



324,000 Naturally-Occurring Affordable Homes at Risk

120,000 Affordable Homes Lost Since 2020

California has two types of homes that can be affordable to low-income renters:

1) **subsidized multifamily rental properties** where incomes and rents are regulated by agreements with federal, state and/or local government agencies, typically in exchange for financial assistance of some kind (also referred to as "affordable housing")

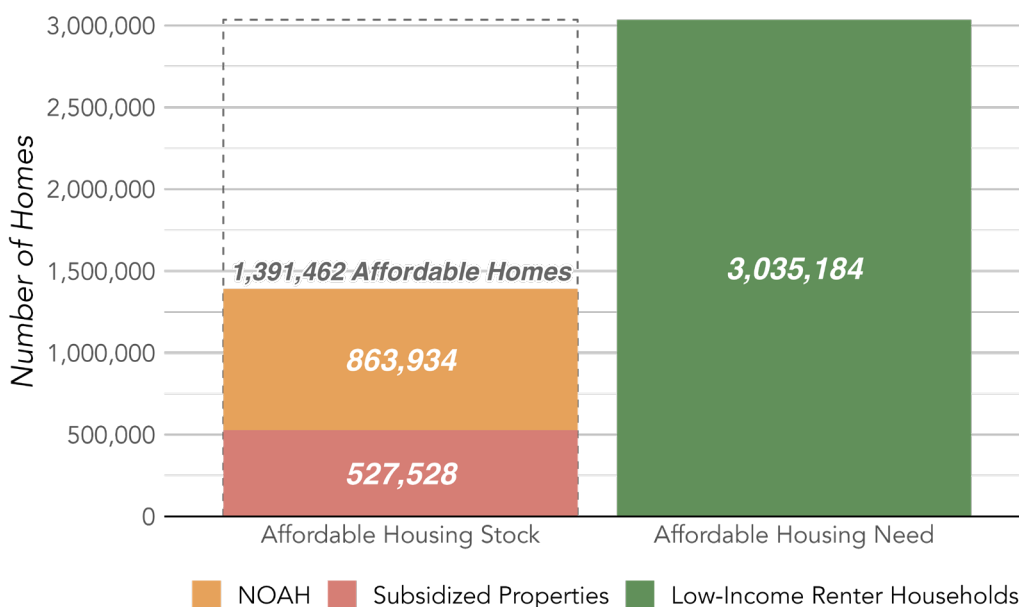
2) **unsubsidized multifamily (5+ unit) rental properties** where due to some combination of the location and condition of the building, rents are affordable to low-income households - also referred to as "naturally-occurring" affordable housing (NOAH).

These properties are becoming an increasing focus for policymakers as private equity has accelerated for-profit acquisitions and conversions of these properties, further threatening the supply of homes affordable for low-income Californians.¹ While the California Housing Partnership regularly documents the at-risk status of regulated subsidized affordable housing throughout the state² – this report, for the first time, focuses on the unsubsidized NOAH that have been lost and are at-risk of loss.

Quantifying California's Multifamily (5+ Unit) "Naturally-Occurring" Affordable Housing

Using a new, proprietary methodology, the Partnership is now able to identify NOAH properties that due to their age, location, or other market factors, offer rents affordable to low-income households. In this analysis, NOAH properties are defined as: apartment buildings with five or more units (which is the state's definition of multifamily housing) where at least half of the apartments have rents affordable to households earning 80% of the median income for that zipcode.^{3,4} Increasingly, these properties have been targeted for acquisition and conversion by for-profit entities seeking to maximize rents, leading to the displacement of low-income residents and the loss of affordability for future low-income residents. Unless the property is preserved by mission-driven, nonprofit-controlled organizations with the support and oversight of local government housing agencies, NOAH properties will eventually become extinct in California given the current rate of loss documented below.

