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April 15, 2019

TO: Each Supervisor

FROM: Monique King-Viehland, Executive Director

SUBJECT: CREATING SOLUTIONS TO AFFIRMATIVELY FURTHER FAIR HOUSING IN LOS ANGELES COUNTY

On January 15, 2019, the Board of Supervisors (Board) adopted a motion by Supervisors Sheila Kuehl and Mark Ridley-Thomas to report back to the Board in 90 days with a budget and implementation plan to implement the recommendations in the July 24, 2018 report entitled, *"Affirmatively Furthering Fair Housing in Los Angeles County,"* as well as those recommendations related to fair housing in the Report and Recommendations of the Ad Hoc Committee on Black People Experiencing Homelessness including, but not limited to, fair housing testing, tenant education, landlord incentives, and a gentrification study.

Budget and Implementation Plan for 2019 – 2020:	**$5,000,000**
Customer Service/Incentive Programs for Landlords	$1,100,000
Displacement/Gentrification Study	$ 200,000
Establish/Develop Displacement Database	$ 200,000
Expand Home Ownership Program (HOP)	$3,000,000
Expand Fair Housing Services to Include Testing	$ 500,000

Customer Service/Incentive Programs for Property Owners

To complement the Income Protection ordinance, we are in the process of constructing a plan for a new Customer Service Team whose goal will be to primarily focus on property owner retention outreach to new and existing participants, communication, education, owner-tenant conflict resolution, and satisfaction.

Concurrently, we are in the process of constructing a plan for a new Section 8 Incentive and Mitigation Department whose goal will be to primarily retain current and entice new property owner participation and heighten rental assistance program confidence. The program will be structured similarly to the Homeless Incentive Program but will serve all program clients, including those participating in the Section 8 Housing Choice Voucher, Veterans Affairs Supportive Housing, and Continuum of Care programs.

We hope to have this program in place by the beginning of the 2020 calendar year. The $1,100,000 will be utilized for the development of the Customer Service Team and the Incentive and Mitigation Department for the 2019-2020 year.

Displacement/Gentrification Study

Based on preliminary research, we recommend the Displacement/Gentrification Study primarily focus on displacement risk indicators. While often linked or used interchangeably, gentrification is not the same and does not always amount to displacement. Additionally, displacement can be caused by conditions, activities, or changes at the dwelling unit or neighborhood level that do not amount to gentrification. The fair housing goals related to this study are to assess and predict the risk of displacement, prevent displacement, stabilize households, and maintain existing affordable housing options. We recommend the study focus accordingly.

Furthermore, we recommend a two-phased approach to the Displacement/Gentrification Study.

- The first phase would focus on determining the best displacement risk indicators, gathering relevant data, and determining the best mapping platform to host, regularly update, and share the data collected. The research would focus on best practices for identifying displacement indicators and pressures, the impact of such indicators on low-income households and access to opportunity, and more extensive outreach to jurisdictions and organizations that currently maintain or are developing displacement risk tools or maps. Phase one would require staff time to complete the study and the $200,000 in budgeted funds would assist with that effort.

- The second phase would focus on creating the host mapping platform and a system to ensure regular updates to the data collected, based on the work from phase one. Phase one will help identify the budget needs for phase two, but for now, we have estimated $200,000 as a placeholder for this development.

Expand Home Ownership Program (HOP)
We currently administer the HOP for residents with limited means financed with the HOME Investment Partnerships Program funds provided through the U.S. Department of Housing and Urban Development. HOP is designed to meet the needs of residents of limited means (up to 80% of the area median income) first-time homebuyers and will provide a 0% interest Second Trust Deed loan with all payments deferred until sale, transfer, refinancing, no longer owner-occupied, or full repayment of the first mortgage.

HOP loans are currently available in the unincorporated areas of Los Angeles County and the 48 County cities participating in the Los Angeles Urban County CDBG Program. The HOP loan provides up to 20% of the purchase price for down payment and closing costs assistance not to exceed $75,000.

Because HOP is federally-funded, it is restricted by the above geography and the maximum purchase price of the home. Currently, the maximum purchase price allowed for existing or new homes is $495,000. This price restriction, coupled with the program's geography, limits the utility of the program in the County.

We plan to expand the HOP to allow more residents to benefit from the program, which currently has more interest than funding available. This first year will allow us to expand our staff and capacity to existing areas that are currently served. We will then utilize data gained from the Displacement/Gentrification Study to focus on homeownership opportunities to residents in the County, who may be faced with displacement. HOP will be able to stabilize more families, which will also become a wealth-building tool for residents with limited means.

Expand Fair Housing Services
The following is a proposed five-year implementation plan to run from July 1, 2019 through June 30, 2024 and an associated $4,250,000 budget to expand fair housing services. The $4,250,000

will comprise of $1,000,000 in Community Development Block Grant (CDBG) and $3,250,000 from the Affordable Housing Budget unit.

By 2024, the CDC/HACoLA will have developed a new Assessment of Fair Housing (AFH) study that will inform future funding levels. Due to the passage of Assembly Bill 686, the AFH will be more comprehensive to include non-federal programs and policies such as those found in the Housing Element and other County plans.

In Year 1 (July 1, 2019 through June 30, 2020), the CDC/HACoLA will execute an agreement with a contractor to provide fair housing services, including education, outreach, investigation, training of testers, testing, and legal consultation. The CDC/HACoLA will also monitor the contract to ensure that the fair housing service provider meets the established goals and all federal and local requirements are met. The proposed budget is $700,000, which includes $200,000 in CDBG and $500,000 from the Affordable Housing Budget unit. For context, this is the equivalent to what the City of Los Angeles is proposing to spend for 2018-2019. Of the $700,000, $100,000 will go towards contract planning, monitoring, and reporting.

In Years 2-5 (July 1, 2020 through June 30, 2024), the CDC/HACoLA will continue to contract annually with the fair housing service provider(s) and monitor their progress. The scope of the contract for these years will expand to include recommendations from the Displacement/Gentrification Study and further implementation of the source of income ordinance. Both will require additional targeted education, outreach, investigation, testing, and enforcement services. The additional funding will also cover necessary and reasonable cost of living adjustments to salaries and other costs due to inflation. The proposed budget is $3,550,000 (or $887,500 annually) which includes $800,000 in CDBG and $2,750,000 from the Affordable Housing Budget unit. Of the $3,550,000, $400,000 will go towards contract planning, monitoring, and reporting.

Justification for the Budget and Expanded Services

- **Fair Housing Services funding was historically cut due to funding constraints and was never subsequently increased.**
  - Funding was cut 20% from 2010-2012 due to an overall 34% cut to the CDBG program during this time.
  - Funding was cut from $250,000 in 2010 to $225,000 in 2011 and then to its current level of $200,000.
  - The current fair housing service provider, Housing Rights Center (HRC), has not received an increase since 2012.
  - Cost of living due to inflation has resulted in pay freezes or hiring employees at salaries less than what other local agencies are able to provide. This in turn has caused turnover in staff and current employees shifting responsibilities to ensure services are adequately provided until new staff are trained. The need for more fair housing services, as discussed below, will require that staff capacity be increased and stabilized.

- **Funding has not kept up with the level of service needed to meet the needs.**
  - CDBG funding for fair housing services is for the Los Angeles Urban County, which includes the unincorporated areas and 48 participating cities. As such, the participating cities refer all rental-related questions to the HRC.
  - HRC is often the only agency to respond to these questions, unlike the City of Los Angeles that has rent control and is able to refer some questions to city attorneys or other agencies they contract with.
  - This causes a heavy workload that the CDBG funds have not been able to meet.

- **A non-federal funding source such as the Affordable Housing Budget unit can be used to address source of income and other non-federal categories that are not explicitly included under the Fair Housing Act.**
  - The Federal Fair Housing Act prohibits discrimination in housing, both public and private, on the basis of race, color, religion, sex, national origin, familial status, and disability.
  - Therefore, federal funds are limited to addressing fair housing issues with respect to these protected classes and do not include source of income discrimination and sexual orientation or explicitly include gender identity, although HUD has interpreted the protections on the basis of sex to extend to individuals who are subjected to housing discrimination due to non-conformity with gender norms or stereotypes.
  - As an example, HRC receives $300,000 a year from HUD's Fair Housing Initiative Program (FHIP) – Private Enforcement Initiative Grant and is used for fair housing random audit testing and for promotion of HUD's initiative on sexual harassment in the Ventura and Los Angeles counties. According to HRC, HUD's FHIP cannot be used for source of income discrimination, sexual orientation, gender identity or immigration status cases due to those categories not being included as protected classes under the Fair Housing Act.
  - HUD's Equal Access Rule requires housing that is funded by HUD or subject to a mortgage insured by the Federal Housing Administration (FHA) to be made available without regard to actual or perceived sexual orientation, gender identity, or marital status. This does not apply to private sector housing not covered under these programs such as private sector housing.

- **Enhancement of funding for fair housing investigations and enforcement (to include Section 8 and other source of income discrimination) and for ongoing education about tenants' rights is needed according to the Los Angeles Homeless Services Authority's (LAHSA) Report and Recommendations of the Ad Hoc Committee on Black Persons Experiencing Homelessness.**
  - The Los Angeles County Homeless Initiative's Approved Strategies to Combat Homelessness, dated February 2016, does not have a fair housing component. Only the general legal services component is included.
  - Given the results of the LAHSA Ad Hoc Committee report, it is more than likely that a new focus on the link between housing discrimination and homelessness will necessitate a need for more fair housing services to address any identified issues.

- These services would complement the general legal services identified in the Fiscal Year 2018-2019 Measure H Funding Recommendations, specifically under E7 Strengthen the Coordinated Entry System and possibly other Measure H strategies.

- **A budget of $4,250,000* over five (5) years to cover current fair housing needs and targeted fair housing services relative to the future source of income ordinance and the Displacement/Gentrification Study. This funding would consist of an average annual commitment of $850,000.**
  - The CDC/HACoLA has consulted with City of Los Angeles staff and determined that their current fair housing services contract with HRC is funded at $700,500 with rent stabilization ordinance and CDBG funds.
  - The City is expected to increase this amount to cover services needed to enforce their future source of income protection ordinance.
  - Also, as mentioned above, city attorneys and other contract agencies assist in fielding rental housing questions. Therefore, the budget amount proposed for fair housing services for the County is reasonable and necessary.

Flexibility in Funding
We will adjust costs between activities as there may be less utilization in some areas and more in others, but they will be utilized for the activities that have been identified above.

Annual Report
We will report back to the Board annually on the progress of the efforts to affirmatively further fair housing in Los Angeles County in the Annual Affordable Housing Outcomes Report.

Status of Source of Income Protection Ordinance
We are still reviewing the draft ordinance with County Counsel and will have it before you on May 15, 2019.

CONCLUSION
With the Board's support and approval of this plan and budget, the aforementioned activities will significantly augment the County's efforts in ending homelessness, creating more access to housing, and more importantly, expanding housing choice.

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c: Each Deputy

*$5.0 million is FY 2019-2020 in total, whereas $4.25 million represents a five (5) year budget to expand fair housing services.

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SACHI A. HAMAI
Chief Executive Officer

June 12, 2020

To: Supervisor Kathryn Barger, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Janice Hahn

From: Sachi A. Hamai
Chief Executive Officer

FOURTH ANNUAL AFFORDABLE HOUSING OUTCOMES REPORT (ITEM NO. 22, AGENDA OF OCTOBER 27, 2015)

On October 27, 2015, the Board of Supervisors (Board) adopted a motion (2015 Motion) directing the Chief Executive Officer to, among various actions, create an Affordable Housing Budget Unit; establish an Affordable Housing Coordinating Committee (Coordinating Committee); and develop an annual Affordable Housing Outcomes Report (Outcomes Report). On September 26, 2017 (2017 Motion), the Board adopted a motion to transition the role of the Coordinating Committee to a policy workgroup and added one appointee from each Supervisorial District.

The fourth annual Outcomes Report continues to measure the County's need for affordable housing, reviews existing housing inventory and investments, and provides data-driven policy recommendations to further support strategies and allocate resources for the production and preservation of affordable housing throughout the County.

DEVELOPMENT OF OUTCOMES REPORT

The 2015 Motion instructed the Coordinating Committee to develop an Outcomes Report with policy recommendations informed by: 1) an analysis of available and affordable housing units for lower-income households; and 2) an assessment of outcomes resulting from the County's affordable housing investments. As directed by the 2017 Motion, the Coordinating Committee is comprised of representatives from agencies responsible for administering the County's affordable housing programs: the Chief Executive Office (CEO), Community Development Commission (CDC)[1], Housing Authority of the County of Los Angeles, Los Angeles Homeless

[1] On May 16, 2019, the Community Development Commission/Housing Authority of the County of Los Angeles (CDC/HACoLA) became the Los Angeles County Development Authority (LACDA).

Services Authority, and the Departments of Mental Health, Health Services, Public Health, and Regional Planning. The meetings of the Coordinating Committee have included participation from each of the five Board offices, appointees from the Board offices, and public stakeholders.

Consistent with the three prior Outcomes Reports, the CEO retained the services of the California Housing Partnership Corporation (CHPC) to prepare the report. CHPC worked with relevant departments and Coordinating Committee members to draft sections of the report which were presented at the February and April Coordinating Committee meetings. At these meetings, Committee members and external stakeholders asked questions and provided comments on both the report's analysis and recommendations.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

Recently, the County has partnered with local jurisdictions alongside developers and service providers to leverage State and Federal resources to invest locally-controlled funding into affordable housing production, preservation, and rental and operating subsidies while also promoting policies such as density bonuses. In 2019, by leveraging such resources, the LACDA Notice of Funding Availability (NOFA) funded 3,539 affordable homes and LACDA's Public Housing Capital Fund rehabilitated homes across their portfolio of 68 affordable housing developments. Additionally, the Department of Mental Health invested in 5,078 affordable homes. The Outcomes Report highlights these collaborative efforts by identifying an inventory of 119,754 Federal, State, and County-administered affordable homes, and nearly 53,736 County-administered rental subsidies.

By quantifying the annual gap in affordable and available housing for lower-income households, the 2020 Outcomes Report finds that the County needs to add approximately 509,404 affordable homes to meet the current demand among renter households at, or below 50 percent of the Area Median Income (AMI). Even though the shortage of affordable homes remains large, the 2020 shortfall is 72,419 less than in 2014. This decline in shortfall may be partially attributed to several factors, including a seven percent decrease in the number of lower-income renter households as well as regional efforts to increase access to affordable housing. In addition to assessing affordable housing need by measuring the shortfall of affordable homes, the 2020 Outcomes Report continues to track and map the prevalence of housing cost burden, homelessness, year-to-year trends by Supervisorial District, and trends in the cost of developing affordable housing in the County.

In tracking all affordable homes subsidized by local, State, and Federal funding, the report also assesses the risk that these homes may convert to "market-rate" when funding expires. The 2020 Outcomes Report finds the County is at risk of losing approximately 8,900 existing affordable homes, with 88 percent located in transit-accessible neighborhoods.

Informed by data and analysis, the 2020 Outcomes Report includes 16 recommendations in the following six broad categories:

1. Increase funding for affordable housing
2. Ensure long-term viability of permanent supportive housing
3. Increase availability of sites for affordable and mixed-income housing
4. Support innovative and cost-saving strategies
5. Ensure tenant protections
6. Strengthen State and Federal advocacy

CONCLUSION

The fourth annual Outcomes Reports' comprehensively studies several indicators to measure the County's progress in implementing strategies to address the region's housing affordability crisis. Recognizing broader Countywide planning efforts led by the Homeless Initiative, LACDA, the Departments of Mental Health, Health Services, Public Health, and Regional Planning, the Outcomes Reports' recommendations offer considerations for guiding the allocation of resources to collaboratively increase affordable housing for lower-income households and prevent homelessness.

The public health and economic crises created by COVID-19 have resulted in severe revenue loss to the County; therefore, near-term planning will be dependent upon imminent needs and available resources. Moving forward and looking to the longer-term, the County will continue to build upon regional efforts and partnerships to address the affordable housing shortage.

If you have any questions regarding this report, please contact Allison Clark at (213) 974-8355 or allison.clark@ceo.lacounty.gov.

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Attachment

c: Executive Office, Board of Supervisors
County Counsel
Health Services
Los Angeles County Development Authority
Mental Health
Public Health
Regional Planning
Los Angeles Homeless Services Authority

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FESIA A. DAVENPORT
Chief Executive Officer

June 21, 2021

To: Supervisor Hilda L. Solis, Chair
Supervisor Holly J. Mitchell
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

From: Fesia A. Davenport
Chief Executive Officer

FIFTH ANNUAL AFFORDABLE HOUSING OUTCOMES REPORT (ITEM NO. 22, AGENDA OF OCTOBER 27, 2015)

On October 27, 2015, the Board of Supervisors (Board) adopted a motion (2015 motion) directing the Chief Executive Office (CEO) to, among various actions, create an Affordable Housing Budget Unit; establish an Affordable Housing Coordinating Committee (Coordinating Committee); and develop an annual Affordable Housing Outcomes Report (Outcomes Report). On September 26, 2017 (2017 motion), the Board adopted a motion to transition the role of the Coordinating Committee as a policy workgroup and added one appointee from each Supervisorial District.

The attached 2021 Fifth Affordable Housing Outcomes Report continues to measure the County of Los Angeles' (County) need for affordable housing, reviews existing housing inventory and investments, and provides data-driven policy recommendations to further support strategies and allocate resources for the production and preservation of affordable housing throughout the County. This year's report includes data on: 1) housing fragility during COVID-19; 2) an expanded section that assesses neighborhood dynamics, including gentrification and displacement; and 3) a new cost analysis on affordable housing development.

DEVELOPMENT OF OUTCOMES REPORT

The 2015 motion instructed the Coordinating Committee to develop an Outcomes Report with policy recommendations informed by: 1) an analysis of available and affordable housing units for lower-income households; and 2) an assessment of outcomes resulting from the County's affordable housing investments. As directed by the 2017 motion, the Committee is comprised of representatives from agencies responsible for administering the County's affordable housing programs: the CEO, the Los Angeles County Development Authority, the Los Angeles Homeless Services Authority, the Departments of Mental Health, Health Services, Public Health, and Regional Planning (DRP). The meetings of the Coordinating Committee have included participation from each of the five Board offices, appointees from the Board offices, and public stakeholders.

Consistent with the four prior Outcomes Reports, the CEO retained the services of the California Housing Partnership Corporation (CHPC) to prepare the report. CHPC worked with relevant departments and Coordinating Committee members to draft all sections of the report which were presented at the February and April Coordinating Committee meetings. At these meetings, Committee members and external stakeholders asked questions and provided comments on both the report's analyses and recommendations.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

By quantifying the annual gap in affordable and available housing for lower-income households, the 2021 Outcomes Report finds the County needs to add approximately 499,430 affordable homes to meet the current demand among renter households at or below 50 percent of the Area Median Income (AMI). Even though the shortage of affordable homes remains large, this shortfall is 82,393 less than in 2014. This decline in shortfall may be partially attributed to a slight decrease (half percent) in the number of lower-income renter households, as well as regional efforts to increase access to affordable housing. In addition to assessing affordable housing need by measuring the shortfall of affordable homes, the 2021 Outcomes Report continues to track the prevalence of housing cost burden, homelessness, year-to-year trends by Supervisorial District, and trends in the cost of developing affordable housing in the County.

As the COVID-19 pandemic unfolded in 2020, the County allocated Coronavirus Aid, Relief, and Economic Security (CARES) Act and County funds towards rent relief and eviction defense to protect renters impacted by the resulting economic crisis. Prior to the COVID-19 pandemic, the County partnered with local jurisdictions, alongside developers and service providers, to leverage state and federal resources to invest locally-controlled funding into affordable housing production, preservation, and rental and operating subsidies, as well as promote policies such as density bonuses. The Outcomes Report highlights these collaborative efforts by identifying an inventory of 120,668 federal, State, and County-administered affordable homes and nearly 54,165 County-administered rental subsidies.

Due to one-time "No Place Like Home" funds in 2019, the Los Angeles County Development Authority (LACDA) Notice of Funding Availability (NOFA) funding for affordable housing was reduced by 69 percent to fund 1,071 units in 2020, including housing for special needs populations. The decline in the 2020 NOFA funds was due to decreased Measure H, Mental Health Housing Program, and "No Place Like Home" funds.

In tracking all affordable homes subsidized by local, State, and federal funding, the report also assesses the risk of these homes converting to "market-rate" when funding expires. The 2021 Outcomes Report finds the County is at risk of losing approximately 8,520 existing affordable homes, with 80 percent located in transit-accessible neighborhoods.

Informed by data and analyses, the attached 2021 Outcomes Report includes 14 recommendations in the following five broad categories:

1. Increase Funding for Affordable Housing
2. Increase Availability of Sites for Affordable Housing
3. Support Innovative and Cost-Saving Strategies
4. State and Federal Advocacy
5. Advance Racial Equity in Housing Programs

CONCLUSION

The fifth annual Outcomes Report comprehensively studies several indicators to measure the County's progress in implementing strategies to address the region's housing affordability crisis. Recognizing broader Countywide planning efforts led by the Homeless Initiative, LACDA, DRP, and the Health Agency, the Outcome Report's recommendations offer considerations for guiding the allocation of resources to collaboratively increase affordable housing for lower-income households and prevent homelessness.

The County, in collaboration with its regional partners, continues to move forward in addressing the imminent need of protecting renters, especially those economically impacted by the COVID-19 pandemic. In addition, the County plans to allocate available federal, State, County and other local resources for the longer-term production and preservation of affordable housing while building upon regional efforts and partnerships to address the affordable housing shortage.

Should you have any questions concerning this matter, please contact me or Allison E. Clark, Senior Manager, at (213) 974-8355 or allison.clark@ceo.lacounty.gov.

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Attachment

c: Executive Office, Board of Supervisors
County Counsel
Health Services
Public Health
Regional Planning
Los Angeles County Development Authority
Los Angeles Homeless Services Authority

2021 LOS ANGELES COUNTY

Annual Affordable Housing Outcomes Report

California Housing Partnership

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

April 30, 2021

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Executive Summary

Background

On October 27, 2015, the Los Angeles County Board of Supervisors ("Board") authorized the creation of an Affordable Housing Programs budget unit in the Chief Executive Office (CEO) and established a multi-year plan to provide new funding for the creation and preservation of new affordable housing. The Board Motion also established an Affordable Housing Coordinating Committee ("Committee") to oversee the creation of an annual Affordable Housing Outcomes Report ("Report") to document and analyze the county's need for affordable housing and existing housing investments and inventory, as well as to provide policy recommendations to help guide the County's allocation of resources across both new and existing affordable housing programs. The California Housing Partnership ("Partnership") completed the 2017, 2018, 2019, and 2020 iterations of this Report working closely with the Committee and the leaders of designated departments.

As with the prior reports, completing each section of the 2021 Report involved both data analysis and stakeholder engagement to confirm key findings and ensure sensitivity to local context. The Committee reviewed each section of the Report and solicited feedback through a series of public meetings from February through April 2021. These meetings were attended by County agency heads and managers, Board of Supervisors staff, and community advocates. The input gathered in these meetings was invaluable in ensuring that the Report is as useful as possible to the County in furthering its efforts to confront the local housing affordability and homelessness crisis.

Report Structure

The Report is divided into five sections that cover the following core topics:

- Section 1. Affordable Housing Need
- Section 2. Affordable Rental Housing Inventory and Risk Assessment
- Section 3. County-Administered Affordable Rental Housing Resources
- Section 4. Neighborhood Context for Creating and Preserving Affordable
- Section 5. Affordable Housing Development Cost Analysis
- Section 6. Recommendations

Key Findings (Sections 1-5)

By the end of 2020, Los Angeles County and partner local jurisdictions helped developers and service providers leverage state and federal resources to create more than 120,000 affordable homes, a four (4) percent increase from the 2019 inventory of affordable homes. They did this by investing locally-controlled funding into affordable housing production, preservation, and rental and operating subsidies, as well as promoting the adoption and use of pro-housing policies such as density bonuses.

The good news is that the County's investments (including almost $600,000,000 in NOFA awards since 2014) and policies over the past five years have led to a gradually expanding inventory of affordable homes and rental assistance programs in Los Angeles County that contributed to the shortfall's gradual decline and helped to stem the tide of homelessness. The unsurprising reality is that even these expanded resources are not yet sufficient to meet the need for affordable homes and related services. As described in Section 1 of the Report, prior to the recent economic impacts stemming from the coronavirus pandemic that will disproportionately affect lower income households, Los Angeles County faced a shortfall of 449,430 affordable homes to meet demand among renter households at or below 50 percent of area median income (AMI), and the 2020 Point-In-Time (PIT) Count revealed approximately 66,436 individuals experiencing homelessness in the county.[1]

In addition, severe housing cost burden—paying more than 50 percent of household income on rent and utilities—is also the norm among the county's lowest-income households. As documented in Section 1, 87 percent of deeply low-income (DLI) households, 72 percent of extremely low-income (ELI) households, and 40 percent of very low-income (VLI) households were severely cost burdened in 2019.[2] People of color are more likely to experience housing cost burdens than their white counterparts, with Black renter households experiencing the highest rate of cost burden at 62 percent.[3]

The Report also provides an inventory of current affordable housing resources and identifies rental developments at both the county and Supervisorial District level that are at "very-high" and "high" risk of being converted to market rate within the next five years, according to the Partnership's latest assessment. The Report notes that rising rents and expiring restrictions have put Los Angeles County at risk of losing 8,520 existing affordable homes unless the County and other stakeholders take action to preserve them.

As noted in Section 4, 80 percent of these at-risk affordable homes in the county are located in transit-accessible neighborhoods, and 57 percent of these homes are located in areas that are both transit-accessible and in areas that at risk of or experiencing displacement, gentrification, or exclusion of low-income households. Losing any of these affordable homes would contribute to patterns of displacement of low-income people from the county's increasingly high-cost transit-rich and gentrifying neighborhoods. Further, 12 percent of the more than 4,100 affordable family homes in the county that are at risk of conversion to market are located in areas identified by the state as "High Resource" or "Highest Resource." These affordable homes would be particularly difficult and costly to replace, and losing them would worsen access to opportunity-rich neighborhoods for low-income families in the county.

A new Section 5 of the Report contains an expanded development cost analysis of affordable rental housing awarded tax credits in Los Angeles County between 2012 and 2020. The analysis finds that in Los

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[1] The majority of the analysis in Section 1 uses U.S. Census Bureau data that does not reflect the economic hardship many lower income households are facing—and will likely continue to face—as a result of changed economic conditions resulting from the coronavirus pandemic. To address this gap, Section 1 now also includes an analysis of data from the Household Pulse Survey, a new, experimental survey from the Census to measure the social and economic impacts of the COVID-19 pandemic over time.

[2] DLI is 0-15% of AMI, ELI is 15-30% of AMI, and VLI is 30-50% of AMI.

[3] Cost burden is paying more than 30 percent of households income on rent and utilities.

Angeles County, inflation-adjusted development costs remained relatively flat between 2012 and 2015, increased steadily between 2016 and 2019, and then decreased slightly from 2019 to 2020. From 2016 to 2019, the cost to develop a new affordable home increased from $429,000 to $583,000 per unit (36 percent) and the costs per bedroom increased from $321,000 to $446,000 (39 percent). In 2020, development costs decreased by three (3) percent per unit and per bedroom. Construction costs—labor and materials—comprise more than half of typical development costs for newly constructed affordable homes. Acquisition costs comprise 40 to 58 percent of development costs on average for the redevelopment of existing affordable homes.

Recommendations (Section 6)

The recommendations included in the Report are grounded in the detailed needs analysis and assessment of the existing inventory referenced above and align with the Board directive to support the production and preservation of affordable homes, including workforce housing and permanent supportive housing for very low- and extremely low-income or homeless households.

These recommendations also reflect the Office of the CEO's direction to develop the more wide-ranging set of prescriptions necessary to address the scale of housing needs in the county than in previous annual reports, such as substantial increases in land use and zoning reforms. Recommendations in Section 6 are summarized as follows:

Increase Funding for Affordable Housing

1. Pursue a general obligation bond against the multifamily capital portion of the County's $100 million annual commitment for affordable housing, which would generate approximately $1.2 billion that the County could then use to significantly accelerate the development of permanent supportive housing. The County could also explore additional sources of revenue for affordable housing, such as a parcel tax, utility tax, or a sales tax.
2. Continue to pursue all available state resources for affordable housing production and preservation, including the Housing for Healthy California (HHC) program and the anticipated second round of Project Homekey.
3. Explore the feasibility of dedicating additional Mental Health Services Act (MHSA) funding for permanent supportive housing for persons in need of mental health services.
4. Expand Project Homekey with capital funding to support acquisitions and their conversions to permanent housing.
5. Initiate a planning process to ensure that resources are available to support the approximately $335,000 in service costs for each permanent supportive home over its 55-year restriction term.
6. Explore the use of Enhanced Infrastructure Financing Districts (EIFDs) in unincorporated areas and adjacent to existing County assets as a possible approach for generating revenue for affordable housing.
7. Explore the use of revenues diverted under Measure J to capital and operating support for affordable housing as a strategy to advance racial justice and equity.

Increase Availability of Sites for Affordable Housing

8. Leverage ongoing land use and zoning efforts to maximize the creation of deed-restricted affordable homes in resource-rich neighborhoods, particularly in single family zoned areas.

Support Innovative and Cost-Saving Strategies

9. Help identify sites that would be appropriate for modular manufacturing and expedite land use approvals and permitting for these facilities.
10. Clarify and quantify the non-scored selection criteria currently used to determine LACDA's Notice of Funding Availability (NOFA) awards.
11. Reevaluate the need for design standards tied to County funding in order to reduce unnecessary costs prior to the release of the next NOFA.

State and Federal Advocacy

12. Respond rapidly to opportunities to advocate for affordable housing resources in state and federal housing legislation for 2021, including a focus on federal advocacy to expand and improve the Housing Choice Voucher (HCV) program.
13. Propose amendments to Assembly Bill 634 (co-sponsored by the County), which would allow local governments to require extended affordability terms beyond 55 years in certain programs, in order to avoid unintended impacts on developments assisted by Low-Income Housing Tax Credits. Monitor amendments to Senate Bill 679, which would create the Los Angeles County Affordable Housing Solutions Agency, to ensure appropriate representation on the agency's governing board and avoid duplication of existing County functions. Participate in United Way's stakeholder engagement process for SB 679.

Advance Racial Equity in Housing Programs

14. Evaluate establishing a countywide waitlist for non-supportive housing to increase housing choice by ensuring broad access to new and existing developments.

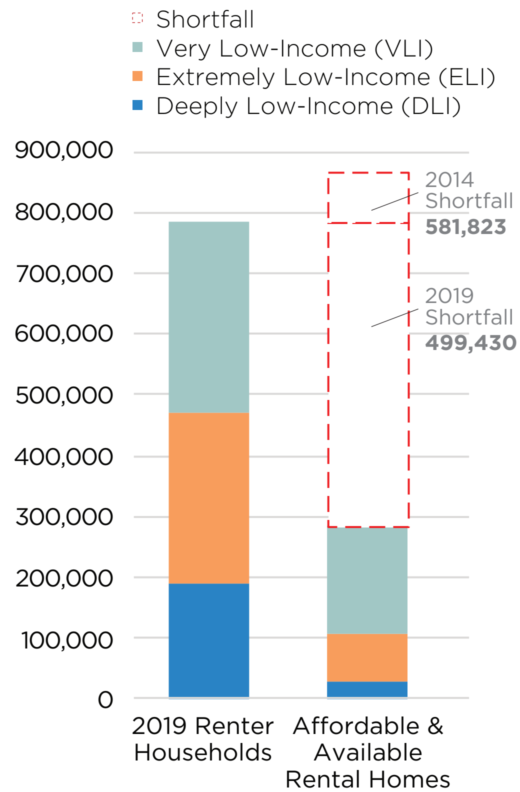
About the Author and Acknowledgments

The California Housing Partnership is a state-created, nonprofit technical assistance organization that helps to preserve and expand the supply of homes affordable to low-income households in California. The Partnership does this by providing technical assistance, training and policy research to nonprofit and government housing organizations throughout the state. The Partnership's efforts have helped partner organizations leverage approximately $20 billion in private and public financing to preserve and create more than 75,000 affordable homes for low-income households. For more information, visit chpc.net/about-us. The primary contributors to this Report were Preservation & Data Manager Danielle M. Mazzella, Policy Research Manager Lindsay Rosenfeld, Research Assistant Anthony Carroll, Senior Policy Analyst Dan Rinzler, Southern California Director Paul Beesemyer, and President & CEO Matt Schwartz.

LOS ANGELES COUNTY 2021 AFFORDABLE HOUSING DASHBOARD: A Countywide Snapshot

Affordable Housing Shortfall

Los Angeles County has a shortfall of 499,430 homes affordable to the lowest-income renters. The shortfall for a given income group is based on whether households at this income or below are living in a home that is affordable to their income group. The shortfall of affordable homes in Los Angeles County decreased by 82,393 homes between 2014 and 2019.



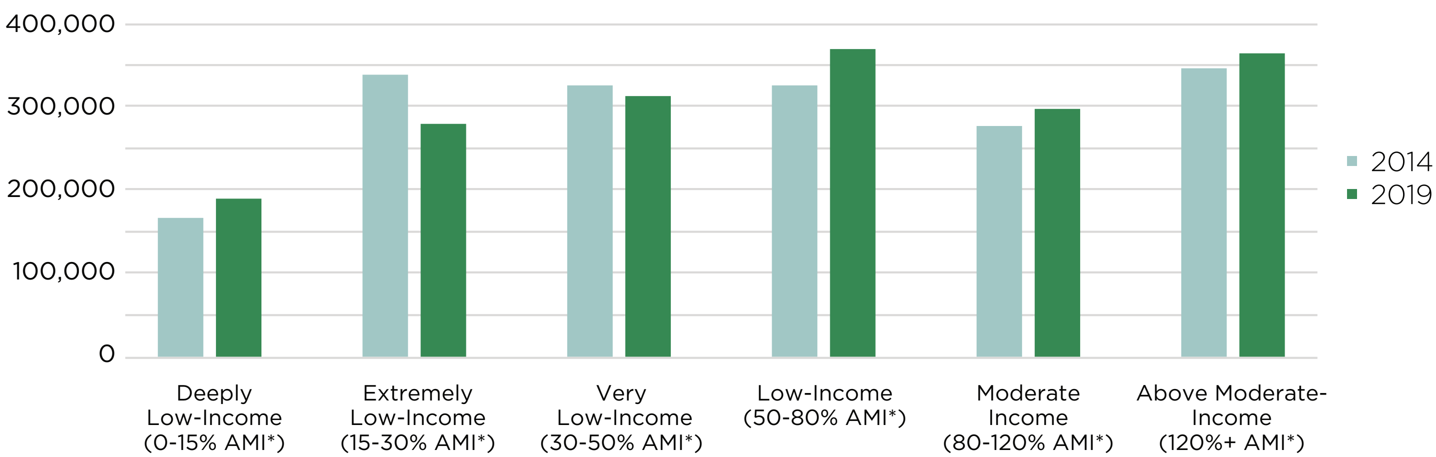
Housing Affordability Gap Analysis for Lowest Income Households

Renter Group	Cumulative Surplus or Deficit of Affordable Rental Homes*	% Change from 2014 to 2019
DLI	-160,849	↗ 7%
ELI	-364,316	↘ -13%
VLI	-499,430	↘ -14%

Source: *California Housing Partnership analysis of 2014 and 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.*
**The surplus or deficit includes homes occupied by households at or below the income threshold of the income group.*

Los Angeles County Renter Households

Change in Los Angeles County Renter Households 2014-2019



Source: *California Housing Partnership analysis of 2014 and 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.*
**Area Median Income (AMI)*

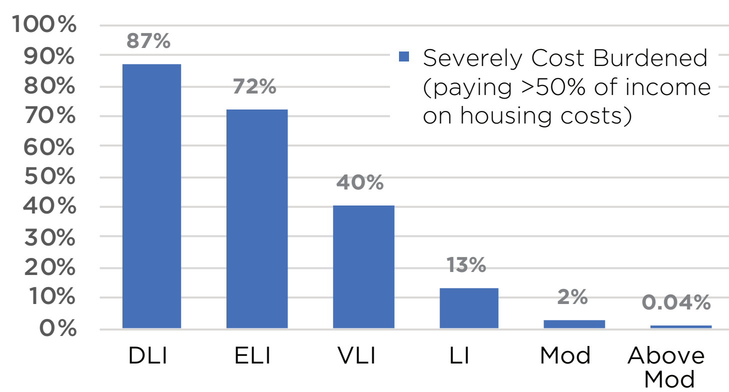
Los Angeles County Renter Households

Renter Group by Area Median Income (AMI)	Number of Renter Households 2019		% Change from 2014*
Deeply Low-Income (DLI) 0-15% AMI	189,837	↗	13%
Extremely Low-Income (ELI) 15-30% AMI	279,396	↘	-18%
Very Low-Income (VLI) 30-50% AMI	313,964	↘	-4%
Low-Income (LI) 50-80% AMI	368,727	↗	13%
Moderate-Income (Mod) 80-120% AMI	298,673	↗	8%
Above Moderate-Income (Above Mod) 120%+ AMI	363,767	↗	5%
TOTAL	**1,814,364**	↗	**2%**

Source: *California Housing Partnership analysis of 2014 and 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.*
**Reflective of changes within the income group.*

Los Angeles County Severe Cost Burden

In Los Angeles County, lower-income renters are more likely than higher income renters to spend more than half of their income on housing. In 2019, 87% of deeply low-income households (earning less than or equal to 15% of AMI) and 72% of very low-income households (earning less than or equal to 30% of AMI) are severely cost burdened, while 2% of moderate-income households experience this level of cost burden. Severe cost burden is defined as spending more than 50% of household income on housing costs.



Renter Group	Number of Severely Cost Burdened Households 2019		% Change from 2014*
Deeply Low-Income (DLI)	165,222	↗	6%
Extremely Low-Income (ELI)	200,875	↘	-20%
Very Low-Income (VLI)	126,438	↘	-8%
Low-Income (LI)	47,050	↗	21%
Moderate-Income (Mod)	7,038	↗	11%
Above Moderate-Income (Above Mod)	129	↘	-93%
TOTAL (All Income Groups)	**546,752**	↘	**-8%**

Source: *California Housing Partnership analysis of 2014 and 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.*
**Reflective of changes within the income group.*

Affordable Housing Inventory

Rental Housing and At-Risk Properties in Los Angeles County

Below is a summary of the federal, state, and county-administered affordable housing in Los Angeles County. Also included are the number of affordable homes at risk of being converted to market rate due to expiring convenants or other changes to existing rent restrictions.

Summary of Federal, State, and County-Administered Affordable Housing and At-Risk Housing in Los Angeles County

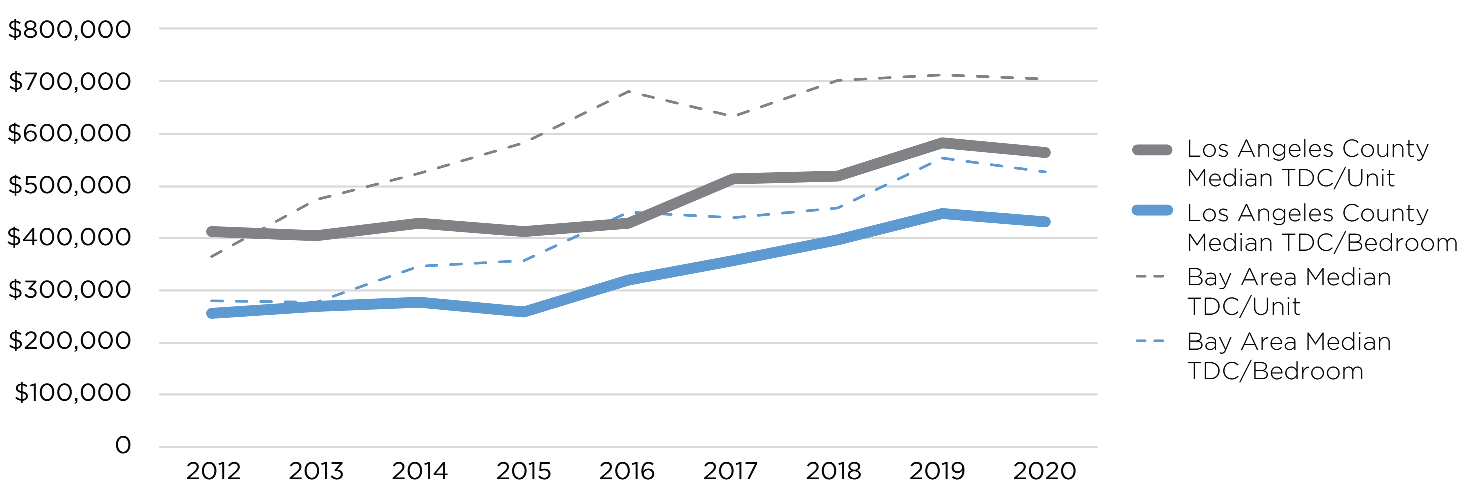
Supervisorial District (SD)	At-Risk Affordable Homes*	County-Administered Affordable Homes**	Affordable Homes
SD 1	1,933	7,540	34,241
SD 2	2,070	9,136	33,687
SD 3	2,803	3,624	23,602
SD 4	632	3,898	15,086
SD 5	1,082	3,275	14,074
TOTAL (County)	**8,520**	**27,473**	**120,690**

Source: *California Housing Partnership Preservation Database, HUD, LIHTC, CalHFA, HCD, LACDA, HACLA, DRP and DMH.*
**This is a subset of the total number of affordable homes.*
***This is a subset of the total number of affordable homes and includes homes affordable up to moderate-income households (<120% AMI).*

Cost of Developing New Affordable Housing

Development Cost in Los Angeles County

Median total development costs for new Low-Income Housing Tax Credit (LIHTC) affordable developments in Los Angeles County remained relatively flat between 2012 and 2015, increased steadily between 2016 and 2019, and then decreased slighlty from 2019 to 2020. In 2020, per-unit costs were $20,000 lower and per-bedroom costs were $14,000 lower, a 3% decrease per-unit and 3% decrease per-bedroom from 2019.

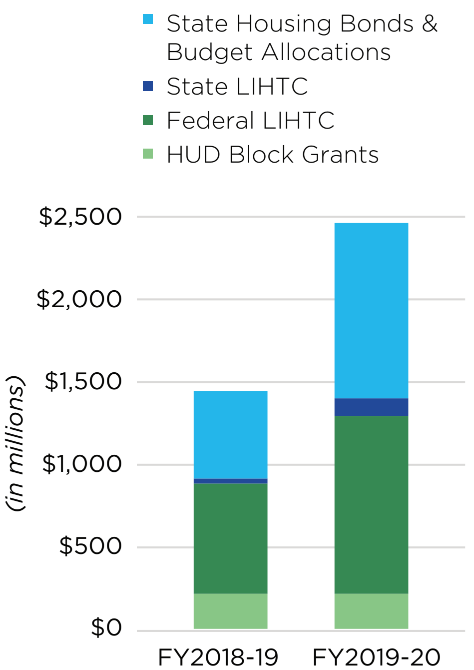


Source: *California Housing Partnership analysis of LIHTC applications and staff meeting notes from TCAC, 2012-2020. In this analysis, the Bay Area is defined as the five most urbanized Bay Area counties—Alameda, Contra Costa, San Francisco, Santa Clara, and San Mateo.*

Investments in Affordable Housing

Change in Federal and State Capital Investments in Affordable Housing in Los Angeles County

State funding increased 108% and federal funding increased 48% for housing production and preservation in Los Angeles County from FY 2018-19 to FY 2019-20.



Funding Sources	FY2018-19	FY2019-20	% Change
State Housing Bonds & Budget Allocations	$527,622,541	$1,063,753,797	102%
State LIHTC	$36,696,028	$108,488,300	196%
STATE TOTAL	**$564,318,569**	**$1,172,242,097**	**108%**

Funding Sources	FY2018-19	FY2019-20	% Change
Federal LIHTC	$667,922,072	$1,093,754,270	64%
HUD Block Grants	$207,608,396	$203,836,953	-2%
FEDERAL TOTAL	**$875,530,468**	**$1,297,591,223**	**48%**

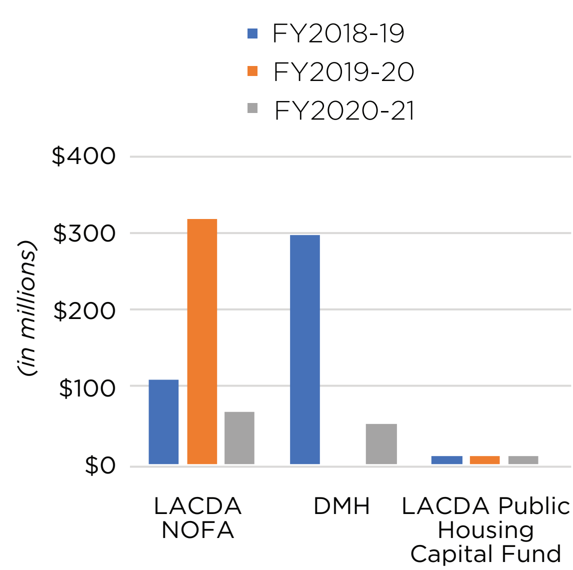
Source: *California Housing Partnership analysis of HCD Program Awards and Annual Reports, HUD CPD Appropriations Budget Reports, CalHFA Mixed Income Program, BCHS Program Reports, California Strategic Growth Council Affordable Housing Sustainable Communities Program, and federal and state Low-Income Housing Tax Credits.*

County Capital Investments in Affordable Housing

The LACDA NOFA funded 1,071 affordable homes in 2020. LACDA allocated more than $7 milion of the Capital Fund Program across their 68 affordable housing development portfolio. DMH made $50 million available for LACDA's October 2020 NOFA.

Department	2020 Expenditures	% Change in Expenditures from 2019	Total Affordable Homes Funded in 2020
LACDA NOFA	$67,195,005	-78%	1,071
LACDA Public Housing Capital Fund	$7,218,842*	4%**	N/A***
DMH	$50,000,000	N/A	0
TOTAL	**$124,413,842**	**-62%**	**1,071**

Note: *Table only includes affordable homes that received capital funding. Homes may have received funding from multiple departments and may not yet be placed in service.*
**Represents fiscal year 2020 capital fund program budget.*
***Change from fiscal year 2019 capital fund program budget.*
****Funding used to rehabilitate public housing developments.*



Section 1. Affordable Housing Need

Overview

Section 1 of the Affordable Housing Outcomes Report documents affordable housing need in Los Angeles County by analyzing renter demographics, the availability of affordable homes ("gap analysis"), housing cost burden, overcrowding, and homelessness, as well as a new feature that examines housing fragility during COVID-19. This section looks at trends over time, by income, countywide, by Supervisorial District (SD), and—beginning with this year's report—by race and ethnicity using six years of American Community Survey (ACS) data, the Household Pulse Survey, and Point-in-Time (PIT) Counts.

Data Sources and Methodology

Data Sources

The majority of data for Section 1 comes from American Community Survey (ACS) pre-tabulated data tables and the 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 for households throughout the United States. Unlike the ACS pre-tabulated data tables—which are aggregated to a specific geography (state, county, zip code, census tracts, etc.)—the ACS PUMS data is available at the individual and household level. Accordingly, PUMS data is flexible and allows more complex analysis. ACS pre-tabulated data and ACS PUMS data is used for the analysis of renter demographics, the availability of affordable homes ("gap analysis"), cost burden and overcrowding.

Because ACS data is released annually—usually in October or November—for the previous year, it cannot capture the current economic and social reality that Los Angeles County residents are facing during the COVID-19 pandemic. To address this gap, Section 1 now also includes an analysis of data from the Household Pulse Survey, a new, experimental survey from the U.S. Census Bureau to measure the social and economic impacts of the COVID-19 pandemic over time as well as inform government response and recovery planning. Because data is updated on a biweekly basis, the survey is meant to provide insights into how household experiences have changed during the pandemic. The survey asks individuals about their housing, employment status, spending patterns, food security, physical and mental health, access to health care, and educational disruption. The data is available at a state level and for the 15 largest Metropolitan Statistical Areas (MSAs) in the United States, which includes the Los Angeles-Long Beach-Anaheim MSA. Data from the Household Pulse Survey informs the analysis on housing fragility during COVID-19.

The subsection on homelessness in Los Angeles County uses data from the Point-in-Time (PIT) Count, a survey of individuals experiencing homelessness on a single night in January. The U.S. Department of Housing and Urban Development (HUD) requires that Continuums of Care (CoC) conduct this count annually for individuals who are sheltered in transitional housing, Safe Havens and emergency shelters, and every other year (odd numbered years) for unsheltered individuals. In Los Angeles County, the Los

Angeles Homeless Services Authority (LAHSA) conducts the County's annual PIT count, also known as the Greater Los Angeles Homeless Count.

Determining Household Income Groups and Rent Affordability

To quantify affordable housing need by income group, this section uses HUD income limits, which are used to determine eligibility for federal and state housing programs based on the median income and housing costs in a metropolitan area. Each household is placed into one of six non-overlapping income groups—deeply low-income (DLI), 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 family income (AMI), adjusted for household size (see Table 1 below).

HUD upwardly adjusts income limits in high-cost housing markets such as Los Angeles County to account for higher costs. For example, HUD calculates the VLI income limit—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 of roughly 50 percent that in turn affects all other income limits because they are all calculated relative to the VLI base limit.

Because HUD income limits are adjusted upward from actual income levels in Los Angeles County, a higher proportion of the county's households fall into the DLI, 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 that rents set at the maximum allowable price for the adjusted income levels are high in relation to their income. HUD and the State of California determine rent affordability by the income needed to afford rent and utilities without spending more than 30 percent of household income.

Table 1 shows the 2019 HUD-adjusted income limits for each income group:

TABLE 1: LOS ANGELES COUNTY INCOME LIMITS WITH HUD ADJUSTMENTS (2019)

AMI (4-Person Household)	Standard HUD Income Groups	Income Limit for 4-Person Household (HUD-adjusted)*	Adjusted HUD Limit as % of AMI	Affordable Monthly Rent**
$73,100	DLI (≤15% AMI)	$15,660	21%	$392
	ELI (15-30% AMI)	$31,300	43%	$783
	VLI (30-50% AMI)	$52,200	71%	$1,305
	LI (50-80% AMI)	$83,500	114%	$2,088
	Moderate (80-120% AMI)	$125,280	171%	$3,132
	Above Moderate (>120% AMI)	>$125,280	>171%	>$3,132

Source: Los Angeles County Income Limits. 2019. U.S. Housing and Urban Development Department (HUD). Website: https://www.huduser.gov/portal/datasets/il.html
**The Los Angeles County income levels are upwardly adjusted for high housing costs using the VLI 4-person household as the basis for all other income calculations for HUD's income groups. The ELI, VLI and LI income groups are provided by HUD, while DLI, moderate-income and above moderate-income are generated using HUD-provided ratios.*
***'Affordable Monthly Rent' assumes households should spend no more than 30 percent of their incomes on housing. The values expressed in Table 1 define affordability for households at the income limit threshold. In other words, $392 is the affordable monthly rent for a DLI household earning $15,660.*

Supervisorial Districts

Housing need in Section 1 is examined for the whole of Los Angeles County and for each of the county's five Supervisorial Districts (SD). SD-specific analysis draws from two years of Census data to generate reliable results due to small population sizes in some SDs. Thus, all SD data points are two-year averages.

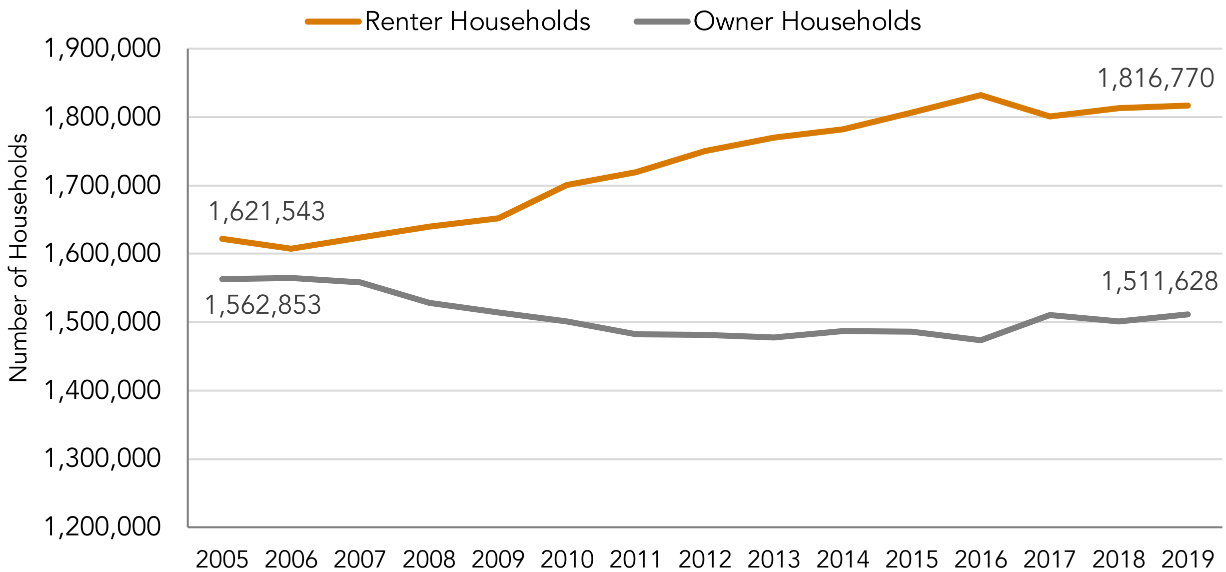
For more information on the methodology used to determine income groups and rent affordability, see Appendix A: Methodology.

Housing Tenure Trends in Los Angeles County

Trends in housing tenure (renter or owner-occupied) and the demographics of renter households provide important context for Los Angeles County's current rental housing affordability challenges.

A majority of Los Angeles County households—55 percent—live in rental housing. Since 2005, there has been a steady increase in the number of renter households, adding nearly 200,000 over the last 15 years (see Figure 1 below). By comparison, the number of owner-occupied households has declined by approximately 50,000 households over the same time period. These trends represent a 12 percent increase in renter households and a three (3) percent decrease in owner households since 2005, respectively.

FIGURE 1: CHANGE IN LOS ANGELES COUNTY HOUSEHOLDS BY TENURE (2005-2019)



Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2005-2019.

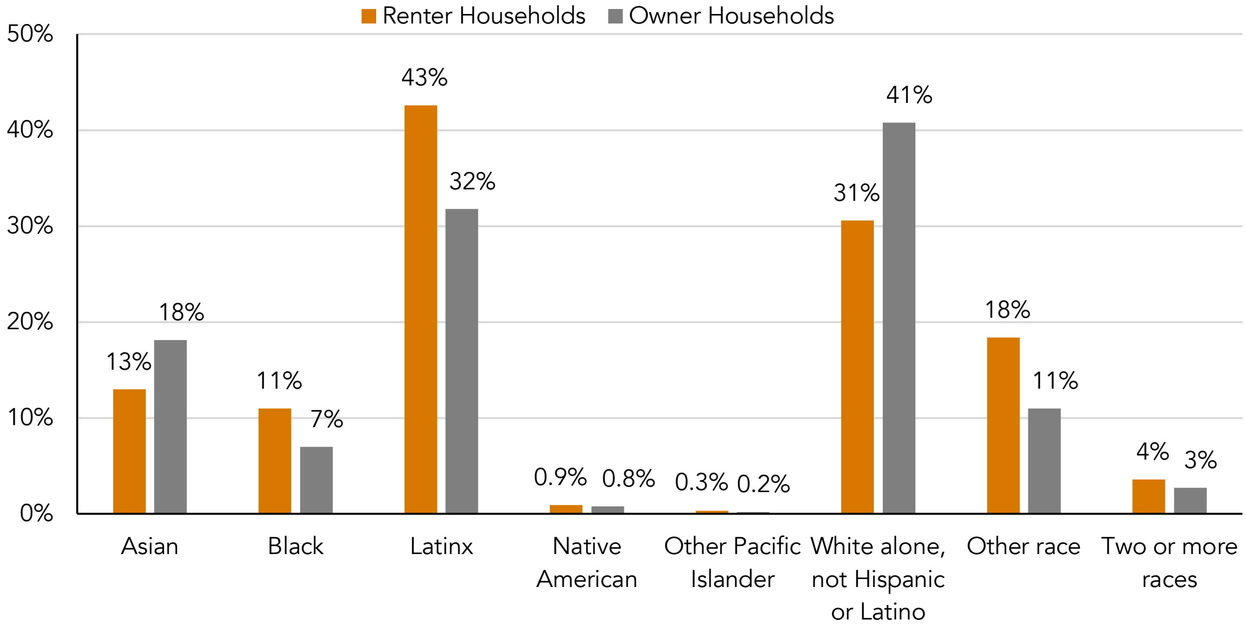
Demographics by Housing Tenure in 2019

Renter households in Los Angeles County differ from owner households in several important ways. According to the 2019 American Community Survey:

- The median income of renter households was only about half the median income for owner households—$52,932 and $103,538, respectively.
- Renter householders are typically younger than owners—28 percent of renter householders are under 35 years old, compared with just 18 percent of owners. In contrast, only 15 percent of renters are 65 and older, a group that makes up nearly 25 percent of owners.
- Renter households also tend to be smaller than owner households—the average household size for renters is 2.80 persons and 3.16 persons for owner households.
- In addition, nearly one third of renter households (31 percent) are single persons and another 12 percent are headed by single parents. Because single-parent households are more common among renters and many married-couple homeowners are empty nesters, 58 percent of children—some 1.2 million in all—live in renter households.[4]
- Renters are also more likely to be Black, Latinx, Native American, Other Pacific Islander, and multiracial. Only Asian and white households are more likely to own than rent in Los Angeles County (see Figure 2 below).

[4] Analysis of U.S. Census Bureau American Community Survey, 1-year estimates, table IDs: B25115, S0901, S2502.

FIGURE 2: RACE AND ETHNICITY OF LOS ANGELES COUNTY HOUSEHOLDS* BY TENURE (2019)



Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2019.
**This data represents the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Other Pacific Islander, and white include households reporting only one race. Householders who identify their origin as Hispanic or Latino may be of any race except white.*

Historical data reveals distinct demographic trends for renter households in the county. The following sections examine changes in renter demographics by income, age, and race and ethnicity over time.[5]

Changes in Renter Households by Income

While renter incomes still fall far behind owner incomes, median household income for renters has increased consistently over the past several years in Los Angeles County—to $52,932 in 2019, up $2,609 (5 percent) from 2018 and $8,974 (20 percent) since 2014. While increases in wages could explain this trend—especially in the years following the Great Recession—changes in the composition of renter households due to out migration of low-income families, in-migration of high-income renters, and more affluent households choosing to rent as opposed to purchasing homes could all be contributing factors.

Changes in the number of renter households belonging to each income group were not uniform between 2014 and 2019. For example, since 2014 the number of DLI, LI, moderate-income and above moderate-income households has increased (see Table 2 and Figure 3 below). Over the same period, the number of ELI and VLI households decreased by 18 percent and four (4) percent respectively. These fluctuations

[5] In sections 1 and 4, the categorization of people by race and ethnicity is based on responses to U.S. Census surveys, specifically the American Community Survey and the Household Pulse Survey. For most indicators, people are categorized as Black, Latino or Latinx (used interchangeably), Asian, Native American, Other Pacific Islander, white, two or more races or multiracial (used interchangeably), and other race. For more information on these groups, see Appendix A: Methodology.

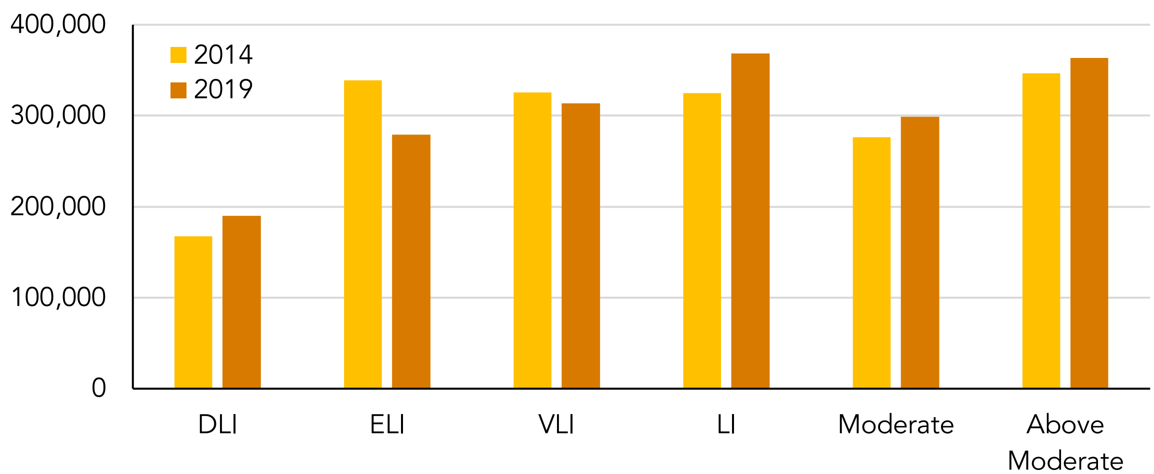
could be due to increases in HUD's income limit thresholds, which increased by 28 percent between 2014 and 2019. Taken together, these higher income limits and ongoing economic insecurity for households with the lowest incomes could explain the increase in DLI households and the decrease in ELI households since 2014. Larger changes in the composition of renter households could also play a role, especially for higher-income renters. For example, a recent report from Apartment List found that migration patterns, wage growth, and transitions away from homeownership help explain the increase in higher-income renters.[6]

TABLE 2: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY INCOME GROUP (2014-2019)

Income Group	Number of Households in 2019	% Change from 2014	Share of Renter Households in 2014	Share of Renter Households in 2019
DLI	189,837	+13%	9%	11%
ELI	279,396	-18%	19%	15%
VLI	313,964	-4%	18%	17%
LI	368,727	+13%	18%	20%
Moderate	298,673	+8%	16%	17%
Above Moderate	363,767	+5%	20%	20%
Total	**1,814,364**	**+2%**	**100%**	**100%**

Source: California Housing Partnership analysis of 2014-2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.

FIGURE 3: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY INCOME GROUP (2014-2019)

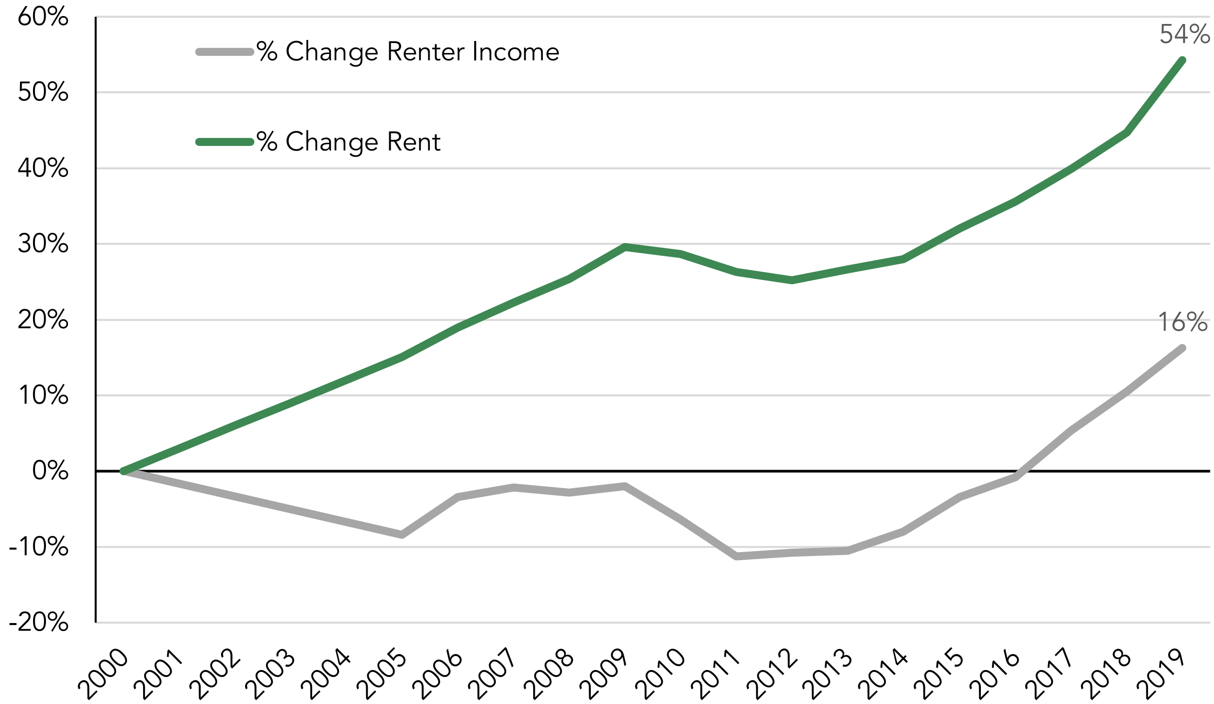


Source: California Housing Partnership analysis of 2014-2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.

[6] Warnock, Rob, 2019. "Rich and Renting: Understanding the Surge of High-Earning Renters." *Apartment List*. Website: https://www.apartmentlist.com/research/rich-and-renting-understanding-the-surge-of-high-earning-renters

Even as median income has increased for renter households in the county, the gap between median renter income and median rent in Los Angeles County has persisted. As shown in Figure 4 below, there has been steady growth in median renter incomes since 2016, but rents have grown at an even faster pace. Adjusted for inflation, median renter income has grown 16 percent since 2000, while median rent has increased 54 percent. This disparity between growth in incomes and rent has placed increasing pressure on renter households, leading to high numbers of cost-burdened households in the region.

FIGURE 4: MEDIAN RENTER HOUSEHOLD INCOME VERSUS MEDIAN RENTS IN LOS ANGELES COUNTY (2000-2019)*

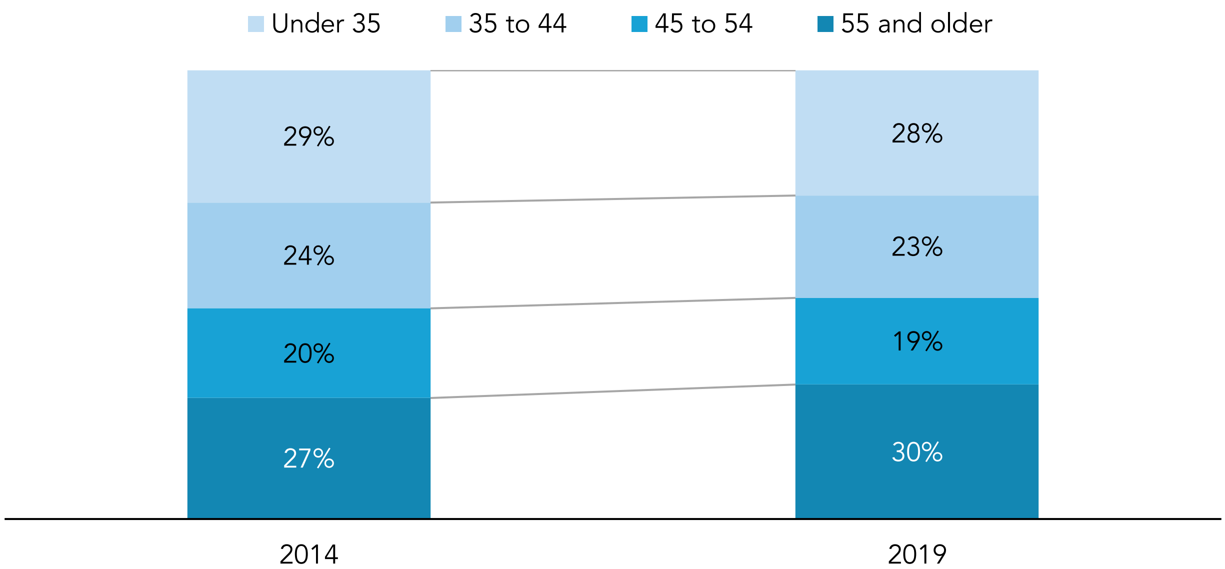


Source: California Housing Partnership analysis of U.S. Census Bureau ACS, 1-year estimates, table ID: S2503, 2000-2019.
**Median renter income and rent from 2001-2004 are estimated trends. Median renter income and rent are inflation adjusted to 2019 dollars.*

Changes in Renter Households by Age

Unlike median income and rents, the age distribution of renter households in Los Angeles County has changed little since 2014 (see Figure 5 below). Only the composition of the youngest and oldest groups has shifted in the last six years—and only slightly. The share of renters under 35 years decreased by one (1) percentage points (nearly 19,000 households) while the share of renters 55 and older increased by three (3) percentage points (63,000 households). This growth in older renters is one of the factors that has contributed to the increase in renter households over the last six years.

FIGURE 5: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY AGE GROUP (2014-2019)



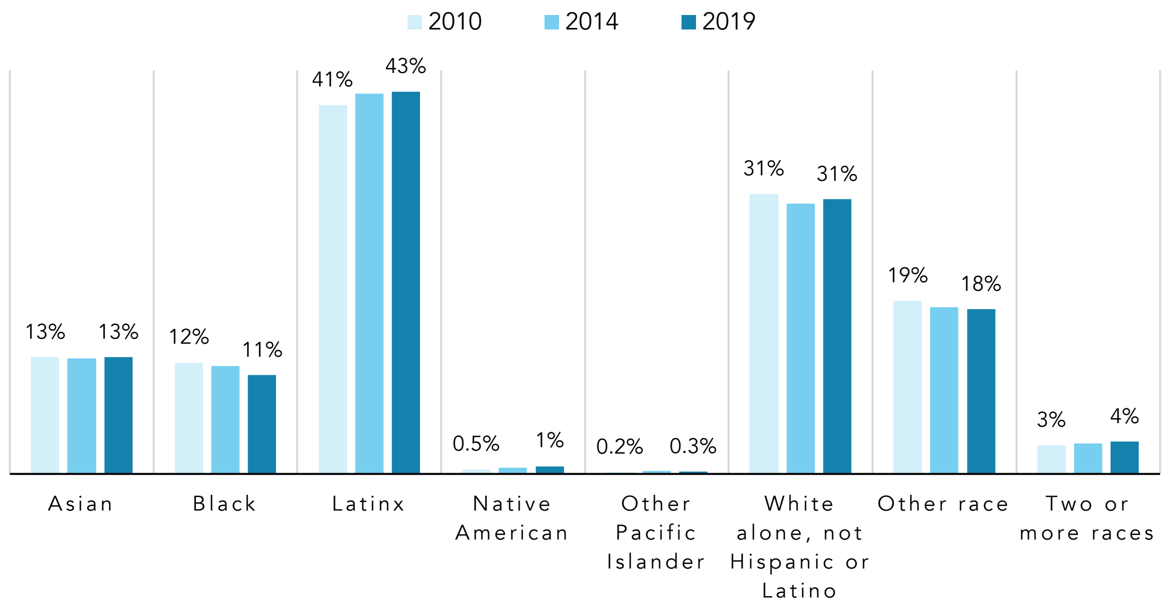
Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2014-2019.

Changes in Renter Households by Race and Ethnicity

The racial and ethnic composition of renters in Los Angeles County has seen only minor changes in recent years (see Figure 6 below). Since 2010, only Black and Latinx renter households have seen a change in the share of overall renter households greater than one percentage point—Black households decreased by 1.4 percentage points (or 10,504 households) and Latinx households increased by 1.5 percentage points (or 74,727 households).

Change over this period was more pronounced within some racial and ethnic groups on an absolute basis. For example, the number of Black renter households (as opposed to their share of total renters) declined by five percent between 2010 and 2019, whereas the number of renter households increased for every other race and ethnic group (see Table 3 below).

FIGURE 6: LOS ANGELES COUNTY RENTER HOUSEHOLDS BY RACE AND ETHNICITY* (2014-2019)



Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2010-2019.
**This data represents the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Other Pacific Islander, and white include households reporting only one race. Householders who identify their origin as Hispanic or Latino may be of any race except white.*

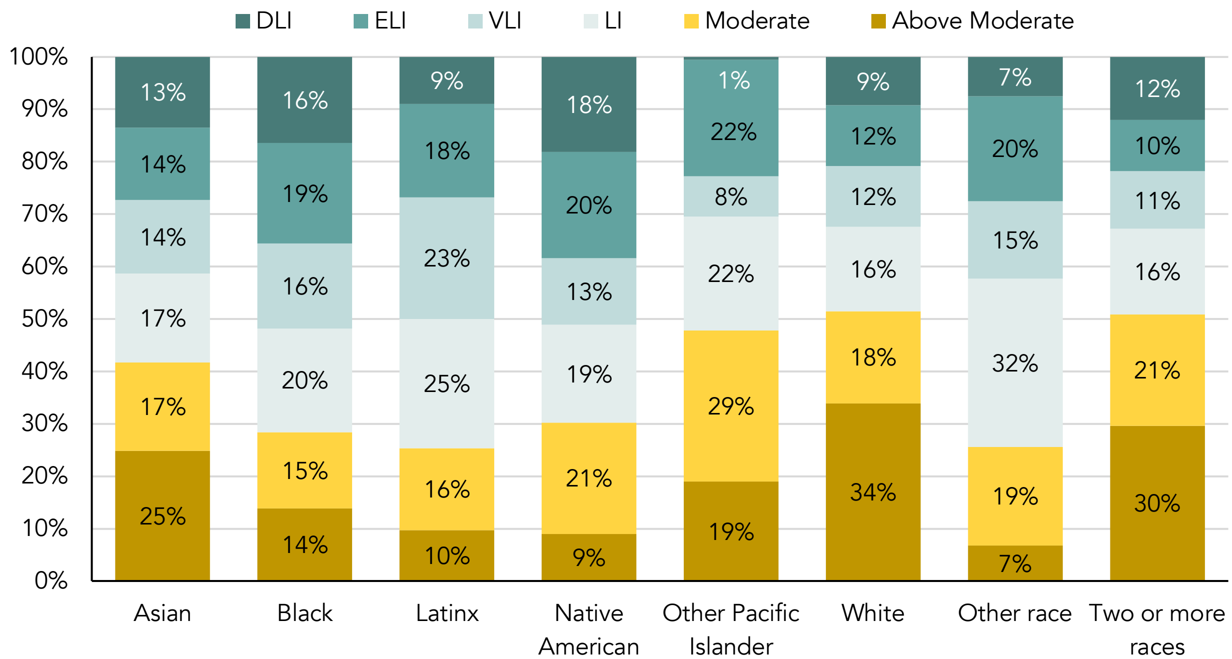
TABLE 3: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY RACE AND ETHNICITY* (2010-2019)

Household Race and Ethnicity	Number of Households in 2010	Number of Households in 2019	% Change from 2010
Asian	221,118	236,588	+7%
Black	210,912	200,408	-5%
Latinx	699,072	773,799	+11%
Native American	8,505	15,502	+82%
Other Pacific Islander	3,402	4,927	+45%
White alone, not Hispanic or Latino	530,682	556,489	+5%
Other race	328,275	333,807	+2%
Two or more races	54,429	65,727	+21%

Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2010-2019.
**This data represents the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Other Pacific Islander, and white include households reporting only one race. Householders who identify their origin as Hispanic or Latino may be of any race except white.*

Figure 7 below breaks down the income group composition of each race and ethnic group. Black, Native American, and Latinx households are most likely to have very low incomes (VLI) and earn 50 percent of AMI or below: 52 percent of Black households, 51 percent of Native American households, and 50 percent of Latinx households earn below 50 percent of AMI. In contrast, 32 percent of white households earn below 50 percent of AMI.[7] White, Asian, Other Pacific Islander, and households of two or more races have the highest shares of moderate- and above-moderate income households.

FIGURE 7: INCOME DISTRIBUTION OF RENTERS BY RACE AND ETHNICITY* (2019)



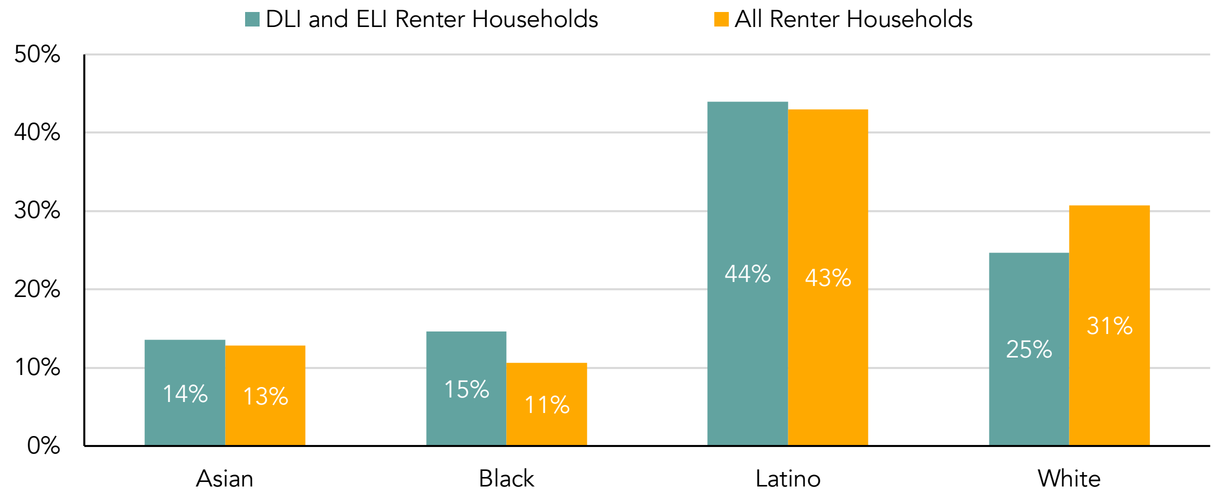
Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.
**This data represents the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey.*
***Unlike in Figure 2 and 6 and Table 3, Asian, Black, Native American, Other Pacific Islander, other race, and white only include households reporting only one race and do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

Comparing the demographics of renter households in Los Angeles County overall with the income distribution of renter households by race and ethnicity can further clarify the racial disparities in income among renters summarized above. As Figure 8 below illustrates, people of color are more likely to be extremely low-income renters (earning 30 percent of AMI or less) than their white counterparts. Black households account for eleven (11) percent of all renter households, yet they account for 15 percent of DLI and ELI renter households. Latinx households account for 43 percent of all renter households and 44 percent of DLI and ELI renter households. Asian households account for 13 percent of all renter households and 14 percent of DLI and ELI renter households. In contrast, white households account for 31

[7] For income group definitions and thresholds used throughout this report, see Table 1.

percent of all renter households in Los Angeles County and just 25 percent of DLI and ELI renter households.

FIGURE 8: RACIAL AND ETHNIC* COMPOSITION OF ALL RENTER HOUSEHOLDS AND DLI + ELI RENTER HOUSEHOLDS (2019)



Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.
**This data represents the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Unlike in Figure 2 and 6 and Table 3, Asian, Black, and white only include households reporting only one race and do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

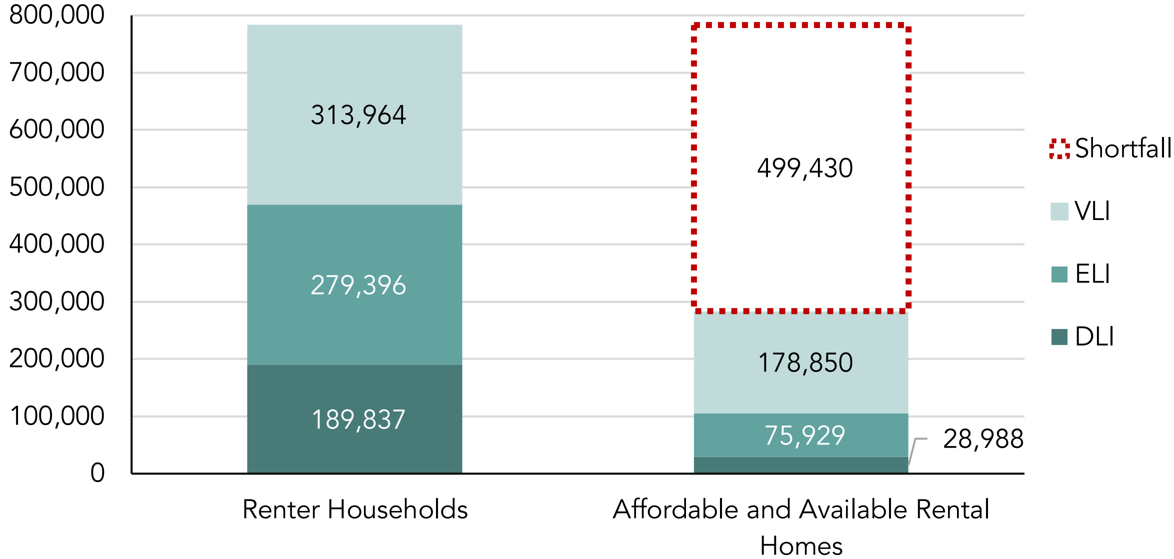
Gap Analysis

The gap analysis assesses availability of affordable housing for each income group in Los Angeles County by comparing the number of renter households in each group to 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.[8] Both occupied and vacant homes are included because, together, they represent the total stock of rental homes affordable to households of each income group.

Of the 1.8 million renter households living in Los Angeles County, 783,197 (43 percent) come from the three lowest income groups (DLI, ELI and VLI). Meanwhile, only 283,767 rental homes are affordable and available to these households, resulting in a shortfall of 499,430 affordable rental homes (see Figure 9 below). In other words, nearly half a million—or 64 percent—of Los Angeles County's lowest income households do not have access to affordable housing.[9]

[8] National Low Income Housing Coalition. "The Gap: A Shortage of Affordable Rental Homes." Website: https://nlihc.org/gap.
[9] The shortage of affordable homes described above does not account for individuals and families experiencing homelessness due to limitations of ACS PUMS data.

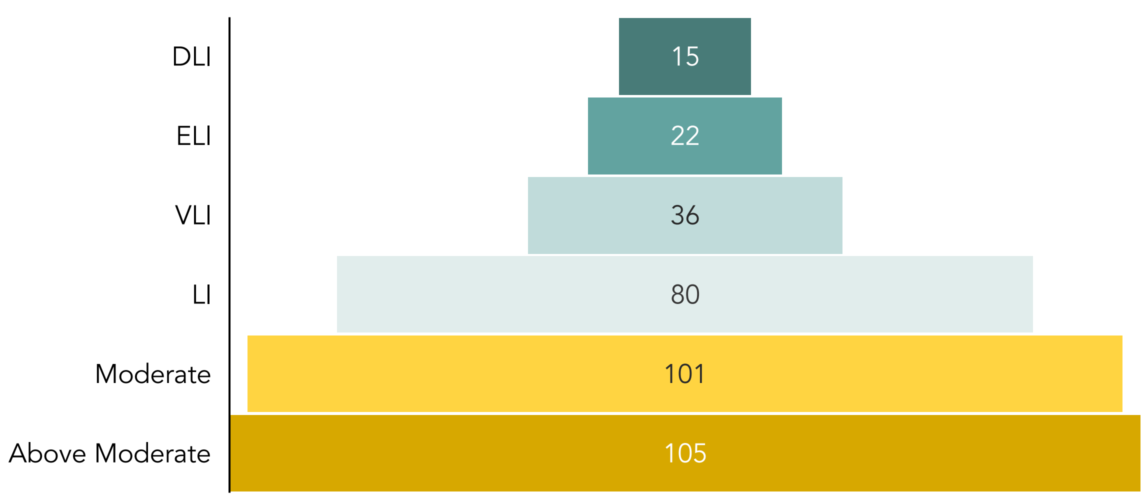
FIGURE 9: AFFORDABLE RENTAL HOUSING SHORTFALL (2019)



Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.

The available supply of affordable and available rental homes increases for households with higher incomes. Only 15 rental homes are affordable and available and not occupied already by a higher income group for every 100 DLI renter households (see Figure 10 and Table 4 below). The numbers are marginally better for ELI and VLI renter households with 22 and 36 affordable and available rental homes for every 100 ELI and VLI renter households respectively. Low-income households fare better with 80 rental homes affordable and available for every 100 households. Both moderate- and above moderate-income households actually have a small surplus of homes affordable and available to them per 100 renter households at 101 and 105 homes respectively.

FIGURE 10: AFFORDABLE AND AVAILABLE RENTAL HOMES PER 100 RENTER HOUSEHOLDS BY INCOME GROUP (2019)



Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.

TABLE 4: GAP ANALYSIS FOR RENTER HOUSEHOLDS BY INCOME GROUP (2019)

	DLI	ELI	VLI	LI	Moderate	Above Moderate	Total
Households within Income Group	189,837	279,396	313,964	368,727	298,673	363,767	1,814,364
All Households (Cumulative)	189,837	469,233	783,197	1,151,924	1,450,597	1,814,364	N/A
Rental Homes "Affordable and Available" (Cumulative)	28,988	104,917	283,767	923,832	1,463,275	1,905,386	
Cumulative Surplus or Shortfall of Affordable Rental Homes	-160,849	-364,316	-499,430	-228,092	12,678	91,022	
% of Homes Affordable but Unavailable*	66%	37%	29%	23%	16%	0%	

Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.

**"Affordable but unavailable" means that a rental home is affordable to lower-income households but occupied by a household in a higher income group.*

As highlighted previously, certain racial and ethnic groups in Los Angeles County—Black, Latinx, and Native American renters, specifically—are much more likely to have lower incomes and, thus, face the brunt of the shortage of affordable and available housing. The intergenerational impacts of slavery, structural racism, government-sponsored segregation, discrimination, and economic exploitation explain today's severe racial wealth inequality and racial disparities in access to safe, stable, and affordable housing.[10]

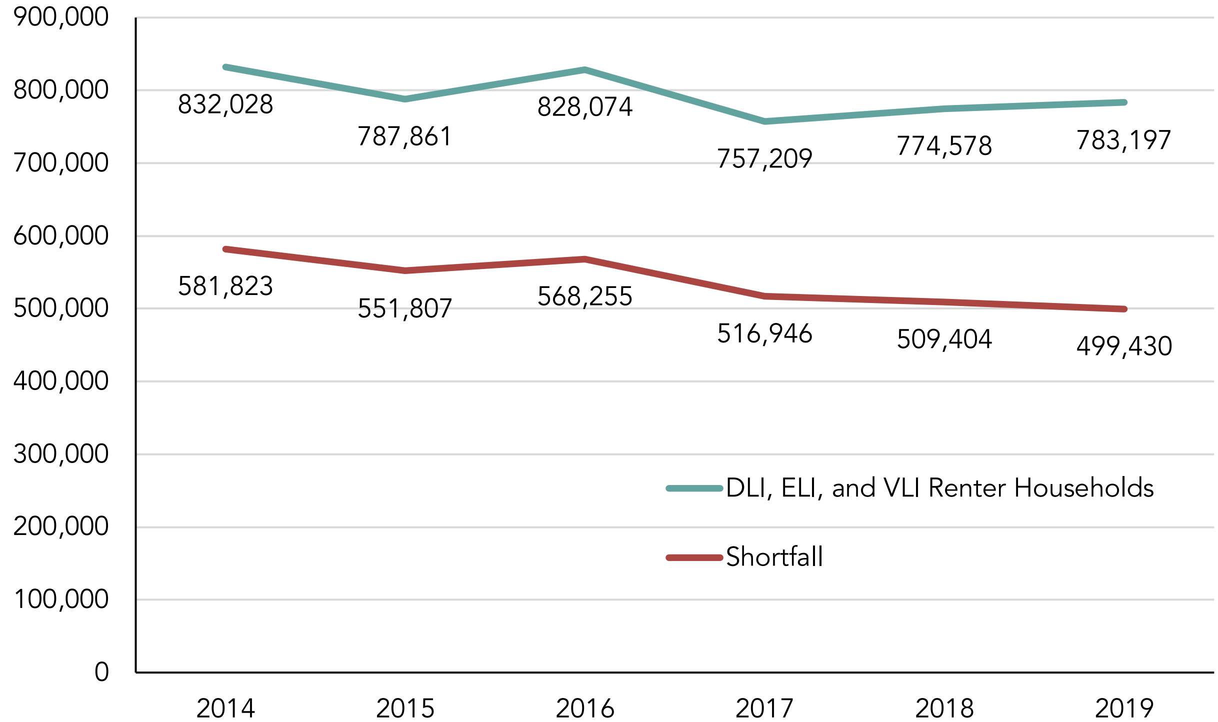
Gap Analysis Historical Trends

Figure 11 below shows that the historical shortfall of affordable and available homes for the lowest income renter households in Los Angeles County has declined by 14 percent—or 82,393 homes—from 2014 to 2019.[11] While some of this decline may be in part a result of the concurrent decrease in households with incomes below 50 percent of AMI in the county (6 percent since 2014), the fact that the 14 percent decrease in the shortfall of affordable and available homes is so much larger indicates that other factors—such as the County's additional investments and activities described in detail in Sections 2 and 3 of this Report—contributed to the shortfall's gradual decline.

[10] See, for example: Jan, Tracy, 2018. "Redlining was banned 50 years ago. It's still hurting minorities today." *Washington Post.* Website: https://www.washingtonpost.com/news/wonk/wp/2018/03/28/redlining-was-banned-50-years-ago-its-still-hurting-minorities-today/?arc404=true; Solomon, Danyelle, et al, 2019. "Systemic Inequality: Displacement, Exclusion, and Segregation." *Center for American Progress*. Website: https://www.americanprogress.org/issues/race/reports/2019/08/07/472617/systemic-inequality-displacement-exclusion-segregation/.

[11] See Appendix B: Full Data Findings, Section 1 Table B for expanded shortfall data for 2014, 2015, 2016, 2017, 2018 and 2019, including the proportion of housing demand that is not being met each year (or shortfall / total demand).

FIGURE 11: AFFORDABLE RENTAL HOUSING SHORTFALL (2014-2019)



Source: California Housing Partnership analysis of 2014-2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.

Gap Analysis by Supervisorial District

Table 5 below contains a summary of the affordable housing gap analysis by household income group for each Supervisorial District (SD). Predictably, the SDs with the largest number of DLI, ELI and VLI households—SDs 2 and 3—have the largest shortfall of affordable and available homes for those households. However, affordability challenges for the lowest income households are relatively consistent across each SD. For example, across all five SDs, fewer than 23 rental homes are affordable and available for every 100 DLI renter households while no more than 27 are affordable and available for every 100 ELI renter households and no more than 45 exist in any SD for every 100 VLI renter households. Nonetheless, every SD except SD 3 has a surplus of homes affordable and available to moderate and above moderate-income households with SD 3 having only a slight shortfall for moderate-income households.

TABLE 5: GAP ANALYSIS FOR RENTER HOUSEHOLDS BY INCOME GROUP AND SUPERVISORIAL DISTRICT (2018-2019)

	Supervisorial District	DLI	ELI	VLI	LI	Moderate	Above Moderate
Cumulative Surplus or Shortfall of Affordable Rental Homes by District and Income Group	SD 1	-27,508	-71,215	-91,335	-24,193	3,407	12,838
	SD 2	-47,359	-100,804	-129,553	-44,500	3,237	20,841
	SD 3	-36,908	-84,541	-124,511	-83,330	-7,572	25,981
	SD 4	-20,645	-53,013	-83,182	-33,075	5,288	15,710
	SD 5	-26,614	-55,113	-75,836	-44,678	4,240	14,607
Affordable and Available Rentals Homes per 100 Renter Households by District and Income Group	SD 1	22	27	45	90	101	104
	SD 2	12	22	39	85	101	105
	SD 3	9	18	26	67	98	106
	SD 4	13	20	30	82	102	105
	SD 5	16	24	34	74	102	105

Source: California Housing Partnership analysis of 2018-2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.

For more data on the gap analysis, see Appendix B: Full Data Findings, Section 1.

Cost Burden Analysis

Although Los Angeles County has made steady progress in reducing the shortfall of affordable and available homes in the last six years, nearly half a million low-income households still lack access to an affordable home. Unaffordable rents have enormous consequences, particularly for households with the lowest incomes, which is why cost burden is such an important indicator to understand and track.

The negative consequences of cost burden for low-income households have been well documented by national researchers.[12,13] For example, a 2020 study by the Harvard University's Joint Center for Housing Studies found that severely cost burdened low-income families (those paying more than 50 percent of

[12] A study by two John Hopkins University researchers found that households who spend greater than 60 percent of their income on housing spend less on child enrichment—including books, education, and computers—than households who spend only 30 percent of income on housing costs. See Newman, Sandra, and Scott Holupka, 2014. "Housing Affordability and Child Well-Being." Housing Policy Debate. Website: https://nlihc.org/sites/default/files/Housing_Affordability_Child_Wellbeing.pdf.

[13] Low-income households spending the greatest share of income on housing are most vulnerable to housing instability, including frequent moves, displacement, evictions and becoming homeless. They are one "bad break" away from being forced to move much farther from work and essential services, or even from being forced to live in their vehicles or on the streets. See, for example: Chris Glynn and Alexander Casey. "Priced Out: Homelessness Rises Faster Where Rent Exceeds a Third of Income." Website: http://www.zillow.com/research/homelessness-rent-affordability-22247/.

household income on housing costs) spend 52 percent less on food, healthcare and transportation than their low-income counterparts who live in housing affordable to them. The implications of severe cost burden for low-income families with children and households headed by adults age 65 and over are especially troubling. Among low-income households with children under the age of 18, those with severe cost burden spend 93 percent less on healthcare and 37 percent less on food than their low-income counterparts with children who live in affordable homes. Similarly, severely cost burdened low-income households headed by adults age 65 and older spend 50 percent less on both healthcare and food.[14]

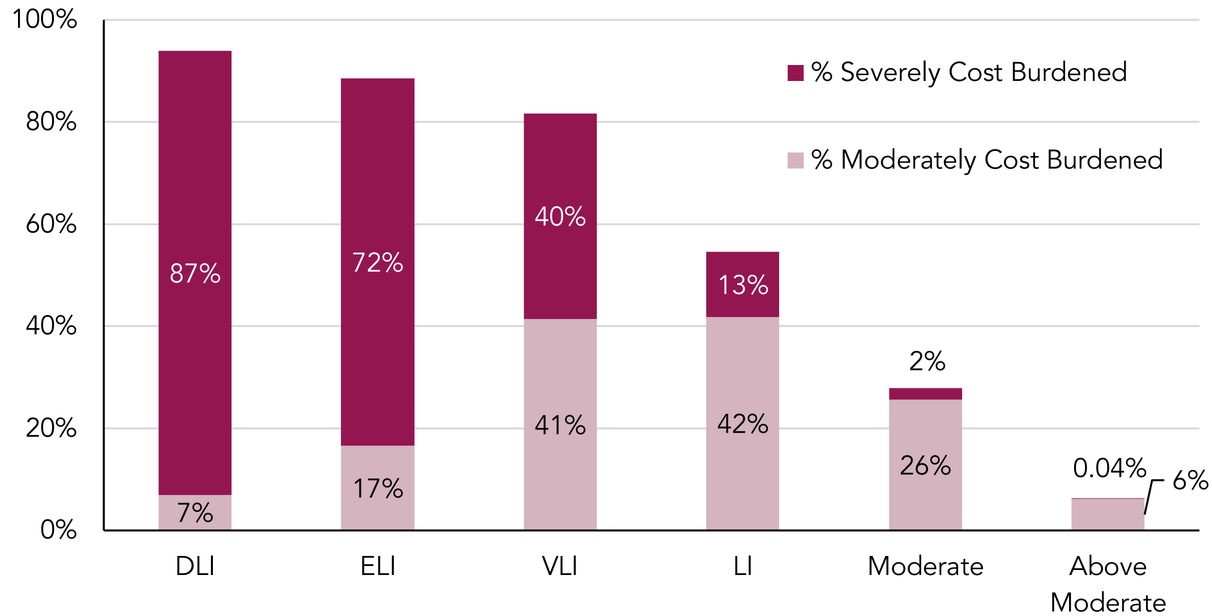
There are two types of cost burden measured in this report: cost burden and severe cost burden. A household is considered cost burdened if they pay more than 30 percent of household income on housing costs and severely cost burdened if they pay more than 50 percent of household income on housing costs. Housing costs include both rent and utilities (e.g., electricity, gas and water).

Nine hundred and eighty-nine thousand (989,000) households in Los Angeles County—representing 55 percent of all renter households—are cost burdened. Over half of these cost burdened households (55 percent or 546,752 households) experience severe cost burden.

As shown in Figure 12 and Table 6 below, the frequency and degree of housing cost burden is highly correlated with income level: 94 percent of DLI households, 89 percent of ELI households, 82 percent of VLI households, and 55 percent of LI households are cost burdened compared with 28 percent of moderate-income households and just six (6) percent of above moderate-income households. This discrepancy is particularly stark when considering severe cost burden. In 2019, 87 percent of DLI households, 72 percent of ELI households, and 40 percent of VLI households experienced severe cost burden. By comparison, only two (2) percent of moderate-income and 0.04 percent of above moderate-income households were severely cost burdened.

[14] See Joint Center for Housing Studies of Harvard University. "The State of the Nation's Housing: 2020." Website: http://www.jchs.harvard.edu/state-nations-housing-2020.

FIGURE 12: SHARE OF RENTER HOUSEHOLDS WHO ARE COST BURDENED BY INCOME GROUP* (2019)



Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.
**A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.*

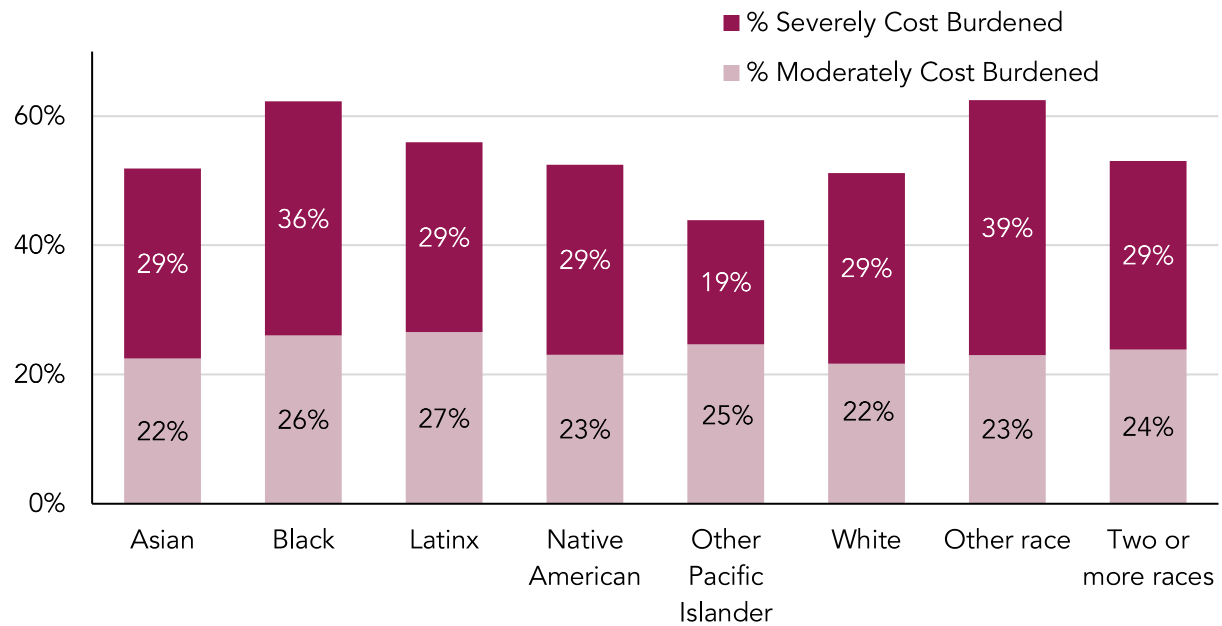
TABLE 6: COST BURDEN ANALYSIS FOR RENTER HOUSEHOLDS (2019)

Income Group	Total Households	Not Cost Burdened		Moderately Cost Burdened		Severely Cost Burdened	
		#	%	#	%	#	%
DLI	189,837	11,480	6%	13,135	7%	165,222	87%
ELI	279,396	32,099	11%	46,422	17%	200,875	72%
VLI	313,964	57,455	18%	130,071	42%	126,438	40%
LI	368,727	167,526	45%	154,151	42%	47,050	13%
Moderate	298,673	215,287	72%	76,348	26%	7,038	2%
Above Moderate	363,767	341,093	94%	22,545	6%	129	0.04%
All Income Groups	**1,814,364**	**824,940**	**46%**	**442,672**	**24%**	**546,752**	**30%**

Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.

Among renters in Los Angeles County, people of color are more likely to experience housing cost burdens than their white counterparts. Black renters have the highest share of cost burden at 62 percent, followed by Latinx renters at 56 percent, Native American and multiracial renters at 53 percent, Asian renters at 52 percent, white renters at 51 percent, and Other Pacific Islander renters at 44 percent (see Figure 13 below).

FIGURE 13: SHARE OF RENTER HOUSEHOLDS WHO ARE COST BURDENED* BY RACE AND ETHNICITY** (2019)

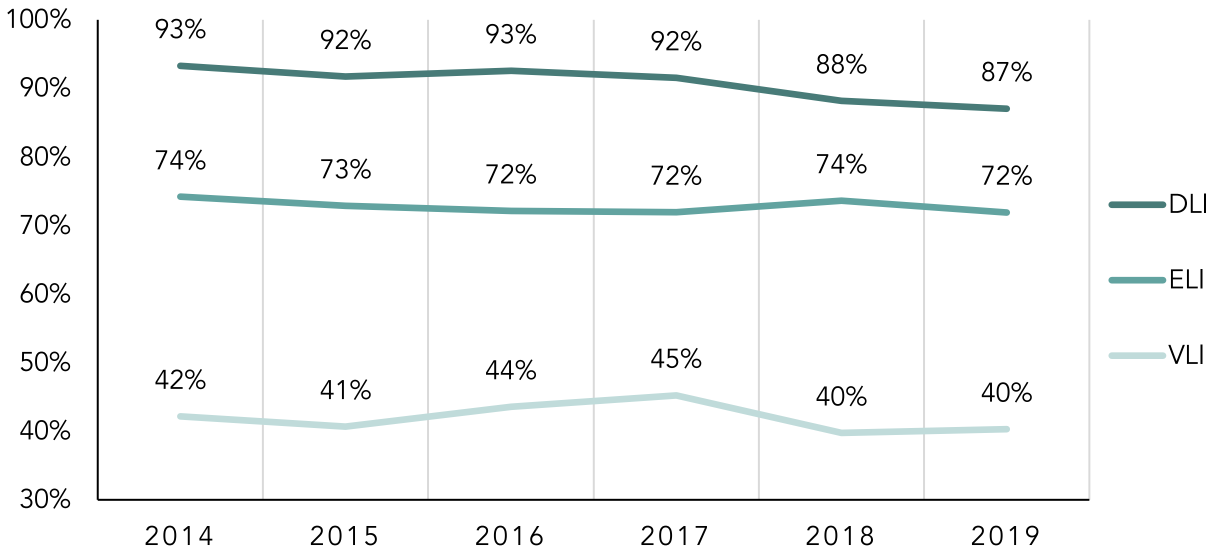


Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data.
**A household is considered cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.*
***This data represents the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Other Pacific Islander, white, some other race, and two or more races only include households that do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

Severe Cost Burden Historical Trends

As shown in Table 7 and Figure 14 below, severe cost burden has been the unfortunate norm among Los Angeles County's lowest income households for the past six years. However, the share of DLI, ELI, and VLI renter households experiencing severe cost burden has declined modestly since 2014—by six (6) percentage points, two (2) percentage points, and two (2) percentage points, respectively. Severe cost burden for LI and moderate-income households has remained relatively consistent in the last six years, around 13 percent and three (3) percent, respectively. Notably, there has been a steep decline in the proportion of above moderate-income households experiencing severe cost burden—from 0.6 percent in 2014 to 0.04 percent in 2019, a decline of 94 percent. This decline could be due to improved economic circumstances for these households as well as the high-rise apartment and condo building boom increasing the supply of homes affordable to higher-income households.[15]

FIGURE 14: SHARE OF RENTER HOUSEHOLDS WHO ARE SEVERELY COST BURDENED BY INCOME GROUP* (2014-2019)



Source: California Housing Partnership analysis of 2014-2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.
**A household is severely cost burdened if they pay more than 50 percent of household income on housing costs.*

TABLE 7: SHARE OF SEVERELY COST BURDENED RENTER HOUSEHOLDS BY INCOME GROUP (2014-2019)

Year	DLI	ELI	VLI	LI	Moderate	Above Moderate
2014	93%	74%	42%	12%	2%	0.6%
2015	92%	73%	41%	14%	3%	0.4%
2016	93%	72%	44%	12%	4%	0.3%
2017	92%	72%	45%	14%	3%	0.2%
2018	88%	74%	40%	13%	3%	0.1%
2019	87%	72%	40%	13%	2%	0.04%

Source: California Housing Partnership analysis of 2014-2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.

[15] See, for example: Los Angeles Times. 2018. "Housing boom brings a new crop of tall towers." Website: https://www.latimes.com/business/la-fi-hp-high-rise-living-20181019-story.html; Los Angeles Times, 2019. "Wage inequality is surging in California—and not just on the coast. Here's why." Website: https://www.latimes.com/business/story/2019-10-10/wage-inequality-is-surging-in-california-and-not-just-on-the-coast-heres-why.

As the share of DLI, ELI, and VLI households experiencing severe cost burden has declined, so too has the number of severely cost burden households overall. As shown in Table 8 below, 45,725 (8 percent) fewer renter households experienced severe cost burden in 2019 than in 2014. This decline was driven primarily by fewer ELI, VLI, and above moderate-income households experiencing severe cost burden. The number of severely cost burdened households increased for DLI, LI, and moderate-income households—by 8,809 households (6 percent), 8,060 households (21 percent), and 689 (11 percent), respectively. These trends loosely mirror the shifting composition of renter households in Los Angeles County since 2014 for all income groups except above moderate-income, which experienced an increase in population but a decline in severe cost burden.

TABLE 8: SEVERELY COST BURDENED RENTER HOUSEHOLDS BY INCOME GROUP (2014-2019)

Year	DLI	ELI	VLI	LI	Moderate	Above Moderate	Total
2014	156,413	251,435	137,334	38,990	6,349	1,956	**592,477**
2015	153,823	217,665	132,610	49,430	9,579	1,518	**564,625**
2016	164,096	237,240	140,129	41,409	11,386	1,015	**595,275**
2017	146,511	215,143	134,854	48,086	9,909	602	**555,105**
2018	159,927	211,522	121,680	45,743	7,928	230	**547,030**
2019	165,222	200,875	126,438	47,050	7,038	129	**546,752**
% Change (2014-2019)	**+6%**	**-20%**	**-8%**	**+21%**	**+11%**	**-93%**	**-8%**

Source: California Housing Partnership analysis of 2014-2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.

Severe Cost Burden by Supervisorial District

As shown in Table 9 below, the distribution of severely cost burdened renter households by SD is generally proportional to the distribution of the county's overall population among SDs. In other words, no single district has a disproportionate concentration of households experiencing severe cost burden.

While the number of severely cost burdened households across the entire county has declined by eight percent since 2014 (see Table 8 above), the change in severely cost burdened households has fluctuated across SDs over the last six years. The number of renter households experiencing severe cost burden has declined in SDs 1, 2, 3, and 4—by nine (9) percent, eleven (11) percent, 0.2 percent, and seven (7) percent—but increased by three (3) percent in SD 5 since 2014-2015.[16]

[16] SD-specific analysis draws from two years of Census data to generate reliable results due to small population sizes in some SDs. Thus, all SD data points are two-year averages.

TABLE 9: PERCENTAGE OF SEVERELY COST BURDENED RENTER HOUSEHOLDS BY SD (2018-2019)

Percentage of Households in SD		# of Severely Cost Burdened Households	% of Total Severely Cost Burdened Households in LA County	% Change in Severely Cost Burdened Households*
SD 1	18%	93,863	17%	-9%
SD 2	24%	134,748	25%	-11%
SD 3	25%	141,760	26%	-0.2%
SD 4	17%	83,835	15%	-7%
SD 5	16%	92,685	17%	+3%

Source: California Housing Partnership analysis of 2014-2015 and 2018-2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.
**Percent change is the number of severely cost burdened households in each SD in 2018-2019 relative to the number of severely cost burdened households in 2014-2015.*

The very high and persistent shares of low-income households and households of color with cost burdens is a measure of how prevalent housing unaffordability and instability has become in Los Angeles County—and the insufficiency of the current housing market and housing safety net. According to HUD's latest "Worst Case Housing Needs Report," fewer than one in four very low-income renter households in the Los Angeles-Long Beach-Anaheim metropolitan area received housing assistance in 2017. Nearly 50 percent of very low-income renter households lack assistance and face either severe cost burdens or severely inadequate housing, or both.[17]

For more data on the cost burden analysis, see Appendix B: Full Data Findings, Section 1.

Overcrowding Analysis

The overcrowding analysis documents rates of overcrowding in Los Angeles County by household income group and race and ethnicity. In this analysis, overcrowding is defined in terms of the ratio of occupants in a home to the number of rooms, counting two children as equivalent to one adult. A room is defined as a bedroom or common living space (such as a living room), but excludes bathrooms, kitchens, or areas of the home that are unfinished or not suited for year-round use.[18]

Households that have more than one adult per room are considered overcrowded, and households with more than two adults per room are considered severely overcrowded. For example, a two-room home

[17] Office of Policy Development and Research of the U.S. Department of Housing and Urban Development, 2019. "Worst Case Housing Needs: 2019 Report to Congress." Website: https://www.huduser.gov/portal/sites/default/files/pdf/worst-case-housing-needs-2020.pdf.
[18] Please note that the Census' definition of overcrowding varies slightly from this report's methodology. Most notably, the Census considers a kitchen a room and does not distinguish between children and adults in their measure. For the full definition, visit https://www.census.gov/housing/hvs/definitions.pdf.

(one bedroom and a living room) with three adults is considered overcrowded, while a two-room home with three adults and three children is severely overcrowded.

California's renter overcrowding rate is more than double the U.S. average, largely due to the state's high housing costs and the prevalence of households headed by foreign-born adults, those of Hispanic or Latino origin (as defined in the American Community Survey), and those with children, all of whom share higher likelihoods of average household overcrowding.[19,20] Among the ten largest metropolitan counties in California, Los Angeles County has the highest rate of renter overcrowding, followed by Orange, Santa Clara, San Bernardino, and Contra Costa counties.[21] These high rates of overcrowding may be explained, in part, by demographic differences and other factors like high housing costs, though more rigorous statistical analysis would be needed to establish causality.

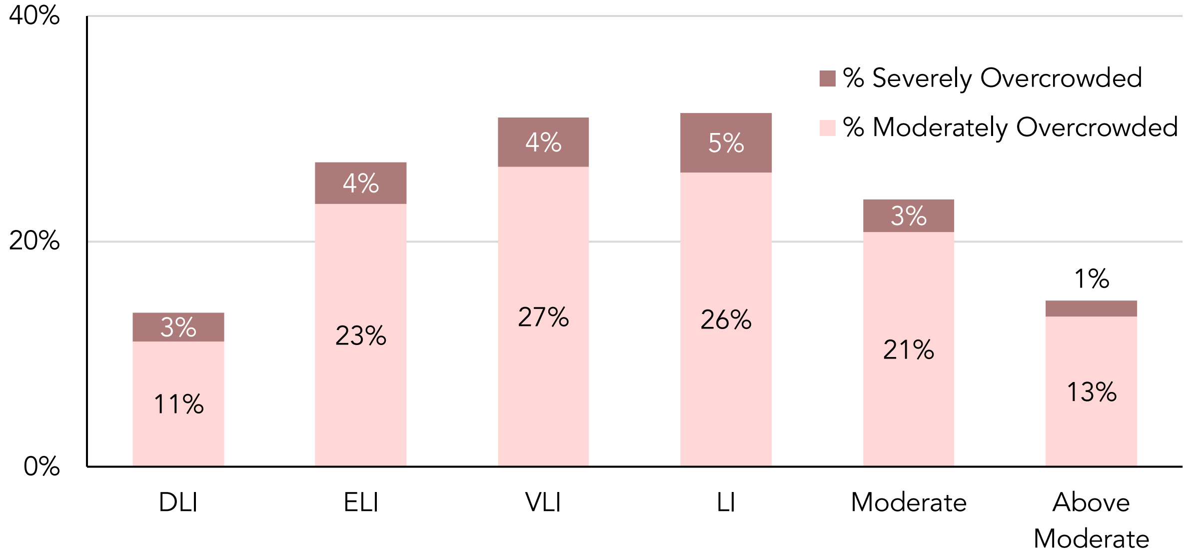
As shown in Table 10 and Figure 15 below, though all income groups in Los Angeles County experience some degree of overcrowding, VLI and LI renter households are more likely to be overcrowded than both the lowest and highest income groups. However, overcrowding does not have a linear relationship with income in Los Angeles County; lower-income renter households are not more likely to experience overcrowding than higher-income households, suggesting a more nuanced relationship between overcrowding and household income, and the choices families make about which rental homes to occupy. One explanation for the relatively lower rates of overcrowding among DLI households is household size: DLI households tend to be smaller than households in other income groups and are more likely to be single individuals living alone. DLI households have an average household size of 1.93 persons, compared to 2.52 for ELI, 2.83 for VLI, 2.92 for LI, 2.74 for moderate-income and 2.40 for above moderate-income households.

Rates of severe overcrowding, however, are higher for the lowest income households than for above moderate-income households. DLI, ELI, and VLI households are 1.8 times, 2.6 times, and 3.1 times more likely to be severely overcrowded respectively than above moderate-income households.

Similarly, larger renter households are more likely to live in severely overcrowded rental homes: seven out of ten severely overcrowded households have four or more individuals living in the home. Most of these severely overcrowded renter households—86 percent—live in studios and one-bedroom apartments, which typically have lower median rents than larger homes.

[19] U.S. Census Bureau, 2019 ACS 1-Year Estimate, Table B25014, Tenure by Occupants per Room.
[20] Taylor, Mac. "California's High Housing Costs: Causes and Consequences." Legislative Analyst's Office, 2015. Website: https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf.
[21] U.S. Census Bureau, 2019 ACS 1-Year Estimate, Tables B25014, Tenure by Occupants per Room.

FIGURE 15: SHARE OF RENTER INCOME GROUPS LIVING IN OVERCROWDED* CONDITIONS (2019)



Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.
**Households that have more than one adult (or two children) per room and more than two adults (or four children) per room are considered overcrowded and severely overcrowded, respectively.*

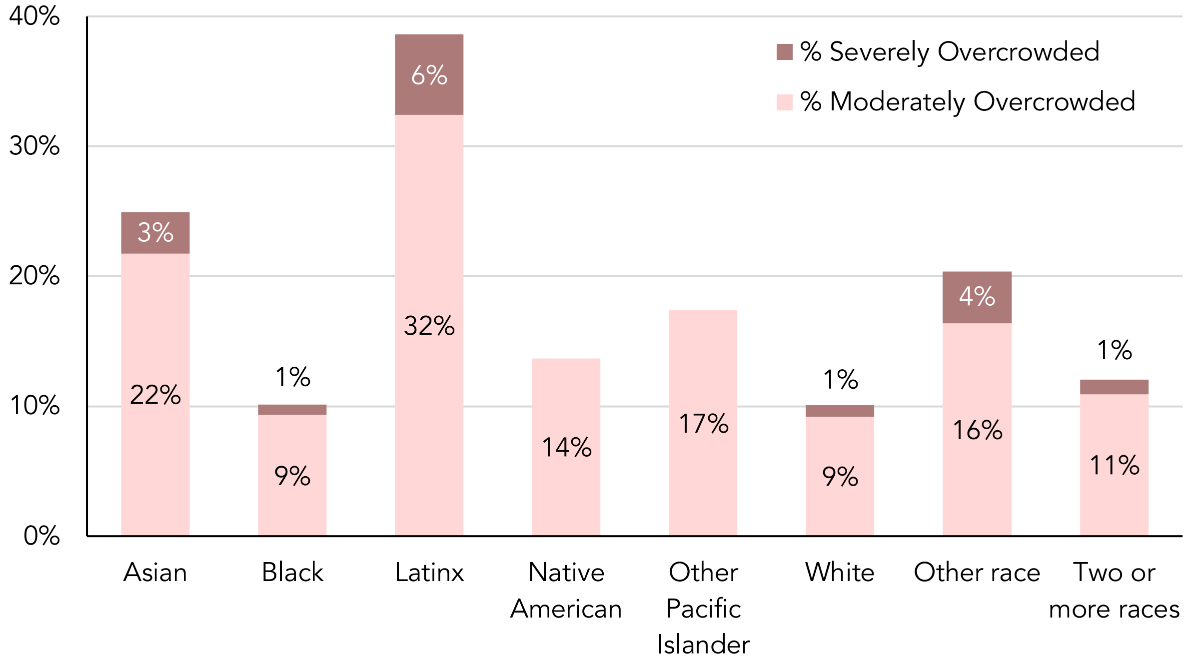
TABLE 10: OVERCROWDING ANALYSIS FOR RENTER HOUSEHOLDS (2019)

Income Group	Total Households	Not Overcrowded	Overcrowded	Severely Overcrowded*
DLI	189,837	86%	14%	3%
ELI	279,396	73%	27%	4%
VLI	313,964	69%	31%	4%
LI	368,727	69%	31%	5%
Moderate	298,673	76%	24%	3%
Above Moderate	363,767	85%	15%	1%
All Income Groups	**1,814,364**	**76%**	**24%**	**3%**

Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.
**The percentages of severely overcrowded households are a subset of the percentage of overcrowded households.*

Much like cost burden in Los Angeles County, people of color are more likely to experience overcrowding than their white counterparts (see Figure 16 below). Latinx renters have the highest share of overcrowding at 39 percent, followed by Asian renters at 25 percent. In contrast, just ten (10) percent of Black or white renter households live in overcrowded conditions.

FIGURE 16: SHARE OF RENTER HOUSEHOLDS LIVING IN OVERCROWDED* CONDITIONS BY RACE AND ETHNICITY** (2019)

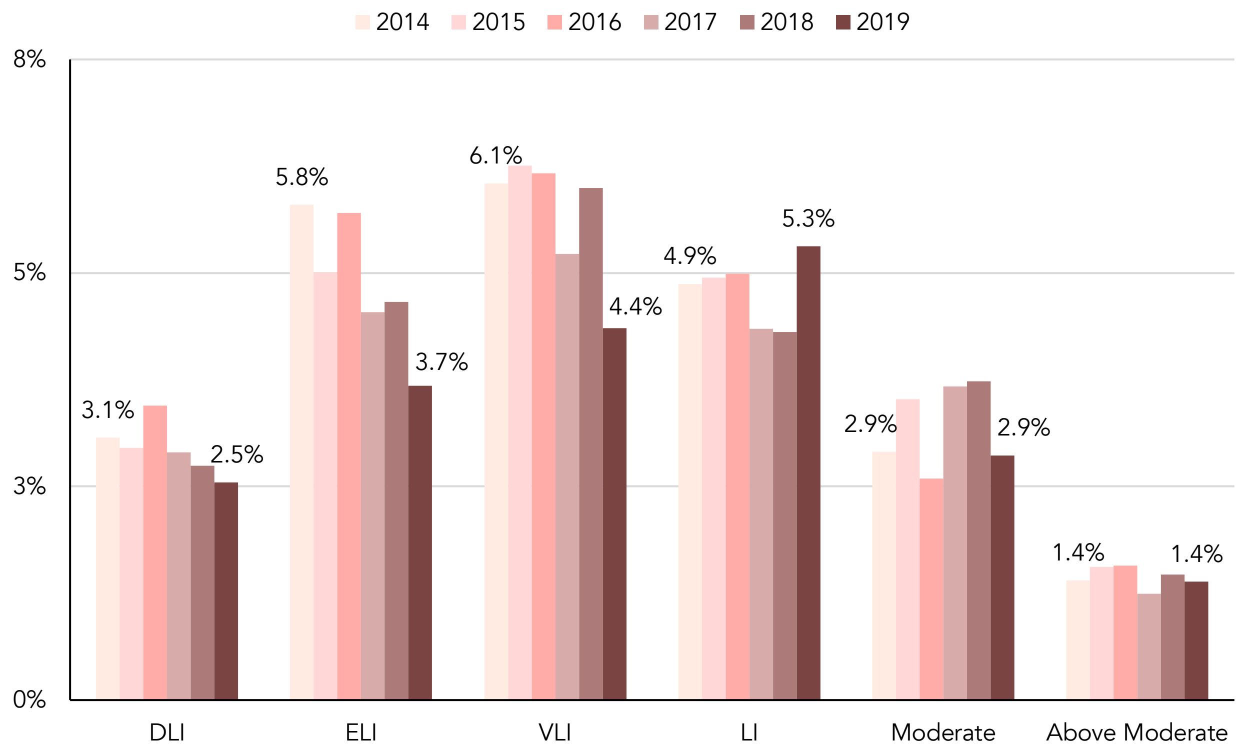


Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.
**Households that have more than one adult (or two children) per room and more than two adults (or four children) per room are considered overcrowded and severely overcrowded, respectively.*
***This data represents the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Other Pacific Islander, white, or other race only include households that do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

Severe Overcrowding Historical Trends

As shown in Figure 17 below, rates of severe overcrowding have decreased or remained fairly constant since 2014 for all income groups in Los Angeles County. The share of DLI, ELI, and VLI renter households living in severely overcrowded conditions has declined meaningfully since 2014—by 0.5 percentage points (17 percent), 2.1 percentage points (37 percent), and 1.7 percentage points (28 percent), respectively. On the other hand, the share of LI households experiencing severe overcrowding has increased by 0.4 percentage points (9 percent). Meanwhile the share of moderate-income and above moderate-income households living in severely overcrowded conditions has remained relatively consistent in the last six years, around 2.9 percent and 1.4 percent, respectively.

FIGURE 17: SHARE OF RENTER INCOME GROUPS LIVING IN SEVERELY OVERCROWDED* CONDITIONS (2014-2019)



Source: California Housing Partnership analysis of 2014-2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.

**Households that have more than one adult (or two children) per room and more than two adults (or four children) per room are considered overcrowded and severely overcrowded, respectively.*

As the share of DLI, ELI, and VLI households living in severely overcrowded conditions has declined, so too has the number of severely overcrowded households overall. As shown in Table 11 below, the number of renter households in Los Angeles County living in severely overcrowded conditions has decreased by 11,254 (15 percent) households between 2014 and 2019. This decline was driven primarily by fewer DLI, ELI, and VLI households living in severely overcrowded conditions—315 (6 percent) fewer DLI households, 9,372 (48 percent) fewer ELI households, and 6,026 (31 percent) fewer VLI households. This decrease in the number and share of severely overcrowded households from the lowest income groups is likely indicative of a combination of factors already explored in Section 1: fewer ELI and VLI renter households, smaller household sizes, and an increase in the number of rental homes affordable and available to the county's lowest income households.[22]

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[22] Though the decrease in severe overcrowding among Los Angeles County's lowest income households could be explained in part by smaller household sizes, this explanation is not fully sufficient because all incomes groups have become smaller on average since 2014. DLI households decreased in size from 2.30 to 1.93 persons on average, ELI households decreased from 2.59 to 2.52 persons, VLI households decreased from 2.87 to 2.83 persons, LI households decreased from 2.97 to 2.92 persons, moderate-income households decreased from 2.93 to 2.74 persons, and above moderate-income households decreased from 2.76 to 2.40 persons.

During this same time period, the number of LI, moderate-income, and above moderate-income households living in severely overcrowded conditions increased—by 3,749 households (24 percent), 509 households (6 percent), and 201 households (4 percent), respectively. These trends loosely mirror the shifting composition of renter households in Los Angeles County since 2014.

TABLE 11: NUMBER OF RENTER HOUSEHOLDS IN EACH INCOME GROUP LIVING IN SEVERELY OVERCROWDED CONDITIONS (2014-2019)

Year	DLI	ELI	VLI	LI	Moderate	Above Moderate	Total
2014	5,146	19,647	19,697	15,830	8,041	4,857	**73,218**
2015	4,839	14,947	20,357	17,205	9,842	5,886	**73,076**
2016	6,120	18,814	19,792	17,201	7,265	5,831	**75,023**
2017	4,648	13,571	15,577	15,446	11,070	4,780	**65,092**
2018	4,975	13,398	18,357	15,509	11,710	5,307	**69,256**
2019	4,831	10,275	13,671	19,579	8,550	5,058	**61,964**
% Change (2014-2019)	**-6%**	**-48%**	**-31%**	**+24%**	**+6%**	**+4%**	**-15%**

Source: California Housing Partnership analysis of 2014-2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.

Overcrowding Analysis by Supervisorial District

A summary of the Overcrowding Analysis—which shows the distribution of severely overcrowded households by SD—is shown in Table 12 below. Severe overcrowding is concentrated in SDs 1 and 2, even when accounting for their relative shares of the county's overall population.

While the number households living in severely overcrowded households across all of Los Angeles County has declined by 15 percent since 2014 (see Table 11 above), this trend is not consistent across SDs. Since 2014-2015, the number of renter households experiencing severe overcrowding has declined in SDs 2, 4, and 5—by 29 percent, 23 percent, and 13 percent, respectively—but increased by 13 percent and three (3) percent in SDs 1 and 3, respectively.[23]

[23] SD-specific analysis draws from two years of Census data to generate reliable results due to small population sizes in some SDs. Thus, all SD data points are two-year averages.

TABLE 12: PERCENTAGE OF SEVERELY OVERCROWDED RENTER HOUSEHOLDS BY SD (2018-2019)

Percentage of Households in SD		# of Severely Overcrowded Households	% of Total Severely Overcrowded Households in LA County	% Change in Severely Overcrowded Households*
SD 1	18%	20,511	31%	+13%
SD 2	24%	18,382	28%	-29%
SD 3	25%	13,945	21%	+3%
SD 4	17%	8,136	13%	-23%
SD 5	16%	4,532	7%	-13%

Source: California Housing Partnership analysis of 2014-2015 and 2018-2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.

**Percent change is the number of severely cost burdened households in each SD in 2018-2019 relative to the number of severely cost burdened households in 2014-2015.*

For more data on the overcrowding analysis, see Appendix B: Full Data Findings, Section 1.

Homelessness in Los Angeles County

This section describes key indicators of homelessness in Los Angeles County using data from the Point-in-Time (PIT) Count, which is the primary data source for estimating the number of individuals and families experiencing homelessness in the United States. HUD requires that each Continuum of Care (CoC) conduct a count of homeless persons who are sheltered in emergency shelters, transitional housing, and Safe Havens on a single night in January each year. CoCs also must conduct a count of unsheltered homeless persons every other year (odd numbered years). The Los Angeles Homeless Services Authority (LAHSA) conducts the Greater Los Angeles Homeless Count to obtain the Los Angeles County PIT count.

Los Angeles County experienced a 13 percent increase in the number of individuals experiencing homelessness between 2019 and 2020 (see Table 13 below). This increase was split between the Los Angeles and Long Beach CoCs, which saw a combined increase of 7,589 individuals experiencing homelessness. Pasadena and Glendale CoCs both experienced decreases in the number of individuals experiencing homelessness, continuing a trend from the previous year.

TABLE 13: GREATER LOS ANGELES HOMELESS COUNT BY CoC (2020)

Continuum of Care	Number of Individuals Experiencing Homelessness	% Change in Number of Individuals Experiencing Homelessness*
Los Angeles CoC	63,706	+13%
Long Beach CoC	2,034	+7%
Pasadena CoC	527	-3%
Glendale CoC	169	-30%
Los Angeles County Total	**66,436**	**+13%**

Source: HUD. 2020 AHAR PIT Estimates of Homelessness in the U.S.
**Percent change is the number of individuals experiencing homelessness in 2020 relative to the number of individuals experiencing homelessness in 2019.*

According to LAHSA's presentation on the 2020 Great Los Angeles Homeless Count, the county's increase in homelessness can be attributed in part to the severe housing affordability crisis, even as County programming is reaching its highest levels. In 2019, Los Angeles County placed 22,769 people in housing through a combination of programs including rapid re-housing, supportive housing, and other permanent housing programming, up from 21,631 in 2018, which itself was a record.[24]

In addition to the housing affordability crisis facing residents of Los Angeles County and the state at large, the COVID-19 pandemic has elevated the importance of affordable housing in maintaining public health. Between March and May 2020, Los Angeles County COVID-19 response programs were able to find shelter for more than 6,000 people as part of the County's effort to find long-term housing for individuals experiencing homelessness, including all Project Roomkey residents.[25]

In spite of the increase in services for households experiencing housing instability, cost burden, and homelessness, even higher demand for these services during 2019 drove a net increase in homelessness. An estimated 82,955 people became or re-entered homelessness in 2019. This spike in demand represents a 51 percent increase from 2018, when an estimated 54,882 people entered homelessness.[26] This data indicates that while progress is certainly being made in providing increased services, the ongoing affordability crisis and the current economic impacts of COVID-19 have increased demand faster than the County has been able to increase the supply of these services.

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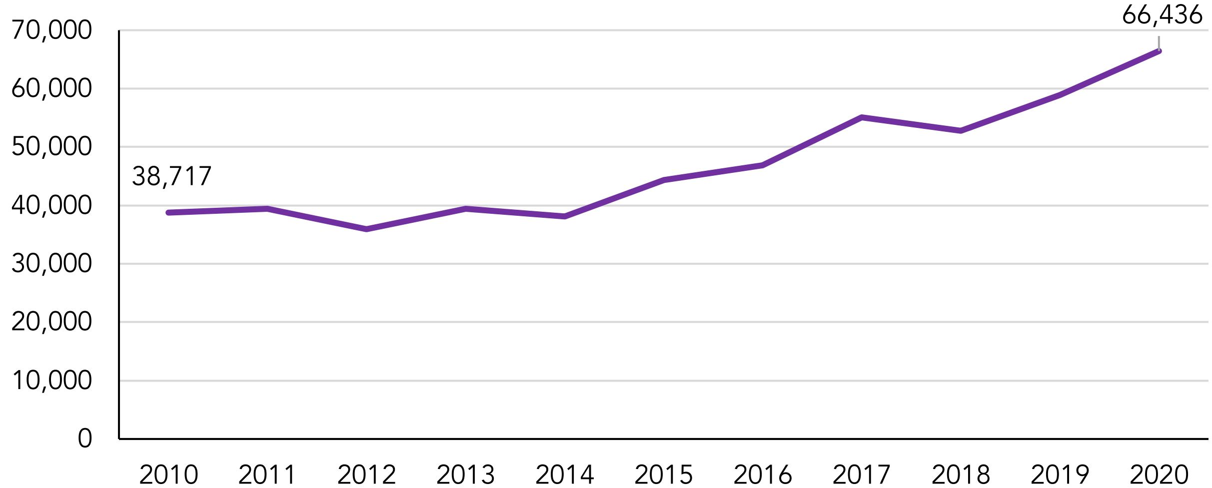
[24] LAHSA, 2020. "Greater Los Angeles Homeless Count: 2020 Results." Presentation, 12 June 2020. Website: https://www.lahsa.org/documents?id=4558-2020-greater-los-angeles-homeless-count-presentation.
[25] Ibid.
[26] LAHSA, 2019. "Greater Los Angeles Homeless Count: 2019 Results." Presentation, 5 August 2019. Website: https://www.lahsa.org/documents?id=3437-2019-greater-los-angeles-homeless-count-presentation.pdf.

Homelessness Historical Trends

As shown in Figure 18 below, the number of individuals experiencing homelessness has increased from approximately 38,717 to 66,436 since 2010.[27] This increase can be explained, in part, by improvements to the Greater Los Angeles Homeless Count over the years, including additional funding and methodology improvements to more accurately count individuals experiencing homelessness.

FIGURE 18: NUMBER OF INDIVIDUALS EXPERIENCING HOMELESSNESS IN LOS ANGELES COUNTY (2010-2020)



Source: LAHSA, 2020. "Greater Los Angeles Homeless Count: 2020 Results." LAHSA, 2019. "Greater Los Angeles Homeless Count: 2019 Results."

Homelessness by Supervisorial District

The population experiencing homelessness is not proportionally distributed across SDs. More than a third of the homeless population resides in SD 2, which contains only 24 percent of the county's total population. Similarly, SD 1 has nearly one-quarter of the county's homeless population despite only having 18 percent of county's residents.

Between 2019 and 2020, an additional 7,500 individuals were experiencing homelessness (a 13 percent increase) in Los Angeles County. While four of the five SDs saw increases in the number of individuals experiencing homelessness, 48 percent (3,631 individuals) of the county's growth was seen in SD 2 alone (see Table 14 below). The exception this year was SD 4, which saw a three (3) percent decrease in the number of individuals experiencing homelessness.

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[27] While the Great Los Angeles Homeless Count has improved its data collection processes each year and become increasingly comprehensive in its approach, researchers caution that the Count is not reliable enough to be used for precise historical comparisons. Sources of inconsistency include inaccurate counting measures, unrepresentative sampling, and lack of statistical tools for identifying and correcting measurement error, or the difference between the Count and the actual number of individuals experiencing homelessness. See, for example: Economic Roundtable, 2017. "Who Counts? Assessing Accuracy of the Homeless Count." Website: https://economicrt.org/wp-content/uploads/2017/11/Who-Counts-11-21-2017.pdf.

TABLE 14: GREATER LOS ANGELES HOMELESS COUNT* BY SD (2020)

Percentage of Households in SD		Individuals Experiencing Homelessness		% Change (2019-2020)
		#	%	
SD 1	18%	14,527	22%	+0.6%
SD 2	24%	22,754	34%	+23%
SD 3	25%	14,503	22%	+17%
SD 4	17%	6,745	10%	-2%
SD 5	16%	7,907	12%	+19%
Total	**100%**	**66,436**	**100%**	**+13%**

Source: LAHSA. 2020 Greater Los Angeles Homeless Count.
**Data includes all Continuums of Care in Los Angeles County.*

Table 15 below contains additional demographic information gathered by LAHSA during the Greater Los Angeles Homeless Count for the Los Angeles CoC. According to this data:

- Thirty-eight (38) percent of Los Angeles County's homeless population (24,478 individuals) experiences chronic homelessness;
- A majority of individuals experiencing homelessness are Latinx or Black—36 percent and 34 percent, respectively. Twenty-five (25) percent are white, two (2) percent are Asian or Native Hawaiian/Other Pacific Islander, two (2) percent are multiracial or identified with another racial category, and one (1) percent are Native American;
- Twenty-nine (29) percent report that they have endured domestic or intimate partner violence—within that group, approximately one fifth report that they are homeless due to domestic or intimate partner violence;
- Sixty-seven (67) percent individuals experiencing homelessness are male (including transgender), 32 percent are female (including transgender), and 0.4 percent are gender non-binary;
- More than one percent (1.3 percent) of individuals experiencing homelessness are transgender (of any gender identity), overrepresented at a rate of nearly 4x their share of the general population in California;[28]
- Twelve (12) percent are under the age of 18, an increase from nine percent in 2019—this increase is driven by more than 1,700 additional children experiencing homelessness in SDs 1 and 2;
- Twenty-four (24) percent reported having a substance use disorder, up from 13 percent in 2019; and
- Veterans make up six percent of individuals experiencing homelessness.

[28] Herman, J., Wilson, B., & Becker, T. "Demographic and Health Characteristics of Transgender Adults in California: Findings from the 2015-2016 California Health Interview Survey." UCLA, 2019.

TABLE 15: SELECT DEMOGRAPHICS BY SHARE OF INDIVIDUALS EXPERIENCING HOMELESSNESS IN LOS ANGELES CoC* BY SUPERVISORIAL DISTRICT (2020)

Sub-population	SD 1		SD 2		SD 3		SD 4		SD 5	
	#	%	#	%	#	%	#	%	#	%
Veterans	931	6%	1,036	5%	1,164	8%	191	4%	359	5%
Chronically Homeless	6,597	45%	8,132	36%	5,287	36%	1,848	39%	2,614	36%
Gender										
Male (includes transgender)	10,251	71%	14,618	64%	9,950	69%	3,113	66%	4,867	68%
Female (includes transgender)	4,242	29%	8,107	36%	4,425	31%	1,581	34%	2,314	32%
Gender Non-Binary (includes transgender)	34	0.2%	29	0.1%	128	0.8%	17	0.4%	30	0.4%
Transgender**	172	1%	263	1%	341	2%	31	1%	34	0.5%
Race and Ethnicity***										
American Indian/Alaska Native	178	1%	128	1%	167	1%	50	1%	161	2%
Asian	147	1%	227	1%	225	2%	72	2%	103	1%
Black/African American	4,183	29%	11,353	50%	3,521	24%	617	13%	1,845	26%
Hispanic/Latino	6,411	44%	7,326	32%	4,945	34%	2,195	47%	2,131	30%
Native Hawaiian/Other Pacific Islander	10	0.07%	65	0.3%	55	0.4%	67	1%	7	0.1%
White	3,386	23%	3,099	14%	5,224	36%	1,640	35%	2,858	40%
Multiracial/Other	212	1%	556	2%	366	3%	70	1%	106	1%
Age										
Under 18 years old	1,356	9%	3,387	15%	1,513	10%	354	8%	882	12%
62+ years old	1,481	10%	2,692	12%	1,171	8%	576	12%	372	5%
Health/Disability****										
Substance Use Disorder	4,875	N/A	5,108	N/A	3,173	N/A	1,097	N/A	950	N/A
HIV/AIDS	208	N/A	554	N/A	302	N/A	26	N/A	75	N/A
Serious Mental Illness	3,476	N/A	5,069	N/A	2,925	N/A	776	N/A	1,762	N/A
Developmental Disability	1,295	N/A	2,160	N/A	1,269	N/A	301	N/A	163	N/A
Physical Disability	2,896	N/A	3,930	N/A	2,140	N/A	875	N/A	930	N/A
Domestic/Intimate Partner Violence										
Domestic/Intimate Partner Violence*****	4,242	32%	5,752	25%	4,756	33%	1,434	30%	2,161	30%

Homeless Due to Fleeing DV/IPV	859	N/A	1,405	N/A	929	N/A	312	N/A	380	N/A
Los Angeles CoC Total	**14,527**		**22,754**		**14,503**		**4,711**		**7,211**	

Source: LAHSA. 2020 Greater Los Angeles Homeless Count.
**These statistics are only representative of data collected by the Los Angeles CoC and do not include numbers from the Long Beach, Glendale or Pasadena CoCs.*
***Transgender population totals are inclusive of individuals from all gender identities; transgender share of homeless population is a separate measurement from the male, female, and non-binary totals, highlighting the share of the total homeless population that is transgender, of any gender identity or expression.*
****All race and ethnic categories are non-overlapping. In other words, each individual identifies with one race or ethnicity (Black alone, white alone, Asian alone, etc.). Individuals who identify as Hispanic/Latino can be of any race.*
*****Health/Disability indicators are not mutually exclusive (a person may report more than one). Numbers will not add up to 100%. Please note that data on substance abuse disorders and serious mental illness are self-reported.*
******'Domestic/Intimate Partner Violence' and 'Homelessness due to DV/IPV' are not mutually exclusive. The overlap here would be even greater than health conditions—nearly 100%—because those fleeing must necessarily have experienced DV/IPV. Please note that data on domestic/intimate partner violent are self-reported.*

Housing Fragility during COVID-19

While there are several positive trends amidst the county's overwhelming housing affordability crisis highlighted throughout this section—a declining shortfall in affordable and available homes for the lowest income households, fewer low-income households experiencing severe cost burden and overcrowding, increased housing stability and homeless services—the economic landscape in Los Angeles County has shifted drastically in 2020 due to the COVID-19 pandemic.[29]

In May 2020, the U.S. Census Bureau began releasing results from the Household Pulse Survey, an experimental survey to measure the social and economic impacts of the COVID-19 pandemic over time. The survey assesses housing security among several other economic, educational, and health indicators by asking about loss of income, whether respondents paid last month's rent or mortgage and how confident they are that they will be able to pay next month's rent or mortgage on time. Beginning in August, respondents were also asked how likely it was that they would have to leave their home within the next two months because of eviction or foreclosure. The data is available at a state level and for the 15 largest Metropolitan Statistical Areas (MSAs) in the United States, which includes the Los Angeles-Long Beach-Anaheim MSA.[30]

According to survey results for December 2020, households in the Los Angeles MSA across all demographics reported lost employment income since the March shutdown—though households with low incomes and Black and Latinx households have suffered disproportionately (see Figure 19 below). While 59 percent of all adults reported lost employment income, 70 percent of adults in households

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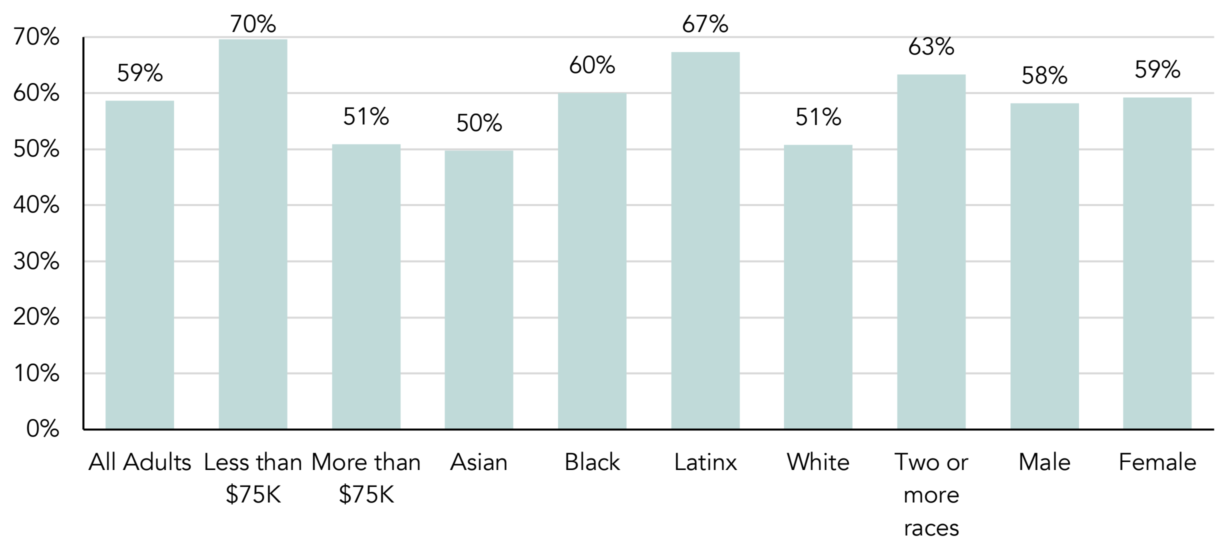
[29] Because ACS data is released annually—usually in October or November—for the previous year and the 2020 PIT count was conducted in January 2020, the gap, cost burden, overcrowding, and homelessness analyses do not capture the economic and social reality of the COVID-19 pandemic.
[30] The Household Pulse Survey is a new, experimental survey to measure the social and economic impacts of the COVID-19 pandemic over time, as well as inform federal and state response and recovery planning. Because data is updated on a bi-weekly basis, the survey is meant to provide insights into how household experiences have changed during the pandemic. The survey asks individuals about their housing, employment status, spending patterns, food security, physical and mental health, access to health care, and educational disruption.

earning less than $75,000 per year lost wages during this period, compared with 51 percent of adults in households earning above $75,000 per year. In December 2020, female respondents reported slightly higher rates of income loss than their male counterparts—59 percent and 58 percent, respectively. In addition, Black and Latinx households lost income at higher rates than white and Asian households since March 2020—60 percent of Black and 67 percent of Latinx households respectively, compared to 51 percent of white and 50 percent of Asian households.

FIGURE 19: SHARE OF ADULTS* WHO EXPERIENCED LOSS OF EMPLOYMENT INCOME SINCE MARCH 13, 2020**

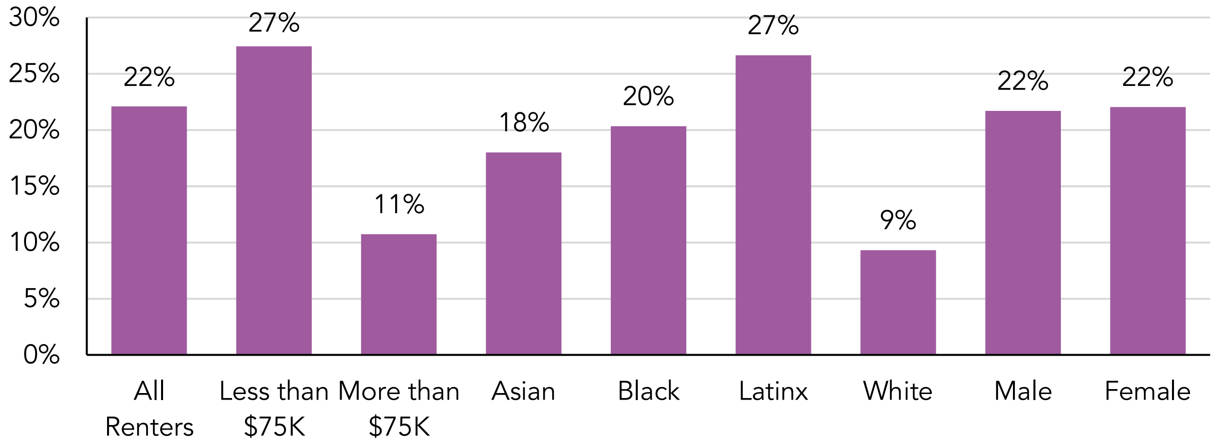


Source: California Housing Partnership analysis of Household Pulse Survey data, U.S. Census Bureau, Nov 25-Dec 7, Dec 9-21.
**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the share of adults in households who experienced loss of income.* Note: Figures are averages of data collected in the two surveys in December.
** *This data represents the race/ethnicity and gender identity of the person filling out the survey. Asian, Black, two or more races, and white include adults reporting only one racial category and do not identify their ethnic origin as Hispanic or Latino. Adults who identify their ethnic origin as Hispanic or Latino may be of any race. Because respondents are only given the option of "male" or "female" in the survey, there is no data currently available on gender non-binary respondents.*

Not surprisingly, renters with low incomes also reported more housing insecurity than their higher-income counterparts. Twenty-seven (27) percent of renters earning less than $75,000 per year said they were behind on rent in December 2020, compared with eleven (11) percent of renters earning more than $75,000 per year.

Renter households of color appear to be suffering disproportionately from the pandemic's economic impacts (see Figure 20 below). Even before the COVID-19 outbreak, the shares of Black and Latinx renters experiencing cost burden—62 percent and 56 percent, respectively—were already higher than that of white renters (51 percent). These disparities have continued during the pandemic as many renter households have experienced income losses due to shelter-in-place orders. As a result, 27 percent of Latinx renters, 20 percent of Black renters, and 18 percent of Asian renters were behind on rent in December compared to just nine (9) percent of white renters.

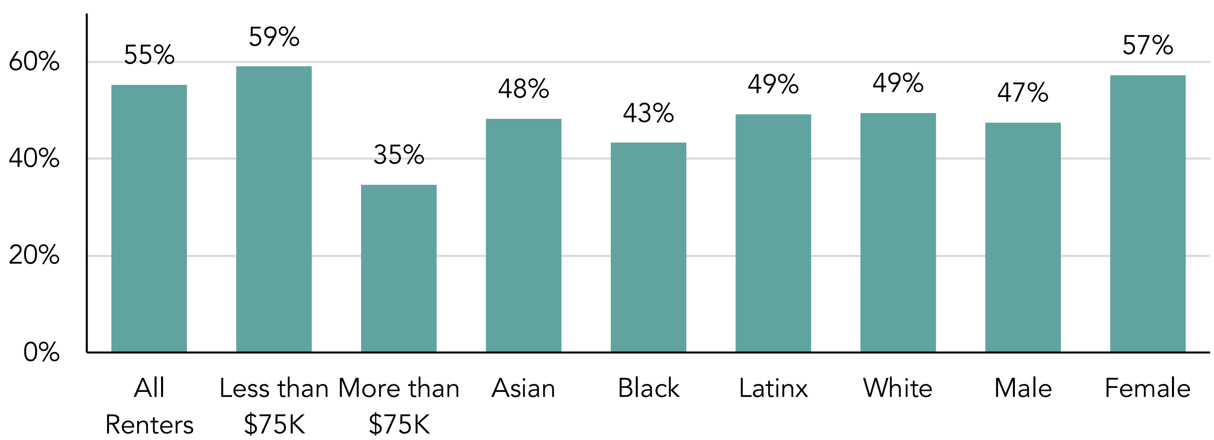
FIGURE 20: SHARE OF RENTERS* WHO ARE NOT CAUGHT UP ON RENT PAYMENTS (DECEMBER 2020)**



Source: California Housing Partnership analysis of Household Pulse Survey, U.S. Census Bureau, Nov 25-Dec 7, Dec 9-21.
**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the share of renting adults in households who are not caught up on rent. Figures are averages of data collected in the two surveys in Dec.*
***This data represents the race/ethnicity and gender identity of the person filling out the survey. Asian, Black, and white include adults reporting only one racial category and do not identify their ethnic origin as Hispanic or Latino. Adults who identify their ethnic origin as Hispanic or Latino may be of any race. Because respondents are only given the option of "male" or "female" in the survey, there is no data currently available on gender non-binary respondents.*

For renters behind on rent in December, 55 percent said it was very likely or somewhat likely they would be forced to leave their home due to eviction in the next two months (see Figure 21 below). This figure was especially high for renters earning less than $75,000 per year and female renters—59 percent and 57 percent feared eviction in the next two months, respectively.

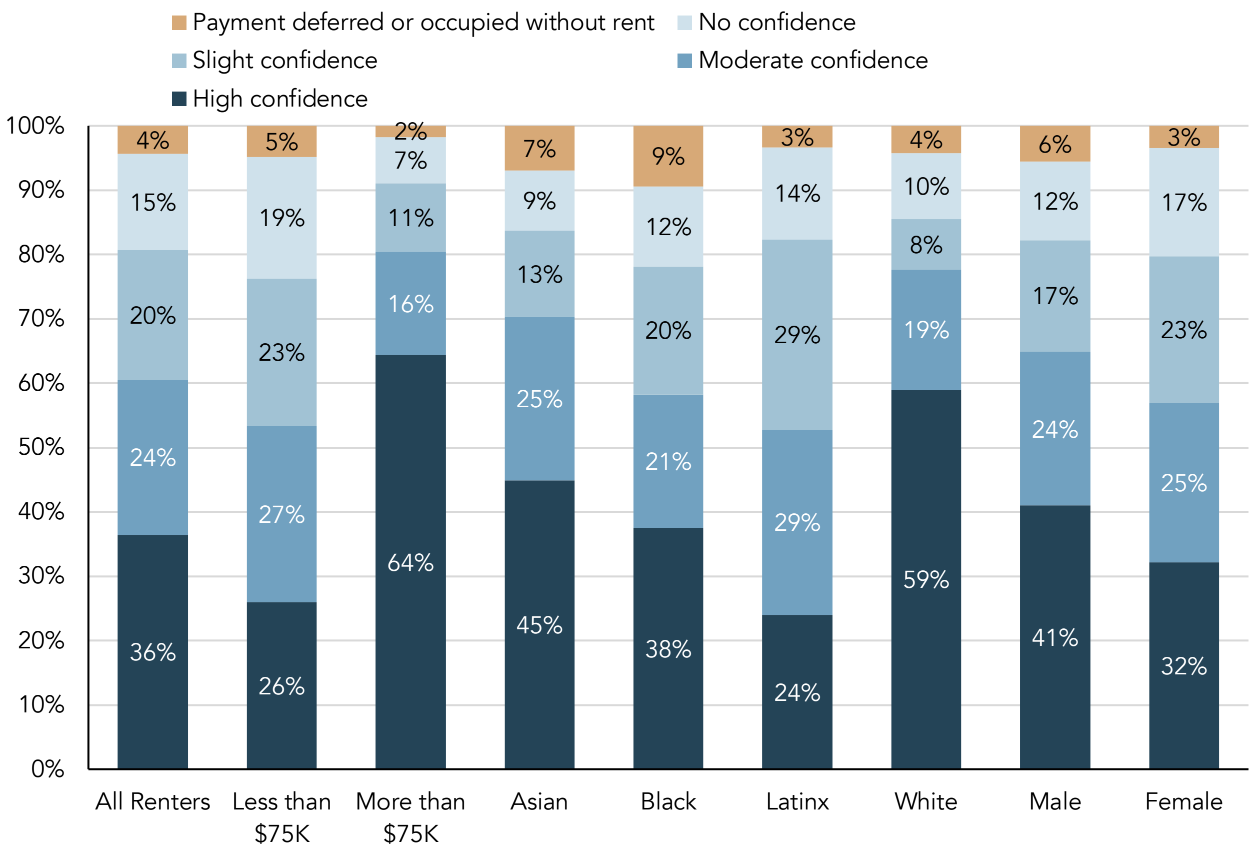
FIGURE 21: SHARE OF RENTERS* WHO ARE BEHIND ON RENT AND FEAR EVICTION IN THE NEXT TWO MONTHS (DECEMBER 2020)**



Source: California Housing Partnership analysis of Household Pulse Survey, U.S. Census Bureau, Nov 25-Dec 7, Dec 9-21.
**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the share of renting adults in households who are not caught up on rent and say it is very or somewhat like they will face eviction in the next two months. Note: Figures are averages of data collected in the two surveys in December.*
***This data represents the race/ethnicity and gender identity of the person filling out the survey. Asian, Black, and white include adults reporting only one racial category and do not identify their ethnic origin as Hispanic or Latino. Adults who identify their ethnic origin as Hispanic or Latino may be of any race. Because respondents are only given the option of "male" or "female" in the survey, there is no data currently available on gender non-binary respondents.*

Respondents' confidence in their ability to pay rent on time offers additional insight into how renters view their current housing stability in the Los Angeles MSA. Only 36 percent of renters in December had high confidence that they could pay January 2021 rent on time and renters with low incomes and people of color were less confident than their higher-income and white counterparts. Just 26 percent of renters earning below $75,000 per year, 24 percent of Latinx renters, 38 percent of Black renters, and 45 percent of Asian renters were highly confident in their ability to pay January rent, compared to 64 percent of renters earning above $75,000 and 59 percent of white renters (see Figure 22 below).

FIGURE 22: RENTER CONFIDENCE IN ABILITY TO PAY JANUARY 2021 RENT*



Source: California Housing Partnership analysis of Household Pulse Survey, U.S. Census Bureau, Nov 25-Dec 7, Dec 9-21.
**The Pulse Survey provides estimates for all adults in households. Note: Figures are averages of data collected in the two surveys in December.*
*** This data represents the race/ethnicity and gender identity of the person filling out the survey. Asian, Black, and white include adults reporting only one racial category and do not identify their ethnic origin as Hispanic or Latino. Adults who identify their ethnic origin as Hispanic or Latino may be of any race. Because respondents are only given the option of "male" or "female" in the survey, there is no data currently available on gender non-binary respondents.*
****Payment deferred means that the tenant's rent payment has been deferred or postponed to a later date. Occupied without rent includes units provided free by friends or relatives or in exchange for services (such as resident manager).*

The very high share of renters in the Los Angeles MSA currently experiencing loss of income and deep housing insecurity—especially low-income renter households and households of color—is a measure of how prevalent housing instability has become in Los Angeles County.

For more data from the Household Pulse Survey, see Appendix B: Full Data Findings, Section 1.

SECTION 2. AFFORDABLE RENTAL HOUSING INVENTORY AND RISK ASSESSMENT

OVERVIEW

Section 2 of the Affordable Housing Outcomes Report examines the total inventory of rent-restricted housing in Los Angeles County financed by federal and state programs, as well as Los Angeles County policies, funding, and operating subsidy programs. In addition to documenting the total inventory of affordable housing, this section identifies developments at risk of losing affordability, as well as affordable developments that were previously affordable but have converted to market rate. Together, this analysis is meant to inform local decision-making, resource allocation, and programming.

Data Sources and Methodology

The assessment of Los Angeles County's affordable rental housing inventory relies on data provided by County departments and property-level data collected and analyzed in the California Housing Partnership's Preservation Database.[31]

In total, this section considers affordable housing developments with:

- Federal and state Low-Income Housing Tax Credits (LIHTC/"tax credits");[32,33]
- Project-based rental assistance contracts, grants, and subsidized loans issued directly by the U.S. Department of Housing and Urban Development (HUD);
- Subsidized loans and Section 8 contracts issued and managed by the California Housing Finance Agency (CalHFA);
- Subsidized loans, grants, and rental assistance administered and managed by the California Department of Housing and Community Development (HCD);
- Public housing and affordable developments owned by the Los Angeles County Development Authority (LACDA) and other public housing authorities, as well as project-based and tenant-based vouchers contracted by LACDA;

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[31] This assessment includes developments financed or assisted by HUD, HCD, USDA, CalHFA, and LIHTC programs. The California Housing Partnership is in the process of incorporating data on additional state programs–including affordable housing financed by the California Department of Housing and Community Development (HCD)–and local programs into its loss and risk analysis, but this data was not fully available at the time of this report's preparation.
[32] This includes awarded developments, some of which are not yet placed in service.
[33] The state Low-Income Housing Tax Credit was authorized in 1987 to complement the federal tax credit program.

- LACDA capital resources awarded through the Notices of Funding Availability (NOFA), developments created through land use policies, public housing, Housing Successor Agency developments, tax-exempt bond financing, and project- and tenant-based subsidies; and
- Department of Mental Health (DMH) resources such as Mental Health Service Act (MHSA), the Mental Health Housing Program (MHHP), Special Needs Housing Program (SNHP), No Place Like Home (NPLH) and Federal Housing Subsidy Unit (FHSU) Program.

Identification of At-Risk and Lost Developments

The California Housing Partnership assesses the historical loss and conversion risk of affordable rental developments in Los Angeles County by categorizing each subsidized affordable development financed or assisted by HUD, HCD, CalHFA, or LIHTC programs into the following groupings:[34]

- **Lost:** The development has converted to market rate prices, affordability restrictions have ended, and no known overlapping financing has extended affordability.
- **Very High Risk of Conversion:** Affordability restrictions end in less than one year, there are no known overlapping subsidies that extend affordability, and the development is not owned by a stable mission-driven nonprofit developer.
- **High Risk of Conversion:** Affordability restrictions end in one to five years, there are no known overlapping subsidies that extend affordability, and the development is not owned by a stable mission-driven nonprofit developer.
- **Moderate Risk of Conversion:** Affordability restrictions end in five to ten years, there are no known overlapping subsidies that extend affordability, and the development is not owned by a stable mission-driven nonprofit developer.
- **Low Risk of Conversion:** Affordability restrictions extend beyond ten years, or the development is owned by a stable mission-driven nonprofit developer.

For more information on the California Housing Partnership's risk assessment methodology, see Appendix A: Methodology.

[34] The Preservation Database is updated quarterly with the most complete and available data provided by each agency. The data is then cleaned and duplicate information is removed using both automated processes and manual confirmation. Every effort is made to ensure the information presented is as precise as possible; however, there may be unintentional inaccuracies in the analysis or in the data processed from federal and state agencies.

Inventory of Federal, State, and County-Administered Affordable Rental Housing

There are currently 120,690 affordable homes in Los Angeles County administered and subsidized by federal, state, and county programs and financing mechanisms. Table 16 shows the distribution of this inventory by Supervisorial District (SD). Figure 23 shows a map of the federal, state and county-administered affordable housing across Los Angeles County. SD-level maps of the inventory are available in Appendix C: Full Data Findings, Section 2.

TABLE 16: SUMMARY OF FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN LOS ANGELES COUNTY

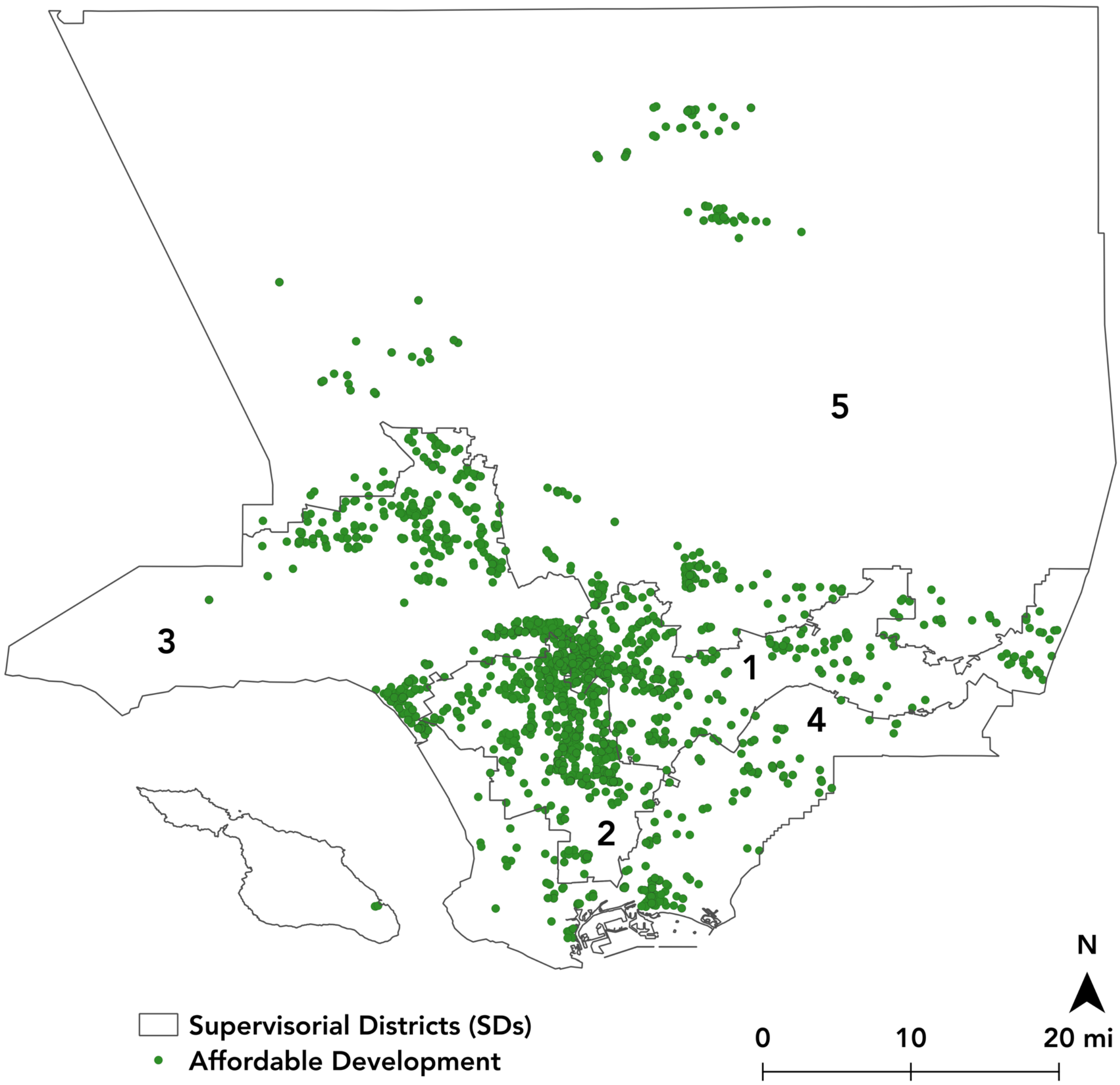
SD	Developments	Affordable Homes	% of Total County Inventory	% Change*
SD 1	474	34,241	28%	+4%
SD 2	549	33,687	28%	+3%
SD 3	415	23,602	20%	+6%
SD 4	165	15,086	12%	+2%
SD 5	204	14,074	12%	+5%
Unincorporated Los Angeles	*170*	*7,240*	*6%*	*N/A*
County Total	**1,807**	**120,690**	**100%**	**+4%**

Source: California Housing Partnership Preservation Database, January 2021, HUD, HCD, LIHTC, CalHFA, LACDA, HACLA, DRP and DMH.

**Percent change is the number of affordable homes in each Supervisorial District in 2020 relative to the number of affordable homes available in 2019, including those not yet placed in service.*

Between 2019 and 2020 there was a four percent increase in the affordable housing inventory in Los Angeles County. This increase is attributed to successful investments by the Los Angeles County Development Authority (LACDA), tax credit awards obtained by developers through the LIHTC program, as well as entitlements and land use mechanisms monitored by the Los Angeles County Department of Regional Planning (DRP). The largest increases in affordable homes between 2019 and 2020 were in SDs 3 and 5.

FIGURE 23: FEDERAL, STATE AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN LOS ANGELES COUNTY



Affordable Homes with Low-Income Housing Tax Credits

The Low-Income Housing Tax Credit 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. 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.[35] 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

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[35] 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.

state—and non-competitive 4% credits. While the 4% credit offers a subsidy of less than half the value of the 9% credits, it has been a virtually uncapped and non-competitive resource because developers obtain it through an allocation of tax-exempt private activity mortgage revenue bonds, which have historically not been competitive, at least until the end of 2019.[36] In addition to federal tax credits, California also has state tax credits, which were authorized in 1987 to complement the federal tax credit program. Unlike the federal tax credits, which are taken over ten years, the state tax credits are taken over four years. Because state credits are also in limited supply, TCAC awards them competitively—85 percent help support 9% LIHTC developments and 15 percent are reserved for 4% LIHTC developments.[37]

Since 1987, Los Angeles County developers have won nearly $10 billion dollars in federal LIHTC awards and $366 million in state LIHTC awards, which have financed the production and preservation of more than 93,000 affordable homes in more than 1,200 developments.[38] In 2020 5,611 affordable homes were awarded through the LIHTC program, an eight percent increase to the total LIHTC affordable housing stock in Los Angeles County.

Thanks to new strategies to increase the use of 4% tax credits, the number of affordable homes financed by tax credits and the amount of credits awarded increased between 2015 and 2016 by 30 percent and 37 percent, respectively (see Figure 24).[39] This steady increase was shortlived, however. In anticipation of federal tax reform, LIHTC activity in Los Angeles County declined by 52 percent between 2016 and 2017.[40] In 2020, the amount of LIHTC awards and the number of affordable homes funded exceeded the previous peak of 2016. See Figure 24 for LIHTC trends in Los Angeles County between 2007-2020 and Appendix C: Full Data Findings, Section 2 for annual data since 1987.

Special Note: As mentioned above, a dramatic increase in the demand for tax exempt bonds occurred at the end of 2019. This increase has meant a fundamental change in the ability of Los Angeles County developers to access 4% tax credits and a consequent shift in financing availability and strategy that is likely to limit the County's ability to expand LIHTC-financed production until Congress eases the supply of bonds. The best way for Congress to do this is by lowering the requirement that developers pay for at least 50 percent of project costs with bonds to 25 percent. Given that California is one of fewer than a dozen states that have a serious shortage of bonds, this change will take a concerted effort and could take several years to enact.

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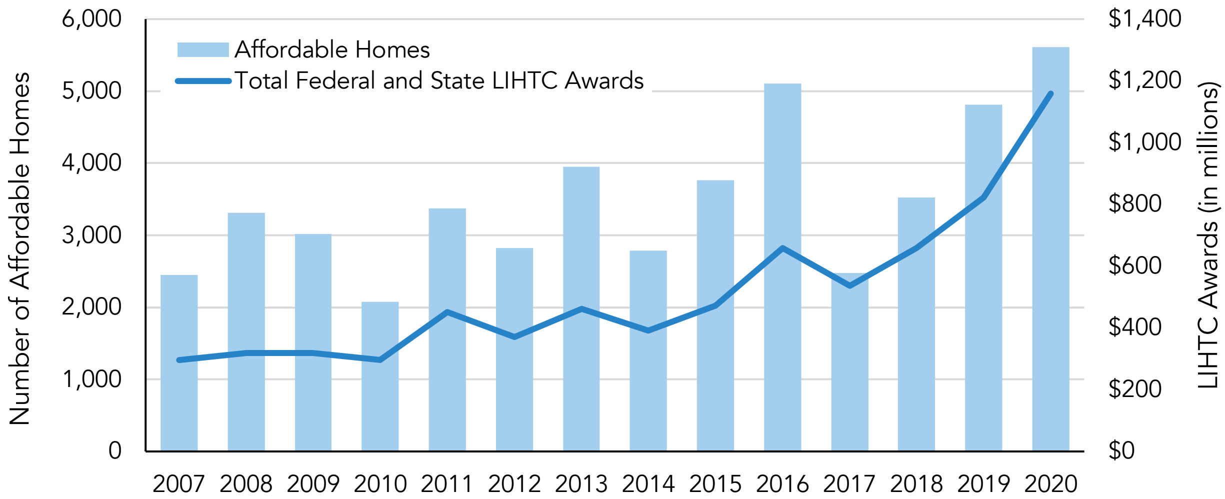
[36] California Housing Partnership. "The Tax Credit Turns 30." December 2017. Website: https://chpc.net/resources/tax-credit-turns-30/.
[37] To learn more about California's Low-Income Housing Tax Credit program, see the California Tax Credit Allocation Committee's Program Overview, available online at https://www.treasurer.ca.gov/ctcac/program.pdf.
[38] These totals include all developments that have been awarded LIHTCs, even those that have not yet been placed in service or have since converted to market rate.
[39] California Housing Partnership. "The Tax Credit Turns 30." December 2017. Website: https://chpc.net/resources/tax-credit-turns-30/.
[40] California Housing Partnership. "Los Angeles County's Housing Emergency and Proposed Solutions." May 2018. Website: https://chpc.net/resources/los-angeles-county-housing-need-report-2018/.

FIGURE 24: LIHTC DEVELOPMENTS* IN LOS ANGELES COUNTY**(2007-2020)



Source: California Housing Partnership Preservation Database, January 2021.
**Includes awarded developments not yet placed in service.*
***All dollar figures are nominal. Year in this analysis corresponds with the development's LIHTC award year.*

The geographic distribution of all LIHTC-awarded developments across Los Angeles County's five Supervisorial Districts (SDs) is shown below in Table 17. Highlights include:

- SDs 1 and 2 have the largest share of LIHTC affordable homes—31 percent and 27 percent, respectively, consistent with the 2019 and 2018 distribution of LIHTC affordable homes; and
- The number of LIHTC affordable homes increased countywide by 21 percent between 2017 and 2020 and eight (8) percent between 2019 and 2020.

TABLE 17: LIHTC DEVELOPMENTS IN LOS ANGELES COUNTY* BY SD (2020)

SD	Developments	Affordable Homes	% of Total County LIHTC Inventory**
SD 1	329	24,902	31%
SD 2	337	21,900	27%
SD 3	244	14,296	18%
SD 4	97	10,838	13%
SD 5	105	8,921	11%
Total	**1,112**	**80,857**	**100%**

Source: California Housing Partnership Preservation Database, January 2021.
**Includes awarded developments not yet placed in service and developments that are also subsidized by HUD, HCD, and CalHFA. Data presented here is a subset of data in Table 16.*
***Percent of total County LIHTC inventory represents the share of LIHTC affordable homes in each SD.*

U.S. Department of Housing and Urban Development (HUD) Affordable Homes

From the 1960s to the 1980s, the U.S. Department of Housing and Urban Development (HUD) provided multifamily developers with subsidized mortgages, Section 8 project-based rental assistance (PBRA) contracts, and other financing programs to help finance the construction, rehabilitation or acquisition of affordable housing developments throughout the United States. There are 619 developments containing more than 40,000 affordable homes with HUD-subsidized mortgages and Section 8 contracts in Los Angeles County.[41] HUD subsidies and programming are important affordable housing resources that have steadily declined since the early 2000s.[42]

The geographic distribution of HUD-subsidized developments across Los Angeles County's five SDs is shown in Table 18. SDs 1, 2 and 3 have the largest share of HUD-subsidized homes in Los Angeles County with 10,467, 10,476 and 9,817 homes, respectively. This is consistent with the 2019 and 2018 distribution of HUD subsidized affordable homes.

TABLE 18: HUD SUBSIDIZED DEVELOPMENTS IN LOS ANGELES COUNTY* BY SD (2020)

SD	Developments	Affordable Homes	% of Total County HUD Inventory**
SD 1	128	10,467	25%
SD 2	168	10,476	25%
SD 3	158	9,817	24%
SD 4	63	4,589	11%
SD 5	102	6,152	15%
Total	**619**	**41,501**	**100%**

Source: California Housing Partnership Preservation Database, January 2021.
**Includes developments that are also subsidized by HCD, LIHTC and CalHFA. Data presented is a subset of data in Table 16.*
***Percent of total County HUD inventory represents the share of HUD affordable homes in each SD.*

California Housing Finance Agency (CalHFA) Affordable Homes

Since 1975, the California Housing Finance Agency (CalHFA) has provided renters and homebuyers with subsidized loans and Section 8 PBRA contracts it manages for HUD to build affordable housing and is chartered as the state's affordable housing lender. There are 100 rental developments containing nearly 3,000 affordable homes with CalHFA loans and Section 8 PBRA contracts in Los Angeles County.[43]

The geographic distribution of CalHFA-financed developments across Los Angeles County's five SDs is shown in Table 19. SDs 1, 2 and 3 have the largest share of CalHFA-financed homes in Los Angeles County with 933, 715 and 632 homes, respectively.

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[41] California Housing Partnership Preservation Database, January 2021.
[42] California Department of Housing and Community Development, 2018. "California's Housing Future: Challenges and Opportunities Final Statewide Housing Assessment 2025." Website: http://www.hcd.ca.gov/policy-research/plans-reports/docs/SHA_MainDoc_2_15_Final.pdf.
[43] California Housing Partnership Preservation Database, January 2021.

TABLE 19: CALHFA FINANCED DEVELOPMENTS IN LOS ANGELES COUNTY* BY SD (2020)

SD	Developments	Affordable Homes	% of Total County CalHFA Inventory**
SD 1	30	933	32%
SD 2	24	715	24%
SD 3	23	632	21%
SD 4	11	545	19%
SD 5	12	127	4%
Total	**100**	**2,952**	**100%**

Source: California Housing Partnership Preservation Database, January 2021.
**Includes developments that are also subsidized by HCD, LIHTC and HUD. Data presented here is a subset of data in Table 16.*
***Percent of total County CalHFA inventory represents the share of CalHFA affordable homes in each SD.*

California Department of Housing and Community Development (HCD) Affordable Homes

The California Department of Housing and Community Development (HCD) has provided grants, loans and rental assistance to renters and homebuyers since the 1970s. There are 167 rental developments containing nearly 10,000 affordable homes with HCD loans and rental assistance contracts in the county.[44]

The geographic distribution of HCD-subsidized developments across Los Angeles County's five SDs is shown in Table 20. SDs 1, 2 and 3 have the largest share of HCD-subsidized homes in Los Angeles County with 2,952, 3,762 and 1,822 homes, respectively.

TABLE 20: HCD FINANCED DEVELOPMENTS IN LOS ANGELES COUNTY* BY SD (2020)

SD	Developments	Affordable Homes	% of Total County HCD Inventory**
SD 1	47	2,952	30%
SD 2	56	3,762	38%
SD 3	39	1,822	18%
SD 4	13	717	7%
SD 5	12	721	7%
Total	**167**	**9,974**	**100%**

Source: California Housing Partnership Preservation Database, January 2021.
**Includes developments that are also subsidized by LIHTC, CalHFA and HUD. The California Housing Partnership is in the process of incorporating data on affordable housing financed by the California Department of Housing and Community Development (HCD, but this data was not fully available at the time of this Report's preparation. Data presented here is a subset of data in Table 16.*
***Percent of total County HCD inventory represents the share of HCD affordable homes in each SD.*

[44] California Housing Partnership Preservation Database, January 2021.

Los Angeles County Development Authority (LACDA) Owned Developments

Public Housing Authorities (PHAs) own and operate public housing that guarantees affordable rents of 30 percent of income to households earning no more than 50 percent of AMI at initial occupancy and rents of no more than 30 percent of income to households earning no more than 80 percent of AMI at any point thereafter. In recent years, California's public housing stock has decreased as a result of a lack of funding appropriations by Congress as well as the conversion of some public housing into a public-private partnership ownership model through the Rental Assistance Demonstration (RAD) program.

Four Los Angeles County jurisdictions have PHAs with development portfolios: the City of Baldwin Park, the City of Lomita, the City of Los Angeles (HACLA), and the County of Los Angeles (LACDA).[45] No new acquisition or development activity occurred in 2020 at any of the public housing authorities. Summary data from each PHA are shown in Table 21 and Figure 25. Highlights include:

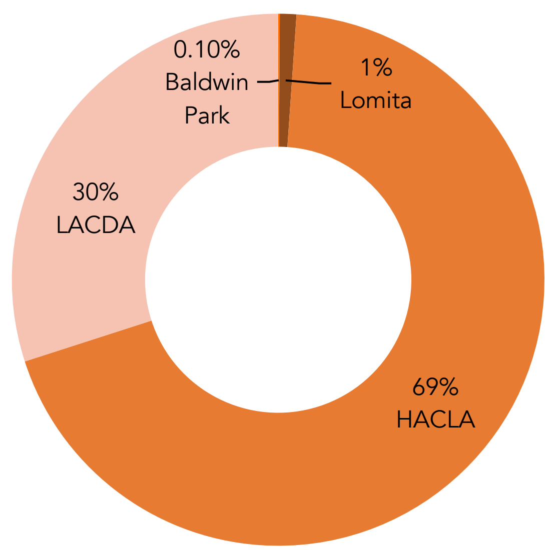
- 69 percent of PHA-owned homes in Los Angeles County are owned by HACLA; and
- 60 percent of PHA-owned homes in Los Angeles County are concentrated in SD 1 and SD 2.

TABLE 21: PUBLIC HOUSING AUTHORITY OWNED DEVELOPMENTS IN LOS ANGELES COUNTY

Public Housing Authority	Affordable Homes
Housing Authority of the City of Baldwin Park	12
Housing Authority of the City of Lomita	78
Housing Authority of the City of Los Angeles (HACLA)*	7,488
Los Angeles County Development Authority (LACDA)	3,228
Total	**10,806**

Source: HUD, LACDA and HACLA.
**Does not include 100% market, Project-Based Voucher (PBV) only or homeowner developments.*

FIGURE 25: PROPORTION OF TOTAL PHA INVENTORY BY PHA



[45] PHA development portfolios include conventional public housing and other affordable housing developments financed by programs like the Low-Income Housing Tax Credit (LIHTC). Scattered sites are not counted as separate developments.

TABLE 22: SUMMARY OF PUBLIC HOUSING AUTHORITY OWNED DEVELOPMENTS IN LOS ANGELES COUNTY BY SD

SD	PHA	Developments	Affordable Homes	% of Total County PHA Inventory*
SD 1	*LACDA*	*10*	*677*	*6%*
	*HACLA***	*14*	*1,833*	*17%*
	City of Baldwin Park	*1*	*12*	*0.1%*
	Subtotal	**25**	**2,522**	**23%**
SD 2	*LACDA*	*38*	*409*	*4%*
	*HACLA***	*18*	*3,590*	*33%*
	Subtotal	**56**	**3,999**	**37%**
SD 3	*LACDA*	*8*	*633*	*6%*
	*HACLA***	*15*	*1,185*	*11%*
	Subtotal	**23**	**1,818**	**17%**
SD 4	*LACDA*	*5*	*1,104*	*10%*
	*HACLA***	*3*	*875*	*8%*
	City of Lomita	*1*	*78*	*1%*
	Subtotal	**9**	**2,057**	**19%**
SD 5	*LACDA*	*5*	*405*	*4%*
	*HACLA***	*1*	*5*	*0.05%*
	Subtotal	**6**	**410**	**4%**
County	Grand Total	119	10,806	100%

Source: HUD, LACDA, and HACLA.
**Percent of total County inventory represents the share of affordable homes in each PHA. Data presented here is a subset of data in Table 16.*
***Does not include 100% market, Project-Based Voucher (PBV) only or homeowner developments.*

Housing Choice Vouchers

The Housing Choice Voucher ("Voucher"), previously referred to as a Section 8 voucher, is a flexible tool for helping the lowest-income households afford the cost of housing in the private market. Vouchers are intended to cover the difference between the affordable rent for the household and the full rent for an apartment in the private market and are available to households earning up to 50 percent of AMI on initial occupancy and thereafter so long as the household earns no more than 80 percent of AMI.

Vouchers can also be project-based when a PHA awards a contract for multiple vouchers to a particular owner to subsidize the rents of a number of apartments in a specific development, or they can be tenant-based—meaning that the voucher travels with the tenant and can be used to rent any apartment where a landlord will accept it.[46]

[46] PHAs can project-base up to 20 percent of their Housing Choice Vouchers, plus an additional ten percent if they serve certain populations and geographies. An Urban Institute study found that 76 percent of landlords, including 82 percent of landlords in low-poverty neighborhoods, refused to accept Housing Choice Vouchers. Source:

Voucher funding has diminished in real terms since the passage of the Federal Budget Control Act of 2011—meaning that as vouchers have turned over, PHAs have often been forced to remove them from circulation in order to stay within budgets that have frequently diminished in real terms. Congress reduced the voucher renewal budgets by approximately five percent in 2016 by failing to allocate sufficient funds. Fortunately, Congress reached consecutive two-year deals to raise the budget caps on domestic discretionary funding for FYs 2017-2020, which resulted in modest increases in budget authority both times that have enabled PHAs to avoid further cuts and in some cases, to return some vouchers to circulation.

Maximizing the project-basing of vouchers is considered a best practice because it enables vouchers to be used to finance new construction of affordable homes and can leverage large amounts of private financing to this end.[47]

According to HUD, PHAs in Los Angeles County had 97,415 tenant-based vouchers available in 2020, 393 more vouchers than in 2019. Summary data on tenant-based vouchers from each PHA is shown in Table 23 and Figure 26. Highlights:

- LACDA and HACLA allocated 78 percent of vouchers in Los Angeles County in 2020, a similar proportion to what both PHAs allocated from 2017 to 2019; and
- Overall, the PHAs in Los Angeles County saw a 0.3 percent increase in the number of available tenant-based vouchers with the City of Inglewood, the City of Redondo Beach, and the City of Norwalk PHAs seeing the largest increase from 2019.

Cunningham, et al., 2018. "Do Landlords Accept Housing Choice Vouchers? Findings from Los Angeles, California". Urban Institute. For information about HUD regulations on project basing go to https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/project.

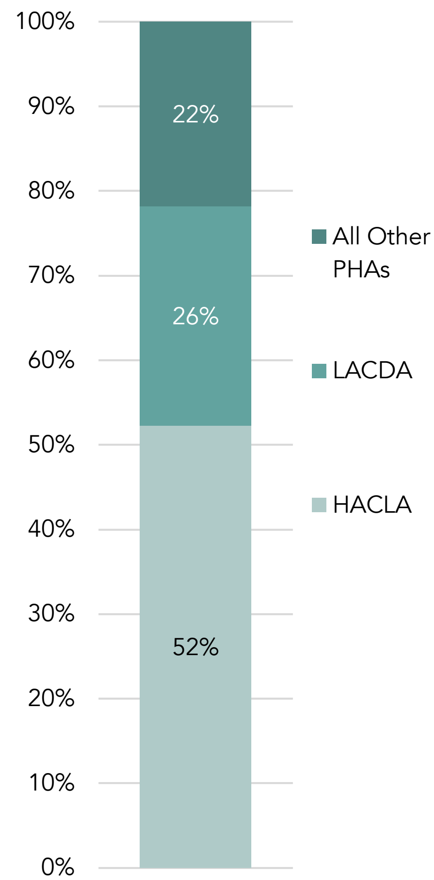
[47] For more information about why project-basing is a best practice, see "The Power of Leveraging Section 8" by the California Housing Partnership: https://chpc.net/resources/the-power-of-leveraging-section-8/.

TABLE 23: HOUSING CHOICE VOUCHERS AVAILABLE IN LOS ANGELES COUNTY (2020)

Public Housing Authorities	# of Vouchers Available	% Change from 2019
City of Los Angeles (HACLA)	50,970	+0.3%
Los Angeles County Development Authority (LACDA)	25,163	-0.1%
City of Long Beach	7,543	+1%
City of Glendale	1,621	0%
City of Santa Monica	1,508	+1%
City of Pasadena	1,409	0%
City of Inglewood	1,052	+5%
City of Burbank	1,029	+1%
City of Pomona	976	-0.6%
City of Baldwin Park	900	+0.1%
City of Compton	803	0%
City of Norwalk	720	+2%
City of Hawthorne	711	0%
City of Torrance	690	0%
City of South Gate	654	0%
City of Redondo Beach	633	+3%
City of Pico Rivera	517	0%
Culver City	384	0%
City of Hawaiian Gardens	132	0%
Total	**97,415**	**+0.3%**

Source: HUD Picture of Subsidized Households, 2020. LACDA.

FIGURE 26: PERCENTAGE OF TOTAL AVAILABLE VOUCHERS IN LOS ANGELES COUNTY BY PUBLIC HOUSING AUTHORITY



Housing Inventory Counts

The Los Angeles Continuum of Care Housing Inventory Count (HIC) is conducted in the last ten days of January and is designed to give the County a comprehensive listing of beds and supportive housing units dedicated to homeless and formerly homeless persons. This Count is required by HUD to help allocate federal funding for homeless services. The HIC includes many different kinds of crisis and permanent housing, including shelters, shared, and scattered-site housing.[48] Full details from the 2020 HIC are shown in Table 24.

TABLE 24: 2020 HIC PERMANENT BEDS* IN LOS ANGELES COUNTY

Continuum of Care (CoC)	Year-Round Beds	% of Total Available Beds	% Change from 2019
LAHSA Total	26,048	91%	+17%
SD 1	*4,613*	*16%*	*+27%*
SD 2	*12,374*	*43%*	*+23%*
SD 3	*3,890*	*14%*	*+6%*
SD 4	*859*	*3%*	*-7%*
SD 5	*3,290*	*11%*	*+9%*
CONFIDENTIAL	*1,022*	*4%*	*-4%*
Pasadena (SD 5)	434	1%	+3%
Long Beach (SD 4)	1,902	7%	+6%
Glendale (SD 5)	189	1%	-2%
Total	**28,573**	**100%**	**+15%**

Source: 2020 Housing Inventory Count (HIC)—Los Angeles CoC, LAHSA. 2020 AHAR HUD.
**Only includes permanent supportive housing (PSH) and other forms of permanent housing (OPH).*

[48] SD-level counts derived from the HIC for the Los Angeles Continuum of Care (CoC) should be seen as approximations based, in some cases, on the locations of a development's administrative offices or sponsoring organizations. Please note that for all shared and scattered-site housing, only one location is recorded.

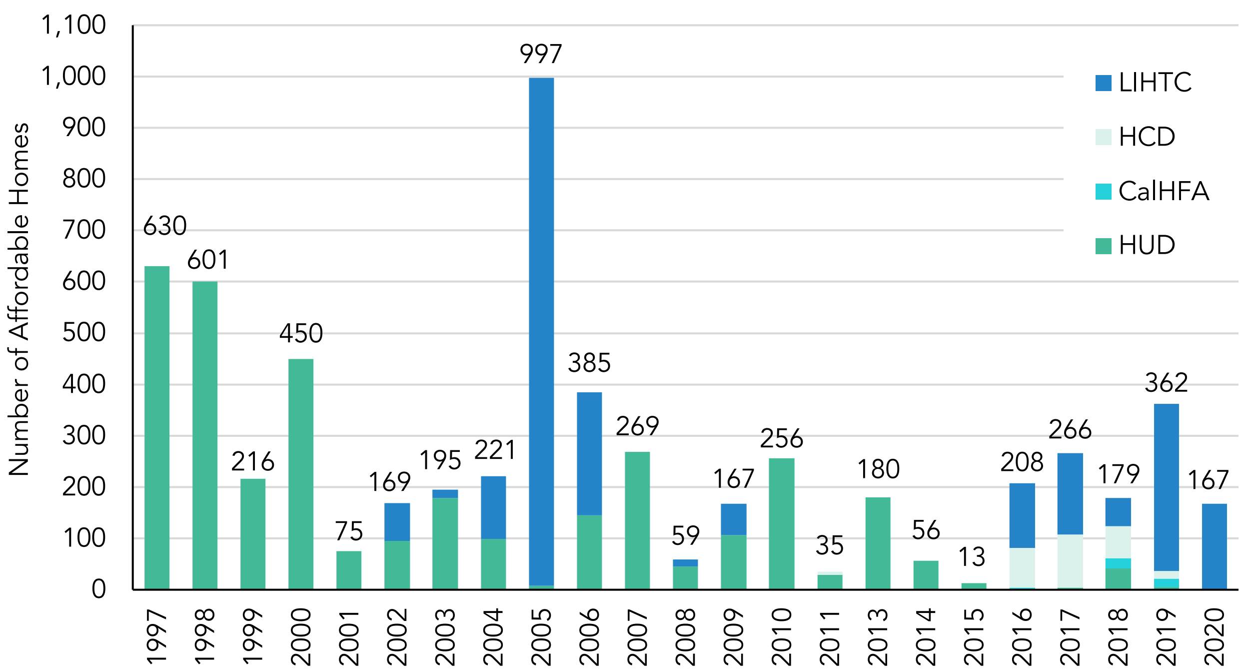
Homes At Risk of Losing Affordability in Los Angeles County

To inform efforts to preserve the affordability of existing affordable homes, this section documents historical losses of federally- and state-subsidized affordable homes and assesses the risk of homes converting to market rate.[49] For the purposes of this analysis, 'very high-risk' developments may convert to market rate in the next 365 days and 'high-risk' developments may convert in the next one to five years.[50]

Lost Affordable Homes in Los Angeles County, 1997-2020

Between 1997 and 2020, Los Angeles County lost 6,156 affordable rental homes with project-based rental assistance contracts and/or loans from HUD, CalHFA, and HCD, or LIHTCs due to owner decisions to opt out, sell or allow their developments to convert to market rate. Of the 6,156 lost affordable homes in Los Angeles County, 64 percent converted to market rate between 1997 and 2006. Only 19 percent of lost affordable homes converted between 2016 and 2020 (see Figure 27).

FIGURE 27: LOST AFFORDABLE HOMES IN LOS ANGELES COUNTY (1997-2020)



Source: California Housing Partnership Preservation Database, January 2021.

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[49] This assessment includes developments financed or assisted by HUD, USDA, CalHFA, HCD and LIHTC programs. The California Housing Partnership has included a portion of affordable housing financed by the California Department of Housing and Community Development (HCD) and local programs into its loss and risk analysis, but the data was not comprehensive at the time of this Report's preparation. The California Housing Partnership updates its Preservation Database on a quarterly basis with the most complete and available data provided by each agency. The data is then cleaned and duplicate information is removed using both automated processes and manual confirmation. Every effort is made to ensure the information presented is as precise as possible; however, there may be unintentional inaccuracies in the analysis or in the data processed from federal and state agencies.

[50] California Housing Partnership's risk assessment considers length of affordability, overlapping subsidies and owner entity type to determine the risk of a development converting to market rate.

Of the 6,156 lost homes, 3,504 (57 percent) had HUD subsidies, 305 (5 percent) had HCD or CalHFA loans and rental assistance, and 2,347 (38 percent) were financed with tax credits. See Table 25 for the number of lost homes by SD.

TABLE 25: LOST AFFORDABLE HOMES IN LOS ANGELES COUNTY BY SD AND PROGRAM (1997-2020)

Supervisorial District	Lost HUD Homes	Lost LIHTC Homes	Lost HCD Homes	Lost CalHFA Homes	Total Lost Homes	% of Total Lost Homes
SD 1	604	408	248	0	1,260	21%
SD 2	1,346	794	0	21	2,161	35%
SD 3	556	601	8	20	1,185	19%
SD 4	449	158	0	0	607	10%
SD 5	549	386	8	0	943	15%
Total	**3,504**	**2,347**	**264**	**41**	**6,156**	**100%**
Unincorporated Los Angeles*	***394***	***14***	***0***	***0***	***408***	***7%***

Source: California Housing Partnership Preservation Database, January 2021.
**Unincorporated Los Angeles County is a distinct subset of the "Total" row for Los Angeles County. There are unincorporated areas across multiple SDs.*

Developments at Risk of Losing Affordability in Los Angeles County

This analysis demonstrates that the risk of affordable homes converting to market-rate prices is very real in Los Angeles County's tight housing market, which includes four of the ten most expensive cities in the United States for a two-bedroom apartment.[51]

Of the approximately 105,031 federally- and state-subsidized affordable homes in Los Angeles County, 8,520 (8 percent) are currently at 'very high' and 'high' risk of conversion in the next five years; homes that meet either definition are considered at-risk in this analysis. At-risk affordable homes in Los Angeles County have the following characteristics (see Figure 28 and Table 26):

- Eighty-eight (88) percent have expiring HUD project-based rental assistance contracts and maturing mortgages, while eleven percent are governed by expiring LIHTC regulatory agreements;
- At-risk affordable homes primarily serve seniors (45 percent) and families (49 percent);[52] and
- At-risk affordable homes are concentrated in SDs 1, 2 and 3 (23 percent, 24 percent and 33 percent, respectively).

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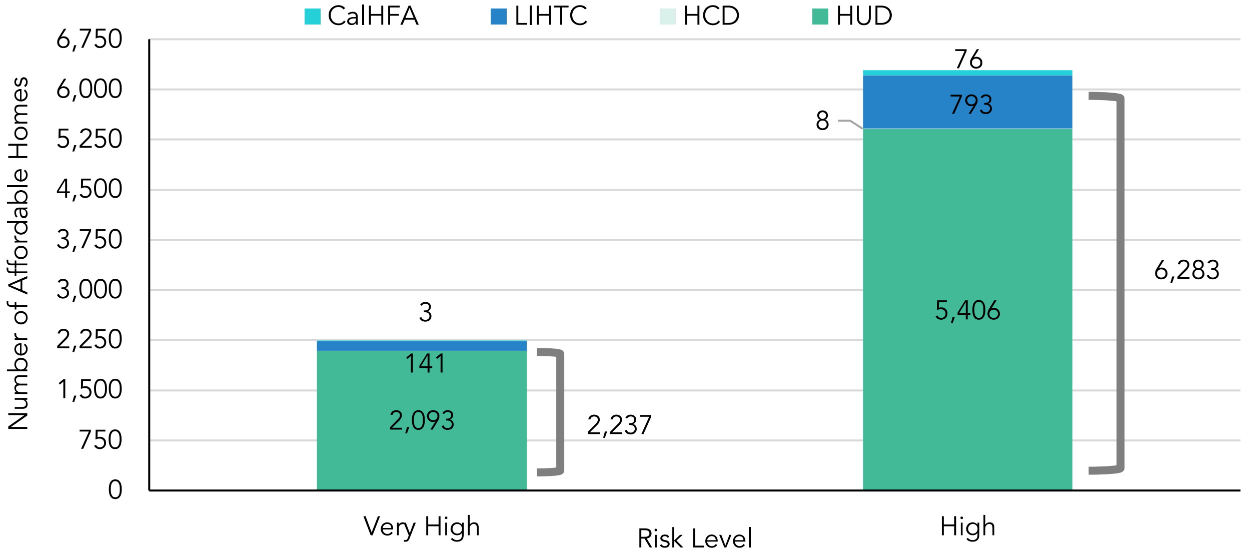
[51] Nelson, Alicia Underlee. "The Most Expensive Cities for Renters in America." 30 September 2020. Website: https://www.apartmentguide.com/blog/most-expensive-cities-for-renters/.
[52] The population served is determined by the housing type reported for each development. For the purposes of this analysis, we assume that all units correspond with the development's housing type.

See Appendix C: Full Data Findings, Section 2 for more data on at-risk affordable homes in the county, including program-specific analysis.

FIGURE 28: AFFORDABLE HOMES IN LOS ANGELES COUNTY AT RISK OF CONVERSION



Source: California Housing Partnership Preservation Database, January 2021.

TABLE 26: AFFORDABLE HOMES AT RISK OF CONVERSION IN LOS ANGELES COUNTY BY SD AND PROGRAM

Supervisorial District	% of Total HUD, LIHTC, CalHFA, and HCD Inventory	At-Risk HUD Homes*	At-Risk LIHTC Homes	At-Risk CalHFA Homes**	At-Risk HCD Homes***	Total At-Risk Homes	% of Total At-Risk Homes
SD 1	29%	1,699	200	34	0	1,933	23%
SD 2	26%	1,936	134	0	0	2,070	24%
SD 3	20%	2,489	278	28	8	2,803	33%
SD 4	12%	403	229	0	0	632	7%
SD 5	13%	972	93	17	0	1,082	13%
Total	**100%**	**7,499**	**934**	**79**	**8**	**8,520**	**100%**
Unincorporated Los Angeles****	*5%*	*232*	*0*	*0*	*0*	*232*	*3%*

Source: California Housing Partnership Preservation Database, January 2021.
**'At-Risk HUD Homes' that also have LIHTC financing are represented in the 'At-Risk LIHTC Homes' column and those that have HCD financing are represented in the 'At-Risk HCD Homes' column.*
***'At-Risk CalHFA Homes' that also have LIHTC financing are represented in the 'At-Risk LIHTC Homes', those that also have HUD assistance are represented in the 'At-Risk HUD Homes' column, and those that have HCD financing are represented in the 'At-Risk HCD Homes' column.*
****'At-Risk HCD Homes' that also have LIHTC financing are represented in the 'At-Risk LIHTC Homes' column.*
*****Unincorporated Los Angeles County is a distinct subset of the "Total" row for Los Angeles County. There are unincorporated areas across multiple SDs.*

Section 3. County-Administered Affordable Rental Housing Resources

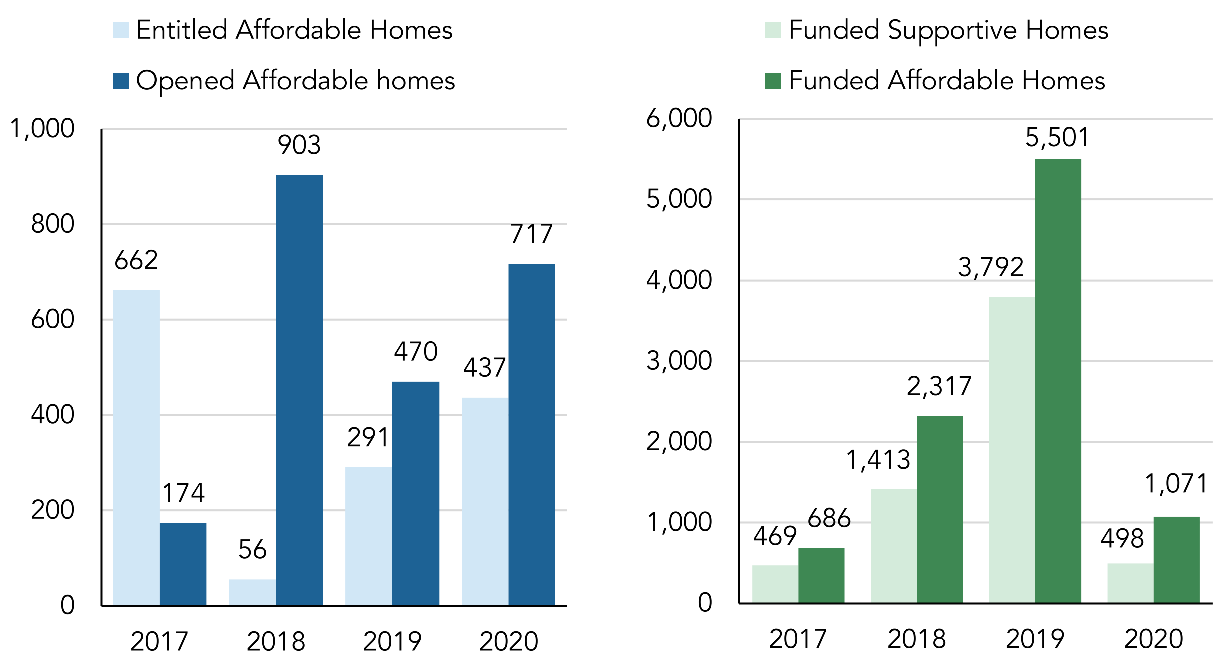
Overview

TABLE 27: LOS ANGELES COUNTY AFFORDABLE HOUSING ACTIVITY (2020)

SD	Entitled Affordable Homes (Unincorporated)	County Funded Affordable Homes	Funded Supportive Homes*	Opened Affordable Homes**
SD 1	12	419	124	92
SD 2	425	188	97	423
SD 3	0	176	90	82
SD 4	0	154	53	120
SD 5	0	134	134	0
County Total	**437**	**1,071**	**498**	**717**

Source: LACDA, DRP and DMH.
**These are a subset of 'County Funded Affordable Homes'.*
***Includes developments that received County funding and/or a recorded density bonus covenant or land use agreement.*

FIGURE 29: COUNTY ENTITLED OR FUNDED AFFORDABLE HOUSING ACTIVITY (2017-2020)



This section provides an inventory of resources administered by Los Angeles County's agencies and departments for the development and operation of permanently affordable rental housing, as well as funding for short-and long-term rental assistance and operating subsidies for low-income households with housing challenges.

The funding sources, policies, and rental and operating subsidies included in the inventory are:

- Los Angeles County Development Authority (LACDA) capital resources awarded through the Notices of Funding Availability (NOFA), developments created through land use policies, public housing, Housing Successor Agency developments, tax-exempt bond financing, and project- and tenant-based subsidies;
- Department of Health Services (DHS) programs such as Housing for Health, the Flexible Housing Subsidy Pool (FHSP), and Rapid Rehousing (RRH) vouchers;
- Department of Mental Health (DMH) resources such as Mental Health Service Act (MHSA) funds, Special Needs Housing Program (SNHP), the Mental Health Housing Program (MHHP) funds, the Alternative Housing Model, and the No Place Like Home (NPLH) program; and
- Los Angeles Homeless Services Authority (LAHSA) administered RRH vouchers.

Table 28 shows countywide and Supervisorial District (SD)-level affordable housing inventory totals for all County-administered affordable rental developments from the sources listed above. Figure 30 shows a map of the County-administered inventory of affordable rental developments. SD-level maps are included in Appendix D: Full Data Findings, Section 3. Highlights from Section 3 include:

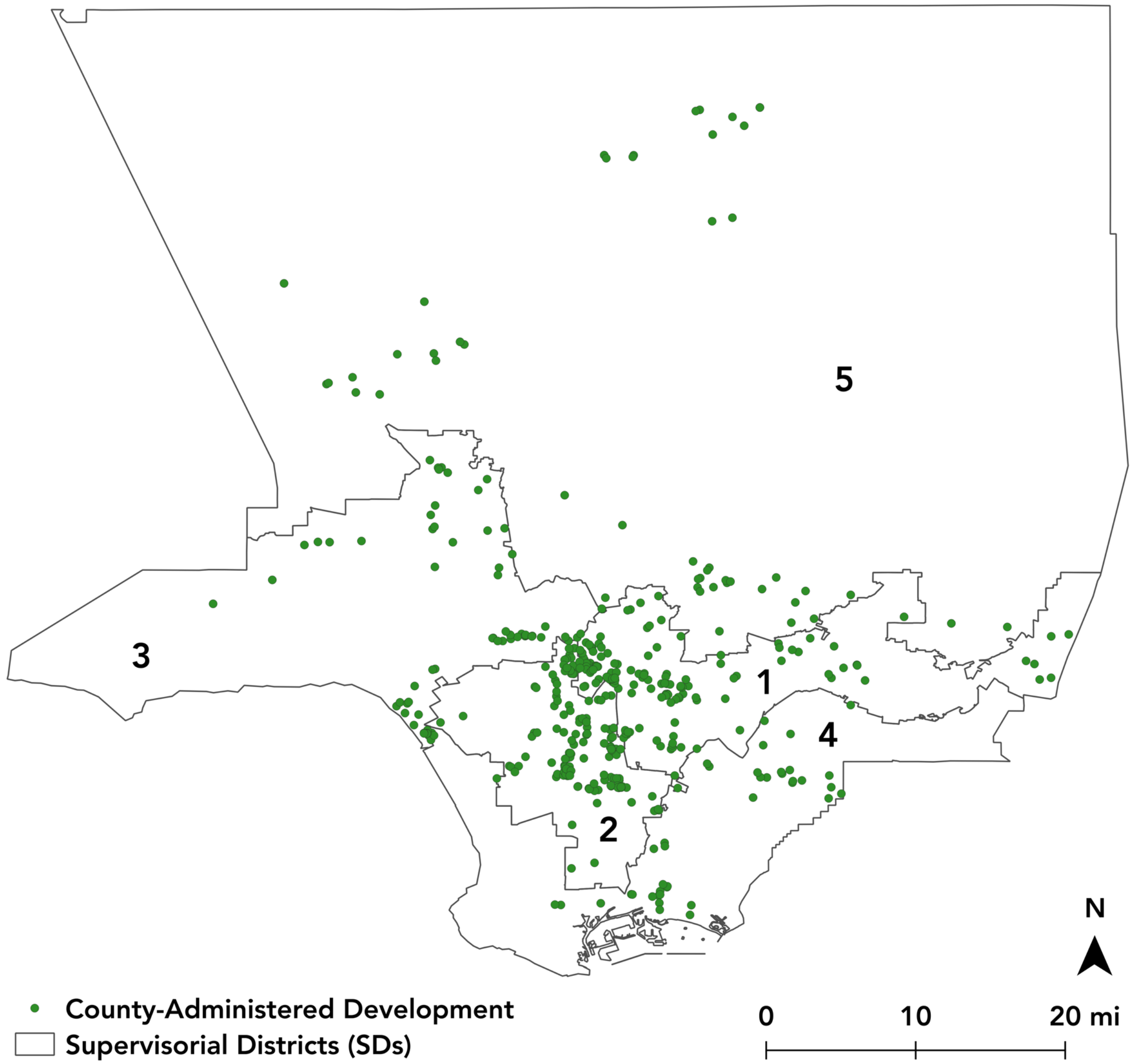
- The total inventory of all county-administered affordable rental housing increased by four (4) percent from 2019; and
- County agencies administered more than 54,000 rental subsidies and assistance for lower-income households and individuals.

TABLE 28: SUMMARY OF COUNTY-ADMINISTERED AFFORDABLE RENTAL HOUSING AND SUBSIDIES* (2020)

SD	Developments	Affordable Homes**	% Change in Affordable Rental Homes from 2019	Rental Subsidies***
SD 1	135	7,540	+5%	N/A
SD 2	186	9,136	+4%	N/A
SD 3	66	3,624	+5%	N/A
SD 4	48	3,898	+4%	N/A
SD 5	55	3,275	+4%	N/A
County	**490**	**27,473**	**+4%**	**54,165**

Source: LACDA, DRP, DMH, DHS, and LAHSA.
**Reflects de-duplicated totals among County sources and may overlap with federal and state financing shown in Section 2.*
***Affordable up to moderate-income households (<120% AMI) and includes developments not yet placed in service.*
****Reflects number of households served by rental subsidy programs administered by LAHSA, LACDA, DMH, and DHS.*

FIGURE 30: COUNTY-ADMINISTERED AFFORDABLE RENTAL DEVELOPMENTS



Los Angeles County Development Authority and Department of Regional Planning

Los Angeles County Development Authority (LACDA) makes funding available to affordable multifamily rental housing developments through a semiannual Notice of Funding Availability (NOFA) that includes local Affordable Housing Trust funds, federal HOME funds, and other available funding sources. LACDA also monitors a number of affordable rental homes with affordability restrictions arising from land use entitlements in coordination with the Department of Regional Planning (DRP), along with developments previously funded by the former Redevelopment Agency. These rental homes may include developments funded through the NOFA as well as private developments that have affordability requirements related to density bonuses, the Mello Coastal Zone Act or other land use conditions of approval. In addition, LACDA issues tax-exempt multifamily housing revenue bonds that are needed to obtain 4% federal Low-Income

Housing Tax Credits (LIHTC/"tax credits") for NOFA-funded developments that do not receive 9% state tax credits.

LACDA also owns and operates 68 public and affordable housing developments with 3,229 homes, the largest concentrations of which are in SDs 1,3 and 4. LACDA utilized the majority of its $7.2 million of their FY2020-21 Capital Fund (CFP) HUD allocation to concentrate on site improvements and exterior work as COVID-19 restrictions postponed most in-unit rehabilitations.

Data on LACDA's affordable housing investments are shown in Tables 29 and 30 and Figures 31 through 33. Affordable developments that are newly funded, entitled, or opened are shown in Table 31 and Figures 34, 35 and 36. The portfolio of affordable developments funded or monitored by LACDA and DRP are shown in Table 32. Highlights include:

- LACDA invested more than $67 million in the production and preservation of 1,071 affordable rental homes in 2020 (see Table 29, Figure 31 and 34);
- LACDA investments in affordable housing have increased 283 percent since 2014 but declined 78 percent from 2019 due to the issuance of only one NOFA and no funding from sources like No Place Like Home (see Figure 32);
- The entitled affordable housing rental stock increased six percent from 2019 (see Table 31);
- SD 1 had the largest number of affordable homes receiving funding in 2020, a departure from trends in 2019 and 2018 (see Figure 34);
- In 2020, 214 affordable homes opened in unincorporated Los Angeles County, a 54 percent decrease from 2019 but a 23 percent increase from 2017 (see Table 31);
- The County approved land use entitlements for ten developments with 437 affordable homes in unincorporated areas in 2020, more than nine times what was entitled in 2019 (see Figure 35); and
- In FY2020, the Public Housing Capital Fund Program budget received the highest level of funding, a $2.4 million (51 percent) increase from FY2014 (see Figure 33).

TABLE 29: LACDA NOFA INVESTMENTS (2020)

	Amount	% Change from 2019
LACDA NOFA Funds Awarded in 2020	$67,195,005	-78%*
Special Needs & Family New Construction (Avg. Cost per Home)**	$571,476	+7%
Special Needs & Senior New Construction (Avg. Cost per Home)**	$445,929	-26%
Supportive Housing New Construction (Avg. Cost per Home)**	$283,861	-49%

**The decline in the 2020 NOFA funds is due to the issuance of only one NOFA round that included NOFA 25 and Affordable Housing Trust Funds. Previous years included more funding sources including Measure H, Mental Health Housing Program, and No Place Like Home.*
***Average cost per home is calculated based on total development costs.*

FIGURE 31: COUNTY NOFA INVESTMENTS & LEVERAGED RESOURCES (2014-2020)

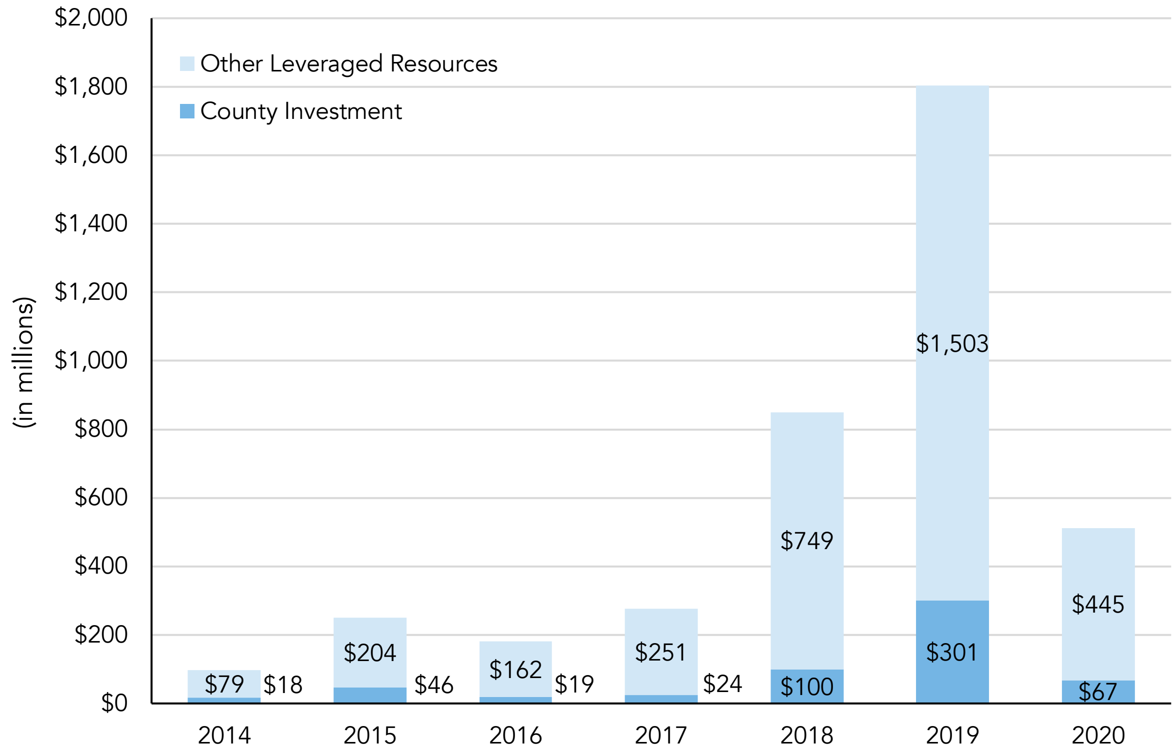


FIGURE 32: COUNTY NOFA INVESTMENTS BY FUNDING SOURCE (2014-2020)

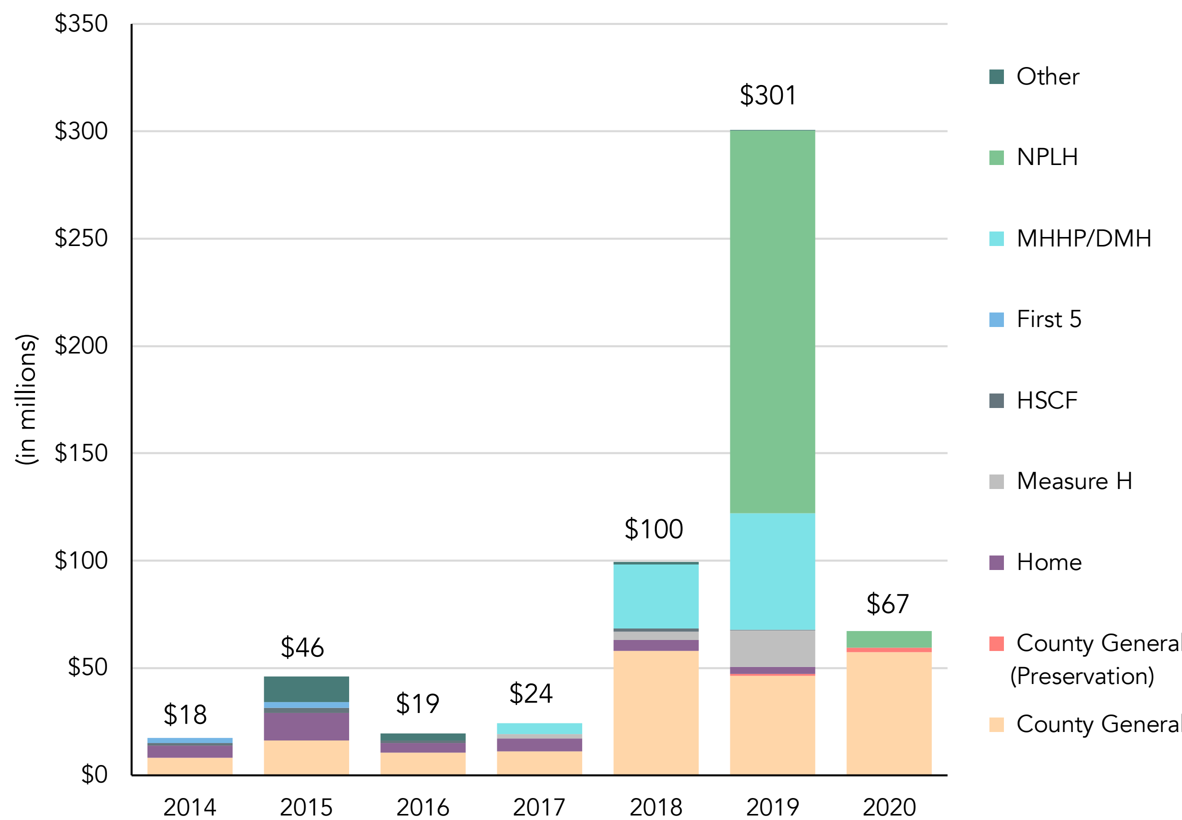


TABLE 30: LACDA PUBLIC HOUSING REHABILITATION EXPENDITURES

	Amount	% Change from FY2019
FY2020-21 Capital Fund Program Budget	$7,218,842	+4%
Anticipated FY2021-22 Capital Fund Program Budget	$6,900,000	-4%
Senior Homes Avg. Cost per Home*	$29,658	-39%
Large Family Homes Avg. Cost per Home*	$38,595	-32%
Other Homes Avg. Cost per Home*	$24,658	-45%

**Average rehabilitation cost per home is based on LACDA's Five Year Plan. The majority of expenditures concentrated on site improvements and exterior work as COVID-19 restrictions postponed most of in-unit rehabilitation.*

FIGURE 33: LACDA PUBLIC HOUSING CAPITAL FUND PROGRAM BUDGET (FY2014-FY2020)

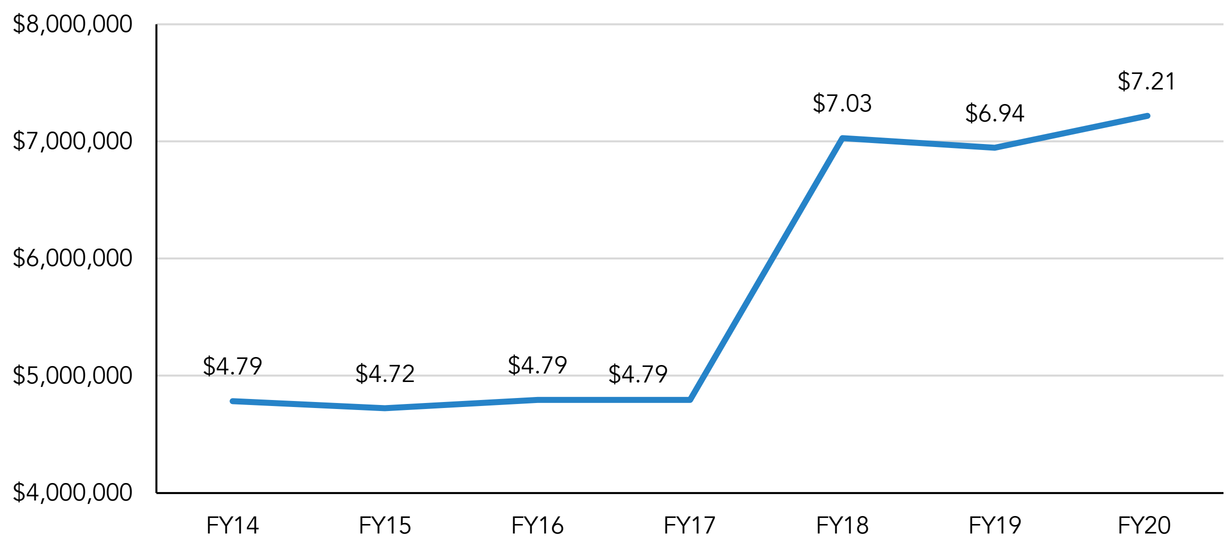
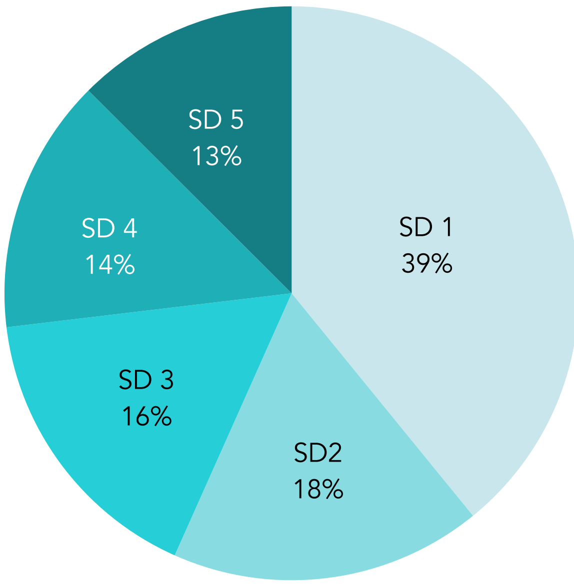


TABLE 31: LACDA AND DRP 2020 AFFORDABLE HOME PRODUCTION AND PRESERVATION IN UNINCORPORATED AREAS*

	Developments	Affordable Homes	% Change of Affordable Homes from 2019
Opened in 2020	4	214	-54%
Entitled in 2020	10	437	+6%

**Data presented is a subset of data in Table 28.*

FIGURE 34: DISTRIBUTION OF AFFORDABLE HOMES AWARDED IN 2020 NOFA



SD	Affordable Homes	% Change from 2019*
SD 1	419	-55%
SD 2	188	-88%
SD 3	176	-72%
SD 4	154	-16%
SD 5	134	-41%
County	**1,071**	**-70%**

**Percentage change from affordable homes awarded in 2019 NOFA.*

FIGURE 35: AFFORDABLE HOMES ENTITLED THROUGH DENSITY BONUS OR MELLO ACT IN UNINCORPORATED AREAS (2017-2020)

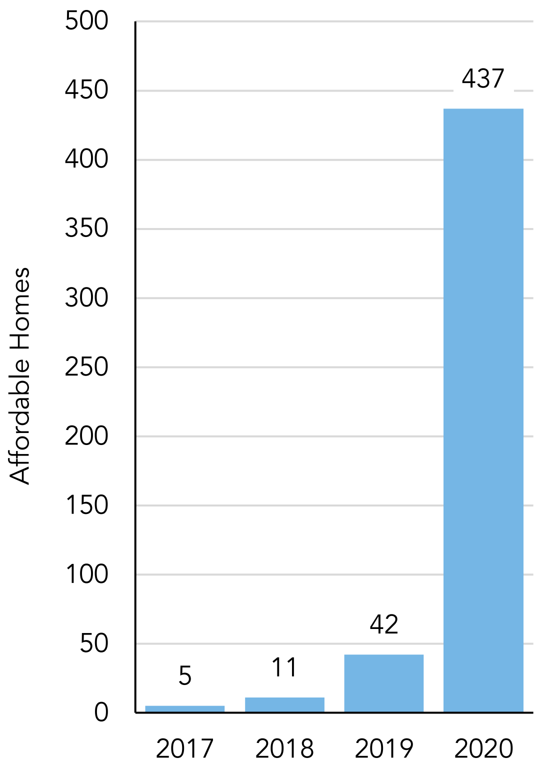


FIGURE 36: AFFORDABLE HOMES OPENED THROUGH MELLO ACT & DEVELOPMENT ON COUNTY-OWNED LAND IN UNINCORPORATED AREAS (2017-2020)

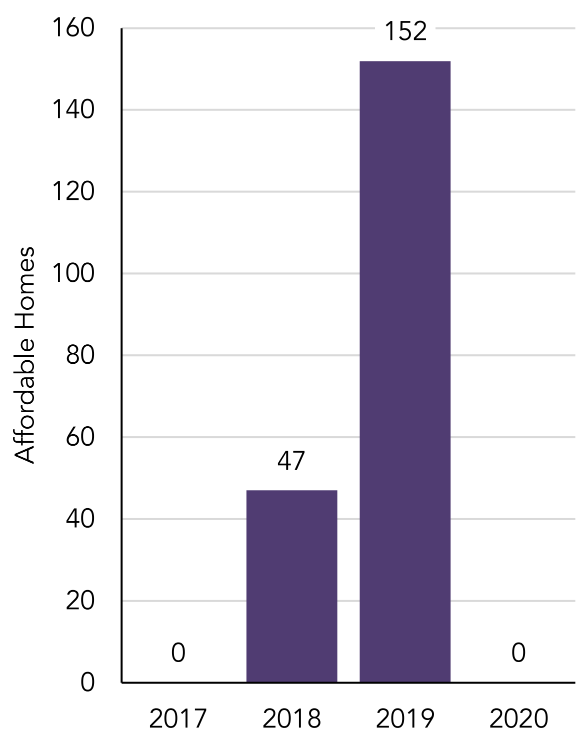


TABLE 32: LACDA AND DRP DEVELOPMENTS FUNDED AND MONITORED* (2020)

SD	Developments	Affordable Homes**	% Change of Affordable Homes from 2019
SD 1	127	7,039	+5%
SD 2	160	7,233	+5%
SD 3	50	2,702	+7%
SD 4	41	3,321	+5%
SD 5	54	3,264	+4%
County	**432**	**23,559**	**+5%**

**Reflects de-duplicated totals among County sources and includes developments that may have received multiple rounds of funding These developments overlap with federal and state financing shown in Section 2.*
***Affordable up to moderate-income households (<120% AMI) and includes developments not yet placed in service.*

LACDA Preservation Activities

In 2020, the Preservation Unit at LACDA made substantial progress on its preservation database, Affordability Watch, which will track the County's expiring affordability commitments. This database will allow LACDA to proactively monitor its existing stock of assisted units and engage property owners to ensure that below market rents are maintained to minimize residential instability. Most significantly, Affordability Watch will distinguish between the various federal, state, and local funding sources attached to projects in LACDA's portfolio. This high-resolution analysis will allow the County to monitor multiple expiration dates and rent schedules for all of its funded affordable projects. Finally, the database will be integrated with the County's Rent Registry, which will allow users to analyze both subsidized and unsubsidized rental stock data.

