METHODOLOGY DOCUMENTATION

Quantifying Housing Needs in California

May 2022

California Housing Partnership

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

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INTRODUCTION

Purpose of the Housing Needs Dashboard

Policymakers, program administrators, housing advocates, practitioners, and California residents often lack easy access to data and visual tools that provide comprehensive pictures of housing markets throughout the state. The California Housing Partnership created the Housing Needs Dashboard in 2020 to address this challenge.

The Housing Needs Dashboard ("dashboard") is an interactive, online tool that showcases data on the state of housing in communities across California. The dashboard uses the latest available administrative data, U.S. Census data, and real estate data to measure and track housing need, housing market conditions, federal and state funding, and production and preservation trends.

We plan to improve the tool over time as new data and research becomes available and based on feedback from key stakeholders.

About the California Housing Partnership

The California Housing Partnership creates and preserves affordable and sustainable homes for Californians with low incomes by providing expert financial and policy solutions to nonprofit and public partners. Since 1988, the Partnership's on-the-ground technical assistance, applied research, and legislative leadership has leveraged approximately $30 billion in private and public financing to preserve and create more than 85,000 affordable homes.

Please visit our website at www.chpc.net.

METHODOLOGY

The following pages document the methodology and data sources used in the dashboard. A glossary of terms can be found at the end of the document.

Housing Need

The Housing Need section of the dashboard shows affordable housing need for each county and region in California by measuring the availability of affordable homes, housing cost burden for different demographic groups, and historical trends in the number of individuals experiencing homelessness and the interim and permanent housing supply available to serve them.

To quantify affordable housing need by income group, the Affordable Homes Shortfall and Cost Burdened Households graphics use [HUD Income Limits from the U.S. Department of Housing and Urban Development (HUD)](), which determine eligibility for federal and state housing programs based on the median income and housing costs in a metropolitan area.[1] Each renter household is placed in one of five non-overlapping income groups—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 income (AMI), adjusted for household size.

For high-cost housing markets throughout the state, HUD upwardly adjusts income limits to try to account for these higher costs. For example, HUD calculates the VLI income limit in Los Angeles County—which would normally be based on a household earning 50 percent AMI—on a four-person household paying 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 results in an upward adjustment that in turn affects all other income limits because they are all calculated relative to the VLI base limit.[2]

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[1] U.S. Department of Housing and Urban Development (HUD). Methodology for Determining Section 8 Income Limits. Website: https://www.huduser.gov/portal/datasets/il//il19/IncomeLimitsMethodology-FY19.pdf.

[2] Because HUD Income Limits are adjusted upward from actual income levels in Los Angeles County and other high cost areas, a higher proportion of the county's households fall into the 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.

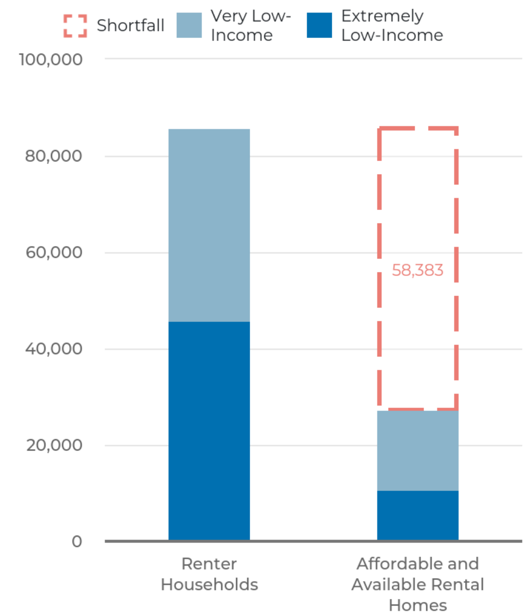
Rent affordability is determined by the income needed to afford rent and utilities without spending more than 30 percent of household income.

Affordable Homes Shortfall

The Affordable Homes Shortfall analysis identifies the number of lower income renter households who cannot find an affordable home in the current market by comparing the number of renter households with the number of rental homes affordable and available to them. In this analysis, a rental home is considered "affordable and available" if a household spends (or would need to spend) no more than 30 percent of its income on rent and utilities and is either vacant or occupied by a household at or below the income group threshold.[3] Both occupied and vacant homes are included because, together, they represent the total stock of rental homes affordable to households of each income group.

AFFORDABLE HOMES SHORTFALL

58,383 low-income renter households in Sacramento County do not have access to an affordable home.



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This analysis is represented in the dashboard as a stacked bar chart. The left-hand stacked bar represents the number of extremely low-income and very low-income renter households. The stacked bar on the right-hand side represents the number of rental homes that are affordable and available to these lower income households. For example, there are 85,865 extremely and very low-income renter households living in Sacramento County. However, only 27,472 rental homes are affordable and available to these households, resulting in a shortfall of 58,383 affordable rental homes (see figure to the right). In other words, more than 58,000—or two thirds—of the county's lowest income households do not have access to affordable housing.[4]

The shortfall analysis uses 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 on households throughout the United States.

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[3] National Low Income Housing Coalition. "The Gap: A Shortage of Affordable Rental Homes." Website: https://nlihc.org/gap.

[4] The shortage of affordable homes described above does not account for individuals and families experiencing homelessness due to limitations of ACS PUMS housing data.

Whereas the ACS aggregates data to a specific geography (state, county, zip code, census tracts, etc.), PUMS data is a sample of households living within a Public Use Microdata Area (PUMA)—each with populations of between 100,000 to 200,000 people. Instead of relying on aggregate ACS data, PUMS offers the ability to work directly with the underlying ACS data. Accordingly, PUMS data is flexible and allows complex analysis. This graphic uses the one-year housing unit sample for all counties and regions with more than 50,000 renter households and combines two, one-year samples for all remaining geographies with less than 50,000 renter households. When multiple counties are located in a single PUMA, the data associated with each PUMA must be proportionally distributed to each county based on tract-level data from HUD's Comprehensive Housing Affordability Strategy (CHAS) data. CHAS data is prepared for HUD by the Census Bureau and includes various indicators on housing affordability for different income groups, as defined by HUD. The CHAS is derived from five-year data and is available at a tract level.

Even with quality controls in place, these values leverage sample survey data and should, therefore, be regarded as estimates. Small differences in cost burden across demographic groups or geographies, for example, should not be assumed to be statistically significant.

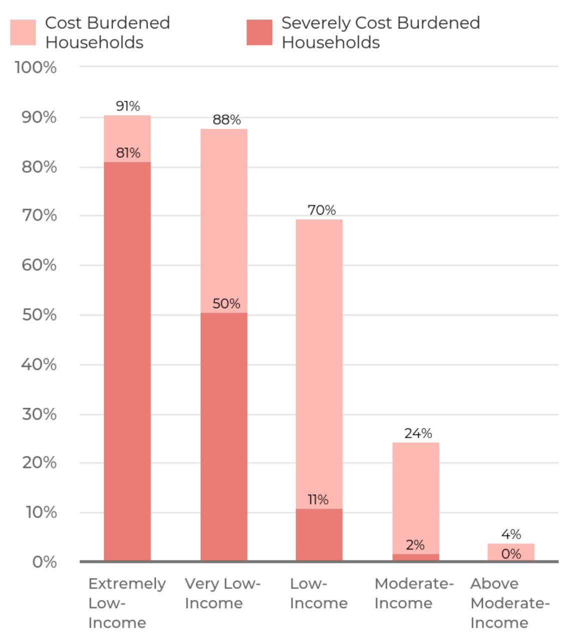
Cost Burdened Renter Households by Income

The Cost Burdened Renter Households by Income analysis measures rent affordability at different household incomes by calculating the percentage of income that households pay for housing. A household is considered cost burdened if they pay 30 percent or more 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 (e.g. electricity, fuel, gas and water).

This analysis is represented in the dashboard as a stacked bar chart. Each stacked bar shows the share of households in each income group that are cost burdened and severely cost burdened. For example, 91 percent of extremely low-income renter households in Sacramento County are cost burdened, meaning they are paying more than 30 percent of household income on

COST BURDENED RENTER HOUSEHOLDS BY INCOME

81% of ELI households in Sacramento County are paying more than half of their income on housing costs compared to just 2% of moderate-income households.



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housing costs. Eighty-one percent of extremely low-income renter households experience severe cost burden.

Like the shortfall analysis described above, the cost burden analysis uses one-year PUMS data for all counties with more than 50,000 renter households and combines two, one-year samples for all remaining counties with less than 50,000 renter households. The cost burden analysis also leverages CHAS data to proportionally distribute data across multiple counties located in a single PUMA. Even with quality controls in place, these values leverage sample survey data and should, therefore, be regarded as estimates. Small differences in cost burden across demographic groups or geographies, for example, should not be assumed to be statistically significant.

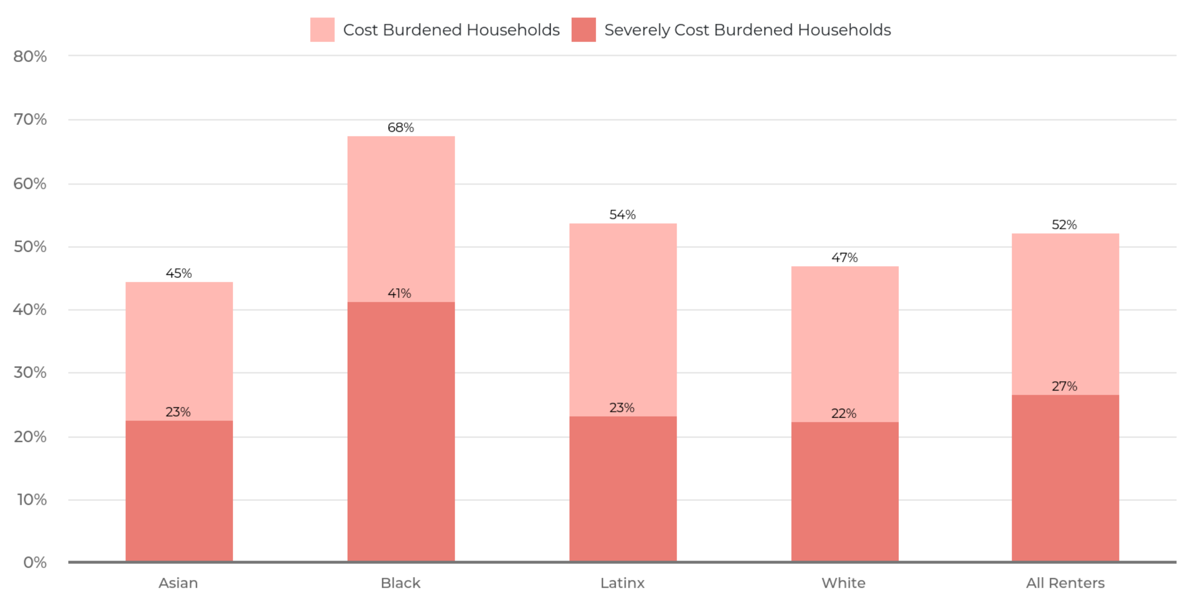
Cost Burdened Renter Households by Race and Ethnicity

The Cost Burdened Renter Households by Race and Ethnicity analysis measures cost burden and severe cost burden for different race and ethnic groups. As described above, a household is considered cost burdened if they pay 30 percent or more 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 (e.g. electricity, fuel, gas and water).

This analysis is represented in the dashboard as a stacked bar chart. Each stacked bar shows the share of renter households in each race and ethnic group that are cost burdened and severely cost burdened. For example, in Sacramento County, 45 percent of Asian renter households, 68 percent of Black renter households, 54 percent of Latinx renter households, and 47 percent of white renter

COST BURDENED RENTER HOUSEHOLDS BY RACE & ETHNICITY

Renters of color face the highest rates of cost burden in Sacramento County.



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households are experiencing cost burden. In addition, 23 percent of Asian renter households, 41 percent of Black renter households, 23 percent of Latinx renter households, and 22 percent of white renter households are experiencing severe cost burden.

Like the shortfall and cost burden by income analyses described above, this analysis uses one-year PUMS data for all counties and regions with more than 50,000 renter households and combines two, one-year samples for all remaining geographies with less than 50,000 renter households. In addition, to further ensure data reliability, we do not report race and ethnicity data that is based on fewer than 100 observations. For example, in Sacramento County, there were fewer than 100 observations in 2019 for the Other Pacific Islander renter households population; therefore, we do not report the percentage of cost burdened or severely cost burdened households for this demographic group. Even with quality controls in place, these values leverage sample survey data and should, therefore, be regarded as estimates. Small differences in cost burden across demographic groups or geographies, for example, should not be assumed to be statistically significant.

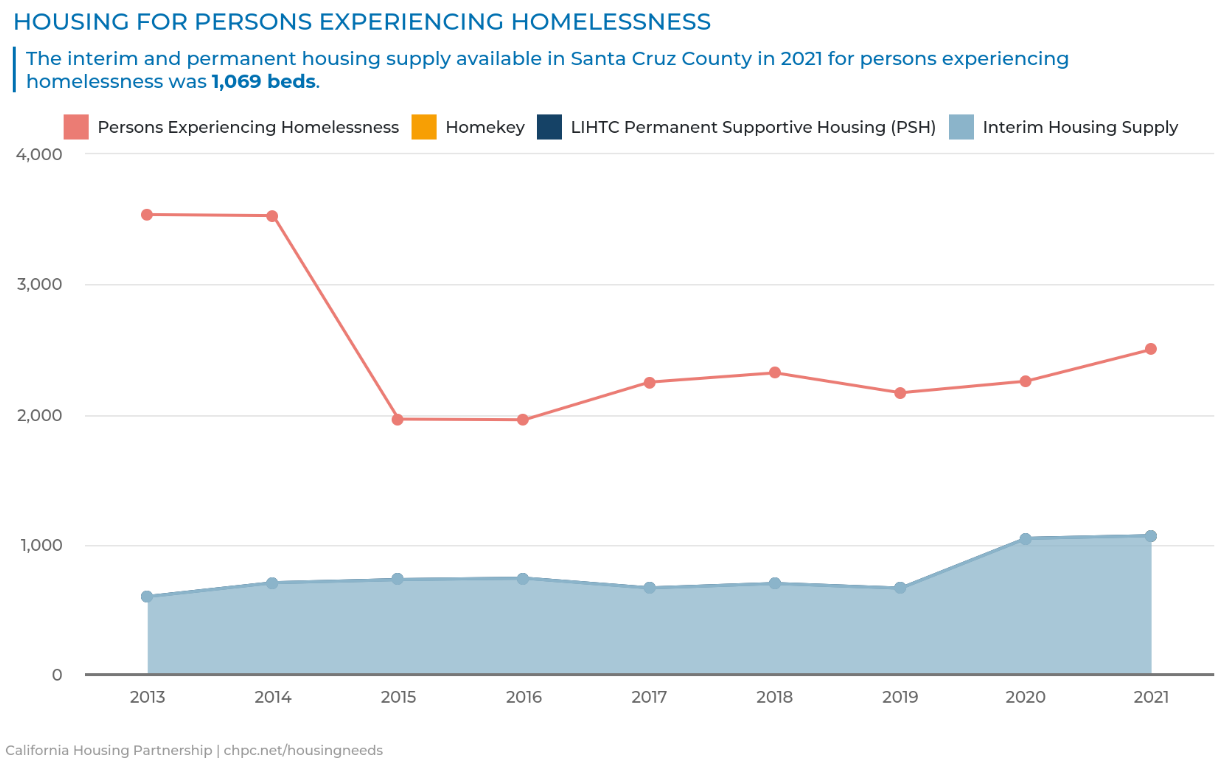
For the purposes of this analysis, the categorization of households by race and ethnicity is based on individual responses to the U.S. Census Bureau's American Community Survey (ACS) as follows:

- "Asian" is used to refer to all people who identify as Asian American, Asian Indian, Japanese, Chinese, Cambodian, Malaysian, Pakistani, Korean, Filipino, Vietnamese, Thai, or other Asian alone and do not identify as being of Latino or Hispanic origin.
- "Black" is used to refer to all people who identify as Black or African American alone and do not identify as being of Latino or Hispanic origin.
- "Latinx" is used to refer to all people who identify as being of Hispanic or Latino origin, regardless of racial identification.
- "Native American" is used to refer to all people who identify as Native American or Alaskan Native alone and do not identify as being of Latino or Hispanic origin.
- "Other Pacific Islander" is used to refer to all people who identify as Native Hawaiian or Pacific Islander alone—including Guamanian, Chamorro, Samoan, Fijian, and Tongan—and do not identify as being of Latino or Hispanic origin.
- "Other race" is used to refer to all people who identify with a single racial category not included in this list and do not identify as being of Latino or Hispanic origin.
- "Two or more races" is used to refer to all people who identify with multiple racial categories and do not identify as being of Latino or Hispanic origin.
- "White" is used to refer to all people who identify as white alone and do not identify as being of Latino or Hispanic origin.

Housing For Persons Experiencing Homelessness

The Housing for Persons Experiencing Homelessness graphic provides historical data on the number of people experiencing homelessness (all persons, sheltered and unsheltered, experiencing homelessness) and the interim and permanent housing supply annually. Data is available for most geographies from 2013 to 2021.

The analysis is represented as a line graph and shaded line graph, with one line representing the number of individuals experiencing homelessness, one light blue shaded line representing the interim housing supply, another dark blue shaded line representing the estimated number of low-income tax credit permanent supportive housing (PSH) units newly available each year, and a point representing the estimated number PSH units funded by Homekey newly available each year.



The interim housing supply available annually is taken from Housing Inventory Count (HIC) reports which include information on the number of beds available for occupancy in emergency shelters, safe havens, transitional housing, and rapid re-housing (RRH) on the same night the PIT count is conducted.

The permanent housing supply, shown as "LIHTC Permanent Supportive Housing (PSH),"and "Homekey", is an estimate of the number of PSH units funded through the Low-Income Housing Tax Credit (LIHTC) and Homekey programs that are placed in service (PIS) each year. The estimate is derived from annual LIHTC and Homekey awards with the assumption that acquisition/rehab units are typically placed in service one year after the development is awarded and new construction units are typically placed in service two years after the development is awarded.

Estimates of individuals experiencing homelessness are from the annual Point-in-Time (PIT) reports and are translated to the corresponding counties represented by the respective Continuums of Care (CoC) and their program areas. CoC areas may cover multiple counties, and in these instances, the total counts have been assigned to each county in the program area.[5] Due to the pandemic, many CoCs did not conduct counts of unsheltered individuals in 2021. The CoCs in the following counties did conduct counts of unsheltered individuals in 2021: Kern, Lake, Merced, Nevada, Placer, Stanislaus, Sutter, Tehama, and Yuba counties. For CoCs who did not conduct counts of unsheltered individuals, we supplemented their unsheltered counts with those from 2020. This is not uncommon as CoCs are only required to conduct unsheltered counts every other year.[6] For the Dashboard's regional aggregations, CoC areas that cover multiple counties are counted only once.

Market Trends

The four graphics in this category—Who Can Afford to Rent, Asking Rent Trends, Cost of Living, and Vacancy Rate Trends—are all indicators of current housing market conditions in communities across California. In a healthy market, the rental vacancy rate is between seven and eight percent.[7] In an ideal market, all renters, regardless of occupation, would be able to afford asking rents and earn sufficient income to meet basic needs. Each graphic below details different aspects of housing affordability and availability throughout California and barriers for families and individuals trying to rent.

Who Can Afford to Rent

The Who Can Afford to Rent graphic details the average asking rents for two-bedroom rental homes in multifamily buildings, the income needed to afford this average asking rent, and the incomes of households earning minimum wage and five other occupations in every county and for the state. Data is available from 2017 to 2022.

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[5] Homeless and Housing Strategies for California. 2020. "Map of California Continuums of Care by Region." Website: https://homelessstrategy.com/map-of-california-continuums-of-care-by-region/.

[6] HUD. "Guide to Counting Unsheltered Homeless People." Website: https://www.hudexchange.info/sites/onecpd/assets/File/Guide-for-Counting-Unsheltered-Homeless-Persons.pdf

[7] Lincoln Institute. 2018. "The Empty House Next Door: Understanding and Reducing Vacancy and Hypervacancy in the United States." Website: https://www.lincolninst.edu/sites/default/files/pubfiles/empty-house-next-door-full.pdf

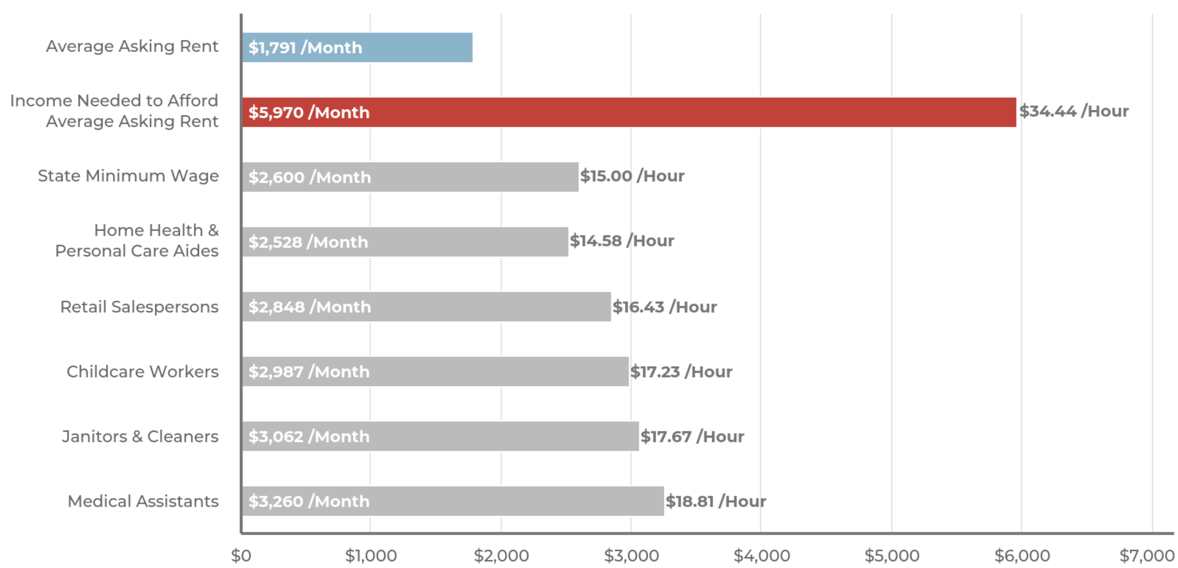
This graphic is represented in the Dashboard as a horizontal bar chart. The top bar represents the monthly average asking rents for two-bedroom rental homes in multifamily buildings in each county. The second bar from the top of the graphic represents the monthly and hourly income a household would need to earn to afford the average asking rent when spending 30% or less of

income on rent.The remaining bars represent the monthly and hourly incomes for occupations that earn minimum wage and five other select occupations in each county and the state.

