

# racking Regional Affordability and Challenges to Tenancy (TRACT)

Angeles 2023 Update

#### What is the Gentrification Potential Composite?

Gentrification Potential examines the spatial and economic conditions that render an area attractive for redevelopment, which risks displacing existing

### Findings & Recommendations

Compton
Corona
Anaheim
Long Beach
Santa Ana
Huntington
Beach
Lake Forest
Newport Beach

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#### What is the Gentrification Intensity Composite?

Gentrification Intensity evaluates demographic and economic evidence of recent neighborhood change that may indicate ongoing gentrification and displacement, especially in communities with higher Vulnerability and Potential indices.



## Agenda

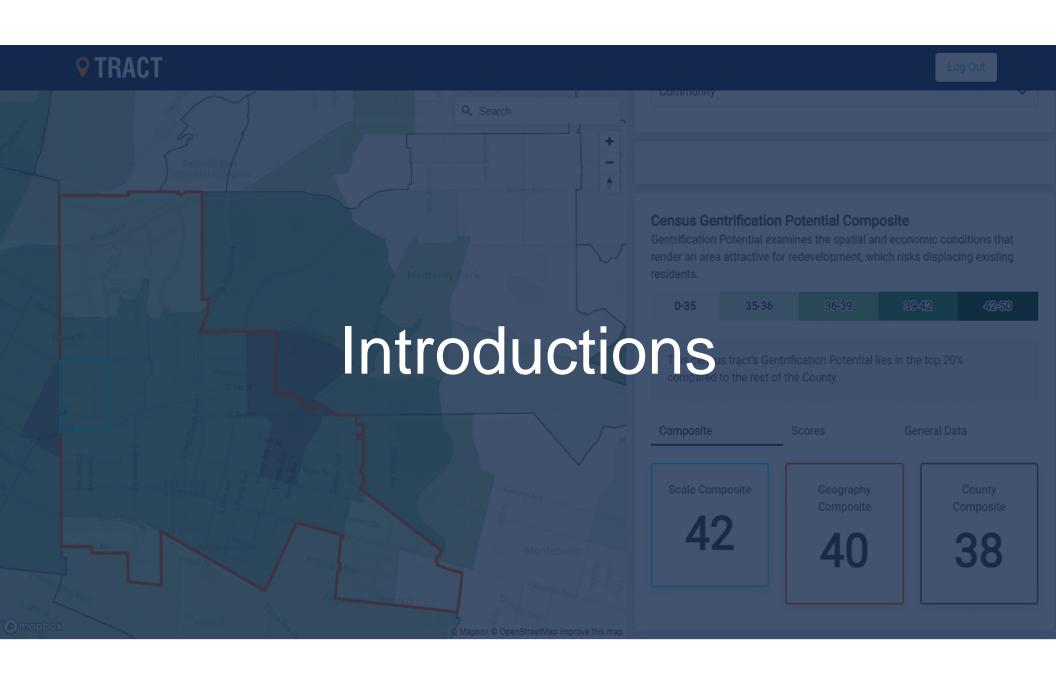
1 Introductions

2 Purpose & Overview

Measuring Gentrification & Displacement

Findings & Recommendations

5 Questions?



# LACDA's Housing Strategies Unit

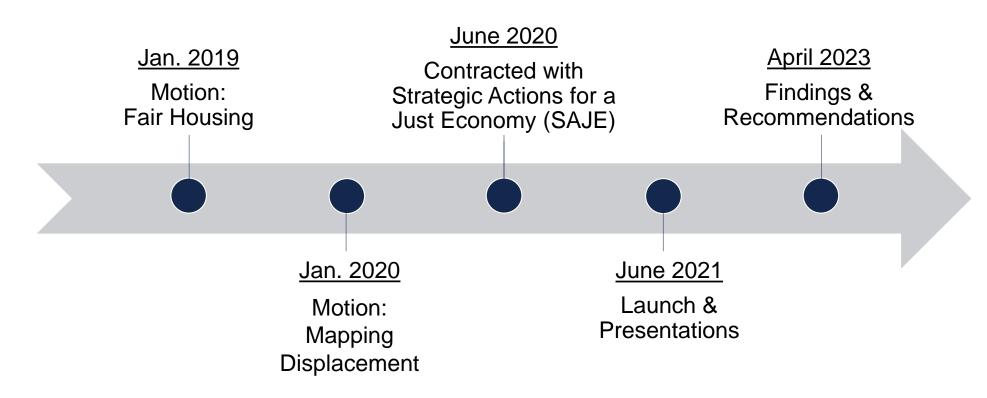
Established to support Los Angeles County's (LA County) housing affordability initiatives by:

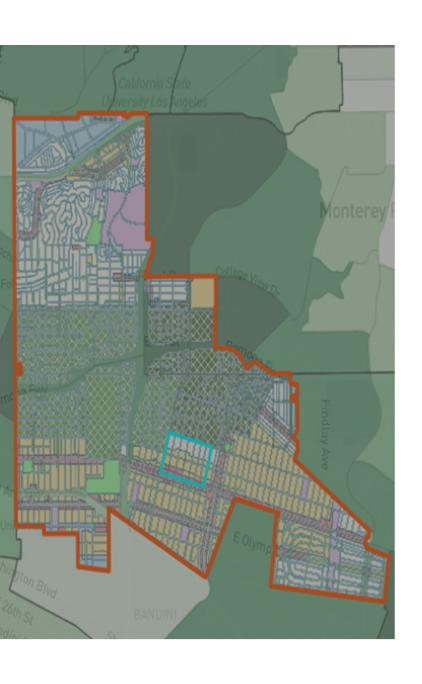
- Using data-driven analysis to craft policy fostering residential stability
- Preserving existing housing
- Protecting tenants from displacement pressures
- Supporting Single Family Homeownership programming





### Timeline of TRACT





## How is TRACT Used?









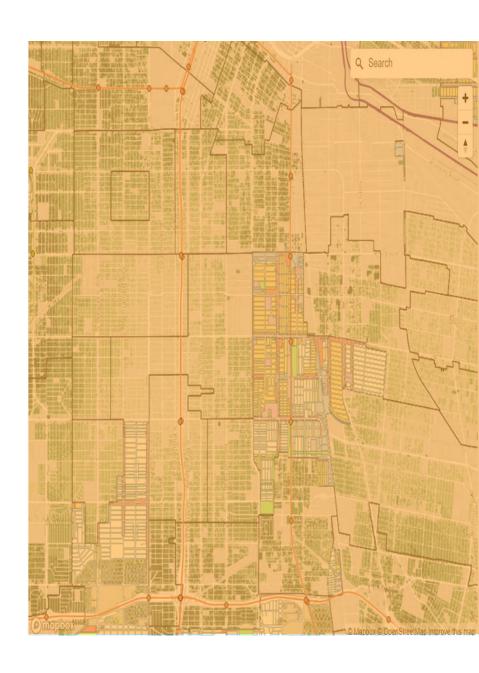


## Composite Scores

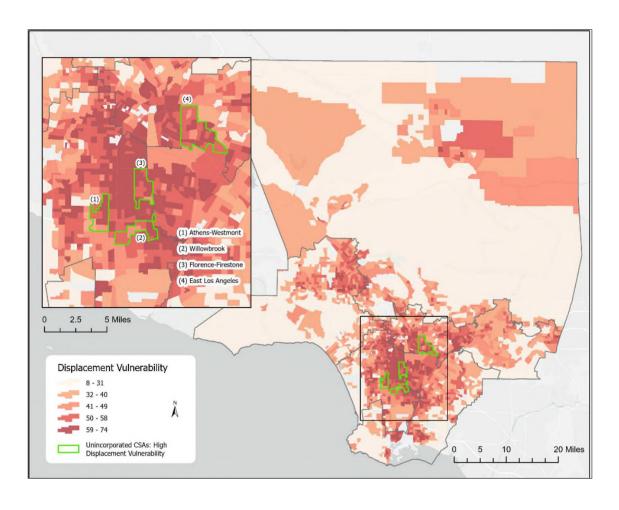
Displacement Vulnerability

Gentrification Potential

Gentrification Intensity

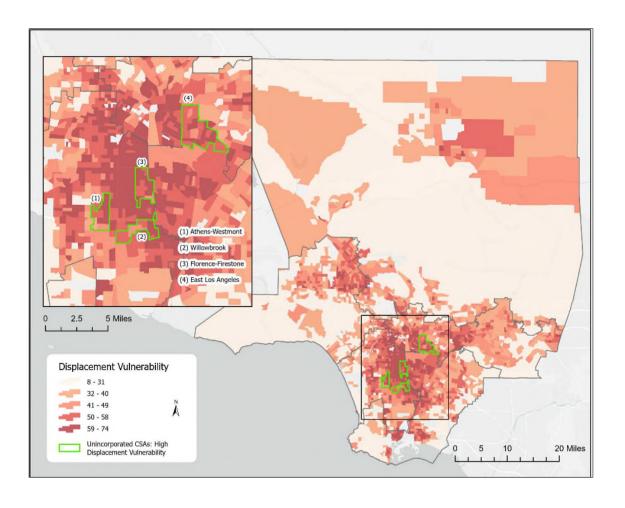


## Displacement Vulnerability



Assesses the likelihood that a resident will be forced to move out of their community due to housing market forces - i.e. residential instability

## Displacement Vulnerability



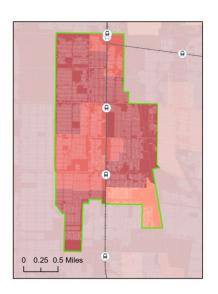
## Property & Ownership

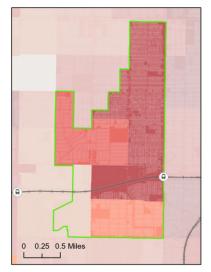
- Corporate Ownership
- Tax Arrears
- "Just Cause" Protections
- Recent Sale