LACDA Rent Relief Program

Los Angeles County began its COVID-19 Rent Relief Program on August 17, 2020 to assist renter households earning 50 percent of area median income or below struggling to pay rent due to the COVID-19 pandemic. The County fast-tracked assistance for income-qualified residents living in areas with a higher risk of eviction or who have other socioeconomic vulnerabilities. Table 33 describes individuals and households served through the program. Highlights of the program as of December 30, 2020 include:

- More than 32,000 individuals/households applied for the program, 15 percent received assistance;
- Half of the individuals/households served reside in Supervisorial Districts 1 and 4 and 30 percent reside in Supervisorial District 5; and
- More than two thirds of individuals/households served, who identified a race, were non-white.

TABLE 33: LACDA RENT RELIEF PROGRAM INDIVIDUALS/HOUSEHOLDS SERVED* (2020)

	Number of Individuals/Households	% of Individuals/Households
Applied	32,151	100%
Served	4,751	15%
Not Assisted[**]	27,400	85%

Race/Ethnicity	
Asian	662
Black or African American	892
Middle Eastern	68
Native American/ Alaskan Native	93
Native Hawaiian	1
Pacific Islander	38
White/Caucasian	1,066
Other	1,506
Unknown	425
Total	**4,751**

Ethnicity	
Latinx/Hispanic	2,131
Non-Latinx/Hispanic	2,427
Unknown	193
Total	**4,751**

Supervisorial District	
SD 1	1,166
SD 2	810
SD 3	179
SD 4	1,191
SD 5	1,405
Total	**4,751**

**The number of individuals/households served is reported through December 31, 2020.*
***Of those not assisted, 9,445 were ineligible, 16,676 were still under review, and 1,279 were approved but not yet paid.*

LACDA Efforts to Affirmatively Further Fair Housing

LACDA launched Open Doors on January 1, 2020, a new program to encourage property owners to participate in LACDA's rental assistance program to increase the number of families using their vouchers. Open Doors works to increase the number of homes available to subsidized families in Los Angeles County's highly competitive housing market by providing owners with several types of financial incentives, including a signing on bonus, vacancy loss payments, and damage mitigation mechanisms. LACDA's new Customer Service Unit (CSU) administers Open Doors and has served almost 700 visitors and provided a total of 1,089 incentives to property owners in 2020. Expenditures on the Open Doors program and the breakdown of incentives provided in 2020 are in Table 34.

TABLE 34: OPEN DOORS EXPENDITURES AND ACTIVITY (2020)

	Amount
Expenditures	$1,847,664
	# of Incentives
Sign on Bonus	628
Security Deposit	437
Vacancy Loss Payment	11
Damage Mitigation	13
Total	**1,089**

To expand fair housing services, LACDA contracts with the Housing Rights Center (HRC) and its subcontractors to provide fair housing services to County residents and meet the goals set forth in the County's fair housing strategic plan. In FY2019-2020 HRC directly assisted 2,394 residents with inquiries, 85 percent of which were for General Housing and 15 percent were for Discrimination, the latter of which led to the filing of 83 Fair Housing complaint cases. Seventy-seven percent of those served were extremely low-income and more than a third were disabled or a senior. HRC shifted to a virtual format during the COVID pandemic to continue providing assistance for fair housing complaints and inquiries and offering workshops and presentations. By the end of 2020, almost all of the program's $500,000 budget was expended.

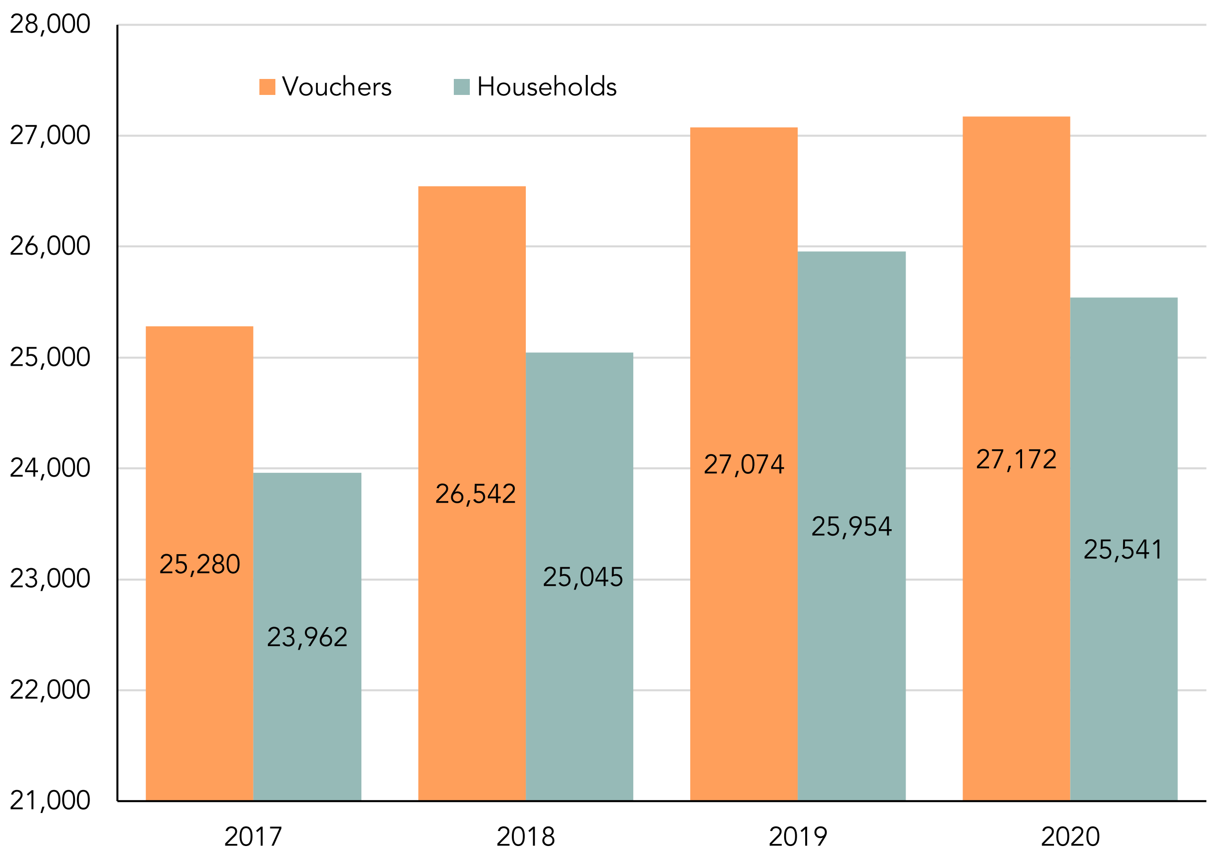
LACDA's Housing Investment and Finance Division has been working closely with a community-based organization, Strategic Actions for a Just Economy (SAJE), to launch an interactive anti-displacement mapping platform, TRACT—Tracking Regional Affordability and Challenges to Tenancy. TRACT incorporates a variety of demographic, economic, and municipal datasets into a series of gentrification and displacement indices to evaluate pressures at the parcel, tract, and community scales. This mapping tool will allow County officials and staff to devise data-driven anti-displacement policies that support residential stability, particularly in vulnerable low-income communities of color. LACDA completed its beta testing in March 2021 and is planning to release TRACT to County Departments in May 2021. LACDA anticipates launch of a limited version of the tool to the general public in late 2021.

LACDA Rental Subsidies

LACDA administers multiple voucher programs offering short- and long-term assistance and in 2020 reached more than 58,000 low-income individuals, veterans, people experiencing homelessness, transition-age youth, seniors, and disabled persons, as well as families through the Department of Children and Family Services (DCFS) Family Unification Program (see Table 36). Voucher allocations and household utilization of vouchers from 2017 to 2020 is shown in Figure 37. Figure 38 and Tables 35, 36 and 37 describe households that received rental subsidies in 2020 and those that are currently on the waitlist. Highlights include:

- The vast majority of the LACDA's voucher households (81 percent) are participants in the Housing Choice Voucher (Voucher) program (see Table 35);
- Households served by LACDA's voucher programs decreased by two (2) percent from 2019 to 2020 (see Figure 37);
- Veterans Affairs Supportive Housing (VASH) project-based assistance served 43 percent more individuals in 2020 than in 2019 and 123 percent more individuals in 2020 than in 2017;
- New admission into voucher programs declined by more than half (60 percent) compared to 2019,[53] 393 of which are families (see Table 36); and
- The number of households on the Voucher program waiting list in 2020 remained level with 2019 since only a few households were added in 2020 (see Table 37).

FIGURE 37: VOUCHERS ALLOCATED AND HOUSEHOLDS SERVED BY LACDA (2017-2020)



[53] LACDA ceased certain leasing activities, including issuance of new vouchers, due to HUD's determination of the agency being in financial shortfall. In addition, voucher holders encountered difficulties in locating housing during the COVID-19 pandemic.

TABLE 35: TENANTS SERVED BY LACDA VOUCHER PROGRAMS* (2020)

	Vouchers Allocated	Households Served	Individuals Served	Avg. Monthly Cost per Household	Avg. Monthly Cost per Individual	Disabled Persons Served	Elderly Persons Served	Families with Children Served
Tenant Vouchers	21,159	20,721	49,411	$1,123	$471	11,901	9,414	7,497
Project-Based Vouchers	1,055	1,064	2,168	$1,074	$527	594	454	296
Tenant-Based VASH	2,472	1,670	2,684	$1,014	$631	792	752	283
Project-Based VASH	220	223	254	$770	$676	132	122	7
Tenant-Based CoC	1,813	1,508	2,496	$1,057	$638	1,526	354	313
Sponsor-Based CoC	68	67	122	$867	$476	72	15	27
Family Unification Vouchers	385	288	1,109	$1,137	$295	96	22	228
Total	**27,172**	**25,541**	**58,244**	**N/A**	**N/A**	**15,113**	**11,133**	**8,651**

**Turnover of voucher recipients may result in more than one household being in a given calendar year. Scarcity of affordable homes may cause a voucher to go unused. As a result, annual households served may not match annual allocation.*

TABLE 36: LACDA NEW ADMISSIONS* (2020)

	# of Households	% Change from 2019
Elderly	109	-72%
Disabled	332	-61%
Single-member Households	380	-63%
Families	393	-56%
Total	**773**	**-60%**

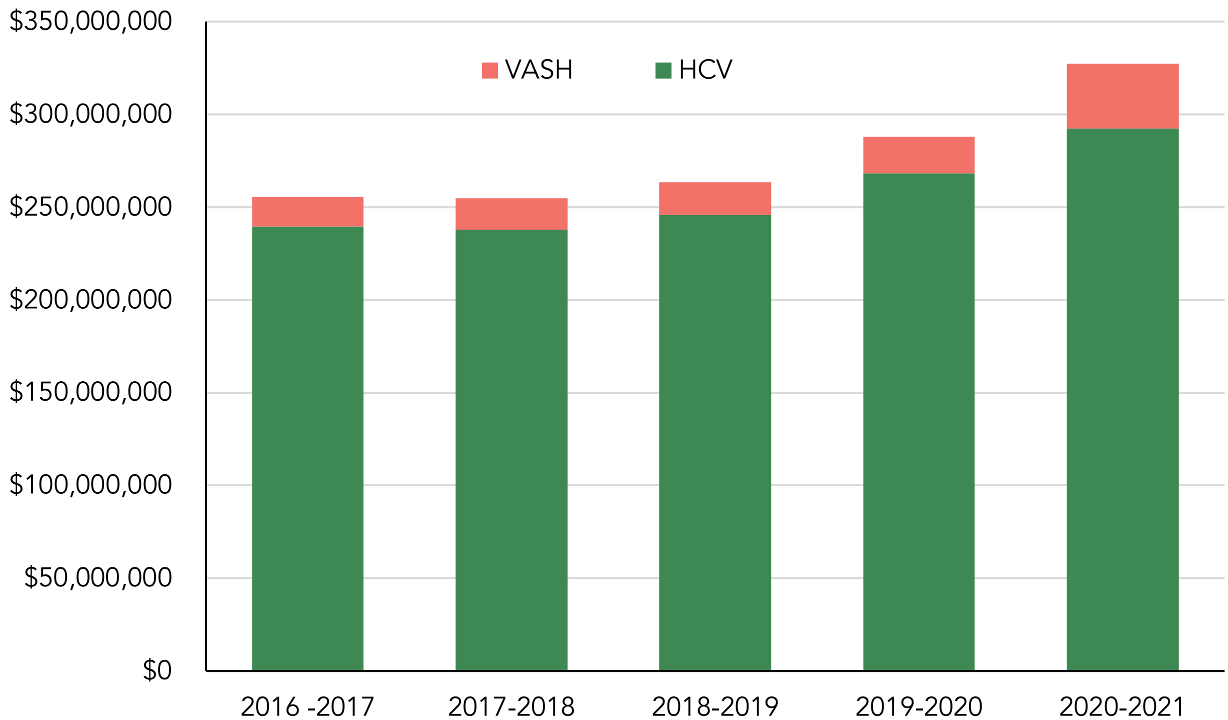
**Households can fall into more than one category so total will not sum.*

TABLE 37: LACDA VOUCHER WAITING LIST* (2020)

	# of Households	% Change from 2019
Elderly (Head of Households only)	10,612	+6%
Disabled (Head of Households only)	5,655	+2%
Disabled (Head of Households or Spouse)	11,137	+1%
Single-member Households	14,374	+0.2%
Families	23,013	+0.1%
Total	**37,387**	**+0.1%**

**Households can fall into more than one category so total will not sum.*

FIGURE 38: LACDA HCV AND VASH FUNDING (2016-2020)



Year	Voucher Type	HCV	VASH	Total
2016-2017*	Tenant-Based	$233,366,419	$14,993,038	**$248,359,457**
	Project-Based	$6,350,327	$630,468	**$6,980,795**
2017-2018*	Tenant-Based	$230,003,318	$16,444,257	**$246,447,575**
	Project-Based	$7,867,888	$633,398	**$8,501,286**
2018-2019*	Tenant-Based	$230,601,125	$16,615,407	**$253,216,532**
	Project-Based	$9,305,067	$821,806	**$10,126,873**
2019-2020*	Tenant-Based	$258,078,380	$18,789,441	**$276,867,821**
	Project-Based	$10,175,218	$992,391	**$11,167,609**
2020-2021*	Tenant-Based	$278,381,716	$2,856,395	**$281,238,111**
	Project-Based	$13,957,387	$32,095,499	**$46,052,886**

**Funding period is from April to March of following year.*

More than 1,185 tenants exited from voucher programs in 2020, a 24 percent decrease from 2019.[54] More households may have stayed in place as a result of COVID-19 as a family's ability to look for prospective units was limited by the stay-at-home order. Reasons for exits include the following and are summarized in Table 38:

- The majority (81 percent) of exits from tenant- and project-based vouchers were the result of self-termination, the death of the tenant, or program violations;
- Across all programs, the number of households who became self-sufficient and left the voucher program increased three (3) percent in 2020 from 2019;
- The most common reason for exit from VASH was self-termination followed by termination due to program violations, a trend that has held true since 2017;[55] and
- Almost three out of four CoC program participants who left the program in 2020 exited the program due to program violations, a fourfold increase from 2019, due to clients' non-response to annual reexaminations, abandonment of unit, and/or tenant housing quality inspection violations.

TABLE 38: LACDA TENANT REASONS FOR LEAVING VOUCHER PROGRAMS (2020)

	Voucher Program*	VASH Program*	CoC Program	Section 8 Family Unification Program
Deceased	324	35	12	0
End of Program	12	0	0	0
Ineligible for Program	3	0	0	2
Program Violation	217	56	69	4
Self-Termination	179	62	4	1
Voucher Expired**	75	12	5	2
Self-Sufficient	91	17	3	0
Total	**901**	**182**	**93**	**9**

**Reflects tenant- and project-based vouchers.*
***Voucher expires when voucher holders attempt to move and are unable to find new housing that was affordable and managed by landlords willing to accept vouchers within the time frame allowed by the LACDA.*

[54] In general, when households leave voucher programs, their vouchers remain in the program and become available to other households in need of rental assistance.
[55] Program violation is a general category that includes tenants who fail to submit their eligibility paperwork, are terminated due to causing excessive damage to their unit and failing to correct the unit's deficiencies or commit other such program violations.

Regional Housing Need Allocation (RHNA)

For the Fifth Revision of Los Angeles County's Housing Element, the Southern California Association of Governments (SCAG) allocated more than 27,000 homes to unincorporated areas of the county. Forty-three (43) percent of the homes to be built during the Fifth Housing Element Cycle (2014-2021) must be affordable to those earning 80 percent or less of Area Median Income (AMI). By the end of 2020, the County had met 26 percent of its RHNA allocation, a majority of which was housing intended for above moderate-income households. See Table 39 below for the number of homes that have been permitted in each income group since 2014 in Unincorporated Los Angeles County.

TABLE 39: REGIONAL HOUSING NEED ALLOCATION PERMITS ISSUED (2014-2020)

Income Level	RHNA Allocation*	2014 (Year 1)	2015 (Year 2)	2016 (Year 3)	2017 (Year 4)	2018 (Year 5)	2019 (Year 6)	2020 (Year 7)	% RHNA Met
Very Low	7,404	159	32	35	354	38	54	62	10%
Low	4,281	0	0	0	108	14	107	228	11%
Moderate	4,930	0	0	0	0	19	0	0	0.4%
Above Moderate	10,825	513	1,790	620	622	562	1,130	669	55%
Total	**27,440**	**672**	**1,822**	**645**	**1,084**	**633**	**1,291**	**959**	**26%**

**The County RHNA allocation was adjusted due to the annexation of unincorporated territory by the City of Santa Clarita.*

Department of Health Services

The Los Angeles County Department of Health Services (DHS) Housing for Health (HFH) division provides housing and supportive services to homeless clients with physical and/or behavioral health conditions, high utilizers of County services, and other vulnerable populations. Permanent supportive housing, the cornerstone of HFH's approach, includes decent, safe, and affordable housing linked to Intensive Case Management Services (ICMS). These on-site or roving field-based supportive services—along with access to medical and behavioral health care—are integral to achieving housing stability, improved health statuses, and greater levels of independence and economic security. ICMS is client-centered and employs a "whatever it takes approach" to assist clients in their transition from homelessness to permanent housing.

In February of 2014, HFH launched the Flexible Housing Subsidy Pool (FHSP), operated by nonprofit Brilliant Corners to provide rental subsidies in a variety of housing settings, including project-based and scattered-site housing. The FHSP was designed so that other funders, including other County departments, would be able to add funds to serve clients that they prioritize for housing. Previously, funding for the FHSP currently came from DHS, the Department of Mental Health, the Probation Department, the Homeless Prevention Initiative, the CEO's Homeless Initiative, and from the Board of Supervisors. The initial multi-agency approach evolved, and FHSP's current funding stream comes primarily from Measure H via the CEO's Homeless Initiative and general fund appropriations by the Board of Supervisors.

This section of the Report includes information on HFH's permanent supportive housing and rapid re-housing programs, including the Breaking Barriers rapid rehousing program. In addition, the tables below include clients served on behalf of the Office of Diversion and Reentry, which leverages HFH's infrastructure to provide permanent supportive housing to individuals exiting the criminal justice system. These programs are supported in part by the County's Flexible Housing Subsidy Pool (FHSP).

The Housing and Jobs Collaborative (HJC) is a rapid rehousing program implemented in early 2016 that connects individuals experiencing homelessness to affordable permanent housing through a tailored package of services that includes flexible term rental subsidies, ICMS, and employment services.

The Office of Diversion and Reentry (ODR) was created by the Board of Supervisors in September 2015 to develop and implement county-wide criminal justice diversion for persons with mental and/or substance use disorders and to provide reentry support services. ODR is another division within DHS that focuses on permanent supportive housing and Higher Levels of Care for their clients. The goals of ODR include reducing the number of mentally ill inmates in the Los Angeles County Jails, reducing recidivism, and improving the health outcomes of justice involved populations who have the most serious underlying health needs.

Tables 40 through 46 provide a summary of DHS's housing subsidies and services. Highlights include:

- The DHS permanent housing program provided housing subsidies and services to almost 19,000 individuals in 2020, a 17 percent increase from 2019 (see Table 42);

- DHS connected 5,209 individuals with housing subsidies and services in 2020 and expects to serve 2,000 more individuals in 2021 (see Table 42);
- The significant increase (51 percent) in the number of individuals who are 70 years of age or older assisted by DHS is a direct result of the COVID pandemic emergency efforts to mobilize homeless system resources to house those most at-risk (see Table 45); and
- Forty-one (41) percent of rental subsidies used to house individuals in the DHS permanent housing program are from the Flexible Housing Subsidy Pool (FHSP) and 34 percent of rental subsidies are federal vouchers from the Housing Authority of the City of Los Angeles (HACLA) (see Table 43).

TABLE 40: DHS HOUSING FOR HEALTH BUDGETS (FY2020-FY2021)

	Amount*	% Change from FY2019
Permanent Supportive Budget	$130,502,549	+8%
Rapid Re-Housing Budget	$6,733,200	-52%*

**Funding amounts are estimates. Note: DHS has stopped taking on additional rapid rehousing clients as of summer 2020 to work towards transitioning existing rapid rehousing clients to independence, permanent housing subsidies, or on to more appropriate low-acuity program administered through LAHSA rather than DHS.*

TABLE 41: DHS HOUSING FOR HEALTH AVERAGE COST PER TENANT* (FY2020)

Forms of Assistance	Amount	% Change from FY2019
Permanent Supportive Housing (local voucher)**	**$26,604**	**+5%**
Rent Subsidy	*$17,904*	*+7%*
Tenancy Support Services	*$3,300*	*0%*
Intensive Case Management Services	*$5,400*	*0%*
Permanent Supportive Housing (federal voucher)	**$5,400**	**0%**
Intensive Case Management Services	*$5,400*	*0%*
Rapid Re-Housing	**$24,072**	**0%**
Rent Subsidy	*$15,372*	*+0.39%*
Tenancy Support Services	*$3,300*	*-2%*
Intensive Case Management Services	*$5,400*	*0%*

**Does not include upfront move in costs.*
***Average cost per tenant takes intensive case management services, rental subsidy, and rental subsidy admin cost into consideration.*

TABLE 42: DHS HOUSING FOR HEALTH PROGRAM

	# of Individuals	% Change from 2019
Total Number of Individuals Connected to Housing Subsidy and/or Services in 2020	**18,865**	**+17%**
Permanent Supportive	*18,480*	*+23%*
*Rapid Re-Housing**	*385*	*-66%*
Number of Individuals Newly Connected to Housing Subsidy and/or Services in 2020	**5,209**	**-17%**
Permanent Supportive	*5,209*	*-15%*
*Rapid Re-Housing**	*0*	*-100%*
Number of Individuals Projected to Serve in in 2021	**21,252**	**+19%**
Permanent Supportive	*21,252*	*+24%*
*Rapid Re-Housing**	*0*	*-100%*

**DHS has stopped taking on additional rapid rehousing clients as of summer 2020 to work towards transitioning existing rapid rehousing clients to independence, permanent housing subsidies, or on to more appropriate low-acuity program administered through LAHSA rather than DHS.*

TABLE 43: RENTAL SUBSIDIES IDENTIFIED FOR DHS CLIENTS* (2020)

		# of Rental Subsidies	% of Subsidies	% Change from 2019
Flexible Housing Subsidy Pool (FHSP)	Tenant	6,801	36%	-4%
	Project-Based	906	5%	-4%
HACLA**	Tenant	2,521	13%	+24%
	Project-Based	3,887	21%	+46%
LACDA**	Tenant	2,517	13%	+42%
	Project-Based	601	3%	+97%
Housing Authority of the City of Long Beach**	Tenant	109	0.6%	+20%
	Project-Based	154	0.8%	+114%***
Other Public Housing Authorities and HUD**	Tenant	34	0.2%	-11%
	Project-Based	173	0.9%	+27%
MHSA Trust Fund	Tenant	0	0%	0%
	Project-Based	274	2%	+3%
LAHSA	Tenant	400	2%	+127****
	Project-Based	177	0.9%	-11%
Other County Resources	Tenant	40	0.2%	+900%*****
	Project-Based	0	0%	0%
ICMS Services Only	Tenant	183	1%	+4,475%
	Project-Based	88	0.4%	N/A
Total		**18,865**	**100%**	**+18%**

**This table represent new and existing Housing for Health Clients in 2020. Inclusive of all Housing for Health rental subsidies.*
***Federal vouchers.*
****This significant increase is due to two new project-based housing sites that opened in 2020.*
*****This increase is due to LAHSA Tenant Based Rental Assistance (TBRA) partnerships where four ICMS agencies were able to link clients to new vouchers.*
******This increase is due to DPSS General Relief program clients and Board & Care Facility (FHSP) clients who became hospitalized long-term who may have returned to housing.*

TABLE 44: GENDER OF HOUSING FOR HEALTH CLIENTS (2020)

	# of Individuals	% Change from 2019
Female	7,797	+21%
Male	10,841	+16%
Transgender	189	+24%
Genderqueer	22	+69%
Unknown	16	+300%
Total	**18,865**	**+18%**

TABLE 45: AGE CATEGORIES OF HOUSING FOR HEALTH CLIENTS (2020)

	# of Individuals	% Change from 2019
18-29	2,147	+8%
30-39	3,070	+16%
40-49	3,074	+13%
50-59	4,931	+11%
60-69	4,363	+31%
70+	1,249	+51%
Unknown	31	-18%
Total	**18,865**	**+18%**

TABLE 46: RACE/ETHNICITY* OF HOUSING FOR HEALTH CLIENTS (2020)

	# of Individuals	% Change from 2019
Black	8,335	+17%
Latino	5,372	+18%
White	7,378	+19%
American Indian	295	+17%
Asian/Pacific Islander	500	+25%
Unknown	1,015	+12%
Other	1,342	+22%

**Clients may identify with more than one category. Therefore, the sum of each row will not equal the total number of individuals served.*

Department of Mental Health

DMH Permanent Supportive Housing

Since the 1990s, the Department of Mental Health (DMH) has continued to grow its Permanent Supportive Housing (PSH) inventory for individuals who are homeless and have a serious mental illness. The current inventory includes affordable housing through five key sources: Mental Health Services Act (MHSA) Capital Investment Program, Capitalized Operating Subsidy Reserve (COSR), Federal Housing Subsidy Unit Program, Legacy Flexible Housing Subsidy Pool Program and Housing for Mental Health Program (see Table 47 below).

TABLE 47: SUMMARY OF HOUSEHOLDS SERVED IN DMH PERMANENT SUPPORTIVE HOUSING (2020)

	Households
Total Number of Households Currently Served*	3,981

Race	
American Indian	65
Asian	59
Black or African American	1,917
Pacific Islander	18
White	1,451
More than One Race or Other	132
Unknown	339
Total	**3,981**

Gender	
Female	1,963
Male	1,849
Queer	2
Transgender	23
Other/Unknown	144
Total	**3,981**

Age	
<18	6
18 - 59	3,206
60+	758
Unknown	11
Total	**3,981**

**Number of households served by MHSA Capital Investment Program, MHSA Capitalized Operating Reserve, Federal Housing Subsidy Unit Program, Flexible Housing Subsidy Pool Program, and the Housing for Mental Health Program.*

The following are descriptions of each program and the people they serve.

MHSA Capital Investment Program—Permanent Supportive Housing

Since 2008, DMH has invested approximately $662 million in capital development that targets homeless individuals with serious mental illness through five MHSA-funded programs: MHSA Housing Program, Local Government Special Needs Housing Program (SNHP), Mental Health Housing Program (MHHP), Alternative Housing Model Program and the No Place Like Home (NPLH) Program. DMH and its network of mental health agencies also provide mental health services to the individuals in MHSA-funded and non-MHSA-funded units. Through the resulting partnerships with developers, on-site service providers and property management companies, DMH has been able to significantly increase the inventory of affordable housing that is available to clients who are homeless and their families.

Of the $662 million invested by DMH, $140 million has gone into the MHSA Housing Program and SNHP, which are administered by the California Housing Finance Agency (CalHFA). DMH invested an initial $50 million in 2017 and additional $65 million in 2018 in the MHHP and Alternative Housing Model Program, which is administered by the Los Angeles County Development Authority (LACDA). This large infusion of funding and partnership with LACDA was a bridge to the NPLH program, which was implemented in 2019. NPLH, which is also administered locally by LACDA, is estimated to have brought approximately $700 million to Los Angeles County for the development of PSH units restricted to individuals who are homeless and have a serious mental illness. In Fiscal Year 2018-19, LACDA released a Notice of Funding Availability (NOFA) making $230 million of the NPLH funds available. However, in response to unexpectedly high demand, LACDA committed $450 million to fund all applications that met the eligibility threshold. After adjusting for projects failing to move forward and those reducing their funding requests, a total of $390 million is currently committed. The increase in funding through the 2018-2019 NPLH NOFA resulted in there being no available funding for FY2019-20. LACDA released a second NOFA with NPLH funds in October 2020, and funding announcements took place in early 2021.

Through its MHSA Capital Investment Program, DMH has funded a total of 135 developments resulting in 3,680 affordable supportive units for individuals who are homeless and have a serious mental illness. Of the 135 funded developments, 48 were operating and occupied as of December 31, 2020 providing 983 units of permanent housing.

Table 48 and Figures 39 through 41 reflect DMH's capital investments in affordable housing in 2020. Items of note include:

- The average capital development subsidy for supportive housing declined by $1,517 per unit from 2019 (see Table 48);
- DMH has invested in almost 9,000 affordable homes, of which 3,680 are affordable supportive homes (see Figure 39); and
- A total of 117 affordable supportive units opened in 2020 (see Figure 40).

TABLE 48: DMH CAPITAL INVESTMENTS (2020)

	Amount	Change from 2019
2020 Capital Budget	$50,000,000	+100%
Avg. Subsidy per Home for Supportive Housing (Permanent Financing)*	$180,760	-$1,517

**The average cost per unit was calculated using data from DMH's entire portfolio of capital investments.*

FIGURE 39: DISTRIBUTION OF DMH FUNDED AFFORDABLE SUPPORTIVE HOMES BY SD

SD	Developments*	Affordable Homes	Affordable Supportive Homes**
SD 1	26	1,779	767
SD 2	59	4,283	1,761
SD 3	32	1,661	772
SD 4	11	798	226
SD 5	7	398	154
County	**135**	**8,919**	**3,680**

Includes developments not yet placed in service.

**This is a subset of the number of affordable homes.*

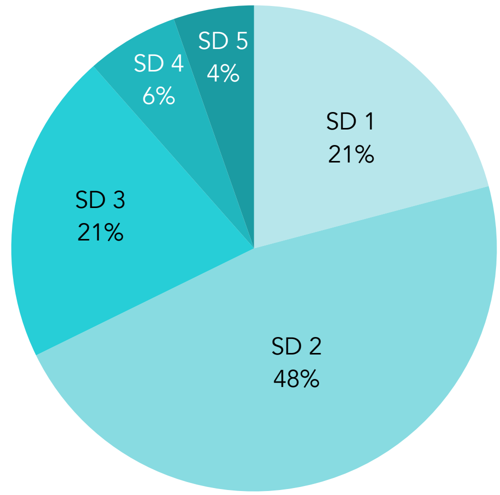


FIGURE 40: DMH-FUNDED AFFORDABLE SUPPORTIVE HOMES BY YEAR OPENED (2018-2020)

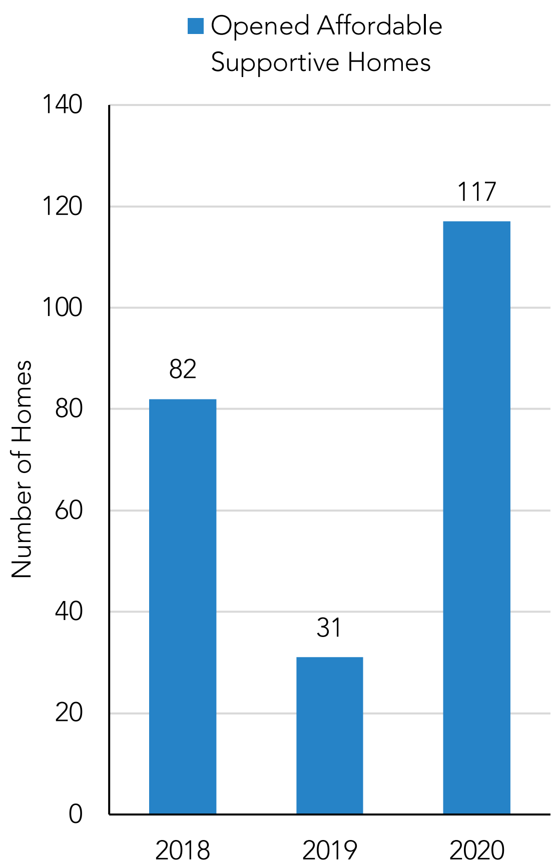
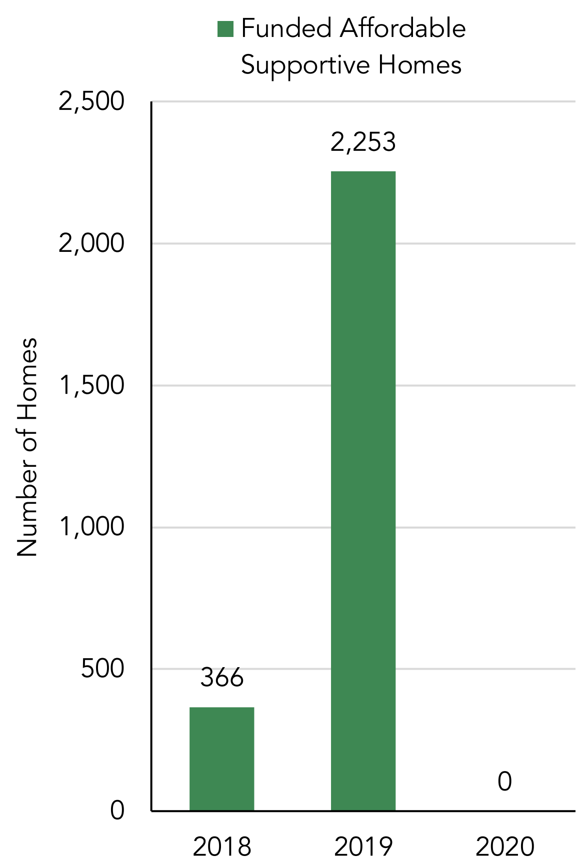


FIGURE 41: DMH-FUNDED AFFORDABLE SUPPORTIVE HOMES BY YEAR FUNDED (2018-2020)



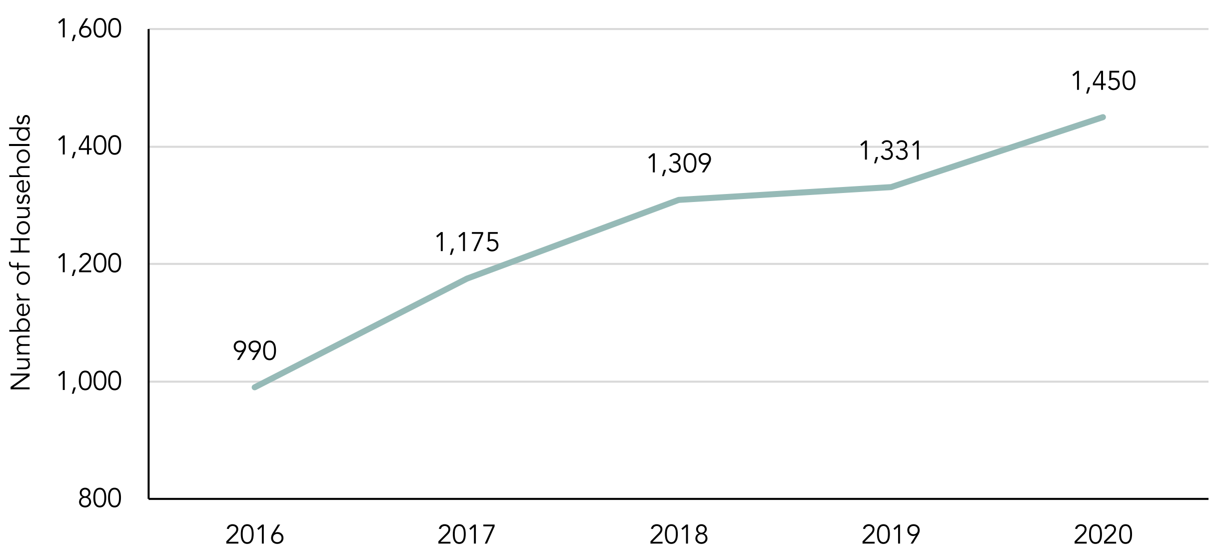
Tables 49 and 50 and Figures 42 through 45 show the impact of DMH's capital investment program in 2020. Items of note include:

- There was a nine (9) percent increase in the number of households currently housed in 2020 from 2019 (see Table 49);
- Individuals ages 26-59 have made up the majority of those placed in DMH's Capital Investment Program PSH units since 2018 (see Figure 43); and
- Black or African American households have made up 45 percent or more of those served since 2016 (see Figure 45).

TABLE 49: HOUSEHOLDS IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING (2020)

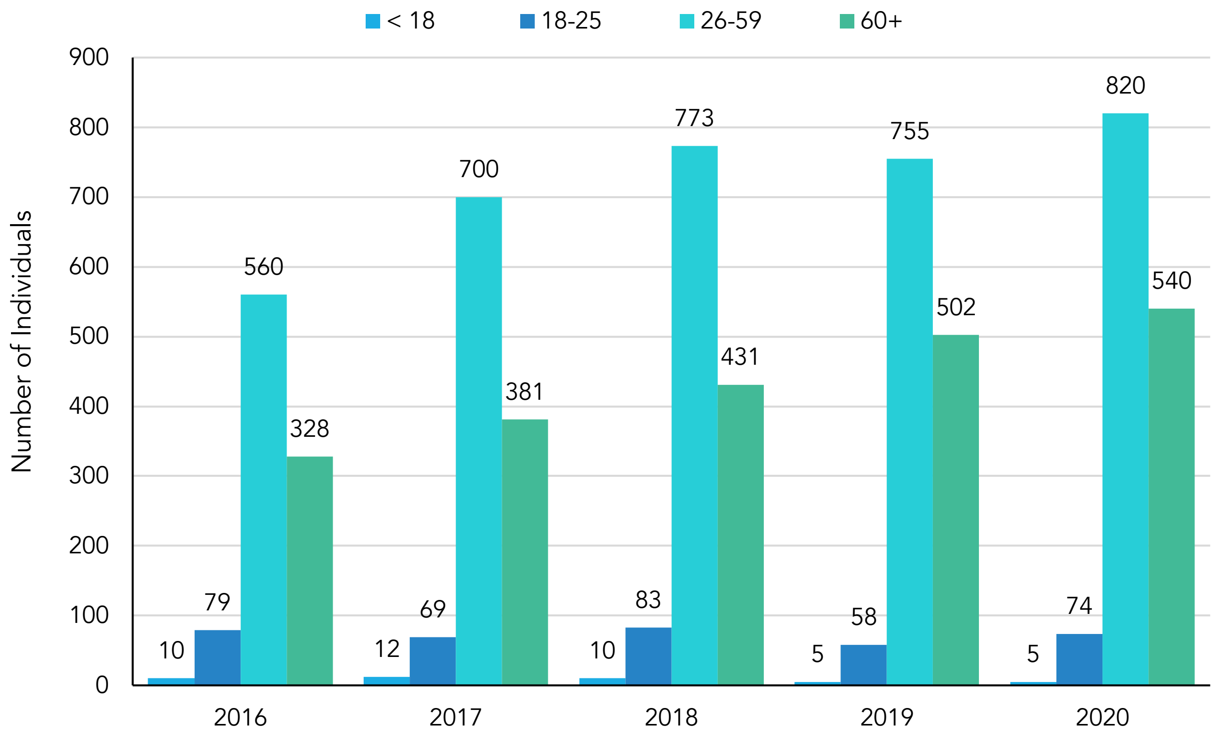
	# of Households	% Change from 2019
Total Number of Households Currently Housed	1,450	+9%
Number of Households Newly Housed	232	+23%

FIGURE 42: HOUSEHOLDS* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING (2016–2020)



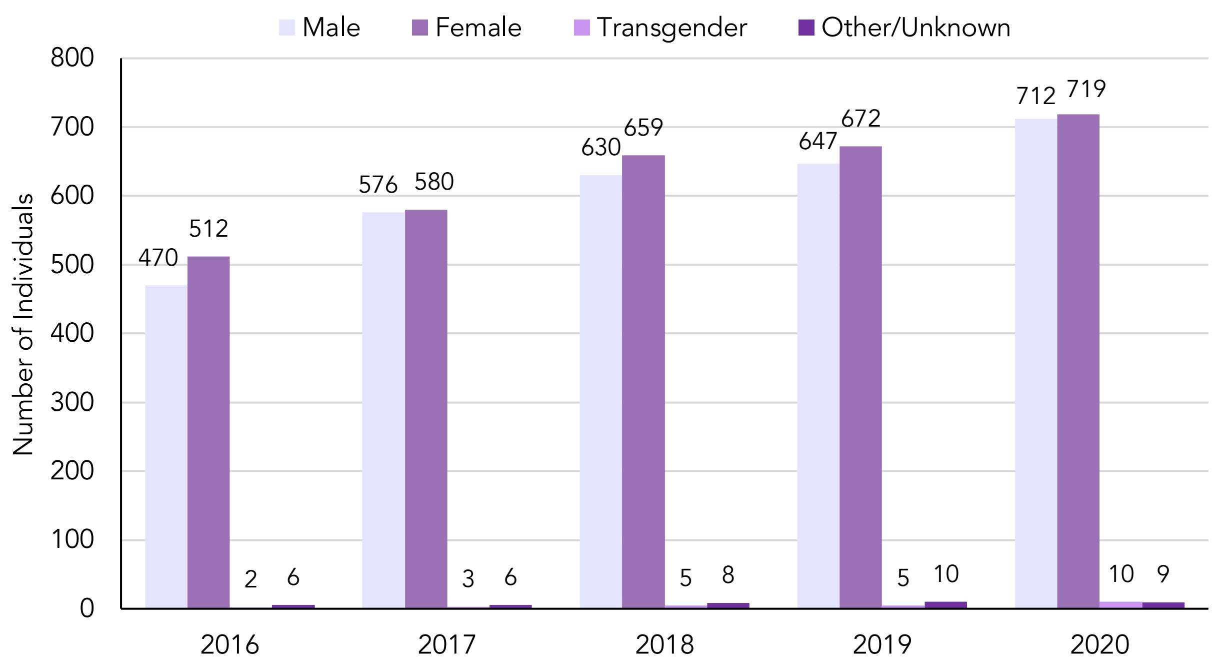
**Total number of households housed in each calendar year. Some households may be represented in multiple years.*

FIGURE 43: AGE OF INDIVIDUALS* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING (2016–2020)



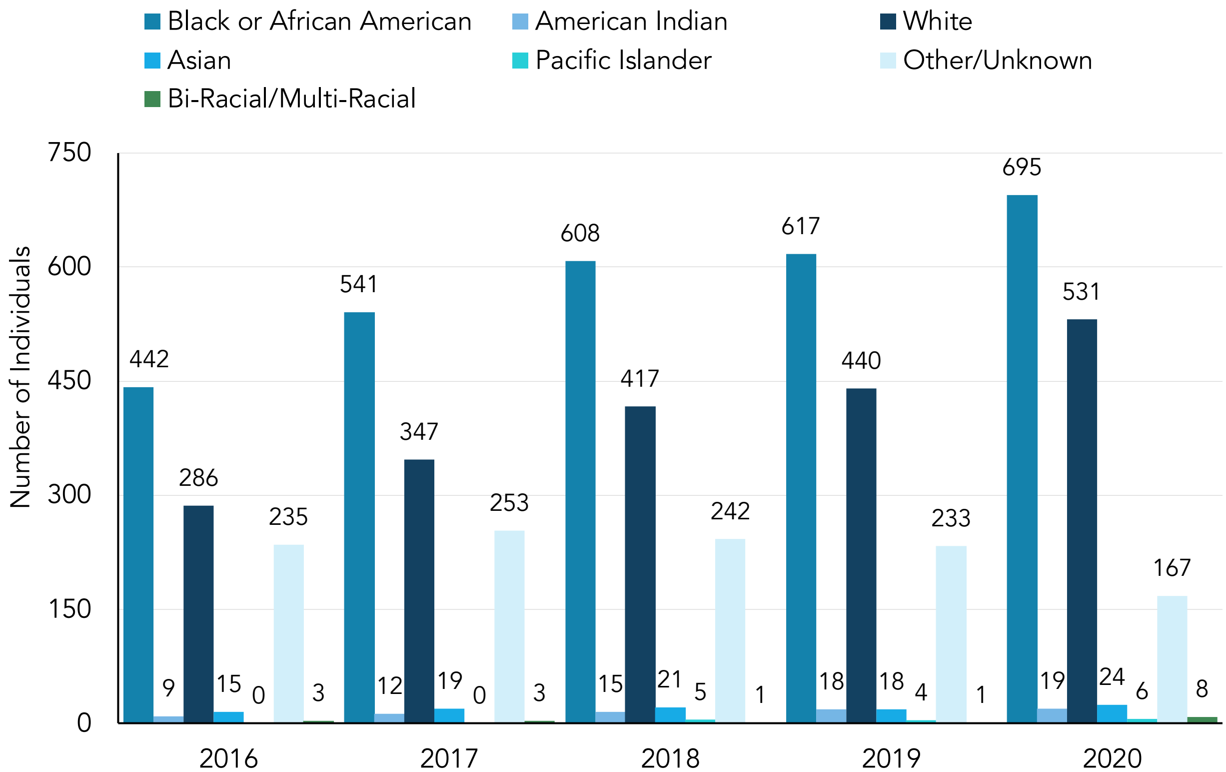
Total number of individuals housed in each calendar year. Some individuals may be represented in multiple years. Individuals where age was not identified are not represented.

FIGURE 44: GENDER OF INDIVIDUALS* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING (2016–2020)



Total number of individuals housed in each calendar year. Some individuals may be represented in multiple years.

FIGURE 45: RACE OF INDIVIDUALS* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING BY PROPORTION (2016–2020)



**Total number of individuals housed in each calendar year. Some individuals may be represented in multiple years. No individuals identified as Pacific Islander in 2016 or 2017.*

TABLE 50: RACE OF INDIVIDUALS IN DMH MHSA CAPTIAL INVESTMENT PROGRAM – PERMANENT SUPPORTIVE HOUSING (2020)

	# of Individuals	% Change from 2019
American Indian	19	+6%
Asian	24	+33%
Black or African American	695	+13%
Pacific Islander	6	+50%
White	531	+21%
Other/Unknown	167	-28%
Bi-Racial/Multi-Racial	8	+700%

e

MHSA Capitalized Operating Subsidy Reserve

The Capitalized Operating Subsidy Reserve (COSR) is an operating subsidy used in conjunction with designated MHSA-funded PSH units. The purpose of the COSR is to ensure the break-even operation of these PSH units by funding the difference between approved operating expenses and tenant rents for the duration of the initial financing period of 15-20 years. The MHSA Housing Program allowed one-third of the initial allocation of program funds to be used for COSR. COSR funds are set aside at loan closing and are held by CalHFA. COSR was available under the MHSA Housing Program and SNHP. To date, the County has elected not to use NPLH dollars to fund COSR.

During calendar year 2020, seven of the eleven housing developments funded under the MHSA Housing Program used COSR to make the units affordable for the target population. These funds are disbursed annually by CalHFA after reviewing the development's operating costs. However, the disbursements are not automatic and the request for disbursement must be initiated by the housing owner operator based on actual expenses. When CalHFA announced the ending of the SNHP Program at the end of 2018, DMH elected to distribute uncommitted capital funds to replenish the current COSR accounts to ensure continued affordability for an additional 10 to 15 years. Tables 51 and 52 and Figures 46 through 50 describe the impact of the MHSA subsidy in 2020. It is important to note that this data is a subset of the overall MHSA Capital Investment Program data above. Items of note include:

- There was a nine (9) percent decrease in requested COSR funding from 2019 to 2020, which was almost level with 2017 funding (see Table 51);
- Fifty-nine (59) percent of the COSR recipients are under the age of 60 (see Figure 48); and
- Black or African American participants have made up the majority of COSR recipients since 2017 (see Figure 50).

TABLE 51: DMH MHSA COSR PROGRAM EXPENDITURES AS REQUESTED BY DEVELOPERS (2020)

	Amount	% Change from 2019
Funds Utilized	$1,201,605	-9%
Average Cost per Tenant	$5,949	+16%

FIGURE 46: DMH MHSA COSR PROGRAM EXPENDITURES AS REQUESTED BY DEVELOPERS (2017–2020)

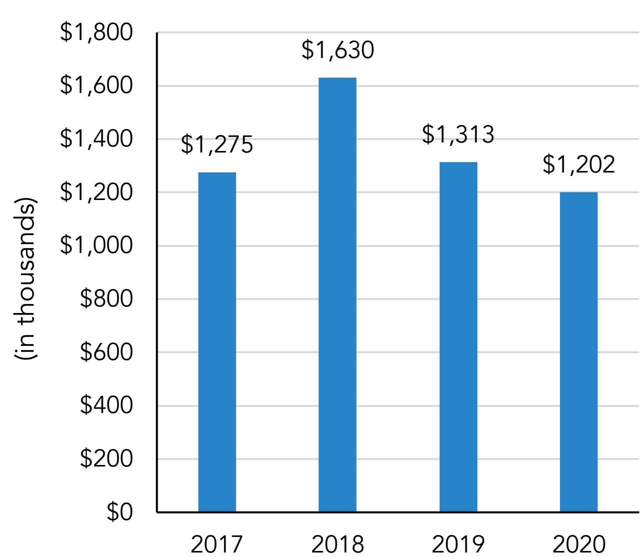


TABLE 52: DMH MHSA COSR SUBSIDIZED HOUSEHOLDS

	# of Households	% Change from 2019
Total Recipients Housed in 2020	231	-16%
Newly Housed Recipients Housed in 2020	26	+4%
Projected Turnover of Recipients in 2021	26	0%

FIGURE 47: DMH MHSA COSR UTILIZATION (2017-2020)

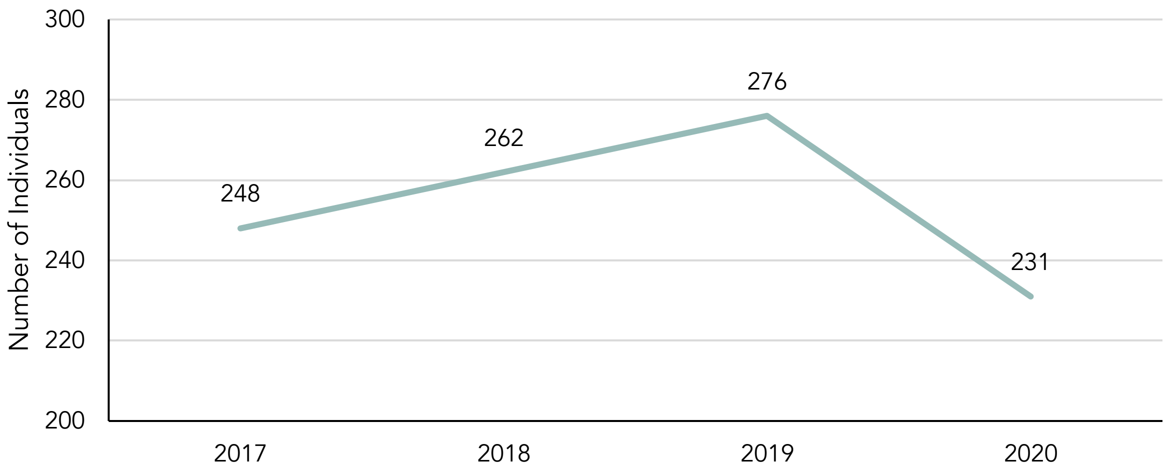
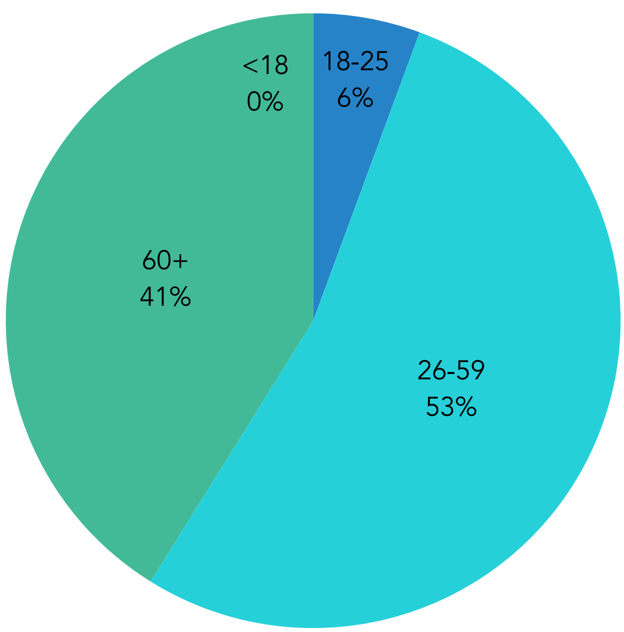
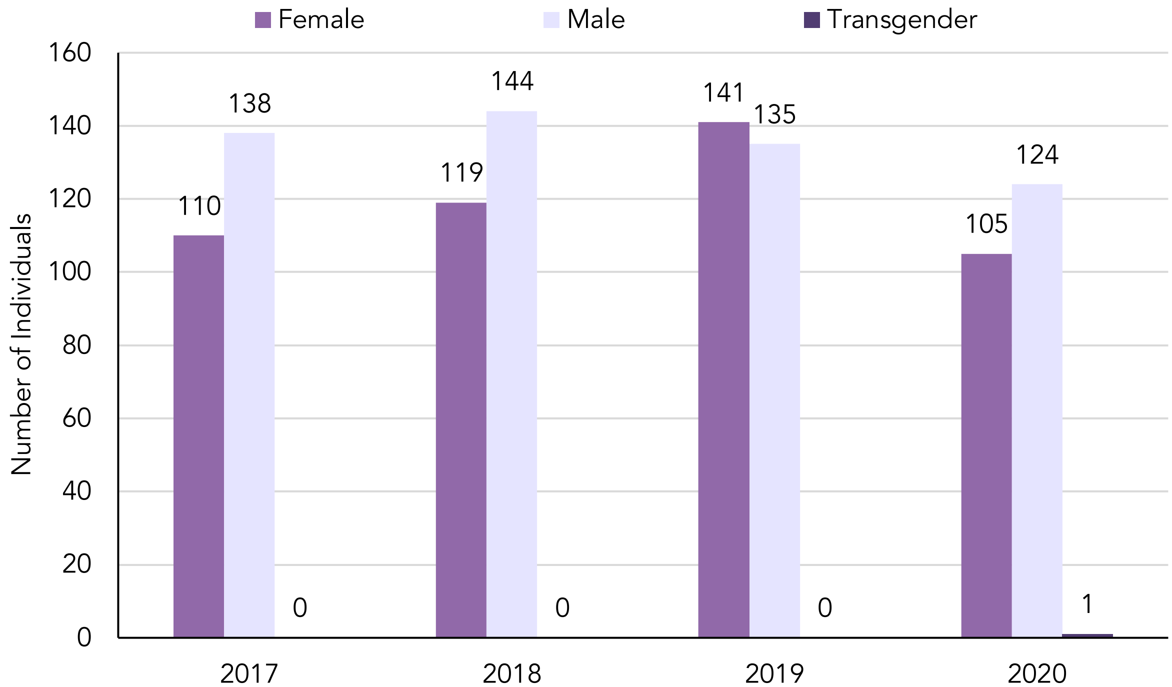


FIGURE 48: AGES OF DMH MHSA COSR RECIPIENTS (2020)



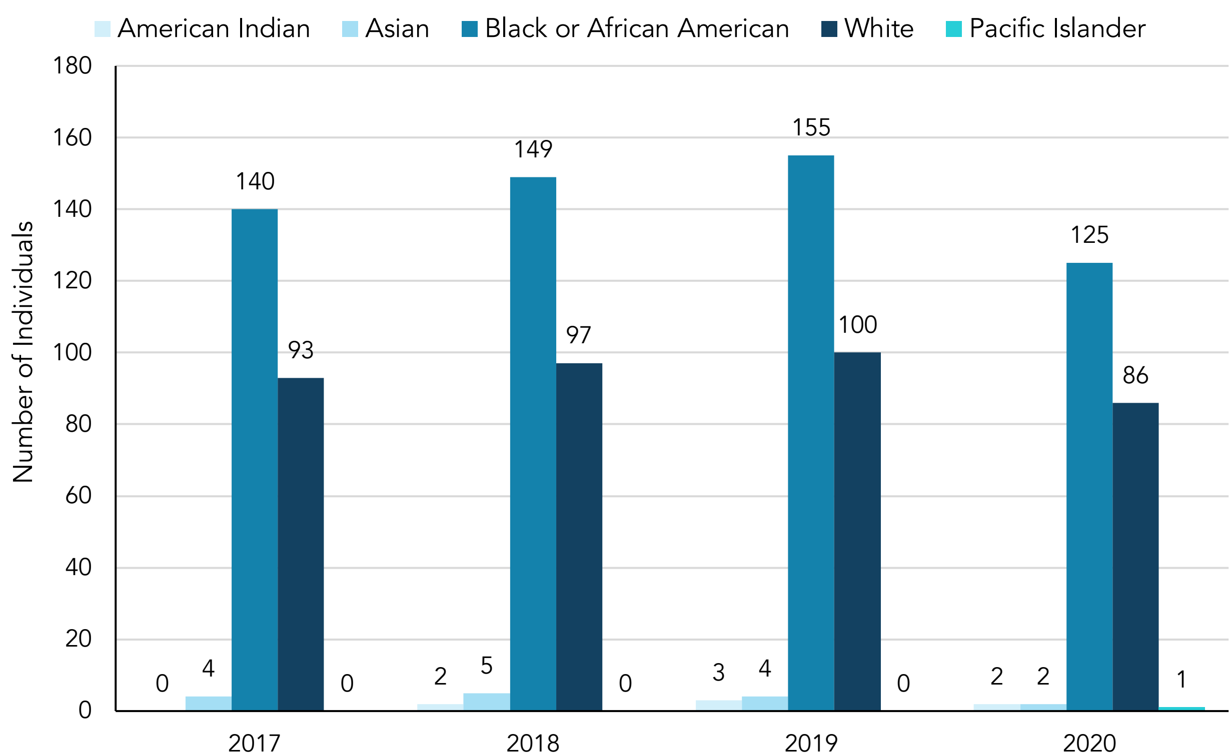
Age Categories	# of Individuals
< 18	0
18-25	13
26-59	123
60+	95

FIGURE 49: GENDER OF DMH MHSA COSR RECIPIENTS* (2017-2020)



Total number of recipients in each calendar year. Some individuals may be represented in multiple years. Individuals where gender was not identified are not represented.

FIGURE 50: RACE OF RECIPIENTS IN IN DMH MHSA COSR RECIPIENTS* (2017-2020)



Total number of recipients housed in each calendar year. Some individuals may be represented in multiple years. Individuals where race was not identified are not represented.

Federal Housing Subsidy Unit Program

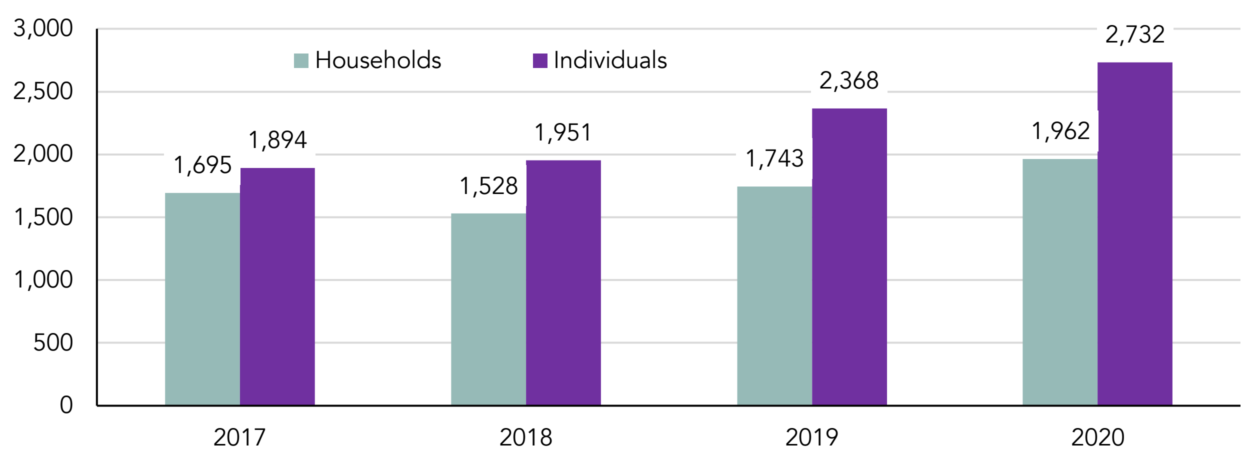
DMH's Federal Housing Subsidy Unit (FHSU) Program provides clients access to federal tenant-based PSH subsidies such as Continuum of Care (CoC), Tenant Based Supportive Housing (TBSH), Homeless Section 8 (HS8) and the Housing Choice Voucher Program (HCVP). FHSU oversees 16 contracts with the City and County Housing Authorities and three contracts in which DMH partners with the Department of Health Services (DHS) and the Los Angeles Homeless Services Authority (LAHSA).[56] Federal subsides make units affordable by allowing clients to pay a limited percentage of their income as rent, with the balance paid to the property owner by the Housing Authority. A summary of FHSU Program outcomes and demographics is shown in Tables 53 through 59 and Figures 51 through 53. Items of note in 2020 include:

- More than 2,700 individuals are currently housed under the FHSU Program, which is 364 more individuals than in 2019. Newly housed individuals total 434 (see Table 53);
- Forty-eight (48) percent of FHSU Program clients used HACLA CoC certificates (see Table 54);
- More than half of FHSU Program clients are people of color (see Table 57 and Figure 53); and
- More than 70 percent of rental subsidy recipients are between the ages of 40 and 69 (see Table 55 and Figure 52).

TABLE 53: DMH FEDERAL HOUSING SUBSIDY UNIT PROGRAM (2020)

	# of Households/Individuals	% Change from 2019
Total Number of Households Currently Housed	1,962	+13%
Total Number of Individuals Currently Housed	2,732	+15%
Number of Households Newly Housed	330	+39%
Number of Individuals Newly Housed	434	+18%

FIGURE 51: CURRENTLY HOUSED HOUSEHOLDS AND INDIVIDUALS IN FHSU PROGRAM (2017-2020)



[56] Client data for the three contracts that DHS and LAHSA are contract leads for are not included in the DMH data to avoid duplication.

TABLE 54: RENTAL SUBSIDIES UTILIZED BY DMH CLIENTS (2020)

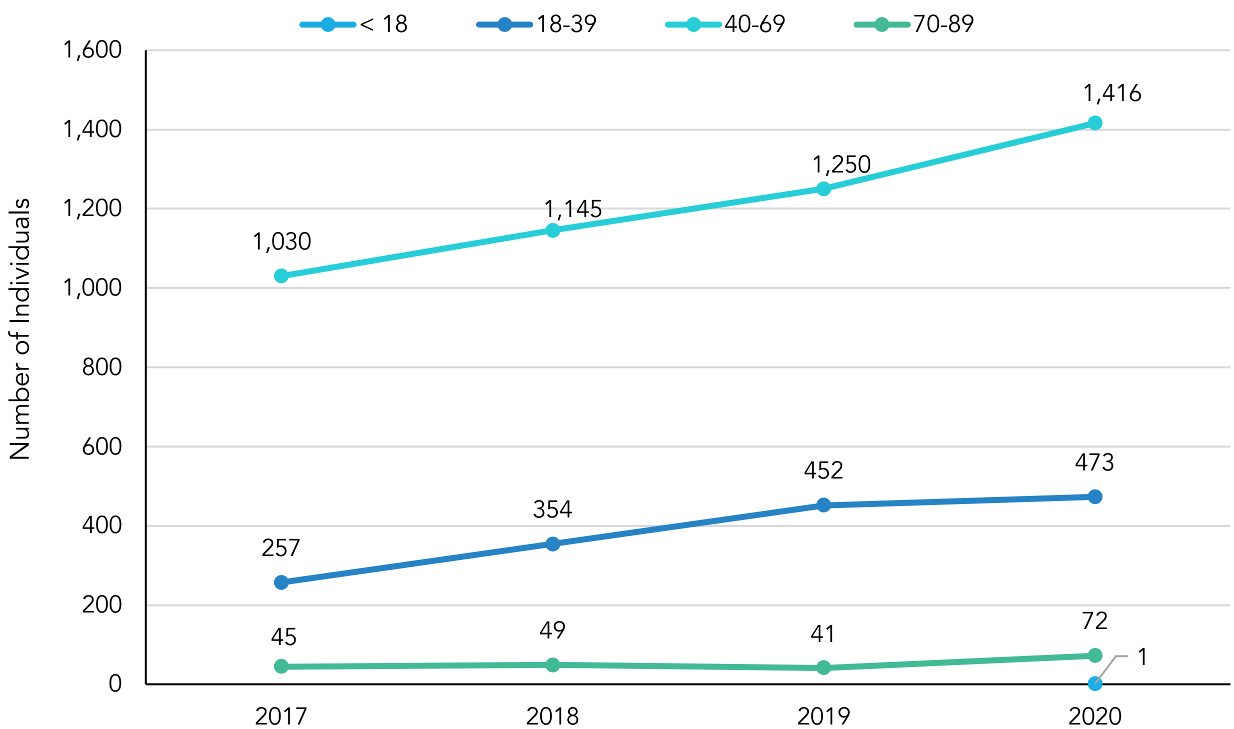
	# of Households	% Change from 2019
HACLA CoC	976	+7%
LACDA CoC	638	+26%
LACDA HCVP	30	N/A
HACLA TBSH	258	+16%
HACLA HS8	129	+28%

TABLE 55: AGES* IN DMH TENANT-BASED PROGRAMS (2020)

	# of Individuals	% Change from 2019
<18	1	N/A
18-29	160	+3%
30-39	313	+6%
40-49	352	+7%
50-59	600	+3%
60-69	464	+36%
70-79	65	+63%
80-89	7	+600%

**Age reported is based on head of householder.*

FIGURE 52: AGES OF CLIENTS* IN DMH TENANT-BASED PROGRAMS (2017-2020)



**Total number of recipients in each calendar year. Some individuals may be represented in multiple years.*

TABLE 56: GENDER* OF CLIENTS IN DMH TENANT-BASED PROGRAMS (2020)

	# of Individuals	% Change from 2019
Female	1,005	+17%
Male	816	+23%
Transgender	6	+50%
Queer	2	0%
Unknown	133	+34%

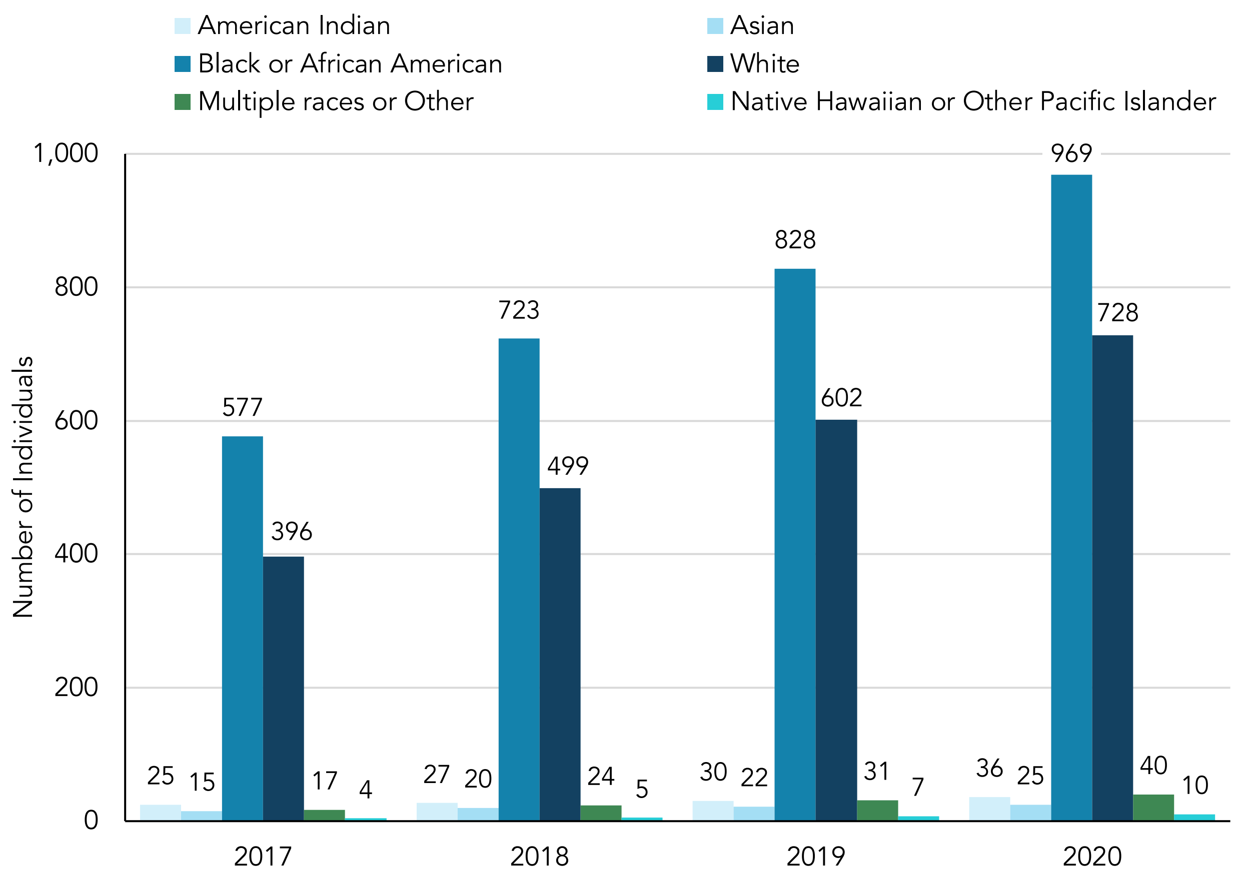
Gender reported is based on head of householder.

TABLE 57: RACE* OF CLIENTS IN DMH TENANT-BASED PROGRAMS (2020)

	# of Individuals	% Change from 2019
American Indian	36	+20%
Asian	25	+14%
Black or African American	969	+17%
White	728	+21%
Native Hawaiian or Other Pacific Islander	10	+43%
Multiple Races or Other**	40	+29%
Client Refused/Unknown	154	+38%

Race reported is based on head of householder.
***Includes individuals who identify as multiple races, other Hispanic or Other Latino, or Central American.*

FIGURE 53: RACE OF DMH CLIENTS* IN TENANT-BASED PROGRAMS (2017-2020)



Total number of clients in each calendar year. Some individuals may be represented in multiple years. Individuals where race was not identified are not represented.

TABLE 58: ETHNICITY* OF CLIENTS IN DMH TENANT-BASED PROGRAMS (2020)

	# of Individuals	% Change from 2019
Non-Hispanic/Latino	1,433	+18%
Hispanic/Latino	373	+22%
Client Doesn't Know/Refused/Unknown	1145	+36%

**Ethnicity reported is based on head of householder.*

TABLE 59: REASONS FOR EXIT FROM DMH TENANT- AND PROJECT-BASED PROGRAM (2020)

	# of Households	% Change from 2019
Completed Program	8	-62%
Criminal Activity/destruction of property/violence	2	0%
Death	34	+26%
Left for a housing opportunity before completing program	5	+67%
Non-compliance with program	7	-53%
Non-payment of rent/occupancy charge	1	-50%
Other	12	+140%
Reached maximum time allowed by program	0	0%
Missing Data	2	-82%
Total	**71**	**-29%**

Legacy Federal Housing Subsidy Pool Program

The Legacy Flexible Housing Subsidy Pool (L-FHSP) Program which is administered by Brilliant Corners on behalf of DMH provides rental subsidies for individuals who are homeless, have a mental illness and do not qualify for federal housing subsidies. In most cases, the individual, along with their case manager, will conduct a housing search to identify potential apartments for rent. After an apartment has been identified, Brilliant Corners will inspect the unit and negotiate a rental contract with the owner. The individual is required to pay 30 percent of their household income toward rent, and the L-FHSP Program will pay the balance directly to the owner/property management company. In addition, the L-FHSP Program covers the cost of the security deposit and household goods. If the individual has zero income at the time of move-in, the program will also pay the monthly utility costs. This program is only available for individuals served through DMH's directly-operated clinics and is often used for individuals that do not meet the requirements for a federal subsidy due to documentation status or criminal justice involvement. A summary of L-FHSP Program outcomes and demographics is shown in Tables 60 through 66 and in Figures 54 through 57. Items of note in 2020 include:

- Fifty (50) households are currently housed under DMH's L-FHSP Program, ten of which are newly housed (see Table 61);
- A majority of program participants (78 percent) are under the age of 60 (see Figure 55);
- Nine (9) percent of households in the program are employed (see Table 66); and
- All of the funding for this program is fully obligated, which is reflected in the number of new people served.

TABLE 60: DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM EXPENDITURES* (2020)

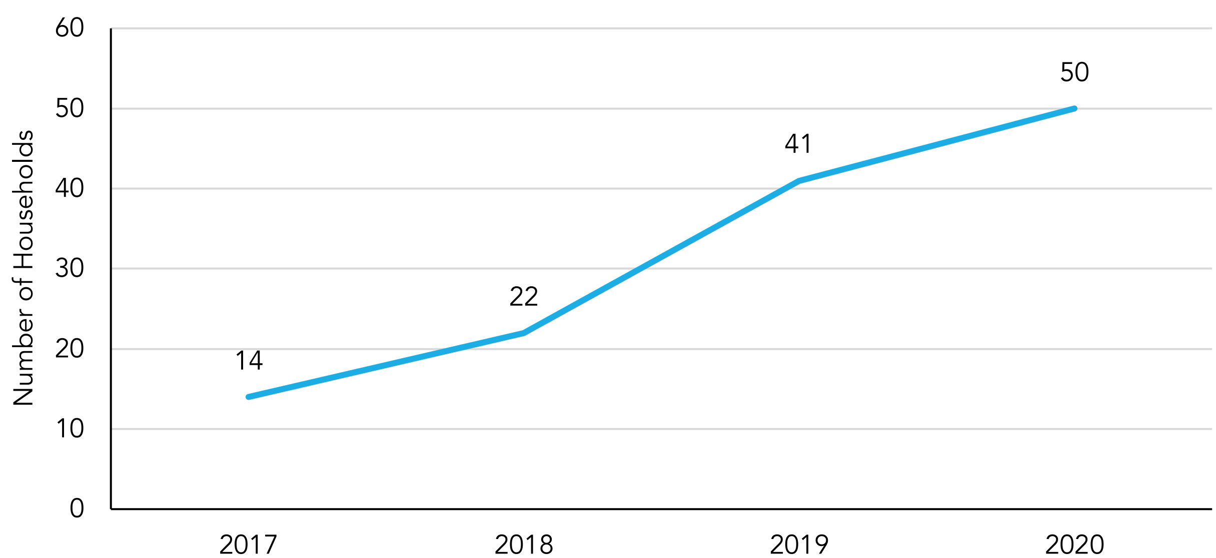
	Amount	% Change from 2019
Funds Utilized	$898,524	+36%
Average Monthly Cost per Tenant*	$1,387	-9%

Includes security deposits and utilities.

TABLE 61: DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2020)

	# of Households	% Change from 2019
Total Number of Households Currently Housed in 2020	50	22%
Number of Households Newly Housed in 2020	10	-47%
Projected Turnover of Households in 2021	3	N/A

FIGURE 54: CURRENTLY HOUSED HOUSEHOLDS* IN LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2017-2020)



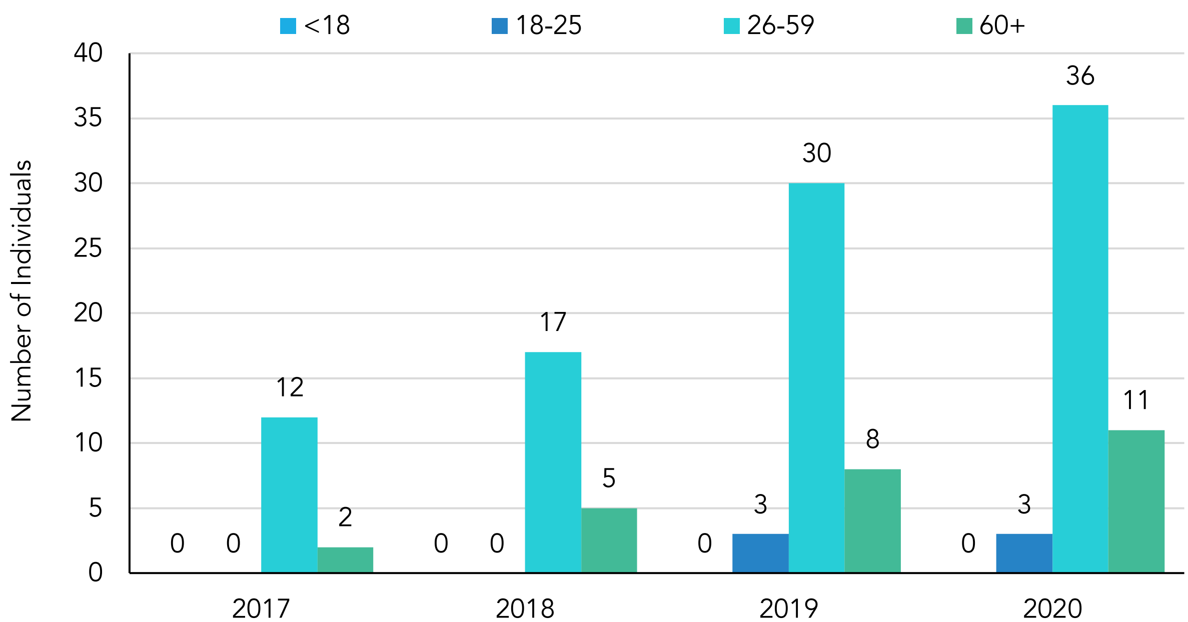
**Total number of households housed in each calendar year. Some households may be represented in multiple years.*

TABLE 62: AGES* OF RECIPIENTS IN DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2020)

	# of Individuals	% Change from 2019
<18	0	N/A
18-25	3	0%
26-59	36	+20%
60-89	11	+38%

Age reported is based on head of householder.

FIGURE 55: AGES OF RECIPIENTS* IN DMH FHSP SUBSIDIZED UNITS (2017-2020)



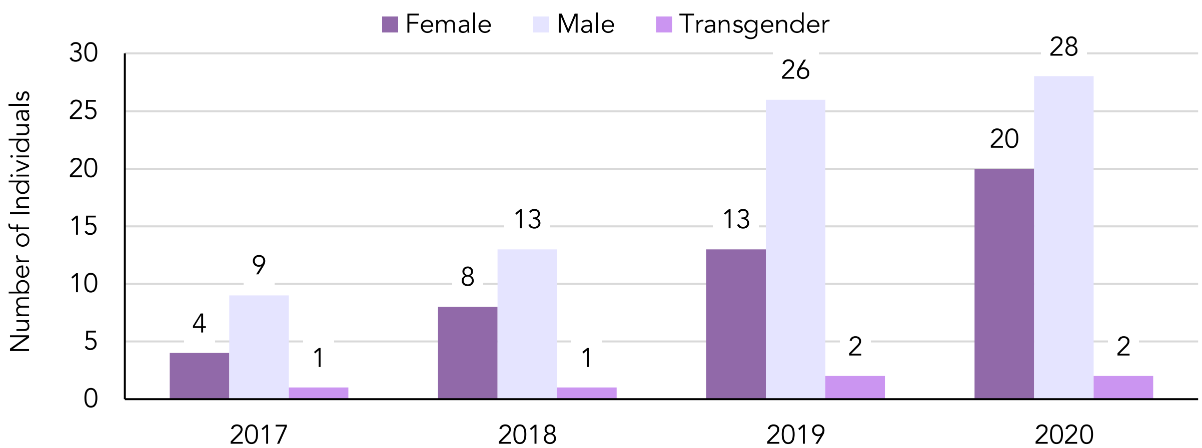
Total number of recipients in each calendar year. Some individuals may be represented in multiple years. Age reported is based on head of householder.

TABLE 63: GENDER* OF RECIPIENTS IN DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2020)

	# of Individuals	% Change from 2019
Female	20	+54%
Male	28	+8%
Transgender	2	0%

Gender reported is based on head of householder.

FIGURE 56: GENDER OF RECIPIENTS* IN DMH FHSP SUBSIDIZED UNITS (2017-2020)



Total number of recipients in subsidized units in each calendar year. Some individuals may be represented in multiple years. Gender reported is based on head of householder.

TABLE 64: RACE* OF RECIPIENTS IN DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2020)

	# of Individuals	% Change from 2019
American Indian	1	N/A
Asian	1	0%
Black or African American	17	+21%
White	20	+11%
Native Hawaiian or other Pacific Islander	11	+38%

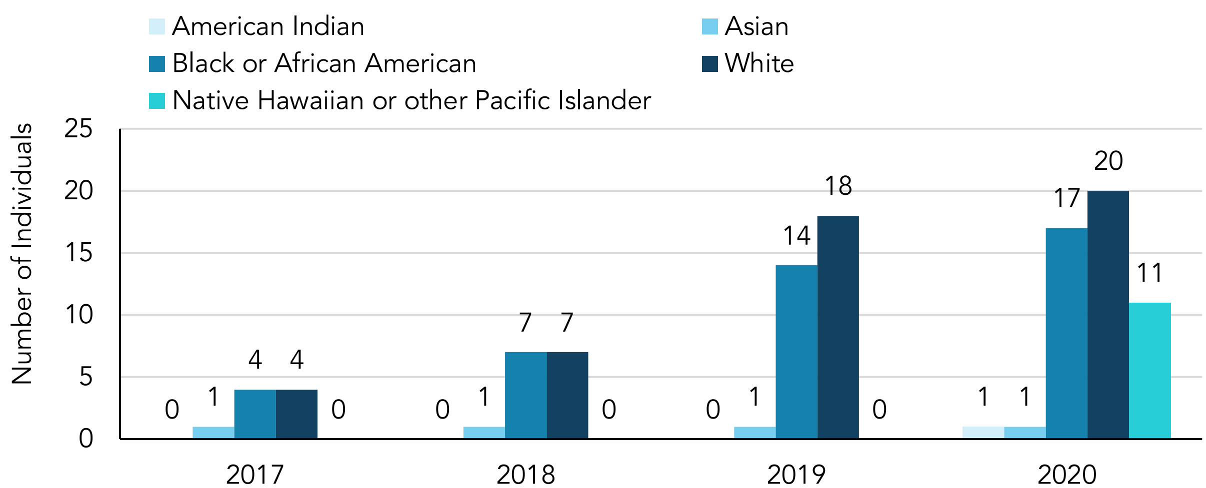
**Race reported is based on head of householder.*

TABLE 65: ETHNICITY* OF RECIPIENTS IN DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2020)

	# of Individuals	% Change from 2019
Non-Hispanic/ Latino	26	+8%
Hispanic/Latino	23	+35%
Unknown	1	N/A

**Ethnicity reported is based on head of householder.*

FIGURE 57: RACE OF RECIPIENTS* IN IN DMH FHSP SUBSIDIZED UNITS (2017-2020)



**Total number of recipients in subsidized units in each calendar year. Some individuals may be represented in multiple years.*

TABLE 66: HOUSEHOLD INCOME OF DMH FHSP RECIPIENTS AT TIME OF MOVE IN (2020)

Household Income	# of Households
Zero Income	8
Social Security Disability Insurance (SSDI)	8
Supplemental Security Income (SSI)	7
Social Security Retirement (SSR)	5
General Relief (GR)	9
Family/Friend	4
Employment	5
CalWORKs (TANF)	4
Child Support	0
Cash Assistance Program for Immigrants (CAPI)	4

Housing for Mental Health Program

In FY2019-20, $10 million in MHSA funds was set aside to launch the Housing for Mental Health (HFMH) program, which provides funding for rental subsidies, security deposits, utility assistance and household goods. This program targets highly vulnerable individuals with serious mental illness who are enrolled in the Full Service Partnership (FSP) program and are homeless and/or have criminal justice involvement. Twenty percent of housing subsidies are reserved for FSP clients referred by the DHS Office of Diversion and Reentry (ODR). The HFMH program also works in close collaboration with the DHS Intensive Case Management Services (ICMS) program, whose staff work alongside the FSP teams to assist clients with the housing application process, and with Brilliant Corners who serves as the administrator of the HFMH subsidies.

DMH used the $10 million to allocate 413 HFMH housing subsidy vouchers across 17 FSP and ODR programs. The FSP and ODR programs, in turn, refer clients to these HFMH vouchers. As of December 31, 2020, 401 individuals had been referred for HFMH vouchers and 284 had moved into permanent housing including both tenant-based and project-based housing. Significant delays in the completion of several of the housing developments relying on project-based HFMH vouchers, however, has delayed the implementation of the program and reduced the number of clients housed and the amount of funding deployed.

Data on HFMH program funding and investments are shown in Table 67. Data on tenant-based subsidies and recipient demographics are shown in Tables 68 and 69 and Figures 58 through 60. Data on project-based subsidies and recipient demographics are shown in Table 70 and Figures 61 through 63. Items of note for 2020 include:

- Almost a third of the HFMH budget was used for tenant-and project-based subsidies in 2020 (see Table 67);
- Ninety-five percent of those currently housed with tenant-based subsidies were newly housed (198) (see Table 68);
- Only five households in the tenant-based program are over the age of 70 (see Figure 59); and
- Seven out of every ten households in the project-based program are households of color (see Figure 61).

TABLE 67: DMH HOUSING FOR MENTAL HEALTH PROGRAM FUNDING

	Amount
FY2020 Total HFMH Budget	$10,000,000
Funds Utilized for Tenant- and Project-Based Subsidies In CY2020*	$3,074,870
Average Cost of Monthly Rental Subsidy in 2020 (Tenant-Based)	$1,372
Average Cost per Tenant in 2020 (Project-Based)	$1,285

**This is a subset of the total FY2020 HFMH Budget.*

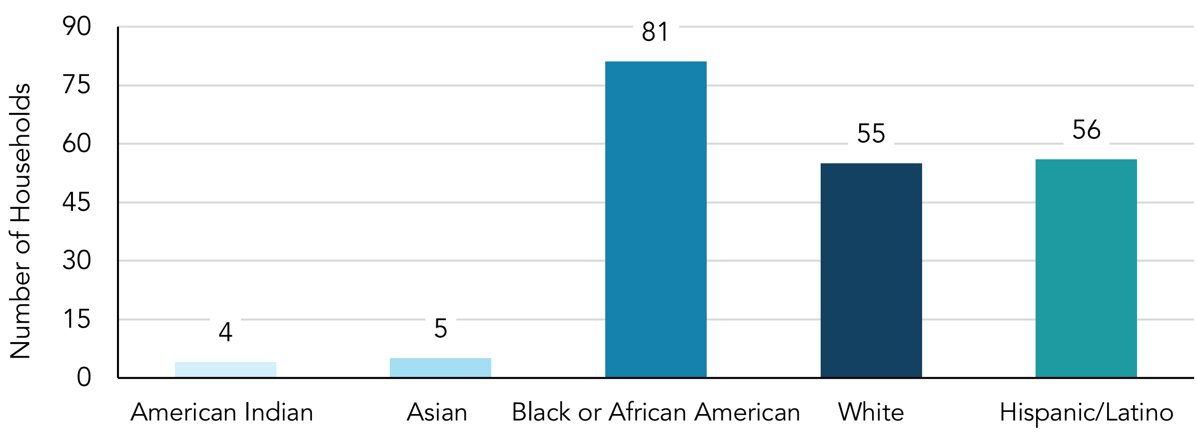
Tenant-Based Subsidies

TABLE 68: DMH HOUSING FOR MENTAL HEALTH TENANT-BASED PROGRAM (2020)

	# of Households
Total Number of Households Currently Housed*	208
Number of Households Newly Housed	198
Number of Subsidies Allocated	304

**HFMH is currently in ramp up. As of December 31, 2020, 208 individuals have been housed and another 96 have been matched to subsidies and are in the housing process.*

FIGURE 58: RACE OF DMH HFMH TENANT-BASED PROGRAM CLIENTS* (2020)



** The households who did not identify a race or their race is unknown are not represented.*

FIGURE 59: AGES IN DMH HFMH TENANT-BASED PROGRAM (2020)

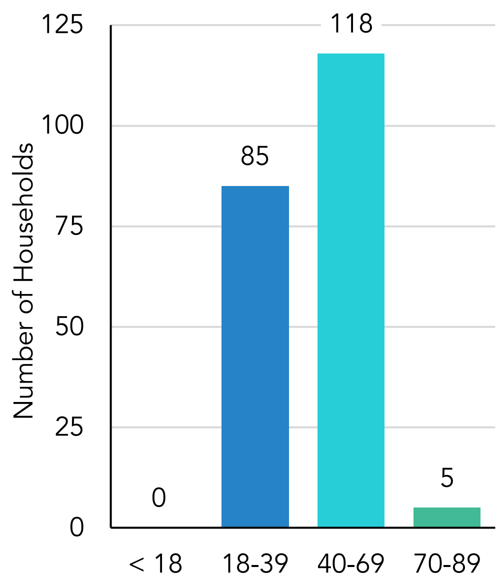


FIGURE 60: GENDER OF DMH HFMH TENANT-BASED PROGRAM CLIENTS (2020)

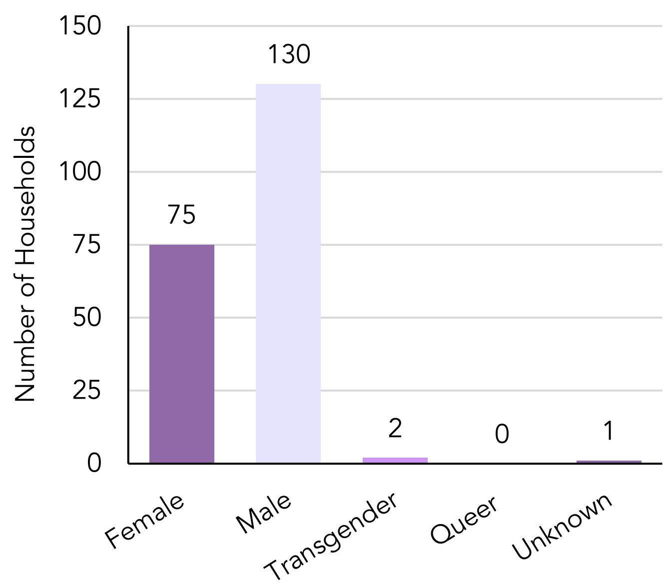


TABLE 69: REASONS FOR EXIT FROM DMH HFMH TENANT-BASED PROGRAM (2020)

	# of Households	% of HFMH Households
Declined Housing Support	1	0.5%
Moved Out of Unit	1	0.5%
Moved Out of County	6	2.8%

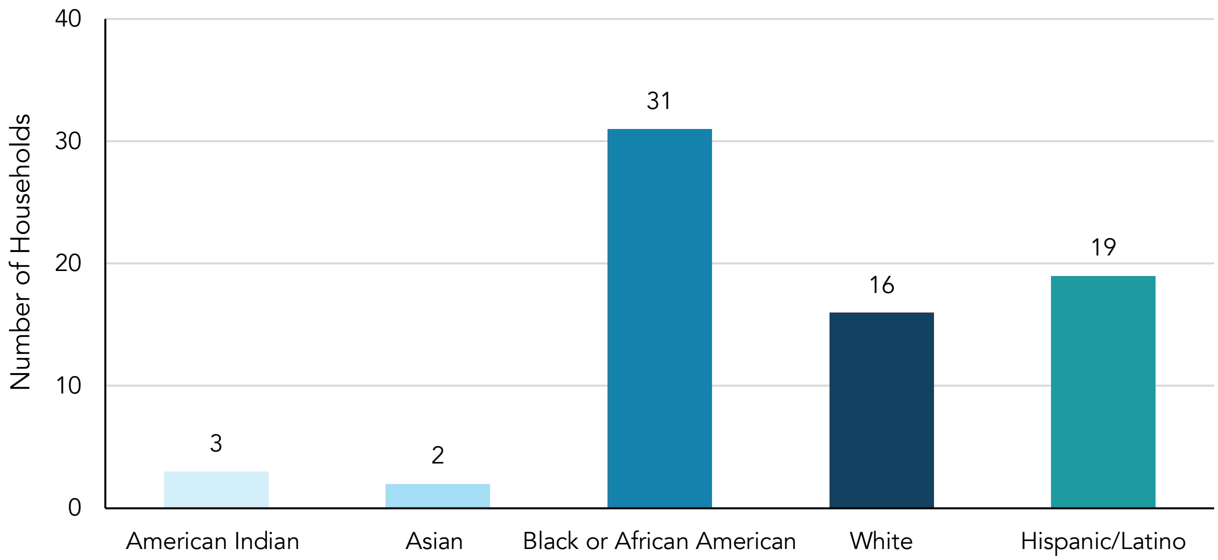
Project-Based Subsidies

TABLE 70: DMH HOUSING FOR MENTAL HEALTH PROGRAM PROEJCT-BASED SUBSIDIES (2020)

	# of Households
Total Number of Households Currently Housed*	76
Number of Households Newly Housed	78
Allocated Number of Households in Project-Based Subsidized Units	109

**Highly vulnerable individuals with a serious mental illness who are enrolled in a Full Service Partnership (FSP) Program and are homeless and/or have criminal justice involvement are recipients of project-based subsidies.*

FIGURE 61: RACE OF RECIPIENTS* IN HFMH PROJECT-BASED SUBSIDIZED UNITS (2020)



*The households who did not identify a race or their race is unknown are not represented are not included.

FIGURE 62: AGES IN DMH HFMH PROJECT-BASED PROGRAM (2020)

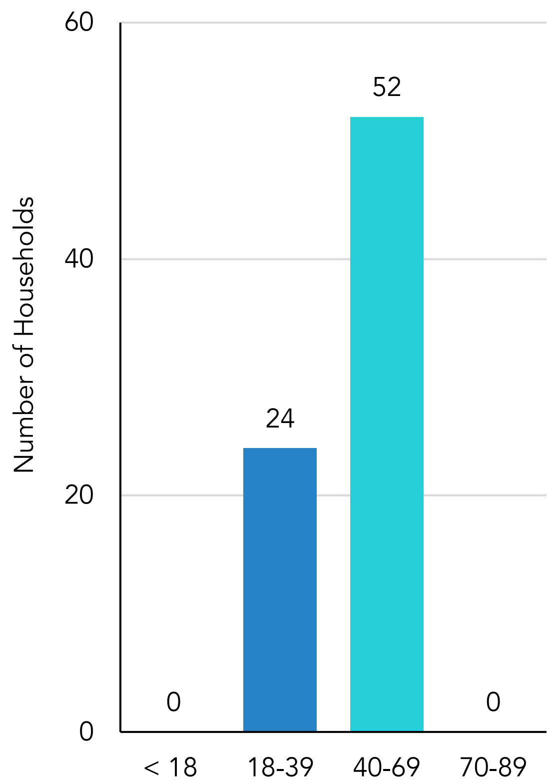
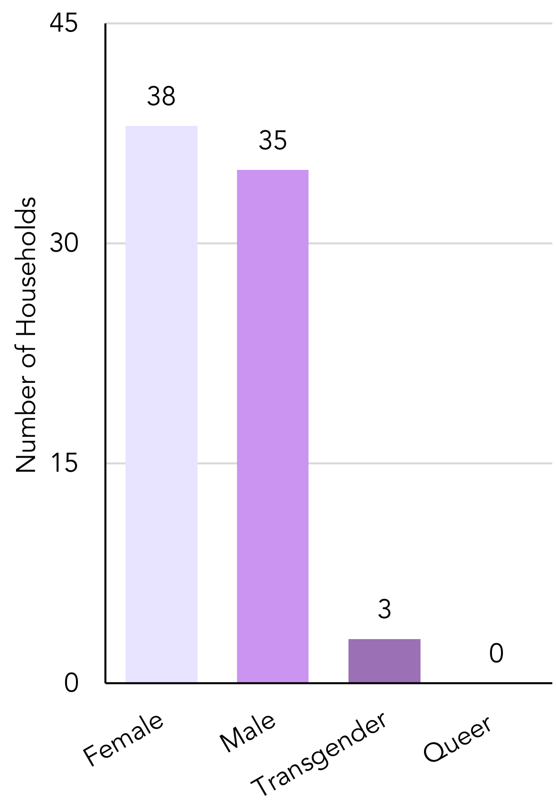


FIGURE 63: GENDER OF RECIPIENTS IN HFMH PROJECT-BASED SUBSIDIZED UNITS (2020)



DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS

The Department of Consumer and Business Affairs (DCBA) serves as the administrator of the County's expanded eviction defense program, also known as Stay Housed LA County, funded by Measure H and County Net County Cost to provide low-income tenants living in the county with free limited and full-scope legal representation; short-term rental assistance; and direct tenant outreach, education, and other complementary services to stabilize their housing while facing potential eviction and/or homelessness due to financial hardship.

Due to the onset of the COVID-19 pandemic, DCBA contracted with the Liberty Hill Foundation in June 2020 to quickly launch a Measure H-funded, countywide Emergency Eviction Prevention Program (EEPP) to provide information, education, and free limited legal services to tenants earning up to 80 percent of the area median income and facing potential eviction during the COVID-19 pandemic. The EEPP was launched as a way to immediately address the service delivery needs of vulnerable tenants while the County developed and launched a more comprehensive expanded eviction defense program to serve as the first line of defense for the expected wave of evictions caused by the COVID-19 pandemic.

Additional funding from the Affordable Housing Trust Fund, in the form of Net County Cost, was allocated in August 2020 to fund comprehensive eviction defense services in Los Angeles County with the implementation of the Expanded Eviction Defense Program (EDP). Shortly thereafter, DCBA entered into a contract with the Legal Aid Foundation of Los Angeles to deliver services under the EDP, which include full scope legal representation and short-term rental assistance to households making up to 50 percent of the area median income. Services delivered under the EDP would complement those being delivered via the EEPP.

On September 15, 2020, DCBA in partnership with the Liberty Foundation and the Legal Aid Foundation of Los Angeles formally launched the Stay Housed L.A. County program which consolidates the eviction defense programs EEPP and EDP under one branded, comprehensive County program. Table 71 summarizes activity of the Stay Housed L.A. County program in 2020.

TABLE 71: STAY HOUSED LA COUNTY EXPENDITURES AND ACTIVITY (2020)

	Amount
Expenditures	$1,890,347
	# of Tenants
Connected with Over Phone and Text Message	202,493
Provided with Limited Scope Legal Representation	6,924
Provided with Full Scope Legal Representation	396

Los Angeles Homeless Services Authority

The Los Angles Homeless Services Authority (LAHSA) administers federal, state, and local funds to service providers through the Los Angeles Continuum of Care (LA CoC). As such, LAHSA funds a number of rapid rehousing (RRH) programs that provide limited term rental subsidies that aim to quickly house people experiencing homelessness. Funding for the RRH programs come from a number of sources, including the County of Los Angeles, the City of Los Angeles, and California Housing and Community Development (HCD) Emergency Services Grants (ESG). Tables 72 through 76 and Figure 64 summarize the households and individuals that participated in LAHSA's RRH programs in 2020. Highlights include:

- Active enrollment fell by more than 2,000 individuals from 2019 to 2020[57] and by more than 4,000 from 2018 and 2020, a decrease of 13 percent and 22 percent, respectively (see Table 73);
- The number of households that received rental assistance in 2020 declined by 274 households or seven (7) percent (see Table 73);
- Black or African Americans make up half of the individuals housed in 2020 (see Figure 64); and
- Families are the predominant population housed through the rapid rehousing program 2020 (53 percent), a continuing trend from 2019 (see Table 75).

TABLE 72: LAHSA EXPENDITURES (FY2020)

	Amount	% Change from FY2019
FY2020-21 RRH Budget	$32,445,426	-48%
FY2020-21 Average Cost per Household*	$5,017	-51%
FY2020-21 Average Cost per Individual**	$2,355	-45%

**A household can be one or more persons.*
***An individual is representative of one person.*

TABLE 73: LAHSA RRH PROGRAMS (2020)

	# of Households	% Change in # of Households from 2019	# of Individuals	% Change in # of Individuals from 2019
Actively Enrolled	7,892	-8%	17,362	-13%
Housed*	2,121	-43%	4,989	-26%
Received Rental Assistance**	3,846	-7%	N/A***	N/A

**Participants with a move-in date or exit to a permanent destination.*
***Participants with a move-in date or rental assistance in the reporting period.*
****Move-ins and rental assistance services are only recorded for heads of household.*

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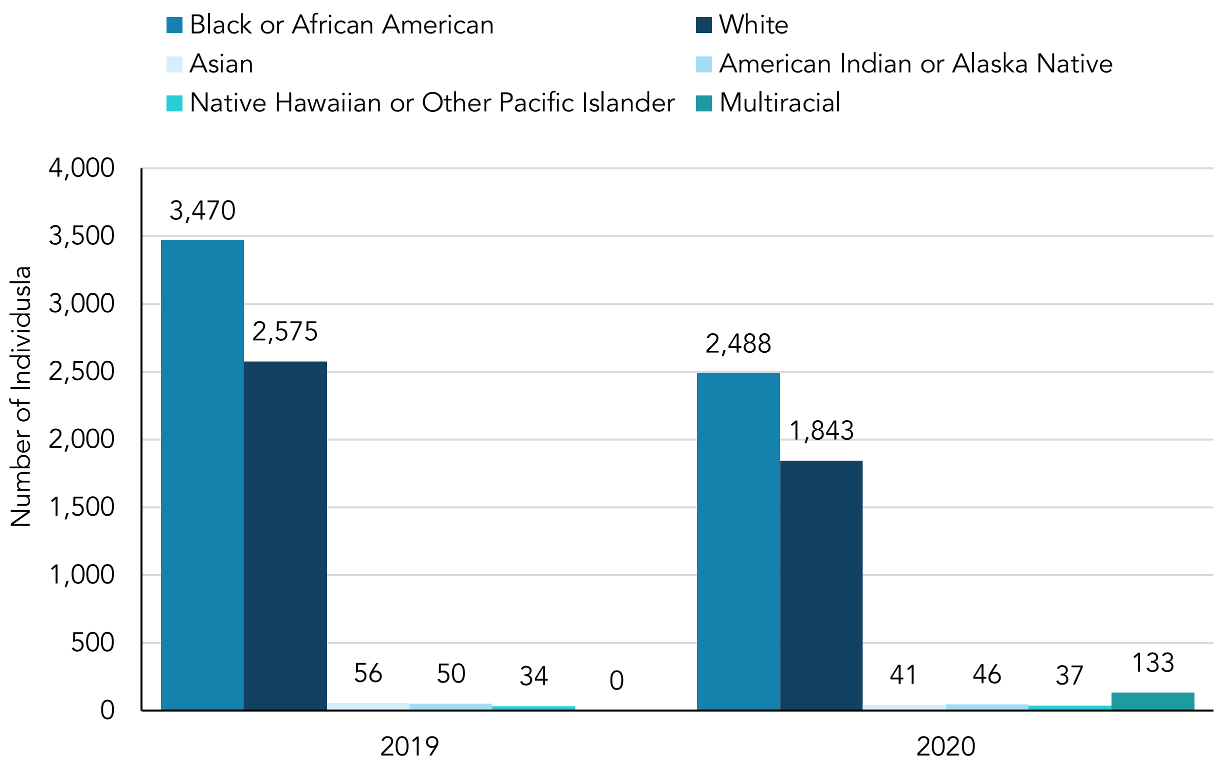
[57] The pandemic saw an increase in outside federal funding as well as changes in Measure H funding for the program year. These changes required guidance and clarification that slowed enrollments as new funding sources were added to contracts. In addition, many of the Rapid Recovery Providers took on additional programs and contract with the Rapid Rehousing (RRP) response, a response designed to quickly house individuals with COVID vulnerabilities, which created capacity issues.

FIGURE 64: RACE OF INDIVIDUALS* HOUSED THROUGH LAHSA RRH PROGRAM (2019-2020)



Year	Black or African American	White	Asian	American Indian or Alaska Native	Native Hawaiian or Other Pacific Islander	Multiracial	Unknown**	Total
2019	3,470	2,575	56	50	34	N/A	560	**6,745**
2020	2,488	1,843	41	46	37	133	401	**4,989**

**Includes individuals that were reported as 'client doesn't know', 'NULL', client refused' and 'data not collected' are not represented.*
***Includes individuals that were reported as 'client doesn't know', 'NULL', client refused' and 'data not collected'.*

TABLE 74: ETHNICITY OF INDIVIDUALS HOUSED THROUGH LAHSA RRH PROGRAM (2020)

	# of Individuals	% Change from 2019
Non-Hispanic/Latino	2,928	-29%
Hispanic/Latino	1,892	-24%
Unknown*	169	+21%
Total	**4,989**	**-26%**

**Includes individuals that were reported as 'client doesn't know', 'client refused' and 'data not' collected.*

TABLE 75: TYPES OF HOUSEHOLDS HOUSED THROUGH LAHSA RRH PROGRAM (2020)

	# of Households	% Change from 2019
Families	1,127	-34%
Youth	229	-51%
Adults	765	-9%
Total	**2,121**	**-43%**

TABLE 76: GENDER OF INDIVIDUALS HOUSED THROUGH LAHSA RRH PROGRAM (2020)

Gender	# of Individuals	% Change from 2019
Female	2,769	-30%
Male	2,186	-20%
Transgender	8	-73%
Gender Non-Conforming	6	0%
Client Doesn't Know	6	+500%
Client Refused/Data Not Collected	14	+56%
Total	**4,989**	**-26%**

Section 4. Neighborhood Context for Creating and Preserving Affordable Homes

Overview

Section 4 of the Affordable Housing Outcomes Report assesses neighborhood dynamics such as gentrification and displacement, transit access, and resources and opportunity that can be used to inform the County's affordable housing investments and policies.

Data Sources and Methodology

Gentrification, Displacement, and Exclusion

The analysis in this section uses a methodology for measuring gentrification, displacement, and exclusion at the neighborhood level developed by researchers as part of an inter-university initiative among UCLA, UC Berkeley and Portland State called the Urban Displacement Project (UDP). UDP classifies each census tract in Los Angeles County as one of nine neighborhood typologies: low-income/susceptible to displacement, ongoing displacement of low-income households, at risk of gentrification, early/ongoing gentrification, advanced gentrification, stable moderate/mixed income, at risk of becoming exclusive, becoming exclusive, and stable/advanced exclusive.[58,59]

This analysis uses the UDP methodology to determine how many of Los Angeles County's subsidized affordable rental homes at risk of conversion to market-rate housing are located in areas where their loss could contribute to patterns of displacement and exclusion of low-income people from increasingly resource- and amenities-rich areas.[60]

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[58] Zuk, Miriam, et al. 2020. "The Urban Displacement Replication Project: A Modified Gentrification and Displacement Methodology." October. Website: https://www.urbandisplacement.org/sites/default/files/images/udp_replication_project_methodology_10.16.2020-converted.pdf.

[59] Please note that the UDP displacement maps used in this report differ from maps utilized in section 4 of the 2020 Los Angeles County Outcomes Report, which only identified areas that have experienced or are at risk of experiencing future gentrification. In 2020, the UDP team updated the Los Angeles County map to employ the same displacement typologies that UDP used to create maps of Chicago, Atlanta, Denver, and Memphis, and San Francisco.

[60] The California Housing Partnership assesses the historical loss and conversion risk of affordable rental developments in Los Angeles County. For the purposes of this analysis, a development is considered 'at-risk' if it is at risk of converting to market-rate in the next five years ('High Risk' and 'Very High Risk' categories in the Partnership's risk assessment). For more information on these categories and the Partnership's risk assessment methodology, see Section 2 or Appendix A: Methodology.

Transit Access

Low-income households are more dependent on public transportation than higher-income households and are less likely to drive when they live near transit stations. [61] Gentrification is also more likely to occur in areas served by transit, which can lead to low-income households losing access to transit when they are forced to move as a result of displacement pressures.[62] To capture transit-oriented areas in Los Angeles County, this analysis uses the Southern California Association of Government's (SCAG) 2045 High Quality Transit Areas (HQTA).[63] These HQTA areas are used to determine how many of Los Angeles County's at-risk affordable developments are in transit-rich areas where their loss would contribute to patterns of low-income people losing convenient access to transit in the county.

Neighborhood Resources and Opportunity

Research has demonstrated that neighborhoods have independent, causal effects on key life outcomes, particularly for children. For example, a study published in 2018 found that 62 percent of the observed variation in long-term earnings among children in the United States born into low-income families around 1980 reflects the causal effects of neighborhoods as opposed to differences in their family characteristics, and that place-based factors such as poverty rates and the quality of local public schools are highly correlated with rates of upward mobility.[64]

This analysis uses the "opportunity map" that state housing funding agencies use to inform policies that incentivize locating affordable housing in higher-resource neighborhoods in order to achieve the larger goal of offering residents a more balanced set of geographic choices when compared to historic trends. The Tax Credit Allocation Committee (TCAC) and the Department of Housing and Community Development (HCD) work with the California Fair Housing Task Force—a group of independent researchers that includes the California Housing Partnership and multiple research institutes at UC Berkeley—to update this map (the "TCAC/HCD Opportunity Map" or "TCAC/HCD map") on an annual basis to account for new data and refine the methodology based on feedback and emergence of new evidence. The 2021 opportunity map used in this analysis was adopted by TCAC in December 2020.

In the TCAC/HCD map, each area—census tracts in non-rural areas and block groups in rural areas—is assigned to one of five categories (Highest Resource, High Resource, Moderate Resource, Moderate Resource (Rapidly Changing), and Low Resource) based on regionally-derived scores for 16 evidence-

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[61] For example, see: Newmark, Gregory and Haas, Peter. 2015. *Income, Location Efficiency, and VMT: Affordable Housing as a Climate Strategy.* Center for Neighborhood Technology Working Paper. December 16.
[62] Chapple, Karen et al. 2017. "Developing a new methodology for analyzing potential displacement." May. Website: https://communityinnovation.berkeley.edu/sites/default/files/developing_a_new_methodology_for_analyzing_potential_displacement.pdf?width=1200&height=800&iframe=true.
[63] SCAG defines High Quality Transit Areas as being within a half mile of stations with service every 15 minutes or less during peak commute times, including both fixed guideway transit ad bus rapid transit. This definition is consistent with state housing programs, except in that the criteria for defining proximity to transit stations varies somewhat across programs; for example, regulations for awarding Tax Credits defines proximity as a third of a mile, while other state programs (like SCAG) use a half-mile.
[64] Chetty, et al. 2018. *The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility.* Working Paper. Website: https://opportunityinsights.org/paper/the-opportunity-atlas/.

based neighborhood indicators, or to a sixth category (High Segregation and Poverty) if the area is both racially segregated and high-poverty. The Moderate Resource (Rapidly Changing) category was added in 2020 to identify Moderate Resource areas that, based on recent trends, may soon become High Resource areas.[65] Areas with opportunity index scores in the top 20 percent of each region are categorized as Highest Resource, and tracts and block groups whose scores fall into the next 20 percent of each region (top 20 percent to 40 percent) are categorized as High Resource.

Transit Access and Displacement, Gentrification, and Exclusion

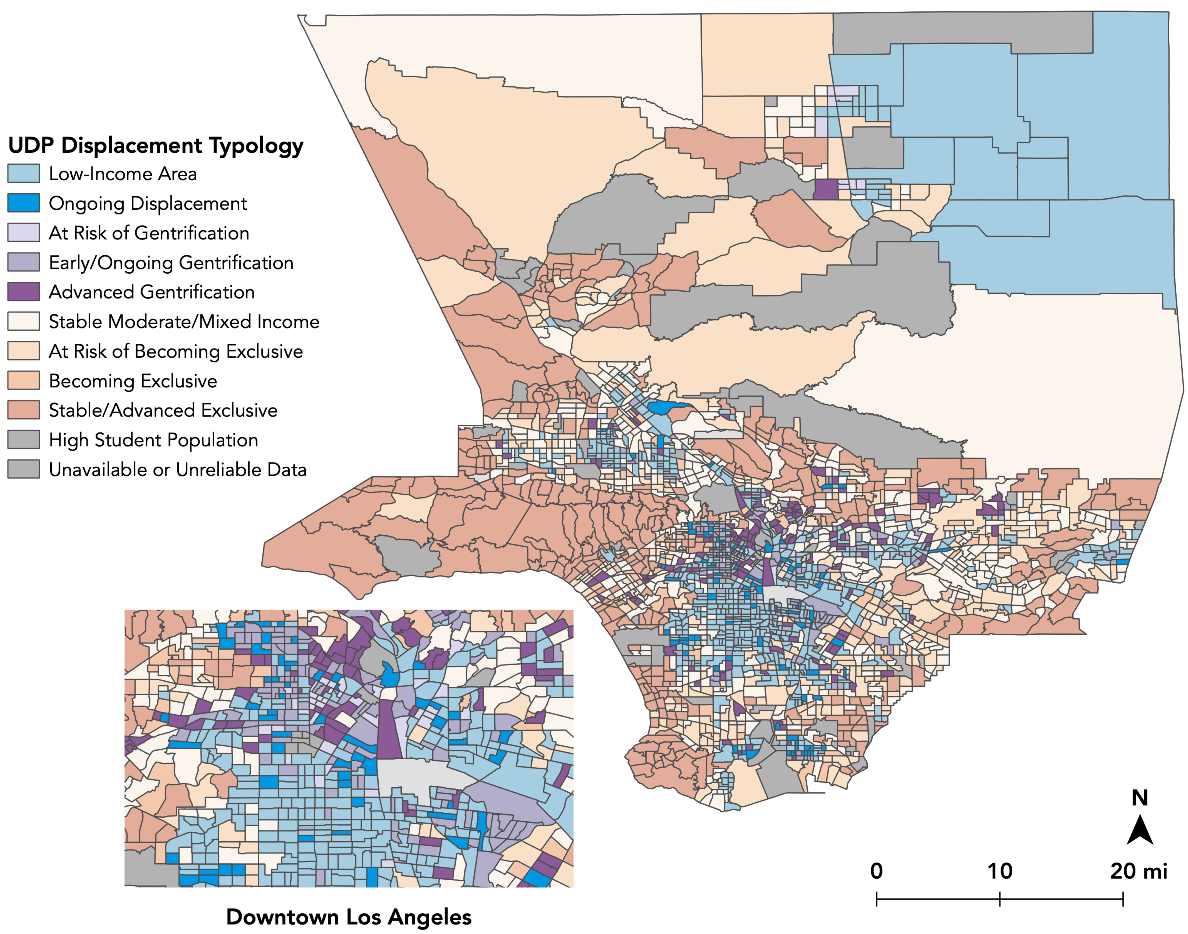
This analysis uses the Southern California Association of Government's (SCAG) 2045 High Quality Transit Areas (HQTA) map and the Urban Displacement Project's (UDP) displacement typology to understand local housing dynamics around gentrification, displacement, and exclusion at the census tract level. UDP classifies each census tract in Los Angeles County along a spectrum of nine neighborhood typologies from Low-Income/Susceptible to Displacement to Stable/Advanced Exclusive—as described below—where low-income households face increasing difficulty remaining in place given local housing market dynamics:[66]

- **Low-Income Area/Susceptible to Displacement:** Identifies low-income or mixed low-income neighborhoods affordable to low-income households, but that could develop gentrification and displacement pressures in the future.
- **Ongoing Displacement of Low-Income Households:** Identifies low-income or mixed low-income areas that experienced a loss of low-income households between 2000-2018.
- **At Risk of Gentrification:** Identifies low-income or mixed low-income areas that are not currently gentrifying, but where recent housing market changes indicate a risk of gentrification in the future.
- **Early/Ongoing Gentrification:** Identifies low-income or mixed low-income areas that are undergoing the process of gentrification.
- **Advanced Gentrification:** Identifies gentrified neighborhoods that have turned over to predominantly higher-income residents.
- **Stable Moderate/Mixed Income:** Identifies stable moderate to high-income neighborhoods that are not currently at risk of becoming exclusive to low-income households.
- **At Risk of Becoming Exclusive:** Identifies areas that are moderate to high-income, but present risk factors for future exclusion of low-income households.
- **Becoming Exclusive:** Identifies moderate to high-income areas that are beginning to exclude low-income households.
- **Stable/Advanced Exclusive**: Identifies neighborhoods that exhibit enduring patterns of exclusion.

[65] See the California Tax Credit Allocation Committee's website for the opportunity mapping methodology, as well as an interactive map and a downloadable file with scores and designations for each tract. Website: http://www.treasurer.ca.gov/ctcac/opportunity.asp.
[66] Zuk, Miriam, et al. 2020. "The Urban Displacement Replication Project: A Modified Gentrification and Displacement Methodology." October. Website: https://www.urbandisplacement.org/sites/default/files/images/udp_replication_project_methodology_10.16.2020-converted.pdf.

Figure 65 below shows the geographic distribution of all nine displacement typologies in Los Angeles County. Twenty-three (23) percent of census tracts are classified as low-income/susceptible to displacement, primarily in downtown and south Los Angeles, the southern portion of the San Fernando Valley, and the eastern half of the Antelope Valley. Four (4) percent of tracts are experiencing ongoing displacement of low-income households—most of which are concentrated in downtown and South Los Angeles. Sixteen (16) percent of tracts in Los Angeles County are at risk of gentrification, experiencing early/ongoing gentrification, or experiencing advanced gentrification. Much like the areas identified as experiencing ongoing displacement of low-income households, the areas of Los Angeles at risk of or experiencing gentrification are concentrated in downtown and south Los Angeles, as well as in southwestern areas of the San Gabriel Valley. The remaining 54 percent of census tracts—concentrated in the coastal areas, the westside cities, the Santa Clarita Valley, and the southeastern areas of Los Angeles County—are stable moderate/mixed income (23 percent) and exclusionary or at risk of becoming exclusionary to lower income households (31 percent).[67]

FIGURE 65: LOS ANGELES COUNTY GENTRIFICATION AND DISPLACEMENT CENSUS TRACT TYPOLOGIES

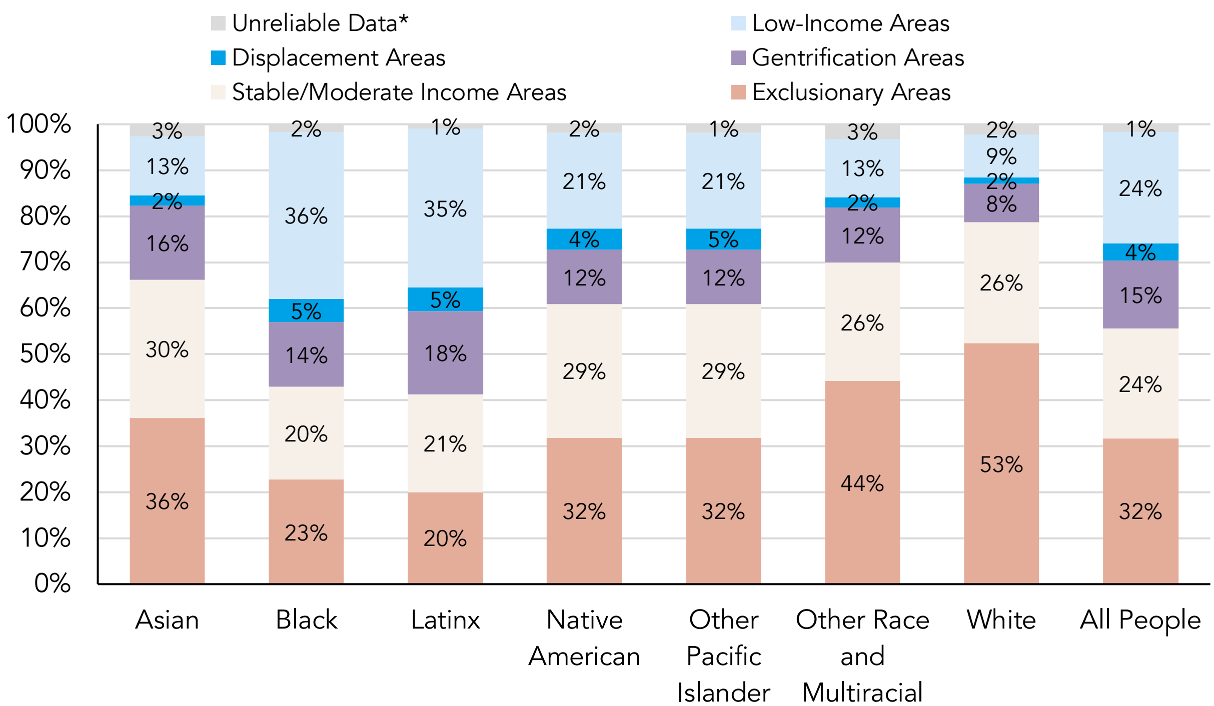


[67] Three (3) percent of census tracts in Los Angeles County have large student populations or do not have reliable data and were not given one of UDP's nine displacement typologies.

Displacement, Gentrification, and Exclusionary by Race and Ethnicity

The legacy of explicitly segregationist and discriminatory housing and land use policies—such as redlining, restrictive covenants, government-sponsored white flight,[68] disinvestment in communities of color, and predatory lending practices—have contributed to the racialization of displacement, gentrification, and exclusion in Los Angeles County. As shown in Figure 66, Black and Latinx residents are far more likely to reside in low-income areas, areas experiencing ongoing displacement of low-income households ("Displacement Areas" in figures and tables below), or areas at risk of or experiencing gentrification ("Gentrification Areas" in figures and tables below) than stable moderate/mixed income areas or higher income areas at risk of or experiencing exclusion ("Exclusionary Areas" in figures and tables below). The majority of Black (55 percent) and Latinx (58 percent) residents in Los Angeles County live in predominantly low-income areas and areas that are at risk of or experiencing gentrification and displacement pressures ("Gentrification Areas" and "Displacement Areas" in figures and tables below). By contrast, only 19 percent of white residents live in these areas.

FIGURE 66: SHARE OF RESIDENTS LIVING IN EACH UDP DISPLACEMENT TYPOLOGY – BY RACE AND ETHNICITY



Source: Urban Displacement Project Los Angeles Gentrification and Displacement Maps, updated in 2020 with 2018 data. Race and ethnicity analysis was completed with data from U.S. Census Bureau ACS, 2019 (5-year data).
*'Unreliable data' includes tracts with large student populations and areas with unreliable or unavailable data.

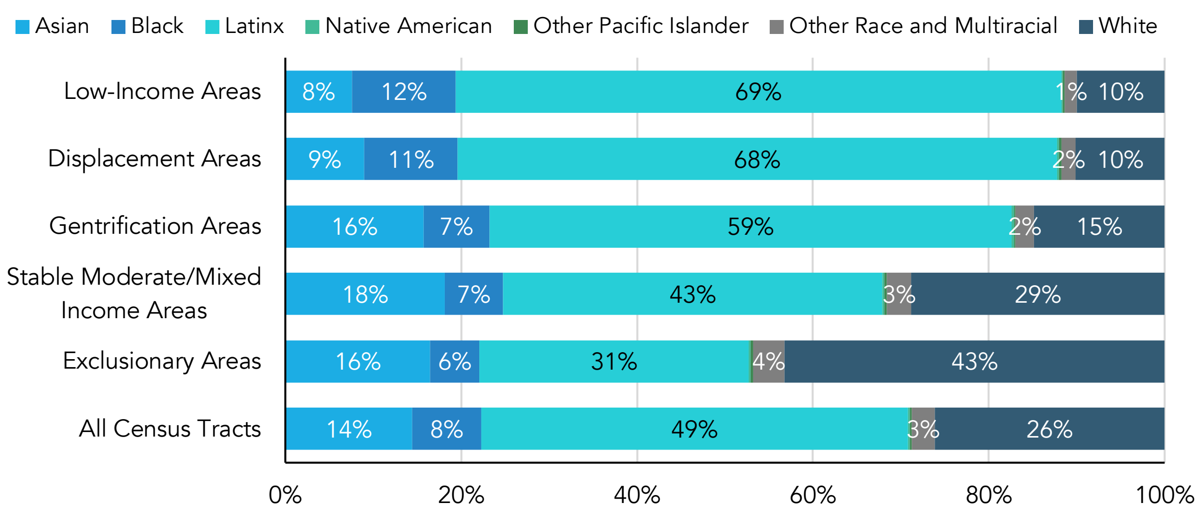
[68] See, for example: Gross, Terry, 2017. "A Forgotten History Of How The U.S. Government Segregated America." *National Public Radio (NPR).* Website: https://www.npr.org/2017/05/03/526655831/a-forgotten-history-of-how-the-u-s-government-segregated-america; Semeuls, Alana, 2015. "White Flight Never Ended." *The Atlantic. Website*: https://www.theatlantic.com/business/archive/2015/07/white-flight-alive-and-well/399980/.

The racial and ethnic composition of neighborhoods within each UDP displacement typology reveals similar trends (see Figure 67 below). Black and Latinx households are overrepresented in low-income areas, areas experiencing ongoing displacement of low-income households, and areas at risk of or experiencing gentrification compared to their share of the population, and they are underrepresented in exclusionary areas. White residents have the opposite experience:

- Black residents make up just eight (8) percent of the Los Angeles County population, but 12 percent of the population residing in low-income areas and eleven (11) percent of areas experiencing displacement of low-income households.
- Latinx residents consist of 69 percent, 68 percent, and 59 percent of the population in low-income areas, areas experiencing ongoing displacement of low-income households, and areas at risk of or experiencing gentrification, respectively, despite being only 49 percent of the total population.
- White residents are underrepresented in low-income areas, areas experiencing ongoing displacement of low-income households, and areas at risk of or experiencing gentrification, making up ten (10) percent, ten (10) percent, and 15 percent of the population in these areas, respectively, despite being 26 percent of the total population.
- White residents are overrepresented in areas identified as exclusionary or at risk of becoming exclusionary to lower income households, representing 43 percent of the population in these areas.

These findings support what previous research has shown—namely, that Black and Latinx residents tend to have less stability in their housing situation than white residents.[69]

FIGURE 67: RACIAL AND ETHNIC COMPOSITION OF EACH UDP DISPLACEMENT TYPOLOGY IN LOS ANGELES COUNTY



Source: Urban Displacement Project Los Angeles Gentrification and Displacement Map, updated in 2020 with 2018 data. Race and ethnicity analysis was completed with data from U.S. Census Bureau American Community Survey, 2019 (5-year data).

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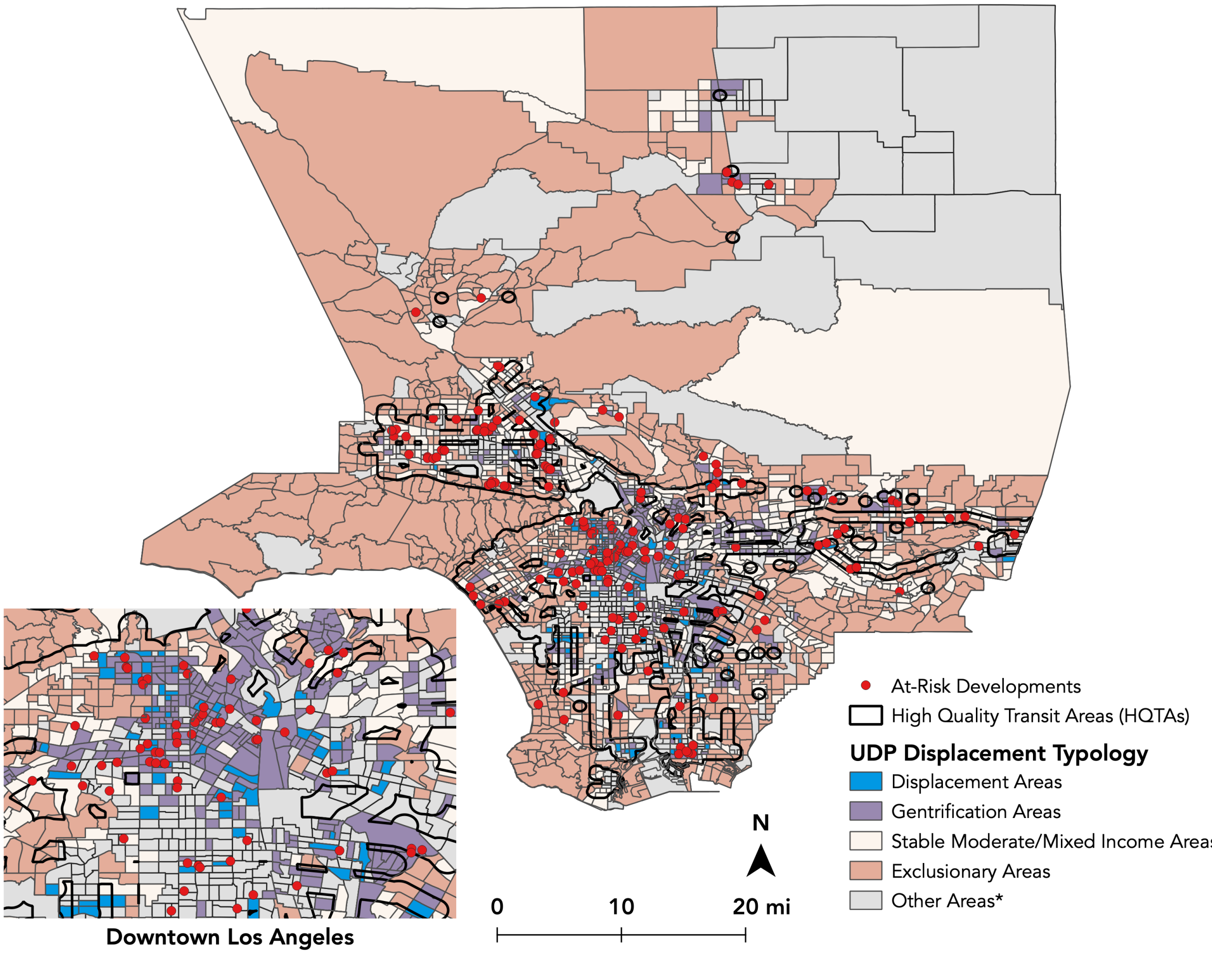
[69] Desmond, Matthew and Tracey Shollenberger. 2015. "Forced Displacement from Rental Housing: Prevalence and Neighborhood Consequences." *Demography*, 52(5): 1751-1772. Website: https://scholar.harvard.edu/files/mdesmond/files/desmondshollenberger.demography.2015.pdf.

Siting of At-Risk Affordable Housing by Transit Access and Displacement Typology

Figure 68 and Table 77 below show the existing inventory of at-risk subsidized affordable housing in Los Angeles County—as described in Section 2 of this Report—relative to areas where low-income households are already losing ground and where the loss of deed-restricted affordable housing could contribute to patterns of displacement and exclusion from increasingly resource- and amenities-rich areas.[70] For the purposes of this analysis, such areas are identified as High Quality Transit Areas (HQTAs) or census tracts that are classified by the UDP displacement typology as areas experiencing ongoing displacement of low-income households, at risk of or experiencing gentrification, stable moderate/mixed income, or areas identified as exclusionary or at risk of becoming exclusionary to lower income households; these categories represent areas in the county where low-income residents are at highest risk of displacement or exclusion. Areas identified by the UDP displacement typology as low-income/susceptible to displacement are not included because these areas currently exhibit characteristics of neighborhood stability and affordability to low-income households. However, these areas could develop a risk of gentrification and displacement pressures in the future.

[70] The California Housing Partnership assesses the historical loss and conversion risk of affordable rental developments in Los Angeles County. For the purposes of this analysis, a development is considered "at-risk" if it is at risk of converting to market rate in the next five years ("High Risk" and "Very High Risk" categories in the Partnership's risk assessment). For more information on these categories and the Partnership's risk assessment methodology, see Section 2 or Appendix A: Methodology.

FIGURE 68: AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF / EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION



'Other Areas' includes tracts designated by the UDP Displacement Typology as 'Low-Income/Susceptible to Displacement' or areas with large student populations or unavailable/unreliable data.

TABLE 77: AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF / EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION BY SD

SD	At-Risk Affordable Homes	Within HQTA		Within Low-Income Tract that is At Risk of or Experiencing Displacement or Gentrification		Within Tract that is Stable Moderate/Mixed Income or Exclusionary**		Within a HQTA and Tract that is At Risk of or Experiencing Displacement, Gentrification, or Exclusion	
		#	%*	#	%*	#	%*	#	%*
SD 1	1,933	1,529	79%	1,054	55%	353	18%	1,160	60%
SD 2	2,070	1,806	87%	978	47%	381	18%	1,095	53%
SD 3	2,803	2,636	94%	797	28%	1,098	39%	1,728	62%
SD 4	632	455	72%	213	34%	419	66%	455	72%
SD 5	1,082	432	40%	150	14%	698	65%	432	40%
Total	**8,520**	**6,858**	**80%**	**3,192**	**37%**	**2,949**	**35%**	**4,870**	**57%**

Source: California Housing Partnership Preservation Database, January 2021. Urban Displacement Project, Los Angeles – Gentrification and Displacement Typology, 2020. SCAG Region High Quality Transit Areas – 2045.
**Percentage of all at-risk affordable homes in each SD.*
***Includes areas identified as being at risk of or experiencing exclusion.*

As shown above in Figure 68 and Table 77, the majority of Los Angeles County's inventory of at-risk affordable housing is located in HQTAs or areas at risk of or experiencing displacement, gentrification, or exclusion. Eighty (80) percent of the county's at-risk homes are located within an HQTA. More than 3,000 at-risk affordable homes (37 percent) are currently located in areas identified as at risk of or experiencing gentrification or displacement of low-income households. Although 54 percent of Los Angeles County census tracts are currently stable moderate/mixed income or exclusionary or at risk of becoming exclusionary, only 35 percent of at-risk affordable homes in the county are located in these tracts. Nearly 5,000 (57 percent) of the county's at-risk homes are both within an HQTA and within a tract that is at risk of or experiencing displacement, gentrification, or exclusion. Losing any of these affordable homes would contribute to patterns of displacement of low-income people from the county's increasingly high-cost, transit-rich and gentrifying areas, in addition to low-income households losing access to public transit.[71]

Neighborhood Resources and Opportunity

This analysis uses the TCAC/HCD Opportunity Map for Los Angeles County for two purposes: 1) to determine how much of the county's at-risk, family-targeted affordable homes are located in Highest and High Resource areas, the loss of which would contribute to patterns of segregation and disparities in access to opportunity because they would be difficult and costly to replace; and 2) to document the degree to which family-targeted, new construction developments funded with Low-Income Housing Tax

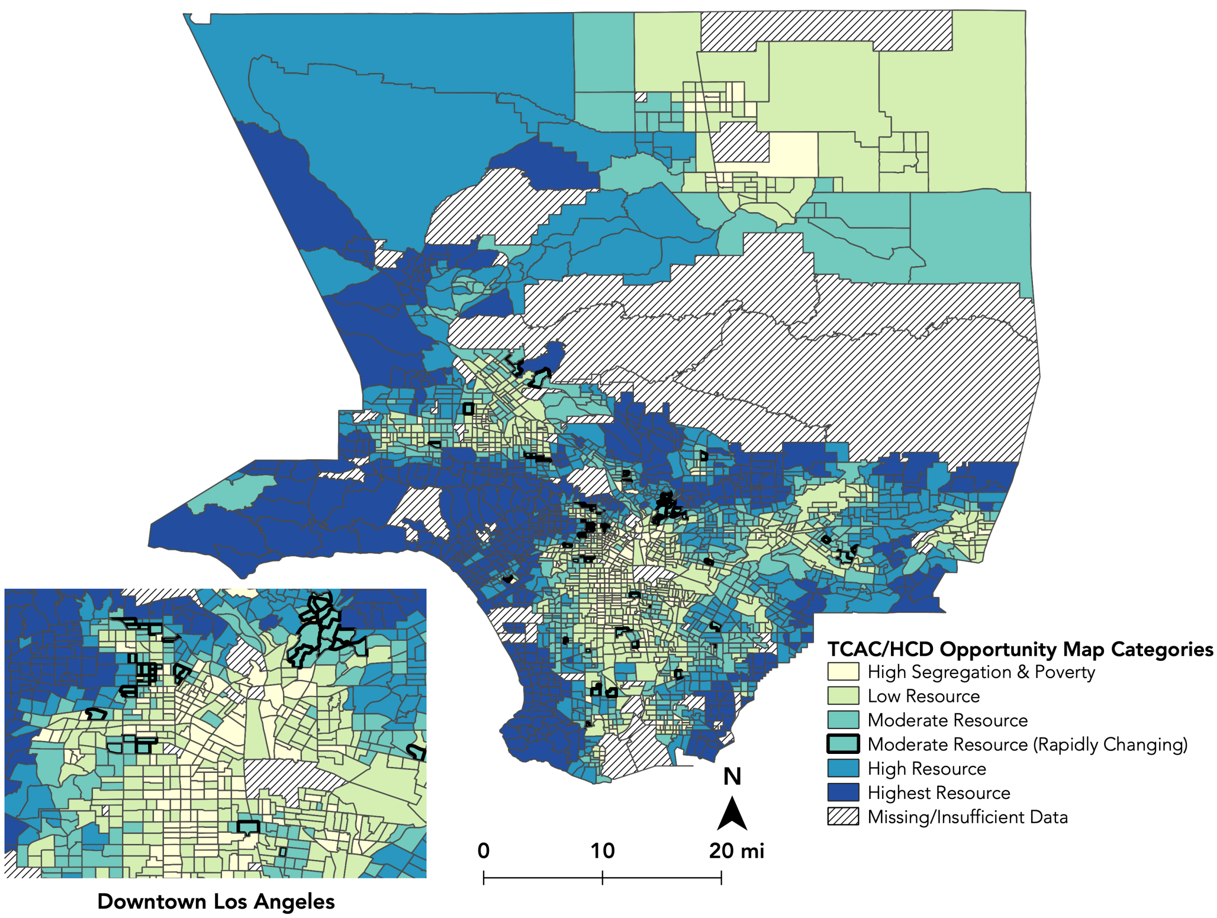
[71] For more information on the County's current preservation and anti-displacement programming, see Section 3: County-Administered Affordable Rental Housing Resources.

Credits (LIHTC/"tax credits") have provided access to Highest and High Resource areas for low-income families in the county, in light of state incentives to develop in these areas.[72]

In the TCAC/HCD Opportunity Map, each area is assigned to one of six categories based on local characteristics that have been shown by research to support positive economic, educational, and health outcomes for low-income families, particularly long-term outcomes for children. The six categories include Highest Resource, High Resource, Moderate Resource, Moderate Resource (Rapidly Changing), Low Resource, and High Segregation and Poverty.

Figure 69 below shows the geographic distribution of the six opportunity designations in the 2021 TCAC/HCD Opportunity Map for Los Angeles County. Just over one-third (34 percent) of tracts in the county are identified as Low Resource or High Poverty and Segregation, with the majority of these tracts located in downtown and South Los Angeles. Twenty-one (21) percent of tracts are categorized as Moderate Resource; an additional three (3) percent of these tracts are located in Moderate Resource (Rapidly Changing) areas, with the largest concentration located in South Pasadena.

FIGURE 69: TCAC/HCD OPPORTUNITY MAP FOR LOS ANGELES COUNTY

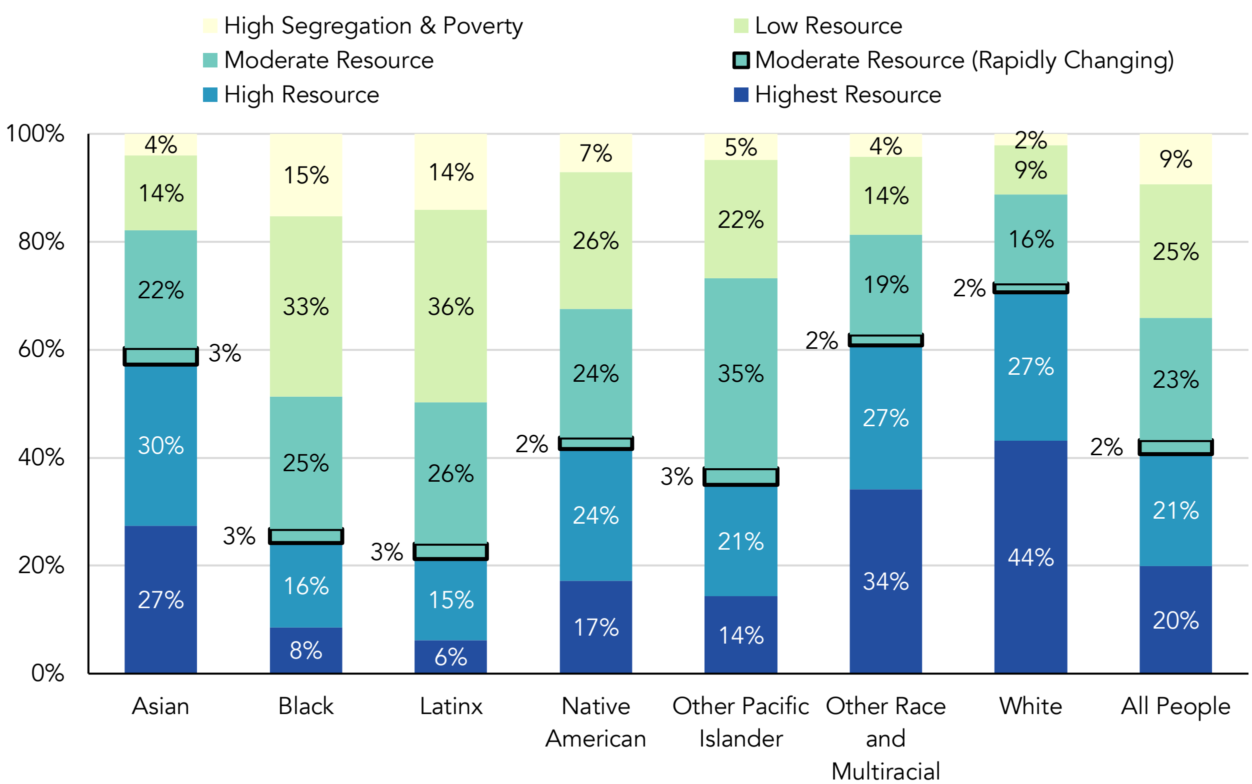


[72] Because the TCAC/HCD Opportunity Map is primarily relevant to housing in which children reside, this analysis only applies to family-targeted developments.

Neighborhood Resources and Opportunity by Race and Ethnicity

The same discriminatory housing and land use policies that have created racialized patterns of displacement, gentrification, and exclusion have created similar disparities in access to opportunity throughout Los Angeles County. As shown below in Figure 70, approximately half of all Black (48 percent) and Latinx (50 percent) residents live in areas categorized as Low Resource or High Segregation & Poverty in the TCAC/HCD Opportunity Map. By contrast, only eleven (11) percent of white residents live in these areas. These disparities in access to opportunity threaten to exacerbate inequities in health, educational, and economic outcomes between children of different racial and ethnic groups.

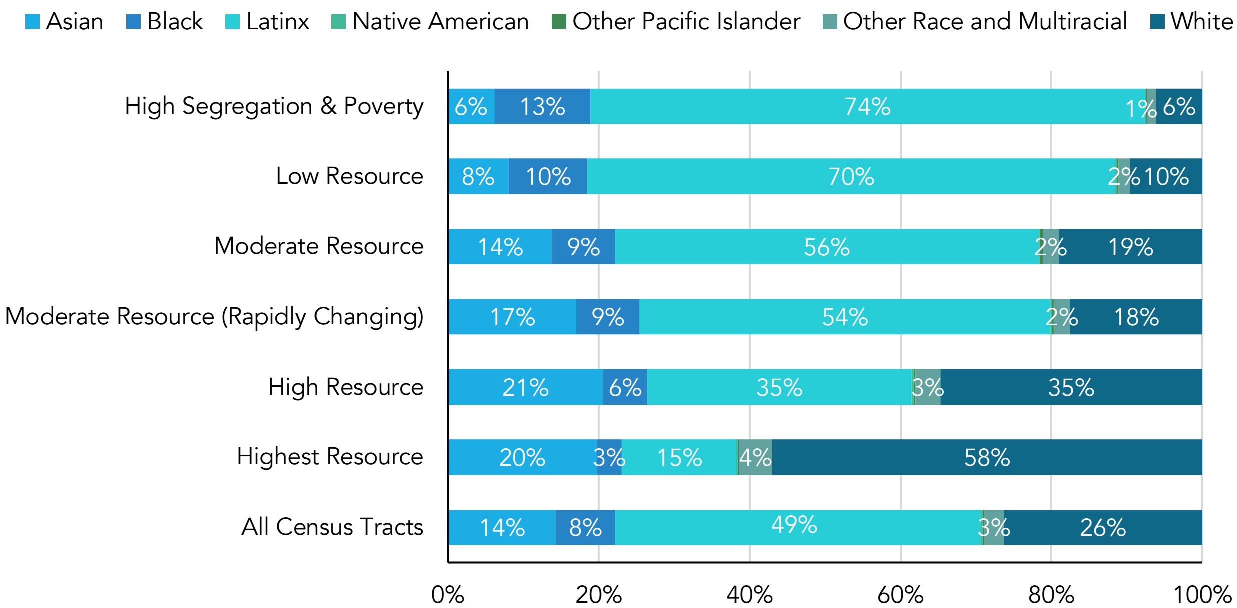
FIGURE 70: SHARE OF RESIDENTS LIVING IN EACH OPPORTUNITY CATEGORY – BY RACE AND ETHNICITY



Source: TCAC/HCD Opportunity Map, 2021. Race and ethnicity analysis used data from U.S. Census Bureau American Community Survey, 2019 (5-year data).

Trends in segregation and unequal access to opportunity are also revealed in the ethnic composition of each tract category the TCAC/HCD Opportunity Map. As shown below in Figure 71, Black and Latinx households are overrepresented in Low Resource and High Segregation & Poverty areas compared to their share of the population: Black residents make up more than eleven (11) percent of the population residing in these areas despite being less than eight (8) percent of the total population, while Latinx residents represent 71 percent of the population in lower resource areas despite being only 49 percent of the county-wide population. By contrast, white residents are overrepresented in High and Highest Resource areas, where they make up 46 percent of the population despite being only 26 percent of the county-wide population.

FIGURE 71: RACIAL AND ETHNIC COMPOSITION OF EACH OPPORTUNITY CATEGORY IN LOS ANGELES COUNTY



Source: TCAC/HCD Opportunity Map, 2021. Race and ethnicity analysis was completed with data from U.S. Census Bureau American Community Survey, 2019 (5-year data).

At-Risk Affordable Homes

Figure 72 below shows the existing inventory of at-risk, family-targeted affordable housing relative to the TCAC/HCD Opportunity Map for Los Angeles County, and Table 78 shows their distribution throughout the five supervisorial districts. There are currently 4,138 at-risk, family-targeted affordable homes in Los Angeles County, of which 458 (12 percent) are located in High or Highest Resource areas, which are defined in the TCAC/HCD Opportunity Map as neighborhoods with characteristics and resources most associated with positive educational and long-term economic outcomes for low-income children.

Although 12 percent is a small share of the total at-risk universe, High and Highest Resource areas are often high-cost and have fewer rental homes that are affordable to low-income families with children. The "2018 Analysis of Impediments to Fair Housing Choice for the Community Development Commission and Housing Authority of the County of Los Angeles" found that the high rate of segregation in the county and lack of opportunity for residents to obtain housing in higher opportunity areas are direct limiting factors to fair housing opportunities.[73] Given the high cost of land and construction in these areas, these

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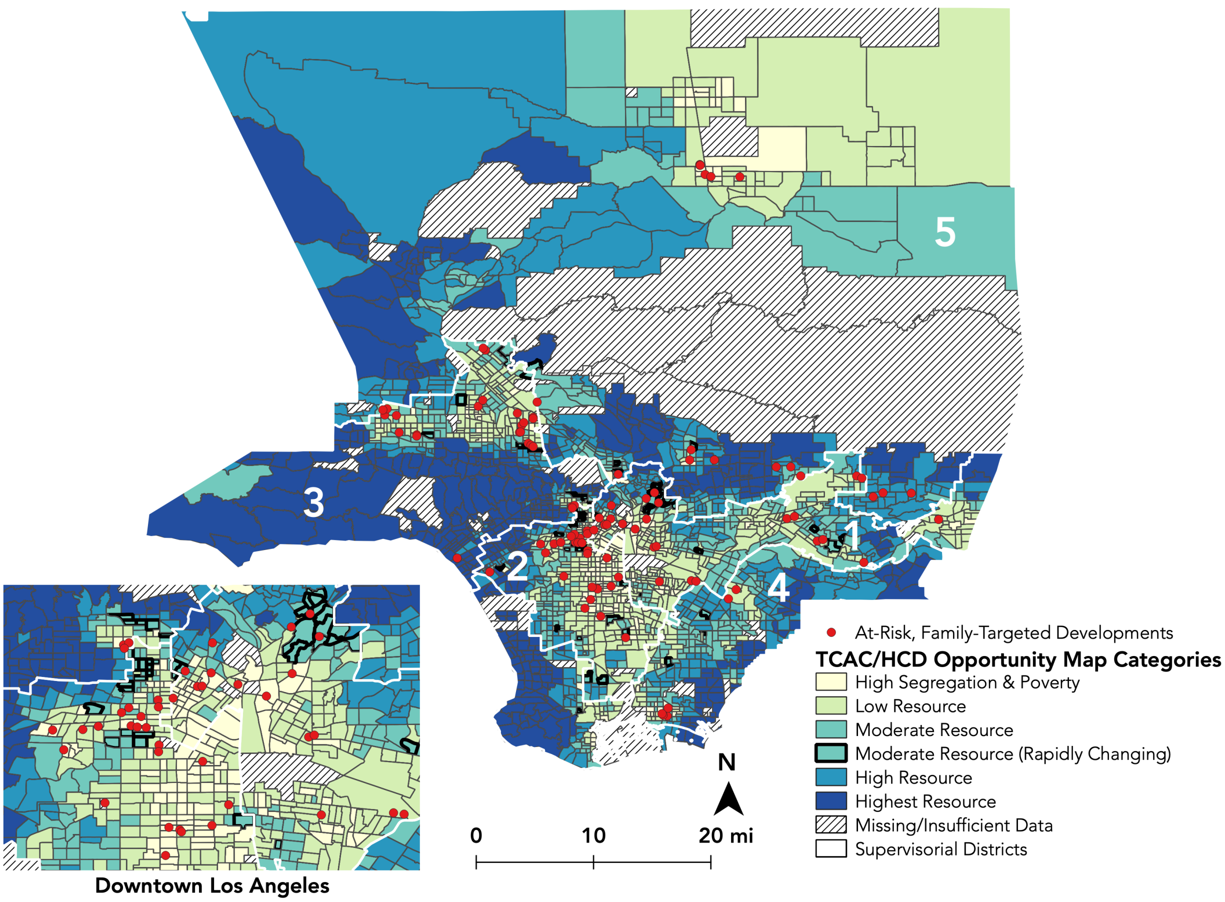
[73] Western Economic Services, LLC. 2018. "2018 Analysis of Impediments to Fair Housing Choice for the Community Development Commission and Housing Authority of the County of Los Angeles." Prepared for the Community Development Commission of the County of Los Angeles and the Housing Authority of the County of Los Angeles. Website: https://wwwa.lacda.org/docs/default-source/community-development-block-grant/assessment-of-fair-housing/2018-final- analysis-of-impediments/volume-i.pdf?sfvrsn=2f8b81bd_2.

homes would be both difficult and costly to replace, and their loss would reinforce existing patterns of segregation and unequal access to higher-resource neighborhoods.

In addition, 550 at-risk family-targeted affordable homes are located in Moderate Resource areas, many of which are already out of reach for low-income families. Of those 550 affordable homes, 60 are located in areas determined to be "rapidly changing," meaning they may soon be categorized as High Resource based on recent trends.[74]

FIGURE 72: PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY



[74] The methodology for the 2021 TCAC/HCD Opportunity Map identifies Moderate Resource areas with index scores just below the High Resource threshold that have experienced rapid increases in key dimensions of opportunity since 2000. See the full methodology for the 2021 TCAC/HCD Opportunity Map at https://www.treasurer.ca.gov/ctcac/opportunity/2021-hcd-methodology.pdf.

TABLE 78: PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

SD	At-Risk Family-Targeted Affordable Homes**	High Segregation & Poverty		Low Resource		Moderate Resource		High Resource		Highest Resource	
		#	%*	#	%*	#	%*	#	%*	#	%*
SD 1	928	190	20%	325	35%	342	37%	71	8%	0	0%
SD 2	1,237	576	47%	571	46%	36	3%	49	4%	0	0%
SD 3	1,263	311	24%	838	66%	20	2%	70	6%	24	2%
SD 4	56	0	0%	53	95%	3	5%	0	0%	0	0%
SD 5	654	88	13%	173	27%	149	23%	244	37%	0	0%
Total	**4,138**	**1,165**	**28%**	**1,960**	**47%**	**550**	**13%**	**434**	**11%**	**24**	**1%**

Source: Sources: California Housing Partnership Preservation Database, 2021. TCAC/HCD Opportunity Maps, 2021.
**Percentage of all at-risk, family-targeted affordable homes in each SD. All percentages are rounded to the nearest whole percent.*
***There are five homes in at-risk, family-targeted developments awarded LIHTCs 2008-2020 that were not given a resource designation. Certain census areas are excluded from categorization in the TCAC/HCD Opportunity Map because the underlying data is unreliable or unavailable. For this reason, the number of affordable homes in columns 3, 5, 7, 9, and 11 will not perfectly sum to the total number of affordable homes in column 2, nor will the percentages in columns 4, 6, 8, 10, and 12 sum to 100%.*

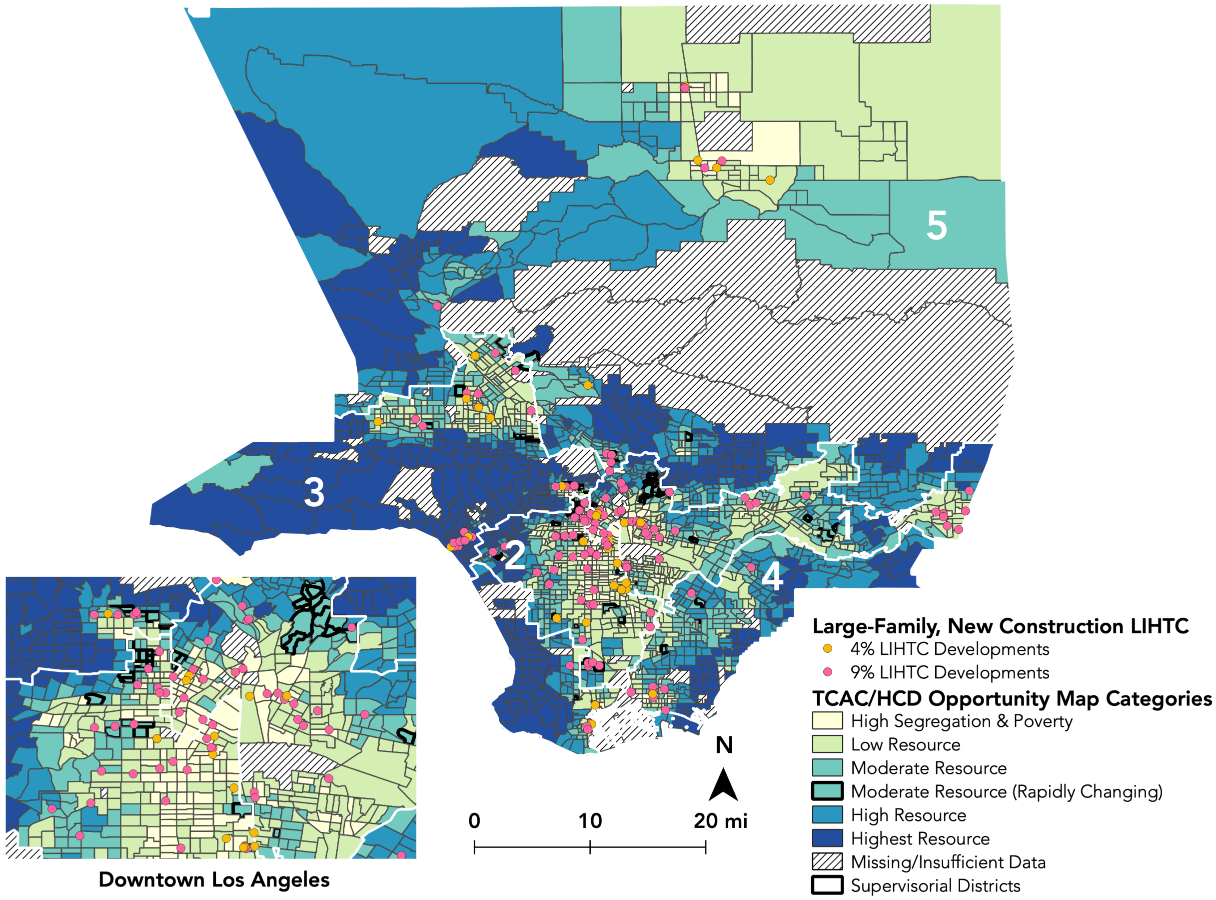
Family-Targeted, New Construction Affordable Homes

Beginning in 2017, TCAC adopted regulations that incentivize family-targeted, new construction developments (called "large-family" in TCAC's regulations) applying for 9% tax credits to be located in areas identified in the TCAC/HCD Opportunity Map as High and Highest Resource, with the greatest incentive for projects to be located in the latter category. HCD also created incentives for its Multifamily Housing Program (MHP) in 2019, awarding competitive points to family-targeted new construction developments located in High and Highest Resource areas. Incorporating these policies into HCD's MHP program has meant that many 4% LIHTC new construction, family developments are also incentivized to be located in High and Highest Resource areas since many of these LIHTC developments rely on the program to fill their funding gaps.[75]

Figure 73 shows the existing inventory of large-family, new construction developments that were awarded 4% and 9% tax credits between 2008 and 2020 relative to the TCAC/HCD Opportunity Map for Los Angeles County.

[75] As of February 2021, the California Debt Limit Allocation Committee (CDLAC) adopted similar regulations incentivizing the siting of family-targeted affordable housing in High and Highest Resource areas. The data and analysis described in this section includes new construction, large family projects awarded LIHTCs through 2020, and as such does not account for projects that received CDLAC awards in 2021.

FIGURE 73: PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-2020) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY



Large-family, new construction developments awarded 4% and 9% tax credits in Los Angeles County are concentrated in Low Resource and High Segregation & Poverty areas, particularly in downtown and south Los Angeles, with smaller clusters in other parts of the county. Affordable family-targeted housing located in High and Highest Resource areas are more scattered and far less common, with the only concentration of such developments located in the City of Santa Monica. The distribution of affordable homes in large-family, new construction 4% and 9% LIHTC developments relative to the TCAC/HCD Opportunity Map is shown in Table 79 below.

TABLE 79: AFFORDABLE HOMES IN LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS IN LOS ANGELES COUNTY AWARDED LIHTCS (2008-2020) RELATIVE TO TCAC/HCD OPPORTUNITY MAP

	Affordable Homes**	High Segregation & Poverty		Low Resource		Moderate Resource		High Resource		Highest Resource	
	#	#	%*	#	%*	#	%*	#	%*	#	%*
Total	**9,573**	**2,566**	**27%**	**3,652**	**38%**	**2,198**	**23%**	**442**	**5%**	**354**	**4%**
9% LIHTCs											
SD 1	2,259	877	39%	895	40%	414	18%	73	3%	0	0%
SD 2	2,046	208	10%	986	48%	615	30%	69	3%	0	0%
SD 3	967	0	0%	360	37%	292	30%	119	12%	196	20%
SD 4	552	111	20%	128	23%	221	40%	92	17%	0	0%
SD 5	528	139	26%	149	28%	240	45%	0	0%	0	0%
Total	**6,352**	**1,335**	**21%**	**2,518**	**40%**	**1,782**	**28%**	**353**	**6%**	**196**	**3%**
4% LIHTCs											
SD 1	638	269	42%	302	47%	67	11%	0	0%	0	0%
SD 2	832	356	43%	157	19%	126	15%	0	0%	0	0%
SD 3	992	440	44%	230	23%	75	8%	89	9%	158	16%
SD 4	323	48	15%	174	54%	101	31%	0	0%	0	0%
SD 5	436	118	27%	271	62%	47	11%	0	0%	0	0%
Total	**3,221**	**1,231**	**38%**	**1,134**	**35%**	**416**	**13%**	**89**	**3%**	**158**	**5%**

Source: Sources: California Housing Partnership Preservation Database, 2021. California TCAC/HCD Opportunity Maps
**Percentage of large-family, new construction affordable homes in each row (SDs or county totals).*
***There are 361 homes in large-family, new construction developments awarded LIHTCs 2008-2020 that were not given a resource designation. Certain census areas are excluded from categorization in the TCAC/HCD Opportunity Map because the underlying data is unreliable or unavailable. For this reason, the number of affordable homes in columns 3, 5, 7, 9, and 11 will not perfectly sum to the total number of affordable homes in column 2, nor will the percentages in columns 4, 6, 8, 10, and 12 sum to 100%.*

Nearly two thirds (65 percent) of affordable homes in large-family, new construction developments in Los Angeles County awarded 4% and 9% tax credits are concentrated in areas designated as Low Resource and High Poverty & Segregation. In comparison, only nine (9) percent of affordable homes in large-family, new construction developments are located in High or Highest Resource areas, with the remaining 23 percent of homes are located in Moderate Resource areas. In addition, 538 of the 2,198 homes in Moderate Resource areas are in tracts designated as “rapidly changing,” meaning that they may soon become High Resource, according to the 2021 TCAC/HCD Opportunity Map.

The distribution shown above suggests that the historical trends in the siting of large-family, new construction 4% and 9% LIHTC developments in the county offers low-income families only limited access to higher opportunity neighborhoods. While the historical distribution shows a concentration in lower resource and high poverty areas, it should be noted that developers face barriers to developing affordable housing in more affluent, low-density areas that are often resistant to affordable housing, have fewer parcels zoned for multifamily housing, and are less likely to contribute local funding. A separate analysis conducted by the California Housing Partnership found that per-unit costs for large-family, new construction 9% LIHTC developments in High and Highest Resource tracts in Los Angeles County awarded tax credits between 2000 and 2014 were approximately $35,000 or nine (9) percent greater than median per-unit costs in the county during the same period without including land costs and $68,000 or 15 percent greater per-unit including land costs. The combination of high construction costs, pushback against affordable housing from affluent, exclusive communities, and discriminatory housing and land use policies has resulted in the uneven distribution of family-targeted affordable housing statewide, which the new TCAC and HCD MHP incentives are aiming to undo.

Although the additional incentives for new construction family developments resulted in no meaningful change to the siting of these developments between 2017 and 2019, there was an increase in the number of homes built in High and Highest Resource areas in 2020 with the siting of an additional 119 affordable, large-family homes in High Resource areas. As incentives continue to take effect in coming years, it will be important to continue tracking siting patterns to evaluate the extent to which affordable housing siting patterns offer low-income families a meaningful range of choices, particularly in higher resource areas in Los Angeles County.

SECTION 5. AFFORDABLE HOUSING DEVELOPMENT COST ANALYSIS

OVERVIEW

A growing body of research on the cost of developing affordable rental housing in California finds that escalating costs are a real and increasingly pressing challenge in a state already grappling with an affordable housing crisis and shortage of funding.[76] Section 5 analyzes recent trends in the cost of developing new and preserved affordable housing to better understand the factors that influence rental housing development costs and how these costs have changed over time. Understanding these trends can help inform the County's efforts to make the financing and development of affordable housing as effective and efficient as possible.

Research on the factors influencing development costs for affordable housing in California has revealed that no single element can explain all or even most affordable housing development costs,[77] and that high development costs are due to "death by a thousand cuts."[78] According to a 2014 study commissioned by California's four state-level housing agencies—the California Tax Credit Allocation Committee (TCAC), the California Debt Limit Allocation Committee (CDLAC), the Department of Housing and Community Development (HCD) and the California Housing Finance Agency (CalHFA)— development-specific factors such as the type of housing (e.g., family units, senior housing), land availability and affordability, entitlement process and community opposition, as well as materials costs and local requirements (e.g., parking, design, density, quality and durability) all influence development costs for affordable housing.[79]

A March 2020 study by the Terner Center for Housing Innovation identifies many of the same drivers of increasing development costs for California's affordable housing: hard construction costs—such as the costs of material and labor—local development fees, lengthy entitlement processes, parking requirements, prevailing wages or local hire requirements, state and local design regulations and the time and talent needed to navigate the complex financing landscape of affordable housing. "Affordable housing development," write the authors, "is not immune to the same cost drivers pushing up the costs of market-rate developments, nor to all the ways building in California is more expensive than in other states. However, the research highlights that affordable housing developers face a cost that market-rate

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[76] For example, see: U.S. Government Accountability Office. 2018. "Low-Income Housing Tax Credit: Improved Data and Oversight Would Strengthen Cost Assessment and Fraud Risk Management." September 18. Website: https://www.gao.gov/products/gao-18-637.
[77] See, for example: Terner Center for Housing Innovation. "Terner Center Research Series: The Cost of Building Housing." Website: ternercenter.berkeley.edu/construction-costs-series.
[78] Fuller, Thomas. "Why Does It Cost $750,000 to Build Affordable Housing in San Francisco?" *The New York Times*, 20 February 2020. Website: https://www.nytimes.com/2020/02/20/us/California-housing-costs.html.
[79] California Tax Credit Allocation Committee, et al. 2014. "Affordable Housing Cost Study: Analysis of the Factors that Influence the Cost of Building Multi-Family Affordable Housing in California." Website: treasurer.ca.gov/ctcac/affordable_housing.pdf.

developers do not: the increased complexity in financing affordable projects and the need to manage multiple funding sources that add requirements and delays to every project."[80]

A 2020 analysis by the California Housing Partnership revealed that each additional state funding entity involved in the financing of an affordable rental housing development is associated with an increase of $15,800 per unit in total development costs on average. Given that affordable housing developers routinely apply for funding from up to four state agencies, the cost of securing state funding alone can add as much as $63,200 per home.[81]

In addition to increasing construction costs and expenses of navigating California's complex and lengthy review and financing systems, affordable housing is also vulnerable to changes in the market and tax code. For example, the 2017 Tax Cuts and Jobs Act decreased the corporate tax rate to 21 percent, which reduced incentives for corporations to invest in Low-Income Housing Tax Credits (LIHTC/"tax credits").[82] The California Housing Partnership, which reviews data on investment pricing for dozens of California LIHTC transactions annually, estimates that the reduction in the federal corporate tax rate reduced the value contributed from the sale of tax credits by nearly 15 percent.

Data Sources and Methodology

Section 5 relies on data provided by the California Tax Credit Allocation Committee (TCAC) on affordable rental housing awarded tax credits in Los Angeles County between 2012 and 2020. In the last three decades, the LIHTC program has become the most significant source of funding for the construction and preservation of affordable housing in California. In Los Angeles County alone, more than 105,000 affordable homes have been funded with tax credits.

To collect the cost data essential for this analysis, the California Housing Partnership compiled detailed development cost data from 440 LIHTC developments in Los Angeles County from 2012 to 2020, which represents approximately one-third of LIHTC homes in the county. The data comes primarily from applications to TCAC and includes detailed information on the sources of funding and development cost line items.[83] When application data was not available, we used TCAC staff reports created for each LIHTC development, which include summary financing data.[84] Throughout this section, we adjust development costs for inflation to 2020 dollars using the RS Means Construction Cost Index, the same inflation adjustment factor used by TCAC.

Costs are expressed as total residential development cost—including land—and expressed as both per-unit and per-bedroom. We analyze development cost data on both a per-unit and per-bedroom basis

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[80] Terner Center for Housing Innovation. 2020. "The Costs of Affordable Housing Production: Insights from California's 9% Low-Income Housing Tax Credit Program." Website: https://ternercenter.berkeley.edu.
[81] California Housing Partnership, 2021. "Creating a Unified Process to Award All State Affordable Rental Housing Funding." https://chpc.net/creating-a-unified-process-to-award-all-state-affordable-rental-housing-funding/.
[82] Urban Institute. 2018. "How the Tax Cuts and Jobs Act puts affordable housing production at risk." Website: https://www.urban.org/urban-wire/how-tax-cuts-and-jobs-act-puts-affordable-housing-production-risk
[83] Year in this analysis corresponds with the LIHTC award year. This data reflects the developer's best estimate of project costs at the time of application and not the final costs of development.
[84] TCAC staff reports can be accessed online at https://www.treasurer.ca.gov/ctcac/meeting/index.asp.

because these two measures answer different questions about the costs of development: a per-unit measurement analyzes the cost to house one household (whether a single individual or a family), whereas per-bedroom costs speak more to the costs of housing per person based on the assumption that one person is occupying each bedroom. Table 80 below shows summary data on project characteristics for Los Angeles LIHTC developments informing this cost analysis.

TABLE 80: DEVELOPMENT COST DATASET – LOS ANGELES COUNTY (2012-2020)

Development Characteristics	Number of Developments	Number of Affordable Homes
	Tax Credit Type	
4% LIHTC	272	24,539
9% LIHTC	168	10,309
	Construction Type	
New Construction	254	16,561
Acquisition/Rehab	186	18,287
	Geography*	
City of Los Angeles	257	20,103
Balance of LA County	183	14,745
>> Unincorporated LA County	*35*	*2,154*
	Housing Type	
Large Family	136	11,267
Senior	79	7,853
Special Needs/SRO	141	8,489
At-Risk	16	898
Non-Targeted	68	6,341
	Development Size	
Small (less than 50 units)	143	5,289
Medium (50-100 units)	203	14,724
Large (More than 100 units)	94	14,835
	Year of LIHTC Award	
2012 Award Year	40	2,822
2013 Award Year	50	3,952
2014 Award Year	40	2,789
2015 Award Year	40	3,760
2016 Award Year	60	5,160
2017 Award Year	36	2,479
2018 Award Year	47	3,526
2019 Award Year	58	4,749
2020 Award Year	69	5,611
Total	**440**	**34,848**

Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2020.

The three geographies considered in the cost study represent the City of Los Angeles; the Balance of LA County, a geography used to refer to all geographies in the county **except the City of Los Angeles; and unincorporated LA County, which includes all of the unincorporated areas in Los Angeles County. The Balance of LA County and unincorporated LA County are overlapping as all unincorporated areas are also captured in the Balance of LA County category.*

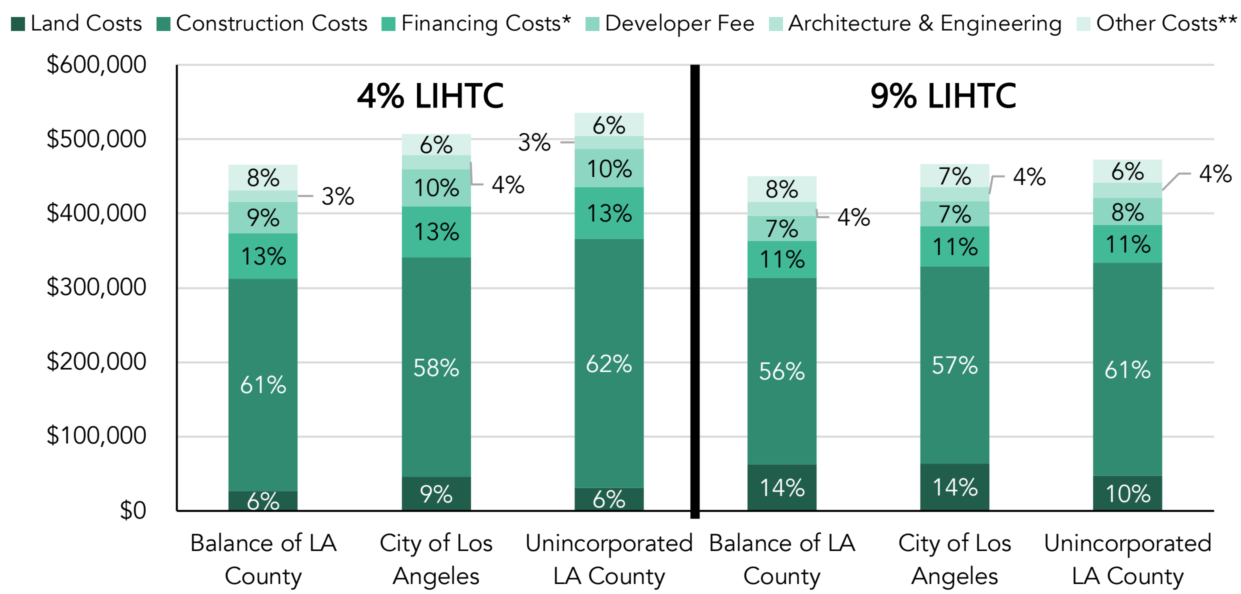
Affordable Housing Financing Trends – Cost Categories

The cost of developing affordable housing is made up of several different types of expenses, including property acquisition, construction, architectural and engineering, financing (e.g., interest, fees, legal expenses, appraisals, and reserves), local development fees, and other soft costs.

New Construction

Figure 74 below shows the average spread of development costs for a newly constructed affordable home by tax credit type[85] for the City of Los Angeles, Balance of Los Angeles County, and unincorporated Los Angeles County.[86] Across all three geographies, construction costs—labor and materials—comprise the majority of development costs. The second largest category is soft costs, which typically comprise one-third of development costs. These costs are associated with the financing, design, and realization of affordable housing (represented below as financing costs, developer fees, architecture, engineering, and other costs). Land acquisition costs range from six (6) percent of total development costs to 14 percent on average and vary because some developments benefit from donated land, while others pay market-rate.[87]

FIGURE 74: NEW CONSTRUCTION DEVELOPMENT COST TRENDS IN LOS ANGELES COUNTY BY TAX CREDIT TYPE, PER-UNIT (2012-2020)



Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2020.
**'Financing costs' captures construction interest, permanent financing, legal fees, appraisals, and reserves.*
***'Other costs' captures expenses like insurance, local development and permit fees, consultant fees, market studies.*

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[85] There are two types of LIHTCs: 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 has been a virtually uncapped resource because developers obtain it through an allocation of private activity tax-exempt mortgage revenue bonds, which have historically not been competitive.

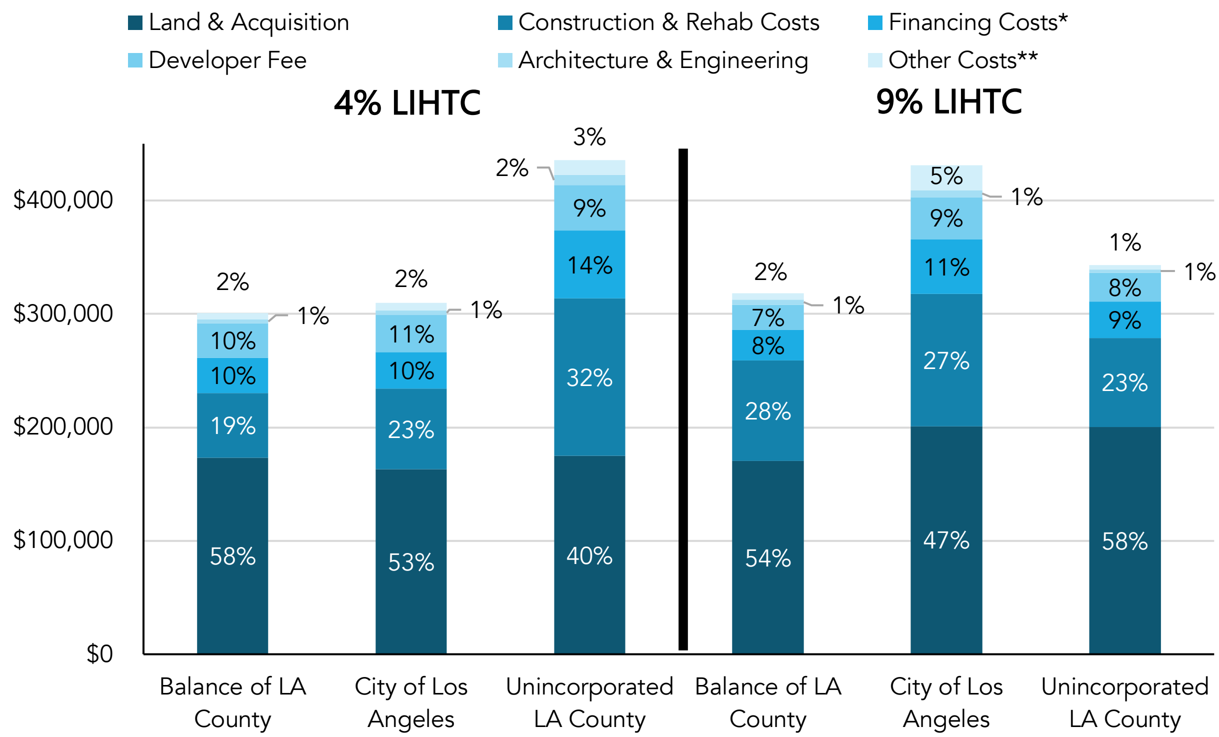
[86] As noted in Table 68, the total number of LIHTC developments in unincorporated LA County is small (35 developments), such that the median total development cost is heavily impacted by a few expensive developments.

[87] For more information on different cost categories for affordable housing development, see the Terner Center's "Making It Pencil: The Math Behind Housing Development" at https://ternercenter.berkeley.edu/wp-content/uploads/2020/08/Making_It_Pencil_The_Math_Behind_Housing_Development.pdf.

Acquisition/Rehabilitation

Figure 75 below shows the average composition of costs for an acquisition/rehabilitation affordable home by tax credit type (4% or 9%). Across all three geographies, acquisition costs—the cost to purchase land and buildings for rehabilitation—comprise the majority of development costs, ranging from 40 percent to 58 percent of development costs on average. The second largest cost category is rehabilitation costs, which include materials and labor and range from 19 to 32 percent on average. The remaining and smallest cost category is soft costs, which typically comprise 19 to 28 percent of development costs on average.

FIGURE 75: ACQUISITION/REHABILITATION PROJECT COST TRENDS IN LOS ANGELES COUNTY BY TAX CREDIT TYPE, PER-UNIT (2012-2020)



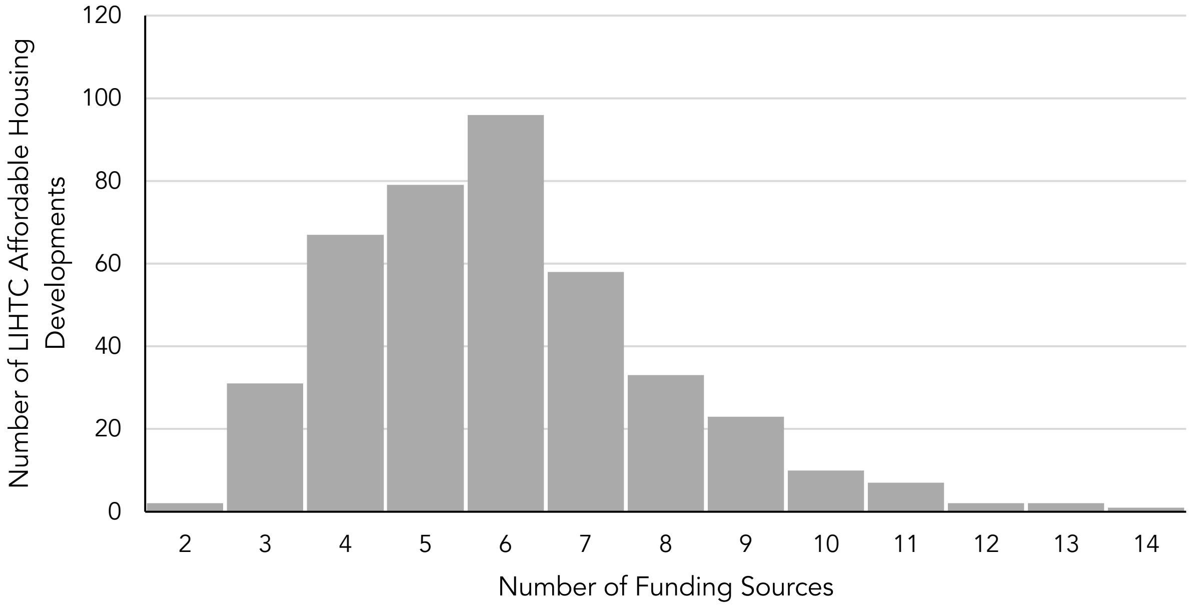
Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2020.
**'Financing costs' captures construction interest, permanent financing, legal fees, appraisals, and reserves.*
***'Other costs' captures expenses like insurance, local development and permit fees, consultant fees, market studies.*

Affordable Housing Financing Trends – Source Categories

In order to finance the construction and preservation of affordable homes, developers must rely on funding from multiple private and public sources, including mortgages, tax credits, bonds, and various other federal, state and local sources. In Los Angeles County, developers of affordable rental housing employ an average of six funding sources, though some must rely on far more (see Figure 76 below).[88]

[88] This analysis only includes sources of permanent financing and, therefore, excludes rent subsidies and operating subsidies.

FIGURE 76: NUMBER OF FUNDING SOURCES* UTILIZED BY LIHTC AFFORDABLE HOUSING DEVELOPMENTS IN LOS ANGELES COUNTY (2012-2020)



Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2020.
**This graphic only includes sources of permanent financing and, therefore, excludes rent subsidies and operating subsidies.*

New Construction

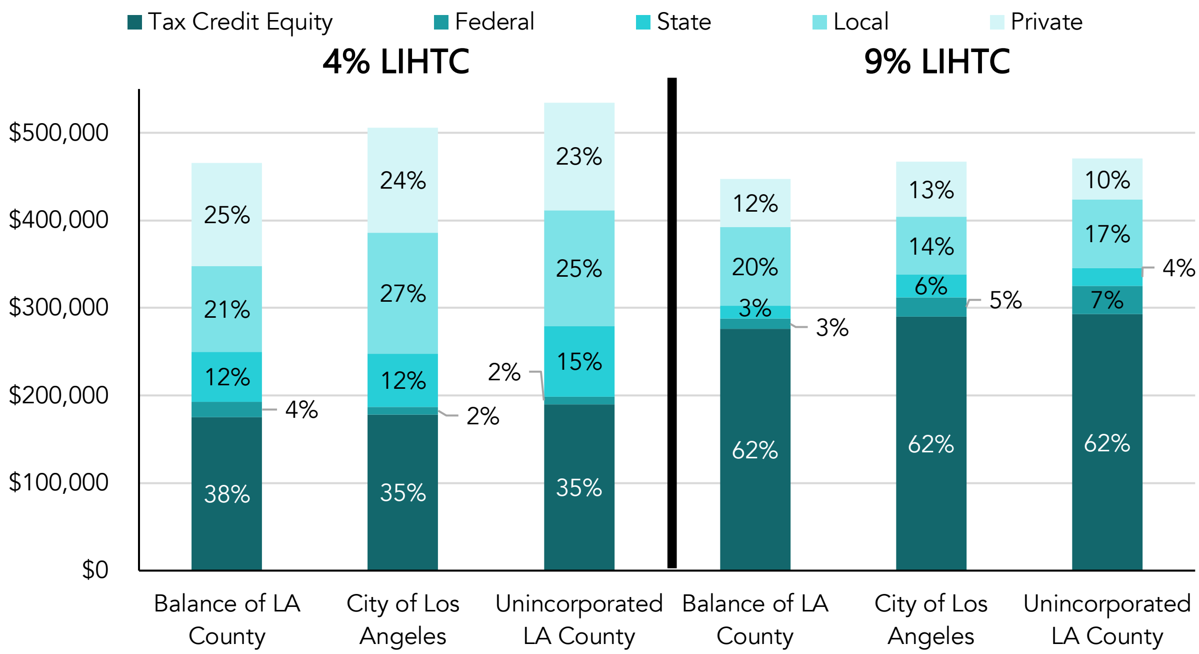
Figure 77 below shows the average composition of sources for a newly constructed affordable home by tax credit type for the City of Los Angeles, Balance of Los Angeles County, and unincorporated Los Angeles County. Across all three geographies, tax credit equity is the primary source of development funding—from approximately one-third of permanent financing for projects receiving the 4% tax credit and two-thirds of permanent financing for projects receiving the 9% tax credit on average.[89]

Federal, state, and local sources finance 37 to 41 percent of costs for 4% LIHTC developments and 26 to 28 percent of costs for 9% LIHTC developments on average. Federal sources include the HOME Investment Partnerships Program and the Community Development Block Grant Program, which are administered by local agencies. The state funding category includes all programs administered or implemented by state housing agencies (e.g., the Department of Housing and Community Development (HCD), the Strategic Growth Council (SGC), and the California Housing Finance Agency (CalHFA)), such as the Multifamily Housing Program (MHP), the Affordable Housing and Sustainable Communities (AHSC) program, and the Mixed-Income Program (MIP). The local funding category captures permanent financing programs facilitated by local housing agencies or financing entities, including land donations or land loans, local impact fee waivers, and programs governed by local agencies including LAHSA, LACDA, HCIDLA, and the Department of Mental Health.

[89] For more information on the tax credit program and differences between the 4% and 9% credit, see Section 2.

Private sources make up the final source category—including private hard debt, philanthropy, and partnership or developer contributions—and finance approximately one-fourth of development costs for 4% LIHTC developments and between ten (10) and 13 percent of costs for 9% LIHTC developments on average.

FIGURE 77: NEW CONSTRUCTION AFFORDABLE HOUSING SOURCES – FINANCING TRENDS IN LOS ANGELES COUNTY BY TAX CREDIT TYPE, PER-UNIT (2012-2020)

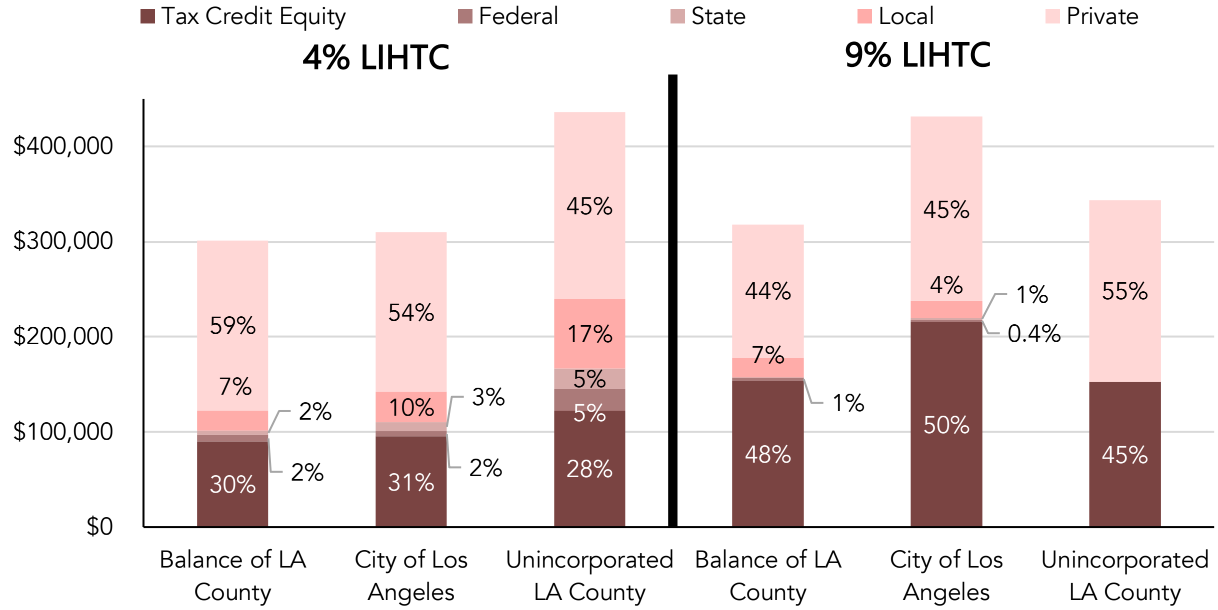


Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2020.

Acquisition/Rehabilitation

Figure 78 below shows the average composition of financing sources for an acquisition/rehabilitation affordable home by tax credit type. Across all three geographies, tax credit equity and private sources are the largest sources of development funding for both 4% and 9% LIHTC developments. Local funding is the third largest source of funding for acquisition/rehabilitation developments. Federal and state sources combined finance between four (4) percent and ten (10) percent of costs for 4% LIHTC developments and less than two (2) percent of costs for 9% LIHTC developments. In fact, the majority of 9% LIHTC developments receive no permanent financing from state or federal sources—65 percent of the 9% acquisition/rehabilitation developments awarded LIHTCs from 2012-2020 are assisted by Section 8, both HUD PBRA and project-based Housing Choice Vouchers. This rental assistance permits properties to support large mortgages and reduce or eliminate the need for other gap financing.

FIGURE 78: ACQUISITION/REHABILITATION AFFORDABLE HOUSING SOURCES – FINANCING TRENDS IN LOS ANGELES COUNTY BY TAX CREDIT TYPE, PER-UNIT (2012-2020)



Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2020. Please note that the 'City of Los Angeles' 9% LIHTC values equal 100.4% because of rounding.

Historical Trends in Total Development Costs for New Affordable Housing

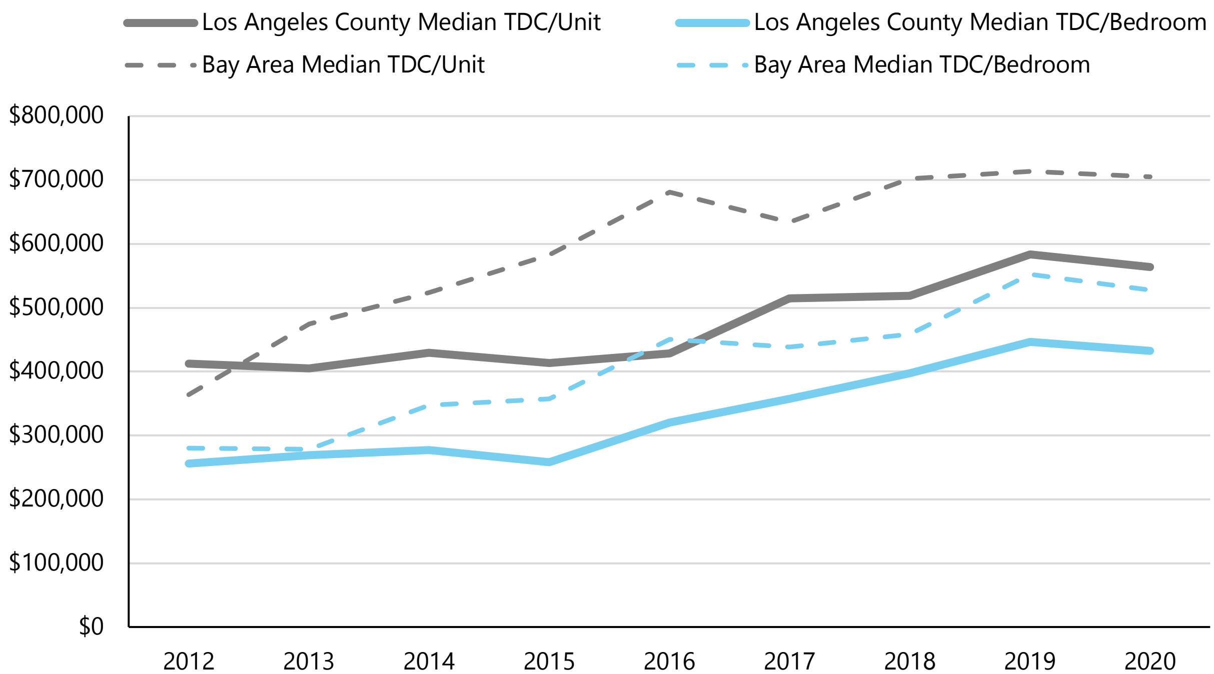
Figure 79 shows trends in median total development costs for new affordable homes financed with tax credits—on a per-unit and per-bedroom basis—in both Los Angeles County and the Bay Area from 2012 to 2020, adjusted for inflation.[90,91] It is important to consider both per-unit and per-bedroom development costs because these two measures answer different questions about the costs of development: a per-unit measurement analyzes the cost to house one household (whether a single individual or a family), whereas per-bedroom costs speak more to the costs of housing approximately one person. In addition, comparing trends in per-unit and per-bedroom costs can also reflect changes in what is being developed.

In Los Angeles County, inflation-adjusted development costs remained relatively flat between 2012 and 2015, increased steadily between 2016 and 2019, and then decreased slightly from 2019 to 2020. From 2016 to 2019, the cost to develop a new affordable home increased from $429,000 to $583,000 per unit (36 percent) and the costs per bedroom increased from $321,000 to $446,000 (39 percent). In 2020, development costs decreased by three (3) percent per unit and per bedroom. Total development costs

[90] See Appendix F: Full Data Findings, Section 5 for expanded cost analysis data.
[91] The Bay Area is defined as the five most urbanized Bay Area counties—Alameda, Contra Costa, San Francisco, Santa Clara, and San Mateo.

were higher in the five most urbanized counties in the Bay Area than in Los Angeles County at almost every point during this period at both the per-unit and per-bedroom levels.

FIGURE 79: LOS ANGELES COUNTY MEDIAN TOTAL DEVELOPMENT COSTS (TDC) FOR NEW LIHTC DEVELOPMENTS, 2012-2020 (2020$)



Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2020.

The following subsections—"Cost Analysis by Housing Type" and "Cost Analysis by Geography"—explore additional trends and explanations for changes in development costs over time. Though this analysis does not employ rigorous statistical techniques needed to establish correlation, descriptive statistics do allow us to understand important historical trends. For example, in newly constructed affordable housing developments in Los Angeles County, the number of bedrooms per unit has decreased by 19 percent from 2012 to 2020—from 1.72 bedrooms per unit to 1.39 bedrooms per unit. Larger units typically reflect economies of scale in affordable housing construction because the costs of services, operations, and design do not vary much by building size, so larger buildings allow developers to spread these fixed costs over more units. This shift towards fewer bedrooms per unit is consistent with local and state efforts to address the homelessness crisis by developing permanent supportive housing, which often comprises primarily studio and one-bedroom units. For more analysis and discussion of these trends, see the "Cost Analysis by Housing Type" section below.

Cost Analysis by Housing Type

Los Angeles County has made the development of permanent supportive housing a priority to help address the county's homelessness crisis—from policies and programs to support individuals experiencing homelessness to new funding programs and local bond measures to finance services and the production of supportive housing. This prioritization has also influenced the composition of LIHTC applications and awards, with an increasing share awarded to developments for individuals and families with special needs or who have experienced chronic homelessness (classified by TCAC as the "Special Needs" housing type).

Demonstrating this trend, the share special needs units in the county's LIHTC portfolio increased from 29 percent in 2012 to 49 percent in 2020. Similarly, the share of special needs bedrooms increased from 22 percent in 2012 to 40 percent in 2020.[92] This shift in the type of affordable housing developed in Los Angeles County explains some of the cost increases between 2012 and 2020 because, as shown below in Figure 80, LIHTC-assisted special needs developments tend to be more expensive on a per-bedroom basis than other types of housing. Between 2012 and 2020, the median cost per-bedroom for LIHTC-awarded special needs developments was 66 percent higher than LIHTC-awarded large-family developments on average.[93]

Reasons for higher costs associated with special needs developments include smaller unit sizes with a greater percentage of more expensive bathroom and kitchen space, more space used for heavy-use common areas and social service provision, higher operating costs per unit resulting in higher capitalized operating reserves, as well as larger required transition reserves due to guard against termination of a rent or operating subsidy. In addition, funding for supportive housing is typically more fragmented and complex than for other affordable housing development types. According to the Terner Center's 2020 cost study, supportive housing developments across California require an average of 6.2 funding sources per development, which is more funding sources than typical family or senior developments utilize. This study also found that each additional funding source is associated with an additional cost of $6,450 per unit, meaning that costs for these units would be expected to be nearly $40,000 higher than they otherwise would have been.[94]

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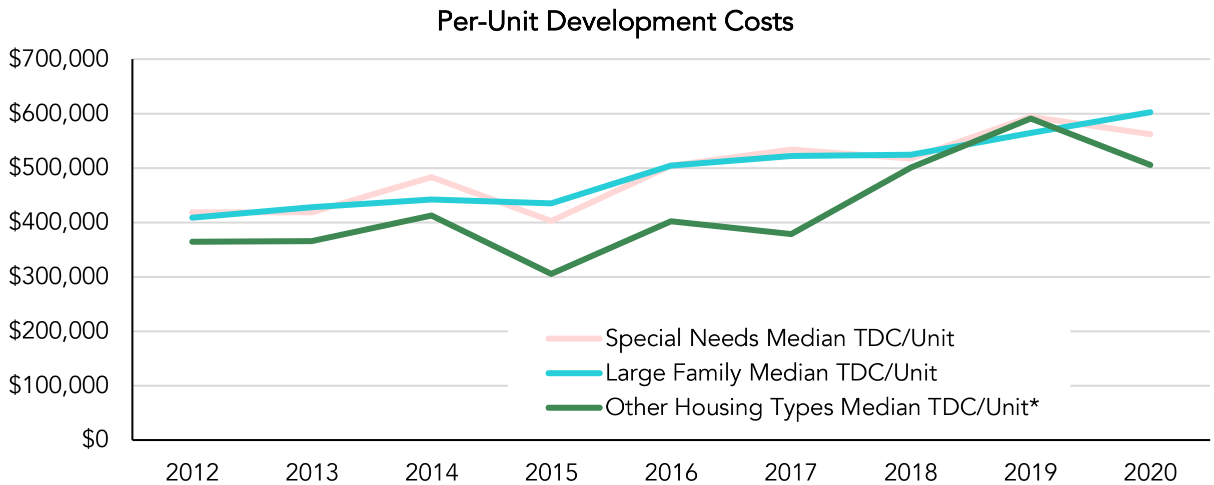
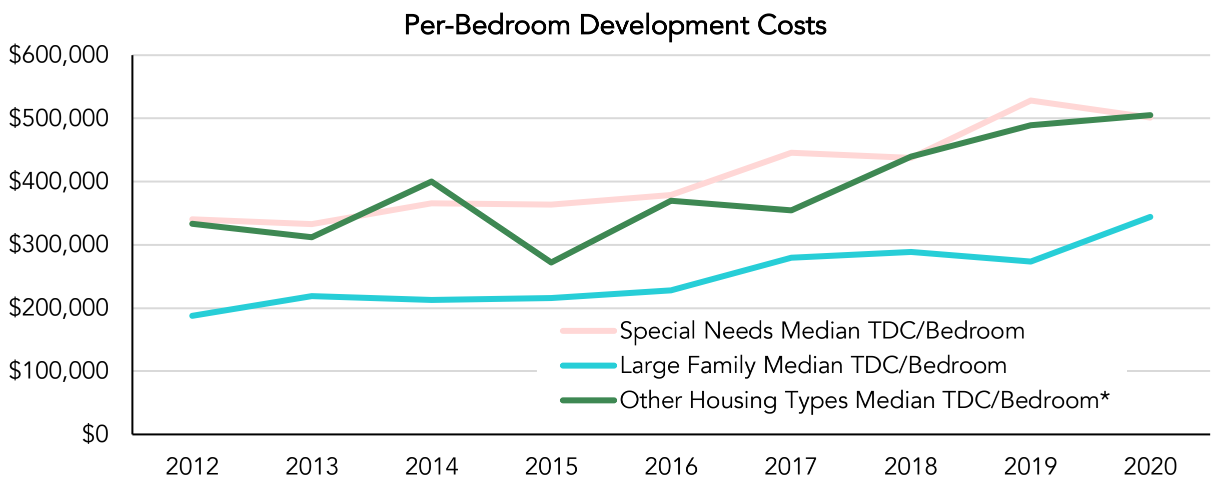
[92] TCAC uses "housing type" to identify the specific population to be served by the development and has four housing types—Large Family, Senior, Special Needs, and At-Risk—each with its own definition and eligibility. Senior properties, for example, house tenants 62 years and older. At-Risk refers to projects with affordability restrictions at risk of their compliance period expiring. Special Needs encompasses individuals living with physical, sensory, developmental or mental health disabilities; individuals who are survivors of physical abuse; individuals who are homeless; individuals with chronic illness; and families in the child welfare system. Large family developments are designed to accommodate families with children.
[93] Though this analysis does not employ rigorous statistical techniques needed to establish correlation, descriptive statistics do allow us to understand important historical trends.
[94] Terner Center for Housing Innovation. 2020. "The Costs of Affordable Housing Production: Insights from California's 9% LIHTC Program." Website: http://ternercenter.berkeley.edu.

FIGURE 80: MEDIAN TOTAL DEVELOPMENT COSTS (TDC) FOR NEW LIHTC DEVELOPMENTS, BY HOUSING TYPE, 2012-2020 (2020$)





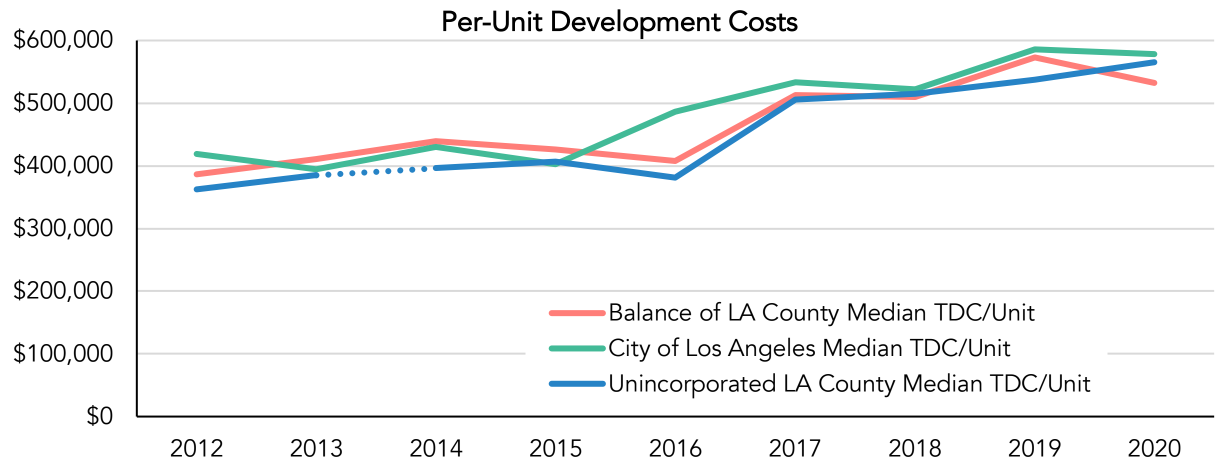
Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2020.
**'Other Housing Types' captures all TCAC housing types except large family and special needs. For new construction developments, this includes senior housing and non-targeted housing.*

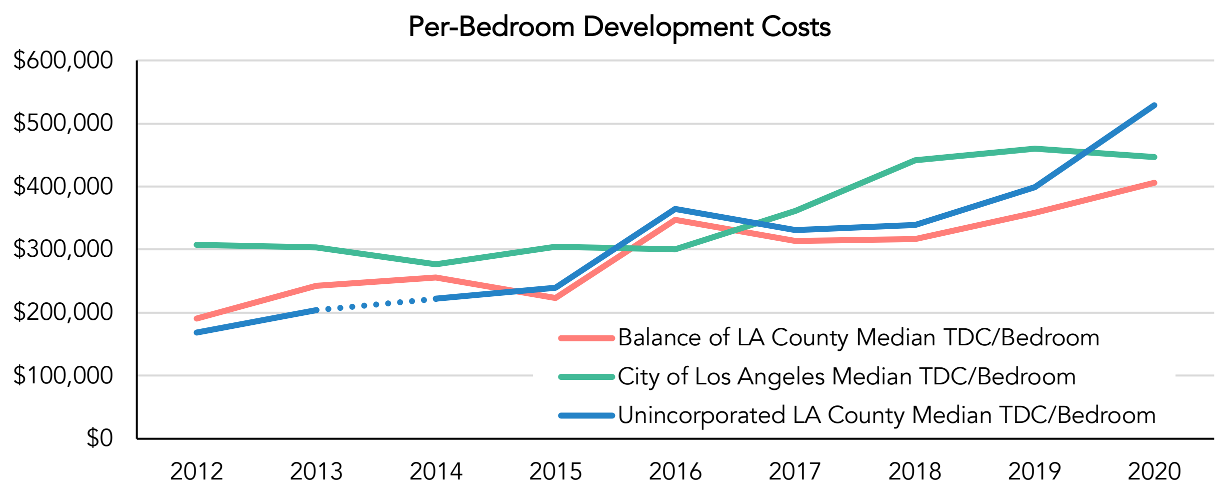
In conclusion, the compositional shift in the type of affordable homes created in Los Angeles County towards serving more special needs households appears to have contributed to the increase in median costs in recent years, independent of other factors such as the rising cost of materials.

Cost Analysis by Geography

Figure 81 shows trends in median total development costs for new affordable homes financed with tax credits—on a per-unit and per-bedroom basis—in the City of Los Angeles, Balance of LA County, and unincorporated LA County from 2012 to 2020, adjusted for inflation. While development costs on a per-unit basis were comparable across all three geographies from 2012 to 2020, per-bedroom costs saw more variation. During this time period, per-bedroom development costs for the City of Los Angeles were greater than costs for developments outside of the City for every year except 2016 and 2020. Per-bedroom costs for developments in the Balance of LA County and unincorporated LA County were comparable from 2012 to 2019, with costs in unincorporated LA County increasing at a higher rate in 2020 (32 percent vs. 13 percent). This increase in costs for developments in unincorporated LA County could be explained in part by the decline in average bedrooms per unit from 2019 to 2020—a 25 percent decrease from 1.4 to 1.0 bedrooms per unit.[95,96]

FIGURE 81: MEDIAN TOTAL DEVELOPMENT COSTS (TDC) FOR NEW LIHTC DEVELOPMENTS, BY GEOGRAPHY, 2012-2020 (2020$)





Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2020.
Note: There is a dotted line for unincorporated LA County for 2013 and 2014 because there was only one development awarded LIHTCs during this two-year period.

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[95] 2017 to 2018 and 2018 to 2019 also saw decreases in the number of bedrooms per unit; however, these decreases were moderate—0.3 percent decline between 2017 to 2018 (1.50 to 1.49 bedrooms per unit) and eight (8) percent decline between 2018 and 2019 (1.49 to 1.38 bedrooms per unit).

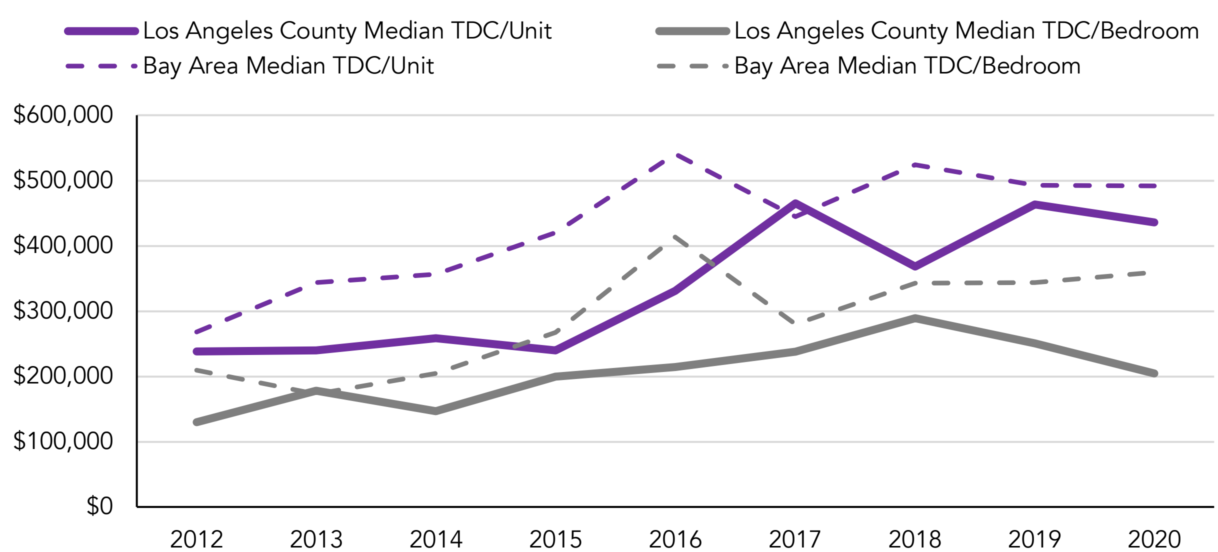
[96] As noted in Table 68, the total number of LIHTC developments in unincorporated LA County is small (35 developments), such that the median total development cost each year can be impacted by a few expensive developments.

Historical Trends in Total Development Costs for Preserved Affordable Housing

Research has found that the cost of acquiring and rehabilitating—also known as "preserving"—existing multifamily rental housing is typically much lower than new construction.[97] Between 2012 and 2020, preserving existing multifamily rental housing costed 35 percent less per unit and 39 percent less per bedroom in Los Angeles County than new construction, on average.

Figure 82 shows trends in median total development cost for a preserved affordable home financed with tax credits—on a per-unit and per-bedroom basis—in both Los Angeles County and the Bay Area from 2012 to 2020, adjusted for inflation.[98,99] In Los Angeles County, these costs have steadily increased during this nine-year time period overall. From 2012 to 2020, the cost to acquire and rehabilitate an affordable home increased from $238,000 to $436,000 per unit (83 percent) and the costs per bedroom increased from $130,000 to $205,000 (58 percent), adjusted for inflation. Development costs per bedroom and per unit decreased from 2019 to 2020 by six (6) percent per-unit and 18 percent per-bedroom. When comparing the Bay Area to Los Angeles County, the former experienced a larger absolute increase (dollar amount) and relative increase (percent) in both per-unit and per-bedroom costs from 2012 to 2020.

FIGURE 82: MEDIAN TOTAL DEVELOPMENT COSTS (TDC) FOR ACQUISITION/REHABILITATION LIHTC DEVELOPMENTS, BY HOUSING TYPE, 2012-2020 (2020$)



Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2020.

[97] See, for example: Center for Housing Policy. "Comparing the Costs of New Construction and Acquisition-Rehab in Affordable Multifamily Rental Housing: Applying a New Methodology for Estimating Lifecycle Costs." 2013. Website: https://pdfs.semanticscholar.org/5337/abc2544ae5820a1bc92e52ce3d8f6d5fb8f9.pdf.

[98] See Appendix F: Full Data Findings, Section 5 for expanded cost analysis data, including cost comparisons between the City of Los Angeles and the Greater County of Los Angeles.

[99] The Bay Area is defined as the five most urbanized Bay Area counties—Alameda, Contra Costa, San Francisco, Santa Clara, and San Mateo.

Given limitations in the available data, it is difficult to explain the increases in costs to acquire and rehabilitate affordable homes in Los Angeles County or the recent decrease in costs from 2019 to 2020 beyond these reflections. For example, because most of the county's preserved affordable homes are financed with non-competitive 4% tax credits that do not claim a specific housing type or identify a specific population to be served by the development, a more detailed cost analysis is not possible. In addition, because this analysis focuses primarily on total development costs, it is impossible to isolate individual cost drivers that could explain the recent increase in costs to acquire and rehabilitate affordable homes in the County—such as changes in hard costs, financing costs, design or wage requirements, or development fees. Additional research is needed to understand these dynamics.

For more analysis of total development costs in Los Angeles County, including additional historical trends and descriptive statistics, see Appendix F: Full Data Findings, Section 5.

Section 6. Recommendations

The recommendations presented below are grounded by the analysis in Sections 1-5 and are aligned with the Board directive to support the production and preservation of affordable homes, including workforce housing and permanent supportive housing, for very low and extremely low-income or homeless households. They were informed by input from Affordable Housing Coordinating Committee members and other community stakeholders.

Similar to the recommendations in the 2020 report, the recommendations below contain a more wide-ranging set of prescriptions to address the scale of housing needs in the county than in earlier annual reports, such as creative approaches to expand capital revenues as well as land use and zoning reforms.

Increase Funding for Affordable Housing

Following a similar set of recommendations in the 2020 report, the recommendations below propose how the County could increase resources for developing and preserving affordable housing. The County's current $100 million annual commitment is critically important but also not commensurate with the scale of housing need documented in this report. The need for additional local resources is further exacerbated by the exhaustion of Proposition HHH funds by the City of Los Angeles and continued depletion of State Prop 1 bond funds, roughly two thirds of which we estimate will be committed by the end of 2021.

1. Pursue a General Obligation Bond and Other New Sources of Revenue

As the COVID-19 pandemic recedes and local economic conditions improve thanks in part to substantial federal and state assistance, the County could take advantage of the historically low interest rate environment and bond against the multifamily capital portion of its $100 million annual commitment for affordable housing, which could generate approximately $1.2 billion in a general obligation bond sale.[100] The County could also explore additional sources of revenue for affordable housing, such as a parcel tax, utility tax, or a sales tax. These options would become more feasible if the state lowers the current requirement for a two-thirds vote to 55 percent as has been done for educational facilities.

If additional capital for affordable housing production were to be raised and all or a substantial portion of those funds targeted to Permanent Supportive Housing, the County would also need to engage in a careful examination of available sources of rental subsidies to support those units, including the amount of project-based voucher (PBV) authority remaining under LACDA's 30 percent PBV cap.

