall remain affordable for 20-59 years.</p>
<p>FINANCIAL RESPONSIBILITY OF FEDERAL AND STATE DEFENDANTS:</p>	<p>Not to extend beyond the cost of implementation of the Housing Program.</p>
<p>PERMANENT FINANCING:</p>	<p>Permanent financing for all units shall be obtained by occupants or sponsors of housing.</p>
<p>HOUSING PROGRAM OPERATING FUND:</p>	<p>Where units are purchased at less than conventional interest rates, the difference between the sales price at conventional rates and the actual sales price at a lower interest rate shall revert to an operating fund administered by the Housing Program.</p>

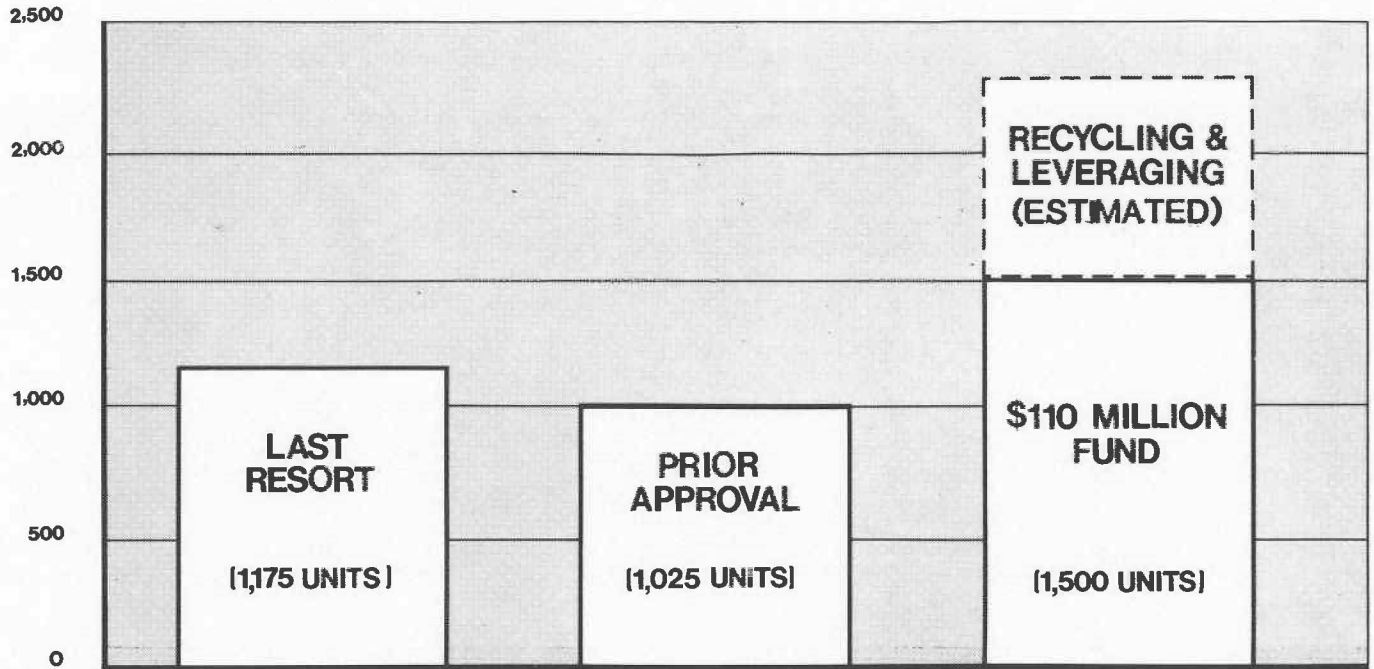
Table 1-1 (continued)

<p><b>EXCESS PROPERTY:</b></p>	<p>The Housing Plan shall inventory and recommend future use for property originally acquired for the I-105 Freeway project but which is not incorporated with the final project. Such property includes both vacant and improvement parcels.</p>
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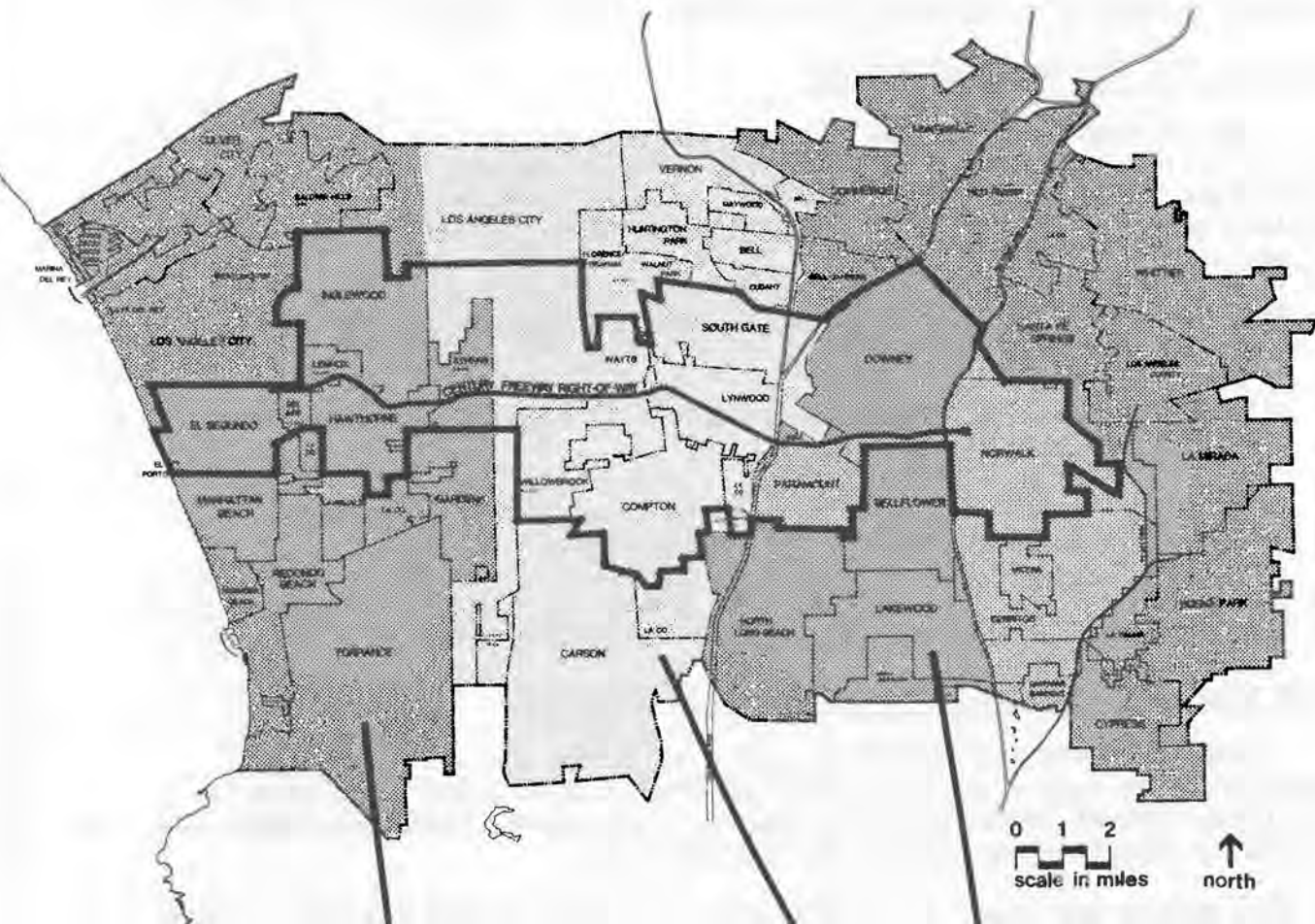
RECYCLING & REUSE (ESTIMATED)			
TOTAL (ESTIMATED)	TOTAL (ESTIMATED)	TOTAL (ESTIMATED)	TOTAL (ESTIMATED)

Figure 1-2

# BUDGETARY CATEGORIES



**Figure 1-3  
HOUSING ENTITLEMENTS**



**WESTERN AREA**

Corridor Jurisdictions	565
El Segundo	N/A
Hawthorne	275
Inglewood	75
L.A. County	215
L.A. City	N/A
<b>Area 1 Pool</b>	<b>565</b>
<b>Area 1 Total</b>	<b>1,130</b>



**CENTRAL AREA**

Corridor Jurisdictions	820
Compton	1
L.A. City	315
L.A. County	210
Lynwood	275
South Gate	19
<b>Area 2 Pool</b>	<b>820</b>
<b>Area 2 Total</b>	<b>1,640</b>

**EASTERN AREA**

Corridor Jurisdictions	465
Paramount	110
Downey	225
Norwalk	130
<b>Area 3 Pool</b>	<b>465</b>
<b>Area 3 Total</b>	<b>930</b>

<b>TOTAL</b>	<b>1,850</b>
	<b>3,700*</b>

Primary Zone Housing Replenishment Areas   
 Century Freeway Corridor Jurisdictions 

### ON WHAT BASIS WILL HOUSING SITES BE SELECTED?

To guide the allocation of housing entitlements at the project level, the Housing Plan establishes site selection criteria which will balance the Housing Program needs with community development objectives and the need to protect the public's substantial investment in this program.

### HOW WILL THE HOUSING BE DEVELOPED?

The Consent Decree allows for both new construction and the relocation and rehabilitation of Caltrans' acquired units as methods for housing production. The Housing Plan establishes the following relationships between the housing production method and the three Consent Decree program elements:

- o Last Resort Housing (1,175 units) would be provided primarily through new construction.
- o \$110 Million Fund (approximately 1,500 units) would be provided through new construction.
- o Prior Approval (1,025 units) would be provided primarily through relocation and rehabilitation of existing units.

Under this approach 2,675 units could be produced through new construction. This would account for 72% of the approximately 3,700 units to be provided.

### WHAT WILL BE THE MIX OF HOUSING TYPES TO BE PROVIDED?

Similar to the approach to housing production, the preferred mix between single-family units and multiple-family units would be related to the three Consent Decree program elements. The Housing Plan establishes the following objective for the mix of dwelling types:

- o Last Resort Housing (1,175 units) 55% single family-45% multifamily based on displacee need as identified by Caltrans.
- o \$110 Million Fund (approximately 1,500 units) 35% single family-65% multifamily reflecting housing production industry capabilities for cost-effective construction.
- o Prior Approval (1,025 units) 35 to 50% single-family-50 to 65% multifamily based on units which may be feasible for rehabilitation as identified by HCD.

### WHO IS ELIGIBLE FOR REPLENISHMENT HOUSING?

Table 1-1 in the previous section summarizes the key Consent Decree requirements surrounding eligibility requirements. In basic accordance with the Consent Decree, the Housing Plan recommends displacee households who are eligible for compensation under the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and who are able to purchase housing at fair market value have first priority for replenishment housing. Next priority will be given to displacees with

incomes below 120% of the Los Angeles-Long Beach SMSA median income.<sup>1</sup> Following this group would be Housing Authority tenants and households on waiting lists. Final priority is given to households in the general population with incomes below 120% of the median. Rental units will follow a similar disposition pattern.

#### WHAT ARE THE HOME OWNERSHIP OPPORTUNITIES?

Home ownership is encouraged in the replenishment housing program. The Consent Decree requirements allow great flexibility in establishing write-downs and subsidies allotted to a household. At this time, HCD's policy is to promote home ownership and rental opportunities throughout the income range spectrum specified in the Consent Decree.

#### HOW WILL THE REPLENISHMENT HOUSING REMAIN AFFORDABLE?

As specified in the Consent Decree, units sold at less than fair market value are to remain affordable for 20 to 59 years through the use of resale controls. The resale control currently developed by HCD is incorporated into a right to purchase agreement appended to the deed of trust. This restriction would be in force for a 30-year term. One of its key features is that the appreciation in the value of the unit at the point of resale is tied not to increases in housing value in the marketplace, but to increases in the median income.

#### HOW MUCH WILL THE REPLENISHMENT PROGRAM COST?

The estimated net costs for the approximately 3,700 units created through the Housing Program would be about \$280 million, assuming a five-year program build-out.

#### HOW WILL RENTAL PROGRAM OPERATION AND MAINTENANCE COSTS BE OFFSET?

The Consent Decree limits FHWA and Caltrans participation in the Housing Program to initial capital and administrative costs. Ongoing financial commitments are prohibited. To meet ongoing operations and maintenance costs, HCD is considering a variety of alternative financing techniques, including but not limited to: tax-exempt financing, syndication, land lease and subsidies.

#### WHO WILL RUN THE HOUSING PROGRAM OVER THE LONG TERM?

As noted above, the Consent Decree requires that a stock of affordable housing units be maintained for 20 to 59 years. A variety of administrative responsibilities will be required over this period, including: monitoring of resale controls, administration of operations and maintenance funds, annual income recertifications, administration of tenure changes, maintenance of occupancy in all units, etc. HCD is currently considering a

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<sup>1</sup>The Los Angeles-Long Beach Standard Metropolitan Statistical Area (SMSA) has a median household income of \$27,400. Source: U.S. Department of Housing and Urban Development, 1981.

series of options including retaining the responsibilities in-house; contracting out to non-profit or for-profit corporations; or contracting to local housing authorities.

#### 1.4 SUMMARY OF ENVIRONMENTAL IMPACTS

It must be kept in mind in identifying the potential consequences of the Housing Plan that the Housing Program itself is a mitigation action. The objective of the Program is to replenish the housing stock of communities affected by the freeway and provide last resort housing for displacees. No new population growth or added demands on infrastructure requirements are anticipated. In this context, it would be only under very extraordinary circumstances that the proposed Housing Plan would generate physical impacts of any significance.

The social, economic and environmental analysis of the Housing Plan addresses two broad areas: (1) program-wide effects which would occur in any location or which may not be related to the geographic location of housing; and (2) project-level effects which have ramifications at the local level.

##### 1.4.1 Summary of Program-Wide Effects

###### Compatibility with Areawide Plans

- o SCAG Fair Share Allocations. The Housing Plan is consistent with the SCAG objective of locating low- and moderate-income housing in communities best able to provide support services. The Plan allocates over half the units produced to these areas in which low- and moderate-income housing is desirable.
- o Los Angeles County General Plan. The Housing Plan is not in conflict with the Los Angeles County General Plan. In particular, the proposed Housing Plan is supportive of the neighborhood conservation and revitalization policies established by the County.
- o Housing Assistance Plans. Local jurisdictions which accept Century Freeway housing may, under most circumstances (e.g., where the units are to be occupied by households with incomes below 80% of the median income), receive credit toward meeting their HAP goals.
- o Other Areawide Plans. Other areawide plans in the areas of air and water quality as well as transportation have been adopted by regional agencies concerned with such areas. Specifically they are the Air Quality Management Plan, the Regional Transportation Improvement Program, and the 208 Areawide Waste Treatment Management Plan. The Housing Plan policies and guiding principles were reviewed for conformance to those plan goals and programs. The Housing Plan supports those goals and is compatible with those plans. Chapter Six contains specific discussion of the compatibility.

###### Potential Article 34 Referendum Requirements

Although subsidized rental units are likely to be a component of the Housing Program, due to the specific rental housing development strategy



contained in the Plan, it is not anticipated that Article 34 Referendum authority will be required in connection with the Housing Program at this time.

### Community Effects

Housing provided through the Century Freeway Housing Program will conform with all local codes, ordinances and zoning. As a result, no substantial adverse impacts on local communities are anticipated. Moreover, proposed site selection and project evaluation criteria are designed to ensure that projects developed will be compatible with their surrounding neighborhoods. Finally, the series of housing maintenance measures that will be undertaken as a part of the Housing Program will mitigate against adverse effects upon residents and property owners situated adjacent to Century Freeway housing.

### Employment and Fiscal Effects

- o Employment. It is estimated that approximately 2,700 full-time construction jobs will be created by the Housing Program for a five year period. Affirmative Action requirements contained in the Consent Decree will ensure that appropriate goals for MBE<sup>1</sup> and WBE<sup>2</sup> participation are established and achieved.
- o Fiscal Effects. It is estimated that on the average there will be a revenue shortfall of approximately \$104 per unit between the cost to provide services by the affected jurisdiction and the tax revenues generated by the occupant households.<sup>3</sup> This average per unit shortfall must be viewed within the context of the overall I-105 Corridor economic benefits anticipated as a result of the freeway/transitway.

### Impacts on the Program Participants

- o Last Resort Needs. The Housing Plan entitlements will provide over 2,000 new dwelling units in communities in which displacees have expressed locational preferences.
- o Home Ownership Potential. The affordability and write-down provisions of the Plan may create as many as 2,700 home ownership opportunities. Given existing market conditions and interest rates, the majority of participant households will be given home purchase opportunities which otherwise would not be obtainable.
- o Household Income Effects. All owner households will be entitled to the tax benefits of home ownership. Over a period of time, these households also will build up equities in their units. Resale controls will limit the amount of appreciation in value that a household may receive when the unit is sold.

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<sup>1</sup>Minority-Owned Business Enterprise.

<sup>2</sup>Women-Owned Business Enterprise.

<sup>3</sup>Economics Research Associates, Aron Clemens, et. al., Century Freeway Housing Plan, Working Paper Number Nine, Project Cost and Budget Analysis, October 1981.

## Energy Conservation Impacts

The Housing Program will be sensitive to energy conservation objectives in two significant ways. First, all units produced through the program, both those which are newly constructed and those which are rehabilitated, will meet the performance requirements of Title 24. Second, a major element of the site selection and project evaluation criteria will be the proximity of housing locations to mass transportation corridors, thus offering the potential for reduced vehicle trips and energy consumption in the travel patterns of program participants.

## Noise Impacts

The Housing Program will be sensitive to noise impacts on program housing in two ways. First, all units produced through this program, both those which are newly constructed and those which are rehabilitated will comply with all Federal, State and local requirements for noise levels and noise attenuation features. Second, the site selection and project evaluation criteria proposed by the Plan give consideration to the suitability of the noise environment at a site.

### 1.4.2 Summary of Project-Level Effects

As noted previously, the Housing Plan is not a site-specific plan. Particular projects in specific locations are not spelled out. For this reason it is not possible to address in detail the potential effects on such environmental conditions as air quality, noise, water quality, flood hazards, geology and soils, visual/aesthetic considerations, and effects on historic and cultural properties and parklands. In all cases, these issues will be explicitly addressed in environmental documents prepared for individual projects under provisions of NEPA and CEQA. Based on the objective of the Housing Plan to produce units which are in conformance with all local codes, ordinances and zoning, it is not anticipated that there will be significant impacts in any of the environmental categories cited above.

### 1.4.3. Cumulative Effects

As noted in Section 1.2, one of the primary purposes of the environmental assessment is to identify cumulative and areawide impacts resulting from the Housing Program. Towards this end, the following findings are made:

- o The proposed housing location entitlements will not unduly concentrate housing in any particular area of the Primary Zone. Housing will be located to achieve a balance between meeting displacee needs and the affordable housing needs of Corridor and other Primary Zone Jurisdictions.
- o The potential distribution of housing entitlements throughout the 300 square mile Primary Zone area will tend to disperse added demands on affected local facilities and services.

- o Under specific low and moderate income provisions, the Housing Plan will assist Primary Zone Communities in achieving SCAG Fair Share allocations as well as meeting the objectives of local Housing Assistance Plans.
- o Implementation of the Housing Program may result in revenue shortfalls. Shortfalls in any particular jurisdiction will be dependent on the number of units provided and the income levels of the occupants. On average, the shortfall is estimated to be \$104 per unit. As noted above, this average per unit shortfall must be viewed within the context of the overall I-105 Corridor economic benefits anticipated as result of the freeway/transitway.
- o It is estimated that approximately 2,700 full-time construction jobs will be created by the Housing Program over a five year period.
- o Site and project selection criteria developed by HCD are designed explicitly to minimize adverse impacts, particularly on elements of the physical environment including air quality, noise, water quality, flood hazards, geology and soils, etc. It is not anticipated that substantial effects would result. However, project specific environmental documents will be prepared as warranted.
- o Given the current slump in residential building in the region, this program may serve in a small way as a counter cyclical element to the overall economic direction of the housing industry.
- o The relative size of the Housing Program (approximately 3,700 units) in comparison to the over one million units of housing stock in the Primary Zone mitigates against any adverse cumulative impacts.



# **2.0 Plan and Environmental Setting**

## 2.1 BACKGROUND AND HISTORY

The sections that follow present a synopsis of the key events and activities associated with the long evolution of the Century Freeway Housing Program. Table 2-1 presents the chronology of events.

### 2.1.1 Interstate I-105 Freeway Project

The proposed Century Freeway was first conceived as a link in the California Freeway and Expressway System in 1959. In 1968, the route was adopted as part of the National System of Interstate and Defense Highways. The route was to include both urban design concepts and public transportation components. The I-105 freeway route is approximately 17.2 miles in length and passes through ten incorporated cities and several unincorporated areas of Los Angeles County. Specifically affected communities include El Segundo, Hawthorne, Inglewood, Los Angeles, Compton, Lynwood, South Gate, Paramount, Downey and Norwalk, as well as the unincorporated areas of Lennox, Athens/Westmont and Willowbrook. Right-of-way clearance for the freeway project began in 1970 and continued until 1972 when further construction was halted by court action. At that time, approximately 70 percent of the right-of-way had been cleared. The basis of the court decision was a class action suit filed in 1972 by various plaintiffs represented by the Center for Law in the Public Interest. Specifically, a preliminary injunction against further construction of the freeway was decreed under the allegation that the requirements of the 1970 National Environmental Policy Act, as well as the Uniform Relocation Assistance and Real Property Acquisition Policies Act had been violated by the California Department of Transportation (Caltrans) and the Federal Highway Administration.

### 2.1.2 Environmental Documentation of I-105 Impacts

To comply with the terms of the preliminary injunction, Caltrans and FHWA initiated environmental studies of the effects of I-105 beginning in 1972. Special focus in these studies was directed toward housing availability and air and noise pollution. In December, 1974, a Draft Environmental Impact Statement was circulated, public hearings were held in the spring of 1975 and a final Environmental Impact Statement was adopted in 1978. With respect to housing, the findings of the environmental analysis indicated that there would be a reduction of living units (0.25%) in the Los Angeles region due to the initial displacement of people and businesses. However, availability studies conducted by the State at that time indicated that "for the most part sufficient replacement housing was available in the replacement areas for families who are to be displaced."<sup>1</sup> Caltrans and FHWA determined that mitigation of adverse impacts on housing would be provided under the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

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<sup>1</sup>Ongoing availability studies conducted by Caltrans, which are required for project relocation plans, have also indicated that sufficient replacement housing is available under the provisions of the Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

Table 2-1

## Chronology of Events:

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1968	I-105 Route adopted as part of the National System of Interstate and Defense Highways.
1969-70	Design hearings for I-105 followed by acquisition of right-of-way.
Feb. 16, 1972	Keith et al. vs. Volpe, et al. was filed in Los Angeles Federal District Court.
July 7, 1972	A preliminary injunction was placed on the Freeway until environmental processing requirements were met.
July 21, 1977	Environmental Impact Statement for the I-105 Corridor completed.
Oct. 18, 1978	FHWA approved I-105 Final Environmental Impact Statement.
Oct. 11, 1979	Final Consent Decree issued by the Federal District Court which included the provision of 4,200 housing units as mitigation for prior Right-of-Way clearance.
Dec. 19, 1979	Initial Housing Advisory Committee meeting.
Apr. 3, 1980	Consulting team work begins on the Housing Plan.
May 12, 1981	Consultant meetings with representatives of primary cities begin.
May 28, 1981	Study design completed.
July 2, 1981	Federal Highway Administrator Ray Barnhart makes statement on possible changes to the I-105 plans.
July 9, 1981	Sketch Plan completed.
July 29, 1981	The State of California submits a counter proposal to FHWA for freeway and housing construction.
Aug. 5, 1981	FHWA rejects State proposal.
Aug. 11, 1981	FHWA agrees to fund revised Freeway and Housing Plan.
Sep. 22, 1981	Amended Final Consent Decree issued. Included in the amended text is the reduction of units from 4,200 to 3,700.
Oct. 22, 1981	Composite Housing Plan completed.
Nov. 1, 1981	Sources Sought Announcement issued.
Nov. 27, 1981	The first family moves into Century Freeway housing.
Dec. 1, 1981	HCD initiates negotiations with corridor jurisdictions to determine housing entitlements.
Mar. 15, 1982	First Request for Proposals for new construction.

### 2.1.3. The Final Consent Decree

Following the environmental clearance process, negotiations continued between the plaintiffs, and State and Federal defendants. On October 11, 1979 the injunction on the freeway construction was dissolved under terms of a Consent Decree between the affected parties. The terms of the Decree included the construction of an 8-lane freeway-transit way with connections to a transitway along the Harbor Freeway. Most importantly, the California Department of Housing and Community Development (HCD) was given the responsibility to construct 4,200 housing units as a term of the Consent Decree. The housing was to be provided to meet the housing replacement needs of those households yet to be displaced by the freeway, as well as serve as replenishment housing for communities which had suffered a loss in housing stock due to freeway right-of-way clearance. As part of a required housing plan, the Consent Decree established a series of zones based on six mile intervals from the route alignment as the successive priority areas for locating the 4,200 units of housing. The Consent Decree also identified restrictions on the eligibility and affordability of the units provided.

### 2.1.4 The Amended Final Consent Decree

The Consent Decree was amended in September, 1981 to address budgetary reductions initiated by the Secretary of the U.S. Department of Transportation. As a result of negotiations with FHWA, the revised decree reduces the number of freeway lanes from 8 to 6, eliminates the transitway connection to the Harbor Freeway requirement, provides ten freeway interchanges, and sets a housing production goal of approximately 3,700 units. The revised document does, however, allow for recycling of a \$110 million funding category. This recycling process could provide for additional units beyond the 3,700 units.

### 2.1.5 The Century Freeway Housing Plan and Environmental Assessment

In April, 1981, the California Department of Housing and Community Development retained the joint association of Gruen Associates/The Planning Group to prepare the Century Freeway Housing Plan and associated environmental analysis and documentation. Also participating on the team are Aron Clemens, David Crompton, Barrio Planners and Economics Research Associates.

The objective of this work effort is to meet the requirements of the Amended Final Consent Decree and comply with the requirements of the National Environmental Policy Act and the California Environmental Quality Act. The specific focus of the five phase work program includes:

- o The Location of Housing
- o Development Approach
- o Housing Disposition
- o Program Budget and Financing
- o Environmental Assessment



## 2.2 PRIMARY ZONE ENVIRONMENTAL SETTING

The Consent Decree established an area within six miles of the proposed I-105 Freeway alignment as the Primary Zone for the location of replacement and replenishment housing provided. As shown in Figure 2-1, the Primary Zone is centrally located within the Los Angeles area and falls within the southern portion of Los Angeles County and a small western portion of Orange County. The approximate area included within the Primary Zone is 300 square miles, and includes 39 separate jurisdictions, as shown in Figure 2-2. The sections that follow will briefly describe many of the key environmental, economic, population and housing characteristics of the Primary Zone.

### 2.2.1 Environmental Character

The major land use within the Primary Zone is low-density residential with high-density residential in the areas around Inglewood, Gardena and Compton. There are several areas on the east and west of the Primary Zone devoted to public and semi-public facilities (Figure 2-3). Major industrial areas are concentrated in El Segundo, Carson and along the Alameda Street corridor. The Primary Zone contains virtually no non-urbanized or rural areas. No major area has been targeted for any special management relative to hillsides, agricultural preserves, scenic highways, flooding or fault zones. Figure 2-4 which illustrates a variety of environmental factors, indicates that potential constraints to residential development in the Primary Zone are concentrated along the coastal zone, as well as the northwest quadrant of the Primary Zone where there is a concentration of seismic areas and high noise levels generated by operations at Los Angeles International Airport (LAX).

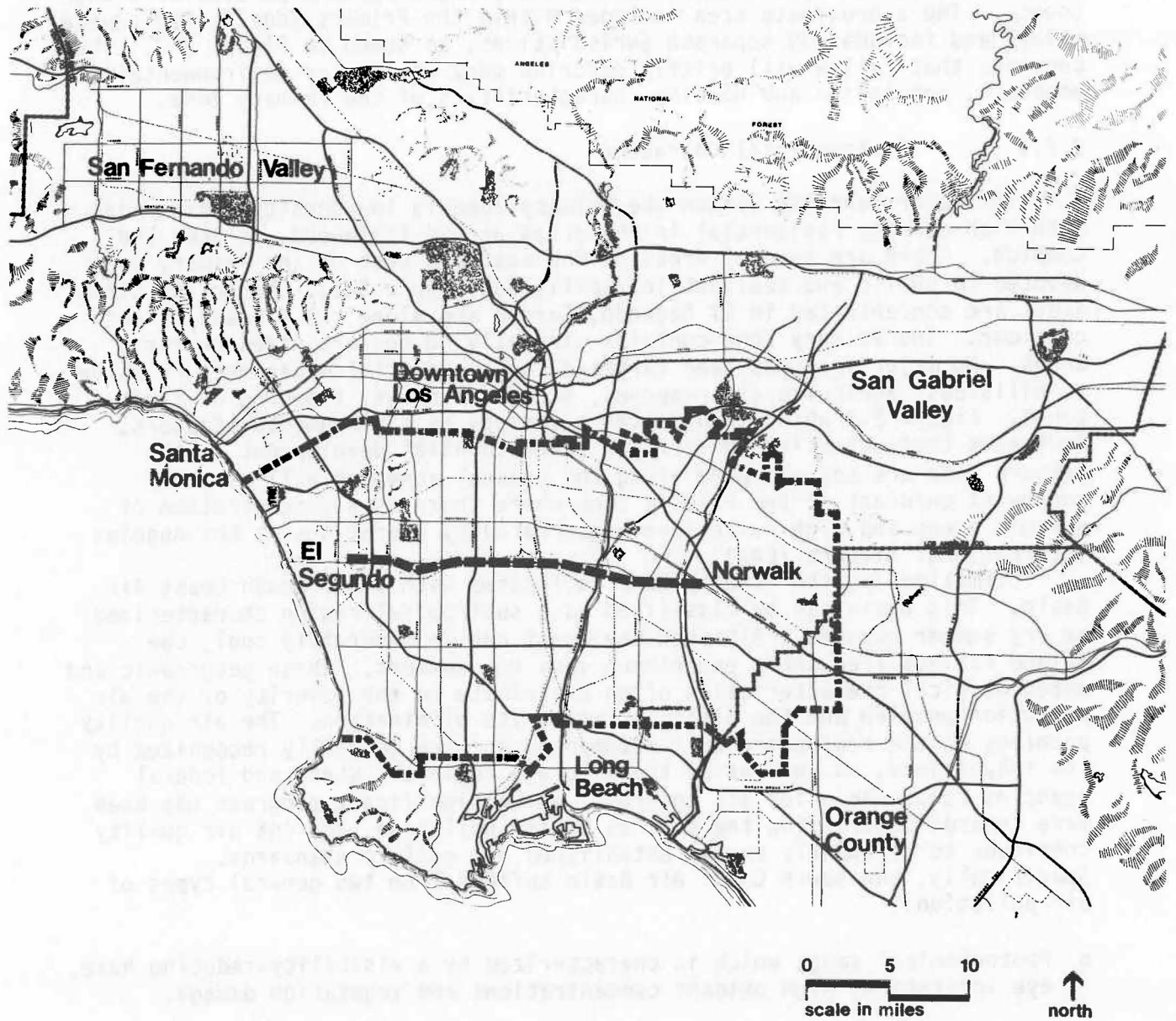
Climatically, the Primary Zone is located within the South Coast Air Basin. This basin can be classified as a subtropical region characterized by dry summer seasons. Although the coast can be moderately cool, the inland valleys frequently experience very hot summers. These geographic and meteorological characteristics often contribute to the severity of the air pollution problem and the difficulties of its elimination. The air quality problems of the region are well-documented and are generally recognized by its inhabitants, as well as by those local, regional, state and federal agencies responsible for its control. While significant progress has been made towards controlling the sources of air pollution, ambient air quality continues to frequently exceed established air quality standards. Specifically, the South Coast Air Basin suffers from two general types of air pollution:

- o Photochemical smog, which is characterized by a visibility-reducing haze, eye irritation, high oxidant concentrations and vegetation damage.
- o Primary air pollution, which comprises a broad spectrum of contaminants, including oxides of sulfur, oxides of nitrogen, carbon monoxide, organic gases and liquid and solid particulates.

Particular problem conditions in the Primary Zone include concentrations of carbon monoxide, sulfur dioxide, nitrogen dioxide, lead, sulphate, and reduced visibility.

Figure 2-1

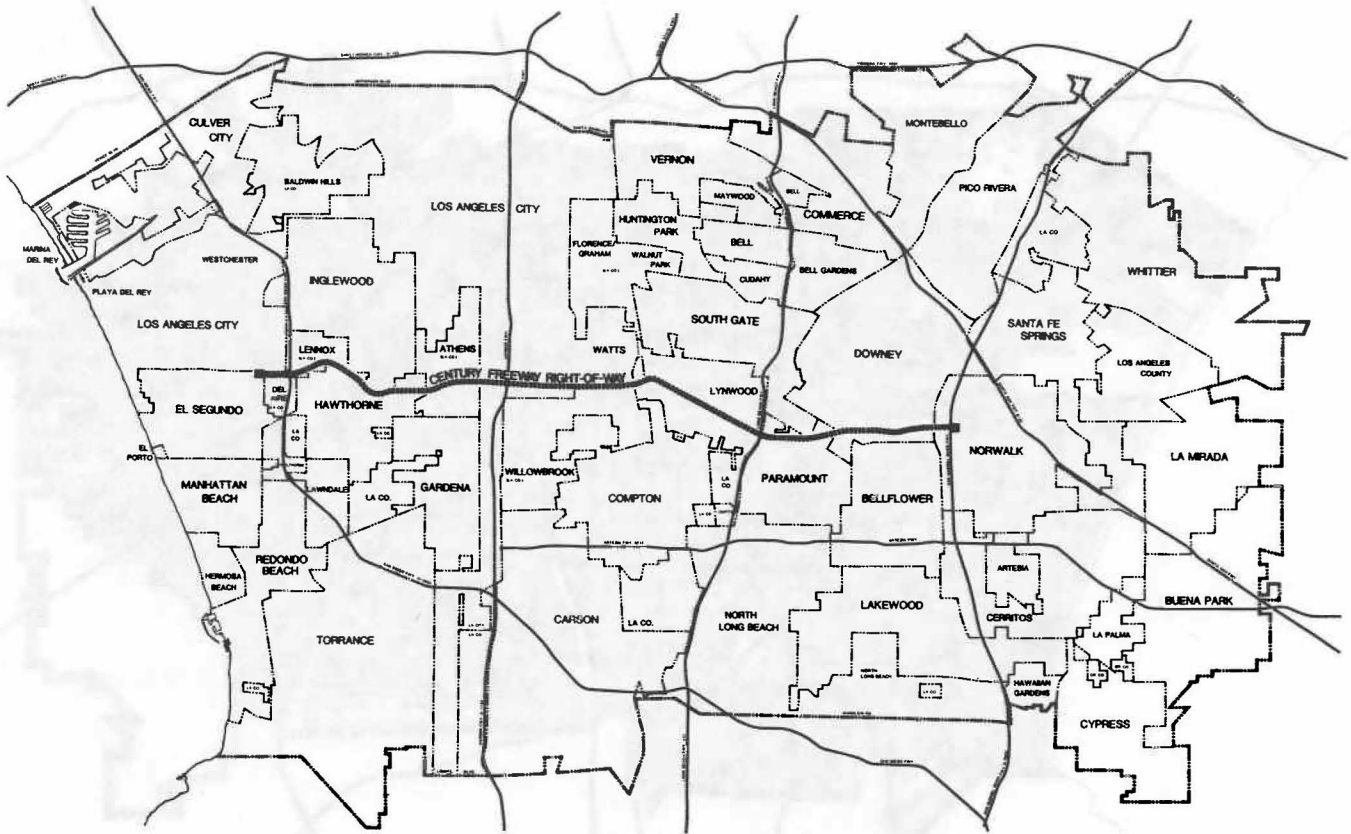
# PRIMARY ZONE IN REGIONAL CONTEXT



GENERALIZED LAND USE  
WITHIN THE PRIMARY ZONE

Figure 2-2

# PRIMARY ZONE JURISDICTIONS



- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>Artesia</li> <li>Bell</li> <li>Bellflower</li> <li>Bell Gardens</li> <li>Buena Park</li> <li>Carson</li> <li>Cerritos</li> <li>Commerce</li> <li>● Compton</li> <li>Cudahy</li> <li>Culver City</li> <li>Cypress</li> <li>● Downey</li> <li>● El Segundo</li> <li>Gardena</li> <li>Hawaiian Gardens</li> <li>● Hawthorne</li> <li>Hermosa Beach</li> <li>Huntington Park</li> </ul> | <ul style="list-style-type: none"> <li>● Inglewood</li> <li>La Mirada</li> <li>La Palma</li> <li>Lakewood</li> <li>Lawndale</li> <li>Long Beach</li> <li>● Los Angeles City (Part)</li> <li>● Los Angeles County (Part)</li> <li>● Lynwood</li> <li>Manhattan Beach</li> <li>Maywood</li> <li>Montebello</li> <li>● Norwalk</li> <li>● Paramount</li> <li>Pico Rivera</li> <li>Redondo Beach</li> <li>Santa Fe Springs</li> <li>● South Gate</li> <li>Torrance</li> <li>Whittier</li> </ul> |
|--|---|

Figure 2-3

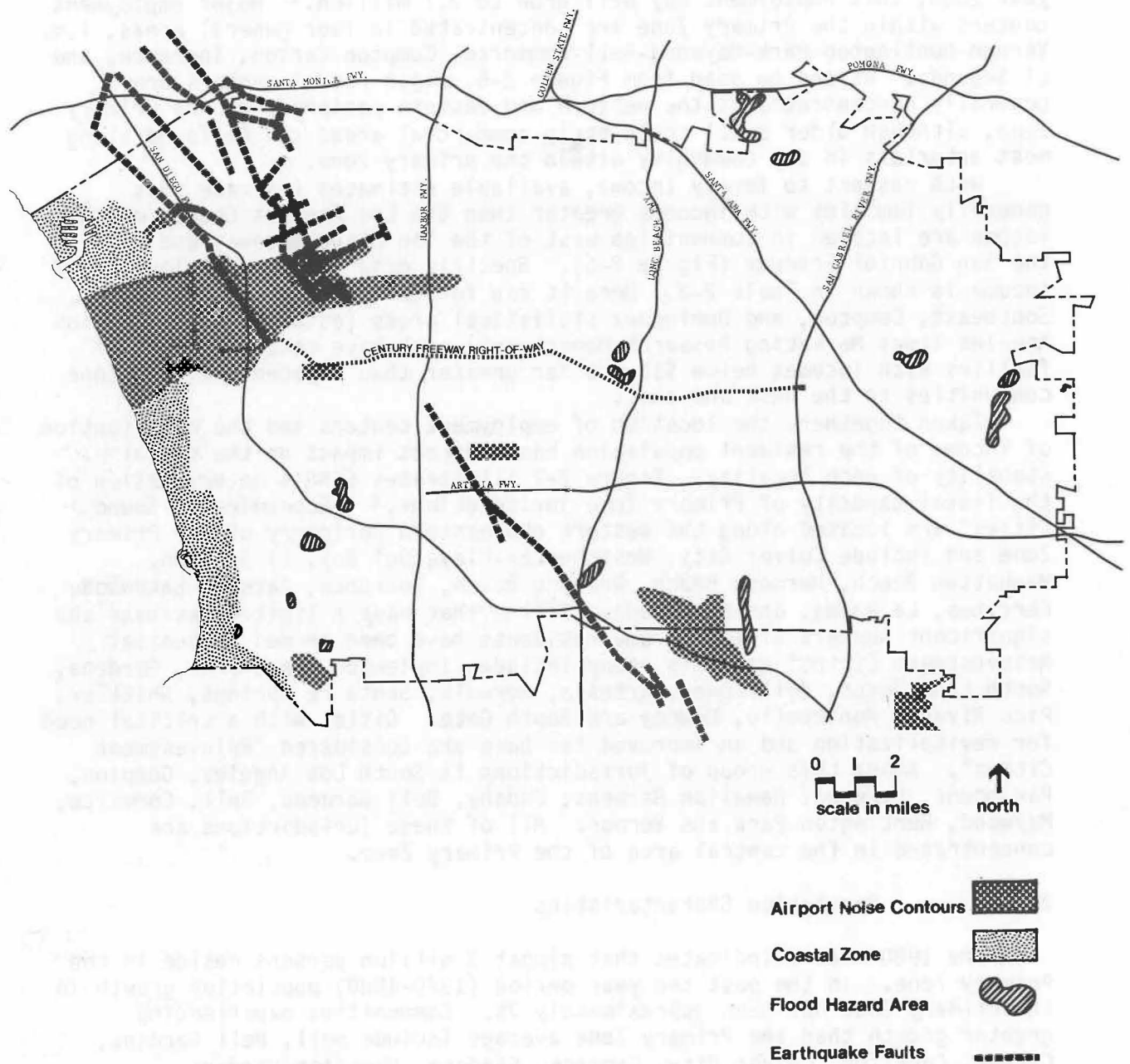
# GENERALIZED LAND USE WITHIN THE PRIMARY ZONE



Source: County of Los Angeles General Plan, 1980.

Figure 2-4

# ENVIRONMENTAL CONSTRAINTS



Sources: County of Los Angeles General Plan, 1980; Department of City Planning, Los Angeles; U.S. Department of Housing and Urban Development, National Flood Insurance Program.

## 2.2.2 Economic Character

Economic activities in the Primary Zone are largely devoted to manufacturing, warehousing and services. Based on estimates developed by the Southern California Association of Governments (SCAG), there are approximately 2.3 million jobs located within the primary zone and by the year 2000, this employment may well grow to 2.7 million.<sup>1</sup> Major employment centers within the Primary Zone are concentrated in four general areas, i.e. Vernon-Huntington Park-Maywood-Bell-Commerce, Compton-Carson, Torrance, and El Segundo. As can be seen from Figure 2-5, major retail centers are generally concentrated at the western and eastern periphery of the Primary Zone, although older small scale strip commercial areas can be found along most arterials in any community within the primary zone.

