

Business Better (Season 3, Episode 5): Affordable Housing in Chinatown, Los Angeles: How to Better Serve Your Community

Speakers: Spencer Eldred and Sissy Trinh

Steve Burkhart:

Welcome to Business Better, a podcast designed to help businesses navigate the new norm. I'm your host, Steve Burkhart. After a long career in global consumer products company, BIC, where I served as Vice President of Administration, General Counsel and Secretary, I'm now Of Counsel in the Litigation Department of Ballard Spahr, the law firm of clients across industries and throughout the country.

In today's episode, we discuss affordable housing in Chinatown, Los Angeles. We're joined by special guest Sissy Trinh, Founder and Executive Director of the Southeast Asian Community Alliance, a community organization. Speaking with Ms. Trinh is my Ballard Spahr colleague, Spencer Eldred, an Associate in our Los Angeles office and a member of the Real Estate Development and Transactions Group. So now let's join Spencer, and his guest Sissy Trinh.

Spencer Eldred:

Hi, my name is Spencer Eldred, and today I'm joined with my friend, Sissy Trinh, founder and executive director of the Southeast Asian Community Alliance, or SEACA, which is based in the Chinatown neighborhood of Los Angeles. Sissy and I first met working together for community health and environmental issues related to the Los Angeles River and major development near the urban core of LA. At Ballard, our affordable housing and community development group, part of the real estate department, works with lenders, developers, and jurisdictions around the country to create the next generation of affordable housing. I want to speak with Sissy today about how development is impacting her neighborhood and how affordable housing developers and affordable housing advocates can better serve neighborhoods like Chinatown. Sissy, thank you. Can you tell me about yourself and your organization?

Sissy Trinh:

Sure. My name's Sissy Trinh. I'm the executive director of SEACA or the Southeast Asian Community Alliance. We have been around for 20 years, and we started out as a youth leadership and youth organizing program. The idea being a lot of low-income youth have a lot of issues that they see and experience and deal with every day, but they don't have the tools or knowledge or skills to do something about it. And so we created a program that was really designed to give them context to all the injustices that they were seeing in the world, and then training and opportunities to do something about it. And so about 13, 14 years ago, our students decided they wanted to tackle the issue of gentrification. They were seeing a lot more development that was happening in their neighborhoods, specifically Chinatown, that not only didn't create a space for them or their families, but that they felt threatened by that.

They felt that it was going to increase prices, increase evictions, and basically they lobbied me. This wasn't an area of work that we'd ever embarked upon or had any expertise or knowledge in, but how do you say no when a 16-year-old says, "Sissy, you're going to make us go to college. You're doing all this work to make sure that we have a future, but then we're going to come home from school and not have anywhere to live because of gentrification and displacement." And so that's kind of how we got involved in the workaround land use and affordable housing. When a bunch of 16-year-olds tell you that, how do you say no? And so we've been working on these issues for about 13, 14 years.

Spencer Eldred:

Thank you for that, Sissy. Can you tell me more about the Chinatown neighborhood? What makes it unique and sort of what environment are these 16-year-olds living in that you're working with?

Sissy Trinh:

So Chinatown is one of the oldest neighborhoods in Los Angeles. It's also one of the lowest income. So a lot of our families and seniors are actually too poor to qualify for traditional affordable housing. They're working, they're just not making enough money to be able to qualify. A lot of families moved into Chinatown largely because, both, it had affordable rents up until relatively recently, and it was also a job center for low income Asian immigrants. So you could live in Chinatown and then walk to work. And so if you look at the census data, you'll see a lot of our residents don't own a car. They're transit dependent.

Maybe they live in a house with four other adults and they share one car between them, but most of them walk to work. And what we're seeing is a lot new of new developments that are pushing out, not just longtime residents, to swap them for people who can afford a lot higher rents. And in some cases, their landlords are, I would consider predatory, but also a lot of our community serving small businesses. A lot of the businesses that employ local workers are also getting pushed out. So we were actually pushed out by our previous landlord and replaced by an architecture firm. Even though we were paying market rate rent, and we were a good tenant, they wanted to replace us with someone who could encourage a different user, I guess you could say, to come and visit and therefore increase the value of their property -- so they believed.