2. Continue to Pursue Available State Resources

The County should continue to pursue all available state resources for affordable housing production and preservation which require local jurisdictions to proactively apply, as it has done over the past year with COVID relief funds, SB2 Permanent Local Housing Allocation (PLHA) funds, Project Homekey funding, and

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[100] Estimate based on a 30-year General Obligation Bond issuance with a 3.70 percent average interest rate to bond holders. Such an issuance would need to be further analyzed and could be structured in multiple ways to maximize proceeds and minimize interest rate risk to the County.

Affordable Housing and Sustainable Communities (AHSC) funds. Important additional sources to pursue over the coming year include the Housing for Healthy California (HHC) program, which will receive a substantial new infusion of capital from the National Housing Trust Fund in 2021, and the anticipated second round of Project Homekey.

3. Additional Resources for Permanent Supportive Housing for Persons in Need of Mental Health Services

The County should explore the feasibility of dedicating additional Mental Health Services Act funding from the Department of Mental Health to address the pending depletion of No Place Like Home funds for permanent supportive housing for persons in need of mental health services.

4. Support and Expand Project Homekey Supportive Housing

The County should provide capital funding for 2020 Project Homekey acquisitions to support their conversion to permanent housing and ensure they do not lay claim to all or substantially all of the general funds anticipated to be appropriated for the LACDA's fiscal year 2021-2022 Notice of Funding Availability. Preserving funding for the NOFA is critical to the production of new Permanent Supportive Housing units throughout Los Angeles County. In addition, the County should apply for the anticipated second round of Project Homekey acquisition funding, which the Governor has proposed in the State's budget for fiscal year 2021-2022 and which would become available in the latter part of 2021. If the County elects to pursue additional Project Homekey acquisitions, it should also allocate capital funding to support conversion to permanent housing and evaluate the availability of rent subsidies to support their operation.

5. Plan for Service Needs of Permanent Supportive Homes

The County should initiate a planning process to ensure that resources are available to support the approximately $355,000 in services costs for each permanent supportive home over its 55-year restriction term. Integrated case management services for these units are currently funded by Measure H tax receipts. Although Measure H will continue to generate revenues for seven more years, the County should begin to plan for the period after these initial contracts expire.

6. Explore Enhanced Infrastructure Financing Districts as a Source of Funding for Affordable Housing

The County should explore Enhanced Infrastructure Financing Districts (EIFDs) in unincorporated areas and adjacent to existing County assets as a possible approach for generating revenue for affordable housing. One known EIFD is currently under evaluation in the City Terrace neighborhood surrounding the LAC + USC campus that would support housing infrastructure and community amenities. The County should similarly explore using the Second Neighborhood Infill Finance and Transit Improvements Act (NIFTI-2) to finance the development of new affordable homes near transit, particularly if the improvements proposed by Senator Ben Allen in Senate Bill 563 become law.

7. Explore Use of Revenues Diverted Under Measure J to Support Affordable Housing

Under the provisions of Measure J, affordable housing, supportive housing, and rental assistance are eligible uses of funds diverted under the measure. The Partnership understands that the required community engagement process is already underway and recommend that capital and operating support for affordable housing should be adopted as a Measure J funding priority to address racial injustice and inequity.

Increase Availability of Sites for Affordable Housing

The following recommendation proposes measures to increase the availability of sites for affordable and mixed-income housing.

8. End Exclusionary Zoning in Resource-Rich Neighborhoods

The County should leverage ongoing land use and zoning efforts, including the update to the Inclusionary Housing Ordinance and implementation of the pending Housing Element Update (missing middle program and countywide re-zoning program) to maximize the creation of deed-restricted affordable homes in resource-rich neighborhoods, particularly in single family zoned areas. As described in Section 4 of this report, resource-rich neighborhoods are those whose characteristics are associated with positive outcomes for families and children. Non-Hispanic white households are overrepresented in the county's resource-rich neighborhoods, and Black and Latinx households are underrepresented, relative to their respective shares of the overall county population.

Support Innovative and Cost-Saving Strategies

The following recommendations propose how the County could support innovative and cost-saving strategies for increasing efficiency in the affordable housing delivery system. The analysis in Section 5 of this report on development cost trends, echoing findings from multiple recent studies, highlights the need to reduce costs where possible.

9. Facilitate Development of Modular Manufacturing in Los Angeles County

To address limited access to modular construction for affordable housing developers in Southern California, the Office of the CEO should help facilitate an effort to identify sites that would be appropriate for modular manufacturing and expedite land use approvals and permitting for these facilities.

10. Clarify and Prioritize Non-Scored Selection Criteria in the LACDA Notice of Funding Availability

To increase alignment of awards with stated policy goals and transparency in the funding award process, the LACDA's NOFA should clarify and quantify the non-scored selection criteria currently used to determine funding awards. The most recent NOFA required applicants to achieve a minimum score under the point system, after which funds were awarded to projects based on six unweighted and unquantified selection criteria, including geographic distribution, project size, population served, and per-unit development cost. This approach may allow lower-scoring proposals to receive funding over higher-scoring ones, which can appear counterintuitive to external stakeholders. Some of the selection criteria could be incorporated into the point system, and others such as geographic distribution could be restated as factors that override the point system. For example, the NOFA could include a stated goal to fund one application in each supervisorial district.

11. Waive Design Standards Tied to LACDA Funding

The LACDA significantly modified its design standards for its most recent NOFA to more closely match those imposed by the California Tax Credit Allocation Committee and the City of Los Angeles. The LACDA should conduct an additional review in conjunction with external stakeholders prior to releasing its next NOFA to be certain its remaining design standards do not impose a cost burden beyond what is required by state agencies and the City of Los Angeles.[101] The Partnership recognizes that the LACDA may wish to maintain certain design standards that are necessary to ensure that funded developments offer the accessibility and functionality required to sustainably house tenants with a variety of special needs.

Strengthen State and Federal Advocacy

The following recommendation proposes how the County could increase strengthen its state and federal housing advocacy.

12. Respond Rapidly to Pending, High-Impact State and Federal Legislation

As the most populous county in the country, Los Angeles County must respond rapidly to opportunities to advocate for affordable housing resources in state and federal housing legislation for 2021 in coordination with other aligned stakeholders in California. At the federal level, the County should immediately begin work in coalition with other state and national partners to advocate for the inclusion of the affordable housing provisions in 2020’s unsuccessful H.R. 2 legislation (the Moving Forward Act) in the Biden Administration’s proposed American Jobs Plan.

In addition, the County’s federal advocacy should focus on improvements to the Housing Choice Voucher program that would allow the LACDA to provide rental subsidy to more permanent supportive housing units. These include increased funding, an increase to the 30 percent cap for project-based vouchers, and a change to the administrative fee structure for public housing authorities (PHAs) that would avoid penalizing PHAs for employing vouchers to assist people experiencing homelessness.

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[101] A March 2020 study by the Terner Center for Housing Innovation shows that hard construction costs, local development fees, lengthy entitlement processes, parking requirements, prevailing wages or local hire requirements, state and local design regulations, and the time and talent needed to navigate the complex financing landscape of affordable housing are all development cost drivers for new affordable housing. For more information, see: ”Terner Center for Housing Innovation. 2020. “The Costs of Affordable Housing Production: Insights from California’s 9% Low-Income Housing Tax Credit Program.” Website: http://ternercenter.berkeley.edu/uploads/LIHTC_Construction_Costs_March_2020.pdf.

At the state level, the County should voice support to the Newsom Administration and state legislators representing Los Angeles County for allocating a substantial portion of the state's projected fiscal year 2021 - 2022 budget surplus to affordable housing production and preservation. Specifically, the County should advocate for funding to be allocated to provide capital to replace low-income housing tax credit equity for the substantial backlog of projects that have already received funding from one or more state programs but whose progress has stalled due to oversubscription of the tax-exempt bond program.

13. Advocate for Amendments to State Housing Legislation Specifically Related to Los Angeles County

Assembly Bill 634 (Carillo)

The County propose certain amendments to Assembly Bill 634, for which the County is a co-sponsor, which would allow local governments to require extended affordability terms for a host of programs, including the state's density bonus law, beyond 55 years. The amendments should exempt housing assisted by low-income housing tax credits (LIHTC/"tax credits") from the option to require longer affordability. Absent a major change in federal tax law, it is critical that length of affordability restrictions required by land use law and government lenders remains coterminous with the 55-year regulatory term imposed by the California Tax Credit Allocation Committee. If not, many LIHTC-assisted developments would be unable to demonstrate that residual receipts loans made by the County, other cities, and the State of California could be characterized as debt for tax purposes and would thus prove unable to secure LIHTC investors.

Senate Bill 679 (Kamlager)

Senate Bill 679 would create the Los Angeles County Affordable Housing Solutions Agency, a new countywide agency whose powers would include, among others, the ability to place affordable housing funding measures on the ballot, assemble land for affordable housing development, and provide support to local governments for the production and preservation of affordable housing. (These powers were stripped from the most recent amendments to the bill for procedural reasons but are expected to be reintroduced in forthcoming amendments.) Because the Agency could have such a broad range of authorities, the County should closely examine the bill's current text to ensure several goals are met:

1) Unincorporated areas should be represented in the Agency's governance and decision making;
2) The proposed 13-seat governing board should be large enough and constituted to represent the diversity of Los Angeles County's regions and communities; and
3) The role of the LACDA should not be usurped or duplicated by the Agency's authorities.

Further, County staff should engage in the stakeholder process currently being led by United Way to understand the direction and purpose of the legislation.

Advance Racial Equity in Housing Programs

The following recommendations propose how to advance racial equity in County housing programs.

14. Evaluate Establishing a Countywide Waitlist for Non-Supportive Housing to Increase Housing Choices

Waitlists for County-funded affordable housing are currently administered at the property level, which may limit the pool of prospective residents to those who already live nearby. A countywide waitlist (or referral list) could ensure broad access to new and existing developments, particularly those in resource-rich areas where Black, Latinx, Indigenous, and other people of color have been excluded. The County should convene a focus group of affordable housing owners and management agents to explore how such a waitlist could work. As a first principal, the process for administering a countywide waitlist would have to result in rapid referrals of tenants for available units with final leasing decisions made by each property owner per their approved management plans. A waitlist process could under no circumstances result in affordable homes remaining vacant for protracted periods.

Glossary

Above Moderate-Income Households – households that earn more than 120 percent of Area Median Income.

Affordable Home – a home where the household spends no more than 30 percent of its income on housing and utility costs.

Affordable and Available Home – a home with a gross rent that is affordable at a particular level of income and is either vacant or occupied by a household at or below the income group threshold.

American Community Survey (ACS) – an ongoing, annual survey conducted by the U.S. Census Bureau that collects information such as employment, education and housing tenure to aid community planning efforts.

Annual Homeless Assessment Report (AHAR) – a report to the U.S. Congress on the extent and nature of homelessness in the U.S. that provides local counts, demographics, and service use patterns of the homeless population. AHAR is comprised of Point-in-Time (PIT) Counts, Housing Inventory Counts (HIC) and Homeless Management Information Systems (HMIS) data.

At-Risk Developments – affordable housing developments that are nearing the end of their affordability restrictions and/or project-based subsidy contract and may convert to market rate in the next five years.

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

California Housing Finance Agency (CalHFA) – California's affordable housing bank that provides financing and programs that support affordable housing opportunities for low- to moderate-income households.

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

Continuum of Care (CoC) Program – a program designed by the U.S. Department of Housing and Urban Development (HUD) to promote communitywide commitments to ending homelessness by funding efforts to rehouse homeless individuals and families, promote access and increase utilization of existing programs, and optimize self-sufficiency of those experiencing homelessness. CoC was authorized by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) and is a consolidation of the former Supportive Housing Program (SHP), Shelter Plus Care (S+C) Program and the Section 8 Moderate Rehabilitation Single Residence Occupancy (SRO) Program.

Cost Burden Analysis – looks at the percentage of income paid for housing by households at different income levels. A home is considered affordable if housing costs absorb no more than 30 percent of the household's income. A household is cost burdened if they pay more than 30 percent of their income towards housing costs.

Deeply Low-Income (DLI) Households – households earning between 0 and 15 percent of Area Median Income.

Extremely Low-Income (ELI) Households – households earning 15 to 30 percent of Area Median Income.

Fair Market Rent (FMR) – limits set by the U.S. Department of Housing and Urban Development (HUD) to determine what rents can be charged in various Section 8 programs and the amount of subsidy that is provided to Section 8 Housing Choice Voucher (HCV) recipients. Limits are set using the U.S. Decennial Census, the American Housing Survey (AHS), gross rents from metropolitan areas and counties, and from the public comment process. These limits can be adjusted based on market conditions within metropolitan areas defined by the Federal Office of Management and Budget (OMB) to accommodate for high-cost areas.

Gap (or Shortfall) Analysis – a comparison of the number of households in an income group to the number of homes affordable and available to them at 30 percent or less of their income; "Affordable and Available" homes have a gross rent that is affordable at a particular level of income and is either vacant or occupied by households at or below the income group threshold.

HOME Investment Partnerships Program (HOME) – program within the U.S. Department of Housing and Urban Development (HUD) that provides formula grants to states and localities that communities use to fund a wide range of activities for community development. These funds are often used in partnership with nonprofit groups and are designed exclusively to create affordable homes for low-income households.

Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) – Federal legislation that reauthorized the McKinney-Vento Homeless Assistance Act and consolidated the Supportive Housing Program (SHP), the Shelter Plus Care (S+C) Program and the Section 8 Single Resident Occupancy (SRO) Program into the Continuum of Care (CoC) Program. The legislation also created the Emergency Solutions Grants Program, the Homeless Management Information System (HMIS) and the Rural Housing Stability Assistance Program.

Homeless Management Information Systems (HMIS) – a local technology system that collects client-level data and data on the provision of housing and services to homeless individuals, families, and persons at-risk of homelessness. HMIS is used for Continuum of Care (CoC) Programs and Annual Homeless Assessment Reports (AHAR).

Household Pulse Survey – a new, experimental survey to measure the social and economic impacts of the COVID-19 pandemic over time, as well as inform federal and state response and recovery planning. Because data is updated on a bi-weekly basis, the survey is meant to provide insights into how household experiences have changed during the pandemic. The survey asks individuals about their housing, employment status, spending patterns, food security, physical and mental health, access to health care, and educational disruption.

Housing Authority of the City of Los Angeles (HACLA) – public housing authority for the City of Los Angeles that distributes Housing Choice Vouchers (HCVs) and maintains public housing developments within the jurisdiction.

Housing Inventory Counts (HIC) – the number of beds and units within the Continuum of Care Program's homeless system within emergency shelters, transitional housing, rapid re-housing, Safe Haven and permanent supportive housing.

Housing Type – the Tax Credit Allocation Committee (TCAC) uses "housing type" to identify the specific population to be served by LIHTC development. There are four housing types—Large Family, Senior, Special Needs, and At-Risk—each with its own definition and eligibility. Senior properties, for example, house tenants 62 years and older. At-Risk refers to projects with affordability restrictions at risk of their compliance period expiring. Special Needs encompasses individuals living with physical, sensory, developmental or mental health disabilities; individuals who are survivors of physical abuse; individuals who are homeless; individuals with chronic illness; and families in the child welfare system. Large family developments are designed to accommodate families with children.

Inclusionary Housing Developments – affordable housing units that are produced or funded by market-rate residential developments that are subject to local inclusionary zoning or policies

Los Angeles Homeless Services Authority (LAHSA) – an independent Joint Powers Authority created by the Los Angeles County Board of Supervisors to coordinate federal and local funded efforts to provide services to homeless individuals throughout Los Angeles City and County. This agency also manages Los Angeles' Continuum of Care (CoC) Program.

Low-Income (LI) Households – households earning between 50 and 80 percent of Area Median Income.

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 apartments for low-income households.

Mental Health Services Act (MHSA) – the Mental Health Services Act (MHSA) Housing Program was jointly launched in August 2007 by the California Department of Mental Health and California Housing Finance Agency to provide a vehicle for counties across the state to invest capital development and operating subsidy funding in the development of new permanent supportive housing for individuals diagnosed with mental illness who are homeless or chronically homeless.

Moderate-Income Households – households earning 80 to 120 percent of Area Median Income.

Overcrowded – a description applied to households that have more than one adult per room, counting two children as equivalent to one adult. A room is defined as a bedroom or common living space (such as a living room), but excludes bathrooms, kitchens, or areas of the home that are unfinished or not suited for year-round use.

Permanent Supportive Housing – long-term, permanent housing for individuals who are homeless or have high service needs.

Point in Time (PIT) Count – a jurisdictional count of homeless persons inside and outside of shelters and housing during a single night. This measure is a requirement for HUD's Continuum of Care Program as authorized by the McKinney-Vento Homeless Assistance Act.

Project-Based Voucher (PBV) Program – vouchers provided by public housing agencies through the Housing Choice Voucher (HCV) Program that are tied to a specific development rather than attached to a tenant. The PBV Program partners with developers and service providers to create housing opportunities for special populations such as the homeless, elderly, disabled, and families with mental illness.

Public Use Microdata Sample (PUMS) – annual, untabulated records of individuals or households that serve as the basis for the Census ACS summaries of specific geographic areas and allow for data tabulation that is outside of what is available in ACS products.

Regional Housing Need Allocation (RHNA) – the total number of housing units by affordability level that each jurisdiction must accommodate as defined by the California Housing and Community Development (HCD), and distributed by regional governments like the Southern California Association of Governments (SCAG).

Rapid Rehousing (RRH) – programs providing limited term rental subsidies that aim to quickly house people experiencing homelessness and return homeless individuals into housing as quickly as possible.

Section 8 Housing Choice Voucher (HCV) Program – a program where HCVs funded by the U.S. Department of Housing and Urban Development (HUD) are provided to low-income renters with a subsidy to help them afford market rentals by paying the difference between what the tenant can afford (30 percent of their income) and the market rent. Eligibility is determined by the household's annual gross income and family size and the housing subsidy is paid directly to the landlord.

Section 8 Single Room Occupancy (SRO) Program – former program under the U.S. Department of Housing and Urban Development (HUD) that provided rental assistance in connection with the moderate rehabilitation of residential developments that contained upgraded single occupancy units for homeless individuals. This program was consolidated by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARH Act) into the Continuum of Care (CoC) Program.

Severely Cost Burdened – a description applied to households that spend more than 50 percent of household income on housing costs.

Severely Overcrowded – a description applied to households with more than two adults per room, counting two children as equivalent to one adult. A room is defined as a bedroom or common living space (such as a living room), but excludes bathrooms, kitchens, or areas of the home that are unfinished or not suited for year-round use.

Shelter Plus Care (S+C) Program – a former program under the U.S. Department of Housing and Urban Development that provided rental assistance in connection with matching supportive services. This program was consolidated by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARH Act) into the Continuum of Care (CoC) Program.

Southern California Association of Governments (SCAG) – a Joint Powers Authority that serves as the Metropolitan Planning Organization (MPO) for Imperial County, Los Angeles County, San Bernardino County, Riverside County, Orange County and Ventura County and their associated jurisdictions.

Successor Agency – established after the dissolution of Redevelopment Agencies (RDAs) in 2011 to manage the Agency's affordable developments that were underway, make payments on enforceable obligations, and dispose of redevelopment assets and properties.

Supportive Housing Program (SHP) – former program under the U.S. Department of Housing and Urban Development (HUD) that helped develop and provide housing and related supportive services for people moving from homelessness to independent, supportive living. This program was consolidated by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) into the Continuum of Care (CoC) Program.

U.S. Department of Housing and Urban Development (HUD) – a federal agency that supports community development and home ownership, enforces the Fair Housing Act, and oversees a number of 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.

U.S. Department of Housing and Urban Development Veterans Affairs Supportive Housing (HUD-VASH) Program – a program that combines Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the Department of Veteran Affairs (VA). Rental assistance is provided through VASH vouchers that act as tenant-based vouchers and are allocated from public housing authorities (PHAs).

Very Low-Income (VLI) Households – households earning 30 to 50 percent of Area Median Income.

Appendix A: Methodology

Determining Rent Affordability

Rent affordability is determined by the income needed to afford rent and utilities without spending more than 30 percent of household income. Rent affordability for each income group is derived using adjustment factors provided by HUD. Rent affordability levels are calculated from the four-person base for each income level, and an affordable rent is calculated for each income level using the following formula: (four-person income x 0.3)/12, representing 30 percent of the four-person income level for each income group divided by 12 to provide the maximum affordable monthly rent at that income level.

The limit for deeply low-income (DLI) households, 15 percent of median income, is calculated in addition to ELI, VLI, LI, moderate and above moderate-income households for the county and each of the Supervisorial Districts (SDs). DLI is calculated by multiplying the HUD adjusted four-person income limit for VLI households by 30 percent to define the income threshold.

Categorizing People and Households by Race and Ethnicity

For the purposes of this report, the categorization of people and households by race and ethnicity is based on individual responses to U.S. Census Bureau surveys, specifically the American Community Survey (ACS) and the Household Pulse Survey. For most indicators—except when denoted in the source notes—people and households are categorized 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.
- "Latino" or "Latinx" (used interchangeably) 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.
- "Some 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" or "multiracial" (used interchangeably) 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.

Exceptions to this categorization are detailed in the source notes of Figure 2, Figure 6, and Table 3 and arise because ACS summary file data is used rather than detailed microdata (PUMS). ACS summary file data disaggregated by race and ethnicity generally treats race and Latino or Hispanic origin as two distinct concepts. In other words, people who identify as being of Latino or Hispanic origin may be of any race; therefore, data presented in Figure 2, Figure 6, and Table 3 for the Asian, Black, Native American, Other Pacific Islander, some other race, or two or more races may include some number of people who identify as being of Latino or Hispanic origin.

Additional Methodology Notes for Gap Analysis

The gap analysis is calculated based on rental home affordability and the income level of the household that occupies the home. For example, the number of rental homes that are affordable and either vacant or occupied by a DLI household ("Affordable and Available") is determined by adding the number of vacant rental units and the number of units occupied that are affordable to DLI. Table 4 in the body of this Report provides an overview of the number of rental homes affordable to each income group.

To determine the number of households within each income category, households are grouped using HUD's adjusted income limits for all household sizes and are identified as DLI, ELI, VLI, LI, Moderate-Income and Above Moderate-Income accordingly. "All Households (Cumulative)" is calculated by summing the number of households within the income group and households in lower income groups. For example, the number of households that are at or below the VLI threshold income include all DLI, ELI and VLI households (i.e.,189,837 + 279,396 + 313,964 = 783,197).

An "affordable" home is one with housing costs that are 30 percent or less of a household's income. "Affordable and Available" homes are those with housing costs that are affordable at a particular level of income and are either vacant or occupied by households at or below the income group threshold.[102] "Rental Homes 'Affordable and Available' (Cumulative)" is the number of rental homes that are affordable and either vacant or occupied by a household at or below the income group threshold. For example, the number of rental homes that are affordable and available to ELI households are the vacant and affordable homes to DLI and ELI households and occupied affordable DLI and ELI homes occupied by households at or below the ELI income threshold.

The "Cumulative Surplus or Shortfall of Affordable Rental Homes" for each income group is the lower income groups' "Cumulative Surplus or Shortfall of Affordable Rental Homes" subtracted from the difference between the number of "Rental Homes 'Affordable and Available' (Cumulative)" and the number of "All Households (Cumulative)." For example, the 364,316 "Cumulative Surplus or Shortfall of Affordable Rental Homes" for ELI households is the difference between the 469,233 households at or below the ELI threshold income and the 104,917 affordable and available rental homes to the ELI income group and below.

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[102] NLIHC. *The Gap.* 2020. Website: https://reports.nlihc.org/gap.

Additional Methodology Notes for Cost Burden Analysis

The cost burden analysis is calculated based on a household's monthly income and their monthly housing costs. Housing costs include what a household pays in rent and for utilities (e.g., electricity, fuel, gas and water). The percentage of a household's monthly income that goes towards housing costs determines whether that household is cost burdened.

To classify households as cost burdened, we first re-calculate the "Gross Rent Paid as Percentage of Income" variable available in the PUMS dataset so that it takes account the cost of utilities. Accordingly, for all renter households, we add monthly utilities to rent paid by each household, multiply this total by 12 to get annual rent then divide by the household income. For all occupied renter households (so excluding vacant rental units), we now know the percentage of each household's income paid in housing costs, or rent and utilities.

We then label each household's cost burden based on the percent of income spent on housing costs:

0-0.299 = not cost burdened

0.30-0.499 = cost burdened

0.50-1.01 = severely cost burdened

Thus, households that spend less than 30 percent of their income towards housing costs are considered not cost burdened. Households that spend more than 30 percent and more than 50 percent of their income on housing costs are considered cost burdened and severely cost burdened, respectively. For example, a four-person VLI household that earns $3,600 monthly and pays $1,260 in housing costs are cost burdened as they are paying 35 percent of their monthly income on housing costs.

Additional Methodology Notes for Overcrowding Analysis

To measure overcrowding in Los Angeles County, we use a modified version of Legislative Analyst's Office's (LAO) overcrowding measure used in "California's High Housing Costs: Causes and Consequences." In the LAO report, overcrowding is defined as more than one adult per room, counting two children as equivalent to one adult. Rooms are defined as everything except the bathroom. For the purposes of this analysis, we do not count kitchens as rooms either. With these caveats, rooms that would be included in the measure are bedrooms or common living space (such as a living room or dining room), but bathrooms, kitchens or areas of the home that are unfinished or not suited for year-round use are excluded.[103]

[103] The Overcrowding Analysis used the U.S. Census Bureau's definition of a room, excluding the kitchen. For the full definition, visit https://www.census.gov/housing/hvs/definitions.pdf.

To classify households as overcrowded, we first re-calculate the number of rooms in each unit so that kitchens are excluded. As is, PUMS defines rooms as living rooms, dining rooms, kitchens, bedrooms, finished recreation rooms, enclosed porches suitable for year-round use and lodger's rooms. Excluded are strip or pullman kitchens, bathrooms, open porches, balconies, halls or foyers, half-rooms, utility rooms, unfinished attics or basements or other unfinished space used for storage. A partially divided room is a separate room only if there is a partition from floor to ceiling, but not if the partition consists solely of shelves or cabinets.[104]

Next, we determine the number of adults per room—counting two children as one adult. For all occupied renter households (so excluding vacant rental units), we subtract the number of persons in the housing unit (which counts all children as one person) by the number of children reported in the household divided by two, all over the number of rooms (net the kitchen, when applicable). We divide the number of children by two because our measure of overcrowding counts two children as one adult.

Each household is then given a crowding designation based on the ratio of individuals per bedroom.

0-1.00 = not overcrowded

1.01-2.00 = moderately overcrowded

Greater than 2.00 = severely overcrowded

Additional Methodology Notes for Risk Assessment

The California Housing Partnership's risk assessment analyzes the risk of a development converting to market rate. The assessment includes affordable developments financed or assisted by HUD, USDA, LIHTC, CalHFA, and HCD programs. Each affordable housing development is assigned a risk designation based on the development's length of affordability, overlapping subsidies and owner entity type. Risk designations and criteria include:

- **Very High Risk of Conversion:** Affordability restrictions end in less than one year, there are no known overlapping subsidies that extend affordability and the development is not owned by a large and stable non-profit, mission-driven developer.
- **High Risk of Conversion:** Affordability restrictions end in one to five years, there are no known overlapping subsidies that extend affordability and the development is not owned by a large and stable non-profit, mission-driven developer.
- **Moderate Risk of Conversion:** Affordability restrictions end in five to ten years, there are no known overlapping subsidies that extend affordability and the development is not owned by a large and stable non-profit, mission-driven developer.

[104] For a full set of Census Bureau definitions and explanations, see www.census.gov/housing/hvs/definitions.pdf.

- **Low Risk of Conversion:** Affordability restrictions extend beyond ten years or the development is owned by a large and stable non-profit, mission-driven developer.

The California Housing Partnership's Preservation Database is updated quarterly with the most complete and available data provided by each agency. The data is then cleaned and duplicate information is removed using both automated processes and manual checks. Every effort is made to ensure the information presented is as precise as possible; however, there may be unanticipated inaccuracies in this analysis and in the data received from federal and state agencies.

Additional Methodology Notes for Gentrification, Displacement, and Exclusion

The analysis in this section uses a methodology for measuring gentrification, displacement, and exclusion at the neighborhood level developed by researchers as part of an inter-university initiative among UCLA, UC Berkeley and Portland State called the Urban Displacement Project (UDP). UDP classifies each census tract in Los Angeles County as falling on a spectrum of nine neighborhood typologies from Low-Income/Susceptible to Displacement to Stable/Advanced Exclusive—as described below—where low-income households face increasing difficulty remaining in place given local housing market dynamics:[105]

- **Low-Income Area/Susceptible to Displacement:** Identifies low-income or mixed low-income neighborhoods affordable to low-income households, but that could develop gentrification and displacement pressures in the future.
- **Ongoing Displacement of Low-Income Households:** Identifies low-income or mixed low-income areas that experienced a loss of low-income households between 2000-2018.
- **At Risk of Gentrification:** Identifies low-income or mixed low-income areas that are not currently gentrifying, but where recent housing market changes indicate a risk of gentrification in the future.
- **Early/Ongoing Gentrification:** Identifies low-income or mixed low-income areas that are undergoing the process of gentrification.
- **Advanced Gentrification:** Identifies gentrified neighborhoods that have turned over to predominantly higher-income residents.
- **Stable Moderate/Mixed Income:** Identifies stable moderate to high-income neighborhoods that are not currently at risk of becoming exclusive to low-income households.
- **At Risk of Becoming Exclusive:** Identifies areas that are moderate to high-income, but present risk factors for future exclusion of low-income households.

[105] Zuk, Miriam, et al. 2020. "The Urban Displacement Replication Project: A Modified Gentrification and Displacement Methodology." October. Website: https://www.urbandisplacement.org/sites/default/files/images/udp_replication_project_methodology_10.16.2020-converted.pdf.

- **Becoming Exclusive:** Identifies moderate to high-income areas that are beginning to exclude low-income households.
- **Stable/Advanced Exclusive**: Identifies neighborhoods that exhibit enduring patterns of exclusion.

Additional Methodology Notes for Transit Access

To capture transit-oriented areas in Los Angeles County, the analysis in Section 4 uses the Southern California Association of Government's (SCAG) 2045 High Quality Transit Areas (HQTA). SCAG defines High Quality Transit Areas as being within a half mile of stations with service every 15 minutes or less during peak commute times, including both fixed guideway transit ad bus rapid transit. This definition is consistent with state housing programs, except in that the criteria for defining proximity to transit stations varies somewhat across programs; for example, regulations for awarding Tax Credits defines proximity as a third of a mile, while other state programs (like SCAG) use a half-mile.

Additional Methodology Notes for Neighborhood Resources and Opportunity

This analysis uses "opportunity maps" that the state's two main affordable housing funding agencies, the Tax Credit Allocation Committee (TCAC) and the Department of Housing and Community Development (HCD), created to inform policies that incentivize affordable housing for families with children to be located in higher-resource neighborhoods in order to achieve the larger goal of offering families living in state-subsidized affordable housing a more balanced set of geographic choices when compared to historic trends. The state adopted these policies as part of an effort to incorporate affirmatively furthering fair housing (AFFH) principles into its housing programs and investments.

In the TCAC/HCD maps, each area—census tracts in non-rural areas and block groups in rural areas—are assigned to one of five categories (Highest Resource; High Resource; Moderate Resource; Moderate Resource (Rapidly Changing); and Low Resource) based on regionally derived scores for 16 evidence-based neighborhood indicators, or to a sixth category (High Segregation and Poverty) if they are both racially segregated and high-poverty. The Moderate Resource (Rapidly Changing) category was first introduced in 2020, and is meant to identify Moderate Resource areas that, based on recent trends, may soon become High Resource areas. Areas whose opportunity index scores are in the top 20 percent of each region are categorized as Highest Resource, and tracts and block groups whose scores fall into the next 20 percent of each region (top 20 percent to 40 percent) are categorized as High Resource.

TCAC and HCD work with the California Fair Housing Task Force—a group of independent researchers that includes the California Housing Partnership and multiple research institutes at UC Berkeley—to update these maps on an annual basis to account for new data and refine the methodology based on feedback and emergence of new evidence.

The TCAC/HCD Opportunity Maps are primarily relevant to housing in which children reside, so this analysis only applies to family-targeted developments.

See the California Tax Credit Allocation Committee's website for the full opportunity mapping methodology, as well as an interactive map and a downloadable file with scores and designations for each tract: http://www.treasurer.ca.gov/ctcac/opportunity.asp.

Additional Methodology Notes for Development Cost Analysis

The Development Cost Analysis uses cost data provided by the California Tax Credit Allocation Committee (TCAC) on all affordable rental housing developments awarded LIHTCs in Los Angeles County between 2012 and 2020 for both new construction and acquisition/rehabilitation.

To collect the cost data essential for this analysis, the California Housing Partnership compiled detailed development cost data from 440 LIHTC developments in Los Angeles County from 2012 to 2020, which represents approximately one-third of LIHTC homes in the county. The data comes primarily from applications to TCAC and includes detailed information on the sources of funding and development cost line items.[106] When application data was not available, we used TCAC staff reports created for each LIHTC development, which include summary financing data.[107] Throughout this section, we adjust development costs for inflation to 2020 dollars using the RS Means Construction Cost Index, the same inflation adjustment factor used by TCAC.

Costs are expressed as total residential development cost—including land—and expressed as both per-unit and per-bedroom.

For the housing type portion of this analysis, all SRO developments were collapsed in the special needs housing type.

All years represented in the cost analysis refer to the property's LIHTC award year.

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[106] This data reflects the developer's best estimate of project costs at the time of application and not the final costs of development.

[107] TCAC staff reports can be accessed online at https://www.treasurer.ca.gov/ctcac/meeting/index.asp.

Appendix B: Full Data Findings, Section 1

Gap Analysis

TABLE A: NUMBER OF LOS ANGELES COUNTY HOUSEHOLDS BY HOUSING TENURE (2005-2019)

Year	Number of Renter Households*	Number of Owner Households	Total Households
2005	1,621,543	1,562,853	3,184,396
2006	1,607,392	1,564,640	3,172,032
2007	1,623,435	1,558,468	3,181,903
2008	1,639,800	1,528,562	3,168,362
2009	1,651,764	1,514,362	3,166,126
2010	1,700,905	1,501,448	3,202,353
2011	1,719,784	1,482,011	3,201,795
2012	1,750,538	1,481,122	3,231,660
2013	1,769,811	1,477,894	3,247,705
2014	1,782,312	1,486,800	3,269,112
2015	1,806,687	1,486,408	3,293,095
2016	1,832,068	1,473,521	3,305,589
2017	1,800,767	1,510,464	3,311,231
2018	1,812,624	1,501,284	3,313,908
2019	1,816,770	1,511,628	3,328,398

Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2005-2019.
**Please note that the total number of renter households in Table A and Table 2 (in the main report) do not match perfectly because they rely on a slightly different data source. Estimates from PUMS data (Table 2 in the main report) are expected to be slightly different from the corresponding ACS estimates because they are subject to additional sampling error and further data processing operations.*

TABLE B: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY INCOME GROUP (2014-2019)

Year	DLI	ELI	VLI	LI	Moderate	Above Moderate	Total*
2014	167,670	338,810	325,548	325,169	276,210	346,537	1,779,944
2015	164,065	298,389	325,407	348,121	279,539	376,878	1,792,399
2016	177,352	329,887	320,835	344,865	280,119	370,375	1,823,433
2017	160,096	298,920	298,193	355,524	301,276	383,801	1,797,810
2018	181,311	287,222	306,045	359,706	313,634	361,424	1,809,342
2019	189,837	279,396	313,964	368,727	298,673	363,767	1,814,364

Source: California Housing Partnership analysis of 2014-2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.
**Please note that the total number of renter households in Table A and Table B do not match perfectly because they rely on a slightly different data source. Estimates from PUMS data (Table B) are expected to be slightly different from the corresponding ACS estimates (Table A) because they are subject to additional sampling error and further data processing operations.*

TABLE C: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY AGE GROUP (2014-2019)

Year	Under 35		35 - 44		45 - 54		55 and older	
	#	Share (%)*	#	Share (%)*	#	Share (%)*	#	Share (%)*
2014	525,782	29%	420,626	24%	356,462	20%	481,224	27%
2015	514,906	29%	420,958	23%	368,564	20%	498,646	28%
2016	522,139	29%	421,376	23%	368,246	20%	520,307	28%
2017	492,257	28%	418,072	23%	364,909	20%	525,529	29%
2018	506,797	28%	413,471	23%	354,259	19%	538,097	30%
2019	506,915	28%	414,570	23%	350,805	19%	544,480	30%

Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2014-2018.
**Represents the percentage of households the age group comprises of all households.*

TABLE D: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY RACE & ETHNICITY* (2010-2019)

Year	Asian	Black	Latinx	Native American	Other Pacific Islander	White alone, not Hispanic or Latino	Other race	Two or more races
2010	221,118	210,912	699,072	8,505	3,402	530,682	328,275	54,429
2011	214,973	213,253	722,309	8,599	5,159	529,693	309,561	53,313
2012	225,819	217,067	733,475	7,002	3,501	532,164	320,348	59,518
2013	221,226	215,917	745,090	12,389	5,309	541,562	327,415	58,404
2014	229,918	213,877	755,700	12,476	5,347	536,476	331,510	60,599
2015	233,063	216,802	762,422	12,647	5,420	551,040	348,691	52,394
2016	234,505	214,352	780,461	14,657	3,664	558,781	373,742	58,626
2017	234,947	214,385	762,884	11,906	5,171	544,592	378,234	56,628
2018	233,466	220,555	773,829	13,788	4,224	537,718	351,647	65,828
2019	236,588	200,408	773,799	15,502	4,927	556,489	333,807	65,727

Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2010-2019.
**This data represents the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Other Pacific Islander, and white include households reporting only one race. Householders who identify their origin as Hispanic or Latino may be of any race except white.*

TABLE E: INCOME DISTRIBUTION OF RENTER HOUSEHOLDS BY RACE & ETHNICITY* (2019)

Year	Asian	Black	Latinx	Native American	Other Pacific Islander	White	Other race	Two or more races
DLI	13%	16%	9%	18%	0.5%	9%	7%	12%
ELI	14%	19%	18%	20%	22%	11%	20%	10%
VLI	14%	16%	23%	13%	8%	12%	15%	11%
LI	17%	20%	25%	19%	22%	16%	32%	16%
Moderate	17%	15%	15%	21%	29%	18%	19%	21%
Above Moderate	25%	14%	10%	9%	19%	34%	7%	30%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.

**This data represents the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Unlike in Table D, Asian, Black, Native American, Other Pacific Islander, some other race, two or more races, and white only include households reporting only one race and do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

TABLE F: LOS ANGELES COUNTY RENTAL HOMES AFFORDABLE TO AND OCCUPIED BY EACH INCOME GROUP (2019)

Rental Homes Affordable to Income Group	Vacant	Occupied by DLI	Occupied by ELI	Occupied by VLI	Occupied by LI	Occupied by Moderate	Occupied by Above Moderate	Total
Affordable to DLI	2,109	26,879	23,017	9,962	10,312	6,476	6,224	84,979
Affordable to ELI	2,199	20,495	30,218	13,898	8,417	2,909	3,524	81,660
Affordable to VLI	8,047	33,277	57,672	55,994	44,103	20,657	13,211	232,961
Affordable to LI	27,826	65,210	126,391	167,821	189,985	127,438	94,848	799,519
Affordable to Moderate	35,388	35,481	36,823	58,296	99,737	116,238	156,392	538,355
Affordable to Above Moderate	15,453	8,495	5,275	7,993	16,173	24,955	89,568	167,912
Total	**91,022**	**189,837**	**279,396**	**313,964**	**368,727**	**298,673**	**363,767**	**1,905,386**

Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.

TABLE G: DETAILED GAP ANALYSIS FOR RENTER HOUSEHOLDS BY INCOME GROUP AND YEAR (2014-2019)

Year		DLI	ELI	VLI	LI	Moderate	Above Moderate
2014	All Households at or Below Threshold Income	167,670	506,480	832,028	1,157,197	1,433,407	1,779,944
2014	Rental Homes "Affordable & Available" to Income Group and Below	17,033	86,721	250,205	928,740	1,435,995	1,857,185
2014	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-150,637	-419,759	-581,823	-228,457	2,588	77,241
2014	% of Homes Affordable but Unavailable**	70%	36%	25%	21%	15%	0%
2015	All Households at or Below Threshold Income	164,065	462,454	787,861	1,135,982	1,415,521	1,792,399
2015	Rental Homes "Affordable & Available" to Income Group and Below	15,105	87,607	236,054	865,214	1,398,152	1,865,181
2015	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-148,960	-374,847	-551,807	-270,768	-17,369	72,782
2015	% of Homes Affordable but Unavailable**	70%	36%	27%	21%	16%	0%
2016	All Households at or Below Threshold Income	177,352	507,239	828,074	1,172,939	1,453,058	1,823,433
2016	Rental Homes "Affordable & Available" to Income Group and Below	16,186	99,368	259,819	921,584	1,432,306	1,896,161
2016	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-161,166	-407,871	-568,255	-251,355	-20,752	72,728
2016	% of Homes Affordable but Unavailable**	73%	33%	27%	22%	15%	0%
2017	All Households at or Below Threshold Income	160,096	459,016	757,209	1,112,733	1,414,009	1,797,810
2017	Rental Homes "Affordable & Available" to Income Group and Below	20,010	100,150	240,263	860,595	1,403,219	1,877,355
2017	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-140,086	-358,866	-516,946	-252,138	-10,790	79,545
2017	% of Homes Affordable but Unavailable**	69%	31%	29%	24%	16%	0%

Year		DLI	ELI	VLI	LI	Moderate	Above Moderate
2018	All Households at or Below Threshold Income	181,311	468,533	774,578	1,134,284	1,447,918	1,809,342
	Rental Homes "Affordable & Available" to Income Group and Below	24,092	103,477	265,174	902,823	1,452,441	1,898,273
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-157,219	-365,056	-509,404	-231,461	4,523	88,931
	% of Homes Affordable but Unavailable**	67%	33%	29%	23%	15%	0%
2019	All Households at or Below Threshold Income	189,837	469,233	783,197	1,151,924	1,450,597	1,814,364
	Rental Homes "Affordable & Available" to Income Group and Below	28,988	104,917	283,767	923,832	1,463,275	1,905,386
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-160,849	-364,316	-499,430	-228,092	12,678	91,022
	% of Homes Affordable but Unavailable**	66%	37%	29%	23%	16%	0%

Source: California Housing Partnership analysis of 2014-2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.
**The surplus or shortfall includes homes occupied by a household at or below the income threshold of the income group.*
***'Affordable but unavailable' means that a rental home is affordable to lower income households but occupied by a household in a higher income group.*

TABLE H: DETAILED GAP ANALYSIS FOR RENTER HOUSEHOLDS BY INCOME GROUP AND SD (2018-2019)

		DLI	ELI	VLI	LI	Moderate	Above Moderate
SD 1	All Households at or Below Threshold Income	35,326	97,463	164,593	236,769	288,270	333,721
	Rental Homes "Affordable & Available" to Income Group and Below	7,818	26,248	73,258	212,576	291,677	346,560
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-27,508	-71,215	-91,335	-24,193	3,407	12,838
	% of Homes Affordable but Unavailable**	62%	34%	17%	8%	3%	0%
SD 2	All Households at or Below Threshold Income	54,071	129,364	211,048	297,707	360,186	423,637
	Rental Homes "Affordable & Available" to Income Group and Below	6,713	28,560	81,495	253,207	363,423	444,478
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-47,359	-100,804	-129,553	-44,500	3,237	20,841
	% of Homes Affordable but Unavailable**	62%	29%	12%	5%	3%	0%
SD 3	All Households at or Below Threshold Income	40,764	103,206	168,925	250,888	328,425	447,022
	Rental Homes "Affordable & Available" to Income Group and Below	3,856	18,665	44,414	167,557	320,853	473,003
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-36,908	-84,541	-124,511	-83,330	-7,572	25,981
	% of Homes Affordable but Unavailable**	73%	29%	19%	9%	5%	0%
SD 4	All Households at or Below Threshold Income	23,827	66,552	118,549	186,716	246,238	316,105
	Rental Homes "Affordable & Available" to Income Group and Below	3,182	13,539	35,368	153,641	251,525	331,815
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-20,645	-53,013	-83,182	-33,075	5,288	15,710
	% of Homes Affordable but Unavailable**	73%	34%	16%	5%	1%	0%
SD 5	All Households at or Below Threshold Income	31,586	72,298	115,772	171,024	226,138	291,368
	Rental Homes "Affordable & Available" to Income Group and Below	4,971	17,185	39,936	126,346	230,378	305,974
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-26,614	-55,113	-75,836	-44,678	4,240	14,607
	% of Homes Affordable but Unavailable**	66%	29%	15%	11%	6%	0%

Source: California Housing Partnership analysis of 2018-2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.
**The surplus or shortfall includes homes occupied by a household at or below the income threshold of the income group.*
***'Affordable but unavailable' means that a rental home is affordable to lower income households but occupied by a household in a higher income group.*

Cost Burden Analysis

TABLE I: LOS ANGELES COUNTY COST BURDEN ANALYSIS FOR RENTER HOUSEHOLDS (2019)

Income Group	Total Households	Not Cost Burdened		Moderately Cost Burdened*		Severely Cost Burdened*	
		#	%	#	%	#	%
DLI	189,837	11,480	6%	13,135	7%	165,222	87%
ELI	279,396	32,099	11%	46,422	17%	200,875	72%
VLI	313,964	57,455	18%	130,071	42%	126,438	40%
LI	368,727	167,526	45%	154,151	42%	47,050	13%
Moderate	298,673	215,287	72%	76,348	26%	7,038	2%
Above Moderate	363,767	341,093	94%	22,545	6%	129	0.04%
All Income Groups	**1,814,364**	**824,940**	**46%**	**442,672**	**24%**	**546,752**	**30%**

Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.

**A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.*

TABLE J: PERCENTAGE OF COST BURDENED* RENTER HOUSEHOLDS BY INCOME GROUP AND YEAR (2014-2019)

		DLI	ELI	VLI	LI	Moderate	Above Moderate
2014	Not Cost Burdened	4%	9%	14%	42%	70%	93%
	Moderately Cost Burdened	3%	17%	44%	46%	28%	6%
	Severely Cost Burdened	93%	74%	42%	12%	2%	1%
2015	Not Cost Burdened	4%	9%	14%	40%	70%	92%
	Moderately Cost Burdened	4%	18%	45%	46%	27%	7%
	Severely Cost Burdened	92%	73%	41%	14%	3%	0.4%
2016	Not Cost Burdened	4%	11%	14%	43%	71%	92%
	Moderately Cost Burdened	4%	17%	43%	45%	25%	8%
	Severely Cost Burdened	92%	72%	43%	12%	4%	0.3%
2017	Not Cost Burdened	5%	11%	13%	42%	70%	92%
	Moderately Cost Burdened	4%	17%	42%	45%	27%	8%
	Severely Cost Burdened	91%	72%	45%	13%	3%	0.2%
2018	Not Cost Burdened	6%	11%	16%	43%	71%	93%
	Moderately Cost Burdened	6%	15%	44%	44%	26%	7%
	Severely Cost Burdened	88%	74%	40%	13%	3%	0.1%
2019	Not Cost Burdened	6%	11%	18%	45%	72%	94%
	Moderately Cost Burdened	7%	17%	42%	42%	26%	6%
	Severely Cost Burdened	87%	72%	40%	13%	2%	0.04%

Source: California Housing Partnership analysis of 2014-2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.

**A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.*

TABLE K: PERCENTAGE OF COST BURDENED* RENTER HOUSEHOLDS BY INCOME GROUP AND SD (2018-2019)

		DLI	ELI	VLI	LI	Moderate	Above Moderate	Total
SD 1	Not Cost Burdened	10%	14%	24%	58%	83%	94%	47%
	Moderately Cost Burdened	10%	20%	49%	35%	15%	6%	25%
	Severely Cost Burdened	80%	66%	27%	7%	2%	0%	28%
SD 2	Not Cost Burdened	5%	12%	20%	50%	74%	94%	42%
	Moderately Cost Burdened	7%	18%	48%	40%	24%	6%	26%
	Severely Cost Burdened	88%	70%	32%	10%	2%	0%	32%
SD 3	Not Cost Burdened	3%	11%	11%	34%	61%	92%	44%
	Moderately Cost Burdened	5%	12%	35%	46%	35%	8%	24%
	Severely Cost Burdened	92%	77%	54%	20%	4%	0.1%	32%
SD 4	Not Cost Burdened	7%	11%	15%	42%	73%	93%	48%
	Moderately Cost Burdened	5%	14%	44%	47%	26%	7%	26%
	Severely Cost Burdened	88%	75%	41%	11%	1%	0%	26%
SD 5	Not Cost Burdened	7%	10%	14%	36%	71%	95%	45%
	Moderately Cost Burdened	4%	12%	35%	49%	27%	5%	23%
	Severely Cost Burdened	89%	78%	51%	15%	2%	0.04%	32%

Source: California Housing Partnership analysis of 2018-2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.
**A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.*

Overcrowding Analysis

TABLE L: LOS ANGELES COUNTY OVERCROWDING ANALYSIS* FOR RENTER HOUSEHOLDS (2019)

Income Group	Total Households	Not Overcrowded		Overcrowded		Severely Overcrowded**	
		#	%	#	%	#	%
DLI	189,837	163,901	86%	21,105	14%	4,831	3%
ELI	279,396	203,944	73%	65,177	27%	10,275	4%
VLI	313,964	216,652	69%	83,641	31%	13,671	4%
LI	368,727	252,902	69%	96,246	31%	19,579	5%
Moderate	298,673	227,858	76%	62,265	24%	8,550	3%
Above Moderate	363,767	310,166	85%	48,543	15%	5,058	1%
All Income Groups	**1,814,364**	**1,375,423**	**76%**	**376,977**	**24%**	**61,964**	**3%**

Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.

**Households that have more than one adult (or two children) per room and more than two adults (or four children) per room are considered overcrowded and severely overcrowded, respectively.*

***The percentages of severely overcrowded households are a subset of the percentage of overcrowded households.*

TABLE M: PERCENTAGE OF OVERCROWDED* RENTER HOUSEHOLDS BY INCOME GROUP AND YEAR (2014-2019)

Year		DLI	ELI	VLI	LI	Moderate	Above Moderate
2014	Not Overcrowded	75%	67%	64%	67%	76%	87%
	Overcrowded	22%	33%	36%	24%	24%	13%
	Severely Overcrowded**	3%	5%	6%	5%	3%	1%
2015	Not Overcrowded	78%	69%	62%	67%	75%	84%
	Overcrowded	22%	31%	38%	33%	25%	16%
	Severely Overcrowded**	3%	4%	6%	5%	3%	2%
2016	Not Overcrowded	80%	70%	65%	68%	75%	84%
	Overcrowded	20%	30%	35%	32%	25%	16%
	Severely Overcrowded**	4%	5%	6%	5%	3%	2%
2017	Not Overcrowded	84%	74%	70%	71%	76%	86%
	Overcrowded	16%	26%	30%	29%	24%	14%
	Severely Overcrowded**	3%	5%	5%	4%	4%	1%
2018	Not Overcrowded	85%	76%	67%	70%	75%	85%
	Overcrowded	15%	24%	33%	30%	25%	15%
	Severely Overcrowded**	3%	5%	6%	4%	4%	1%
2019	Not Overcrowded	86%	73%	69%	69%	76%	85%
	Overcrowded	14%	27%	31%	31%	24%	15%
	Severely Overcrowded**	3%	4%	4%	5%	3%	1%

Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.

**Households that have more than one adult (or two children) per room and more than two adults (or four children) per room are considered overcrowded and severely overcrowded, respectively.*

***The percentages of severely overcrowded households are a subset of the percentage of overcrowded households.*

TABLE N: PERCENTAGE OF OVERCROWDED* RENTER HOUSEHOLDS BY INCOME GROUP AND SD (2018-2019)

		DLI	ELI	VLI	LI	Moderate	Above Moderate	Total
SD 1	Not Overcrowded	80%	68%	62%	59%	68%	76%	67%
	Overcrowded	20%	32%	38%	41%	32%	24%	33%
	Severely Overcrowded**	4%	6%	8%	8%	6%	3%	6%
SD 2	Not Overcrowded	84%	71%	65%	66%	72%	80%	72%
	Overcrowded	16%	29%	35%	34%	28%	20%	28%
	Severely Overcrowded**	3%	5%	6%	6%	3%	2%	4%
SD 3	Not Overcrowded	88%	75%	70%	72%	78%	87%	79%
	Overcrowded	12%	25%	30%	28%	22%	13%	21%
	Severely Overcrowded**	3%	5%	5%	4%	3%	1%	3%
SD 4	Not Overcrowded	88%	79%	70%	73%	77%	89%	79%
	Overcrowded	12%	21%	30%	27%	23%	11%	21%
	Severely Overcrowded**	2%	4%	3%	3%	3%	1%	3%
SD 5	Not Overcrowded	92%	85%	78%	78%	83%	90%	85%
	Overcrowded	8%	15%	22%	22%	17%	10%	15%
	Severely Overcrowded**	2%	1%	3%	2%	1%	1%	2%

Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.

**Households that have more than one adult (or two children) per room and more than two adults (or four children) per room are considered overcrowded and severely overcrowded, respectively.*

***The percentages of severely overcrowded households are a subset of the percentage of overcrowded households.*

HOUSING FRAGILITY DURING COVID-19

TABLE O: SHARE OF ADULTS* WHO EXPERIENCED LOSS OF EMPLOYMENT INCOME SINCE MARCH 13, 2020** (MAY–DEC 2020)

Month	All Renters	Less than $75K	More than $75K	Asian	Black	Latinx	White	Two or more races	Male	Female
May	59%	66%	51%	51%	60%	69%	51%	46%	60%	57%
June	59%	68%	48%	43%	56%	68%	55%	52%	57%	57%
July	63%	69%	55%	59%	66%	70%	57%	53%	66%	60%
Transition to Phase 2***										
August	58%	64%	49%	57%	55%	68%	49%	45%	55%	61%
September	55%	61%	49%	50%	64%	59%	51%	54%	57%	54%
October	57%	66%	48%	52%	65%	67%	49%	45%	60%	56%
Transition to Phase 3										
November	56%	60%	40%	49%	67%	62%	50%	60%	54%	58%
December	59%	70%	51%	50%	60%	67%	51%	63%	58%	59%

Source: California Housing Partnership analysis of Household Pulse Survey data, U.S. Census Bureau, April 23 – December 21.
**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the share of adults in households who experienced loss of income. Note: Figures are averages of data collected in the corresponding month. For example, the October data point is an average of survey data collected Sept 30-Oct 12 and Oct 14-Oct 26.*
***This data represents the race/ethnicity and gender identity of the person filling out the survey. Asian, Black, two or more races, and white include adults reporting only one racial category and do not identify their ethnic origin as Hispanic or Latino. Adults who identify their ethnic origin as Hispanic or Latino may be of any race. Because respondents are only given the option of "male" or "female" in the survey, there is no data currently available on gender non-binary respondents.*
****Phase 2 introduced significant changes to the questionnaire and moved to a two-week survey window, creating differences in unit and item nonresponse between the two phases that make direct comparison with phase 1 estimates difficult.*

TABLE P: SHARE OF RENTERS* WHO ARE NOT CAUGHT UP ON RENT PAYMENTS** (MAY–DEC 2020)

Month	All Renters	Less than $75K	More than $75K	Asian	Black	Latinx	White	Two or more races	Male	Female
May	18%	17%	9%	6%	32%	23%	10%	15%	22%	14%
June	16%	17%	6%	7%	14%	22%	8%	22%	12%	20%
July	18%	18%	4%	16%	12%	26%	9%	12%	18%	17%
Transition to Phase 2* **										
August	16%	19%	7%	16%	5%	23%	9%	8%	22%	10%
September	16%	19%	5%	20%	17%	17%	10%	18%	15%	16%
October	17%	19%	14%	22%	8%	24%	9%	18%	19%	15%
Transition to Phase 3										
November	14%	19%	5%	17%	38%	11%	8%	15%	15%	13%
December	22%	27%	11%	18%	20%	27%	9%	38%	22%	22%

Source: California Housing Partnership analysis of Household Pulse Survey data, U.S. Census Bureau, April 23 – December 21.
**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the share of renting adults in households who are not caught up on rent or had their rent deferred. Note: Figures are averages of data collected in the corresponding month. For example, the October data point is an average of survey data collected Sept 30-Oct 12 and Oct 14-Oct 26.*
***This data represents the race/ethnicity and gender identity of the person filling out the survey. Asian, Black, two or more races, and white include adults reporting only one racial category and do not identify their ethnic origin as Hispanic or Latino. Adults who identify their ethnic origin as Hispanic or Latino may be of any race. Because respondents are only given the option of "male" or "female" in the survey, there is no data currently available on gender non-binary respondents.*
****Phase 2 introduced significant changes to the questionnaire and moved to a two-week survey window, creating differences in unit and item nonresponse between the two phases that make direct comparison with phase 1 estimates difficult.*

TABLE Q: SHARE OF RENTERS* WHO ARE BEHIND ON RENT AND FEAR EVICTION IN THE NEXT TWO MONTHS** (AUG–DEC 2020)

Month	All Renters	Less than $75K	More than $75K	Asian	Black	Latinx	White	Two or more races	Male	Female
August	58%	60%	37%	63%	87%	61%	43%	47%	58%	58%
September	43%	47%	39%	26%	52%	44%	52%	24%	44%	41%
October	40%	44%	30%	27%	10%	47%	51%	42%	45%	33%
Transition to Phase 3										
November	36%	37%	33%	27%	4%	64%	37%	0%	46%	26%
December	55%	59%	35%	48%	43%	49%	49%	75%	47%	57%

Source: California Housing Partnership analysis of Household Pulse Survey data, U.S. Census Bureau, April 23 – December 21.
**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the share of renting adults in households who are not caught up on rent and say it is very or somewhat like they will face eviction in the next two months.*
***This data represents the race/ethnicity and gender identity of the person filling out the survey. Asian, Black, two or more races, and white include adults reporting only one racial category and do not identify their ethnic origin as Hispanic or Latino. Adults who identify their ethnic origin as Hispanic or Latino may be of any race. Because respondents are only given the option of "male" or "female" in the survey, there is no data currently available on gender non-binary respondents.*

TABLE R: SHARE OF RENTERS THAT HAVE NO OR SLIGHT CONFIDENCE IN ABILITY TO PAY NEXT MONTH'S RENT* OR HAVE DEFERRED PAYMENT** (MAY-DEC 2020)

Month	All Renters	Less than $75K	More than $75K	Asian	Black	Latinx	White	Two or more races	Male	Female
May	34%	42%	15%	19%	42%	44%	21%	37%	37%	32%
June	33%	39%	16%	30%	28%	42%	20%	25%	34%	33%
July	37%	45%	13%	38%	35%	50%	19%	14%	38%	35%
Transition to Phase 2* **										
August	31%	36%	16%	22%	18%	37%	30%	15%	30%	31%
September	30%	37%	11%	24%	29%	37%	17%	32%	28%	32%
October	28%	34%	17%	24%	14%	42%	18%	31%	25%	32%
Transition to Phase 3										
November	33%	42%	16%	35%	49%	43%	14%	10%	30%	36%
December	36%	50%	21%	27%	34%	44%	18%	54%	30%	40%

Source: California Housing Partnership analysis of Household Pulse Survey data, U.S. Census Bureau, April 23 – December 21.
**This data represents the race/ethnicity and gender identity of the person filling out the survey. Asian, Black, two or more races, and white include adults reporting only one racial category and do not identify their ethnic origin as Hispanic or Latino. Adults who identify their ethnic origin as Hispanic or Latino may be of any race. Because respondents are only given the option of "male" or "female" in the survey, there is no data currently available on gender non-binary respondents.*
***Payment deferred means that the tenant's rent payment has been deferred or postponed to a later date. Occupied without rent includes units provided free by friends or relatives or in exchange for services (such as resident manager).*
****Phase 2 introduced significant changes to the questionnaire and moved to a two-week survey window, creating differences in unit and item nonresponse between the two phases that make direct comparison with phase 1 estimates difficult.*

Appendix C: Full Data Findings, Section 2

FIGURE A: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN LOS ANGELES COUNTY

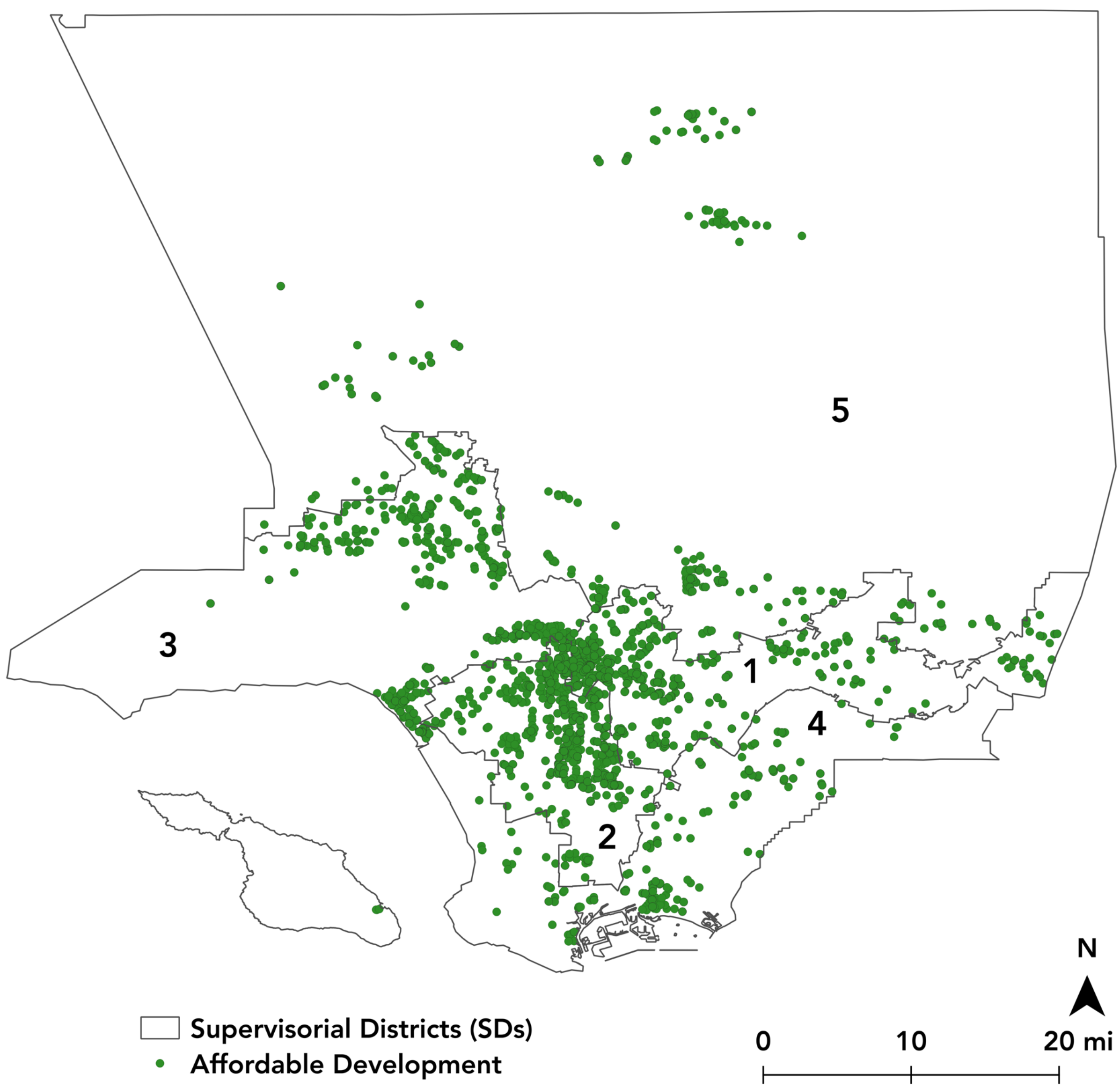


FIGURE B: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 1

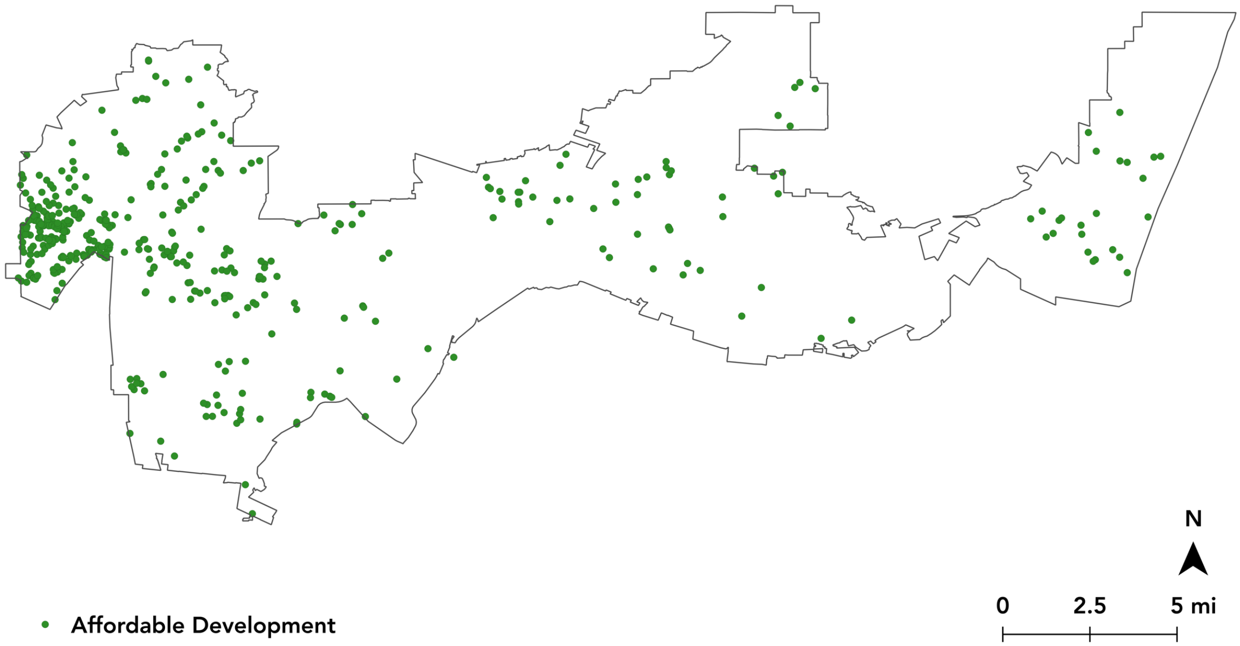


FIGURE C: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 2

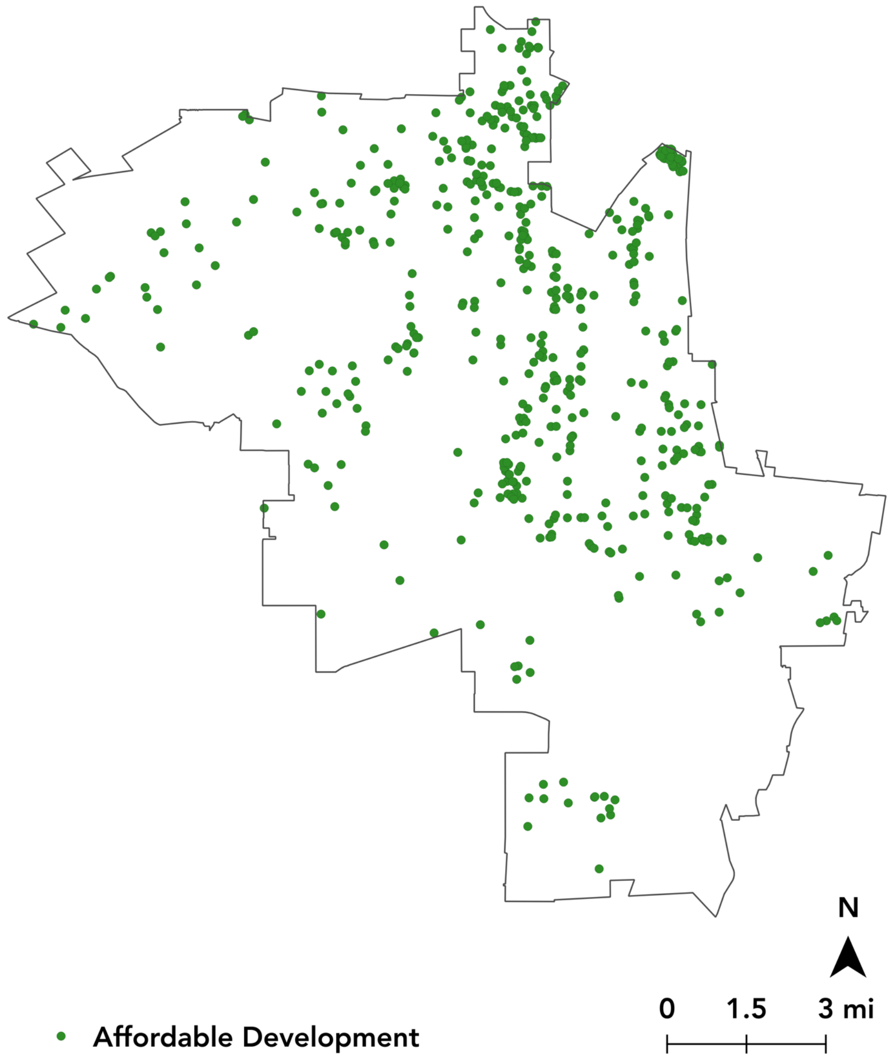


FIGURE D: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 3

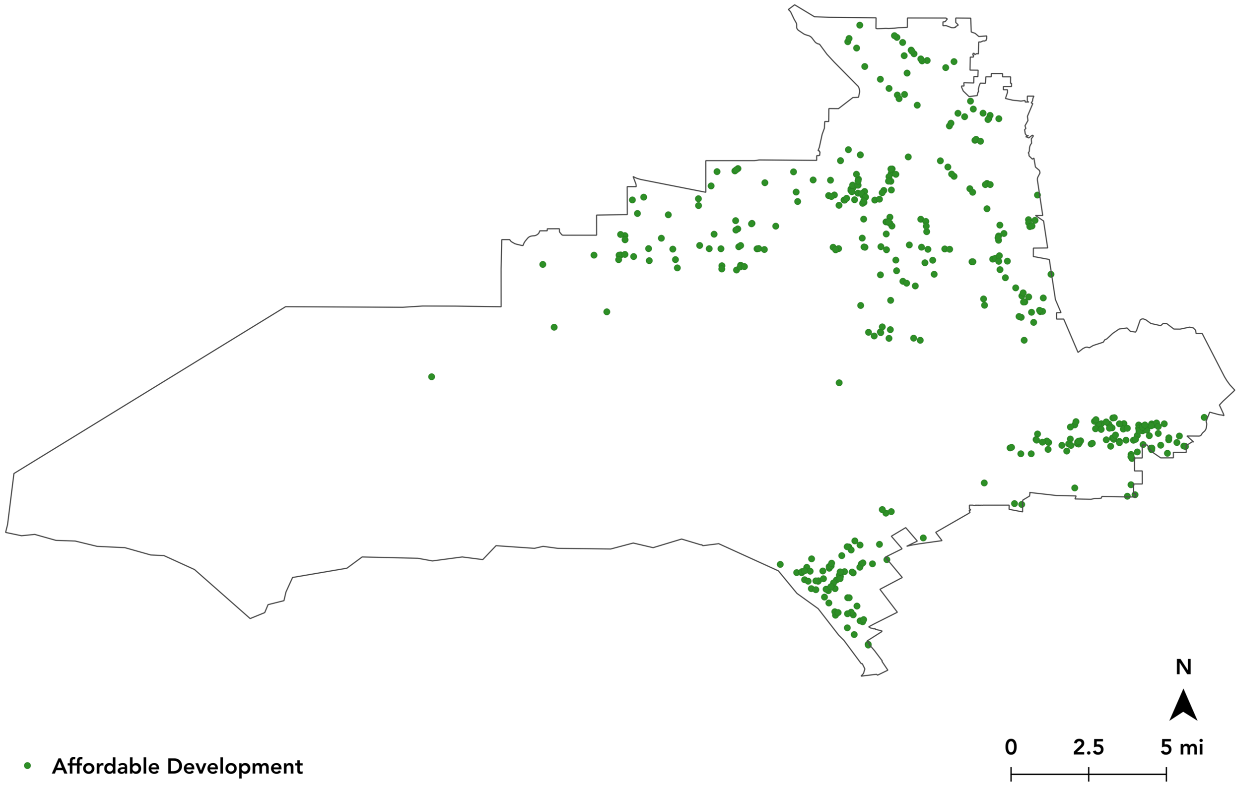


FIGURE E: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 4

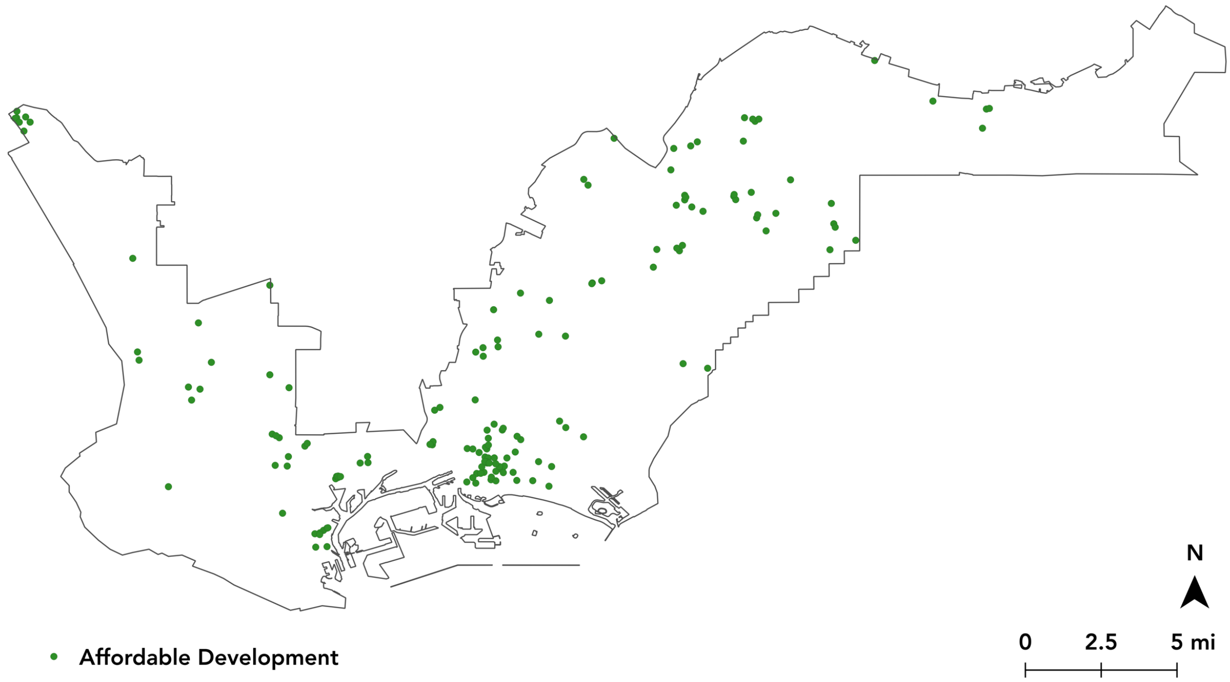


FIGURE F: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 5

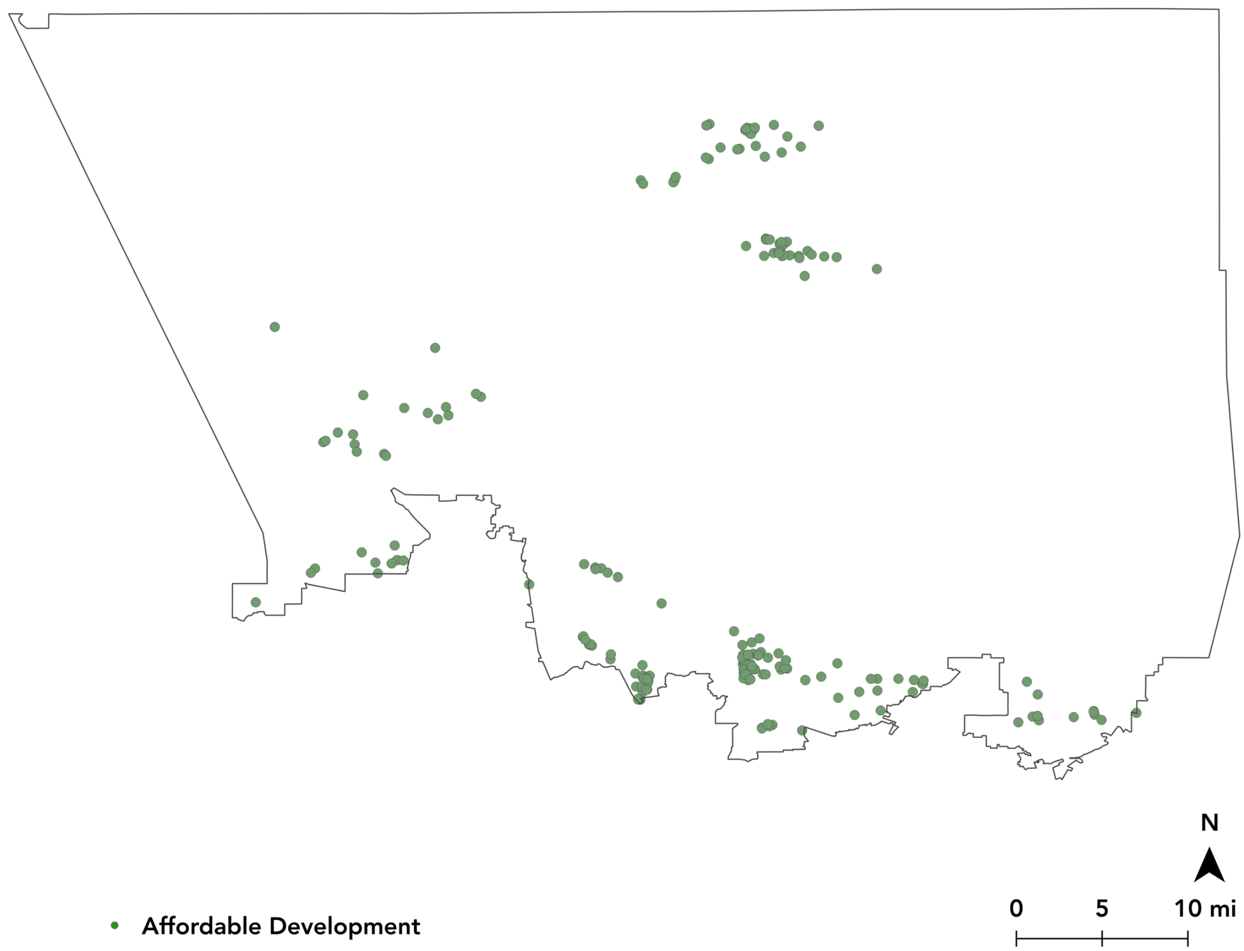


TABLE A: LIHTC DEVELOPMENT IN LOS ANGELES COUNTY (1987-2020)

Year Awarded	Developments	Affordable Homes	Annual Federal Credits Awarded*	State Credits Awarded*
1987	12	548	$62,158	$315,660
1988	30	1,702	$867,715	$3,027,162
1989	29	2,029	$2,539,258	$8,083,060
1990	25	972	$7,316,609	$357,576
1991	13	391	$3,637,134	$4,127,305
1992	37	1,865	$15,280,839	$1,926,842
1993	43	3,124	$22,872,108	$4,024,016
1994	17	949	$8,672,710	$0
1995	25	1,457	$8,115,919	$362,382
1996	38	1,820	$17,395,276	$4,895,037
1997	34	1,509	$10,993,667	$0
1998	31	2,640	$13,309,462	$2,202,977
1999	42	3,348	$14,717,560	$1,354,736
2000	39	3,139	$21,458,447	$2,524,985
2001	34	3,286	$15,875,549	$1,934,174
2002	45	3,768	$30,112,497	$4,990,387
2003	39	2,876	$24,311,267	$6,318,716
2004	40	3,436	$28,787,911	$7,656,436
2005	32	2,306	$21,862,669	$0
2006	40	3,229	$33,586,829	$21,761,601
2007	30	2,451	$28,347,851	$13,409,452
2008	33	3,314	$31,957,611	$0
2009	41	3,015	$31,891,658	$0
2010	32	2,074	$29,429,628	$2,030,750
2011	54	3,537	$43,584,509	$15,549,640
2012	40	2,822	$35,362,984	$16,164,656
2013	50	3,952	$45,475,657	$6,082,297
2014	40	2,789	$38,109,127	$10,538,565
2015	40	3,760	$44,726,182	$23,932,893
2016	59	5,102	$63,316,416	$24,682,767
2017	36	2,479	$49,845,415	$37,516,561
2018	47	3,525	$62,364,953	$34,161,492
2019	58	4,814	$78,389,792	$39,303,378
2020	69	5,611	$109,193,884	$66,894,715
Total	**1,274**	**93,639**	**$993,771251**	**$366,130218**

Source: California Housing Partnership Preservation Database, January 2021.
**All dollar figures are represented in nominal value and data is not available for each development.*

TABLE B: LOST AFFORDABLE HOMES IN LOS ANGELES COUNTY (1997-2019)

Year	HUD Affordable Homes	LIHTC Affordable Homes	CalHFA Affordable Homes	HCD Affordable Homes	Total Affordable Homes	% of Total Homes Lost
1997	630	0	0	0	630	10%
1998	601	0	0	0	601	10%
1999	216	0	0	0	216	4%
2000	450	0	0	0	450	7%
2001	75	0	0	0	75	1%
2002	95	74	0	0	169	3%
2003	179	16	0	0	195	3%
2004	99	122	0	0	221	4%
2005	8	989	0	0	997	16%
2006	145	240	0	0	385	6%
2007	269	0	0	0	269	4%
2008	45	14	0	0	59	1%
2009	107	60	0	0	167	3%
2010	256	0	0	0	256	4%
2011	29	0	0	6	35	1%
2012	0	0	0	0	0	0%
2013	180	0	0	0	180	3%
2014	56	0	0	0	56	1%
2015	13	0	0	0	13	0.2%
2016	0	126	4	78	208	3%
2017	4	158	0	104	266	4%
2018	42	55	20	62	179	3%
2019	5	326	17	14	362	6%
2020	0	167	0	0	167	3%
Total	**3,504**	**2,347**	**41**	**264**	**6,156**	**100%**

Source: California Housing Partnership Preservation Database, January 2021.

TABLE C: AFFORDABLE HOMES AT RISK OF CONVERSION IN LOS ANGELES COUNTY BY RISK LEVEL

Risk Level	Developments	Affordable Homes	% of Total Inventory
Very High	58	2,237	2%
High	113	6,283	6%
Moderate	28	1,651	2%
Low	1,402	94,860	90%
All At-Risk	171	8,520	8%
Total	**1,601**	**105,031**	**100%**

Source: California Housing Partnership Preservation Database, January 2021.

TABLE D: AFFORDABLE HOMES AT RISK OF CONVERSION IN LOS ANGELES COUNTY BY RISK LEVEL AND PROGRAM

Risk Level	HUD Affordable Homes*	LIHTC Affordable Homes	CalHFA Affordable Homes**	HCD Affordable Homes***
Very High	2,093	141	3	0
High	5,406	793	76	8
Moderate	834	764	53	0
Low	23,178	79,158	283	574
All At-Risk	7,499	934	79	8
Total	**31,511**	**80,856**	**415**	**582**

Source: California Housing Partnership Preservation Database, January 2021.
**'HUD Affordable Homes' that also have LIHTC financing are represented in the 'LIHTC Affordable Homes' column and those that have HCD financing are represented in the ' HCD Affordable Homes' column.*
***'CalHFA Affordable Homes' that also have LIHTC financing are represented in the 'LIHTC Affordable Homes', those that also have HUD assistance are represented in the 'HUD Affordable Homes' column, and those that have HCD financing are represented in the 'HCD Affordable Homes' column.*
****'HCD Affordable Homes' that also have LIHTC financing are represented in the 'LIHTC Affordable Homes' column.*

Appendix D: Full Data Findings, Section 3

FIGURE A: COUNTY-ADMINISTERED AFFORDABLE RENTAL HOUSING IN LOS ANGELES COUNTY

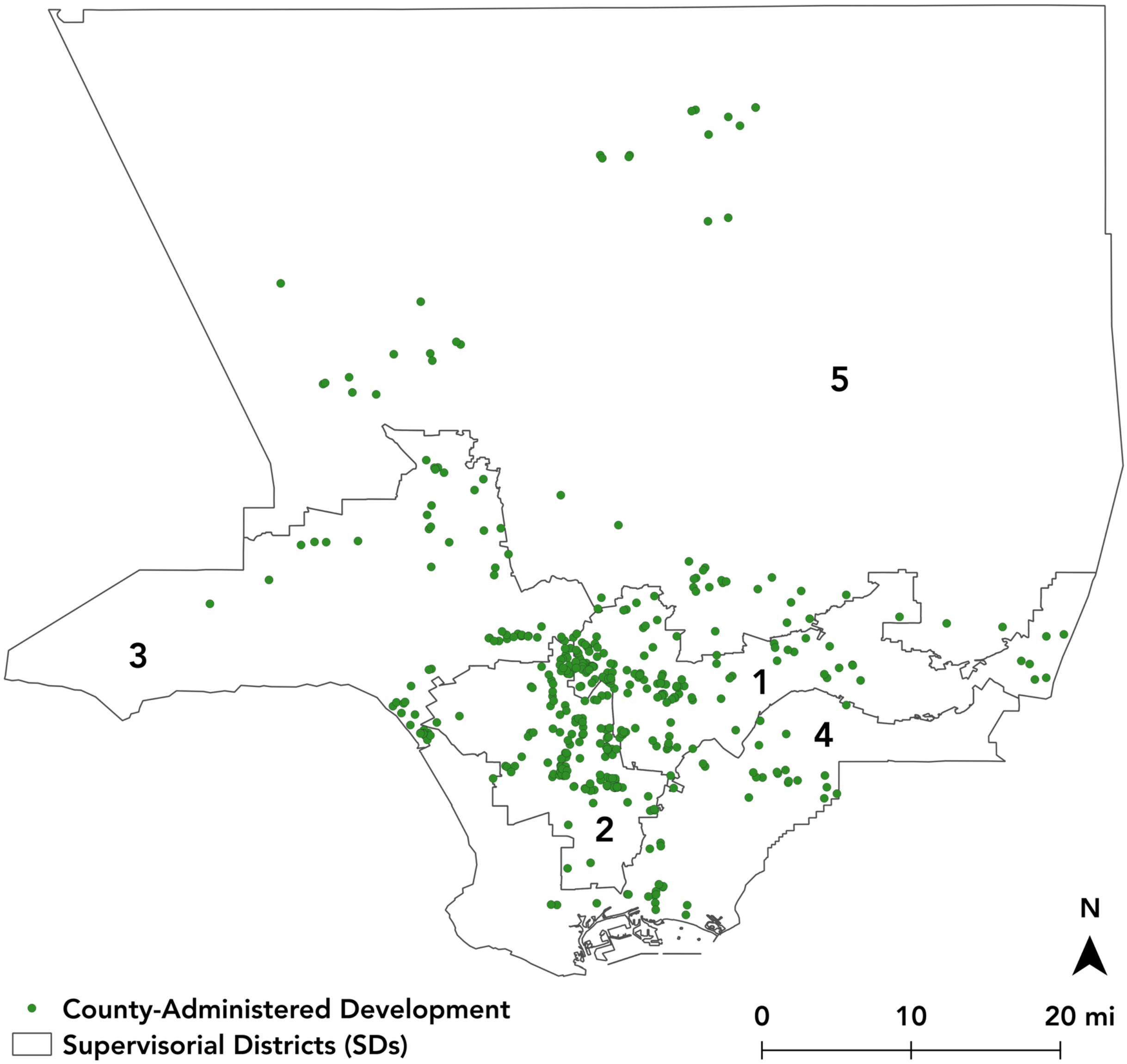


FIGURE B: COUNTY-ADMINISTERED AFFORDABLE RENTAL HOUSING IN SUPERVISORIAL DISTRICT 1

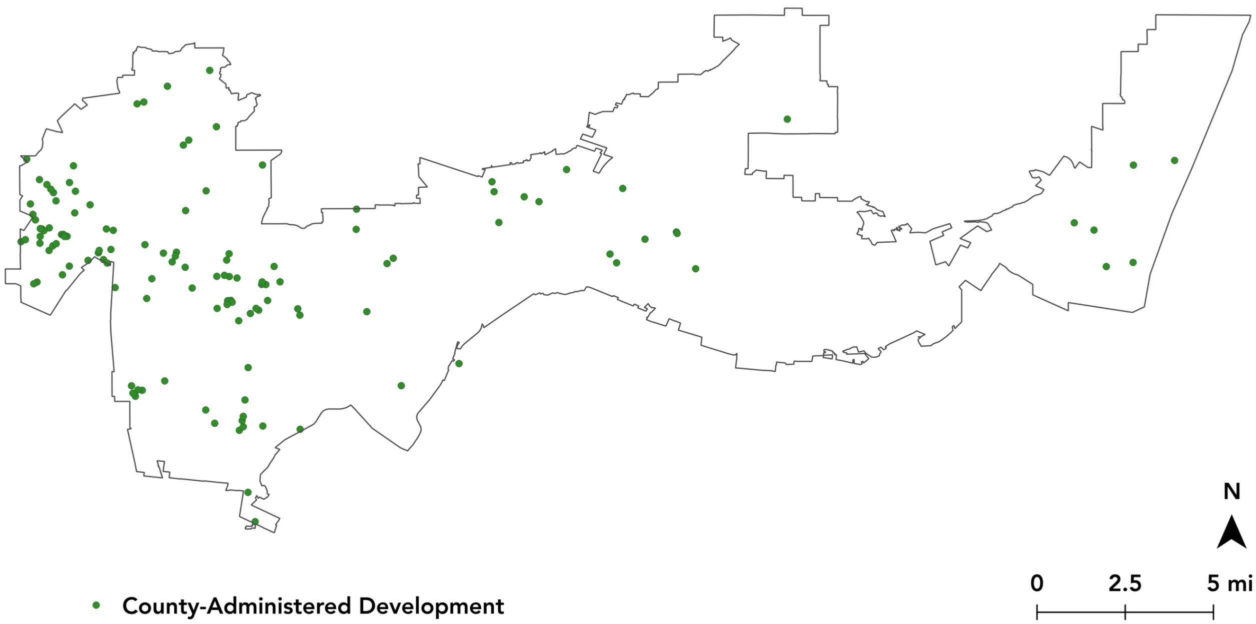


FIGURE C: COUNTY-ADMINISTERED AFFORDABLE RENTAL HOUSING IN SUPERVISORIAL DISTRICT 2

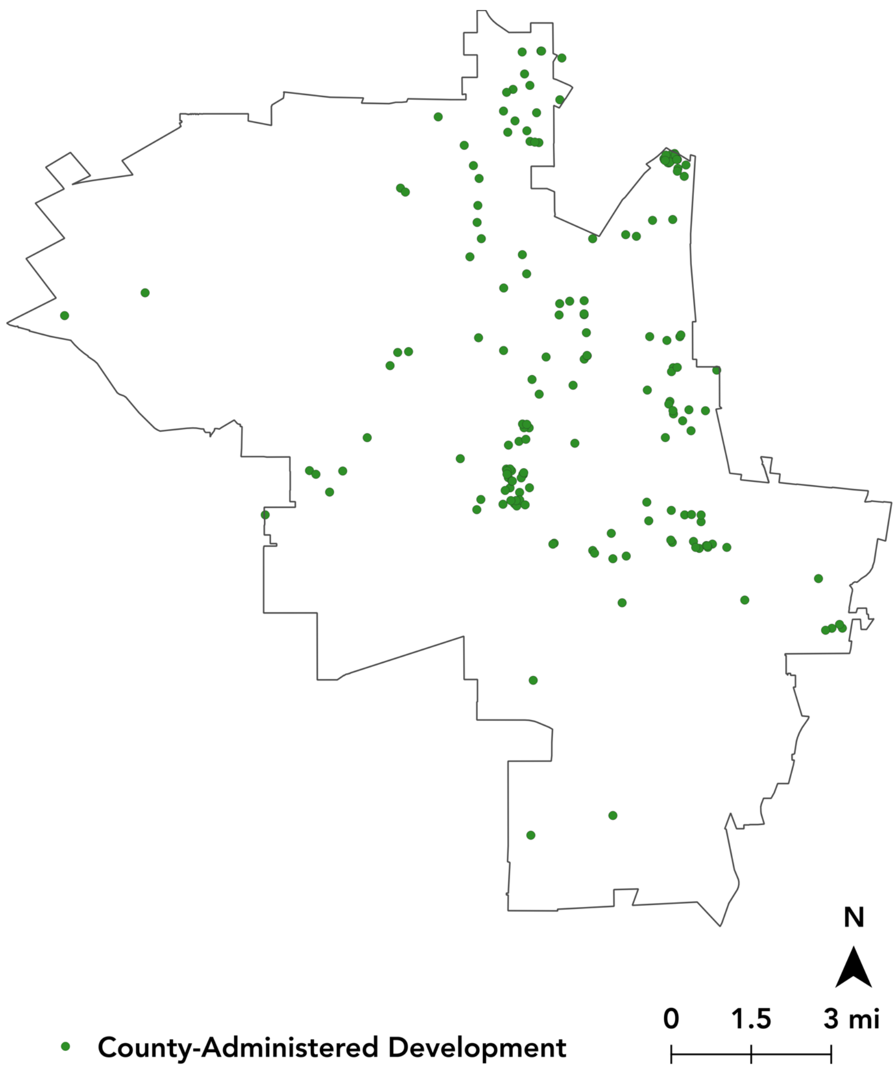


FIGURE D: COUNTY-ADMINISTERED AFFORDABLE RENTAL HOUSING IN SUPERVISORIAL DISTRICT 3

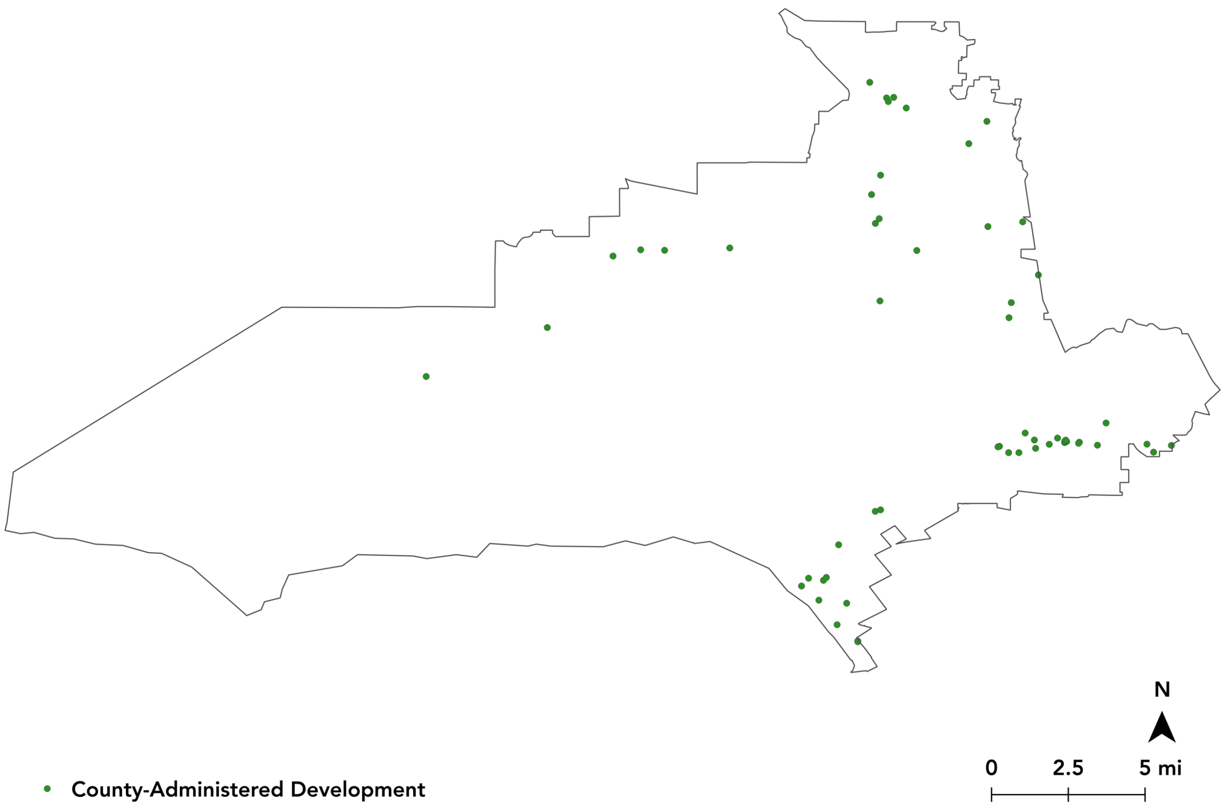


FIGURE E: COUNTY-ADMINISTERED AFFORDABLE RENTAL HOUSING IN SUPERVISORIAL DISTRICT 4

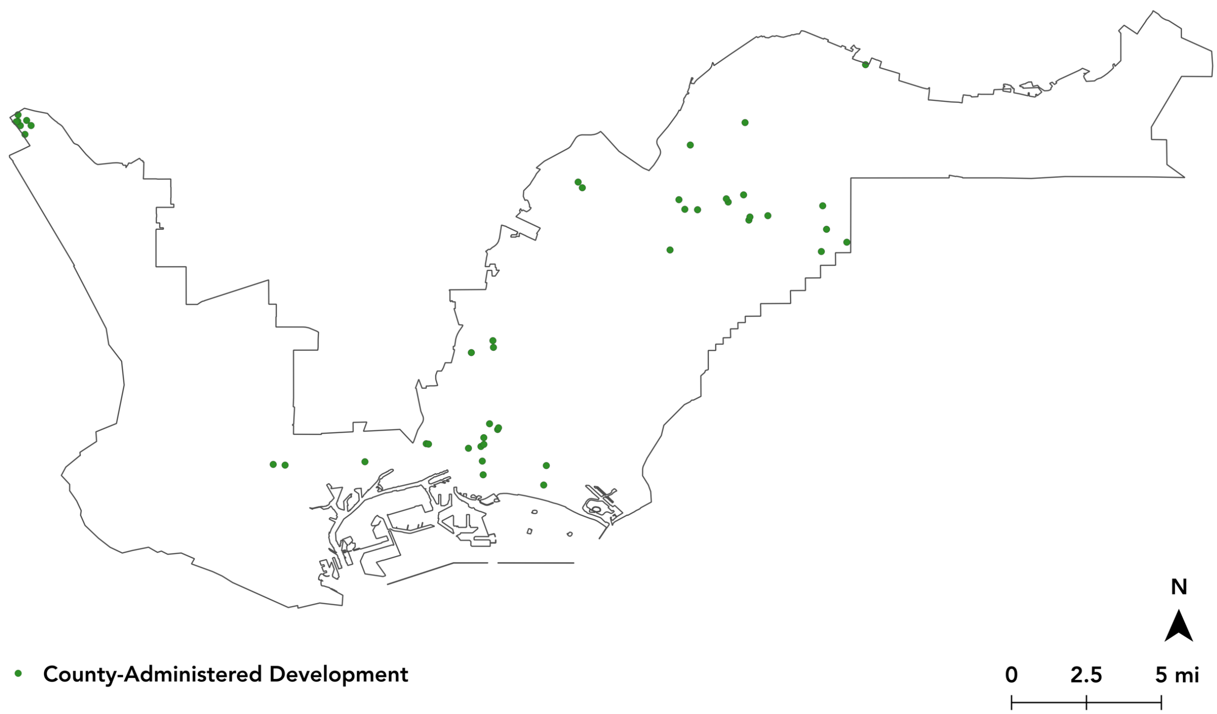
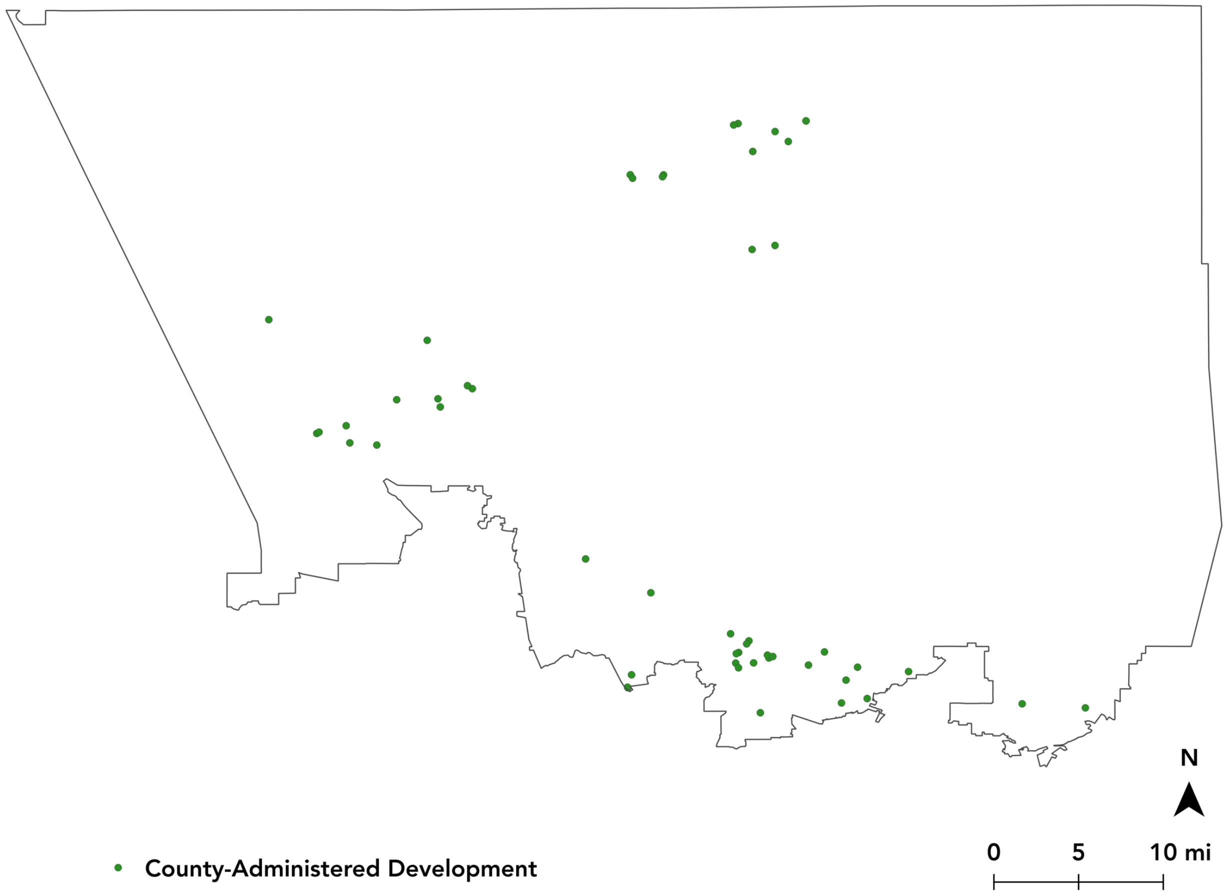


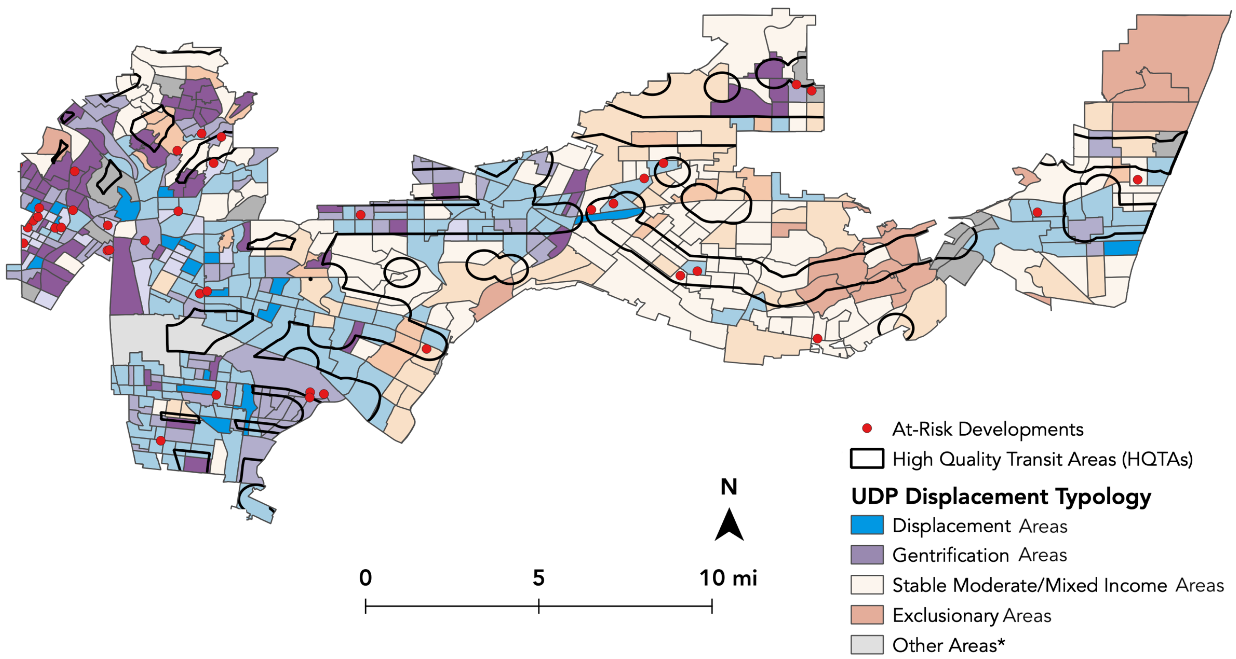
FIGURE F: COUNTY-ADMINISTERED AFFORDABLE RENTAL HOUSING IN SUPERVISORIAL DISTRICT 5



APPENDIX E: FULL DATA FINDINGS, SECTION 4

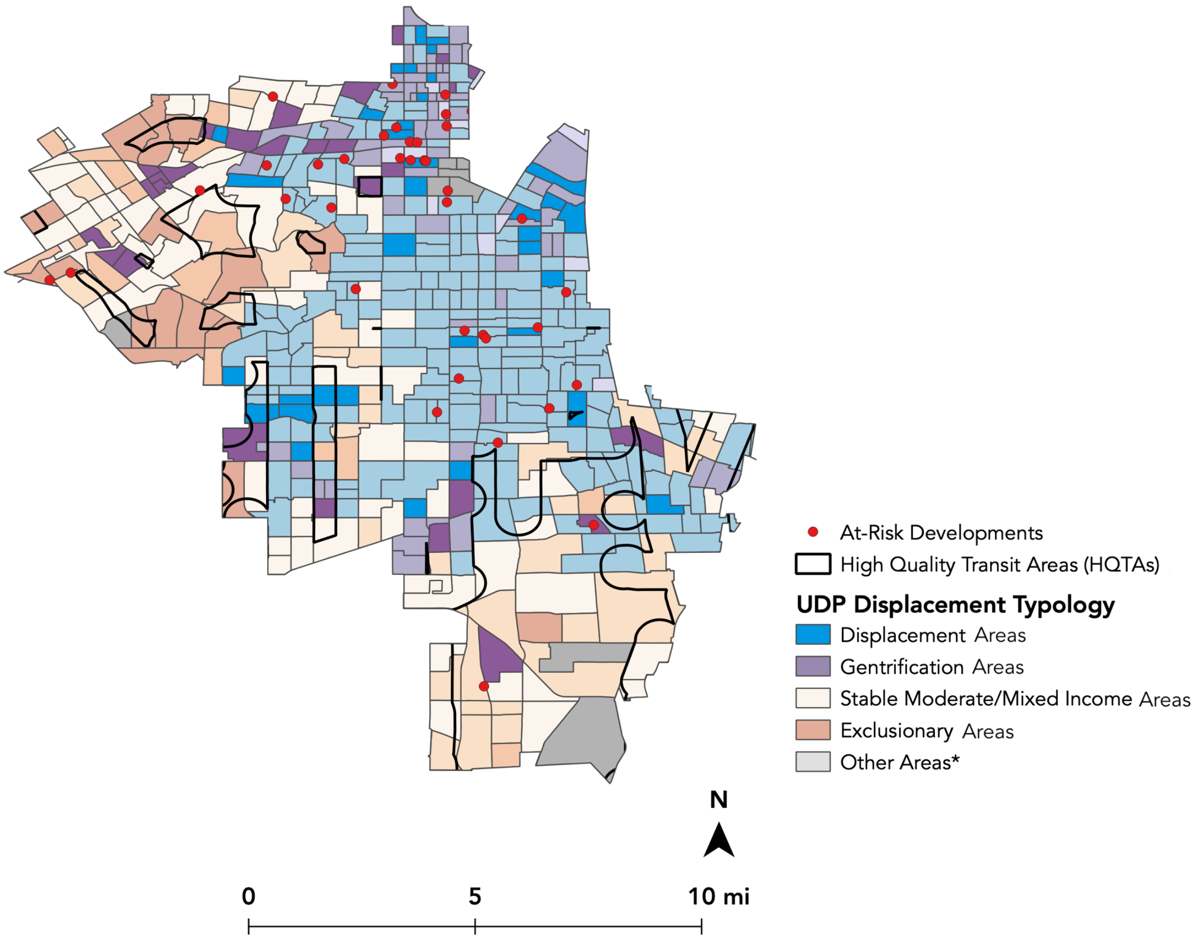
PROXIMITY OF AT-RISK AFFORDABLE HOMES TO TRANSIT AND DISPLACEMENT, GENTRIFICATION, AND EXCLUSION

FIGURE A: SUPERVISORIAL DISTRICT 1 - AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF OR EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION



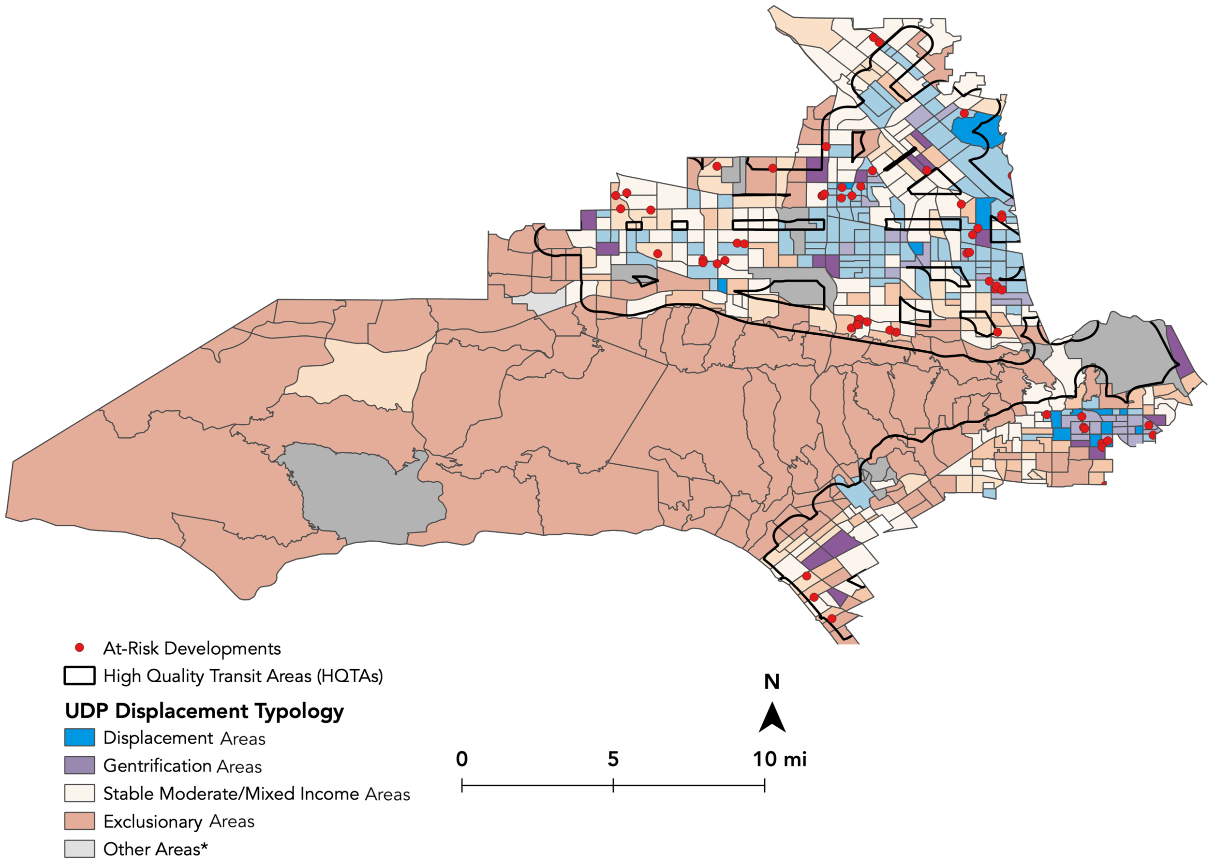
'Other Areas' includes tracts designated by the UDP Displacement Typology as 'Low-Income/Susceptible to Displacement' or areas with large student populations or unavailable/unreliable data.

FIGURE B: SUPERVISORIAL DISTRICT 2 - AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF OR EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION



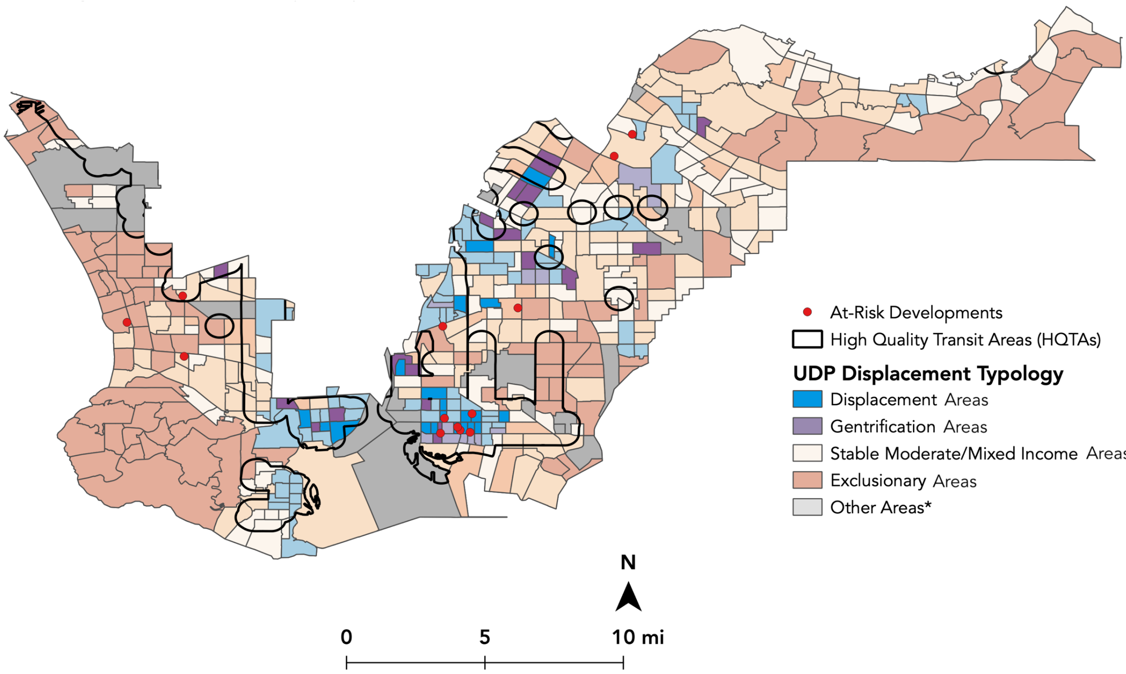
*'Other Areas' includes tracts designated by the UDP Displacement Typology as 'Low-Income/Susceptible to Displacement' or areas with large student populations or unavailable/unreliable data.

FIGURE C: SUPERVISORIAL DISTRICT 3 - AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF OR EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION



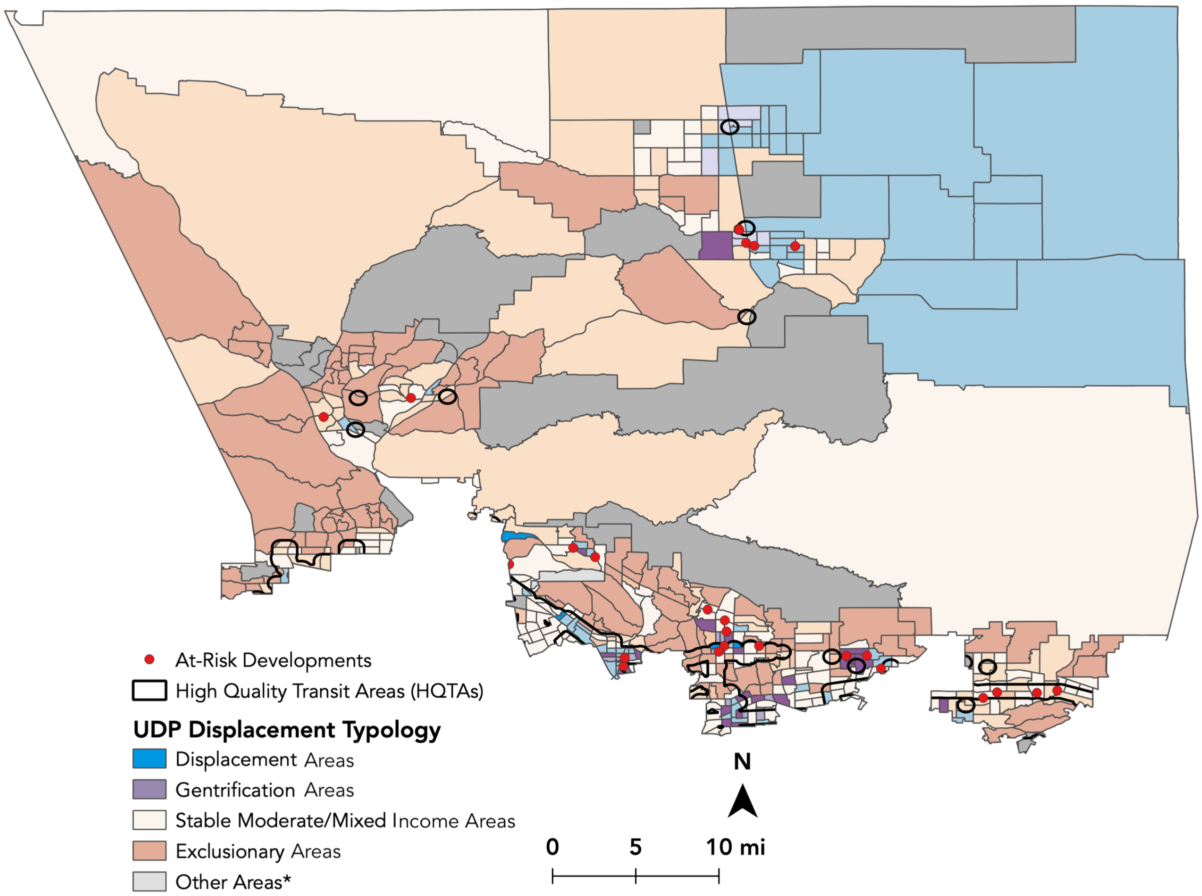
*'Other Areas' includes tracts designated by the UDP Displacement Typology as 'Low-Income/Susceptible to Displacement' or areas with large student populations or unavailable/unreliable data.

FIGURE D: SUPERVISORIAL DISTRICT 4 - AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF OR EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION



*'Other Areas' includes tracts designated by the UDP Displacement Typology as 'Low-Income/Susceptible to Displacement' or areas with large student populations or unavailable/unreliable data.

FIGURE E: SUPERVISORIAL DISTRICT 5 - AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF OR EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION



*'Other Areas' includes tracts designated by the UDP Displacement Typology as 'Low-Income/Susceptible to Displacement' or areas with large student populations or unavailable/unreliable data.

Proximity of At-Risk Family-Targeted Developments and Neighborhood Resources/Opportunity

FIGURE F: SUPERVISORIAL DISTRICT 1 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

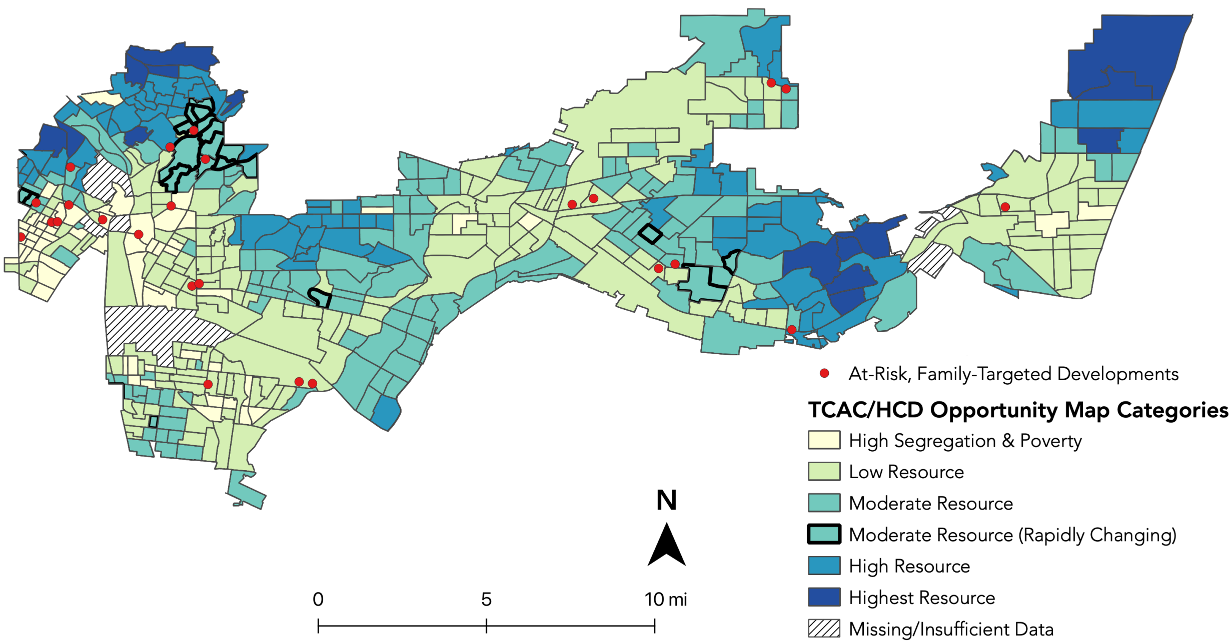


FIGURE G: SUPERVISORIAL DISTRICT 2 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

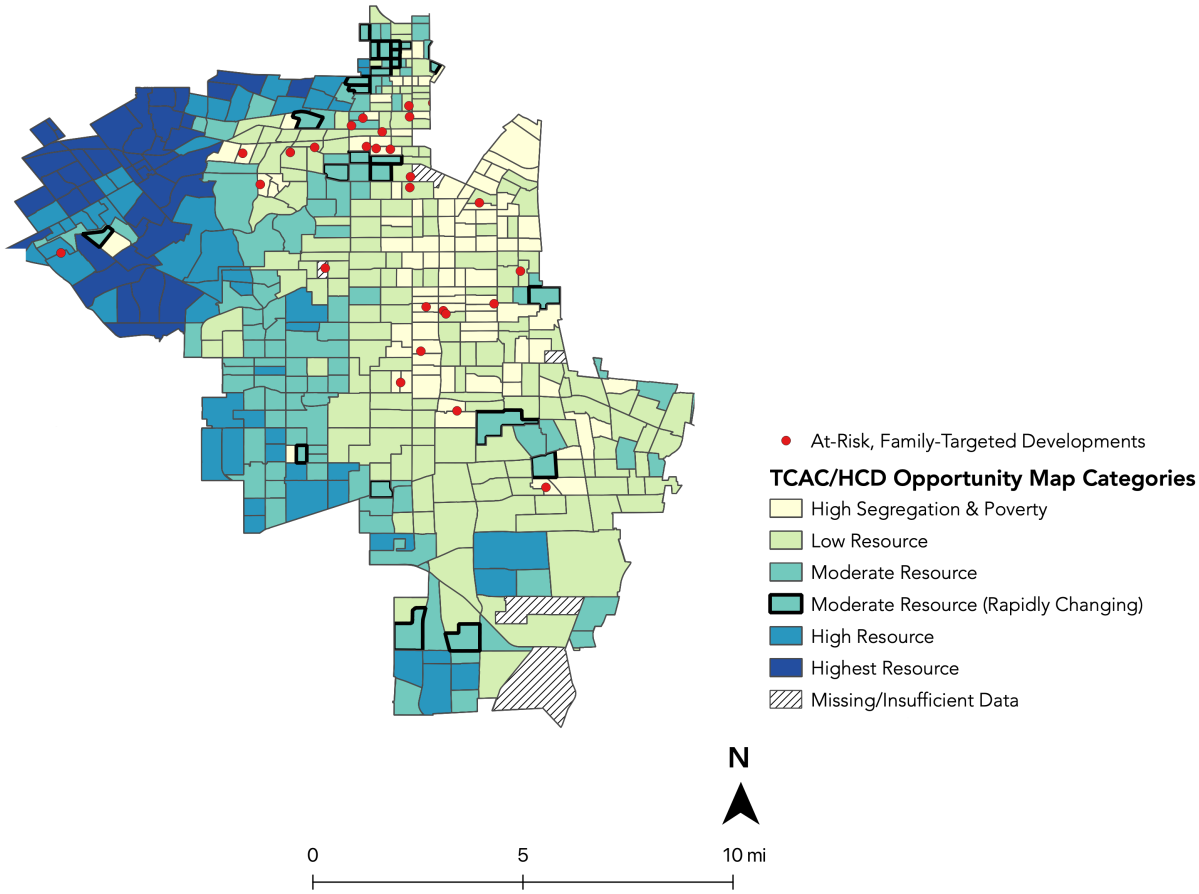


FIGURE H: SUPERVISORIAL DISTRICT 3 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

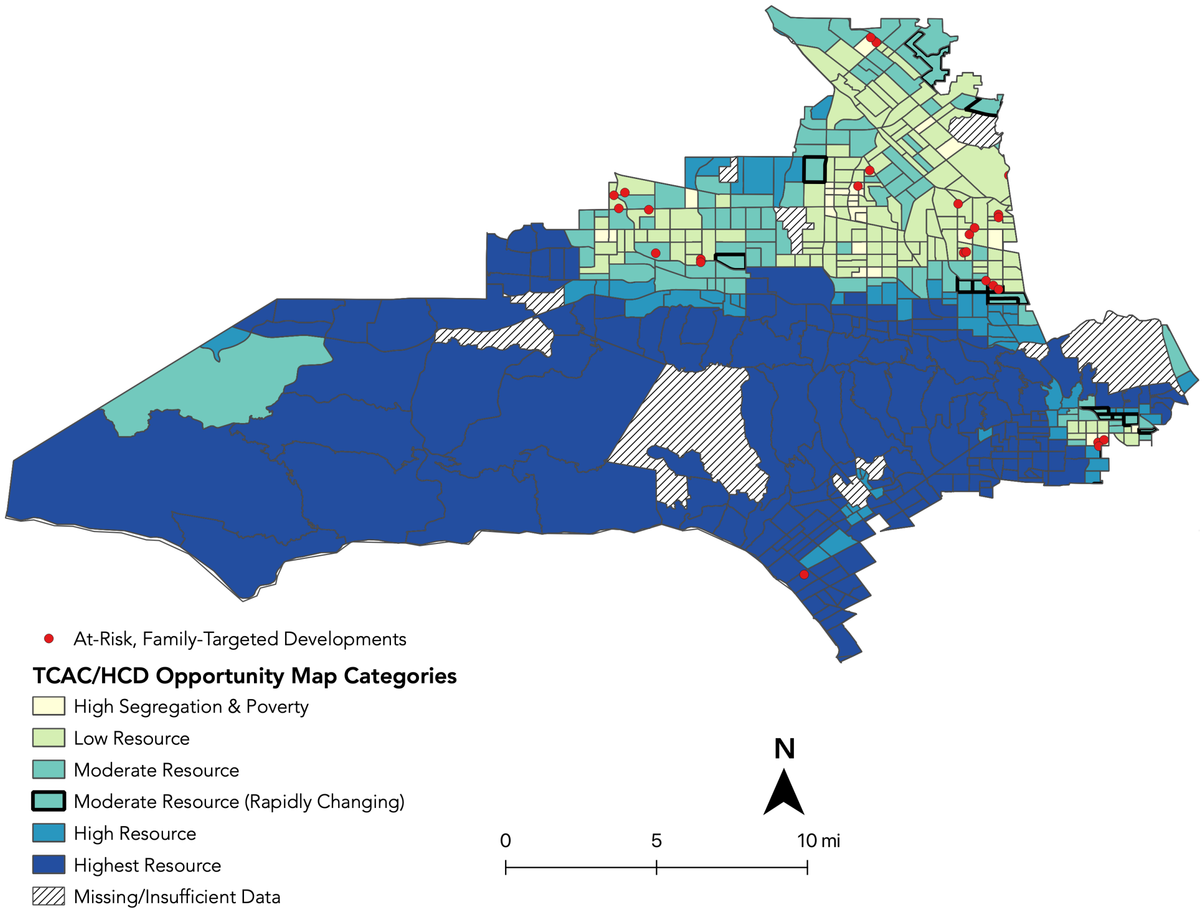


FIGURE I: SUPERVISORIAL DISTRICT 4 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

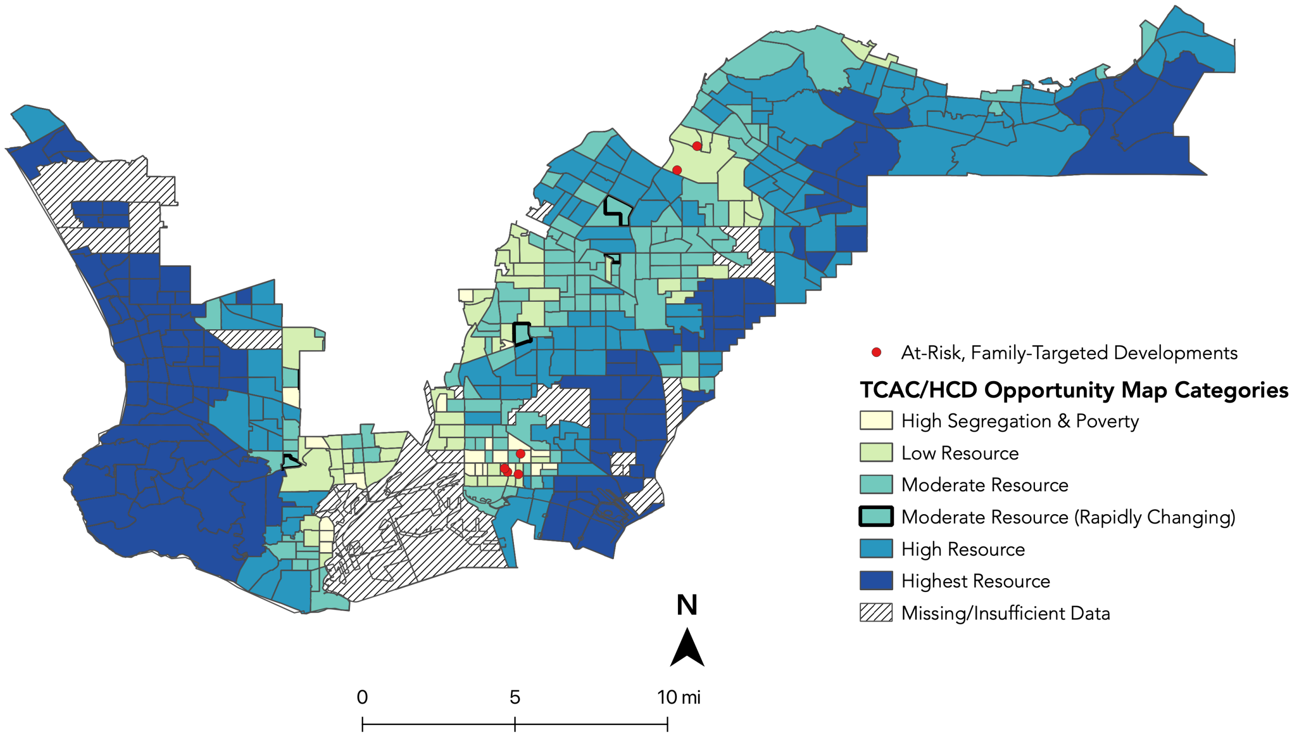
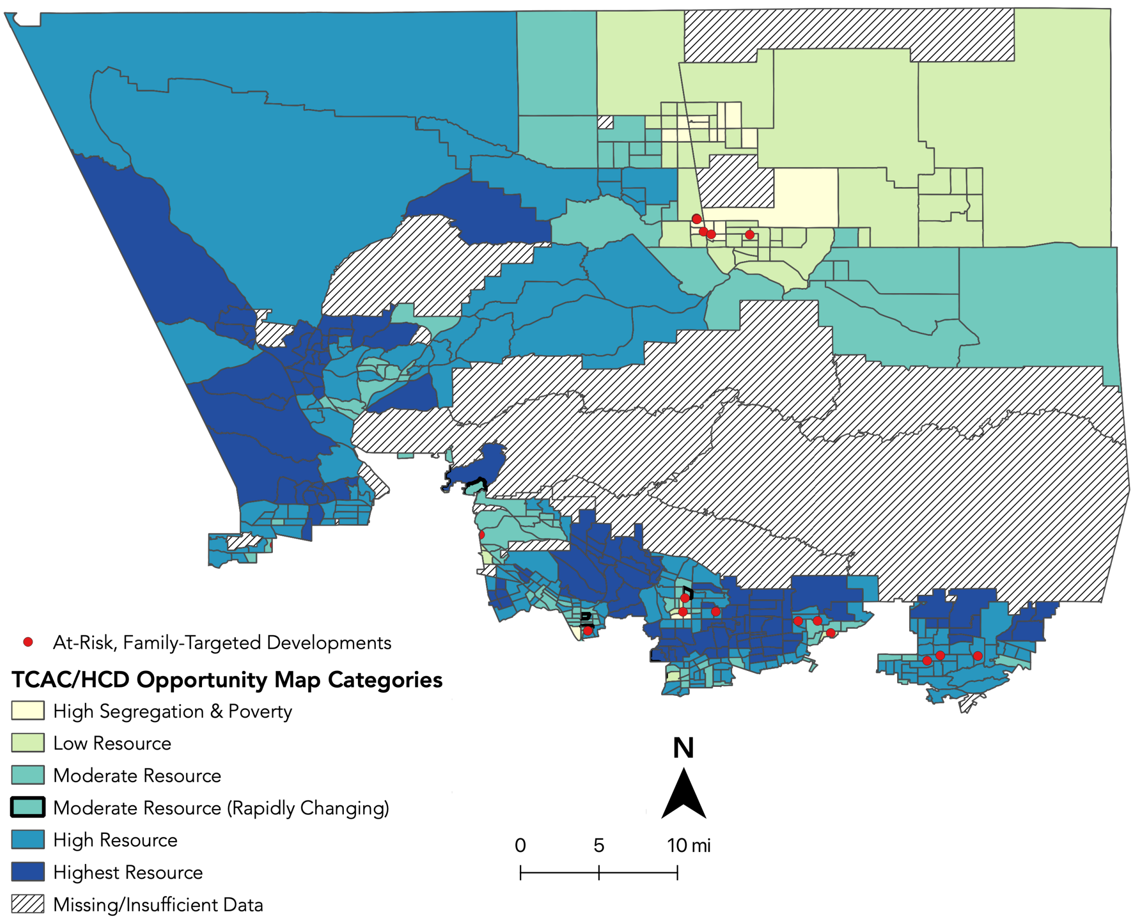


FIGURE J: SUPERVISORIAL DISTRICT 5 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY



Proximity of Large Family, New Construction Developments to Neighborhood Resources/Opportunity

FIGURE K: SUPERVISORIAL DISTRICT 1 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-2020) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

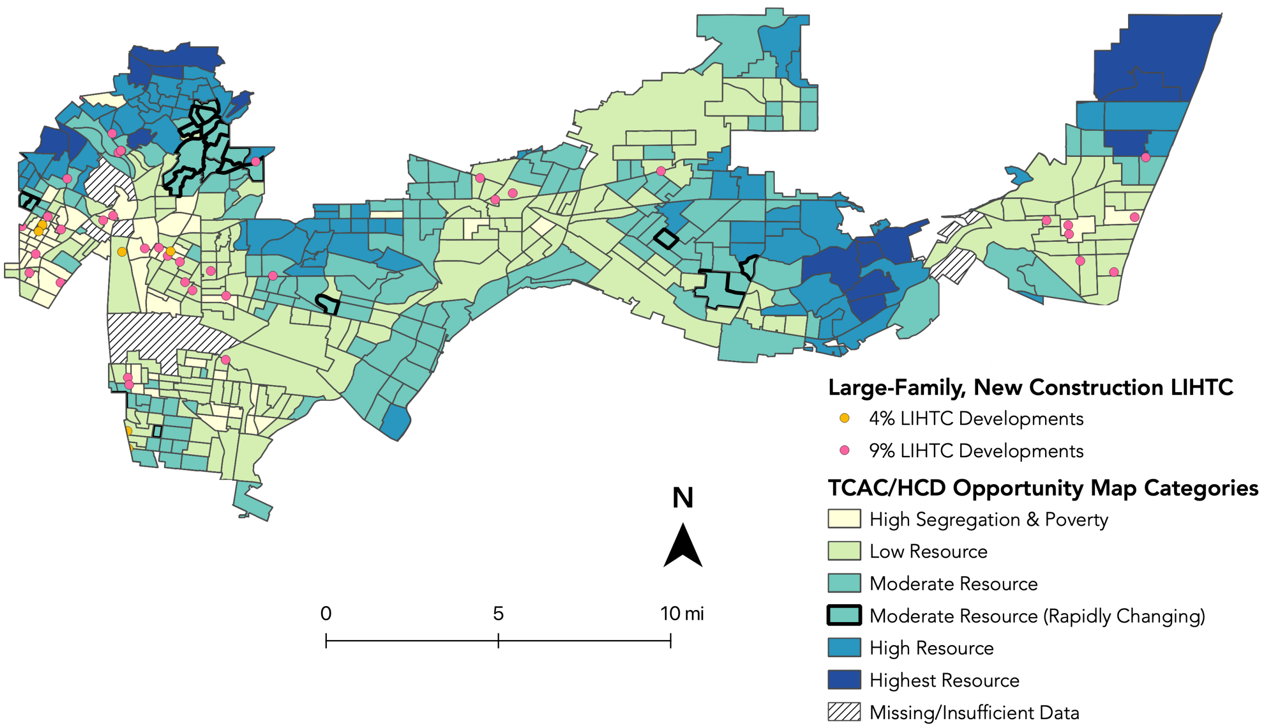


FIGURE L: SUPERVISORIAL DISTRICT 2 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-2020) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

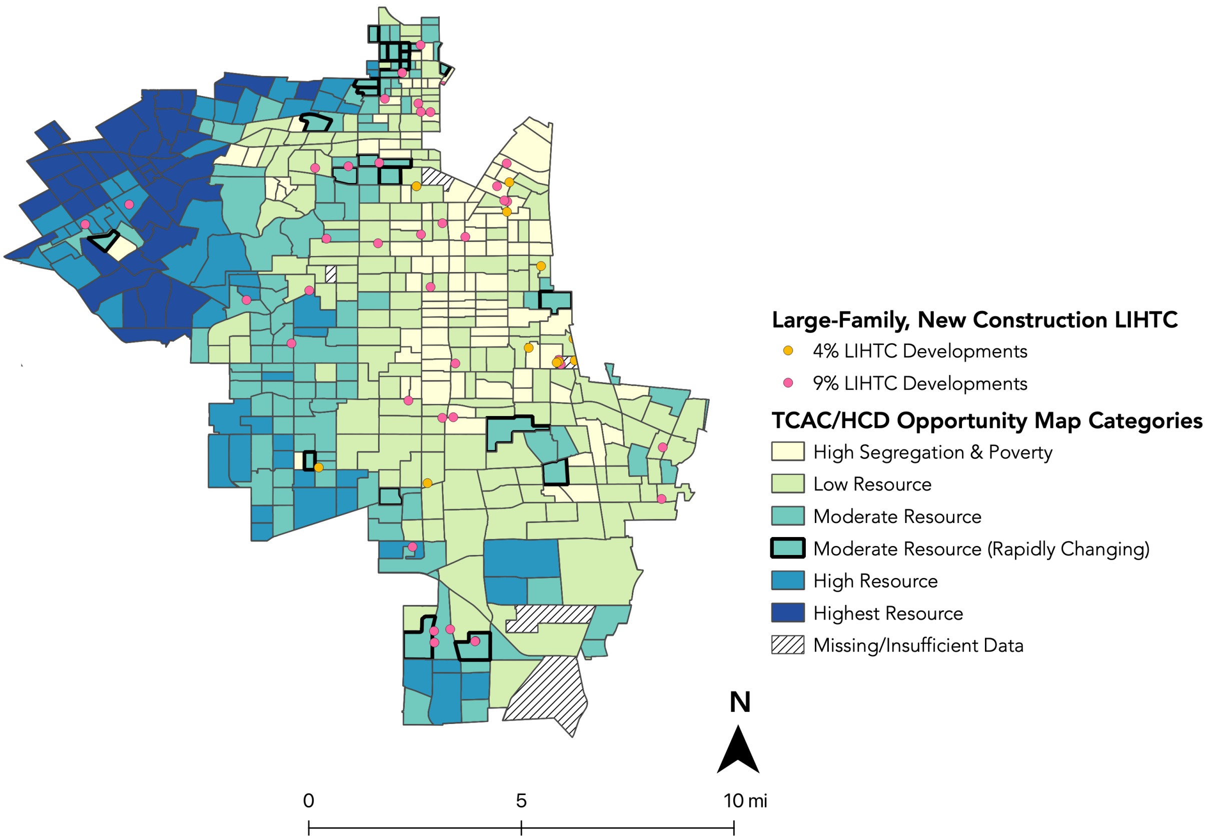


FIGURE M: SUPERVISORIAL DISTRICT 3 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-2020) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

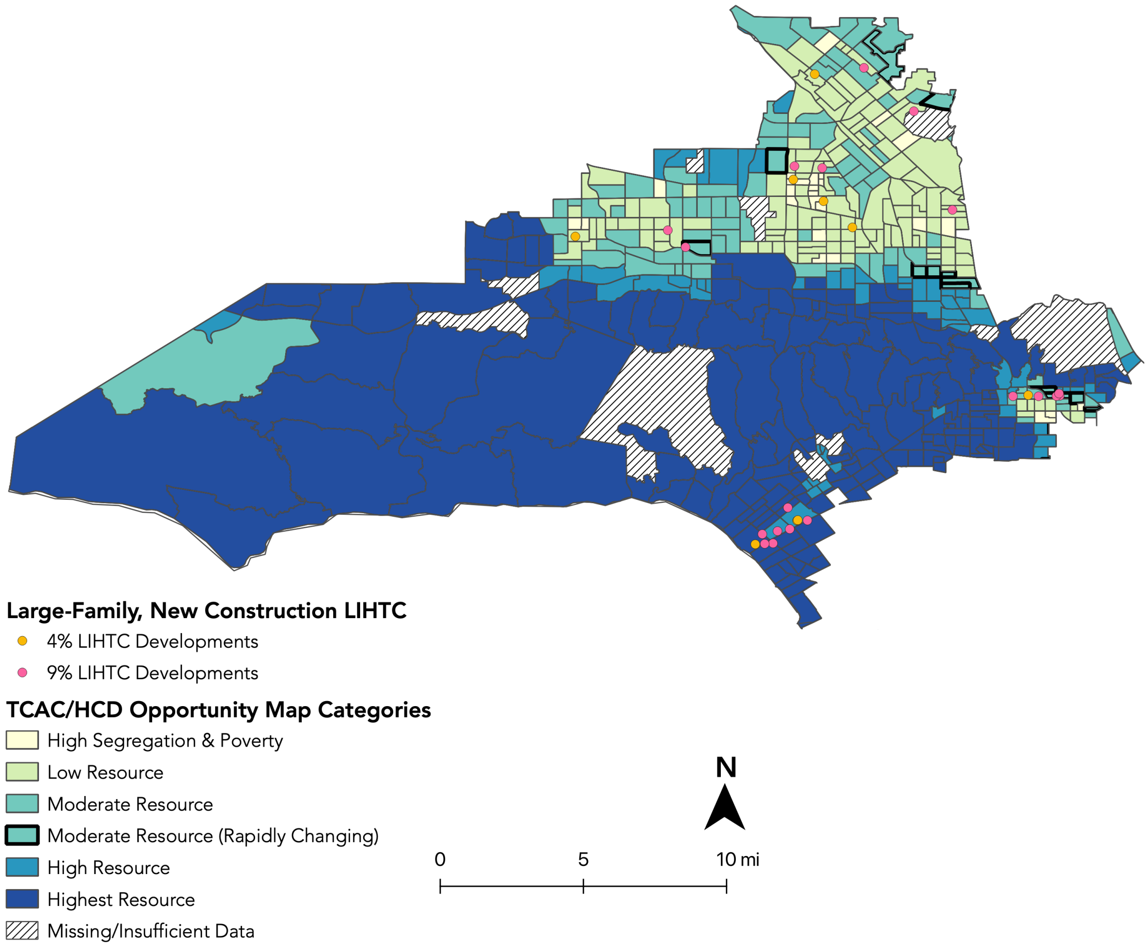


FIGURE N: SUPERVISORIAL DISTRICT 4 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-2020) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

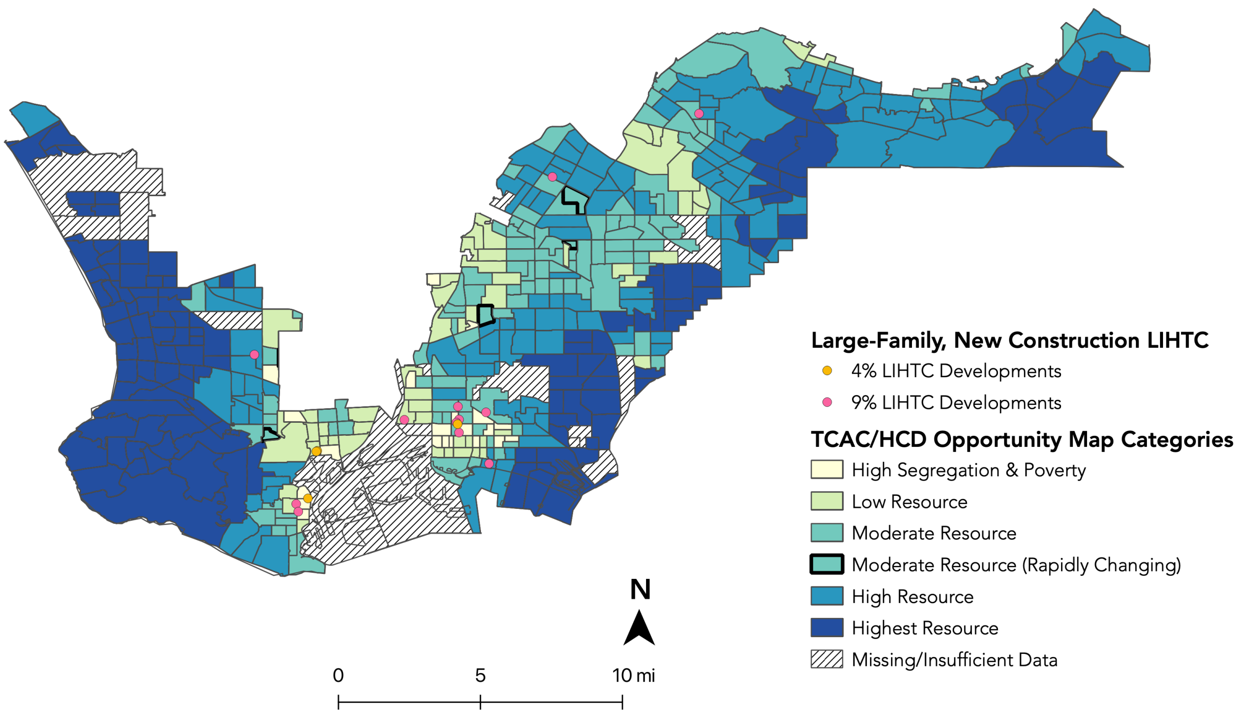
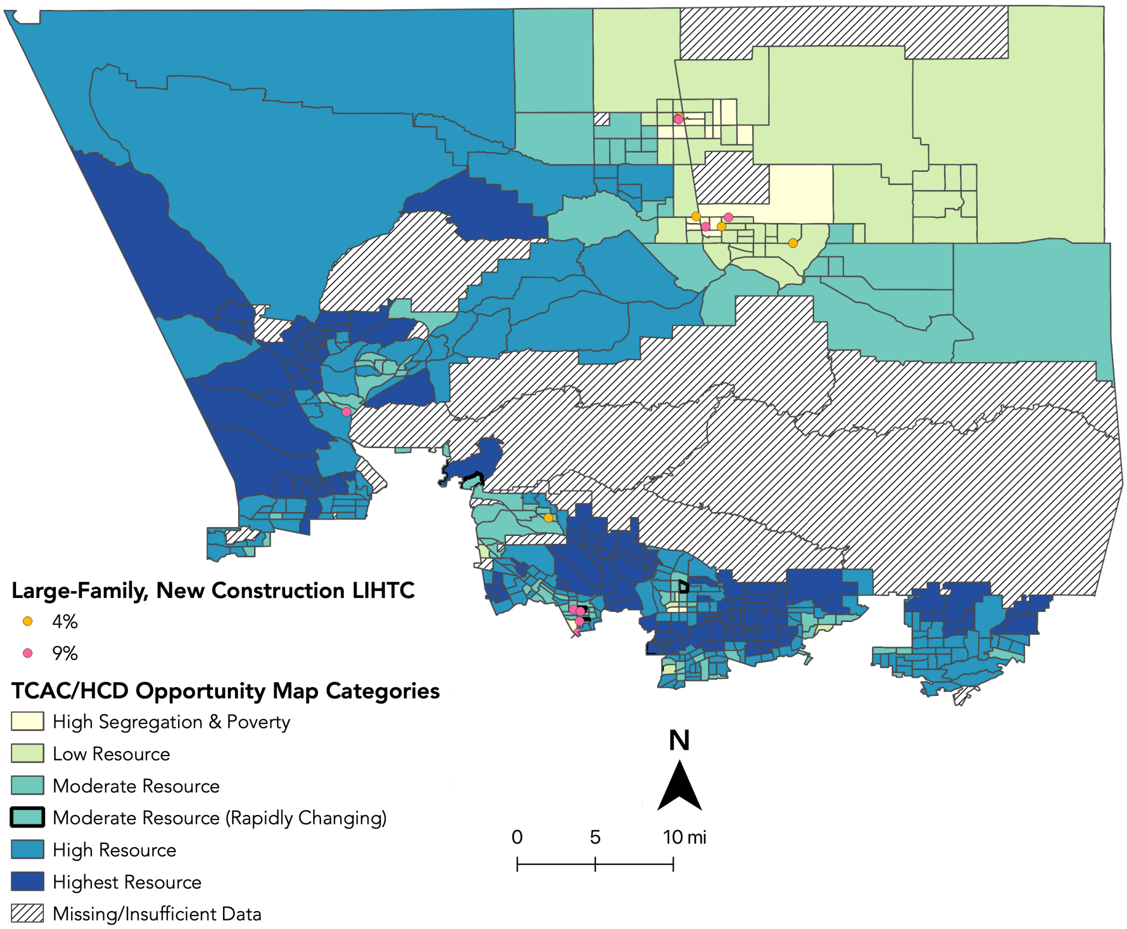


FIGURE O: SUPERVISORIAL DISTRICT 5 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-2020) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY



Appendix F: Full Data Findings, Section 5

TABLE A: DEVELOPMENT COST DATASET – LOS ANGELES COUNTY (2012-2020)

Development Characteristics	Number of Developments	Number of Units	Number of Bedrooms
Tax Credit Type			
4% LIHTC	272	24,539	39,659
9% LIHTC	168	10,309	16,361
Construction Type			
New Construction	254	16,561	25,667
Acquisition/Rehab	186	18,287	30,353
Geography*			
City of Los Angeles	257	20,103	31,891
Balance of LA County	183	14,745	24,129
>> Unincorporated LA County	*35*	*2,154*	*3,399*
Housing Type			
Large Family	136	11,267	25,106
Senior	79	7,853	8,436
Special Needs/SRO	141	8,489	9,977
At-Risk	16	898	1,682
Non-Targeted	68	6,341	10,819
Development Size			
Small (less than 50 units)	143	5,289	8,632
Medium (50-100 units)	203	14,724	22,261
Large (>100 units)	94	14,835	25,127
Year of LIHTC Award			
2012 Award Year	40	2,822	4,719
2013 Award Year	50	3,952	6,813
2014 Award Year	40	2,789	4,348
2015 Award Year	40	3,760	5,759
2016 Award Year	60	5,160	8,626
2017 Award Year	36	2,479	4,102
2018 Award Year	47	3,526	4,916
2019 Award Year	58	4,749	7,431
2020 Award Year	69	5,611	9,306
Total	**440**	**34,848**	**56,020**

Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2020.

The three geographies considered in the cost study represent the City of Los Angeles; the Balance of LA County, a geography used to refer to all geographies in the county **except the City of Los Angeles; and unincorporated LA County, which includes all of the unincorporated areas in Los Angeles County. The Balance of LA County and unincorporated LA County are overlapping—in other words, all unincorporated areas are also captured in the Balance of LA County category.*

TABLE B: DEVELOPMENT COST DATASET – LOS ANGELES COUNTY, NUMBER OF DEVELOPMENTS PER YEAR (2012-2020)

Development Characteristics	2012	2013	2014	2015	2016	2017	2018	2019	2020
Tax Credit Type									
4% LIHTC	14	25	23	23	43	20	35	41	48
9% LIHTC	26	25	17	17	17	16	12	17	21
Construction Type									
New Construction	24	23	20	20	27	25	29	32	54
Acquisition/Rehab	16	27	20	20	33	11	18	26	15
Geography*									
City of Los Angeles	28	24	23	19	37	19	29	32	46
Balance of LA County	12	26	17	21	23	17	18	26	23
>> Unincorporated LA County	*3*	*2*	*1*	*4*	*2*	*3*	*8*	*5*	*7*
Housing Type									
Large Family	17	16	16	12	19	12	7	17	20
Senior	8	15	11	11	10	4	5	9	6
Special Needs/SRO	10	9	8	12	14	16	23	18	31
At-Risk	0	3	2	1	5	1	0	0	4
Non-Targeted	5	7	3	4	12	3	12	14	8
Development Size									
Small (less than 50 units)	19	16	13	18	14	12	14	19	18
Medium (50-100 units)	14	26	21	11	28	16	25	25	37
Large (>100 units)	7	8	6	11	18	8	8	14	14
Total	**40**	**50**	**40**	**40**	**60**	**36**	**47**	**58**	**69**

Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2020.

The three geographies considered in the cost study represent the City of Los Angeles; the Balance of LA County, a geography used to refer to all geographies in the county* ***except* *the City of Los Angeles; and unincorporated LA County, which includes all of the unincorporated areas in Los Angeles County. The Balance of LA County and unincorporated LA County are overlapping—in other words, all unincorporated areas are also captured in the Balance of LA County category.*

TABLE C: LOS ANGELES COUNTY MEDIAN TDC PER-UNIT AND PER-BEDROOM, 2012-2020, NEW CONSTRUCTION ONLY (2020$)

Year	Median TDC/Unit	% Change*	Median TDC/Bedroom	% Change*
2012	$411,958	--	$256,002	--
2013	$405,002	-2%	$269,491	+5%
2014	$429,933	+6%	$276,663	+3%
2015	$412,915	-4%	$258,229	-7%
2016	$428,916	+4%	$320,569	+24%
2017	$514,131	+20%	$356,858	+11%
2018	$518,355	+1%	$397,514	+11%
2019	$583,477	+13%	$446,472	+12%
2020	$563,549	-3%	$432,066	-3%

Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2020.
**Percent change is the change in median TDC between consecutive years. For example, the 2013 percent change figure represents the change in TDC between 2012 and 2013.*

TABLE D: LOS ANGELES COUNTY MEDIAN TDC PER-UNIT AND PER-BEDROOM, 2012-2020, ACQUISITION/REHABILITATION ONLY (2020$)

Year	Median TDC/Unit	% Change*	Median TDC/Bedroom	% Change*
2012	$238,164	--	$129,821	--
2013	$240,087	+1%	$178,256	+37%
2014	$258,898	+8%	$146,635	-18%
2015	$239,457	-8%	$199,425	+36%
2016	$331,072	+38%	$214,680	+8%
2017	$465,054	+40%	$237,872	+11%
2018	$367,899	-21%	$289,102	+22%
2019	$463,429	+26%	$250,788	-13%
2020	$435,812	-6%	$204,813	-18%

Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2020.
**Percent change is the change in median TDC between consecutive years. For example, the 2013 percent change figure represents the change in TDC between 2012 and 2013.*

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

FESIA A. DAVENPORT
Chief Executive Officer

August 25, 2022

To: Supervisor Holly J. Mitchell, Chair
Supervisor Hilda L. Solis
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

From: Fesia A. Davenport
Chief Executive Officer

SIXTH ANNUAL AFFORDABLE HOUSING OUTCOMES REPORT (ITEM NO. 22, AGENDA OF OCTOBER 27, 2015)

On October 27, 2015, the Board of Supervisors (Board) adopted a motion (2015 motion) directing the Chief Executive Office (CEO) to, among various actions, create an Affordable Housing Budget Unit; establish an Affordable Housing Coordinating Committee (Coordinating Committee); and develop an annual Affordable Housing Outcomes Report (Outcomes Report). On September 26, 2017, the Board adopted a motion (2017 motion) to transition the role of the Coordinating Committee as a policy workgroup and added one appointee from each Supervisorial District.

The attached 2022 Sixth Affordable Housing Outcomes Report (2022 Outcomes Report) continues to measure the County of Los Angeles' (County) need for affordable housing, reviews existing housing inventory and investments, and provides data-driven policy recommendations to further support strategies and allocate resources for the production and preservation of affordable housing throughout the County.

Due to pandemic-related challenges in data collection, the U.S. Census Bureau has found significant nonrandom nonresponse bias in its American Community Survey data as response rates were higher for white and Asian populations, populations with higher incomes, populations with higher education, and homeowners compared to past years, while response rates were lower for Black and Hispanic populations, renters, and populations with lower incomes. Therefore, the most recent and reliable demographic, gap, and cost burden analyses leverage 2019 data. In this year's report, additional data from CoStar and the U.S. Census Bureau and the Centers for Disease Control and Prevention in the Household Pulse Survey have been included to show changes in rent during the pandemic for renters, as well as data that compares renter ability to make rent payments by household income.

The 2022 Outcomes Report uses data from the 2020 Point in Time (PIT) homeless count by the Los Angeles Homeless Services Authority (LAHSA) as the count was not conducted in 2021, and 2022 data has not been released yet.

DEVELOPMENT OF OUTCOMES REPORT

The 2015 motion instructed the Coordinating Committee to develop an Outcomes Report with policy recommendations informed by: 1) an analysis of available and affordable housing units for lower-income households and 2) an assessment of outcomes resulting from the County's affordable housing investments. As directed by the 2017 motion, the Coordinating Committee is comprised of representatives from agencies and departments responsible for administering the County's affordable housing programs: 1) CEO; 2) Los Angeles County Development Authority (LACDA), 3) LAHSA; 4) Mental Health (DMH); 5) Health Services (DHS); 6) Public Health; and 7) Regional Planning (DRP). The meetings of the Coordinating Committee have included participation from each of the five Board offices, appointees from the Board offices, and public stakeholders.

Consistent with the five prior Outcomes Reports, the CEO retained the services of the California Housing Partnership (CHP) to prepare the report. CHP worked with relevant departments and Coordinating Committee members to draft all sections of the report which were presented at the April and June 2022 Coordinating Committee meetings. At these meetings, Committee members and external stakeholders asked questions and provided comments on both the report's analyses and recommendations.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

As mentioned, the most recent and reliable American Community Survey data is from 2019. Therefore, this year's report highlights demographic and gap data from the fifth Outcomes Report. For instance, the annual gap in affordable and available housing for lower-income households, shows the County needs to add approximately 499,430 affordable homes to meet the current demand among renter households at or below 50 percent of the Area Median Income. Even though the shortage of affordable homes remains large, this shortfall is 82,393 less than in 2014. This decline in shortfall may be partially attributed to a slight decrease (half percent) in the number of lower-income renter households, as well as regional efforts to increase access to affordable housing. In addition to assessing affordable housing need by measuring the shortfall of affordable homes, the 2022 Outcomes Report continues to track the prevalence of housing cost burden, year-to-year trends by Supervisorial District, and trends in the cost of developing affordable housing in the County.

As the COVID-19 pandemic continued in 2021, the County participated in the State's COVID-19 Rent Relief Program to fund rent relief to protect renters impacted by the resulting economic crisis. Prior to the COVID-19 pandemic, the County partnered with local jurisdictions, alongside developers and service providers, to leverage State and federal resources to invest locally controlled funding into affordable housing production, preservation, and rental and operating subsidies, as well as promote policies such as density bonuses.

The 2022 Outcomes Report highlights these collaborative efforts by identifying an inventory of 133,909 federal, State, and County-administered affordable homes and nearly 28,757 County-administered rental subsidies, as well as the American Rescue Plan Act and Project Homekey investments.

In tracking all affordable homes subsidized by local, State, and federal funding, the 2022 Outcomes Report also assesses the risk of these homes converting to "market-rate" housing when funding expires. The 2022 Outcomes Report finds the County is at risk of losing approximately 7,937 existing affordable homes, with 83 percent located in transit-accessible neighborhoods. Informed by data and analyses, the attached 2022 Outcomes Report includes 15 recommendations in the following three broad categories:

1. Increase Funding for Affordable Housing
2. Support Innovative and Cost-Saving Strategies
3. Advance Racial Equity in Housing Programs

CONCLUSION

The sixth annual Outcomes Report comprehensively studies several indicators to measure the County's progress in implementing strategies to address the region's housing affordability crisis. Recognizing broader Countywide planning efforts led by the Homeless Initiative, LACDA, LAHSA, DRP, DMH, and DHS, the 2022 Outcome Report's recommendations offer considerations for guiding the allocation of resources to collaboratively increase affordable housing for lower-income households and prevent and reduce homelessness.

The County, in collaboration with its regional partners, continues to move forward in addressing the affordable housing shortfall. In addition, the County plans to allocate available federal, State, County and other local resources for the longer-term production and preservation of affordable housing while building upon regional efforts and partnerships to address the affordable housing shortage.

Should you have any questions concerning this matter, please contact me or Cheri Todoroff, Executive Director of the Homeless Initiative and Affordable Housing, at (213) 974-1752 or ctodoroff@ceo.lacounty.gov.

FAD:JMN:CT
VD:yy

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Health Services
Los Angeles County Development Authority
Public Health
Regional Planning
Los Angeles Homeless Services Authority

ATTACHMENT

2022 LOS ANGELES COUNTY

Annual Affordable Housing Outcomes Report

California Housing Partnership

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

June 30, 2022

Table of Contents

Executive Summary

Background

On October 27, 2015, the County of Los Angeles (County) Board of Supervisors (Board) authorized the creation of an Affordable Housing Programs budget unit in the Chief Executive Office (CEO) and established a multi-year plan to provide new funding for the creation and preservation of new affordable housing. The Board motion also established an Affordable Housing Coordinating Committee (Committee) to oversee the creation of an annual Affordable Housing Outcomes Report (Report) to document and analyze the County's need for affordable housing and existing housing investments and inventory, as well as to provide policy recommendations to help guide the County's allocation of resources across both new and existing affordable housing programs. The California Housing Partnership (Partnership) completed the 2017 through 2021 iterations of this Report working closely with the Committee and the leaders of designated departments.

As with the prior reports, each section of the 2022 Report involved data analysis and stakeholder engagement to confirm key findings and ensure sensitivity to the local context. In addition, the Committee reviewed each section of the Report and solicited feedback through a series of public meetings from April through June 2022. These meetings were attended by County agency heads and managers, Board's staff, and community advocates. The input gathered in these meetings was invaluable in ensuring that the Report is as useful as possible to the County in furthering its efforts to confront the local housing affordability and homelessness crisis.

Report Structure

The Report is divided into six sections that cover the following core topics:

- Section 1. Affordable Housing Need
- Section 2. Affordable Rental Housing Inventory and Risk Assessment
- Section 3. County-Administered Affordable Rental Housing Resources
- Section 4. Neighborhood Context for Creating and Preserving Affordable
- Section 5. Affordable Housing Development Cost Analysis
- Section 6. Recommendations

Key Findings (Sections 1-5)

By the end of 2021, Los Angeles County and local jurisdictions helped developers and service providers leverage state and federal resources to create nearly 134,000 affordable homes, a four (4) percent increase from the 2020 inventory of affordable homes. They did this by investing locally-controlled funding into affordable housing production, preservation, and rental and operating subsidies and promoting the adoption and use of pro-housing policies such as density bonuses.

The good news is that the County's investments (including more than $700,000,000 in Notice of Funding Opportunity (NOFA) awards since 2014 and policies over the past five years have led to a gradually expanding inventory of affordable homes and rental assistance programs in the County that contributed to the shortfall's gradual decline and helped to stem the tide of homelessness. However, the unsurprising reality is that even these expanded resources are not yet sufficient to meet the need for affordable homes and related services. For example, as described in Section 1 of the Report, the recent economic impacts stemming from the coronavirus pandemic will likely disproportionately affect lower-income households. The County faced a shortfall of 499,430 affordable homes to meet demand among renter households at or below 50 percent of Area Median Income (AMI). Also, the 2020 Point-In-Time (PIT) count revealed approximately 66,436 individuals experiencing homelessness in the County.[1]

In addition, severe housing cost burden—paying more than 50 percent of household income on rent and utilities—is unfortunately still the norm among the County's lowest-income households, underscoring the need for more state and federal resources since it is now clear that County resources alone are unlikely ever to be sufficient to fully address this persistent problem that is closely correlated with poverty, as well as racial and ethnic inequities in our communities. As documented in Section 1, 87 percent of deeply low-income (DLI) households, 72 percent of extremely low-income (ELI) households, and 40 percent of very low-income (VLI) households were severely cost-burdened in 2019.[2] People of color are more likely to experience housing cost burdens than their white counterparts, with Black renter households experiencing the highest cost burden rate at 62 percent.[3]

The Report also provides an inventory of current affordable housing resources. According to the Partnership's latest assessment, the report identifies rental developments at both the County and Supervisorial District level that are at "very-high" and "high" risk of being converted to market rate within the next five years. In addition, the report notes that rising rents and expiring restrictions have put the County at risk of losing nearly 8,000 existing affordable homes unless the County and other stakeholders take action to preserve them.

As noted in Section 4, 83 percent of these at-risk affordable homes in the County are located in transit-accessible neighborhoods, and 59 percent of these homes are located in both transit-accessible areas and areas experiencing displacement, gentrification, or exclusion of low-income households. Losing any of these affordable homes would contribute to patterns of displacement of low-income people—including low-income people of color—from the County's increasingly high-cost transit-rich and gentrifying neighborhoods. Further, 13 percent of the nearly 4,000 affordable family homes in the County at risk of conversion to market are located in areas identified by the state as "High Resource" or "Highest Resource." These affordable homes would be challenging and costly to replace, and losing them would worsen access to opportunity-rich neighborhoods for low-income families – including families of color – in the County.

We describe in Section 5 a development cost analysis of affordable rental housing awarded tax credits in the County between 2012 and 2021. The analysis finds that in the County, inflation-adjusted development

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[1] The majority of the analysis in Section 1 uses U.S. Census Bureau data that does not reflect the economic hardship many lower income households are facing—and will likely continue to face—as a result of changed economic conditions resulting from the coronavirus pandemic. To address this gap, Section 1 now also includes an analysis of data from the Household Pulse Survey, a new, experimental survey from the Census to measure the social and economic impacts of the COVID-19 pandemic over time.
[2] DLI is 0-15% of AMI, ELI is 15-30% of AMI, and VLI is 30-50% of AMI.
[3] Cost burden is paying more than 30 percent of households income on rent and utilities.

costs remained relatively flat between 2012 and 2015, increased steadily between 2016 and 2019, and then flattened again from 2019-21. From 2016-19, the cost to develop a new affordable home increased from $464,000 to $597,000 per unit (29 percent), and the costs per bedroom increased from $347,000 to $458,000 (32 percent). From 2019 to 2020, development costs decreased slightly by one (1) percent per unit and per bedroom before decreasing further by two (2) percent per unit and increasing by eight (8) percent per bedroom from 2020-21. Construction costs—labor and materials—comprise more than half of typical development costs for newly constructed affordable homes. On average, acquisition costs comprise 40 to 58 percent of development costs for the redevelopment of existing affordable homes.

RECOMMENDATIONS (SECTION 6)

The recommendations included in this report are grounded in the detailed needs analysis and assessment of the existing inventory referenced above. Also, the recommendations align with the Board directive to support the production and preservation of affordable homes, including workforce housing and permanent supportive housing for very low- and extremely low-income or homeless households. Lastly, the recommendations reflect the CEO's direction to develop a more wide-ranging set of prescriptions to address the scale of housing needs and land use and zoning reforms. Recommendations in Section 6 are summarized as follows:

INCREASE FUNDING FOR AFFORDABLE HOUSING

1. Asess the need to establish a gap fund to keep pace with construction cost inflation for county-funded affordable housing developments.
2. Continue to pursue all available state resources, particularly given the current state budget surplus.
3. Explore additional resources for permanent supportive housing for persons in need of mental health services.
4. Support and expand the supply of transitional and supportive housing using Project Homekey.
5. Increase the availability of long-term, project-based operating subsidies for permanent supportive housing.
6. Plan for service needs for permanent supportive housing.
7. Implement Enhanced Infrastructure Financing Districts (EIFDs) as a source of funding for affordable housing production

SUPPORT INNOVATIVE AND COST-SAVING STRATEGIES

8. Allow multifamily affordable housing on sites owned by faith-based institutions.
9. Facilitate the development of modular home manufacturing in Los Angeles County.
10. Obtain "pro-housing" designation from the State of California.
11. Consider increasing the funding limits in the Los Angeles County Development Authority (LACDA) NOFA to account for inflation.

12. Continue to engage in advocacy around state housing legislation targeted to the County, particularly SB 679.

Advance Racial Equity in Housing Programs

13. End exclusionary zoning in resource-rich neighborhoods to maximize the creation of deed-restricted affordable homes.

14. Establish a countywide waitlist for non-supportive housing to increase housing choices.

About the Author and Acknowledgments

The California Housing Partnership is a state-created, nonprofit technical assistance organization that helps to preserve and expand the supply of homes affordable to low-income households in California. The Partnership does this by providing technical assistance, training and policy research to nonprofit and government housing organizations throughout the state. The Partnership's efforts have helped partner organizations leverage approximately $30 billion in private and public financing to preserve and create more than 85,000 affordable homes for low-income households. For more information, visit chpc.net/about-us. The primary contributors to this Report were Senior Research Manager, Danielle M. Mazzella, Policy Research Manager, Lindsay Rosenfeld, Research Associate, Anthony Carroll, Associate Research Director, Dan Rinzler, Research Director, Anthony Vega, Managing Director, Financial Consulting Paul Beesemyer, and President & CEO, Matt Schwartz.

LOS ANGELES COUNTY 2022 AFFORDABLE HOUSING DASHBOARD: A Countywide Snapshot

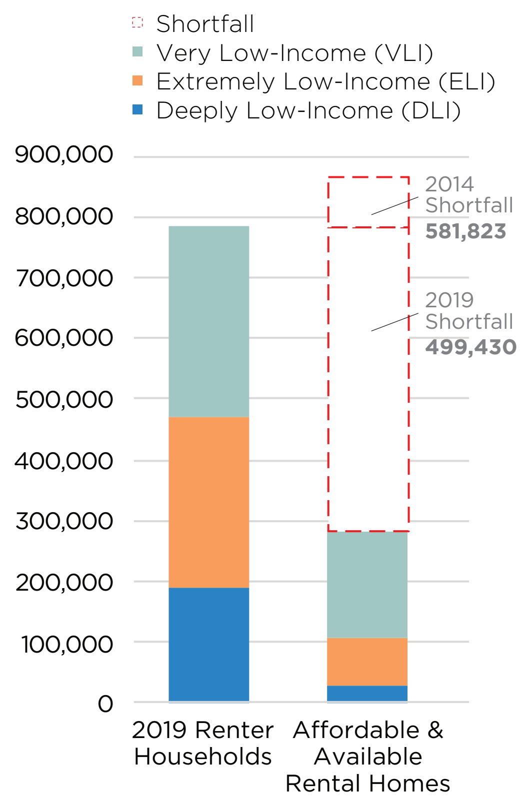
Affordable Housing Shortfall

Los Angeles County has a shortfall of 499,430 homes affordable to the lowest-income renters. The shortfall for a given income group is based on whether households at this income or below are living in a home that is affordable to their income group. The shortfall of affordable homes in Los Angeles County decreased by 82,393 homes between 2014 and 2019.

Housing Affordability Gap Analysis for Lowest Income Households

Renter Group		Cumulative Surplus or Deficit of Affordable Rental Homes*	% Change from 2014 to 2019
DLI	0-15% AMI	-160,849	↗ 7%
ELI	15-30% AMI	-364,316	↘ -13%
VLI	30-50% AMI	-499,430	↘ -14%

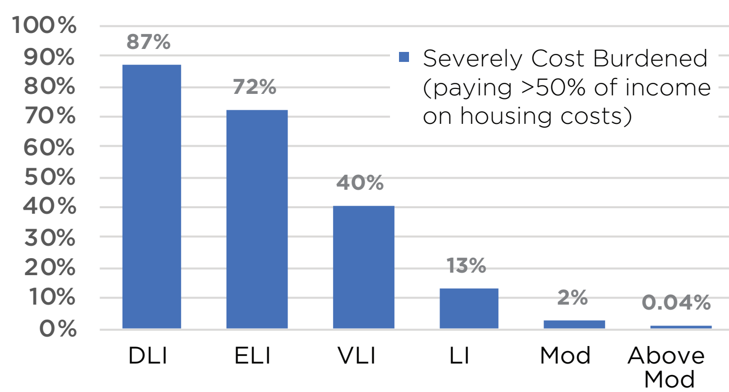
Source: *California Housing Partnership analysis of 2014 and 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology. Note: This chart was not updated in 2022 due to known issues with the US Census Bureau's ACS 2020 1-year data.*
**The surplus or deficit includes homes occupied by households at or below the income threshold of the income group.*



Severe Cost Burden in Los Angeles County

Households Paying More than Half of Their Income on Housing Costs

In Los Angeles County, lower-income renters are more likely than higher income renters to spend more than half of their income on housing. In 2019, 87% of deeply low-income households (earning less than or equal to 15% of AMI) and 72% of very low-income households (earning less than or equal to 30% of AMI) are severely cost burdened, while 2% of moderate-income households experience this level of cost burden. Severe cost burden is defined as spending more than 50% of household income on housing costs.



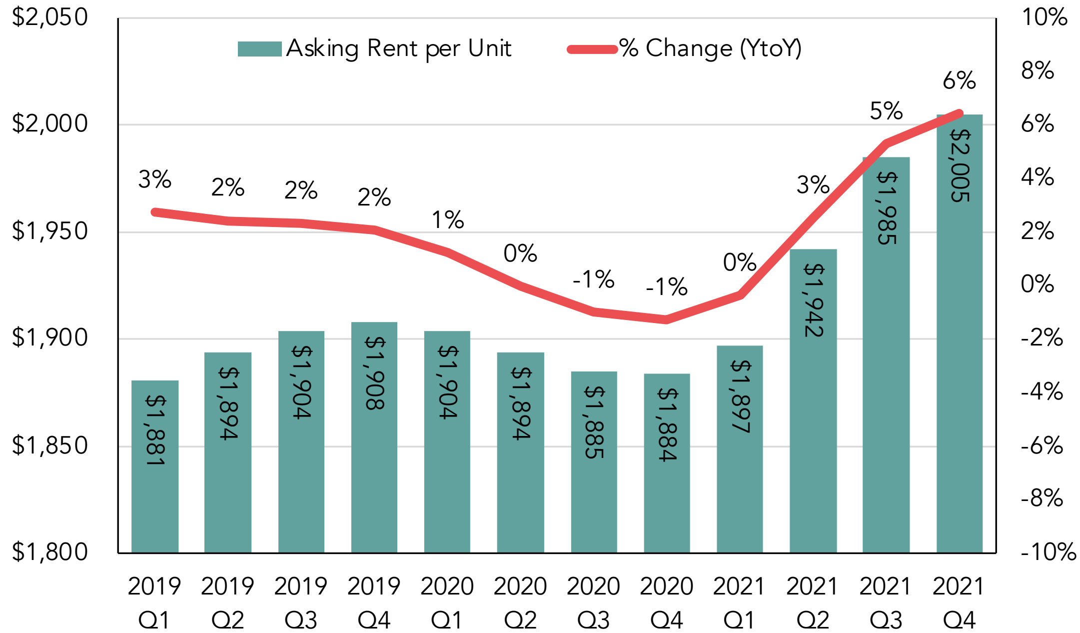
Source: *California Housing Partnership analysis of 2014 and 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology. Note: This chart was not updated in 2022 due to known issues with the US Census Bureau's ACS 2020 1-year data.*
**Reflective of changes within the income group.*

Trends in Multifamily Rents and Rent Arrears

Average Multifamily Rent Changes in Los Angeles County During the Pandemic (2019 – 2021, Year-to-Year)

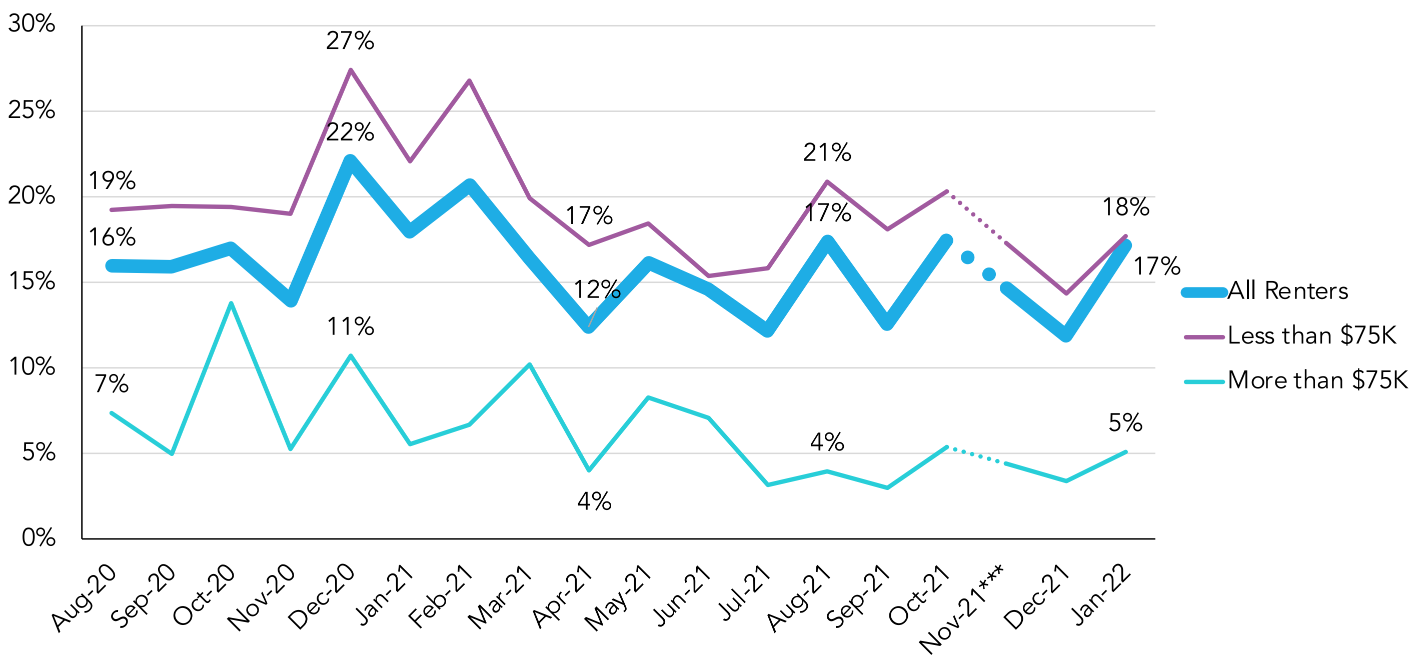
In the last three quarters of 2021, average asking rents across the entire multifamily rental market in Los Angeles County began to rise at increasing rates: 3% in Q2 2021, 5% in Q3 2021 and 6% in Q4 2021. This followed moderate rent decreases early on in the pandemic (Q1 2020 to Q4 2020).

Source: *California Housing Partnership analysis of average rent data from CoStar Group, accessed January 2022.*



Percentage of Renters* Who Are Not Caught Up on Rent Payments (Aug 2020–Jan 2022)**

Los Angeles County renters in households earning less than $75,000/year have been less able to catch up on rent arrears during the pandemic than those in households earning over $75,000.



Source: *California Housing Partnership analysis of Household Pulse Survey, U.S. Census Bureau, 2020-2022.*
**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the share of adults in households who are not caught up on rent. Note: Figures are averages of data collected in the corresponding month. For example, the October 2020 datapoint is an average of survey data collected Sept 30-Oct 12 and Oct 14-Oct 26.*
***The Census reworded the rent payment question in August 2020 (Phase 2), making direct comparison with Phase 1 estimates not possible. Therefore, results are only shown for August 2020 onward.*
****No survey results were collected between October 12 and November 30, 2021 between the transition from Phase 3.2 to 3.3.*

Inventory of Affordable Rental Housing

Below is a summary of the federal, state, and county-administered affordable housing in Los Angeles County. Also included are the number of affordable homes at risk of being converted to market rate due to expiring covenants or other changes to existing rent restrictions.

Summary of Federal, State, and County-Administered Affordable Housing and At-Risk Housing in Los Angeles County

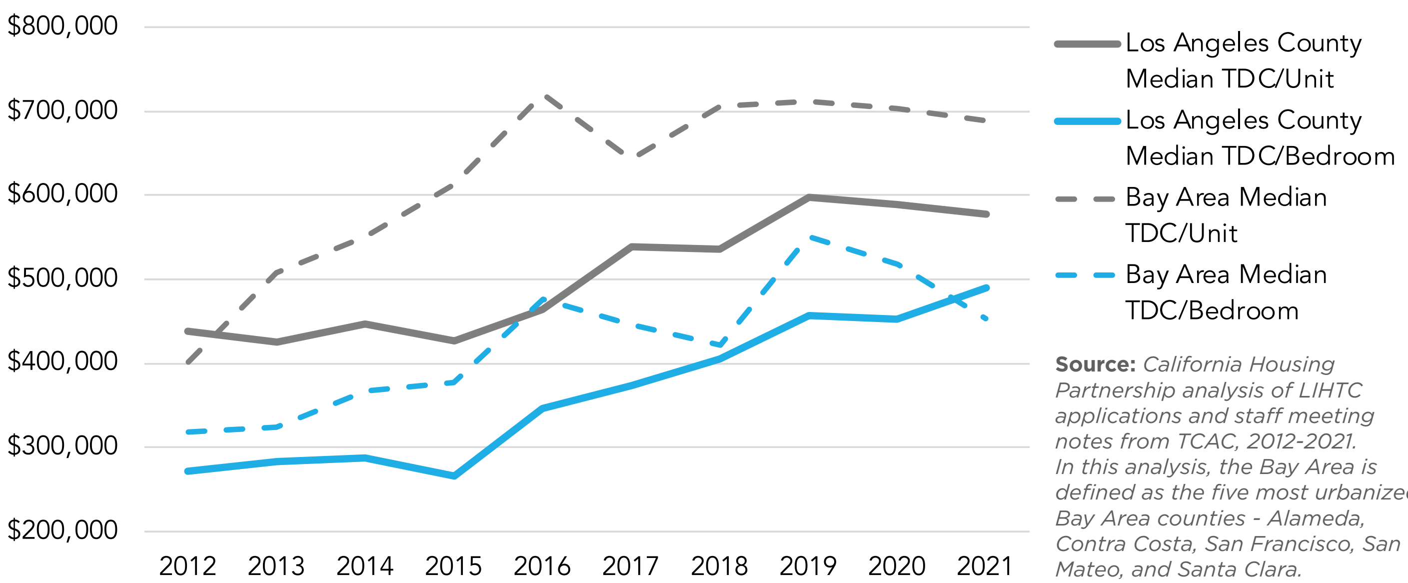
Supervisorial District (SD)	Affordable Homes	At-Risk Affordable Homes*	County-Administered Affordable Homes**
SD 1	41,733	*1,441*	*9,877*
SD 2	31,666	*1,835*	*7,217*
SD 3	23,605	*2,392*	*3,102*
SD 4	17,920	*1,031*	*4,825*
SD 5	18,985	*1,238*	*3,736*
TOTAL (County)	**133,909**	***7,937***	***28,757***

Source: *California Housing Partnership Preservation Database. LACDA, HACLA, DRP, and DMH.*
**This is a subset of the total number of affordable homes.*
***This is a subset of the total number of affordable homes and includes homes affordable up to moderate-income households (<120% AMI).*

Cost of Developing New Affordable Housing

Los Angeles County Median Total Development Costs for New LIHTC Developments, 2012-2021 (2021$)

Median total development costs for new Low-Income Housing Tax Credit (LIHTC) affordable developments in Los Angeles County remained relatively flat between 2012 and 2015, increased steadily between 2016 and 2019, and then decreased slightly from 2019 to 2020. In 2021, per-unit costs were $11,000 lower and per-bedroom costs were $38,000 higher, a 2% decrease per unit and 8% increase per bedroom from 2020.

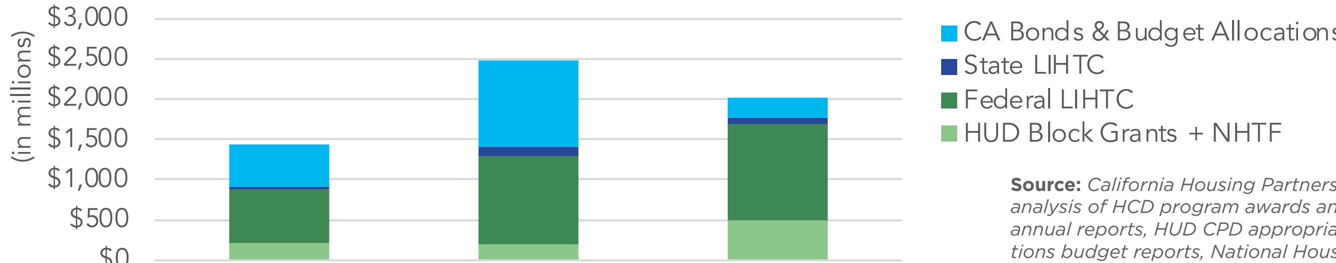


Source: *California Housing Partnership analysis of LIHTC applications and staff meeting notes from TCAC, 2012-2021. In this analysis, the Bay Area is defined as the five most urbanized Bay Area counties - Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara.*

Investments in Affordable Housing

Change in Federal and State Capital Investments in Affordable Housing in Los Angeles County

Federal funding increased 30% for housing production and preservation in Los Angeles County from FY 2019-20 to FY 2020-21. State funding decreased 72%, primarily due to the timing of program awards.*



Funding Sources	FY2018-19	FY2019-20	FY2020-21	Δ** from FY19-20
CA Hsg Bonds & Budget Allo.	$527,622,541	$1,083,712,461	$257,131,953	*-76%*
State LIHTC	$36,696,028	$108,488,300	$71,521,541	*-34%*
STATE TOTAL	**$564,318,569**	**$1,192,200,761**	**$328,653,494**	***-72%***
Federal LIHTC	$667,922,072	$1,093,754,270	$1,196,134,119	*9%*
HUD Block Grants + NHTF	$207,608,396	$203,836,953	$495,640,973	*143%*
FEDERAL TOTAL	**$875,530,468**	**$1,297,591,223**	**$1,691,775,092**	***30%***

Source: *California Housing Partnership analysis of HCD program awards and annual reports, HUD CPD appropriations budget reports, National Housing Trust Fund program, CalHFA Mixed Income Program, BCHS Program Reports, California SGC Affordable Housing Sustainable Communities Program, and federal and state Low-Income Housing Tax Credits.*

**Note: Los Angeles County received its second installment of locally-administered NPLH funds in FY2019-20. The award included both the scheduled 2nd round tranche and an advance of the projected 3rd funding round total. Because funds were advanced, the County did not receive any NPLH funding in FY2020-21. Further, while the State released NOFAs for the AHSC program and the VHHP program in FY2020-21, the State did not make funding awards until early FY2021-22.*

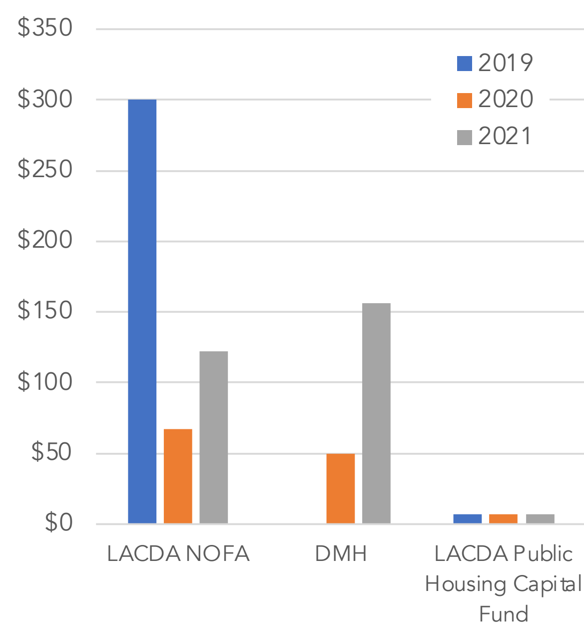
*** Δ = Percent change.*

County Capital Investments in Affordable Housing in 2021

The LACDA NOFA funded 1,523 affordable homes in 2021. LACDA allocated more than $7 million of the Capital Fund Program across its portfolio of 68 affordable housing developments. DMH made $157 million available for LACDA's 2021 NOFA.

Department	Total Affordable Homes Funded in 2021	2021 Expenditures	Δ from 2020
LACDA NOFA	1,523	$122,070,000	*82%*
LACDA Public Housing Capital Fund	N/A*	$7,218,842**	*1%****
DMH	456	$156,562,166	*213%*
TOTAL	**1,979**	**$285,917,056**	***130%***

Note: *Table only includes affordable homes that received capital funding. Homes may have received funding from multiple departments and may not yet be placed in service.*
**Funding used to rehabilitate public housing developments.*
***Represents fiscal year 2021 capital fund program budget.*
****Change from fiscal year 2020 capital fund program budget.*



Section 1. Affordable Housing Need

Overview

Section 1 of the Affordable Housing Outcomes Report documents housing need for renters in the County by measuring trends in demographics, housing affordability, and housing stability. This section looks at trends over time pre-pandemic (2014-19) and mid-pandemic (2020-21)), by income, by race and ethnicity, countywide, and by Supervisorial District (SD) using six years of American Community Survey (ACS) data, Household Pulse Survey data, California's Employment Development Department's labor force data, CoStar's Multifamily Database, and Point-in-Time (PIT) Counts.

Data Sources and Methodology

Data for Section 1 relies on a multitude of sources. Most pre-pandemic data come from the U.S. Census, Bureau's American Community Survey (ACS) pre-tabulated data tables and the 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 for households throughout the United States. Unlike the ACS pre-tabulated data tables—which are aggregated to specific geography (state, county, zip code, census tracts, etc.)—the ACS PUMS data is available at the individual and household level. Accordingly, PUMS data is flexible and allows for more complex analysis. ACS pre-tabulated data and ACS PUMS data are used for the pre-pandemic analysis of renter demographics, the availability of affordable homes (gap analysis), and cost burden by income group and race and ethnicity.[4]

Due to pandemic-related challenges in data collection, the Census Bureau has found significant nonrandom nonresponse bias for the 2020 1-year ACS data products. Specifically, response rates were higher for white non-Hispanic and Asian non-Hispanic populations, populations with higher incomes, higher education, married, and homeowners compared to past years and lower for Black non-Hispanic and Hispanic populations, renters, and populations with lower incomes. Consequently, the Census determined that traditional ACS 1-year data products did not meet the Bureau's quality standards and have limited the number of data tables and geographies available for the 2020 1-year data, explicitly recommending that researchers not compare the 1-year 2020 data with previous years of data. Therefore, the most recent and reliable demographic, gap, and cost burden analyses leverage 2019 data.[5]

Given these data reliability challenges for the 2020 1-year ACS data and because ACS data is released annually—usually in October or November—for the previous year, it cannot capture the current economic and social reality that the County residents are facing during the COVID-19 pandemic. Therefore, to capture the current economic reality that County residents are facing during the COVID-19 pandemic,

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[4] To quantify affordable housing need by income group, this section uses HUD income limits, which are used to determine eligibility for federal and state housing programs based on the median income and housing costs in a metropolitan area. Each household is placed into one of six non-overlapping income groups—deeply low-income (DLI), 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 family income (AMI), adjusted for household size. For more information on income group definitions and the methodology used to determine income groups, see Appendix A: Methodology.

[5] The 2019 data was also used in 2021 Los Angeles County Affordable Housing Outcomes Report. See: California Housing Partnership, 2021. "Los Angeles County Affordable Housing Outcomes Report." Website: https://chpc.net/resources/los-angeles-county-annual-affordable-housing-outcomes-report-2021/.

Section 1 also includes an analysis of data from the Household Pulse Survey, an experimental survey the U.S. Census Bureau and the Centers for Disease Control (CDC) designed to measure the social and economic impacts of the COVID-19 pandemic over time, as well as inform government response and recovery planning. Because data is updated biweekly, the survey provides insights into how household experiences have changed during the pandemic. Household Pulse Survey data is available at a state level and for the 15 largest Metropolitan Statistical Areas (MSAs) in the United States, including the Los Angeles-Long Beach-Anaheim MSA.[6]

In addition, Section 1 leverages civilian labor force, unemployment rates, and industry employment data from the California Employment Development Department and Multifamily Rent Data from CoStar. The California Employment Development Department collects and publishes data on California's labor force, unemployment rates, industry employment data, projections, trends in wages, and other labor market data by month and by county.[7] CoStar's proprietary dataset tracks asking rent and rent growth data as of from rental listing websites; clients of CoStar's ILS platforms, including Apartments.com, ApartmentFinder.com, and ForRent.com; CoStar's RealFacts dataset details building-level rent and vacancy data dating back to the mid-1990s; and models rent trends in different submarkets and building types for properties where rent data is unavailable.[8]

The subsection on homelessness in the County uses data from the Point-in-Time (PIT) Count, a survey of individuals experiencing homelessness on a single night, usually in January. The U.S. Department of Housing and Urban Development (HUD) requires that Continuums of Care (CoC) conduct this count annually for individuals who are sheltered in transitional housing (e.g., Safe Havens and emergency shelters) and every other year (odd-numbered years) for unsheltered individuals. In the County, the Los Angeles Homeless Services Authority (LAHSA) conducts the annual PIT count, also known as the Greater Los Angeles Homeless Count. Due to the COVID-19 pandemic, there was no PIT count in 2021 and the 2022 count in the County was delayed into late February 2022.[9]

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[6] In May 2020, the U.S. Census Bureau began releasing results from the Household Pulse Survey for each state and for the 15 largest MSAs in the United States, which includes the Los Angeles-Long Beach-Anaheim MSA. For raw data files, see https://www.census.gov/programs-surveys/household-pulse-survey/data.html.

[7] For more information and raw data files from the California Employment Development Department, see https://www.labormarketinfo.edd.ca.gov/data/unemployment-and-labor-force.html.

[8] For more information about the CoStar Multifamily Database, see https://www.costar.com/about.

[9] Los Angeles Times, 2022. "L.A. County homeless count postponed due to Omicron." Website: https://www.latimes.com/homeless-housing/story/2022-01-14/los-angeles-county-homeless-count-2022-postponed-omicron.

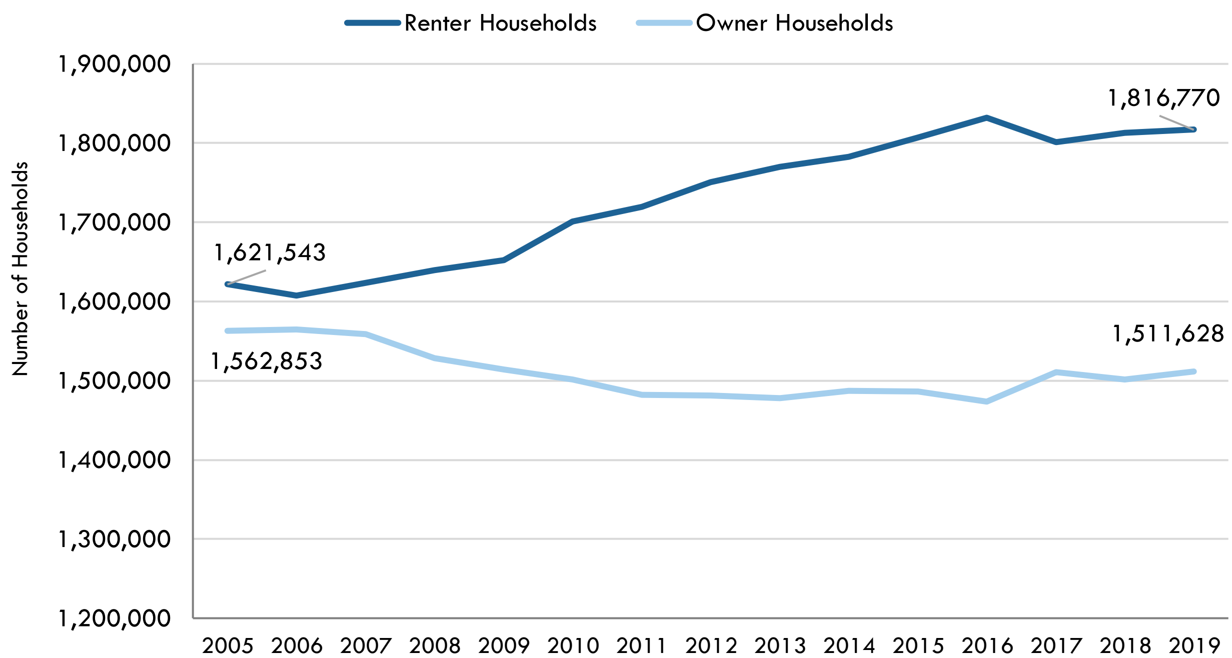
Trends in Housing Tenure and Demographics

This section examines trends in housing tenure (renter and owner-occupied) and demographics of renter households to provide important context for the County's housing affordability challenges. Due to data collection challenges for the 2020 1-year ACS data products (as described above), this analysis exclusively leverages data from 2019 and earlier.

Housing Tenure Trends

Most households in the County—55 percent—live in rental housing. Between 2005 and 2019, the number of renter households increased steadily, with nearly 200,000 added during those 15 years (see Figure 1 below). By comparison, the number of owner-occupied households declined by approximately 50,000 households over the same period. These trends represent a 12 percent increase in renter households and a three (3) percent decrease in owner households from 2005 to 2019, respectively.

FIGURE 1: CHANGE IN LOS ANGELES COUNTY HOUSEHOLDS BY TENURE (2005-19)



Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2005-19.

Renter households in the County differ from owner households in several important ways. For example, according to the 2019 ACS, renter households have a median income of about half that of owner households, are typically younger than owner households, and are more likely to be Black, Latinx, Native American, Native Hawaiian and Other Pacific Islander, and multiracial. In addition, only Asian and white households are more likely to own than rent in the County.[10] Altogether, renter households are a more diverse representation of the population in the County and face unique challenges concerning housing unaffordability.

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[10] U.S. Census Bureau American Community Survey, 1-year estimates, Table ID: S2502, 2019.

Income Group and Demographic Trends for Renter Households

As of 2019, nearly two-thirds (63 percent) of renter households in the county were earning less than 80 percent of AMI (low-income or LI) and those earning less than 30 percent AMI (extremely low-income or ELI) account for more than one-quarter (26 percent) of all renter households.[11] While the proportion of renter households in the county has increased steadily, changes in the number of renter households in each income group have not been uniform. For example, since 2014 the number of ELI and VLI renter households decreased by 18 percent and four (4) percent, respectively (see Table 1 below). Meanwhile, the number of DLI, LI, moderate-income, and above moderate-income renter households has increased during that same period. However, the overall distribution of renter households by income group has remained relatively consistent during this six-year period.

TABLE 1: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY INCOME GROUP (2014-19)

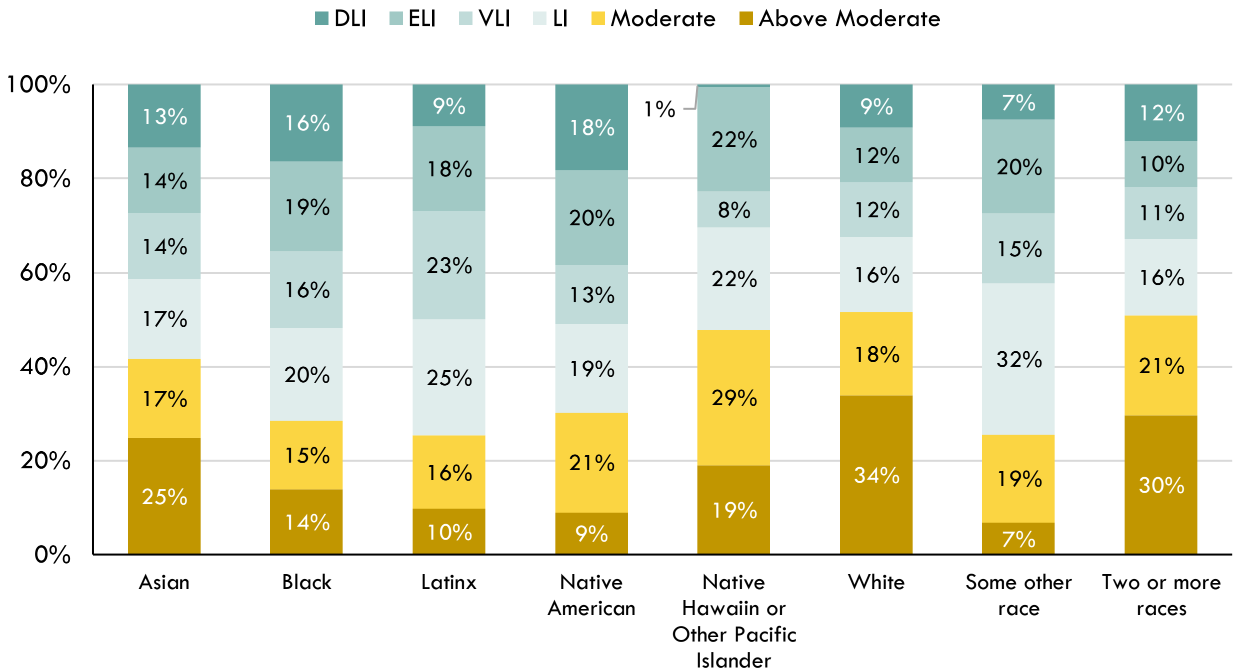
Income Group	Number of Households in 2019	% Change from 2014	Percentage of Renter Households in 2014	Percentage of Renter Households in 2019
DLI	189,837	+13%	9%	11%
ELI	279,396	-18%	19%	15%
VLI	313,964	-4%	18%	17%
LI	368,727	+13%	18%	20%
Moderate	298,673	+8%	16%	17%
Above Moderate	363,767	+5%	20%	20%
Total	**1,814,364**	**+2%**	**100%**	**100%**

Source: California Housing Partnership analysis of 2014-19 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.

In addition, Black, Native American, and Latinx renter households were far most likely to have lower incomes when compared to their white and Asian counterparts. For example, 52 percent of Black households, 51 percent of Native American households, and 50 percent of Latinx households earn below 50 percent of AMI compared to 31 percent of Native Hawaiian and Other Pacific Islander households, 32 percent of white households, 33 percent of multiracial households, and 41 percent of Asian households.

[11] For income group definitions and thresholds used throughout this report, see Appendix A: Methodology.

FIGURE 2: INCOME DISTRIBUTION OF RENTERS BY RACE AND ETHNICITY* (2019)



Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels and added DLI group.
**This data represents the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Native Hawaiian and Other Pacific Islander, some other race, and white only include households reporting only one race and do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

Trends in Housing Affordability Pre-Pandemic

Many renters in the County cannot find housing they can afford—both before and during the COVID-19 pandemic. The following two sections track these trends in housing affordability. First, this section, "Trends in Housing Affordability Pre-Pandemic," documents housing cost burden, tracks trends in the shortfall of affordable and available homes, and analyzes how housing affordability trends vary by income group and race and ethnicity from 2014-19. Due to data collection challenges for the 2020 1-year ACS data products, this analysis exclusively leverages data from 2019 and earlier. The following section, "Trends in Housing Need during the Pandemic," utilizes more recent data sources to highlight trends in housing need and housing affordability during the first two years of the pandemic.

Cost Burden Analysis

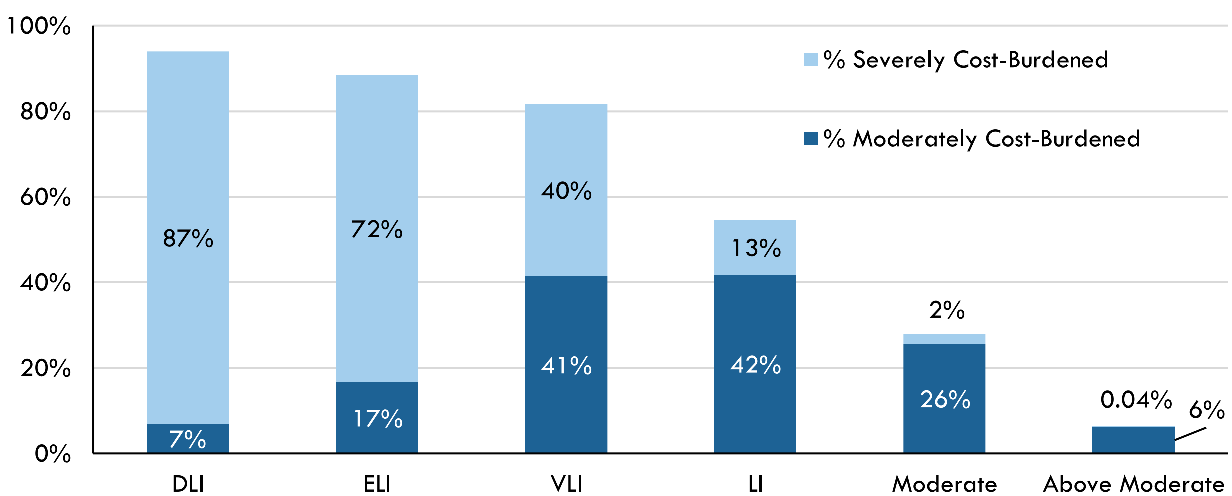
Unaffordable rents have enormous consequences, particularly for households with the lowest incomes, which is why cost burden and severe cost burden are such vital indicators to understand and track. A household is considered cost-burdened if they pay more than 30 percent of household income on housing costs and severely cost-burdened if they spend more than 50 percent of household income on housing costs.[12] The negative consequences of a household being cost-burden, especially for lower-

[12] Housing costs include both rent and utilities (e.g., electricity, gas and water).

income renter households, have been well documented by national researchers. For example, a 2020 study by the Harvard University's Joint Center for Housing Studies found that severely cost-burdened low-income families (those paying more than 50 percent of household income on housing costs) spend 52 percent less on food, healthcare, and transportation than their low-income counterparts who live in housing affordable to them. This reduction in spending on critical goods and services often translates to adverse health and economic outcomes for low-income children and families.[13]

As of 2019, 989,000 households in the County—or 55 percent of all renter households—were cost-burdened with more than half of these cost-burdened households (546,752 households) being severely cost-burdened. As shown in Figure 3 below, cost-burdened and severely cost-burdened households were also the norm among the county's lowest-income households: a) 94 percent of deeply low-income (DLI) households, b) 89 percent of extremely low-income (ELI) households, c) 82 percent of very low-income (VLI) households, and d) 55 percent of low-income (LI) households were cost-burdened compared with 28 percent of moderate-income households and just six (6) percent of above moderate-income households in 2019. Renters of color were also more likely to be cost-burdened than their white counterparts; Black renter households experienced the highest rates of cost-burden at 62 percent (see Figure 4 below).[14]

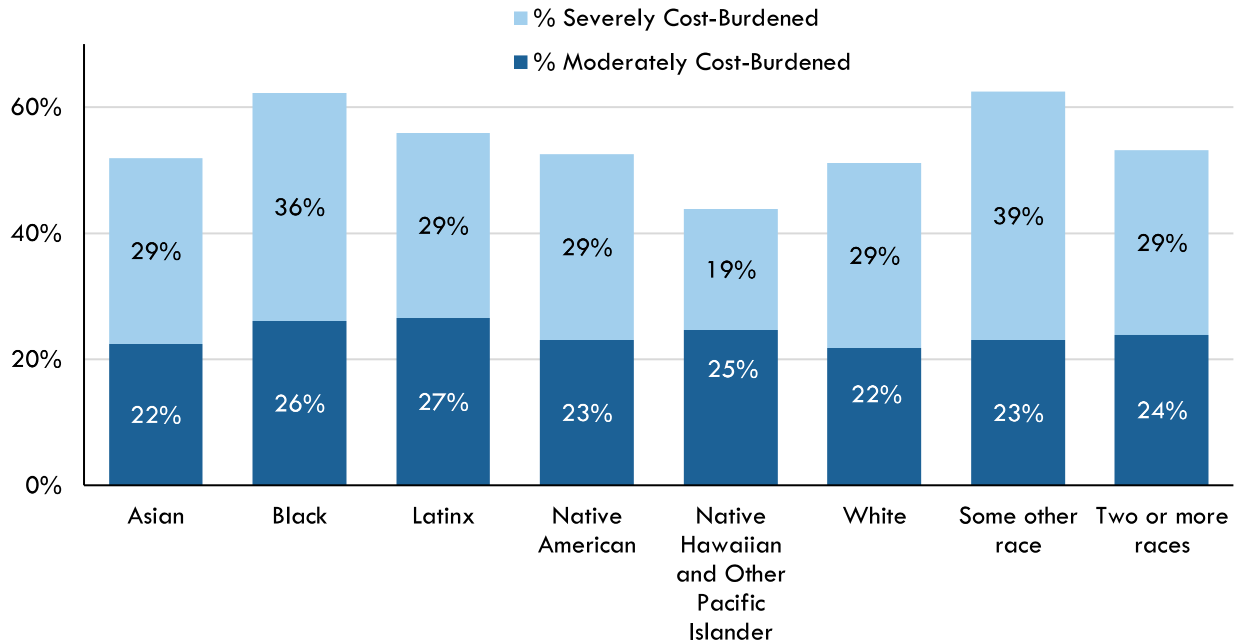
FIGURE 3: PERCENTAGE OF RENTER HOUSEHOLDS WHO ARE COST-BURDENED* BY INCOME GROUP (2019)



Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.
**A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.*

[13] Joint Center for Housing Studies of Harvard University, 2020. "The State of the Nation's Housing: 2020." Website: http://www.jchs.harvard.edu/state-nations-housing-2020.
[14] Additional data on renter household cost-burden by income group, race and ethnicity, and at the Supervisorial District-level can be found in Appendix B: Data Findings.

FIGURE 4: PERCENTAGE OF RENTER HOUSEHOLDS WHO ARE COST-BURDENED* BY RACE AND ETHNICITY** (2019)



Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels.
**A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.*
***Asian, Black, Native American, Native Hawaiian and Other Pacific Islander, some other race, and white only include households reporting only one race and do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

Affordable Housing Shortfall

The shortfall of affordable homes assesses affordability and availability of rental homes in the County by comparing the number of renter households in each income group to the number of rental homes affordable and available to them.[15] As of 2019, 783,197 (43 percent) of the County's 1.8 million renter households come from the three lowest income groups (DLI, ELI, and VLI). Meanwhile, only 283,767 rental homes are affordable and available to these households, resulting in a shortfall of 499,430 affordable rental homes. In other words, nearly half a million—or 64 percent—of the County's lowest-income households do not have access to an affordable home (see Figure 5 below). Despite its persistence, steady progress has been made to decrease that gap. For example, between 2014 and 2019, the shortfall of affordable and available homes for the lowest income renter households in the County declined by 14 percent, or 82,393 homes. Part of the 14 percent decline may result from the decrease in households with incomes below 50 percent of AMI in the County (6 percent since 2014). Still, the reduction in the shortfall of affordable and available homes is larger than 6 percent, indicating other factors—such as the County's additional invcestments and activities described in detail in Section 2 and 3 of this Report—contributed to the shortfall's gradual decline.

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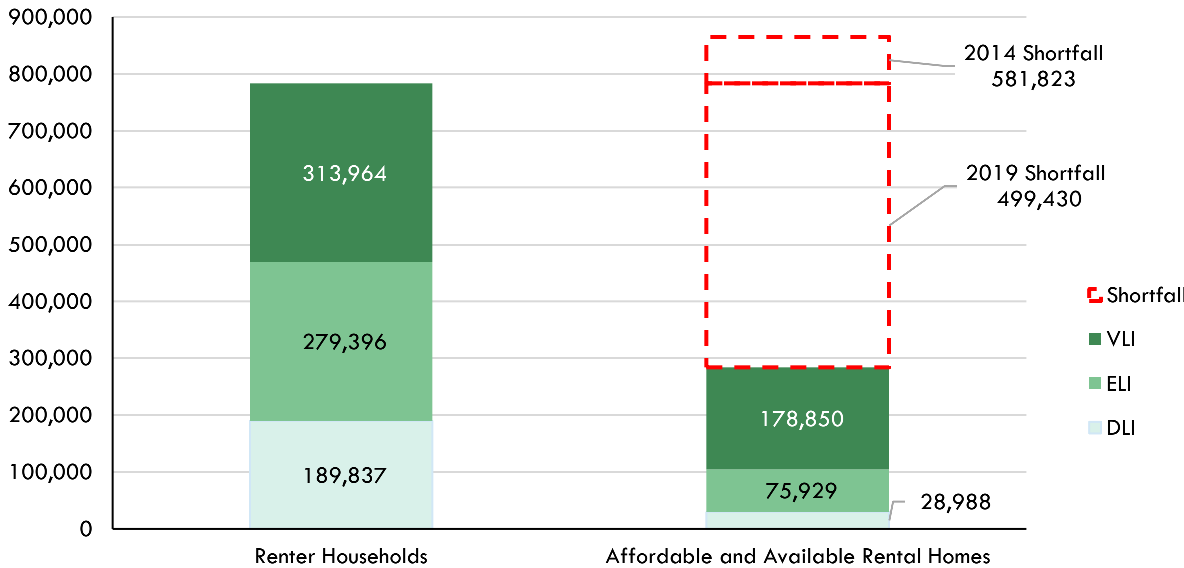
15 National Low Income Housing Coalition. "The Gap: A Shortage of Affordable Rental Homes." Website: https://nlihc.org/gap.

FIGURE 5: AFFORDABLE HOUSING RENTAL SHORTFALL (2019)



Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.

The data and analysis discussed in this section describe the demographic trends and housing unaffordability challenges of renters in the county as recently as 2019. Since then, however, the COVID-19 pandemic has significantly impacted the renter population, necessitating further analysis of the current economic challenges facing renter households. Building on the trends in tenure and housing need discussed above, the analysis of the employment, rent arrears, and multifamily rent trends in the following section adds much-needed context on how—and to what extent—the pandemic has changed the economic reality for the County's renter households.

Housing Need During the Pandemic

Before 2020, there were several positive trends amidst the county's overwhelming housing affordability crisis, including a declining shortfall in affordable homes for the lowest-income households and fewer severely cost-burdened low-income households. However, due to the COVID-19 pandemic, the economic landscape in the County shifted drastically in 2020.[16] As reported in the 2021 County's Affordable Housing Outcomes Report,[17] housing insecurity was prevalent during the first year of the pandemic according to the Household Pulse Survey, with a high percentage of renters experiencing loss of income, rent arrears, and profound housing instability in the Los Angeles-Long Beach-Anaheim MSA. While more recent data indicates that employment rose during the second half of 2021, the employment rate seems to have remained below the pre-pandemic level, rents continued to increase for many renters in the County, and a large percentage of residents still report not being caught up on rent.

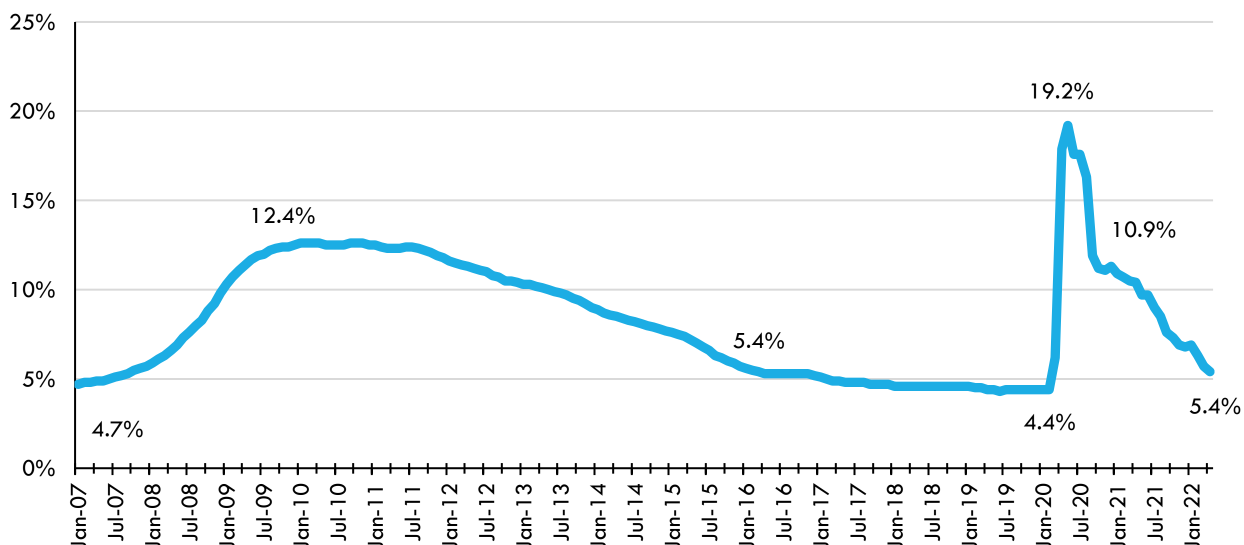
[16] Because of data reliability issues with the 1-year ACS data products (described more fully on the first page of Section 1) the gap and cost burden analyses do not yet capture the economic and social reality of the COVID-19 pandemic.
[17] California Housing Partnership, 2021. "Los Angeles County Affordable Housing Outcomes Report." Website: https://chpc.net/resources/los-angeles-county-annual-affordable-housing-outcomes-report-2021/.

