

The case of
Los Angeles. U.S.A.

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Source: CIA factbook

I. INTRODUCTION: THE CITY

A. URBAN CONTEXT

1. National Overview

The preamble to the federal 1949 U.S. Housing Act states:

The Congress declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation.

While this goal has been met for approximately seventy per cent of the nation's households – primarily those with upper and moderate incomes – the remainder – many of whom live in poor rural communities and in inner city areas – lack adequate housing. The United States has a total population of nearly 249 million persons who inhabit an area of 9.8 million square kilometres. While America has some of the best housing in the world, some face living conditions similar to those in developing nations.

The City of Los Angeles is the second largest city in the U.S. (see **Table 1**). Compared to its closest rivals,

New York and Chicago, Los Angeles is notable for having a relatively low population and housing density. This is due largely to the Los Angeles region's growth through suburbanization, when low-density single family dwellings began to dominate urban form. Nonetheless, contrary to popular images, less than forty percent of residents own their own home, a lower rate than Chicago. Los Angeles has a much larger Latino population than either of its two rival cities and approximately the same percentage of Asians as New York City. In addition to being an economic gateway to the Pacific Rim, Los Angeles is a primary entry point for international migration and the metropolitan area with the greatest level of ethnic diversity in the nation.

2. The History of Los Angeles

The history of Los Angeles reveals that the region has long been an area of ethnic diversity, rapid economic and population growth, and conflicts over vital resources and infrastructure. In 1769 30,000 Native Americans lived in Southern California, clustering around locations where water and game were plentiful. One settlement, Yang-na, was home to the Gabrielenos and near present day downtown Los Angeles. A Spanish mission was eventually built on this site as part of a chain that stretched along the California coast. In

1781, New Spain's governor of California founded El Pueblo del la Reina de Los Angeles with 44 colonists. As Mexico gained its independence from Spain, a Mexican plaza grew around the mission, but by 1830, only 770 inhabitants resided there. Some of this population were mixed race with African bloodlines, so the city is described as having a long multi-ethnic history.

California was annexed to the United States in 1850, after the Mexican-American war, and the state legislature officially incorporated the City of Los Angeles. The population of Los Angeles at this point had only doubled with just 20 percent of the residents being identified as of "American ancestry". The economic hierarchy was one of Mexican landowners, workers, and Indian slaves. Significant migration from the Midwest and east coast began when the transcontinental railroad was extended to Los Angeles in 1876. City boosters raised the funds to get the Southern Pacific railroad line brought down from San Francisco and then linked the inland city of Los Angeles with tracks leading to the port in San Pedro. Chinese and others who worked on building the rail lines were part of an imported underclass that laboured and lived in segregated residential areas

In the 1880s the Santa Fe Railroad built a competing line, with a direct connection between Los Angeles and Chicago, and the two rail lines began a rate war that reduced travel cost to one dollar per person. The City's Chamber of Commerce marketed a Southern California "paradise" as a way to lure mid-Westerners to the area and promote rapid land speculation. However, the boom led to a large bust when subdivided parcels did not sell. In 1888, the County Tax Assessor counted sixty ghost towns in the area.

The discovery and extraction of oil in 1892 began to provide the economic underpinning of rapid development and trade for the area. These oil boomtowns dotted the coastal plains and hillsides of Los Angeles and each needed its own local workforce. Some incorporated as separate cities to control the extraction of wealth through company towns. When the US gained control of the Philippines in 1898 at the end of the Spanish American War, the Los Angeles port at San Pedro began to assume a more important strategic role for the national government, followed by additional

federal funds for improving public infrastructure. Longshoremen and other port workers began to congregate in the area, setting the stage for concentrations of housing for the poor in the harbour area. The downtown railway stop is adjacent to Los Angeles's Skid Row where the tenement buildings at one time housed manpower for the transportation hub and its local warehouses.

The semi-arid coastal plain, and large inland valleys that make up the Los Angeles basin did not contain sufficient local water resources to support the major metropolitan centre that civic boosters sought to create. In 1913 a water reclamation project in the Mono Lake region on the eastern slope of the Sierra Mountains was captured by Los Angeles interests and led to the building of a state wide canal. Access to surplus water was a major incentive for independent cities to merge with Los Angeles in its drive for growth, and annexation has produced a strangely shaped city. **Figure 1** shows the areas that were incorporated by the City, at its northern section, the large valley above the Santa Monica Mountains, and at its southern tail a narrow "tail" of land that leads to the Los Angeles Port. The Los Angeles Aqueduct still carries water 250 miles south without the use of a pumping station.

In the 1920s Los Angeles's industrial sector began to gain momentum, tripling in size over the decade. However with the coming of the Great Depression, the price of oil plummeted and so too went the city's economic base. During the depression, anti-immigrant feelings rose to the surface, affecting the response to not only people of colour, but even low-income, white migrants from the East. Civic leaders even laid plans for a "Bum Blockade" to keep desperate indigents from travelling to the region in search of opportunity. Not until 1939, one decade later, did the city economy recover to pre-Depression levels.

In the late 1930s, growth in the local aviation industry and "Hollywood" movie production began to set the stage for rapid economic expansion during World War II. Increasingly, the region produced ships, planes, steel, and the associated machinery of war. With men at war, women began to enter the labour force in increasing numbers, taking manufacturing jobs in areas

Table 1. Comparisons between Los Angeles, New York and Chicago

City	Area (km²)	Population	Population Density (per km²)	Population Density (per sq mi)	Population Density (per acre)	Population Density (per hectare)	Population Density (per square mile)	Population Density (per square kilometer)
Los Angeles	1,215	3,694,820	1,275,412	1,049	61.4%	11.2%	46.5%	10.0%
New York	800	8,008,278	3,021,588	3,777	69.8%	26.6%	27.0%	9.8%
Chicago	520	2,896,016	1,061,928	2,042	56.2%	36.8%	26.0%	4.3%

Source: 2000 U.S. Census

* Occupied Units per Square Km.

where they had previously had no opportunities. The port at San Pedro was a critical point of departure for the Pacific Fleet. Hollywood played an important cultural and ideological role, raising morale among the troops and those at home.

Heightened patriotism sometimes took on racist expressions. Approximately 40,000 Japanese-Americans were dislocated from their homes and communities in Los Angeles County and moved into inland internment camps for the duration of the war. African Americans came to occupy many of their homes in Little Tokyo. At the urging of the local newspaper, servicemen stationed in Los Angeles went on a rampage in 1943, attacking young Latino and African-American men, especially those dressed in the stylish zoot suits of the era.

By 1945 Los Angeles was in position to assume national and global prominence. A steady stream of federal resources came into the area for aerospace and missile design and production during the decades of the "cold war" between the US and the Soviet Union. An expanding commercial airline industry also utilized local technical expertise. The region was able to address its population growth through building a web of high-speed freeways, linking suburban subdivisions to employment opportunities. This new transportation system ploughed through lower income communities where the cost of acquiring right of way was low and political opposition, primarily from African-Americans and Latinos, was weak. Boyle Heights, a primarily Mexican-American community, lies at the heart of this network and suffered disproportionately from the effects of residential displacement as new transportation barriers erected obstacles to community life.

Much of the city's housing stock was recorded with restrictive racial covenants, prohibiting sale to African-Americans and sometimes other ethnic groups, Jews, Chinese, and Mexicans. This system provided the framework for enduring racial/ethnic segregation, especially of the African-American community in South Central Los Angeles (DeGraaf, 1970).

The infrastructure of post-World War II Los Angeles was highly dependent on a variety of federal subsidies. Funds from the National Highway Association financed the building of freeways, and a system of federal mortgage insurance provided access to affordable home-

ownership financing. Additionally, former servicemen had access to even lower interest "G.I. loans" to help them become homeowners. However, these benefits did not reach the ethnic minority communities in the downtown area, the Eastside and South Central Los Angeles. Specific underwriting criteria for mortgage loans, coupled with restrictive covenants, allowed for discriminatory lending practices. These policies supported "white flight" from the inner city and increased racial segregation in the growing metropolis. Concurrent reductions in public transit isolated the poor, making them increasingly dependent on local services and employment opportunities.

More than fifty years ago, Charles Abrams an architectural critic, described the other Los Angeles, far from the dream of suburban homeownership:

Did I say slums? Los Angeles has not slums — to speak of ... Every year tons of copy go out from this county seat of make believe — never a word about slums... But behind the palm trees are grim four-story wooden structures affording a miserable shelter to tens of thousands of families. One in every six

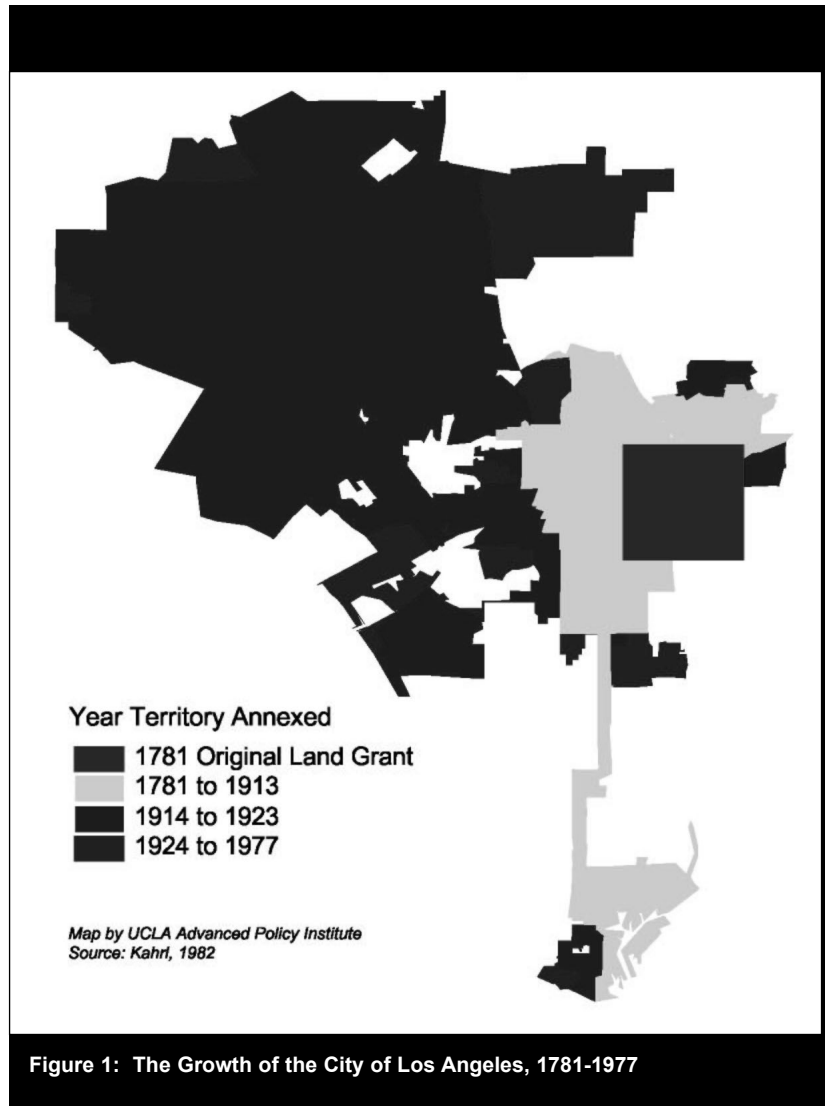


Figure 1: The Growth of the City of Los Angeles, 1781-1977

of Los Angeles city buildings is substandard, according to the last census... In one wooden tenement I saw a single hot-water faucet servicing some seventy-two families, a condition outlawed in New York City fifty years ago. (1950, p. 177)

Around this period, the City established the Community Redevelopment Agency (CRA/LA), dubbed by local activists, the “Chicano (Mexican-American) Removal Agency.” This new governmental entity vigorously began to acquire and assemble land in the downtown and adjacent areas through the power of eminent domain for larger corporate interests. The CRA remains the primary mechanism for addressing “blight” in Los Angeles.

Watts, an African-American community in South Central Los Angeles was the locus of civil unrest in 1965 where arson and looting expressed both local and national frustrations (see **Figure 1**). Los Angeles was one of the U.S. cities that burned in the 1960s as a result of anger at the slow progress in race relations and the lack of equal economic opportunities. In 1970, three outbreaks in the Mexican American East Los Angeles community were met by a highly sophisticated Los Angeles Police Department that had honed their skills in controlling urban “riots.”

In 1973, with the end of the Vietnam War and the beginnings of power shift to the Oil Producing and Exporting Countries (OPEC), the national and global economies began to shift from Western dominance. Japanese exports grew rapidly and the U.S. began to experience heightened political and economic vulnerability. Population shifted from the so-called “Snowbelt” to the “Sunbelt” as old industries closed down or moved to the less unionised environs of the South and Southwest.

Los Angeles, with its reliance on federal investment in military contracts, has been referred to as the “Gunbelt.” The peak of these contract dollars was in 1985, and federal resources began to plummet after 1989 as the Cold War drew to a close. Replacing the loss in higher paying engineering jobs was growth in the low wage sectors of clothing manufacturing and service based industries, like tourism. This paralleled the growing Pacific Rim migration from Latin America and Asia.

The largest urban uprising in U.S. history took place in Los Angeles in 1992 and was centred in the disinvested communities identified in this research. While the incipient event dealt with police brutality towards an African-American man, the civil unrest was apparent in many areas of the city that lacked employment opportunities, adequate retail services, and decent affordable housing. Participants were primarily Latino and African-American and many of the victims were Korean shop owners who were among the only retailers to invest and serve these disinvested communities.