With respect to family income, available estimates indicate that generally families with incomes greater than the Los Angeles County median income are located in communities west of the San Diego Freeway and east of the San Gabriel Freeway (Figure 2-6). Specific data on the distribution of income is shown in Table 2-2. Here it can further be seen that the Adams, Southeast, Compton, and Dominguez statistical areas (established by the Los Angeles Times Marketing Research Department) each have concentrations of families with incomes below \$15,000 far greater than adjacent Primary Zone communities to the west and east.

Taken together, the location of employment centers and the distribution of income of the resident population has a direct impact on the fiscal stability of each locality. Figure 2-7 illustrates SCAG's determination of the fiscal capacity of Primary Zone jurisdictions.<sup>2</sup> "Economically Sound Cities" are located along the western and eastern periphery of the Primary Zone and include Culver City, Westchester-Playa Del Rey, El Segundo, Manhattan Beach, Hermosa Beach, Redondo Beach, Torrance, Carson, Lakewood, Cerritos, La Palma, and La Mirada. Cities that have a limited tax base and significant numbers of low income residents have been termed "Potential Reinvestment Cities" and this group includes Inglewood, Hawthorne, Gardena, North Long Beach, Bellflower, Artesia, Norwalk, Santa Fe Springs, Whittier, Pico Rivera, Montebello, Downey and South Gate. Cities with a critical need for revitalization and an improved tax base are considered "Reinvestment Cities". Among this group of jurisdictions is South Los Angeles, Compton, Paramount, Lynwood, Hawaiian Gardens, Cudahy, Bell Gardens, Bell, Commerce, Maywood, Huntington Park and Vernon. All of these jurisdictions are concentrated in the central area of the Primary Zone.

## 2.2.3 Population Characteristics

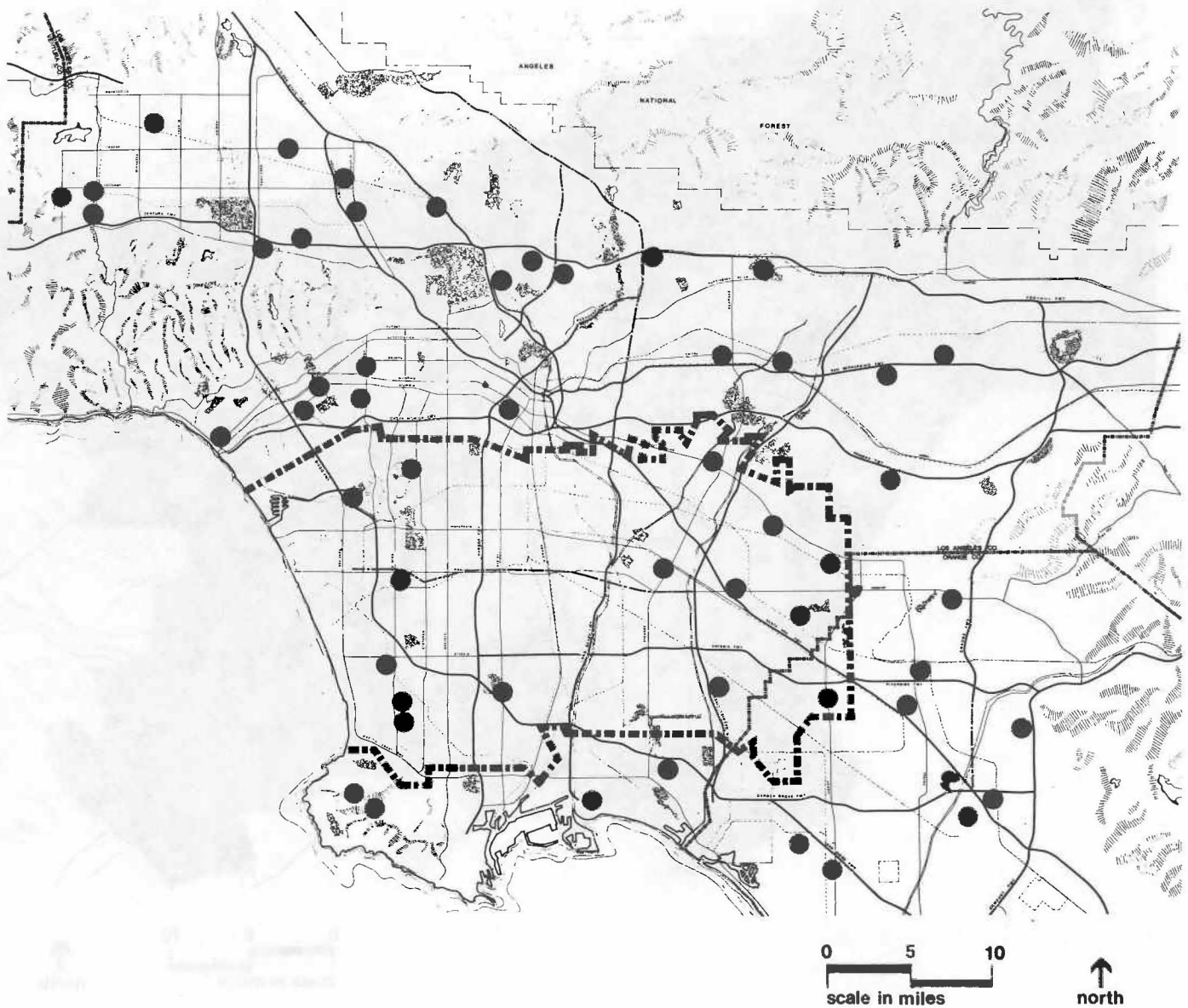
The 1980 census indicates that almost 3 million persons reside in the Primary Zone. In the past ten year period (1970-1980) population growth in the Primary Zone has been approximately 7%. Communities experiencing greater growth than the Primary Zone average include Bell, Bell Gardens, Carson, Cerritos, Culver City, Cypress, Gardena, Hawaiian Gardens, Huntington Park, La Mirada, La Palma, Lynwood, Maywood, Montebello, South

<sup>1</sup>Southern California Association of Governments, Growth Forecast Policy 78, adopted January 1979.

<sup>2</sup>Southern California Association of Governments, Urban Reinvestment Study, 1976.

Figure 2-5

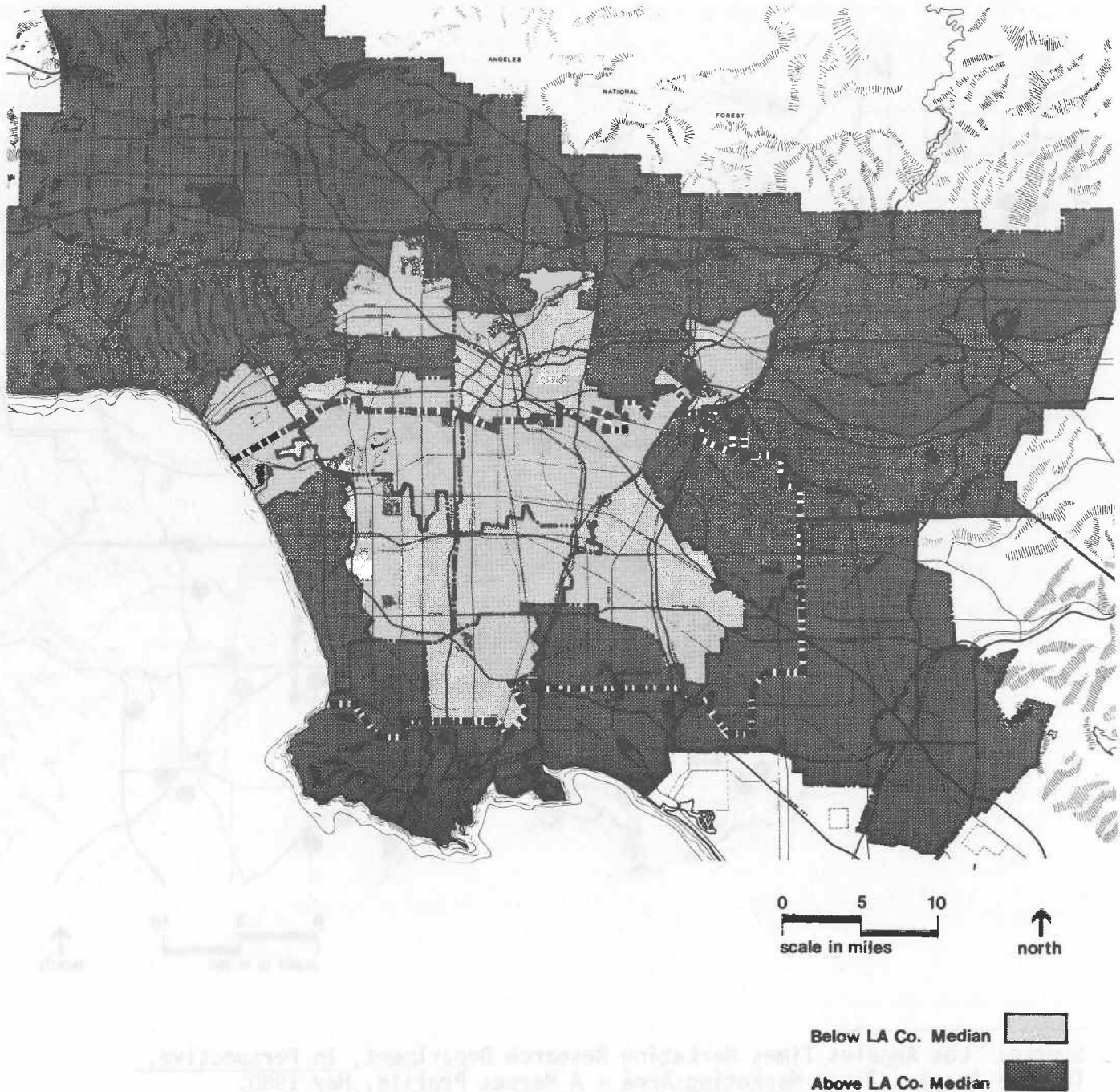
# LOCATION OF MAJOR RETAIL SHOPPING CENTERS



Source: Los Angeles Times Marketing Research Department, In Perspective, The Los Angeles Times Marketing Area - A Market Profile, May 1980.

Figure 2-6

# GEOGRAPHIC DISTRIBUTION OF FAMILY INCOME IN RELATION TO LOS ANGELES COUNTY MEDIAN



Source: Los Angeles Times Marketing Research Department, *In Perspective, The Los Angeles Times Marketing Area - A Market Profile*, May 1980.



Table 2-2

Distribution of Family Income - 1979  
Within Primary Zone\*

Affected Los Angeles Times Statistical Areas	Under \$ 10,000	\$ 10,000- 14,999	\$ 15,000- 19,999	\$ 20,000 24,999	\$ 25,000 49,999	\$ 50,000 and Over
South Bay <sup>a</sup>	9.2%	9.5%	14.9%	17.3%	42.8%	6.3
Adams <sup>b</sup>	26.0	19.6	17.9	13.2	19.3	4.0
Inglewood <sup>c</sup>	17.9	18.5	23.7	18.6	19.6	1.7
Southeast <sup>d</sup>	37.2	24.6	17.7	10.4	9.1	1.0
Compton <sup>e</sup>	32.1	26.3	20.3	11.8	8.7	0.8
Whittier <sup>f</sup>	11.5	14.3	22.2	20.6	27.5	3.9
Norwalk <sup>g</sup>	14.0	16.4	24.2	19.0	23.7	2.7
Palos Verdes <sup>h</sup>	7.2	7.3	10.7	12.9	48.5	13.4
Dominguez <sup>i</sup>	20.4	17.4	22.0	17.7	20.5	2.0
Long Beach <sup>j</sup>	16.1	14.7	17.6	17.0	29.5	5.1
North County <sup>k</sup>	10.6	11.8	17.6	20.0	35.1	4.9
L.A. County	13.7	15.8	23.4	16.8	25.5	4.8

<sup>a</sup> Westchester, El Segundo, Manhattan Beach, Hermosa Beach, Redondo Beach

<sup>b</sup> Culver City, Baldwin Hills, Leimert Park, West Adams L.A., South Central L.A.

<sup>c</sup> Inglewood, Lennox, Hawthorne, Lawndale, Gardena

<sup>d</sup> Vernon, Southeast L.A., Huntington Park, Maywood, Commerce, Bell, Cudahy, South Gate

<sup>e</sup> Compton, Lynwood, Torrance-Gardena Corridor L.A.

<sup>f</sup> Whittier, Pico Rivera, Santa Fe Springs, La Mirada

<sup>g</sup> Norwalk, Artesia, Cerritos, Hawaiian Gardens, Bellflower, Downey, Paramount

<sup>h</sup> Torrance, Palos Verdes, Rolling Hills

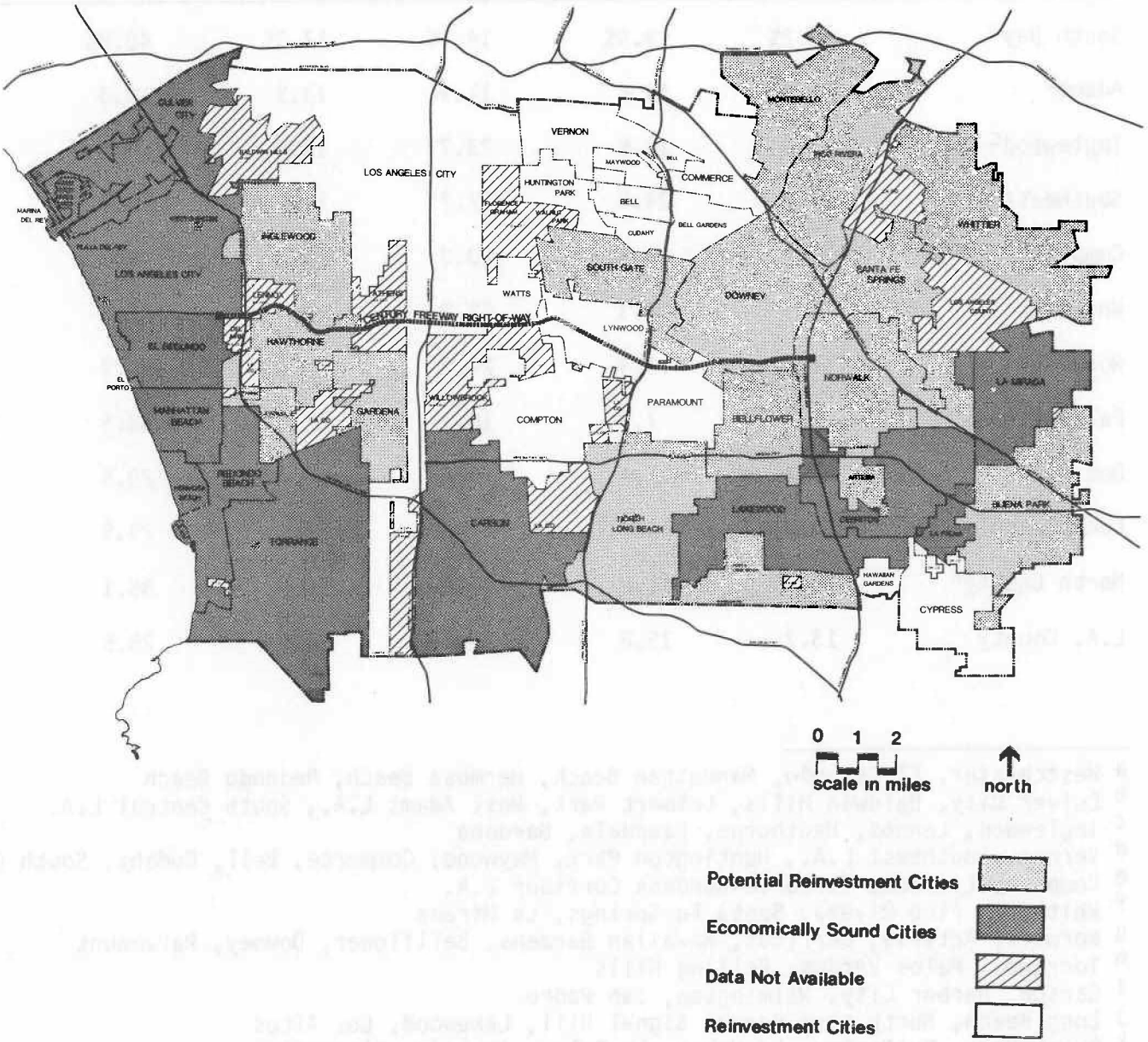
<sup>i</sup> Carson, Harbor City, Wilmington, San Pedro

<sup>j</sup> Long Beach, North Long Beach, Signal Hill, Lakewood, Los Altos

<sup>k</sup> Buena Park, Fullerton, La Habra, La Palma, Anaheim, Placentia

\*Source: Los Angeles Times, Market Research Department, In Perspective, The Los Angeles Marketing Area - A Market Profile, 1980.

# Figure 2-7 ECONOMIC CLASSIFICATION OF PRIMARY ZONE JURISDICTIONS



Source: Southern California Association of Governments, Urban Reinvestment Study, 1976.

Gate, Whittier and the unincorporated portions of Los Angeles County (Table 2-3). Communities which have lost population include Artesia, Commerce, Downey, El Segundo, Lakewood, Lawndale, Los Angeles City, Manhattan Beach, Norwalk, Pico Rivera and South Gate. As indicated in Working Paper Number Two: Profile and User Needs, increases in population have been mainly accounted for by the in-migration of Hispanics and Blacks, whereas almost all loss of population have been due to the out-migration of Whites.<sup>1</sup>

Ethnic concentrations in the Primary Zone are illustrated in Figure 2-8. Primarily Hispanic communities are concentrated in the north-eastern portion of the Primary Zone, extending from Montebello in the east to the unincorporated area of Florence-Graham in the west. Additionally, there are isolated Hispanic communities in Lynwood, Compton and Lennox. Blacks occupy the central portion of the Primary Zone, extending southward from the City of Los Angeles and Inglewood to Compton and Carson. Whites are located along the western, southern and eastern periphery of the Primary Zone. The pattern of ethnic change indicates that the most substantial increase in the Hispanic population appears to have taken place in Lynwood, Norwalk, Paramount, South Gate and the unincorporated areas of Lennox and Florence-Graham. The Black population, on the other hand, has increased most rapidly in Inglewood, Lynwood and east of Compton.

#### 2.2.4 Housing Characteristics

As a whole, housing stock in the Primary Zone has increased modestly, with most of the growth taking place in the far eastern, northwestern and southern sections. In 1980, the Primary Zone contained 29% of the total housing units in the County of Los Angeles. Construction of multi-family units outpaced single family home construction by 2 to 3% between 1975 and 1978.

The distribution of monthly contract rents in general in the Primary Zone relative to the County indicates a higher percentage of low monthly contract rents and a lower percentage of high rents. There is a significantly greater percentage of low monthly contract rents which are under \$150 in the Primary Zone as compared to the County. Close to 30% of all rents in the Primary Zone are in this category, whereas only 18% of County rents are under \$150.<sup>2</sup>

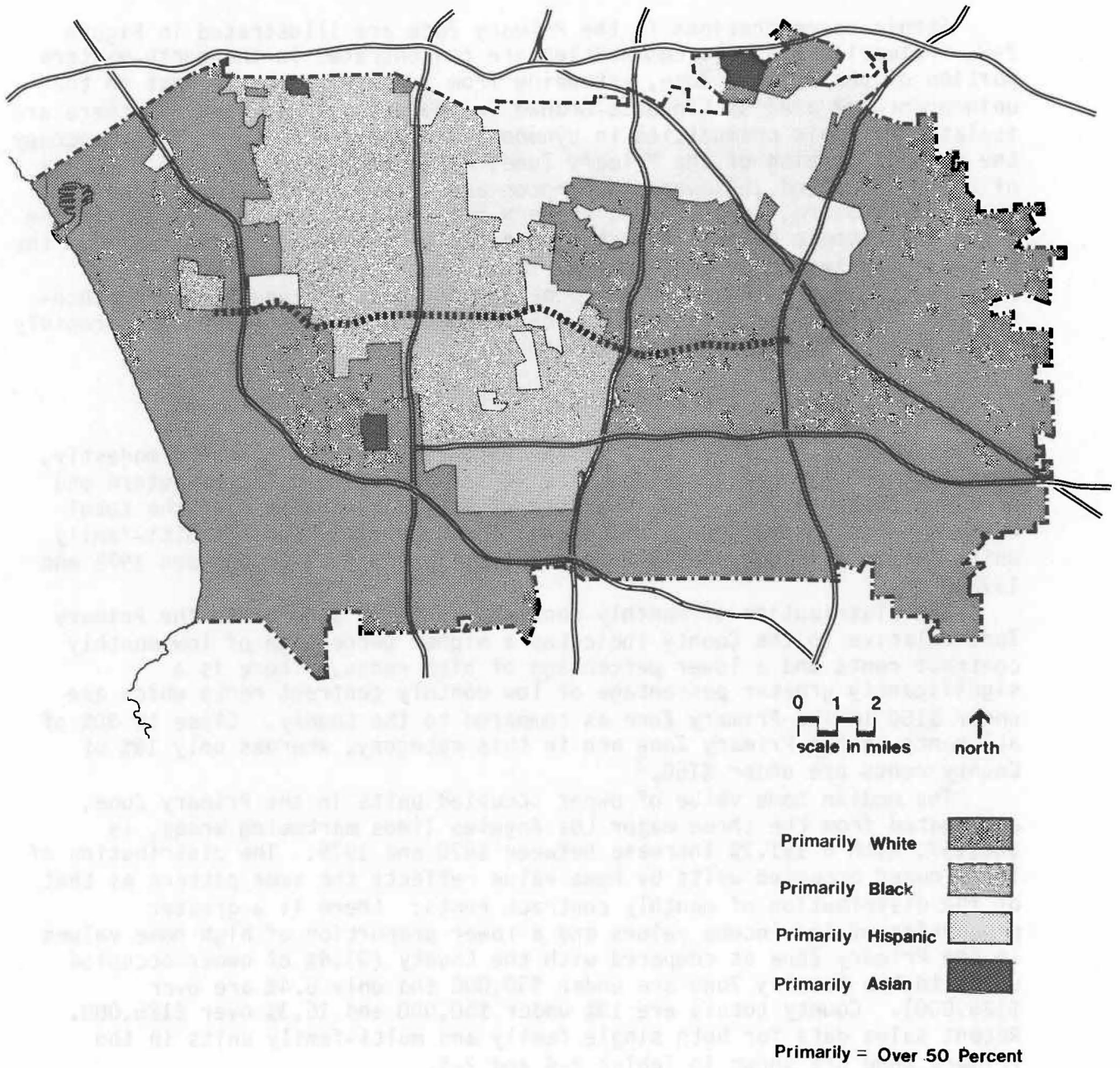
The median home value of owner occupied units in the Primary Zone, aggregated from the three major Los Angeles Times marketing areas, is \$62,157, with a 191.7% increase between 1970 and 1979. The distribution of total owner occupied units by home value reflects the same pattern as that of the distribution of monthly contract rents: there is a greater proportion of low income values and a lower proportion of high home values in the Primary Zone as compared with the County (33.4% of owner-occupied units in the Primary Zone are under \$50,000 and only 6.4% are over \$125,000). County totals are 18% under \$50,000 and 16.3% over \$125,000. Recent sales data for both single family and multi-family units in the Primary Zone are shown in Tables 2-4 and 2-5.

<sup>1</sup>The Planning Group, Century Freeway Housing Plan, Working Paper Number Two: Primary Zone Socioeconomic Profile and User Needs, June 11, 1982.

<sup>2</sup>The Planning Group, Century Freeway Housing Plan, Working Paper Number Two: Primary Zone Socioeconomic Profile and User Needs, June 11, 1981.

Figure 2-8

# PRIMARY ZONE ETHNIC CONCENTRATIONS



Source: 1980 Census.

Table 2-3

## PRIMARY ZONE POPULATION CHANGE

<u>Jurisdiction</u>	<u>1970 Population</u>	<u>1980 Population</u>	<u>1970-1980 Percent Change</u>
Artesia	14,718	14,301	- 3
Bell	21,984	25,450	15
Bellflower	50,534	53,441	6
Bell Gardens	29,311	34,117	16
Buena Park	64,103	64,165	0.1
Carson	71,513	81,221	14
Cerritos	16,021	52,756	230
Commerce	10,662	10,509	- 1
• Compton	78,709	81,286	3
Cudahy	17,058	17,984	5
Culver City	31,403	38,139	21
Cypress	31,035	40,391	30
• Downey	89,098	82,602	- 7
• El Segundo	15,592	13,752	- 12
Gardena	41,103	45,165	10
Hawaiian Gardens	8,798	10,548	20
• Hawthorne	53,264	56,447	6
Hermosa Beach	17,394	18,070	4
Huntington Park	33,758	46,223	37
• Inglewood	89,991	94,245	5
La Mirada	31,079	40,986	32
La Palma	9,572	15,663	64
Lakewood	82,747	74,654	- 10
Lawndale	24,969	23,460	- 6
Long Beach	358,622	361,334	0.7
• Los Angeles City (Part)	596,300	559,169	- 6
• Los Angeles County (Part)	162,926	226,184	38
• Lynwood	43,489	48,548	12
Manhattan Beach	35,293	31,542	- 11
Maywood	16,990	21,810	28
Montebello	42,815	52,929	24
• Norwalk	91,829	85,232	- 7
• Paramount	34,892	36,407	4
Pico Rivera	54,319	53,459	- 2
Redondo Beach	55,987	57,102	2
Santa Fe Springs	14,537	14,559	0.2
• South Gate	57,008	66,784	17
Torrance	134,493	131,497	- 5
Whittier	42,492	68,872	62
Total	2,676,408	2,851,093	7

Source: U.S. Census

• I-105 Corridor Jurisdictions

Table 2-4  
 PRIMARY ZONE  
 AVERAGE HOME SALES PRICE  
 October-December 1980

<u>City</u>	<u>Average Sales Price</u>	<u>Average Size (square feet)</u>	<u>Average Number of Bedrooms</u>
Artesia	\$ 66,945	955	2.42
Bell	65,350	1,038	2.35
Bellflower	100,400	1,358	2.62
Bell Gardens	64,200	1,015	2.25
Carson	90,941	1,374	3.18
Cerritos	122,144	1,622	3.58
Commerce	82,220	1,256	3.51
Compton	54,066	1,049	2.46
Cudahy	60,600	953	2.20
Culver City	146,226	1,398	2.11
Downey	92,843	1,286	2.62
El Segundo	130,838	1,278	2.31
Gardena	142,200	1,361	2.60
Hawaiian Gardens	64,333	919	2.29
Hawthorne	97,885	1,258	2.69
Hermosa Beach	141,865	1,184	2.29
Huntington Park	65,964	1,012	2.57
Inglewood	76,202	1,223	2.33
Lakewood	92,891	1,295	2.86
La Mirada	93,276	1,431	2.93
Lawndale	92,967	1,164	2.48
Lennox	67,722	995	2.33
North Long Beach	90,991	1,196	2.47
Los Angeles	52,526	1,117	2.49
Lynwood	66,287	1,080	2.39
Manhattan Beach	186,462	1,187	2.42
Maywood	67,100	1,002	2.10
Montebello	81,085	1,212	2.67
Norwalk	68,836	1,039	2.59
Paramount	77,024	1,108	2.22
Pico Rivera	70,781	1,032	2.30
Redondo Beach	123,662	1,192	2.78
Santa Fe Springs	82,071	1,263	2.64
South Gate	69,181	1,107	2.34
Torrance	126,704	1,425	3.01
Vernon	None	None	None
Whittier	84,763	1,273	2.20
Watts	40,827	1,038	2.48
Buena Park	105,137	1,527	3.15
Cypress	115,075	1,687	3.45
La Palma	121,528	1,937	3.11
Westchester	122,438	1,271	2.65

Source: Gruen Associates, Sketch Plan Alternatives, July 9, 1981

Table 2-5  
 PRIMARY ZONE  
 MULTIPLE-FAMILY UNIT SALES  
 December-February 1981

<u>City</u>	<u>Average Sales Price</u>	<u>Average Size (square feet)</u>	<u>Average Number of Units (square feet)</u>	<u>Average Size of Units</u>	<u>Average Unit Price</u>
Artesia					
Bell	\$106,600	2,198	2.80	785	\$38,100
Bellflower					
Bell Gardens	140,300	1,770	2.20	805	63,800
Carson	83,500	2,706	2.00	677	41,800
Cerritos					
Commerce					
Compton	68,900	2,268	3.00	755	23,000
Cudahy	105,000	3,250	3.67	886	28,600
Culver City	189,300	2,132	2.67	799	71,100
Downey	130,500	2,252	2.50	900	52,200
El Segundo					
Gardena	115,300	4,813	2.00	802	57,700
Hawaiian Gardens	74,300	1,640	2.00	820	37,200
Hawthorne	129,800	2,054	2.33	881	55,700
Hermosa Beach	222,900	2,273	3.44	660	64,700
Huntington Park	127,400	3,335	4.25	785	37,500
Inglewood	107,000	2,288	3.25	704	32,900
Lakewood	119,300	1,942	2.33	832	51,100
La Mirada					
Lawndale	145,500	2,129	2.33	914	62,400
North Long Beach	95,400	1,612	2.11	764	45,200
Los Angeles	79,400	2,443	3.12	784	25,400
L.A. County	96,500	2,015	2.83	712	34,200
Lynwood	76,300	2,115	2.63	804	29,000
Manhattan Beach	232,000	2,221	2.20	1,010	105,400
Maywood	101,000	1,903	2.83	671	35,700
Montebello	148,300	3,067	3.50	876	42,400
Norwalk					
Paramount	104,800	2,223	2.50	889	41,900
Pico Rivera					
Redondo Beach	268,800	3,649	3.56	1,025	75,500
Santa Fe Springs					
South Gate	121,300	2,583	3.25	795	37,300
Torrance	134,800	1,894	2.50	758	53,900
Vernon					
Whittier	107,300	2,148	2.67	806	40,200

Source: Gruen Associates, Sketch Plan Alternatives, July 9, 1981.

In terms of general viability of the housing market in the Primary Zone, the patterns are increasing values and housing costs in areas surrounding the City of Los Angeles, which generally correspond to population growth areas. In the south central areas under study, however, the market has not kept pace with other areas, raising the possibility that this is one of the only areas where land costs as a percentage of total housing costs are not prohibitive.

A critical piece of information in assessing the viability of the housing market in any particular area is the demand for and supply of housing affordable to increasing numbers of lower income households, and the gap between the two. The housing needs of low income households, in general, are based on data provided in the 1981 SCAG Regional Housing Allocation Model. This data provides information on total households needing assistance, by owner and renter status, as well as needs of the elderly/handicapped, small families and large families.

Families with incomes less than 120% of the County median family income, who pay over 25% of monthly income on housing, qualify as households needing assistance. Table 2-6 presents the total number of these households in Primary Zone Jurisdictions for 1981. The table includes the number of very low income (below 50% of the median) and low income (50 to 80% of the median) households needing assistance in obtaining affordable housing.



Table 2-6

## PRIMARY ZONE HOUSEHOLDS NEEDING ASSISTANCE\*

<u>Jurisdiction</u>	<u>Total</u>	<u>Very-Low Income Households</u>	<u>Low Income Households</u>
Artesia	812	703	108
Bell	1,824	1,721	103
Bellflower	3,306	2,968	338
Bell Gardens	2,613	2,146	467
Carson	5,555	4,313	1,241
Cerritos	2,407	2,266	141
Commerce	595	417	178
• Compton	5,717	4,029	1,689
Cudahy	1,054	679	375
Culver City	3,519	3,346	173
• Downey	4,434	4,117	318
• El Segundo	1,251	1,180	70
Gardena	2,534	2,282	252
Hawaiian Gardens	916	560	356
• Hawthorne	4,489	4,159	349
Hermosa Beach	1,465	1,406	59
Huntington Park	2,073	1,889	184
• Inglewood	4,659	4,281	379
La Mirada	1,844	1,837	7
Lakewood	4,910	4,328	583
Lawndale	1,453	1,173	280
Long Beach	30,065	28,370	1,695
• Los Angeles City	234,106	207,249	26,857
• Los Angeles County	76,980	50,338	26,642
• Lynwood	2,244	1,894	350
Manhattan Beach	2,695	2,311	384
Maywood	1,244	1,045	199
Montebello	3,064	2,751	313
• Norwalk	4,534	3,313	1,221
• Paramount	1,866	1,503	363
Pico Rivera	3,425	2,622	803
Redondo Beach	5,323	4,899	423
Santa Fe Springs	1,132	891	241
• South Gate	3,295	2,913	382
Torrance	8,432	7,837	595
Vernon	11	9	5
Whittier	4,393	4,129	264
TOTALS	440,239 <sup>1</sup>	371,874	68,387

## •I-105 Corridor Jurisdictions

<sup>1</sup>Totals may not add up precisely due to round-off of percentages.

\*Source: SCAG 1981



# **3.0 Public and Local Involvement**

This chapter describes public participation in the formulation of the Century Freeway Housing Plan with specific reference to the Housing Advisory Committee and individual jurisdiction coordination.

### 3.1 THE HOUSING ADVISORY COMMITTEE

The Consent Decree establishes the Housing Advisory Committee (HAC) as the primary body for interface between HCD, municipal governments, community organizations and concerned individuals. The purpose of the HAC is to advise HCD during the plan formulation process and to approve the completed Housing Plan.

The 27 HAC meetings held during the course of the study have been for soliciting public input on a continuous basis. More specifically, these meetings were designed to achieve the following objectives:

- o Dissemination of information during each phase of the study.
- o Early identification of key issues and constraints.
- o Determination of participant needs.
- o Assessment and evaluation of proposed alternatives.
- o Input to Plan refinement.

Criteria for selection of HAC members and subcommittee members, as delineated in the Consent Decree, provides for broad representation of concerned sectors. Table 3-1 lists the HAC members and organizations represented.

The exchange of information between HAC and HCD has centered around working papers and other study documents which have provided the HAC with proposed elements of the Plan at critical points in the study process. The following summarizes the study junctures where key input and review were given.

#### Phase One - Study Design

At this initial phase, the consultant team was introduced to the HAC. The Housing Plan Study Design, the first major product of the Planning Study, addressed the mission and approach of the Housing Plan and established a framework for analysis.

#### Phase Two - Early Assessment of Housing Plan Inputs

Working Paper One: Evaluation Criteria emphasized underlying assumptions and levels of evaluation which affect the outcome of the Plan. Working Paper Two: Profile and User Needs presented the socioeconomic profile of the Primary Zone and provided a composite of user needs for HAC input. HAC discussion enhanced the evaluation criteria and background data with perspectives of both residents and jurisdictions affected by the program.

#### Phase Three - Sketch Plan

The HAC assisted the consultant team in evaluating factors affecting housing disposition mechanisms and the location and mix of housing units. HAC critique of the Sketch Plan document directly influenced the preparation of Working Paper Six: Sketch Plan Alternatives and the direction of the Phase Four work effort.

Table 3-1

HOUSING ADVISORY COMMITTEE

Chairman

Councilman Robert Farrell  
Alternate: Kathleen Connell  
City of Los Angeles

Vice-Chairman

SCAG Representative  
Theodore Jackman

Agency Representatives

Lorri Baldwin  
City of Compton

Mayor John Byork  
City of Lynwood

Alternate: Councilman Lewis Thompson

Mayor William DeWitt  
City of South Gate  
Alternate: Joseph Moore

Henry Gonzales, Jr.  
County of Los Angeles

Councilman Marvin Johnson  
City of El Segundo  
Alternate: Jack Siadek

Borden Olive  
Los Angeles County Human Relations Commission

Melvin D. Rice  
County of Los Angeles Housing Authority  
Alternates:  
Leslie Fouse  
Arlene Nordgren  
Ken Peterson

Councilman Edward Vincent  
City of Inglewood  
Alternate: Councilman Daniel Tabor

James H. Mitsch  
City of Hawthorne

Councilman Robert E. White  
City of Norwalk  
Alternate: Robert Hunter

Table 3-1 (Continued)

PRIVATE/NON-PROFIT HOUSING RELATED ORGANIZATIONS

Drake Dillard  
National Association for the Advancement of Colored People  
Alternates:  
James Anthony

Arthur Gonzales  
Mexican American Opportunities Foundation

Channing P. Johnson  
Economic Resources Corporation  
Alternate: John Minor

Staajaba Heshimu  
Minority Contractors Association  
Alternate: Jacqueline Hickman

Joseph Logan  
Urban University Center  
Alternate: Jamee Rogers

Evelyn A. Reeves  
Consolidated Realty Board  
Alternates: Leslie G. Bellamy  
Jean Balara

Rev. Watten C. Sams  
Willowbrook Community United for Justice Fellowship Baptist Church

Sandra Scranton  
Willowbrook Project Area Committee  
Alternate: Roland Betts

Brenda Shockley  
Charles R. Drew Post Graduate Medical School

Herman Thomas, Jr.  
Metro-Harbor Fair Housing Council

Norris Turner  
Urban League

Ted Watkins  
Watts Labor Community Action Committee  
Alternate: Maret Indvik

Reginald Woolfolk  
Cleghorn - Dixon Associates

Table 3-1 (Continued)

CITIZEN REPRESENTATIVES

Yolanda Bays  
Lynwood

\*Pauline Castillo  
Hawthorne

Rev. V. James Edner  
Lynwood

Pauline Esperanza Guerrero  
Los Angeles

Andrew Q. Isaacs  
Inglewood

\*Louise Jeffries  
Southgate

Woodruff Johnson  
Los Angeles

\*Ralph Keith  
Hawthorne

Lillian Mobley  
Los Angeles

Sandee Rudolph  
Norwalk

Conrad Saunders  
Altadena

Rev. David Scott  
Vermont Square United Methodist Church, Los Angeles

Hazel Scotto  
Downey

\*Victwa E. Shakespeare  
Alternate: Sanyo Shakespeare  
Inglewood

\*Walter Shelby  
Inglewood

William Vines  
Alternate: Dorris Vines  
Inglewood

\*Displacees

#### Phase Four - Assessment of Alternatives and Plan Refinement

This planning stage combined the refined conclusions of previous phases with more detailed financial analysis to produce Working Paper Thirteen: Composite Housing Plan. HAC review of the Composite Housing Plan stimulated a range of concerns from the process of disposition on an individual basis to allocation of units on a jurisdictional level.

#### Phase Five - Final Plan Documentation

The Housing Plan and Environmental Document have been reviewed by HAC and its subcommittees. HAC recommendations have been incorporated into the Housing Plan and Environmental Assessment. During circulation of the Draft, the HAC scheduled a review and their recommendations were incorporated along with responses to agency and public comments in the final Housing Plan.

As illustrated above, key concerns were brought out during the first four phases of study. The following are highlights of discussion issues recorded in Housing Advisory Committee minutes:

#### Program Participation

- o Questioned the inclusion of displacee preferences in the Plan.
- o Discussion of Relocation Assistance Program (RAP) benefits and how they relate to the program.
- o Concern that the income criteria does not create enough eligible participants.
- o Procedures for renters.
- o Concern for the importance of family status (single parents, unmarried couples, etc.) as a qualification for participation.
- o The importance of American citizenship as a qualification for participation.
- o Provisions for disabled people and the elderly.
- o The definition of income.
- o Questioning public assistance as income.
- o Provisions for death of a participant.
- o Procedures for adjustment of status due to income changes in participant households.

#### Planning Process

- o Questions on role of cities in Plan development.
- o Need for more definition of HCD role in the Plan.
- o Potential delays in planning due to funding controversy.
- o How will replacement housing be allocated in the corridor?
- o What is Article 34 and how does it affect this program?
- o Identification of communities which want the housing.
- o Inclusion of pilot projects in the Plan.
- o Cost effectiveness of rehabilitated housing versus new construction.
- o Effect of freeway construction on completion of the housing.
- o Criteria for determining substandard housing.
- o Limits on number of units in a single site.



## Administration

- o How will the Plan be administered?
- o What is the administration procedure of the \$110 million category?
- o Construction time frame in comparison to the freeway schedule.
- o Procedures on rental management.
- o What is the disposition plan?

### 3.2 HCD COORDINATION WITH PRIMARY ZONE JURISDICTIONS AND OTHER PUBLIC INVOLVEMENT EFFORTS

Although the HAC is the focal point for public and agency involvement in the Primary Zone, HCD has coordinated other activities which facilitate public participation in the Century Freeway Housing Plan process. The wide range of public involvement includes coordination with Federal and State agencies, local jurisdictions affected by the Housing Plan, private sector and community interests at large.

On the most comprehensive level of involvement, HCD continually interacts with key government entities (Caltrans, FHWA and the Century Freeway Affirmative Action Committee) to insure affirmative action and sound construction practices, as well as citizen and jurisdictional participation in program development. HCD also coordinates submission of all environmental documents for project level environmental approval and insures the mitigation of negative environmental effects.

More specifically, HCD has interacted with Primary Zone jurisdictions through participation in the Planning Director's Forum and Corridor Caucus meetings throughout the planning process. The Planning Director's Forum is a network of city planning directors in the Primary Zone area which provide for key exchange of technical data to aid individual city planning departments as well as the Housing Plan. HCD staff is also represented in the Corridor Caucus meetings that enable Corridor Jurisdictions to monitor the progress of the Plan. These activities, along with the HAC meetings, have been instrumental in shaping plan development and pre-plan implementation.

During the more recent stages of plan refinement, HCD initiated a series of Bilateral Negotiations with mayors, city managers, HAC representatives, and municipal and County staff in order to present the Composite Plan Housing Entitlements to Corridor Jurisdictions. Comments from the jurisdictions indicated a general concurrence with the entitlements. The Bilateral Negotiations proved to be a critical juncture for the planning process because information resources and key relationships were developed. Further, the negotiations created an ongoing forum for discussions of alternatives necessary to implement the Plan.

A prime product of the Negotiations was the Cooperative Agreements between HCD and four Corridor Jurisdictions to perform a more detailed technical assessment of their housing entitlements. Funds were made available by FHWA and Caltrans, through HCD, to assist interested Corridor Jurisdictions in obtaining this additional planning data. The results of the technical assessments of Los Angeles, Norwalk, Lynwood and Los Angeles County were submitted to HCD.

