

# Toward a Proactive Local Affordable Housing Agenda

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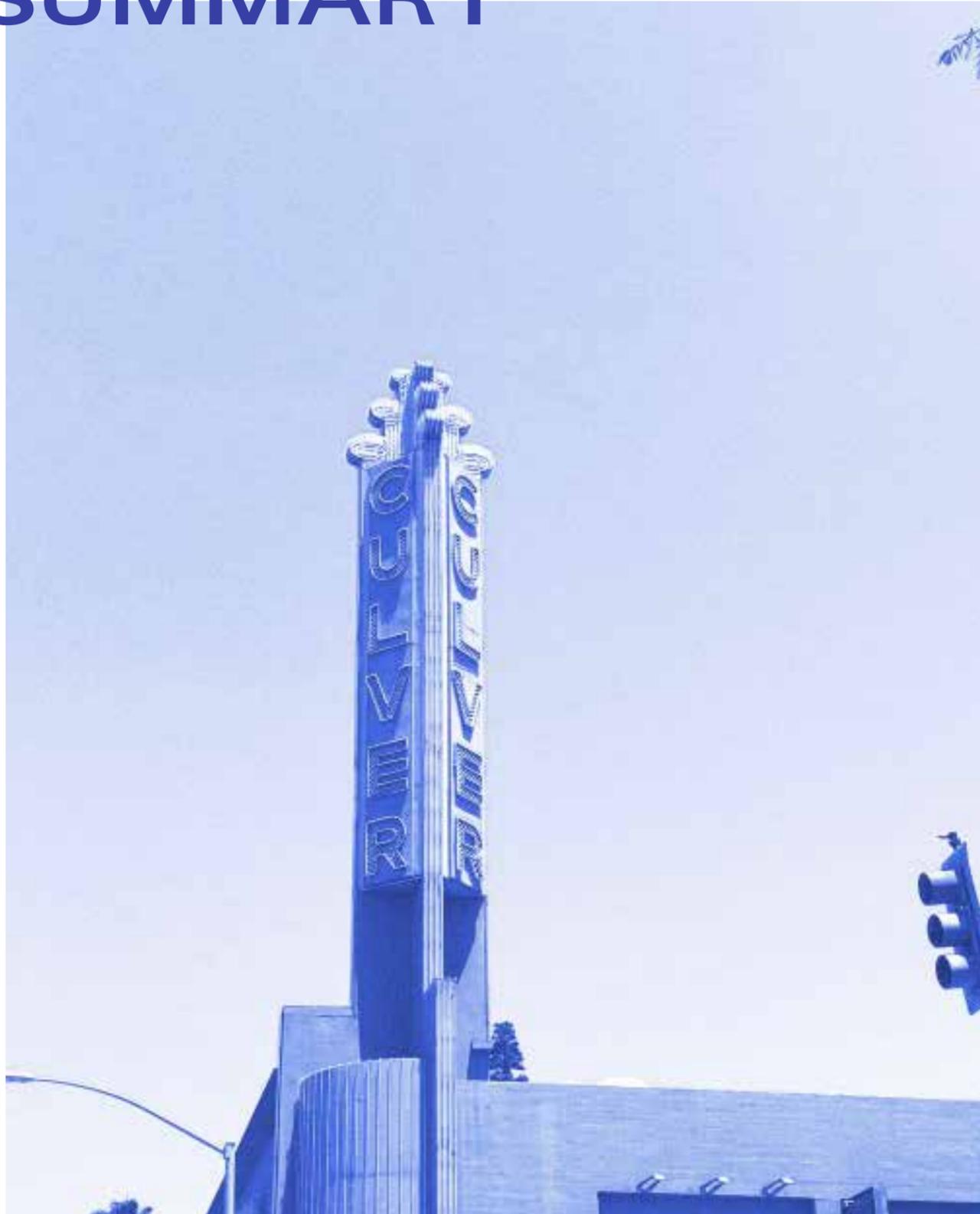
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# EXECUTIVE SUMMARY



**Culver City** is in the midst of an economic boom that is poised to bring thousands of high-paying jobs to the city in the near future. This boom is the continuation of a decades-long process that has transformed Culver City into a major employment destination for both high and low-wage workers from all over Los Angeles County. This economic transformation has been accompanied by stagnation in the city's housing supply. Culver City's population has remained stable since the 1980s, and over the past 10 years, it added only 300 new housing units. These parallel processes have acted as a powder keg for the current affordability crisis. This report will lay out a roadmap for Culver City to navigate itself out of this crisis and toward a more equitable future. Findings from our mixed-method analyses point to an unstable housing situation that has made the city inaccessible to future renters and onerous for current ones.

## A few of our key findings are

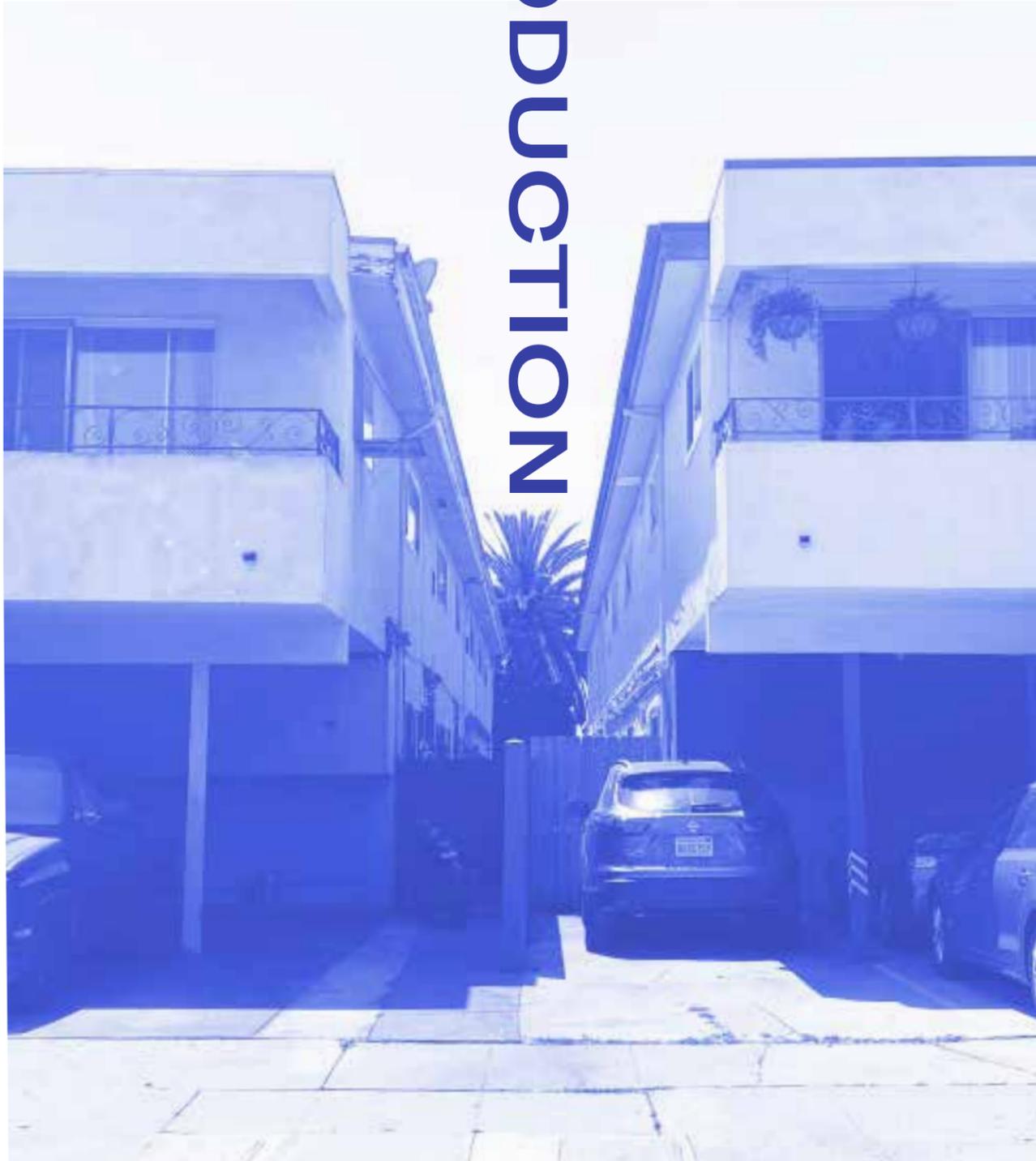
- In 2002 the ratio of housing units to jobs in Culver City was .42. By 2017, this ratio had fallen to .29, indicating a worsening imbalance between the number of existing housing units to jobs in the city. Without proactive changes, it could drop to .25 or lower by the end of the next planning cycle in the late 2020's.
- Concentrations of rent-burdened block-groups border LA neighborhoods experiencing high development pressures (Palms, Venice, Playa Vista), with the majority of the least well-off households (earning less than \$50,000 per year) facing the greatest pressure
- The majority of Culver City's income diversity, racial diversity, and transit ridership is found in the parts of the city in which multi-family housing predominates
- Culver City is unique among its neighbors in its lack of a proactive affordable housing policy and has seen minimal development of affordable housing units when compared to nearby Santa Monica and West Hollywood
- Culver City would have to increase multi-family residential land use by 67% to be equal to its land share of single-family zoning

If current patterns persist, Culver City will only build new housing for a small subset of its highest wage workers. Luxury apartments like 'The Lucky Residences' or the 'Upper Ivy' at the Ivy Station provide market-rate housing at the top of the income spectrum, but housing demand is growing so rapidly at all levels that these new developments are just a drop in the bucket. Such a passive response to a housing affordability crisis is unacceptable. To advance a proactive local affordable housing agenda and preserve the city's diversity, Culver City must follow the lead of other Southern California cities that have elected to allow denser infill development while simultaneously incentivizing the construction of affordable housing.

## Our research has led us to recommend the following interventions

- ▶ Develop an Affordable Housing Trust Fund
- ▶ Grant ministerial review to all affordable housing developments
- ▶ Increase the amount of parcels zoned for medium densities and relax development standards to allow the development of denser one-to two-story buildings

# INTRODUCTION



Our report addresses the current state of housing affordability in Culver City and makes recommendations as to how the city can maintain income diversity and prevent displacement while its economy grows. Culver City is in the midst of an economic boom, but its housing production has been largely stagnant for the past few decades. Since 2002, the city has added over 20,000 new jobs, many of which are in some of the highest-paying categories in Los Angeles County. Housing growth has failed to keep pace with either this high-wage growth, or the low-wage growth that has taken place in the city's growing retail and food service industries. These processes affecting Culver City are part of larger regional processes which have seen high-wage job growth dramatically outpace housing growth in western Los Angeles County, the area in which Culver City residents work and Culver City workers live. This is all to say, nobody is throwing Culver City a bone. The city must act swiftly and decisively to maintain its diversity and avoid becoming another upscale Westside enclave.

Culver City's current housing and land use policies are out of sync with a growing urban economy. The existing housing stock is composed primarily of single-family homes and the majority of the recently approved permits uphold single-family dominance. The city's property values are high and the vacancy rate is low. Culver City's support for affordable housing is minimal and comes primarily through its Section 8 voucher program, which assists approximately 200 people. This all adds up to a perfect storm for an affordability crisis, which previous city administrations have been uninterested in addressing. The current city council, however, is tackling these issues, and has begun to discuss and approve policies that can restore some order to the city's housing market.

## Our research stems from four questions which tackle housing demand, preservation, expansion, and land use

- How has the demand for housing in Culver City grown?
- How can Culver City preserve its existing affordable housing stock and protect the tenants who occupy it?
- How can Culver City expand the supply of affordable housing and grow in an equitable way?
- What land use changes are necessary to accommodate Culver City's growth?

To answer these questions, we used a mixed methods approach, combining descriptive statistics with mapping, semi-structured stakeholder interviews, and case studies. Our study relied heavily on the U.S. Census Bureau's data to understand Culver City's current and changing housing needs as well as job growth. We also employed city zoning data to assess zoned capacity and potential areas for development. Stakeholder interviews allowed us to better contextualize our quantitative findings and put forth appropriate recommendations based on case studies. Our report begins with a rundown of the current state of housing in Culver City. This summary of the state of housing is followed by our recommendations, categorized according to their feasibility and potential impact, where we ask the City Council to focus on a comprehensive set of proactive interventions that include an affordable housing trust fund, ministerial review for affordable housing projects, and rezoning to allow for more medium density housing. The four subsequent sections summarize the findings from our aforementioned research questions. We end our report with a brief section suggesting how the city might go about messaging the set of policy interventions we have identified as the most urgent and necessary.

# Values Statement



Our research and recommendations are guided by a set of core values with a vision for a fair and equitable Culver City.

1

We believe Culver City's housing policy should preserve the city's economic and racial diversity and allow its many communities to grow.

2

We are adamant that the city's housing policy should be reflective of its landscape and thus of its people. The policy must serve renters and homeowners alike.

3

We encourage Culver City to strive for affordability as opposed to general growth in order to safeguard the city's original residents and families from being displaced.

# BACKGROUND



## The State of Housing in Culver City

Understanding the physical and political context is essential to our overall analysis of what development is possible and what policies would be appropriate for Culver City. Overall, the city's housing stock has grown slowly. The current City Council is hoping to make up for the recent lack of growth with a slew of policies that have relaxed development standards, such as unit size and parking requirements. Still, commercial and retail space continue to be developed at a faster rate than housing.

### Housing Stock

Culver City has 17,732 housing units (State of California, 2019), 1.4% more than in 2010. Of those units, 36 percent were single-family (detached), 40% were in buildings of 2-20 units, and 24% were in buildings with over 20 units. Despite this somewhat even mixture of housing types, the city dedicates the majority of its residential land to single-family use. 55% of Culver City's residential land is zoned R1, meaning it is for single-family use only. The R1 category is three times as large as the second-largest category, R2, which occupies only 18% of the city's residential land. This land use imbalance may explain why single-family homes have comprised the majority of the city's housing production in the recent past. Between 2010 and 2018, the city permitted 71 single family housing units and just 47 multi-family housing units (SCAG, 2019).

The diversity of the city's housing stock is reflected in the city's racial and income diversity. Despite its reputation as a sleepy suburb, Culver City has a highly diverse population. No individual ethnic group constitutes more than half of the population and the city has large African American, Asian, and Hispanic populations. Over half of the city's households earn less than \$100,000 per year and 22% of the city's households earn less than \$40,000 per year. We will later show exactly how this diversity maps onto the city's variegated housing stock. It is a core value of our report that any housing policy Culver City pursues should maintain this high level of diversity.

Culver City's 2013-2021 Housing Element estimated housing need was 185 units (Culver City, 2014, p. II-28). Every eight years, the Southern California Association of Governments (SCAG) leads cities in the region through a state-mandated process to determine how much new housing is needed to accommodate growth. Table 1 breaks down SCAG's final unit allocation to Culver City across broad income categories. Throughout this period, the city drastically overproduced units for above moderate income households while producing a measly amount of units in the low income categories.

Table 1: 2013-2021 Housing Element Growth Needs by Income

	Very Low	Low	Moderate	Above Moderate	Total
Goal	48	29	31	77	185
Permitted	6	4	4	354	368
% of Need Met	13	14	13	460	

The city's previous housing need assessment did not at all account for the entertainment and technology sector boom and the subsequent influx of new residents. The estimated need for this period was low because the Regional Housing Needs Assessment (RHNA) has typically rewarded slow-growth jurisdictions like Culver City with smaller allocations (Ling, 2018). Table 2 documents RHNA allocations decreasing over time until recently. For the 2021-2029 Housing Element, the Southern California Association of Governments (SCAG) estimates that Culver City will have to accommodate 3,332 new units (SCAG, 2020).

Table 2: Culver City RHNA Targets Over Time

Year	RHNA Target (# of units)
1998-2005	650
2005-2013	504
2013-2021	185
2021-2029	3,332

Culver City's vacancy rate in 2019 was 4%. This is much lower than what is considered healthy (State of California, 2019). It indicates a high demand for housing of all types within the Culver City submarket. This demand is also reflected in the high and growing cost of housing. The average rent for a two-bedroom in Culver City is \$3,239—a household would have to make \$130,000 to afford this rent (RentJungle, 2020). The area's median house value was \$801,200 with a third of owner-occupied units valued at \$1 million dollars or more (U.S. Census Bureau, 2018). According to SCAG (2019), the median sales price of existing homes increased 296 percent from \$240,000 to \$950,000 between 2000 and 2018. On top of a general housing need, 48.4% of local renters are considered rent-burdened (U.S. Census Bureau, 2018). Culver City is an expensive market to enter for prospective renters and homeowners alike.

## Subsidized and Deed-Restricted Affordable Housing

Culver City's subsidized or deed-restricted housing stock is limited. The city does not operate any public rental housing. It does manage a number of tenant-based Section 8 Housing Choice Vouchers through the Culver City Housing Agency. Lacking city data, the National Housing Preservation Database (NHPD) provides insight into some of the deed-restricted and subsidized affordable housing units that are currently active within the city's boundaries. The database lists project-based affordable housing but does not include information on tenant-based vouchers. According to the NHPD, Culver City currently has 211 active project-based Section 8 Vouchers. Table 3 summarizes the other subsidy programs that are active. The 20 units under the Low-Income Housing Tax Credit (LIHTC) program are in one development called Tilden Terrace.

Table 3: Subsidized/Deed-Restricted Units

Subsidy/Program	# of Units
Section 8	211
Section 202	12
HUD	48
LIHTC	20

Most subsidized units are geared toward housing the elderly or people with developmental disabilities. In fact, the Department of Housing and Urban Development's (HUD) Section 202 program specifically finances supportive housing projects for senior citizens. The NHPD includes limited information about the owners of each property. The organization Home Ownership Made Easy (HOME) appears three times in the database for Culver City. HOME provides affordable housing opportunities for the developmentally disabled. The observations derived from the NHPD suggest that there are certain populations, such as the elderly or disabled, that are easier to advocate for in terms of affordable housing provision.

## The Affordability Issue

In Culver City, a lack of residential development, the dominance of single-family zoning, and weak affordable housing programs create a housing market that is not accessible to households at all income levels. Commercial development has far outpaced housing development in Culver City over the last few years. Between 2010 and 2017, the number of jobs in Culver City grew 39% (SCAG, 2019). In key economic corridors like the Hub (a transit-oriented district) and Downtown, most newly constructed projects are oriented toward commercial or office uses. Culver City has approved upzonings on parcels adjacent to the Expo Line. However, these mixed-use developments provide few new housing units and no affordable housing. As a result, the city has shown an uneven regard for commercial development and housing. The city has created relatively few spaces for residents in comparison to businesses.

## Recent Policy Changes and New Housing Development

Despite Culver City's poor housing policy record, the City Council—in particular Mayor Meghan Sahli-Wells—has recently been advocating for changes that will increase housing production and enhance renter protections. A key development in the policy realm was the one-year rent freeze ordinance passed by the City Council in August 2019. The freeze prohibited rent increases above 3% for units built on or before February 1, 1995. It is a stop gap measure in a time of rapid change for the city while staff work toward a permanent rent stabilization ordinance. The city has also established an eviction moratorium to protect renters affected by the COVID-19 pandemic.

Culver City is considering changes to its zoning code that would allow denser development along major corridors and near the Culver City Expo Line Station (S. Blumenfeld, personal communication, February 3, 2020). Building heights in Culver City are currently capped at 56 feet due to a 1990 referendum (Koh, 1990), but the city is exploring ways to add density within these limits. The city is also considering an inclusionary zoning ordinance that will offer a density bonus to developers who build below-market rate housing (S. Blumenfeld, 2020).

In January, the city council passed an ordinance allowing the construction of micro-unit apartments that can be as small as 350 square feet (compared to the previous limit of 500 square feet) (Catanzaro, 2020). The ordinance also decreased parking requirements to 0.5 space per unit with no parking required for micro-units in Transit-Oriented Development areas (Culver City, 2020). The push for micro-units was partially influenced by the relatively small size of renter households in Culver City (Sharp, 2020). With the decline of single room occupancy (SRO) buildings, micro-units may be able to fulfill a need in this market.

In line with state policy, Culver City is looking to accessory dwelling unit (ADU) development as a promising source of housing unit production that is in harmony with the dominant housing typology. The Community Development

Department is in the process of establishing an ADU grant program. The program would provide a \$25,000 grant to homeowners who sign either a 10-year covenant to rent the unit as workforce housing (household making 120% of AMI) or a 55-year covenant to rent to an Extremely Low Income or Low-Income household (S. Blumenfeld, personal communication, February 3, 2020).

## Incoming Development

As these policies kick in, development in Culver City continues trending toward the commercial side. The seven most recent projects in development listed in Table 4 are emblematic of the challenges the city is sure to face as it struggles to balance growth with preservation and meeting resident needs:

Table 4: Incoming Developments

Project	Type	# of Housing Units	Office Space (sq ft)	Retail Space (sq ft)	Estimated # of Jobs	Status
Fox Hills Plaza	Mixed-Use	712		21,000	140	On Hold
1111 Jefferson	Mixed-Use	279	101,000		673	In Progress
10858 Culver Blvd	City-owned Vacant Lot	TBD	TBD			City Soliciting Community Input
3434 Wesley St	Mixed-Use	15 (1 Affordable)	14,000		93	Under Construction
8888 Washington Blvd	Office and Retail		56,000	6,000	413	Under Construction
8777 Washington Blvd	Office and Retail		123,000	4,500	853	Under Construction
Ivy Station	Mixed-Use	200	200,000		1,333	Under Construction

We estimate that the commercial and retail spaces above will create spaces for 3,505 new workers in Culver City. This is based on the assumption that the average square footage of space allotted per worker is 150 square feet (Loopnet, 2019). The city should consider the housing needs of at least a fraction of these workers when developing its Housing Element.



# RECOMMENDATIONS

## Making Room: A Plan for a More Affordable Culver City

Housing Production  
in Culver City

244

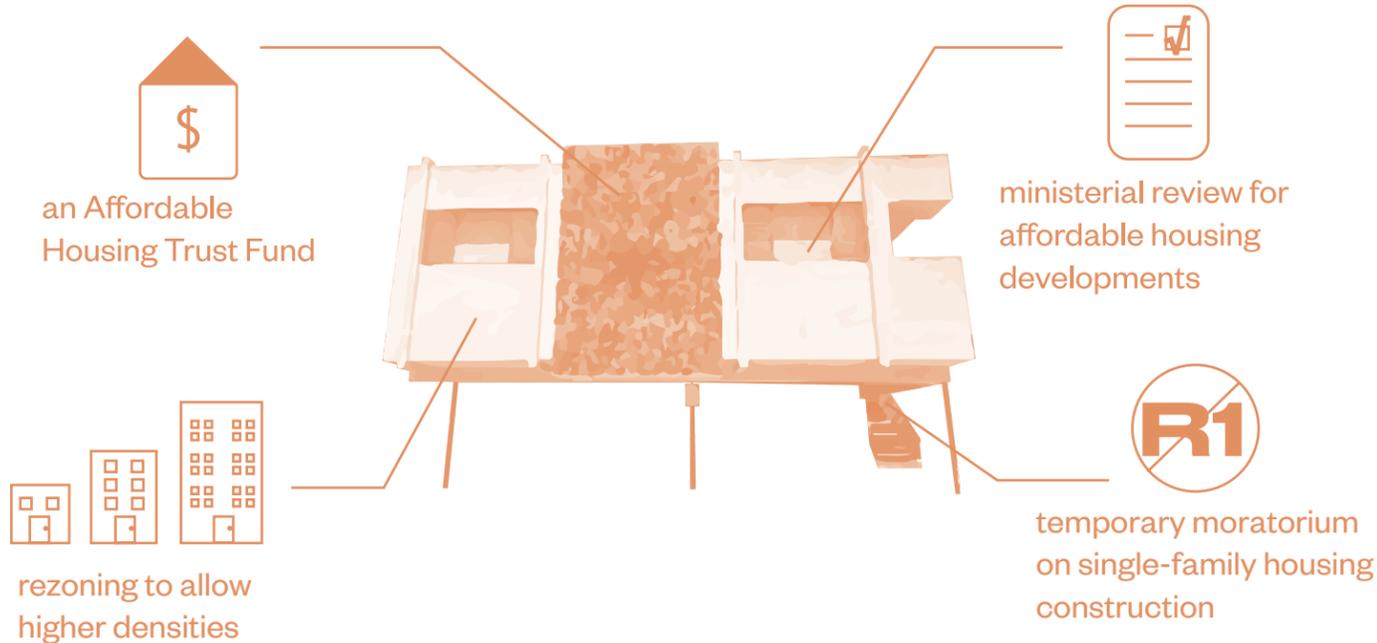
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277 units built from 2010 to 2019, 12%  
of which were affordable

Culver City is on the verge of accepting thousands of new workers from industries with some of the highest wages. As a result, the city's already expensive housing market will tighten and prices will likely continue to rise. Culver City's council members and mayor have achieved a consensus that the city's approach to meeting this new demand for housing needs a dramatic reorganization of funds and types of development. Before the city can place housing affordability on a fast-track, however, it needs to confront the costs of providing affordable housing and how it will accept these costs.

