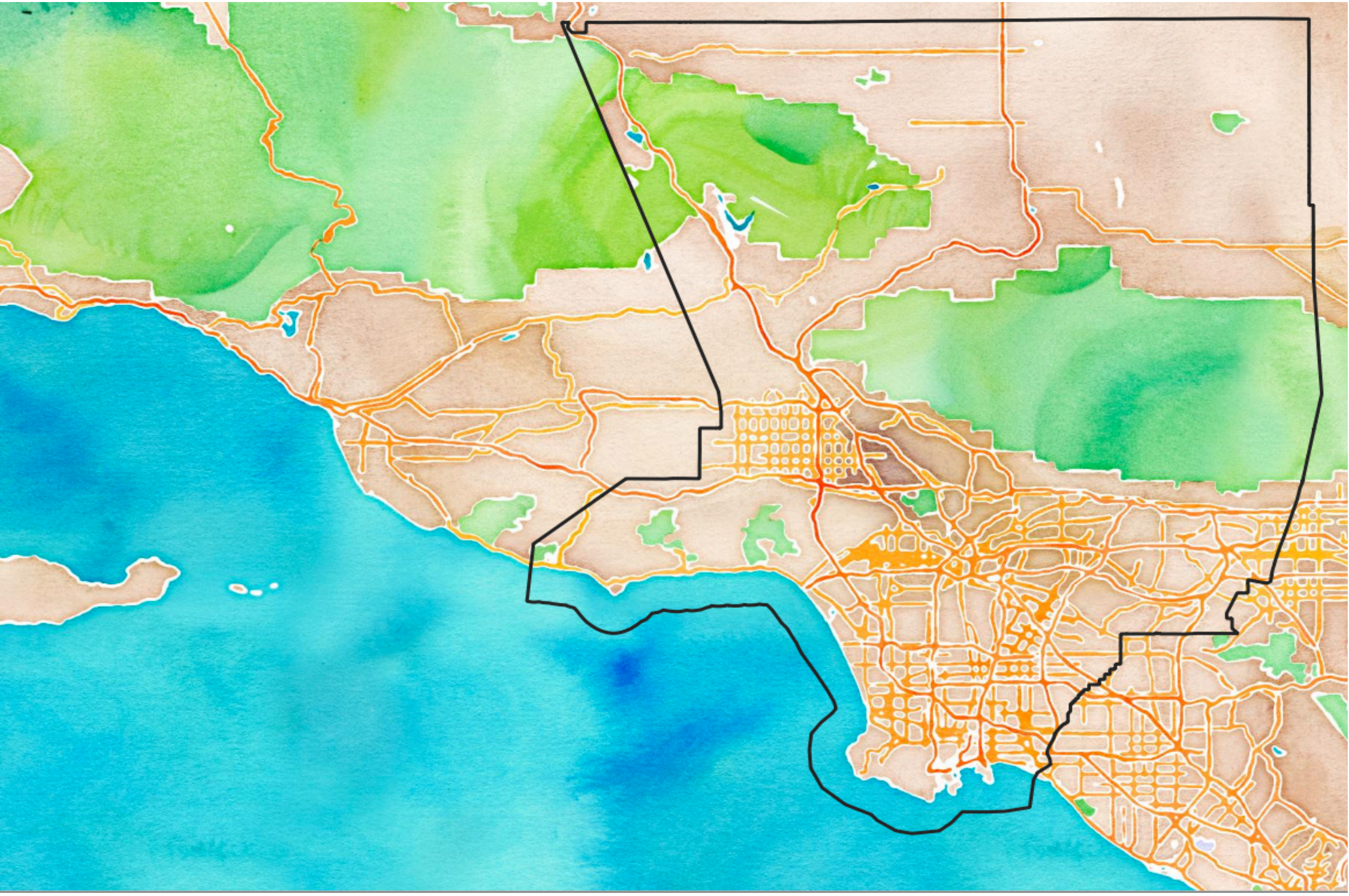

# Los Angeles County
## Annual Affordable Housing Outcomes Report

*April 30, 2019*

California Housing Partnership
*California's Experts on Affordable Housing Finance, Advocacy & Policy*

# Table of Contents

# Executive Summary

## Background

On October 27, 2015, the Los Angeles County Board of Supervisors ("Board") authorized the creation of an Affordable Housing Programs budget unit in the Chief Executive Office (CEO) and established a multi-year plan to provide new funding for the creation and preservation of new affordable housing. The Board Motion also established an Affordable Housing Coordinating Committee ("Committee") to oversee the creation of an annual Affordable Housing Outcomes Report ("Report") to document and analyze the County's need for affordable housing and existing housing investments and inventory, as well as to provide policy recommendations to help guide the County's allocation of resources across both new and existing affordable housing programs. The California Housing Partnership completed the 2017 and 2018 iterations of this Report working closely with the Committee and the leaders of designated departments.

Completing each section of the 2019 Report involved both data analysis and stakeholder engagement to confirm key findings and ensure sensitivity to local context. The Committee reviewed each section of the Report and solicited feedback through a series of public meetings from February through April 2019. These meetings were attended by County agency heads and managers, Board of Supervisors staff and community advocates. The input gathered in these meetings was invaluable in ensuring that the Report is as useful as possible to the County in furthering its efforts to confront the local housing affordability and homelessness crisis.

## Report Structure

The Report is divided into five sections that cover the following core topics:

- Section 1. Affordable Housing Need
- Section 2. Affordable Rental Housing Inventory, Risk Assessment and Cost Analysis
- Section 3. County-Administered Affordable Rental Housing Resources
- Section 4. Neighborhood Accessibility and Vulnerability
- Section 5. Recommendations

## Key Findings (Sections 1-4)

The County of Los Angeles and partner local jurisdictions have helped developers and service providers leverage State and Federal resources to create more than 111,000 affordable homes noted in Section 2. They have done this by investing locally controlled funding into affordable housing production, preservation, and rental and operating subsidies, as well as promoting policies such as density bonuses.

Although the gradually expanding inventory of affordable homes and rental assistance programs in the County — including a more than 300 percent increase in NOFA funds between 2017 and 2018 — are helping stem the tide of homelessness and address the affordability crisis, these resources are not yet commensurate with the need for affordable homes. As described in Section 1 of the Report, the County faces a shortfall of approximately 517,000 affordable homes to meet current demand among renter households at or below 50 percent of Area Median Income (AMI). While still a dauntingly large number, the 2019 shortfall is actually 55,000 less than the 2014 total, indicating that the County has made substantial progress toward its goals using a variety of tools described in this Report.

While severe housing cost burden — paying more than 50 percent of household income on rent and utilities — has declined significantly in the three lowest income categories since 2015, it remains the unfortunate norm among the County's lowest income households. As documented in Section 1, 92 percent of Deeply Low Income (DLI) households, 72 percent of Extremely Low Income (ELI) households, and 45 percent of Very Low Income (VLI) households were severely cost burdened in 2017.[18] Renters with severe housing cost burden are at higher risk of losing access to housing and are more likely to forgo spending on essentials such as food, transportation, and health care.[19]

The Report also provides an inventory of current affordable housing resources and identifies rental developments at both the County and Supervisorial District level that are at 'very-high' and 'high' risk of being converted to market rate within the next five years, according to the California Housing Partnership's latest assessment. The Report notes that rising rents and expiring restrictions have put the County at risk of losing approximately 10,300 existing affordable homes unless the County and other stakeholders take action to preserve them.

As noted in Section 4, 89 percent of these at-risk affordable homes in the County are located in transit-accessible neighborhoods, and nine percent of these homes are located in areas that are both transit-accessible and in areas that either recently gentrified or are at risk of future gentrification. Losing any of these affordable homes would contribute to patterns of displacement of low income people from the County's increasingly high-cost transit-rich and gentrifying neighborhoods. Further, 12 percent of the approximately 4,200 affordable family homes in the County that are at risk of conversion to market are located in areas identified by the State as High Resource or Highest Resource.[20] These affordable homes would be particularly difficult and costly to replace, and losing them would worsen access to opportunity-rich neighborhoods for low income families in the County.

## Recommendations (Section 5)

The recommendations included in the Report are grounded in the detailed needs analysis and assessment of the existing inventory referenced above and are aligned with the Board directive to support the production and preservation of affordable homes, including workforce housing and permanent supportive housing, for very low and extremely low income or homeless households. The recommendations also relate specifically to new funding created through the Board Motion — above and beyond the County's existing affordable housing priorities and commitments — and as such are intended to complement current County initiatives and maximize the efficiency of the County's new investments to

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[18] DLI is 0-15% of AMI, ELI is 16-30% of AMI, and VLI is 31-50% of AMI.

[19] See, for example: Joint Center for Housing Studies of Harvard University. "The State of the Nation's Housing: 2018." Website: http://www.jchs.harvard.edu/state-nations-housing-2018.

[20] For a description of the TCAC/HCD Opportunity Maps, see Section 4 of this Report as well as the TCAC website: http://www.treasurer.ca.gov/ctcac/opportunity.asp.

meet the need for additional priority populations who are under-served relative to their need for affordable homes.

Recommendations in Section 5 are summarized as follows:

1. Maximize availability of project-based vouchers for creation of permanent supportive housing.
2. Track and preserve naturally occurring affordable housing.
3. Align County funding programs to ensure competitiveness for new State mixed-income housing programs.
4. Support feasibility of family-serving affordable developments in high-resource neighborhoods.
5. Expand housing preservation and tenant anti-displacement initiatives.
    a. Explore helping preserve HUD Section 202 PRAC developments using a new component of the Federal Rental Assistance Demonstration (RAD) program.
    b. Provide capital funding required to preserve and rehabilitate at-risk developments.
    c. Develop criteria for which at-risk properties should be prioritized.
    d. Pass a County Preservation Ordinance.
    e. Provide tenant assistance, including flexible emergency assistance.
    f. Ensure perpetual affordability on County-owned development sites.
6. Explore improvements to the entitlement and permitting process for affordable housing in unincorporated Los Angeles County.

As it did last year, the County has indicated that it will work with stakeholders to discuss, evaluate and prioritize the recommendations included in this year's Report.

## About the Author and Acknowledgments

The California Housing Partnership is a State-created, nonprofit technical assistance organization that helps to preserve and expand the supply of homes affordable to low income households in California. The Partnership does this by providing technical assistance, training and policy research to nonprofit and government housing organizations throughout the state. The Partnership's efforts have helped our partner organizations leverage approximately $18 billion in private and public financing to preserve and create more than 70,000 affordable homes for low income households. For more information, visit www.chpc.net/about-us/. The primary contributors to this Report were Preservation & Data Manager Danielle M. Mazzella, Senior Policy Analyst Dan Rinzler, Data & Policy Analyst Lindsay Rosenfeld, President & CEO Matt Schwartz, Southern California Director Paul Beesemyer, and Director of Operations Chris Maxwell.

# LOS ANGELES COUNTY 2019 AFFORDABLE HOUSING DASHBOARD: A Countywide Snapshot

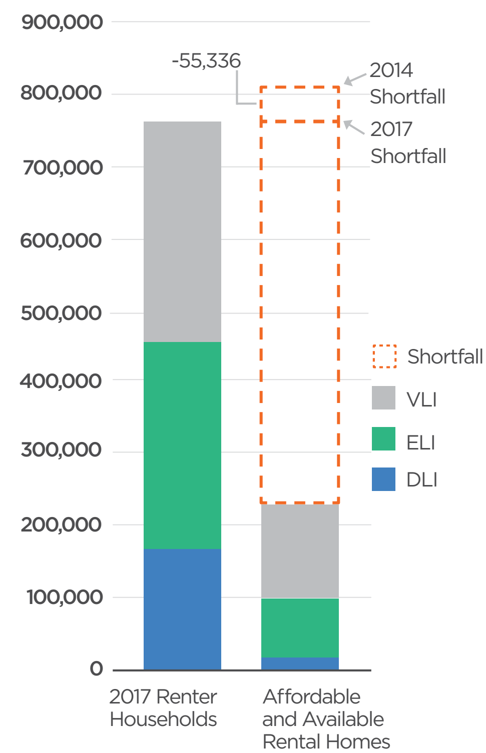
## Affordable Housing Shortfall

Los Angeles County has a shortfall of 516,946 homes affordable to the lowest income renters. The shortfall for a given income group is based on whether households at this income or below are living in a home that is affordable to their income group. The shortfall of affordable homes in Los Angeles County decreased by 55,336 homes between 2014 and 2017.

**Housing Affordability Gap Analysis for Lowest Income Households**

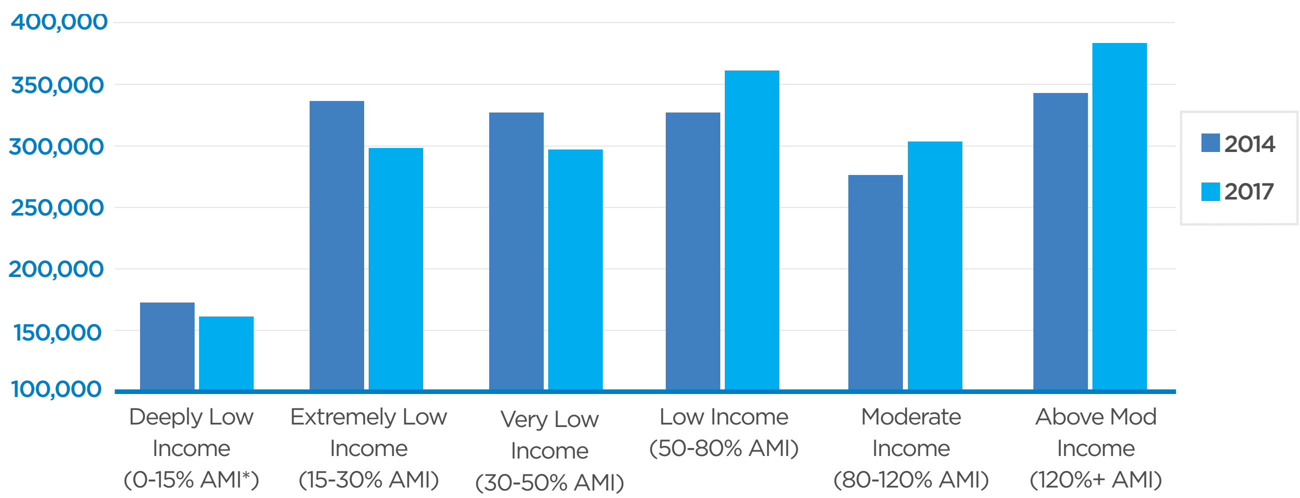
| | DLI | ELI | VLI |
|---|---|---|---|
| Cumulative Surplus or Deficit of Affordable Rental Homes* | -140,086 (-7%)** | -358,866 (-15%) | -516,946 (-10%) |

**Source:** *California Housing Partnership analysis of 2014-2017 1-year ACS PUMS data with HUD income levels and DLI using adapted NLIHC methodology.*
** The surplus or deficit includes homes occupied by a household at or below the income threshold of the income group.*
***Percentage change from 2014 to 2017.*




## Los Angeles County Households

**Change in Los Angeles County Renter Households 2014-2017**




**Source:** *California Housing Partnership analysis of 2014-2017 1-year ACS PUMS data with HUD income levels and DLI using adapted NLIHC methodology.*
**Area Median Income (AMI)*

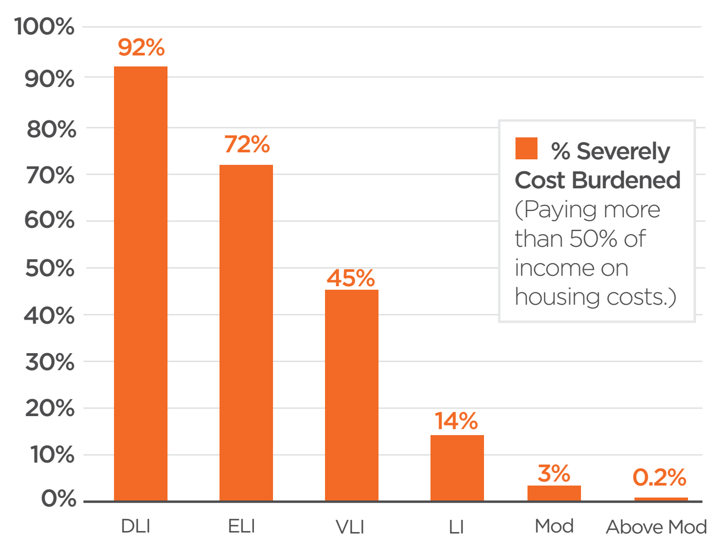
# Los Angeles County Households

| Renter Group by Area Median Income (AMI) | Number of Households 2017 | | % Change from 2014* |
|---|---|---|---|
| Deeply Low Income (DLI) 0-15% AMI | 160,096 | ↘ | -5% |
| Extremely Low Income (ELI) 15-30% AMI | 298,920 | ↘ | -12% |
| Very Low Income (VLI) 31-50% AMI | 298,193 | ↘ | -8% |
| Low Income (LI) 50-80% AMI | 355,524 | ↗ | 9% |
| Moderate Income (Mod) 80-120% AMI | 301,276 | ↗ | 9% |
| Above Moderate (Above Mod) 120%+ AMI | 383,801 | ↗ | 11% |
| **TOTAL** | **1,797,810** | ↗ | **1%** |

**Reflective of changes within the income group.*

# Los Angeles County Severe Cost Burden

In Los Angeles County, lower income renters are more likely than higher income renters to spend more than half of their income on housing. In 2017, 92% of households that earn less than 15% of area mean income (AMI) and 72% of households that earn less than 30% of AMI are severely cost burdened, while 3% or less of moderate or higher income renters experience this level of cost burden. Severe cost burden is defined as spending more than 50% of household income on housing costs.




| Renter Group | Number of Severely Cost Burdened Households | | % Change from 2014* |
|---|---|---|---|
| DLI | 146,511 | ↘ | -6% |
| ELI | 215,143 | ↘ | -14% |
| VLI | 134,854 | ↘ | -2% |
| LI | 48,086 | ↗ | 23% |
| Mod | 9,909 | ↗ | 56% |
| Above Mod | 602 | ↘ | -69% |
| **TOTAL** | **555,105** | ↘ | **-6%** |

**Reflective of changes within the income group.*

# Affordable Housing Inventory

## Rental Housing and At-Risk Properties in Los Angeles County

Below is a summary of the Federal, State, and County-administered affordable housing in Los Angeles County. Also included are the number of affordable homes at risk of being converted to market rate due to expiring covenants or other changes to existing rent restrictions.

### Summary of Federal, State, and County-Administered Affordable Housing and At-Risk Housing in Los Angeles County

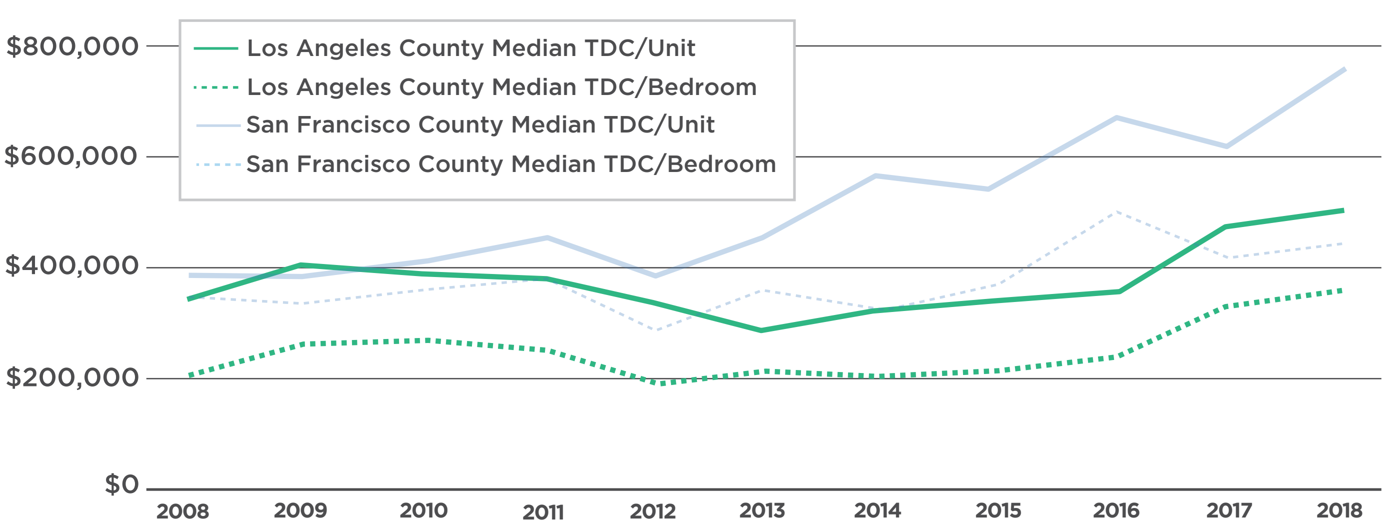
| Supervisorial District (SD) | At-Risk Homes* | County-Administered Affordable Homes** | Affordable Homes |
|---|---|---|---|
| SD 1 | 2,424 | 5,927 | 32,196 |
| SD 2 | 2,646 | 6,039 | 29,853 |
| SD 3 | 3,216 | 2,606 | 21,397 |
| SD 4 | 899 | 3,259 | 14,208 |
| SD 5 | 1,091 | 2,900 | 13,566 |
| **COUNTY** | **10,276** | **20,731** | **111,220** |

**Source**: *California Housing Partnership Preservation Database, HUD, LIHTC, HACoLA, HACLA, CDC, DRP, and DMH.*
**This is a subset of the total number of affordable homes and assesses risk on the Federal and State assisted and subsidized affordable homes.*
***This is a subset of the total number of affordable homes and includes homes affordable up to moderate income households (>120% AMI).*

# Cost of Developing Affordable Housing

## Development Cost in Los Angeles County

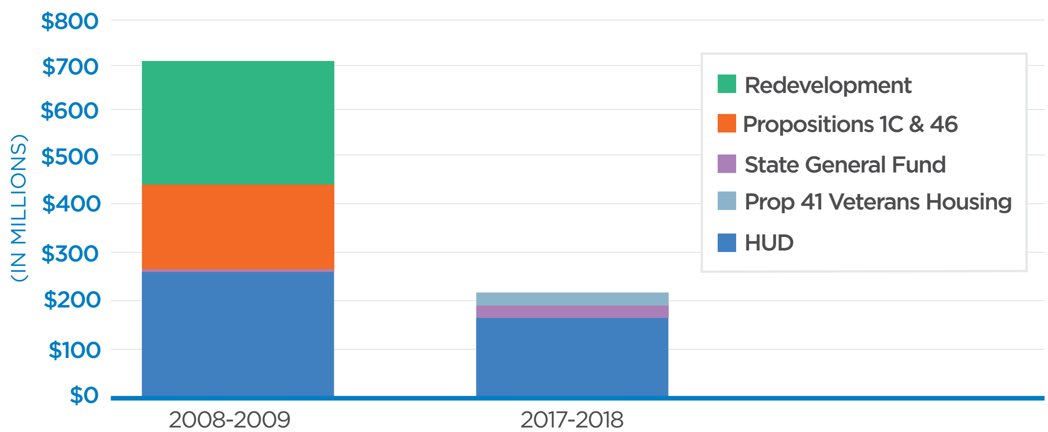
Median total development costs for Low Income Housing Tax Credit (LIHTC) affordable properties in Los Angeles County fluctuated between 2008 and 2013, and then steadily increased between 2013 and 2018. In 2018, per-unit costs were $207,000 higher and per-bedroom costs were $146,000 higher, a 72% and 69% increase from 2013, respectively.




**Source**: *California Housing Partnership analysis of TCAC projects database, 2008-2018.*

# Investments in Affordable Housing

## Change in Federal and State Capital Investments in Affordable Housing in Los Angeles County




Los Angeles County lost 70% of State and Federal funding for affordable housing production and preservation from FY 08-09 to FY 17-18.

| Funding Sources | FY 2008-2009 | FY 2017-2018 | % Change |
|---|---|---|---|
| State Redevelopment | $274,787,841 | $0 | -100% |
| State Housing Bonds and Housing Programs | $177,835,573 | $34,360,751 | -81% |
| HUD | $252,995,297 | $175,203,461 | -31% |
| **TOTAL** | **$705,618,711** | **$209,564,212** | **-70%** |

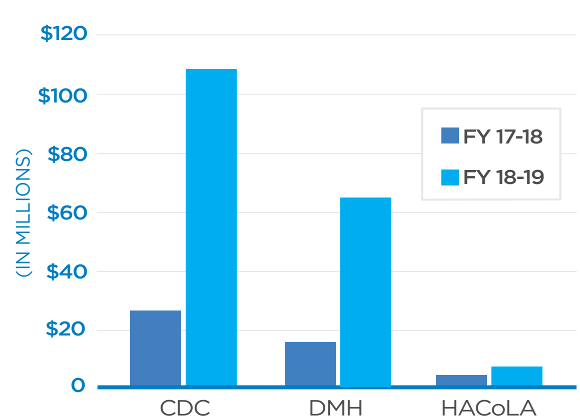
**Source:** *California Housing Partnership analysis of 2008-2009 annual Redevelopment Housing Activities Report; 2008-2009 and 2017-2018 Annual HCD Financial Assistance Programs Reports; 2008-2009 and 2017-2018 HUD CPD Appropriations Budget Reports.*
**FY 2017-2018 does not include No Place Like Home Funding (NPLH) and no funds for the Affordable Housing Sustainable Communities (AHSC) program were awarded.*

## County Capital Investments in Affordable Housing

The CDC NOFA funded 1,709 affordable homes in 2018. HACoLA allocated more than $7 million of the Capital Fund Program to rehabilitate homes across their 68 affordable housing development portfolio. DMH invested $65 million towards 366 affordable homes in 2018.

| Department | FY 18-19 Expenditures | % Change from FY 2017-18 | Total Homes Funded in 2018 |
|---|---|---|---|
| CDC | $107,472,175* | 287%** | 1,709 |
| DMH | $65,000,000 | 333% | 366 |
| HACoLA | $7,031,206 | 47% | N/A*** |
| **TOTAL** | **$179,503,381** | **278%** | **2,075** |

**Note:** *Table includes affordable homes that received capital funds. Homes may have received funding from multiple departments and may not yet be placed in service.*
**Represents calendar year 2018 NOFA funding.*
***Change from calendar year 2017 NOFA funding.*
****Funding used to rehabilitate public housing developments.*



# Section 1. Affordable Housing Need

## Overview

This section of the Report documents affordable housing need in Los Angeles County ("County") by measuring the shortfall of affordable homes ("Gap Analysis"), housing cost burden ("Cost Burden Analysis") and overcrowding ("Overcrowding Analysis") by income group, as well as documented homelessness ("Homelessness in Los Angeles County"). By leveraging four years of American Community Survey (ACS) data and Point-in-Time (PIT) counts, this section documents not only county-wide and Supervisorial District trends, but also trends over time.

### Data Sources and Methodology

#### *Data Sources*

The Gap, Cost Burden and Overcrowding analyses rely on data from the American Community Survey (ACS) Public Use Microdata Sample (PUMS). The ACS is an ongoing, annual survey conducted by the U.S. Census Bureau that collects detailed population and housing data for households throughout the United States. Whereas ACS data is only available in an aggregate form, PUMS allows users to utilize a sample of ACS responses for small geographies or Public Use Microdata Sample Areas (PUMAs).

The Homelessness analysis in Los Angeles County uses data from the Point-in-Time (PIT) count, a survey of individuals experiencing homelessness on a single night in January. HUD requires that Continuums of Care (CoC) conduct this count annually for homeless persons who are sheltered in transitional housing, Safe Havens, and emergency shelters, and every other year (odd numbered years) for unsheltered homeless persons. In Los Angeles County, the Los Angeles Homeless Services Authority (LAHSA) conducts the County's annual PIT count, also known as the Greater Los Angeles Homeless Count.

#### *Determining Household Income Groups and Rent Affordability*

To quantify affordable housing need by income group, this Report uses the U.S. Department of Housing and Urban Development's (HUD) income limits, which HUD uses to determine eligibility for its housing programs based on the median income and housing costs in a metropolitan area. Each household is placed in one of five non-overlapping income groups — Deeply Low Income (DLI), Extremely Low Income (ELI), Very Low Income (VLI), Low Income (LI), Moderate Income and Above Moderate Income — based on their household income relative to the metropolitan area's median family income, adjusted for household size (see Table 1 for income group definitions).

For high-cost housing markets such as Los Angeles County, HUD upwardly adjusts income limits to account for higher costs. HUD sets the VLI income limit at a level that would allow a four-person household to pay no more than 35 percent of their income for an apartment priced at 85 percent of the HUD Section 8 Fair Market Rent (FMR) for Los Angeles County. This adjustment in turn affects all income limits because they are calculated relative to the VLI base.

Because HUD income limits are adjusted upward from actual income levels in Los Angeles County, a higher proportion of the County's households fall into the DLI, ELI, VLI and LI groups than otherwise would be the case. The adjusted income levels also mean that households at the lower end of each income range may find rents that are set at the maximum allowable price for the adjusted income levels to be high in relation to their income.

Rent affordability is determined by the income needed to afford rent and utilities without spending more than 30 perfect of household income.

Table 1 shows the 2017 HUD-derived income limits[4] for each income group:

**Table 1: Los Angeles County Income Limits as Adjusted with HUD Ratios**

| Area Median Income (AMI) 4-Person Household | Standard HUD Income Groups | Adjusted HUD 4-Person Household* | Adjusted HUD Income as % of AMI | Affordable Monthly Rent** |
|---|---|---|---|---|
| $64,300 | DLI*** (0-15% AMI) | $13,520 | 21% | $338 |
| | ELI (15-30% AMI) | $27,050 | 42% | $676 |
| | VLI (30-50% AMI) | $45,050 | 70% | $1,126 |
| | LI (50-80% AMI) | $72,100 | 112% | $1,803 |
| | Moderate**** (80-120% AMI) | $108,120 | 168% | $2,703 |
| | Above Moderate**** (> 120% AMI) | > $108,120 | > 168% | > $2,703 |

*HUD adjusts income limits upward to account for high-cost housing markets such as Los Angeles County.
**The defined 'Affordable Monthly Rent' is affordable for households at the income threshold.
***Deeply Low Income (DLI) households is a relatively new income group that HUD and the County are piloting.
****The Los Angeles County income levels are upwardly adjusted for high housing costs using the VLI 4-person household as the basis for all other income calculations for HUD's income groups. The ELI, VLI and LI income groups are provided by HUD, while DLI, Moderate and Above Moderate are generated using HUD-provided ratios.

## Supervisorial Districts

Each of the four topics considered in Section 1 – gap, cost burden, overcrowding and homelessness – are examined for the whole of Los Angeles County and also by Supervisorial District (SD). There are five SDs in the County. SD-specific analysis draws from two years of Census data to generate reliable results due to small population sizes in some SDs. Thus, all SD data points are two-year averages.

For more information on methodology, especially as it relates to determining income groups and rent affordability, see Appendix A: Methodology.

[4] Los Angeles County Income Limits. 2017. *U.S. Housing and Urban Development Department (HUD)*. Website: https://www.huduser.gov/portal/datasets/il.html#2017_data.

## Gap Analysis

In this Gap Analysis, the surplus or shortfall of affordable homes for households in a given income group is defined as the difference between the number of households in that group compared to the number of homes affordable and available to them. A rental home is affordable if a household spends no more than 30 percent of its income on rent and utilities. A rental home is "affordable and available" if the housing costs are affordable at a particular level of income and is either vacant or occupied by a household at or below the income group threshold.[5] Both occupied and vacant homes are included because, together, they represent the total number of affordable homes for households below each income level.[6]

Of the nearly 1.8 million renter households living in Los Angeles County in 2017, more than 750,000 (42%) are from the lowest income groups (DLI, ELI and VLI). Meanwhile, only 240,263 rental homes are affordable and available to these households, resulting in a shortfall of 516,946 rental homes affordable and available to them (Table 2). Meanwhile, the County has a surplus of homes affordable and available to higher income households.

**Table 2: Los Angeles County Housing Affordability Gap Analysis for Renter Households**

| | DLI | ELI | VLI | LI | Moderate Income | Above Moderate Income | Total |
|---|---|---|---|---|---|---|---|
| Households within Income Group | 160,096 (-5%)* | 298,920 (-12%) | 298,193 (-8%) | 355,524 (+9%) | 301,276 (+9%) | 383,801 (+11%) | 1,797,810 (+1%) |
| All Households (Cumulative) | 160,096 | 459,016 | 757,209 | 1,112,733 | 1,414,009 | 1,797,810 | N/A |
| Rental Homes "Affordable and Available" (Cumulative) | 20,010 | 100,150 | 240,263 | 860,595 | 1,403,219 | 1,877,355 | |
| Cumulative Surplus or Shortfall of Affordable Rental Homes** | -140,086 (-7%)*** | -358,866 (-15%) | -516,946 (-11%) | -252,138 (+10%) | -10,790 (+517%)[7] | **79,545** (+3%) | |

Source: California Housing Partnership analysis of 2017 1-year ACS PUMS data with HUD Income Levels and DLI using adapted NLIHC methodology.
*Percent change in the number of households in an income group in 2017 relative to the number of households in 2014.
**The surplus or shortfall includes homes occupied by a household at or below the income threshold of the income group.
***Percent change in the number of homes in 2017 relative to the number of homes in 2014.

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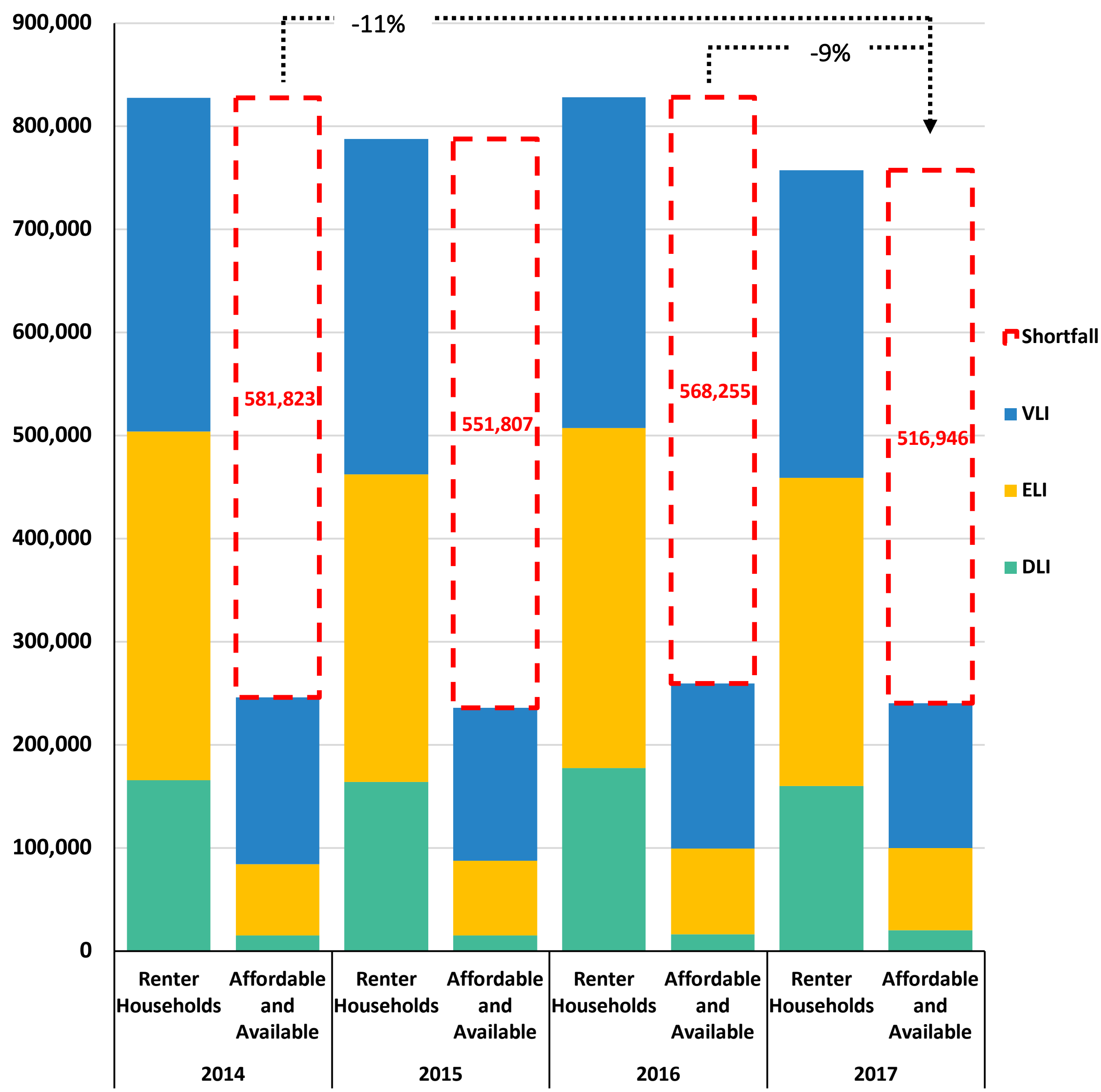
[5] National Low Income Housing Coalition. "The Gap: A Shortage of Affordable Rental Homes." Website: https://nlihc.org/gap.
[6] The percentage of vacant units affordable to DLI, ELI, VLI, LI, Moderate and Above Moderate households in 2017 were 3%, 3%, 4%, 3% ,4%, and 9%, respectively.
[7] While historical trends can be informative, the absolute size of the shortfall and number of households impacted should guide the County's responses and strategies for moving forward. The large increase in the shortfall experienced by Moderate Income households between 2014 and 2017 is deceptive because these households experienced a small surplus of 2,588 in 2014 and a shortfall of 13,378 affordable and available homes in 2017.

Figure 1 shows the shortfall of affordable and available homes for the lowest income households in Los Angeles County from 2014 to 2017.[8,9] The 11 percent decline during this period may be in part a result of the concurrent decrease in DLI, ELI and VLI households in the County (as shown in Table 2). Between 2014 and 2017, the number of households in the three lowest income groups declined by almost 71,000.

## Figure 1. Los Angeles County Affordable Housing Shortfall, 2014-2017




Source: California Housing Partnership analysis of 2014-2017 1-year ACS PUMS-data with HUD Income Levels and DLI using adapted NLIHC methodology.

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[8] See Appendix B: Full Data Findings, Table B for expanded shortfall data for 2014, 2015, 2016 and 2017, including the proportion of housing demand that is not being met each year (or shortfall / total demand).
[9] The shortage of affordable homes described above does not account for individuals and families experiencing homelessness due to limitations of ACS PUMS housing data.

## Gap Analysis by Supervisorial District

A summary of the affordable housing gap analysis by household income group for each Supervisorial District (SD) is shown in Table 3.

**Table 3: Housing Affordability Gap Analysis for Renter Households by Supervisorial District***

| | Area | DLI | ELI | VLI | LI | Moderate Income | Above Moderate Income |
|---|---|---|---|---|---|---|---|
| Cumulative Surplus or Shortfall of Affordable Rental Homes | SD 1 | -26,589 | -75,146 | -98,829 | -28,833 | -603 | 9,661 |
| | SD 2 | -44,788 | -108,727 | -146,729 | -52,172 | -318 | 19,293 |
| | SD 3 | -34,009 | -84,279 | -127,917 | -82,731 | -13,392 | 23,476 |
| | SD 4 | -19,689 | -55,385 | -84,919 | -39,616 | 142 | 13,175 |
| | SD 5 | -25,551 | -59,832 | -84,206 | -48,396 | -1,600 | 10,533 |

Source: California Housing Partnership analysis of 2016-2017 1-year ACS PUMS-based analysis with HUD Income Levels and DLI using adapted NLIHC methodology.
*The SD-level gap analysis is based on 2016-2017 data, which cannot be directly compared to the totals in Table 2, which rely on only one year of data.

For more data on the Gap Analysis for each Supervisorial District, see Appendix B: Full Data Findings, Section 1.

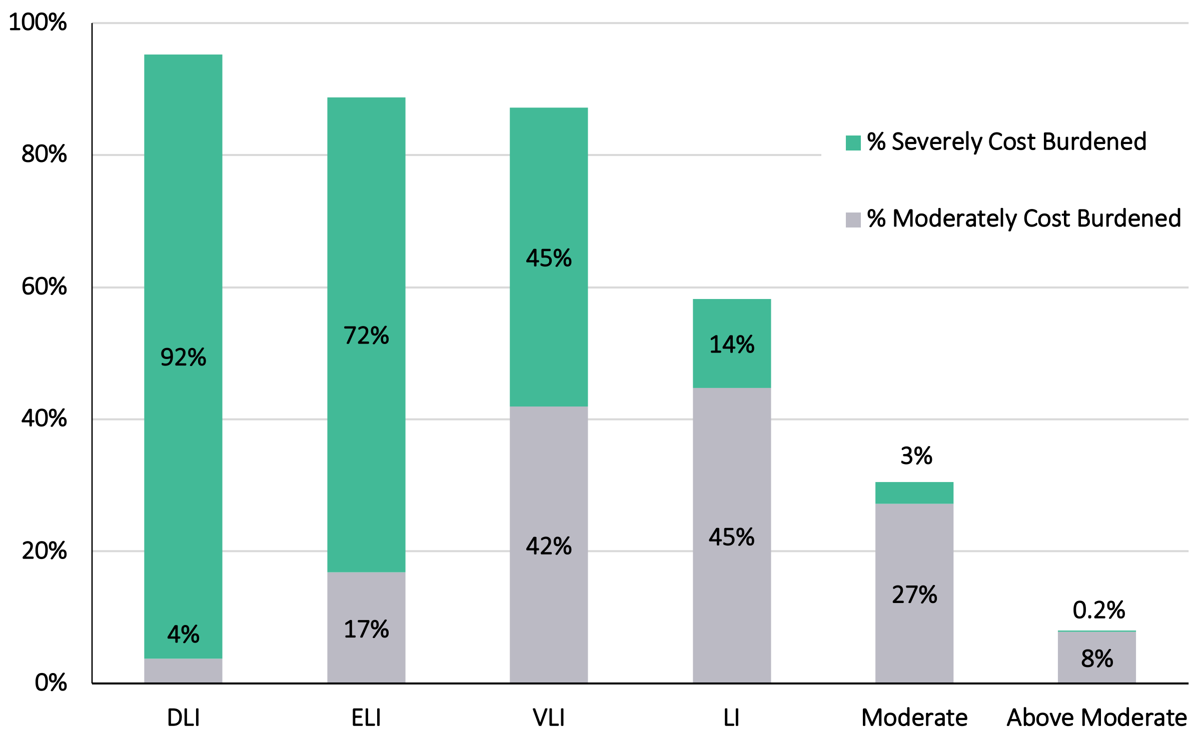
## Cost Burden Analysis

Because of the shortfall of affordable and available homes described above, many of the lowest income households in Los Angeles County spend more than they can afford on housing. The Cost Burden Analysis measures the extent of this affordability issue by calculating the percentage of income paid for housing by households of different incomes.

In this analysis, a household is considered moderately cost burdened if they pay between 30 and 50 percent of household income on housing costs and severely cost burdened if they pay more than 50 percent of household income on housing costs. Housing costs include both rent and utilities (i.e. electricity, fuel, gas and water). Renters with severe housing cost burdens are at higher risk of losing access to housing due to rent increases and are more likely to forgo spending on essentials such as food, transportation and health care.[10]

As shown in Figure 2 and Table 4, lower income renter households in Los Angeles County are substantially more likely to experience severe cost burden than higher income renter households. In 2017, 92 percent of all DLI households and 72 percent of ELI households were severely cost burdened.

**Figure 2. Los Angeles County Moderate and Severe Cost Burden* by Income Group**




Source: California Housing Partnership analysis of 2017 1-year ACS PUMS data with HUD Income Levels and DLI using adapted NLIHC methodology.
*A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.