In addition, HCD has begun developing relationships with private sector participants in the housing development process. In October, 1981, HCD issued a document referred to as "Sources Sought". The purpose of the

document was to solicit responses from developers and land owners offering suitable sites and proposals for the Housing Program. The response was substantial; over 6,000 units were proposed. Preliminary screening indicated a satisfactory amount of proposals were feasible. This planning exercise helped to refine the Housing Plan with a clearer picture of construction resources, as well as to alert the housing construction industry to potential housing contracts.

Finally, as a response to public interest at large, HCD staff has and will continue to attend public hearings and other meetings designed to inform citizens and interested parties about the progress of the Plan and freeway construction schedule.

# **4.0 Development and Refinement of the Housing Plan**

The objective of this chapter is to describe the process of the Housing Plan development. Emphasis in this chapter will be placed on describing the transformation of the Housing Plan from a series of Sketch Plan Alternatives to a comprehensive policy guidance package governing delivery of the Housing Program. Specific topics to be addressed include:

- o The Housing Plan As A Policy Plan (Section 4.1).
- o The Housing Plan Formulation Process (Section 4.2).
- o The Initial Development of Housing Plan Alternatives and Evaluation (Section 4.3).
- o The Refinement of Housing Plan Options, Description of Policy Options, Impacts and Trade-Offs (Section 4.4).

This last section on the refinement of alternatives addresses, where applicable, key policy options, their implications and HCD's preferred approach. For a description of the adopted Housing Plan, refer to Chapter 5.

#### 4.1 THE HOUSING PLAN AS A POLICY PLAN

Before describing the evolution of the Century Freeway Housing Plan over the past twelve months, it may be helpful to describe the precise nature of the Housing Plan and what the document intends to accomplish. In this regard, the Housing Plan can best be characterized as a policy plan. A policy plan is a non-site specific plan and has been described as a "statement of general intentions which serves to guide day-to-day decision making."<sup>1</sup> It has been suggested further that the policy plan contains reasonably detailed guiding principles, but not specific proposals. Policy planning can be viewed at three distinct levels:

- o First level: Broad goals and objectives which address general program goals and intentions such as are addressed in the Consent Decree and State and Federal housing goals.
- o Second level: Identification of options and actions that can and will be used to achieve the broad policy objectives of the first level. The guiding principles and policy of the final Housing Plan apply to this level.
- o Third level: The development and implementation of specific procedures and administrative practices implement this level. The various federal and state project manuals, as well as HCD administrative and interim procedure manuals, represent this level.

As an element of this overall planning structure, the Housing Plan establishes guiding principles and firm policy focused on answers to the following critical questions:

- o Where will the housing be located?
- o How will the housing be developed?

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<sup>1</sup>Goodman, William I., (editor), Principles and Practice of Urban Planning, International City Managers' Association, 1968, pp. 331-336.

- o Who will be the occupants of the housing?
- o How much will the housing program cost?

#### 4.2 THE HOUSING PLAN FORMULATION PROCESS

The formulation of answers to the above items has been accomplished through a process which has successively identified alternatives, evaluated consequences and narrowed the range of possible courses of action. Specifically, Sections 4.3 and 4.4 will illustrate the evolution and development of the Housing Plan from the initial consideration of Sketch Plan Alternatives; through the identification of a composite approach; and subsequent refinements to a series of principles and policy options.

#### 4.3 INITIAL DEVELOPMENT OF HOUSING PLAN ALTERNATIVES

##### 4.3.1 Description of Sketch Plan Alternatives

The first conceptualization of Housing Plan alternatives was prepared in the context of the Final Consent Decree, signed 10/11/79. This original decree specified the production of 4,200 units within a single program budget. Four Sketch Plan Alternatives were developed. These alternatives were directed at identifying to HAC and HCD staff the basic policy choices that were available. The alternatives were based on a series of working assumptions which included consideration of HCD pilot projects and other commitments; level of displacee participation; income distribution of potential program participants; home ownership criteria; interest rates; number of Caltrans acquired units feasible for rehabilitation; and land, construction and administrative cost estimates.<sup>1</sup>

Building upon these working assumptions, each Sketch Plan Alternative was oriented toward the achievement of a specific goal, as follows:

- o One-for-One Replacement. This alternative spoke to the need to mitigate impacts on the jurisdictions directly impacted by the Century Freeway. It envisioned that replenishment housing would be located in the various corridor communities in the same proportions as it was removed.
- o Displacee Preference and Need. This approach recognized that households to be displaced by the Century Freeway have a priority status in the Consent Decree. Replenishment housing would be provided in locations that Caltrans surveys have indicated displacees preferred.
- o Land Acquisition Strategy Extended.<sup>2</sup> This approach sought to maximize use of the sites HCD identified as suitable for replenishment housing. In this way, the considerable public resources spent to date on the Housing Program would not be wasted.
- o Reinvestment. This alternative took the view that the replenishment housing program could be successfully used as a stimulant to reinvestment

<sup>1</sup>Gruen Associates/The Planning Group, et al., Century Freeway Housing Plan, Sketch Plan Alternatives, July 9, 1981, pp. 11-13.

<sup>2</sup>Formerly termed "HCD Development Strategy Extended."

in many communities within the primary zone. Housing in and of itself is not a cure-all for community problems; however, this approach, in coordination with ongoing revitalization programs, as well as with the Century Freeway Economic Development Strategy, could promote significant change.

At this early stage in the planning process, descriptions of each alternative were not developed in detail. Factors included the geographic allocation of units to Primary Zone jurisdictions; housing mix (rehabilitation versus new construction and single family detached versus multiple family units); land costs; rehabilitation and new construction costs; administrative costs; and estimates of home ownership potential.

Figure 4-1 illustrates housing allocations resulting from the initial Sketch Plan Alternatives. The One-for-One Replacement Alternative focused housing only in the Corridor Jurisdictions, while the three remaining options distributed housing throughout the Primary Zone. As can be seen, the Displacee Preference Alternative tended to concentrate housing in the western portion of the Primary Zone, where almost three-quarters of the remaining displacees are located; the Land Acquisition Strategy Extended Alternative placed housing in the City and County of Los Angeles where HCD and Caltrans had identified the vast majority of available vacant residential sites; and the Reinvestment Alternative located housing in communities identified by the Southern California Association of Governments (SCAG) as "reinvestment or potential reinvestment cities."

With the exception of the Reinvestment Alternative, the housing mix of the Sketch Plan Alternatives was the same. The split between rehabilitation and new construction was estimated at approximately 60% and 40% respectively. The distribution of single family detached and multiple family units was 55 to 65% single and 45 to 35% multiple. In contrast, the Reinvestment Alternative was initially described as being virtually all new construction, and only multiple family units would be constructed. With respect to tenure, initial estimates were based on the latitude of write-down discretion allowed in the Consent Decree. Ownership in the Sketch Plan Alternatives was tailored after the California Homeownership Assistance Program (SB 229, Chapter 1042 of 1979; and AB 333, Chapter 1043 of 1979). Under this mechanism, write-downs for owner-occupied units could not exceed 49% of the value of the unit and ownership would thus be defined as a function of a household's ability to support a mortgage equivalent to 51% of the unit's value.

Cost estimates for the alternatives were based on information compiled in Working Paper Number Three: Methods of Providing Housing. Specifically, costs addressed differentials between new construction and rehabilitation as well as the variations in single family and multiple family lot land costs throughout the Primary Zone.<sup>1</sup>

#### 4.3.2 Initial Evaluation of the Sketch Plan Alternatives

Four evaluation factors were used to screen the Sketch Plan Alternatives and to identify potential trade-offs. These included consideration of costs, home ownership potential, estimated satisfaction of displacee locational preferences, and distributional implications of the

<sup>1</sup>David Crompton, et al., Century Freeway Housing Plan, Working Paper Number Three: Methods of Producing Housing, June 25, 1981, pp. 3, 4, and 8.

Figure 4-1

# SKETCH PLAN ALTERNATIVES

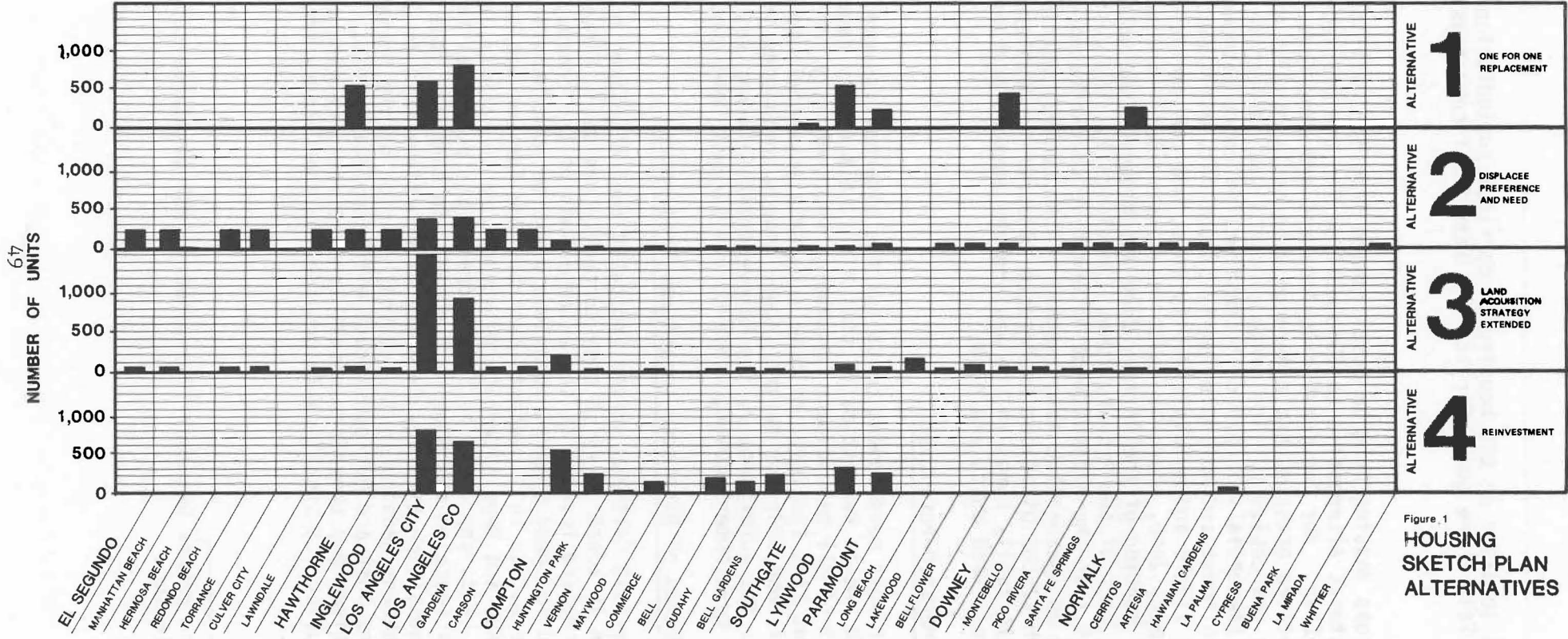


Figure 1  
HOUSING SKETCH PLAN ALTERNATIVES

overall location of the housing on corridor jurisdictions and in meeting SCAG's Fair Share goals for low and moderate income housing.

### Costs

Gross Housing Program costs ranged from \$251 million for the Reinvestment Alternative to \$378 million for the Displacee Preference Alternative. The One-for-One Replacement and Land Acquisition Strategy Alternatives occupied the mid-range with costs of \$339 million and \$343 million respectively. The range of costs was reflective of several factors, e.g. differentials in per unit construction costs between single family detached homes and multiple family structures, differentials in land cost between single and multiple family lots, and the variation of land costs in the Primary Zone, where the most inexpensive land is concentrated in the central portion of the Primary Zone and highest land values are found in the western part of the Primary Zone. Specifically, the cost spread reflected the fact that the Reinvestment Alternative concentrated multiple family housing on inexpensive land largely in the central portion of the Primary Zone, while the Displacee Preference Alternative developed a high proportion of single family homes in the western and eastern portions of the Primary Zone where land costs are high.

### Home Ownership Potential

Per unit development costs for the alternatives ranged from \$59,000 to \$116,000 and it was estimated that with a 51% equity requirement that less than 20% of all participant households would qualify for ownership. It was felt that this low level of home ownership potential did not achieve the level of ownership for target income groups envisioned in the Consent Decree. Not surprisingly, the Reinvestment Alternative, with the lowest housing development costs, achieved the largest home ownership potential.

### Satisfaction of Displacee Locational Preference

The 1978 Caltrans survey indicated that displaced households prefer to relocate in areas in which they currently reside.<sup>1</sup> Since the majority of displacees are located at the extreme ends of the freeway corridor, housing provided in those general locations would be most beneficial to the displacees. In this context, both the One-for-One Replacement and Displacee Preference and Need Alternatives would tend to satisfy displacee last resort housing needs and would further increase the potential for these households to participate in the Housing Program. In contrast, the Reinvestment and Land Acquisition Strategy Extended Alternatives tend to concentrate replenishment housing in the central portion of the Primary Zone in locations that are not consistent with displacee needs. These latter two alternatives may therefore result in displacees relying on RAP benefits to find housing not specifically provided by the Century Freeway Housing Program.

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<sup>1</sup>The more recent December 1981-January 1982 displacee survey corroborated this finding.



## Implications of Housing Distributions

Two measures of the relationship between the proposed location of housing and social objectives were identified. First, the Sketch Plan Alternatives were assessed with respect to what proportion of the units were allocated to corridor jurisdictions where housing stock has and will be removed by the freeway. The One-for-One Replacement Alternative spoke directly to this goal and allocated 100% of the housing in corridor jurisdictions. The next highest percentages were achieved by the Reinvestment and Land Acquisition Alternatives, which targeted 70 to 80% of the housing in the Corridor. The least effective Alternative was Displacee Preference which located only 49% of the housing in Corridor communities.

The second measure compared the Sketch Plan Alternatives to the allocation of housing to communities which could best afford to accept low and moderate income housing, i.e., SCAG positive fair share cities. In this regard, Displacee Preference was most effective (54% of all units) followed by One-for-One Replacement (34%); Land Acquisition Strategy Extended (13%); and Reinvestment (2%).

### 4.3.3 Revised Description of Sketch Plan Alternatives

The Sketch Plan Alternatives and findings were discussed in detail with the HAC on July 9th, 16th and 23rd. While no formal endorsement was made, the HAC indicated the following order of preference: Land Acquisition Strategy, One-for-One Replacement and Displacee Preference. The Reinvestment Alternative was considered premature because the Economic Readjustment Study for the freeway corridor had not begun.

Based on the issues and concerns raised at these meetings, the Sketch Plan Alternatives were refined and evaluated in Working Paper Number Six: Refinement and Evaluation of Sketch Plan Alternatives.<sup>1</sup> These revised alternatives featured:

- o No change to the geographic distribution of housing;
- o Displacee participation levels as a function of the location of housing;
- o The application of the same housing mix to each alternative, e.g., 55% single family, 45% multiple family; and 65% new construction and 35% move-on rehabilitation;
- o Home ownership defined at the maximum lower income limit allowed by the Consent Decree.

### 4.3.4 Second Evaluation of Sketch Plan Alternatives

The subsequent evaluation of the Sketch Plan Alternatives focused primarily on revised estimated costs, the potential for home ownership, and operating and maintenance costs for rental units. Gross costs for the alternatives ranged from \$314 million for the Reinvestment Alternative to \$370 million for the Displacee Preference Alternative. The One-for-One Replacement and Land Acquisition Strategy Extended Alternatives produced costs of \$333 million and \$324 million respectively. With respect to home

<sup>1</sup>Gruen Associates/The Planning Group, et al., Century Freeway Housing Plan, Working Paper Number Six: Refinement and Evaluation of Sketch Plan Alternatives, August 6, 1981.

ownership potential, the approach followed in the revised Sketch Plan Alternatives wrote housing costs down to a level at which no more than 35% of a household's income was required for housing, including mortgage payments, taxes, utilities, insurance and maintenance. The Consent Decree allows write-downs to as low as one dollar. The evaluation found that households with incomes greater than \$700 per month (40% of the SMSA median income) could pay a standard monthly cost of \$225 for taxes, utilities, insurance and maintenance, and make a monthly loan payment of at least one dollar. Under these conditions, approximately 80% of the program participants could qualify for ownership.

Initial estimates of needed operating and maintenance funds for rental units indicated that annual subsidies would range from \$1.6 to \$2.2 million, supportable by a 30-year annuity fund of \$15 to \$20 million.

#### 4.3.5 Impact of Consent Decree Renegotiation on Housing Plan Alternatives

As envisioned in the Housing Plan Study Design, once the Sketch Plan Alternatives had been clearly identified, a refinement and screening process would be initiated with the HAC and HCD staff to arrive at a desired Housing Plan approach. Following the presentation of the Sketch Plan Alternatives to the HAC, however, the Federal Highway Administration introduced a significant new issue into the Housing Plan process. Specifically, as part of FHWA's budget review process, the entire Century Freeway Project was proposed to be downscoped. The July 2, 1981 Statement from Federal Highway Administrator Raymond Barnhardt proposed to reduce FHWA's commitment to providing housing down to approximately 2,200 units.<sup>1</sup> This issue added an air of uncertainty to the entire Housing Program and HAC deliberations on the alternatives were temporarily halted. After a counter proposal by the State of California, a tentative agreement on the extent of FHWA's commitment to the freeway and an associated 3,700 unit housing component was reached on August 11, 1981. This agreement was ultimately included as the terms of the Amended Final Consent Decree.

A major new element introduced by the terms of the Amended Consent Decree (signed 9/22/81) was the division of the approximately 3,700 units into three program elements:

- o Production of 1,175 units to meet the last resort housing need of the remaining RAP-eligible displacees.
- o Production of 1,025 units on sites approved for purchase by FHWA as part of HCD's land banking and Pilot Project Program.
- o Production of as many units as possible through the use of a \$110 Million Fund. 1,500 units were assumed and FHWA would provide one-year inflation protection for the Fund.

It would also be recognized that under the Amended Consent Decree the proceeds from the sale of units produced through the \$110 Million Fund could be used by HCD to provide additional housing. This was also an important new element because the terms of the original decree required that all

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<sup>1</sup>"Statement on the Century Freeway by R.A. Barnhardt, Federal Highway Administrator", July 2, 1981, text of prepared statement.

proceeds from the sale of units return to Federal and State funding sources, i.e., FHWA and Caltrans.

These new program elements had a fundamental impact on the Housing Plan formulation process. As a practical matter, it was determined that the continued development of Housing Plan alternatives would require linkages between the alternatives and the three program elements. Towards this end, the following relationships were identified:

- o Last resort housing (1,175 units) is directly related to the Displacee Preference and Need Alternative.
- o 1,025 units with prior approval are directly related to the Land Acquisition Strategy Extended Alternative.
- o \$110 Million Fund can be used to provide units similar to the One-for-One Replacement option as well as units targeted to reinforce reinvestment objectives of Primary Zone communities.

#### 4.3.6 Development of a Composite Housing Plan Alternative

Based on the need to test the acceptability of the Draft Allocation Plan for affected Corridor Jurisdictions, as well as to focus public discussion of the allocation, HCD determined that, as a starting point, the various aspects of the Sketch Plan Alternatives should be collapsed into a single composite housing allocation approach.

At the direction of HCD, an initial composite housing allocation was developed within the framework of the One-for-One Replacement concept.<sup>1</sup> The results of the application of the composite approach were summarized and presented in Working Paper Number Thirteen: Composite Housing Plan.<sup>2</sup>

Under the composite allocation approach, the proposed 3,700 units to be developed by the Housing Program were initially divided equally between the Corridor Jurisdictions (1,850 units) and other jurisdictions within the Primary Zone (1,850 units). Units allocated to any Corridor Jurisdiction were directly related to the number of units removed or to be removed from the jurisdiction as a percentage of the total units removed by the freeway (Table 4-1). The remaining 1,850 units of housing would be allocated to three broad Primary Zone areas (west, central and east). These units would represent a housing pool available to all jurisdictions within the area. The amount of housing allocated to an area would be determined by the housing stock removed or to be removed from the Corridor Jurisdictions within that area. Based on this formula, 1,130 total units would be targeted for the west area of the Primary Zone; 1,640 units to the central area; and 930 units would be provided in the eastern area of the Primary Zone, and distributed between Corridor Jurisdictions and other Primary Zone jurisdictions illustrated in Figure 4-2.

It should be recognized here that the Composite Housing Plan contains, by design, an inherent flexibility to link planning objectives with housing that can actually be produced, given the availability of sites, developer interest, local input and project-level environmental clearance. Corridor Jurisdictions may accept more than the initial housing entitlement and the

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<sup>1</sup>Gruen Associates/The Planning Group et al., Century Freeway Housing Plan, Working Paper Number Thirteen: Composite Housing Plan, October 22, 1981.

<sup>2</sup>Ibid.

Table 4-1

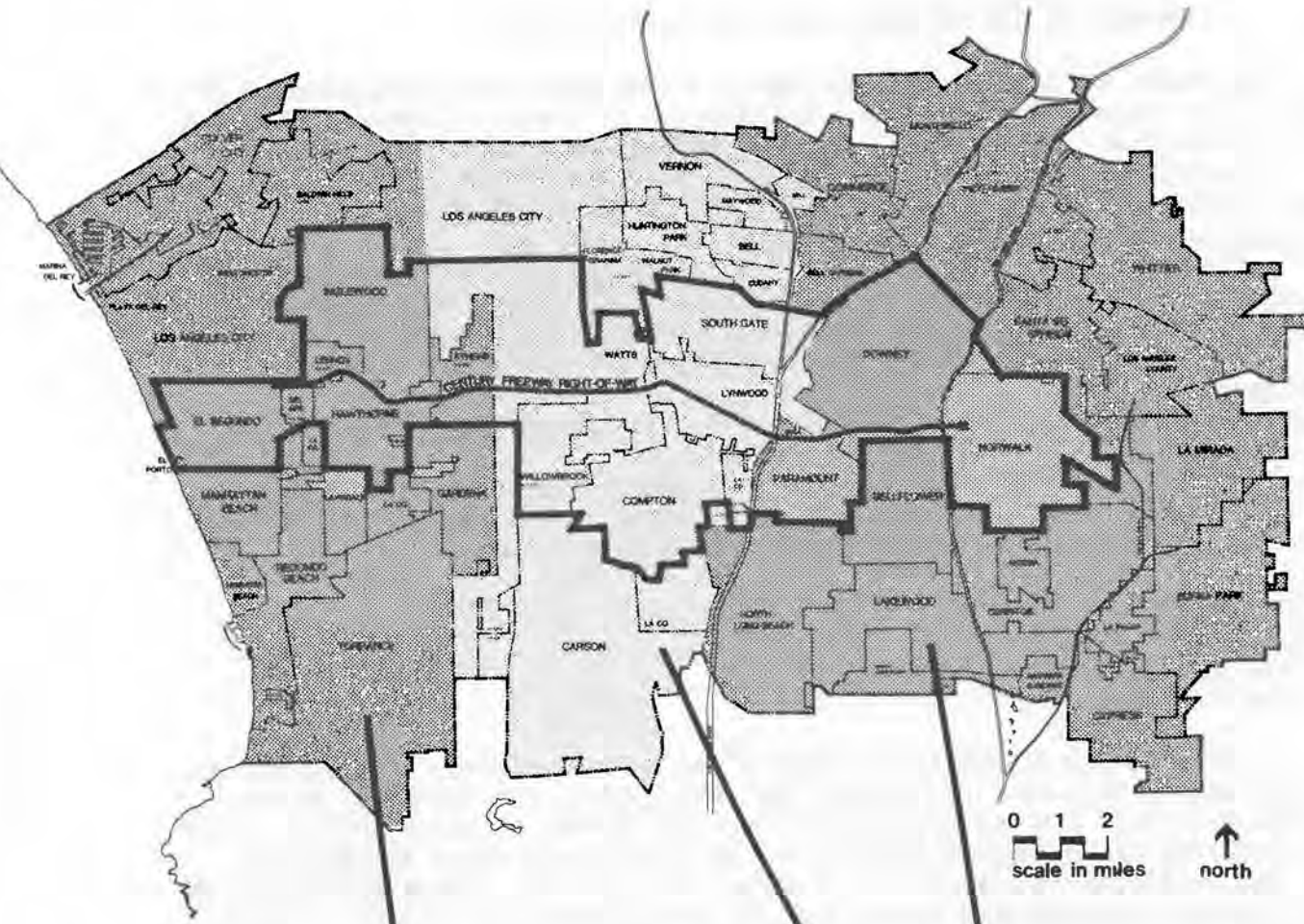
## CENTURY FREEWAY HOUSING DISPLACEMENT

<u>Jurisdiction</u>	<u>Units Acquired Before Consent Decree*</u>	<u>Units To Be Acquired*</u>	<u>Total Units Acquired*</u>	<u>Percent</u>	<u>Initial Allocation of 1,850 Replenishment Units<sup>a</sup></u>
Compton	1	5	6	0.1%	1
Downey	699	258	957	12	225
Hawthorne	414	727	1,141	15	275
Inglewood	243	37	280	4	75
Los Angeles City	1,114	184	1,298	17	315
Los Angeles County	1,080	755	1,835	23	425
Lynwood	1,151	48	1,199	15	275
Norwalk	547	28	575	7	130
Paramount	480	24	504	6	110
South Gate	<u>45</u>	<u>9</u>	<u>54</u>	<u>1</u>	<u>19</u>
TOTAL	5,774	2,075	7,849	100%	1,850

<sup>a</sup>Numbers have been rounded for planning purposes.

\*Source: Caltrans.

**Figure 4-2  
COMPOSITE HOUSING ALLOCATION**



**WESTERN AREA**

Corridor Jurisdictions	565
El Segundo	N/A
Hawthorne	275
Inglewood	75
L.A. County	215
L.A. City	N/A
Area 1 Pool	565
Area 1 Total	1,130

**CENTRAL AREA**



Corridor Jurisdictions	820
Compton	1
L.A. City	315
L.A. County	210
Lynwood	275
South Gate	19
Area 2 Pool	820
Area 2 Total	1,640

**EASTERN AREA**

Corridor Jurisdictions	465
Paramount	110
Downey	225
Norwalk	130
Area 3 Pool	465
Area 3 Total	930

**TOTAL**

1,850
1,850
3,700

Primary Zone Housing Replenishment Areas   
 Century Freeway Corridor Jurisdictions 

pool of housing may be re-distributed between areas to successfully deliver the Housing Program. After a presentation of this approach to the HAC and subsequent discussion of implications and details, the HAC in November, 1981 formally endorsed the Composite Housing Plan as an appropriate direction for the Housing Program.

#### 4.4 REFINEMENT OF THE HOUSING PLAN AND POLICY OPTIONS

The preceding Section 4.3 described in some detail the evolution of the Sketch Plan Alternatives and their combination to create a Composite Housing Plan alternative. This initial plan development process focused primarily on the geographic distribution of housing, and issues such as development approach, housing write-downs and subsidies, program budget and implementation were not considered in detail.

It is the objective of this section to explore the full range of policy issues that must be addressed by the Housing Plan, using the Composite Housing Plan allocation as a frame of reference. This section reflects the findings of a series of working papers that were prepared after the development of the Composite Housing Plan alternative. These papers included detailed consideration of housing disposition, project costs, program operating fund, and implementation.<sup>1</sup>

To facilitate a discussion of the refinements to the Housing Plan and of often complex policy and implementation issues, this section will focus on the four basic areas that the Housing Plan must address:

- o The Location of Housing
- o Development Approach
- o Housing Disposition
- o Program Budget

As part of the discussion of each area, policy guidance provided in the Consent Decree will be first identified, followed by discussion of policy options available and exploration of the implications of these options. The HCD preferred policy approach also will be identified, where appropriate.

Before proceeding with the discussion, it should be recognized that with a program as unprecedented as the Century Freeway Housing Program, a number of issues remain untested. To that end, the Century Freeway Housing Advisory Committee has established in this plan a testing, evaluation and amendment process (see Section 1.3). The HAC has specifically identified the following areas as issues that will require further testing, refinement and evaluation:

- o Second Trust Deed
- o Write Down Policy
- o Rental Program
- o Displacee Priority
- o Location of Housing Units

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<sup>1</sup>Aron Clemens/Economics Research Associates, Century Freeway Housing Plan, Working Paper Number Eight: Program Fund, October 5, 1981; Working Paper Number Nine: Project Cost and Budget Analysis, October 2, 1981; Working Paper Number Ten: Housing Disposition Plan, September 11, 1981; Gruen Associates, Working Paper Number Eleven: Program Implementation (including additional HCD comments), January 22, 1982.

#### 4.4.1 The Location of Housing

##### Consent Decree Provisions Governing Geographic Distribution of Housing

The Consent Decree stresses that the priority location for Century Freeway Housing should be the Primary Zone, defined as the area six miles in all directions from the I-105 (Century Freeway) right-of-way. The Consent Decree allows the HCD Executive Director to consider broader areas (secondary and tertiary zones) if necessary; however, HCD's land inventory activities and solicitation of initial developer interest has indicated that sufficient sites will be available in the Primary Zone.

##### Geographic Distribution Policy Options

Alternatives for the location of housing must be viewed in the context of the Composite Housing Plan housing allocation concept endorsed by the HAC in November, 1981, and discussed in Section 4.3.

The actual achievement of these entitlement allocations is highly dependent upon the development approach used by HCD, particularly the involvement of the private sector (discussed in detail in Section 4.4.2). Information available from the HCD/Caltrans survey of the Primary Zone for vacant residentially zoned sites, as well as initial response of private contractors and developers to HCD's Sources Sought notification, indicates that entitlements for the central and eastern portion of the Primary Zone can be met; however, the western portion of the Primary Zone may pose problems.

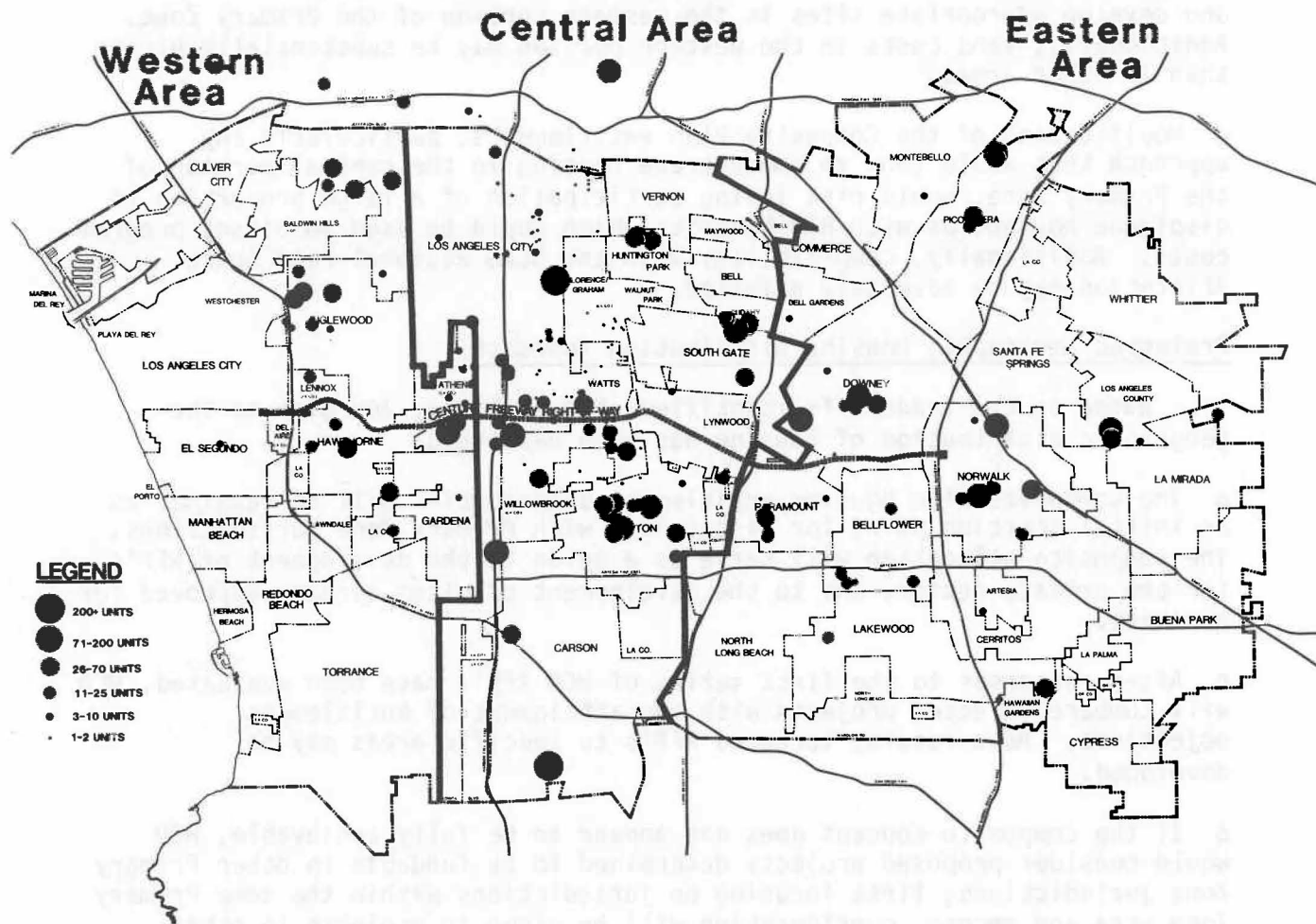
Specifically, almost 80% of the 746 sites identified by HCD and approved for purchase by FHWA are located in the central area of the Primary Zone with the remaining 20% divided equally between the west and east. Sites currently controlled by HCD follow this same distribution pattern and are shown in Figure 4-3. Similarly, units proposed by the private sector are concentrated in a similar fashion, i.e. 9% in the west area; 67% in the central area; and 24% in the east part of the Primary Zone (Figure 4-4). Under these circumstances, several policy choices are available:

- o Option 1 - Retention of the composite allocation concept. Where units are not proposed by the private sector, HCD would achieve entitlements through the land acquisition program.
- o Option 2 - Modify composite allocation concept in light of the developer response to request for proposals and local jurisdiction input.
- o Option 3 - Modify composite allocation concept and link the development of housing to each Consent Decree program element, i.e. the 1,175 Last Resort units would be located in a distribution pattern greatly favoring the west portion of the Primary Zone to maximize displacee participation; 1,025 prior approval units would be located primarily in the central portion of the Primary Zone where they have been identified; and units provided through the \$110 Million Fund would be located per the most cost effective developer proposals (probabilities are that a high proportion of these would also be located in the central portion of the Primary Zone).
- o Option 4 - Some combination of the above.





**Figure 4-4**  
**INITIAL DEVELOPER INTEREST**  
**(sites and estimated number of units)**



## Implications

The potential consequences of these policy options are as follows:

- o Retention of the Composite Plan entitlements would likely result in time delays and additional administrative cost to the Housing Program to search and develop appropriate sites in the western portion of the Primary Zone. Additionally, land costs in the western portion may be substantially higher than in other areas.
- o Modification of the Composite Plan entitlements, particularly any approach that would tend to concentrate housing in the central portion of the Primary Zone, would risk losing participation of a large proportion of displacee households with RAP benefits which could be used to offset program costs. Additionally, compatibility with the SCAG Regional Fair Share Allocation may be adversely affected.

## Preferred Geographic Housing Distribution Approach

Based on the trade-offs identified, the following approach to the geographic distribution of housing has been developed:

- o The Composite Plan housing entitlement distribution will be retained as an initial starting point for discussions with Primary Zone jurisdictions. The composite allocation will serve as a guide to the development of RFP's for the private sector, and to the development of sites already approved for purchase.
- o After responses to the first series of HCD RFP's have been evaluated, HCD will compare selected projects with the attainment of entitlement objectives. As a result, targeted RFP's to specific areas may be developed.
- o If the composite concept does not appear to be fully achievable, HCD would consider proposed projects determined to be fundable in other Primary Zone jurisdictions, first focusing on jurisdictions within the same Primary Zone area and second, consideration will be given to projects in other Primary Zone areas.

## Consent Decree Provisions Governing Site Selection Criteria

The Consent Decree does not provide explicit policy guidance for the selection of Century Freeway Housing sites. The Decree does indicate, however, that all housing developed will be in conformance with local zoning.

## Site Selection Policy Options

The development of a successful site selection policy is dependent upon a number of critical factors, including the environment surrounding the site, the cost effectiveness of the site, and the consistency of the site location with the housing entitlement allocations contained in this Plan. More specifically, environmental considerations will have an important effect on the long-term survivability of the unit produced, as well as the

well-being of the occupant household. Site costs will affect the overall housing program budget. Consistency with the Housing Plan area entitlements relates directly to achieving a balance between meeting the needs of displacees and equitably replenishing housing to all affected corridor communities. In this regard, the following policy options can be identified:

- o Option 1 - No consideration of land costs and/or neighborhood conditions in the selection of sites.
- o Option 2 - In the comparative evaluation of alternative sites, consideration should be given to a consistency with housing allocation entitlements, land costs and surrounding neighborhood conditions, including infrastructure, transportation services, social services, physical character and the existence of supporting community development and/or revitalization projects, etc.

### Implications

Failure to consider the cost of sites selected for replenishment housing poses a great risk to the ultimate cost-effectiveness of the housing program. Although a site may have a desirable location and other characteristics, excessive acquisition costs will be directly translated into increased public subsidies to make the housing development affordable. It should also be recognized, however, that there is great variation in land costs throughout the Primary Zone. To achieve the housing entitlement allocations throughout the Primary Zone, particularly in communities located in the western and eastern portions of the primary zone, sites with substantial acquisition costs must be considered.

It is likely that failure to take neighborhood conditions into account may result in a situation where the unit developed on the site may not survive for even the minimal period of 20 years specified in the Consent Decree. Moreover, if this new housing stock is lost, the substantial public investment in the unit has been wasted. On the other hand, if neighborhood conditions are used as an absolute criteria for site selection, strong potential may exist for bias against lower income communities that need housing the most.

The experience of HUD in operating housing and neighborhood revitalization programs is of particular relevance in this case. A 1975 study of the causes and processes of neighborhood change concluded that in the past, "...The failure of programs to counteract and halt the decline of neighborhoods has stemmed mainly from an imperfect understanding of the process. There have also been political problems with acting in neighborhoods before the symptoms were painfully evident, and from the tendency of program developers to deal with the house rather than the people who own it, rent it, loan on it, or insure it."<sup>1</sup> The study went on to identify the characteristics associated with the various stages of neighborhood decline, and ultimately concluded that "...Preventative action is more likely to be successful than 'after-the-fact' cures."<sup>2</sup> Thus, there

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<sup>1</sup>"The Dynamics of Neighborhood Change", HUD Office of Policy Development and Research, 1975, p. 1.

<sup>2</sup> Ibid, p. 31.

are concrete reasons and precedents for locating replenishment housing in areas that are perhaps currently marginal in socioeconomic terms, but where housing can provide a major incentive for other revitalization that will stem further decline. In order for such a strategy to work, there has to be recognition of and coordination with other development projects and careful assessment of the service needs of the resident population. In this way, there can be a positive mutual impact between housing units and the neighborhoods where they are located.

### Preferred Site Selection Policy

Although more detailed criteria and procedures are being developed as part of HCD's refinement of administrative procedures covering the evaluation of developer proposals and ongoing land acquisition activities, the following site selection principles have been established:

- o Sites should be located in the Primary Zone to the greatest extent possible.
- o Sites should be consistent with local plans and zoning.
- o Sites should be located in a pre-existing residential setting or the creation of such a setting conducive to residential development should be highly likely.
- o Sites should be located where residents would be free from high levels of environmental pollutants (dust, smoke, odor, noise, etc.).
- o Sites should be located to maximize access to public transportation, consistent with the provisions of SB 1721 (Mills, Chapter 1066 of 1980).
- o The survivability of housing ultimately developed on the site must be assured by site locations in areas with adequate infrastructure and services.<sup>1</sup>
- o Land costs of sites should be cost effective in comparison to alternative sites of similar characteristics and location.
- o Acquisition of sites should not generate consequential residential displacement.

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<sup>1</sup>As an aid to HCD in refining its site selection policy, the consultant team conducted a field survey of neighborhood conditions in those corridor jurisdictions where HCD had identified and/or acquired sites. This field study consisted of an analysis of site capacity and adjacent uses/conditions, and an assessment of the general social, economic and physical character of the surrounding neighborhood. Those results are contained in the following documents: The Planning Group, Corridor Jurisdiction Community Profiles, February, 1982, and Barrio Planners, HCD Site and Building Condition Survey, November-December, 1981.

#### 4.4.2 Housing Development Approach

##### Consent Decree Provisions Governing Housing Development

Although the Final Consent Decree (10/11/79) placed strong emphasis on the production of housing through the use and rehabilitation of Caltrans acquired units, the Amended Final Consent Decree (9/22/82) placed equal weight on both rehabilitation and new construction. Final determination of the production method rests with the HCD Century Freeway Project Director. The Consent Decree states that, "State defendants acting by and through HCD agree to use their best efforts to rehabilitate existing housing within the corridor to implement the Housing Plan. It is understood, however, that housing approved by FHWA subsequent to August 25, 1981, may be either new construction or rehabilitation at the option of HCD or its successor as may be designated pursuant to this Decree." Additionally, in Exhibit B of the Consent Decree, HCD is given the option to provide housing through rehabilitation or new construction of units pursuant to approvals given by the FHWA prior to August 25, 1981.

##### Housing Development Options

One of the major issues that has confronted the formulation of the Housing Plan has been the manner in which Century Freeway housing should be provided, particularly whether housing should be produced through the relocation and rehabilitation of units acquired by Caltrans or through new construction. In theory, the extensive use of acquired units should represent substantial dollar savings to the Housing Program, however, early bid experience on HCD pilot projects suggests relocation and rehabilitation costs that are close to those of new construction. These higher costs are due in large part to the fact that units that had remained vacant for some time were selected for rehabilitation. HCD staff is confident, however, that as more recently occupied units become available to the Housing Program, reconstruction bids will show the cost advantages of rehabilitation over new construction. HCD estimates that there are almost 300 acquired (boarded) units that are feasible for the program and that up to 70% of the currently occupied to-be-acquired units would be feasible, thus suggesting that there are potentially 2,000 units available for use by the Housing Program.

