

28,152 Affordable Rental Homes Lost in California; 31,988 More At Risk Over Next Five Years

Editor's Note:

The [California Housing Partnership](#) annually assesses the risk of loss of affordability to California affordable rental properties supported by the U.S. Department of Housing and Urban Development (HUD), the U.S. Departments of Agriculture (USDA), and the Low Income Housing Tax Credit (LIHTC) program administered by the California Tax Credit Allocation Committee (TCAC). This assessment is funded in part through a technical assistance contract with the [California Department of Housing and Community Development](#) (HCD). We then make more detailed property data and risk analysis available to local governments and nonprofit organizations committed to monitoring and preserving this housing. Anyone interested in learning more about the data contained in this report should contact Housing Policy Analyst Danielle Mazzella, who manages the California Housing Partnership's [Affordable Housing Preservation Clearinghouse](#), at dmazzella@chpc.net.

KEY FINDINGS

- This year's risk assessment shows that **California has already lost 28,152 affordable homes**, 14,559 of which had HUD Section 8 subsidies recaptured by the federal government.
- **Another 31,988 affordable rental homes are now at risk of conversion in the next five years.**[1]

What Has Already Been Lost?[2]

HUD-Assisted Affordable Rental Homes: From 1995 to 2016, California lost 14,559 affordable homes with Section 8 contracts due to owner decisions to opt out of their HUD rental assistance contracts. While California still has 118,144 affordable rental homes supported by Section 8, there is a strong risk of losing a significant portion of these remaining affordable homes without action at state and local levels.[3] The loss of Section 8-assisted housing is particularly damaging to local communities because 83% of residents of Section 8-assisted properties are Extremely Low Income renters earning 30% or less of the Area Median Income and are also elderly and/or disabled.[4]

[Click here](#) for a list of what has been lost by County.

What is at Risk?[5]

Properties with Expiring HUD Rental Assistance Contracts and Maturing Assisted Mortgages
In the next five years, 398 properties containing 24,610 affordable homes with rental

assistance are at-risk of conversion to market rate. These properties also contain another 3,388 homes that do not receive rental assistance but often provide housing to low-income households and are also at-risk.

Section 8 Rent Subsidy Risk Level	Contract Expiration	Properties	Rent Assisted Units	Total Units	Percent of Total Units
At-Risk	Within 5 years	398	24,610	27,998	21%
Very High	Within 1 year	162	8,442	10,196	7%
High	Within 1-5 years	236	16,168	17,802	13%
Moderate	Within 5-10 years	44	3,147	3,526	2%
Low	Over 10 years	1,371	90,367	104,428	77%
Total		1,814	118,124	135,952	100%

USDA Rental Assistance and Maturing Mortgages

There are currently 510 properties financed by the USDA Section 514 and 515 programs containing more than 18,000 homes funded by the USDA Section 521 Rental Assistance Program. Over the next five years, 45 USDA-funded properties with 420 rent assisted homes are at risk of losing their affordability. An additional 1,384 homes in these properties that do not have rental assistance and are home to low-income households are also at risk.

USDA Section 514 and 515 Risk Level	Contract Expiration	Properties	Rent Assisted Units	Total Units	Percent of Total Units
At-Risk	Within 5 years	45	420	1,804	7%
Very High	Within 1 year	33	309	1,320	5%
High	Within 1-5 years	12	111	484	2%
Moderate	Within 5-10 years	42	1,231	1,595	6%
Low	Over 10 years	389	16,119	21,160	86%
Total*		476	17,770	24,559	100%

*The total number of properties and units listed do not include properties that have HUD financing.

Expiring TCAC Regulatory Agreements

The federal Low Income Housing Tax Credit (LIHTC) program has funded the creation of more than 4,450 properties containing more than 330,000 affordable rental homes in California, making it the largest program serving low-income households in the state. As the LIHTC program celebrates its thirtieth anniversary this year, an increasingly large number of these affordable homes are at risk of losing their affordability as regulatory agreements for LIHTC properties financed early on in the program when affordability protections were shorter than they are now come to an end. Over the next five years, sixty-four properties containing 2,186 low-income homes may lose their affordability.

LIHTC Risk Level	Contract Expiration	Properties	Low Income Homes	Total Homes	Percent of Low Income Homes
At-Risk	Within 5 years	64	2,186	2,647	1%
Very High	Within 1 year	8	286	294	0.1%
High	Within 1-5 years	56	1,900	2,353	1%
Moderate	Within 5-10 years	326	23,400	26,240	9%
Low	Over 10 years	2,812	224,751	240,516	90%
Total*		3,202	250,337	269,403	100%

*The number of properties and units listed do not include properties that have HUD or USDA financing.

Federally and State Subsidized Properties and At-risk Units by County

The California Housing Partnership provides analysis of at-risk properties by county. This data is intended to help local governments and affordable housing advocates prioritize at-risk

properties for preservation. Cities, Counties, and nonprofit preservation-oriented organizations can contact the California Housing Partnership for detailed lists of the properties in their jurisdictions.

[Click here to view summary of properties at-risk by county](#)

[1] The California Housing Partnership recently made extensive new efforts to match properties across datasets covering different state and federal funding sources supporting affordable rental homes in California. This effort has allowed us to better identify properties that have overlapping subsidies from different programs - typically those that have been recapitalized using LIHTCs - and adjust the risk of conversion downward accordingly. As a result, we have significantly lowered our estimate of the number of affordable rental homes at risk.

[2] CHPC is working with TCAC and USDA to be able to report on affordable properties lost from these programs.

[3] [AB 1521 \(Bloom\)](#) is an example of what that can be done at a state level. Several cities including San Francisco, Sacramento and Santa Cruz have also adopted preservation ordinances that have helped stem losses.

[4] [Picture of Subsidized Households 2016](#). HUD.

[5] Please also see [HUD's Notices, Rules, and Regulations webpage](#) and the [California Housing Partnership's Preservation webpage](#).

The California Housing Partnership thanks our generous funders for their continued support of our 2017 GREEN Affordable Housing Preservation and Production Program.



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