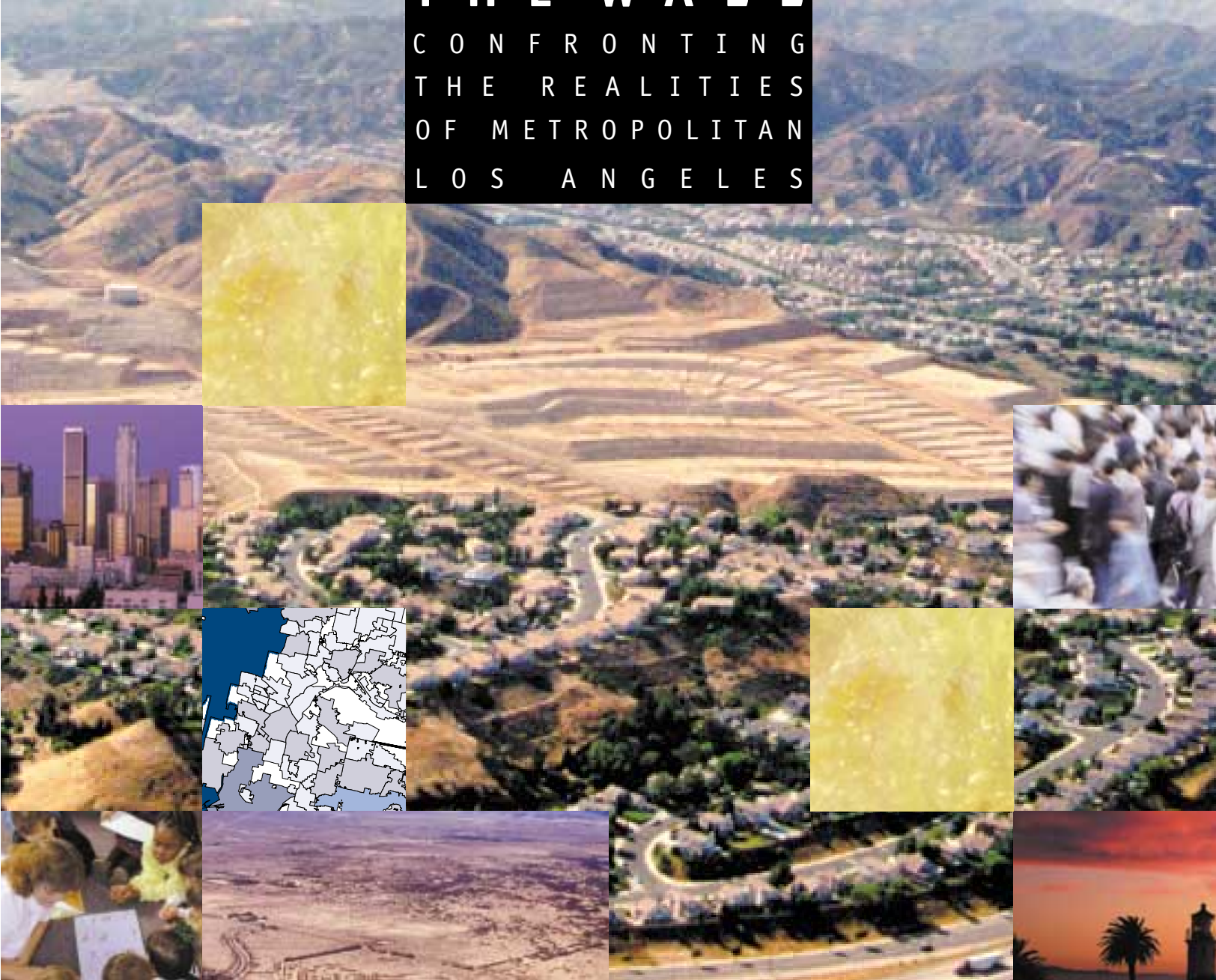




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# SPRAWL HITS THE WALL

## Confronting the Realities of Metropolitan Los Angeles

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#### **Note on Administrative Definitions**

In this report, the term “Metropolitan Los Angeles” is used to refer to a five-county area, including Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties. The term “region” also refers to this five-county area. Individual municipalities and neighborhoods are referred to by specific names, such as City of Los Angeles, Boyle Heights, Covina, etc.



# PREFACE

For more than a century, Los Angeles has been regarded as an exception to the rules governing American urban growth. Starting out as a region with little or no apparent urban potential, Southern California has grown with remarkable speed into one of the world's most important metropolitan areas. At the beginning of the 21st Century, the region faces new challenges that inevitably accompany emergence from a short, turbulent metropolitan adolescence. These challenges require a new way of seeing ourselves and our city-region, and fresh ways of working together to confront them.

The Los Angeles metropolitan region originally emerged as a series of decentralized and self-contained towns, each with its own complement of housing, jobs, and shopping. The outlying counties grew to prominence by deliberately establishing identities separate from Los Angeles proper. The region's almost 200 individual cities likewise sought to serve their residents by viewing themselves locally, even parochially, rather than as part of some larger whole. Historically, then, the entire region was built on a kind of "suburban" assumption: that individuals and communities could best thrive by creating multiple, discrete centers of political, economic and social life, rather than focusing on a single dominant core (as happened in most other American cities).

These assumptions no longer hold true. All indicators suggest that the suburban idyll in metropolitan Los Angeles is long past. New communities are still being built on the metropolitan fringe, but little land or natural resources remain for more outward expansion. Most people live in existing urban areas that are aging rapidly and densifying. Many neighborhoods, old and new, are quickly stratifying in ways that increase the separation of affluent and poor residents. And as previously separate communities abut and coalesce, the need for collaborative political approaches to the problems of an emerging world city becomes paramount.

In 1998, the Southern California Studies Center of the University of Southern California began a two-year investigation into the problems and opportunities facing the region. With generous support from The James Irvine Foundation, a group of researchers and practitioners committed themselves to diagnosing the health of the region, and opening up a conversation about our future.

As this work unfolded, we also entered into a collaboration with The Brookings Institution Center on Urban and Metropolitan Policy, a national research organization committed to understanding and responding to the complex mix of issues that confront cities and metropolitan areas. The Southern California Studies Center joined a nation-wide project with scholars from other major cities, convened by Brookings, to examine the role of government policies in shaping metropolitan growth and development trends. The findings in this report have been informed by that national network, and will be incorporated into a separate book to be published by The Brookings Institution Press.

Our hope is that *Sprawl Hits the Wall* will contribute to emerging local, regional, and national debates about our urban future. What happens in Los Angeles affects the turn of events throughout the world, just as global events have an impact on LA's neighborhoods. We must be careful to protect those qualities that for more than two centuries have made Southern California the destination of choice for millions of immigrants; yet at the same time, we cannot afford to squander the opportunities opening up to a world city of the 21st century. As a consequence, we face some tough challenges and choices, which are spelled out very directly in this document. We need to grow smarter, grow together, grow greener, and grow more civic-mindedly. This report spells out why these actions are necessary, and begins a conversation about how we may achieve those goals.

Michael Dear  
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# ACKNOWLEDGEMENTS

To paint this portrait of present-day Metropolitan Los Angeles, the Southern California Studies Center of the University of Southern California drew upon an enormous body of research that has emerged during recent years, and involved a large number of people in producing new knowledge about our region. We are deeply indebted to countless individuals who assisted in this project, and offer our heartfelt thanks to the following collaborators.

Above all, this report is the product of over two years' work by more than a score of researchers at seven universities in Southern California, as well as at The Brookings Institution Center on Urban and Metropolitan Policy in Washington, D.C., and at the Solimar Research Group of Ventura, California. A complete listing of the members of this project is given on page iv. Many experts, advocates, and professionals in the region also read and commented upon various drafts of the report at different stages of the work.

This work was made possible by a generous grant from The James Irvine Foundation to the Southern California Studies Center (SC2) at the University of Southern California. Michael Dear, SC2 Director, was overall coordinator of the project. Special thanks are extended to Dennis Collins, Nick Bollman, Kim Belshé, and Bob Shireman of The Irvine Foundation.

The project research team responsible for the report was led by Jennifer Wolch, Professor of Geography at the University of Southern California, along with Manuel Pastor Jr., Professor of Latin American and Latino Studies at the University of California, Santa Cruz, and Peter Dreier, E.P. Clapp Distinguished Professor of Politics at Occidental College. Post-doctoral Associate Pascale Joassart-Marcelli provided superior analytic support to the project.

The enormous responsibility for synthesizing these multiple sources and writing this report fell principally upon William Fulton, Senior Research Fellow at USC's Southern California Studies Center, and President of Solimar Research Group.

Graphics in this report were prepared by Alicia Harrison (Solimar Research Group), and Dallas Dishman (SC2), with the support of Alejandro Alonso. Additional assistance was provided by Yan Xu, Joseph Kamholz, Falan Guan, and Julie Park, of USC's Geographic Information Systems Research Laboratory (John Wilson, Director).

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Katherine Perez, *Southern California Transportation & Land Use Coalition*  
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*Disclaimer: Given the enormous range of contributions to this work, it is more than usually important to emphasize that the views expressed in this report are solely those of SC2, and do not necessarily reflect those of any collaborators.*

## Mission Statement

The Southern California Studies Center / SC2 is a nonpartisan, multidisciplinary research and educational organization that mobilizes the intellectual resources of the University of Southern California to illuminate the distinctive characteristics and dynamics of Southern California, and to foster collaborative dialogue in confronting the challenges and opportunities facing the region.

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# 1. EXECUTIVE SUMMARY

*During the suburban era—between the 1950s and the 1970s—Los Angeles gained a reputation as the archetypal suburban metropolis. Fueled by the defense and entertainment industries and by a good deal of traditional unionized manufacturing, metropolitan L.A. created an unparalleled middle-class economy. With the construction of the freeway system and the rise of production homebuilding, the region became the capital of suburbia, transforming such outlying areas as Orange County and the San Fernando Valley into classic postwar suburban communities.*

The Los Angeles region is still spatially organized around the assumptions of the suburban era: that it serves a middle-class suburban population engaged in a middle-class suburban economy; that the supply of buildable land is practically unlimited; and, following from the first two assumptions, that the region's middle-class and wealthy residents can simply move away—always outward—from “urban-style” problems. But this is no longer the reality of the region.

This report is an attempt to take a clear-eyed look at metropolitan Los Angeles's new reality. It seeks not to portray the Los Angeles of history or the Los Angeles of popular perception, but the five-county region today as it really exists—a rapidly changing and immensely complicated metropolitan region with an emerging set of challenges that must be dealt with now if the region is to maintain both livability and prosperity in the future.

Thus, we hope that readers of this report will not just be better-informed, but act on this information. If metropolitan Los Angeles is going to overcome its challenges and grow differently, the list of necessary actors is long: community groups, local leaders, elected officials and business leaders in Ventura, Los Angeles, Orange, Riverside, and San Bernardino counties, as well as state officials and decision-makers in Sacramento and Washington D.C.



1 SPRAWL HAS HIT THE WALL IN THE  
 LOS ANGELES REGION. THERE IS  
 LIMITED ADDITIONAL LAND ON WHICH TO  
 GROW, AND THERE ARE FEW ADDITIONAL  
 RESOURCES LEFT TO CONSUME.

For more than a century, metropolitan Los Angeles has grown by moving on to “the next valley”. When the coastal plain of Los Angeles was filled up, suburbs were constructed in the San Fernando and San Gabriel Valleys and in Orange County. When those areas were full, new communities sprung up in Ventura County, in northern L.A. County, and in the Inland Empire.

Today, sprawl has hit the wall in metropolitan Los Angeles. Almost all the natural locations for urban development have been consumed, and most of the remaining areas are constrained by government policy. And at the same time, many of the other resources that have helped fuel sprawl in the past—for example, low-cost water supplies and efficient water delivery systems—appear to be exhausted as well. This means that the Los Angeles region will have to accommodate an additional 6 million people in the next 20 years—or “two Chicagos,” as policymakers often say—without additional resources.

Los Angeles and Orange Counties do not have enough developable land to accommodate expected growth in the next 20 years. Outward urban growth still continues on the fringes. But even in these outlying areas, most of the remaining undeveloped land is either too mountainous to accommodate major development or has been reserved by government policies. Most of the region’s land is owned by the federal government. Endangered species preservation efforts are likely to set aside well over a half-million acres of land. Agricultural preservation efforts in Ventura County have set aside 100,000 acres of land that could otherwise have been developed into urban communities.

In areas on the metropolitan fringe where land is available—such as southern Orange County, the Santa Clarita Valley, and the Temecula Valley in Riverside County—some growth is likely to occur. But these are battleground areas. The only part of the region with a large amount of unconstrained land is the high desert, which is environmentally fragile, has the harshest climate in the region, and is located far from most job centers.

Other natural resources required for urban growth, such as water, are dwindling as well. All of the region’s imported water sources are under threat—the Los Angeles aqueduct from the Owens Valley, the State Water Project’s aqueduct from Northern California, and the Metropolitan Water District’s aqueduct from the Colorado River.

All these trends mean that metropolitan Los Angeles must accommodate a continually growing population in the decades ahead, but with less water than is now available, and with little room for outward expansion.



## 2 THE REGION CAN NO LONGER ESCAPE

THE PROBLEMS CREATED BY THE

PATTERNS OF DEVELOPMENT AND

THE SPATIAL ORGANIZATION OF

ACTIVITIES THAT UNDERGIRDS IT.

THESE INCLUDE:

- A DISTRESSED REGIONAL CORE THAT

HAS SPREAD TO ALL OF THE OUTLYING

COUNTIES IN THE REGION;

- AN ENVIRONMENT THAT HAS BEEN

SEVERELY TAXED BY GROWTH, AND

- A GOVERNANCE STRUCTURE THAT

DOES NOT APPEAR ABLE TO MEET

THE REGION'S CHALLENGES.

## THE DISTRESSED REGIONAL CORE

Many older urban areas—areas that are both ethnically and economically mixed—have coalesced to form a large regional core. This core cuts across city and county boundaries. It does not consistently divide coastal areas from inland areas, nor Los Angeles County from neighboring counties, nor cities from suburbs. Broadly speaking this area includes the inland parts of the old coastal plain, stretching from Hollywood all the way to Anaheim, as well as the flat lands of the San Fernando Valley, and the Interstate 10 corridor from downtown L.A. through the San Gabriel Valley all the way to San Bernardino.

This core does contain some of the region's most vibrant communities. Generally speaking, however, it is flatter, older, more racially mixed, and more economically troubled than the rest of the region. This is where the significant changes in the economy and demography of Southern California are seen most strikingly, and hurt the quality of life most dramatically. Specifically, this is where most of the region's growing working poor population lives. Immigration and first-generation births have increased the number of low-skilled workers in the region, and the decline in the middle-class economy has created more low-wage jobs. As a result, having a job does not guarantee rising to the middle-class, but more likely staying in the ranks of the working poor. Furthermore, this part of the region is growing dramatically in population, but housing opportunities in the regional core are stagnant or in decline.

The core is ringed by a series of more affluent foothill and coastal communities—many of them now 30 to 40 years old and adding jobs dramatically even as their population grows slowly. These places are in some ways the mirror image of the core: a slow-growing, but affluent population, and a generous flow of high-paying jobs. Meanwhile, the middle class is being squeezed into the transitional areas between the rich and the poor, or is “leapfrogging” out to the metropolitan fringe where more affordable single-family homes are being constructed.

## THE STRAINED ENVIRONMENT

Perhaps no other major metropolitan area in the United States has had to work so hard to keep nature at bay by ruthlessly channelizing watercourses, suppressing fires, and strengthening structures to withstand earthquakes.

Nevertheless, especially in the last decade, Los Angeles's armature against the natural environment has become strained, and it is unclear how the region will sustain itself against long term natural threats. Natural hazards such as fire, floods, and earthquakes remain real risks for all residents, because of the interconnected ecology between the inland areas and the coast, and between the foothills and the flats. As urban development has reached deeper into natural areas, the threat to plant and animal species has increased.

Meanwhile, the dangers associated with the interrelationship between the urban environment and the natural environment have become more obvious. Water pollution remains an important—and largely untackled—problem for all areas of the region, including inland and coastal areas. The dramatic improvements in the “smog” problem represent a major success story for the region, but the Los Angeles air basin remains one



*Backyard coyote,  
Santa Monica.*

of the most polluted in the nation and it will be very difficult for the region to comply with federal air standards by the target date of 2020.

Furthermore, the cancer risks associated with hazardous air contaminants suggest that major air pollution problems remain. The geography of the region's natural systems, combined with the patterns of the region's industrial pollution, tend to place poor and working-class residents at risk more frequently than middle-class and affluent residents.

### **THE FRAGILE GOVERNANCE STRUCTURE**

The vast majority of metropolitan Los Angeles's residents live inside the boundaries of the region's 177 cities. These municipalities are mostly small to medium sized, with an inevitably parochial view. Even as the region itself becomes more diverse, these municipalities are becoming more segregated by race and by income. They sometimes work together on limited issues of mutual concern, but often fight with one another over attractive tax producers and the adverse impacts of growth and development. The longstanding fiscal inequity among them appears to be getting worse as the result of Proposition 13 and its progeny. Federal revenue flows do not alleviate this inequity; in fact, the federal dollars, while vital to many cities, appear to make the fiscal inequity problem worse.

Finally, the regional institutions that once held the promise of bringing the region's local governments together are themselves crumbling. The state government, which holds the potential to create a "new set of rules" to improve the situation, has been stalled for many years by political gridlock among lobbying groups on issues associated with growth and local government finance. In short, the region's governance structure does not appear capable of a creative and collaborative response to the changing realities of metropolitan Los Angeles.

### **3 THE REGION MUST GROW**

DIFFERENTLY TO ADDRESS ITS

INTERLOCKING CHALLENGES.

IT MUST GROW SMARTER,

GROW GREENER, GROW TOGETHER,

AND GROW MORE CIVIC-MINDED.

### **GROW SMARTER**

It is no longer possible to facilitate growth and prosperity by growing outward. Therefore, it is necessary for the region to begin growing "smarter"—that is, making conscious choices about how land, water, and transportation infrastructure are deployed, so that future growth reinforces existing communities in positive ways and improves our regional patterns rather than destroys them. Most likely, this effort will require:

- Overhauling the state's fiscal system to encourage a healthy balance in communities, including housing and jobs.
- Increasing the supply of affordable housing throughout the region by providing incentives to build housing near centers of population growth and job growth, and by revising state housing law.
- Undertaking a regional effort to alter the physical form of the region's communities—including land conservation on the metropolitan fringe, responsible infill development, and better transportation linkages—so that they reflect the current demographic and economic structure of the region.

### **GROW TOGETHER**

Perhaps the most disheartening part of the Los Angeles story today is the growing regional divide between rich and poor, which manifests itself not only in geographical separation but also in social and economic turmoil throughout the region. But the regional divide need not get worse—and the region's economy could actually grow faster—if a commitment is made to grow together in the following ways:

- Link the working poor to employment opportunities wherever they are through better use of urban land and regional information sharing.
- Invest in older communities and restore neighborhood economies, especially through state and local investments and the investments of the California Public Retirement System.

- Close the income divide through state tax and spending policy by adopting a state Earned Income Tax Credit, by using flexibility in federal programs for the working poor, and by increasing outreach efforts to ensure that the working poor take advantage of these programs.

### **G R O W   G R E E N E R**

The dramatic changes of recent decades have made it clear that metropolitan Los Angeles cannot continue to grow and prosper until it comes to terms with the natural environment in which it is located. The region should take steps to ensure that growth is greener and cleaner as well as smarter. These goals should be combined and built upon to create a regional “growing greener” agenda that citizen groups, businesses, regional agencies, and local governments could all sign on to. The growing greener agenda should include the following steps:

- Combine stormwater runoff programs with ecological restoration of riparian areas and wildlife corridors.
- Stabilize the region’s use of water, energy, and other natural resources.
- Ensure that all communities in the region have equal access to environmental health, open space, and other environmental qualities that currently separate affluent from poor communities.

### **G R O W   M O R E   C I V I C - M I N D E D**

No matter how powerful the region’s ideas for dealing with future growth are, they will not be effectively implemented unless metropolitan Los Angeles overcomes the long-standing deficiencies of its “civic infrastructure”. To meet the regional challenge in metropolitan Los Angeles today—to grow smarter, grow together, and grow greener—civic leaders throughout the region must show the foresight to grow more civic minded in the following ways:

- Improve the basic information the region collects on growth, the environment, and market trends—and the impact of those trends on all parts of the region.
- Create “benchmarking” goals in all three areas described above—growing smarter, growing together, and growing greener—and a system of tracking progress toward those goals.
- Improve the region’s civic infrastructure and initiate a regional dialogue to achieve these goals.

This regional civic dialogue cuts across race, class, geography, and institutional turf, and recognizes the new realities of metropolitan Los Angeles. This dialogue must include government leaders at the local, regional, and state level. But it must also extend beyond them to include major institutional players: community and environmental groups, faith-based institutions, universities, cultural organizations. In order to confront the issues emerging in metropolitan Los Angeles today, a dialogue is needed—plus a consensus—among all major groups that have a stake in the region.





## 2 THE LOS ANGELES REGION:

*More than 16 million people live in metropolitan Los Angeles, making it the second-largest metropolitan area in the United States. These residents live in 177 cities and five counties (Los Angeles, Orange, Riverside, San Bernardino, and Ventura) that cover a vast area—some 35,000 square miles. However, two-thirds of the land in the five-county area is owned by the federal government, most of it in the desert areas of eastern Riverside and San Bernardino Counties. The actual size of the metropolitan area itself is much smaller, but still large in comparison to other American metros—somewhere on the order of 14,000 square miles (see Map 1).*

Los Angeles County contains approximately 90 cities and is home to almost 10 million people, making it the single most populous local government unit in the United States. South of Los Angeles, approximately 3 million people live in Orange County, which is geographically the smallest county in the region. Another 3 million live in the fast-growing “Inland Empire”—Riverside and San Bernardino Counties, which are located to the east of Los Angeles and Orange Counties. Ventura County, located north and west of Los Angeles, is the least populous of the five counties, with approximately 750,000 residents.

Each county is extremely diverse, but each county’s aggregate profile tells an important part of the Los Angeles story. L.A. County still has considerable open land available to the north, but by and large it is a dense, mature, and ethnically mixed urban county containing large portions of the region’s wealth and its poverty. Historically, Orange County had a reputation for being Anglo and affluent, but today it is also quite diverse. Northern Orange County is dense, urban, and multi-ethnic. Central Orange County has become a burgeoning regional job center. Southern Orange County is a still-developing, affluent, and mostly Anglo suburban area.

Riverside and San Bernardino Counties were historically quite mixed in terms of both ethnicity and income—and almost independent of metropolitan Los Angeles. Today, Riverside is the most traditionally suburban county in the region, a center of homebuilding and in many ways a “bedroom” suburb for Orange County. San Bernardino County also has many fast-growing middle-class suburban communities, but it is characterized by a great deal of distress—in fact, it is the second most distressed county in the region after Los Angeles. Many older San Bernardino County communities have lost their base of heavy industry and now struggle with economic and social problems. Ventura County is a generally affluent mixture of older coastal cities and newer inland suburbs, but like all of Southern California it also has pockets of economic and social distress.

Metropolitan Los Angeles is governed not only by five counties but also by 177 cities (see Appendix) and more than 1,100 special districts. Almost 90 percent of the region’s residents live inside cities, but nevertheless some 1.6 million people live in unincorporated county territory. Special districts provide specific services such as water, sewer, or fire protection. Counties serve as “regional” governments in some respects because they are responsible for welfare, indigent health care, and criminal justice services, and because in metropolitan Los Angeles the counties are extremely large by national standards. The City of Los Angeles also serves as a “regional” government in some respects. The city is almost 500 square miles in size and includes a wide variety of neighborhoods in it, ranging from areas of hard-core poverty to areas of suburban affluence. It is not geographically



# A BRIEF DESCRIPTION

## Profile of the Region

### Demographics

POPULATION	1980	1990	2000
Los Angeles	7,477,421	8,863,052	9,884,300
Orange	1,932,708	2,410,668	2,828,400
Riverside	663,199	1,170,413	1,522,900
San Bernardino	895,016	1,418,380	1,689,300
Ventura	529,174	669,016	756,500
<b>Region</b>	<b>11,497,518</b>	<b>14,531,529</b>	<b>16,681,400</b>

Source: California Department of Finance, Report E-5, City/County Population and Housing Estimates, 1991 -2000, with Census 1990 Report 84 E-4, Population Estimates for California Counties and Cities: January 1, 1976 through January 1, 1980

RACIAL COMPOSITION	1980	1990	2000
<b>Hispanic</b>			
Los Angeles	28%	38%	46%
Orange	15%	24%	30%
Riverside	19%	26%	30%
San Bernardino	19%	27%	33%
Ventura	22%	27%	31%
<b>Region</b>	<b>24%</b>	<b>33%</b>	<b>39%</b>

<b>Anglo</b>			
Los Angeles	53%	41%	32%
Orange	78%	64%	55%
Riverside	74%	64%	59%
San Bernardino	73%	61%	53%
Ventura	73%	66%	60%
<b>Region</b>	<b>61%</b>	<b>50%</b>	<b>42%</b>

<b>Black</b>			
Los Angeles	12%	11%	9%
Orange	1%	2%	2%
Riverside	5%	5%	5%
San Bernardino	5%	8%	9%
Ventura	2%	2%	2%
<b>Region</b>	<b>9%</b>	<b>8%</b>	<b>7%</b>

<b>Asian</b>			
Los Angeles	6%	10%	13%
Orange	5%	10%	13%
Riverside	1.5%	3%	4%
San Bernardino	2%	4%	5%
Ventura	3%	5%	6%
<b>Region</b>	<b>5%</b>	<b>9%</b>	<b>11%</b>

<b>Native American</b>			
Los Angeles	0.5%	0.3%	0.3%
Orange	0.5%	0.4%	0.3%
Riverside	0.9%	0.7%	0.8%
San Bernardino	0.9%	0.7%	0.7%
Ventura	0.7%	0.5%	0.5%
<b>Region</b>	<b>0.6%</b>	<b>0.4%</b>	<b>0.4%</b>

Source: State of California, Department of Finance, Race/Ethnic Population with Age and Sex Detail, 1970 - 2040. Sacramento, CA, December 1998.

### Economics

JOBS CREATED	1983-90	1990-98
Los Angeles	597,700	195,800
Orange	300,600	126,900
Riverside	No Data	88,700
San Bernardino	No Data	72,000
Ventura	65,900	22,900
<b>Region</b>	<b>964,200</b>	<b>114,700</b>

Source: EDD data

HOUSEHOLD INCOME	1980	1990	1995
Los Angeles	\$17,551	\$34,965	\$33,828
Orange	\$22,557	\$45,922	\$48,701
Riverside	\$16,037	\$33,081	\$36,189
San Bernardino	\$17,463	\$33,443	\$35,725
Ventura	\$21,236	\$45,612	\$46,955
<b>Region</b>	<b>\$18,730</b>	<b>\$37,302</b>	<b>\$37,314</b>

Source: 1980 and 1990 Census (STF3), 1995 CPS Estimates

POVERTY RATE	1980	1990	1998*
Los Angeles	13.4%	15.1%	19.6%
Orange	7.3%	8.5%	8.6%
Riverside/San Bernardino	11.2%	12.2%	15.7%
Ventura	8.0%	7.3%	6.4%
<b>Region</b>	<b>11.8%</b>	<b>13.1%</b>	<b>16.5%</b>

Source: 1980 and 1990 Census (STF3), CPS, \*1998 represents 1997 and 1999 CPS combined

UNEMPLOYMENT RATE	1983	1990	1999
Los Angeles	9.7%	5.9%	5.9%
Orange	7.1%	3.5%	2.7%
Riverside	No Data	7.0%	5.5%
San Bernardino	No Data	5.5%	4.8%
Ventura	9.3%	5.7%	4.8%
<b>Region</b>	<b>9.2%*</b>	<b>5.5%</b>	<b>5.1%</b>

Source: EDD data. \* Riverside and San Bernardino excluded

BUILDING PERMITS	1980-1989	1990-1999
Los Angeles	409,667	121,315
Orange	166,594	96,646
Riverside	170,383	100,207
San Bernardino	171,470	65,587
Ventura	44,436	24,821
<b>Region</b>	<b>962,550</b>	<b>408,576</b>

Source: Construction Industry Research Board

*Hollywood sign  
with San Fernando  
Valley beyond.*



HOLLYWOOD

cohesive, as it includes the San Fernando Valley and the port areas of Wilmington and San Pedro but excludes many working poor and working-class suburbs located adjacent to it in the coastal plain. About 20 percent of the region's population lives in the City of Los Angeles.

Over the past century, the modern Los Angeles metropolis has been created on a vast and varied physical canvas, which has created a complicated and subtle set of geographical patterns.

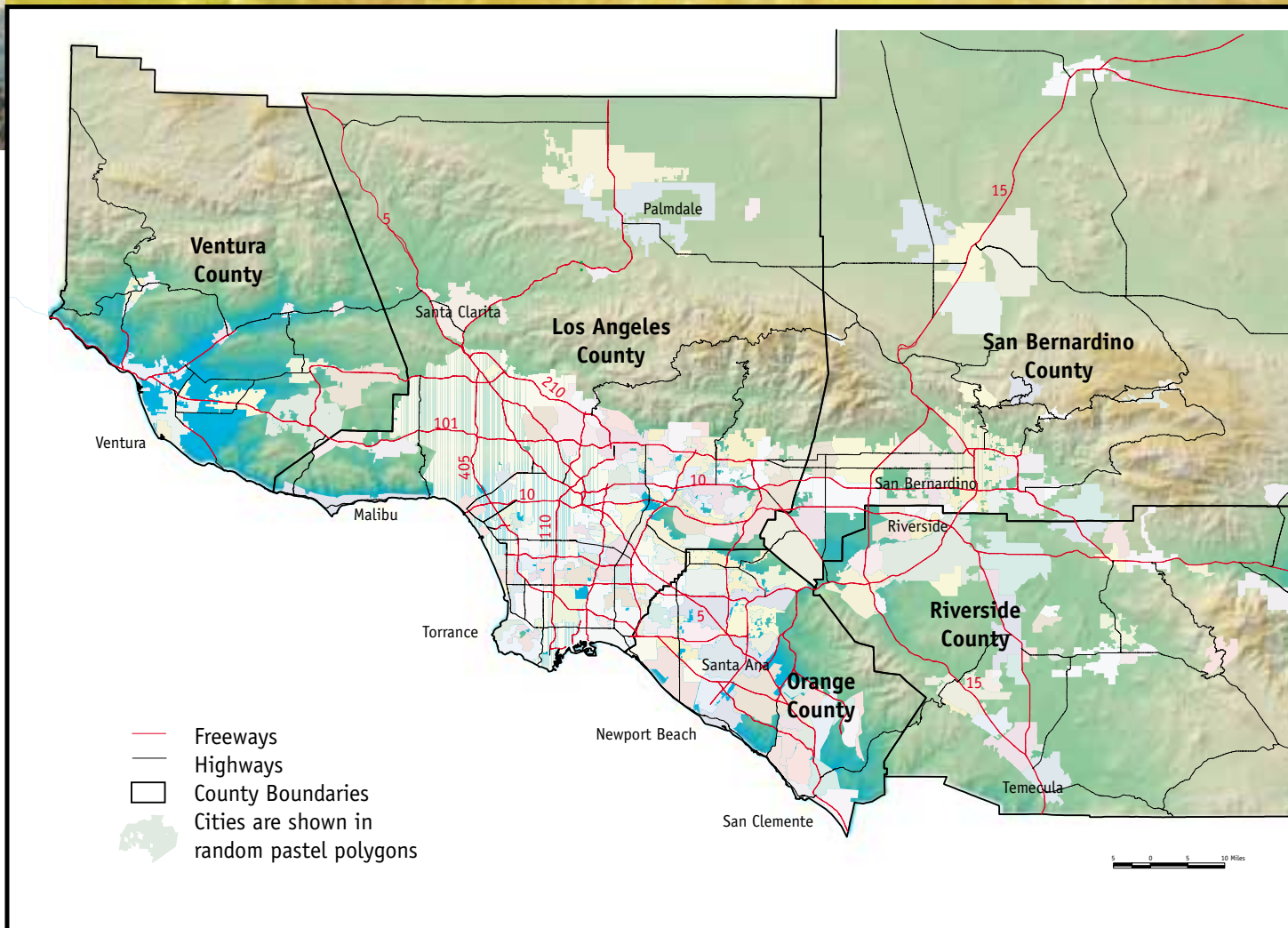
The biggest piece of the canvas—and the oldest and densest part of the urban area—is the large coastal plain that stretches from the ocean some forty miles inland, and from the Hollywood Hills south some fifty miles deep into Orange County. It encompasses most of the modern-day city of Los Angeles, plus the small cities along the ocean from Santa Monica to Newport Beach, as well as a string of inland cities along the Los Angeles and San Gabriel Rivers all the way from Huntington Park to Anaheim. It was along the lowlands of the Los Angeles River that most of L.A.'s heavy industry developed in the 1920s, and the coastal plain originally served as fertile agricultural soil that helped make both L.A. and Orange Counties major farm counties in the 20th century.

The rest of the region is shut off from this coastal plain (and from the temperate ocean breezes) by a series of mountain ranges. To the north of the coastal plain lies the San Fernando Valley, forty miles long and up to fifteen miles wide in some places, which has been part of the City of Los Angeles for almost ninety years. The San Fernando Valley is itself surrounded by a series of smaller valleys that have bred such cities as Thousand Oaks and Santa Clarita. To the east is the San Gabriel Valley, home to a varied group of older and smaller cities. Beyond them—along present-day Interstate 10—lies the San Bernardino Valley, once a capital of citrus ranching and later a center of heavy industry. To the west of Thousand Oaks, along the ocean, lies the "Oxnard Plain," a second coastal plain in Ventura County, north and west of Los Angeles, which still provides half the nation's lemon crop.

To the east of the picturesque mountains that form the backdrop of coastal Orange County lie a separate set of communities in Riverside County—a few of them old and varied, most of them new, but all of them intruding on agricultural operations that are now a century old and on scenic natural areas that contain the widest range of plants and animals found anywhere in the United States. Beyond these interior valleys lie Southern California's deserts. To the north of the San Fernando and San Bernardino Valleys—on the other side of the Angeles National Forest—lies the "high desert," so named because it is approximately 3,500 feet above sea level. Covering two specific geographical areas known as the Antelope Valley and the Victor Valley, the high desert is a vast, flat expanse that represents the last large, unencumbered supply of undeveloped land in Southern California. East of Riverside—past a rugged mountain range—are the hot, dry "low desert" communities such as Palm Springs and Palm Desert, located in an area known as the Coachella Valley.

Over the past hundred years, metropolitan Los Angeles has urbanized in a predictable fashion, beginning on the coastal plains and stretching through the narrow passes to inland population centers. From the beginning, L.A. was a decentralized metropolis, with an extensive rail transportation system (the so-called "Red Car" system) that spurred pockets of urban growth all the way from the ocean to the desert as early as 1910. (The freeway system today follows the basic path of the Red Cars.) This early decentralization did not affect only residential development. From the beginning, L.A. emerged as a series of small, self-contained economic units, with housing, employment, and shopping in close proximity. More than most metropolitan areas, the region still functions this way.

Auto-oriented suburbanization began in the 1920s, and by 1960 had consumed the entire coastal plain and most of the San Fernando and San Gabriel Valleys as well.



**MAP 1: SOUTHERN CALIFORNIA REGIONAL TOPOGRAPHY AND CITY LOCATION, 1999**

*Source: Modified version of an original map produced by the Southern California Association of Governments, 2000*

Suburbanization from the 1970s onward has pushed urban development deep into the secondary interior valleys that ring the metropolis.

Because it developed in a decentralized fashion, metropolitan L.A. has always had a distinctive pattern of wealthy, middle-class, working-class and poor neighborhoods. By and large, the poor and working-class neighborhoods grew up in the flats, especially along the flood-prone lowlands near the rivers. And from the beginning, wealthy enclaves sprung up near the foothills and the coastal areas, where high ground and spectacular views increased property values. Though there were some exceptions, this pattern was repeated all throughout the region as urban growth occurred in decentralized fashion. The affluent Hollywood Hills overlooked working-class Hollywood. Pasadena and Glendale separated into prosperous foothill neighborhoods and poorer communities in the flats. Racially mixed Oxnard lay on the low side of the river from the mostly Anglo hillside town of Ventura. The hilly Palos Verdes peninsula developed as a high-end residential suburb of the gritty port city of Long Beach and other employment centers in the lowlands. The middle class and working-class homeowners often lived in the “middle ground” between the poor lowlands and the wealthy uplands.

This general geographical pattern emerged gradually as metropolitan Los Angeles urbanized (and suburbanized) during the 20th Century. However, more recent trends have begun to alter these patterns somewhat—reaffirming some and changing others.



# 3. THE EMERGING METROPOLITAN REALITY

*During the suburban era—between the 1950s and the 1970s—Los Angeles gained a reputation as the archetypal suburban metropolis. Fueled by the defense and entertainment industries and by a good deal of traditional unionized manufacturing, metropolitan L.A. created an unparalleled middle-class economy. With the construction of the freeway system and the rise of production homebuilding, the region became the capital of suburbia, transforming such outlying areas as Orange County and the San Fernando Valley into classic suburban communities.*

Over the last 20 years, however, metropolitan Los Angeles has changed dramatically, and this suburban ideal has been left far behind. While the population has continued growing, the region as a whole has become far more diverse demographically, and it has undergone an economic restructuring. Most dramatically, many older urban areas—areas that are both ethnically and economically mixed—have glommed together to form a large regional core.

This core cuts across many seemingly logical boundaries. It does not consistently divide coastal areas from inland areas, nor does it divide cities and suburbs. And it is not limited to Los Angeles County. Broadly speaking it includes the inland parts of the old coastal plain, stretching from Hollywood all the way to Anaheim, as well as the flat parts of the San Fernando Valley, and the Interstate 10 corridor from downtown L.A. through the San Gabriel Valley all the way to San Bernardino.

Though there are some exceptions<sup>1</sup>, generally speaking this area is flatter, older, more racially mixed, and more economically troubled than the rest of the region. It is where most of the region's working poor residents live. It is ringed by a series of more affluent foothill and coastal communities—many of them now 30 to 40 years old and adding jobs dramatically even as their population grows slowly. Meanwhile, the middle class is being squeezed into the transitional areas between the rich and the poor, or is "leapfrogging" out to the metropolitan fringe where modest single-family homes are being constructed.

This pattern can best be described in detail by examining four different aspects of the region's change in recent years. In our view, these topics represent not only the best way to describe the region, but also the best way to understand the impact that regional patterns have had on the lives of its residents, as well as opportunities to create a better vision for the future.

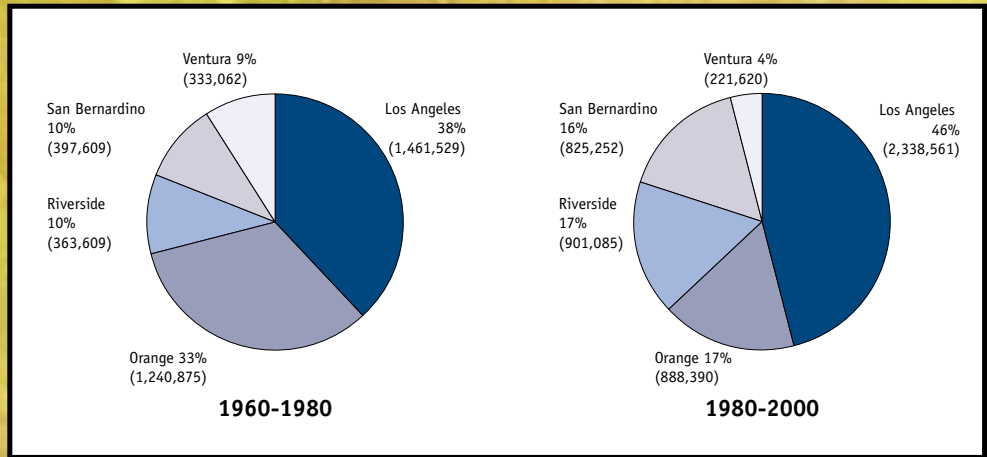
These four topics are:

- Population Growth and Demographic Change
- Economic and Social Trends
- Land and Natural Resources
- Governance and Fiscal Resources

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<sup>1</sup> A few communities in what we have characterized as the "core" are, in fact, pockets of affluence. Others are tax-rich even if their residents have modest incomes. Furthermore, there are outlying pockets in other parts of the region, including Ventura County and the Coachella Valley, where communities of distress are also located—usually adjacent to communities of affluence. These communities of distress share the same characteristics as the communities in the "core".





**CHART 1: POPULATION GROWTH BY COUNTY, 1960–80 AND 1980–2000**

Source: State of California, Department of Finance, *Race/Ethnic Population with Age and Sex Detail, 1970–2000*. Sacramento, CA, December 1998. State of California, Department of Finance, *Historical Census Population of California State and Counties, 1850–1990*

## Population Growth and Demographic Change

1 THE REGION'S POPULATION IS GROWING ALMOST AS QUICKLY IN ESTABLISHED URBAN AREAS AS IT IS IN NEWLY DEVELOPING AREAS.

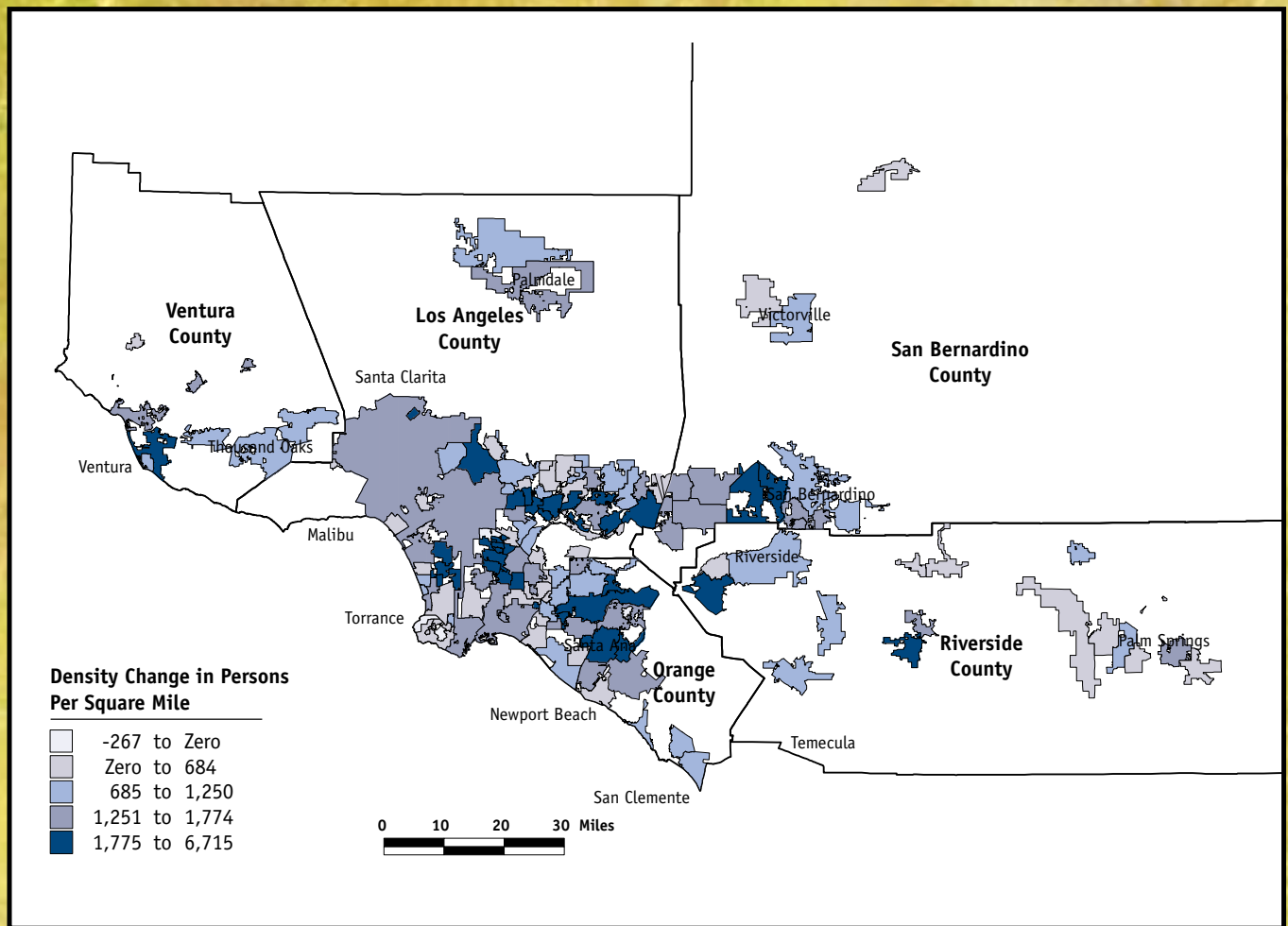
Perhaps for the first time in metropolitan Los Angeles's history, much of the growth in population—200,000 to 300,000 people per year—is occurring in existing urban areas rather than on the metropolitan fringe.

It is true that some of the biggest population increases—both in raw numbers and in percentage terms—have occurred in the rapidly suburbanizing areas on the edge of the region, including Riverside County, southern Orange County, and the Antelope and Victor Valleys. But in the last 20 years, about 40 percent of the region's population growth—more than 2 million people—has occurred in older parts of the region that have virtually no "raw" land.

This is a reversal of the postwar suburban trend. As Chart 1 shows, between 1960 and 1980, as the close-in suburbs expanded, Orange County and Ventura County combined accounted for more population growth (1.6 million people) than Los Angeles County (about 1.5 million). The Inland Empire accounted for only a small part of the region's growth, about 750,000 people.

Since 1980, however, there has been a dramatic change. Los Angeles County has added more than 2.3 million people, accounting for almost half the region's population growth. The Inland Empire has added 1.7 million people, more than double the amount of the previous 20 years. And Orange and Ventura Counties—the older, close-in suburbs—added the least population, only about 1 million people.

Another way to examine this changing growth dynamic is to look at the population growth in a broad swath of older communities. Approximately half the people in the metropolitan area still live in a large portion of the region that is predominantly older, more densely populated, and more ethnically and economically mixed—an area that includes the City of Los Angeles and 43 small cities in the San Gabriel Valley, southeastern Los Angeles County, and northern Orange County.



**MAP 2: CHANGE IN POPULATION DENSITY BY CITY IN SOUTHERN CALIFORNIA BETWEEN 1980 AND 1998**

Source: 1998 Department of Finance and 1980 Census, STF1 Data

These cities were mostly built out as of 1980, but over the past twenty years they have added 2 million people to their population. Furthermore, their share of the region's population growth has increased over time, from only about one-third in the 1970s to 40 percent in the 1980s and '90s. This trend is reflected vividly in Map 2, which shows increases in population density by city between 1980 and 1998.

The areas adding the most density during this period were primarily located in this core of older communities, especially those located in the San Gabriel Valley, southern Los Angeles County, and northern Orange County. In large part, these increases result from rising household size rather than new housing construction. Between 1990 and 2000, household size in the region grew from about 2.9 persons per household to about 3.1 persons per household, an increase of approximately 7 percent.

**2** FOR THE FIRST TIME EVER, THE REGION IS GROWING MOSTLY BECAUSE OF "NATURAL INCREASE," RATHER THAN MIGRATION FROM OTHER STATES OR OTHER NATIONS.

The popular perception is that metropolitan Los Angeles grows because people flock here from other parts of the country and the world. While this has been true for most of Los Angeles's history, it is not true today. Most of the region's population growth is now due to "natural increase"—an excess of births over deaths—rather than migration from other states or other nations. This has been true for much of the region since the mid 1980s, but now it is true for every county.

Between 1990 and 1998, Los Angeles County actually saw a net out-migration of more than 200,000 people, but this was more than made up for by the fact that the county's natural increase was approximately 1 million people, or more than 120,000 persons per year. (The greatest outmigrations took place in the years 1993-96—the years following the

civil unrest and the recession—but even in recent years net in-migration has been swamped by natural increase.)

The figures for the outlying counties are less dramatic but show the same trend. Even in Riverside County—the fastest-growing county and the one that most resembles Los Angeles in its “suburban heyday”—net migration only slightly exceeded natural increase, and most of that migration was likely from Los Angeles and Orange Counties.

**3 METROPOLITAN LOS ANGELES HAS  
BECOME FAR MORE ETHNICALLY DIVERSE  
IN THE LAST 20 YEARS.**

Metropolitan Los Angeles has always had some ethnic diversity, but this pattern has increased dramatically in recent decades. In 1980, metropolitan Los Angeles was home to 7 million Anglos and 4 million residents of other racial and ethnic backgrounds, including 2.8 million Latinos and 570,000 Asians. Today, metropolitan Los Angeles is home to 7 million Anglos and 9 million residents of other racial and ethnic backgrounds, including 6.5 million Latinos and 1.8 million Asians. In other words, during the last 20 years, the Anglo population has remained the same, while the Latino population has more than doubled and the Asian population has tripled. Meanwhile, the African-American population has grown more slowly than the overall population and now represents only 7 percent of the region’s population (compared to 11 percent for Asians).

**4 THIS ETHNIC DIVERSITY IS  
SPREADING TO ALL PARTS OF THE  
REGION, BUT A PATTERN OF ETHNIC  
ENCLAVES IS EMERGING.**

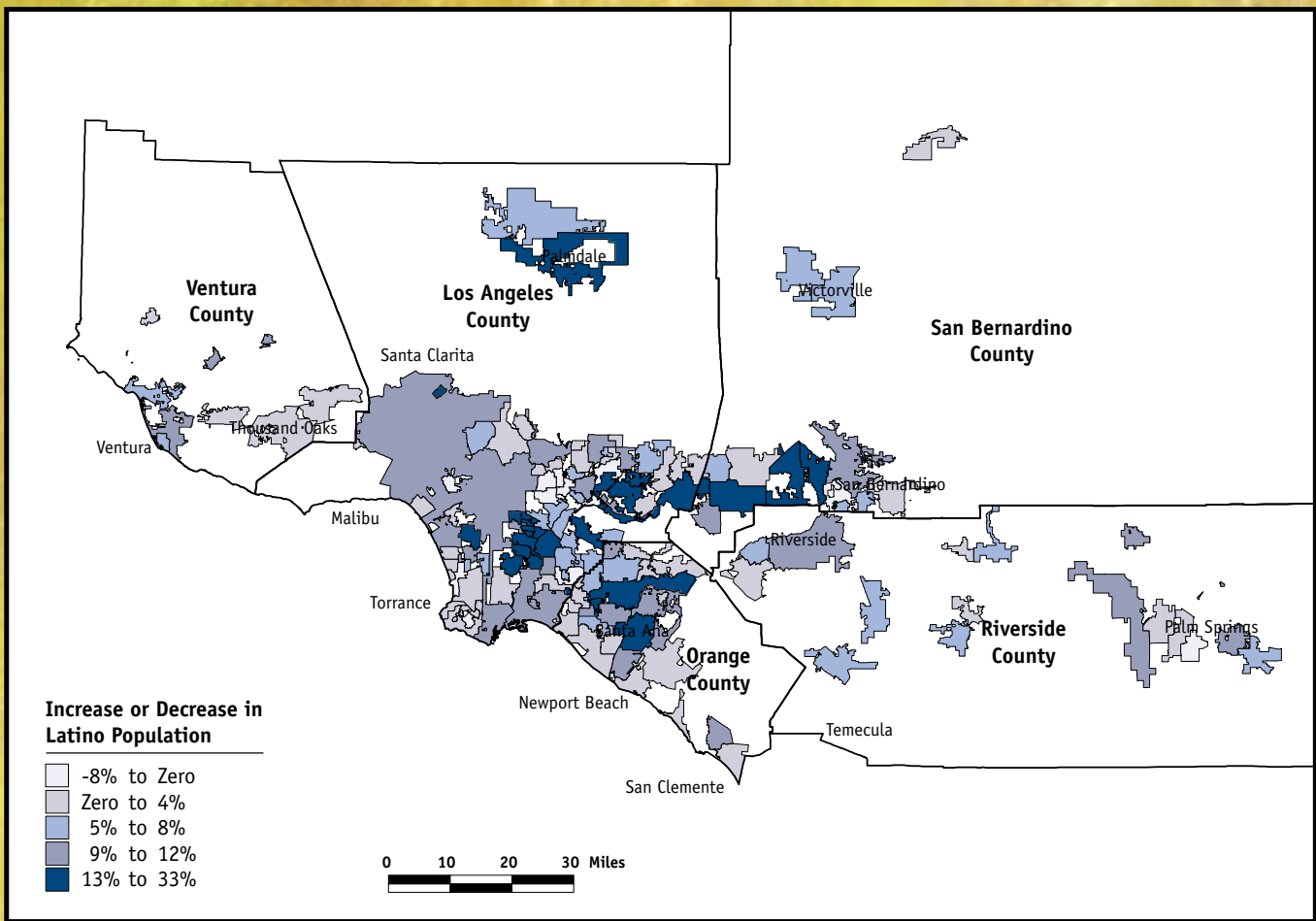
Much demographic change in the last 20 years has occurred in Los Angeles County, which has added 2.4 million Latinos, 800,000 Asians, and 200,000 African-Americans while losing 800,000 Anglos. But the outlying counties, too, have undergone considerable demographic adjustment. In 1980, Anglos made up more than 70 percent of the population in each of the four outlying counties. Today they represent little more than a bare majority in all these counties.

Over time, each of the outlying counties has taken on a particular character. Despite its sharp sub-county distinctions, Orange County in the aggregate has become the most like L.A. County in its demographic characteristics. The Anglo population has leveled off, while the Latino and Asian populations have grown rapidly. Riverside County has added the most Anglo population during this period, while San Bernardino is now the fastest-growing part of the region for African-Americans. African-American population there doubled between 1980 and 2000, while growing only 17 percent in the region as a whole.

At the municipal level, the 1990 Census recorded a dramatic increase in the Latino population in older cities in the San Gabriel Valley, the San Bernardino Valley, southeastern L.A. County, and northern Orange County—virtually the same older areas where overall population growth has been strong (Map 3).

Foreign immigrants are moving to the outer counties in record numbers. As Map 4 reveals, many immigrants arriving in the Los Angeles area between 1990 and 1996 settled





**MAP 3: PERCENT CHANGE IN LATINO POPULATION BY CITY IN SOUTHERN CALIFORNIA CITIES BETWEEN 1980-1990**

Source: 1980 and 1990 US Census, STF1 Data

in the core of the region in concentrated fashion, but growing numbers chose outlying locations—including some of the job-rich areas in the suburbs. Irvine, for example, appears to be one of the leading settlement locations for immigrants, perhaps due to the concentration of high-tech employment there. Furthermore, after 1993 immigrants appeared to concentrate less in traditional “core” locations—such as Hollywood/Los Feliz in Los Angeles—and increasingly chose outlying locations, especially in Riverside County.

The 2000 Census will likely show greater diversity in outlying areas, but may also reveal increasing segregation at the municipal level. Many older cities, especially in southern Los Angeles County, attained a Latino majority in 1980. These same cities had become decisively Latino by 1990 and are likely to show almost a 100 percent Latino population in the 2000 Census. At the same time, the mostly Anglo population in newly developing suburbs has been creating many new municipalities. In the past 20 years, more than 30 new cities have incorporated in the region. All but one had overwhelmingly Anglo populations. Furthermore, considerable additional research suggests that the population is extremely segregated by race and ethnicity at the neighborhood level, even compared with other metropolitan areas.

In short, even as the metropolitan area is rapidly diversifying, it is also increasingly characterized as a series of ethnic enclaves.

# Social and Economic Trends

1 AFTER THE DEEP RECESSION OF THE EARLY 1990S, THE METROPOLITAN LOS ANGELES ECONOMY HAS REBOUNDED.

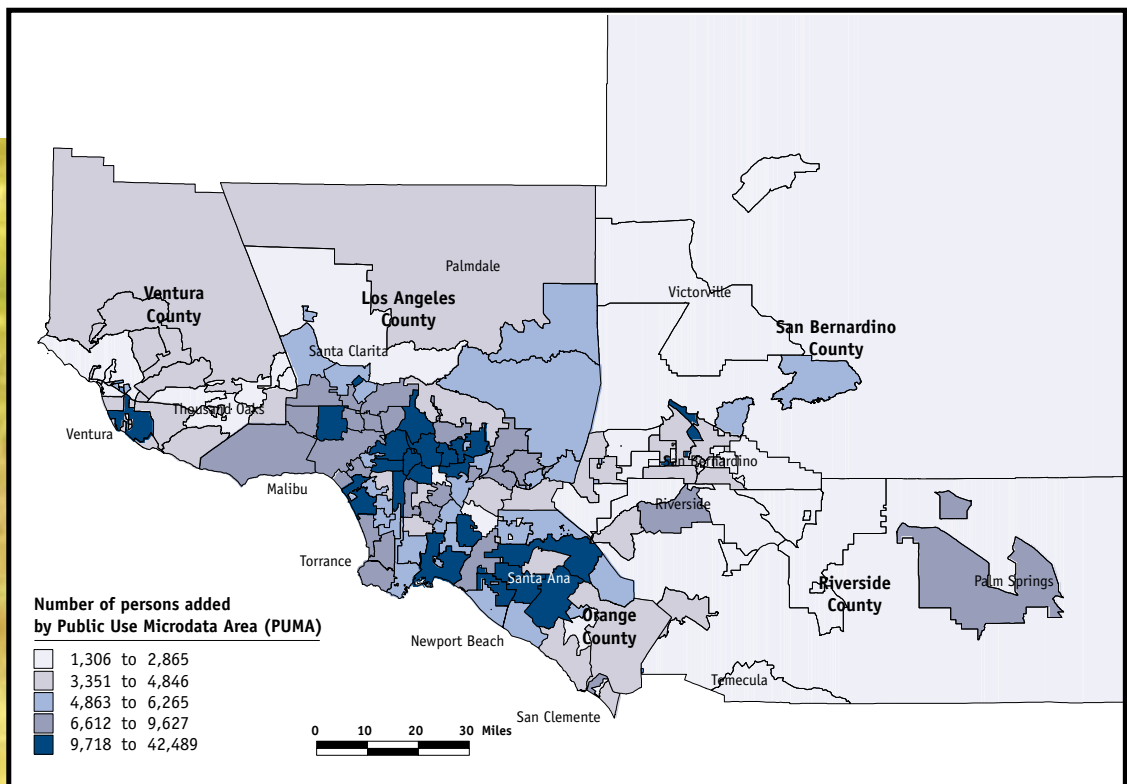
**THE ECONOMY AND PUBLIC INFRASTRUCTURE**  
 The region today contains approximately 6.5 million jobs, making it one of the largest metropolitan economies in the United States. Between 1990 and 1994, the region lost 440,000 jobs, or approximately 7 percent of its jobs base. All of this job loss occurred in L.A. County (an 11 percent drop) and Orange County (a 4 percent drop). (Map 5 shows the spatial distribution of jobs in 1990, while Map 6 shows how that spatial distribution changed between 1990 and 1994.)