The migration of whites from Los Angeles intensified during the period after the civil unrest; but the Los Angeles economy began to diversify and rebound during the late 1990s. While employment rates were up, poverty did not decline. Rather, a shift to low wage sector employment and now a steady stream of recent immigrants to occupy these jobs appears to be an enduring pattern in the city. Rents have risen sharply in poor communities as the poor choose overcrowding rather than homelessness. The high level of use of these residential structures increases processes of decay and deterioration. The growth in poverty is likely to continue as well as the growth in disinvested areas over the coming decade.

3. The Physical City

The City of Los Angeles is located on the southwestern coast of the United States, approximately 190 kilometres north of the U.S.-Mexico border. The city covers a large geographic area, approximately 1,215 square kilometres. **Figure 2** shows how large Los Angeles is compared to many other U.S. cities. There are approximately 3,000 inhabitants per square kilometre in the city, ranking Los Angeles as the sixth densest city in the U.S. The city contains three major geographic areas: the San Fernando Valley to the north, the Los Angeles basin to the middle and south, and the Santa Monica Mountains that divide the two

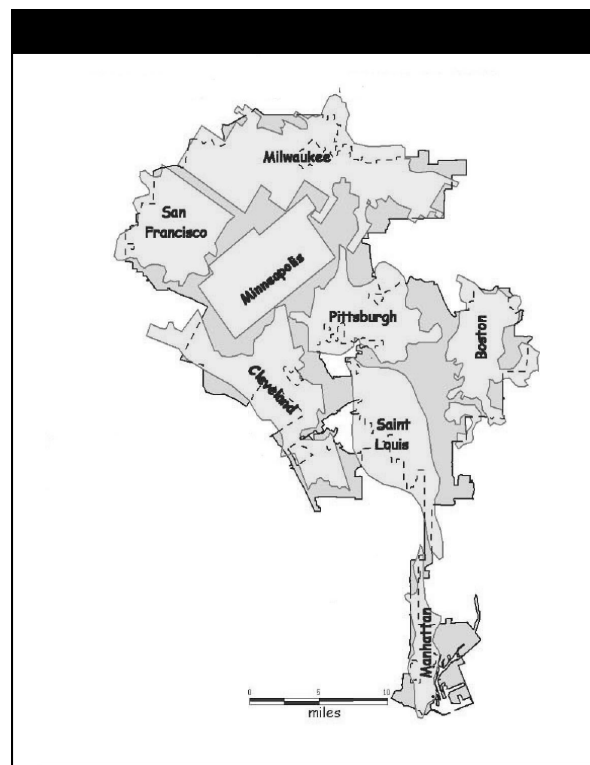
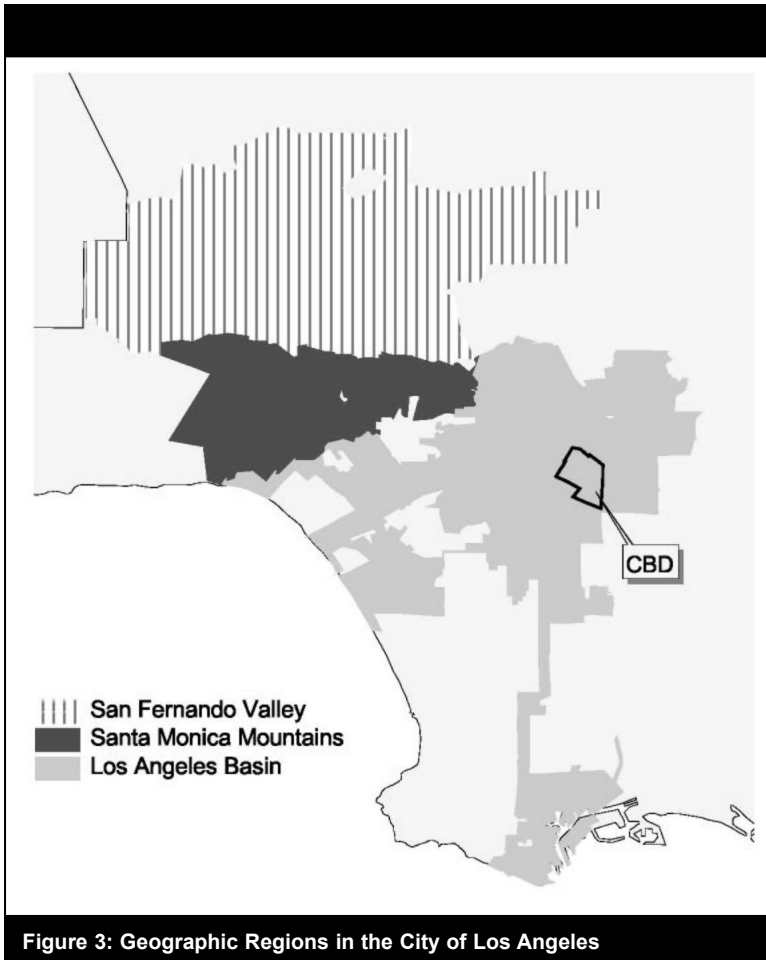


Figure 2: Comparative dimension of the city of Los Angeles



other areas (see **Figure 3**). Mountains and hills cover about 45 percent of the city's land area. The Los Angeles region has a Mediterranean type climate, with an average temperature of 17 degrees Celsius.

Both the weather and topography have shaped the built environment and the distribution of residential wealth and poverty. The steady off shore breezes tend to move air pollution inland against the surrounding mountain range making the western side of the cities more desirable by higher income groups. In many cities, unstable hill-side locations are left for the poor; however in Los Angeles higher income households protect their homes that are vulnerable to fires and mudslides through property insurance and federal disaster relief. Finally, the vast freeway system has displaced low-income communities and provided manmade physical barriers separating income and ethnic groups.

4. Demographics

From 1940 to 2000, the city's population grew almost one and a half times at an average annual growth rate of 2.4 per cent, with the most rapid growth coming during the post-World War II boom and expanded foreign immigration during the 1980s.

Los Angeles is the most ethnically diverse major city in the United States, represented by four major race/ethnic groups:

- White – of European or Caucasian background
- Latino – of Latin American heritage or nationality
- African American – of African background
- Asian/Pacific Islander – of Asian, Middle Eastern or Pacific Island background

As shown in **Figure 4**, Los Angeles has changed from having a majority White population in 1970 to being more diverse in 2000, with Latinos representing nearly half the population. The proportion of the population African American has decreased, while the proportion Asian/Pacific Islander has doubled due to increase immigration from Asia. The

proportion of immigrants in the city has continued to grow, making up more than 40 per cent of the population in 2000 (see **Table 2**). More than half of the city's residents speak a language other than English at home, with Spanish being the most popular – 42 per cent of the population – followed by Asian languages – 8 per cent of the population. Also telling in the growing influ-

Figure 4: Changing Demographics City of LA, 1970-2000

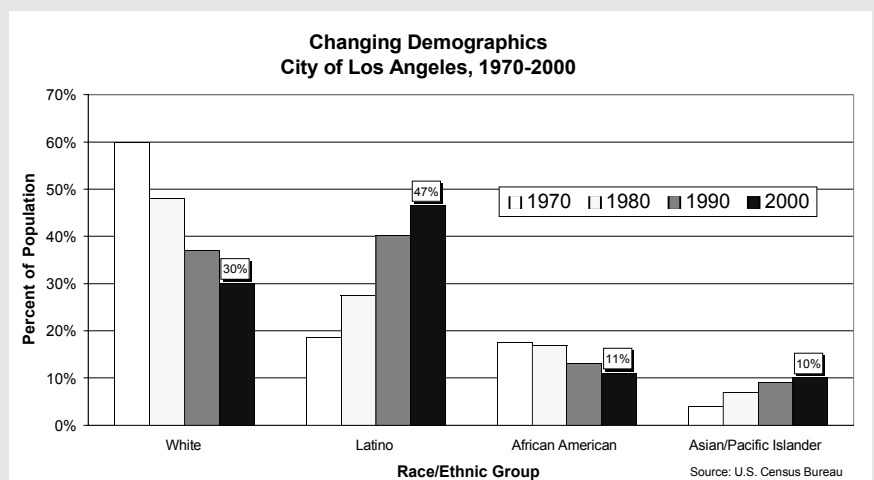


Table 2: Immigrant Population, City of Los Angeles

	% of Population	
	1990	2000
Foreign Born	38.4%	40.9%
Naturalized Citizens	9.8%	13.8%
Speak non-English Language at Home	49.9%	57.8%
Spanish	35.3%	41.7%
Asian and Pacific Island languages	7.7%	8.2%

Source: 1990 and 2000 U.S. Census, Table DP-2

Table 3: Ethnicity by Age, City of Los Angeles

Ethnic Group	% under 18 years of age
Latino	35.5%
White	15.2%
African American	26.9%
Asian/Pacific Islander	17.8%

Source: 2000 U.S. Census, Table PL-4

Table 4: Household Income by Tenure, City of LA

Household Income	Renter Occupied	Owner Occupied
Less than \$15,000	32.1%	14.3%
\$15,000 to \$29,999	30.7%	14.8%
\$30,000 to \$49,999	20.2%	14.7%
\$50,000 to \$79,999	12.0%	18.6%
\$80,000 or more	5.1%	37.7%
Total	100.0%	100.0%

Source: 1999 American Housing Survey for LA-Long Beach Metropolitan Area

Table 5: Substandard Housing Conditions, City of LA

Substandard Conditions	Renter Occupied	Owner Occupied
Signs of rodents in last 3 months	11.0 %	5.7%
Open cracks or holes (interior)	8.5%	5.8%
Broken plaster or peeling paint (int)	6.1%	2.8%
Severe physical problems	7.1%	1.5%
Moderate physical problems	9.5%	3.1%

Source: 1999 American Housing Survey for Los Angeles-Long Beach Metropolitan Area

ence of immigrants in Los Angeles is that the number of naturalized citizens has grown from 1990 to 2000, allowing these residents to vote in local, state, and federal elections. This trend will likely continue, as Latinos, the largest immigrant group, tend to be younger than the other ethnic groups (see **Table 3**).

Los Angeles is also distinctive from many U.S. cities in housing tenure, as the majority of its residents are renters. Whereas 66 per cent of housing units in the United States – and 50 per cent of units in the nation's central city areas – are owner-occupied, less than 40 per cent of Los Angeles households own their own homes. Homeownership in the city increased slightly during the post-World War II period, but began to decrease after 1960. With continued population growth and a decrease in new housing construction, residents were left to compete for rental units, leading to severe overcrowding. While less than 10 per cent of housing units in the city were overcrowded in 1960, about a quarter of all housing units in the city today are overcrowded, the majority of these being “severely overcrowded”¹.

In the United States, homeownership is described as a critical component of the “American Dream,” as it represents the primary means of acquiring equity and wealth even for middle class residents and there are significant tax advantages afforded to homeowners. Renters tend to have lower incomes than owners, pay a higher proportion of income toward housing costs, and are more likely to live in substandard conditions. In Los Angeles, nearly two-thirds of renters have annual incomes under US\$30,000, compared to less than 30 per cent of homeowners (see **Table 4**). About 26 per cent of renters live below the poverty line, compared to just 10 per cent of homeowners. More than half of renters in the city spend more than 30 per cent of their income on housing, compared to less than a third of homeowners. Renters are more likely than homeowners to live in substandard conditions, as shown by **Table 5**.

5. The Urban Economy

The economy of Los Angeles is one of the largest and most diverse in the United States. Los Angeles County is the top manufacturing area in the U.S., accounting for more than 10 per cent of the nation's production in a wide variety of sectors, and the combined Port of Los Angeles and Long Beach processes the highest volume of port trade in the country (City of Los Angeles, 2001). The Los Angeles economy has evolved from relying on three traditional industries – aerospace, entertainment and tourism – to having a more diverse economic base in growing sectors such as business and management services, health and bio-medical services, international trade, and high technology.² The services sector accounts for a third of employment in the Los Angeles area, followed by wholesale and retail trade – 22 per

cent – and manufacturing - 15 per cent (City of Los Angeles, 2001).

The economic growth as the city came out of recession during the late 1990s did not extend to all parts of the city. Seven years after the 1992 civil unrest and in the middle of the economic boom, there was a 37 per cent decline in the numbers of jobs in the neighbourhoods affected by the unrest despite the fact that the number of inhabitants was essentially unchanged (Drayse and Flaming, 2001). Countering trends in other parts of California and the rest of the nation, median household income in the City of Los Angeles decreased in real terms by 6 per cent during the economic expansion from 1990 to 2000 and the poverty rate rose by 3 per cent. Researchers attribute these surprising trends to the fact that much of the employment growth in Los Angeles during the decade was in low-skill, low-wage jobs (Hong et al., 2002). Another important economic trend in Los Angeles has been the growth of informal work, in which a largely undocumented immigrant workforce provides goods and services outside the purview of government regulation. Estimates of the informal sector range from 9 to 29 per cent of all jobs in the area, representing a large group of workers unprotected by labour laws and billions of dollars in lost revenue for the state (Cleeland, 2002).