#### Resident Characteristics

- Renter Population
- Household Income
- Unemployment Rate
- Housing Cost Burden

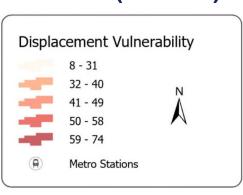
#### Florence-Firestone

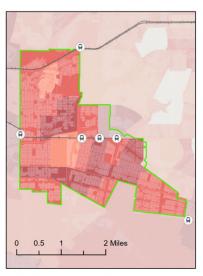


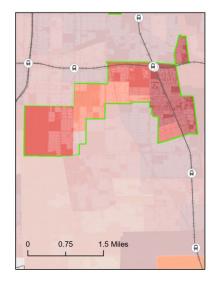


#### Athens-Westmont

## East Los Angeles (East LA)

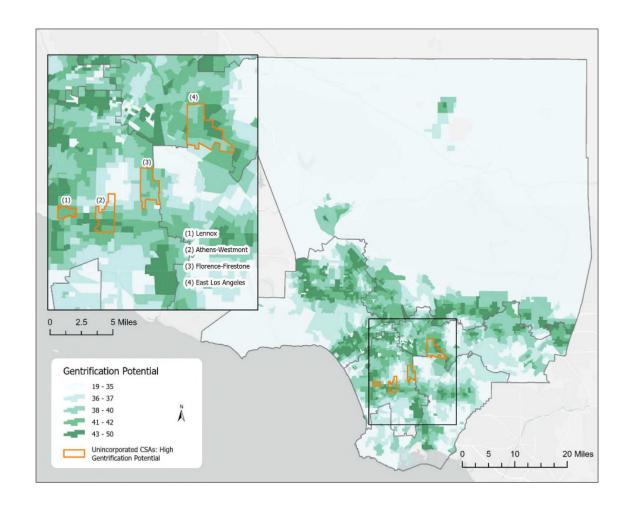






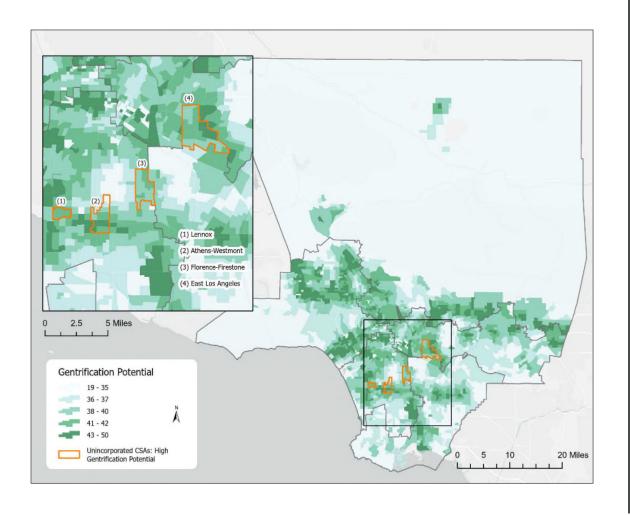
Willowbrook

### **Gentrification Potential**



Identifies census tracts and parcels that are attractive for redevelopment, which may heighten displacement pressures in vulnerable communities

### **Gentrification Potential**



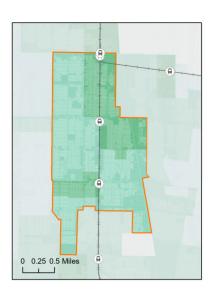
#### **Local Amenities**

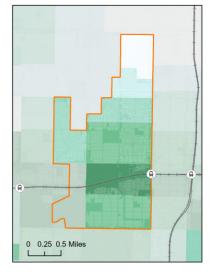
- Access to Rail Transit
- Proximity to Job Centers

#### **Built Environment**

- Building Age
- Existing Buildout
- Allowable Density

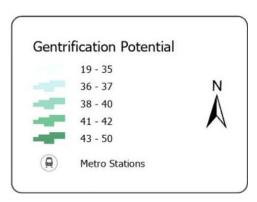
#### Florence-Firestone

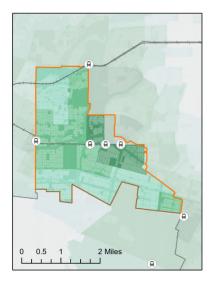




Athens-Westmont

#### **East LA**

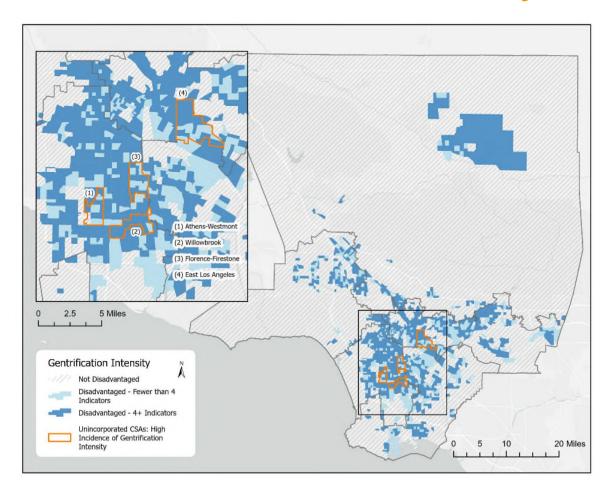






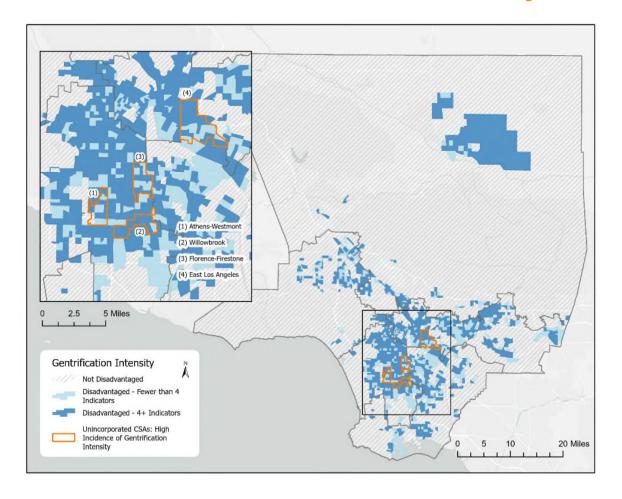
Lennox

## **Gentrification Intensity**



**Evaluates existing** and ongoing gentrification and displacement in gentrification-eligible census tracts evidenced by demographic and neighborhood change