This section tracks economic hardship and housing need in the County in 2020 and 2021 utilizing California's Employment Development Department's labor force data, the Household Pulse Survey, and CoStar's Multifamily Database.

Trends in Employment Rate & Wage Loss

As shown in Figure 6 below, the County's unemployment rate increased to 19.2 percent in May 2020. However, the county's unemployment rate has been trending downward from 10.9 percent in January 2021 to 5.4 percent in April 2022 (seasonally adjusted). However, unemployment remains above pre-pandemic levels in the county (4.5-5.0 percent throughout 2019) and the statewide unemployment rate (4.6 percent in April 2022). [18]

FIGURE 6: UNEMPLOYMENT RATE FOR LOS ANGELES COUNTY (JANUARY 2007- APRIL 2022)



Source: Local Area Unemployment Statistics, California Employment Development Department (2007-2021), accessed on June 26, 2022.

Compared to the County's jobs recovery after the Great Recession—when unemployment peaked at 12.4 percent and took seven years to drop below 6.0 percent—the County's pandemic recovery has been quicker, aided in part by positive trends in re-employment, job growth, and government benefits. For example, the California Policy Lab found in their 2021 report that 57 percent of workers in the County who were fully separated from their employer at the beginning of the crisis (in Q2 2020) were employed one year later (in Q2 2021). In addition, a majority (62 percent) of those who were re-employed by Q2 2021 have returned to work for their previous employer compared to 36 percent over a corresponding period before the pandemic (Q4 2018-Q4 2019). This finding could reflect the temporary nature of some layoffs during the first year of the pandemic. However, both trends (re-employment and recall to a previous

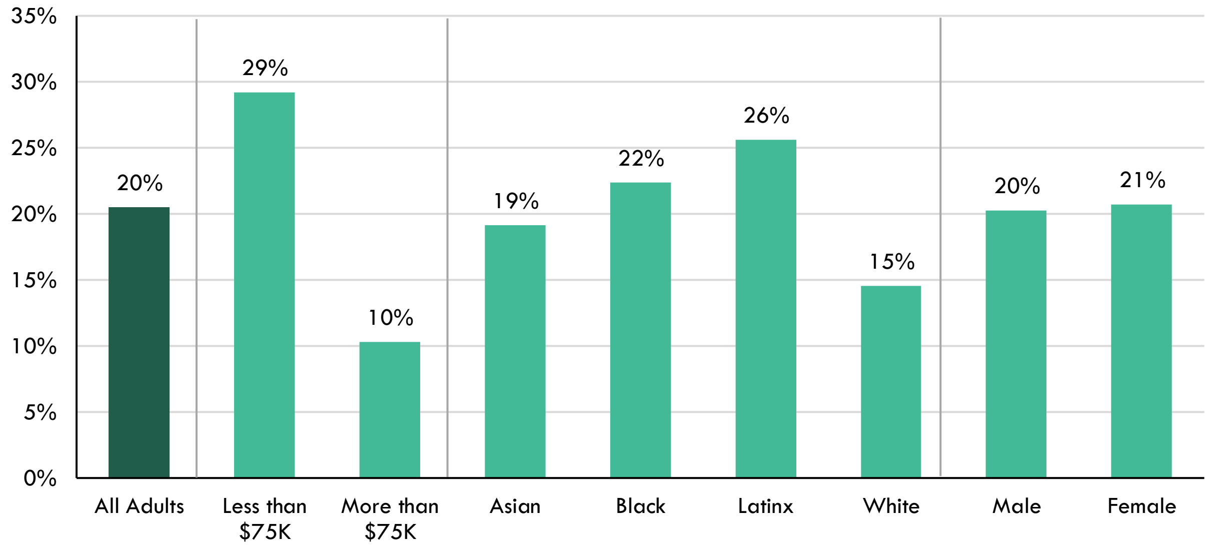
[18] The official unemployment rate understates job loss because the definition of unemployed omits workers who have exited the labor force in the last 12 months, are not actively looking for work, or reported that they technically have a job but have lost or are no longer receiving wages.

employer) were typically lower for Black workers, younger workers, lower-educated workers, men, and workers in the Administrative & Support and Food Service industries.[19]

Trends in Rent Arrears

Key indicators of economic and housing instability from the Household Pulse Survey show modest improvements in 2021. For example, Los Angeles-Long Beach-Anaheim MSA households who reported lost employment income in the last four weeks declined from 30 percent to 20 percent from April 2021 to January 2022.[20] However, Black, Latinx, and lower-income households struggled with income loss at much higher rates than their white and wealthier counterparts, as shown in Figure 7 below.

FIGURE 7: PERCENTAGE OF ADULTS* WHO EXPERIENCED LOSS OF EMPLOYMENT INCOME IN THE LAST 4 WEEKS (JANUARY 2022)



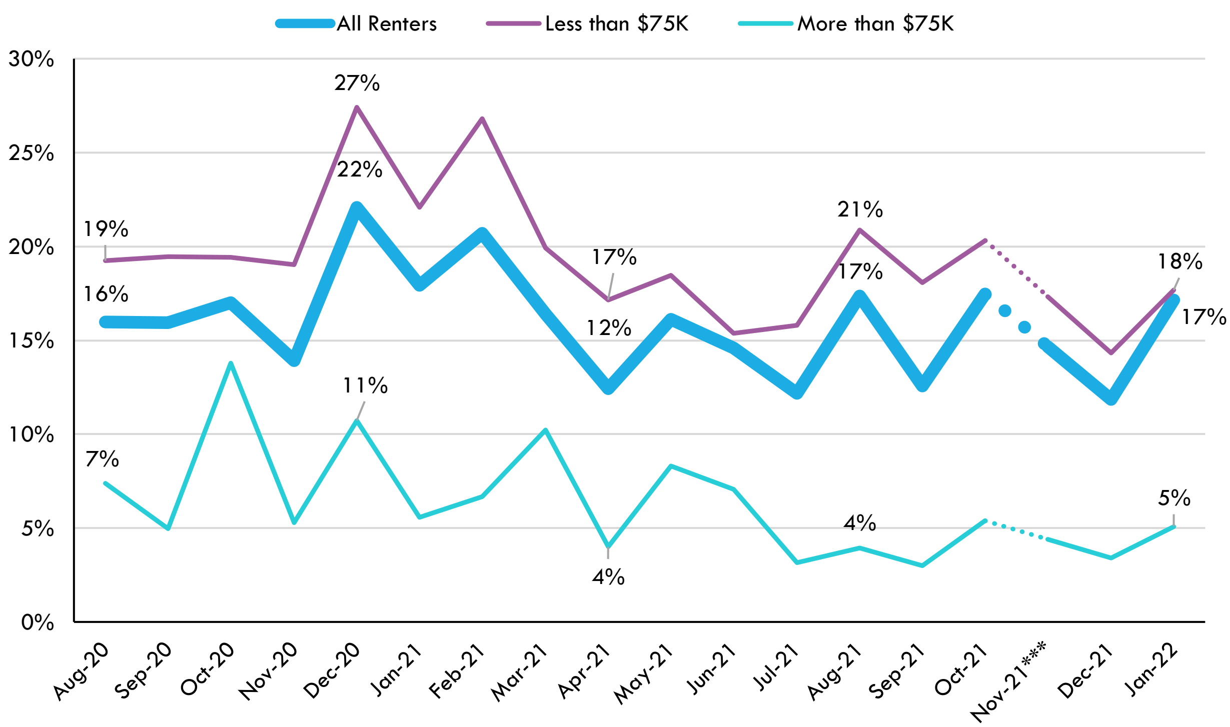
Source: California Housing Partnership analysis of Household Pulse Survey, U.S. Census Bureau, Dec 29, 2021-Jan 10, 2022.
**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the share of adults in households who experienced loss of income. This data represents the race/ethnicity and sex at birth of the person filling out the survey. Asian, Black, and white include adults reporting only one racial category and do not identify their ethnic origin as Hispanic or Latino. Adults who identify their ethnic origin as Hispanic or Latino may be of any race. Starting in July 2021 (phase 3.2), the survey included questions regarding sexual orientation and gender identity. However, the sample size was not large enough for the Los Angeles-Long Beach-Anaheim MSA to report these findings here.*

Data on housing stability from the Household Pulse Survey shows a modest, although inconsistent, improvement in the percentage of renters behind on rent throughout 2021 in the Los Angeles-Long Beach-Anaheim MSA. The percentage of respondents reporting that their household was not caught up on rent, meaning they had rent arrears, fell from a peak of 22 percent in December 2020 to 12 percent in

[19] California Policy Lab, 2021. "Re-employment, Recall, and Industry Transitions During the COVID-19 Pandemic." Website: https://www.capolicylab.org/wp-content/uploads/2021/12/Dec-2021-Analysis-of-Unemployment-Insurance-Claims-in-California.pdf.
[20] The Census reworded the lost employment income question in April 2021 (phase 3.1) from asking about lost wages since March 2020 to only asking about lost wages in the last four weeks. This change makes direct comparison with results from previous phases of the survey impossible.

April 2021.[21] From May 2021 to January 2022, the percentage of renters in arrears oscillated between 12 percent and 17 percent (see Figure 8 below). Furthermore, renters in households earning less than $75,000 have reported higher rates of rent arrears than renters in households earning $75,000 or more during every stage of the pandemic thus far. Overall, the percentage of renters in arrears seemed to fall quickly after the American Rescue Plan was signed into law in March 2021, which included emergency rental assistance, expanded unemployment benefits, $1,400 direct payments, an expanded child tax credit, and several other forms of financial aid.

FIGURE 8: PERCENTAGE OF RENTERS* WHO ARE NOT CAUGHT UP ON RENT PAYMENTS (AUGUST 2020-JANUARY 2022)**



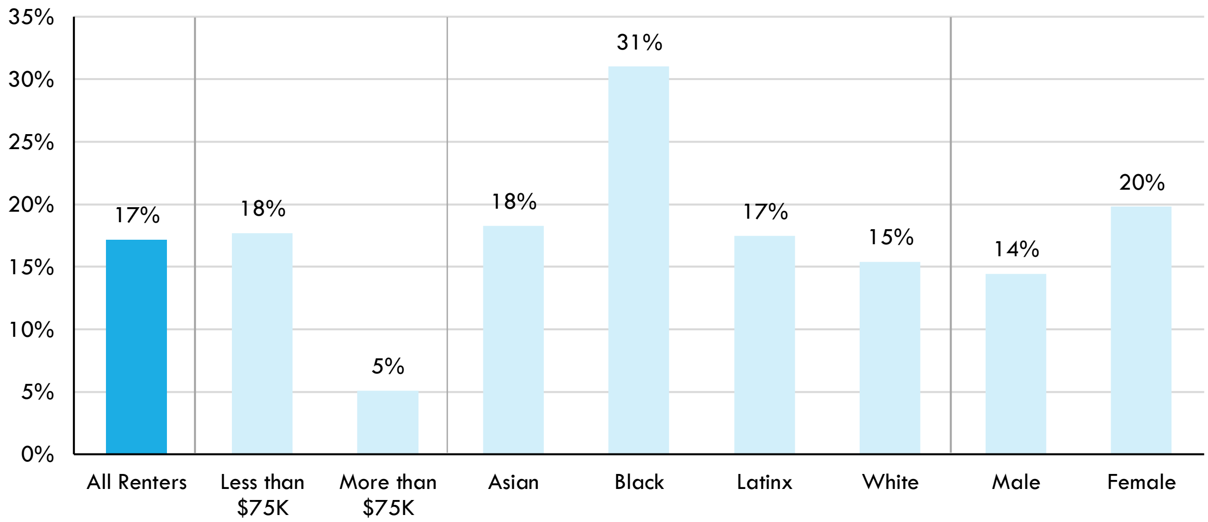
Source: California Housing Partnership analysis of Household Pulse Survey, U.S. Census Bureau, 2020-22.
**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the share of adults in households who are not caught up on rent. Note: Figures are averages of data collected in the corresponding month. For example, the October 2020 data point is an average of survey data collected Sept 30-Oct 12 and Oct 14-Oct 26.*
***The Census reworded the rent payment question in August 2020 (phase 2), making direct comparison with phase 1 estimates difficult. Therefore, results are only shown for August 2020 onward.*
****No survey results were collected between October 12 and November 30, 2021 as it transitioned from phase 3.2 to 3.3.*

As with re-employment rates, recall rates, and loss of income described above, households of color faced the greatest hardship in terms of housing instability. Even before the COVID-19 outbreak, the percentage of Black and Latinx renters experiencing cost burden, 62 percent and 56 percent, respectively, were already higher than that of white renters (51 percent). As of the December 29, 2021-January 10, 2022 Household Pulse survey, renters of color in the Los Angeles-Long Beach-Anaheim MSA were more likely

[21] The Household Pulse Survey likely underestimates the number of people behind on rent because of high non-response. When the survey was expanded in August 2020 ("phase 2"), it became longer and more respondents skipped questions toward the end of the survey (including the housing questions). This non-response has tended to be higher among younger respondents and Black, Latinx, and Asian respondents.

to report that their household was behind on rent: 31 percent of Black renters, 17 percent of Latinx renters, and 18 percent of Asian renters, compared to 15 percent of white renters (see Figure 9 below).

FIGURE 9: PERCENTAGE OF RENTERS* WHO ARE NOT CAUGHT UP ON RENT PAYMENTS (JANUARY 2022)



Source: California Housing Partnership analysis of Household Pulse Survey, U.S. Census Bureau, Dec 29, 2021-Jan 10, 2022.
**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the share of adults in households who are behind on rent. This data represents the race/ethnicity and sex at birth of the person filling out the survey. Asian, Black, and white include adults reporting only one racial category and do not identify their ethnic origin as Hispanic or Latino. Adults who identify their ethnic origin as Hispanic or Latino may be of any race. Starting in July 2021 (phase 3.2), the survey included questions regarding sexual orientation and gender identity. However, the sample size was not large enough for the Los Angeles-Long Beach-Anaheim MSA to report these findings here.*

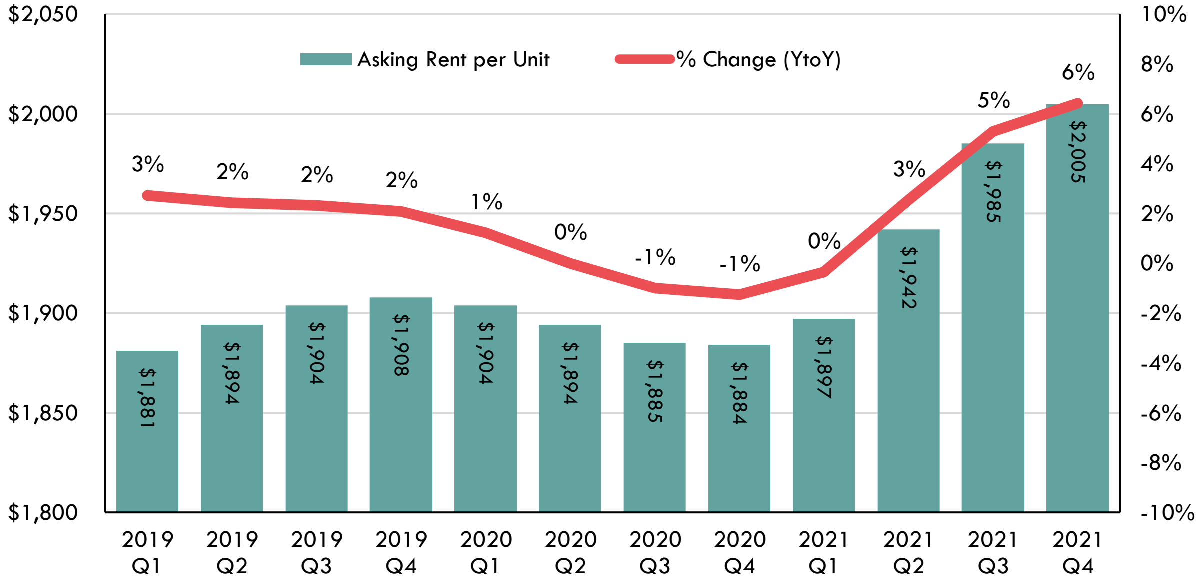
The pandemic's effects on economic and housing stability have been documented over the last 18 months through the labor market and U.S. Census Bureau data described above, yet less is known about the pandemic's impact on rents.

Trends in Multifamily Rents

Across the entire multifamily rental market in the County, average rents were only moderately affected throughout the first and second year of the pandemic.[22] Rents remained the same in Q2 2020 compared to Q2 2019 and decreased slightly from Q3 2020 to Q1 2021 before increasing from Q2 2021 through Q4 2021 (see Figure 10 below).

[22] This analysis used asking rent and rent growth data from CoStar's multifamily rent dataset. For more information on this data and the corresponding analysis, see Appendix A: Methodology.

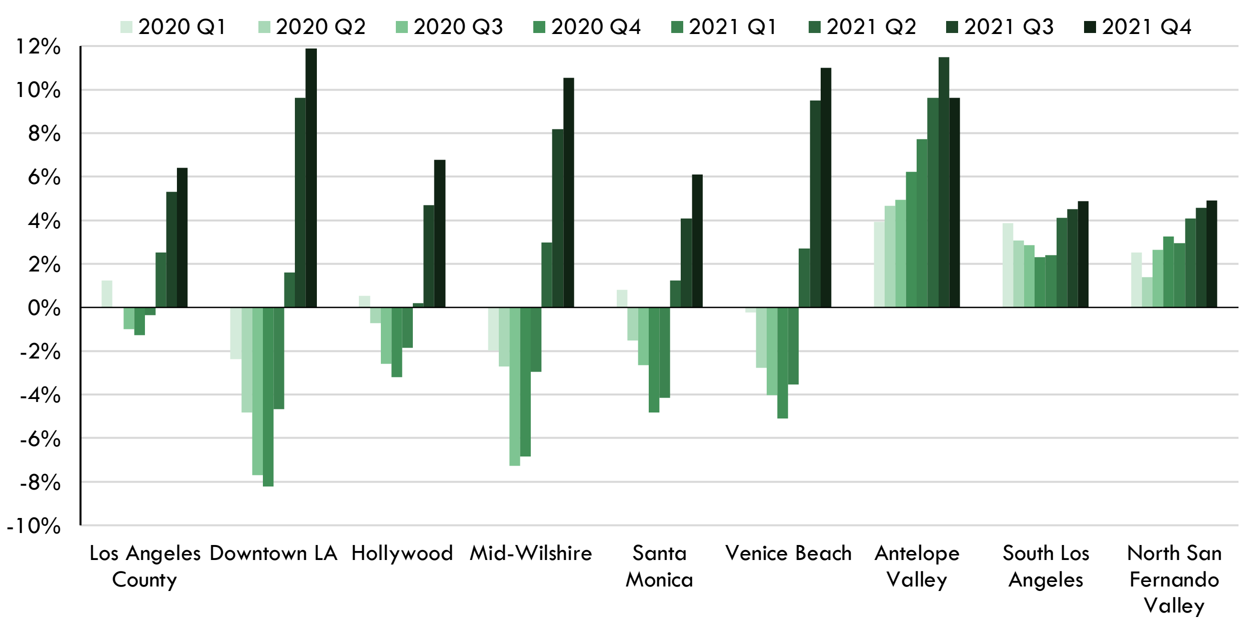
FIGURE 10: LOS ANGELES COUNTY AVERAGE MULTIFAMILY RENT CHANGES DURING THE PANDEMIC (2020-21, YEAR-TO-YEAR)



Source: California Housing Partnership analysis of average rent data from CoStar Group, accessed January 2022.

The overall decrease in average asking rent throughout 2020, as shown in Figure 10 above, seems to be driven by corresponding asking rent decreases in the County's downtown and adjacent downtown neighborhoods, northern beach neighborhoods (Venice Beach and Santa Monica), and higher cost neighborhoods like Hollywood and Beverley Hills. Figure 11 below shows trends in select County neighborhoods and Appendix B contains trends for all submarkets.

FIGURE 11: AVERAGE MULTIFAMILY RENT CHANGES IN LOS ANGELES COUNTY SUBMARKETS DURING THE PANDEMIC (2020-21, YEAR-TO-YEAR)

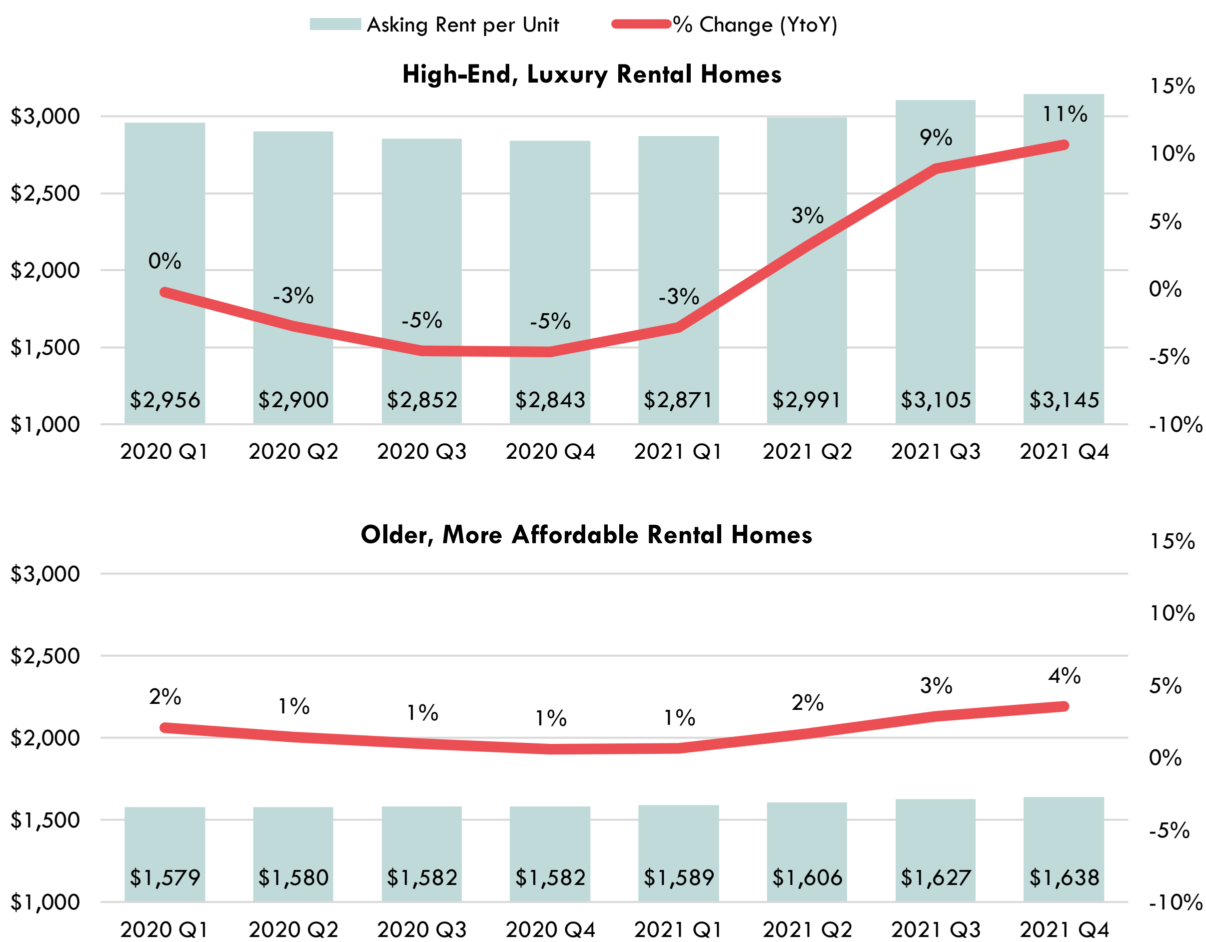


Source: California Housing Partnership analysis of average rent data from CoStar Group, accessed January 2022.

Housing in more rural and southern beach areas typically comes with more access to open space, a commonly cited reason for leaving dense urban areas throughout the pandemic, so the higher rent increases in these areas could be explained by increased demand from residents with remote work options.[23]

The effects of COVID-19 on average asking rents can be seen most clearly in differences across building classes, or building quality, and the disparate impacts on lower-income households and people of color. For example, across the County, rent decreases throughout 2020 and in 2021 occurred more often and with greater magnitude in high-end luxury housing than among older more affordable homes. Countywide, average rents in high-end luxury development decreased throughout 2020 and into Q1 2021 before increasing in Q2 of 2021. By contrast, as shown in Figure 12, countywide average rents in older, more affordable developments increased in all quarters during the pandemic's first two years.

FIGURE 12: LOS ANGELES COUNTY AVERAGE MULTIFAMILY RENT CHANGES BY BUILDING CLASS (2020-21, YEAR-TO-YEAR)



Source: California Housing Partnership analysis of average rent data from CoStar Group, accessed January 2022.

[23] Dezember, Ryan, 2020. "Race for Space Pushing Up Suburban Rents." *Wall Street Journal*. Website: https://www.wsj.com/articles/rents-rise-on-suburban-homes-amid-race-for-space-11605004202.

This dual trend, where rents decreased for luxury housing but increased for older and more affordable homes, illustrates how renters with lower incomes, who are more often essential in-person service workers, were far less likely to benefit from reduced rents and more likely to lose income. By Q2 2021, average asking rents in high-end luxury homes and older affordable homes increased compared to the previous year.[24] Before the 2020 COVID-19 pandemic, the last recent event with a similar social, economic, and cultural impact of this scale was the Great Recession. Notably, average rents in older and more affordable developments in the County decreased during the Great Recession and at rates proportional to those seen in high-end luxury developments. By contrast, the COVID-19 pandemic has had a unique and problematic impact on low-income renters by masking their ongoing, pre-pandemic hardships behind a diverting narrative of recovery and rebound which seems supported mainly by the fluctuations in asking rents for high-end luxury homes.

HOMELESSNESS IN LOS ANGELES COUNTY

This section describes key indicators of homelessness in the County using data from the Point-in-Time (PIT) Count, which is the primary data source for estimating the number of individuals and families experiencing homelessness in the United States. HUD requires that each Continuum of Care (CoC) conduct a count of homeless persons who are sheltered in emergency shelters, transitional housing, and Safe Havens on a single night in January each year. CoCs also must conduct a count of unsheltered homeless persons every other year (odd numbered years). The Los Angeles Homeless Services Authority (LAHSA) conducts the Greater Los Angeles Homeless Count to obtain the County's PIT Count. Note the 2021 PIT Count was cancelled for the County and the 2022 PIT Count data was unavailable at the time this report was published.

The County experienced a 13 percent increase in individuals experiencing homelessness between 2019 and 2020 (see Table 2 below). This increase was split between the Los Angeles and Long Beach CoCs, which saw a combined increase of 7,589 individuals experiencing homelessness. Pasadena and Glendale CoCs both experienced decreases in their homeless population, continuing a trend from the previous year.

[24] For this analysis, the Partnership used data from CoStar on each development's building class (A, B, C, or F) as a proxy for housing quality. Building class assignments depend on a variety of building characteristics, such as age, amenities, location, design, and building finishes and materials. Developments with an A rating are high-end, luxury rental homes and those rated C or F tend to be older, more affordable rental homes.

TABLE 2: GREATER LOS ANGELES HOMELESS COUNT BY CoC (2020)

Continuum of Care	Number of Individuals Experiencing Homelessness	% Change in Number of Individuals Experiencing Homelessness*
Los Angeles CoC	63,706	+13%
Long Beach CoC	2,034	+7%
Pasadena CoC	527	-3%
Glendale CoC	169	-30%
Los Angeles County Total	**66,436**	**+13%**

Source: HUD 2020 AHAR PIT Estimates of Homelessness in the U.S.

**Percent change is the number of individuals experiencing homelessness in 2020 relative to the number of individuals experiencing homelessness in 2019.*

According to LAHSA's presentation on the 2020 Great Los Angeles Homeless Count, the increase in homelessness can be attributed in part to the severe housing affordability crisis, even as County programming is reaching its highest levels. In 2019, the County placed 22,769 people in housing through a combination of programs including rapid re-housing, supportive housing, and other permanent housing programming, up from 21,631 in 2018, which itself was a record.[25]

In addition to the housing affordability crisis facing residents of the County and the state at large, the COVID-19 pandemic has elevated the importance of affordable housing in maintaining public health. Between March and May 2020, the County COVID-19 response programs were able to find shelter for more than 6,000 people as part of the County's effort to find long-term housing for individuals experiencing homelessness, including all Project Roomkey residents.[26]

In spite of the increase in services for households experiencing housing instability, cost burden, and homelessness, even higher demand for these services during 2019 drove a net increase in homelessness. An estimated 82,955 people became or re-entered homelessness in 2019. This spike in demand represents a 51 percent increase from 2018, when an estimated 54,882 people entered homelessness.[27] This data indicates that while progress is certainly being made in providing increased services, the ongoing affordability crisis and the current economic impacts of COVID-19 have increased demand faster than the County has been able to increase the supply of these services.

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[25] LAHSA, 2020. "Greater Los Angeles Homeless Count: 2020 Results." Presentation, 12 June 2020. Website: https://www.lahsa.org/documents?id=4558-2020-greater-los-angeles-homeless-count-presentation.

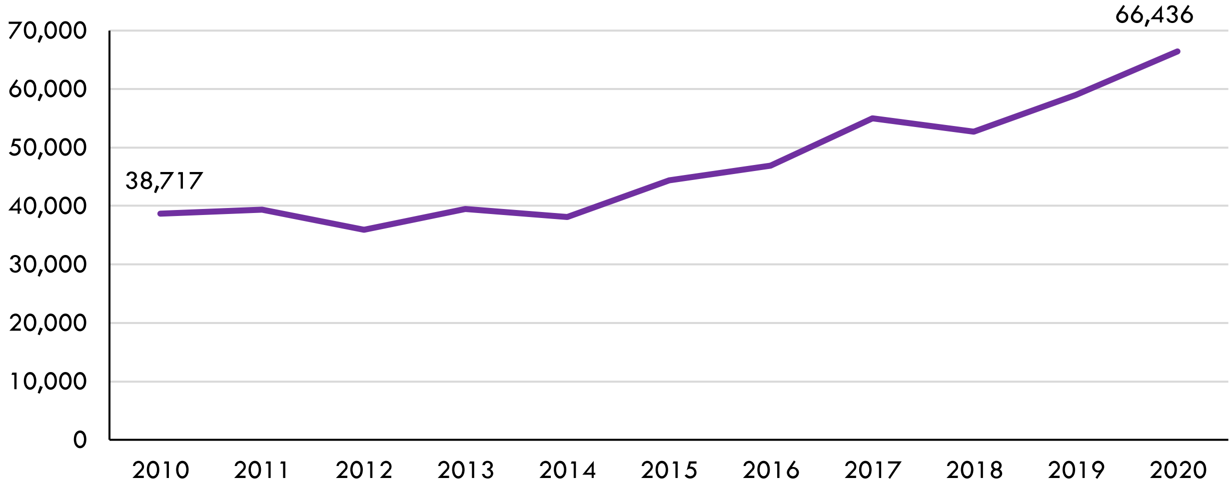
[26] Ibid.

[27] LAHSA, 2019. "Greater Los Angeles Homeless Count: 2019 Results." Presentation, 5 August 2019. Website: https://www.lahsa.org/documents?id=3437-2019-greater-los-angeles-homeless-count-presentation.pdf.

Homelessness Historical Trends

As shown in Figure 13 below, the number of individuals experiencing homelessness has increased from approximately 38,717 to 66,436 since 2010.[28] This increase can be explained, in part, by improvements to the Greater Los Angeles Homeless Count over the years, including additional funding and methodology improvements to more accurately count individuals experiencing homelessness.

FIGURE 13: NUMBER OF INDIVIDUALS EXPERIENCING HOMELESSNESS IN LOS ANGELES COUNTY (2010-20)



Source: LAHSA, 2020. "Greater Los Angeles Homeless Count: 2020 Results." LAHSA, 2019. "Greater Los Angeles Homeless Count: 2019 Results."

Homelessness by Supervisorial District

The population experiencing homelessness is not proportionally distributed across SDs. More than a third of the homeless population resides in SD 2, which contains only 24 percent of the county's total population. Similarly, SD 1 has nearly one-quarter of the County's homeless population despite only having 18 percent of county's residents.

Between 2019 and 2020, an additional 7,500 individuals were experiencing homelessness (a 13 percent increase) in the County. While four of the five SDs saw increases in the number of individuals experiencing homelessness, 48 percent (3,631 individuals) of the county's growth was seen in SD 2 alone (see Table 3 below). The exception this year was SD 4, which saw a three (3) percent decrease in the number of individuals experiencing homelessness.

[28] While the Great Los Angeles Homeless Count has improved its data collection processes each year and become increasingly comprehensive in its approach, researchers caution that the Count is not reliable enough to be used for precise historical comparisons. Sources of inconsistency include inaccurate counting measures, unrepresentative sampling, and lack of statistical tools for identifying and correcting measurement error, or the difference between the Count and the actual number of individuals experiencing homelessness. See, for example: Economic Roundtable, 2017. "Who Counts? Assessing Accuracy of the Homeless Count." Website: https://economicrt.org/wp-content/uploads/2017/11/Who-Counts-11-21-2017.pdf.

TABLE 3: GREATER LOS ANGELES HOMELESS COUNT BY SD (2020)*

Percentage of Households in SD		Individuals Experiencing Homelessness		% Change From 2019
		#	%	
SD 1	18%	14,527	22%	+0.6%
SD 2	24%	22,754	34%	+23%
SD 3	25%	14,503	22%	+17%
SD 4	17%	6,745	10%	-2%
SD 5	16%	7,907	12%	+19%
Total	**100%**	**66,436**	**100%**	**+13%**

Source: LAHSA 2020 Greater Los Angeles Homeless Count.
**Data includes all Continuums of Care in Los Angeles County.*

Table 4 below contains additional demographic information gathered by LAHSA during the Greater Los Angeles Homeless Count for the Los Angeles CoC. According to this data:

- Thirty-eight (38) percent of County's homeless population (24,478 individuals) experiences chronic homelessness;
- A majority of individuals experiencing homelessness are Latinx or Black—36 percent and 34 percent, respectively. Twenty-five (25) percent are white, two (2) percent are Asian or Native Hawaiian/Other Pacific Islander, two (2) percent are multiracial or identified with another racial category, and one (1) percent are Native American;
- Twenty-nine (29) percent report that they have endured domestic or intimate partner violence—within that group, approximately one fifth report that they are homeless due to domestic or intimate partner violence;
- Sixty-seven (67) percent individuals experiencing homelessness are male (including transgender), 32 percent are female (including transgender), and 0.4 percent are gender non-binary;
- More than one percent (1.3 percent) of individuals experiencing homelessness are transgender (of any gender identity), overrepresented at a rate of nearly 4x their share of the general population in California;[29]
- Twelve (12) percent are under the age of 18, an increase from nine percent in 2019—this increase is driven by more than 1,700 additional children experiencing homelessness in SDs 1 and 2;
- Twenty-four (24) percent reported having a substance use disorder, up from 13 percent in 2019; and
- Veterans make up six (6) percent of individuals experiencing homelessness.

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[29] Herman, J., Wilson, B., & Becker, T. "Demographic and Health Characteristics of Transgender Adults in California: Findings from the 2015-2016 California Health Interview Survey." UCLA, 2019.

TABLE 4: SELECT DEMOGRAPHICS BY SHARE OF INDIVIDUALS EXPERIENCING HOMELESSNESS IN LOS ANGELES CoC BY SUPERVISORIAL DISTRICT*

Sub-population	SD 1		SD 2		SD 3		SD 4		SD 5	
	#	%	#	%	#	%	#	%	#	%
Veterans	931	6%	1,036	5%	1,164	8%	191	4%	359	5%
Chronically Homeless	6,597	45%	8,132	36%	5,287	36%	1,848	39%	2,614	36%
Gender										
Male (includes transgender)	10,251	71%	14,618	64%	9,950	69%	3,113	66%	4,867	68%
Female (includes transgender)	4,242	29%	8,107	36%	4,425	31%	1,581	34%	2,314	32%
Gender Non-Binary (includes transgender)	34	0.2%	29	0.1%	128	0.8%	17	0.4%	30	0.4%
Transgender**	172	1%	263	1%	341	2%	31	1%	34	0.5%
Race and Ethnicity* **										
American Indian/Alaska Native	178	1%	128	1%	167	1%	50	1%	161	2%
Asian	147	1%	227	1%	225	2%	72	2%	103	1%
Black/African American	4,183	29%	11,353	50%	3,521	24%	617	13%	1,845	26%
Hispanic/Latino	6,411	44%	7,326	32%	4,945	34%	2,195	47%	2,131	30%
Native Hawaiian/Other Pacific Islander	10	0.07%	65	0.3%	55	0.4%	67	1%	7	0.1%
White	3,386	23%	3,099	14%	5,224	36%	1,640	35%	2,858	40%
Multiracial/Other	212	1%	556	2%	366	3%	70	1%	106	1%
Age										
Under 18 years old	1,356	9%	3,387	15%	1,513	10%	354	8%	882	12%
62+ years old	1,481	10%	2,692	12%	1,171	8%	576	12%	372	5%
Health/Disability******										
Substance Use Disorder	4,875	N/A	5,108	N/A	3,173	N/A	1,097	N/A	950	N/A
HIV/AIDS	208	N/A	554	N/A	302	N/A	26	N/A	75	N/A
Serious Mental Illness	3,476	N/A	5,069	N/A	2,925	N/A	776	N/A	1,762	N/A
Developmental Disability	1,295	N/A	2,160	N/A	1,269	N/A	301	N/A	163	N/A
Physical Disability	2,896	N/A	3,930	N/A	2,140	N/A	875	N/A	930	N/A
Domestic/Intimate Partner Violence										
Domestic/Intimate Partner Violence*****	4,242	32%	5,752	25%	4,756	33%	1,434	30%	2,161	30%
Homeless Due to Fleeing DV/IPV	859	N/A	1,405	N/A	929	N/A	312	N/A	380	N/A

Los Angeles CoC Total	14,527	22,754	14,503	4,711	7,211

Source: LAHSA. 2020 Greater Los Angeles Homeless Count.

**These statistics are only representative of data collected by the Los Angeles CoC and do not include numbers from the Long Beach, Glendale or Pasadena CoCs.*

***Transgender population totals are inclusive of individuals from all gender identities; transgender share of homeless population is a separate measurement from the male, female, and non-binary totals, highlighting the share of the total homeless population that is transgender, of any gender identity or expression.*

****All race and ethnic categories are non-overlapping. In other words, each individual identifies with one race or ethnicity (Black alone, white alone, Asian alone, etc.). Individuals who identify as Hispanic/Latino can be of any race.*

*****Health/Disability indicators are not mutually exclusive (a person may report more than one). Numbers will not add up to 100%. Please note that data on substance abuse disorders and serious mental illness are self-reported.*

******'Domestic/Intimate Partner Violence' and 'Homelessness due to DV/IPV' are not mutually exclusive. The overlap here would be even greater than health conditions—nearly 100%—because those fleeing must necessarily have experienced DV/IPV. Please note that data on domestic/intimate partner violent are self-reported.*

Section 2. Affordable Rental Housing Inventory and Risk Assessment

Overview

Section 2 of the Affordable Housing Outcomes Report examines the total inventory of rent-restricted housing in the County financed by federal, state, and local programs and County policies, funding, and operating subsidy programs. In addition, this section identifies developments at risk of losing affordability and affordable developments that were previously affordable but have converted to market rate. Together, this analysis is meant to inform local decision-making, resource allocation, and programming.

Data Sources and Methodology

The assessment of the County's affordable rental housing inventory relies on data provided by County departments and property-level data collected and analyzed in the California Housing Partnership's Preservation Database.[30] In total, this section considers affordable housing developments with:

- Federal and state Low-Income Housing Tax Credits (LIHTC/"tax credits");[31,32]
- Project-based rental assistance contracts, grants, and subsidized loans issued directly by the U.S. Department of Housing and Urban Development (HUD);
- Subsidized loans and Section 8 contracts issued and managed by the California Housing Finance Agency (CalHFA);
- Subsidized loans, grants, and rental assistance administered and managed by the California Department of Housing and Community Development (HCD);
- Public housing and affordable developments owned by the Los Angeles County Development Authority (LACDA) and other public housing authorities, as well as project-based and tenant-based vouchers contracted by LACDA;
- LACDA capital resources awarded through the Notices of Funding Availability (NOFA), developments created through land-use policies, public housing, Housing Successor Agency developments, tax-exempt bond financing, and project- and tenant-based subsidies;
- Department of Mental Health (DMH) resources such as Mental Health Service Act (MHSA), the Mental Health Housing Program (MHHP), Special Needs Housing Program (SNHP), No Place Like Home (NPLH), and Federal Housing Subsidy Unit (FHSU) Program; and

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[30] This assessment includes developments financed or assisted by HUD, USDA, CalHFA, HCD, and LIHTC programs or otherwise restricted by regulatory agreements with local governments or other local agencies. The California Housing Partnership is in the process of incorporating data on and local programs into its loss and risk analysis, but this data was not fully available at the time of this Report's preparation.

[31] This includes awarded developments, some of which are not yet placed in service.

[32] The state Low-Income Housing Tax Credit was authorized in 1987 to complement the federal tax credit program.

- Regulatory agreements and rent restrictions from former redevelopment agencies, local governments, and other public entities.

Identification of At-Risk and Lost Developments

The California Housing Partnership assesses the historical loss and conversion risk of affordable rental developments in the County by categorizing each affordable development financed or assisted by HUD, HCD, CalHFA, and LIHTC programs or otherwise restricted by regulatory agreements with local governments or other local agencies into the following groupings:[33]

- **Lost:** The development has converted to market-rate prices, affordability restrictions have ended, and no known overlapping financing has extended affordability.
- **Very High Risk of Conversion:** Affordability restrictions end in less than one year, no known overlapping subsidies extend affordability, and a stable mission-driven nonprofit developer does not own the development.
- **High Risk of Conversion:** Affordability restrictions end in one to five years, no known overlapping subsidies extend affordability, and a stable mission-driven nonprofit developer does not own the development.
- **Moderate Risk of Conversion:** Affordability restrictions end in five to ten years, no known overlapping subsidies extend affordability, and a stable mission-driven nonprofit developer does not own the development.
- **Low Risk of Conversion:** Affordability restrictions extend beyond ten years, or a stable mission-driven nonprofit developer owns the development.

For more information on the California Housing Partnership's risk assessment methodology, see Appendix A: Methodology.

[33] The Preservation Database is updated quarterly with the most complete and available data provided by each agency. The data is then cleaned and duplicate information is removed using both automated processes and manual confirmation. Every effort is made to ensure the information presented is as precise as possible; however, there may be unintentional inaccuracies in the analysis or in the data processed from federal, state, and local agencies.

Inventory of Affordable Rental Housing

There are currently 133,909 affordable homes in the County administered and subsidized by federal, state, County, and other local programs and financing mechanisms. Table 5 shows the distribution of this inventory by Supervisorial District (SD).[34] Figure 14 shows a map of affordable housing across the County. SD-level maps of the inventory are available in Appendix C: Full Data Findings, Section 2.

TABLE 5: SUMMARY OF FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN LOS ANGELES COUNTY IN 2021

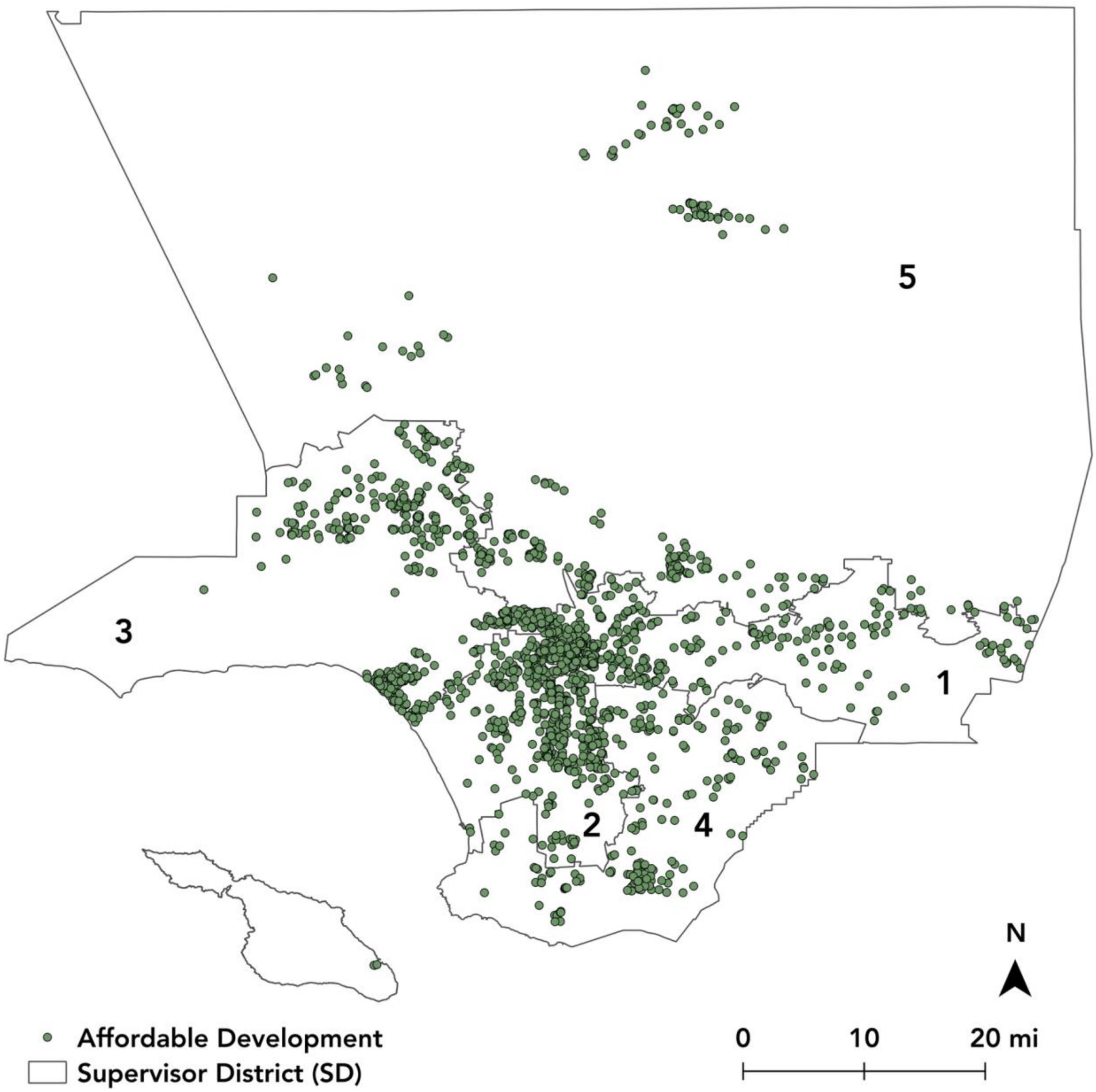
SD	Developments	Affordable Homes	% of Total County Inventory	% Change*
SD 1	556	41,733	29%	+4%
SD 2	542	31,666	25%	+4%
SD 3	454	23,605	21%	+4%
SD 4	215	17,920	12%	+5%
SD 5	299	18,985	13%	+7%
*Unincorporated Los Angeles***	*173*	*7,339*	*5%*	*+1%*
County Total	**2,066**	**133,909**	**100%**	**+5%**

Source: California Housing Partnership Preservation Database, April 2022. LACDA, HACLA, DRP and DMH.
**Percent change is the number of affordable homes available in each Supervisorial District in 2021 relative to the number of affordable homes available in 2020,, including those not yet placed in service.*
***This is a subset of the developments and affordable homes listed in SDs 1 – 5.*

Between 2020 and 2021, there was a five (5) percent increase in the affordable housing inventory in the County. This increase is attributed to successful investments by LACDA and the Department of Mental Health (DMH), developer partners obtaining tax credit awards through the LIHTC program, as well as entitlements and land use mechanisms monitored by DRP. The most significant increase in affordable homes between 2020 and 2021 was in SD 5.

[34] Updated boundaries of Supervisor Districts were adopted on December 15, 2021. We have updated our analysis to reflect these updated boundaries which may cause summary numbers to differ from prior reports.

FIGURE 14: FEDERAL, STATE AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN LOS ANGELES COUNTY



AFFORDABLE HOMES WITH LOW-INCOME HOUSING TAX CREDITS

The Low-Income Housing Tax Credit 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. 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.[35] There are two types of federal tax credits: competitive 9 percent credits—which are allocated annually by the IRS on a per capita

[35] 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.

basis to each state—and non-competitive 4 percent credits. While the 4 percent credit offers a subsidy of less than half the value of the 9 percent credits, it has been a virtually uncapped and non-competitive resource because developers obtain it through an allocation of tax-exempt private activity mortgage revenue bonds, which have historically not been competitive, at least until the end of 2019.[36] In addition to federal tax credits, California also has state tax credits, which were authorized in 1987 to complement the federal tax credit program. Unlike the federal tax credits, which are taken over ten years, the state tax credits are taken over four years. Because state credits are also in limited supply, TCAC awards them competitively—85 percent help support 9 percent LIHTC developments and 15 percent are reserved for 4 percent LIHTC developments.[37]

Since 1987, County developers have won more than $11 billion in federal LIHTC awards and $507 million in state LIHTC awards, which have financed the production and preservation of more than 98,000 affordable homes in more than 1,500 developments.[38] In 2021, 4,804 affordable homes were awarded through the LIHTC program, a five (5) percent increase to the total LIHTC affordable housing stock in the County.

Thanks to new strategies to increase the use of 4 percent tax credits, the number of affordable homes financed by tax credits and the number of credits awarded increased between 2015 and 2016 by 30 percent and 37 percent, respectively (see Figure 15).[39] This steady increase was short-lived; however,in anticipation of federal tax reform, LIHTC activity in the County declined by 51 percent between 2016 and 2017.[40] In 2021, the amount of LIHTC awards and the number of affordable homes funded has declined from 2020. See Figure 15 for LIHTC trends in the County between 2007-21 and Appendix C: Full Data Findings, Section 2 for annual data since 1987.

A dramatic increase in the demand for tax-exempt bonds occurred at the end of 2019. This increase has meant a fundamental change in the ability of County developers to access 4 percent tax credits and a consequent shift in financing availability and strategy that is likely to limit the County's ability to expand LIHTC-financed production until Congress eases the supply of bonds. The best way for Congress to do this is by lowering the requirement that developers pay for at least 50 percent of project costs with bonds to 25 percent of project costs with bonds. Unfortunately, given that California is one of a few dozen states with a severe shortage of bonds, a change to the bond requirement for 4 percent tax credit projects will take a concerted effort by advocates and legislatures in impacted states and could take several years to enact.

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[36] California Housing Partnership. "The Tax Credit Turns 30." December 2017. Website: https://chpc.net/resources/tax-credit-turns-30/.

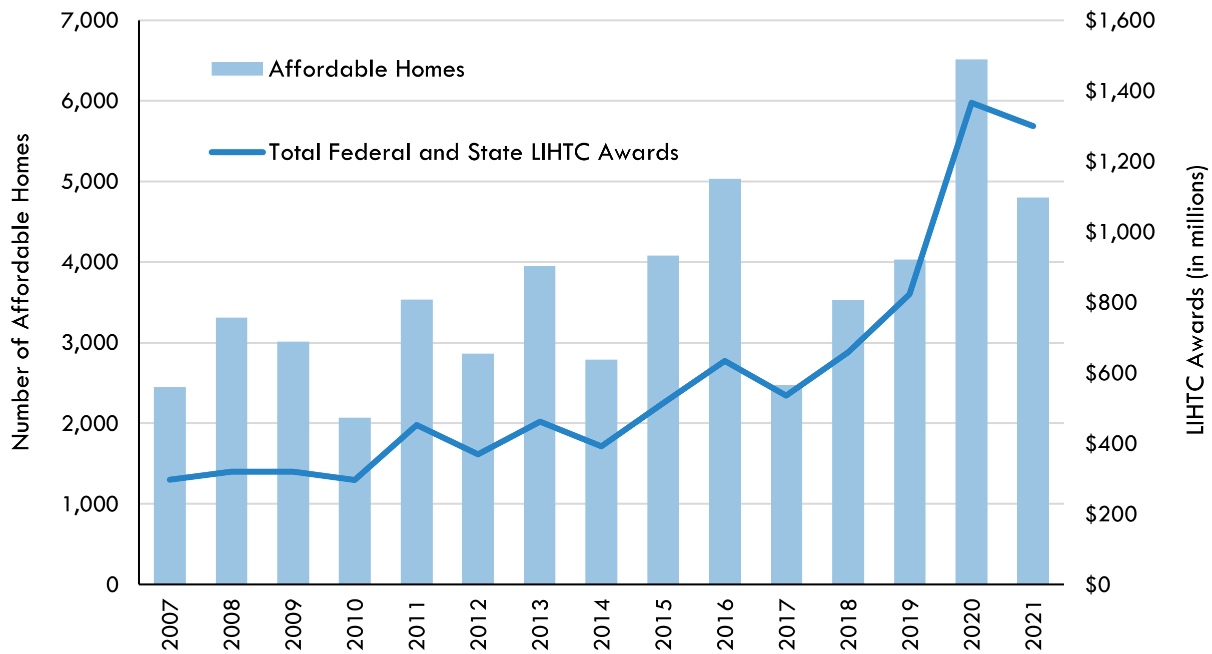
[37] To learn more about California's Low-Income Housing Tax Credit program, see the California Tax Credit Allocation Committee's Program Overview, available online at https://www.treasurer.ca.gov/ctcac/program.pdf.

[38] These totals include all developments that have been awarded LIHTCs, even those that have not yet been placed in service or have since converted to market rate.

[39] California Housing Partnership. "The Tax Credit Turns 30." December 2017. Website: https://chpc.net/resources/tax-credit-turns-30/.

[40] California Housing Partnership. "Los Angeles County's Housing Emergency and Proposed Solutions." May 2018. Website: https://chpc.net/resources/los-angeles-county-housing-need-report-2018/.

FIGURE 15: LIHTC DEVELOPMENTS*IN LOS ANGELES COUNTY (2007-21)**



Source: California Housing Partnership Preservation Database, April 2022.
**Includes awarded developments not yet placed in service.*
***All dollar figures are nominal. Year in this analysis corresponds with the development's LIHTC award year.*

The geographic distribution of all LIHTC-awarded developments across the County's five SDs is shown below in Table 6. Highlights include:

- SDs 1 and 2 have the largest share of LIHTC affordable homes—34 percent and 23 percent, respectively; and
- The number of LIHTC affordable homes increased countywide by 28 percent between 2017 and 2021 and six (6) percent between 2020 and 2021.

TABLE 6: LIHTC DEVELOPMENTS IN LOS ANGELES COUNTY* BY SD (2021)

SD	Developments	Affordable Homes	% of Total County LIHTC Inventory**
SD 1	376	29,190	34%
SD 2	321	20,131	23%
SD 3	226	13,416	15%
SD 4	125	12,664	15%
SD 5	128	10,842	13%
Total	**1,176**	**86,243**	**100%**

Source: California Housing Partnership Preservation Database, April 2022.
**Includes awarded developments not yet placed in service and developments subsidized by HUD, HCD, and CalHFA or otherwise restricted by other local program affordability restrictions. Data presented here is a subset of data in Table 2 and reflects updated Supervisorial District boundaries adopted December 15, 2021.*
***Percent of total County LIHTC inventory represents the share of LIHTC affordable homes in each SD.*

U.S. Department of Housing and Urban Development (HUD) Affordable Homes

From the 1960s to the 1980s, HUD provided multifamily developers with subsidized mortgages, Section 8 project-based rental assistance (PBRA) contracts, and other financing programs to help finance the construction, rehabilitation, or acquisition of affordable housing developments throughout the United States. Six hundred twenty-one developments contain more than 41,000 affordable homes with HUD-subsidized mortgages and Section 8 contracts in the County.[41] HUD subsidies and programming are crucial affordable housing resources, but those HUD resources have steadily declined since the early 2000s.[42]

The geographic distribution of HUD-subsidized developments across the County's five SDs is shown in Table 7. SDs 1, 2, and 3 have the largest share of HUD-subsidized homes.

TABLE 7: HUD-SUBSIDIZED DEVELOPMENTS IN LOS ANGELES COUNTY* BY SD (2021)

SD	Developments	Affordable Homes	% of Total County HUD Inventory**
SD 1	126	10,423	25%
SD 2	164	10,368	25%
SD 3	158	9,043	22%
SD 4	74	5,259	13%
SD 5	99	6,373	15%
Total	**621**	**41,466**	**100%**

Source: California Housing Partnership Preservation Database, April 2022.
**Includes developments that LIHTC and CalHFA also subsidize or are otherwise restricted by other local program affordability restrictions. Data presented is a subset of data in Table 2 and reflects updated Supervisorial District boundaries adopted December 15, 2021.*
***Percent of total County HUD inventory represents the share of HUD affordable homes in each SD.*

California Housing Finance Agency (CalHFA) Affordable Homes

Since 1975, the California Housing Finance Agency (CalHFA) has provided renters and homebuyers with subsidized loans to build affordable housing as the state's chartered affordable housing lender. One hundred twelve rental developments contain more than 3,200 affordable homes with CalHFA loans in the County.[43] The geographic distribution of CalHFA-financed developments across the County's five SDs is shown in Table 8. SDs 1, and 3 have the largest share of CalHFA-financed homes.

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41 California Housing Partnership Preservation Database, April 2022.
42 California Department of Housing and Community Development, 2018. "California's Housing Future: Challenges and Opportunities Final Statewide Housing Assessment 2025." Website: http://www.hcd.ca.gov/policy-research/plans-reports/docs/SHA_MainDoc_2_15_Final.pdf.
43 California Housing Partnership Preservation Database, April 2022.

TABLE 8: CALHFA FINANCED DEVELOPMENTS IN LOS ANGELES COUNTY* BY SD (2021)

SD	Developments	Affordable Homes	% of Total County CalHFA Inventory**
SD 1	32	1,144	35%
SD 2	20	483	15%
SD 3	26	898	28%
SD 4	16	458	14%
SD 5	18	252	8%
Total	**112**	**3,235**	**100%**

Source: California Housing Partnership Preservation Database, April 2022.
**Includes developments subsidized by HCD, LIHTC, and HUD or otherwise restricted by other local program affordability restrictions. Data presented here is a subset of data in Table 2. and reflects updated Supervisorial District boundaries adopted December 15, 2021.*
***Percent of total County CalHFA inventory represents the share of CalHFA affordable homes in each SD.*

California Department of Housing and Community Development (HCD) Affordable Homes

The California Department of Housing and Community Development (HCD) has provided grants, loans, and rental assistance to renters and home buyers since the 1970s. Two hundred sixty-four rental developments contain nearly 13,000 affordable homes with HCD loans and rental assistance contracts in the County.[44] The geographic distribution of HCD-subsidized developments across the County's five SDs is shown in Table 9. SD 1 has the largest share of HCD-subsidized homes.

TABLE 9: HCD FINANCED DEVELOPMENTS IN LOS ANGELES COUNTY* BY SD (2021)

SD	Developments	Affordable Homes	% of Total County HCD Inventory**
SD 1	95	5,373	42%
SD 2	60	2,506	19%
SD 3	62	2,709	21%
SD 4	26	1,379	11%
SD 5	21	904	7%
Total	**264**	**12,871**	**100%**

Source: California Housing Partnership Preservation Database, April 2022.
**Includes developments subsidized by LIHTC, CalHFA, and HUD or otherwise restricted by other local program affordability restrictions. Data presented here is a subset of data in Table 2 and reflects updated Supervisorial District boundaries adopted December 15, 2021.*
***Percent of total County HCD inventory represents the share of HCD affordable homes in each SD.*

[44] California Housing Partnership Preservation Database, April 2022.

Los Angeles County Development Authority (LACDA) Owned Development

Public Housing Authorities (PHAs) own and operate housing with guaranteed affordable rents to no more than 30 percent of income to households earning no more than 80 percent of AMI.[45] In recent years, California's public housing stock has decreased due to a lack of funding appropriations by Congress and the conversion of some public housing into a public-private partnership ownership model through the Rental Assistance Demonstration (RAD) program.

Four jurisdictions have PHAs with development portfolios: the City of Baldwin Park, the City of Lomita, the City of Los Angeles (HACLA), and LACDA.[46] No new acquisition or development activity occurred in 2021 in any jurisdiction. Summary data from each PHA are shown in Tables 10 and 11, and Figure 16. Highlights include:

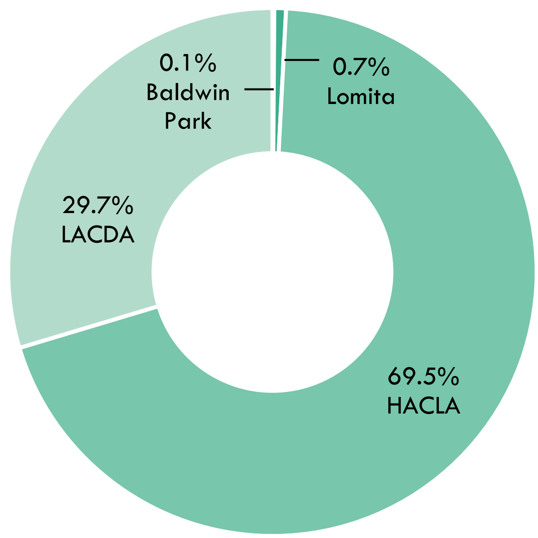
- HACLA owns more than two thirds of PHA-owned homes in the County; and
- 63 percent of PHA-owned homes are concentrated in the County's SD 1 and SD 2.

TABLE 10: PUBLIC HOUSING AUTHORITY OWNED DEVELOPMENTS IN LOS ANGELES COUNTY

Public Housing Authority	Affordable Homes
Housing Authority of the City of Baldwin Park	12
Housing Authority of the City of Lomita	78
Housing Authority of the City of Los Angeles (HACLA)*	7,574
Los Angeles County Development Authority (LACDA)	3,229
Total	**10,893**

Source: HUD, LACDA, and HACLA.
**Does not include 100% market, Project-Based Voucher (PBV) only or homeowner developments.*

FIGURE 16: PROPORTION OF TOTAL PHA INVENTORY BY PHA*



**May not sum to 100% due to rounding*

[45] At initial occupancy, PHAs guarantee affordable rents up to 30 percent of income to households earning no more than 50 percent of AMI.
[46] PHA development portfolios include conventional public housing and other affordable housing developments financed by programs like the Low-Income Housing Tax Credit (LIHTC). Scattered sites are not counted as separate developments.

TABLE 11: SUMMARY OF PUBLIC HOUSING AUTHORITY-OWNED DEVELOPMENTS IN LOS ANGELES COUNTY BY SD

SD	PHA	Developments	Affordable Homes	% of Total County PHA Inventory*
SD 1	*LACDA*	*14*	*1,810*	*17%*
	*HACLA***	*10*	*677*	*6%*
	City of Baldwin Park	*1*	*12*	*0.1%*
	Subtotal	25	2,499	23%
SD 2	*LACDA*	*40*	*592*	*5%*
	*HACLA***	*18*	*3,805*	*35%*
	Subtotal	58	4,397	40%
SD 3	*LACDA*	*6*	*451*	*4%*
	*HACLA***	*13*	*1,150*	*11%*
	Subtotal	9	1,601	15%
SD 4	*LACDA*	*5*	*1,104*	*10%*
	*HACLA***	*2*	*774*	*7%*
	City of Lomita	*1*	*78*	*1%*
	Subtotal	9	1,956	18%
SD 5	*LACDA*	*5*	*405*	*4%*
	*HACLA***	*2*	*35*	*0.3%*
	Subtotal	7	440	4%
County	Grand Total	117	10,893	100%

Source: HUD, LACDA, and HACLA. Data presented here reflects updated Supervisorial District boundaries adopted December 15, 2021.
**Percent of total County inventory represents the share of affordable homes in each PHA. Data presented here is a subset of data in Table 2. Percentages may not sum to 100% due to rounding.*
***Does not include 100% market, Project-Based Voucher (PBV) only, or homeowner developments.*

HOUSING CHOICE VOUCHERS

The Housing Choice Voucher (Voucher), previously referred to as a Section 8 voucher, is a flexible tool for helping the lowest-income households afford the cost of housing in the private market. Vouchers cover the difference between the full rent for an apartment in the private market, and the affordable rent households pay, typically 30 percent of their income. Vouchers are available to households earning up to 50 percent of AMI on initial occupancy and so long as the household earns no more than 80 percent of AMI after acquiring the voucher. There are typically two types of vouchers, project-based and tenant-based. Project-based vouchers are when PHAs award a contract for multiple vouchers to a particular owner to subsidize the rents of several apartments at a specific property. Tenant-based vouchers travel with the tenant and can be used to rent an apartment where a landlord will accept it.[47]

Voucher funding has diminished since the passage of the Federal Budget Control Act of 2011 — meaning that as vouchers have turned over, PHAs are often forced to remove vouchers from circulation to stay within budgets that have diminished. Congress reduced the voucher renewal budgets by approximately five percent in 2016. Fortunately, Congress reached consecutive two-year deals to raise the budget caps on domestic discretionary funding for Fiscal Year (FY) 2017-20, which resulted in modest increases in budget authority both times that have enabled PHAs to avoid further cuts and, in some cases, to return some vouchers to circulation.

Maximizing the use of project-based vouchers is considered a best practice because it enables vouchers to be used to finance new construction of affordable homes and potentially leverage considerable amounts of private financing.[48]

According to HUD, PHAs in the County had 98,574 tenant-based vouchers available in 2021, 1,159 more vouchers than in 2020. Summary data on tenant-based vouchers from each PHA is shown in Table 12 and Figure 17. Highlights:

- LACDA and HACLA allocated 78 percent of vouchers in the County in 2021, a similar proportion to what both PHAs allocated from 2017-20; and
- Overall, the PHAs in the County saw a 1.2 percent increase in the number of available tenant-based vouchers, with the City of Inglewood, the City of Pomona, and the City of Pasadena PHAs seeing the largest increase from 2020.

[47] PHAs can project-base up to 20 percent of their Housing Choice Vouchers, plus an additional ten percent if they serve certain populations and geographies. An Urban Institute study found that 76 percent of landlords, including 82 percent of landlords in low-poverty neighborhoods, refused to accept Housing Choice Vouchers. Source: Cunningham, et al., 2018. "Do Landlords Accept Housing Choice Vouchers? Findings from Los Angeles, California". Urban Institute. For information about HUD regulations on project basing go to https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/project.

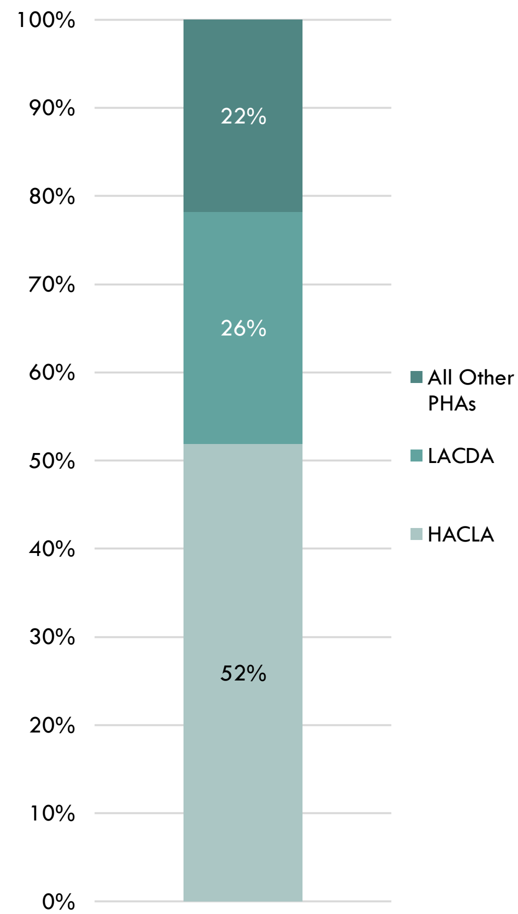
[48] For more information about why project-basing is a best practice, see "The Power of Leveraging Section 8" by the California Housing Partnership: https://chpc.net/resources/the-power-of-leveraging-section-8/.

TABLE 12: HOUSING CHOICE VOUCHERS AVAILABLE IN LOS ANGELES COUNTY (2021)

Public Housing Authorities	# of Vouchers Available	% Change from 2020
City of Los Angeles (HACLA)	51,174	+0.40%
Los Angeles County Development Authority (LACDA)	25,902	+3%
City of Long Beach	7,544	+0.01%
City of Glendale	1,621	0%
City of Santa Monica	1,508	0%
City of Pasadena	1,484	+5%
City of Inglewood	1,127	+7%
City of Pomona	1,032	+6%
City of Burbank	1,029	0%
City of Baldwin Park	899	-0.11%
City of Compton	803	0%
City of Norwalk	720	0%
City of Hawthorne	711	0%
City of Torrance	700	+1%
City of South Gate	654	0%
City of Redondo Beach	633	0%
City of Pico Rivera	517	0%
Culver City	384	0%
City of Hawaiian Gardens	132	0%
Total	**98,574**	**+1.2%**

Source: HUD Picture of Subsidized Households, 2021. LACDA.

FIGURE 17: PERCENTAGE OF TOTAL AVAILABLE VOUCHERS IN LOS ANGELES COUNTY BY PUBLIC HOUSING AUTHORITY



Housing Inventory Counts

The County Continuum of Care Housing Inventory Count (HIC) is conducted in the last ten days of January. It gives the County a comprehensive listing of beds and supportive housing units dedicated to homeless and formerly homeless persons. HUD requires the HIC to help allocate federal funding for homeless services. The HIC includes many kinds of crisis and permanent housing, including shelters, shared, and scattered-site housing.[49] Full details from the 2021 HIC are shown in Table 13.

TABLE 13: 2021 HIC PERMANENT BEDS* IN LOS ANGELES COUNTY

Continuum of Care (CoC)	Year-Round Beds	% of Total Available Beds	% Change from 2020
LAHSA Total	27,268	92%	+5%
SD 1	5,082	17%	+10%
SD 2	13,016	44%	+5%
SD 3	4,056	14%	+4%
SD 4	783	3%	-9%
SD 5	3,361	11%	+2%
CONFIDENTIAL	970	3%	-5%
Pasadena (SD 5)	434	1%	0%
Long Beach (SD 4)	1,902	6%	0%
Glendale (SD 5)	189	1%	0%
Total	**29,793**	**100%**	**+4%**

Source: 2021 Housing Inventory Count (HIC)—Los Angeles CoC, LAHSA. 2021 AHAR HUD.
**Only includes permanent supportive housing (PSH) and other forms of permanent housing (OPH).*

[49] SD-level counts derived from the HIC for the Los Angeles Continuum of Care (CoC) should be seen as approximations based, in some cases, on the locations of a development's administrative offices or sponsoring organizations. Please note that for all shared and scattered-site housing, only one location is recorded.

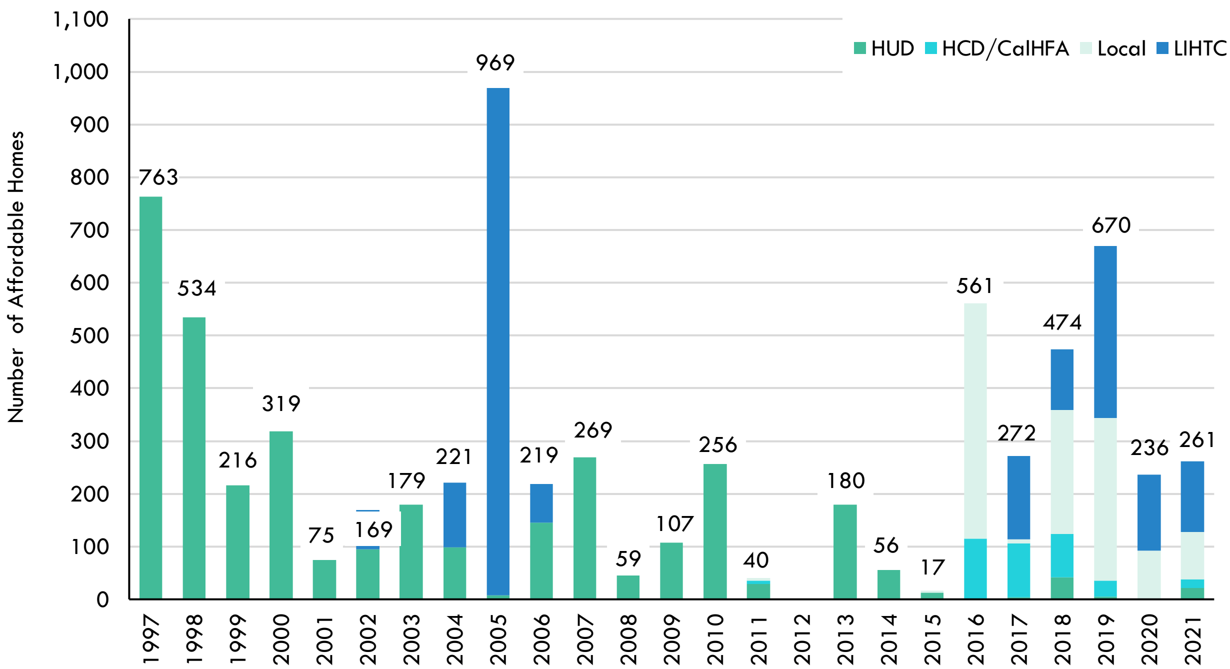
Homes At Risk of Losing Affordability in Los Angeles County

This section documents historical losses of federally- and state-subsidized affordable homes and assesses the risk of homes converting to market rate to inform efforts to preserve the affordability of existing affordable homes.[50] For this analysis, 'very high-risk' developments may convert to market rate in the next 365 days, and 'high-risk' developments may convert within the next one to five years.[51]

Lost Affordable Homes in Los Angeles County, 1997-2021

Between 1997 and 2021, the County lost 7,122 affordable rental homes meaning those with project-based rental assistance contracts, or loans from HUD, CalHFA, HCD, tax credits, or local regulatory agreements. The affordable rental homes where lost due to owner decisions to opt-out of further covenants, sell the property, or allow their developments to convert to market rate. Of the 7,122 affordable homes lost in the County, 51 percent converted to market-rate between 1997 and 2006. Only 27 percent of lost affordable homes converted between 2017 and 2021 (see Figure 18).

FIGURE 18: LOST AFFORDABLE HOMES IN LOS ANGELES COUNTY (1997-21)



Source: California Housing Partnership Preservation Database, April 2022.

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[50] This assessment includes developments financed or assisted by HUD, USDA, CalHFA, HCD, LIHTC, and local programs. The California Housing Partnership has included a portion of local programs into its loss and risk analysis, but the data was not comprehensive at the time of this Report's preparation. The California Housing Partnership updates its Preservation Database on a quarterly basis with the most complete and available data provided by each agency. The data is then cleaned and duplicate information is removed using both automated processes and manual confirmation. Every effort is made to ensure the information presented is as precise as possible; however, there may be unintentional inaccuracies in the analysis or in the data processed from federal and state agencies.

[51] California Housing Partnership's risk assessment considers length of affordability, overlapping subsidies and owner entity type to determine the risk of a development converting to market rate.

Of the 7,122 lost homes, 3,461 (49 percent) had HUD subsidies, 352 (5 percent) had HCD or CalHFA loans and rental assistance, 2,121 (30 percent) were financed with tax credits, and 1,188 (16 percent) had regulatory agreements with local entities. See Table 14 for the number of lost homes by SD.

TABLE 14: LOST AFFORDABLE HOMES IN LOS ANGELES COUNTY BY SD AND PROGRAM (1997-21)

Supervisorial District	Lost HUD Homes	Lost LIHTC Homes	Lost HCD/CalHFA Homes	Lost Local Homes	Total Lost Homes	% of Total Lost Homes
SD 1	577	424	248	591	1,840	26%
SD 2	1,361	639	67	457	2,524	35%
SD 3	395	382	6	3	786	11%
SD 4	461	232	0	70	763	11%
SD 5	667	444	31	67	1,209	17%
Total	**3,461**	**2,121**	**352**	**1,188**	**7,122**	**100%**
Unincorporated Los Angeles*	**394**	**14**	**0**	**0**	**408**	**6%**

Source: California Housing Partnership Preservation Database, April 2022. Data presented here reflects updated Supervisorial District boundaries adopted December 15, 2021.

**Unincorporated Los Angeles County is a distinct subset of the "Total" row for Los Angeles County. There are unincorporated areas across multiple SDs.*

Developments at Risk of Losing Affordability in Los Angeles County

Our analysis demonstrates that the risk of affordable homes converting to market-rate prices is important to pay attention to in the County's tight housing market, which includes four of the ten most expensive cities in the United States for a two-bedroom apartment.[52]

Of the nearly 120,000 federally- and state-subsidized affordable homes in the County, 7,937 (7 percent) are currently at 'very high' and 'high' risk of conversion in the next five years; homes that meet either definition are considered at-risk in this analysis. At-risk affordable homes in the County have the following characteristics (see Figure 19 and Table 15):

- Eighty-seven (87) percent have expiring HUD project-based rental assistance contracts and maturing mortgages, while eleven (11) percent are governed by expiring LIHTC regulatory agreements;
- At-risk affordable homes primarily serve seniors (45 percent) and families (48 percent);[53] and
- At-risk affordable homes are concentrated in SDs 1 and 2 (26 percent and 35 percent, respectively).

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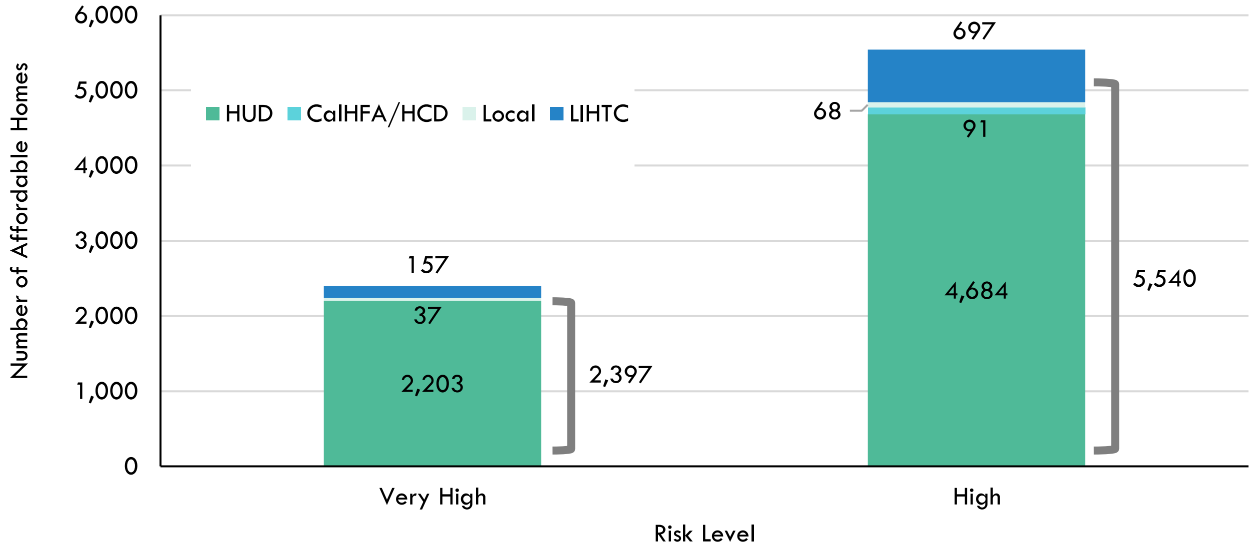
[52] Nelson, Alicia Underlee. "The Most Expensive Cities for Renters in America." 30 September 2020. Website: https://www.apartmentguide.com/blog/most-expensive-cities-for-renters/.

[53] The population served is determined by the housing type reported for each development. For the purposes of this analysis, we assume that all units correspond with the development's housing type.

See Appendix C: Full Data Findings, Section 2 for more data on at-risk affordable homes in the County, including program-specific analysis.

FIGURE 19: AFFORDABLE HOMES IN LOS ANGELES COUNTY AT RISK OF CONVERSION



Source: California Housing Partnership Preservation Database, April 2022.

TABLE 15: AFFORDABLE HOMES AT RISK OF CONVERSION IN LOS ANGELES COUNTY BY SD AND PROGRAM

Supervisorial District	% of Total HUD, LIHTC, CalHFA, HCD, and Local Inventory	At-Risk HUD Homes*	At-Risk LIHTC Homes	At-Risk HCD/CalHFA Homes**	At-Risk Local Homes***	Total At-Risk Homes	% of Total At-Risk Homes
SD 1	32%	1,328	40	33	40	1,441	18%
SD 2	22%	1,711	124	0	0	1,835	23%
SD 3	18%	2,089	237	24	42	2,392	30%
SD 4	13%	795	229	0	7	1,031	13%
SD 5	15%	964	224	34	16	1,238	16%
Total	**100%**	**6,887**	**854**	**91**	**105**	**7,937**	**100%**
Unincorporated Los Angeles****	**6%**	**268**	**0**	**0**	**0**	**268**	**3%**

Source: California Housing Partnership Preservation Database, April *2022. Data presented here reflects updated Supervisorial District boundaries adopted December 15, 2021.*

**'At-Risk HUD Homes' that also have LIHTC financing are represented in the 'At-Risk LIHTC Homes' column, and those with HCD or CalHFA financing are represented in the 'At-Risk HCD/CalHFA Homes' column.*

***'At-Risk HCD/CalHFA Homes' that also have LIHTC financing are represented in the 'At-Risk LIHTC Homes,' and those with HUD assistance are represented in the 'At-Risk HUD Homes' column.*

****At-Risk Local Homes' that also have LIHTC financing are represented in the 'At-Risk LIHTC Homes' column, those that also have HUD assistance are represented in the 'At-Risk HUD Homes' column, and those that have HCD or CalHFA financing are represented in the 'At-Risk HCD/CalHFA Homes' column.*

*****Unincorporated Los Angeles County is a distinct subset of the "Total" row for Los Angeles County. There are unincorporated areas across multiple SDs.*

Section 3. County-Administered Affordable rental Housing Resources

Overview

TABLE 16: LOS ANGELES COUNTY AFFORDABLE HOUSING ACTIVITY (2021)

SD	Entitled Affordable Homes (Unincorporated)	County Funded Affordable Homes	Funded Supportive Homes*	Opened Affordable Homes**
SD 1	67	522	288	451
SD 2	2	287	199	554
SD 3	0	267	267	131
SD 4	12	306	262	301
SD 5	10	141	70	50
County Total	**91**	**1,523**	**1,086**	**1,487**

Source: LACDA, DRP and DMH.
**These are a subset of 'County Funded Affordable Homes'.*
***Includes developments that received County funding and/or a recorded density bonus covenant or land use agreement.*

FIGURE 20: COUNTY ENTITLED AND OPENED AFFORDABLE HOUSING ACTIVITY BY YEAR (2017-2021)

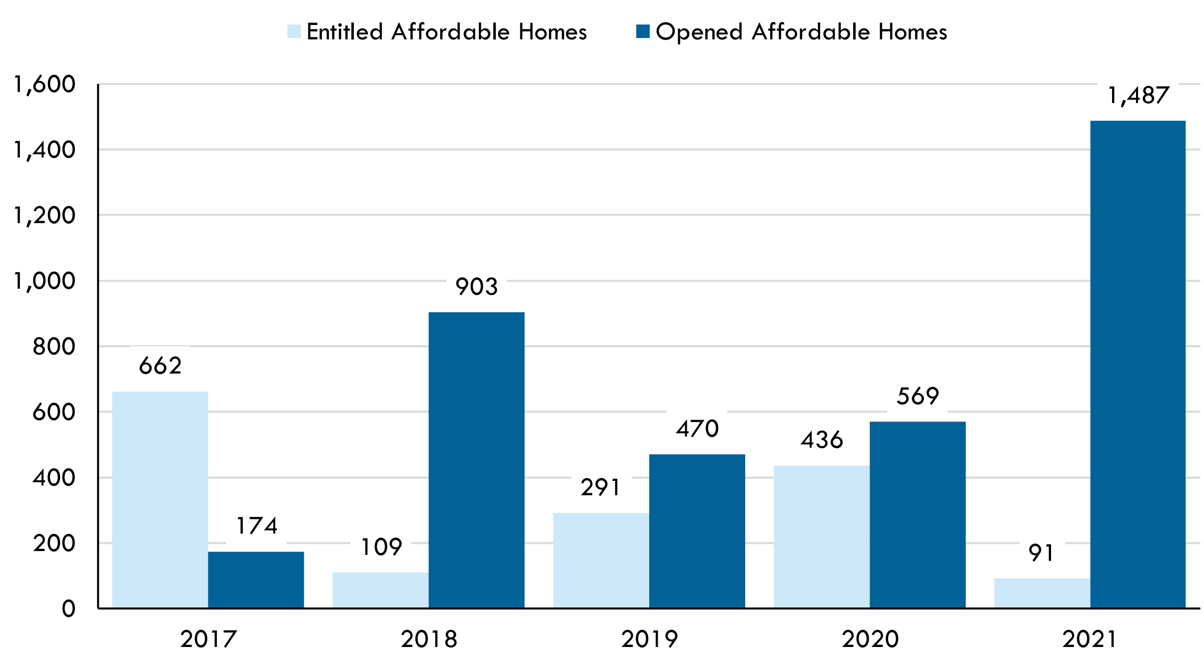
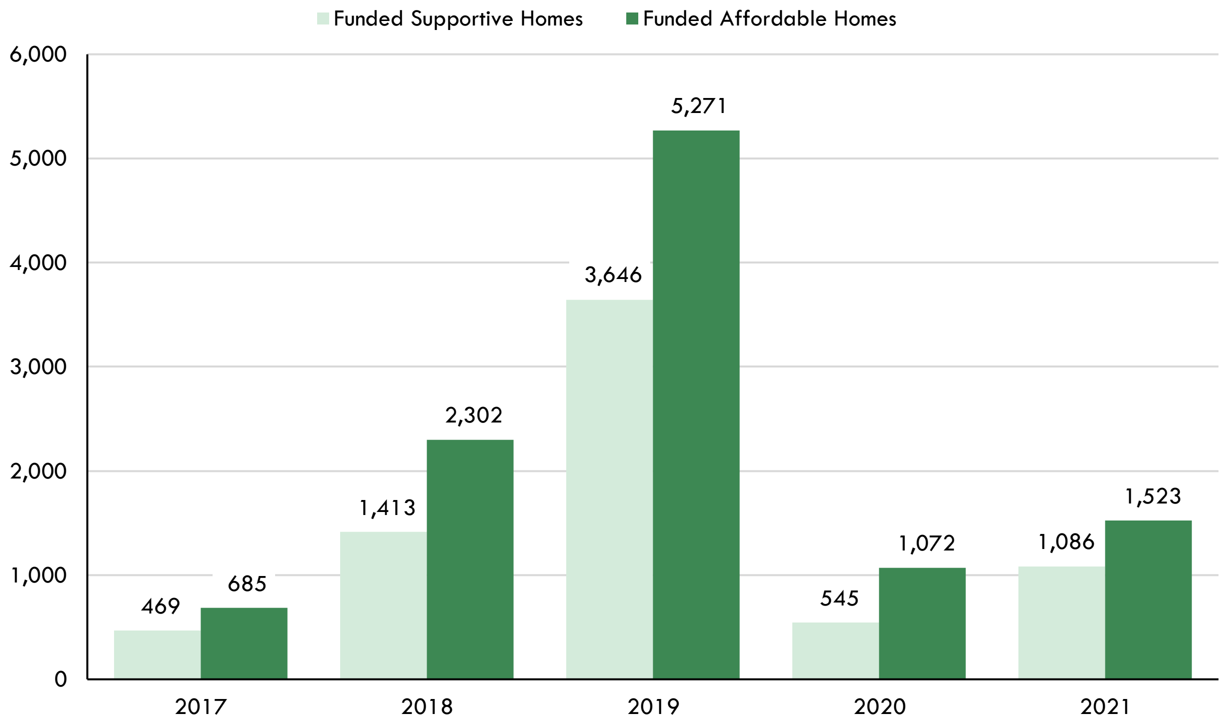


FIGURE 21: COUNTY FUNDED AFFORDABLE HOUSING ACTIVITY (2017-2021)



This section provides an inventory of resources administered by the County's agencies and departments for the development and operation of permanently affordable rental housing, as well as funding for short- and long-term rental assistance and operating subsidizes for low-income households with housing challenges.

The sources of funding, policies, and rental and operating subsidies included in the inventory are listed below:

- LACDA capital resources awarded through NOFA, developments created through land use policies, public housing, Housing Successor Agency developments, tax-exempt bond financing, and project- and tenant-based subsidies;
- Department of Health Services (DHS) programs such as Housing for Health, the Flexible Housing Subsidy Pool (FHSP), and Rapid Rehousing (RRH) vouchers;
- DMH resources such as Mental Health Service Act (MHSA) funds, Special Needs Housing Program (SNHP), the Mental Health Housing Program (MHHP) funds, the Alternative Housing Model, and the No Place Like Home (NPLH) program; and
- LAHSA administered RRH vouchers.

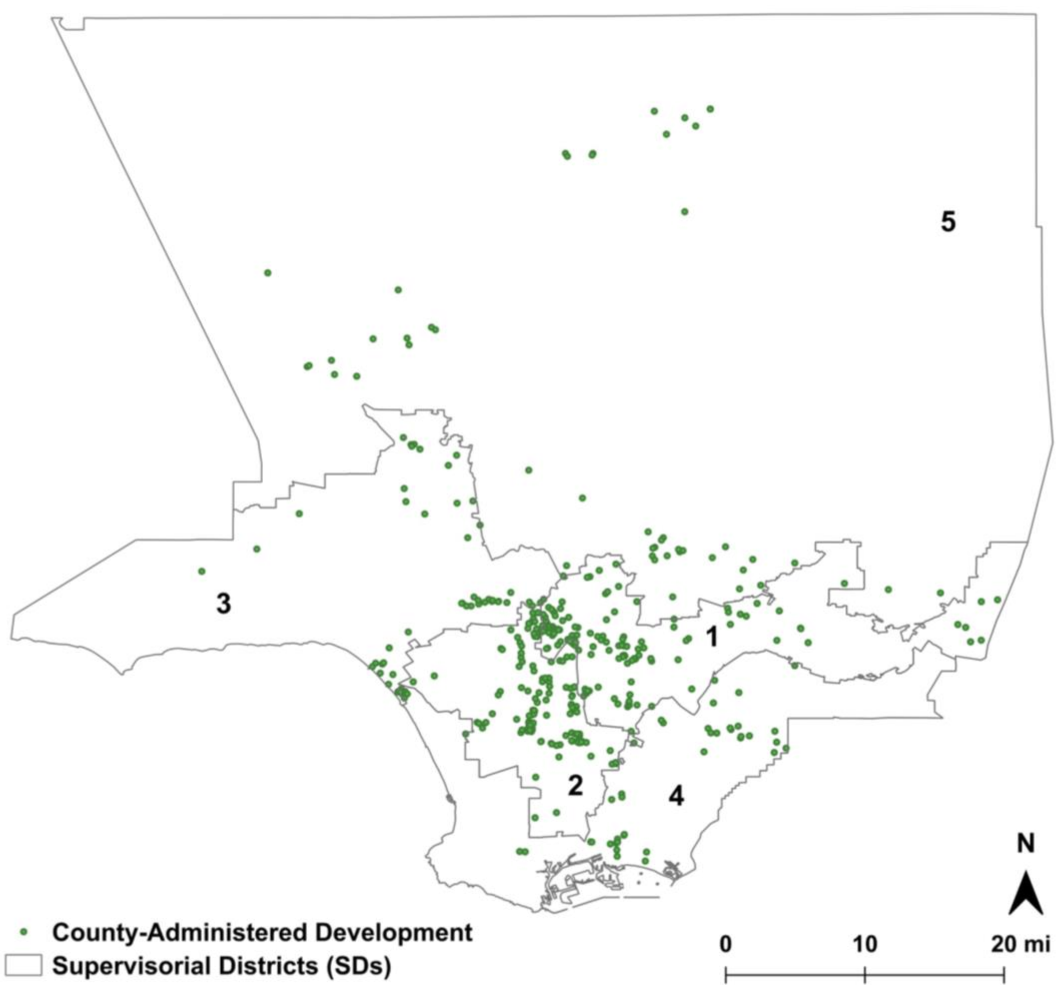
Table 17 shows countywide and SD-level affordable housing inventory totals for all County-administered affordable rental developments from the sources listed above. Figure 22 shows a map of the County-administered inventory of affordable rental developments. SD-level maps are included in Appendix D: Full Data Findings, Section 3.

TABLE 17: SUMMARY OF COUNTY-ADMINISTERED AFFORDABLE RENTAL HOUSING AND SUBSIDIES* (2021)

SD**	Developments	Affordable Homes***	Permanent Supportive Housing (PSH) Homes	Rental Subsidies****
SD 1	154	9,877	3,088	N/A
SD 2	173	7,217	2,603	N/A
SD 3	58	3,102	1,279	N/A
SD 4	66	4,825	1,018	N/A
SD 5	64	3,736	943	N/A
County	**515**	**28,757**	**8,931**	**58,246**

Source: LACDA, DRP, DMH, DHS, and LAHSA.
**Reflects de-duplicated totals among County sources and may overlap with federal and state financing shown in Section 2.*
***Supervisorial District (SD) designations reflect updated boundaries adopted December 15, 2021.*
****Affordable up to moderate-income households (<120% AMI) and includes developments not yet placed in service.*
*****Reflects deduplicated number of households served by rental subsidy programs administered by LAHSA, LACDA, DMH, and DHS.*

FIGURE 22: COUNTY-ADMINISTERED AFFORDABLE RENTAL DEVELOPMENTS



Los Angeles County Development Authority and Department of Regional Planning

LACDA makes funding available to affordable multifamily rental housing developments through a semiannual NOFA that includes local Affordable Housing Trust funds, federal HOME funds, and other available funding sources. LACDA also monitors a number of affordable rental homes with affordability restrictions arising from land use entitlements in coordination with the Department of Regional Planning (DRP), along with developments previously funded by the former Redevelopment Agency. These rental homes may include developments funded through the NOFA, as well as private developments that have affordability requirements related to density bonuses, the Mello Coastal Zone Act or other land use conditions of approval. In addition, LACDA issues tax-exempt multifamily housing revenue bonds that are needed to obtain 4 percent federal Low-Income Housing Tax Credits (LIHTC/tax credits) for NOFA-funded developments that do not receive 9 percent state tax credits.

LACDA also owns and operates 68 public and affordable housing developments with 3,229 homes, the largest concentrations of which are in SDs 1,3 and 4. LACDA utilized the majority of its $7.28 million of their FY 2021-22 Capital Fund (CFP) HUD allocation to continue on site improvements and exterior work as COVID-19 restrictions continues to postpone most in-unit rehabilitations.

Data on LACDA's affordable housing investments are shown in Tables 18 and 19 Figures 23 through 25. Affordable developments that are newly funded, entitled, or opened are shown in Table 20 and Figures 26 through 28. The portfolio of affordable developments funded or monitored by LACDA and DRP are shown in Table 21. Highlights include:

- LACDA invested more than $122 million in the production and preservation of 1,523 affordable rental homes in 2021 (see Table 18, Figure 23 and 21);
- LACDA investments in affordable housing have increased four fold since 2014 and 82 percent from 2020 but have not reached 2019 investment levels due to fewer funding sources and less overall funding from No Place Like Home (NPLH) (see Figure 24);
- The entitled affordable housing rental stock declined 79 percent percent from 2020 (see Table 20);
- SD 1 had the largest number of affordable homes to receive funding in 2021, similar to 2020 but a departure from trends in 2019 and 2018 (see Figure 26);
- In 2021, 1,153 affordable homes opened in County's unincorporated area, a 439 percent increase from 2020 and all time high since 2017 (see Table 20);
- The County approved land use entitlements for eight (8) developments with 91 affordable homes in unincorporated areas in 2021, a decrease from what was entitled in 2020 but more than what was entitled from 2017-19 (see Figure 27); and
- In FY 2021, the Public Housing Capital Fund Program budget received $7.28 million, almost level funding to FY 2020 and a 52 percent increase from FY 2014 (see Figure 25).

TABLE 18: LACDA NOFA INVESTMENTS (2021)

	Amount	% Change from 2020
LACDA NOFA Funds Awarded in 2021	$122,070,000	+82%
Special Needs & Family New Construction (Avg. Cost per Home)*	$553,816	-3%
Special Needs & Senior New Construction (Avg. Cost per Home)*	$567,442	+27%
Supportive Housing New Construction (Avg. Cost per Home)*	$539,772	+90%

**Average cost per home is calculated based on total development costs.*

FIGURE 23: COUNTY NOFA INVESTMENTS & LEVERAGED RESOURCES (2014-21)

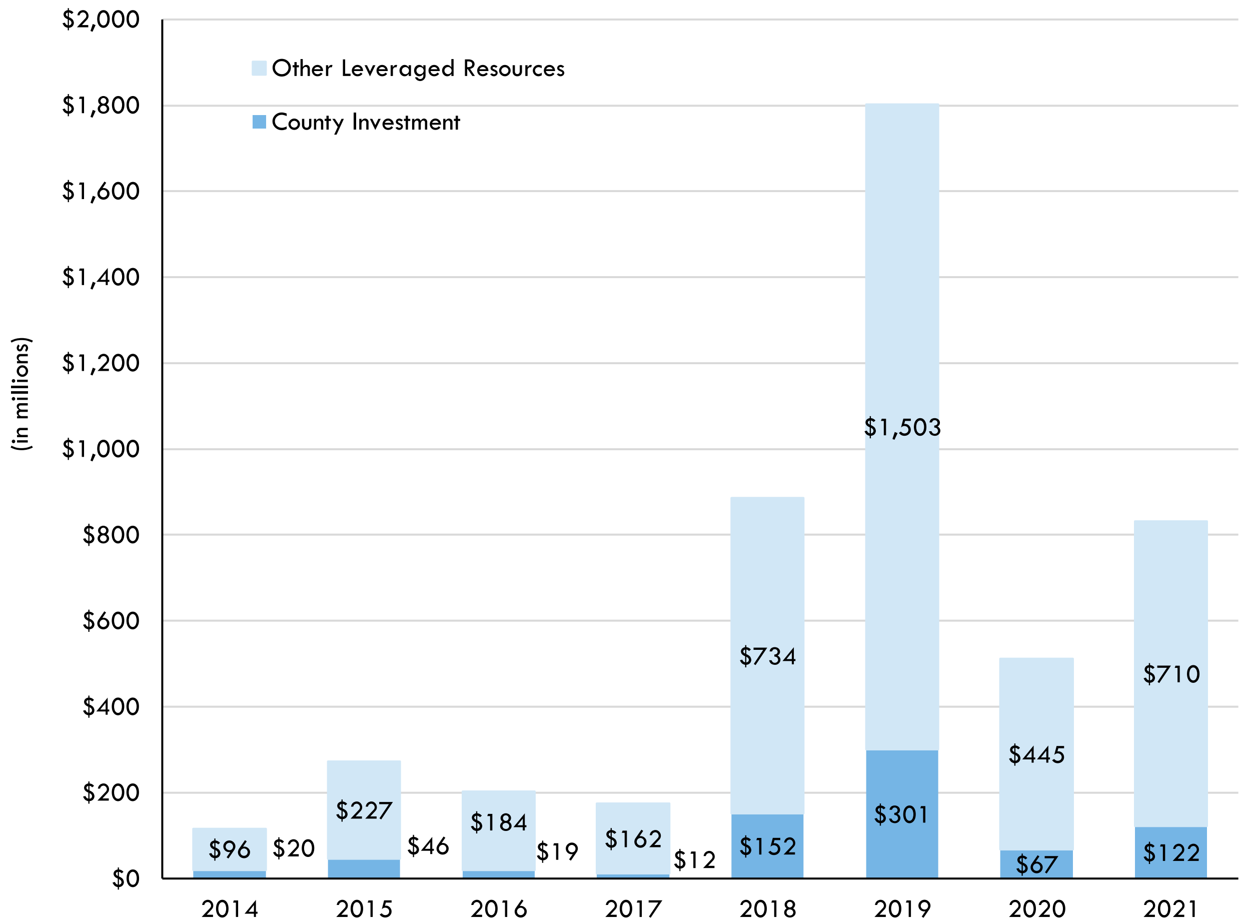


FIGURE 24: COUNTY NOFA INVESTMENTS BY FUNDING SOURCE (2014-21)

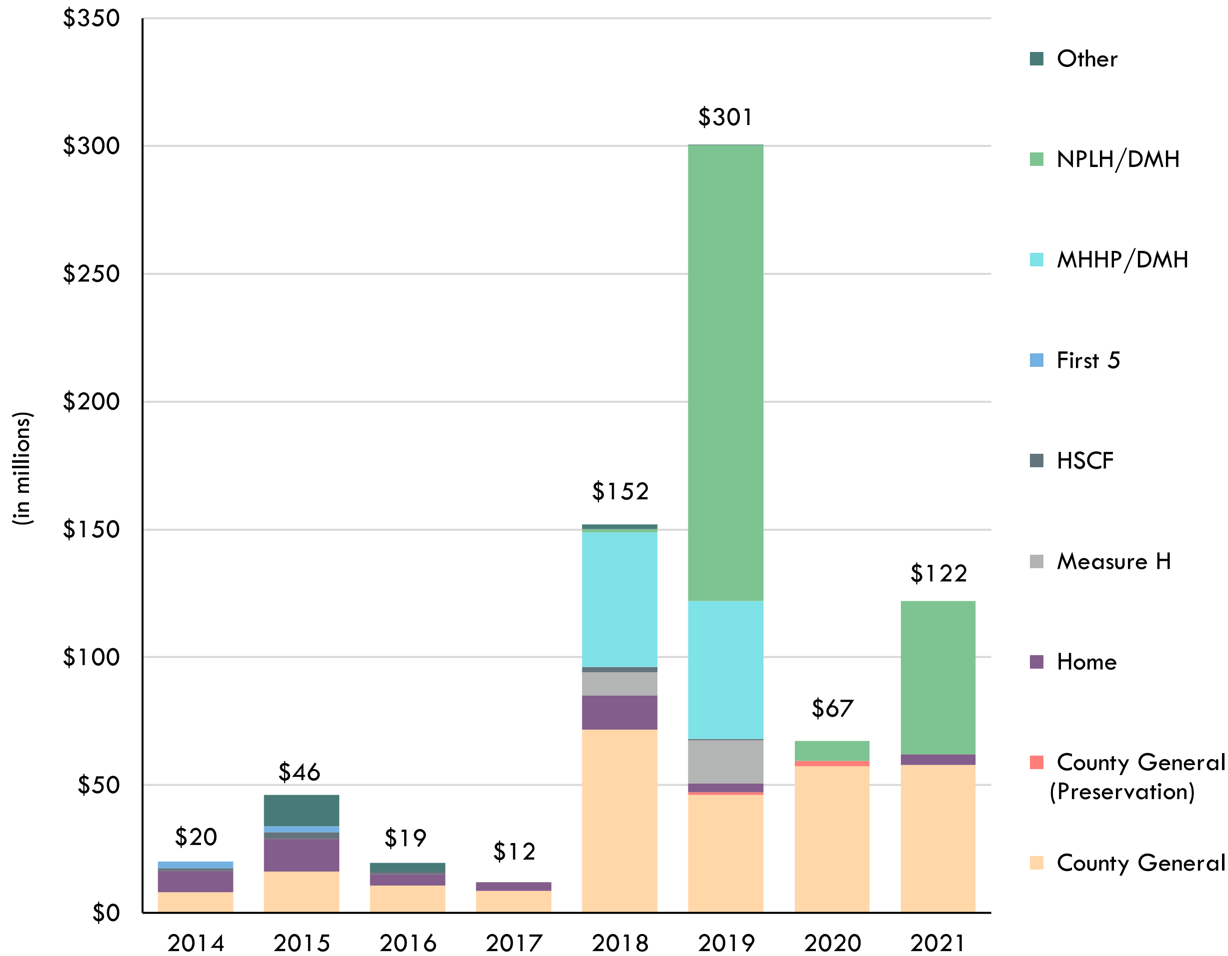


TABLE 19: LACDA PUBLIC HOUSING REHABILITATION EXPENDITURES

	Amount	% Change from FY2020
FY2021-22 Capital Fund Program Budget	$7,284,890	+1%
Anticipated FY2022-23 Capital Fund Program Budget	$7,200,000	+4%
Senior Homes Avg. Cost per Home*	$32,304	+9%
Large Family Homes Avg. Cost per Home*	$41,854	+8%
Other Homes Avg. Cost per Home*	$23,662	-4%

**Average rehabilitation cost per home is based on LACDA's Five Year Plan. As in FY 2020, the majority of expenditures in FY 2021 concentrated in on site improvements and exterior work as COVID-19 restrictions continued to postpone most of in-unit rehabilitation.*

FIGURE 25: LACDA PUBLIC HOUSING CAPITAL FUND PROGRAM BUDGET (FY2014-21)

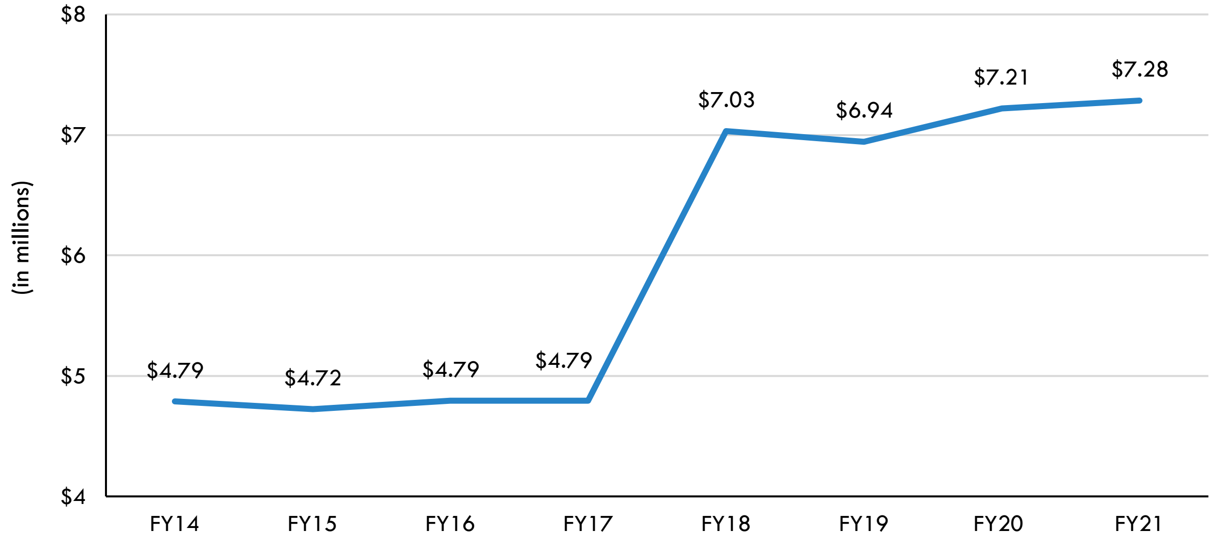
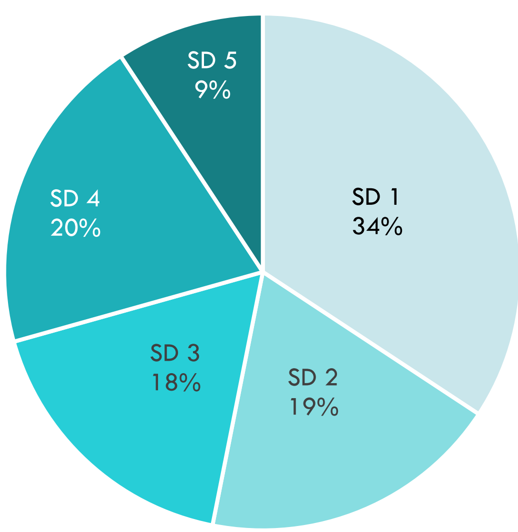


TABLE 20: LACDA AND DRP 2021 AFFORDABLE HOME PRODUCTION AND PRESERVATION IN (UNINCORPORATED AREAS)*

	Developments	Affordable Homes	% Change of Affordable Homes from 2020
Opened in 2021	17	1,153	+439%
Entitled in 2021	8	91	-79%

Data presented is a subset of data in Table 2.

FIGURE 26: DISTRIBUTION OF AFFORDABLE HOMES AWARDED IN 2021 NOFA



SD*	Affordable Homes	% Change from 2020**
SD 1	522	+54%
SD 2	287	+52%
SD 3	267	+52%
SD 4	306	+31%
SD 5	141	+5%
County	1,523	+42%

**Supervisorial District (SD) designations reflect updated boundaries adopted December 15, 2021.*
***Percentage change from affordable homes awarded in 2020 NOFA.*

FIGURE 27: AFFORDABLE HOMES ENTITLED THROUGH DENSITY BONUS OR MELLO ACT IN UNINCORPORATED AREAS (2017-21)

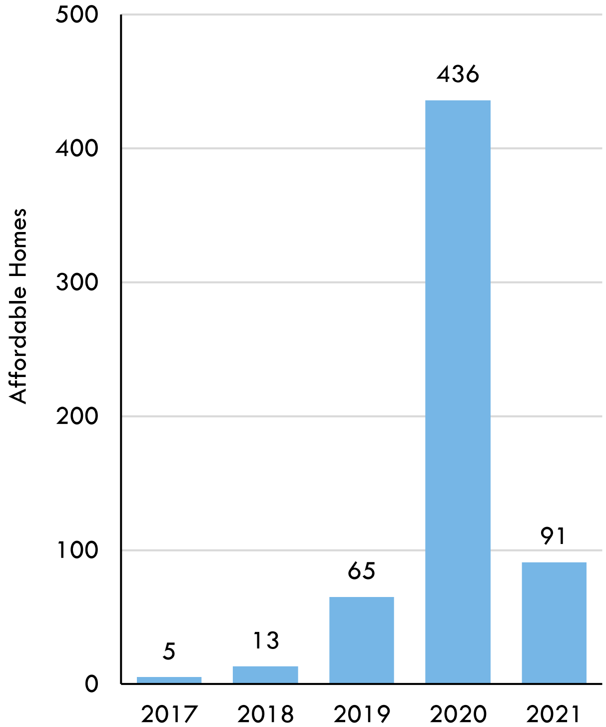


FIGURE 28: AFFORDABLE HOMES OPENED THROUGH MELLO ACT & DEVELOPMENT ON COUNTY-OWNED LAND IN UNINCORPORATED AREAS (2017-21)

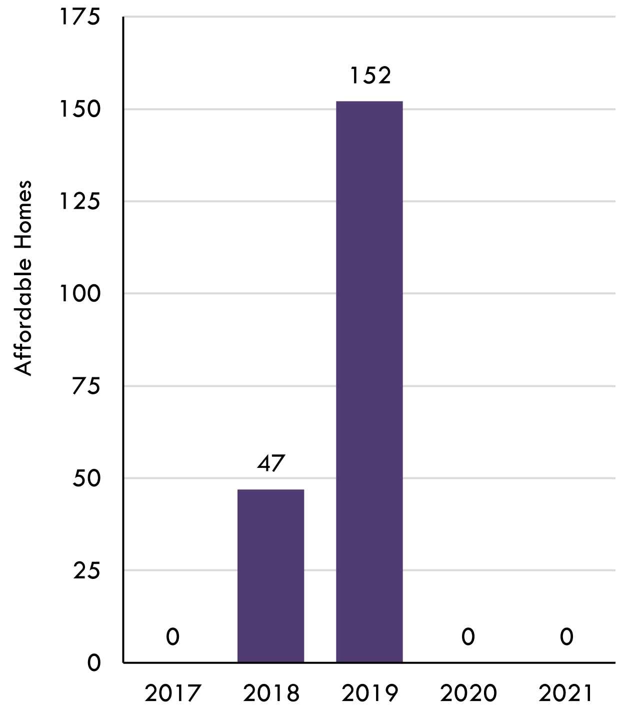


TABLE 21: LACDA AND DRP DEVELOPMENTS FUNDED AND MONITORED* (2021)

SD**	Developments	Affordable Homes***	% Change of Affordable Homes from 2020
SD 1	139	8,764	+6%
SD 2	154	5,942	+4%
SD 3	47	2,482	+12%
SD 4	59	4,248	+8%
SD 5	61	3,638	+5%
County	**460**	**25,056**	**+6%**

**Reflects de-duplicated totals among County sources and includes developments that may have received multiple rounds of funding These developments overlap with federal and state financing shown in Section 2.*
***Supervisorial District (SD) designations reflect updated boundaries adopted December 15, 2021.*
****Affordable up to moderate-income households (<120% AMI) and includes developments not yet placed in service.*

LACDA Rent Relief Program

The County began its COVID-19 Rent Relief Program on August 17, 2020 to assist renter households earning 50 percent of area median income or below struggling to pay rent due to the COVID-19 pandemic. The County fast-tracked assistance for income-qualified residents living in areas with a higher risk of eviction or who have other socioeconomic vulnerabilities. Rental assistance continued to be provided by the County throughout 2021 and 2022 through the State's COVID-19 Rent Relief Program, but funding for the County CARES Act and NCC Rent Relief ceased in June 2021. Table 22 describes individuals and households served through the program from August 2020 through June 2021. Highlights include:

- More than 14,189 households received assistance totalling more than $117 million; and
- Thirty (30) percent of the households served reside in SD 5 and another 25 percent reside in SD 4.

TABLE 22: LACDA RENT RELIEF PROGRAM INDIVIDUALS/HOUSEHOLDS SERVED* (2020-21)

	Number of Households	% of Households	Number of Individuals	% of Individuals
Applied	44,917	100%	93,457	100%
Served	14,189	32%	39,636	42%
Not Assisted**	30,728	68%	53,821	58%

Households by Race/Ethnicity	
Asian	1,776
Black or African American	2,500
Latinx	6,025
Middle Eastern	244
Native American/ Alaskan Native	86
Native Hawaiian	6
Pacific Islander	88
White/Caucasian	2,160
Other	543
Unknown	761
Total	**14,189**

Households by Ethnicity	
Latinx/Hispanic	6,025
Non-Latinx/Hispanic	7,403
Unknown	761
Total	**14,189**

Households by Supervisorial District	
SD 1	2,955
SD 2	2,444
SD 3	973
SD. 4	3,582
SD 5	4,235
Total	**14,189**

**The number of individuals/households served is reported through June 2021.*

***Of those not assisted, 3,081 households were ineligible and 27,647 households were unresponsive.*

LACDA Preservation Activities

In 2021, the Preservation Unit at LACDA finalized its preservation database, Affordability Watch, which tracks the County's expiring affordability commitments. Upon completion, Affordability Watch will capture comprehensive information on projects in LACDA's loan portfolio, those funded through LACDA-issued bonds, projects with covenants recorded through the County's land use programs (e.g. Density Bonus, Inclusionary Housing), projects with loans assumed by LACDA in its role as Housing Successor to former redevelopment agencies, and projects financed with now-defunct HUD mortgages or tha have received project-based vouchers from LACDA. This database will allow LACDA to proactively monitor its existing stock of assisted units and engage property owners to ensure that below market rents are maintained to minimize residential instability. As the database is updated, this high-resolution analysis will allow the County to monitor multiple expiration dates and rent schedules for all of its funded affordable projects. Finally, the database will be integrated with the County's Rent Registry, which will allow users to analyze both subsidized and unsubsidized rental stock data. This will assist in also identifying the unincorporated County's housing stock to preserve unsubsidized "naturally occurring" affordable housing.

LACDA Efforts to Affirmatively Further Fair Housing

LACDA launched Open Doors on January 1, 2020, a new program to encourage property owners to participate in LACDA's rental assistance programs to increase the number of families using their vouchers. Open Doors works to increase the number of homes available to subsidized families in the County's highly competitive housing market by providing owners with several types of financial incentives, including a signing on bonus, vacancy loss payments, and damage mitigation mechanisms.

Despite the lobby being closed to in person visitors until September 30, 2021, LACDA's Customer Service Unit (CSU) that administers Open Doors served 973 visitors through virtual appointments and provided a total of 1,458 incentives to property owners in 2021. Overall, the program served more visitors and provided 34 percent more incentives than in 2020 with a similar budget. A breakdown of incentives provided through the Open Doors program in 2021 are in Table 23.

TABLE 23: OPEN DOORS EXPENDITURES AND ACTIVITY (2021)

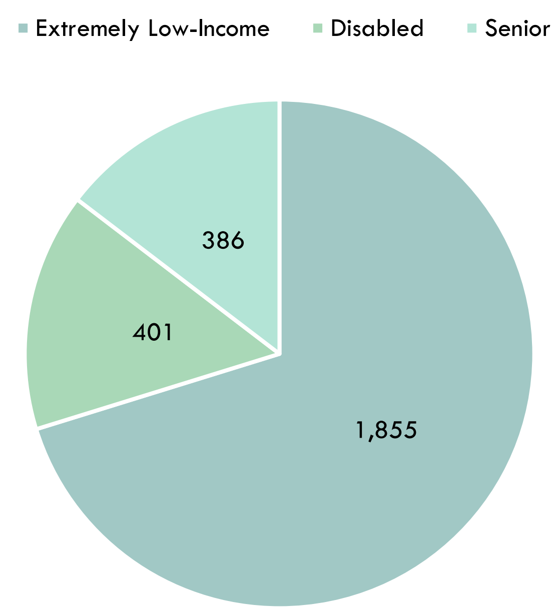
	Amount	% Change from 2020
Expenditures	$1,800,861	-3%
	# of Incentives	**% Change from 2020**
Sign on Bonus	876	+39%
Security Deposit	549	+26%
Vacancy Loss Payment	21	+91%
Damage Mitigation	12	-8%
Total	**1,458**	**34%**

To expand fair housing services, LACDA contracts with the Housing Rights Center (HRC) and its subcontractors to provide fair housing services to County residents and meet the goals set forth in the County's fair housing strategic plan. During the pandemic, Community Development Block Grant-Coronavirus (CV) funds were utilized to expand Fair Housing services and services were shifted to a virtual format. The demand for fair housing services continues to rise and despite augmenting funding to include federal funding and other sources of funding, such as Affordable Housing Trust Funds, which are needed to continue the provision of services.[54]

In FY 2020-21, HRC directly assisted 2,458 residents with inquiries, 88 percent of which were for General Housing and 12 percent were for Discrimination, which led to the filing of 56 Fair Housing complaint cases. Eighty-eight (88 percent) of those served were extremely low-income and one in five were disabled or a senior. HRC exceeded their goals for outreach and education, engaging the community in workshops, booths, presentations and Walk-in Clinics, as well as Fair Housing Certification Trainings for landlords and property management. Demographics of residents served and the type of assistance provided since FY 2019 are in Figures 29 and 30.

FIGURE 29: TYPES OF HRC INQUIRIES, FY2019 - FY2021

FIGURE 30: DEMOGRAPHICS OF RESIDENTS SERVED IN FY2020- FY2021



[54] CDBG-CV funding is time limited and will end in FY2022-23.

LACDA Rental Subsidies

LACDA administers multiple voucher programs offering short- and long-term assistance and in 2021 reached more than 58,000 low-income individuals, veterans, people experiencing homelessness, transition-age youth, seniors, and disabled persons, as well as families through the Department of Children and Family Services (DCFS) Family Unification Program (see Table 24). Voucher allocations and household utilization of vouchers from 2017-21 is shown in Figure 31, and funding for tenant-based and project-based vouchers are shown in Figure 32. Tables 24 through 26 describe households that received rental subsidies in 2021 and those that are currently on the waitlist. Highlights include:

- The vast majority of the LACDA's voucher households (79 percent) are participants in the Housing Choice Voucher (Voucher) program (see Table 25);
- Households served by LACDA's voucher programs increased by two (2) percent from 2020-21 (see Figure 30);
- Veterans Affairs Supportive Housing (VASH) project-based assistance served 17 percent more individuals in 2021 than in 2020 and more than double the individuals in 2021 than in 2017;
- New admission into voucher programs increased by 49 percent from 2020 as LACDA implemented an aggressive lease up strategy to offset leasing reductions in previous years as a result of financial shortfalls (see Table 25); and
- The number of households on the Voucher program waiting list in 2021 declined eleven (11) percent from 2020 (see Table 26).

FIGURE 31: VOUCHERS ALLOCATED AND HOUSEHOLDS SERVED BY LACDA (2017-21)

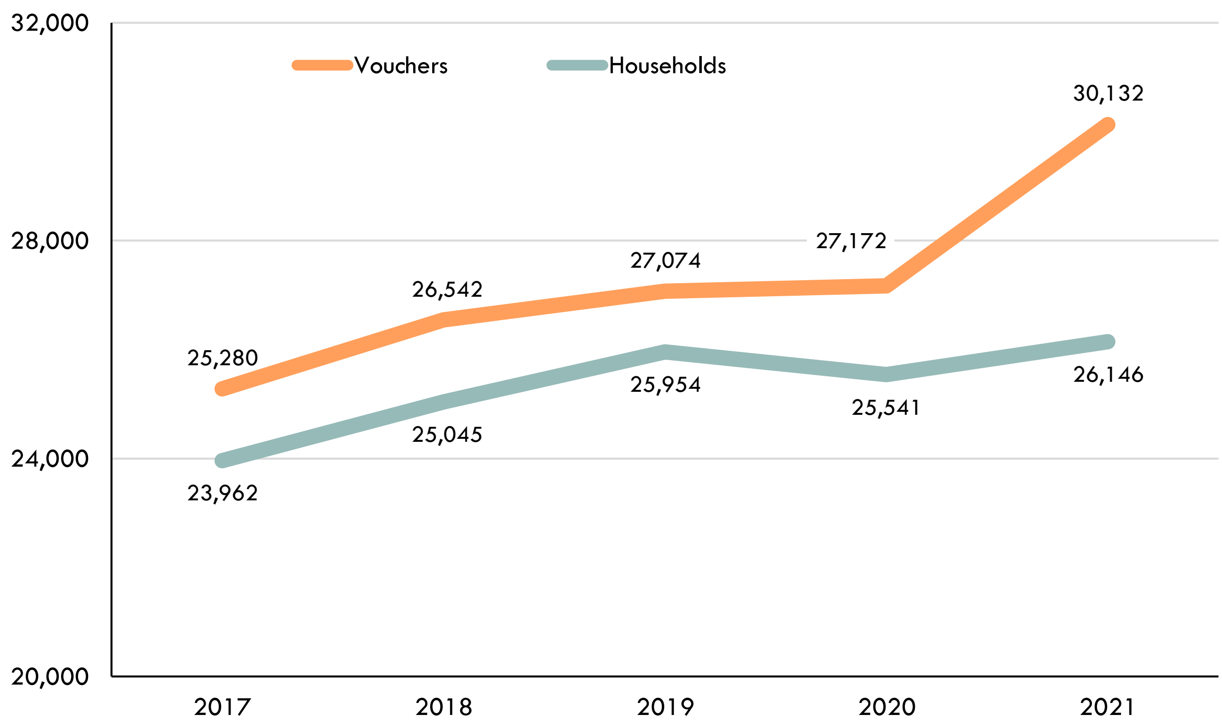


TABLE 24: TENANTS SERVED BY LACDA VOUCHER PROGRAMS* (2021)

	Vouchers Allocated	Households Served	Individuals Served	Avg. Monthly Cost per Household	Avg. Monthly Cost per Individual	Disabled Persons Served	Elderly Persons Served	Families with Children Served
Tenant Vouchers	23,252	20,588	48,571	$1,131	$479	11,862	9,445	7,325
Project-Based Vouchers	1,422	1,473	2,727	$1,038	$561	804	600	329
Tenant-Based VASH	2,972	1,748	2,691	$981	$637	809	840	261
Project-Based VASH	220	232	260	$860	$767	134	139	7
Tenant-Based CoC	1,813	1,676	2,734	$1,156	$709	1,717	440	331
Sponsor-Based CoC	68	60	115	$930	$485	63	16	25
Family Unification Vouchers	385	369	1,326	$1,134	$316	118	24	288
Total	**30,132**	**26,146**	**58,424**	**N/A**	**N/A**	**15,507**	**11,504**	**8,566**

**Turnover of voucher recipients may result in more than one household being in a given calendar year. Scarcity of affordable homes may cause a voucher to go unused. As a result, annual households served may not match annual allocation.*

TABLE 25: LACDA NEW ADMISSIONS* (2021)

	# of Households	% Change from 2020
Elderly	258	+137%
Disabled	520	+57%
Single-member Households	685	+80%
Families	469	+29%
Total	**1,154**	**+49%**

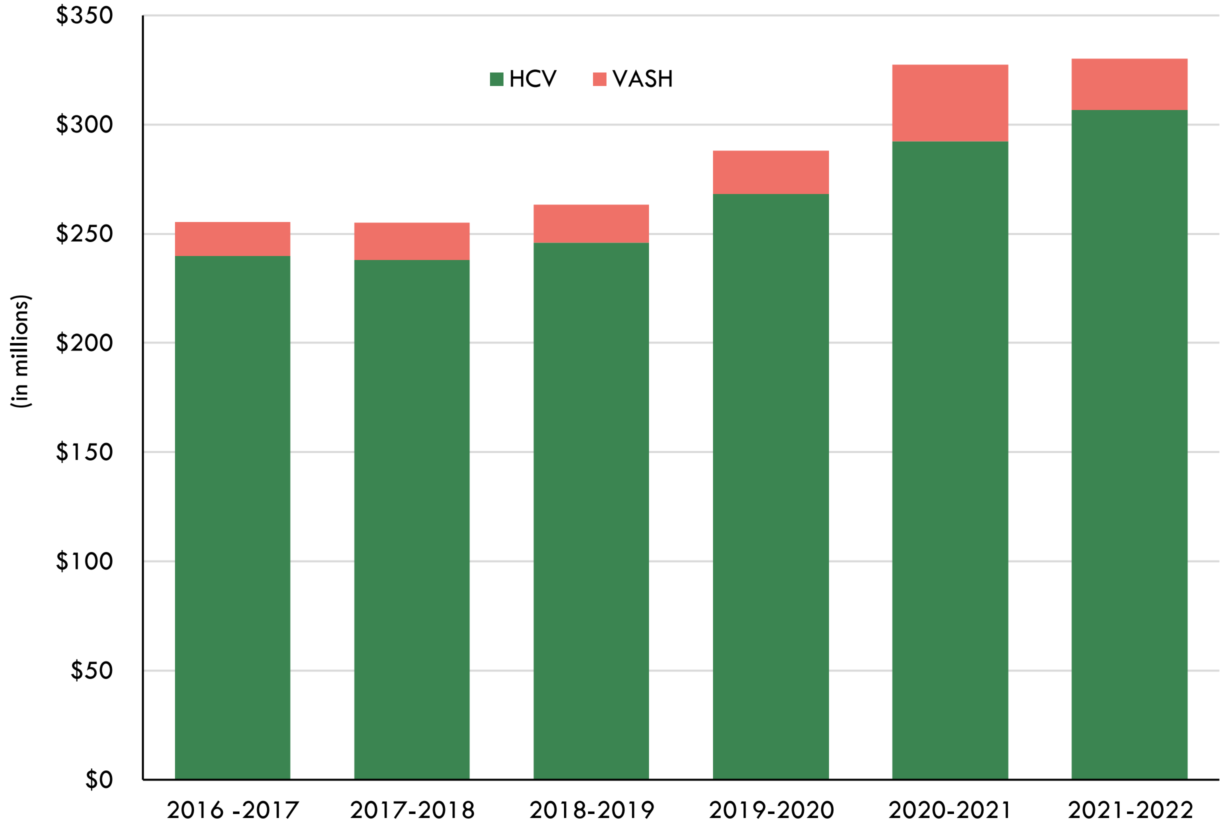
**Households can fall into more than one category so total will not sum.*

TABLE 26: LACDA VOUCHER WAITING LIST* (2021)

	# of Households	% Change from 2020
Elderly (Head of Households only)	7,509	-29%
Disabled (Head of Households only)	4,735	-16%
Disabled (Head of Households or Spouse)	9,025	-19%
Single-member Households	12,067	-16%
Families	21,177	-8%
Total	**33,244**	**-11%**

**Households can fall into more than one category so total will not sum.*

FIGURE 32: LACDA HCV AND VASH FUNDING (FY2016-FY2021)



Year*	Voucher Type	HCV	VASH	Total
2016-2017	Tenant-Based	$233,366,419	$14,993,038	**$248,359,457**
	Project-Based	$6,350,327	$630,468	**$6,980,795**
2017-2018	Tenant-Based	$230,003,318	$16,444,257	**$246,447,575**
	Project-Based	$7,867,888	$633,398	**$8,501,286**
2018-2019	Tenant-Based	$230,601,125	$16,615,407	**$253,216,532**
	Project-Based	$9,305,067	$821,806	**$10,126,873**
2019-2020	Tenant-Based	$258,078,380	$18,789,441	**$276,867,821**
	Project-Based	$10,175,218	$992,391	**$11,167,609**
2020-2021	Tenant-Based	$278,381,716	$2,856,395	**$281,238,111**
	Project-Based	$13,957,387	$32,095,499	**$46,052,886**
2021-2022	Tenant-Based	$287,734,403	$21,200,217	**$308,934,620**
	Project-Based	$18,899,560	$2,466,353	**$21,365,912**

**Funding period is from April to March of following year.*

Nearly 1,400 tenants exited from voucher programs in 2021 a 17 percent increase from 2020,[55] predominately due to an incrase in deaths, self-termination, and program violation. Reasons for exits include the following and are summarized in Table 27:

- The majority (89 percent) of exits from tenant- and project-based vouchers were the result of self-termination, the death of the tenant, or program violations;
- The number of voucher expirations declined significantly from 2020 due to HUD waivers that allowed public housing authorities, including LACDA, to extend the amount of time voucher holders have to find housing;
- The most common reason for exit from VASH was self-termination followed by termination due to program violations, a trend that has held true since 2017;[56] and
- Almost a third of CoC program participants who left the program in 2021 exited the program due to program violations, due to clients' non-response to annual reexaminations, abandonment of unit, and/or tenant housing quality inspection violations.

TABLE 27: LACDA TENANT REASONS FOR LEAVING VOUCHER PROGRAMS (2021)

	Voucher Program*	VASH Program*	CoC Program	Section 8 Family Unification Program
Deceased	426	45	35	1
End of Program	15	10	12	0
Ineligible for Program	0	0	0	0
Program Violation	267	61	30	5
Self-Termination	277	73	9	2
Voucher Expired**	2	0	9	1
Self-Sufficient	90	13	3	1
Total	**1,077**	**202**	**98**	**10**

**Reflects tenant- and project-based vouchers.*
***Voucher expires when voucher holders attempt to move and are unable to find new housing that was affordable and managed by landlords willing to accept vouchers within the time frame allowed by the LACDA.*

[55] In general, when households leave voucher programs, their vouchers remain in the program and become available to other households in need of rental assistance.
[56] Program violation is a general category that includes tenants who fail to submit their eligibility paperwork, are terminated due to causing excessive damage to their unit and failing to correct the unit's deficiencies or commit other such program violations.

Regional Housing Needs Allocation (RHNA)

For the Fifth Revision of the County's Housing Element, the Southern California Association of Governments (SCAG) allocated nearly 28,000 homes to unincorporated areas of the County. Forty-three percent of the homes to be built during the Fifth Housing Element Cycle (2014-21) must be affordable to those earning 80 percent or less of Area Median Income (AMI). By the end of housing element cycle in 2021, the County had met 32 percent of its RHNA allocation, a majority of which was housing intended for above moderate-income households. See Figure 33 and Table 28 for the number of homes that have been permitted in each income group since 2014 in the County.

FIGURE 33: RHNA PERMITS ISSUED DURING FIFTH HOUSING ELEMENT CYCLE

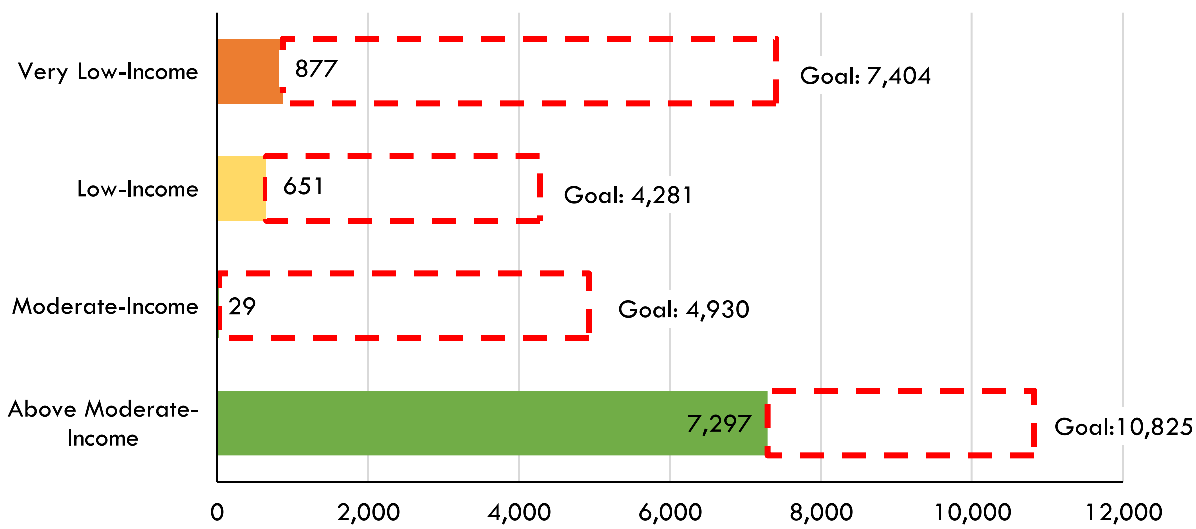


TABLE 28: PROGRESS ON 5TH HOUSING ELEMENT CYCLE RHNA (2014-21)*

Income Level	RHNA Allocation**	Total Units Permitted 2014-2021	% of RHNA Met
Very Low	7,404	877	12%
Low	4,281	651	15%
Moderate	4,930	29	1%
Above Moderate	10,825	7,297	67%
Total	**27,440**	**8,854**	**32%**

**This table does not include permits issued during the sixth cycle, which began on October 15, 2021.*

***The County RHNA allocation was adjusted due to the annexation of unincorporated territory by the City of Santa Clarita, the City of Glendale, and the City of Palmdale..*

Department of Health Services

The County's Department of Health Services (DHS) Housing for Health (HFH) division provides housing and supportive services to homeless clients with physical and/or behavioral health conditions, high utilizers of County services, and other vulnerable populations. This section of the Report includes information on HFH's permanent supportive housing and rapid re-housing programs, including the Breaking Barriers rapid rehousing program. In addition, the tables below include clients served on behalf of the Office of Diversion and Reentry, which leverages HFH's infrastructure to provide permanent supportive housing to individuals exiting the criminal justice system. In part, the programs are supported by the Flexible Housing Subsidy Pool (FHSP).

Permanent supportive housing, the cornerstone of HFH approach, includes decent, safe, and affordable housing linked to Intensive Case Management Services (ICMS). These on-site or roving field-based supportive services, along with access to medical and behavioral health care, are integral to achieving housing stability, improved health status, and greater levels of independence and economic security. ICMS is client-centered and employs a "whatever it takes approach" to assist clients in their transition from homelessness to permanent housing.

In February of 2014, HFH launched the FHSP, a new and innovative way to provide rental subsidies in the County, operated by the nonprofit partner, Brilliant Corners and designed to provide rental subsidies in a variety of housing settings, including project-based and scattered-site housing. The FHSP was designed so that other funders, including other County departments, would be able to add funds to serve clients that they prioritize for housing. Within the County, funding for the FHSP currently comes from DHS, the Department of Mental Health, the Probation Department, the Homeless Prevention Initiative, the CEO's Homeless Initiative (CEO-HI), and from the Board. Funding for the FHSP originally came from multiple County departments, including DHS, DMH, Probation Department, Sherriff's, the CEO's Homeless Initiative (including a significant amount of Measure H and Homeless Prevention Initiative funding), LA Care, Whole Person Care, the Department of Public and Social Services, the California Department of Social Services, and the Board. The initial multi-agency approach has evolved, and FHSP's current funding stream comes primarily from Measure H via the CEO-HI and general fund appropriations by the Board.

The Office of Diversion and Reentry (ODR) was created by the Board in September 2015 to develop and implement county-wide criminal justice diversion for persons with mental and/or substance use disorders and to provide reentry support services. ODR is another division within DHS that focuses on permanent supportive housing and Higher Levels of Care for their clients. The goals of ODR include reducing the number of mentally ill inmates in the County Jails, reducing recidivism, and improving the health outcomes of justice involved populations who have the most serious underlying health needs.

Tables 29 through 35 and Figures 34 through 37 provide a summary of DHS's housing subsidies and services and demographics of individuals connected to housing subsidy and/or services. Highlights include:

- The DHS permanent housing program provided housing subsidies and services to more than 21,000 individuals in 2021, a 12 percent increase from 2020 (see Table 31);

- DHS newly connected 5,393 individuals with housing subsidies and services in 2021 (see Table 31);
- Thirty-seven (37) percent of rental subsidies used to house individuals in the DHS permanent housing program are federal vouchers from the Housing Authority of the City of Los Angeles (HACLA) and thirty-six (36) percent of rental subsidies are from the Flexible Housing Subsidy Pool (FHSP) (see Table 32); and
- Increases in FHAP and LACDA project based vouchers in 2021 are a result of a high number of project based units which finished construction in 2021.

TABLE 29: DHS HOUSING FOR HEALTH BUDGETS (FY2021)

	Amount*	% Change from FY2020
Permanent Supportive Budget	$132,821,920	+2%
Enriched Residential Care (DHS) – BC ERC	$14,210,000	N/A
Rapid Re-Housing Budget	$2,833,810	-58%**

**Estimated budget amounts.*

***DHS has stopped taking on additional rapid rehousing clients as of summer 2020 to work towards transitioning existing rapid rehousing clients to independence, permanent housing subsidies, or on to more appropriate low-acuity program administered through LAHSA rather than DHS. Housing for Health's program ended in June 2021, and DHS now only serves a smaller group of clients in rapid rehousing thtough the Office of Diversion and Reentry.*

FIGURE 34: DHS HOUSING FOR HEALTH BUDGETS (FY2017- FY2021)

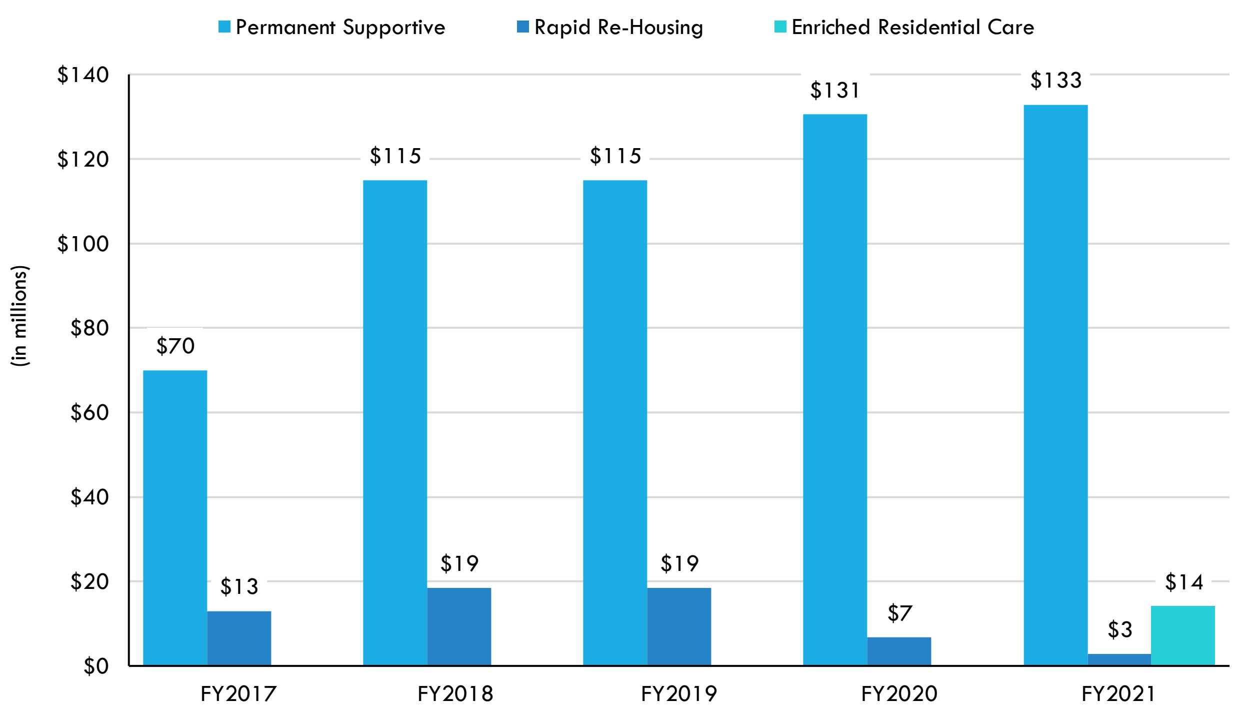


TABLE 30: DHS HOUSING FOR HEALTH AVERAGE COST PER TENANT* (FY 2021)

Forms of Assistance	Amount	% Change from FY2020
Permanent Supportive Housing (local voucher)[**]	**$28,032**	**+5%**
Rent Subsidy[***]	*$19,332*	*+8%*
Tenancy Support Services	*$3,300*	*0%*
Intensive Case Management Services	*$5,400*	*0%*
Permanent Supportive Housing (federal voucher)	**$5,400**	**0%**
Intensive Case Management Services	*$5,400*	*0%*
Rapid Re-Housing	**$23,100**	**-4%**
Rent Subsidy	*$14,400*	*-6%*
Tenancy Support Services	*$3,300*	*0%*
Intensive Case Management Services	*$5,400*	*0%*

**Does not include upfront move in costs.*
***Average cost per tenant takes intensive case management services, rental subsidy, and rental subsidy admin cost into consideration.*
****Rent subsidies not covered by LA County for federal voucher holders.*

TABLE 31: DHS HOUSING FOR HEALTH PROGRAM

	# of Individuals	% Change from 2020
Total Number of Individuals Connected to Housing Subsidy and/or Services in 2021	**21,194**	**+12%**
Permanent Supportive	*20,944*	*+13%*
Rapid Re-Housing[*]	*250*	*-35%*
Number of Individuals Newly Connected to Housing Subsidy and/or Services in 2021	**5,393**	**+4%**
Permanent Supportive	*5,339*	*+2%*
Rapid Re-Housing[*]	*54*	*N/A*
Number of Individuals Projected to Serve in in 2022	**24,261**	**+14%**
Permanent Supportive	*24,086*	*+13%*
Rapid Re-Housing[*]	*175*	*N/A*

**DHS has stopped taking on additional rapid rehousing clients as of summer 2020 to work towards transitioning existing rapid rehousing clients to independence, permanent housing subsidies, or on to more appropriate low-acuity program administered through LAHSA rather than DHS. Housing for Health's program ended in June 2021, and DHS now only serves a smaller group of clients in rapid rehousing thtough the Office of Diversion and Reentry.*

TABLE 32: RENTAL SUBSIDIES IDENTIFIED FOR DHS CLIENTS* (2021)

		# of Rental Subsidies	% of Subsidies	% Change from 2020
Flexible Housing Subsidy Pool (FHSP)	Tenant	6,074	29%	-11%
	Project-Based	1,439	7%	+59%***
HACLA**	Tenant	3,201	15%	+27%
	Project-Based	4,654	22%	+20%
LACDA**	Tenant	3,241	15%	+29%
	Project-Based	982	5%	+63%***
Housing Authority of the City of Long Beach**	Tenant	103	0.5%	-6%
	Project-Based	177	1%	+15%
Other Public Housing Authorities and HUD**	Tenant	71	0.3%	+109%****
	Project-Based	179	1%	+3%
MHSA Trust Fund	Tenant	0	0%	0%
	Project-Based	268	1%	-2%
LAHSA	Tenant	407	2%	+2%
	Project-Based	170	1%	-4%
Other County Resources	Tenant	2	0.01%	-95%*****
	Project-Based	0	0%	0%
ICMS Services Only	Tenant	0	0%	-100%
	Project-Based	0	0%	-100%
Total		**20,968**	**100%**	**+11%**

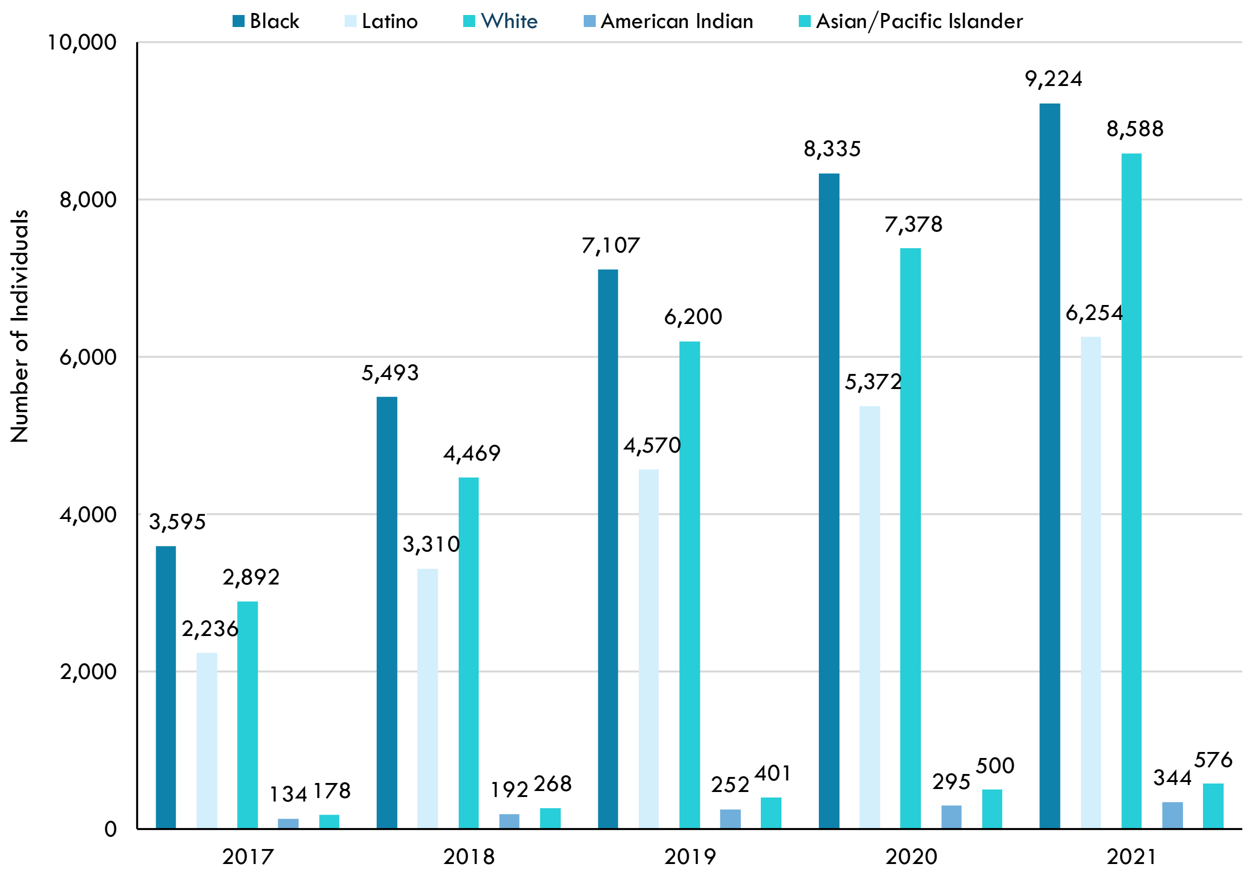
This table represent new and existing Housing for Health Clients in 2020. Inclusive of all Housing for Health rental subsidies.
***Federal vouchers.*
****FHSP project-based vouchers increased due to the high number of project based units which finished construction in the last year.*
*****Additional tenant based voucher were made available by smaller housing authorities across the County, primarily Santa Monica, Pasadena, and Norwalk.*
******Improved data quality and a decrease in unique circumstances, such as transitioning from a Board and Care, were less common in 2021 than in 2020.*

TABLE 33: RACE/ETHINICTY* OF HOUSING FOR HEALTH CLIENTS (2021)

	# of Individuals	% Change from 2020
Black	9.224	+11%
Latino	6,254	+16%
White	8,588	+16%
American Indian	344	+17%
Asian/Pacific Islander	576	+15%
Unknown	1,142	+13%
Other	1,320	-2%

**Clients may identify with more than one category. Therefore, the sum or each row will not equal the total number of individuals served.*

FIGURE 35: RACE/ETHINICTY* OF HOUSING FOR HEALTH CLIENTS (2017-21)

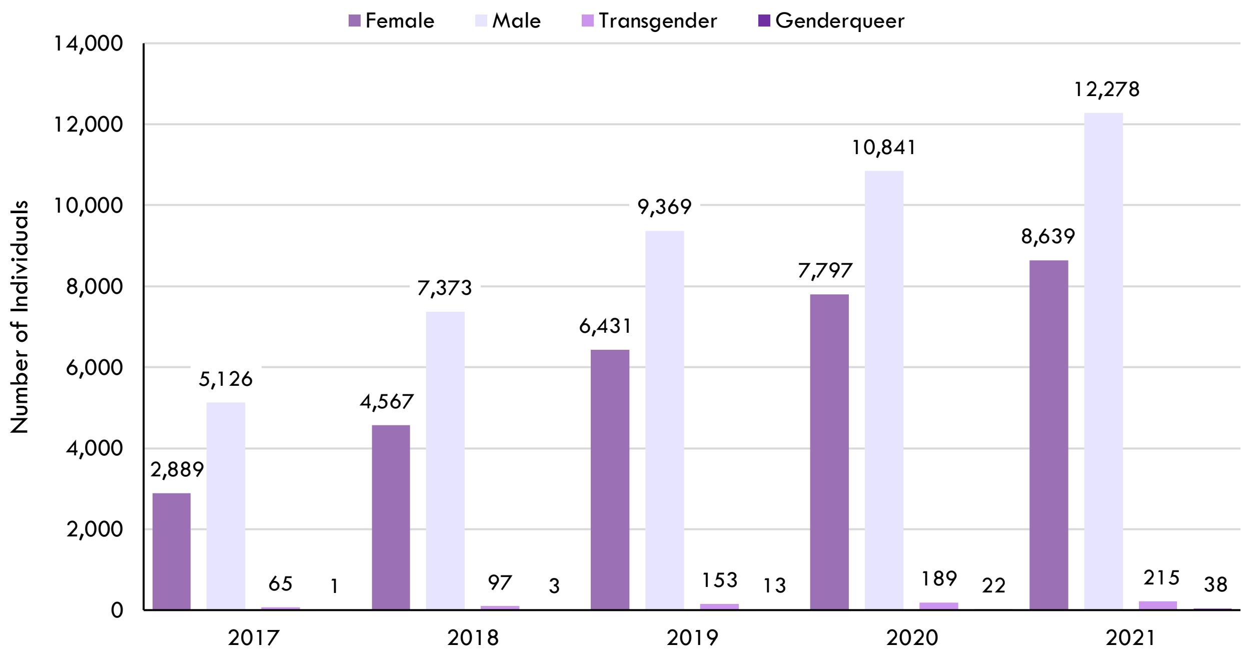


**Total number of individuals connected to housing subsidy and/or services in each calendar year. Clients may identify with more than one category. Individuals where race/ethnicity was not identified are not represented.*

TABLE 34: GENDER OF HOUSING FOR HEALTH CLIENTS (2021)

	# of Individuals	% Change from 2020
Female	8,639	+11%
Male	12,278	+13%
Transgender	215	+14%
Genderqueer	38	+73%
Unknown	24	+50%

FIGURE 36: GENDER OF HOUSING FOR HEALTH CLIENTS (2017-21)*

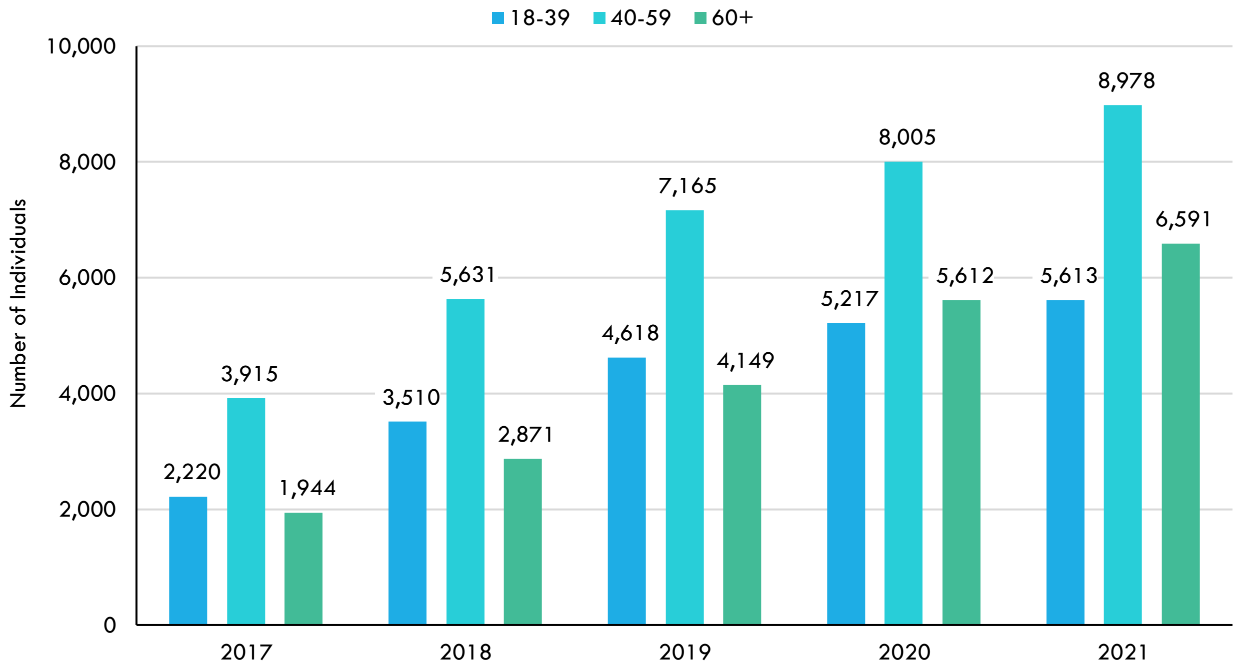


Total number of individuals connected to housing subsidy and/or services in each calendar year. Individuals where gender was not identified are not represented.

TABLE 35: AGE CATEGORIES OF HOUSING FOR HEALTH CLIENTS (2021)

	# of Individuals	% Change from 2020
18-29	2,141	-0.3%
30-39	3,472	+13%
40-49	3,530	+15%
50-59	5,448	+10%
60-69	5,096	+17%
70+	1,495	+20%
Unknown	12	-61%

FIGURE 37: AGES OF HOUSING FOR HEALTH CLIENTS (2017-21)*



**Total number of individuals connected to housing subsidy and/or services in each calendar year. Individuals where age was not identified are not represented.*

Department of Mental Health

DMH Permanent Supportive Housing

Since the 1990s, DMH has continued to grow its Permanent Supportive Housing (PSH) inventory for individuals who are homeless and have a serious mental illness. The current inventory includes affordable housing through five key sources: Mental Health Services Act (MHSA) Capital Investment Program, Capitalized Operating Subsidy Reserve (COSR), Federal Housing Subsidy Unit Program, Legacy Flexible Housing Subsidy Pool Program and Housing for Mental Health Program (see Table 36 below).

TABLE 36: SUMMARY OF HOUSEHOLDS SERVED IN DMH PERMANENT SUPPORTIVE HOUSING (2021)

	Households	% Change from 2020
Total Number of Households Currently Served*	4,378	+17%

Race	
American Indian	83
Asian	68
Black or African American	2,228
Native Hawaiian or Pacific Islander	31
White	1,727
More than One Race or Other	107
Unknown	134

Gender	
Female	2,205
Male	2,118
Queer	2
Transgender	29
Other/Unknown	24

Age	
<18	4
18 - 59	3,060
60+	1,303
Unknown	11

Ethnicity	
Hispanic/Latino	965
Non-Hispanic/Latino	3,298
Unknown	115

**Number of households served by MHSA Capital Investment Program, Housing Subsidy Unit Program, Flexible Housing Subsidy Pool Program, and the Housing for Mental Health Program.*

The following are descriptions of each program and the people they serve.

MHSA Capital Investment Program – Permanent Supportive Housing

Since 2008, DMH has invested approximately $662 million in the capital development of PSH that targets homeless individuals with serious mental illness through five MHSA-funded programs: MHSA Housing Program, Local Government Special Needs Housing Program (SNHP), Mental Health Housing Program (MHHP), Alternative Housing Model Program and the No Place Like Home (NPLH) Program. DMH and its network of mental health agencies also provide mental health services to the individuals in MHSA-funded and non-MHSA-funded units. Through the resulting partnerships with developers, on-site service providers and property management companies, DMH has been able to significantly increase the inventory of affordable housing that is available to clients who are homeless and their families.

Of the $665 million invested by DMH, $155 million has gone into the MHSA Housing Program and SNHP, which are administered by the California Housing Finance Agency (CalHFA). DMH invested an initial $50 million in 2017 and additional $65 million in 2018 in the MHHP and Alternative Housing Model Program, which is administered by the LACDA. This large infusion of funding and partnership with LACDA was a bridge to the NPLH program, which was implemented in 2019. NPLH, which is also administered locally by LACDA, is estimated to bring approximately $700 million to the County for the development of PSH units restricted to individuals who are homeless and have a serious mental illness. In FY 2018-19, LACDA released a NOFA making $230 million of the NPLH funds available. However, in response to unexpectedly high demand, LACDA committed $450 million to fund all applications that met the eligibility threshold. After adjusting for projects failing to move forward and those reducing their funding requests, a total of $390 million is currently committed through the first NPLH NOFA. The increase in funding through the 2018-19 NPLH NOFA resulted in there being no available funding for FY2019-20. However, LACDA released a second NOFA with $50 million of NPLH funds in October 2020, and funding announcements took place in early 2021 resulting in 15 additional NPLH assisted developments. The County has reserved $100 million of the NPLH funds to develop PSH as part of the Restorative Care Villages on the hospital campuses. The first Request for Proposals (RFP) for $20 million to develop PSH on the campus of LAC-USC was released on October 19, 2021. Proposals were due on December 22, 2021 and at the time of this writing were still in the process of being reviewed. It is expected that up to 120 additional NPLH units will be developed as a result of this NOFA.

Through its MHSA Capital Investment Program, DMH has funded a total of 146 developments resulting in 3,929 affordable supportive units for individuals who are homeless and have a serious mental illness. Of the 146 funded developments, 60 were operating and occupied as of December 31, 2021 providing 1,309 units of permanent housing. Table 37 and Figures 38 through 40 reflect DMH's capital investments in affordable housing in 2021. Items of note include:

- DMH has invested in more than 9,600 affordable homes, of which 3,929 are affordable supportive homes (see Figure 38);
- A total of 364 affordable supportive units opened in 2021 (see Figure 39).

TABLE 37: DMH CAPITAL INVESTMENTS (2021)

	Amount	Change from 2020
2021 Capital Budget	$156,562,166	+213%
Avg. Subsidy per Home for Supportive Housing (Permanent Financing)*	$169,565	N/A

**The average cost per unit was calculated using data from DMH's entire portfolio of capital investment*

FIGURE 38: DISTRIBUTION OF DMH FUNDED AFFORDABLE SUPPORTIVE HOMES BY SD

SD*	Developments**	Affordable Homes	Affordable Supportive Homes***
SD 1	36	2,932	1,163
SD. 2	51	3,213	1,383
SD. 3	29	1,582	675
SD 4	18	1,227	394
SD 5	12	720	214
County	**146**	**9,674**	**3,929**

Supervisorial District (SD) designations reflect updated boundaries adopted December 15, 2021.
***Includes developments not yet placed in service.*
**This is a subset of the number of affordable homes.*

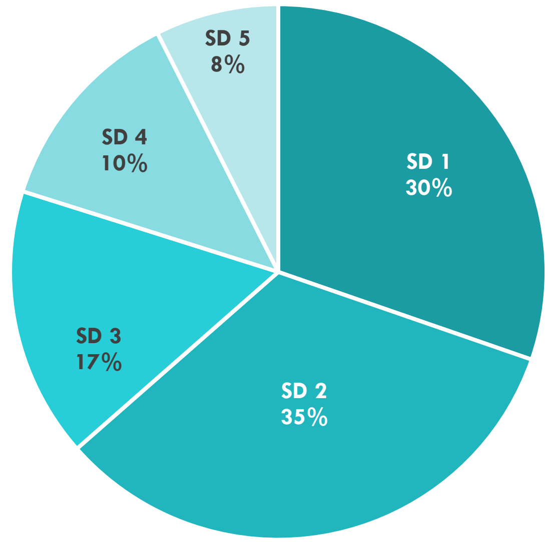


FIGURE 39: DMH-FUNDED AFFORDABLE SUPPORTIVE HOMES BY YEAR OPENED (2018-21)

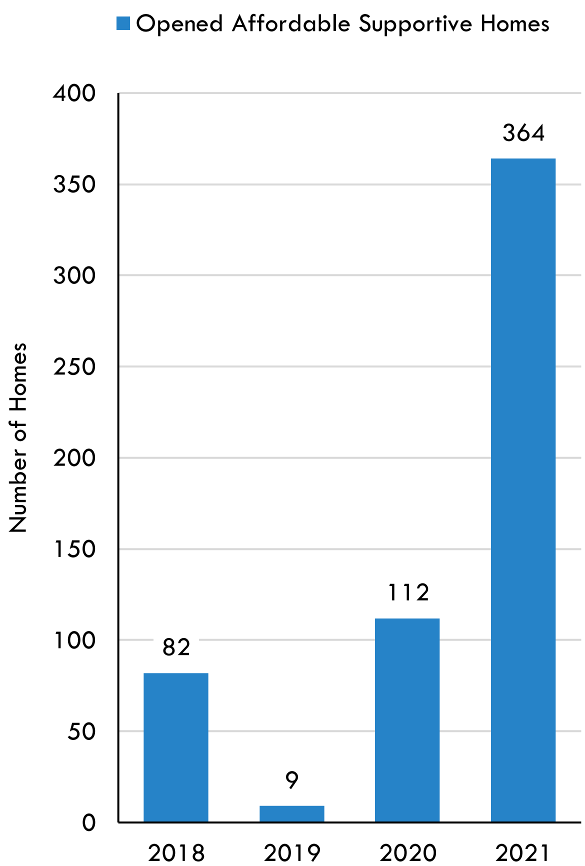
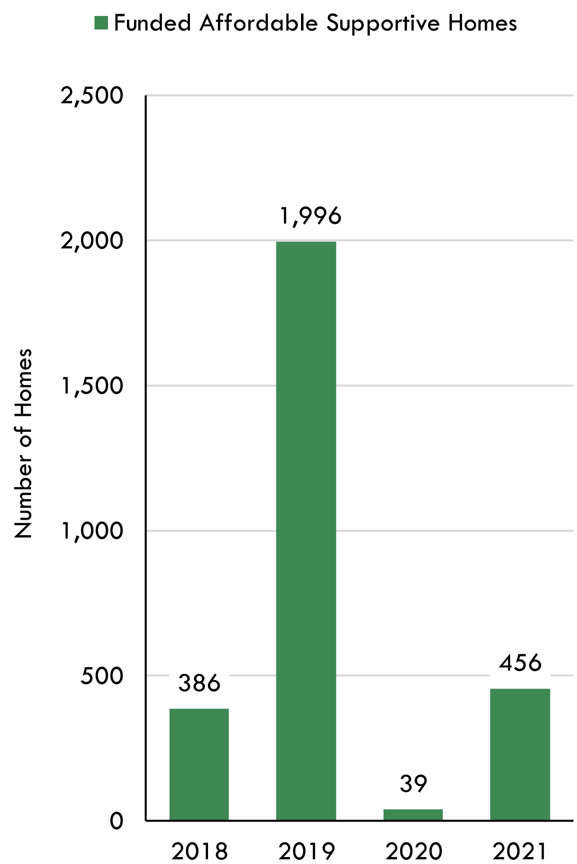


FIGURE 40: DMH-FUNDED AFFORDABLE SUPPORTIVE HOMES BY YEAR FUNDED (2018-21)



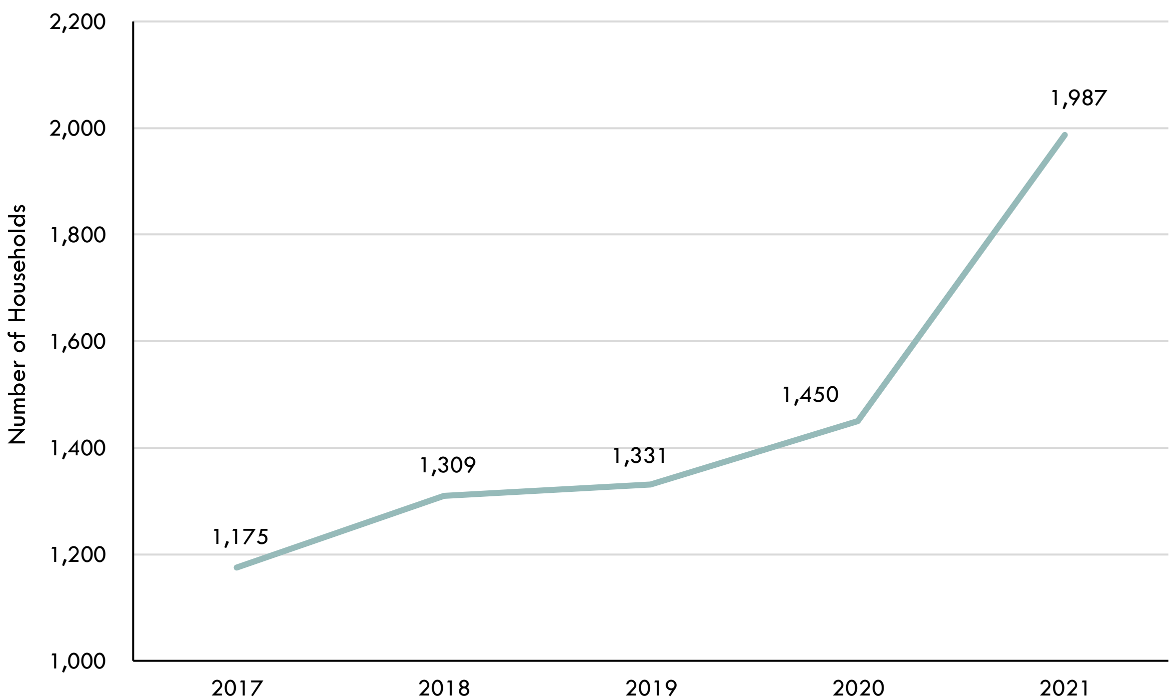
Tables 38 and 39 and Figures 41 through 44 show the impact of DMH's capital investment program in 2021. Items of note include:

- The total number of households currently housed increased 37 percent from 2020 (Table 38);
- Individuals ages 26-59 have made up the majority of those placed in DMH's Capital Investment Program PSH units since 2018 (see Figure 42); and
- Black or African American households have made up 45 percent or more of those served since 2016 (see Figure 44).

TABLE 38: HOUSEHOLDS IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING (2021)

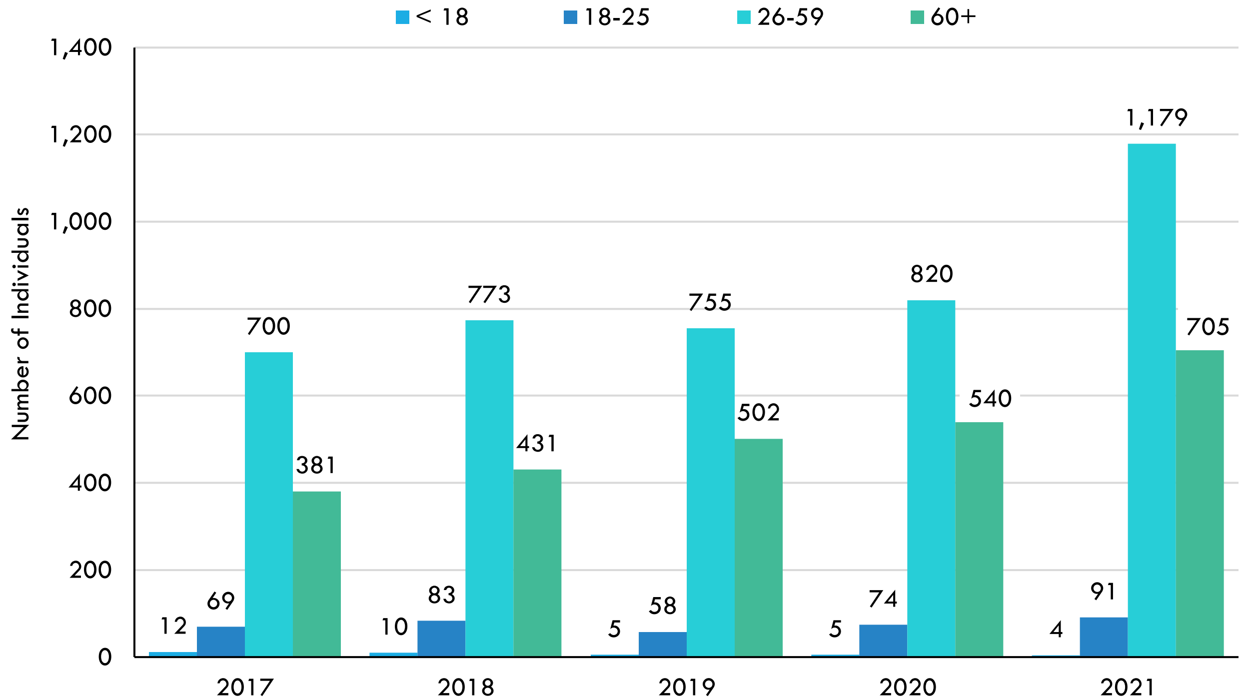
	# of Households	% Change from 2020
Total Number of Households Currently Housed	1,987	+37%
Number of Households Newly Housed	429	+85%
Total Number of Individuals Currently Housed	2,355	N/A
Number of Individuals Newly Housed	443	N/A

FIGURE 41: HOUSEHOLDS* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING (2017-21)



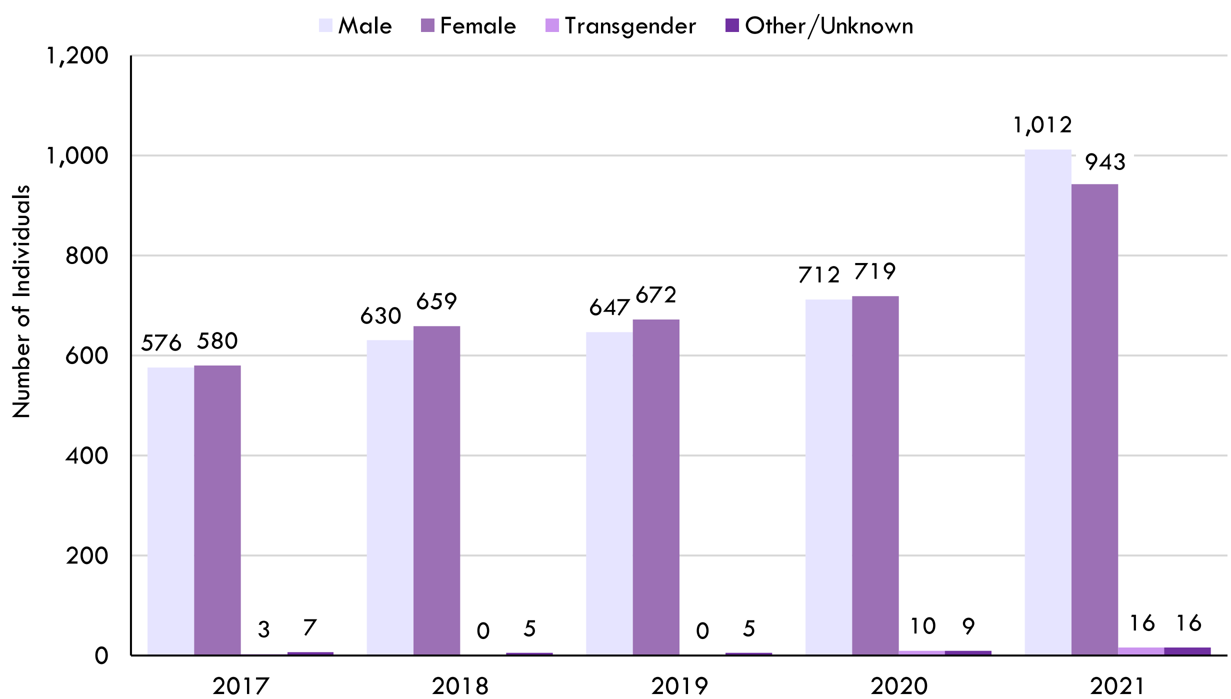
Total number of households housed in each calendar year. Some households may be represented in multiple years.

FIGURE 42: AGE OF HEAD OF HOUSEHOLD* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING (2017-21)



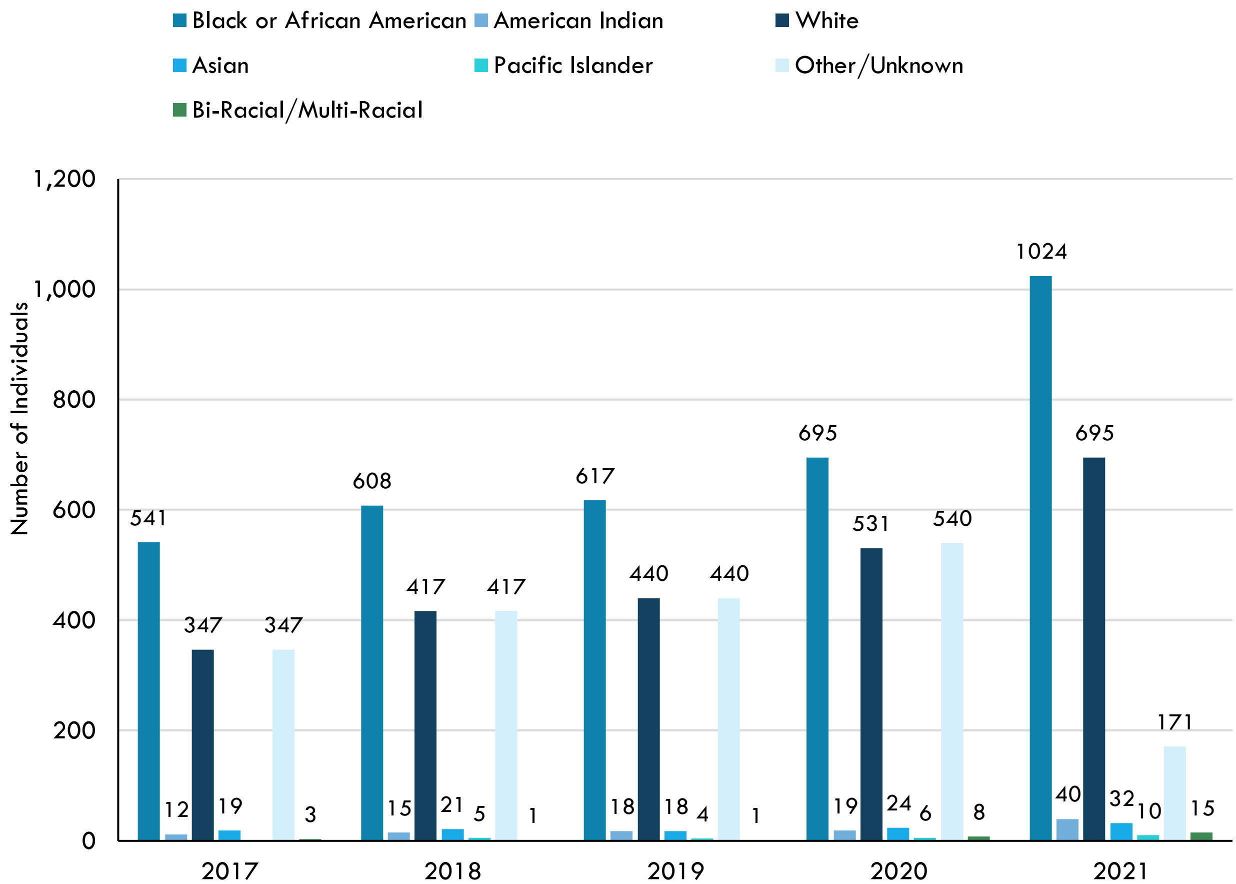
Total number of households housed in each calendar year. Some households may be represented in multiple years. Households where head of households' age was not identified are not represented.

FIGURE 43: GENDER OF HEAD OF HOUSEHOLD* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING (2017-21)



Total number of houeholds housed in each calendar year. Some households may be represented in multiple years.

FIGURE 44: RACE OF HEAD OF HOUSEHOLD* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING BY PROPORTION (2017-21)



Total number of households housed in each calendar year. Some households may be represented in multiple years. No heads of household identified as Pacific Islander in 2017.

TABLE 39: ETHINICITY OF HEAD OF HOUSEHOLD* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM – PERMANENT SUPPORTIVE HOUSING (2021)

	# of Households
Hispanic/Latino	408
Non-Hispanic/Latino	1,475

**Total number of householdss housed in each calendar year. Some households may be represented in multiple years. Households where head of households' ethnicity was not identified are not represented.*

MHSA Capitalized Operating Subsidy Reserve

The Capitalized Operating Subsidy Reserve (COSR) is an operating subsidy used in conjunction with designated MHSA-funded PSH units. The purpose of the COSR is to ensure the break-even operation of these PSH units by funding the difference between approved operating expenses and tenant rents for the duration of the initial financing period of 15-20 years. The MHSA Housing Program allowed one-third of the initial allocation of program funds to be used for COSR. COSR funds are set aside at loan closing and are held by CalHFA. COSR was available under the MHSA Housing Program and SNHP. To date, the County has elected not to use NPLH dollars to fund COSR.

The COSR funds are disbursed annually by CalHFA after reviewing the development's operating costs. However, the disbursements are not automatic and the request for disbursement must be initiated by the developer based on actual expenses. During calendar year 2021, eight of the eleven developments with COSR requested a disbursement to make the units affordable for the target population. The other developments subsidized the unit with COSR from a previous disbursement or with existing cashflow. By subsidizing the units with cashflow, this action extends the life of the exiting COSR. When CalHFA announced the ending of the SNHP Program at the end of 2018, DMH elected to distribute uncommitted capital funds to replenish the current COSR accounts to ensure continued affordability for an additional 10 to 15 years. Tables 40 through 42 and Figures 45 through 49 describe the impact of the MHSA subsidy in 2021. Items of note include:

- The 70 percent decrease in requested COSR funding from 2020-21 is indicative of owners having sufficient cashflow or subsidies from other sources that they are able to defer drawing down their COSR allocations (see Table 40);
- Sixty (60) percent of the COSR recipients are under the age of 60 (see Figure 45); and
- Black or African American participants have made up the majority of COSR recipients since 2017 (see Figure 49).

TABLE 40: DMH MHSA COSR PROGRAM EXPENDITURES AS REQUESTED BY DEVELOPERS (2021)

	Amount	% Change from 2020
Funds Utilized	$361,384	-70%
Average Cost per Tenant	$1,746	-71%

FIGURE 45: DMH MHSA COSR PROGRAM EXPENDITURES AS REQUESTED BY DEVELOPERS (2017–21)

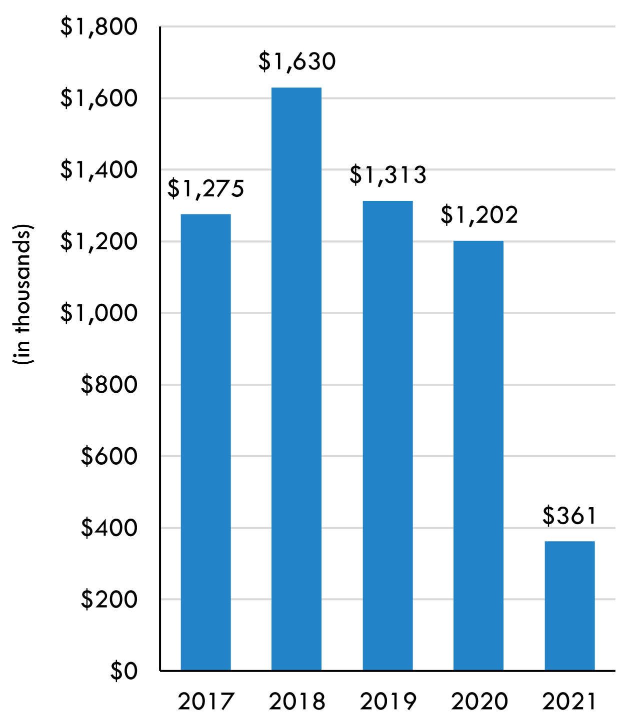


TABLE 41: DMH MHSA COSR SUBSIDIZED HOUSEHOLDS

	# of Households	% Change from 2020
Total Recipients Housed in 2021	233	+1%
Newly Housed Recipients Housed in 2021	19	-27%
Projected Turnover of Recipients in 2022	25	-4%

FIGURE 46: DMH MHSA COSR UTILIZATION (2017-21)

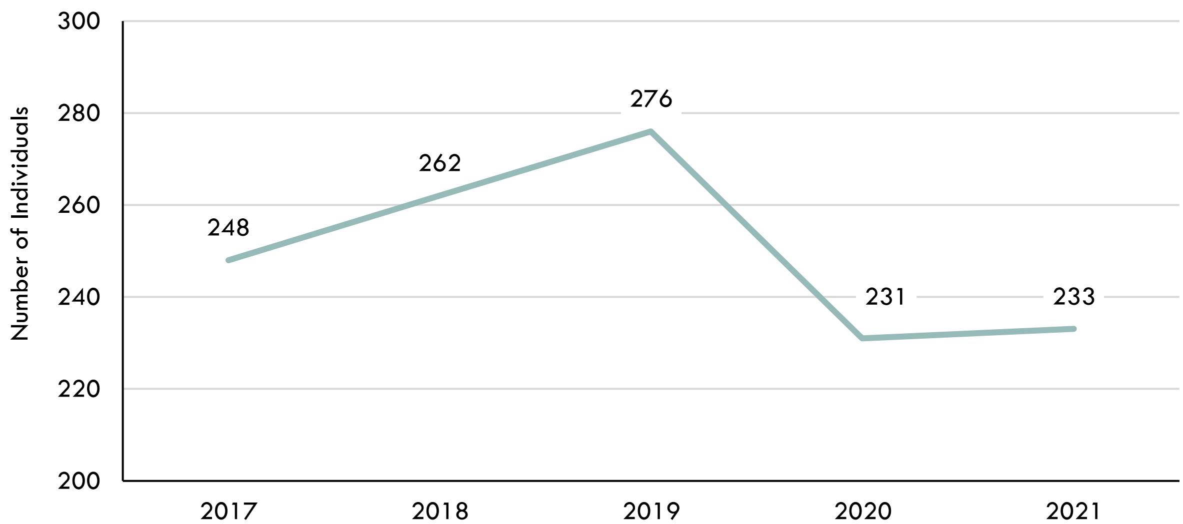
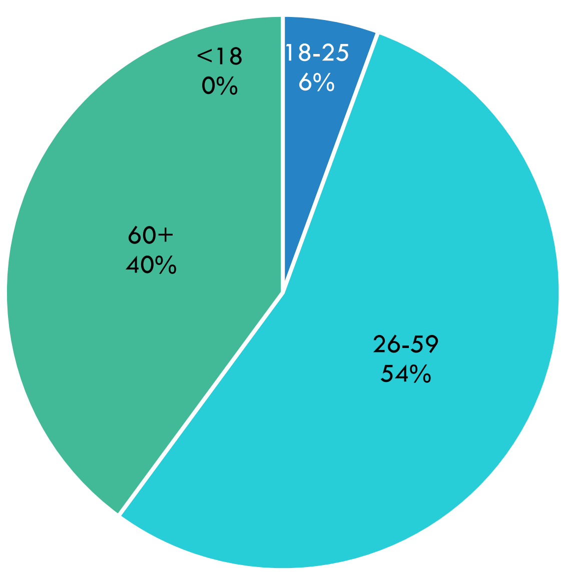
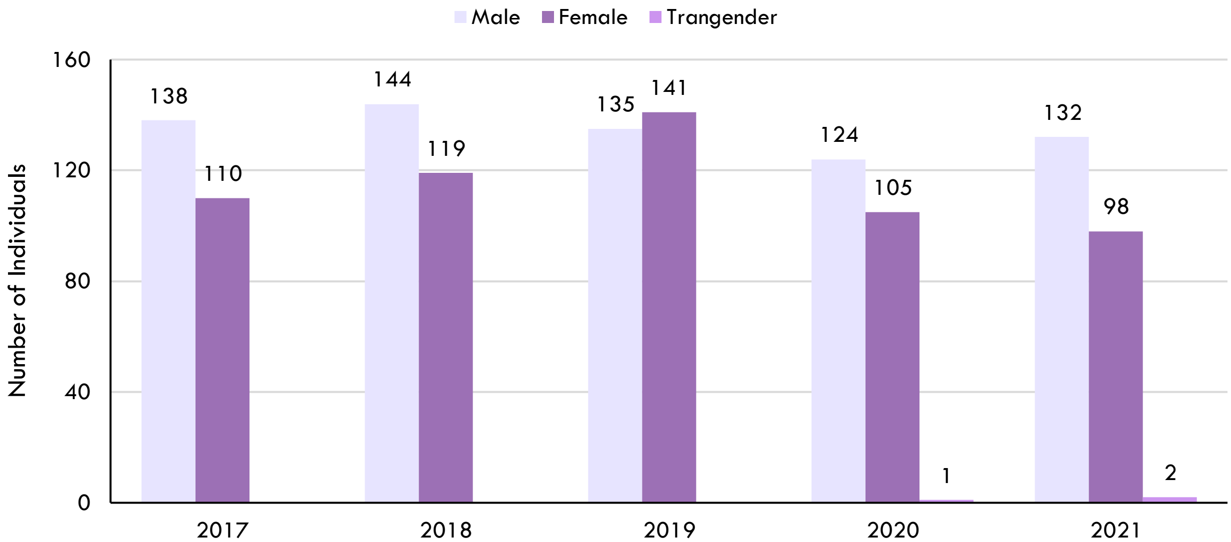


FIGURE 47: AGES OF DMH MHSA COSR RECIPIENTS (2021)



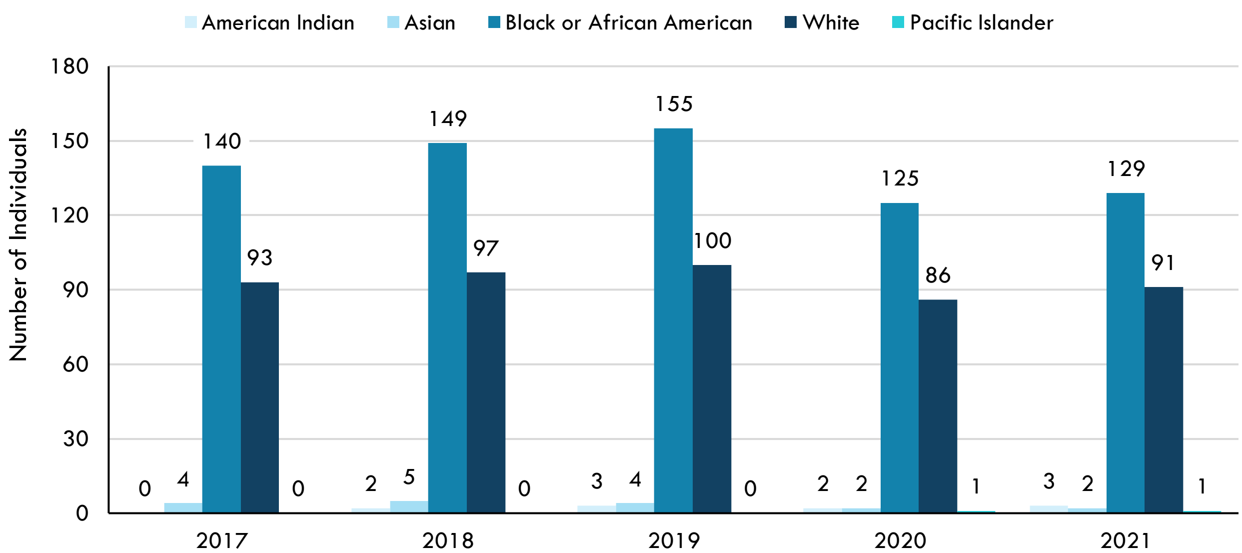
Age Categories	# of Individuals
< 18	0
18-25	13
26-59	127
60+	93

FIGURE 48: GENDER OF DMH MHSA COSR RECIPIENTS* (2017-21)



Total number of recipients in each calendar year. Some individuals may be represented in multiple years. Individuals where gender was not identified are not represented.

FIGURE 49: RACE OF RECIPIENTS IN IN DMH MHSA COSR RECIPIENTS* (2017-21)



Total number of recipients housed in each calendar year. Some individuals may be represented in multiple years. Individuals where race was not identified are not represented.

TABLE 42: ETHINICITY OF RECIPIENTS IN IN DMH MHSA COSR RECIPIENTS* (2021)

	# of Households
Hispanic/Latino	45
Non-Hispanic/Latino	180

Total number of recipients housed in each calendar year. Some individuals may be represented in multiple years. Individuals where ethnicity was not identified are not represented.

Federal Housing Subsidy Unit Program

Funded through 15 contracts with the City and County Housing Authorities and two (2) contracts in which DMH partners with the Department of Health Services (DHS) DMH's Federal Housing Subsidy Unit (FHSU) Program provides clients access to federal tenant-based PSH subsidies such as Continuum of Care (CoC), Tenant Based Supportive Housing (TBSH), and Homeless Section 8 (HS8).[57] Federal subsides make units affordable by allowing clients to pay a limited percentage of their income as rent, with the balance paid to the property owner by the Housing Authority.

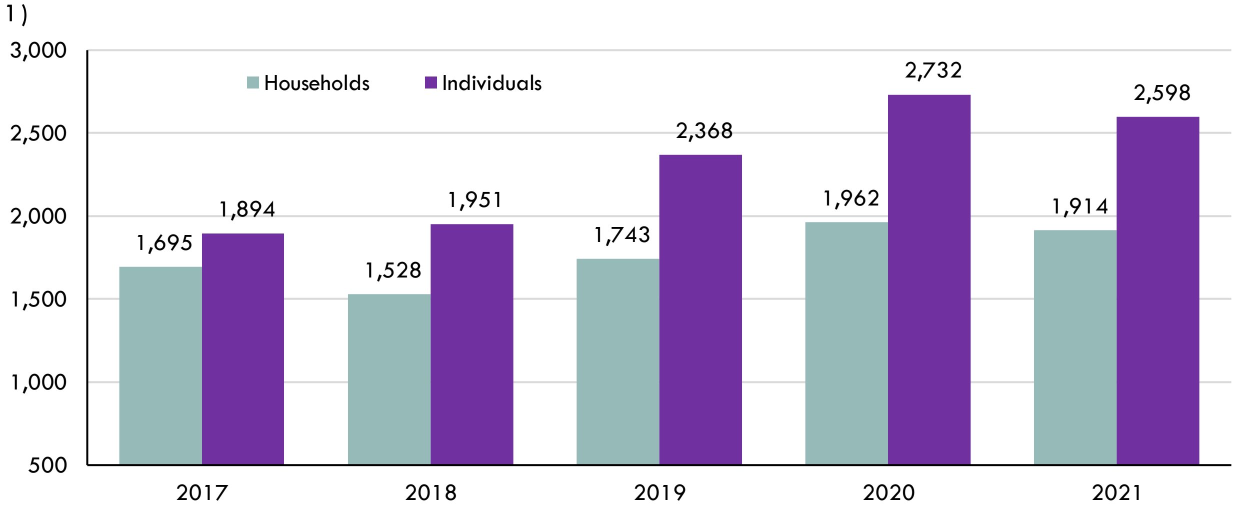
A summary of FHSU Program outcomes and demographics is shown in Tables 43 through 49 and Figures 50 through 52. Items of note in 2021 include:

- Nearly 2,600 individuals are currently housed under the FHSU Program, which is 134 fewer individuals than in 2020.[58] Newly housed individuals total 395 (see Table 43);
- More than half of FHSU Program clients are people of color (see Table 47 and Figure 52); and
- Seven out of ten rental subsidy recipients are between the ages of 40 and 69 (see Table 45).

TABLE 43: DMH FEDERAL HOUSING SUBSIDY UNIT PROGRAM (2021)

	# of Households/Individuals	% Change from 2020
Total Number of Households Currently Housed	1,914	-2%
Total Number of Individuals Currently Housed	2,598	-5%
Number of Households Newly Housed	246	-25%
Number of Individuals Newly Housed	395	-9%

FIGURE 50: CURRENTLY HOUSED HOUSEHOLDS AND INDIVIDUALS IN FHSU PROGRAM (2017-21)



[57] Client data for the two contracts that DHS are contract leads for are not included in the DMH data to avoid duplication.
[58] This is primarily due to 115 less households served by HS8 than the previous year.

TABLE 44: RENTAL SUBSIDIES UTILIZED BY DMH CLIENTS (2021)

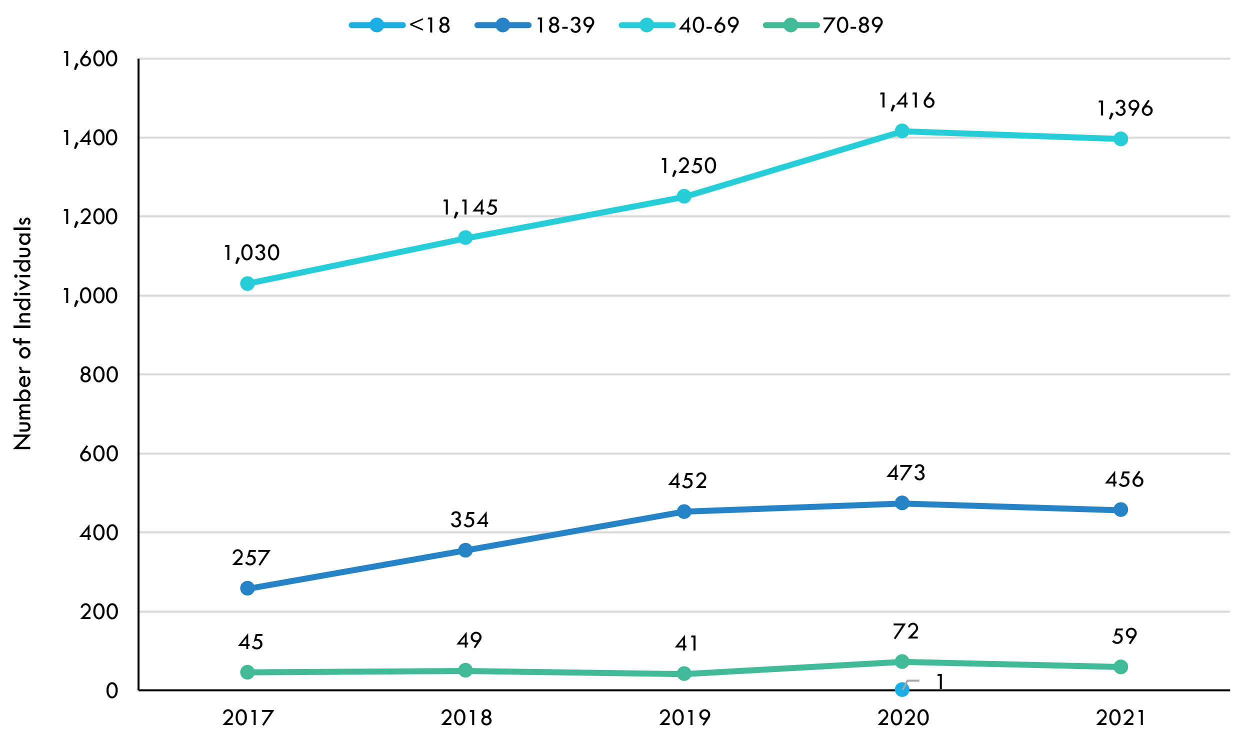
	# of Households	% Change from 2020
HACLA CoC	1,002	+3%
LACDA CoC	740	+16%
LACDA HCVP	26	-13%
HACLA TBSH	239	-7%
HACLA HS8	14	-89%

TABLE 45: AGES* IN DMH TENANT-BASED PROGRAMS (2021)

	# of Individuals	% Change from 2020
<18	0	-100%
18-29	147	-8%
30-39	309	-1%
40-49	343	-3%
50-59	607	+1%
60-69	446	-4%
70-79	56	-14%
80-89	3	-57%

Age reported is based on head of householder.

FIGURE 51: AGES OF CLIENTS* IN DMH TENANT-BASED PROGRAMS (2017-21)



**Total number of recipients in each calendar year. Some individuals may be represented in multiple years.*

TABLE 46: GENDER* OF CLIENTS IN DMH TENANT-BASED PROGRAMS (2021)

	# of Individuals	% Change from 2020
Female	1,074	+7%
Male	825	+1%
Transgender	6	0%
Queer	2	0%

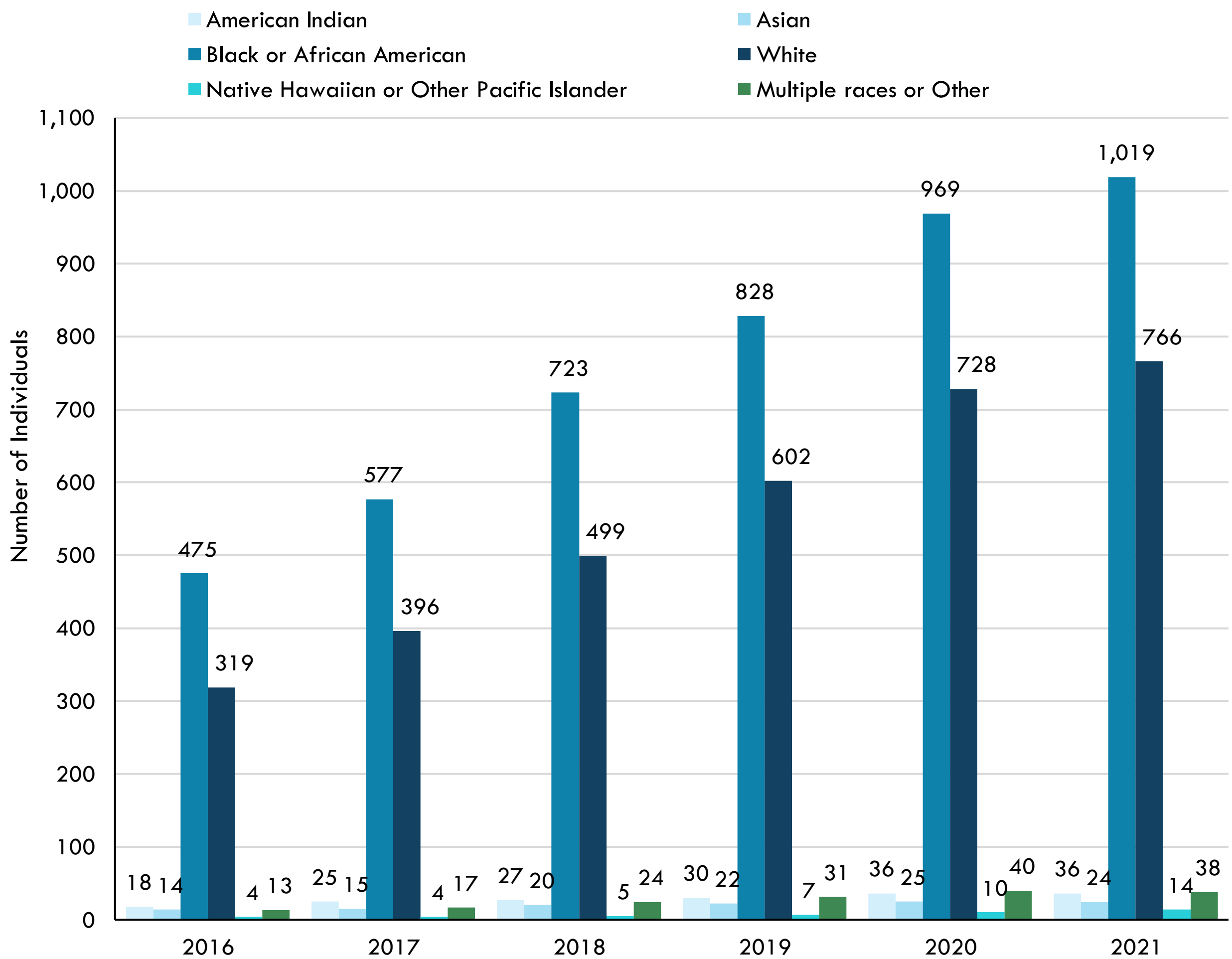
Gender reported is based on head of householder.

TABLE 47: RACE* OF CLIENTS IN DMH TENANT-BASED PROGRAMS (2021)

	# of Individuals	% Change from 2020
American Indian	36	0%
Asian	24	-4%
Black or African American	1,019	+5%
White	766	+5%
Native Hawaiian or Other Pacific Islander	14	+40%
Multiple Races or Other**	38	0%

Race reported is based on head of householder.
***Includes individuals who identify as multiple races, other Hispanic or Other Latino, or Central American.*

FIGURE 52: RACE OF DMH CLIENTS* IN TENANT-BASED PROGRAMS (2017-21)



**Total number of clients in each calendar year. Some individuals may be represented in multiple years. Individuals where race was not identified are not represented.*

TABLE 48: ETHNICITY* OF CLIENTS IN DMH TENANT-BASED PROGRAMS (2021)

	# of Individuals	% Change from 2020
Non-Hispanic/Latino	1,497	+4%
Hispanic/Latino	407	+9%

**Ethnicity reported is based on head of householder. Households where ethinicity was not identified are not represented.*

TABLE 49: REASONS FOR EXIT FROM DMH TENANT- AND PROJECT-BASED PROGRAM (2021)

	# of Households	% Change from 2020
Completed Program	33	+313%
Criminal Activity/destruction of property/violence	0	-100%
Death	39	+15%
Left for a housing opportunity before completing program	0	-100%
Non-compliance with program	20	+186%
Non-payment of rent/occupancy charge	0	-100%
Other	18	+50%
Reached maximum time allowed by program	0	N/A
Total	**110**	**+55%**

LEGACY FLEXIBLE HOUSING SUBSIDY POOL PROGRAM

The Legacy Flexible Housing Subsidy Pool (L-FHSP) Program which is administered by Brilliant Corners on behalf of DMH provides rental subsidies for individuals who are homeless, have a mental illness and do not qualify for federal housing subsidies. In most cases, the individual, along with their case manager, will conduct a housing search to identify potential apartments for rent. After an apartment has been identified, Brilliant Corners will inspect the unit and negotiate a rental contract with the owner. The individual is required to pay 30 percent of their household income toward rent, and the L-FHSP Program will pay the balance directly to the owner/property management company. In addition, the L-FHSP Program covers the cost of the security deposit and household goods. If the individual has zero income at the time of move-in, the program will also pay the monthly utility costs. This program is only available for individuals served through DMH's directly-operated clinics and is often used for individuals that do not meet the requirements for a federal subsidy due to documentation status or criminal justice involvement. A summary of L-FHSP Program outcomes and demographics is shown in Tables 50 through 56 and in Figures 53 through 56. Items of note in 2021 include:

- Forty-seven (47) households are currently housed under DMH's L-FHSP Program, none of which are newly housed nor is there anticipated turnover as the program was oversubscribed in 2021 and 2020 (see Table 51);
- A majority of program participants (70 percent) are under the age of 60 (see Figure 54); and
- Nine (9) percent of households in the program are employed (see Table 56).

TABLE 50: DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM EXPENDITURES* (2021)

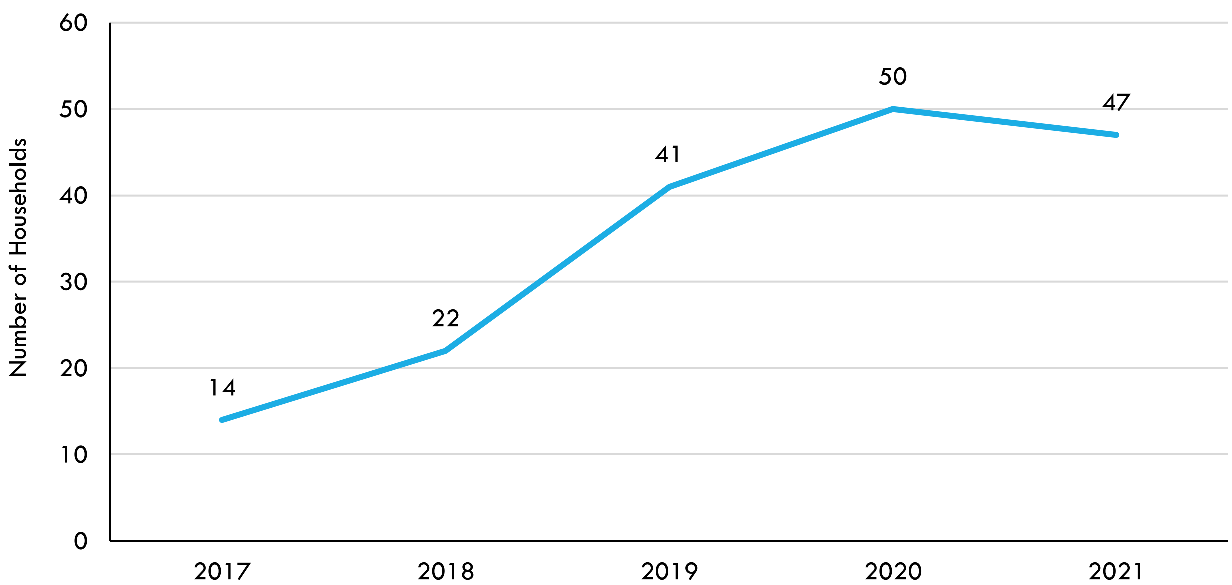
	Amount	% Change from 2020
Funds Utilized	$840,019	-7%
Average Monthly Cost per Tenant*	$1,321	-5%

**Includes security deposits and utilities.*

TABLE 51: DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2021)

	# of Households	% Change from 2020
Total Number of Households Currently Housed in 2021	47	-6%
Number of Households Newly Housed in 2021	0	-100%
Projected Turnover of Households in 2022	0	N/A

FIGURE 53: CURRENTLY HOUSED HOUSEHOLDS* IN LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2017-21)



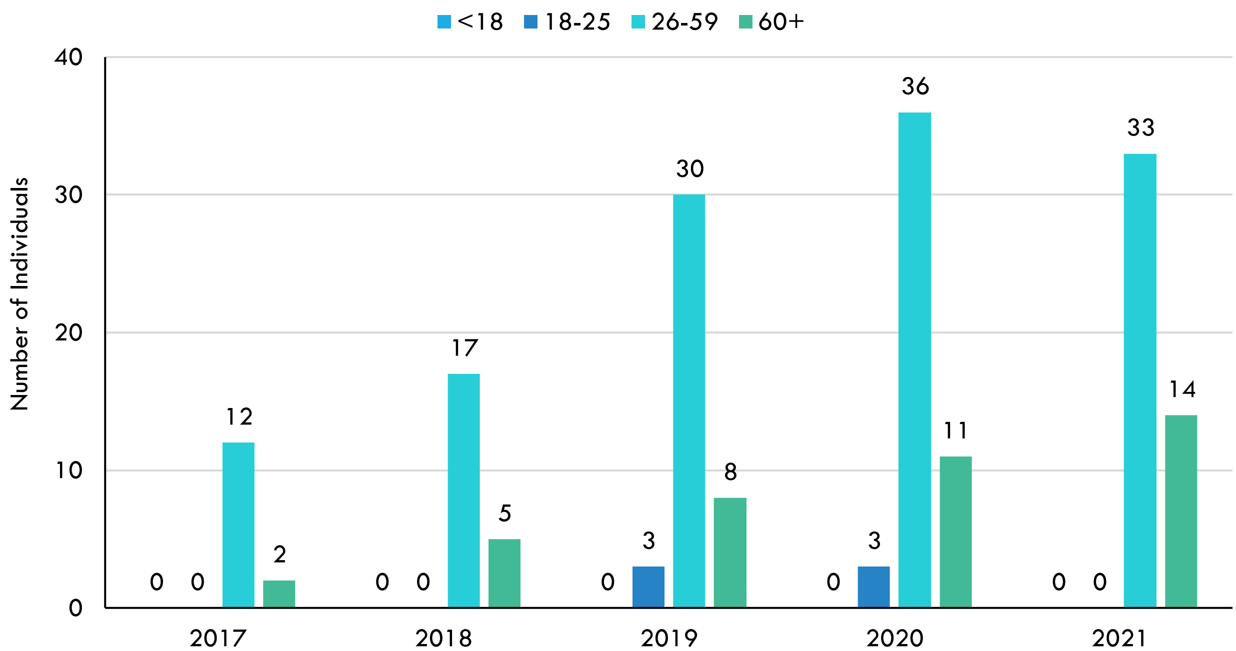
**Total number of households housed in each calendar year. Some households may be represented in multiple years.*

TABLE 52: AGES* OF RECIPIENTS IN DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2021)

	# of Individuals	% Change from 2020
<18	0	N/A
18-25	0	-100%
26-59	33	-8%
60+	14	+27%

**Age reported is based on head of householder.*

FIGURE 54: AGES OF RECIPIENTS* IN DMH FHSP SUBSIDIZED UNITS (2017-21)



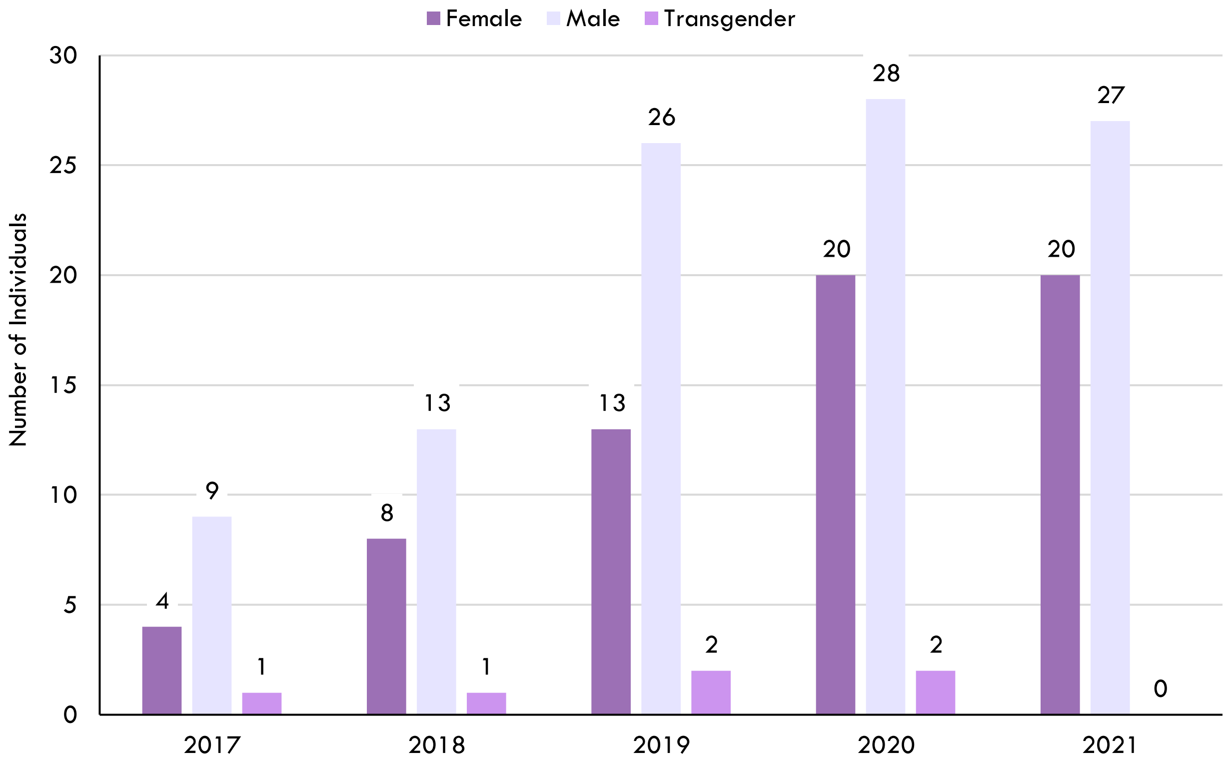
**Total number of recipients in each calendar year. Some individuals may be represented in multiple years. Age reported is based on head of householder.*

TABLE 53: GENDER* OF RECIPIENTS IN DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2021)

	# of Individuals	% Change from 2020
Female	20	0%
Male	27	-4%
Transgender	0	-100%

**Gender reported is based on head of householder.*

FIGURE 55: GENDER OF RECIPIENTS* IN DMH FHSP SUBSIDIZED UNITS (2017-21)



Total number of recipients in subsidized units in each calendar year. Some individuals may be represented in multiple years. Gender reported is based on head of householder.

TABLE 54: RACE* OF RECIPIENTS IN DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2021)

	# of Individuals	% Change from 2020
American Indian	1	0%
Asian	1	0%
Black or African American	12	+21%
White	32	+11%
Native Hawaiian or other Pacific Islander	11	+38%

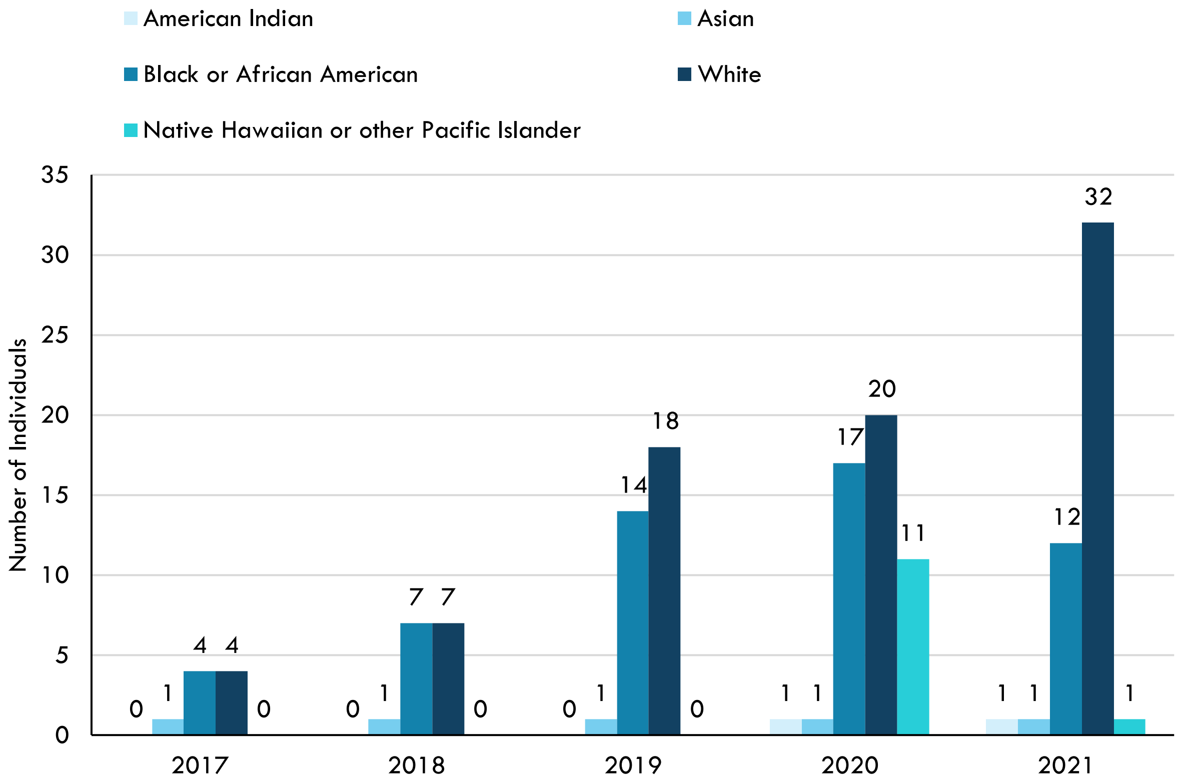
Race reported is based on head of householder.

TABLE 55: ETHNICITY* OF RECIPIENTS IN DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2021)

	# of Individuals	% Change from 2020
Non-Hispanic/ Latino	24	-8%
Hispanic/Latino	22	-4%

Ethnicity reported is based on head of householder.

FIGURE 56: RACE OF RECIPIENTS* IN IN DMH FHSP SUBSIDIZED UNITS (2017-21)



Total number of recipients in subsidized units in each calendar year. Some individuals may be represented in multiple years.

TABLE 56: HOUSEHOLD INCOME OF DMH FHSP RECIPIENTS AT TIME OF MOVE IN (2021)

Household Income	# of Households	% Change from 2020
Zero Income	7	-13%
Social Security Disability Insurance (SSDI)	8	0%
Supplemental Security Income (SSI)	5	-29%
Social Security Retirement (SSR)	5	0%
General Relief (GR)	8	-11%
Family/Friend	4	0%
Employment	4	-20%
CalWORKs (TANF)	4	0%
Child Support	0	N/A
Cash Assistance Program for Immigrants (CAPI)	2	-50%

Housing for Mental Health Program

In FY 2021-22, $10 million in MHSA funds was set aside for the Housing for Mental Health (HFMH) program, which provides funding for rental subsidies, security deposits, utility assistance and household goods. This program targets highly vulnerable individuals with serious mental illness who are enrolled in a Full Service Partnership (FSP) program and are homeless and/or have criminal justice involvement. Twenty percent of housing subsidies are reserved for FSP clients referred by DHS' Office of Diversion and Reentry (ODR). The HFMH program also works in close collaboration with the DHS Intensive Case Management Services (ICMS) program, whose staff work alongside the FSP teams to assist clients with the housing application process, and with Brilliant Corners who serves as the administrator of the HFMH subsidies.

DMH used the $10 million to allocate 411 HFMH housing subsidy vouchers across 17 FSP and ODR programs. The FSP and ODR programs, in turn, refer clients to these HFMH vouchers. As of December 31, 2021, 457 individuals had been referred for HFMH vouchers and 430 had moved into permanent housing including both tenant-based and project-based housing.

Data on HFMH program funding and investments are shown in Table 57. Data on tenant-based subsidies and recipient demographics are shown in Tables 58 through 61 and Figures 57 through 58. Data on project-based subsidies and recipient demographics are shown in Tables 62 through 64 and Figures 59 and 60. Items of note for 2021 include:

- Nearly the entire HFMH budget was used for tenant-and project-based subsidies in 2021 (see Table 57);
- Ten households in the tenant-based program are over the age of 70 (see Figure 57); and
- Eighty-four more households were housed through the project-based program in 2021 than in 2020 (Table 62).