Figure 1 | Statewide Affordable Housing Stock and Housing Need



As of 2022, there are an estimated 863,934 affordable homes located in approximately 44,250 NOAH properties throughout the state (see Figure 1). This represents significantly more homes than the 527,528 government regulated affordable rental homes (as of January 2023). However, even combined, both sources fall far short of meeting the housing needs of the state's approximately 3 million lower-income renter households.⁵ This shortfall is the major reason why about 81% of the state's low-income households are rent burdened.⁶

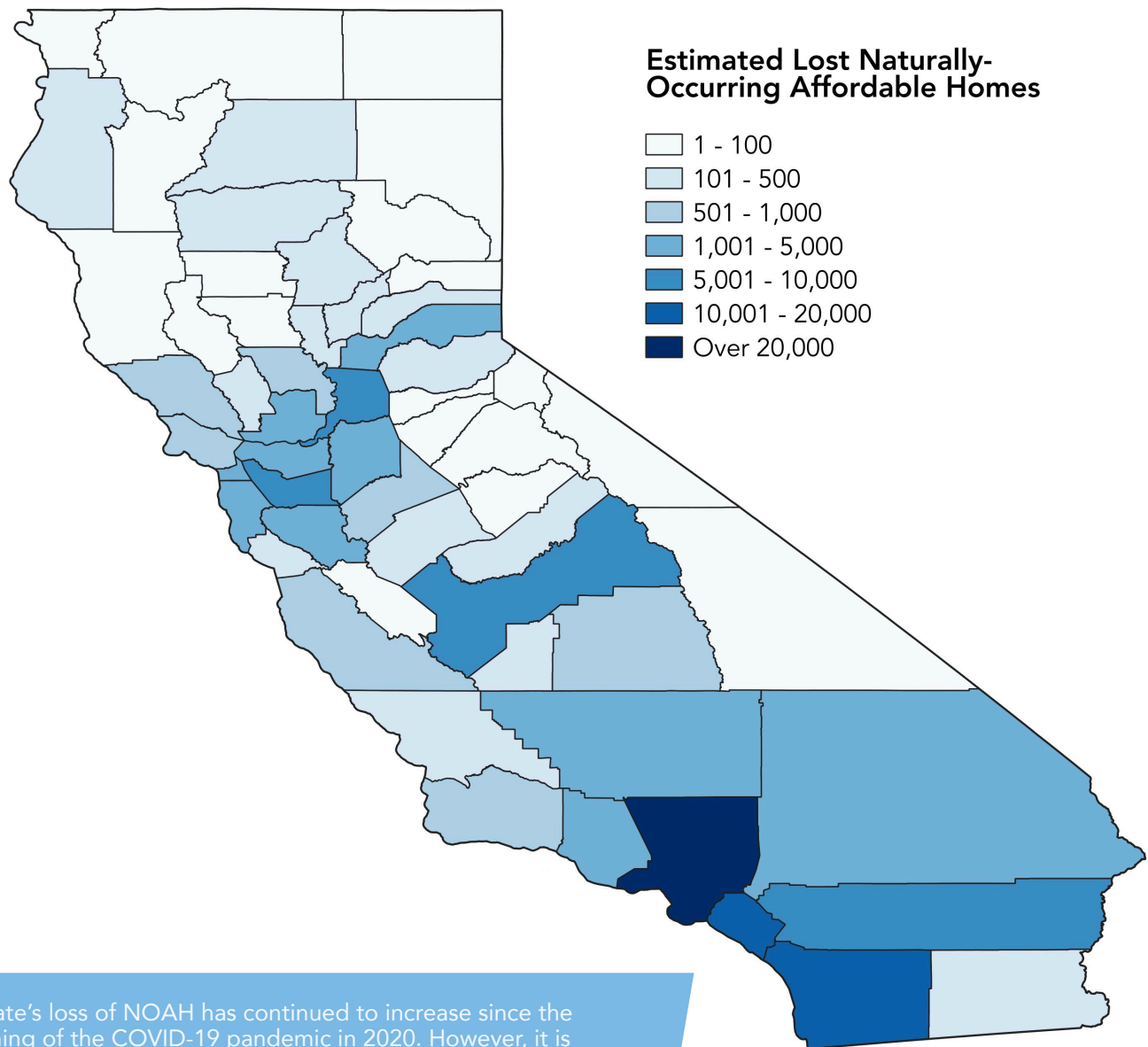
Sources: California Housing Partnership Analysis of CoStar Multifamily Property Database, 2022; California Housing Partnership Preservation Database, January 2023; Analysis of 1-year ACS PUMS data (2021) with HUD income levels.