Our analysis shows that preserving naturally-occurring affordable housing, instituting housing development subsidy programs, and rezoning can unlock significant numbers of new housing units. Yet, this may not be enough for Culver City to reach its 3,332 housing unit goal during the 2021-2029 RHNA cycle. There are still strategic decisions to be made about what housing should be developed by the market and what housing should be developed by public sources.

### A combination of...



...could deliver the affordable housing  
Culver City needs

To help inform Culver City's council members in proactively delivering affordable housing to its residents, we outline our recommendations in three capacities: little or no changes, proactive changes, and innovative housing leader. The first "Business-as-Usual" approach describes the current efforts the city has made toward developing new housing and who has burdened those costs. The second "Keeping Up with the Westside" approach details the steps Culver City can proactively take toward bolstering its methods in delivering affordable housing in the near future and in the long-run. In the final "Local Housing Leader" section, we outline the regulatory and land use changes Culver City can make to indefinitely meet its future housing demand.

Each approach has its benefits and challenges in terms of housing impact, financial costs, and political feasibility. We recommend adopting the "Keeping Up with the Westside" plan as quickly as possible due to its high housing impact and moderate political feasibility. We believe this approach will promise Culver City residents lasting affordability and stability in the face of the Los Angeles region's inflated housing costs and displacement of local tenants.

# Business-as-Usual

Here we analyze the rent control and inclusionary housing policies currently being considered by the City Council, which would protect renters and incrementally add to the city's affordable housing stock.

## Rent Control –

***Protecting the majority of renters from escalating costs and risks to their housing stability regardless of their incomes.***

Enacting a permanent rent control ordinance that builds on current interim measures is the broadest way for Culver City to protect renters in its aging rental housing stock. According to a city commissioned study, the interim rent control ordinance covers 84% of renters based on the number of units built before February 1, 1995. The temporary measure expires soon in August 2020. Over the last year, renters have benefited from a rent cap, just cause eviction protections, and relocation benefits if their dwelling unit was constructed prior to February 1, 1995. The city's permanent ordinance should be no weaker than the interim one in order to ease the transition for renters and landlords alike.

To further protect the most vulnerable renters in high development activity areas, the City Council should ensure that the final adopted ordinance is reinforced with anti-harassment measures (as in West Hollywood). Suddenly increasing rents is just one strategy landlords use to drive out tenants. With that strategy out of the picture, tenants are vulnerable to other forms of abuse, fraud, and harassment that would make them uncomfortable enough to leave their housing situation. Establishing a civilian rent control commission is another way to empower tenants; their insights will guide the city toward policies that are responsive to changing housing needs.

Rent control comes with high administrative costs because the city must provide additional resources to the administrative body that will handle unit registration, determine annual rent increases, investigate violations, and enforce eviction protections and relocation benefits. Presumably, through the current demonstration, the city has a better idea of the capacity required to appropriately implement rent control and its accompanying benefits. Despite the recent defeat of Proposition 10, the policy remains politically popular -- amongst renters, at the very least -- since its benefits are broadly impactful.

## Inclusionary Housing –

***Ensuring that developers pay their fair share and balance the creation of market-rate housing with affordable housing.***

As of April 2020, Culver City is officially considering a zoning code amendment to add a 15% inclusionary housing requirement for mixed-use projects. Inclusionary housing encourages developers to balance the creation of market-rate housing with an investment in affordable housing either through their project, an off-site project, or payment of an in-lieu fee. The fees collected would go toward a "Low-and-Moderate Income Housing

Trust Fund". We recommend that the city prioritize implementing this change as soon as possible to capitalize on future waves of mixed-use development along its limited commercial corridor.

The city's prospective requirement is lower than neighboring Santa Monica and West Hollywood, which have 30 percent and 20 percent set-asides respectively. It is also more limited in terms of which new construction housing projects are impacted; the proposal excludes condominium projects. Per the city's staff report, inclusionary requirements are limited to mixed-use projects because of their high density potential compared to developments in other non-commercial zones. However, 15 percent is relatively conservative for a city that is starved for income-restricted affordable housing units. The feasibility study that preceded this decision found that Culver City has met just 13% of its low and very low income housing production goals compared to 460% of the above moderate income category.

Culver City should also consider modeling its inclusionary housing program after the City of Los Angeles' Transit Oriented Communities (TOC) program to gain more affordable units without having to increase the base requirement. The TOC program provides a tiered incentive structure which increases benefits to developers as they increase the share of affordable units in the project. The benefits come in the form of reduced parking requirements, reduced open space requirements, and additional density.

Implementing an inclusionary housing policy comes with moderate administrative costs for enforcement, monitoring, and collecting fees. The policy's level of impact depends on whether or not developers pay the in-lieu fee or actually construct affordable units in their projects. Considering the recent staff report, inclusionary housing seems politically palatable to Culver City councilmembers and residents because the addition of affordable

## Minimal Zoning Changes —

### ***A plan to meet 2021-2029 RHNA numbers.***

Culver City's simplest option to meet these challenges is to stay the course and attempt to meet its legally required numbers by letting market rate development trickle in at the rate at which it has been for the past twenty years. The city's current land use regulations favor mixed-use development that combines density bonuses with community benefits and is permitted via a discretionary political process. This strategy will produce some new multi-family housing, but likely only market rate housing and at a low rate. Development typical of this strategy will be buildings like 4139 Duquesne Avenue and 11048 Washington Boulevard: large, modern buildings built on multiple lots. Ironically, these buildings, which are currently allowed via the city's development standards, could be called "out of character" with the surrounding neighborhoods. 4139 Duquesne Avenue is both the tallest building on its block as well as the only building on its block built upon multiple parcels. 11048 Washington is in a similar situation; it is the only three-story building on a stretch of otherwise low-slung commercial buildings.

Based on our projections from past housing production rates, the existing zoning regime could provide 130 new housing units by 2025. However, the city has surplus zoned capacity, particularly on commercially-zoned land, that it is exploring strategies to redevelop with housing. If it is able to devise rules that encourage development on this land, it is likely that future housing construction will exceed the rate of the past twenty years, but it is not yet clear that this will be sufficient to account for continued economic growth.

The upfront costs of this option are low and it is highly politically feasible. However, its long term costs are high, as it will exacerbate the housing-jobs imbalance that is already affecting the city. On a business-as-usual path, Culver City will struggle to meet its new 3,332 housing units by 2029 and continue to mirror the Westside's increasing housing costs.



4139 Duquesne Ave



11048 Washington Blvd

In 'Business-as-Usual' scenario, we find Culver City attempting to satiate the housing needs of the incoming high-wage employees. New luxury offices and mixed-use living spaces are cropping up at gateway points to the city, signaling to developers and new residents alike that Culver City is open to changing its low-density image. However, in a proactive local affordable housing agenda this position is not sufficient in order to provide affordable housing for all. Only providing market-rate housing can miss the needs of those who have been priced out of the market or are soon to be priced out. Take the 'Upper Ivy' residences at the Ivy Station and Westside Culver's 'Lucky Residences' for example. Respectively, 2-bedroom units at these new projects start at asking prices of \$4,125 and \$3,795. The challenge here is to make sure housing affordability is provided for even the lowest earners, not just the new high-wage workers moving into Culver City.

Providing market-rate housing in hopes of lowering the overall price of a city's housing market is ultimately a passive response to solving a housing affordability crisis. This passive strategy assumes local governments have an extended period of time to work with, despite having an affordability crisis that affects renters at the end of each month. To move forward in a proactive local affordable housing agenda, more government intervention is needed to ensure all ranges of household incomes are provided with safe and adequate housing.

# Keeping Up with the Westside

The interventions in this section build on a scenario where the city has adopted rent control and inclusionary zoning and is ready to allow for increased development without having to worry about displacement or pricing people out.

## Establish an Affordable Housing Trust Fund —

*Investing in long-term affordability for low-income households.*

Establishing a housing trust fund is key to stimulating affordable housing production in Culver City. As developable land becomes more scarce and construction costs continue to rise, below market rate housing's financial feasibility drops. It is impossible to finance these projects without subsidies, tax credits, or low-cost (soft) loans provided by local governments. Soft loans are crucial funding sources that affordable housing developers leverage to obtain state tax credit allocations through the Low Income Housing Tax Credit program. Culver City can help developers be more competitive in the tax credit allocation process by buying into their projects through trust fund investments. The trust fund can also be used to sustain the rehabilitation of existing Culver City multifamily housing. As the city's housing stock ages, older properties can become a source of income-restricted housing in exchange for funding much needed physical improvements.

Investing in affordable housing through loans ensures that current and future low-income Culver City residents will have accessible housing opportunities. As a lender, the city can set the terms for these projects, such as target populations (e.g., large families, the elderly, or people with disabilities) and how long units must remain affordable. Our case study cities, West Hollywood and Santa Monica, have housing trust fund budgets of \$23 million and \$58 million respectively. Both of these cities have had funds in place for decades, so it will take years for Culver City to reach this point. The fund could be seeded with leftover Community Redevelopment Agency (CRA) money and funds raised through the Inclusionary Housing program. Per the latest draft of the 2020-2021 Fiscal Year budget, Culver City has over \$21 million in tax increment income from past CRA projects. The city should explore the possibility of redirecting those funds toward low-cost development loans.

This is a high cost policy option both fiscally and administratively. The trust fund will likely face political challenges around where limited resources should be allotted depending on the city's post-pandemic economic state. Still, the issue of housing affordability will be even more acute in the coming years. Establishing and maintaining a robust trust fund would communicate to Culver City residents that the City Council is willing to put its money where its mouth is: there is no more direct way to tackle this crisis than subsidizing the production of units that will be low-cost for decades.

## Reimagining the ground floor retail requirement in mixed-use projects —

*A strategy that could improve the financial feasibility of below market rate housing developments.*

In conversations with developers, we learned that ground floor retail requirements for projects in mixed-use areas depress a project's financial feasibility. Currently, Culver City's zoning code mandates that any project in a commercial zone have a commercial use on the ground floor. Seeing as most of the opportunities for development are along commercial corridors, this policy primarily affects denser housing projects. Adding a retail component to a project can be risky. In an environment where vacancy is high, retail spaces can remain un-leased for months, hurting a project's rental income. This puts below market rate housing projects particularly at risk since their overall income is much lower than market rate projects. Additionally, retail uses have higher per square foot parking requirements than residential uses. A developer in a commercial zone in Culver City would have to budget for parking not just for their residents, but for the patrons of their commercial spaces.

To preserve the policy's spirit of street activation, we recommend that Culver City allow developers of affordable housing to opt for alternative ground floor uses in these zones. This can manifest in many different ways. Developers can choose to place amenities accessible to the public on the ground floor. They can also use the ground floor partially for residential units, but fill spaces closer to the street frontage with community art displays. This decreases both the development and administrative costs of the retail component in a forced mixed-use project. This revision to the city's zoning code comes with small administrative costs at a substantial benefit to the cost of developing housing in the city's densest corridor.

## Give affordable housing projects ministerial review —

*Granting affordable housing projects ministerial review would streamline development, help property owners and developers save time and money, accelerate affordable housing production and more quickly place low-income families into new homes*

Granting ministerial review—or “by-right” development—for all new affordable housing construction would most rapidly increase the affordability of Culver City. Ministerial review would decrease the time spent on securing entitlements and streamline affordable housing production in the city. Currently all multi-family developments in Culver City require exhaustive discretionary review through an amalgam of planners, city council, and the broader community. Affordable housing developments in Culver City undergo even more intensive discretionary review, mostly because of stigma attached to affordable developments and the typically more complex funding stack involved in affordable developments. While mandatory discretionary review is appropriate for a city typified by low-density and a vocal residential bloc, the amount of time required to initiate and approve any development under discretionary review could set back Culver City a number of years in terms of housing production. As such, establishing a local-level ministerial review for affordable projects would streamline Culver City's ability to meet its housing affordability goals.

This recommendation is in direct response to Culver City's current residential permitting process. The current process is attached in Appendix B. There are numerous stages to this process that place affordable housing developers at a disadvantage when developing in Culver City, particularly the design review process, the community meeting process, and the approval vote required by City Council. In order to make the permitting process for affordable housing developments more efficient, Culver City should adopt permitting processes that are consistent with California HCD's Streamlined Ministerial Approval Process Guidelines. Adopting the HCD ministerial approval guidelines would both demonstrate Culver City's commitment to aiding affordable housing developers within its jurisdiction and set precedent that it is proactively combating its affordability crisis.

## For streamlining the design review process, Culver City Planning Division can –

- ▶ Eliminate subjective and ambiguous design compliances such as “consistency with neighborhood character”
- ▶ Draft and employ objective design review standards that list specific building materials or styles which are not open to interpretation. This can be aided with the use of illustrations or other architectural references.
- ▶ Have consolidated design requirements from other city departments (Public Works, Building Safety, Fire Prevention, Planning) be made upfront to affordable housing developers. These city departments are required to give input during the current design review process. To eliminate overlap of comments and reduce the entitlements timeline, a list of universal ‘issues’ or ‘recommendations’ these departments have seen in other projects can be compiled to integrate into this streamlined design review process.

The objective here is to minimize the number of revisions and meetings that are to be held between Culver City’s planning staff and affordable housing developers.

To truly grant affordable housing developments ministerial review, public comment would be eliminated from the development process per meeting clear and defined standards. While we believe this is the route Culver City should adopt for the time being, there are possibilities to accept public comment while insulating their effects on the affordable project. Culver City Planning Division can create an online portal with descriptions and plans of all affordable projects in the city’s pipeline to demonstrate transparency to the public. This portal can also have room for the Planning Division to accept comments and concerns regarding the project. Currently, Culver City’s planning staff have a portal for active and entitled projects; the recommendation in this section suggests new applications be made public.

Arguably the most important change to grant affordable housing developments ministerial review in Culver City would be to change the City Council vote required to process a building permit. Simply put, Culver City should implement an administrative staff review to affordable projects. This would ensure the affordable project conforms to standardized guidelines and would expedite the development timeline. Implementing an administrative staff review would avoid the politicized nature of affordable housing amidst a tangible affordability crisis.

Based on our recommendations matrix, establishing ministerial review for affordable housing developments would yield a high positive impact to Culver City’s housing market, be of low cost, and be of moderate political feasibility. Streamlining this permitting process for affordable projects helps property owners and developers save time and money, which in turn helps increase housing production and more quickly places low-income families into new homes. In terms of cost, this streamlining would actually save the city time and money. Politically, implementing this ministerial review would initially receive criticism but ultimately be regarded as an improvement to Culver City’s development process in the long-run by making the city more attractive to

## Meet RHNA numbers and plan for future job growth –

### *Increase the number of RMD parcels and change development standards to allow denser development*

Meeting Culver City’s RHNA numbers will be a significant change for the city, but simply meeting the legally required minimums will mean that the rate of job growth will continue to outpace housing growth. If employment grows for the next ten years at just half the rate it did for the previous twenty, the city will need to add 4,937 housing units to prevent the jobs-housing balance from worsening.

Culver City’s RMD (Medium Density Multiple-Family Residential District) districts play a critical role in the life of the city. For this reason, we see the most potential in increasing the amount of the city zoned for RMD-uses. In particular, the areas of the city near high-frequency transit lines are the most suitable for this type of development. We must note that the RMD district has not been successful in producing new housing at the necessary levels in the recent past, and for this reason we recommend changing development standards to allow denser infill development. Reducing parking requirements and setbacks and eliminating the 9-unit maximum would allow denser development that stayed within the character of the surrounding areas. In our case study of LaSalle Avenue we saw that the block had an average lot coverage 32%. If just two single-family homes on one block were redeveloped as apartment buildings with 85% lot coverage (the highest currently-existing lot coverage on the block), the average lot coverage on the block would increase by just 4%. This is a relatively minimal change that would be unlikely to change the character of a block. It is worth noting that Culver City has explored this policy in the past. In the city’s 2001-2005 Housing Element, planners suggested eliminating the nine-unit limit and consolidating lots into larger parcels to allow denser development.

Upgrading the existing R2 zones east of Overland Avenue to RMD would create 1,221 additional RMD parcels near the commercial and transit core of Culver City. The already-existing RMD parcels host an average of 2.7 units per parcel. Bringing the R2 zones up from their current level of 1.5 units per parcel to an average of 2.7 would expand the housing supply by 1,465 units. This would make up the difference between just meeting the city’s RHNA numbers and accounting for the future rate of employment growth.

The upfront costs of this policy would be minimal. It would consist primarily of staff costs related to designing the new development standards and updating zoning documents. In the long run, these costs would likely be offset multiple times by the higher property taxes that would come from denser development. This zoning change will be politically feasible as well. It applies to only a small subset of the overall parcels in the city, and it is an area that already has a decent amount of multi-family housing.



3843 Prospect Ave



3843 Tilden Ave

# Local Housing Leader

The following recommendations build on the two previous sets by fundamentally changing the city's zoned capacity and lifting regulatory barriers.

## Make all residential development by-right —

*Adopting a by-right ordinance for denser developments will expand Culver City's housing production to meet housing demand in the long-term.*

Drafting a “by-right” ordinance for all developments would allow building permits to be given more quickly to projects that comply with current zoning and land use designations, and in turn, promote housing growth. As it stands, Culver City only considers one- and two-unit developments to be by-right. Implementing a by-right ordinance for all developments may seem as an extreme measure that could uproot the low-density character of Culver City; however, in line with our analysis of where Culver City is most well-positioned for growth, the city can create an overlay zone to designate where dense by-right developments can take place. A by-right overlay would be best implemented along Culver City's corridors we have identified in Map 4.2 of our land use analysis. If built out to its maximum capacity, this by-right overlay over the parcels we identified could streamline the production of over 7,600 new units. As the parcels in this overlay are almost entirely on commercially zoned land, this would not infringe on homeowners' perceived rights over neighborhood developments and would receive less pushback from community opposition.

Implementing this recommendation would yield the highest impact for Culver City to not only meet its RHNA number by 2029 but exceed them, setting precedent in the greater Los Angeles housing market. And while nearby planning departments (e.g. LA County Dept. of Regional Planning) have very recently passed by-right ordinances Culver City can take influence from, there is surely to be strong pushback from the public to pass such an ordinance in Culver City. This is a cost-effective measure to boost housing production in Culver City, but it rests on the concerted efforts of the city's planning division and City Council to decide what path is best for Culver City to be a team-player in the region's housing market. Whether united local opposition to growth will be the greater denominator for Culver City rather than pushing for more growth during an affordable housing shortage is yet to be seen.

## Rezoning to increase the number of RHD parcels —

*Increasing the number higher-density zoned parcels will signal property owners to increase the number of units on their land.*

Culver City currently only dedicates 7% of residential land to RHD parcels, the densest residential zoning type at 29 dwelling units per acre. This percent of land share is consistent with the low-density character of Culver City.

But for Culver City to increase its overall density to a medium-density character to meet this current and future rounds of RHNA numbers, it must be proactive in its rezoning. Executing a rezoning of parcels located near transit hubs to be RHD can demonstrate that the city is willing to adopt a gradual change toward higher density in areas that make the most sense. Such zoning changes would also increase property values on which current buildings sit, incentivizing property owners to redevelop their property to a higher number of units.

However, this zoning decision is not a top-priority in our recommendations simply because on its own, it is a speculative measure that does not guarantee a high number of new housing units. This zoning change must be paired with our other recommendations to have a strong impact on Culver City's housing market. In the long-run, this recommendation can signal to property owners that they can improve their properties by increasing the units built, but this would only be an effective measure if denser developments were by-right. The development pattern of Culver City's high number of RMD parcels makes for a perfect case study. Despite this zoning allowing up to nine

## Meet RHNA numbers and restore the city's 2002 housing-to-jobs ratio —

*Temporary moratorium on single-family construction until housing-to-jobs ratio reaches .43 again and phasing out of single-family zoned land.*

Our most progressive and intensive proposal would curtail the construction of new single-family homes—or replacing one single-family home for another—until the city restores the ratio of housing-to-jobs that existed in 2002. This would incentivize Culver City homeowners to implement a land use regime they found suitable and that could reasonably be expected to increase the rate of housing production. Depending on the rate of employment growth, this would mean the construction of between 9,000 and 14,000 units of housing.

When recommending to phase out single-family zoned land, we do not mean single-family homes should be declared illegal. Rather, we are encouraging Culver City to give homeowners more autonomy over their land and encouraging Culver City planners to embrace greater diversity of housing typology in their city. Recently, Minneapolis has incrementally phased out single-family zoned land. The city has done so by allowing for the construction of up to three units on R1 land in areas of the city that are suffering from staggering rent hikes, due to the artificial cap on the supply of housing that single-family land creates. In the case of Culver City, our land use analysis finds that there are approximately 4,700 parcels zoned exclusively for single-family use. Alleviating development restrictions on this land could allow for between 12,000-15,000 new units, though in reality the gains would be more modest. Moreover, this is not a radical political proposition as Culver City has recently taken an incremental step toward this recommendation by way of its ADU program. After permitting over 100 ADU units in the last two years, allowing for duplexes or triplexes in single-family neighborhoods would not require a huge leap of faith.

There are minimal costs associated with this proposal. It would likely require staff time to draft new zoning policies as well as to facilitate an outreach process. This option is moderately feasible because it may be perceived as a reversal of homeowner discretion over “neighborhood character” in Culver City. However, when proposed appropriately, councilmembers may demonstrate to homeowners that this actually grants them more autonomy in shaping the future of Culver City, rather than developers creating ‘condo canyons’ along the city's corridors.



# ANALYSIS

The preceding recommendations are supported by an analysis of four different components that affect housing affordability: demand, preservation, supply, and land use.

## Each section of analysis is guided by one of the following four overarching research questions

- How has the demand for housing in Culver City changed?
- How can Culver City preserve the affordability of its housing stock and protect the tenants who occupy it?
- How can Culver City expand its supply of affordable housing?
- What land use changes are necessary to achieve equitable growth?

To answer them, we employed a combination of stakeholder interviews, data analysis, mapping, and case studies. Each unique section of analysis is preceded by a brief explanation of the methods and data sources used. Our methods have been informed by a review of the relevant literature on contemporary housing policy debates. A complete literature review can be found in Appendix A. Diving into these questions and data sources provided us with insight into the unrelenting housing market conditions current and prospective Culver city renters are facing.

# Job Growth in Culver City and Beyond

## Not Just a Drop in the Bucket: Extraordinary Job Growth in Culver City

### SUMMARY OF FINDINGS

- ▶ Since 2002, Culver City has added over 20,000 jobs and fewer than 1,000 housing units
- ▶ Both low-wage and high-wage employment has grown, leaving a larger pool of low-wage workers competing with high-wage workers for a dwindling supply of affordable housing
- ▶ If current trends continue, the jobs-housing imbalance will only get worse

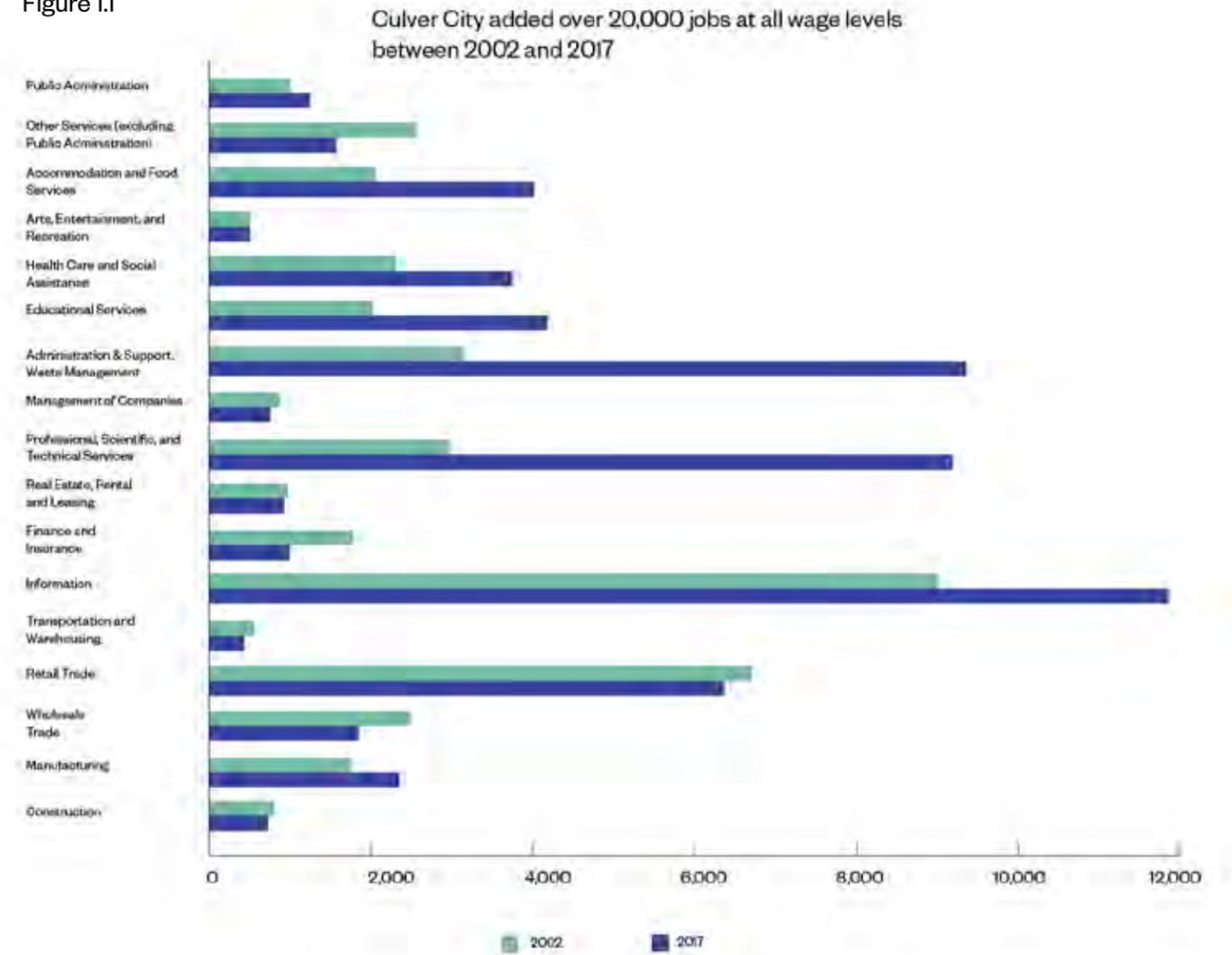
## Methodology

This section relies heavily on the US Census's Longitudinal Employer-Household Dynamics (LEHD) dataset, and on the LEHD Origin-Destination Employment Statistics (LODES) in particular. This data set records the home census tract, work census tract, job type, and wage level of every worker in the United States. We use it here to analyze employment growth in both Culver City as well as the broader region within which Culver City's residents commute. The LODES data also lets us define this broader region, which we define as the top 100 census tracts to which Culver City residents commute. Because the wage-related information in this data set is limited, we supplement it with the US Census County Business Patterns (CBP) data set, which shows average wages for different job types in each county of the United States. Our information about the wages associated with different job types extrapolates the Los Angeles County CBP data to Culver City. All of the job types are categorized via two-digit NAICS codes. Information about housing data and housing growth in this section comes from the US Census American Community Survey (ACS).