In addition to cost implications of rehabilitation versus new construction, the market acceptability and quality of rehab units has been raised; however, it should be recognized that these relocated homes would be rehabilitated to meet all local codes and specifications, as well as Title 24 energy conservation performance standards, and will not differ in quality from new construction.

In this context, basic policy choices are as follows:

- o Option 1 - Implement the Housing Plan as primarily a relocation and rehabilitation program. Utilize to the maximum extent possible acquired units.
- o Option 2 - Establish the direction of the Housing Plan as primarily a new construction program. The only rehabilitated units to be used in the program would be limited to HCD pilot projects.

- o Option 3 - A combination of the above related to the Consent Decree funding categories.

### Implications

The implications of these two approaches are as follows:

- o Maximum use of rehab units would likely result in a program mix of 1,700 rehab units and 2,000 units produced through new construction.
- o Extensive use of rehab units would impact the housing production schedule. The availability of units would be dependent on Caltrans' right-of-way clearance schedule. Under these circumstances, most of these units may not be available to the program for several years.
- o Maximum use of rehab units would provide a large stock of single family homes to the program in a period when the private sector appears to be no longer constructing single family homes in large numbers within the Primary Zone.
- o A new construction emphasis would mean that housing production could be carried out in an expeditious and timely manner.
- o A predominantly new construction program would involve Caltrans in the disposition of a large number of acquired units per the procedures specified in the Consent Decree for absorption by non-profit entities.
- o At this time, there is no data on MBE participation for new construction versus rehabilitation in the Century Freeway Housing Program. However, contacts with Caltrans' Civil Rights Office, the Century Freeway Affirmative Action Committee, Technical Data Corporation (contractor providing supportive services to MBE's) and several MBE contractors indicated that there should be no significant differences in MBE participation regardless of whether the program emphasis is new construction or rehabilitation.
- o Maximum use of new construction units would mean that a potential supply of housing stock already purchased by Caltrans would not be utilized by the program.
- o An expedited maximum new construction schedule ahead of the right-of-way clearance schedule would mean that large numbers of displacees will not be ready or able to participate in purchase or rental of new construction units.

### Preferred Housing Production Approach

The preferred approach to the production of Century Freeway units offers a middle position to the extremes presented above. This approach would link the housing production method to the three Consent Decree Program elements:

- o Last resort housing (1,175 units) would be provided primarily through new construction.

- o \$110 Million Fund (approximately 1,500 units) would be provided entirely through new construction.
- o Prior Approval (1,025 units) would be provided primarily through relocation and rehabilitation.

Under this approach, 2,675 units would be produced through new construction. This would account for 72% of the approximately 3,700 units to be provided.

Specific determination of the number of move-on rehab units used in any program category will rest with the HCD Project Director. This determination will consider the following guidelines:

- o Costs and feasibility assessment.
- o Time and speed of delivery.
- o Local and market acceptance.

#### Consent Decree Provisions Governing the Mix of Housing Types

The terms of the Consent Decree do not address the issue of the number of single family detached homes and multiple family units to be provided by the Housing Program.

#### Housing Mix Policy

Determination of the number of single family detached homes and multiple family structures provided through the Housing Program must be based as a minimum on the following considerations:

- o Displacee Needs and Desires;
- o Private Sector Market Conditions;
- o Impact on Rental Program;
- o Cost Effectiveness (both capital costs and ongoing operation and maintenance).

Options available to the Housing Program suggest programmatic emphasis on single family homes or multiple family units. In either case, program emphasis would entail that the majority of the units provided would be in the desired housing type.

#### Implications

- o Displacee Needs - The 1978 Caltrans Housing Availability Study (though dated) is the most comprehensive inventory of displacee needs and preferences. This study indicates that 55% of all displacee households would require single family detached homes either for ownership or for rental and 45% of displacee households would require tenancy in multiple family units. Thus, assuming the participation of all of the approximately 3,000 displacees would indicate a need for 1,650 single family units and 1,350 multiple family units. In view of the fact that the objective of the Housing Program is to provide both displacee replacement units and replenishment of housing stock, and more housing units will be provided than there are displacees, there can be considerable flexibility in the housing mix of the program.

Specifically, assuming the construction of approximately 3,700 units, the proportion of multiple family units can vary between 55% and 36% and still meet displacee needs.

- o Private Sector Market Conditions - In contrast to meeting the needs of displacees, the Housing Plan must also respond to the type of units the private sector is likely to propose as part of the Request for Proposal process. An indication of the nature of private sector participation was revealed in the developer's response to HCD's Sources Sought notification in November, 1981. The response indicated that only 35% of the proposals were to construct single family homes (approximately 75 units). Thus, a program emphasis on single family homes would require the introduction of special incentives for the private sector to produce such units or necessitate that HCD acquire sites and develop single family homes through the Invitation for Bid process. In contrast, a program emphasis on multiple family housing would not encounter such difficulties.
- o Cost-Effectiveness - Given the higher density and economy of scale of multiple family housing, this housing type has distinct cost advantages over single family detached housing, both in terms of land costs per unit, as well as construction costs per unit. A survey of Primary Zone land costs indicates that multiple family land cost per unit averages approximately \$16,000 per unit as compared to single-family lots with an average cost of \$42,000 per unit. The hard construction costs for multiple family housing also enjoys a cost savings over single family construction of approximately 10 to 12%, e.g., \$5 to \$7 per square foot. Thus, a program emphasis favoring multiple family housing would improve the cost effectiveness of the Housing Program.
- o Impact on Rental Program - Some proportion of the housing provided through the Century Housing Program will be rented. A program emphasis on single family detached homes would increase the possibility that single family homes would be rented. The rental of single family homes would likely result in extraordinary operations and maintenance expenses for the Housing Program.

#### Preferred Housing Mix Approach

Similar to the approach to housing development, the preferred mix between single family homes and multiple family units would be tied directly to each of the three Consent Decree Program elements as follows:

- o Last Resort - Housing in this category must (under the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act) be comparable to existing displacee units. Available data from the 1978 Caltrans Housing Availability Study suggest that the 55% of the units provided should be single family units to be comparable to that removed by the Freeway. Thus, the initial planning objective for last resort units would target 646 single family homes and 529 multiple family units.
- o Prior Approval - Housing in this program element, as indicated in the previous discussion, would be provided primarily through relocation and rehabilitation of acquired units. Units which may be feasible for



rehabilitation are about evenly divided between single family units and apartments. In addition, a survey of the zoning capacity of sites approved for purchase indicates that 80% of sites are zoned for multiple family units and only 20% of the sites are limited to single family developments. An initial planning objective for this program category would include 50 to 65% multiple family units (512 to 666 units), and 35 to 50% single family units (359 units to 512 units).

- o \$110 Million Fund - Housing provided under this category would directly reflect cost-effective new construction projects produced through the private sector. Using the initial Sources Sought response as an indicator of the potential housing type mix, 65% (975 units) would be multiple family units and 35% (525 units) would be single family homes.

Summarizing the three program element-specific objectives results in a proposed housing mix that would slightly favor the development of multi-family units. The overall percentage mix would be 50 to 55% multiple family units.

### Contracting Policy

#### Consent Decree Provisions Governing Contracting Mechanisms

With respect to contracting mechanisms, the Consent Decree indicates that the HCD Executive Director shall, "solicit subcontractors and let contracts for work to be performed by outside consultants and contractors..." While no specific procedures were described, the following documents will govern contracting practices: 23 CFR, FHP Manual, State Contracts Act, State Administrative Manual, and the provisions of Exhibit C of the Consent Decree regarding the Employment Action Plan.

#### Contracting Procedures

Two basic approaches are available. On the one hand, HCD may utilize the Invitation for Bid (IFB) process, as has been the case in the early pilot projects. Under this approach, the Department prepares a detailed specification package to which contractors respond with competitive bids. This approach is required for sites and units already controlled by the state. The other approach follows the Request for Proposal (RFP) process where by HCD solicits development projects on sites controlled by the private sector. Towards this end, in March, 1982, HCD issued the first RFP for the development of 430 housing units. Under the RFP approach, HCD would reserve the right to negotiate with successful respondents to determine final costs. Additional items such as configuration of units, unit mixes and other amenities would also be subject to negotiation.

#### Implications

The implications of the two contracting approaches are as follows:

- o The RFP process holds the advantage of being able to encourage a wide range of development projects throughout the Primary Zone, and on sites that HCD may not have been able to identify as available to the Housing Program through its land banking activities.

- o The RFP process is likely to identify a large number of units from which HCD can select the most desirable proposals. The initial Sources Sought notification to developers produced offerings of over 6,000 units.
- o The IFB process is limited to State-owned land and is best suited to facilitate the participation of general contractors rather than developers.
- o There are no significant differences in the amount of administrative time required to carry out either approach. In the IFB process, considerable time is spent in the front-end of the process developing specifications and putting the bid package together. For the RFP approach proposal evaluation consumes significant amounts of time.
- o In the IFB process, HCD basically acts as the developer of the housing and coordinates the relocation and rehabilitation process. In contrast, the RFP allows for a turnkey type approach, wherein the developer handles all construction and subcontracting details.

#### Preferred Contracting Approach

Based on the considerations outlined above, the preferred approach is as follows:

- o HCD would develop all units in the Prior Approval program element (1,025 units) through the IFB process. These units would be relocated and rehabilitated structures as well as new construction on sites controlled by HCD.
- o The Last Resort and the \$110 Million Fund categories would be developed primarily through the RFP process. At this time, a waiver of the normal contracting procedures (IFB) has only been granted for the \$110 Million Fund and a waiver will be required for future RFP projects.

Under this preferred approach, almost three-quarters of the Century Freeway housing would be provided through the RFP process. In order to facilitate evaluation of housing production proposals and management of Housing Plan objectives, RFPs would be focused so as to disaggregate developer interest by type of housing while simultaneously stipulating geographic distribution of units to be produced. For example, RFPs may be issued separately for each of the following types of housing development:

- o single-family ownership units
- o multiple-family ownership units
- o multiple-family rental units built to condominium standards and suitable for change of tenure
- o other multiple-family rental units
- o one-to-four unit rentals.

In each instance, the RFP would specify:

- o geographic areas in which units are solicited, in conformance with the Housing Plan

- o limitations on project sizes
- o acceptable unit cost/pricing structure.

To expedite housing production, RFPs would clearly delineate standards developers are expected to meet, as well as the pertinent mechanics of the subsidy program(s) to be utilized in meeting Consent Decree and Housing Plan objectives. Such standards may include the following:

- o Basic construction standards - conformance to local codes and ordinances and HUD Minimum Property Standards (MPS).
- o Required and excluded amenities - minimum open space requirements for multi-family units might be stipulated; recreational facilities might be required for projects with more than a specified number of units; luxury items such as fireplaces, spas, etc., might be specifically excluded.
- o Financial requirements for developers - financial strength will be required to carry projects through construction with HCD progress payment schedules no more lenient than those customary in the conventional market.

Evaluations of proposals will be based upon site and unit planning/design criteria, locational objectives, cost competitiveness, and project financial structures. To the latter point, development proforma would be required, with components specified; e.g., disaggregation of land; site improvements; unit construction; indirect costs, including architecture, engineering, legal fees; overhead; profit; holding costs.

#### 4.4.3 Housing Disposition

##### Consent Decree Provisions Governing the Disposition of Housing

The most extensive policy coverage provided in the Consent Decree is focused on the proposed affordability characteristics of Century Freeway housing. The terms of the Decree are quite detailed in many areas. Key aspects of the Consent Decree policy coverage are highlighted below:

Purchase Priority. All units not purchased at fair market value by RAP-eligible displacees will be made affordable per the following priorities:

- o First - Persons with incomes less than 120% of the SMSA median income who are displaced after 10/11/79 and who resided in the acquired unit for at least 180 days prior to the date.
- o Second - Households on housing authority waiting lists.
- o Third - Households in the community-at-large whose incomes fall below 120% of the median income.

Rental Priority. All units not rented at fair market value by RAP-eligible displacees will be made affordable per the following priorities:

- o First - Persons with incomes less than 120% of the SMSA median income who are displaced after 10/11/79 and who resided in the acquired unit for at least 100 days prior to that date.
- o Second - All persons with income less than 120% of the SMSA median who are displaced after 10/11/79 and who have commenced occupancy prior to 1/1/82.
- o Third - Households on housing authority waiting lists.
- o Fourth - Households in the general community whose incomes are below 120% of the SMSA median income.

Affordability. Replacement dwellings shall be considered affordable as follows:

- o Ownership Units - a household will pay no more than 35% of its adjusted income for principal, taxes, interest, insurance, utilities and maintenance.<sup>1</sup>
- o Rental Units - household will pay no more than 25% of its adjusted income for rent and utilities.
- o Income is adjusted by deducting \$300 per minor child from net annual income.

Maximum Write-Down. Where necessary to achieve or approach affordable housing payments, title may be transferred at a cost of \$1.00.

Distribution of Affordable Units. All units shall be made affordable according to the following distribution schedule:

- o Very very low income households - 5% of units.
- o Very low income households - 25% of units.
- o Low income households - 25% of units.
- o Moderate income households - 25% of units.
- o 20% of units discretionary in the units above.

Resale Controls. The Housing Plan shall develop speculation and resale controls for units developed to assure that all ownership units purchased at less than fair market value and all rental units shall remain affordable for 20 to 59 years.

#### Purchase Priority Policy Considerations

The language of the Consent Decree, while not explicitly clear, suggests that after RAP-eligible displacees are offered units at fair market value, the priorities for purchase/occupancy begin with Uniform Act-eligible and non-eligible households displaced after the date of the Final Consent Decree whose incomes are less than 120% of the median. This language implies that it has been assumed that displacees with incomes above that

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<sup>1</sup>See glossary for definition of adjusted income.

mark are to be offered units at fair market value. This assumption is no longer consistent with the facts operational in the marketplace. Displacee households with incomes of up to 160% to 170% of the median income do not have the ability to buy at fair market value when interest rates are in the mid-teens range.

The Amended Consent Decree should be interpreted to eliminate this assumption relative to fair market values from provisions about displacee purchase of replacement housing.<sup>1</sup> This extension of the eligibility requirements would be restricted to displacee households only. This would affect approximately 270 displacee households.

In addition, it has been suggested by officials of local housing authorities that provision of a priority for home purchase by existing tenants of housing authority-assisted rentals would open up purchase opportunities for a population group with few other options to transition to homeownership status. Such income-eligible households should be given a priority in advance of those on housing authority waiting lists. It is assumed that as existing housing authority tenants participate in the Century Freeway Housing Program, vacated housing authority units will be made available to those households on the waiting lists.

Finally, it should be noted that the Consent Decree, particularly as regards the \$110 Million Fund, only offers inflation protection for the first two years of the Housing Program, and there is strong emphasis on constructing as many units as possible early-on in the program. In view of the fact that the freeway redesign, right-of-way clearance and construction schedules have been delayed, households may not be displaced for a number of years. As a result, an imbalance is likely to occur between the time when a large number of Century Freeway units are constructed and made available, and when displacees are ready for occupancy of these units. Developed units may have to be offered to other Consent Decree-eligible groups (Housing Authority tenants/waiting list and the general population). To assure that displacees have first priority in the selection of units, it may be necessary to obtain agreements with Caltrans and FHWA concerning the notification of displacees so as to match the housing production schedule to the new freeway clearance schedule.

#### Household Priority Approach

It is recommended that the Consent Decree be interpreted to include the following priority system:

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<sup>1</sup>This area of concern has been previously recognized by HCD and FHWA with respect to the excess land provisions of the Consent Decree as it relates to the in-place rehab units in Pilot Project III. These provisions indicate that "all units shall be made available at a price that is within the financial means of the person as define above." (Emphasis added.) It has been determined in this regard that financial means is equivalent to the affordability definition specified in the Consent Decree, i.e. a household will pay no more than 35% of income for principle, interest, taxes, insurance, maintenance and utilities. Thus, there is a precedent for extending the affordability coverage of the Consent Decree to persons above 120% of the median income, but who cannot buy at fair market value.

- o Any Uniform Act displacee may purchase replacement housing at fair market value. No deed restrictions would apply to such purchases.

For all remaining units, priority purchase/occupancy would be as follows:

- o All Uniform Act and/or Consent Decree-eligible displacees with incomes and assets less than sufficient to purchase units at fair market value may purchase or rent (as entitlements allow) replacement units at affordable prices or rents.
- o Households with incomes of less than 80% of median occupying housing authority-assisted rental housing and recommended for home ownership by housing authorities would be eligible to purchase or rent units affordable in their income ranges.
- o Households with incomes of less than 120% of median who are on housing authority waiting lists would be eligible to purchase or rent units.
- o Households whose incomes fall within the target income levels specified by the Consent Decree would be eligible to purchase or rent units affordable within their income range.

In addition, in order to assure that displacees have priority choice for housing produced by the program, HCD will recommend that right-of-way clearance schedule and procedures be modified to allow early notification for displacee households.

The priority plan outlined above conforms with the Consent Decree direction to proportionally distribute housing to the very, very low; very low; low and moderate income groups on a 5-25-25-25% basis. It is envisioned that, as eligible displacees occupy affordable units, their incomes will be recorded. Units made available to other priority groups will be implemented in a manner that will fill out the distribution in any particular income category to meet the Consent Decree objectives.

#### Write-Down Policy Options

As noted in preceding sections, the Consent Decree allows for write-downs for all housing not purchased or rented by RAP-eligible displacees at fair market value. This write-down is based on the households ability to pay, with a ceiling of 35% of income established for ownership units and 25% of income for rental units. In either case, the Decree allows for write-downs to as low as one dollar to provide affordable units for the lowest income groups.

The essential policy question to be addressed in determining an approach to write-downs is the depth of the total subsidy or write-down. A key concern is that households with no, or very little, equity or responsibility in their residence will be less likely to maintain their housing units in the proper manner, lending to rapid deterioration and, potentially, to housing abandonment. A particular concern is that the Housing Program not produce a situation analogous to that experienced with the now revised FHA Section 235 Program in the early 1970s.

The FHA 235 Homeownership Program enabled a number of low- to moderate-income families, who desired to own homes, to achieve that objective. Nationally, at that time, only a third of homeowners had annual incomes

below \$7,000. However, almost two of every three beneficiaries of that program had incomes below \$7,000.

Under the FHA 235 Program, no provision was made for counseling in such areas as post-purchase home maintenance and ownership responsibilities. Coupled with the lack of a meaningful down payment, the FHA 235 Program resulted in a disaster. Rapid decay of FHA 235 units, in some neighborhoods, or financial setbacks suffered by owners, often led to abandonment, defaults and foreclosures. When that FHA 235 Program was revised, a greatly increased, but still modest, down payment requirement was added. Also, income limits were increased and counseling programs were integrated into the Program.

Lessening the subsidy in the FHA 235 Program decreased failure rates and improved program efficiency. Deepening the subsidy for Century Freeway units, (increasing the amount of mortgage write-down and decreasing their down payment could potentially result in the following:

- o The failure rate, (i.e. defaults and foreclosures), might well rise because, generally speaking, the lower the income of the recipient, the greater the risk.

In this context, several write-down policy choices should be considered including:

- o Option 1 - Establishment of a minimum sales price or mortgage, a minimum equity contribution and alternative home ownership options.
- o Option 2 - Options on a minimum transfer or sales price include:
  - (a) Requiring that, within the income level limits established by the Consent Decree and other housing expense criteria defined in the Decree, households eligible for ownership must be able to meet the commitments of a minimum \$10,000 mortgage.
  - (b) Requiring that households eligible for ownership must be able to meet the commitments of a minimum \$7,500 mortgage -- with the possibility that minimum mortgage commitments could be reduced all the way down to one dollar under terms specified by an HCD loan panel.
  - (c) Limiting write-downs to a point no lower than that which households whose median income is 80% of the SMSA median income or greater can afford. This 80% level is relative of HUD Section 8 eligibility limits.

### Implications

The implications of these alternative write-down approaches are best illustrated by the number of potential owners created in the Housing Program if income was the only criteria. Table 4-2 illustrates the relationship between income levels, affordable housing expenses and affordable mortgages at various interest rates. The following observations are pertinent:

- o A maximum write-down approach at \$1.00 would result in ownership for households with incomes 40% of the median income or higher, i.e. gross

TABLE 4-2

## OWNERSHIP POTENTIAL BY INCOME LEVEL UNDER ALTERNATIVE FINANCING PROGRAMS

Income Category	Percent of Median Income	Number of Households	Gross Monthly Income	Affordable Monthly Housing Expense	Affordable Principal and Interest	Conventional Affordable Mortgage (18.5%)	FHA Affordable Mortgage (16.5%)	Affordable Mortgage (11.5%)
Very very low	5%	100	\$ 89	\$ 14	(\$ 211)	--	--	--
	10	100	178	45	( 180)	--	--	--
	15	100	267	76	( 149)	--	--	--
	20	101	357	107	( 118)	--	--	--
Very low	25	101	446	139	( 86)	--	--	--
	30	222	535	170	( 55)	--	--	--
	35	222	624	200	( 24)	--	--	--
	40	222	713	232	7	\$ 451	\$ 504	\$ 703
	45	222	802	263	38	2,450	2,735	3,814
Low	50	222	891	294	69	4,448	4,967	6,925
	55	141	981	325	100	6,447	7,198	10,036
	60	141	1,070	357	132	8,510	9,501	13,248
	65	141	1,159	388	163	10,508	11,733	16,359
	70	141	1,248	419	194	12,506	13,964	19,471
	75	141	1,337	450	225	14,505	16,196	22,582
Moderate	80	141	1,426	482	257	16,568	18,499	25,794
	85	105	1,516	513	288	18,566	20,731	28,905
	90	105	1,605	544	319	20,565	22,962	32,016
	95	106	1,694	575	350	22,563	25,193	35,128
	100	106	1,783	607	382	24,626	27,497	38,339
	105	106	1,872	638	413	26,625	29,728	41,451
	110	106	1,961	689	444	28,623	31,960	44,562
	115	106	2,050	700	475	30,622	34,191	47,673
	120	106	2,140	732	507	32,684	36,495	50,885
Above moderate	130	176	2,318	794	569	36,681	40,958	57,107
	140	22	2,496	856	631	40,678	45,421	63,330
	150	13	2,675	919	694	44,740	49,955	69,653
	160	13	2,852	981	756	48,737	54,418	75,876
	170	13	3,031	1,043	818	52,733	58,881	82,098
	180	13	3,209	1,106	881	56,795	63,416	88,421
	190	14	3,387	1,168	943	60,792	67,879	94,643
	200	106	3,566	1,231	1,006	64,853	72,414	100,967
	210	26	3,744	1,293	1,068	68,850	76,877	107,189
	Total Households		3,700					

- 1/ Assumes household of four, including two minor children; 35 percent of gross monthly income less \$50.  
 2/ Affordable monthly housing expense less \$225 basic monthly housing cost (taxes, insurance, utilities).



monthly income of approximately \$700 for a 4-person household. This approach could result in 2,700 ownership households.

- o A minimum mortgage commitment of \$7,500 under an FHA interest rate of 16.5% would qualify households with incomes at 55% of the median or above, i.e., gross monthly income of \$981. This approach could result in 1,900 ownership households.
- o A minimum mortgage commitment of \$10,000 at a 16.5% interest rate would qualify households with incomes at 60% of the median or above, i.e., gross monthly income of approximately \$1,100. 1,800 households could qualify for ownership under this approach.
- o Limiting ownership to households with incomes at 80% of the median and above would reduce home ownership potential still further to 1,200 households.
- o For small loans, debt-servicing costs may be higher for lenders, and these increased costs may be passed onto the borrower.

HCD is particularly interested in soliciting public comments on possible write-down alternatives, as well as other tenure-change options such as lease-purchase, urban homestead, structuring rental units legally as condominiums or cooperatives that can be converted, etc.

A further purchase policy consideration is whether and how to write-down a replenishment unit's purchase price for a displacee who is also receiving a Replacement Housing Payment under the Uniform Act. The value of this approach is that it allows a greater number of displacee households to participate in the Replenishment Housing Program. It also addresses the needs of those displacees with incomes above 120% of median income who may not otherwise be able to afford a replenishment unit.

With this policy, displacees unable to buy at fair market value would purchase a replenishment unit at a price equal to the sum of the Replacement Housing Payment plus the acquisition price received by the displacee. The Resale Controls applied to other program units written-down to affordable price would apply to those purchased under this purchase option.

With respect to this suggestion, further coordination is required between FHWA, Caltrans and HCD regarding the application of the provisions of the Uniform Relocation Act to the Century Freeway Housing Program, particularly in the area of the determination of comparability and last resort housing entitlements of displacee households.

#### Resale Control Policy Considerations

The Century Freeway Housing Program is mandated by the Consent Decree to develop speculation and resale controls placed on units sold below fair market value. These deed or lease restrictions must assure that the inventory of low-cost housing is maintained for a period of 20 to 59 years.

HCD has developed a resale control that is a right-to-purchase agreement appended to the deed of trust and recorded. Such a restriction accomplishes the following:<sup>1</sup>

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<sup>1</sup>See HCD's Interim Procedures Manual for the Right to Purchase Agreement.

- o Ensures that property sold at below market value will remain available to low- and moderate-income buyers for a specified period.
- o Provides control of speculation for owner-occupied properties and rental properties that have been sold to other entities as set forth in the Decree.
- o Allows for the owner, upon resale of property, to receive compensation for limited or controlled appreciation and for keeping the property in good condition.
- o Establishes right of first-purchase option by a predesignated agency in accordance with an equitable formula that will determine the sales price and control the resale price to another qualified family or agency.
- o Provides for ownership change within a family. These circumstances may include inheritance, divorce, death, etc.
- o Includes refinancing restrictions.
- o Provides for changing income and housing needs of others.
- o Provides for income limits to subsequent renters and buyers and procedures for selection for rental units.
- o Discloses to each potential buyer the resale requirements and provisions to ensure proper understanding of the financial and legal constraints of the Replacement Housing Program units.

The resale control, as currently designed, ties increases in the house price to increases in the median income in the Los Angeles area. The following example demonstrates how the resale control works. (Caution: the numbers are illustrative only. Actual figures will vary on a case-by-case basis).

Example: Assume a household buys a house for \$20,000 and decides to sell it in five years. In five years, the median income has increased by 30%. The new sales price will be calculated as follows:

Initial Affordable House Price	\$20,000
Change in Median Income (30%)	6,000
<u>New Affordable House Price</u>	<u>\$26,000</u>

Implementation of this concept would require that when a unit is re-purchased, that the new occupants must have virtually the same income as the original occupant. With too wide a variation in the possible income ranges of prospective repurchasers, the potential could be created for continuing subsidy contributions on the part of the Housing Program. If, for example, units originally sold to participants at the 80% of median level were subsequently resold to eligible households at the 50% of median income level, then a subsidy contribution may be required at the time of resale in order that the units be made affordable to the prospective buyers. This suggests that substantial administrative effort may be required to match households within narrow income bands. HCD is currently considering several

administrative responsibility options, including development of a non-profit housing development corporation. Funding for such administrative costs may be supported from possible sources such as the operations and maintenance fund (Section IV.D.3 of the Consent Decree).

### Rental Housing

The HAC, in considering rental housing, has identified four issue areas with a series of options for each area. The following issue areas are identified by the HAC to be more fully explored, tested and evaluated as the Housing Program proceeds:

- o Relationship to Write-Down Policy
- o Ability to Market Units
- o Article 34
- o Operation and Maintenance (O & M)

Relationship to Write-Down Policy - As indicated above, if the rental program is confined to serving those who cannot afford home ownership, then that policy is critical in defining the tenants of the Rental Program.<sup>1</sup> The HAC has identified the following options:

- o Deepening the subsidy of the home ownership will lower the income of the tenants for the rental program. This may impact the successful operation of the rental projects because of insufficient cash flow.
- o The Housing Program could offer a pre-established number of rental and ownership units to its clientele and let the prospective individuals choose.
- o The Housing Program could offer a lease to purchase option that could potentially make tenants owners.

Ability to Market Units - The issue in this area concerns the Consent Decree requirements that the "defendants" not maintain an interest in the properties. In addition, the issues of long-term administration and Article 34, as cited above, impact on the concern. The HAC has identified the following options:

- o If the units are to be marketed on basis of affordability, then either income mix or O & M subsidy must appeal to private market.

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<sup>1</sup>However, the Consent Decree does not require that households with incomes above a certain level are required to be homeowners. It also does not require that households with incomes below a certain level are required to be renters.

The Consent Decree states that the "Housing Plan shall determine the method of ownership and/or rental sponsorship of all units developed". Keith vs. Volpe, U.S. District Court, Central District, Civil No. 72-355-HP, Exhibit B.P. 20, lines 2-3.

- o Could structure the rental program with market rate units to appeal to private operators for a profit.

HCD's consideration is being given to the following:

- o Transferring projects to sponsors for \$1.00.
- o Use of tax-exempt revenue bond proceeds to fund rental housing mortgages to provide proceeds for the fund as set forth in Section IV.D.3 of the Consent Decree.
- o Syndication Assistance - standard requirements and guidelines for the construction and operation of rental units; assistance in site identification or use of HCD controlled sites; reasonable allowances for increased costs of operation and maintenance and commitment of funding for approved projects.
- o Encouraging the development of mixed income projects.
- o Off-setting operation and maintenance cost through 1) capturing Section 8 program funds, and 2) proceeds from the Consent Decree authorized operating fund.

#### Rental Housing and Article 34 Policy Considerations

In addition to the considerations outlined above, the provision of subsidized rental housing through the Century Freeway Housing Program must meet the requirements of Article 34 of the State Constitution (Public Housing Law). The article requires a vote of local electors prior to the development, construction or public ownership of low rent housing. Specifically, Article 34 is required if:

- o Units are publicly-owned;
- o Units are privately-owned but publicly financed, where more than 49% of the units are reserved for low income occupancy.<sup>1</sup>

Since its enactment in 1950, Article 34 has been interpreted by the courts on numerous occasions to reflect changes in state and federal subsidized housing production financing. As a result of court rulings, Article 34 is not required if:

- o Units are privately-owned and publicly financed and are four unit developments not on adjoining sites, even if all four units are reserved for low-income occupancy.
- o Units are privately-owned but publicly financed and where less than 49% of the units are reserved for low income occupancy.

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<sup>1</sup>AB 1294 (Costa, Chapter 155 of 1982) now exempts until January 1, 1984 tax-exempt financing from Article 34 restriction.

- o Units are for sale.
- o Units are privately-owned and leased by a public body; 49% rule would apply if public financing were also involved.

In addition, Article 34 referenda are not required in communities which have Article 34 authority, i.e. certain number of subsidized rental units can be constructed without a local vote. Within the Primary Zone, three communities, City of Los Angeles, County of Los Angeles, and Inglewood have this authority under the conditions outlined below:

- o County of Los Angeles - Authority for both publicly-owned and privately-owned low rent housing which is publicly-financed; the combined number of such units cannot exceed 5% of the total rental housing stock in County unincorporated areas.
- o City of Los Angeles - Authority for both types of assisted housing; 15,000 unit limitation on each type, plus provisions that no more than 1,000 units of each type can built in any one council district; family units are further restricted to a maximum of 30 units on any one site; new construction for families is also limited to two stories in height.
- o City of Inglewood - Authority for 500 units of elderly housing.

In order to produce subsidized rental housing in a timely fashion, HCD may utilize a combination of the following Article 34 strategies:

- o Structure mixed income rentals with at least 51% of each development reserved for occupancy by households with incomes in excess of 80% of the median, and 49% of households earning less than 80%.
- o Location of rental projects in jurisdictions with Article 34 authority, i.e., the City of Los Angeles and the County of Los Angeles.
- o Seek referendum authority in other jurisdictions if necessary.
- o Single family rental units could be developed in groups of four or less not on adjoining sites, in order to be exempt from Article 34. This designation would also include duplexes in a side-by-side configuration.

The implications of these approaches may involve:

- o Mixed income projects may resolve the Article 34 dilemma.
- o The concentration of rental units in the City and County of Los Angeles if other referendums are not successful.
- o The pursuance of a scattered fourplex approach, while reducing the visibility of rental projects, would place the management and operation of units scattered throughout the Primary Zone under undue economic and logistical burdens.

## Housing Maintenance Policy Considerations

Concern about the maintenance of housing conditions is common when large programs directed to low- and moderate-income housing needs are proposed. Currently, most communities do not systematically assure housing maintenance. Codes are usually enforced on a complaint basis only. Thus, any programs, or requirements designed to assure ongoing maintenance of Century Freeway Replenishment Housing must be new, legally enforceable devices. In addition to the standard industry practice of the one-year warranty, HCD is actively considering the following steps:

- o The requirement of a multi-year warranty by builders/developers on major structural elements and component parts excluding misuse by the occupant.
- o Inclusion of a covenant on each unit requiring inspection at the time of resale or rereant for conformance with local codes and maintenance standards. The draft deed restriction contains such provisions.
- o The requirement of an affidavit from new buyers that housing units were received in good condition and that the buyer will undertake all appropriate and necessary maintenance.

Ownership Housing Maintenance - It is appropriate to note here that the responsibility for normal and customary home maintenance is assumed to lie with each home buyer. Calculations of affordable housing costs, from which public subsidies are computed, take into account recurring costs of home maintenance, per FHA standards. Exempting maintenance costs from income prior to calculating affordable mortgage payments, however, will not in itself assure that program participants actually will use such reserved income to maintain their homes. Experience in a variety of home ownership programs has shown that, especially with lower-income, first-time home buyers, basic home maintenance skills may not have been developed. Therefore, it is recommended that, at a minimum, all home buyers be required to participate in a home maintenance training course, approved by HCD, prior to completion of the sales transaction. In addition, ongoing home maintenance counseling services should be made available to program participants throughout the life of the Housing Program, in order that long-term sound housing conditions be assured.

HCD is also considering the establishment of an ongoing maintenance revolving fund from monthly household payments.

Rental Housing Maintenance and Operations - The income mix and location of the housing, as cited above, are critical determinations in the amount of operation and maintenance dollars which will be necessary for maintaining the rental program. The issue also involves long-term administration as well as development of an O & M fund. The various options identified by the HAC are as follows:

- o An income mix could be structured so that rents collected might cover the anticipated O & M costs plus administration for the operations.

- o HCD could work with local housing authorities to transfer units to them under HUD Public Housing or Section 8 programs so that federal housing dollars could provide long-term O & M expenses.
- o The program could establish an O & M Fund with a minimum \$1 million annuity to make direct payment to operators to fund the negative rents.

It is generally assumed that rental housing sponsors will undertake responsibility for ongoing operations and maintenance of a customary nature without depending upon continuing assistance from the Century Freeway Housing Program fund. It is entirely possible, pending the specific income mix of mixed-income rental projects that operations and maintenance costs will exceed receipts in rental developments. Therefore, it will be important that funds be reserved to address operations and maintenance deficits as they occur over the life of the program. Under these worst case circumstances, it has been estimated that these deficits could range between \$4 and \$5 million per year if rental units are sold to sponsors. If the rental units are deeded at no cost, O & M deficits would range from \$104,000 to \$108,000 annually.<sup>1</sup> The funds provided in Section IV.D.3 of the Consent Decree can provide a source of such monies (discussed in Section 5.4). In addition, it will be important that rental housing sponsors be both authorized and required to take appropriate remedial steps to deal with nonpayment of rents, tenant damage to units, and the like.

#### 4.4.4 Housing Program Budget

##### Consent Decree Provisions Governing the Housing Program Budget

The Consent Decree stipulates that the defendants finance the development and implementation of the Housing Program. It does not set a specific framework nor does it set a budgetary limitation on those costs.

Agreements reached in 1981 between the agencies responsible for program funding have further defined program costs responsibilities as follows:

- o 1,175 last resort housing units are to be created in a cost-effective manner, with no specific budget limit, and reimbursed by FHWA; any proceeds from the sale of these units is to be shared on a 92% - 8% basis between FHWA and Caltrans.
- o 1,025 units are to be produced on sites previously approved by FHWA, funding for which is to be handled in the same manner as last resort units.
- o Approximately 1,500 units are to be produced from a \$110 Million Fund allocated to HCD; HCD is free to recycle sales proceeds from units produced into additional housing production and assistance activities.

The Decree limits FHWA and Caltrans responsibilities under the Housing Program to capital and administrative costs. Sources of funding for any ongoing operations, maintenance or other costs are not provided, except that

<sup>1</sup>For more detailed discussion of rental operation and maintenance costs, see A. Clemens, Working Paper Number Nine: Project Costs, Tables 8 and 9.

increased sales proceeds arising from high affordability prices which result from below-market interest rate financing or use of housing subsidy programs are to be set aside in a Housing Fund to assist in the creation and/or operating costs of low and moderate-income housing.

#### Housing Program Budget Policy Options

Table 4-3 illustrates estimated program budget requirements for a five-year Housing Program build-out period. It differentiates between the three categories of unit production noted above, the program's use of the \$110 Million Fund early in the build-out period and assumes that production of the Last Resort and Prior Approval units will occur later in the construction process.

Table 4-3 does not illustrate the implications of recycling sales proceeds from units produced with the \$110 Million Fund, but rather shows a construction schedule only for the minimum 1,500 units to be constructed from that allocation. Detailed material contained in Working Paper Number Nine: Project Cost (October 2, 1981) estimates that a total of 2,290 to 2,450 units can be produced from this fund. The gain of 790 to 950 units results from using the receipts from sale of ownership units to construct additional sales and rental units. Throughout the financial analyses, an assumption has been that rental units can be deeded to sponsors at no cost in order that operations and maintenance subsidies be minimized.<sup>1</sup>

As will be seen from the table, gross project costs are estimated to total \$282.77 million, including \$11.56 million for administration. This estimate for administrative charges equates to about \$3,125 per unit, and represents costs associated with documentation, records, monitoring and management responsibilities assigned to HCD. Under operating agreements between the agencies, Caltrans is placed in a pivotal approval position vis-a-vis construction contracting, necessitating complex and extensive administrative systems and activities within that agency. Cost associated with those activities have not been reported here.

The table also estimates net costs for 3,700 units, based on an average \$17,445 pay-back per unit. This average assumes no sales proceeds for rental units and an average \$27,870 pay-back for sales units, a figure which assumes FHA-insured financing will be used for all units and which is calculated on the basis of participant ability-to-pay.

Finally, the table estimates net program costs assuming continued 10% inflation. Clearly, if a five-year build-out period were to prove infeasible, total costs will increase due to inflation. A longer build-out period could be necessitated by a variety of factors, including among others the need to more closely structure the housing construction program to match Caltrans displacee notification schedules and unforeseen delays in contracting and local approval processes.

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<sup>1</sup>Gruen Associates/The Planning Group, Working Paper Number Nine: Project Cost, October 2, 1981, p. 16.



Table 4-3  
ESTIMATED BUDGET REQUIREMENTS  
(Assuming Progress Payment on Construction)

	<u>FY 1982</u>	<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>Total</u>
Units Contracted	950	960	880	910		3,700
Funds Committed (must be available to obligate contracts)	\$ 69.64M	\$ 69.64M	\$ 70.37M	\$ 66.70M		\$271,21M
Units Completed	475	955	920	895	455	3,700
Program Type						
\$110 Fund	375	755	370			1,500
Prior Approval	75	150	300	400	100	1,025
Last Resort	25	50	250	495	355	1,175
Funded Expended						
Construction	\$ 52.23M	\$ 70.18M	\$ 65.97M	\$ 66.15M	\$ 16.68M	\$271.21M
Administration	2.21M	3.05M	2.79M	2.80M	0.71M	11.56M
Total	<u>\$ 54.44M</u>	<u>\$ 73.23M</u>	<u>\$ 68.76M</u>	<u>\$ 68.95M</u>	<u>\$ 17.39M</u>	<u>\$282.77M</u>
Less Funds Received	8.64M	17.25M	16.53M	15.02M	7.11M	64.55M
Plus O&M Annuity Fund	<u>1.00M</u>					<u>1.00</u>
Net Funds Expended (1981 dollars)	\$ 46.80M	\$ 55.98M	\$ 52.23M	\$ 53.93M	\$ 10.28M	\$219.22M
Cumulative total	\$ 46.80M	\$ 102.78M	\$ 155.01M	\$ 208.94M	\$ 291.22M	
Net Funds Expended with 10% Inflation	\$ 51.48M	\$ 67.74M	\$ 69.52M	\$ 78.96M	\$ 16.56M	
Cumulative Total	\$ 51.48	\$ 119.22M	\$ 188.74M	\$ 267.70M	\$ 284.26	

Two basic policy options present themselves:

- o Use of a longer construction schedule to allow for unplanned delays.
- o Retention of the five-year schedule to reinforce a sense of urgency in housing production implicit in the Consent Decree.

The implications of these options are as follows:

- o Use of a longer schedule would work against cost-effectiveness in that the vagaries of inflation would be invited. It should be noted here that the federal government has protected the \$110 Million Fund from inflation for only one year.
- o Use of the five-year schedule, while working to increase cost-effectiveness and efficiency, may result in housing production too far in advance to actual displacement to permit effective relocatee choice of replacement housing.

#### Preferred Budget Approach

Given the implications noted above, a five-year production schedule and budget has been determined to be most germane to the Housing Program, provided that close coordination with Caltrans displacement schedules is achieved. Discussion of needed HCD-Caltrans interface is discussed elsewhere in this document.

#### Consent Decree Provisions Governing Operations and Maintenance

The Consent Decree does not address the almost certain need for continuing operations and maintenance assistance for rental housing, except for noting that funds gained over-and-above affordable prices under conventional financing assumptions by virtue of the use of below-market rate financing can be used to offset such ongoing costs.

#### Operations and Maintenance Policy Options

The long-term viability of the program, as well as the need to maintain housing as continually affordable, dictates that continued solvency of rental projects be assured.<sup>1</sup> At the same time, cost-effective use of program capital funds is a key objective of the Draft Housing Plan. Alternatives for handling rental housing feasibility questions are presented:

- o Develop mixed-income projects to limit possible negative cash flows.
- o Sell the rental units to their ultimate sponsors/operators at prices equal to the mortgages supportable by rental income and program

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<sup>1</sup>It must be recognized here that the Consent Decree indicates that neither Caltrans nor FHWA shall have any further financial or administrative responsibilities as to completed units.

substantial operating and maintenance subsidies for the life of the units.

