

L.A. Renters Face a Mounting Crisis

By JILL STEWART, Times Staff Writer

Middle Class and Poor Are Finding Housing Increasingly Unaffordable

Peter Herreshoff has a master's degree, but his teacher's salary of just under \$25,000 cannot support his baby and wife after paying \$700 a month rent in Silver Lake. When school opened this fall, he hurried to his credit union and got a loan to pay mounting bills.

Herreshoff, 38, rides a bike three miles to work to save money and is reluctantly thinking of leaving Los Angeles "for Oregon or someplace we can afford to live. I figured out the budget for the next few years, and I don't see how we'll ever make it here."

Rebecca Atkinson, 36, is a maid at the Century Plaza Hotel struggling to support three teen-age daughters while spending half of her \$8,000 yearly income on rent.

Despite their crowded life in a tiny bachelor apartment in Hollywood, the mother and girls get by, sewing their own clothes and sometimes "splurging" at MacDonald's if they can squeeze \$10 from the monthly budget. A member of the city's vast force of working poor, Atkinson said, "I love my daughters, but it is a tough life. Sometimes I ask, why?"

Renter's City

The two families point up the mounting rental crisis in a city increasingly dominated by renters—60% of all households.

California has the worst rental-affordability problem in America, with a bigger shortage of low-priced apartments than any other state, according to the Center on Budget and Policy Priorities in Washington. Nowhere else does the crisis reach the epic proportions of Los Angeles.

Officials say well over one-third of the city's renters—a staggering 300,000 families—live in units considered unaffordable by the government, that drain the family budget and make the thought of getting ahead a troubling dream.

Middle-class renters who make \$25,000 or less—our teachers, bank tellers and grocery checkers—live uneasily from paycheck to paycheck, unable to save for homes whose median prices have soared to \$190,000. The number of homeless has reached 35,000, according to the city, and the working poor are cramming ever-more family members into grim one-room apartments and garages in their fight to stay off the streets.

Gary Squier, Mayor Tom Bradley's housing coordinator, said that each year, "1,000 more families get squeezed out of two bedrooms and crowd into one bedroom or no bedrooms, and 6,000 more families begin paying half of their income to rent. What's happening in L.A.—in the city and its suburbs—is that working incomes are not going up, but rents are going wild."

Ironically, the city is enjoying its highest vacancy rate in more than a decade, as a glut of luxury apartments offers plentiful choices to those who can pay top prices.

Driven by the region's economic and land boom, rents have spiraled dizzily upward since 1982, outstripping inflation, local wage increases,

Rents here, however, are just as tough for many to meet: That's because the warehousemen, waitresses, computer operators, mall clerks, secretaries and others who make up the area's working class and low-paid "pink collar" ranks tend to earn significantly less than people in the same jobs in San Francisco and New York.

Countywide, hundreds of thousands of families spend more than 30% of their income on rent—the

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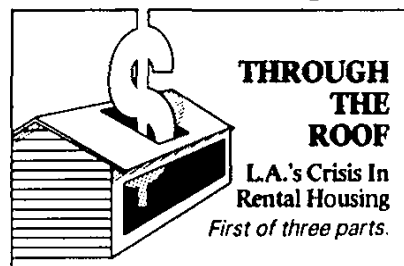
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federal cutoff test for affordability. In Los Angeles alone, city officials said, 150,000 families use more than half of their earnings for rent.

Signs of trouble have been building since 1981, when the Reagan Administration began dismantling federal housing programs, eventually slashing help to cities by 78%.

Other cities, such as Boston, San Francisco and New York, dreamed up ways to woo nonprofit developers, who build affordable housing without marking up the rent. Some cities began requiring their developers, luxury hotels and big banks to ante up special money for housing, as the cost of doing business within city limits.

In Boston, \$70 million is expected to be paid by big commercial developers into a housing fund in the next decade, and 1,830 low-income rentals, condos and homes are being built with the first wave of money. In San Francisco, nonprofit developers were given city funds to set up shop and have built and renovated 2,000 units. In Seattle, voters overwhelmingly backed a special \$50-million property tax to house their struggling neighbors.



the cost to landlords of maintenance and management and other measures, according to housing experts, including the Joint Center for Housing Studies of Harvard University.

City officials say the average price of a vacant one-bedroom apartment is nearing \$600 per month, making Los Angeles one of the steepest big-city markets in America, tied with Boston and trailing the traditionally tight markets of New York and San Francisco.