## Discussion

The amount of jobs in Culver City has grown dramatically since 2000. In 2002, there were 41,521 jobs in Culver City. In 2017, there were 60,036. This growth has put pressure on the local housing market, which has failed to keep up with this growth. Most of this employment growth has been at the higher end of the wage spectrum, making this pressure even stronger. Figure 1.1 shows growth in employment by job category in Culver City between 2002 and 2017.

Figure 1.1

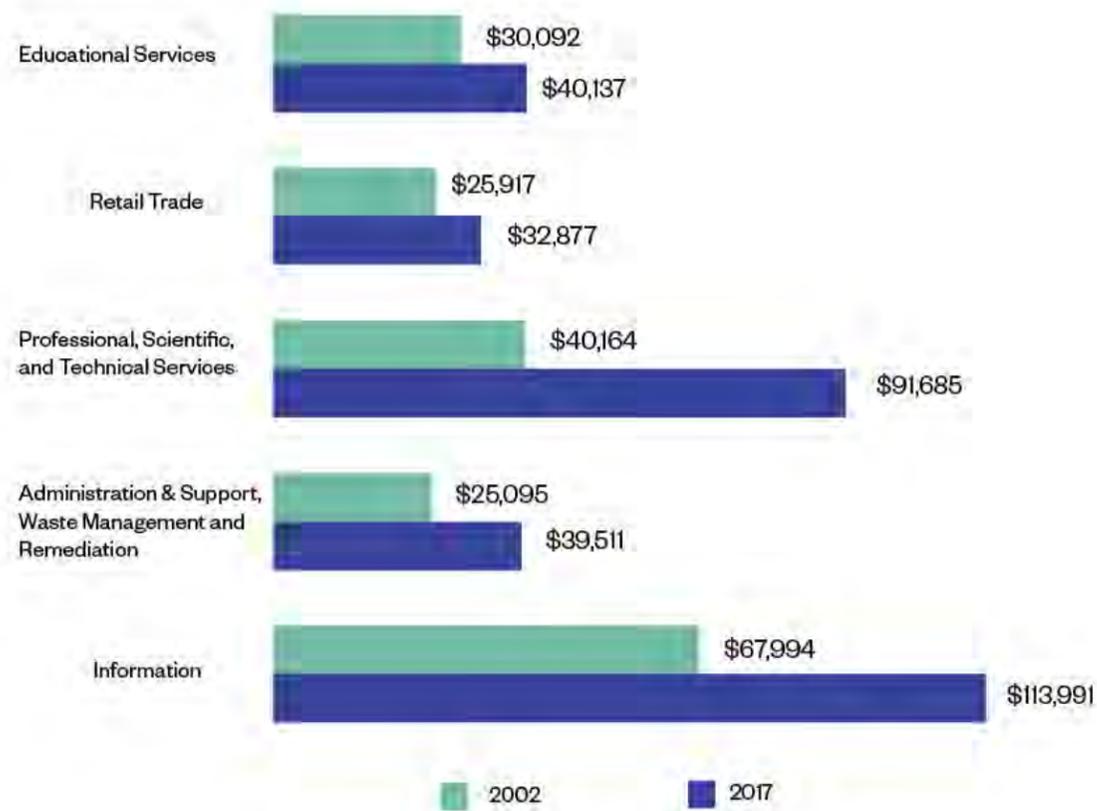


The primary takeaway from Figure 1.1 is that job growth in Culver City has been significant at all income levels. The overall number of jobs grew 45 percent over the last 25 years. Much of this growth was at the higher end of the income spectrum, but growth was significant at the middle and lower income levels too. Three of Culver City's top five job categories have average wages below the city's median income.

A second key takeaway from Figure 1.1 is that wage growth has been highest in the higher-income job categories. Information and professional, scientific, and technical services, which are the two highest-income categories in both 2002 and 2017, are also the two categories in which wages grew the most. In information, wages grew by 68 percent; in professional, scientific, and technical services, wages grew by an astounding 128 percent. In contrast, wages in retail trade, the lowest-earning job category, grew by only 27 percent. Figure 1.2 below shows the wage growth by job type between 2002 and 2017.

Figure 1.2

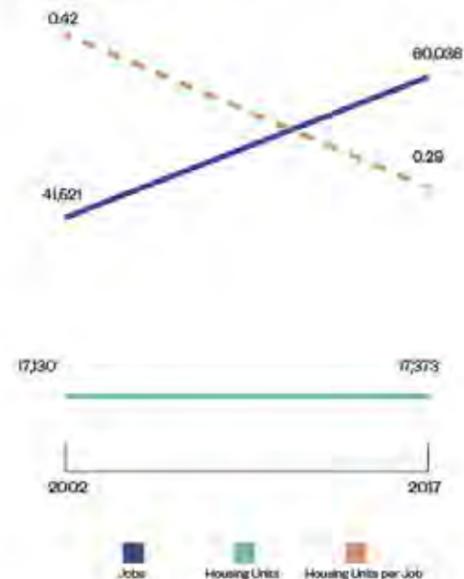
Between 2002 and 2017, wage growth was large in high-income jobs and minimal in low-income jobs



This dramatic job growth has taken place in the absence of any significant housing growth. In 2002, Culver City had 17,130 housing units. In 2017, it had 17,373. As a result, the ratio of housing units to jobs has decreased by 32%. Figure 1.3 below illustrates how the ratio of housing units to jobs (dotted line) has declined over time. This is a product of the increase in the number of jobs and relative lack of housing unit development.

Figure 1.3

The ratio of housing units to jobs in Culver City dropped by nearly 50% between 2002 and 2017



## Beyond City Limits: Job Growth in the Culver City Commute-shed

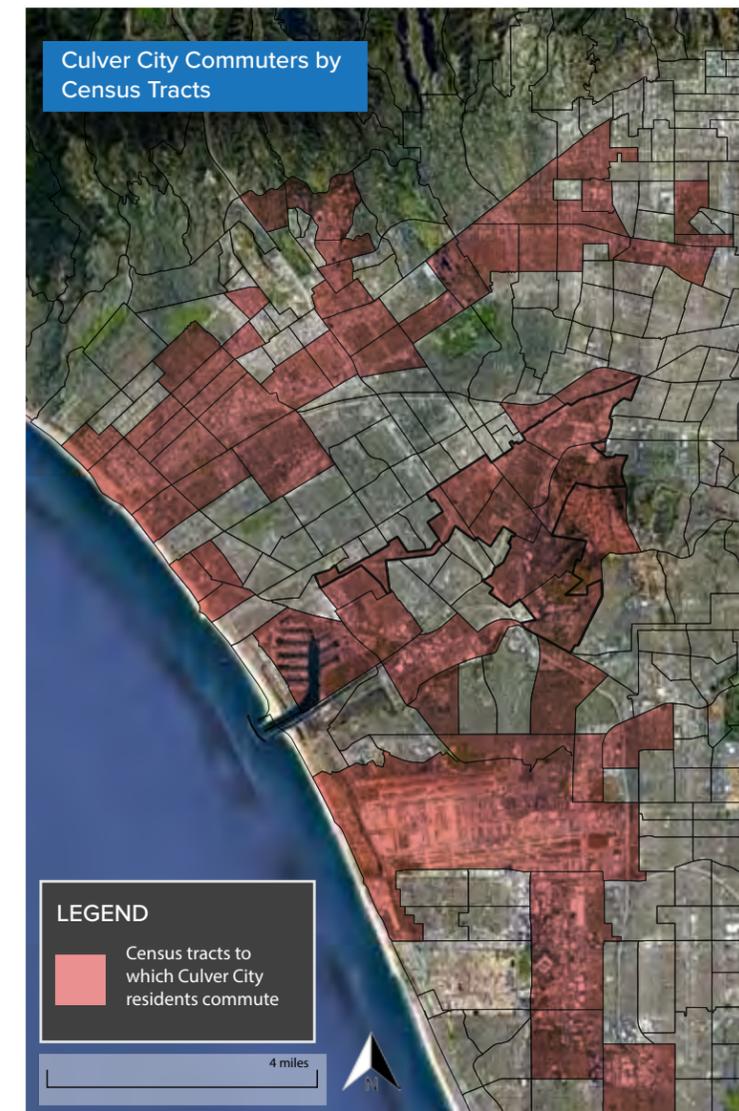
### SUMMARY OF FINDINGS

- ▶ The majority of Culver City residents commute to census tracts on the Westside of Los Angeles
- ▶ Job growth in this region has outpaced housing growth, albeit not quite as dramatically as in Culver City itself

### Discussion

Culver City does not exist in a vacuum. The price of housing in Culver City is affected by job growth outside of the city limits. Using data from the US Census' Local Origin-Destination Employment Statistics (LODES) program, we examined where residents of Culver City work in order to determine the job centers that put pressure on the city's housing market. The map below shows the top 50 census tracts to which residents of Culver City commute for work. These 50 tracts account for 45 percent of all workers who live in Culver City. We are assuming that, based on existing commuting patterns, job growth in this area increases the number of people interested in living in

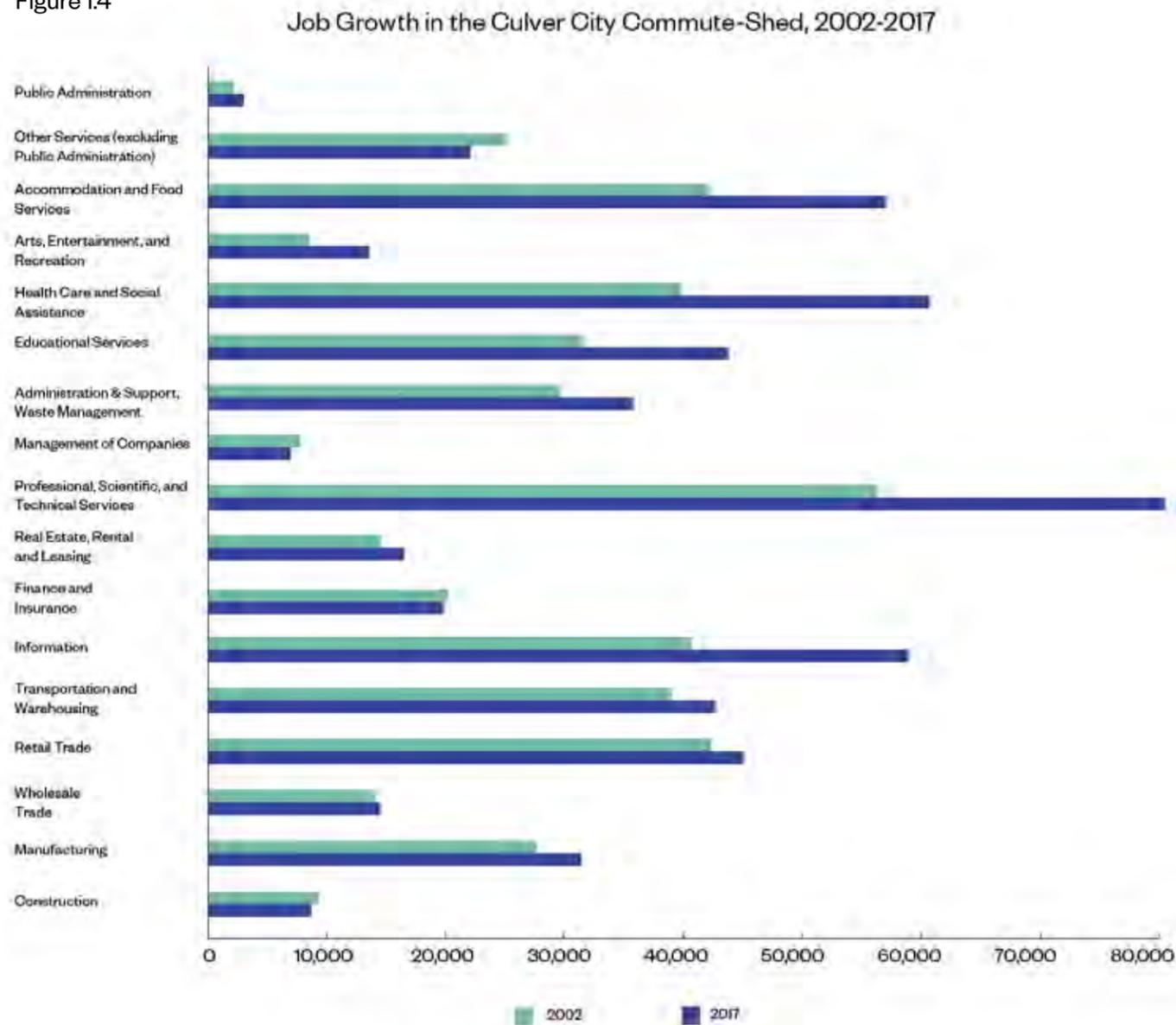
Map 1.1



As Map 1.1 shows, most residents of Culver City work in the area of Los Angeles County bounded by La Cienega Boulevard to the east, the Santa Monica Mountains to the north, the Pacific Ocean to the west, and Rosecrans Avenue to the south. There are also notable employment clusters in Downtown Los Angeles and Burbank. For simplicity, we will exclude those tracts from this analysis. This resulting geographic area of employment will hereafter be referred to as the Culver City commute-shed.

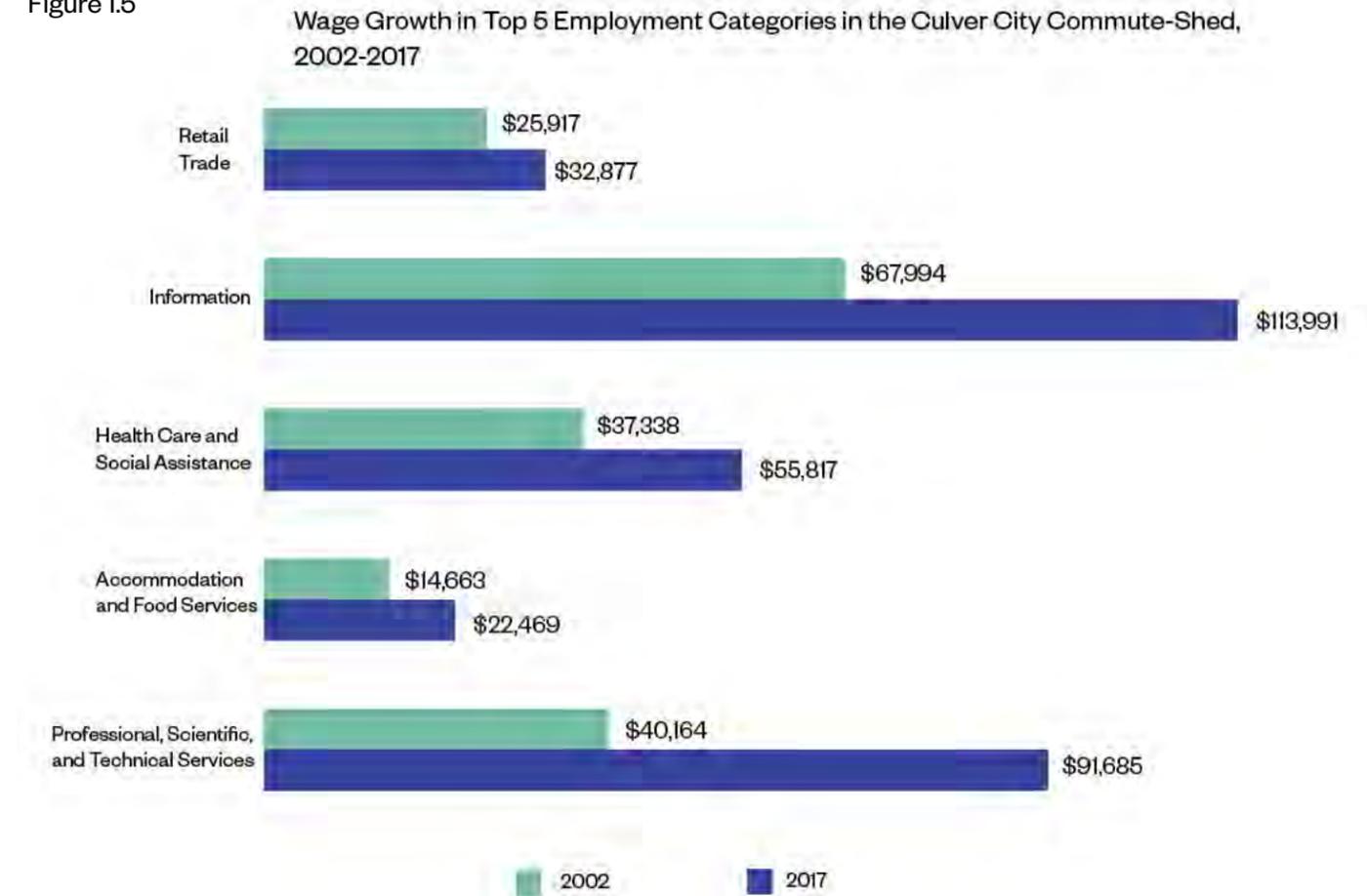
In this region, the number of jobs grew from 533,652 to 656,595 between 2002 and 2017. This is an increase of 23 percent. Figure 1.4 below shows how the composition of the Westside labor force has changed since 2002.

Figure 1.4



The job growth patterns in the Culver City commute-shed are very similar to those in Culver City. There was significant growth in all categories and at all income levels. Information and professional, scientific, and technical services, the two major high-income growth categories in Culver City, were also the two major high-income growth categories in the commute-shed. Figure 1.5 shows the growth in wages in the dominant employment types.

Figure 1.5



We will now use a different piece of data to evaluate job growth in Culver City and its surrounding areas. The United States Census Longitudinal Employer-Household Dynamics (LEHD) program reports the wage levels of workers in a given area divided into three tiers. This data is limited in its utility because the highest category, more than \$3,333 per month, obscures the differences in income between all people making over \$40,000 per year. Nonetheless, the data is useful for understanding how employment in Culver City has changed in the past 10 years. Table 1.1 below compares changes in wages in Culver City to Los Angeles County as a whole for the years between 2002 and 2017.

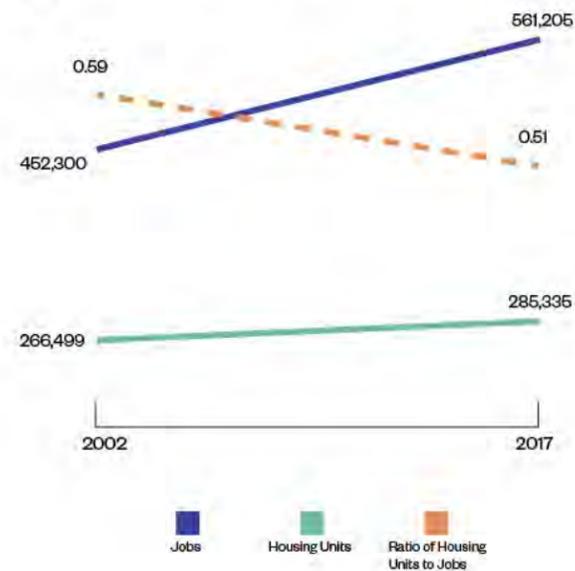
Table 1.1: Percentage of Employment Growth by Wage Level in the Culver City Commute-shed (2002 and 2017)

Wage Level	Culver City	Culver City Commute-shed	Los Angeles County
Less than \$1,251/mo	- 5%	- 27%	- 25%
\$1,251 to \$3,333/mo	17%	- 11%	- 4%
More than \$3,333/mo	123%	87%	78%
Total	45%	23%	17%

The numbers in Table 1.1 show that low-wage employment has been more persistent in Culver City than in its commute-shed and in Los Angeles County as a whole. In the county, the number of people making below \$15,000 a year dropped by 25 percent and the number of people making between \$15,000 a year and \$40,000 a year dropped as well. In Culver City, the number of people making below \$15,000 a year dropped to a lesser extent, and the number of people making between \$15,000 and \$40,000 grew. In both Culver City and LA County, the number of people making over \$40,000 grew significantly. Job growth in Culver City proceeded at a rate over twice that of Los Angeles County.

Job growth in the commute-shed has taken place alongside a relatively modest increase in the area's housing supply. Figure 1.6 below compares the change in the number of jobs with the change in the number of housing units from 2002 to 2017.

Figure 1.6 Change in the Ratio of Housing Units to Jobs in the Culver City Commute-Shed, 2002-2017



Housing growth has not kept pace with job growth on the Westside of Los Angeles. This has important ramifications for Culver City, given that many of the Westside's workers choose to live there. Culver City's housing supply is being squeezed not just by job growth in Culver City but also by job growth in the region as a whole. It is worth remembering that job growth is taking place at all income levels, meaning that a larger population of high-income workers is competing with a larger population of low-income workers for a set of housing units that is not growing fast enough to accommodate either population.

## An Ongoing Crisis Could Get Worse: Future Projections of Housing-Jobs Imbalance

### SUMMARY OF FINDINGS

- ▶ Without an increase in the housing production rate, the ratio of housing units to jobs could drop to .23 by the end of the next Housing Element planning cycle in 2030

### Discussion

Culver City's job market continues to grow; businesses from Amazon to Apple have announced their intention to locate offices in the city. These new developments are not yet reflected in the previously-presented data, which only covers years between 2002-2017. If employment growth persists at its current rate, it will continue to outpace housing growth. Table 1.2 below shows a projection for the next ten years (approximately the length of a Housing Element planning cycle) assuming that the current rates of housing and job growth remain steady.

Table 1.2: Job Growth Projections for Culver City through 2030

Year	Housing Units	Jobs	Housing Units per Job
2017	17,373	60,036	0.29
2025	17,503	69,911	0.25
2030	17,584	76,082	0.23

If housing production does not accelerate, the imbalance between housing units and jobs will continue to increase. This will continue to put pressure on the city's housing market, leading to rising rents and home values. Only the portion of Culver City's workforce in high-wage industries will be able to afford these higher housing costs.

# Preserving the City's Existing Affordable Housing Stock

## Just how expensive is Culver City? Median Rent and Rent Burden in Culver City (2000 - 2017)

### SUMMARY OF FINDINGS

- ▶ By 2017, median rents in Culver City had already surpassed LA County's median rent
- ▶ Without renter protections, most of Culver City will be rent-burdened in the coming years
- ▶ Concentrations of rent-burdened block-groups border LA neighborhoods experiencing high development pressures (Palms, Venice, Playa Vista), with the majority of the least well-off households (earning less than \$50,000 per year), face the greatest pressure

### Methodology

To assess the current state of housing affordability, we analyzed Culver City's current housing stock and investigated how its affordability has changed over time. This quantitative descriptive analysis used data from the US Census Bureau's Decennial Census and the American Community Survey (ACS) in 2000 and 2017. Specifically, we assessed change in rent values over time at the block-group level, an area of about 0.2 square miles, or an average of 1,500 people per block-group—because this was the smallest but most comprehensive scale at which Census data were available. We also used block-group shapefiles to pinpoint which specific parts of Culver City saw the largest increase in rent values between 2000 and 2017. For the geography of these data, we used block-group shapefiles from 2000 for the Decennial Census and block-group shapefiles from 2010 for the 5-Year ACS data.