6. Governance

The framework for governance in Los Angeles can be traced back to Progressive Era reforms during the early twentieth century. Civic reformers rallied around a new municipal progressivism, believing that it would decrease corruption and the politicising of governmental administration. Races for elected office would be “*non-partisan*.” The number of elected officials would be minimized while administrative oversight functions were transferred to “citizen commissions” which are composed of those appointed by the elected officials. To prevent a concentration of power, the city’s executive authority was structured as a weak Mayor, who had to largely depend on cooperation from the fifteen representatives on the City Council. These council representatives have the ability to collectively reshape their electoral districts to conform to their desires for re-election.

The result of this governance framework has been to support historic power structures by elites in ways that are not visible to the population-at-large. Minorities have been largely excluded from elected offices long after they had the numerical ability to be represented, especially Latinos who challenged electoral districting through the courts. Given the necessity for raising substantial funds to run an effective campaign in large districts, real estate developers and powerful business groups continue to have the political upper hand.

The City of Los Angeles is embedded within the County of Los Angeles, where five elected representa-

tives are responsible for addressing the needs of a population that currently exceeds 9 million persons. The County is the administrative centre for services that assist the poor, general relief, health coverage, support for the disabled.

In the late 1990s a “Charter Reform” initiative gained ground in an attempt to create an approach to governance with more accountability and opportunities for participation. The position of Mayor was strengthened so that Department heads now serve at the executive’s discretion. A new addition is the establishment of “neighbourhood councils” that are to encourage more direct participation by community residents. However, for many in the city, such reforms are seen as “too little, too late.” A secession movement has gripped the city, with the San Fernando Valley, the harbour area and Hollywood each taking steps to establish separate municipal autonomy.

Finally, while the trends with regard to greater voter registration and participation by immigrants from Mexico, Latin America, and Asia is encouraging, a sizable section of the Los Angeles population are still unable to participate in elections. These are often residents who are in the city without documentation, who have not met the requirements for naturalisation, or who choose to keep their status as foreign national rather than sacrifice their original citizenship. Many of these are families with children in the school system and people who are very dependent on the effective delivery of public services.

II. SLUMS AND POVERTY

B. TYPES OF SLUMS

1. Types

Slums in Los Angeles exist both as individual buildings and as neighbourhoods. Disinvested buildings are deteriorated physically and may in some cases be located next to buildings that are well maintained. For the purpose of this report, however, we focus on disinvested neighbourhoods, which share the following characteristics: (1) deteriorated physical housing conditions; (2) low levels of resident income; and (3) low levels of private investment and property maintenance.³

Figure 5 shows where property tax delinquency is highest.⁴ While not all of the buildings in these neighbourhoods are necessarily slum buildings, these are areas with low levels of resident income, private investment and property maintenance, meaning that they are the areas with the most likelihood for containing slums. The particular urban form of these areas, namely the density of units and size of buildings, has implications

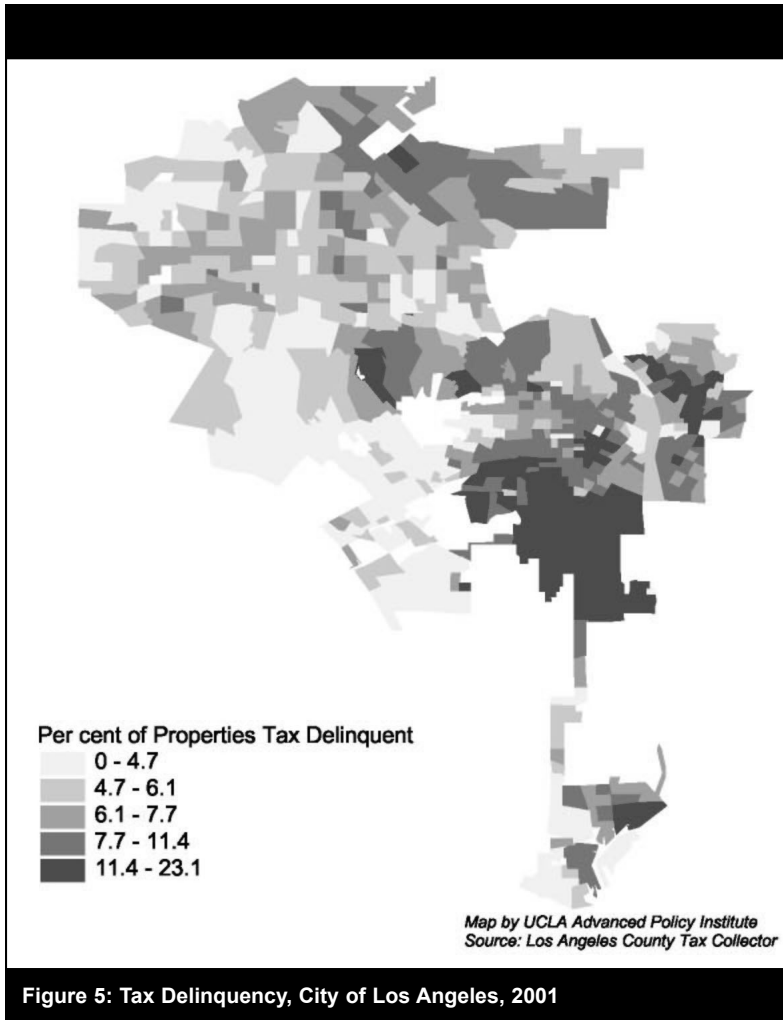


Figure 5: Tax Delinquency, City of Los Angeles, 2001

High-density disinvested areas tend to have the city’s oldest (pre 1930s), tenement-style housing stock, often of brick construction with poor light and air circulation. These neighbourhoods tend to be located near the central part of the city, just to the west of the CBD (see **Figure 6**). Mid-density disinvested areas contain mostly post-World War II multifamily dwellings that face problems of shoddy construction and deferred maintenance. These neighbourhoods are concentrated to the west of the CBD, with scatterings in the each section of the city. Low-density disinvested areas frequently are marked by informal housing units, such as converted garages, makeshift additions, and other resident attempts to expand liveable space at the lowest cost. In line with the preference for single-family housing in Los Angeles, this disinvestment neighbourhood type is the largest, especially in the south central and eastern parts of the city. Land ownership in such low density areas tend to be highly fragmented, making it difficult to assemble properties for comprehensive redevelopment. Mixed-density neighbourhoods show a combination of these building/property types within their environs and are scattered throughout the city.

for the type of interventions that can be applied to alleviate slum conditions. Therefore, we have defined five types of disinvested neighbourhoods in Los Angeles:⁵

- **Low-density Disinvested Areas:** Neighbourhoods with primarily single-family and duplex housing (1-2 units)
- **Mid-density Disinvested Areas:** Neighbourhoods with primarily mid-density housing (3-19 units)
- **High-density Disinvested Areas:** Neighbourhoods with primarily multifamily housing (20 units or more)
- **High-density (Skid Row):** A 50 block area in the Eastern part of Los Angeles’s central business district that has a high level of homeless residents and single-room occupancy hotels.
- **Mixed-density Disinvested Areas:** Neighbourhoods in which neither high, mid and low-density buildings are dominant

2. Location and Age

This typology is useful because these disinvested areas exhibit some differences in the nature of the living conditions and may require different remedies as well.

3. Population Size and Characteristics

Disinvested neighbourhoods, as defined in this report, encompass approximately 20 per cent of the area of the City of Los Angeles and are home to about 43 per cent of the city’s population (see **Table 6**). All of the disinvested areas have higher population densities than the

Table 6: Population of Disinvested Areas, City of Los Angeles

Type of Disinvested Neighbourhood	Population	Persons per square km.	% of City’s Population
Low-Density	690,406	5,787	18.7%
Mid-Density	302,425	6,698	8.2%
High-Density	229,543	11,312	6.2%
High-Density (Skid Row)	3,477	6,181	0.1%
Mixed-Density	356,302	6,181	9.6%
TOTAL	1,582,153	5,925	42.8%

Source: 2000 U.S. Census

citywide average of 3,000 persons per square km, and, not surprisingly, high-density areas have the most persons per square km. Nearly half of the residents of slum neighbourhoods live in low-density areas, reflecting the high proportion of single-family dwellings in the city. In most of the slum neighbourhood types, the gender breakdown and age of residents is similar to that in the city as a whole. In Skid Row, however, less than 30 per cent of the residents are female and less than 10 per cent of residents are under the age of 18, reflecting a high number of homeless male adult residents (see **Table 7**).

Compared to the ethnicity breakdown for the city as a whole, Latinos and African Americans are over represented in slum neighbourhoods, while Asians are slightly under-represented and Whites are notably under represented (see **Table 8**). Overall, nearly two thirds of slum neighbourhood residents are Latino, compared to only a quarter of Skid Row residents. African Americans are the most common ethnic group in Skid Row, and about a quarter of residents of low-density slum neighbourhoods are African American, reflecting their historic presence in South Central Los Angeles. While Asians do not encompass much of the population in low and mid-density slum areas, they are over represented in high-density slum areas, likely due to their concentration in high-density areas such as Koreatown and Hollywood. Asians are also over represented in Skid Row, probably due to this areas proximity to the Little Tokyo neighbourhood.

C. OFFICIAL DEFINITIONS OF SLUMS

1. Definitions and Their Predominant Use

Official use of the word “slum” to describe deteriorated housing conditions in the City of Los Angeles has generally been used in reference to disinvested buildings, not neighbourhoods. For example, the City has a Slum Housing Abatement Task Force that is charged with documenting buildings with the most egregious housing code and health and safety violations and prosecuting their owners. In 1997, the “Blue Ribbon Citizens’ Committee on Slum Housing” formed to address worsening housing conditions in the city, resulting in a major reform in the city’s code enforcement efforts. In general, however, the city has not officially used the term “slum.”

Probably the most important official terminology used to describe neighbourhoods with deteriorated physical and social conditions is “blight.” In line with Urban Renewal policies encouraged by the U.S. federal government, the Community Redevelopment Agency

Figure 6: Disinvested Neighbourhoods, City of LA

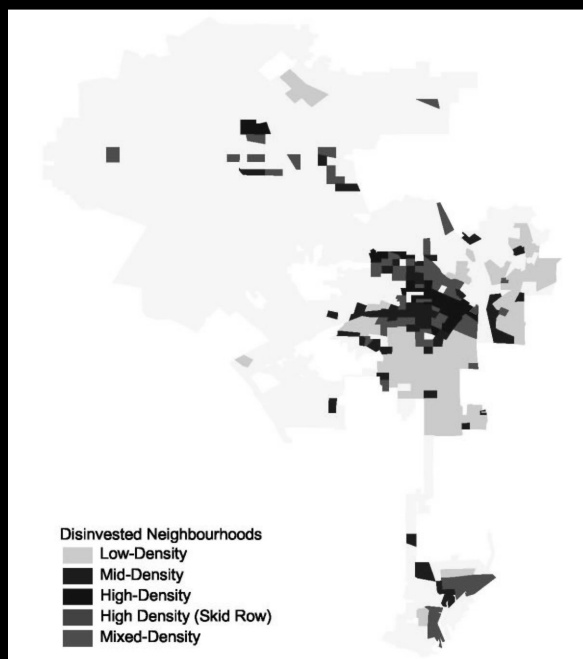


Table 7: Gender and Age in Disinvested Areas, City of

Type of Disinvested Neighbourhood	% Population Female	% Population Under 18 years of Age
Low-Density	50.8%	35.2%
Mid-Density	50.7%	32.2%
High-Density	46.8%	25.9%
High-Density (Skid Row)	37.2%	8.7%
Mixed-Density	49.5%	29.4%
TOTAL	49.9%	31.9%

Table 8: Ethnicity in Disinvested Areas, City of LA

Type of Disinvested Neighbourhood	Latino	White	African American	Asian/Pacific Islander
Low-Density	68.2%	3.1%	24.2%	3.2%
Mid-Density	65.6%	7.0%	17.9%	7.4%
High-Density	59.3%	13.9%	6.5%	18.0%
High-Density (Skid Row)	24.2%	24.2%	32.8%	29.7%
Mixed-Density	61.8%	14.5%	9.8%	11.1%
TOTAL	64.9%	8.0%	17.2%	8.0%

of Los Angeles (CRA/LA) was formed in 1948 to identify areas of physical blight and stimulate investment through geographically targeted programs. Armed with the ability to acquire property, through eminent domain if necessary, and receive increases in property tax revenues (called “tax increment revenue”) from targeted areas, CRA/LA has been the city’s primary means for trying to address the problems of disinvested areas. As with the federal Urban Renewal program in general, community residents and activists criticized these activities for displacing thousands of low-income residents in “slum clearance.” In 1976, state legislation required that redevelopment agencies like CRA/LA use 20 per cent of tax increment revenues toward providing low and moderate-income housing, and this requirement led to the development of thousands of housing units in the city.⁶

D. UNOFFICIAL DEFINITIONS OF SLUM

1. Popular Understandings of Slums

Community activists and persons working on improving slums tend to see them as physically deteriorated buildings. For one long-time activist, slum buildings have objective characteristics such as unsanitary conditions, rodent infestations, inadequate light, and overcrowding; but they also have socially constructed meanings. For example, he defined a slum as “*where no middle-class person could spend the night.*” A tenant organizer whom we interviewed listed the characteristics she sees in slum housing she visits: cockroaches, holes in the ceiling, toilets overflowing, and illegally built units. For her slums are buildings that are poorly maintained. She pointed out that slums are not necessarily just old buildings, as she sees deteriorated conditions in buildings that are less than 20 years old. She contended that it is difficult to use the word slum to describe neighbourhoods because she often sees slum buildings right next to well-maintained buildings.