And a lot of our residents are right increase away from becoming homeless. And so during the pandemic, we've been doing a lot of COVID relief. So we ended up distributing PPE, ran vaccine clinics, and we also provided rental assistance for our number of tenants. Last year we did two things. One was we provided rental assistance for tenants who couldn't afford a \$4 a month rent increase. These were seniors on SSI, so they're too old to really work, but SSI doesn't pay them enough to live anywhere else. And these are seniors that live in SROs, so single room occupancies, which I like to kind of describe as sort of like college dorms where you rent a room and then you share a common kitchen and a common bathroom. But this is largely seen as housing of last resort for people who can't afford anything else.

The other thing that we did last year was we actually ended up paying for the rent for an entire building. Again, these were residents on SSI, on disability. And it was kind of amazing that we were able to do that as a really small grassroots organization, but it just kind of goes to show like it's because currently the rents in that particular building were really low. And so we had enough individual donations to be able to do that, but the landlord's been increasing the rents and harassing the tenants and so we're really afraid that if they lose their housing, where are they going to go? Most likely onto the streets.

Spencer Eldred:

So Sissy, you've talked a lot about the income characteristics of the residents and sort of what size housing units they're living in. Why do so many people want to move to Chinatown? What's the big displacement risk?

Sissy Trinh:

So as I said earlier, traditionally a lot of low income immigrants and refugees moved to Chinatown because it was affordable, and it was also a job center for low income Asian immigrants. Currently, a lot of professionals are moving in. It's close to downtown, it's close to transit. There's a lot of luxury housing stock that's getting built, and so you're seeing a lot of professionals that are moving in. And while these are new buildings they're moving into, the landlords of the older buildings see that, "Oh wait, the residents of that building are paying \$3,000 a month for a two bedroom, I should start charging more." And that's what's pushing it, is this kind of speculation that the older buildings can be flipped for higher income tenants.

Spencer Eldred:

So Sissy, LA has lots of tenant protections. We have rent control, we also have policies that when you build housing, encourage developers if they're building greater than the density allowed for standard development to increase that density and provide lower income housing. Why are those policies not keeping people in place or creating more affordable housing?

Sissy Trinh:

So it's creating affordable housing at rents that our folks aren't able to afford. Like I said, seniors on SSI, increasingly, if you're a minimum wage worker, you'll have a hard time qualifying for traditional affordable housing because you don't make enough. And then on top of that, in terms of tenant protections, our system is really driven by tenants knowing their rights and being

able to enforce their rights, and then having a public sector that actively enforces those rights. When you're talking about low income Asian immigrants, oftentimes materials aren't translated into different languages. Information is spotty at best if it's available. A lot of our tenants don't have access to the internet, and even then a lot of public agencies will use machine translation. So like Google Translate to translate documents, and oftentimes those documents are translated really poorly. So for example, the state last year had an emergency rental assistance program or rent relief program, and they used Google Translate.

One of the instructions in Chinese was to go back to your country, which was obviously a mistranslation, but one that if I were a low income Chinese immigrant, I would assume that there was no help for me. And so that's kind of what happens. And a lot of the landlords that are predatory, not all of them but the ones that are, take advantage because they know that the tenants don't know their rights. Oftentimes they will lie or mislead their tenants. So in one case, we had a tenant who was told... It was an elderly couple in one of the SROs, "So I'm going to need you to move out for the weekend. I need to do some repairs into your unit and you can come back after three days." So they came back after three days and found all their stuff on the ground. The landlord had basically changed the locks and performed an illegal eviction. And unfortunately, if the tenants don't know what their rights are, they just leave. Unfortunately, this was what happened to that couple.