MARCH 2023

What Has Been Lost?

Since mid-2020, an estimated 120,474 homes located in 1,693 multifamily NOAH properties are no longer affordable to low-income households.⁷ These homes are largely concentrated in the Bay Area and Southern California regions of the state, as well as Sacramento, Fresno, and San Diego Counties (see Figure 2). Appendix A provides a more detailed look for each county.

Figure 2 | Estimated Lost Naturally-Occurring Affordable Housing by County

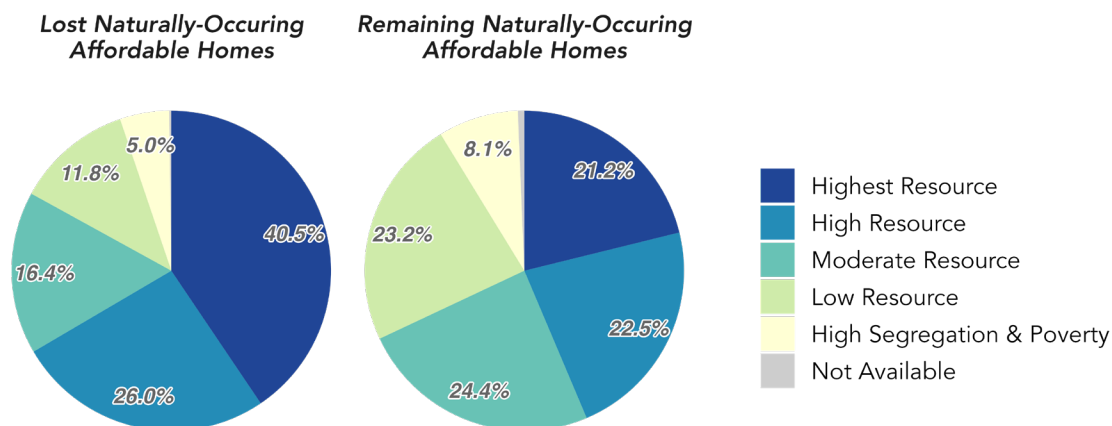


The state's loss of NOAH has continued to increase since the beginning of the COVID-19 pandemic in 2020. However, it is likely that AB 1482 – the state's 2019 "rent cap" bill that limits rent increases to 10% annually – has helped to stem further losses of multifamily NOAH properties. Federal, state, and local eviction moratoriums may have also helped to protect renters living in California's NOAH stock.⁸ With the state's eviction moratorium no longer in effect as of July 2022 and as local measures begin to wind down, the Partnership expects the rate of NOAH losses will only increase unless additional state action is taken or there is a major recession or interruption of the capital markets financing acquisitions and conversions by for-profit entities.⁹

Source: California Housing Partnership Analysis of CoStar Multifamily Property Database, 2022.

Displacement from a NOAH property is particularly concerning from a fair housing perspective as **66.5%** of lost NOAH are located in **High or Highest Resource areas** compared to 43.7% of remaining NOAH as defined by the California Tax Credit Allocation Committee (TCAC) and Department of Housing and Community Development (HCD) 2022 Opportunity Map (see Figure 3).¹⁰

Figure 3 | Lost and Remaining NOAH by TCAC/HCD Opportunity Areas, 2022



Sources: California Housing Partnership Analysis of CoStar Multifamily Property Database, 2022; TCAC/HCD Opportunity Area Maps, 2022.

What Is At-Risk of Being Lost in 2023 and Beyond?

47 of 58 counties have at least 100 at-risk affordable homes.

Multifamily NOAH properties comprise nearly 37% of California's multifamily housing stock, totaling an estimated 863,934 affordable homes (see Appendix A). Among these, an estimated 324,257 homes are currently at risk of losing their affordability – with the highest concentrations in Southern California and the Bay Area (see Figure 4).