The average asking rents data is from CoStar's multifamily rent dataset, which uses data that is aggregated by an automated data collection algorithm to extract or "scrape" data from listing websites; supplied by clients of CoStar's ILS platforms, including Apartments.com, ApartmentFinder.com, and ForRent.com; obtained by CoStar's research callers, who contact individual properties for detailed rent and concession data; acquired from the RealFacts dataset, which details building-level rent and vacancy data dating back to the mid-1990s for more than 12,000 properties; or modeled by CoStar based on rent trends in different submarkets and building types for those properties for which rent data is unavailable. Rent data is accessed on CoStar in January each calendar year.

WHO CAN AFFORD TO RENT (2022)

Renters need to earn **2.3 times** minimum wage to afford the average asking rent in Riverside County.



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Minimum wage data is sourced from the California Department of Industrial Relations and represents the state minimum wage for individuals who worked for employers with 26 employees or more from 2017 to 2022.

Monthly and hourly local minimum wages are from jurisdictions that have passed ordinances that set minimum wages above the state minimum wage and are sourced from each jurisdiction.

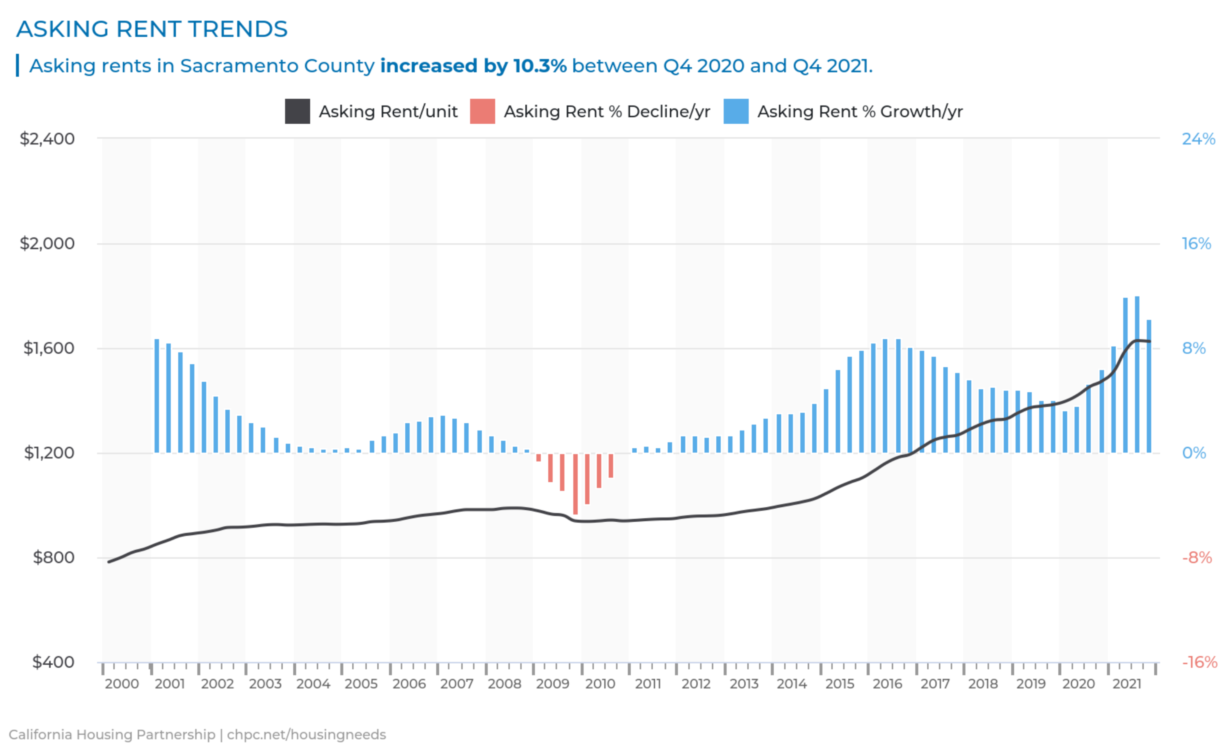
The monthly and hourly incomes for the five occupations are sourced from the U.S Bureau of Labor Statistics Occupational Employment Statistics dataset from 2016 to 2021.

Asking Rents Trends

The Asking Rents Trends graphic provides quarterly average asking rent data for two-bedroom rental homes in multifamily buildings in counties and regions across California since 2000. Average asking rent is the average dollar amount apartment landlords in each geography are requesting for a household to lease a unit on a monthly basis.

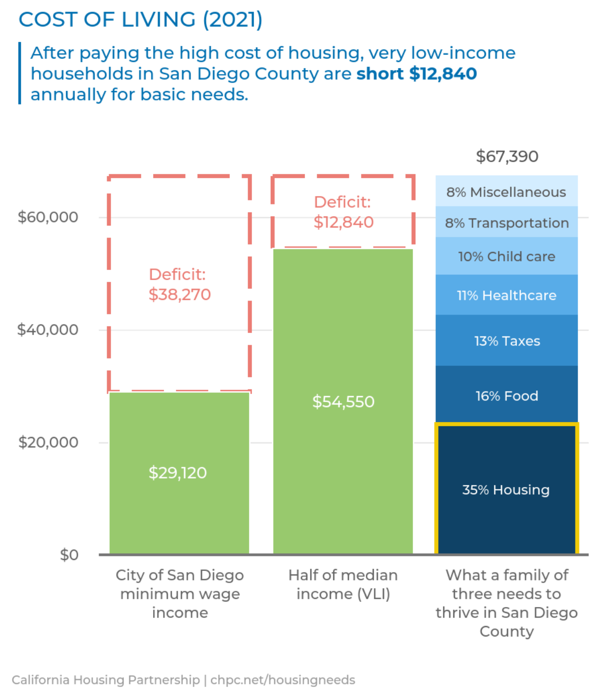
This analysis is represented in the dashboard as a combined line and bar graph. The line represents the average asking rent for two-bedroom rental homes in multifamily buildings in the county per quarter. Each bar represents the annual percentage change in average asking rent by quarter. For example, in Q4 2019 the average asking rent in Sacramento County was $1,314, which represents a 4% increase from Q4 2018.

The data powering this graphic is from CoStar's multifamily rent dataset, which is described in detail in the Who Can Afford to Rent section above. Rent data was accessed on CoStar in March 2021.