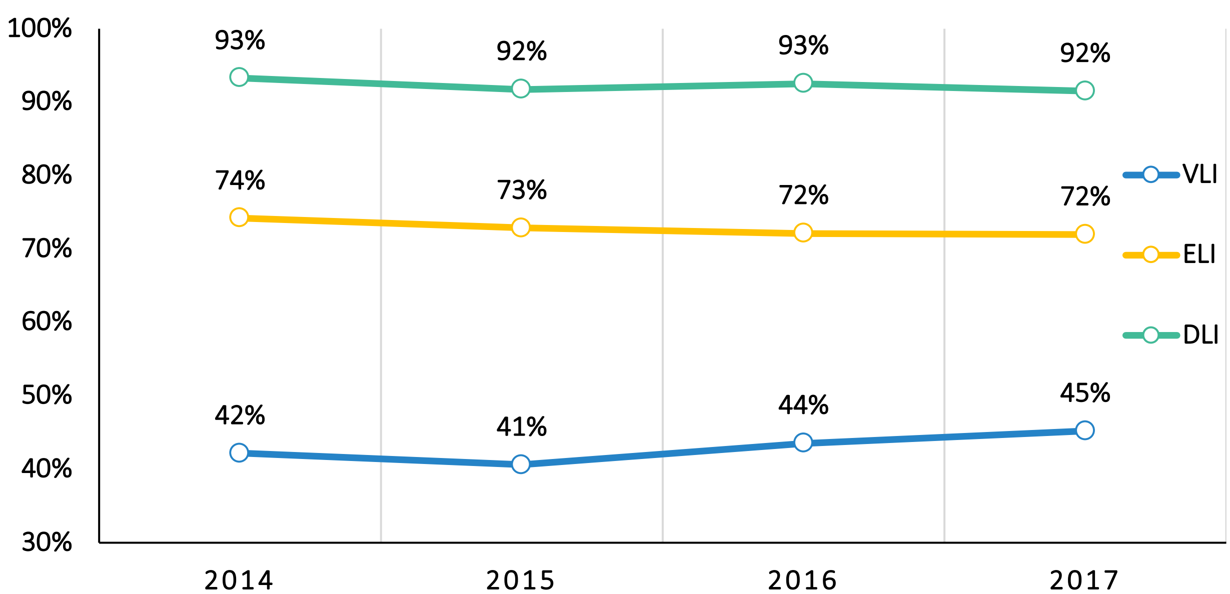
[10] See, for example: Joint Center for Housing Studies of Harvard University. "The State of the Nation's Housing: 2018." Website: http://www.jchs.harvard.edu/state-nations-housing-2018.

| Table 4: Los Angeles County Cost Burden Analysis for Renter Households* | | | | |
|---|---|---|---|---|
| Income Group | Total Households | Not Cost Burdened | Moderately Cost Burdened | Severely Cost Burdened |
| DLI | 160,096 | 5% | 4% | 92% |
| ELI | 298,920 | 11% | 17% | 72% |
| VLI | 298,193 | 13% | 42% | 45% |
| LI | 355,524 | 42% | 45% | 14% |
| Moderate Income | 301,276 | 69% | 27% | 3% |
| Above Moderate Income | 383,801 | 92% | 8% | 0.2% |
| **All Income Groups** | **1,797,810** | **44%** | **25%** | **31%** |

Source: California Housing Partnership analysis of 2017 1-year ACS PUMS data with HUD Income Levels and DLI using adapted NLIHC methodology.
*Note that percentages in the table may not sum because numbers are rounded to whole numbers.

As shown in Figure 3, the proportion of the County's DLI, ELI and VLI renter households experiencing severe cost burden shows little overall change between 2014 and 2017.

## Figure 3. Los Angeles County Severe Cost Burden* Historical Trends, 2014-2017




Source: California Housing Partnership analysis of 2014-2017 1-year ACS PUMS data with HUD Income Levels and DLI using adapted NLIHC methodology.
*Severely cost burdened households spend 50 percent or more of their income towards housing costs.

## Cost Burden Analysis by Supervisorial District

As shown in Table 5, the distribution of severely cost burdened households by Supervisorial District (SD) is generally proportional to the distribution of the County's overall population by SD.[11]

| Table 5: Percentage of Severely Cost Burdened Households by Supervisorial District* | | | | |
|---|---|---|---|---|
| Proportion of Households in SD | | # of Severely Cost Burdened Households | % of Total Severely Cost Burdened Households in LA County | % Change in Severely Cost Burdened Households** |
| **SD 1** | 18% | 96,656 | 17% | -7% |
| **SD 2** | 24% | 151,682 | 26% | -0.3% |
| **SD 3** | 25% | 144,942 | 25% | +2% |
| **SD 4** | 17% | 86,953 | 15% | -4% |
| **SD 5** | 16% | 94,957 | 17% | +5% |

Source: California Housing Partnership analysis of 2016-2017 1-year ACS PUMS data using adapted NLIHC methodology.
*The SD-level cost burden analysis is based on 2016-2017 data, which cannot be directly compared to the totals in Table 4, which rely on only one year of data.
**Percent change in number of households in SD in 2016-2017 relative to the number of households in 2014-2015.

For more data on the Cost Burden Analysis for each SD – as well as for households with children and senior households – see Appendix B: Full Data Findings, Section 1.

[11] Percentages in Table 5 represent the number of households as a share of the total number of households that are severely cost burdened in the County.

## Overcrowding Analysis

This Overcrowding Analysis documents rates of overcrowding by household income group. In this analysis, overcrowding is defined by the ratio of occupants in a home to the number of rooms in the home, counting two children as equivalent to one adult. A room is defined as a bedroom or common living space (such as a living room), but excludes bathrooms, kitchens, or areas of the home that are unfinished or not suited for year-round use.[12]

As with the Cost Burden Analysis, this Overcrowding Analysis measures two levels of overcrowding: overcrowding and severe overcrowding. Households that have more than one adult (or two children) per room are considered overcrowded, whereas households with more than two adults (or four children) per room are severely overcrowded. For example, a two-room home (one bedroom and a living room) with three adults is considered overcrowded, while a two-room home with two adults and five children is considered severely overcrowded.

Research comparing overcrowding in California to the United States more broadly finds that California's renter overcrowding rate is more than double the U.S. average, largely due to the State's high housing costs and the prevalence of household types that are, on average, more likely to live in crowded households – households headed by foreign-born adults, Hispanics, and those with children. Among the ten largest metropolitan counties in California, Los Angeles County has the highest rate of renter overcrowding, followed by Orange County, San Bernardino County, Santa Clara County and Fresno County. [13,14,15] These high rates of overcrowding can be explained, in part, to demographic differences and other factors like high housing costs, though rigorous statistical techniques needed to establish causality have not been applied to research on overcrowding at the county-level.

As shown in Table 6 and Figure 4, all income groups in Los Angeles County experience overcrowding. Furthermore, VLI and LI households are more likely to be overcrowded than the other income groups.

However, rates of severe overcrowding are higher for lower income households when compared to Above Moderate Income households. DLI, ELI, and VLI households are 2.5 times, 3.75 times, and 4.3 times more likely to be severely overcrowded than Above Moderate Income households, respectively.

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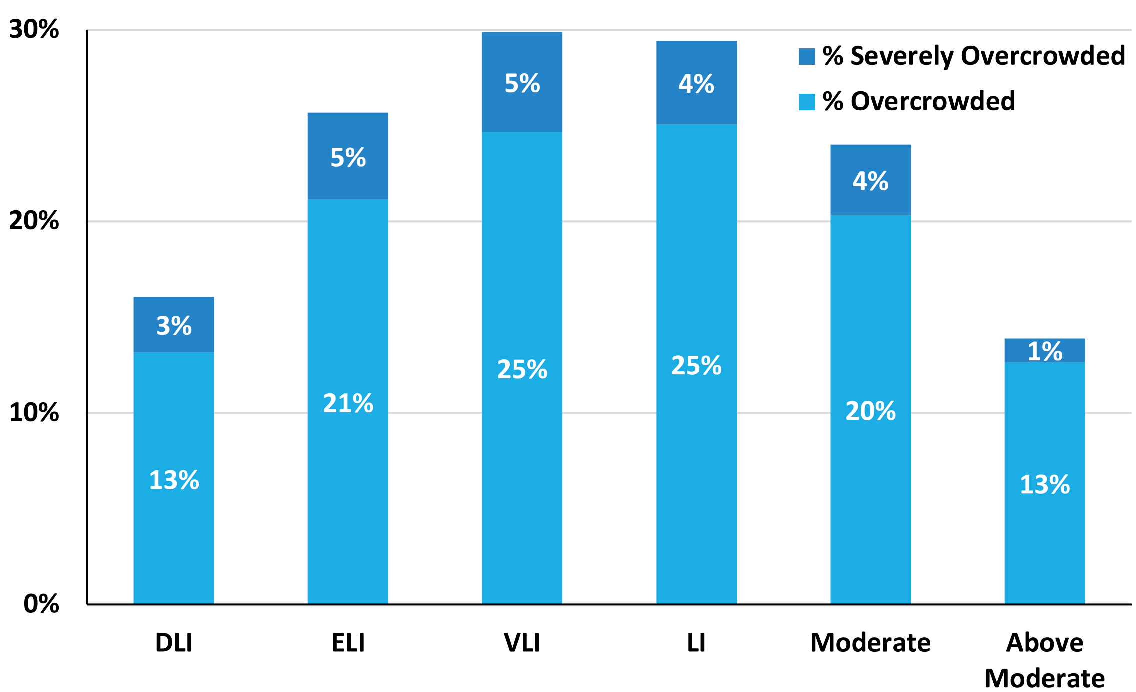
[12] The Overcrowding Analysis uses the U.S. Census Bureau's definition of a room, excluding the kitchen. For the full definition, visit https://www.census.gov/housing/hvs/definitions.pdf.
[13] Taylor, Mac. "California's High Housing Costs: Causes and Consequences." *Legislative Analyst's Office*, 2015. Website: https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf.
[14] California Department of Housing and Community Development. "California's Housing Future: Challenges and Opportunities." 2018. Website: http://www.hcd.ca.gov/policy-research/plans-reports/docs/sha_final_combined.pdf.
[15] U.S. Census Bureau, 2015 American Community Survey 1-Year Estimate, Tables B25014, Tenure by Occupants per Room. Please note that the U.S. Census Bureau's definition of overcrowding varies slightly from this report's methodology. Most notably, the U.S. Census Bureau considers a kitchen as a room and does not distinguish between children and adults in their measure.

| Table 6: Los Angeles County Overcrowding Analysis for Renter Households | | | | |
|---|---|---|---|---|
| Income Group | Total Households | Not Overcrowded | Overcrowded | Severely Overcrowded* |
| DLI | 160,096 | 84% | 16% | 3% |
| ELI | 298,920 | 74% | 26% | 5% |
| VLI | 298,193 | 70% | 30% | 5% |
| LI | 355,524 | 71% | 29% | 4% |
| Moderate Income | 301,276 | 76% | 24% | 4% |
| Above Moderate Income | 383,801 | 86% | 14% | 1% |
| **All Income Groups** | **1,797,810** | **77%** | **23%** | **4%** |

Source: 2017 1-year ACS PUMS-based analysis with HUD Income Levels and DLI prepared by the California Housing Partnership.
*The percentages of severely overcrowded households are a subset of the percentage of overcrowded households.

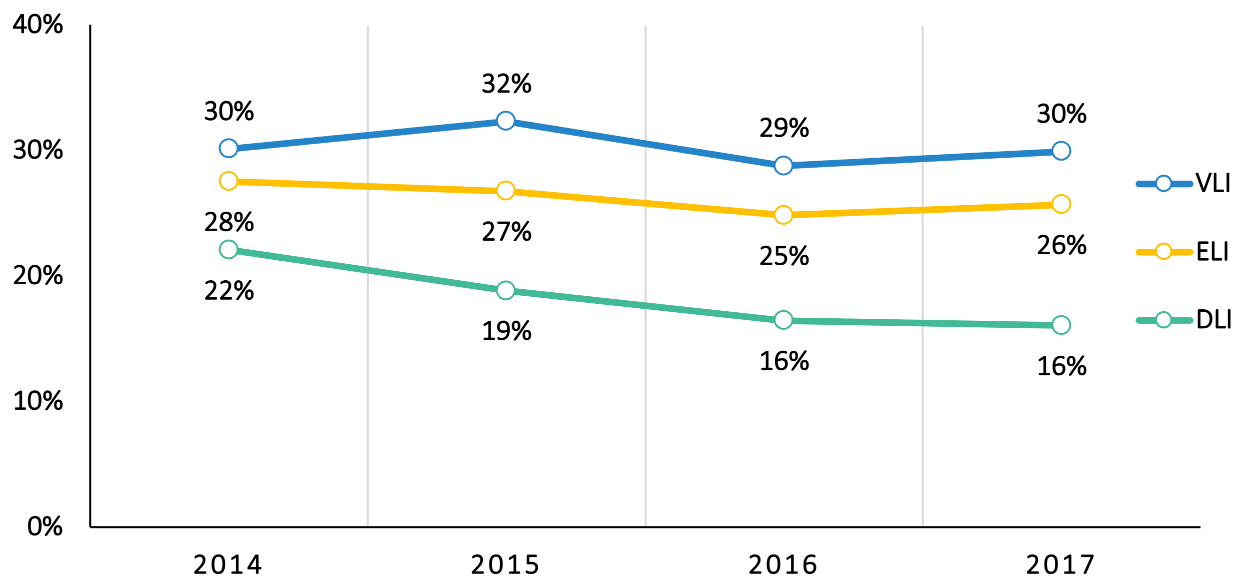
## Figure 4. Los Angeles County Overcrowding




Source: 2017 1-year ACS PUMS-based analysis with HUD Income Levels and DLI prepared by the California Housing Partnership.
*Households that have more than one adult (or two children) per room and more than two adults (or four children) per room are considered overcrowded and severely overcrowded, respectively.

Rates of overcrowding for the lowest income households are lower in 2017 than in 2014. However, between 2016 and 2017, the share of ELI and VLI renter households experiencing overcrowding increased by three percent and four percent, respectively (see Figure 5).

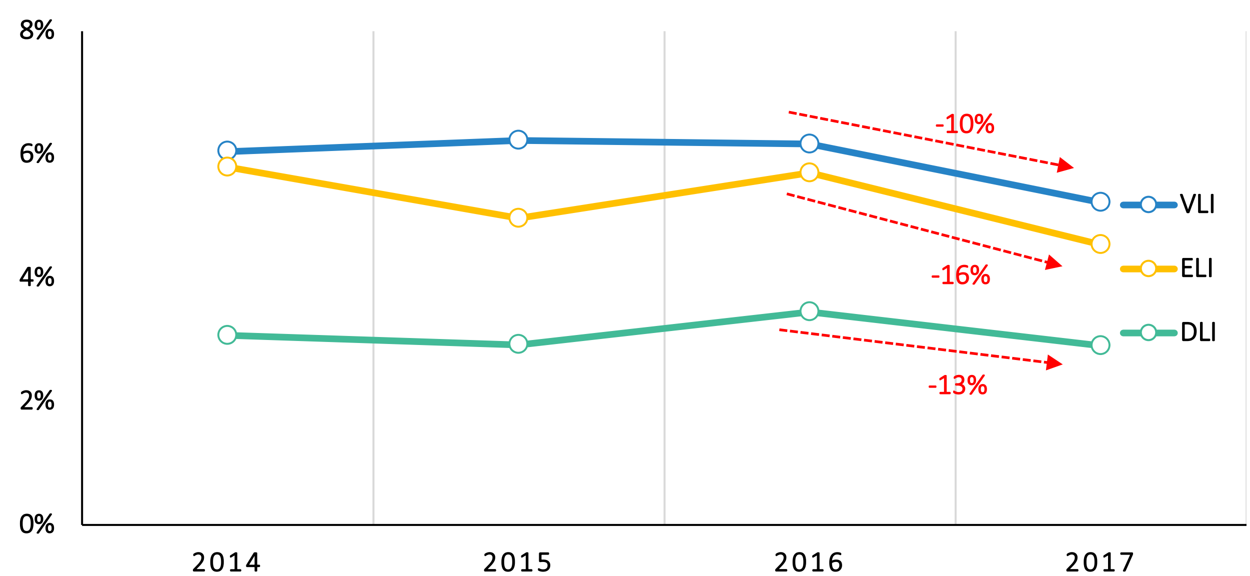
### Figure 5. Los Angeles County Overcrowding* Historical Trends, 2014-2017




Source: California Housing Partnership analysis of 2014-2017 1-year ACS PUMS-based analysis with HUD Income Levels and DLI.
*Households that have more than one adult (or two children) per room are considered overcrowded.

As shown in Figure 6, between 2016 and 2017 the share of DLI, ELI, and VLI renter households experiencing severe overcrowding dropped by 13%, 16% and 10%, respectively.

### Figure 6. Los Angeles County Severe Overcrowding* Historical Trends, 2014-2017




Source: California Housing Partnership analysis of 2014-2017 1-year ACS PUMS-based analysis with HUD Income Levels and DLI.
*Households that have more than two adult (or four children) per room are considered severely overcrowded.

## Overcrowding Analysis by Supervisorial District

A summary of the Overcrowding Analysis – which shows the distribution of severely overcrowded households by Supervisorial District (SD) – is shown in Table 7.[16]

Severe overcrowding is concentrated in Supervisorial Districts 1 and 2, even when considering their relative shares of the County's overall population.

**Table 7: Percentage of Severely Overcrowded Households by Supervisorial District***

| Proportion of Households in SD | | # of Severely Overcrowded Households | % of Total Severely Overcrowded Households in LA County | % Change in Severely Overcrowded Households** |
|---|---|---|---|---|
| **SD 1** | 18% | 18,649 | 27% | +3% |
| **SD 2** | 24% | 21,667 | 31% | -16% |
| **SD 3** | 25% | 14,275 | 20% | +6% |
| **SD 4** | 17% | 10,308 | 15% | -2% |
| **SD 5** | 16% | 5,158 | 7% | -0.4% |

Source: 2016-2017 PUMS-based analysis prepared by the California Housing Partnership.
*The SD-level gap analysis is based on 2016-2017 data, which cannot be directly compared to the totals in Table 6, which rely on only one year of data.
**Percent change in number of households in category in 2016-2017 relative to the number of households in 2014-2015.

For more data on the Overcrowding Analysis for each Supervisorial District, see Appendix B: Full Data Findings, Section 1.

[16] Percentages represent the number of households as a share of the total number of households that are severely overcrowded in the County.

## Homelessness in Los Angeles County

This section describes key aspects of homelessness in Los Angeles County using data from the Point-in-Time (PIT) count, which is the primary data source for estimating the number of individuals and families experiencing homelessness nationally. HUD requires that each Continuum of Care (CoC) conduct an annual count of homeless persons who are sheltered in emergency shelters, transitional housing, and Safe Havens on a single night. CoCs also must conduct a count of unsheltered homeless persons every other year (odd numbered years). The Los Angeles Homeless Services Authority (LAHSA) conducts the Greater Los Angeles Homeless Count to complete the Los Angeles County PIT count.

According to the PIT count, 52,765 people experienced homelessness on a given night in Los Angeles County in January 2018 (Table 8). This count is 2,283 (4%) lower than the PIT count in 2017 and the first time in four years that homelessness has decreased in Los Angeles County. According to LAHSA's recent presentation on the results of the 2018 Greater Los Angeles Homeless Count, the decline in homelessness can be attributed to the high number of supportive housing placements by LA CoC, the creation of the Veterans Benefit Advocacy Program and similar VA programming for chronically homeless veterans, additional supports for those experiencing chronic homelessness (e.g. half of all Housing Authority of Los Angeles County's turnover Housing Choice Vouchers were committed to address chronic homelessness), and additional youth housing placements and programming.[17]

Though the number of individuals and families experiencing homelessness has declined county-wide and for the Los Angeles CoC, the Long Beach, Pasadena, and Glendale CoCs experienced an increase in homelessness in 2018, by 1%, 18% and 55%, respectively.

**Table 8: 2018 PIT Counts by CoC**

| Area | Homeless Population | % Change in Homeless Population* |
|---|---|---|
| **Los Angeles CoC** | 49,955 | -9% |
| **Long Beach CoC** | 1,873 | +1% |
| **Pasadena CoC** | 677 | +18% |
| **Glendale CoC** | 260 | +55% |
| **Los Angeles County Total** | 52,765 | -4% |

Source: HUD. 2018 AHAR PIT Estimates of Homelessness in the U.S.
*Percentage change compares the 2017 and 2018 PIT counts.

[17] LAHSA. "Greater Los Angeles Homeless Count: 2018 Results." Presentation, 31 May 2018. Website: https://www.lahsa.org/documents?id=2059-2018-greater-los-angeles-homeless-count-presentation.pdf.

## Homelessness by Supervisorial District

As shown in Table 9, the distribution of homelessness across Supervisorial Districts (SDs) is not proportional to the distribution of the County's overall population. Of the 52,765 individuals and families experiencing homelessness in Los Angeles County in 2018, more than 24 percent are located in SD 1 (which contains less than one fifth of the County's population) and 31 percent are located in SD 2 (which contains less than one fourth of the County's population).

**Table 9: 2018 v. 2017* PIT Counts by Supervisorial District**

| Proportion of Households in SD | | Homeless Populations | % of Total Homeless Population in County | % Change in Homeless Population** |
|---|---|---|---|---|
| SD 1 | 18% | 12,530 | 24% | +2% |
| SD 2 | 24% | 16,561 | 31% | -9% |
| SD 3 | 25% | 12,023 | 23% | +5% |
| SD 4 | 17% | 6,052 | 11% | -1% |
| SD 5 | 16% | 5,599 | 11% | -19% |
| **Total** | | **52,765** | **100%** | **-4%** |

Source: LAHSA. 2018 Greater Los Angeles Homeless Count.
*LAHSA revised the 2017 PIT counts and presented updated numbers in August 2018. Data used to inform this analysis differs from those included in the April 2018 Affordable Housing Report.
**Percentage change compares the 2017 and 2018 PIT Counts.

The number of individuals and families experiencing homelessness across the entire County decreased by four percent between 2017 and 2018. Most of this decrease occurred in SDs 2 and 5 – which experienced drops of nine percent and 19 percent, respectively. The number of individuals and families experiencing homelessness increased in SDs 1 and 3 – by two percent and five percent, respectively.

Table 10 below contains select demographics of the homeless population in the Los Angeles CoC drawing from the Greater Los Angeles Head Count. According to the 2018 count:

- 32 percent of those experiencing homelessness have suffered from domestic or intimate partner violence;
- 13,259 individuals – or 27 percent of the County's homeless population – experience chronic homelessness, 4,272 less than in 2017;
- Nine percent of those experiencing homelessness are under the age of 18. More than 2,940 – or 62 percent –of these children are in SDs 2 and 3; and
- Veterans make up seven percent of those who experience homelessness.

| Table 10: Select Demographics by Share of Homeless Population in Los Angeles CoC, by Supervisorial District* | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | SD 1 | | SD 2 | | SD 3 | | SD 4 | | SD 5 | |
| Subpopulation | # | % of Total | # | % of Total | # | % of Total | # | % of Total | # | % of Total |
| Veterans | 960 | 8% | 1,224 | 7% | 888 | 7% | 165 | 4% | 302 | 6% |
| Under 18 years old | 844 | 7% | 1,657 | 10% | 1,284 | 11% | 380 | 9% | 566 | 12% |
| 62+ years old | 1,370 | 11% | 2,197 | 13% | 883 | 7% | 256 | 6% | 189 | 4% |
| Chronically Homeless | 3,649 | 29% | 4,214 | 23% | 2,968 | 25% | 947 | 23% | 1,481 | 32% |
| Health/Disability** | 8,632 | N/A | 8,647 | N/A | 6,617 | N/A | 1,933 | N/A | 3,026 | N/A |
| Domestic/Intimate Partner Violence | 4,346 | 35% | 4,903 | 30% | 4,096 | 34% | 1,208 | 29% | 1,641 | 35% |
| **Los Angeles CoC Total** | **12,530** | **100%** | **16,561** | **100%** | **12,023** | **100%** | **4,179** | **100%** | **4,662** | **100%** |

Source: LAHSA. 2018 Greater Los Angeles Homeless Count.
*These statistics are only representative of data collected by the Los Angeles CoC and do not include numbers from the Long Beach, Glendale, or Pasadena CoCs.
**Health/Disability indicators are not mutually exclusive (a person may report more than one). Numbers will not add up to 100%.

For more data on homelessness for each Supervisorial District, see Appendix B: Full Data Findings, Section 1.

# Section 2. Affordable Rental Housing Inventory, Risk Assessment, and Cost Analysis

## Overview

Section 2 of the Affordable Housing Outcomes Report examines the total inventory of rent-restricted housing in Los Angeles County financed by Federal and State programs, as well as County policies, funding, and operating subsidy programs. In addition to documenting the total inventory of affordable housing, this section identifies developments at risk of losing affordability, as well as affordable developments that have been lost and analyzes trends in the cost of affordable housing per bedroom for developments financed with Low Income Housing Tax Credits (LIHTC). Together, this analysis is meant to inform local decision-making, resource allocation, and programming.

### Data Sources and Methodology

The assessment of the County's affordable rental housing inventory relies on data provided by County departments and property-level data collected and analyzed in the California Housing Partnership's Preservation Database, which includes HUD-subsidized developments, USDA Section 514 and 515 rural developments, and developments financed with Low Income Housing Tax Credits in California. In total, this section considers affordable housing developments with:

- Low Income Housing Tax Credits (LIHTC), Federal and State;[18,19]
- Project-based rental assistance contracts, grants, and subsidized loans issued directly by the U.S. Departments of Housing and Urban Development (HUD);
- Developments owned by the Housing Authority of the County of Los Angeles (HACoLA) as well as project-based and tenant-based vouchers contracted by HACoLA;[20]
- Los Angeles County Community Development Commission (CDC) capital resources awarded through the Notices of Funding Availability (NOFA);[37]
- Department of Mental Health (DMH) resources such as Mental Health Service Act (MHSA), the Mental Health Housing Program Funds (MHHP), Special Needs Housing Program (SNHP) and Federal Housing Subsidy Unit Program;
- Land use policies and Housing Successor Agency developments monitored by the Department of Regional Planning (DRP); and
- Tax-exempt bond financing.

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[18] This includes awarded developments, some of which are not yet placed in service.
[19] The State Low Income Housing Tax Credit was authorized in 1987 to complement the Federal tax credit program.
[20] The Housing Authority of the County of Los Angeles (HACoLA) and the Los Angeles County Community Development Commission (CDC) have plans to merge and re-brand as the Los Angeles County Development Authority (LACDA) on May 16, 2019, after the publication of the Affordable Housing Outcomes Report.

The cost analysis in this section uses data provided by the California Tax Credit Allocation Committee (TCAC) on all affordable multifamily rental housing developments awarded LIHTCs in Los Angeles County between 2008 and 2018 for both new construction and acquisition/rehabilitation.[21]

## Identification of At-Risk and Lost Developments

The California Housing Partnership assesses the historical loss and conversion risk of affordable rental developments in Los Angeles County by categorizing each affordable development financed or assisted by HUD and LIHTC programs into the following groupings:[22]

- **Lost:** The development has converted to market rate, affordability restrictions have ended and there no overlapping financing has extended affordability.
- **Very High Risk of Conversion:** Affordability restrictions end in less than one year, there are no overlapping subsidies that extend affordability and the development is not owned by a large and stable non-profit, mission-driven developer.
- **High Risk of Conversion:** Affordability restrictions end in one to five years, there are no overlapping subsidies that extend affordability and the development is not owned by a large and stable non-profit, mission-driven developer.
- **Moderate Risk of Conversion:** Affordability restrictions end in five to ten years, there are no overlapping subsidies that extend affordability and the development is not owned by a large and stable non-profit, mission-driven developer.
- **Low Risk of Conversion:** Affordability restrictions extend beyond ten years, or the development is owned by a large and stable non-profit, mission-driven developer.

For more information on the California Housing Partnership's risk assessment methodology, see Appendix A: Methodology.

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[21] This data includes both initial cost data and final cost data. Initial cost data comes from TCAC Applications. See https://www.treasurer.ca.gov/ctcac/meeting/agendas/. Final cost data was provided by TCAC staff in the form of final cost certifications sent by applicants to TCAC upon developments being placed in service. 44% of cost data used in this Report's analysis is from application materials ("initial") and 56% is from final cost certifications ("final").

[22] The Preservation Database is updated quarterly with the most complete and available data provided by each agency. The data is then cleaned and duplicate information is removed using both automated processes and manual checks. Every effort is made to ensure the information presented is as precise as possible; however, there may be unanticipated inaccuracies in our analysis and in the data we receive from Federal and State agencies.

## Inventory of Federal, State, and County-Administered Affordable Rental Housing

There are currently 111,220 affordable homes in Los Angeles County administered and subsidized by Federal, State, and County programs and financing mechanisms. Table 11 shows the distribution of this inventory by Supervisorial District (SD). Figure 7 shows a map of the Federal, State and County-administered affordable housing across Los Angeles County. SD-level maps of the inventory are available in Appendix C: Full Data Findings, Section 2.

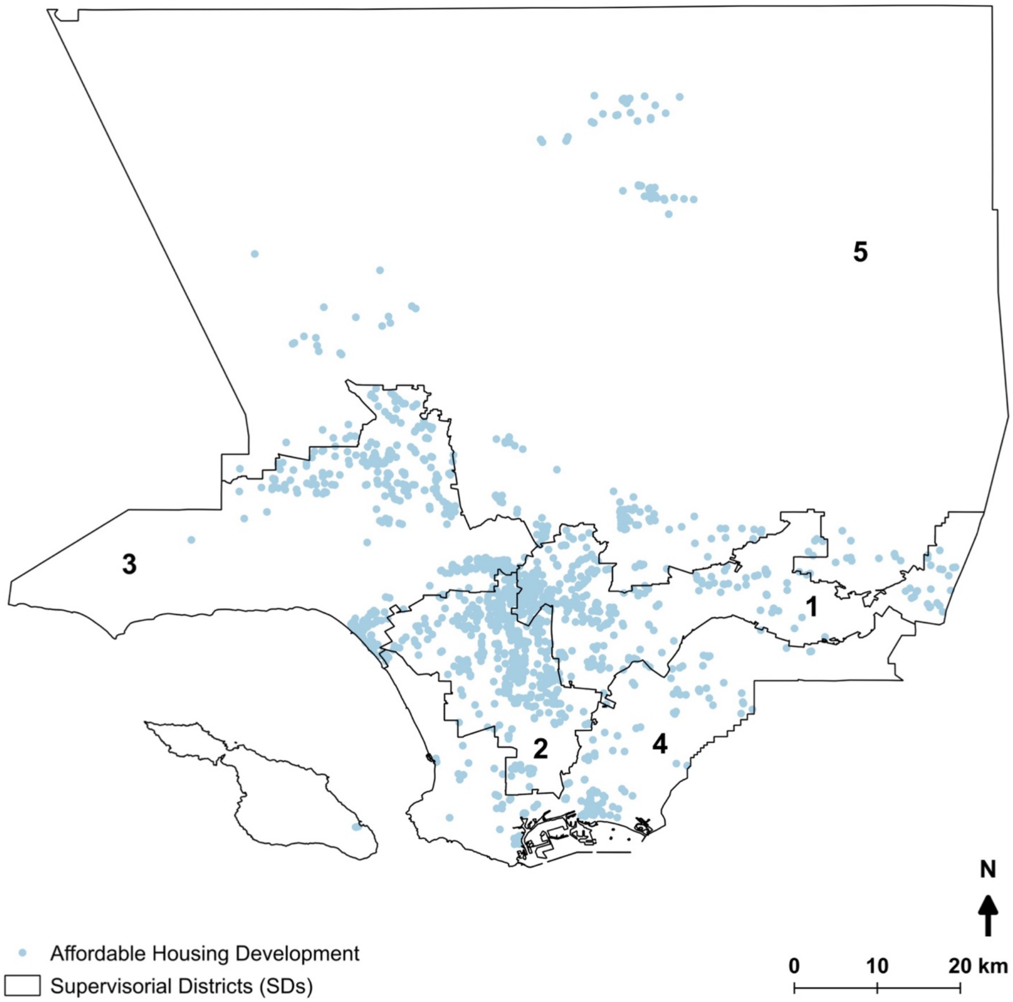
**Table 11: Summary of Federal, State, and County-Administered Affordable Housing in Los Angeles County**

| SD | Developments | Affordable Homes | % of Total County Inventory* | % Change** |
|---|---|---|---|---|
| **SD 1** | 444 | 32,196 | 29% | +3% |
| **SD 2** | 492 | 29,853 | 27% | +8% |
| **SD 3** | 378 | 21,397 | 19% | +4% |
| **SD 4** | 149 | 14,208 | 13% | +2% |
| **SD 5** | 194 | 13,566 | 12% | +2% |
| **County Total** | **1,657** | **111,220** | **100%** | **+4%** |

Source: California Housing Partnership Preservation Database, HUD, LIHTC, HACoLA, HACLA, CDC, DRP and DMH.
*Percentages may not sum because they are rounded to the nearest whole integer.
**Percent change is the number of affordable homes available in each Supervisorial District in 2018 relative to the number of affordable homes available in 2017, including those not yet placed in service.

From 2017 and 2018 there was a four percent increase in the affordable housing inventory in Los Angeles County. This increase is attributed to the investments by the Community Development Commission (CDC) and the Department of Mental Health (DMH), tax credit awards from the State through the Low Income Housing Tax Credit Program (LIHTC), and entitlements and land use mechanisms monitored by the Department of Regional Planning (DRP). The largest increases in affordable homes between 2017 and 2018 were in Supervisorial Districts 1 and 2, respectively.

### Figure 7. Federal, State, and County-Administered Affordable Housing in Los Angeles County




## Affordable Homes with Low Income Housing Tax Credits

The Low Income Housing Tax Credit (LIHTC) program – created in 1986 and made permanent in 1993 – is the largest source of Federal funding for the construction and rehabilitation of low income affordable rental housing. Since its creation as part of the Tax Reform Act of 1986, the program has helped create and rehabilitate over three million affordable rental homes across the country.[23] There are two types of

[23] Office of Policy Development and Research at U.S. Department of Housing and Urban Development. "Low Income Housing Tax Credits." June 2018. Website: https://www.huduser.gov/portal/datasets/lihtc.html.

Federal LIHTCs: competitive 9% credits – which are allocated annually by the IRS on a per capita basis to each state – and non-competitive 4% credits. While the 4% credit offers a subsidy of less than half the value as the 9% credits, it is a virtually uncapped and non-competitive resource because developers obtain it through an allocation of private activity tax-exempt mortgage revenue bonds, which have historically not been competitive.[24] In addition to Federal LIHTCs, California also has State LIHTCs, which were authorized in 1987 to complement the Federal tax credit program. Unlike Federal LIHTCs, which are taken over ten years, State LIHTCs are taken over four. Because State credits are also in limited supply, TCAC awards them competitively – 85 percent help support 9% LIHTC projects and 15 percent are reserved for 4% tax credit projects.[25]

Since 1987, Los Angeles County developers have won more than $8.1 billion dollars in Federal LIHTCs and $260 million in State LIHTC awards, which have financed the production and preservation of more than 78,000 affordable homes in more than 1,000 developments.[26] In 2018, 3,525 affordable homes were awarded through the LIHTC program, a five percent increase to the total LIHTC affordable housing stock in Los Angeles County.

Thanks to new strategies to increase the use of 4% LIHTCs, the number of affordable homes financed by LIHTCs and the amount of credits awarded increased between 2015 and 2016 by 32 percent and 43 percent, respectively (see Figure 8).[27] This steady increase was short-lived, however. In anticipation of Federal tax reform, LIHTC production in Los Angeles County declined by 54 percent between 2016 and 2017.[28] Though the County has experienced some recovery in the last year, LIHTC production in 2018 is still well below the 2016 high-point. See Figure 8 for LIHTC trends in Los Angeles County between 2007-2018 and Appendix C: Full Data Findings, Section 2 for annual data since 1987. For historical trends in affordable housing development costs, see Section 2: Development Cost Analysis beginning on page 51.

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24 California Housing Partnership. "The Tax Credit Turns 30." December 2017. Website: https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2017/12/TCT30-Final1.pdf.

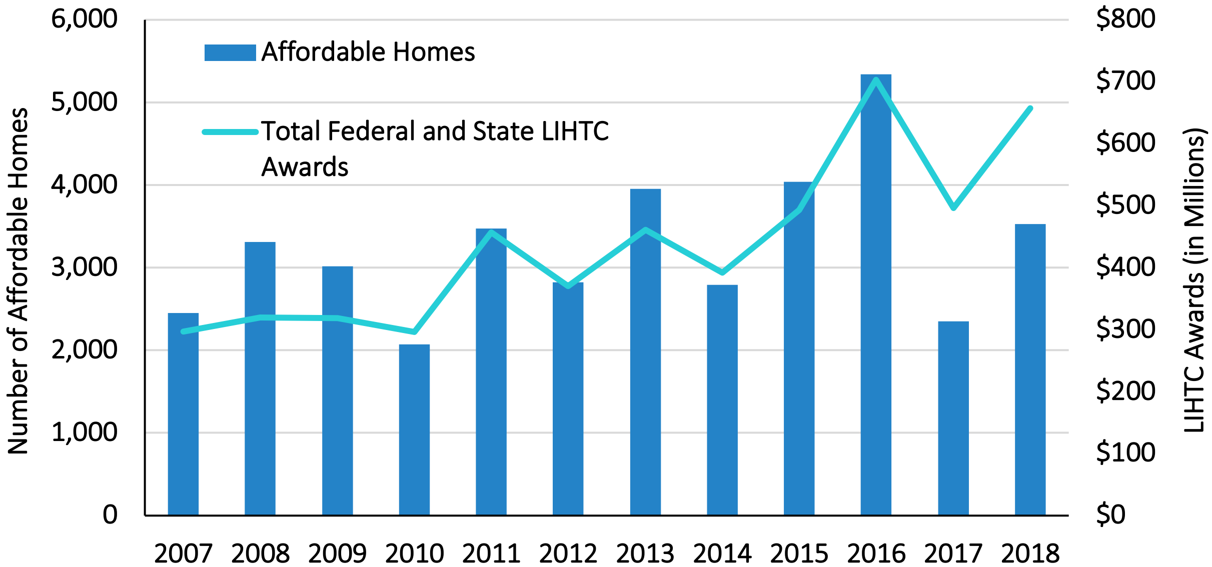
25 To learn more about California's Low Income Housing Tax Credit program, see the California Tax Credit Allocation Committee's Program Overview, available online at https://www.treasurer.ca.gov/ctcac/program.pdf.

26 These totals include all developments that have been awarded LIHTCs, even those that have not yet been placed in service or have since converted to market rate.

27 California Housing Partnership. "The Tax Credit Turns 30." December 2017. Website: https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2017/12/TCT30-Final1.pdf.

28 California Housing Partnership. "Los Angeles County's Housing Emergency and Proposed Solutions." May 2018. Website: https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2018/05/Los-Angeles-2018-HNR.pdf.

## Figure 8. LIHTC Developments* in Los Angeles County, 2007-2018**




Source: California Housing Partnership analysis of CTCAC projects database.
*Includes awarded developments not yet placed in service.
**All dollar figures are nominal. Year in this analysis corresponds with the development's LIHTC award year.

The geographic distribution of all LIHTC-awarded developments across Los Angeles County's five Supervisorial Districts (SDs) is shown below in Table 12. Highlights include:

- SDs 1 and 2 are home to the largest share of LIHTC affordable homes – 32 percent and 27 percent, respectively; and
- The number of LIHTC affordable homes increased county-wide by five percent between 2017 and 2018.

**Table 12: LIHTC Developments in Los Angeles County by SD***

| SD | Developments | Affordable Homes | % of Total County LIHTC Inventory** |
|---|---|---|---|
| SD 1 | 311 | 23,424 | 32% |
| SD 2 | 302 | 19,551 | 27% |
| SD 3 | 217 | 11,865 | 16% |
| SD 4 | 91 | 10,262 | 14% |
| SD 5 | 99 | 8,363 | 11% |
| **Total** | **1,020** | **73,465** | **100%** |

Source: California Housing Partnership Preservation Database.
*Includes awarded developments not yet placed in service. Data presented here is a subset of data in Table 11.
**Percent of total County LIHTC inventory represents the share of LIHTC affordable homes in each SD.

## U.S. Department of Housing and Urban Development (HUD) Affordable Homes

From the 1960s to the 1980s, the U.S. Department of Housing and Urban Development (HUD) provided multifamily developers with subsidized mortgages, Section 8 project-based rental assistance (PBRA) contracts, and other financing programs to help finance the construction, rehabilitation, or acquisition of affordable housing developments throughout the United States. There are 638 developments containing 41,749 affordable homes with HUD subsidized mortgages and Section 8 contracts in Los Angeles County.[29] HUD subsidies and programming are important affordable housing resources that have steadily declined since the early 2000s.[30]

The geographic distribution of HUD subsidized developments across Los Angeles County's five Supervisorial Districts is shown in Table 13. SDs 1, 2 and 3 have the largest share of HUD-subsidized homes in Los Angeles County – 10,544, 10,528 and 9,973 homes, respectively.

**Table 13: HUD Subsidized Developments in Los Angeles County by SD***

| SD | Developments | Affordable Homes | % of Total County HUD Inventory** |
|---|---|---|---|
| **SD 1** | 131 | 10,544 | 25% |
| **SD 2** | 181 | 10,528 | 25% |
| **SD 3** | 160 | 9,973 | 24% |
| **SD 4** | 64 | 4,457 | 11% |
| **SD 5** | 102 | 6,247 | 15% |
| **Total** | **638** | **41,749** | **100%** |

Source: California Housing Partnership Preservation Database.
*Includes some developments that are also subsidized by LIHTC. Data presented here is a subset of data in Table 11.
**Percent of total County HUD inventory represents the share of HUD affordable homes in each SD.

[29] California Housing Partnership Preservation Database, 2019.
[30] California Department of Housing and Community Development. "California's Housing Future: Challenges and Opportunities Final Statewide Housing Assessment 2025." February 2018. Website: http://www.hcd.ca.gov/policy-research/plans-reports/docs/SHA_MainDoc_2_15_Final.pdf.

## Public Housing Authority (PHA) Owned Development

Public Housing Authorities (PHAs) own and operate Public Housing that guarantees affordable rents of 30 percent of income to households earning no more than 50 percent AMI at initial occupancy and no more than 80 percent AMI at any point thereafter. California's public housing stock has shrunk as a result of both Congress' failure to appropriate sufficient funds and by allowing the conversion of public housing into a public-private partnership ownership model through the Rental Assistance Demonstration (RAD) program.

Four Los Angeles County jurisdictions have PHAs with development portfolios: the City of Baldwin Park, the City of Lomita, the City of Los Angeles (HACLA), and the County of Los Angeles (HACoLA).[31] Summary data from each PHA are shown in Table 14 and 15, and highlights include:

- HACLA owns 69 percent of PHA-owned homes in the County; and
- 60 percent of PHA-owned homes in the County are concentrated in SD 1 and SD 2.

**Table 14: Public Housing Authority Owned Developments in Los Angeles County**

| Public Housing Authorities | Developments | Affordable Homes | % of Total County PHA Inventory* |
|---|---|---|---|
| Housing Authority of the City of Baldwin Park | 1 | 12 | 0.1% |
| Housing Authority of the City of Lomita | 1 | 78 | 1% |
| Housing Authority of the City of Los Angeles (HACLA)** | 51 | 7,488 | 69% |
| Housing Authority of the County of Los Angeles (HACoLA) | 68 | 3,228 | 30% |
| Total | **121** | **10,806** | **100%** |

Source: HUD, HACoLA and HACLA.
*Percent of total County inventory represents the share of affordable homes in each PHA. Data presented here is a subset of data in Table 11.
**Does not include 100% Market, Project-Based Voucher (PBV) only or Homeowner developments.

[31] PHA development portfolios include conventional public housing and other affordable housing developments financed by programs like the Low Income Housing Tax Credit (LIHTC). Scattered sites are not counted as separate developments.

| Table 15: Summary of Public Housing Authority Owned Developments in Los Angeles County, by SD | | | | |
|---|---|---|---|---|
| SD | PHA | Developments | Affordable Homes | % of Total County PHA Inventory* |
| SD 1 | HACoLA | 10 | 677 | 6% |
| | HACLA** | 14 | 1,833 | 17% |
| | City of Baldwin Park | 1 | 12 | 0.1% |
| | **Subtotal** | **25** | **2,522** | **23%** |
| SD 2 | HACoLA | 38 | 409 | 4% |
| | HACLA** | 18 | 3,590 | 33% |
| | **Subtotal** | **56** | **3,999** | **37%** |
| SD 3 | HACoLA | 8 | 633 | 6% |
| | HACLA** | 15 | 1,185 | 11% |
| | **Subtotal** | **23** | **1,818** | **17%** |
| SD 4 | HACoLA | 5 | 1,104 | 10% |
| | HACLA** | 3 | 875 | 8% |
| | City of Lomita | 1 | 78 | 1% |
| | **Subtotal** | **9** | **2,057** | **19%** |
| SD 5 | HACoLA | 5 | 405 | 4% |
| | HACLA** | 1 | 5 | 0.05% |
| | **Subtotal** | **6** | **410** | **4%** |
| County | Grand Total | 119 | 10,806 | 100% |

Source: HUD, HACoLA and HACLA.
*Percent of total County PHA inventory represents the share of affordable homes in each PHA / SD. Data presented here is a subset of data in Table 11.
**Does not include 100% Market, Project-Based Voucher (PBV) only, or Homeowner developments.

