

LOS ANGELES COUNTY RENTERS IN CRISIS: A CALL FOR ACTION

KEY FINDINGS

- » Cuts in federal and state funding, including elimination of State Redevelopment, have reduced investment in affordable housing production and preservation in Los Angeles County by nearly \$457 million annually since 2008, a 64% reduction.
- » Median rent in Los Angeles County has increased 32% since 2000 while median renter household income has decreased 3%, when adjusted for inflation.
- » Renters need to earn 4 times local minimum wage to afford the median asking rent of \$2,499 in Los Angeles County.
- » Los Angeles County's lowest-income renters spend 70% of income on rent, leaving little left for food, transportation, health expenses, and other needs.
- » When housing costs are considered, Los Angeles County's poverty rate rises from 18.3% to 25.6%.
- » Los Angeles County needs 551,807 more affordable rental homes to meet the needs of its lowest-income renters.

LOS ANGELES COUNTY'S POVERTY RATE RISES TO 25.6% WHEN HIGH HOUSING COSTS ARE INCLUDED

Official Poverty Measure (OPM)
18.3%

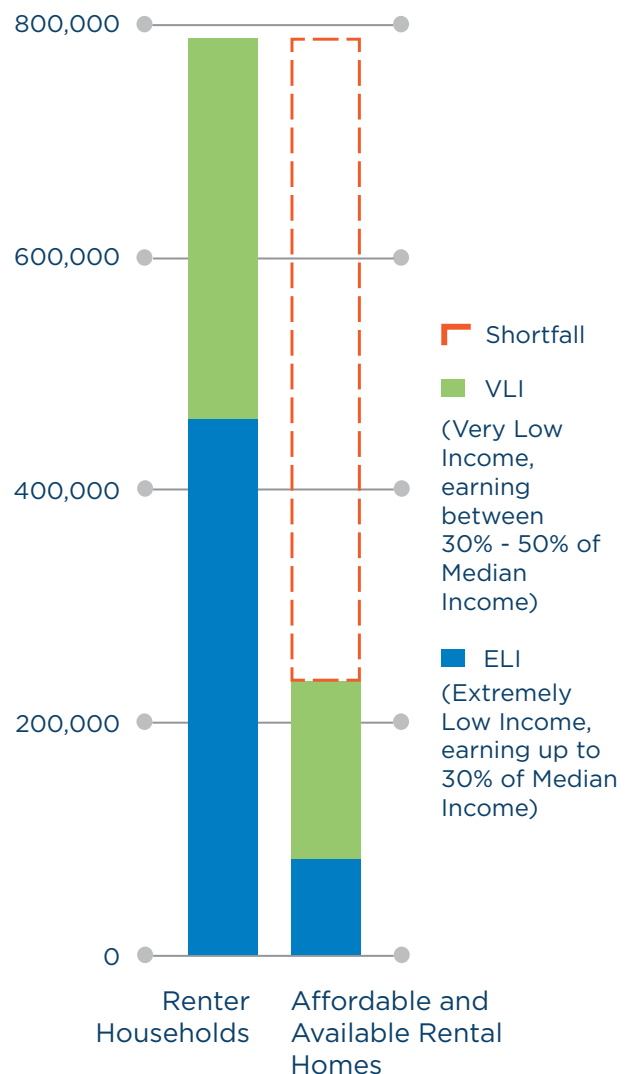
Unadjusted for Housing Costs

California Poverty Measure (CPM)
25.6%

Adjusted for Housing Costs and Social Benefits

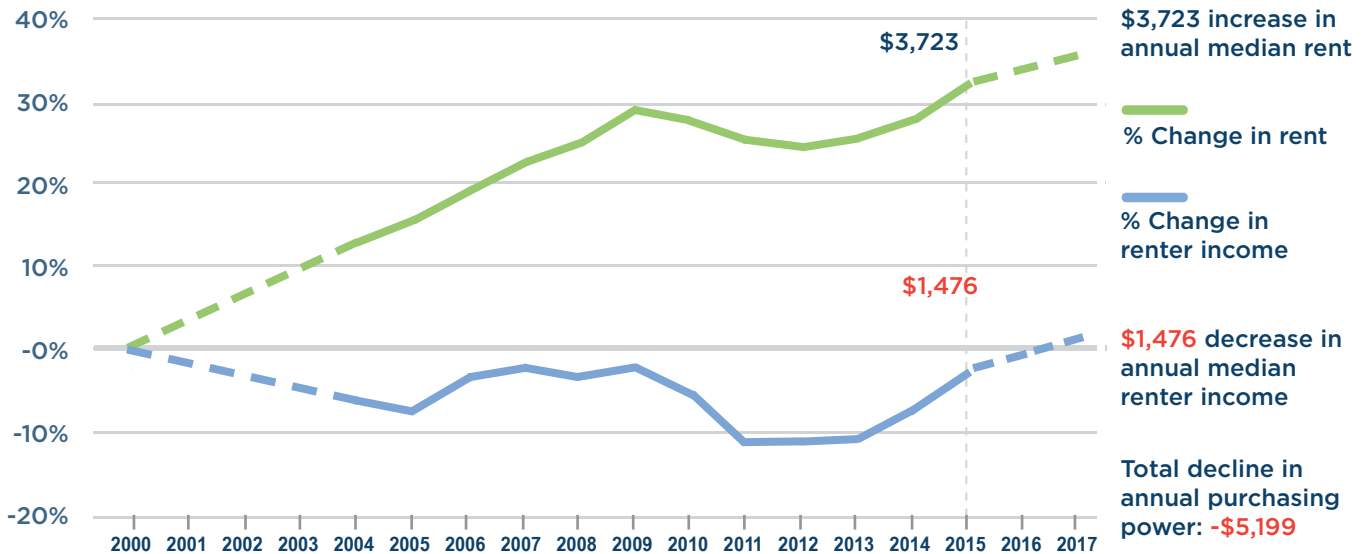
Source: Public Policy Institute of California. California Poverty by County, 2012-2014.

LOS ANGELES COUNTY NEEDS 551,807 MORE AFFORDABLE RENTAL HOMES



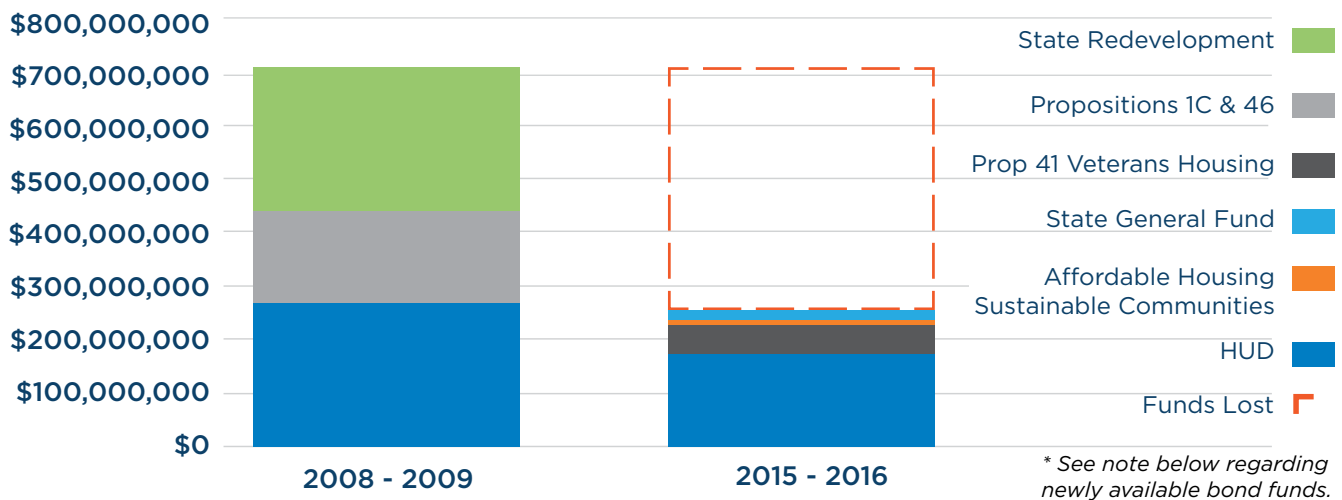
Source: CHPC analysis of 2015 PUMS data using adapted NLIHC methodology.

LOS ANGELES COUNTY'S INFLATION-ADJUSTED MEDIAN RENT INCREASED 32% WHILE MEDIAN RENTER INCOME DECREASED 3% FROM 2000 TO 2015



SOURCE: CHPC analysis of 2000 - 2015 Census and ACS data. Median renter income and rent from 2001-2004 and 2016 and 2017 are estimated trends. Median rent and median renter income are inflation adjusted to 2015 dollars.