Cost of Living

The Cost of Living graphic details the income that a three-person household needs to meet its basic needs in a given geography. Unlike the official poverty measure—which primarily accounts for the cost of food—the households budgets represented here incorporate the costs of housing, food, healthcare, childcare, transportation and other basic needs for a family of three throughout California. The annual incomes for a three-person household with a single minimum wage earner and a three-person very low-income household are presented alongside this basic household budget to show the amount of income still needed for low-wage households to meet basic needs.



The graphic is presented in the dashboard as a vertical stacked bar chart. The far-left bar is the annual income of a single income household earning state or local minimum wage and the deficit or difference from the three-person budget needed to afford basic needs. The middle bar is the annual income of a three-person, very low-income (VLI) household.[8] The far-right bar shows the annual budget/income that a three-person household needs to meet its basic needs in their community in California.

The data powering this graphic is from [United Way's Real Cost Measure and Households Budget] data for a family of three with one working adult and two children (one school-aged child and one teenager). Each percentage represents how much a family's annual budget is captured in each cost category (housing, childcare, etc.).[9]

Minimum wage data is sourced from the California Department of Industrial Relations and represents the state minimum wage for individuals who worked for employers with 26 employees or more from 2017 to 2021. Monthly and hourly local minimum wages are from jurisdictions that have passed ordinances that set minimum wages above the state minimum wage and are sourced from

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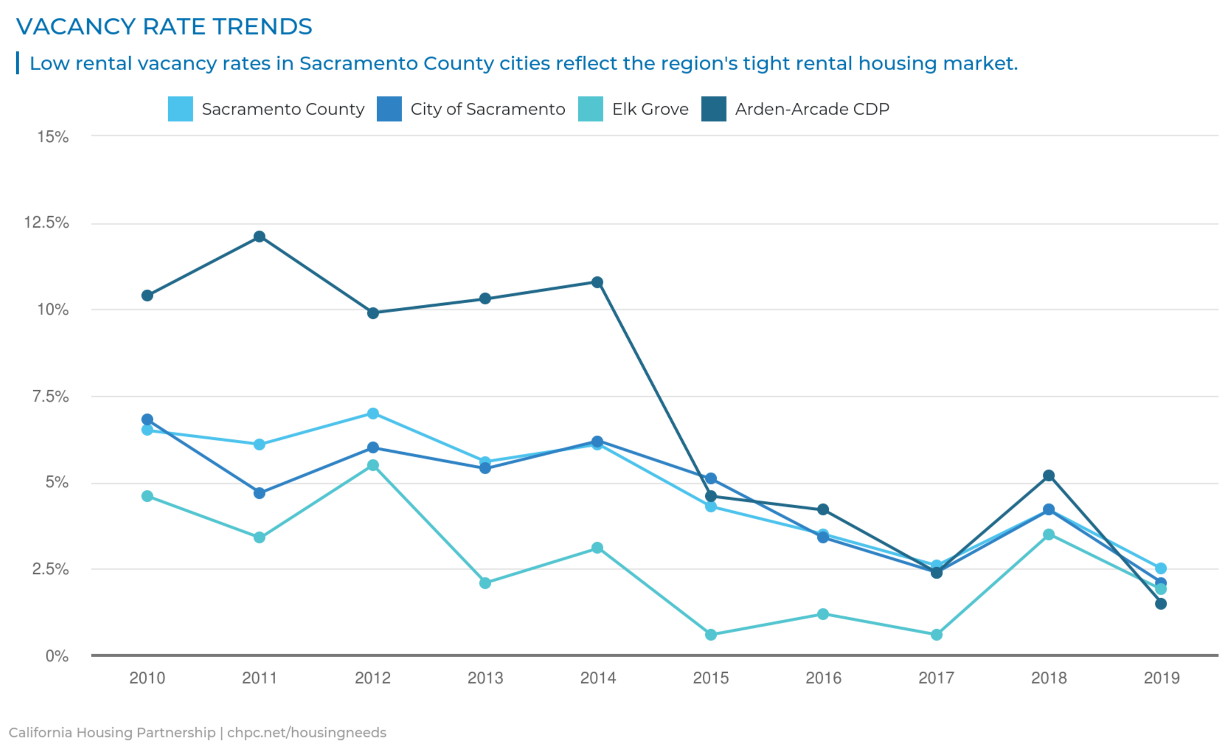
[8] Very low-income households earn 50% of area median income, as defined by HUD. See the "Housing Need" section above for a thorough description of the different income groups used in the Dashboard.
[9] United Ways of California, Real Cost Measure Household Budgets 2019. Please visit https://www.unitedwaysca.org/realcost for more information on what it takes to meet basic needs in communities across California.

each jurisdiction. The income data for very low-income households comes from HUD's county-level income limits data, which are used to determine eligibility for federal and state housing programs based on the median income and housing costs in a metropolitan area.[10]

Vacancy Rate Trends

The Vacancy Rate Trends graphic provides historical data on rental vacancy rates—or the proportion of the total rental inventory that is unoccupied, including all multifamily, apartment, and single-family residential units for rent—for one to three of the largest jurisdictions in each county (by renter population) and the county itself. Vacancy rates have long been used to gauge the current economic climate, provide information on the stability and quantity of housing available in a local housing market, and measure the demand for housing at a given time.

This analysis is represented in the dashboard as a line graph with each jurisdiction represented as an individual line.



The data powering this graphic is from one-year ACS estimates, available at https://data.census.gov. The rental vacancy rate is calculated by dividing the number of vacant units

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[10] Housing and Urban Development (HUD). Methodology for Determining Section 8 Income Limits. Website: https://www.huduser.gov/portal/datasets/il//il19/IncomeLimitsMethodology-FY19.pdf.

available for rent by the sum of the renter-occupied units, vacant units available for rent, and vacant units that have been rented but not yet occupied. One-year ACS estimates are only available for jurisdictions—counties and cities—with populations of 65,000 or more. Therefore, smaller counties—like Alpine County and Lassen County—do not have this graphic in the dashboard.

State & Federal Funding

The State and Federal Funding and State Funding graphics show historical trends in federal and state funding administered by governments to produce and preserve housing (ownership and rental) for low- and moderate-income households, support activities to address homelessness, and provide financial assistance to support the creation of high-quality living environments.

State and Federal Funding

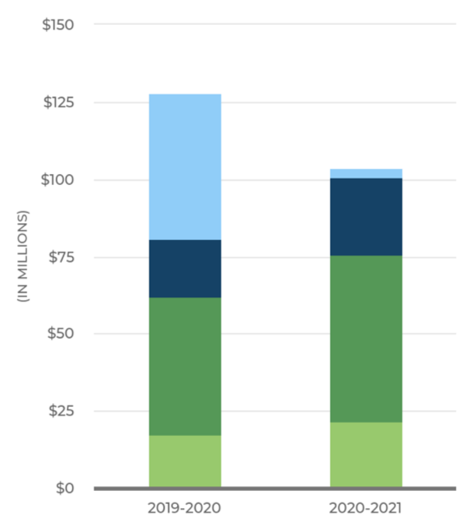
The State and Federal Funding graphic shows the level of federal and state funding for low- and moderate-income homeowners, extremely low- and very low-income renters, and supportive services for individuals experiencing homelessness from the past two fiscal years for the selected geography. Funding comes in the form of grants and loans from the U.S. Housing and Urban Development (HUD) Department, the California Department of Housing and Community Development (HCD), the California Strategic Growth Council (SGC), the former Redevelopment Agency, the California Tax Credit Allocation Committee (CTCAC or TCAC), the California Housing Finance Agency (CalHFA), and the California Business, Consumer Services and Housing (BCSH) Agency.