TABLE 57: DMH HOUSING FOR MENTAL HEALTH PROGRAM FUNDING

	Amount	% Change from 2020
FY 2021 Total HFMH Budget	$10,000,000	0%
Funds Utilized for Tenant- and Project-Based Subsidies In CY2021*	$9,227,054	+200%**
Average Cost of Monthly Rental Subsidy in 2021 (Tenant-Based)	$1,421	4%
Average Cost per Tenant in 2021 (Project-Based)	$1,297	1%

**This is a subset of the total FY 2021 HFMH Budget.*
***The increase is due to the program still ramping up in 2020. By the end of 2021, the program is still not fully leased up.*

Tenant-Based Subsidies

TABLE 58: DMH HOUSING FOR MENTAL HEALTH TENANT-BASED PROGRAM (2021)

	Number of Households	% Change from 2020
Total Number of Households Currently Housed*	270	+30%
Number of Households Newly Housed	94	-53%
Number of Households Allocated Subsidies	242	-20%**

*As of December 31, 2021 270 have been housed and another 21 were matched to subsidies and were in the housing process.
**This decrease is a result DMH shifting tenant-based vouchers to project-based vouchers.

TABLE:59 RACE OF DMH HFMH TENANT-BASED PROGRAM CLIENTS* (2021)

	# of Households
American Indian/Alaskan Native	3
Asian	8
Black or African American	101
Native Hawaiian or Other Pacific Islander	3
White	155

* The households who did not identify a race or their race is unknown are not represented.

FIGURE 57: AGES IN DMH HFMH TENANT-BASED PROGRAM (2020-21)

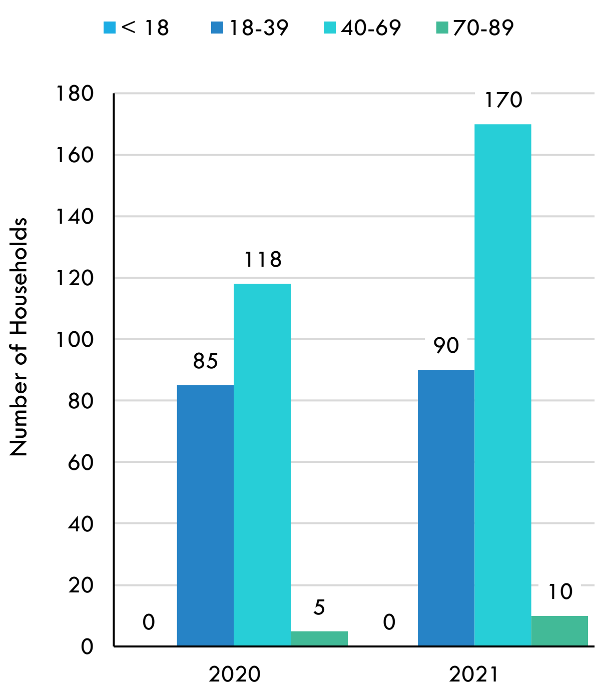


FIGURE 58: GENDER OF DMH HFMH TENANT- BASED PROGRAM CLIENTS (2020-21)

TABLE 60: ETHNICITY* OF DMH HFMH TENANT-BASED PROGRAM CLIENTS (2021)

	# of Individuals
Non-Hispanic/Latino	187
Hispanic/Latino	83

**Ethnicity reported is based on head of householder. Households where ethinicity was not identified are not represented.*

TABLE 61: REASONS FOR EXIT FROM DMH HFMH TENANT-BASED PROGRAM (2021)

	# of Households
Declined Housing Support	1
Matched to Another Housing Resource	1
Long Term Incarceration	1
Deceased	1
Unknown	5

PROJECT-BASED SUBSIDIES

TABLE 62: DMH HOUSING FOR MENTAL HEALTH PROGRAM PROEJCT-BASED SUBSIDIES (2021)

	# of Households	% Change from 2020
Total Number of Households Currently Housed*	160	+111%
Number of Households Newly Housed	90	+15%
Allocated Number of Households in Project-Based Subsidized Units	169	+55%*

**Highly vulnerable individuals with a serious mental illness who are enrolled in a Full Service Partnership (FSP) Program and are homeless and/or have criminal justice involvement are recipients of project-based subsidies*

TABLE 63:RACE OF RECIPIENTS* IN HFMH PROJECT-BASED SUBSIDIZED UNITS (2021)

	# of Households
American Indian/Alaskan Native	3
Asian	3
Black or African American	72
Native Hawaiian or Other Pacific Islander	3
White	79

* *The households who did not identify a race or their race is unknown are not represented are not included.*

TABLE 64: ETHNICITY* OF DMH HFMH TENANT-BASED PROGRAM CLIENTS* (2021)

	# of Individuals
Non-Hispanic/Latino	187
Hispanic/Latino	83

Ethnicity reported is based on head of householder. Households where ethinicity was not identified are not represented.

FIGURE 59: AGES IN DMH HFMH PROJECT-BASED PROGRAM (2020-21)

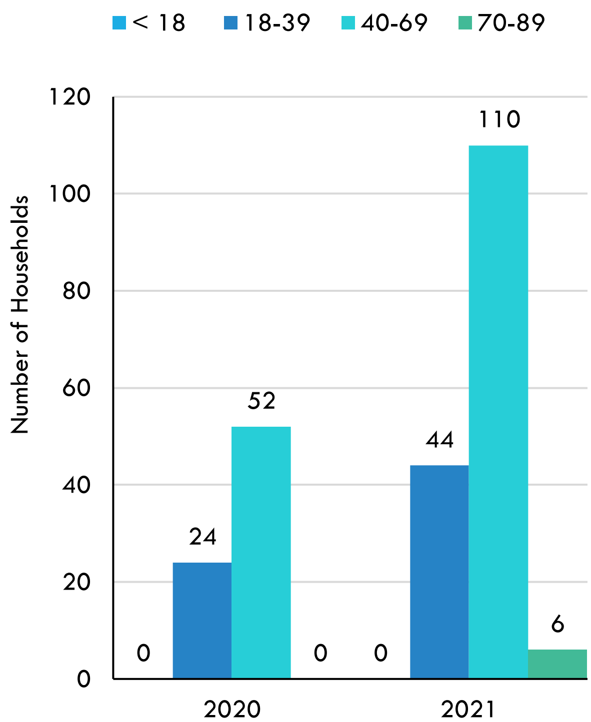
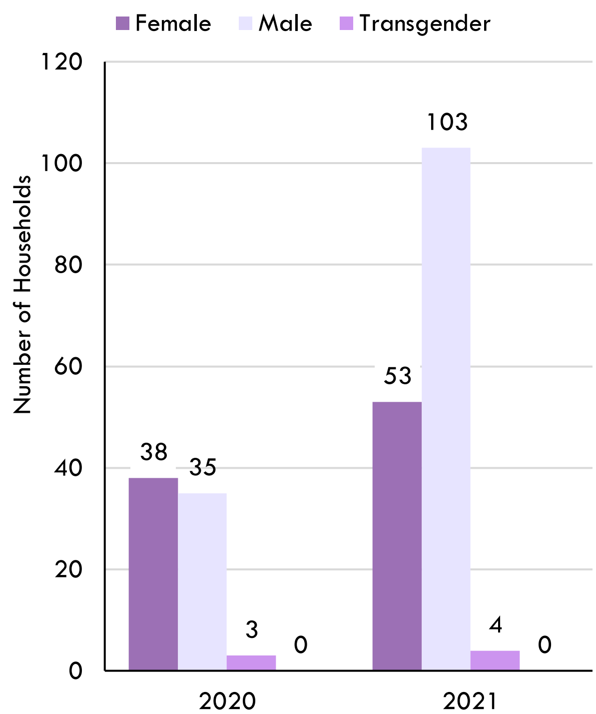


FIGURE 60: GENDER OF RECIPIENTS IN HFMH PROJECT-BASED SUBSIDIZED UNITS (2020-21)



Department of Consumer and Business Affairs

The Department of Consumer and Business Affairs (DCBA) serves as the administrator of the County's expanded eviction defense program, also known as Stay Housed LA County, funded by a mix of County funds, Permanent Local Housing Allocation (PLHA) grant dollars, City of Long Beach General funds, and state Emergency Rental Assistance Program (ERAP) dollars to provide low-income tenants living in the County with free limited and full-scope legal representation; short-term rental assistance; and direct tenant outreach, education, and other complementary services to stabilize their housing while facing potential eviction and/or homelessness due to financial hardship.

Due to the onset of the COVID-19 pandemic, DCBA contracted with the Liberty Hill Foundation in June 2020 to quickly launch a Measure H-funded, countywide Emergency Eviction Prevention Program (EEPP) to provide information, education, and free limited legal services to tenants earning up to 80 percent of the area median income and facing potential eviction during the COVID-19 pandemic. The EEPP was launched as a way to immediately address the service delivery needs of vulnerable tenants while the County developed and launched a more comprehensive expanded eviction defense program to serve as the first line of defense for the expected wave of evictions caused by the COVID-19 pandemic.

Additional funding from the Affordable Housing Trust Fund, in the form of Net County Cost, was allocated in August 2020 to fund comprehensive eviction defense services in the County with the implementation of the Expanded Eviction Defense Program (EDP). Shortly thereafter, DCBA entered into a contract with the Legal Aid Foundation of Los Angeles (LAFLA) to deliver services under the EDP, which include full scope legal representation and short-term rental assistance to households making up to 50 percent of the area median income. Services delivered under the EDP would complement those being delivered via the EEPP.

On September 15, 2020, DCBA in partnership with the Liberty Foundation and LAFLA formally launched the Stay Housed L.A. County program which consolidates the eviction defense programs under the EEPP and EDP agreements into one branded, comprehensive County program. On February 22, 2021, DCBA also started providing enhanced education, outreach, and legal services offered via the Stay Housed L.A. County program within the boundaries of the City of Long Beach.[59] Table 65 summarizes activity of the Stay Housed L.A. County program in 2021.

[59] In 2021, Stay Housed LA expanded into the City of Los Angeles. The data presented here represents resources and efforts expended by the County of Los Angeles.

TABLE 65: STAY HOUSED LA COUNTY* EXPENDITURES AND ACTIVITY (2021)

	Amount
Expenditures	$6,691,789
	# of Tenants
Connected with Over Phone and Text Message	263,238
Provided with Limited Scope Legal Representation	3,973
Provided with Full Scope Legal Representation	1,258

** The data presented here represents resources and efforts expended by the County of Los Angeles and not those by other jurisdictions also operating under the Stay Housed LA Program.*

LOS ANGELES HOMELESS SERVICES AUTHORITY

LAHSA administers federal, state, and local funds to service providers through the Los Angeles Continuum of Care (LA CoC). As such, LAHSA funds a number of rapid rehousing (RRH) programs that provide limited term rental subsidies that aim to quickly house people experiencing homelessness. Funding for the RRH programs come from a number of sources, including the County, the City of Los Angeles, and California Housing and Community Development (HCD) Emergency Services Grants (ESG). Tables 66 through 70 and Figure 61 summarize the households and individuals that participated in LAHSA's RRH programs in 2021. Highlights include:

- Active enrollment increased by more than 3,000 households from 2020, an increase of 42 percent (see Table 67);
- The number of households that received rental assistance in 2021 increased by nearly 2,000 households or 49 percent (see Table 67);
- Average cost per households and per individual in FY 2021 increased significantly from FY 2020 due to increases in rent and associated moving costs in high costs areas where acquiring rentals was highly competitive (See Table 66); and
- Adults are the predominant population housed through the RRH program (74 percent), as more participants were transitioned from interim to permanent housing (see Table 69).[60]

TABLE 66: LAHSA EXPENDITURES (FY2021)

	Amount	% Change from FY2020
FY2021-22 RRH Budget	$142,626,408	+340%
FY2021-22 Average Cost per Household*	$14,296	+185%
FY2021-22 Average Cost per Individual**	$9,010	+283%

**A household can be one or more persons.*
***An individual is representative of one person.*

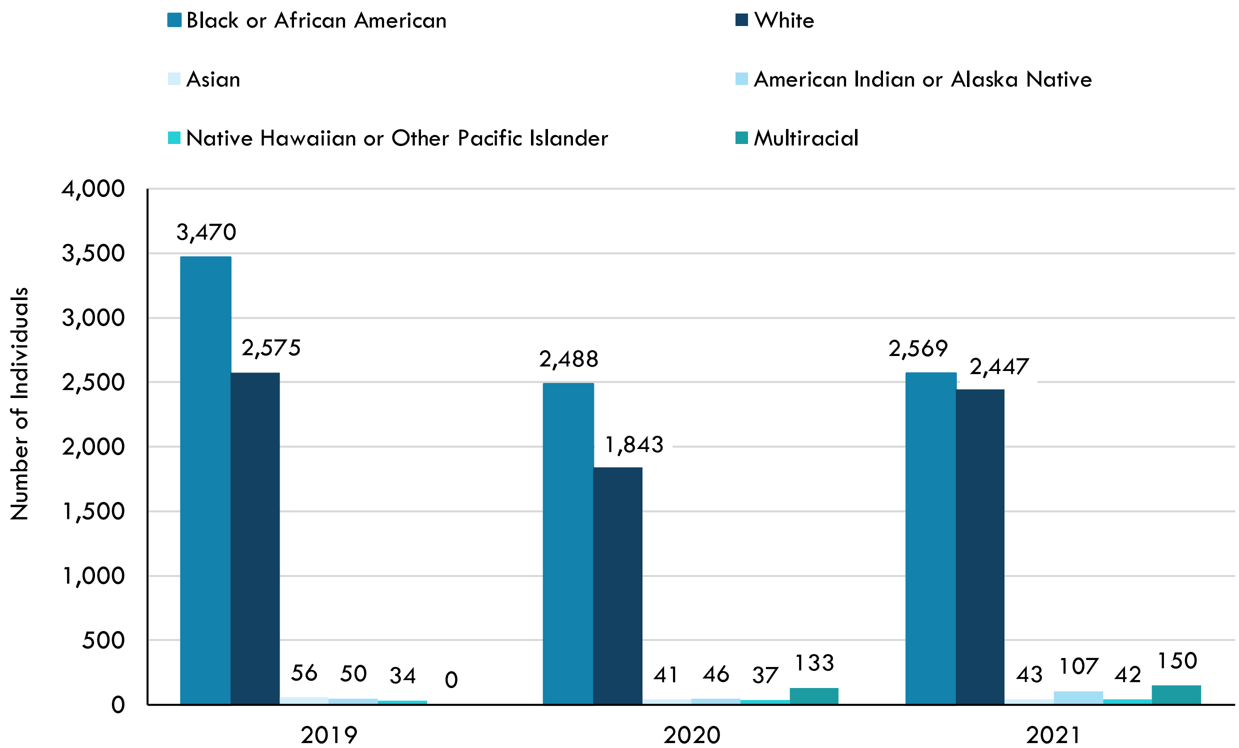
TABLE 67: LAHSA RRH PROGRAMS (2021)

	# of Households	% Change in # of Households from 2020	# of Individuals	% Change in # of Individuals from 2020
Actively Enrolled	11,175	+42%	18,280	+5%
Housed*	3,779	+78%	5,850	+17%
Received Rental Assistance**	5,726	+49%	9.774	+8%

**Participants with a move-in date or exit to a permanent destination.*
***Participants with a move-in date or rental assistance in the reporting period.*

[60] The addition of Recovery Re-Housing using Coronavirus Recovery Fund (CRF) dollarys an additional Permanent Housing Program was implemented and created an additiona; 4,998 beds/units to serve COVID vulnerable populations.

FIGURE 61: RACE OF INDIVIDUALS* HOUSED THROUGH LAHSA RRH PROGRAM (2019-21)



Year	Black or African American	White	Asian	American Indian or Alaska Native	Native Hawaiian or Other Pacific Islander	Multiracial	Unknown**	Total
2019	3,470	2,575	56	50	34	N/A	560	**6,745**
2020	2,488	1,843	41	46	37	133	401	**4,989**
2021	2,569	2,447	43	107	42	150	492	**5,850**

**Includes individuals that were reported as 'client doesn't know', 'NULL', client refused' and 'data not collected' are not represented.*
***Includes individuals that were reported as 'client doesn't know', 'NULL', client refused' and 'data not collected'.*

TABLE 68: ETHNICITY OF INDIVIDUALS HOUSED THROUGH LAHSA RRH PROGRAM (2021)

	# of Individuals	% Change from 2020
Non-Hispanic/Latino	3,607	+23%
Hispanic/Latino	2,096	+11%
Unknown*	147	-13%
Total	**5,850**	**+17%**

**Includes individuals that were reported as 'client doesn't know', 'client refused' and 'data not' collected.*

TABLE 69: TYPES OF HOUSEHOLDS HOUSED THROUGH LAHSA RRH PROGRAM (2021)

	# of Households	% Change from 2020
Families	769	-32%
Youth	210	-8%
Adults	2,798	+266%
Unknown	2	N/A
Total	**3,779**	**+78%**

TABLE 70: GENDER OF INDIVIDUALS HOUSED THROUGH LAHSA RRH PROGRAM (2021)

Gender	# of Individuals	% Change from 2020
Female	2,902	+5%
Male	2,899	+33%
Transgender	28	+250%
No Single Gender/ Gender Non-Conforming	6	0%
Unknown	15	-25%
Total	**4,989**	**+17%**

SECTION 4. NEIGHBORHOOD CONTEXT FOR CREATING AND PRESERVING AFFORDABLE HOMES

OVERVIEW

Section 4 of the Affordable Housing Outcomes Report assesses neighborhood dynamics such as gentrification and displacement, transit access, and resources and opportunity that can be used to inform the County's affordable housing investments and policies.

DATA SOURCES AND METHODOLOGY

GENTRIFICATION, DISPLACEMENT, AND EXCLUSION

The analysis in this section uses a methodology for measuring gentrification, displacement, and exclusion at the neighborhood level developed by researchers as part of an inter-university initiative among UCLA, UC Berkeley, and Portland State called the Urban Displacement Project (UDP). UDP classifies each census tract in the County as one of nine neighborhood typologies: low-income/susceptible to displacement, ongoing displacement of low-income households, at risk of gentrification, early/ongoing gentrification, advanced gentrification, stable moderate/mixed income, at risk of becoming exclusive, becoming exclusive, and stable/advanced exclusive.[61,62]

This analysis uses the UDP methodology to determine how many of County's subsidized affordable rental homes at risk of conversion to market-rate housing are located in areas where their loss could contribute to patterns of displacement and exclusion of low-income people from increasingly resource-and amenities-rich areas.[63]

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[61] Zuk, Miriam, et al. 2020. "The Urban Displacement Replication Project: A Modified Gentrification and Displacement Methodology." October. Website: https://www.urbandisplacement.org/sites/default/files/images/ udp_replication_project_methodology_10.16.2020-converted.pdf.

[62] Please note that the UDP displacement maps used in this report differ from maps utilized in section 4 of the 2020 Los Angeles County Outcomes Report, which only identified areas that have experienced or are at risk of experiencing future gentrification. In 2020, the UDP team updated the Los Angeles County map to employ the same displacement typologies that UDP used to create maps of Chicago, Atlanta, Denver, and Memphis, and San Francisco.

[63] The California Housing Partnership assesses the historical loss and conversion risk of affordable rental developments in Los Angeles County. For the purposes of this analysis, a development is considered 'at-risk' if it is at risk of converting to market-rate in the next five years ('High Risk' and 'Very High Risk' categories in the Partnership's risk assessment). For more information on these categories and the Partnership's risk assessment methodology, see Section 2 or Appendix A: Methodology.

TRANSIT ACCESS

Gentrification is more likely to occur in areas served by transit, which can lead to low-income households losing access to transit when they move due to displacement pressures. Transit-connected gentrification is especially concerning for low-income households since they are more dependent on public transportation than higher-income households and are less likely to drive when they live near transit stations.[64] This analysis uses the Southern California Association of Government's (SCAG) 2045 High Quality Transit Areas (HQTA) in the County, as directed by the Board-approved Template, to capture transit-oriented areas in the County.[65] These HQTA areas help us determine how many of County's at-risk affordable developments are in transit-rich areas, whose loss would thus contribute to patterns of low-income people losing convenient access to transit in the county.

NEIGHBORHOOD RESOURCES AND OPPORTUNITY

Research has demonstrated that neighborhoods have independent, causal effects on key life outcomes, particularly for children. For example, a study published in 2018 found that 62 percent of the observed variation in long-term earnings among children born into low-income families around 1980 reflects the causal effects of neighborhoods, as opposed to differences in their family characteristics. As such these results suggest that place-based factors such as poverty rates and the quality of local public schools were highly correlated with rates of upward mobility and long-term earnings.[66]

State housing funding agencies use the "opportunity map" to inform policies that incentivize locating affordable housing in higher-resource neighborhoods to achieve the larger goal of offering residents a more balanced set of geographic choices when compared to historical trends. The Tax Credit Allocation Committee (TCAC) and the Department of Housing and Community Development (HCD) work with the California Fair Housing Task Force—a group of independent researchers that includes the California Housing Partnership and multiple research institutes at UC Berkeley and UCLA—to update this map (the "TCAC/HCD Opportunity Map" or "TCAC/HCD map") on an annual basis to account for new data and refine the methodology based on feedback and emergence of new evidence. The 2022 opportunity map used in this analysis was adopted by TCAC in December 2021.

In the TCAC/HCD map, each area—census tracts in non-rural areas and block groups in rural areas—is assigned to one of four categories (Highest Resource, High Resource, Moderate Resource, and Low Resource) based on regionally-derived scores for 16 evidence-based neighborhood indicators, or to a fifth category (High Segregation and Poverty) if the area is both racially segregated and high-poverty.[67] Areas with opportunity index scores in the top 20 percent of each region are categorized as Highest Resource,

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[64] For example, see: Newmark, Gregory and Haas, Peter. 2015. I*ncome, Location Efficiency, and VMT: Affordable Housing as a Climate Strategy.* Center for Neighborhood Technology Working Paper. December 16.

[65] SCAG defines High Quality Transit Areas as being within a half mile of stations with service every 15 minutes or less during peak commute times, including both fixed guideway transit ad bus rapid transit. This definition is consistent with state housing programs, except in that the criteria for defining proximity to transit stations varies somewhat across programs; for example, regulations for awarding Tax Credits defines proximity as a third mile, while other state programs (like SCAG) use half mile.

[66] Chetty, et al. 2018. *The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility.* Working Paper. Website: https://opportunityinsights.org/paper/the-opportunity-atlas/.

[67] High-poverty areas are defined as areas with 30 percent of the population or more below the federal poverty line; racially segregated areas are defined by having an overrepresentation of people of color relative to the county.

and tracts and block groups whose scores fall into the next 20 percent of each region (top 20 percent to 40 percent) are categorized as High Resource.

Transit Access, Displacement, Gentrification, and Exclusion

This analysis uses SCAG's 2045 HQTA map and the Urban Displacement Project's (UDP) displacement typology to understand local housing dynamics around gentrification, displacement, and exclusion at the census tract level. UDP classifies each census tract in the County along a spectrum of nine neighborhood typologies from Low-Income/Susceptible to Displacement to Stable/Advanced Exclusive—as described below—where low-income households face increasing difficulty remaining in place given local housing market dynamics:[68]

- **Low-Income Area/Susceptible to Displacement:** Identifies low-income or mixed low-income neighborhoods affordable to low-income households, but that could develop gentrification and displacement pressures in the future.
- **Ongoing Displacement of Low-Income Households:** Identifies low-income or mixed low-income areas that experienced a loss of low-income households between 2000-18.
- **At Risk of Gentrification:** Identifies low-income or mixed low-income areas that are not currently gentrifying, but where recent housing market changes indicate a risk of gentrification in the future.
- **Early/Ongoing Gentrification:** Identifies low-income or mixed low-income areas that are undergoing the process of gentrification.
- **Advanced Gentrification:** Identifies gentrified neighborhoods that have turned over to predominantly higher-income residents.
- **Stable Moderate/Mixed Income:** Identifies stable moderate to high-income neighborhoods that are not currently at risk of becoming exclusive to low-income households.
- **At Risk of Becoming Exclusive:** Identifies areas that are moderate to high-income but present risk factors for future exclusion of low-income households.
- **Becoming Exclusive:** Identifies moderate to high-income areas that are beginning to exclude low-income households.
- **Stable/Advanced Exclusive:** Identifies neighborhoods that exhibit enduring patterns of exclusion.

Figure 62 below shows the geographic distribution of all nine displacement typologies in the County. Twenty-three (23) percent of census tracts are classified as low-income/susceptible to displacement, primarily in downtown and south Los Angeles, the southern portion of the San Fernando Valley, and the eastern half of the Antelope Valley. Four (4) percent of tracts are experiencing ongoing displacement of low-income households, concentrated in downtown and South Los Angeles. Sixteen (16) percent of tracts in the County are at risk of gentrification, experiencing early/ongoing gentrification, or experiencing advanced gentrification. Much like the areas identified as experiencing ongoing displacement of low-income households, the areas of County at risk of or experiencing gentrification are concentrated in downtown and south Los Angeles and southwestern areas of the San Gabriel Valley. The remaining 54 percent of census tracts—concentrated in the coastal areas, the westside cities, the Santa Clarita Valley,

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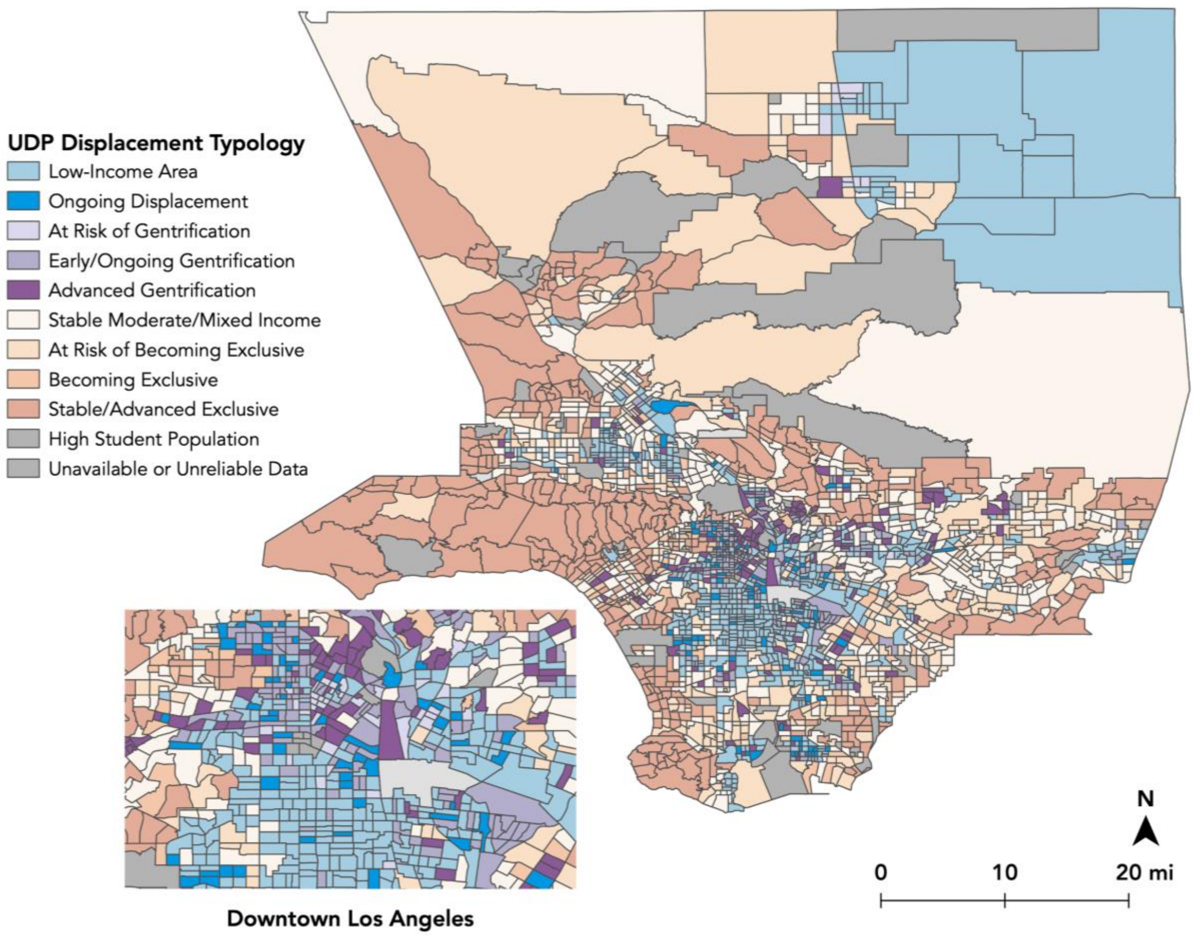
[68] Zuk, Miriam, et al. 2020. "The Urban Displacement Replication Project: A Modified Gentrification and Displacement Methodology." October. Website: https://www.urbandisplacement.org/sites/default/files/images/ udp_replication_project_methodology_10.16.2020-converted.pdf.

and the southeastern areas of County—are stable moderate/mixed-income (23 percent) and exclusionary or at risk of becoming exclusionary to lower-income households (31 percent).[69]

FIGURE 62: LOS ANGELES COUNTY GENTRIFICATION AND DISPLACEMENT BY CENSUS TRACT



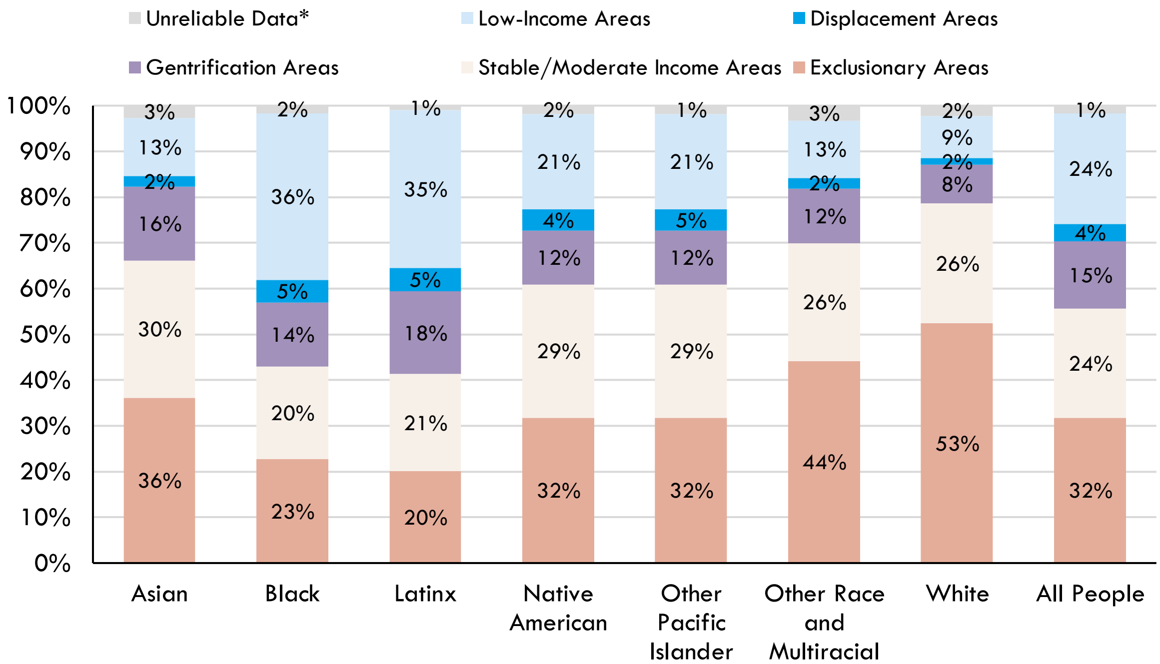
Neighborhood Displacement, Gentrification, and Exclusion by Race and Ethnicity

Decades of explicitly segregationist and discriminatory housing and land use policies—such as redlining, restrictive covenants, government-sponsored white flight, disinvestment in communities of color, and predatory lending practices—have left a legacy of clear racialization in the displacement, gentrification, and exclusion throughout the County. As shown in Figure 63, Black and Latinx residents are far more likely to reside in low-income areas, areas experiencing ongoing displacement of low-income households (Displacement in figures and tables below), or areas at risk of or experiencing gentrification (Gentrification in figures and tables below) than stable moderate/mixed income areas or higher-income areas at risk of or experiencing exclusion (Exclusionary in figures and tables below). The majority of Black (55 percent)

[69] Three (3) percent of census tracts in Los Angeles County have large student populations or do not have reliable data and were not given one of UDP's nine displacement typologies.

and Latinx (58 percent) residents in the County live in predominantly low-income areas and areas that are at risk of or currently experiencing gentrification or displacement pressures (Gentrification and Displacement in figures and tables below). By contrast, only 19 percent of white residents live in these areas.

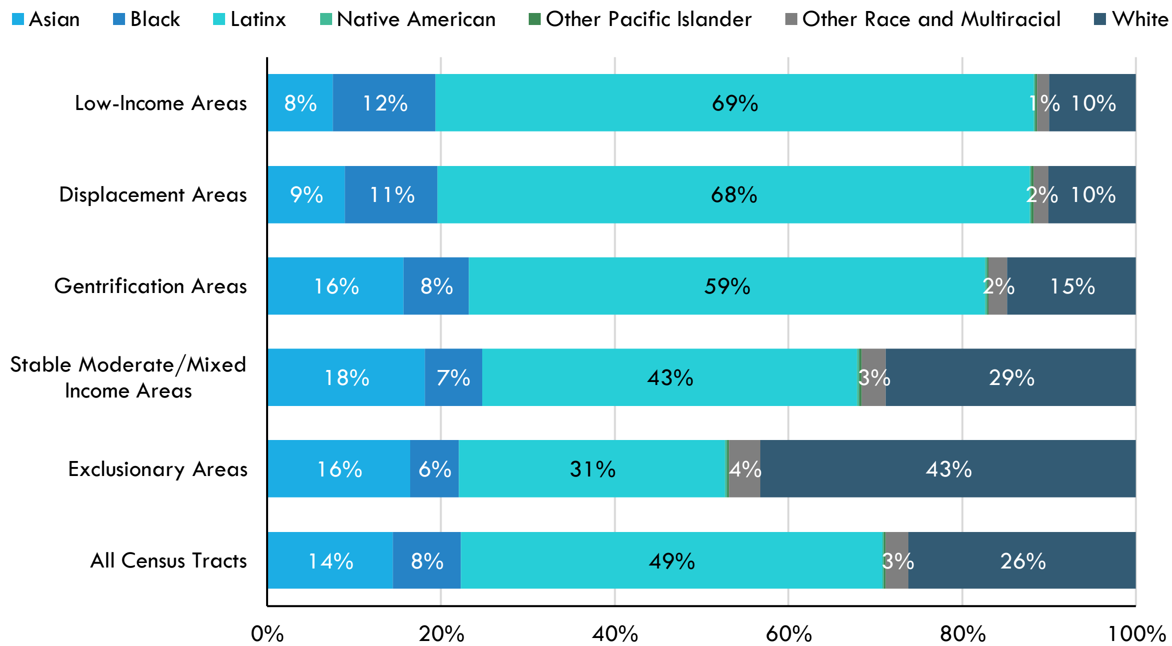
FIGURE 63: SHARE OF RESIDENTS LIVING IN EACH UDP DISPLACEMENT TYPOLOGY – BY RACE AND ETHNICITY[70]



Source: Urban Displacement Project Los Angeles Gentrification and Displacement Maps, updated in 2020 with 2018 data. Race and ethnicity analysis was completed with data from U.S. Census Bureau ACS, 2019 (5-year data).
**'Unreliable data' includes tracts with large student populations and areas with unreliable or unavailable data.*

[70] For the purposes of this analysis, 5-year 2019 ACS data was used due to the Urban Displacement Project's displacement typologies map relying on 2010 census boundaries. Using 2020 5-year data and 2020 census boundaries would create a mismatch between the demographic data and the tract and block group-level displacement typologies. If UDP updates their underlying data to use the 2020 census boundaries, we will consider updating our analysis with the 2020 census boundaries and demographic data for future iterations of this report.

FIGURE 64: RACIAL AND ETHNIC COMPOSITION OF EACH UDP DISPLACEMENT TYPOLOGY IN LOS ANGELES COUNTY



Source: Urban Displacement Project Los Angeles Gentrification and Displacement Map, updated in 2020 with 2018 data. Race and ethnicity analysis was completed with data from U.S. Census Bureau American Community Survey, 2019 (5-year data).

Siting of At-Risk Affordable Housing by Transit Access and Displacement Typology

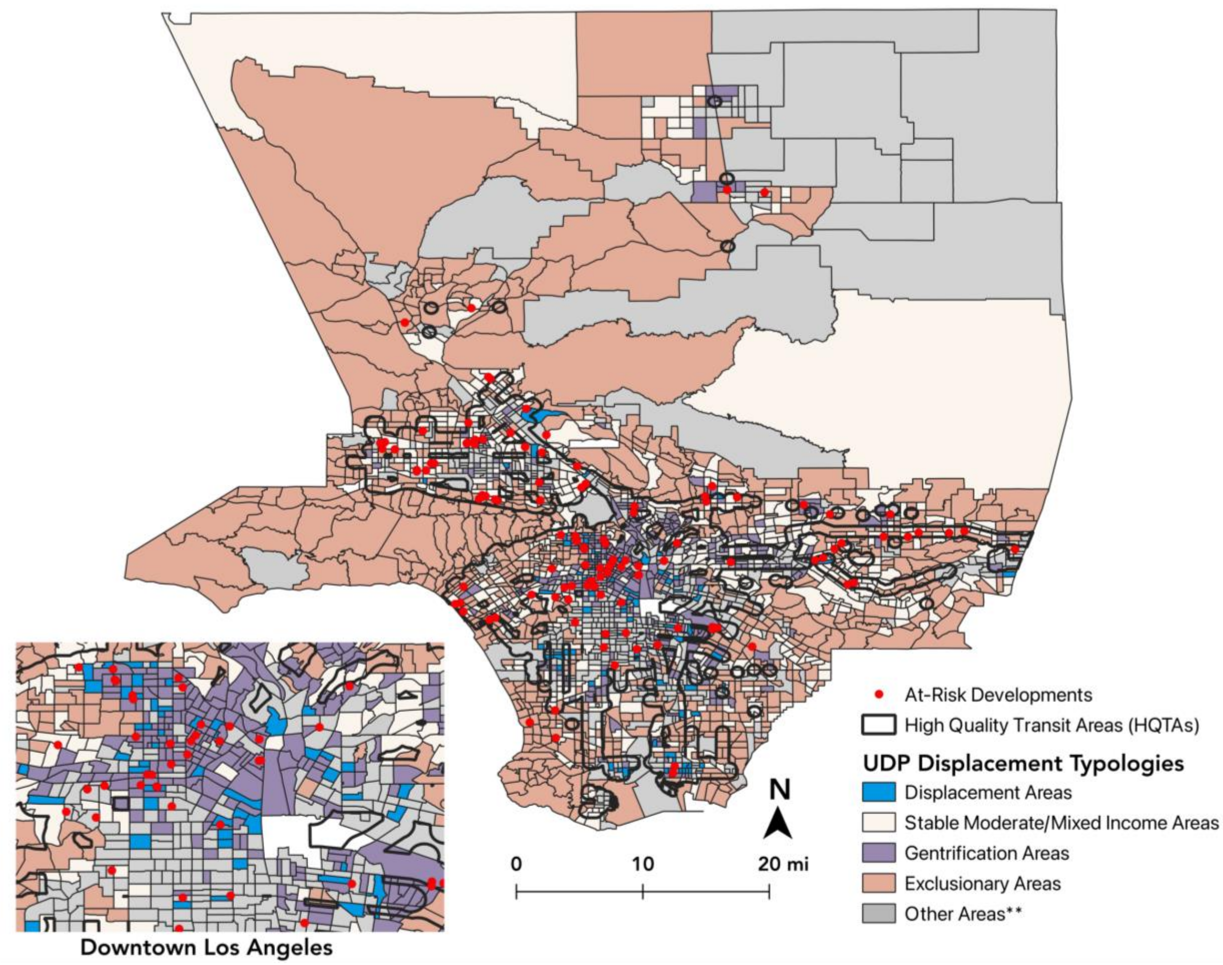
Figure 65 and Table 71 below show the existing inventory of at-risk subsidized affordable housing in the County, as described in Section 2 of this report, relative to areas currently or at risk of experiencing gentrification and displacement. More simply, this section of the analysis explores the distribution of at-risk affordable housing relative to areas where low-income households are already losing ground and where the loss of deed-restricted affordable housing could contribute to patterns of displacement and exclusion from increasingly resource- and amenities-rich areas.[71]

For this analysis, such areas are identified as High Quality Transit Areas (HQTAs) or census tracts that are classified by the UDP displacement typology as areas experiencing ongoing displacement of low-income households, at risk of or experiencing gentrification, stable moderate/mixed income, or areas identified as exclusionary or at risk of becoming exclusionary to lower-income households. These categories represent areas in the county where low-income residents are at the highest risk of displacement or exclusion. Areas identified by the UDP displacement typology as low-income/susceptible to displacement are not included because these areas currently exhibit characteristics of neighborhood stability and affordability

[71] The California Housing Partnership assesses the historical loss and conversion risk of affordable rental developments in Los Angeles County. For the purposes of this analysis, a development is considered "at-risk" if it is at risk of converting to market rate in the next five years ("High Risk" and "Very High Risk" categories in the Partnership's risk assessment). For more information on these categories and the Partnership's risk assessment methodology, see Section 2 or Appendix A: Methodology.

to low-income households. However, these areas could develop a risk of gentrification and displacement pressures in the future.

FIGURE 65: AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF / EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION



**'Other Areas' includes tracts designated by the UDP Displacement Typology as 'Low-Income/Susceptible to Displacement' or areas with large student populations or unavailable/unreliable data.*

TABLE 71: AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF / EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION BY SD

SD	At-Risk Affordable Homes	Within HQTA		Within Low-Income Tract that is At Risk of or Experiencing Displacement or Gentrification		Within Tract that is Stable Moderate/Mixed Income or Exclusionary**		Within an HQTA and Tract that is At Risk of or Experiencing Displacement, Gentrification, or Exclusion	
		#	%*	#	%*	#	%*	#	%*
SD 1	1,441	1,200	83%	727	50%	241	17%	884	61%
SD 2	1,835	1,795	98%	802	44%	320	17%	1,082	59%
SD 3	2,392	2,256	94%	715	30%	1,166	49%	1,745	73%
SD 4	1,031	860	83%	295	29%	420	41%	544	53%
SD 5	1,238	450	36%	161	13%	722	58%	447	36%
Total	*7,937*	*6,561*	*83%*	*2,700*	*34%*	*2,869*	*36%*	*4,702*	*59%*

Source: California Housing Partnership Preservation Database, March 2022. Urban Displacement Project, Los Angeles – Gentrification and Displacement Typology, 2020. SCAG Region High Quality Transit Areas – 2045.
**Percentage of all at-risk affordable homes in each SD.*
***Includes areas identified as being at risk of or experiencing exclusion.*

As shown above in the figure and table above, at-risk affordable housing in the County is predominantly located in areas at risk of gentrification or displacement, areas experiencing displacement, gentrification, or exclusion, and HQTAs. Eighty three (83) percent of the county's at-risk affordable homes are located within HQTAs, which has remained consistent over the last three years. Furthermore, just over one-third (34 percent) of at-risk affordable homes are currently located in areas identified as at risk of or experiencing gentrification or displacement of low-income households. Although 54 percent of Los Angeles County census tracts are currently stable moderate/mixed income or exclusionary or at risk of becoming exclusionary, only 36 percent of at-risk affordable homes in the county are located in these tracts. Nearly 5,000 (59 percent) of the County's at-risk homes are both within an HQTA and within a tract that is at risk of or experiencing displacement, gentrification, or exclusion. Given the severe impacts the shortfall of affordable housing has on low-income renters, losing any of these at-risk affordable homes will undoubtedly exacerbate the current patterns of displacement of low-income people from the county's increasingly high-cost, transit-rich, and gentrifying areas, in addition to low-income households losing access to public transit.[72]

[72] For more information on the County's current preservation and anti-displacement programming, see Section 3: County-Administered Affordable Rental Housing Resources.

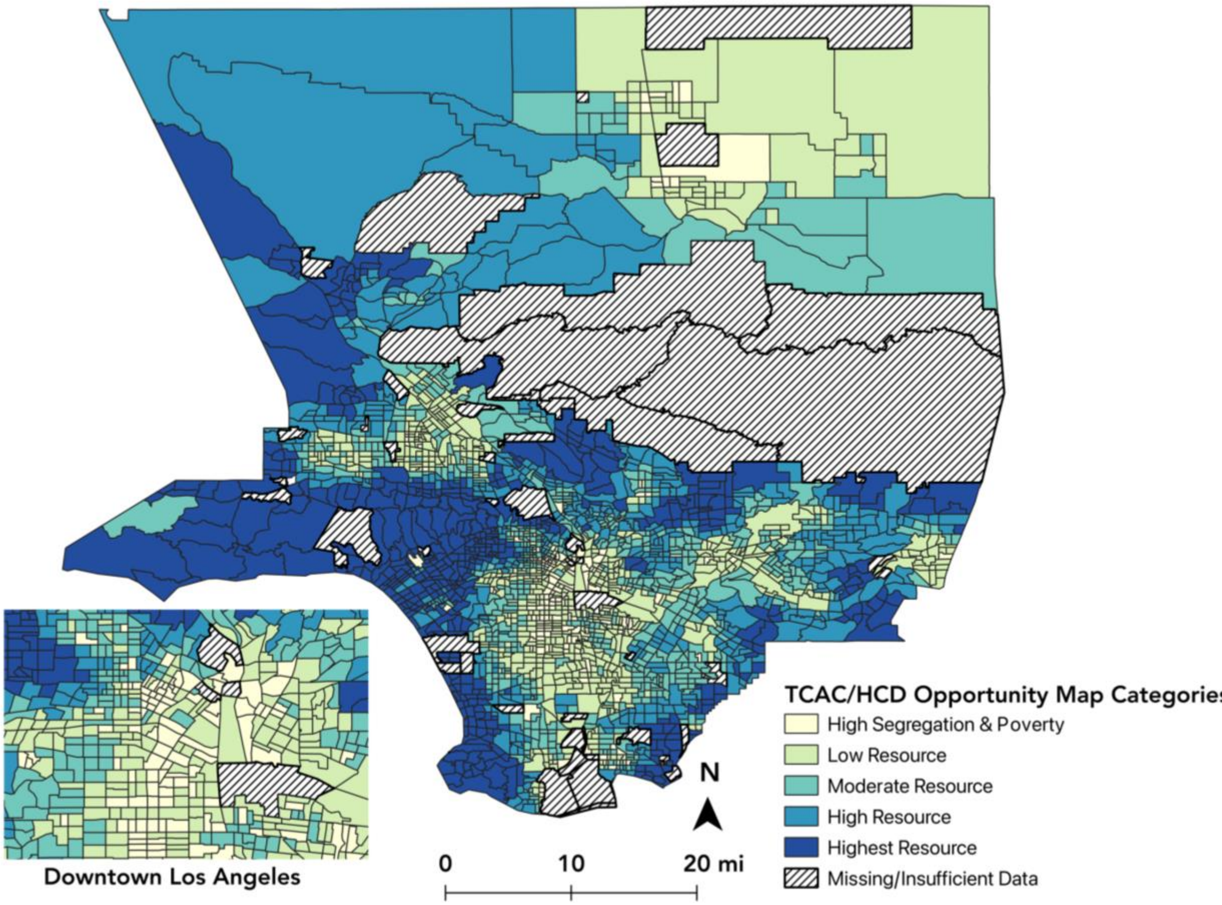
Neighborhood Resources and Opportunity

This analysis uses the TCAC/HCD Opportunity Map for County for two purposes: 1) to determine how much of the county's at-risk, family-targeted affordable homes are located in Highest and High Resource areas, the loss of which would contribute to patterns of segregation and disparities in access to opportunity given the high degree of difficultly and cost to replace; and 2) to document the extent to which family-targeted, new construction developments funded with Low-Income Housing Tax Credits (LIHTC/tax credits) have provided access to High and Highest Resource areas for low-income families in the county, particularly in light of recently adopted state incentives to develop in these areas.

The TCAC/HCD Opportunity Maps assign one of five categories to each census tract in the county, with each category determined by what has been shown by research to support positive economic, educational, and health outcomes for low-income families, particularly long-term outcomes for children. The five categories include Highest Resource, High Resource, Moderate Resource, Low Resource, and High Segregation and Poverty.

Figure 66 below shows the geographic distribution of the five opportunity designations in the 2022 TCAC/HCD Opportunity Map for the County. Just under one-third (32 percent) of tracts in the county are identified as Low Resource or High Poverty and Segregation, with the majority of these tracts located in downtown and South Los Angeles. An additional twenty-five (25) percent of tracts are categorized as Moderate Resource, also concentrated primarily in downtown and South Los Angeles and Pasadena.

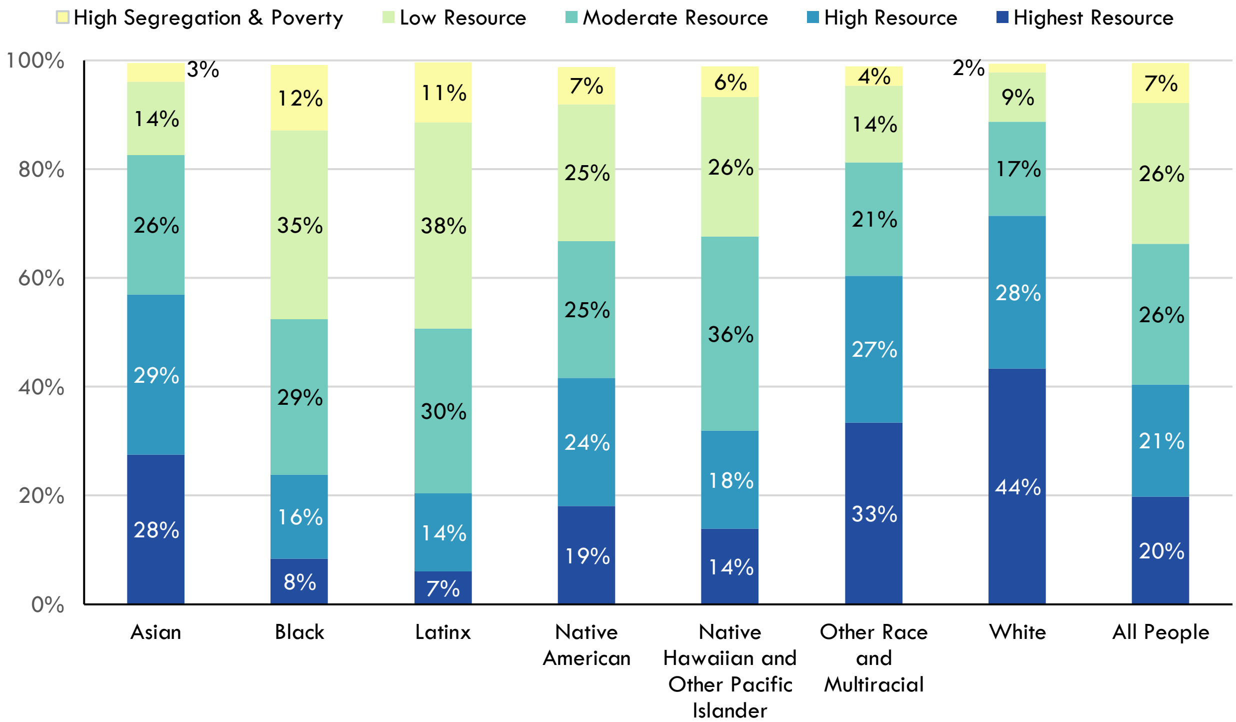
FIGURE 66: TCAC/HCD OPPORTUNITY MAP FOR LOS ANGELES COUNTY



NEIGHBORHOOD RESOURCES AND OPPORTUNITY BY RACE AND ETHNICITY

The same discriminatory housing and land use policies that have created racialized patterns of displacement, gentrification, and exclusion have created similar disparities in access to opportunity throughout the County. As shown below in Figure 67, approximately half of all Black (47 percent) and Latinx (49 percent) residents live in areas categorized as Low Resource or High Segregation & Poverty in the TCAC/HCD Opportunity Map. In comparison, only eleven (11) percent of white residents live in these areas. These disparities in access to opportunity exacerbate inequities in health, educational, and economic outcomes between children of different racial and ethnic groups.

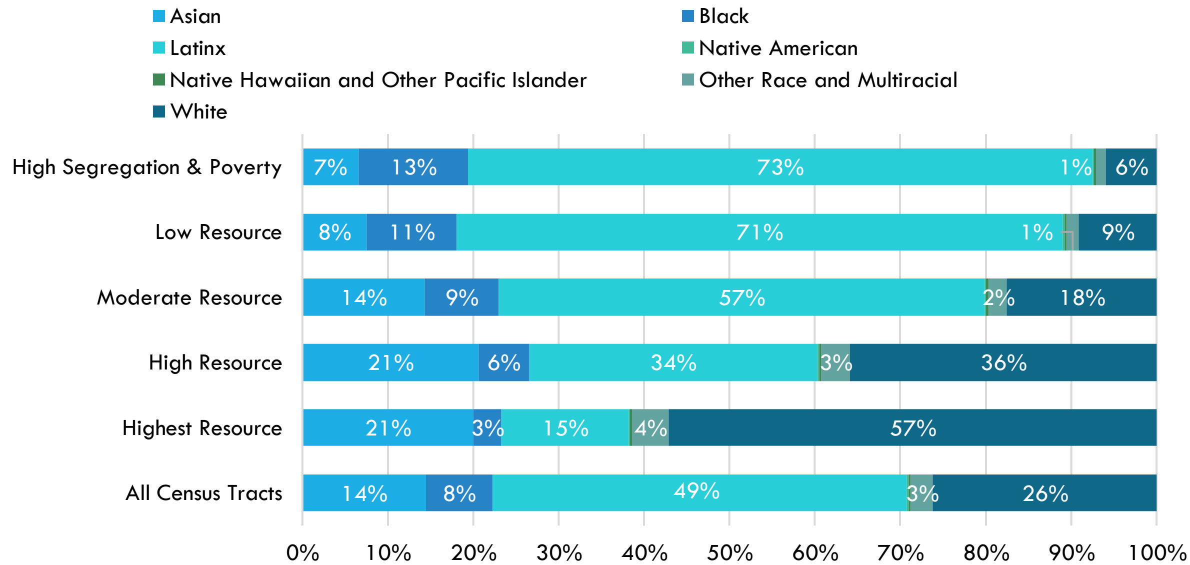
FIGURE 67: SHARE OF RESIDENTS LIVING IN EACH OPPORTUNITY CATEGORY – BY RACE AND ETHNICITY



Source: TCAC/HCD Opportunity Map, 2022. Race and ethnicity analysis used data from U.S. Census Bureau American Community Survey, 2019 (5-year data).

Trends in segregation and unequal access to opportunity are also revealed in the ethnic composition of each tract category in the TCAC/HCD Opportunity Map. As shown below in Figure 68, Black and Latinx households are overrepresented in Low Resource and High Segregation & Poverty areas compared to their share of the population: Black residents make up more than eleven (11) percent of the population residing in these areas despite being less than eight (8) percent of the total population, while Latinx residents represent over 71 percent of the population in lower resource areas despite being only 49 percent of the county-wide population. By contrast, white residents are overrepresented in High and Highest Resource areas, where they make up 46 percent of the population despite being only 26 percent of the county-wide population.

FIGURE 68: RACIAL AND ETHNIC COMPOSITION OF EACH OPPORTUNITY CATEGORY IN LOS ANGELES COUNTY



Source: TCAC/HCD Opportunity Map, 2022. Race and ethnicity analysis was completed with data from U.S. Census Bureau American Community Survey, 2019 (5-year data).

At-Risk Affordable Homes

Figure 69 below shows the existing inventory of at-risk, family-targeted affordable housing relative to the TCAC/HCD Opportunity Map for the County, and Table 72 shows their distribution throughout the five SDs. There are currently 3,750 at-risk, family-targeted affordable homes in the County, of which 506 homes (13 percent) are located in High or Highest Resource areas, which are defined in the TCAC/HCD Opportunity Map as neighborhoods with characteristics and resources most associated with positive educational and long-term economic outcomes for low-income children.

Although 13 percent is a small share of the total at-risk universe, High and Highest Resource areas are often high-cost and have fewer affordable rental homes for low-income families with children. The "2018 Analysis of Impediments to Fair Housing Choice for the Community Development Commission and Housing Authority of the County of Los Angeles" found that the high rate of segregation in the county and lack of opportunity for residents to obtain housing in higher opportunity areas are direct limiting factors to fair housing opportunities.[73] Given the high cost of land and construction in these areas, these homes would be challenging and costly to replace, and their loss would reinforce existing segregation patterns and unequal access to higher-resource neighborhoods.

[73] Western Economic Services, LLC. 2018. "2018 Analysis of Impediments to Fair Housing Choice for the Community Development Commission and Housing Authority of the County of Los Angeles." Prepared for the Community Development Commission of the County of Los Angeles and the Housing Authority of the County of Los Angeles. Website: https://wwwa.lacda.org/docs/default-source/community-development-block-grant/assessment-of-fair-housing/2018-final- analysis-of-impediments/volume-i.pdf?sfvrsn=2f8b81bd_2.

FIGURE 69: PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

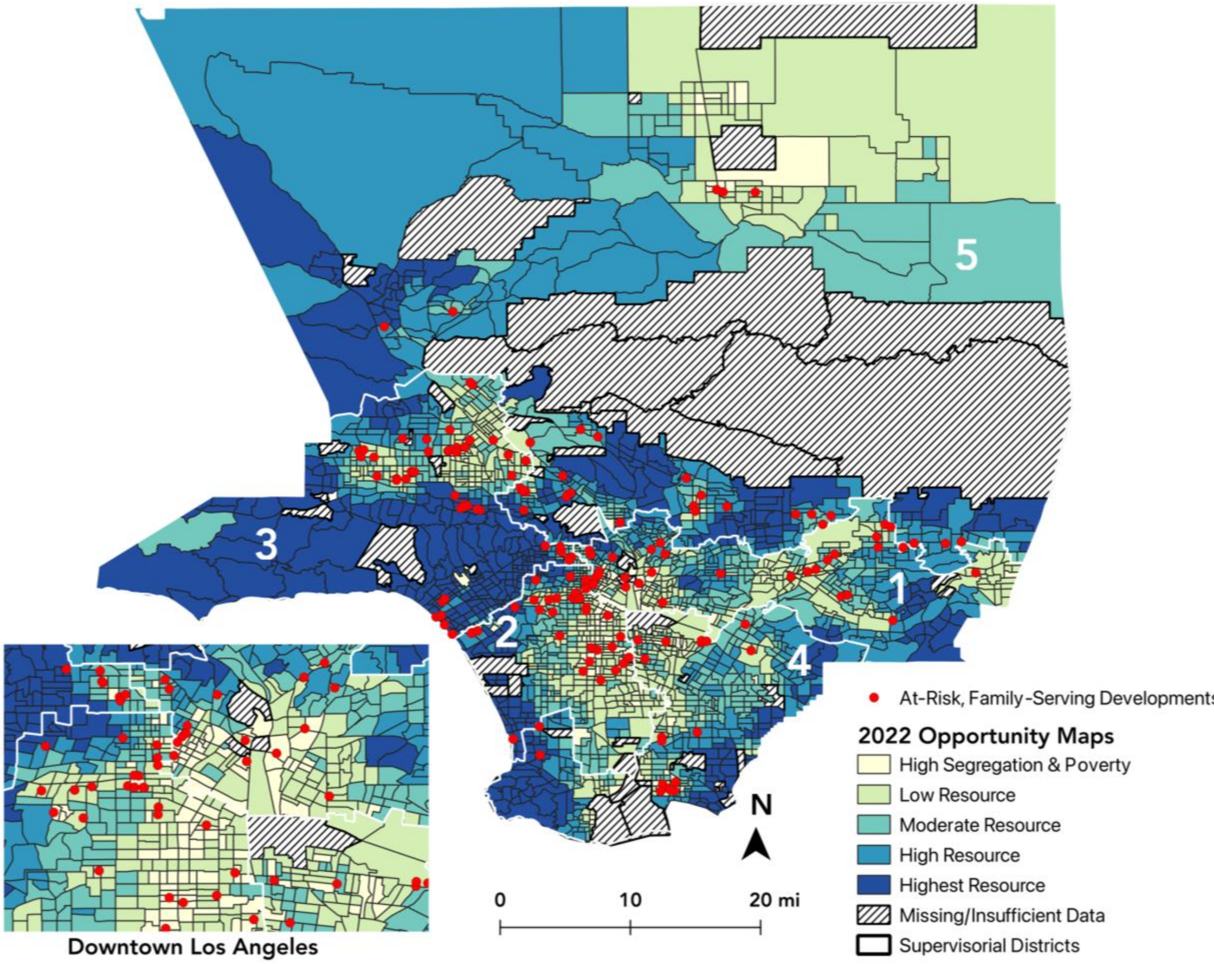


TABLE 72: DISTRIBUTION OF AFFORDABLE HOMES IN AT-RISK FAMILY-TARGETED DEVELOPMENTS BY NEIGHBORHOOD RESOURCES AND OPPORTUNITY

SD	At-Risk Family-Targeted Affordable Homes**	High Segregation & Poverty		Low Resource		Moderate Resource		High Resource		Highest Resource	
		#	%*	#	%*	#	%*	#	%*	#	%*
SD 1	798	75	9%	300	38%	352	44%	71	9%	0	0%
SD 2	1,063	129	12%	692	65%	193	18%	49	5%	0	0%
SD 3	1,211	61	5%	908	75%	100	8%	101	8%	41	3%
SD 4	40	0	0%	27	68%	13	33%	0	0%	0	0%
SD 5	638	8	1%	134	21%	252	39%	244	38%	0	0%
Total	3,750	273	7%	2,061	55%	910	24%	465	12%	41	1%

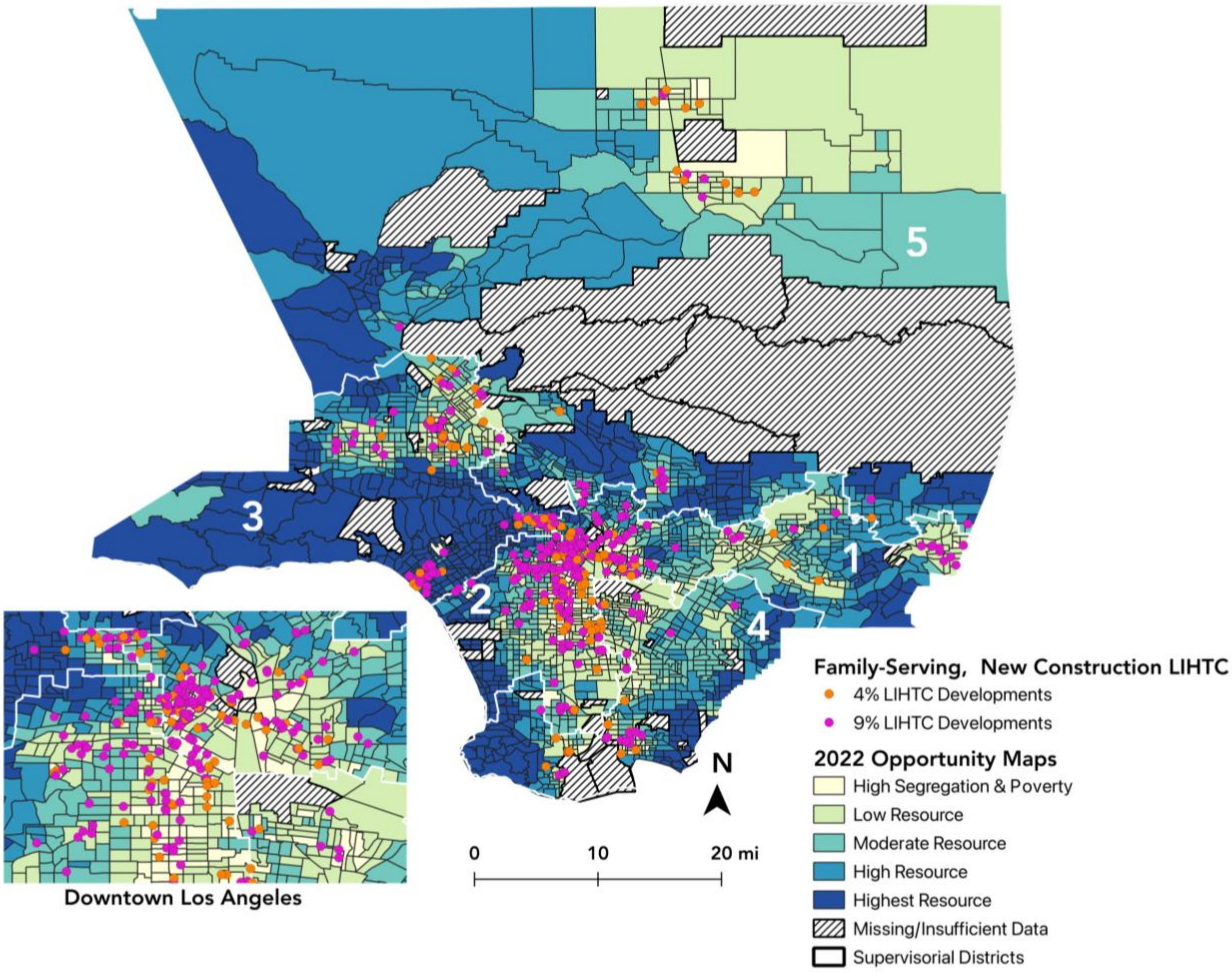
Source: California Housing Partnership Preservation Database, 2021. TCAC/HCD Opportunity Maps, 2021. Supervisorial District (SD) designations reflect updated boundaries adopted December 15, 2021.
**Percentage of all at-risk, family-targeted affordable homes in each SD. All percentages are rounded to the nearest whole percent.*
***There are five homes in at-risk, family-targeted developments awarded LIHTCs 2008-2021 that were not given a resource designation. In addition, certain census areas are excluded from categorization in the TCAC/HCD Opportunity Map because the underlying data is unreliable or unavailable. For this reason, the number of affordable homes in columns 3, 5, 7, 9, and 11 will not perfectly sum to the total number of affordable homes in column 2, nor will the percentages in columns 4, 6, 8, 10, and 12 sums to 100%.*

FAMILY-SERVING, NEW CONSTRUCTION AFFORDABLE HOMES

Beginning in 2017, TCAC adopted regulations that incentivize family-serving, new construction developments (called “large-family” in TCAC’s regulations), applying for 9 percent LIHTCs to be located in areas identified in the TCAC/HCD Opportunity Map as High and Highest Resource, with the greatest incentive for projects to be located in the latter category. Beginning in 2019, HCD also incorporated incentives in its Multifamily Housing Program (MHP) for family-targeted new construction developments to be located in High and Highest Resource areas. Following the lead of TCAC and HCD, the CDLAC regulations and incentives were revised in 2021 to prioritize large-family development in High and Highest Resource areas. As incentives continue to take effect in coming years, it will be essential to continue tracking siting patterns to evaluate the extent to which affordable housing siting patterns offer low-income families a meaningful range of choices, particularly in higher resource areas in the County.

Figure 70 shows the existing inventory of family-serving, new construction developments awarded 4 percent and 9 percent tax credits between 2008 and 2021 relative to the TCAC/HCD Opportunity Map for Los Angeles County.[74]

FIGURE 70: DISTRIBUTION OF FAMILY-SERVING, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-21) BY NEIGHBORHOOD RESOURCES AND OPPORTUNITY



Family-serving, new construction developments awarded 4 percent and 9 percent tax credits in the County are concentrated in Low Resource and High Segregation and Poverty areas, particularly in downtown and south Los Angeles, with smaller clusters in other parts of the county. Conversely, affordable family-targeted housing developments in High and Highest Resource areas are more scattered and far less common, with the only concentration of such developments located in the City of Santa

[74] For the purpose of this analysis, “family-serving homes” includes properties that are deemed “large family” in the housing type, as well as properties that fit the definition of “large family” based on their unit composition. In order to be considered a “large family” serving property, at least 25% of units are required to be 3 bedrooms or greater, with an additional 25% of units being 2 bedroom. This more expansive definition was chosen because 4% LIHTC applications are often listed as “non-targeted” for the population served, despite fitting the criteria for a family-serving development. Using the unit compositions to included additional properties ensures that we are more fully capturing the family-serving affordable housing universe.

Monica. The distribution of affordable homes in large-family, new construction 4 percent and 9 percent LIHTC developments relative to the TCAC/HCD Opportunity Map is shown in Table 73 below.

TABLE 73: AFFORDABLE HOMES IN FAMILY-SERVING, NEW CONSTRUCTION DEVELOPMENTS IN LOS ANGELES COUNTY AWARDED LIHTCS (2008-21) RELATIVE TO 2021 NEIGHBORHOOD RESOURCES AND OPPORTUNITY

	Affordable Homes**	High Segregation & Poverty		Low Resource		Moderate Resource		High Resource		Highest Resource	
	#	#	%*	#	%*	#	%*	#	%*	#	%*
Total	**11,098**	**3,190**	**29%**	**4,500**	**41%**	**2,663**	**24%**	**371**	**3%**	**374**	**3%**
					9% Housing Credits						
SD 1	2,295	827	36%	973	42%	446	19%	49	2%	0	0%
SD 2	2,115	419	20%	685	32%	991	47%	0	0%	20	1%
SD 3	777	0	0%	377	49%	20	3%	184	24%	196	25%
SD 4	615	80	13%	156	25%	330	54%	49	8%	0	0%
SD 5	912	139	15%	458	50%	315	35%	0	0%	0	0%
Total	**6,714**	**1,465**	**22%**	**2,649**	**39%**	**2,102**	**31%**	**282**	**4%**	**216**	**3%**
					4% Housing Credits						
SD 1	501	346	69%	88	18%	67	13%	0	0%	0	0%
SD 2	887	357	40%	345	39%	185	21%	0	0%	0	0%
SD 3	1,099	352	32%	325	30%	175	16%	89	8%	158	14%
SD 4	816	406	50%	323	40%	87	11%	0	0%	0	0%
SD 5	1,081	264	24%	770	71%	47	4%	0	0%	0	0%
Total	**4,384**	**1,725**	**39%**	**1,851**	**42%**	**561**	**13%**	**89**	**2%**	**158**	**4%**

Source: California Housing Partnership Preservation Database, 2022. 2022 California TCAC/HCD Opportunity Maps. Supervisorial District (SD) designations reflect updated boundaries adopted December 15, 2021.
**Percentage of large-family, new construction affordable homes in each row (SDs or county totals).*
***There are 374 homes in large-family, new construction developments awarded LIHTCs 2008-21 that were not given a resource designation. In addition, certain census areas are excluded from categorization in the TCAC/HCD Opportunity Map because the underlying data is unreliable or unavailable. For this reason, the number of affordable homes in columns 3, 5, 7, 9, and 11 will not perfectly sum to the total number of affordable homes in column 2, nor will the percentages in columns 4, 6, 8, 10, and 12 sums to 100%.*

More than two-thirds (70 percent) of affordable homes in large-family, new construction developments in the County awarded 4 percent and 9 percent tax credits are concentrated in Low Resource and High Poverty and Segregation areas. In comparison, only six percent of affordable homes in large-family, new construction developments are located in High or Highest Resource areas. The remaining 24 percent of homes are located in Moderate Resource areas.

The distribution above suggests that the historical trends in the siting of large-family, new construction 4 percent and 9 percent LIHTC developments in the County offer low-income families only limited access to higher opportunity neighborhoods. Worth noting is that while no new construction, family-serving development occurred in High and Highest Opportunity Areas in 2021, significant activity occurred in developing special needs housing, including permanent supportive and transitional housing.

While the historical distribution shows a concentration in lower resource and high poverty areas, it should be noted that developers face barriers to developing affordable housing in more affluent, low-density areas that are often resistant to affordable housing, have fewer parcels zoned for multifamily housing, and are less likely to contribute local funding. For example, a separate analysis conducted by the California Housing Partnership found that per-unit costs for large-family, new construction 9 percent LIHTC developments in High and Highest Resource tracts in the County awarded tax credits between 2000 and 2014 were approximately $35,000 or 9 percent greater than median per-unit costs in the County during the same period without including land costs and $68,000 or 15 percent greater per-unit including land costs. The combination of high construction costs, pushback against affordable housing from affluent, exclusive communities, and discriminatory housing and land use policies has resulted in the uneven distribution of family-targeted affordable housing statewide. The new TCAC and HCD MHP incentives are aimed to help change those discriminatory housing and land use patterns.

Section 5. Affordable Housing Development Cost Analysis

Overview

A growing body of research on the cost of developing affordable rental housing in California finds that rising costs are a real and pressing challenge in a state already grappling with an affordable housing crisis and shortage of funding.[75] Section 5 analyzes recent trends in the cost of developing new and preserved affordable rental homes to better understand the factors that influence development costs and how these costs have changed over time. Understanding these trends can help inform the County's efforts to make the financing and development of affordable housing as effective and efficient as possible.

Research on the factors influencing development costs for affordable housing in California has revealed that no single element can explain all or even most affordable housing development costs[76] and that high development costs are due to "death by a thousand cuts."[77] According to a 2014 study commissioned by California's four state-level housing agencies—the California Tax Credit Allocation Committee (TCAC), the California Debt Limit Allocation Committee (CDLAC), the Department of Housing and Community Development (HCD), and the California Housing Finance Agency (CalHFA)— development-specific factors such as the type of housing (e.g., family units, senior housing), land availability and affordability, entitlement process and community opposition, as well as materials costs and local requirements (e.g., parking, design, density, quality, and durability) all influence development costs for affordable housing.[78]

A March 2020 study by the UC Berkeley Terner Center for Housing Innovation identifies many of the same cost drivers for affordable housing development in California: hard construction costs (e.g., material and labor), local development fees, lengthy entitlement processes, parking requirements, prevailing wages or local hiring requirements, design regulations, and the time and talent needed to navigate California's complex financing landscape. "Affordable housing development," wrote the authors, "is not immune to the same cost drivers pushing up the costs of market-rate developments, affordable housing developers face a cost that market-rate developers do not: the increased complexity in financing affordable projects and the need to manage multiple funding sources that add requirements and delays to every project.[79]

A 2020 analysis by the California Housing Partnership revealed that each additional state funding entity involved in financing affordable rental housing development is associated with an increase of $15,800 per

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[75] For example, see: U.S. GAO. 2018. "Low-Income Housing Tax Credit: Improved Data & Oversight Would Strengthen Cost Assessment and Fraud Risk Management." September 18. Website: https://www.gao.gov/products/gao-18-637.
[76] See, for example: Terner Center for Housing Innovation. "Terner Center Research Series: The Cost of Building Housing." Website: ternercenter.berkeley.edu/construction-costs-series.
[77] Fuller, Thomas. "Why Does It Cost $750,000 to Build Affordable Housing in San Francisco?" *The New York Times*, 20 February 2020. Website: https://www.nytimes.com/2020/02/20/us/California-housing-costs.html.
[78] CTCAC, et al. 2014. "Affordable Housing Cost Study: Analysis of the Factors that Influence the Cost of Building Multi-Family Affordable Housing in California." Website: treasurer.ca.gov/ctcac/affordable_housing.pdf.
[79] Terner Center for Housing Innovation. 2020. "The Costs of Affordable Housing Production: Insights from California's 9% Low-Income Housing Tax Credit Program." Website: https://ternercenter.berkeley.edu.

unit in total development costs on average. Given that affordable housing developers routinely apply for funding from up to four state agencies, the cost of securing state funding alone can add as much as $63,200 per home.[80]

In addition to increasing construction costs and expenses of navigating California's complex and lengthy review and financing systems, affordable housing is also vulnerable to changes in the market and tax code. For example, the 2017 Tax Cuts and Jobs Act decreased the corporate tax rate to 21 percent, reducing corporations' incentives to invest in Low-Income Housing Tax Credits (LIHTC/"tax credits").[81] The California Housing Partnership, which reviews data on investment pricing for dozens of California LIHTC transactions annually, estimates that the federal corporate tax rate reduction reduced the value contributed by the sale of tax credits by nearly 15 percent.

DATA SOURCES AND METHODOLOGY

Section 5 relies on California Tax Credit Allocation Committee (TCAC) data on affordable rental housing awarded tax credits in the County between 2012 and 2021. In the last three decades, the LIHTC program has become the most significant funding source for the construction and preservation of affordable housing in California. More than 90,000 affordable homes have been funded with tax credits in the County alone.

To collect the cost data for this analysis, the California Housing Partnership compiled detailed development cost data from 510 LIHTC developments in the County from 2012-21, which represents approximately one-fourth of LIHTC homes in the County. The data is primarily derived from applications to TCAC and includes detailed information on each development's sources of funding and development cost line items.[82] When application data was not available, we used TCAC staff reports created for each LIHTC development, which included summary financing data.[83] Throughout this section, we adjust development costs for inflation to 2021 dollars using the RS Means Construction Cost Index, the same inflation adjustment factor used by TCAC.

Costs are expressed as total residential development cost—including land—and described as per-unit and per-bedroom. We analyze development cost data on both a per-unit and per-bedroom basis, as these two measures answer different questions about development costs. For example, a per-unit measurement examines the cost to house one household (whether a single individual or a family). In contrast, per-bedroom costs reflect the costs to house one person, assuming that one person is occupying each bedroom. Table 74 below shows summary data on the project characteristics for the Los Angeles County LIHTC developments used in this cost analysis.

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[80] California Housing Partnership, 2021. "Creating a Unified Process to Award All State Affordable Rental Housing Funding." https://chpc.net/creating-a-unified-process-to-award-all-state-affordable-rental-housing-funding/.
[81] Urban Institute. 2018. "How the Tax Cuts and Jobs Act puts affordable housing production at risk." Website: https://www.urban.org/urban-wire/how-tax-cuts-and-jobs-act-puts-affordable-housing-production-risk
[82] Year in this analysis corresponds with the LIHTC award year. This data reflects the developer's best estimate of project costs at the time of application and not the final costs of development.
[83] TCAC staff reports can be accessed online at https://www.treasurer.ca.gov/ctcac/meeting/index.asp.

TABLE 74: DEVELOPMENT COST DATASET – LOS ANGELES COUNTY (2012-21)

Development Characteristics	Number of Developments	Number of Affordable Homes
	Tax Credit Type	
4% LIHTC	330	29,513
9% LIHTC	180	11,079
	Construction Type	
New Construction	314	21,380
Acquisition/Rehab	192	18,905
Adaptive Reuse	4	307
	Geography*	
City of Los Angeles	320	25,202
Balance of LA County	190	15,390
>> Unincorporated LA County	*37*	*2,287*
	Housing Type	
Large Family	144	12,148
Senior	82	8,096
Special Needs/SRO	188	11,847
At-Risk	17	1,197
Non-Targeted	79	7,304
	Development Size	
Small (less than 50 units)	154	5,771
Medium (50-100 units)	250	17,882
Large (More than 100 units)	106	16,939
	Year of LIHTC Award	
2012 Award Year	40	2,822
2013 Award Year	50	3,952
2014 Award Year	40	2,789
2015 Award Year	40	3,760
2016 Award Year	60	5,160
2017 Award Year	36	2,479
2018 Award Year	47	3,526
2019 Award Year	58	4,749
2020 Award Year	79	6,512
2021 Award Year	60	4,843
Total	**510**	**40,592**

Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-21.

The three geographies considered in the cost study represent the City of Los Angeles; the Balance of LA County, a geography used to refer to all geographies in the county **except the City of Los Angeles; and unincorporated LA County, which includes all unincorporated areas in Los Angeles County. The Balance of LA County and unincorporated LA County overlap as all unincorporated areas are also captured in the Balance of LA County category.*

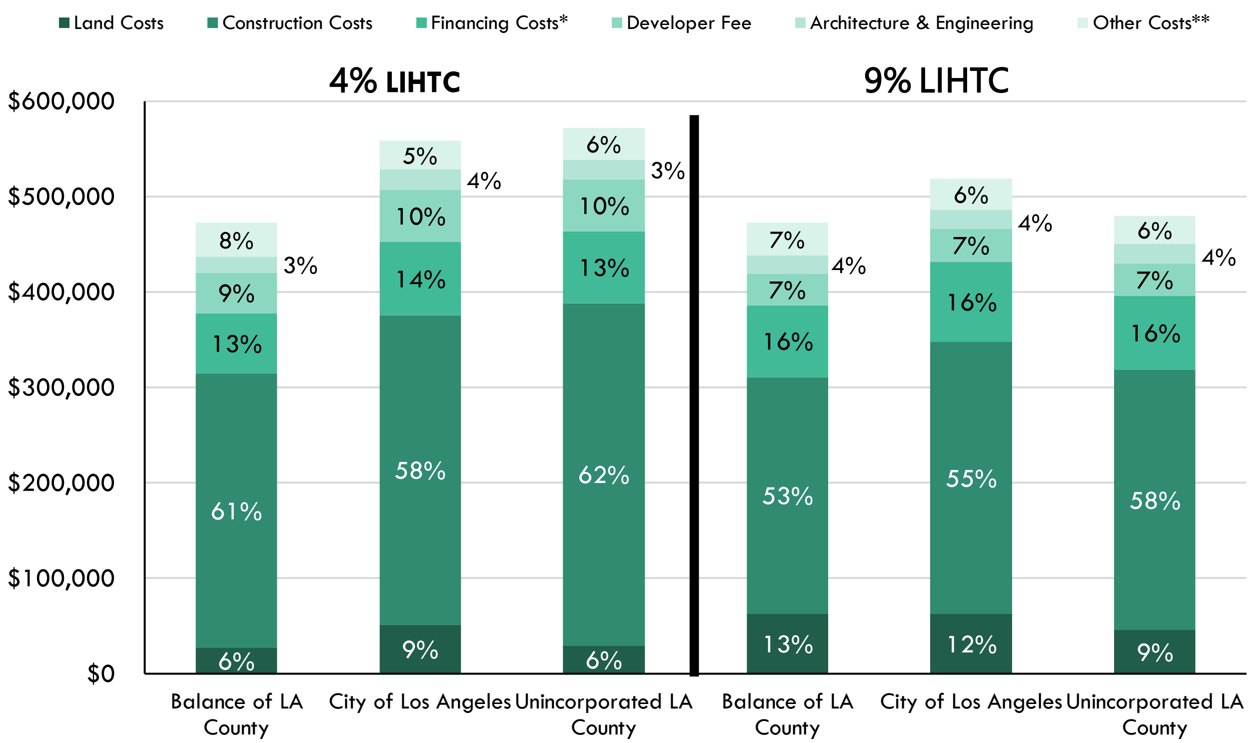
Affordable Housing Financing Trends – Cost Categories

The cost to develop affordable housing comprises several different types of expenses, including property acquisition, construction, architectural and engineering, financing (e.g., interest, fees, legal expenses, appraisals, and reserves), local development fees, and other soft costs.

New Construction

Figure 71 below shows the average spread of development costs for a newly constructed affordable home by tax credit type[84] for the City of Los Angeles, Balance of Los Angeles County, and unincorporated Los Angeles County.[85]

FIGURE 71: NEW CONSTRUCTION DEVELOPMENT COST TRENDS IN LOS ANGELES COUNTY BY TAX CREDIT TYPE, PER-UNIT (2012-21)



Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-21.
**'Financing costs' captures construction interest, permanent financing, legal fees, appraisals, and reserves.*
***'Other costs' captures expenses like insurance, local development and permit fees, consultant fees, market studies.*

Across all three geographies, construction costs—labor and materials—make up the majority of development costs. The second-largest category is soft costs, which typically comprise one-third of costs. These costs are associated with affordable housing financing, design, and realization (represented below as financing costs, developer fees, architecture, engineering, and other costs). Finally, land acquisition

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[84] There are two types of LIHTCs: competitive 9% credits—which are allocated annually by the IRS on a per capita basis to each state—and 4% credits.

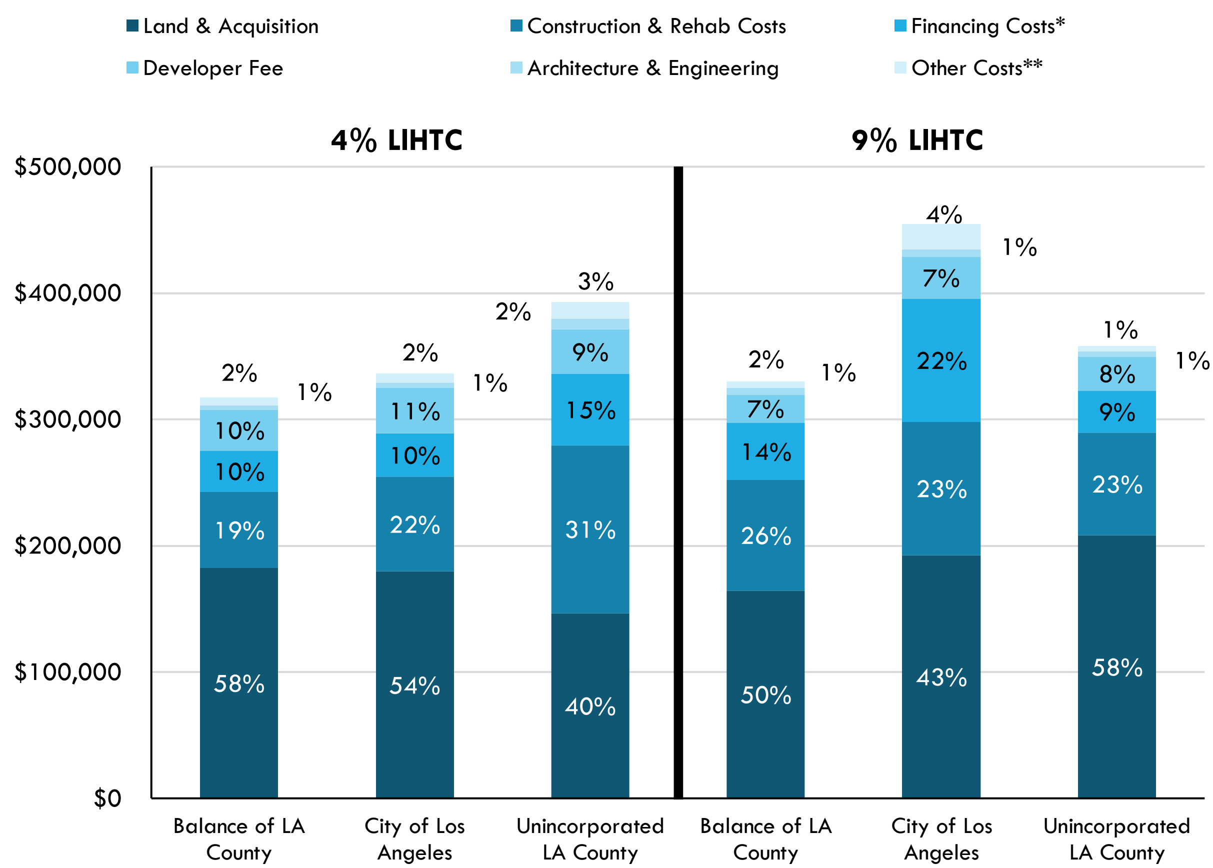
[85] As noted in Table 4, the total number of LIHTC developments in unincorporated LA County is small (37 developments), such that the median total development cost is heavily impacted by a few expensive developments.

costs range from six (6) percent of total development costs to 13 percent on average and vary because some developments benefit from donated land, while others pay market-rate.[86]

Acquisition/Rehabilitation

Figure 72 below shows the average costs for an acquisition/rehabilitation affordable home by tax credit type (4 percent or 9 percent). Across all three geographies, acquisition costs—the cost to purchase land and buildings for rehabilitation—comprise the majority of development costs, ranging from 40 percent to 58 percent of development costs on average. The second-largest cost category is construction and rehabilitation costs, including materials and labor, ranging from 19 to 31 percent on average. The remaining and smallest cost category is soft costs, which typically comprise 19 to 34 percent of development costs on average.

FIGURE 72: ACQUISITION/REHABILITATION PROJECT COST TRENDS IN LOS ANGELES COUNTY BY TAX CREDIT TYPE, PER-UNIT (2012-21)



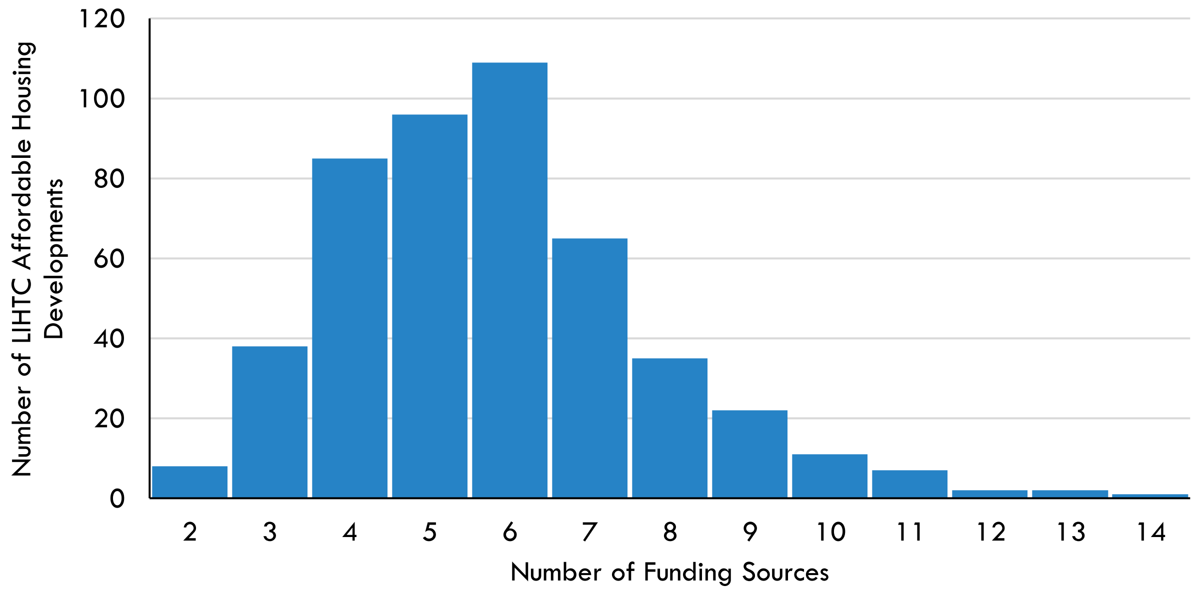
Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-21.
**'Financing costs' captures construction interest, permanent financing, legal fees, appraisals, and reserves.*
***'Other costs' captures expenses like insurance, local development and permit fees, consultant fees, market studies.*

[86] For more information on different cost categories for affordable housing development, see the Terner Center's "Making It Pencil: The Math Behind Housing Development" at https://ternercenter.berkeley.edu/wp-content/uploads/2020/08/Making_It_Pencil_The_Math_Behind_Housing_Development.pdf.

Affordable Housing Financing Trends – Source Categories

To finance the construction and preservation of affordable homes, developers must rely on funding from multiple private and public sources, including mortgages, tax credits, bonds, and various other federal, state and local sources. For example, in the County, developers of affordable rental housing employ an average of six funding sources, though some must rely on far more (see Figure 73 below).[87]

FIGURE 73: NUMBER OF FUNDING SOURCES* UTILIZED BY LIHTC AFFORDABLE HOUSING DEVELOPMENTS IN LOS ANGELES COUNTY (2012-21)



Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-21.
**This graphic only includes sources of permanent financing and, therefore, excludes rent subsidies and operating subsidies.*

New Construction

Figure 74 below shows the average composition of sources for a newly constructed affordable home by tax credit type for the City of Los Angeles, Balance of Los Angeles County, and unincorporated Los Angeles County. Across all three geographies, tax credit equity is the primary source of development funding—from approximately one-third of permanent financing for projects receiving the 4 percent tax credit and two-thirds of permanent financing for projects receiving the 9 percent tax credit on average.[88]

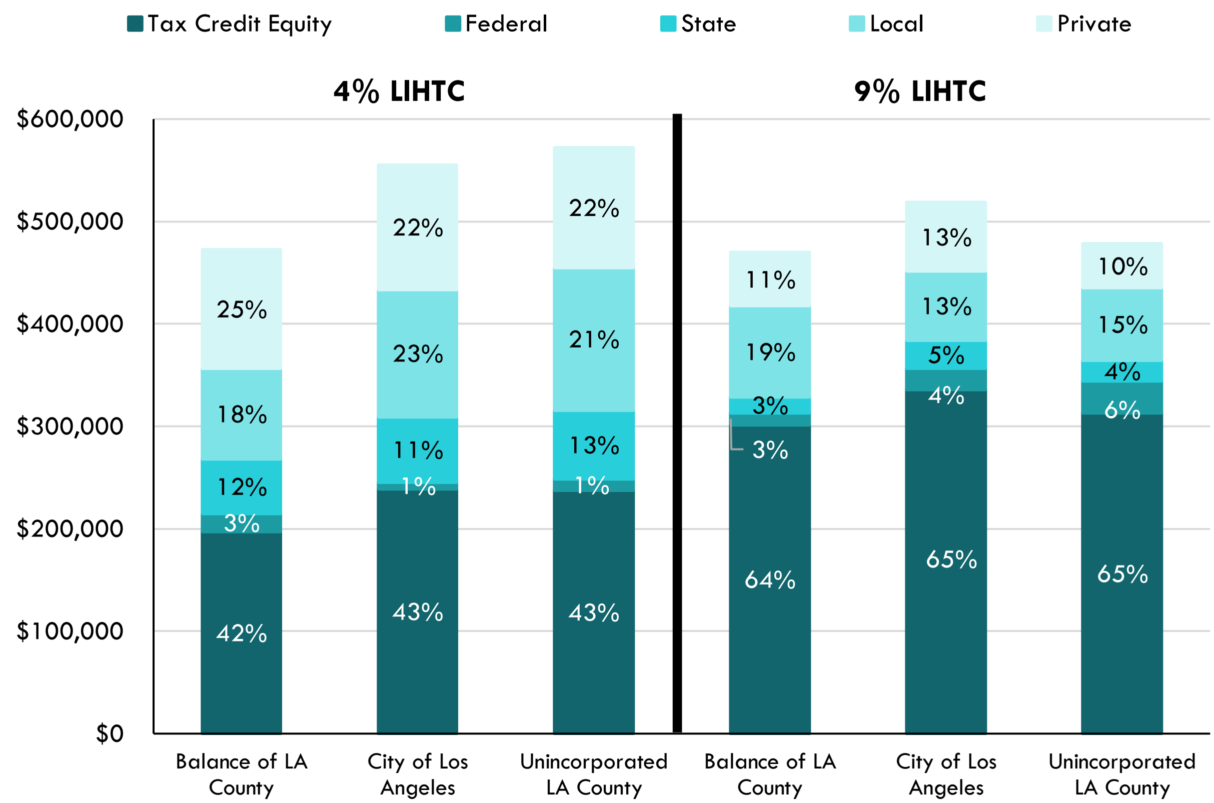
Federal, state, and local sources finance 33 to 35 percent of costs for 4 percent LIHTC developments and 22 to 25 percent of costs for 9 percent LIHTC developments on average. Federal sources include the HOME Investment Partnerships Program and the Community Development Block Grant Program, administered by local agencies. The state funding category consists of all programs administered or implemented by state housing agencies (e.g., the HCD, SGC, and CalHFA, such as MHP, AHSC program, and MIP. The local funding category captures permanent financing programs facilitated by local housing

[87] This analysis only includes sources of permanent financing and, therefore, excludes rent subsidies and operating subsidies.
[88] For more information on the tax credit program and differences between the 4% and 9% credit, see Section 2.

agencies or financing entities, including land donations or land loans, local impact fee waivers, and programs governed by local agencies, including LAHSA, LACDA, HCIDLA, and DMH.

Private sources make up the final source category—including private hard debt, philanthropy, and partnership or developer contributions—and finance approximately one-fourth of development costs for 4 percent LIHTC developments and between ten (10) and 13 percent of costs for 9 percent LIHTC developments on average.

FIGURE 74: NEW CONSTRUCTION AFFORDABLE HOUSING SOURCES – FINANCING TRENDS IN LOS ANGELES COUNTY BY TAX CREDIT TYPE, PER-UNIT (2012-21)



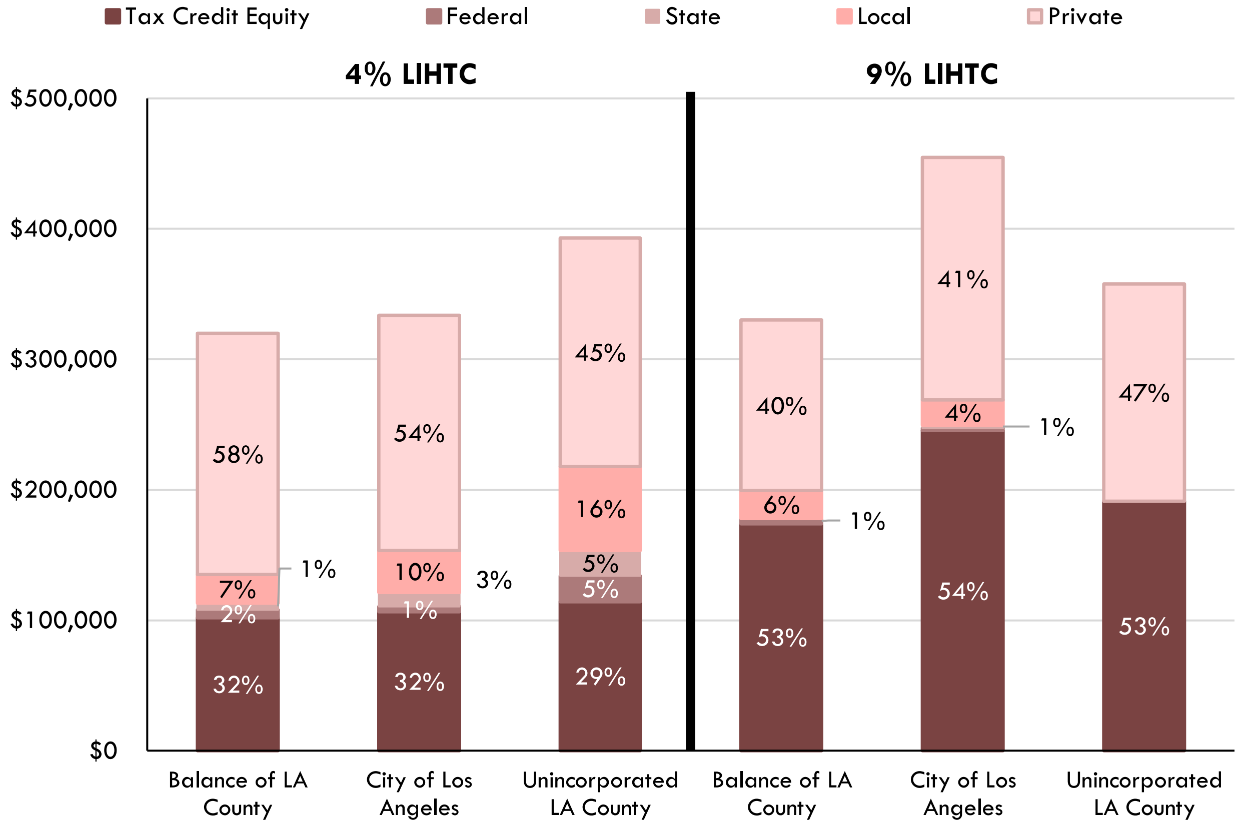
Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-21.

Acquisition/Rehabilitation

Figure 75 below shows the average composition of financing sources for an acquisition/rehabilitation affordable home by tax credit type. Across all three geographies, tax credit equity and private sources are the largest development funding sources for both 4 percent and 9 percent LIHTC developments. Local funding is the third-largest source of funding for acquisition/rehabilitation developments. Federal and state sources combined finance between four (4) percent and ten (10) percent of costs for 4 percent LIHTC developments and less than two (2) percent of costs for 9 percent LIHTC developments. The majority of 9 percent LIHTC developments receive no permanent financing from state or federal sources—65 percent of the 9 percent acquisition/rehabilitation developments awarded LIHTCs from 2012-21 are assisted by Section 8, both HUD Project-Based Rental Assistance (PBRA) and project-based Housing Choice Vouchers

(HCV). This rental assistance permits properties to support large mortgages and reduce or eliminate the need for other gap financing.

FIGURE 75: ACQUISITION/REHABILITATION AFFORDABLE HOUSING SOURCES – FINANCING TRENDS IN LOS ANGELES COUNTY BY TAX CREDIT TYPE, PER-UNIT (2012-21)



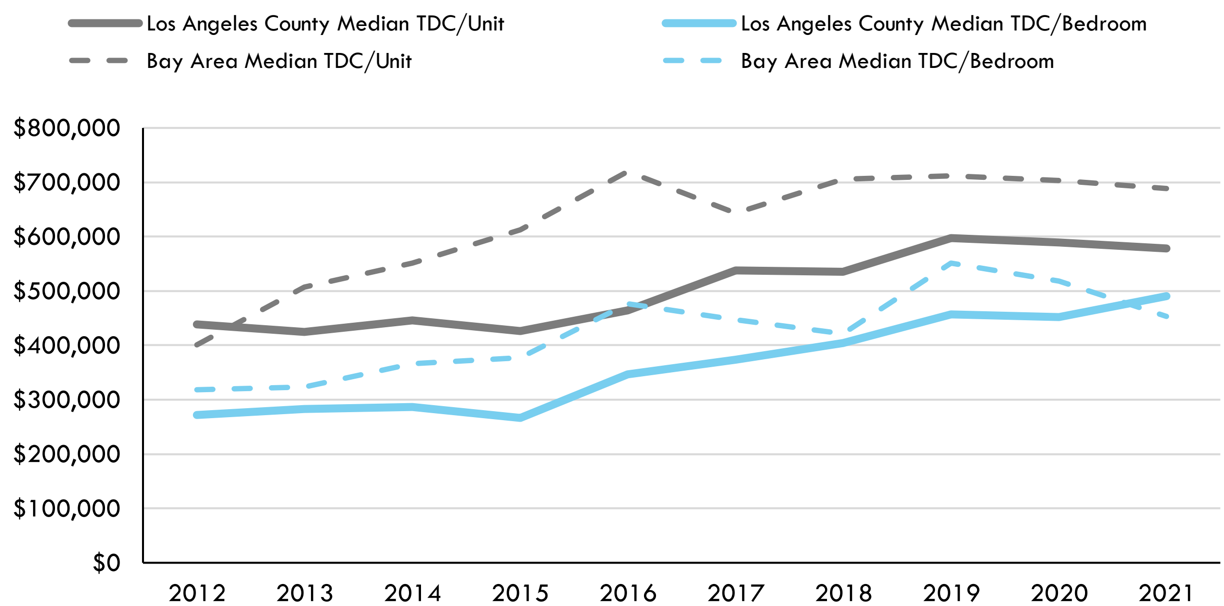
Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-21.

HISTORICAL TRENDS IN TOTAL DEVELOPMENT COSTS FOR NEW AFFORDABLE HOUSING

Figure 76 shows trends in median total development costs for new affordable homes financed with tax credits—on a per-unit and per-bedroom basis—in both the County and the Bay Area from 2012-21, adjusted for inflation.[89]

In the County, inflation-adjusted development costs remained relatively flat between 2012 and 2015, increased steadily between 2016 and 2019, and then flattened again from 2019-21. From 2016-19, the cost to develop a new affordable home increased from $464,000 to $597,000 per unit (29 percent) and from $347,000 to $458,000 per bedroom (32 percent). From 2019-20, development costs decreased slightly by one (1) percent per unit and per bedroom before decreasing further by two (2) percent per unit and increasing by eight (8) percent per bedroom from 2020-21. Total development costs were higher in the five most urbanized counties in the Bay Area than in the County at almost every point during this period at both the per-unit and per-bedroom levels.

FIGURE 76: LOS ANGELES COUNTY MEDIAN TOTAL DEVELOPMENT COSTS (TDC) FOR NEW LIHTC DEVELOPMENTS, 2012-21 (2021$)



Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-21.

The following subsections—"Cost Analysis by Housing Type" and "Cost Analysis by Geography"—explore other trends and explanations for changes in development costs over time. Though this analysis does not employ rigorous statistical techniques to establish correlation, descriptive statistics allow us to understand important historical trends. For example, in newly constructed affordable housing developments in the County, the number of bedrooms per unit decreased by 19 percent from 2012-21—from 1.72 bedrooms per unit to 1.40 bedrooms per unit. Larger buildings typically reflect economies of scale in affordable housing construction because the costs of services, operations, and design do not vary much by building

[89] The Bay Area is defined as the five most urbanized Bay Area counties—Alameda, Contra Costa, San Francisco, Santa Clara, and San Mateo.

size, so larger buildings allow developers to spread these fixed costs over more units. In addition, this shift towards fewer bedrooms per unit is consistent with local and state efforts to address the homelessness crisis by developing permanent supportive housing, which often comprises studio and one-bedroom units primarily. See the "Cost Analysis by Housing Type" section below for more analysis and discussion of these trends.

Cost Analysis by Housing Type

The County, in recent years, has prioritized the development of permanent supportive housing to help address the county's homelessness crisis, such as new policies and programs to support individuals experiencing homelessness and new funding programs and local bond measures to finance services and the production of supportive housing. This prioritization has also influenced the composition of LIHTC applications and awards. For example, an increasing share is awarded to developments for individuals and families with special needs or who have experienced chronic homelessness (classified by TCAC as the "Special Needs" housing type).

Demonstrating this trend, the percentage of special needs units in the county's LIHTC portfolio increased from 29 percent to 71 percent from 2012-21.[90] This shift in the type of affordable housing developed in the County explains some of the cost increases during this ten-year period. As shown below in Figure 77, LIHTC-assisted special needs developments tend to be more expensive on a per-bedroom basis than other types of housing. For example, between 2012 and 2021, the median cost per-bedroom for LIHTC-awarded special needs developments was 69 percent higher than LIHTC-awarded large-family developments.[91]

Reasons for higher costs associated with special needs developments include smaller unit sizes with a greater percentage having more expensive bathroom and kitchen space, more space used for heavy-use common areas and social service provision, higher operating costs per unit resulting in higher capitalized operating reserves, as well as more extensive required transition reserves due to guard against termination of rent or operating subsidy. In addition, funding for supportive housing is often more fragmented and complex than funding for other affordable housing development types. According to the Terner Center's 2020 cost study, supportive housing developments across California require an average of 6.2 funding sources per development, which is more funding sources than typical family or senior developments utilize. This study also found that each additional funding source is associated with an additional cost of $6,450 per unit, meaning that costs for these units would be expected to be nearly additional cost of $40,000 higher than they otherwise would have been.[92]

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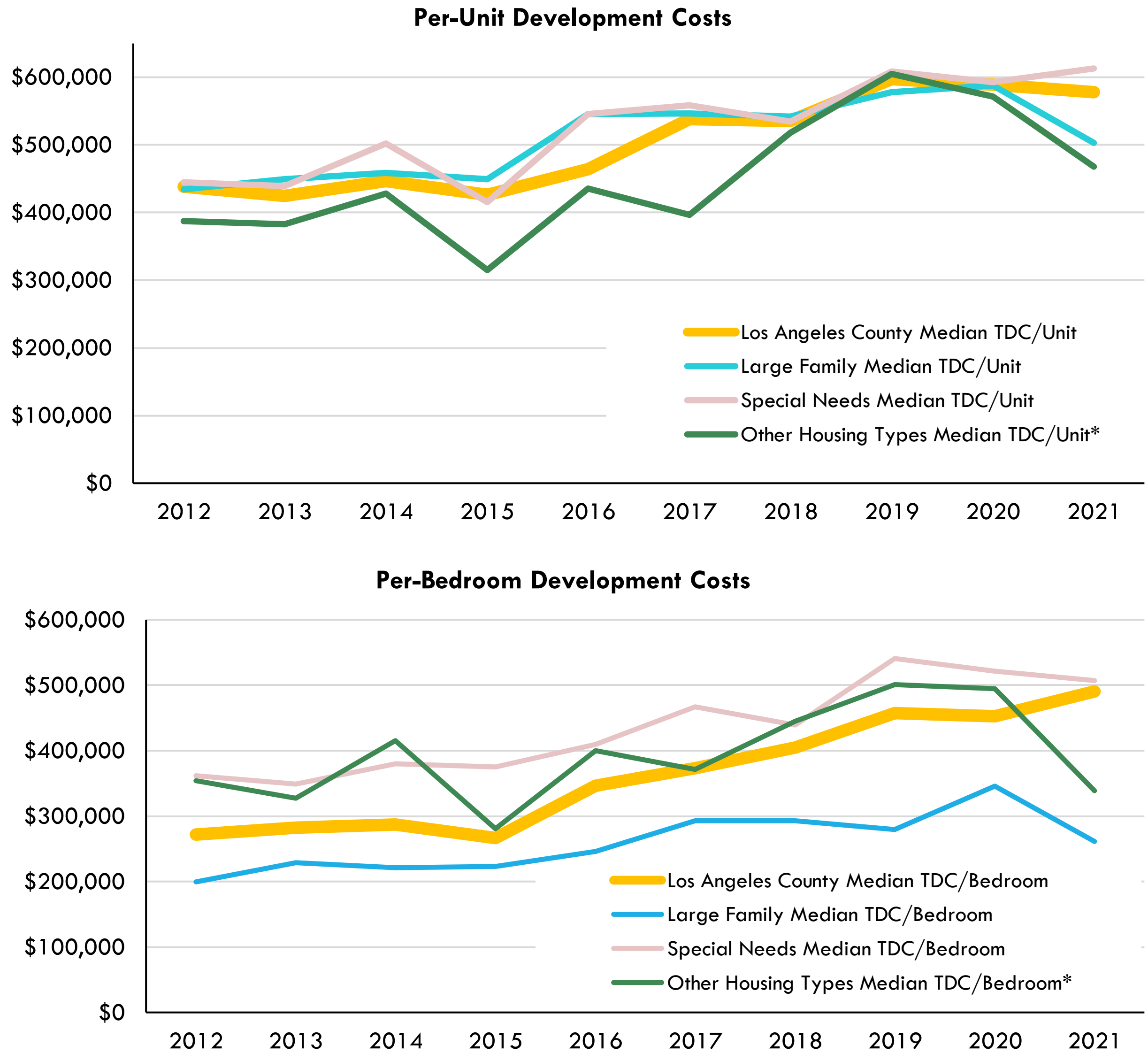
[90] TCAC uses "housing type" to identify the specific population to be served by the development and has four housing types—Large Family, Senior, Special Needs, and At-Risk—each with its own definition and eligibility. Senior properties, for example, house tenants 62 years and older. At-Risk refers to projects with affordability restrictions at risk of expiring. Special Needs encompasses individuals living with physical, sensory, developmental or mental health disabilities; survivors of physical abuse; individuals who are homeless; individuals with chronic illness; and families in the child welfare system. Large family developments are designed to accommodate families with children.

[91] Though this analysis does not employ rigorous statistical techniques needed to establish correlation, descriptive statistics do allow us to understand important historical trends.

[92] Terner Center for Housing Innovation. 2020. "The Costs of Affordable Housing Production: Insights from California's 9 percent LIHTC Program." Website: http://ternercenter.berkeley.edu.

FIGURE 77: MEDIAN TOTAL DEVELOPMENT COSTS (TDC) FOR NEW LIHTC DEVELOPMENTS, BY HOUSING TYPE, 2012-21 (2021$)



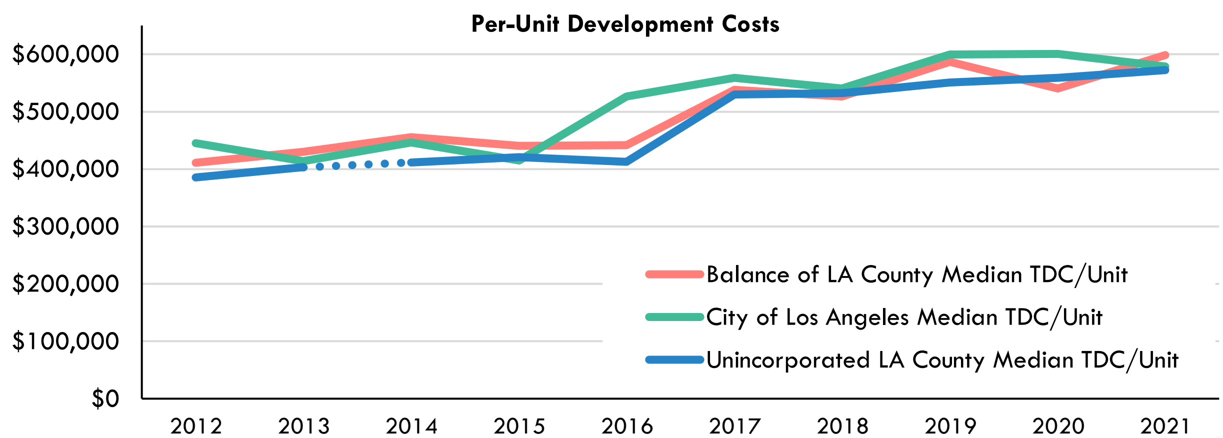
Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-21.
**'Other Housing Types' captures all TCAC housing types except large family and special needs. For new construction developments, this includes senior housing and non-targeted housing.*

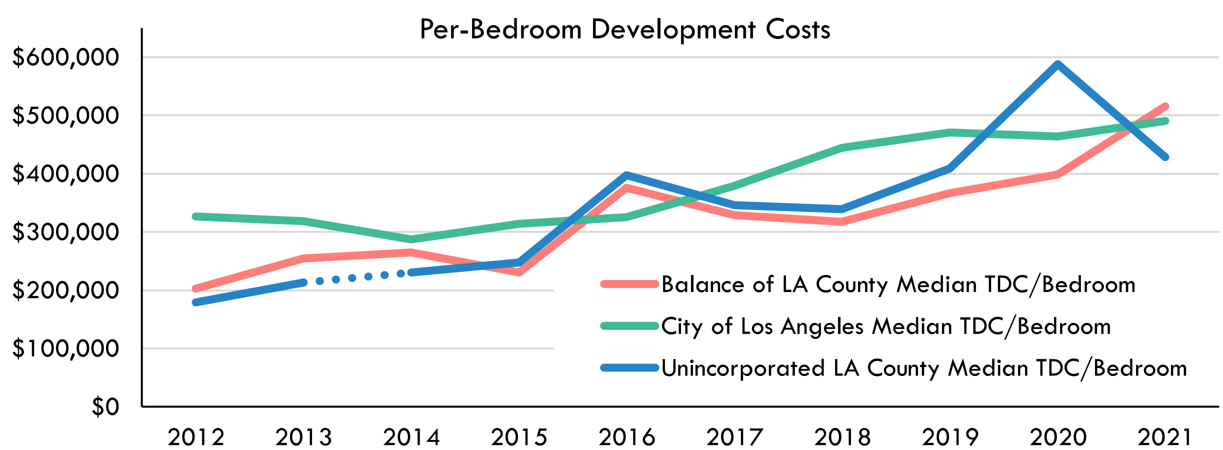
In conclusion, the compositional shift in the type of affordable homes created in the County towards serving more special needs households appears to have contributed to the recent increase in median development costs, independent of other factors such as the rising cost of materials.

Cost Analysis by Geography

Figure 78 shows trends in median total development costs for new affordable homes financed with tax credits in the City of Los Angeles, Balance of Los Angeles County, and unincorporated Los Angeles County from 2012-21, adjusted for inflation. While development costs per unit were comparable across all three geographies from 2012-21, per-bedroom costs experienced more variation. Per-bedroom development costs in the City of Los Angeles were greater than costs for developments outside of the city for every year except 2016, 2020, and 2021. Per-bedroom costs for developments in the Balance of LA County and unincorporated LA County were comparable from 2012-19, with costs in unincorporated LA County increasing at a higher rate in 2020 before decreasing in 2021. Meanwhile, per-bedroom costs in the Balance of County saw a large increase in 2021. These increases in per-bedroom costs in both geographies could partly be explained by the decline in average bedrooms per unit in the years with increasing costs. Unincorporated LA County saw a decrease from 1.4 to 0.9 bedrooms per unit from 2019-20 before increasing to 1.3 bedrooms per unit in 2021, while the Balance of LA County saw a decrease from 1.5 to 1.2 bedrooms per unit from 2020-21.

FIGURE 78: MEDIAN TOTAL DEVELOPMENT COSTS (TDC) FOR NEW LIHTC DEVELOPMENTS, BY GEOGRAPHY, 2012-21 (2021$)





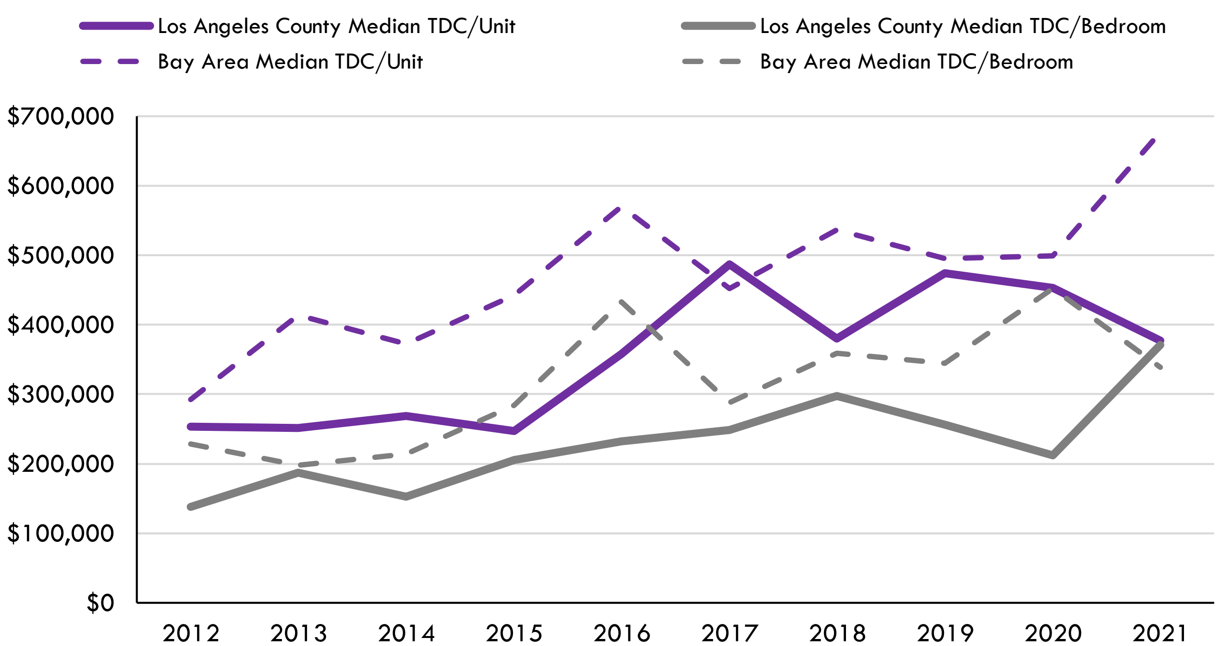
Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-21.
Note: There is a dotted line for unincorporated LA County for 2013 and 2014 because there was only one development awarded LIHTCs during this two-year period.

Historical Trends in Total Development Costs for Preserved Affordable Housing

Research has found that the cost to acquire and rehabilitate—also known as "preserve"—existing multifamily rental homes is typically much lower than new construction.[93] Between 2012 and 2021, preserving existing multifamily rental housing cost 36 percent less per unit and 41 percent less per bedroom in the County than new construction, on average.

Figure 79 shows trends in median total development cost for a preserved affordable home financed with tax credits—on a per-unit and per-bedroom basis—in both the County and the Bay Area from 2012-21, adjusted for inflation.[94] In the County, these costs have steadily increased during these ten years. From 2012-21, acquiring and rehabilitating an affordable home grew from $253,000 to $377,000 per unit (49 percent), and the costs per bedroom increased from $138,000 to $371,000 (169 percent), adjusted for inflation. Per-unit and per-bedroom development costs converged in 2021 because all four acquisition/rehabilitation developments awarded tax credits in 2021 were exclusively studio and one-bedroom units.

FIGURE 79: MEDIAN TOTAL DEVELOPMENT COSTS (TDC) FOR ACQUISITION/REHABILITATION LIHTC DEVELOPMENTS, BY HOUSING TYPE, 2012-21 (2021$)



Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-21.

When comparing the Bay Area to Los Angeles County, the former experienced a larger absolute increase (dollar amount) and relative increase (percent) in per-unit costs from 2012 to 2021. The Bay Area

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93 See, for example: Center for Housing Policy. "Comparing the Costs of New Construction and Acquisition-Rehab in Affordable Multifamily Rental Housing: Applying a New Methodology for Estimating Lifecycle Costs." 2013. Website: https://pdfs.semanticscholar.org/5337/abc2544ae5820a1bc92e52ce3d8f6d5fb8f9.pdf.

94 The Bay Area is defined as the five most urbanized Bay Area counties—Alameda, Contra Costa, San Francisco, Santa Clara, and San Mateo.

experienced a large decrease in per-bedroom costs over the last year, while the County experienced an increase. This variation is likely due to differences in the type of housing developed in each region. In the Bay Area, 2021-awarded acquisition/rehabilitation developments were almost exclusively multi-bedroom units. By contrast (and as described above), the acquisition/rehabilitation developments in the County awarded tax credits in 2021 comprised studio and one-bedroom units exclusively.

Given limitations in the available data, it is difficult to explain the increases in costs to acquire and rehabilitate affordable homes in the County beyond these reflections. Because most of the county's preserved affordable homes are financed with 4 percent tax credits that do not claim a specific housing type or identify a particular population to be served by the development, a more detailed cost analysis is not possible. In addition, this analysis focuses primarily on total development costs. As a result, it is impossible to isolate individual cost drivers that could explain the recent increase in costs to acquire and rehabilitate affordable homes in the County, such as changes in hard costs, financing costs, design or wage requirements, or development fees. Additional research is needed to understand these dynamics.

For more analysis of total development costs in the County, including additional historical trends and descriptive statistics, see Appendix F: Full Data Findings, Section 5.

Section 6. Recommendations

The recommendations below are grounded in the analysis in Sections 1-5 and are aligned with the Board directive to support the production and preservation of affordable homes, including workforce housing and permanent supportive housing, for very low- and extremely low-income or homeless households. They were informed by input from Affordable Housing Coordinating Committee members and other community stakeholders.

Increase Funding for Affordable Housing

The County's current $100 million annual commitment is a vital, ongoing resource that supports the production of affordable homes in the County. Additional federal, state, and local resources are necessary to meet the scale of the housing needs documented in this report. The need for additional resources is further exacerbated by the current rise in inflation which is affecting residential construction costs, the exhaustion of Proposition HHH funds in the City of Los Angeles, and the near depletion of the State of California's Proposition 1 bond funds.

1. Assess the Need to Establish a Gap Fund to Keep Pace with Construction Cost Inflation for County-Funded Affordable Housing Developments

Surveys conducted by the Southern California Association of Nonprofit Housing (SCANPH) of its member organizations found that construction cost increases in recent months ranged from ten percent to as high as 38 percent, resulting in multi-million dollar financing gaps that threaten the feasibility of many developments in the region.[95] Rising costs for building materials, supply chain disruptions, persistent COVID-19 related labor shortages, and rising short and long-term interest rates have combined to increase the cost of housing construction and decrease the debt financing that developments can support. Given recent challenges caused by current market conditions, the County should assess the need for a fund to ensure the completion of approved, County-funded affordable housing developments.

The fund would be a last resort for projects that have exhausted contingencies and are located in unincorporated areas or in local jurisdictions that lack available funding available to close such gaps. Funding could come from the Affordable Housing Program Budget and would be used to ensure the completion of approved County-funded affordable and supportive housing developments. In addition, the County could evaluate increasing its annual funding for new affordable housing production by an amount sufficient to account for construction cost inflation. Without an increase to the County's annual

[95] According to construction industry research conducted by the Southern California Association of Nonprofit Housing, current cost inflation stems from a number of causes, including increased building materials costs stemming from supply chain disruptions, persistent labor shortages due to the COVID-19 pandemic, and the destabilization of the global economy due to Russia's invasion of Ukraine. SCANPH's May 2022 survey of general contractors revealed that since the start of the pandemic in 2020, the prices of vital construction feedstocks have increased precipitously: copper, brass, and aluminum have increased by up to 70%; gypsum (the primary component of drywall) has increased by 30%; the price of diesel fuel has more than tripled; and lumber prices have been erratic. Other petroleum- based products important to construction have also been affected by increased oil prices, such as plastics, PVC, and waterproofing materials. Further SCANPH research revealed that total costs for multifamily construction in the United States have increased by 12.4% since December 2021 according to the U.S. Bureau of Labor Statistics.

appropriation, the number of new affordable homes the County can produce with level funding will be eroded.

2. Continue to Pursue Available State Resources, Particularly Given the Current State Budget Surplus

The County has done an exemplary job over the last two years pursuing available affordable housing resources from the State in an aggressive and coordinated manner. In particular, the County's approach has garnered substantial awards from the Affordable Housing and Sustainable Communities, Project Homekey, and Permanent Local Housing Allocation program. In 2022, several State programs merit particular attention for prioritization by County leaders:

- **Project Homekey, Round 3:** $1.3B billion Notice of Funding Availability (NOFA) anticipated in October 2022.
- **National Housing Trust Fund program:** $150 million NOFA anticipated in September 2022.
- **California Department of Housing and Community Development's Multifamily Finance SuperNOFA**: applications due in July 2022.
- **California Housing Accelerator program:** The State's FY2022-2023 budget includes $250 million in new funding for this program. The CHA is critical to the County's ability to help developments stuck in the State bond and tax credit queues move forward toward construction.

As has been the case previously, the County should continue to take the lead on Project Homekey applications, while the NHTF and SuperNOFA application processes will be led by affordable housing developers. Looking toward the upcoming 2022-2023 fiscal year, the County and its key partners should compete for additional budget surplus funds allocated to the California Housing Accelerator program, MHP, CalHOME, and other programs.

3. Additional Resources for Permanent Supportive Housing for Persons in Need of Mental Health Services

The County has $195 million of unallocated Mental Health Services Act (MHSA) funded No Place Like Home dollars, $80 million of which are committed to build permanent supportive housing (PSH) in the Restorative Care Villages at four different hospital campuses. In January 2023, $50 million will be allocated through LACDA's NOFA, and the remaining $65 million will be released in future NOFAs. As full deployment of the funds draws nearer, the County should begin to assess the feasibility of dedicating additional MHSA funding from the Department of Mental Health toward the production of new PSH.

4. Support and Expand the Supply of Transitional and Supportive Housing Using Project Homekey

The County had considerable success with the direct acquisition of hospitality properties for conversion to interim and permanent housing under Project Homekey 1.0 and has extended that success with its successful funding applications to Project Homekey 2.0. The County should continue its pursuit of this innovative, fast, and low-cost approach to expanding the supply of homes available to people experiencing homelessness by identifying sites for acquisition and owner/operator partners for Project Homekey 3.0 funding, which is expected to become available in October 2022.

5. Increase the Availability of Long-Term, Project-Based Operating Subsidies for Permanent Supportive Housing

Given the growth in total PSH units in the County via LACDA's annual NOFA and the large number of units created through Project Homekey, the County should continue to strongly advocate for the ability to project-base more Section 8 Housing Choice Vouchers as LACDA will reach its statutory 30 percent cap in 2023 or 2024 according to the agency's projections. In addition, the County should continue to advocate for an overall increase in project-based subsidies at the federal level and explore all State and local opportunities to fund additional operating subsidies.

6. Plan for Service Needs for Permanent Supportive Housing

Currently, Measure H funds supportive services (integrated case management services) for all homeless units funded by LACDA, other County departments, and the City of Los Angeles. Measure H will continue to generate revenues for six more years. Given the magnitude of the PSH development pipeline and the resulting supportive services needs, the County should ensure that Measure H and other resources are available to meet the demand and the County should have a plan for maintaining these services when Measure H sunsets.

7. Implement Enhanced Infrastructure Financing Districts as a Source of Funding for Affordable Housing Production

In the wake of the County's adoption of an Enhanced Infrastructure Financing District (EIFD) policy, the County should continue to analyze and implement EIFDs where adoption is feasible and would generate funding for affordable housing production.

Support Innovative and Cost-Saving Strategies

The following recommendations address how the County could support innovative and cost-saving strategies for increasing efficiency in the affordable housing delivery system. The analysis in Section 5 of this report on development cost trends, echoing findings from multiple recent studies, highlights the need to reduce costs where possible.

8. Allow Multifamily Affordable Housing on Sites Owned by Faith-Based Institutions

The County should consider allowing multifamily affordable housing to be built on sites owned by faith-based institutions in the unincorporated areas to help streamline the development of additional affordable homes on often underutilized sites with the support of mission-aligned land owners.

9. Facilitate the Development of Modular Home Manufacturing in Los Angeles County.

To address limited access to modular construction by affordable housing developers in the County,the newly formed Department of Economic Opportunity should facilitate an effort to identify sites that would be appropriate for modular manufacturing and expedite land use approvals and permitting for these facilities. Obtain "Pro-Housing" Designation from the State of California.

10. Obtain "Pro-Housing" Designation from the State of California

The County should complete the process of obtaining a "Pro-Housing" designation from the California Department of Housing and Community Development (HCD). This would make affordable housing developments in unincorporated areas more competitive for state resources, including tax-exempt bonds through the California Debt Limit Allocation Committee and several HCD-administered programs, including the Affordable Housing and Sustainable Communities program and the Infill Infrastructure Grant program.

11. Consider Increasing the Funding Limits in the LACDA NOFA to Account for Inflation

LACDA should analyze and, if warranted, adjust the current funding limits in its annual NOFA to adjust for the inflation that is plaguing all areas of the economy including the construction industry. This analysis should apply to both the per-project maximum awards ($3 million in the City of Los Angeles and $7 million elsewhere) and per-unit award amounts.

12. Continue to Engage in Advocacy Around State Housing Legislation Targeted to LA County, Particularly SB 679

Senate Bill 679 (Kamlager) would create the Los Angeles County's Affordable Housing Solutions Agency, a new countywide agency whose powers would include, among others, the ability to place affordable housing funding measures on the ballot, assemble land for affordable housing development, and provide support to local governments for the production and preservation of affordable housing. Because the Agency would have such a broad range of authorities, the County should closely examine the bill's current text to ensure several goals are met:

1) Unincorporated areas would be equally represented in the Agency's governance and decision making;
2) The proposed 13-seat governing board would be large enough to represent the diversity of the County's regions and communities; and
3) The role of the LACDA would not be usurped or duplicated by the Agency's authorities.

SB 679 is still under consideration by the state legislature and met the deadline to pass out of the Committee on Housing and Community Development by July 1, 2022. If the bill continues to move forward, it merits close attention and advocacy from the County for its potential impacts on affordable housing funding and production throughout the County.

Advance Racial Equity in Housing Programs

The following recommendations propose how to advance racial equity in County housing programs.

13. End Exclusionary Zoning in Resource-Rich Neighborhoods

As part of the County's current Housing Element implementation efforts, the County should use its zoning authority to maximize the creation of deed-restricted affordable homes in resource-rich neighborhoods, particularly in single family-zoned areas located within unincorporated areas. As described in Section 4 of this report, resource-rich neighborhoods are those whose characteristics are associated with positive outcomes for families and children, but are the areas least likely to have family-serving affordable housing. Non-Hispanic White households are overrepresented in the county's resource-rich neighborhoods, and Black and Latinx households are underrepresented relative to their shares of the overall county population.

14. Establish a Countywide Waitlist for Non-Supportive Housing to Increase Housing Choices

LACDA is currently developing a countywide waitlist for affordable housing, beginning with restricted affordable units in Marina Del Rey. Waitlists for County-funded affordable housing are administered at the property level, which may limit the pool of prospective residents to those who already live nearby. A countywide waitlist (or referral list) could ensure broad access to new and existing developments, particularly those in resource-rich areas where Black, Latinx, Indigenous, and other people of color have been excluded. As a first principal, the process for administering a countywide waitlist would have to result in rapid referrals of tenants for available units with final leasing decisions made by each property owner per their approved management plans. A waitlist process could under no circumstances result in affordable homes remaining vacant for protracted periods.

Glossary

Above Moderate-Income Households – households that earn more than 120 percent of Area Median Income.

Affordable Home – a home where the household spends no more than 30 percent of its income on housing and utility costs.

Affordable and Available Home – a home with a gross rent that is affordable at a particular level of income and is either vacant or occupied by a household at or below the income group threshold.

American Community Survey (ACS) – an ongoing, annual survey conducted by the U.S. Census Bureau that collects information such as employment, education and housing tenure to aid community planning efforts.

Annual Homeless Assessment Report (AHAR) – a report to the U.S. Congress on the extent and nature of homelessness in the U.S. that provides local counts, demographics, and service use patterns of the homeless population. AHAR is comprised of Point-in-Time (PIT) Counts, Housing Inventory Counts (HIC) and Homeless Management Information Systems (HMIS) data.

At-Risk Developments – affordable housing developments that are nearing the end of their affordability restrictions and/or project-based subsidy contract and may convert to market rate in the next five years.

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

California Housing Finance Agency (CalHFA) – California's affordable housing bank that provides financing and programs that support affordable housing opportunities for low- to moderate-income households.

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

Continuum of Care (CoC) Program – a program designed by the U.S. Department of Housing and Urban Development (HUD) to promote communitywide commitments to ending homelessness by funding efforts to rehouse homeless individuals and families, promote access and increase utilization of existing programs, and optimize self-sufficiency of those experiencing homelessness. CoC was authorized by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) and is a consolidation of the former Supportive Housing Program (SHP), Shelter Plus Care (S+C) Program and the Section 8 Moderate Rehabilitation Single Residence Occupancy (SRO) Program.

Cost Burden Analysis – looks at the percentage of income paid for housing by households at different income levels. A home is considered affordable if housing costs absorb no more than 30 percent of the household's income. A household is cost burdened if they pay more than 30 percent of their income towards housing costs.

Deeply Low-Income (DLI) Households – households earning between 0 and 15 percent of Area Median Income.

Extremely Low-Income (ELI) Households – households earning 15 to 30 percent of Area Median Income.

Fair Market Rent (FMR) – limits set by the U.S. Department of Housing and Urban Development (HUD) to determine what rents can be charged in various Section 8 programs and the amount of subsidy that is provided to Section 8 Housing Choice Voucher (HCV) recipients. Limits are set using the U.S. Decennial Census, the American Housing Survey (AHS), gross rents from metropolitan areas and counties, and from the public comment process. These limits can be adjusted based on market conditions within metropolitan areas defined by the Federal Office of Management and Budget (OMB) to accommodate for high-cost areas.

Gap (or Shortfall) Analysis – a comparison of the number of households in an income group to the number of homes affordable and available to them at 30 percent or less of their income; "Affordable and Available" homes have a gross rent that is affordable at a particular level of income and is either vacant or occupied by households at or below the income group threshold.

HOME Investment Partnerships Program (HOME) – program within the U.S. Department of Housing and Urban Development (HUD) that provides formula grants to states and localities that communities use to fund a wide range of activities for community development. These funds are often used in partnership with nonprofit groups and are designed exclusively to create affordable homes for low-income households.

Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) – Federal legislation that reauthorized the McKinney-Vento Homeless Assistance Act and consolidated the Supportive Housing Program (SHP), the Shelter Plus Care (S+C) Program and the Section 8 Single Resident Occupancy (SRO) Program into the Continuum of Care (CoC) Program. The legislation also created the Emergency Solutions Grants Program, the Homeless Management Information System (HMIS) and the Rural Housing Stability Assistance Program.

Homeless Management Information Systems (HMIS) – a local technology system that collects client-level data and data on the provision of housing and services to homeless individuals, families, and persons at-risk of homelessness. HMIS is used for Continuum of Care (CoC) Programs and Annual Homeless Assessment Reports (AHAR).

Housing Authority of the City of Los Angeles (HACLA) – public housing authority for the City of Los Angeles that distributes Housing Choice Vouchers (HCVs) and maintains public housing developments within the jurisdiction.

Housing Inventory Counts (HIC) – the number of beds and units within the Continuum of Care Program's homeless system within emergency shelters, transitional housing, rapid re-housing, Safe Haven and permanent supportive housing.

Inclusionary Housing Developments – affordable housing units that are produced or funded by market-rate residential developments that are subject to local inclusionary zoning or policies.

Los Angeles Homeless Services Authority (LAHSA) – an independent Joint Powers Authority created by the Los Angeles County Board of Supervisors to coordinate federal and local funded efforts to provide services to homeless individuals throughout Los Angeles City and County. This agency also manages Los Angeles' Continuum of Care (CoC) Program.

Low-Income (LI) Households – households earning between 50 and 80 percent of Area Median Income.

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 apartments for low-income households.

Mental Health Services Act (MHSA) – the Mental Health Services Act (MHSA) Housing Program was jointly launched in August 2007 by the California Department of Mental Health and California Housing Finance Agency to provide a vehicle for counties across the state to invest capital development and operating subsidy funding in the development of new permanent supportive housing for individuals diagnosed with mental illness who are homeless or chronically homeless.

Moderate-Income Households – households earning 80 to 120 percent of Area Median Income.

Permanent Supportive Housing – long-term, permanent housing for individuals who are homeless or have high service needs.

Point in Time (PIT) Count – a jurisdictional count of homeless persons inside and outside of shelters and housing during a single night. This measure is a requirement for HUD's Continuum of Care Program as authorized by the McKinney-Vento Homeless Assistance Act.

Project-Based Voucher (PBV) Program – vouchers provided by public housing agencies through the Housing Choice Voucher (HCV) Program that are tied to a specific development rather than attached to a tenant. The PBV Program partners with developers and service providers to create housing opportunities for special populations such as the homeless, elderly, disabled, and families with mental illness.

Public Use Microdata Sample (PUMS) – annual, untabulated records of individuals or households that serve as the basis for the Census ACS summaries of specific geographic areas and allow for data tabulation that is outside of what is available in ACS products.

Regional Housing Need Allocation (RHNA) – the total number of housing units by affordability level that each jurisdiction must accommodate as defined by the California Housing and Community Development (HCD), and distributed by regional governments like the Southern California Association of Governments (SCAG).

Rapid Rehousing (RRH) – programs providing limited term rental subsidies that aim to quickly house people experiencing homelessness and return homeless individuals into housing as quickly as possible.

Section 8 Housing Choice Voucher (HCV) Program – a program where HCVs funded by the U.S. Department of Housing and Urban Development (HUD) are provided to low-income renters with a subsidy to help them afford market rentals by paying the difference between what the tenant can afford (30 percent of their income) and the market rent. Eligibility is determined by the household's annual gross income and family size and the housing subsidy is paid directly to the landlord.

Section 8 Single Room Occupancy (SRO) Program – former program under the U.S. Department of Housing and Urban Development (HUD) that provided rental assistance in connection with the moderate rehabilitation of residential developments that contained upgraded single occupancy units for homeless individuals. This program was consolidated by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARH Act) into the Continuum of Care (CoC) Program.

Severely Cost Burdened – a description applied to households that spend more than 50 percent of household income on housing costs.

Shelter Plus Care (S+C) Program – a former program under the U.S. Department of Housing and Urban Development (HUD) that provided rental assistance in connection with matching supportive services. This program was consolidated by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) into the Continuum of Care (CoC) Program.

Southern California Association of Governments (SCAG) – a Joint Powers Authority that serves as the Metropolitan Planning Organization (MPO) for Imperial County, Los Angeles County, San Bernardino County, Riverside County, Orange County and Ventura County and their associated jurisdictions.

Successor Agency – established after the dissolution of Redevelopment Agencies (RDAs) in 2011 to manage the Agency's affordable developments that were underway, make payments on enforceable obligations, and dispose of redevelopment assets and properties.

Supportive Housing Program (SHP) – former program under the U.S. Department of Housing and Urban Development (HUD) that helped develop and provide housing and related supportive services for people moving from homelessness to independent, supportive living. This program was consolidated by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) into the Continuum of Care (CoC) Program.

U.S. Department of Housing and Urban Development (HUD) – a federal agency that supports community development and home ownership, enforces the Fair Housing Act, and oversees a number of 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.

U.S. Department of Housing and Urban Development Veterans Affairs Supportive Housing (HUD-VASH) Program – a program that combines Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the Department of Veteran Affairs (VA). Rental assistance is provided through VASH vouchers that act as tenant-based vouchers and are allocated from public housing authorities (PHAs).

Very Low-Income (VLI) Households – households earning 30 to 50 percent of Area Median Income.

APPENDIX A: METHODOLOGY

DETERMINING RENT AFFORDABILITY

Rent affordability is determined by the income needed to afford rent and utilities without spending more than 30 percent of household income. Rent affordability for each income group is derived using adjustment factors provided by HUD. Rent affordability levels are calculated from the four-person base for each income level, and an affordable rent is calculated for each income level using the following formula: (four-person income x 0.3)/12, representing 30 percent of the four-person income level for each income group divided by 12 to provide the maximum affordable monthly rent at that income level.

The limit for deeply low-income (DLI) households, 15 percent of median income, is calculated in addition to ELI, VLI, LI, moderate and above moderate-income households for the county and each of the Supervisorial Districts (SDs). DLI is calculated by multiplying the HUD adjusted four-person income limit for VLI households by 30 percent to define the income threshold.

DETERMINING HOUSEHOLD INCOME GROUPS

To quantify affordable housing need by income group, this section uses HUD income limits, which are used to determine eligibility for federal and state housing programs based on the median income and housing costs in a metropolitan area. Each household is placed into one of six non-overlapping income groups—deeply low-income (DLI), 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 family income (AMI), adjusted for household size (see Table 1 below).

HUD upwardly adjusts income limits in high-cost housing markets such as Los Angeles County to account for higher costs. For example, HUD calculates the VLI income limit—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 of roughly 50 percent that in turn affects all other income limits because they are all calculated relative to the VLI base limit.

Because HUD income limits are adjusted upward from actual income levels in Los Angeles County, a higher proportion of the county's households fall into the DLI, 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 that rents set at the maximum allowable price for the adjusted income levels are high in relation to their income. HUD and the State of California determine rent affordability by the income needed to afford rent and utilities without spending more than 30 percent of household income.

Table A shows the 2019 HUD-adjusted income limits for each income group:

TABLE A: LOS ANGELES COUNTY INCOME LIMITS WITH HUD ADJUSTMENTS (2019)

AMI (4-Person Household)	Standard HUD Income Groups	Income Limit for 4-Person Household (HUD-adjusted)*	Adjusted HUD Limit as % of AMI	Affordable Monthly Rent**
$73,100	DLI (≤15% AMI)	$15,660	21%	$392
	ELI (15-30% AMI)	$31,300	43%	$783
	VLI (30-50% AMI)	$52,200	71%	$1,305
	LI (50-80% AMI)	$83,500	114%	$2,088
	Moderate (80-120% AMI)	$125,280	171%	$3,132
	Above Moderate (>120% AMI)	>$125,280	>171%	>$3,132

Source: Los Angeles County Income Limits. 2019. U.S. Housing and Urban Development Department (HUD). Website: https://www.huduser.gov/portal/datasets/il.html
**The Los Angeles County income levels are upwardly adjusted for high housing costs using the VLI 4-person household as the basis for all other income calculations for HUD's income groups. The ELI, VLI and LI income groups are provided by HUD, while DLI, moderate-income and above moderate-income are generated using HUD-provided ratios.*
***'Affordable Monthly Rent' assumes households should spend no more than 30 percent of their incomes on housing. The values expressed in Table 1 define affordability for households at the income limit threshold. In other words, $392 is the affordable monthly rent for a DLI household earning $15,660.*

Categorizing People and Households by Race and Ethnicity

For the purposes of this report, the categorization of people and households by race and ethnicity is based on individual responses to U.S. Census Bureau surveys, specifically the American Community Survey (ACS) and the Household Pulse Survey. For most indicators—except when denoted in the source notes—people and households are categorized 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.
- "Latino" or "Latinx" (used interchangeably) 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.
- "Native Hawaiian and 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.

- "Some 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" or "multiracial" (used interchangeably) 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.

Exceptions to this categorization are detailed in the source notes of Figure 2, Figure 6, and Table 3 and arise because ACS summary file data is used rather than detailed microdata (PUMS). ACS summary file data disaggregated by race and ethnicity generally treats race and Latino or Hispanic origin as two distinct concepts. In other words, people who identify as being of Latino or Hispanic origin may be of any race; therefore, data presented in Figure 2, Figure 6, and Table 3 for the Asian, Black, Native American, Other Pacific Islander, some other race, or two or more races may include some number of people who identify as being of Latino or Hispanic origin.

Additional Methodology Notes for Gap Analysis

The gap analysis is calculated based on rental home affordability and the income level of the household that occupies the home. For example, the number of rental homes that are affordable and either vacant or occupied by a DLI household ("Affordable and Available") is determined by adding the number of vacant rental units and the number of units occupied that are affordable to DLI. Table 4 in the body of this Report provides an overview of the number of rental homes affordable to each income group.

To determine the number of households within each income category, households are grouped using HUD's adjusted income limits for all household sizes and are identified as DLI, ELI, VLI, LI, Moderate-Income and Above Moderate-Income accordingly. "All Households (Cumulative)" is calculated by summing the number of households within the income group and households in lower income groups. For example, the number of households that are at or below the VLI threshold income include all DLI, ELI and VLI households (i.e.,189,837 + 279,396 + 313,964 = 783,197).

An "affordable" home is one with housing costs that are 30 percent or less of a household's income. "Affordable and Available" homes are those with housing costs that are affordable at a particular level of income and are either vacant or occupied by households at or below the income group threshold.[1] "Rental Homes 'Affordable and Available' (Cumulative)" is the number of rental homes that are affordable and either vacant or occupied by a household at or below the income group threshold. For example, the number of rental homes that are affordable and available to ELI households are the vacant and affordable homes to DLI and ELI households and occupied affordable DLI and ELI homes occupied by households at or below the ELI income threshold.

The "Cumulative Surplus or Shortfall of Affordable Rental Homes" for each income group is the lower income groups' "Cumulative Surplus or Shortfall of Affordable Rental Homes" subtracted from the

[1] NLIHC. *The Gap.* 2020. Website: https://reports.nlihc.org/gap.

difference between the number of "Rental Homes 'Affordable and Available' (Cumulative)" and the number of "All Households (Cumulative)." For example, the 364,316 "Cumulative Surplus or Shortfall of Affordable Rental Homes" for ELI households is the difference between the 469,233 households at or below the ELI threshold income and the 104,917 affordable and available rental homes to the ELI income group and below.

Additional Methodology Notes for Cost Burden Analysis

The cost burden analysis is calculated based on a household's monthly income and their monthly housing costs. Housing costs include what a household pays in rent and for utilities (e.g., electricity, fuel, gas and water). The percentage of a household's monthly income that goes towards housing costs determines whether that household is cost burdened.

To classify households as cost burdened, we first re-calculate the "Gross Rent Paid as Percentage of Income" variable available in the PUMS dataset so that it takes account the cost of utilities. Accordingly, for all renter households, we add monthly utilities to rent paid by each household, multiply this total by 12 to get annual rent then divide by the household income. For all occupied renter households (so excluding vacant rental units), we now know the percentage of each household's income paid in housing costs, or rent and utilities.

We then label each household's cost burden based on the percent of income spent on housing costs:

0-0.299 = not cost burdened

0.30-0.499 = cost burdened

0.50-1.01 = severely cost burdened

Thus, households that spend less than 30 percent of their income towards housing costs are considered not cost burdened. Households that spend more than 30 percent and more than 50 percent of their income on housing costs are considered cost burdened and severely cost burdened, respectively. For example, a four-person VLI household that earns $3,600 monthly and pays $1,260 in housing costs are cost burdened as they are paying 35 percent of their monthly income on housing costs.

Additional Methodology Notes for Multifamily Rents Analysis

This analysis used asking rent and rent growth data from CoStar's multifamily rent dataset, which pulls from rental listing websites; clients of CoStar's ILS platforms, including Apartments.com, ApartmentFinder.com, and ForRent.com; CoStar's research team; the RealFacts dataset, which details building-level rent and vacancy data dating back to the mid-1990s; and models CoStar based on rent trends in different submarkets and building types for properties where rent data is unavailable.

This analysis focuses primarily on consecutive quarters of rent change compared to the same quarter in the previous year.

Additional Methodology Notes for Risk Assessment

The California Housing Partnership's risk assessment analyzes the risk of a development converting to market rate. The assessment includes affordable developments financed or assisted by HUD, HCD, CalHFA, and LIHTC programs or otherwise restricted by regulatory agreements with local governments or other local agencies. Each affordable housing development is assigned a risk designation based on the development's length of affordability, overlapping subsidies and owner entity type. Risk designations and criteria include:

- **Very High Risk of Conversion:** Affordability restrictions end in less than one year, there are no known overlapping subsidies that extend affordability and the development is not owned by a large and stable non-profit, mission-driven developer.
- **High Risk of Conversion:** Affordability restrictions end in one to five years, there are no known overlapping subsidies that extend affordability and the development is not owned by a large and stable non-profit, mission-driven developer.
- **Moderate Risk of Conversion:** Affordability restrictions end in five to ten years, there are no known overlapping subsidies that extend affordability and the development is not owned by a large and stable non-profit, mission-driven developer.
- **Low Risk of Conversion:** Affordability restrictions extend beyond ten years or the development is owned by a large and stable non-profit, mission-driven developer.

The California Housing Partnership's Preservation Database is updated quarterly with the most complete and available data provided by each agency. The data is then cleaned and duplicate information is removed using both automated processes and manual checks. Every effort is made to ensure the information presented is as precise as possible; however, there may be unanticipated inaccuracies in this analysis and in the data received from federal and state agencies.

Additional Methodology Notes for Gentrification, Displacement, and Exclusion

The analysis in this section uses a methodology for measuring gentrification, displacement, and exclusion at the neighborhood level developed by researchers as part of an inter-university initiative among UCLA, UC Berkeley and Portland State called the Urban Displacement Project (UDP). UDP classifies each census tract in Los Angeles County as falling on a spectrum of nine neighborhood typologies from Low-Income/Susceptible to Displacement to Stable/Advanced Exclusive—as described below—where low-income households face increasing difficulty remaining in place given local housing market dynamics:[2]

[2] Zuk, Miriam, et al. 2020. "The Urban Displacement Replication Project: A Modified Gentrification and Displacement Methodology." October. Website: https://www.urbandisplacement.org/sites/default/files/images/ udp_replication_project_methodology_10.16.2020-converted.pdf.

- **Low-Income Area/Susceptible to Displacement:** Identifies low-income or mixed low-income neighborhoods affordable to low-income households, but that could develop gentrification and displacement pressures in the future.
- **Ongoing Displacement of Low-Income Households:** Identifies low-income or mixed low-income areas that experienced a loss of low-income households between 2000-2018.
- **At Risk of Gentrification:** Identifies low-income or mixed low-income areas that are not currently gentrifying, but where recent housing market changes indicate a risk of gentrification in the future.
- **Early/Ongoing Gentrification:** Identifies low-income or mixed low-income areas that are undergoing the process of gentrification.
- **Advanced Gentrification:** Identifies gentrified neighborhoods that have turned over to predominantly higher-income residents.
- **Stable Moderate/Mixed Income:** Identifies stable moderate to high-income neighborhoods that are not currently at risk of becoming exclusive to low-income households.
- **At Risk of Becoming Exclusive:** Identifies areas that are moderate to high-income, but present risk factors for future exclusion of low-income households.
- **Becoming Exclusive:** Identifies moderate to high-income areas that are beginning to exclude low-income households.
- **Stable/Advanced Exclusive**: Identifies neighborhoods that exhibit enduring patterns of exclusion.

Additional Methodology Notes for Transit Access

To capture transit-oriented areas in Los Angeles County, the analysis in Section 4 uses the Southern California Association of Government's (SCAG) 2045 High Quality Transit Areas (HQTA). SCAG defines High Quality Transit Areas as being within a half mile of stations with service every 15 minutes or less during peak commute times, including both fixed guideway transit ad bus rapid transit. This definition is consistent with state housing programs, except in that the criteria for defining proximity to transit stations varies somewhat across programs; for example, regulations for awarding tax credits defines proximity as a third of a mile, while other state programs (like SCAG) use a half-mile.

Additional Methodology Notes for Neighborhood Resources and Opportunity

This analysis uses "opportunity maps" that the state's two main affordable housing funding agencies, the Tax Credit Allocation Committee (TCAC) and the Department of Housing and Community Development (HCD), created to inform policies that incentivize affordable housing for families with children to be located in higher-resource neighborhoods in order to achieve the larger goal of offering families living in state-subsidized affordable housing a more balanced set of geographic choices when compared to historic trends. The state adopted these policies as part of an effort to incorporate affirmatively furthering fair housing (AFFH) principles into its housing programs and investments.

In the TCAC/HCD maps, each area—census tracts in non-rural areas and block groups in rural areas—are assigned to one of four categories (Highest Resource; High Resource; Moderate Resource; and Low Resource) based on regionally derived scores for 16 evidence-based neighborhood indicators, or to a fifth category (High Segregation and Poverty) if they are both racially segregated and high-poverty. Areas whose opportunity index scores are in the top 20 percent of each region are categorized as Highest Resource, and tracts and block groups whose scores fall into the next 20 percent of each region (top 20 percent to 40 percent) are categorized as High Resource.

TCAC and HCD work with the California Fair Housing Task Force—a group of independent researchers that includes the California Housing Partnership and researchers from UC Berkeley and UCLA—to update these maps on an annual basis to account for new data and refine the methodology based on feedback and emergence of new evidence.

The TCAC/HCD Opportunity Maps are primarily relevant to housing in which children reside, so this analysis only applies to family-targeted developments.

See the California Tax Credit Allocation Committee's website for the full opportunity mapping methodology, as well as an interactive map and a downloadable file with scores and designations for each tract: http://www.treasurer.ca.gov/ctcac/opportunity.asp.

Additional Methodology Notes for Development Cost Analysis

The Development Cost Analysis uses cost data provided by the California Tax Credit Allocation Committee (TCAC) on all affordable rental housing developments awarded LIHTCs in Los Angeles County between 2012 and 2021 for both new construction and acquisition/rehabilitation.

To collect the cost data essential for this analysis, the California Housing Partnership compiled detailed development cost data from 510 LIHTC developments in Los Angeles County from 2012 to 2021, which represents approximately one-fourth of LIHTC homes in the county. The data comes primarily from applications to TCAC and includes detailed information on the sources of funding and development cost line items.[3] When application data was not available, we used TCAC staff reports created for each LIHTC development, which include summary financing data.[4] Throughout this section, we adjust development costs for inflation to 2021 dollars using the RS Means Construction Cost Index, the same inflation adjustment factor used by TCAC.

Costs are expressed as total residential development cost—including land—and expressed as both per-unit and per-bedroom. For the housing type portion of this analysis, all SRO developments were collapsed in the special needs housing type.

All years represented in the cost analysis refer to the property's LIHTC award year.

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[3] This data reflects the developer's best estimate of project costs at the time of application and not the final costs of development.
[4] TCAC staff reports can be accessed online at https://www.treasurer.ca.gov/ctcac/meeting/index.asp.

APPENDIX B: FULL DATA FINDINGS, SECTION 1

GAP ANALYSIS

TABLE A: NUMBER OF LOS ANGELES COUNTY HOUSEHOLDS BY HOUSING TENURE (2005-2019)

Year	Number of Renter Households*	Number of Owner Households	Total Households
2005	1,621,543	1,562,853	3,184,396
2006	1,607,392	1,564,640	3,172,032
2007	1,623,435	1,558,468	3,181,903
2008	1,639,800	1,528,562	3,168,362
2009	1,651,764	1,514,362	3,166,126
2010	1,700,905	1,501,448	3,202,353
2011	1,719,784	1,482,011	3,201,795
2012	1,750,538	1,481,122	3,231,660
2013	1,769,811	1,477,894	3,247,705
2014	1,782,312	1,486,800	3,269,112
2015	1,806,687	1,486,408	3,293,095
2016	1,832,068	1,473,521	3,305,589
2017	1,800,767	1,510,464	3,311,231
2018	1,812,624	1,501,284	3,313,908
2019	1,816,770	1,511,628	3,328,398

Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2005-2019.
**Please note that the total number of renter households in Table A and Table 2 (in the main report) do not match perfectly because they rely on a slightly different data source. Estimates from PUMS data (Table 2 in the main report) are expected to be slightly different from the corresponding ACS estimates because they are subject to additional sampling error and further data processing operations.*

TABLE B: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY INCOME GROUP (2014-2019)

Year	DLI	ELI	VLI	LI	Moderate	Above Moderate	Total*
2014	167,670	338,810	325,548	325,169	276,210	346,537	1,779,944
2015	164,065	298,389	325,407	348,121	279,539	376,878	1,792,399
2016	177,352	329,887	320,835	344,865	280,119	370,375	1,823,433
2017	160,096	298,920	298,193	355,524	301,276	383,801	1,797,810
2018	181,311	287,222	306,045	359,706	313,634	361,424	1,809,342
2019	189,837	279,396	313,964	368,727	298,673	363,767	1,814,364

Source: California Housing Partnership analysis of 2014-2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.
**Please note that the total number of renter households in Table A and Table B do not match perfectly because they rely on a slightly different data source. Estimates from PUMS data (Table B) are expected to be slightly different from the corresponding ACS estimates (Table A) because they are subject to additional sampling error and further data processing operations.*

TABLE C: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY AGE GROUP (2014-2019)

Year	Under 35		35 - 44		45 - 54		55 and older	
	#	%*	#	%*	#	%*	#	%*
2014	525,782	29%	420,626	24%	356,462	20%	481,224	27%
2015	514,906	29%	420,958	23%	368,564	20%	498,646	28%
2016	522,139	29%	421,376	23%	368,246	20%	520,307	28%
2017	492,257	28%	418,072	23%	364,909	20%	525,529	29%
2018	506,797	28%	413,471	23%	354,259	19%	538,097	30%
2019	506,915	28%	414,570	23%	350,805	19%	544,480	30%

Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2014-2018.
**Represents the percentage of households the age group comprises of all households.*

TABLE D: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY RACE & ETHNICITY* (2010-2019)

Year	Asian	Black	Latinx	Native American	Other Pacific Islander	White alone, not Hispanic or Latino	Other race	Two or more races
2010	221,118	210,912	699,072	8,505	3,402	530,682	328,275	54,429
2011	214,973	213,253	722,309	8,599	5,159	529,693	309,561	53,313
2012	225,819	217,067	733,475	7,002	3,501	532,164	320,348	59,518
2013	221,226	215,917	745,090	12,389	5,309	541,562	327,415	58,404
2014	229,918	213,877	755,700	12,476	5,347	536,476	331,510	60,599
2015	233,063	216,802	762,422	12,647	5,420	551,040	348,691	52,394
2016	234,505	214,352	780,461	14,657	3,664	558,781	373,742	58,626
2017	234,947	214,385	762,884	11,906	5,171	544,592	378,234	56,628
2018	233,466	220,555	773,829	13,788	4,224	537,718	351,647	65,828
2019	236,588	200,408	773,799	15,502	4,927	556,489	333,807	65,727

Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2010-2019.
**This data represents the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Other Pacific Islander, and white include households reporting only one race. Householders who identify their origin as Hispanic or Latino may be of any race except white.*

TABLE E: INCOME DISTRIBUTION OF RENTER HOUSEHOLDS BY RACE & ETHNICITY* (2019)

Year	Asian	Black	Latinx	Native American	Other Pacific Islander	White	Other race	Two or more races
DLI	13%	16%	9%	18%	0.5%	9%	7%	12%
ELI	14%	19%	18%	20%	22%	11%	20%	10%
VLI	14%	16%	23%	13%	8%	12%	15%	11%
LI	17%	20%	25%	19%	22%	16%	32%	16%
Moderate	17%	15%	15%	21%	29%	18%	19%	21%
Above Moderate	25%	14%	10%	9%	19%	34%	7%	30%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset.

**This data represents the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Unlike in Table D, Asian, Black, Native American, Other Pacific Islander, some other race, two or more races, and white only include households reporting only one race and do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

TABLE F: LOS ANGELES COUNTY RENTAL HOMES AFFORDABLE TO AND OCCUPIED BY EACH INCOME GROUP (2019)

Rental Homes Affordable to Income Group	Vacant	Occupied by DLI	Occupied by ELI	Occupied by VLI	Occupied by LI	Occupied by Moderate	Occupied by Above Moderate	Total
Affordable to DLI	2,109	26,879	23,017	9,962	10,312	6,476	6,224	84,979
Affordable to ELI	2,199	20,495	30,218	13,898	8,417	2,909	3,524	81,660
Affordable to VLI	8,047	33,277	57,672	55,994	44,103	20,657	13,211	232,961
Affordable to LI	27,826	65,210	126,391	167,821	189,985	127,438	94,848	799,519
Affordable to Moderate	35,388	35,481	36,823	58,296	99,737	116,238	156,392	538,355
Affordable to Above Moderate	15,453	8,495	5,275	7,993	16,173	24,955	89,568	167,912
Total	**91,022**	**189,837**	**279,396**	**313,964**	**368,727**	**298,673**	**363,767**	**1,905,386**

Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.

TABLE G: DETAILED GAP ANALYSIS FOR RENTER HOUSEHOLDS BY INCOME GROUP AND YEAR (2014-2019)

		DLI	ELI	VLI	LI	Moderate	Above Moderate
2014	All Households at or Below Threshold Income	167,670	506,480	832,028	1,157,197	1,433,407	1,779,944
	Rental Homes "Affordable & Available" to Income Group and Below	17,033	86,721	250,205	928,740	1,435,995	1,857,185
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-150,637	-419,759	-581,823	-228,457	2,588	77,241
	% of Homes Affordable but Unavailable**	70%	36%	25%	21%	15%	0%
2015	All Households at or Below Threshold Income	164,065	462,454	787,861	1,135,982	1,415,521	1,792,399
	Rental Homes "Affordable & Available" to Income Group and Below	15,105	87,607	236,054	865,214	1,398,152	1,865,181
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-148,960	-374,847	-551,807	-270,768	-17,369	72,782
	% of Homes Affordable but Unavailable**	70%	36%	27%	21%	16%	0%
2016	All Households at or Below Threshold Income	177,352	507,239	828,074	1,172,939	1,453,058	1,823,433
	Rental Homes "Affordable & Available" to Income Group and Below	16,186	99,368	259,819	921,584	1,432,306	1,896,161
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-161,166	-407,871	-568,255	-251,355	-20,752	72,728
	% of Homes Affordable but Unavailable**	73%	33%	27%	22%	15%	0%
2017	All Households at or Below Threshold Income	160,096	459,016	757,209	1,112,733	1,414,009	1,797,810
	Rental Homes "Affordable & Available" to Income Group and Below	20,010	100,150	240,263	860,595	1,403,219	1,877,355
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-140,086	-358,866	-516,946	-252,138	-10,790	79,545
	% of Homes Affordable but Unavailable**	69%	31%	29%	24%	16%	0%

		DLI	ELI	VLI	LI	Moderate	Above Moderate
2018	All Households at or Below Threshold Income	181,311	468,533	774,578	1,134,284	1,447,918	1,809,342
	Rental Homes "Affordable & Available" to Income Group and Below	24,092	103,477	265,174	902,823	1,452,441	1,898,273
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-157,219	-365,056	-509,404	-231,461	4,523	88,931
	% of Homes Affordable but Unavailable**	67%	33%	29%	23%	15%	0%
2019	All Households at or Below Threshold Income	189,837	469,233	783,197	1,151,924	1,450,597	1,814,364
	Rental Homes "Affordable & Available" to Income Group and Below	28,988	104,917	283,767	923,832	1,463,275	1,905,386
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-160,849	-364,316	-499,430	-228,092	12,678	91,022
	% of Homes Affordable but Unavailable**	66%	37%	29%	23%	16%	0%

Source: California Housing Partnership analysis of 2014-2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.
**The surplus or shortfall includes homes occupied by a household at or below the income threshold of the income group.*
***'Affordable but unavailable' means that a rental home is affordable to lower income households but occupied by a household in a higher income group.*

TABLE H: DETAILED GAP ANALYSIS FOR RENTER HOUSEHOLDS BY INCOME GROUP AND SD (2018-2019)

		DLI	ELI	VLI	LI	Moderate	Above Moderate
SD 1	All Households at or Below Threshold Income	35,326	97,463	164,593	236,769	288,270	333,721
	Rental Homes "Affordable & Available" to Income Group and Below	7,818	26,248	73,258	212,576	291,677	346,560
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-27,508	-71,215	-91,335	-24,193	3,407	12,838
	% of Homes Affordable but Unavailable**	62%	34%	17%	8%	3%	0%
SD 2	All Households at or Below Threshold Income	54,071	129,364	211,048	297,707	360,186	423,637
	Rental Homes "Affordable & Available" to Income Group and Below	6,713	28,560	81,495	253,207	363,423	444,478
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-47,359	-100,804	-129,553	-44,500	3,237	20,841
	% of Homes Affordable but Unavailable**	62%	29%	12%	5%	3%	0%
SD 3	All Households at or Below Threshold Income	40,764	103,206	168,925	250,888	328,425	447,022
	Rental Homes "Affordable & Available" to Income Group and Below	3,856	18,665	44,414	167,557	320,853	473,003
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-36,908	-84,541	-124,511	-83,330	-7,572	25,981
	% of Homes Affordable but Unavailable**	73%	29%	19%	9%	5%	0%
SD 4	All Households at or Below Threshold Income	23,827	66,552	118,549	186,716	246,238	316,105
	Rental Homes "Affordable & Available" to Income Group and Below	3,182	13,539	35,368	153,641	251,525	331,815
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-20,645	-53,013	-83,182	-33,075	5,288	15,710
	% of Homes Affordable but Unavailable**	73%	34%	16%	5%	1%	0%
SD 5	All Households at or Below Threshold Income	31,586	72,298	115,772	171,024	226,138	291,368
	Rental Homes "Affordable & Available" to Income Group and Below	4,971	17,185	39,936	126,346	230,378	305,974
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-26,614	-55,113	-75,836	-44,678	4,240	14,607
	% of Homes Affordable but Unavailable**	66%	29%	15%	11%	6%	0%

Source: California Housing Partnership analysis of 2018-2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.
**The surplus or shortfall includes homes occupied by a household at or below the income threshold of the income group.*
***'Affordable but unavailable' means that a rental home is affordable to lower income households but occupied by a household in a higher income group.*

Cost Burden Analysis

TABLE I: LOS ANGELES COUNTY COST BURDEN ANALYSIS FOR RENTER HOUSEHOLDS (2019)

Income Group	Total Households	Not Cost Burdened		Moderately Cost Burdened*		Severely Cost Burdened*	
		#	%	#	%	#	%
DLI	189,837	11,480	6%	13,135	7%	165,222	87%
ELI	279,396	32,099	11%	46,422	17%	200,875	72%
VLI	313,964	57,455	18%	130,071	42%	126,438	40%
LI	368,727	167,526	45%	154,151	42%	47,050	13%
Moderate	298,673	215,287	72%	76,348	26%	7,038	2%
Above Moderate	363,767	341,093	94%	22,545	6%	129	0.04%
All Income Groups	**1,814,364**	**824,940**	**46%**	**442,672**	**24%**	**546,752**	**30%**

Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.
**A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.*

TABLE J: PERCENTAGE OF COST BURDENED* RENTER HOUSEHOLDS BY INCOME GROUP AND YEAR (2014-2019)

		DLI	ELI	VLI	LI	Moderate	Above Moderate
2014	Not Cost Burdened	4%	9%	14%	42%	70%	93%
	Moderately Cost Burdened	3%	17%	44%	46%	28%	6%
	Severely Cost Burdened	93%	74%	42%	12%	2%	1%
2015	Not Cost Burdened	4%	9%	14%	40%	70%	92%
	Moderately Cost Burdened	4%	18%	45%	46%	27%	7%
	Severely Cost Burdened	92%	73%	41%	14%	3%	0.4%
2016	Not Cost Burdened	4%	11%	14%	43%	71%	92%
	Moderately Cost Burdened	4%	17%	43%	45%	25%	8%
	Severely Cost Burdened	92%	72%	43%	12%	4%	0.3%
2017	Not Cost Burdened	5%	11%	13%	42%	70%	92%
	Moderately Cost Burdened	4%	17%	42%	45%	27%	8%
	Severely Cost Burdened	91%	72%	45%	13%	3%	0.2%
2018	Not Cost Burdened	6%	11%	16%	43%	71%	93%
	Moderately Cost Burdened	6%	15%	44%	44%	26%	7%
	Severely Cost Burdened	88%	74%	40%	13%	3%	0.1%
2019	Not Cost Burdened	6%	11%	18%	45%	72%	94%
	Moderately Cost Burdened	7%	17%	42%	42%	26%	6%
	Severely Cost Burdened	87%	72%	40%	13%	2%	0.04%

Source: California Housing Partnership analysis of 2014-2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.
**A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.*

TABLE K: PERCENTAGE OF COST BURDENED* RENTER HOUSEHOLDS BY INCOME GROUP AND SD (2018-2019)

		DLI	ELI	VLI	LI	Moderate	Above Moderate	Total
SD 1	Not Cost Burdened	10%	14%	24%	58%	83%	94%	47%
	Moderately Cost Burdened	10%	20%	49%	35%	15%	6%	25%
	Severely Cost Burdened	80%	66%	27%	7%	2%	0%	28%
SD 2	Not Cost Burdened	5%	12%	20%	50%	74%	94%	42%
	Moderately Cost Burdened	7%	18%	48%	40%	24%	6%	26%
	Severely Cost Burdened	88%	70%	32%	10%	2%	0%	32%
SD 3	Not Cost Burdened	3%	11%	11%	34%	61%	92%	44%
	Moderately Cost Burdened	5%	12%	35%	46%	35%	8%	24%
	Severely Cost Burdened	92%	77%	54%	20%	4%	0.1%	32%
SD 4	Not Cost Burdened	7%	11%	15%	42%	73%	93%	48%
	Moderately Cost Burdened	5%	14%	44%	47%	26%	7%	26%
	Severely Cost Burdened	88%	75%	41%	11%	1%	0%	26%
SD 5	Not Cost Burdened	7%	10%	14%	36%	71%	95%	45%
	Moderately Cost Burdened	4%	12%	35%	49%	27%	5%	23%
	Severely Cost Burdened	89%	78%	51%	15%	2%	0.04%	32%

Source: California Housing Partnership analysis of 2018-2019 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.
**A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.*

Housing Need During the Pandemic

TABLE L: PERCENTAGE OF ADULTS* WHO EXPERIENCED LOSS OF EMPLOYMENT INCOME IN THE LAST FOUR WEEKS** (APRIL 2021–JAN 2022)

Month	All Renters	Less than $75K	More than $75K	Asian	Black	Latinx	White	Male	Female
Apr 2021	30%	44%	14%	24%	34%	39%	19%	36%	23%
May 2021	29%	37%	19%	29%	40%	34%	22%	31%	28%
June 2021	27%	36%	16%	23%	21%	37%	16%	27%	28%
July 2021	27%	37%	16%	23%	25%	33%	20%	29%	24%
Aug 2021	24%	34%	14%	17%	33%	30%	17%	26%	23%
Sept 2021	22%	30%	11%	19%	33%	24%	18%	24%	19%
Oct 2021	19%	26%	7%	11%	19%	25%	15%	15%	21%
Nov 2021	No survey in November 2021								
Dec 2021	20%	32%	10%	15%	24%	27%	12%	23%	18%
Jan 2022	20%	29%	10%	19%	22%	26%	15%	20%	21%

Source: California Housing Partnership analysis of Household Pulse Survey, U.S. Census Bureau, Dec 29, 2021-Jan 10, 2022.

**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the percentage of adults in households who experienced loss of income. This data represents the race/ethnicity and sex at birth of the person filling out the survey. Asian, Black, and white include adults reporting only one racial category and do not identify their ethnic origin as Hispanic or Latino. Adults who identify their ethnic origin as Hispanic or Latino may be of any race. Starting in July 2021 (phase 3.2), the survey included questions regarding sexual orientation and gender identity. However, the sample size was not large enough for the Los Angeles-Long Beach-Anaheim MSA to report these findings here.*

***The Census reworded the lost employment income question in April 2021 (phase 3.1) from asking about lost wages since March 2020 to only asking about lost wages in the last four weeks. This change makes direct comparison with results from previous phases of the survey impossible.*

TABLE M: PERCENTAGE OF RENTERS* WHO ARE NOT CAUGHT UP ON RENT PAYMENTS** (MAY 2020–JAN 2022)

Month	All Renters	Less than $75K	More than $75K	Asian	Black	Latinx	White	Two or more races	Male	Female
May 2020	18%	17%	9%	6%	32%	23%	10%	15%	22%	14%
June 2020	16%	17%	6%	7%	14%	22%	8%	22%	12%	20%
July 2020	18%	18%	4%	16%	12%	26%	9%	12%	18%	17%
Transition to Phase 2***										
Aug 2020	16%	19%	7%	16%	5%	23%	9%	8%	22%	10%
Sept 2020	16%	19%	5%	20%	17%	17%	10%	18%	15%	16%
Oct 2020	17%	19%	14%	22%	8%	24%	9%	18%	19%	15%
Transition to Phase 3										
Nov 2020	14%	19%	5%	17%	38%	11%	8%	15%	15%	13%
Dec 2020	22%	27%	11%	18%	20%	27%	9%	38%	22%	22%
Jan 2021	18%	22%	6%	8%	19%	26%	8%	18%	18%	18%
Feb 2021	21%	27%	7%	13%	17%	27%	13%	22%	19%	21%
Mar 2021	16%	20%	10%	21%	32%	17%	8%	13%	19%	16%
Apr 2021	12%	17%	4%	7%	9%	15%	11%	14%	10%	12%
May 2021	16%	18%	8%	12%	35%	16%	10%	12%	21%	16%
June 2021	15%	15%	7%	19%	15%	16%	9%	12%	17%	15%
July 2021	12%	16%	3%	20%	11%	12%	9%	12%	12%	12%
Aug 2021	17%	21%	4%	18%	10%	21%	11%	16%	18%	17%
Sept 2021	13%	18%	3%	19%	17%	14%	6%	9%	16%	13%
Oct 2021	17%	20%	5%	17%	40%	16%	14%	17%	18%	17%
Nov 2021	No survey in November 2021									
Dec 2021	12%	14%	3%	11%	3%	15%	9%	12%	11%	12%
Jan 2022	17%	18%	5%	18%	31%	17%	15%	14%	20%	17%

Source: California Housing Partnership analysis of Household Pulse Survey data, U.S. Census Bureau, April 23 2020 – Jan 10, 2022.

**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the percentage of renting adults in households who are not caught up on rent or had their rent deferred. Note: Figures are averages of data collected in the corresponding month. For example, the October 2020 data point is an average of survey data collected Sept 30-Oct 12 and Oct 14-Oct 26.*

***This data represents the race/ethnicity and sex at birth of the person filling out the survey. Asian, Black, two or more races, and white include adults reporting only one racial category and do not identify their ethnic origin as Hispanic or Latino. Adults who identify their ethnic origin as Hispanic or Latino may be of any race. Starting in July 2021 (phase 3.2), the survey included questions regarding sexual orientation and gender identity. However, the sample size was not large enough for the Los Angeles-Long Beach-Anaheim MSA to report these findings here.*

****Phase 2 introduced significant changes to the questionnaire and moved to a two-week survey window, creating differences in unit and item nonresponse between the two phases that make direct comparison with phase 1 estimates difficult.*

TABLE N: AVERAGE MULTIFAMILY RENT CHANGES IN LOS ANGELES COUNTY SUBMARKETS DURING THE PANDEMIC (2020-2021, YEAR-TO-YEAR)

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Los Angeles County	1.2%	0.0%	-1.0%	-1.3%	-0.4%	2.5%	5.3%	6.4%
Antelope Valley	3.9%	4.7%	4.9%	6.2%	7.7%	9.6%	11.5%	9.6%
Beach Communities	3.1%	0.7%	0.9%	0.4%	0.6%	3.1%	3.2%	2.8%
Beverly Hills, UCLA, Century City	1.3%	-0.1%	-1.2%	-1.9%	-1.5%	0.6%	2.9%	3.6%
Burbank	0.9%	-0.6%	-3.5%	-2.9%	-0.8%	3.6%	8.4%	10.0%
Central San Fernando Valley	2.8%	1.8%	1.2%	0.2%	0.7%	2.3%	3.3%	4.1%
Downtown LA	-2.4%	-4.8%	-7.7%	-8.2%	-4.7%	1.6%	9.6%	11.9%
East Hollywood	1.4%	0.9%	0.1%	-0.8%	-0.8%	0.2%	1.6%	2.3%
Glendale	0.6%	-0.8%	-1.4%	-1.4%	-1.2%	2.6%	5.5%	6.3%
Greater Culver City	1.4%	-1.8%	-4.2%	-3.7%	-3.6%	2.4%	7.3%	7.5%
Greater Inglewood	2.1%	1.8%	1.7%	0.5%	0.4%	0.0%	0.4%	1.7%
Hollywood	0.5%	-0.7%	-2.6%	-3.2%	-1.9%	0.2%	4.7%	6.8%
Koreatown	1.3%	-0.1%	-0.8%	-1.0%	-1.2%	0.7%	2.8%	4.5%
Long Beach And Ports	2.1%	1.3%	1.2%	1.0%	1.7%	4.2%	5.3%	6.3%
Mid-Wilshire	-2.0%	-2.7%	-7.3%	-6.8%	-2.9%	3.0%	8.2%	10.5%
North Hills Panorama City	2.8%	3.0%	2.6%	2.2%	1.7%	1.4%	2.3%	2.5%
North San Fernando Valley	2.5%	1.4%	2.7%	3.3%	3.0%	4.1%	4.6%	4.9%
Northeast Los Angeles	1.1%	0.3%	-0.3%	-0.5%	-0.6%	0.4%	1.6%	1.9%
Northridge	2.3%	1.2%	0.8%	1.3%	1.1%	3.6%	6.0%	6.4%
Pasadena	1.1%	-0.4%	-1.2%	-0.1%	1.3%	3.7%	7.9%	6.6%
San Gabriel Valley	2.6%	2.1%	2.5%	2.6%	3.0%	4.9%	6.5%	7.0%
Santa Clarita	2.2%	1.0%	3.7%	4.8%	4.8%	10.5%	9.6%	13.3%
Santa Monica	0.8%	-1.5%	-2.7%	-4.8%	-4.1%	1.2%	4.1%	6.1%
Sherman Oaks	1.9%	0.8%	-0.3%	-0.6%	-0.6%	1.3%	3.2%	4.0%
South Bay	2.5%	1.7%	1.2%	0.5%	0.4%	1.8%	3.0%	5.4%
South Los Angeles	3.9%	3.1%	2.9%	2.3%	2.4%	4.1%	4.5%	4.9%
Southeast Los Angeles	3.0%	2.5%	2.3%	2.2%	2.2%	2.6%	3.3%	3.7%
Studio City N Hollywood	1.4%	0.4%	-0.7%	-1.1%	-0.5%	1.8%	4.6%	5.4%
Sun Valley	2.9%	2.4%	2.2%	2.6%	1.8%	2.1%	2.6%	2.2%
Tarzana	2.8%	1.6%	0.2%	-0.6%	0.2%	1.7%	3.3%	5.1%
Van Nuys	2.0%	1.3%	1.0%	0.1%	1.2%	1.8%	2.7%	3.6%
Venice Beach	-0.2%	-2.8%	-4.0%	-5.1%	-3.5%	2.7%	9.5%	11.0%
West County	-2.6%	-1.0%	-1.2%	2.1%	2.1%	5.6%	10.4%	13.0%
West Hollywood	0.1%	-1.4%	-2.1%	-1.7%	-1.5%	0.7%	3.3%	4.6%
West San Fernando Valley	2.2%	1.9%	1.1%	1.5%	1.6%	3.5%	4.0%	4.1%
Westlake	1.8%	1.4%	0.5%	0.1%	0.1%	0.8%	1.9%	2.4%
Woodland Hills	0.8%	-1.7%	-0.8%	-0.5%	1.2%	7.3%	11.0%	12.2%

Source: California Housing Partnership analysis of average rent data from costar Group, accessed January 2022.

Appendix C: Full Data Findings, Section 2

FIGURE A: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN LOS ANGELES COUNTY

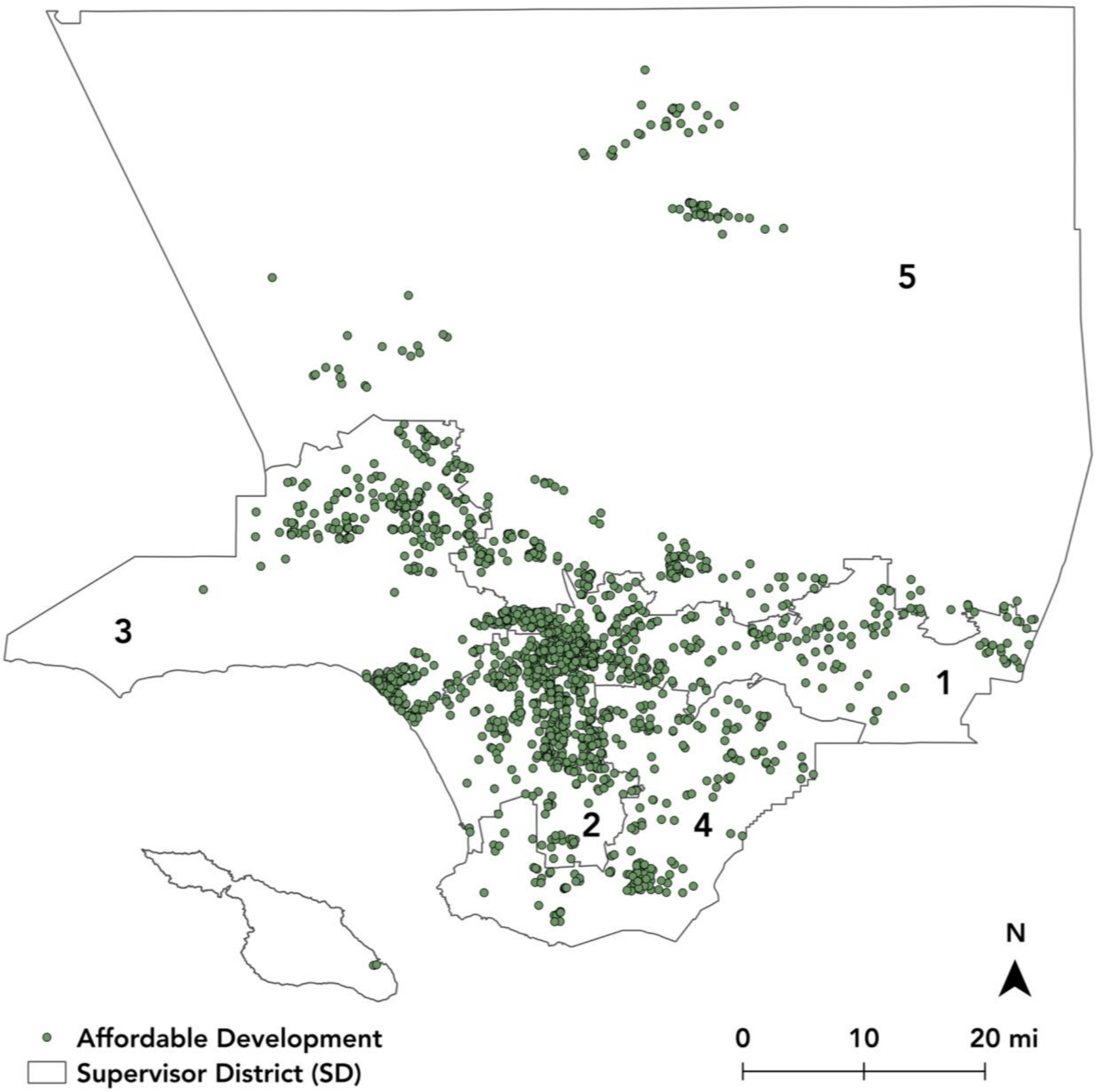


FIGURE B: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 1

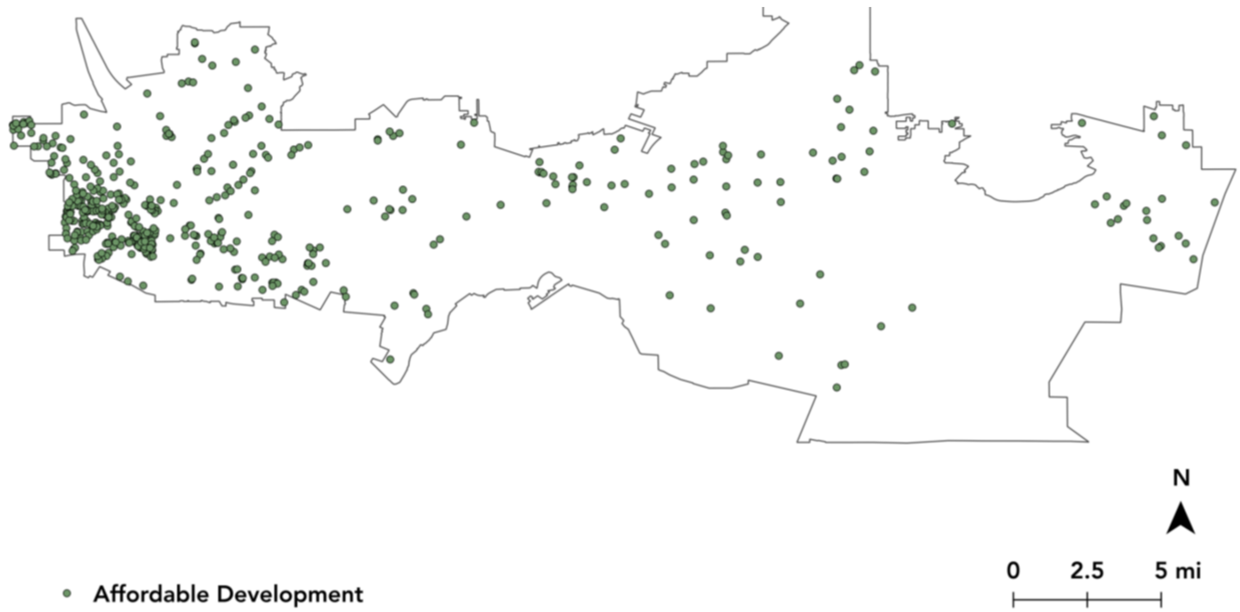


FIGURE C: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 2

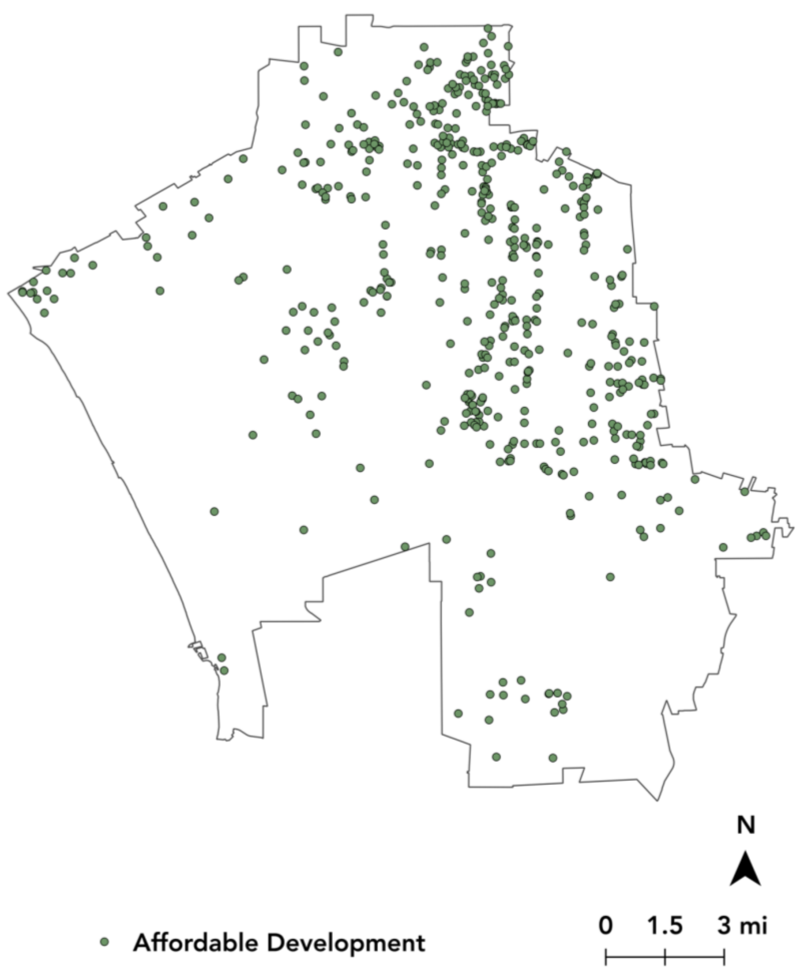


FIGURE D: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 3

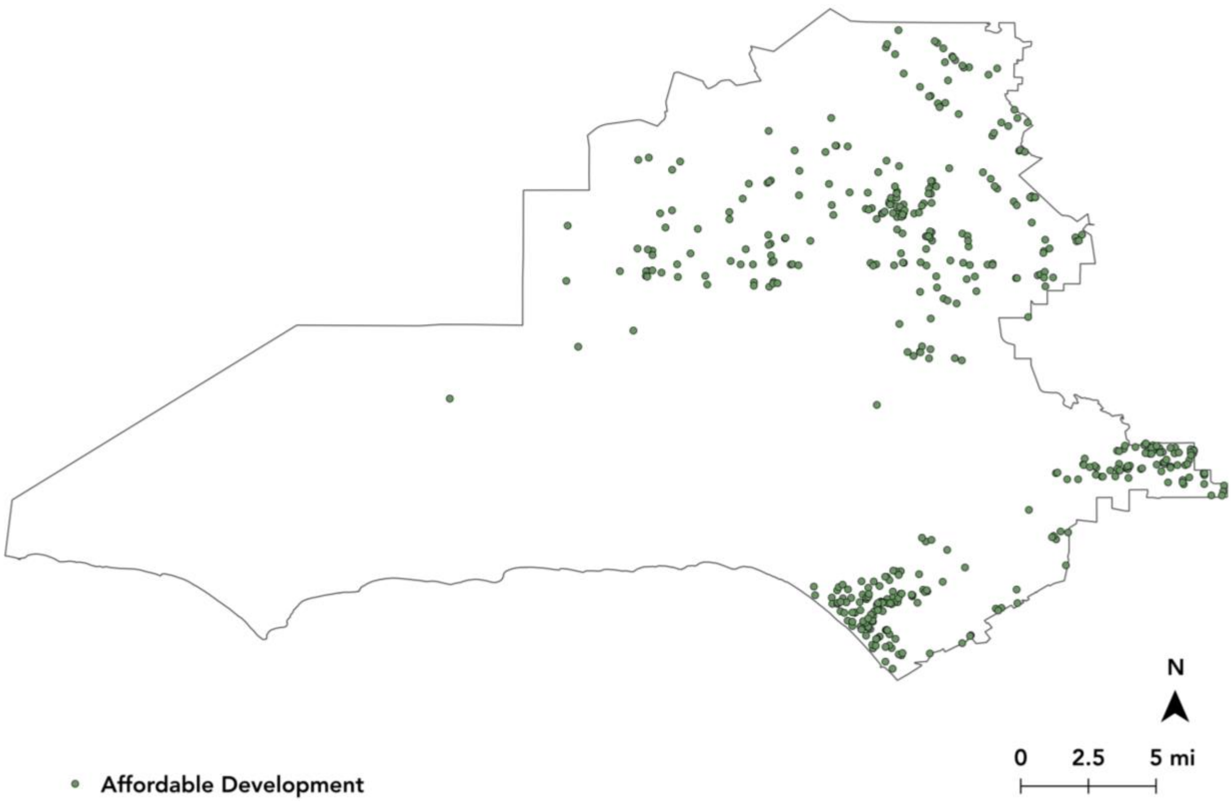


FIGURE E: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 4

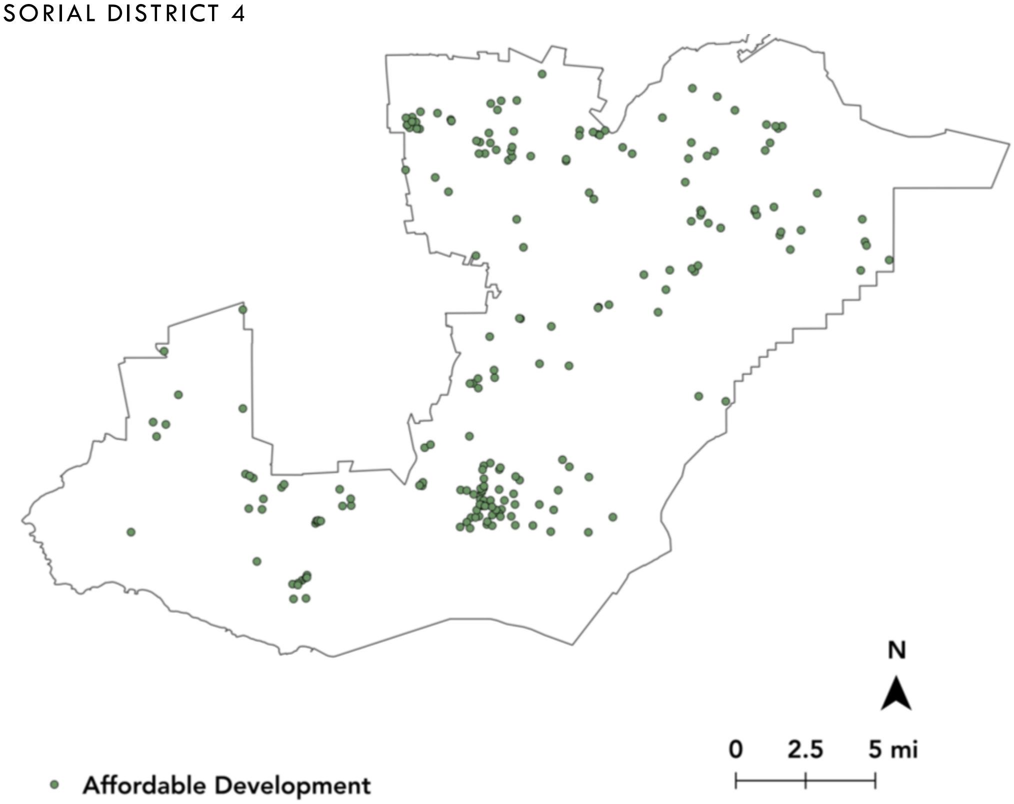


FIGURE F: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 5

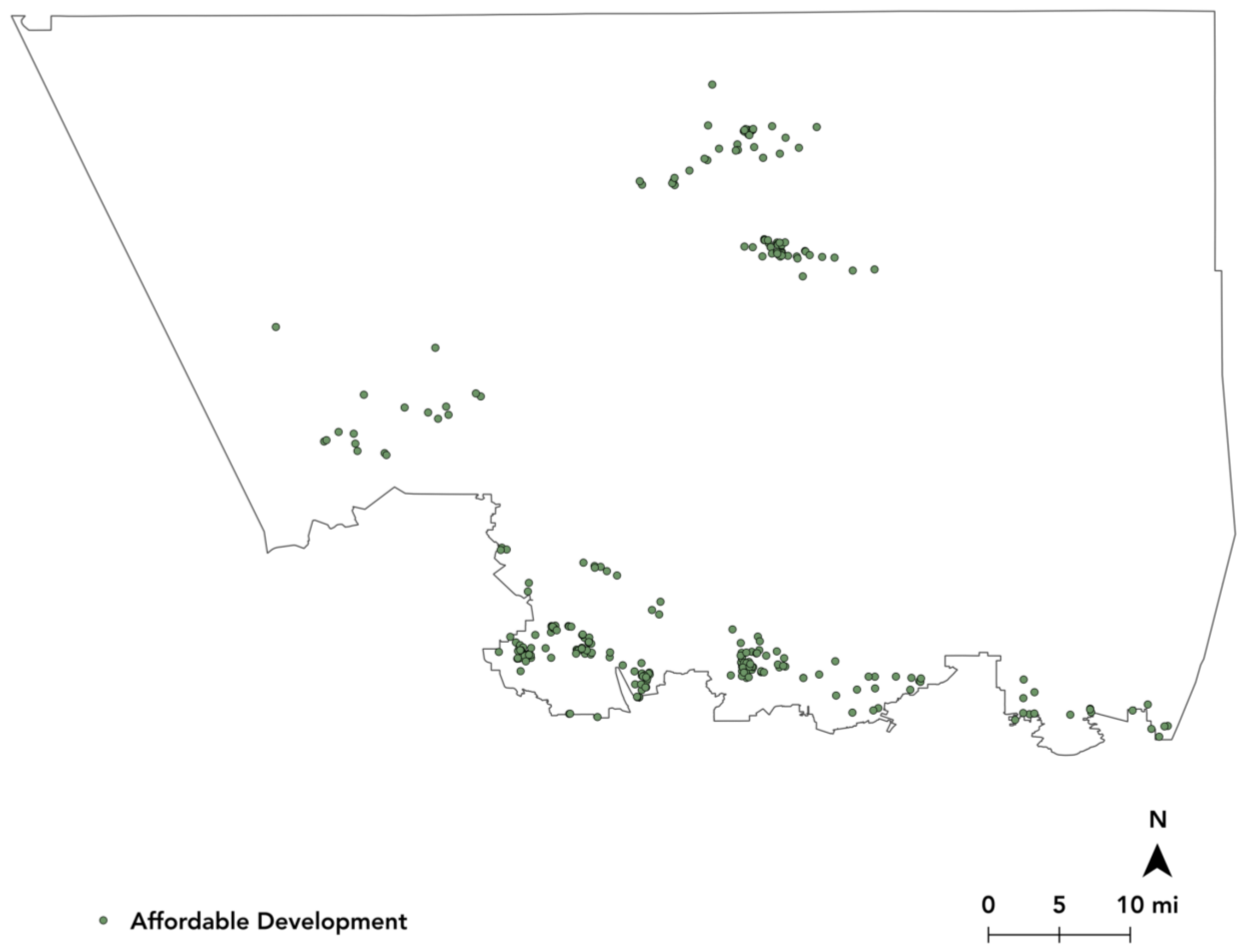


TABLE A: LIHTC DEVELOPMENT IN LOS ANGELES COUNTY (1987-2021)

Year Awarded	Developments	Affordable Homes	Annual Federal Credits Awarded*	State Credits Awarded*
1987	12	548	$62,158	$315,660
1988	24	1,352	$867,715	$3,027,162
1989	31	2,029	$2,539,258	$8,083,060
1990	25	972	$7,316,609	$357,576
1991	13	391	$3,637,134	$4,127,305
1992	37	1,865	$15,280,839	$1,926,842
1993	45	3,124	$22,872,108	$4,024,016
1994	17	949	$8,672,710	$0
1995	25	1,457	$8,115,919	$362,382
1996	40	1,820	$17,395,276	$4,895,037
1997	35	1,509	$9,352,778	$0
1998	31	2,640	$13,309,462	$2,202,977
1999	60	3,348	$16,358,449	$1,354,736
2000	40	3,139	$21,458,447	$2,524,985
2001	36	3,286	$15,875,549	$1,934,174
2002	46	3,768	$30,112,497	$4,990,387
2003	47	2,876	$24,311,267	$6,318,716
2004	46	3,436	$28,787,911	$7,656,436
2005	58	2,306	$21,862,669	$0
2006	58	3,229	$33,586,829	$21,761,601
2007	41	2,451	$28,347,851	$13,409,452
2008	34	3,314	$31,957,611	$0
2009	49	3,015	$31,891,658	$0
2010	37	2,074	$29,429,628	$2,030,750
2011	62	3,537	$43,584,509	$15,549,640
2012	43	2,867	$35,362,984	$16,164,656
2013	56	3,952	$45,475,657	$6,082,297
2014	46	2,789	$38,109,127	$10,538,565
2015	49	4,084	$48,335,623	$30,655,343
2016	91	5,037	$61,616,783	$17,960,317
2017	38	2,479	$49,845,415	$37,516,561
2018	57	3,525	$62,364,953	$34,161,492
2019	55	4,031	$78,389,792	$39,303,378
2020	79	6,512	$126,208,075	$104,029,686
2021	59	4,804	$119,635,344	$103,955,945
Total	**1,522**	**98,515**	**$1,132,330,594**	**$507,221,134**

Source: California Housing Partnership Preservation Database, April 2022.

TABLE B: LOST AFFORDABLE HOMES IN LOS ANGELES COUNTY (1997-2021)

Year	HUD Affordable Homes	LIHTC Affordable Homes	HCD/CalHFA Affordable Homes	Local Affordable Homes	Total Affordable Homes	% of Total Homes Lost
1997	763	0	0	0	763	11%
1998	534	0	0	0	534	7%
1999	216	0	0	0	216	3%
2000	319	0	0	0	319	4%
2001	75	0	0	0	75	1%
2002	95	74	0	0	169	2%
2003	179	0	0	0	179	2%
2004	99	122	0	0	221	3%
2005	8	961	0	0	969	14%
2006	145	74	0	0	219	3%
2007	269	0	0	0	269	4%
2008	45	14	0	0	59	1%
2009	107	0	0	0	107	1%
2010	256	0	0	0	256	4%
2011	29	0	6	5	40	1%
2012	0	0	0	0	0	0%
2013	180	0	0	0	180	3%
2014	56	0	0	0	56	1%
2015	13	0	0	4	17	0%
2016	0	0	115	446	561	8%
2017	4	158	102	8	272	4%
2018	42	115	82	235	474	7%
2019	5	326	31	308	670	9%
2020	0	144	0	92	236	3%
2021	22	133	16	90	261	4%
Total	**3,461**	**2,121**	**352**	**1,188**	**7,122**	**100%**

Source: California Housing Partnership Preservation Database, April 2022.

TABLE C: AFFORDABLE HOMES AT RISK OF CONVERSION IN LOS ANGELES COUNTY, BY RISK LEVEL

Risk Level	Developments	Affordable Homes	% of Total Inventory
Very High	52	2,397	2%
High	111	5,540	5%
Moderate	37	2,725	2%
Low	1,675	109,107	91%
All At-Risk	163	7,937	7%
Total	1,875	119,769	100%

Source: California Housing Partnership Preservation Database, April 2022.

TABLE D: AFFORDABLE HOMES AT RISK OF CONVERSION IN LOS ANGELES COUNTY, BY RISK LEVEL AND PROGRAM

Risk Level	HUD Affordable Homes*	LIHTC Affordable Homes	HCD/CalHFA Affordable Homes**	Local Affordable Homes
Very High	2,203	157	0	37
High	4,684	697	91	68
Moderate	902	288	68	1,467
Low	15,275	84,968	3,032	5,832
All At-Risk	6,887	854	91	105
Total	23,064	86,110	3,191	7,404

Source: California Housing Partnership Preservation Database, April 2022.
**'HUD Affordable Homes' that also have LIHTC financing are represented in the 'LIHTC Affordable Homes' column and those that have HCD financing are represented in the 'HCD/CalHFA Affordable Homes' column.*
***'HCD/CalHFA Affordable Homes' that also have LIHTC financing are represented in the 'LIHTC Affordable Homes' column, those that also have HUD assistance are represented in the 'HUD Affordable Homes' column, and those that have HCD financing are represented in the 'HCD/CalHFA Affordable Homes' column.*

Appendix D: Full Data Findings, Section 3

FIGURE A: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN LOS ANGELES COUNTY

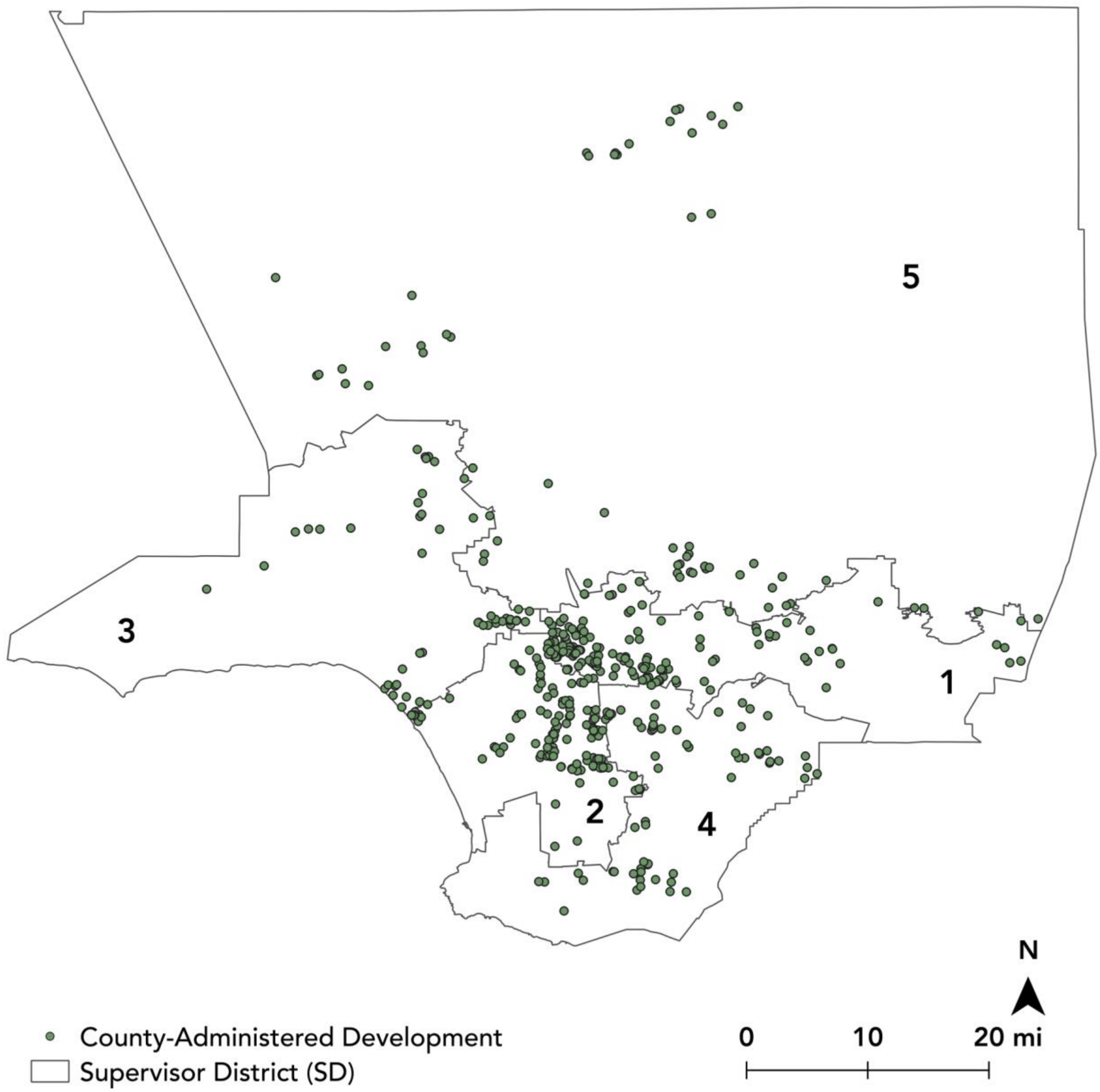


FIGURE B: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 1

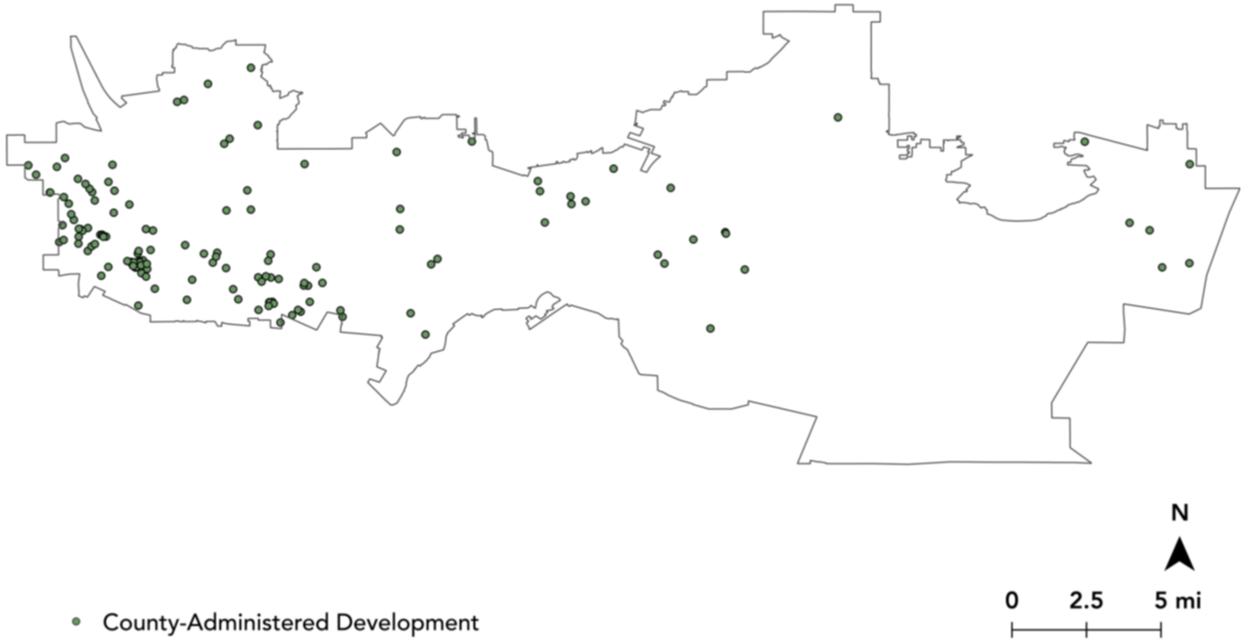


FIGURE C: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 2

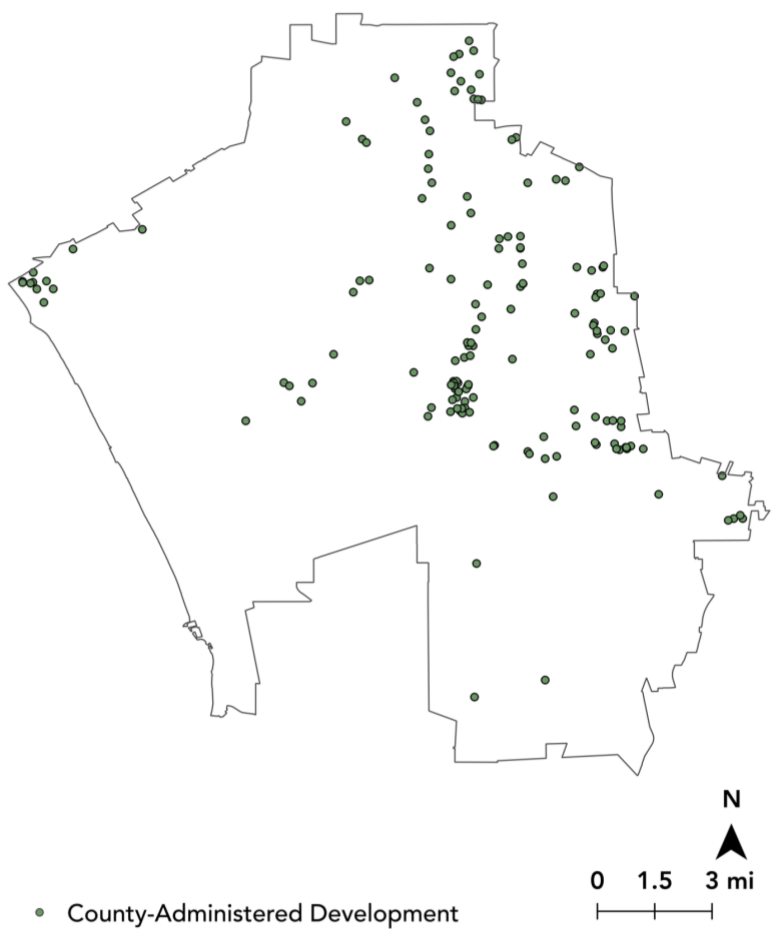


FIGURE D: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 3

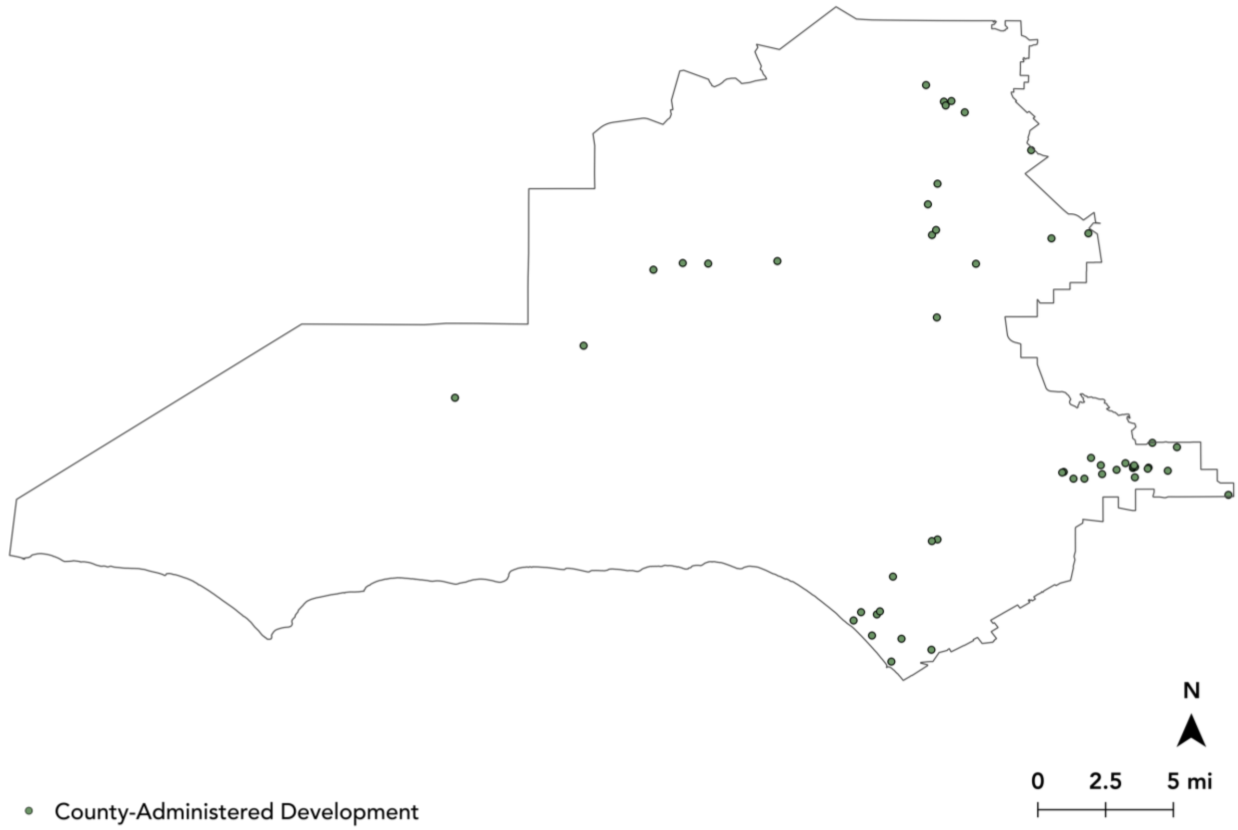


FIGURE E: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 4

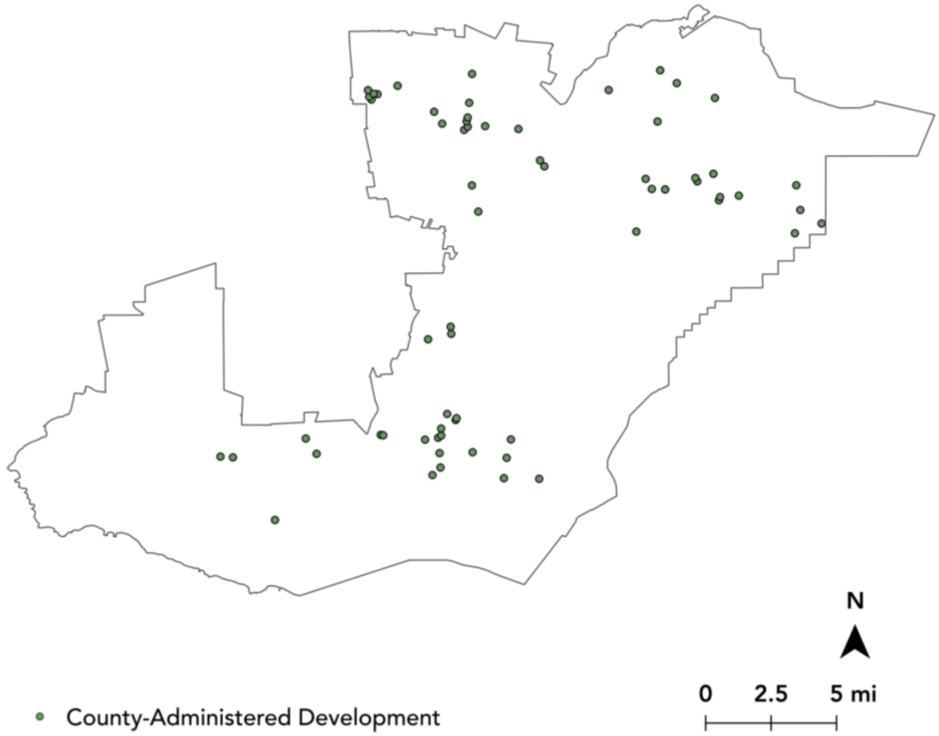
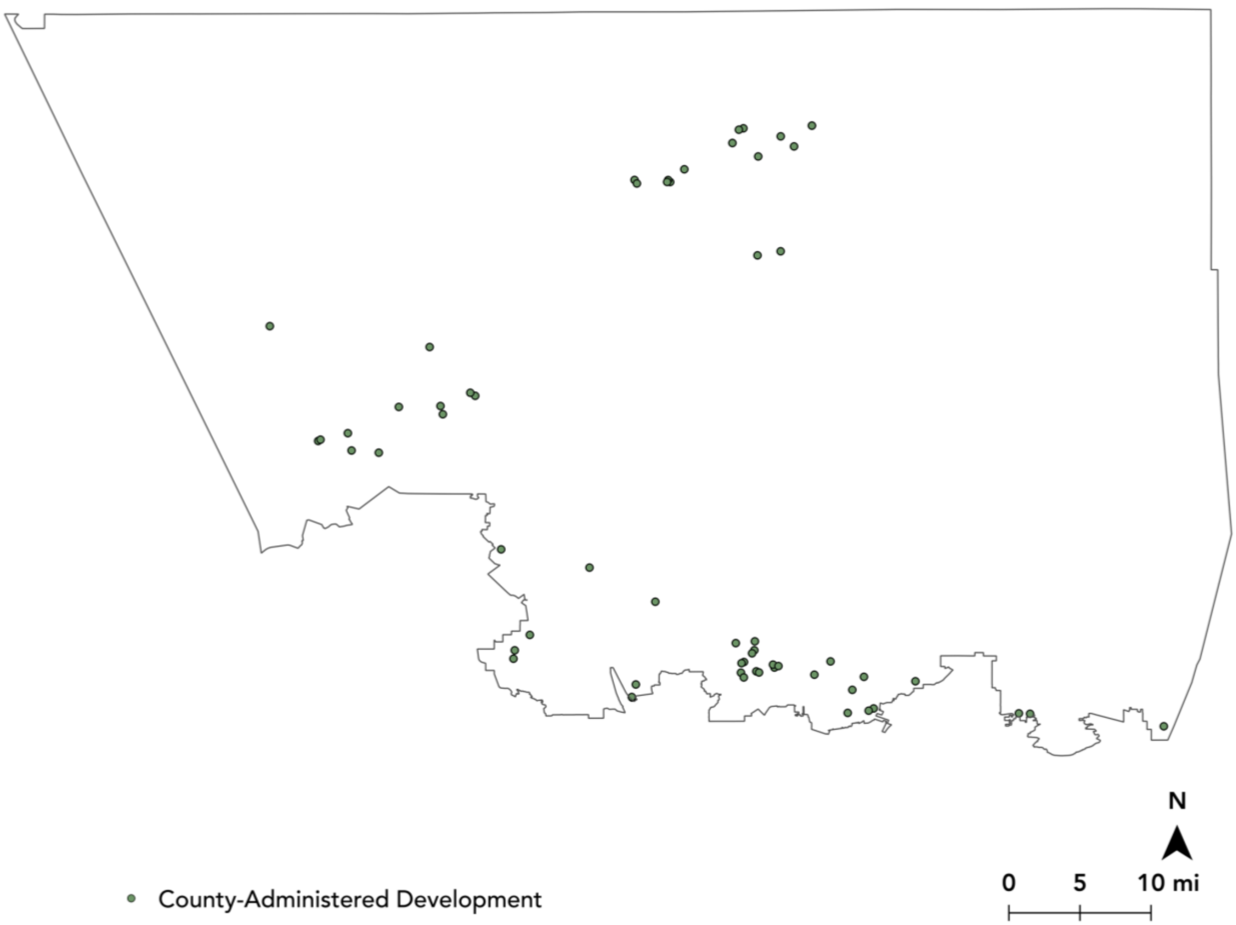


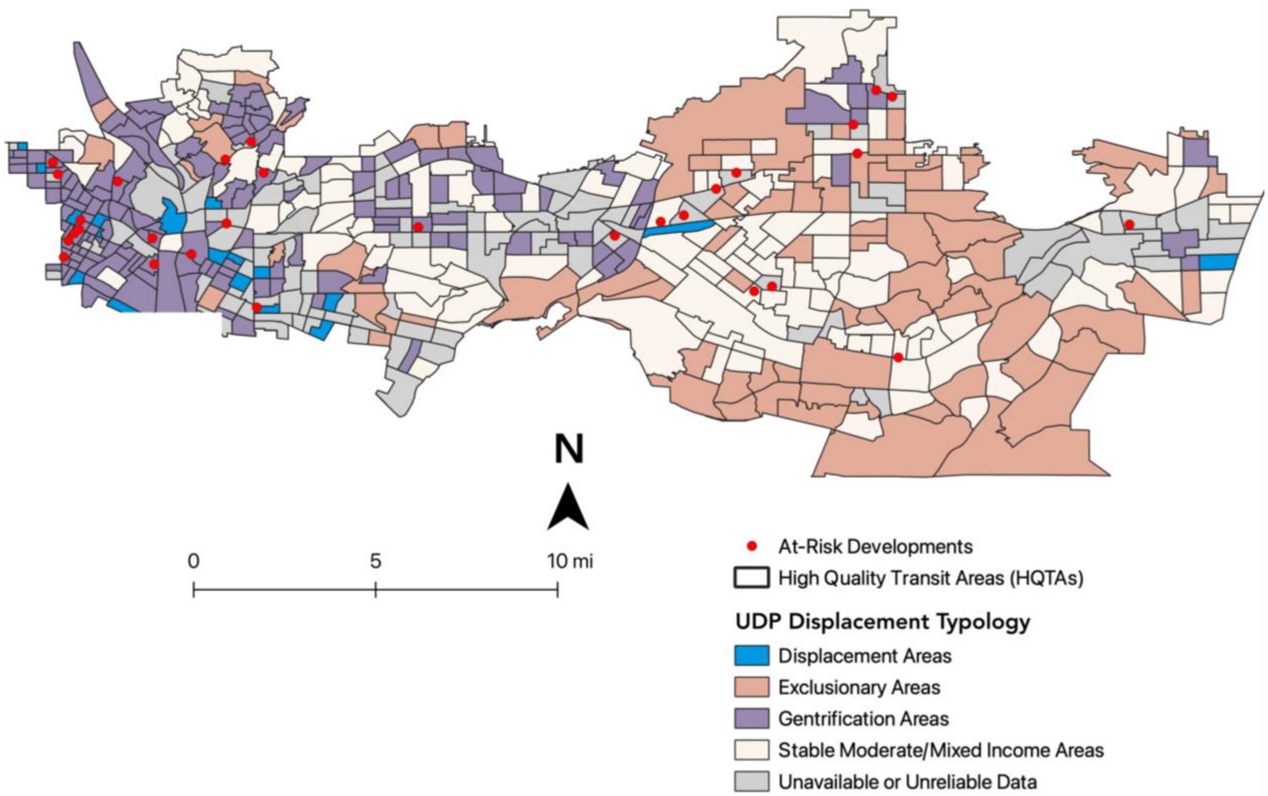
FIGURE F: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 5



APPENDIX E: FULL DATA FINDINGS, SECTION 4

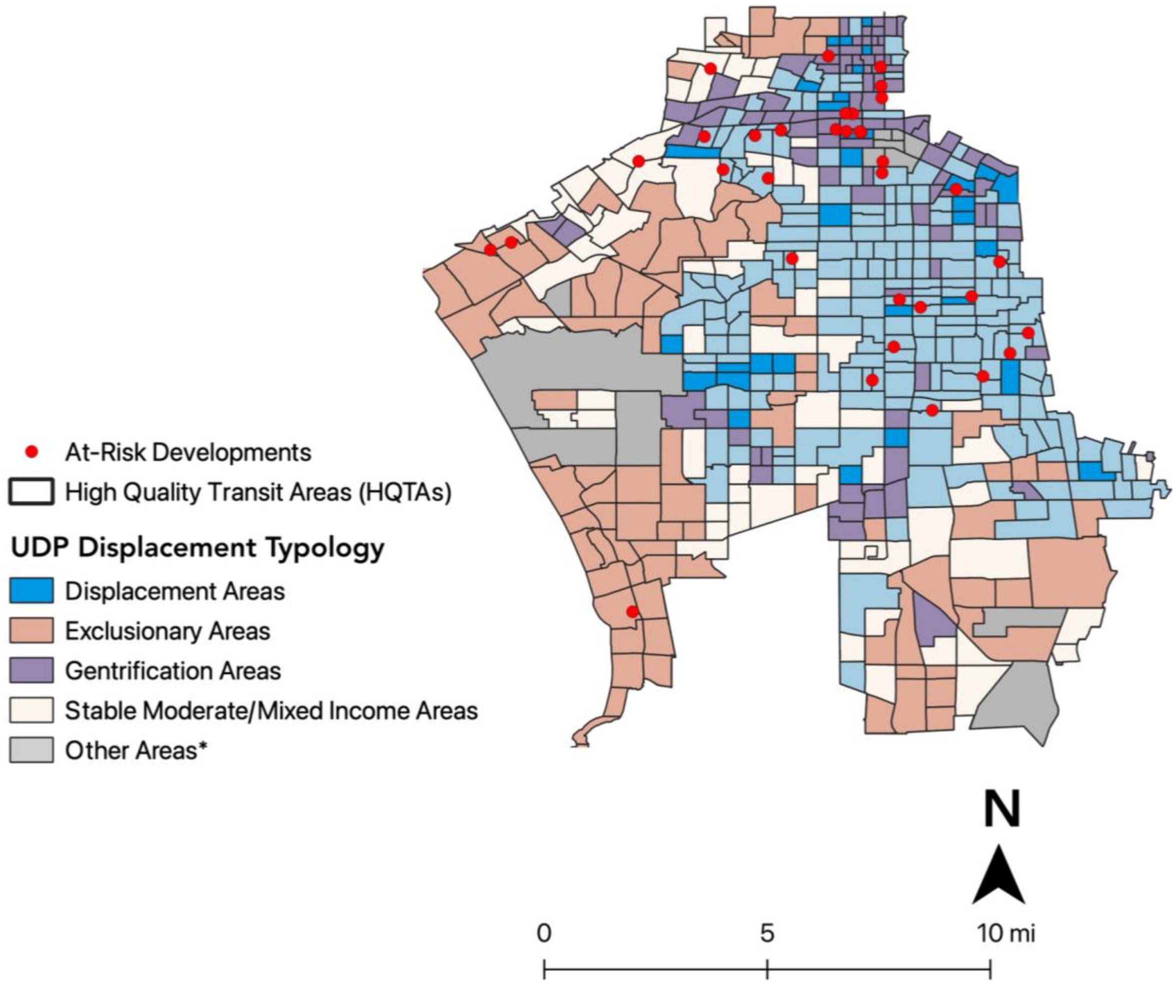
Proximity of At-Risk Affordable Homes to Transit and Displacement, Gentrification, and Exclusion

FIGURE A: SUPERVISORIAL DISTRICT 1 - AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF OR EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION



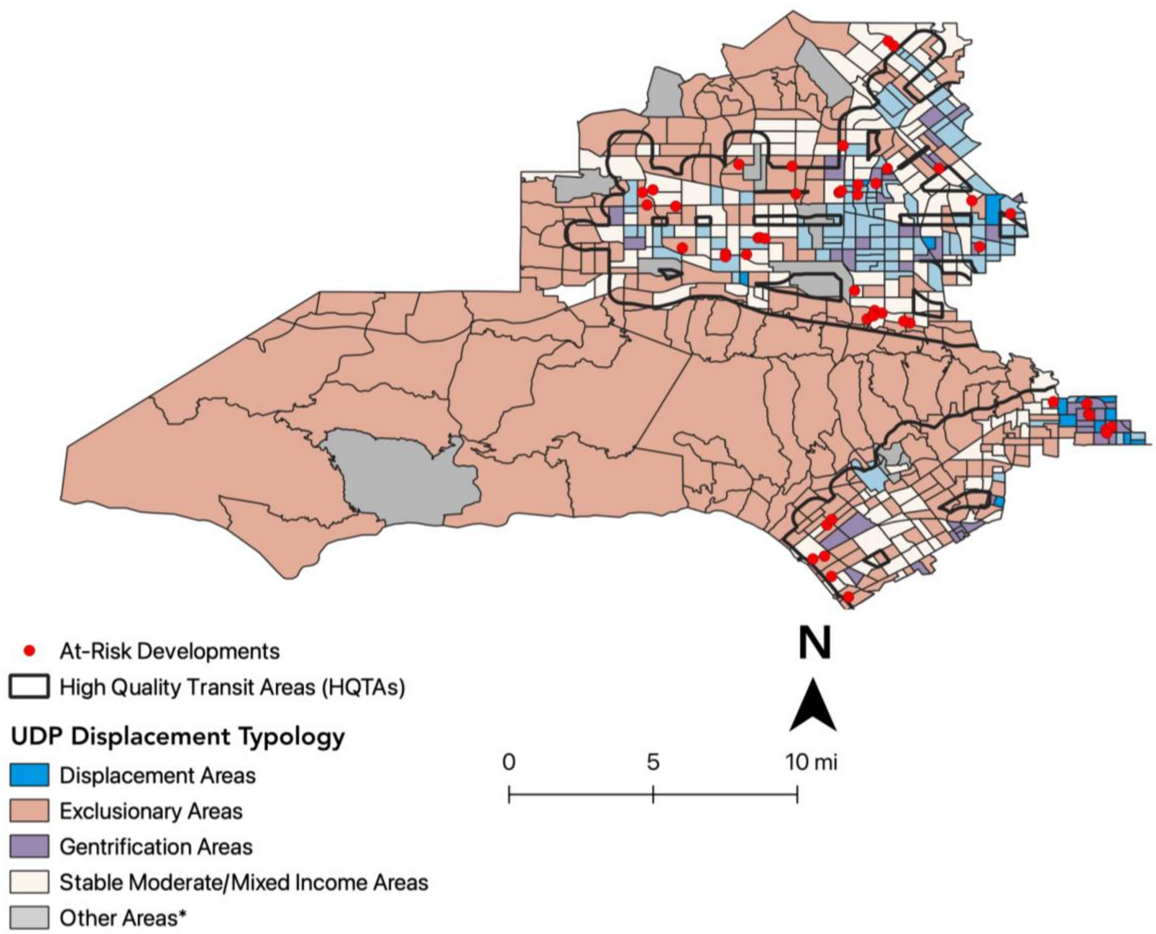
**'Other Areas' includes tracts designated by the UDP Displacement Typology as 'Low-Income/Susceptible to Displacement' or areas with large student populations or unavailable/unreliable data.*

FIGURE B: SUPERVISORIAL DISTRICT 2 - AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF OR EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION



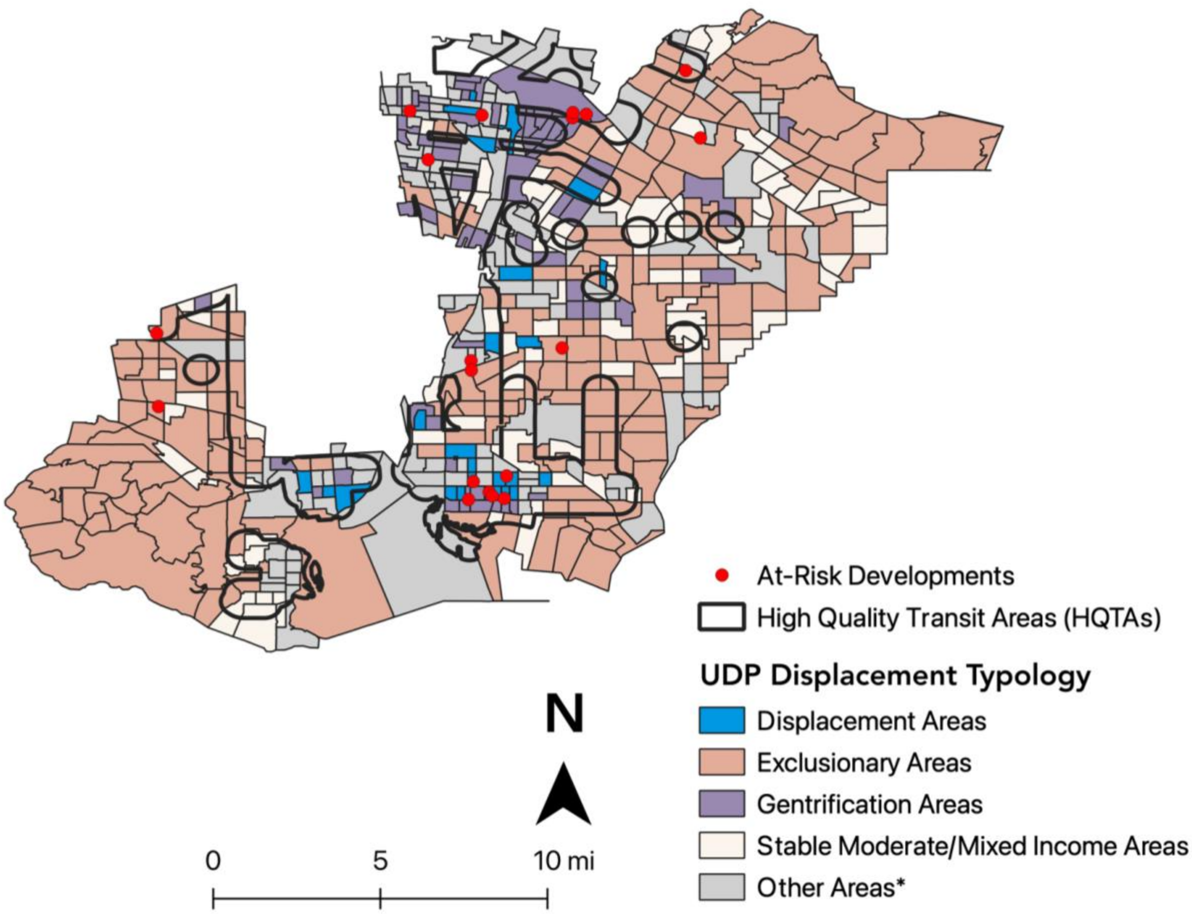
*'Other Areas' includes tracts designated by the UDP Displacement Typology as 'Low-Income/Susceptible to Displacement' or areas with large student populations or unavailable/unreliable data.