- o Apply for Federal Section 8 rental assistance program funds.
- o Evaluate possible syndication of projects.
- o Eliminate project debt service by deeding units to sponsors at no cost if none of the above can be utilized. This frees rental income to support operations and maintenance, by reducing the difference between these costs and rental income, and programming a much smaller amount for continuing subsidies.

#### Consent Decree Provisions Governing Recapture of Expenditures

The Consent Decree does not deal explicitly with possibilities for recapturing program expenditures. As noted in the preceding discussion, however, initial recaptured funds accruing to Last Resort and Prior Approval units revert almost entirely to FHWA, per agreements between the funding agencies.

The agreements permit recycling of disposition proceeds (receipts from the sale of units) from the \$110 Million Fund. They do not prohibit HCD from recapturing other program expenditures.

Earlier discussion has focused on the need for continuing operations and maintenance subsidies for the rental units to be produced by the program. Material presented in Working Paper Number Ten: Housing Disposition,<sup>1</sup> noted other needs for the continuing availability of capital funds over the life of the program in order to assure the continued affordability of the housing units. Among the primary demands on such funds will be the need to retain flexibility in the income mix of both sales and rental units over their affordable life. When the ownership units, for example, have all been occupied, there will be a particular mix of incomes in the ownership housing component of the program. Over time, some of the initial occupants will want to move from the area or otherwise change their living environment. Some of these units will be sold to new, income-eligible households. It will not be possible, however, to assure that the incomes of the buyers exactly match the incomes of the sellers. It is entirely possible that at various points in time the eligible buyers will have incomes lower in relationship to median income than do the sellers and still be within the target income average. Since the resale prices of the units are limited by a factor tied to the median income, when this scenario occurs there may be the need to subsidize the price of the unit from that which the seller is entitled, per the resale restriction formula, to that which is affordable to the new purchasers.

Program planning must take this probable combination of events into account, and a source of continuing subsidy capital needs to be built into the program. At present, this subsequent subsidization is not provided for in the Consent Decree. Caltrans and FHWA are prohibited by the Consent Decree from participating in this ongoing feature of the Housing Program.

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<sup>1</sup>Economics Research Associates/Aron W. Clemens, et al., September 11, 1981.

## Expenditure Recapture Options

Several methods of funding the continuing operations and maintenance and price subsidy needs of the program are possible. One, the Program Fund created by sale of units at higher-than-otherwise affordable prices by virtue of below-market rate financing, is authorized in the Consent Decree. Another is the use of some of the proceeds received from the sale of ownership units built with the \$110 Million Fund. Still another is to recapture all or a portion of the \$110 Million Fund used to write-down the cost of ownership units. The three options are outlined below.

The Program fund - This fund is specifically mandated by the Consent Decree which specifies that where sales prices are increased as a result of below-market interest rate financing (or other government housing assistance programs) making higher prices affordable by the same income group, the differential proceeds shall revert to a Housing Program fund to produce additional units or otherwise assist in the operations and maintenance of below moderate-income units.

Working Paper Number Eight: Housing Program Fund,<sup>1</sup> evaluated the potential source of the Housing Program Fund and concluded that the sales price differentials envisioned by the Consent Decree will occur only if sales are financed with the types of below-market interest rate mortgages made available through tax-exempt bonding authorities of the State and local jurisdictions or use of FHA mortgage insurance. That analysis estimated the probable size of the Program Fund to be about \$9 million, if approximately 900 units were financed at tax-exempt rates and if all rental housing is deeded at no fee to sponsors. Were all ownership units to be financed in this way, the Fund could total \$21.6 million; this figure does not take into account potential gains from sale of units produced by recycling disposition proceeds of the \$110 Million Fund.

Recycling of the \$110 Million Fund - This will produce additions to working capital. As noted in an earlier discussion, this fund must produce a minimum of 1,500 units. It is estimated that at least 1,765 units can be produced by the first cycle of fund use, where units cost an average \$62,230 to build. At least 912 of these units would be ownership dwellings; their prices would vary in relationship to the incomes of the eligible buyers. It is estimated that up to \$27.4 million can be returned to the program through sale of these units; the amount also varies according to the type of mortgage financing used.

If all of the proceeds were devoted to housing production, another \$7 to \$8.3 million could be recouped through sale of ownership units. Total recycling proceeds can approach \$35 million if below-market interest rate mortgages are available for all sale units.

## Implications

Program Fund - The reality and volume of the Program Fund authorized by the Consent Decree is problematic. As noted, proceeds into this Fund accrue to the use of tax-exempt mortgage financing. If this type of mortgage

<sup>1</sup>Aron W. Clemens, Economic Research Associates, et. al., October 5, 1982.

assistance is not available to the Program, few, if any, receipts will accrue to the Fund. Assuming that tax-exempt bonding will be used to help finance ownership units, the number of units for which it is realistic to expect this assistance is an unknown. In addition, the timing of the bond issue would have to be coordinated with the production schedule of the units. Therefore, it is most difficult to estimate the probable size of the Program Fund. Consequently, it is most difficult to program continuing funding needs from this source.

Proceeds from \$110 Million Fund - Sales proceeds from ownership units produced from HCD's \$110 Million Fund allocation are estimated with greater ease. A very substantial amount can be expected to be received from the sale of the first production cycle -- as much as \$27.4 million. The minimum amount to be recaptured by this method is estimated to be \$20 million. Since it is not required that all of these proceeds be used simply to produce more units, it would be possible to set aside a portion of the monies to finance operations and maintenance subsidy needs and continuing write-down assistance for subsequent occupants.



# **5.0 Description of the Housing Plan**

Chapter 4.0 of this document discussed in detail the evolution of the plan, including the consideration of a broad range of allocation alternatives and policy options. This chapter describes in detail the adopted Housing Plan. The purpose of the Housing Plan is to establish the overall approach for the implementation of the Century Freeway Housing Program through a set of guiding principles and policies. This overall approach includes the following elements:

- o Housing Locations
- o Development Approach
- o Housing Disposition
- o Program Budget
- o Surplus Land
- o Implementation

While policy direction for the Housing Program is established by this Plan, it must be recognized that readjustments and redirection of the Plan will be necessary to successfully implement the Housing Program. The Housing Plan should thus be viewed as a flexible tool.

The Housing Advisory Committee (HAC) recognizes that planning is a continuous process and offers this plan to the public not as the culmination of a planning process, but as a set of guiding principles and policies reflective of the work accomplished to this date. It is recognized that with a program as unprecedented as the Century Freeway Housing Program a number of issues remain untested. To that end, the HAC has established in this plan a testing, evaluation and amendment process as set forth below. The various issues and options contained in this plan were offered to the public and valuable input from interested parties was obtained prior to the adoption of the Final Plan in July, 1982.

In addition to the formal review process of public hearings in June, 1982, the Housing Advisory Committee also set a series of informal public meetings to discuss each of the issues identified below. The results of the meetings these identified in the public hearings and such recommendations for changes in the draft plan were considered along with input from the public prior to adoption of the Final Plan in July, 1982.

Furthermore, recognizing that certain issues may need to be resolved subsequent to the adoption of the Final Plan, an amendment process was established as follows:

- o The Housing Advisory Committee recommends that in the implementation of the Final Housing Plan, the various options identified below be evaluated as to their efficiency acceptability and administrative feasibility.
- o In recognition that the Department of Housing and Community Development has been designated by the Consent Decree as lead agency in implementing the Housing Plan, the HAC recommends that they shall do so by utilizing the various options identified herein. It is further recommended that a periodic assesment of the impacts of the various options be made.
- o The above assessments and HCD recommendations for the continuance, discontinuance or creation of new options shall be reported to the Housing Advisory Committee on a quarterly basis as the Housing Program is implemented.



- o The HAC shall continue in its role to consult with and provide assistance to the Project Director by monitoring the implementation process and making recommendations regarding the concurrence or approval of amendments to the Housing Plan and Program.

The following areas have been identified by the Housing Advisory Committee as issue areas with options that require further evaluation and data:

- o Second trust deed
- o Write down policy
- o Long term administration
- o Rental program
- o Displacee priority
- o Location of units

#### 5.1 HOUSING LOCATIONS

This element of the Housing Plan focuses on where replacement and/or replenishment housing will be located. Findings of the HCD Land Acquisition Program, as well as initial developer response received by HCD, indicate that there will be sufficient sites available in the Primary Zone (defined as the area six miles in all directions from the I-105 right-of-way) to accommodate approximately 3,700 housing units.

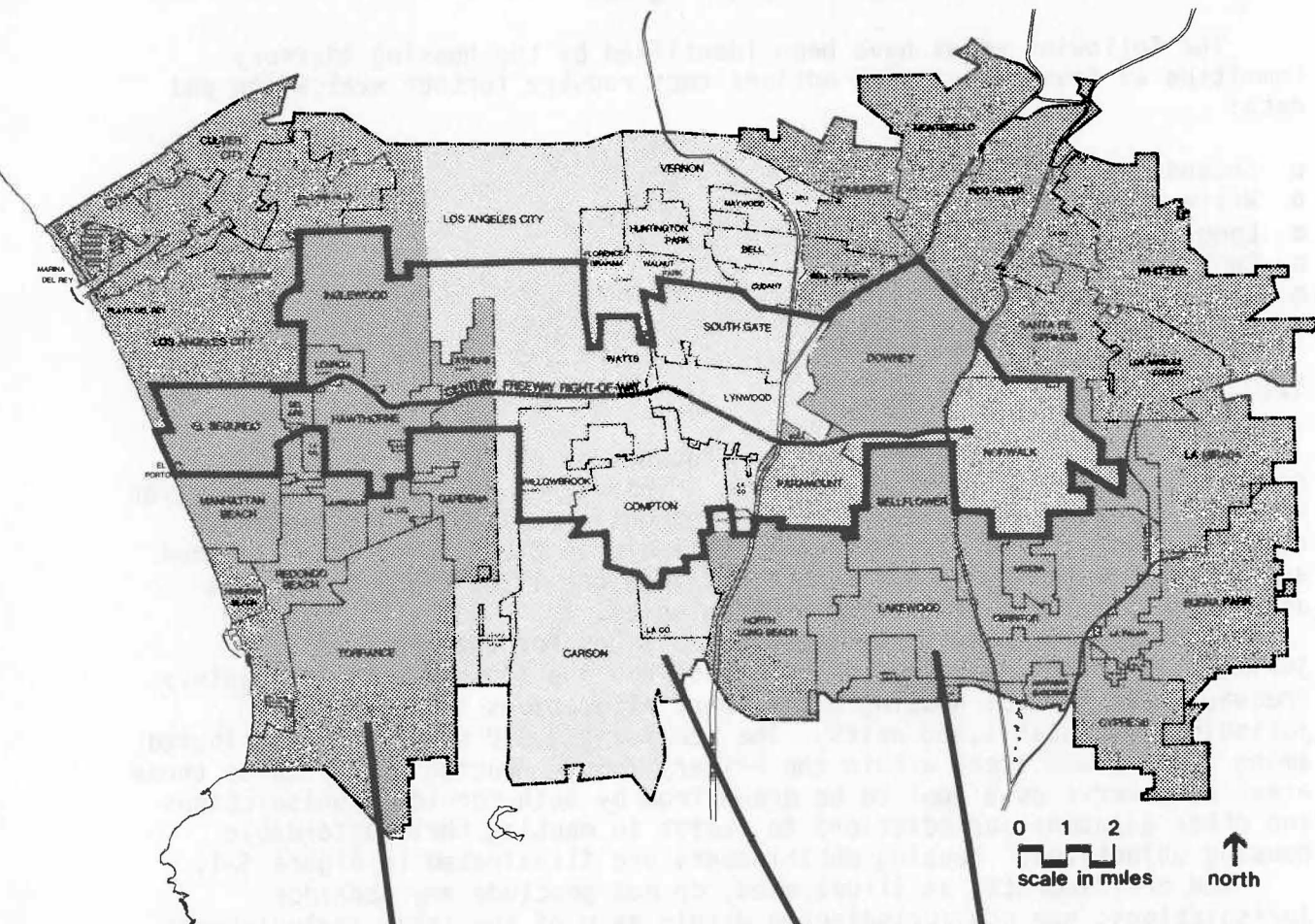
Housing entitlements have been established for the corridor jurisdictions that have lost or will lose housing stock due to the Century Freeway. The initial housing entitlement allocations to corridor jurisdictions total 1,850 units. The remaining 1,850 units are distributed among three broad areas within the Primary Zone: Housing allocated to these areas will serve as a pool to be drawn from by both corridor jurisdictions and other adjacent jurisdictions to assist in meeting their affordable housing objectives. Housing entitlements are illustrated in Figure 5-1.

The entitlements, as illustrated, do not preclude any corridor jurisdictions, nor any jurisdiction within each of the three replenishment housing areas, from requesting or accepting more than its share, so long as units are available. These allocations do not commit any jurisdiction to accept units which are not in compliance with local codes and regulations and which are not approved by HCD as meeting the standards of the Housing Program. Further, these initial allocations do not preclude any corridor jurisdiction from requesting a reduction of its entitlement on the ground that the allocation is demonstrably infeasible or unreasonable within that jurisdiction, given the housing strategy set forth in its General Plan.

Between December 1981 and February 1982, HCD staff conducted a series of meetings with local jurisdictions relative to the proposed housing entitlements. These meetings have revealed that the corridor jurisdictions believe the initial housing allocations to be reasonable and practical. In some instances, jurisdictions have expressed a desire to increase their initial entitlement.

It should be recognized, however, that the actual achievement of these entitlements is highly dependent upon the development approach used by HCD, particularly the involvement of the private sector (discussed in detail in Section 4.4.2). As a practical matter, the precise location of housing will be dependent on numerous factors, such as: the availability of suitable sites, developer interest, local acceptance and environmental clearance.

**Figure 5-1  
HOUSING ENTITLEMENT ALLOCATIONS**



**WESTERN AREA**

**CENTRAL AREA**

**EASTERN AREA**

**TOTAL**

Corridor Jurisdictions	565	Corridor Jurisdictions	820	Corridor Jurisdictions	465	1,850
El Segundo	N/A	Compton	1	Paramount	110	
Hawthorne	275	L.A. City	315	Downey	225	
Inglewood	75	L.A. County	210	Norwalk	130	
L.A. County	215	Lynwood	275			
L.A. City	N/A	South Gate	19			
Area 1 Pool	565	Area 2 Pool	820	Area 3 Pool	465	1,850
Area 1 Total	1,130	Area 2 Total	1,640	Area 3 Total	930	3,700

Primary Zone Housing Replenishment Areas

Century Freeway Corridor Jurisdictions

In order to provide a linkage between the planning objectives of the housing entitlements and the realities of housing production and development as they present themselves, the following approach will be used:

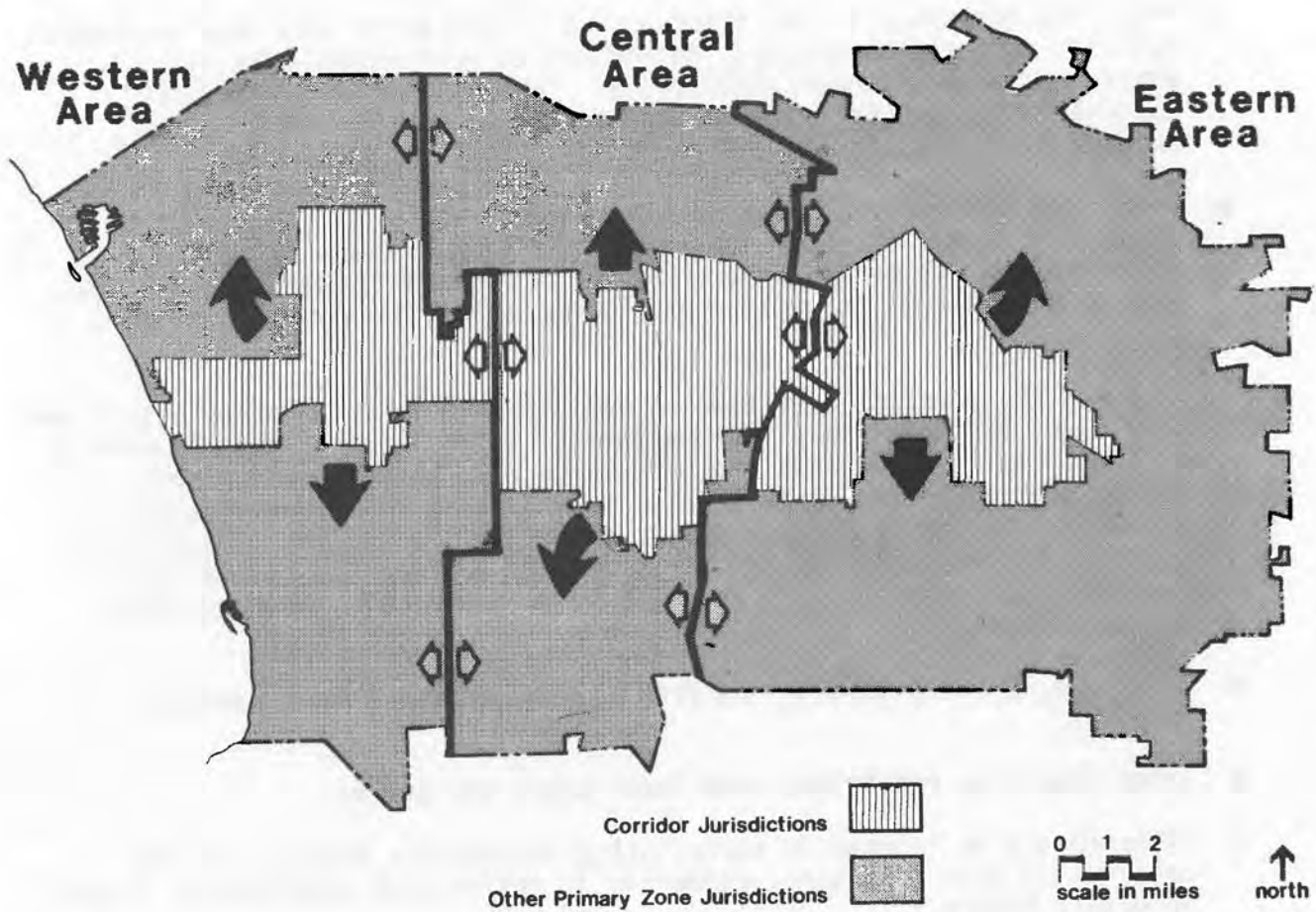
- HCD will consider the housing entitlements as an initial starting point in discussions with both corridor and other Primary Zone jurisdictions. Additionally, the housing entitlements will serve as the basic framework for the development and formulation of Requests for Proposals (RFP's) to the private sector.
- After the responses to the first series of HCD RFP's have been evaluated, HCD will compare the projects determined to be fundable with the attainment of entitlement objectives. To attain unmet objectives, targeted RFP's may be developed or HCD may acquire and develop the necessary sites using the Invitation for Bid (IFB) procedures.
- If the entitlements do not prove to be fully achievable, HCD will consider fundable projects throughout the Primary Zone. First consideration may be given to projects in corridor jurisdictions. This housing redistribution approach is conceptually illustrated in Figure 5-2.

Beyond the allocation of housing entitlements to broad areas within the Primary Zone, the specific site locations of potential developments must be considered. It is recognized that a balance must be achieved between providing housing that will be a positive attribute to communities and reducing the risk to the survivability of the units provided through public resources. Towards this end the on-going land acquisition program and housing project evaluation process will be guided by the following site selection principles:

- Sites should be located in the Primary Zone to the greatest extent possible.
- Sites should be consistent with local plans and zoning.
- Sites should be located in pre-existing residential setting, or the creation of such a setting, conducive to residential development, should be highly likely.
- Sites should be located where residents would be free from high levels of environmental pollutants (dust, smoke, odor, noise, etc.).
- Sites should be located to maximize access to public transportation, consistent with the provisions of SB 1721 (Mills, Chapter 1066 of 1980).
- The survivability of housing ultimately developed on the site must be assured by site locations in areas with adequate infrastructure and services.
- Land costs of sites should be cost-effective in comparison with alternative sites of similar characteristics and location.

Figure 5-2

# ILLUSTRATIVE HOUSING REDISTRIBUTION CONCEPT



- 1) Redistribution to other Corridor Jurisdictions within same area.
- 2) Redistribution to other Primary Zone Jurisdictions within same area.
- 3) Redistribution to Jurisdictions throughout Primary Zone:
  - a. Corridor Jurisdictions
  - b. All Others

- o Acquisition of sites should not generate consequential residential displacement.
- o Sites should be located away from the crash hazard foot print and excessive noise conditions of airports within the Primary Zone.

## 5.2 DEVELOPMENT APPROACH

This element of the Housing Plan focuses on what types of housing will be provided and how. Specifically, planning objectives have been established for:

- o Housing production methods (rehabilitation and new construction)
- o Mix of housing types (single family detached and multiple family)
- o Contracting techniques (Invitation for Bid and Request for Proposal)

These objectives are illustrated in Figure 5-3 and discussed below.

### Housing Production Methods

Housing production methods will be linked to the greatest extent possible with the provision of dwellings through each of the three program elements established by the Consent Decree. Overall, the production method will favor the creation of units through new construction. Both units provided through the Last Resort and \$110 million funding categories are targeted for new construction. Rehabilitation will be predominantly used to provide units in the Prior Approval funding category. The extent to which Caltrans-acquired units are used for rehabilitation will rest on determination by HCD including the consideration of such factors as:

- o Cost and feasibility assessment.
- o Time and speed of delivery.
- o Local and market acceptance.

### Mix of Housing Types

Similar to the determination of housing production methods, the mix of housing types will be based on the requirements of each of the three programs (Last Resort, Prior Approval, and \$110 Million Fund). The majority of units provided through the Last Resort category to meet the needs of displacees are slated as single family homes. Units provided through the Prior Approval category should be about equally divided between single family detached dwellings and multiple family dwellings. In the case of the \$110 Million Fund category it is anticipated that the large bulk of units proposed will be multiple family dwellings, particularly townhomes and condominiums.

### Contracting Techniques

The Housing Program will utilize the Invitation for Bid (IFB) process only for sites acquired and controlled by HCD. Thus it is foreseen that units rehabilitated or newly constructed on state-owned sites will be contracted in this fashion. All other program categories will be contracted through the issuance of Request for Proposals (RFP) from the private sector

Figure 5-3

**SUMMARY OF DEVELOPMENT APPROACH**

Planning  
Objective  
(Number  
of Units)

<b>HOUSING TYPE</b>	<b>Single Family Detached</b>	<b>1,530</b>
	<b>Multiple Family</b>	<b>2,170</b>
<b>PRODUCTION METHOD</b>	<b>Rehabilitation</b>	<b>1,000</b>
	<b>New Construction</b>	<b>2,700</b>
<b>CONTRACTING METHOD</b>	<b>Invitation for Bid</b>	<b>1,025</b>
	<b>Request for Proposal</b>	<b>2,675</b>

depending on obtaining appropriate waivers from FHWA/Caltrans. RFP's may be focused in many instances to solicit specific types of units in particular areas within the Primary Zone.

### 5.3 HOUSING DISPOSITION

The framers of the Consent Decree clearly intended that the beneficiaries of the Housing Program should be those households directly displaced by the freeway as well as low and moderate income households in surrounding communities. The proposed approach to providing housing to those most in need and maintaining a stock of affordable units is as follows:

#### Eligibility for Occupancy

The Consent Decree explicitly establishes that the following households and persons are eligible for participation in the Century Freeway Housing Program:

- o Displacees who are eligible for benefits under the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act
- o Displacees that are not eligible for RAP benefits (renters of Caltrans owned property)
- o Persons on housing authority waiting lists
- o Persons in the general population with incomes below 120% of the Los Angeles - Long Beach SMSA median income

The Housing Plan recognizes this eligibility. It is recommended, however, that housing authority eligibility be expanded to include existing housing authority tenants.

#### Priority for Occupancy

The priority for occupancy for ownership and rental units is as follows:

#### Housing Disposition Approach

##### Mixed Income:

Sound public policy dictates that income mixing, regardless of tenure type (owner or renter), be an overriding program implementation objective for the Century Freeway Housing Program. To achieve this objective, HCD plans to utilize a number of administrative mechanisms over the life of the program. As a first step, HCD's policy is to promote both home ownership and rental opportunities throughout the income range spectrum mandated by the Consent Decree. In effect, an individual or family has the potential to be a renter or owner no matter what their income level.

The implementation of this policy will achieve positive program results by:

- o Promoting the financial viability of the replacement housing program (particularly by allowing administrative flexibility in the income distribution to be applied to rental projects; thereby making them economically feasible).
- o Expanding overall housing opportunities for all eligible households.
- o Distributing ownership and rental opportunities without discrimination on the basis of income.
- o Avoiding the concentration only of the very low and the very, very low income groups in rental projects.
- o At all times providing household needs but balancing, through administrative discretion, household preferences vs. program dictates.

#### Rental or Ownership Program?

It must be made clear that the Century Freeway Housing Program is designed to meet the needs of the projected clientele. It cannot be characterized as either a rental or ownership program. HCD expects to implement a program design which will maximize the utilization of every tested disposition approach in use today, consistent with the needs of our clients.

Initial projections indicate the Century Freeway Housing Program will provide approximately 1500 traditional home ownership opportunities and about 2200 other opportunities, some of which will be pre-ownership programs and some of which will be traditional rentals. These figures are based upon:

- o The number of displacees who currently own homes.
- o The preferences expressed by Consent Decree eligibles in surveys administered by Caltrans.
- o The projected distribution of households by income range.

While a specific proportion of the 2200 units cannot now be designated for the pre-ownership program, the planned utilization of the alternative home ownership arrangements (e.g. cooperation, leasing with purchase options, land leasing arrangements, etc.) add a significant degree of flexibility in meeting client as well as program needs. Specific policies relating to the disposition of home ownership, pre-ownership, and rental units follow:

#### Type of Homeownership

HCD will promote traditional and alternative homeownership opportunities. Such innovations can include, but are not limited to, development of cooperatives, leasing with a purchase option, land lease arrangements, etc. The specific mix of home ownership options will depend upon their financial viability in the context of the overall program.



## Sales Price

The Consent Decree permits HCD to transfer units for as low as \$1.00. Additional options have been analyzed and disclosed in Chapter 4. The options include:

- o Establishing a minimum mortgage of \$7,500,
- o Establishing a minimum mortgage of \$10,000,
- o Homeownership only for households earning 80% or more of median income.

If HCD selected one of these options for program implementation (rather than as a solid information base for future decisions), many negative consequences would follow. Some of these would be:

- o The very low and very, very low income families would be relegated to rental opportunities only.
- o Discrimination on the basis of income.
- o Questionable financial viability of Century rental projects.

HCD reserves the right, consistent with sound business principles, to offer ownership opportunity to the whole range of the income spectrum called for in the Consent Decree, and to sell units for as low as \$1.00, if necessary, to obtain an adequate income mix among homeowners. The actual affordability level (e.g. 35% of adjusted income for housing expenses, as specified in the Consent Decree, for normal housing maintenance expenses such as utilities, insurance, and taxes) will determine the affordable sales price.

## Equity Contribution

Each household will be required to provide a minimum equity contribution of \$1,000 or 5% of the mortgage whichever is greater. This sum, in lieu of a down payment is essentially a security deposit. The equity contribution will be returned to the household, contingent upon the condition of the unit, at the time of sale or transfer.

As the discussion of the FHA Section 235 Homeownership Program indicated, program success depends upon far more than the price for which a unit is transferred. Homeowners must have a personal investment in keeping and maintaining the unit. Without a personal investment, there is no incentive to stay in or maintain the unit. Without a personal investment, there may not be a critical distinction in the perception of the homeowner, between owning and renting.

An incentive must be created because the traditional distinctions between homeownership and renting may not apply in this program. A household participating in the program will enjoy the benefits of control and payment stability associated with home ownership. However, it is unlikely program eligible income households (0 to 120% of the Los Angeles - Long Beach median income) will benefit from income tax deductions, which provides a major incentive for home ownership. Another traditional benefit, appreciation in house value, may be restricted by the Consent Decree requirement for resale controls.

The equity contribution will act as the incentive for maintaining homeownership. The potential loss of \$1,000 or more will encourage the household to maintain the unit and will inhibit the "walkaways" (leading to foreclosure) which characterized the Section 235 Program.

### Resale Control

The Century Freeway Housing Program is mandated by the Consent Decree to develop speculation and resale controls placed on units sold below fair market value. These deed or lease restrictions must assure that the inventory of low-cost housing is maintained for a period of 20 to 59 years.

HCD has developed a resale control that is a right-to-purchase agreement appended to the deed of trust and recorded. Such a restriction accomplishes the following:<sup>1</sup>

- o Ensures that property sold at below market value will remain available to low and moderate income buyers for a specified period.
- o Provides control of speculation or owner-occupied properties and rental properties that have been sold to other entities as set forth in the Decree
- o Allows for the owner, upon resale of property, to receive compensation for limited or controlled appreciation and for keeping the property in good condition.
- o Establishes right of first option by a predesignated agency in accordance with an equitable formula that will determine the sales price and control the resale price to another qualified family or agency.
- o Provides for ownership change within a family. These circumstances may include inheritance, divorce, death, etc.
- o Includes refinancing restrictions.
- o Provides for changing income and housing needs of others.
- o Provides for income limits to subsequent renters and buyers and procedures for selection rental units.
- o Discloses to each potential buyer the resale requirements and provisions to ensure proper understanding of the financial and legal constraints of the Replacement Housing Program units.

The resale control, as currently designed, ties increases in the house price to increases in the median income in the Los Angeles area. The following example demonstrates how the resale control works. (Caution: The numbers are illustrative only. Actual figures will vary on a case-by-case basis).

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<sup>1</sup>See HCD's Interim Procedures Manual for the Right-to-Purchase Agreement.

Example: Assuming a household buys a house for \$20,000 and decides to sell it in five years. In five years, the median income has increased by 30 percent. The new sales price will be calculated as follows:

INITIAL AFFORDABLE HOUSE PRICE	\$20,000
CHANGE IN MEDIAN INCOME (30%)	6,000
NEW AFFORDABLE HOUSE PRICE	\$26,000

### Rental Housing

As noted earlier, HCD initially projects the construction of 2,200 rental units. Renters will be drawn from the income spectrum specified in the Consent Decree. Requiring this income mix will enhance the marketability of the units as well as increase the cash flows for each project.

There are several major issues involved in the rental housing component:

- o Write-down policy
- o Operation and maintenance (O & M) expenses
- o Resale control/rent schedules
- o Use of federal Section 8 Program
- o Conversion to home ownership.

### Write-down Policy

The Consent Decree permits HCD to transfer units for as low as \$1.00. HCD reserves the right to exercise this option for rental projects, if necessary, to improve their financial feasibility. The specific write down will be determined by the projected rental cash flow, which depends upon the income mix of tenants.

### Operation and Maintenance Expenses

The Consent Decree specifies that renter households may not pay more than 25% of their adjusted income for rent plus utilities. Although households will be drawn from various income groups, preliminary data indicates that the cash flow of rental projects (even if transferred at \$1.00) may not be sufficient to cover operating and maintenance expenses. HCD will establish an O & M fund to defray negative cash flows. Receipts accruing to HCD from Section IV.D.3 of the Consent Decree (awarding HCD the differential in sales price resulting from reduced interest financing), and other sources, will be used to establish the O & M fund.

### Resale and Rent Control

The Century Freeway Housing Program is mandated by the Consent Decree to develop speculation and resale controls placed on units sold below fair market value. These deed or lease restrictions must assure that the inventory of low-cost housing is maintained for a period of 20 to 59 years.

HCD has developed a resale control that is a right-to-purchase agreement appended to the deed of trust and recorded. Such a restriction accomplishes the following:

- o Ensures that property sold at below market value will remain available to low and moderate income renters for a specified period.
- o Provides control of speculation for rental properties that have been sold to other entities as set forth in the Decree.
- o Allows for the owner, upon resale of property, to receive compensation for limited or controlled appreciation and for keeping the property in good condition.
- o Establishes right of first-purchase option by a predesignated agency in accordance with an equitable formula that will determine the sales price and control the resale to another qualified agency.
- o Provides for ownership change within a family. These circumstances may include inheritance, divorce, death, etc.
- o Includes refinancing restrictions.
- o Provides for changing income and housing needs of others.
- o Provides for income limits to subsequent renters and buyers and procedures for selection for rental units.
- o Discloses to each potential buyer the resale requirements and provisions to ensure proper understanding of the financial and legal constraints of the Replacement Housing Program units.
- o Limits annual rent increases to maintaining the 25% income/housing expense ratio contained in the Consent Decree.

#### Article 34

The provision of subsidized rental housing through the Century Freeway Housing Program must meet the requirements of Article 34 of the State Constitution (Public Housing Law). The article requires a vote of local electors prior to the development, construction or public ownership of low rent housing. Specifically an Article 34 referendum is required if:

- o Units are publicly owned, or
- o Units are privately owned but publicly financed, where more than 49% of the units are reserved for low income occupancy.<sup>1</sup>

Since its enactment in 1950, Article 34 has been interpreted by the courts on numerous occasions to reflect changes in State and Federal

<sup>1</sup> AB 1294 (Costa, Chapter 155 of 1982) now exempts until January 1, 1984 tax-exempt financing from Article 34 Restrictions.

subsidized housing production financing. As a result of court rulings, Article 34 referenda are not required if:

- o Units are privately owned and publicly financed and are four unit developments not on adjoining sites, even if all four units are reserved for low income occupancy.
- o Units are privately owned but publicly financed and where less than 49% of the units are reserved for low income occupancy.
- o Units are privately owned and leased by a public body; 49% rule would apply if public financing were also involved.

In addition, Article 34 referenda are not required in communities which have Article 34 authority, i.e. a certain number of subsidized rental units can be constructed without a local vote. Within the Primary Zone, three communities, City of Los Angeles, County of Los Angeles and Inglewood have this authority under the conditions outlined below:

- o County of Los Angeles - Authority for both publicly owned and privately owned low-rent housing which is publicly financed; the combined number of such units cannot exceed 5% of the total rental housing stock in County unincorporated areas.
- o City of Los Angeles - Authority for both types of assisted housing; 15,000 unit limitation on each type, plus provisions that no more than 1,000 units of each type can be built in any one council district; family units are further restricted to a maximum of 30 units on any one site; new construction for families is also limited to two stories in height.
- o City of Inglewood - Authority for 500 units of elderly housing.

In order to produce subsidized rental housing in a timely fashion, HCD's policy is to structure the mixed income rental projects in such a way as to avoid involving Article 34. This can be implemented by reserving 49% of the units for occupancy by households with incomes of less than 80% of median, and 51% of the units for household with incomes in excess of 80% of median. Given the range of income eligibility for tenants, this income mix can be accomplished easily as tenants are selected. Pursuit of this strategy will permit a distribution of rental units throughout the corridor, and implement Century's proposed housing mix strategy.

Secondly, Article 34 also may not be invoked if the development is intended ultimately for home ownership. For example, HCD plans to structure some rental projects as lease option or lease purchase agreements. These arrangements do not fall under the definition of low income housing projects, as defined by statute and case law. Article 34 may not be applied to pre-ownership projects.

Further, HCD is working with the U.S. Department of Housing and Urban Development to utilize the Section 8 New Construction Rental Program (see next section for details). Projects such as Section 8, which are financed with federal monies, may be exempt from Article 34 requirements. Absorption of Section 8 projects would mitigate the potential problems associated with Article 34.

In addition, HCD plans to:

- o Locate rental projects in jurisdictions with Article 34 authority, e.g., the City of Los Angeles and the County of Los Angeles.
- o Seek referendum authority in other jurisdictions, if necessary.
- o Develop scattered site rental units in groups of four or less.

### Section 8

The U.S. Department of Housing and Urban Development (HUD) operates a rental subsidy program, known as the Section 8 Housing Assistance Payment Program. One component of this program, Section 8 New Construction, provides rent subsidies to developers who construct rental units to be occupied by households earning less than 80% of median income.

HUD selects projects based upon standards of quality, cost effectiveness and housing needs in the area. The initial selection of successful projects assumed reduced interest financing would be available through the Government National Mortgage Association's (GNMA) Tandem Program. This combination of rent subsidies and reduced interest rate financing assures the financial feasibility of Section 8 rental projects.

The federal government has reduced sharply, and plans to eliminate, the availability of GNMA tandem financing. Although the developers retain the rent supplement, additional funding is required to compensate for the absence of 7 1/2% interest rate financing. HCD has been working with HUD and FHWA to infuse Century funds into the Section 8 projects. Century may provide the funds necessary to make the project feasible if the developer agrees to provide the units for occupancy by Century Freeway Program participants.

Capturing Section 8 projects under the Century Freeway Program offers several advantages:

- o The rent supplement may decrease the amount of write-down subsidy.
- o The rent supplement may lessen, if not eliminate, the need to provide O & M subsidies.
- o Units will be made available to program participants at a lower cost to the program.
- o Section 8 projects may avoid the Article 34 dilemma because they are federally financed.

The Section 8 projects selected for inclusion in the Century Program must conform to Century's affirmative action and unit location/distribution requirements, as well as FHWA's and HUD's procurement requirements. The specific details of combining the Century Program with the Section 8 program are being negotiated now.

## Housing Maintenance

Concern about the maintenance of housing conditions is common when large programs directed to low and moderate income housing needs are proposed. Currently, most communities do not systematically assure housing maintenance. Codes are usually enforced on a complaint basis only. Thus, any programs, or requirements designed to assure ongoing maintenance of Century Freeway replenishment housing must be new, legally enforceable devices. In addition to the standard industry practice of the one year warranty, HCD will consider the following steps:

- o The development of a multi-year warranty on major structural elements and component parts excluding misuse by the occupant.
- o Include a covenant on each unit requiring inspection at the time of resale or rereant for conformance with local codes and maintenance standards. The draft deed restriction contains such provisions.
- o Require an affidavit from new buyers that housing units were received in good condition and that the buyer will undertake all appropriate and necessary maintenance.
- o Establish an escrow for maintenance (similar to an escrow for taxes) at time of sale.
- o Require participation of potential homeowners in a home skills maintenance training and credit counseling course prior to sale.
- o Develop ongoing skills training course and tool bank program to promote continual home maintenance skills.

### 5.4 PROGRAM BUDGET

This element of the Housing Plan summarizes the financial and budgetary implications of the proposed program. Specific planning decisions which affect ultimate costs and financial programming are as follows:

- o Housing production will be scheduled over a five year period, with construction of units attributable to the \$110 Million Fund being produced in the early years of the program; units allocated to Last Resort and Prior Approval categories will be produced over the entire five year period.
- o Wherever possible, tax-exempt mortgage financing will be utilized to reduce program capital costs; use of this tool will result in proceeds to the Housing Fund mandated by the Consent Decree, the purpose of which is to assist in the continued production, operations and maintenance of below moderate-income housing units.
- o The \$110 Million Fund will be recycled to produce as many units as possible; recycling will be achieved through sale of ownership units produced from fund monies and use of the receipts from those sales to finance the construction of additional affordable units.

- o The portion of the \$110 Million Fund used to write down the cost of ownership units will be recaptured, in whole or in part, through use of a second trust deed to secure that investment on which buyers will pay reasonable interest. Payments on this junior lien will be required only when and if occupant incomes increase.
- o Units to be produced from the \$110 Million Fund will be assigned high priority for completion; this urgency in production is required because inflation protection of the fund is limited.

The most pertinent aspects of the Housing Plan and Program budget are as follows:

- o Gross program costs will approach \$284 million for approximately 3,700 units, inclusive of production and administrative charges by HCD.
- o Sales proceeds should total \$65 million for the approximately 3,700 units.
- o Net program production costs will be approximately \$219 million.
- o Sale of ownership units produced by the \$110 Million Fund can return to the Program up to \$35 million which can be used to produce more housing units under favorable mortgage financing conditions.

Table 5-1 presents the Housing Plan and Program Budget.

## 5.5 SURPLUS LAND

### Consent Decree Provisions Governing Surplus Land

The Housing Plan shall include an inventory of surplus land (excess property) and recommend future use for property originally acquired for the I-105 Freeway project, but which is not incorporated within the final project. Such surplus land includes both vacant and improved parcels.

Priority for use of vacant parcels shall be given to relocation housing, schools, parks, open space, community facilities, or economic development projects. The Federal defendants shall not require repayment of federal highway funds used for public projects. However, use of surplus land for economic development projects (which results in an eventual transfer of the land to private ownership) will require prorated credits to federal funds at the fair market value at the time of disposal. Improved surplus residential parcels shall be considered for use as replacement housing.

Caltrans shall not require repayment of state highway funds when vacant surplus land parcels are utilized for public projects necessary to mitigate the environmental effects of the Century Freeway-Transitway Project. However, use of surplus land for economic development projects (which result in an eventual transfer of the land to private ownership) or for public projects unrelated to the mitigation of environmental effects will require prorated credits to state funds at the fair market value at the time of disposal.