### Discussion

In terms of cost of living, Culver City is often described as too expensive to live in or move to. This has not always been the case for Culver City, which in 1980 was affordable in comparison to the rest of the Westside today. In this section, we assessed just how expensive Culver City has become for its residents. We expand upon anecdotal accounts of the image of Culver City being prohibitively costly to live in or move to using quantitative data.

We used two common measures of housing costs for renters, a simple median rent and an estimate of rent burden. Median rent presents an unprocessed look at rents that shows the raw costs of living. A household's rent burden, on the other hand, is a measure of how much of a household's income goes toward rent. In general, spending 30 percent or more of their income on rent means a household is rent-burdened, and 50 percent or more is considered extremely rent-burdened. This measure allows for a proportional look at tenants' allocation of income. Together, these two measures illustrate both costly areas of Culver City and areas where tenants are most susceptible to changes in these costs.

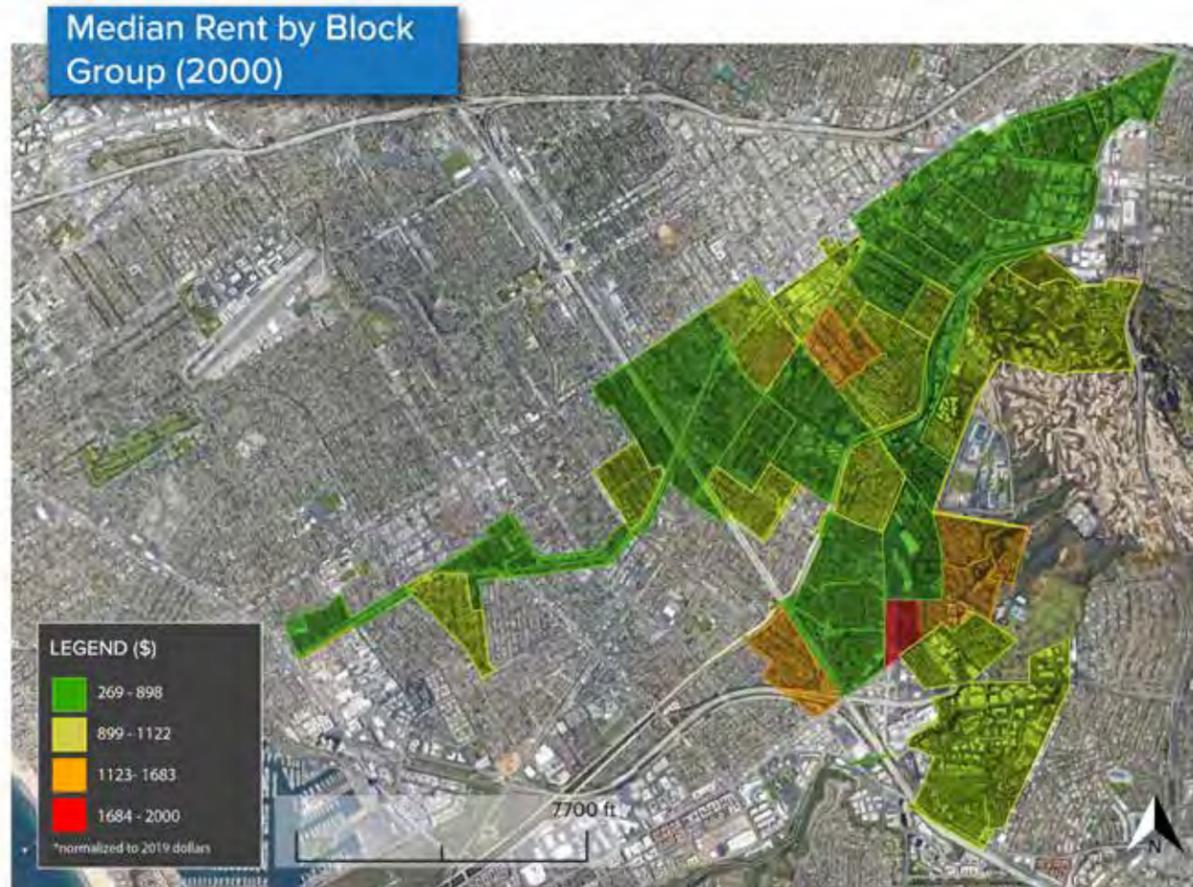
Map 2.1 and 2.2 illustrate the change in median rent experienced by Culver City tenants from 2000 to 2017. Our analysis for this section was adjusted to 2019 dollars to account for inflation. In 2000, most tenants in the city were paying less than \$1,100 on rent. Only a few block-groups' median rents were above \$1,600. In particular, one block-group's median rent in the Sunkist Park area was above \$2,000 (as illustrated in red).

By 2017, Culver City's median rents changed drastically. No single block-group's median rent was below \$1,000. The largest category of block-groups are identified in orange, signaling that the median rent for most renters in the city ranged between \$1,350 and \$2,000. The second largest grouping of block-groups, identified in red, were paying a median rent of somewhere between \$2,000 and \$3,250. It should be noted that LA County's median rent during 2017 (in 2019 dollars) was \$1,460.

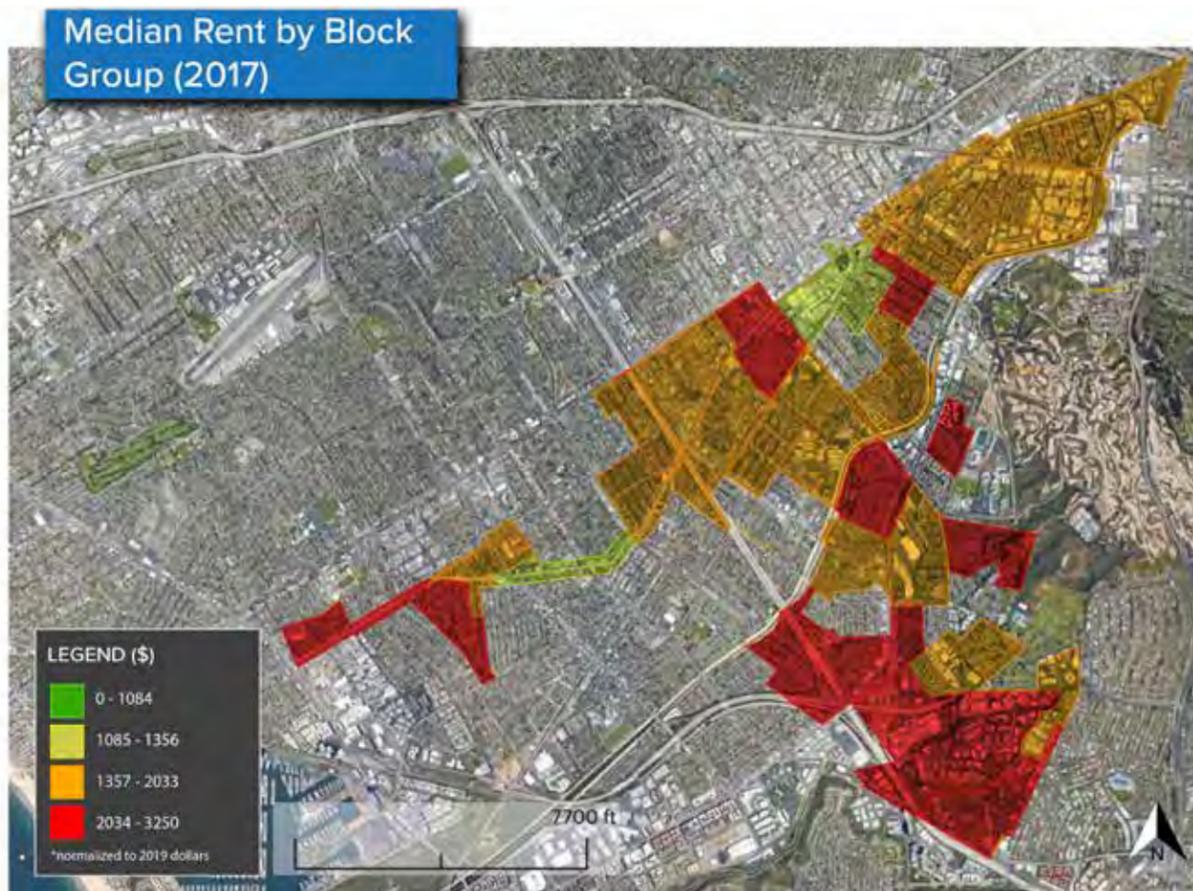
By 2017, Culver City had already become a prohibitively expensive city to live in compared to the rest of the county. With a median 2-bedroom rent of \$2,600, Culver City households would require an income of \$103,000 to be eligible to rent according to most landlord's income requirements. Expressed as a ratio, Culver City's household income necessary to rent a median 2-bedroom is 175 percent that of LA County's median household income at \$59,134 (2017 5-year ACS). Rents are steadily rising across the county, and without a form of rent control in Culver City, this income-rent ratio will only continue to exacerbate the affordability crisis for families in the city.

Comparing the block-groups with high median rents to those block-groups which were rent-burdened shows that there are pockets of high-earning neighborhoods and lower-earning neighborhoods in Culver City. For example, while Fox Hills renters were paying some of the highest rents in 2017, they were not rent-burdened, suggesting that household incomes in this neighborhood are high enough to withstand large shocks in rents. More generally, however, the block-groups in orange are still paying higher rents than the rest of the county on average. This finding underscores many anecdotal claims that Culver City is becoming an exclusive city where it is harder for renters to make ends meet.

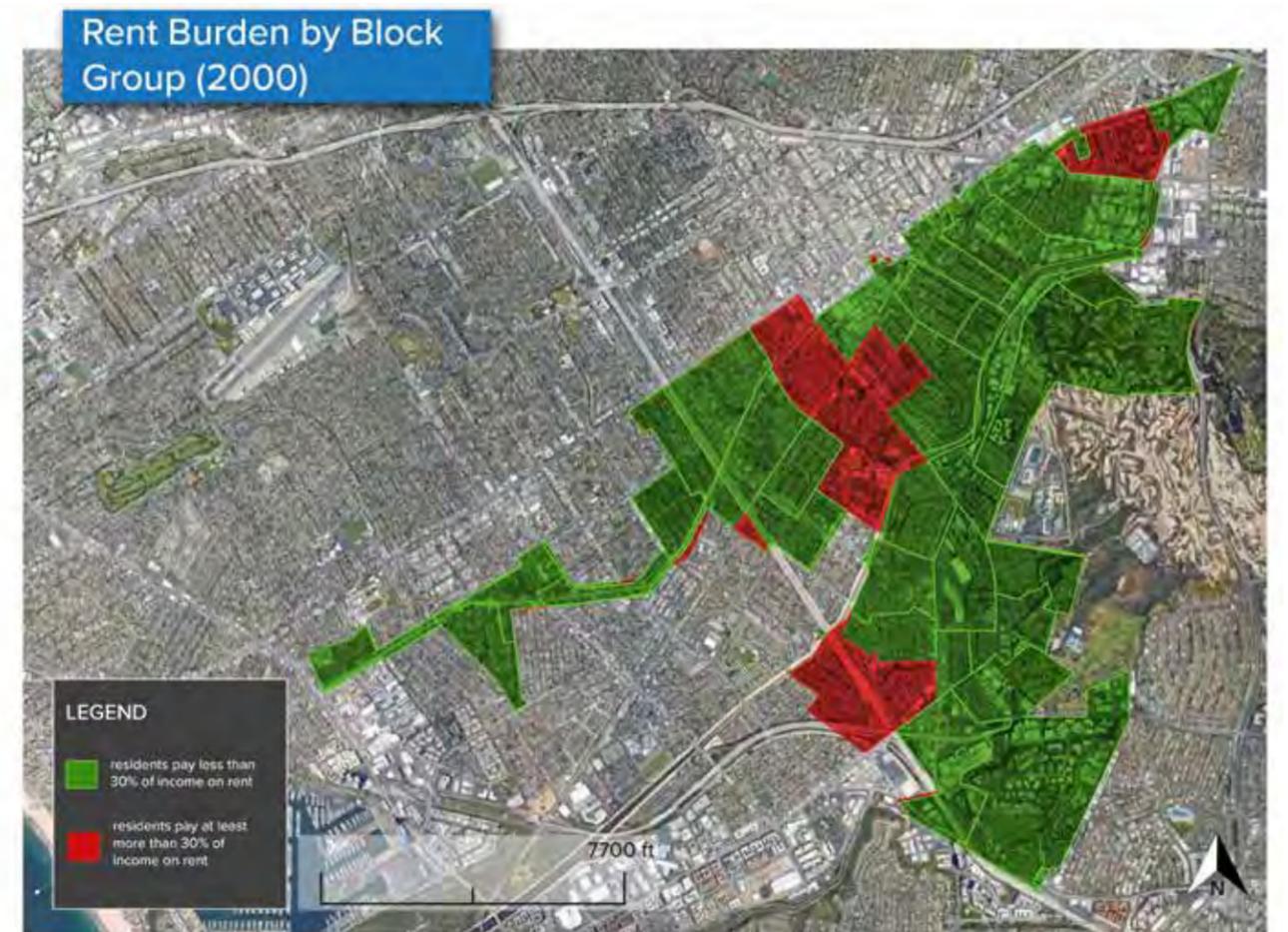
Map 2.1



Map 2.2



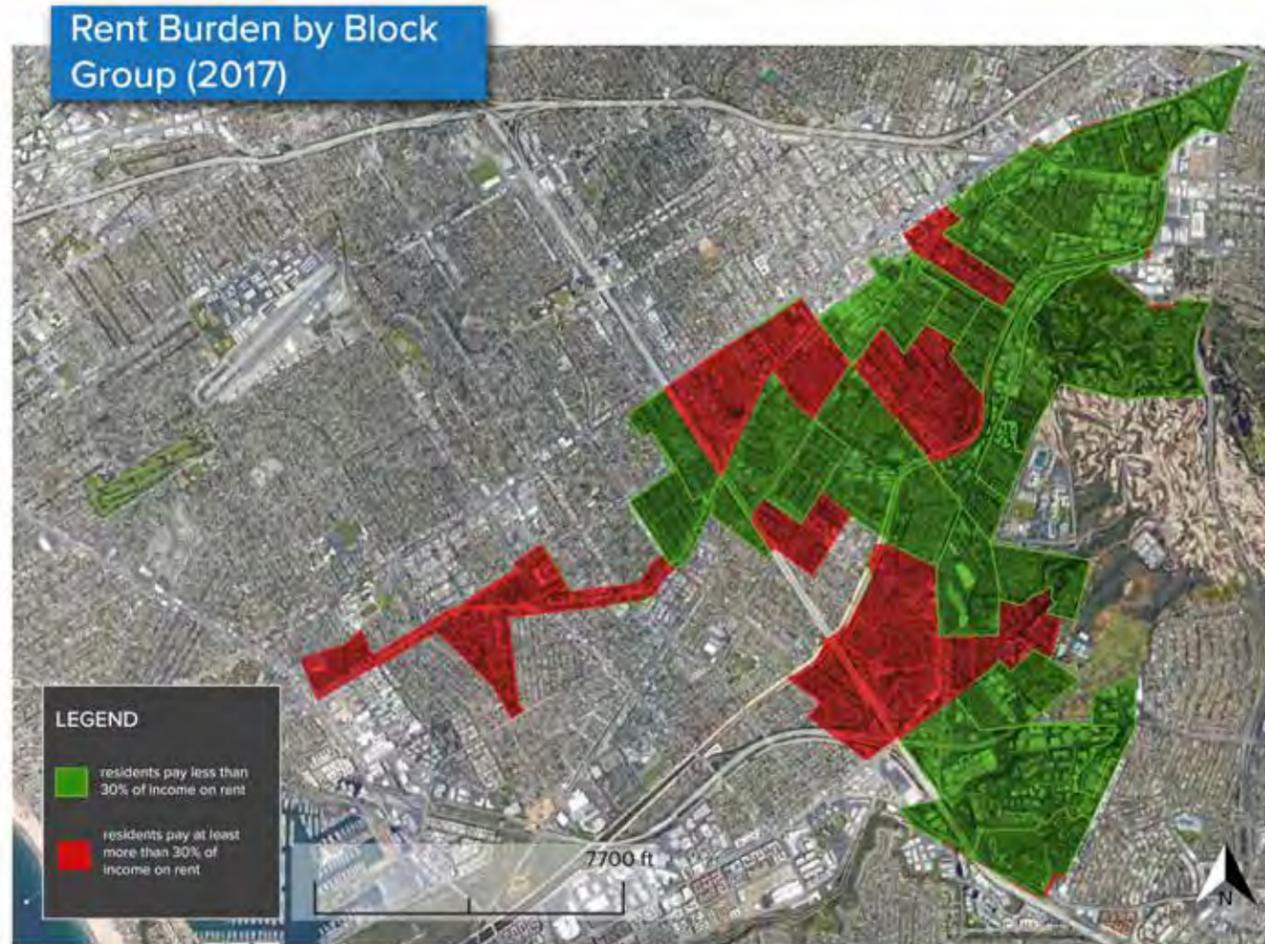
Map 2.3



Looking at rent burden across Culver City, though, paints a slightly different picture in comparison to median rent as Map 2.3 and 2.4 show. In 2000, there were five block-groups where households were spending at minimum more than 30 percent of their income on rent. Areas and neighborhoods included in these block-groups are Sunkist Park, Washington-Culver, and Culver Junction. In 2017, there were nearly three times the number of block-groups that were rent-burdened than in 2000. The rent-burdened block-groups identified in red in the 2017 map show that they were concentrated near LA neighborhoods that have undergone extensive neighborhood change from development pressures in the last two decades, such as Venice, Palms, and Playa Vista.

Overall, the increase in rent-burdened block-groups in Culver City is a concern for preserving affordability in the city. As Culver City is set to absorb a large number of employees in high-wage sectors, Culver City's rental market (and renters) will be the first to experience the effects of this growth. In the absence of policy changes, it should be expected that nearly all tenants in the city will be paying 30 percent or more of their income on rent in the coming years.

Map 2.4



## Opportunities for Preservation: Identifying Culver City's Existing Unsubsidized Affordable Housing

### SUMMARY OF FINDINGS

- ▶ Culver City has an aging housing stock that remains affordable to the majority of renters, but still subject to large rent increases
- ▶ Most of the affordable units were occupied by moderate-income households rather than low-income ones
- ▶ Absent rent control or preservation measures, these relatively affordable and unsubsidized units are threatened with extinction

### Methodology

HUD's Comprehensive Housing Affordability Strategy (CHAS) dataset allowed us to pinpoint how many unsubsidized affordable units are present in Culver City. The latest version of this dataset uses observations from the 2012-2016 American Community Survey. While somewhat aged, the data were still relevant to this inquiry since it deals with older housing stock. The CHAS data breakdown renter households into income categories

that show how they fare compared to the median income for the Los Angeles metropolitan area. Any household that makes 80 percent or less than the area median income is considered low income. Renter households are then further categorized by their amount of rent burden.

### Discussion

For over half of Culver City renters, rents remain affordable in proportion to their incomes. Many benefit from lower housing costs as a result of the depreciation of real estate assets without the need for a subsidy such as a housing voucher. Housing policymakers and advocates refer to these older, affordable units as "unsubsidized affordable housing" (Family Housing Fund, 2013). Over 94 percent of the rental units in Culver City were built before 1999, so the city is likely to contain a large number of unsubsidized affordable units (ACS, 2018). Absent an affordability covenant or rent control measures, these units are constantly at-risk of disappearing from the market. They are an important target for preservation efforts as development pressure grows and developable land remains limited by zoning. Using data from the Department of Housing and Urban Development (HUD), we uncovered how many unsubsidized affordable housing units exist in Culver City and the household incomes they serve.

Table 2.1: Total Affordable Units by Year Built

Year Built	# of Units	% of Units
Built after 2000	165	4
Built between 1980 and 1999	640	15
Built between 1960 and 1979	2,080	48
Built between 1940 and 1959	1,025	24
Built 1939 or Earlier	380	9
<b>Total Affordable Units</b>	<b>4,290</b>	<b>100</b>

Table 2.1 summarizes affordable housing units in Culver City by year built. Half the city's affordable units were built between 1960 and 1979 and a third were built before 1959. Newer rental units are rare and much less likely to be affordable. One of the consequences of Culver City's restrictive zoning and lack of development activity is that existing multifamily buildings are on the older side and may be in disrepair or in need of rehabilitation. Over time, they will suffer from issues that will become increasingly costly for property owners to deal with. Renters will bear the burden of these repairs through rent increases. For this subset of older multifamily buildings, severe infrastructural issues may be on the horizon.

A caveat to the numbers in Table 2.1 is that the data include households participating in the city's Section 8 housing voucher program. According to the most recent Housing Element, the city receives 384 vouchers from HUD. Accounting for these subsidized units allowed us to arrive at an estimate for the number of unsubsidized affordable units. Roughly 3,900 of the renter households in Culver City paid 30 percent or less of their income for their housing. More recent data on median rents by year built in Table 2.2 shows how much the rent residents of older, unsubsidized affordable housing may be paying. Anything built before the year 2000 had a median rent below \$2,000. Units built between 1960 and 1969 had a slightly higher median rent than those built during other periods, except the period after 2014.

Table 2.2: Median Rent by Year Built

Year Built	Median Rent
2014 or later	\$3,501
2010 to 2013	N/A
2000 to 2009	N/A
1990 to 1999	\$1,818
1980 to 1989	\$1,692
1970 to 1979	\$1,849
1960 to 1969	\$1,971
1950 to 1959	\$1,815
1940 to 1949	\$1,654
1939 or earlier	\$1,684

Moderate income households in Culver City seemed to benefit the most from unsubsidized affordable housing. Table 2.3 describes the universe of unsubsidized affordable units occupied by household making at or below the area median income. Amongst this subset of units, the overwhelming majority of households made between 80 and 120 percent of the median income. This income category represents households who are not eligible for individual subsidies based on need and cannot afford newer market rate units. Losing older rental stock could potentially hurt income diversity in Culver City. There are few existing rehabilitation or funding programs that serve to preserve units for households at this income level. Units that serve households in the low income categories, on the other hand, would be appropriate targets for rehabilitation projects funded through the Low-Income Housing Tax Credit program.

Table 2.3: Total Affordable Units (built before 1999) by Income Level

Income Level	% of HUD Area Median Family Income	% of Units
Very/Extremely Low Income	0-50% of HAMFI	10
Low Income	50-80% of HAMFI	21
Moderate Income	80-120% of HAMFI	69

These findings point to the potential for tapping into unsubsidized rental stock as a potential source for long-term affordable housing in Culver City. As the city's multifamily housing stock ages, its inhabitants will either be living in affordable, subpar quality units or living in expensive, subpar quality units. Action must be taken to both stifle rent growth and encourage the acquisition and rehabilitation of unsubsidized affordable buildings/units.

# How can Culver City Expand its Affordable Housing Supply?

## Catching Up With the Westside: Case Studies in Local Housing Policy

### SUMMARY OF FINDINGS

- ▶ Rent control, inclusionary zoning, and development subsidies are the three fundamental pillars of our case study cities' affordable housing agendas
- ▶ Despite state legislation diluting the efficacy of rent control, rent control continues to be an effective, wide-reaching strategy for protecting renters
- ▶ Inclusionary zoning has produced hundreds of affordable units in our case study cities. It is also an important source of revenue for the development of additional units
- ▶ Without a development subsidy program to lure in developers, Culver City is leaving a significant amount of money on the table (in the form of tax credits) to put toward the production of affordable housing

## Methodology

This section employed a case study approach to identify how other Westside cities have incentivized deed-restricted housing development. By looking at Los Angeles County cities with significant amounts of Low Income Housing Tax Credit-funded developments, we determined the most relevant cases to be Santa Monica and West Hollywood. Our main data sources for these case studies are past Housing Element documents, funding program guidelines or documentation, and interviews with relevant city staff. We interviewed staff in each city's housing department to gather insight into the development and implementation of their housing policies. We assessed each city's policies on the following parameters: policy type (e.g., subsidy or land use incentive), funding source, subsidy per unit, and number of units produced or funded.

## Discussion: A Stronger Housing Policy Agenda in Three Steps

Housing affordability issues are ubiquitous in jurisdictions across Los Angeles County. Cities are strengthening their policies to meet the housing needs of different populations while contending with changing legislation at the state level. For Culver City, this is the first time, after several years of inaction, that several standard policies around rent affordability and development are being considered. We examined the housing policies of Santa Monica and West Hollywood, two neighboring Westside cities with effective, comprehensive housing policies. We found through interviews and document reviews that rent control, inclusionary zoning, and development subsidies are the three fundamental pillars of any city's affordable housing policy agenda. These policies have to be paired with a regulatory environment that encourages dense development to be effective. Santa Monica and West Hollywood's experiments with housing policy provide valuable implications for future Culver City policy.