Spencer Eldred:

Sissy, you mentioned that translation being a big issue and knowing your rights. How many, or I don't know if you know how many off the top of your head, but what sort of languages are spoken in Chinatown?

Sissy Trinh:

So you have Chinese, but you have multiple dialects of Chinese. So most commonly we have Cantonese, Toisan and Chiuchow, which are very different than Mandarin. I like to kind of describe the difference between Cantonese and Mandarin as being as similar as German is to Italian. And so oftentimes when we've gone to city agencies to ask for translation, they'll bring someone in that speaks Mandarin, and then the tenants are like, "I don't understand what this person is saying." In addition, we a lot of residents that also speak Vietnamese, Khmer, which the language group for Cambodian refugees and immigrants, and then Spanish of course because it's LA.

Spencer Eldred:

So is it a large component of this tenant education or is it more than just the education? Is it about having legal resources or other sorts of resources available in different languages?

Sissy Trinh:

So again, with tenant education, it's only effective if the tenants feel that they have the ability to enforce their rights. And oftentimes they don't. They are immigrants, they don't know their rights. Even if they do, they feel a lot of times most... In the case of evictions across the city, most of the time, I think it's like 90% of the time, tenants go to eviction court and they don't have legal representation, but their landlords always do and they feel helpless and they feel powerless. Oftentimes the predatory landlords will take advantage of their immigration status to threaten them or make other types of threats so that they feel even if the rights exist, that they don't have the ability to enforce it. So we really need a more proactive method for enforcing tenants rights across the city rather than one that's complaint driven and driven by tenants knowing their rights and feeling empowered to enforce it. If you're a 90-year-old senior who doesn't speak English, how are you going to enforce your rights, especially if you have government agencies that don't have language capacity?

Spencer Eldred:

So Sissy, can you describe a little bit more about your organizing efforts? At the beginning of the podcast, you mentioned your work with youth organizers. What do your youth organizers and other people you serve work on around housing and land use? Can you talk a little bit about your people's plan work?

Sissy Trinh:

So we have been working on a lot of different policy issues and trying to connect our students to policy issues. And one of the biggest things that we've focused on is how do we get more affordable housing for people who make less than 30% of the area median income, people who are essentially too poor to qualify for traditional affordable housing. And so we worked on a lot of city policies to accomplish that. Land use plans that talk about providing developer incentives for... You know, with developer incentives, you can do a lot of trading for different community priorities and benefits. Some places the priority is more parks and open space or more support for cultural centers. For us, it's strategies to get more affordable housing at the deepest levels of affordability. So we as an organization, we succeeded in 2013, so 10 years ago in creating the first affordable housing incentive program for extremely low income households.

Currently, we are working as part of a coalition known as the Central City United Coalition, and it brings together folks from Skid Row, little Tokyo and Chinatown to create a people's plan for downtown. So the city is in the process of updating its land use and zoning for the downtown area, which includes all three neighborhoods as well as the downtown core that everybody knows. And again, we're creating incentives for doing a number of different things. One of which is creating an incentive program for developers to provide housing at 15% AMI, so area median income. Which is amazing and it's great because that's exactly the people that are at highest risk of becoming homeless. If we can build more units for that income group, we have fewer people who are at risk of ending up on the streets. We also have incentives for open space, for supporting community, serving small businesses, and there's a specific definition around that, but the idea being small businesses that sell goods and services that are culturally appropriate for a neighborhood at an affordable price point, things like that.

Spencer Eldred:

So Sissy, you mentioned affordable housing incentives. Ballard Spahr represents lots of developers and jurisdictions and lenders. Can you talk more about those incentives and why they would be attractive for an affordable housing developer to serve those income levels?

Sissy Trinh:

So first off, these incentives... The city had hired, I believe it was HR&A, which is a consulting firm to do a lot of numbers crunching to make sure that the incentives work. We don't want to create an incentive program at 15% AMI that is completely unworkable and nobody will use. So we've come up with, in partnership with the city, numbers that we think will actually encourage developers to take the incentive and build at that level of affordability. And in exchange for getting those incentives, they get higher density, they get parking reductions, they get streamlined permitting, which essentially for those of you that aren't developers, streamline permitting means less risk. Less risk means less likely that you'll lose money.

Spencer Eldred:

And sissy, from the developer perspective, that all seems great in terms of saving money. Have you seen any examples of this actually happening in Chinatown? Have developers embraced these incentives or if not embraced, have some?

Sissy Trinh:

So with the downtown plan, it hasn't passed yet. So the 15% AMI doesn't legally exist. It'll probably be held up for a vote later this year by city council. But in terms of the deeper affordability in exchange for streamlined permitting, the original plan that we had passed, the Cornfield Arroyo Seco Specific Plan is an incentive that people are taking. And then separately, in 2016, the city adopted this measure called JJJ. It was a ballot referendum that we worked with our partners at the Alliance for Community Transit - Los Angeles, LA County Federation of Labor, and the Building Trades Unions to pass. And a lot of the concepts that we created in the CASP plan, the Cornfield Arroyo Seco Specific Plan were translated and adopted into Measure JJJ, which passed and then created the Transit Oriented Communities Program. And so Transit Oriented Communities Program is basically citywide and it has become the most popular incentive program in the city. It has created I think close to 10,000 units of extremely low income housing without subsidies.

So it's basically developers taking the incentive, being able to build with streamline permitting, reduced parking reductions, higher density in exchange for the ELI housing. So we know it works and not only does it work, it's super popular. So we anticipate that this will be... The downtown plan with the 15% AMI incentive is really kind of like a refinement. So the original concept came out of the CASP. JJJ and the Transit Oriented Communities program was a refinement on that concept, and then now we're taking it to the next level, so deeper affordability policy 3.0 essentially.

Spencer Eldred:

Thank you, Sissy. How have your members or organizers reacted to these city adoptions of your efforts? Have they continued to follow closely the implementation of things like JJJ? How do they continue to be engaged? Are they off on new issues? One of the great challenges of youth organizers is that they grow up and move on to bigger and brighter things. How do you continue to be engaged especially amongst the youth organizer group?

Sissy Trinh:

It's challenging, right? Because we meet them when they're like 13, 14, and a lot of policy issues can take as much as 10 years to adopt and to implement. By then they'll have graduated college, maybe even grad school. The original students that I worked with are now married and having babies, which is very weird because I still think of them as 13, which they're obviously not. And so for us, some of them have chosen various paths where some of them became teachers or engineers. Others have decided they want to go into public policy and city planning. We try to update them every so often, but it is challenging. We don't really have the staffing capacity to run an alumni program, which is something we would love to do to be able to continue to work with them as they get older and as they move into different directions in their lives.

But I feel like there's a lot of successes that we can point to. I think it's harder though. It's more abstract when you're talking about a development that might be in Koreatown or in Hollywood and how it can impact their lives if they don't see it. And as you know, Spencer, developments can take five to 10 years and so to say like, "This empty lot that will eventually become affordable housing is a result of our work." It's a little harder to conceptualize when you're talking to teenagers or even adults to be quite honest. But we still try to connect with them and we still try to highlight that these things happen because of their work.

Spencer Eldred:

I'm sure that's gratifying, that's still difficult. And then flipping back to affordable housing developers, how can they better serve communities like Chinatown at these different income levels, different demographics? What could make their developments better?

Sissy Trinh:

I think a number of things. First and foremost is figuring out how to do the deeper affordability. I think partnering with organizations like ours who know the neighborhood in and out. I've had a lot of conversations with different developers over the years that want to come into Chinatown and build things. And they have these ideas, they have these really grand ideas and I have to tell them this makes no sense. This isn't what the neighborhood needs. And then try and share with them these are the priorities that residents have told us. It's not just our members and our staff, but we regularly do outreach to get a sense of what's going on in the neighborhood and what's needed. I think that affordable housing developers who can help us get creative around the deeper affordability, I think partnering with how to protect and preserve the SROs and residential hotels that are in Chinatown, I think that's really a crucial component of the work that we want to do with other affordable housing developers, but it's hard.