2. Relevant Local Language Terms

“Hood” is a term used by African American youth to describe neighbourhoods impacted by gangs and violence, popularised in the title of John Singleton’s 1991 movie “*Boyz N the Hood.*” Traditional Latino neighbourhoods have long been referred to with the Spanish term, “*barrio*” (Romo, 1983). While referring more to the ethnic makeup of neighbourhoods than to slum conditions, these terms do denote a relationship to poverty and disinvestment.

3. Slum Dwellers’ Perception of Their Own Status as Slum Dwellers

Since most of the residents of deteriorated areas in Los Angeles are immigrants, many of them without legal residency in the United States, there is a general sense of fear of making complaints about slum conditions. In one of the worst slum buildings in the San Fernando Valley, the physical deterioration in Los Angeles slum buildings is clearly outlined by residents:

Concepcion Ramirez worries about her ceiling falling on her head because of all the water that leaks in when it rains. Socorro Patino fears one of her sons will break a leg on the broken stairs. Lola Aguilera is terrified of fire because there’s no smoke detector. Other tenants point to the broken windows, exposed electrical wires, leaky faucets, and the mildew that clings to the walls of their bedrooms, closets and bathrooms after each rainstorm. (Renwick, 1995)

Despite these deteriorated conditions, however, residents are hesitant make complaints to the landlord or the city, for fear of retribution. According to one tenant who complained to the city about her building in the South Central area of the city, the landlord removed the bath from her unit as retribution, forcing her to go to neighbour’s units to shower (Vega, 2002).

Another tenant in the same building feared eviction and homelessness if they complained:

“We are poor people that have families and children; if they kick us out, we will have to live under a bridge” (Vega, 2002).

Another common fear among tenants who are undocumented immigrants is that the landlord will report them to the Immigration and Naturalization Services if they complain, which could mean they would be deported back to their home countries.

Besides the fear of retribution, many tenants of slum buildings are loathe to complain about their conditions because they are not hopeful that their complaints will lead to any action. Soon after the city of Los Angeles implemented the Systematic Code Enforcement Program, tenants protested that they were not receiving quick responses to their complaints.

One tenant, Zoila Grajeda, said she did not have gas in her apartment [for nearly one year]. Grajeda has lived in the downtown Los Angeles apartment for six years, she said. Often, tenant complaints are ignored or the city’s building inspectors are slow to respond, she said: ‘We need them to give us quick answers,’ Grajeda said. ‘They have to do more for us. We need the city to work more.’ (Trejos, 1998)

While the city’s response to the complaints has improved, many tenants are ignorant of their rights and apathetic about taking action. Besides, for many residents these buildings at least represent a roof over their heads and a place to call home.

According to one tenant of the San Fernando Valley slum building:

We just want to stay here and have them fix what's here. For many of us, this is all we know as home and we don't want to leave. But we do want things to change. (Renwick, 1995)

E. OFFICIAL DEFINITIONS OF POVERTY

1. Definitions and Their Predominant Use

The U.S. Census Bureau, based on methodology developed in the 1960s, sets the official threshold for poverty in the United States. This methodology determines the market value of a basic nutritional diet and then, assuming that food should represent a third of household income, multiplies that figure by three to determine the poverty threshold. The current methodology also accounts for the number of adults and children in households and is adjusted annually to account for inflation. The threshold for a family of four in 2000 was US\$17,463. According to the U.S. Census Bureau's Current Population Survey, 11 per cent of the nation's population was poor in 2000.

2. Changes to Definitions Over Time

The methodology for determining the official poverty threshold in the U.S. has not been changed since it was developed almost forty years ago. This methodology, however, has come under considerable criticism (see the next section).

F. UNOFFICIAL DEFINITIONS OF POVERTY

1. Popular Understandings of Poverty

Researchers and advocates have criticized the official definition of poverty for several reasons. First, it does not account for the fact that today food does not represent a third of costs for low-income families, as costs for child care, housing, and health care have increased more quickly than the cost of food. A national group of researchers using an alternative methodology accounting for food, housing and clothing costs found that the poverty rate would be 25 per cent greater using this methodology (Citro and Michael, 1995). The official methodology has also been criticized for not reflecting regional differences within the U.S., which impacts both income and costs of living. Some analysts prefer to measure poverty relative to incomes in the region, for

example as half the median family income for that area. In a state like California where living costs are relatively high, the poverty threshold using this methodology would be US\$26,347, almost double the official poverty line (Reed and Van Swearingen, 2001). Others construct family budgets using local data on the cost of living to calculate poverty thresholds. LAANE, a Los Angeles-based advocacy and research centre, proposes a "Needs-Based Poverty Level" at 200 per cent of the federal poverty level, which would be approximately US\$33,000 in 1998 for a family of four (More et al., 2000).

According to a recent national poll, the popular perception of residents of the U.S. corresponds to these alternative measures of poverty. The poll revealed that almost 70 per cent of residents felt that a family of four requires a household income of US\$35,000 to survive, while 92 per cent said that it would require at least US\$25,000.⁷ A long-time advocate for the poor in Los Angeles whom we interviewed provided an interesting definition of poverty: *"lacking the necessary resources to have the opportunities that most people take for granted."*

2. The Poor's Perception of their Own Poverty

See sections D and J.

G. THE ORIGINS OF THE TYPES OF SLUM IDENTIFIED

1. Social, Economic and Political Forces that have Formed and Removed Slums, by Type

Structural changes have exacerbated the problem of community disinvestment in Los Angeles: globalisation, international migration, and de-industrialisation. Globalisation has affected both urban and rural economies in nations along the Pacific Rim. Through use of new technologies linked to mass-based farming, many traditional agricultural communities now struggle to meet their subsistence needs and have fewer market opportunities. Migration to urban centres in these nations has occurred even when employment opportunities are insufficient to meet the rising number of internal jobseekers. Globalisation has also meant the worldwide distribution of images of American life through the Hollywood "dream machine".

Seeking to improve their lives, both documented and undocumented immigrants frequently see Los Angeles as the port of entry to the resources and opportunities of the U.S. These newcomers arrive to the largest metropolitan area on the Western edge of the continent and

quickly discover that few opportunities are available for housing that they can afford. They must quickly secure employment in either the informal economy or, if they are fortunate, minimum wage jobs. Informal sector jobs include work as street vendors and day labourers, including under-paid domestic work in higher income areas. For those who have family or friends in Los Angeles, their first home is often a deteriorated flat in over-crowded conditions as they seek to establish a foothold. Those without such contacts may be homeless or share accommodations with those they meet in the informal sector.

Many communities in Los Angeles, most notably Pico Union/Westlake have served as point of entry, providing opportunities for immigrant economic and social mobility. However, as the shortage of housing increases residential costs, immigrants quickly discover that they are unlikely to easily leave the dense, overcrowded conditions in the poorest neighbourhoods. Moreover, while earlier migrants to the area found employment in major industries with union agreements, or at minimum, job ladders. Because of the de-industrialisation of Los Angeles, newcomers are fortunate to secure dead-end low-wage jobs in janitorial work, hotel and restaurant services, the garment industries, and other forms of light manufacturing.

Groups of these workers may share overcrowded dwellings together, so that they can move from family-based locations. Private rental owners often know that they can exploit the housing needs of undocumented migrants who fear legal intervention. These residents also do not have access to any public housing subsidies. They congregate in the low rent housing areas of the city, as conditions worsen through both over-utilisation of the flats and inadequate code enforcement.

The low density of dwellings in the city makes the development of good mass transit solutions difficult, inhibiting access to employment by the poor, who are less likely to own automobiles. Moreover, without such transportation systems, communities fight against redevelopment that increases density, auto traffic, pollution etc. As some neighbourhoods decline economically and physically, marginal communities try to establish barriers against the spread of low cost housing, further exacerbating the lack of sufficient decent affordable alternatives. Many neighbourhoods are concerned that any form of rental housing will bring in lower income groups, crime, and thereby decrease local property values. The term “*NIMBY*”—Not In My Back Yard—is often applied to such sentiments.

While workers from Latin America and Asia are primary occupants in older, high-density, tenement housing stock, unemployed persons with psychiatric disabilities including substance abuse are also represented especially in the high-rise buildings in the Skid Row area. Many of the single-family dwellings in South Central, the Eastside and the northeast part of the San

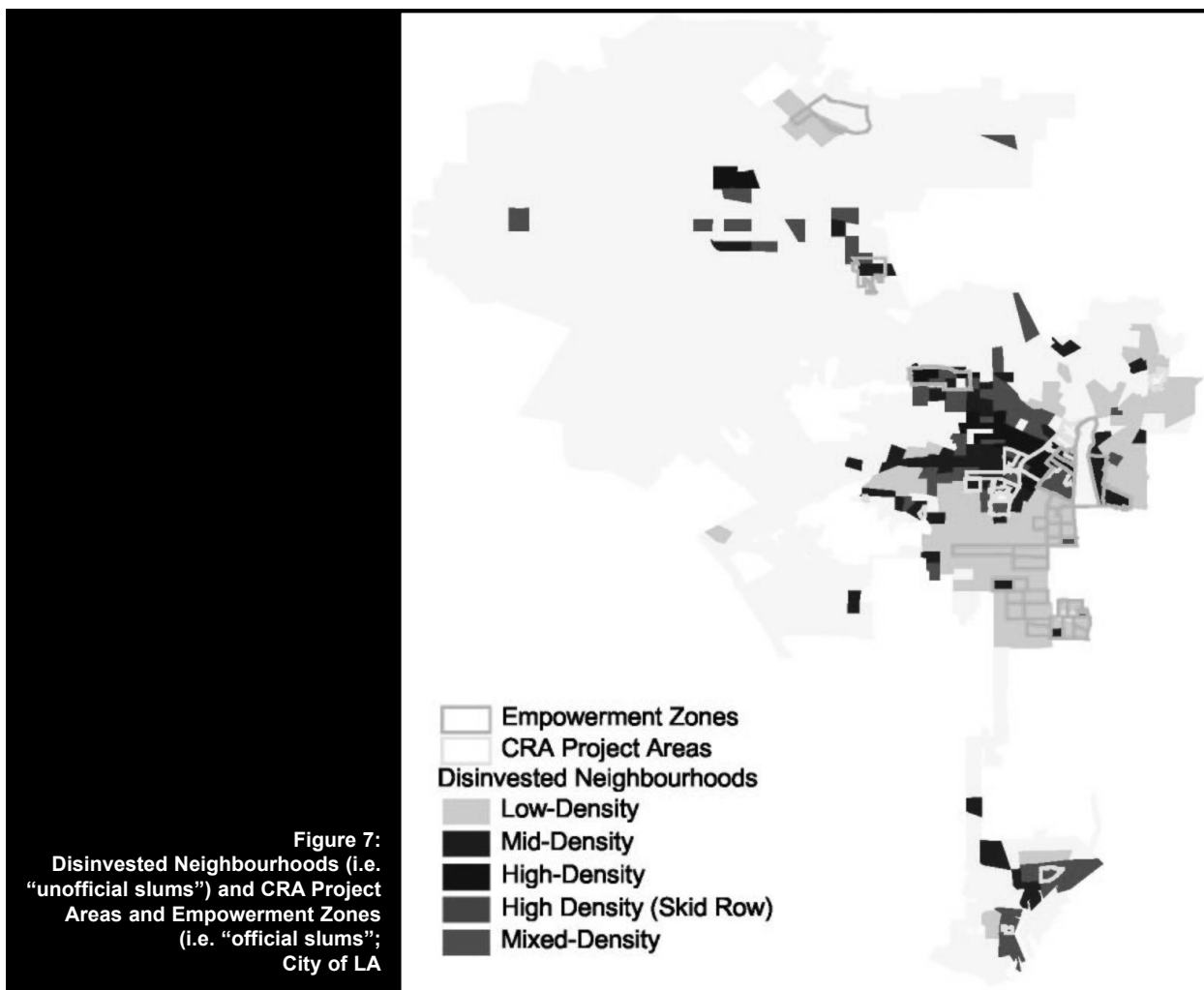
Fernando Valley have absentee owners; however, some indicators suggest a rising number of acquisitions by Latino owner occupants. Many of the immigrants as they become stabilized, bring entrepreneurial skills and a desire for property ownership into these disinvested areas. Most will require some form of governmental assistance if they are to acquire these properties such as low payment subordinated loans from government agencies. The City Council has sought to avoid the issue of “garage housing” and the construction of living space built without permits because these activities while producing substandard dwellings have addressed unmet housing needs.

Much of the mid-density disinvested housing, especially in the San Fernando Valley, is located on commercial corridors and has escaped public attention unless the outside facades are visibly deteriorated. Since deferred maintenance is often the problem in these areas, the Systematic Code Enforcement Program will hopefully encourage owners to make necessary repairs (see section O.)

Historically, “slum removal” has largely been carried out through large public infrastructure projects such as freeway development or the establishment of redevelopment areas that enable the government to acquire properties by eminent domain. In such instances, the disinvested areas are removed but the poor face significant additional social costs, struggling to relocate into other nearby communities.

2. The Social, Political and Economic Advantages of the Slums to the City

The primary advantage of disinvested areas to the city is that they concentrate households in poverty, segregating this segment of society away from middle and upper class communities (Davis, 1992). First, this process of segregation enables the city to focus more efficiently its various policing functions, including the social agencies that manage the poor and, of course, those involved with controlling criminal behaviour. The Los Angeles Police Department is notorious for having two faces to the public: one of protection for affluent neighbourhoods and one of retribution for poor and low-income areas.