Table 3.1: Existing Housing Policies and RHNA Estimates

City	Rent Control	Inclusionary Zoning	Development Subsidies	Housing-Jobs Balance	RHNA #s (2022-2030)
Santa Monica	Yes	Yes	Yes	0.58	8,874
West Hollywood	Yes	Yes	Yes	0.85	3,923
Culver City	Temporary	No	No	0.29	3,332

## Rent Control

### *Santa Monica*

Recognizing the need to protect its diverse, majority-renter community, Santa Monica was one of the earliest rent control adopters in Los Angeles County. It's residents voted in 1979 to self-impose a rent stabilization ordinance. The latest records account for 27,381 rental units that are subject to the ordinance (Santa Monica Rent Control Board, 2020). The ordinance covers all rental units built before 1979, as well as some single-family homes and condominiums. Santa Monica's program is run by an independent rent control board composed of 5 elected commissioners. The Board regulates rent adjustments, determines which units are covered, sets eviction protections for all, and holds monthly public meetings (Santa Monica Rent Control Charter Section 1803(f)).

Governance through a rent control board sets Santa Monica apart from West Hollywood; how a rent control board affects overall efficacy is not known. Typically, rent control regulation happens through a city's housing department. Operating it through a Board gives the program an air of transparency, especially since tenants and landlords know they can reliably attend a monthly meeting of this body.

A unique aspect of Santa Monica's rent control is that it once included a retroactive inclusionary housing policy called the Incentive Housing Program. Through this program, the Board allowed landlords "to raise rents of 'incentive' units in return for contractual agreements that establish rent ceilings on 'dedicated' units" for low-income households (Santa Monica Rent Control Charter Section 17000). This program has since been replaced by a wide-reaching inclusionary housing program.

### *West Hollywood*

West Hollywood's Rent Stabilization Program was enacted in 1985, shortly after the city elected to incorporate. According to the program's manager, the ordinance is the city's most wide reaching housing policy because it covers ten times as many people as any other affordable housing measure (P. Noonan, personal correspondence, Feb. 14, 2020). In 2018, there were 16,707 rental units, about 75 percent of all rental housing, registered with the Rent Stabilization Program (City of West Hollywood, n.d.a). West Hollywood's ordinance allows the city to set rent increases, implement just cause eviction protections, and criminalize tenant harassment.

Unlike Santa Monica, West Hollywood's rent control is primarily implemented through a city department called the Rent Stabilization and Housing Division. There is also a Rent Stabilization Commission, composed of seven residents appointed by the City Council, that evaluates policies and makes recommendations related to rent control. Any changes to the ordinance recommended by the commission must be approved by the City Council.

### *Implications for Culver City*

Santa Monica and West Hollywood have fairly similar rent control ordinances that address rent stabilization, eviction protections, and tenant harassment protections. Culver City's interim rent control measure features just two of these renter protection measures. Because both West Hollywood and Santa Monica got early starts, rent control's ultimate impact on Culver City rents and turnover will not be measurable for a long time. It would, however, have the immediate impact of quelling renter concerns about unexpected rent hikes. Generally, the Ellis Act and the Costa-Hawkins Act limit the protective potential of any rent stabilization policy. Santa Monica, for example, had vacancy control measures on units before Costa-Hawkins outlawed them. These two contested pieces of state legislation dilute the city's ability to control the rental market. Still, for these two similarly high-cost cities, rent control continues to be an effective, wide-reaching strategy for protecting renters.

## Inclusionary Zoning

### *Santa Monica*

Santa Monica's inclusionary housing program requires that new construction residential developments (for rent and for sale) set aside 30 percent of units for low- and moderate-income households. Requirements are regulated through their Affordable Housing Production Program (AHPP), which the city created to fulfill its obligations under a 1988 referendum, Measure R. This law created inclusionary zoning requirements in new development, mandating that 30 percent of all new multifamily housing be set aside for low-and-moderate income households and that at least half of this be set aside for low-income households (City of Santa Monica, 2019, p. 4). Developers can provide this housing on-site or they can pay a fee of \$35.70 per square foot of rental development and \$41.70 for condominium development. They also have the option to provide the housing off-site or to sell or otherwise provide land for development to the city. To deal with the added cost of compliance monitoring, Santa Monica implemented an annual per unit fee of \$153.07 per deed-restricted unit.

The AHPP has produced a total of 1,966 affordable units through market-rate development since its inception in 1988 (City of Santa Monica, 2019, p. 17). In fiscal year 2017-2018, this program generated \$1,213,122 in revenue

### ***West Hollywood***

West Hollywood's Inclusionary Housing Ordinance is premised on the idea that development is inevitable and not necessarily harmful, but its effects can be mitigated by negotiating for community benefits (P. Noonan, personal correspondence, Feb. 14, 2020). The ordinance requires that new construction residential developments (for rent and for sale) set aside 20 percent of units for low- and moderate-income households. The community benefit is, of course, the provision of deed-restricted affordable housing units. West Hollywood's inclusionary program operates the same way as the Santa Monica one: market rate developers of rental of condominium projects must set aside a share of units for low or moderate income households or pay a fee. They can also provide an affordable unit that is off-site. As of 2017, the in-lieu fees ranged \$13.63 to \$29.23 -- the larger the project (in terms of units), the higher the fee.

To date, the Inclusionary Housing Program has been responsible for the creation of 346 units with 76 more units expected as of 2018 (City of West Hollywood, 2018). West Hollywood has found that the majority of new market-rate residential projects opt to pay the in-lieu fee. In 2016, 54 percent of new projects paid the fee (City of West Hollywood, n.d.). As in Santa Monica, revenue from the collection of in-lieu fees goes toward the city's Affordable Housing Trust Fund.

### ***Implications for Culver City***

Inclusionary zoning mandates that developers set aside units, typically a proportion of the total units being built, for low-income households in new multifamily developments or pay a fee. Either of these requirements can be imposed at the entitlement or permitting stage of the development process. An unproven, but underlying risk in this policy option is that developers will choose not to build in cities that impose an affordability requirement. This has clearly not been the case in Santa Monica and West Hollywood. Alternatively, developers may choose to pay the in-lieu fee the majority of the time as in West Hollywood. In the latter scenario, Culver City is still able to collect revenue to put toward the production of deed-restricted affordable housing. Because of the relative ease of enforcement and implementation, inclusionary zoning remains a worthwhile policy consideration.

## **Development Subsidies**

### ***Santa Monica***

Financial support for affordable housing development in Santa Monica mainly comes from the city's Affordable Housing Trust Fund, HUD's HOME program, and HUD's Community Development Block Grant. Funding for affordable housing development previously came from the City of Santa's Community Redevelopment Agency. Since the agency's dissolution in 2012, the city has sought other sources of money. In 2016, Santa Monica voters approved Measure GSH, which raised the city's Transaction and Use Tax (TUT) (similar to a sales tax) from 0.5 percent to 1 percent and set aside half of the revenue for affordable housing. The tax was projected to generate about \$16 million per year, of which \$8 million would be spent on housing.

For any of the loans in the aforementioned funding sources, the city can provide a maximum subsidy of \$367,000 for each unit with 0-1 bedrooms or \$386,000 for each unit with more than 2 bedrooms. Per unit subsidies are larger for acquisition and rehabilitation projects (City of Santa Monica Housing Division, 2014). There are 36 LIHTC funded projects either placed in service or in development in Santa Monica (CTCAC, 2020). Almost

all have been developed or are owned by the Community Corporation of Santa Monica. The vast majority are categorized as serving large families and seniors.

### ***West Hollywood***

West Hollywood incentivizes affordable housing development through its Affordable Housing Trust Fund (AHTF), which is funded via a fee charged to certain types of developments. The city's 1986 Inclusionary Housing Ordinance gives developers of 10 or fewer units the option to either include a percentage of below market-rate units or pay a fee to the trust fund. Commercial developers are charged a fee per net square foot of new commercial space for developments larger than 10,000 square feet. In 2019, the AHTF's budget was \$23 million (Mills, 2019). These funds are provided as soft loans to nonprofit developers whose projects make at least 20 percent of the units of affordable to low income households and 60 percent affordable to low and moderate income households (City of West Hollywood, n.d.b). A soft loan is a form of financing that offers below-market interest rates and other favorable terms, such as longer repayment periods, to affordable housing developers.

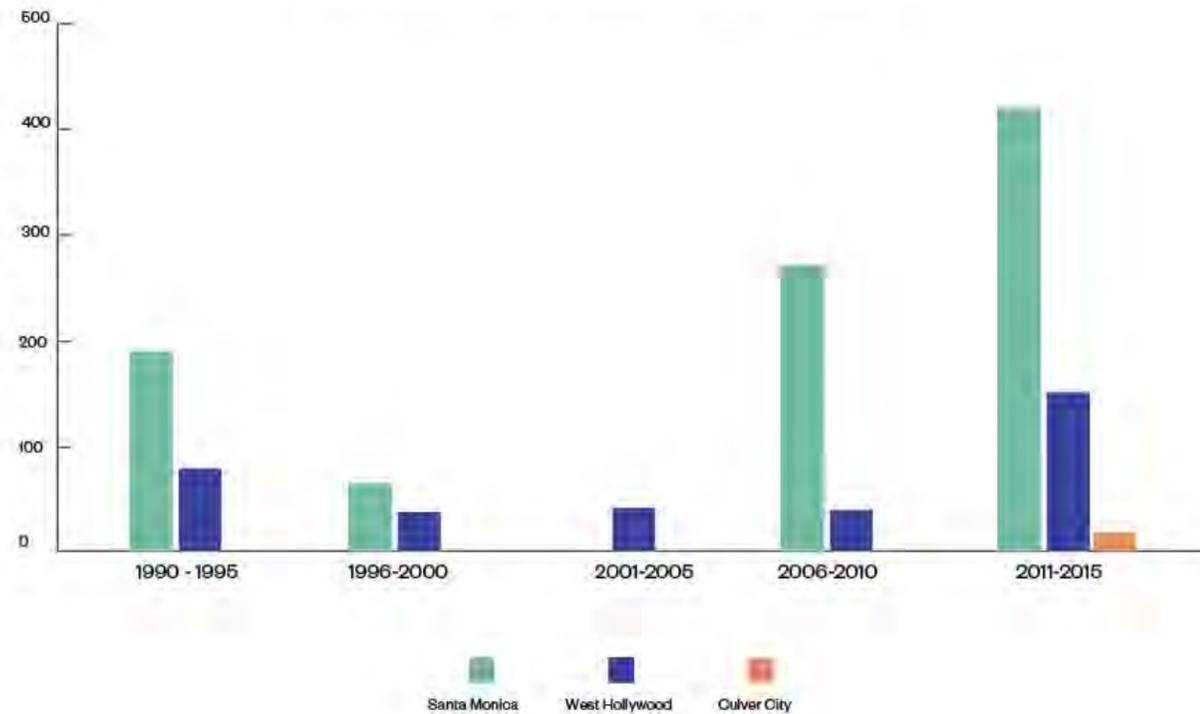
We were unable to find publicly-available information on how developers can apply for these funds. Historically, the city has maintained a close partnership with and funded projects developed by the West Hollywood Community Housing Corporation (WHCHC), which operates 14 projects within the city. There are currently 16 LIHTC-funded projects operating or in construction in West Hollywood, collectively providing 490 affordable units (CTCAC, 2020). Of those placed-in-service, all are new construction projects that target low-income seniors, large families, and people with special needs.

### ***Implications for Culver City***

Development subsidies in the form of soft loans from cities increase the likelihood a developer will receive tax credit allocations or other funding from state agencies. Low Income Housing Tax Credit allocations are crucial to below market rate housing feasibility. Cities can help developers be more competitive in the tax credit allocation process. They can also sustain these projects through the provision of no or low-cost loans, such as the ones provided by Santa Monica and West Hollywood, as gap financing when the allocation is not enough to meet total development costs. Figure 3.1 illustrates how our two case study cities with development subsidy programs fared in terms of getting LIHTC-subsidized affordable units placed in service between 2000 and 2015. Santa Monica and West Hollywood have far outpaced Culver City in terms of deed-restricted affordable housing production.

Figure 3.1

LIHTC units placed-in-service, 1990-2015



Another key lesson from Santa Monica and West Hollywood is that it is important to have a developer who works closely with a city or within the geographic boundaries. For current developers in Culver City, the development process can be hard to navigate (nonprofit developer, personal correspondence, April 17, 2020). Furthermore, there are no soft loans available or publicized to developers. Culver City is a high opportunity area with the potential to be very competitive in the tax credit allocation process. Without a development subsidy program to lure in developers, the city is leaving a significant amount of money on the table.

## Culver City's Funding Eligibility

### SUMMARY OF FINDINGS

- ▶ Many development sites in Culver City are competitively positioned to receive Low Income Housing Tax Credit allocations
- ▶ Culver City has two light rail stations that could be used to define an Affordable Housing and Sustainable Communities (AHSC) transit-oriented project areas
- ▶ There is a substantial area centered around Downtown Culver City where projects are eligible for both LIHTC allocations and AHSC funding

### Methodology

This section employed a geographic information systems (GIS) analysis of the funding requirements for three state-level funding programs (LIHTC, AHSC, and MHP). The place-based requirements are all enumerated in the publicly-available program guidelines. We mapped the various scoring criteria to determine which areas of Culver City are well-positioned to receive state funding for affordable housing development.

## Discussion: Accessing State-Level Affordable Housing Funds

The construction of below-market rate housing is facilitated by public funding sources at the state and local levels. We have already discussed local funding programs in our case study section; in this section we will discuss state funding. The primary state-level funding program for affordable housing is the Low-Income Housing Tax Credit (LIHTC) system. Nearly every affordable housing development seeks a LIHTC allocation, and developers often supplement these credits with funding from other state and local programs. Two such state-level programs are the Affordable Housing and Sustainable Communities (AHSC) program and the Multi-family Housing Program (MHP), each of which distribute millions of dollars toward housing development every year. Funding for these programs is allocated via a competitive application process in which points are awarded in various categories, including the amenities that exist around the potential development site. Using GIS analysis, we mapped the amenities these programs prioritize to see which parts of Culver City are best positioned for state funding for affordable housing.

### LIHTC

The LIHTC application awards a maximum of 15 points for place-based amenities. Table 3.2 below lists these amenities and their qualifying distances from the project site, which determines how many points are awarded to a project.

Table 3.2: LIHTC Site Amenities and Corresponding Points

Amenity	1st Tier	2nd Tier
Qualifying Transit Stop	1/3 mile - 7 points	1/2 mile - 5 points
Grocery Store	1/2 mile - 5 points	1 mile - 4 points
Neighborhood Market	1/4 mile - 4 points	1/2 mile - 3 points
Medical Clinic	1/2 mile - 3 points	1 mile - 2 points
Park	1/2 mile - 3 points	1 mile - 2 points
Library	1/2 mile - 3 points	1 mile - 2 points
Pharmacy	1/2 mile - 2 points	1 mile - 1 point
Farmers Market	1/2 mile - 2 points	1 mile - 1 point

There are several points available in this category for amenities that are linked to these amenities. These include three points for providing free transit passes and two points for providing free high-speed internet. There are also a few other amenity types that are only applicable to certain projects (i.e., projects for special needs populations or projects for families with children) that are not listed here.

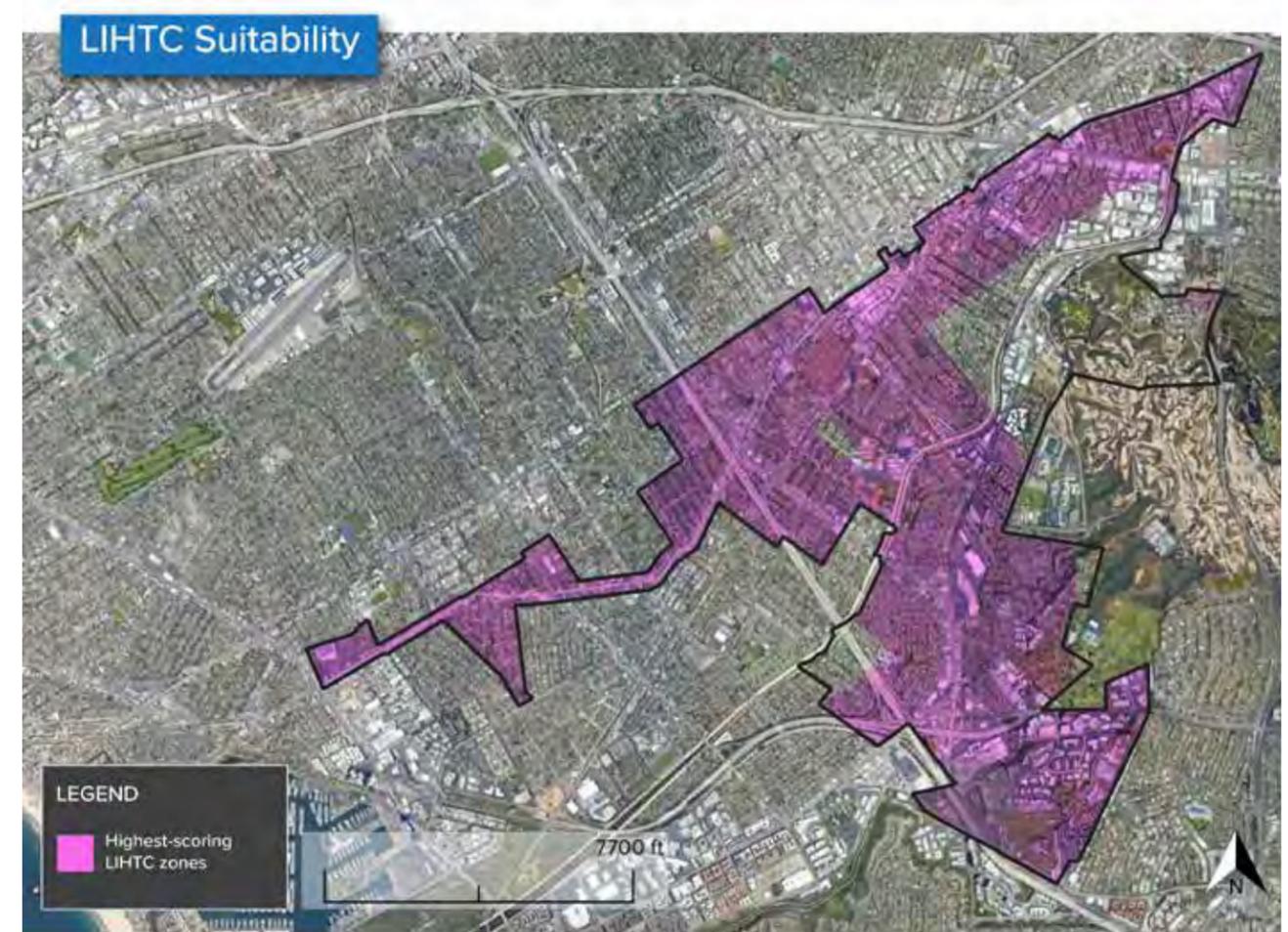
**High Resource Areas**

Eight points are awarded to large-family projects in areas defined by the California Department of Housing and Community Development (HCD) as being “high” or “highest resource” areas. The entirety of Culver City fits this definition, meaning that a large-family project in Culver City would only need an additional 7 points to achieve the maximum score, which it could do with only a few more amenities. Non-large family projects have to assemble 15 points without the 8 points for being in a high resource area.

**Transit Access**

The largest amount of points is available in the transit access category. Every site in the city qualifies for 5 points for being within a half-mile of a qualifying transit stop and many sites in the city qualify for 7 points for being within a third of a mile of a qualifying transit stop. Map 3.1 shows all parts of the city within a third of a mile of a qualifying transit stop. This is the vast majority of the city, excluding some undevelopable land in Baldwin Hills, a small area near the 405, and a larger area along Ballona Creek near Duquesne Avenue. Any site within this buffer will receive the maximum score of 15 for amenities. High-scoring amenities like grocery stores, parks, and medical clinics are all sufficiently concentrated in this zone to give any development site the maximum score. This zone encompasses the vast majority of developable land within the city.

Map 3.1



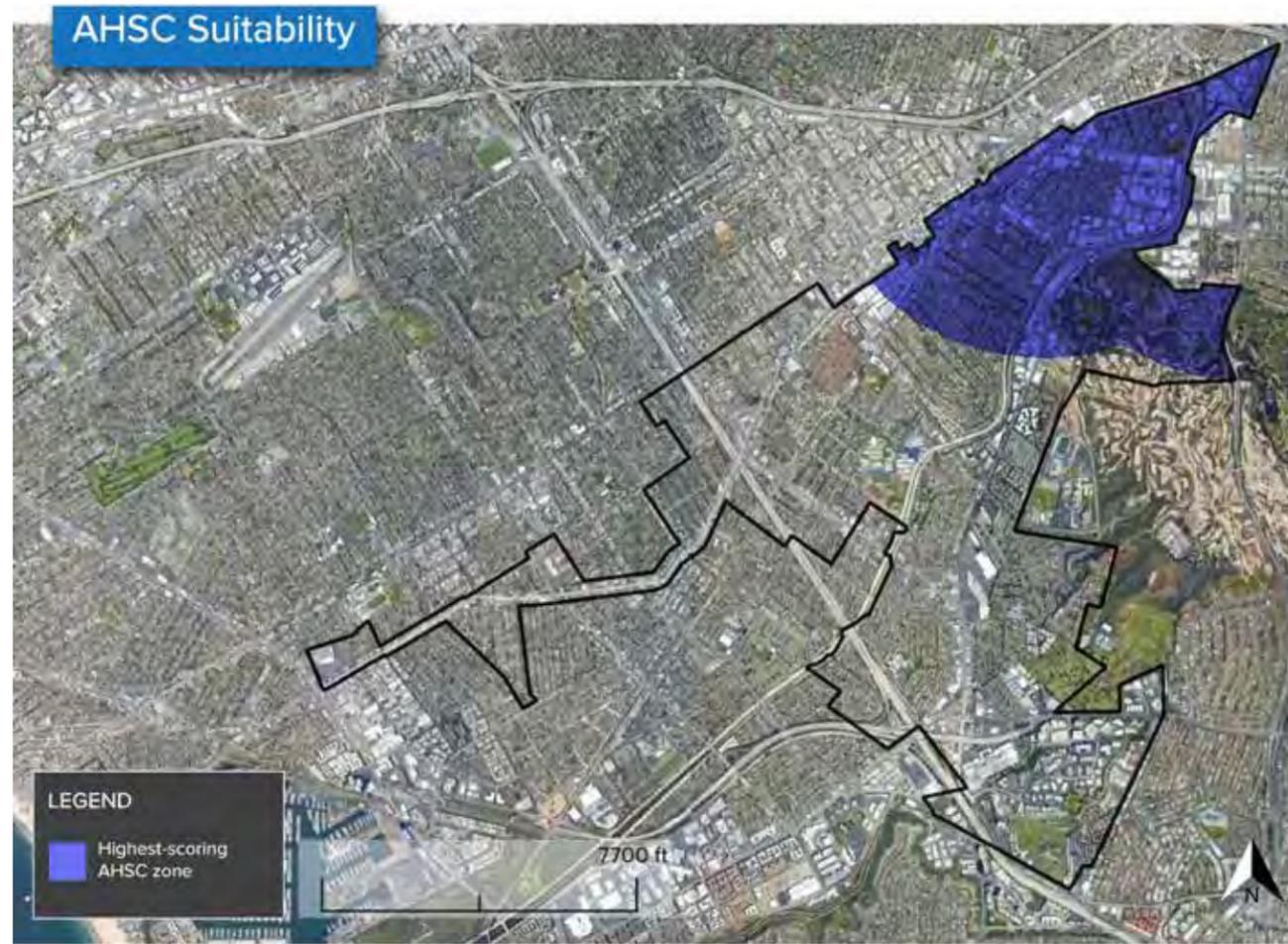
**Multi-family Housing Program (MHP)**

The Multi-family Housing Program (MHP) is an HCD funding program that assists with the construction of low-income housing. The MHP application grants points to projects that score the maximum number of points on the LIHTC application, meaning that the LIHTC maps apply to this program as well. The MHP guidelines also encourage infill development, which covers most development sites in Culver City.

**Affordable Housing and Sustainable Communities (AHSC)**

The AHSC program is another HCD funding program that funds projects that reduce greenhouse gas emissions via their proximity to public transportation. There are two relevant types of AHSC projects: Transit Oriented Development (TOD) projects and Integrated Connectivity Projects (ICP). TOD projects, which account for a minimum of 35 percent of all AHSC funding, must be located within a mile of fixed-guideway transportation. In Culver City's case, the La Cienega/Jefferson and Culver City Exposition Line stations are the only transportation infrastructure that meet this criterion. Map 3.2 below shows a one-mile buffer around these stations, within which a project would qualify for AHSC funding.

Map 3.2

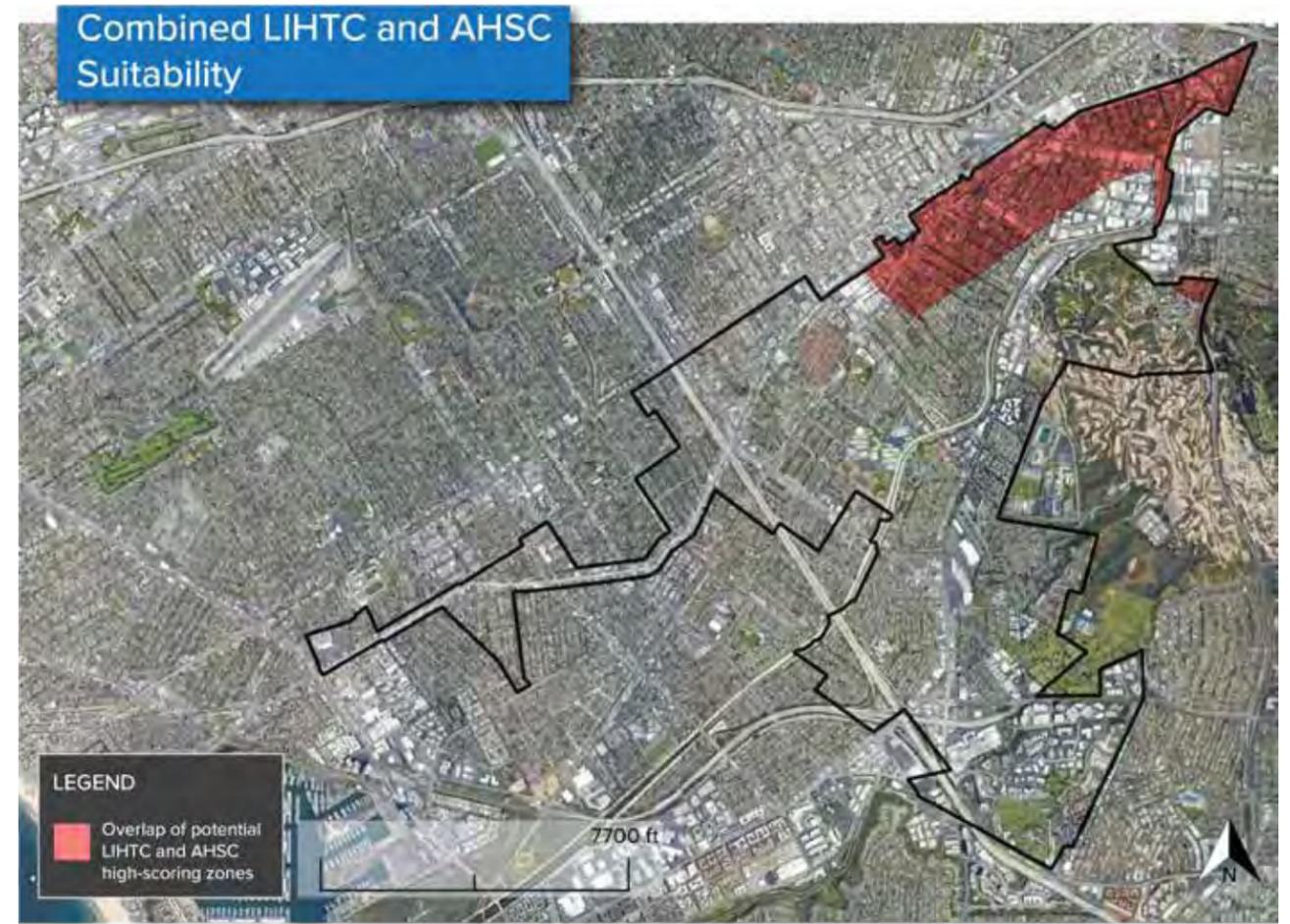


ICP projects, which account for a minimum of 45 percent of AHSC funding, in contrast, cannot be located near fixed-guideway transportation and must include upgrades to existing transportation systems. Eligible transportation improvements include bike, bus, and pedestrian improvements, meaning that likely project areas are places that already have bike, bus, or pedestrian activity. In Culver City, qualifying areas would be located along Washington Boulevard, along Sepulveda Boulevard, around Downtown Culver City, and around the Ballona Creek. This combination of sites comprises the majority of the city.

### Overlap of Multiple Programs

Affordable housing projects almost always assemble funding from multiple sources. We can compare the scoring maps used above to see which parts of Culver City are well-positioned for multiple funding sources. Map 3.3 below shows the overlap zone between the maximum-scoring LIHTC areas and AHSC TOD areas.

Map 3.3



A significant amount of land, stretching from Downtown Culver City through the Arts District, falls into this region. Sites within the orange swath of land are competitively positioned to receive funding from multiple state programs.

# Accommodating for Housing Diversity: A Land Use Analysis

## How do land use patterns relate to demographics in Culver City?

### SUMMARY OF FINDINGS

- ▶ Culver City's housing units are divided roughly evenly among three building types: single-family homes, mid-size apartment buildings, and large apartment buildings
- ▶ The areas that contain mostly mid-sized apartment buildings also contain much of the city's income diversity, racial diversity, and transit ridership
- ▶ Mid-sized apartment buildings in Culver City accommodate several times as many residents per parcel as single-family homes while still retaining large amounts of open space

## Methodology

This section combined data from the US Census Bureau's American Community Survey (ACS) and the Los Angeles County Office of the Assessor. We used ACS data to determine the housing stock and demographic characteristics of each of Culver City's block groups, which we then compared to each other. We used the LA County Assessor data to take a closer look at an individual block of Culver City and examine how different building types used the lots upon which they are built.

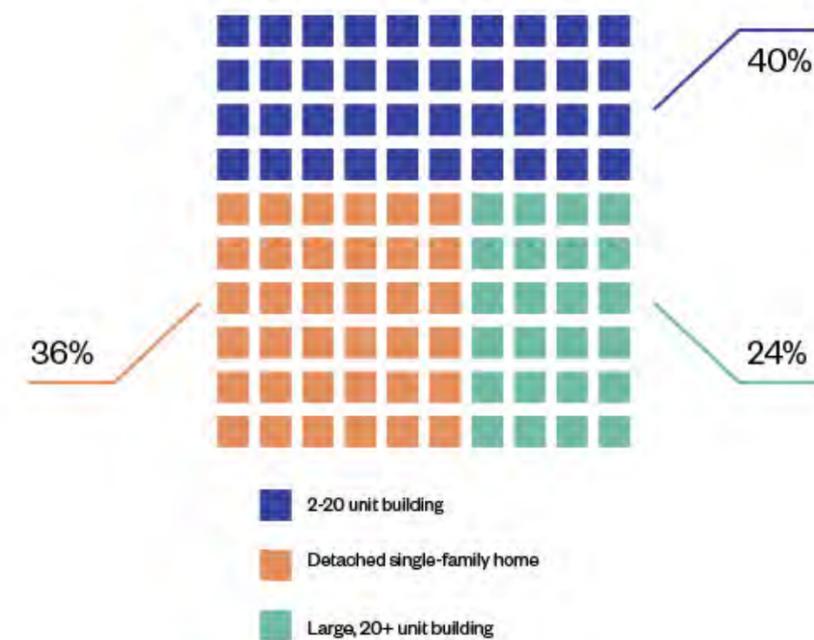
## Discussion

Culver City contains a diversity of building types. Each part of the city contains a mixture of single-family homes, small and medium apartments, and large developments, but there are patterns in the distribution of these building types across the city. In this section, we examined how neighborhoods where single-family homes predominate differ from neighborhoods where apartments predominate. How are they similar? What does density and multi-family housing currently look like? We explored these questions to explain the vital role Culver City's variegated neighborhoods play in municipal life.

Figure 4.1 below show Culver City's housing units divided into three categories. No one building type comprises a majority of the city's housing stock.

Figure 4.1

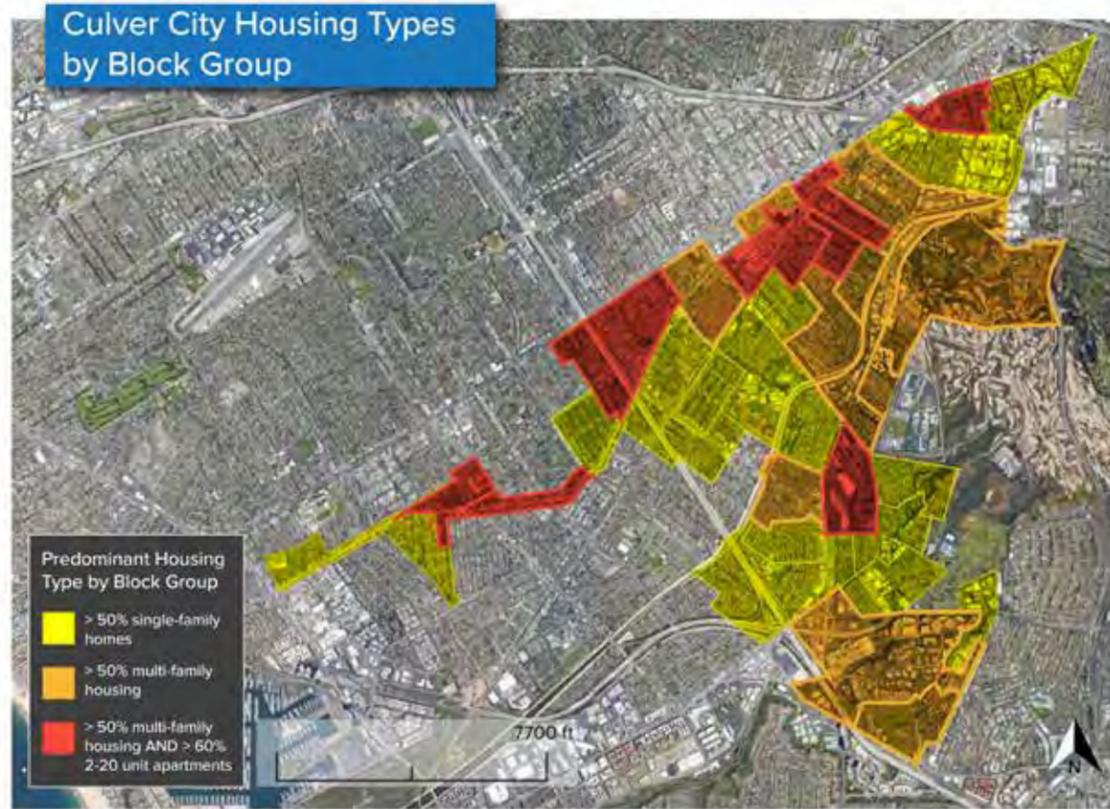
Culver City's housing units are divided across three types.



Our sample is composed of block groups with high absolute and relative shares of multi-family housing. We selected block groups as our units of analysis because census tracts are too large of a spatial unit to capture the block-by-block variances in development patterns in Culver City. One of the limitations of working with block groups is that much of the city's multi-family housing is along arterial streets, which are split between different block groups. Nonetheless, we identified a distinct subset of block groups in which over 60 percent of housing units are in medium-density buildings and find that these block groups have unique characteristics when compared to the entire city.

This section presents the city's demographics in three different ways and explores the relationship between the prevalence of building types and population characteristics. We first analyzed the 14 block groups where single-family homes are the majority (greater than 50 percent) of the total housing units. The second portion is the 20 block groups in which all other types of residential units, from duplexes to large developments, are a majority of the total housing units. This includes everything from attached single-family homes (i.e. townhomes or duplexes) to large complexes with 50+ units in them. The third portion is a subset of the second; it is the 9 block groups in which mid-sized buildings of 2-20 units comprise over 60 percent of the total housing units. This is an important subset to study because it better captures the parts of the city where apartments and houses are intermixed on the same blocks. These areas are distinct from the areas in which buildings of 20 or more units predominate. Buildings in those areas tend to be larger developments, often gated off from the surrounding streets. Map 4.1 below shows the location of these block groups.

Map 4.1



**How do these populations differ from each other?**

The populations of these three types of areas differ in terms of race, income, and commuting patterns. These differences matter because they relate to our goal of maintaining racial and income diversity in Culver City and helping the city create new mobility options for its residents.

**Racial Diversity**

Table 4.1 below shows how the racial composition of these three block group types compared to the racial composition of Culver City as a whole. All tables in this section use data from the 2018 ACS 5-year estimate. The areas that contain more multi-family housing are significantly more racially diverse than the areas that contain mostly single-family homes. Much of the city’s Black population lives in multi-family developments and much of the Hispanic population lives in areas composed of mid-sized buildings.

Table 4.1: Racial Composition by Block-Group Type

Race	Culver City	Majority Single-family Areas	Majority Multi-family Areas	Majority mid-size Building Areas
White	46%	53%	43%	38%
Black	8%	3%	11%	3%
Asian	16%	13%	18%	16%
Hispanic	23%	23%	23%	39%
Other	6%	8%	5%	4%

**Income Diversity**

Table 4.2 below shows the income distributions and the median income for the three types of areas previously established. Median income is significantly higher in the area composed mostly of single-family homes than it is in the rest of the city. Households making less than \$40,000 a year and households making less than \$100,000 a year are both clustered in the multi-family parts of the city. Households making less than \$100,000 a year are particularly concentrated in the area of the city where mid-sized buildings predominate.

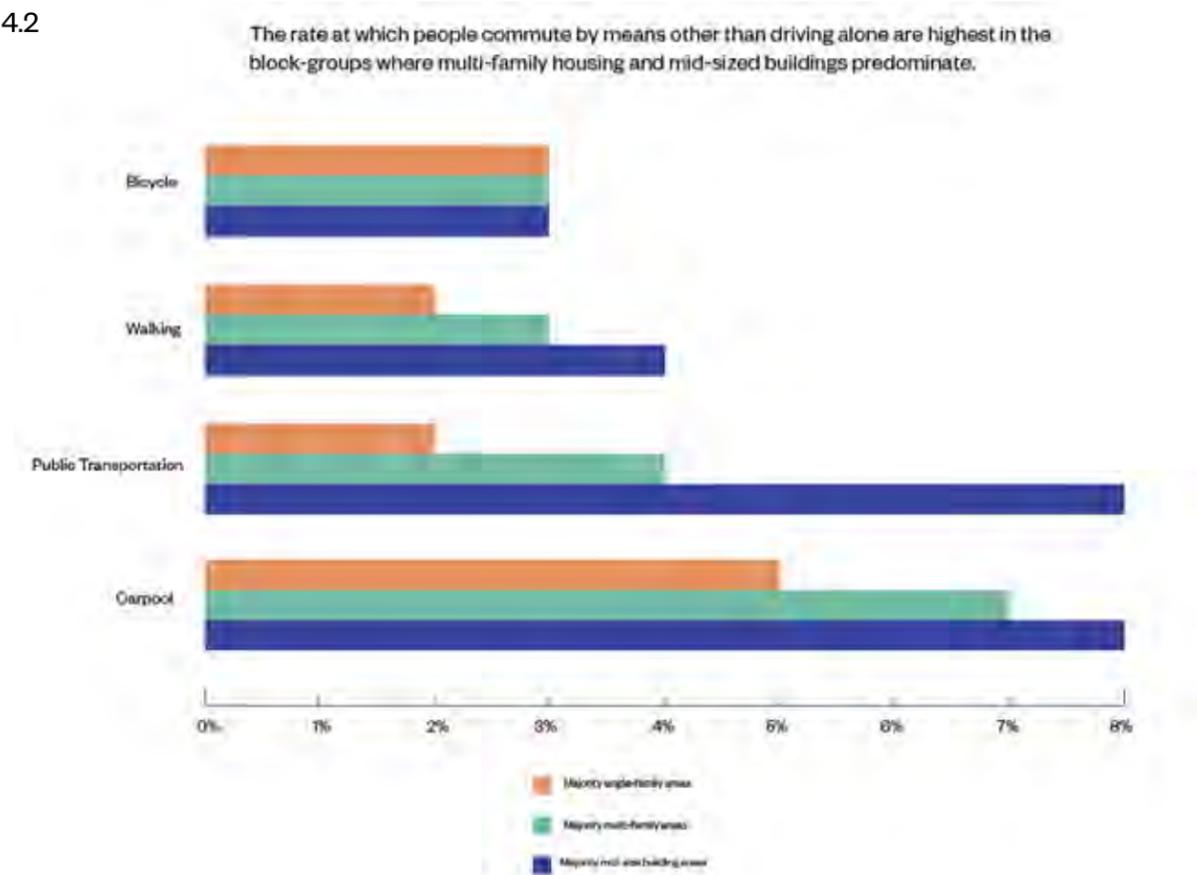
Table 4.2: Income Distribution and Median Income by Block-Group Type

Income Category	Culver City	Majority Single-family Areas	Majority Multi-family Areas	Majority mid-size Building Areas
Households earning below \$40,000/year	22%	18%	24%	26%
Households earning below \$100,000/year	55%	49%	58%	64%
Median Income	\$89,105	\$105,991	\$85,556	\$74,760

**Commute Patterns**

Figure 4.2 below shows how commuting patterns differ across the three area types. The rate of transit ridership is over twice as high in the mid-sized building zone as the citywide average and it is four times as high as the rate of transit ridership in the single-family zones. People walk and carpool at higher rates in the non-single family zones than they do in the single-family zones. Additionally, the rate of driving alone is highest in the single-family zones, where it is 79 percent, and lowest in the mid-sized building area, where it is 68 percent.

Figure 4.2



### Case Study: 4000 Block of La Salle Avenue

To further explore how these different areas function in the city, we conducted a brief study of one block in one of the block groups in which mid-sized buildings predominate. We have selected the 4000 block of LaSalle Avenue for two main reasons: first, it is split almost evenly between single-family and multi-family buildings and, second, it is in the heart of Culver City, mere steps away from downtown.

The 4000 block of LaSalle Avenue is zoned Residential Medium Density Multiple (RDM), meaning lots can be developed with up to nine units. There are 24 parcels on this block, 11 on the west side and 13 on the east side. Two of these parcels are currently undergoing construction, so we excluded them from this study. A few of the parcels on the west side of the street had their main addresses on Jackson Avenue, not LaSalle Avenue, but they all maintained entrances and street-facing designs on LaSalle so we included them here. Table 4.3 below shows some basic information about the buildings on this block.

Table 4.3: Information on the 4000 La Salle Ave Block

# of Single-Family Homes	# of Other Buildings	Average Year Buildings were Built	Average Lot Coverage
11	10	1939	32%

This block is almost evenly divided between single-family and multi-family buildings. By breaking down the data further and comparing the building types, we saw several differences between them. Table 4.4 below shows this comparison.

Table 4.4: La Salle Ave Differences by Housing Type

	Single-Family Homes	Multi-Family Buildings
Number of Total Parcels	11	10
Number of Total Units	11	38
Median Year Built	1937	1939
Average Lot Coverage	21%	43%

There are a few key takeaways from this comparison. First, 77 percent of the block's housing units are on the 47 percent of parcels with multi-family buildings on them. Second, these multi-family buildings cover about twice as much of their parcel areas as the single-family homes do. Still, they don't cover even half of them on average. These buildings allow many more people the chance to live in desirable areas than single-family homes do without resulting in blocks that feel cramped or overbuilt.

## What is the existing state of Culver City's land use regulations?

### SUMMARY OF FINDINGS

- ▶ Over half of Culver City's residential land is zoned for single-family homes, and there are an additional 1,518 single-family homes on land zoned for other purposes
- ▶ Two of the city's zoning types, R2 and RMD, have significant unused zoned capacity and minimal new housing growth
- ▶ Culver City would have to increase multi-family residential land use by 67% to be equal to its land share of single-family zoning

## Methodology

This section used a combination of GIS data and Culver City's municipal code to investigate Culver City's current share of land uses and zoned capacity. Los Angeles County Assessor data were also used to create spatial joins with Culver City's land use data.

## Discussion

Culver City, like all cities, has broadly categorized land use types like commercial, residential, industrial, and open space, with more specific land uses under these broad categories. Each zone outlines specific uses and development standards, ranging from something simple like the height limit of an apartment down to the chicken coop restrictions if an individual wishes to maintain live poultry. This section will analyze how Culver City has expressed priorities via land use choices and investigate the potential of existing use-types to provide Culver City with new housing.

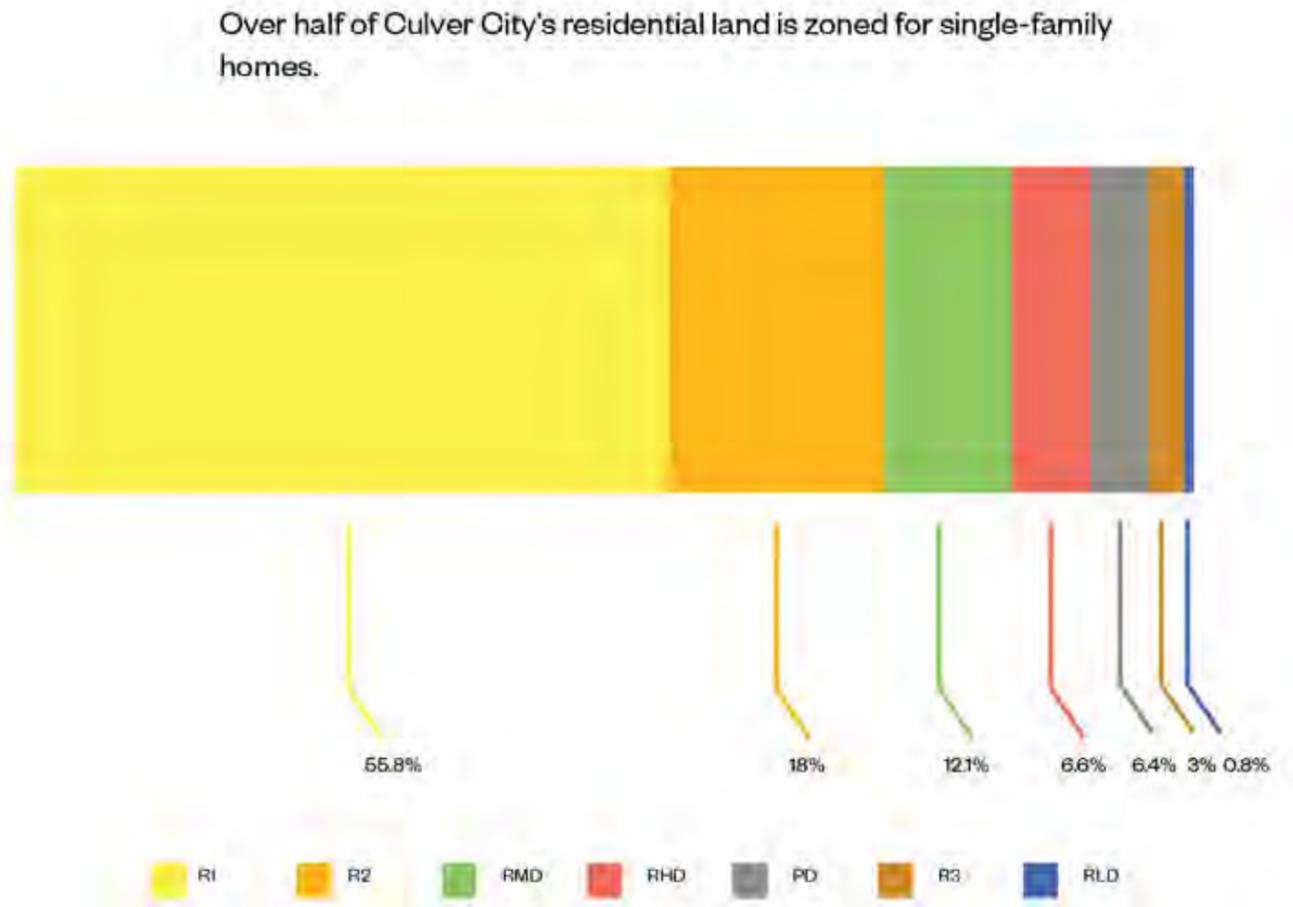
Culver City's zoning code contains 19 unique zoning types. Table 4.5 below places these 19 types into 4 broad categories and shows the share of the city's land each of them occupies.

Table 4.5: Distribution of Culver City Zoning Types

Zoning Category	Percent of Total Land in Culver City
Commercial	18.5%
Industrial	11.5%
Residential	57.2%
Other	12.8%

The residential category is the largest by far. It is just over three times as large as the next-largest category, Commercial. Beneath the heading of residential, there are seven unique zoning types in the city's planning code. The proportion of residentially-zoned land given to each of those seven types is outlined in Figure 4.3 below.

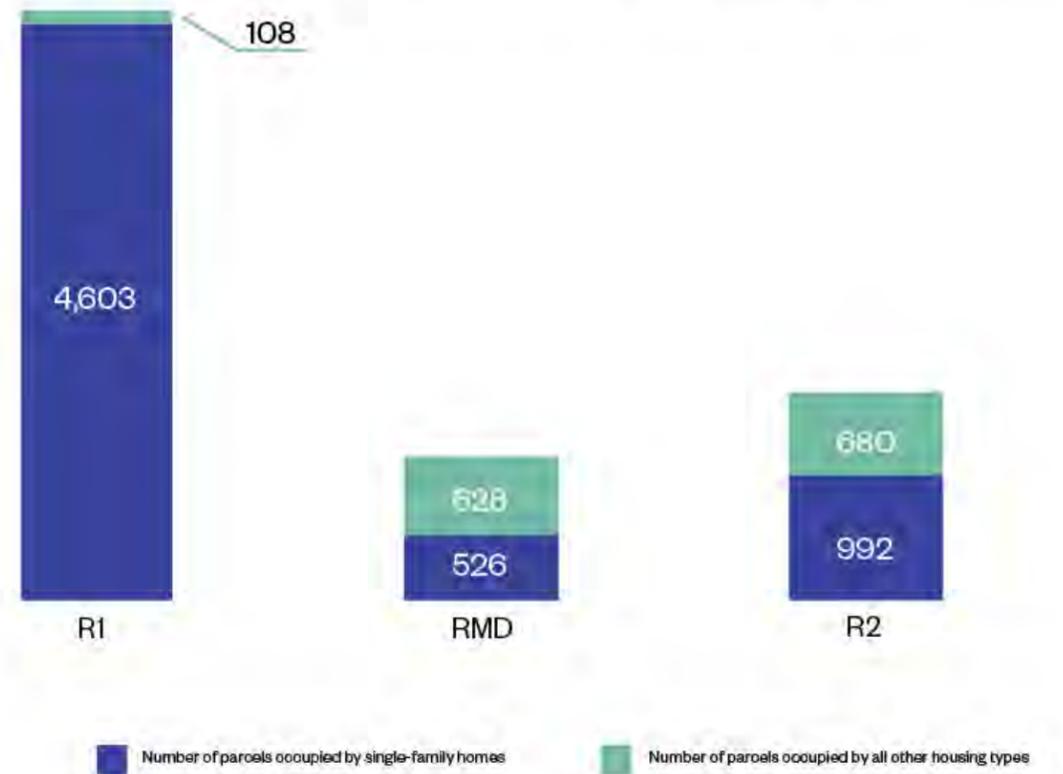
Figure 4.3



By far, the largest share of residentially-zoned land is allotted to R1, the category for single-family homes. R1 zoning occupies over three times the amount of space that the next-largest category, R2, occupies, and nearly five times the amount of space that the third-largest category, RMD, occupies. Beyond this, there are a significant number of single-family homes on land zoned for higher densities. Figure 4.4 shows the number of lots in the top three zoning categories that are occupied by single-family homes.

Figure 4.4

There are many single-family homes on parcels zoned for higher densities and few multi-family units on land zoned for single-family homes.



Between the RMD and R2 categories, there are a total of 1,518 single-family homes on land zoned for denser uses. In contrast, there are only 108 parcels zoned for single-family homes that are occupied by other building-types. Culver City's land use patterns, both through its zoning choices as well as the existing state of its housing stock, prioritize single-family homes to the exclusion of other housing types.

We now consider the existing zoned capacity of the city to get a sense of Culver City's ability to meet the state-mandated 3,332 housing unit allocation. Per the development standards of its zoning code, Culver City has room to grow without making any changes. We will later consider the problem that despite the existing capacity for growth, the city is not growing its housing stock in a meaningful way. Table 4.6 below shows the maximum allowable densities for Culver City's zoning categories. Note that per current rules, housing production is only allowed on residential and commercial land, and thus non-residential and non-commercial zoning types were excluded from this analysis. Zoned capacity is a theoretical assumption based on the maximum density that could be built on each parcel, which may not be the case due to development standards like setbacks, parking, and lot size.

Table 4.6: Culver City Zoned Capacity

Zoning Category	Zoned Capacity (# of dwelling units)
Commercial	8,312
Residential	16,042
Total	24,354

The total zoned capacity of 24,354 dwelling units is much larger than the existing stock of 17,373 units. Yet, it is important to reiterate that this is a theoretical exercise that is unable to demonstrate the ways in which development standards embedded in Culver City’s zoning code have actually prevented the production of units to meet its full capacity. Even this simple analysis shows that the zoning and development standards in Culver City need to change in order to accommodate thousands of more dwelling units. This gap in existing housing stock and total capacity is still surprising, given the fact that there has been extraordinary employment growth. There is room for growth in the RHD and R2 categories, but this growth has not materialized during the economic boom of the past twenty years. There is also room for growth on commercial land, but due to more costly development standards like ground floor retail, commercially-zoned parcels may appear unattractive to developers.

## Where is Culver City currently well-positioned for growth? What land use changes should be made to help accommodate new growth?

### SUMMARY OF FINDINGS

- ▶ Developing residential units on land currently zoned commercial is half of the plan for Culver City to meet its 2021-2029 RHNA numbers
- ▶ Strategically rezoning Culver City’s single-family neighborhoods to allow duplexes can result in an increased capacity of 2,500 more units while still maintaining the city’s low-density

### Methodology

This section relied on GIS to visualize potential land uses for Culver City and where growth can be accommodated within city boundaries. We also used the city’s Accessory Dwelling Unit (ADU) permit data, as well as the city’s municipal code for analyzing development standards of various zoning codes.

## Discussion

In redeveloping Culver City to meet its state-mandated housing numbers, there are many avenues for land use change the city can take. Some are more politically tenable than others, while some may come off as drastic measures that impede on homeowners’ perception of having property rights over the whole neighborhood. If the entire city were demolished tomorrow and rebuilt to its maximum zoned capacity, perhaps then Culver City could meet its required 3,332 new housing units. However, this is more theoretical than realistic, and in the meantime there is still room for the city to implement more permissive zoning for residential uses in order to free up more land for developers. This section will first analyze a ‘minimal change’ approach to redevelopable parcels and zoning and then follow-up with a slightly more intensive approach.

In Map 4.2 below, we have identified parcel groupings that would be ideal for redevelopment. Their land uses comprise a mix of commercial zones and general industrial zoning. These parcels were chosen according to their current specific uses, potential development capacity, proximity to sections of the city adjacent to pro-growth neighborhoods of Los Angeles, and the fact that most sit along corridors and would not interfere with current residentially-zoned land.

Map 4.2



We believe redeveloping and rezoning these parcel groupings would be a ‘minimal change’ as there is no change to any residentially zoned land. The parcel groupings are mostly commercial, which already allow for residential uses up to 35 dwelling units per acre (DUA). These commercially zoned parcel groupings alone could account for a zoned capacity of 6,840 units at maximum capacity. Even developing these parcel groupings at half their maximum capacity would allow Culver City to meet its RHNA numbers. As such, these parcel groupings are ideal

sites for redevelopment for Culver City to most easily reach 3,332 units by 2029. These parcels have yet to be redeveloped due to tricky development standards like a ground floor retail requirement and lack of development incentives as they are mostly outside of the city's transit-oriented community zones.

We want to bring attention to the commercial parcels in red that extend along Washington Boulevard west of Centinela Avenue. We first identified these parcels as ideal for redevelopment due to their perceived lack of homeowner resistance since they are mostly surrounded by Los Angeles proper and not Culver City, the actual mixed-use residential developments that have occurred along this corridor (12712, 12803, 13344, and 13359 Washington Blvd), and the current underutilization of these parcels. Many of these commercial parcels are car part stores, auto shops, and car washes. These uses would hardly qualify as providing any tangible benefit to the broader Culver City community, and even less so to the city's goal to increase transit ridership and multi-modal transportation writ large. However, one concern about this corridor and its redevelopment potential was made apparent during our interview with Mayor Sahli-Wells. While this corridor admittedly does have high redevelopment potential, there is concern over creating a 'condo canyon', or an isolated area of Culver City with a large number of luxury apartments that simultaneously do not make themselves affordable to current Culver City families and force the city to give up a chunk of commercial tax base (personal correspondence, 4/10/20). The question then becomes, how does Culver City carefully redevelop its existing land to be affordable to current residents? While this will be further explored in our recommendations section, this question of redeveloping the city in a manner that maintains affordability for its original residents has been at the forefront of our analysis.

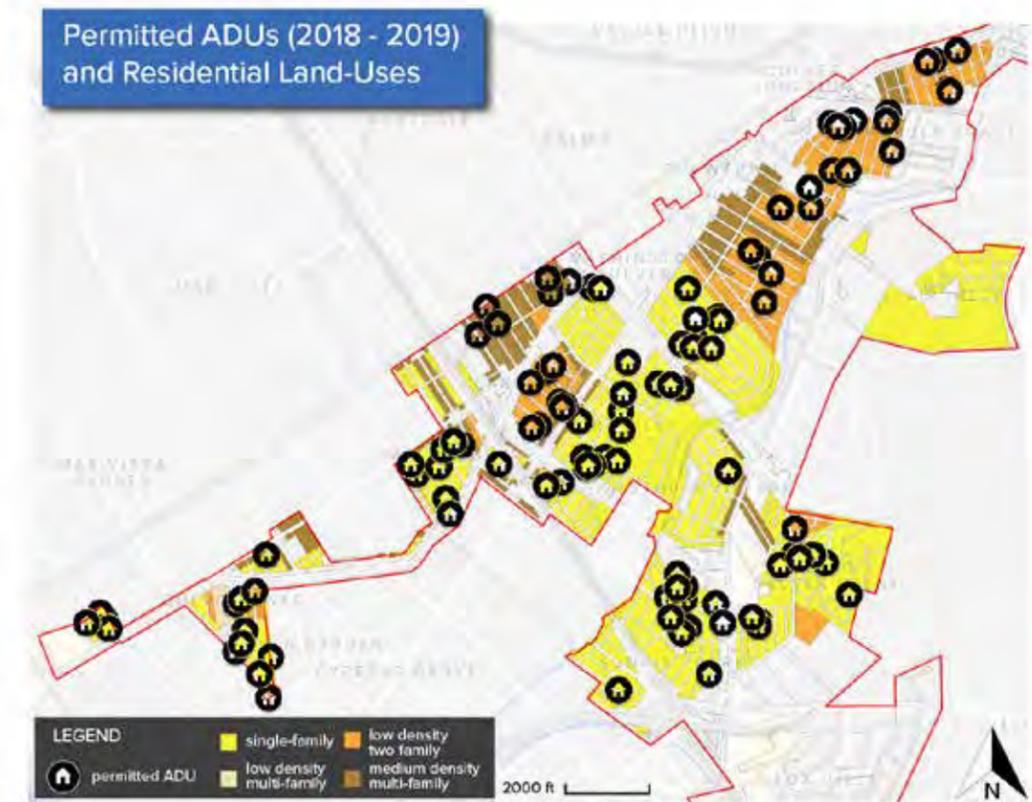
Aside from the identified commercial parcels, the large areas of land zoned general industrial could be rezoned to accommodate for some mixed-use residential. Rezoning industrial land to allow for mixed-use residential is a planning practice that has widely gained acceptance for new infill development (Cotter 2012). A majority of specific uses in the industrially-zoned parcel groupings we've identified do not pose health hazards or require environmental remediation as most are used as studio backlots, light industrial storage, and large art supply stores. If these industrially-zoned parcels in Culver City were able to support residential uses at the same DUA as commercial zones, an additional 4,405 dwelling units could be developed. The expectation from this exercise is not that all these units would (or even should, as these industrial zones are local job centers) occur in these areas; rather, this is meant to demonstrate that meeting Culver City's RHNA targets is not totally out of reach. This is an achievable goal if led by a strategic and proactive planning agenda.

A slightly more intensive approach would require Culver City residents, primarily homeowners, to take an introspective look at the city's role in housing the greater Los Angeles region. Our previous section on Culver City's current zoned capacity raised questions about the equity of Culver City's land share being predominated by single-family zoning. Incrementally progressive adjustments to the development standards of single-family zoning have taken place in Culver City. For example, the city's Accessory Dwelling Unit (ADU) program is one adjustment to residential development standards that has allowed for increased dwelling units on single-family lots.

ADUs are smaller units typically constructed in the backyards of lots with only one existing housing unit. 112 ADUs were permitted in 2018 and 2019, as shown in Map 4.3 below. The largest share of ADUs are concentrated on single-family zoned land, while others are on higher-capacity zoned lots that actually contained only one housing unit. While that is a good sign for increasing overall dwelling units in Culver City, there are no data demonstrating to whom these ADUs are leased. This distorts the efficacy of the city's ADU program in its efforts to expand the supply of affordable housing. However, from a political and policy perspective, the ADU program does represent more acceptance of allowing multiple units on single-family zoned land. Permitting over 100 ADUs during the last two years demonstrates that it would not take a great leap of faith to allow triplexes—or even fourplexes—on

single-family zoned land. This would conclusively demonstrate the city's efforts to incentivize homeowners to gradually increase the city's density on their own terms.

Map 4.3



A close look at Culver City's municipal code and development standards reveal where there is room for density and upzoning can take place. Culver City's densest residential zoning (High-Density Multi-family Residential) type only allows for 29.04 units per acre. Culver City's least dense residential zoning (R1) allows for 1 unit per parcel. These residential land uses indicate a slow-growth development pattern for the city. If Culver City is to consider already residentially zoned land in its objective to accommodate more units for the workers it plans to absorb, then these development standards must be revised.

There are manageable steps the city can take in gradually upzoning its already residentially zoned land. Increasing RHD's density to that of commercial zoned land would allow for a capacity of 557 additional units. RLD only takes a small percent of land share in the city as is, and if it were to be upzoned to match RHD's current DUA, an additional 150 units could be supported. If all R2-zoned parcels could support one more unit, Culver City could support 1,830 more households. Presenting various upzoning possibilities for Culver City to adopt could be endless. However, the elephant in the room is not the small amount of multi-family zoned land the city has, rather the large swaths of single-family zoned lots the city consciously (arguably conscientiously) gives overwhelming benefits.

Our analysis finds that Culver City can take a modest approach in tackling the issue of single-family zoning while still benefiting current and future renters in the city. Rather than directly upzoning all single-family zones, a strategic rezoning of single-family zones would substantially raise Culver City's zoning capacity while still maintaining a minimally-dense feel for which the city is known. This strategic rezoning could take the shape of equitably redistributing the share of land between R1 and R2 zones, both very low density zones. The aggregate number of these parcels is 6,246 (4,416 and 1,830 respectively). Equitably redistributing these parcels across the two zones

would result in a decrease of 1,293 R1 parcels and an equal increase of R2 parcels. In terms of density, this would translate to 2,586 more units in Culver City.

Our strategic rezoning strategy for Culver City’s largest share of residential land is far from a revolutionary idea. Virtually all single-family lots in Culver City can accommodate two or more units based on their acreage. If Culver City is to accommodate future growth in a rapidly expanding regional housing and job market, and it is apparent that residential land use is unevenly distributed, then residents should be made aware of the necessary land use reforms. Culver City residents have the voice and power to accommodate thousands of new neighbors, but whether they are willing to is up to them.

The data show this is not a radical idea that would uproot the urban fabric of Culver City. Technically, the data show that Culver City is just a few steps away from carrying its weight in the grand scheme of housing in the Los Angeles region. Politically, however, homeowners may be unwilling to let go of the stability of their neighborhood, putting Culver City miles away from achieving its goals. Culver City planners must be willing to work against the status quo of single-family zoning in their city. As public servants, they can lead by setting precedents, or even following the examples set by their neighboring Westside cities, West Hollywood and Santa Monica. Culver City planners should be proactive in their practice of listening to residents’ needs while still maintaining foresight for the city’s progress in housing families.

## How similar is Culver City to the rest of the Westside? Statistical Analysis of Westside Redevelopment

### SUMMARY OF FINDINGS

- ▶ Culver City should adopt a new approach in accounting for its production goals by using available data of demonstrated growth patterns to assess probable development on sites listed in the sites inventory
- ▶ Recent Westside residential developments demonstrate a strong preference toward high-end apartments for high-income households willing to pay a premium for rent
- ▶ If Culver City follows a similar development pattern as the rest of the Westside, it may only deliver housing to incoming high-earners and not the affordable housing necessary to serve long-term residents

## Methodology

This section used a combination of Los Angeles Department of Building and Safety (LDBS) permit data over the 2013-2018 period and Los Angeles County Office of the Assessor parcel-level data. The datasets were joined in STATA to draw findings between parcels which experienced redevelopment—by designating a permit as a proxy for redevelopment—and parcels which did not experience redevelopment. This methodology builds on the prior land use analysis sections which take a more traditional approach to estimating a city’s built capacity and potential for meeting this capacity.

## Discussion

Cities’ Housing Elements are broken down into four main components: a housing needs assessment, an inventory of land and financial resources for the city to meet its target numbers, an analysis of constraints to the city’s ability to meet these target numbers, and a housing plan to implement these objectives and changes. Our section on Culver City’s land use and zoned capacity addresses this traditional approach to account for potential redevelopment in Culver City. However, this traditional approach is flawed in its ability to predict the likelihood of a planned housing development taking place. Often, in taking inventory of potential sites for redevelopment in their Housing Elements, cities will simply take stock of vacant or underutilized lots in hopes that the some developments will erect and quell their housing needs or more cynically, they list sites to satisfy the law but then prevent housing from actually being built on those sites.

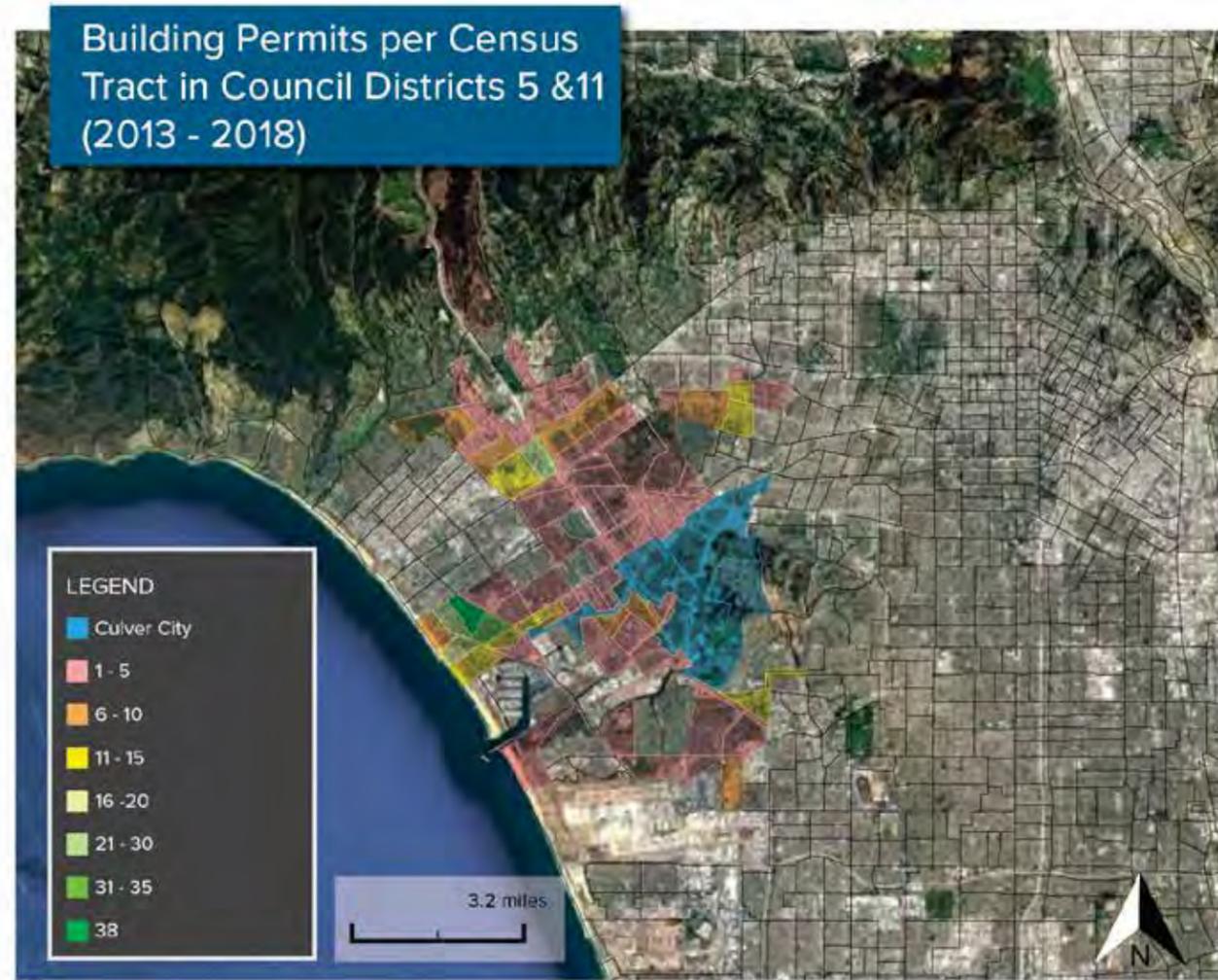
We are proposing an approach that considers redevelopment probability based on demonstrated redevelopment patterns in neighborhoods adjacent to Culver City. This method builds on a UCLA Lewis Center brief titled “A More Effective Approach to the Housing Element Update 2021-2029: Rezoned Capacity and Probable Development” (Monkkonen et al., 2020). The authors recommend that cities more realistically plan to meet their housing goals by “rezoning in high opportunity neighborhoods, assessing development probabilities using data, and taking a proactive approach to building affordable housing” (Monkkonen et al., 2020). In our previous section, we addressed pockets of the city which would be ideal for redevelopment due to zoning and development incentives which Culver City offers. Moreover, to measure the probability of redevelopment in these areas coming to fruition, we use building permit data from Westside neighborhoods (Council Districts 5 and 11) from 2013 - 2018 (LADBS).

We used parcel-level data to most accurately measure the granularity required for redevelopment. We joined nearly 15,000 residentially-zoned parcels in the Westside with all corresponding parcels that received a new residential building permit. This resulted in 431 joins. In other words, about 3% of all residential parcels in the Westside experienced some sort of residential redevelopment during this 2013 - 2018 period. In total, these 431 parcels provided 2,542 newly-constructed dwelling units. These 2,542 units were split across various dwelling typologies. A majority of building permits were approved for single-family units (261 of 431), but a majority of all dwelling units (1,972 of 2,542) were created in larger apartment complexes. Spatially, development has also been uneven within the Westside. Map 4.4 shows most census tracts had a low number of building permits, ranging from one to five. However, there were some hotbeds of development as well. In particular, one census tract in Venice had 38 building permits approved during this 5-year period.

Table 4.7: Westside Permits by Building Typology (2013-2018)

Building Typology	Number of Permits	% of Permits	# of Dwelling Units Produced
Single-family unit	261	60.5	261
Two Units	70	16.2	140
Three Units	27	6.2	81
Four Units	22	5.1	88
Five or more Units	51	11.8	1,972
Total	431	100	2,542

Map 4.4



That only three percent of Westside residential parcels were redeveloped during this five-year period reflects the built out nature of this part of LA and the many challenges to housing development. In order to be more strategic about rezoning in a way that actually leads to housing production, we ask why these particular parcels got redeveloped? Were there any characteristics that made a parcel more likely to be redeveloped? First, we describe the relevant attributes of parcels that were issued building permits in Table 4.8 and 4.9; however, we are mostly concerned with Table 4.9 as building permits for single-family units are outside our recommendations. We then describe the socio-demographic characteristics of multi-family-redeveloped parcels in Table 4.10. Note that the data analyzed describe the conditions of the parcels and their neighborhoods prior to being redeveloped. We do not analyze their conditions post-development.

We analyzed parcel attributes typical of what a developer would research when deciding to improve a piece of land. The parcels attributes most relevant to the building permits issued were parcel area, land value, improvement (the building which sits on the land) value, percent difference in existing dwelling units and maximum allowed dwelling units, vacancy rate, and parking requirements. We found that redeveloped parcels for multi-family buildings had a median area of 0.15 acres or roughly 6,500 square feet. For reference, the minimum lot area required for residential zoned parcels in Los Angeles is 5,000 square feet. Respectively, median land and improvement values are a staggering \$812,200 and \$292,000. The percent difference in maximum capacity has a median value of 57 percent, demonstrating a large gap in built capacity in the Westside. In other words, the Westside is largely underdeveloped and can accommodate for the construction of thousands of dwelling units.

Neighborhood vacancy rates were 6 percent, just above what SCAG considers to be a healthy rental vacancy rate at 5 percent. The average number of required parking spots was fairly low at five spots, coinciding with the fact that high parking requirements are an expensive impediment to development. Lastly, when we do compare parcel-level attributes between single-family and multi-family building permits, it is key to note that the latter sit on more expensive pieces of land. This follows the intuition that multi-family developments raise the value of nearby land.

Overall, this descriptive analysis gives insight into the developer's perspective when pursuing Westside residential land. In an effort to compare Culver City to neighboring West Los Angeles, it is important to consider that while both have demonstrably low rates of residential redevelopment, these statistical measures show that there are still crucial bits of information to be gleaned. Prime parcels for redevelopment can be small and expensive, but this follows the assumption that land values will continue to rise and that a large number of units can be built and rented. Culver City's land values are continuously rising, but small numbers of dwelling units are being developed. This poses an issue for developers interested in Culver City land; without the right level of development incentives, all eligible parcels in Culver City may never get redeveloped to meet the city's housing targets.

Table 4.8: Parcel Attributes of Single-Family Building Permits Issued

	Parcel Area (acres)	Land Value (\$)	Improvement Value (\$)	% Difference in Maximum Capacity	Vacancy Rate (%)	# of Parking Spots
Minimum Value	0.046	15,717	0	0	0	0
Maximum Value	0.39	3,640,000	3,752,000	100	24	14
Average	0.12	821,951	296,290	34	7	2
Median	0.12	728,164	169,546	33	6	2

Table 4.9: Parcel Attributes of Multi-Family Building Permits Issued

	Parcel Area (acres)	Land Value (\$)	Improvement Value (\$)	% Difference in Maximum Capacity	Vacancy Rate (%)	# of Parking Spots
Minimum Value	0.05	17,371	0	0	0	0
Maximum Value	2.6	7,106,000	15,300,000	200	18	96
Average	0.19	1,064,000	559,225	62	7	8
Median	0.15	812,200	292,185	57	7	5

In accordance with the Westside generally, the neighborhoods with redeveloped parcels are majority white, have a high median household income, high rents, and low poverty rates. What does this mean for the Westside's development pattern? Namely, this reveals that developers are targeting neighborhoods with higher household incomes that are willing to pay a higher premium for rents. While 2,542 units being developed in the Westside over 5 years is not trivial, it is not a large feat by any means either. These units were developed with a select demographic

in mind. Both Culver City and the Westside have strikingly comparable demographics when it comes to race and income, mostly white and a higher household income than the county average. And as Culver City is slated to receive thousands of high-earning employees from large technology companies in the coming years, Council must be aware of the economic effects of the developments it approves. If it is to approve mostly high-end developments like the neighboring Westside, Culver City may only end up widening its racial and economic disparities.

Table 4.10: Sociodemographics of All Multi-Family Redeveloped Parcel Neighborhoods

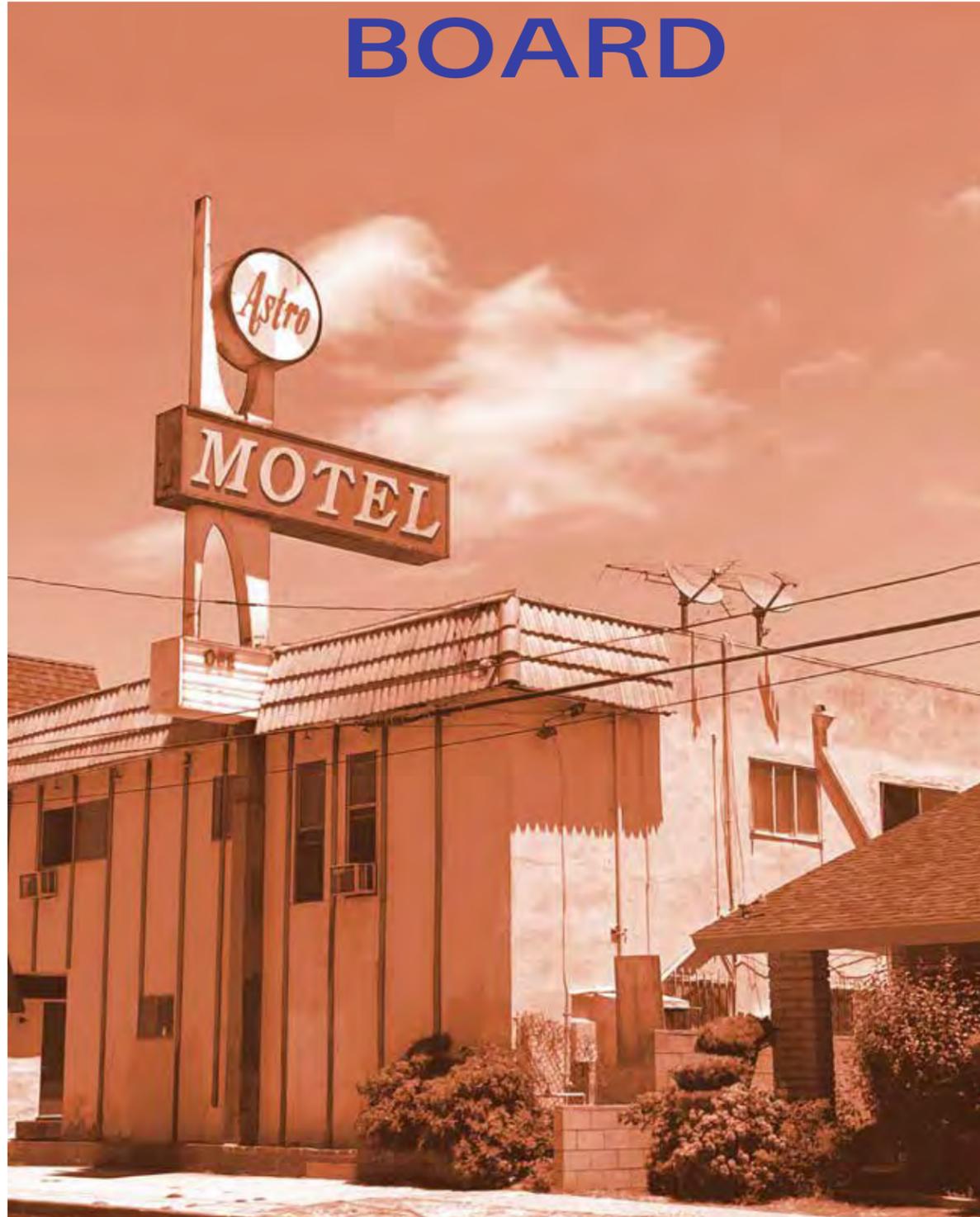
	<b>Median Household Income (\$)</b>	<b>% White</b>	<b>% Black</b>	<b>% Hispanic</b>	<b>% Asian or Pacific Islander</b>	<b>Rent Value (\$)</b>	<b>Poverty Rate (%)</b>
Minimum Value	14,834	14	0	3	2	886	2
Maximum Value	193,877	84	43	70	38	2,517	77
Average	74,547	57	6	20	13	1,744	14
Median	71,208	59	3	14	10	1,728	11

We take this analysis one step further by asking, within the neighborhoods that did experience some multi-family redevelopment, were there differences in demographics by the level of development experienced? Table 4.11 finds that census tracts which experienced the highest amount of development had a high median household income, the highest average rents, the most college-educated individuals, and the lowest population density. What we find most relevant here in comparing this analysis to Culver City is low population density. Typically, if a city wants a certain number of units built over a period of time, they must zone multitudes higher. The low population density of the Westside neighborhoods with the most redevelopment is a signal that developers are recognizing potential zoning capacity and capitalizing on its max density. Currently, most of Culver City's low density residential zoning does not meet the necessary capacity to reach 3,332 new units by 2029. While neighborhoods with low population density were the most attractive for developers in the Westside, adequate zoned capacity is still important for developers to pencil out a project's feasibility. This is a key finding to support Culver City's need to rezone in the upcoming years.

Table 4.11: Comparing Neighborhoods by Amount of Redevelopment

<b>Variables (neighborhood-level data)</b>	<b>Tracts with 0 MFH permits</b>	<b>Tracts with 1-5 MFH permits</b>	<b>Tracts with more than 6 MFH permits</b>
% White	51	65	66
% Black	5	2	6
% Hispanic	19	15	15
% API	8	9	5
Poverty Rate (%)	11	8	11
Median Household Income (\$)	80,826	87,525	84,557
Rent Value (\$)	1,731	1,765	1,842
College Degree or Higher (%)	60	59	70
Population Density (# of people/sq mi)	14,510	13,553	11,163

# MESSAGING BOARD



## ***How can City Council make these proactive policy options palatable to Culver City residents?***

We've given you a lot to think about and these proposals might be hard for some residents to digest. To help people be receptive to these ideas, we recommend framing them as strategies to preserve what is already great about Culver City. Culver City's unique communities need to be able to grow in order to flourish, and the business-as-usual strategy of building large condominium buildings on major arterials can't accommodate this. By adopting the reforms we have suggested, Culver City residents will have greater autonomy to decide the trajectory of their neighborhoods themselves. The framing recommendations below present some ways that city leaders can pitch these ideas to Culver citizens.

### ***Framing Recommendation One: Connect zoning reforms to racial equity and justice***

Single-family zoning has clear ties to racial segregation and Culver City's past as a "sundown town". The city has already begun to address its exclusionary history through its Speaker Series, but it must turn those conversations into actionable reforms to redress its past sins, which perpetuate racial segregation today. Allowing for denser, affordable housing development through rezoning is one step in the right direction. As both economic inequality and housing costs continue to rise, Culver City has to confront what limiting housing production means for the city's racial composition. We know enough about the connections between race and economic outcomes to understand that inaction will lead to the exclusion of people of color. As a "high opportunity" area, Culver City must open its door to become a platform for economic mobility for communities of color, which often make up the majority of the low-wage job sectors that are growing in the city.

### ***Framing Recommendation Two: Connect zoning reforms to climate/environmental goals***

Culver City has set admirable goals in regards to sustainability and climate resilience. The policies we have proposed can be portrayed as critical to achieving those goals. Increasing the density of single-family zoned land, especially near downtown, will increase the volume of pedestrian and bike trips residents take. In fact, our research found that there is a relationship between denser housing and transit use. If Culver City wants to increase transit ridership, it must consider the role land use plays in this equation.

### ***Framing Recommendation Three: Frame densification as a form of preservation***

Culver City's unique charm stems from its many historical and diverse communities. Much of the resistance to new development can be understood as a desire to protect these communities against the encroachment of tall buildings and upscale restaurants. However, our research has shown that changing land use patterns is the only way to preserve these communities. Culver City's lower-income residents are at risk of being priced out of the city they call home if new housing cannot accommodate workers in the city's tech boom. These pains will be felt by new and long-time residents alike if the city cannot implement a plan to house its growing workforce. Allowing new forms of housing in areas where they were previously prohibited will relieve the pressure certain neighborhoods are facing.

### ***Framing Recommendation Four: Highlight the inevitability of bad development under current rules and the need for new rules that can incentivize good development***

Those resistant to new development often point to new development projects that are out of character with their surroundings. The irony here is that these contemporary buildings have likely been built in conformity with existing design and development standards. By changing development rules, Culver City can allow for new, denser building types that are more in line with the city's existing housing stock. In fact, there are already many buildings like this in Culver City, holdovers from the past before development standards were tightened to their current form. In an earlier section, we showed photographs of two new, large developments, one on Duquesne and one on Washington. Without reforming the zoning code, these are the only types of buildings that will be permitted, which is the exact opposite outcome people interested in preservation want.

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# APPENDIX

## Appendix A: Literature Review

This literature review considers the state of academic knowledge in regards to housing policies in various municipalities. We use them to frame our proposals for Culver City. To address housing preservation, increase affordable housing development, and appropriate land use changes, we explore the literature on housing submarkets and displacement, rent control, and land use policy and zoning. This literature review is non-exhaustive. Our purpose here is to provide recommendations for a small municipality encompassed in a larger metropolitan region to implement a proactive affordable housing agenda.

### *Housing Submarkets and Displacement Concerns*

Culver City, like most other municipalities in Los Angeles County, is dealing with the local repercussions of a regional housing crisis. As a submarket, its ability to accommodate more housing is hampered by restrictive zoning and community opposition to multifamily housing. Denser development is allowed in its Transit-Oriented District and through its Community Incentives Program, the local equivalent of the state density bonus program, on a project-by-project basis. Recent scholarship has noted the importance of zoning and regulations for housing production. Monkkonen and colleagues (2020) find that high-rent cities with more zoned capacity and looser regulatory processes issued significantly more housing permits. Until Culver City updates its land use policies, it will continue depressing its development potential.

Though this project focuses on local solutions, there is evidence that changes in the Culver City submarket could potentially have regional impacts. In two separate papers, Evan Mast and colleagues estimate that new market rate construction can slow rent growth, specifically for middle- and low-income households. It does so by capturing high-income household demand (Asquith et al., 2019). This effect carries for areas proximate to, but outside of the immediate submarket (Mast, 2019). In this regard, any policy changes that spur market rate development in Culver City will directly affect not only its residents but also surrounding jurisdictions.

With new market rate development -- and the accompanying impact on rents -- comes concerns about unintended effects on existing renters and homeowners. Displacement is a particularly salient concern in tight housing submarkets where development pressures are high due to policy changes or demand shifts. For renters, this pressure can manifest as evictions (Ellis Act or otherwise) or unaffordable rent increases. It is not as pressing a concern for homeowners, who may benefit from increased home values and land speculation.

Though displacement is commonly associated with gentrification, displacement can also be an outcome of public investment in the type of economic development that does not favor low- and middle-income households (Sims, 2016; Zuk et al., 2017). As a result of direct and indirect investments, Culver City's renters are now victims of its economic success, whereas homeowners are enjoying astronomical increases in value. The city's recent astronomical economic and job growth are no accident. The defunct Culver City Community Redevelopment Agency used its eminent domain powers in the late 2000s to assemble the lot where the new mixed-use Ivy Station development sits (S. Blumenfeld, personal communication, February 3, 2020; Groves, 2006). The city would hardly be considered a candidate for gentrification in the traditional sense. The type of displacement that is likely to occur here is the exclusion of younger, working- and middle-class people who may have grown up in the city, but cannot afford to remain in it.

The changes that drive displacement can occur at the regional or local level. In Culver City, the recent influx

of entertainment, technology, and information sector employers brings with it high-income workers. This development is directly related to a regional change, the introduction of a new light rail line, and local efforts to accelerate economic development. This new workforce has the buying power to drive up rents and prices in a market with an already limited supply. Atkinson (2000) found that an increase in the number of professionals in an area was associated with a larger than usual outflow of working-class households.

Numerous studies have found that investments in major infrastructure projects, such as light rail, can catalyze neighborhood change (Pollack, Blumenstone, and Billingham, 2011; Kahn, 2007). One of Culver City's strategies for increasing housing density is pushing for more intense development around the E Line (formerly, the Expo Line) station in what they have deemed a Transit Oriented Development (TOD) District. However, up to this point, the residential development in this area has been geared toward households that can afford market rents.

One of the more common responses to the displacement dilemma has been to incentivize the creation of new housing units (affordable and market rate) around transit stops. However, in consideration of lower income households, Culver City must invest in the production of subsidized or below market rate housing. Zuk and Chapple (2016) found that in the Bay Area, the production of subsidized units had a greater impact on reducing displacement pressures than market rate housing. This could include the preservation and appropriation of naturally-occurring affordable housing, as well as new construction. The remaining sections of this literature review will touch upon several other responses to market changes and the debates surrounding them.

### ***Rent Control***

Academic studies have generally found rent control to be effective in maintaining rents stable, with some caveats. A 2007 study of rent control in Massachusetts (Sims, 2007) found that rent control effectively stabilized rents in both controlled and non-controlled units without detrimentally impacting new construction. A 2014 study of Cambridge, Massachusetts (Autor, Palmer, & Pathak 2014) and a 2015 study of rent control in New Jersey (Ambrosius et al, 2015) came to similar conclusions. Dr. Stephen Barton, formerly the head of the City of Berkeley Rent Stabilization Board, has produced a grey paper showing that the rents in non-controlled Berkeley units are far above what a landlord needs to make a fair return on his or her investment and that these returns are not re-invested in either the community or the housing stock (Kelekian & Barton, 2013).

Researchers at Stanford University published a study of rent control in San Francisco (Diamond, McQuade, & Qian, 2018), arguing that rent control fueled gentrification in the city. They found that the adoption of a rent control ordinance in 1979 caused landlords to remove rental units from the market and convert them to owner-occupied units. However, they also found that rent control benefitted inhabitants of rent-controlled apartments through lower rents and increased stability. Critics of this study have argued that it was not rent control, but instead loopholes in the Ellis Act that have caused landlords to remove units from the market, and suggested that reforming this law could strengthen rent control laws (Tenants Together, 2018).

### ***Land Use and Zoning***

The debate over zoning typically contrasts imaginations of ultra-dense neighborhoods -- that would have been ushered in by now deceased SB 50 -- and sprawling swaths of detached single-family homes. These debates regarding zoning bring esoteric land use issues into the typical household; however, they detract from the nuance necessary for California's housing crisis. It is necessary to move beyond artificially counterposed options of building market-rate developments or retaining the "need to strengthen local control" (Mirisch, 2019) in order to solve our

housing crisis. Finding ways to advantageously use zoning to promote affordable housing development is the crux of this section of our literature review.

In the context of supplying more affordable housing, relaxing zoning and making it less exclusionary is a topic that widely concerns academics researching housing policies. While supply skepticism generally augments local opposition to new housing construction, it is indeed possible for local policymakers to reverse such trends by advocating for proactive land use that favors affordable housing development and preservation.

Why does rezoning occur (whether upzoning or restrictive zoning)?

Rezoning operates as a function of "housing demand factors, existing supply constraints, the influence of interest groups, local demographic and economic factors, neighborhood trends, and municipal policy drivers" (Gabbe, 2018). Los Angeles and the municipalities it neighbors and encompasses have suffered from a lack of affordable housing due to restrictive and exclusionary zoning policies since roughly the 1960s (Whittemore, 2012a, 2012b; Davis, 1990). Homeowner interest groups and anti-growth advocates have spearheaded exclusionary practices in recent decades, creating skewed narratives of what the ideal controlled or 'slow' growth should look like. In a sense, the single-family home has captured a revolutionary force which has left Los Angeles (and much of the country really) with a legacy of empowering affluent suburbanites that have fervently opposed expanding housing consumption options for the working-class.

Since the beginning of the 2000s, Los Angeles has become a new growth machine, one imbued with delicate alliances between developers, housing activists, and sustained anti-growth advocates. Albeit, this growth machine is a bit oxymoronic as Los Angeles has developed the least amount of housing in its 'modern' history during this period. Underpinning this alliance, amidst a flurry of 'backyard' subgroups like YIMBYs, PHIMBYs, and NIMBYs, is one of many hotly debated solutions to our housing crisis, upzoning.

In Los Angeles, between 2002 to 2014, upzoning was most likely to occur in areas with some combination of little political resistance and few amenities (Gabbe, 2018). Conversely, areas with high amenities and high concentration of organized homeowners were the least likely to experience any upzoning. A larger share of single-family homeowners in a neighborhood leads to regulatory stasis; in other words, no zoning changes (Gabbe, 2018). For Culver City, this will be an interesting point of contention as the homeowner and renter shares are almost even, but the share of land use is disproportionately in the hands of homeowners (American Community Survey; Culver City Planning Division).

Identifying three potential rezoning outcomes in Culver City's recent history, either no zoning change, rezoning approved, or rezoning denied will be informative in comparison to the variables outlined above for the City of Los Angeles. Aside from the two endogenous factors that drive zoning changes (organized homeowners and desirable amenities), municipal policy drivers have also shaped the regulatory state of zoning parcels for higher intensity. In particular, Los Angeles has deployed various initiatives, such as "small reductions in land area devoted to large-lot, single-family housing; new regulations for ADUs; reduced parking requirements in some areas; and density bonuses for affordable housing" (Gabbe, 2019). The extent of these changes, however, have been selective and very minimal. Only 1% of Los Angeles' total acreage were upzoned across the 2002-2014 period.

Allowing ADUs has been successful due only to years of state law. It only works with compliant single-family zoning of course. Reduced parking requirements have only been targeted in transit-oriented areas, not uniformly across the city. Los Angeles has taken modest but broad steps toward achieving a more affordable city. However, Culver

City's smaller scale should allow for more extensive options to be analyzed, particularly in supporting state mandates that make more radical calls to action.

What are the results of upzoning?

Two camps dominate the conversation when debating the results of zoning changes, particularly upzoning. The predominant narrative is a simple axiom of housing supply and demand: if municipalities allow for higher densities through upzoning, developers will be encouraged to build more units and this will increase regional affordability. However, skeptics voice an opposing presumption, that by increasing developers' opportunity to increase speculative land values, upzoning may simply produce higher local housing prices and lead to gentrification and displacement. Both narratives (Vicki et. al., 2019; Storper and Rodriguez-Pose, 2019) provide empirically opposing results; however, analyzing the effects of zoning changes with clear and reproducible measures is important to determine appropriate future land use policy, particularly in the issue of providing more and affordable housing.

Upzoning may result in rapid capitalization of upzoned parcels in the short-term, especially if it is done at a limited scale. However, the short- to medium-term may not produce intended results of policy-driven upzoning, where the goal is to provide more housing units and greater affordability. Freemark (2019) finds that upzoning of parcels in Chicago, a city that is losing population, did not "produce a supply response within five years of policy implementation."

Other studies have found a relationship between liberalized zoning rules and housing prices. Ihlandfelt (2007) found that in Florida cities, more restrictive zoning codes increase home prices while decreasing land prices. A more recent study of the San Francisco Bay Area (Kok, Monkkonen, & Quigley, 2014) found a connection between the complexity of permitting and zone changes and higher home prices.

Can rezoning be used to provide more affordable housing?

There is a presumption that multi-family housing is the most affordable type to develop (Knapp et al, 2007). This presumption's feasibility, however, is often contested by local land use and zoning because of its high variance across places. Alternatively, various forms of land use mandates can be applied at the local level to create more affordable housing and sustain housing affordability city-wide. Inclusionary zoning, which mandates that new residential construction set aside units for low income households, is the primary approach. Up until 2010, both Los Angeles and Orange Counties, only had 14 cities with mandatory inclusionary zoning stipulations. Three other cities have voluntary inclusionary zoning practices (Mukhija et al, 2010). At the moment, Culver City does not currently have an inclusionary policy but is proposing one to be approved soon (S. Blumenfeld, personal communication, February 3, 2020). Empirically measuring both the market efficiency and effectiveness of these mandates has also proven somewhat challenging. Skeptics view inclusionary zoning as a reification of cities' reliance on market activity to act as the driving force supplying affordable housing in the midst of a housing crisis. This is not to say that inclusionary zoning does not fit into a broader spectrum of supplying affordable housing at the local level.

Nonetheless, an important first step toward a proactive local affordable housing policy agenda in Culver City would be to institute mandatory inclusionary zoning. Contributions to Research on inclusionary zoning (Goetz, 2019) have found the importance of instituting such land use decisions as the popularity of mixed-income development has begun to rise.

## Appendix B: Culver City Development Process

### 2. Development Processing Procedures

#### a. Residential Permit Processing

State Planning and Zoning Law provides permit processing requirements for residential development. Within the framework of state requirements, the city has structured its development review process in order to minimize the time required to obtain permits while ensuring that projects receive careful review.

Early consultation with city staff is encouraged to identify issues as soon as possible and reduce processing time. Applicants may be required to complete a Preliminary Project Review (PPR) Request prior to submitting a project application. A PPR Request form summarizing the project, along with plans indicating a proposed site plan, parking, and pedestrian and vehicular access, are circulated among city departments for review, followed by a meeting of the Project Review Committee (PRC) (comprised of representatives of the reviewing department) with the applicant. This consultation allows the applicant to determine the feasibility of the project and make adjustments during the preliminary planning stages to minimize costs. The PPR/PRC meeting is held within two to three weeks after the PPR request submittal.

After the PPR/PRC meeting, the applicant assembles an application and more detailed plans, including elevations, architectural design, and additional information that may have been noted in the PPR/PRC meeting (such as technical studies or a tentative map) and submits a formal discretionary application with the Planning Division. Concurrent processing of required discretionary entitlements (e.g., subdivision and site plan requests) is also provided as a means of expediting the review process. Similar to the PPR process with a PRC meeting, a discretionary application is also circulated to various city departments (Public Works, Building Safety, Fire Prevention, Planning) for comment and

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review. At the application PRC meeting, staff will provide more detailed comments on the more complete plans, draft conditions of approval, and any required corrections to the plans that must be completed prior to distributing them to the Planning Commission for a public hearing. After a sufficient public noticing period, a public hearing is held. Once a decision is made by the Planning Commission, the discretionary application is then ready for building permit plan check (unless the discretionary entitlement procedures require that first the City Council make a final decision after Planning Commission recommendations have been made). Generally, the application PRC meeting is held within two to three weeks after submittal of the discretionary application. If deemed complete at the application PRC meeting, staff usually is able to schedule the Public Hearing within 9 to 11 weeks after the PRC meeting.

Single- and two-family developments (with no subdivision) require only building permits (i.e., "by-right") while multi-family and mixed-use developments are processed the same way as described above.

The Building permit plan check review period for the processing of residential building permits is generally ten days for the first round of reviews by various city departments and five days for resubmittal, depending on the city's workload. Building codes are applied to new construction, and are monitored and inspected under the building permit process. Where no permits have been obtained, inspections are made in response to request and complaints. As indicated previously, the city's Building Code incorporates the California Building Codes 2010 Edition. The city's Building, Mechanical, Plumbing and Electrical codes include minor revisions and amendments to the Uniform Codes that exceed state standards. These amendments are related to fire alarms, smoke detectors, sprinkler systems, and other basic safety measures. All new structures are required to provide fire sprinklers. Although this requirement adds incrementally to the cost of construction, it is considered a vital public safety issue that justifies the additional cost.

These procedures help to ensure that the development review process meets all legal requirements without causing a significant unwarranted constraint to housing development.