Table 5-1  
HOUSING PLANS AND PROGRAM BUDGET ESTIMATE  
(Assuming Progress Payment on Construction)

	<u>FY 1982</u>	<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>Total</u>
Units Contracted	950	960	880	910		3,700
Funds Committed (must be available to obligate contracts)	\$ 69.64M	\$ 69.64M	\$ 70.37M	\$ 66.70M		\$271,21M
Units Completed	475	955	920	895	455	3,700
Program Type						
\$110 Million Fund	375	755	370			1,500
Prior Approval	75	150	300	400	100	1,025
Last Resort	25	50	250	495	355	1,175
Funds Expended						
Construction	\$ 52.23M	\$ 70.18M	\$ 65.97M	\$ 66.15M	\$ 16.68M	\$271.21M
Administration	2.21M	3.05M	2.79M	2.80M	0.71M	11.56M
Total	<u>\$ 54.44M</u>	<u>\$ 73.23M</u>	<u>\$ 68.76M</u>	<u>\$ 68,95M</u>	<u>\$ 17.39M</u>	<u>\$282.77M</u>
Less Funds Received	8.64M	17.25M	16.53M	15.02M	7.11M	64.55M
Plus O&M Annuity Fund	<u>1.00M</u>					<u>1.00</u>
Net Funds Expended (1981 dollars)	\$ 46.80M	\$ 55.98M	\$ 52.23M	\$ 53.93M	\$ 10.28M	\$219.22M
Cumulative total	\$ 46.80M	\$ 102.78M	\$ 155.01M	\$ 208.94M	\$ 291.22M	
Net Funds Expended with 10% Inflation	\$ 51.48M	\$ 67.74M	\$ 69.52M	\$ 78.96M	\$ 16.56M	
Cumulative Total	\$ 51.48	\$ 119.22M	\$ 188.74M	\$ 267.70M	\$ 284.26	

## Surplus Land Inventory

HCD has inventoried all vacant and improved parcels which have been classified to date as surplus by Caltrans. Figure 5-4 presents a generalized graphic depiction of currently available clusters of surplus parcels. As indicated on the figure, there are currently 265 unimproved (vacant) parcels and 141 improved parcels. Not shown on the figure are 50 parcels which were purchased prior to 1968 under provisions of the Ralph Act.<sup>1</sup> A full tabulation of all surplus parcels is contained in the Appendix.

## Policy Considerations

- o Vacant surplus parcels will be given priority for replenishment housing sites if they meet HCD's certification criteria and would not be adversely impacted by freeway construction or operations. Surplus sites which are certified as suitable for move-on housing will first be offered to displaced owners, who will be given the opportunity to purchase such land and relocate his or her dwelling on the site.

To date, 16 unimproved parcels have been certified for use as pilot housing projects (see Area 12 on Figure 5-4). In addition, 30 of the 50 Ralph Act parcels have been certified for Housing Program use. The balance of the Ralph Act sites (20) have been returned to Caltrans for disposal.

- o Improved surplus parcels will be given priority as replenishment housing if the existing residential structures are economically feasible for in-place rehabilitation and would not be adversely impacted by freeway construction or operation.<sup>2</sup> Purchase priority for such units will be: 1) Original owner or tenant still in the occupancy, and 2) Tenants who resided in the unit prior to April 14, 1979, but are not the original tenants.

To date, 227 housing units have been approved for in-place rehabilitation. Most of these approved units would be located in Hawthorne (Area 2 on Figure 5-4), as a result of the freeway route realignment which occurred in this area.

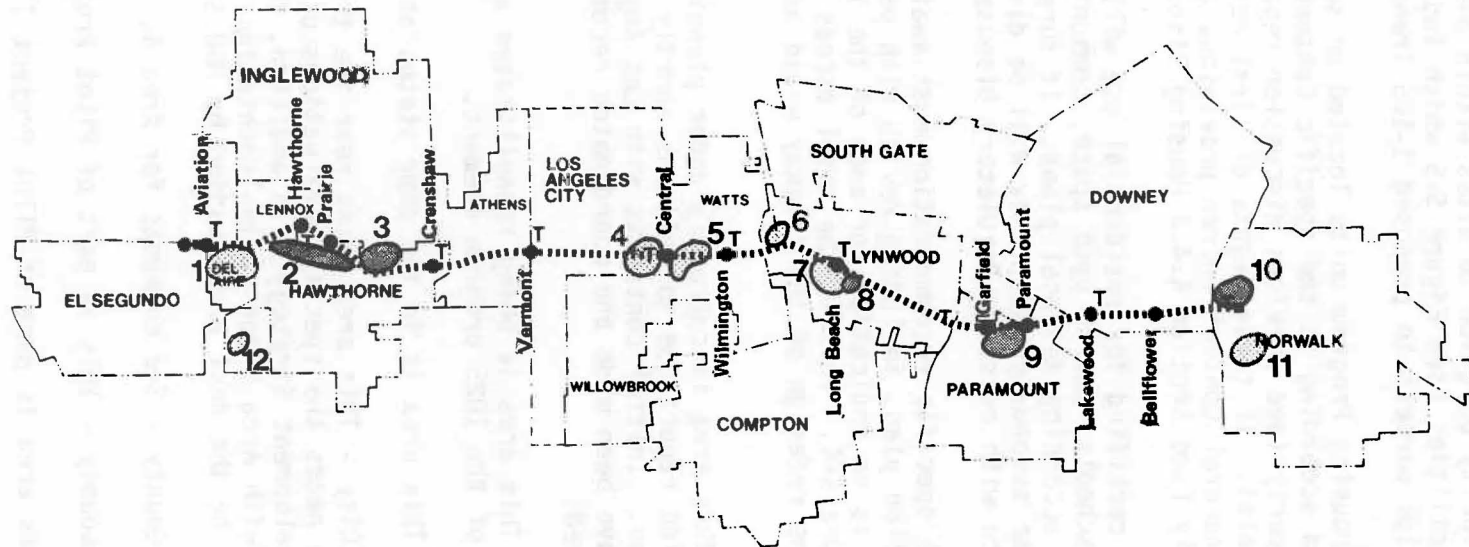
- o Existing, as well as possible future surplus parcels (both vacant and improved), which may be adversely affected by freeway construction or operation, will be given consideration for use in the Housing Program based on the following factors:

-- Final freeway design and localized environmental conditions.

<sup>1</sup>This Act allowed development of replacement housing in economically depressed areas.

<sup>2</sup>Existing residential units on non-surplus parcels which are economically feasible for use as move-on rehabilitated units, will also be given priority for use in the Housing Program. See Section 4.4.2 for discussion of this issue.

**FIGURE 5-4  
SURPLUS LAND**



- 1- Los Angeles County (Del Aire) /142 unimproved parcels
- 2- Hawthorne /103 improved parcels
- 3- Inglewood /11 improved parcels
- 4- Los Angeles City /39 unimproved parcels
- 5- Los Angeles County (Willowbrook) /18 unimproved parcels
- 6- Los Angeles County (Willowbrook) /1 unimproved parcel
- 7- Lynwood /16 improved parcels
- 8- Lynwood /3 unimproved parcels
- 9- Paramount /3 improved parcels
- 10- Norwalk /8 improved parcels
- 11- Norwalk /46 unimproved parcels
- 12- Los Angeles County (Del Aire) 16 unimproved parcels



- Improved Parcels
- Unimproved Parcels
- Interchanges
- Transit Stations and Park 'n Ride

- Results and recommendations from the Century Freeway Corridor Economic Development Strategy which is currently being prepared for the State Department of Business and Economic Development.
- Provisions of the SB 1721 (Mills, Chapter 1066 of 1980) which require that priority be given to sites within one-quarter mile of mass transit facilities (see Figure 5-5 which indicates relationship of current surplus parcels to proposed I-105 Transitway Stations).
- o All Century Freeway Housing Program units located on surplus property will first be offered according to the specific Consent Decree guidelines governing excess property (see previous discussion regarding vacant and improved excess parcels). If these rights of first refusal are not exercised, then the general Consent Decree provisions governing disposition will apply (see Section 4.4.3 Housing Dispsition).
- o All surplus land not certified for residential use will be considered as potential sites for schools, parks, open space, community facilities or economic development according to local plans. If surplus parcels are not suitable for these secondary uses, they will be disposed of by Caltrans in accordance with existing Regulatory Disposal policy.

Although final site specific recommendation must await the specific review of an implementation plan, including review with pertinent local agencies, the following is an indication for each of the 12 surplus land areas identified in Figure 5-4. This is the total excess parcels identified by Caltrans to date. The redesign of the freeway would add sites in the future.

- o Area 1 - Del Aire - This area is currently under planning review with an implementation report due to Caltrans shortly following Housing Plan adoption. Initial contracts with Los Angeles County officials have been made and coordinated recommendations are being prepared.
- o Area 2 - Hawthorne - This area is being rehabilitated as a part of Pilot Project III of the 1025 program element.
- o Area 3 - Inglewood - This area is in the same status as Area 1.
- o Area 4 - Los Angeles City - This area being near the transit and park and ride station needs the specific evaluations of the Corridor Economic Development Strategy. In addition, this area should be coordinated with Area 5 for an implementation study. After Area 1, this will be the next area studied by HCD staff.
- o Area 5 - Los Angeles County - See comments for Area 4.
- o Area 6 - Los Angeles County - This is part of Pilot Project III.
- o Area 7 - Lynwood - This area is part of Pilot Project III.
- o Area 8 - Lynwood - This area is to be studied in connection with input from City of Lynwood and possible transit impacts.

- o Area 9 - Paramount - This area is part of Pilot Project III.
- o Area 10- Norwalk - This area is part of Pilot Project III.
- o Area 11- Norwalk - This area is to be studied in connection with input from City of Norwalk.
- o Area 12- Del Aire - This area is Pilot Project II.

## 5.6 HOUSING PROGRAM IMPLEMENTATION

### Consent Decree Provisions Governing Implementation

The Consent Decree addresses the delivery of the Century Freeway Housing Program in several key areas:

- o The Decree ties the housing production schedule and the freeway construction schedule such that a given percentage of housing will be available for occupancy when a given percentage of freeway construction contracts are awarded.
- o The Decree allows for the review of the Housing Program after the construction of 2,000 units, or 75 percent of the freeway contracts are awarded to determine whether the timing and scope of the Housing Program remain realistic and reasonably achievable.
- o The \$110 Million Fund program category is established to allow a one-year inflation protection, thus requiring that approximately 1,500 units developed through this program be done so in an expeditious manner.

### Implementation Policy Considerations

Under the conditions stipulated above, successful and timely Housing Program delivery is of the utmost importance. Figure 5-6 presents a conceptual overview of the interrelated and concurrent actions necessary to carry out the Housing Program. As shown in the lower right-hand portion of the chart, the two key elements relative to implementation are embodied in the flow of funding from the Highway Trust Fund and in the specific requirements of the Consent Decree. These elements influence all major functions of the Housing Program as indicated in the network of linkages between planning, housing production, disposition of units and long term program operations. Specific activities which are critical to implementation include:

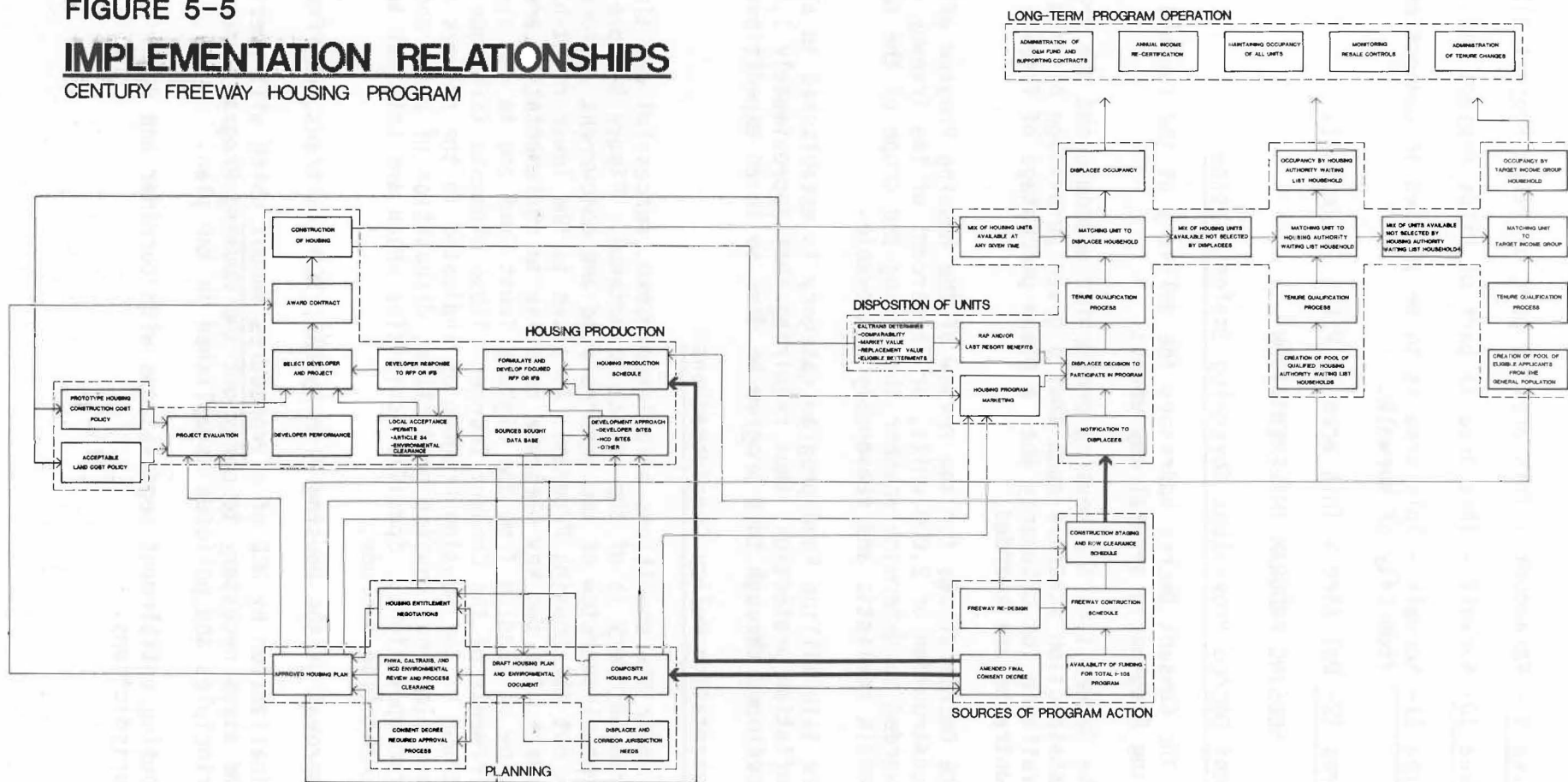
- o Approval of the Housing Plan by HAC, HCD, Caltrans, and FHWA.
- o Finalization by HCD of a Procedures Manual which will specify in detail the steps necessary to carry out the Housing Program under the guiding principles and policies established in the plan.
- o Housing entitlement negotiations with corridor and other primary zone jurisdictions.

FIGURE 5-5

# IMPLEMENTATION RELATIONSHIPS

CENTURY FREEWAY HOUSING PROGRAM

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- o If the displacement schedule, as required for highway construction, is longer than the currently proposed five-year housing construction plan, then the housing construction will be delayed to meet the needs of project displacees.
- o Coordinating the housing production schedule with the availability of displacee households.
- o Formulation and evaluation of RFP's that will encourage both small and MBE contractors as well as major developers.
- o Maximizing displacee participation in the Housing Program to capture valuable social and economic resources that in many instances would enhance the Housing Program. Many displacees are long-time community residents and application of their RAP benefits (if eligible) could greatly offset program costs.
- o Creation of an imaginative and aggressive marketing program that would greatly encourage displacee participation in the program and create the largest pool of qualified household applicants both from housing authorities and from the general population.
- o Establishing the comparability between units produced by the program and the requirements of the Uniform Relocation Act.
- o Consideration of entities to carry out the functions of the Housing Program over the long-term, including monitoring resale controls, annual income certification of program participants, administration of the operation and maintenance fund for rental housing, administration of tenure changes, and maintaining the occupancy of all units produced.

#### Long Term Administration

Basically, six major functions have been identified that will require long term administration for the Housing Replacement Program:

1. Operations and maintenance,
2. Administration of Section IV.D.3. of the Consent Decree,
3. Monitoring of resale and rental controls,
4. Construction of additional units if funding is available,
5. Counseling, emergency repair, and
6. Ongoing disposition of units (household placement).

These long-term administration functions are not all inclusive. As the project proceeds, experience may demonstrate that additional functions are needed.

In Chapter Four, three entities were identified as options for handling long-term administration: State Agency, corporation (for- or non-profit), or local housing authority. After careful consideration, the Plan recommends the establishment of a non-profit housing development corporation as the long-term administrator. This one structure would be responsible for coordinating and implementing the Replenishment Housing Program.

## Establishment

To expedite the Housing Program, the Century Freeway Housing Development Corporation (HDC) should be created as rapidly as possible. Long term administration functions (e.g. disposition, counseling, management) will begin as soon as the first housing units complete construction. The entity responsible for these functions must have sufficient time to develop specific policies, programs and procedures. Early establishment of the Housing Development Corporation will help provide the lead time necessary for program development.

## Structure

The HDC would be governed by a Board of Directors. The Board could be structured to reflect a mix of community quasi-governmental and governmental groups similar to that of the Housing Advisory Committee. HCD could retain a permanent seat on the Board. Funding agencies, such as the Federal Highway Administration and Caltrans, could be represented on the Board for the term of their funding involvement. Details of the structure of this recommended non-profit organization will be developed jointly between HCD and HAC within the forthcoming year.

## Funding and Operations

Financial support for the activities of the non-profit are anticipated from a variety of sources. The Consent Decree, for instance, established in Section IV.D.3. a fund for continuing operations and maintenance. The HDC also could administer the sales proceeds received from the \$110 Million Fund program.

Further, the corporation need not be restricted to the long-term administration functions cited earlier. The development corporation could expand its scope of activities to other functions as needed. Further, the HDC could subcontract out certain functions to other entities (e.g. local housing authority, for-profit management corporations, etc). If such subcontracting would increase administrative and/or financial feasibility.



# **6.0 Environmental Assessment of the Housing Plan**

## 6.1 APPROACH TO THE ENVIRONMENTAL ASSESSMENT

Although NEPA and CEQA do not mandate environmental documentation for mitigation measures, it has been determined by FHWA and HCD that the scope of the Century Freeway Housing Program warrants an Environmental Assessment.

### Focus and Scope of Environmental Assessment

At the outset of this assessment it must be clearly recognized that the Housing Plan, as presented, is a starting point for the delivery of housing to displaced persons and communities within the Primary Zone. The Housing Plan is a flexible document designed to accommodate the "real world" constraints and opportunities in the development of housing. The actual locations of housing and constituent project definitions is dependent on such factors as availability of land, developer interest, successful contractors/developers selected from the IFB and RFP process, and local input/local environmental clearance of selected projects.

As noted in Chapters 4 and 5, this Plan reflects the establishment of policy guidance in support of the objectives of the Consent Decree. Guiding principles cover the following areas:

- o Housing location
- o Development approach
- o Housing disposition
- o Plan and program budget
- o Surplus land
- o Implementation

The analysis and evaluation provided in this Chapter will focus on the policy guidelines preferred by HCD. Comparative evaluation of other policy alternatives (trade-offs and implications) integral to the assessment process is contained in Chapter 4 of this document and is included in this chapter by reference.

To facilitate the discussion of potential impacts, the Housing Plan approach is evaluated at three levels. First, programwide effects are considered. These are largely socioeconomic consequences that would occur regardless of geographic location of housing. Categories included are as follows:

- o Compatibility with areawide plans
- o Potential Article 34 involvement
- o Community effects
- o Employment and fiscal effects
- o Impacts on program participants
- o Energy conservation
- o Noise

Second, those effects that are sensitive to the specific configuration and location of housing developments are discussed. These are treated as project-level effects. It is anticipated that these project level impacts would be minimal if the site selection criteria presented in Section 5.0 are followed in the development of housing through the private sector as well as sites controlled by HCD. Under these site selection guidelines, specific consideration is given to:

- o Consistency with Housing Plan allocations
- o Cost-effectiveness
- o Local plans and zoning
- o The surrounding residential environment
- o Environmental pollutants and hazards
- o Access to public transportation
- o Impact of the surrounding area on the survivability of the housing produced

Specific impact categories considered include:

- o Construction Impacts
- o Traffic and Circulation
- o Air Quality
- o Noise Impacts
- o Flood Hazard
- o Wetlands
- o Geology and Soils
- o Water Quality
- o Natural Resource Conservation
- o Visual and Aesthetic
- o Historic and Cultural

The third area addressed in this assessment is the cumulative effects of providing approximately 3,700 units to communities within the Primary Zone.

#### Substantiation of Effects

The assessment contained in the following pages reflects numerous informal contacts with Primary Zone jurisdictions and other public and private entities. The circulation of this the draft document as part of the public review process resulted in comments on the Housing Plan from affected public and private entities. These comments provided the basis for formal consultation and substantiation of potential effects (as warranted) and were incorporated into the final Housing Plan.

#### Composite Program-wide Effects

Programwide effects shown in Figure 6-1 are overwhelmingly rated either Beneficial (+1) or "No Effect" (0). This evaluation isolates key issues impacting housing allocation, development approach and housing disposition. Issues, used to test options derived from housing factors above are:

- o Areawide plans
- o Potential Article 34 involvement
- o Community effects
- o Employment and fiscal impacts
- o Impacts on program participants
- o Energy conservation
- o Noise.

Figure 6-1 identifies the Housing Plan options and their effect on the programwide areas identified above.

	AREAWIDE PLANS						POTENTIAL ARTICLE 34 INVOLVEMENT	COMMUNITY EFFECTS	EMPLOYMENT AND FISCAL IMPACTS	IMPACTS ON PROGRAM PARTNER	ENERGY CONSERVATION	NOISE
	Fair Share	1 HAP	2 LACHE	3 AQMP	4 RTIP	5 ATMP						
Composite Allocation	+1	+1	+1	+1	+1	+1	0	+1	+1	+1	+1	0
Response Driven Allocation	+1	+1	+1	+1	+1	+1	0	+1	+1	+1	+1	0
Program Element Allocation	-1	+1	-1	+1	+1	+1	0	-1	+1	+1	+1	0
Combination Approach	+1	+1		+1	+1	+1	0	+1	+1	+1	+1	0
Approach Facility	-1	+1	-1	+1	+1	+1	0	-1	+1	0	+1	
Relocation Rehab Approach	+1	+1	0	+1	+1	+1	0	+1	+1	+1	0	0
New Construction	+1	+1	+1	+1	+1	+1	0	+1	+1	+1	0	0
Combination	+1	+1	+1	+1	+1	+1	0	+1	+1	0	0	0
\$10,000 Minimum	+1	+1	+1	+1	+1	+1	0	+1	+1	0	0	0
\$7,500 Minimum	+1	+1	+1	+1	+1	+1	0	+1	+1	0	0	0
80% SMSA	+1	+1	+1	+1	+1	+1	0	+1	+1	0	0	0
Mixed Income	+1	+1	0	0	0	0	+1	+1	+1	+1	0	0
Equity Contribution	+1	+1	+1	0	0	0	+1	+1	0	+1	0	0

PROGRAMWIDE EFFECTS OF HOUSING PLAN OPTIONS

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PROGRAMWIDE EFFECTS OF HOUSING PLAN OPTIONS

	AREAWIDE PLANS						POTENTIAL ARTICLE 34 INVOLVEMENT	COMMUNITY EFFECTS	EMPLOYMENT AND FISCAL IMPACTS	IMPACTS ON PROGRAM PARTNER	ENERGY CONSERVATION	NOISE
	Fair Share	1 HAP	2 LACHE	3 AQMP	4 RTIP	5 ATMP						
Resale Control	+1	+1	+1	0	0	0	0	+1	0	+1	0	0
Housing Maintenance	0	0	0	0	0	0	0	+1	+1	+1	0	0
Section 8	+1	+1	+1	0	0	0	+1	+1	+1	+1	0	0
Combination Approach Allocation	+1	+1	+1	+1	+1	+1	+1	0	+1	+1		
Combination Development Approach	+1	+1	+1	+1	+1	+1	0	+1	+1	+1	0	0
Mixed Income	+1	+1	+1	0	0	0	+1	+1	+1	+1	0	0
Equity Contribution	+1	+1	+1	0	0	0	+1	+1	0	+1	0	0
Resale Control	+1	+1	+1	0	0	0	0	+1	0	+1	0	0
Housing Maintenance	+1	+1	+1	0	0	0	+1	+1	+1	+1	0	0
Section 8	+1	+1	+1	0	0	0	+1	+1	+1	+1	0	0

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- 1 Housing Assistance Plan (HAP)
- 2 Los Angeles County Housing Element (LACHE)
- 3 Air Quality Maintenance Plan (AQMP)
- 4 Regional Transportation Improvement Plan (RTIP)
- 5 Areawide Treatment Management Plan (ATMP)

LEGEND

- +1 Beneficial
- 0 No Effect
- 1 Adverse Effect

## 6.2 PROGRAM-WIDE EFFECTS

### 6.2.1 Compatibility With Areawide Plans

This assessment addresses the relationship between the Housing Plan housing allocation entitlements and other areawide housing and environmental policy plans. As described in Chapter 5, the Plan allocates approximately 3,700 units to the Primary Zone. 1,130 units are targeted for the western portion of the Primary Zone, 1,640 units in the central portion, and 930 units in the eastern portion. In each area, Corridor Jurisdictions have been given specific housing entitlements.

The limited supply of sound housing available to all Southern Californians, particularly those with low or moderate incomes, is a major concern within the region. In general, a program such as the Century Freeway Housing Program is desired in the region simply because it will aid in the replenishment of the supply of affordable dwellings. Areawide housing policy plans that will be impacted by the Century Freeway program include: the Southern California Association of Governments' (SCAG) Fair Share Allocation for low and moderate income housing; local Housing Assistance Plans; and the Housing Element of the Los Angeles County General Plan. Specific considerations are as follows.

#### SCAG Fair Share Allocations

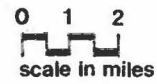
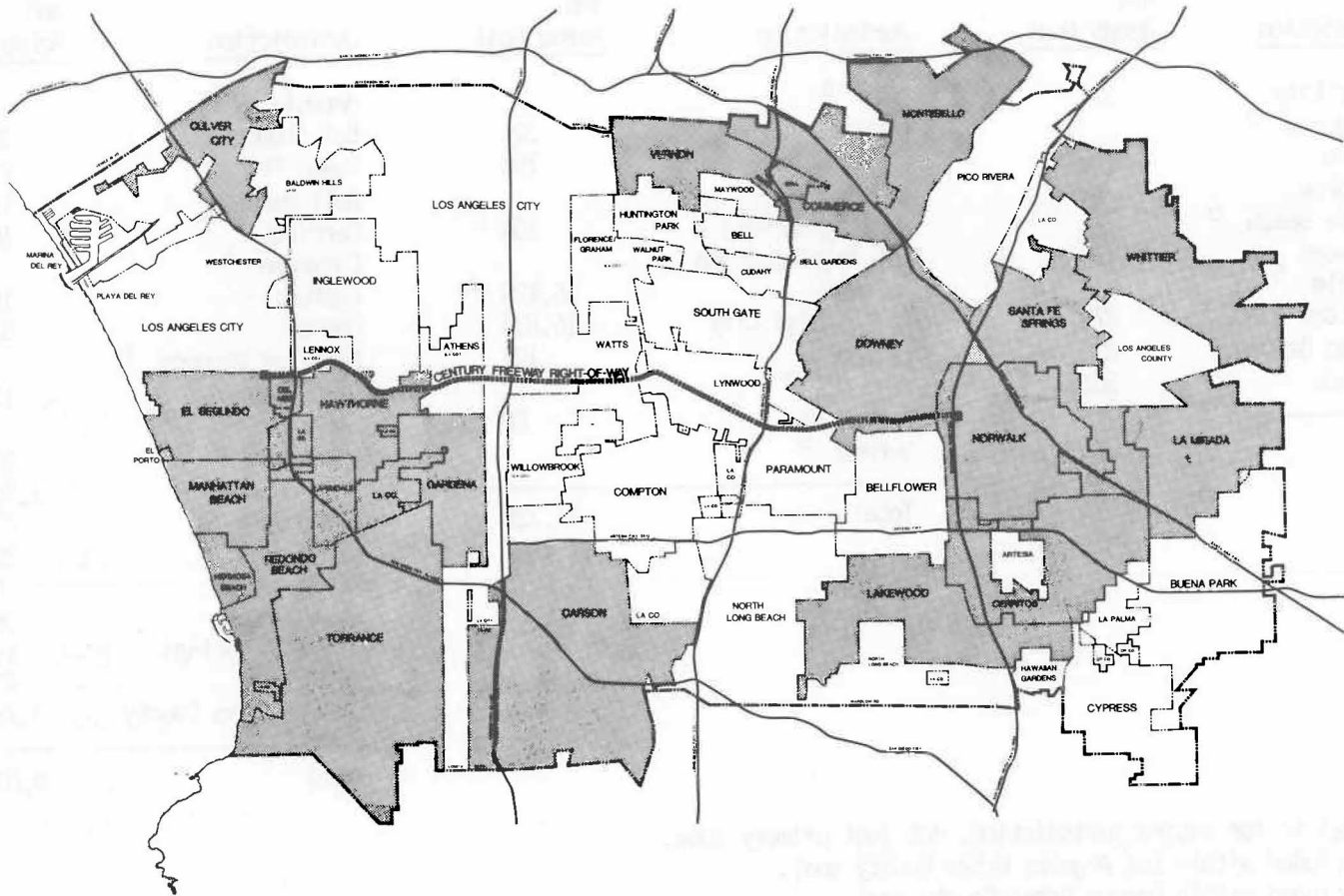
The Southern California Association of Governments (SCAG), as part of its regional planning function, has established a regional housing strategy which is predicated on distributing low and moderate income housing to communities who are best able to provide support services to these developments. SCAG has established that each jurisdiction has a responsibility to meet its fair share of the regional demand for affordable housing. Figure 6-2 identifies those communities that SCAG has determined can accommodate additional low income units under the Fair Share formula. The majority of these potential receiver communities are located in the southwestern and eastern portion of the primary zone. In this context the recommended composite entitlement allocation of housing, which targets substantial numbers of units (2,060) for the western and eastern portion of the Primary Zone, facilitates the achievement of Fair Share objectives.



#### Housing Assistance Plans

Housing Assistance Plans (HAPs) are affordable housing goals submitted to the U.S. Department of Housing and Urban Development (HUD) by jurisdictions applying for Community Development funds. The HAP goals are set by each municipality as the amount of affordable housing that can be provided through HUD assistance as well as other funding sources within a three year period. These Three Year Housing Program goals are derived from housing needs within each jurisdiction, identified to HUD as "Housing Assistance Needs of Lower Income Households". HAP goals generally fall short of meeting the total need for housing because the goals represent a realistic assessment of the funding for housing assistance programs.

Table 6-1 illustrates the new construction and rehabilitation HAP goals for the 1979-1982 period. While jurisdictions have been grouped in the three Primary Zone areas, it should be noted that these area totals include

**FIGURE 6-3**  
**FAIR SHARE CITIES**  
**IN PRIMARY ZONE- 1978**



Positive Fair Share Allocations   
 Negative Fair Share Allocations 

Source: Southern California Association of Governments

Table 6-1  
HOUSING ASSISTANCE PLANS 1979-1982  
(number of units)

Primary Zone West		Primary Zone Central		Primary Zone East	
Jurisdiction	New Const. and Rehab Goal	Jurisdiction	New Const. and Rehab Goal	Jurisdiction	New Const. and Rehab Goal
Culver City	177	Bell <sup>b</sup>		Artesia <sup>b</sup>	
El Segundo <sup>b</sup>		Carson	326	Bellflower	312
Gardena	247	Compton	758	Buena Park	272
Hawthorne	362	Cudahy <sup>b</sup>		Bell Gardens	161
Hermosa Beach <sup>b</sup>		Huntington Park	104	Cerritos	164
Inglewood	175	Los Angeles Urban		Commerce <sup>b</sup>	
Lawndale <sup>b</sup>		County	16,120 <sup>a</sup>	Cypress	189
Manhattan Beach	278	Los Angeles City	16,830	Downey	373
Redondo Beach	282	Lynwood	102	Hawaiian Gardens <sup>b</sup>	
Torrance	560	Maywood <sup>b</sup>		La Mirada	131
		South Gate	86	La Palma <sup>c</sup>	
<u>Total</u>	<u>2,081</u>	Vernon <sup>b</sup>		Lakewood	243
		<u>Total</u>	<u>34,326</u>	Long Beach <sup>a</sup>	1,762
				Montebello	275
				Norwalk	261
				Paramount	91
				Pico Rivera	350
				Santa Fe Springs	199
				Whittier	475
				Orange Urban County	3,780
				<u>Total</u>	<u>9,038</u>

- a/ Goal is for entire jurisdiction, not just primary zone.  
b/ Included within Los Angeles Urban County goal.  
c/ Included within Orange Urban County goal.



goals for all of the urbanized Los Angeles County and the entire area of Los Angeles City, not just the primary zone. Total goals are approximately 45,000 units. If it is assumed that one half of the Los Angeles County and Los Angeles City goals could be achieved in the primary zone, then total HAP goals would range from 25,000 to 30,000 units. HUD has determined that the Century Freeway Program can be counted toward the achievement of these goals under the following conditions:<sup>1</sup>

- o Occupants of Century Freeway housing must not have incomes that exceed 80 percent of the median income.
- o Occupants of Century Freeway housing must have previously occupied a substandard unit or an overcrowded unit or paid more than 25 percent of their income for housing. In addition, HUD has determined that in order for a rehabilitated unit to count toward the achievement of HAP goals the jurisdiction in which the units were originally located must determine that the unit was substandard. Also, only the jurisdiction to which the units are relocated can count the unit toward its HAP goal. Under these restrictions only a limited proportion of the 3,700 Century Freeway units are likely to be counted toward meeting HAP goals.

#### County of Los Angeles Housing Element

The County of Los Angeles General Plan (1980) has incorporated in its Housing Element a number of housing objectives. The four main problem areas focused on in the Element are the quantity, quality, opportunity and cost of housing in the Los Angeles region. The Century Freeway Housing Program addresses all four of the objectives by aiding in the construction of new and rehabilitated units which supply quality housing to low and moderate income groups.

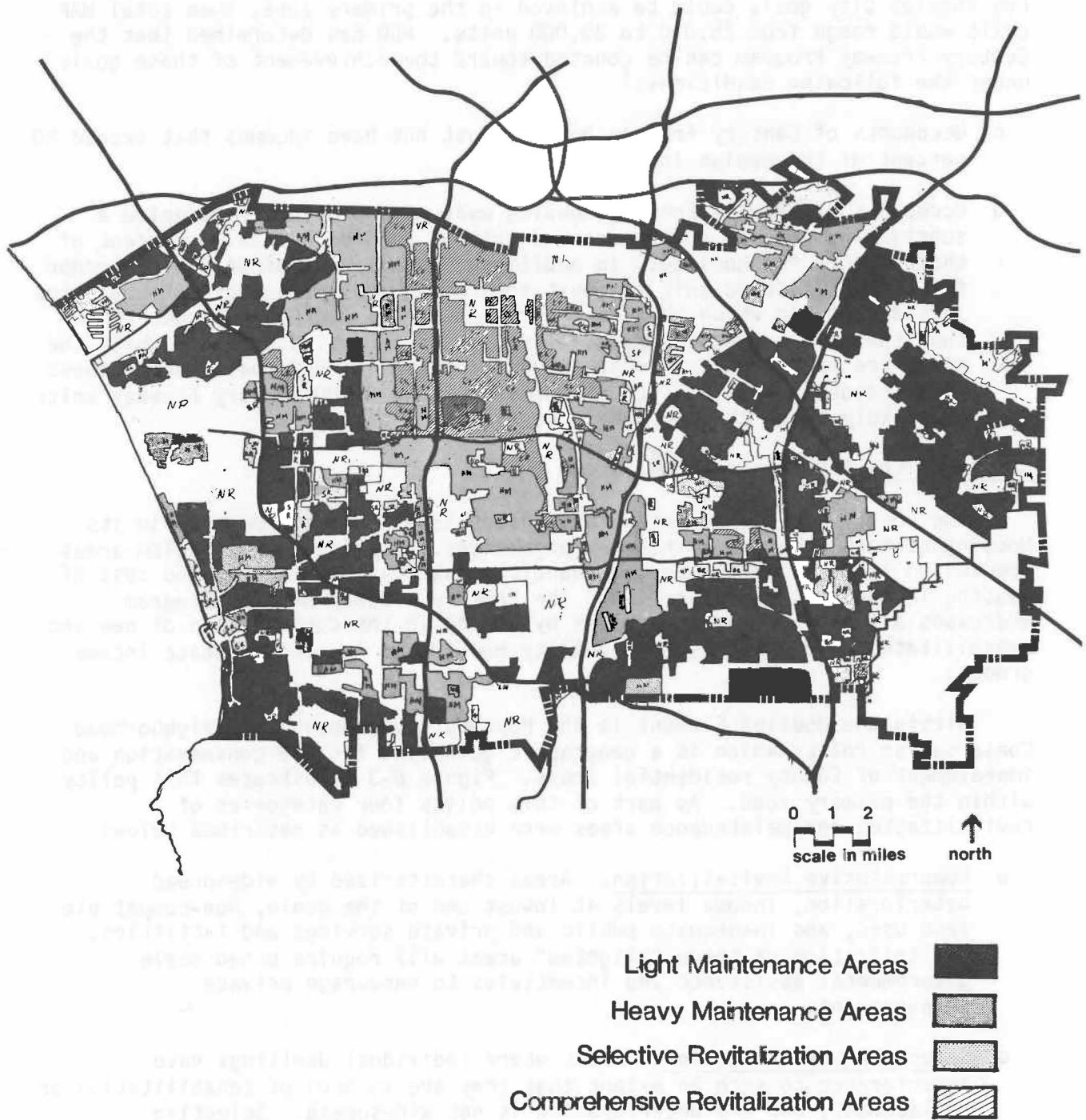
Within the Housing Element is the Housing Development and Neighborhood Conservation Policy which is a geographic guideline for the conservation and improvement of County residential areas. Figure 6-3 illustrates this policy within the primary zone. As part of this policy four categories of revitalization and maintenance areas were established as described below:

- o Comprehensive Revitalization. Areas characterized by widespread deterioration, income levels at lowest end of the scale, non-compatible land uses, and inadequate public and private services and facilities. Revitalization of these "blighted" areas will require broad scale governmental assistance and incentives to encourage private reinvestment.
- o Selective Revitalization. Areas where individual dwellings have deteriorated to such an extent that they are in need of rehabilitation or replacement, but the deterioration is not widespread. Selective revitalization areas will require a moderate investment of public resources.

<sup>1</sup>Letter from the Department of Housing and Urban Development to HCD concerning HAP criteria, November 18, 1981.

FIGURE 6-2

# LOS ANGELES COUNTY NEIGHBORHOOD CONSERVATION POLICY



Source: LA County General Plan

- o Heavy Maintenance. Areas where structures are generally in good condition but house exteriors and landscaping are being neglected. These areas require preventative maintenance programs to assure that they do not become deteriorated. Generally, income levels are sufficient to maintain the homes, but some governmental incentives may be necessary.
- o Light Maintenance. Residential neighborhoods in sound conditions and well maintained. Routine maintenance of houses and services should be all that is required to keep these neighborhoods sound.

In this context, the housing entitlements established by the Draft Housing Plan target 44 percent of the the units (1,620) for County comprehensive and selective revitalization areas. The remaining 56 percent of the housing units are targeted for light and heavy maintenance areas.

While there is some risk posed to the public investment in housing by locating units in areas requiring revitalization, adverse consequences are not anticipated based on the following considerations:

- o The site selection guidelines contained in this plan will ensure that conducive infrastructure and other physical conditions exist, and,
- o As part of the cooperative agreement process the Los Angeles County staff, as well as other participating planning staffs, will make specific recommendations to the Housing Program regarding the advisability of various potential housing locations.

Areawide environmental plans which may be affected by the Century Program include the:

- o Air Quality Maintenance Plan
- o Regional Transportation Improvement Program
- o 208 - Areawide Waste Treatment Management Plan.

The consistency of the Century Freeway Housing program with these plans are discussed below.

#### Air Quality Maintenance Plan (AQMP)

The Southern California Association of Governments (SCAG) and the South Coast Air Quality Management District prepared an AQMP for the Los Angeles region which consists of a series of goals and control measures of the attainment of the National Ambient Air Quality Standards. The specific objectives of the AQMP are to:

- o Identify maximum allowable emissions which will permit clean healthful air,
- o Provide a comprehensive program to attain clean air by 1987,
- o Meet the requirements of the California Lewis Air Quality Management Act, and,
- o Meet the requirements of the Federal Clean Air Act, as amended in 1977.

In general, the Housing Plan promotes the goals of the AQMP, particularly through its emphasis on in-fill development, improved housing accessibility to public transportation (Mills Bill criteria), and the energy conservation objectives (Title 24). The AQMP presents over 130 possible control measures. Control measures proposed by the AQMP that the Housing Plan supports include:

- o H-91 urban in-fill and orderly urban expansion
- o H-101 encourage rehabilitation of older urban areas
- o N-2 energy conservation: residential retrofit
- o N-5/N-6 alter design of new residential space and water heaters
- o N-21 life cycle costing.

#### Regional Transportation Improvement Program

The Regional Transportation Improvement Program for the six-county SCAG region is a five-year multi-modal program of regional transportation improvements for highways, transit and aviation. The plan consists of projects drawn from the long range elements of the Regional Transportation Plan and the Transportation Systems Management Element. The projects are directed at improving the overall efficiency and people-moving capabilities of the existing transportation system while incrementally developing the long range plan.

A review of both the fiscal year 1982-86 and fiscal year 1983-87 regional plans indicates that the Century Freeway Housing Program is consistent with these plans. Specifically:

- o The Century Freeway is listed as first priority in the Los Angeles County State Highway Candidate Prioritization List (Interstate Funds). Per the provisions of the Consent Decree, the Century Freeway cannot be completed without the implementation of the Housing Program.
- o The provisions of SB1721 (Mills, Chapter 1066 of 1980) which requires the development of housing for the Century Freeway Housing program in proximity to public transportation corridors as well as the potential use of surplus land adjacent to future Century Freeway transit stations, support the transit development objectives of the Regional Transportation Improvement Plan.
- o Air quality improvement objectives of the Regional Transportation Improvement Plan are supported by several constituent elements of the Housing Plan. These objectives include emphasis on in-filling, adjacency to public transportation, and inclusion of energy conservation requirements of Title 24.