One will likely find a higher level of public service (e.g. tree trimming, road improvements) outside of the disinvested areas than within them. Moreover, in exchange for the right to build, private developers in Los Angeles are often required to upgrade adjacent public infrastructure — water and sewer connections, alleyways, etc. Since development is concentrated in wealthier areas, so too are corresponding improvements in transportation, public utilities and other municipal systems.

Because disinvested areas are seen as having crime, poor educational opportunities, and lacking in services, homebuyers and renters with sufficient resources seek housing in other areas. Moving into better neighbourhoods often entails the payment of a premium. Such processes increase speculation and profit taking in wealthier areas. A separate market has developed around properties in the disinvested areas where lenders charge higher rates if they lend, and where owners extract profit on properties that are occupied by those with the fewest choices.

H. DATA AVAILABLE ON THE CITY'S SLUM

1. Maps

Figure 7 shows both the Disinvested Areas we have calculated (i.e. "unofficial slums") and CRA Project Areas and Empowerment Zones (i.e. "official slums"; Note: empowerment zones are explained in section N.2.)

2. Census Data

About half of the residential structures in all slum areas in the city are low-density (1 or 2 units), matching that in the city as a whole. Obviously, the prevalence of 1 or 2-unit buildings varies along slum neighbourhood type, ranging from more than 70 per cent in low-density slum neighbourhoods to less than 7 per cent in high-density slum areas and Skid Row (see **Table 9**). The vast majority of residents in slum areas are renters, more than three quarters in all neighbourhood types except for low-density. This is not surprising given the high cost of real estate in Los Angeles. Even in low-

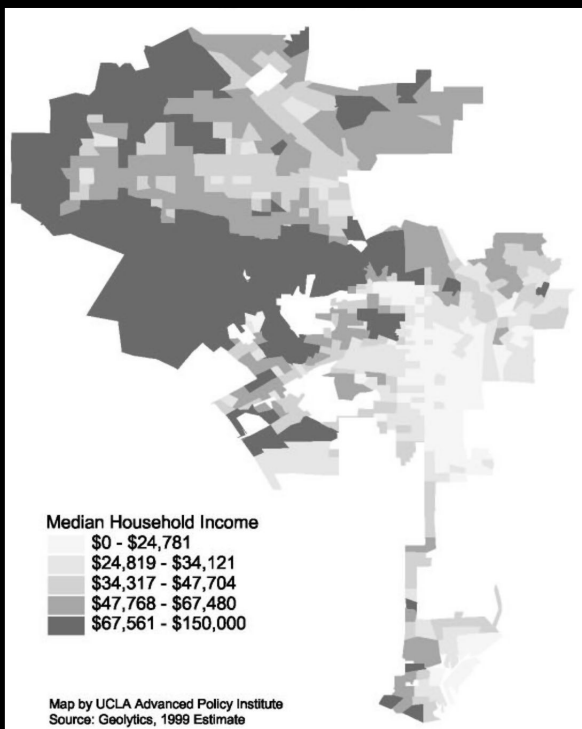
Table 9. Units in Structure and Renter Occupancy in Disinvested Areas, City of Los Angeles

Type of Disinvested Neighbourhood	Residential Buildings	
Low-Density	71.9%	62.2%
Mid-Density	27.1%	85.5%
High-Density	6.8%	92.8%
High-Density (Skid Row)	0.8%	90.1%
Mixed-Density	28.4%	83.8%
TOTAL	50.7%	77.4%

Table 10. Poverty in the City of Los Angeles, 2000

	%Poor
Persons	22.1%
Children under 18 years	30.3%
All Families	18.3%
With related children under 18	25.3%
Families with female householder	32.7%
With related children under 18	42.2%

Figure 8: Household Income, City of LA



density slum neighbourhoods, where the potential for homeownership should be the greatest, only a third of units are owner-occupied.

I. DATA AVAILABLE ON POVERTY IN THE CITY

1. Maps

Figure 8 shows the distribution of income across the City of Los Angeles, according to 1999 estimates (note: 2000 census data on poverty and income will be available in September 2002). The map illustrates that residents in the central and southern regions of the city, as well as in pockets of the San Fernando Valley, tend to be low-income, in line with the maps of the disinvested neighbourhood types.

2. Census Data

According to the 2000 U.S. Census, 22 per cent of the population and 18 per cent of families in the City of Los Angeles live below the federal poverty threshold. These rates are much higher than the state of California as a whole, where 14 per cent of the population 11 per cent of families are poor. While in many parts of the U.S. poverty has decreased over the past decade, the number of poor residents in Los Angeles increased by 24 per cent from 1990 to 2000. (see **Table 10**)

Poverty in Los Angeles is especially acute among female-headed households, children, and immigrants. The poverty rate for female-headed households is almost double that for all families. More than 30 per cent of all children in the city are poor, and more than 40 per cent of children in female-headed households live below the poverty line. Although Latinos make up less than half of the total population, more than two-thirds of the poor in Los Angeles County are Latino, many of them recent immigrants.⁸ Using an alternative definition of the poverty threshold, researchers from a Los Angeles-based research centre estimated that over 43 per cent of people in Los Angeles County were poor in the late 1990s and that Latino workers are five-and-a-half times more likely to be poor than white workers (More et al., 2000, pp. 10, 19).

III. SLUMS: THE PEOPLE

J. WHO LIVES IN SLUMS?

1. Short Stories and Key Events in Lives of Typical Slum Households, Including Female-Headed

Residents of disinvested areas in Los Angeles are overwhelmingly Latino, and many are immigrants. Coming to the United States in hopes of greater opportunities for work and education for their children, they often find they must work endless hours just to pay rent and other costs. Because wages are low and housing costs high, they often depend on social networks to find a place to live. As explained by a Latino garment worker, this often means overcrowding into units with others:

Most sewing machine workers live together. We either share an apartment or a house. That is the only way we can make ends meet. We have to help each other out. For instance, I am currently living with another family. It's the only way I can provide for my family. (More et al., 2000, p. 5)

Immigrant workers also often end up being socially isolated beyond their immediate living and work environment, as explained by a female Korean immigrant:

"We are like a squirrel in a cage, having to run in a treadmill. This is how I see the immigrant workers – not knowing what's available for them outside this cage, what the outside world is like....When we work from dusk to dawn, speaking only Korean, we have no time to develop skills, like learning English, and we don't know the laws or our rights." (More et al., 2000, p. 26)

2. Aspirations, Plans and the Barriers to their Fulfilment

Many residents of disinvested neighbourhoods aspire to take advantage of the many benefits of homeownership in the U.S. and participate in "the American Dream." Long-term mortgages and many government and lending programs designed to encourage homeownership among low-income residents make it possible for some to purchase homes and build equity. However, achieving this dream is especially difficult in Los Angeles, where real estate is among the most expensive in the nation. The divide between dreams and reality is articulated by a Latino garment worker:

Most people think they will work for two or three years, then save enough to buy a piece of land and build a house. But that usually never happens. Their hopes and dreams are shattered. (More et al., 2000, p. 20)

Poor residents also hope to secure well-paying work so that they can improve their living situations. Much of the employment growth during the 1990s was in low-paying service jobs, however, forcing the working poor

to have multiple jobs and long hours. A service worker at the Los Angeles Airport describes the challenges she faces, as housing consumes about half of her monthly income:

"As a single mother earning minimum wage, I had to make a lot of choices. I got my [bimonthly] check for four hundred thirty-some dollars and my rent is four twenty-five. With one check I would pay for rent, and with the other I had to pay my bills. Sometimes I would have to ask my landlord if I could owe fifty dollars until the end of the month because I had to pay for my son's school." (More et al., 2000, p. 12)

K. THE HOUSEHOLE INDICATORS FOR WOMEN-HEADED AND OTHER HOUSEHOLDS

1. Household Types and their Percentage

More than two-thirds of households in disinvested neighbourhoods are families, and 40 per cent are married families. Not surprisingly, the Skid Row neighbourhood has the lowest proportions of families and married families, while the low-density type has the highest. (see **Table 11**)

2. Income

As shown in **Table 12**, half of households in disinvested areas have annual incomes of less than US\$25,000 and almost 80 percent have incomes less than US\$50,000. Higher density areas tend to be poorer than lower density areas.

3. Household Size

As shown in **Table 11**, there are on average 3 persons per household in disinvested areas. Households in low-

Table 11: Household Characteristics in Disinvested Areas, City of Los Angeles

Type of Disinvested Neighbourhood	Persons per household	% of Households that are Families	% of Households that are Married Families
Low-Density	3.76	76.8%	43.7%
Mid-Density	3.25	69.4%	38.5%
High-Density	2.79	54.3%	33.3%
High-Density (Skid Row)	2.94	18.0%	13.4%
Mixed-Density	3.07	64.1%	38.6%
TOTAL	3.32	68.2%	39.5%

Source: 2000 U.S. Census

density neighbourhoods tend to be larger than those in high-density neighbourhoods, reflecting the fact that low-density buildings tend to be larger than high-density apartment buildings.

4. Occupancy ratios

As shown in **Table 11**, there are 3.32 persons for every household in all the disinvested areas. This is greater than the citywide figure of 2.89. High-density areas have the highest mean persons per household among disinvested neighbourhood types, while low-density have the highest.

L. COSTS OF LIVING IN SLUMS

1. Rental Rates

While the majority of rental units in the City of Los Angeles are under the Rent Stabilization Ordinance (RSO), which restricts the amount that rents can be increased each year, tenant organizers told us that many owners raise rents in excess of these controls. Many times this is due to ignorance of the RSO restrictions, but sometimes owners do this because they know that tenants' options are limited and are not like to complain to the city.

2. Availability of housing finance

Residents of disinvested areas have less access to traditional banking and lending services. As shown in **Figure 9**, bank branches in the city tend to be located outside of disinvested areas, except for those in and near the CBD. The lack of banking services is espe-

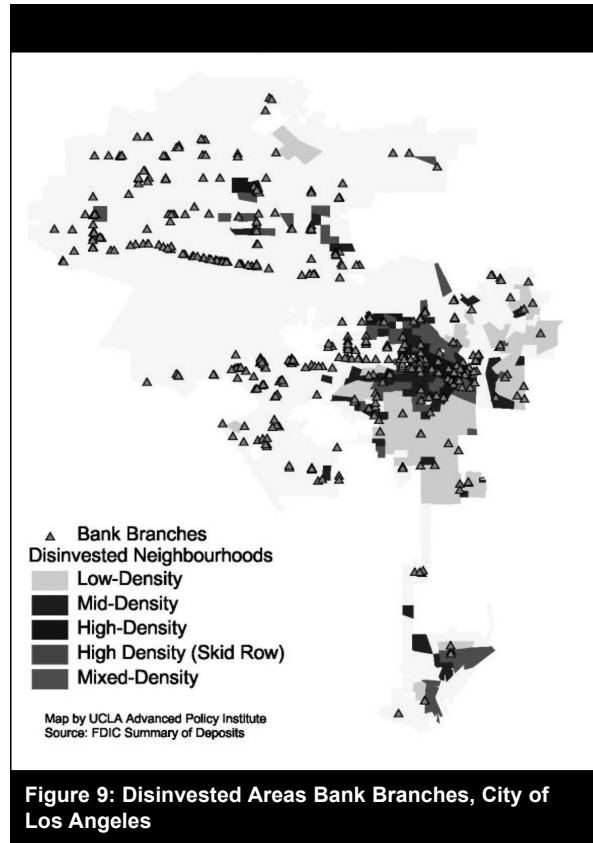


Figure 9: Disinvested Areas Bank Branches, City of Los Angeles

cially stark in the low-density disinvested neighbourhoods in South Central Los Angeles. Without ready access to traditional lending service, many residents of these neighbourhoods – especially those without legal residency – are forced to turn to check cashers and payday lenders – which charge exorbitant interest rates and fees – for their small credit needs.

For larger loans, such as for housing finance, residents of disinvested areas are most likely to receive loans from high-cost “subprime” lenders (see **Figure 10**; see also Pitkin and Richman, 2001). Subprime lending grew rapidly during the 1990s in the U.S., allowing many people with poor credit histories to gain access to mortgage loans but also creating higher costs and risks for these borrowers, who tend to be ethnic minorities and low income. In 1999, nearly 20 per cent of refinance loans in disinvested areas in Los Angeles were made on the subprime market, compared to only 10 per cent in the rest of the city.

Table 12: Household Income in Disinvested Areas, City of Los Angeles

Type of Disinvested Neighbourhood					
Low-Density	49.7%	28.5%	11.5%	6.5%	3.8%
Mid-Density	51.4%	29.3%	10.2%	5.3%	3.9%
High-Density	56.5%	27.2%	8.5%	4.3%	3.5%
Mixed-Density	47.9%	29.3%	11.2%	6.6%	5.0%
Skid Row	82.3%	12.2%	1.9%	1.1%	2.5%
TOTAL	50.7%	28.6%	10.6%	5.9%	5.9%

Source: Geolytics 1999 estimate

3. Psychological trauma

Because of the dearth of educational and economic opportunities in Los Angeles's disinvested neighbourhoods, many young people are attracted to participating in youth gangs, which provide a sense of camaraderie and power for youth with very limited life options. According to the Los Angeles Police Department, there are more than 400 gangs in the city, which commit more than 50,000 crimes every year. In 2001, gangs were responsible for 3,500 felony assaults, almost 3,000 robberies, and 346 homicides.⁹

4. Financial Expenditures for Typical Slum Household

As in many other cities in the U.S., residents of low-income areas in Los Angeles have less direct access to large grocery stores and supermarkets, which generally provide greater supply and cheaper prices than smaller grocers (Shaffer, 2002). In the mid-1990s RLA conducted a survey of residents of those areas affected by the 1992 civil unrest, and they identified the quality supermarkets as the most pressing consumer need in the area (CSLA, 2002). Whereas there was a supermarket for every 7,795 persons in Los Angeles County, there was one supermarket for every 16,751 persons in neighbourhoods affected by the 1992 civil unrest (RLA, 1995). RLA, an organization formed to spur economic recovery after the civil unrest, identified a 135-square kilometre target area for developing more supermarkets and secured agreements from supermarket companies to build 30 new stores in the area. Today, however, only 18 of these new stores have been built, and there has been a net gain of only one supermarket in the area (Shaffer, 2002).

