



PRESERVATION

POSITIVE

LOS ANGELES

EXECUTIVE SUMMARY

PREPARED BY PLACEECONOMICS FOR THE LOS ANGELES CONSERVANCY | 2020

EXECUTIVE SUMMARY

Preservation Positive Los Angeles provides an in-depth look at historic preservation within L.A. and how historic places directly contribute to the overall livability of the city. While anecdotally we know preservation and the reuse of older and historic buildings benefits peoples' lives, what has been missing—until now—is the data and analysis to fully back up these claims. This study demonstrates how preservation provides real value and positively impacts every Angeleno.

As the second-most populous city in the nation, L.A. is many things to many people. Yet fundamentally, it is a place where people create lives and homes: from those that are native-born to transplants arriving every day. It is through the historic built environment that Angelenos best learn about and understand the heritage of L.A., providing a tangible way to connect through a shared heritage and story.

Critics often claim that preservation limits growth, is anti-density, or stands in the way of affordable housing development. The data, however, shows a much different story where historic neighborhoods are proving that livability and preservation can work hand-in-hand. Historic preservation is not a barrier to growth as there is a lot of room to grow. **Only 6.2% of total parcels in L.A. have been identified as historic** through designation or by SurveyLA, leaving **93.8% available for new development, increased density, and much-needed housing.**

Preservation is affordable housing. As one of the most pressing concerns facing L.A. today, older, smaller, and mixed-use buildings represent the largest share of affordable housing in the city, from quaint bungalow courts to large garden apartment developments.

Historic Preservation Overlay Zones (HPOZs) also play a role in preserving the existing rent-controlled housing stock. While HPOZs are 2.4% of all parcels, they represent 5% of all units under rent control in the city. HPOZs are home to residents with a wide variety of incomes. A larger percentage of residents in HPOZs, than in the rest of the city, have annual household incomes of under \$25,000. The HPOZs of L.A. provide density at a human scale and protect affordable housing, mainly by providing a mix of housing options.

While historic designation is not feasible or appropriate for every older property, HPOZs protect affordable housing, foster neighborhood stability, and serve as home to a racially and economically diverse population. Today, single-family homeownership is no longer the only, or even the best indicator, of neighborhood stability. Longtime residents, be they owners or renters, are themselves a stabilizing force within a community—especially in HPOZs.

HPOZs are home to 3% of Los Angeles population and account for 5% of all long-term residents in the city as a whole. Renters, specifically, are disproportionately longer-term in HPOZs than in the rest of the city. Increasingly, renters are at great risk of displacement from property flipping, rising rents, condominium conversion, demolition, or Ellis Act evictions.

Cultural diversity is a backbone of the city's historic neighborhoods, which are more ethnically, racially, and income diverse than the rest of the city as a whole. Of the thirty-five HPOZs that currently exist, twenty-one have populations where there is a greater share of racial diversity than in the rest of the city. While they cover roughly 8.5 square miles of the city—just 1.8% of the city's land area as a whole—combined, they represent 3% of the population and households. Overall, 54% of residents in HPOZs identify as Latinx.



Adding greater density and preservation are not mutually exclusive. Already HPOZs include some of the densest neighborhoods in Los Angeles. On average, there are 5,300 more people per square mile in the HPOZs than in the rest of the city's residential areas. As much as 69% of housing in HPOZs has more than one unit, with 39% providing five or more units or apartments. This makes historic neighborhoods more accessible to renters and provides a greater range of rents and significantly higher density uses.

Surprisingly, while the majority of parcels in HPOZs are single-family housing, the large number of multi-family housing properties makes it the prevalent type of housing unit in HPOZs. Greater density is also possible in HPOZs, through sensitive infill construction, adaptive reuse, and Accessory Dwelling Units (ADUs). An analysis of HPOZ lot coverage shows that one-third of all single-family properties cover less than 40% of the lot. This represents over 3,400 properties in HPOZs that can accommodate one or more new ADUs.

Preservation makes economic sense, especially as older buildings find new life through rehabilitation and adaptive reuse. Interesting and authentic spaces infused with history, combined with modern-day amenities, prove to be attractive locations for businesses big and small. These types of projects drive the local economy and create jobs during development stages and after tenants move in.

Investing in older neighborhoods is a good return on investment. An analysis of more than 136,000 sales of single-family homes between 2000 and 2016 indicates that property values in HPOZs appreciate at a greater rate than the rest of the city. In the period between 2005 and 2015, the National Register Districts in L.A. which, include many commercial activities, enjoyed a job growth rate nearly three times that of the city as a whole.

Rehabilitating older and historic buildings for new uses is not only cost-effective and good for the environment; it helps generate much-needed housing. Between 1999 and 2019, L.A. created over 12,000 new housing units through adaptive reuse of historic buildings. Incentives including the Mills Act, the Adaptive Reuse Ordinance, and the federal and state rehabilitation historic tax credits make preservation even more competitive when compared to new construction.

Preservation is inherently green. Nevertheless, the current default in most American cities is to demolish what exists and build new, calling it green. The demolition of a 2,000 square foot house in L.A. generates 295 cubic yards of debris, weighing eighty-four tons. This study found that it takes ten to eighty years for a new building built 30% more efficient than an average-performing existing building to make up for the negative climate change impacts related to the demolition and construction process. While recycling building materials helps, reuse is fundamentally better as it keeps building materials out of the waste stream, preserves embodied energy, and creates less air and water pollution.

The Los Angeles Conservancy commissioned this study to better understand how historic preservation contributes quantitatively and qualitatively, to the city's economic, social, and environmental present and future. **From this report, it is clear that preservation plays a positive role in promoting stable neighborhoods, protecting existing affordable housing, and meeting new housing and creative office needs.** It shows that historic preservation does not impede growth or development; it upholds thoughtful strategies that do not sacrifice the city's invaluable historic resources. As the city looks to its future, viable solutions and opportunities provided by historic preservation should be considered. To view the full study, please visit laconservancy.org/preservation-positive.

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LOS ANGELES
CONSERVANCY

ABOUT THE LOS ANGELES CONSERVANCY

The Los Angeles Conservancy is a nonprofit membership organization that works through education and advocacy to recognize, preserve, and revitalize the historic architectural and cultural resources of Los Angeles County. What began as a volunteer group in 1978 now has the largest membership of any local preservation organization in the U.S. For more information, please visit laconservancy.org.



ABOUT PLACEECONOMICS

PlaceEconomics is a private sector firm with over thirty years' experience in the thorough and robust analysis of the economic impacts of historic preservation. They conduct studies, surveys, and workshops in cities and states across the country that are addressing issues of downtown, neighborhood, and commercial district revitalization and the reuse of historic buildings. For more information, please visit placeeconomics.com.

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