

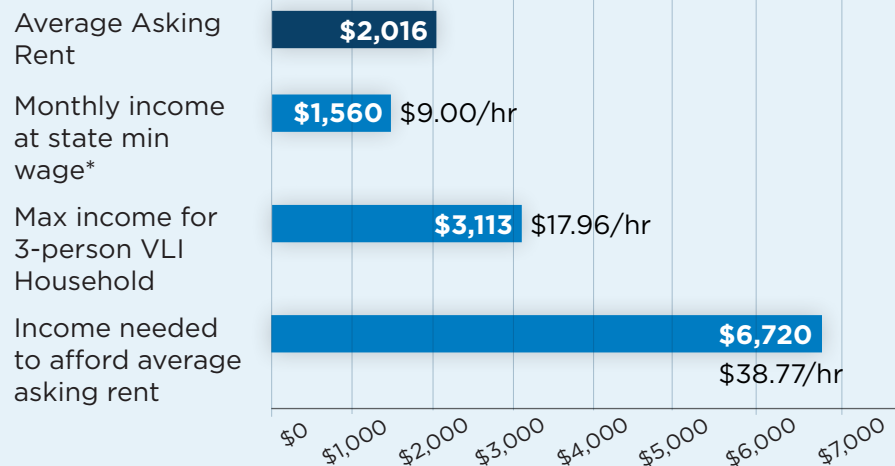
SPECIAL REPORT: LACK OF AFFORDABLE HOUSING DRIVING MORE LOS ANGELENOS INTO POVERTY

**26% OF LOS ANGELENOS LIVE IN POVERTY DUE
LARGELY TO HIGH HOUSING COSTS**

Official Poverty Measure:	Adjusting for Housing Costs and Social Programs:
18.9%	26.1%

Source: The Stanford Center on Poverty and Inequality with the Public Policy Institute of California. California Poverty by County, 2012.

**RENTERS NEED TO EARN 4X MINIMUM WAGE
TO AFFORD AVERAGE ASKING RENTS**



Source: 2015 Real Answers average apartment rent data, HUD 2015 County Section 8 Program Income Limits.

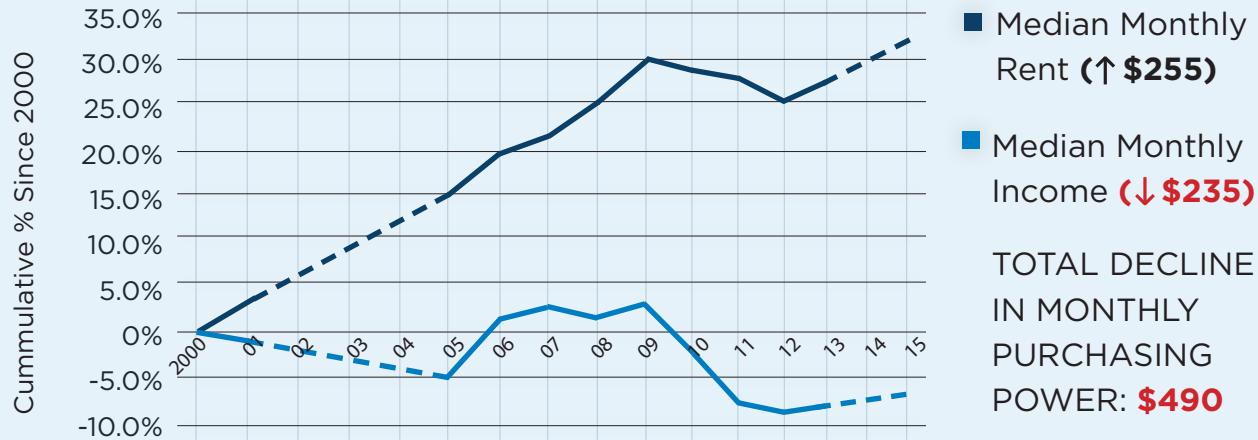
NOTE: The minimum wage in Los Angeles City and County will increase over the next five years to \$15 per hour by 2020.

KEY FINDINGS

- A renter household needs to earn 4 times the state minimum wage in order to afford average asking rents in Los Angeles County.
- Inflation-adjusted median rents in Los Angeles County increased 27% from 2000 to 2013, while inflation-adjusted median renter household income declined 7%.
- Los Angeles County needs 527,722 additional affordable rental homes to meet the needs of its extremely low-income (ELI) and very low-income (VLI) renters.
- The vast majority of Los Angeles County's low-income renters spend more than 50% of income on rent, leaving little left for food, transportation, health expenses, and other needs.
- When housing costs are considered, Los Angeles County has one of the highest poverty rates in the country at 26%, or one in four households.
- Overcrowding for low-income renters in Los Angeles County is three times greater than the national average, contributing significantly to poor health and academic achievement among low-income children.
- Reductions in federal and state funds and elimination of redevelopment have reduced Los Angeles County's affordable housing funding by over \$466 million since 2008, a 65% reduction.