NOAH RISK INDEX

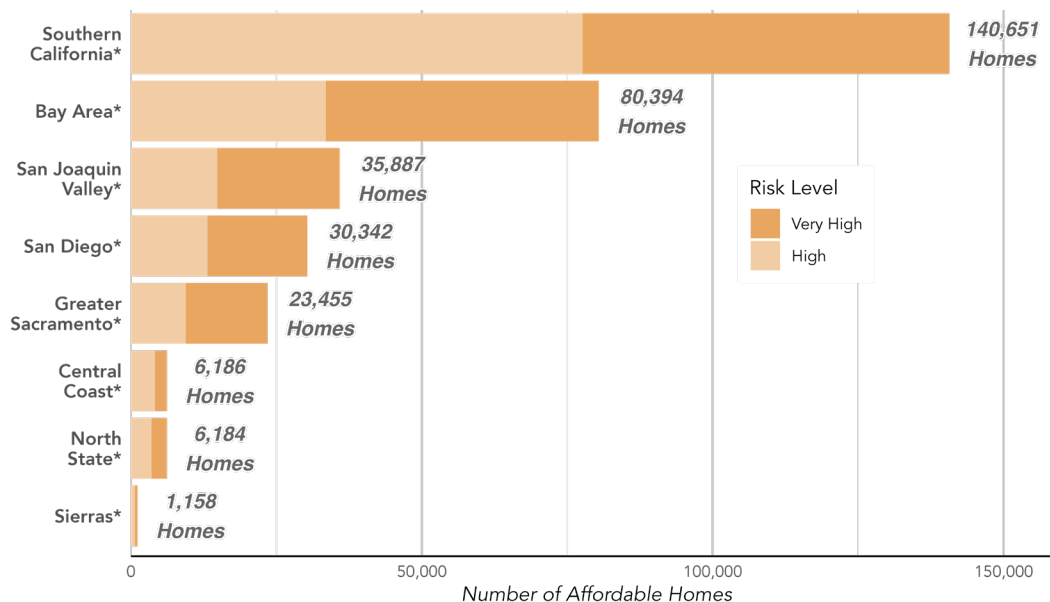
The California Housing Partnership analyzes conversion patterns among the state's stock of NOAH to identify which homes most at risk of losing their affordability over the next two years are located in census tracts with at least high risk levels, as defined by the Partnership's NOAH Risk Index.¹²

The Index is categorized as follows:

Very High score of at least 90.

High score between 75 - 90.