Like one of the projects that we're working on with Holos Communities is we're trying to figure out how to get the city or the county to invest their allocation of this project Home Key. So Project Home Key is a state funding program to build supportive housing for people who are experiencing homelessness. So you can either build new housing or you can buy an existing building and renovate it and convert it into supportive housing. The program actually allows for funds to be used for homelessness prevention. And so we've been trying to get the city and the county to use it to acquire the SROs as a

homelessness prevention strategy. But there's a lot of barriers, one of which is these buildings are really old and need a lot of rehab, and in order to do rehab, you have to temporarily relocate the tenants. And that's hard.

But if we can prevent 60 people from becoming homeless, I think it's worth it. But I think partnerships with different community development corporations and nonprofit affordable housing developers to kind of help us think through how do we go about temporarily these things in a way that doesn't put the tenants at risk, right? Because a lot of these tenants, like I said, don't speak English, are really kind of struggling and moving them even temporarily to Hollywood is going to be challenging for them if their social service providers are in Chinatown. If their friends and family members are in Chinatown, they're going to be more isolated. So getting creative about placing them somewhere nearby so that they can access all of those services that have kept them housed over the years.

Spencer Eldred:

Sissy, how have jurisdictions responded to your efforts around affordable housing? Do you have a very positive relationship? Is this antagonistic? Is this sort of agree with everything you say relationship? How does community organizing work when it comes to affordable housing?

Sissy Trinh:

So I think... People have to recognize that this work takes a long time and it requires a lot of relationship building and trust building. When we first worked with the city on the CASP plan or when we were advocating to the city on the CASP plan, they thought we were crazy, that we were unreasonable. Again, we were just saying, "We need more affordable housing at these deeper income levels." And of course most developers and city planners are like, "How do you make that work? How does that work? It doesn't pencil out financially." We were really, really fortunate that we had a superstar team of pro bono attorneys and affordable housing consultants who helped us figure out a structure that would make it work. And I think that for us, we present a problem and we advocate really loudly, this is a problem that needs to be fixed. But we also come to the table and saying, "And we're willing to brainstorm with the city, with experts, with affordable housing developers to figure out a system that actually makes sense."

Because like I said at the beginning, we don't want to create the perfect policy that will never be implemented because it's impossible to do so. We want to be able to make programs that will actually produce units that our folks can access and can afford. And so that requires bringing in the experts and bringing in the lawyers to be able to make sure. And so when we first started this journey around organizing around affordable housing, oftentimes I would talk to our students and we would talk about what are our big picture goals? What are our values? What are our priorities? What are our bottom lines? What are things that absolutely we cannot agree to? And what are things that we're willing to negotiate on? And then I would take it to the lawyers and I would share with the lawyers, "This is what the youth want, this is what the community wants."

Sometimes they would say, "Well, what they want is illegal. It's a violation of federal Fair Housing laws." And so then I'd go back to the students and explain to them the situation. But oftentimes our communication with the lawyers didn't end with "It's illegal." They would come up... They would work with me to brainstorm like, "Well, what are some alternatives that can meet the spirit of what the students want and what the community wants without violating federal fair housing laws, for example?" And it would be this iterative process back and forth to talk to the students and then the experts and the lawyers and figure out what is that sweet spot between meeting the community need and what is politically, economically and legally viable. And then once we had that, which in this case for downtown plan is the People's Plan, then we would kind of go to decision makers and say, "We have a solution that you guys can adopt that is legal, that is vetted, that we think will work."

And that's what we have always done is not just kind of present the problem, but come up with solutions. With city officials and government officials, sometimes it's a function of political will when they don't want to do something and sometimes it's a technocratic thing. And if we can solve the technocratic thing, then oftentimes they're like, "Oh, we can work with SEACA. Oh, we like SEACA. They're actually trying to find solutions." And so over the years, initially our relationship was combative, antagonistic. But I think once it became clear what our priorities were and that we were willing to work with them to come up with solutions, then it became very collaborative in process.