5. Increased Risk of Displacement or Eviction

Because residents of disinvested neighbourhoods in Los Angeles tend to live in deteriorating housing conditions, they are at risk of being displaced or evicted. In the case of illegal constructions, for example, they are sometimes forced to move from these dwellings. Moreover, slum buildings can have severe structural problems, as happened in the collapse of a 24-unit apartment building in the Echo Park neighbourhood in December 2000 (Hontz, 2001; see Figure 11).

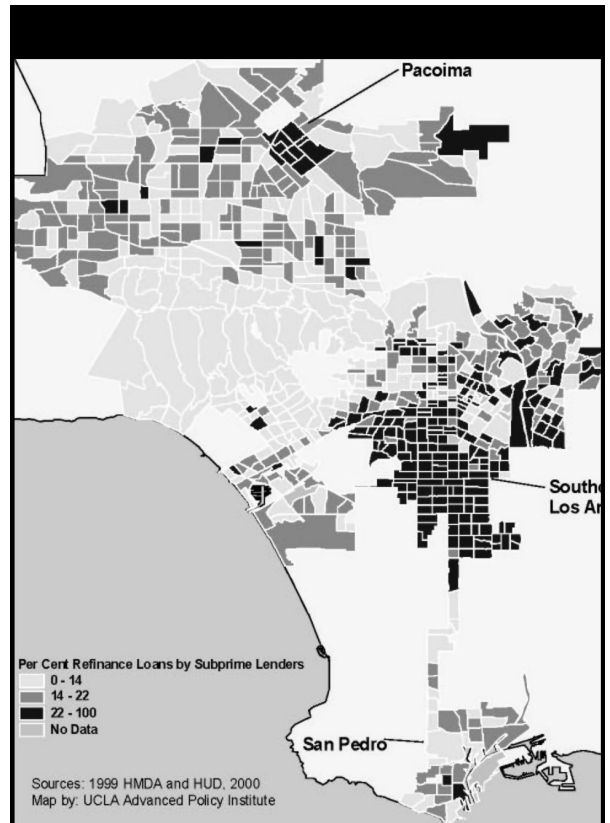


Figure 10: Subprime Refinance Lending, City of Los Angeles, 1999



Figure 11: Collapse of building in Eco-Park, December 2000

M. ASSETS AVAILABLE TO SLUM DWELLERS

1. Social Capital

Religious institutions play an important role in building social capital within disinvested communities. The three primary non-white ethnic groups – African American, Latino, and Asian – depend on churches and temples as locations for spiritual support, information exchange and, sometimes, collective action. Ethnic-based organizations, such as Mexican hometown associations or African-American civil rights groups, also help build solidarity. Sports leagues for both men and children create places for contacts and networking.

While Los Angeles has many powerful homeowners associations in affluent neighbourhoods, it is difficult to find their counterpart in disinvested areas. In addition to the lack of resources for these efforts, lower income immigrants in these areas do not see themselves as having full political rights and they face linguistic and cultural barriers to full participation. Efforts at cross-community tenant organizing have been largely in decline since the establishment of rent stabilization at the end of the 1970s. ACORN, a national organization involved in expanding the power of the poor, has begun a new round of issue-based organizing in poor communities of Los Angeles, focusing on such issues as “*predatory lending*” and the status of renter security deposits.¹⁰

Perhaps the most encouraging sign in the development of social capital is the unionisation of low-wage workers in Los Angeles, especially visible in the historic “Justice for Janitors” campaign. Using civil protest and public marches, the cause of the janitors in commercial office buildings received widespread support even from wealthier communities. Similar efforts to empower service workers in the hotel and restaurant industries have faced obstacles based on the decline in tourism in the city after the September 11 terrorist attacks in the U.S.

2. Financial Capital

Consolidation in the banking industry, supported by the use of new information technologies, has led to a steady decline in branches of mainstream financial institutions within disinvested areas. Concurrently these communities witness a rise in a secondary, high-cost “credit system”, including a rapid growth in check cashing agencies, payday lenders, pawn shops, and retailers providing merchandise on a “rent-to-own” basis. Increasingly, financial services appear to be bifurcating where the choice for residents in disinvested communities is between higher cost mainstream credit products (subprime loans) or reliance on the unregulated credit options available from the local storefronts.

Many immigrants send financial remittances to their families back in their home countries, rather than build-

ing savings and investments for their own personal advancement. In these international financial transactions, poor families often pay high transaction fees for the electronic transfer of funds. The African-American community has over the years created its own insurance companies and even financial institutions that provide loans for both commercial and residential development: Broadway-Federal, Founders, and Family Savings banks. However, the power of this group wanes as the percentage of the African-American population declines. These trends point to an overall reduction in access to finance and mainstream banking services in disinvested communities.

3. Human Capital

Immigrant communities have often brought with them strong familial ties. Small retailers have all of the family members working to keep the store profitable, or contributing to housing payments. In response, financial institutions have changed underwriting standards for business and mortgage loans. For example, Fannie Mae – the largest secondary mortgage market purchaser – now includes the incomes of extended family members such as aunts, uncles and cousins in estimating maximum household payments. Entrepreneurship in these communities takes many forms, ranging from the informal and illegal sale of food on the sidewalks to pooling investments and creating ethnic-based business partnerships. The greatest threat to human capital development in these communities is a largely deficient public education system with poor facilities and under-trained teaching staff, incapable of significantly expanding opportunities for the next generation. The trend is towards a decline in the development of human capital because many of the immigrants have low levels of formal education, and inadequate access to health and education services for themselves and for their children.

4. Physical Capital

Some African-American families in the South Central area of Los Angeles have owned their homes through much of the post World War II period and are the beneficiaries of substantial property appreciation if they have not heavily refinanced to pull out capital for unmet needs. Increasingly, however, many of these single-family properties are owned by absentee landlords, rather than by new owner-occupants.

As many who dwell in disinvested areas rely on public transit to reach employment opportunities, a step towards economic advancement is often associated with the acquisition of an automobile. Such a purchase represents a significant investment, and the high rates of auto-theft in these communities place these vehicles

at significant risk. Since housing, the primary repository for physical capital development, is increasingly unaffordable for lower income residents, the trend in securing physical assets points downward.

5. Supportive Public Policy

Since the Johnson administration's "War on Poverty" during the 1960s, the federal government has not made the eradication of poverty or slums a priority. One finds a steady reduction in public assistance to the poor at every level of government over the subsequent years. During the unprecedented national economic boom of the 1990s, federal "welfare reform" was instituted. These policies placed time limits on access to family support payments and increased requirements for parents with dependent children to enter the workforce, even at poverty level wages.

Responsibilities for the poor and upgrading disinvested communities have devolved to local government. Recent signs are somewhat encouraging, such as the establishment of the Systematic Code Enforcement Program and city council approval to build a municipal housing trust fund for rehabilitation and new affordable housing. Still, these reforms on their own cannot transform the problems of disinvested areas. Both programs face a city government in deep fiscal crisis post September 11. While recent city actions hold some promise, the trend in public policy does not indicate that the welfare of capital deprived communities is strengthening.

IV. SLUMS AND POVERTY: THE POLICIES

N. POLICIES AND ACTIONS TAKEN TO IMPROVE SLUMS AND ALLEVIATE POVERTY

1. Locational Targeting

Federal, state and local housing and community development programs target resources to both lower income areas and towards lower income households. In general, both result in similar outcomes because of the economic segregation of Los Angeles. For example, since most higher income communities oppose low cost housing, all of these resources tend to be invested in communities with large low-income populations.

Approximately 70 per cent of the federal Community Development Block Grant (CDBG) funds that are provided to the City of Los Angeles must be used for activities that benefit low- and moderate-income

persons. Additional activities may instead meet one of the following national objectives for the program: "prevention or elimination of slums or blight, community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community." Like CDBG, federal HOME funds can support the rehabilitation or development of affordable housing and are frequently used in lower income communities, even though neighbourhood targeting is not required.¹¹

The State of California requires the Regional Council of Governments to develop a *Regional Housing Needs Assessment* that estimates the amount of new and replacement housing that each governmental entity must facilitate to address unmet market demands.¹² The results of this assessment are incorporated in to local Housing Elements of the General Plan that outline ways of preserving or expanding the existing housing stock to meet the estimated shortfall.

The State of California authorizes designated *Redevelopment Agencies* to identify areas as blighted, utilize powers of eminent domain and recapture the rising value of taxes within the area. This program has been used to displace low-income residents for what municipal leadership has determined to be redevelopment to "highest and best" use. A portion of these resources, not to be less than twenty percent of the total is to be invested in the establishment of affordable housing. In Los Angeles, redevelopment has been used to remove low rent housing and to build "replacement housing," much of this housing has not been at the same levels of affordability and is not monitored for continued occupancy by low-income households.

The centrepiece program for funding rehabilitation and new development of affordable housing are federal and state *Low Income Housing Tax Credit* programs that provides returns to investors who invest equity capital into housing that is affordable to households with incomes no greater than 60 percent of the County median. Since the competition for these resources is high, gaining additional competitive application points requires private developers to target those census tracts with a higher incidence of poverty.

The *Home Mortgage Disclosure Act* (HMDA) requires certain mortgage lending institutions to report the race, gender, income, and location of loan applicants to federal regulators. Such public disclosure enables researchers and community activists to track the lending record of lenders and to contest banking mergers when one or more of the parties have not been meeting the credit needs of the communities in which they have been located. These federal requirements in the Community Reinvestment Act (CRA) have been a vehicle to put pressure on private investment, especially in home lending, to address the credit needs in underserved, typically lower income, communities.¹³

2. Socio-Economic Targeting: Official National, Regional and City Policies and Programmes to Eradicate or Alleviate Poverty

The federal government works with selected governments to establish Empowerment Zones/Enterprise Communities that provide a combination of targeted tax benefits, low interest loans and some grants to support neighbourhood revitalisation efforts. These efforts may include job development, business technical assistance, training and education programs, and improving access to childcare, healthcare and public transportation to promote economic and social improvements. The *Los Angeles Empowerment Zone* is linked as well to a *California State Enterprise Zone* and the *City of Los Angeles Tax Free Zone*, covering approximately 50 square kilometres throughout the city.

The most notable program from the Empowerment Zone (EZ) has been the establishment of the Los Angeles Community Development Bank that is widely viewed as a failure, as it has been largely unsuccessful in creating new jobs in the areas affected by the civil unrest.¹⁴ The Bank was created to provide access to capital to business and other economic development in ventures that the private sector did not want to support. Large investments that were made are in many instances unlikely to achieve full cost recovery.

Low-income families may be eligible for direct economic support from a variety of federal, state and local programs. These include: SSI (*Supplemental Security Income*) for persons with disabilities; TANF (*Temporary Assistance for Needy Families*); *General Relief*, support for indigent individuals and households; *Medicaid*, health coverage for the poor; *Food Stamps*, to supplement household resources for nutrition; *Section 8 housing* allowances, rent subsidies that cover only about one third of eligible renter households.

3. Non-Governmental Interventions

There are various types of NGOs that have a role in addressing the slum housing issue: Those that work on the consumer-side of the problem—organise renters, address poverty issues through advocating for income supports and help persons with physical and psychological disabilities, including substance abuse. Those who produce housing are either countywide or regional non-profit developers or community development corporations that have local residents on their board of directors.

Three tenant organizing groups in Los Angeles seek to address slum housing: **Inquilinos Unidos**, the **Coalition for Economic Survival** and **ACORN**. Their work ranges from advocacy and legal support to an emphasis on expanding tenant rights to affordable and decent living conditions through public policy changes.

Shelter Partnership Inc. and the **L.A. Coalition to Stop Hunger and Homelessness** focus on the needs of the very poorest residents in Los Angeles, those that are homeless or at a risk of homelessness. The approaches used include public education, technical assistance, public policy analysis, community action and advocacy.

The **Centres for Independent Living** seek to address the needs of persons with disabilities who are often among the most vulnerable of low-income groups. They work on increasing accessibility to decent and affordable housing, employment and necessary services. Many other groups work on the needs of the homeless and those with multiple diagnoses, including HIV, substance abuse, and severe mental illness.

The **Southern California Association for Non-Profit Housing** (SCANPH) is the trade association for affordable housing producers. Many in the membership are involved in rehabilitating substandard housing or in building new subsidised dwellings in lower income communities. SCANPH has also been at the forefront of recent housing advocacy campaigns, such as the establishment of the \$100 Housing Trust Fund in the City of Los Angeles (Dreier and Candaele, 2002).