LOS ANGELES COUNTY LOST 64% OF STATE AND FEDERAL FUNDING FOR HOUSING PRODUCTION AND PRESERVATION FROM FY 2008-09 TO FY 2015-16

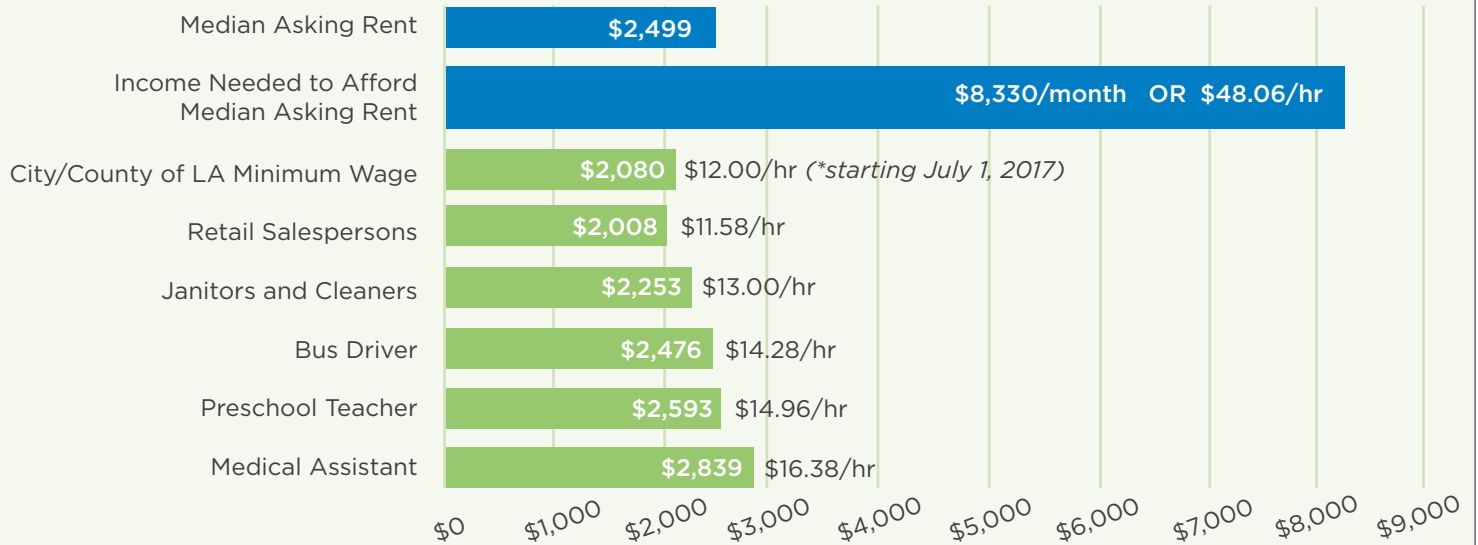


FUNDING SOURCE	FY 2008-2009	FY 2015-2016	% CHANGE
State Redevelopment	\$274,787,841	\$0	-100%
State Housing Bonds and Housing Programs	\$176,595,573	\$85,478,030	-52%
U.S. Dept. of Housing & Urban Development	\$260,516,144	\$169,556,041	-35%
Total	\$711,899,558	\$255,034,071	-64%

*In November 2016, voters in the City of Los Angeles passed a bond initiative (Proposition HHH) that will provide \$1.2 billion for the development of 10,000 units of Permanent Supportive Housing over the next decade. In March, Los Angeles County passed a 1/4 cent sales tax (Measure H) to bring \$355 million annually for services targeted at people experiencing homelessness. Some Measure H funds may be used to develop affordable housing with services.

Source: CHPC analysis of 2008-2009 annual HCD Redevelopment Housing Activities report; 2008-2009 and 2015-2016 annual HCD Financial Assistance Programs Reports; HUD CPD Appropriations Budget data for fiscal years 2009 and 2016.

LOS ANGELES COUNTY RENTERS NEED TO EARN \$8,330 A MONTH TO AFFORD MEDIAN ASKING RENTS

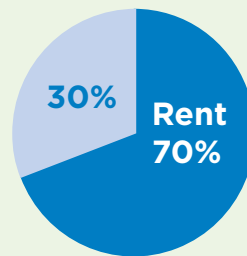


Source: Paul Waddell, Urban Analytics Lab, University of California, Berkeley, retrieved from analysis of online Craigslist listings on April 27, 2017. CHPC analysis of Bureau of Labor Statistics Median Annual Wage Data for CA Occupations in 2016.

WHAT DO RENTERS IN LOS ANGELES COUNTY HAVE LEFT AFTER PAYING RENT?