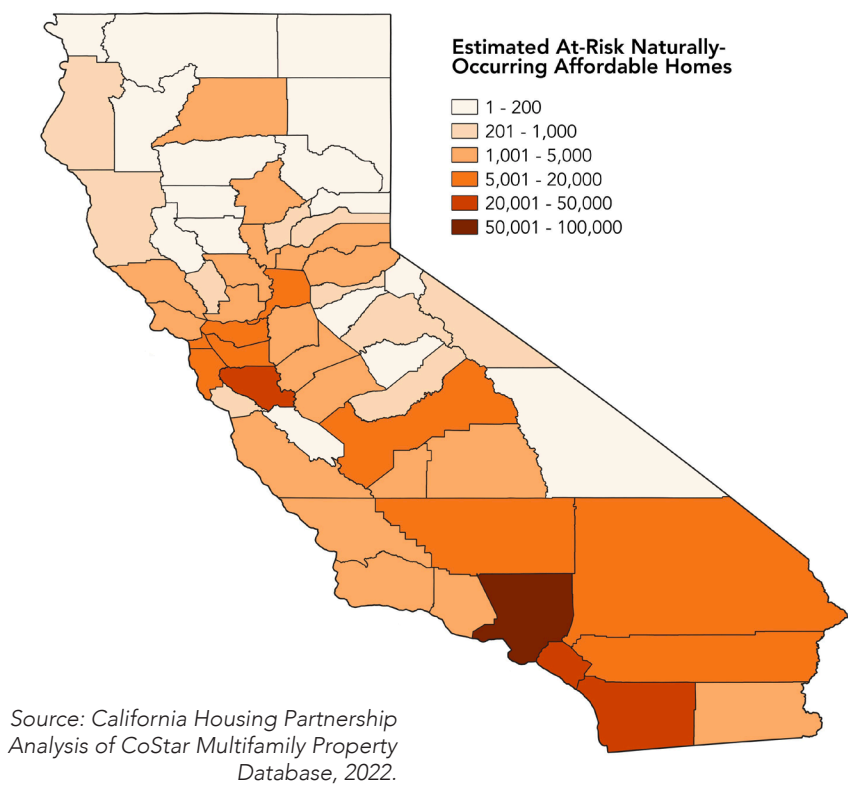
Figure 4 | At-Risk NOAH by Region¹¹



*See footnote 11 for region definitions.

Source: California Housing Partnership Analysis of CoStar Multifamily Property Database, 2022.

Figure 5 | Estimated At-Risk NOAH by County

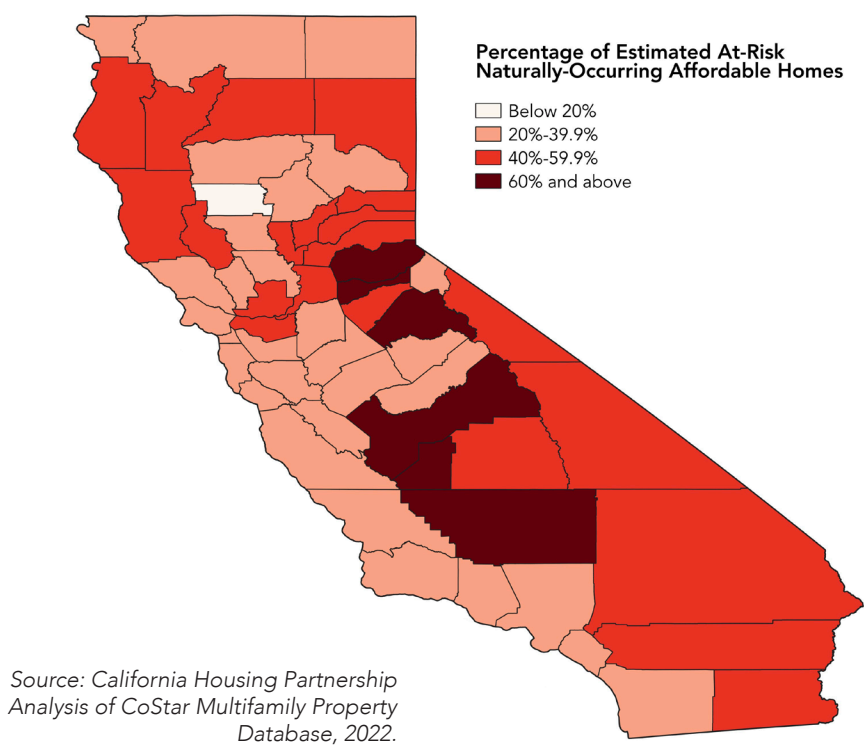


Most Populous Counties Ranked by Estimated At-Risk NOAH

1	Los Angeles	85,350
2	San Diego	30,342
3	Santa Clara	23,959
4	Orange	22,531
5	Alameda	18,803
6	Fresno	16,886
7	Sacramento	15,259
8	San Francisco	14,073
9	Riverside	13,745
10	San Bernardino	13,712
11	Contra Costa	11,012
12	Kern	6,992

Over 3/4 of California’s at-risk NOAH are located in these 12 counties.

Figure 6 | Percentage of Estimated At-Risk NOAH by County



Most Populous Counties Ranked by Percentage of Estimated At-Risk NOAH

1	Fresno	69.5%
2	Kern	61.1%
3	San Bernardino	52.0%
4	Riverside	49.8%
5	Sacramento	47.8%
6	Contra Costa	44.8%
7	Santa Clara	38.7%
8	Orange	37.3%
9	Alameda	35.9%
10	San Diego	35.5%
11	San Francisco	32.4%
12	Los Angeles	31.1%

(See Appendix B for more data on at-risk affordable homes by county.)

What Can State Leaders Do?

The following are ways that state leaders can provide the tools necessary for local governments and nonprofit, mission-driven organizations to effectively acquire and preserve existing NOAH in California:

- 1) Expand funding available for mission-driven affordable housing entities to purchase at-risk NOAH developments – by including \$500 million for the Community Anti-Displacement and Preservation Program (CAPP), as proposed in Senate Bill 225 (Caballero), to spur the preservation of 3,600 homes providing affordable homes for 39,600 low-income households over the next 55 years. Acquisition and preservation by mission-driven entities directly prevents low-income families from being displaced and potentially falling into homelessness today while also investing in expanding the supply of deed-restricted affordable homes for generations to come. If passed and funded through the state budget, CAPP would fill a state funding gap where there are not currently resources to support this type and scale of acquisition preservation.
- 2) Provide tenants and community organizations with a first right of offer when rental housing is put up for sale.
- 3) Eliminate the 2030 sunset on, and close loopholes in, AB 1482 of 2019, the statewide rent cap law.
- 4) Create incentives for private owners of at-risk NOAH developments to sell to affordable housing entities.
- 5) Collect rental cost data on large and small privately-owned apartments complexes to better understand where additional NOAH properties are at-risk.



Roadmap Home 2030

For additional policies to help protect renters, please see the [Protect People category](#) in the Roadmap Home 2030.

Please contact our Director of Legislative & Regulatory Advocacy, Mark Stivers, at mstivers@chpc.net for more information or visit roadmaphome2030.org.

Appendix A | Multifamily “Naturally-Occurring” Affordable Housing by County*

County	Estimated Multifamily NOAH Properties	Estimated Total Apartments in Multifamily NOAH Properties	Estimated Affordable Apartments in Multifamily NOAH Properties
Alameda	2,545	56,036	52,328
Alpine	-	-	-
Amador	15	381	322
Butte	179	5,095	4,968
Calaveras	-	-	-
Colusa	-	-	-
Contra Costa	985	25,770	24,558
Del Norte	12	419	412
El Dorado	108	3,304	3,151
Fresno	740	25,691	24,285
Glenn	16	337	330
Humboldt	59	1,334	1,276
Imperial	106	3,374	3,245
Inyo	-	-	-
Kern	391	12,160	11,439
Kings	74	2,871	2,827
Lake	26	436	422
Lassen	-	-	-
Los Angeles	16,400	291,063	274,486
Madera	64	1,903	1,882
Marin	358	7,410	6,908
Mariposa	-	-	-
Mendocino	28	605	551
Merced	167	4,609	4,187
Modoc	-	-	-
Mono	37	758	717
Monterey	264	5,857	5,489
Napa	108	1,917	1,837
Nevada	34	810	783
Orange	3,094	63,691	60,484
Placer	222	6,733	6,114
Plumas	-	-	-

Appendix A | “Naturally-Occurring” Affordable Housing by County* (cont.)

County	Estimated Multifamily NOAH Properties	Estimated Total Apartments in Multifamily NOAH Properties	Estimated Affordable Apartments in Multifamily NOAH Properties
Riverside	1,178	29,622	27,592
Sacramento	1,411	33,682	31,921
San Benito	13	263	253
San Bernardino	1,271	27,904	26,376
San Diego	4,596	89,994	85,543
San Francisco	2,581	46,180	43,470
San Joaquin	498	10,235	9,812
San Luis Obispo	151	3,243	3,081
San Mateo	1,199	23,816	22,220
Santa Barbara	343	7,026	6,671
Santa Clara	2,586	66,027	61,847
Santa Cruz	150	2,929	2,784
Shasta	118	3,756	3,683
Sierra	-	-	-
Siskiyou	21	461	447
Solano	295	7,147	6,912
Sonoma	416	8,486	8,176
Stanislaus	320	6,888	6,595
Sutter	76	2,265	2,202
Tehama	23	518	504
Trinity	-	-	-
Tulare	189	4,495	4,391
Tuolumne	14	609	598
Ventura	471	9,754	9,138
Yolo	207	4,988	4,683
Yuba	49	1,178	1,144
TOTALS	44,250	914,952	863,934

* The Partnership defines unsubsidized or “naturally-occurring” affordable housing as: apartment buildings with five or more units where at least half of the apartments have rents affordable to households earning 80% of the median income for that zipcode. Counties with fewer than ten (10) estimated properties in the analysis do not have data shown but are included in the totals.

Sources: California Housing Partnership Analysis of CoStar Multifamily Property Database, accessed September-October 2022.

Appendix B | Lost Multifamily NOAH & Risk Assessment by County*

County	Total NOAH (Historic, 2020- 2022)	Lost NOAH	Total NOAH (Current, 2022)	NOAH at Risk of Conversion
Alameda	57,458	5,130 (8.9%)	52,328	18,803
Alpine	-	-	-	-
Amador	337	15 (4.5%)	322	254
Butte	5,326	358 (6.7%)	4,968	1,954
Calaveras	-	-	-	-
Colusa	-	-	-	-
Contra Costa	26,356	1,798 (6.8%)	24,558	11,012
Del Norte	428	16 (3.7%)	412	124
El Dorado	3,476	325 (9.3%)	3,151	2,101
Fresno	31,346	7,061 (22.5%)	24,285	16,886
Glenn	347	17 (4.9%)	330	45
Humboldt	1,437	161 (11.2%)	1,276	623
Imperial	3,534	289 (8.2%)	3,245	1,938
Inyo	-	-	-	-
Kern	13,678	2,239 (16.4%)	11,439	6,992
Kings	2,972	145 (4.9%)	2,827	1,800
Lake	456	34 (7.5%)	422	186
Lassen	-	-	-	-
Los Angeles	307,164	32,678 (10.6%)	274,486	85,350
Madera	2,070	188 (9.1%)	1,882	644
Marin	7,478	570 (7.6%)	6,908	1,414
Mariposa	-	-	-	-
Mendocino	614	63 (10.3%)	551	242
Merced	4,630	443 (9.6%)	4,187	1,497
Modoc	-	-	-	-
Mono	808	91 (11.3%)	717	310
Monterey	6,062	573 (9.5%)	5,489	2,098
Napa	1,990	153 (7.7%)	1,837	530
Nevada	986	203 (20.6%)	783	423
Orange	71,779	11,295 (15.7%)	60,484	22,531
Placer	8,614	2,500 (29.0%)	6,114	2,869
Plumas	-	-	-	-
Riverside	34,686	7,094 (20.5%)	27,592	13,745

Appendix B | Lost Multifamily NOAH & Risk Assessment by County* (cont.)

County	Total NOAH (Historic, 2020- 2022)	Lost NOAH	Total NOAH (Current, 2022)	NOAH at Risk of Conversion
Sacramento	40,144	8,223 (20.5%)	31,921	15,259
San Benito	329	76 (23.1%)	253	71
San Bernardino	30,958	4,582 (14.8%)	26,376	13,712
San Diego	98,296	12,753 (13.0%)	85,543	30,342
San Francisco	48,063	4,593 (9.6%)	43,470	14,073
San Joaquin	11,780	1,968 (16.7%)	9,812	3,721
San Luis Obispo	3,356	275 (8.2%)	3,081	1,119
San Mateo	23,919	1,699 (7.1%)	22,220	5,379
Santa Barbara	7,425	754 (10.2%)	6,671	2,050
Santa Clara	66,481	4,634 (7.0%)	61,847	23,959
Santa Cruz	3,074	290 (9.4%)	2,784	848
Shasta	3,976	293 (7.4%)	3,683	2,066
Sierra	-	-	-	-
Siskiyou	483	36 (7.5%)	447	177
Solano	8,047	1,135 (14.1%)	6,912	2,872
Sonoma	8,774	598 (6.8%)	8,176	2,352
Stanislaus	7,437	842 (11.3%)	6,595	2,364
Sutter	2,605	403 (15.5%)	2,202	1,231
Tehama	725	221 (30.5%)	504	115
Trinity	-	-	-	-
Tulare	4,907	516 (10.5%)	4,391	1,983
Tuolumne	628	30 (4.8%)	598	463
Ventura	10,869	1,731 (15.9%)	9,138	3,375
Yolo	5,683	1,000 (17.6%)	4,683	1,345
Yuba	1,444	300 (20.8%)	1,144	650
TOTALS	984,408	120,474 (12.2%)	863,934	324,257

*Counties with fewer than ten (10) estimated properties in the analysis do not have data shown but are included in the totals.