Los Angeles has few community development corporations that fit the model that has been dominant in eastern and mid-western U.S. cities. The affordable housing movement was slow to take root in Los Angeles and found a home much faster in San Francisco where the CDC movement resembles more closely its eastern counterparts. First, L.A. has a long ignoble history of treating affordable housing as a leftist threat to free-enterprise, e.g. the Chavez Ravine public housing project that became linked to the Red Scare in the late 1950s. Moreover, as we have noted, the scale of Los Angeles, the recent arrival of its residents, and their residential mobility makes it difficult to sustain the kind of community organising efforts that one finds in east coast cities.

The non-profit housing organisations in LA are more likely to have a professional board and a focus on technical aspects of housing finance and packaging, and less likely to have an ongoing community building focus. In part, this emerges from the real economic challenges of building affordable housing when land costs are among the highest in the nation, and incomes of many families, especially immigrants, among the very lowest. In the east coast one finds in cities like Cleveland community development corporations that assume a diversified portfolio of activities, serving both moderate and low income households. In part, these groups can undertake this range of housing activities because land costs are so low due to residential abandonment that they can build dwellings without deep public subsidies. This is not the case in Los Angeles where it is difficult to produce a new or rehabilitated dwelling unit for less than \$120,000 in any neighbourhood.

Finally, when political leadership has been most needed in L.A., it has been most absent. On the east coast one can find enlightened corporate leaders who view their industries as reliant on a well-housed workforce. In such instances, such leaders have supported and invested in philanthropic, community development activities as far back as the settlement house era at the turn of the twentieth century. In Los Angeles where the dominant industry is media and entertainment, few leaders have emerged with the same breadth of vision. Rather, the media titans are primarily interested in Washington D.C. where issues of censorship, copyright control and global marketing are addressed. Moreover, just as the non-profit housing movement was taking root in Los Angeles in the early 1990s, Richard Riordan was elected Mayor and he quickly became a key opponent to growth in the CDC sector. He drained the city's housing resources, shifting them to what were termed "economic development projects". The campaign for the \$100 million trust fund is only now trying to re-establish and strengthen those groups that survived this period of severe funding drought and political animosity.

O. THE IMPACTS OF THESE EFFORTS

1. Success Stories and Potential Best Practices

Probably the most important success story with regard to slum housing is the effort to reform multifamily building code enforcement in the City of Los Angeles during the late 1990s. In the U.S., building code enforcement is one of the most important strategies that municipalities can utilize to ensure safe, habitable housing. If designed to be flexible, not rigid, code enforcement can play a role in remedying and preventing slum conditions (Ross, 1997).

In 1997, a group of community leaders and political activists came together to discuss the growing problem of deteriorated housing conditions in the Los Angeles area. They quickly caught the attention of local governmental officials, who commissioned the group the "Blue Ribbon Citizens' Committee on Slum Housing" and appointed additional members to the panel. The 22-person committee included public interest attorneys, religious leaders, academics, real estate developers, executives of local non-profit organizations, and other civic leaders. The committee met throughout the first half of 1997 and first examined some of the statistics that were being assembled by UCLA's Neighbourhood Knowledge Los Angeles (NKLA) Project team. The Committee also oversaw research by UCLA students into the current housing code enforcement activities in Los Angeles. On the heels of an article in the Los

Angeles Times that documented the horrible conditions of the worst apartment buildings in the city, the committee issued its first report in July, a scathing review of the City of Los Angeles's Department Building and Safety.

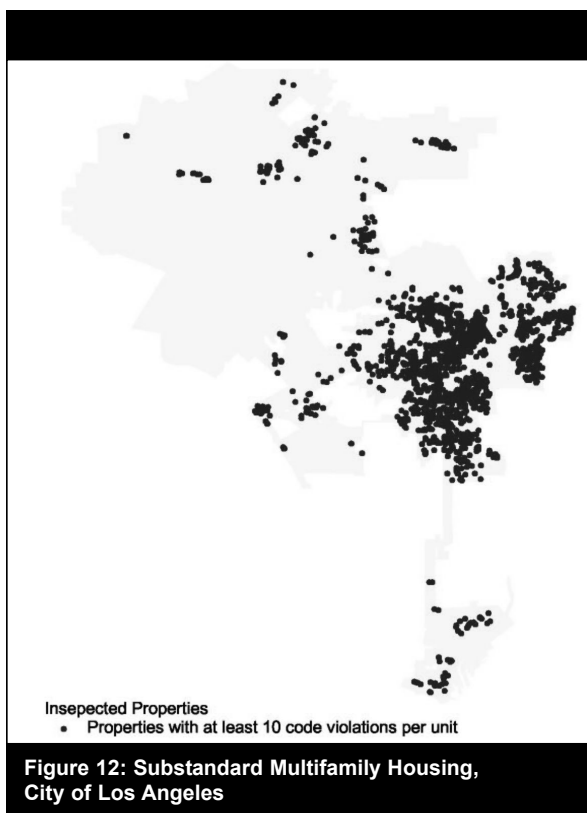
In this report, the committee outlined the scope of the "slum housing problem" in Los Angeles, reviewed the code enforcement program at Building and Safety, and proposed recommendations for substantially reforming code enforcement in the City. Using data from sources such as the U.S. Census Bureau's 1990 Census and American Housing Survey (AHS), as well as from the City's Rent Escrow Account Program (REAP), the report argued that a substantial amount of Los Angeles's rental housing is substandard, resulting in severe health, economic and social consequences to the City. The current code inspection program, according to the report, was incapable of addressing the "slum housing problem" because it was complaint-driven and was a very low priority for the city's Department of Building and Safety. Building and Safety dedicated a greater amount of staff and resources to inspecting new residential constructions, which just happened to provide a substantial part – more than 50% - of the Department's budget. The committee recommended revamping code enforcement in the City by moving to "routine, periodic inspections of all rental housing" funded by rental surcharges.

The release of the report prompted an immediate reaction, and support for the committee's call to radically reform code enforcement in the city quickly gained ground. The Los Angeles Times, several days after the report was issued, editorialised that the Mayor and City Council had to "get tough on negligent landlords" and welcomed the "new interest in eradicating slum housing," (LAT, 1997 August 3). Less than two months later, the City Council's Ad Hoc Committee on Substandard Housing unanimously approved a plan to create a unit in the city dedicated to routine inspections of apartments (Tobar, 1997 September 18). The plan passed the City Council on an 11-1 vote on November 12th (Tobar, 1997 November 13). The Times called this the "most important anti-slum reform in Los Angeles history" and the Mayor of Los Angeles declared when signing the ordinance that "every human being in the city has the right to live in quality housing" (Tobar, 1998 July 15).

Implementation of the program has faced a variety of challenges. A group representing apartment owners sought to stop the program through the courts. The California State Supreme court eventually dismissed this lawsuit. Also, collecting the monthly fee of \$1 per unit for inspections was difficult, and these resources were insufficient to cover the cost of inspecting all rental units within three years, so additional funding from the city was necessary. Collecting and managing data on inspections was a challenge, but the program began to count on a Management Information System that enabled inspectors to collect data on hand-held comput-

ers that automatically produces notices and reports. The information that is collected by inspectors is now being transferred to the NKLA website (see section P.3.) to fully inform the community of the condition of its rental housing stock.

A map showing buildings that have had a high number of code violations is displayed in **Figure 12**, revealing that substandard housing conditions in Los Angeles are not limited to just one area of the city. With these new tools and added transparency, however, the inspectors are reporting that approximately 90 per cent of the landlords are complying by making the required repairs. Thus, approximately \$450 million dollars in private funds have been invested in substandard housing over the



past four years, most of which is located within the disinvested areas that were identified in this research.

2. Reasons for successes and failures

One important reason for this successful code enforcement reform was the strength of the partnership in the stages of policy development as well as implementation. Rather than beginning reform within government, the genesis was among Los Angeles leadership dedicated to change and their ability to mobilize university-based research to build their analysis and recommendation. Grassroots groups mobilized for the public hearings and tenant representatives agreed to an increased cost of \$1 per unit per month to fund the comprehensive inspections. A government-university

partnership developed tools for increasing efficiency and targeting inspection work, as well as an information system for a network of NGOs hired by the city to serve as mediators between tenants and landlords (more information in section P.3. below).

As noted above, SCEP experienced several challenges and setbacks during its first several years. Much of this was undoubtedly due to the normal challenges of initiating a completely new and comprehensive enforcement program in a bureaucracy such as the city. Among other tasks, the housing department had to find, hire, train and manage 50 qualified inspectors, develop policies and guidelines, oversee development of an information system to manage the inspections, and ensure compliance with their orders for repair. In addition to these normal challenges, SCEP suffered from overt political opposition, especially from the landlord association, which provided legal disputes. According to some of the reformers and designers of the program, the Mayor at the time and other municipal departments employed subtle tactics to sabotage SCEP, such as not being upfront about resources that were committed to the program or clear about the division of labour on enforcement activities in the city.

3. Lessons Learned:

a. Importance of context

Participants in the slum housing reform effort noted the role that the representatives from the Roman Catholic Church played in the initiation of the Blue Ribbon Committee, as the chair of the committee was an esteemed Catholic educator and several members were also prominent Catholics. This allowed them to put pressure on the Mayor, who, despite not being completely supportive of the reform, was influenced as a Catholic by the local Cardinal as well as the political reality of the rising number Latin American Catholics in his jurisdiction. Unfortunately, the power of the Catholic Church to bring influence on such social issues may be waning due to the national crisis around child molestations.

Similarly, the growing power of the labour movement provided an important ally in the struggle to improve housing conditions for local workers. When the Citizens Slum Housing Committee report was issued to the press, leading the charge was both the Cardinal and the director of the Los Angeles County Federation of Labour, Miguel Contreras. Los Angeles County has led the nation in reaching out to new labourers of foreign origin. While the U.S. labour movement has a long history of being very nativist and xenophobic, Los Angeles has demonstrated that one of the best way to revitalise and expand labour organising is through working with the most exploited workers, those of foreign origin. The national AFL-CIO has changed its policies around undocumented workers to reflect lessons

learned in Los Angeles. No longer are these recent immigrants seen as a threat to domestic wages, but rather as the future of labour organising.

The Los Angeles model has had two very important components. First, it has focused on place-based sectors of the economy that would incur significant costs if they tried to relocate. These industries include janitorial services, hotel and restaurant workers, and those that provide governmental services, usually through private contracting. Important gains have been made for example in unionising health care workers who assist people with disabilities in their home.

The second component of the local labour strategy has been to combine industry organising with community organising. The Los Angeles Alliance for a New Economy (LAANE) has led to a successful "living wage" campaign that requires all city contractors to pay workers more than the minimum wage to ensure that they can support their families. The same labour-backed organisation has also led negotiations on large development projects to ensure 1) that future employees on site will have living wage salaries and 2) that the project developer provide funding support for local parks and affordable housing programs. Labour organising also occurs through Mexican hometown associations and soccer leagues, using informal networks as a vehicle for providing information on worker rights to collective representation. As the demographics of Los Angeles has changed, it is clear to many other middle and higher income groups that the future of the city is increasingly dependent on its ability to assimilate international immigrants by providing new economic and social opportunities. The impressive political campaign by Antonio Villaraigosa for the Mayor of Los Angeles speaks to the potential power of these new emerging coalitions of labour, community and progressive middle income households. It still remains to be seen whether this new constellation of power can emerge.

b. Importance of enablement

Outreach groups have helped residents in disinvested communities advocate for inspections of their dwellings. The City of Los Angeles decided to model its code enforcement program on that of the City of San Francisco. In that city, teams composed of tenant rights advocates and the local landlord representatives served to promote communication between conflicting interests in problem properties, and seek voluntary compliance with health and safety standards. The implicit threat was that the city will mandate repairs if the landlord and renters cannot reach agreement on the needed improvements.

Unfortunately in Los Angeles, the local landlord association fought the efforts to legislate a new code enforcement program, using the court system to block implementation. Given this relationship, it was very difficult for the city to work in good faith cooperation with these property owners. Hence, only tenant rights groups were hired by the city under contract to conduct

outreach and negotiate agreements with owners. These groups included tenant organisers, legal aid societies, and renters rights groups, and fair housing groups; all were small non-profit organisations.

The performance of these outreach groups varied. Some were good at getting necessary inspections, others better at negotiating agreements. The size of Los Angeles continued to be a challenge to manage, even as the city divided the groups among regions for their work. San Francisco is, by comparison, a small and dense location. Also, the LA groups did not have a fully orchestrated public information campaign, as did their counterparts in San Francisco.

This contract work is now shifting away from identifying the locations for inspections into organising renters in buildings that remain without adequate repairs. In these situations tenants are encouraged to establish a collective Rent Escrow Account, which enables them to deposit rent into a jointly administered savings account rather than to an unresponsive landlord. Funds from these accounts can then pay for necessary housing improvements and cover the cost of maintaining utility service.

c. Importance of various types of capital

The very small monthly tenant inspection fee (\$1 per unit per month) has leveraged a significant level of private investment from local property owners. According the housing department, there were approximately 300,000 housing units inspected during the first four years of the program. More ninety percent of those units underwent improvements, representing an estimated investment in repairs of approximately \$450 million (or \$1,500 per housing unit).

d. Importance of correct targeting

Among the most regular users of the NKLA information system (see section P.3. below) and its mapping tools are the SCEP inspectors.