FIGURE C: SUPERVISORIAL DISTRICT 3 - AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF OR EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION



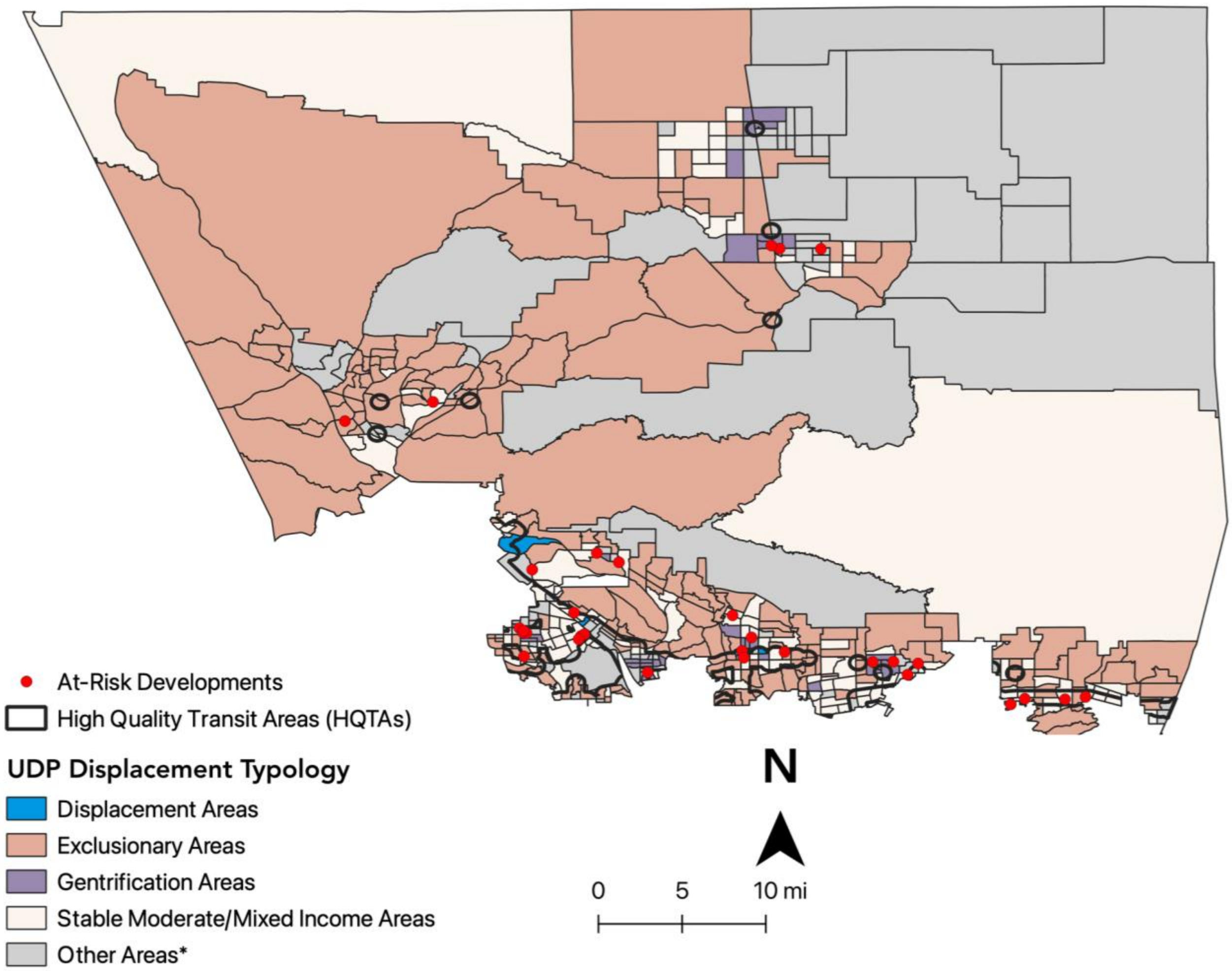
'Other Areas' includes tracts designated by the UDP Displacement Typology as 'Low-Income/Susceptible to Displacement' or areas with large student populations or unavailable/unreliable data.

FIGURE D: SUPERVISORIAL DISTRICT 4 - AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF OR EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION



'Other Areas' includes tracts designated by the UDP Displacement Typology as 'Low-Income/Susceptible to Displacement' or areas with large student populations or unavailable/unreliable data.

FIGURE E: SUPERVISORIAL DISTRICT 5 - AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF OR EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION



*'Other Areas' includes tracts designated by the UDP Displacement Typology as 'Low-Income/Susceptible to Displacement' or areas with large student populations or unavailable/unreliable data.

PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS AND NEIGHBORHOOD RESOURCES/OPPORTUNITY

FIGURE F: SUPERVISORIAL DISTRICT 1 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

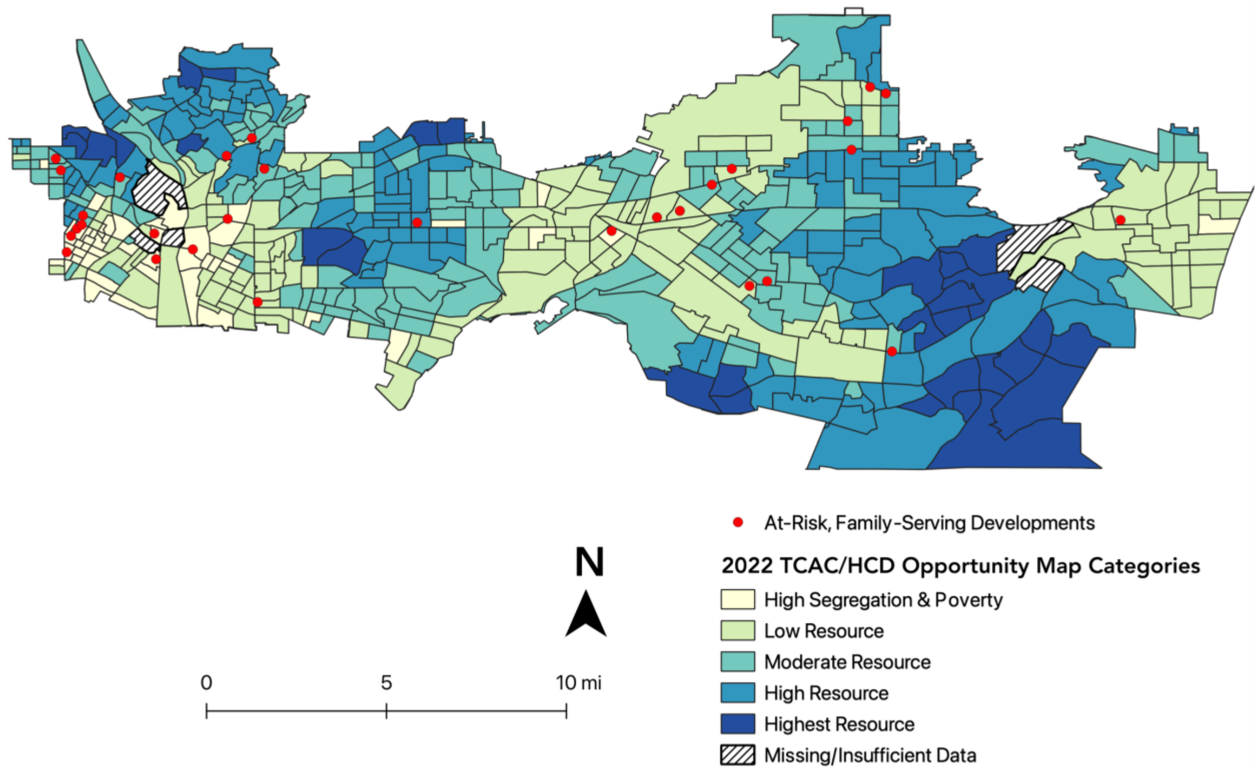


FIGURE G: SUPERVISORIAL DISTRICT 2 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

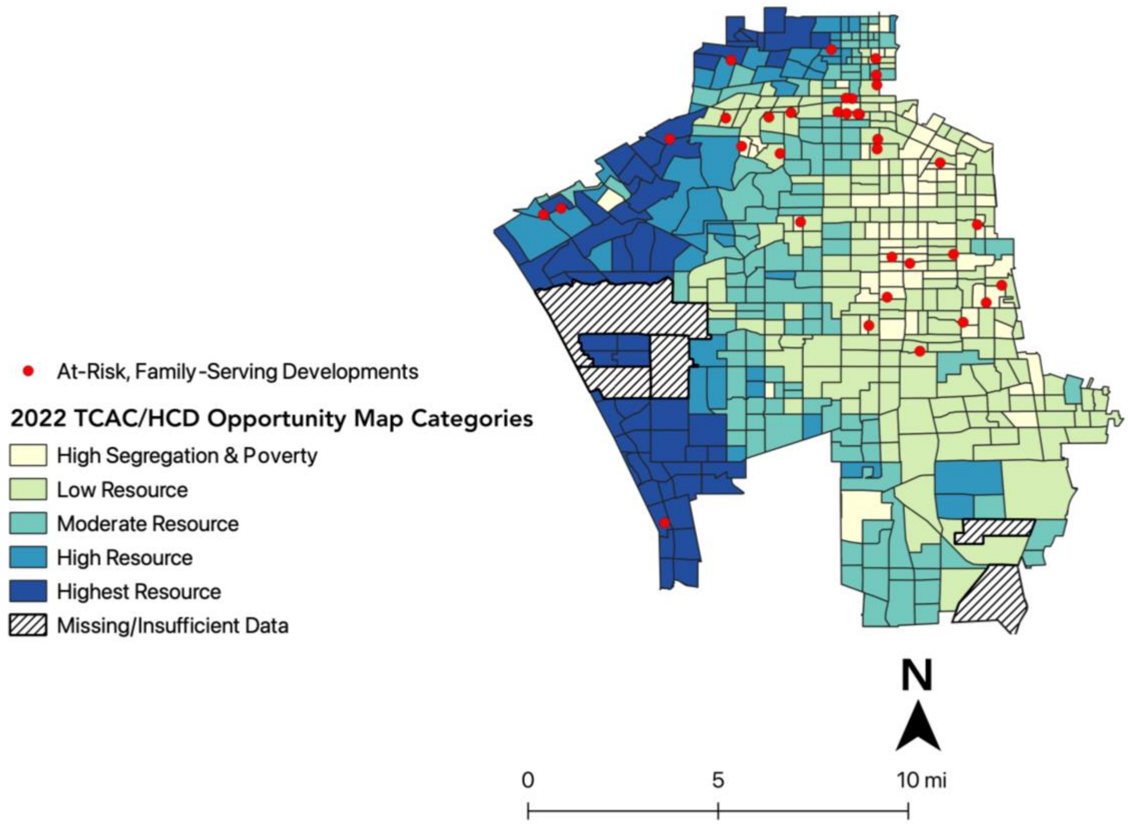


FIGURE H: SUPERVISORIAL DISTRICT 3 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

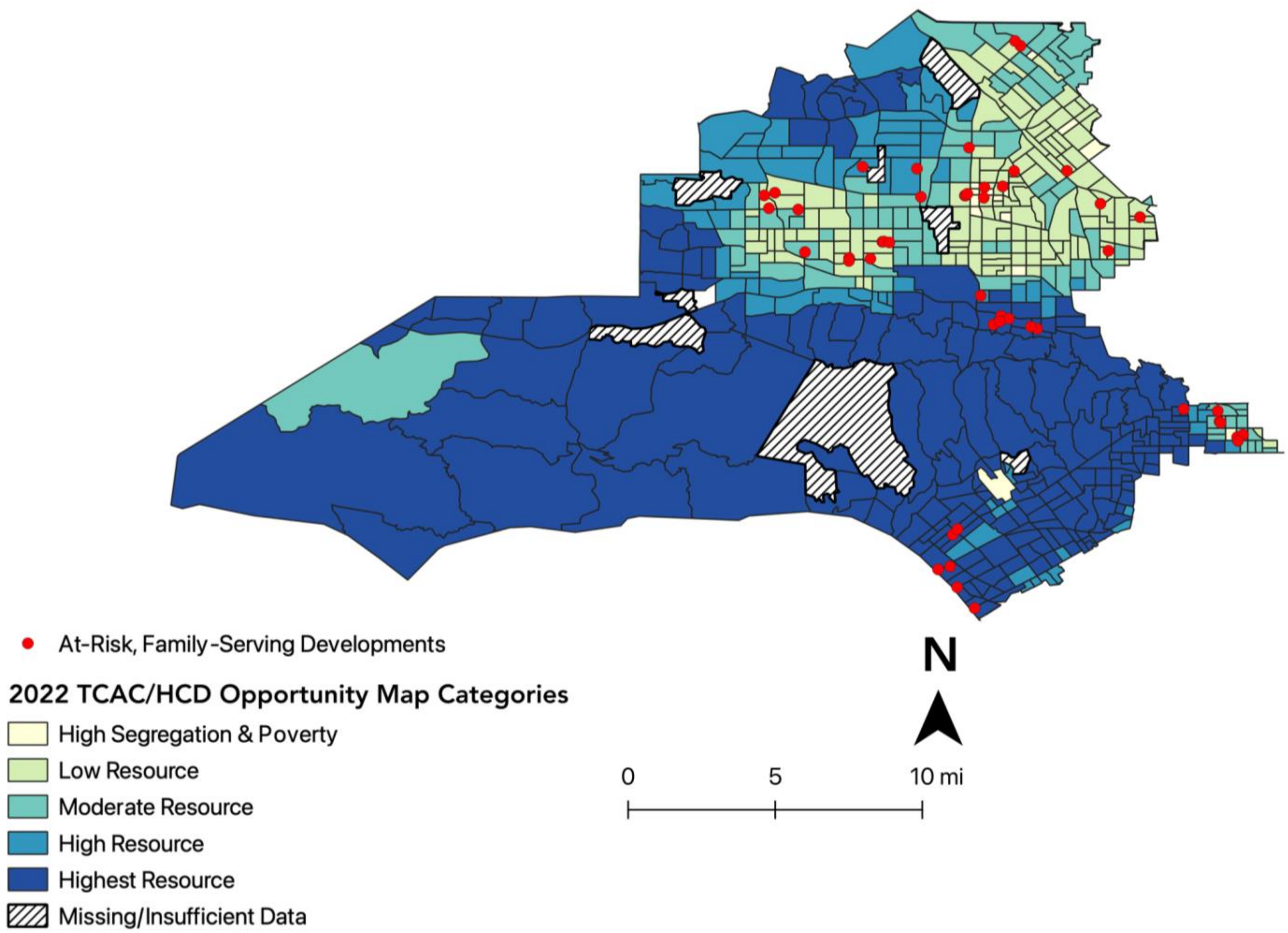


FIGURE I: SUPERVISORIAL DISTRICT 4 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

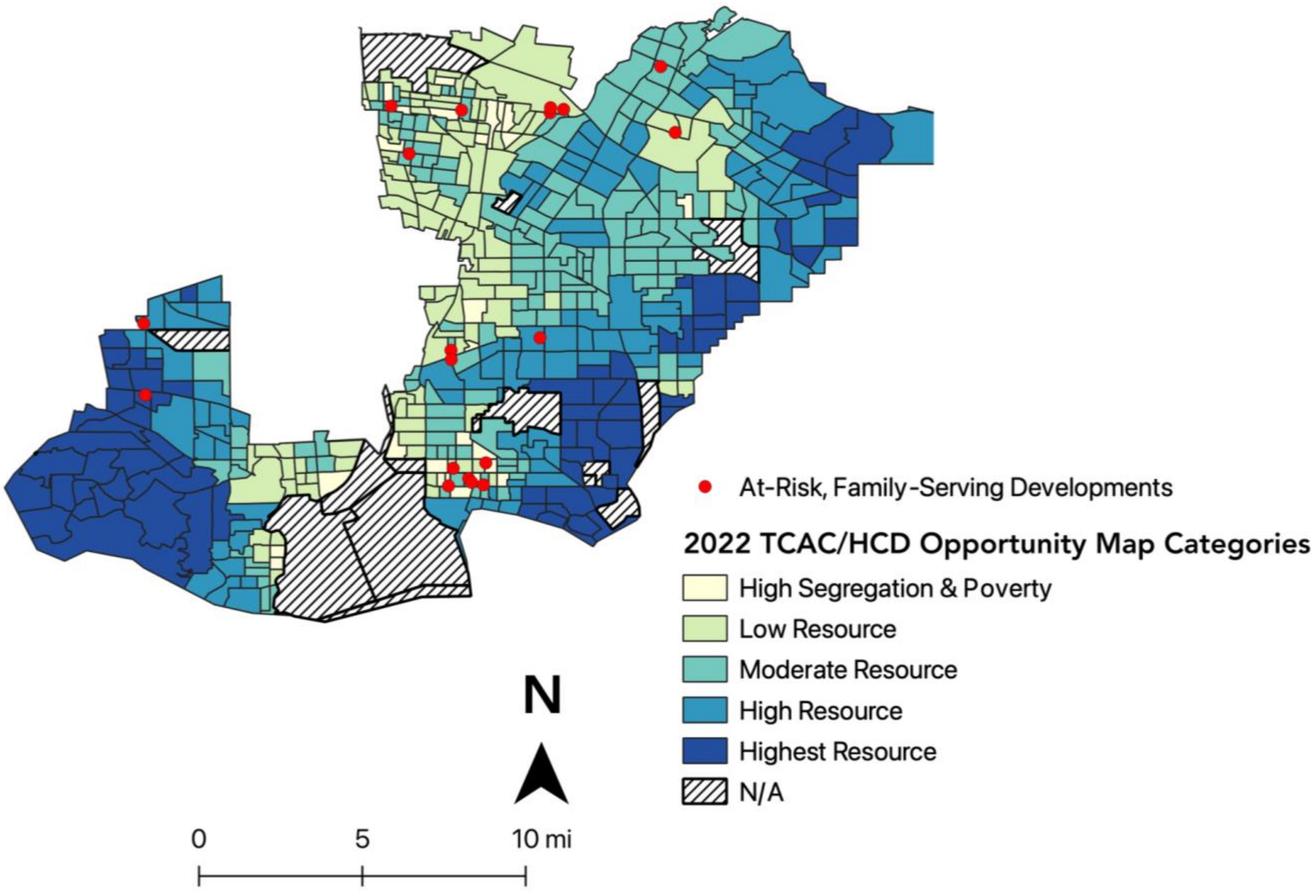
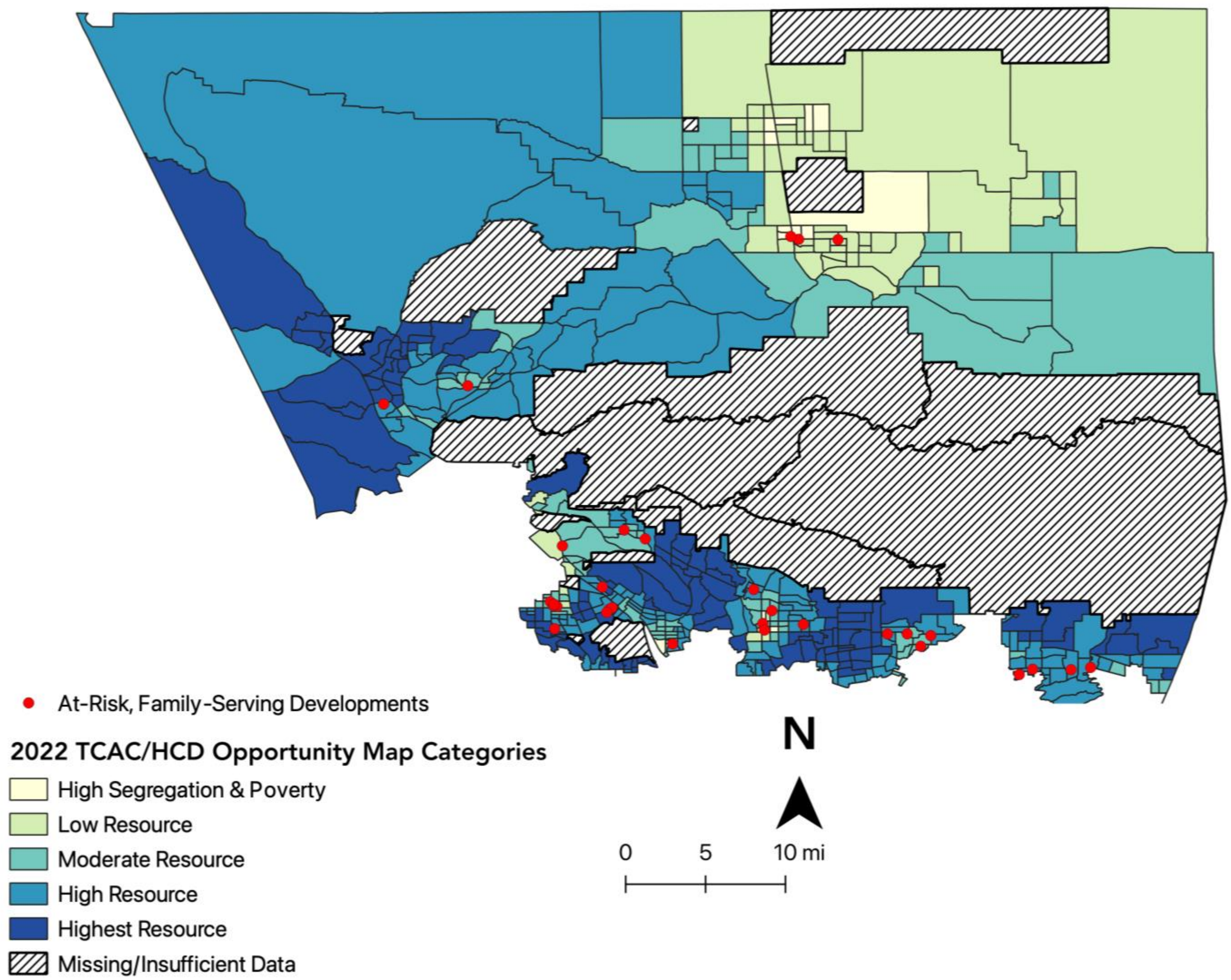


FIGURE J: SUPERVISORIAL DISTRICT 5 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY



PROXIMITY OF LARGE FAMILY, NEW CONSTRUCTION DEVELOPMENTS TO NEIGHBORHOOD RESOURCES/OPPORTUNITY

FIGURE K: SUPERVISORIAL DISTRICT 1 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-2020) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

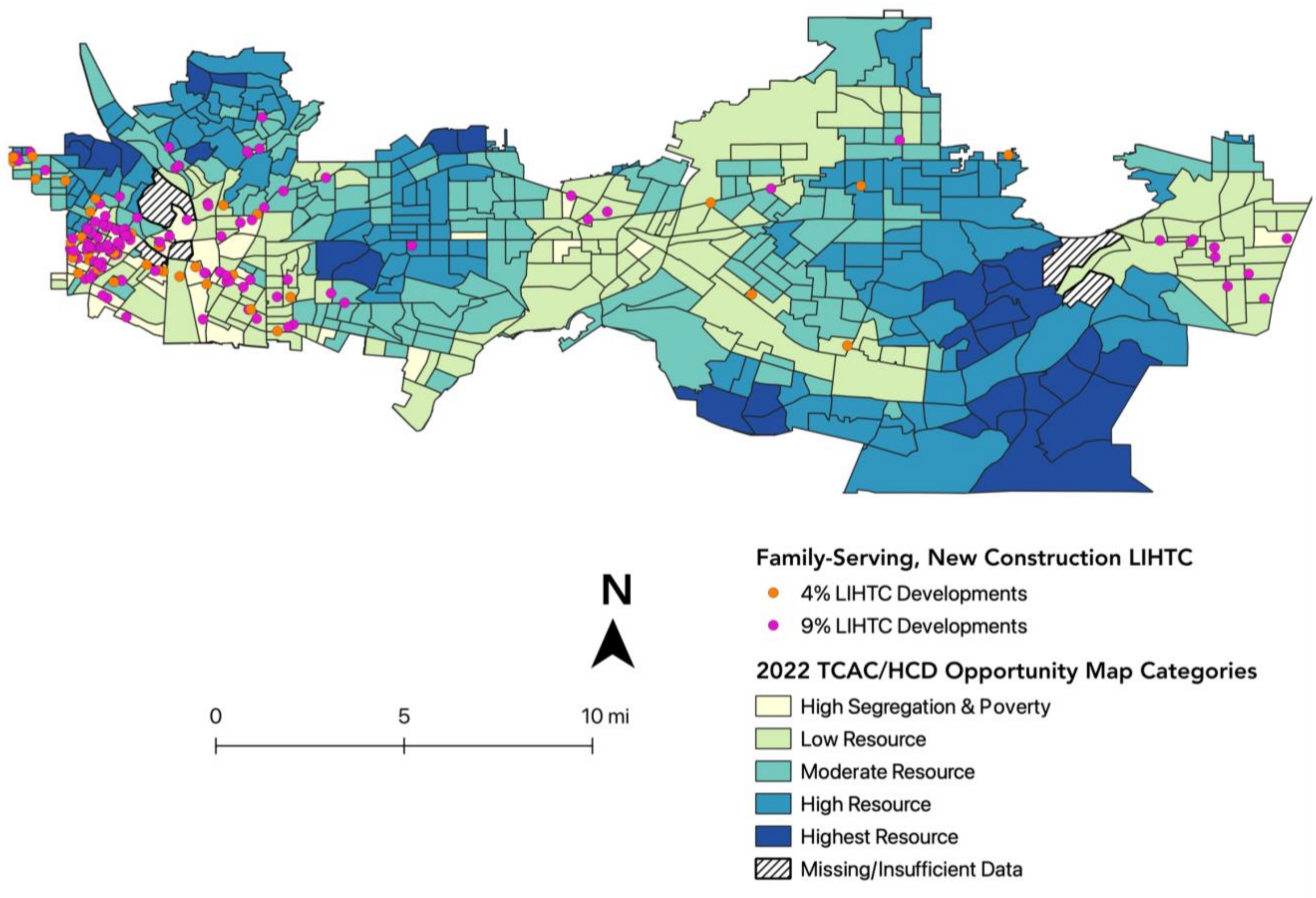


FIGURE L: SUPERVISORIAL DISTRICT 2 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-2020) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

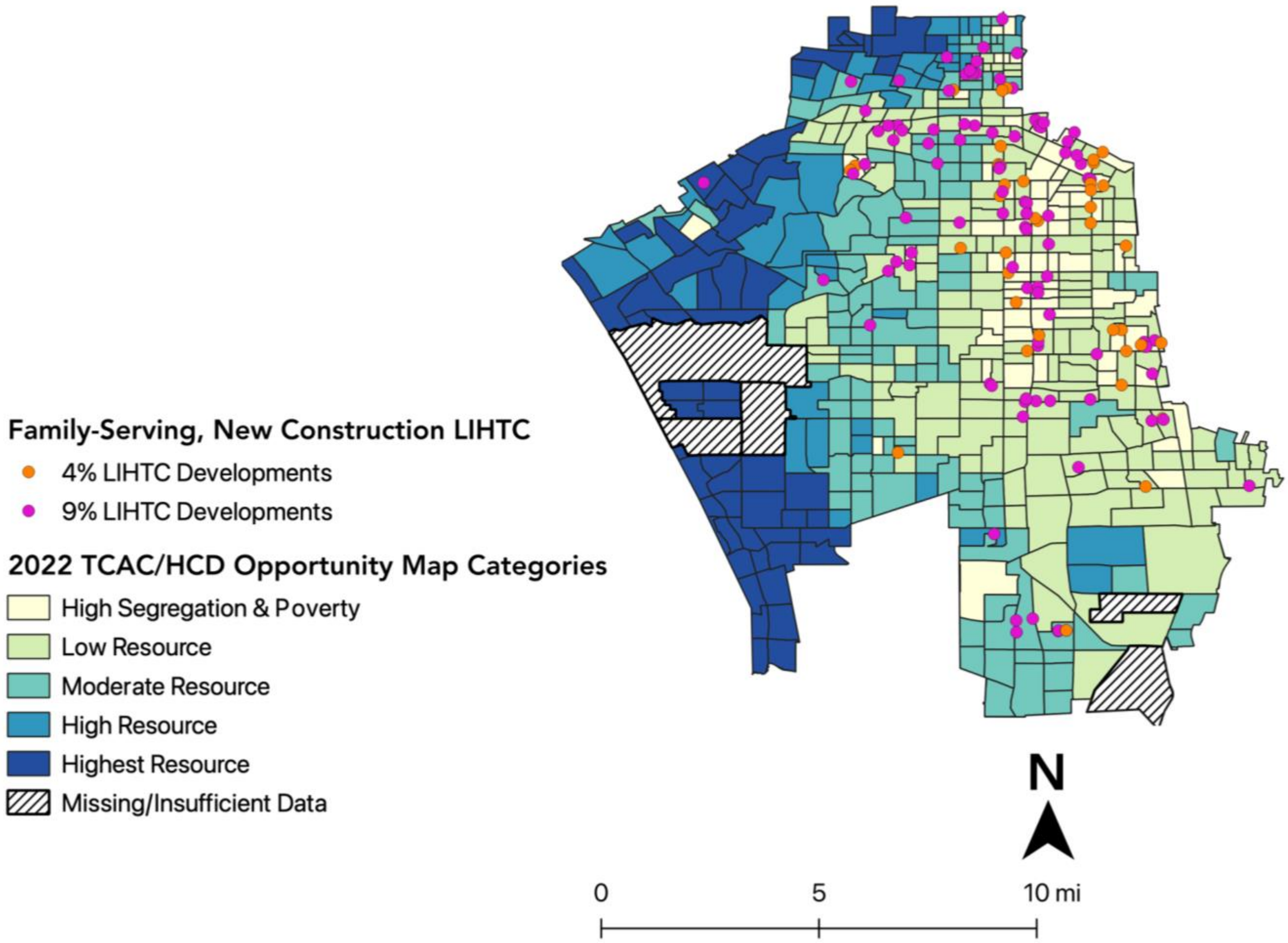


FIGURE M: SUPERVISORIAL DISTRICT 3 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-2020) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

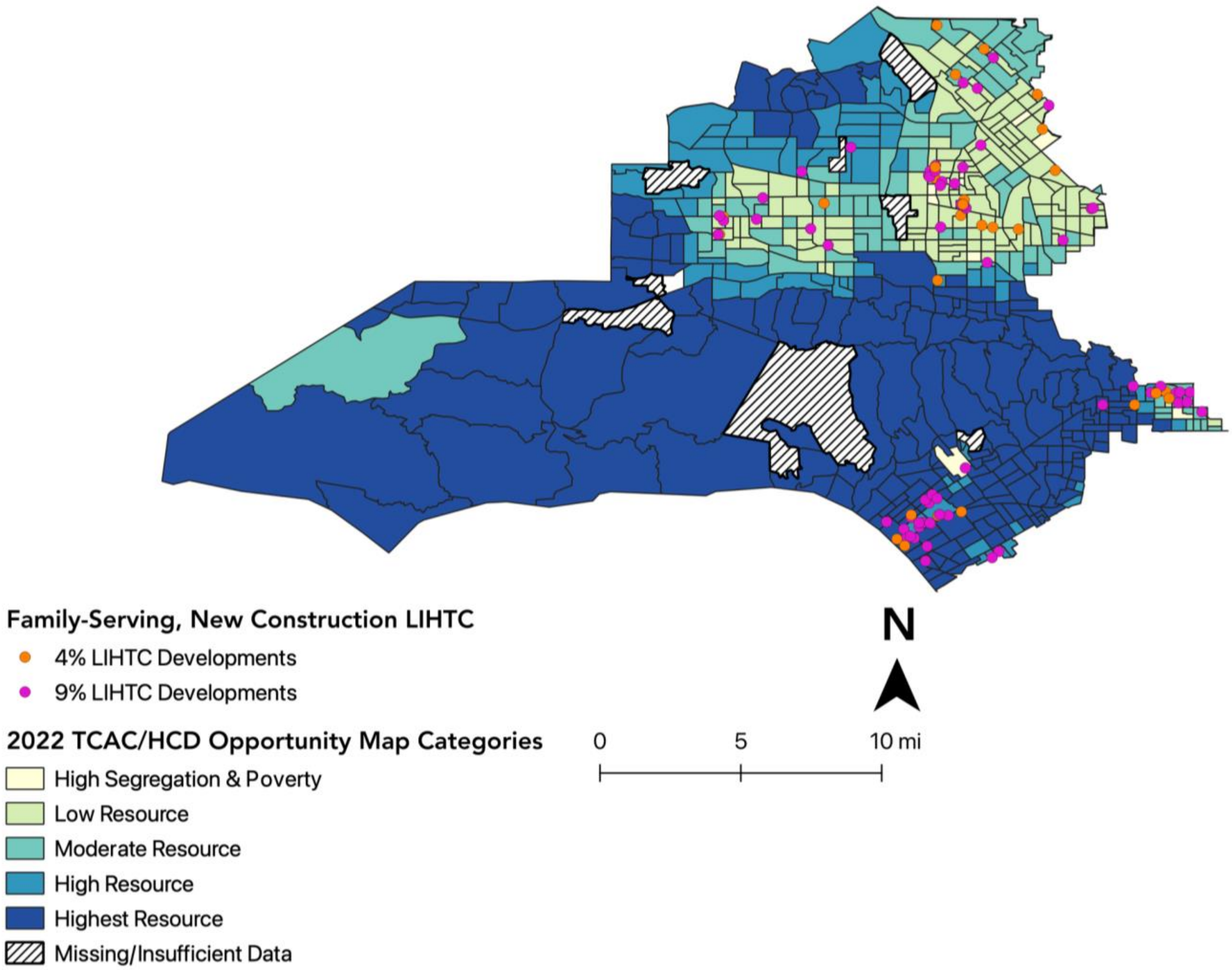


FIGURE N: SUPERVISORIAL DISTRICT 4 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-2020) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

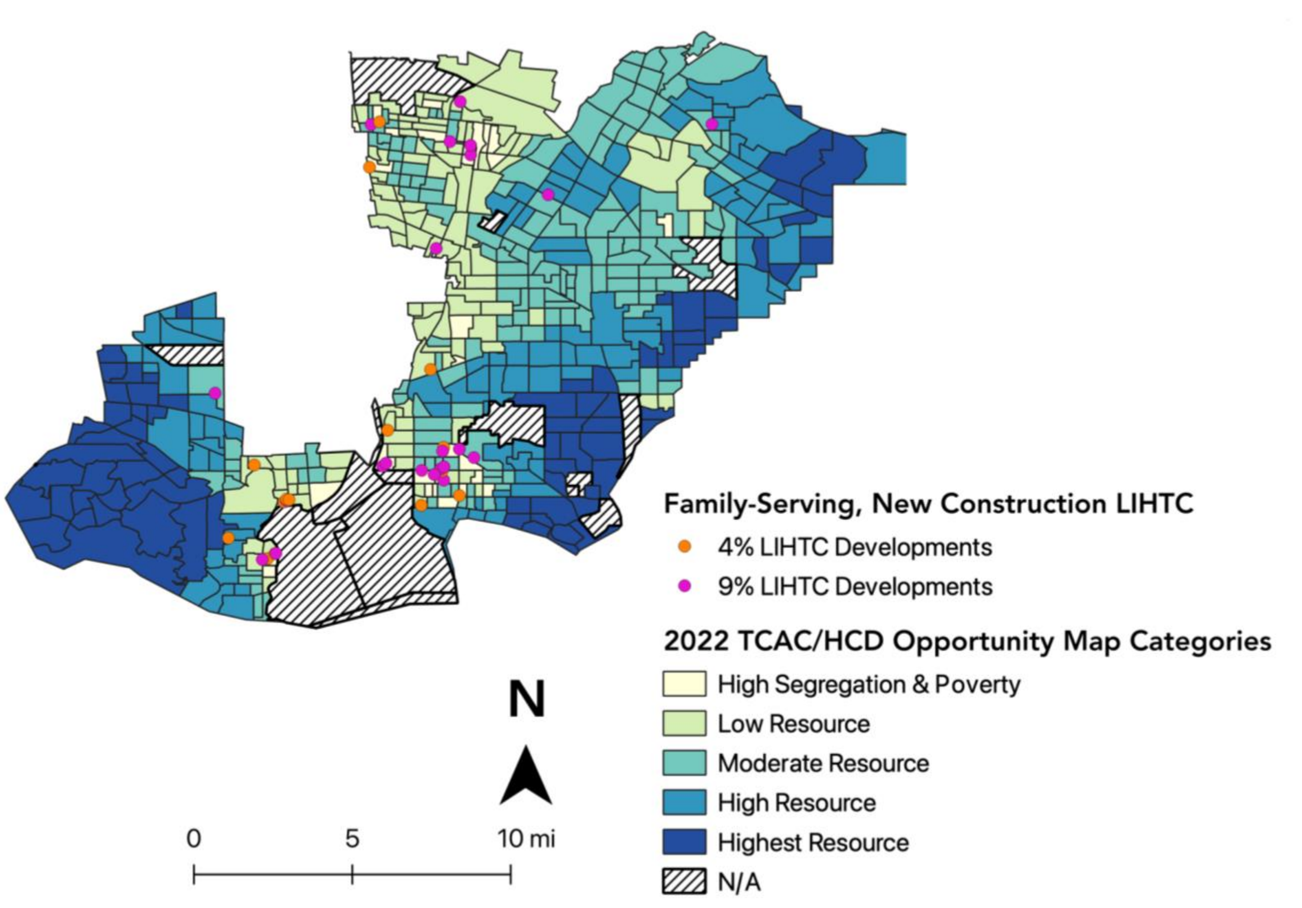
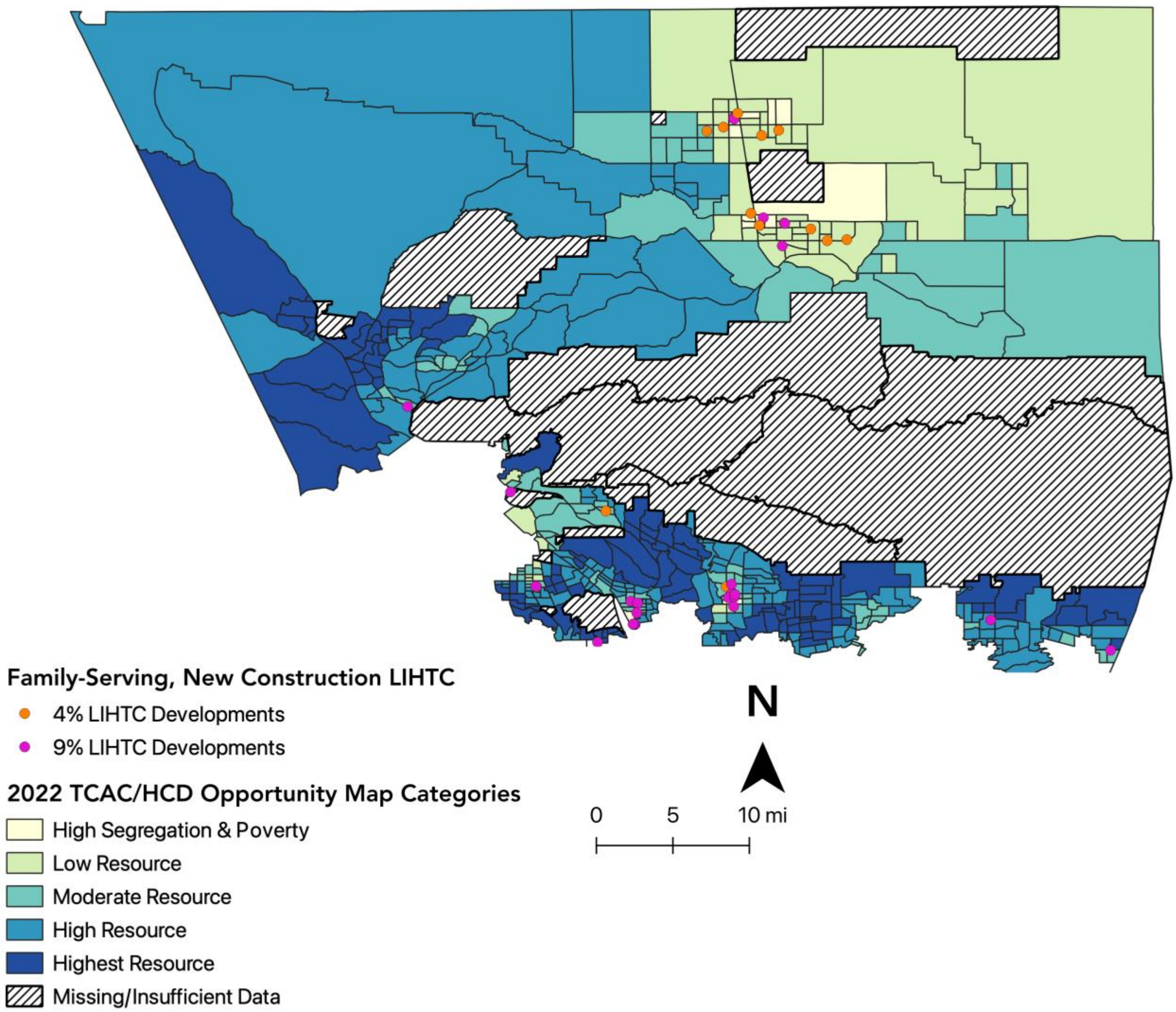


FIGURE O: SUPERVISORIAL DISTRICT 5 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-2020) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY



Appendix F: Full Data Findings, Section 5

TABLE A: DEVELOPMENT COST DATASET – LOS ANGELES COUNTY (2012-2021)

Development Characteristics	Number of Developments	Number of Affordable Homes
	Tax Credit Type	
4% LIHTC	330	29,513
9% LIHTC	180	11,079
	Construction Type	
New Construction	314	21,380
Acquisition/Rehab	192	18,905
Adaptive Reuse	4	307
	Geography*	
City of Los Angeles	320	25,202
Balance of LA County	190	15,390
>> Unincorporated LA County	*37*	*2,287*
	Housing Type	
Large Family	144	12,148
Senior	82	8,096
Special Needs/SRO	188	11,847
At-Risk	17	1,197
Non-Targeted	79	7,304
	Development Size	
Small (less than 50 units)	154	5,771
Medium (50-100 units)	250	17,882
Large (More than 100 units)	106	16,939
	Year of LIHTC Award	
2012 Award Year	40	2,822
2013 Award Year	50	3,952
2014 Award Year	40	2,789
2015 Award Year	40	3,760
2016 Award Year	60	5,160
2017 Award Year	36	2,479
2018 Award Year	47	3,526
2019 Award Year	58	4,749
2020 Award Year	79	6,512
2021 Award Year	60	4,843
Total	**510**	**40,592**

Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2021.

The three geographies considered in the cost study represent the City of Los Angeles; the Balance of LA County, a geography used to refer to all geographies in the county **except the City of Los Angeles; and unincorporated LA County, which includes all of the unincorporated areas in Los Angeles County. The Balance of LA County and unincorporated LA County are overlapping as all unincorporated areas are also captured in the Balance of LA County category.*

TABLE B: DEVELOPMENT COST DATASET – LOS ANGELES COUNTY, NUMBER OF DEVELOPMENTS PER YEAR (2012-2021)

Development Characteristics	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Tax Credit Type										
4% LIHTC	14	25	23	23	43	20	35	41	58	48
9% LIHTC	26	25	17	17	17	16	12	17	21	12
Construction Type										
New Construction	24	23	20	20	27	25	29	31	62	53
Acquisition/Rehab	16	27	20	20	33	11	18	26	17	4
Adaptive Reuse	0	0	0	0	0	0	0	1	0	3
Geography*										
City of Los Angeles	28	24	23	19	37	19	29	32	55	54
Balance of LA County	12	26	17	21	23	17	18	26	24	6
>> Unincorporated LA County	*3*	*2*	*1*	*4*	*2*	*3*	*8*	*5*	*5*	*4*
Housing Type										
Large Family	18	16	16	12	19	12	7	17	21	6
Senior	8	15	11	11	10	4	5	9	7	2
Special Needs/SRO	10	9	8	12	14	16	23	18	35	44
At-Risk	0	3	2	1	5	1	0	0	4	1
Non-Targeted	5	7	3	4	12	3	12	14	12	7
Development Size										
Small (less than 50 units)	19	16	13	18	14	12	14	19	19	10
Medium (50-100 units)	14	26	21	11	28	16	25	25	44	40
Large (>100 units)	7	8	6	11	18	8	8	14	16	10
Total	**40**	**50**	**40**	**40**	**60**	**36**	**47**	**58**	**79**	**60**

Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2021.

The three geographies considered in the cost study represent the City of Los Angeles; the Balance of LA County, a geography used to refer to all geographies in the county **except the City of Los Angeles; and unincorporated LA County, which includes all of the unincorporated areas in Los Angeles County. The Balance of LA County and unincorporated LA County are overlapping—in other words, all unincorporated areas are also captured in the Balance of LA County category.*

TABLE C: LOS ANGELES COUNTY MEDIAN TDC PER-UNIT AND PER-BEDROOM, 2012-2021, NEW CONSTRUCTION ONLY (2021$)

Year	Median TDC/Unit	% Change*	Median TDC/Bedroom	% Change*
2012	$437,977	--	$272,171	--
2013	$424,720	-3%	$282,611	+4%
2014	$446,313	+5%	$287,203	+2%
2015	$426,148	-5%	$266,504	-7%
2016	$464,094	+9%	$346,861	+30%
2017	$538,365	+16%	$373,678	+8%
2018	$535,728	0%	$404,481	+8%
2019	$597,341	+12%	$457,080	+13%
2020	$588,919	-1%	$452,311	-1%
2021	$578,073	-2%	$490,525	+8%

Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2021.
**Percent change is the change in median TDC between consecutive years. For example, the 2013 percent change figure represents the change in TDC between 2012 and 2013.*

TABLE D: LOS ANGELES COUNTY MEDIAN TDC PER-UNIT AND PER-BEDROOM, 2012-2021, ACQUISITION/REHABILITATION ONLY (2021$)

Year	Median TDC/Unit	% Change*	Median TDC/Bedroom	% Change*
2012	$253,207	--	$138,020	--
2013	$251,776	-1%	$186,934	+35%
2014	$268,762	+7%	$152,222	-19%
2015	$247,131	-8%	$205,816	+35%
2016	$358,226	+45%	$232,287	+13%
2017	$486,974	+36%	$249,084	+7%
2018	$380,230	-22%	$297,564	+19%
2019	$474,440	+25%	$256,746	-14%
2020	$453,398	-4%	$212,584	-17%
2021	$377,399	-17%	$371,010	+75%

Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2021.
**Percent change is the change in median TDC between consecutive years. For example, the 2013 percent change figure represents the change in TDC between 2012 and 2013.*

Chief Executive Office.

COUNTY OF LOS ANGELES
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, CA 90012
(213) 974-1101 ceo.lacounty.gov

CHIEF EXECUTIVE OFFICER
Fesia A. Davenport

September 21, 2023

To: Supervisor Janice Hahn, Chair
Supervisor Hilda L. Solis
Supervisor Holly J. Mitchell
Supervisor Lindsey P. Horvath
Supervisor Kathryn Barger

From: Fesia A. Davenport FAD
FAD (Sep 20, 2023 17:03 PDT)
Chief Executive Officer

SEVENTH ANNUAL AFFORDABLE HOUSING OUTCOMES REPORT (ITEM NO. 22, AGENDA OF OCTOBER 27, 2015)

On October 27, 2015, the Board of Supervisors (Board) adopted a motion (2015 motion) directing the Chief Executive Office (CEO) to, among various actions, create an Affordable Housing Budget Unit; establish an Affordable Housing Coordinating Committee (Coordinating Committee); and develop an annual Affordable Housing Outcomes Report (Outcomes Report). The attached 2023 Seventh Affordable Housing Outcomes Report (2023 Outcomes Report) continues to measure the County of Los Angeles' (County) need for affordable housing, reviews existing housing inventory and investments, and provides data-driven policy recommendations to further support strategies and allocate resources for the production and preservation of affordable housing throughout the County.

<u>Development of Outcomes Report</u>

The 2015 motion instructed the Coordinating Committee[1] to develop an Outcomes Report with policy recommendations informed by: 1) an analysis of available and affordable housing units for lower-income households; and 2) an assessment of outcomes resulting from the County's affordable housing investments. Consistent

[1] As directed by the September 26, 2017 motion, the Coordinating Committee is comprised of one Board appointee from each Board Office and representatives from: 1) CEO; 2) Los Angeles County Development Authority (LACDA); 3) Los Angeles Homeless Services Authority (LAHSA); 4) Mental Health (DMH); 5) Health Services (DHS); 6) Public Health (DPH); and 7) Regional Planning (DRP). Additionally, the Department of Consumer and Business Affairs (DCBA) has joined. The meetings of the Coordinating Committee include participation from public stakeholders.

with the six prior Outcomes Reports, the CEO retained the services of the California Housing Partnership (CHP) to prepare the report. CHP worked with relevant departments and Coordinating Committee members to draft the report which was presented at the Coordinating Committee meeting on June 29, 2023.

Summary of Findings and Recommendations

The annual gap in affordable and available housing for lower-income households, shows the County needs to add 521,596 affordable homes to meet the current demand among renter households at or below 50 percent of the Area Median Income. While the shortfall of affordable homes in the County decreased by 60,227 homes between 2014 and 2021, there was a notable increase of 22,166 in the shortfall from 2019 to 2021. The report finds that possible reasons for this increased shortfall include both growing need – more households faced unstable employment due to the pandemic and, in turn, the number of deeply low-income households increased – and declining production of multifamily housing during this time. In addition to assessing affordable housing need by measuring the shortfall of affordable homes, the 2023 Outcomes Report continues to track the prevalence of housing cost burden, year-to-year trends by Supervisorial District, and trends in the cost of developing affordable housing in the County.

The County and partner local jurisdictions have helped developers and service providers leverage State and federal resources to invest locally controlled funding into affordable housing production, preservation, and rental and operating subsidies, while promoting the adoption of pro-housing policies such as density bonuses. The attached report highlights these collaborative efforts by identifying 138,550 federal, State, and County-administered affordable homes that were created in calendar year 2022, a four percent increase from the 2021 inventory of affordable homes. The 2023 Outcomes Report finds the County is at risk of losing approximately 7,700 existing affordable homes[2], with 83 percent located in transit-accessible neighborhoods. Informed by data and analyses, the attached 2023 Outcomes Report includes 11 recommendations:

A. Preservation

1. Expand upon existing efforts to eliminate future conversion risk for affordable housing developments through public land ownership; and
2. Ensure the long-term viability of permanent supportive housing (PSH) properties to which the County has provided financial assistance by

[2] At risk developments are nearing the end of their affordability restrictions and/or project-based subsidy contract and may convert to market rate in the next five years.

undertaking a comprehensive review of the financial performance and physical condition of these properties.

B. Increase Funding for Affordable Housing

3. Continue to establish regular and predictable criteria and timing for County funding programs;
4. Fund general affordable housing without restrictions for special needs;
5. Expand upon existing efforts to prioritize emergency gap funding for County-funded projects under construction or approaching construction start;
6. Explore additional resources for PSH for persons in need of mental health services; and
7. Continue to increase the availability of long-term, project-based rental subsidies for permanent supportive housing and facilitate expanded use of tenant-based Section 8 Housing Choice Vouchers as a stable, bankable rental subsidy in PSH developments using traditional and non-traditional affordable housing financing structures.

C. Support Innovative and Cost-Saving Strategies

8. Facilitate the development of modular home manufacturing in the County;
9. Advocate for the Los Angeles County Affordable Housing Solutions Agency to prioritize approaches which will have the highest impact for affordable housing production and preservation across the County; and
10. Allow and support technical assistance and collaboration for development of multifamily affordable housing on sites owned by faith-based institutions.

D. Advance Racial Equity in Housing Programs

11. Continue efforts to establish a Countywide waitlist for non-supportive housing to increase housing choices.

Conclusion

The seventh annual Outcomes Report comprehensively studies several indicators to measure the County's progress in implementing strategies to address the region's housing affordability crisis. Recognizing broader Countywide planning efforts led by the Homeless Initiative, LACDA, LAHSA, DRP, DMH, DCBA, DPH, and DHS, the 2023 Outcome Report's recommendations offer considerations for guiding the allocation of resources to collaboratively increase affordable housing for lower-income households and prevent and reduce homelessness.

Should you have any questions concerning this matter, please contact me or Cheri Todoroff, Executive Director of the Homeless Initiative and Affordable Housing, at (213) 974-1752 or ctodoroff@ceo.lacounty.gov.

FAD:JMN:CT
EBI:VD:yy

Attachment

c: Executive Office, Board of Supervisors
County Counsel
Consumer and Business Affairs
Health Services
Mental Health
Public Health
Regional Planning
Los Angeles County Development Authority
Los Angeles Homeless Services Authority

ATTACHMENT

2023 LOS ANGELES COUNTY

Annual Affordable Housing Outcomes Report

California Housing Partnership

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

June 30, 2023

TABLE OF CONTENTS

Executive Summary

Background

On October 27, 2015, the Los Angeles County Board of Supervisors ("Board") authorized the creation of an Affordable Housing Programs budget unit in the Chief Executive Office (CEO) and established a multi-year plan to provide new funding for the creation and preservation of new affordable housing. The Board Motion also established an Affordable Housing Coordinating Committee ("Committee") to oversee the creation of an annual Affordable Housing Outcomes Report ("Report") to document and analyze the county's need for affordable housing and existing housing investments and inventory, as well as to provide policy recommendations to help guide the County's allocation of resources across both new and existing affordable housing programs. The California Housing Partnership ("Partnership") completed the 2017 through 2022 iterations of this Report working closely with the Committee and the leaders of designated departments.

As with the prior reports, completing each section of the 2023 Report involved both data analysis and stakeholder engagement to confirm key findings and ensure sensitivity to local context. The Committee reviewed each section of the Report and solicited feedback from April through June 2023. These meetings were attended by County agency heads and managers, Board of Supervisors staff, and community advocates. The input gathered in these meetings was invaluable in ensuring that the Report is as useful as possible to the County in furthering its efforts to confront the local housing affordability and homelessness crisis.

Report Structure

The Report is divided into five sections that cover the following core topics:

- Section 1. Affordable Housing Need
- Section 2. Affordable Rental Housing Inventory and Risk Assessment
- Section 3. County-Administered Affordable Rental Housing Resources
- Section 4. Neighborhood Context for Creating and Preserving Affordable Homes
- Section 5. Affordable Housing Development Cost Analysis
- Section 6. Recommendations

Key Findings (Sections 1-5)

By the end of 2022, Los Angeles County and partner local jurisdictions helped developers and service providers leverage state and federal resources to create more than 138,000 affordable homes, a four (4) percent increase from the 2021 inventory of affordable homes. They did this by investing locally-controlled funding into affordable housing production, preservation, and rental and operating subsidies, as well as promoting the adoption and use of pro-housing policies such as density bonuses.

The good news is that the County's investments (including more than $800,000,000 in Notice of Funding Opportunity (NOFA) awards) since 2014 and policies over the past six years have led to a gradually expanding inventory of affordable homes and rental assistance programs in Los Angeles County that contributed to the shortfall's gradual decline and helped to stem the tide of homelessness. The unsurprising reality is that even these expanded resources are not yet sufficient to meet the need for affordable homes and related services. As described in Section 1 of the Report, prior to the recent economic impacts stemming from the coronavirus pandemic that disproportionately affected lower income households, Los Angeles County faced a shortfall of 521,596 affordable homes to meet demand among renter households at or below 50 percent of area median income (AMI), and the 2022 Point-In-Time (PIT) Count revealed more than 69,000 individuals experiencing homelessness in the county. It is worth nothing that the shortfall increased from 2019 and 2021 that may have been caused by unstable employment, the increase in the number of deeply low-income households, the decline in multifamily production, and other COVID-related impacts.

In addition, severe housing cost burden—households paying more than 50 percent of household income on rent and utilities—is also the norm among the county's lowest-income households. As documented in Section 1, 86 percent of deeply low-income (DLI) households, 75 percent of extremely low-income (ELI) households, and 39 percent of very low-income (VLI) households were severely cost burdened in 2021.[1] People of color are more likely to experience housing cost burdens than their white counterparts, with Black renter households experiencing the highest rate of cost burden at 64 percent. [2]

The Report also provides an inventory of current affordable housing resources and identifies rental developments at both the county and Supervisorial District level that are at "very-high" and "high" risk of being converted to market rate within the next five years, according to the Partnership's latest assessment. The Report notes that rising rents and expiring restrictions have put Los Angeles County at risk of losing nearly 7,700 existing affordable homes unless the County and other stakeholders take action to preserve them.

As noted in Section 4, 80 percent of these at-risk affordable homes in the county are located in transit-accessible neighborhoods, and 58 percent of these homes are located in high Displacement Vulnerability areas in the TRACT Tool. Losing any of these affordable homes would contribute to patterns of displacement of low-income people from the county's increasingly high-cost transit-rich and gentrifying neighborhoods. Further, 13 percent of the more than 3,400 affordable family homes in the county that are at risk of conversion to market are located in areas identified by the state as "High Resource" or "Highest Resource."[3] These affordable homes would be particularly difficult and costly to replace and losing them would worsen access to opportunity-rich neighborhoods for low-income families in the county.

In Section 5, a development cost analysis of affordable rental housing awarded tax credits in Los Angeles County between 2012 and 2022. The analysis finds that in Los Angeles County, inflation-adjusted

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[1] DLI is 0-15% of AMI, ELI is 15-30% of AMI, and VLI is 30-50% of AMI.
[2] Cost burden is paying more than 30 percent of households income on rent and utilities.
[3] For more information, see the TCAC/HCD Opportunity Map page on the TCAC website: https://www.treasurer.ca.gov/ctcac/opportunity.asp.

development costs remained relatively flat between 2012 and 2015, increased steadily between 2016 and 2019, and then dropped from 2019 to 2022. Specifically, from 2019 to 2022 the cost to develop a new affordable home decreased from $802,000 to $631,000 per unit (21 percent) and the costs per bedroom decreased from $627,000 to $485,000 (23 percent). From 2021 to 2022, development costs decreased by 17 percent per bedroom. Construction costs—labor and materials—comprise more than half of typical development costs for newly constructed affordable homes. Acquisition costs comprise 42 to 58 percent of development costs on average for the redevelopment of existing affordable homes.

Recommendations (Section 6)

The recommendations included in the Report are grounded in the detailed needs analysis and assessment of the existing inventory referenced above and align with the Board directive to support the production and preservation of affordable homes, including workforce housing and permanent supportive housing for very low- and extremely low-income or homeless households.

These recommendations also reflect the Office of the CEO's direction to develop the more wide-ranging set of prescriptions necessary to address the scale of housing needs in the county than in previous annual reports, such as substantial increases in land use and zoning reforms. Recommendations in Section 6 are summarized as follows:

Preservation

1. Eliminate future conversion risk for affordable housing developments through public land ownership.
2. Ensure the long-term viability of permanent supportive housing properties to which the County has provided assistance by undertaking a comprehensive review of the financial performance and physical condition of these properties.

Increase Funding for Affordable Housing

3. Establish regular and predictable criteria and timing for county funding programs.
4. Fund general affordable housing without restrictions for special needs.
5. Prioritize emergency gap funding for county-funded projects under construction or approaching construction start.
6. Explore additional resources for permanent supportive housing for persons in need of mental health services.
7. Increase the availability of long-term, project-based rental subsidies for permanent supportive housing and facilitate expanded use of tenant-based Section 8 Housing Choice Vouchers as a stable, bankable rental subsidy in PSH developments using traditional and non-traditional affordable housing financing structures.

Support Innovative and Cost-Saving Strategies

8. Facilitate the development of modular home manufacturing in Los Angeles County.
9. Advocate for LACAHSA to prioritize approaches which will have the highest impact for affordable housing production and preservation across the county.

10. Allow and support development of multifamily affordable housing on sites owned by faith-based institutions.

Advance Racial Equity in Housing Programs

11. Establish a countywide waitlist for non-supportive housing to increase housing choices.

About the Author and Acknowledgments

The California Housing Partnership is a state-created, nonprofit technical assistance organization that helps to preserve and expand the supply of homes affordable to low-income households in California. The Partnership does this by providing technical assistance, training and policy research to nonprofit and government housing organizations throughout the state. The Partnership's efforts have helped partner organizations leverage approximately $30 billion in private and public financing to preserve and create more than 85,000 affordable homes for low-income households. For more information, visit chpc.net/about-us. Contributors to this Report were Senior Research Manager Danielle M. Mazzella, Research Associate Ray McPherson, Senior Research/Policy Associate Matt Alvarez-Nissen, Research and Policy Analyst Yasmin Givens, Associate Research Director Dan Rinzler, Research Director Anthony Vega, Managing Director, Financial Consulting Paul Beesemyer, and President & CEO Matt Schwartz.

LOS ANGELES COUNTY 2023 AFFORDABLE HOUSING DASHBOARD: A Countywide Snapshot

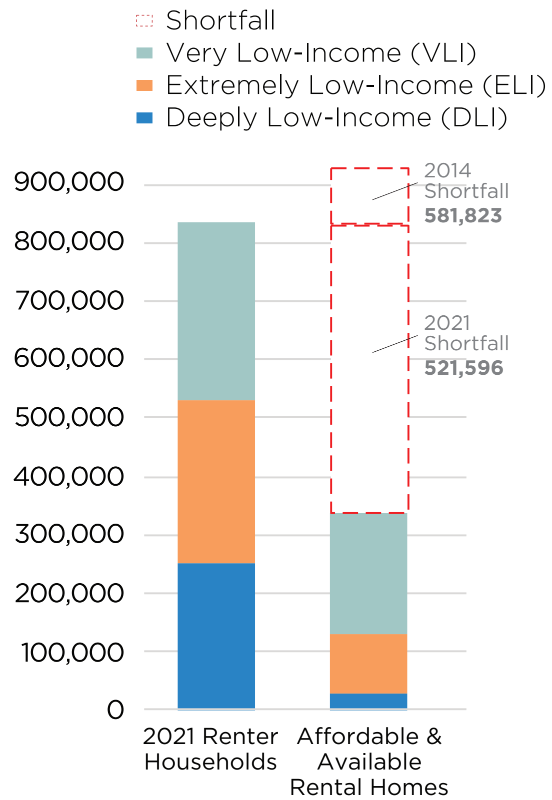
Affordable Housing Shortfall

Los Angeles County has a shortfall of 521,596 homes affordable to the lowest income renters. The shortfall for a given income group is based on whether households at this income or below are living in a home that is affordable to their income group. The shortfall of affordable homes in Los Angeles County decreased by 60,227 homes between 2014 and 2021. Also, there was a notable increase in the shortfall from 2019 to 2021 that could have been caused by unstable employment, the increase in the number of deeply low-income households, the decline in multifamily production, and other COVID-related impacts.

Housing Affordability Gap Analysis for Lowest Income Households

Renter Group		Cumulative Surplus or Deficit of Affordable Rental Homes*	% Change from 2014 to 2021
DLI	0-15% AMI	**-215,245**	↗ **43%**
ELI	15-30% AMI	**-408,482**	↘ **-3%**
VLI	30-50% AMI	**-521,596**	↘ **-10%**

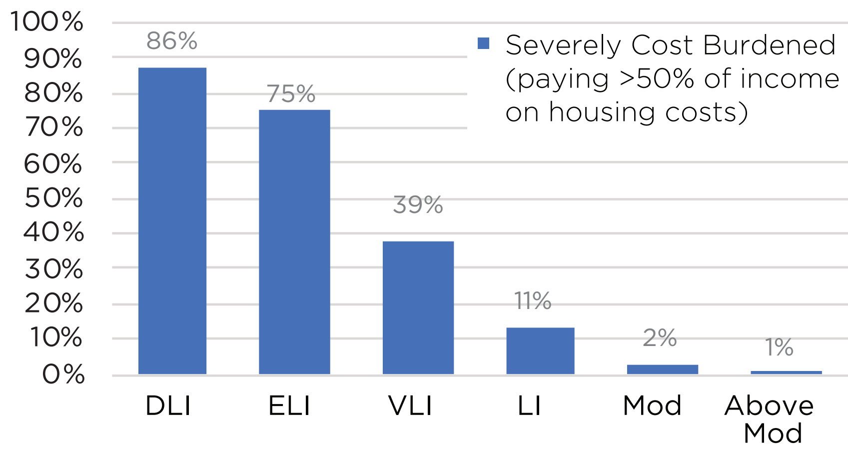
Source: *California Housing Partnership analysis of 2014 and 2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology. *The surpus or deficit includes homes occupied by households at or below the income threshold of the income group.*



Severe Cost Burden in Los Angeles County

Households Paying More than Half of Their Income on Housing Costs

In Los Angeles County, lower-income renters are more likely than higher income renters to spend more than half of their income on housing. In 2021, 86% of deeply low-income households (earning less than or equal to 15% of AMI) and 39% of very low-income households (earning less than or equal to 30% of AMI) are severely cost burdened, while 2% of moderate-income households experience this level of cost burden. Severe cost burden is defined as spending more than 50% of household income on housing costs.



Source: *California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.*

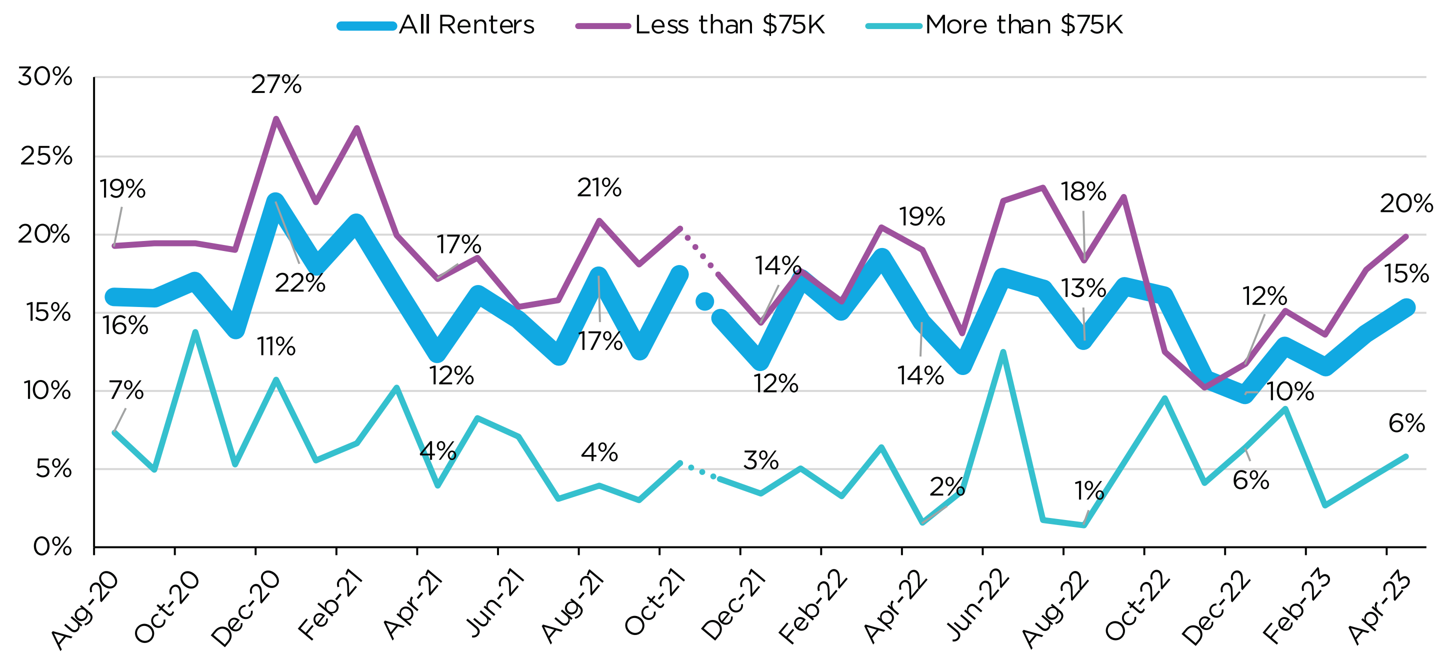
Los Angeles County Renter Households

Renter Group	Number of Severely Cost Burdened Households 2021		% Change from 2014*
Deeply Low-Income (DLI)	224,206	↗	43%
Extremely Low-Income (ELI)	197,267	↘	-22%
Very Low-Income (VLI)	123,312	↘	-10%
Low-Income (LI)	37,160	↘	-5%
Moderate-Income (Mod)	6,992	↗	10%
Above Moderate-Income (Above Mod)	2,987	↗	53%
TOTAL (All Income Groups)	**591,924**		**0%**

Source: *California Housing Partnership analysis of 2014 and 2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.*

Percentage of Renters* Not Caught Up on Rent Payments (Aug 2020-April 2023)**

Los Angeles County renters in households earning less than $75,000/year have been less able to catch up on rent arrears during the pandemic than those in households earning over $75,000.



Source: California Housing Partnership analysis of Household Pulse Survey, U.S. Census Bureau, 2020-2023. Note no survey results were collected between October 12 and November 30, 2021 as it transitioned from phase 3.2 to 3.3.

**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the share of adults in households who are not caught up on rent. Note: Figures are averages of data collected in the corresponding month. For example, the October 2020 data point is an average of survey data collected Sept 30-Oct 12 and Oct 14-Oct 26.*

***The Census reworded the rent payment question in August 2020 (phase 2), making direct comparison with phase 1 estimates difficult. Therefore, results are only shown for August 2020 onward.*

Inventory of Affordable Rental Housing

Below is a summary of the federal, state, and county-administered affordable housing in Los Angeles County. Also included are the number of affordable homes at risk of being converted to market rate due to expiring convenants or other changes to existing rent restrictions.

Summary of Federal, State, and County-Administered Affordable Housing and At-Risk Housing in Los Angeles County

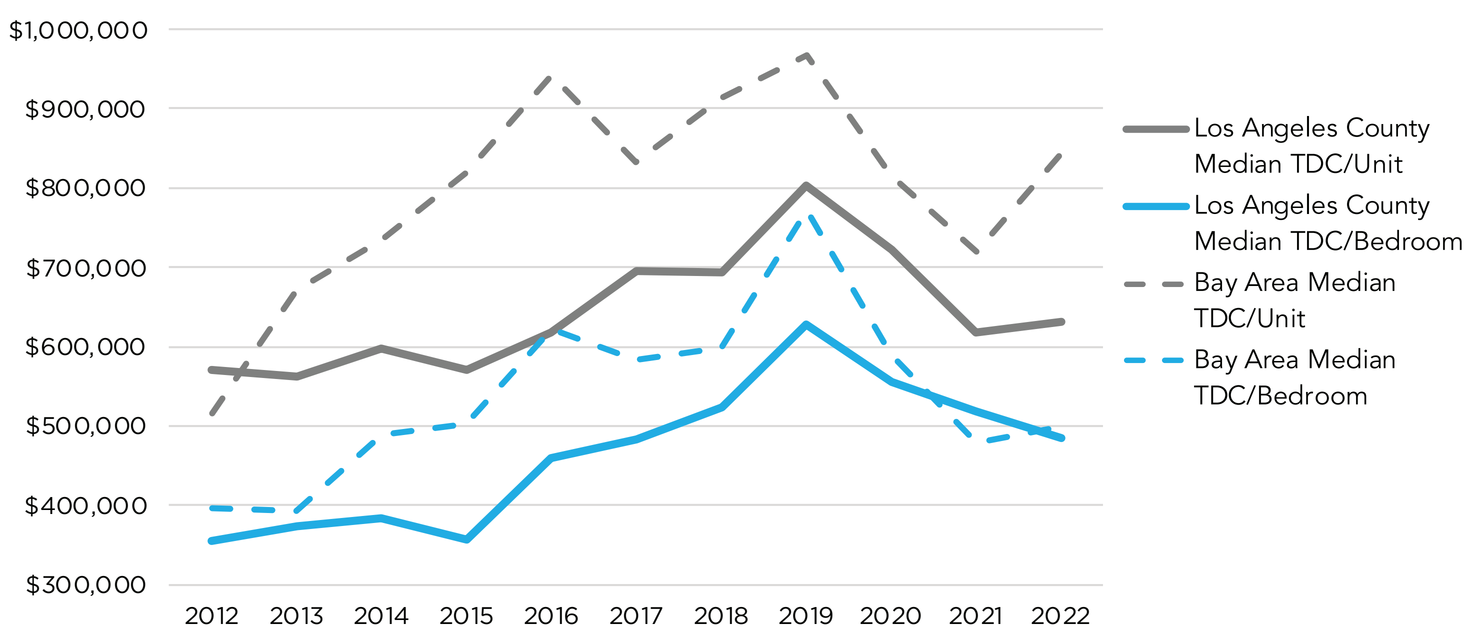
Supervisorial District (SD)	Affordable Homes	At-Risk Affordable Homes*	County-Administered Affordable Homes**
SD 1	42,478	*1,253*	*10,067*
SD 2	32,388	*1,530*	*7,477*
SD 3	25,669	*2,794*	*3,455*
SD 4	18,343	*865*	*5,081*
SD 5	19,672	*1,239*	*3,828*
TOTAL (County)	**138,550**	*7,681*	*29,908*

Source: *California Housing Partnership Preservation Database, LACDA, HACLA, DRP and DMH.*
**This is a subset of the total number of affordable homes.*
***This is a subset of the total number of affordable homes and includes homes affordable up to moderate-income households (<120% AMI).*

Cost of Developing New Affordable Housing

LA County Median Total Development Costs for New LIHTC Developments, 2012-22 (2022$)

Median total development costs for new Low-Income Housing Tax Credit (LIHTC) affordable developments in Los Angeles County remained relatively flat between 2012 and 2015, increased steadily between 2016 and 2019, and then decreased slightly from 2019 to 2020.In 2022, per-unit costs were $13,000 higher and per-bedroom costs were $34,000 lower, a 2% increase per-unit and 7% decrease per-bedroom from 2021.

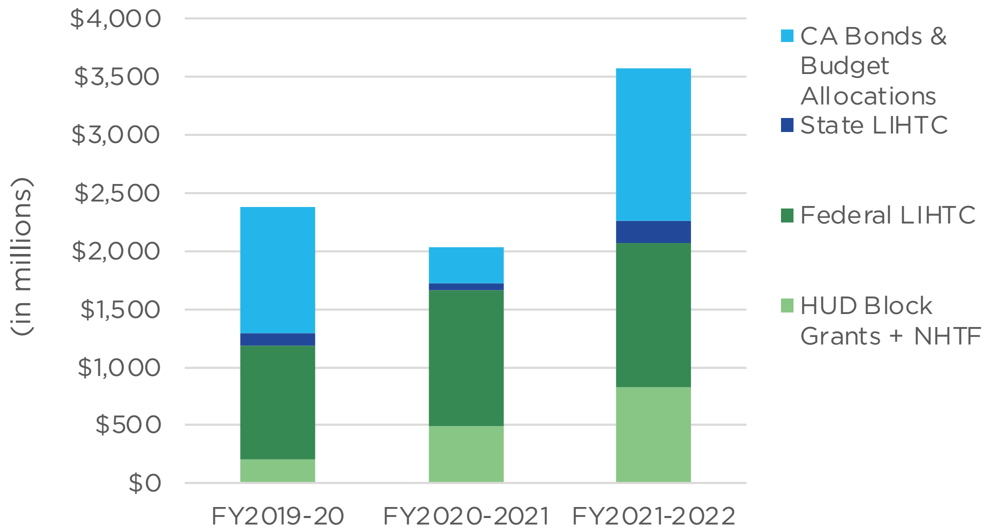


Source: *California Housing Partnership analysis of LIHTC applications and staff meeting notes from TCAC, 2012-2022. In this analysis, the Bay Area is defined as the five most urbanized Bay area counties - Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara*

Investments in Affordable Housing

Change in Federal and State Capital Investments in Affordable Housing in Los Angeles County

State funding increased 302% and federal funding increased 24% for housing production and preservation in Los Angeles County from FY 2020-21 to FY 2021-22.



Funding Sources	FY2019-20	FY2020-21	FY2021-22	Δ** from FY20-21
CA Hsg Bonds & Budget Allo.	$1,083,712,461	$310,985,825	$1,313,538,695	*322%*
State LIHTC	$108,488,300	$64,267,847	$195,334,071	*204%*
STATE TOTAL	**$1,192,200,761**	**$375,253,672**	**$1,508,872,766**	***302%***
Federal LIHTC	$979,724,270	$1,167,191,979	$1,238,873,358	*6%*
HUD Block Grants + NHTF	$203,836,953	$495,640,973	$824,527,689	*66%*
FEDERAL TOTAL	**$1,183,561,223**	**$1,662,832,952**	**$2,063,401,047**	***24%***

Source: *California Housing Partnership analysis of HCD Program Awards and Annual Reports, HUD CPD Appropriations Budget Reports, National Housing Trust Fund Program, CalHFA Mixed Income Program, BCHS Program Reports, California Strategic Growth Council Affordable Housing Sustainable Communities Program, and federal and state Low-Income Housing Tax Credits.*

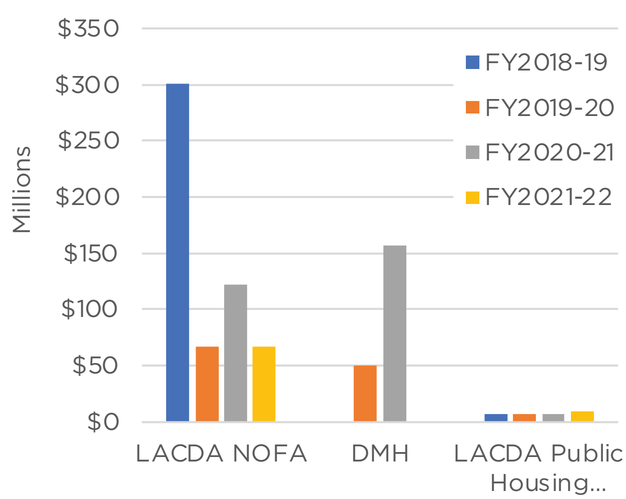
*** Δ = Percent change.*

County Capital Investments in Affordable Housing in 2022

The LACDA NOFA funded 1,005 affordable homes in 2022. LACDA allocated nearly $9 million of the Capital Fund Program across their 68 affordable housing development portfolio.

Department	Total Affordable Homes Funded in 2022	2022 Expenditures	Δ from 2021
LACDA NOFA	1,005	$66,380,000	*-46%*
LACDA Public Housing Capital Fund	N/A*	$8,945,595**	*23%****
DMH	0	0	*0%*
TOTAL	**1,005**	**$75,325,595**	***-67%***

Note: *Table only includes affordable homes that received capital funding. Homes may have received funding from multiple departments and may not yet be placed in service.*
**Represents fiscal year 2022 capital fund program budget.*
***Change from fiscal year 2021 capital fund program budget.*
****Funding used to rehabilitate public housing developments.*



Section 1. Affordable Housing Need

Overview

Section 1 of the Affordable Housing Outcomes Report documents housing need for renters in Los Angeles County (henceforth referred to as County) by measuring trends in demographics, housing affordability and availability, housing stability, and homelessness, as well as a continued examination of housing fragility during the COVID-19 pandemic and recovery. This section looks at trends over time pre-pandemic (2014-2019), mid-pandemic (2020-2021), and recovery (2022-present), by income, by race and ethnicity, countywide, and by Supervisorial District (SD) using seven years of American Community Survey (ACS) data, the Household Pulse Survey, and Point-in-Time (PIT) Counts. Note that 2020 ACS data is not included in our analyses due to data reliability issues, explained later in this section.

Data Sources and Methodology

Data Sources

The majority of data for Section 1 comes from American Community Survey (ACS) pre-tabulated data tables and the 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 for households throughout the United States. Unlike the ACS pre-tabulated data tables—which are aggregated to a specific geography (state, county, zip code, census tracts, etc.)—the ACS PUMS data is available at the individual and household level. Accordingly, PUMS data is flexible and allows more complex analysis. ACS pre-tabulated data and ACS PUMS data are used for the analysis of renter demographics, the availability of affordable homes ("shortfall analysis"), cost burden by income group and race and ethnicity, and overcrowding.

Due to pandemic-related challenges in data collection, the Census Bureau found significant nonrandom nonresponse bias for the 2020 1-year ACS data products. Specifically, response rates were higher for white non-Hispanic and Asian non-Hispanic populations, populations with higher incomes, higher education, married couples, and homeowners compared to past years and lower for Black non-Hispanic and Hispanic populations, renters, and populations with lower incomes. Consequently, the Census determined that traditional ACS 1-year data products did not meet the Bureau's quality standards and have limited the number of data tables and geographies available for the 2020 1-year data, explicitly recommending that researchers not compare the 1-year 2020 data with previous years of data. Therefore, 2020 data was not leveraged in any of the demographic, shortfall, cost burden, and overcrowding analyses.

Because ACS data is released annually—usually in October or November—for the previous year, it cannot capture the full extent of the economic and social reality that Los Angeles County residents are facing through the COVID-19 pandemic and recovery. Therefore, Section 1 also includes an analysis of data from the Household Pulse Survey, an experimental survey the U.S. Census Bureau and the Centers for Disease Control (CDC) designed to measure the social and economic impacts of the COVID-19 pandemic over time as well as inform government response and recovery planning. Because data is updated on an ongoing two week on two week off basis, the survey provides insights into how household experiences have changed during the pandemic and recovery. The data is available at a state level and for the 15 largest Metropolitan Statistical Areas (MSAs) in the United States, including the Los Angeles-Long Beach-Anaheim MSA.

The subsection on homelessness uses data from the 2022 Point-in-Time (PIT) Count, a survey of individuals experiencing homelessness on a single night in January. The U.S. Department of Housing and Urban Development (HUD) requires that Continuums of Care (CoC) conduct this count annually for individuals who are sheltered in transitional housing (e.g., Safe Havens and emergency shelters) and every other year (odd-numbered years) for unsheltered individuals. In Los Angeles County, the Los Angeles Homeless Services Authority (LAHSA) conducts the County's PIT count, also known as the Greater Los Angeles Homeless Count, annually rather than semi-annually as required. Due to the COVID-19 pandemic, there was no PIT count for the County in 2021 and the 2022 count was delayed into late February 2022.[4]

Determining Household Income Groups and Rent Affordability

To quantify affordable housing need by income group, this section uses HUD income limits, which are used to determine eligibility for federal and state housing programs based on the median income and housing costs in a metropolitan area. Each household is placed in one of six non-overlapping income groups—deeply low-income (DLI), 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 family income (AMI), adjusted for household size (see Table 1 below).

For more information on the methodology used to determine income groups and rent affordability, see Appendix A: Methodology.

[4] Los Angeles Times, 2022. "L.A. County homeless count postponed due to Omicron." Website: https://www.latimes.com/homeless-housing/story/2022-01-14/los-angeles-county-homeless-count-2022-postponed-omicron.

TABLE 1: LOS ANGELES COUNTY INCOME LIMITS WITH HUD ADJUSTMENTS (2021)

AMI (4-Person Household)	Standard HUD Income Groups	Income Limit for 4-Person Household (HUD-adjusted)*	Adjusted HUD Limit as % of AMI	Affordable Monthly Rent**
$80,000	DLI (≤15% AMI)	$17,730	22%	$443
	ELI (16-30% AMI)	$35,450	44%	$886
	VLI (31-50% AMI)	$59,100	74%	$1,478
	LI (51-80% AMI)	$94,600	118%	$2,365
	Moderate (81-120% AMI)	$141,840	177%	$3,546
	Above Moderate (>120% AMI)	>$141,840	>177%	>$3,546

Source: Los Angeles County Income Limits. 2021. U.S. Housing and Urban Development Department (HUD). Website: https://www.huduser.gov/portal/datasets/il.html.

**The Los Angeles County income levels are upwardly adjusted for high housing costs using the VLI 4-person household as the basis for all other income calculations for HUD's income groups. The ELI, VLI and LI income groups are provided by HUD, while DLI, moderate-income and above moderate-income are generated using HUD-provided ratios.*

***'Affordable Monthly Rent' assumes households should spend no more than 30 percent of their incomes on housing. The values expressed in Table 1 define affordability for households at the income limit threshold. In other words, $443 is the affordable monthly rent for a DLI household earning $17,730.*

Supervisorial Districts

Housing need in Section 1 is examined for the whole of Los Angeles County and for each of the County's five Supervisorial Districts (SD)[5]. SD-specific analysis usually draws from two years of Census data to generate reliable results due to small population sizes in some SDs and are therefore two-year averages. However, because of the aforementioned data issues with the 2020 census, the SD analysis this year draws only from one year of data (2021). This also allows an exploration of more recent data, rather than carrying forward the data from 2018-2019.

Trends in Housing Tenure and Demographics

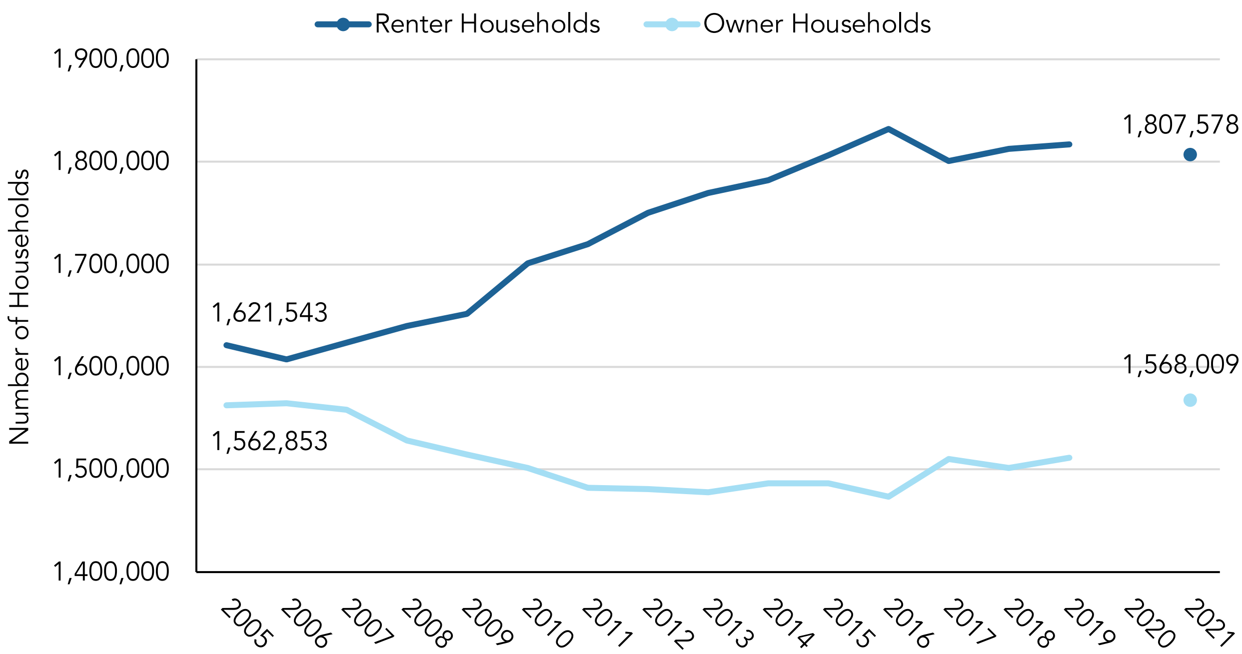
This section examines trends in housing tenure (renter and owner-occupied) and demographics of renter households to provide important context for Los Angeles County's housing affordability challenges. Due to data collection challenges for the 2020 1-year ACS data products (as described above), this analysis does not leverage 2020 data.

[5] On December 12, 2021, the County adopted a new boundary map of the five Supervisorial Districts. Website: https://lacounty.gov/government/about-la-county/redistricting/.

Housing Tenure Trends

Most Los Angeles County households—53 percent—live in rental housing. Between 2005 and 2021, nearly 190,000 renter households have been added. The number of renter households increased steadily through 2019 but declined somewhat in 2021 (see Figure 1 below). By comparison, the number of owner-occupied households declined through 2019 but has since increased to gain approximately 5,000 owner households in 2021. These trends represent a 12 percent increase in renter households and a 0.3 percent increase in owner households between 2005-2021.

FIGURE 1: CHANGE IN LOS ANGELES COUNTY HOUSEHOLDS BY TENURE (2005-2021)

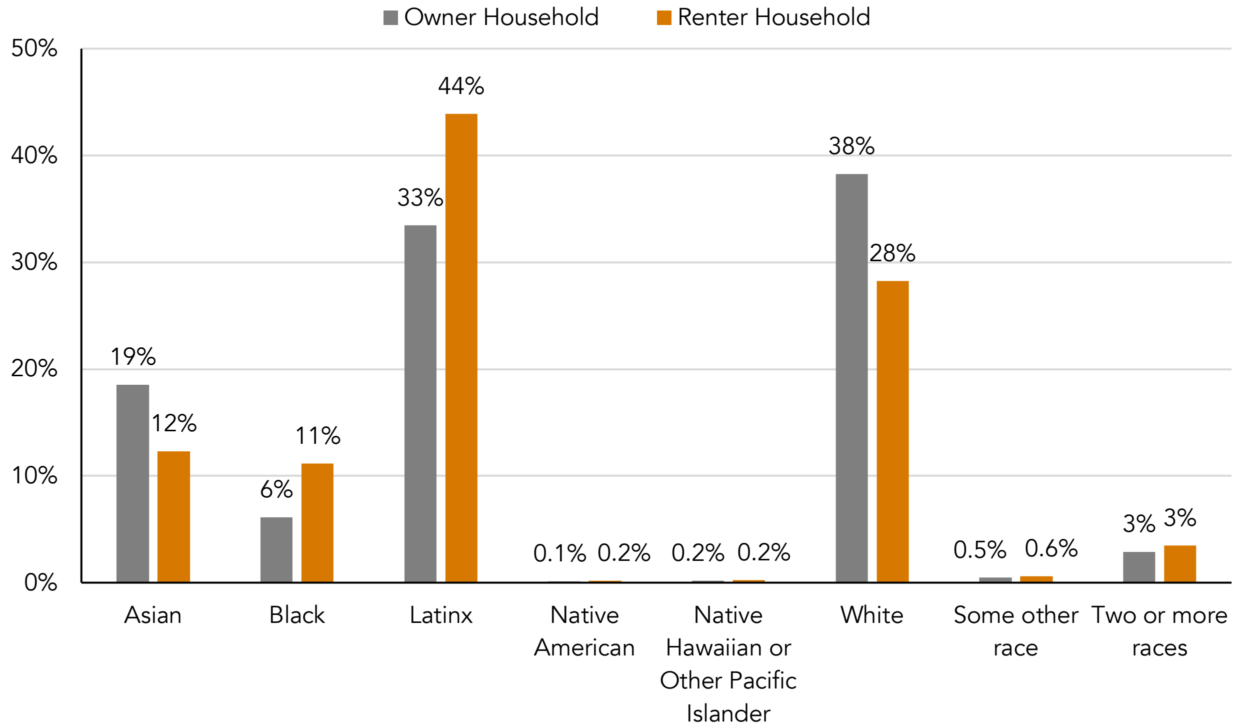


Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2005-2021.
Due to pandemic-related challenges in data collection, ACS Census data from 2020 were left out of this analysis.

Renter households in Los Angeles County differ from owner households in several important ways. For example, according to the 2021 American Community Survey, renter households have a median income of about half that of owner households, are typically younger than owner households, and are more likely to be Black, Latinx, or Native American (see Figure 2 below). In addition, only Asian and white households are much more likely to own than rent in Los Angeles County.[6] Altogether, renter households are a more diverse representation of the population of Los Angeles County and face unique challenges concerning housing unaffordability.

[6] U.S. Census Bureau American Community Survey Public Use Microdata Sample, 1-year, 2021.

FIGURE 2: RACE AND ETHNICITY OF LOS ANGELES COUNTY HOUSEHOLDS* BY TENURE (2021)



Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data.
**These data represent the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Native Hawaiian and Other Pacific Islander, some other race, and White include households reporting only one race and do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

Historical data reveals distinct demographic trends for renter households in the county. The following sections examine changes in renter demographics by income, age, and race and ethnicity over time.[7]

Changes in Renter Households by Income

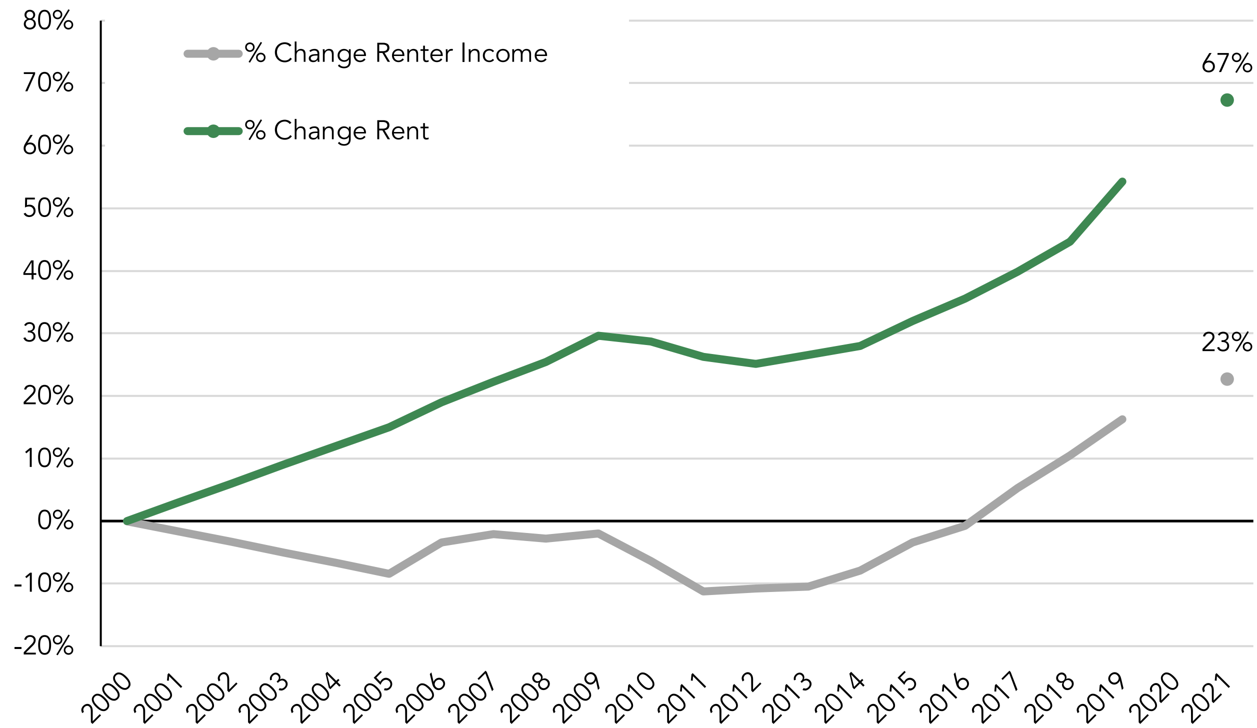
Median household income for renters has increased consistently over the past several years in Los Angeles County. While increases in wages could explain this trend—especially in the years following the Great Recession and during the height of the COVID-19 pandemic—changes in the composition of renter households due to out migration of low-income families, in-migration of high-income renters, and more affluent households choosing to rent as opposed to purchasing homes could all be contributing factors.

Even as median income has increased for renter households in the county, the gap between median renter income and median rent in Los Angeles County has persisted. As shown in Figure 3 below, there

[7] Throughout this report, the categorization of people by race and ethnicity is based on responses to U.S. Census surveys, specifically the American Community Survey and the Household Pulse Survey. For most indicators, people are categorized as Black, Latino or Latinx (used interchangeably), Asian, Native American, Native Hawaiian or Other Pacific Islander, White, two or more races or multiracial (used interchangeably), and some other race. For more information on these groups, see Appendix A: Methodology.

has been steady growth in median renter incomes since 2016, but rents have grown at an even faster pace. Adjusted for inflation, median renter income has grown 23 percent since 2000, while median rent has increased 67 percent. This disparity between growth in incomes and rent has placed increasing pressure on renter households, leading to high numbers of cost-burdened households in the region.

FIGURE 3: MEDIAN RENTER HOUSEHOLD INCOME VERSUS MEDIAN RENTS IN LOS ANGELES COUNTY (2000-2021)*



Source: California Housing Partnership analysis of U.S. Census Bureau ACS, 1-year estimates, table ID: S2503, 2000-2021.
Due to pandemic-related challenges in data collection, ACS Census data from 2020 were left out of this analysis.
**Median renter income and rent from 2001-2004 are estimated trends. Median renter income and rent are inflation adjusted to 2021 dollars.*

The median income for renter households grew to $55,903 in 2021, while the median gross rent also grew to $1,711 per month. Median income was up $2,971 (6 percent) from $52,932 in 2019 and $14,003 (33 percent) from $41,900 in 2014, In comparison, rent grew nine (9) percent between 2019 and 2021, up $134 from 1,577 per month. Despite the growth in income, as of 2021, two-thirds (66 percent) of renter households in the county were earning less than 80 percent of AMI ("low-income" or "LI) and those earning less than 30 percent AMI ("extremely low-income" or "ELI") account for more than one-quarter (29 percent) of all renter households.[8] While the proportion of renter households in the county has increased relatively steadily, changes in the number of renter households in each income group have not been uniform. For example, since 2014 the number of ELI, VLI, and above moderate-income renter households decreased by 22 percent, two (2) percent, and 10 percent respectively (see Table 2 and Figure 4 below). Meanwhile, the number of DLI, LI, and moderate-income renter households has increased during that

[8] For income group definitions and thresholds used throughout this report, see Appendix A: Methodology.

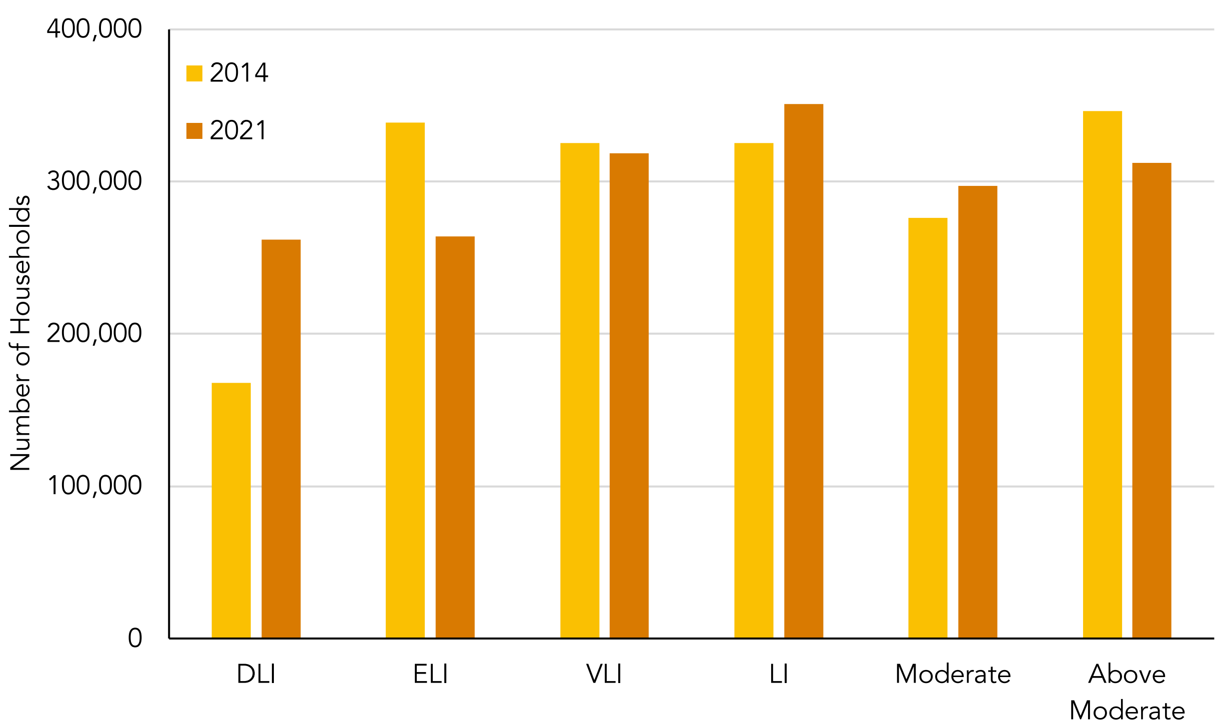
same period, and the number of DLI households has more than doubled (55 percent). However, the overall distribution of renter households by income group has remained relatively consistent during this eight-year period.

TABLE 2: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY INCOME GROUP (2014-2021)

Income Group	Number of Households in 2021	% Change from 2014	Share of Renter Households in 2014	Share of Renter Households in 2021
DLI	261,900	56%	9%	15%
ELI	264,127	-22%	19%	15%
VLI	318,761	-2%	18%	18%
LI	351,205	8%	18%	19%
Moderate	297,313	8%	16%	16%
Above Moderate	312,323	-10%	19%	17%
Total	**1,805,629**	**+1%**	**100%**	**100%**

Source: California Housing Partnership analysis of 2014-2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.

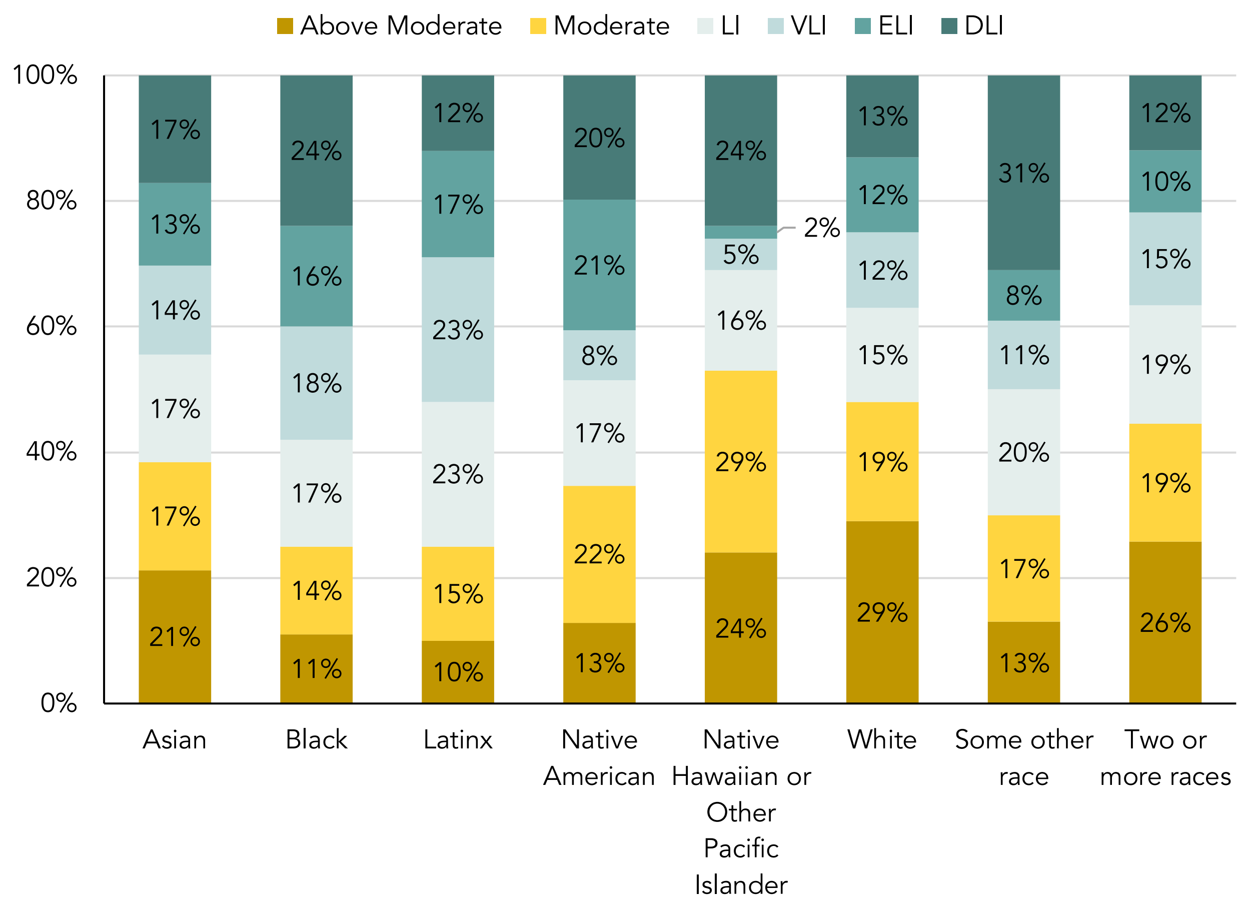
FIGURE 4: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY INCOME GROUP (2014-2021)



Source: California Housing Partnership analysis of 2014-2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset.

In addition, Black, Native American, and Latinx renter households were far more likely to have lower incomes when compared to their White and Asian counterparts (see Figure 5 below). For example, 58 percent of Black households, 49 percent of Native American households, and 52 percent of Latinx households earn below 50 percent of AMI compared to 37 percent of White households and 44 percent of Asian households.

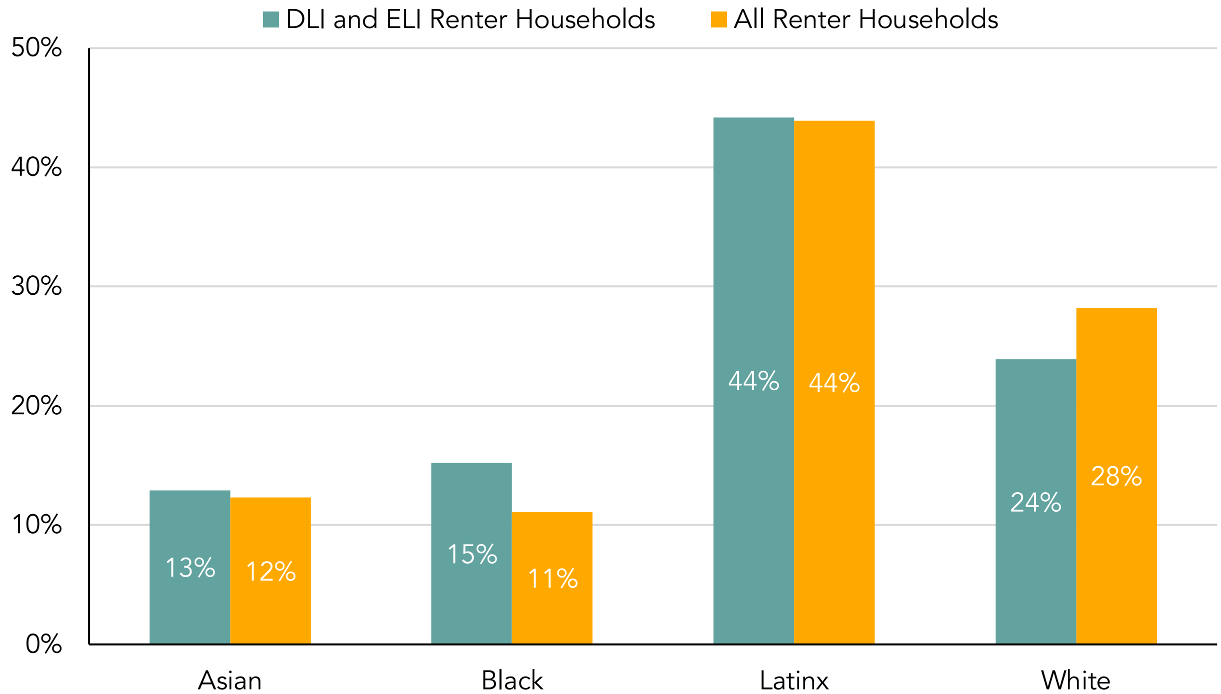
FIGURE 5: INCOME DISTRIBUTION OF RENTERS BY RACE AND ETHNICITY* (2021)



Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels and added DLI group.
**These data represent the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Native Hawaiian and Other Pacific Islander, some other race, and White include households reporting only one race and do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

Figure 6 below further demonstrates that when compared to the overall composition of renter households, people of color are more likely to be extremely low-income renters (earning 30 percent of AMI or less) than their white counterparts, some disproportionally so. Black households account for eleven (11) percent of all renter households, yet they account for 15 percent of DLI and ELI renter households. In contrast, white households account for 28 percent of all renter households in Los Angeles County and just 24 percent of DLI and ELI renter households.

FIGURE 6: RACIAL AND ETHNIC* COMPOSITION OF ALL RENTER HOUSEHOLDS AND DLI + ELI RENTER HOUSEHOLDS (2021)

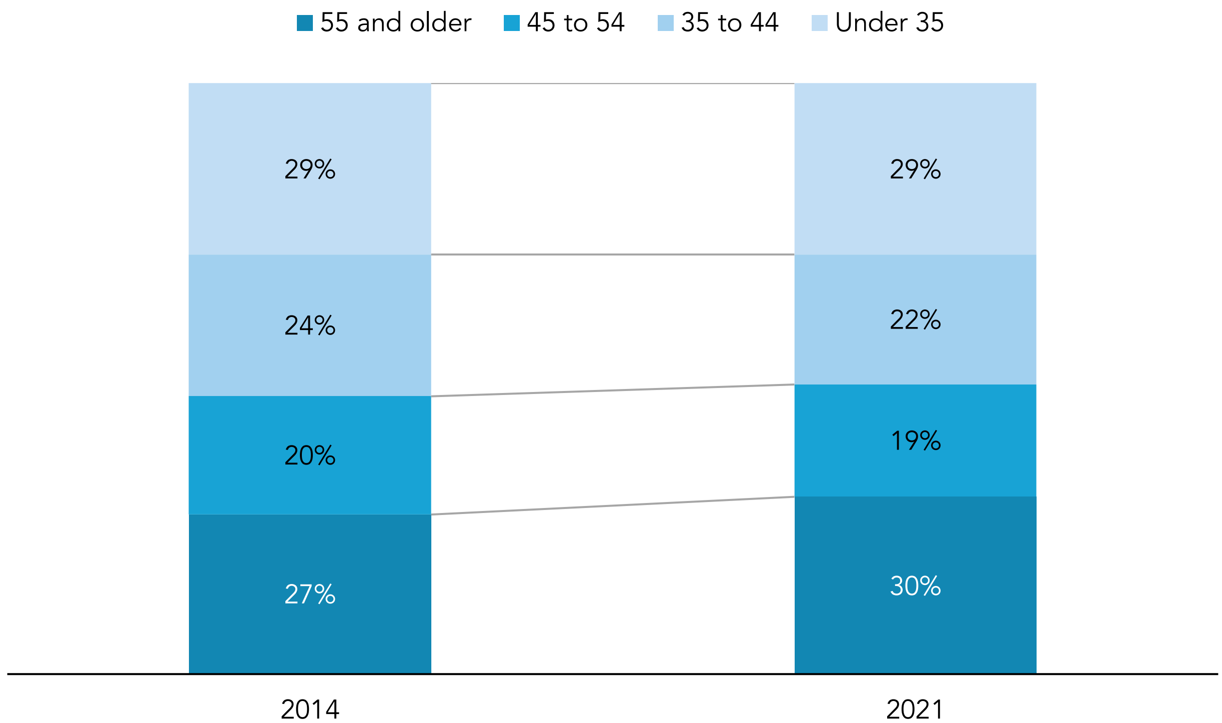


Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels and added DLI group.
**These data represent the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Native Hawaiian and Other Pacific Islander, some other race, and White include households reporting only one race and do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

Changes in Renter Households by Age

Unlike median income and rents, the age distribution of renter households in Los Angeles County has changed little since 2014 (see Figure 7 below). The largest of these changes were in the share of renters 35 – 44 years, which decreased by two (2) percentage points (approximately 17,000 households), and the share of renters 55 and older, which increased by three (3) percentage points (approximately 63,000 households). This growth in older renters is one of the factors that has contributed to the increase in renter households over the last seven years.

FIGURE 7: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY AGE GROUP (2014-2021)

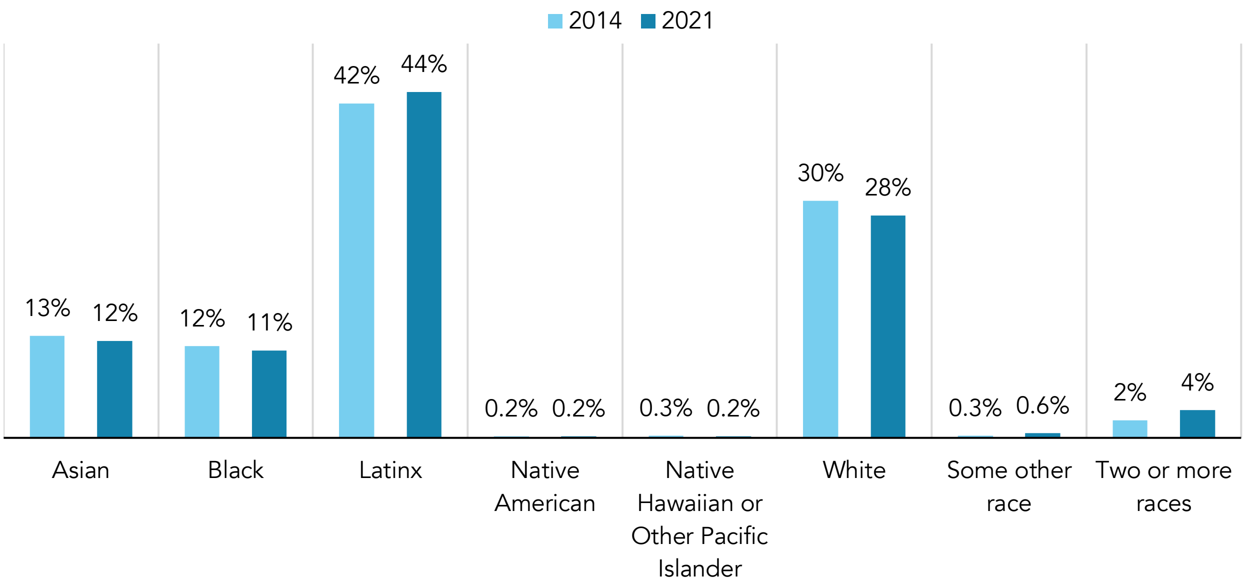


Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2014-2021.

Changes in Renter Households by Race and Ethnicity

The racial and ethnic composition of renters in Los Angeles County has also changed in recent years (see Figure 8 below). In terms of proportions of population across racial and ethnic groups, these are relatively minor changes of less than three (3) percent. However, population within groups has seen a more pronounced change. For example, between 2014 and 2021 the number of renter households identifying as Latinx, some other race, and multiracial has increased by 5 percent, 98 percent, and 63 percent respectively. The number of renter households decreased for every other racial group except Native American, which stayed the same (see Table 3 below).

FIGURE 8: LOS ANGELES COUNTY RENTER HOUSEHOLDS BY RACE AND ETHNICITY* (2010-2021)



Source: California Housing Partnership analysis of 2014-2021 1-year ACS PUMS data.
**These data represent the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Native Hawaiian and Other Pacific Islander, some other race, and White only include households reporting only one race and do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

TABLE 3: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY RACE AND ETHNICITY* (2010-2021)

Household Race and Ethnicity	Number of Households in 2014	Number of Households in 2021	% Change from 2014
Asian	230,106	221,674	-4%
Black	207,210	201,251	-3%
Latinx	755,489	792,441	+5%
Native American	3,627	3,153	-13%
Native Hawaiian or Other Pacific Islander	4,606	4,180	-9%
White	535,033	509,562	-5%
Some other race	5,468	10,818	+98%
Two or more races	38,405	62,550	+63%

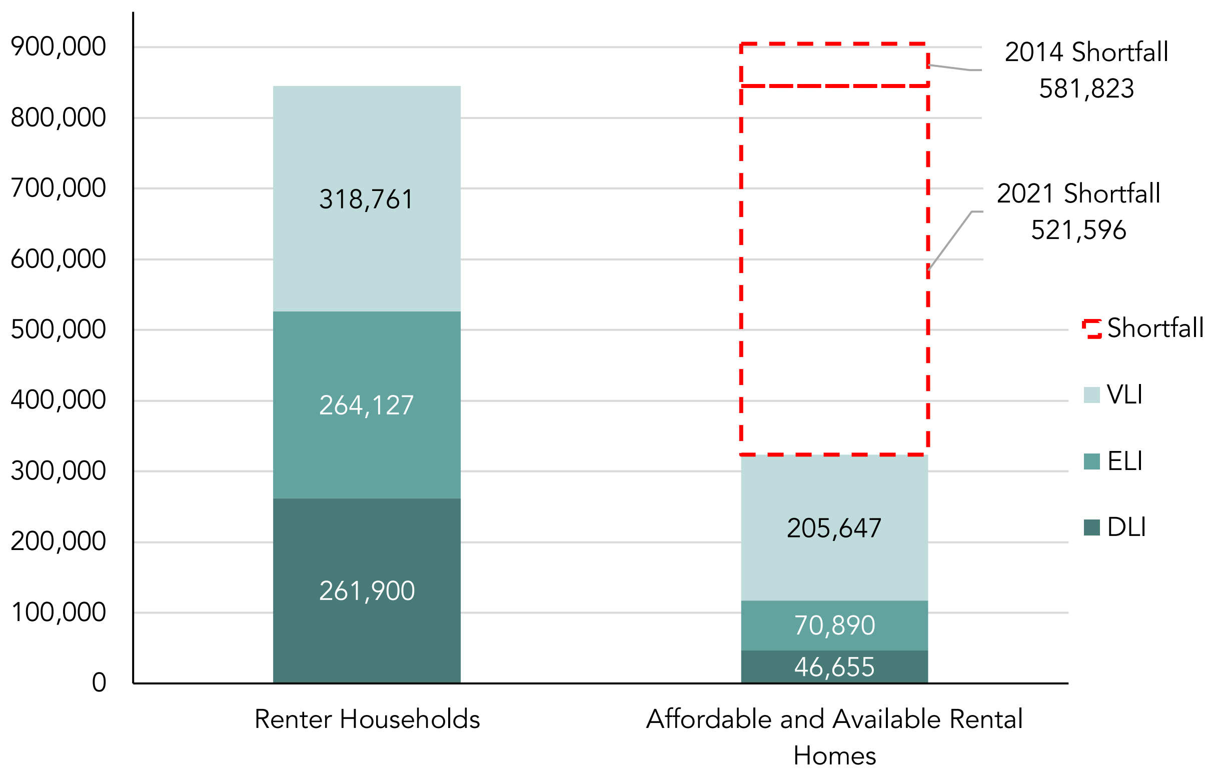
Source: California Housing Partnership analysis of 2014-2021 1-year ACS PUMS data.
**These data represent the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Native Hawaiian and Other Pacific Islander, some other race, and White only include households reporting only one race and do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

Affordable Housing Shortfall

The shortfall of affordable homes assesses affordability and availability of rental homes in Los Angeles County by comparing the number of renter households in each income group to 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.[9] Both occupied and vacant homes are included because, together, they represent the total stock of rental homes affordable to households of each income group.

As of 2021, 844,788 (47 percent) of Los Angeles County's 1.8 million renter households come from the three lowest income groups (DLI, ELI, and VLI). Meanwhile, only 323,192 rental homes are affordable and available to these households, resulting in a shortfall of 521,596 affordable rental homes. In other words, over half a million—or 62 percent—of Los Angeles County's lowest-income households do not have access to an affordable home (see Figure 9 below).[10]

FIGURE 9: AFFORDABLE RENTAL HOUSING SHORTFALL (2021)



Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.

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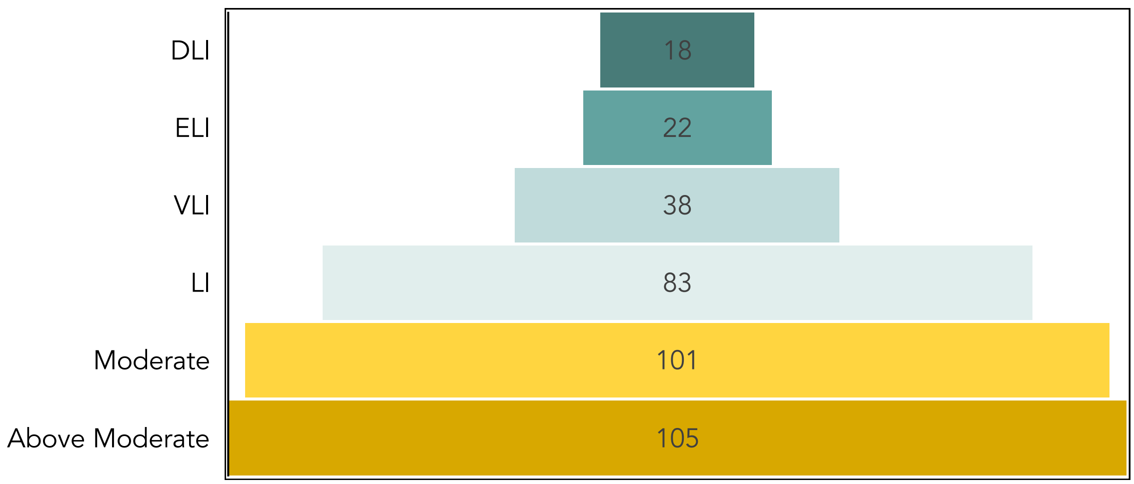
[9] National Low Income Housing Coalition. "The Gap: A Shortage of Affordable Rental Homes." Website: https://nlihc.org/gap.

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

The supply of affordable and available rental homes is worse for households with lower incomes. Only 18 rental homes are affordable and available and not occupied already by a higher income group for every 100 DLI renter households (see Figure 10 and Table 4 below). The numbers are marginally better for ELI and VLI renter households with 22 and 38 affordable and available rental homes for every 100 ELI and VLI renter households respectively. Low-income households fare better with 83 rental homes affordable and available for every 100 households. Both moderate- and above moderate-income households have a small surplus of homes affordable and available to them per 100 renter households at 101 and 105 homes respectively.

FIGURE 10: AFFORDABLE AND AVAILABLE RENTAL HOMES PER 100 RENTER HOUSEHOLDS BY INCOME GROUP (2021)



Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.

TABLE 4: GAP ANALYSIS FOR RENTER HOUSEHOLDS BY INCOME GROUP (2021)

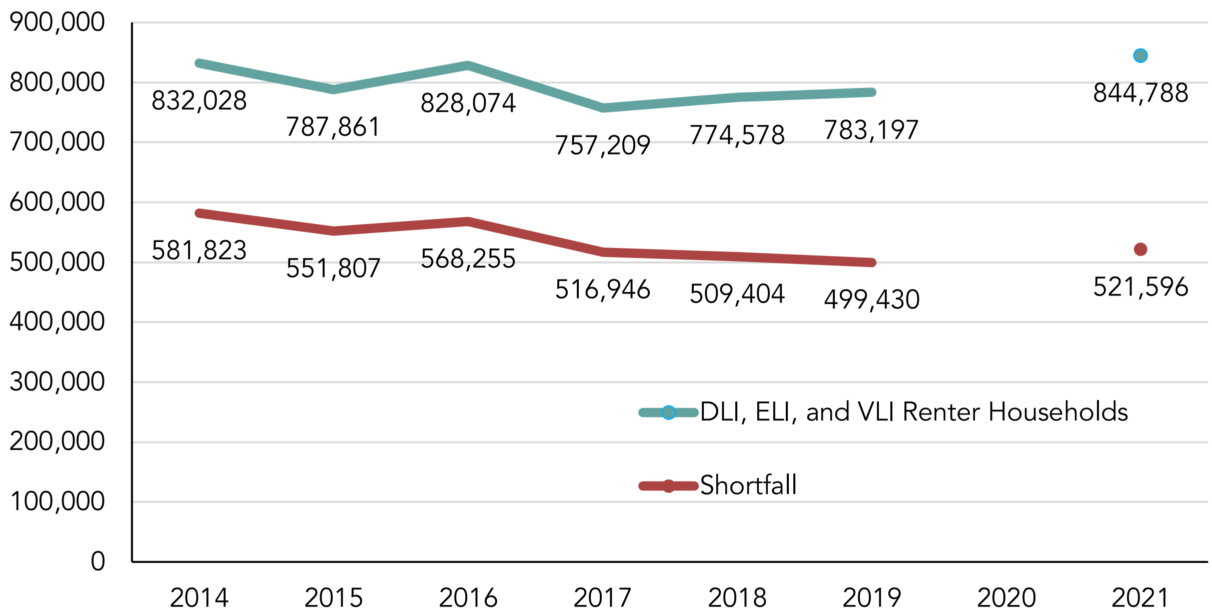
	DLI	ELI	VLI	LI	Moderate	Above Moderate	Total
Households within Income Group	261,900	264,127	318,761	351,205	297,313	312,323	1,805,629
All Households (Cumulative)	261,900	526,027	844,788	1,195,993	1,493,306	1,805,629	N/A
Rental Homes "Affordable and Available" (Cumulative)	46,655	117,545	323,192	995,251	1,515,695	1,901,111	
Cumulative Surplus or Shortfall of Affordable Rental Homes	-215,245	-408,482	-521,596	-200,742	22,389	95,482	
% of Homes Affordable but Unavailable*	53%	35%	30%	23%	14%	0%	

Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.

**"Affordable but unavailable" means that a rental home is affordable to lower-income households but occupied by a household in a higher income group.*

Despite its persistence, steady progress has been made to decrease this shortfall. For example, between 2014 and 2021, the shortfall of affordable and available homes for the lowest income renter households in Los Angeles County declined by 10 (ten) percent, or 60,227 homes. Figure 11 below shows the historical shortfall of affordable and available homes for the lowest income renter households in Los Angeles County.[11] Unfortunately, the gap increased during the COVID-19 pandemic, possibly due to the global shut-down and supply chain issues. However, factors such as the County's additional investments and activities described in detail in Sections 2 and 3 of this Report likely contributed to the shortfall's overall gradual decline since 2014.

FIGURE 11: AFFORDABLE RENTAL HOUSING SHORTFALL (2014-2021)



Source: California Housing Partnership analysis of 2014-2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology. Due to pandemic-related challenges in data collection, ACS Census data from 2020 were left out of this analysis.

Gap Analysis by Supervisorial District

Table 5 below contains a summary of the affordable housing gap analysis by household income group for each Supervisorial District (SD). Predictably, the SDs with the largest number of DLI, ELI and VLI households—SDs 1, 2, and 3—generally have the largest shortfall of affordable and available homes for those households. However, affordability challenges for the lowest income households are relatively consistent across each SD. For example, across all five SDs, 25 or fewer rental homes are affordable and available for every 100 DLI renter households while no more than 28 are affordable and available for every 100 ELI renter households and no more than 46 exist in any SD for every 100 VLI renter households. Nonetheless, every SD has a surplus of homes affordable and available to moderate and above moderate-income households.

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[11] See Appendix B: Full Data Findings, Section 1 Table B for expanded shortfall data for 2014 to 2021, including the proportion of housing demand that is not being met each year (or shortfall / total demand).

TABLE 5: GAP ANALYSIS FOR RENTER HOUSEHOLDS BY INCOME GROUP AND SUPERVISORIAL DISTRICT (2021)

	Supervisorial District	DLI	ELI	VLI	LI	Moderate	Above Moderate
Cumulative Surplus or Shortfall of Affordable Rental Homes by District and Income Group	SD 1	-43,687	-79,209	-95,028	-35,316	2,388	12,912
	SD 2	-50,149	-96,643	-113,773	-27,466	8,835	23,470
	SD 3	-49,093	-90,986	-118,719	-63,623	2,962	25,981
	SD 4	-35,733	-74,097	-99,533	-28,221	3,396	8,929
	SD 5	-36,583	-67,547	-94,543	-46,116	4,809	19,202
Affordable and Available Rentals Homes per 100 Renter Households by District and Income Group	SD 1	25	28	46	86	101	104
	SD 2	20	25	45	90	103	106
	SD 3	13	18	29	73	101	108
	SD 4	16	17	36	88	101	103
	SD 5	14	21	33	77	102	106

Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.

For more data on the gap analysis, see Appendix B: Full Data Findings, Section 1.

Cost Burden Analysis

Unaffordable rents have enormous consequences, particularly for households with the lowest incomes, which is why cost burden and severe cost burden are such vital indicators to understand and track. A household is considered cost-burdened if they pay more than 30 percent of household income on housing costs and severely cost-burdened if they spend more than 50 percent of household income on housing costs. Housing costs include both rent and utilities (e.g., electricity, gas, and water).

The negative consequences of a household being cost-burdened, especially for lower-income renter households, have been well documented by national researchers. For example, a 2020 study by the Harvard University's Joint Center for Housing Studies found that severely cost-burdened low-income families (those paying more than 50 percent of household income on housing costs) spend 52 percent less on food, healthcare, and transportation than their low-income counterparts who live in housing affordable to them. Among low-income households with children under the age of 18, those with severe cost burden spend 93 percent less on healthcare and 37 percent less on food than their low-income counterparts with children who live in affordable homes. This reduction in spending on critical goods and services often translates to adverse health and economic outcomes for low-income children, families, and older adults.[12]

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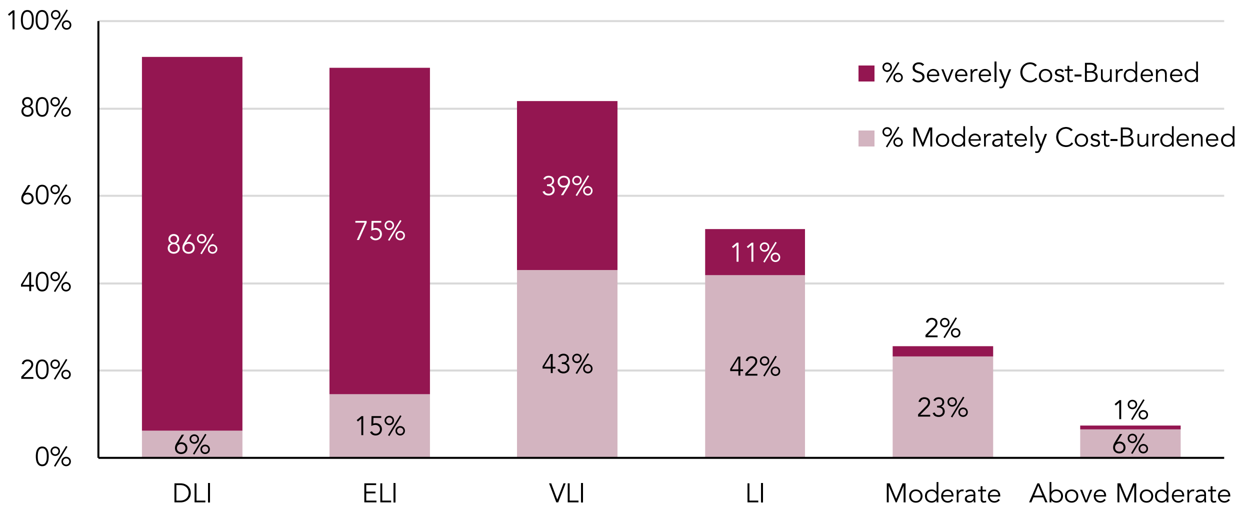
[12] Joint Center for Housing Studies of Harvard University, 2020. "The State of the Nation's Housing: 2020." Website: http://www.jchs.harvard.edu/state-nations-housing-2020.

As of 2021, 1,020,155 households in Los Angeles County—or 57 percent of all renter households—were cost-burdened with more than half of these cost-burdened households (591,924 households) being severely cost-burdened. As shown in Figure 12 and Table 6 below, cost-burdened and severely cost-burdened households were also the norm among the county's lowest-income households: 92 percent of deeply low-income (DLI) households, 90 percent of extremely low-income (ELI) households, 82 percent of very low-income (VLI) households, and 53 percent of low-income (LI) households were cost-burdened compared to 25 percent of moderate-income households and just seven (7) percent of above moderate-income households in 2021.

FIGURE 12: SHARE OF RENTER HOUSEHOLDS WHO ARE COST BURDENED BY INCOME GROUP* (2021)



Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset.
**A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.*

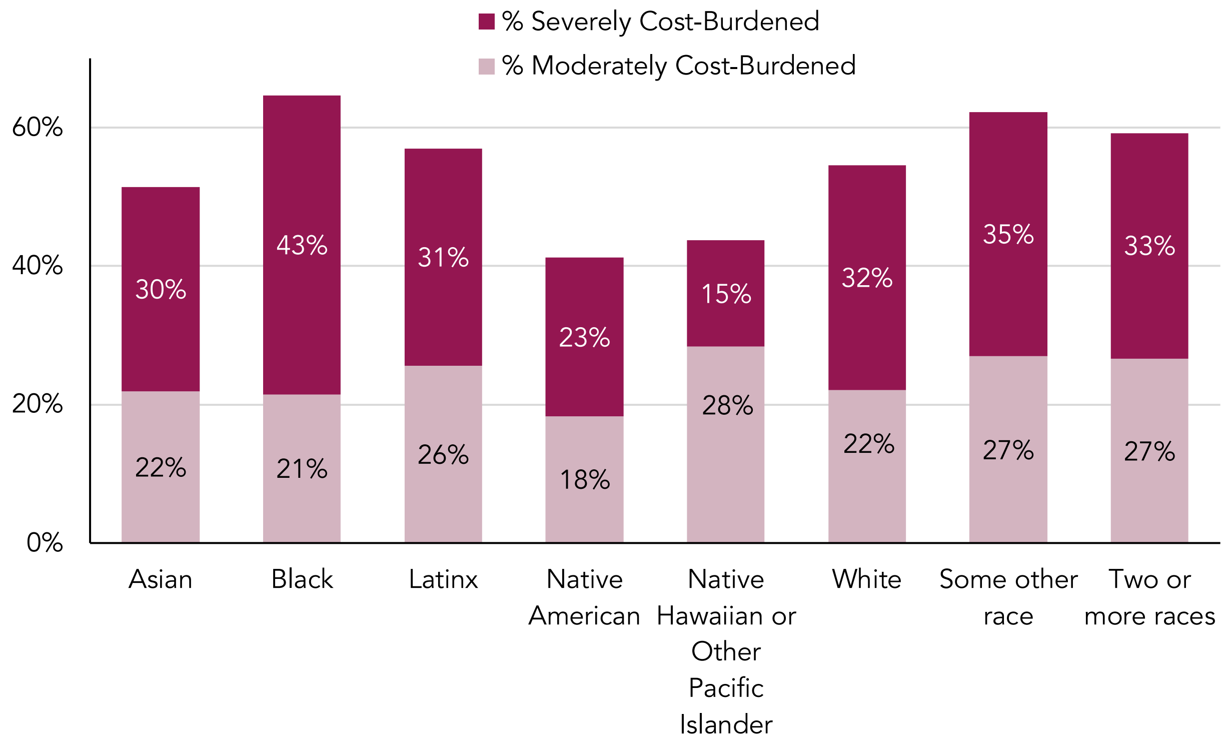
TABLE 6: COST BURDEN ANALYSIS FOR RENTER HOUSEHOLDS (2021)

Income Group	Total Households	Not Cost Burdened		Moderately Cost Burdened		Severely Cost Burdened	
		#	%	#	%	#	%
DLI	261,900	21,463	8%	16,231	6%	224,206	86%
ELI	264,127	28,276	11%	38,584	14%	197,267	75%
VLI	318,761	58,382	18%	137,067	43%	123,312	39%
LI	351,205	167,168	48%	146,877	42%	37,160	10%
Moderate	297,313	221,100	75%	69,221	23%	6,992	2%
Above Moderate	312,323	289,085	93%	20,251	6%	2,987	1%
All Income Groups	**1,805,629**	**785,474**	**43%**	**428,231**	**24%**	**591,924**	**33%**

Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset.

Among renters in Los Angeles County, people of color are more likely to experience housing cost burdens than their white counterparts. Black renters have the highest share of cost burden at 64 percent, followed by renters of some other race at 62 percent, multiracial renters at 60 percent, Latinx renters at 57 percent, White renters at 54 percent, Asian renters at 52 percent, Other Pacific Islander renters at 43 percent, and Native American renters at 41 percent (see Figure 13 below).

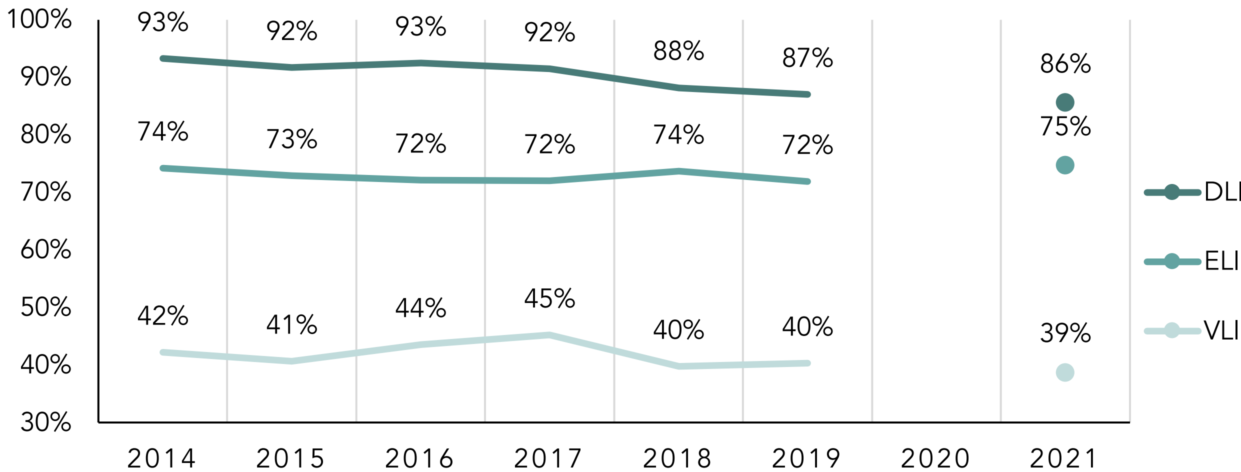
FIGURE 13: SHARE OF RENTER HOUSEHOLDS WHO ARE COST BURDENED* BY RACE AND ETHNICITY** (2021)



Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels.
**A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.*
***Asian, Black, Native American, Native Hawaiian and Other Pacific Islander, some other race, and White only include households reporting only one race and do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

As shown in Table 7 and Figure 14 below, severe cost burden has been the unfortunate norm among Los Angeles County's lowest income households for the past eight years. However, the share of DLI and VLI renter households experiencing severe cost burden out of DLI and VLI renter households overall has declined modestly since 2014—by eight (8) percentage points in each of these two income groups. Severe cost burden for moderate-income households has remained relatively consistent in the last eight years at around three (3) percent. In contrast to the trend in previous years, the share of ELI renter households experiencing severe cost burden has increased by one (1) percent and the share of LI renter households has decreased 12 percent. Most notably, above-moderate income households experiencing cost burden went from a 94 percent decrease in 2019 to a 70 percent increase in 2021. The general decline in cost burden could be due to improved economic circumstances for these households as well as the high-rise apartment and condo building boom increasing the supply of homes affordable to higher-income households.[13] The increase in above moderate-income cost burdened households could be explained by the rise in asking rents driven by low vacancy and high demand, and by a preference for renting units that are amenity-rich.[14]

FIGURE 14: SHARE OF RENTER HOUSEHOLDS WHO ARE SEVERELY COST BURDENED BY INCOME GROUP* (2014-2021)



Source: California Housing Partnership analysis of 2014-2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Due to pandemic-related challenges in data collection, ACS Census data from 2020 were left out of this analysis.

**A household is severely cost burdened if they pay more than 50 percent of household income on housing costs.*

TABLE 7: SHARE OF SEVERELY COST BURDENED RENTER HOUSEHOLDS BY INCOME GROUP (2014-2021)

Year	DLI	ELI	VLI	LI	Moderate	Above Moderate
2014	93%	74%	42%	12%	2%	0.6%
2015	92%	73%	41%	14%	3%	0.4%
2016	93%	72%	44%	12%	4%	0.3%
2017	92%	72%	45%	14%	3%	0.2%
2018	88%	74%	40%	13%	3%	0.1%
2019	87%	72%	40%	13%	2%	0.04%
2021	86%	75%	39%	11%	2%	1%

Source: California Housing Partnership analysis of 2014-2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Due to pandemic-related challenges in data collection, ACS Census data from 2020 were left out of this analysis.

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[13] See, for example: Los Angeles Times. 2018. "Housing boom brings a new crop of tall towers." Website: https://www.latimes.com/business/la-fi-hp-high-rise-living-20181019-story.html; Los Angeles Times, 2019. "Wage inequality is surging in California – and not just on the coast. Here's why." Website: https://www.latimes.com/business/story/2019-10-10/wage-inequality-is-surging-in-california-and-not-just-on-the-coast-heres-why.

[14] Joint Center for Housing Studies of Harvard University, 2022. "America's Rental Housing: 2022." Website: https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_Americas_Rental_Housing_2022.pdf.

Although the share of DLI, VLI and LI households experiencing severe cost burden has declined, the absolute number of severely cost burden households has changed little. As shown in Table 8 below, 553 fewer renter households are severely cost burdened in 2021 than in 2014. There is variation within income groups, however. Fewer ELI, VLI, and LI households experienced severe cost burden. The number of severely cost burdened households increased for DLI, moderate, and above moderate-income households—by 67,793 households (43 percent), 643 households (10 percent), and 1,031 households (53 percent), respectively. These trends loosely mirror the shifting composition of renter households in Los Angeles County since 2014 for all income groups except LI and above moderate-income. Low-income households experienced an increase in population but a decline in severe cost burden, whereas above moderate-income households experienced a decline in population but an increase in number of severely cost burdened households.

TABLE 8: SEVERELY COST BURDENED RENTER HOUSEHOLDS BY INCOME GROUP (2014-2021)

Year	DLI	ELI	VLI	LI	Moderate	Above Moderate	Total
2014	156,413	251,435	137,334	38,990	6,349	1,956	**592,477**
2015	153,823	217,665	132,610	49,430	9,579	1,518	**564,625**
2016	164,096	237,240	140,129	41,409	11,386	1,015	**595,275**
2017	146,511	215,143	134,854	48,086	9,909	602	**555,105**
2018	159,927	211,522	121,680	45,743	7,928	230	**547,030**
2019	165,222	200,875	126,438	47,050	7,038	129	**546,752**
2021	224,206	197,267	123,312	37,160	6,992	2,987	**591,924**
% Change (2014-2021)	+43%	-22%	-10%	-5%	+10%	+53%	0%

Source: California Housing Partnership analysis of 2014-2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Due to pandemic-related challenges in data collection, ACS Census data from 2020 were left out of this analysis.

The very high and persistent shares of low-income households and households of color with cost burdens is a measure of how prevalent housing unaffordability and instability has become in Los Angeles County—and the insufficiency of the current housing market and housing safety net. According to HUD's latest "Worst Case Housing Needs Report," fewer than one in four very low-income renter households in Western central cities received housing assistance in 2019. More than half of very low-income renter households in the Los Angeles-Long Beach-Anaheim Metropolitan Area lack assistance and face either severe cost burdens or severely inadequate housing, or both.[15]

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[15] Office of Policy Development and Research of the U.S. Department of Housing and Urban Development, 2021. "Worst Case Housing Needs: 2021 Report to Congress." Website: https://www.huduser.gov/portal/sites/default/files/pdf/Worst-Case-Housing-Needs-2021.pdf.

Severe Cost Burden by Supervisorial District

As shown in Table 9 below, the distribution of severely cost burdened renter households by SD is generally proportional to the distribution of the county's overall population among SDs. In other words, no single district has a disproportionate concentration of households experiencing severe cost burden.

While the number of severely cost burdened households across the entire county has not changed significantly since 2014 (see Table 7 above), the change in severely cost burdened households has fluctuated across SDs over the last eight years. The number of renter households experiencing severe cost burden has declined in SDs 2 and 3 by 11 percent and two (2) percent but increased in SDs 1, 4, and 5 by three (3) percent, eight (8) percent, and 25 percent respectively since 2014-2015.

TABLE 9: PERCENTAGE OF SEVERELY COST BURDENED RENTER HOUSEHOLDS BY SD (2021)

Percentage of Households in SD		# of Severely Cost Burdened Households	% of Total Severely Cost Burdened Households in LA County	% Change in Severely Cost Burdened Households*
SD 1	19%	106,374	18%	+3%
SD 2	21%	134,816	23%	-11%
SD 3	21%	139,850	24%	-2%
SD 4	19%	98,202	17%	8%
SD 5	19%	112,683	19%	25%

Source: California Housing Partnership analysis of 2014-2015 and 2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset.

**Percent change is the number of severely cost burdened households in each SD in 2021 relative to the number of severely cost burdened households in 2014-2015.*

Overcrowding Analysis

The overcrowding analysis documents rates of overcrowding in Los Angeles County by household income group and race and ethnicity. In this analysis, overcrowding is defined in terms of the ratio of occupants in a home to the number of rooms, counting two children as equivalent to one adult. A room is defined as a bedroom or common living space (such as a living room), but excludes bathrooms, kitchens, or areas of the home that are unfinished or not suited for year-round use.[16]

Households that have more than one adult per room are considered overcrowded, and households with more than two adults per room are considered severely overcrowded. For example, a two-room home

[16] Please note that the Census' definition of overcrowding varies slightly from this report's methodology. Most notably, the Census considers a kitchen a room and does not distinguish between children and adults in their measure. For the full definition, visit https://www.census.gov/housing/hvs/definitions.pdf.

(one bedroom and a living room) with three adults is considered overcrowded, while a two-room home with three adults and three children is severely overcrowded.

California's renter overcrowding rate is more than double the U.S. average, largely due to the state's high housing costs and the prevalence of households headed by foreign-born adults, those of Hispanic or Latinx origin (as defined in the American Community Survey), and those with children, all of whom share higher likelihoods of average household overcrowding.[17,18] Among the ten largest metropolitan counties in California, Los Angeles County and Santa Clara County are tied with the highest rate of renter overcrowding, followed by Orange, Alameda, Fresno, San Bernardino, and San Diego counties.[19] These high rates of overcrowding may be explained, in part, by demographic differences and other factors like high housing costs, though more rigorous statistical analysis would be needed to establish causality.

As shown in Table 10 and Figure 15 below, although all income groups in Los Angeles County experience some degree of overcrowding, VLI and LI renter households are more likely to be overcrowded than both the lowest and highest income groups. However, overcrowding does not have a linear relationship with income in Los Angeles County; lower-income renter households are not more likely to experience overcrowding than higher-income renter households, suggesting a more nuanced relationship between overcrowding and household income, and the choices families make about which rental homes to occupy. One explanation for the relatively lower rates of overcrowding among DLI households is household size: DLI households tend to be smaller than households in other income groups and are more likely to be single individuals living alone. DLI households have an average household size of 1.93 persons, compared to 2.52 for ELI, 2.82 for VLI, 2.91 for LI, 2.67 for moderate-income and 2.43 for above moderate-income households.

Rates of severe overcrowding, however, are higher for the lowest income households than for above moderate-income households. DLI, ELI, and VLI households are 1.5 times, 2.5 times, and 2.5 times more likely to be severely overcrowded respectively than above moderate-income households.

Similarly, larger renter households are more likely to live in severely overcrowded rental homes: about seven out of ten severely overcrowded households have four or more individuals living in the home. Most of these severely overcrowded renter households—84 percent—live in studios and one-bedroom apartments, which typically have lower median rents than larger homes.

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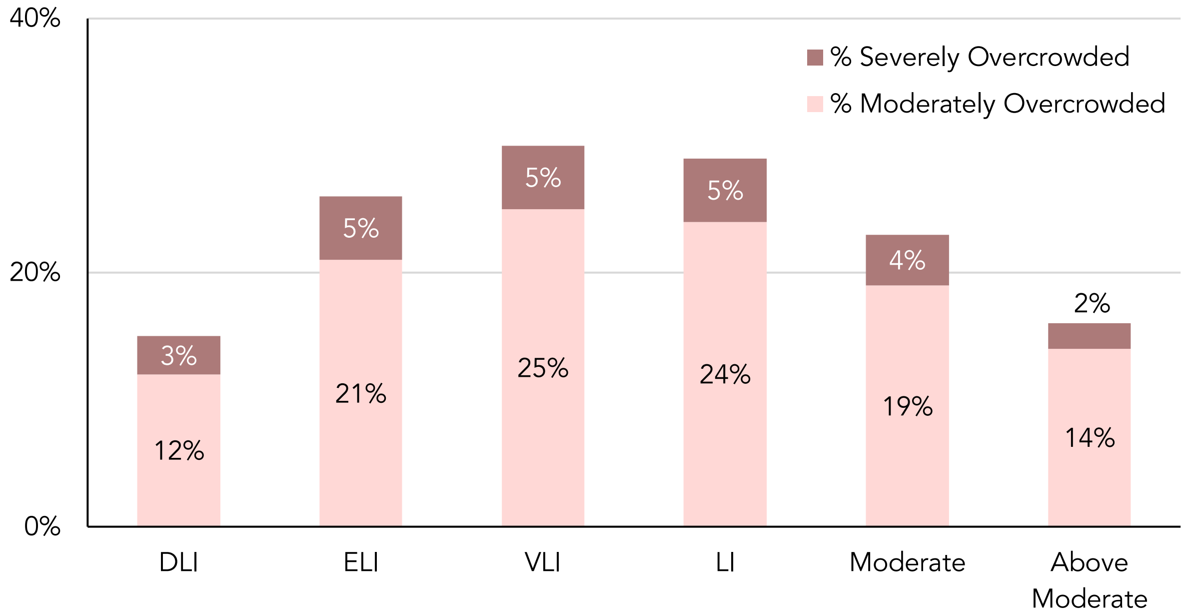
[17] U.S. Census Bureau, 2021 ACS 1-Year Estimate, Table B25014, Tenure by Occupants per Room.
[18] Taylor, Mac. "California's High Housing Costs: Causes and Consequences." Legislative Analyst's Office, 2015. Website: https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf.
[19] California Housing Partnership analysis of U.S. Census Bureau 2021 ACS 1-Year PUMS data.

FIGURE 15: SHARE OF RENTER INCOME GROUPS LIVING IN OVERCROWDED* CONDITIONS (2021)



Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset.
**Households that have more than one adult (or two children) per room and more than two adults (or four children) per room are considered overcrowded and severely overcrowded, respectively.*

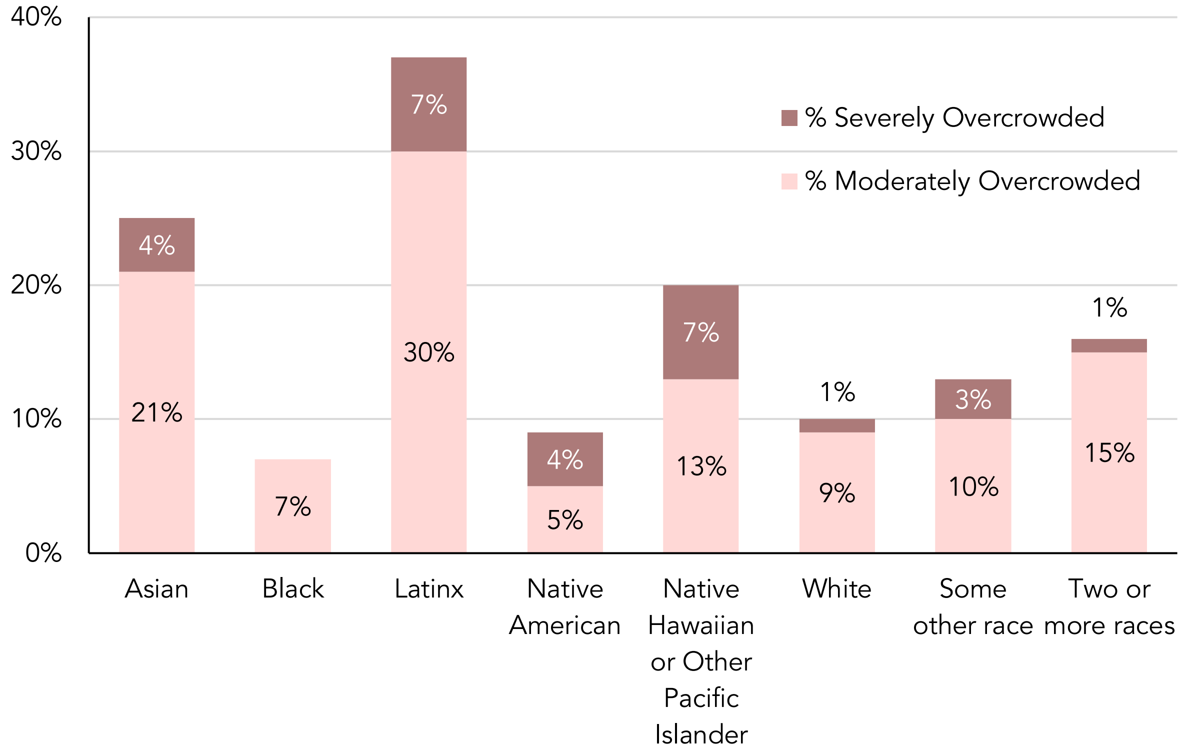
TABLE 10: OVERCROWDING ANALYSIS FOR RENTER HOUSEHOLDS (2021)

Income Group	Total Households	Not Overcrowded	Overcrowded	Severely Overcrowded*
DLI	261,900	85%	15%	3%
ELI	264,127	74%	26%	5%
VLI	318,761	70%	30%	5%
LI	351,205	70%	30%	5%
Moderate	297,313	77%	23%	4%
Above Moderate	312,323	84%	16%	2%
All Income Groups	**1,805,629**	**76%**	**24%**	**4%**

Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset.
**The percentages of severely overcrowded households are a subset of the percentage of overcrowded households.*

Much like cost burden in Los Angeles County, people of color are more likely to experience overcrowding than their white counterparts (see Figure 16 below). Latinx renters have the highest share of overcrowding at 37 percent, followed by Asian renters at 25 percent. In contrast, just seven (7) percent of Black and 10 percent of White renter households live in overcrowded conditions.

FIGURE 16: SHARE OF RENTER HOUSEHOLDS LIVING IN OVERCROWDED* CONDITIONS BY RACE AND ETHNICITY** (2019)



Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset.

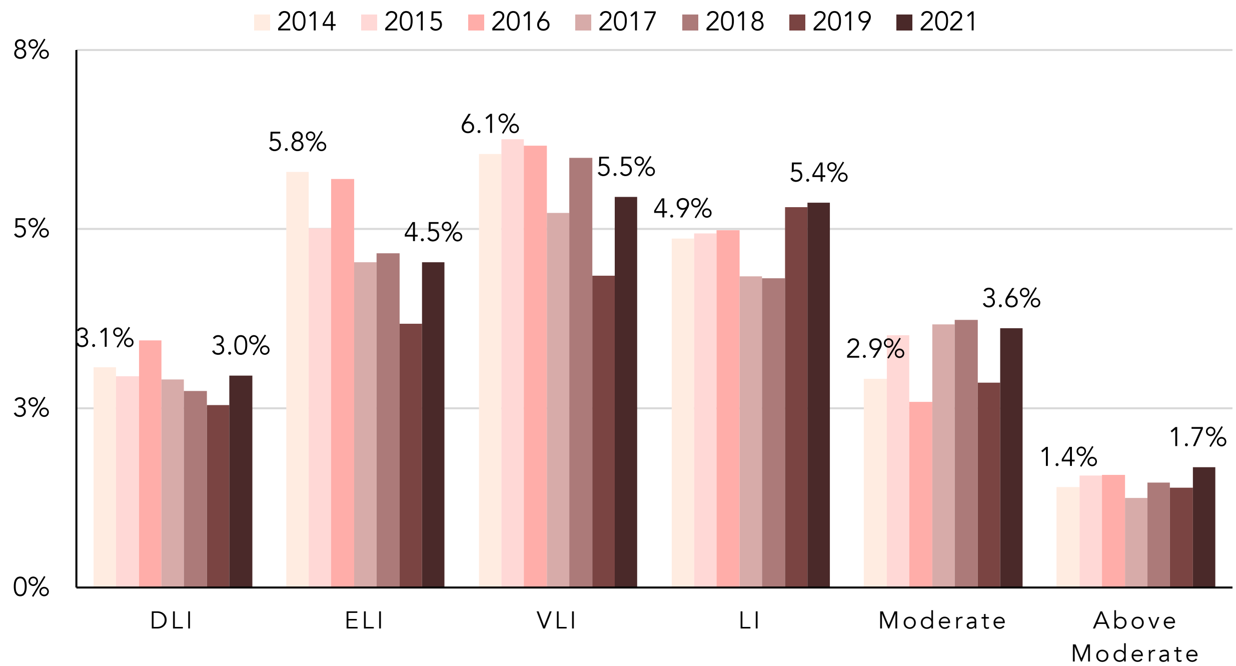
**Households that have more than one adult (or two children) per room and more than two adults (or four children) per room are considered overcrowded and severely overcrowded, respectively.*

***These data represent the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Native Hawaiian and Other Pacific Islander, some other race, and White only include households reporting only one race and do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

Severe Overcrowding Historical trends

As shown in Figure 17 below, rates of severe overcrowding have decreased somewhat across lower incomes and increased somewhat for higher incomes since 2014 in Los Angeles County. The share of ELI and VLI renter households living in severely overcrowded conditions has declined meaningfully since 2014—by 1.3 percentage points (22 percent), and 0.6 percentage points (10 percent), respectively. On the other hand, the share of LI households experiencing severe overcrowding has increased by 0.5 percentage points (10 percent), moderate-income households by 0.7 percentage points (24 percent), and above moderate-income households by 0.3 percentage points (20 percent). Meanwhile the share of DLI households living in severely overcrowded conditions has remained relatively consistent at around three (3) percent for the last eight years. Additionally, overcrowding increased across income groups during height of the COVID-19 pandemic years.

FIGURE 17: SHARE OF RENTER INCOME GROUPS LIVING IN SEVERELY OVERCROWDED* CONDITIONS (2014-2021)



Source: California Housing Partnership analysis of 2014-2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset.

**Households that have more than one adult (or two children) per room and more than two adults (or four children) per room are considered overcrowded and severely overcrowded, respectively.*

As the share of ELI and VLI households living in severely overcrowded conditions has declined, so too has the number of severely overcrowded households overall. As shown in Table 11 below, the number of renter households in Los Angeles County living in severely overcrowded conditions has decreased by 1,227 households (2 percent) between 2014 and 2021. This decline was driven primarily by fewer ELI and VLI households living in severely overcrowded conditions—7,667 (39 percent) fewer ELI households and 2,327 (12 percent) fewer VLI households. This change in number and share of severely overcrowded households from the lowest income groups is likely indicative of a combination of factors already explored in Section 1: fewer ELI and VLI renter households, smaller household sizes, and an increase in the number of rental homes affordable and available to the county's lowest income households.

In contrast, the number of DLI, LI, moderate-income, and above moderate-income households living in severely overcrowded conditions increased during this time period—by 2,610 households (51 percent), 3,033 households (19 percent), 2,276 households (34 percent), and 398 households (8 percent), respectively. These trends loosely mirror the shifting composition of renter households in Los Angeles County since 2014.

However, it is worth pointing out that severe overcrowding increased across income levels between 2019 and 2021, likely related to the effects of the COVID-19 pandemic. The change was driven by a sharp increase in DLI, VLI, and moderate-income severely overcrowded households, which rose by 61, 27, and 26 percent, respectively between 2019 and 2021. Overcrowded conditions have also been correlated with higher infection and mortality rates of COVID-19.[20] Given that low-income and people of color, particularly Latinx people, are more likely to live in overcrowded conditions, there are disparities in COVID-19 risk among these groups.

TABLE 11: NUMBER OF RENTER HOUSEHOLDS IN EACH INCOME GROUP LIVING IN SEVERELY OVERCROWDED* CONDITIONS (2014-2021)

Year	DLI	ELI	VLI	LI	Moderate	Above Moderate	Total
2014	5,146	19,647	19,697	15,830	8,041	4,857	**73,218**
2015	4,839	14,947	20,357	17,205	9,842	5,886	**73,076**
2016	6,120	18,814	19,792	17,201	7,265	5,831	**75,023**
2017	4,648	13,571	15,577	15,446	11,070	4,780	**65,092**
2018	4,975	13,398	18,357	15,509	11,710	5,307	**69,256**
2019	4,831	10,275	13,671	19,579	8,550	5,058	**61,964**
2021	7,756	11,980	17,370	18,863	10,767	5,255	**71,991**
% Change (2014-2021)	+51%	-39%	-12%	+19%	+34%	+8%	-2%

Source: California Housing Partnership analysis of 2014-2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Due to pandemic-related challenges in data collection, ACS Census data from 2020 were left out of this analysis.

Overcrowding Analysis by Supervisorial District

A summary of the Overcrowding Analysis—which shows the distribution of severely overcrowded households by SD—is shown in Table 12 below. Severe overcrowding is concentrated in SDs 1 and 2, even when accounting for their relative shares of the county's overall population.

While the number households living in severely overcrowded households across all of Los Angeles County has declined by two (2) percent since 2014 (see Table 11 above), this trend is not consistent across SDs. Since 2014-2015, the number of renter households experiencing severe overcrowding has declined in SD 2 by 23 percent but increased by 14 percent, three (3) percent, eight (8) percent, and 18 percent in SDs 1, 3, 4, and 5 respectively.

[20] Kamis, et. Al, 2021. Overcrowding and COVID-19 Mortality Across U.S. Counties: Are Disparities Growing over Time? Website: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8219888/.

TABLE 12: PERCENTAGE OF SEVERELY OVERCROWDED RENTER HOUSEHOLDS BY SD (2021)

Percentage of Households in SD		# of Severely Overcrowded Households	% of Total Severely Overcrowded Households in LA County	% Change in Severely Overcrowded Households**
SD 1	19%	20,598	29%	+14%
SD 2	21%	20,020	28%	-23%
SD 3	21%	13,838	19%	+3%
SD 4	19%	11,409	16%	+8%
SD 5	19%	6,126	9%	+18%

Source: California Housing Partnership analysis of 2014-2015 and 2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology.

**Percent change is the number of severely cost burdened households in each SD in 2021 relative to the number of severely cost burdened households in 2014-2015.*

For more data on the overcrowding analysis, see Appendix B: Full Data Findings, Section 1.

Housing Need During the Pandemic and Recovery

While there are several positive trends amidst the county's overwhelming housing affordability crisis highlighted throughout this section—a declining shortfall in affordable and available homes for the lowest income households, overall fewer low-income households experiencing severe cost burden and overcrowding, increased housing stability and homeless services—the economic landscape in Los Angeles County shifted drastically in 2020 due to the COVID-19 pandemic.[21] As reported in the 2021 Los Angeles County Affordable Housing Outcomes Report,[22] housing insecurity was prevalent during the first year of the pandemic according to the Household Pulse Survey, with a high percentage of renters experiencing loss of income, rent arrears, and profound housing instability in the Los Angeles-Long Beach-Anaheim MSA. While more recent data indicates that employment has returned to pre-pandemic levels, rents continued to increase for many Los Angeles renters, and a large percentage of residents still report not being caught up on rent.

Data on housing stability from the Household Pulse Survey showed a modest, although inconsistent, improvement in the percentage of renters behind on rent throughout 2021 and into 2022 in the Los Angeles-Long Beach-Anaheim MSA, in part due to the emergency rental assistance and expanded unemployment insurance and other benefits made available by the 2021 American Rescue Plan. The percentage of respondents reporting that their household was not caught up on rent, meaning they had

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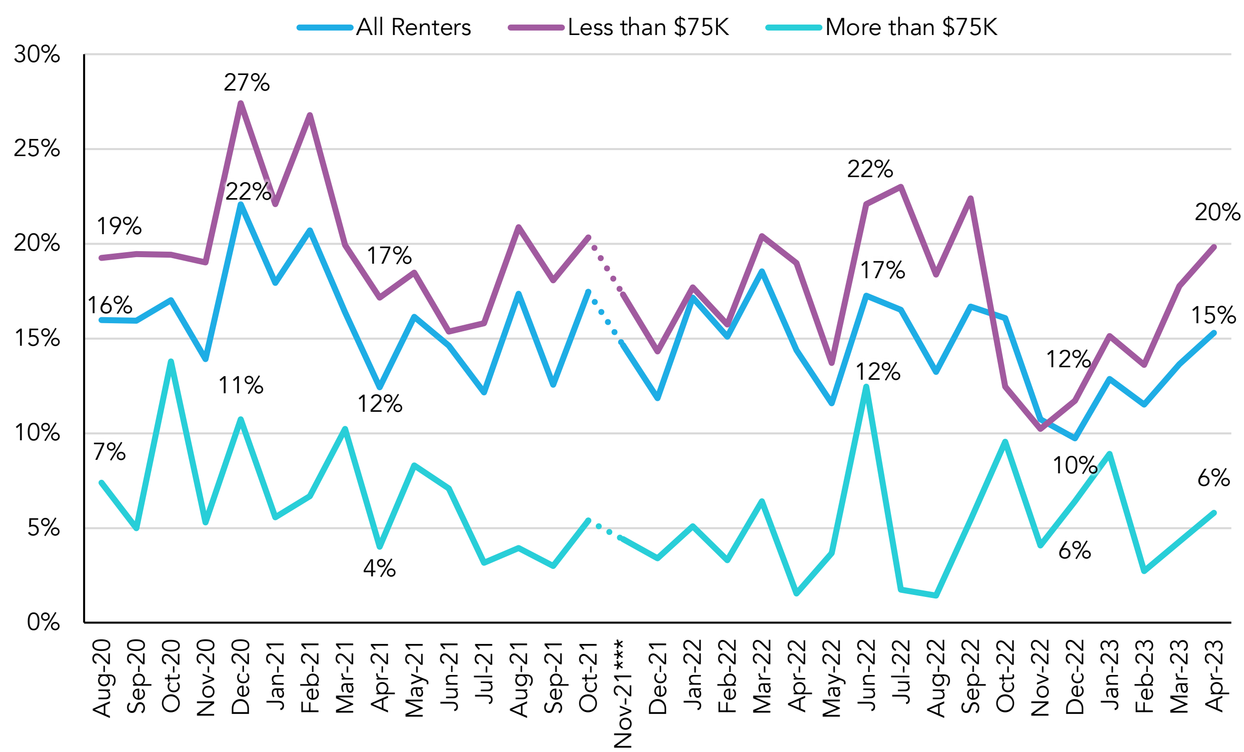
[21] Because ACS data is released annually—usually in October or November—for the previous year and the 2020 PIT count was conducted in January 2020, the gap, cost burden, overcrowding, and homelessness analyses do not capture the economic and social reality of the COVID-19 pandemic.
[22] California Housing Partnership, 2021. "Los Angeles County Affordable Housing Outcomes Report." Website: https://chpc.net/resources/los-angeles-county-annual-affordable-housing-outcomes-report-2021/.

rent arrears, fell from a peak of 27 percent in December 2020 to 17 percent in April 2021.[23] This percentage oscillated widely in 2022 between 14 and 23 percent and then rose in the first months of 2023 (see Figure 18 below), perhaps related to the expiration of the County's rent moratorium. Renters in households earning less than $75,000 have continued to report higher rates of rent arrears than renters in households earning $75,000 or more during every stage of the pandemic and recovery thus far. Additionally, the percentage of renters in arrears fell along the same timeline as the release of the Golden State Stimulus I (beginning in April 2021) and II (between October 2021 to early January 2022). However, the percentages became more variable as these financial aid programs ended, such as the Emergency Rental Assistance Program in December of 2022, or were discontinued, such as stimulus and economic impact payments.

FIGURE 18: PERCENTAGE OF RENTERS* WHO ARE NOT CAUGHT UP ON RENT PAYMENTS (AUGUST 2020-APRIL 2023)**



Source: California Housing Partnership analysis of Household Pulse Survey, U.S. Census Bureau, 2020-2023. Note no survey results were collected between October 12 and November 30, 2021 as it transitioned from phase 3.2 to 3.3.
**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the share of adults in households who are not caught up on rent. Note: Figures are averages of data collected in the corresponding month. For example, the October 2020 data point is an average of survey data collected Sept 30-Oct 12 and Oct 14-Oct 26.*
***The Census reworded the rent payment question in August 2020 (phase 2), making direct comparison with phase 1 estimates difficult. Therefore, results are only shown for August 2020 onward.*

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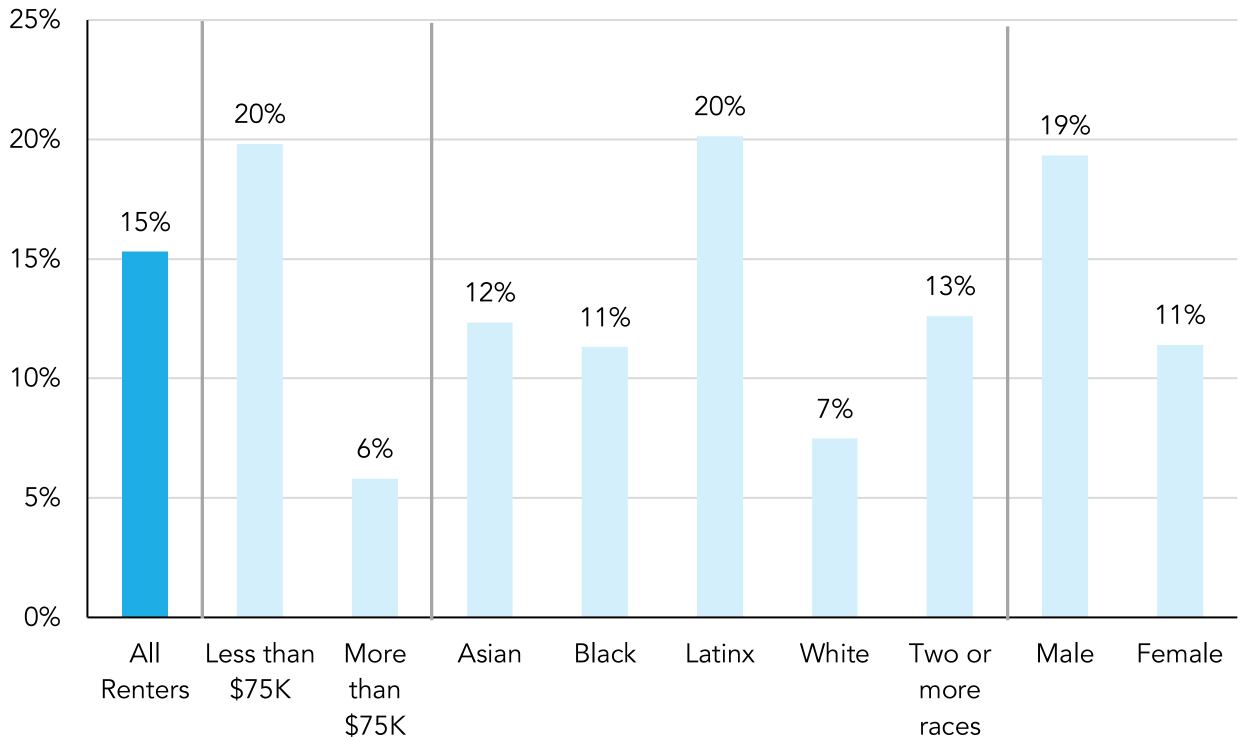
[23] The Household Pulse Survey likely underestimates the number of people behind on rent because of high non-response. When the survey was expanded in August 2020 ("phase 2"), it became longer, and more respondents skipped questions toward the end of the survey (including the housing questions). This non-response has tended to be higher among younger respondents and Black, Latinx, and Asian respondents.

As with other elements of housing need, households of color faced the greatest hardship in terms of housing instability. Even before the COVID-19 outbreak, the percentage of Black and Latinx renters experiencing cost burden, 62 percent and 56 percent, respectively, were already higher than that of white renters (51 percent). As of the March 29, 2023-April 10, 2023, Household Pulse survey, renters of color in the Los Angeles-Long Beach-Anaheim MSA were more likely to report that their household was behind on rent: 11 percent of Black renters, 20 percent of Latinx renters, and 12 percent of Asian renters, compared to 7 percent of white renters (see Figure 19 below).

FIGURE 19: PERCENTAGE OF RENTERS* WHO ARE NOT CAUGHT UP ON RENT PAYMENTS (APRIL 2023)



Source: California Housing Partnership analysis of Household Pulse Survey, U.S. Census Bureau, Mar 29, 2023-Apr 10, 2023.
**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the share of adults in households who are behind on rent. This data represents the race/ethnicity and sex at birth of the person filling out the survey. Asian, Black, and white include adults reporting only one racial category and do not identify their ethnic origin as Hispanic or Latino. Adults who identify their ethnic origin as Hispanic or Latino may be of any race. Starting in July 2021 (phase 3.2), the survey included questions regarding sexual orientation and gender identity. However, the sample size was not large enough for the Los Angeles-Long Beach-Anaheim MSA to report these findings here.*

Homelessness in Los Angeles County

This section describes key indicators of homelessness in the County using data from the Point-in-Time (PIT) Count, which is the primary data source for estimating the number of individuals and families experiencing homelessness in the United States. HUD requires that each Continuum of Care (CoC) conduct a count of homeless persons who are sheltered in emergency shelters, transitional housing, and Safe Havens on a single night in January each year. CoCs also must conduct a count of unsheltered homeless persons every other year (odd numbered years), although The Los Angeles Homeless Services Authority (LAHSA) generally conducts the Greater Los Angeles Homeless PIT Count for the County every year. Note that the 2021 PIT Count was cancelled for the County, and as a result, it was excluded from the analysis that compares historical trends in this subsection.

On January 10th, 2023, the Board of Supervisors declared a state of emergency to address homelessness in Los Angeles County.[24] Following a similar action by Los Angeles Mayor Karen Bass in December of 2022, the County's emergency declaration demonstrates a renewed sense of urgency to expand and expedite services for the overwhelmingly large homeless population in the County. Importantly, this declaration will allow the County to accelerate the hiring, procurement, and contracting processes related to homelessness, as well as the ability to request additional State and Federal assistance.[25] As the following section will highlight, the County's homeless population has grown at an accelerated rate over the past decade and is a crisis within all Supervisorial Districts. The County must expand and increase the services and affordable housing available in order to meet the unique and multifaceted needs of its unhoused population.

The County, which includes the four CoCs, experienced a four (4) percent increase in individuals experiencing homelessness between 2020 and 2022 (see Table 13 below). The CoCs saw a combined increase of 2,723 individuals experiencing homelessness. Notably, the Los Angeles CoC experienced a smaller increase in its homeless population during this period, with a two (2) percent increase between 2020 and 2022 compared to a 13 percent increase between 2019 and 2020. In contrast, Long Beach CoC and Glendale CoC saw substantial growth in their homeless populations during the 2020-2022 period, increasing by 62 percent and 33 percent respectively compared to a seven (7) percent increase and 30 percent decrease between 2019 and 2020, respectively.

TABLE 13: GREATER LOS ANGELES HOMELESS COUNT BY CoC (2022)*

Continuum of Care	Number of Individuals Experiencing Homelessness	% Change in Number of Individuals Experiencing Homelessness**
Los Angeles CoC	65,111	+2%
Long Beach CoC	3,296	+62%
Pasadena CoC	512	-3%
Glendale CoC	225	+33%
Los Angeles County Total	**69,144**	**+4%**

Source: HUD 2022 AHAR PIT Estimates of Homelessness in the U.S.

**This table reflects 2022 PIT counts based on Supervisorial Districts (SD) boundaries after redistricting in December 2021 and 2020 PIT counts before redistricting in December 2021.*

***Percentage change is the number of individuals experiencing homelessness in 2022 relative to the number of individuals experiencing homelessness in 2020.*

[24] Los Angeles County, 2023. "LA County Declares State of Emergency on Homelessness." 11 January 2023. Website: https://homeless.lacounty.gov/news/la-county-declares-state-of-emergency-on-homelessness/.

[25] Los Angeles County, 2023. "Proclamation of a Local Emergency for Homelessness in the County of Los Angeles." Motion by Supervisors Horvath and Barger, 10 January 2023. Website: https://file.lacounty.gov/SDSInter/bos/supdocs/176661.pdf?

According to LAHSA's recent presentation on the 2022 Greater Los Angeles Homeless Count, the County's increase in homelessness can be attributed in part to the severe housing affordability crisis, even as county programming continues to support a significant portion of the County's unhoused population. In 2021, the County made 21,213 permanent housing placements for people experiencing homelessness, continuing the annual trend of over 20,000 placements per year since 2018.[26] Another major initiative to address homelessness is Project Homekey, a state program initially started in response to the COVID-19 pandemic with the goal to increase the amount of interim and permanent affordable housing available to the state's most vulnerable populations during the pandemic. Through Project Homekey, Los Angeles County has acquired 1,567 units to date, with 720 of those units acquired in 2022.[27] To track its progress in serving the large homeless population, Los Angeles County provides the Homeless Initiative (HI) Impact Dashboard, an interactive tool that provides statistics on the progress of the County's homelessness services since July 2017 when Measure H revenue first became available.[28] The HI tool tracks the number of individuals served by the County's homelessness services over time as a whole, as well as by the subpopulations of families, single adults, veterans, and youth.

In spite of the increase in services and rental subsidies for households experiencing housing instability, cost burden, and homelessness, the homeless population of the County continues to outpace the County's ability to provide housing. Furthermore, the pandemic has impacted the County's ability to estimate need among its homeless population. Surges in the spread of COVID-19 due to increased transmissibility of certain variants impacted the County's ability to accurately count and survey homeless Angelenos. Due to the spread of the Omicron variant in winter 2021 and spring 2022, LAHSA saw a decrease in the number of surveys that were collected, particularly among families and transition-aged youth. [29] It is also important to note that during the pandemic, an increase in usage of cars and tents for shelter has impacted LAHSA's ability to gauge the unsheltered homeless population. The 2022 PIT count tallied a 17 percent increase in the use of tents, vehicles, and makeshift shelters, which impacts the number of unsheltered homeless individuals counted given current survey methodology while at the same time making homelessness more visible.[30] While progress is certainly being made in providing increased services and rental subsidies, the ongoing affordability crisis and the current economic impacts of COVID-19 have increased demand faster than the County has been able to increase the supply of these services.

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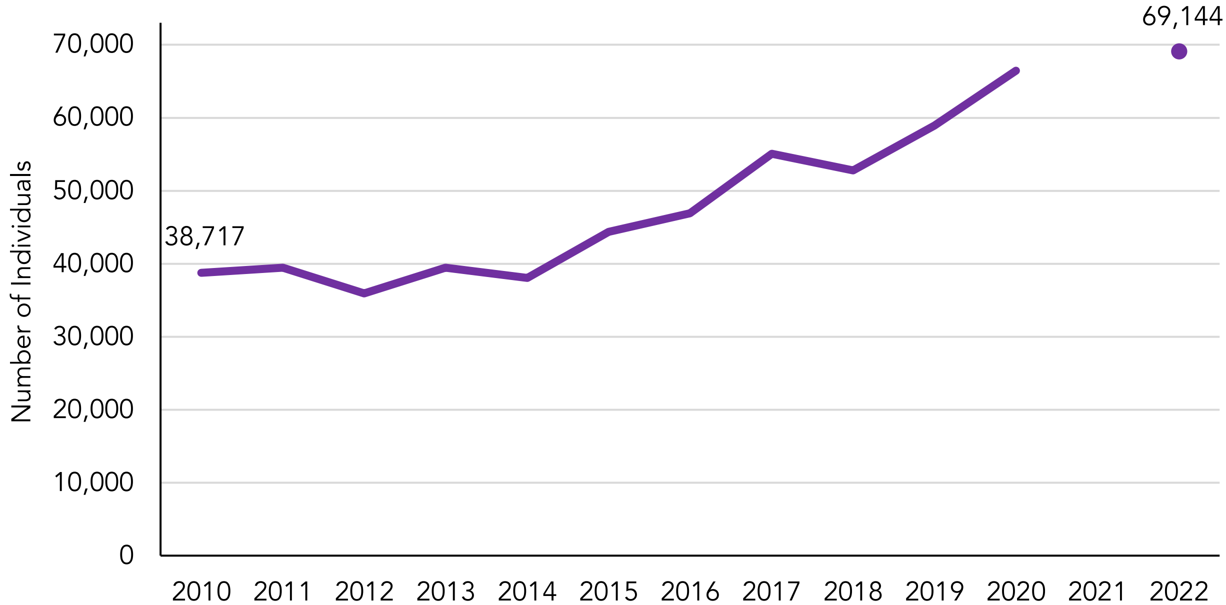
[26] LAHSA, 2022. "2022 Greater Los Angeles Homeless Count Deck." Presentation, 8 September 2022. Website: https://www.lahsa.org/documents?id=6545-2022-greater-los-angeles-homeless-count-deck.pdf.
[27] LA County Project Homekey. Website: https://homeless.lacounty.gov/homekey/.
[28] Los Angeles County, 2023. "Los Angeles County Homeless Initiative Impact Dashboard." 26 April 2023. Website: https://homeless.lacounty.gov/impact-dashboard/.
[29] LAHSA, 2022. "2022 Greater Los Angeles Homeless Count Deck." Presentation, 8 September 2022. Website: https://www.lahsa.org/documents?id=6545-2022-greater-los-angeles-homeless-count-deck.pdf
[30] Ibid.

As shown in Figure 20 below, the number of individuals experiencing homelessness has nearly doubled from 38,717 to 69,144 since 2010.[31] In addition to reflecting a growth in the homeless population, this increase can be explained, in part, by improvements to the Greater Los Angeles Homeless Count over the years, including additional funding and methodology improvements to more accurately count individuals experiencing homelessness.

FIGURE 20: NUMBER OF INDIVIDUALS EXPERIENCING HOMELESSNESS IN LOS ANGELES COUNTY (2010-2022)



Source: LAHSA, 2022. "Greater Los Angeles Homeless Count: 2022 Results".
**Note: 2021 is not included in this graphic due to the cancellation of the 2021 LA County PIT Count.*

Homelessness by Supervisorial District

The population experiencing homelessness is not proportionally distributed across Supervisorial Districts. SDs 1 and 2 contain the majority of the homeless population in LA County, with both SDs each containing 28 percent of the County's total (see Table 14 below). While three of the five SDs saw increases in the number of individuals experiencing homelessness, SDs 1 and 4 had the most substantial growth in their homeless population with a 31 percent and 33 percent increase, respectively. In contrast, SDs 2 and 3 experienced drops in their homeless population with a decrease of 14 percent and 7 percent, respectively. Across all SDs, an additional 2,708 individuals were experiencing homelessness (a 4 percent increase) between 2020 and 2022.

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[31] While the Great Los Angeles Homeless Count has improved its data collection processes each year and become increasingly comprehensive in its approach, researchers caution that the Count is not reliable enough to be used for precise historical comparisons. Sources of inconsistency include inaccurate counting measures, unrepresentative sampling, and lack of statistical tools for identifying and correcting measurement error, or the difference between the Count and the actual number of individuals experiencing homelessness. See, for example: Economic Roundtable, 2017. "Who Counts? Assessing Accuracy of the Homeless Count." Website: https://economicrt.org/wp-content/uploads/2017/11/Who-Counts-11-21-2017.pdf.

TABLE 14: GREATER LOS ANGELES HOMELESS COUNT BY SD (2022)*

Percentage of Households in SD		Individuals Experiencing Homelessness #	%	% Change From 2020*
SD 1	31%	19,060	28%	+31%
SD 2	28%	19,536	28%	-14%
SD 3	21%	13,485	20%	-7%
SD 4	9%	8,969	13%	+33%
SD 5	11%	8,094	12%	+2%
Total	**100%**	**69,144**	**100%**	**+4%**

Source: LAHSA 2022 Greater Los Angeles Homeless Count. Reflects counts based on Supervisorial District (SD) boundaries after redistricting in December 2021.

**Percentage change compares the 2020 and 2022 PIT Counts. 2020 counts are based on SD boundaries before redistricting in December 2021.*

Table 15 below contains additional demographic information gathered by LAHSA during the Greater Los Angeles Homeless Count for the Los Angeles CoC. According to these data:

- Forty-one (41) percent of the County's homeless population (26,968 individuals) experiences chronic homelessness;
- A majority of individuals experiencing homelessness are Latinx or Black—44 percent and 30 percent, respectively. Twenty-one (21) percent are white, one (1) percent are Asian or Native Hawaiian/Other Pacific Islander, three (3) percent are multiracial, and one (1) percent are Native American;
- Thirty-six (36) percent report that they have endured domestic or intimate partner violence—within that group, approximately six (6) percent report that they are homeless due to domestic or intimate partner violence;
- Sixty-six (66) percent of individuals experiencing homelessness are male (including transgender), 33 percent are female (including transgender), and 0.9 percent are gender non-binary;
- More than one percent (1.4 percent) of individuals experiencing homelessness are transgender (of any gender identity);
- Ten (10) percent of the homeless population in the county are under the age of 18, a decrease from 12 percent in 2020;
- Twenty-two (22) percent of the County's homeless population reported having a serious mental illness, nine (9) percent reported having a developmental disability, and 19 percent reported having a physical disability;
- Twenty-four (24) percent of individuals experiencing homelessness in the county reported having a substance use disorder; and
- Veterans make up five (5) percent of individuals experiencing homelessness.

TABLE 15: SELECT DEMOGRAPHICS BY SHARE OF INDIVIDUALS EXPERIENCING HOMELESSNESS IN LOS ANGELES CoC BY SUPERVISORIAL DISTRICT*

Sub-population	SD 1		SD 2		SD 3		SD 4		SD 5	
	#	%	#	%	#	%	#	%	#	%
Veterans	1,338	7%	719	4%	867	6%	165	3%	384	5%
Chronically Homeless	8,692	46%	7,168	37%	6,003	45%	2,300	41%	2,805	38%
Gender										
Male (includes transgender)	12,485	66%	12,476	64%	9,345	69%	3,966	70%	4,885	66%
Female (includes transgender)	6,351	33%	6,852	35%	3,945	29%	1,680	30%	2,388	32%
Gender Non-Binary (includes transgender)	181	0.9%	168	0.9%	145	1.1%	27	0.5%	84	1.1%
Questioning (includes transgender)**	43	0.2%	40	0.2%	50	0.4%	0	0%	0	0%
Transgender***	282	1.5%	264	1.4%	263	2%	69	1.2%	33	0.4%
Race and Ethnicity****										
American Indian/Alaska Native	234	1%	131	1%	164	1%	28	0%	43	1%
Asian	200	1%	140	1%	186	1%	20	0%	58	1%
Black/African American	5,771	30%	8,101	41%	3,281	24%	775	14%	1,849	25%
Hispanic/Latino	8,922	47%	9,026	46%	4,869	36%	3,773	67%	2,281	31%
Native Hawaiian/Other Pacific Islander	64	0.34%	25	0.13%	32	0.24%	13	0.23%	4	0.05%
White	3,284	17%	1,754	9%	4,425	33%	1,045	18%	2,978	40%
Multiracial/Other	585	3%	359	2%	528	4%	19	0.3%	144	2%
Age										
Under 18 years old	1,190	6%	2,804	14%	1,346	10%	348	6%	658	9%
62+ years old	2,099	11%	2,037	10%	1,249	9%	690	12%	666	9%
Health/Disability*****										
Substance Use Disorder	5,548	N/A	3,914	N/A	3,450	N/A	1,456	N/A	1,022	N/A
HIV/AIDS	476	N/A	274	N/A	335	N/A	91	N/A	143	N/A
Serious Mental Illness	4,586	N/A	3,700	N/A	3,220	N/A	1,082	N/A	1,510	N/A
Developmental Disability	2,272	N/A	1,480	N/A	1,462	N/A	369	N/A	363	N/A
Physical Disability	4,190	N/A	3,593	N/A	2,511	N/A	924	N/A	937	N/A
Domestic/Intimate Partner Violence										
Domestic/Intimate Partner Violence******	7,506	N/A	5,004	N/A	5,326	N/A	1,746	N/A	3,583	N/A

Homeless Due to Fleeing DV/IPV	1,155	N/A	947	N/A	900	N/A	319	N/A	452	N/A
Los Angeles CoC Total	**19,060**		**19,536**		**13,485**		**5,673**		**7,357**	

Source: LAHSA. 2022 Greater Los Angeles Homeless Count.

**These statistics are only representative of data collected by the Los Angeles CoC and do not include numbers from the Long Beach, Glendale, or Pasadena CoCs.*

***Measures that compare PIT results from 2020 are not available for certain gender subpopulations, due to the addition of "Questioning" as a new gender category in 2022.*

****Transgender population totals are inclusive of individuals from all gender identities; the share of the transgender homeless population is a separate measurement from the male, female, and non-binary totals, highlighting the share of the total homeless population that is transgender, of any gender identity or expression.*

*****All race and ethnic categories are non-overlapping. In other words, each individual identifies with one race or ethnicity (Black alone, white alone, Asian alone, etc.). Individuals who identify as Hispanic/Latino can be of any race.*

******Health/Disability indicators are not mutually exclusive (a person may report more than one). Percentages will not add up to 100%. Please note that data on substance abuse disorders and serious mental illness are self-reported.*

*******'Domestic/Intimate Partner Violence' and 'Homelessness due to DV/IPV' are not mutually exclusive. The overlap here would be even greater than health conditions—nearly 100%—because those fleeing must necessarily have experienced DV/IPV. Please note that data on domestic/intimate partner violent are self-reported.*

Section 2. Affordable Rental Housing Inventory and Risk Assessment

Overview

Section 2 of the Affordable Housing Outcomes Report examines the total inventory of rent-restricted housing in the County financed by federal, state, and local programs and County policies, funding, and operating subsidy programs. In addition, this section identifies developments at risk of losing affordability and affordable developments that were previously affordable but have converted to market rate. Together, this analysis is meant to inform local decision-making, resource allocation, and programming.

Data Sources and Methodology

The assessment of the County's affordable rental housing inventory relies on data provided by County departments and property-level data collected and analyzed in the California Housing Partnership's Preservation Database.[32] In total, this section considers affordable housing developments with:

- Federal and state Low-Income Housing Tax Credits (LIHTC/"tax credits");[33,34]
- Project-based rental assistance contracts, grants, and subsidized loans issued directly by the U.S. Department of Housing and Urban Development (HUD);
- Subsidized loans and Section 8 contracts issued and managed by the California Housing Finance Agency (CalHFA);
- Subsidized loans, grants, and rental assistance administered and managed by the California Department of Housing and Community Development (HCD);
- Public housing and affordable developments owned by the Los Angeles County Development Authority (LACDA) and other public housing authorities, as well as project-based and tenant-based vouchers contracted by LACDA;
- LACDA capital resources awarded through the Notices of Funding Availability (NOFA), developments created through land-use policies, public housing, Housing Successor Agency developments, tax-exempt bond financing, and project- and tenant-based subsidies;
- Department of Mental Health (DMH) resources such as Mental Health Service Act (MHSA), the Mental Health Housing Program (MHHP), Special Needs Housing Program (SNHP), No Place Like Home (NPLH), and Federal Housing Subsidy Unit (FHSU) Program; and

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[32] This assessment includes developments financed or assisted by HUD, USDA, CalHFA, HCD, and LIHTC programs or otherwise restricted by regulatory agreements with local governments or other local agencies. The California Housing Partnership is in the process of incorporating data on and local programs into its loss and risk analysis, but this data was not fully available at the time of this Report's preparation.

[33] This includes awarded developments, some of which are not yet placed in service.

[34] The state Low-Income Housing Tax Credit was authorized in 1987 to complement the federal tax credit program.

- Regulatory agreements and rent restrictions from former redevelopment agencies, local governments, and other public entities.

Identification of At-Risk and Lost Developments

The California Housing Partnership assesses the historical loss and conversion risk of affordable rental developments in the County by categorizing each affordable development financed or assisted by HUD, HCD, CalHFA, and LIHTC programs or otherwise restricted by regulatory agreements with local governments or other local agencies into the following groupings:[35]

- **Lost:** The development has converted to market-rate prices, affordability restrictions have ended, and no known overlapping financing has extended affordability.
- **Very High Risk of Conversion:** Affordability restrictions end in less than one year, no known overlapping subsidies extend affordability, and a stable mission-driven nonprofit developer does not own the development.
- **High Risk of Conversion:** Affordability restrictions end in one to five years, no known overlapping subsidies extend affordability, and a stable mission-driven nonprofit developer does not own the development.
- **Moderate Risk of Conversion:** Affordability restrictions end in five to ten years, no known overlapping subsidies extend affordability, and a stable mission-driven nonprofit developer does not own the development.
- **Low Risk of Conversion:** Affordability restrictions extend beyond ten years, or a stable mission-driven nonprofit developer owns the development.

For more information on the California Housing Partnership's risk assessment methodology, see Appendix A: Methodology.

[35] The Preservation Database is updated quarterly with the most complete and available data provided by each agency. The data is then cleaned and duplicate information is removed using both automated processes and manual confirmation. Every effort is made to ensure the information presented is as precise as possible; however, there may be unintentional inaccuracies in the analysis or in the data processed from federal, state, and local agencies.

Inventory of Affordable Rental Housing

There are currently 138,550 affordable homes in the County administered and subsidized by federal, state, County, and other local programs and financing mechanisms. Table 16 shows the distribution of this inventory by Supervisorial District (SD).[36] Figure 21 shows a map of affordable housing across the County. SD-level maps of the inventory are available in Appendix C: Full Data Findings, Section 2.

TABLE 16: SUMMARY OF FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN LOS ANGELES COUNTY IN 2021

SD	Developments	Affordable Homes	% of Total County Inventory	% Change*
SD 1	582	42,478	30%	+3%
SD 2	573	32,388	24%	+6%
SD 3	555	25,669	19%	+7%
SD 4	218	18,343	13%	+4%
SD 5	305	19,672	14%	+4%
*Unincorporated Los Angeles***	*204*	*8,634*	*6%*	*+6%*
County Total	**2,233**	**138,550**	**100%**	**+4%**

Source: California Housing Partnership Preservation Database, June 2023. LACDA, HACLA, DRP and DMH.

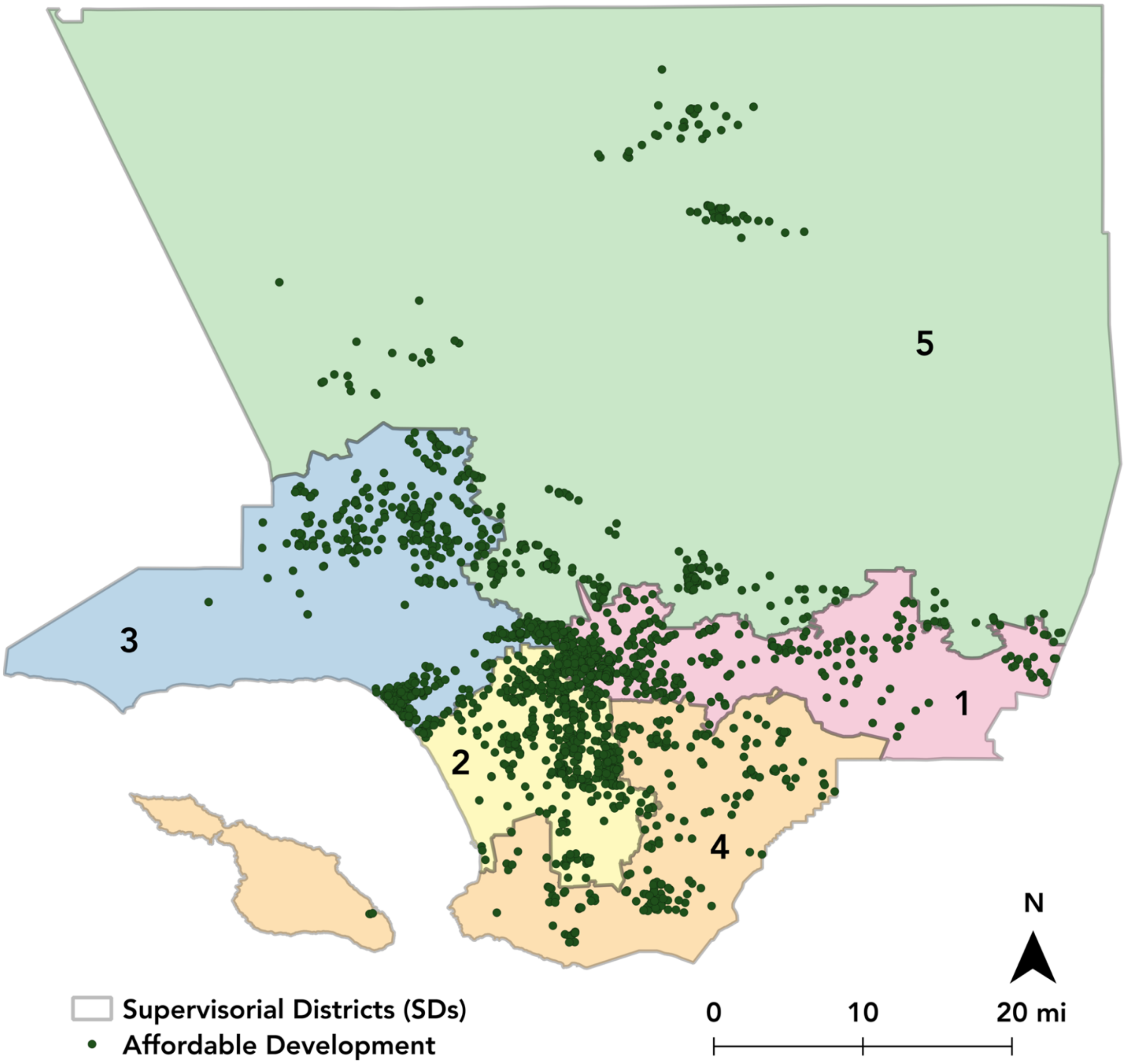
**Percent change is the number of affordable homes available in each Supervisorial District in 2021 relative to the number of affordable homes available in 2021, including those not yet placed in service.*

***This is a subset of the developments and affordable homes listed in SDs 1 – 5.*

Between 2021 and 2022, there was a four (4) percent increase in the affordable housing inventory in the County. This increase is attributed to successful investments by LACDA, developer partners obtaining tax credit awards through the LIHTC program, as well as entitlements and land use mechanisms monitored by DRP. The most significant increase in affordable homes between 2021 and 2022 were in SD 2 and 3.

[36] Updated boundaries of Supervisor Districts were adopted on December 15, 2021. We have updated our analysis to reflect these updated boundaries which may cause summary numbers to differ from prior reports.

FIGURE 21: FEDERAL, STATE AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN LOS ANGELES COUNTY



Affordable Homes with Low-Income Housing Tax Credits

The Low-Income Housing Tax Credit 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. 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.[37] There are two types of federal tax credits: competitive 9 percent credits—which are allocated annually by the IRS on a per capita basis to each state—and non-competitive 4 percent credits. While the 4 percent credit offers a subsidy of less than

[37] 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.

half the value of the 9 percent credits, it has been a virtually uncapped and non-competitive resource because developers obtain it through an allocation of tax-exempt private activity mortgage revenue bonds, which have historically not been competitive, at least until the end of 2019.[38] In addition to federal tax credits, California also has state tax credits, which were authorized in 1987 to complement the federal tax credit program. Unlike the federal tax credits, which are taken over ten years, the state tax credits are taken over four years. Because state credits are also in limited supply, TCAC awards them competitively—85 percent help support 9 percent LIHTC developments and 15 percent are reserved for 4 percent LIHTC developments.[39]

Since 1987, County developers have won more than $12 billion in federal LIHTC awards and $650 million in state LIHTC awards, which have financed the production and preservation of more than 102,000 affordable homes in more than 1,500 developments.[40] In 2022, nearly 3,000 affordable homes were awarded through the LIHTC program, a three (3) percent increase to the total LIHTC affordable housing stock in the County.

Thanks to new strategies to increase the use of 4 percent tax credits, the number of affordable homes financed by tax credits and the number of credits awarded increased between 2015 and 2016 by 30 percent and 37 percent, respectively (see Figure 22).[41] This steady increase was short-lived; however, in anticipation of federal tax reform, LIHTC activity in the County declined by 51 percent between 2016 and 2017.[42] In 2022, the amount of LIHTC awards and the number of affordable homes funded declined from 2021. See Figure 22 for LIHTC trends in the County between 2007-22 and Appendix C: Full Data Findings, Section 2 for annual data since 1987.

A dramatic increase in the demand for tax-exempt bonds occurred at the end of 2019. This increase has meant a fundamental change in the ability of County developers to access 4 percent tax credits and a consequent shift in financing availability and strategy that is likely to limit the County's ability to expand LIHTC-financed production until Congress eases the supply of bonds. The best way for Congress to do this is by lowering the requirement that developers pay for at least 50 percent of project costs with bonds to 25 percent of project costs with bonds. Unfortunately, given that California is one of a few dozen states with a severe shortage of bonds, a change to the bond requirement for 4 percent tax credit projects will take a concerted effort by advocates and legislatures in impacted states and could take several years to enact.

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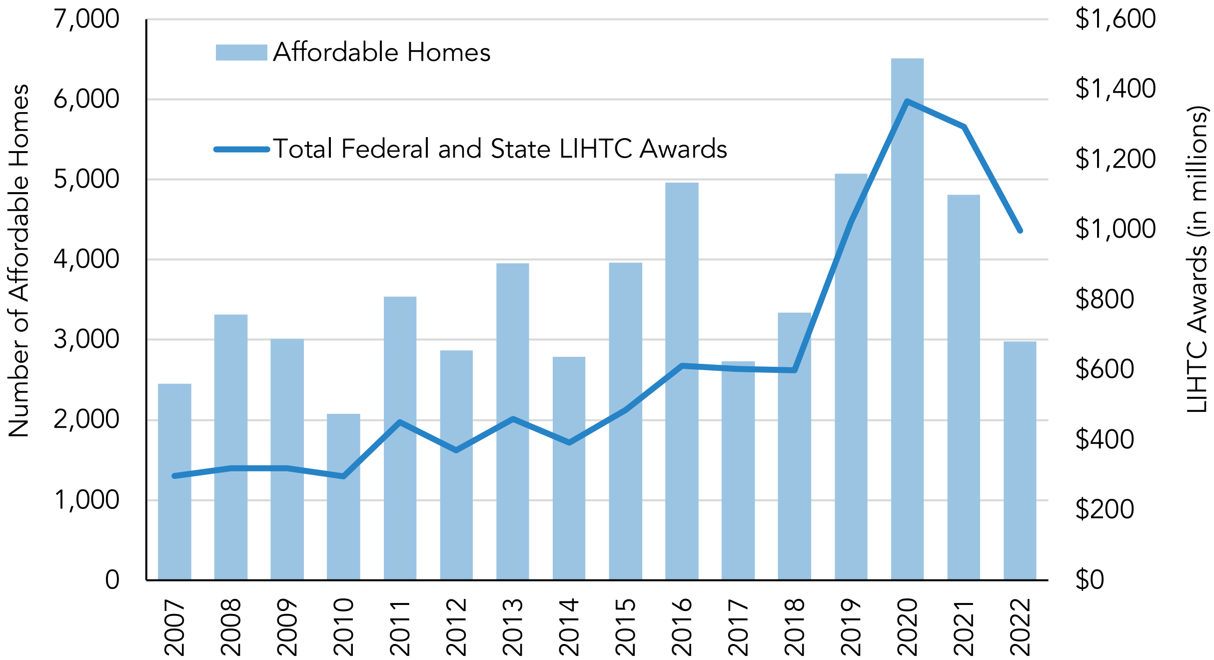
[38] California Housing Partnership. "The Tax Credit Turns 30." December 2017. Website: https://chpc.net/resources/tax-credit-turns-30/.
[39] To learn more about California's Low-Income Housing Tax Credit program, see the California Tax Credit Allocation Committee's Program Overview, available online at https://www.treasurer.ca.gov/ctcac/program.pdf.
[40] These totals include all developments that have been awarded LIHTCs, even those that have not yet been placed in service or have since converted to market rate.
[41] California Housing Partnership. "The Tax Credit Turns 30." December 2017. Website: https://chpc.net/resources/tax-credit-turns-30/.
[42] California Housing Partnership. "Los Angeles County's Housing Emergency and Proposed Solutions." May 2018. Website: https://chpc.net/resources/los-angeles-county-housing-need-report-2018/.