Between 1994 and 1998, the region added approximately 550,000 jobs, a 9.5 percent increase. As Chart 2 shows, all counties made strong gains between 1994 and 1998, though Los Angeles County still had not returned to its 1990 level.

2 REGIONAL JOB GROWTH IS CONCENTRATED IN SELECTED HIGH-PAYING AND LOW-PAYING SECTORS OF THE ECONOMY

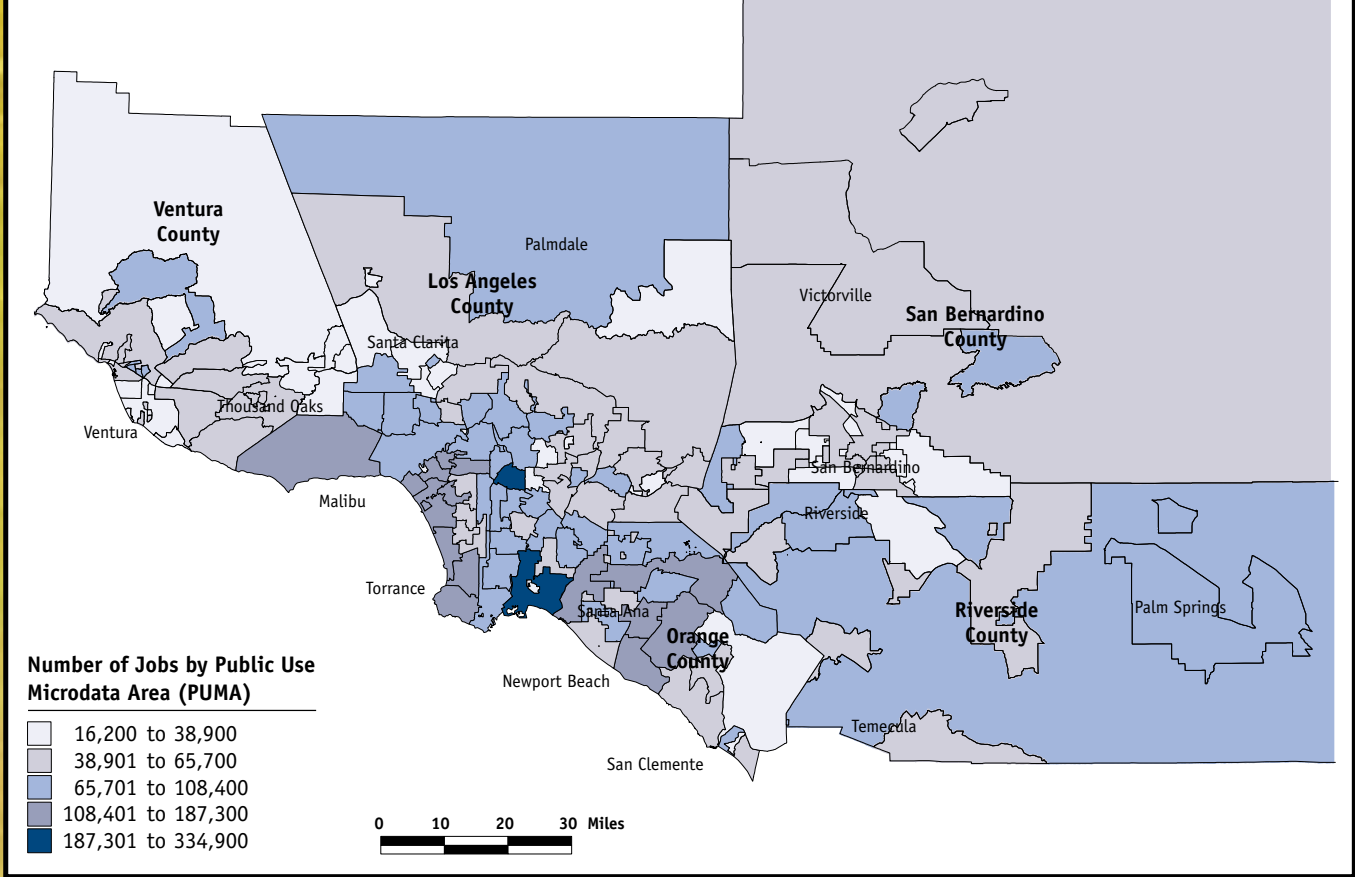
The recession created a restructuring of employment within Southern California, virtually eliminating the defense-dependent portion of the aerospace industry, which had been a major source of middle-class employment in Los Angeles and Orange Counties. In the late 1990s, growth sectors of the economy were concentrated in the high-wage entertainment and high technology sectors and in the low-wage manufacturing, retail sales, and “temporary help” portion of the service sector.

The region has emerged as a center of the high-paying “New Economy” because of its unique combination of high-technology companies (located in suburban locations such as Irvine and Thousand Oaks) and entertainment and related “content” companies (located mostly in Burbank, the San Fernando Valley, and Los Angeles’s Westside). As Chart 3 shows, professional services increased from 21 percent of employment in 1990 to 26 percent in 1998.



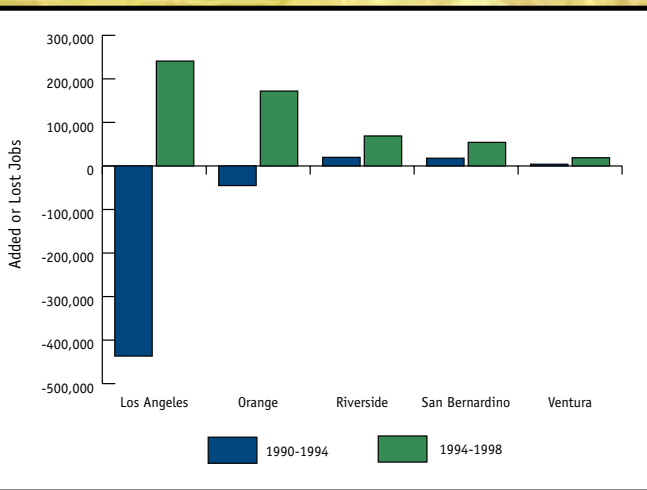
**MAP 4: ARRIVALS OF NEW LEGAL PERMANENT RESIDENTS (LPRs) IN SOUTHERN CALIFORNIA, 1990–1996**

Source: U.S. Immigration and Naturalization Service, 1990–1996



**MAP 5: NUMBER OF JOBS IN SOUTHERN CALIFORNIA, 1990**

Source: Southern California Association of Governments

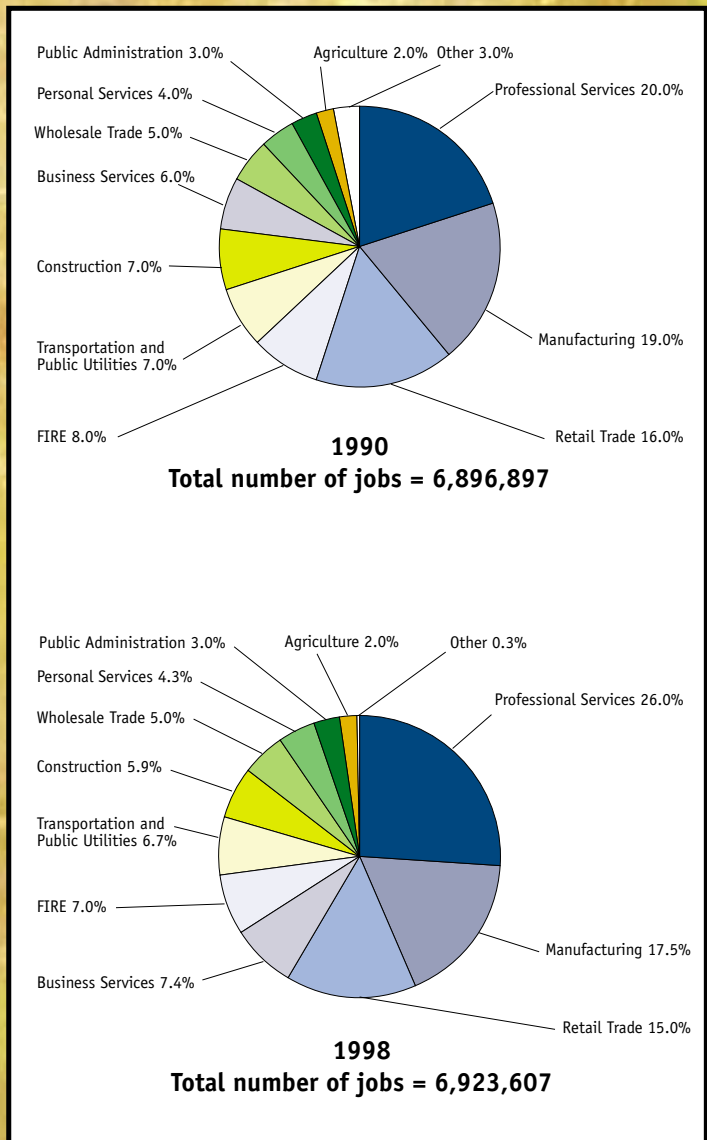



**CHART 2: CHANGE IN THE NUMBER OF JOBS BY COUNTY, 1990-1994 VS. 1994-1998**

Source: California Employment Development Department

**CHART 3: INDUSTRIAL COMPOSITION OF EMPLOYMENT, SOUTHERN CALIFORNIA, 1990 AND 1998**

Source: 1990 PUMS from A. Scott, in *Ethnic LA (1990)*, 1998 (LPS 1997 and 1999 Combined).





*Near Ontario,  
residential, agricultural,  
and industrial  
land use coalesce.*

At the same time, the region has lost a considerable portion of its traditional strength in manufacturing. Manufacturing now represents 17.5 percent of the employment in the metropolitan area, down from 20 percent in 1990. Many of the remaining manufacturing jobs do not pay high wages. Most unionized industrial plants producing autos, tires, and related products have shut down. By contrast, the growth in manufacturing today comes largely from the garment industry, which is large and thriving but creates mostly low-wage jobs.

The number of temporary jobs also rose much faster than overall job growth. Between 1993 and 1997, as the region was emerging from the recession, the region added 80,000 “temporary help” jobs (part-time or contingent jobs with no benefits)—a 58 percent increase. This was far greater than the region’s 30 percent increase in jobs in business services, the broad labor classification that includes temporary help. In fact, temporary help represented two-thirds of all the job growth in business services during this period.

**3** JOB GROWTH IS NOT OCCURRING IN  
THE SAME GEOGRAPHICAL LOCATIONS  
AS POPULATION GROWTH

At least during the recession period of the early 1990s, older urban areas such as southeastern L.A. County, the San Gabriel Valley, northern Orange County, and parts of the San Fernando Valley were extremely hard-hit with job losses even as they were adding considerable population. Meanwhile, job growth was strongest in mature and affluent suburbs such as Irvine, Thousand Oaks, and Santa Clarita, even though their population growth was fairly slow. A high percentage of Latino and African-American residents were affected by the recession.

An estimate of changes in employment density between 1990 and 1997, compiled by the Southern California Association of Governments, confirms this general trend. Job losses were greatest in central and southern Los Angeles County and the San Fernando Valley (as well as some parts of the Westside). In addition, heavy job losses were experienced in northern Orange County. The greatest job gains came in the next tier of mature, affluent suburbs, such as central Orange County and eastern Ventura County, as well as some parts of the Inland Empire, especially around San Bernardino.

**4** AS THE REGION’S DEMOGRAPHIC  
AND ECONOMIC PATTERNS CHANGE,  
TRANSPORTATION INFRASTRUCTURE IS  
BECOMING MORE CROWDED.

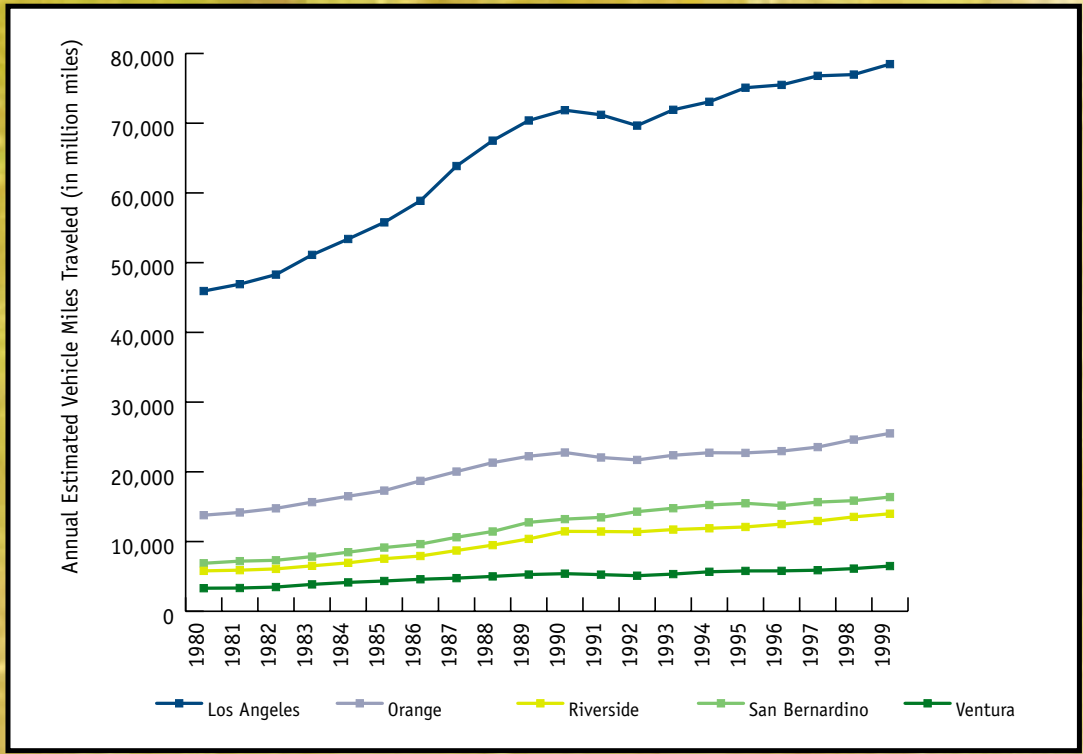
In raw numbers, residents of metropolitan Los Angeles drive more miles than the residents of any other metropolitan area in the United States—approximately 140 million miles per day. The total “vehicle miles traveled” (VMT) in the region almost doubled in the last 20 years—a period during which the population of the region grew by only 44 percent.

As Chart 4 shows, vehicle miles traveled grew more slowly in the 1990s, especially in Los Angeles and Orange Counties. During the 1990s, VMT grew by 9 percent in Los Angeles County (despite the addition of 1 million residents) and 12 percent in Orange County. VMT in the three other counties grew by 20 to 25 percent.

Highway capacity has grown more slowly than VMT. Freeway lane miles increased by 45 percent during the last 20 years. Arterial lane-miles and local road miles grew by only about 20 percent. Los Angeles has the most congested roads in the nation, according to the Texas Transportation Institute<sup>2</sup>. Although the most congested areas are located mostly in the Los Angeles basin, some of them are found in extremely outlying areas, such as the commute path between Riverside and Orange Counties.

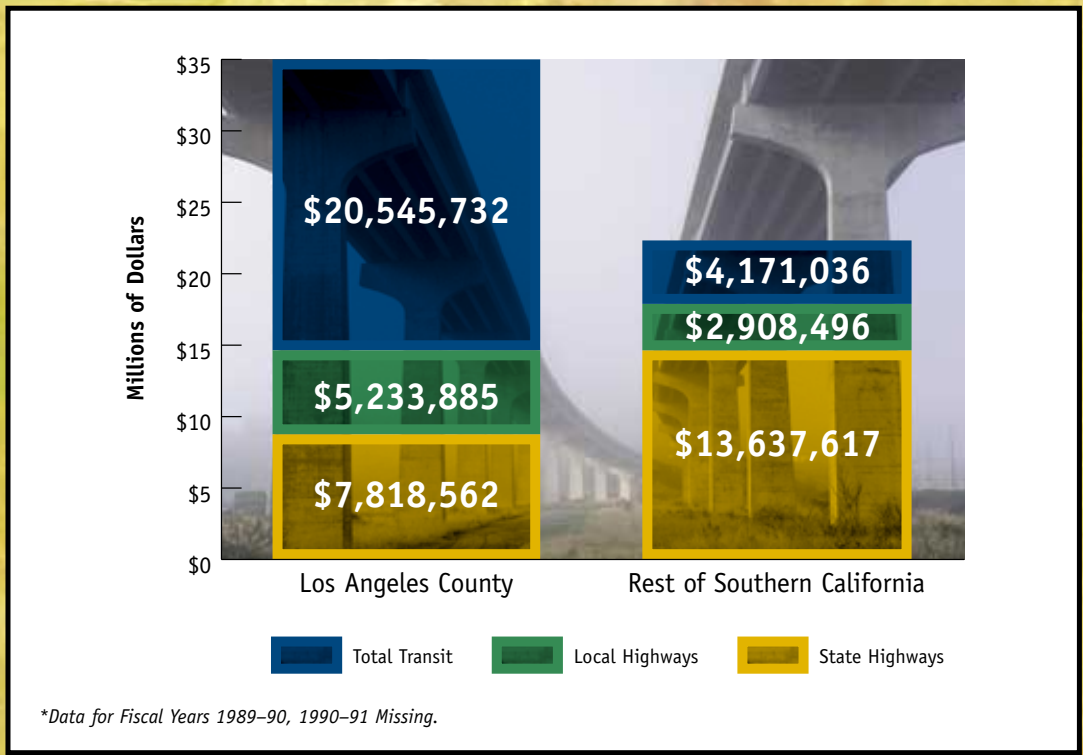
During the past 20 years, Los Angeles County and the rest of the region have adopted different approaches to expanding transportation capacity. From 1982 to 1998, L.A. County has spent heavily on transit, whereas the rest of the region has spent heavily on highways. As Chart 5 shows, L.A. County spent approximately two-thirds of its transportation funding (\$20.5 billion) on transit during this period. The rest of the region spent more than half of its transportation funding (\$13.6 billion) on the highway system.

<sup>2</sup> The Riverside-San Bernardino area is calculated separately by TTI, and ranked 10th in congestion. Most of the statistics in this section combine TTI numbers for the two components of the region.



**CHART 4: ANNUAL VEHICLE MILES TRAVELED (VMT) ESTIMATES BY COUNTY, 1980 TO 1999 (IN MILLION MILES)**

Source: California Department of Transportation, Transportation System Information Program

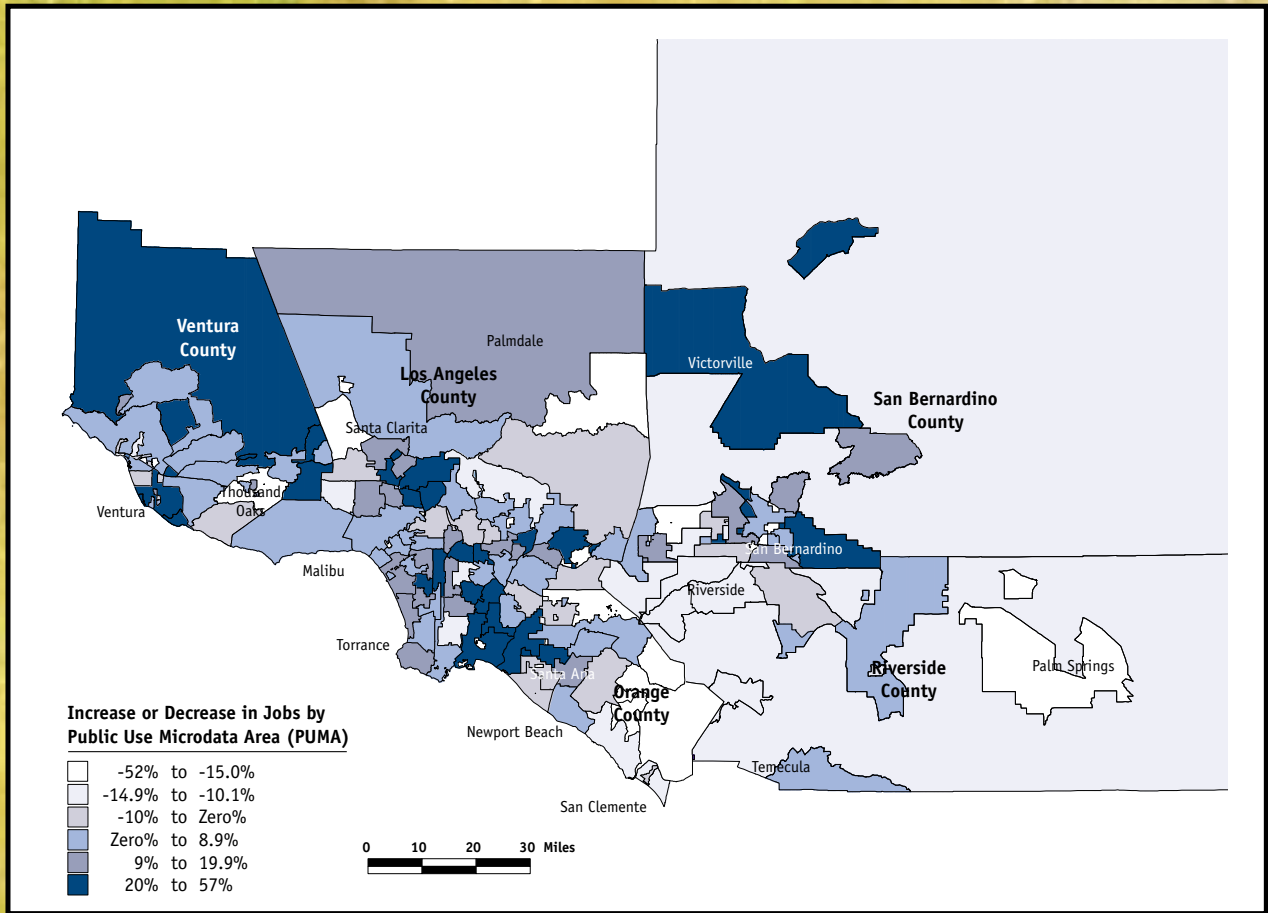


\*Data for Fiscal Years 1989-90, 1990-91 Missing.

**CHART 5: TRANSPORTATION EXPENDITURE BY MODE, LOS ANGELES COUNTY VS. THE REST OF SOUTHERN CALIFORNIA (1982-1998) \***

Source: California Association of Governments, Regional Transportation Improvement Program, Annual Reports, 1982-1998.





**MAP 6: PERCENT CHANGE IN NUMBER OF JOBS IN SOUTHERN CALIFORNIA BETWEEN 1990 AND 1994**

Source: SCAG 1990 and 1994

**1** HOUSEHOLD INCOME STAGNATED DURING THE RECESSION OF THE EARLY 1990s, AND POVERTY RATES HAVE CONTINUED TO RISE SINCE THE RECESSION ENDED.

**INCOME AND POVERTY**

After doubling during the 1980s, median household income in the region was virtually the same in 1995 (\$37,314) as it had been in 1990 (\$37,302). Orange (\$48,701) and Ventura (\$46,944) were the most affluent counties. Los Angeles (\$33,828), San Bernardino (\$35,725), and Riverside (\$36,189) lagged far behind. However, on a countywide basis, median income rose the most between 1990 and 1995 in Riverside (9.4 percent), San Bernardino (6.8 percent), and Orange (6.1 percent). It rose slowly in Ventura (2.9 percent) and dropped (by 3.3 percent) in Los Angeles.

Meanwhile, poverty rates rose during the 1990s and stayed high even after the recession ended. The region's poverty rate rose from 13.1 percent in 1990 to 16.5 percent in 1998. In Los Angeles County, the figure rose from 15.1 percent in 1990 to 19.6 percent in 1998. In Riverside and San Bernardino combined, poverty rose from 12.2 percent in 1990 to 15.7 percent in 1998.

2 AN INCOME GAP EXISTS, AND IT IS  
RELATED TO RACE AND ETHNICITY.

As in most American metropolitan areas, the divide between the “haves” and “have-nots” in metropolitan Los Angeles is considerable. In the period of 1995-1998, the average income of the most affluent one-fifth of the region’s population was more than \$100,000 per year—more than seven times the average household income of the bottom 40 percent, which stood at only \$15,000. This represented a minor increase from the period of 1991-94.

This income gap shows up strongly between races all over the region. As Chart 6 shows, during the 1990s, the median household income of Anglos (approximately \$47,000) and Asians (approximately \$42,000) was much higher than the median household income of Latinos (approximately \$27,000) and African Americans (approximately \$28,000). African-Americans and Latinos living in outlying counties had higher incomes than those living in L.A. County, but the inequity across races was more or less the same in all counties. Although Asian households appear affluent overall, there is by far more income variation than among Anglos. Poverty is twice as common among Asian households than among Anglo households. Ethnic groups within the Asian community vary widely in terms of education and earning power; simply put, some are rich and some are poor. Furthermore, Asians are more likely to live in larger households, meaning the dollars probably don’t stretch as far.

3 THE INCOME GAP ALSO EXISTS  
GEOGRAPHICALLY WITHIN THE REGION.

As Map 7 reveals, at the time of the 1990 Census household income was heavily stratified by geography. Households below the federal poverty line are extremely concentrated in the central and south-central portions of Los Angeles, although pockets of deep poverty also exist in outlying areas, including Santa Ana, Oxnard, and portions of San Bernardino County. Forty percent of the region’s poor people lived in areas of extreme poverty (defined as Census tracts in which the poverty rate is at least 40 percent). But this is mostly due to the extreme concentration of poverty in central and south-central Los Angeles. The poverty concentration rate was highest in Los Angeles County (48 percent) and fairly low everywhere else in the region (no more than 26 percent in any outlying county).

Affluent households are clustered in the foothill and coastal areas around the region. The middle class is located in the “in-between” areas and in the distant suburbs of the Inland Empire. In many cases, especially in the San Gabriel Valley and in north and central Orange County, the poor and the middle class live in a spatial pattern that is intermixed, at least at the census tract level.

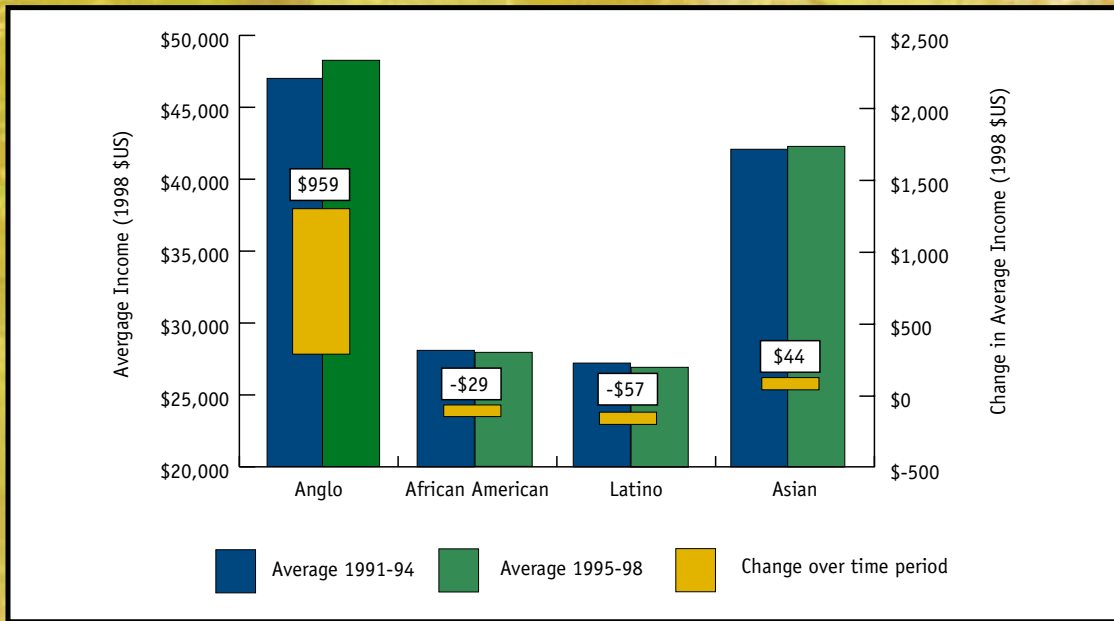
4 THE POPULATION OF WORKING POOR  
RESIDENTS IS GROWING, AND THIS  
POPULATION IS DISTRIBUTED ACROSS A  
LARGE AREA OF OLDER COMMUNITIES.

In 1990, 52 percent of the region’s poor households (defined as 150 percent of the federal poverty line, or about \$22,000 for a family of four—less than 60 percent of the region’s median household income) had at least one full-time worker. By 1998, that figure had risen to 57 percent.

Working poverty in metropolitan Los Angeles is rising faster than the population as a whole, and it is even rising faster than non-working poverty. Between 1990 and 1998, the number of people living in working poor households (defined as a household with an income of no more than 150 percent of the federal poverty line in which at least one person works full-time) grew from 1.6 million to 2.5 million, a 51 percent increase. During this period, the population grew 16 percent and the number of people living in non-working poor households grew by 24 percent.

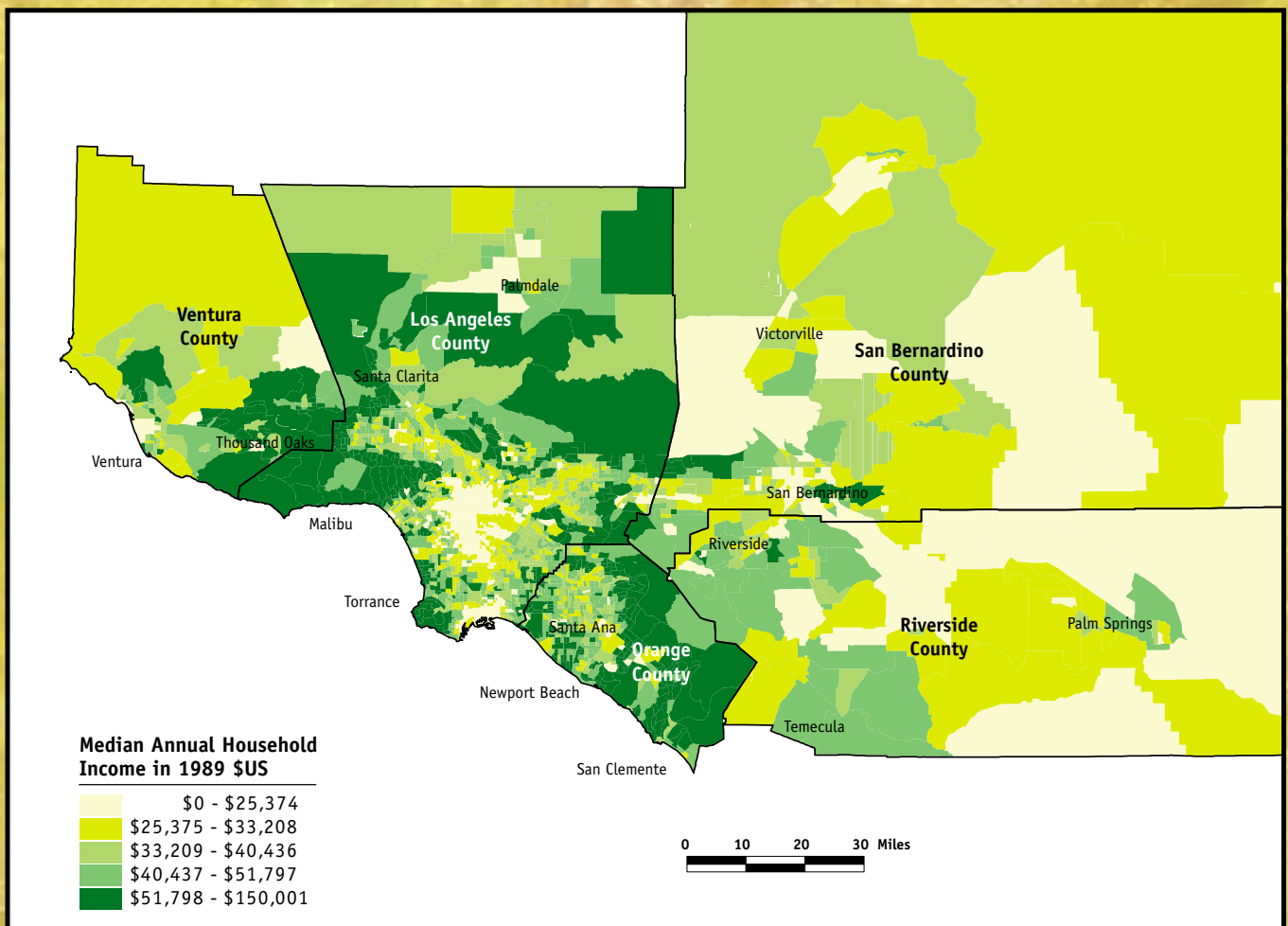
Two-thirds of the region’s increase in working poor occurred in Los Angeles County during this period. The increase in working poor in L.A. County between 1990 and 1998 was almost as high as the county’s overall population increase.

As Map 8 shows, the poor are found throughout the region; working poor households are even more broadly distributed. By and large, the working poor are located mostly in the older communities that show other signs of distress—the San Gabriel Valley, southeastern Los Angeles County, northern Orange county, the San Bernardino Valley, and selected outlying communities.



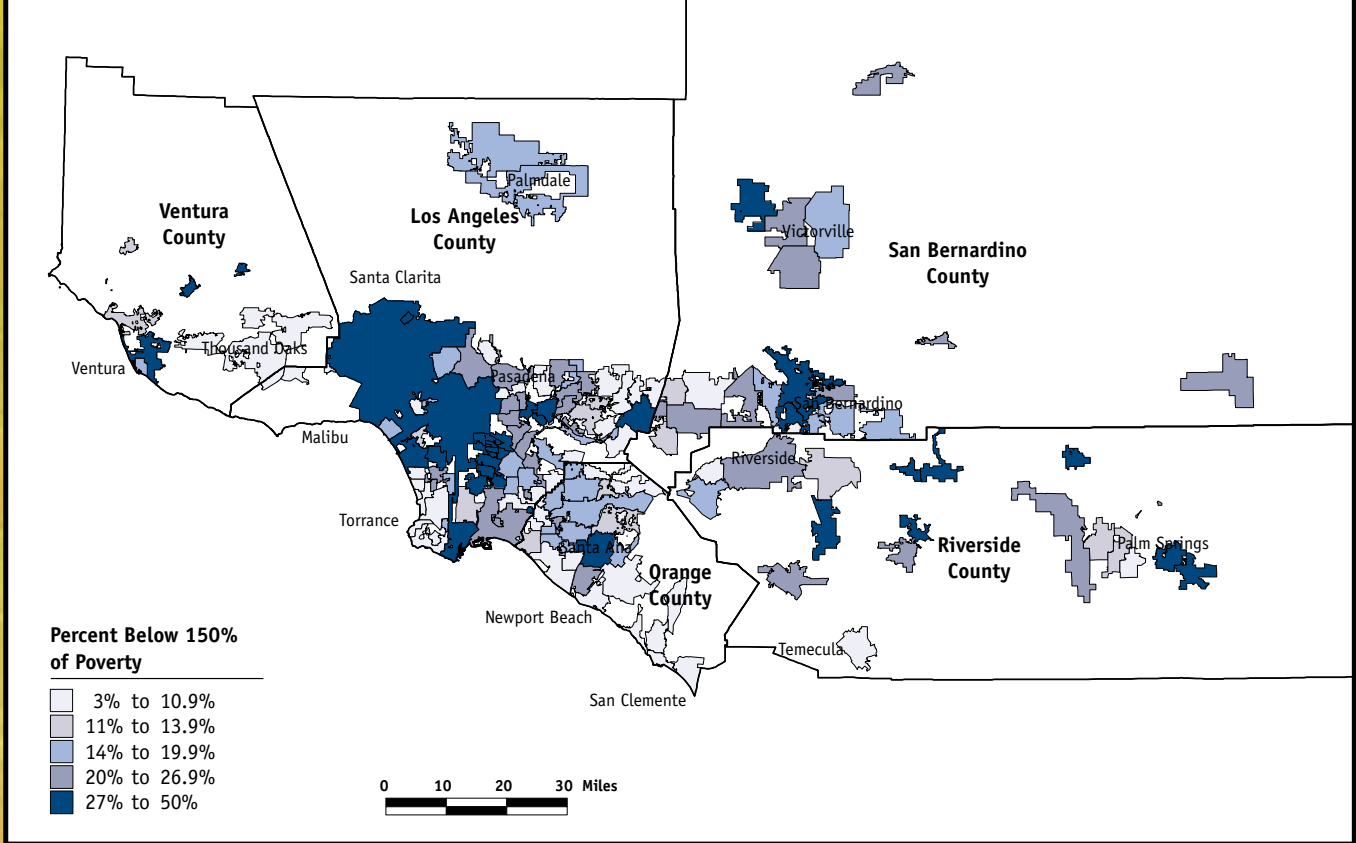
**CHART 6: MEDIAN HOUSEHOLD INCOME BY RACE, THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENT'S REGIONAL COVERAGE, 1991-1998**

Source: Current Population Survey, US Census Supplements, 1992-1999.



**MAP 7: MEDIAN HOUSEHOLD INCOME BY CENSUS TRACT, 1990**

Source: US Bureau of Census 1990 Census (STF3)



**MAP 8: PERCENT OF POPULATION LIVING BELOW 150% OF THE POVERTY LINE, BY CITY, 1990**

Source: US Census Bureau, 1990

**1 HOUSING PRICES IN THE REGION ARE HIGH COMPARED TO HOUSEHOLD INCOME.**

**H O U S I N G**

Housing prices in metropolitan Los Angeles have been far higher than the national average since the mid 1970s. After dipping during the recession of the early '90s, they started rising again in 1996 and 1997. At the end of 2000, average home price was approximately \$270,000 in Orange and Ventura Counties, \$200,000 in Los Angeles County, and \$150,000 in the Inland Empire. In 1998, according to the Bureau of Labor Statistics, the average metro L.A. household spent 37 percent of pre-tax wages (\$15,500) on housing, one of the highest figures in the nation.

Metropolitan Los Angeles has the lowest home ownership rate of any American metro area except for New York. The homeownership rate in the region is 49 percent, well below the California average of 55 percent and well below the U.S. average of 64 percent.

According to the National Low-Income Housing Coalition, a worker must earn between \$10 and \$15 per hour (\$20,000 to \$30,000 per year), depending on location, in order to afford the average one-bedroom apartment in metropolitan Los Angeles. This is two to three times the minimum wage. According to the U.S. Department of Housing & Urban Development, 48 percent of poor renters in the region must pay either more than half their income for rent or live in an extremely inadequate housing unit. Again, this is one of the highest figures in the country.

**2 HOUSING CONSTRUCTION, ESPECIALLY MULTI-FAMILY CONSTRUCTION, HAS DECLINED DRAMATICALLY.**

Housing production in the region has dropped in recent years, and the drop for multi-family housing has been precipitous.

Housing production boomed in the mid- to late-1980s and slumped during the recession of the early '90s. But in the late '90s, housing production did not bounce back. Overall, housing production during the 1990s was only 400,000 units for the region, compared with almost 1 million units in the 1980s. Most of this drop came in multi-family units, which fell from 470,000 units built in the 1980s to only 120,000 units built in the 1990s. As Chart 7 shows, the multi-family drop has been steep, especially in the region's two most distressed counties, L.A. and San Bernardino.

**3 HOUSING CONSTRUCTION IS MOVING AWAY FROM MANY AREAS WITH HIGH POPULATION GROWTH AND HIGH RATES OF HOUSEHOLD FORMATION.**

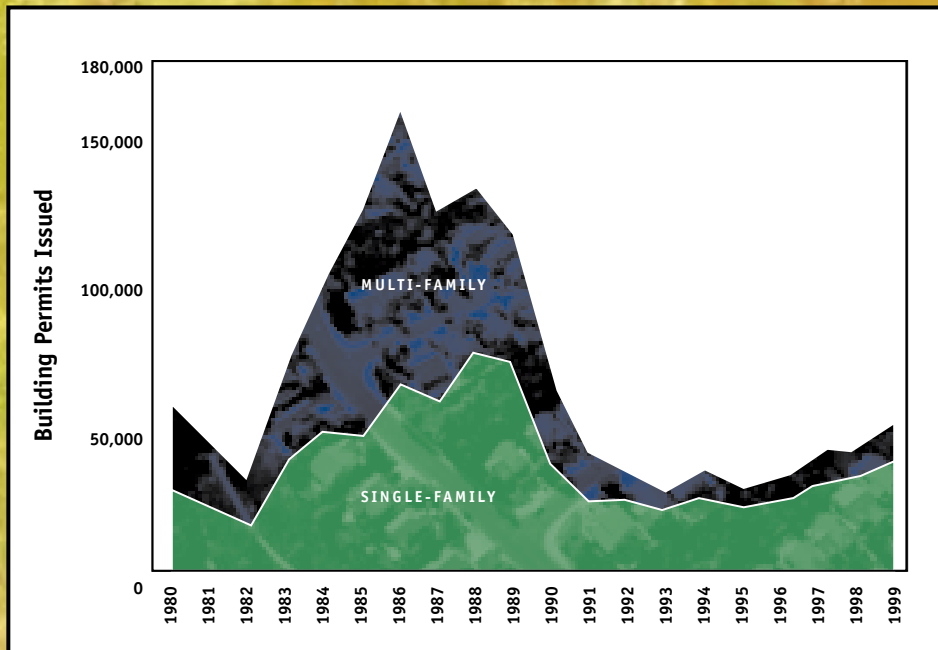
Even though population growth is increasing in existing older neighborhoods, new housing opportunity has increasingly moved toward single-family housing in outlying areas.

In the 1990s, Los Angeles County added more than 1 million residents, the vast majority of them in existing urban neighborhoods. But overall L.A. County housing production dropped from 400,000 units in the 1980s to only 120,000 units in the 1990s. Most of this drop came in the multi-family category—a decline from 270,000 units in the 1980s to only 56,000 in the 1990s.

Housing production has also shifted from Los Angeles County to outlying counties even though much population growth has occurred in L.A. County. In the 1980s, when L.A. County's population first began to rise dramatically again because of demographic changes, the county accounted for almost half of the region's housing starts. By the late 1990s, this had changed dramatically. From 1995 to 1999, L.A., Orange, and Riverside Counties all produced about the same number of housing units (approximately 50,000 each, or about 25 percent of the regional total). This was true even though Los Angeles accounted for almost half of the region's overall population increase, compared with only 20 percent for Orange County and 17 percent for Riverside County. As a result, average household size in Los Angeles County rose 7 percent during the 1990s, from 2.9 to 3.1 persons per households.<sup>3</sup>

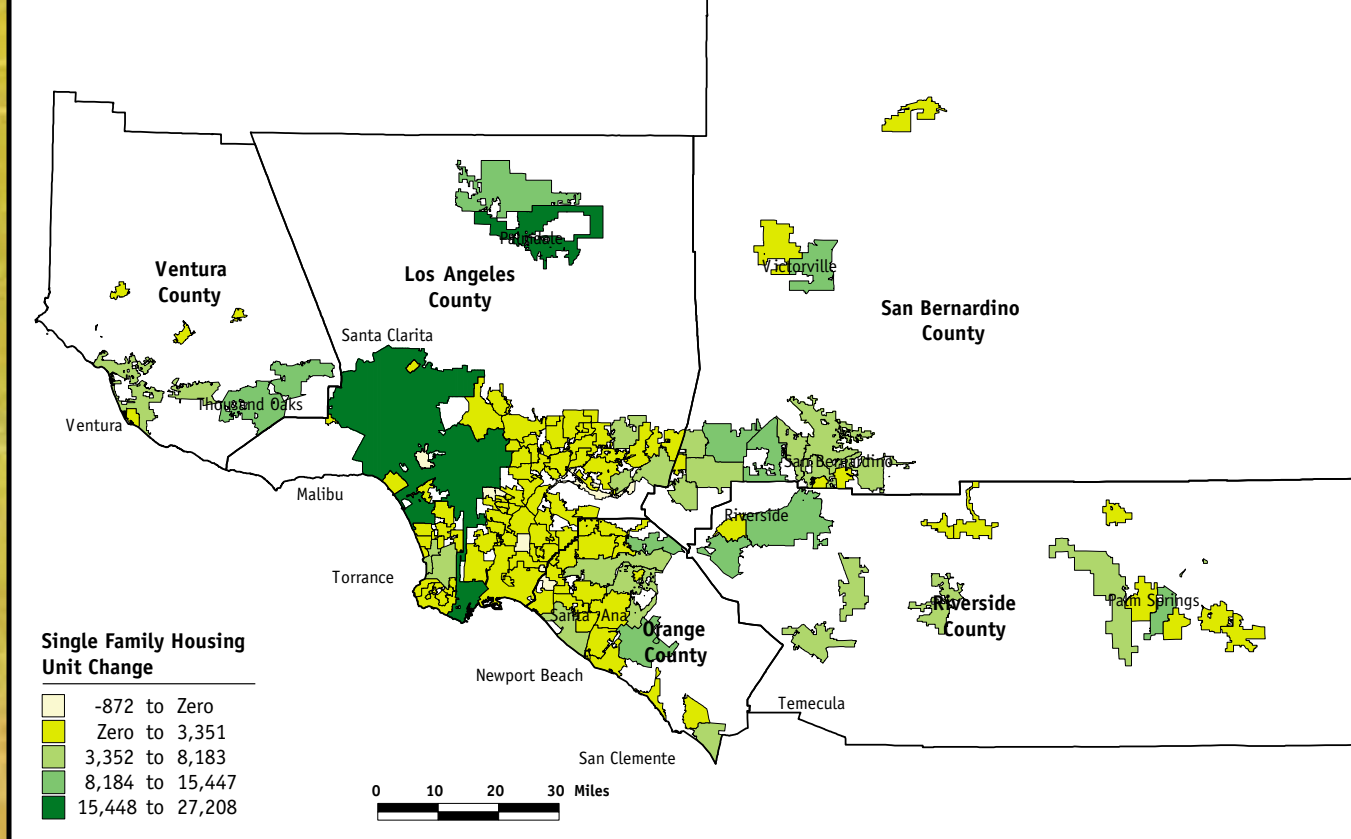
However, even in the outlying counties, housing has not kept pace with population growth. Riverside County, for example, added only one new housing unit for every 3.25 new residents in the 1990s, compared with one new unit for every 2.5 residents in the 1980s. A more fine-grained geographical analysis of the overall change in single- and multi-family units since 1980 reveals that in many of the urbanized communities where population is increasing, the available housing stock is remaining the same—or in some cases dropping. As Maps 9 and 10 reveal, between 1980 and 1998, the stock of both single-family and multi-family housing declined in many parts of the San Gabriel Valley, southern Los Angeles County, and northern Orange County.

<sup>3</sup> It is important to note that these household size numbers are approximately the same as the region, primarily because in some older but more affluent parts of the county, such as the Westside, household size continues to be low. In the older, poorer parts of the county, such as the cities in the southeastern part of the region, average household size now approaches 4 persons.



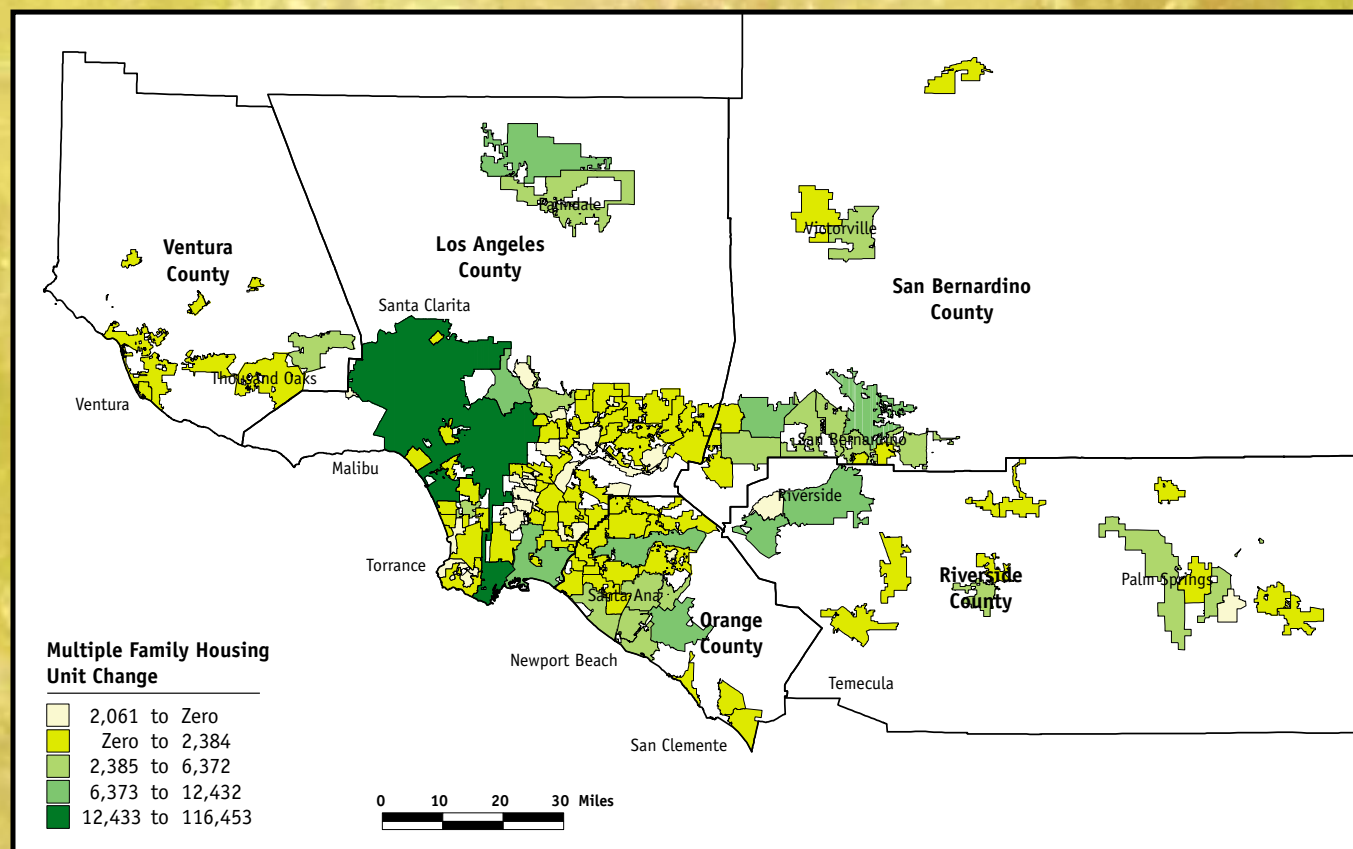
**CHART 7: SOUTHERN CALIFORNIA HOUSING PRODUCTION, 1980–1999**

Source: Construction Industry Research Board



**MAP 9: SINGLE FAMILY HOUSING UNIT CHANGE BY CITY, 1980-1998**

Source: 1998 California Department of Finance and US Bureau of Census 1980 Census, STF3.



**MAP 10: MULTIPLE FAMILY HOUSING UNIT CHANGE BY CITY, 1980-1998**

Source: 1998 California Department of Finance and US Census Bureau 1980 Census, STF3.



4 METROPOLITAN LOS ANGELES  
HAS MANY INDICATORS OF  
HOUSING STRESS, INCLUDING  
HIGH RATES OF OVERCROWDING  
AND AN AFFORDABILITY CRISIS.

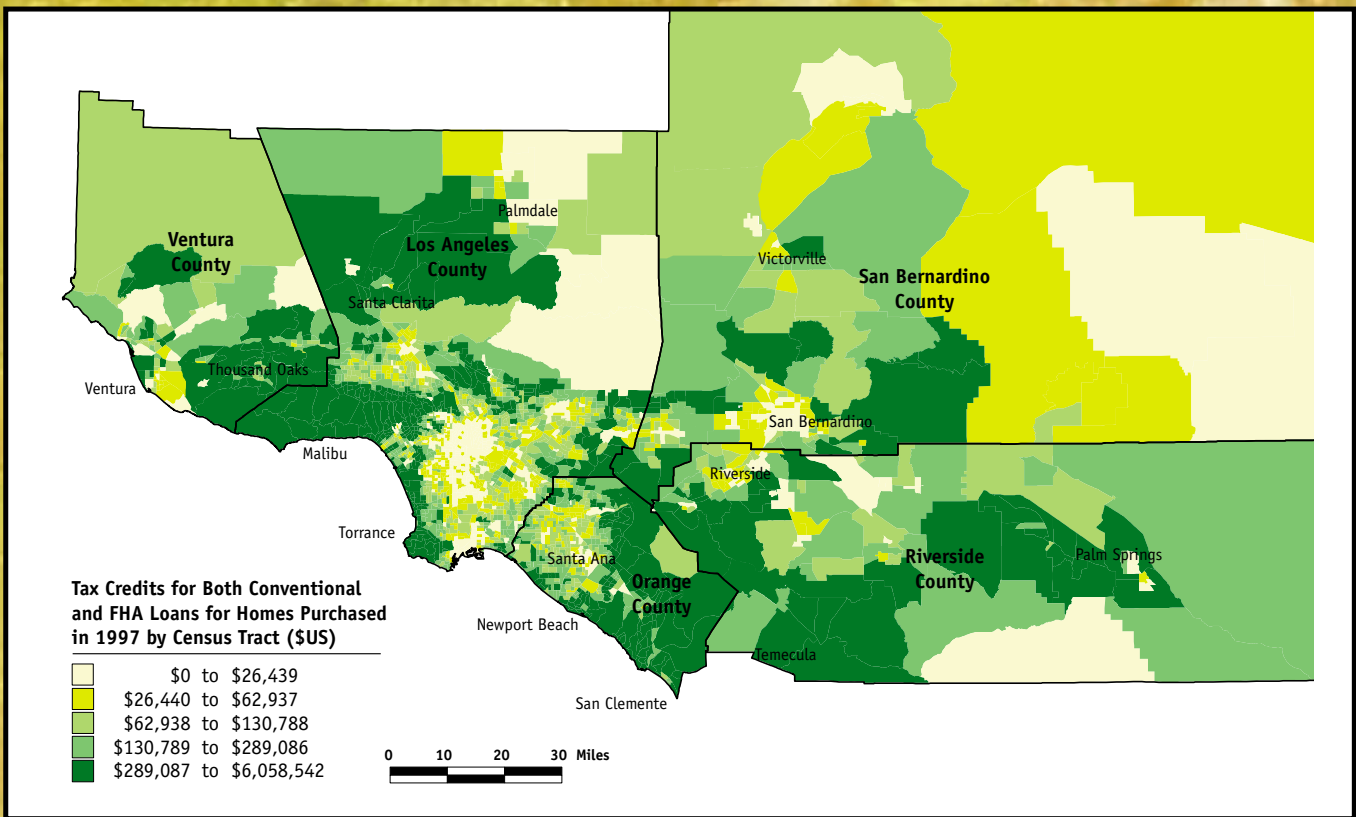
The combination of continued population growth and a shift in housing production has given metropolitan Los Angeles high housing “stress” indicators, especially in overcrowding. Housing analysts say that people have “critical housing needs” if they live in housing that is either too expensive, inadequate, or overcrowded. In 1997, almost 1.3 million households in the five-county region met this definition of housing stress—20 percent of all the households in the region. This figure was much higher than the national average of around 14 percent.

Among the working poor and moderate-income households (defined as households with no more than 120 percent of the area’s median income), metropolitan Los Angeles stands out even more. The percentage of households with inadequate housing was about the same as the national average (approximately 8 percent). But 14 percent of households in the five-county area are burdened with severe housing costs (twice the national average) and 15 percent suffer from overcrowding—triple the national average and twice as high as any other major metropolitan area in the nation.

5 THE FLOW OF FEDERAL HOUSING TAX  
CREDITS AND PUBLIC HOUSING  
EXPENDITURES ACCENTUATES THE  
REGION’S DIVIDED SPATIAL PATTERN OF  
HOUSEHOLD INCOME.

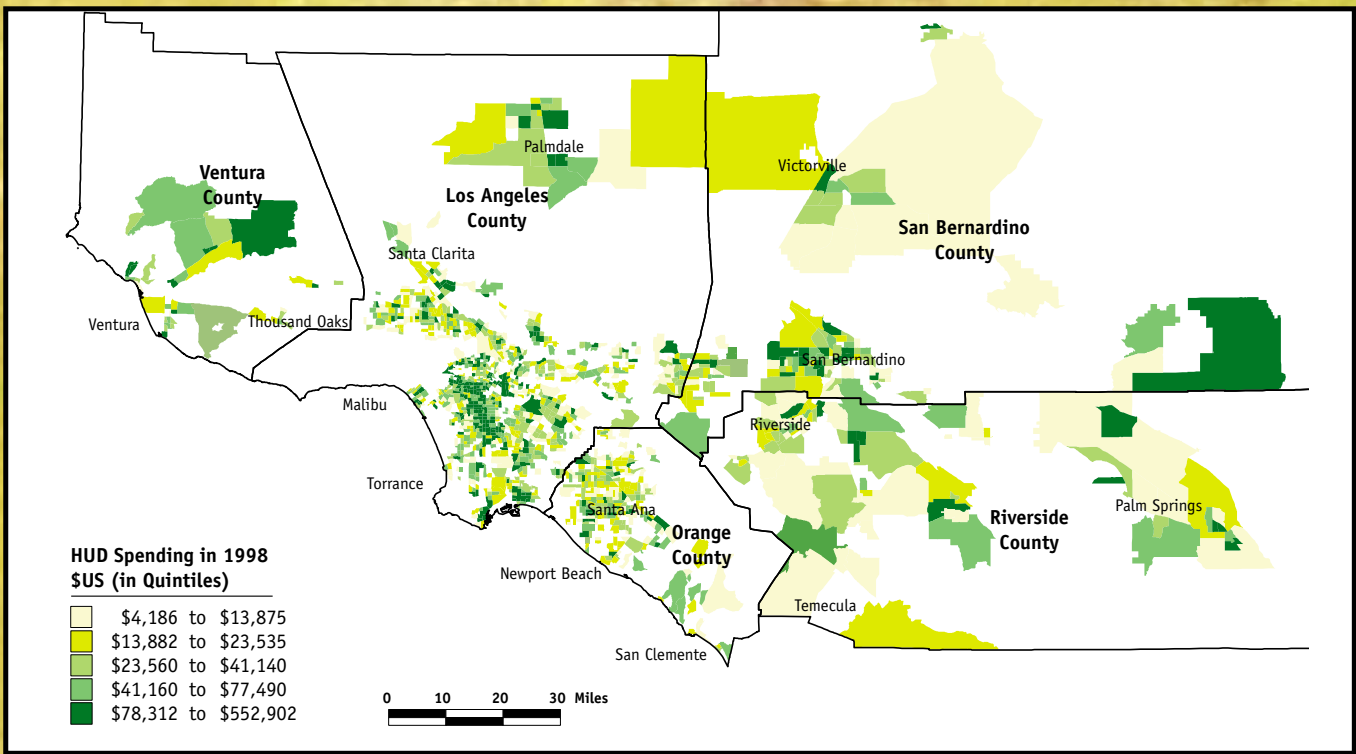
As Map 11 shows, mortgage interest tax credits flowing to homebuyers in 1997 were heavily weighted toward the region’s affluent outlying areas, and little benefit was realized in the older urban areas—the central, southern, and eastern parts of Los Angeles County, north Orange County, and the areas around San Bernardino.

At the same time, the geographical distribution of federal low-income housing assistance reveals a “mirror image” of this region pattern, as seen in Map 12. Federal assistance is concentrated in the region’s older communities in L.A. and Orange counties and in distressed outlying communities such as those in San Bernardino County. The total dollars of direct federal low-income housing assistance is, however, a fraction of the mortgage interest tax credit total.



**MAP 11: MORTGAGE INTEREST TAX CREDITS FOR ALL LOANS IN SOUTHERN CALIFORNIA, 1998 (BY CENSUS TRACT)**

Source: Calculations based on data from the Housing and Urban Development Home Mortgage Disclosure Act, 1997



**MAP 12: TOTAL AMOUNT OF HUD SPENDING ON LOW INCOME PROGRAMS BY CENSUS TRACT IN 1998**

Source: Housing and Urban Development, 1998



## EDUCATION

### 1 PUBLIC SCHOOL ENROLLMENT IS GROWING RAPIDLY THROUGHOUT THE REGION.

Just between 1993 and 1999, the region's public school enrollment grew by 15 percent, from approximately 2.5 million students to approximately 2.9 million students. Enrollment is growing rapidly in newly developing suburbs where housing construction is strong, such as Riverside County. But it is also growing rapidly in older urban neighborhoods, especially in Los Angeles and Orange Counties, where it is more difficult to find both the land and the money to build new schools. This trend mirrors the general trend of population growth in the region, which appears to be concentrated in older, poorer urban areas and in newly developing suburbs.

### 2 MOST PUBLIC SCHOOL STUDENTS ARE POOR, AFRICAN-AMERICAN AND LATINO, AND MAY HAVE LIMITED ENGLISH PROFICIENCY.

Throughout the entire five-county area, 53 percent of all students were eligible in 1999 for free or reduced-priced meals, which is usually regarded as an accurate measure of working poverty within the region (Map 13). The figure was approximately 61 percent in L.A. County, 50 percent in Riverside and San Bernardino Counties, 38 percent in Orange County, and 34 percent in Ventura County. In the Los Angeles Unified School District, by far the largest district in the region (more than 700,000 students), the figure was 74 percent.

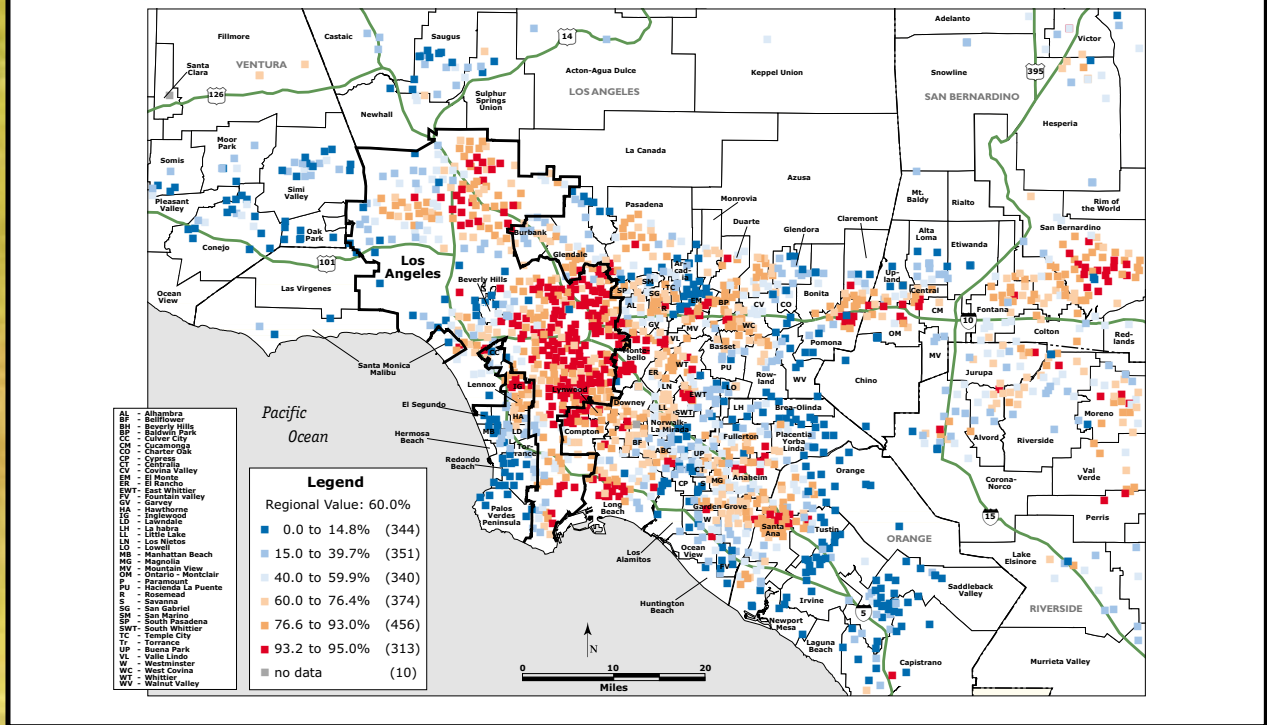
Approximately 61 percent of public-school students in the region were either African-American or Latino in 1999, up from 56 percent just six years earlier. This figure was approximately 70 percent in Los Angeles County (83 percent in L.A. Unified), 57 percent in San Bernardino County, 53 percent in Riverside County, and 44 percent in both Orange and Ventura Counties.

Most of the region's enrollment growth comes from Latino students. Between 1993 and 1999, the region's school districts added 392,000 students. Of these, 338,000 (86 percent) were Latino. In general, African-American and Asian enrollments are growing much more slowly, while Anglo enrollments are declining regionwide. However, African-American enrollments are growing most rapidly in the Inland Empire. Between 1993 and 1999, African-American school enrollment grew by 34 percent in San Bernardino County and 26 percent in Riverside County.

About 30 percent of the public-school students in the region are classified as "English learners," meaning they have limited English proficiency. The countywide breakdown on this statistic is somewhat different, however. In L.A. County, 35 percent of public school students are English learners (44 percent in L.A. Unified). The figure is almost as high in Orange County (30 percent) and considerably lower in Ventura, Riverside, and San Bernardino counties (between 17 percent and 20 percent each).

Students with limited English proficiency are concentrated in many of the same older communities that have other indicators of social and economic stress, especially northern Orange County, southern and eastern Los Angeles County, and the San Bernardino Valley. School districts with few students of limited language proficiency are scattered throughout the region, mostly in affluent areas, such as the Calabasas-Thousand Oaks area on the Ventura-Los Angeles County border, the Palos Verdes Peninsula, southern Orange County, the Temecula Valley in Riverside County, and a few scattered school districts in older urban areas.





**MAP 13: LOS ANGELES (CENTRAL AREA): PERCENTAGE OF ELEMENTARY SCHOOL STUDENTS ELIGIBLE FOR FREE LUNCH BY SCHOOL, 1997**

Source: Metropolitan Area Research Corporation and the National Center for Education Statistics

**3 AFRICAN-AMERICAN AND LATINO**

STUDENTS ARE CONCENTRATED IN

OLDER, POORER AREAS OF THE REGION

THOUGH THE PERCENTAGE OF

LATINO STUDENTS IN SOME OUTLYING

AREAS IS EXPANDING RAPIDLY.

School districts and elementary schools around the region are extremely segregated in the way they separate affluent children from poor children, and Anglo and Asian children from African-American and Latino children. (There is a great deal of overlap between these two types of separation.) Poor children and African-American and Latino children are concentrated in the older, poorer communities of southern and eastern Los Angeles County, northern Orange County, and the area around San Bernardino. (Map 14)

However, these geographical patterns are changing rapidly, especially for Latino children. The number of Latino children in public schools is increasing rapidly in mature suburbs that are immediately adjacent to those areas that already have an extremely high percentage of African-American and Latino students.

**4 SCHOOL DISTRICTS IN OLDER,**

POORER AREAS ARE NOT

RECEIVING MUCH STATE SCHOOL

CONSTRUCTION MONEY

Many school districts in older, poorer communities must rely on state school construction funding because it can be difficult to obtain the two-thirds vote required under Proposition 13 to pass local school bonds, and because they cannot rely on fees on new development, as districts in newly developing areas can. However, these school districts are not receiving much state construction money, because California's school construction program provides funds to districts that have projects ready to go, rather than districts that need new schools the most.

A recent analysis by the *Los Angeles Times* found that 42 school districts in the region had enrollment growth of at least 20 percent between 1990 and 2000 but received no state school construction aid. Of these 42 school districts, 24 were in the older areas of southeastern Los Angeles County, northern Orange County, and the San Gabriel Valley. Meanwhile, six school districts were among the top recipients of state funds even though they had slow enrollment growth. Of those six, one was in the San Gabriel Valley and the other five were in distant locations in Riverside and San Bernardino Counties.

5 THE PATTERN OF EDUCATIONAL TEST

SCORES CORRESPONDS WITH THE

GENERAL PATTERN OF INCOMES

WITHIN THE REGION, AND THERE

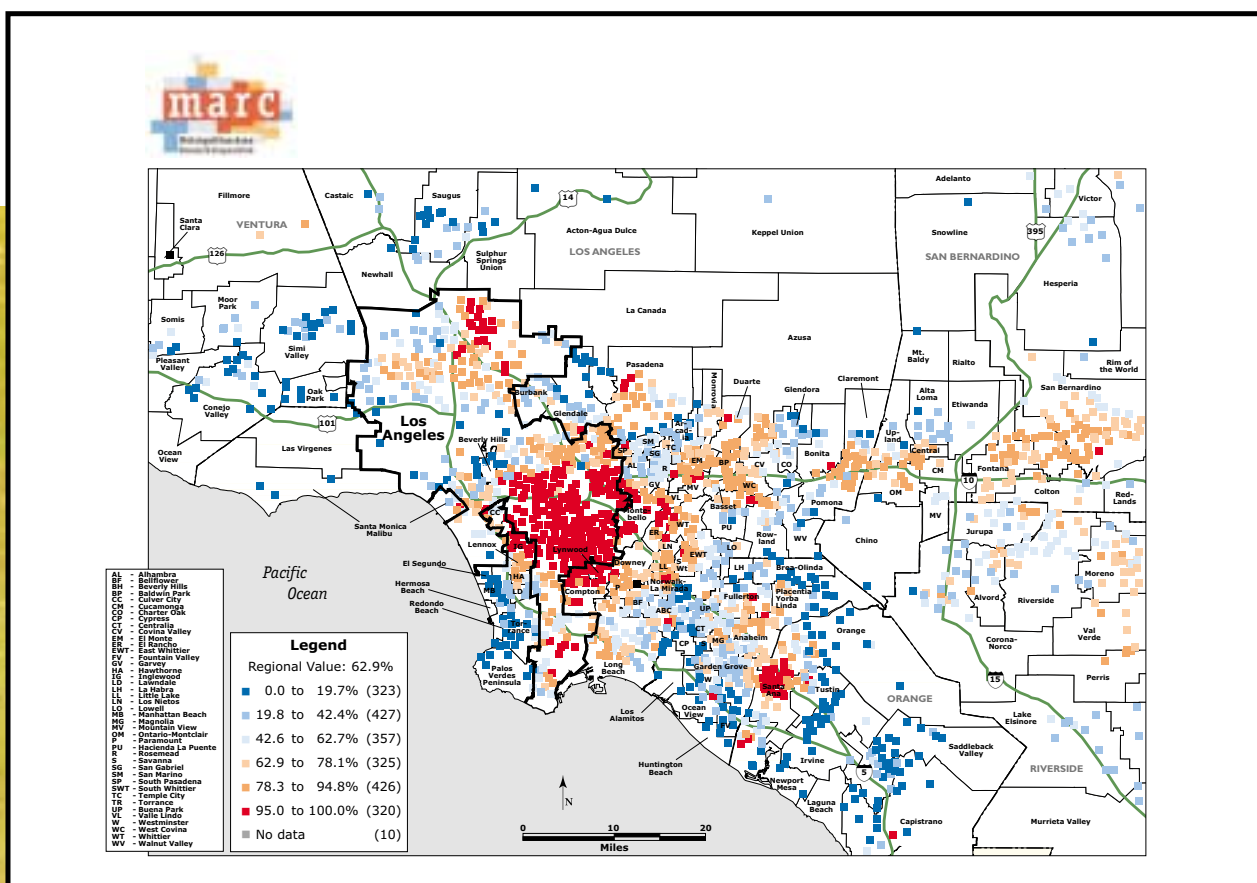
ARE OFTEN STARK DIFFERENCES BETWEEN

ADJACENT SCHOOL DISTRICTS.

Test scores vary dramatically by school district across the region. The highest test scores are generally located in the most affluent areas, including Thousand Oaks-Calabasas, Palos Verdes, southern Orange County, and some school districts in the foothill areas around Pasadena.

In many older parts of the region, there is a significant disparity in test scores between nearby school districts, especially in the San Gabriel Valley and northern Orange County—not just SAT scores, but in scores on K-12 standardized or “Stanford 9” tests.

For example, in 1997, in Orange County’s Newport Beach-Mesa School District (where enrollment was 57 percent Anglo and 36 percent Latino), 57 percent of fifth-grade students scored at or above the 50th percentile in reading on the Stanford 9. The figure for the Santa Ana Unified School District (a district that is nearby but much poorer and 91 percent Latino) was 22 percent. In the San Gabriel Valley’s Claremont Unified School District (which is 55 percent white and 22 percent Latino), 69 percent of fifth-graders scored above average on the reading Stanford 9. In the adjacent Pomona Unified School District (74 percent Latino, 9 percent white), only 30 percent of fifth-graders achieved an average score.



MAP 14: LOS ANGELES (CENTRAL AREA): PERCENTAGE NON-ASIAN MINORITY ELEMENTARY STUDENTS BY SCHOOL, 1997

Source: Metropolitan Area Research Corporation and the National Center for Education Statistics

## Land and Natural Resources

### 1 METROPOLITAN LOS ANGELES

CONSUMES FAR MORE THAN ITS SHARE OF  
NATURAL RESOURCES IN ORDER TO  
SUSTAIN ITSELF EACH DAY

To survive as a metropolitan region, Los Angeles must import and consume an enormous quantity of natural resources each year. For example, according to the Metropolitan Water District, the region consumes almost 3 million acre-feet (almost 1 trillion gallons) of water each year. Almost three-quarters of this water is imported from three distant watersheds—the Feather River in far northern California, the Owens Valley, and the Colorado River. Only one-quarter of its supply derives from local sources.

The region produces almost 20 million tons of solid waste each year that must be disposed of in landfill. Stimulated in part by California’s state recycling law, this figure dropped by 18 percent between 1990 and 1996, but it started rising again after that and went up almost 5 percent in 1998 alone. This rise was particularly striking in Orange County, where solid waste generated increased some 65 percent between 1995 and 1999, even though waste generation was still on the decline in Los Angeles County. As noted earlier, Orange County’s population has not grown dramatically during this period, but job growth was extremely strong.

One way to measure the impact of a metropolitan region on the world’s natural resources is by constructing its “ecological footprint”—that is, the amount of resources the region consumes as translated into actual acreage. Los Angeles residents are estimated to consume some 25 acres of the world’s natural resources each year per capita—38 percent higher than the US per capita average and more than 4 times the world per capita average.

Overall, this means that the Los Angeles region, which consists of 9 million acres of land, consumes the equivalent of approximately 580 million acres of natural resources per year. Put another way, the “ecological footprint” of Los Angeles is approximately equal to the size of California, Arizona, New Mexico, and Texas combined.

### 2 THE REGION HAS CONSUMED

MOST OF THE RAW LAND RESOURCES  
AVAILABLE FOR URBAN GROWTH AND IS  
NOW RUNNING INTO SEVERE  
ENVIRONMENTAL CONSTRAINTS.

As Map 15 depicts, for the first time in its history metropolitan Los Angeles is running out of land. A recent analysis by the California Department of Housing and Community Development found that Los Angeles and Orange Counties do not have enough developable land to accommodate expected growth in the next 20 years. Outward urban growth still continues on the fringes, including southern Orange County (which does have land available), the inland areas of Riverside and San Bernardino Counties, eastern Ventura County and the Santa Clarita Valley (essentially “suburbs” of the San Fernando Valley), and the “high desert” areas of the Antelope and Victor Valleys to the north.

But even in outlying areas, most of the remaining undeveloped land is either too mountainous to accommodate major development or has been set aside by government policies.

Two-thirds of the region is already owned by the federal government for land conservation purposes. Much of the remaining land is rich with either agricultural production or biodiversity.

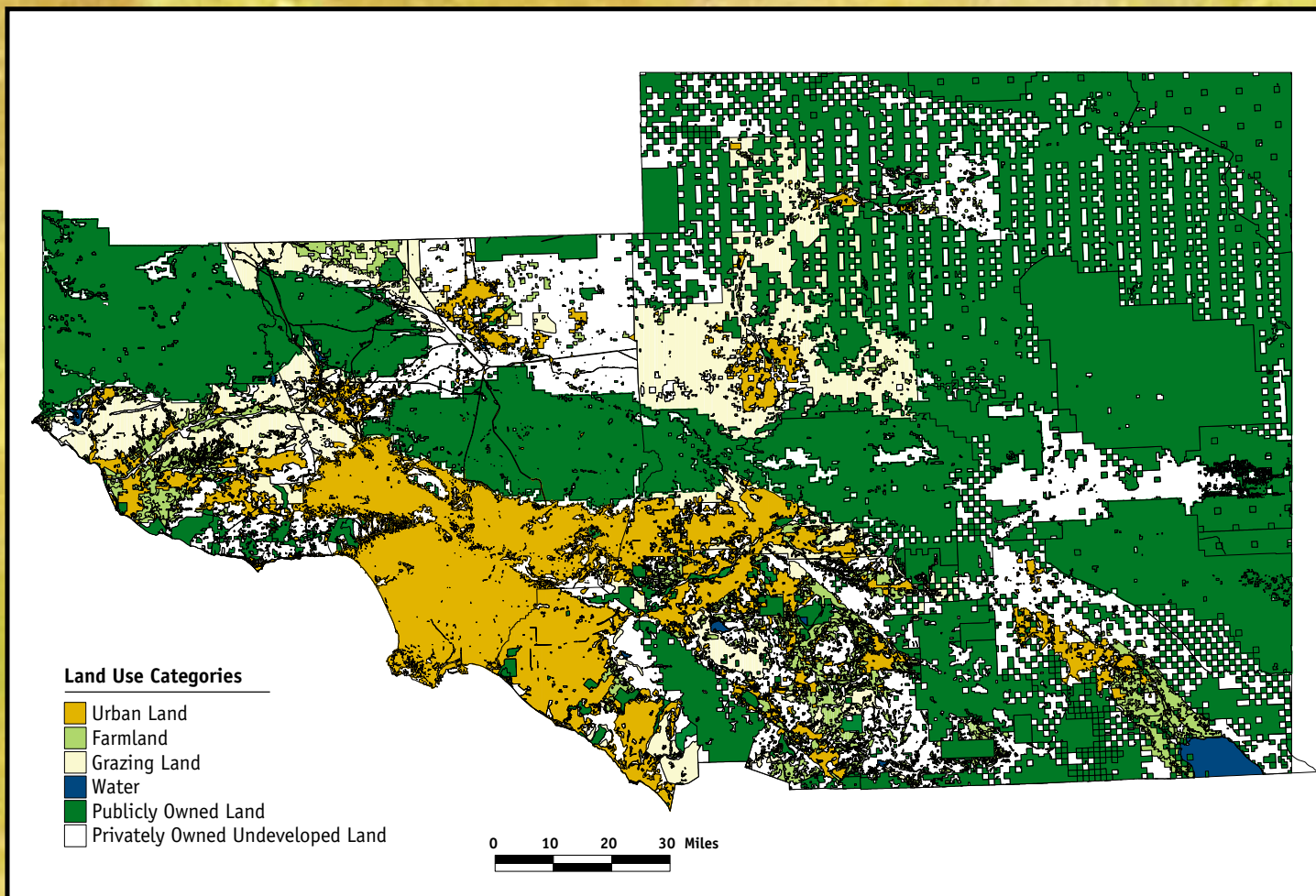
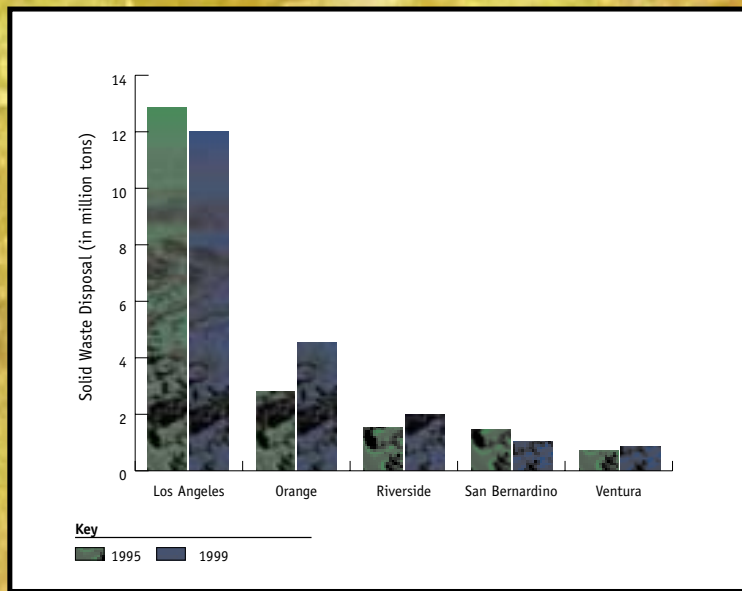
There are currently some 85 plant species and 130 animal species on either the state or federal endangered species lists. Map 16 shows the planning areas for the Natural Communities Conservation Planning effort, a state-led effort to accommodate urban development and still protect rare species. Species issues have affected huge portions of Southern California, especially in central and southern Orange County and western Riverside County, where much of the region’s remaining undeveloped land is located.

The resulting endangered species protection effort will likely reduce developable acreage. Already, wildlife preserves in Orange County will lead to the setting aside of at least 60,000 acres that probably would have been developed otherwise. In Riverside County—the region’s fastest-growing area, with the biggest stock of available land—the wildlife preserve system will remove approximately 500,000 acres of developable land.

In Ventura County, which contains most of the region’s remaining developable agricultural land, restrictions on land development have caused the land supply to dwindle as well. Voters have imposed a series of urban growth boundaries and farmland preservation measures that will make it much more difficult to convert the county’s 100,000 acres of relatively flat farmland to urban use.

**CHART 8:  
SOLID WASTE  
DISPOSAL -  
LANDFILLED  
AND EXPORTED  
OUT OF STATE**

Source: California Waste Management Board's Disposal Reporting Systems Database.



**MAP 15: LAND USE AND LAND OWNERSHIP IN THE SOUTHERN CALIFORNIA METROPOLITAN REGION, 1998**

Source: California Department of Conservation, Farmland Mapping and Monitoring Program (FMMP) Data, 1998; Teale Data Center Land Ownership Data, Updated January 1999. "Raising the Roof: California Development Projection and Constraints." Prepared by John Landis, University of Berkeley Institute of Urban and Regional Development, in collaboration with HCD, 2000.

**3 THE REGION IS FACING CONSTRAINTS**

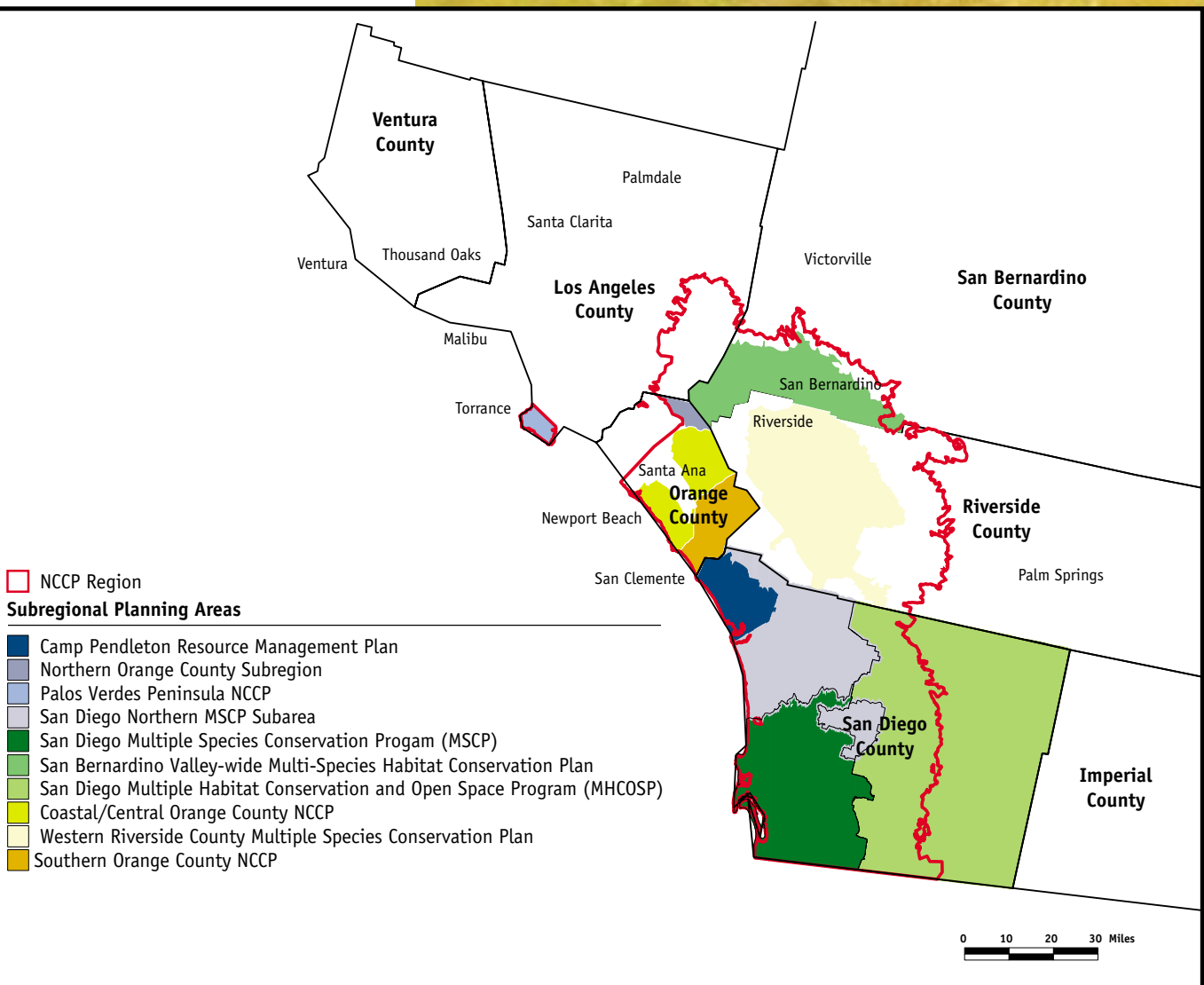
ON OTHER RESOURCES NEEDED FOR

FUTURE URBAN GROWTH,

ESPECIALLY WATER.

As Los Angeles grew during the suburban era, it relied on an ever-expanding ability to consume natural resources, both local and imported, to support that growth. In the future, however, the natural resources at the region's disposal are likely to remain constant or even shrink.

Today, all three of the region's water sources are threatened with decline. In order to replenish fragile Mono Lake, Los Angeles is reducing its imports from the Owens Valley by over 10 percent, from 400,000 acre-feet to 350,000 acre-feet per year. State Water Project deliveries to metropolitan Los Angeles have declined in the last decade from 1.1 million acre-feet to 750,000 acre-feet; although water officials predict an increase in the future, there may be a further decline so that the Sacramento Delta-San Francisco Bay ecosystem can be replenished. While Colorado River supplies are holding steady at 1.2 million acre-feet, the region is legally entitled to only one-half this amount. As other Southwestern cities take their water entitlement, Colorado River supplies to Southern California likely will decrease.



**MAP 16: SOUTHERN COASTAL SAGE SCRUB NATURAL COMMUNITIES CONSERVATION PLANNING (NCCP) REGION**

Source: Claremont Graduate University, and California Department of Fish and Game



*The New River enters  
the Salton Sea,  
Imperial County.*

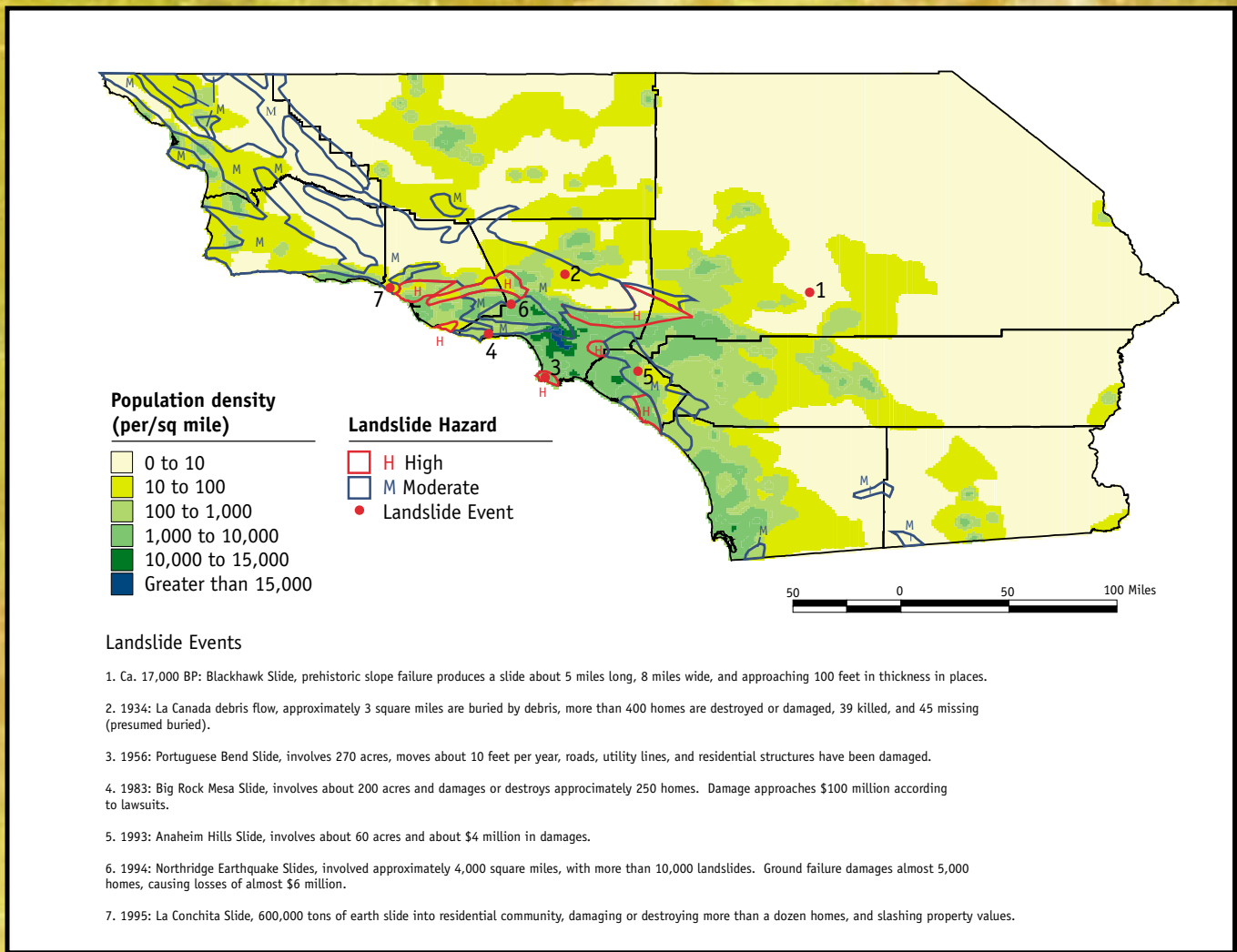
4 RESIDENTS OF ALL INCOME GROUPS  
ARE AT RISK OF NATURAL HAZARDS  
BECAUSE OF THE SPATIAL PATTERN  
OF DEVELOPMENT.

Metropolitan Los Angeles is built on a fragile and extremely volatile set of natural systems. Hot, dry summers bring an annual drought several months long, creating a high risk of fire throughout the region every year. Winters are characterized by infrequent but intense storms; a region that averages only 14 inches of rain per year has sometimes been hammered with individual storms carrying 8 to 11 inches each. Fires strip the region's thin natural cover and the subsequent rain typically combines with the steep terrain (and extensive paving downstream) to create destructive flooding and landslide conditions. Beyond all these conditions, of course, lies the fact that Los Angeles is perhaps the most earthquake-prone large metropolitan area in the United States.

In the last decade, the difficulty of sustaining a large urban region in the face of all these natural hazards has become more apparent. For example, the 1994 6.7 Northridge earthquake—the fourth earthquake in the last 70 years registering 6.0 or more on the Richter scale—left thousands of people homeless and caused more property damage (\$10 billion) than any other disaster in the history of the nation.

The longstanding regional growth pattern has separated income groups by topography (affluent foothills, poor lowlands). The 1993 fires in Malibu, Calabasas, and Laguna Beach all struck affluent communities that coexist uncomfortably with a natural environment that is at once beautiful and dangerous. The Malibu/Calabasas fire burned 18,000 acres, destroyed 300 structures, killed three people, and cost \$200 million in property damage. As the 1993 fires showed, these affluent communities must be protected by an enormous fire protection infrastructure, the cost of which is borne mostly by state and county taxpayers.

The threat of landslides, which is often greater in the foothills, also appears to affect affluent communities disproportionately. Map 17 shows the relative risk of landslides in different parts of the region. However, these different topographical areas are connected by natural systems, meaning the risk of natural hazards affect both the affluent and the poor. Fires and landslides in foothill areas often lead to floods in lowland areas. In an arid region subject to drought much of the year, scores of people have been killed in floods. The threat of flood is greater in lowlands along watercourses, where many lower-income communities are located. Thirty square miles of the City of Los Angeles is in the 100-year flood plain of the Los Angeles River. Virtually all of southern L.A. County—among the most ethnically and economically mixed part of the region—is prone to flooding, as are an increasing number of newly developing areas in Riverside and San Bernardino Counties located along watercourses.



**MAP 17: SLOPE FAILURE HAZARD ZONES IN SOUTHERN CALIFORNIA**

Source: California Division of Mines and Geology (1971), *Urban Geology: Water Plan for California*. Sacramento, Cook, R.U. (1984), *Geomorphological Hazards in Los Angeles*, Allen and Unwin London, *Los Angeles Times* (1983, 1995), *Orange County Register* (1993), Slossen, J.E. A.G. Keene, and J.A. Johnson (eds)(1992), *Landslides/ Landslide Mitigation, Reviews in Engineering Geology IX*, Geological Society of America; U.S. Geological Service (1997), *Geological Hazards*, <<http://www.geohazards.cr.usgs.gov/>>; U.S. Department of Commerce, Bureau of Census 1990 Census of Population and Housing.

**5 AIR AND WATER POLLUTION**  
**PATTERNS HAVE DIFFERING BUT**  
**IMPORTANT SPATIAL IMPACTS**  
**ON THE REGION.**

Los Angeles has long been known for its air pollution, especially photochemical smog. The region’s air quality is far better in coastal areas, where ocean breezes usually blow pollutants inland. Inland areas, especially the inland valleys, are susceptible to photochemical smog, especially during the hot, dry summers. (Map 18)

This pattern does not work uniformly to the advantage of affluent residents. Many affluent communities are located inland, especially in and around the northern portions of the San Gabriel Valley. And in a few instances, lower-income neighborhoods are located near the ocean and therefore have good air quality. Overall, however, communities near the coast are more likely to be affluent and therefore benefit from the region’s air-pollution patterns. Regionwide, the result of this pattern is a near-epidemic of respiratory problems. Ten to 15 percent of children suffer a decrease in lung capacity. Even among apparently healthy young persons, up to three-quarters experience lung inflammation—and half have severe bronchial illnesses.

Meanwhile, water quality in the region is poor, creating a problem both for groundwater drawn from wells and for the quality of water flowing into the ocean. (Map 19) Polluted



stormwater often places residents and beach-goers in coastal areas at risk, especially if they swim near stormwater outlets.

Forty percent of all groundwater wells in the region are contaminated—due, in large part, to the large amount of solid waste that is being deposited in landfills near those wells. Groundwater contamination is particularly a problem in the San Gabriel Valley and other inland areas, which have a plentiful supply of groundwater but a long history of damaging agricultural and industrial runoff.

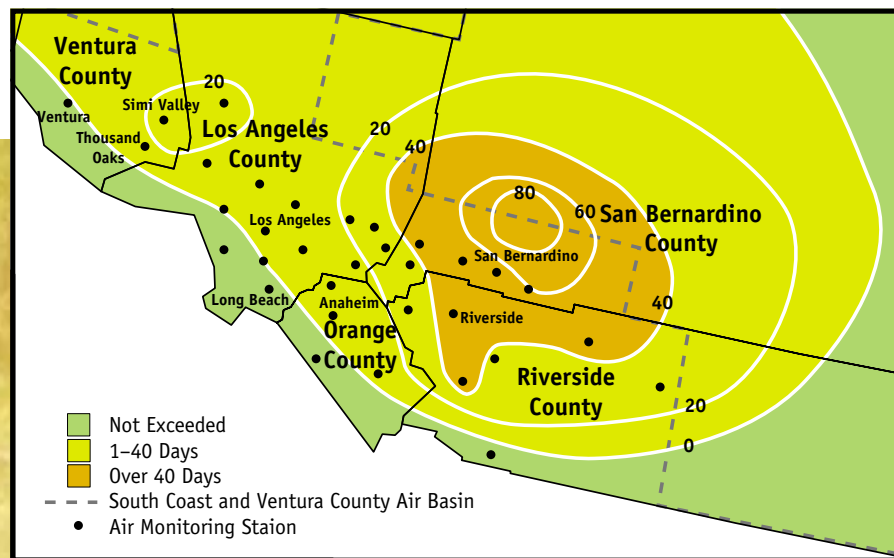
The vast and efficient system of channelized creeks and rivers—originally installed for flood-control purposes—has also accelerated water pollution in the Santa Monica Bay and other coastal areas. Pollution contained in surface runoff water dropped noticeably up until 1995, but has leveled off since then.

Because of water quality violations, one ton of zinc, half a ton of copper and chrome, and 60 pounds of arsenic flow through the sewer system each day to sewage treatment plants. Those plants are often overwhelmed by the region’s infrequent but high-intensity storms. A report from the Southern California Coastal Research Project found that coastal waters exceeded health standards 58 percent of the time after a winter rainstorm—and the figure increased to 87 percent in sampling points around stormwater outlets.

**6 THE PUBLIC HEALTH IMPACT OF METROPOLITAN LOS ANGELES’S POLLUTION PATTERNS PLACE THE YOUNG AND THE POOR AT RISK FAR MORE OFTEN THAN OTHER RESIDENTS.**

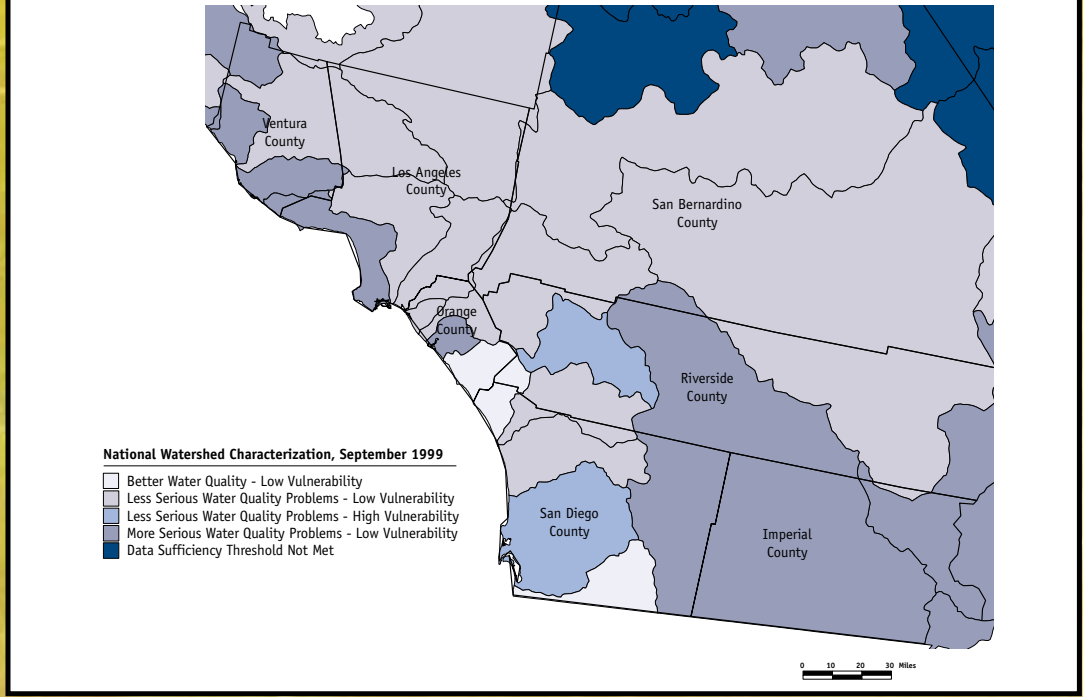
As the two map depictions in Map 20 show, the estimated lifetime cancer risk from hazardous air pollutants is high in all older urbanized parts of the region, especially in central and southern Los Angeles County and northern Orange County, where many of L.A.’s heavy industries were traditionally sited and where many ethnically and economically mixed neighborhoods are located today.

Risk is also high on many parts of the Westside of Los Angeles, where affluent neighborhoods are often intermixed with (or overtaking) historically working-class areas. This pattern likely reflects the intense traffic and pollution gridlock gripping the Westside and suggests that pollution is a common concern across economic class and geography within the region. Even so, the racial differentials in exposure are clear. The cancer-risk study found that people of color in metropolitan Los Angeles are one-third more likely to die of cancer from airborne pollution than Anglos (64 persons per 100,000 as opposed to 49), and that race is still a factor in estimated cancer risk even when controlling for income, local land use, and other usual explanations.



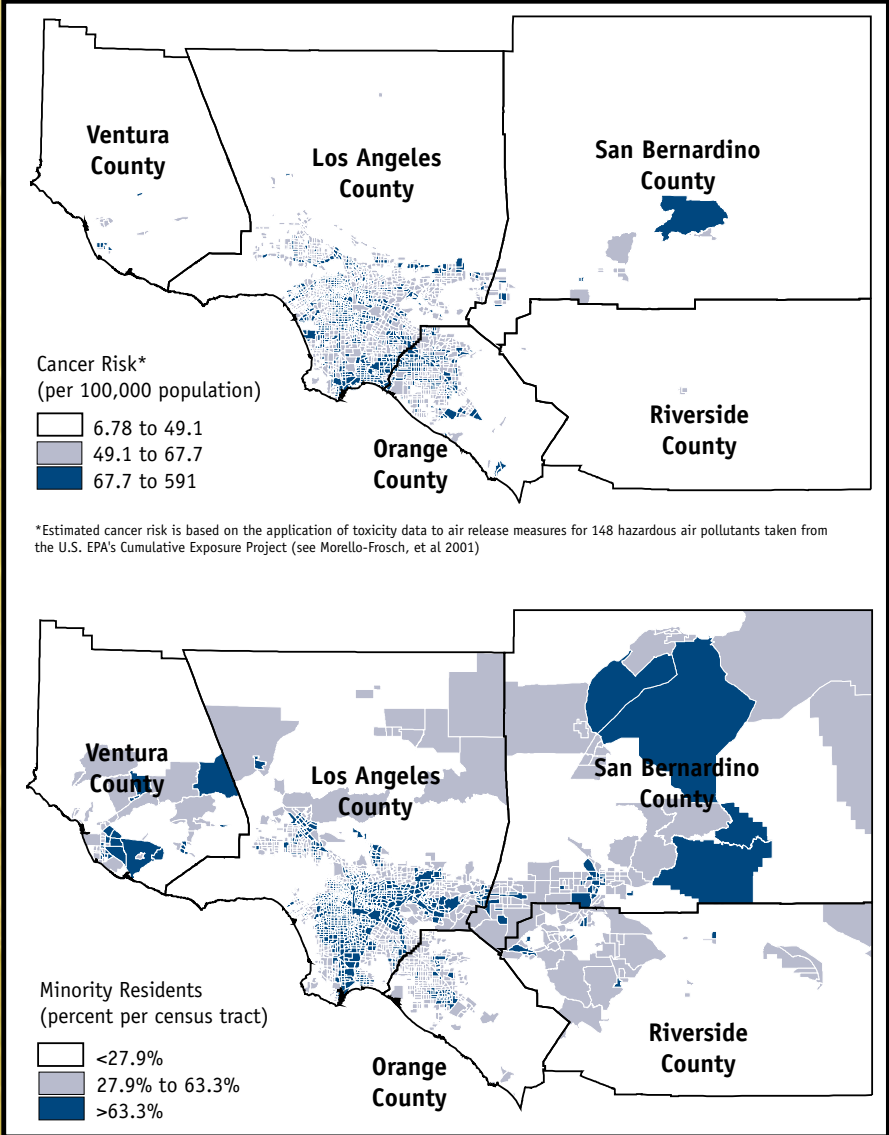
**MAP 18: NUMBER OF DAYS EXCEEDING THE FEDERAL STANDARD (8 HOUR AVERAGE > 0.08 ppm) FOR OZONE, SOUTH COAST AIR BASIN AND VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT, 1998.**

*Source: South Coast Air Quality Management District (AQMD), April 1999, Ventura County Air Pollution Control District (VCAPCD), October 2000.*



**MAP 19: NATIONAL WATERSHED CHARACTERIZATION FOR SOUTHERN CALIFORNIA, SEPTEMBER 1999**

Source: US Environmental Protection Agency, Index of Watershed Indicators, September 1999



**MAP 20: CUMULATIVE INDIVIDUAL LIFETIME CANCER RISK AND PERCENT MINORITY RESIDENTS (1990)**

Source: 1990 EPA's Cumulative Exposure Project and the 1990 US Census.

## Governance and Local Fiscal Resources

### 1 PROPOSITION 13 AND ITS PROGENY

HAVE DRAMATICALLY ALTERED THE WAY

LOCAL GOVERNMENTS IN METROPOLITAN

LOS ANGELES PAY FOR PUBLIC SERVICES

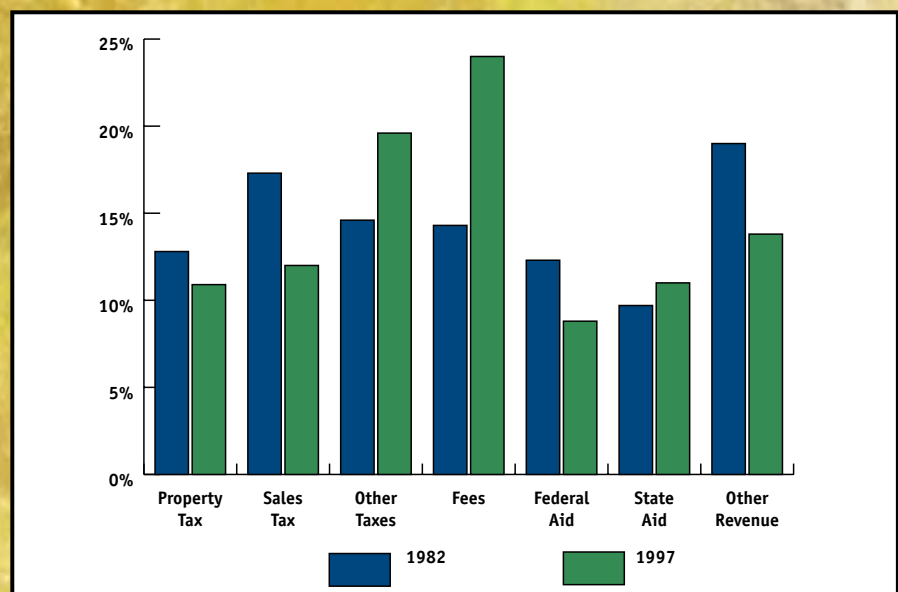
Proposition 13 restricted both the property tax rate (to 1 percent of assessed value) and the ability of local governments to reassess property to reflect current market conditions (upward reassessments may occur only when property is sold). Proposition 13 also gave the state government the power to allocate property tax revenue among local taxing agencies (cities, counties, school districts, and special districts). This has forced local governments to shift their focus from property taxes to other sources of revenue, including new taxes such as utility users taxes and fees on sanitation and new development.

Between 1982 and 1997, the share of local budgets derived from property and sales tax revenues in metropolitan Los Angeles dropped from 30 percent to 23 percent, while the share derived from fees rose from 14 percent to 24 percent. (Chart 9)

In other words, whereas 20 years ago fees represented just half as much revenue as the major tax sources, today they generate the same amount of money.

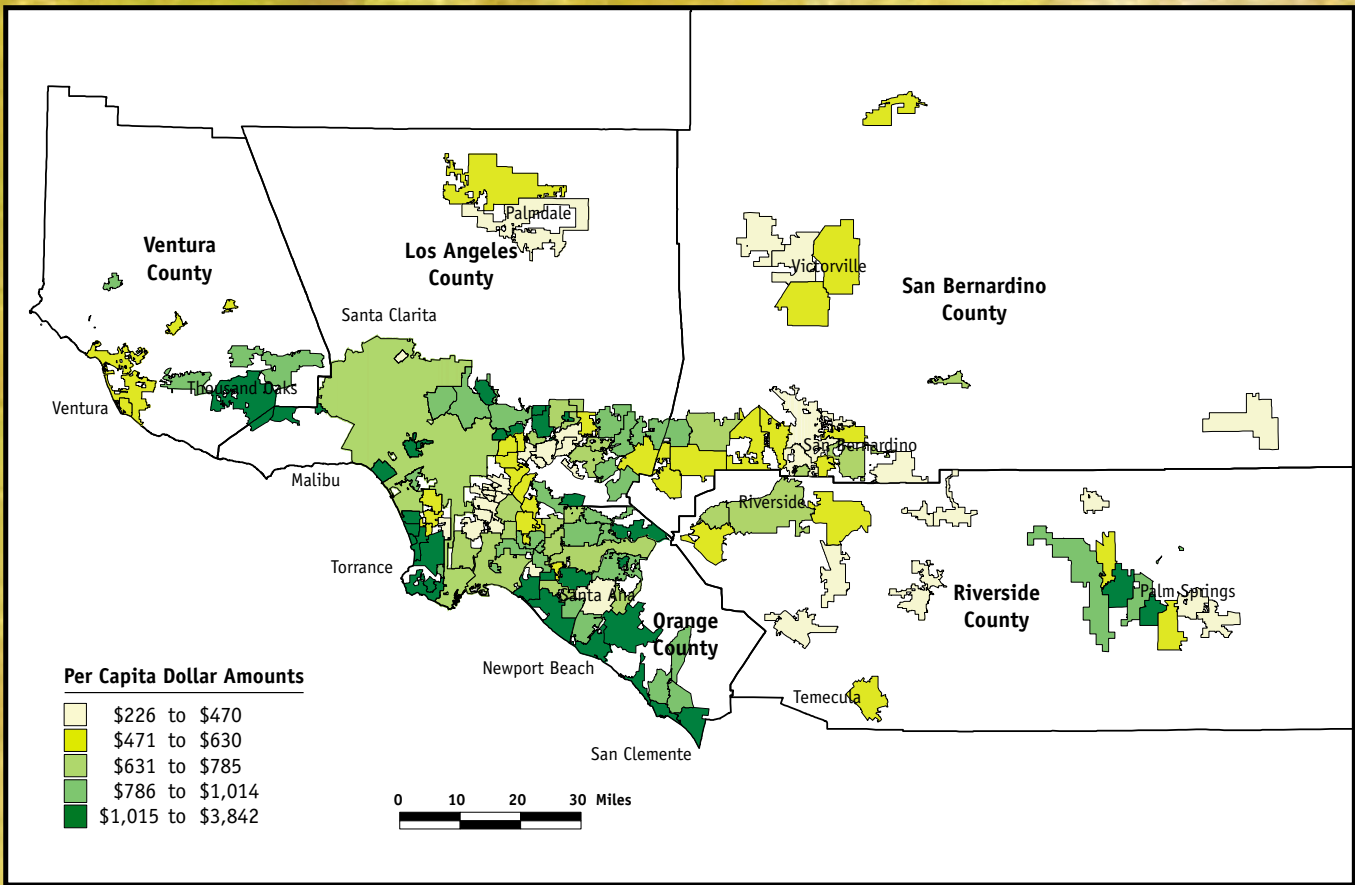
The drop in property tax revenue has occurred not only because of Proposition 13, but because of the state government's action in reallocation of property tax revenue during the recession of the early 1990s. Under Proposition 13, the state has the power to reallocate property tax revenue among cities, counties, school districts, and special districts. During the recession, approximately 25 percent of the total property tax revenue was reallocated from cities and counties to school districts. None of this revenue has been permanently restored, though a small portion has been returned in a year-by-year basis.

The post-Proposition 13 system has also led cities to engage in more fiscal zoning than in the past. Because property tax revenue has now been greatly reduced, municipalities perceive that property-tax producers, such as housing, are fiscally undesirable, while sales tax producers, such as shopping centers and auto dealerships, are desirable. This is especially true among cities, which receive less property-tax revenue than do counties. A 1998 survey by the Public Policy Institute of California found that city managers in metropolitan Los Angeles are more likely to favor retail development over other forms of development and place a high priority on sales-tax revenue as a consideration in determining which developments to approve. Curiously, cities in the region continue to hold this view even though their reliance on sales tax revenue actually declined between 1982 and 1997.



**CHART 9: CHANGING COMPOSITION OF CITY FINANCES, FIVE COUNTY REGION**

Source: California State Controller, *Annual Reports of Financial Transactions, 1982 and 1997, Concerning Cities of California*



**MAP 21: PER CAPITA FISCAL CAPACITY BY CITY, 1997**

Source: Annual Reports of Financial Transactions Concerning Cities of California, The Office of the State Controller, State of California, 1997, and US Census of Population and Housing (STF3) 1990.

2 THE STATE'S SYSTEM OF INCORPORATIONS, "CONTRACT CITIES," AND TAX REVENUE DISTRIBUTION HAS CREATED A PATTERN OF FISCAL INEQUITY AMONG LOCAL GOVERNMENTS.

Metropolitan Los Angeles has long displayed a pattern of fiscal inequity among local governments. This pattern has been shaped in part by the state's tax distribution system, which rewards high-value properties and retail properties in particular, and in part by the region's pattern of many small and medium-sized cities, which has led to "haves" and "have-nots" among local jurisdictions.

Over the last two decades, the gap in fiscal capacity across the region has grown. In 1982, the wealthiest 20 percent of cities in the region had a local fiscal capacity that was 2.6 times that of the poorest 20 percent. By 1997, that ratio had grown to 3.7. In particular, local governments have fallen behind in Riverside and San Bernardino Counties, where single-family housing construction has been strong but commercial development has not kept pace.

The geographical pattern of these disparities in fiscal capacity generally mirrors the region's other spatial patterns. However, there is more disparity between adjacent jurisdictions, even in older, poorer parts of the region. As seen in Map 21, in southern Los Angeles County, the San Gabriel Valley, and northern Orange County, tax-rich and tax-poor cities often sit side-by-side. In some cases, small tax-rich cities—often industrial or retail enclaves—are almost completely surrounded by tax-poor cities, even in parts of the region that are almost uniformly poor.

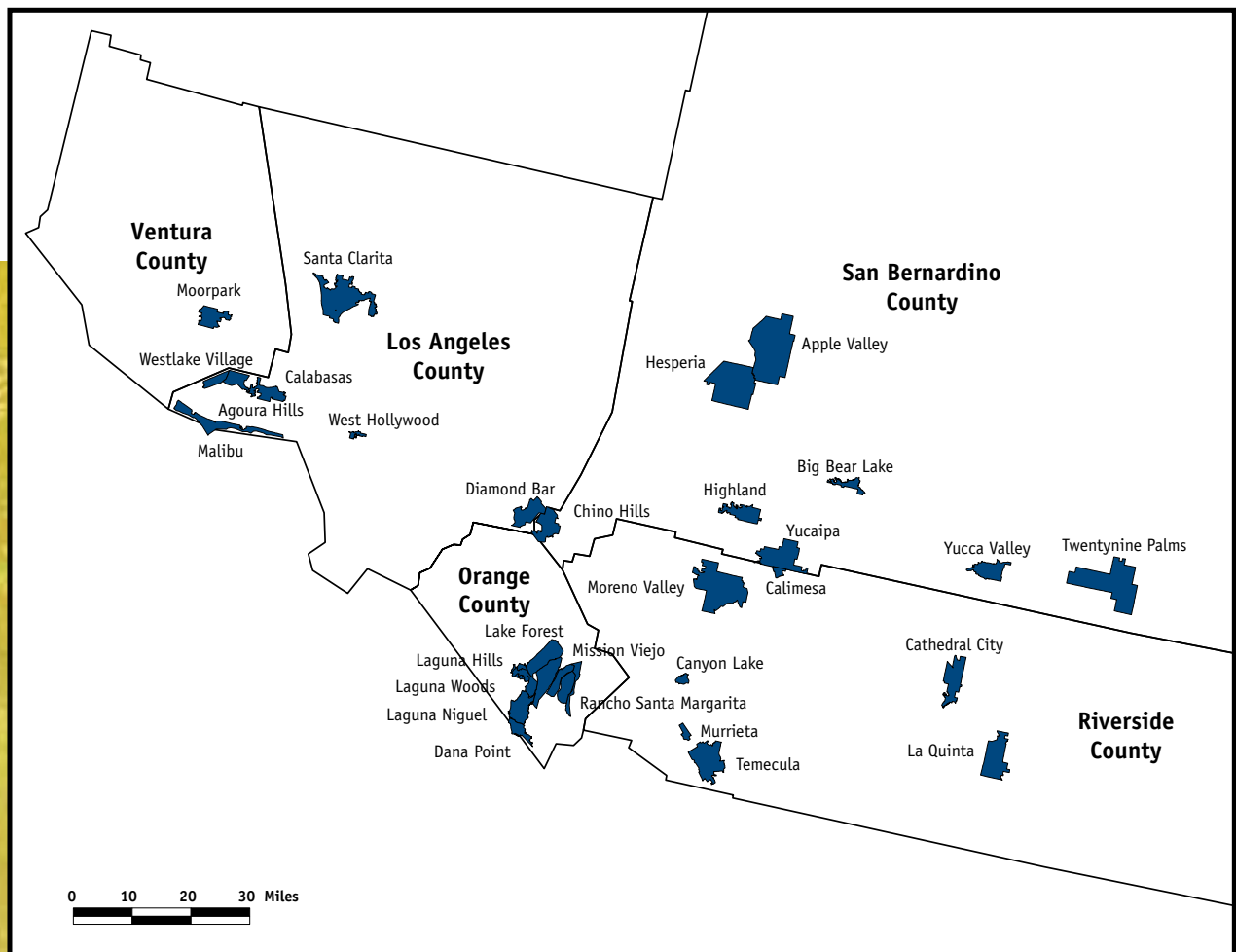
Of course, local governments in metropolitan Los Angeles sometimes have different responsibilities, so comparisons are not always "apples to apples". In addition, the region's tradition of "contract cities" (small cities contracting with county governments for some services, such as police protection) has often permitted municipalities to operate efficiently on a small tax base. However, all jurisdictions must deal with at least some issues resulting from regional patterns of growth and change, including crime, public infrastructure, and land-use planning.

**3 THE STATE'S INCORPORATION LAW HAS FACILITATED THE CREATION OF SMALL, AFFLUENT, ANGLIO CITIES THROUGHOUT THE REGION.**

The mostly Anglo population in newly developing suburbs has been creating many new municipalities. Since the passage of Proposition 13 in 1978, more than 30 new cities have incorporated in the region (a 20 percent increase), in large part because the Prop. 13 system provides local residents with the opportunity to transfer tax revenue from the county to their new city, thus increasing the quality of their local public services.

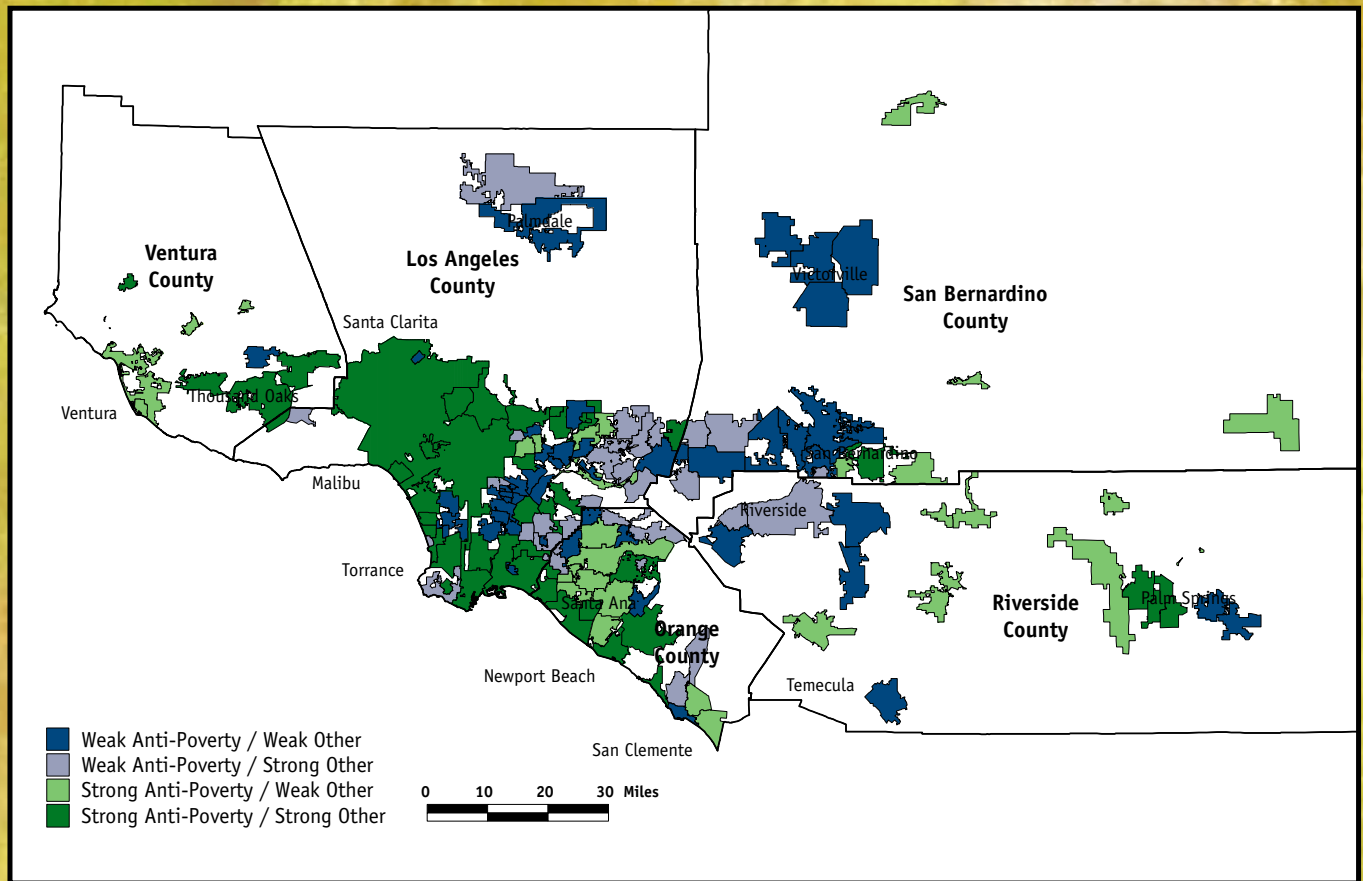
However, virtually all of these new city incorporations have had the effect of walling off affluent Anglo residents from the communities around them and from the rest of the region. During a period when Anglos dropped from 61 percent to 42 percent of the region's population, every single newly incorporated city had a majority Anglo population. All but one had Anglo populations of at least 70 percent. State regulatory requirements have generally ensured that these new cities had an adequate fiscal base. As Map 22 shows, in many cases, especially in southern Orange County and on the L.A.-Ventura County border, several cities have been created out of what is essentially one large newly suburbanizing area.

New incorporations have slowed somewhat since the passage of a 1992 law requiring that new cities hold counties financially harmless for lost tax revenue. However, incorporations have continued in some parts of the region, especially in southern Orange County. This trend of creating new, overwhelmingly Anglo cities stands in stark contrast to the pattern of many older communities in the regional core becoming overwhelmingly Latino.



**MAP 22: CITIES THAT HAVE INCORPORATED SINCE 1980**

Source: Claremont Graduate University



**MAP 23: JOINT PATTERNS OF REDISTRIBUTION AND OTHER FEDERAL EXPENDITURES TO SOUTHERN CALIFORNIA CITIES, BETWEEN 1994 AND 1995**

Source: CFFR Data, 1994–1996

**4 MANY OF THE POOREST CITIES IN THE REGION RECEIVE ONLY A TRICKLE OF FEDERAL FUNDS.**

The flow of federal funds into the region makes these fiscal inequities worse rather than better. In fact, the inequity in federal expenditures across the region reveals an even starker split between coastal and inland communities than almost any other regional indicator—though it does reinforce the general region pattern of affluence and poverty. Almost without exception, the communities that benefit the most from the combined impact of federal spending —anti-poverty spending and other federal expenditures—are affluent communities located in coastal areas, while the communities that benefit the least are located inland.

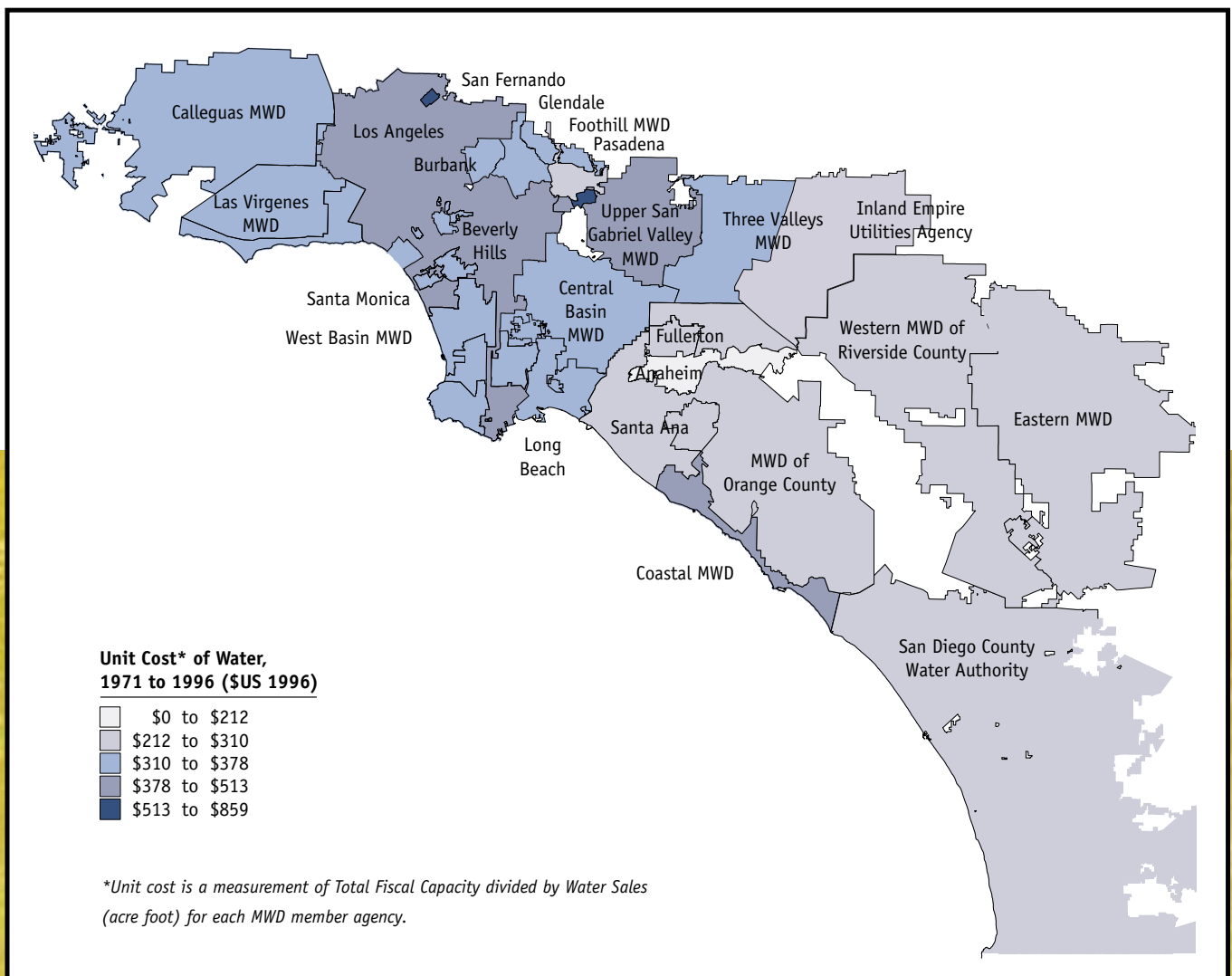
As Map 23 shows, most of the communities that receive high levels of federal expenditure (including anti-poverty funding) are located along the coast. Most of the communities that receive high levels of anti-poverty spending but little other spending are located in older urban areas, especially in Orange County. But many of the poorest cities in the region—including southern Los Angeles County and the San Bernardino Valley—receive few federal funds of any sort.

**5 OLDER COMMUNITIES IN THE REGION'S CORE HAVE SUBSIDIZED THE CREATION OF NEWLY DEVELOPING SUBURBS ON THE METROPOLITAN FRINGE.**

At the same time that they are experiencing stress from population growth and economic restructuring, many older communities have continued to subsidize the creation of newly developing suburbs through regional institutions such as the Metropolitan Water District.

Map 24 shows the regional pattern of costs and benefits of MWD water deliveries between 1971 and 1996. Historically, the older and more centrally located members of the MWD paid the bulk of the cost of the water system.<sup>4</sup> This historical trend began in 1930, when the City of Los Angeles agreed to foot most of the initial construction bill. As Map 24 illustrates, the pattern has continued consistently, although in a less dramatic fashion. For example, between 1971 and 1996, the Central Basin water district, which covers most of the rapidly changing communities in southeastern Los Angeles County, contributed \$327 for every acre-foot of water received, whereas the Western MWD of Riverside County, which covers most of that area's newly developing suburbs, contributed \$280.

<sup>4</sup> These communities include not only distressed communities, but older, centrally located, affluent communities such as Beverly Hills.



**MAP 24: UNIT COST\* OF METROPOLITAN WATER DISTRICT WATER BY MEMBER AGENCY, 1971 TO 1996**

Source: Metropolitan Water District's Annual Reports, 1971-1996



# 4. THE CONSEQUENCES OF REG

*Metropolitan Los Angeles today faces unprecedented social, economic, and environmental challenges arising from its changing population, its restructured economy, and a new set of social conditions. At the same time, however, the region cannot hope to sprawl its way out of its problems, as it has sought to do so often in the past.*

Today, sprawl has hit the wall in metropolitan Los Angeles. Almost all the natural locations for urban development have been consumed, and most of the remaining areas are constrained by government policy. And many of the other resources that have fueled sprawl in the past—for example, efficient transportation and water systems—appear to have hit the wall as well.

Metropolitan Los Angeles must face the interlocking consequences of its growth trends and development decisions, and especially the challenges of distressed communities, whether in the growing regional core or in older parts of outlying counties. These consequences include the following.

## Population and Demographic Consequences

### 1 DEMOGRAPHIC AND ECONOMIC

RESTRUCTURING HAS INCREASED THE

WORKING POOR POPULATION IN THE

REGIONAL CORE COMMUNITIES.

As the economy and demography of Southern California have changed, perhaps the most dramatic consequence has been the increase of the working poor population. The decline in the middle-class economy has created more low-wage jobs. As a result, simply having a job is often not enough to rise out of poverty or near-poverty.

The working poor tend to be concentrated in the older, poorer communities in the region's core. Many other problems the region faces arise out of this one, including the spatial mismatch between jobs and people, the crisis in housing, the disparity in educational achievement, and serious traffic congestion.

### 2 CHANGING DEMOGRAPHIC AND

ECONOMIC STRUCTURES HAVE RENDERED

METROPOLITAN LOS ANGELES'S

TRADITIONAL GEOGRAPHICAL

ORGANIZATION OBSOLETE.

As the regional core of older, poorer communities has grown, it has expanded into formerly middle-class suburban communities. These communities often see housing and school overcrowding in neighborhoods where there have been few changes in the physical infrastructure for decades. They are also often ill-equipped, either institutionally or fiscally, to deal with a population other than the traditional middle class.

Meanwhile, the middle-class—which is increasingly made up of upwardly mobile Latinos and Asians buying their first houses—is being squeezed. They are now in the transitional areas between the rich and the poor, or they have “leapfrogged” out to the metropolitan fringe where single-family homes are being constructed.





# REGIONAL GROWTH AND CHANGE

## Economic and Social Consequences

- 1 THERE IS A GROWING SPATIAL MISMATCH BETWEEN HOUSING AND JOBS THAT AFFECT RESIDENTS IN OLDER URBAN COMMUNITIES AND NEWER SUBURBAN COMMUNITIES.

The older regional core area of central and southern Los Angeles County served for decades as the center of industrial employment in L.A., with heavy concentrations of jobs in the tire, rubber, and aerospace industries. Ironically, some of the poorest areas in the region were in very close proximity to some of the best jobs. Although these areas still contain a great deal of employment, the recession reshaped the geography of the region's jobs. Good-paying middle-class jobs vanished from southern L.A. County (and, to a lesser extent, northern Orange County as well). To the extent they were replaced in these locations, they were replaced with low-paying manufacturing and service jobs. High-paying jobs were created in other areas—largely in the entertainment sector, which focused on Hollywood, the Westside, and Burbank and Glendale, and in the high-technology sector, which focused on mature, high-amenity suburbs such as Thousand Oaks and Irvine.

It is important to note that the regional pattern is not away from central locations to the newly developing metropolitan fringe. Rather, the pattern is away from old industrial locations to mature but attractive suburban communities that have many amenities—but also, typically, very high housing prices and extreme traffic congestion. Thus, workers living in central locations and on the metropolitan fringe must commute long distances through congested traffic to get to these jobs, while affluent residents must endure growing congestion due to a concentration of jobs in their communities.

- 2 THE REGION FACES A SERIOUS HOUSING CRISIS.

The trends in new housing construction and affordability are fundamentally at odds with the emerging realities of the metropolitan region. Increasingly, the region's growth consists not only of conventional suburban households, but also of working-class and working poor families living in existing urban areas that might be considered "built out" by suburban standards. These households must compete for housing in a tight and expensive market, especially for rental housing.

Yet the region's housing construction trends do not reflect this reality. Population growth remains strong, but overall housing construction has dropped dramatically in the last decade. Rental housing construction has declined to one-quarter of its previous levels, even though working class families and the working poor often must rely on rentals. Almost half the population growth in the region is occurring in L.A. County, but the county accounts for only one-quarter of new housing starts. Housing construction is strong only in Riverside County, where it is dominated by single-family construction.

Simply put, the region is building the wrong type of housing in the wrong location at the wrong price for the population and economy it now has. Homebuilders in the region remain in the suburban mode, following land availability and buying power rather than population growth and need.

- 3 THE REGION FACES A SERIES OF DIFFICULT TRANSPORTATION CHOICES, PARTLY BECAUSE OF THE RAPID DEMOGRAPHIC AND ECONOMIC CHANGE.

Despite a vast and widely admired freeway system, metropolitan Los Angeles already faces the worst traffic congestion in the nation. The region also has an extensive but imperfect public transit system that does not always provide the working poor with a wide range of options. With population growth occurring in older cities and new suburbs, and job growth concentrated in affluent and mature suburbs, the region now faces a difficult set of choices about how to expand transportation capacity and improve access to services and jobs for all its residents.

Heavy transit spending has greatly increased the non-highway transportation capacity of the region. But the changing population and economic structure has called many of these decisions into question. L.A. County has spent heavily on rail transit, but much of the working-poor population is now dependent on bus transit. Some 94 percent of all MTA ridership is on buses, but buses receive only about 30 percent of the MTA's \$2.6 billion capital and operating budget. Overall, transit ridership in the region peaked in 1985 and has dropped ever since. These statistics have led many critics to question the region's heavy investment in rail transit in L.A. County and in the Metrolink system, especially when bus service is so important to the working poor. Major questions remain about how the region can best be served by transportation improvements.

#### 4 OVERALL EDUCATIONAL ATTAINMENT

IS A MAJOR PROBLEM, AND THE  
CONCENTRATION OF POOR STUDENTS,  
ESPECIALLY LATINOS AND  
AFRICAN-AMERICANS,  
IS EXACERBATING THIS PROBLEM.

Poor children, African-American and Latino children, and children with limited English proficiency are concentrated in the schools of older, poorer communities of the distressed core, in southern and eastern Los Angeles County, northern Orange County, and the area around San Bernardino. Schools with high concentrations of poor students face enormous challenges, and are often simply overwhelmed. This means worse educational outcomes and fewer opportunities for their students.

In essence, a concentration of children from low-income families in schools means that working poverty perpetuates itself, since students are less likely than their peers in other schools to acquire the skills they need to move into good, high-paying jobs. Businesses offering high-skill, high wage employment have few incentives to locate in an area with an under-prepared pool of workers. With low earnings, people are unable to move elsewhere.

## Land and Natural Resource Consequences

1 FOR THE FIRST TIME EVER, THE  
REGION IS RUNNING OUT OF LAND AND  
OTHER NATURAL RESOURCES.

For more than a century, metropolitan Los Angeles has grown by moving on to "the next valley". When the coastal plain of Los Angeles was filled up, suburbs were constructed in Orange County. When those areas were full, new communities sprung up in Ventura County, in northern L.A. County, and in the Inland Empire.

Now, at last, there are almost no more valleys to sprawl onto. As stated above, most of the land that can be urbanized already has been urbanized. Most of the rest is constrained by government policy or government ownership. In areas on the metropolitan fringe where land is available—such as southern Orange County, the Santa Clarita Valley, and the Temecula Valley in Riverside County—some growth is likely to occur. But these are battleground areas where large landowners are limiting development and conserving large portions of their landholdings in response to opposition from environmentalists and slow-growth activists. The only part of the region with a large amount of unconstrained land is the high desert, located north of Los Angeles and San Bernardino, which is environmentally fragile, has the harshest climate in the region, and is still located far from most job centers.

Likewise, the supply of water in the region—the other major natural resource required to accommodate growth—is not likely to increase in the future. In fact, between cuts in imported water supplies and groundwater contamination, overall water supply may be reduced. As with land, in the area of water metropolitan Los Angeles must do more with less in the future.

2 AIR AND WATER POLLUTION  
CONTINUE TO PLACE LARGE PORTIONS OF  
THE REGION'S POPULATION AT RISK.

Air quality has improved dramatically in metropolitan Los Angeles in recent years. Reduced emissions from both industrial sources and from vehicle tailpipes have led to a dramatic decline in individual air-pollution crises. The number of "Stage 1" smog alerts dropped from 102 in 1976 to only 12 in 1998. Nevertheless, the Los Angeles air basin remains among the most polluted in the nation and it will be very difficult for the region to comply with federal air standards by the target date of 2020.

Furthermore, the emerging patterns of air pollution do not bode well for either older urban areas or fast-growing newly developing suburbs, which together account for most of

the region's population growth. As metropolitan Los Angeles has grown, the locus of smog has moved farther eastward, from the San Gabriel Valley into Riverside County. This is the same area where the most new single-family housing is being constructed.

At the same time, air pollutants of newer interest such as air toxics and diesel emissions are of increasing concern, especially among children in poor neighborhoods where the likelihood of air toxics emissions is greater. Air toxics are pollutants linked to cancer, neurological damage, genetic mutations, birth defects, and other chronic illnesses.

Water pollution has emerged as a high-profile issue in metropolitan Los Angeles only in recent years, and so far little has been done to address the issue. But there are a multiplicity of concerns related to water pollution and the region's growth patterns, including the ongoing effect of the region's stormwater system on overall water quality; the impact on coastal areas and coastal residents; and the impact of groundwater contamination, especially in older urban areas where more groundwater exists. This issue cuts across geography, race, and economic class, but it has a particular effect on coastal areas and on the "lowlands" in the regional core through which the region's major watercourses flow.

## Governance and Fiscal Consequences

### 1 THE STATE'S SYSTEM OF FISCAL

INCENTIVES IS CREATING

FISCAL INEQUITY AMONG LOCAL

GOVERNMENTS AND ENCOURAGING

THEM TO PURSUE RETAIL DEVELOPMENT

OVER HOUSING AND JOBS.

Local governments in Southern California play a critical role in managing the challenges outlined in this report. Local governments on the metropolitan fringe must accommodate new development and find ways to pay for public infrastructure. Local governments in job-rich mature suburban areas must manage traffic congestion. Local governments in the regional core must deal with the consequences of rapid population growth even as their physical and fiscal infrastructure is not growing.

These municipalities are mostly small to medium sized, with an inevitably parochial view. Even as the region as a whole becomes more diverse, these municipalities are becoming more segregated by race and by income. They sometimes work together on limited issues of mutual concern. More often, however, they acted parochially with little sense of the region's larger concerns.

The state's system of fiscal incentives exacerbates all these problems. Cities especially are financially rewarded for a provincial, short-term approach to problem-solving. Despite the fact that the region has a significant housing crisis, local governments—especially cities, where 90 percent of the region's residents live—have significant fiscal disincentives that discourage them from permitting more housing. Despite the fact that large portions of the region are suffering from population pressure and economic distress, the local governments are given incentives to place shopping centers ahead of housing and even business parks, industrial plants or other types of job centers.

### 2 REGIONAL GOVERNANCE

INSTITUTIONS ARE SEVERELY STRAINED

BY THE DEMOGRAPHIC AND ECONOMIC

CHANGES WITHIN THE REGION.

The region's governance structure, like its physical form, was created at a time when metropolitan Los Angeles was pursuing the suburban ideal. This system of governance, which focuses on small and independent cities addressing their own concerns and acting together only in their mutual self-interest, is clearly under strain.

Even as the individual cities act parochially, regional governance institutions that have helped move the region forward in the past are gridlocked. In large part, this is because of the way the region has changed. The 27 cities and water districts that make up the Metropolitan Water District worked well together when their goal was to import more water into the region. Now that they may have to re-allocate water among themselves, however, MWD is undergoing severe stress.

Similarly, the local governments within the region have had a difficult time managing the state-mandated allocation of regional housing needs, which was undertaken in 1999 for the first time in a decade. Working through the Southern California Association of Governments, cities in different parts of the region could not reach agreement on how to "divvy up" the region's future housing and appealed to the state for relief from the housing allocation mandate.



# 5. BENDING THE TRENDS: A VISION FOR THE FUTURE

*The challenges confronting metropolitan Los Angeles—dealing with growth, economic and social conditions, the natural environment, and governance—are large indeed. Meeting these challenges is made more difficult by the fact that Los Angeles has always had a diffuse and decentralized civic infrastructure. Unlike many metropolitan areas, there is no single, small group of regional leaders who can “make things happen”—nor are there many institutions that even think about the region as a whole. Given the singular history and geography of metropolitan Los Angeles, this is understandable.*

The region originally emerged as a series of decentralized and self-contained towns, each with its own complement of housing, jobs, and shopping. The outlying counties have grown to strength and prominence on a kind of manifest destiny philosophy in which they have deliberately sought to establish separate identities from Los Angeles itself. The region’s almost 200 individual cities have likewise sought to serve their residents by viewing themselves parochially, rather than part of a larger whole. In other words, traditionally, the entire region was built on a kind of suburban assumption that individual people and individual communities could thrive by creating small, separate centers of economic and social life.