P. DEMONSTRABLE COMMITMENT TO REGULAR MONITORING, FEEDBACK AND ADJUSTMENT OF POLICIES & PROGRAMMES

1. Budget commitments

Over the past two decades, the only funds that could be relied upon to address housing disinvestment have been federal revenue sharing dollars (e.g. CDBG and HOME). The City of Los Angeles, unlike Chicago or New York, has never used its own resources, such as general tax revenues, to make a continuing commitment to housing improvement. The investment of substantial redevelopment funds were resources that were diverted from the County and were used to produce replacement

housing for affordable dwellings that were demolished through public action.

Over the last few years, local government has begun to change its budgetary commitment to housing. SCEP is funded through a fee of \$1 per unit per month to all property owners of rental housing who, in turn, are allowed to pass this fee on to their tenants. In 2002, a new Mayor promised to establish a municipal affordable housing trust fund in the amount of \$100 million to support preservation and production of lower cost dwellings (Dreier and Candaele, 2002). While the gap in available affordable housing in the city will undoubtedly not be met by these funds, the commitment represents a promising trend.

2. Policy Commitments

As chronicled at the beginning of this report, the federal government made a broad policy commitment to providing a “a decent home and a suitable living environment for every American family.” The goal is far from realized in Los Angeles. The federal government requires each participating jurisdiction to produce a “Consolidated Plan” that describes the strategy for using federal and local resources in an integrated manner to address local needs.

As noted previously, the State of California’s Department of Housing and Community Development requires the Southern California Association of Governments to complete a regional housing needs assessment that identifies the minimum amount of new housing development that is required to address the need for replacement and respond to growing demand. The City Planning Department has recently written a new Housing Element to the General Plan that incorporates the estimates from SCAG and identifies the location for housing production within the municipal boundaries.

The City’s Rent Stabilization Ordinance requires a periodic review of the housing market to determine if the need for controlling rents before vacancy is still required. The Rent Stabilization Ordinance restricts annual rent increases for non-vacated flats while unoccupied dwellings can be rented at market rates.

The Systematic Code Enforcement Program has a goal of inspecting all rental properties with two or more dwellings within a three-year period. This goal will not be achieved and it is likely that two additional years will be required to complete the remaining first-round inspections.

3. Commitment of NGOs to Monitoring Slum Conditions

The Neighborhood Knowledge Los Angeles (NKLA) project, sponsored by the University of California, Los Angeles, is the most comprehensive system for monitoring the process of residential disinvestment in Los Angeles.¹⁵ It accomplishes this by assembling, inte-

grating and mapping a wide variety of public databases including code inspection records, tax delinquency, and municipal efforts to abate nuisances such as vacant properties, and making these data sets and research tools publicly available over the Web (see **Figure 13** for a screen shot of a map and property information page on NKLA). Users can enter an address of a slum building and get detailed information on inspection information from SCEP, as well as find out whether the property has any tax liens or has had any building permits issued. NKLA receives approximately 10,000 hits each day, and primary users include NGOs, community residents, government staff, and university-based researchers. NKLA’s Neighborhood Early Warning System (LANews) is used by community organizations and tenant advocates to document the history and extent of problem properties and to monitor local response to slum conditions. Researchers and staff from local government also use NKLA’s Policy Room to investigate the relationship between different property indicators and to track neighbourhood conditions. Databases are updated on regular cycles – some overnight and some quarterly or biannually – to ensure

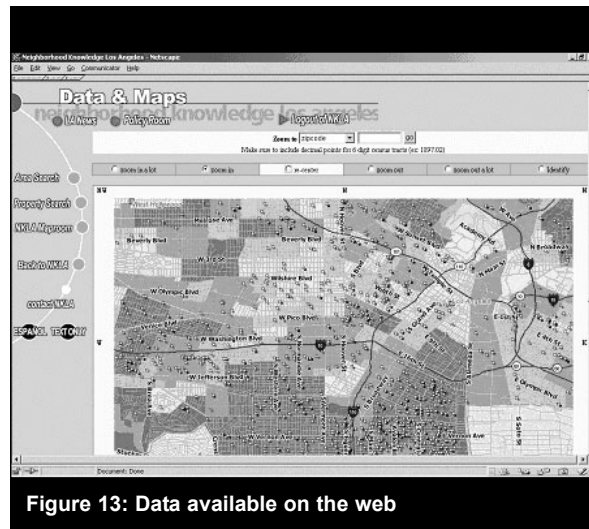


Figure 13: Data available on the web

that information remains reasonably current.

One outgrowth of NKLA’s work on assembling administrative data set from local government and allowing users to query them over the Web has been a series of initiatives to work with NGOs on community-created data sets. Through the Inter-Active Mapping Los Angeles (I AM LA) application on the website, NKLA allows community groups to add data points to NKLA’s property data base and interactive maps through web forms. Members of community organizations log on the website and enter data about properties in their neighbourhood in a simple six step web form, even uploading photographs of the properties. This data is then viewable on the website to the broader public both in lists and on interactive maps, where users can click on

points to see photos and descriptions of the properties. Several organizations have used the application to develop electronic inventories of community assets and resources that can assist with redevelopment efforts. One NGO, Community Coalition, has used I AM LA to enter data on properties with nuisance activities (e.g. prostitution and substance abuse) that they are monitoring. This allows Community Coalition members to more efficiently track nuisance activity and government response to their requests for intervention, and it provides an interactive means for presenting the scope of nuisance activities in their community.¹⁶ This use of the Web has expanded the notion of what data constitutes knowledge about neighbourhoods to include the perspectives of community residents, not just data collected by government agencies.

An important corollary to the NKLA system is a Tenant Outreach Information System that assists local NGOs in ensuring that properties with building violations are inspected under the city's Systematic Code Enforcement Program (SCEP). A major impetus for the slum housing reform that led to the establishment of a systematic inspection program for apartment buildings was that the city's previous code enforcement program made it very difficult to lodge complaints about slum conditions. Therefore, designers of SCEP called for the city to work with local NGOs to serve as liaisons between tenants, property owners and the housing department. To meet that objective, the city entered into outreach contracts with several community-based organizations, which receive complaints from tenants on a toll-free telephone line and then do their own inspections of the properties before deciding whether to mediate an agreement with the landlord or to refer the properties to the housing department for a formal inspection. According to one tenant organizer who plays this intermediary role, the program gives the tenant advocates the opportunity to educate landlords about their responsibilities and encourages property owners to respond to tenant complaints and make necessary repairs. In order to manage the program, the city hired the NKLA team to design an information system to track case information on tenant complaints. The system is a secure website that allows the various organizations to enter intake information and inspection results into the data base, allowing the groups to easily share information with one another. The system also provides a direct link to detailed property data on NKLA, including previous code inspection and complaint information. This allows the outreach groups to quickly assess the history of properties and decide with what urgency to respond to the current complaints.

The use of these information tools to document and monitor slum conditions and mitigation strategies is not something that is, or has to be, limited to Los Angeles. NKLA was actually modelled on another system in Chicago, and there are several examples of similar neighbourhood information projects from other cities

around the United States.¹⁷ Often, these projects represent partnerships between local governments, community organizations, and universities, with each taking responsibility for different aspects of the work. Governments usually provide data, principally information on properties and neighbourhoods as well as geographic layers. Universities often provide technical assistance, developing and hosting the websites and conducting research to aid in the application of the systems. Community organizations provide users for the systems who utilize them to conduct community research and monitor property conditions. Bringing all of these pieces together and finding the resources necessary to develop these projects is not easy. However, as these projects demonstrate, it is possible. Usually the greatest challenge is in securing, integrating, and updating data. Government cooperation is necessary, as is coordination between the various project partners.

In contexts outside the developing world, there may be additional challenges, such as a lack of technical infrastructure and data, as well as a political climate that does not contain freedom of information legislation as in the U.S. However, beginning on a small scale, such as putting up data from a neighbourhood survey on a website and then comparing that to official government data, could show local government officials and funding agencies how this type of system could be used as part of a slum upgrading strategy. It may help pacify fears of transparency on the part of government and encourage agencies to invest in building the technical infrastructure of NGOs and neighbourhood organizations. Telecentres, which serve as low-cost access points for Internet services in many parts of the developing world, could be set up in neighbourhoods and NGO offices to give residents access to the systems.¹⁸ Because web technology allows for the website to be hosted anywhere, organizations and universities in the developed world could be enlisted to provide technical assistance and host these websites. Therefore, projects on the NKLA model could succeed in contexts where the following conditions exist:

- at least some level of data about properties and neighbourhoods and, hopefully, geographic layers for inclusion in a Geographic Information System (GIS)
- willingness by local partners to work together to develop the scope of the system and oversee its implementation and linkage to slum upgrading strategies
- either the capacity to develop and maintain the system or the ability to bring in a partner that could provide these services
- a network of users that will utilize the system to effect change in local development and possibly collect data to upload to the system. ■

ENDNOTES

¹ The U.S. Census Bureau defines a housing unit as “overcrowded” if there is more than one person per room (excluding bathrooms and including kitchens) in the unit and “severely overcrowded” if there are more than 1.5 persons per room. The per cent of units overcrowded in Los Angeles increased from 6.6 in 1990 to 7.5 in 2000, and the per cent of severely overcrowded units increased from 15.7 to 18.1.

² According to the Los Angeles Economic Development Corporation’s description of the region’s 14 base industries: <<http://www.laedc.org/14industry.html>> (Accessed May 31, 2002)

³ For the purpose of this report, we considered a neighbourhood “disinvested” if (1) it had a tax delinquency rate of more than 6 per cent of properties and (2) 30 per cent or more of its households were low-income, i.e. had less than \$25,000 annual income. We then divided the neighbourhoods by density as indicated in the text. We used \$25,000 was used as a compromise proxy for “low-income” between the federal poverty level (\$17,463) on the low side and LAANE’s (More et al., 2000) estimation of “working poor” income (\$34,000) on the high side. Tax delinquency serves as a proxy for both “deteriorated physical conditions” (see footnote 4) and “levels of private investment and property maintenance.” Because tax delinquency represents a disinvestment in property by owners and is highly correlated with property conditions, we believe that it represents a good measure for these characteristics.

⁴ Previous research in the U.S. has shown a strong relationship between property tax delinquency and deteriorated housing conditions. For example, Krouk (1996) explored how operational disinvestment is associated with decreased property maintenance and slum conditions in Los Angeles.

⁵ To identify disinvested neighbourhoods, we first selected the census tracts that met the characteristics outlined in footnote 3. We then divided the neighbourhoods by density as indicated in the text to categorize them by type.

⁶ From 1986 to 1997, CRA/LA provided financing for 5,875 new units and 6,741 rehabilitated units. Source: J. Eugene Grigsby. 2001. Redevelopment’s Contribution to Housing in Southern California. UCLA Advanced Policy Institute.

⁷ The poll was conducted by Lake Snell Perry & Associates for Jobs for a Future, a Boston-based employment research organization. The margin of error is plus or minus three percentage points. The results of the poll are available on Jobs for a Future’s website: <<http://www.jff.org/>> (Accessed June 22, 2002).

⁸ According to the U.S. Census Bureau’s 1999 Current Population Survey. Cited in: Institute for the Study of Homelessness and Poverty, June 2000, Just the Facts, <http://www.weingart.org/institute/research/facts/pdf/JusttheFacts_LA_Homelessness.pdf> (Accessed June 19, 2002).

⁹ Gang and crime statistics can be found on the LAPD’s website: <<http://www.lapdonline.com>> (Accessed May 31, 2002).

¹⁰ See <<http://www.acorn.org>> for more background and information on ACORN.

¹¹ See the U.S. Department of Housing and Urban Development webpage for more information on CDGB <<http://www.hud.gov/offices/cpd/communitydevelopment/programs/cdbg.cfm>> and HOME <<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/>> (Accessed June 21, 2002).

¹² For information on the Regional Housing Needs Assessment conducted by the Southern California Association of Governments, which includes Los Angeles, see the Housing Southern Californians website: <<http://api.ucla.edu/rhna>>

¹³ See <<http://www.ffiec.gov>> for more information on HMDA and CRA.

¹⁴ In 2002, the Bank received a negative review as part of an audit from the U.S. Department of Housing and Urban Development, possibly being required to pay back loans from the federal government to establish it. See Romney, 2002.

¹⁵ NKLA is on-line at: <<http://nkla.ucla.edu>>. See Krouk et al., 2000 for more background on NKLA and an assessment of how it compares to other neighbourhood information systems. For assessments of NKLA’s outcomes, see the evaluation documents on Publications page in the “Help” section of the website: <<http://nkla.ucla.edu/Help/Translator/NKLA-TOP-EvaluationReportDec2001.pdf>> and <http://nkla.ucla.edu/Help/Translator/FinalTOPReport_API.pdf>

¹⁶ For more information on the IAM LA application and NKLA’s work with community-based organizations to add community-created data sets to the site, see: Karuri, 2000 and Pitkin and Ratray, 2002.

¹⁷ The system in Chicago is the Center for Neighborhood Technology’s Neighborhood Early Warning System <<http://www.newschicago.org/>>. Other projects include the

¹⁸ Telecentre is a term used largely outside the U.S., where “community technology center” is a more popular term. Somos@Telecentros is a network of telecentres in Latin America <<http://www.telecentros.org/english/index.html>>

One of the coordinating agencies of Somos@Telecentros has a project called “Barrionet” in Ecuador that sets up telecentres in poor urban neighbourhoods to support local development efforts <<http://www.barrionet.org>>.

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