The graphic is shown in the dashboard as a stacked bar chart. Each bar shows the amount of funding allocated in each selected geography for each fiscal year shown, with the fiscal year running from July to June (the 3rd and 4th quarters of the first year and the 1st and 2nd quarters of the second year).

In addition to the funding programs included in the State Funding graphic, grants from HUD and federal Low-Income Housing Tax Credits are included in this graphic, as well.

STATE & FEDERAL FUNDING

State and federal funding for housing production and preservation in Imperial County is $104 million, a **19% decrease** from the year prior.



FUNDING SOURCE	FY 2019-20 (IN THOUSANDS)	FY 2020-21 (IN THOUSANDS)	% CHANGE
State Housing Bonds and Budget Allocations	$46,839	$2,850	-94%
State LIHTC	$18,957	$24,992	32%
STATE TOTAL	**$65,796**	**$27,842**	**-58%**
Federal LIHTC	$44,562	$54,215	22%
HUD Block Grants	$17,333	$21,561	24%
FEDERAL TOTAL	**$61,895**	**$75,777**	**22%**

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HUD funds are allocated through the following programs: Community Development Block Grant (CDBG), HOME, Emergency Services Grant (ESG), Housing Opportunities for People With Aids (HOPWA), and the Housing Trust Fund (HTF). Federal Low-Income Housing Tax Credits are awarded by CTCAC.

The data powering this graphic is from annual reports published by the administrating agencies and their program-specific awards data: annual Redevelopment Housing Activities Report, annual HCD Financing Assistance Programs Reports and Program Awards, HUD CPD Appropriations Budget Reports, CalHFA Mixed-Income Program Reports, BCSH Program Reports, and TCAC reporting on federal and state Low-Income Housing Tax Credits.

State Funding

The State Funding graphic shows the level of state funding for low- and moderate-income homeowners, extremely low- and very low-income renters, and supportive services for individuals experiencing homelessness from fiscal year 2008-09 to fiscal year 2020-21 for each county and the state. Funding comes in the form of grants and loans from the California Department of Housing and Community Development (HCD), the California Strategic Growth Council (SGC), the former Redevelopment Agency, the California Tax Credit Allocation Committee (CTCAC or TCAC) and the California Business, Consumer Services and Housing (BCSH) Agency.

The graphic is shown in the dashboard as a stacked bar chart. Each bar shows the amount of funding allocated in the selected geography for each fiscal year (July of the 1st year to June of the 2nd year).

The funding levels shown are from a number of programs administered by four different state departments, multiple funding sources and former redevelopment agencies. From HCD, state general and revolving funds are allocated to the following programs: Mobilehome Park Rehabilitation and Resident Ownership Program (MPRROP), Multifamily Housing Program (MHP), Office of Migrant Services (OMS), as well through Project Homekey. From SGC, state general funds are awarded through the Affordable Housing Sustainable Housing Communities (AHSC) Program. State funding was distributed through local redevelopment agencies until fiscal year 2011.[11] From CTCAC, state funds are awarded through state Low-Income Housing Tax Credits. From BCSH, state general funds are disbursed through the Homeless Emergency Aid Program (HEAP) and Homeless Housing, Assistance, and Prevention Program (HHAP).

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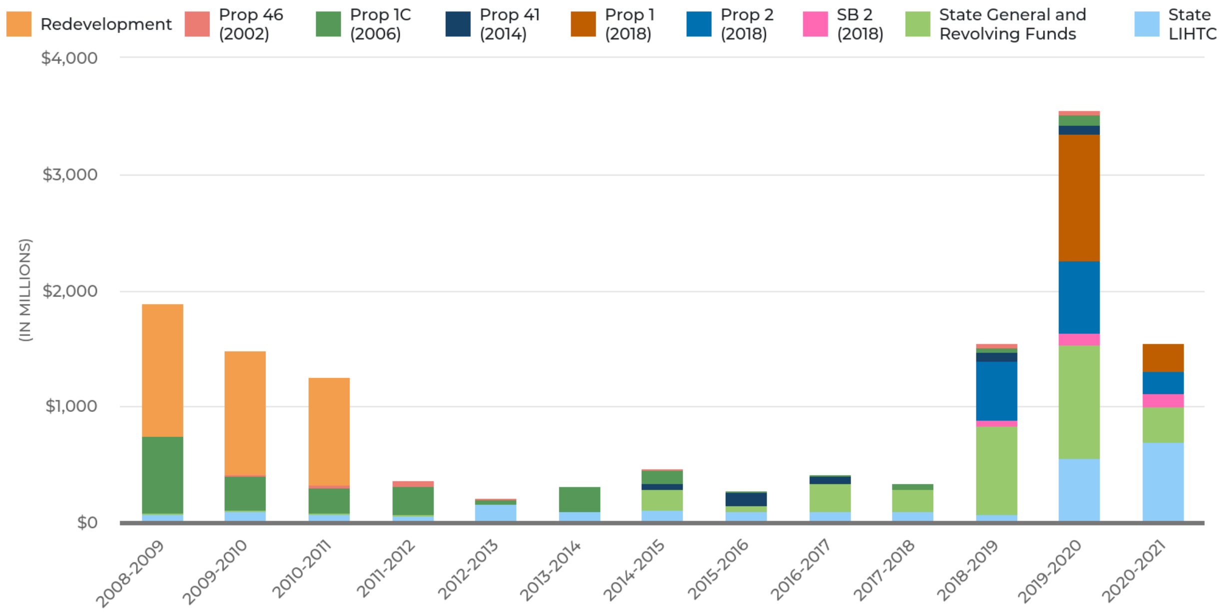
[11] For FY 2011-12, redevelopment funding for the state is estimated. County-specific funding amounts for FY 2011-12 are unavailable due to lack of available reporting and are therefore unreported for the fiscal year.

STATE FUNDING

State housing investments from FY 2008-09 to FY 2020-21.



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Proposition 1C (Housing Emergency Shelter Trust Fund Act of 2006) funds are administered by HCD and are allocated through the following programs: CalHome, California Self-Help Housing Program (CSHHP), Emergency Housing Assistance Program (EHAP), Emergency Housing Assistance Program – Capital Development (EHAP-CD), Infill Infrastructure Grant (IIG) Program, Joe-Serna Jr. Farmworker Housing Grant (Serna) Program, MHP, MHP - Supportive Housing (MHP-SH), MHP-Homeless Youth (MHP-HY), MHP-Transition Age Youth (MHP-TAY), OMS, and Transit Oriented Development (TOD) Program.

Proposition 46 (Housing and Emergency Shelter Trust Fund Act of 2002) funds are administered by HCD and are allocated through the following programs: CalHome, EHAP, EHAP-CD, MHP, MHP-SH, and MHP - Governor Homeless Initiative (MHP-GHI).

Proposition 41 (2014) funds are administered by HCD and are allocated through the Veterans Housing and Homelessness Prevention (VHHP) Program.

Proposition 1 (Veterans and Affordable Housing Bond Act of 2018) funds are allocated through the following programs: CalHome, CalHome Disaster, IIG, MHP, MHP-SH, and Serna.

Proposition 2 (2018) funds are administered by HCD and are allocated through the No Place Like Home (NPLH) program.

Senate Bill 2 (Building Homes and Jobs Act Trust Fund of 2018) funds are administered by BCSH and are allocated through the California Emergency Solutions and Housing (CESH). From CalHFA, SB 2 funds are allocated through the Mixed-Income Program.