FIGURE 22: LIHTC DEVELOPMENTS*IN LOS ANGELES COUNTY (2007-2022)**



Source: California Housing Partnership Preservation Database, June 2023.
**Includes awarded developments not yet placed in service.*
***All dollar figures are nominal. Year in this analysis corresponds with the development's LIHTC award year.*

The geographic distribution of all LIHTC-awarded developments across the County's five SDs is shown below in Table 17. Highlights include:

- SDs 1 and 2 have the largest share of LIHTC affordable homes—33 percent and 23 percent, respectively; and
- The number of LIHTC affordable homes increased countywide by three (30) percent between 2021 and 2022.

TABLE 17: LIHTC DEVELOPMENTS IN LOS ANGELES COUNTY* BY SD (2022)

SD	Developments	Affordable Homes	% of Total County LIHTC Inventory**
SD 1	376	29,200	33%
SD 2	327	20,728	23%
SD 3	228	14,125	16%
SD 4	130	12,991	15%
SD 5	131	11,394	13%
Total	**1,192**	**88,438**	**100%**

Source: California Housing Partnership Preservation Database, June 2023.
**Includes awarded developments not yet placed in service and developments subsidized by HUD, HCD, and CalHFA or otherwise restricted by other local program affordability restrictions. Data presented here is a subset of data in Table 2 and reflects updated Supervisorial District boundaries adopted December 15, 2021.*
***Percent of total County LIHTC inventory represents the share of LIHTC affordable homes in each SD.*

U.S. Department of Housing and Urban Development (HUD) Affordable Homes

From the 1960s to the 1980s, HUD provided multifamily developers with subsidized mortgages, Section 8 project-based rental assistance (PBRA) contracts, and other financing programs to help finance the construction, rehabilitation, or acquisition of affordable housing developments throughout the United States. Nearly six hundred developments contain more than 40,000 affordable homes with HUD-subsidized mortgages and Section 8 contracts.[43] HUD subsidies and programming are crucial affordable housing resources, but those HUD resources have steadily declined since the early 2000s.[44]

The geographic distribution of HUD-subsidized developments across the County's five SDs is shown in Table 18. SDs 1, 2, and 3 have the largest share of HUD-subsidized homes.

TABLE 18: HUD-SUBSIDIZED DEVELOPMENTS IN LOS ANGELES COUNTY* BY SD (2022)

SD	Developments	Affordable Homes	% of Total County HUD Inventory**
SD 1	120	10,248	25%
SD 2	156	9,994	24%
SD 3	152	8,936	22%
SD 4	69	5,100	13%
SD 5	94	6,366	16%
Total	**591**	**40,644**	**100%**

Source: California Housing Partnership Preservation Database, June 2023.
**Includes developments that LIHTC and CalHFA also subsidize or are otherwise restricted by other local program affordability restrictions. Data presented is a subset of data in Table 2 and reflects updated Supervisorial District boundaries adopted December 15, 2021.*
***Percent of total County HUD inventory represents the share of HUD affordable homes in each SD.*

California Housing Finance Agency (CalHFA) Affordable Homes

Since 1975, the California Housing Finance Agency (CalHFA) has provided renters and homebuyers with subsidized loans to build affordable housing as the state's chartered affordable housing lender. One hundred three rental developments contain more than 3,200 affordable homes with CalHFA loans in the County.[45] The geographic distribution of these developments across the County's give SDs is shown in Table 19. SDs 1 and 3 have the largest share of CalHFA-financed homes.

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[43] California Housing Partnership Preservation Database, June 2023.
[44] California Department of Housing and Community Development, 2018. "California's Housing Future: Challenges and Opportunities Final Statewide Housing Assessment 2025." Website: http://www.hcd.ca.gov/policy-research/plans-reports/docs/SHA_MainDoc_2_15_Final.pdf.
[45] California Housing Partnership Preservation Database, June 2023.

TABLE 19: CALHFA FINANCED DEVELOPMENTS IN LOS ANGELES COUNTY* BY SD (2022)

SD	Developments	Affordable Homes	% of Total County CalHFA Inventory**
SD 1	33	1,049	28%
SD 2	24	661	17%
SD 3	26	914	24%
SD 4	20	751	20%
SD 5	18	397	11%
Total	**121**	**3,772**	**100%**

Source: California Housing Partnership Preservation Database, June 2023.
**Includes developments subsidized by HCD, LIHTC, and HUD or otherwise restricted by other local program affordability restrictions. Data presented here is a subset of data in Table 2. and reflects updated Supervisorial District boundaries adopted December 15, 2021.*
***Percent of total County CalHFA inventory represents the share of CalHFA affordable homes in each SD.*

California Department of Housing and Community Development (HCD) Affordable Homes

The California Department of Housing and Community Development (HCD) has provided grants, loans, and rental assistance to renters and home buyers since the 1970s. Three hundred thirteen rental developments contain more than 17,500 affordable homes with HCD loans and rental assistance contracts in the County.[46] The geographic distribution of HCD-subsidized developments across the County's five SDs is shown in Table 20. SD 1 has the largest share of HCD-subsidized homes.

TABLE 20: HCD FINANCED DEVELOPMENTS IN LOS ANGELES COUNTY* BY SD (2022)

SD	Developments	Affordable Homes	% of Total County HCD Inventory**
SD 1	107	6,867	39%
SD 2	73	3,775	21%
SD 3	72	3,668	21%
SD 4	32	1,903	11%
SD 5	29	1,366	8%
Total	**313**	**17,579**	**100%**

Source: California Housing Partnership Preservation Database, June 2023.
**Includes developments subsidized by LIHTC, CalHFA, and HUD or otherwise restricted by other local program affordability restrictions. Data presented here is a subset of data in Table 2 and reflects updated Supervisorial District boundaries adopted December 15, 2021.*
***Percent of total County HCD inventory represents the share of HCD affordable homes in each SD.*

[46] California Housing Partnership Preservation Database, June 2023.

Los Angeles County Development Authority (LACDA) Owned Development

Public Housing Authorities (PHAs) own and operate housing with guaranteed affordable rents to no more than 30 percent of income to households earning no more than 80 percent of AMI.[47] In recent years, California's public housing stock has decreased due to a lack of funding appropriations by Congress and the conversion of some public housing into a public-private partnership ownership model through the Rental Assistance Demonstration (RAD) program.

Four jurisdictions have PHAs with development portfolios: the City of Baldwin Park, the City of Lomita, the City of Los Angeles (HACLA), and LACDA.[48] No new acquisition or development activity occurred in 2022 in any jurisdiction and the overall number of developments has declined. Summary data from each PHA are shown in Tables 21 and 22, and Figure 23. Highlights include:

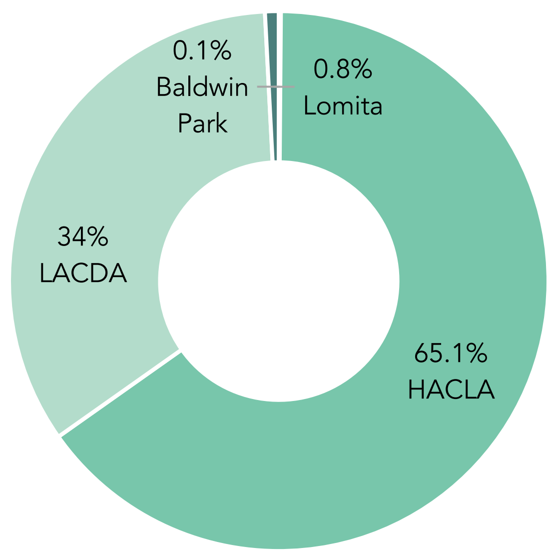
- HACLA owns nearly two thirds of PHA-owned homes in the County; and
- 63 percent of PHA-owned homes are concentrated in the County's SD 1 and SD 2.

TABLE 21: PUBLIC HOUSING AUTHORITY OWNED DEVELOPMENTS IN LOS ANGELES COUNTY

Public Housing Authority	Affordable Homes
Housing Authority of the City of Baldwin Park	12
Housing Authority of the City of Lomita	78
Housing Authority of the City of Los Angeles (HACLA)*	6,189
Los Angeles County Development Authority (LACDA)	3,229
Total	**9,508**

Source: HUD, LACDA, and HACLA.
**Does not include 100% market, Project-Based Voucher (PBV) Only, Tenant-Based Voucher Only, RAD conversions, or homeowner developments.*

FIGURE 23: PROPORTION OF TOTAL PHA INVENTORY BY PHA*



**May not sum to 100% due to rounding*

[47] At initial occupancy, PHAs guarantee affordable rents up to 30 percent of income to households earning no more than 50 percent of AMI.
[48] PHA development portfolios include conventional public housing and other affordable housing developments financed by programs like the Low-Income Housing Tax Credit (LIHTC). Scattered sites are not counted as separate developments.

TABLE 22: SUMMARY OF PUBLIC HOUSING AUTHORITY-OWNED DEVELOPMENTS IN LOS ANGELES COUNTY BY SD

SD	PHA	Developments	Affordable Homes	% of Total County PHA Inventory*
SD 1	*LACDA*	*10*	*677*	*7%*
	*HACLA***	*4*	*1,427*	*15%*
	City of Baldwin Park	*1*	*12*	*0.1%*
	Subtotal	**15**	**2,116**	**22%**
SD 2	*LACDA*	*40*	*592*	*6%*
	*HACLA***	*22*	*3,308*	*35%*
	Subtotal	**62**	**3,900**	**41%**
SD 3	*LACDA*	*6*	*451*	*5%*
	*HACLA***	*1*	*448*	*5%*
	Subtotal	**7**	**899**	**9%**
SD 4	*LACDA*	*5*	*1,104*	*12%*
	*HACLA***	*4*	*1,006*	*11%*
	City of Lomita	*1*	*78*	*1%*
	Subtotal	**10**	**2,188**	**23%**
SD 5	*LACDA*	*5*	*405*	*4%*
	Subtotal	**5**	**405**	**4%**
County	Grand Total	99	9,508	100%

Source: HUD, LACDA, and HACLA. Data presented here reflects updated Supervisorial District boundaries adopted December 15, 2021.
**Percent of total County inventory represents the share of affordable homes in each PHA. Data presented here is a subset of data in Table 2. Percentages may not sum to 100% due to rounding.*
***Does not include 100% market, Project-Based Voucher (PBV) only, Tenant-Based Voucher Only, RAD conversions, or homeowner developments. Jordan Downs scattered sites and the New Dana Strand development are consolidated as single developments.*

Housing Choice Vouchers

The Housing Choice Voucher (Voucher), previously referred to as a Section 8 voucher, is a flexible tool for helping the lowest-income households afford the cost of housing in the private market. Vouchers cover the difference between the full rent for an apartment in the private market, and the affordable rent households pay, typically 30 percent of their income. Vouchers are available to households earning up to 50 percent of AMI on initial occupancy and so long as the household earns no more than 80 percent of AMI after acquiring the voucher. There are typically two types of vouchers, project-based and tenant-based. Project-based vouchers are when PHAs award a contract for multiple vouchers to a particular owner to subsidize the rents of several apartments at a specific property. Tenant-based vouchers travel with the tenant and can be used to rent an apartment where a landlord will accept it.[49]

Voucher funding has diminished since the passage of the Federal Budget Control Act of 2011 — meaning that as vouchers have turned over, PHAs are often forced to remove vouchers from circulation to stay within budgets that have diminished. Congress reduced the voucher renewal budgets by approximately five percent in 2016. Fortunately, Congress reached consecutive two-year deals to raise the budget caps on domestic discretionary funding for Fiscal Year (FY) 2017-20, which resulted in modest increases in budget authority both times that have enabled PHAs to avoid further cuts and, in some cases, to return some vouchers to circulation.

Maximizing the use of project-based vouchers is considered a best practice because it enables vouchers to be used to finance new construction of affordable homes and potentially leverage considerable amounts of private financing.[50]

According to HUD, PHAs in the County had 99,761 tenant-based vouchers available in 2022, 1,187 more vouchers than in 2021. Summary data on tenant-based vouchers from each PHA is shown in Table 23 and Figure 24. Highlights:

- LACDA and HACLA allocated 78 percent of vouchers in the County in 2022, a similar proportion to what both PHAs allocated from 2017-21; and
- Overall, the PHAs in the County saw a 1.2 percent increase in the number of available tenant-based vouchers, with the City of Hawthorne, the City of Torrance, and the City of South Gate PHAs seeing the largest increase from 2021.

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[49] PHAs can project-base up to 20 percent of their Housing Choice Vouchers, plus an additional ten percent if they serve certain populations and geographies. An Urban Institute study found that 76 percent of landlords, including 82 percent of landlords in low-poverty neighborhoods, refused to accept Housing Choice Vouchers. Source: Cunningham, et al., 2018. "Do Landlords Accept Housing Choice Vouchers? Findings from Los Angeles, California". Urban Institute. For information about HUD regulations on project basing go to https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/project.

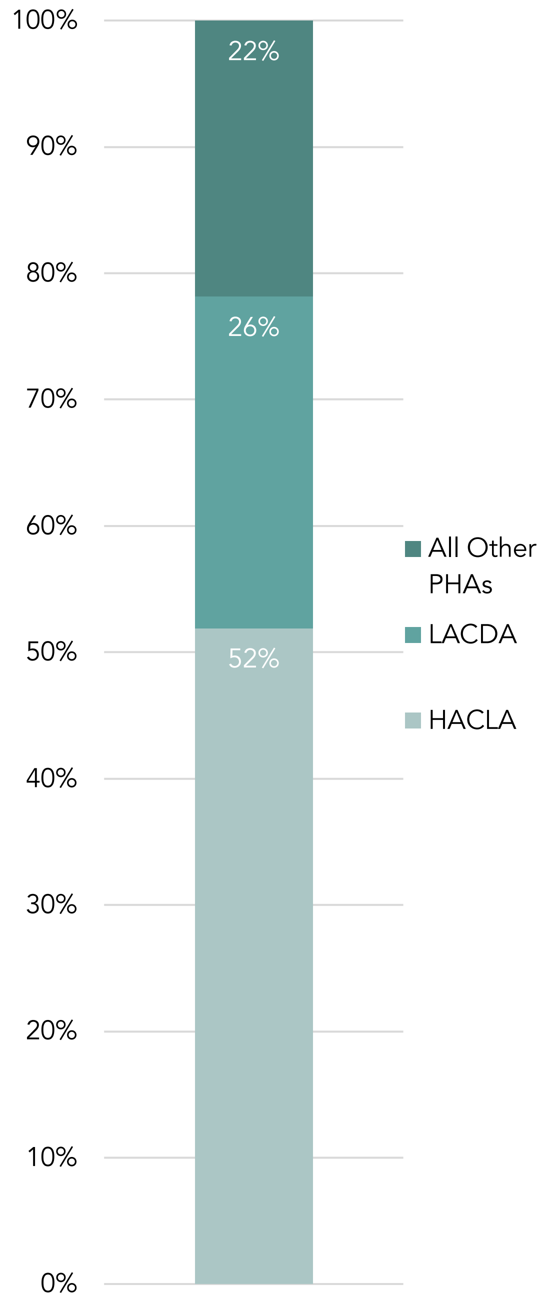
[50] For more information about why project-basing is a best practice, see "The Power of Leveraging Section 8" by the California Housing Partnership: https://chpc.net/resources/the-power-of-leveraging-section-8/.

TABLE 23: HOUSING CHOICE VOUCHERS AVAILABLE IN LOS ANGELES COUNTY (2022)

Public Housing Authorities	# of Vouchers Available	% Change from 2021
City of Los Angeles (HACLA)	51,786	+1.2%
Los Angeles County Development Authority (LACDA)	26,214	+1.2%
City of Long Beach	7,630	+1.1%
City of Glendale	1,648	+1.7%
City of Santa Monica	1,521	+0.9%
City of Pasadena	1,501	+1.1%
City of Inglewood	1,141	+1.2%
City of Pomona	1,047	+1.5%
City of Burbank	1,042	+1.3%
City of Baldwin Park	913	+1.6%
City of Compton	803	0%
City of Norwalk	727	+1.0%
City of Hawthorne	726	+2.1%
City of Torrance	715	+2.1%
City of South Gate	666	+1.8%
City of Redondo Beach	638	+0.8%
City of Pico Rivera	522	1.0%
Culver City	389	+1.3%
City of Hawaiian Gardens	132	0%
Total	**99,761**	**+1.2%**

Source: HUD Picture of Subsidized Households, 2022. LACDA.

FIGURE 24: PERCENTAGE OF TOTAL AVAILABLE VOUCHERS IN LOS ANGELES COUNTY BY PUBLIC HOUSING AUTHORITY



Housing Inventory Counts

The County Continuum of Care Housing Inventory Count (HIC) is conducted in the last ten days of January. It gives the County a comprehensive listing of beds and supportive housing units dedicated to homeless and formerly homeless persons. HUD requires the HIC to help allocate federal funding for homeless services. The HIC includes many kinds of crisis and permanent housing, including shelters, shared, and scattered-site housing.[51] Full details from the 2022 HIC are shown in Table 24.

TABLE 24: 2022 HIC PERMANENT BEDS* IN LOS ANGELES COUNTY

Continuum of Care (CoC)	Year-Round Beds	% of Total Available Beds	% Change from 2021**
LAHSA Total	28,285	91%	+4%
SD 1	*13,384*	43%	+163%
SD 2	*6,862*	22%	-47%
SD 3	*4,748*	15%	+17%
SD 4	*1,122*	4%	+43%
SD 5	*1,387*	4%	-59%
CONFIDENTIAL	*782*	3%	-19%
Pasadena (SD 5)	556	1.8%	+28%
Long Beach (SD 4)	2,072	6.7%	+9%
Glendale (SD 5)	174	0.6%	-8%
Total	**31,087**	**100%**	**+4%**

Source: 2022 Housing Inventory Count (HIC)—Los Angeles CoC, LAHSA. 2022 AHAR HUD.
**Only includes permanent supportive housing (PSH) and other forms of permanent housing (OPH).*
***The change from 2021 to 2022 is impacted by the 2022 SD redistricting and programs were added or removed based on need.*

[51] SD-level counts derived from the HIC for the Los Angeles Continuum of Care (CoC) should be seen as approximations based, in some cases, on the locations of a development's administrative offices or sponsoring organizations. Please note that for all shared and scattered-site housing, only one location is recorded.

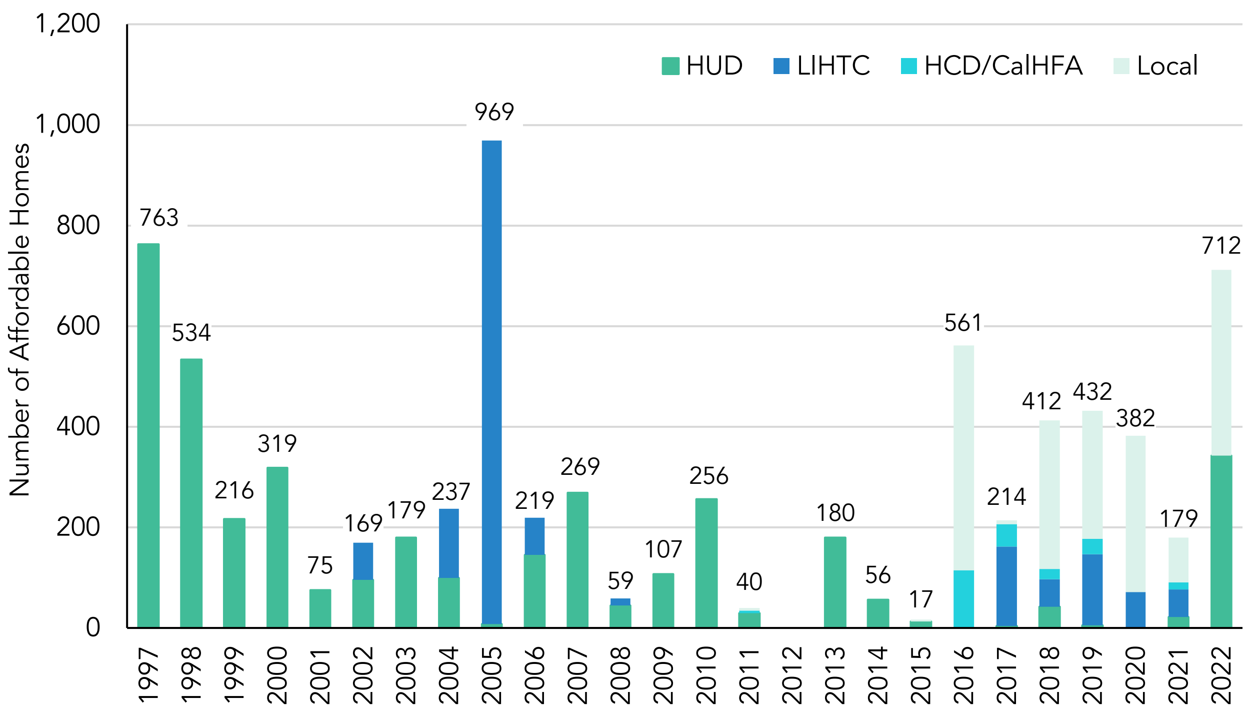
Homes At Risk of Losing Affordability in Los Angeles County

This section documents historical losses of federally- and state-subsidized affordable homes and assesses the risk of homes converting to market rate to inform efforts to preserve the affordability of existing affordable homes.[52] For this analysis, 'very high-risk' developments may convert to market rate in the next 365 days, and 'high-risk' developments may convert within the next one to five years.[53]

Lost Affordable Homes in Los Angeles County, 1997-2022

Between 1997 and 2022, the County lost 7,556 affordable rental homes meaning those with project-based rental assistance contracts, or loans from HUD, CalHFA, HCD, tax credits, or local regulatory agreements. The affordable rental homes where lost due to owner decisions to opt-out of further covenants, sell the property, or allow their developments to convert to market rate. Of the 7,556 affordable homes lost in the County, 49 percent converted to market-rate between 1997 and 2006. Only 28 percent of lost affordable homes converted between 2018 and 2022 (see Figure 25).

FIGURE 25: LOST AFFORDABLE HOMES IN LOS ANGELES COUNTY (1997-2022)



Source: California Housing Partnership Preservation Database, June 2023.

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[52] This assessment includes developments financed or assisted by HUD, USDA, CalHFA, HCD, LIHTC, and local programs. The California Housing Partnership has included a portion of local programs into its loss and risk analysis, but the data was not comprehensive at the time of this Report's preparation. The California Housing Partnership updates its Preservation Database on a quarterly basis with the most complete and available data provided by each agency. The data is then cleaned and duplicate information is removed using both automated processes and manual confirmation. Every effort is made to ensure the information presented is as precise as possible; however, there may be unintentional inaccuracies in the analysis or in the data processed from federal and state agencies.

[53] California Housing Partnership's risk assessment considers length of affordability, overlapping subsidies and owner entity type to determine the risk of a development converting to market rate.

Of the 7,556 lost homes, 3,804 (50 percent) had HUD subsidies, 231 (3 percent) had HCD or CalHFA loans and rental assistance, 1,741 (23 percent) were financed with tax credits, and 1,780 (24 percent) had regulatory agreements with local entities. See Table 25 for the number of lost homes by SD.

TABLE 25: LOST AFFORDABLE HOMES IN LOS ANGELES COUNTY BY SD AND PROGRAM (1997-2022)

Supervisorial District	Lost HUD Homes	Lost LIHTC Homes	Lost HCD/CalHFA Homes	Lost Local Homes	Total Lost Homes	% of Total Lost Homes
SD 1	619	395	128	496	1,638	22%
SD 2	1,595	639	66	466	2,766	37%
SD 3	431	81	6	428	946	12%
SD 4	481	232	0	70	783	10%
SD 5	678	394	31	320	1,423	19%
Total	**3,804**	**1,741**	**231**	**1,780**	**7,556**	**100%**
Unincorporated Los Angeles*	**451**	**14**	**0**	**0**	**465**	**6%**

Source: California Housing Partnership Preservation Database, June 2023.Data presented here reflects updated Supervisorial District boundaries adopted December 15, 2021.

**Unincorporated Los Angeles County is a distinct subset of the "Total" row for Los Angeles County. There are unincorporated areas across multiple SDs.*

Developments at Risk of Losing Affordability in Los Angeles County

Our analysis demonstrates that the risk of affordable homes converting to market-rate prices is important to pay attention to in the County's tight housing market, which includes four of the ten most expensive cities in the United States for a two-bedroom apartment.[54]

Of the 125,000 federally-, state-, and locally-subsidized affordable homes in the County, 7,681 (6 percent) are currently at 'very high' and 'high' risk of conversion in the next five years; homes that meet either definition are considered at-risk in this analysis. At-risk affordable homes in the County have the following characteristics (see Figure 26 and Table 26):

- Seventy-two (72) percent have expiring HUD project-based rental assistance contracts and maturing mortgages, while twelve (12) percent are governed by expiring LIHTC regulatory agreements; and
- At-risk affordable homes are concentrated in SDs 2 and 3 (20 percent and 37 percent, respectively).

See Appendix C: Full Data Findings, Section 2 for more data on at-risk affordable homes in the County, including program-specific analysis.

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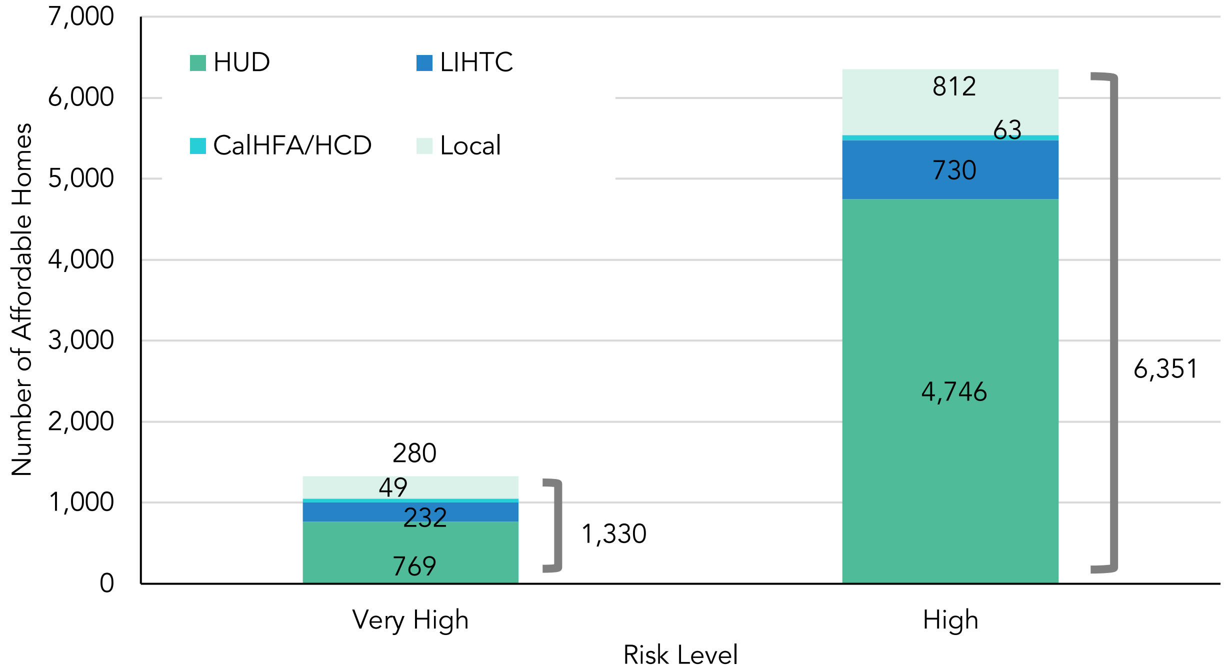
[54] Nelson, Alicia Underlee. "The Most Expensive Cities for Renters in America." 30 September 2020. Website: https://www.apartmentguide.com/blog/most-expensive-cities-for-renters/.

FIGURE 26: AFFORDABLE HOMES IN LOS ANGELES COUNTY AT RISK OF CONVERSION



Source: California Housing Partnership Preservation Database, June 2023.

TABLE 26: AFFORDABLE HOMES AT RISK OF CONVERSION IN LOS ANGELES COUNTY BY SD AND PROGRAM

Supervisorial District	% of Total HUD, LIHTC, CalHFA, HCD, and Local Inventory	At-Risk HUD Homes*	At-Risk LIHTC Homes	At-Risk HCD/CalHFA Homes**	At-Risk Local Homes***	Total At-Risk Homes	% of Total At-Risk Homes
SD 1	31%	892	40	33	288	1,253	16%
SD 2	22%	1,303	168	21	38	1,530	20%
SD 3	19%	1,753	301	24	716	2,794	37%
SD 4	13%	629	229	0	7	865	11%
SD 5	15%	938	224	34	43	1,239	16%
Total	**100%**	**5,515**	**962**	**112**	**1,092**	**7,681**	**100%**
Unincorporated Los Angeles**	**5%**	**253**	**117**	**0**	**0**	**370**	**5%**

Source: California Housing Partnership Preservation Database, June 2023. Data presented here reflects updated Supervisorial District boundaries adopted December 15, 2021.

**'At-Risk HUD Homes' that also have LIHTC financing are represented in the 'At-Risk LIHTC Homes' column, and those with HCD or CalHFA financing are represented in the 'At-Risk HCD/CalHFA Homes' column.*

***'At-Risk HCD/CalHFA Homes' that also have LIHTC financing are represented in the 'At-Risk LIHTC Homes,' and those with HUD assistance are represented in the 'At-Risk HUD Homes' column.*

****At-Risk Local Homes' that also have LIHTC financing are represented in the 'At-Risk LIHTC Homes' column, those that also have HUD assistance are represented in the 'At-Risk HUD Homes' column, and those that have HCD or CalHFA financing are represented in the 'At-Risk HCD/CalHFA Homes' column.*

*****Unincorporated Los Angeles County is a distinct subset of the "Total" row for Los Angeles County. There are unincorporated areas across multiple SDs.*

Section 3. County-Administered Affordable Rental Housing Resources

Overview

The Section 3 of the Affordable Housing Outcomes Report provides an inventory of resources administered by Los Angeles County's agencies and departments for the development and operation of permanently affordable rental housing, as well as funding for short-and long-term rental assistance and operating subsidizes for low-income households with housing challenges.

The sources of funding, policies, and rental and operating subsidies included in the inventory are listed below:

- Los Angeles County Development Authority (LACDA) capital resources awarded through the Notices of Funding Availability (NOFA), developments created through land use policies, public housing, Housing Successor Agency developments, tax-exempt bond financing, the Open Doors program, and project- and tenant-based subsidies;
- Department of Consumer and Business Affairs administration of the Stay Housed LA County program;
- Department of Health Services (DHS) programs such as Housing for Health, the Flexible Housing Subsidy Pool (FHSP), and Rapid Rehousing (RRH) vouchers;
- Department of Mental Health (DMH) resources such as Mental Health Service Act (MHSA) funds, Special Needs Housing Program (SNHP), the Mental Health Housing Program (MHHP) funds, the Alternative Housing Model, and the No Place Like Home (NPLH) program; and
- Los Angeles Homeless Services Authority (LAHSA) administered RRH vouchers and Permanent Supportive Housing (PSH) program.

TABLE 27: LOS ANGELES COUNTY AFFORDABLE HOUSING ACTIVITY (2022)

SD	Entitled Affordable Homes (Unincorporated)	County Funded Affordable Homes	Funded Supportive Homes*	Opened Affordable Homes**
SD 1	48	232	137	313
SD 2	75	229	86	211
SD 3	0	208	156	34
SD 4	0	247	135	65
SD 5	127	89	89	0
County Total	**250**	**1,005**	**603**	**623**

Source: LACDA, DRP and DMH.
**These are a subset of 'County Funded Affordable Homes'.*
***Includes developments that received County funding and/or a recorded density bonus covenant or land use agreement.*

FIGURE 27: COUNTY ENTITLED AND OPENED AFFORDABLE HOUSING ACTIVITY BY YEAR (2017-2022)

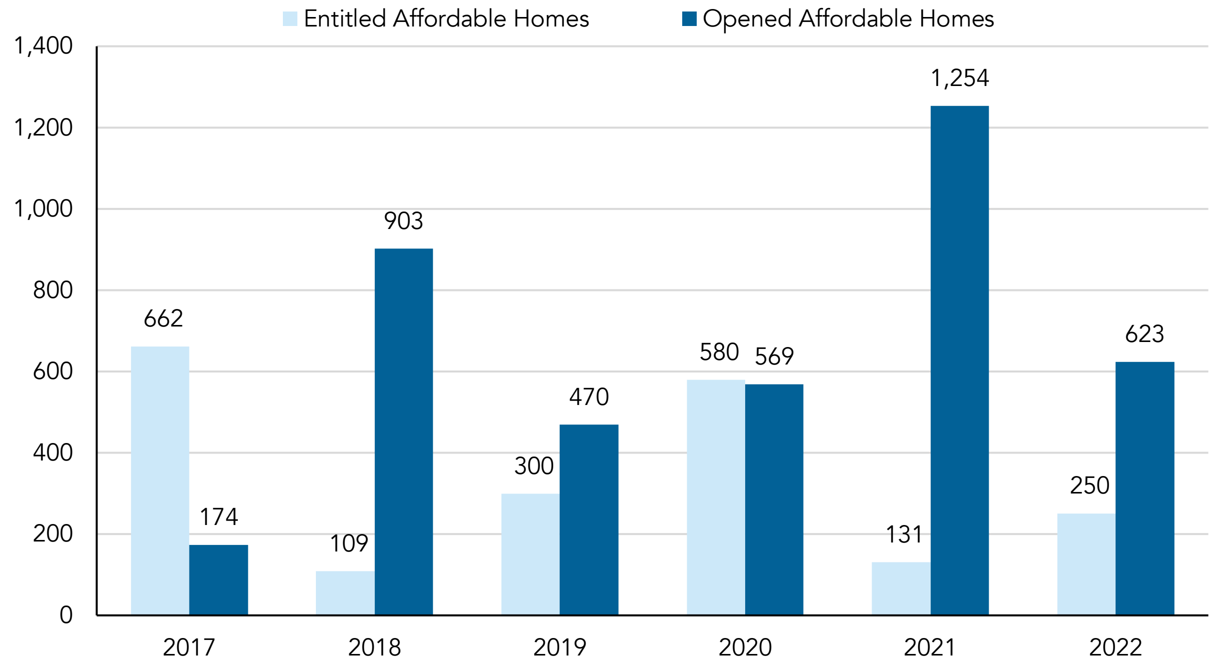


FIGURE 28: COUNTY FUNDED AFFORDABLE HOUSING ACTIVITY (2017-2022)

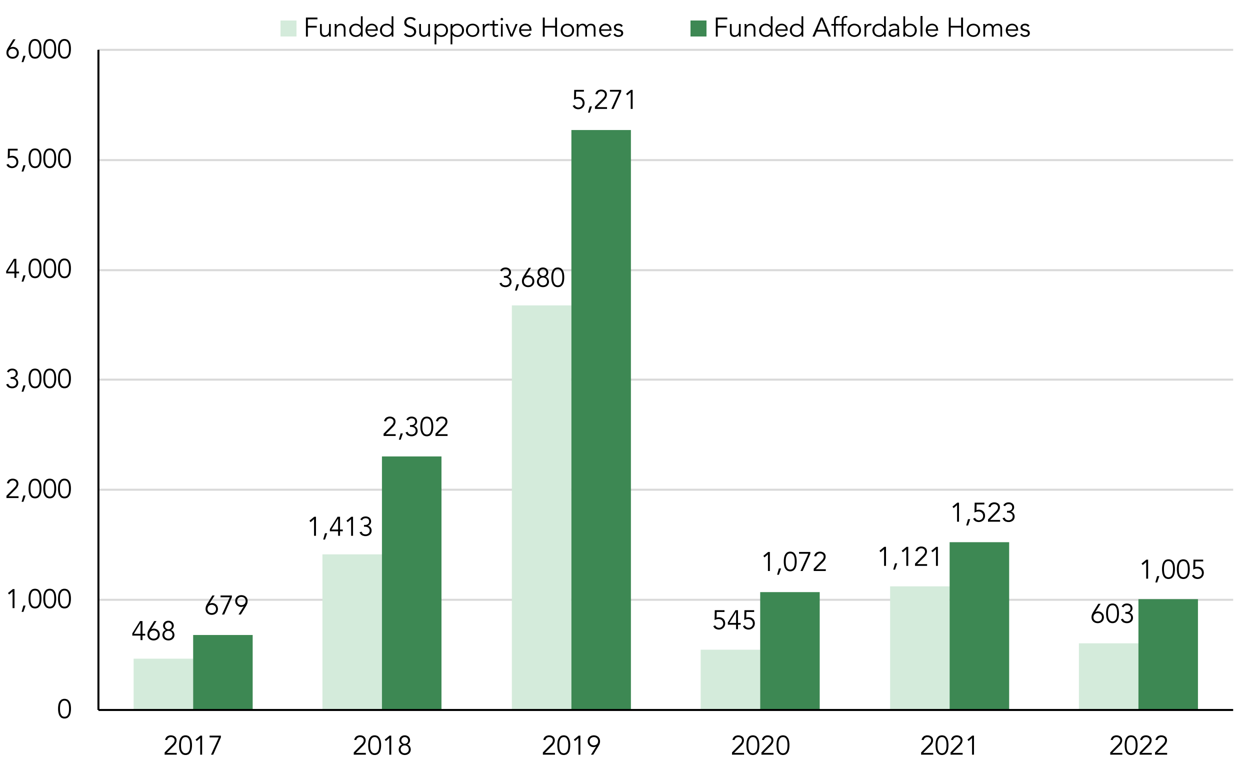


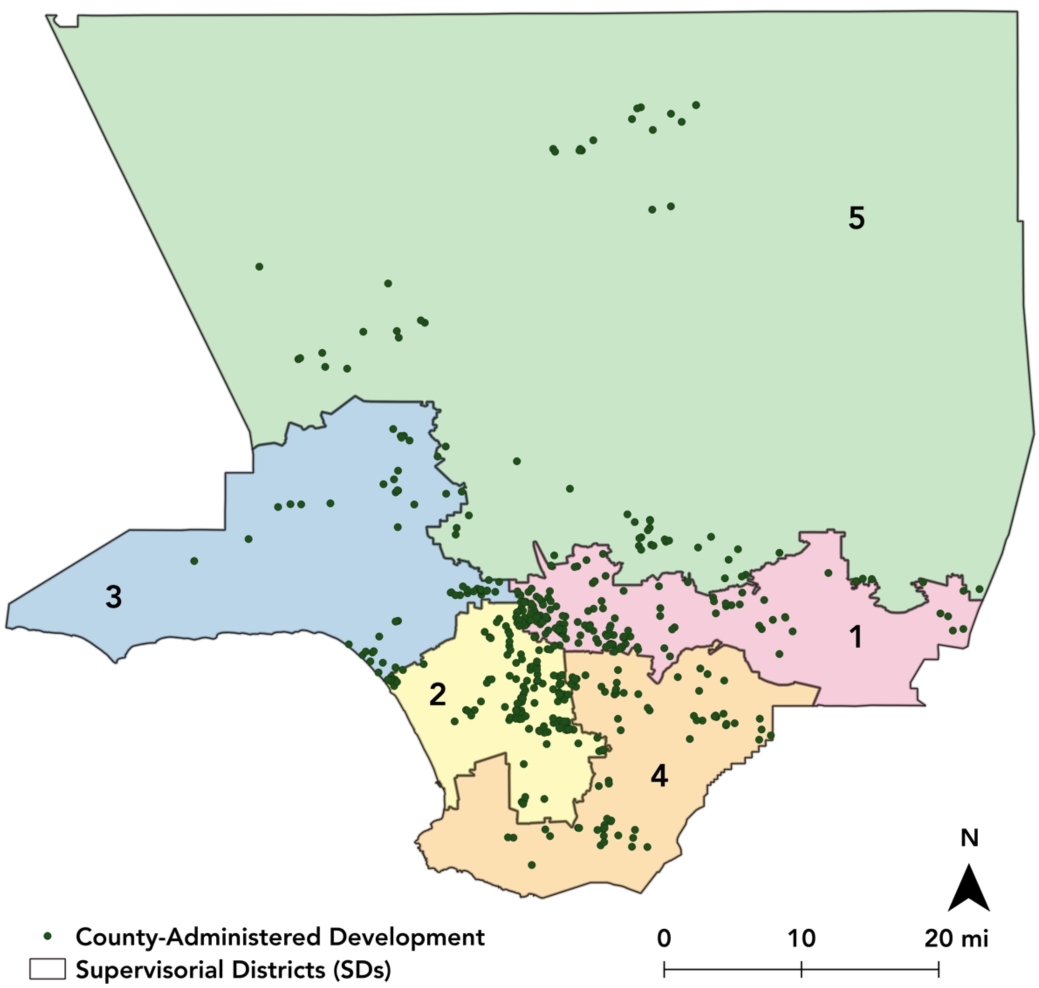
Table 28 shows countywide and Supervisorial District (SD)-level affordable housing inventory totals for all County-administered affordable rental developments from the sources listed above. Figure 29 shows a map of the County-administered inventory of affordable rental developments. SD-level maps are included in Appendix D: Full Data Findings, Section 3.

TABLE 28: SUMMARY OF COUNTY-ADMINISTERED AFFORDABLE RENTAL HOUSING AND SUBSIDIES* (2022)

SD**	Developments	Affordable Homes***	Permanent Supportive Housing (PSH) Homes	Rental Subsidies****
SD 1	160	10,067	3,217	N/A
SD 2	180	7,477	2,604	N/A
SD 3	64	3,455	1,496	N/A
SD 4	69	5,081	1,117	N/A
SD 5	67	3,828	1,102	N/A
County	**540**	**29,908**	**9,536**	**56,605**

Source: LACDA, DRP, DMH, DHS, and LAHSA.
**Reflects de-duplicated totals among County sources and may overlap with federal and state financing shown in Section 2.*
***Supervisorial District (SD) designations reflect updated boundaries adopted December 15, 2021.*
****Affordable up to moderate-income households (<120% AMI) and includes developments not yet placed in service.*
*****Reflects deduplicated number of households served by rental subsidy programs administered by LAHSA, LACDA, DMH, and DHS.*

FIGURE 29: COUNTY-ADMINISTERED AFFORDABLE RENTAL DEVELOPMENTS



Los Angeles County Development Authority and Department of Regional Planning

Los Angeles County Development Authority (LACDA) makes funding available to affordable multifamily rental housing developments through a semiannual Notice of Funding Availability (NOFA) that includes local Affordable Housing Trust funds, federal HOME funds, and other available funding sources. LACDA also monitors a number of affordable rental homes with affordability restrictions arising from land use entitlements in coordination with the Department of Regional Planning (DRP), along with developments previously funded by the former Redevelopment Agency. These rental homes may include developments funded through the NOFA as well as private developments that have affordability requirements related to density bonuses, the Mello Coastal Zone Act or other land use conditions of approval. In addition, LACDA issues tax-exempt multifamily housing revenue bonds that are needed to obtain 4% federal Low-Income Housing Tax Credits (LIHTC/"tax credits") for NOFA-funded developments that do not receive 9% state tax credits.

Data on LACDA's affordable housing investments are shown in Tables 29 and 19 Figures 30 through 25. Affordable developments that are newly funded, entitled, or opened are shown in Table 31 and Figures 33 through 35. The portfolio of affordable developments funded or monitored by LACDA and DRP are shown in Table 32. Highlights include:

- LACDA invested more than $66 million in the production of 1,005 affordable rental homes in 2022 (see Table 29, Figure 30 and 33);
- LACDA investments in affordable housing in 2022 have increased three fold since 2014 and are almost level with 2020 but have not reached 2019 investment levels due there only being one NOFA in 2022 with only County general funds (see Figure 31);
- Nearly 250 affordable homes were entitled in 2022 (see Table 31);
- Funding in 2022 was more evenly distributed across Supervisorial Districts (except SD 5) than in previous years (see Figure 33);
- In 2022, 607 affordable homes opened in unincorporated Los Angeles County, a 47 percent decrease from 2021 which saw the highest number of annual openings between 2017 and 2022 (see Table 31);
- The County approved land use entitlements for nine (9) developments with 250 affordable homes in unincorporated areas in 2022, a decrease from what was entitled in 2020 but more than what was entitled from 2017 to 2019, and 2020 (see Figure 34); and
- In FY2022, the Public Housing Capital Fund Program budget received $8.95 million, a significant increase from the previous eight years (see Figure 32).

TABLE 29: LACDA NOFA INVESTMENTS (2022)

	Amount	% Change from 2021
LACDA NOFA Funds Awarded in 2022	$66,380,000	-46%*
Special Needs & Family New Construction (Avg. Cost per Home)**	$626,996	+7%
Special Needs & Senior New Construction (Avg. Cost per Home)**	$605,542	+15%
Supportive Housing New Construction (Avg. Cost per Home)**	$611,990	+18%

**This decrease is in part due to there only being one NOFA round in 2022 with only County general funds.*
***Average cost per home is calculated based on total development costs.*

FIGURE 30: COUNTY NOFA INVESTMENTS & LEVERAGED RESOURCES (2014-2022)

FIGURE 31: COUNTY NOFA INVESTMENTS BY FUNDING SOURCE (2014-2022)

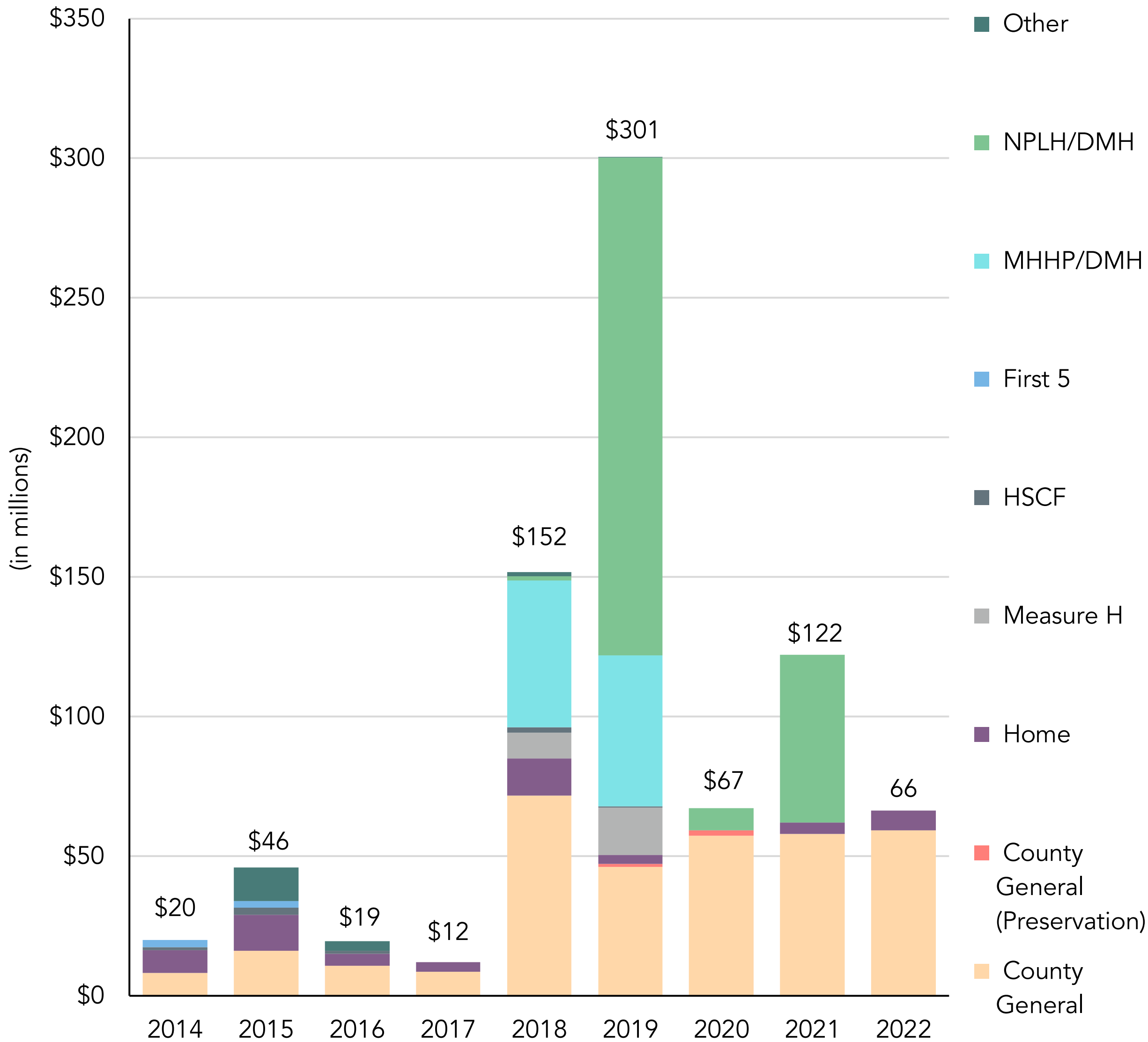


TABLE 30: LACDA PUBLIC HOUSING REHABILITATION EXPENDITURES

	Amount	% Change from FY2021
FY2021-22 Capital Fund Program Budget	$8,945,595	+23%
Anticipated FY2022-23 Capital Fund Program Budget	$9,185,170	+28%
Senior Homes Avg. Cost per Home*	$38,652	+20%
Large Family Homes Avg. Cost per Home*	$49,565	+18%
Other Homes Avg. Cost per Home*	$26,458	+12%

**Average rehabilitation cost per home is based on LACDA's Five Year Plan. As in FY 2020 and FY 2021, the majority of expenditures in FY 2022 concentrated in on site improvements and exterior work as COVID-19 restrictions continued to postpone most of in-unit rehabilitation.*

FIGURE 32: LACDA PUBLIC HOUSING CAPITAL FUND PROGRAM BUDGET (FY2014-FY2022)

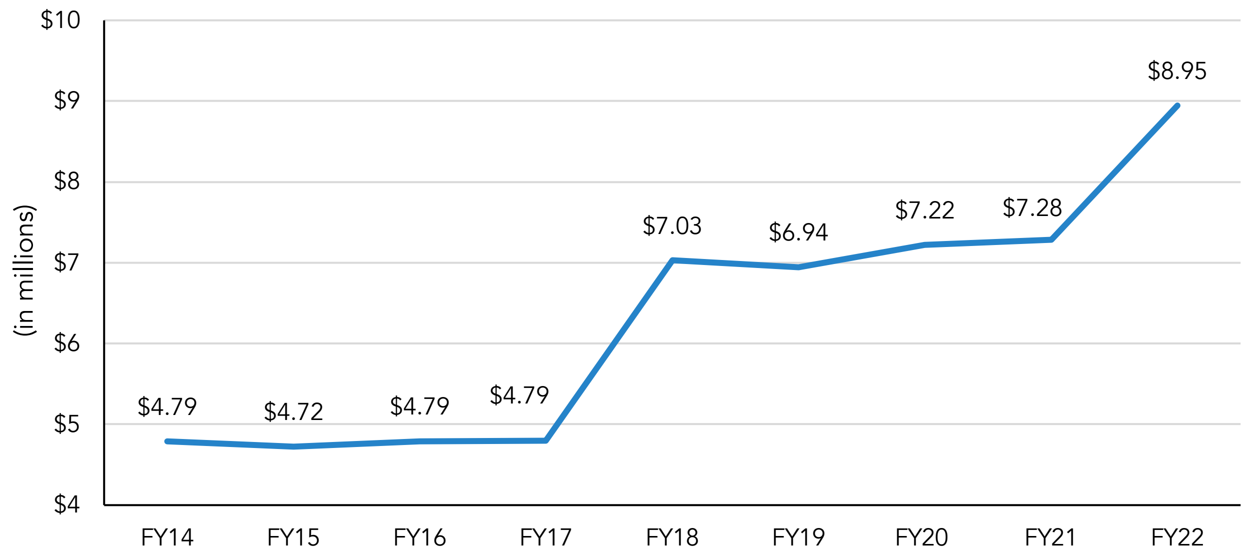
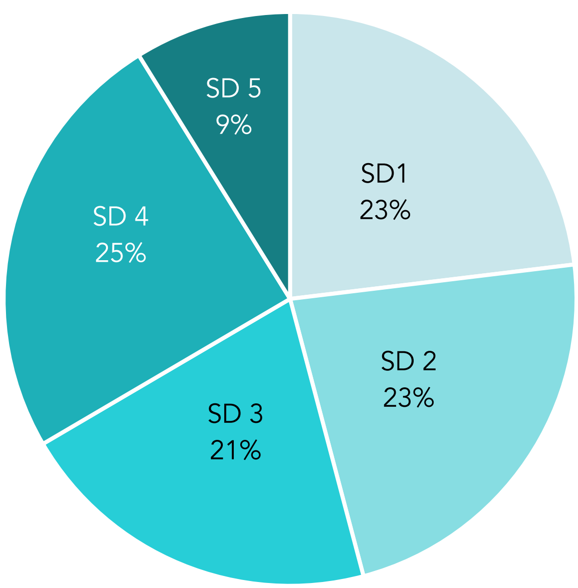


TABLE 31: LACDA AND DRP 2022 AFFORDABLE HOME PRODUCTION AND PRESERVATION IN (UNINCORPORATED AREAS)*

	Developments	Affordable Homes	% Change of Affordable Homes from 2021
Opened in 2022	10	607	-47%
Entitled in 2022	9	250	+94%

**Data presented is a subset of data in Table 2.*

FIGURE 33: DISTRIBUTION OF AFFORDABLE HOMES AWARDED IN 2022 NOFA



SD	Affordable Homes	% Change from 2021*
SD 1	232	-56%
SD 2	229	-20%
SD 3	208	-22%
SD 4	247	-19%
SD 5	89	-37%
County	**1,005**	**-34%**

**Percentage change from affordable homes awarded in 2021 NOFA.*

FIGURE 34: AFFORDABLE HOMES ENTITLED THROUGH DENSITY BONUS OR MELLO ACT IN UNINCORPORATED AREAS (2017-2022)

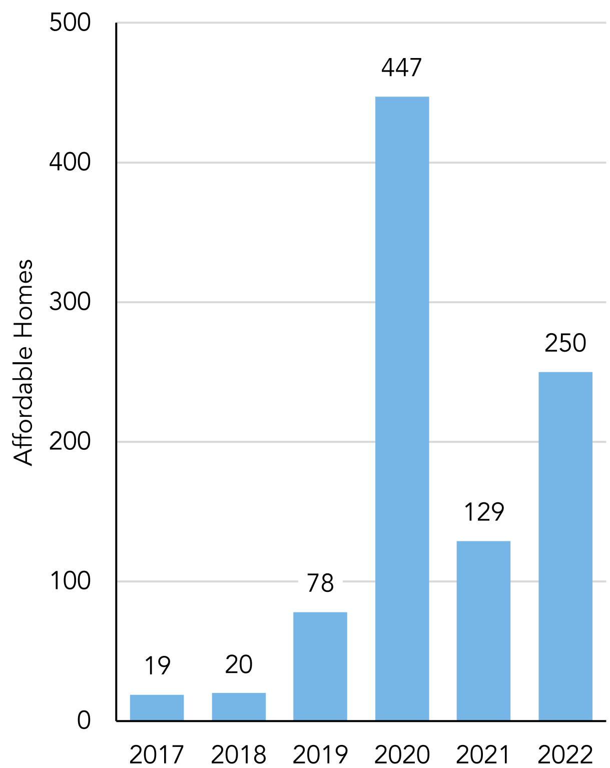


FIGURE 35: AFFORDABLE HOMES OPENED THROUGH MELLO ACT & DEVELOPMENT ON COUNTY-OWNED LAND IN UNINCORPORATED AREAS (2017-2022)

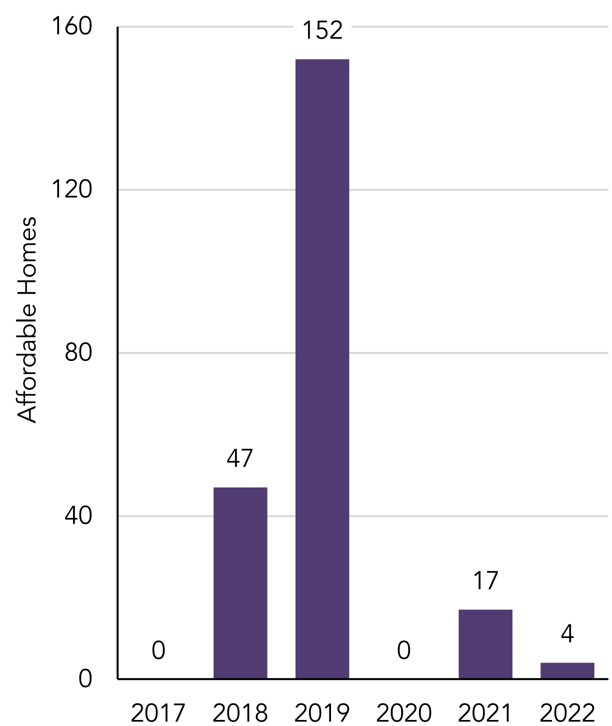


TABLE 32: LACDA AND DRP DEVELOPMENTS FUNDED AND MONITORED* (2022)

SD	Developments	Affordable Homes**	% Change of Affordable Homes from 2021
SD 1	147	9,106	+4%
SD 2	163	6,291	+6%
SD 3	50	2,690	+8%
SD 4	63	4,557	+7%
SD 5	66	3,835	+5%
County	**489**	**26,479**	**+6%**

**Reflects de-duplicated totals among County sources and includes developments that may have received multiple rounds of funding These developments overlap with federal and state financing shown in Section 2.*
***Affordable up to moderate-income households (<120% AMI) and includes developments not yet placed in service.*

LACDA Preservation Activities

In 2022, the Housing Strategies Unit at LACDA continued populating its preservation database, Affordability Watch, which tracks the County's expiring affordability commitments. Upon completion, Affordability Watch will capture comprehensive information on projects in LACDA's loan portfolio, those funded through LACDA-issued bonds, projects with covenants recorded through the County's land use programs (e.g. Density Bonus, Inclusionary Housing), projects with loans assumed by LACDA in its role as Housing Successor to former redevelopment agencies, and projects financed with now-defunct HUD mortgages or those that have received project-based vouchers from LACDA. This database will allow LACDA to proactively monitor its existing stock of assisted units and engage property owners to ensure that below market rents are maintained to minimize residential instability. As the database is updated, this high-resolution analysis will allow the County to monitor multiple expiration dates and rent schedules for all of its funded affordable projects. Finally, the database will be integrated with the County's Rent Registry, which will allow users to analyze both subsidized and unsubsidized rental stock data. This will assist in also identifying the unincorporated County's housing stock to preserve unsubsidized "naturally occurring" affordable housing. Additionally, the Housing Strategies Unit drafted a Policy Brief that uses its anti-displacement mapping tool, TRACT, to identify local housing market pressures in areas highly susceptible to displacement. This Policy Brief will be circulated to Board Offices in the coming year.

LACDA Efforts to Affirmatively Further Fair Housing

LACDA launched Open Doors on January 1, 2020, a new program to encourage property owners to participate in LACDA's rental assistance programs to increase the number of families using their vouchers. Open Doors works to increase the number of homes available to subsidized families in Los Angeles County's highly competitive housing market by providing owners with several types of financial incentives, including a sign on bonus, vacancy loss payments, and damage mitigation mechanisms.

In 2022, the LACDA's Customer Service Unit (CSU) that administers Open Doors served over 250 visitors in the lobby and 4,800 visitors through virtual appointments. Additionally, the CSU provided a total of 2,168 incentives to property owners in 2022. Overall, the program served more visitors and provided 39% more incentives than in 2021 with a similar budget. A breakdown of incentives provided through the Open Doors program in 2022 are in Table 33.

To expand fair housing services, LACDA contracts with the Housing Rights Center (HRC) and its subcontractors to provide fair housing services to County residents and meet the goals set forth in the County's fair housing strategic plan. During the pandemic, Community Development Block Grant-Coronavirus (CV) funds were utilized to expand Fair Housing services and services were shifted to a virtual format. The demand for fair housing services continues to rise and despite augmenting funding to include federal funding and other sources of funding, such as Affordable Housing Trust Funds, which are needed to continue the provision of services.[55]

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[55] CDBG-CV funding is time limited and will end in FY2022-2023.

TABLE 33: OPEN DOORS EXPENDITURES AND ACTIVITY (2022)

	Amount	% Change from 2021
Expenditures	$5,715,389	+217%*
	# of Incentives	**% Change from 2021**
Sign on Bonus	1,180	+35%
Security Deposit	905	+65%
Vacancy Loss Payment	36	+71%
Damage Mitigation	47	+292%**
Total	**2,168**	**34%**

**This is reflected by the overall increases across all the incentive categories in 2022.*

***Reflects increased participation of owner engagement and marketed damage mitigation which increased the number of requests during tenant move outs.*

In FY2021-2022, HRC directly assisted 2,626 residents with inquiries, 84 percent of which were for General Housing and 16 percent were for Discrimination, which led to the filing of 22 Fair Housing complaint cases. Eighty-seven (87%) percent of those served were extremely low-income and approximately one in four were disabled or a senior. HRC exceeded their goals for outreach and education, engaging the community in workshops, booths, presentations and Walk-in Clinics, as well as Fair Housing Certification Trainings landlords and property management. Demographics of residents served and the type of assistance provided since FY2019 are in Figures 36 and 37.

FIGURE 36: TYPES OF HRC INQUIRIES, FY2019 – FY2021

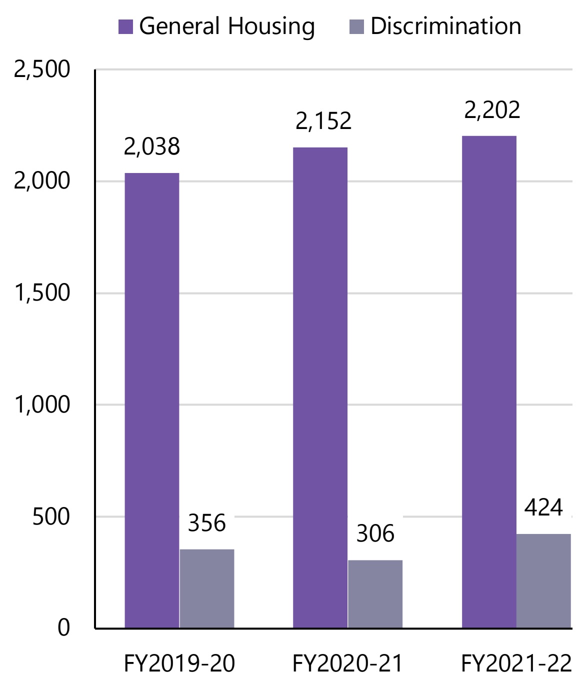
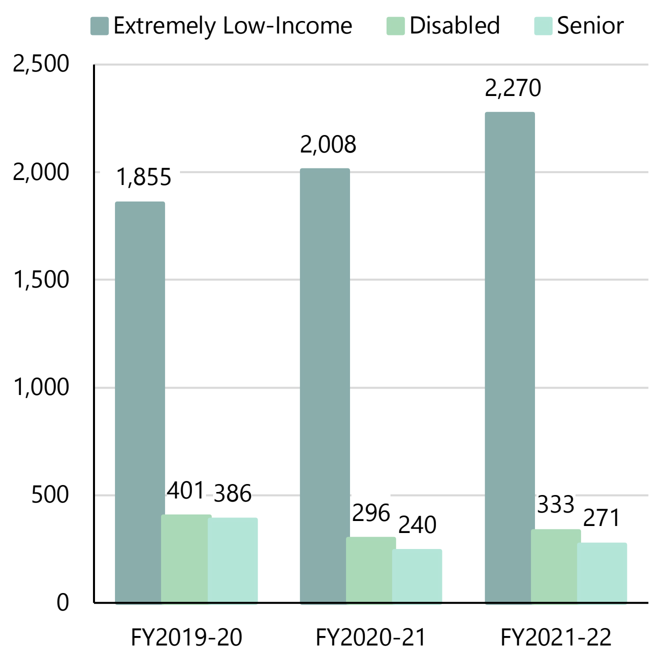


FIGURE 37: DEMOGRAPHICS OF RESIDENTS SERVED IN FY2019- FY2021*



** Clients may identify with more than one category, therefore, the sum of the columns will not sum to those served.*

LACDA Rental Subsidies

LACDA administers multiple voucher programs offering short- and long-term assistance and in 2022 reached nearly 62,000 low-income individuals, veterans, people experiencing homelessness, transition-age youth, seniors, and disabled persons, as well as families through the Department of Children and Family Services (DCFS) Family Unification Program (see Table 34). Voucher allocations and household utilization of vouchers from 2017 to 2022 is shown in Figure 38, and funding for tenant-based and project-based vouchers are shown in Figure 39. Tables 34 through 36 describe households that received rental subsidies in 2022 and those that are currently on the waitlist. Highlights include:

- The vast majority of the LACDA's voucher households (84 percent) are participants in the Housing Choice Voucher (Voucher) program (see Table 34);
- Households served by LACDA's voucher programs increased by nine (9) percent from 2021 to 2022 (see Figure 38);
- Veterans Affairs Supportive Housing (VASH) project-based assistance served 28 percent more individuals in 2022 than in 2021 and more than double the individuals in 2022 than in 2017;
- New admission into voucher programs increased by 243 percent from 2021 as LACDA continued to implement an aggressive lease up strategy to offset leasing reductions in previous years as a result of financial shortfalls and the new allocation of Emergency Housing Vouchers (EHV) through the American Rescue Plan Act (see Table 35); and
- The number of households on the Voucher program waiting list in 2022 declined two (2) percent from 2021 (see Table 36).

FIGURE 38: VOUCHERS ALLOCATED AND HOUSEHOLDS SERVED BY LACDA (2017-2022)

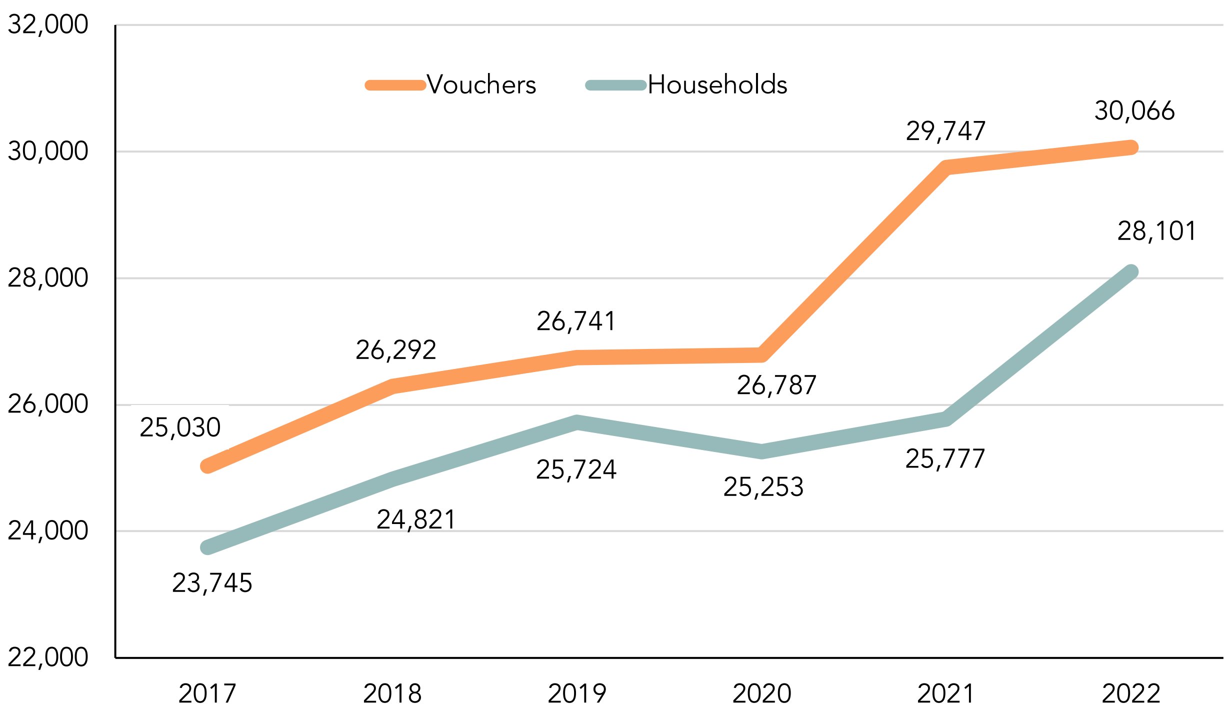


TABLE 34: TENANTS SERVED BY LACDA VOUCHER PROGRAMS* (2022)

	Vouchers Allocated	Households Served	Individuals Served	Avg. Monthly Cost per Household	Avg. Monthly Cost per Individual	Disabled Persons Served	Elderly Persons Served	Families with Children Served
Tenant Vouchers	23,313	22,606	51,724	$1,199	$524	12,566	9,839	7,961
Project-Based Vouchers	1,680	1,732	3,006	$1,115	$643	923	718	338
Tenant-Based VASH	2,893	1,745	2,674	$979	$639	803	849	269
Project-Based VASH	299	301	334	$853	$769	176	165	9
Tenant-Based CoC	1,813	1,657	2,698	$1,261	$774	1,728	452	320
Sponsor-Based CoC	68	60	113	$1,112	$590	65	15	23
Family Unification Vouchers	385	383	1,355	$1,313	$371	117	28	305
Total**	**30,066**	**28,101**	**61,594**	**N/A**	**N/A**	**16,261**	**12,038**	**8,920**

**Turnover of voucher recipients may result in more than one household being in a given calendar year. Scarcity of affordable homes may cause a voucher to go unused. As a result, annual households served may not match annual allocation.*

***Family unification vouchers are captured in the Housing Choice Voucher tenant voucher figures so the total column does not include these, and the column figures will not sum.*

TABLE 35: LACDA NEW ADMISSIONS* (2022)

	# of Households	% Change from 2021
Elderly	1,042	+304%
Disabled	1,674	+222%
Single-member Households	2,394	+249%
Families	1,564	+233%
Total	**3,958**	**+243%**

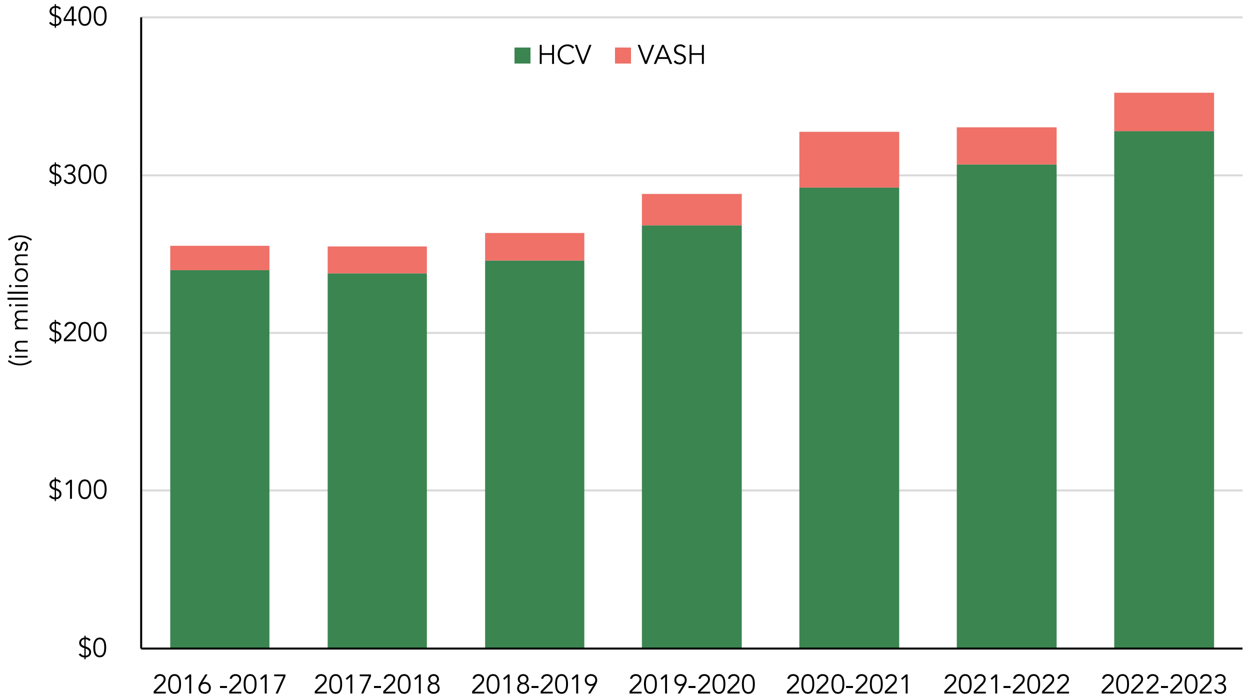
**Households can fall into more than one category so total will not sum. These significant increases are a result of LACDA's aggressive lease up strategy and a new allocation of Emergency Housing Vouchers (EHVs).*

TABLE 36: LACDA VOUCHER WAITING LIST* (2022)

	# of Households	% Change from 2021
Elderly (Head of Households only)	8,160	+9%
Disabled (Head of Households only)	4,232	-11%
Disabled (Head of Households or Spouse)	8,380	-7%
Single-member Households	11,903	-1%
Families	20,562	-3%
Total	**32,465**	**-2%**

**Households can fall into more than one category so total will not sum.*

FIGURE 39: LACDA HCV AND VASH FUNDING (2016-2022)



Year*	Voucher Type	HCV	VASH	Total*
2016-2017	Tenant-Based	$233,366,419	$14,993,038	**$248,359,457**
	Project-Based	$6,350,327	$630,468	**$6,980,795**
2017-2018	Tenant-Based	$230,003,318	$16,444,257	**$246,447,575**
	Project-Based	$7,867,888	$633,398	**$8,501,286**
2018-2019	Tenant-Based	$230,601,125	$16,615,407	**$253,216,532**
	Project-Based	$9,305,067	$821,806	**$10,126,873**
2019-2020	Tenant-Based	$258,078,380	$18,789,441	**$276,867,821**
	Project-Based	$10,175,218	$992,391	**$11,167,609**
2020-2021	Tenant-Based	$278,381,716	$2,856,395	**$281,238,111**
	Project-Based	$13,957,387	$32,095,499	**$46,052,886**
2021-2022	Tenant-Based	$287,734,403	$21,200,217	**$308,934,620**
	Project-Based	$18,899,560	$2,466,353	**$21,365,912**
2022-2023	Tenant-Based	$305,547,223	$21,531,020	**$327,078,243**
	Project-Based	$22,494,935	$2,798,689	**$25,293,625**

**Funding period is from April to March of following year.*

**Total sum may be rounded up.*

More than 1,500 tenants exited from voucher programs in 2022 a 14 percent increase from 2021.,[56] predominately due to an increase in deaths, self-termination, and program violation. Reasons for exits include the following and are summarized in Table 37:

- Seventy-seven (77 percent) of exits from tenant- and project-based vouchers were the result of the voucher or certificate expiring, the death of the tenant, and program violations;
- The number of voucher expirations increased significantly from 2021 as vouchers that were extended due to the COVID-19 pandemic ended in the early months of 2022;
- The most common reasons for exit from VASH were self-termination and termination due to program violations, a trend that has held true since 2017;[57] and
- Of CoC program participants who left the program in 2022, 40 percent exited the program due to program violations, due to clients' non-response to annual reexaminations, abandonment of unit, and/or tenant housing quality inspection violations.

TABLE 37: LACDA TENANT REASONS FOR LEAVING VOUCHER PROGRAMS (2022)

	Voucher Program*	VASH Program*	CoC Program	Section 8 Family Unification Program
Deceased	392	49	38	1
End of Program	0	0	0	0
Ineligible for Program	0	3	1	0
Program Violation	235	90	63	7
Self-Termination	171	70	8	1
Voucher Expired**	254	38	39	6
Self-Sufficient	91	20	3	1
Total	**1,143**	**270**	**152**	**16**

**Reflects tenant- and project-based vouchers.*
***Voucher expires when voucher holders attempt to move and are unable to find new housing that was affordable and managed by landlords willing to accept vouchers within the time frame allowed by the LACDA.*

[56] In general, when households leave voucher programs, their vouchers remain in the program and become available to other households in need of rental assistance.
[57] Program violation is a general category that includes tenants who fail to submit their eligibility paperwork, are terminated due to causing excessive damage to their unit and failing to correct the unit's deficiencies or commit other such program violations.

Regional Housing Needs Allocation (RHNA)

For the Sixth Revision of Los Angeles County's Housing Element, the Southern California Association of Governments (SCAG) allocated more than 90,000 homes to unincorporated areas of the County. Fifty-nine percent of the homes to be built during the Sixth Housing Element Cycle (2021-2029) must be affordable to those earning 80 percent or less of Area Median Income (AMI). By the end of housing element cycle in 2022, the County had met three (3) percent of its RHNA allocation, a majority of which was housing intended for above moderate-income households. See Figure 40 and Table 38 for the number of homes that have been permitted in each income group since 2021 in Los Angeles County.

FIGURE 40: RHNA PERMITS ISSUED DURING FIFTH HOUSING ELEMENT CYCLE

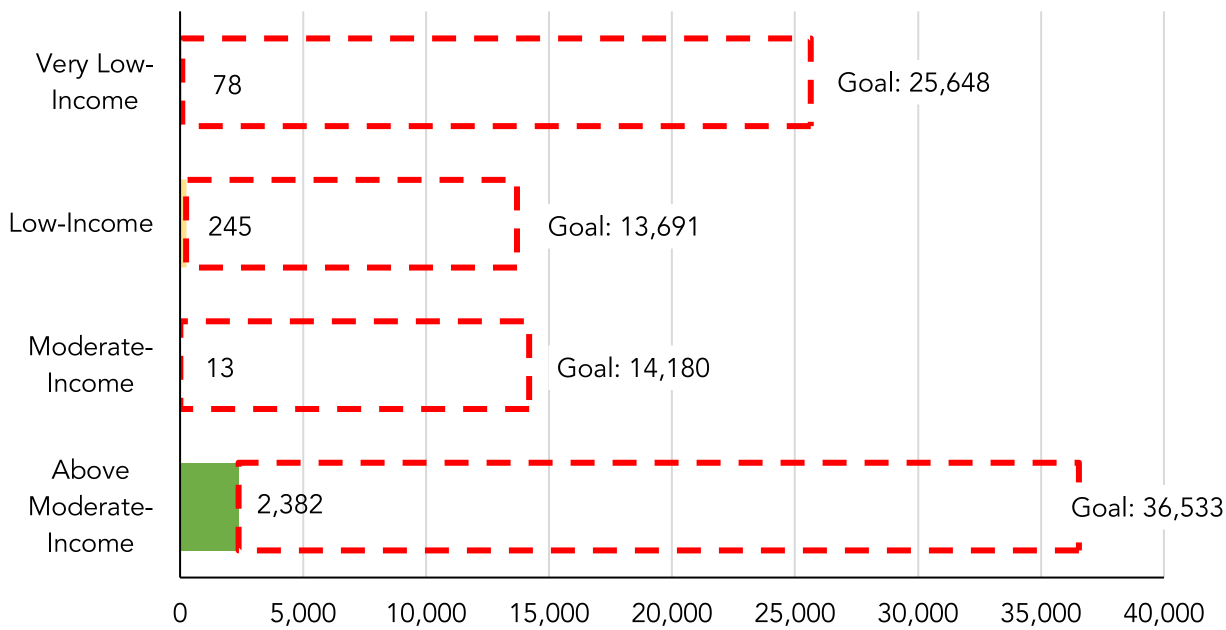


TABLE 38: PROGRESS ON 6TH HOUSING ELEMENT CYCLE RHNA (2021-2029)

Income Level	RHNA Allocation	Total Units Permitted 2021 & 2022	% of RHNA Met
Very Low	25,648	78	0.3%
Low	13,691	245	2%
Moderate	14,180	13	0.1.%
Above Moderate	36,533	2,382	7%
Total	**90,052**	**2,718**	**3%**

Department of Health Services

The Los Angeles County Department of Health Services (DHS) Housing for Health (HFH) division provides housing and supportive services to homeless clients with physical and/or behavioral health conditions, high utilizers of County services, and other vulnerable populations. This section of the Report includes information on HFH's permanent supportive housing programs. In addition, the tables below include clients served on behalf of the Office of Diversion and Reentry, which leverages HFH's infrastructure to provide permanent supportive housing to individuals exiting the criminal justice system. They also offer a rapid re-housing program. In part, the programs are provided through the Flexible Housing Subsidy Pool (FHSP).

Permanent supportive housing, the cornerstone of HFH approach, includes decent, safe, and affordable housing linked to Intensive Case Management Services (ICMS). These on-site or roving field-based supportive services, along with access to medical and behavioral health care, are integral to achieving housing stability, improved health status, and greater levels of independence and economic security. ICMS is client-centered and employs a "whatever it takes approach" to assist clients in their transition from homelessness to permanent housing.

In February of 2014, HFH launched the FHSP, a new and innovative way to provide rental subsidies in Los Angeles County, operated by the nonprofit partner, Brilliant Corners and designed to provide rental subsidies in a variety of housing settings, including project-based and scattered-site housing. The FHSP was designed so that other funders, including other County departments, would be able to add funds to serve clients that they prioritize for housing. Within the County, the majority of the funding for the FHSP currently comes from the CEO Homeless Initiative, with additional funding from the Department of Mental Health and the Department of Public Health. Additional funding includes the State's Housing and Disability Advocacy Program and the Housing for a Healthy California program. DHS is working to access Medi-Cal dollars to sustain and expand its permanent housing work through opportunities through the CalAIM initiative.

The Office of Diversion and Reentry (ODR) was created by the Board of Supervisors in September 2015 to develop and implement county-wide criminal justice diversion for persons with mental and/or substance use disorders and to provide reentry support services. ODR is another division within DHS that focuses on permanent supportive housing and Higher Levels of Care for their clients. The goals of ODR include reducing the number of mentally ill inmates in the Los Angeles County Jails, reducing recidivism, and improving the health outcomes of justice involved populations who have the most serious underlying health needs.

Tables 39 through 45 and Figures 41 through 44 provide a summary of DHS's housing subsidies and services and demographics of individuals connected to housing subsidy and/or services. Highlights include:

- The DHS permanent housing program provided housing subsidies and/or services to more than 24,500 individuals in 2022, a 17 percent increase from 2021 (see Table 41);
- DHS newly connected more than 7,000 individuals with housing subsidies and services in 2022, a 31 percent increase from 2021 (see Table 41); and

- Thirty-eight (38) percent of rental subsidies used to house individuals in the DHS permanent housing program are federal vouchers from the Housing Authority of the County of Los Angeles (HACLA) and 30 percent of rental subsidies are from the Flexible Housing Subsidy Pool (FHSP) (see Table 42); and

- The age of housing for health clients continues to be predominately over the age of 40 (see Figure 44).

TABLE 39: DHS HOUSING FOR HEALTH BUDGETS (FY2022)

	Amount*	% Change from FY2021
Permanent Supportive Budget**	$157,427,360	+7%
Rapid Re-Housing Budget	$2,653,500	-6%**

**Estimated budget amounts.*
***Includes Enriched Residential Care (DHS) – BC ERC*
***DHS has stopped taking on additional rapid rehousing clients as of summer 2020 to work towards transitioning existing rapid rehousing clients to independence, permanent housing subsidies, or on to more appropriate low-acuity program administered through LAHSA rather than DHS. Housing for Health's program ended in June 2021, and DHS now only serves a smaller group of clients in rapid rehousing through the Office of Diversion and Reentry.*

FIGURE 41: DHS HOUSING FOR HEALTH BUDGETS (FY2018-FY2022)

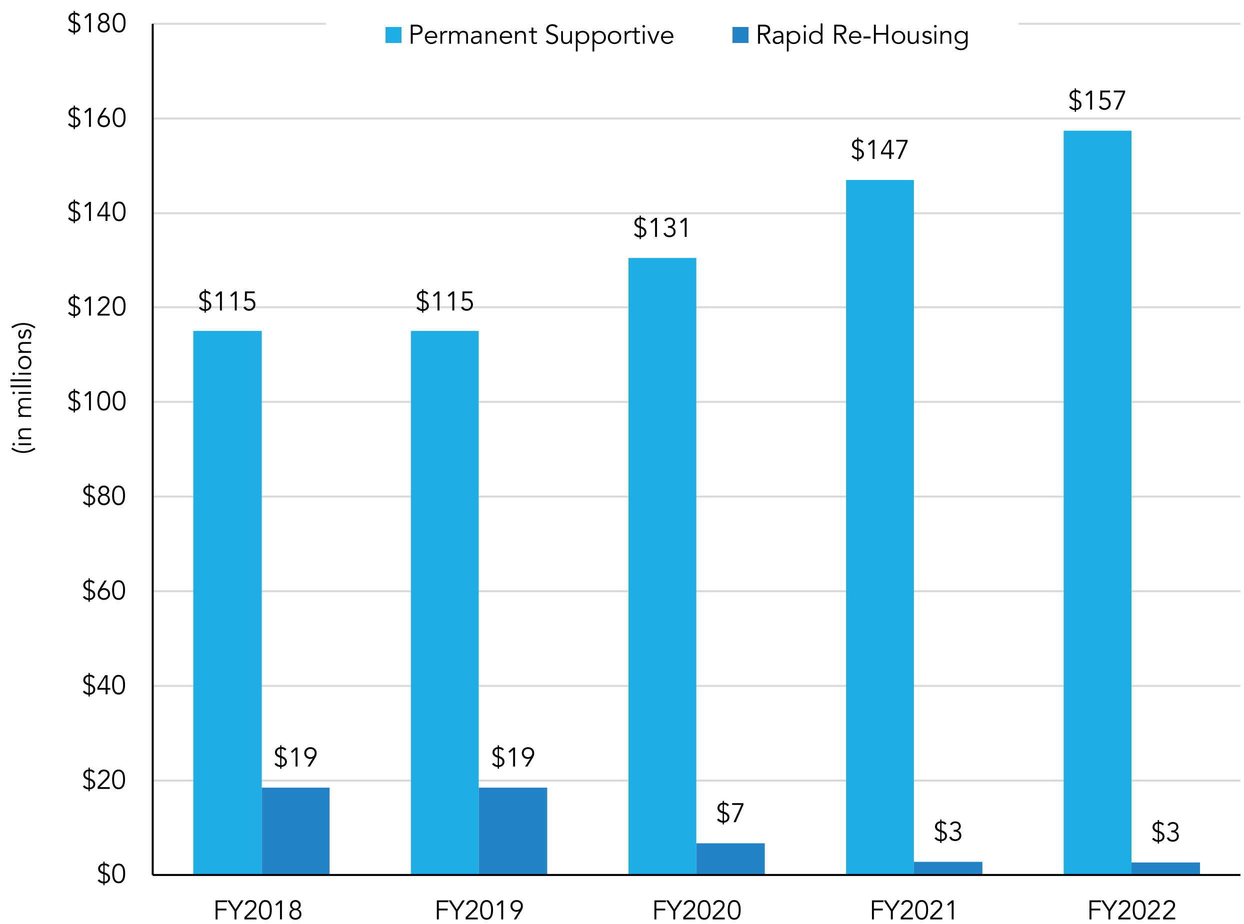


TABLE 40: DHS HOUSING FOR HEALTH AVERAGE COST PER TENANT* (FY2022)

Forms of Assistance	Amount	% Change from FY2021
Permanent Supportive Housing (local voucher)**	**$29,354**	**+5%**
Rent Subsidy***	$20,534	+6%
Tenancy Support Services	$3,420	+4%
Intensive Case Management Services	$5,400	0%
Permanent Supportive Housing (federal voucher)	**$5,400**	**0%**
Intensive Case Management Services	$5,400	0%
Rapid Re-Housing	**$22,953**	**-1%**
Rent Subsidy	$14,133	-2%
Tenancy Support Services	$3,420	+4%
Intensive Case Management Services	$5,400	0%

**Does not include upfront move in costs.*
***Average cost per tenant takes intensive case management services, rental subsidy, and rental subsidy admin cost into consideration.*
****Rent subsidies not covered by LA County for federal voucher holders.*

TABLE 41: DHS HOUSING FOR HEALTH PROGRAM

	# of Individuals	% Change from 2021
Total Number of Individuals Connected to Housing Subsidy and/or Services in 2022	**24,751**	**+17%**
Permanent Supportive	24,570	+17%
Rapid Re-Housing	181	-28%
Number of Individuals Newly Connected to Housing Subsidy and/or Services in 2022	**7,062**	**+31%**
Permanent Supportive	6,998	+31%
Rapid Re-Housing	64	+19%
Number of Individuals Projected to Serve in in 2023	**29,458**	**+21%**
Permanent Supportive	29,262	+21%
Rapid Re-Housing	196	+12%

TABLE 42: RENTAL SUBSIDIES IDENTIFIED FOR DHS CLIENTS* (2022)

		# of Rental Subsidies	% of Subsidies	% Change from 2021
Flexible Housing Subsidy Pool (FHSP)	Tenant	5,672	23%	-7%
	Project-Based	1,775	7%	+23%***
HACLA**	Tenant	4,065	16%	+27%
	Project-Based	5,363	22%	+15%
LACDA**	Tenant	4,748	19%	+46%
	Project-Based	1,244	5%	+27%
Housing Authority of the City of Long Beach**	Tenant	136	1%	+32%
	Project-Based	173	1%	-2%
Other Public Housing Authorities and HUD**	Tenant	189	1%	+166%****
	Project-Based	202	1%	+13%
MHSA Trust Fund	Tenant	0	0%	0%
	Project-Based	268	1%	0%
LAHSA	Tenant	398	2%	-2%
	Project-Based	174	1%	+24%
Other County Resources	Tenant	8	0.03%	N/A*****
	Project-Based	0	0%	0%
Total		**24,751**	**100%**	**+18%**

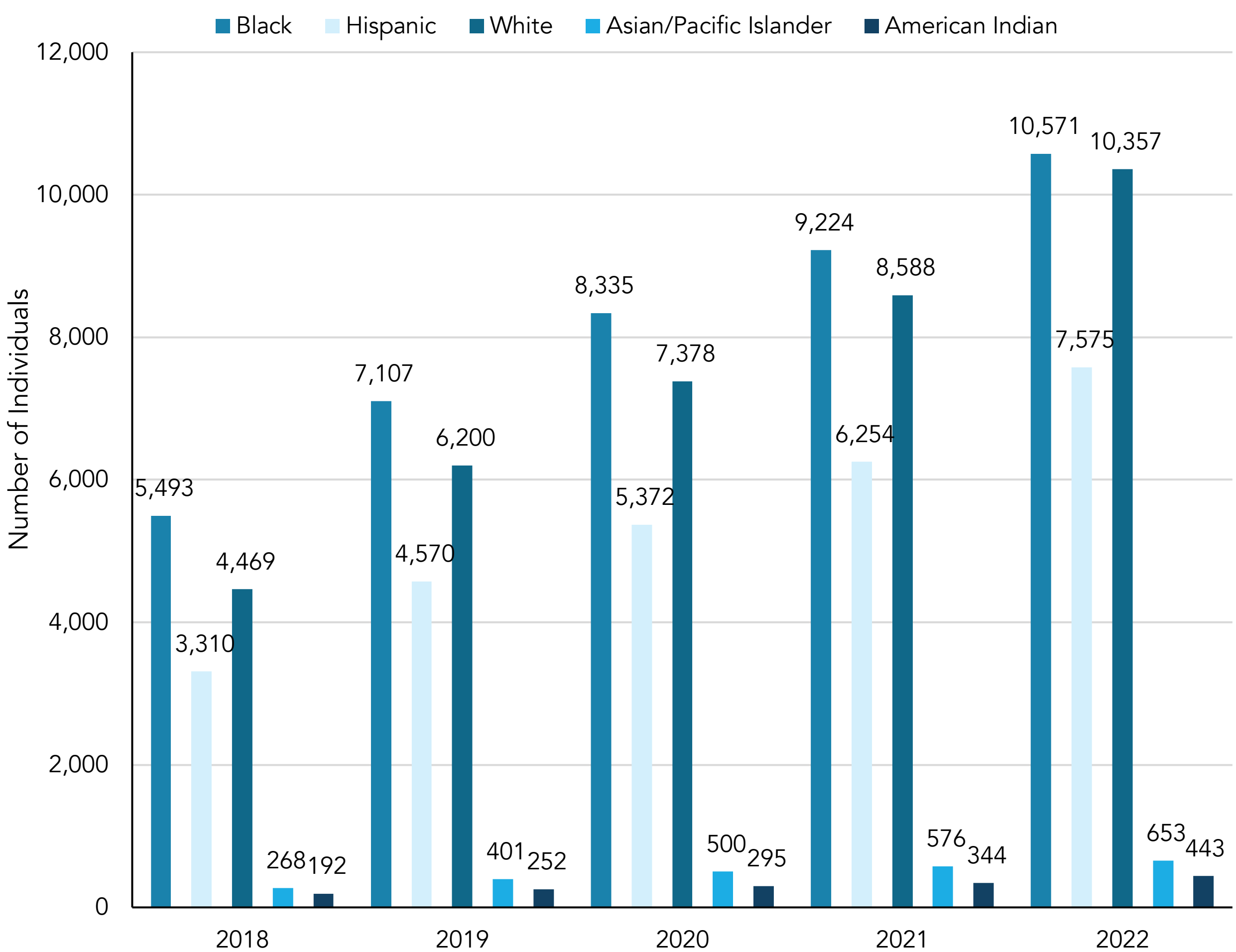
**This table represent new and existing Housing for Health Clients in 2020. Inclusive of all Housing for Health rental subsidies.*
***Federal vouchers.*
****FHSP project-based vouchers increased due to the high number of project-based units which finished construction in the last year.*
*****Additional tenant-based voucher were made available by smaller housing authorities across the County, primarily Santa Monica, Pasadena, and Norwalk.*
******Improved data quality and a decrease in unique circumstances, the large increase is from just two (2) rental subsidies used in 2021.*

TABLE 43: RACE/ETHINICTY* OF HOUSING FOR HEALTH CLIENTS (2022)

	# of Individuals	% Change from 2021
Black	10,571	+15%
Hispanic**	7,575	+21%
White	10,357	+21%
American Indian	443	+29%
Asian/Pacific Islander	653	+13%
Unknown	1,414	+24%
Other	1,313	-1%

**Clients may identify with more than one category. Therefore, the sum or each row will not equal the total number of individuals served.*
***Any race can also be "Hispanic" ethnicity.*

FIGURE 42: RACE/ETHINICTY* OF HOUSING FOR HEALTH CLIENTS (2018-2022)

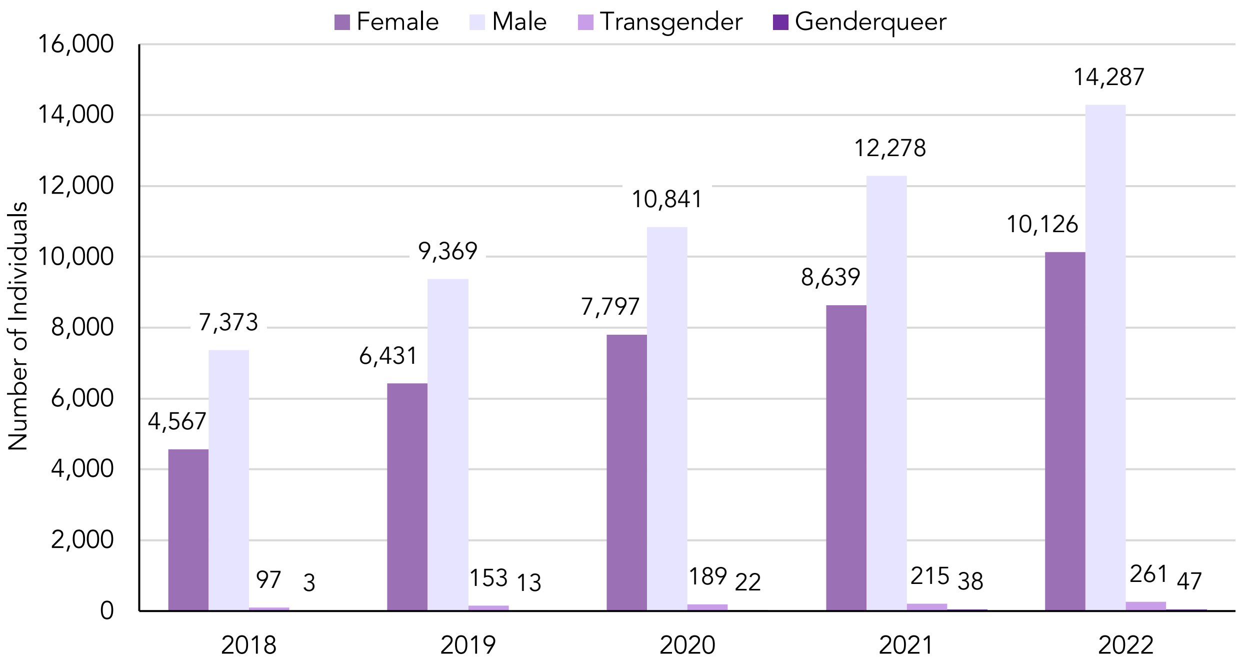


**Total number of individuals connected to housing subsidy and/or services in each calendar year. Clients may identify with more than one category. Individuals where race/ethnicity was not identified are not represented.*

TABLE 44: GENDER OF HOUSING FOR HEALTH CLIENTS (2022)

	# of Individuals	% Change from 2021
Female	10,126	+17%
Male	14,287	+16%
Transgender	261	+21%
Genderqueer	47	+24%
Unknown	30	+25%

FIGURE 43: GENDER OF HOUSING FOR HEALTH CLIENTS (2017-2022)*

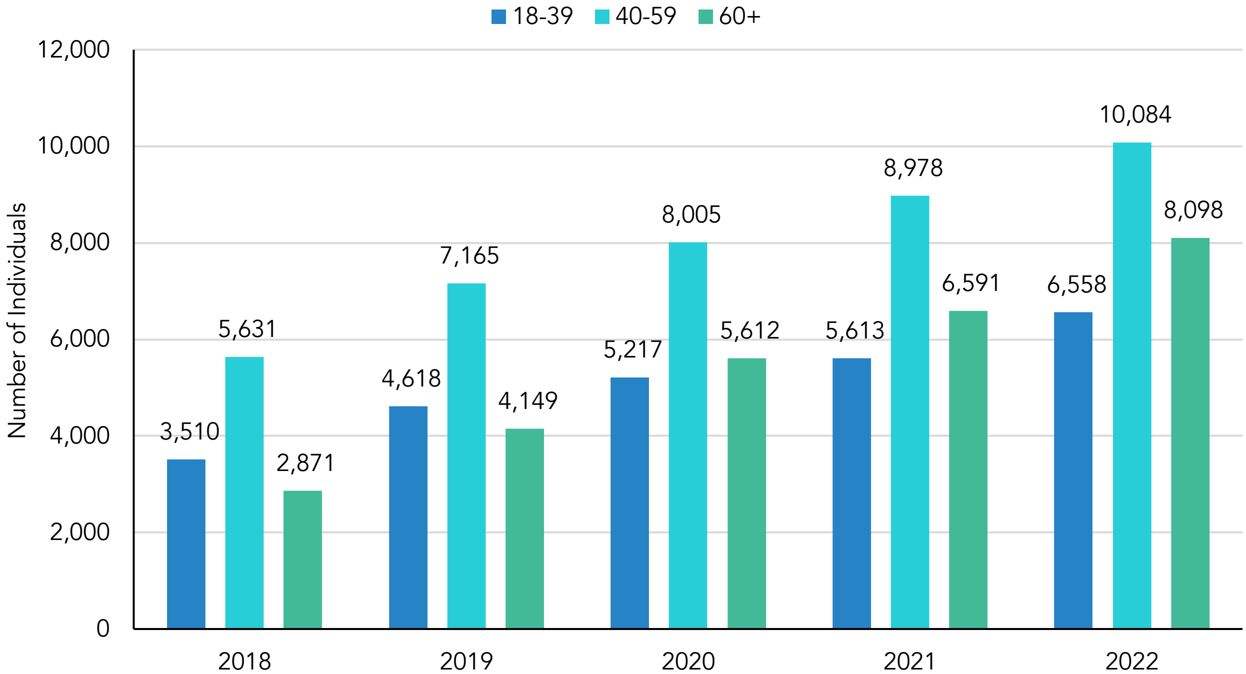


**Total number of individuals connected to housing subsidy and/or services in each calendar year. Individuals where gender was not identified are not represented.*

TABLE 45: AGE CATEGORIES OF HOUSING FOR HEALTH CLIENTS (2022)

	# of Individuals	% Change from 2021
18-29	2,379	+11%
30-39	4,179	+20%
40-49	4,098	+16%
50-59	5,986	+10%
60-69	6,184	+21%
70+	1,914	+28%
Unknown	11	-8%

FIGURE 44: AGES OF HOUSING FOR HEALTH CLIENTS (2018-2022)*



**Total number of individuals connected to housing subsidy and/or services in each calendar year. Individuals where age was not identified are not represented.*

Department of Mental Health

DMH Permanent Supportive Housing

Since the 1990s, the Department of Mental Health (DMH) has continued to grow its Permanent Supportive Housing (PSH) inventory for individuals who are homeless and have a serious mental illness. The current inventory includes affordable housing through five key sources: Mental Health Services Act (MHSA) Capital Investment Program, Capitalized Operating Subsidy Reserve (COSR), Federal Housing Subsidy Unit Program, Legacy Flexible Housing Subsidy Pool Program and Housing for Mental Health Program (see Table 46 below).

TABLE 46: SUMMARY OF HOUSEHOLDS SERVED IN DMH PERMANENT SUPPORTIVE HOUSING (2022)

	Households	% Change from 2021
Total Number of Households Currently Served*	4,478	+2%

Race	
American Indian	82
Asian	70
Black or African American	2,271
Native Hawaiian or Pacific Islander	41
White	1,746
More than One Race or Other	58
Unknown	210

Gender	
Female	2,265
Male	2,156
Queer	0
Transgender	41
Other/Unknown	16

Age	
<18	3
18 - 59	3,043
60+	1,421
Unknown	11

Ethnicity	
Hispanic/Latino	1,055
Non-Hispanic/Latino	3,228
Unknown	195

**Number of households served by MHSA Capital Investment Program, Housing Subsidy Unit Program, Flexible Housing Subsidy Pool Program, and the Housing for Mental Health Program.*

The following are descriptions of each program and the people they serve.

MHSA Capital Investment Program – Permanent Supportive Housing

Since 2008, DMH has invested approximately $1 billion in the capital development of Permanent Supportive Housing (PSH) that targets homeless individuals with serious mental illness through five MHSA-funded programs: MHSA Housing Program, Local Government Special Needs Housing Program (SNHP), Mental Health Housing Program (MHHP), Alternative Housing Model Program and the No Place Like Home (NPLH) Program. DMH and its network of mental health agencies also provide mental health services to the individuals in MHSA-funded and non-MHSA-funded units. Through the resulting partnerships with developers, on-site service providers and property management companies, DMH has been able to significantly increase the inventory of affordable housing that is available to clients who are homeless and their families. To date, $778.2 of this $1 billion has been committed toward the implementation and administration of capital efforts including providing capital funding for PSH developments resulting in 3,912 units as well as providing capitalized operating subsidies for thirteen of these developments to make the units affordable for individuals with limited income.

Of the $1 billion million invested by DMH, $155 million has gone into the MHSA Housing Program and SNHP, which are administered by the California Housing Finance Agency (CalHFA). DMH invested an initial $50 million in 2017 and additional $65 million in 2018 in the MHHP and Alternative Housing Model Program, which is administered by the Los Angeles County Development Authority (LACDA). This large infusion of funding and partnership with LACDA was a bridge to the NPLH program, which was implemented in 2019. To date, NPLH, which is also administered locally by LACDA, has provided $744,903,877 to Los Angeles County for the development of PSH units restricted to individuals who are homeless and have a serious mental illness. In Fiscal Year 2021-22, LACDA released a Notice of Funding Availability (NOFA) making $230 million of the NPLH funds available. However, in response to unexpectedly high demand, LACDA committed $450 million to fund all applications that met the eligibility threshold. After adjusting for projects failing to move forward and those reducing their funding requests, a total of $390 million is currently committed through the first NPLH NOFA. The increase in funding through the 2018-2019 NPLH NOFA resulted in there being no available funding for FY2019-20. However, LACDA released a second NOFA with $50 million of NPLH funds in October 2020, and funding announcements took place in early 2021 resulting in fifteen additional NPLH assisted developments. The remaining NPLH funds will be released over the next 2 years. LACDA expects to release NOFA during late summer or fall of 2023. The County has reserved $100 million of the NPLH funds to develop PSH as part of the Restorative Care Villages on the hospital campuses. The first Request for Proposals (RFP), released on October 19, 2021, for $20 million resulting in Century Inc. being recommended to develop PSH on the campus of LAC-USC. It is expected that up to 150 additional NPLH units will be developed because of this NOFA.

Table 47 and Figures 45 through 47 reflect DMH's capital investments in affordable housing in 2022. Items of note include:

- DMH has invested or helped create more than 4,100 affordable supportive homes (see Figure 38);
- A total of 268 affordable supportive units opened in 2022 (see Figure 39).

TABLE 47: DMH CAPITAL INVESTMENTS (2022)

	Amount	Change from 2021
2022 Capital Budget	$0	-100%
Avg. Subsidy per Home for Supportive Housing (Permanent Financing)*	N/A	N/A

**The average cost per unit was calculated using data from DMH's entire portfolio of capital investment*

FIGURE 45: DISTRIBUTION OF DMH SPECIAL PROJECTS AND FUNDED AFFORDABLE SUPPORTIVE HOMES BY SD

SD*	Developments**	Affordable Homes	Affordable Supportive Homes***
SD 1	41	2,631	1,314
SD. 2	52	3,350	1,425
SD. 3	30	1,710	738
SD 4	18	1,222	394
SD 5	11	639	272
County	**152**	**9,552**	**4,143**

**Supervisorial District (SD) designations reflect updated boundaries adopted December 15, 2021.*
***Includes developments not yet placed in service.*
**This is a subset of the number of affordable homes.*

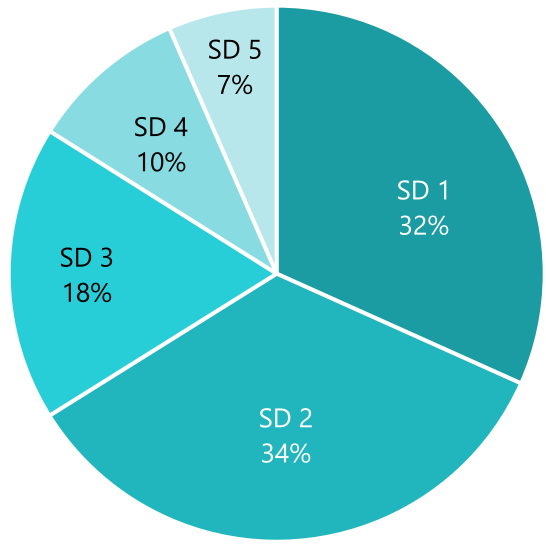


FIGURE 46: DMH-FUNDED AFFORDABLE SUPPORTIVE HOMES BY YEAR OPENED (2018-2022)

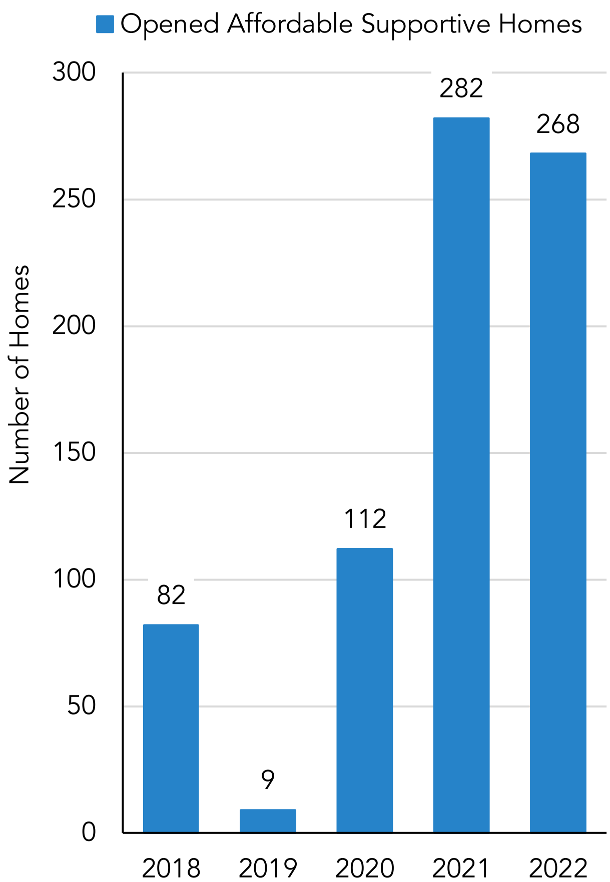
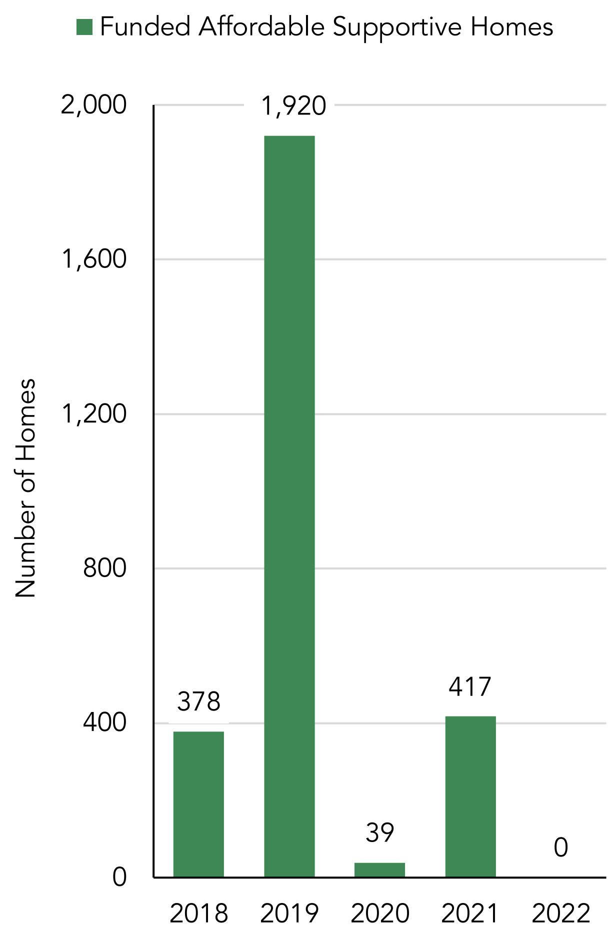


FIGURE 47: DMH-FUNDED AFFORDABLE SUPPORTIVE HOMES BY YEAR FUNDED (2018-2022)



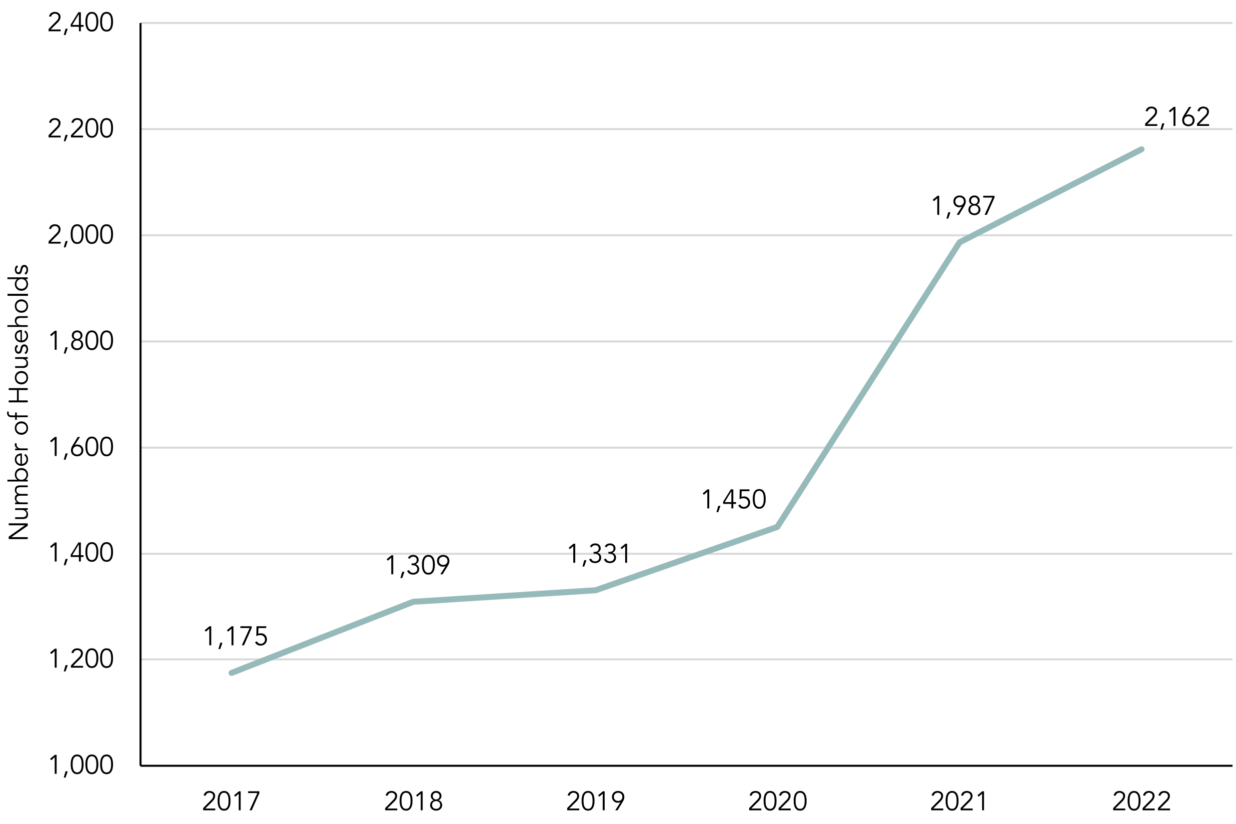
Tables 48 and 49 and Figures 48 through 51 show the impact of DMH's capital investment program in 2022. Items of note include:

- The total number of households currently housed increased nine (9) percent from 2021 (Table 48);
- Individuals ages 26-59 have made up the majority of those placed in DMH's Capital Investment Program PSH Units since 2018 (see Figure 49); and
- Black or African American households have made up 45 percent or more of those served since 2016 (see Figure 51).

TABLE 48: HOUSEHOLDS IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING (2022)

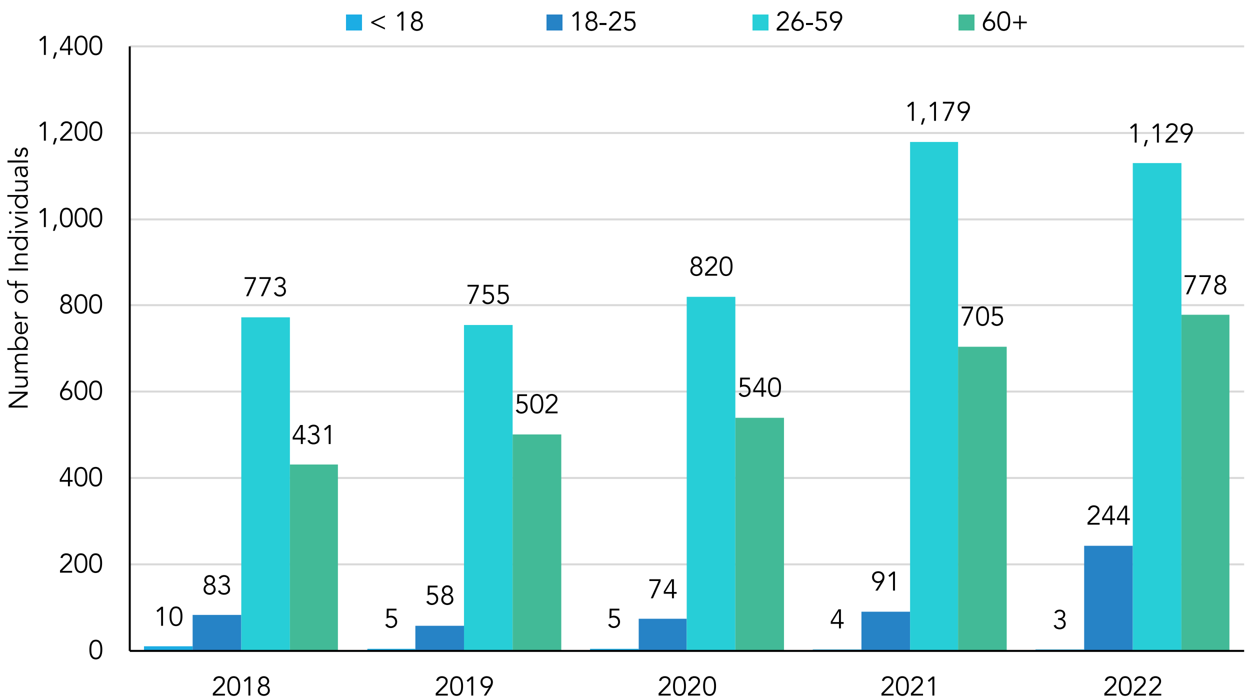
	# of Households	% Change from 2021
Total Number of Households Currently Housed	2,162	+9%
Number of Households Newly Housed	501	+17%
Total Number of Individuals Currently Housed	2,464	+5%
Number of Individuals Newly Housed	508	+15%

FIGURE 48: HOUSEHOLDS* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING (2017–2022)



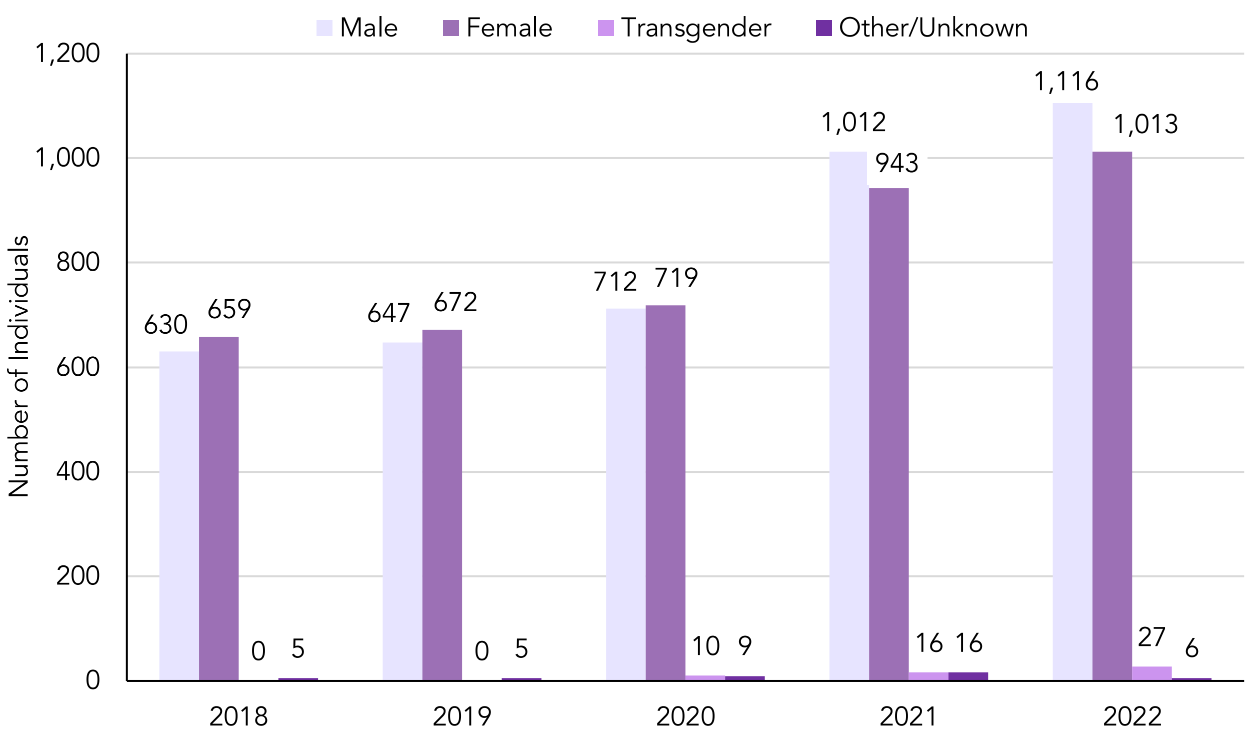
**Total number of households housed in each calendar year. Some households may be represented in multiple years.*

FIGURE 49: AGE OF HEAD OF HOUSEHOLD* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING (2018–2022)



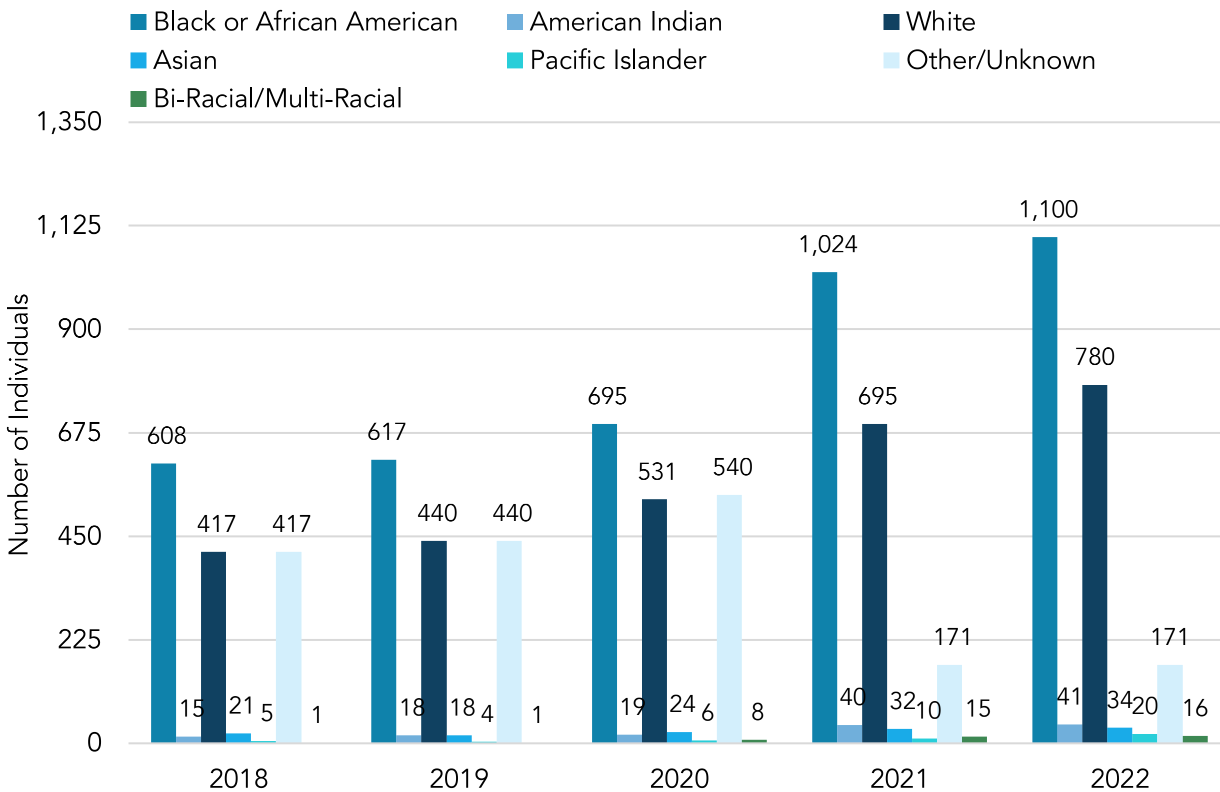
Total number of households housed in each calendar year. Some households may be represented in multiple years. Households where head of households' age was not identified are not represented.

FIGURE 50: GENDER OF HEAD OF HOUSEHOLD* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING (2018–2022)



Total number of households housed in each calendar year. Some households may be represented in multiple years.

FIGURE 51: RACE OF HEAD OF HOUSEHOLD* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING BY PROPORTION (2018–2022)



Total number of households housed in each calendar year. Some households may be represented in multiple years. No heads of household identified as Pacific Islander in 2017.

TABLE 49: ETHINICITY OF HEAD OF HOUSEHOLD* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM – PERMANENT SUPPORTIVE HOUSING (2022)

	# of Households	% Change from 2021
Hispanic/Latino	509	+25%
Non-Hispanic/Latino	1,545	+5%

**Total number of households housed in each calendar year. Some households may be represented in multiple years. Households where head of households' ethnicity was not identified are not represented.*

MHSA Capitalized Operating Subsidy Reserve

The Capitalized Operating Subsidy Reserve (COSR) is an operating subsidy used in conjunction with designated MHSA-funded PSH units. The purpose of the COSR is to ensure the break-even operation of these PSH units by funding the difference between approved operating expenses and tenant rents for the duration of the initial financing period of 15-20 years. The MHSA Housing Program allowed one-third of the initial allocation of program funds to be used for COSR. COSR funds are set aside at loan closing and are held by CalHFA. COSR was available under the MHSA Housing Program and SNHP. To date, the County has elected not to use NPLH dollars to fund COSR.

The COSR funds are disbursed annually by CalHFA after reviewing the development's operating costs. However, the disbursements are not automatic and the request for disbursement must be initiated by the developer based on actual expenses. During calendar year 2021, eight of the eleven developments with COSR requested a disbursement to make the units affordable for the target population. The other developments subsidized the unit with COSR from a previous disbursement or with existing cashflow. By subsidizing the units with cashflow, this action extends the life of the exiting COSR. When CalHFA announced the ending of the SNHP Program at the end of 2018, DMH elected to distribute uncommitted capital funds to replenish the current COSR accounts to ensure continued affordability for an additional 10 to 15 years.

TABLE 50: DMH MHSA COSR PROGRAM EXPENDITURES AS REQUESTED BY DEVELOPERS (2022)

	Amount	% Change from 2021
Funds Utilized	$1,404,456	+289%
Average Cost per Tenant	$480	-73%

FIGURE 52: DMH MHSA COSR PROGRAM EXPENDITURES AS REQUESTED BY DEVELOPERS (2018–2022)

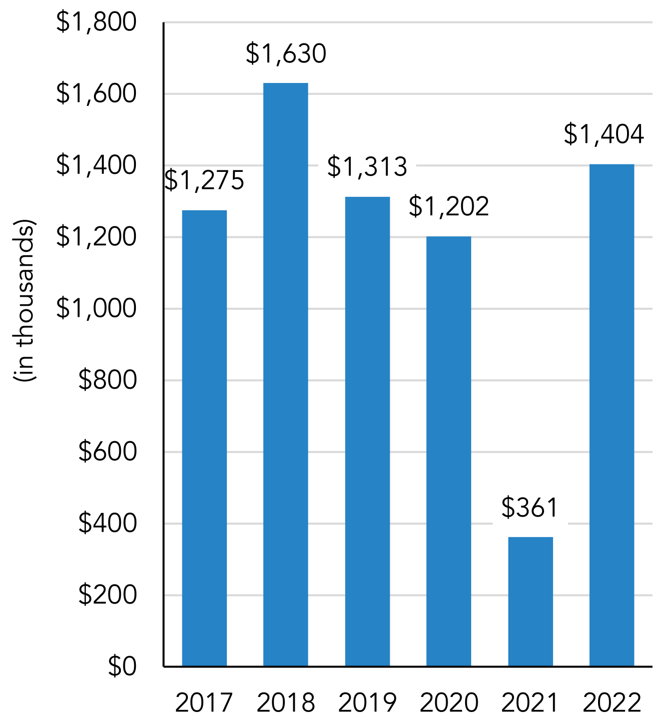


TABLE 51: DMH MHSA COSR SUBSIDIZED HOUSEHOLDS

	# of Households	% Change from 2021
Total Recipients Housed in 2022	225	-3%
Projected Turnover of Recipients for 2023	10	-60%

FIGURE 53: DMH MHSA COSR UTILIZATION (2017-2022)

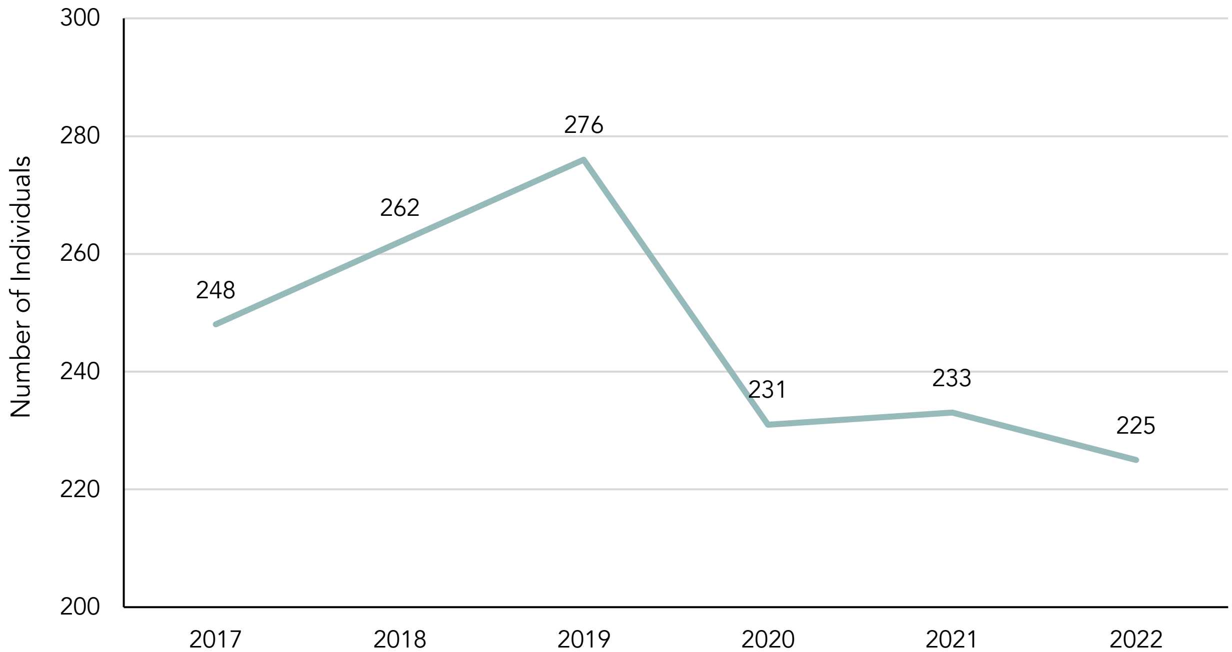
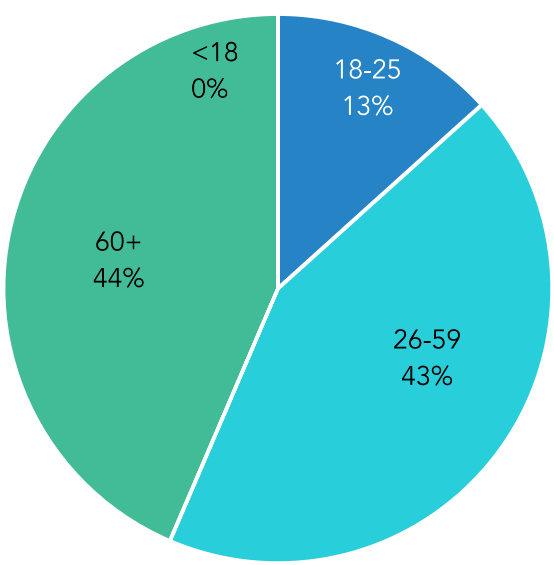
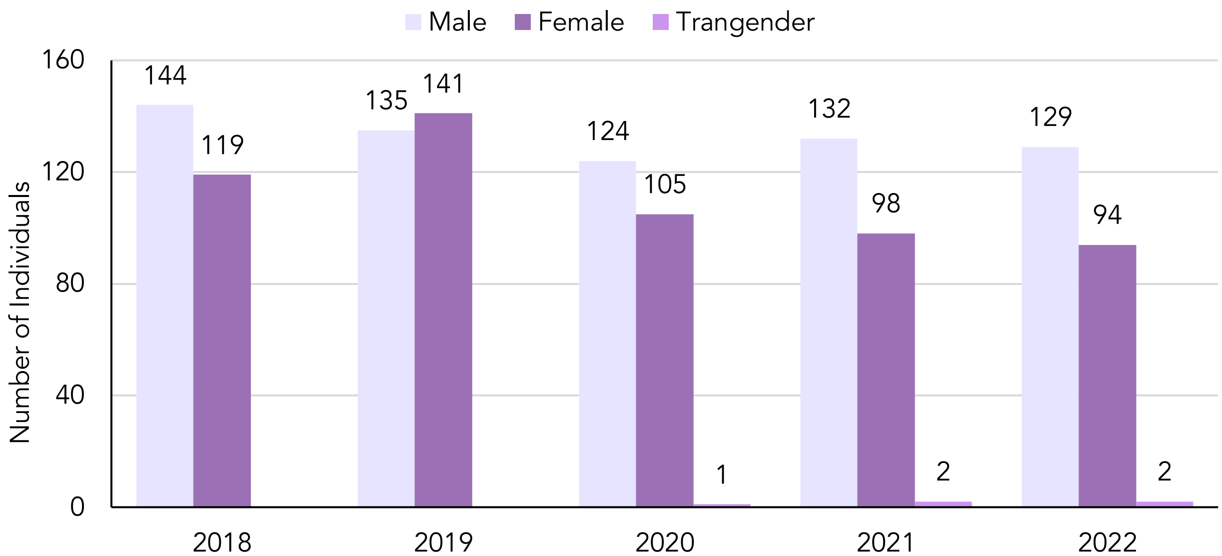


FIGURE 54: AGES OF DMH MHSA COSR RECIPIENTS (2022)



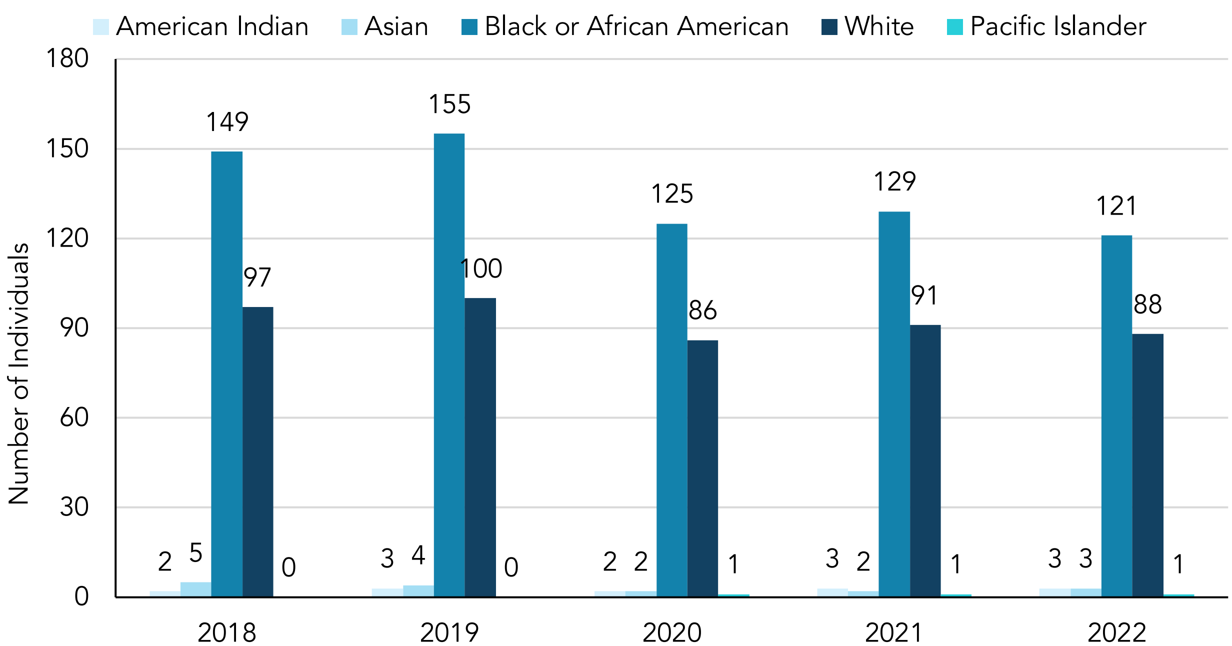
Age Categories	# of Individuals
< 18	0
18-25	30
26-59	97
60+	98

FIGURE 55: GENDER OF DMH MHSA COSR RECIPIENTS* (2018-2022)



Total number of recipients in each calendar year. Some individuals may be represented in multiple years. Individuals where gender was not identified are not represented.

FIGURE 56: RACE OF RECIPIENTS IN IN DMH MHSA COSR RECIPIENTS* (2018-2022)



Total number of recipients housed in each calendar year. Some individuals may be represented in multiple years. Individuals where race was not identified are not represented.

TABLE 52: ETHINICITY OF RECIPIENTS IN IN DMH MHSA COSR RECIPIENTS* (2022)

	# of Households	% Change from 2021
Hispanic/Latino	52	+16%
Non-Hispanic/Latino	169	-6%

Total number of recipients housed in each calendar year. Some individuals may be represented in multiple years. Individuals where ethnicity was not identified are not represented.

FEDERAL HOUSING SUBSIDY UNIT PROGRAM

Funded through 16 contracts directly with the City and County Housing Authorities and two (2) contracts in which DMH partners with the Department of Health Services (DHS). DMH's Federal Housing Subsidy Unit (FHSU) Program provides clients access to federal tenant-based permanent supportive housing (PSH) subsidies such as Continuum of Care (CoC), Tenant Based Supportive Housing (TBSH), and Homeless Section 8 (HS8).[58] Federal subsidies make units affordable by allowing clients to pay a limited percentage of their income as rent, with the balance paid to the property owner by the Housing Authority.

A summary of FHSU Program outcomes and demographics is shown in Tables 53 through 59 and Figures 57 through 59. Items of note in 2022 include:

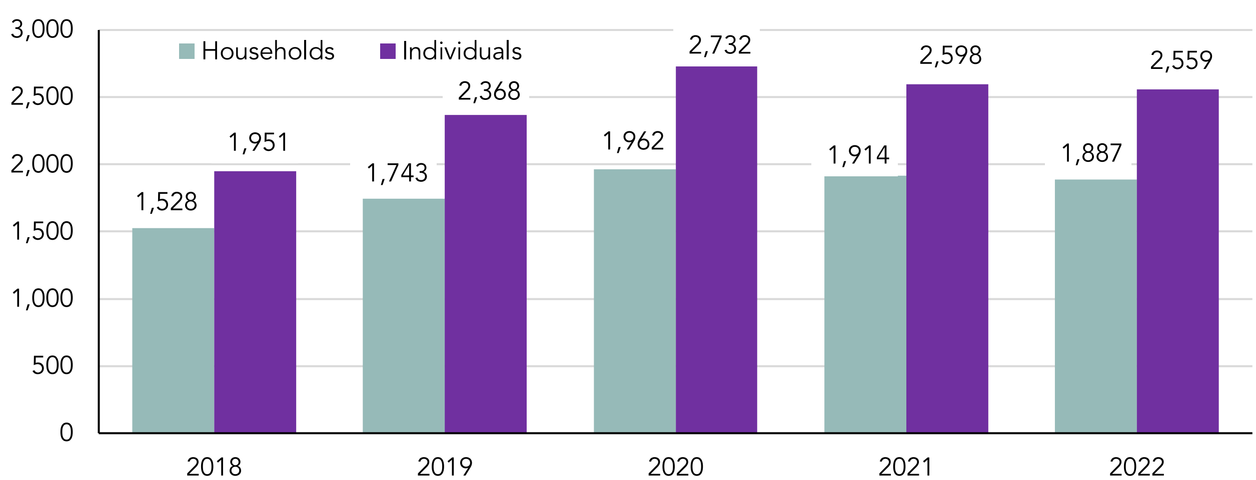
- More than 2,500 individuals are currently housed under the FHSU Program, a gradual decline from those served in 2020. Newly housed individuals total 243 (see Figure 57);
- More than half of FHSU Program clients are people of color (see Table 57 and Figure 59); and
- Seven out of ten rental subsidy recipients are between the ages of 40 and 69 (see Table 55).

TABLE 53: DMH FEDERAL HOUSING SUBSIDY UNIT PROGRAM (2022)

	# of Households/Individuals	% Change from 2021
Total Number of Households Currently Housed	1,887	-1%
Total Number of Individuals Currently Housed	2,559	-5%
Number of Households Newly Housed	156	-25%*
Number of Individuals Newly Housed	243	-9%

*This decrease is likely due to the availability of Emergency Housing Vouchers (EHV) at the end of 2021 which may have better incentives and the perception of an easier and less restrictive application process.

FIGURE 57: CURRENTLY HOUSED HOUSEHOLDS AND INDIVIDUALS IN FHSU PROGRAM (2018-2022)



[58] Client data for the two contracts that DHS are contract leads for are not included in the DMH data to avoid duplication.

TABLE 54: RENTAL SUBSIDIES UTILIZED BY DMH CLIENTS (2022)

	# of Households	% Change from 20201
HACLA CoC	952	-5%
LACDA CoC	739	-0.1%
LACDA HCVP	73	+181%*
HACLA TBSH	247	+3%
HACLA HS8	12	-14%

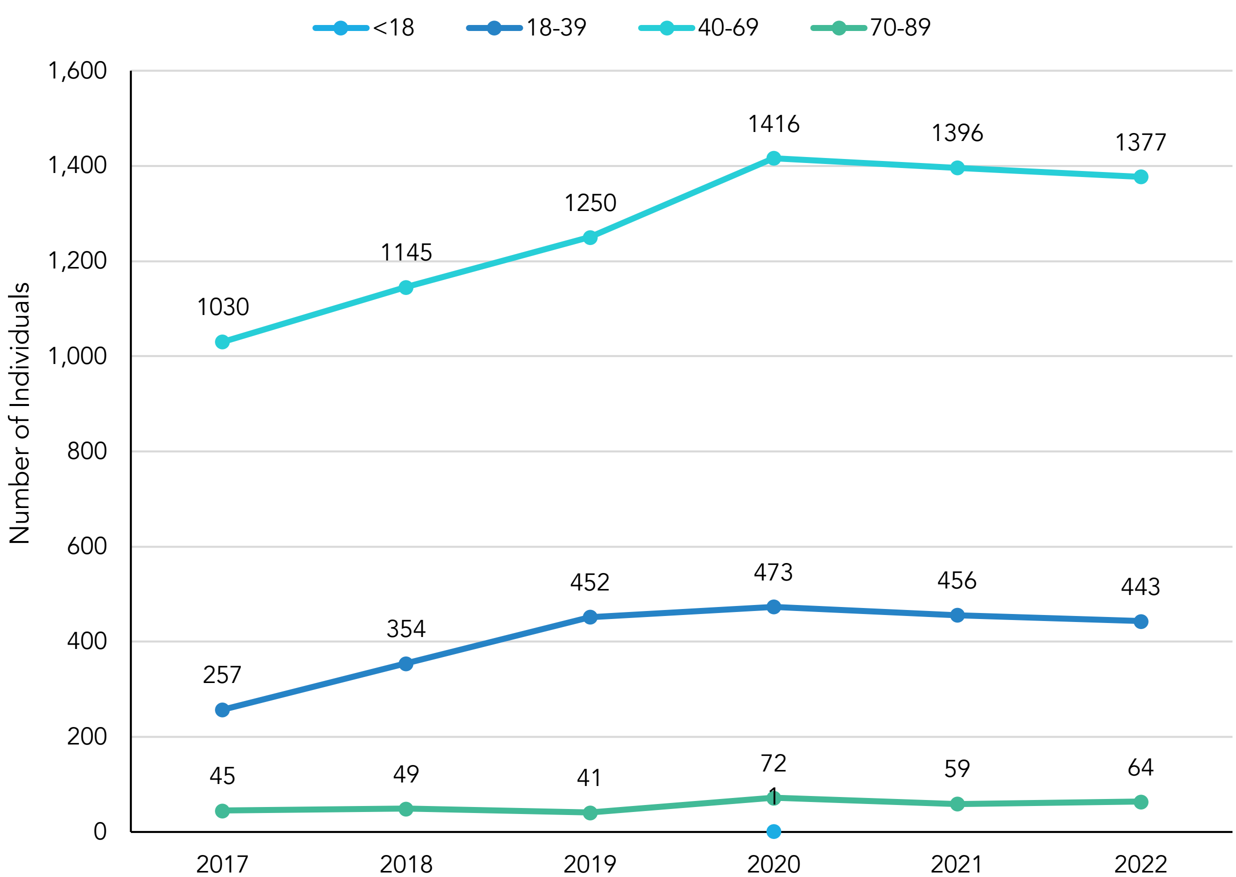
**This large increase can be attributed to the program starting in April 2021 and being fully operational through 2022.*

TABLE 55: AGES* IN DMH TENANT-BASED PROGRAMS (2022)

	# of Individuals	% Change from 2021
<18	0	0%
18-29	141	-4%
30-39	302	-2%
40-49	317	-8%
50-59	583	-4%
60-69	477	+7%
70-79	62	+11%
80-89	2	-33%

**Age reported is based on head of householder.*

FIGURE 58: AGES OF CLIENTS* IN DMH TENANT-BASED PROGRAMS (2018-2022)



**Total number of recipients in each calendar year. Some individuals may be represented in multiple years.*

TABLE 56: GENDER* OF CLIENTS IN DMH TENANT-BASED PROGRAMS (2022)

	# of Individuals	% Change from 2021
Female	1,076	+0.2%
Male	794	-4%
Transgender	7	+17%
No Single Gender	2	0%

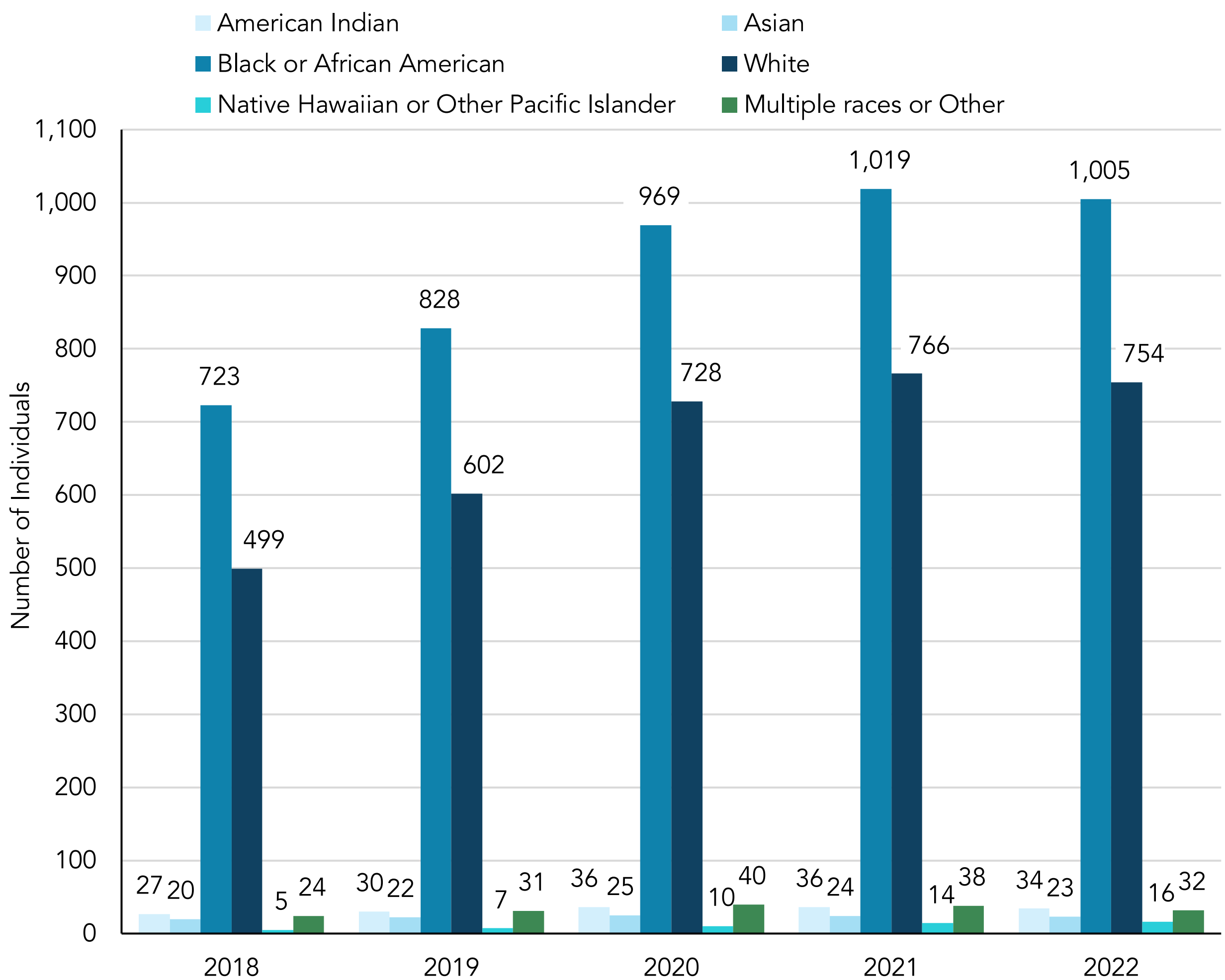
**Gender reported is based on head of householder.*

TABLE 57: RACE* OF CLIENTS IN DMH TENANT-BASED PROGRAMS (2022)

	# of Individuals	% Change from 2021
American Indian	34	-6%
Asian	22	-4%
Black or African American	1,005	-1%
White	754	-2%
Native Hawaiian or Other Pacific Islander	16	+14%
Multiple Races or Other**	32	-16%

**Race reported is based on head of householder.*
***Includes individuals who identify as multiple races, other Hispanic or Other Latino, or Central American.*

FIGURE 59: RACE OF DMH CLIENTS* IN TENANT-BASED PROGRAMS (2018-2022)



**Total number of clients in each calendar year. Some individuals may be represented in multiple years. Individuals where race was not identified are not represented.*

TABLE 58: ETHNICITY* OF CLIENTS IN DMH TENANT-BASED PROGRAMS (2022)

	# of Individuals	% Change from 2021
Non-Hispanic/Latino	1,461	-2%
Hispanic/Latino	413	+1%

**Ethnicity reported is based on head of householder. Households where ethnicity was not identified are not represented.*

TABLE 59: REASONS FOR EXIT FROM DMH TENANT- AND PROJECT-BASED PROGRAM (2022)

	# of Households	% Change from 2021
Completed Program	20	-39%
Criminal Activity/destruction of property/violence	0	0%
Death	52	+33%
Left for a housing opportunity before completing program	2	N/A
Non-compliance with program	34	+70%
Non-payment of rent/occupancy charge	0	0%
Other*	30	+67%
Reached maximum time allowed by program	0	N/A
Total	**138**	**+25%**

**This category includes those who transitioned into living in a facility, a temporary living situation, or a space not meant for habitation.*

Legacy Flexible Housing Subsidy Pool Program

The Legacy Flexible Housing Subsidy Pool (L-FHSP) Program which is administered by Brilliant Corners on behalf of DMH provides rental subsidies for individuals who are homeless, have a mental illness and do not qualify for federal housing subsidies. In most cases, the individual, along with their case manager, will conduct a housing search to identify potential apartments for rent. After an apartment has been identified, Brilliant Corners will inspect the unit and negotiate a rental contract with the owner. The individual is required to pay 30 percent of their household income toward rent, and the L-FHSP Program will pay the balance directly to the owner/property management company. In addition, the L-FHSP Program covers the cost of the security deposit and household goods. If the individual has zero income at the time of move-in, the program will also pay the monthly utility costs. This program is only available for individuals served through DMH's directly-operated clinics and is often used for individuals that do not meet the requirements for a federal subsidy due to documentation status or criminal justice involvement. A summary of L-FHSP Program outcomes and demographics is shown in Tables 60 through 56 and in Figures 60 through 56. Items of note in 2022 include:

- Sixty-five (65) percent of program participants are under the age of 60 (see Figure 61); and
- A majority of households are receiving some form of state assistance and eight percent of households in the program are employed.

TABLE 60: DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM EXPENDITURES* (2022)

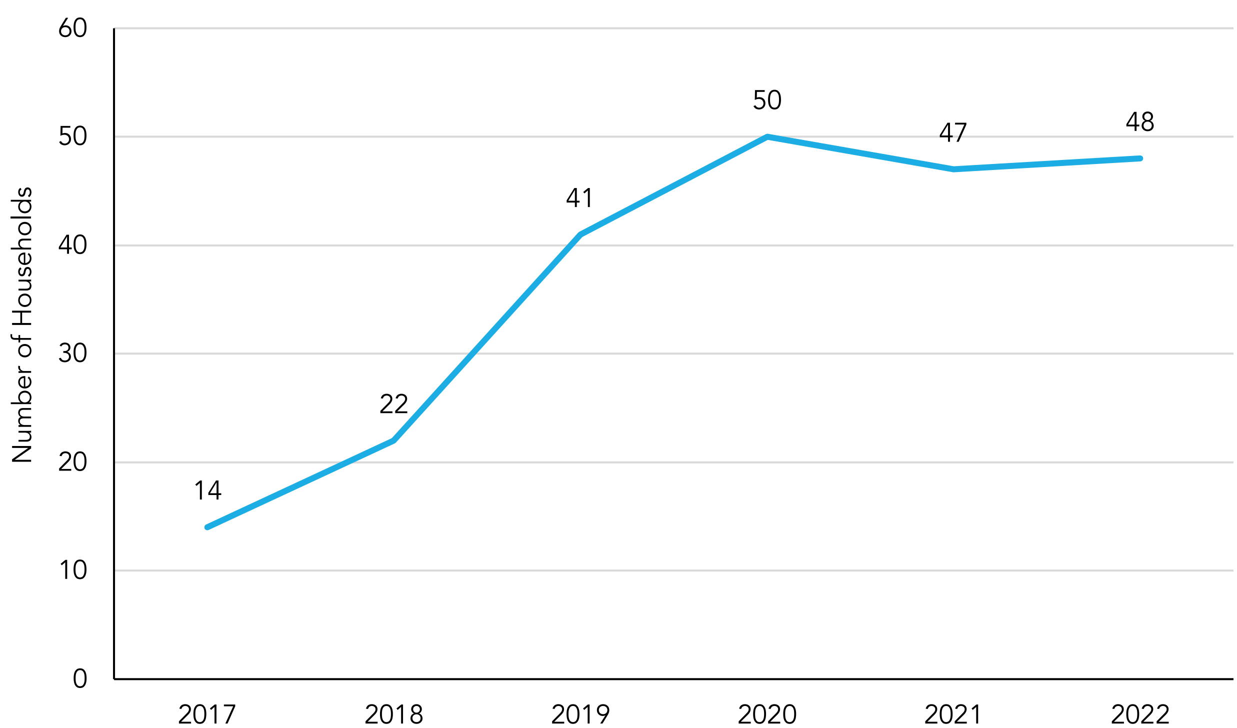
	Amount	% Change from 2021
Funds Utilized	$773,890	-8%
Average Monthly Cost per Tenant*	$1,344	+2%

Includes security deposits and utilities.

TABLE 61: DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2022)

	# of Households	% Change from 2021
Total Number of Households Currently Housed in 2022	48	+2%
Number of Households Newly Housed in 2022	0	0%
Projected Turnover of Households in 2023	0	0%

FIGURE 60: CURRENTLY HOUSED HOUSEHOLDS* IN LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2017-2022)



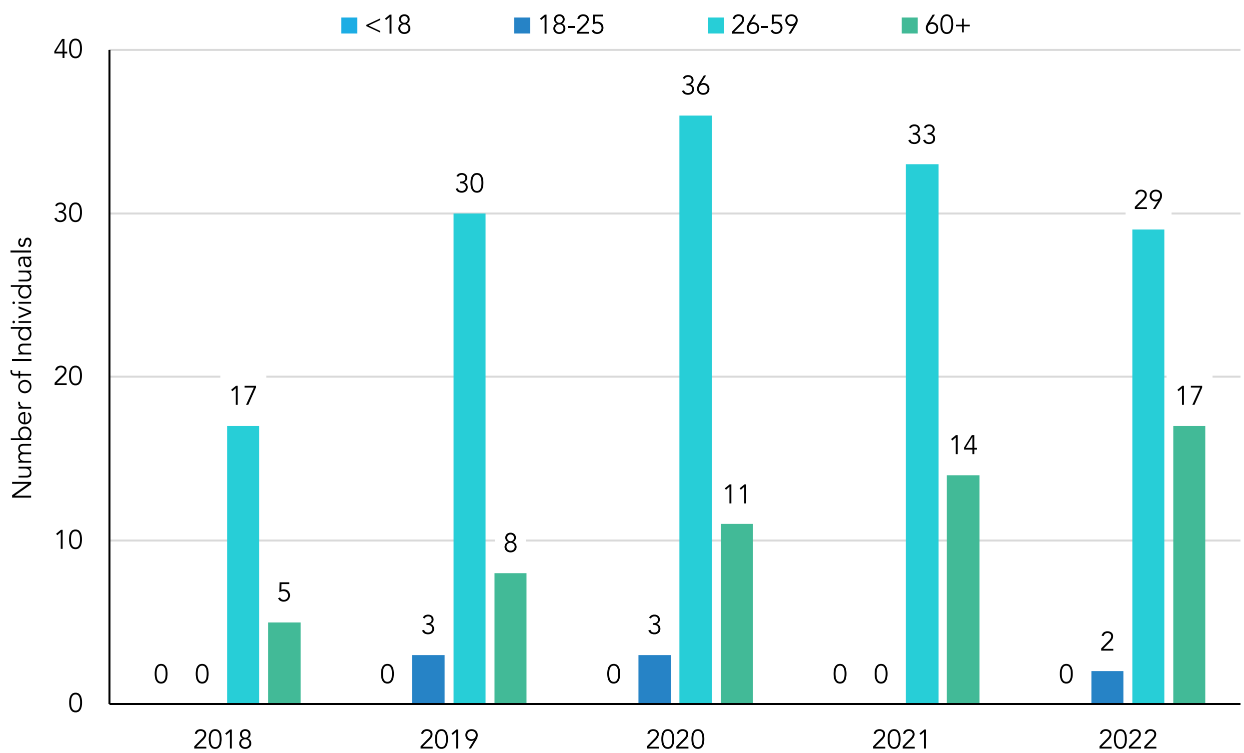
Total number of households housed in each calendar year. Some households may be represented in multiple years.

TABLE 62: AGES* OF RECIPIENTS IN DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2022)

	# of Individuals	% Change from 2021
<18	0	0%
18-25	2	0%
26-59	29	-12%
60+	17	+21%

**Age reported is based on head of householder.*

FIGURE 61: AGES OF RECIPIENTS* IN DMH FHSP SUBSIDIZED UNITS (2018-2022)



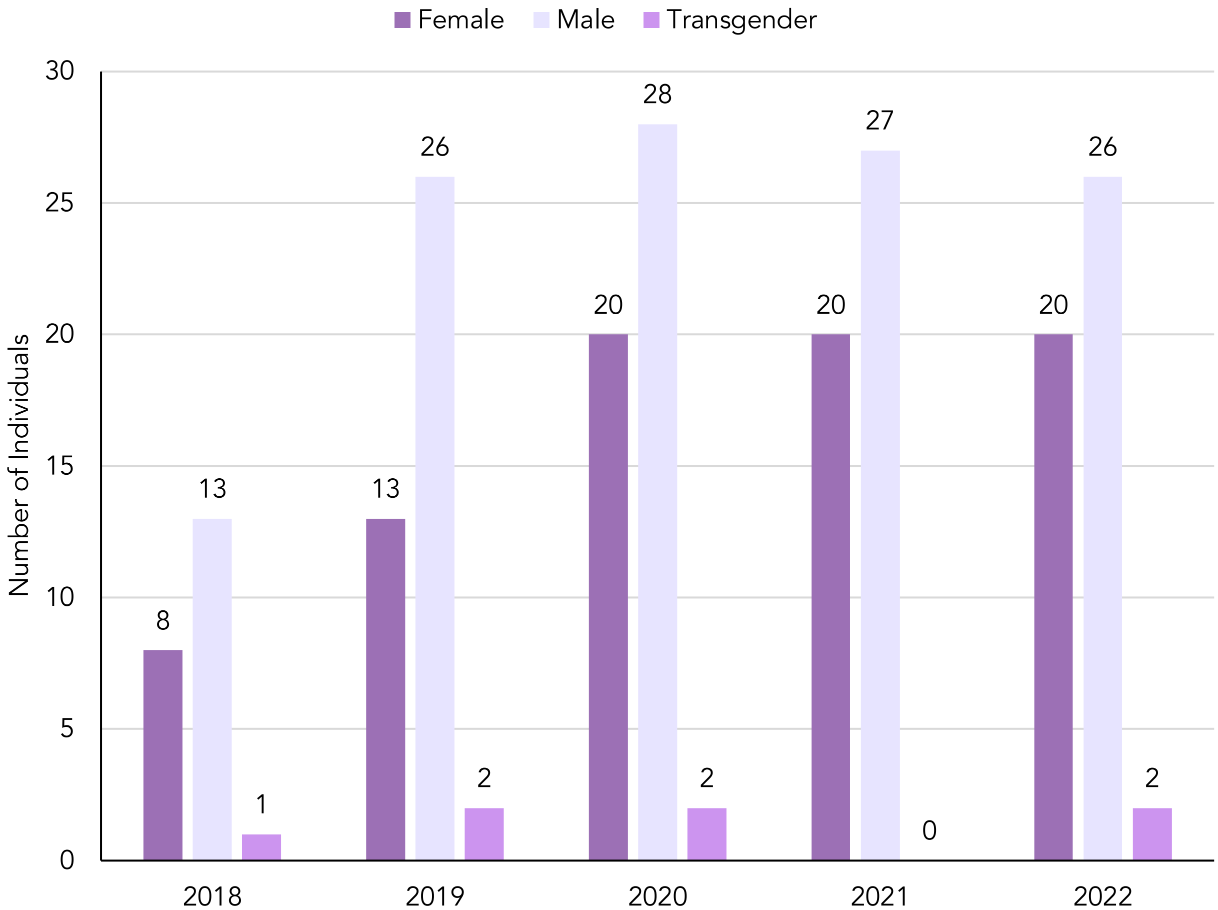
**Total number of recipients in each calendar year. Some individuals may be represented in multiple years. Age reported is based on head of householder.*

TABLE 63: GENDER* OF RECIPIENTS IN DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2022)

	# of Individuals	% Change from 2021
Female	20	0%
Male	26	-4%
Transgender	2	N/A

**Gender reported is based on head of householder.*

FIGURE 62: GENDER OF RECIPIENTS* IN DMH FHSP SUBSIDIZED UNITS (2018-2022)



Total number of recipients in subsidized units in each calendar year. Some individuals may be represented in multiple years. Gender reported is based on head of householder.

TABLE 64: RACE* OF RECIPIENTS IN DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2022)

	# of Individuals	% Change from 2021
American Indian	1	0%
Asian	1	0%
Black or African American	18	+50%
White	17	-47%
Native Hawaiian or other Pacific Islander	0	-100%

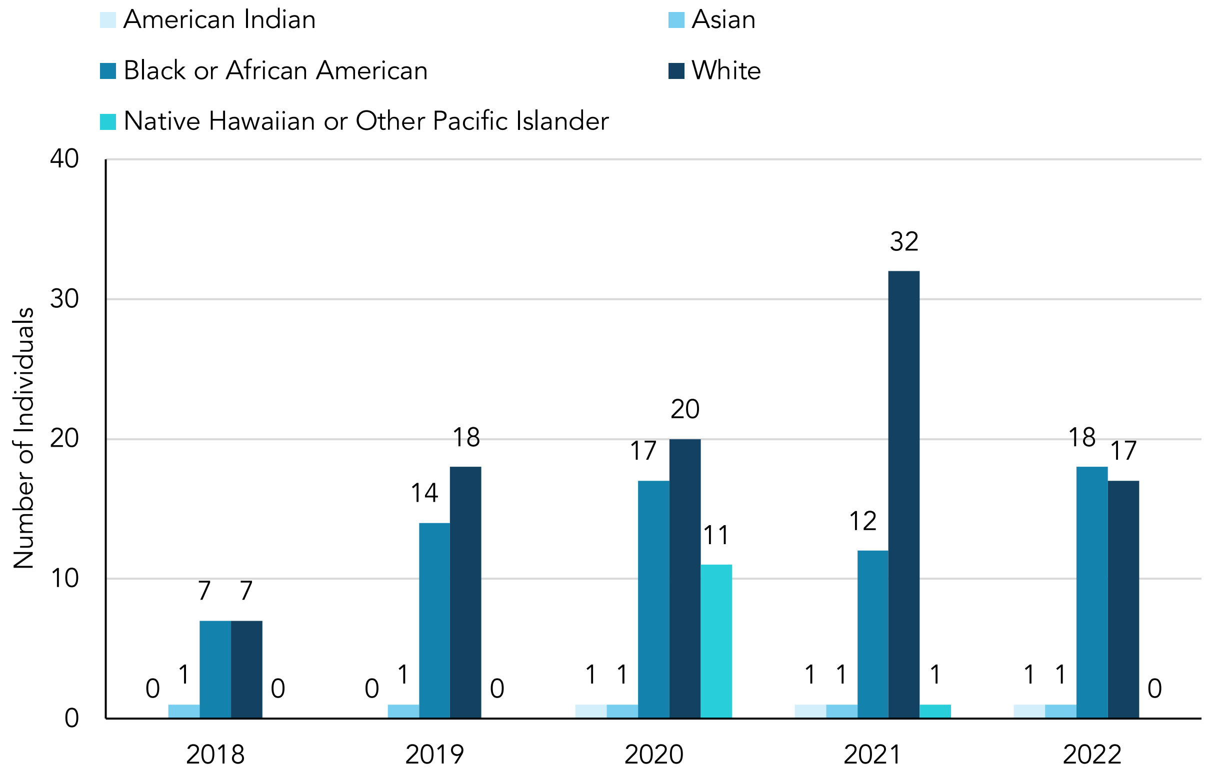
Race reported is based on head of householder.

TABLE 65: ETHNICITY* OF RECIPIENTS IN DMH LEGACY FEDERAL HOUSING SUBSIDY POOL PROGRAM (2022)

	# of Individuals	% Change from 2021
Non-Hispanic/ Latino	23	-4%
Hispanic/Latino	23	+5%

Ethnicity reported is based on head of householder.

FIGURE 63: RACE OF RECIPIENTS* IN IN DMH FHSP SUBSIDIZED UNITS (2018-2022)



Total number of recipients in subsidized units in each calendar year. Some individuals may be represented in multiple years.

TABLE 66: HOUSEHOLD INCOME OF DMH FHSP RECIPIENTS AT TIME OF MOVE IN (2022)

Household Income	# of Households	% Change from 2021
Zero Income	7	0%
Social Security Disability Insurance (SSDI)	8	0%
Supplemental Security Income (SSI)	5	0%
Social Security Retirement (SSR)	5	0%
General Relief (GR)	8	0%
Family/Friend	4	0%
Employment	4	0%
CalWORKs (TANF)	4	0%
Child Support	1	N/A
Cash Assistance Program for Immigrants (CAPI)	2	0%

Housing for Mental Health Program

In FY 2021-22, $10 million in MHSA funds was set aside to launch the Housing for Mental Health (HFMH) program, which provides funding for rental subsidies, security deposits, utility assistance and household goods. This program targets highly vulnerable individuals with serious mental illness who are enrolled in a Full Service Partnership (FSP) program and are homeless and/or have criminal justice involvement. Twenty percent of housing subsidies are reserved for FSP clients referred by the Department of Health Services (DHS) Office of Diversion and Reentry (ODR). The HFMH program also works in close collaboration with the DHS Intensive Case Management Services (ICMS) program, whose staff work alongside the FSP teams to assist clients with the housing application process, and with Brilliant Corners who serves as the administrator of the HFMH subsidies.

DMH used the $10 million to allocate 420 HFMH housing subsidy vouchers across 17 FSP and ODR programs. The FSP and ODR programs, in turn, refer clients to these HFMH vouchers. As of December 31, 2022, 49 individuals had been referred and were pending for HFMH vouchers and 381 were housed in permanent housing including both tenant-based and project-based housing.

Data on HFMH program funding and investments are shown in Table 57. Data on tenant-based subsidies and recipient demographics are shown in Tables 68 through 71 and Figures 64 through 65. Data on project-based subsidies and recipient demographics are shown in Tables 72 through 74 and Figures 66 and 67. Items of note for 2022 include:

- Eighty-six (86) percent of the HFMH budget was used for tenant-and project-based subsidies in 2022 (see Table 67);
- More than half of the clients in the tenant-based program identify as male (see Figure 58); and
- Seventy-four less households were newly housed through the project-based program in 2022 than in 2021 (Table 62).

TABLE 67: DMH HOUSING FOR MENTAL HEALTH PROGRAM FUNDING

	Amount	% Change from 2021
FY2022 Total HFMH Budget	$10,000,000	0%
Funds Utilized for Tenant- and Project-Based Subsidies in CY2022	$8,618,828	-7%*
Average Cost of Monthly Rental Subsidy in 2022 (Tenant-Based)	$1,492	+5%
Average Cost per Tenant in 2022 (Project-Based)	$1,404	+8%

**This is a subset of the total FY2021 HFMH Budget.*

***The increase is due to the program still ramping up in 2020. By the end of 2021, the program is still not fully leased up.*

Tenant-Based Subsidies

TABLE 68: DMH HOUSING FOR MENTAL HEALTH TENANT-BASED PROGRAM (2022)

		% Change from 2021
Total Number of Households Currently Housed	239	-11%
Number of Households Newly Housed	37	-61%*
Number of Subsidies Allocated to Households	263	+9%

**The significant decrease from 2021 can be attributed to clients remaining in stable housing.*

TABLE:69 RACE OF DMH HFMH TENANT-BASED PROGRAM CLIENTS* (2022)

	# of Households	% Change from 2021
American Indian/Alaskan Native	2	-33%
Asian	9	+13%
Black or African American	84	-17%
Native Hawaiian or Other Pacific Islander	2	-33%
White	134	-14%
Multiracial/Other	4	N/A

** The households who did not identify a race or their race is unknown are not represented.*

FIGURE 64: AGES IN DMH HFMH TENANT-BASED PROGRAM (2020-2022)

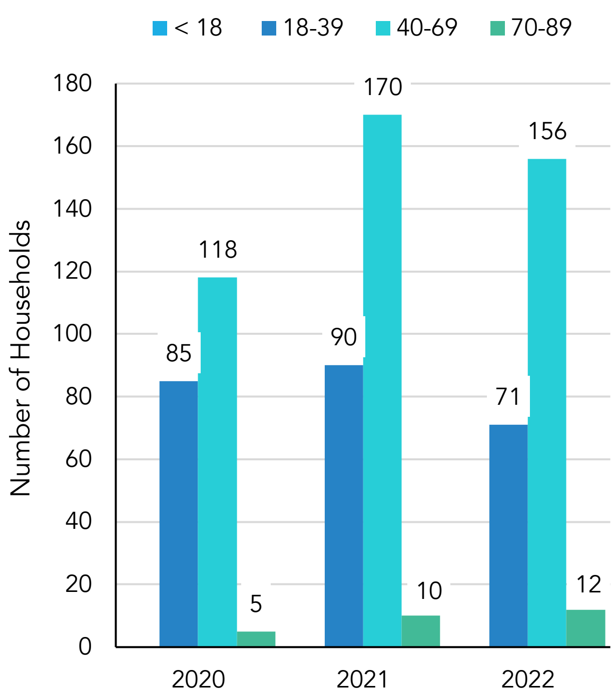


FIGURE 65: GENDER OF DMH HFMH TENANT- BASED PROGRAM CLIENTS (2020-2022)

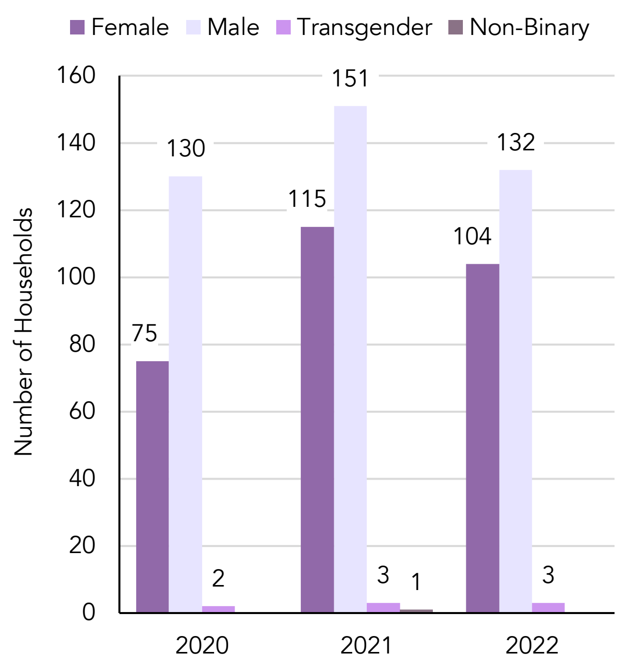


TABLE 70: ETHNICITY* OF DMH HFMH TENANT-BASED PROGRAM CLIENTS (2022)

	# of Individuals	% Change of 2021
Non-Hispanic/Latino	127	-32%
Hispanic/Latino	67	-19%

**Ethnicity reported is based on head of householder. Households where ethnicity was not identified are not represented.*

TABLE 71: REASONS FOR EXIT FROM DMH HFMH TENANT-BASED PROGRAM (2022)

	# of Households
Declined Housing Support	1
Moved Out of Unit	3
Matched to Another Housing Resource	1
Long Term Incarceration	1
Deceased	5
Evicted	2
Unknown	37

Project-Based Subsidies

TABLE 72: DMH HOUSING FOR MENTAL HEALTH PROGRAM PROEJCT-BASED SUBSIDIES (2022)

	# of Households	% Change from 2021
Total Number of Households Currently Housed*	142	-11%
Number of Households Newly Housed	16	-82%**
Allocated Number of Households in Project-Based Subsidized Units	157	-7%

**Highly vulnerable individuals with a serious mental illness who are enrolled in a Full Service Partnership (FSP) Program and are homeless and/or have criminal justice involvement are recipients of project-based subsidies.*
***The significant decrease from 2021 can be attributed to clients remaining in stable housing.*

TABLE 73: RACE OF RECIPIENTS* IN HFMH PROJECT-BASED SUBSIDIZED UNITS (2021)

	# of Households	% Change from 2021
American Indian/Alaskan Native	4	+33%
Asian	3	0%
Black or African American	64	-11%
Native Hawaiian or Other Pacific Islander	3	0%
White	61	-23%
Multiracial/Other	6	N/A

* *The households who did not identify a race or their race is unknown are not represented are not included.*

TABLE 74: ETHNICITY* OF DMH HFMH PROJECT-BASED PROGRAM CLIENTS* (2022)

	# of Individuals	% Change from 2021
Non-Hispanic/Latino	72	-38%
Hispanic/Latino	43	0%

**Ethnicity reported is based on head of householder. Households where ethnicity was not identified are not represented.*

FIGURE 66: AGES IN DMH HFMH PROJECT-BASED PROGRAM (2020-2022)

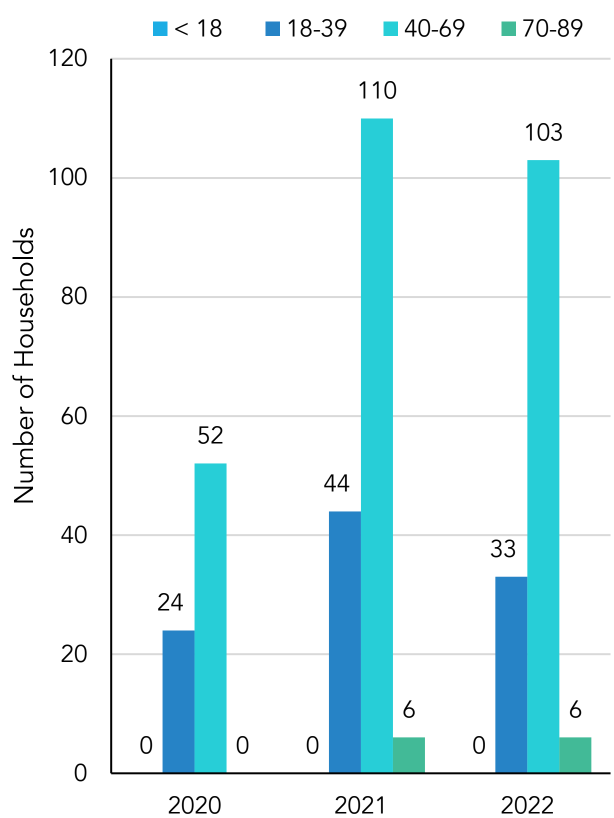
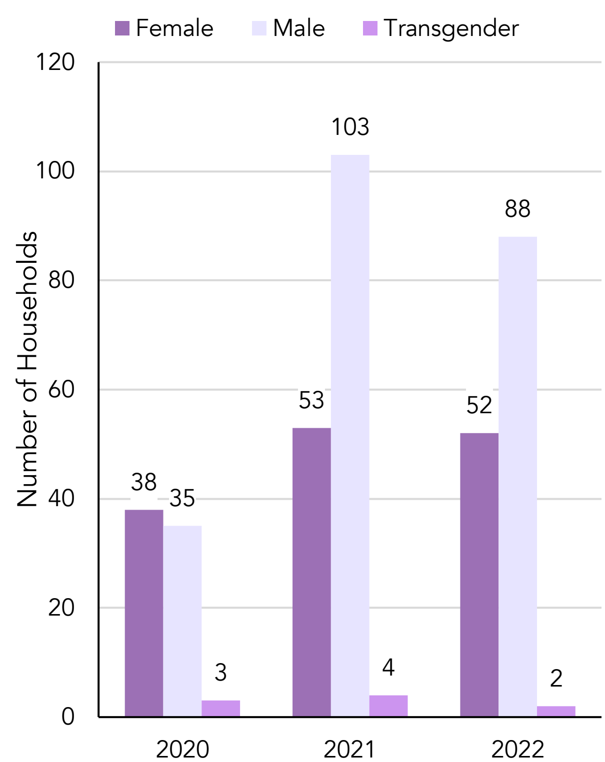


FIGURE 67: GENDER OF RECIPIENTS IN HFMH PROJECT-BASED SUBSIDIZED UNITS (2020-2022)



DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS

The Department of Consumer and Business Affairs (DCBA) serves as the administrator of the County's expanded eviction defense program, also known as Stay Housed LA County, funded by a mix of County funds, America Rescue Plan (ARP) dollars, Permanent Local Housing Allocation (PLHA) grant dollars, City of Long Beach General funds, and state Emergency Rental Assistance Program (ERAP) dollars to provide low-income tenants living in the county with free limited and full-scope legal representation; short-term rental assistance; and direct tenant outreach, education, and other complementary services to stabilize their housing while facing potential eviction and/or homelessness due to financial hardship.

Due to the onset of the COVID-19 pandemic and continuing through the state of emergency, DCBA contracted with the Legal Aid Foundation of Los Angeles and Liberty Hill Foundation to provide direct legal aid and outreach services to tenants. On May 13, 2022, the County entered into new service delivery agreements with LAFLA, funded via $10.8 million in federal American Rescue Plan Act (ARP) dollars and $6.2 million in California Permanent Local Housing Allocation (PLHA) dollars, to continue providing eviction defense services under the SHLA program through June of 2023. On September 13, 2022, the Board approved an additional $18 million allocation from ARP (Tranche 2) for the continued implementation of the program through June of 2024.

In response to a Board Motion adopted on September 27, 2022, DCBA provided recommendations on how to transition Stay Housed L.A. County into a permanent DCBA program by 2025 to meet the growing demand for countywide eviction prevention and defense services. On January 24, 2023, the Board approved a $2 million supplemental allocation of ARP funding to expand SHLA's rental assistance efforts to coincide with the expiration of the County's COVID-19 Tenant Protections Resolution. Table 75 summarizes activity of the Stay Housed L.A. County program in 2022.

TABLE 75: STAY HOUSED L.A. COUNTY* EXPENDITURES AND ACTIVITY (2022)

	Amount	% Change from 2021
Expenditures	$6,287,430	-6%
	# of Tenants	
Connected with Over Phone and Text Message	1,010,213	+284%**
Provided with Limited Scope Legal Representation	4,198	+6%
Provided with Full Scope Legal Representation	925	-26%
Provided with Short-Term Rental Assistance	110	N/A

* *The data presented here represents resources and efforts expended by the County of Los Angeles and not those by other jurisdictions also operating under the Stay Housed LA Program.*
***This increase is due to outreach partners depending heavily on this form of engagement due to the limited amount of in-person outreach conducted due to the Covid-19 pandemic.*

Los Angeles Homeless Services Authority

The Los Angles Homeless Services Authority (LAHSA) administers federal, state, and local funds to service providers through the Los Angeles Continuum of Care (LA CoC). As such, LAHSA funds a number of rapid rehousing (RRH) programs that provide limited term rental subsidies that aim to quickly house people experiencing homelessness. Funding for the RRH programs come from a number of sources, including the County of Los Angeles, the City of Los Angeles, and California Housing and Community Development (HCD) Emergency Services Grants (ESG). Tables 76 through 80 and Figures 68 and 69 summarize the households and individuals that participated in LAHSA's RRH programs in 2022. Highlights include:

- Actively enrolled households declined by 11 percent from 2021 aligned with the decrease in funding (see Table 77 and Figure 68);
- The number of individuals housed in 2022 increased by more than 1,000 (see Table 77);
- The rapid-rehousing budget for FY2022-2023 is a little more than half of the budget available in FY2021-2022 as there was a substantial cut to Measure H dollars and the ESG funds available during COVID have dissolved (see Table 76); and
- Adults continue to be the predominant population housed through the RRH program (70 percent), as more participants were transitioned from interim to permanent housing (see Table 69).[59]

TABLE 76: LAHSA RRH EXPENDITURES (FY2022)

	Amount	% Change from FY2021
FY2022-23 RRH Budget	$79,007,626	-45%
FY2022-23 Average Cost per Household*	$12,780	-11%
FY2022-23 Average Cost per Individual**	$11,472	+27%

**A household can be one or more persons.*
***An individual is representative of one person.*

TABLE 77: LAHSA RRH PROGRAMS (2022)

	# of Households	% Change in # of Households from 2021	# of Individuals	% Change in # of Individuals from 2021
Actively Enrolled	9,910	-11%	15,781	-14%
Housed*	4,229	+12%	6,903	+18%
Received Rental Assistance**	6,742	+18%	9,562	-3%

**Participants with a move-in date or exit to a permanent destination.*
***Participants with a move-in date or rental assistance in the reporting period.*

[59] The addition of Recovery Re-Housing using Coronavirus Recovery Fund (CRF) dollars an additional Permanent Housing Program was implemented and created an additional 4,998 beds/units to serve COVID vulnerable populations.

FIGURE 68: ACTIVELY ENROLLED HOUSEHOLDS THROUGH LAHSA RRH PROGRAM BY YEAR (2019-2022)

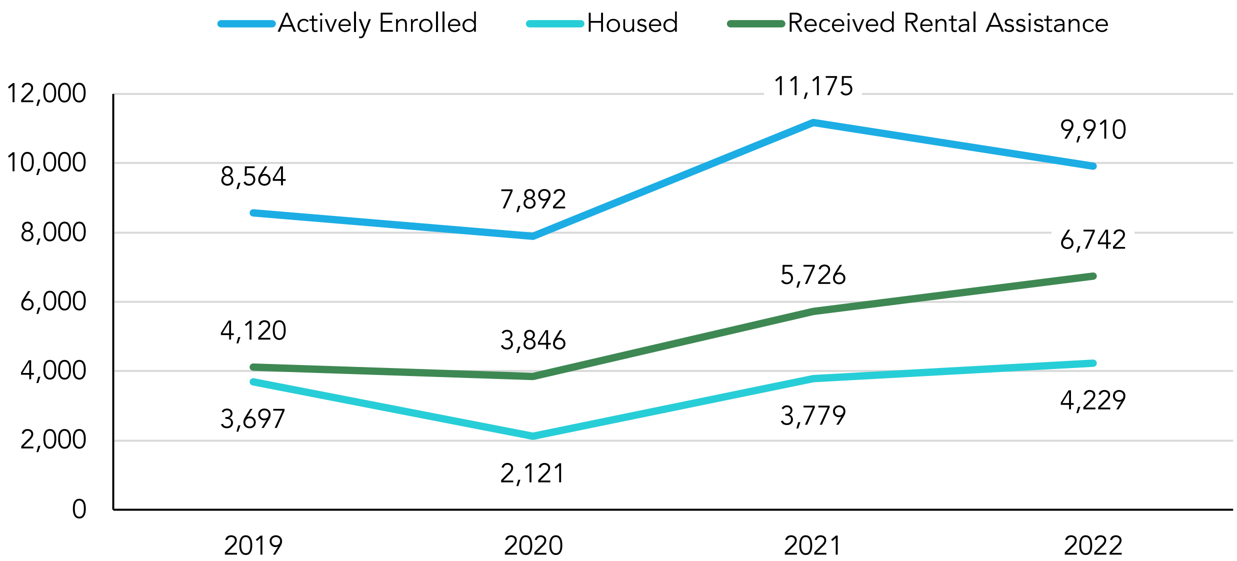
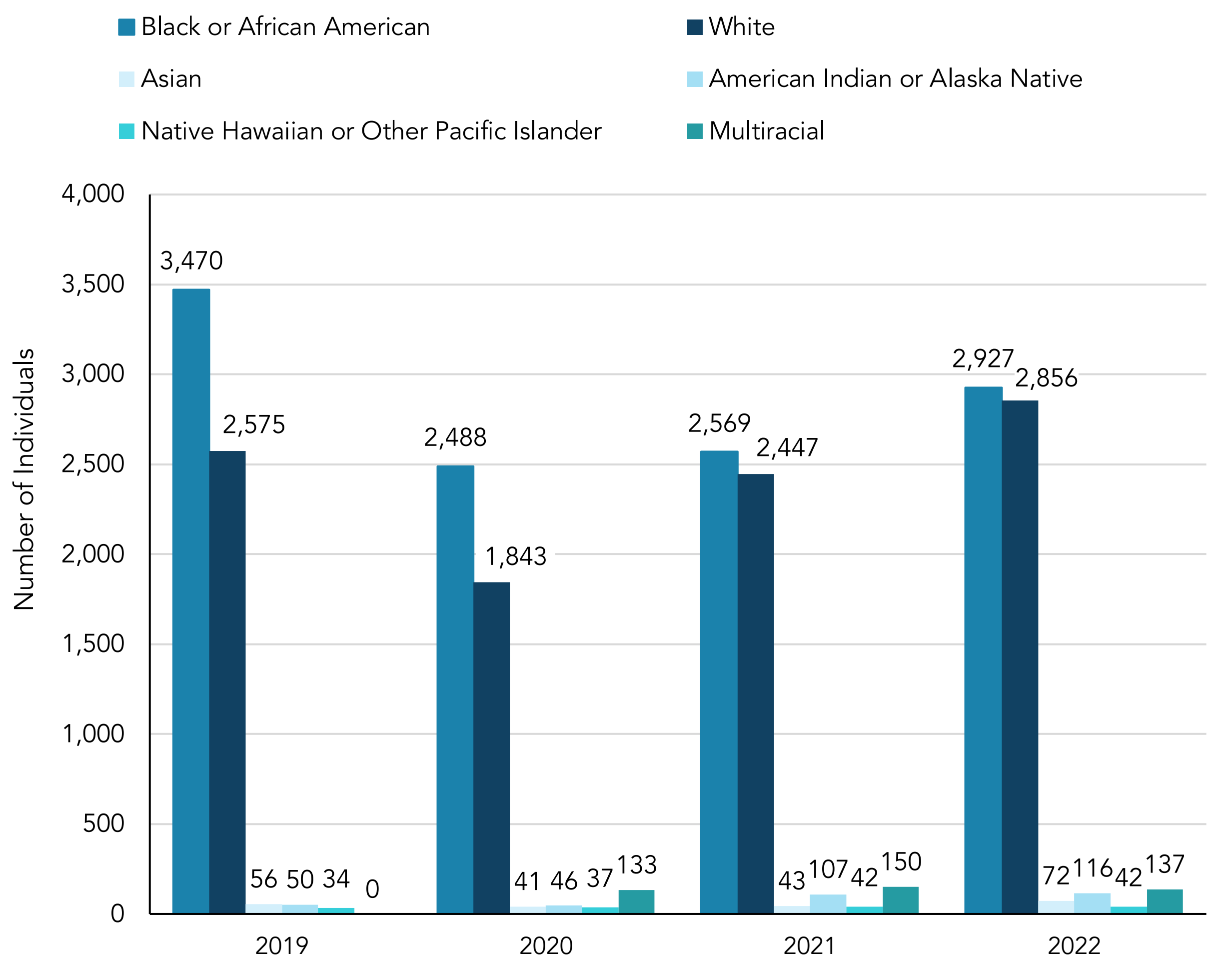


FIGURE 69: RACE OF INDIVIDUALS* HOUSED THROUGH LAHSA RRH PROGRAM (2019-2022)



Year	Black or African American	White	Asian	American Indian or Alaska Native	Native Hawaiian or Other Pacific Islander	Multiracial	Unknown*	Total
2019	3,470	2,575	56	50	34	N/A	560	**6,745**
2020	2,488	1,843	41	46	37	133	401	**4,989**
2021	2,569	2,447	43	107	42	150	492	**5,850**
2022	2,927	2,856	72	116	42	137	753	**6,903**

**Includes individuals that were reported as 'client doesn't know', 'NULL', client refused' and 'data not collected'.*

TABLE 78: ETHNICITY OF INDIVIDUALS HOUSED THROUGH LAHSA RRH PROGRAM (2022)

	# of Individuals	% Change from 2021
Non-Hispanic/Latino	4,066	+13%
Hispanic/Latino	2,612	+25%
Unknown*	225	+53%
Total	**6,903**	**+18%**

**Includes individuals that were reported as 'client doesn't know', 'client refused' and 'data not' collected.*

TABLE 79: TYPES OF HOUSEHOLDS HOUSED THROUGH LAHSA RRH PROGRAM (2022)

	# of Households	% Change from 2021
Families	1,043	+36%
Youth	246	+17%
Adults	2,958	+6%
Total	**4,229**	**+12%**

TABLE 80: GENDER OF INDIVIDUALS HOUSED THROUGH LAHSA RRH PROGRAM (2022)

Gender	# of Individuals	% Change from 2021
Female	3,551	+22%
Male	3,248	+12%
Transgender	36	+29%
No Single Gender/ Gender Non-Conforming	19	+217%
Unknown	49	+227%
Total	**6,903**	**+18%**

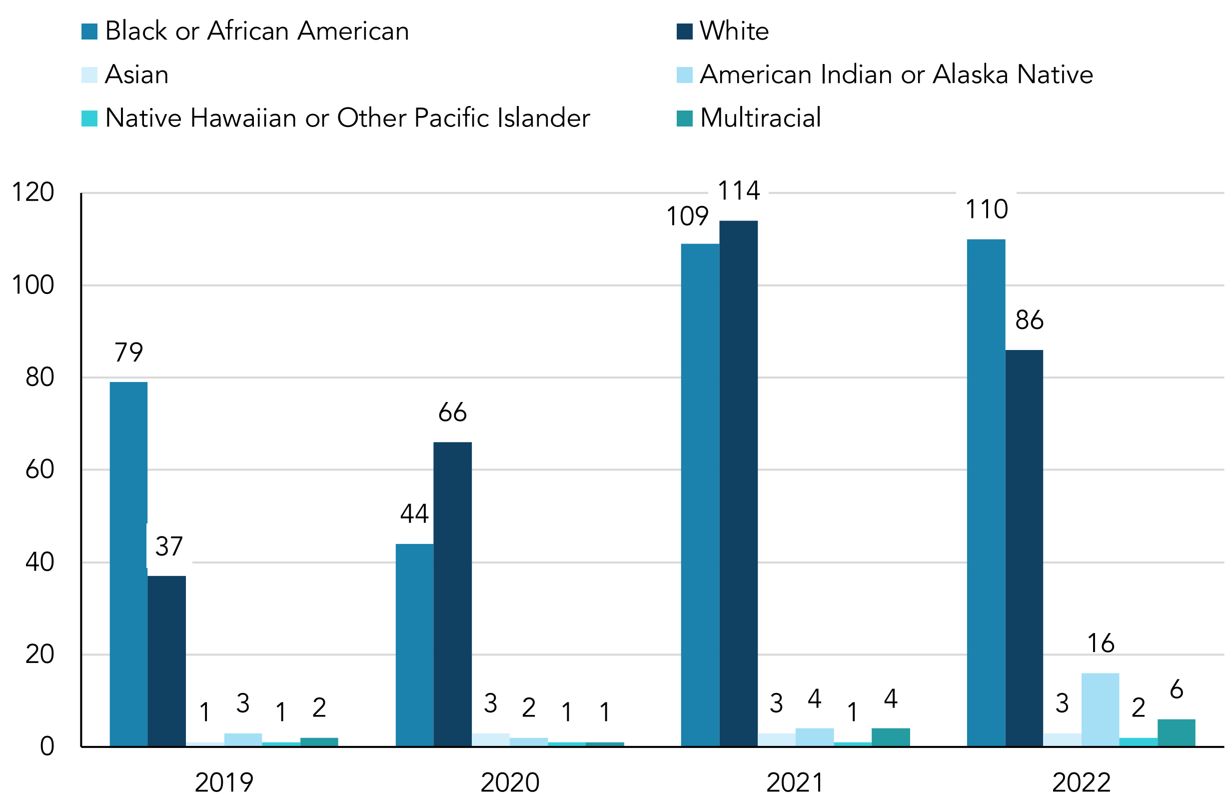
LAHSA funds a number of Permanent Supportive Housing (PSH) programs that aim to quickly house people experiencing homelessness by administering federal, state, and local funds to LA CoC service providers. Tables 81 through 84 and Figure 70 summarize the households and individuals that participated in LAHSA's PSH programs in 2022. Highlights include:

- Black or African Americans make up half of the individuals housed in 2022 (see Figure 62); and
- The number of individuals housed through the PSH program declined by four (4) percent from 2021.

TABLE 81: LAHSA PSH PROGRAMS (2022)

	# of Households	% Change in # of Households from 2021	# of Individuals	% Change in # of Individuals from 2021
Housed	194	-9%	228	-4%
Currently Housed	1,189	+6%	1,461	+11%
Newly Housed in 2022	152	-6%	181	0%

FIGURE 70: RACE OF INDIVIDUALS* HOUSED THROUGH LAHSA PSH PROGRAM (2019-2022)



Year	Black or African American	White	Asian	American Indian or Alaska Native	Native Hawaiian or Other Pacific Islander	Multiracial	Unknown**	Total
2019	79	37	1	3	1	2	0	**123**
2020	44	66	3	2	1	1	0	**117**
2021	109	114	3	4	1	4	3	**238**
2022	110	86	3	16	2	6	5	**228**

**Includes individuals that were reported as 'client doesn't know', 'NULL', client refused' and 'data not collected' are not represented.*
***Includes individuals that were reported as 'client doesn't know', 'NULL', client refused' and 'data not collected'.*

TABLE 82: ETHNICITY* OF INDIVIDUALS HOUSED THROUGH LAHSA PSH PROGRAM (2022)

	# of Individuals	% Change from 2021
Non-Hispanic/Latino	155	-13%
Hispanic/Latino	73	+26%
Total	**228**	**-4%**

**Ethnicity reported is based on head of householder. Households where ethnicity was not identified are not represented.*

TABLE 83: TYPES OF HOUSEHOLDS HOUSED THROUGH LAHSA PSH PROGRAM (2022)

	# of Households	% Change from 2021
Families	11	+38%
Youth	8	N/A
Adults	117	-14%
Total	**194**	**-9%**

TABLE 84: GENDER OF INDIVIDUALS HOUSED THROUGH LAHSA PSH PROGRAM (2022)

Gender	# of Individuals	% Change from 2021
Female	94	-23%
Male	132	+18%
Transgender	2	-50%
Total	**228**	**-4%**

Section 4. Neighborhood Context for Creating and Preserving Affordable Homes

Overview

Section 4 of the Affordable Housing Outcomes Report assesses neighborhood dynamics such as gentrification and displacement, transit access, and resources and opportunity that can be used to inform the County's affordable housing investments and policies. The methodology for assessing gentrification and displacement differs from prior Los Angeles County Outcomes Reports, as this year's Report relies on the Los Angeles County Development Authority's Tracking Regional Affordability and Challenges to Tenancy (TRACT) tool while previous Reports utilized the Urban Displacement Project's gentrification and displacement typologies.

Data Sources and Methodology

Gentrification, Displacement, and RCAAs

The analysis in this section uses the Los Angeles County Development Authority's (LACDA) Tracking Regional Affordability and Challenges to Tenancy (TRACT) tool to measure gentrification and displacement at the neighborhood level. TRACT is an interactive mapping tool developed in partnership between LACDA, Strategic Actions for a Just Economy (SAJE), and theworksLA that uses housing, demographic, economic, and other relevant data to assess gentrification and residential displacement pressures in Los Angeles County.[60] TRACT provides three scores for each census tract in the county in three areas: gentrification potential, gentrification intensity, and displacement vulnerability.[61]

The analysis in this section also incorporates Racially Concentrated Areas of Affluence (RCAAs) as defined by the California Department of Housing and Community Development (HCD).[62] RCAAs are neighborhoods where the population is disproportionately white and affluent.[63]

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[60] Please note that the TRACT maps and analysis in this report differ from prior Los Angeles County Outcomes Reports, which used the Urban Displacement Project's gentrification and displacement typologies. The Urban Displacement Project's typologies rely on 2018 data and are no longer updated.

[61] TRACT incorporates data collected at two scales – parcel and census tract – to construct and present composite scores at three scales – parcel, census tract, and community. This section focuses on the census tract level composite score.

[62] RCAAs were originally developed by scholars at the University of Minnesota to illustrate the flip side of the Racially and Ethnically Concentrated Areas of Poverty (R/ECAPs) metric used by the Department of Housing and Urban Development (HUD) in the 2015 AFFH rule. HCD created the RCAA metric to help jurisdictions meet their statutory requirement for the Housing Element's Assessment of Fair Housing. For more information see: https://www.arcgis.com/home/item.html?id=4100330678564ad699d139b1c193ef14.

[63] RCAAs are used to proxy exclusive neighborhoods alongside other TRACT geographies, based on consultation with LACDA. While the analysis in this section is based on 2020 census tract boundaries, HCD's RCAA metric uses 2010 census tract boundaries. For the purposes of this analysis, a census tract is considered an RCAA if at least 50% of its area is within an RCAA as defined by HCD.

This analysis uses TRACT and RCAAs to determine how many of county's subsidized affordable rental homes at risk of conversion to market-rate housing are located in areas where their loss could contribute to patterns of displacement and exclusion of low-income people from increasingly resource-and amenities-rich areas.[64]

Transit Access

Gentrification may be more likely to occur in areas served by transit, which can lead to low-income households losing access to transit when they move due to displacement pressures.[65] Transit-connected gentrification is especially concerning for low-income households since they are more dependent on public transportation than higher-income households and are less likely to drive when they live near transit stations.[66] This analysis uses the Southern California Association of Government's (SCAG) 2045 High Quality Transit Areas (HQTA) in the county to capture transit-oriented areas in the county. These HQTA areas help us determine how many of county's at-risk affordable developments are in transit-rich areas, whose loss would thus contribute to patterns of low-income people losing convenient access to transit in the county.

Neighborhood Resources and Opportunity

Research has demonstrated that neighborhoods have independent, causal effects on key life outcomes, particularly for children. For example, a national study published in 2018 found that 62 percent of the observed variation in long-term earnings among children born into low-income families around 1980 reflects the causal effects of neighborhoods, as opposed to differences in their family characteristics. This study and others have also provided evidence on which neighborhood characteristics, such as poverty and employment rates, are correlated with rates of upward mobility and long-term earnings.[67]

State housing funding agencies use an opportunity map that draws on this "neighborhood effects" evidence base to inform policies that incentivize locating affordable housing in higher-resource neighborhoods, ultimately aiming to achieve the larger goal of offering low-income families a more balanced set of location choices when compared to historical trends. The Tax Credit Allocation Committee (TCAC) and the Department of Housing and Community Development (HCD) work with research partners that include the California Housing Partnership and multiple University of California research institutes to update this map (the "TCAC/HCD Opportunity Map" or "TCAC/HCD map") on an annual basis to account

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[64] The California Housing Partnership assesses the historical loss and conversion risk of affordable rental developments in Los Angeles County. For the purposes of this analysis, a development is considered 'at-risk' if it is at risk of converting to market-rate in the next five years ('High Risk' and 'Very High Risk' categories in the Partnership's risk assessment). For more information on these categories and the Partnership's risk assessment methodology, see Section 2 or Appendix A: Methodology.

[65] For example, see: Chapple, Karen, et al. 2017. *Developing a New Methodology for Analyzing Potential Displacement*. UC Berkeley. Retrieved from https://escholarship.org/uc/item/6xb465cq.

[66] For example, see: Newmark, Gregory and Haas, Peter. 2015. *Income, Location Efficiency, and VMT: Affordable Housing as a Climate Strategy*. Center for Neighborhood Technology Working Paper. December 16.

[67] Chetty, et al. 2018. *The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility*. Working Paper. Website: https://opportunityinsights.org/paper/the-opportunity-atlas/.

for new data and refine the methodology based on feedback and emergence of new evidence. The 2023 opportunity map used in this analysis was adopted by TCAC in January 2023.[68]

In the TCAC/HCD map, each area—census tracts in non-rural areas and block groups in rural areas—is assigned to one of four categories (Highest Resource, High Resource, Moderate Resource, and Low Resource) based on regionally-derived scores for 16 evidence-based neighborhood indicators, or to a fifth category (High Segregation & Poverty) if the area is both racially segregated and high-poverty.[69] Areas with opportunity index scores in the top 20 percent of each region are categorized as Highest Resource, and tracts and block groups whose scores fall into the next 20 percent of each region (top 20 percent to 40 percent) are categorized as High Resource.

Transit Access, Displacement, Gentrification, and RCAAs

This analysis uses SCAG's 2045 HQTA map, HCD's RCAA layer, and TRACT's composite scores to assess local housing dynamics around gentrification, displacement, and exclusion at the census tract level.

SCAG defines HQTAs as being within a half mile of stations with service every 15 minutes or less during peak commute times, including both fixed guideway transit ad bus rapid transit. This definition is consistent with state housing programs, except in that the criteria for defining proximity to transit stations varies somewhat across programs; for example, regulations for awarding Tax Credits defines proximity as a third mile, while other state programs (like SCAG) use half mile.

HCD's RCAA layer identifies neighborhoods that are disproportionately white and affluent.

TRACT provides three composite scores, as described below, which provide context on where low-income households face increasing difficultly remaining in place given local housing market dynamics:[70]

- **Displacement Vulnerability**: Analyzes property and ownership information at the parcel level, as well as demographic and economic data at the census tract level, to assess risk of residential instability. Based on consultation with LACDA, high Displacement Vulnerability tracts are defined as those in the top 40% compared to the rest of the county.
- **Gentrification Potential:** Examines the spatial and economic conditions that render an area attractive for redevelopment, which risks displacing existing residents. Based on consultation with LACDA, high Gentrification Potential tracts are those in the top 40% compared to the rest of the county.

[68] The 2023 TCAC/HCD map uses 2010 Census boundaries, while this analysis uses data from the 2021 American Community Survey (5-year estimates). To compare 2021 estimates with the TCAC/HCD map, data is harmonized to 2010 Census boundaries using IPUMS NHGIS crosswalks. For more, see Steven Manson, Jonathan Schroeder, David Van Riper, Tracy Kugler, and Steven Ruggles. *IPUMS National Historical Geographic Information System*: Version 17.0 [dataset]. Minneapolis, MN: IPUMS. 2022. http://doi.org/10.18128/D050.V17.0.
[69] High-poverty areas are defined as areas with 30 percent of the population or more below the federal poverty line; racially segregated areas are defined by having an overrepresentation of people of color relative to the county.
[70] Composite scores identify gentrification and displacement pressures consistent with extensive literature on these subjects. Composites are based on a variety of indicators drawn from several sources, including the US Census Bureau, the Los Angeles County Assessor, Treasurer & Tax Collector, Metro, and other datasets.

- **Gentrification Intensity**: Evaluates demographic and economic evidence of recent neighborhood change that may indicate ongoing gentrification and displacement, especially in communities with higher Displacement Vulnerability and Gentrification Potential indices. Based on consultation with LACDA, high Gentrification Intensity tracts are those that exhibit at least six (6) out of 10 Gentrification Intensity indicators.

Low-income households are particularly vulnerable where multiple TRACT layers overlap – specifically high Displacement Vulnerability and Gentrification Potential, as well as all three composite scores. This analysis considers each composite score individually and as they intersect.[71]

Summary Analysis of Neighborhood Displacement, Gentrification, and RCAAs

Figures 71 through 74 below shows the geographic distribution of all three TRACT composite scores as well as RCAAs in the county. Key takeaways are presented below:

- Fifty-eight (58) percent of census tracts are classified as high Displacement Vulnerability, primarily in downtown and south Los Angeles, as well as in the southern portion of the San Fernando Valley and southwestern areas of the San Gabriel Valley. Provided in Figure 71.
- Fifty-five (55) percent of census tracts are classified as high Gentrification Potential, with concentrations in downtown, east and west Los Angeles, throughout the San Fernando and San Gabriel Valleys, and the Gateway Cities. Provided in Figure 71.
- Forty-one (41) percent of census tracts are classified as high Gentrification Intensity, concentrated in downtown and northeast Los Angeles, as well as the southern portion of the San Fernando Valley and parts of east and west Los Angeles. Provided in Figure 73.
- Sixteen (16) of census tracts are located where high Displacement Vulnerability and high Gentrification Potential intersect, while four (4) percent are located where all three TRACT layers intersect. These intersections are primarily concentrated in downtown, east and south Los Angeles, and the San Fernando Valley, as well as parts of the San Gabriel Valley. Provided in Figure 74.
- Finally, ten (10) percent of census tracts are classified as RCAAs, primarily in the western portion of the San Fernando Valley, west Los Angeles, coastal neighborhoods like Manhattan Beach and Palos Verdes, and suburban neighborhoods in the Santa Clara and San Gabriel Valleys. Provided in Figures 71 through 74.

[71] LACDA has indicated that the intersection between the Displacement Vulnerability and Gentrification Potential best represents ongoing and future low-income vulnerability. The further inclusion of the Gentrification Intensity layer is included to identify tracts where preserving at-risk affordable housing may be particularly important due to recent gentrification.

FIGURE 71: LOS ANGELES COUNTY DISPLACEMENT VULNERABILITY AND RCAAS BY CENSUS TRACT

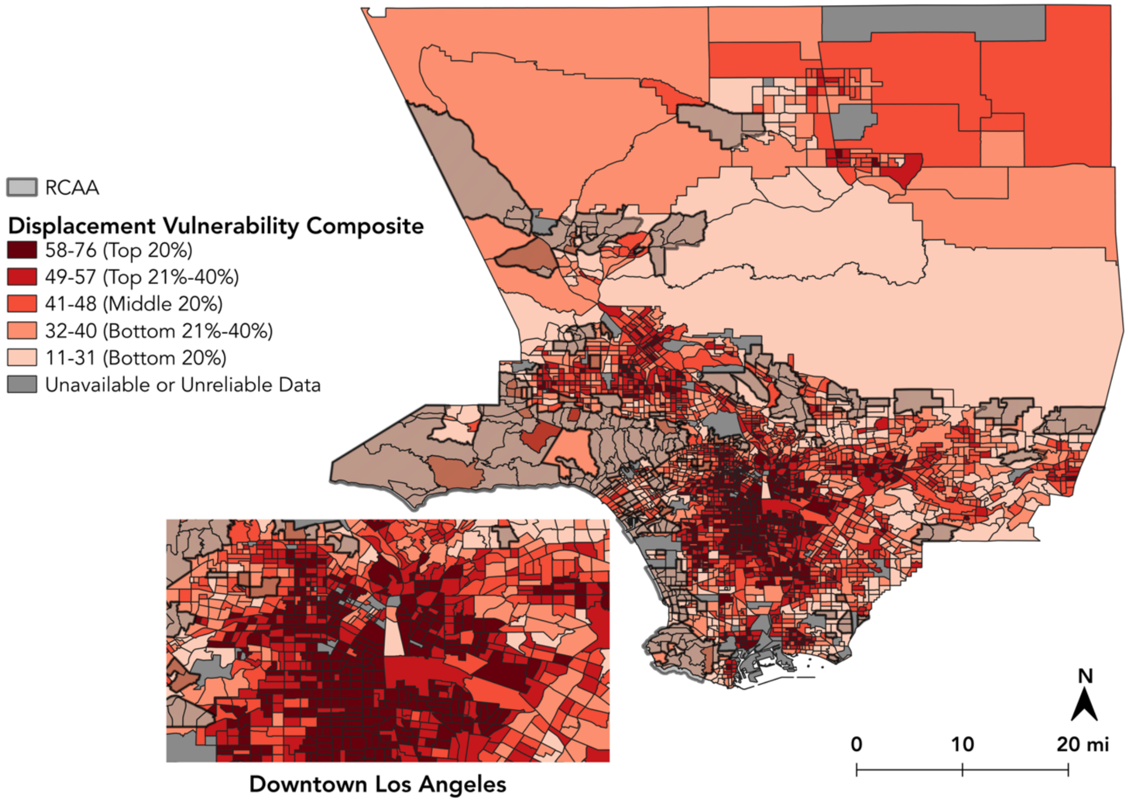


FIGURE 72: LOS ANGELES COUNTY GENTRIFICATION POTENTIAL AND RCAAS BY CENSUS TRACT

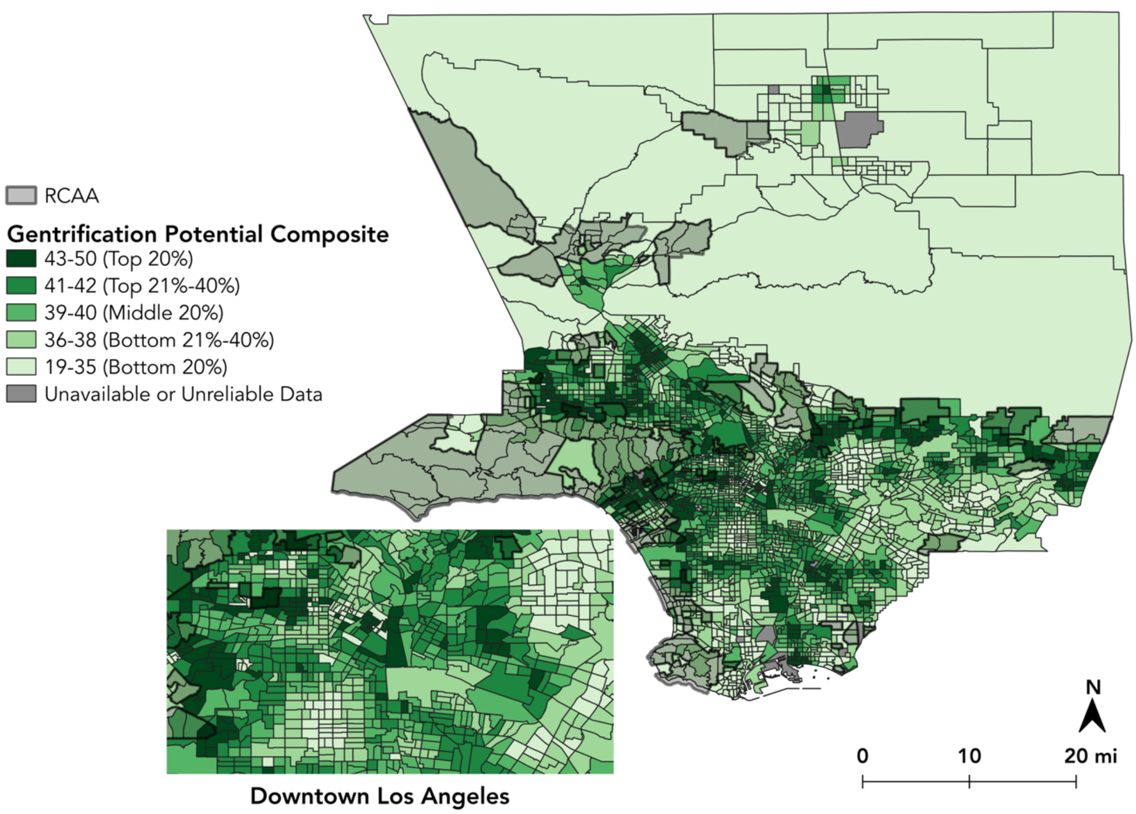


FIGURE 73: LOS ANGELES COUNTY GENTRIFICATION INTENSITY AND RCAAS BY CENSUS TRACT

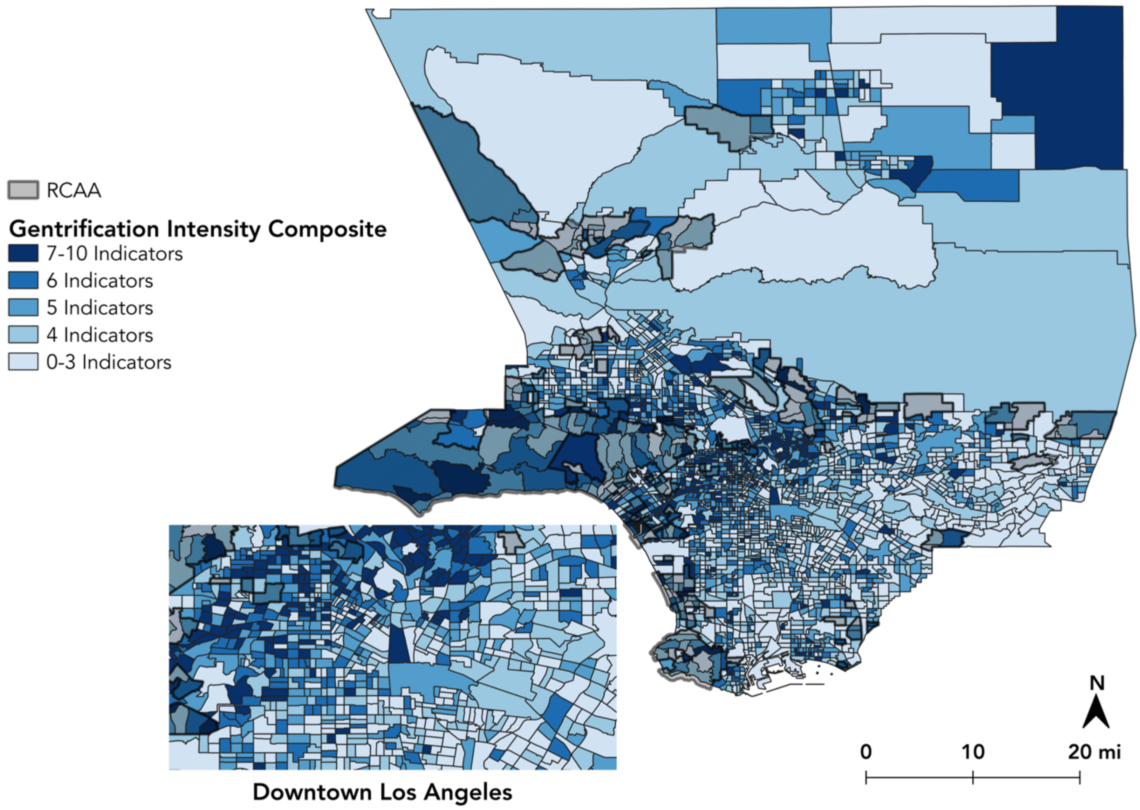
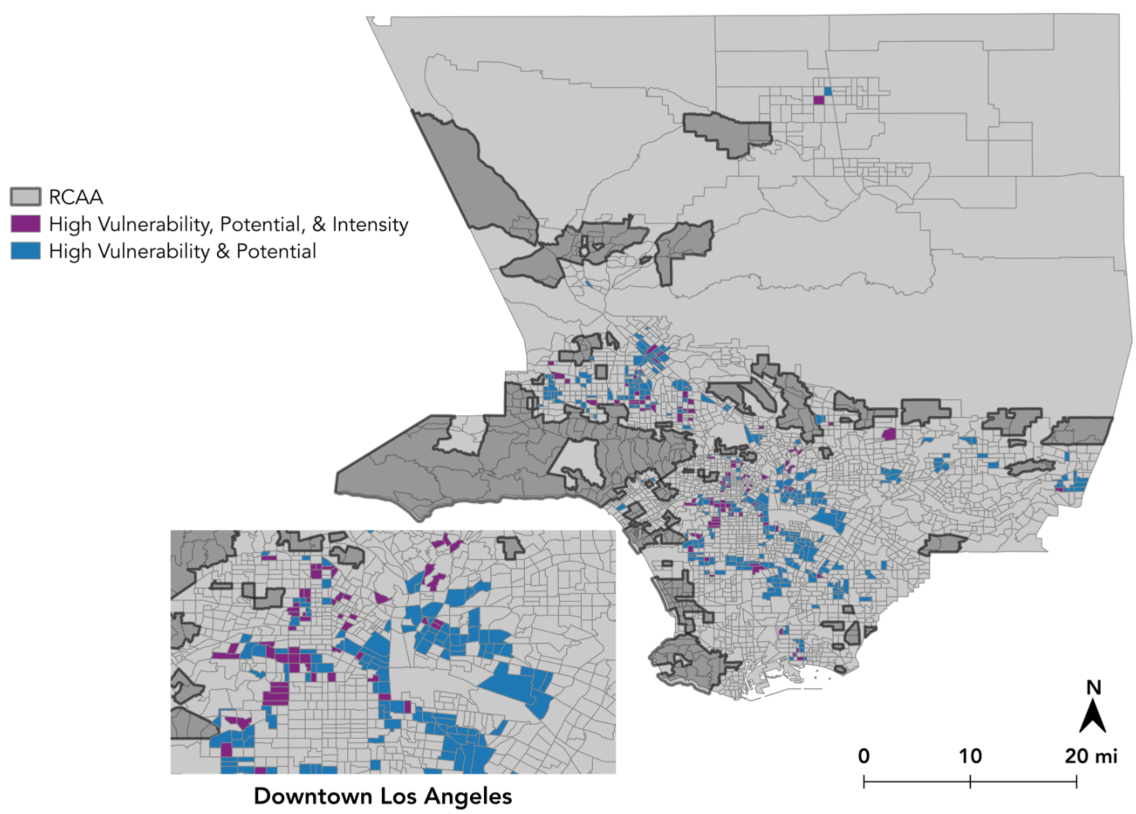


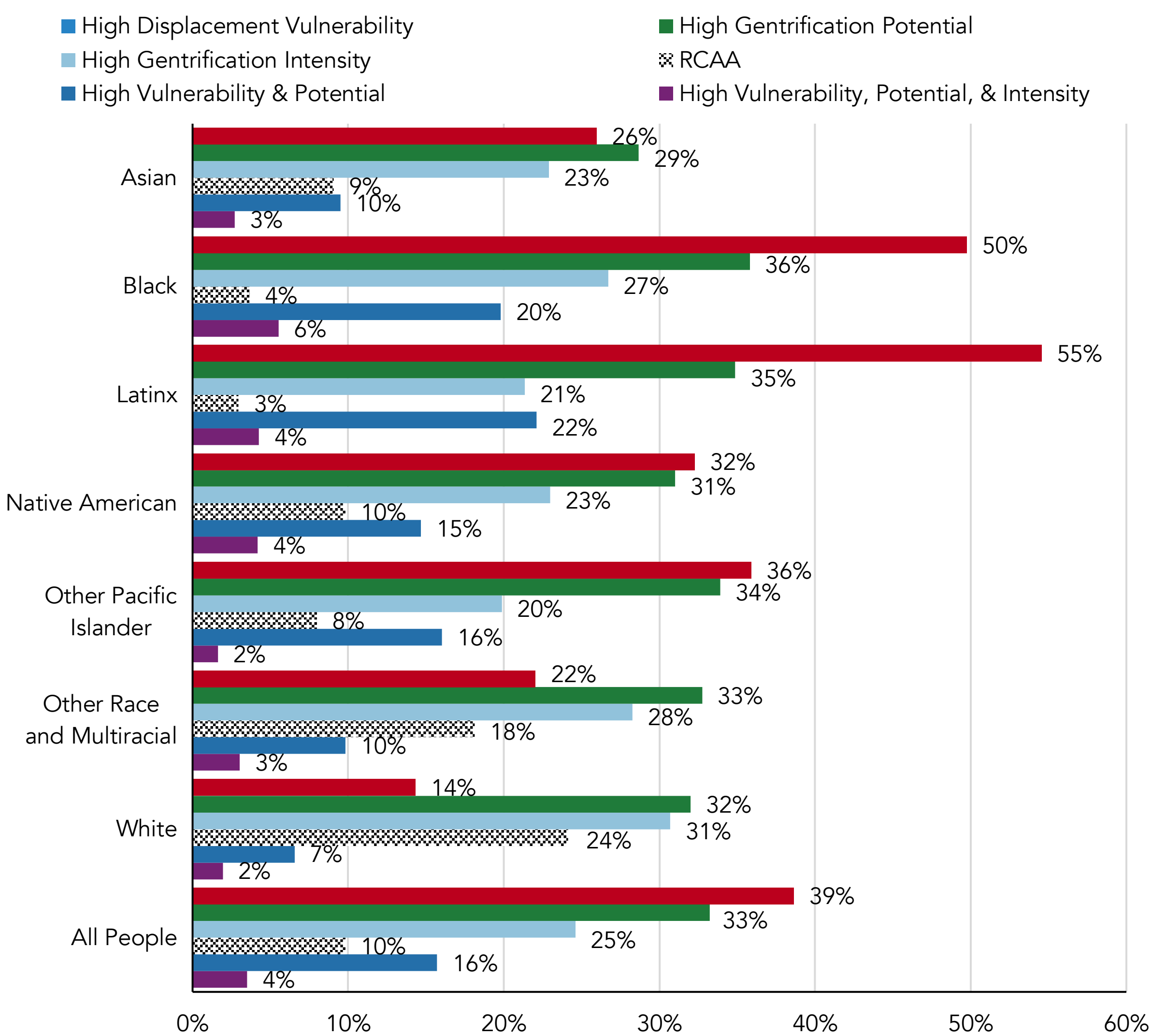
FIGURE 74: LOS ANGELES COUNTY TRACT TOOL INTERSECTIONS AND RCAAS BY CENSUS TRACT



Neighborhood Displacement, Gentrification, and RCAAs by Race and Ethnicity

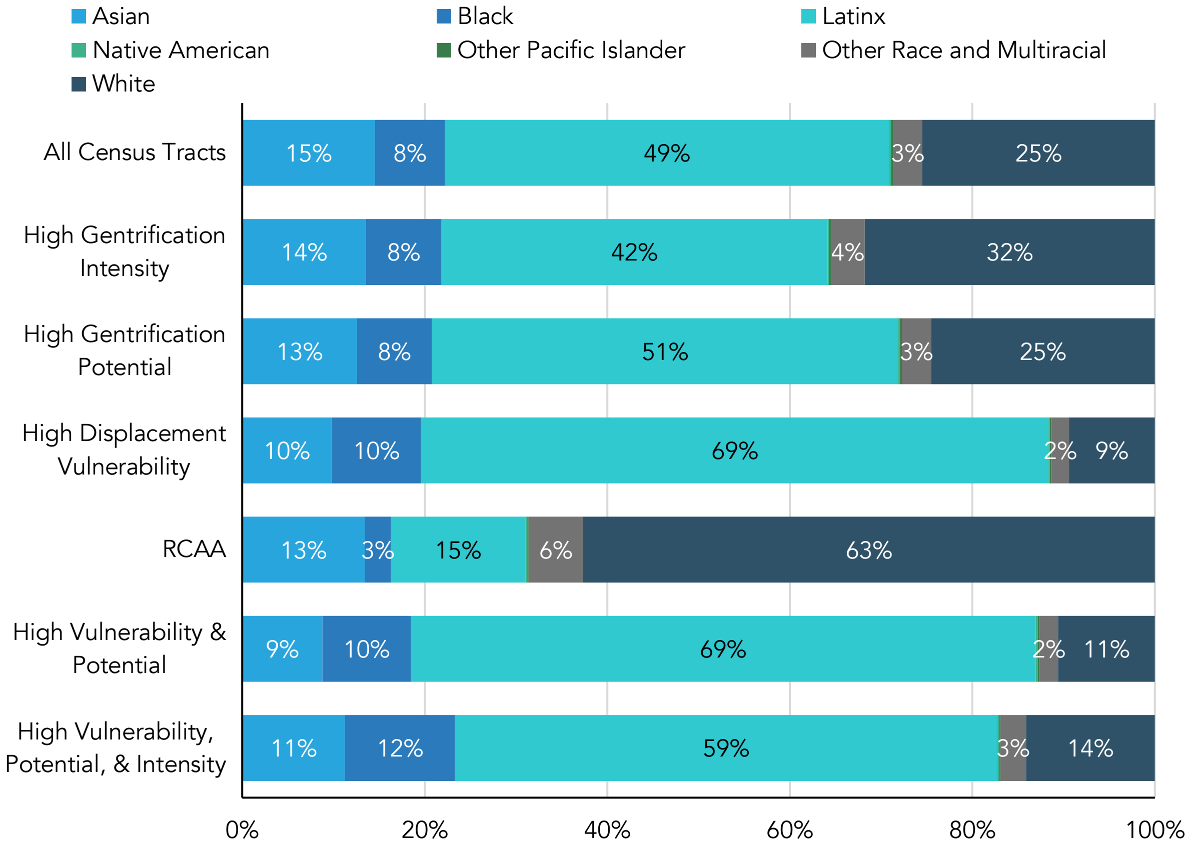
Decades of explicitly segregationist and discriminatory housing and land use policies—such as redlining, restrictive covenants, government-sponsored white flight, disinvestment in communities of color, and predatory lending practices—have left a legacy of racialized displacement, gentrification, and exclusion throughout the county. As shown in Figure 76, Black and Latinx residents are more likely to reside in high Displacement Vulnerability neighborhoods, high Gentrification Potential neighborhoods, and neighborhoods with overlapping TRACT composite layers. They are also far less likely to live in neighborhoods classified as RCAAs. The majority of Black (50 percent) and Latinx (55 percent) residents in the county live in high Displacement Vulnerability neighborhoods. By contrast, only 14 percent of white residents live in these areas.