#### 208 - Areawide Waste Treatment Management Plan

SCAG adopted the 208-Areawide Waste Treatment Management Plan in 1979. The plan contains a series of areawide policies that cover such areas as non-point source waste management, municipal and industrial waste management, water conservation and re-use, residual waste management and implementation. The Housing Plan is consistent with a number of these policies. Specifically, the Housing Plan would not result in generating population growth above that forecast by SCAG. The effect of the Century Freeway

Housing program would be to redistribute existing population. The program is designed to fulfill replacement housing needs of freeway displacees and replenish housing stock to communities that have lost housing as a result of the freeway. In addition, the focus of the Housing Plan on the Primary Zone indicates that the housing provided through the program will be located in the most heavily urbanized portion of the Los Angeles region which has long had infrastructure in place. No Century Freeway housing developments are anticipated in unsewered areas.

#### 6.2.2 Potential Article 34 Involvement

Depending on the home ownership eligibility system ultimately established by the Housing Program, a minimum of 1,000 subsidized rental units would be provided by the Program. Section 5.3 indicated the rental housing development strategy includes the development of rental housing in jurisdictions with Article 34 authority, use of low density infill (1-4 unit) projects, tax exempt financing, and mixed income projects. To the degree that this strategy can be successfully realized, Article 34 requirements for local referenda would not be anticipated.

#### 6.2.3 Community Effects

This impact category addresses the issue of the consequences of the Housing Program to communities in which the housing is located, and to property owners adjacent to Century Freeway housing sites. Specific questions include:

- o What would be the impact on neighborhood character (physical and social)?
- o What would be the impact on facilities and services?

#### Impacts on Neighborhood Character

It is anticipated that impacts of the Housing Program on the physical character of Primary Zone neighborhoods would be minimal. This assessment is based on the following site selection policy features of the Housing Plan:

- o Housing will be produced that is in conformance with all local codes and zoning.
- o Housing developments will be compatible in scale with the surrounding residential development.
- o Each proposed housing project will be subject to local environmental clearance under the provisions of CEQA and NEPA.
- o Acquisition of housing should not generate consequential residential displacement.

Similarly, it is anticipated that potential adverse effects on adjacent property owners, particularly with respect to the maintenance of Century Freeway units, would be mitigated by:

- o Requirements for a home maintenance course for all first-time buyers,
- o Incentives to maintain unit built into the resale control instrument,
- o Multiple family projects of sufficient size would have on-site managers,

- o HCD's active development of funding sources for an operation and maintenance fund.

With respect to social impacts, the consequences are difficult to predict. The possibility exists for the introduction of new groups into socially and economically homogeneous neighborhoods, and conflicts may result. The key feature of the Housing Plan that may alleviate this potential is the program's emphasis on maximizing displacee participation.

In addition, there may be some social stigma attached to affordable Century Freeway Housing. It is likely to be common knowledge within a community that a particular unit is reserved for income groups below 120 percent of the median. Social interaction between the occupants and the surrounding community may be adversely affected. No particular mitigation policy may be possible, except for a "good neighbor" type publicity and educational campaign sponsored and promoted by HCD in coordination with local jurisdictions.

Finally, the rental housing aspects of the program may be the source of potential adverse community effects. These negative consequences would be most likely if a mix of income groups cannot be achieved in rental projects, and all tenant households fall into the lowest income brackets. Concentrations of the poor, even in the smallest developments, may be perceived by the adjacent community as an extremely negative situation. Mitigation of this outcome may be achieved by:

- o Restricting rental projects to small in-fill 2-4 units complexes,
- o Producing market rate rental units for non-displacees from non-Trust Fund State and/or Federal sources to ensure mixed income projects,
- o Supplying significant amounts of support sources to rental projects to stimulate tenant organizations, property upkeep, etc. Funding would have to come from outside the Century Freeway Housing Program.

#### Impacts on Community Facilities and Services

Potential consequences to local services will be treated in detail as part of site-specific environmental documents. At a broad level, it is projected that the Housing Program would have no substantial adverse impacts on local infrastructure (utilities, sewer, etc.). As noted previously, the program will be replacing housing stock largely where infrastructure already exists.

With respect to community facilities, contacts made with school districts and/or local school boards throughout the Primary Zone indicated that overcrowded schools are a particular problem in several communities.<sup>1</sup> As shown in Table 6-2, communities where this problem exists include Bell, Bell Gardens, Compton, Cudahy, Huntington Park, Los Angeles City, Los Angeles County, Lynwood, Maywood, and South Gate. Some of these ten communities are located in the central portion of the Primary Zone. Depending on the site-specific location of replenishment units provided

<sup>1</sup> As part of this assessment, 28 school districts and/or school boards were contacted. See Economics Research Associates, Community Capacity Analysis Summary, memorandum, January, 1982.

Table 6-2  
 PRIMARY ZONE COMMUNITIES WITH OVERCROWDED SCHOOLS\*

NUMBER OF OVERCROWDED SCHOOLS			
<u>JURISDICTION</u>	<u>ELEMENTARY</u>	<u>JUNIOR</u>	<u>SENIOR HIGH</u>
Artesia	---	---	---
Bell	2	---	---
Bellflower	---	---	---
Bell Gardens	3	2	---
Carson	---	---	---
Cerritos	---	---	---
Commerce	---	---	---
Compton	2	---	---
Cudahy	2	---	---
Culver City	---	---	---
Downey	---	---	---
El Segundo	---	---	---
Gardena	---	---	---
Hawaiian Gardens	---	---	---
Hawthorne	---	---	---
Hermosa Beach	---	---	---
Huntington Park	7	2	1
Inglewood	---	---	---
Lakewood	---	---	---
La Mirada	---	---	---
Lawndale	---	---	---
Long Beach	---	---	---
Los Angeles City	10	1	---
Los Angeles County	1	1	---
Lynwood	5	---	---
Manhattan Beach	---	---	---
Maywood	2	---	---
Montebello	---	---	---
Norwalk	---	---	---
Paramount	---	---	---
Pico Rivera	---	---	---
Redondo Beach	---	---	---
Santa Fe Springs	---	---	---
South Gate	5	1	1
Torrance	---	---	---
Vernon	---	---	---
Whittier	---	---	---

\* Source: Economics Research Associates, Community Capacity Analysis Summary memorandum, January 6, 1982.

through the Century Freeway Housing Program, and the demographic characteristics of occupant households (particularly families with children), these overcrowded conditions could be further exacerbated by the allocation of 1,640 replenishment units to the central portion of the Primary Zone.

#### 6.2.4 Employment, Fiscal and Economic Impacts

##### Employment Generation

Total labor cost for producing 3,700 units are estimated to be approximately \$67 million or approximately \$18,000 per dwelling unit. Discussions with local builders and architects indicate that the average wage for all construction labor classifications is currently about \$15 per hour. The average Century Freeway Housing Program unit would require about 1,200 hours or 30 person-weeks to build. Total labor requirements for the entire Housing Program would be approximately 111,000 person-weeks. Assuming a 50-week year, approximately 2,700 full-time jobs would be created by the Housing Program.

It should also be recognized that additional jobs (indirect employment) will be created (supplies, food, clothing transportation, legal, insurance, recreation, etc.) in support of the direct construction jobs. Statewide, this could be in excess of two support jobs for each basic construction job, in addition to ongoing administration by HCD. As each round of spending of the construction wages and salaries occurs in a local area, however, an increasing percent of each dollar is lost to outside areas in the form of savings, investments, etc., thus having a decreasing effect on employment generation. In total, it is estimated that each direct Century Freeway Housing Program construction job will create one additional support or indirect job in the Los Angeles area. Estimated total direct and indirect employment resulting from the Housing Program would then be approximately 4,000 jobs.

With respect to the number of these jobs that would go to primary zone residents, it should be recognized that an established goal of the Century Freeway Affirmative Action Committee (CFAAC) is to employ one-quarter of the construction work force from Corridor Jurisdictions. In addition, HCD, in coordination with CFAAC, has the opportunity, through contract requirements and/or builder/developer selection, to significantly increase the participation of Primary Zone residents in construction. Specifically, the first RFP issued by HCD contains a MBE and a WBE goal of approximately 45 percent. Capturing employment for corridor residents and MBE's would, of course, also increase the indirect employment opportunities in the area. Table 6-3 indicates that Caltrans currently has over 1,000 MBE's and WBE's listed in their files.

At this time, there is no data on MBE participation for new construction versus rehabilitation in the Century Freeway Housing Program. However, contacts with Caltrans' Civil Rights Office, the Century Freeway Affirmative Action Committee, Technical Data Corporation (contractor providing supportive services to MBE's) and several MBE contractors indicated that there should be no significant differences in MBE participation regardless of whether the program emphasis is on new construction or rehabilitation.



Table 6-3  
 MINORITY AND WOMEN BUSINESS ENTERPRISES  
 (number of firms)

<u>Work Category</u>	<u>Total MBE &amp; WBE</u>	<u>WBE Only</u>
Clearing and Grubbing	40	9
Concrete	96	16
Consultant/Planning	51	10
Drainage/Underground Construction	52	8
Drilling/Demolition	33	8
Earth Work/Grading	77	17
Electrical	36	3
General Building	71	9
General Engineering	52	10
Guardrail/Fencing	20	4
Landscaping	23	4
Masonry	15	1
Miscellaneous	125	33
Paving (asphalt)	38	9
Sand Blasting	10	2
Suppliers/Manufacturing	57	21
Truckers/Brokers	216	34
<b>TOTAL</b>	<b>1,015</b>	<b>202</b>

Source: Computer Printout, State of California Department of  
 Transportation, District 07MBE Listing By Work Category

## Fiscal Impacts

Non-project costs result from the provision of service to the additional households and population created by the new housing. Such costs include police, fire protection, recreation and parks, public works maintenance, and sewer and waste-water treatment.

Utilizing ratios (such as 2 policemen per 1,000 population) and city budgets of Southern California cities, the incremental annual costs per household for Century Freeway Housing units for police and fire protection are estimated to be about \$214 and \$110, respectively. Parks and recreation service costs vary significantly from community to community, depending upon the number of parks in the community and the number of recreation programs provided. A cost of about \$20 per household for the Century Freeway housing units has been used. Review of community budgets indicates an average cost for Public Works services (including sewer and wastewater operations) of about \$145 per household and about \$90 per household for general government. Overall, these annual costs approximate \$574 per household as summarized in Table 6-4.

Primary sources of revenues for communities in which the Century Freeway housing units will be located are a variety of taxes, service and use fees, and fines and forfeitures.

Sales tax revenue to be generated by the households will be relatively low because of the low average-income for the participants in the Century Freeway housing program. Offsetting to some extent the low incomes, is the fact that the lower the income the higher the percent of income allocated to sales tax items. With an average annual household income of \$16,768, sales tax revenues of about \$845 per year would be generated, one-sixth of which is allocated to the local community.

The average annual per unit property tax for the Century Freeway housing units has been estimated to be about \$778. Of this amount, approximately 20 percent or about \$156 would be retained by the local community. Other potential sources of revenues and estimated revenue amounts, developed after the previously mentioned review of community budgets, are identified in Table 6-5.

As a result, there is an apparent shortfall of about \$104 per unit per year. Major factors in this shortfall are revenues (taxes) from business and industrial operations in the community. It should be noted that these cost and revenue figures are approximate, and that detailed analysis for each community in the primary Century Freeway zone would result in as many different cost and revenue estimates.

It should also be noted that each community will collect, on a one-time basis, approximately \$2,000 for development fees and permit charges for each housing unit. Potential net annual non-project receipts and expenses are summarized in Table 6-6.

As can be seen, in addition factors may also have a fiscal effect. First, the Housing Program's emphasis on new construction may tend to produce higher assessor valuations and thus higher revenues for local jurisdictions.

Table 6-4  
ANNUAL NON-PROJECT COSTS PER HOUSEHOLD

Fire	\$110
Police	214
Parks and Recreation	20
Public Works	145
General Government	<u>85</u>
TOTAL	\$574

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Source: Aron Clemens/Economics Research Associates, Century Freeway Housing Plan, Working Paper Number Nine: Project Costs and Budget Analysis, October 2, 1981.

Table 6-5  
ESTIMATED ANNUAL REVENUE PER HOUSEHOLD

<u>Source of Revenue</u>	<u>Annual Revenue Per Household</u>
Sales Taxes	\$141
Motor Vehicle License and Fuel Taxes	57
Cigarette Taxes	8
Property Taxes (20%)	156
Franchise, Refuse, Water, Utility, Sanitation Taxes	60
Fines and Forfeitures	20
User Fees and Other "City" Service Charges	28
TOTAL	<u>\$470</u>

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Source: Aron Clemens/Economic Research Associates, Century Freeway Housing Plan, Working Paper Number Nine: Project Costs and Budget Analysis, October 2, 1982.

Table 6-6  
NET REVENUES AND EXPENSES GENERATED BY THE HOUSING PROGRAM

	(In Millions of Dollars)					Fy '87 and Subsequent
	FY '82	FY '83	FY '84	FY '85	FY '86	
Receipts from Permits, etc.	\$0.60	\$2.40	\$2.30	\$2.09	\$0.99	\$ 0
Expenses	<u>0.03</u>	<u>0.09</u>	<u>0.25</u>	<u>0.36</u>	<u>0.44</u>	<u>0.47</u>
New Revenue (Expense)	\$0.57	\$2.31	\$2.05	\$1.73	\$0.55	(\$0.47)

Second, the desire of HCD to use a second trust deed as an expenditure recovery technique is likely to result in program participants paying property taxes on the total value of the housing unit. Previously, HCD has received a ruling from the Franchise Tax Board that written-down units would only be assessed taxes on the affordable sales price. With the introduction of the second trust deed concept, this may no longer be true, and affected jurisdictions could receive additional revenues.

### Impacts on the Housing Market

Housing construction in the various cities within the Century Freeway Primary Zone has followed the California and nationwide trend in the past four years by showing a very substantial decline. As shown in Table 6-7 and Figure 6-4, there were permits issued in 1978 by these cities for 22,095 single family and multi-family units. By 1981, the number of units had declined to about 12,000;<sup>1</sup> a decline of 45%. If the permits issued by the City of Los Angeles are deleted from this analysis (because such a small portion of the City relative to its total size is actually in the Century Freeway Primary Zone) the number of units represented by permits issued by the remaining cities drops to 5,079 in 1978 and to approximately 3,200 units in 1981, still representing a decline of about 45%. These numbers are indicative of the severe problems facing the local home builders as well as home builders throughout the county, and there does not appear to be any immediate relief.

One bright spot for the local builders will be the Century Freeway Housing Program. It will produce from 3,700 units to 4,500 units. This is assuming that funds received from those units which are sold rather than rented to eligible participants are recycled. With the goal of completing all units within a five-year period, the average number of units constructed each year would be 740 to 900, which represents 22.5% to 28.1% of the total number of building permits issued in 1981 in the Primary Zone cities, excluding Los Angeles. Thus, from a construction standpoint, the Century Freeway Housing Program would have a significant beneficial impact.

#### 6.2.5 Impacts on Program Participants

In the final analysis, the success or failure of the Century Freeway Housing Program depends on the degree to which the needs of the displacees and other target users have been met. This section of the impact analysis focuses on the "people aspects" of the Housing Plan and Program which affect households' decisions, lifestyles and well-being over the short and long term. The intent is to project how the Housing Plan approach would impact the social and financial aspects of occupants' lives. The analysis further considers the effects of external factors such as government budget cuts, job security, and economic trends.

### Satisfaction of Displacee Locational Preferences

Table 6-8 illustrates the most recent findings from the Caltrans 1981-82 survey of displacee households. As was the case in the Caltrans 1978 survey, displacees who reside in the west and east portions of the freeway

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<sup>1</sup>Annualized, based on first 10 months data.

Table 6-7

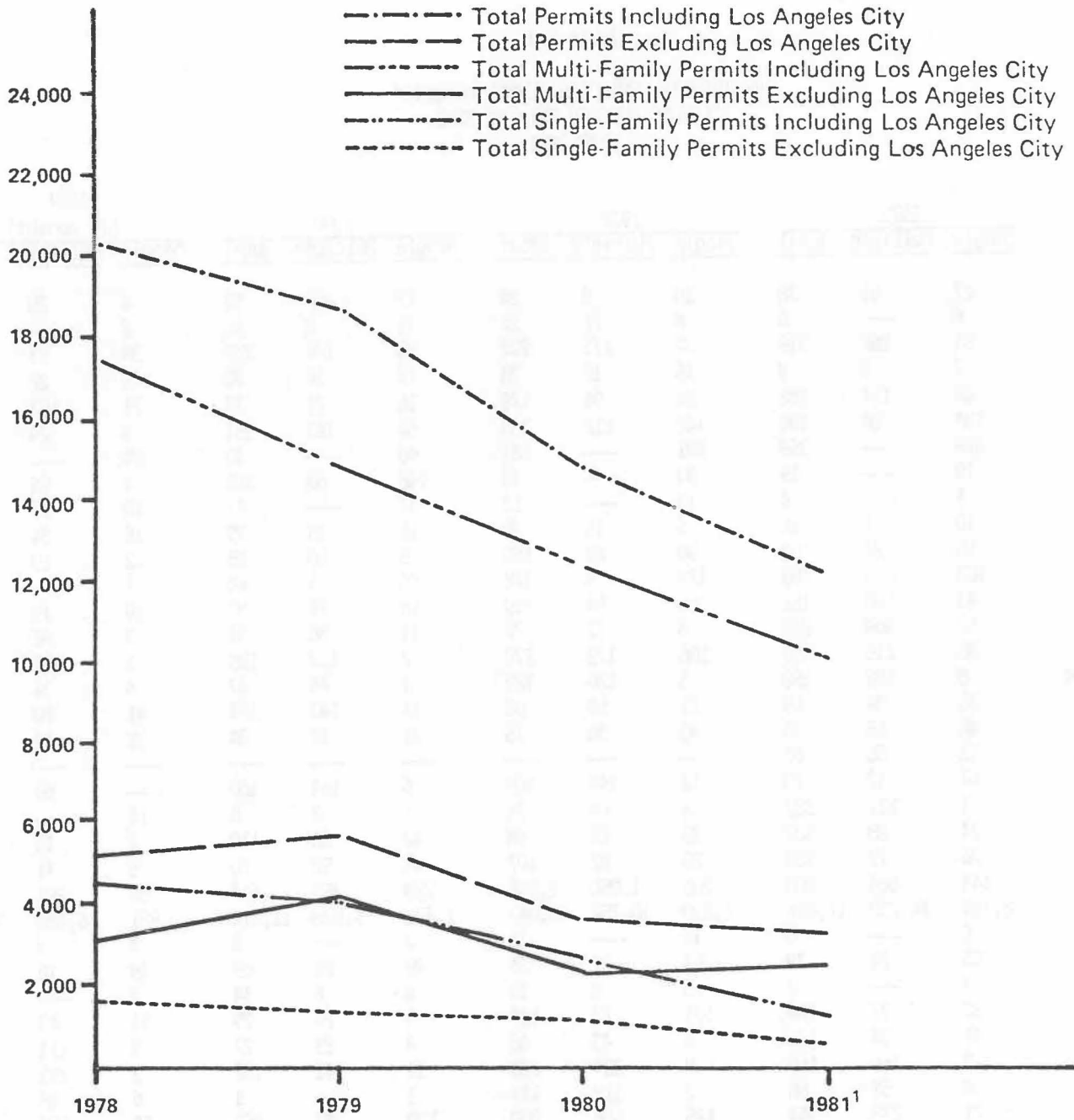
RESIDENTIAL BUILDING PERMIT ACTIVITY  
CENTURY FREEWAY PRIMARY ZONE  
1978-1981

	1978			1979			1980			1981 (10 months)		
	Single	Multiple	Total	Single	Multiple	Total	Single	Multiple	Total	Single	Multiple	Total
Artesia	27	51	78	18	6	24	13	—	13	4	29	33
Bell	6	—	6	6	21	27	11	2	13	2	—	2
Bellflower	51	268	319	34	171	205	95	144	239	38	63	101
Bell Gardens	7	2	9	16	12	28	19	16	35	2	22	25
Buena Park	44	114	158	84	94	178	16	21	37	71	103	174
Carson	134	56	190	148	212	360	58	123	181	3	29	32
Cerritos	359	—	359	181	—	181	40	—	40	24	—	24
Commerce	19	—	19	33	—	33	148	68	216	4	96	100
Compton	4	—	4	13	—	13	47	—	47	10	27	37
Cudahy	10	6	16	5	15	20	11	18	29	16	34	50
Culver City	55	27	82	90	69	159	5	50	55	12	19	31
Cypress	103	—	103	172	6	178	60	4	64	1	—	1
Downey	43	109	152	65	54	119	18	74	92	19	19	38
El Segundo	62	164	228	5	72	77	11	80	91	9	92	101
Gardena	38	215	253	106	172	278	7	132	139	1	181	182
Hawaiian Gardens	8	152	160	3	126	129	1	46	47	4	34	38
Hawthorne	35	34	69	21	59	80	14	140	154	41	20	61
Hermosa Beach	40	55	95	40	36	76	21	13	34	22	13	35
Huntington Park	12	55	67	—	—	—	—	—	—	—	—	—
Inglewood	67	12	79	12	148	160	6	154	160	—	69	69
Lakewood	1	221	222	5	69	74	1	3	4	14	—	14
La Mirada	74	28	102	23	65	88	42	68	110	2	18	20
Lawndale	26	77	103	25	82	107	18	52	70	5	71	76
Long Beach	144	664	808	208	1,050	1,258	253	359	612	69	386	455
Los Angeles	2,784	14,232	17,016	2,290	10,752	13,042	1,472	9,838	11,310	851	6,488	7,339
Lynwood	8	—	8	14	—	14	3	—	3	3	6	9
Manhattan Beach	55	24	79	53	32	85	49	20	69	39	18	57
Maywood	7	—	7	5	8	13	8	6	14	2	—	2
Montebello	32	77	109	101	23	124	5	24	29	51	43	94
Norwalk	41	94	135	5	43	48	4	23	27	2	111	113
Paramount	3	156	159	9	224	233	11	141	152	3	191	194
Pico Rivera	6	52	58	2	112	114	1	—	1	6	18	24
Redondo Beach	71	273	344	125	684	809	120	349	469	59	199	258
Santa Fe Springs	—	—	—	1	75	76	—	—	—	1	27	28
South Gate	18	76	94	11	9	20	27	6	33	11	10	21
Torrance	184	113	297	33	191	224	35	184	219	27	104	131
Vernon	—	—	—	—	—	—	—	—	—	—	—	—
Whittier	20	90	110	56	97	153	21	77	98	10	28	38
Total	4,598	17,497	22,095	4,018	14,789	18,807	2,671	12,235	14,906	1,439	8,568	10,007
Total <sup>1</sup>	1,814	3,265	5,079	1,728	4,037	5,765	1,199	2,397	3,596	588	2,080	2,668

<sup>1/</sup> Without Los Angeles City.

Source: Economics Research Associates.

FIGURE 6-4



<sup>1</sup>Annualized from 10 months data.

HOUSING PERMIT TREND  
CENTURY FREEWAY PRIMARY ZONE CITIES  
1978-1981



Table 6-8

DISPLACEE RELOCATION PREFERENCE

Relocation Preference Within Primary Zone

<u>Present Location of Displacee</u>	<u>West</u>	<u>Central</u>	<u>East</u>	<u>Leave Primary Zone</u>	<u>Total</u>
West	84%	2%	3%	11%	100%
Central	55	16	16	13	100
East	1	--	--	6	100

Source: Caltrans 1981 - 1982

corridor show a strong desire to relocate within the same community or adjacent communities. For displacees living west of Vermont, 80 percent would prefer housing in that general vicinity. Displacees living in the east show an even stronger preference, where 93 percent of those in the east section of the corridor wish to remain in that area. In contrast, only 16 percent of the displacees in the central portion of the corridor would prefer to relocate in that area. The majority of the displacees in the central corridor prefer to relocate to the western portion of the primary zone. Targeting housing to the eastern and western portions of the primary zone is thus likely to increase the potential for displacee participation in the Housing Program. The proposed housing entitlements would relocate 66% of the housing (2,000 units) to the western and eastern areas.

#### Influence of the Proposed Housing Mix

As noted in Section 5.0, the Housing Plan may slightly favor the production of multiple family units (such as townhomes, condominiums and apartments) over the development of detached single family homes. Table 6-8 illustrates, however, that the vast majority of displacees (84%) indicate preference for single family units, either for rental or purchase. Only 1% of the displacee respondents desired a condominium. This strong preference for single family homes may act as a slight deterrent to displacee participation in the program.

A second issue which is even more important for displacee owners in view of their eligibility for RAP payments,<sup>1</sup> is that of "comparability". Households are entitled, under the Uniform Relocation Act, to a replacement unit that is comparable in type, location, size, value, and other features such as garages, basements, etc. Those who presently own their own single family homes will require their current level of housing amenities, and it is questionable whether multi-family units of a condominium style would be considered "comparable."

#### Impact of the Site Selection Policy

The proposed Housing Plan approach of utilizing a series of criteria that address neighborhood conditions for selecting potential sites for Century Freeway housing, would have a positive impact on participant households. To the degree that neighborhood factors are incorporated into the evaluation criteria of HCD housing policies, participant households are likely to be offered a more comfortable environment.

##### 6.2.6 Energy Conservation Impact

Incorporated into the Housing Plan are two factors which will ensure that the Century Freeway Housing Program maximizes the potential for energy conservation. First, all housing provided through the Program will comply with the requirements of Title 24, Subchapter 4, Article 1 of the California Administrative Code (Energy conservation Standard for New Residential Buildings). Specifically, all new units constructed under the Program will strictly adhere to Title 24 requirements. The RFP encourages developers to submit proposals which reflect a strong concern for energy savings and use

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<sup>1</sup>Relocation Assistance Payments.

Table 6-9

DISPLACED HOUSING TYPE PREFERENCE

<u>Housing Type Preferred</u>	<u>Percent</u>
Rent - Apartment	13%
Rent - House	23
Buy - House	62
Buy - Condominium	1
No Response	1
	<hr/> 100%

Source: Caltrans 1981 - 1982

of renewable sources of energy. Rehabilitated units will follow the most cost effective prescriptive measures as outlined in the Century Freeway Housing Energy Assessment Project.<sup>1</sup>

The second major aspect of the Housing Program which will encourage energy conservation is that the plan will be carried out in conformance with the provisions of Senate Bill 1721 (Mills, Chapter 1066 of 1980). This bill requires that the Century Freeway Housing Program give preference in the location of replacement housing units to those locations within existing transportation corridors and that HCD seek out locations which will provide residents with convenient access to established transit service. Moreover, the location of housing within one-quarter mile of public transportation routes will improve the potential for reducing vehicle trips and reducing energy consumption by program participants. The region-wide implications of this reduction, related to only 3,700 households, would be minimal.

#### 6.2.7 Noise impacts

The Housing program will be sensitive to noise impacts of the program housing in two ways. First, all units produced through this program, both those which are newly constructed and those which are rehabilitated, will comply with all Federal, State and local requirements for noise levels and noise attenuation features. Second, the site selection and project evaluation criteria proposed by the Plan will give consideration to the suitability of the noise environment at a site.

### 6.3 PROJECT-LEVEL EFFECTS

Given the non-site-specific nature of the Housing Plan, the following environmental elements are not addressed in detail. Analysis and evaluation of these elements will take place in the context of both environmental clearance for projects selected by the Housing Program and the permit and code compliance process at the local level. Future project-level environmental evaluation must comply with all state and federal regulations including NEPA, Section 4(f), Section 106, Protection of Wetlands, Endangered Species Act, and the Flood Plain Management process.

- o Construction Impacts. All construction activities related to the Century Freeway Housing Program will be in compliance with the applicable codes and ordinances of the affected jurisdictions. Particular attention will be given to noise, dust generation, hours of operation, etc.
- o Traffic and Circulation. Access studies of all major multiple family projects and/or single family subdivisions may be required. Consideration will be given to changes in traffic patterns, level of service and parking requirements. It is highly unlikely that the bulk of projects produced by the Housing Program will have any substantial effects.

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<sup>1</sup>Los Angeles Community Design Center, Century Freeway Housing Energy Assessment Project for California Department of Housing and Community Development, January 1981.

- o Air Quality. Pollutant problems in the Los Angeles region are well documented. Site-specific air quality assessment will involve analysis of large development projects as well as the evaluation of site locations to determine whether housing units provided by the program would be exposed to pollutants, dust and odors.
- o Noise Impacts: Following the site selection policy outline in Chapter 5, it is unlikely that housing developed through the program would be exposed to noise levels in excess of Federal guidelines. It is anticipated that sites within the 65 CNEL contour of Los Angeles International Airport would not be considered. Similarly, it is anticipated that units constructed adjacent to the freeway right-of-way would be delayed until after freeway construction has been completed and until the appropriate noise attenuation barriers have been provided along I-105. If local codes require a more restrictive standard, then local codes and standards will be used to determine whether a particular site is appropriate for development.
- o Flood Hazard. Few areas prone to flooding are located within the primary zone. It is anticipated that the normal permitting process would establish site-specific parameters (if required).
- o Wetlands. Development of Century Freeway housing within areas designated as wetlands is unlikely. If such actions were proposed, HCD would operate in close coordination with the California Coastal Commission.
- o Geology and Soils. Although there are several major earthquake fault areas within the Primary Zone, coverage of geologic and seismic conditions will be treated in site engineering and environmental clearance. With respect to slope stability, Century Freeway housing would be developed in conformity with applicable local slope and zoning ordinances.
- o Water Quality. It is anticipated that all units provided through the Housing Program will have sewer and other infrastructure connections. No septic systems would be required and there should be no adverse effects on local ground water.
- o Natural Resource Conservation. The Primary Zone is completely urbanized. The natural environment has been completely removed. Negligible impacts are anticipated in this area.
- o Visual and Aesthetic. As part of the RFP review process, special consideration will be given to the design quality and architectural merit of proposed housing developments. At the site-specific level, consideration will be given to the compatibility of the proposed project with adjacent residential developments.
- o Historic and Cultural. Both improved and unimproved sites will be subject to an evaluation to identify archaeological and/or historic resources. Consideration of acquisition of abandoned school sites would require a determination by HCD counsel regarding potential Section 4(f) of NEPA involvement.

- o Noise and Safety Impacts. Both improved and unimproved sites will be subject to an evaluation of noise and safety impacts of airport operations on the proposed developments. In addition, potential impacts on ground transportation network that served the Los Angeles International Airport, Compton Airport, Hawthorne Airport, Long Beach Airport and Shepard Airport shall be evaluated where applicable and the general compatibility between proposed use and the airport.

#### 6.4 CUMULATIVE EFFECTS

One of the primary purposes of the Draft Environmental Assessment is to identify cumulative impacts resulting from the Housing Program. Towards this end the following findings are made:

- o The proposed housing location entitlements will not unduly concentrate housing in any particular area of the Primary Zone. Housing will be located to achieve a balance between meeting displacee needs and the affordable housing needs of corridor and other Primary Zone jurisdictions.
- o The potential distribution of housing entitlements throughout the 300 square mile Primary Zone area will tend to disperse added demands on affected local facilities and services.
- o Under specific low and moderate income provisions, the Housing Plan will assist Primary Zone communities in achieving SCAG Fair Share allocations as well as meet the objectives of local Housing Assistance Plans.
- o Implementation of the Housing Program may result in revenue shortfalls. Shortfalls in any particular jurisdiction will be dependent on the number of units provided and the income levels of the occupants. On average, the shortfall is estimated to be \$104 per unit. This average per unit shortfall must be viewed within the context of the overall I-105 corridor economic benefits anticipated as result of the freeway/transitway.
- o It is estimated that approximately 2,700 full-time construction jobs will be created by the Housing Program over a five year period.
- o Site and project selection criteria developed by HCD are designed explicitly to minimize adverse impacts particularly on elements of the physical environment including air quality, noise, water quality, flood hazards, geology and soils, etc. It is not anticipated that substantial effects would result. However, project specific environmental documents will be prepared as warranted.
- o Given the current slump in residential building in the region, this program may serve in a small way as a counter to the cyclical element of housing industry economics.
- o The size of the Housing Program (approximately 3,700 units) in relation to the over one million housing units in the Primary Zone mitigates significant adverse cumulative impacts.

7.0

Agencies and Organizations  
Receiving the Housing Plan  
and Environmental Assessment

**7.0**

**Agencies and Organizations  
Receiving the Housing Plan  
and Environmental Assessment**

FEDERAL AGENCIES

Federal Highway Administration  
Century Freeway Project Office

Department of Housing and Urban Development  
Area Director

Federal Aviation Administration  
Western Region

Bureau of Outdoor Recreation  
Regional Director

STATE AGENCIES

State Clearinghouse  
Office of the Governor  
Office of Planning and Research

NOTE: State Clearinghouse may  
distribute the Draft Document  
to the following state  
agencies for their comments:

Department of Water Resources  
Air Resources Board  
California Highway Commission  
Regional Water Quality Control Board  
State Lands Commission  
Department of Housing and Urban Development  
Department of Parks and Recreation  
Department of Public Health  
Department of Fish and Game  
Division of Aeronautics  
Trustees of the California University and College System  
Department of Conservation  
Department of Education

STATE ASSEMBLY AND SENATE

Assemblyman Curtis Tucker  
50th District

Assemblyman Richard E. Floyd  
53rd District

Assemblywoman Maxine Waters  
48th District

Assemblyman Frank Vicencia  
54th District



Assemblyman Bruce E. Young  
 63rd District

Assemblywoman Marilyn Ryan  
 51st District

Assemblywoman Gwen Moore  
 49th District

State Senator William P. Campbell  
 33rd District

State Senator Robert Presley  
 34th District

State Senator Ralph C. Dills  
 28th District

State Senator Bill Greene  
 29th District

State Senator Ollie Speraw  
 31st District

State Senator Diane Watson  
 30th District

State Senator Robert Beverly  
 27th District

U.S. Congressman Glen M. Anderson  
 32nd District

U.S. Congressman Julian C. Dixon  
 28th District

U.S. Congressman Robert K. Dornan  
 27th District

U.S. Congressman Mervyn Dymally  
 31st District

U.S. Congressman Augustus F. Hawkins  
 29th District

U.S. Congressman Wayne Grisham  
 33rd District

U.S. Senator Alan Cranston

U.S. Senator S.I. Hayakawa

Governor Edmund G. Brown, Jr.

REGIONAL AND LOCAL AGENCIES

Southern California Association of Governments  
Southern California Rapid Transit District  
County of Orange  
Los Angeles County Regional Planning Commission  
Los Angeles County Transportation Commission

City of Artesia  
City of Bell  
City of Bellflower  
City of Bell Gardens  
City of Buena Park  
City of Carson  
City of Cerritos  
City of Commerce  
City of Compton  
City of Cudahy  
City of Culver City  
City of Cypress  
City of Downey  
City of El Segundo  
City of Gardena  
City of Hawaiian Gardens  
City of Hawthorne  
City of Hermosa Beach  
City of Huntington Park  
City of Inglewood  
City of La Mirada  
City of La Palma  
City of Lakewood  
City of Lawndale  
City of Long Beach  
City of Los Angeles  
City of Lynwood  
City of Manhattan Beach  
City of Maywood  
City of Montebello  
City of Norwalk  
City of Paramount  
City of Pico Rivera  
City of Redondo Beach  
City of Santa Fe Springs  
City of South Gate  
City of Torrance  
City of Whittier

Centinela Valley High School District  
Lennox School District  
Los Angeles Community College District  
Los Angeles Unified School District  
Lynwood Unified School District  
Norwalk-La Mirada Unified School District  
Wiseburn School District

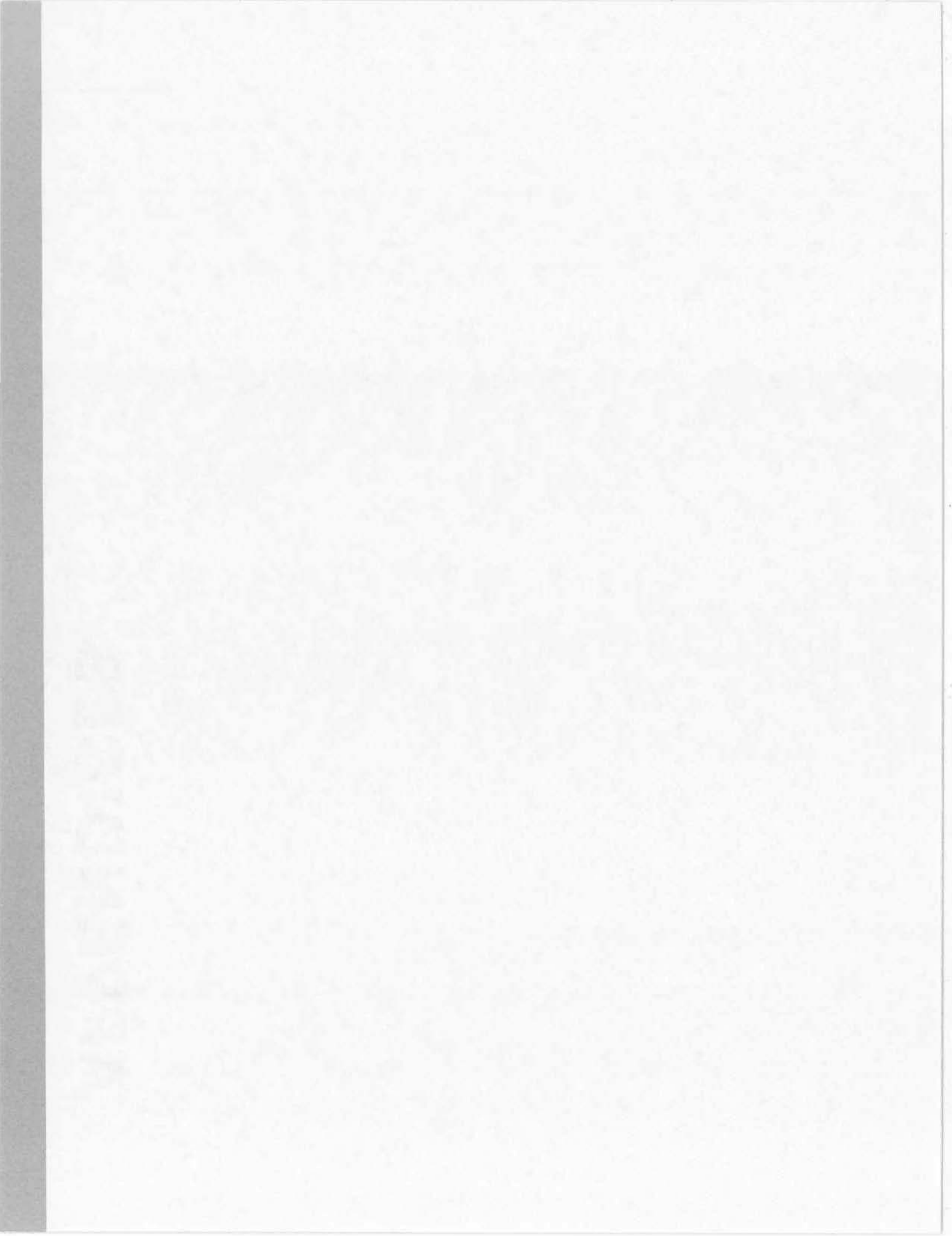
Hawthorne Municipal Airport  
Metropolitan Water District of Southern California  
Pacific Telephone & Telegraph  
Park Water Company  
Southern California Edison Company  
Southern California Gas Company  
Southern California Water Company

OTHER ORGANIZATIONS

Century Freeway Affirmative Action Committee  
Century Freeway Office of the Advocate  
Center for Law in the Public Interest  
National Association for the Advancement of Colored People  
Sierra Club



# APPENDICES



GLOSSARY OF KEY TERMS





## Glossary of Key Terms

The following is a list of selected terms from the Housing Plan. The definitions contained herein are not meant to be exhaustive or legislative. the purpose of this glossary is to help the reader understand the Draft Plan. In addition to the list below, the reader is referred to a glossary of Planning Terms and Agencies prepared by SCAG and distributed to the Housing Advisory Committee at the beginning of this Housing Plan effort.

AFFORDABILITY: A single family unit is affordable when the household will pay not more than 35% of its adjusted income for principal, taxes, interest, insurance, utilities and maintenance. A rental unit is affordable when the household will pay no more than 25% of its adjusted income for rent and utilities.

AFFORDABLE SALES PRICE: The price of the housing unit as calculated under the affordability definition of the Consent Decree.

ADJUSTED INCOME: Income adjusted by deducting \$300 per child from the net annual income.

DISPLACEE: Includes those persons eligible for benefits under the Uniform Relocation Act, who are displaced by the Century Freeway after the date of the Final Consent Decree. "Displacee" also refers to persons who have resided in property acquired for construction of the project for more than 180 days prior to the date of the Final Consent Decree and who are displaced after the date of the Final Consent Decree; and persons who are displaced after the date of the Final Consent Decree who have commenced occupancy of the acquired dwelling prior to January 1, 1982.

FAIR MARKET VALUE: The sales price of a housing unit without any write-down or subsidy.

FAMILY: A family consists of one or more persons living in the same household who are related by blood, marriage, or adoption. "Family" includes, but is not limited to, an elderly family, a single person, the remaining member of a tenant family or a disabled person.

GROSS INCOME: The monthly income of all persons in whom title is to be vested. Income includes 10% of liquid assets in excess of \$5,000 as defined by C.A.C. Title 25, Section 6914.

HOUSEHOLD: Includes all persons who occupy a housing unit.

INCOME BANDS (or Income Groups): The range of incomes that can be served and still meet the target income groups. For example:

very, very low income range =  
0% to 25% of median income (adjusted)

very low income range =  
25% to 50% of median income (adjusted)

low income range =  
50% to 80% of median income (adjusted)

LAST RESORT HOUSING: Housing that is produced to meet the last resort housing needs of displacees. Such housing must meet comparability requirements of the Uniform Relocation Act.

LOW INCOME HOUSEHOLDS: Persons and families whose gross incomes do not exceed 80% of the L.A.S.M.S.A. median income.

MODERATE INCOME HOUSEHOLD: means persons and families whose gross incomes do not exceed 120% of the Los Angeles S.M.S.A. median income.

MULTI FAMILY: One-family housing units that are physically connected.

NET INCOME: Income from which Federal and State withholdings have been deducted.

NEW CONSTRUCTION: The method of producing units that develops a new housing unit. It may include manufactured housing, modular housing, pre-fabricated housing, as well as conventional construction techniques.