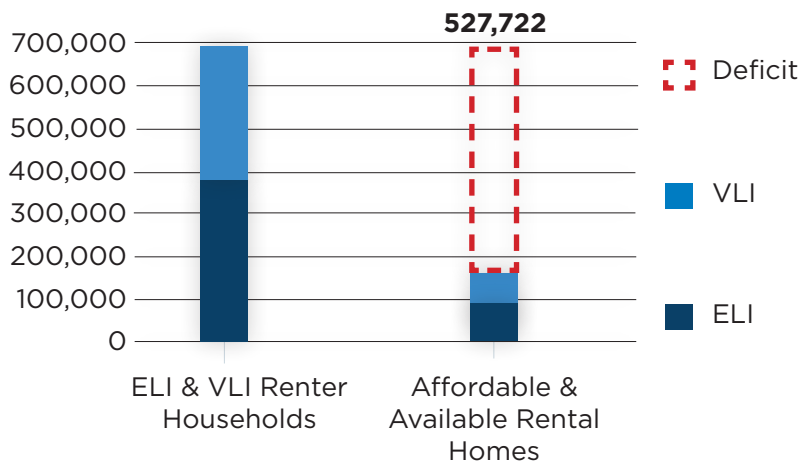
**INFLATION ADJUSTED MEDIAN RENT HAS INCREASED 27% SINCE 2000
WHILE MEDIAN RENTER INCOME HAS DECLINED 7%**



Source: US Census 2000 and Annual ACS Data 2005-2013. Median rents and incomes from 2001-2004 are estimated trends, as are 2014 and 2015.

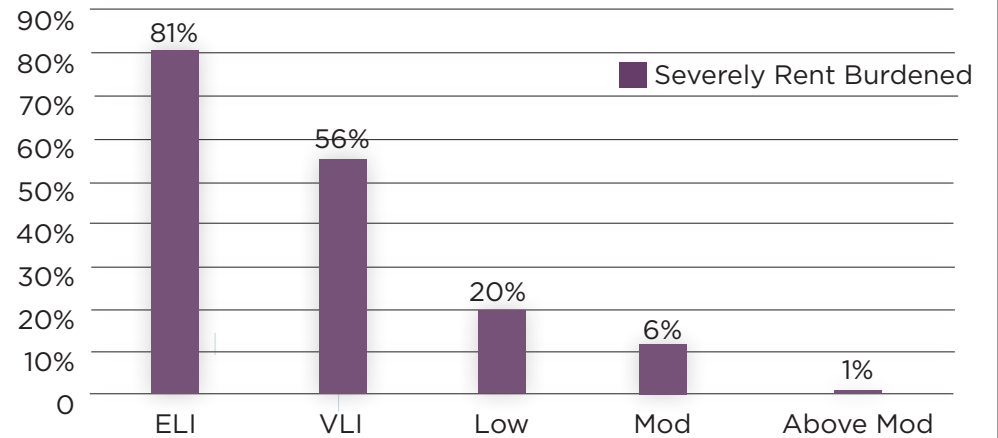
RENTS ARE UP. INCOMES ARE DOWN. AS A RESULT, LOW-INCOME FAMILIES ARE FORCED TO SPEND A GROWING PROPORTION OF THEIR INCOME ON RENT, LEAVING LITTLE FOR OTHER BASIC NECESSITIES. LOS ANGELES COUNTY NEEDS AN ADDITIONAL 527,722 AFFORDABLE HOMES TO MEET THE NEEDS OF THESE FAMILIES.

LOS ANGELES NEEDS 527,722 ADDITIONAL AFFORDABLE RENTAL HOMES



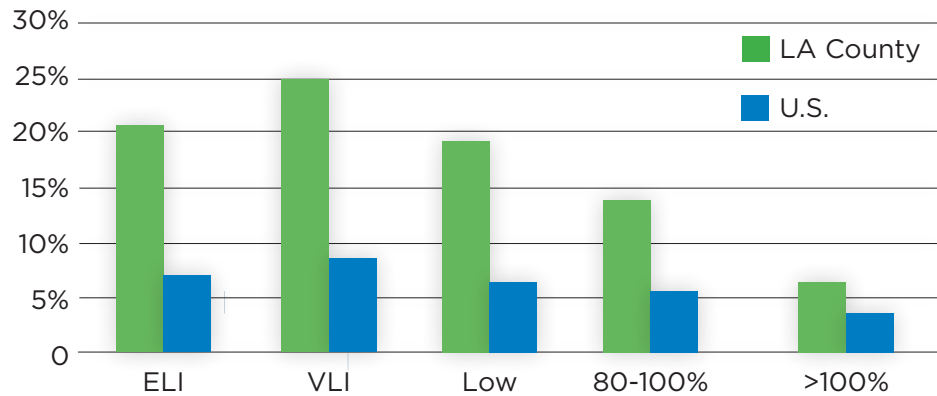
SOURCE: NLIHC Analysis of 2013 ACS PUMS.

81% of ELI AND 56% of VLI HOUSEHOLDS PAY MORE THAN HALF THEIR INCOME ON RENT



SOURCE: NLIHC Analysis of 2013 ACS PUMS.