## Housing Choice Vouchers

The Housing Choice Voucher, previously called a Section 8 voucher, is a flexible tool for helping the lowest income households afford the cost of housing in the private market. Vouchers are intended to cover the difference between the affordable rent for the household and the full rent for an apartment in the private market and are available to households earning up to 50 percent AMI on initial occupancy and thereafter so long as the household earns no more than 80 percent AMI.

Voucher funding has diminished in real terms since the passage of the Federal Budget Control Act of 2011 — meaning that as vouchers have turned over, PHAs have often been forced to remove them from circulation in order to stay within budgets that have frequently diminished in real terms. Congress reduced the voucher renewal budgets by approximately five percent in 2017 due to Congress's failure to allocate sufficient funds. Fortunately, Congress reached a two-year deal to raise the budget caps on domestic discretionary funding for FY 2018-2019 and FY 2019-2020, which resulted in approximately ten percent nominal increases in budget authority in both years.

Vouchers can also be project-based when a PHA awards a contract for multiple vouchers to a particular owner to subsidize the rents of a number of apartments in a specific development, or they can be tenant-based — meaning that the voucher travels with the tenant and can be used to rent any apartment where a landlord will accept it.[32] According to HUD, PHAs in Los Angeles County collectively allocated approximately 94,000 tenant-based vouchers in 2018, 4,000 more vouchers than in 2017. Summary data from each PHA is shown in Table 16, and highlights include:

- HACoLA and HACLA allocated almost 80 percent of vouchers county-wide in 2018, a similar proportion to what both PHAs allocated in 2017; and
- PHAs in the City of Pomona, the City of Redondo Beach, the City of Long Beach and the City of Santa Monica all saw increases in the number of vouchers allocated between 2017 and 2018.

[32] PHAs can project-base up to 20 percent of their Housing Choice Vouchers, plus an additional ten percent if they serve certain populations and geographies. California does not yet have source-of-income protection for vouchers, meaning that in Los Angeles County it is legal for landlords to discriminate against voucher holders — a dynamic that may be contributing to low rates of acceptance. An Urban Institute study found that 76 percent of landlords, including 82 percent of landlords in low-poverty neighborhoods, refused to accept vouchers. Source: Cunningham, et al. 2018. Do Landlords Accept Housing Choice Vouchers? Findings from Los Angeles, California. Urban Institute.

**Table 16: Housing Choice Vouchers Available in Los Angeles County**

| Public Housing Authorities | # Vouchers Available | % of Total Available Vouchers | % Change* |
|---|---|---|---|
| City of Los Angeles (HACLA) | 50,513 | 53.9% | +1% |
| County of Los Angeles (HACoLA) | 24,084 | 25.7% | 0% |
| City of Long Beach | 7,498 | 8.0% | +1% |
| City of Pasadena | 1,409 | 1.5% | 0% |
| City of Santa Monica | 1,182 | 1.3% | +1% |
| City of Burbank | 1,019 | 1.1% | 0% |
| City of Inglewood | 1,002 | 1.1% | 0% |
| City of Pomona | 982 | 1.0% | +5% |
| City of Baldwin Park | 899 | 1.0% | 0% |
| City of Compton | 803 | 0.9% | 0% |
| City of Hawthorne | 711 | 0.8% | 0% |
| City of Norwalk | 705 | 0.8% | 0% |
| City of Torrance | 690 | 0.7% | 0% |
| City of South Gate | 654 | 0.7% | 0% |
| City of Redondo Beach | 613 | 0.7% | +3% |
| City of Pico Rivera | 517 | 0.6% | 0% |
| Culver City | 384 | 0.4% | 0% |
| City of Hawaiian Gardens | 132 | 0.1% | 0% |
| **Total** | **93,797** | **100%** | **+5%** |

Source: HUD Picture of Subsidized Households, 2018.
*Percent change is the number of vouchers available from each PHA in 2018 relative to the number of vouchers available in 2017.

## Housing Inventory Counts

The Los Angeles Continuum of Care Housing Inventory Count (HIC) is conducted in the last ten days of January and is designed to give the County a comprehensive listing of beds and supportive housing units dedicated to homeless and formerly homeless persons. This Count is required by HUD to help allocate Federal funding for homeless services. The HIC includes many different kinds of crisis and permanent housing, including shelters, shared, and scattered-site housing.[33] Full details from the 2018 HIC are shown in Table 17, and highlights include:

- Los Angeles Homeless Services Authority (LAHSA)[34] administers 90 percent of permanent, year-round beds in Los Angeles County. Half of the County's year-round beds are listed in SD 2;
- The Long Beach CoC administers seven percent of permanent, year-round beds, all of which are in SD 4; and
- The Pasadena CoC administers two percent and Glendale CoC administers one percent of permanent, year-round beds, all of which are in SD 5.

**Table 17: 2018 HIC Permanent Beds* in Los Angeles County**

| Continuum of Care (CoC) | Year-Round Beds | % of Total Available Beds | % Change** |
|---|---|---|---|
| LAHSA Total*** | 22,608 | 90% | -1% |
| SD 1 | 3,291 | 13% | -29% |
| SD 2 | 12,272 | 50% | +1% |
| SD 3 | 2,936 | 12% | +20% |
| SD 4 | 993 | 4% | +23% |
| SD 5 | 3,116 | 13% | +8% |
| Pasadena (SD 5) | 445 | 2% | +10% |
| Long Beach (SD 4) | 1,799 | 7% | -2% |
| Glendale (SD 5) | 130 | 1% | -5% |
| **Total** | **24,982** | **100%** | **-2%** |

Source: 2018 Housing Inventory Count (HIC) – Los Angeles CoC. LAHSA. 2018 AHAR HUD.
*Only includes permanent supportive housing (PSH) and other forms of permanent housing (OPH).
**Percent change is the number of permanent beds available in each SD in 2018 relative to the number available in 2017.
***Beds may be designated in an SD based on the location of the organization's administrative offices rather than their actual location.

[33] SD-level counts derived from the HIC for the Los Angeles Continuum of Care (CoC) should thus be seen as approximations based in some cases on the locations of a development's administrative offices or sponsoring organizations. Please note that for all shared and scattered-site housing, only one location is recorded.
[34] LAHSA is the lead agency for the Los Angeles CoC.

## Homes At Risk of Losing Affordability in Los Angeles County

This section of the Report documents historical losses of Federally- and State-subsidized affordable rental homes in the County and assesses the risk of existing affordable homes converting to market rate, to inform preservation efforts.[35,36] For the purposes of this analysis, 'very high' risk developments may convert to market rate in the next 365 days and 'high' risk developments may convert in the next one to five years.[37,]

### Lost Affordable Homes in Los Angeles County, 1997-2018

Between 1997 and 2018, Los Angeles County lost 5,256 affordable rental homes with HUD rental assistance contracts and/or loans or LIHTCs due to owner decisions to opt out, sell or allow their developments to convert to market rate. Of the 5,256 lost homes, 3,711 (71%) had HUD subsidies and 1,545 lost homes were financed with LIHTCs. See Table 18 for the number of lost homes by SD.

**Table 18: Lost Affordable Homes in Los Angeles County, by SD and Program (1997-2018)**

| Supervisorial District | Lost HUD Homes | Lost LIHTC Homes | Total Lost Homes | % of Total Lost Homes |
|---|---|---|---|---|
| **SD 1** | 507 | 190 | 697 | 13% |
| **SD 2** | 1,331 | 500 | 1,831 | 35% |
| **SD 3** | 643 | 292 | 935 | 18% |
| **SD 4** | 582 | 177 | 759 | 14% |
| **SD 5** | 648 | 386 | 1,034 | 20% |
| **Total** | **3,711** | **1,545** | **5,256** | **100%** |

Source: California Housing Partnership Preservation Database, 1997-2018.

Of the 5,256 lost affordable homes in Los Angeles County, 70 percent converted to market rate between 1997 and 2005. Only two percent of lost affordable homes converted between 2015 and 2018 (see Figure 9).[38]

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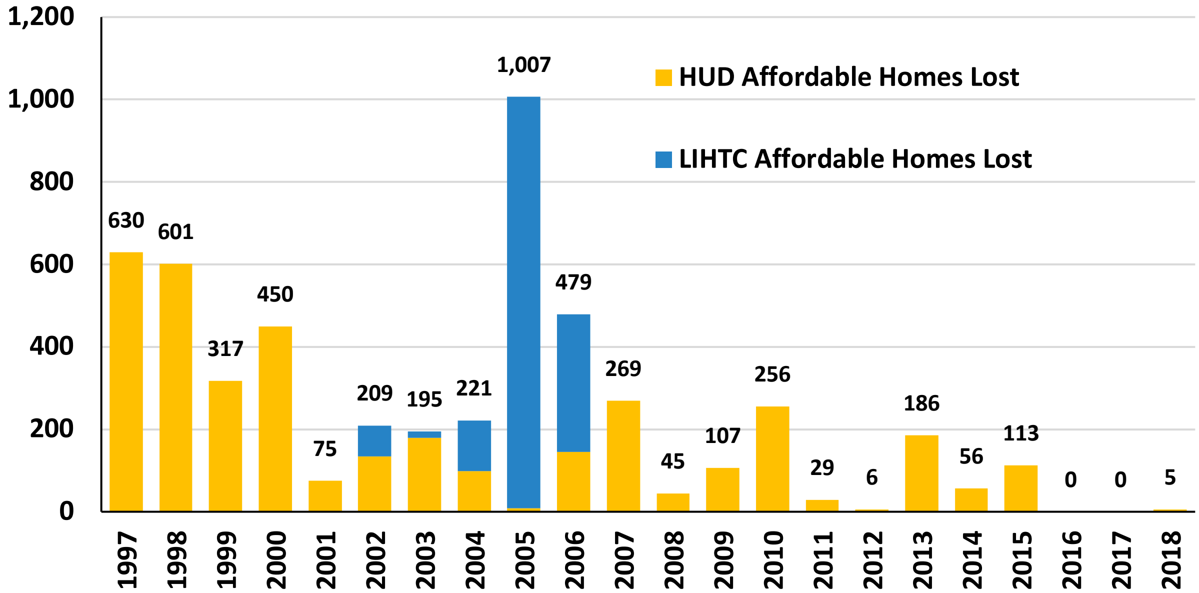
[35] This assessment includes developments financed or assisted by HUD and LIHTC programs. The California Housing Partnership is in the process of incorporating data on additional State and local programs into its risk analysis, but this data was not available at the time of this Report's preparation.
[36] The California Housing Partnership updates its Preservation Database on a quarterly basis with the most complete and available data provided by each agency. The data is then cleaned and duplicate information is removed using both automated processes and manual checks. Every effort is made to ensure the information presented is as precise as possible; however, there may be unanticipated inaccuracies in the analysis and in the data received from Federal and State agencies.
[37] California Housing Partnership's risk assessment considers length of affordability, overlapping subsidies, and owner entity type to determine the risk of a development converting to market rate.
[38] The concentration of lost LIHTC affordable homes in 2002-2006 were part of the first generation of tax credit developments in California (received allocations of LIHTCs from 1987-1989). These "lost" developments converted to market rate after the 15 year regulatory agreement expired.

## Figure 9. Lost Affordable Homes in Los Angeles County, 1997-2018




Source: California Housing Partnership Preservation Database.

The highest number of conversions of HUD and LIHTC developments between 1997 and 2018 occurred in SD 2, where 35 percent of the County's lost subsidized housing stock (1,831 homes) was located. On the other hand, SD 1's 13 percent rate of conversion was the lowest of all the SDs.

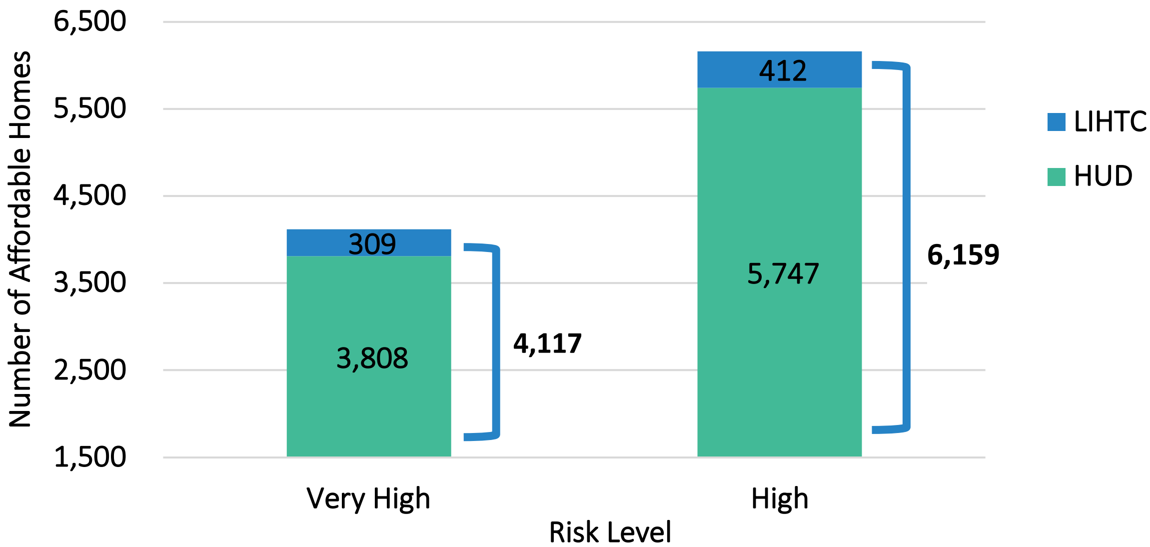
### Developments At Risk of Losing Affordability in Los Angeles County

Of the approximately 98,476 Federally- and State-subsidized affordable homes in the County, 10,276 (10%) are currently at 'very high' and 'high' risk of conversion in the next five years; homes that meet either definition are considered "at-risk" in this analysis. At-risk affordable homes in Los Angeles County have the following characteristics (see Figure 10 and Table 19):

- Ninety-three percent have expiring HUD project-based rental assistance contracts and maturing mortgages, while 7 percent are governed by expiring LIHTC regulatory agreements;
- At-risk affordable homes primarily serve seniors (53%) and families (40%);[39]
- At-risk affordable homes are concentrated in SDs 2 and 3 (26% and 31%, respectively); and
- 1,163 (10%) fewer homes are at risk of converting to market rate in 2018 than in 2017, due to HUD Project-Based Section 8 Contract renewals and consolidations, LIHTC resyndications, and continued improvements to California Housing Partnership's Preservation Database.

[39] The population served is determined by the housing type reported for each development. For the purposes of this analysis, we assume that all units correspond with the development's housing type.

## Figure 10. Affordable Homes in Los Angeles County At Risk of Conversion




Source: California Housing Partnership Preservation Database.

| Table 19: Affordable Homes At Risk of Conversion in Los Angeles County, by SD and Program | | | | | |
|---|---|---|---|---|---|
| Supervisorial District | % of Total HUD & LIHTC Inventory | At-Risk HUD Homes* | At-Risk LIHTC Homes | Total At-Risk Homes | % of Total At-Risk Homes |
| SD 1 | 29% | 2,054 | 370 | 2,424 | 23% |
| SD 2 | 26% | 2,443 | 203 | 2,646 | 26% |
| SD 3 | 20% | 3,153 | 63 | 3,216 | 31% |
| SD 4 | 12% | 899 | 0 | 899 | 9% |
| SD 5 | 13% | 1,006 | 85 | 1,091 | 11% |
| **Total** | **100%** | **9,555** | **721** | **10,276** | **100%** |

Source: California Housing Partnership Preservation Database.
*'At-Risk HUD Homes' that also have LIHTC financing are represented in the 'At-Risk LIHTC Homes' column.

This analysis demonstrates that the risk of affordable homes converting to market rate is very real in Los Angeles' tight housing market, which includes two of the fifteen most expensive rental housing markets in the United States.[40] See Appendix C: Full Data Findings, Section 2 for more data on at-risk affordable homes in the County, including program-specific analysis.

[40] Salviati, Chris. "Apartment List National Rent Report." 1 January 2019. Website: https://bit.ly/1PJwY2A.

# Development Cost Analysis

This section documents recent trends in development costs for affordable housing using cost data provided by the California Tax Credit Allocation Committee (TCAC) on all affordable multifamily rental housing developments awarded Low Income Housing Tax Credits (LIHTC) in Los Angeles County between 2008 and 2018 for both new construction and acquisition/rehab.[41] Costs are expressed as total development cost, including land, both per-unit and per-bedroom.[42] LIHTCs were used to finance the majority of new and rehabilitated affordable housing in the County during this period.

Research on the factors influencing development costs for affordable housing in California has revealed that no single element can explain all or even most of affordable housing development costs.[43] According to a 2014 study commissioned by California's four state-level housing agencies – the California Tax Credit Allocation Committee (TCAC), the California Debt Limit Allocation Committee (CDLAC), the Department of Housing and Community Development (HCD) and the California Housing Finance Agency (CalHFA) – local and development-specific factors such as the type of housing (e.g., family units, special needs housing, single room occupancy), land availability and affordability, community opposition, materials costs, and local building requirements (e.g., parking, design, density, quality and durability) all influence development costs for affordable housing.[44]

## Trends in Total Development Costs

Figure 11 shows trends in median total development cost per affordable unit and per affordable bedroom in both Los Angeles County and San Francisco County from 2008 to 2018, adjusted for inflation.[45] In Los Angeles County, these costs fluctuated between 2008 and 2013, and then steadily increased between 2013 and 2018 – resulting in 2018 per-unit costs $207,000 (72%) and per-bedroom costs $146,000 (69%) higher than in 2013, respectively. During the same time period, San Francisco County experienced higher total development costs at both the per-unit and per-bedroom levels.

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[41] Year in this analysis corresponds with the LIHTC award year. This data includes both initial and final cost data. Initial cost data comes from TCAC Applications. Final cost data was provided by TCAC staff in the form of final cost certifications sent by applicants to TCAC upon developments being placed in service. Forty-four percent of cost data used in this Report's analysis is from application materials ("initial") and 56 percent is from final cost certifications ("final").

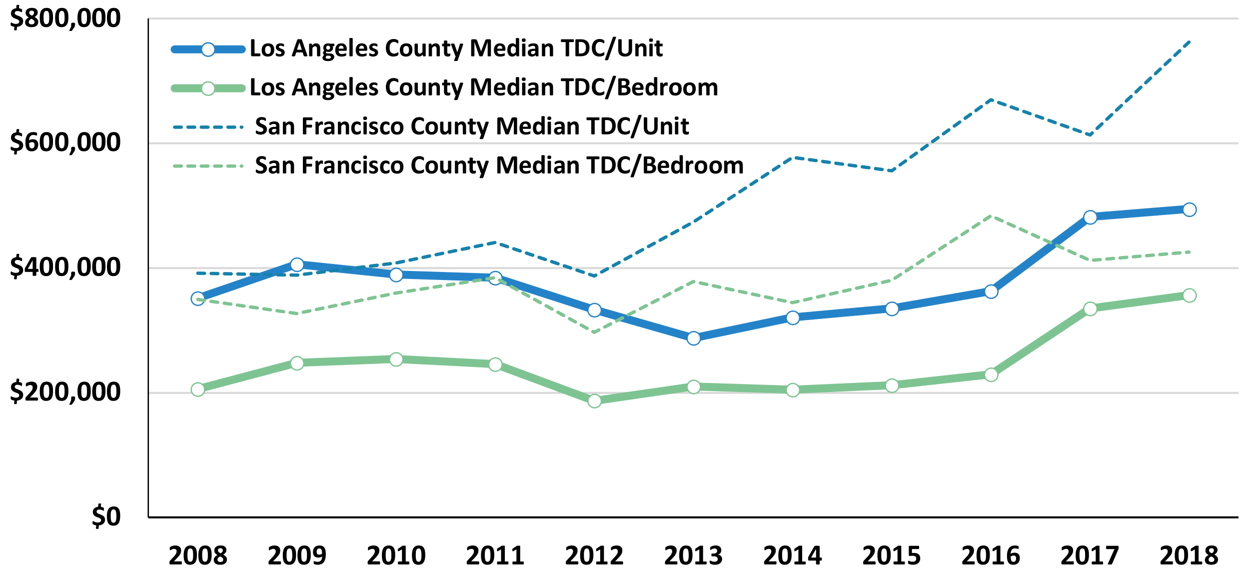
[42] Total development cost includes both residential and commercial costs. Given limitations in the data used in this analysis, it is not possible to disaggregate residential and commercial costs. However, a scan of Los Angeles LIHTC applications and final cost certifications revealed that a small share of developments includes commercial components.

[43] See, for example: Terner Center for Housing Innovation. "Terner Center Research Series: The Cost of Building Housing." Website: ternercenter.berkeley.edu/construction-costs-series.

[44] California Tax Credit Allocation Committee, et al. "Affordable Housing Cost Study: Analysis of the Factors that Influence the Cost of Building Multi-Family Affordable Housing in California." 2014. Website: treasurer.ca.gov/ctcac/affordable_housing.pdf.

[45] See Appendix C: Full Data Findings, Section 2 for expanded cost analysis data, including cost comparisons between the City of Los Angeles and the Greater County of Los Angeles.

## Figure 11. Los Angeles County Median Total Development Costs (TDC) for LIHTC Developments, 2008-2018 (in 2018 dollars)

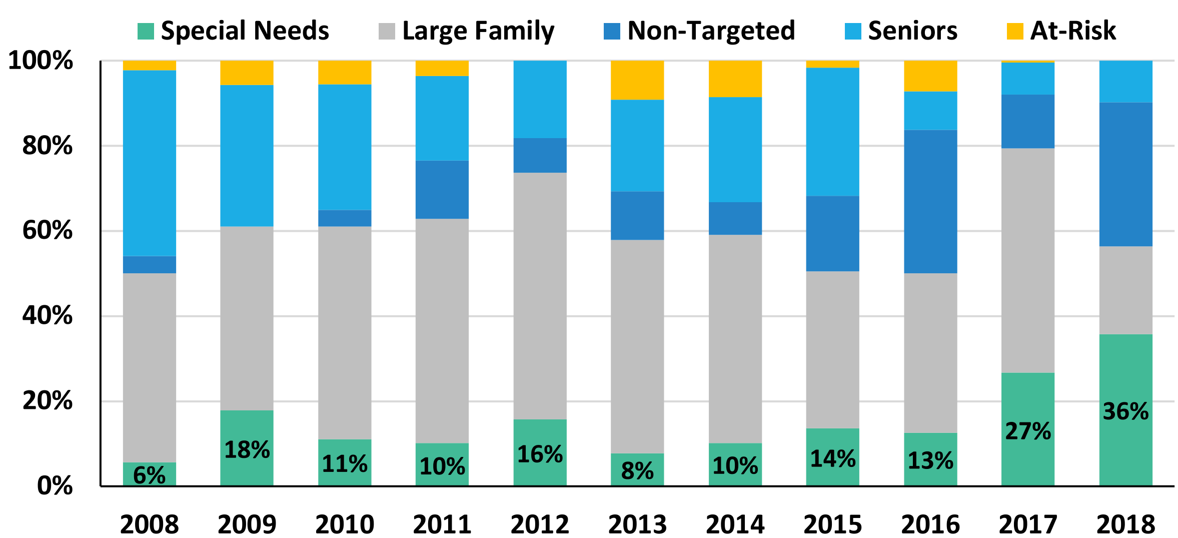



Source: California Housing Partnership analysis of TCAC projects database, 2008-2018.

### Cost Analysis by Housing Type

A shift in the type of affordable housing developed and rehabilitated in Los Angeles County can help explain the cost increases after 2013 shown in Figure 11. In particular, the share of bedrooms in LIHTC-awarded special needs developments increased from eight percent in 2013 to 36 percent in 2018 (as shown in Figure 12). During the same period, the share of at-risk, large family, and senior developments declined.

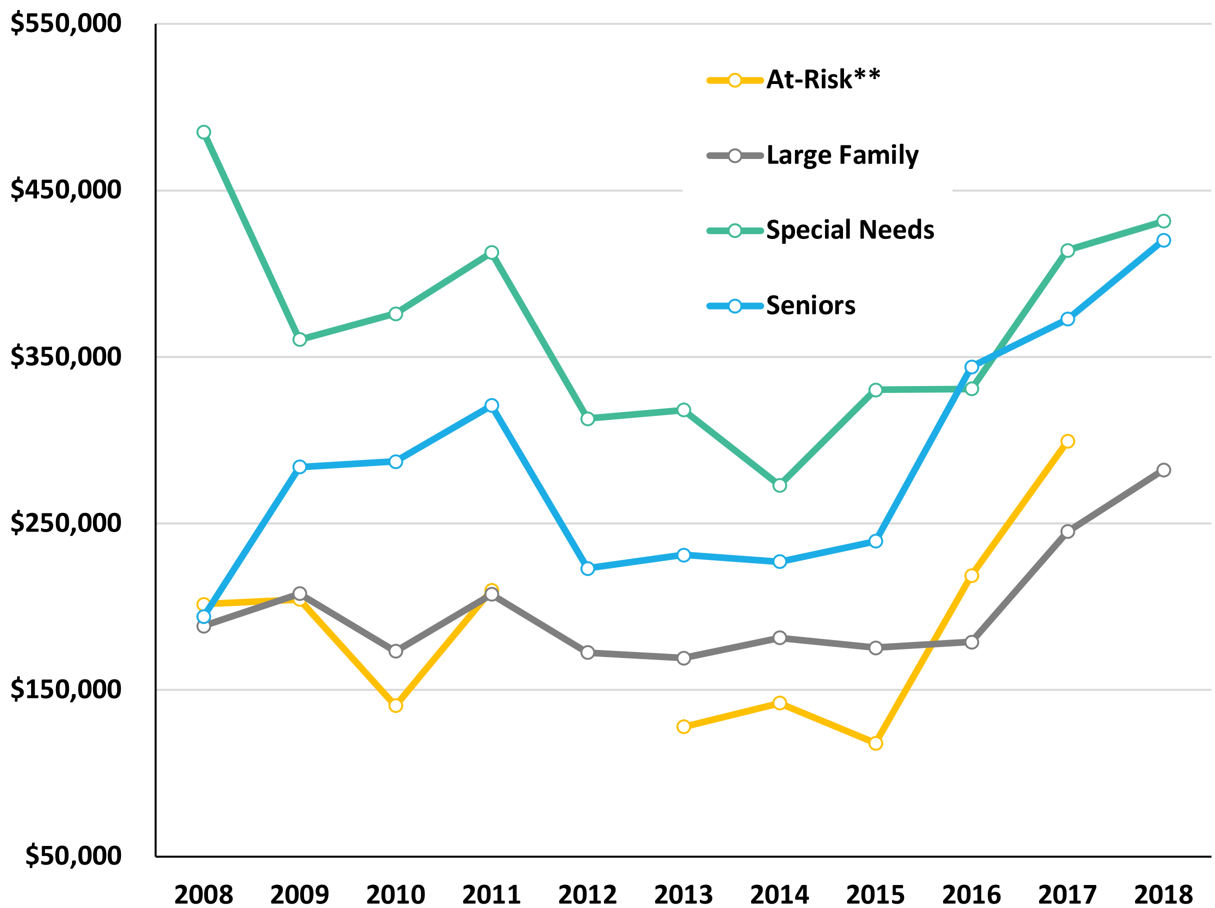
## Figure 12. Share of Bedrooms in LIHTC Developments by Housing Type in Los Angeles County, 2008-2018




Source: California Housing Partnership analysis of TCAC projects database, 2008-2018.

This compositional shift in the type of affordable homes awarded LIHTCs in Los Angeles County between 2013 and 2018 may have contributed to the median increase in costs across housing types because, as shown in Figure 13, LIHTC-awarded special needs developments typically cost more than other types of affordable housing.[46] Reasons for higher costs potentially include smaller units sizes (fewer bedrooms per fixed features such as bathrooms and kitchens) and more space used for non-residential purposes such as social services.[47] Between 2008 and 2018, the median cost per-bedroom for LIHTC-awarded special needs developments was on average 110 percent higher than LIHTC-awarded at-risk developments, 87 percent higher than LIHTC-awarded large family developments on average, and 35 percent higher than LIHTC-awarded senior developments on average (see Figure 13).

### Figure 13. Los Angeles County Median TDC per-Bedroom by Housing Type, 2008-2018 (in 2018 dollars)*




Source: California Housing Partnership analysis of TCAC projects database, 2008-2018.
*Non-Targeted developments have been excluded from this graphic because they tend to support residents from all other housing types. Thus, comparing costs is misleading.
**No at-risk LIHTC developments were financed in Los Angeles County in 2012 or 2018.

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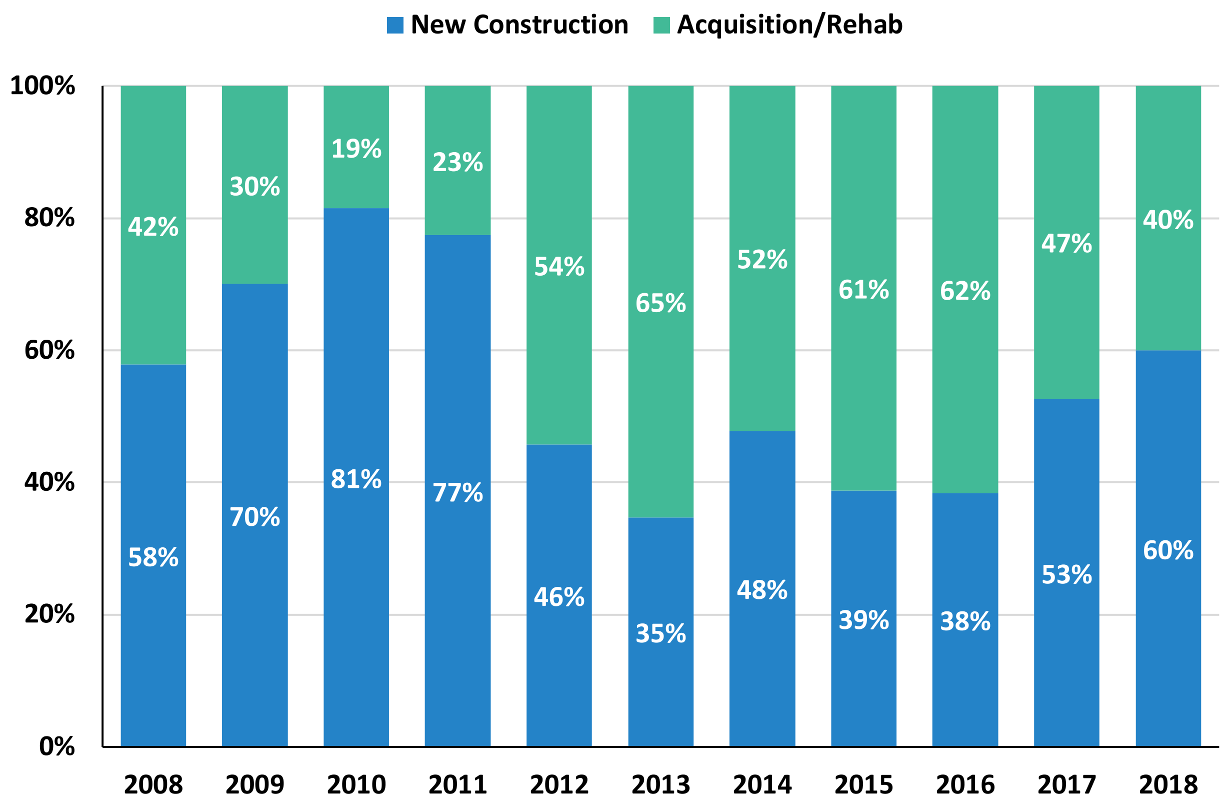
46 Though this analysis does not employ rigorous statistical techniques needed to establish causality, descriptive statistics do allow us to understand important historical trends.
47 Terner Center for Housing Innovation. "Report Back on Affordable Housing Costs." LA County Board of Supervisors, 2018.

## Cost Analysis by Construction Type

The increase in the share of affordable housing in the County that is new construction — as opposed to acquisition/rehabilitation — also helps explain overall increases in costs after 2013. Prior research has found that the cost of acquiring and rehabilitating existing multifamily rental housing is typically lower than new construction.[48] As shown in Figure 14, the share of bedrooms in new construction developments increased from 35 percent in 2013 to 60 percent in 2018.

### Figure 14. Share of Bedrooms in LIHTC Developments by Construction Type in Los Angeles County, 2008-2018



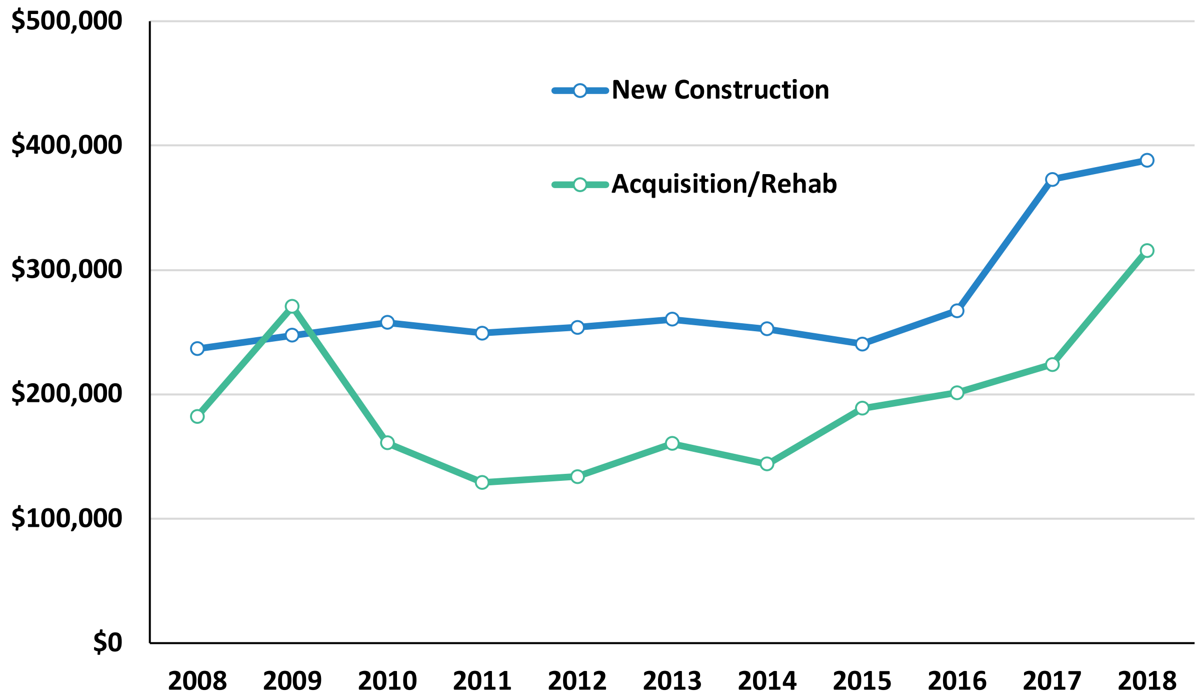

Source: California Housing Partnership analysis of TCAC projects database, 2008-2018.

The growing share of new construction in Los Angeles between 2013 and 2018 may have contributed to the increase in median costs across construction types and may also have influenced an earlier peak in costs in 2010. As shown in Figure 15, the median cost per-bedroom for new construction was higher than for acquisition/rehab in all but one year between 2008 and 2018, and it has also increased at a higher

[48] See, for example: Center for Housing Policy. "Comparing the Costs of New Construction and Acquisition-Rehab in Affordable Multifamily Rental Housing: Applying a New Methodology for Estimating Lifecycle Costs." 2013. Website: https://pdfs.semanticscholar.org/5337/abc2544ae5820a1bc92e52ce3d8f6d5fb8f9.pdf.

rate over the last several years.[49] A report prepared for the Board of Supervisors in 2018 attributes the recent increase in new construction development costs in Los Angeles to increases in construction costs themselves – such as materials and site work – and hard and soft contingencies in recent years.[50]

### Figure 15. Los Angeles County Median TDC per-Bedroom by Construction Type, 2008-2018 (in 2018 dollars)




Source: California Housing Partnership analysis of TCAC projects database, 2008-2018.

Although this analysis does not employ rigorous statistical techniques needed to establish causality, the descriptive statistics presented in this section do allow us to understand important historical trends that provide context for understanding trends in costs. In particular, the compositional shift in the type of affordable homes created in Los Angeles County – towards new construction serving more special needs households – likely contributed to the increase in median increase in costs in recent years, independent of other factors such as materials costs.

For more analysis of total development costs in Los Angeles County – including historical trends and descriptive statistics – see Appendix C: Full Data Findings, Section 2.

[49] The 2009 peak in per-bedroom costs for acquisition/rehab developments can be attributed to a small, expensive special needs development.
[50] Terner Center for Housing Innovation. "Report Back on Affordable Housing Costs." LA County Board of Supervisors, 2018.

# Section 3. County-Administered Affordable Rental Housing Resources

## Overview

This section provides an inventory of resources administered by Los Angeles County's agencies and departments for the development and operation of permanently affordable rental housing, as well as funding for short-and long-term rental assistance and operating subsidies for low income households with housing challenges.

The sources of funding, policies, and rental and operating subsidies included in the inventory are listed below:

- Los Angeles County Community Development Commission (CDC) capital resources awarded through the Notices of Funding Availability (NOFA);
- Department of Health Services (DHS) programs such as Housing for Health, the Flexible Housing Subsidy Pool (FHSP), and Rapid Rehousing (RRH) vouchers;
- Department of Mental Health (DMH) resources such as Mental Health Service Act (MHSA) funds, Special Needs Housing Program (SNHP) and the Mental Health Housing Program Funds (MHHP);
- Land use policies and Housing Successor Agency developments monitored by the Department of Regional Planning (DRP);
- Programs administered by the Housing Authority of the County of Los Angeles (HACoLA), including public housing, the Housing Choice Voucher (HCV) program (including project-based vouchers), the Veteran Affairs Supportive Hosing (VASH) program, the Shelter Plus Care/Continuum of Care (S+C/CoC) program, the Homeless Initiative Program and the Section 8 Family Unification program;
- Los Angeles Homeless Services Authority (LAHSA) administered RRH vouchers; and
- Tax-exempt bond financing.

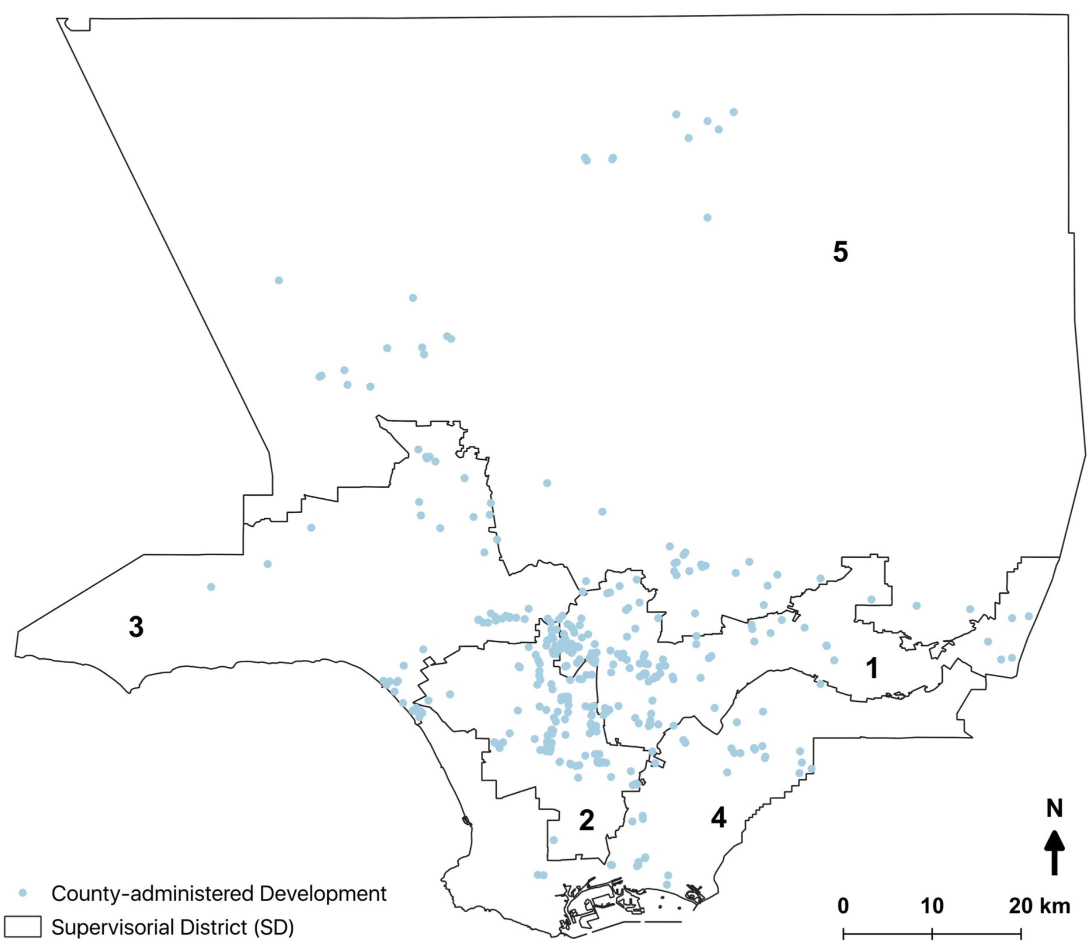
Table 20 shows County- and Supervisor District (SD)-level affordable housing inventory totals for all County-administered affordable rental developments from the sources listed above. Figure 16 shows a map of the County-administered inventory of affordable rental developments. SD-level maps are included in Appendix D: Full Data Findings, Section 3. Highlights from Section 3 include:

- A nine percent increase in the total affordable rental housing inventory from 2017;
- Almost 49,000 rental subsidies for lower income households and individuals were administered in 2018; and
- All County departments saw increases to their capital and subsidy budgets from 2017 to 2018.

| Table 20: Summary of County-Administered Affordable Rental Housing and Subsidies* | | | | |
|---|---|---|---|---|
| | Developments | Affordable Homes** | % Change of Affordable Homes from 2017 | Rental Subsidies*** |
| SD 1 | 115 | 5,927 | +5% | N/A |
| SD 2 | 139 | 6,039 | +19% | N/A |
| SD 3 | 48 | 2,606 | +10% | N/A |
| SD 4 | 39 | 3,259 | +5% | N/A |
| SD 5 | 48 | 2,900 | +4% | N/A |
| **County** | **389** | **20,731** | **+9%** | **48,958** |

*Reflects de-duplicated totals among County sources. May overlap with Federal and State financing shown in Section 2.
**Affordable up to moderate income households (<120% AMI) and includes developments not yet placed in service.
***Reflects number of households served by rental subsidy programs administered by LAHSA, HACoLA, DMH and DHS.

## Figure 16. County-Administered Affordable Developments



## Los Angeles County Community Development Commission and Department of Regional Planning

Affordable, multifamily rental housing developments receive funding from the Community Development Commission of the County of Los Angeles (CDC) through a biannual Notice of Funding Availability (NOFA), which includes local Affordable Housing Trust Funds, Federal HOME funds, and other funding sources that are available. A number of housing units with affordability restrictions related to land use entitlements are monitored by the CDC in coordination with the Department of Regional Planning (DRP). These units may include projects funded through the CDC NOFA as well as private developments that have affordability requirements related to density bonus, Mello Coastal Zone Act or other land use conditions of approval. In addition, the CDC issues tax-exempt multifamily housing revenue bonds on behalf of the Housing Authority of the County of Los Angeles (HACoLA). These tax-exempt bonds help projects obtain 4% Federal Low Income Housing Tax Credits and are often paired with NOFA-funded projects that do not receive 9% tax credits.

The CDC, on behalf of HACoLA, also manages a portfolio of 377 affordable rental units that were transferred to HACoLA in its capacity as Housing Successor Agency for the former redevelopment agencies of the cities of Arcadia, Huntington Park and Azusa. HACoLA continues to monitor their affordable housing portfolio.