The data powering this graphic is from annual reports published by the administrating agencies and program-specific award data.[12]

Production and Preservation Trends

The three graphics in this category—LIHTC Production and Preservation ("LIHTC"), Progress Towards RHNA, and Multifamily Housing Production ("Production")—all capture trends in multifamily production and preservation throughout California. The LIHTC graphic tracks the number of affordable homes produced and preserved across California using federal and state LIHTCs. The Progress Toward RHNA graphic measures the extent to which different jurisdictions, including counties, throughout California are meeting the housing needs of people at all income levels (as determined by the 5th cycle Regional Housing Needs Allocation (RHNA)). The Production graphic shows trends in the number of newly constructed multifamily rental homes opened each year in jurisdictions across California.

LIHTC Production and Preservation

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. These credits are designed to encourage private investment in affordable housing by providing tax incentives for a ten-year period. 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.[13]

There are two types of federal tax credits: 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 of the 9% credits, it is a virtually uncapped and non-

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[12] In some instances, funding awards detailed in administering agency summaries do not match the program specific award summaries. We defer to award amounts represented in the program-specific award summaries, as available.

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

competitive resource because developers obtain it through an allocation of private activity tax-exempt mortgage revenue bonds, which have historically not been competitive, until recent years.[14]

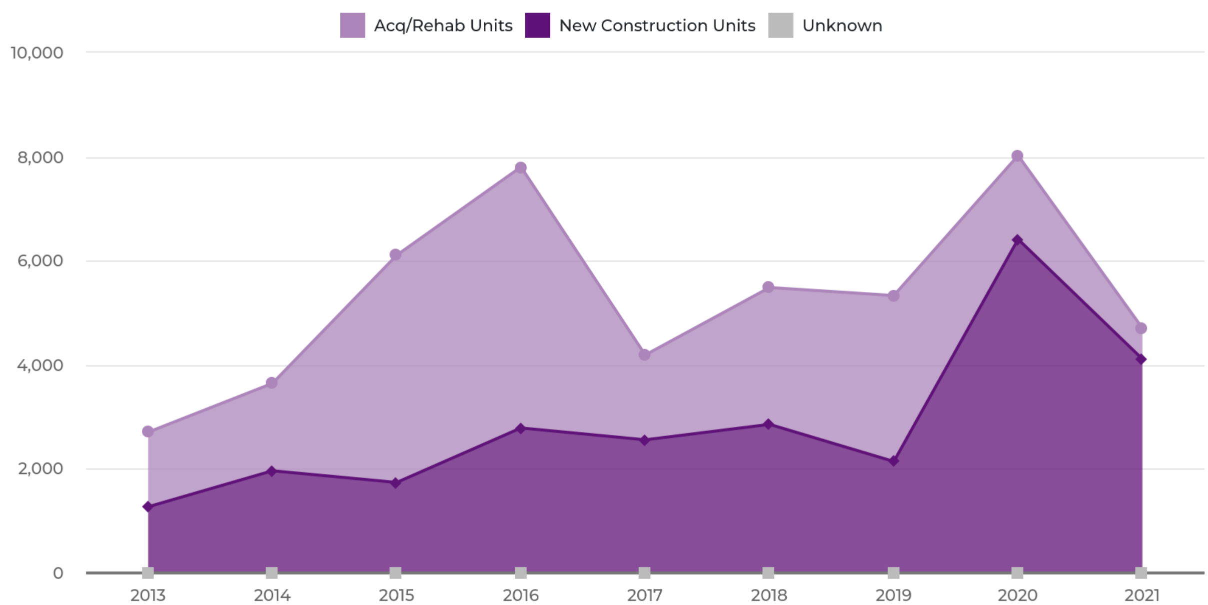
In addition to federal tax credits, California also has a state tax credit, which was authorized in 1987 to complement the federal tax credit program.

The LIHTC Production and Preservation graphic tracks the number of affordable homes produced and preserved in California using federal and state low-income housing tax credits, using the year tax credits were awarded. In order to distinguish the number of new affordable homes from the number of preserved affordable homes, this graphic shows data on both new construction and acquisition/rehabilitation.

This analysis is represented in the dashboard as a stacked line chart showing LIHTC production ("New Construction") and preservation ("Acquisition & Rehab") throughout the life of the program, from 1987 to 2021. For some developments funded earlier in the program (1987-1996), construction types were not recorded; in these instances, the construction type is listed as "Unknown."

LIHTC PRODUCTION & PRESERVATION

Low-Income Housing Tax Credit production and preservation in the Bay Area(2013-2021).



California Housing Partnership | chpc.net/housingneeds

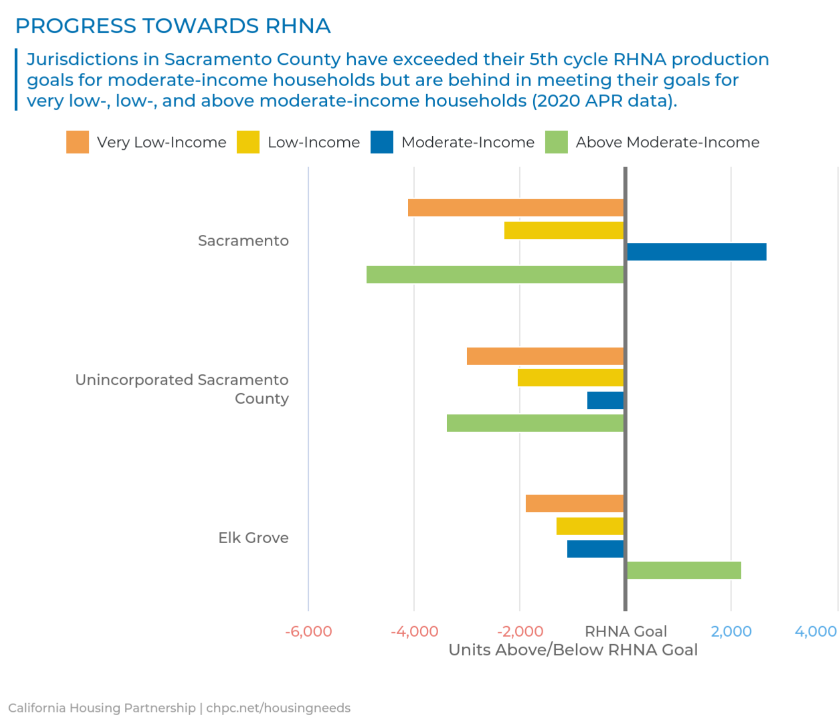
[14] California Housing Partnership. 2017. "The Tax Credit Turns 30." Website: https://1p08d91kd0c03rlxhmhtydpr-wpengine.netdna-ssl.com/wp-content/uploads/2017/12/TCT30-Final1.pdf.

The underlying data leveraged by this graphic comes from the California Housing Partnership's Preservation Database, an inventory of federally subsidized affordable rental properties, many of which also receive state and local subsidies. The Partnership receives semi-annual data updates from CTCAC on LIHTC awards and project-level data. Supplemental data on construction types was gathered from archived annual reports published by CTCAC.

Progress Towards RHNA

The Progress Towards RHNA graphic measures the extent to which different jurisdictions, including counties, throughout California are meeting the housing needs of people at all income levels in their respective communities. In 1969, the State of California mandated that all jurisdictions must plan for the housing needs of their residents, regardless of income. This mandate is called the Housing Element, a part of each jurisdiction's General Plan, and Regional Housing Needs Allocation (RHNA). As part of RHNA, the California Department of Housing and Community Development (HCD) determines the total number of new homes each region needs to build and how affordable those homes need to be in order to meet the housing needs of the local community. For more information on the RHNA process, please see HCD's website at www.hcd.ca.gov/community-development/housing-element/.