OVERCROWDING FOR LOS ANGELES' LOWER-INCOME RENTERS IS THREE TIMES THE NATIONAL AVERAGE



SOURCE: CHPC analysis of 2007-2011 CHAS data.

WHO IS BEING LEFT OUT OF THE LOS ANGELES RENTAL MARKET?

Average Asking Rent: \$2,016

Hours/week of work needed to afford average asking rent

Job Category	Mean Hourly Wage	Hours/week of work needed to afford average asking rent
Medical Assistants	\$16.47	94
Preschool Teachers	\$16.12	96
EMTs & Paramedics	\$16.00	97
Janitors & Cleaners	\$13.07	119
Retail Salespersons	\$12.89	120
Waiters & Waitresses	\$11.81	131

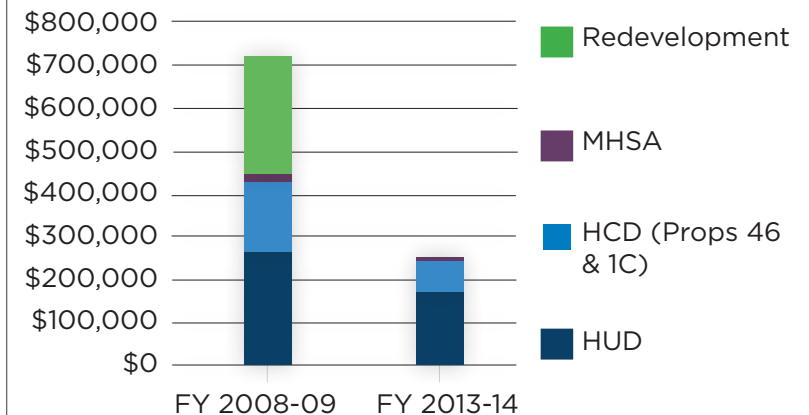
SOURCE: CHPC Analysis of 2014 Bureau of Labor statistics and 2015 Real Answers average rent data.

FROM FY 2008-09 TO FY 2013-14 LOS ANGELES LOST 65% OF STATE AND FEDERAL FUNDING

FUNDING SOURCE	FY 2008/2009	FY 2013/2014	% CHANGE
HUD	\$260,516,144	\$176,180,592	-32%
HCD (Prop. 46 & Prop 1C)	\$167,197,962	\$72,988,250	-56%
MHSA	\$19,304,213	\$6,043,371	-69%
Redevelopment	\$274,787,841	\$0	-100%
TOTAL	\$721,806,160	\$255,212,213	-65%

SOURCE: CHPC tabulations of Redevelopment Housing Activities Report and HUD's CPD program formula allocations. State housing bond funding from Propositions 46 and 1C provided by HCD. MHSA program funding provided by CalHFA.

A LOSS OF \$466 MILLION FOR AFFORDABLE HOUSING IN LOS ANGELES



SOURCE: CHPC tabulations of Redevelopment Housing Activities Report and HUD's CPD program formula allocations. State housing bond funding from Propositions 46 and 1C provided by HCD. MHSA program funding provided by CalHFA.

STATEWIDE POLICY RECOMMENDATIONS

Alleviate poverty, activate California's economy, and increase the supply of affordable homes in California by passing:

- **AB 1335 (Atkins)**, the Building Homes and Jobs Act, which would generate up to \$500 million annually for affordable homes and create up to 29,000 well paying jobs.
- **AB 35 (Chiu)**, which would increase the California Low Income Housing Tax Credit by \$300 million per year to replace diminished state housing funds and leverage \$600 million in new federal resources.
- **SB 377 (Beall)**, which would increase the value of the California Low Income Housing Tax Credit by 40% by allowing credits to be sold separately from an interest in the underlying property at no additional cost to the State Treasury.

Give local governments the tools they need to meet their SB 375 obligations to create and preserve affordable homes by:

- **Lowering the required voter threshold for local funding measures** from two-thirds to 55 percent (the same as it is for local school bonds) to help communities raise revenues to fund the development of basic infrastructure including transportation, housing, and parks.
- **Requiring the inclusion of a percentage of homes affordable to low and moderate-income** households in new housing developments by passing into law a successor to AB 1229.

LOCAL RECOMMENDATIONS FOR LOS ANGELES COUNTY

- Dedicate a majority of the residual tax increment funds that the County and cities receive from the dissolution of the redevelopment agencies to create affordable homes.
- Make any upzoning part of a strategy to build better communities. Capture the value of new building incentives by awarding them to developers that build affordable homes as part of the development. In addition, structure the upzoning program so that it is not available to developers who remove rent-controlled or other affordable homes from the market without replacing them on a one-for-one basis.
- Expand the supply of permanent supportive housing for homeless individuals and families by
 - a) implementing "Pay-for-Success" financing for supportive housing, and
 - b) providing the homes and services called for by the United Ways Home for Good plan to end chronic and veteran homelessness in Los Angeles County.



For more information about the California Housing Partnership's policy initiatives, please contact our Policy Director, Megan Kirkeby, at mkirkeby@chpc.net, (916) 287-9855.

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Local policy recommendations provided by:

