HOUSING NEED

AND SUPPLY

There has never been a physical tabulation of dwelling units undertaken in the Los Angeles Metropolitan Area, therefore, it is impossible to gauge exactly the ratio of families to dwelling units available. However, the cumulative number of dwelling units constructed in the area during the years 1920-1938 (559,695) exceeds the estimated cumulative increase in the number of families during the same period (540,938) by 18,757 or 3.5%. On the basis of vacancy data for 1930 there were an estimated 20-25 thousand surplus units available at that time out of a total of about 260-275 thousand units. Excluding demolitions and fire losses on the one hand, and doubled-up families on the other, it can be assumed that there are somewhere between 35-45 thousand excess units in the area at the present time, equal to approximately 5-6% of the estimated current total of about 800,000 dwelling units. This would not be a serious condition in a housing market as large as Los Angeles were it not that these excess units to a large extent are confined to multi-family dwellings, and to the older areas of single-family structures. While there has been some improvement noted in the single-family vacancy problem since the survey of last June given on page 16, this improvement is more than offset by increasing multi-family vacancy. The surplus of this type of housing cannot but have harmful repercussions in the whole rental and price structure, particularly when the problem is complicated by continued heavy speculative building of all types, and by large scale, low-cost housing construction. Building of this type under FHA commitments involves an addition of 2,100 units to an already glutted market. Under the USHA program a total of 5,600 units are under construction or projected for the future, but a similar number of units is supposed to be demolished.

REAL ESTATE

TAXATION AND

BONDED DEBT

A more involved and complex system of taxation than exists in the Los Angeles area would be difficult to conceive. In addition to the usual taxing bodies such as state, county, city and school, some 39 different acts were passed by the State Legislature creating "Special Assessment Districts" (or "Mattoons" as they are known locally) and in many cases these districts overlap each other - sometimes to the extent of 12 "layers". It is virtually impossible to determine the exact liability against any given piece of property within the districts. Aroused public indignation brought about the repeal of the more vicious of these laws, and in many cases the assessment bonds outstanding have been refunded into specific lien bonds. There remain outstanding, however, millions of dollars of debt created by these acts, and these constitute a definite though diminishing detriment to real estate values in the areas affected.

It is impossible to set forth precisely an over-all picture of the tax situation in the community, since each of the 44 incorporated cities, innumerable school and special purpose district, and the county government assess property and levy taxes. Fortunately, the county collects taxes for all cities save Pasadena, Long Beach and four smaller towns, and it is therefore possible to give data for a substantial cross-section of the metropolitan area.

Real estate taxes are assessed at about 50% of the "true value" of the property. On this basis the actual total rates are approximately halved, so that they range from $18-75 per $1000 of value in Vernon to $30.70 in Sierra Madre. From a study of taxes in relation to appraised value on 1055 properties acquired by the HOLC throughout the Metropolitan Area, it was found that the average effective tax rate on these properties was $27.16 per $1000 of fair market value. The total levy for the county, the 38 cities, school and special assessment districts has increased by nearly one-third from the 1934-35 low as a result of increases in both assessed valuations and in the tax rate. Assessed valuations are still well below the 1929-30 peak despite the return of public utility property to local tax rolls by means of constitutional amendment in 1933. Current collections have improved materially during the past three years but accumulated delinquency after collection of 1937-38 taxes equalled 26.4% of the levy for that year. A substantial portion of this delinquency accrued from delinquency on special assessments and on unimproved vacant lots. Delinquency as between the various communities ranges from 4.5% for El Segundo and Vernon - areas in which operating industries are the biggest tax payers - to 153.4% and 179.6% respectively for Hawthorne and Lynwood - two residential areas badly blighted by special assessment burdens.

A 3% sales and use tax is levied by the state, the proceeds of which are designed to supply over half the state's general funds. Proceeds from this source in Los Angeles County during 1938 totaled $86,559,000 or about $15.00 per capita. The state also levies a 1% gross income tax and other special excise taxes on various types of enterprise.