## **Gentrification Intensity**



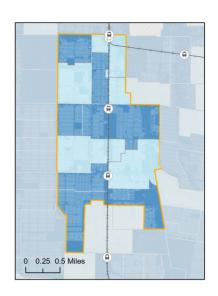
#### Market Shifts

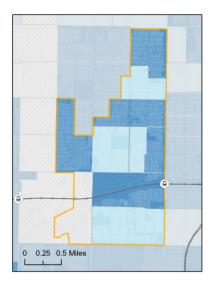
- Sales Activity Heightened
- Rent Increases
- Home Value Increases

### **Demographic Shifts**

- Fewer Long-Term Residents
- Increase in White Population
- Increase in College Educated Adults
- Increase in Household Income

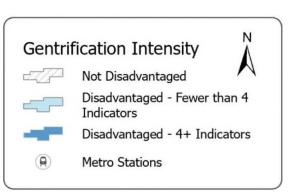
#### Florence-Firestone

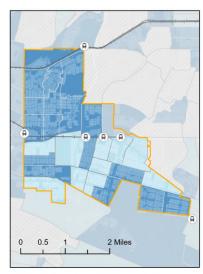


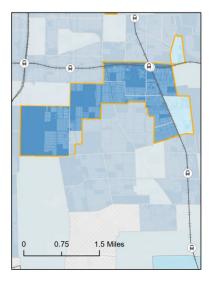


#### Athens-Westmont

#### **East LA**

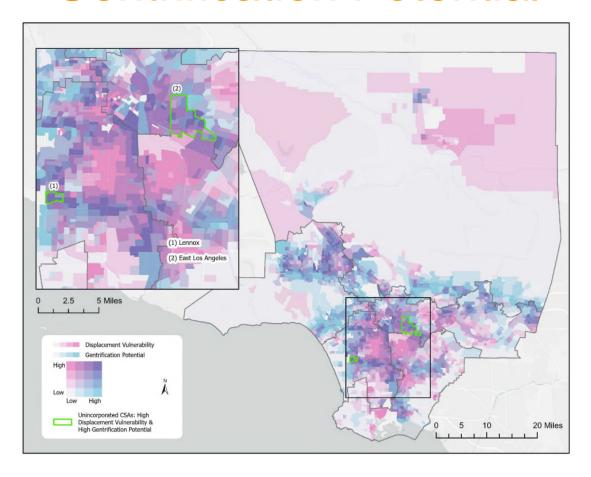






Willowbrook

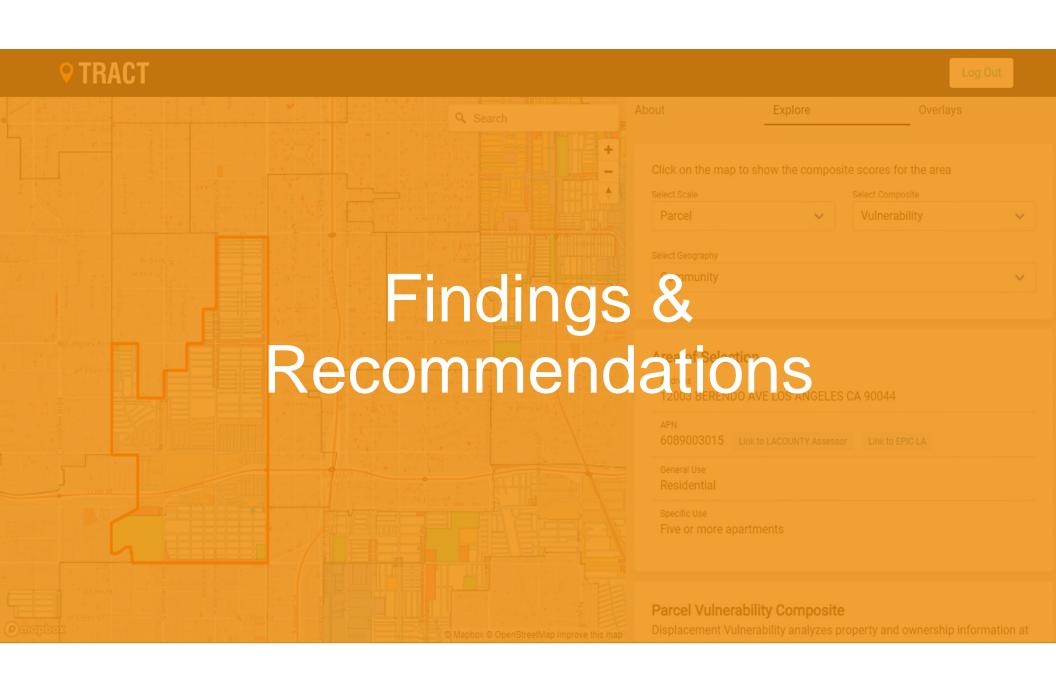
## Displacement Vulnerability + Gentrification Potential



Overlays risk of residential instability (Vulnerability) with local market forces that drive speculation (Potential)

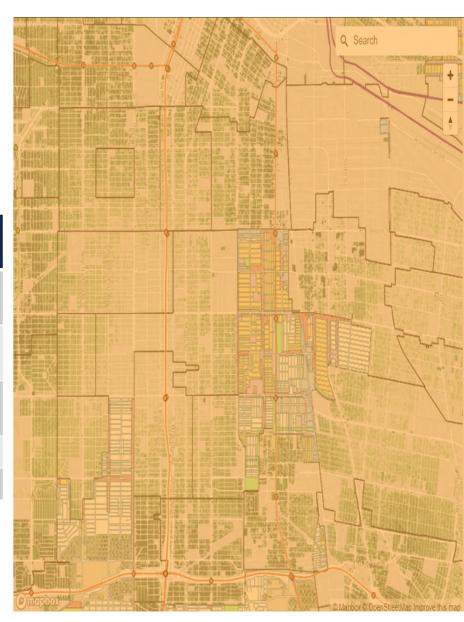


Lennox



# Highest Scores by Community

Community	Displacement Vulnerability	Gentrification Potential	Gentrification Intensity
Athens- Westmont	X	X	X
East Los Angeles	X		X
Florence- Firestone	X	X	
Lennox		X	
Willowbrook	X	X	X



## "Flipping"

- Limited Liability Companies (LLCs)
  registered to an address in the South Bay
  accounted for 58 acquisitions in
  unincorporated Los Angeles between May
  2019 and May 2022
- 25 of these acquisitions occurred in "gentrification eligible" tracts where home values rose faster than Countywide average





# 'Naturally Occurring' Affordable Housing (NOAH) Acquisitions

- 12 properties (123 units) purchased by 12 unique LLCs registered to one mailing address in Beverly Hills. Nine properties in top 25<sup>th</sup> percentile of Displacement Vulnerability.
- 5 properties (64 units) acquired by firm in Newport Beach. All properties in tracts with high Displacement Vulnerability.

## Policy Recommendations

## Housing Strategies Unit reported these findings and the following recommendations in a Policy Brief:

- Evaluate the County's Preservation Ecosystem
- Acquisition and Rehabilitation of NOAH Properties
- Leverage TRACT to prioritize communities for preservation programs





#### **Contact Us**

Andrew Miller
Housing Policy & Programs Analyst

700 West Main Street Alhambra, CA 91801 626.586.1897 andrew.miller@lacda.org

www.lacda.org