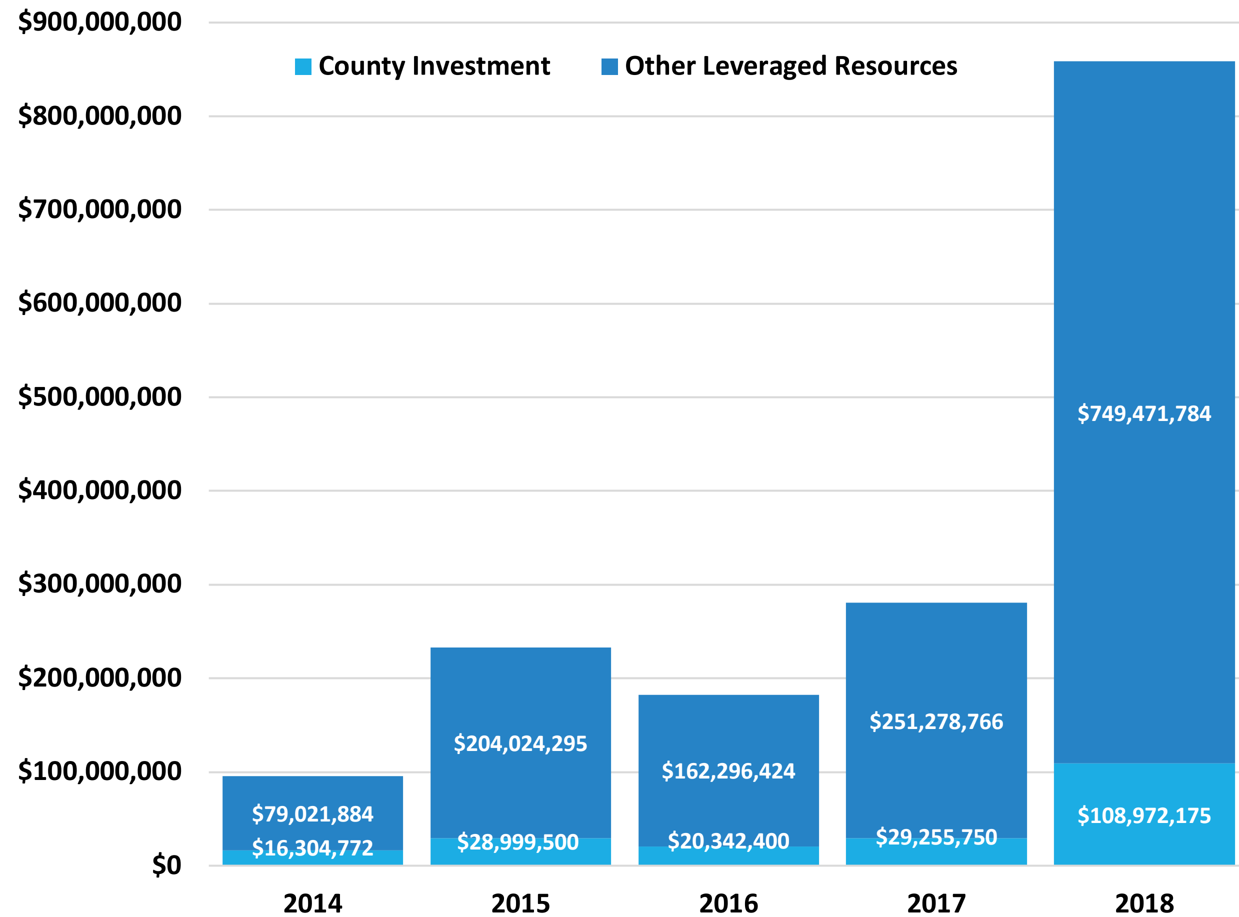
Summary data of the CDC's affordable housing investments and developments monitored by the CDC and DRP are shown in Table 21, Table 22 and Figure 17, and development openings and entitlements in 2018 are shown in Table 23. Highlights include:

- Twenty-six new construction developments with 1,709 affordable units were awarded over $107 million in funding from the CDC in 2018;
- SD 2 and SD 3 saw the largest increase in number of affordable units receiving funding or entitlements from 2017 to 2018 at 25 percent and 20 percent, respectively;
- In 2018, 599 affordable units opened, a 244 percent increase from affordable units that opened in 2017, with almost $30 million previously invested by the CDC and serve the homeless, seniors, families, veterans and the mentally-ill; and
- In 2018, the County approved land use entitlements for seven developments with 115 affordable units in unincorporated areas in 2018, 517 fewer affordable units entitled than in 2017.

| Table 21: CDC Capital Investments in 2018 | | |
|---|---|---|
| CDC NOFA Funds Awarded in 2018* | $107,472,175 | +287% from 2017 |
| Estimated CDC NOFA Funds Available in 2019 | $114,415,200 | |
| Special Needs & Family New Construction (Avg. Cost per Unit) | $475,936 | +19% from 2017 |
| Special Needs & Senior New Construction (Avg. Cost per Unit) | $520,100 | |
| Supportive Housing New Construction (Avg. Cost per Unit) | $491,438 | |

* NOFA funds reported for 2018 so not match the graphic below, as the graphic includes a $1,500,000 award from 2019 in 2018.

## Figure 17. County NOFA Investments & Leveraged Resources, 2014 - 2018




| | | | | | |
|---|---|---|---|---|---|
| **County NOFA Investment** | $16M | $29M | $20M | $29M | $109M |
| **Leveraged Resources** | $79M | $204M | $162M | $251M | $749M |
| **Total Development Cost** | **$95M** | **$233M** | **$182M** | **$280M** | **$858M** |

| Table 22: CDC and DRP Developments* | | | |
|---|---|---|---|
| SD | Developments | Affordable Units** | % Change of Affordable Units from 2017 |
| **SD 1** | 101 | 5,092 | +6% |
| **SD 2** | 91 | 4,922 | +25% |
| **SD 3** | 30 | 1,441 | +20% |
| **SD 4** | 29 | 1,799 | +9% |
| **SD 5** | 42 | 2,483 | +4% |
| County | **293** | **15,737** | **+12%** |

*Reflects de-duplicated totals among County sources including developments funded by the CDC, tax-exempt bonds or created through land use policies and the former Redevelopment Agency, and may overlap with Federal and State financing shown in Section 2.
**Affordable up to moderate income households (<120% AMI) and includes developments not yet placed in service.

| Table 23: CDC and DRP Affordable Housing Activity (Unincorporated Areas) in 2018* | | | |
|---|---|---|---|
| | Developments | Affordable Units | % Change of Affordable Units from 2017 |
| CDC NOFA Funded in 2018 | 26 | 1,709 | +170% |
| Opened in 2018 | 10 | 599 | +244% |
| Entitled in 2018 | 7 | 115 | -82%** |

*Data presented is a subset of data in Table 22.
**The dramatic decrease is due to larger developments entitled in 2017.

## Regional Housing Need Allocation (RHNA)

For the Fifth Revision of Los Angeles County's Housing Element, the Southern California Association of Governments (SCAG) allocated nearly 28,000 homes to unincorporated areas of the County. Forty-three percent of the homes that are to be built over the Fifth Housing Element Cycle (2014-2021) are to be affordable to those earning 80 percent or less of Area Median Income (AMI). . By the end of 2018, the County had met 18 percent of its RHNA allocation, a majority of which was housing is intended for Above Moderate Income households. The trend of the County permitting more homes intended for higher income groups is amplified in the City of Los Angeles where more than 90 percent of the homes permitted since 2014 are for households earning 120% or more of AMI. See Table 24 for the number of homes that have been permitted in each income group since 2014 in Los Angeles County.

| Table 24: CDC and DRP Developments* | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Income Level | RHNA Allocation* | 2014 (Year 1) | 2015 (Year 2) | 2016 (Year 3) | 2017 (Year 4) | 2018 (Year 5) | Total Units to Date | % RHNA Met |
| Very Low | 7,404 | 159 | 32 | 25 | 354 | 38 | 618 | 8% |
| Low | 4,281 | 0 | 0 | 0 | 108 | 14 | 122 | 3% |
| Moderate | 4,930 | 0 | 0 | 0 | 0 | 19 | 19 | 0.4% |
| Above Moderate | 10,825 | 513 | 1,790 | 620 | 622 | 563 | 4,108 | 38% |
| **Total** | **27,440** | **672** | **1,822** | **655** | **1,084** | **634** | **4,867** | **18%** |

*The County RHNA allocation was adjusted due to the annexation of unincorporated territory by the City of Santa Clarita.

## Department of Health Services

The Los Angeles County Department of Health Services (DHS) Housing for Health (HFH) division provides housing and supportive services to homeless clients with physical and/or behavioral health conditions, high utilizers of County services, and other vulnerable populations. This Report includes information on HFH's permanent supportive housing and rapid re-housing programs (including the Breaking Barriers rapid re-housing program). In addition, the tables below include clients served on behalf of the Office of Diversion and Reentry, which leverages HFH's infrastructure to provide permanent supportive housing to individuals exiting the criminal justice system. In part, the programs are supported by the Flexible Housing Subsidy Pool (FHSP).

Permanent supportive housing, the cornerstone of HFH approach, includes decent, safe, and affordable housing linked to a flexible array of supportive services. These on-site or roving, field-based supportive services with access to medical and behavioral health care are integral to achieving housing stability, improved health status, and greater levels of independence and economic security.

In February of 2014, HFH launched the FHSP, a new and innovative way to provide rental subsidies in Los Angeles County, operated by the non-profit partner, Brilliant Corners, and is designed to provide rental subsidies in a variety of housing settings, including project-based and scattered site housing. The FHSP was designed so that other funders, including other County departments, would be able to add funds to serve clients that they prioritize for housing. Funding for the FHSP currently comes from DHS, the Department of Mental Health, the Probation Department, the Sherriff's Department, the CEO's Homeless Initiative (including a significant amount of Measure H and Homeless Prevention Initiative funding), LA Care, Whole Person Care, the Department of Public and Social Services, the California Department of Social Services and from the Board of Supervisors.

The Housing and Jobs Collaborative (HJC) is a rapid rehousing program implemented in early 2016 that connects individuals experiencing homelessness to affordable permanent housing through a tailored package of services that includes flexible term rental subsidies, case management and employment services. HJC is client-centered and employs a "whatever it takes approach" to assist clients in their transition from homelessness to permanent housing.

The Office of Diversion and Reentry (ODR) was created by the Board of Supervisors in September 2015 to develop and implement county-wide criminal justice diversion for persons with mental and/or substance use disorders and to provide reentry support services. ODR is another division within DHS that focuses on permanent supportive housing and Enriched Residential Care for their clients. The goals of ODR include reducing the number of mentally ill inmates in the Los Angeles County Jails, reducing recidivism, and improving the health outcomes of justice-involved populations who have the most serious underlying health needs.

Tables 25 through 30 provide a summary of DHS's housing subsidies and services. Highlights include:

- More than 12,000 individuals received housing subsidies and services from DHS' Housing for Health Program in 2018, a 48 percent increase from 2017;
- DHS provided almost 4,000 more individuals with housing subsidies and services in 2018 than in 2017, and project to serve 1,200 more in 2019; and
- Fifty-eight percent of rental subsidies used to house individuals in the Housing for Health program are from the Flexible Housing Subsidy Pool (FHSP).

**Table 25: DHS Housing for Health Expenditures**

| | | |
|---|---|---|
| FY 18-19 Permanent Supportive Budget | $115,000,000 | +41% from FY 17-18 |
| FY 18-19 Rapid Re-Housing Budget | $18,500,000 | -10% from FY 17-18 |
| Permanent Supportive – Federal Voucher Avg. Annual Cost per Tenant* | $5,400 | 0% from FY 17-18 |
| Permanent Supportive – State Voucher Avg. Annual Cost per Tenant* | $26,340 | +5% from FY 17-18 |
| Rapid Re-Housing Avg. Annual Cost per Tenant* | $19,200 | +7% from FY 17-18 |

*Does not include up front move-in costs.

**Table 26: DHS Housing for Health Program**

| | # of Individuals | % Change from 2017 |
|---|---|---|
| Total Number of Individuals Connected to Housing Subsidy and/or Services in 2018 | **12,052** | **+48%** |
| Permanent Supportive | 10,435 | +60% |
| Rapid Re-Housing | 1,617 | +2% |
| Total Number of Individuals Newly Connected to Housing Subsidy and/or Services in 2018 | **6,012** | **+50%** |
| Permanent Supportive | 5,372 | +77% |
| Rapid Re-Housing | 640 | -33% |
| Number of Individuals Projected to Serve in 2019 | **13,300** | **+25%** |
| Permanent Supportive | 12,000 | +25% |
| Rapid Re-Housing | 1,300 | +30% |

| Table 27: Rental Subsidies Received by Housing for Health Clients in 2018* | | | | |
|---|---|---|---|---|
| | | # of Rental Subsidies | % of Subsidies** | % Change from 2017 |
| Flexible Housing Subsidy Pool (FHSP) | Tenant-Based | 6,241 | 52% | +33% |
| | Project-Based | 724 | 6% | +22% |
| HACLA | Tenant-Based | 2,085 | 17% | +32% |
| | Project-Based | 1,579 | 13% | +105% |
| HACoLA | Tenant-Based | 439 | 4% | +275% |
| | Project-Based | 141 | 1% | +114% |
| Housing Authority of the City of Long Beach | Tenant-Based | 8 | 0.1% | +167% |
| | Project-Based | 67 | 1% | +253% |
| LAHSA | Tenant-Based | 0 | 0% | -100% |
| | Project-Based | 125 | 1% | +12,400% |
| MHSA Trust Fund | Tenant-Based | 0 | 0% | 0% |
| | Project-Based | 351 | 3% | +166% |
| Other Public Housing Authorities | Tenant-Based | 18 | 0.1% | +80% |
| | Project-Based | 44 | 0.4% | +43,900% |
| Total | | **12,052** | **100%** | **+48%** |

*This table represent new and existing Housing for Health Clients in 2018.
**Percentage may not sum because they are rounded to the nearest whole integer.

| Table 28: Gender of Housing for Health Clients | | |
|---|---|---|
| | # of Individuals | % Change from 2017 |
| Female | 4,567 | +58% |
| Male | 7,373 | +44% |
| Transgender | 97 | +49% |
| Genderqueer | 3 | +200% |
| Unknown | 12 | -72% |
| **Total** | **12,052** | **+48%** |

| Table 29: Age Categories of Housing for Health Clients | | |
|---|---|---|
| | # of Individuals | % Change from 2017 |
| 18-29 | 1,576 | +67% |
| 30-39 | 1,934 | +51% |
| 40-49 | 2,141 | +48% |
| 50-59 | 3,490 | +42% |
| 60-69 | 2,351 | +49% |
| 70+ | 520 | +44% |
| Unknown | 40 | -11% |
| **Total** | **12,052** | **+48%** |

| Table 30: Race/Ethnicity of Housing for Health Clients* | | |
|---|---|---|
| | # of Individuals | % Change from 2017 |
| Black | 5,493 | +53% |
| Latino | 3,310 | +48% |
| White | 4,469 | +55% |
| American Indian | 192 | +43% |
| Asian/Pacific Islander | 268 | +51% |
| Unknown | 752 | +21% |
| Other | 878 | +25% |

*Clients may identify with more than one category and counts may be greater than the total number of individuals served.

# Department of Mental Health

The Mental Health Services Act (MHSA) Housing Program provides both capital development and operating subsidy funding for the development of permanent supportive housing for Department of Mental Health (DMH) consumers who are homeless or chronically homeless with a mental illness. Through partnerships with developers, on-site service providers and property management companies, DMH is increasing the amount of affordable housing available to individuals with mental illness and their families. DMH and its network of agencies provide the mental health services to the consumers in MHSA-funded units. This program is underwritten and monitored by the California Housing Finance Agency. The MHSA Housing Trust Fund (HTF) program provides funding for supportive services in PSH for consumers that were homeless or at risk of homelessness. The Local Government Special Needs Housing Program (SNHP) replaced the MHSA Housing Program that expired in May 2016. DMH also funds affordable housing through Mental Health Housing Program Funds (MHHP). MHHP is a capital development program designated to fund Permanent Supportive Housing units restricted to individuals who are homeless or at risk of homelessness with a mental illness.

## Capital Investments

The Mental Health Services Act (MHSA) Housing Program, jointly launched in August 2007 by the California Department of Mental Health and California Housing Finance Agency, provided the vehicle for counties across the State to invest capital development and operating subsidy funding in the development of new permanent supportive housing for individuals diagnosed with mental illness who are homeless or chronically homeless. Since the launch of the MHSA Housing Program in 2007 and through the Local Government Special Needs Housing Program (SNHP) that replaced the MHSA Housing Program after it expired in May 2016, DMH has invested approximately $140 million in 52 new developments totaling 1,118 MHSA funded units ranging from studios up to four-bedroom homes. DMH and its network of mental health agencies provide the mental health services to the consumers in MHSA-funded homes. Both programs are underwritten and administered by the California Housing Finance Agency. Also, in 2017 and 2018 DMH invested an additional $50 million each year to fund the capital development of permanent supportive housing through the Mental Health Housing Program (MHHP), which is being administered by the Los Angeles County Community Development Commission. This funding became available in 2018. This large infusion of funding is being used to jump start the No Place Like Home Program (NPLH), which will bring $2 billion statewide and approximately $700 million to Los Angeles County for the capital development of permanent supportive housing units restricted to individuals who are homeless with a mental illness. For fiscal year 2019 -2020, $230 million will be available.

DMH has funded 70 developments through the MHHP, SNHP and the MHSA Housing Program, with newly funded developments in all of the Supervisorial Districts except SD 5. Nearly 1,200 affordable homes received $65 million of DMH investment in 2018 and 319 affordable homes with DMH SNHP funding were placed in service. Tables 31 through 33 highlight DMH’s capital investments in affordable housing.

| Table 31: DMH Capital Investments | | |
|---|---|---|
| FY 18-19 Capital Budget | $65,000,000 | +333% from FY 17-18 |
| Available Balance for FY 19-20 Capital Budget* | $230,000,000 | |
| Avg. Subsidy per Unit for Supportive Housing (Permanent Financing) | $132,012 | +33% from FY 17-18 |

*Funds from the No Place Like Home program.

**Table 32: DMH Funded Developments***

| | Developments* | Affordable Homes | Special Needs Affordable Homes |
|---|---|---|---|
| SD 1 | 14 | 598 | 255 |
| SD 2 | 27 | 1,737 | 649 |
| SD 3 | 17 | 916 | 363 |
| SD 4 | 7 | 571 | 125 |
| SD 5 | 5 | 236 | 47 |
| County | **70** | **4,058** | **1,439** |

*Includes developments not yet placed in service.

**Table 33: DMH Activity in 2018***

| | Developments** | Affordable Homes | Special Needs Affordable Homes |
|---|---|---|---|
| Funded | 21 | 1,180 | 366 |
| Opened | 4 | 319 | 82 |

*Data presented is a subset of data in Table 32.
**Includes developments not yet placed in service.

## MHSA Capitalized Operating Reserve

The Capitalized Operating Subsidy Reserve (COSR) is an operating subsidy used in conjunction with designated Mental Health Services Act (MHSA) funded units in permanent supportive housing developments under the Department's capital investment programs, MHSA Housing Program, and Special Needs Housing Program. The purpose of the COSR is to cover the difference between the approved operating expenses attributable to the MHSA funded unit and the actual revenue received from that MHSA funded unit. COSR funds are set aside at the MHSA permanent loan closing and held by California Housing Finance Agency (CalHFA). These funds can be disbursed annually by CalHFA after reviewing the development's actual operating cost. However, the request for disbursement must be initiated by the developer, whereas the disbursements are not automatic. Tables 34 through 38 describe the impact of the subsidy in 2018. Highlights include:

- Twenty-eight percent increase in funds utilized from FY 17-18 to FY 18-19 and a $1,404 increase in the average cost per tenant;
- COSR recipients housed from 2017 to 2018 increased by six percent; and
- Eighteen percent of the COSR recipients are young adults between the ages of 18 and 25.

| Table 34: DMH COSR Program 2018 Expenditures | | |
|---|---|---|
| **Funds Utilized in FY 18-19** | $1,630,119 | +28% from FY 17-18 |
| **Average Cost per Tenant** | $6,222 | +29% from 2017 |

| Table 35: DMH COSR Subsidized Households | | |
|---|---|---|
| **Total Recipients Housing in 2018** | 262 | +6% from 2017 |
| **Newly Housed Recipients in 2018** | 39 | +11% from 2017 |
| **Projected Turnover of Recipients in 2019** | 19 | -21% from 2018 |

| Table 36: Age Categories of Recipients | | |
|---|---|---|
| **0-17** | 0 | 0% from 2017 |
| **18-25** | 46 | +24% from 2017 |
| **26-59** | 132 | -3% from 2017 |
| **60 and over** | 84 | +12% from 2017 |

| Table 37: Gender of Recipients | | |
|---|---|---|
| **Male** | 144 | +4% from 2017 |
| **Female** | 119 | +8% from 2017 |

| Table 38: Race of Recipients | | |
|---|---|---|
| American Indian | 2 | +200% from 2017 |
| Asian | 5 | +25% from 2017 |
| Black or African American | 149 | +6% from 2017 |
| White | 97 | +4% from 2017 |
| Client Refused | 9 | -18% from 2017 |

## Federal Housing Subsidy Unit Program

Funded through seventeen contracts with the City and County Housing Authorities, DMH'S Federal Housing Subsidy Unit (FHSU) Program provides clients access to Permanent Supportive Housing (PSH) subsidies through the following programs: Shelter+Care (S+C), Tenant Based Supportive Housing (TBSH), and Homeless Section 8 (HS8). These tenant-based subsidies make homes affordable for consumers who pay 30 percent of their income on rent, with the balance paid to the owner by the Housing Authority. A summary of DMH's FHSU Program is shown in Tables 39 through 42. Highlights include:

- More than 1,900 individuals are currently housed under DMH's FHSU Program, 167 less in 2018 than in 2017[51], with 412 of those individuals newly housed;
- Fifty-six percent of DMH clients use HACLA S+C vouchers, while only four percent use HACLA HS8 vouchers; and
- More than half of the rental subsidy recipients are between the ages of 40 and 59

| Table 39: DMH Federal Housing Subsidy Unit Program 2018 | | |
|---|---|---|
| Total Number of Households Currently Housed | 1,528 | -10% from 2017 |
| Total Number of Individuals Currently Housed | 1,951 | +3% from 2017 |
| Number of Households Newly Housed | 304 | +2% from 2017 |
| Number of Individuals Newly Housed | 412 | +25% from 2017 |

[51] Fewer individuals were reported housed in 2018 due to the contract expiration of three housing programs - HACLA HVI, HACLA HS8 and TBSH. DMH no longer tracks those served by the HACLA programs and the TBSH program did not allow participants to be re-referred as vouchers turned over.

| Table 40: FHSU Program Rental Subsidies Utilized by DMH Clients in 2018 | | |
|---|---|---|
| | # of Households | % Change of Households from 2017 |
| HACoLA S+C | 850 | +86% |
| HACLA S+C | 437 | -38%* |
| HACLA TBSH | 184 | -14%* |
| HACLA HS8 | 57 | -80%* |

*Decreases in the number of households is due to the contracts expiring and households no longer being monitored by DMH.

| Table 41: Age Categories of Recipients in Tenant- and Project-Based Programs | | |
|---|---|---|
| | # of Households | % Change of Households from 2017* |
| 18-29 | 104 | -11% |
| 30-39 | 241 | -11% |
| 40-49 | 275 | -23% |
| 50-59 | 543 | -5% |
| 60-69 | 317 | +3% |
| 70-79 | 47 | +27% |
| 80-89 | 1 | 0% |

*Percentage changes from 2017 to 2018 may have errors as 2017 data contained missing data.

| Table 42: Reasons for Exit from DMH Tenant- and Project-Based Program in 2018 | | |
|---|---|---|
| | # of Households | % Change of Households from 2017 |
| Completed Program | 22 | -21% |
| Criminal Activity/destruction of property/violence | 5 | +150% |
| Death | 21 | +24% |
| Left for a housing opportunity before completing program | 2 | 0% |
| Non-compliance with program | 16 | 0% |
| Non-payment of rent/occupancy charge | 1 | -50% |
| Other | 11 | +38% |
| Reached maximum time allowed by program* | 1 | N/A |
| Missing Data | 26 | -26% |
| Total | 105 | -6% |

*Percentage change not available as no data available for this category in 2017.

## Los Angeles Homeless Services Authority

The Los Angles Homeless Services Authority (LAHSA) administers Federal, State, and local funds to service providers through the Los Angeles Continuum of Care (LA CoC). As such, LAHSA funds a number of rapid rehousing (RRH) programs that provide limited term rental subsidies that aim to quickly house people experiencing homelessness and return homeless individuals into housing as quickly as possible. Funding for the RRH programs come from a number of sources, including the County of Los Angeles, the City of Los Angeles, and California Housing and Community Development (HCD) Emergency Services Grants (ESG). Tables 43 and 44 summarize the households and individuals that participated in LAHSA's RRH programs in 2018. Highlights include:

- Active enrollment increased by almost 5,900 individuals from 2017 to 2018, an increase of 36 percent[52];
- Almost 1,900 more households received assistance in 2018 than in 2017; and
- An additional 2,000 households were housed in 2018.

**Table 43: LAHSA Expenditures**

| | | |
|---|---|---|
| FY 18-19 RRH Budget | $47,863,043 | +17% from FY 17-18 |
| FY 18-19 Average Cost per Household* | $6,454 | +30% from FY 17-18 |
| FY 18-19 Average Cost per Individual** | $2,927 | +35% from FY 17-18 |

*A household can be one or more persons.
** An individual is representative of one person.

**Table 44: LAHSA RRH Programs 2018**

| | # of Households | % Change in # of Households from 2017 | # of Individuals | % Change in # of Individuals from 2017 |
|---|---|---|---|---|
| Actively Enrolled | 10,100 | +42% | 22,187 | +36% |
| Housed* | 4,067 | +106% | 6,173 | +59% |
| Received Rental Assistance** | 4,507 | +72% | N/A*** | N/A |

*Participants with a move-in date or exit to a permanent destination.
**Participants had a move-in date or rental assistance in the reporting period.
***Move-ins and Rental Assistance services are only recorded for Heads of Household.

[52] Active enrollment increased significantly as the Department of Health (DHS) transitions administration of rapid rehousing rental subsidies to LAHSA.

## Housing Authority of the County of Los Angeles

The Housing Authority of County of Los Angeles (HACoLA) owns 68 public and conventional affordable housing developments containing 3,229 homes, the largest concentrations of which are in Supervisorial Districts 1,3, and 4. HACoLA utilized more than $7 million of their FY 2018-2019 Capital Fund (CFP) HUD allocation to rehabilitate public housing developments.

### Capital Investments

Summaries of the Housing Authority's expenditures and geographic distribution of developments are shown in Tables 45 and 46.

| Table 45: HACoLA Public Housing Rehabilitation Expenditures | | |
|---|---|---|
| FY 18-19 Capital Budget | $7,031,206 | +47% from FY 17-18 |
| Anticipated FY 19-20 Capital Budget | $4,800,000 | 0% from FY 17-18 |
| Senior Units Avg. Cost per Unit* | $47,158 | |
| Large Family Units Avg. Cost per Unit* | $54,726 | |
| Other Units Avg. Cost per Unit* | $43,657 | |

*Average rehabilitation cost per unit is based on HACoLA's Five Year Plan.

**Table 46: HACoLA Owned Affordable Housing Developments**

| | Developments* | Affordable Homes |
|---|---|---|
| SD 1 | 10 | 677 |
| SD 2 | 38 | 409 |
| SD 3 | 10 | 634 |
| SD 4 | 5 | 1,104 |
| SD 5 | 5 | 405 |
| County | **68** | **3,229** |

*Includes scattered site developments.

## HACoLA Rental Subsidies

HACoLA administers multiple voucher programs offering short- and long-term assistance for more than 59,000 low-income individuals, veterans, people experiencing homelessness, transition-age youth, seniors, and disabled persons, as well as the Department of Children and Family Services (DCFS) Family Unification Program, as shown in Table 47. Housing Choice Voucher and VASH funding over the last three years is shown in Table 48. Tables 49, 50 and 51 describe households that received rental subsidies in 2018 and those that are currently on the waitlist. Highlights include:

- The vast majority of the HACoLA's voucher households (87%) are participants in the Housing Choice Voucher (HCV) program;
- Households served by HACoLA's voucher programs increased by five percent from 2017 to 2018;
- Veterans Affairs Supportive Housing (VASH) project-based assistance served 29% more individuals in 2018 than in 2017;
- New admission into voucher programs increased by roughly 900 households from 2017 new admissions, more than half of which are families; and
- The number of households on the HCV program waiting list declined five percent from 2017 to 2018.

More than 1,200 tenants exited from the voucher programs[53] in 2018 for the following reasons and are summarized in Table 51:

- The majority (72%) of exits from the traditional Section 8 programs, HCV tenant- and project-based, were due to self-termination, the death of the voucher holder, or the voucher holder moving and being unable to find new housing that was affordable and managed by landlords willing to accept vouchers within the time frame allowed by HACoLA;[54]
- Across all programs, voucher expiration declined by 42 percent from 2017 to 2018;
- In the Veteran Affairs Supportive Housing (VASH) program, the most common reason for exit was self-termination followed by program violation;[55]
- Almost two-thirds of the S+C/CoC program participants left the program in 2018 due to program violations, while in 2017 these types of exits accounted for less than a third of the number of S+C/CoC exits; and
- Six fewer households left the DCFS Family Unification program in 2017 than in 2018 and the exits were due to voucher expiration, program violation, self-termination, or self-sufficiency.

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[53] In general, when households leave voucher programs, their vouchers remain in the program and become available to other households in need of rental assistance.
[54] HACoLA allows 60 days to find a new home, although it allows extensions for up to 180 days upon request.
[55] Program violation is a general category that includes tenants who fail to submit their eligibility paperwork, are terminated due to causing excessive damage to their unit and failing to correct the unit's deficiencies, or commit other such program violations.

## Table 47: Tenants Served by HACoLA Voucher Programs in 2018*

| | Vouchers Allocated | Households Served | Individuals Served | Avg. Monthly Cost per Household | Avg. Monthly Cost per Individual | Disabled Persons Served | Elderly Persons Served | Families with Children Served |
|---|---|---|---|---|---|---|---|---|
| HCV (Tenant) Program | 21,254 | 20,945 | 51,399 | $906 | $369 | 12,140 | 9,488 | 7,994 |
| HCV (Project-Based) Program | 826 | 842 | 1,888 | $858 | $382 | 431 | 369 | 280 |
| VASH (Tenant) Program | 2,217 | 1,669 | 2,670 | $857 | $536 | 728 | 637 | 277 |
| VASH (Project-Based) Program | 137 | 128 | 130 | $476 | $468 | 61 | 50 | 0 |
| S+C/CoC Program | 1,858 | 1,237 | 2,206 | $923 | $517 | 1,287 | 241 | 310 |
| Section 8 Family Unification Program (DCFS) | 250 | 224 | 907 | $991 | $244 | 76 | 11 | 184 |
| Total | **26,542** | **25,045** | **59,200** | N/A | N/A | **14,723** | **10,796** | **9,045** |

*Turnover of voucher recipients may cause one voucher to house more than one household in a given calendar year. Scarcity of affordable homes may cause a voucher to go unused. As a result, annual households served may not match annual allocation.

## Table 48: HACoLA HCV and VASH Funding, 2016 - 2018

| Year | Voucher Type | HCV | VASH | Total |
|---|---|---|---|---|
| 2016-2017* | Tenant | $233,366,419 | $14,993,038 | **$248,359,457** |
| | Project Based | $6,350,327 | $630,468 | **$6,980,795** |
| 2017-2018* | Tenant | $230,003,318 | $16,444,257 | **$246,447,575** |
| | Project Based | $7,867,888 | $633,398 | **$8,501,286** |
| 2018 -2019* | Tenant | $236,601,125 | $16,615,407 | **$253,216,532** |
| | Project Based | $9,305,067 | $821,806 | **$10,126,873** |

*Funding period is from April to March of following year.

| Table 49: HACoLA 2018 New Admissions* | | |
|---|---|---|
| | # of Households | % Change from 2017 |
| Elderly | 304 | +245% |
| Disabled | 624 | +235% |
| Single Member Households | 655 | +191% |
| Families | 723 | +265% |
| Total | **1,378** | **+226%** |

*Households can fall into more than one category so totals may not sum.

| Table 50: HACoLA HCV Waiting List* | | |
|---|---|---|
| | # of Households | % Change from 2017 |
| Elderly (Head of Households only) | 9,529 | +5% |
| Disabled (Head of Households only) | 5,525 | -10% |
| Disabled (Head of Households or Spouse) | 11,145 | -6% |
| Single Member Households | 14,455 | -5% |
| Families | 23,346 | -6% |
| Total | **37,801** | **-5%** |

*Households can fall into more than one category so totals may not sum.

| Table 51: HACoLA Tenant Reasons for Leaving Voucher Programs in 2018 | | | | |
|---|---|---|---|---|
| | HCV Program* | VASH Program* | S+C/CoC Program | Section 8 Family Unification Program |
| Deceased | 272 | 33 | 6 | 0 |
| End of Program | 13 | 9 | 0 | 0 |
| Ineligible for Program | 0 | 0 | 0 | 0 |
| Program Violation | 135 | 50 | 23 | 3 |
| Self-Termination | 236 | 72 | 5 | 2 |
| Voucher Expired** | 259 | 12 | 2 | 3 |
| Self-Sufficient | 102 | 7 | 0 | 2 |
| Total | **1,017** | **183** | **36** | **10** |

*Reflects tenant- and project-based vouchers.
**Vouchers expires when voucher holders attempt to move and are unable to find new housing that was affordable and managed by landlords willing to accept vouchers within the time frame allowed by the Housing Authority.

# Section 4. Neighborhood Accessibility and Vulnerability

## Data Sources & Methodology

Section 4 of the Affordable Housing Outcomes Report examines the County's policies regarding the production and preservation of affordable housing from the perspective of geographic criteria, including gentrification and displacement risk, transit proximity, and level of neighborhood resources and opportunity. This section relies on the following data sources and methodology.

### Gentrification and Displacement Risk

Low income people in socioeconomically disadvantaged neighborhoods undergoing gentrification are at higher risk of displacement from their homes than low income people living in other areas.[56] The analysis in this section uses a methodology developed by UCLA researchers as part of an inter-university initiative with UC Berkeley and Portland State called the Urban Displacement Project. The Project tracks gentrification and assesses displacement risk in socioeconomically disadvantaged census tracts in Los Angeles County that meet either of the following criteria:

- Tracts that experienced gentrification between 2000 and 2015, as determined by whether they experienced greater changes in the following areas relative to county-level trends during the same period: 1) the percentage point increase in college educated population; 2) the percentage point increase in the non-Hispanic white population; 3) the absolute value increase in median household income; and 4) the absolute value increase in gross rent;[57] or
- Tracts that are at moderate or high risk of future gentrification based on multiple risk factors, including housing market dynamics, demographics, and proximity to transit.[58]

The Report uses this methodology to determine how many of Los Angeles County's at-risk affordable homes are located within areas that recently gentrified or are at risk of future gentrification, whose loss could contribute to patterns of displacement of low income people from increasingly resource- and amenity-rich gentrifying areas.

### Transit Access

Low income households are more dependent on public transportation than higher income households and are less likely to drive when they live near transit stations.[59] Gentrification is also more likely to occur

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[56] Zuk, Miriam, et al. 2015. Gentrification, Displacement and the Role of Public Investment: A Literature Review. March 3. Website: http://www.urbandisplacement.org/sites/default/files/images/displacement_lit_review_final.pdf.
[57] University of California, Berkeley and University of California, Los Angeles. 2017. Developing a New Methodology for Analyzing Potential Displacement. Prepared for the California Air Resources Board and the California Environmental Protection Agency. Website: https://www.arb.ca.gov/research/apr/past/13-310.pdf.
[58] University of California, Los Angeles, 2019. Modeling tool to predict where gentrification occurs. Website: http://www.urbandisplacement.org/map/socal.
[59] For example, see: Newmark, Gregory and Haas, Peter. 2015. *Income, Location Efficiency, and VMT: Affordable Housing as a Climate Strategy.* Center for Neighborhood Technology Working Paper. December 16.

in areas served by transit, which can lead to low income households losing access to transit when they are forced to move as a result of displacement pressures. To capture transit-oriented areas in Los Angeles County, this analysis uses the Southern California Association of Government's (SCAG) 2040 High Quality Transit Areas (HQTA) in the County, as directed by the Board-approved Template.[60] These HQTA areas are then used to determine how many of Los Angeles County's at-risk affordable developments are in transit-rich areas, and whose loss would thus contribute to patterns of low income people losing convenient access to transit in the County.

## Neighborhood Resources and Opportunity

Research has demonstrated that neighborhoods have independent, causal effects on key life outcomes, particularly for children. For example, a study published in 2018 found that 62 percent of the observed variation in long-term earnings among children in the United States born into low income families around 1980 reflects the causal effects of neighborhoods as opposed to differences in their family characteristics, and that place-based factors such as poverty rates and the quality of local public schools were highly correlated with rates of upward mobility.[61]

This analysis uses "opportunity maps" that the State's two main affordable housing funding agencies, the Tax Credit Allocation Committee (TCAC) and the Department of Housing and Community Development (HCD), adopted in 2018 to inform policies that incentivize affordable housing for families to be located in higher-resource neighborhoods. Tracts in each regional map are assigned to one of four categories (Highest Resource; High Resource; Moderate Resource and Low Resource) based on regionally derived scores for 16 evidence-based neighborhood indicators, or to a fifth category (High Segregation and Poverty) if they are both racially segregated and high-poverty.[62] Tracts whose opportunity index scores are in the top 20 percent of each region are categorized as Highest Resource, and tracts whose scores fall into the next 20 percent of each region (top 20%-40%) are categorized as High Resource.

The TCAC/HCD Opportunity Maps are primarily relevant to housing in which children reside, so this analysis only applies to family-targeted developments. The analysis uses these maps for two purposes: 1) to determine how much of the County's at-risk, family-targeted affordable homes are located in Highest and High Resource areas, the loss of which would contribute to patterns of segregation and disparities in access to opportunity in the County because they would be difficult and costly to replace; and 2) to document the degree to which family-targeted, new construction developments funded with Low Income Housing Tax Credits (LIHTCs) have provided access to Highest and High Resource areas for low income families in the County, in light of new TCAC and HCD incentives to be located in these areas.

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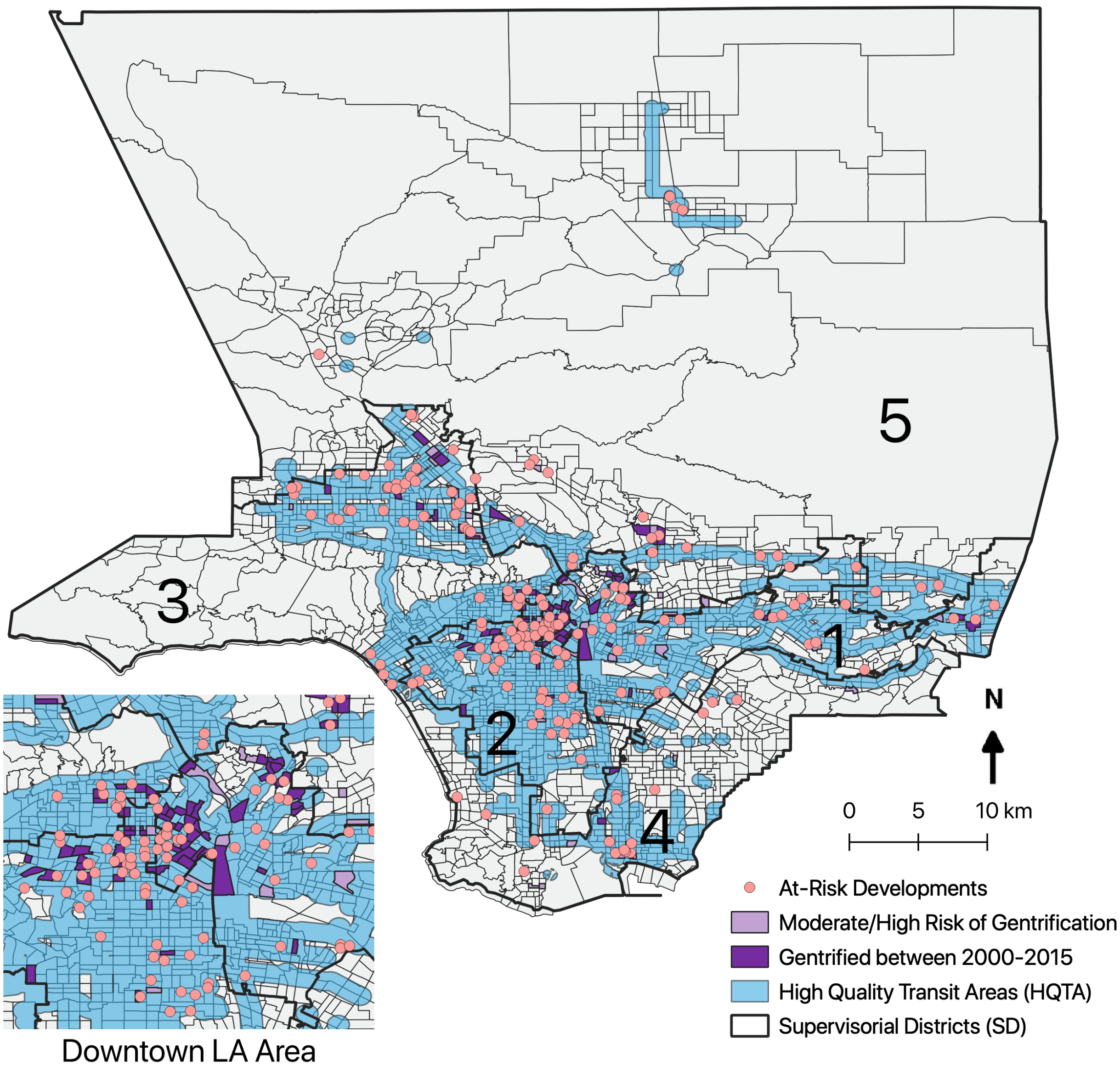
[60] SCAG defines High Quality Transit Areas as being within a half mile of stations with service every 15 minutes or less during peak commute times, including both fixed guideway transit ad bus rapid transit. This definition is consistent with State housing programs, except in that the criteria for defining proximity to transit stations varies somewhat across programs; for example, regulations for awarding Tax Credits defines proximity as a third mile, while other State programs (like SCAG) use half mile.
[61] Chetty, et al. 2018. *The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility*. Working Paper. Website: https://opportunityinsights.org/paper/the-opportunity-atlas/.
[62] See the California Tax Credit Allocation Committee's website for the opportunity mapping methodology, as well as an interactive maps and a downloadable file with scores and designations for each tract. Website: http://www.treasurer.ca.gov/ctcac/opportunity.asp.

## Transit Access and Displacement Risk

Figure 18 below shows the existing inventory of at-risk affordable housing in the County — as described in Section 2 of this Report — overlaid on HQTAs and tracts that either gentrified from 2000 to 2015 or are at moderate or high risk of gentrification. Summary statistics of affordable homes in at-risk developments relative to transit access and gentrification are shown in Table 52.

### Figure 18. Proximity of At-Risk Affordable Housing to Transit and Gentrification



| Table 52: At-Risk Affordable Homes in Proximity to Transit and Gentrification | | | | | | | |
|---|---|---|---|---|---|---|---|
| SD | At-Risk Affordable Homes | Within HQTA | | Within Tract that Recently Gentrified or is At Risk of Gentrification* | | Within a HQTA and Tract that Recently Gentrified or is At Risk of Gentrification* | |
| | # | # | %** | # | %** | # | %** |
| **SD 1** | 2,424 | 2,175 | 90% | 498 | 21% | 450 | 19% |
| **SD 2** | 2,646 | 2,641 | 100% | 367 | 14% | 367 | 14% |
| **SD 3** | 3,216 | 2,977 | 93% | 3 | 0% | 3 | 0% |
| **SD 4** | 899 | 618 | 69% | 53 | 6% | 53 | 6% |
| **SD 5** | 1,091 | 737 | 68% | 95 | 9% | 75 | 7% |
| **Total** | **10,276** | **9,148** | **89%** | **1,016** | **10%** | **948** | **9%** |

Sources: California Housing Partnership Preservation Database, UCLA Urban Displacement Project, SCAG.
*Defined as all tracts that gentrified between 2000-2015 and those at moderate or high risk of gentrification.
**Percentage of all at-risk affordable homes in each SD.

Although 125 (14%) of Los Angeles County's 924 disadvantaged tracts either gentrified between 2000 and 2015 or are at moderate or high risk of future gentrification, only 1,016 or ten percent of at-risk affordable homes in the County are located in these tracts. However, 9,148 or 89 percent of the County's at-risk homes are located within an HQTA, primarily in SD 1, SD 2 and SD 3. Nine hundred and forty-eight or nine percent of the County's at-risk homes are both within an HQTA and within a tract that either recently gentrified or is at moderate to high risk of future gentrification. Losing any of these affordable homes would contribute to patterns of displacement of low income people from the County's increasingly high-cost transit-rich and gentrifying areas.

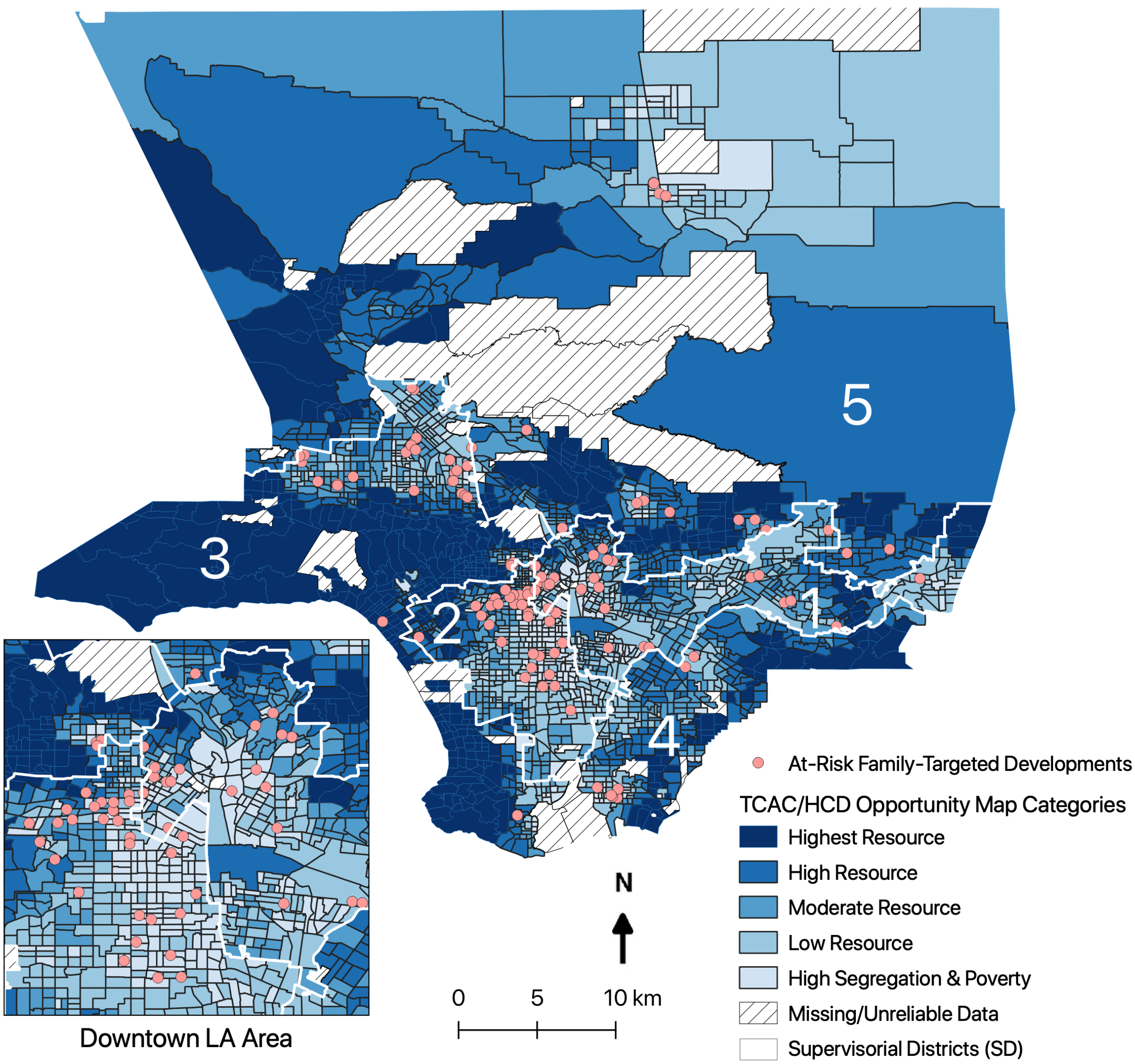
## Neighborhood Resources and Opportunity

### At-Risk Homes

Figure 19 on the following page shows the existing inventory of at-risk, family-targeted affordable housing relative to the TCAC/HCD Opportunity Map for Los Angeles County, and Table 53 shows their distribution at the SD-level. Of the County's 4,155 at-risk, family-targeted affordable homes, 486 (12%) are located in High or Highest Resource areas, which are defined in the TCAC/HCD Opportunity Map as those neighborhoods with characteristics and resources most associated with positive educational and long-term economic outcomes for low income children.

Although twelve percent is a small share of the total universe of at-risk, family-targeted homes, High and Highest Resource areas are often high-cost and contain few rental homes that are affordable to low income families with children. Losing any affordable homes for families in these areas would contribute to broader patterns of segregation and disparities in access to opportunity in the County because they would be difficult and costly to replace — and as such, would be worthy targets for any County dollars allocated for preservation. The same may also be true of the 974 at-risk, family-targeted affordable homes in tracts identified as Moderate Resource in the TCAC/HCD Opportunity Map, since some of these neighborhoods may be experiencing rises in rental housing prices that could make them increasingly out of reach for low income families.

## Figure 19. At-Risk Family-Targeted Developments & Neighborhood Resources and Opportunity



| Table 53: Affordable Homes in At-Risk, Family-Targeted Developments Relative to TCAC/HCD Opportunity Map | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| SD | At-Risk, Family-Targeted Affordable Homes | High Segregation & Poverty | | Low Resource | | Moderate Resource | | High Resource | | Highest Resource | |
| | # | # | %* | # | %* | # | %* | # | %* | # | %* |
| **SD 1** | 832 | 355 | 43% | 220 | 26% | 186 | 22% | 71 | 9% | 0 | 0% |
| **SD 2** | 1,254 | 604 | 48% | 314 | 25% | 267 | 21% | 69 | 6% | 0 | 0% |
| **SD 3** | 1,329 | 336 | 25% | 550 | 41% | 349 | 26% | 70 | 5% | 24 | 2% |
| **SD 4** | 210 | 50 | 24% | 56 | 27% | 0 | 0% | 104 | 49% | 0 | 0% |
| **SD 5** | 530 | 88 | 17% | 122 | 23% | 172 | 32% | 148 | 28% | 0 | 0% |
| **Total** | **4,155** | **1,433** | **34%** | **1,262** | **30%** | **974** | **23%** | **462** | **11%** | **24** | **0.6%** |

Sources: California Housing Partnership Preservation Database, California Fair Housing Task Force.
*Percentage of at-risk, family-targeted affordable homes in each SD.

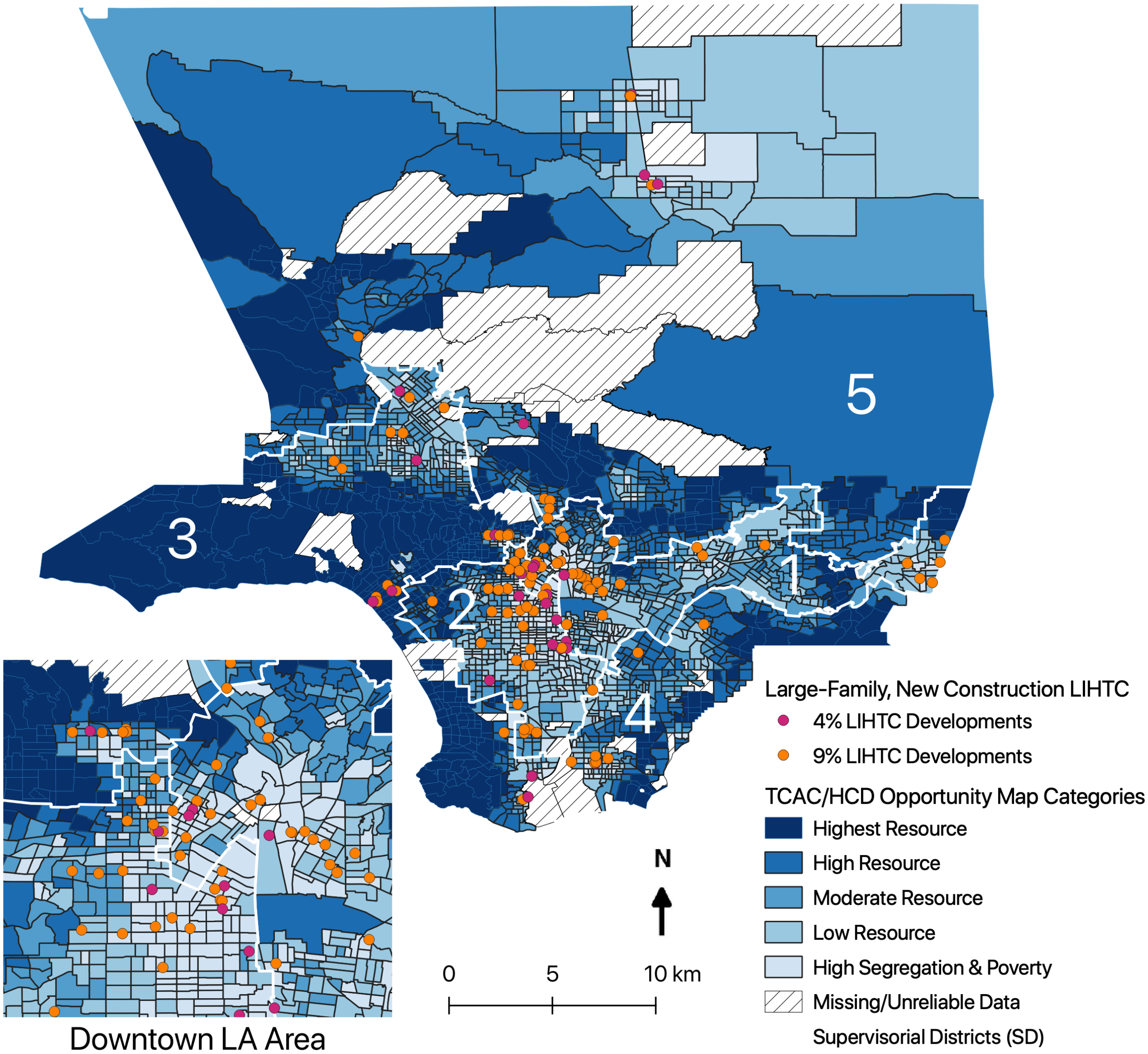
## State Incentives for New Construction Family Affordable Housing

In an effort to increase access to neighborhoods characterized by higher resources and opportunity, as well as offer a more balanced set of choices to low income families, TCAC adopted regulations that went into effect in 2017 that incentivize family-targeted (called "large-family" in TCAC and HCD programs), new construction developments applying for 9% LIHTCs to be located in areas identified in the TCAC/HCD Opportunity Map as High Resource and Highest Resource, with the greatest incentive to be located in Highest Resource areas.[63] HCD is also planning to adopt similar incentives in its housing funding programs, most notably in the Multifamily Housing Program (MHP), whose level of funding grew substantially after voters passed Proposition 1 in the statewide election in fall 2018. Incorporating these policies into HCD's funding programs means that many 4% LIHTC new construction, family developments will also be incentivized to be located in High and Highest Resource areas.

The historical distribution of large-family, new construction developments awarded 9% and 4% LIHTCs in the County relative to the TCAC/HCD Opportunity Map can be instructive for documenting the degree to which local development patterns have provided access to opportunity for low income families, in light of the new TCAC regulations and potential HCD incentives referenced above. Figure 20 shows the existing inventory of large-family, new construction developments that were awarded 9% and 4% LIHTCs between 2008 and 2018 relative to the TCAC/HCD Opportunity Map for Los Angeles County.

[63] TCAC regulations adopted December 13, 2017. Website: http://www.treasurer.ca.gov/ctcac/programreg/2017/20171213/clean.pdf.

## Figure 20. Large-Family, New Construction Developments Awarded LIHTCs (2008-2018) & Neighborhood Resources and Opportunity




Large-family, new construction developments awarded 4% and 9% LIHTCs in Los Angeles County are concentrated in areas categorized on the TCAC/HCD Opportunity Map as Low Resource and High Segregation & Poverty, primarily in Downtown and South Los Angeles, with clusters in other parts of the County. The only concentration of development in areas categorized High or Highest Resource is in Santa Monica. The distribution of affordable homes in large-family, new construction 4% and 9% LIHTC developments relative to the TCAC/HCD Opportunity Map is shown in Table 54.

| Table 54: Affordable Homes in Large-Family, New Construction Developments in Los Angeles County Awarded 4% and 9% LIHTCs (2008-2018) Relative to TCAC/HCD Opportunity Map | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Affordable Homes | High Segregation & Poverty | | Low Resource | | Moderate Resource | | High Resource | | Highest Resource | |
| | # | # | %* | # | %* | # | %* | # | %* | # | %* |
| **Total** | **7,536** | **2,899** | **38%** | **2,343** | **31%** | **1,544** | **20%** | **412** | **5%** | **338** | **4%** |
| 9% Housing Credits | | | | | | | | | | | |
| **SD 1** | 1,868 | 876 | 47% | 632 | 34% | 336 | 18% | 24 | 1% | 0 | 0% |
| **SD 2** | 1,669 | 668 | 40% | 301 | 18% | 680 | 41% | 0 | 0% | 20 | 1% |
| **SD 3** | 703 | 170 | 24% | 87 | 12% | 266 | 38% | 20 | 3% | 160 | 23% |
| **SD 4** | 488 | 127 | 26% | 249 | 51% | 20 | 4% | 92 | 19% | 0 | 0% |
| **SD 5** | 379 | 139 | 37% | 0 | 0% | 128 | 34% | 112 | 30% | 0 | 0% |
| **County** | **5,107** | **1,980** | **39%** | **1,269** | **25%** | **1,430** | **28%** | **248** | **5%** | **180** | **4%** |
| 4% Housing Credits | | | | | | | | | | | |
| **SD 1** | 562 | 193 | 34% | 302 | 54% | 67 | 12% | 0 | 0% | 0 | 0% |
| **SD 2** | 752 | 538 | 72% | 214 | 28% | 0 | 0% | 0 | 0% | 0 | 0% |
| **SD 3** | 473 | 0 | 0% | 151 | 32% | 0 | 0% | 164 | 35% | 158 | 33% |
| **SD 4** | 323 | 149 | 46% | 174 | 54% | 0 | 0% | 0 | 0% | 0 | 0% |
| **SD 5** | 319 | 39 | 12% | 233 | 73% | 47 | 15% | 0 | 0% | 0 | 0% |
| **County** | **2,429** | **919** | **38%** | **1,074** | **44%** | **114** | **5%** | **164** | **7%** | **158** | **7%** |

Sources: California Housing Partnership Preservation Database, California Fair Housing Task Force.
*Percentage of large-family, new construction affordable homes in each row (SDs or County totals).

Affordable homes in large-family, new construction developments in Los Angeles County awarded 4% and 9% LIHTCs are heavily concentrated (69%) in areas categorized as Low Resource and High Segregation and Poverty. Meanwhile, only nine percent of these homes are located in tracts categorized as High Resource or Highest Resource.

This data suggests the distribution of large-family, new construction 4% and 9% LIHTC developments in the County does not provide low income families a balanced set of choices, and only offers limited access to higher resource neighborhoods. It should be noted, however, that the concentration of homes in lower-resource, high-poverty, and racially segregated neighborhoods is in part due to past State and local policies that have encouraged development of family housing in these areas as part of broader community development efforts,[64] and also because of barriers that developers face in developing affordable housing in more affluent, low-density areas that are often resistant to affordable housing, have fewer parcels zoned for multifamily housing, and are less likely to contribute local funding. A separate

[64] Examples have included: 1) local redevelopment agencies, which were dissolved when the State ended the redevelopment program in 2011; and 2) TCAC regulations that incentivized affordable developments to be part of revitalization efforts, which the agency scaled back in recent years.

analysis conducted by the California Housing Partnership found that per-unit costs for large-family, new construction 9% LIHTC developments in High and Highest Resource tracts in Los Angeles County awarded tax credits between 2000 and 2014 were approximately $35,000 or 9% greater than median per-unit costs in the County during the same period without including land costs and $68,000 or 15% greater per-unit including land costs.

Moving forward, however, proposed family developments in areas designated as High Resource and Highest Resource on the TCAC/HCD Opportunity Map will be significantly more competitive for 9% LIHTCs under TCAC's new regulations, as well as under new HCD proposed incentives, should they be adopted.

# Section 5. Recommendations

The recommendations below are grounded in the detailed needs analysis in Section 1 and assessment of the County's existing inventory of resources presented in Sections 2-4 and were informed by input from Affordable Housing Coordinating Committee members. These recommendations also align with the October 27, 2015 Board directive that at least 75 percent of funds support "production of new or preservation of existing, affordable housing (including workforce housing and permanent supportive housing) for very low- and extremely low income or homeless households."

These recommendations are intended to complement current County affordable housing initiatives, such as Measure H, which appropriately focuses on creating permanent supportive housing and services for homeless and other special needs households — and to maximize the efficiency of the County's new investments to meet the need for priority populations who are under-served relative to their need for affordable homes, such as the lowest income households who experience the highest rent burden and are at risk of becoming homeless.

Over the course of the last year, the County has made progress implementing recommendations included in the 2017 and 2018 Affordable Housing Outcomes Reports. For example, in 2018 the County made changes to its NOFA to increase its alignment with and ability to leverage other local, State and Federal funding programs and to make affordable homes for non-special needs households earning up to 50 percent of area median income (AMI) eligible for a portion of NOFA funding. The County also made substantial progress in developing a combined application to facilitate developers applying for both County and City funding, as well as in increasing access to high-resource areas for low income families, implementing a strategy to preserve at-risk developments, and other areas.

## 1. Maximize Availability of Project-Based Vouchers for Creation of Permanent Supportive Housing

Permanent supportive housing (PSH) requires long-term, property-based operating subsidy contracts in order to serve the extremely low income households for which it is intended. The County's two primary sources of funding for this kind of subsidy are the Los Angeles County Development Authority's (LACDA) Project-Based Vouchers (PBVs) and Department of Health Services' (DHS) Flexible Housing Subsidy Pool (FHSP).[65]

In recent years, the LACDA (formerly the Los Angeles Community Development Commission (CDC) and the Housing Authority of the County of Los Angeles (HACoLA)) has increased the number of PBVs available through its NOFA in proportion to annual increases in NOFA capital subsidy, per the Board directive. However, two changes in the environment for developing PSH in the County over the next several years will increase demand for PBVs beyond the number that would be made available through the NOFA using this approach.

[65] The Housing Authority of the County of Los Angeles (HACoLA) and the Los Angeles County Community Development Commission (CDC) have plans to merge and re-brand as the Los Angeles County Development Authority (LACDA) on May 15, 2019.

First, DHS's ability to make new FHSP commitments in FY 2019 will be limited due to a high volume of commitments made over the past year. DHS confirms that it will have little if any additional Measure H funding to make new commitments in FY 2020 and will likely regain some ability to issue new commitments in FY 2021. Second, the No Place Like Home (NPLH) program, which is being administered by the CDC on behalf of Department of Mental Health (DMH), will soon come online, further boosting the production of PSH units in the County but also increasing the need for property-based operating subsidies.

HACoLA is permitted by statute to allocate up to 30 percent of its voucher budget to PBVs, but as noted in Section 3, the actual percentage share was less than four percent over the past year — meaning the agency has capacity to make substantially more PBVs available without reaching its statutory limit.

### Recommendation 1

The County should engage key agencies and stakeholders in developing PSH development — including the CDC, HACoLA and DHS — to determine the appropriate level of PBVs to make available over the next several years in its NOFA, in order to keep up with pending increases in demand for long-term operating subsidy for PSH.

## 2. Track and Preserve Naturally Occurring Affordable Housing

As noted in Section 1 and 2 of this Report, approximately 111,000 of the 861,000 rental homes affordable and available to low income households in Los Angeles County (earning less than 80 percent of AMI) are subsidized and deed-restricted. Although a small number of the approximately 750,000 remaining homes affordable and available to low income households are deed-restricted through land use policies, and others are subject to rent stabilization ordinances, the vast majority of these homes are unrestricted and unregulated — what is sometimes termed naturally occurring affordable housing (NOAH).

Low income households living in NOAHs are vulnerable to rent increases and their likely consequences — increased housing cost burden leading to eventual displacement and even homelessness. The risk of displacement and homelessness is particularly high for NOAHs located in neighborhoods with high rental prices or in gentrifying areas where rents are increasing rapidly.

### Recommendation 2

The County should explore providing funding to help mission-driven nonprofit developers acquire and preserve NOAH developments as deed-restricted affordable housing. This approach should supplement, but not replace, the County's efforts to create new affordable housing and preserve existing at-risk affordable housing.

The first phase of this effort would involve developing a database of NOAH developments in the County, organized by the number of units, location and potentially other factors depending on data availability. Since the Census does not provide data that is granular enough to identify individual NOAH developments, the County would need to build this database from sources with property-level information such as the Los Angeles County Office of the Assessor, proprietary databases such as CoStar or REIS and rent registries — such as the one the County will create as part of its rent stabilization ordinance, as well as a potential statewide rent registry the State would create if Assembly Bill 724 passes the Legislature and is signed in law later this year.

The second phase of this work would involve the County to explore providing NOFA funding to help mission-driven nonprofit developers acquire and preserve NOAHs in priority neighborhoods where market pressure is likely to be high or increasing. The County could either create its own methodology for identifying these areas or use existing tools such as the TCAC/HCD Opportunity Map and the UCLA Urban Displacement Project map of recently gentrified areas and areas at risk of gentrification.

If the County ultimately decides to provide funding to help developers acquire NOAH developments, it should first prioritize the acquisition of developments with at least 50 units, which are large enough to be economically financed with Low Income Housing Tax Credits (LIHTCs) and operated at reasonable cost. A second approach could involve helping developers assemble smaller NOAH developments that could be grouped as scattered site developments and financed in a single LIHTC transaction.

## 3. Align County Funding Programs to Ensure Competitiveness for New State Mixed-Income Housing Programs

The State of California is on the verge of making substantial new investments in mixed-income housing programs, including significant numbers of homes for moderate income households earning 80 to 120 percent of AMI. If the Governor's proposed FY 2019 budget allocation of $500 million for CalHFA's new mixed-income housing program is enacted this summer, it will become the State's largest source of funding for below market-rate housing. The Governor also proposed $200 million in new tax credits specifically for moderate income housing for next year's State budget.

If the County's funding programs are not sufficiently aligned with the State's new mixed-income housing programs, local developers could face challenges accessing them — potentially leading to the County not receiving its fair share of State housing resources.

### Recommendation 3

The County should ensure that its funding programs are structured so that they do not prevent local developers from accessing the State's new mixed-income housing programs. The purpose of this alignment would primarily be to ensure that developers are able to access both County and new State funds, not to reallocate County funds for deeply targeted units toward serving higher income households.

Over the next several months, the County should engage key agencies and affordable housing stakeholders including the CDC, developers, and potentially staff from State agencies, to determine which changes to its funding programs — if any — are appropriate to ensure that the County receives its fair share of State funds for mixed-income housing, and that developers are able to leverage these programs in a way that achieves local housing goals.

The County recently undertook a similar successful effort to ensure competitiveness of County-funded developments applying for State Affordable Housing and Sustainable Communities (AHSC) program funds. This process could serve as a reference point for the County in any future effort to align with State mixed-income housing programs.

One possible scenario is that after studying the State's new mixed-income housing programs, the County and its stakeholders may reach the conclusion that leveraging these programs could bring new resources to bear in a way that enhances the County's efforts to achieve local goals rather than dilutes them. In this case, it could make strategic sense to prioritize applications for County funding that are also seeking State mixed-income housing program funds, as opposed to only seeking to remove potential areas of conflict between County and State programs. However, further study and deliberation would be needed to confirm that this would be the case.

## 4. Support Feasibility of Family-Serving Affordable Developments in High-Resource Neighborhoods

As documented in Section 4, only nine percent and 14 percent of affordable homes in large-family, new construction developments that were awarded 9% and 4% LIHTCs from 2008 to 2018, respectively, are located in High and Highest Resource tracts in the County (as defined by the TCAC/HCD Opportunity Map). These areas are defined as the top 40 percent of non-rural tracts in the County according to an index score based on 16 evidence-based indicators of opportunity and upward mobility.[66]

TCAC adopted new regulations in 2017 that incentivized large-family, new construction developments seeking 9% LIHTCs to be located in High and Highest Resource areas, with the greatest incentive to be located in Highest Resource areas. HCD is planning to adopt similar incentives in its funding programs — notably the Multifamily Housing Program (MHP) — meaning that large-family, new construction developments seeking to pair HCD funds with 4% LIHTCs are also likely to be incentivized to be located in High and Highest Resource areas of the County.

The 2018 Affordable Housing Outcomes Report recommended three changes to the County NOFA to align with these State incentives to ensure local competitiveness for funding, as well as to achieve the broader policy goal of providing a more balanced set of location choices to low income families living in County-funded developments. The County implemented one of those recommended changes (awarding competitive points) but did not adopt two additional changes that could help support feasibility of family-serving developments in high-resource areas that seek County funds through its NOFA.

### Recommendation 4

To support feasibility of County-funded large-family, new construction developments in High and Highest Resource areas, the County should adjust its NOFA in two ways (these recommendations were included in the 2018 Report):

- Increase subsidies to reflect higher per-unit costs for new construction family developments in High and Highest Resource areas. A California Housing Partnership analysis found that this cost premium — including land — for developing this type of housing in higher resource areas was approximately $68,000 per unit (or 15%) higher than the median cost in the County for new construction, large-family developments awarded 9% LIHTCs between 2000 and 2014, and approximately $35,000 per unit (9% higher) not including land.

[66] For a description of the TCAC/HCD Opportunity Maps, see Section 4 of this Report as well as the TCAC website: http://www.treasurer.ca.gov/ctcac/opportunity.asp.

- Allow more flexibility around the number of required special needs units in proposed family-serving developments in High and Highest Resource areas. The County's current requirements can present feasibility challenges for these developments, and NPLH's impending influx of capital resources for permanent supportive housing should reduce pressure on the County to place such a high emphasis on serving special needs populations in family developments.

## 5. Expand Housing Preservation and Tenant Anti-Displacement Initiatives

As described in Section 2 of this Report, 10,276 affordable homes in 190 developments in the County are at 'very high' or 'high' risk of converting to market rate within the next five years, according to the California Housing Partnership's risk methodology. The average cost to local government of replacing affordable homes lost to the market is upward of $150,000 in local funding per home (meaning a $1.5 billion cost to local governments to replace all at-risk homes, should they be lost); this figure does not capture the substantial monetary, psychological and quality of life costs to households losing their homes if they aren't preserved. For these reasons, the County should continue to expand its preservation capacity in the ways listed below.

### Recommendation 5a

The County should explore helping owners of HUD Section 202 Project Rental Assistance Contract (PRAC) (elderly) developments access the Federal Rental Assistance Demonstration (RAD) program — which they were not previously eligible to access — to recapitalize their developments, following the sequence below:

- First, track and comment on pending HUD regulations related to using RAD to recapitalize and preserve Section 202 PRAC developments.
- Second, conduct a census of all Section 202 PRAC developments in Los Angeles County (64 developments, 4,379 homes) to assess property characteristics,[67] capitalization needs, the amount of County funding (if any) needed to aid recapitalization efforts and how the County could provide any needed funding.

### Recommendation 5b

The County should make capital funding required to preserve and rehabilitate at-risk developments available for funding under the NOFA (as recommended in the 2018 Affordable Housing Outcomes Report). To ensure balance between preservation of at-risk developments and existing priorities, the County should cap the share of total funds available for this purpose.

Table 54 below provides estimates for the number of at-risk homes that could be preserved under

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[67] Property characteristics could include, but would not be limited to, initial date of occupancy, address, number of units, contract expiration date, tenant incomes, existing rents and assistance levels and Real Estate Assessment Center (REAC) on the condition of the property and the date of the most recent REAC score.

different NOFA funding amounts, which the County can use to inform its decision on what the maximum amount (or share) of NOFA funding should be available for this purpose. This modeling assumes an average per-unit subsidy needed of $67,000, which is two thirds of the $100,000 per-unit funding amount for non-special needs units in the NOFA.[68]

### Table 54: Number of At-Risk Homes Preserved Based on NOFA Funding Provided

| | Annual NOFA Funding Provided | | |
|---|---|---|---|
| | $5 million | $10 million | $15 million |
| At-Risk Affordable Homes Preserved | 75 | 149 | 224 |

Making capital funding available through the County NOFA is critical for Qualified Entities (as defined by the State's Preservation Notice Law, Government Code Section 65863.10-.13) to have the resources needed to make bona fide offers on at-risk developments, which would trigger the protections now available to at-risk developments under State law AB 1521 (effective January 2018), which requires the owner to either sell to the Qualified Entity at fair market value or maintain the development as affordable for five years.

## Recommendation 5c

In parallel with providing gap funding to preserve at-risk developments, the County should develop a prioritization system in the event that multiple at-risk developments seek funding from the same NOFA. In particular:

- The County should consider property-level factors to determine which at-risk developments are at highest risk of converting to market, including but not limited to, the expiration date of covenants limiting rents and tenant incomes, the expiration date of Section 8 contracts, the nature of the owner (for-profit vs. nonprofit), property condition and the development's location.
- The County should also incorporate geographic considerations to prioritize NOFA funding to at-risk developments in priority neighborhoods that are increasingly out of reach for low income households due to market pressure. The County could create its own methodology for identifying these areas or use existing tools such as the TCAC/HCD Opportunity Map and the UCLA Urban Displacement Map of recently gentrified areas and areas at risk of gentrification.

[68] This ratio is consistent with data from the State Multifamily Housing Program's (MHP) demonstrating acquisition/rehabilitation developments needed two thirds the per-unit subsidy compared to new construction.

The County should weigh the likely higher per-unit costs associated with preserving the at-risk developments described above with the benefits of doing so, as well as with other County funding priorities.

## Recommendation 5d

The County should develop and adopt a County Preservation Ordinance that would ensure protections beyond the State Notice Law in the following ways:

- Require that notice of intent to convert developments and/or terminate rent subsidy contracts be sent sooner to a specified list of local government housing officials to ensure adequate planning time and increase the feasibility of obtaining necessary financing and other resources.
- Require that owners of developments converting after the passage of the ordinance pay moving and relocation expenses for displaced tenants based on Federal and/or State guidelines.
- Require that owners of these developments provide a first option to purchase to Qualified Entities in good standing with the County.

## Recommendation 5e

As recommended in the 2017 and 2018 Affordable Housing Outcomes Reports, the County should coordinate with the City of Los Angeles to provide legal services, training, and organizing support to tenants living in at-risk developments, as the City has done and as HUD did through the Tenant Resources Network program from 2012 to 2014. Assistance for tenants living in at-risk developments should include:

- Conducting outreach to tenants in identified at-risk developments and educating them about different options for preserving their affordable housing;
- Connecting tenants to nonprofit, State-registered Qualified Preservation Entities in their area to acquire and preserve the development; and
- Providing legal and other assistance to tenants to improve their housing stability (e.g., education on tenants' rights).

In addition, as recommended by the County Chief Executive Office in its March 7, 2018 memo to the Board (and in the 2018 Affordable Housing Outcomes Report), the CDC's new Preservation Coordinator should explore the feasibility of providing flexible emergency financial assistance to tenants in at-risk developments who face high short-term risk of displacement or need critical repairs. This assistance would be targeted to Extremely Low Income (ELI) tenants residing in smaller developments with fewer than 30 units as these are the most difficult to recapitalize and most likely to be in need or emergency repairs.

## Recommendation 5f

The County should ensure perpetual affordability on County-owned development sites by adopting a policy to require ground leases and perpetual covenants. When making County-owned land available for affordable housing development, the County relinquishes control of valuable public assets ideally in exchange for a public benefit of equal or greater value. However, the County must ensure that in making the exchange there is no possible circumstance where the land could end up being used for profit-making uses with little to no public benefit in the future. Failing to do so could amount to giving a windfall to the private developer or more likely, to a successor in interest to the initial developer.

We therefore recommend that on all County-owned sites made available for affordable housing development, the County use one the following approaches:

- Ground leases: In this preferred structure, the County retains fee ownership of the land and permits its use for affordable housing through a renewable, long-term ground lease that provides the developer with the rights to do what is needed to finance and produce affordable housing while also ensuring the County has the ability to step in if the land is ever used in ways it did not explicitly approve; or
- Land use covenants: In this alternative scenario, the County sells the land to a developer but simultaneously records a covenant requiring its use in perpetuity as affordable housing. It is critical that such covenants are recorded superior to any lender deeds of trust and not subordinated to any subsequent financing or there is the risk they could be extinguished by a foreclosure action in the future.

## 6. Explore Improvements to the Entitlement and Permitting Process for Affordable Housing in Unincorporated Los Angeles County

Given the need for the County's investments in creating and preserving affordable homes to yield results as soon as possible, the processes for entitling and permitting affordable housing in unincorporated areas of the County should be as streamlined and efficient as possible.

### Recommendation 6

The County should take the following steps to ensure that the entitlement and permitting processes for affordable housing in unincorporated Los Angeles County are as streamlined and efficient as possible:

- First, research and compile data on the timing and efficacy of the entitlement and permitting processes for affordable housing development in unincorporated Los Angeles County, including the impact of new laws related to housing approvals such as SB 35 (2017) and AB 2162 (2018).
- Second, based on the findings from above, adopt improvements to the affordable housing entitlement and/or permitting processes as appropriate.

# Glossary

Above Moderate Income Households – households that earn more than 120 percent of Area Median Income.

Affordable Home – a home where the household spends no more than 30 percent of their income on housing and utility costs.

Affordable and Available Home – a home with a gross rent that is affordable at a particular level of income and is either vacant or occupied by households at or below the income group threshold.

American Community Survey (ACS) – an ongoing, annual survey conducted by the U.S. Census Bureau that collects information such as employment, education and housing tenure to aid community planning efforts.

Annual Homeless Assessment Report (AHAR) – a report to the U.S. Congress on the extent and nature of homelessness in the U.S. that provides local counts, demographics, and service use patterns of the homeless population. AHAR is comprised of Point-in-Time (PIT) counts, Housing Inventory Counts (HIC) and Homeless Management Information Systems (HMIS) data.

At-Risk Developments – affordable housing developments that are nearing the end of their affordability restrictions and/or project-based subsidy contract and may convert to market rate in the next five years.

California Department of Housing and Community Development (HCD) – a state-level government agency that oversees a number of programs and allocates loans and grants to preserve and expand affordable housing opportunities and promote strong communities throughout California.

California Housing Finance Agency (CalHFA) – California's affordable housing bank that provides financing and programs that support affordable housing opportunities for low to moderate income households.

California Tax Credit Allocation Committee (TCAC) – state-level committee under the California Treasurer's Office that administers the Federal and State Low-Income Housing Tax Credit (LIHTC) Program.

Continuum of Care (CoC) Program – a program designed by the U.S. Department of Housing and Urban Development (HUD) to promote communitywide commitment to ending homelessness by funding efforts to rehouse homeless individuals and families, promote access and increase utilization of existing programs, and optimize self-sufficiency of those experiencing homelessness. CoC was authorized by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) and is a consolidation of the former Supportive Housing Program (SHP), Shelter Plus Care (S+C) Program and the Section 8 Moderate Rehabilitation Single Residence Occupancy (SRO) Program.

Cost Burden Analysis – looks at the percentage of income paid for housing by households at different income levels. A home is considered affordable if housing costs absorb no more than 30 percent of the household's income. A household is cost burdened if they pay more than 30 percent of their income towards housing costs

Deeply Low Income (DLI) Households – households earning between 0 and 15 percent of Area Median Income.

Extremely Low Income (ELI) Households – households earning 15 to 30 percent of Area Median Income.

Fair Market Rent (FMR) – limits set by the U.S. Department of Housing and Urban Development (HUD) to determine what rents can be charged in various Section 8 programs and the amount of subsidy that is provided to Section 8 Housing Choice Voucher (HCV) recipients. Limits are set using the U.S. Decennial Census, the American Housing Survey (AHS), gross rents from metropolitan areas and counties, and from the public comment process. These limits can be adjusted based on market conditions within metropolitan areas defined by the Federal Office of Management and Budget (OMB) to accommodate for high-cost areas.

Gap (or Shortfall) Analysis – a comparison of the number of households in an income group to the number of homes affordable and available to them at 30 percent or less of their income; "affordable and available" homes have a gross rent that is affordable at a particular level of income and is either vacant or occupied by households at or below the income group threshold

HOME Investment Partnership Program (HOME) – program within the U.S. Department of Housing and Urban Development (HUD) that provides formula grants to states and localities that communities use to fund a wide range of activities for community development. These funds are often used in partnership with nonprofit groups and are designed exclusively to create affordable homes for low-income households.

Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) – Federal legislation that reauthorized the McKinney-Vento Homeless Assistance Act and consolidated the Supportive Housing Program (SHP), the Shelter Plus Care (S+C) Program and the Section 8 Single Resident Occupancy (SRO) Program into the Continuum of Care (CoC) Program. The legislation also created the Emergency Solutions Grants Program, the Homeless Management Information System (HMIS) and the Rural Housing Stability Assistance Program.

Homeless Management Information Systems (HMIS) – a local technology system that collects client-level data and data on the provision of housing and services to homeless individuals, families, and persons at-risk of homelessness. HMIS is used for Continuum of Care (CoC) Programs and Annual Homeless Assessment Reports (AHAR).

Housing Authority of the City of Los Angeles (HACLA) – public housing authority for the City of Los Angeles that distributes Housing Choice Vouchers (HCVs) and maintains public housing developments within the jurisdiction.

Housing Authority of the County of Los Angeles (HACoLA) – public housing authority for the County of Los Angeles that distributes Housing Choice Vouchers (HCVs) and maintains public housing developments in the unincorporated areas of the County as well as in jurisdictions without a designated housing authority.

Housing Inventory Counts (HIC) – the number of beds and units within the Continuum of Care Program's homeless system within emergency shelters, transitional housing, rapid re-housing, Safe Haven and permanent supportive housing.

Inclusionary Housing Developments – affordable housing units that are produced or funded by market-rate residential developments that are subject to local inclusionary zoning or policies

Los Angeles Community Development Commission (CDC) – awards a number of capital resources through an annual Notice of Funding Availability (NOFA) primarily from funds allocated by the Board of Supervisors and HOME funds.

Los Angeles Homeless Services Authority (LAHSA) – an independent Joint Powers Authority created by the Los Angeles County Board of Supervisors to coordinate Federal and local funded efforts to provide services to homeless individuals throughout Los Angeles City and County. This agency also manages Los Angeles' Continuum of Care (CoC) Program.

Low Income (LI) Households – households earning between 50 and 80 percent of Area Median Income.

Low Income Housing Tax Credits (LIHTC) – tax credits financed by the Federal government and administered by State housing authorities like the California Tax Credit Allocation Committee (TCAC) to subsidize acquisition, construction, and rehabilitation of developments for low-income households.

Mental Health Services Act (MHSA) – the Mental Health Services Act (MHSA) Housing Program was jointly launched in August 2007 by the California Department of Mental Health and California Housing Finance Agency to provide a vehicle for counties across the State to invest capital development and operating subsidy funding in the development of new permanent supportive housing for individuals diagnosed with mental illness who are homeless or chronically homeless.

Moderate Income Households – households earning 80 to 120 percent of Area Median Income.

Permanent Supportive Housing – long-term, permanent housing for individuals who are homeless or have high service needs.

Point in Time (PIT) Count – a jurisdictional count of homeless persons inside and outside of shelters and housing during a single night. This measure is a requirement for HUD's Continuum of Care Program as authorized by the McKinney-Vento Homeless Assistance Act.

Project-Based Voucher (PBV) Program – vouchers provided by public housing agencies through the Housing Choice Voucher (HCV) Program that are tied to a specific development rather than attached to a tenant. The PBV Program partners with developers and service providers to create housing opportunities for special populations such as the homeless, elderly, disabled and families with mental illness.

Public Use Microdata Sample (PUMS) – annual, untabulated records of individuals or households that serve as the basis for the Census ACS summaries of specific geographic areas and allow for data tabulation that is outside of what is available in ACS products.

Regional Housing Need Allocation (RHNA) – the total number of housing units by affordability level that each jurisdiction must accommodate as defined by the California Housing and Community Development (HCD), and distributed by regional governments like the Southern California Association of Governments (SCAG).

Rapid Rehousing (RRH) – Rapid Rehousing (RRH) programs provide limited term rental subsidies that aim to quickly house people experiencing homelessness return homeless individuals into housing as quickly as possible.

Section 8 Housing Choice Voucher (HCV) Program – a program where HCVs funded by the U.S. Department of Housing and Urban Development (HUD) are provided to low-income renters with a subsidy to help them afford market rentals by paying the difference between what the tenant can afford (30 percent of their income) and the market rent. Eligibility is determined by the household's annual gross income and family size and the housing subsidy is paid directly to the landlord.

Section 8 Single Room Occupancy (SRO) Program – former program under the U.S. Department of Housing and Urban Development (HUD) that provided rental assistance in connection with the moderate rehabilitation of residential developments that will contain upgraded single occupancy units for homeless individuals. This program was consolidated by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARH Act) into the Continuum of Care (CoC) Program.

Severely Cost Burdened – when housing costs consume more than 50 percent of household income a household is considered severely cost burdened.

Shelter Plus Care (S+C) Program – a former program under the U.S. Department of Housing and Urban Development that provided rental assistance in connection with matching supportive services. This program was consolidated by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARH Act) into the Continuum of Care (CoC) Program.

Southern California Association of Governments (SCAG) – a Joint Powers Authority that serves as the Metropolitan Planning Organization (MPO) for Imperial County, Los Angeles County, San Bernardino County, Riverside County, Orange County and Ventura County and their associated jurisdictions.

Successor Agency – established after the dissolution of Redevelopment Agencies (RDAs) in 2011 to manage the Agency's affordable developments that were underway, make payments on enforceable obligations, and dispose of redevelopment assets and properties.

Supportive Housing Program (SHP) – former program under the U.S. Department of Housing and Urban Development (HUD) that helped develop and provide housing and related supportive services for people moving from homelessness to independent, supportive living. This program was consolidated by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARH Act) into the Continuum of Care (CoC) Program.

U.S. Department of Housing and Urban Development (HUD) – a Federal agency that supports community development and home ownership, enforces the Fair Housing Act, and oversees a number of programs such as the Community Development Block Grant (CDBG) and the Housing Choice Voucher (HCV) Program to assist low-income and disadvantaged individuals with their housing needs.

U.S. Department of Housing and Urban Development Veterans Affairs Supportive Housing (HUD-VASH) Program – a program that combines Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the Department of Veteran Affairs (VA). Rental assistance is provided through VASH vouchers that act as tenant-based vouchers and are allocated from public housing authorities (PHAs).

Very Low Income (VLI) Households – households earning 30 to 50 percent of Area Median Income.

# Appendix A: Methodology

## Determining Rent Affordability

Rent affordability is determined by the income needed to afford rent and utilities without spending more than 30 percent of household income. Rent affordability for each income group is derived using adjustment factors provided by HUD. Rent affordability levels are calculated from the four-person base for each income level, and an affordable rent is calculated for each income level using the following formula: (four-person income x 0.3)/12, representing 30 percent of the four-person income level for each income group divided by 12 to provide the maximum affordable monthly rent at that income level.

For the Gap, Cost Burden, and Overcrowding analyses, the limit for Deeply Low Income (DLI) households, 15 percent of median income, is calculated in addition to ELI, VLI, LI, Moderate and Above Moderate households for the County and each of the Supervisorial Districts (SDs). DLI is calculated by multiplying the HUD adjusted four-person income limit for VLI households by 30 percent to define the income threshold.

## Additional Methodology Notes for Gap Analysis

The Gap Analysis is calculated based on rental home affordability and the income level of the household that occupies the home. For example, the number of rental homes that are affordable and either vacant or occupied by a DLI household ("Affordable and Available") is determined by adding the number of vacant rental units and the number of units occupied that are affordable to DLI. Table 2 in the body of this Report provides an overview of the number of rental homes affordable to each income group.

To determine the number of households within each income category, households are grouped using HUD's adjusted income limits for all household sizes and are identified as DLI, ELI, VLI, LI, Moderate Income and Above Moderate Income accordingly (refer to Table 3). "All Households (Cumulative)" is calculated by summing the number of households within the income group and households in lower income groups. For example, the number of households that are at or below the VLI threshold income include all DLI, ELI and VLI households (i.e.,160,096 + 298,920 + 298,193 = 757,209).

An "affordable" home is one with housing costs that are 30 percent or less of a household's income. "Affordable and Available" homes are those with housing costs that are affordable at a particular level of income and are either vacant or occupied by households at or below the income group threshold.[15] "Rental Homes 'Affordable and Available' (Cumulative)" is the number of rental homes that are affordable and either vacant or occupied by a household at or below the income group threshold. For example, the number of rental homes that are affordable and available to ELI households are the vacant and affordable homes to DLI and ELI households and occupied affordable DLI and ELI homes occupied by households at or below the ELI income threshold.

The "Cumulative Surplus or Shortfall of Affordable Rental Homes" for each income group is the lower income groups' "Cumulative Surplus or Shortfall of Affordable Rental Homes" subtracted from the

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[15] NLIHC. *The Gap Report.* 2017. Website: https://nlihc.org/sites/default/files/Gap-Report_2017.pdf.

difference between the number of "Rental Homes 'Affordable and Available' (Cumulative)" and the number of "All Households (Cumulative)." For example, the 358,866 "Cumulative Surplus or Shortfall of Affordable Rental Homes" for ELI households is the difference between the 459,016 households at or below the ELI threshold income and the 100,150 affordable and available rental homes to the ELI income group and below.

## Additional Methodology Notes for Cost Burden Analysis

The Cost Burden Analysis is calculated based on a household's monthly income and their monthly housing costs. Housing costs include what a household pays in rent and for utilities (i.e. electricity, fuel, gas and water). The percentage of a household's monthly income that goes towards housing costs determines whether that household is cost burdened.

To classify households as cost burdened, we first re-calculate the Gross Rent Paid as Percentage of Income available in the PUMS dataset so that it takes account the cost of utilities. Accordingly, for all renter households, we add monthly utilities to rent paid by each household, multiply this total by 12 to get annual rent then divide by the household income. For all occupied renter households (so excluding vacant rental units), we now know the percentage of each household's income paid in housing costs, or rent and utilities.

We then label each household's cost burden based on the percent of income spent on housing costs:

- 0-0.299 = not cost burdened
- 0.30-0.499 = moderately cost burdened
- 0.50-1.01 = severely cost burdened

Thus, households that spend less than 30 percent of their income towards housing costs are considered not cost burdened. Households that spend more than 30 percent and more than 50 percent of their income on housing costs are considered moderately cost burdened and severely cost burdened, respectively. For example, a four-person VLI household that earns $3,600 monthly and pays $1,260 in housing costs are cost burdened as they are paying 35 percent of their monthly income on housing costs.

## Additional Methodology Notes for Overcrowding Analysis

To measure overcrowding in Los Angeles County, we use a modified version of Legislative Analyst's Office's (LAO) overcrowding measure used in "California's High Housing Costs: Causes and Consequences." In the LAO report, overcrowding is defined as more than one adult per room, counting two children as equivalent to one adult. Rooms are defined as everything except the bathroom. For the purposes of this analysis, we do not count kitchens as rooms either. With these caveats, rooms that would be included in the measure are bedrooms or common living space (such as a living room or dining room), but bathrooms, kitchens or areas of the home that are unfinished or not suited for year-round use are excluded.[16]

[16] The Overcrowding Analysis used the U.S. Census Bureau's definition of a room, excluding the kitchen. For the full definition, visit https://www.census.gov/housing/hvs/definitions.pdf.

To classify households as overcrowded, we first re-calculate the number of rooms in each unit so that kitchens are excluded. As is, PUMS defines rooms as living rooms, dining rooms, kitchens, bedrooms, finished recreation rooms, enclosed porches suitable for year-round use and lodger's rooms. Excluded are strip or pullman kitchens, bathrooms, open porches, balconies, halls or foyers, half-rooms, utility rooms, unfinished attics or basements or other unfinished space used for storage. A partially divided room is a separate room only if there is a partition from floor to ceiling, but not if the partition consists solely of shelves or cabinets.[17]

Next, we determine the number of adults per room – counting two children as one adult. For all occupied renter households (so excluding vacant rental units), we subtract the number of persons in the housing unit (which counts all children as one person) by the number of children reported in the household divided by two, all over the number of rooms (net the kitchen, when applicable). We divide the number of children by two because our measure of overcrowding counts two children as one adult.

Each household is then given a crowding designation based on the ratio of individuals per bedroom.

- 0-1.00 = not overcrowded
- 1.01-2.00 = moderately overcrowded
- Greater than 2.00 = severely overcrowded

## Additional Methodology Notes for Risk Assessment

The California Housing Partnership's risk assessment analyzes the risk of a development converting to market rate. The assessment includes affordable developments financed or assisted by HUD, USDA and LIHTC programs. Each affordable housing development is assigned a risk designation based on the development's length of affordability, overlapping subsidies and owner entity type. Risk designations and criteria include:

- **Very High Risk of Conversion:** Affordability restrictions end in less than one year, there are no overlapping subsidies that extend affordability and the development is not owned by a large and stable non-profit, mission-driven developer.
- **High Risk of Conversion:** Affordability restrictions end in one to five years, there are no overlapping subsidies that extend affordability and the development is not owned by a large and stable non-profit, mission-driven developer.
- **Moderate Risk of Conversion:** Affordability restrictions end in five to ten years, there are no overlapping subsidies that extend affordability and the development is not owned by a large and stable non-profit, mission-driven developer.
- **Low Risk of Conversion:** Affordability restrictions extend beyond ten years or the development is owned by a large and stable non-profit, mission-driven developer.

[17] For a full set of Census Bureau definitions and explanations, see https://www.census.gov/housing/hvs/definitions.pdf.

The California Housing Partnership's Preservation Database is updated quarterly with the most complete and available data provided by each agency. The data is then cleaned and duplicate information is removed using both automated processes and manual checks. Every effort is made to ensure the information presented is as precise as possible; however, there may be unanticipated inaccuracies in this analysis and in the data received from Federal and State agencies.

## Additional Methodology Notes for the Development Cost Analysis

The Development Cost Analysis uses cost data provided by the California Tax Credit Allocation Committee (TCAC) on all affordable multifamily rental housing developments awarded LIHTCs in Los Angeles County between 2008 and 2018 for both new construction and acquisition/rehabilitation. This data includes both initial cost data and final cost data. Initial cost data comes from TCAC Applications and final cost data was provided by TCAC staff in the form of final cost certifications sent by applicants to TCAC upon developments being placed in service. 44 percent of cost data used in this report's analysis is from application materials ("initial") and 56 percent is from final cost certifications ("final").

Analysis comparing initial application cost data and final cost data reveals that 31 percent of developments receiving tax credits in Los Angeles County report an initial TDC within +/- 2% of the final TDC, 58 percent report an initial TDC within +/- 5% of the final TDC and 82 percent report an initial TDC within +/- 10% of the final TDC. The distribution of cost differences between application materials and final cost certifications is approximately normal.

For the housing type portion of this analysis, all SRO developments were collapsed in the special needs housing type.

All years represented in the cost analysis refer to the property's LIHTC award year.

## Additional Methodology Notes for Gentrification and Displacement Risk

The analysis in Section 4 uses a methodology developed by UCLA researchers as part of an inter-university initiative with UC Berkeley and Portland State called the Urban Displacement Project. The Project tracks gentrification and assesses displacement risk in socioeconomically disadvantaged census tracts in Los Angeles County that meet either of the following criteria:

- Tracts that experienced gentrification between 2000 and 2015, as determined by whether they experienced greater changes in the following areas relative to County-level trends during the same period: 1) the percentage point increase in college educated population; 2) the percentage point increase in the non-Hispanic white population; 3) the absolute value increase in median household income; and 4) the absolute value increase in gross rent;[18] or
- Tracts that are at moderate or high risk of future gentrification based on multiple risk factors including housing market dynamics, demographics, and proximity to transit.[19]

[18] University of California, Berkeley and University of California, Los Angeles. 2017. Developing a New Methodology for Analyzing Potential Displacement. Prepared for the California Air Resources Board and the California Environmental Protection Agency. Website: https://www.arb.ca.gov/research/apr/past/13-310.pdf.

[19] University of California, Los Angeles, 2019. Modeling tool to predict where gentrification occurs. Website: http://www.urbandisplacement.org/map/socal.

## Additional Methodology Notes for Transit Access

To capture transit-oriented areas in Los Angeles County, the analysis in Section 4 uses the Southern California Association of Government's (SCAG) 2040 High Quality Transit Areas (HQTA) in the County, as directed by the Board-approved Template. SCAG defines High Quality Transit Areas as being within 1/2-mile of stations with service every 15 minutes or less during peak commute times, including both fixed guideway transit ad bus rapid transit. This definition is consistent with State housing program, except in that the criteria for defining proximity to transit stations varies somewhat across programs; for example, regulations for awarding Tax Credits defines proximity as 1/3-mile, while other State programs (like SCAG) use 1/2-mile.

## Additional Methodology Notes for Neighborhood Resources and Opportunity

This portion of the analysis in Section 4 uses "opportunity maps" that the State's two main affordable housing funding agencies, the Tax Credit Allocation Committee (TCAC) and the Department of Housing and Community Development (HCD), adopted in 2017 to inform policies that incentivize affordable housing for families to be located in higher-resource neighborhoods. Tracts in each regional map are assigned to one of four categories (Highest Resource; High Resource; Moderate Resource and Low Resource) based on regionally derived scores for 16 evidence-based neighborhood indicators, or to a fifth category (High Segregation and Poverty) if they are both racially segregated and high-poverty. Tracts whose opportunity index scores are in the top 20 percent of each region are categorized as Highest Resource, and tracts whose scores fall into the next 20 percent of each region (top 20-40%) are categorized as High Resource.

See the California Tax Credit Allocation Committee's website for the full opportunity mapping methodology, as well as an interactive maps and a downloadable file with scores and designations for each tract: http://www.treasurer.ca.gov/ctcac/opportunity.asp.

# Appendix B: Full Data Findings, Section 1

## Gap Analysis

| Rental Homes Affordable to Income Group | Vacant Rental | Occupied by DLI | Occupied by ELI | Occupied by VLI | Occupied by LI | Occupied by Moderate Income | Occupied by Above Moderate Income | Total |
|---|---|---|---|---|---|---|---|---|
| Affordable to DLI | 1,790 | 18,220 | 18,510 | 6,563 | 7,248 | 5,260 | 6,486 | **64,077** |
| Affordable to ELI | 2,244 | 14,989 | 44,397 | 7,901 | 5,463 | 4,349 | 2,678 | **82,021** |
| Affordable to VLI | 7,818 | 21,442 | 54,539 | 41,850 | 34,032 | 19,260 | 12,556 | **191,497** |
| Affordable to LI | 24,895 | 62,549 | 133,114 | 166,719 | 186,312 | 131,719 | 83,901 | **789,209** |
| Affordable to Moderate Income | 23,761 | 30,580 | 42,161 | 66,760 | 106,317 | 112,457 | 165,377 | **547,413** |
| Affordable to Above Moderate Income | 19,037 | 12,316 | 6,199 | 8,400 | 16,152 | 28,231 | 112,803 | **203,138** |
| Total | **79,545** | **160,096** | **298,920** | **298,193** | **355,524** | **301,276** | **383,801** | **1,877,355** |

Table A: Los Angeles County Rental Homes Affordable to and Occupied by Each Income Group

Source: California Housing Partnership analysis of 2017 1-year ACS PUMS data with HUD Income Levels and DLI using adapted NLIHC methodology.

| Table B: Housing Affordability Gap Analysis for Renter Households by Year | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | DLI | ELI | VLI | LI | Moderate Income | Above Moderate Income |
| 2014 | All Households at or Below Threshold Income | 167,670 | 506,480 | 832,028 | 1,157,197 | 1,433,407 | 1,779,944 |
| | Rental Homes "Affordable & Available" to Income Group and Below | 17,033 | 86,721 | 250,205 | 928,740 | 1,435,995 | 1,857,185 |
| | Cumulative Surplus or Shortfall of Affordable Rental Homes* | -150,637 | -419,759 | -581,823 | -228,457 | 2,588 | 77,241 |
| | Share of Housing Need Not Being Met** (Cumulative) | 90% | 83% | 70% | 20% | 0% | 0% |
| 2015 | All Households at or Below Threshold Income | 164,065 | 462,454 | 787,861 | 1,135,982 | 1,415,521 | 1,792,399 |
| | Rental Homes "Affordable & Available" to Income Group and Below | 15,105 | 87,607 | 236,054 | 865,214 | 1,398,152 | 1,865,181 |
| | Cumulative Surplus or Shortfall of Affordable Rental Homes | -148,960 | -374,847 | -551,807 | -270,768 | -17,369 | 72,782 |
| | Share of Housing Need Not Being Met (Cumulative) | 91% | 81% | 70% | 24% | 1% | 0% |
| 2016 | All Households at or Below Threshold Income | 177,352 | 507,239 | 828,074 | 1,172,939 | 1,453,058 | 1,823,433 |
| | Rental Homes "Affordable & Available" to Income Group and Below | 16,186 | 99,368 | 259,819 | 921,584 | 1,432,306 | 1,896,161 |
| | Cumulative Surplus or Shortfall of Affordable Rental Homes | -161,166 | -407,871 | -568,255 | -251,355 | -20,752 | 72,728 |
| | Share of Housing Need Not Being Met (Cumulative) | 91% | 80% | 69% | 21% | 1% | 0% |
| 2017 | All Households at or Below Threshold Income | 160,096 | 459,016 | 757,209 | 1,112,733 | 1,414,009 | 1,797,810 |
| | Rental Homes "Affordable & Available" to Income Group and Below | 20,010 | 100,150 | 240,263 | 860,595 | 1,403,219 | 1,877,355 |
| | Cumulative Surplus or Shortfall of Affordable Rental Homes | -140,086 | -358,866 | -516,946 | -252,138 | -10,790 | 79,545 |
| | Share of Housing Need Not Being Met (Cumulative) | 88% | 78% | 68% | 23% | 1% | 0% |

Source: California Housing Partnership analysis of 2014, 2015, 2016 and 2017 1-year PUMS data with HUD Income Levels and DLI using adapted NLIHC methodology.

*The surplus or shortfall includes homes occupied by a household at or below the income threshold of the income group.

**This figure is the proportion of total housing demand for each income group that is not being met (shortfall / total demand).

| Table C: Housing Affordability Gap Analysis for Renter Households by SD | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | DLI | ELI | VLI | LI | Moderate Income | Above Moderate Income | Total |
| SD 1 | Households within Income Category | 30,669 | 67,864 | 63,574 | 73,628 | 48,867 | 43,475 | 328,077 |
| | Rental Homes "Affordable and Available" to Income Group and Below | 4,079 | 23,386 | 63,277 | 206,902 | 283,998 | 337,738 | 337,738 |
| | All Households at or Below Threshold Income | 30,669 | 98,533 | 162,107 | 235,735 | 284,602 | 328,077 | 328,077 |
| | Cumulative Surplus or Shortfall of Affordable Rental Homes* | -26,589 | -75,146 | -98,829 | -28,833 | -603 | 9,661 | 9,661 |
| SD 2 | Households within Income Category | 50,095 | 86,049 | 85,716 | 85,069 | 55,880 | 63,813 | 426,621 |
| | Rental Homes "Affordable and Available" to Income Group and Below | 5,307 | 27,417 | 75,130 | 254,756 | 362,490 | 445,913 | 445,913 |
| | All Households at or Below Threshold Income | 50,095 | 136,144 | 221,859 | 306,928 | 362,808 | 426,621 | 426,621 |
| | Cumulative Surplus or Shortfall of Affordable Rental Homes | -44,788 | -108,727 | -146,729 | -52,172 | -318 | 19,292 | 19,292 |
| SD 3 | Households within Income Category | 37,187 | 68,085 | 63,865 | 77,106 | 75,863 | 126,846 | 448,953 |
| | Rental Homes "Affordable and Available" to Income Group and Below | 3,179 | 20,993 | 41,220 | 163,513 | 308,714 | 472,428 | 472,428 |
| | All Households at or Below Threshold Income | 37,187 | 105,272 | 169,137 | 246,243 | 322,107 | 448,953 | 448,953 |
| | Cumulative Surplus or Shortfall of Affordable Rental Homes | -34,008 | -84,279 | -127,917 | -82,730 | -13,393 | 23,475 | 23,475 |
| SD 4 | Households within Income Category | 22,555 | 45,631 | 50,491 | 62,270 | 56,070 | 75,205 | 312,222 |
| | Rental Homes "Affordable and Available" to Income Group and Below | 2,866 | 12,801 | 33,758 | 141,331 | 237,160 | 325,396 | 325,396 |
| | All Households at or Below Threshold Income | 22,555 | 68,186 | 118,677 | 180,947 | 237,017 | 312,222 | 312,222 |
| | Cumulative Surplus or Shortfall of Affordable Rental Homes | -19,689 | -55,385 | -84,919 | -39,616 | 143 | 13,174 | 13,174 |
| SD 5 | Households within Income Category | 28,218 | 46,774 | 45,869 | 52,121 | 54,017 | 67,749 | 294,750 |
| | Rental Homes "Affordable and Available" to Income Group and Below | 2,667 | 15,161 | 36,655 | 124,587 | 225,401 | 305,282 | 305,282 |
| | All Households at or Below Threshold Income | 28,218 | 74,993 | 120,862 | 172,983 | 227,000 | 294,750 | 294,750 |
| | Cumulative Surplus or Shortfall of Affordable Rental Homes | -25,551 | -59,832 | -84,207 | -48,396 | -1,599 | 10,532 | 10,532 |

Source: California Housing Partnership analysis of 2016-2017 1-year ACS PUMS data with HUD Income Levels and DLI using adapted NLIHC methodology.
*The surplus or shortfall includes homes occupied by a household at or below the income threshold of the income group.

## Cost Burden Analysis

| Table D: Los Angeles County Cost Burden Analysis for Renter Households | | | | | | | |
|---|---|---|---|---|---|---|---|
| Income Group | Total Households | Not Cost Burdened | | Moderately Cost Burdened | | Severely Cost Burdened | |
| | Total | # | % of Total | # | % of Total | # | % of Total |
| DLI | 160,096 | 7,571 | 5% | 6,014 | 4% | 146,511 | 91% |
| ELI | 298,920 | 33,529 | 11% | 50,248 | 17% | 215,143 | 72% |
| VLI | 298,193 | 38,169 | 13% | 125,170 | 42% | 134,854 | 45% |
| LI | 355,524 | 148,486 | 42% | 158,952 | 45% | 48,086 | 13% |
| Moderate Income | 301,276 | 209,346 | 70% | 82,021 | 27% | 9,909 | 3% |
| Above Moderate Income | 383,801 | 353,166 | 92% | 30,033 | 8% | 602 | 0.2% |
| **All Income Groups** | **1,797,810** | **790,267** | **44%** | **452,438** | **25%** | **555,105** | **31%** |

Source: California Housing Partnership analysis of 2017 1-year ACS PUMS data with HUD Income Levels and DLI using adapted NLIHC methodology.

| Table E: Los Angeles County Cost Burden Analysis for Renter Households with Children | | | | | | | |
|---|---|---|---|---|---|---|---|
| Income Group | Total Households | Not Cost Burdened | | Moderately Cost Burdened | | Severely Cost Burdened | |
| | Total | # | % of Total | # | % of Total | # | % of Total |
| DLI | 50,691 | 1,003 | 2% | 1,840 | 4% | 47,848 | 94% |
| ELI | 111,842 | 5,781 | 5% | 16,383 | 15% | 89,678 | 80% |
| VLI | 126,753 | 19,147 | 15% | 66,083 | 52% | 41,523 | 33% |
| LI | 139,220 | 71,579 | 51% | 57,743 | 42% | 9,898 | 7% |
| Moderate Income | 93,772 | 74,968 | 80% | 17,606 | 19% | 1,198 | 1% |
| Above Moderate Income | 86,594 | 81,586 | 94% | 5,008 | 6% | 0 | 0% |
| **All Income Groups** | **608,872** | **254,064** | **42%** | **164,663** | **27%** | **190,145** | **31%** |

Source: California Housing Partnership analysis of 2017 1-year ACS PUMS data with HUD Income Levels and DLI using adapted NLIHC methodology.

| Table F: Los Angeles County Cost Burden Analysis for Senior Renter Households | | | | | | | |
|---|---|---|---|---|---|---|---|
| Income Group | Total Households | Not Cost Burdened | | Moderately Cost Burdened | | Severely Cost Burdened | |
| | Total | # | % of Total | # | % of Total | # | % of Total |
| DLI | 27,977 | 1,892 | 7% | 2,260 | 8% | 23,825 | 85% |
| ELI | 96,485 | 21,215 | 22% | 23,608 | 25% | 51,662 | 53% |
| VLI | 45,262 | 8,493 | 19% | 16,077 | 35% | 20,692 | 46% |
| LI | 34,119 | 16,108 | 47% | 12,771 | 37% | 5,240 | 16% |
| Moderate Income | 24,194 | 15,652 | 65% | 7,094 | 29% | 1,448 | 6% |
| Above Moderate Income | 26,641 | 22,783 | 85% | 3,677 | 14% | 181 | 0.7% |
| **All Income Groups** | **254,678** | **86,143** | **34%** | **65,487** | **26%** | **103,048** | **40%** |

Source: California Housing Partnership analysis of 2017 1-year ACS PUMS data with HUD Income Levels and DLI using adapted NLIHC methodology.

| Table G: Percentage of Cost Burden Households by Income Group and Supervisorial District | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | DLI | ELI | VLI | LI | Moderate Income | Above Moderate Income | Total |
| SD 1 | Not Cost Burdened | 8% | 14% | 19% | 57% | 82% | 95% | **45%** |
| | Moderately Cost Burdened | 4% | 20% | 52% | 37% | 16% | 4% | **26%** |
| | Severely Cost Burdened | 88% | 66% | 29% | 6% | 2% | 0.3% | **29%** |
| SD 2 | Not Cost Burdened | 4% | 9% | 16% | 48% | 74% | 90% | **39%** |
| | Moderately Cost Burdened | 4% | 19% | 44% | 41% | 22% | 10% | **26%** |
| | Severely Cost Burdened | 92% | 72% | 40% | 11% | 4% | 0.2% | **35%** |
| SD 3 | Not Cost Burdened | 3% | 10% | 8% | 32% | 59% | 90% | **43%** |
| | Moderately Cost Burdened | 4% | 15% | 34% | 47% | 35% | 10% | **25%** |
| | Severely Cost Burdened | 93% | 75% | 58% | 21% | 6% | 0.3% | **32%** |
| SD 4 | Not Cost Burdened | 5% | 11% | 13% | 38% | 72% | 93% | **47%** |
| | Moderately Cost Burdened | 3% | 15% | 43% | 49% | 26% | 7% | **25%** |
| | Severely Cost Burdened | 92% | 74% | 44% | 13% | 2% | 0.2% | **28%** |
| SD 5 | Not Cost Burdened | 3% | 11% | 9% | 33% | 69% | 93% | **43%** |
| | Moderately Cost Burdened | 3% | 14% | 38% | 55% | 28% | 7% | **25%** |
| | Severely Cost Burdened | 94% | 75% | 53% | 12% | 3% | 0.1% | **32%** |

Source: California Housing Partnership analysis of 2016-2017 1-year ACS PUMS data with HUD Income Levels and DLI using adapted NLIHC methodology.

## Overcrowding Analysis

| Table H: Los Angeles County Overcrowding Analysis for Renter Households | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Income Group | Total Households | Not Overcrowded | | Moderately Overcrowded | | Severely Overcrowded | | |
| DLI | 160,096 | 134,386 | 84% | 21,062 | 13% | 4,648 | 3% |
| ELI | 298,920 | 222,175 | 74% | 63,174 | 21% | 13,571 | 5% |
| VLI | 298,193 | 209,032 | 70% | 73,584 | 25% | 15,577 | 5% |
| LI | 355,524 | 250,912 | 71% | 89,166 | 25% | 15,446 | 4% |
| Moderate Income | 301,276 | 228,936 | 76% | 61,270 | 20% | 11,070 | 4% |
| Above Moderate Income | 383,801 | 330,465 | 86% | 48,556 | 13% | 4,780 | 1% |
| All Income Groups | **1,797,810** | **1,375,906** | **76%** | **356,812** | **20%** | **65,092** | **4%** |

Source: 2017 1-year ACS PUMS-based analysis with HUD Income Levels and DLI prepared by the California Housing Partnership.

| Table I: Percentage of Overcrowded Households by Income Group and Supervisorial District | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | DLI | ELI | VLI | LI | Moderate Income | Above Moderate Income | Total |
| SD 1 | Not Overcrowded | 77% | 67% | 63% | 62% | 67% | 76% | **67%** |
| | Moderately Overcrowded | 17% | 27% | 30% | 31% | 29% | 21% | **27%** |
| | Severely Overcrowded | 6% | 6% | 7% | 7% | 4% | 3% | **6%** |
| SD 2 | Not Overcrowded | 82% | 72% | 67% | 68% | 72% | 83% | **73%** |
| | Moderately Overcrowded | 15% | 22% | 26% | 27% | 23% | 16% | **22%** |
| | Severely Overcrowded | 3% | 6% | 7% | 5% | 5% | 1% | **5%** |
| SD 3 | Not Overcrowded | 86% | 75% | 73% | 75% | 80% | 88% | **80%** |
| | Moderately Overcrowded | 10% | 20% | 22% | 21% | 17% | 11% | **17%** |
| | Severely Overcrowded | 4% | 5% | 5% | 4% | 3% | 1% | **3%** |
| SD 4 | Not Overcrowded | 84% | 76% | 71% | 75% | 79% | 87% | **79%** |
| | Moderately Overcrowded | 13% | 19% | 24% | 22% | 19% | 11% | **18%** |
| | Severely Overcrowded | 3% | 5% | 5% | 3% | 2% | 2% | **3%** |
| SD 5 | Not Overcrowded | 90% | 85% | 77% | 79% | 83% | 89% | **84%** |
| | Moderately Overcrowded | 9% | 13% | 19% | 19% | 15% | 10% | **14%** |
| | Severely Overcrowded | 1% | 2% | 4% | 2% | 2% | 1% | **2%** |

Source: 2016-2017 PUMS-based analysis with HUD Income Levels and DLI prepared by the California Housing Partnership.

# Appendix C: Full Data Findings, Section 2

## Affordable Housing Inventory

| Table A: LIHTC Development in Los Angeles County, 1987-2018 | | | | |
|---|---|---|---|---|
| Year Awarded | Developments | Affordable Homes | Annual Federal Credits Awarded* | State Credits Awarded* |
| 1987 | 1 | 59 | $62,158 | $315,660 |
| 1988 | 7 | 226 | $867,715 | $3,027,162 |
| 1989 | 8 | 433 | $2,539,258 | $8,083,060 |
| 1990 | 21 | 848 | $7,316,609 | $357,576 |
| 1991 | 11 | 331 | $3,637,134 | $4,127,305 |
| 1992 | 36 | 1,667 | $15,280,839 | $1,926,842 |
| 1993 | 36 | 2,515 | $22,872,108 | $4,024,016 |
| 1994 | 15 | 843 | $8,672,710 | $0 |
| 1995 | 22 | 1,086 | $8,115,919 | $362,382 |
| 1996 | 37 | 1,776 | $17,395,276 | $4,895,037 |
| 1997 | 34 | 1,509 | $10,993,667 | $0 |
| 1998 | 29 | 2,450 | $13,309,462 | $2,202,977 |
| 1999 | 41 | 3,257 | $14,717,560 | $1,354,736 |
| 2000 | 39 | 3,139 | $21,458,447 | $2,524,985 |
| 2001 | 34 | 3,286 | $15,875,549 | $1,934,174 |
| 2002 | 45 | 3,768 | $30,112,497 | $4,990,387 |
| 2003 | 39 | 2,876 | $24,311,267 | $6,318,716 |
| 2004 | 40 | 3,436 | $28,787,911 | $7,656,436 |
| 2005 | 33 | 2,306 | $21,862,669 | $0 |
| 2006 | 39 | 3,196 | $33,586,829 | $21,761,601 |
| 2007 | 30 | 2,451 | $28,347,851 | $13,409,452 |
| 2008 | 33 | 3,314 | $31,957,611 | $0 |
| 2009 | 41 | 3,015 | $31,891,658 | $0 |
| 2010 | 32 | 2,074 | $29,429,628 | $2,030,750 |
| 2011 | 53 | 3,474 | $44,156,298 | $15,549,640 |
| 2012 | 40 | 2,822 | $35,362,984 | $16,164,656 |
| 2013 | 50 | 3,952 | $45,475,657 | $6,082,297 |
| 2014 | 40 | 2,789 | $38,109,127 | $10,538,565 |
| 2015 | 41 | 4,037 | $46,887,518 | $23,932,893 |
| 2016 | 64 | 5,344 | $67,599,806 | $27,226,965 |
| 2017 | 33 | 2,348 | $46,102,536 | $34,972,363 |
| 2018 | 47 | 3,525 | $62,364,953 | $34,161,492 |
| Total | 1,071 | 78,152 | **$809,461,211** | **$259,932,125** |

Source: California Housing Partnership analysis of TCAC projects database.
*All dollar figures are represented in nominal value.

| Table B: Lost Affordable Homes in Los Angeles County, 1997-2018 | | | | |
|---|---|---|---|---|
| Year | HUD Affordable Homes | LIHTC Affordable Homes | Total Affordable Homes | % of Total Homes Lost |
| 1997 | 630 | 0 | 630 | 12% |
| 1998 | 601 | 0 | 601 | 11% |
| 1999 | 317 | 0 | 317 | 6% |
| 2000 | 450 | 0 | 450 | 9% |
| 2001 | 75 | 0 | 75 | 1% |
| 2002 | 135 | 74 | 209 | 4% |
| 2003 | 179 | 16 | 195 | 4% |
| 2004 | 99 | 122 | 221 | 4% |
| 2005 | 8 | 999 | 1,007 | 19% |
| 2006 | 145 | 334 | 479 | 9% |
| 2007 | 269 | 0 | 269 | 5% |
| 2008 | 45 | 0 | 45 | 1% |
| 2009 | 107 | 0 | 107 | 2% |
| 2010 | 256 | 0 | 256 | 5% |
| 2011 | 29 | 0 | 29 | 1% |
| 2012 | 6 | 0 | 6 | 0% |
| 2013 | 186 | 0 | 186 | 4% |
| 2014 | 56 | 0 | 56 | 1% |
| 2015 | 113 | 0 | 113 | 2% |
| 2016 | 0 | 0 | 0 | 0% |
| 2017 | 0 | 0 | 0 | 0% |
| 2018 | 5 | 0 | 5 | 0% |
| **Total** | **3,711** | **1,545** | **5,256** | **100%** |

Source: California Housing Partnership analysis of TCAC projects database.

## Appendix C: Full Data Findings, Section 2

Figure A. SD 1 - Federal, State, and County-Administered Affordable Housing in Los Angeles County

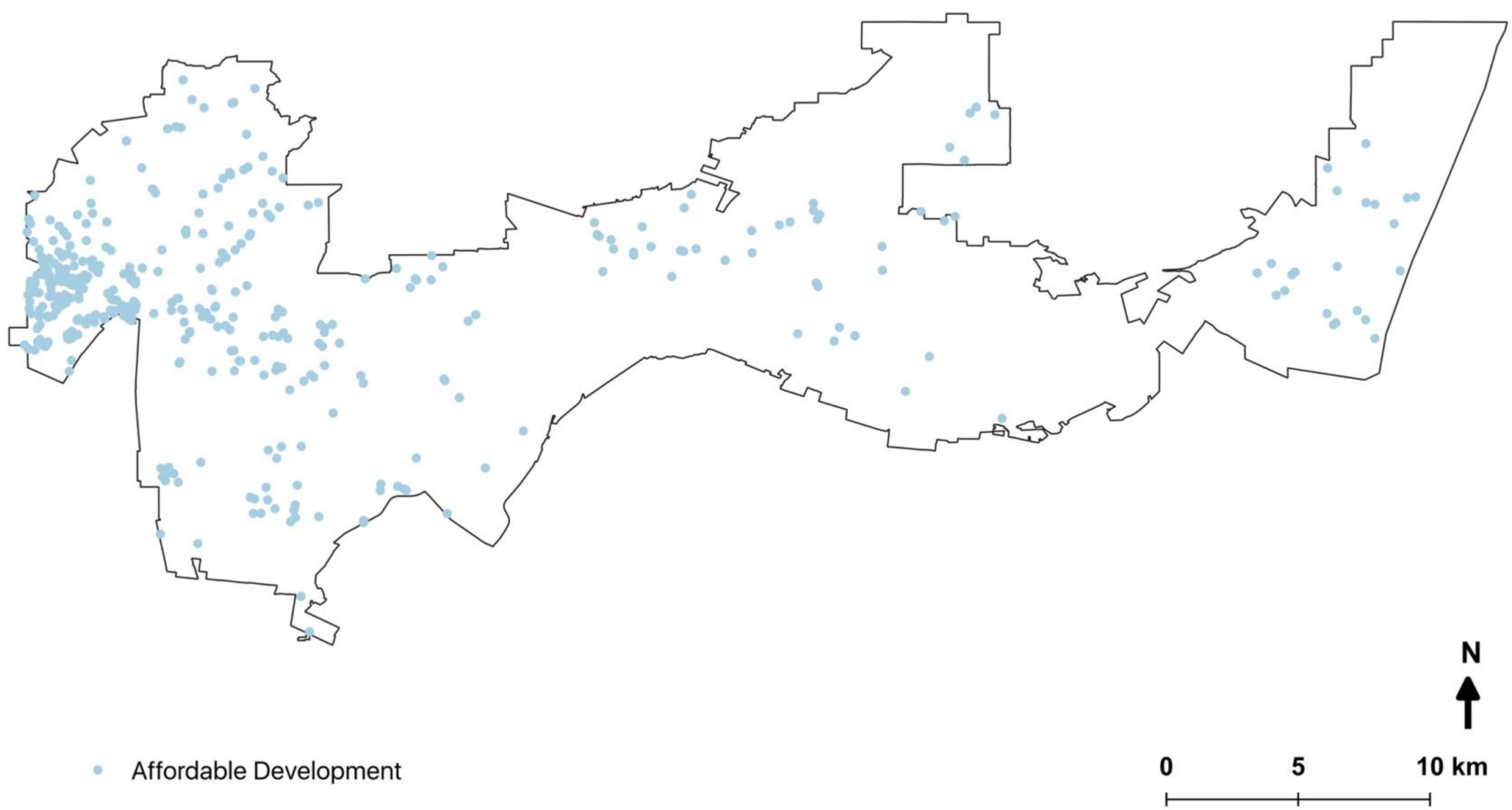


Figure B. SD 2 - Federal, State, and County-Administered Affordable Housing in Los Angeles County

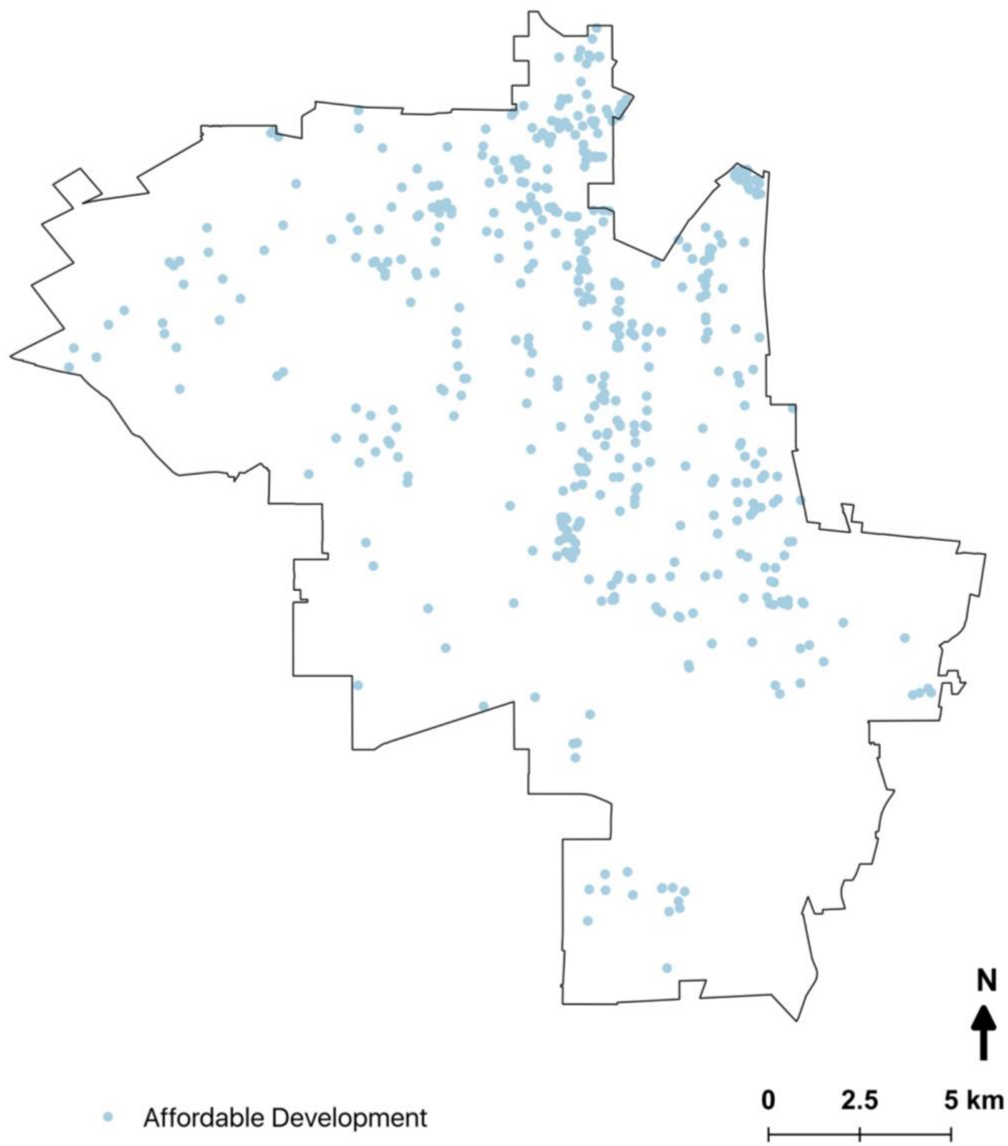


Figure C. SD 3 - Federal, State, and County-Administered Affordable Housing in Los Angeles County

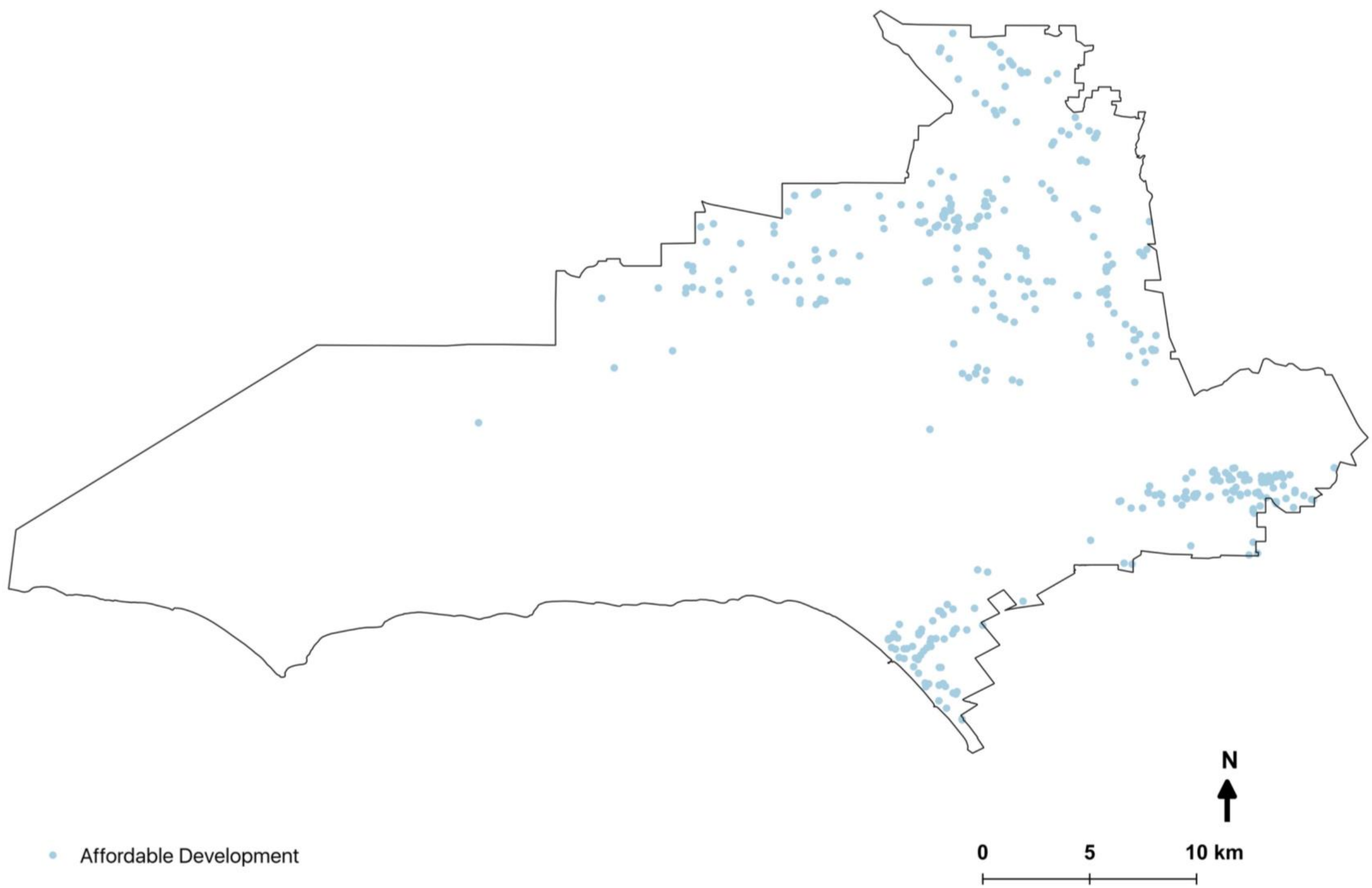


Figure D. SD 4 - Federal, State, and County-Administered Affordable Housing in Los Angeles County

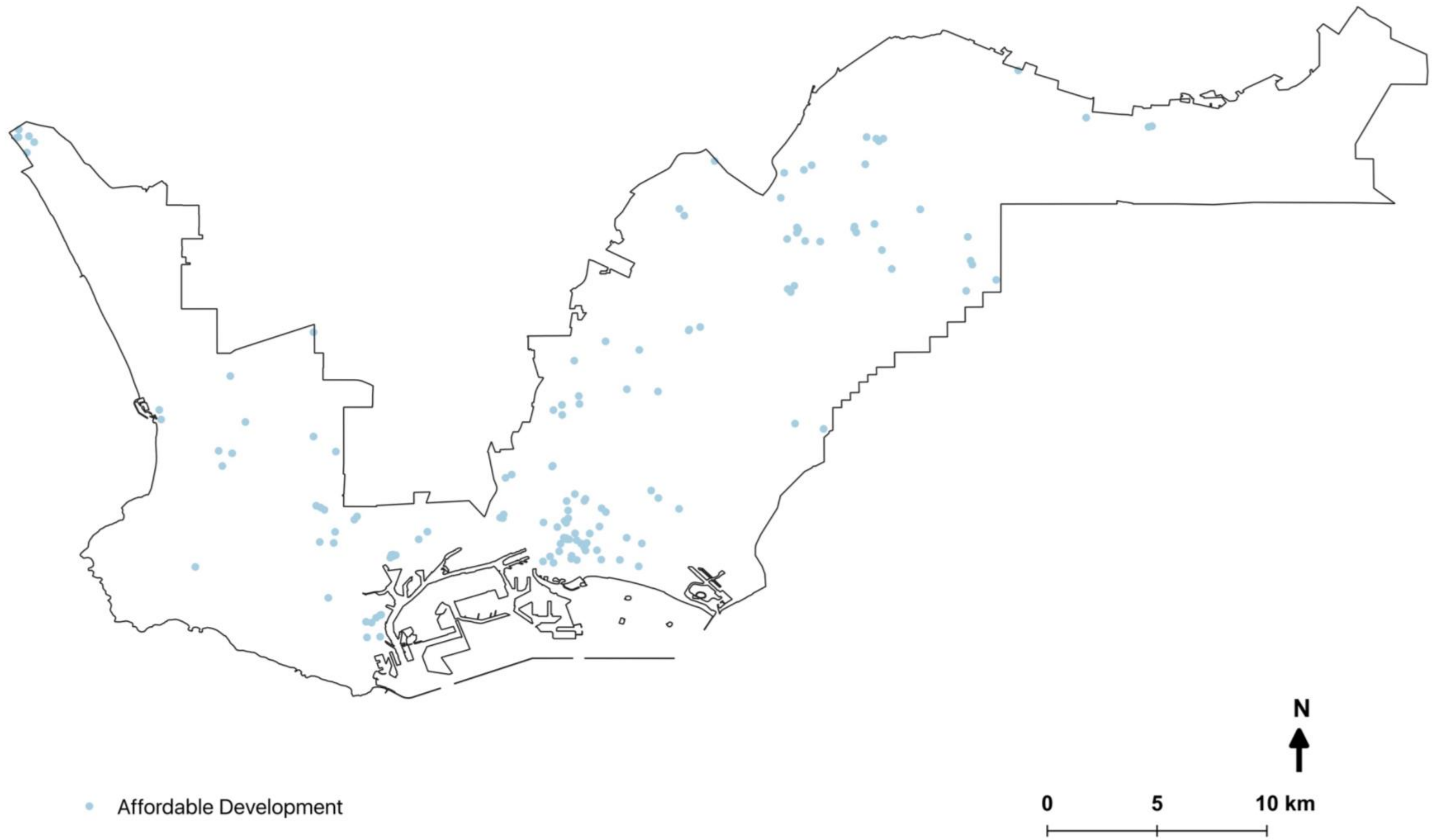
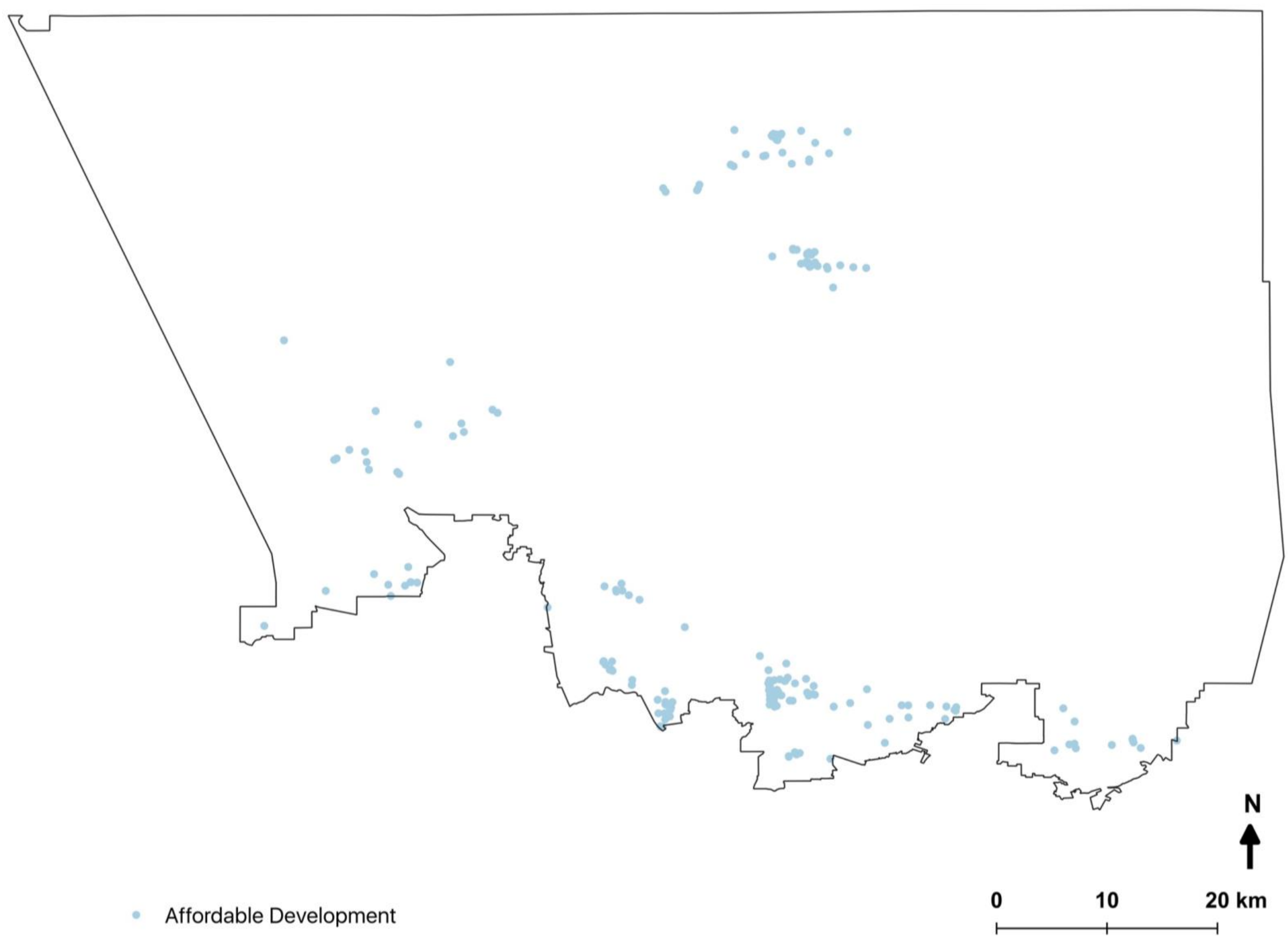


Figure E. SD 5 - Federal, State, and County-Administered Affordable Housing in Los Angeles County



| Table C: Affordable Homes At Risk of Conversion in Los Angeles County, by Risk Level | | | |
|---|---|---|---|
| **Risk Level** | **Developments** | **Affordable Homes** | **% of Total Inventory** |
| **Very High** | 77 | 4,117 | 4% |
| **High** | 113 | 6,159 | 6% |
| **Moderate** | 34 | 1,755 | 2% |
| **Low** | 1,259 | 86,440 | 88% |
| **Total** | 1,483 | 98,471 | 100% |
| **All At-Risk** | 190 | 10,276 | 10% |

Source: California Housing Partnership Preservation Database.

| Table D: Affordable Homes At Risk of Conversion in Los Angeles County, by Risk Level and Program | | | | |
|---|---|---|---|---|
| **Risk Level** | **HUD Affordable Homes** | **% of Total HUD Inventory** | **LIHTC Affordable Homes** | **% of Total LIHTC Inventory** |
| **Very High** | 3,808 | 15% | 309 | 0% |
| **High** | 5,747 | 23% | 412 | 1% |
| **Moderate** | 962 | 4% | 793 | 1% |
| **Low** | 14,494 | 58% | 71,946 | 98% |
| **Total** | 25,011 | 100% | 73,460 | 100% |
| **All At-Risk** | 9,555 | 38% | 721 | 1% |

Source: California Housing Partnership Preservation Database.

## Cost Analysis

| Table E: Summary Statistics* for Los Angeles County LIHTC Developments, by Development | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
| All Developments | 33 | 41 | 32 | 53 | 40 | 50 | 40 | 41 | 64 | 33 | 47 | **474** |
| Credit Type | | | | | | | | | | | | |
| **4%** | 22 | 9 | 13 | 32 | 14 | 25 | 23 | 24 | 43 | 17 | 35 | **257** |
| **9%** | 11 | 32 | 19 | 21 | 26 | 25 | 17 | 17 | 21 | 16 | 12 | **217** |
| City or County | | | | | | | | | | | | |
| City of Los Angeles | 19 | 28 | 19 | 34 | 29 | 23 | 24 | 20 | 41 | 20 | 33 | **290** |
| Los Angeles County | 14 | 13 | 13 | 19 | 11 | 27 | 16 | 21 | 23 | 13 | 14 | **184** |
| Construction Type | | | | | | | | | | | | |
| Acquisition/ Rehab | 14 | 11 | 6 | 11 | 16 | 27 | 20 | 20 | 33 | 11 | 18 | **187** |
| New Construction | 19 | 30 | 26 | 42 | 24 | 23 | 20 | 21 | 31 | 22 | 29 | **287** |
| Housing Type | | | | | | | | | | | | |
| At-Risk | 2 | 3 | 2 | 2 | 0 | 4 | 3 | 1 | 7 | 1 | 0 | **25** |
| Large Family | 12 | 17 | 12 | 22 | 17 | 15 | 16 | 11 | 20 | 10 | 7 | **159** |
| Non-Targeted | 2 | 0 | 1 | 8 | 5 | 7 | 3 | 5 | 12 | 3 | 12 | **58** |
| Seniors | 12 | 12 | 10 | 14 | 8 | 15 | 10 | 12 | 10 | 4 | 5 | **112** |
| Special Needs | 5 | 9 | 7 | 7 | 10 | 9 | 8 | 12 | 15 | 15 | 23 | **120** |

Source: California Housing Partnership analysis of CTCAC projects database, 2008-2018.
*The numbers in the body of this table represent the number of developments that successfully applied for Low-Income Housing Tax Credits each year for each category (or row).

## Table G: Summary Statistics* for Los Angeles County LIHTC Developments, by Bedroom

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| All Developments | 4,927 | 4,247 | 3,335 | 6,019 | 4,719 | 6,813 | 4,348 | 6,209 | 8,964 | 3,864 | 4,916 | **58,361** |
| Credit Type | | | | | | | | | | | | |
| 4% | 3,327 | 1,368 | 1,644 | 3,937 | 1,982 | 4,498 | 2,804 | 4,637 | 7,152 | 2,627 | 3,580 | **37,556** |
| 9% | 1,600 | 2,879 | 1,691 | 2,082 | 2,737 | 2,315 | 1,544 | 1,572 | 1,812 | 1,237 | 1,336 | **20,805** |
| City or County | | | | | | | | | | | | |
| City of Los Angeles | 3,366 | 3,239 | 1,768 | 4,007 | 3,164 | 3,174 | 2,625 | 1,945 | 6,309 | 2,158 | 3,002 | **34,757** |
| Los Angeles County | 1,561 | 1,008 | 1,567 | 2,012 | 1,555 | 3,639 | 1,723 | 4,264 | 2,655 | 1,706 | 1,914 | **23,604** |
| Construction Type | | | | | | | | | | | | |
| Acquisition/ Rehab | 2,078 | 1,273 | 617 | 1,359 | 2,560 | 4,449 | 2,268 | 3,802 | 5,518 | 1,829 | 2,132 | **27,885** |
| New Construction | 2,849 | 2,974 | 2,718 | 4,660 | 2,159 | 2,364 | 2,080 | 2,407 | 3,446 | 2,035 | 2,784 | **30,476** |
| Housing Type | | | | | | | | | | | | |
| At-Risk | 110 | 244 | 185 | 218 | 0 | 629 | 375 | 100 | 647 | 20 | 0 | **2,528** |
| Large Family | 2,192 | 1,831 | 1,666 | 3,175 | 2,730 | 3,411 | 2,125 | 2,288 | 3,353 | 2,036 | 1,013 | **25,820** |
| Non-Targeted | 195 | 0 | 132 | 820 | 388 | 781 | 333 | 1,100 | 3,027 | 492 | 1,665 | **8,933** |
| Seniors | 2,154 | 1,413 | 983 | 1,199 | 857 | 1,466 | 1,071 | 1,875 | 810 | 286 | 482 | **12,596** |
| Special Needs | 276 | 759 | 369 | 607 | 744 | 526 | 444 | 846 | 1,127 | 1,030 | 1,756 | **8,484** |

Source: California Housing Partnership analysis of CTCAC projects database, 2008-2018.
*The numbers in the body of this table represent the total number of bedrooms in developments that successfully applied for Low-Income Housing Tax Credits each year for each category (or row).

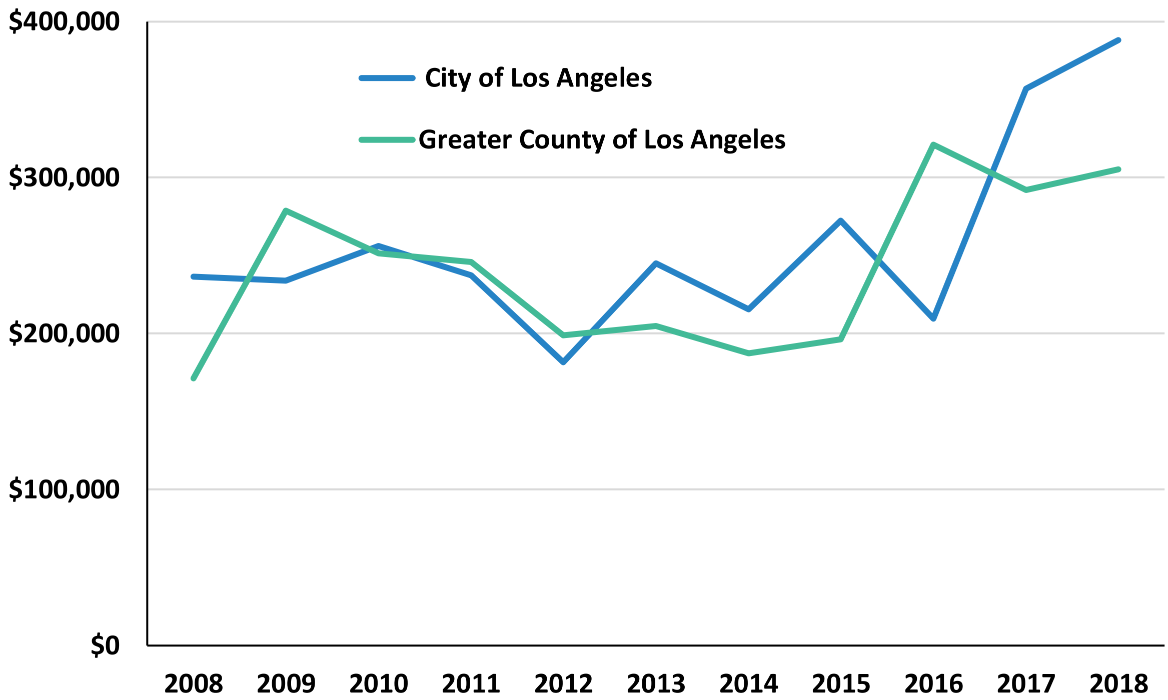
| Table I: Los Angeles County Median TDC per-Unit and per-Bedroom, 2008-2018 (in 2018 dollars) | | | | |
|---|---|---|---|---|
| Year | Median TDC/Unit | % Change* | Median TDC/Bedroom | % Change |
| **2008** | $351,510 | +1% | $206,242 | -6% |
| **2009** | $405,435 | +15% | $247,888 | +20% |
| **2010** | $389,919 | -4% | $253,805 | +2% |
| **2011** | $384,102 | -1% | $246,066 | -3% |
| **2012** | $332,939 | -13% | $186,838 | -24% |
| **2013** | $287,508 | -14% | $210,235 | +13% |
| **2014** | $321,030 | +12% | $204,310 | -3% |
| **2015** | $335,235 | +4% | $211,561 | +4% |
| **2016** | $362,359 | +8% | $229,230 | +8% |
| **2017** | $482,125 | +33% | $334,683 | +46% |
| **2018** | $494,606 | +3% | $356,309 | +6% |

Source: California Housing Partnership analysis of CTCAC projects database, 2008-2018.
*Percent change is the change in median TDC between consecutive years. For example, the 2009 percent change figure represents the change in TDC between 2008 and 2009.

| Table J: Los Angeles County Historical Trends in Median TDC by Bedroom*** (in 2018 dollars) | | | | | | | |
|---|---|---|---|---|---|---|---|
| Year | At-Risk | % Difference* | Large Family | % Difference | Seniors | % Difference | Special Needs** |
| **2008** | $201,656 | +140% | $188,511 | +157% | $194,110 | +150% | $484,958 |
| **2009** | $204,400 | +76% | $207,933 | +73% | $283,967 | +27% | $360,394 |
| **2010** | $140,590 | +167% | $173,287 | +117% | $287,286 | +31% | $375,953 |
| **2011** | $209,994 | +97% | $207,473 | +99% | $320,818 | +29% | $412,701 |
| **2012** | N/A | N/A | $172,630 | +81% | $223,049 | +40% | $312,952 |
| **2013** | $127,958 | +149% | $169,318 | +88% | $231,213 | +38% | $318,250 |
| **2014** | $142,177 | +92% | $181,466 | +50% | $227,032 | +20% | $273,018 |
| **2015** | $118,249 | +179% | $175,364 | +88% | $239,332 | +38% | $330,246 |
| **2016** | $218,935 | +51% | $178,867 | +85% | $344,021 | -4% | $330,943 |
| **2017** | $299,399 | +38% | $245,115 | +69% | $372,690 | +11% | $413,986 |
| **2018** | N/A | N/A | $282,246 | +53% | $420,114 | +3% | $431,595 |
| Average % Difference | | **+110%** | | **+87%** | | **+35%** | |

Source: California Housing Partnership analysis of CTCAC projects database, 2008-2018.
*Percent difference is the difference between median TDC per-bedroom for each housing type and the median TDC per-bedroom for Special Needs developments for each year.
**All single room occupancy (SRO) developments have been counted under the Special Needs housing type.
***Non-Targeted developments have been excluded from this table because they tend to support residents from all other housing types. Thus, comparing costs is misleading.

Figure F. Los Angeles County Median TDC per-Bedroom by Geographic Apportionment, 2008-2018 (in 2018 dollars)




Source: California Housing Partnership analysis of CTCAC projects database, 2008-2018.

# Appendix D: Full Data Findings, Section 3

Figure A. SD 1 - County-Administered Affordable Rental Housing

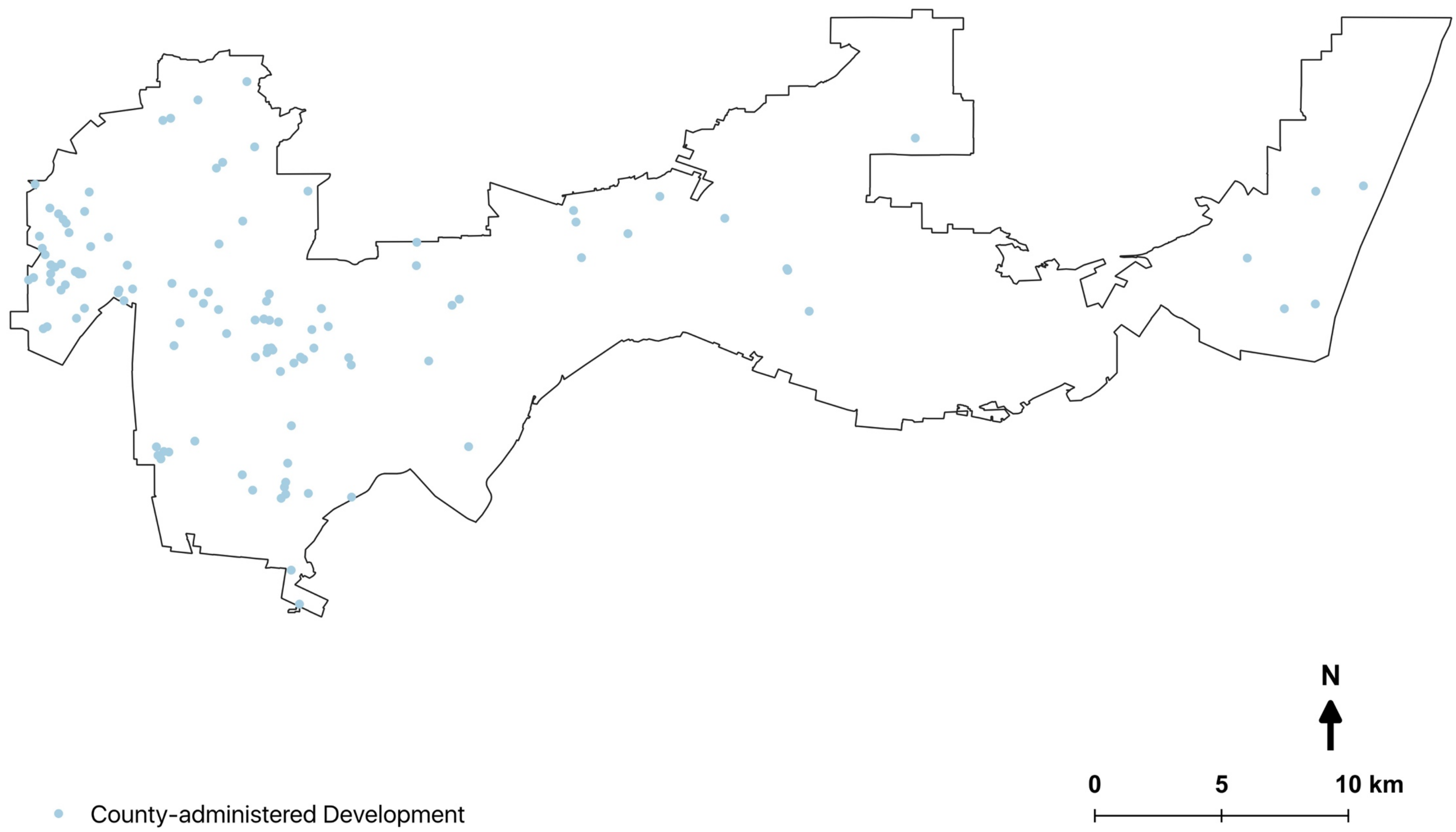
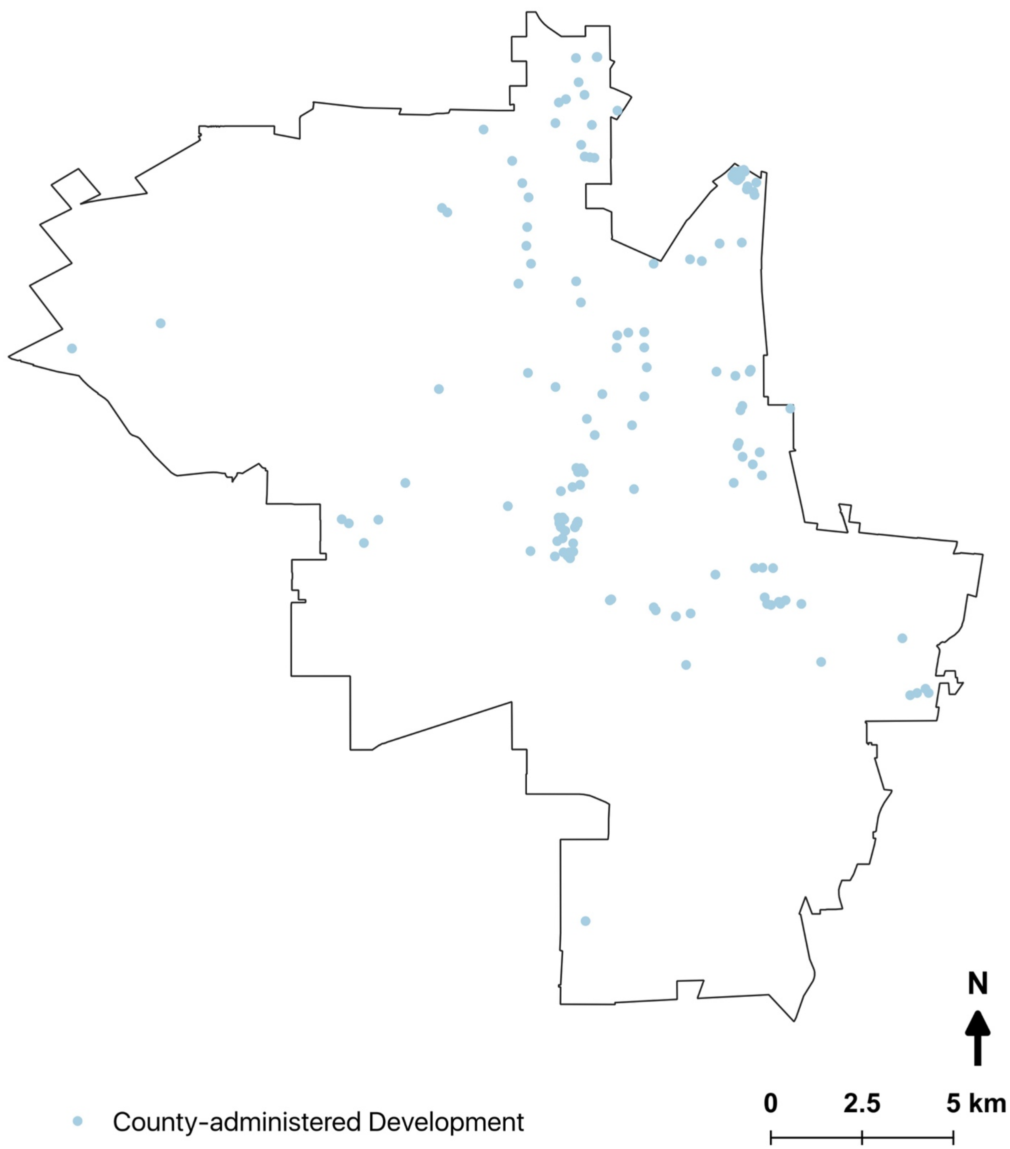
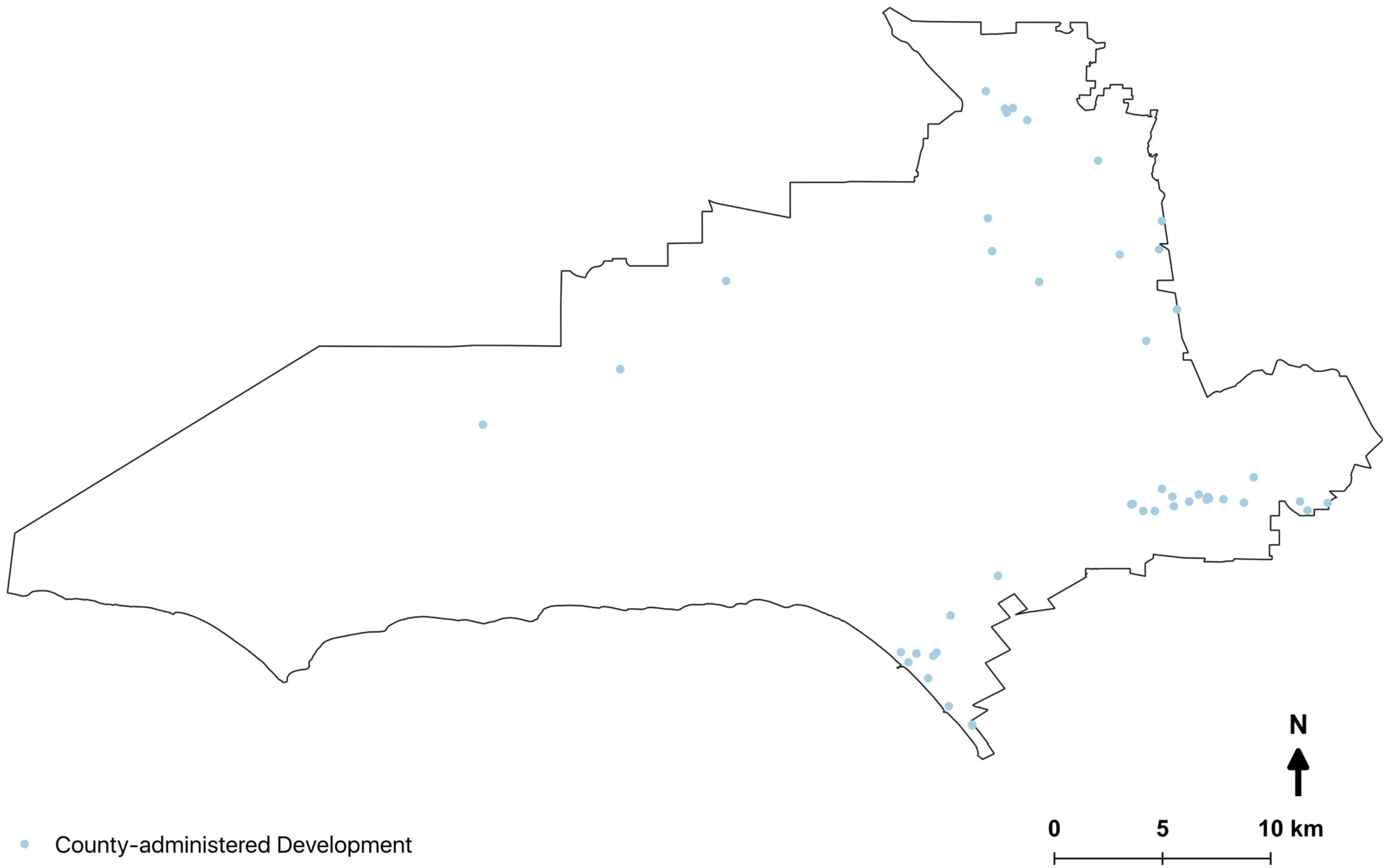


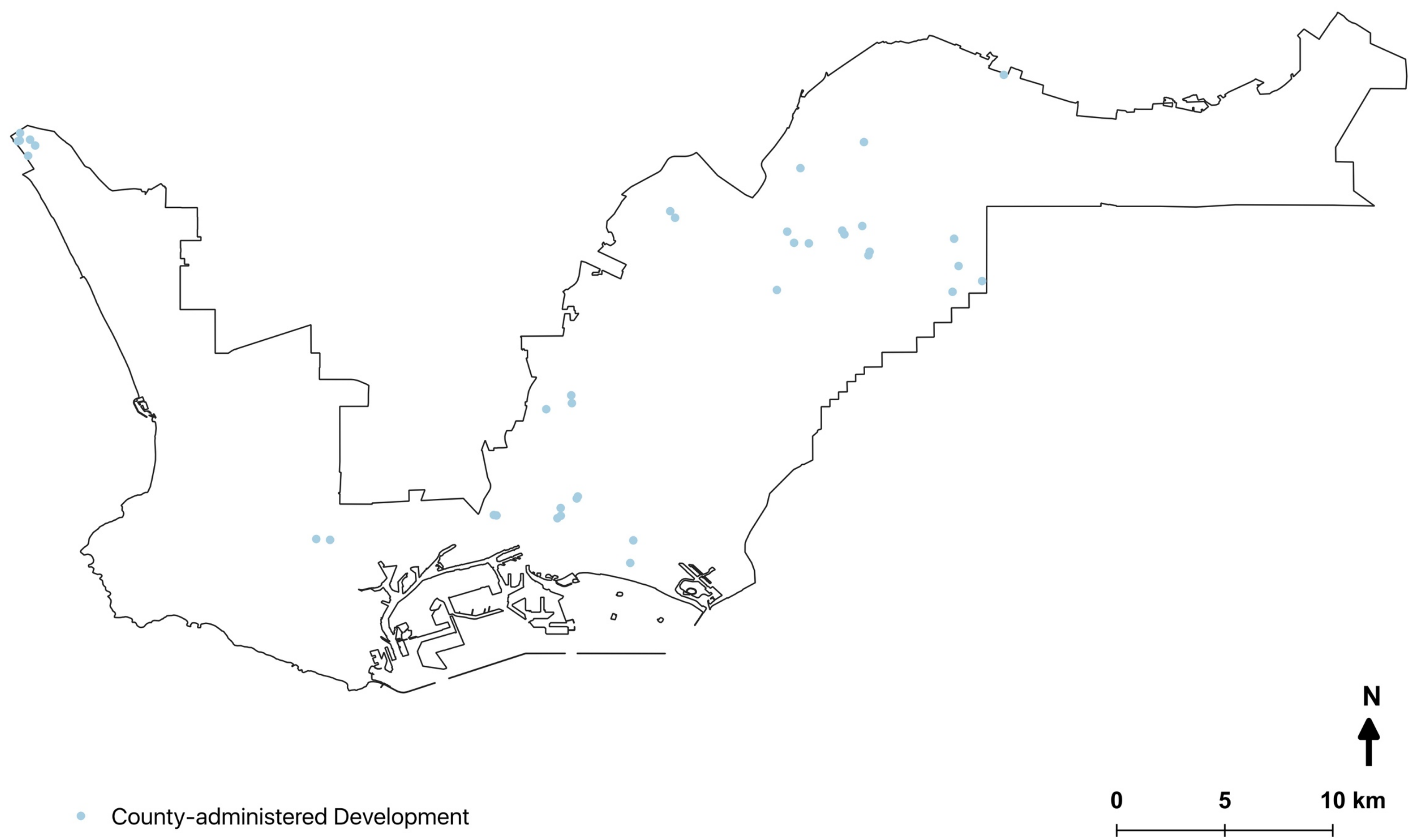
Figure B. SD 2 - County-Administered Affordable Rental Housing



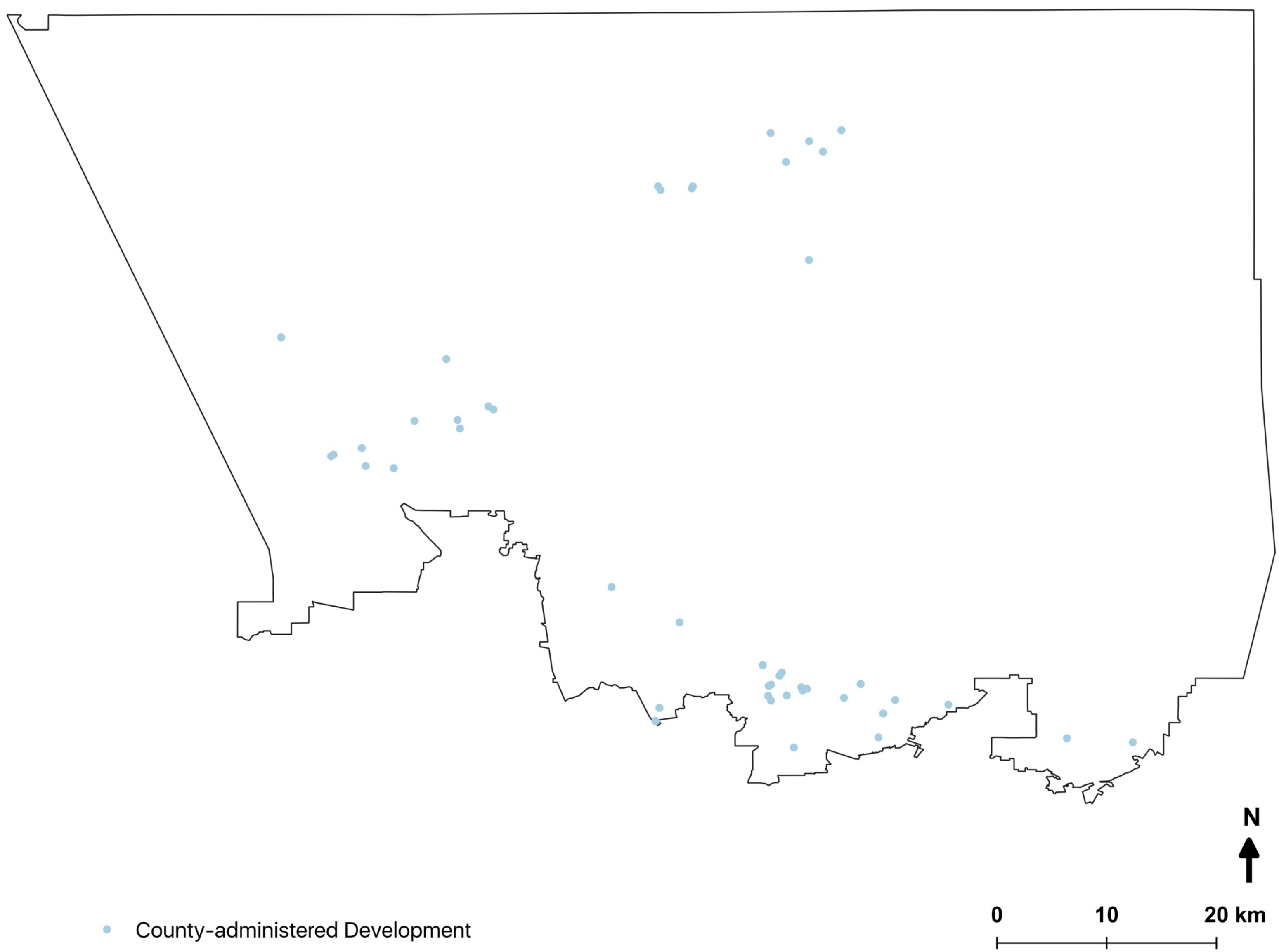
## Figure C. SD 3 - County-Administered Affordable Rental Housing



## Figure D. SD 4 - County-Administered Affordable Rental Housing



## Figure E. SD 5 - County-Administered Affordable Rental Housing



# Appendix E: Full Data Findings, Section 4

## Proximity of At-Risk Affordable Housing to Transit and Gentrification

**Figure A. SD 1 - Proximity of At-Risk Affordable Housing to Transit and Gentrification**

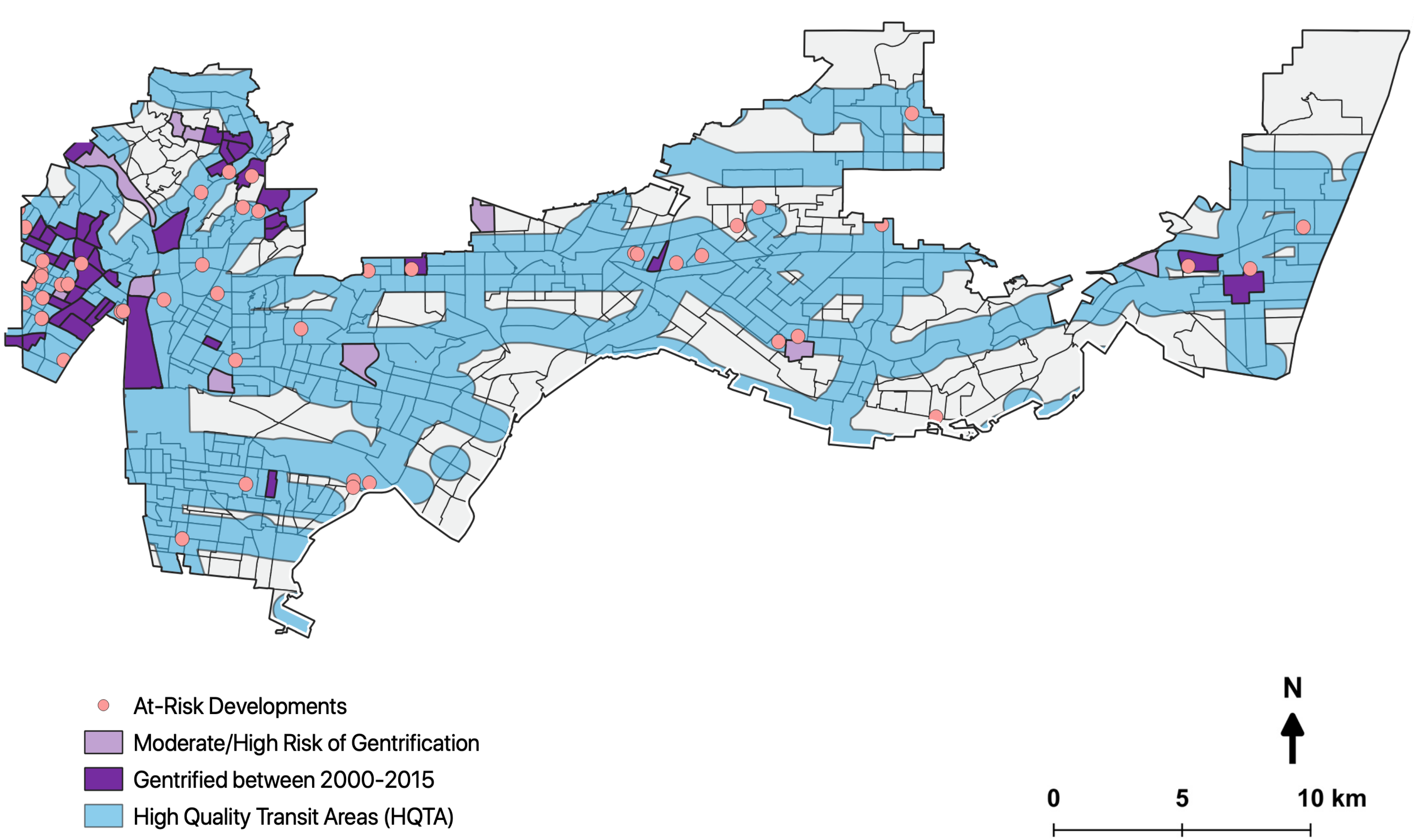


Figure B. SD 2 - Proximity of At-Risk Affordable Housing to Transit and Gentrification