Spencer Eldred:

Sounds like quite an evolution. Sissy, thinking to what the end game of these policies are. It sounds like just the creation of a lot of things, but most importantly, extremely low income affordable housing. So when these new units come online, and you mentioned sort of earlier fair housing laws, how do you play the residents who are currently in Chinatown on a level playing field so that they have access to these units the same as anyone else in LA or moving into LA would have when it comes to trying to become a tenant here? I can imagine that the same language barriers you mentioned when it comes to tenant protection can be an issue as well when it comes to becoming a tenant initially.

Sissy Trinh:

Absolutely. So obviously we can't by law prioritize local tenants, but we can look for different ways to again, meet the spirit without violating the law. So for example, I think it was last year or the year before, we negotiated a community benefits agreement with a developer. One of the things that we had negotiated with them was that we be given two months advance notice and two months of extra access to the application. It didn't mean we could submit earlier, it didn't mean we were at the front of the line. It was more that explaining to them that our folks need a lot more help applying than other tenants, especially if you're talking about seniors, you're talking about people who may not read or write their own native language, let alone English, and may have issues with collecting documentation for a variety of different reasons.

And so give us a headstart for helping pull together the applications. We will submit the applications to you guys on the same day that it's made available to everybody else in the general public, but that we get extra time to just collect the documents and to do the outreach, which again increases the odds of our tenants getting accepted. Because a lot of times our tenants don't get accepted because their documents are incomplete, they're missing things. And it's not like they're trying to do anything illegal, it's just they don't know what they need to submit and so they submit random things sometimes. And so it was more about just giving us extra time to make sure that the applications were complete. Like I said, again, didn't violate fair housing laws, but increased the odds for our residents to be able to access.

Spencer Eldred:

So Sissy, when thinking about developers across the country, many affordable housing developers are working in neighborhoods where English isn't their first language or in primarily immigrant neighborhoods. Taking the lessons that you've learned in Chinatown, what sort of services can developers offer to make sure that these residents in their neighborhood have access? You mentioned the early access through a community benefit agreement. What other sort of resources can developers offer? Is it translation services? Is it having paper applications available, if you don't have email? What sort of things are needed?

Sissy Trinh:

So I think paper applications. I think having it available in a place where they're likely to go and frequent and that is accessible to them, because having a paper application for Chinatown residents, but it's only available at your office in Century City, that's not really truly accessible. Having materials translated, trying to streamline the process as much as possible, and then having staff that are willing to look at an application, see that it's incomplete. I think working with the applicants to be able to submit the best potential application possible.

Oftentimes I think I see developers just are like, "It's incomplete, so I'm going to toss it. Or it's missing one thing, I'm going to toss it." As opposed to that, it's like looking at it of, "So they clearly qualify, but for whatever reason, the application isn't complete. So I'm going to call them and I'm going to reach out to them and make sure that everything that we need is done" as opposed to just kind of tossing aside anything that's... I think if they're ineligible, that's one thing, but if they're just missing something because they didn't realize they needed to include it, make an effort to ensure that the tenants are putting the best application forward.

Spencer Eldred:

Well, thank you Sissy for sharing your experiences today. I encourage everyone listening to check out Sissy's website. Sissy, do you mind telling us the SEACA website?

Sissy Trinh:

It's www.seaca-la.org.

Spencer Eldred:

And I appreciate your time and look forward to our next conversation.

Steve Burkhart:

Thanks again to Spencer Eldred and Sissy Trinh. Make sure to visit our website, www.ballardspahr.com where you can find the latest news and guidance from our attorneys. Subscribe to the show in Apple Podcasts, Google Play, Spotify, or your favorite podcast platform. If you have any questions or suggestions for the show, please email podcast@ballardspahr.com. Stay tuned for a new episode coming soon. Thank you for listening.