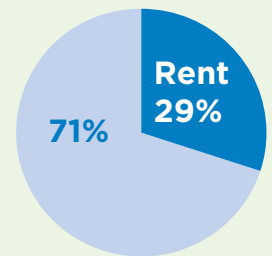
HOUSEHOLDS EARNING HALF OF MEDIAN INCOME OR LESS

Food, Transportation, Health Care, & Other Needs



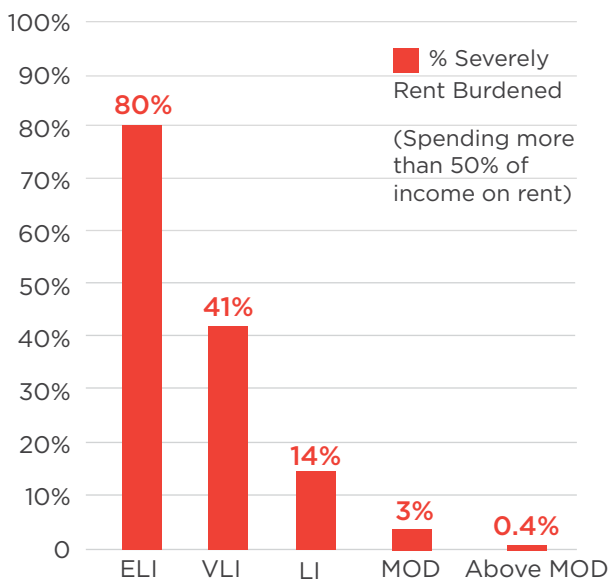
MEDIAN INCOME HOUSEHOLDS

Food, Transportation, Health Care, & Other Needs



Source: NLIHC analysis of 2015 PUMS data.

PERCENTAGE OF SEVERELY BURDENED HOUSEHOLDS BY INCOME GROUP



Source: CHPC analysis of 2015 PUMS data using adapted NLIHC methodology

ABOUT CHPC

THE STATE CREATED THE CALIFORNIA HOUSING PARTNERSHIP NEARLY 30 YEARS AGO AS A PRIVATE NONPROFIT ORGANIZATION WITH A PUBLIC MISSION: TO MONITOR, PROTECT, AND AUGMENT THE SUPPLY OF HOMES AFFORDABLE TO LOWER-INCOME CALIFORNIANS AND TO PROVIDE LEADERSHIP ON AFFORDABLE HOUSING FINANCE AND POLICY. SINCE 1988, THE CALIFORNIA HOUSING PARTNERSHIP HAS ASSISTED NEARLY 200 NONPROFIT AND LOCAL GOVERNMENT HOUSING ORGANIZATIONS LEVERAGE MORE THAN \$13 BILLION IN PRIVATE AND PUBLIC FINANCING TO CREATE AND PRESERVE 65,000 AFFORDABLE HOMES.

STATEWIDE POLICY RECOMMENDATIONS

The California Housing Partnership calls on state leaders to take the following actions to provide relief to low-income families struggling with the high cost of housing:

- » Create new sources of long-term revenue dedicated to producing and preserving affordable homes by passing the Building Homes and Jobs Act **(SB 2)** and an expansion of the state Low Income Housing Tax Credit **(AB 71)**.
- » Give voters a chance to approve new state funding for affordable housing by passing the Affordable Housing Bond Act of 2018 **(SB 3)**.
- » Lower the voter approval threshold for local housing infrastructure bonds to 55% as it is for education facility bonds **(ACA 4)**.
- » Reduce the loss of existing affordable homes by strengthening the State Preservation Notice Law through improved monitoring and enforcement **(AB 1521)**.
- » Restore the ability of local governments to require apartment developers to include affordable rental homes within each development **(AB 1505)**.

LOCAL RECOMMENDATIONS FOR LOS ANGELES COUNTY

- » The City of Los Angeles should adopt the Affordable Housing Linkage Fee to create affordable homes. The County and other Cities in the county should adopt linkage fees also.
- » The County should fully fund its Affordable Housing Program as called for in the Board of Supervisors October 2015 motion.
- » Los Angeles County and Cities within it should offer shallow operating subsidies to help developers provide homes for families and seniors earning less than \$20,000 annually who don't qualify for supportive housing.
- » Los Angeles County and Cities throughout the county should award entitlement incentives to developers who include affordable homes.
- » The County and City of Los Angeles should explore and implement policies that encourage the successful siting of permanent supportive housing.
- » Cities in Los Angeles County should follow the lead of Los Angeles and place affordable housing funding initiatives on the ballot.
- » The City of Los Angeles should commit to updating the City's Community Plans with strong equity standards to ensure affordable, sustainable and vibrant neighborhoods.

This report was produced by the California Housing Partnership.

Local policy recommendations provided by:

Southern California Association of NonProfit Housing (SCANPH)

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