REHABILITATION: The improvement of an existing housing unit either "in-place" (where it stands) or at a relocated site. The unit is improved to meet all local codes and standards and is considered to have a useful life as long as a new construction unit.

REPLACEMENT COST: The cost of replacing a housing unit if it were no longer in the Replenishment Housing Program.

REPLACEMENT/REPLENISHMENT HOUSING: A housing unit developed by the Century Freeway Housing Program. This includes both new construction and rehabilitation.

SINGLE FAMILY: A one-family housing unit that is not physically connected to an adjacent residential structure.

TARGET INCOME GROUPS: Income groups, as defined above, for which a specific percentage of the program's housing units are allocated. The targeting is as follows:

<u>% of Units Allocated</u>		<u>Type of Household</u>
5%	-	very, very low-income
25%	-	very low-income
25%	-	low-income
25%	-	moderate-income

TENURE: Classification of a housing unit as owned or rented.

WRITE-DOWN: The difference between replacement cost or fair market value of a unit (whichever is lower), and its affordable sales price.



IMPROVED EXCESS PARCELS

<u>PARCEL #</u>	<u>ADDRESS</u>	
50003	3937 W. 119th Place	Hawthorne
50005	3929 W. 119th Place	Hawthorne
50006	3925 W. 119th Place	Hawthorne
50007	3921 W. 119th Place	Hawthorne
50008	3915 W. 119th Place	Hawthorne
50015	3839 W. 119th Place	Hawthorne
50017	3831-33 W. 119th Place	Hawthorne
50019	3823 W. 119th Place	Hawthorne
50030	3930 W. 119th Place	Hawthorne
50031	3926 W. 119th Place	Hawthorne
50032	3912,14,16,20 W. 119th Street	Hawthorne
50050	3752 W. 119th Place	Hawthorne
50051	3748 1/2 W. 119th Place	Hawthorne
50052	3742 W. 119th Place	Hawthorne
50057	3718 W. 119th Place	Hawthorne
50060	3700 W. 119th Place	Hawthorne
50061	3759 W. 119th Place	Hawthorne
50062	3753 W. 119th Place	Hawthorne
50065	3736,37,38,39, W. 119th Place	Hawthorne
50069	3717 W. 119th Place	Hawthorne
50072	3701 W. 119th Place	Hawthorne
50073	3758 W. 119th Place	Hawthorne
50075	3748 W. 119th Place	Hawthorne
50076	3742 W. 119th Place	Hawthorne
50077	3732 W. 119th Place	Hawthorne
50078	3728 W. 119th Place	Hawthorne
50080	3718 W. 119th Place	Hawthorne
50081	3712 W. 119th Place	Hawthorne
50082	3708 W. 119th Place	Hawthorne
50083	3700 W. 119th Place	Hawthorne
53714	5400 W. 117th Street	Inglewood
53751	5403 W. 117th Street	Inglewood
53893	5335 W. 118th Street	Inglewood
53909	5238 W. 118th Street	Inglewood
53918	5234 W. 118th Street	Inglewood
53922	5229 W. 118th Place	Inglewood
53936	5238 W. 118th Place	Inglewood
53948	5223 W. 119th Street	Los Angeles
54193	5000 W. 119th Place	Hawthorne
54197	5020 W. 119th Place	Los Angeles
54198	5026 W. 119th Street	Hawthorne
54219	5000 W. 119th Place	Hawthorne
54223	5022 W. 119th Place	Hawthorne
54225	5032 W. 119th Place	Los Angeles
54267	5022 W. 118th Place	Hawthorne
54909	4836 W. 119th Place	Hawthorne
54923	4837 W. 119th Place	Hawthorne
54932	4950-52 W. 119th Place	Hawthorne
54939	4908 W. 119th Place	Hawthorne

IMPROVED EXCESS PARCELS

<u>PARCEL #</u>	<u>ADDRESS</u>	
54941	4814 W. 119th Place	Hawthorne
54945	4836 W. 119th Place	Hawthorne
54980	11987 Gale Avenue	Hawthorne
54990	11970 A-C Gale Avenue	Hawthorne
54991	11984 Gale Avenue	Hawthorne
55000	11929 A-C Eucalyptus	Hawthorne
55027	4615 W. 120th Street	Hawthorne
55428	4605 W. 120th Street	Hawthorne
55031	11955 Ramona Avenue	Hawthorne
55032	11949 Ramona Avenue	Hawthorne
55034	11937 A-B Ramona Avenue	Hawthorne
55035	11936 A-B Ramona Avenue	Hawthorne
55037	11956 Ramona Avenue	Hawthorne
55038	11964 Ramona Avenue	Hawthorne
55039	11970 Ramona Avenue	Hawthorne
55044	4567 W. 120th Street	Hawthorne
55045	11975 S. Manor Drive	Hawthorne
55087	11983 A-D Acacia Avenue	Hawthorne
55088	11975 A-D S. Acacia Avenue	Hawthorne
55095	11966 A-D S. Acacia Avenue	Hawthorne
55104	4305 A-E W. 120th Street	Hawthorne
55110	11933-B Birch Avenue	Hawthorne
55115	11938-42 Birch Avenue	Hawthorne
55130	11931 S. Cedar Avenue	Hawthorne
55135	11952-A S. Cedar Avenue	Hawthorne
55137	11962 A-D S. Cedar Avenue	Hawthorne
55145	11967 Freeman Avenue	Hawthorne
55149	11939 Freeman Avenue	Hawthorne
55154	11934 Freeman Avenue	Hawthorne
55157	11958 Freeman Avenue	Hawthorne
55162	4161 A-C W. 120th Street	Hawthorne
55167	11947 S. Menlo Avenue	Hawthorne
55170	11927 S. Menlo Avenue	Hawthorne
55176	11948 S. Menlo Avenue	Hawthorne
55179	11966 S. Menlo Avenue	Hawthorne
55184	11973 Oxford Avenue	Hawthorne
55192	11919 A-B Oxford Avenue	Hawthorne
55194	11930 Oxford Avenue	Hawthorne
55199	11976 Oxford Avenue	Hawthorne
55213	11982 S. York Avenue	Hawthorne
55235	5406 W. 117th Street	Inglewood
55249	5325 W. 118th Place	Inglewood
55247	5312 W. 118th Place	Inglewood
55509	5238 W. 119th Place	Inglewood
57809	4903 W. 119th Place	Hawthorne
57898	4817 W. 119th Place	Hawthorne
57909	11922 Gale Avenue	Hawthorne
57922	11916 Truro Avenue	Hawthorne
37925	11917 Ramona Avenue	Hawthorne
57953	3928 119th PL/3929 W. 120th St.	Hawthorne

IMPROVED EXCESS PARCELS

<u>PARCEL #</u>	<u>ADDRESS</u>	
57954	3924 W. 119th PL/3925 W. 120th St.	Hawthorne
57959	3902 W. 119th Place	Hawthorne
57960	3864 W. 119th Place	Hawthorne
57966	3838 W. 119th PL/3837 W. 120th St.	Hawthorne
57967	3834 W. 119th Place	Hawthorne
57979	3737-39 W. 120th Place	Hawthorne
57980	3733-35 W. 120th Street	Hawthorne
57966	3701 W. 120th Street	Hawthorne
57367	3653 1-3 W. 120th Street	Hawthorne
57938	3649 1-3 W. 120th Street	Hawthorne
57989	3645 1-3 W. 120th Street	Hawthorne
57990	3641 1-3 W. 120th Street	Hawthorne
58991	3637 1-3 W. 120th Street	Hawthorne
57992	3633 1-3 W. 120th Street	Hawthorne
57993	3629 1-3 W. 120th Street	Hawthorne
57994	3621 1-3/3625 1-3 W. 120th Street	Hawthorne
58385	3901 Louise Street	Lynwood
58389	3923 Louise Street	Lynwood
58591	13707 Facade	Paramount
58847	8366 & 8370 1/2 Gardendale	Paramount
59568	13631 Flatbush	Norwalk
59587	13419 Flatbush	Norwalk
59588	13413 Flatbush	Norwalk
59764	13120 Domart Avenue	Norwalk
59803	10503 Angell Street	Norwalk
59878	13029 Curtis & King	Norwalk
59924	10609 Cheddar Street	Norwalk
59925	10615 Cheddar Street	Norwalk
61783	8256 Hargill Street	Paramount
62154	3136 Redwood Avenue	Lynwood
62171	3285 Lynwood	Lynwood
62187	11482 A-F Copeland Street	Lynwood
62200	3631 Fernwood Avenue	Lynwood
63826	3140 Redwood Avenue	Lynwood
63828	3150 Redwood Avenue	Lynwood
63836	3235 A-C Flower Street	Lynwood
63838	3247 Flower Street	Lynwood
63839	3251 Flower Street	Lynwood
63840	3247 Flower Street	Lynwood
63841	3261 Flower Street	Lynwood
68884	12031 York Avenue	Hawthorne
66987	3268 Flower Street	Lynwood
66339	3530 Platt Avenue	Lynwood
66941	11463 Copeland Street	Lynwood
67122	4481 W. 120th Street	Hawthorne

UNIMPROVED PARCELS

<u>CALTRANS PARCEL #</u>	<u>LOCATION</u>	<u>JURISDICTION</u>
49187	1st lot W of Clovis Ave on N/side of 118th St.	L.A. City
49217	1st lot E of Clovis Ave on N/side of 118th St.	L.A. City
49218	2nd lot E of Clovis Ave on N/side of 118th St.	L.A. City
49219	3rd lot E of Clovis Ave on N/side of 118th St.	L.A. City
49220	4th lot E of Clovis Ave on N/side of 118th St.	L.A. City
49221	5th lot E of Clovis Ave on N/side of 118th St.	L.A. City
49222	6th lot E of Clovis Ave on N/side of 118th St.	L.A. City
49223	1st lot N of 118th St. on W/side of Bellhaven St.	L.A. City
53739	1st lot W of Isis Ave on S/side of 116th St.	L.A. County
53740	2nd lot W of Isis Ave on S/side of 116th St.	L.A. County
53741	3rd lot W of Isis Ave on S/side of 116th St.	L.A. County
53742	4th lot W of Isis Ave on S/side of 116th St.	L.A. County
53744	6th lot W of Isis Ave on S/side of 116th St.	L.A. County
53745	7th lot W of Isis Ave on S/side of 116th St.	L.A. County
53749	3rd lot W of Isis Ave on N/side of 117th St.	L.A. County
53750	2nd lot W of Isis Ave on N/side of 117th St.	L.A. County
53751	1st lot W of Isis Ave on N/side of 117th St.	L.A. County
53806	1st lot E of Isis Ave on S/side of 116th St.	L.A. County
53807	2nd lot E of Isis Ave on S/side of 116th St.	L.A. County
53809	4th lot E of Isis Ave on S/side of 116th St.	L.A. County
53810	5th lot E of Isis Ave on S/side of 116th St.	L.A. County
53839	13th lot E of Isis Ave on N/side of 117th St.	L.A. County
53840	12th lot E of Isis Ave on N/side of 117th St.	L.A. County
53841	11th lot E of Isis Ave on N/side of 117th St.	L.A. County
53842	10th lot E of Isis Ave on N/side of 117th St.	L.A. County
53843	9th lot E of Isis Ave on N/side of 117th St.	L.A. County
53844	8th lot E of Isis Ave on N/side of 117th St.	L.A. County
53845	7th lot E of Isis Ave on N/side of 117th St.	L.A. County
53847	5th lot E of Isis Ave on N/side of 117th St.	L.A. County
53848	4th lot E of Isis Ave on N/side of 117th St.	L.A. County
53849	3rd lot E of Isis Ave on N/side of 117th St.	L.A. County
53850	2nd lot E of Isis Ave on N/side of 117th St.	L.A. County
53851	1st lot E of Isis Ave on N/side of 117th St.	L.A. County
53852	1st lot E of Isis Ave on S/side of 117th St.	L.A. County
53853	2nd lot E of Isis Ave on S/side of 117th St.	L.A. County
53854	3rd lot E of Isis Ave on S/side of 117th St.	L.A. County
53855	4th lot E of Isis Ave on S/side of 117th St.	L.A. County
53858	7th lot E of Isis Ave on S/side of 117th St.	L.A. County
53859	8th lot E of Isis Ave on S/side of 117th St.	L.A. County
53860	9th lot E of Isis Ave on S/side of 117th St.	L.A. County
53861	10th lot E of Isis Ave on S/side of 117th St.	L.A. County
53862	11th lot E of Isis Ave on S/side of 117th St.	L.A. County
53863	12th lot E of Isis Ave on S/side of 117th St.	L.A. County
53864	13th lot E of Isis Ave on S/side of 117th St.	L.A. County
53865	14th lot E of Isis Ave on S/side of 117th St.	L.A. County
53866	15th lot E of Isis Ave on S/side of 117th St.	L.A. County
53884	9th lot W of LaCienega Blvd on N/side of 118th St.	L.A. County
53885	10th lot W of LaCienega Blvd on N/side of 118th St.	L.A. County
53887	11th lot W of LaCienega Blvd on N/side of 118th St.	L.A. County=

UNIMPROVED PARCELS

<u>CALTRANS</u> <u>PARCEL #</u>	<u>LOCATION</u>	<u>JURISDICTION</u>
53888	12th lot W of LaCienega Blvd on N/side of 118th St.	L.A. County
53889	13th lot W of LaCienega Blvd on N/side of 118th St.	L.A. County
53890	14th lot W of LaCienega Blvd on N/side of 118th St.	L.A. County
53891	15th lot W of LaCienega Blvd on N/side of 118th St.	L.A. County
53892	16th lot W of LaCienega Blvd on N/side of 118th St.	L.A. County
53893	17th lot W of LaCienega Blvd on N/side of 118th St.	L.A. County
53895	5th lot E of Isis Ave on N/side of 118th St.	L.A. County
53897	3rd lot E of Isis Ave on N/side of 118th St.	L.A. County
53898	2nd lot E of Isis Ave on N/side of 118th St.	L.A. County
53899	7th lot E of Isis Ave on S/side of 118th St.	L.A. County
53900	8th lot E of Isis Ave on S/side of 118th St.	L.A. County
53901	9th lot E of Isis Ave on S/side of 118th St.	L.A. County
53902	10th lot E of Isis Ave on S/side of 118th St.	L.A. County
53903	11th lot E of Isis Ave on S/side of 118th St.	L.A. County
53904	12th lot E of Isis Ave on S/side of 118th St.	L.A. County
53905	13th lot E of Isis Ave on S/side of 118th St.	L.A. County
53906	14th lot E of Isis Ave on S/side of 118th St.	L.A. County
53907	15th lot E of Isis Ave on S/side of 118th St.	L.A. County
53910	18th lot E of Isis Ave on S/side of 118th St.	L.A. County
53922	6th lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53923	7th lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53924	8th lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53925	9th lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53926	10th lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53927	11th lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53928	12th lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53929	13th lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53930	14th lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53931	15th lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53932	13th lot E of Isis Ave on S/side of 118th Pl.	L.A. County
53933	14th lot E of Isis Ave on S/side of 118th Pl.	L.A. County
53934	15th lot E of Isis Ave on S/side of 118th Pl.	L.A. County
53936	8th lot W of LaCienega Blvd on S/side of 118th Pl.	L.A. County
53937	7th lot W of LaCienega Blvd on S/side of 118th Pl.	L.A. County
53938	6th lot W of LaCienega Blvd on S/side of 118th Pl.	L.A. County
53939	5th lot W of LaCienega Blvd on S/side of 118th Pl.	L.A. County
53941	3rd lot W of LaCienega Blvd on S/side of 118th Pl.	L.A. County
53942	2nd lot W of LaCienega Blvd on S/side of 118th Pl.	L.A. County
53943	1st lot W of LaCienega Blvd on S/side of 118th Pl.	L.A. County
53944	1st lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53945	2nd lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53946	3rd lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53947	4th lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53949	6th lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53950	7th lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53951	8th lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53952	9th lot W of LaCienega Blvd on N/side of 118th Pl.	L.A. County
53953	5th lot W of LaCienega Blvd on S/side of 119th Pl.	L.A. County
53954	4th lot W of LaCienega Blvd on S/side of 119th St.	L.A. County



UNIMPROVED PARCELS

<u>CALTRANS PARCEL #</u>	<u>LOCATION</u>	<u>JURISDICTION</u>
53955	3rd lot W of LaCienega Blvd on S/side of 119th St.	L.A. County
53956	2nd lot W of LaCienega Blvd on S/side of 119th St.	L.A. County
53957	1st lot W of LaCienega Blvd on S/side of 119th St.	L.A. County
53958	1st lot W of LaCienega Blvd on N/side of 119th Pl.	L.A. County
54195	3rd lot W of Felton Ave on N/side of 120th St.	L.A. County
54212	7th lot W of Felton Ave on N/side of 119th Pl.	L.A. County
54213	6th lot W of Felton Ave on N/side of 119th Pl.	L.A. County
54214	5th lot W of Felton Ave on N/side of 119th Pl.	L.A. County
54216	3rd lot W of Felton Ave on N/side of 119th Pl.	L.A. County
54217	2nd lot W of Felton Ave on N/side of 119th Pl.	L.A. County
54218	1st lot W of Felton Ave on N/side of 119th Pl.	L.A. County
54220	2nd lot W of Felton Ave on S/side of 119th St.	L.A. County
54221	3rd lot W of Felton Ave on S/side of 119th St.	L.A. County
54222	4th lot W of Felton Ave on S/side of 119th St.	L.A. County
54223	5th lot W of Felton Ave on S/side of 119th St.	L.A. County
54224	6th lot W of Felton Ave on S/side of 119th St.	L.A. County
54235	6th lot W of Felton Ave on N/side of 119th St.	L.A. County
54236	5th lot W of Felton Ave on N/side of 119th St.	L.A. County
54237	4th lot W of Felton Ave on N/side of 119th St.	L.A. County
54239	2nd lot W of Felton Ave on N/side of 119th St.	L.A. County
54241	1st lot W of Felton Ave on S/side of 119th Pl.	L.A. County
54242	2nd lot W of Felton Ave on S/side of 119th Pl.	L.A. County
54243	3rd lot W of Felton Ave on S/side of 119th Pl.	L.A. County
54244	4th lot W of Felton Ave on S/side of 119th Pl.	L.A. County
54245	5th lot W of Felton Ave on S/side of 119th Pl.	L.A. County
55231	4th lot E of Judah Ave on S/side of 116th St.	L.A. County
55243	5th lot E of Isis Ave on S/side of 118th St.	L.A. County
55244	6th lot E of Isis Ave on S/side of 118th St.	L.A. County
55250	9th lot E of Isis Ave on S/side of 118th St.	L.A. County
55255	11th lot E of Isis Ave on S/side of 118th Pl.	L.A. County
55256	12th lot E of Isis Ave on S/side of 118th Pl.	L.A. County
55258	11th lot E of Isis Ave on N/side of 119th St.	L.A. County
55259	12th lot E of Isis Ave on N/side of 119th St.	L.A. County
55260	13th lot E of Isis Ave on N/side of 119th St.	L.A. County
55261	14th lot E of Isis Ave on N/side of 119th St.	L.A. County
55262	15th lot E of Isis Ave on N/side of 119th St.	L.A. County
55405	1st lot on N/side of 135th St. in an easterly direction between Oceangate and LaCienega Blvd.	L.A. County
55406	2nd lot on N/side of 135th St. in an easterly direction between Oceangate and LaCienega Blvd.	L.A. County
55407	2nd lot on N/side of 135th St. in an easterly direction between Oceangate and LaCienega Blvd.	L.A. County
55408	4th lot on N/side of 135th St. in an easterly direction between Oceangate and LaCienega Blvd.	L.A. County
55487	2nd lot W of LaCienega Blvd on S/side of 119th Pl.	L.A. County
55496	3rd lot W of LaCienega Blvd on N/side of 119th Pl.	L.A. County
55497	4th lot W of LaCienega Blvd on N/side of 119th Pl.	L.A. County
55498	5th lot W of LaCienega Blvd on N/side of 119th Pl.	L.A. County
55507	6th lot W of LaCienega Blvd on S/side of 119th St.	L.A. County
55510	9th lot W of LaCienega Blvd on S/side of 119th St.	L.A. County

UNIMPROVED PARCELS

<u>CALTRANS PARCEL #</u>	<u>LOCATION</u>	<u>JURISDICTION</u>
55512	11th lot W of LaCienega Blvd on S/side of 119th St.	L.A. County
55513	12th lot W of LaCienega Blvd on S/side of 119th St.	L.A. County
55808	5th lot E of S Alabama St. on S/side of E Imperial.	L.A. County
58266	12th lot E of Long Beach Blvd on N/side of Turning Flower St.	Lynwood
59565	13649 Flatbush Avenue	Norwalk
59566	13643 Flatbush Avenue	Norwalk
59567	3rd lot E of Flatbush & Tonibar intersection.	Norwalk
59568	4th lot E of Flatbush & Tonibar intersection.	Norwalk
59569	5th lot E of Flatbush & Tonibar intersection.	Norwalk
59570	6th lot E of Flatbush & Tonibar intersection.	Norwalk
59571	13615 Flatbush Avenue.	Norwalk
59572	8th lot E of Flatbush & Tonibar intersection.	Norwalk
59573	9th lot E of Flatbush & Tonibar intersection.	Norwalk
59574	10th lot E of Flatbush & Tonibar intersection.	Norwalk
59575	11th lot E of Flatbush & Tonibar intersection.	Norwalk
59576	12th lot E of Flatbush & Tonibar intersection.	Norwalk
59577	13th lot E of Flatbush & Tonibar intersection.	Norwalk
59578	14th lot E of Flatbush & Tonibar intersection.	Norwalk
59579	15th lot E of Flatbush & Tonibar intersection.	Norwalk
59580	16th lot E of Flatbush & Tonibar intersection.	Norwalk
59581	17th lot E of Flatbush & Tonibar intersection.	Norwalk
59582	18th lot E of Flatbush & Tonibar intersection.	Norwalk
59583	19th lot E of Flatbush & Tonibar intersection.	Norwalk
59584	20th lot E of Flatbush & Tonibar intersection.	Norwalk
59585	21st lot E of Flatbush & Tonibar intersection.	Norwalk
59586	22nd lot E of Flatbush & Tonibar intersection.	Norwalk
59589	2nd lot S of Foster Rd on W/side of Flatbush Ave.	Norwalk
59590	1st lot S of Foster Rd on W/side of Flatbush Ave.	Norwalk
59647	1st lot S of Foster Rd on E/side of Flatbush Ave.	Norwalk
59648	2nd lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59649	3rd lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59650	4th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59651	5th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59652	6th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59653	7th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59654	8th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59655	9th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59656	10th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59657	11th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59658	12th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59659	13th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59660	14th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59661	15th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59662	16th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59663	17th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59664	18th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59665	19th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59666	20th lot S of Foster Rd on E/side of Behrens Ave.	Norwalk

UNIMPROVED PARCELS

<u>CALTRANS</u> <u>PARCEL #</u>	<u>LOCATION</u>	<u>JURISDICTION</u>
59667	21st lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
59668	22nd lot S of Foster Rd on E/side of Behrens Ave.	Norwalk
60903	W of Main St on N/side of 111th Pl.	L.A. City
60904	E of Broadway on S/side of 113th St.	L.A. City
60921	W of Bellhaven St on N/side of 112th St.	L.A. City
60924	1st lot E of Clovis Ave on S/side of 116th St.	L.A. City
60926	1st & 2nd lot E of S Parmelee Ave on S/side of Imperial Hwy.	L.A. County
61527	1st lot E of Clovis Ave on N/side of Clovis Way	L.A. County
61528	2nd lot E of Clovis Ave on N/side of Clovis Way	L.A. County
61529	3rd lot E of Clovis Ave on N/side of Clovis Way	L.A. County
61534	1st lot W of Bellhaven on N/side of 118th St.	L.A. County
61536	2nd lot E of 118th Pl on S/side of 118th St.	L.A. County
61537	3rd lot E of 118th Pl on S/side of 118th St.	L.A. County
61540	1st lot N of 118th St on W/side of Central Ave.	L.A. County
61542	2nd lot N of 118th St on W/side of Central Ave.	L.A. County
61788	1st lot W of Frontage Rd on S/side of Grant Ave.	Paramount
62253	1st lot W of State St on N/side of Redwood Ave.	Lynwood
62275	13th lot W of Isis Ave on S/side of 119th Pl.	L.A. County
62300	W of Avalon Blvd on S/side of 120th St.	L.A. City
62301	N of Imperial Hwy on N/side of Compton Ave.	L.A. City
62303	Off Croesus Ave on S/side of E 117th St.	L.A. County
62304	W of S Mona Blvd on S/side of E 126th St.	L.A. County
62308	E of Slater St on N/side of 111th St.	L.A. City
62309	W of Graham Ave on N/side of 111th St.	L.A. City
62310	W of Wilmington Ave on N/side of 109th St.	L.A. City
62312	W of Wilmington Ave on N/side of 105th St.	L.A. City
62313	N of 107th St on E/side on Anzac Ave.	L.A. City
62314	N of 105th St on W/side of Anzac Ave.	L.A. City
62315	N of 107th St on E/side of Grape St.	L.A. City
62316	N of 107th St on W/side of Hickory	L.A. City
62317	S of 103rd St on E/side of Juniper St.	L.A. City
62318	S of 103rd St on W/side of Juniper St.	L.A. City
62319	N of 107th St on E/side of Weigand Ave.	L.A. City
62321	S/W Corner of Century Blvd and Anzac Ave.	L.A. City
62322	E of Central Ave on S/side of 99th St.	L.A. City
62324	S of 93rd St on E/side of Holmes Ave.	L.A. City
62325	S of 95th St on W/side of Croesus Ave.	L.A. City
62327	S of 95th St on E/side of Juniper St.	L.A. County
62328	N of 95th St on W/side of Lalmia St.	L.A. County
62329	W of Maie Ave on S/side of 89th St.	L.A. County
62330	W of Holmes Ave on N/side of 92nd St.	L.A. County
62331	S of 88th St on W/side of Elm St.	L.A. County
62332	E of Fir Ave on N/side on 92nd St.	L.A. City
62335	S of 83rd St on E/side of Grape St.	L.A. County
62336	N/W Corner of 83rd St and Croesus Ave.	L.A. County
62342	W of Watts Ave on N/side of 111th Ave.	L.A. County
62366	3rd lot E of Wadsworth Ave on N/side of 116th Pl.	L.A. City
62367	4th lot E of Wadsworth Ave on N/side of 116th Pl.	L.A. City

UNIMPROVED PARCELS

<u>CALTRANS</u> <u>PARCEL #</u>	<u>LOCATION</u>	<u>JURISDICTION</u>
62376	1st lot S of 118th St on W/side of 118th Pl.	L.A. City
62625	W of Aranbee Ave on S/side of Knope St.	L.A. County
62629	N of 110th St on E/side of Grape St.	L.A. City
62903	1st lot W of Wadsworth Ave on N/side of 117th Pl.	L.A. City
62991	W of Success Ave on S/side of 99th St.	L.A. County
63827	13th & 14th Mini-lots E of State St's row of lots S of Redwood Ave.	Lynwood
63982	1st lot E of Central Ave on S/side of E Imperial Hwy.	L.A. County
63983	2nd lot E of Central Ave on S/side of E Imperial Hwy.	L.A. County
63984	3rd lot E of Central Ave on S/side of E Imperial Hwy.	L.A. County
63985	4th lot E of Central Ave on S/side of E Imperial Hwy.	L.A. County
63986	5th lot E of Central Ave on S/side of E Imperial Hwy.	L.A. County
63993	4th lot E of S Alvaro St on S/side of E Imperial Hwy.	L.A. County
63994	1st lot E of S Alvaro St on S/side of E Imperial Hwy.	L.A. County
63995	1st lot E of S Alvaro St on S/side of E Imperial Hwy.	L.A. County
63999	1st lot E of Slater Ave on S/side of E Imperial Hwy.	L.A. County
64000	2nd lot E of Slater Ave on S/side of E Imperial Hwy.	L.A. County
64002	2nd lot S of S Parmelee Ave on S/side of E Imperial Hwy.	L.A. County
64006	1st lot E of S Antwerp on S/side of E Imperial Hwy.	L.A. County
64008	2nd lot E of S Antwerp on S/side of E Imperial Hwy.	L.A. County
64013	1st and 2nd lot E of S Alabama St on S/side of E Imperial Hwy.	L.A. County
64014	3rd lot E of S Alabama on S/side of E Imperial Hwy.	L.A. County
64015	4th lot E of S Alabama on S/side of E Imperial Hwy.	L.A. County
64056	2nd lot E of Wadsworth on N/side of 116th Pl.	L.A. City
64060	2nd lot W of Clovis Ave on S/side of 116th St.	L.A. City
64061	1st lot E of Clovis Ave on N/side of Circling Bellhaven St.	L.A. City
64062	2nd lot E of Clovis Ave on N/side of Circling Bellhaven St.	L.A. City
64063	3rd lot W of Clovis Ave on N/side of Circling Bellhaven St.	L.A. City
64065	3rd lot W of Central Ave on N/side of Bellhaven St.	L.A. City
64066	4th lot W of Central Ave on N/side of Bellhaven St.	L.A. City
64067	5th lot W of Central Ave on N/side of Bellhaven St.	L.A. City
64068	6th lot W of Central Ave on N/side of Bellhaven St.	L.A. City
64069	7th lot W of Central Ave on N/side of Bellhaven St.	L.A. City
64070	8th lot W of Central Ave on N/side of Bellhaven St.	L.A. City
64071	9th lot W of Central Ave on N/side of Bellhaven St.	L.A. City
64072	10th lot W of Central Ave on N/side of Bellhaven St.	L.A. City
64073	11th lot W of Central Ave on N/side of Bellhaven St.	L.A. City
64521	5th lot on N/side of 135th St in an easterly direction between LaCienega & Oceangate.	L.A. County
64522	6th lot on N/side of 135th St in an easterly direction between LaCienega & Oceangate.	L.A. County
64523	7th lot on N/side of 135th St in an easterly direction between LaCienega & Oceangate.	L.A. County

UNIMPROVED PARCELS

<u>CALTRANS</u> <u>PARCEL #</u>	<u>LOCATION</u>	<u>JURISDICTION</u>
64524	8th lot on N/side of 135th St in an easterly direction between LaCienega & Oceangate.	L.A. County
64526	10th lot on N/side of 135th St in an easterly direction between LaCienega & Oceangate.	L.A. County
64527	11th lot on N/side of 135th St in an easterly direction between LaCienega & Oceangate.	L.A. County
64528	12th lot on N/side of 135th St in an easterly direction between LaCienega & Oceangate.	L.A. County
64529	13th lot on N/side of 135th St in an easterly direction between LaCienega & Oceangate.	L.A. County
64530	14th lot on N/side of 135th St in an easterly direction between LaCienega & Oceangate.	L.A. County
64531	15th lot on N/side of 135th St in an easterly direction between LaCienega & Oceangate.	L.A. County
64532	16th lot on N/side of 135th St in an easterly direction between LaCienega & Oceangate.	L.A. County
64533	17th lot on N/side of 135th St in an easterly direction between LaCienega & Oceangate.	L.A. County
64534	18th lot on N/side of 135th St in an easterly direction between LaCienega & Oceangate.	L.A. County
64535	19th lot on N/side of 135th St in an easterly direction between LaCienega & Oceangate.	L.A. County
64536	20th lot on N/side of 135th St in an easterly direction between LaCienega & Oceangate.	L.A. County
64621	W of San Pedro St on S/side of 126th St.	L.A. County
6709	7th lot W of Felton Ave on N/side of 120th St.	L.A. County
6710	6th lot W of Felton Ave on N/side of 120th St.	L.A. County
6711	5th lot W of Felton Ave on N/side of 120th St.	L.A. County
6712	4th lot W of Felton Ave on N/side of 120th St.	L.A. County
6713	3rd lot W of Felton Ave on N/side of 120th St.	L.A. County
6714	2nd lot W of Felton Ave on N/side of 120th St.	L.A. County
6715	1st lot W of Felton Ave on N/side of 120th St.	L.A. County

01/10-1.1

COMMENTS

REMARKS

<u>DATE</u>	<u>LOCATION</u>	<u>TIME</u>
1-1-50	...	...
1-2-50	...	...
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1-1-50

Comments received to Draft Housing Plan and Environmental Assessment

(Comments received by Department of Housing and Community Development Department have been renumbered)

(Letter from Harvey F. Collins, Deputy Director Environmental Health Division, Office of Noise Control, Department of Health Services)

Comment No. 1

There appears to be some inconsistency regarding which of several noise standards may be used in the Housing Plan.

Response

This apparent inconsistency has been clarified in the final plan to utilize whichever noise standard (local or federal) is most restrictive .

(Letter from Burd Miller, Chief Office of Environmental Services, Division of Aeronautics, Department of Transportation)

Comment No. 1

We are,...., concerned about the noise and safety impacts of the airport operations upon the proposed residential development, the impact of the proposed residential development on ground transportation network that serves the....airports, and the general land use compatibility.

Response

P. 5-8 of the Draft Housing Plan has been amended to reflect specifically as site location criteria noise and safety impacts of airport operation. The Housing Plan is not site specific but criteria for site evaluation at the site specific level has been amended to reflect local ground transportation concerns. The Housing Plan is mandated to follow all local codes and ordinances, and the project has determined this to include local land use elements and airport compatibility land use plans where applicable.

Comment No. 2

There is no mention of the crash hazards that may be present as the result of LAX aircraft operations, or noise and safety impacts upon the proposed housing from Compton Airport, Hawthorne Airport, Long Beach Airport and Sheppard Airport operation...additionally there is no discussion of impacts of proposed residential uses upon ground transportation networks servicing the airports.

Response

The Housing Plan is not site specific, therefore, no specific assessment can be made regarding the above impacts. If site location criteria are followed the impact mentioned above should be minimal, if not mitigated in full. (See also response to comment No. 1 for specific changes reflecting these comments).

(Letter from A. Gianturco, Director of Transportation Caltrans, Dated: June 18, 1982)

Comments No. 1

The following statement must be included in discussions regarding vacant surplus land parcels in the Final plan:

"Caltrans shall not require repayment of State highway funds when vacant surplus land parcels are utilized for public projects necessary to mitigate the environmental effects of the Century Freeway-Transitway Project. However, use of surplus land for economic development projects (which result in an eventual transfer of the land to private ownership) or for public projects unrelated to the mitigation of environmental effects will require prorated credits to State funds at the fair market value at the time of disposal."

Response

Statement included in Housing Plan

(Letter from Adriana Gianturco, Director of Transportation, Caltrans, Dated June 4, 1982)

Comment No. 1

It must be made clear that execution of Final Housing Plan and Environmental Assessment does not constitute prior written Caltrans concurrence for expenditures which fail to be federally reimbursable.

Response

The Housing Plan does not replace the Consent Decree and all pre-approvals and concurrences required by Consent Decree are required. Normal funding procedures will continue to be followed by site specific and implementation projects.

Comment No. 2

We request that the final Housing Plan contain assurances that HCD will work closely with Caltrans to that displacement and scheduling are coordinated with the actual housing construction. The final plan must state that is the displacement schedule, as required for highway construction, is longer than the currently proposed five-year housing construction plan, then the housing construction will be delayed to meet the needs of project displacees.



Response

Change made.

Comments No. 3

Utilization of second trust deed should be clarified.

Response

The second trust deed concept has been deleted from the Housing Plan.

Comments No. 4

The relationship between Uniform Relocation Act and the Century Freeway Replenishment Housing Program must be made clear that it is not a "policy consideration" but a legal interpretation.

The example on P. 4-52 of the Draft Plan must be corrected or eliminated.

Response

The Executive Summary clearly shows this issue as an important decision remaining to be made (P. iii of Draft Plan). As with all decisions relating to matters of law, it will rest on sound "legal interpretation" The offending pages have been redrafted and the example has been eliminated.

Comment No. 5

The "Proposed Article 34 Strategy" as discusses on Pages 5-19 and 20 is in direct contradiction to other portions of the housing plan. If, as the current document reads, one strategy is to require that all rental housing be developed in the City and County of Los Angeles where existing Article 34 referendum approval has been obtained, then it would be impossible to meet either the proposed housing allocation (Page 5-5) or displacee needs outside of these jurisdictions. On the other hand, another strategy directs that if rental units were to be rented so as to include at least 51 percent of above 80 percent of median income families, then the analysis requiring the giving away of rental units (Page 4-67) and the necessity of supplemental operations and maintenance funds (Pages 4-69 through 71) is inaccurate and misleading.

One solution to the Article 34 dilemma isn't even discussed, that of conducting referenda in jurisdictions necessary to accommodate the required housing allocations. This alternative will cause additional delay but may still be timely to the housing needs of the displacees given the longer displacement period permitted by the highway construction schedule as opposed to the five-year housing schedule envisioned by the Draft Plan.

Response

The Draft Plan Section has been rewritten to eliminate the inconsistency and add Article 34 referenda as a strategy.

Comment No. 6

We will provide a definitive statement for inclusion in the Final Plan as to whether or not Caltrans can forego repayment of State highway funds.

Response

Statement provided and included.

Comment No. 7

On Page 4-73 of the Draft Plan is the statement that: "No price differential accrues to FHA (sic) mortgage insurance." The first five single family residence sales, however, have been submitted by your Department with price differential amounts accruing to the "Section IV D # Fund" even though they will be financed with FHA 203 (b) loans. This inconsistency must be resolved.

Response

The language in Draft Plan has been revised to reflect the correct position that differential amounts accrue.

Comment No. 8

On Page 5-17 of the Draft Plan it is stated that:

"Also added to this figure is the current value of any structural improvements permitted under the Resale Controls."

Such a provision is not, however, included in the Right to Purchase Agreements which your Department has included in the first five (5) single family residence sales packages. This inconsistency must also be resolved.

Response

This inconsistency has been resolved in amendments to the discription of the Right to Purchase Agreement (Deed Restriction) in the Housing Plan.

(Letter from Rudy M. Subia, Century Freeway Project  
Manager, Federal Highway Administration dated June 4, 1982)

Comment No. 1

The stated purpose of the housing plan should focus on the principal objectives prescribed in the Consent Decree. HCD should adopt preferred policy options upon completion of the hearing process. The final housing plan should contain a clear description of adopted guiding principles and policy. As a minimum interim housing policy needs to be established in the plan to fully initiate the program. Other alternatives can still continue to be explored as necessary and this can be explained as necessary.

Response

The amendment package to the Draft Plan represents the description of adopted guiding principles and policy.

Comment No. 2

The basic purpose of the housing program is to serve the needs of displacees and replace housing stock in accordance with the Consent Decree should be clearly stated. There should be a clear indication that displacee needs will be closely coordinated with housing production.

Response

Reflective of Caltrans June 4th letter, comment No. 2. See changes made.

Comment No. 3

How the rental portion of the housing program is intended to be managed should be strengthened. Proposed Article 34 strategy, consequences and implications need to be strengthened.

Response

Changes made in Section 5.0 Description of the plan to reflect the enlarged discussion of Rental Program and Article 34 strategy emphasis.

Comment No. 4

The plan should prescribe the policy governing the duration of resale controls. The plan should acknowledge the present resale control and write-down established for the early-action program as well as describe the preferred policy option. The Trust Deed option should also acknowledge that Federal-aid credit back to the project is required and will have to be observed in the administration of proceeds generated.

Response

The Resale Control Section has been amended to reflect comment and write-down, and trust deed options have been deleted or modified.

Comment No. 5

Project credit policy will also have to be observed in the disposal of excess property under certain circumstances and should be acknowledged in the plan.

Response

Changes made to plan in response to specific Caltrans direction.

Comment No. 6

A greater attempt should be made to describe environmental impacts associated with the various approaches or alternatives presented. School impacts should be specifically expanded upon.

Response

The Matrix and Tables added to Section 6.0 respond to the comment. School impacts were expanded upon to include school survey data (Table 6-2) and will continue to be enlarged as site specific re-assessments occur.

Comment No. 7

The final document should contain information regarding coordination efforts and comments received.

Response

In addition to public hearings, Section 3.0 and Section 7.0 describe early coordination efforts and list agencies receiving Draft Plan.

(Resume of Comment received during the Public Hearings  
June 22, 23, 24, 1982).

Comment No. 1

Speaker indicated favorably on the Request for Proposal handicap requirement and urges that program continue high level of commitment to handicapped housing.

Response

The Housing Program will comply with federal and state statues regarding provision of handicap having access requirements.

Comment No. 2

Speaker asked who ultimately will decide where housing will be located.

Response

HCD will decide which projects and locations to undertake with guidelines from Housing Plan and local codes and ordinances.

Comment No. 3

Speaker commended the Housing Advisory Committee and HCD for producing a Housing Plan even through there have criticisms and unresolved issues still remaining.

Response

None

Comment No. 4

Speaker requested information regarding how individuals can obtain surplus Caltrans property.

Response

The speaker was referred to the appropriate representative of Caltrans.

Comment No. 5

Speaker expressed concern regarding influence of local government with respect to the location of housing. The speaker also requested the schedule of public hearings.

Response

All housing developed through the Replenishment Housing Program will be developed in accordance with Local codes and ordinances. The speaker was referred to HCD staff to obtain the schedule of public hearings.

Comment No. 6

The speaker expressed concern that the City of Lynwood receive an adequate amount and good quality replenishment housing.

Response

The Housing Plan establishes a specific entitlement for the City of Lynwood as well as allowing for additional units to be located in the City of Lynwood.

Comment No. 7

The speaker requested information regarding the approval of the Draft Housing Plan.

Response

Should there not be a quorum present for the scheduled adoption of the Housing Plan on July 15, 1982, the Steering Committee is empowered to act for the HAC.

Comment No. 8

The speaker stated he felt the public hearing process was not successful possibly because the public hearings were not adequately advertised.

Response

The public hearings were advertised 30 days in advance in 16 newspapers of general circulation throughout the I-105 corridor. The advertisements were published in Spanish, Korean and Japanese as well as English.

Comment No. 9

The speaker requested information regarding the provisions of the resale controls.

Response

The Consent Decree mandates that all sales at less than market value be restricted with regards to further sales to protect the amount of write-down that the government has invested. Equity build-up for the household is tied to increases in median income and not to appreciation in market value.