This analysis is represented in the dashboard as a horizontal bar graph and shows the extent to which each jurisdiction or region has met its 5th cycle RHNA production goals for each income level. For each county, the graph shows up to three jurisdictions (those with the largest 5th cycle RHNA allocation). For each region, the graph shows aggregate, region-wide progress towards RHNA for the region's planning body – known as a "council of government" or "COG." When there is no regional COG, the graph shows total progress towards RHNA for all jurisdictions within the region. Bars to the left of the y-axis (or negative values) represent the total number of new homes each jurisdiction still

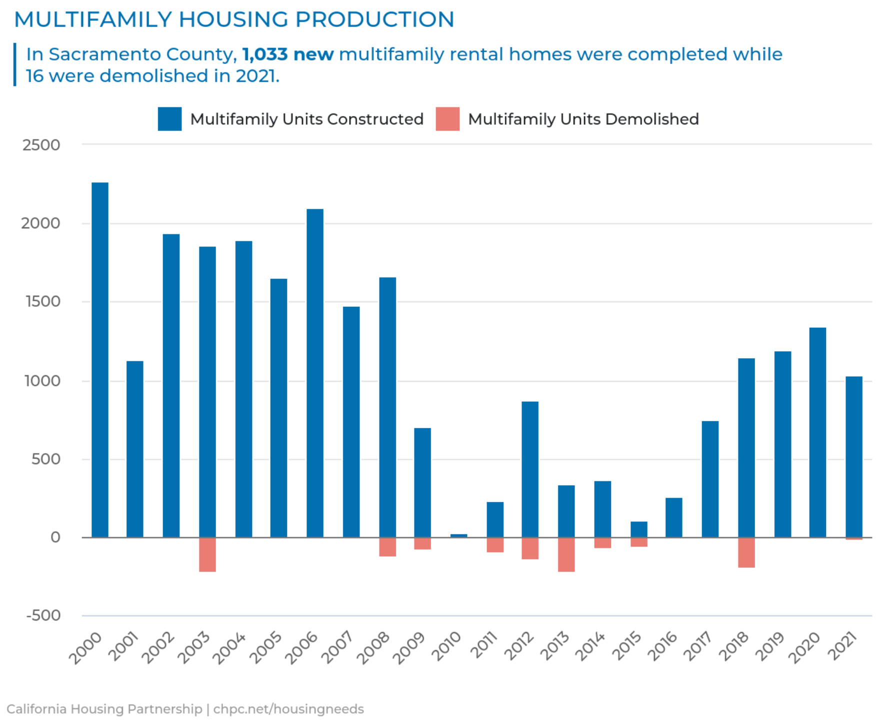


needs to permit to meet the housing needs of a specific income group. Bars to the right of the y-axis (or positive values) indicate when a jurisdiction has exceeded its RHNA production goal for a specific income group. For example, the City of Sacramento has exceeded its 5th cycle RHNA production goal for moderate-income households but is behind in meeting its goals for very low-, low-, and above moderate-income households.

The data powering this graphic is from Annual Progress Reports (APRs) submitted by each jurisdiction to report on progress towards implementing its Housing Element and RHNA goals. APRs are submitted to HCD each April. Summary data is available on HCD's website via the [Housing Element Open Data Project](#).

Multifamily Housing Production

The Multifamily Housing Production graphic shows trends in the number of newly constructed and demolished multifamily rental homes in the county each year. This data can be used to gauge production trends in the local housing market and measure how construction activity has changed over time.



This analysis is represented in the dashboard as a stacked bar graph. The blue bars above the x-axis represent newly constructed multifamily rental units and the red bars below the x-axis represent demolished units. For example, in Sacramento County, developers added 1,033 multifamily rental homes to the market in 2021 and 16 were demolished.

The data powering this graphic is from CoStar's multifamily construction dataset, which tracks properties under construction ("known supply") and models additional supply ("modeled supply"). Because of sample size challenges, this graphic is not available for smaller counties in California with a small stock of multifamily rental properties.

GLOSSARY

Above Moderate-Income – Households with incomes greater than 120% of area median income (AMI).

American Community Survey (ACS) – An ongoing survey conducted by the United States Census Bureau that collects detailed population and housing data on households throughout the United States. Sent to approximately 3.5 million addresses per year, the ACS is the largest household survey that the Census Bureau administers.

Annual Progress Report (APR) – An annual report submitted by each jurisdiction of California to the California Department of Housing and Community Development (HCD) and the Governor's Office of Planning and Research on or before April 1 of each year that reports progress in the jurisdiction's implementation of its housing element.

Area Median Income (AMI) – The median family income in the metropolitan or nonmetropolitan area as designated by the US Department of Housing and Urban Development (HUD). Varies per household size.

Asking Rent – The dollar amount an apartment landlord requests in order for a household to lease a unit on a monthly basis.

California Busines, Consumer Services, and Housing Agency (BCSH) – A state-level government agency that promotes and funds rental and homeownership opportunities and partners with local communities to prevent and end homelessness.

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

California Housing Finance Agency (CalHFA) – The state's affordable housing lender that finances affordable rental housing and provides mortgage loans and down payment assistance to first-time homebuyers.

California Strategic Growth Council (SGC) – A cabinet level committee that is tasked with coordinating the activities of state agencies related to healthy, sustainable, and resilient community building throughout California.

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

Construction Type – A variable that identifies whether properties are financed prior to their construction ("New Construction") or in order to rehabilitate an existing property ("Acquisition/Rehabilitation").

Continuum of Care (CoC) Program– A federal program committed to the goal of ending homelessness by providing funding to nonprofit providers, state and local government, promoting access to programming, and optimizing self-sufficiency of individuals and families experiencing homelessness. CoC grantees organize and conduct the annual Point-in-Time (PIT) and Housing Inventory Count (HIC).

Cost Burden – An income-to-rent metric determined by the percentage of income paid towards housing by households at different income levels. A home is considered affordable if housing costs absorb no more than 30% of the household's income. A household is cost burdened if they pay more than 30% of their income towards housing costs and severely cost burdened if they pay more than 50% of their income towards housing costs.

Extremely Low-Income (ELI) – Households with incomes at or below 30% of AMI.

Low-Income (LI) – Households with incomes more than 50% of AMI and up to 80% of AMI.

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 the acquisition, construction, and rehabilitation of rental properties to house low-income households.

Moderate-Income – Households with incomes more than 80% of AMI and up to 120% of AMI.

Redevelopment Agency (RDA) – A state agency that was a part of the Department of Finance and was charged with combating urban blight, including the financing of affordable housing, through tax increment financing. The agency operated from 1954 until its dissolution in 2011.

Regional Housing Needs Allocation (RHNA) – The process by which each jurisdiction in California is assigned its share of the region's housing needs. This allocation involves two steps: (1) HCD determines the total housing need for each region in the state and (2) the region's Council of Governments then distributes this need to local governments.

Severe Cost Burden – Severe cost burden is when housing costs consume more than 50% of a household's income.

US Department of Housing and Urban Development (HUD) – The federal agency that supports community development and homeownership, enforces the Fair Housing Act, and oversees several 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.

Very Low-Income (VLI) – Households with incomes more than 30% of AMI and up to 50% of AMI.