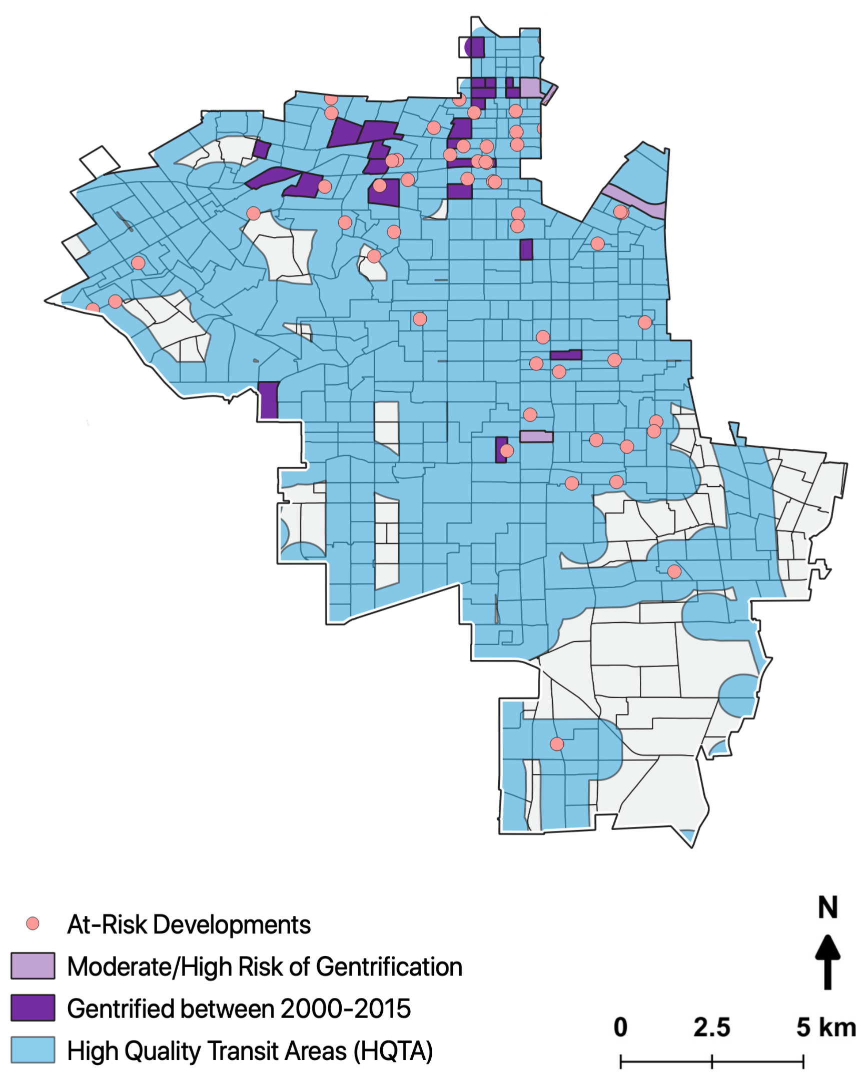
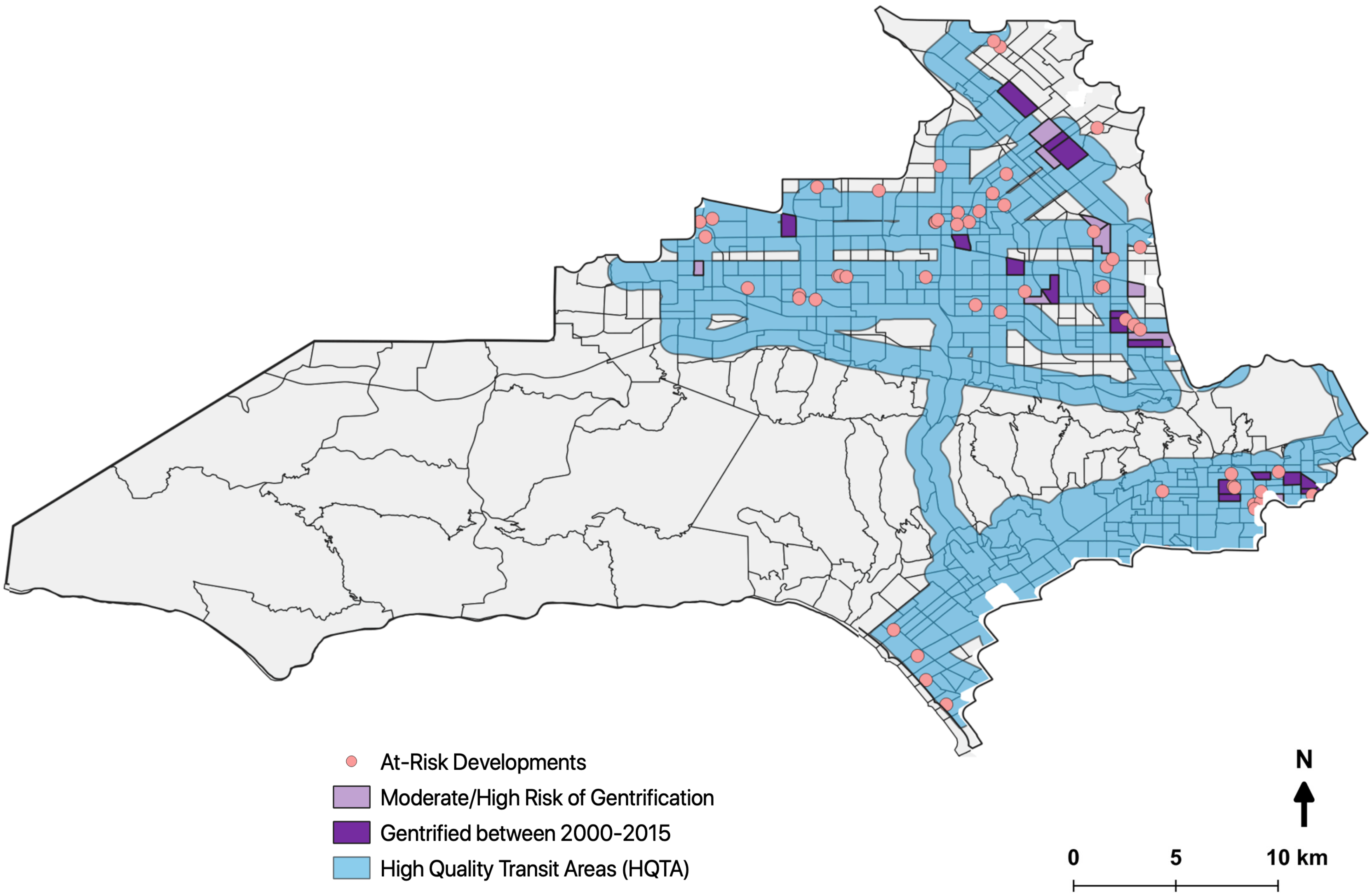
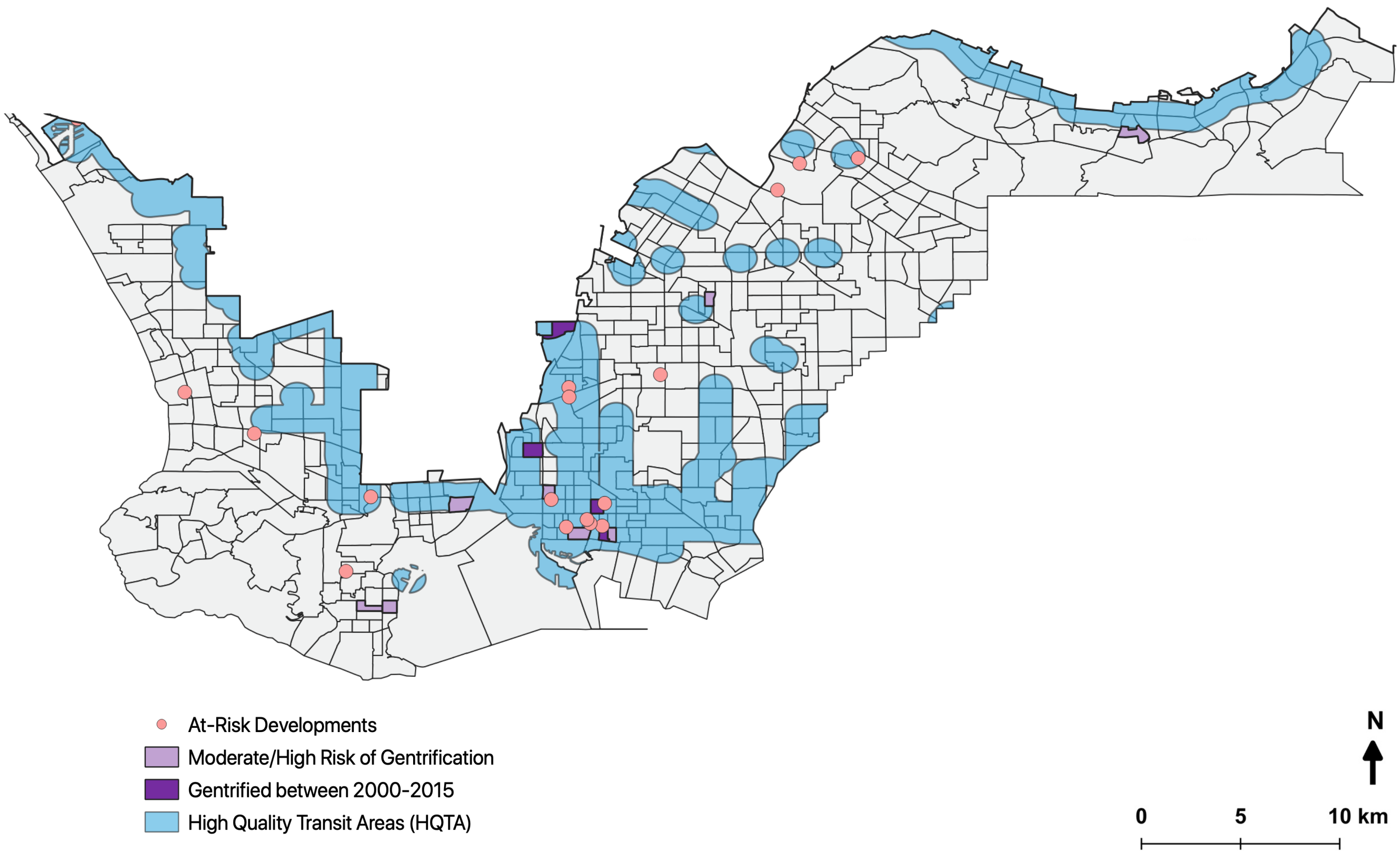


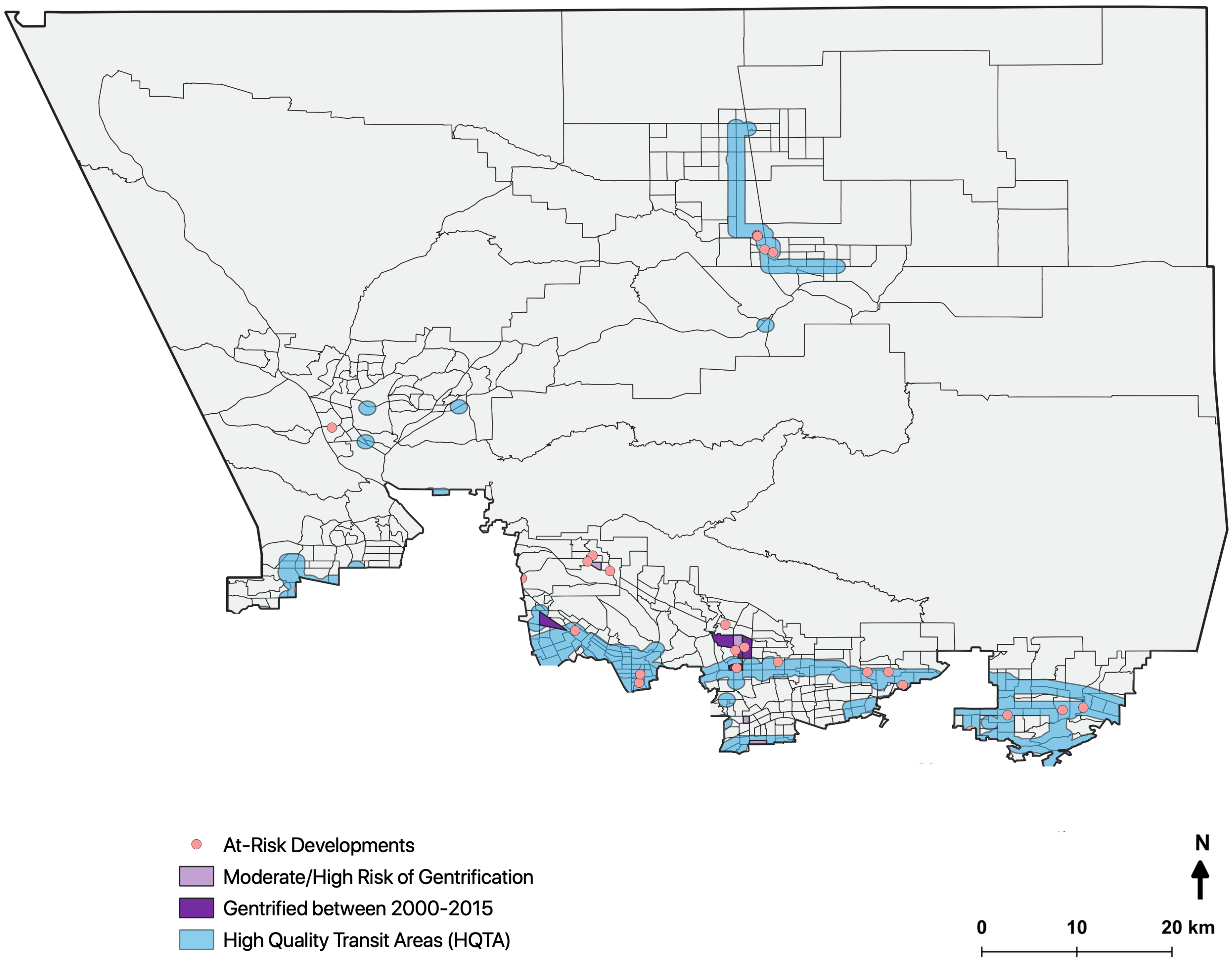
Figure C. SD 3 - Proximity of At-Risk Affordable Housing to Transit and Gentrification



## Figure D. SD 4 - Proximity of At-Risk Affordable Housing to Transit and Gentrification

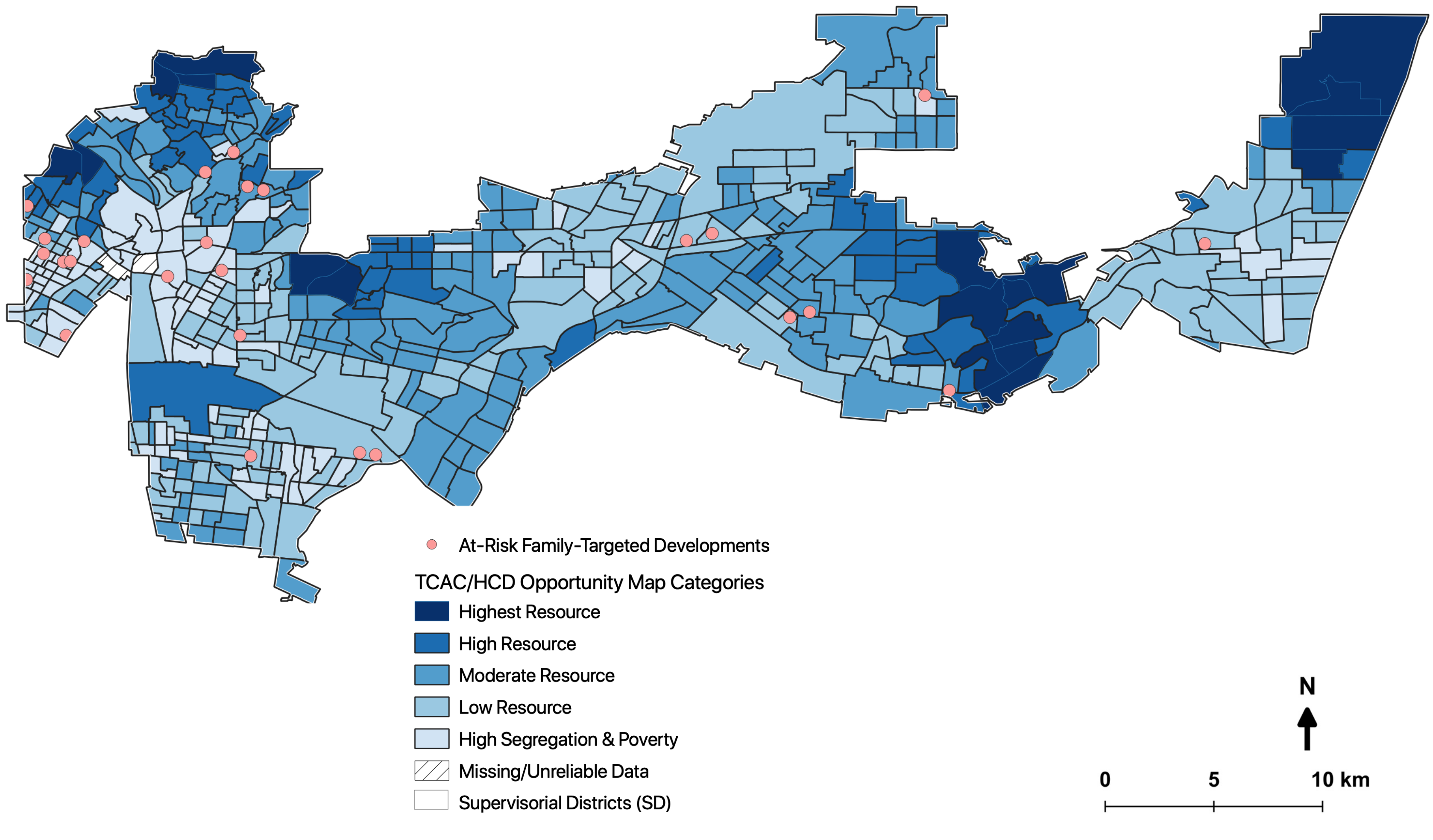


## Figure E. SD 5 - Proximity of At-Risk Affordable Housing to Transit and Gentrification



## At-Risk Family-Targeted Developments & Neighborhood Resources and Opportunity

**Figure F. SD 1 - At-Risk Family-Targeted Developments & Neighborhood Resources and Opportunity**



## Figure G. SD 2 - At-Risk Family-Targeted Developments & Neighborhood Resources and Opportunity

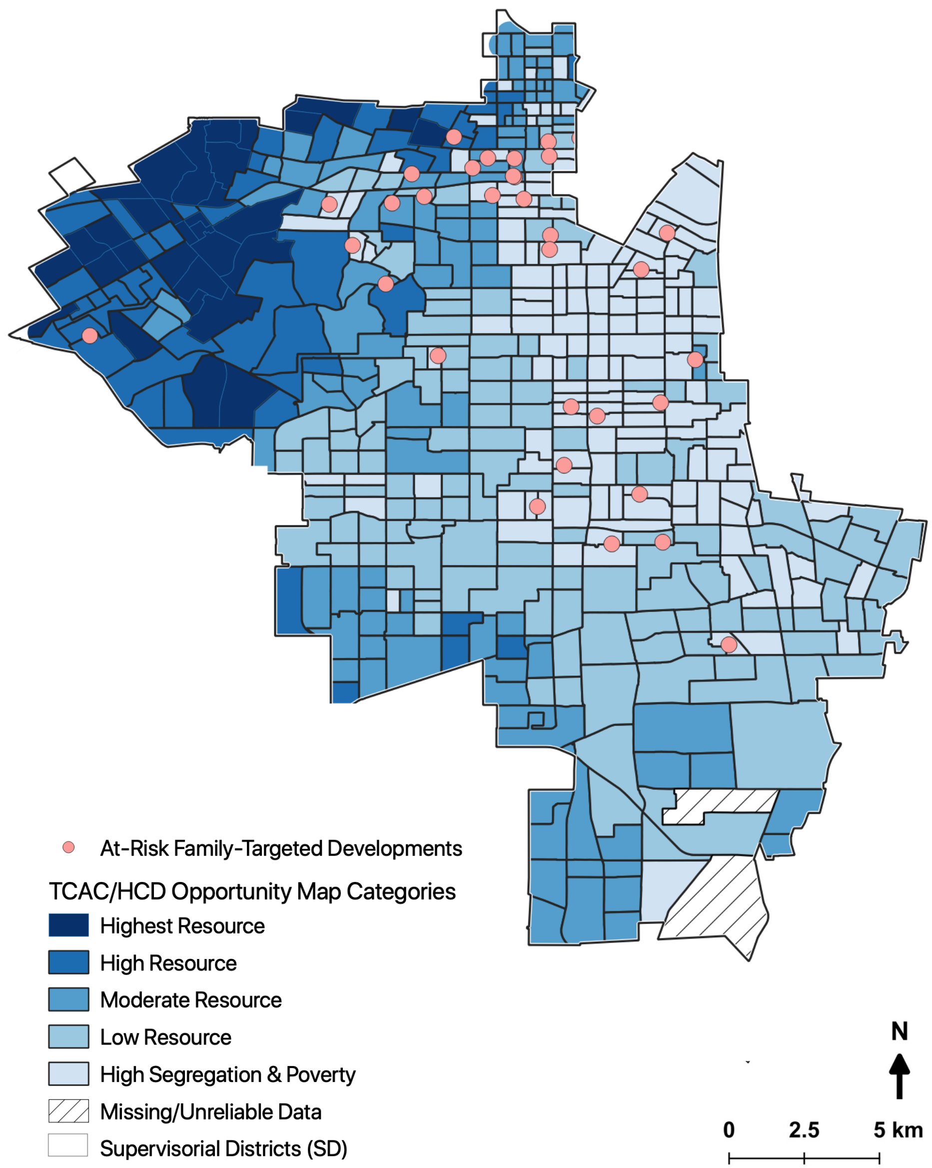


Figure H. SD 3 - At-Risk Family-Targeted Developments & Neighborhood Resources and Opportunity

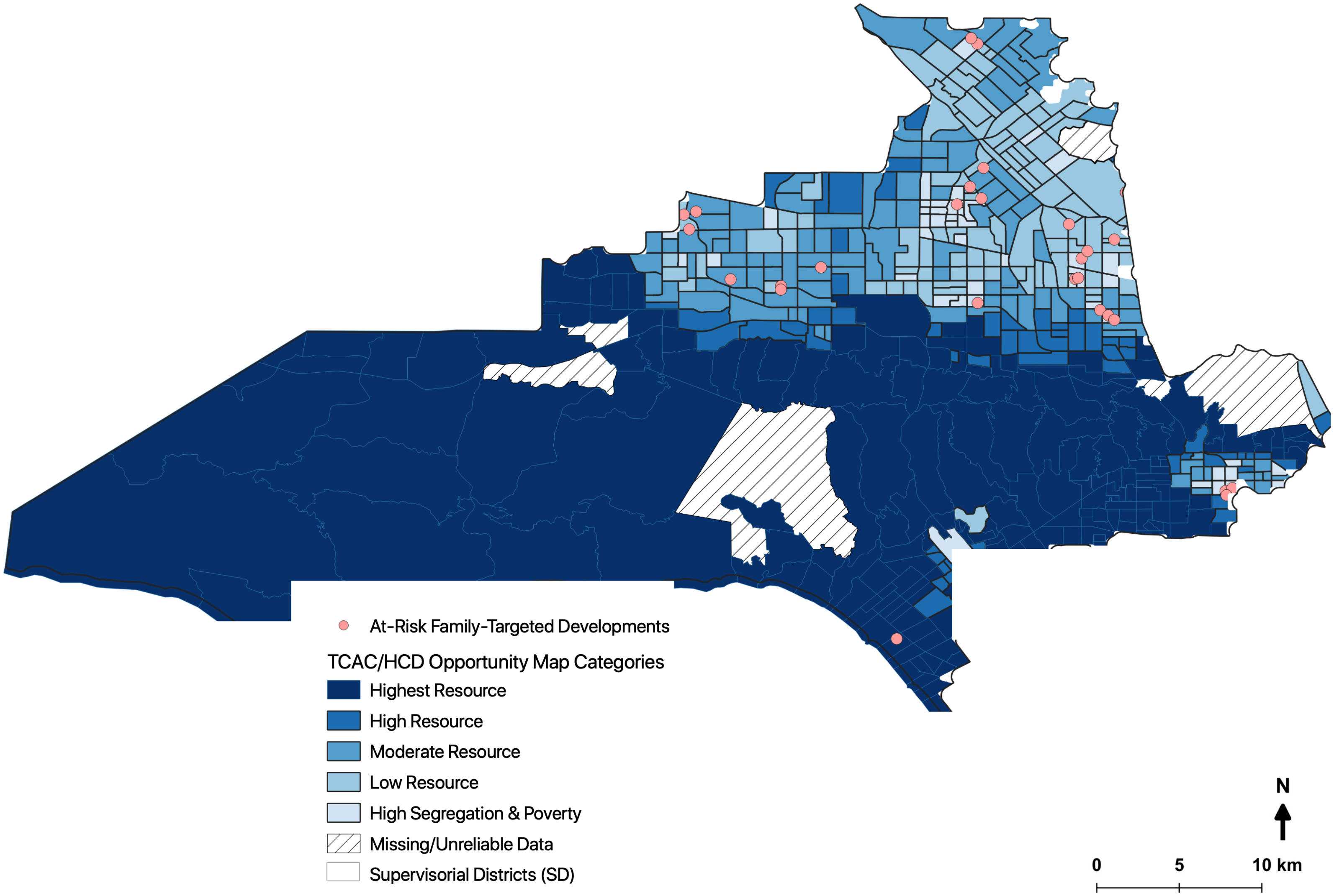
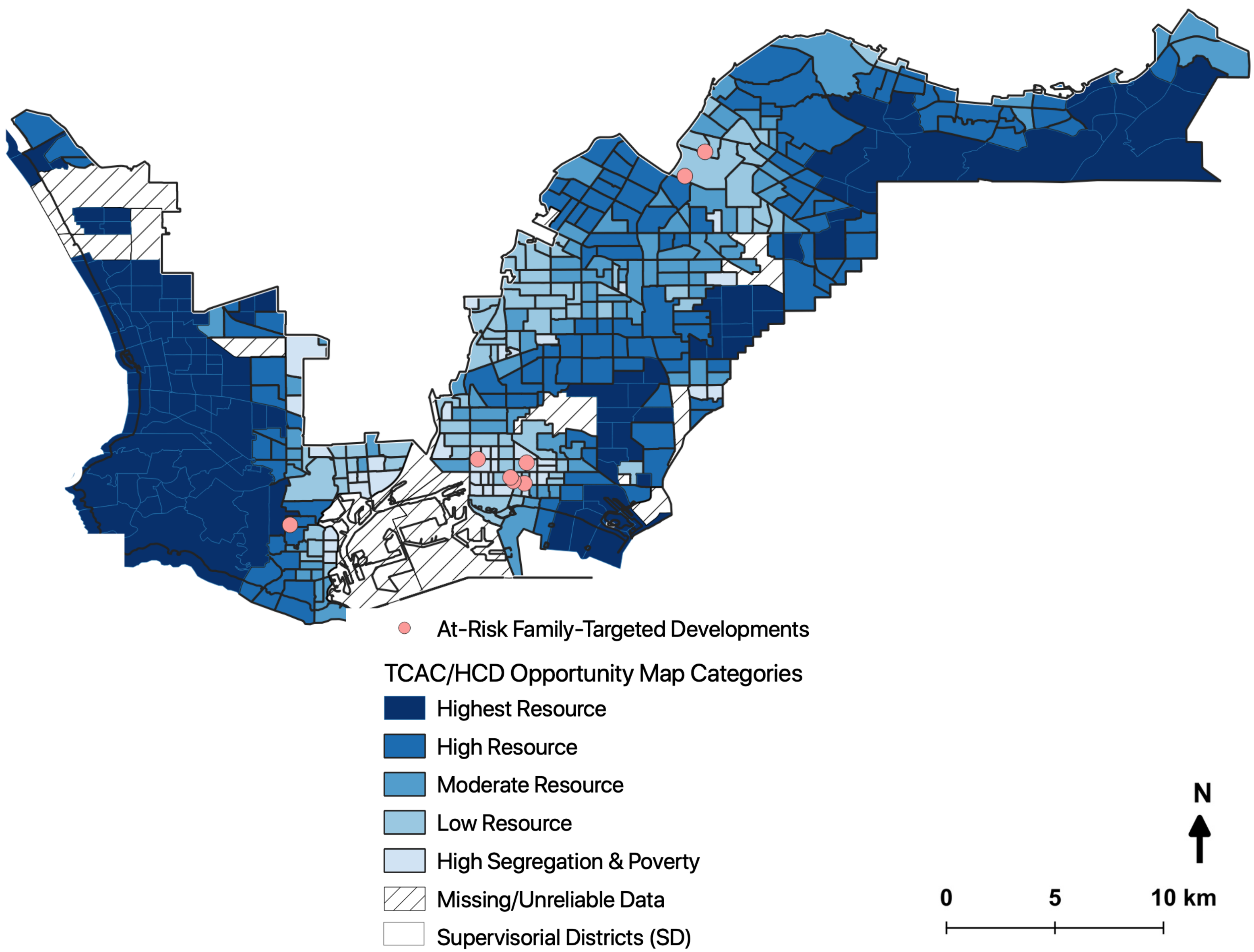
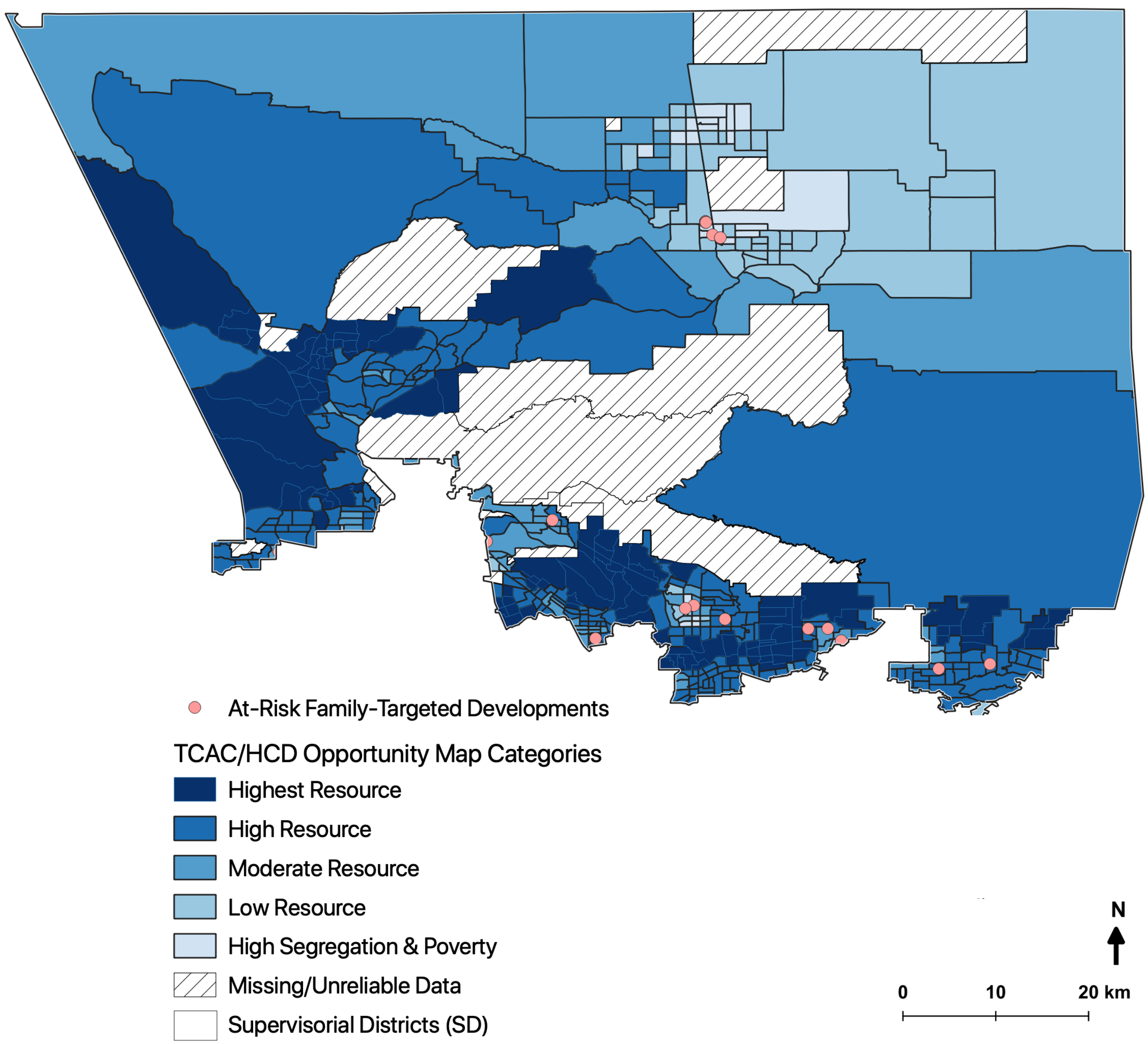


Figure I. SD 4 - At-Risk Family-Targeted Developments & Neighborhood Resources and Opportunity

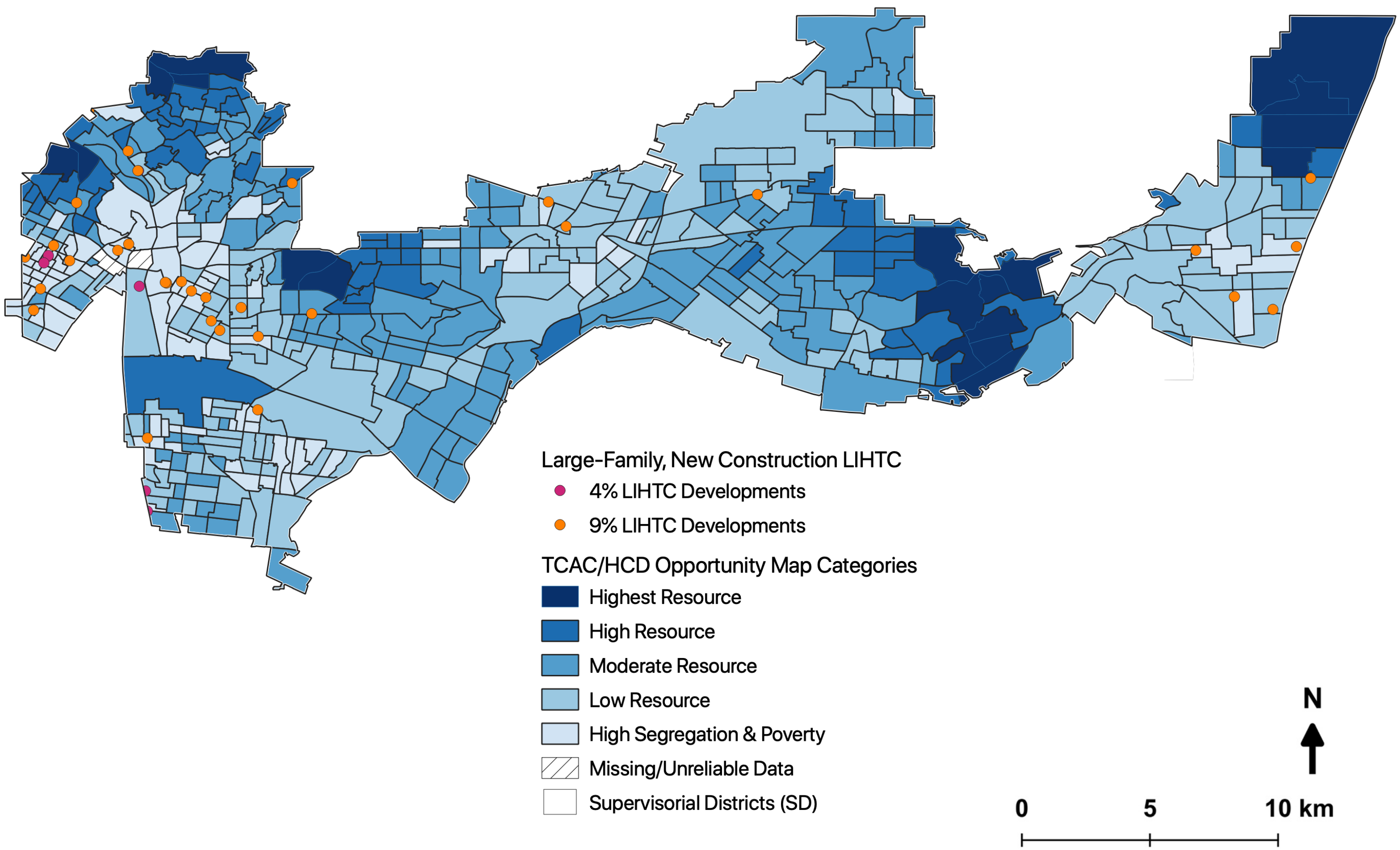


## Figure J. SD 5 - At-Risk Family-Targeted Developments & Neighborhood Resources and Opportunity



## Large-Family, New Construction Developments Awarded LIHTCs (2008-2018) & Neighborhood Resources and Opportunity

**Figure K. SD 1 - Large-Family, New Construction Developments Awarded LIHTCs (2008-2018) & Neighborhood Resources and Opportunity**



## Figure L. SD 2 - Large-Family, New Construction Developments Awarded LIHTCs (2008-2018) & Neighborhood Resources and Opportunity

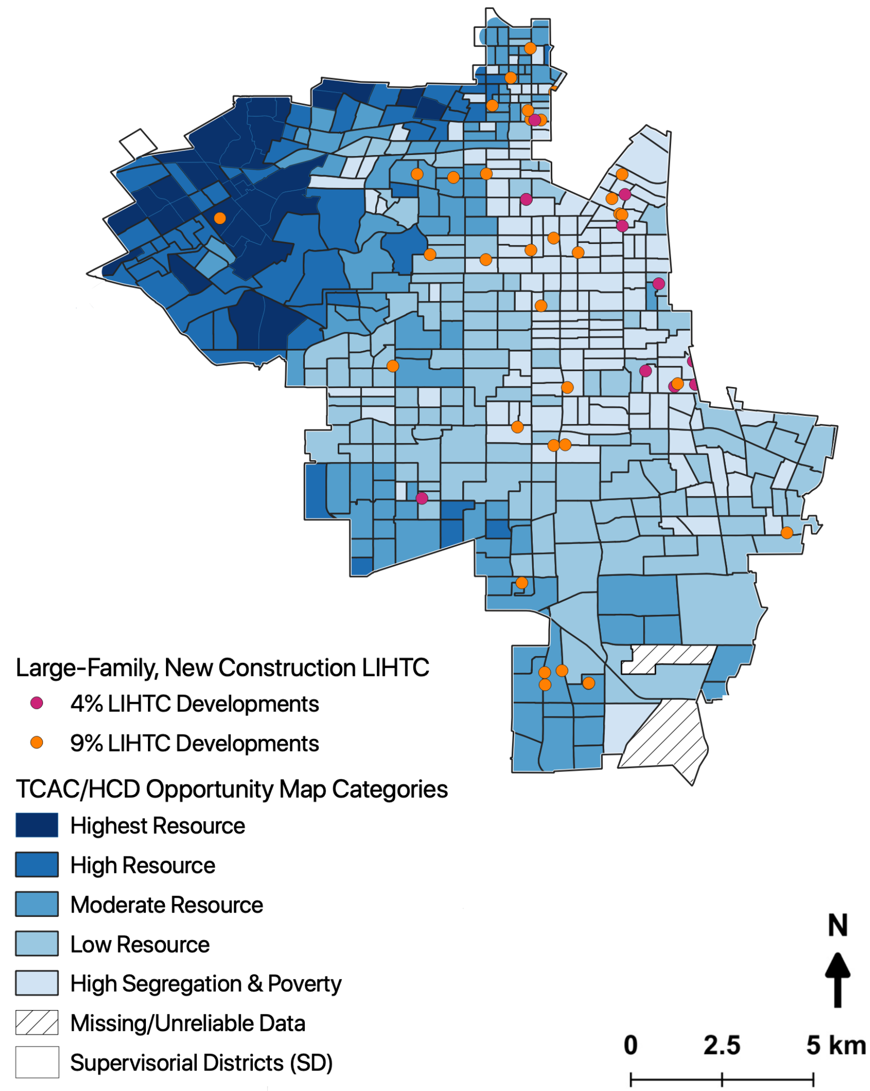


Figure M. SD 3 - Large-Family, New Construction Developments Awarded LIHTCs (2008-2018) & Neighborhood Resources and Opportunity

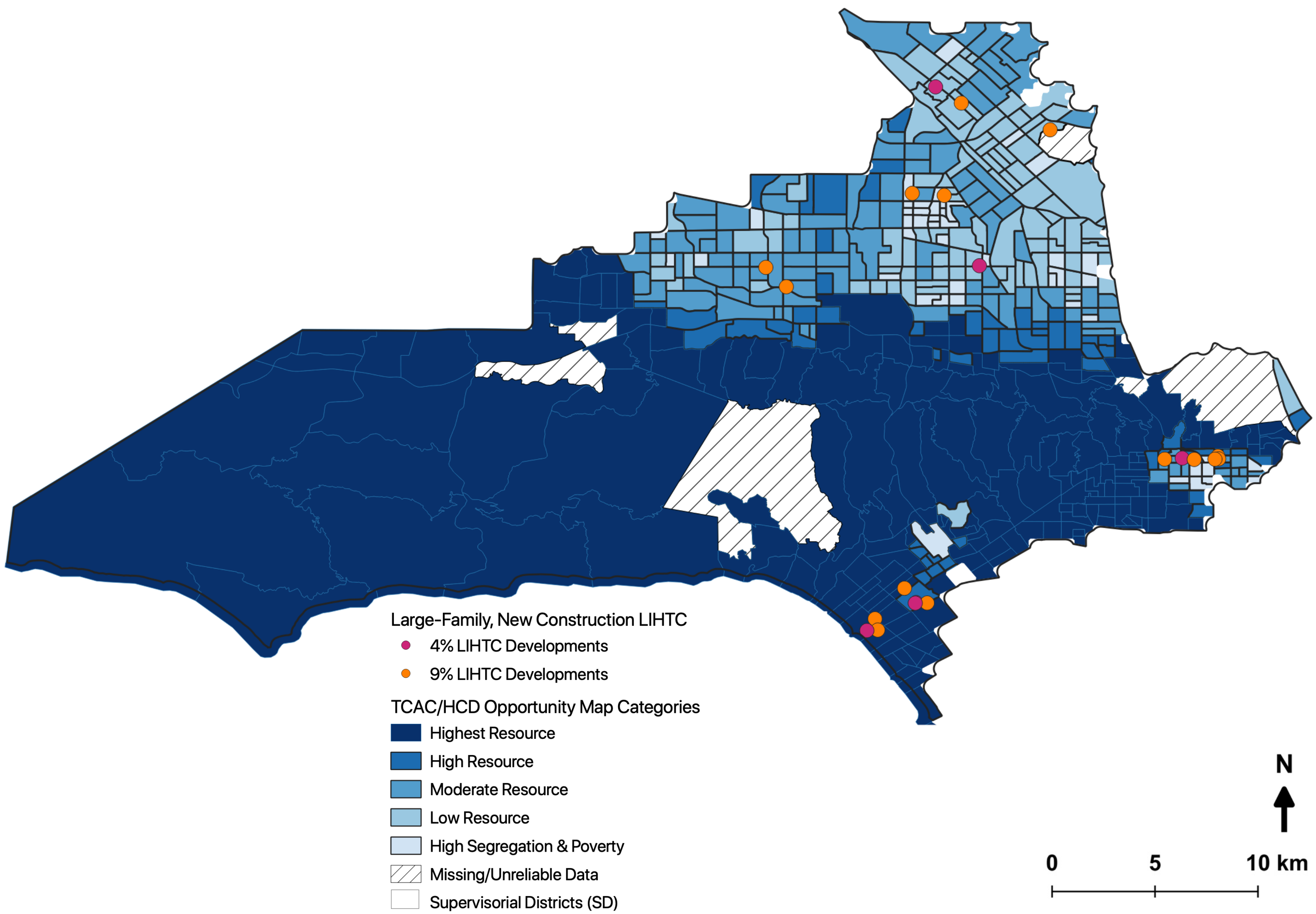


Figure N. SD 4 - Large-Family, New Construction Developments Awarded LIHTCs (2008-2018) & Neighborhood Resources and Opportunity

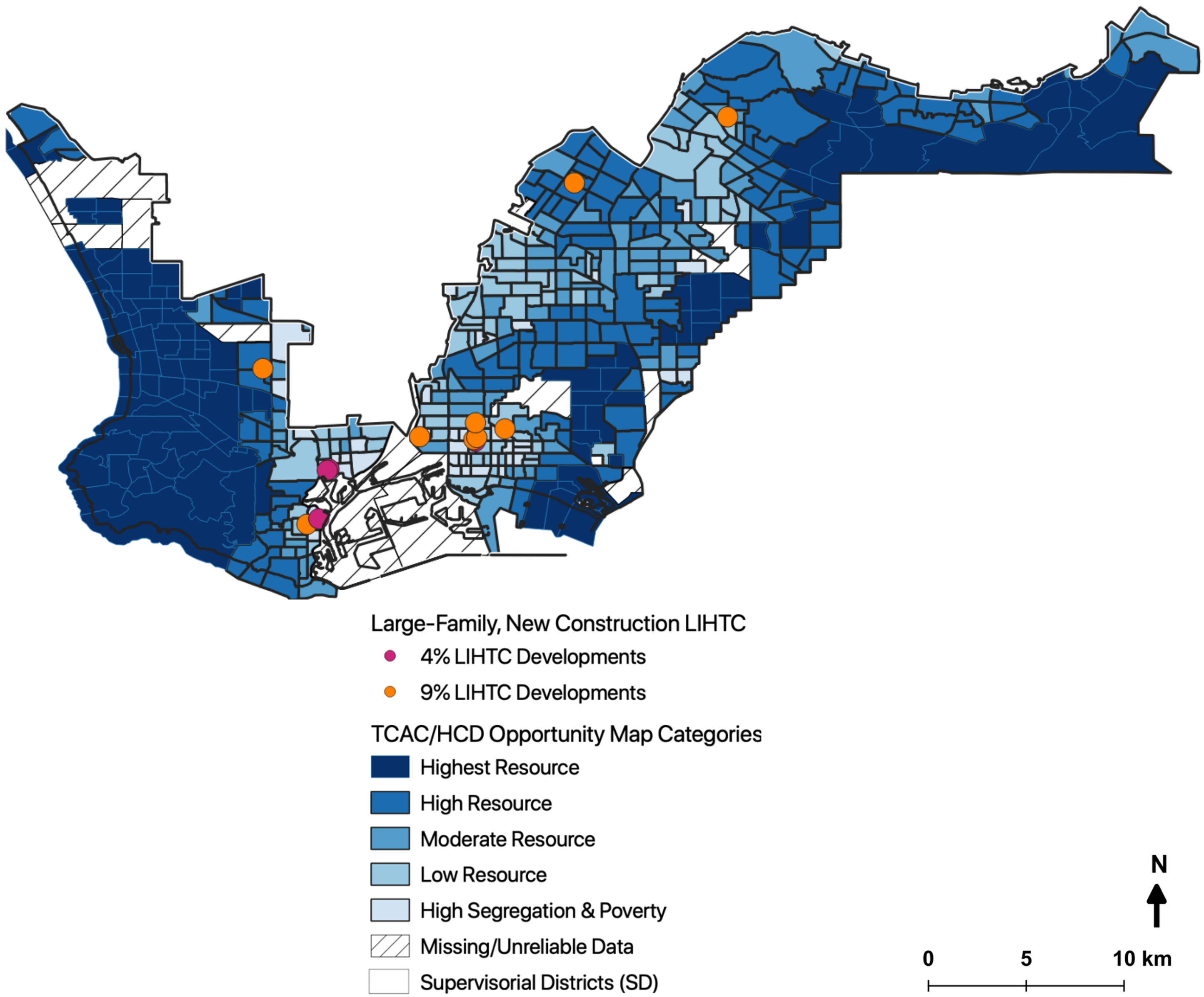


Figure O. SD 5 - Large-Family, New Construction Developments Awarded LIHTCs (2008-2018) & Neighborhood Resources and Opportunity