But these assumptions are true no more. As all the demographic and economic trends suggest, the suburban era in metropolitan Los Angeles is over. New communities are still being built on the metropolitan fringe, but little land remains for more outward expansion. Most people live in urban areas that are aging rapidly. And those existing areas are quickly stratifying in a way that increases the separation of affluent and poor residents.

Given all these changes, a continuation of the current, troubling trends is not the only choice. It is possible to adopt an alternative vision for the future of metropolitan Los Angeles that takes advantage of the region’s assets in a more thoughtful way. In so doing, it is possible to provide a better life for the region’s residents, one that is based on a smart and sustainable approach to growth, rather than one that seeks to replicate—with little chance of success—the suburbia of yesteryear.

Already, efforts have begun around the region—and in Sacramento—that attempt to deal with some aspects of the challenges outlined in this report. Some local governments have begun to work together with state and federal agencies to deal with growth and environmental protection in a more comprehensive way—for example, the Riverside County Integrated Plan, which seeks to accommodate new urban growth, create new transportation solutions, and establish a major wildlife preserve in an integrated fashion over the next 20 years. At the same time, localities such as Santa Monica are tackling sustainability; and other communities, like Sylmar, are building transit-oriented, energy efficient, affordably-priced developments. Many community-based organizations have played an important role in trying to fashion better policy responses to the growing issues of the working poor—whether those efforts are affordable housing or community development efforts in older communities or attempts by the Bus Riders Union to raise the region’s consciousness about the transportation needs of the working poor. Business and banking have raised large sums of money for affordable housing. The “Gateway” cities—the poor cities of southeastern L.A. County—have banded together to encourage more

brownfields development and more training programs targeted to industries that are expanding in the older parts of the region. A whole series of state commissions and committees—most recently, Assembly Speaker Robert Hertzberg’s Commission on Regionalism—have attempted to examine the state’s role in creating the system of taxation and local government that has helped to exacerbate these trends.

All these efforts are laudatory, but so far they have not yet succeeded in truly bending the region’s trends. These efforts and many others should be brought together to create an alternative vision for the future of the region that addresses these challenges head-on in a way that is comprehensive and integrated and can win broad support among the public and policymakers.

This alternative vision requires the people and institutions of our region to adopt four guiding principles:

1. Grow Smarter
2. Grow Together
3. Grow Greener
4. Grow More Civic-Minded

## Grow Smarter

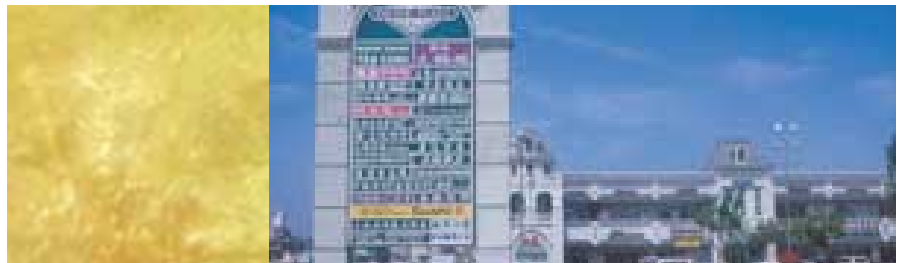
In business, it is often said these days that the only way to increase productivity and improve business performance is to work smarter. The reason is simple: There are only so many hours in the day, and workers cannot be expected to improve the company’s performance forever by working longer and longer hours. Instead of working harder, they must work smarter.

So it is with the Los Angeles region today. It is no longer possible to facilitate growth and prosperity by growing outward. Therefore, it is necessary for the region to begin growing “smarter”—that is, making conscious choices about how to deploy land, water, transportation infrastructure, and other resources so that our future growth reinforces existing communities in positive ways and improves regional patterns rather than destroys them.

In many cases, this may simply require building more of a regional consciousness about what individual communities are doing when, for example, they restrict residential growth but not commercial development. More likely, it will require the creation of a stronger regional structure that allows both local and regional agencies to agree upon and then pursue common regional goals. In any event, there are three specific steps the region and its communities can take in order to begin “growing smarter”.

- 1 OVERHAUL THE STATE’S FISCAL SYSTEM TO ENCOURAGE A HEALTHY BALANCE IN COMMUNITIES, INCLUDING HOUSING.

The state’s fiscal system for local governments provides perverse incentives that discourage housing construction and encourage retail construction. The state’s system of tax distribution should provide fiscal rewards to cities and counties for an appropriate balance of land uses, including housing, job centers, shopping, and institutional uses.



② INCREASE THE SUPPLY OF AFFORDABLE HOUSING THROUGHOUT THE REGION, ESPECIALLY IN OLDER COMMUNITIES AND IN MATURE SUBURBS THAT ARE ADDING JOBS QUICKLY.

Housing supply and affordability is a regional crisis. In addition to fiscal reform, many other barriers to housing construction also need to be eliminated. These steps may include, among other things, an overhaul of local building and zoning codes, which often make recycling of used sites for housing more difficult. It may also mean targeting state and federal affordable housing and home ownership programs to those portions of the region where housing is most desperately needed. There is no question that the state must revise its troubled Regional Housing Needs Assessment, which has been unsuccessful in promoting regional consensus on how to distribute local governments' obligations for affordable housing. Such a revision might build on the efforts above to identify which jurisdictions are truly under-served with housing and provide financial incentives to local governments for building such housing.

③ UNDERTAKE A REGIONAL EFFORT TO ALTER THE PHYSICAL FORM OF LOCAL COMMUNITIES SO THAT THEY REFLECT THE CURRENT DEMOGRAPHIC AND ECONOMIC STRUCTURE OF THE METRO AREA.

Even if these other steps are taken, metropolitan Los Angeles will still reflect its historic polycentric physical form. Therefore, additional steps must be taken by the region and by individual jurisdictions to update L.A.'s region form so that it consumes less land and fewer natural resources.

These steps might include a region-wide set of incentives that simultaneously encourages land conservation on the metropolitan fringe and infill development in older communities where it is most needed. Incentives might include transferable development rights (and perhaps a transfer of fiscal incentives) from one jurisdiction to another. Such an effort might also build on the state's existing pilot efforts to identify housing opportunities in job-rich areas and employment development opportunities in housing-rich areas.

This effort would also require an overhaul of the region's transportation system, in order to be more responsive to the growing and changing needs of today's working population, and also to take advantage of transit-oriented development opportunities. For example, intensive or mixed-use development might be concentrated at the transfer points between rail and bus lines, especially in eastern and southern Los Angeles Counties where bus ridership is high and many development opportunities exist along rail lines.

## Grow Together

Perhaps the most disheartening part of the Los Angeles story today is the growing regional divide between rich and poor, which manifests itself not only in geographical separation but also in social and economic turmoil throughout the region. But the regional divide need not get worse—if a commitment is made to finding ways to reach common ground across race, class, and geography, and to growing together. In fact, all of the region's residents could benefit by pursuing a 'growing together' strategy since regions with less economic inequality tend to grow faster.

① LINK THE WORKING POOR TO EMPLOYMENT OPPORTUNITIES WHEREVER THEY ARE.

The centerpiece of a regional "growing together" strategy should aim to connect the region's poor residents and poor communities to the dynamic economic opportunities that exist at the regional level. In large part, this connection must be made physically—by reusing urban land more intelligently to bring opportunities to poor neighborhoods, and by reorienting our transportation system around the task of connecting the working poor to broader employment opportunity. But this connection must also be made in myriad other ways—by identifying and encouraging business opportunities in existing older neighborhoods; by encouraging the creation of more diverse newer communities (through housing vouchers and other means) so that there is a better match between people and jobs; and simply by taking steps to connect qualified workers with existing job opportunities they might not otherwise know about.

For example, the promotion (probably by the state) of "regional skills alliances" could create new partnerships among corporate employers, community colleges, community institutions and existing workforce investment boards. The collaboration of the Gateway Cities Partnership and local community colleges to train 1,500 new precision machinists per year (up from the present 200) is a good start.

② INVEST IN OLDER  
COMMUNITIES AND RESTORE  
NEIGHBORHOOD ECONOMIES.

Businesses should be encouraged throughout the region to rediscover the hidden assets (both workers and markets) that are currently locked in the thriving but overlooked older neighborhoods throughout the region. This strategy could be pursued in both the core areas described in this report (San Gabriel Valley, San Bernardino Valley, southern Los Angeles County, and northern Orange County) and in distressed communities in outlying areas.

The State Treasurer’s “Double Bottom Line” initiative and the California Public Employment Retirement System’s \$1 billion commitment to infill development can be used as ways to bring needed investment to such communities, especially those in the older regional core, where housing, job opportunities, and retail development are most needed.

In undertaking these efforts, of course, care must be taken not to displace the poor or the working poor who already occupy these communities. Many urban revitalization strategies are based on the assumption that the population of older neighborhoods is in decline and therefore incentives are required to entice people “back to the city.” In metropolitan Los Angeles, this is not the case. Thus our goal should be to improve the quality of life and opportunity for the people who already live there and may stay as they move toward the middle class.

③ CLOSE THE INCOME DIVIDE THROUGH  
STATE TAX AND SPENDING POLICY.

The region should move aggressively to use tax and spending policy opportunities from both the state and federal government to close the income divide, as other states have done.

For example, the region’s political leaders should promote use of the federal Earned Income Tax Credit (EITC), currently underutilized by local residents. The federal EITC, considered the largest single program to alleviate child poverty, provides a tax credit of up to \$3,800 for families earning less than \$30,000 per year, using their funds to pay for such critical expenses as child care, school expenses, transportation, and medical bills. The state should also be encouraged to enact its own EITC program. Fifteen states have already enacted a state version of an EITC. Moreover, in some states, EITC beneficiaries can link some of their savings to an “Individual Development Account,” which can be used for homeownership, education, microenterprise, retirement and home repairs.

A whole series of other policy options are available to close this divide. The region could follow the lead of L.A. County, which is taking advantage of new flexibility in federal programs to permit welfare funds to be used to provide housing assistance to low-income families. Other federal programs contain untapped flexibility that could be better exploited in the state and Los Angeles region. For instance, the Children’s Health Insurance Program, or CHIP, which provides health care coverage for children and their parents could be extended to households earning up to 200 percent of the federal poverty line—entirely feasible given the program’s current unspent allocation of \$600 million. Most important, however, would be greater efforts to inform eligible households of the program’s availability.

## Grow Greener

The dramatic changes of recent decades have made it clear that metropolitan Los Angeles cannot continue to grow and prosper until it comes to terms with the natural environment in which it is located. Traditionally, environmental protection has been viewed as a goal that comes at the cost of prosperity. In the past few years, however, the term “sustainability” has come to mean seeking to manage future growth in such a way that our natural resources are protected and enhanced even as prosperity is maintained and equity is increased. With this goal in mind, the region must pursue a sustainability agenda that permits “growing greener” as we grow bigger.

Sustainability is already being pursued by many activists and government agencies within the region, and through efforts to reach public-policy objectives, such as the goal to reduce the solid-waste stream by 25 percent. In addition, an increasing number of efforts aim not only at “greening” the environment but “cleaning” it as well, so that older communities will remain attractive to the region’s residents even as they move up the economic ladder. These goals should be combined to create a regional “growing greener” agenda that citizen groups, businesses, regional agencies, and local governments could all sign on to. The “growing greener” effort should have three components:

1 COMBINE STORMWATER RUNOFF PROGRAMS WITH ECOLOGICAL RESTORATION OF RIPARIAN AREAS AND WILDLIFE CORRIDORS.

This effort should involve expanding the region’s existing watershed management efforts, such as those already launched for the Los Angeles and San Gabriel, Malibu Creek and Santa Ana River watersheds, so that every watershed in the region has stakeholders developing ways to improve water quality and promote ecological restoration. Already, decades after being completely channelized, portions of the Los Angeles River are “turning green,” due to the synergistic efforts of voluntary groups and cities located along the river’s course. Such efforts should be expanded and integrated with collaborative wildlife corridor development plans, such as the Wildlife Corridor Conservation Authority in the Chino-Puente Hills area.

Efforts to limit new pavement and impervious surface, already begun under new stormwater permitting policies, should be continued and extended to allow the removal of pavement from older communities. An example of such ‘depaving’ is the Los Angeles Department of Water and Power/LA Unified School District’s “Cool Schools” program, allowing a coalition of community forestry and development groups to remove asphalt from school yards and to plant trees, making them permeable, greener, healthier—and cooler. These efforts help reduce the “chutes to the sea” problem, relieve stormwater runoff problems, and ultimately improve coastal ocean water quality.

2 STABILIZE THE REGION’S USE OF WATER, ENERGY, AND OTHER NATURAL RESOURCES.

This effort has two components. First, there is a need to create a stable and sustainable plan to live within the region’s available water supply (a step that will decrease pressure for imported water and help quell internal problems in the Metropolitan Water District.) Second, the region should promote “green” building and landscape codes, energy efficiency, and “green” industries. Green or eco-industrial districts, where one firm uses another’s waste streams or share energy resources, can provide local jobs as well as reduce pollution and energy consumption.

It’s important to realize that greener building and landscaping codes, and energy efficiency policies, are not just for affluent areas but for poorer communities too. They can be launched cheaply, and they save money in the long run by cutting long-term building maintenance and energy costs, saving taxpayer dollars on water and outdoor maintenance bills, and reducing costs associated with air and water pollution. Santa Monica’s sustainability program is a good example; with minimal start-up resources, the city actually saved money as it reduced water usage, waste water, untreated stormwater runoff, greenhouse gas emissions, landfilled solid waste, and use of toxic products; increased transit ridership and use of natural gas/electric vehicles; and adopted “green” building standards—resulting in projects such as public parking structures made of 60 percent recycled material.





3 ENSURE THAT ALL COMMUNITIES IN THE REGION HAVE EQUAL ACCESS TO ENVIRONMENTAL HEALTH, OPEN SPACE, AND OTHER ENVIRONMENTAL QUALITIES THAT CURRENTLY SEPARATE AFFLUENT FROM POOR COMMUNITIES.

Cleanup efforts in older neighborhoods currently experiencing population growth should pay special attention to reducing cumulative health risks faced by kids, the elderly, and poor, minority neighborhoods. Such efforts could include developing pollution reduction plans for major hot spots such as transportation corridors and older industrial districts, improving compliance of small businesses whose collective emissions pose significant health threats, and promoting the use of zero-emission and alternative fuel vehicles.

To better distribute the benefits of public health, good aesthetics, and environmental justice, older regional core communities should be allocated their fare-share of state and local parks and open-space money from such bond issues as Los Angeles County's Proposition A and the state's Proposition 12, particularly since such communities currently fail to benefit from the recreation/park land dedications, or in-lieu fees required of new subdivisions.

## Grow More Civic-Minded

No matter how powerful the region's ideas for dealing with future growth are, they will not be effectively implemented unless metropolitan Los Angeles overcomes the long-standing deficiencies of its "civic infrastructure".

For decades, critics of Los Angeles have bemoaned the lack of civic leaders capable of pulling the entire region together in order to act in concert for the good of the region as a whole. In many respects, this criticism is warranted. Local governments have focused on parochial concerns, and they have not effectively worked together to deal with regional problems. Business groups have generally focused on just one county or one sector of the economy of a county in promoting business growth. Community activists have concentrated their efforts on individual communities without looking at the overall picture. And organizations with a regional constituency have tended to focus on their own mission—culture, education, sports—without recognizing the leadership role they play in the region as a whole.

Yet Los Angeles's civic and political leaders have often shown foresight in planning for the future. Civic boosters began promoting the entire region almost a century ago by creating the "All Year Club" and the Rose Parade as a lure for Midwestern migrants. Local governments in the region began planning more than seventy years ago for the Colorado River aqueduct when they creating the Metropolitan Water District. Civic leaders began planning the freeway system more than sixty years ago when they worked through the Automobile Club of Southern California to draw up the initial freeway blueprint—a blueprint that, remarkably enough, was eventually built almost exactly as it was originally proposed.

Although such steps succeeded in attracting new residents or building large-scale infrastructures for growth in the past, such efforts only worked because they were based on a narrow, or outdated understanding of the region—as mostly Anglo, or mostly middle-class, or mostly suburban, or mostly focused on outward physical expansion of the metropolis.

To meet the regional challenge in metropolitan Los Angeles today—to grow smarter, grow together, and grow greener—civic leaders throughout the region must show the foresight to grow more civic minded. The steps proposed above simply cannot be achieved without a new effort at the regional level to create a better "civic and governance infrastructure" capable of dealing with issues of concern both to local communities and to the region as a whole.

1 IMPROVE THE BASIC INFORMATION

THE REGION COLLECTS ON GROWTH, THE ENVIRONMENT, AND MARKET TRENDS— AND THE IMPACT OF THOSE TRENDS ON ALL PARTS OF THE REGION.

There are many possible ways of growing more civic minded. These could include the following:

Remarkably, as our region's resources become more constrained, it is still assumed that they are so plentiful that they need not even be measured. A better job is needed in tracking such items as available land supply and infill sites, trends in resource consumption, and the spatial distribution of economic growth. It is possible to learn from other regions, such as metropolitan Seattle, that have done a good job of assembling and mapping this information on a regional level.

2 CREATE "BENCHMARKING" GOALS IN

ALL THREE AREAS—GROWING SMARTER, GROWING TOGETHER, AND GROWING GREENER—AND CREATE A SYSTEM FOR TRACKING PROGRESS TOWARD THOSE GOALS.

Once there is better information about the trends described above, then it will be possible for the region to establish a set of goals and track progress toward those goals. This type of effort has been most commonly used in environmental sustainability, where communities and regions often track progress toward such goals as a reduction of the solid waste stream. But this approach can and should be expanded to include a wide variety of measurements regarding the region's health and well-being, including growth, development, and economic opportunity.

3 IMPROVE THE REGION'S CIVIC

INFRASTRUCTURE AND INITIATE A REGIONAL DIALOGUE TO ACHIEVE THESE GOALS.

None of these steps can take place, however, unless a new kind of regional civic dialogue is initiated that cuts across race, class, geography, and institutional turf and recognizes the new realities of metropolitan Los Angeles. This dialogue should include government leaders at the local, regional, and state level. But it must extend beyond them to include major institutional players: community and environmental groups, faith-based institutions, universities, cultural organizations.

In order to confront the issues emerging in metropolitan Los Angeles today, there is need for a dialogue—and a consensus—among all major groups that have a stake in the region as a whole. This dialogue would focus on two or three major issues, and it must be directed toward laying the foundation for regional action—a regional compact, for example, for smarter growth, greener growth, and growing together.

This kind of dialogue has been stimulated in other parts of the state and other parts of the country by a wide variety of constituencies—including such visionary regional efforts such as Joint Venture Silicon Valley (which seeks to shape the future of Silicon Valley by marrying concerns about the economy, the environment, and urban growth), and Envision Utah (which has created a series of alternative scenarios for the future growth of the Salt Lake City region). It has also been fostered in many communities by the promotion of new political alliances among community groups, business leaders, and local governments that have common interests but have not yet discovered how to organize effectively. For example, Ohio's "First Suburbs Consortium" has promoted the interests of older, distressed suburbs in regional and statewide policy discussions.

Metropolitan Los Angeles is larger and more complicated than any of these other places—but the region must find ways to move forward. Furthermore, foundations and philanthropic organizations as well as the region's major educational institutions should play a critical role in promoting and supporting these efforts. Government, business, and community groups all play an important part, but very often only the philanthropic sector has the resources, and only the institutions of higher education have the credibility, required to launch and sustain such efforts.



## 6. CONCLUSION

*For more than a century, Los Angeles has always defied the odds. A region with apparently little to recommend it except a good climate has grown with remarkable speed into one of the world's most important metropolitan areas—strong, prosperous, vibrant, and diverse. At the beginning of the 21st Century, the region faces a new set of challenges as it emerges from a relatively short metropolitan adolescence. These challenges require a new way of looking at the region, and fresh ways of working together, in order to solve its problems and achieve its promise.*

The principles identified above are divided into four action categories, but in reality they are not separate items. They are all part of a single, multi-faceted regional challenge. As John Muir once said, everything in the world is connected to everything else. Even though this report has separated growth, economic and social trends, natural environment, and governance, they must be thought of together in an integrated way.

Equally importantly, the specific solutions suggested may or may not turn out to be those actually selected. But no solutions will emerge unless a broad-based regional dialogue on concrete proposals is now begun—one that recognizes the realities of metropolitan Los Angeles, but also contains the potential to build new coalitions capable of reaching consensus on solutions, and then successfully carrying them out.

In 1939, a plaque was erected in front of Union Station, near the original sites of a Gabrielino Indian settlement, and (later) la placita of El Pueblo de Nuestra Señora la Reina de Los Angeles. It reads:

The Vision to See,  
The Faith to Believe,  
The Courage to Do.

It is time to act to maintain all that is good about Southern California, and to improve the quality of life for all its inhabitants.

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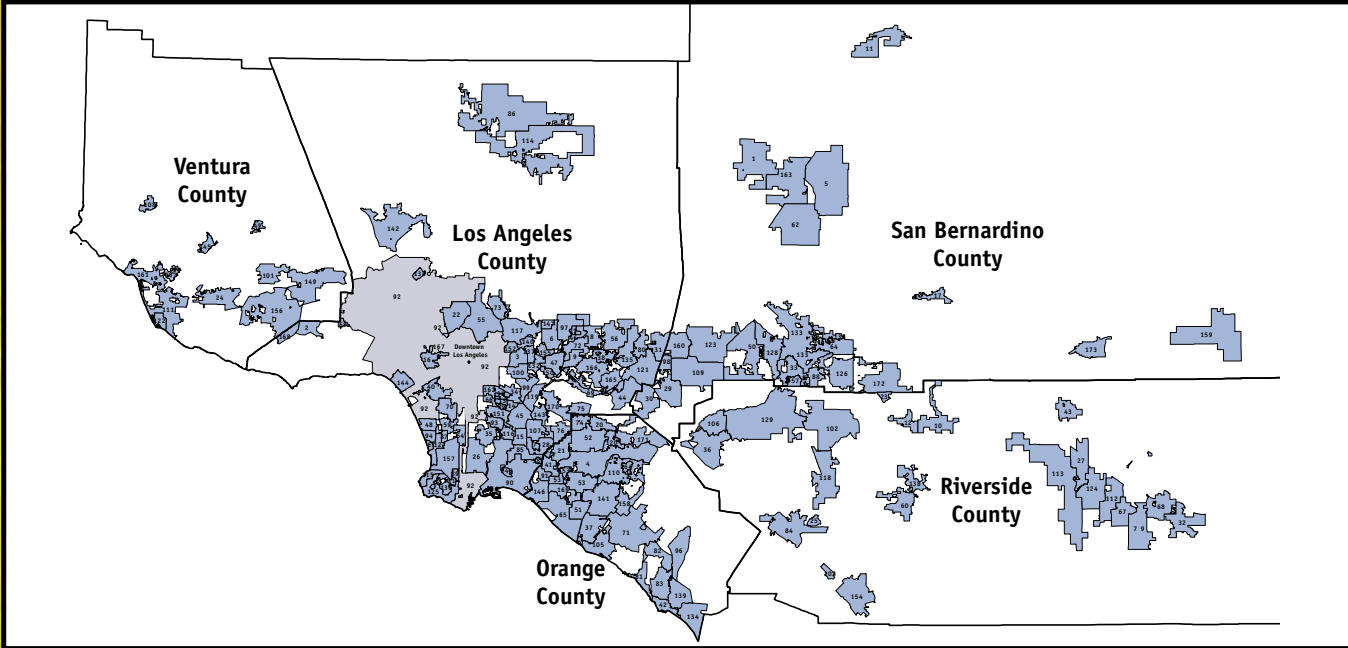
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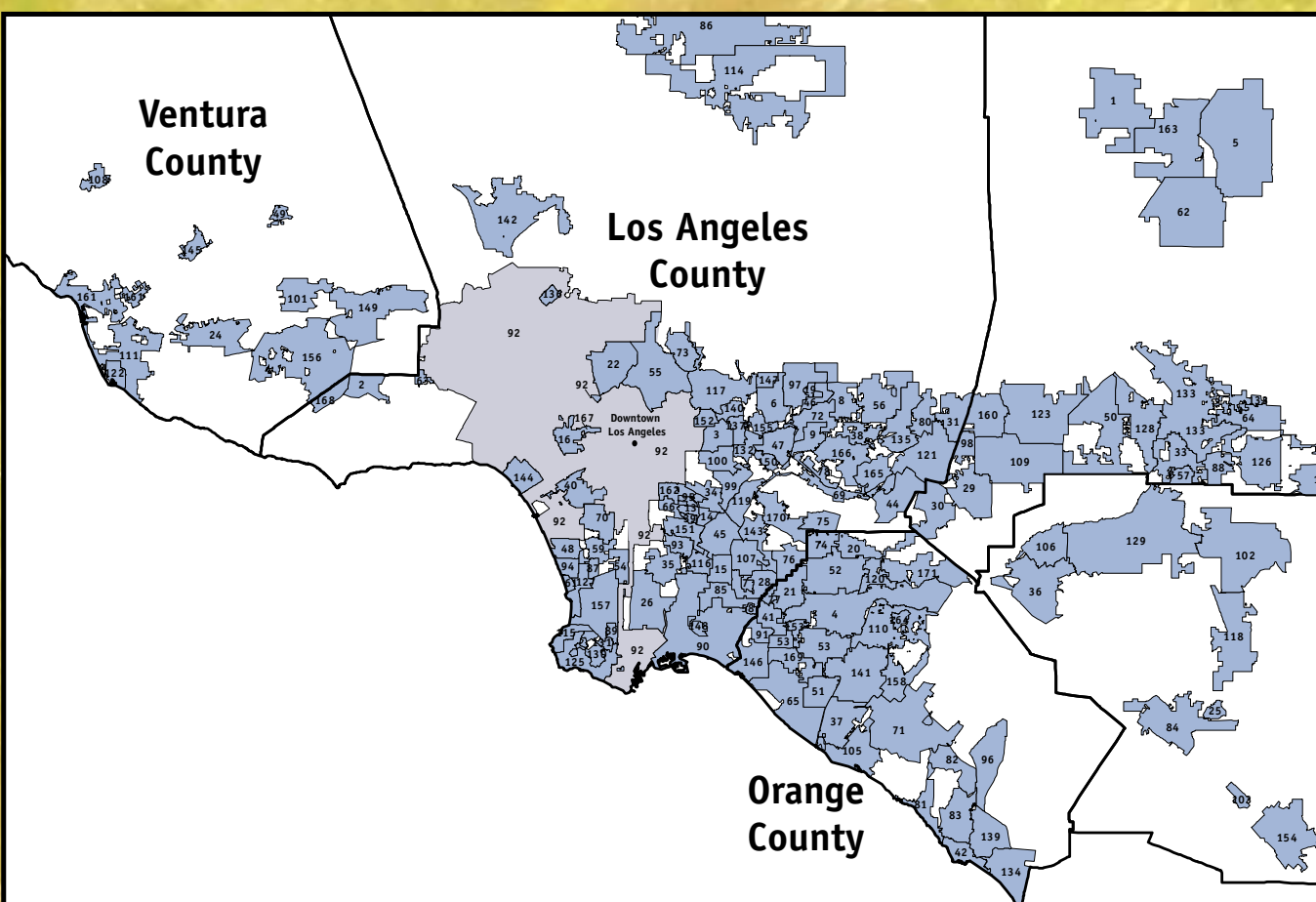
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# APPENDIX



IDENTIFICATION OF CITY LOCATION 1999



INSET BLOW-UP

# City Location by Name and Numeric Code (see facing map)

Adelanto, 1	Downey, 45	Lomita, 89	San Bernardino, 133
Agoura Hills, 2	Duarte, 46	Long Beach, 90	San Clemente, 134
Alhambra, 3	El Monte, 47	Los Alamitos, 91	San Dimas, 135
Anaheim, 4	El Segundo, 48	Los Angeles, 92	San Fernando, 136
Apple Valley town, 5	Fillmore, 49	Lynwood, 93	San Gabriel, 137
Arcadia, 6	Fontana, 50	Manhattan Beach, 94	San Jacinto, 138
Artesia, 7	Fountain Valley, 51	Maywood, 95	San Juan Capistrano, 139
Azusa, 8	Fullerton, 52	Mission Viejo, 96	San Marino, 140
Baldwin Park, 9	Garden Grove, 53	Monrovia, 97	Santa Ana, 141
Banning, 10	Gardena, 54	Montclair, 98	Santa Clarita, 142
Barstow, 11	Glendale, 55	Montebello, 99	Santa Fe Springs, 143
Beaumont, 12	Glendora, 56	Monterey Park, 100	Santa Monica, 144
Bell, 13	Grand Terrace, 57	Moorpark, 101	Santa Paula, 145
Bell Gardens, 14	Hawaiian Gardens, 58	Moreno Valley, 102	Seal Beach, 146
Bellflower, 15	Hawthorne, 59	Murrieta CDP, 103	Sierra Madre, 147
Beverly Hills, 16	Hemet, 60	Needles, 104	Signal Hill, 148
Big Bear Lake, 17	Hermosa Beach, 61	Newport Beach, 105	Simi Valley, 149
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