Sources: California Housing Partnership Analysis of CoStar Multifamily Property Database, accessed September-October 2022.

DATA NOTES & SOURCES

- 1 NOAH are also sometimes referred to as “unsubsidized affordable housing.” See: Enterprise Community Partners, “Preserving Affordability, Preventing Displacement: Acquisition-Rehabilitation of Unsubsidized Affordable Housing in the Bay Area.” April 2020, <https://www.enterprisecommunity.org/resources/preserving-affordability-preventing-displacement-acquisition-rehabilitation-unsubsidized>.
- 2 See for example the 2022 Affordable Homes at Risk Report: <https://chpc.net/resources/affordable-homes-at-risk-2022-report/>. The 2023 update will be available in April.
- 3 Many of California’s NOAH homes likely exist within two- to four-unit properties, which are not captured in this report. CoStar data limitations prevent analysis of this subset – the Partnership hopes to investigate these properties in future research.
- 4 Estimates provided in this report are approximations of the statewide multifamily NOAH stock based on data provided by CoStar for properties with rental costs and extrapolations for those properties with unavailable rental data.
- 5 To understand the full scope of affordable housing need in California, see the Partnership’s Housing Needs Dashboard: <https://chpc.net/housingneeds/>.
- 6 California Housing Partnership analysis of 2021 one-year American Community Survey (ACS) PUMS data with HUD income levels. A cost- or rent-burdened household pays more than 30% of gross monthly income towards housing costs.
- 7 “Homes” refers to individual units within a property, rather than properties as a whole. In our analysis of the CoStar Multifamily Property Database – including both remaining and lost properties – we track an estimated 984,408 homes located in 45,943 properties.
- 8 For instance, the U.S. Government Accountability Office (GAO) found that eviction moratoriums at the federal, state, and local levels reduced eviction filings during the COVID-19 pandemic – although not all eligible renters benefitted. See: GAO, “COVID-19 Housing Protections Moratoriums Have Helped Limit Evictions, but Further Outreach Is Needed.” March 2021. Website: <https://www.gao.gov/products/gao-21-370>.
- 9 For example, while the City of Los Angeles let their moratorium expire on February 1, 2023, Los Angeles County has extended the county’s moratorium expiration date until the end of March 2023. See: <https://www.latimes.com/california/story/2023-01-25/l-a-county-extends-eviction-moratorium-by-2-months>.
- 10 For more information on the TCAC/HCD Opportunity Map, see: <https://www.treasurer.ca.gov/ctcac/opportunity.asp>.
- 11 Southern California includes Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties; the Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties; San Joaquin Valley includes Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare Counties; Greater Sacramento includes El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba Counties; the Central Coast includes Monterey, San Benito, San Luis Obispo, Santa Barbara, and Santa Cruz Counties; North State includes Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Sierra, Plumas, Shasta, Siskiyou, Tehama, and Trinity Counties; the Sierras include Alpine, Amador, Calaveras, Inyo, Mariposa, Mono, and Tuolumne Counties.
- 12 The Partnership’s proprietary NOAH Risk Index is derived from a number of factors, including economic factors and property-level building characteristics.

ACKNOWLEDGEMENTS

Senior Research/Policy Associate, Matt Alvarez-Nissen (Lead Author)
Senior Research Manager, Danielle Mazzella
Research Director, Anthony Vega, Ph.D.
Director of Communications, Traci Mysliwiec

Naturally-Occurring Affordable Homes At Risk

A report by the California Housing Partnership