FIGURE 75: SHARE OF RESIDENTS LIVING IN EACH TRACT COMPOSITE SCORE LAYER AND RCAAS – BY RACE AND ETHNICITY



Sources: TRACT composite layers, updated in 2023 with 2021 data. Race and ethnicity analysis was completed with data from the U.S. Census Bureau American Community Survey, 2021 (5-year data); RCAA analysis was completed with data from the California Department of Housing and Community Development, 2022.

FIGURE 76: RACIAL AND ETHNIC COMPOSITION OF EACH TRACT COMPOSITE SCORE LAYER AND RCAAS IN LOS ANGELES COUNTY



Sources: TRACT composite layers, updated in 2023 with 2021 data. Race and ethnicity analysis was completed with data from the U.S. Census Bureau American Community Survey, 2021 (5-year data); RCAA analysis was completed with data from the California Department of Housing and Community Development, 2022.

Siting of At-Risk Affordable Housing by Transit Access and Displacement, Gentrification, and RCAAs

Figures 77 through 80 and Table 85 below show the existing inventory of at-risk subsidized affordable housing in the county, as described in Section 2 of this report, relative to TRACT composite layers and RCAAs. More simply, this section of the analysis explores the distribution of at-risk affordable housing relative to areas where low-income households are already losing ground and where the loss of deed-restricted affordable housing may contribute to patterns of displacement and exclusion from increasingly resource- and amenity-rich areas in the county.[72]

For this analysis, such areas are identified as High Quality Transit Areas (HQTAs), census tracts that are classified by the TRACT tool as high Displacement Vulnerability and high Gentrification Potential or as high for all three composite layers, or census tracts located within RCAAs. These categories represent

[72] The California Housing Partnership assesses the historical loss and conversion risk of affordable rental developments in Los Angeles County. For the purposes of this analysis, a development is considered "at-risk" if it is at risk of converting to market rate in the next five years ("High Risk" and "Very High Risk" categories in the Partnership's risk assessment). For more information on these categories and the Partnership's risk assessment methodology, see Section 2 or Appendix A: Methodology.

areas in the County where low-income residents are at the highest risk of displacement or exclusion. Areas identified by the TRACT tool as high in only one individual composite layer may not be as high risk but could develop additional gentrification and displacement pressures and are included for reference.

FIGURE 77: AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH DISPLACEMENT VULNERABILITY OR RCAAS

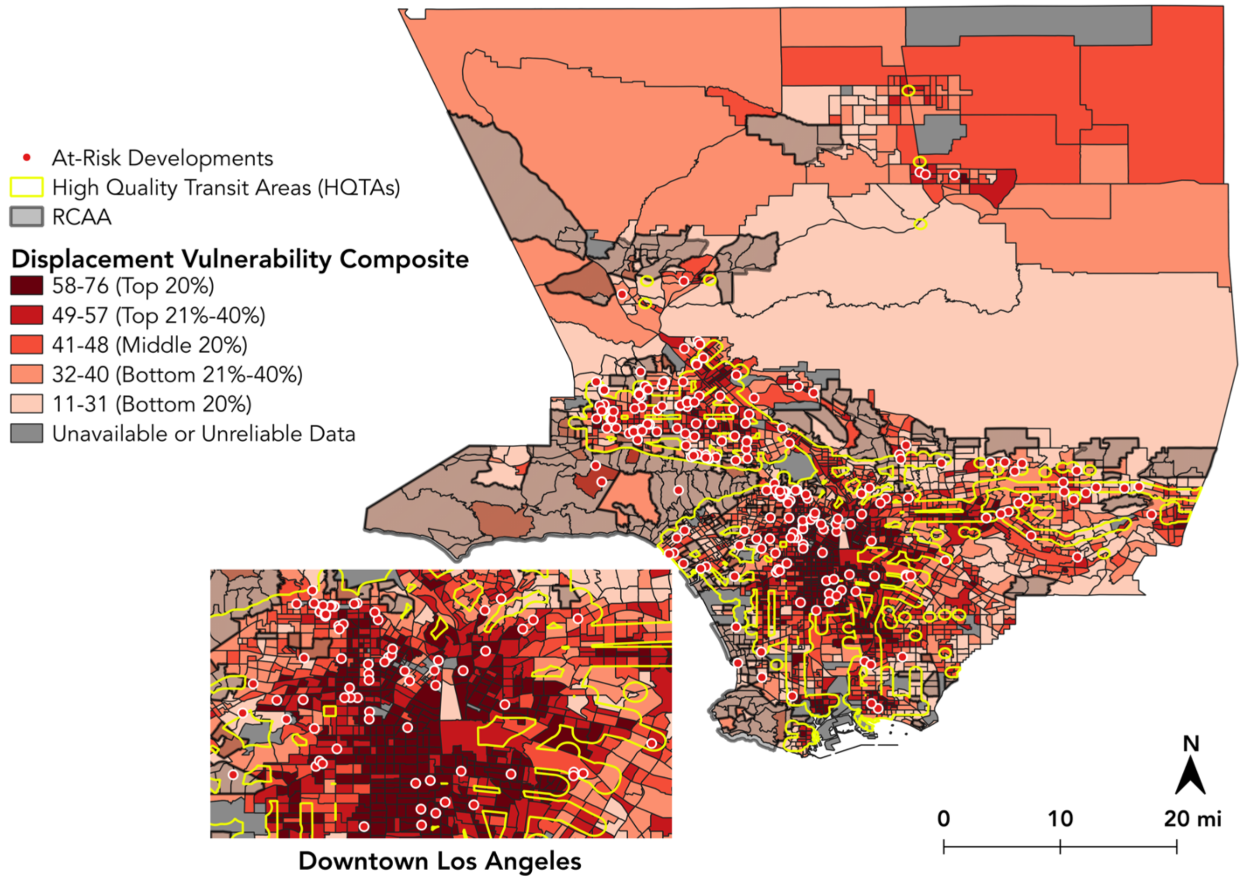


FIGURE 78: AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH GENTRIFICATION POTENTIAL OR RCAAS

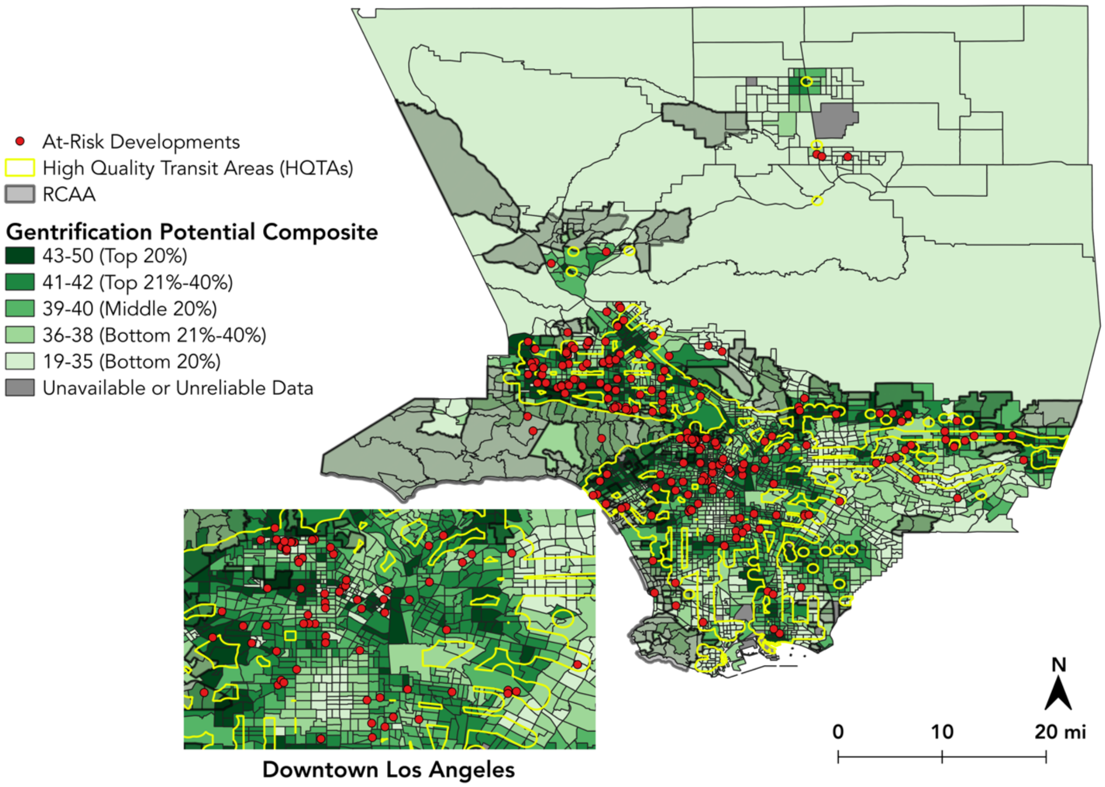


FIGURE 79: AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH GENTRIFICATION INTENSITY OR RCAAS

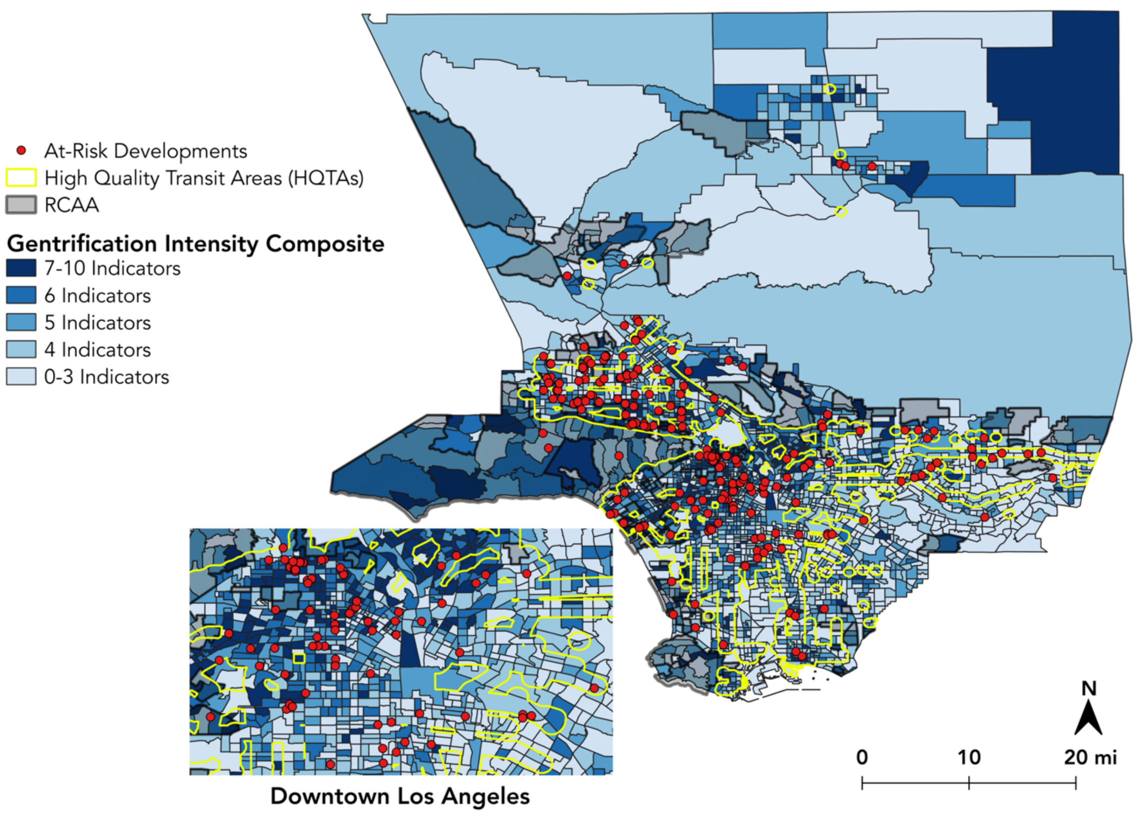


FIGURE 80: AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND TRACT TOOL INTERSECTIONS OR RCAAS

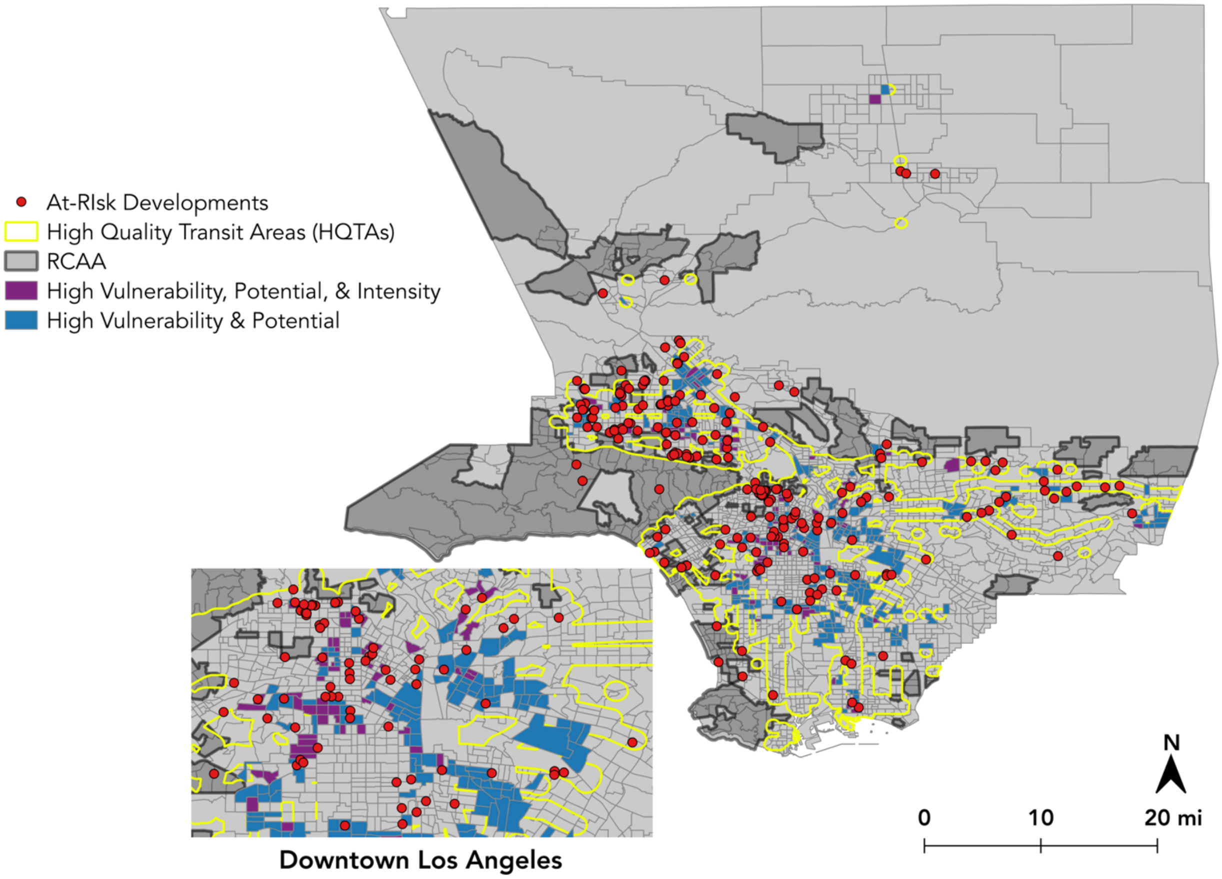


TABLE 85: AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT, TRACT COMPOSITE LAYER, AND RCAA BY SD

SD	At-Risk Affordable Homes	Within HQTA*		High Displacement Vulnerability		High Gentrification Potential		High Gentrification Intensity	
		#	%**	#	%**	#	%**	#	%**
SD 1	1,253	1,024	87%	647	55%	299	25%	257	22%
SD 2	1,530	1,469	96%	1,232	81%	426	28%	512	33%
SD 3	2,794	2,599	91%	1,918	67%	1,931	68%	1,297	45%
SD 4	865	704	81%	437	51%	44	5%	365	42%
SD 5	1,239	438	33%	267	20%	855	64%	636	48%
Total	***7,681***	***6,234***	***80%***	***4,501***	***58%***	***3,555***	***46%***	***3,067***	***40%***

Sources: California Housing Partnership Preservation Database, May 2023. Los Angeles County Development Authority – TRACT tool, 2023. HCD – RCAA layer, 2022. SCAG Region High Quality Transit Areas – 2045.
**HQTA – High Quality Transit Area*
***Percentage of all at-risk affordable homes in each SD.*

TABLE 85 CONT.: AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT, TRACT COMPOSITE LAYER, AND RCAA BY SD

SD	At-Risk Affordable Homes	High Vulnerability & Potential (VP)		High Vulnerability, Potential, & Intensity (VPI)		RCAA*		In HQTA *and* High VP or RCAA*		In HQTA *and* High VPI or RCAA*	
		#	%**	#	%**	#	%**	#	%**	#	%**
SD 1	1,253	202	17%	87	7%	0	0%	202	17%	87	7%
SD 2	1,530	377	25%	85	6%	165	11%	521	34%	229	15%
SD 3	2,794	1,369	48%	594	21%	50	2%	1,370	48%	595	21%
SD 4	865	44	5%	44	5%	0	0%	44	5%	44	5%
SD 5	1,239	154	12%	3	0%	0	0%	23	2%	3	0%
Total	***7,681***	***2,146***	***28%***	***813***	***10%***	***215***	***3%***	***2,160***	***28%***	***958***	***12%***

Sources: California Housing Partnership Preservation Database, May 2023. Los Angeles County Development Authority – TRACT tool, 2023. HCD – RCAA layer, 2022. SCAG Region High Quality Transit Areas – 2045.

**RCAA – Racially Concentrated Areas of Affluence.*

***Percentage of all at-risk affordable homes in each SD.*

As shown in the figures and table above, at-risk affordable housing in the county is predominantly located in high Displacement Vulnerability areas and HQTAs. Eighty (80) percent of the county's at-risk affordable homes are located within HQTAs, which is slightly lower than in recent years but generally consistent. Furthermore, 58 percent of at-risk affordable homes are currently located in high Displacement Vulnerability areas, 46 percent are currently located in high Gentrification Potential areas, and 40 percent are in high Gentrification Intensity areas. Although 10 percent of Los Angeles County census tracts are within RCAAs, only three percent of at-risk affordable homes in the county are in these tracts. Given the high cost of housing in these neighborhoods, losing these affordable homes would thus contribute to and deepen patterns of exclusion of low-income people.

Further, at-risk affordable homes are disproportionately located in areas where TRACT composite layers intersect. While 28 percent of at-risk affordable homes are in census tracts that are both high Displacement Vulnerability and high Gentrification Potential areas, only 16 percent Los Angeles County census tracts are located within this intersection. Ten (10) percent of at-risk affordable homes are in census tracts that are high Displacement Vulnerability, Gentrification Potential, and Gentrification Intensity areas, but only 4 percent of county census tracts are located within this intersection.

There are 2,160 at-risk affordable homes (28 percent of all at-risk homes) that are both within an HQTA and within a tract that is both high Displacement Vulnerability and high Gentrification Potential. Among these at-risk homes, 958 (12 percent of all at-risk homes) are both within an HQTA and within a tract that is high Displacement Vulnerability, Gentrification Potential, and Gentrification Intensity. Given the severe impacts the shortfall of affordable housing has on low-income renters, losing any of these at-risk affordable homes would exacerbate the current patterns of displacement of low-income people from the county's increasingly high-cost, transit-rich, and gentrifying areas, in addition to low-income households losing access to public transit.[73]

Neighborhood Resources and Opportunity

This analysis uses the TCAC/HCD Opportunity Map for two purposes: 1) to determine how much of the county's at risk, family-targeted affordable homes are located in Highest and High Resource areas, the loss of which would contribute to patterns of segregation and unequal access to opportunity, given the high degree of difficulty and cost involved in replacing these homes; and 2) to document the extent to which family-targeted, new construction developments funded with Low-Income Housing Tax Credits (LIHTC/tax credits) have provided access to High and Highest Resource areas for low-income families in the county, particularly considering recently adopted state incentives to develop in these areas.

As previously noted, the TCAC/HCD Opportunity Map assigns each area in the county—census tracts in non-rural areas and block groups in rural areas—to one of five categories: Highest Resource, High Resource, Moderate Resource, Low Resource, and High Segregation & Poverty. Figure 81 below shows the geographic distribution of the five opportunity designations in the 2023 TCAC/HCD Opportunity Map for the county. Approximately one-third (33 percent) of areas in the county are identified as Low Resource or High Poverty and Segregation, with most of these areas located in downtown and South Los Angeles. An additional 25 percent of areas are categorized as Moderate Resource, which are more distributed throughout the county and generally border High and Highest Resource areas. There are clusters of Moderate Resource areas located in downtown, South and East Los Angeles, Pasadena, and throughout the San Fernando and San Gabriel Valleys.

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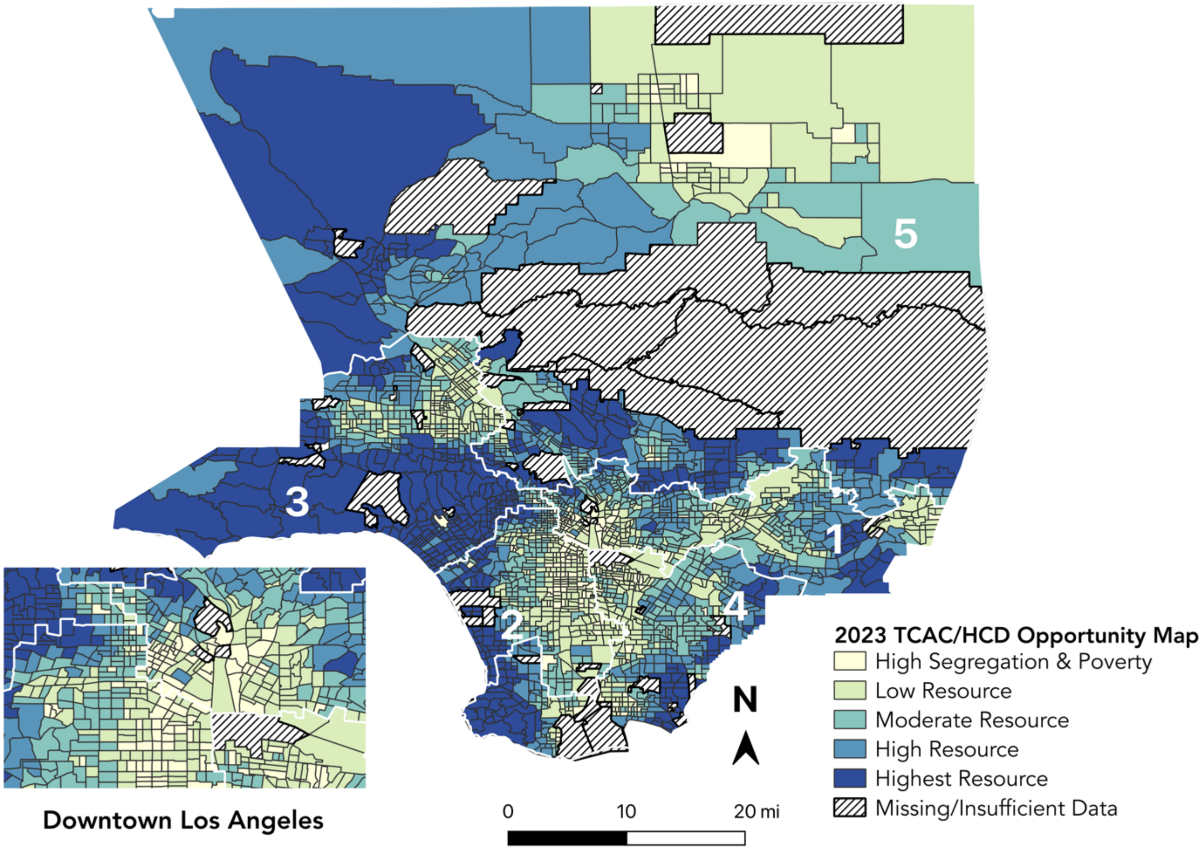
[73] For more information on the County's current preservation and anti-displacement programming, see Section 3: County-Administered Affordable Rental Housing Resources.

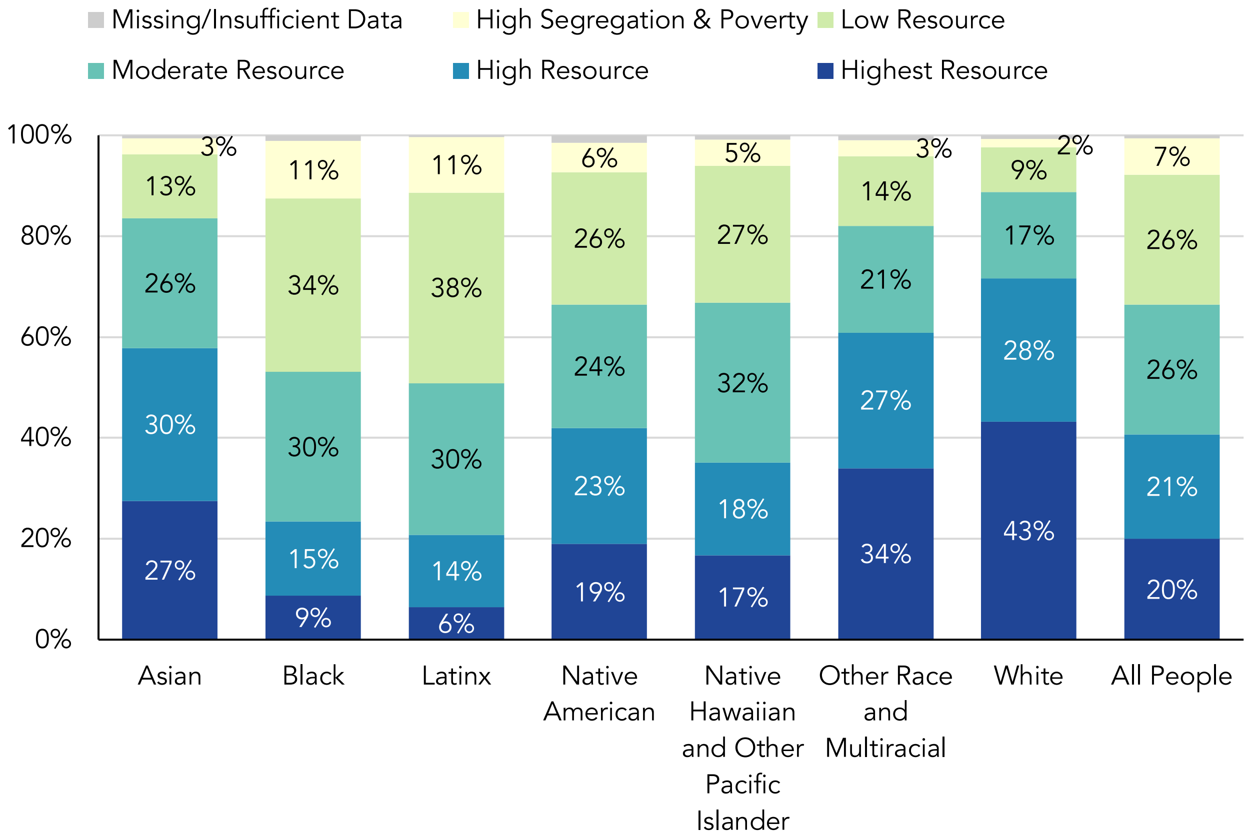
FIGURE 81: TCAC/HCD OPPORTUNITY MAP FOR LOS ANGELES COUNTY



Neighborhood Resources and Opportunity by Race and Ethnicity

The same discriminatory housing and land use policies that have created racialized patterns of displacement, gentrification, and exclusion have created similar racial and ethnic disparities in access to opportunity throughout the county. As shown below in Figure 82, approximately half of all Black (46 percent) and Latinx (49 percent) county residents live in areas categorized as Low Resource or High Segregation & Poverty in the TCAC/HCD Opportunity Map. In comparison, only 11 percent of white county residents live in these areas. These disparities in access to opportunity exacerbate inequities in health, educational, and economic outcomes between children of different racial and ethnic groups.

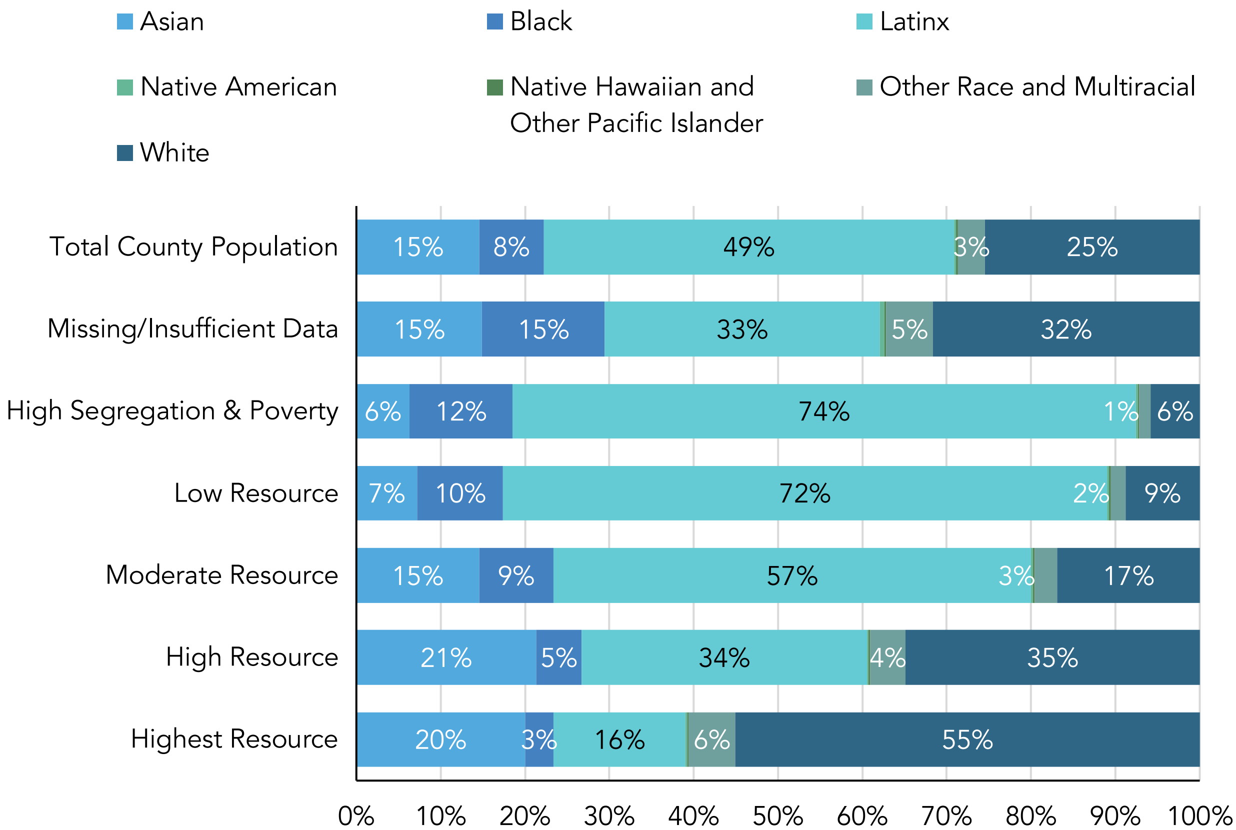
FIGURE 82: SHARE OF RESIDENTS LIVING IN EACH OPPORTUNITY CATEGORY – BY RACE AND ETHNICITY



Sources: TCAC/HCD Opportunity Map, 2023. Race and ethnicity analysis was completed with data from U.S. Census Bureau American Community Survey, 2021 (5-year data) and harmonized to 2010 Census boundaries using IPUMS NHGIS crosswalks.

Trends in segregation and unequal access to opportunity are also revealed in the ethnic composition of each category in the TCAC/HCD Opportunity Map. As shown below in Figure 83, Black and Latinx households are overrepresented in Low Resource and High Segregation & Poverty areas compared to their share of the population. Black residents make up 12 percent of the population in High Segregation & Poverty areas and ten (10) percent of the population in Low Resource areas while being only eight (8) percent of the county population. This trend is even more pronounced for Latinx county residents, who make up 74 percent of the population of High Segregation & Poverty areas and 72 percent of the population in Low Resource areas despite being only 49 percent of the countywide population. By contrast, white residents are overrepresented in High and Highest Resource areas, where they make up 35 and 55 percent of the population, respectively, while being only 25 percent of the countywide population.

FIGURE 83: RACIAL AND ETHNIC COMPOSITION OF EACH OPPORTUNITY CATEGORY IN LOS ANGELES COUNTY



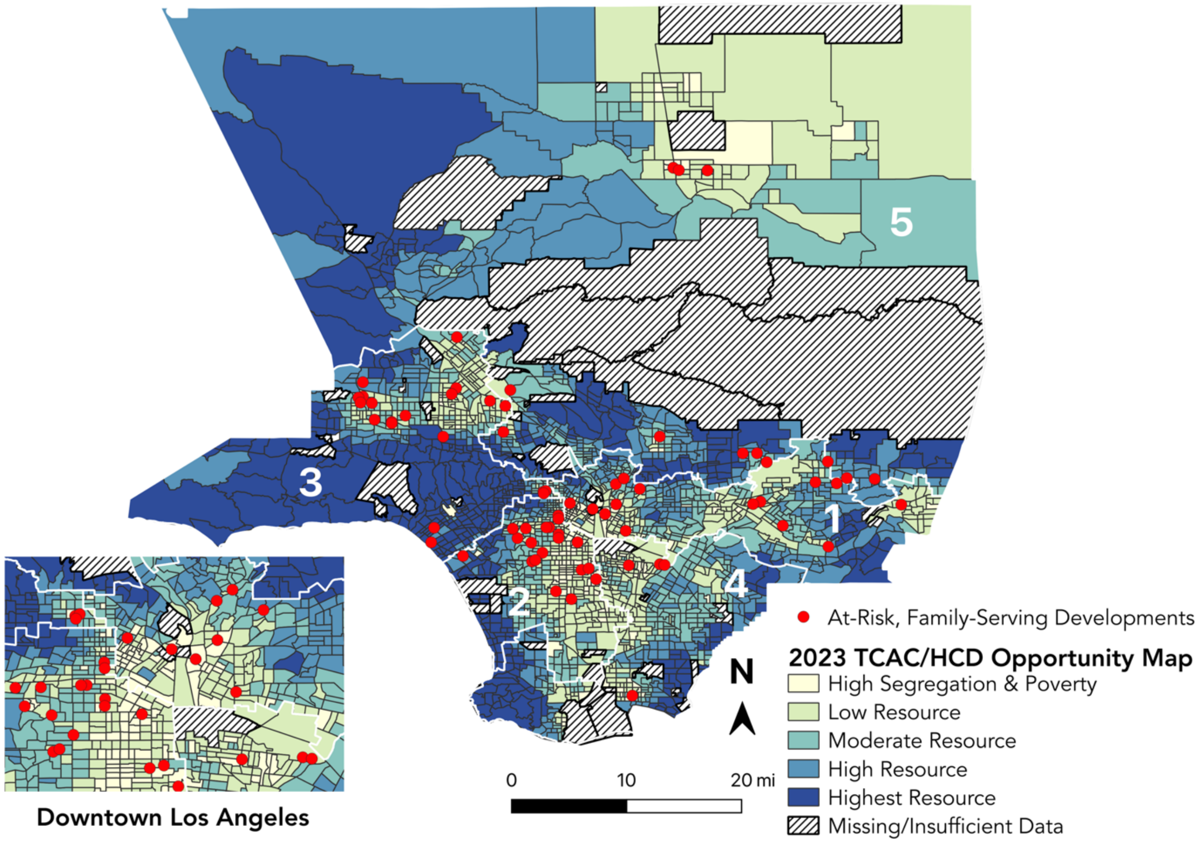
Sources: TCAC/HCD Opportunity Map, 2023. Race and ethnicity analysis was completed with data from U.S. Census Bureau American Community Survey, 2021 (5-year data) and harmonized to 2010 Census boundaries using IPUMS NHGIS crosswalks.

At-Risk Affordable Homes

Figure 84 below shows the existing inventory of at-risk, family-targeted affordable housing relative to the TCAC/HCD Opportunity Map for the county, and Table 86 shows their distribution throughout the five SDs. There are currently 3,421 family-targeted affordable homes in the county that are at-risk of conversion. Thirteen (13) percent of these homes are in High or Highest Resource areas, which are defined in the TCAC/HCD Opportunity Map as neighborhoods with characteristics and resources most associated with positive long-term economic and educational outcomes for children from low-income families.

Although 13 percent is a small share of the total at-risk universe, High and Highest Resource areas are often high-cost and have fewer affordable rental homes for low-income families with children. The "2018 Analysis of Impediments to Fair Housing Choice for the Community Development Commission and Housing Authority of the County of Los Angeles" found that the high rate of segregation in the county and lack of opportunity for residents to obtain housing in higher opportunity areas are direct limiting factors to fair housing opportunities.[74] Given the high cost of land and construction in these areas, these homes would be challenging and costly to replace, and their loss would reinforce existing patterns of segregation and unequal access to higher-resource neighborhoods.

FIGURE 84: PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY



[74] Western Economic Services, LLC. 2018. "2018 Analysis of Impediments to Fair Housing Choice for the Community Development Commission and Housing Authority of the County of Los Angeles." Prepared for the Community Development Commission of the County of Los Angeles and the Housing Authority of the County of Los Angeles. Website: https://www.lacda.org/docs/librariesprovider25/community-development-programs/cdbg/plans-and-reports/analysis-of-impediments/volume-i-of-iii---main-document.pdf?sfvrsn=3fd667bc_0.

TABLE 86: DISTRIBUTION OF AFFORDABLE HOMES IN AT-RISK FAMILY TARGETED DEVELOPMENTS BY NEIGHBORHOOD RESOURCES AND OPPORTUNITY

SD	At-Risk Family Targeted Affordable Homes	High Segregation & Poverty		Low Resource		Moderate Resource		High Resource		Highest Resource	
		#	%*	#	%*	#	%*	#	%*	#	%*
SD 1	538	49	9%	240	45%	134	25%	115	21%	0	0%
SD 2	1,001	45	4%	442	44%	465	46%	49	5%	0	0%
SD 3	1,168	61	5%	785	67%	167	14%	120	10%	35	3%
SD 4	20	0	0%	18	90%	2	10%	0	0%	0	0%
SD 5	694	8	1%	131	19%	433	62%	122	18%	0	0%
Total	***3,421***	***163***	***5%***	***1,616***	***47%***	***1,201***	***35%***	***406***	***12%***	***35***	***1%***

Sources: California Housing Partnership Preservation Database, May 2023. TCAC/HCD Opportunity Maps, 2023. Supervisorial District (SD) designations reflect updated boundaries adopted December 15, 2021.

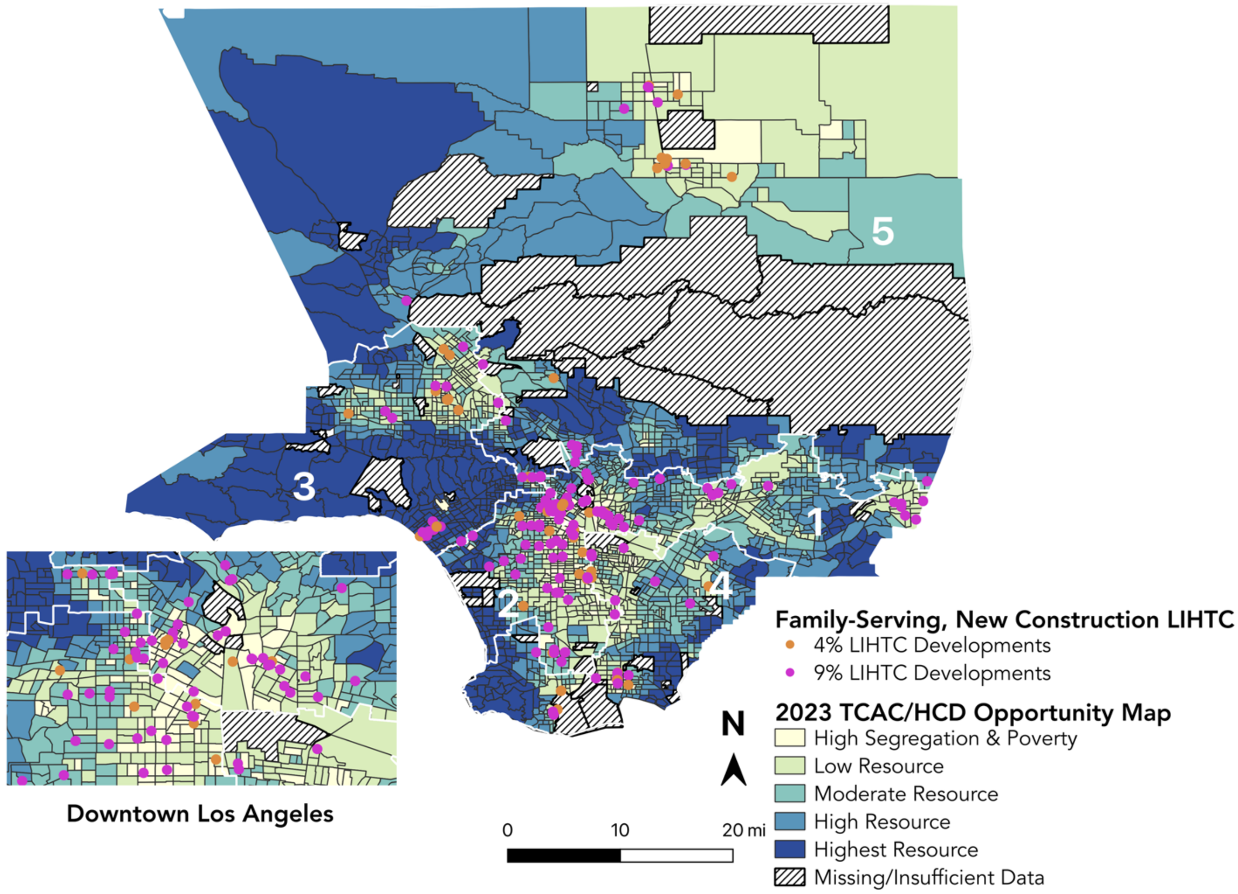
**Percentage of all at-risk, family-targeted affordable homes in each SD. All percentages are rounded to the nearest whole percent.*

Family-Serving, New Construction Affordable Homes

Beginning in 2018, TCAC adopted regulations that incentivize family-serving, new construction developments (called "large-family" in TCAC's regulations) applying for 9 percent LIHTCs to be located in areas identified in the TCAC/HCD Opportunity Map as High or Highest Resource, with the greater incentive for developments in Highest Resource areas. Beginning in 2019, HCD also incorporated incentives in its Multifamily Housing Program (MHP) for family-targeted, new construction developments planned for High and Highest Resource areas. Following the lead of TCAC and HCD, the CDLAC regulations and incentives were revised in 2021 to prioritize large-family development in the same opportunity areas. As incentives continue to take effect in the coming years, it will be essential to continue tracking siting patterns to evaluate the extent to which state and local affordable housing programs offer low-income families a meaningful range of choices, particularly in higher resource areas in the county. Figure 85 shows the existing inventory of family-serving, new construction developments awarded 4 percent and 9 percent tax credits between 2008 and 2022 relative to the TCAC/HCD Opportunity Map for Los Angeles County.[75]

[75] For the purpose of this analysis, "family-serving homes" includes properties that are deemed "large family" in the housing type, as well as properties that fit the definition of "large family" based on their unit composition. In order to be considered a "large family" serving property, at least 25% of units are required to be 3 bedrooms or greater, with an additional 25% of units being 2 bedrooms. This more expansive definition was chosen because 4% LIHTC applications are often listed as "non-targeted" for the population served, despite fitting the criteria for a family-serving development. Using the unit compositions to include additional properties ensures that we are more fully capturing the family-serving affordable housing universe.

FIGURE 85: DISTRIBUTION OF FAMILY-SERVING, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-22) BY NEIGHBORHOOD RESOURCES AND OPPORTUNITY



Family-serving, new construction developments awarded 4 percent and 9 percent tax credits in the county are concentrated in Low Resource and High Segregation & Poverty areas, particularly in downtown and south Los Angeles, with smaller clusters in other parts of the county. Conversely, family-serving affordable housing developments in High and Highest Resource areas are more scattered and far less common, with the only concentration of such developments located in the City of Santa Monica. The distribution of affordable homes in family-serving, new construction 4 percent and 9 percent LIHTC developments relative to the TCAC/HCD Opportunity Map is shown in Table 87 below.

TABLE 87: DISTRIBUTION OF AFFORDABLE HOMES IN FAMILY-SERVING, NEW CONSTRUCTION DEVELOPMENTS IN LOS ANGELES COUNTY AWARDED LIHTCS (2008-2022) RELATIVE TO 2023 TCAC/HCD OPPORTUNITY MAP CATEGORIES

	Affordable Homes	High Segregation & Poverty		Low Resource		Moderate Resource		High Resource		Highest Resource	
		#	%*	#	%*	#	%*	#	%*	#	%*
Total	12,226	3,539	30%	4,230	36%	2,812	24%	530	5%	517	4%
2020-2022 Awards	3,014	1,307	43%	1,117	37%	328	11%	119	4%	143	5%
9% Housing Credits											
SD 1	2,352	829	35%	1,051	45%	356	15%	73	3%	43	2%
SD 2	2,255	419	19%	473	21%	1,243	55%	0	0%	120	5%
SD 3	826	0	0%	250	30%	147	18%	233	28%	196	24%
SD 4	885	170	19%	431	49%	192	22%	92	10%	0	0%
SD 5	912	139	15%	387	42%	343	38%	43	5%	0	0%
Total	**7,230**	**1,644**	**22%**	**2,592**	**36%**	**2,281**	**32%**	**441**	**6%**	**359**	**5%**
4% Housing Credits											
SD 1	501	346	69%	88	18%	67	13%	0	0%	0	0%
SD 2	1,297	539	42%	345	27%	413	32%	0	0%	0	0%
SD 3	1,200	352	29%	526	44%	75	6%	89	7%	158	13%
SD 4	917	406	44%	424	46%	87	9%	0	0%	0	0%
SD 5	1,081	434	40%	600	56%	47	4%	0	0%	0	0%
Total	**4,996**	**2,077**	**42%**	**1,983**	**40%**	**689**	**14%**	**89**	**2%**	**158**	**3%**

Sources: California Housing Partnership Preservation Database, May 2023. TCAC/HCD Opportunity Maps, 2023. Supervisorial District (SD) designations reflect updated boundaries adopted December 15, 2021.

**Percentage of large-family, new construction affordable homes in each row (SDs or county totals).*

Approximately two-thirds (67 percent) of affordable homes in large-family, new construction developments in the county awarded 4 percent and 9 percent tax credits are located in Low Resource and High Poverty and Segregation areas, despite these areas comprising one-third (33 percent) of areas in the county. In comparison, only nine percent of affordable homes in large-family, new construction developments are located in High or Highest Resource areas, which together comprise 40 percent of areas in the county. The remaining 24 percent of homes are located in Moderate Resource areas. This distribution suggests that the historical trends in the siting of family-targeted, new construction LIHTC developments in the county offer low-income families only limited access to higher opportunity neighborhoods. These trends have not shifted meaningfully in recent years as developments awarded between 2020 and 2022 are still overwhelming located in Low Resource and High Segregation & Poverty areas – with approximately 80 percent of affordable homes located in these areas.

While the historical distribution shows a concentration in lower resource and high poverty areas, it should be noted that developers face barriers to developing affordable housing in more affluent, low-density areas that are often resistant to affordable housing, have fewer parcels zoned for multifamily housing, and are less likely to contribute local funding. For example, a separate analysis conducted by the California Housing Partnership found that per-unit costs for large-family, new construction 9 percent LIHTC developments in High and Highest Resource areas in the county awarded tax credits between 2000 and 2014 were approximately $35,000 or 9 percent greater than median per-unit costs in the county during the same period without including land costs and $68,000 or 15 percent greater per-unit including land costs.[76] The combination of high construction costs, pushback against affordable housing from affluent, exclusive communities, and discriminatory housing and land use policies has resulted in the uneven distribution of family-targeted affordable housing statewide. The new TCAC, HCD, and CDLAC funding incentives are aimed to help change those discriminatory housing and land use patterns.

[76] See: California Housing Partnership. 2017. *New Tax Credit Regs Make Progress, More to be Done.* Available at https://chpc.net/new-tax-credit-regs-make-progress-done/.

SECTION 5. AFFORDABLE HOUSING DEVELOPMENT COST ANALYSIS

OVERVIEW

A growing body of research on the cost of developing affordable rental housing in California finds that rising costs are a real and pressing challenge in a state already grappling with an affordable housing crisis and shortage of funding.[77] Section 5 analyzes recent trends in the cost of developing new and preserved affordable rental homes to better understand the factors that influence development costs and how these costs have changed over time. Understanding these trends can help inform the County's efforts to make the financing and development of affordable housing as effective and efficient as possible.

Research on the factors influencing development costs for affordable housing in California has revealed that no single element can explain all or even most affordable housing development costs[78] and that high development costs are due to "death by a thousand cuts."[79] According to a 2014 study commissioned by California's four state-level housing agencies—the California Tax Credit Allocation Committee (TCAC), the California Debt Limit Allocation Committee (CDLAC), the Department of Housing and Community Development (HCD), and the California Housing Finance Agency (CalHFA)— development-specific factors such as the type of housing (e.g., family units, senior housing), land availability and affordability, entitlement process and community opposition, as well as materials costs and local requirements (e.g., parking, design, density, quality, and durability) all influence development costs for affordable housing.[80]

A March 2020 study by the UC Berkeley Terner Center for Housing Innovation identifies many of the same cost drivers for affordable housing development in California: hard construction costs (e.g., material and labor), local development fees, lengthy entitlement processes, parking requirements, prevailing wages or local hiring requirements, design regulations, and the time and talent needed to navigate California's complex financing landscape. "Affordable housing development," wrote the authors, "is not immune to the same cost drivers pushing up the costs of market-rate developments…affordable housing developers face a cost that market-rate developers do not: the increased complexity in financing affordable projects and the need to manage multiple funding sources that add requirements and delays to every project."[81]

A 2020 analysis by the California Housing Partnership revealed that each additional state funding entity involved in financing affordable rental housing development is associated with an increase of $15,800 per

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[77] For example, see: U.S. GAO. 2018. "Low-Income Housing Tax Credit: Improved Data & Oversight Would Strengthen Cost Assessment and Fraud Risk Management." September 18. Website: https://www.gao.gov/products/gao-18-637.
[78] See, for example: Terner Center for Housing Innovation. "Terner Center Research Series: The Cost of Building Housing." Website: ternercenter.berkeley.edu/construction-costs-series.
[79] Fuller, Thomas. "Why Does It Cost $750,000 to Build Affordable Housing in San Francisco?" *The New York Times*, 20 February 2020. Website: https://www.nytimes.com/2020/02/20/us/California-housing-costs.html.
[80] CTCAC, et al. 2014. "Affordable Housing Cost Study: Analysis of the Factors that Influence the Cost of Building Multi-Family Affordable Housing in California." Website: treasurer.ca.gov/ctcac/affordable_housing.pdf.
[81] Terner Center for Housing Innovation. 2020. "The Costs of Affordable Housing Production: Insights from California's 9% Low-Income Housing Tax Credit Program." Website: https://ternercenter.berkeley.edu.

unit in total development costs on average. Given that affordable housing developers routinely apply for funding from up to four state agencies, the cost of securing state funding alone can add as much as $63,200 per home.[82]

In addition to increasing construction costs and expenses of navigating California's complex and lengthy review and financing systems, affordable housing is also vulnerable to changes in the market and tax code. For example, the 2017 Tax Cuts and Jobs Act decreased the corporate tax rate to 21 percent, reducing corporations' incentives to invest in Low-Income Housing Tax Credits (LIHTC/"tax credits").[83] The California Housing Partnership, which reviews data on investment pricing for dozens of California LIHTC transactions annually, estimates that the federal corporate tax rate reduction reduced the value contributed by the sale of tax credits by nearly 15 percent. Furthermore, as the Federal Reserve has increased interest rates and as part of a larger pattern of rising construction costs, the California Construction Cost Index reported a 13.4 percent annual increase in 2021 and a 9.3 percent increase in 2022.[84] The CCCI has already shown a 7.7 percent increase between December 2022 and June 2023.[85] Increasing costs coupled with high interest rates make housing more difficult to develop and finance, further exacerbating the housing affordability issues discussed in previous sections of this report.[86]

Data Sources and Methodology

Section 5 relies on California Tax Credit Allocation Committee (TCAC) data on affordable rental housing awarded tax credits in Los Angeles County between 2012 and 2022. In the last three decades, the LIHTC program has become the most significant funding source for the construction and preservation of affordable housing in California. More than 90,000 affordable homes have been funded with tax credits in Los Angeles County alone.

To collect the cost data for this analysis, the California Housing Partnership compiled detailed development cost data from 534 LIHTC developments in Los Angeles County from 2012 to 2022. The data is primarily derived from applications to TCAC and includes detailed information on each development's sources of funding and development cost line items.[87] When application data was not available, we used TCAC staff reports created for each LIHTC development, which included summary financing data.[88]

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[82] California Housing Partnership, 2021. "Creating a Unified Process to Award All State Affordable Rental Housing Funding." https://chpc.net/creating-a-unified-process-to-award-all-state-affordable-rental-housing-funding/.
[83] Urban Institute. 2018. "How the Tax Cuts and Jobs Act puts affordable housing production at risk." Website: https://www.urban.org/urban-wire/how-tax-cuts-and-jobs-act-puts-affordable-housing-production-risk.
[84] The California Construction Cost Index is the average of the Building Cost Index for San Francisco and Los Angeles only.
[85] California Department of General Services, 2023. "DGS California Construction Cost Index CCCI." https://www.dgs.ca.gov/RESD/Resources/Page-Content/Real-Estate-Services-Division-Resources-List-Folder/DGS-California-Construction-Cost-Index-CCCI.
[86] Terner Center. 2022. "The Cost to Build New Housing Keeps Rising: State Legislation Aiming To Reverse the Upwards Trend." https://ternercenter.berkeley.edu/research-and-policy/cost-to-build-housing-legislation-2022/.
[87] Year in this analysis corresponds with the LIHTC award year. This data reflects the developer's best estimate of project costs at the time of application and not the final costs of development.
[88] TCAC staff reports can be accessed online at https://www.treasurer.ca.gov/ctcac/meeting/index.asp.

Throughout this section, we adjust development costs for inflation to 2022 dollars using the RS Means Construction Cost Index, the same inflation adjustment factor used by TCAC.

Costs are expressed as total residential development cost—including land—and described as per-unit and per-bedroom. We analyze development cost data on both a per-unit and per-bedroom basis, as these two measures answer different questions about development costs. For example, a per-unit measurement examines the cost to house one household (whether a single individual or a family). In contrast, per-bedroom costs reflect the costs to house one person, assuming that one person is occupying each bedroom. Table 4 below shows summary data on the project characteristics for Los Angeles LIHTC developments used in this cost analysis.

Development Characteristics

As Table 88 below shows, more than half of all LIHTC awards were for New Construction developments, with Acquisition and Rehabilitation taking up the next largest chunk, and Adaptive Reuse comprising a total of 5 developments. Of the number of affordable homes proposed, more than half will be in the City of LA with the remaining allotted across the Balance of LA County. Most of the affordable units will be for Large Family and Special Needs/SRO populations, with a smaller but still significant portion targeted to Seniors, and the remaining divided amongst At-Risk and Non-Targeted populations. The vast majority of affordable homes will be in medium or large developments of 50 or more units.

In 2022, 33 applications were awarded LIHTC tax credits in LA County; in contrast, 79 applications were awarded tax credits in 2020. The significant decrease in the number of awards is also a statewide trend and could be due to California running through its stockpile of “carryforward” tax-exempt bond allocation, slackening demand due to rising interest rates and the need for gap financing, burn off of temporary LIHTC increases, and lack of disaster credits being awarded this year.

TABLE 88: DEVELOPMENT COST DATASET – LOS ANGELES COUNTY (2012-2022)

Development Characteristics	Number of Developments	Number of Affordable Homes
	Tax Credit Type	
4% LIHTC	344	30,959
9% LIHTC	190	11,753
	Construction Type	
New Construction	338	23,823
Acquisition/Rehab	191	18,472
Adaptive Reuse	5	417
	Geography*	
City of Los Angeles	333	26,487
Balance of LA County	201	16,225
>> Unincorporated LA County	*41*	*2,717*
	Housing Type	
Large Family	151	12,882
Senior	79	7,774
Special Needs/SRO	204	13,194
At-Risk	21	1,397
Non-Targeted	79	7,465
	Development Size	
Small (less than 50 units)	158	5,934
Medium (50-100 units)	263	18,848
Large (More than 100 units)	113	17,930
	Year of LIHTC Award	
2012 Award Year	40	2,822
2013 Award Year	50	3,952
2014 Award Year	40	2,789
2015 Award Year	40	3,760
2016 Award Year	59	5,102
2017 Award Year	36	2,479
2018 Award Year	47	3,526
2019 Award Year	51	3,986
2020 Award Year	79	6,512
2021 Award Year	59	4,808
2022 Award Year	33	2,976
Total	**534**	**42,712**

Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2022.

The three geographies considered in the cost study represent the City of Los Angeles; the Balance of LA County, a geography used to refer to all geographies in the county **except the City of Los Angeles; and unincorporated LA County, which includes all unincorporated areas in Los Angeles County. The Balance of LA County and unincorporated LA County overlap as all unincorporated areas are also captured in the Balance of LA County category. Therefore, the sum total of these three geographies will not match the total at the bottom of the table. However, the sum total of City of Los Angeles and the Balance of LA County will match the total.*

Affordable Housing Financing Trends – Cost Categories

The cost to develop affordable housing comprises several different types of expenses, including property acquisition, construction, architecture and engineering, financing (e.g., interest, fees, legal expenses, appraisals, and reserves), local development fees, and other soft costs.

New Construction

Figure 86 below shows the average spread of development costs for a newly constructed affordable homes by tax credit type for the City of Los Angeles, Balance of Los Angeles County, and unincorporated Los Angeles County. [89,90]

Across all three geographies, construction costs—labor and materials—make up the majority of development costs. The second-largest category is soft costs, which typically comprise one-third of costs. These costs are associated with affordable housing financing, design, and realization (represented below as financing costs, developer fees, architecture, engineering, and other costs). Finally, land acquisition costs range from six (6) percent of total development costs to 13 percent on average and vary because some developments benefit from donated land, while others pay market-rate.[91]

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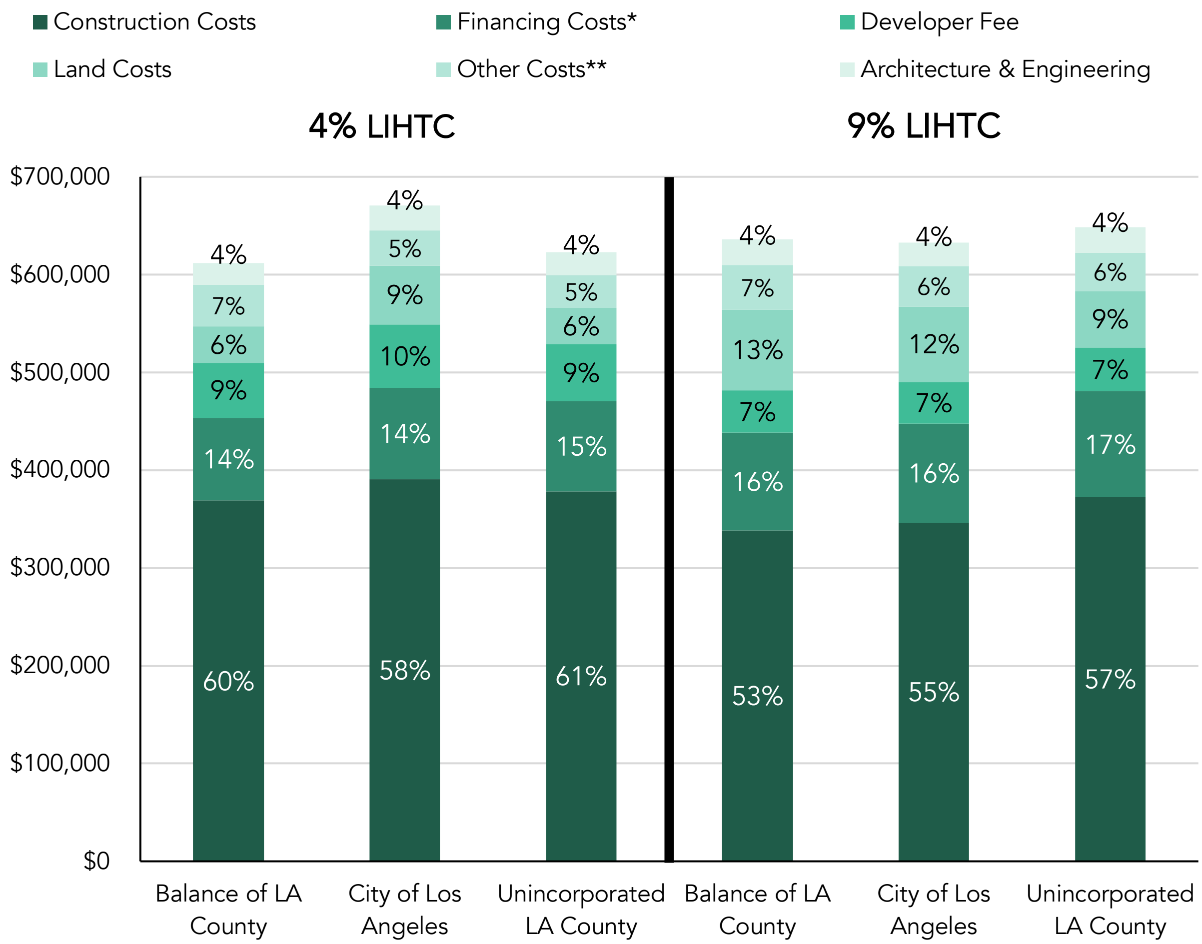
[89] There are two types of LIHTCs: competitive 9% credits, which are allocated annually by the IRS on a per capita basis to each state, and 4% credits.

[90] As noted in Table 4, the total number of LIHTC developments in unincorporated LA County is small (37 developments), such that the median total development cost is heavily impacted by a few expensive developments.

[91] For more information on different cost categories for affordable housing development, see the Terner Center's "Making It Pencil: The Math Behind Housing Development" at https://ternercenter.berkeley.edu/wp-content/uploads/2020/08/Making_It_Pencil_The_Math_Behind_Housing_Development.pdf.

FIGURE 86: NEW CONSTRUCTION DEVELOPMENT COST TRENDS IN LOS ANGELES COUNTY BY TAX CREDIT TYPE, PER-UNIT (2012-2022)



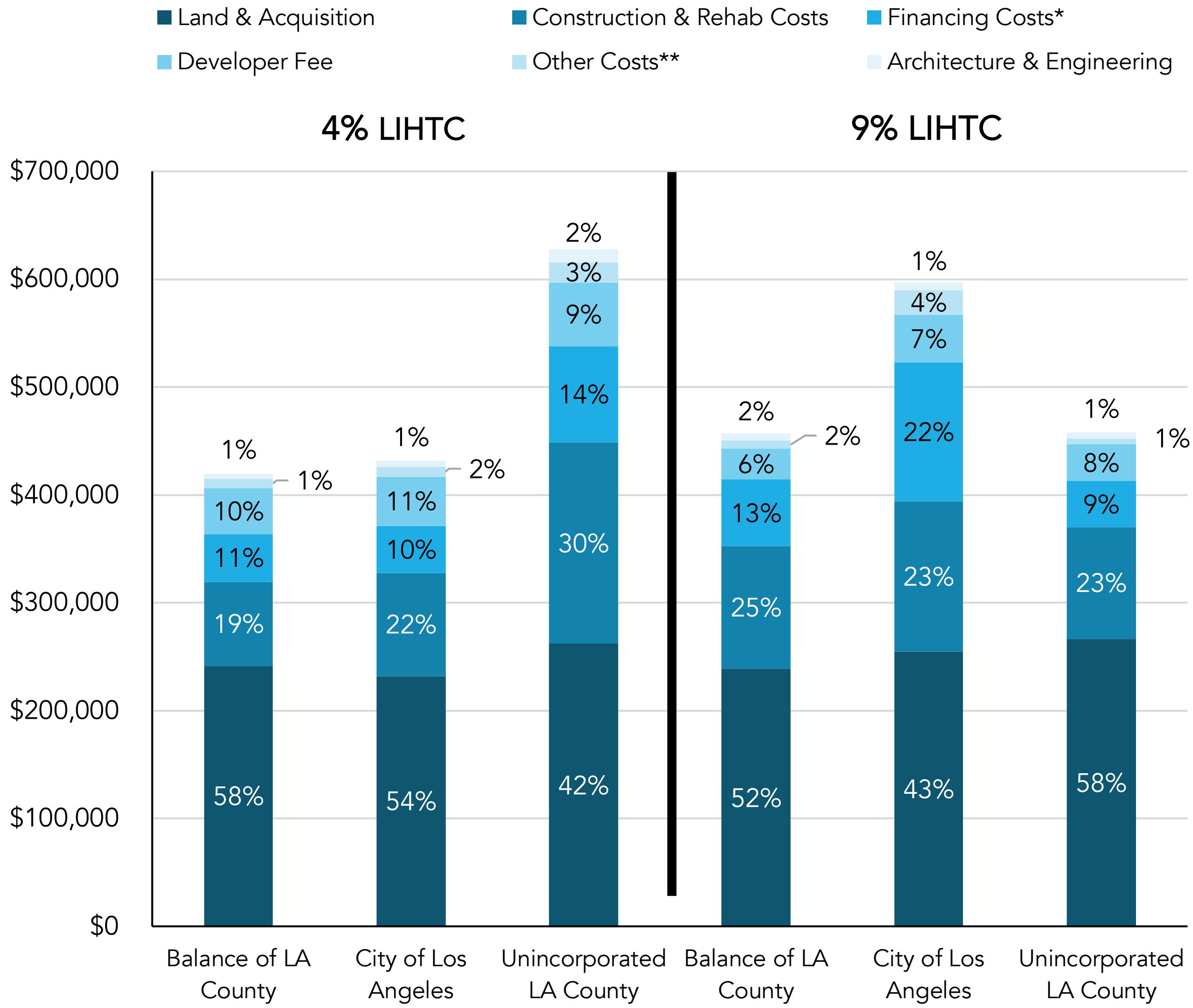
Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2022.
**'Financing costs' captures construction interest, permanent financing, legal fees, appraisals, and reserves.*
***'Other costs' captures expenses like insurance, local development and permit fees, consultant fees, market studies.*

ACQUISITION/REHABILITATION

Figure 87 below shows the average costs for an acquisition/rehabilitation affordable home by tax credit type (4% or 9%). Across all three geographies, acquisition costs—the cost to purchase land and buildings for rehabilitation—comprise the majority of development costs, ranging from 42 percent to 58 percent of development costs on average. The other two categories comprise generally the same proportion of project costs; construction and rehabilitation costs, including materials and labor, range from 19 to 30 percent on average and soft costs make up 19 to 34 percent of development costs on average.

Notably, unincorporated LA County had much higher median 4% acquisition/rehabilitation per unit costs than the other two geographies ($627,731 compared to ~$425,000). This is likely to be a skewing effect due to a small sample size of eight (8) projects and a single, higher cost project whose per unit cost is $1,041,045. Removing that one project puts the median per unit cost for the remaining 7 projects in unincorporated LA County at $508,683, much closer to the range of the other two geographies.

FIGURE 87: ACQUISITION/REHABILITATION PROJECT COST TRENDS IN LOS ANGELES COUNTY BY TAX CREDIT TYPE, PER-UNIT (2012-2022)



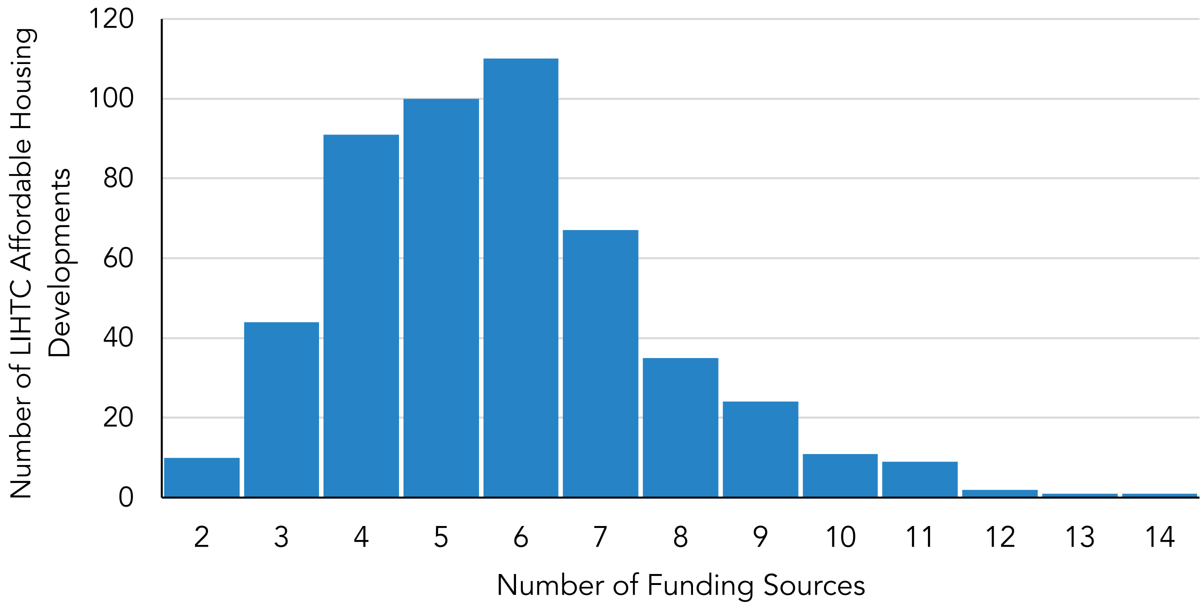
Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2022.
**'Financing costs' captures construction interest, permanent financing, legal fees, appraisals, and reserves.*
***'Other costs' captures expenses like insurance, local development and permit fees, consultant fees, market studies.*

Affordable Housing Financing Trends – Source Categories

To finance the construction and preservation of affordable homes, developers must rely on funding from multiple private and public sources, including mortgages, tax credits, bonds, and various other federal, state, and local sources. For example, in Los Angeles County, developers of affordable rental housing employ an average of six funding sources, though some must rely on far more (see Figure 88 below).[92]

[92] This analysis only includes sources of permanent financing and, therefore, excludes rent subsidies and operating subsidies.

FIGURE 88: NUMBER OF FUNDING SOURCES* UTILIZED BY LIHTC AFFORDABLE HOUSING DEVELOPMENTS IN LOS ANGELES COUNTY (2012-2022)



Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2022.
**This graphic only includes sources of permanent financing and, therefore, excludes rent subsidies and operating subsidies.*

New Construction

Figure 89 below shows the average composition of sources for a newly constructed affordable home by tax credit type for the City of Los Angeles, Balance of Los Angeles County, and unincorporated Los Angeles County. Across all three geographies, tax credit equity is the primary source of development funding, comprising nearly one-half of permanent financing for projects receiving the 4% tax credit and two-thirds of permanent financing for projects receiving the 9% tax credit on average.[93]

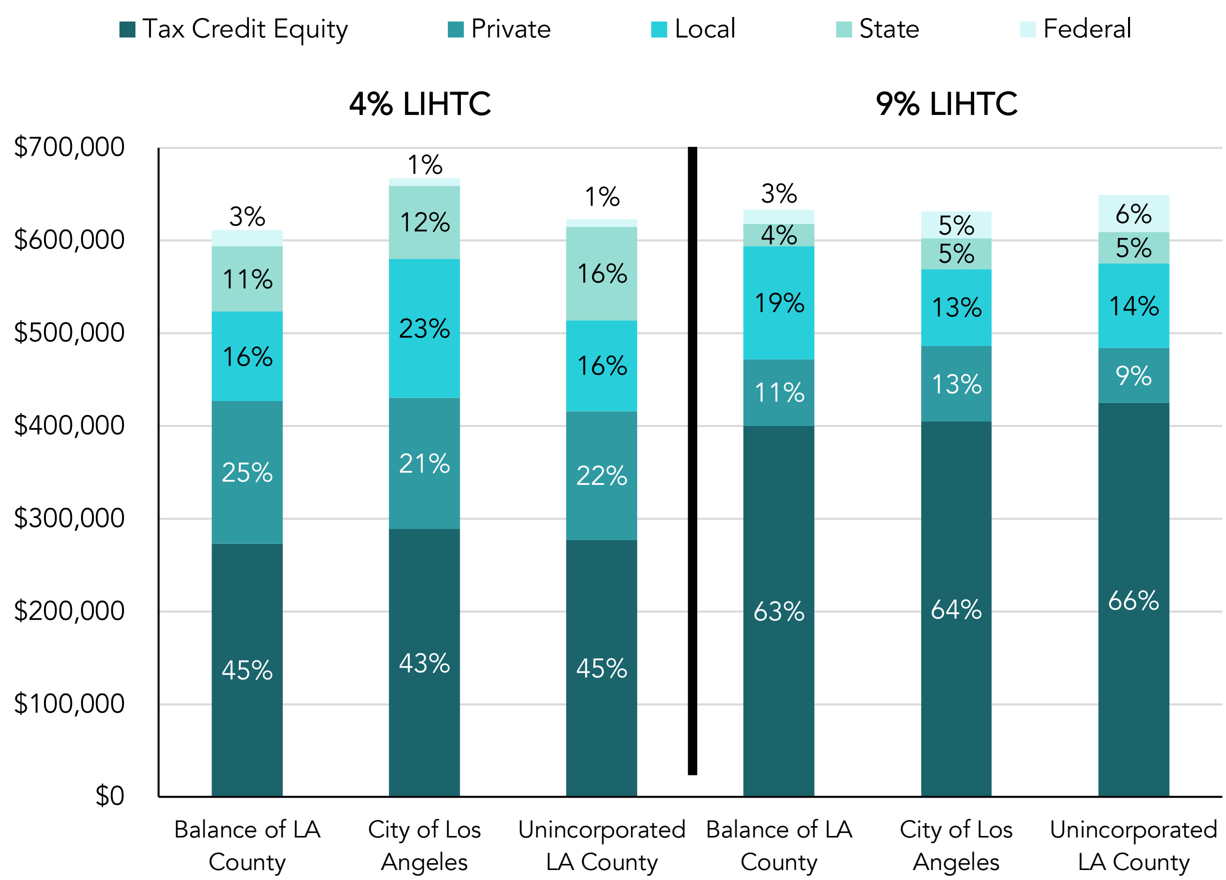
Federal, state, and local sources finance 30 to 35 percent of costs for 4% LIHTC developments and 23 to 25 percent of costs for 9% LIHTC developments on average. Federal sources include the HOME Investment Partnerships Program and the Community Development Block Grant Program, administered by local agencies. The state funding category consists of all programs administered or implemented by state housing agencies (e.g., the Department of Housing and Community Development (HCD), the Strategic Growth Council (SGC), and the California Housing Finance Agency (CalHFA)), such as the Multifamily Housing Program (MHP), the Affordable Housing and Sustainable Communities (AHSC) program, and the Mixed-Income Program (MIP). The local funding category captures permanent financing programs facilitated by local housing agencies or financing entities, including land donations or land loans, local impact fee waivers, and programs governed by local agencies, including LAHSA, LACDA, HCIDLA, and the Department of Mental Health.

Private sources make up the final source category—including private hard debt, philanthropy, and partnership or developer contributions—and finance between 21 and 25 percent of development costs for

[93] For more information on the tax credit program and differences between the 4% and 9% credit, see Section 2.

4% LIHTC developments and between nine (9) and 13 percent of costs for 9% LIHTC developments on average.

FIGURE 89: NEW CONSTRUCTION AFFORDABLE HOUSING SOURCES – FINANCING TRENDS IN LOS ANGELES COUNTY BY TAX CREDIT TYPE, PER-UNIT (2012-2022)

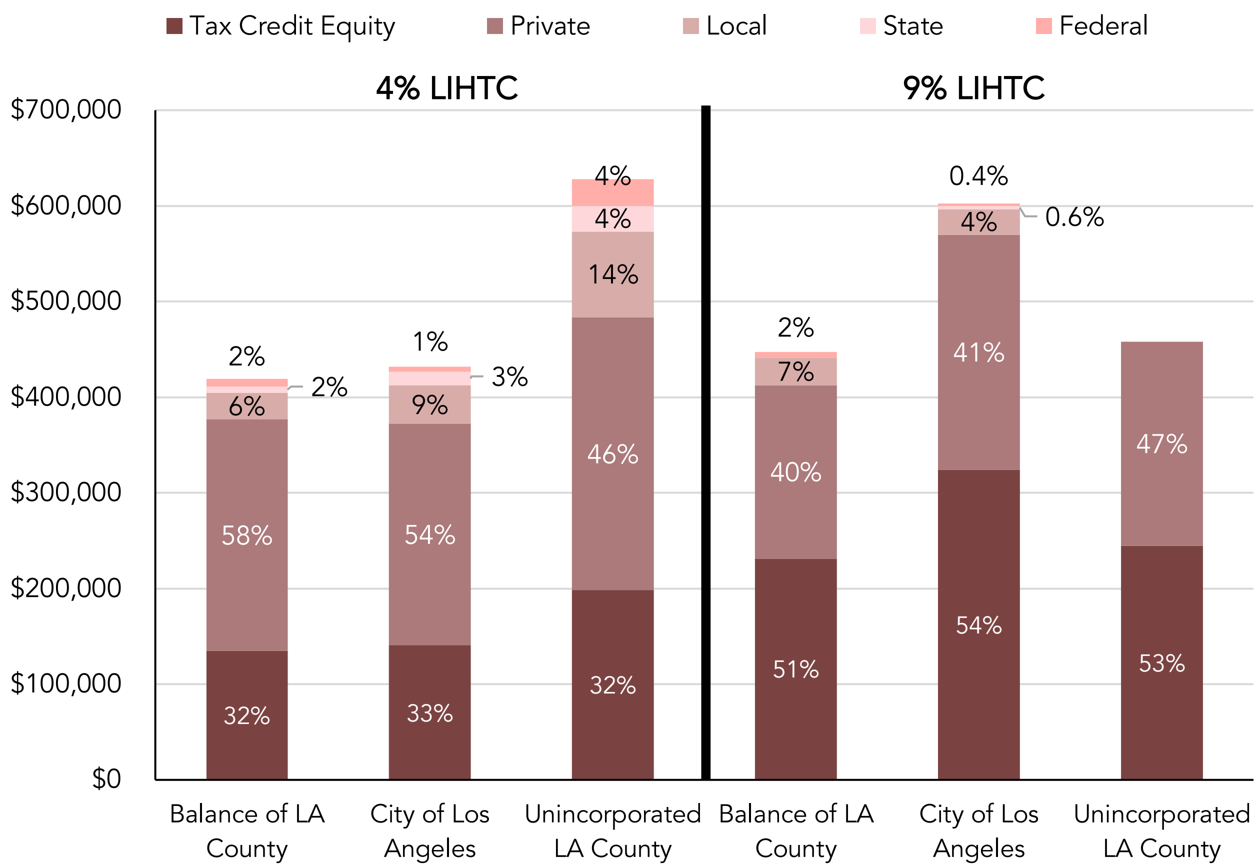


Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2022.

Acquisition/Rehabilitation

Figure 90 below shows the average composition of financing sources for an acquisition/rehabilitation affordable home by tax credit type. Across all three geographies, tax credit equity and private sources are the largest development funding sources for both 4% and 9% LIHTC developments. Local funding is the third-largest source of funding for acquisition/rehabilitation developments. Federal and state sources combined finance between four (4) percent and eight (8) percent of costs for 4% LIHTC developments and one (1) percent or less of costs for 9% LIHTC developments. The majority of 9% LIHTC developments receive no permanent financing from state or federal sources—67 percent of the 9% acquisition/rehabilitation developments awarded LIHTCs from 2012 to 2022 receive rental subsidies such as Section 8, both HUD Project-Based Rental Assistance (PBRA) and project-based Housing Choice Vouchers (HCV). This rental assistance permits properties to support large mortgages and reduce or eliminate the need for other gap financing.

FIGURE 90: ACQUISITION/REHABILITATION AFFORDABLE HOUSING SOURCES – FINANCING TRENDS IN LOS ANGELES COUNTY BY TAX CREDIT TYPE, PER-UNIT (2012-2022)



Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2022.

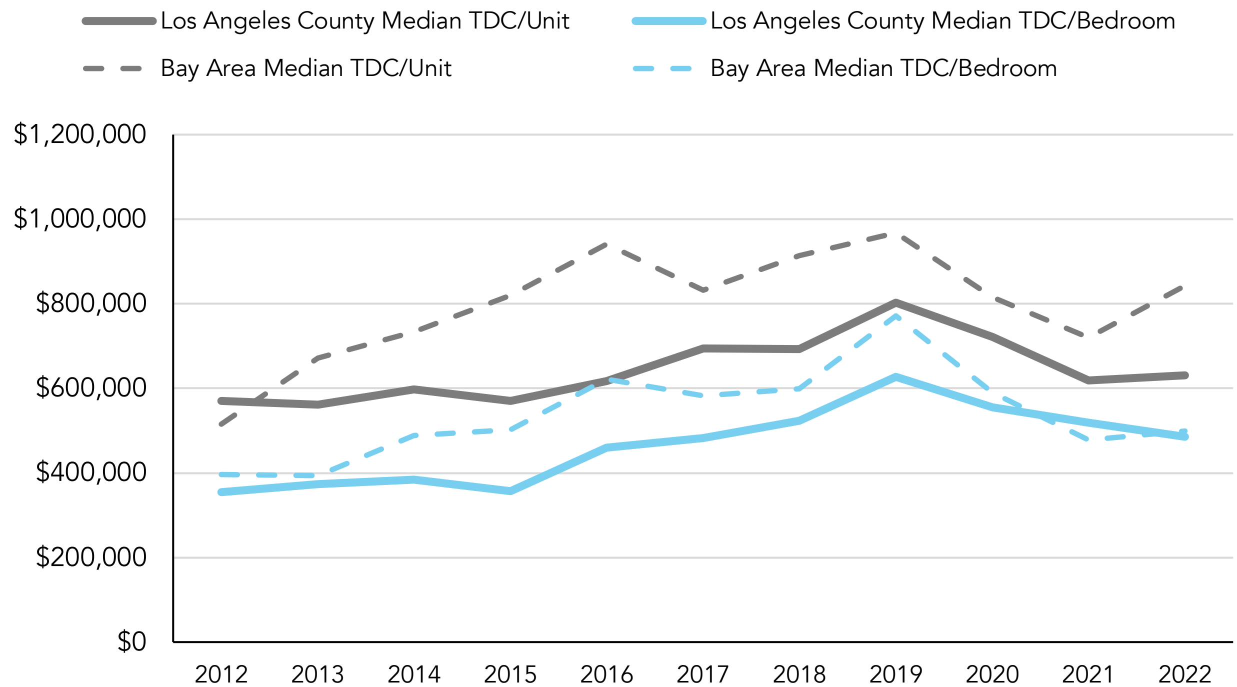
Historical Trends in Total Development Costs for New Affordable Housing

Figure 91 shows trends in median total development costs for new affordable homes financed with tax credits—on a per-unit and per-bedroom basis—in both Los Angeles County and the Bay Area from 2012 to 2022, adjusted for inflation.[94]

In Los Angeles County, inflation-adjusted development costs remained relatively flat between 2012 and 2015, increased steadily between 2016 and 2019, and then dropped from 2019 to 2022. From 2016 to 2019, the cost to develop a new affordable home increased 30 percent per unit and 36 percent per bedroom. In contrast, from 2019 to 2022, development costs decreased from $802,650 to $631,454 per unit (21 percent) and from $627,276 to $485,241 per bedroom (23 percent). Total development costs were higher in the five most urbanized counties in the Bay Area than in Los Angeles County at almost every point during this period at both the per-unit and per-bedroom levels.

[94] The Bay Area is defined as the five most urbanized Bay Area counties—Alameda, Contra Costa, San Francisco, Santa Clara, and San Mateo.

FIGURE 91: LOS ANGELES COUNTY MEDIAN TOTAL DEVELOPMENT COSTS (TDC) FOR NEW LIHTC DEVELOPMENTS, 2012-2022 (2022$)



Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2022.

The following subsections—"Cost Analysis by Housing Type" and "Cost Analysis by Geography"—explore other trends and explanations for changes in development costs over time. Though this analysis does not employ rigorous statistical techniques to establish correlation, descriptive statistics allow us to understand important historical trends. For example, in newly constructed affordable housing developments in Los Angeles County, the number of bedrooms per unit decreased by 17 percent from 2012 to 2022—from 1.72 bedrooms per unit to 1.43 bedrooms per unit. Larger buildings typically reflect economies of scale in affordable housing construction because the costs of services, operations, and design do not vary much by building size, so larger buildings allow developers to spread these fixed costs over more units. In addition, this shift towards fewer bedrooms per unit is consistent with local and state efforts to address the homelessness crisis by developing permanent supportive housing, which often primarily comprise studio and one-bedroom units. See the "Cost Analysis by Housing Type" section below for more analysis and discussion of these trends.

Cost Analysis by Housing Type

Los Angeles County, in recent years, has prioritized the development of permanent supportive housing to help address the county's homelessness crisis, such as new policies and programs to support individuals experiencing homelessness and new funding programs and local bond measures to finance services and the production of supportive housing. This prioritization has also influenced the composition of LIHTC applications and awards. For example, an increasing share is awarded to developments for individuals and families with special needs or who have experienced chronic homelessness (classified by TCAC as the "Special Needs" housing type).

Demonstrating this trend, the percentage of special needs units in the county's LIHTC portfolio increased from 29 percent to 50 percent from 2012 to 2022.[95] This shift in the type of affordable housing developed in Los Angeles County explains some of the cost increases during this ten-year period. As shown below in Figure 92, LIHTC-assisted special needs developments tend to be more expensive on a per-bedroom basis than other types of housing. For example, between 2012 and 2022, the median cost per-bedroom for LIHTC-awarded special needs developments was 67 percent higher than LIHTC-awarded large-family developments.[96]

Reasons for higher costs associated with special needs developments include smaller unit sizes with a greater percentage having more expensive bathroom and kitchen space, more space used for heavy-use common areas and social service provision, higher operating costs per unit resulting in higher capitalized operating reserves, as well as more extensive required transition reserves to guard against termination of rent or operating subsidy. In addition, funding for supportive housing is often more fragmented and complex than funding for other affordable housing development types. According to the Terner Center's 2020 cost study, supportive housing developments across California require an average of 6.2 funding sources per development, which is more funding sources than typical family or senior developments utilize. This study also found that each additional funding source is associated with an additional cost of $6,450 per unit, meaning that costs for these units would be expected to be nearly $40,000 higher than they otherwise would have been.[97]

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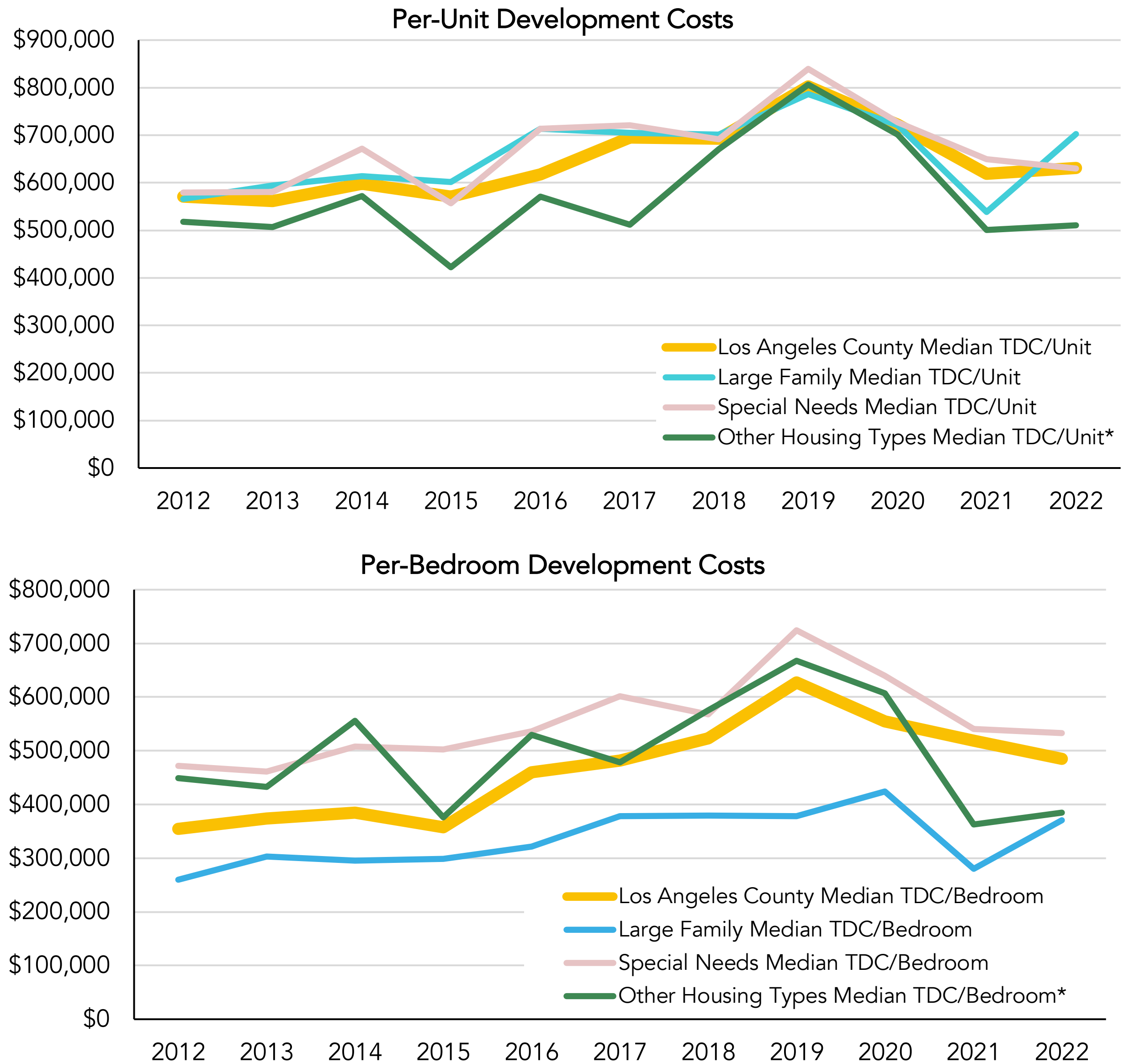
[95] TCAC uses "housing type" to identify the specific population to be served by the development and has four housing types—Large Family, Senior, Special Needs, and At-Risk—each with its own definition and eligibility. Senior properties, for example, house tenants 62 years and older. At-Risk refers to projects with affordability restrictions at risk of expiring. Special Needs encompasses individuals living with physical, sensory, developmental or mental health disabilities; survivors of physical abuse; individuals who are homeless; individuals with chronic illness; and families in the child welfare system. Large family developments are designed to accommodate families with children.

[96] Though this analysis does not employ rigorous statistical techniques needed to establish correlation, descriptive statistics do allow us to understand important historical trends.

[97] Terner Center for Housing Innovation. 2020. "The Costs of Affordable Housing Production: Insights from California's 9% LIHTC Program." Website: http://ternercenter.berkeley.edu.

FIGURE 92: MEDIAN TOTAL DEVELOPMENT COSTS (TDC) FOR NEW LIHTC DEVELOPMENTS, BY HOUSING TYPE, 2012-2022 (2022$)



Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2022.
**'Other Housing Types' captures all TCAC housing types except large family and special needs. For new construction developments, this includes senior housing and non-targeted housing.*

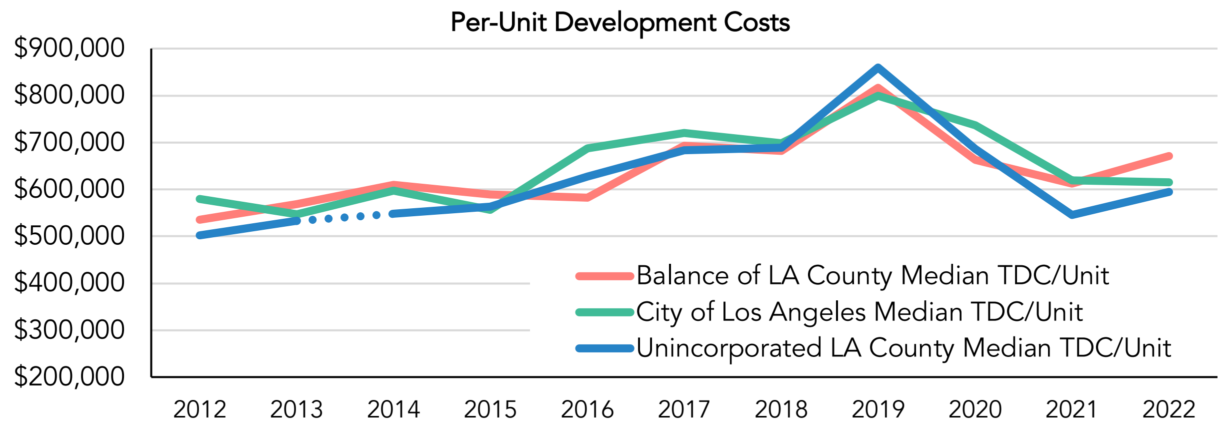
In conclusion, the compositional shift in the type of affordable homes created in Los Angeles County towards serving more special needs households appears to have contributed to the recent increase in median development costs, independent of other factors such as the rising cost of materials.

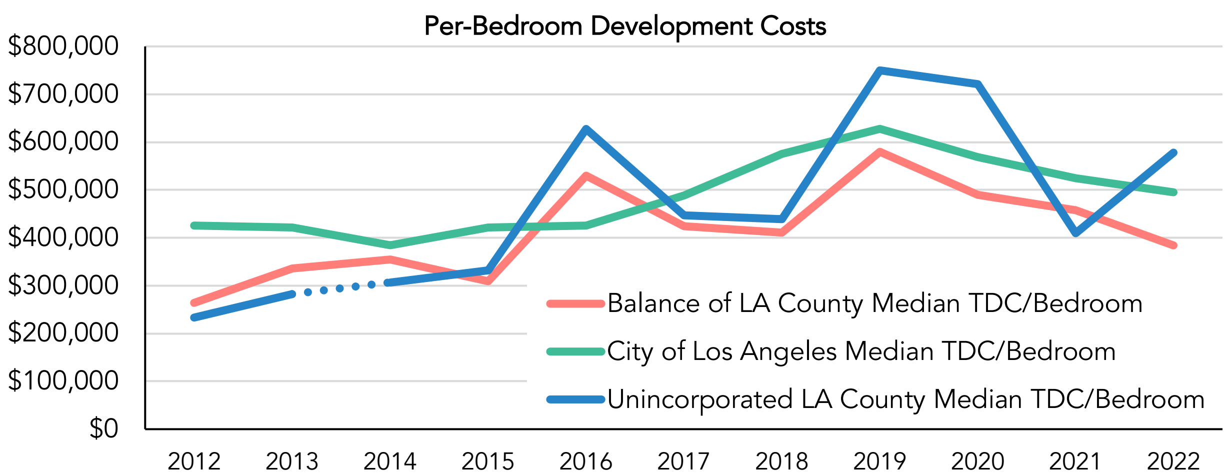
Cost Analysis by Geography

Figure 93 shows trends in median total development costs for new affordable homes financed with tax credits in the City of Los Angeles, Balance of LA County, and unincorporated LA County from 2012 to 2022, adjusted for inflation. While development costs per unit were relatively comparable across all three geographies from 2012 to 2022, per-bedroom costs experienced more variation. Per-bedroom development costs in the City of Los Angeles were greater than costs for developments outside of the city for every year except 2016, 2019, 2020, and 2022. Per-bedroom costs for developments in the Balance of LA County and unincorporated LA County were comparable from 2012 to 2018, with costs in unincorporated LA County exhibiting more variability from 2019 on. Meanwhile, per-bedroom costs in the Balance of LA County saw an increase in 2019 followed by a steady decline that more closely mirrored the City of LA trend.

These increases in per-bedroom costs in the geographies could partly be explained by a decline in average bedrooms per unit in the years with increasing costs. Unincorporated LA County saw a decrease from 1.5 to 0.9 bedrooms per unit from 2018 to 2020 and another decline between 2021 and 2022 from 1.4 to 1.2 bedrooms per unit. Likewise, the Balance of LA County saw a minor decrease from 1.52 to 1.51 bedrooms per unit from 2018 to 2019 and the City of LA decreased from 1.67 to 1.44 bedrooms per unit between 2016 and 2019.

FIGURE 93: MEDIAN TOTAL DEVELOPMENT COSTS (TDC) FOR NEW LIHTC DEVELOPMENTS, BY GEOGRAPHY, 2012-2022 (2022$)





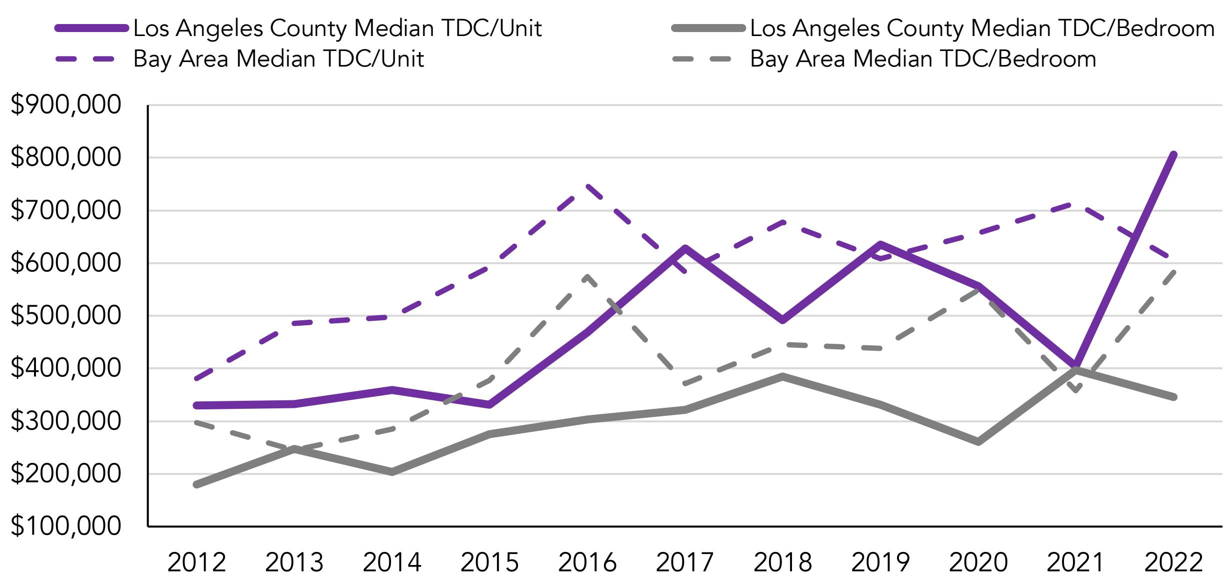
Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2022.
Note: There is a dotted line for unincorporated LA County for 2013 and 2014 because there was only one development awarded LIHTCs during this two-year period.

Historical Trends in Total Development Costs for Preserved Affordable Housing

Research has found that the cost to acquire and rehabilitate—also known as "preserve"—existing multifamily rental homes is typically much lower than new construction.[98] Between 2012 and 2022, preserving existing multifamily rental housing cost 33 percent less per unit and 39 percent less per bedroom in Los Angeles County than new construction, on average.

Figure 94 shows trends in median total development cost for a preserved affordable home financed with tax credits—on a per-unit and per-bedroom basis—in both Los Angeles County and the Bay Area from 2012 to 2022, adjusted for inflation.[99] In Los Angeles County, these costs have varied, but generally increased during these ten years. In that same time frame, acquiring and rehabilitating an affordable home grew from $329,851 to $805,915 per unit (144 percent), and the costs per bedroom increased from $179,798 to $345,670 (92 percent), adjusted for inflation. However, removing the outlier project discussed above that cost $1,041,045 per unit reduces the per unit cost to $473,492 (44 percent). On the other hand, removing it increases the per bedroom cost to $359,880 (100 percent). Per-unit and per-bedroom development costs in Los Angeles County converged in 2021 because all of the acquisition/rehabilitation developments awarded tax credits in 2021 were exclusively studio and one-bedroom units aside from a single two-bedroom unit.

FIGURE 94: MEDIAN TOTAL DEVELOPMENT COSTS (TDC) FOR ACQUISITION/REHABILITATION LIHTC DEVELOPMENTS, BY HOUSING TYPE, 2012-2022 (2022$)



Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2022.

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[98] See, for example: Center for Housing Policy. "Comparing the Costs of New Construction and Acquisition-Rehab in Affordable Multifamily Rental Housing: Applying a New Methodology for Estimating Lifecycle Costs." 2013. Website: https://pdfs.semanticscholar.org/5337/abc2544ae5820a1bc92e52ce3d8f6d5fb8f9.pdf.

[99] The Bay Area is defined as the five most urbanized Bay Area counties—Alameda, Contra Costa, San Francisco, Santa Clara, and San Mateo.

When comparing the Bay Area to Los Angeles County, the former experienced a larger absolute increase (dollar amount) and relative increase (percent) in per-unit costs from 2012 to 2021. The Bay Area experienced a decrease in per-unit costs over the last year, while Los Angeles County experienced a large increase. This variation is likely due to differences in the size and type of housing developed in each region. In the Bay Area, 2022-awarded acquisition/rehabilitation developments were almost exclusively single-bedroom or studio units but included more total units (239 units). By contrast, the acquisition/rehabilitation developments in Los Angeles County awarded tax credits in 2022 comprised many more 2+ bedrooms units, while only 200 units were included.

It is worth noting the variability in per unit development cost in Los Angeles between 2019 and 2022. Beginning in 2020, CDLAC prioritized new construction for tax-exempt bond allocations and severely limited bond availability for acquisition & rehabilitation projects. In addition, strict eligibility criteria and scoring priorities for the majority of these bonds heavily favored certain types of rehabilitation projects, primarily those at risk of losing affordability restrictions and public housing redevelopments. As a result, the number of these projects receiving bond and LIHTC allocations has contracted sharply. In 2022, there were only four such awards in Los Angeles County, all for properties at risk of converting to market. Of these, two were legacy HUD properties with 100% project-based Section 8 assistance with notably higher per-unit development costs, driven primarily by acquisition costs (determined by appraised value) that were roughly double those of the other rehabilitation properties awarded. The small size of the 2022 award pool and the inclusion of these high-cost properties skews the per unit development cost far above the recent trend.

Given limitations in the available data, it is difficult to explain the increases in costs to acquire and rehabilitate affordable homes in Los Angeles County beyond these reflections. Because most of the county’s preserved affordable homes are financed with 4% tax credits that do not claim a specific housing type or identify a particular population to be served by the development, a more detailed cost analysis is not possible. In addition, this analysis focuses primarily on total development costs. As a result, it is impossible to isolate individual cost drivers that could explain the recent increase in costs to acquire and rehabilitate affordable homes in the County, such as changes in hard costs, financing costs, design or wage requirements, or development fees. Additional research is needed to understand these dynamics.

For more analysis of total development costs in Los Angeles County, including additional historical trends and descriptive statistics, see Appendix F: Full Data Findings, Section 5.

Section 6. Recommendations

The following recommendations are grounded in the analysis in Sections 1-5 and aligned with the Board directive to support the production and preservation of affordable homes, particularly permanent supportive housing for very low and extremely low-income or homeless households. These recommendations were informed by input from the County's CEO's Office, other County departments, and community stakeholders.

As with prior editions of the Los Angeles County Affordable Housing Outcomes Report, some recommendations in this 2023 version are reintroduced or refined versions of those included in the 2022 report. In addition, the County has made meaningful progress toward implementation of certain 2022 recommendations, which is noted in the final section below. Continued effort in these areas is imperative to meeting the County's affordable housing needs.

Preservation

The following section highlights preservation methods for the County to protect its existing affordable housing stock.

1. Eliminate Future Conversion Risk for Affordable Housing Developments Through Public Land Ownership

The County should help ensure that affordable housing developments—both new construction and acquisition/rehabilitation—do not face the long-term threat of losing affordability restrictions by moving toward public ownership and leasing of underlying land by government agencies or County-supported and regulated community land trusts (CLTs). This approach would to de-commodify affordable housing, the threat of real estate speculation based on the future sunset of affordability covenants tied to financing (for example, LIHTCs and County-funded loans) or land use approvals (such as density bonus covenants). This approach also aligns with one of the goals of the City of Los Angeles' successful United to Housing LA ballot initiative.

Potential avenues to implement this approach include: 1) a priority or requirement for County or CLT land ownership in all County-funded developments in unincorporated areas; 2) continued County land ownership for all developments on County-owned sites (this already is largely the County's practice); and 3) an incentive or priority for public or CLT land ownership in LACDA's NOFAs.

2. Ensure the Long-Term Viability of Permanent Supportive Housing Properties to Which the County Has Provided Assistance by Undertaking a Comprehensive Review of the Financial Performance and Physical Condition of These Properties

As a preservation strategy to preserve the region's stock of permanent supportive housing and given the persistent operating shortfalls and capital needs faced by some permanent supportive housing (PSH) developments in Los Angeles County. The County should engage in a risk assessment of older, County-assisted PSH properties (where the County has provided land and/or capital) to identify properties that have consistent operational challenges and mounting capital needs. This comprehensive review should focus on the financial performance and physical conditions of County-assisted PSH stock, beginning with the oldest properties. In doing so, the County can assist in maintaining their viability in the long-term and prevent troubled properties from draining the resources of housing providers and potentially causing these providers to collapse. LACDA's Loan Servicing Unit already has screening processes in place, but some of indicators of troubled properties potentially at risk include depleted reserves, operating statements demonstrating negative cash flow or cash flow margins below a 1.05 debt service coverage ratio, evidence of significant deferred maintenance, and ongoing capital or operating cash infusions from the owner/operator.

Increase Funding For Affordable Housing

The County's current $100 million annual commitment is a vital, ongoing resource that supports the production of affordable homes in Los Angeles County. Additional federal, state, and local resources are necessary to meet the scale of the housing needs documented in this report. The need for additional resources is further exacerbated by the current rise in inflation and interest rates, which are affecting residential construction costs, the exhaustion of Proposition HHH funds in the City of Los Angeles, and the near depletion of the State of California's Proposition 1 bond funds.

3. Establish Regular and Predictable Criteria and Timing for County Funding Programs

The County should continue its practice of prioritizing regular, predictable criteria and timing in its affordable housing funding rounds and timing them to support applications to the State SuperNOFA. In the absence of such predictability, developers can spend months looking for sites that ultimately do not meet the funding criteria, or which may have lined up with older funding criteria but do not match new requirements once released. Both application and award timing should be synchronized where possible. In 2022 LACDA made extraordinary efforts to synchronize its NOFA 27 with HCD's SuperNOFA, but that synchronization has been more difficult to achieve in 2023 given HCD's schedule and LACDA's need to deploy HOME/ARPA funds.

4. Fund General Affordable Housing Without Restrictions for Special Needs

LACDA is projected to reach its statutory cap for project-based Housing Choice Vouchers by the end of 2025, which will limit its ability to support permanent supportive housing for special needs populations. Barring the creation of other local resources such as the expansion of the Flexible Housing Subsidy Pool, LACDA should revisit its current approach of funding only PSH units and expand its program to serve non-special needs populations, such as families with children, after the Agency meets its statutory cap. By doing so, LACDA can ensure that capital funding appropriated by the Board of Supervisors is not tied to unachievable programmatic requirements.

5. Prioritize Emergency Gap Funding for County-Funded Projects Under Construction or Approaching Construction Start

Rapid cost inflation, supply chain disruptions, and labor shortages increased the cost of affordable housing construction and created financing gaps for projects in the planning stages and under construction over the course of 2021 and 2022. In addition, meteoric increases in short- and long-term interest rates beginning in 2022 have exacerbated the problem by both increasing cost of housing construction (additional interest costs for construction financing) and decreasing the mortgages that developments can support. Given these challenges, the County is commended for and should continue to allocate funding to close financing gaps in County-funded projects (particularly those in unincorporated areas) that have experienced insurmountable cost increases during construction and that have otherwise complete financing packages and are approaching the start of construction.

Speed is essential in bringing additional gap-financing dollars to these developments. The timely award and closing of additional financing can avoid work stoppages during construction that add costs and result affordable homes being completed behind schedule. For those developments encountering funding gaps just prior to construction start, it can sidestep the significant danger of missing the non-negotiable construction start deadlines set by state programs. To this end, the County should delegate authority for awarding these funds to LACDA rather than requiring awards to be approved individually by the Board of Supervisors. The City of Los Angeles took a similar approach earlier in 2023 with its Fast Track Solution Loan Program.

6. Explore Additional Resources for Permanent Supportive Housing for Persons in Need of Mental Health Services

The County has $195 million of unallocated Mental Health Services Act (MHSA) funded No Place Like Home dollars, $100 million of which are committed to build permanent supportive housing (PSH) in the Restorative Care Villages at four different hospital campuses. In 2023, $50 million will be allocated through LACDA’s NOFA, and the remaining $65 million will be released in future NOFAs. As full deployment of the funds draws nearer, the County should begin to assess the feasibility of dedicating additional MHSA funding from the Department of Mental Health toward the production of new PSH.

7. Increase the Availability of Long-Term, Project-Based Rental Subsidies for Permanent Supportive Housing and Facilitate expanded Use of Tenant-Based Section 8 Housing Choice Vouchers as a Stable, Bankable Rental Subsidy in PSH Developments Using Traditional and Non-Traditional Affordable Housing Financing Structures

Given the growth in total PSH units in the County via LACDA's annual NOFA and the large number of units created through Project Homekey, the County should continue to strongly advocate for the ability to project-base more Housing Choice Vouchers (HCVs) as LACDA will reach its statutory 30 percent cap in 2024 according to the agency's projections. In addition, the County should continue to advocate for an overall increase in project-based subsidies at the federal level and explore all state and local opportunities to fund additional operating subsidies.

In addition, the County should support the expanded use of tenant-based HCVs as a rental subsidy source for PSH developments given the looming statutory cap on Project-Based Vouchers (PBVs). The County has done so on a limited basis since 2018 via the "backstop" approach employed on some units to which Department of Health Services (DHS) had committed Flexible Housing Subsidy Program (FHSP) funds. Given the shortage in funding available to honor all FHSP commitments, DHS worked with its partner Brilliant Corners to provide PSH owner - developers with 1) a steady flow of HCV holders qualified for PSH via the Coordinated Entry System and 2) guaranteed replacement funding for any intervals between an HCV-holding tenant moving out and another moving in. The County has also partnered with L.A. Health Care and HealthNet, who are providing state Housing and Homelessness Incentive Program (HHIP) funds to support further expansion of "backstop" funding to increase the use of tenant-based vouchers. Among other uses, the County intends to use these HHIP funds to support operations of proposed Homekey projects that will also rely on HCV's and other tenant-based rental subsidies. This "backstop" approach has proven acceptable to LIHTC investors and affordable housing lenders in the limited number of PSH developments that have executed backstop structures. It is low-cost, poses relatively little financial risk to the County, and should be expanded.

Support Innovative and Cost-Saving Strategies

The following recommendations address how the County could support innovative and cost-saving strategies for increasing efficiency in the affordable housing delivery system. The analysis in Section 5 of this report on development cost trends, echoing findings from multiple recent studies, highlights the need to reduce costs where possible.

8. Facilitate the Development of Modular Home Manufacturing in Los Angeles County

To address limited access to modular construction by affordable housing developers in the County, the newly formed Department of Economic Opportunity should facilitate an effort to identify sites that would be appropriate for modular manufacturing and expedite land use approvals and permitting for these facilities.

9. Advocate for LACAHSA to Prioritize Approaches Which Will Have the Highest Impact for Affordable Housing Production and Preservation Across the County

The passage of SB 679 last year created the Los Angeles County Affordable Housing Solutions Agency (LACAHSA), a new countywide body whose powers include, among others, the ability to place affordable housing funding measures on the ballot, assemble land for affordable housing development, and provide support to local governments for the production and preservation of affordable housing. The County should continue to support LACAHSA by advocating for the priorities set by the LACAHSA board that will have the highest impact for affordable housing production and preservation across the County. Priorities for LACAHSA's initial focus should include:

1. Propose a revenue measure - LACAHSA should develop and promote a new countywide housing revenue measure.

2. Support acquisition funding for new construction and the acquisition of naturally occurring affordable housing - The County and/or LACAHSA should provide direct acquisition funding. In some cities in Los Angeles County where this is available, affordable housing developers benefit from such acquisition funding because it reduces risk and reduces costs since they bear zero or significantly reduced acquisition loan interest. Depending on the scale of the funding available, an alternate strategy would be for LACAHSA to contribute funding to the existing L.A. County Housing Innovation Fund (LACHIF) administered by LACDA and a consortium of Community Development Finance Institutions. LACAHSA's funds would expand the LACHIF lending pool by increasing the top-loss funding currently provided by the County and reducing interest cost to borrowers.

10. Allow and Support Development of Multifamily Affordable Housing on Sites Owned by Faith-Based Institutions

The County should consider allowing multifamily affordable housing to be built on sites owned by faith-based institutions in the unincorporated areas to help streamline the development of additional affordable homes on often underutilized sites with the support of mission-aligned land owners.

Further, in the event the County makes the above policy change and/or the state legislative proposal that would make this change (SB 4) is passed into law, the County should explore working with faith-based institutions to identify opportunities to utilize land allowable for multi-family housing. The County should work proactively with the Southern California Association of Non Profit Housing (SCANPH) to provide technical assistance and encourage collaborations with members experienced in working collaboratively with faith communities and other mission-driven partners.

Advance Racial Equity in Housing Programs

The following recommendation proposes how to advance racial equity in County housing programs.

11. Establish a Countywide Waitlist for Non-Supportive Housing to Increase Housing Choices

Waitlists for County-funded affordable housing are administered at the property level, which may limit the pool of prospective residents to those who already live nearby. A countywide waitlist (or referral list) could ensure broad access to new and existing developments, particularly those in resource-rich areas where Black, Latinx, Indigenous, and other people of color have historically been excluded. As a first principal, the process for administering a countywide waitlist would have to result in rapid referrals of tenants for available units with final leasing decisions made by each property owner per their approved management plans. A waitlist process should under no circumstances result in affordable homes remaining vacant for prolonged periods. The County and the LACDA are revising the Marina del Rey Affordable Housing Policy in 2023, which includes creating a centralized waitlist for affordable housing as a model for a potential countywide waitlist.

2022 Recommendations: Implementation in Progress

The County has made progress toward the implementation of a number of 2022 recommendations as detailed below.

- **Continue to pursue available state resources, particularly given the current state budget surplus (Recommendation 2, 2022)** [Note: the state had a budget surplus at the time the 2022 report was published, as reflected in this recommendation. The state is now projecting a budget deficit for the current and following fiscal year.]

  The County has effectively pursued available State affordable housing resources in recent years, including Project Homekey 3.0 and the success of County-funded developments in HCD's SuperNOFA and Accelerator programs. The County also partners with developers to apply for AHSC funds.

- **Support and expand the supply of transitional and supportive housing using Project Homekey (Recommendation 4, 2022)** - The County had considerable success with the direct acquisition of hospitality properties for conversion to interim and permanent housing under Project Homekey 1.0 and extended that success by partnering on funding applications to Project Homekey 2.0. The County has continued its pursuit of this innovative, fast, and low-cost approach to expanding the supply of homes available to people experiencing homelessness by soliciting development proposals for Project Homekey 3.0 funding, which began accepting applications in March 2023 and which closes in July 2023. Unfortunately, it does not appear there will be opportunities beyond the current funding cycle. While the state's FY 2023-2024 budget is not yet final, the current proposals do not include renewed funding for Project Homekey.

- **Plan for service needs for permanent supportive housing (Recommendation 6, 2022)** - The County has begun work to ensure that Measure H and other resources available meet the demand of PSH and are planning for the maintenance of these services following the eventual sunset of Measure H.

- **Implement Enhanced Infrastructure Financing Districts (EIFDs) as a source of funding for affordable housing production (Recommendation 7, 2022) -** Following the County's adoption of an Enhanced Infrastructure Financing District (EIFD) policy, the Board continues to explore the establishment of additional EIFDs with partner cities to generate funding for affordable housing production. Funds generated by EIFDs could also be used to fund the acquisition and preservation of naturally occurring affordable housing.

- **Obtain "Pro-Housing" designation from the State of California (Recommendation 10, 2022)** - The County is in the process of obtaining a "Pro-Housing" designation from the State of California. The County's Department of Regional Planning has submitted the application for the designation and is in conversation with the California Department of Housing and Community Development (HCD). This would make affordable housing developments in unincorporated areas more competitive for state resources, including tax-exempt bonds through the California Debt Limit Allocation Committee and several HCD-administered programs, including the Affordable Housing and Sustainable Communities program and the Infill Infrastructure Grant program.

- **End exclusionary zoning in resource-rich neighborhoods (Recommendation 13, 2022)** - The 2022 LACAHOR recommended that the County use its zoning authority to maximize the creation of deed-restricted affordable homes in resource-rich neighborhoods, particularly in single family-zoned areas located within unincorporated areas as a part of the County’s current Housing Element implementation efforts. Given that the County has committed to this effort in its Housing Element implementation, we have opted to remove this recommendation from the 2023 report.

Glossary

Above Moderate-Income Households – households that earn more than 120 percent of Area Median Income.

Affordable Home – a home where the household spends no more than 30 percent of its income on housing and utility costs.

Affordable and Available Home – a home with a gross rent that is affordable at a particular level of income and is either vacant or occupied by a household at or below the income group threshold.

American Community Survey (ACS) – an ongoing, annual survey conducted by the U.S. Census Bureau that collects information such as employment, education and housing tenure to aid community planning efforts.

Annual Homeless Assessment Report (AHAR) – a report to the U.S. Congress on the extent and nature of homelessness in the U.S. that provides local counts, demographics, and service use patterns of the homeless population. AHAR is comprised of Point-in-Time (PIT) Counts, Housing Inventory Counts (HIC) and Homeless Management Information Systems (HMIS) data.

At-Risk Developments – affordable housing developments that are nearing the end of their affordability restrictions and/or project-based subsidy contract and may convert to market rate in the next five years.

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

California Housing Finance Agency (CalHFA) – California's affordable housing bank that provides financing and programs that support affordable housing opportunities for low- to moderate-income households.

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

Continuum of Care (CoC) Program – a program designed by the U.S. Department of Housing and Urban Development (HUD) to promote communitywide commitments to ending homelessness by funding efforts to rehouse homeless individuals and families, promote access and increase utilization of existing programs, and optimize self-sufficiency of those experiencing homelessness. CoC was authorized by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) and is a consolidation of the former Supportive Housing Program (SHP), Shelter Plus Care (S+C) Program and the Section 8 Moderate Rehabilitation Single Residence Occupancy (SRO) Program.

Cost Burden Analysis – looks at the percentage of income paid for housing by households at different income levels. A home is considered affordable if housing costs absorb no more than 30 percent of the household's income. A household is cost burdened if they pay more than 30 percent of their income towards housing costs.

Deeply Low-Income (DLI) Households – households earning between 0 and 15 percent of Area Median Income.

Extremely Low-Income (ELI) Households – households earning 15 to 30 percent of Area Median Income.

Fair Market Rent (FMR) – limits set by the U.S. Department of Housing and Urban Development (HUD) to determine what rents can be charged in various Section 8 programs and the amount of subsidy that is provided to Section 8 Housing Choice Voucher (HCV) recipients. Limits are set using the U.S. Decennial Census, the American Housing Survey (AHS), gross rents from metropolitan areas and counties, and from the public comment process. These limits can be adjusted based on market conditions within metropolitan areas defined by the Federal Office of Management and Budget (OMB) to accommodate for high-cost areas.

Gap (or Shortfall) Analysis – a comparison of the number of households in an income group to the number of homes affordable and available to them at 30 percent or less of their income; "Affordable and Available" homes have a gross rent that is affordable at a particular level of income and is either vacant or occupied by households at or below the income group threshold.

HOME Investment Partnerships Program (HOME) – program within the U.S. Department of Housing and Urban Development (HUD) that provides formula grants to states and localities that communities use to fund a wide range of activities for community development. These funds are often used in partnership with nonprofit groups and are designed exclusively to create affordable homes for low-income households.

Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) – Federal legislation that reauthorized the McKinney-Vento Homeless Assistance Act and consolidated the Supportive Housing Program (SHP), the Shelter Plus Care (S+C) Program and the Section 8 Single Resident Occupancy (SRO) Program into the Continuum of Care (CoC) Program. The legislation also created the Emergency Solutions Grants Program, the Homeless Management Information System (HMIS) and the Rural Housing Stability Assistance Program.

Homeless Management Information Systems (HMIS) – a local technology system that collects client-level data and data on the provision of housing and services to homeless individuals, families, and persons at-risk of homelessness. HMIS is used for Continuum of Care (CoC) Programs and Annual Homeless Assessment Reports (AHAR).

Housing Authority of the City of Los Angeles (HACLA) – public housing authority for the City of Los Angeles that distributes Housing Choice Vouchers (HCVs) and maintains public housing developments within the jurisdiction.

Housing Inventory Counts (HIC) – the number of beds and units within the Continuum of Care Program's homeless system within emergency shelters, transitional housing, rapid re-housing, Safe Haven and permanent supportive housing.

Inclusionary Housing Developments – affordable housing units that are produced or funded by market-rate residential developments that are subject to local inclusionary zoning or policies.

Los Angeles Homeless Services Authority (LAHSA) – an independent Joint Powers Authority created by the Los Angeles County Board of Supervisors to coordinate federal and local funded efforts to provide services to homeless individuals throughout Los Angeles City and County. This agency also manages Los Angeles' Continuum of Care (CoC) Program.

Low-Income (LI) Households – households earning between 50 and 80 percent of Area Median Income.

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 apartments for low-income households.

Mental Health Services Act (MHSA) – the Mental Health Services Act (MHSA) Housing Program was jointly launched in August 2007 by the California Department of Mental Health and California Housing Finance Agency to provide a vehicle for counties across the state to invest capital development and operating subsidy funding in the development of new permanent supportive housing for individuals diagnosed with mental illness who are homeless or chronically homeless.

Moderate-Income Households – households earning 80 to 120 percent of Area Median Income.

Permanent Supportive Housing – long-term, permanent housing for individuals who are homeless or have high service needs.

Point in Time (PIT) Count – a jurisdictional count of homeless persons inside and outside of shelters and housing during a single night. This measure is a requirement for HUD's Continuum of Care Program as authorized by the McKinney-Vento Homeless Assistance Act.

Project-Based Voucher (PBV) Program – vouchers provided by public housing agencies through the Housing Choice Voucher (HCV) Program that are tied to a specific development rather than attached to a tenant. The PBV Program partners with developers and service providers to create housing opportunities for special populations such as the homeless, elderly, disabled, and families with mental illness.

Public Use Microdata Sample (PUMS) – annual, untabulated records of individuals or households that serve as the basis for the Census ACS summaries of specific geographic areas and allow for data tabulation that is outside of what is available in ACS products.

Regional Housing Need Allocation (RHNA) – the total number of housing units by affordability level that each jurisdiction must accommodate as defined by the California Housing and Community Development (HCD), and distributed by regional governments like the Southern California Association of Governments (SCAG).

Rapid Rehousing (RRH) – programs providing limited term rental subsidies that aim to quickly house people experiencing homelessness and return homeless individuals into housing as quickly as possible.

Section 8 Housing Choice Voucher (HCV) Program – a program where HCVs funded by the U.S. Department of Housing and Urban Development (HUD) are provided to low-income renters with a subsidy to help them afford market rentals by paying the difference between what the tenant can afford

(30 percent of their income) and the market rent. Eligibility is determined by the household's annual gross income and family size and the housing subsidy is paid directly to the landlord.

Section 8 Single Room Occupancy (SRO) Program – former program under the U.S. Department of Housing and Urban Development (HUD) that provided rental assistance in connection with the moderate rehabilitation of residential developments that contained upgraded single occupancy units for homeless individuals. This program was consolidated by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARH Act) into the Continuum of Care (CoC) Program.

Severely Cost Burdened – a description applied to households that spend more than 50 percent of household income on housing costs.

Shelter Plus Care (S+C) Program – a former program under the U.S. Department of Housing and Urban Development that provided rental assistance in connection with matching supportive services. This program was consolidated by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARH Act) into the Continuum of Care (CoC) Program.

Southern California Association of Governments (SCAG) – a Joint Powers Authority that serves as the Metropolitan Planning Organization (MPO) for Imperial County, Los Angeles County, San Bernardino County, Riverside County, Orange County and Ventura County and their associated jurisdictions.

Successor Agency – established after the dissolution of Redevelopment Agencies (RDAs) in 2011 to manage the Agency's affordable developments that were underway, make payments on enforceable obligations, and dispose of redevelopment assets and properties.

Supportive Housing Program (SHP) – former program under the U.S. Department of Housing and Urban Development (HUD) that helped develop and provide housing and related supportive services for people moving from homelessness to independent, supportive living. This program was consolidated by the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH Act) into the Continuum of Care (CoC) Program.

U.S. Department of Housing and Urban Development (HUD) – a federal agency that supports community development and home ownership, enforces the Fair Housing Act, and oversees a number of 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.

U.S. Department of Housing and Urban Development Veterans Affairs Supportive Housing (HUD-VASH) Program – a program that combines Housing Choice Voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the Department of Veteran Affairs (VA). Rental assistance is provided through VASH vouchers that act as tenant-based vouchers and are allocated from public housing authorities (PHAs).

Very Low-Income (VLI) Households – households earning 30 to 50 percent of Area Median Income.

Appendix A: Methodology

Determining Rent Affordability

Rent affordability is determined by the income needed to afford rent and utilities without spending more than 30 percent of household income. Rent affordability for each income group is derived using adjustment factors provided by HUD. Rent affordability levels are calculated from the four-person base for each income level, and an affordable rent is calculated for each income level using the following formula: (four-person income x 0.3)/12, representing 30 percent of the four-person income level for each income group divided by 12 to provide the maximum affordable monthly rent at that income level.

The limit for deeply low-income (DLI) households, 15 percent of median income, is calculated in addition to ELI, VLI, LI, moderate and above moderate-income households for the county and each of the Supervisorial Districts (SDs). DLI is calculated by multiplying the HUD adjusted four-person income limit for VLI households by 30 percent to define the income threshold.

Determining Household Income Groups

HUD upwardly adjusts income limits in high-cost housing markets such as Los Angeles County to account for higher costs. For example, HUD calculates the VLI income limit—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 of roughly 50 percent that in turn affects all other income limits because they are all calculated relative to the VLI base limit.

Because HUD income limits are adjusted upward from actual income levels in Los Angeles County, a higher proportion of the county's households fall into the DLI, 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 that rents set at the maximum allowable price for the adjusted income levels are high in relation to their income. HUD and the State of California determine rent affordability by the income needed to afford rent and utilities without spending more than 30 percent of household income.

Table 1 in the body of this report shows the 2022 HUD-adjusted income limits for each income group.

Categorizing People and Households by Race and Ethnicity

For the purposes of this report, the categorization of people and households by race and ethnicity is based on individual responses to U.S. Census Bureau surveys, specifically the American Community Survey (ACS) and the Household Pulse Survey. For most indicators—except when denoted in the source notes—people and households are categorized 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.
- "Latino" or "Latinx" (used interchangeably) 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.
- "Native Hawaiian and 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.
- "Some 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" or "multiracial" (used interchangeably) 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.

Exceptions to this categorization are detailed in the source notes of Figure 2, Figure 6, and Table 3 and arise because ACS summary file data is used rather than detailed microdata (PUMS). ACS summary file data disaggregated by race and ethnicity generally treats race and Latino or Hispanic origin as two distinct concepts. In other words, people who identify as being of Latino or Hispanic origin may be of any race; therefore, data presented in Figure 2, Figure 6, and Table 3 for the Asian, Black, Native American, Other Pacific Islander, some other race, or two or more races may include some number of people who identify as being of Latino or Hispanic origin.

Additional Methodology Notes for Gap Analysis

The gap analysis is calculated based on rental home affordability and the income level of the household that occupies the home. For example, the number of rental homes that are affordable and either vacant or occupied by a DLI household ("Affordable and Available") is determined by adding the number of vacant rental units and the number of units occupied that are affordable to DLI. Table 4 in the body of this Report provides an overview of the number of rental homes affordable to each income group.

To determine the number of households within each income category, households are grouped using HUD's adjusted income limits for all household sizes and are identified as DLI, ELI, VLI, LI, Moderate-Income and Above Moderate-Income accordingly. "All Households (Cumulative)" is calculated by summing the number of households within the income group and households in lower income groups. For example, the number of households that are at or below the VLI threshold income include all DLI, ELI and VLI households (i.e. 261,900 + 264,127 + 318,761 = 844,788).

An "affordable" home is one with housing costs that are 30 percent or less of a household's income. "Affordable and Available" homes are those with housing costs that are affordable at a particular level of income and are either vacant or occupied by households at or below the income group threshold.[1] "Rental Homes 'Affordable and Available' (Cumulative)" is the number of rental homes that are affordable and either vacant or occupied by a household at or below the income group threshold. For example, the number of rental homes that are affordable and available to ELI households are the vacant and affordable homes to DLI and ELI households and occupied affordable DLI and ELI homes occupied by households at or below the ELI income threshold.

The "Cumulative Surplus or Shortfall of Affordable Rental Homes" for each income group is the lower income groups' "Cumulative Surplus or Shortfall of Affordable Rental Homes" subtracted from the difference between the number of "Rental Homes 'Affordable and Available' (Cumulative)" and the number of "All Households (Cumulative)." For example, the 408,482 "Cumulative Surplus or Shortfall of Affordable Rental Homes" for ELI households is the difference between the 526,027 households at or below the ELI threshold income and the 117,545 affordable and available rental homes to the ELI income group and below.

Additional Methodology Notes for Cost Burden Analysis

The cost burden analysis is calculated based on a household's monthly income and their monthly housing costs. Housing costs include what a household pays in rent and for utilities (e.g., electricity, fuel, gas and water). The percentage of a household's monthly income that goes towards housing costs determines whether that household is cost burdened.

To classify households as cost burdened, we first re-calculate the "Gross Rent Paid as Percentage of Income" variable available in the PUMS dataset so that it takes account the cost of utilities. Accordingly, for all renter households, we add monthly utilities to rent paid by each household, multiply this total by 12 to get annual rent then divide by the household income. For all occupied renter households (excluding vacant rental units), we now know the percentage of each household's income paid in housing costs, or rent and utilities.

We then label each household's cost burden based on the percent of income spent on housing costs:

0-0.299 = not cost burdened

0.30-0.499 = cost burdened

0.50-1.01 = severely cost burdened

Thus, households that spend less than 30 percent of their income towards housing costs are considered not cost burdened. Households that spend more than 30 percent and more than 50 percent of their income on housing costs are considered cost burdened and severely cost burdened, respectively. For

[1] NLIHC. *The Gap*. 2020. Website: https://reports.nlihc.org/gap.

example, a four-person VLI household that earns $3,600 monthly and pays $1,260 in housing costs are cost burdened as they are paying 35 percent of their monthly income on housing costs.

Additional Methodology Notes for Overcrowding Analysis

To measure overcrowding in Los Angeles County, we use a modified version of Legislative Analyst's Office's (LAO) overcrowding measure used in "California's High Housing Costs: Causes and Consequences." In the LAO report, overcrowding is defined as more than one adult per room, counting two children as equivalent to one adult. Rooms are defined as everything except the bathroom. For the purposes of this analysis, we do not count kitchens as rooms either. With these caveats, rooms that would be included in the measure are bedrooms or common living space (such as a living room or dining room), but bathrooms, kitchens or areas of the home that are unfinished or not suited for year-round use are excluded.[2]

To classify households as overcrowded, we first re-calculate the number of rooms in each unit so that kitchens are excluded. As is, PUMS defines rooms as living rooms, dining rooms, kitchens, bedrooms, finished recreation rooms, enclosed porches suitable for year-round use and lodger's rooms. Excluded are strip or pullman kitchens, bathrooms, open porches, balconies, halls or foyers, half-rooms, utility rooms, unfinished attics or basements or other unfinished space used for storage. A partially divided room is a separate room only if there is a partition from floor to ceiling, but not if the partition consists solely of shelves or cabinets.[3]

Next, we determine the number of adults per room – counting two children as one adult. For all occupied renter households (excluding vacant rental units), we subtract the number of persons in the housing unit (which counts all children as one person) by the number of children reported in the household divided by two, divided by the number of rooms (net the kitchen, when applicable). We divide the number of children by two because our measure of overcrowding counts two children as one adult.

Each household is then given a crowding designation based on the ratio of individuals per bedroom.

0-1.00 = not overcrowded

1.01-2.00 = moderately overcrowded

Greater than 2.00 = severely overcrowded

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[2] The Overcrowding Analysis used the U.S. Census Bureau's definition of a room, excluding the kitchen. For the full definition, visit https://www.census.gov/housing/hvs/definitions.pdf.
[3] For a full set of Census Bureau definitions and explanations, see www.census.gov/housing/hvs/definitions.pdf.

APPENDIX B: FULL DATA FINDINGS, SECTION 1

Gap Analysis

TABLE A: NUMBER OF LOS ANGELES COUNTY HOUSEHOLDS BY HOUSING TENURE (2005-2021)

Year	Number of Renter Households*	Number of Owner Households	Total Households
2005	1,621,543	1,562,853	3,184,396
2006	1,607,392	1,564,640	3,172,032
2007	1,623,435	1,558,468	3,181,903
2008	1,639,800	1,528,562	3,168,362
2009	1,651,764	1,514,362	3,166,126
2010	1,700,905	1,501,448	3,202,353
2011	1,719,784	1,482,011	3,201,795
2012	1,750,538	1,481,122	3,231,660
2013	1,769,811	1,477,894	3,247,705
2014	1,782,312	1,486,800	3,269,112
2015	1,806,687	1,486,408	3,293,095
2016	1,832,068	1,473,521	3,305,589
2017	1,800,767	1,510,464	3,311,231
2018	1,812,624	1,501,284	3,313,908
2019	1,816,770	1,511,628	3,328,398
2021	1,807,578	1,568,009	3,375,587

Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2005-2021.
**Please note that the total number of renter households in Table A and Table 2 (in the main report) do not match perfectly because they rely on a slightly different data source. Estimates from PUMS data (Table 2 in the main report) are expected to be slightly different from the corresponding ACS estimates because they are subject to additional sampling error and further data processing operations.*

TABLE B: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY INCOME GROUP (2014-2021)

Year	DLI	ELI	VLI	LI	Moderate	Above Moderate	Total*
2014	167,670	338,810	325,548	325,169	276,210	346,537	1,779,944
2015	164,065	298,389	325,407	348,121	279,539	376,878	1,792,399
2016	177,352	329,887	320,835	344,865	280,119	370,375	1,823,433
2017	160,096	298,920	298,193	355,524	301,276	383,801	1,797,810
2018	181,311	287,222	306,045	359,706	313,634	361,424	1,809,342
2019	189,837	279,396	313,964	368,727	298,673	363,767	1,814,364
2021	261,900	264,127	318,761	351,205	297,313	312,323	1,805,629

Source: California Housing Partnership analysis of 2014-2021 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.
**Please note that the total number of renter households in Table A and Table B do not match perfectly because they rely on a slightly different data source. Estimates from PUMS data (Table B) are expected to be slightly different from the corresponding ACS estimates (Table A) because they are subject to additional sampling error and further data processing operations.*

TABLE C: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY AGE GROUP (2014-2021)

Year	Under 35		35 - 44		45 - 54		55 and older	
	#	%*	#	%*	#	%*	#	%*
2014	525,782	29%	420,626	24%	356,462	20%	481,224	27%
2015	514,906	29%	420,958	23%	368,564	20%	498,646	28%
2016	522,139	29%	421,376	23%	368,246	20%	520,307	28%
2017	492,257	28%	418,072	23%	364,909	20%	525,529	29%
2018	506,797	28%	413,471	23%	354,259	19%	538,097	30%
2019	506,915	28%	414,570	23%	350,805	19%	544,480	30%
2021	518,806	29%	403,496	22%	340,746	19%	544,530	30%

Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2014-2021.
**Represents the percentage of households the age group comprises of all households.*

TABLE D: CHANGE IN LOS ANGELES COUNTY RENTER HOUSEHOLDS BY RACE & ETHNICITY* (2010-2021)

Year	Asian	Black	Latinx	Native American	Native Hawaiian or Other Pacific Islander	White alone, not Hispanic or Latino	Other race	Two or more races**
2010	221,118	210,912	699,072	8,505	3,402	530,682	328,275	54,429
2011	214,973	213,253	722,309	8,599	5,159	529,693	309,561	53,313
2012	225,819	217,067	733,475	7,002	3,501	532,164	320,348	59,518
2013	221,226	215,917	745,090	12,389	5,309	541,562	327,415	58,404
2014	229,918	213,877	755,700	12,476	5,347	536,476	331,510	60,599
2015	233,063	216,802	762,422	12,647	5,420	551,040	348,691	52,394
2016	234,505	214,352	780,461	14,657	3,664	558,781	373,742	58,626
2017	234,947	214,385	762,884	11,906	5,171	544,592	378,234	56,628
2018	233,466	220,555	773,829	13,788	4,224	537,718	351,647	65,828
2019	236,588	200,408	773,799	15,502	4,927	556,489	333,807	65,727
2021	228,390	208,417	793,553	27,000	4,725	505,811	441,963	309,010

Source: U.S. Census Bureau American Community Survey, 1-year estimates, table ID: S2502, 2010-2021.

**These data represent the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Native Hawaiian and Other Pacific Islander, some other race, and White include households reporting only one race and do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

***Please note that the total number of renter households in Table D and Table 3 (in the main report) do not match perfectly because they rely on a slightly different data source. Estimates from PUMS data (Table 2 in the main report) are expected to be slightly different from the corresponding ACS estimates because they are subject to additional sampling error and further data processing operations.*

TABLE E: INCOME DISTRIBUTION OF RENTER HOUSEHOLDS BY RACE & ETHNICITY (2021)

Year	Asian	Black	Latinx	Native American	Native Hawaiian or Other Pacific Islander	White	Other race	Two or more races
DLI	17%	24%	12%	20%	24%	13%	31%	12%
ELI	13%	16%	17%	21%	2%	12%	8%	10%
VLI	14%	18%	23%	8%	5%	12%	11%	15%
LI	17%	17%	23%	17%	16%	15%	20%	19%
Moderate	17%	14%	15%	22%	29%	19%	17%	19%
Above Moderate	21%	11%	10%	13%	24%	29%	13%	26%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels and added DLI income group subset.

**These data represents the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Unlike in Table D, Asian, Black, Native American, Native Hawaiian or Other Pacific Islander, and white only include households reporting only one race and do not identify their ethnic origin as Hispanic or Latino. Householders who identify their origin as Hispanic or Latino may be of any race.*

TABLE F: LOS ANGELES COUNTY RENTAL HOMES AFFORDABLE TO AND OCCUPIED BY EACH INCOME GROUP (2021)

Rental Homes Affordable to Income Group	Vacant	Occupied by DLI	Occupied by ELI	Occupied by VLI	Occupied by LI	Occupied by Moderate	Occupied by Above Moderate	Total
Affordable to DLI	1,826	44,829	18,412	11,002	9,474	6,811	6,730	99,084
Affordable to ELI	2,502	24,170	25,806	13,714	7,784	5,027	2,956	81,959
Affordable to VLI	11,043	46,165	58,521	65,202	53,078	29,906	15,461	279,376
Affordable to LI	31,630	92,906	122,575	170,704	183,908	136,527	85,855	824,105
Affordable to Moderate	32,208	43,543	33,438	50,479	85,526	96,979	130,292	472,465
Affordable to Above Moderate	16,273	10,287	5,375	7,660	11,435	22,063	71,029	144,122
Total	**95,482**	**261,900**	**264,127**	**318,761**	**351,205**	**297,313**	**312,323**	**1,901,111**

Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.

TABLE G: DETAILED GAP ANALYSIS FOR RENTER HOUSEHOLDS BY INCOME GROUP AND YEAR (2014-2021)

		DLI	ELI	VLI	LI	Moderate	Above Moderate
2014	All Households at or Below Threshold Income	167,670	506,480	832,028	1,157,197	1,433,407	1,779,944
	Rental Homes "Affordable & Available" to Income Group and Below	17,033	86,721	250,205	928,740	1,435,995	1,857,185
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-150,637	-419,759	-581,823	-228,457	2,588	77,241
	% of Homes Affordable but Unavailable**	70%	36%	25%	21%	15%	0%
2015	All Households at or Below Threshold Income	164,065	462,454	787,861	1,135,982	1,415,521	1,792,399
	Rental Homes "Affordable & Available" to Income Group and Below	15,105	87,607	236,054	865,214	1,398,152	1,865,181
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-148,960	-374,847	-551,807	-270,768	-17,369	72,782
	% of Homes Affordable but Unavailable**	70%	36%	27%	21%	16%	0%
2016	All Households at or Below Threshold Income	177,352	507,239	828,074	1,172,939	1,453,058	1,823,433
	Rental Homes "Affordable & Available" to Income Group and Below	16,186	99,368	259,819	921,584	1,432,306	1,896,161
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-161,166	-407,871	-568,255	-251,355	-20,752	72,728
	% of Homes Affordable but Unavailable**	73%	33%	27%	22%	15%	0%
2017	All Households at or Below Threshold Income	160,096	459,016	757,209	1,112,733	1,414,009	1,797,810
	Rental Homes "Affordable & Available" to Income Group and Below	20,010	100,150	240,263	860,595	1,403,219	1,877,355
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-140,086	-358,866	-516,946	-252,138	-10,790	79,545
	% of Homes Affordable but Unavailable**	69%	31%	29%	24%	16%	0%

		DLI	ELI	VLI	LI	Moderate	Above Moderate
2018	All Households at or Below Threshold Income	181,311	468,533	774,578	1,134,284	1,447,918	1,809,342
	Rental Homes "Affordable & Available" to Income Group and Below	24,092	103,477	265,174	902,823	1,452,441	1,898,273
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-157,219	-365,056	-509,404	-231,461	4,523	88,931
	% of Homes Affordable but Unavailable**	67%	33%	29%	23%	15%	0%
2019	All Households at or Below Threshold Income	189,837	469,233	783,197	1,151,924	1,450,597	1,814,364
	Rental Homes "Affordable & Available" to Income Group and Below	28,988	104,917	283,767	923,832	1,463,275	1,905,386
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-160,849	-364,316	-499,430	-228,092	12,678	91,022
	% of Homes Affordable but Unavailable**	66%	37%	29%	23%	16%	0%
2021	All Households at or Below Threshold Income	261,900	526,027	844,788	1,195,993	1,493,306	1,805,629
	Rental Homes "Affordable & Available" to Income Group and Below	46,655	117,545	323,192	995,251	1,515,695	1,901,111
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-215,245	-408,482	-521,596	-200,742	22,389	95,482
	% of Homes Affordable but Unavailable**	53%	35%	30%	23%	14%	0%

Source: California Housing Partnership analysis of 2014-2021 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.

**The surplus or shortfall includes homes occupied by a household at or below the income threshold of the income group.*

***'Affordable but unavailable' means that a rental home is affordable to lower income households but occupied by a household in a higher income group.*

TABLE H: DETAILED GAP ANALYSIS FOR RENTER HOUSEHOLDS BY INCOME GROUP AND SD (2021)

		DLI	ELI	VLI	LI	Moderate	Above Moderate
SD 1	All Households at or Below Threshold Income	57,940	110,543	174,765	246,630	302,008	348,039
	Rental Homes "Affordable & Available" to Income Group and Below	14,254	31,334	79,737	211,313	304,396	360,951
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-43,687	-79,209	-95,028	-35,316	2,388	12,912
	% of Homes Affordable but Unavailable**	47%	32%	28%	21%	11%	0%
SD 2	All Households at or Below Threshold Income	62,374	129,042	205,263	276,893	330,600	383,036
	Rental Homes "Affordable & Available" to Income Group and Below	12,225	32,399	91,490	249,427	339,435	406,506
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-50,149	-96,643	-113,773	-27,466	8,835	23,470
	% of Homes Affordable but Unavailable**	47%	30%	28%	18%	10%	0%
SD 3	All Households at or Below Threshold Income	56,243	111,043	168,098	236,101	301,274	386,825
	Rental Homes "Affordable & Available" to Income Group and Below	7,150	20,057	49,379	172,478	304,236	417,795
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-49,093	-90,986	-118,719	-63,623	2,962	30,970
	% of Homes Affordable but Unavailable**	54%	32%	30%	22%	16%	0%
SD 4	All Households at or Below Threshold Income	42,767	89,560	155,939	232,484	291,152	348,066
	Rental Homes "Affordable & Available" to Income Group and Below	7,035	15,463	56,407	204,263	294,548	356,995
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-35,733	-74,097	-99,533	-28,221	3,396	8,929
	% of Homes Affordable but Unavailable**	54%	42%	34%	25%	14%	0%
SD 5	All Households at or Below Threshold Income	42,575	85,839	140,722	203,886	268,272	339,663
	Rental Homes "Affordable & Available" to Income Group and Below	5,992	18,292	46,179	157,770	273,081	358,864
	Cumulative Surplus or Shortfall of Affordable Rental Homes*	-36,583	-67,547	-94,543	-46,116	4,809	19,202
	% of Homes Affordable but Unavailable**	68%	44%	32%	28%	17%	0%

Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.
**The surplus or shortfall includes homes occupied by a household at or below the income threshold of the income group.*
***'Affordable but unavailable' means that a rental home is affordable to lower income households but occupied by a household in a higher income group.*

Cost Burden Analysis

TABLE I: LOS ANGELES COUNTY COST BURDEN ANALYSIS FOR RENTER HOUSEHOLDS (2021)

Income Group	Total Households	Not Cost Burdened		Moderately Cost Burdened*		Severely Cost Burdened*	
		#	%	#	%	#	%
DLI	261,900	21,463	8%	16,231	6%	224,206	86%
ELI	264,127	28,276	11%	38,584	15%	197,267	75%
VLI	318,761	58,382	18%	137,067	43%	123,312	39%
LI	351,205	167,168	48%	146,877	42%	37,160	11%
Moderate	297,313	221,100	74%	69,221	23%	6,992	2%
Above Moderate	312,323	289,085	93%	20,251	6%	2,987	1%
All Income Groups	**1,805,629**	**785,474**	**44%**	**428,231**	**24%**	**591,924**	**33%**

Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.
**A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.*

TABLE J: PERCENTAGE OF COST BURDENED* RENTER HOUSEHOLDS BY INCOME GROUP AND YEAR (2014-2021)

		DLI	ELI	VLI	LI	Moderate	Above Moderate
2014	Not Cost Burdened	4%	9%	14%	42%	70%	93%
	Moderately Cost Burdened	3%	17%	44%	46%	28%	6%
	Severely Cost Burdened	93%	74%	42%	12%	2%	1%
2015	Not Cost Burdened	4%	9%	14%	40%	70%	92%
	Moderately Cost Burdened	4%	18%	45%	46%	27%	7%
	Severely Cost Burdened	92%	73%	41%	14%	3%	0.4%
2016	Not Cost Burdened	4%	11%	14%	43%	71%	92%
	Moderately Cost Burdened	4%	17%	43%	45%	25%	8%
	Severely Cost Burdened	92%	72%	43%	12%	4%	0.3%
2017	Not Cost Burdened	5%	11%	13%	42%	70%	92%
	Moderately Cost Burdened	4%	17%	42%	45%	27%	8%
	Severely Cost Burdened	91%	72%	45%	13%	3%	0.2%
2018	Not Cost Burdened	6%	11%	16%	43%	71%	93%
	Moderately Cost Burdened	6%	15%	44%	44%	26%	7%
	Severely Cost Burdened	88%	74%	40%	13%	3%	0.1%
2019	Not Cost Burdened	6%	11%	18%	45%	72%	94%
	Moderately Cost Burdened	7%	17%	42%	42%	26%	6%
	Severely Cost Burdened	87%	72%	40%	13%	2%	0.04%
2021	Not Cost Burdened	8%	11%	18%	48%	74%	93%
	Moderately Cost Burdened	6%	15%	43%	42%	23%	6%
	Severely Cost Burdened	86%	75%	39%	11%	2%	1%

Source: California Housing Partnership analysis of 2014-2021 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.

**A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.*

TABLE K: PERCENTAGE OF COST BURDENED* RENTER HOUSEHOLDS BY INCOME GROUP AND SD (2018-2021)

		DLI	ELI	VLI	LI	Moderate	Above Moderate	Total
SD 1	Not Cost Burdened	12%	16%	23%	50%	78%	96%	44%
	Moderately Cost Burdened	8%	16%	47%	43%	22%	3%	25%
	Severely Cost Burdened	80%	68%	31%	7%	1%	1%	31%
SD 2	Not Cost Burdened	9%	8%	23%	56%	78%	94%	42%
	Moderately Cost Burdened	6%	19%	44%	34%	20%	5%	23%
	Severely Cost Burdened	86%	73%	33%	10%	1%	1%	35%
SD 3	Not Cost Burdened	6%	9%	12%	36%	64%	88%	40%
	Moderately Cost Burdened	5%	10%	38%	46%	31%	10%	23%
	Severely Cost Burdened	89%	81%	50%	17%	5%	2%	36%
SD 4	Not Cost Burdened	8%	9%	19%	54%	82%	95%	47%
	Moderately Cost Burdened	5%	17%	49%	40%	17%	5%	25%
	Severely Cost Burdened	87%	74%	32%	6%	1%	0%	28%
SD 5	Not Cost Burdened	6%	12%	14%	40%	72%	93%	44%
	Moderately Cost Burdened	7%	10%	35%	45%	25%	7%	22%
	Severely Cost Burdened	87%	79%	51%	14%	3%	0%	33%

Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.

**A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household income for housing costs.*

Overcrowding Analysis

TABLE L: LOS ANGELES COUNTY OVERCROWDING ANALYSIS* FOR RENTER HOUSEHOLDS (2021)

Income Group	Total Households	Not Overcrowded		Overcrowded		Severely Overcrowded**	
		#	%	#	%	#	%
DLI	261,900	222,951	85%	31,193	15%	7,756	3%
ELI	264,127	195,836	74%	56,311	26%	11,980	5%
VLI	318,761	223,164	70%	78,227	30%	17,370	5%
LI	351,205	246,997	70%	85,345	30%	18,863	5%
Moderate	297,313	229,072	77%	57,474	23%	10,767	4%
Above Moderate	312,323	262,425	84%	44,643	16%	5,255	2%
All Income Groups	**1,805,629**	**1,380,445**	**76%**	**353,193**	**24%**	**71,991**	**4%**

Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.
**Households that have more than one adult (or two children) per room and more than two adults (or four children) per room are considered overcrowded and severely overcrowded, respectively.*
***The percentages of severely overcrowded households are a subset of the percentage of overcrowded households.*

TABLE M: PERCENTAGE OF OVERCROWDED* RENTER HOUSEHOLDS BY INCOME GROUP AND YEAR (2014-2021)

		DLI	ELI	VLI	LI	Moderate	Above Moderate
2014	Not Overcrowded	75%	67%	64%	67%	76%	87%
	Overcrowded	22%	33%	36%	24%	24%	13%
	Severely Overcrowded**	3%	5%	6%	5%	3%	1%
2015	Not Overcrowded	78%	69%	62%	67%	75%	84%
	Overcrowded	22%	31%	38%	33%	25%	16%
	Severely Overcrowded**	3%	4%	6%	5%	3%	2%
2016	Not Overcrowded	80%	70%	65%	68%	75%	84%
	Overcrowded	20%	30%	35%	32%	25%	16%
	Severely Overcrowded**	4%	5%	6%	5%	3%	2%
2017	Not Overcrowded	84%	74%	70%	71%	76%	86%
	Overcrowded	16%	26%	30%	29%	24%	14%
	Severely Overcrowded**	3%	5%	5%	4%	4%	1%
2018	Not Overcrowded	85%	76%	67%	70%	75%	85%
	Overcrowded	15%	24%	33%	30%	25%	15%
	Severely Overcrowded**	3%	5%	6%	4%	4%	1%
2019	Not Overcrowded	86%	73%	69%	69%	76%	85%
	Overcrowded	14%	27%	31%	31%	24%	15%
	Severely Overcrowded**	3%	4%	4%	5%	3%	1%
2021	Not Overcrowded	85%	74%	70%	70%	77%	84%
	Overcrowded	15%	26%	30%	30%	23%	16%
	Severely Overcrowded**	3%	5%	5%	5%	4%	2%

Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.
**Households that have more than one adult (or two children) per room and more than two adults (or four children) per room are considered overcrowded and severely overcrowded, respectively.*
***The percentages of severely overcrowded households are a subset of the percentage of overcrowded households.*

TABLE N: PERCENTAGE OF OVERCROWDED* RENTER HOUSEHOLDS BY INCOME GROUP AND SD (2018-2021)

		DLI	ELI	VLI	LI	Moderate	Above Moderate	Total
SD 1	Not Overcrowded	80%	68%	62%	62%	69%	76%	69%
	Overcrowded	20%	32%	38%	38%	31%	24%	31%
	Severely Overcrowded**	4%	6%	7%	8%	5%	3%	6%
SD 2	Not Overcrowded	85%	72%	69%	67%	74%	80%	74%
	Overcrowded	15%	28%	31%	33%	26%	20%	26%
	Severely Overcrowded**	3%	6%	6%	7%	6%	3%	5%
SD 3	Not Overcrowded	84%	75%	70%	72%	80%	87%	79%
	Overcrowded	16%	25%	30%	28%	20%	13%	21%
	Severely Overcrowded**	3%	4%	5%	5%	3%	1%	4%
SD 4	Not Overcrowded	85%	75%	66%	69%	76%	83%	75%
	Overcrowded	15%	25%	34%	31%	24%	17%	25%
	Severely Overcrowded**	2%	4%	5%	4%	3%	1%	3%
SD 5	Not Overcrowded	92%	81%	85%	83%	85%	90%	86%
	Overcrowded	8%	19%	15%	17%	15%	10%	14%
	Severely Overcrowded**	1%	3%	3%	2%	1%	1%	2%

Source: California Housing Partnership analysis of 2021 1-year ACS PUMS data with HUD income levels, plus the DLI income group. Methodology was adapted from NLIHC gap methodology.

**Households that have more than one adult (or two children) per room and more than two adults (or four children) per room are considered overcrowded and severely overcrowded, respectively.*

***The percentages of severely overcrowded households are a subset of the percentage of overcrowded households.*

HOUSING NEED DURING THE PANDEMIC AND RECOVERY

TABLE O: SHARE OF RENTERS* WHO ARE NOT CAUGHT UP ON RENT PAYMENTS** (MAY 2020 – APRIL 2023)

Month	All Renters	Less than $75K	More than $75K	Asian	Black	Latinx	White	Two or more races	Male	Female
May 2020	18%	17%	9%	6%	32%	23%	10%	15%	22%	14%
June 2020	16%	17%	6%	7%	14%	22%	8%	22%	12%	20%
July 2020	18%	18%	4%	16%	12%	26%	9%	12%	18%	17%
Transition to Phase 2***										
Aug 2020	16%	19%	7%	16%	5%	23%	9%	8%	22%	10%
Sept 2020	16%	19%	5%	20%	17%	17%	10%	18%	15%	16%
Oct 2020	17%	19%	14%	22%	8%	24%	9%	18%	19%	15%
Transition to Phase 3										
Nov 2020	14%	19%	5%	17%	38%	11%	8%	15%	15%	13%
Dec 2020	22%	27%	11%	18%	20%	27%	9%	38%	22%	22%
Jan 2021	18%	22%	6%	8%	19%	26%	8%	18%	18%	18%
Feb 2021	21%	27%	7%	13%	17%	27%	13%	22%	19%	21%
Mar 2021	16%	20%	10%	21%	32%	17%	8%	13%	19%	16%
Apr 2021	12%	17%	4%	7%	9%	15%	11%	14%	10%	12%
May 2021	16%	18%	8%	12%	35%	16%	10%	12%	21%	16%
June 2021	15%	15%	7%	19%	15%	16%	9%	12%	17%	15%
July 2021	12%	16%	3%	20%	11%	12%	9%	12%	12%	12%
Aug 2021	17%	21%	4%	18%	10%	21%	11%	16%	18%	17%
Sept 2021	13%	18%	3%	19%	17%	14%	6%	9%	16%	13%
Oct 2021	17%	20%	5%	17%	40%	16%	14%	17%	18%	17%
Nov 2021	No survey in November 2021									
Dec 2021	12%	14%	3%	11%	3%	15%	9%	12%	11%	12%
Jan 2022	17%	18%	5%	18%	31%	17%	15%	14%	20%	17%
Feb 2022	15%	16%	3%	37%	13%	13%	7%	15%	16%	13%
Mar 2022	19%	20%	6%	29%	24%	17%	16%	13%	19%	18%
Apr 2022	14%	19%	2%	13%	40%	16%	3%		15%	14%
May 2022	12%	14%	4%	15%	19%	16%	3%	6%	12%	11%
June 2022	17%	22%	12%	14%	29%	18%	13%	27%	21%	14%
July 2022	17%	23%	2%	13%	26%	16%	14%	17%	21%	12%
Aug 2022	13%	18%	1%	8%	39%	15%	2%	13%	18%	10%

Month	All Renters	Less than $75K	More than $75K	Asian	Black	Latinx	White	Two or more races	Male	Female
Sept 2022	17%	22%	5%	6%	23%	24%	6%	33%	12%	20%
Oct 2022	16%	12%	10%	7%	12%	20%	6%	39%	19%	13%
Nov 2022	11%	10%	4%	10%	20%	14%	4%		15%	7%
Dec 2022	10%	12%	6%	14%	21%	8%	4%	17%	8%	11%
Jan 2023	13%	15%	9%	27%	13%	13%	6%	9%	17%	9%
Feb 2023	12%	14%	3%	18%	9%	12%	8%	6%	15%	8%
Mar 2023	14%	18%	4%	15%	33%	11%	6%	6%	15%	12%
Apr 2023	15%	20%	6%	12%	11%	20%	7%	13%	19%	11%

Source: California Housing Partnership analysis of Household Pulse Survey data, U.S. Census Bureau, April 23 2020 – April 10, 2023.
**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the percentage of renting adults in households who are not caught up on rent or had their rent deferred. Note: Figures are averages of data collected in the corresponding month. For example, the October 2020 data point is an average of survey data collected Sept 30-Oct 12 and Oct 14-Oct 26.*
***This data represents the race/ethnicity and sex at birth of the person filling out the survey. Asian, Black, two or more races, and white include adults reporting only one racial category and do not identify their ethnic origin as Hispanic or Latino. Adults who identify their ethnic origin as Hispanic or Latino may be of any race. Starting in July 2021 (phase 3.2), the survey included questions regarding sexual orientation and gender identity. However, the sample size was not large enough for the Los Angeles-Long Beach-Anaheim MSA to report these findings here.*
****Phase 2 introduced significant changes to the questionnaire and moved to a two-week survey window, creating differences in unit and item nonresponse between the two phases that make direct comparison with phase 1 estimates difficult.*

APPENDIX C: FULL DATA FINDINGS, SECTION 2

FIGURE A: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN LOS ANGELES COUNTY

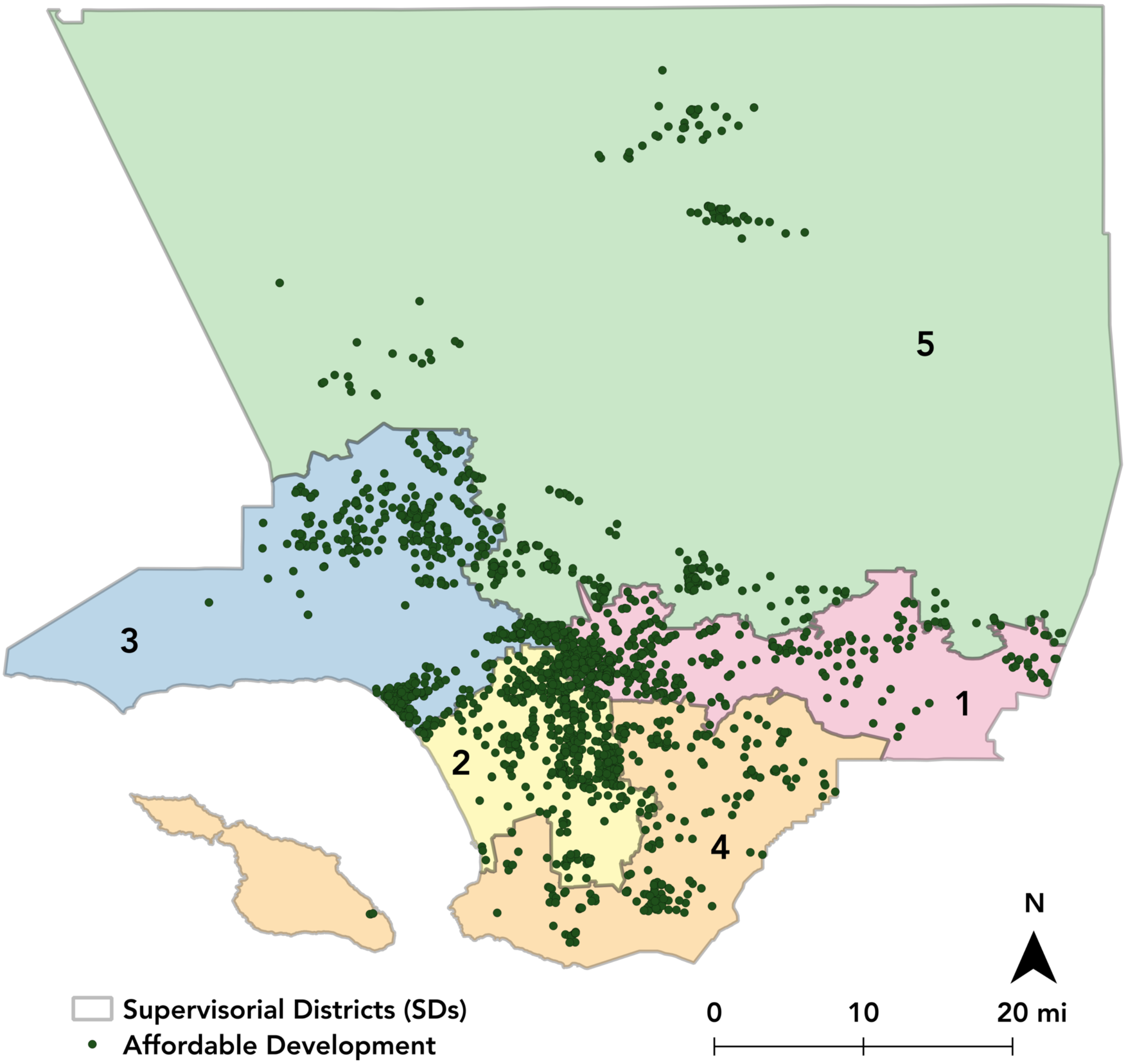


FIGURE B: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 1

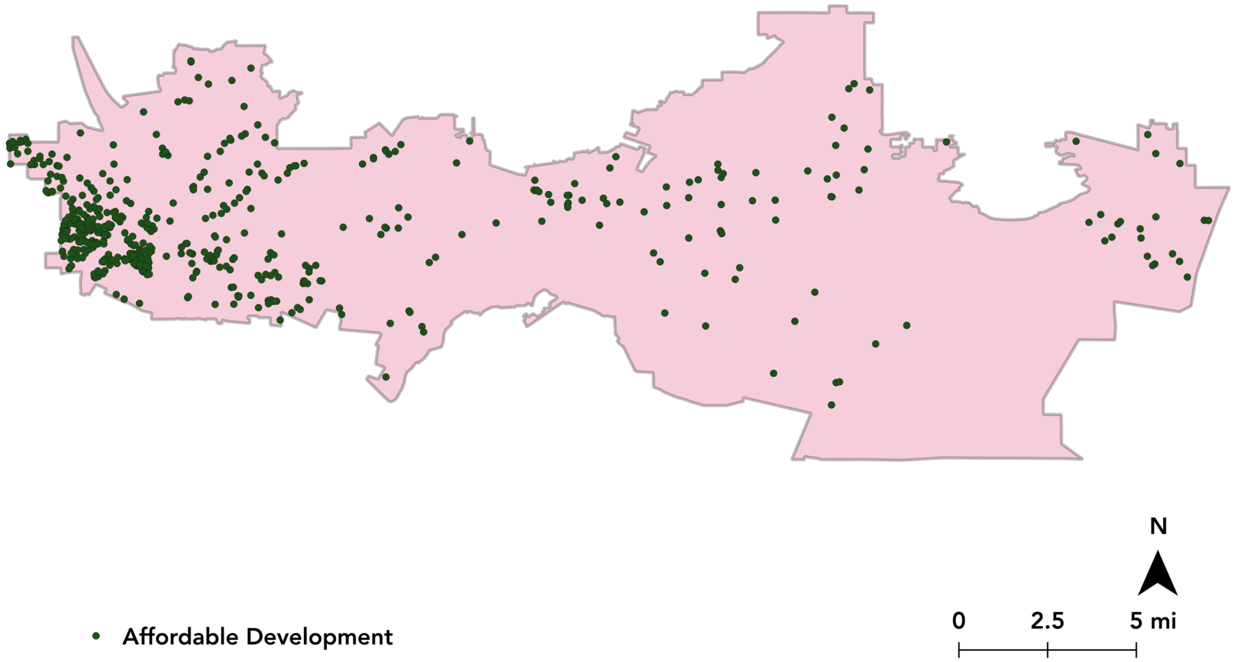


FIGURE C: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 2

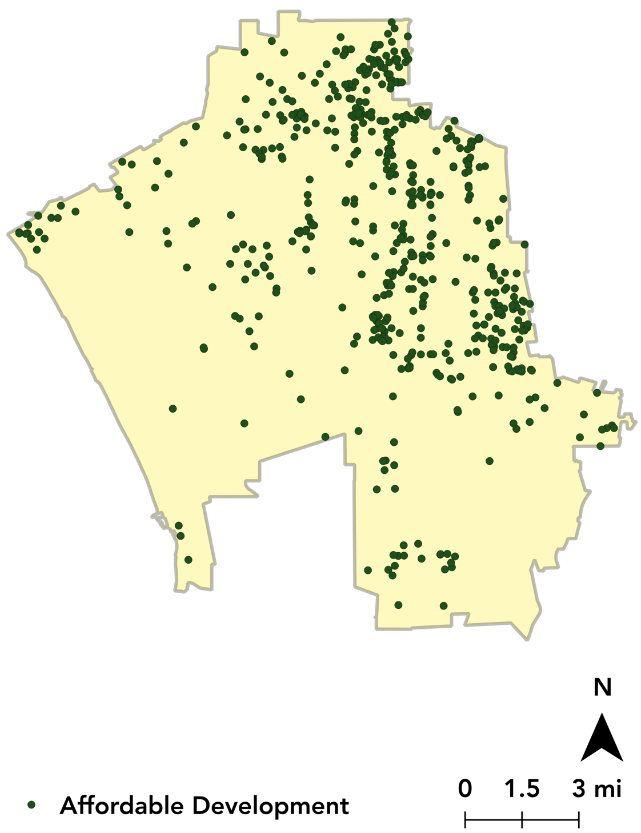


FIGURE D: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 3

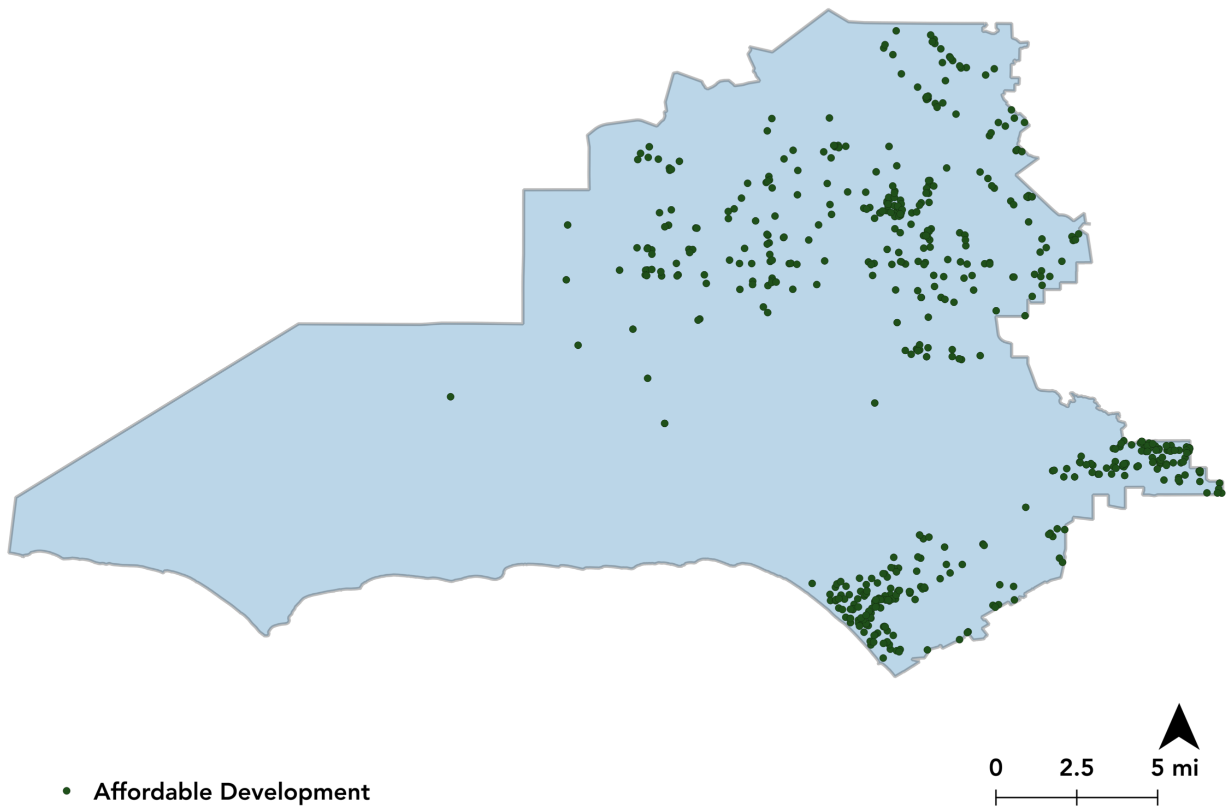


FIGURE E: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 4

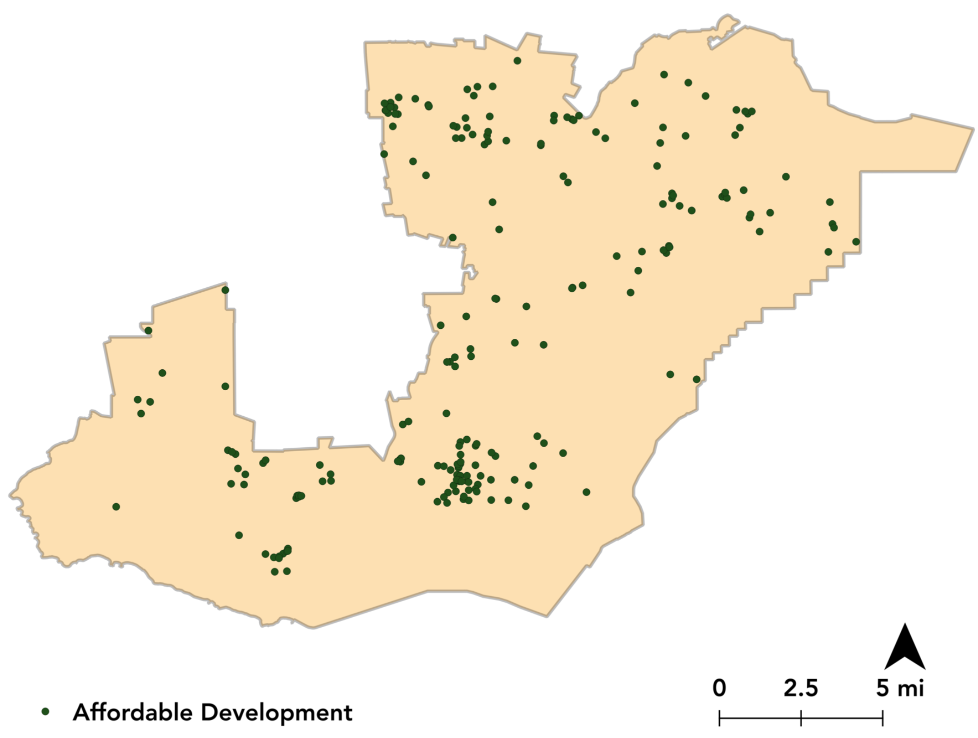


FIGURE F: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 5

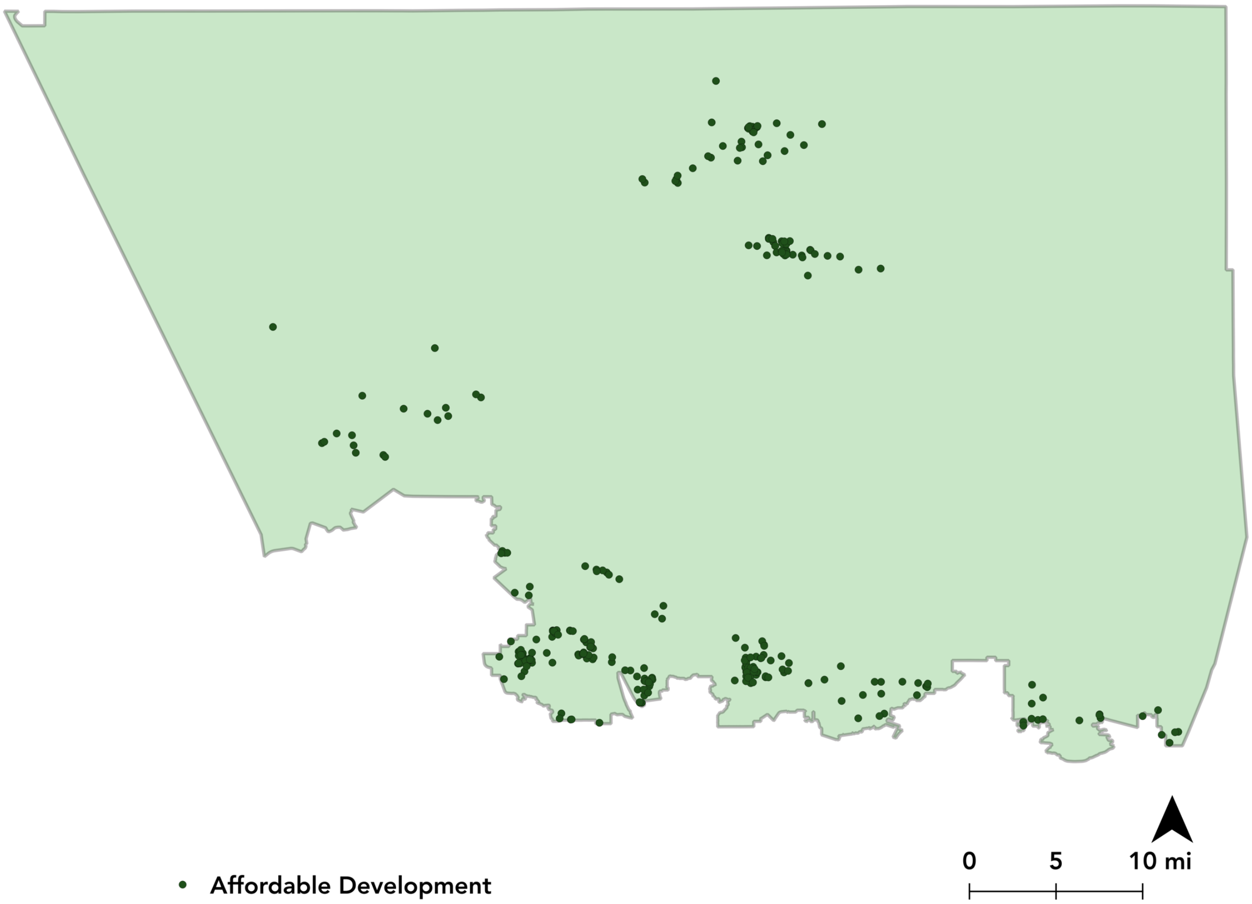


TABLE A: LIHTC DEVELOPMENT IN LOS ANGELES COUNTY (1987 – 2022)

Year Awarded	Developments	Affordable Homes	Annual Federal Credits Awarded*	State Credits Awarded*
1987	12	548	$62,158	$315,660
1988	24	1,352	$867,715	$3,027,162
1989	31	2,029	$2,539,258	$8,083,060
1990	25	972	$7,316,609	$357,576
1991	13	391	$3,637,134	$4,127,305
1992	37	1,865	$15,280,839	$1,926,842
1993	45	3,124	$22,872,108	$4,024,016
1994	17	949	$8,672,710	$0
1995	25	1,457	$8,115,919	$362,382
1996	40	1,820	$17,395,276	$4,895,037
1997	35	1,509	$9,352,778	$0
1998	31	2,640	$13,309,462	$2,202,977
1999	60	3,348	$16,358,449	$1,354,736
2000	40	3,139	$21,458,447	$2,524,985
2001	36	3,286	$15,875,549	$1,934,174
2002	46	3,768	$30,112,497	$4,990,387
2003	47	2,876	$24,311,267	$6,318,716
2004	46	3,436	$28,787,911	$7,656,436
2005	58	2,306	$21,862,669	$0
2006	58	3,229	$33,586,829	$21,761,601
2007	41	2,451	$28,347,851	$13,409,452
2008	34	3,314	$31,957,611	$0
2009	49	3,015	$31,891,658	$0
2010	37	2,074	$29,429,628	$2,030,750
2011	62	3,537	$43,584,509	$15,549,640
2012	43	2,867	$35,362,984	$16,164,656
2013	56	3,952	$45,475,657	$6,082,297
2014	46	2,789	$38,109,127	$10,538,565
2015	48	3,961	$46,095,479	$23,932,893
2016	89	4,906	$59,411,724	$17,859,480
2017	42	2,729	$55,743,347	$44,339,848
2018	55	3,339	$57,397,904	$24,947,425
2019	64	5,071	$96,954,763	$50,914,315
2020	79	6,512	$126,208,075	$104,029,686
2021	59	4,808	$119,709,377	$96,801,650
2022	33	2,976	$85,058,514	$147,104,821
Total	**1,564**	**102,399**	**$1,232,513,792**	**$649,568,530**

Source: California Housing Partnership Preservation Database, June 2023.
**All dollar figures are represented in nominal value and data is not available for each development.*

TABLE B: LOST AFFORDABLE HOMES IN LOS ANGELES COUNTY (1997 – 2022)

Year	HUD Affordable Homes	LIHTC Affordable Homes	HCD/CalHFA Affordable Homes	Local Affordable Homes	Total Affordable Homes	% of Total Homes Lost
1997	763	0	0	0	763	10%
1998	534	0	0	0	534	7%
1999	216	0	0	0	216	3%
2000	319	0	0	0	319	4%
2001	75	0	0	0	75	1%
2002	95	74	0	0	169	2%
2003	179	0	0	0	179	2%
2004	99	138	0	0	237	3%
2005	8	961	0	0	969	13%
2006	145	74	0	0	219	3%
2007	269	0	0	0	269	4%
2008	45	14	0	0	59	1%
2009	107	0	0	0	107	1%
2010	256	0	0	0	256	3%
2011	29	0	6	5	40	1%
2012	0	0	0	0	0	0%
2013	180	0	0	0	180	2%
2014	56	0	0	0	56	1%
2015	13	0	0	4	17	0.2%
2016	0	0	115	446	561	8%
2017	4	158	44	8	214	3%
2018	42	55	20	295	412	6%
2019	5	141	31	255	432	6%
2020	0	72	0	310	382	5%
2021	22	54	15	88	179	2%
2022	343	0	0	369	712	9%
Total	**3,804**	**1,741**	**231**	**1,780**	**7,556**	**100%**

TABLE C: AFFORDABLE HOMES AT RISK OF CONVERSION IN LOS ANGELES COUNTY, BY RISK LEVEL

Risk Level	Developments	Affordable Homes	% of Total Inventory
Very High	36	1,330	1%
High	187	6,351	5%
Moderate	74	2,597	2%
Low	1,734	114,980	92%
All At-Risk	**223**	**7,681**	**6%**
Total	**2,031**	**125,258**	**100%**

Source: California Housing Partnership Preservation Database, June 2023.

TABLE D: AFFORDABLE HOMES AT RISK OF CONVERSION IN LOS ANGELES COUNTY, BY RISK LEVEL AND PROGRAM

Risk Level	HUD Affordable Homes*	LIHTC Affordable Homes	HCD/CalHFA Affordable Homes**	Local Affordable Homes
Very High	769	232	49	280
High	4,746	730	63	812
Moderate	1,265	180	58	1,094
Low	15,292	87,225	6,140	6,323
All At-Risk	**5,515**	**962**	**112**	**1,092**
Total	**22,072**	**88,367**	**6,310**	**8,509**

Source: California Housing Partnership Preservation Database, June 2023.
**'HUD Affordable Homes' that also have LIHTC financing are represented in the 'LIHTC Affordable Homes' column and those that have HCD financing are represented in the 'HCD/CalHFA Affordable Homes' column.*
***'HCD/CalHFA Affordable Homes' that also have LIHTC financing are represented in the 'LIHTC Affordable Homes' column, those that also have HUD assistance are represented in the 'HUD Affordable Homes' column, and those that have HCD financing are represented in the 'HCD/CalHFA Affordable Homes' column.*

APPENDIX D: FULL DATA FINDINGS, SECTION 3

FIGURE A:COUNTY-ADMINISTERED AFFORDABLE HOUSING IN LOS ANGELES COUNTY

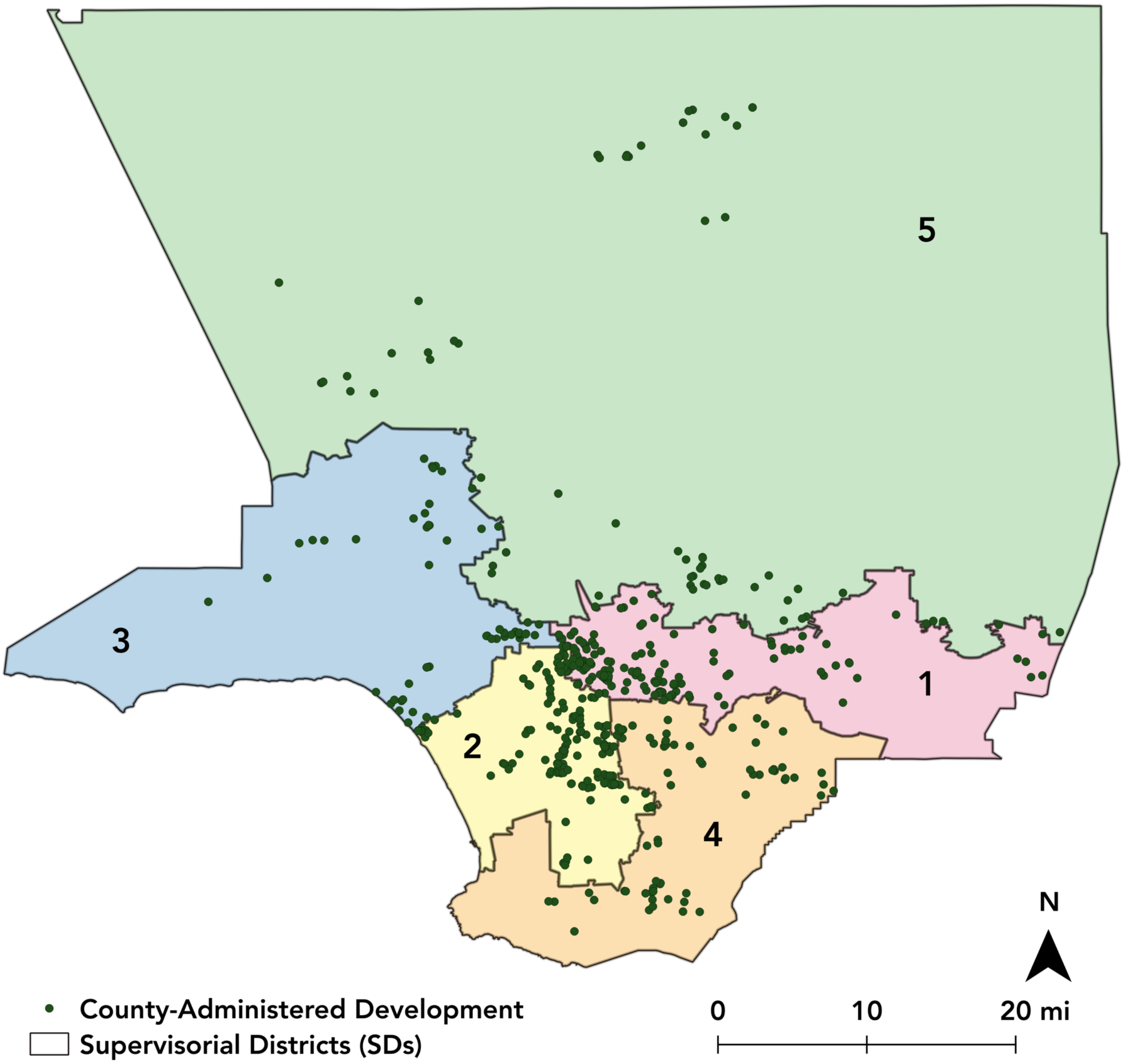


FIGURE B: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 1

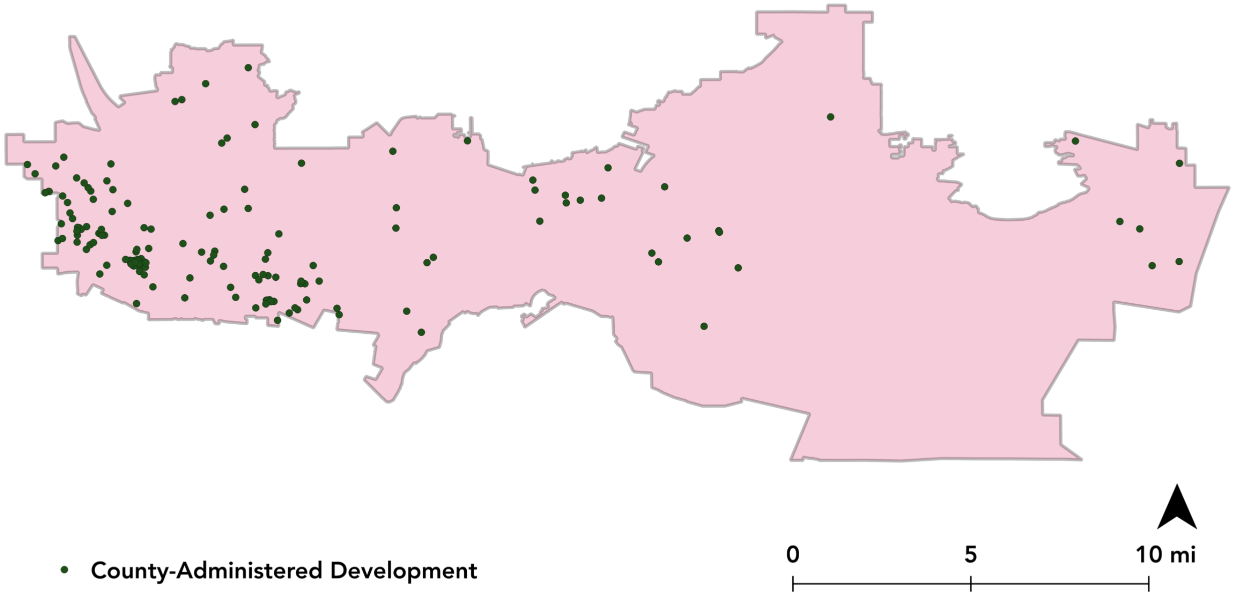


FIGURE C: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 2

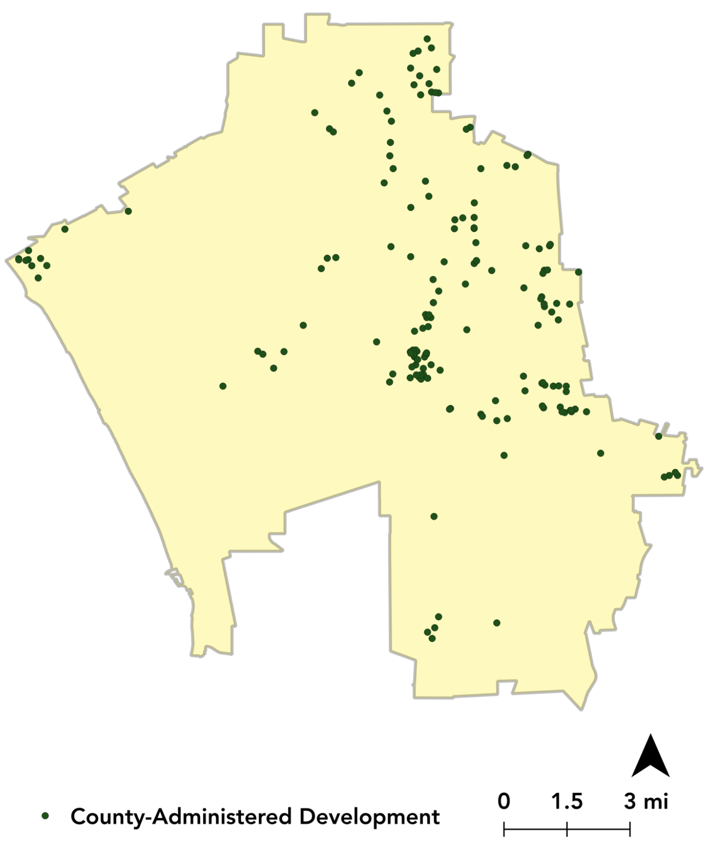


FIGURE D: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 3

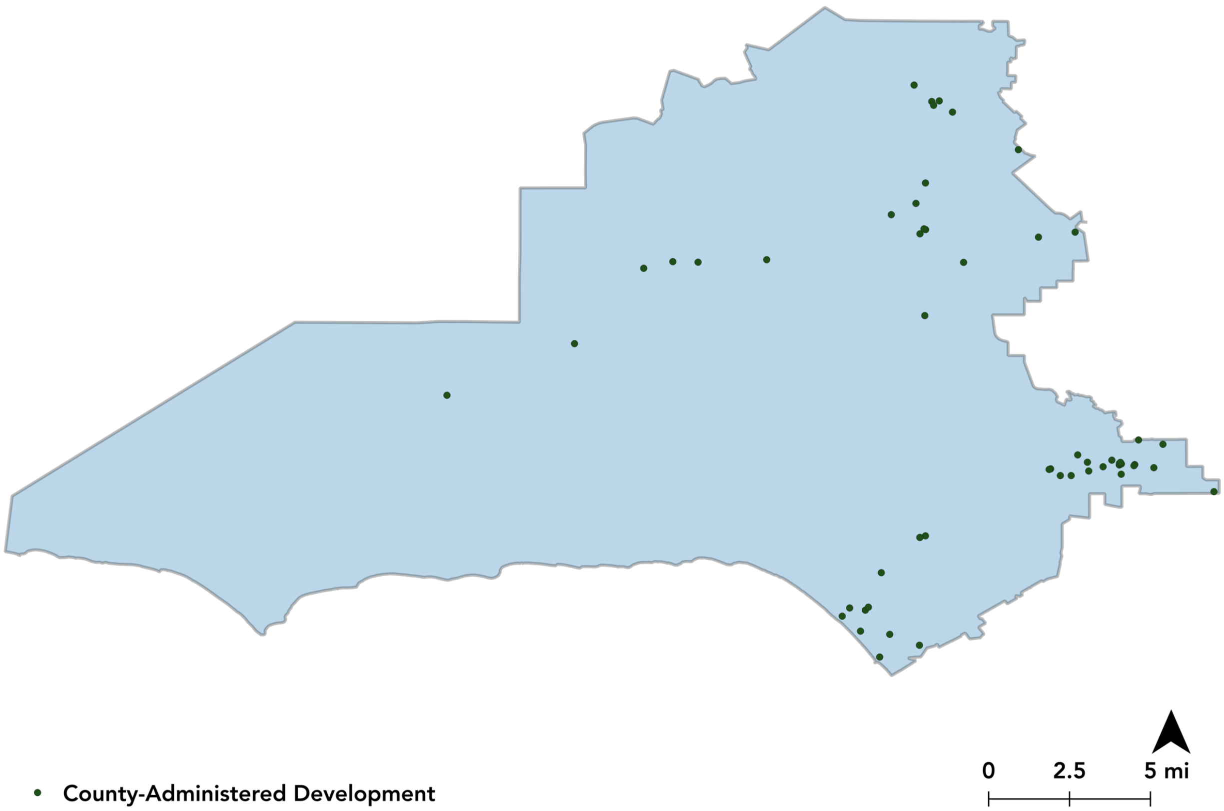


FIGURE E: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 4

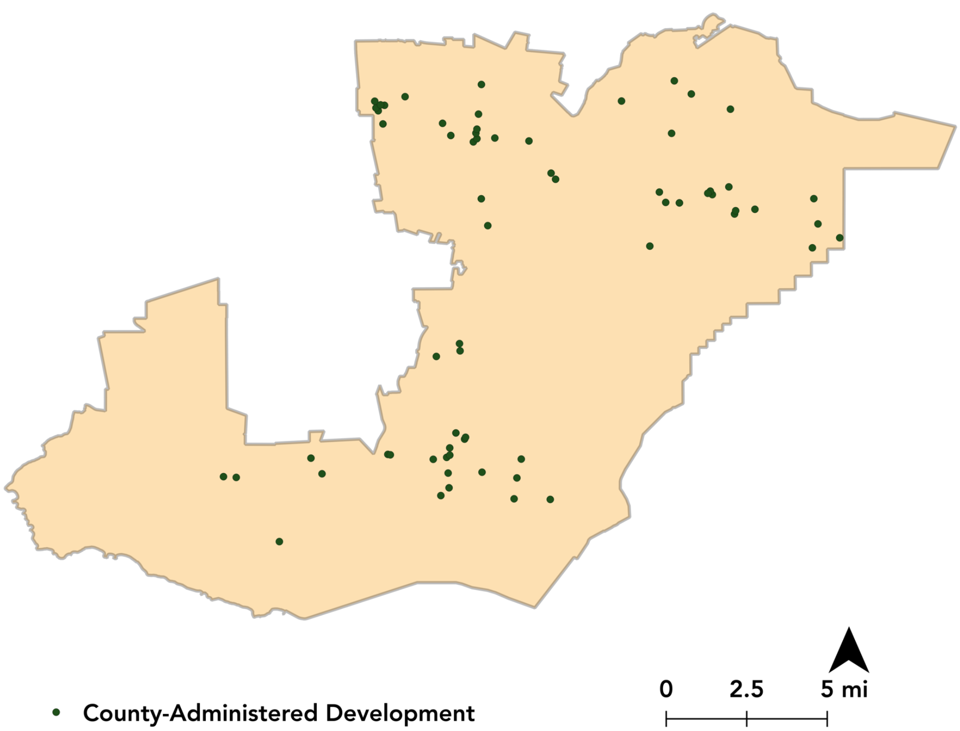
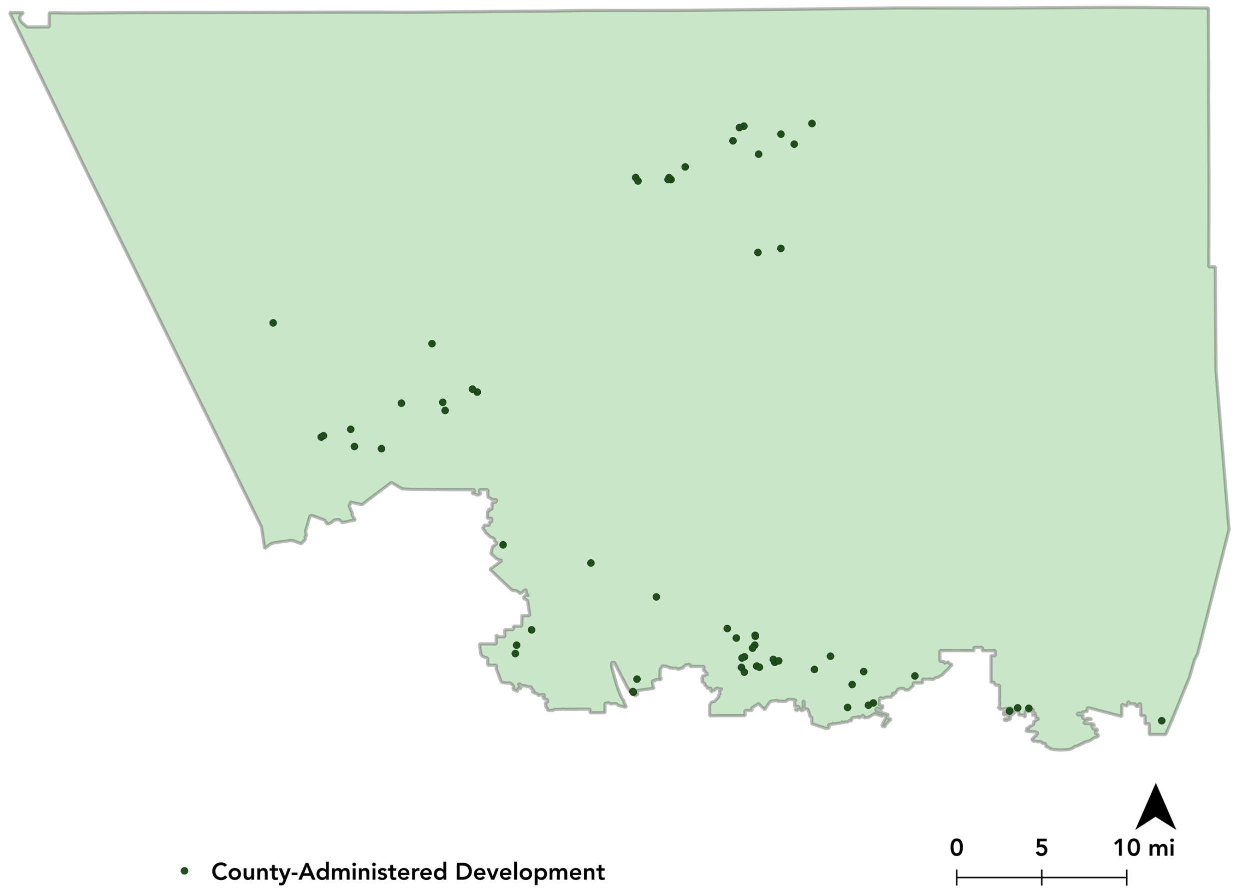


FIGURE F: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 5



APPENDIX E: FULL DATA FINDINGS, SECTION 4

Proximity of At-Risk Affordable Homes to Transit and Displacement, Gentrification, and RCAAs

FIGURE A: SUPERVISORIAL DISTRICT 1 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH DISPLACEMENT VULNERABILITY OR RCAAS

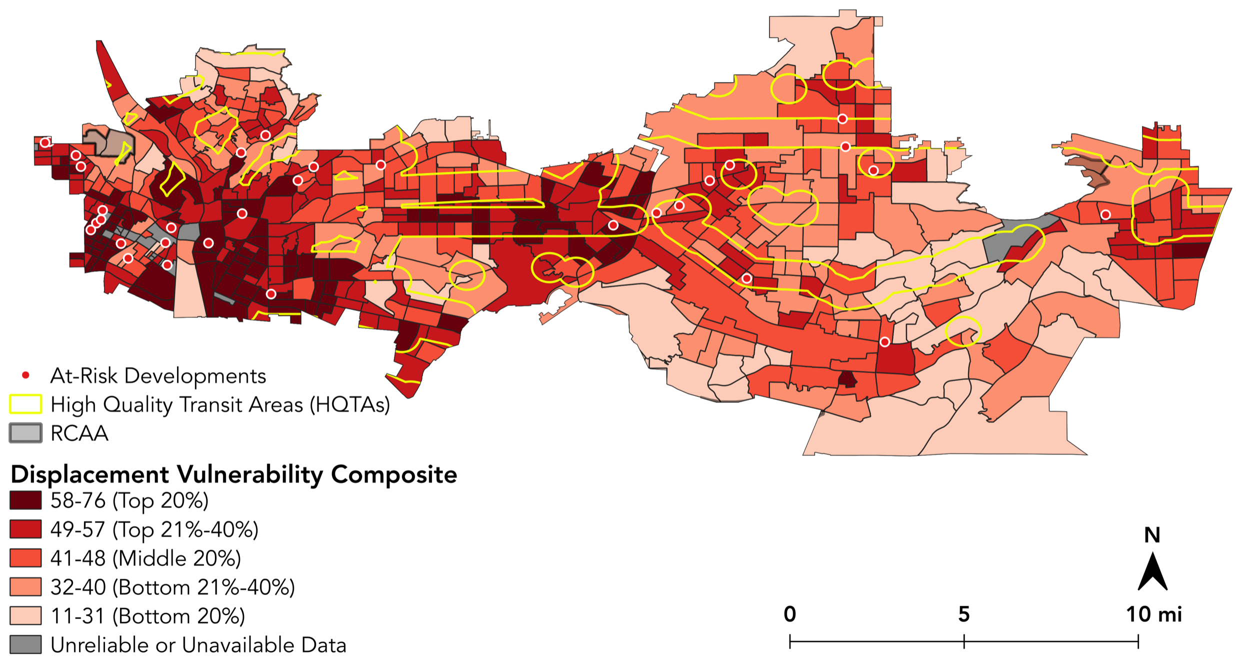


FIGURE B: SUPERVISORIAL DISTRICT 1 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH GENTRIFICATION POTENTIAL OR RCAAS

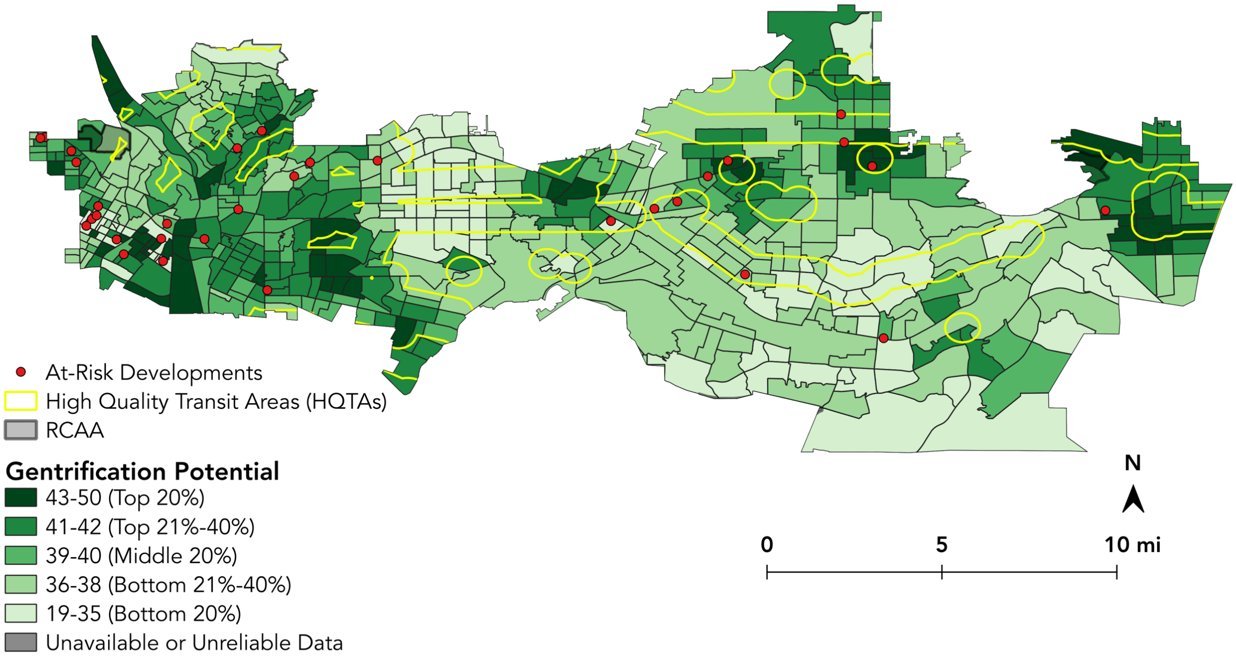


FIGURE C: SUPERVISORIAL DISTRICT 1 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH GENTRIFICATION INTENSITY OR RCAAS

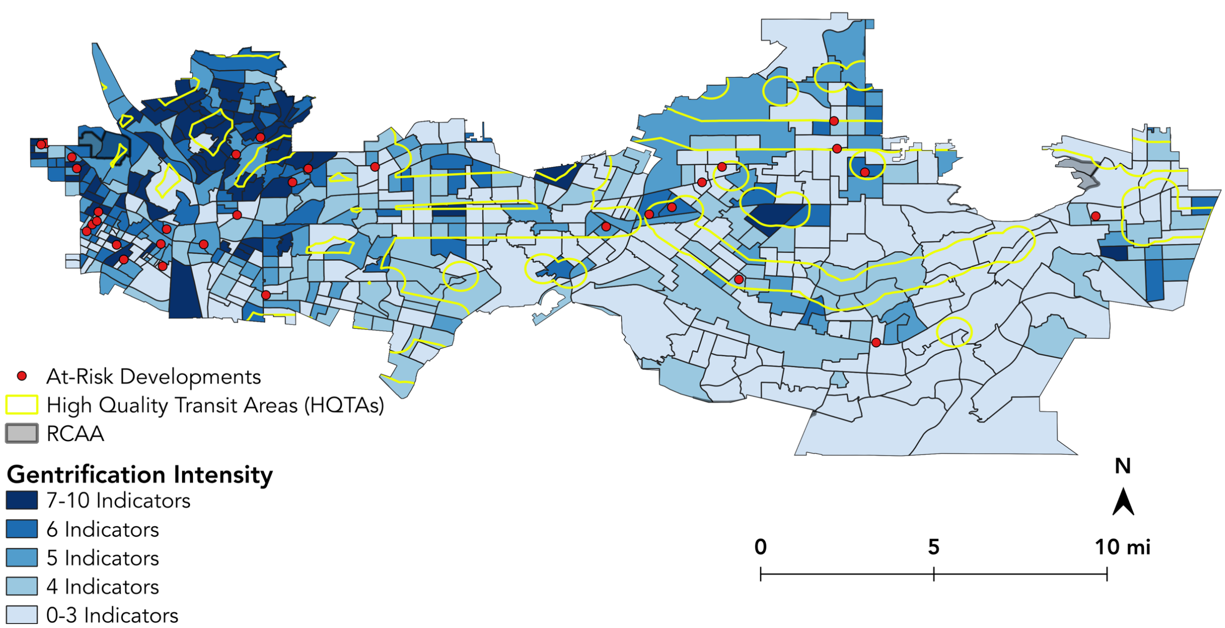


FIGURE D: SUPERVISORIAL DISTRICT 1 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND TRACT TOOL INTERSECTIONS OR RCAAS

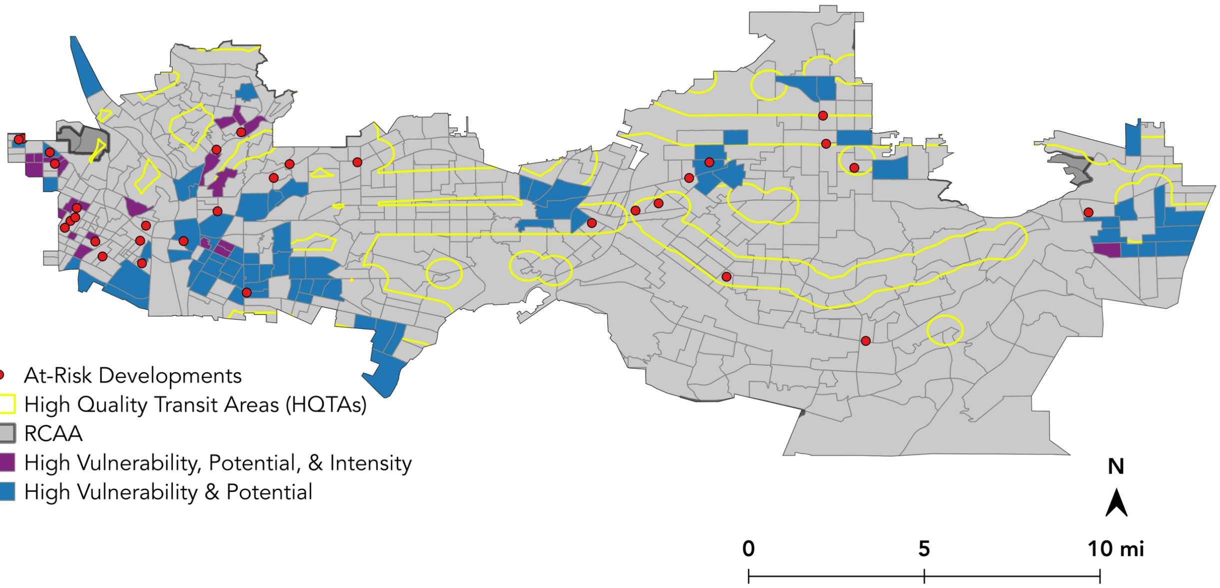


FIGURE E: SUPERVISORIAL DISTRICT 2 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH DISPLACEMENT VULNERABILITY OR RCAAS

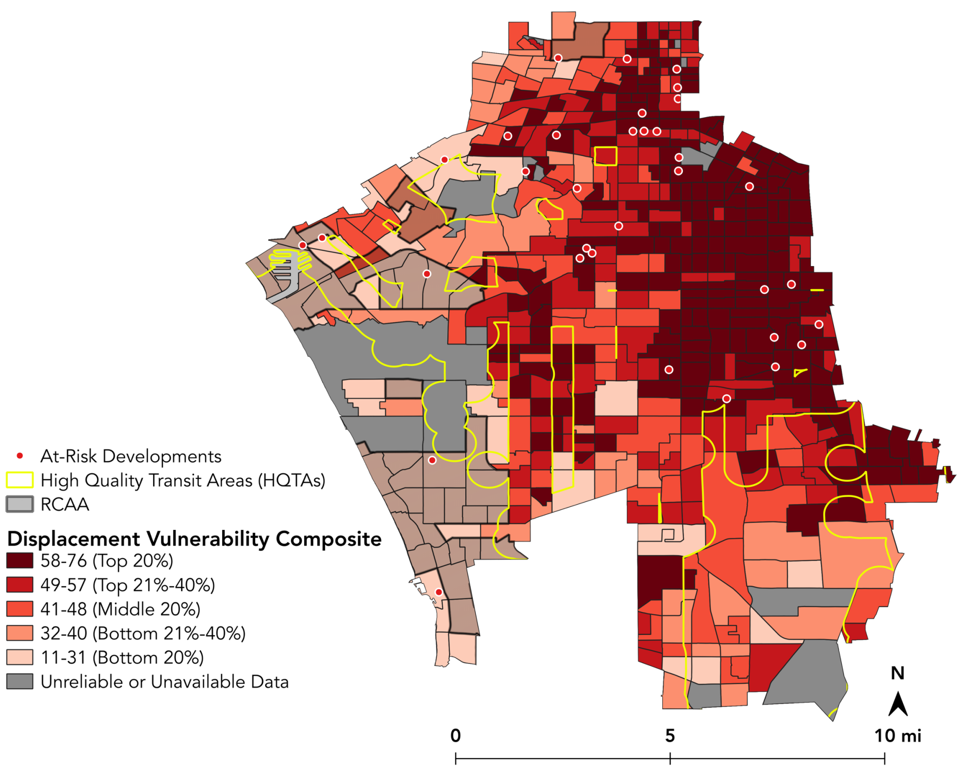


FIGURE F: SUPERVISORIAL DISTRICT 2 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH GENTRIFICATION POTENTIAL OR RCAAS

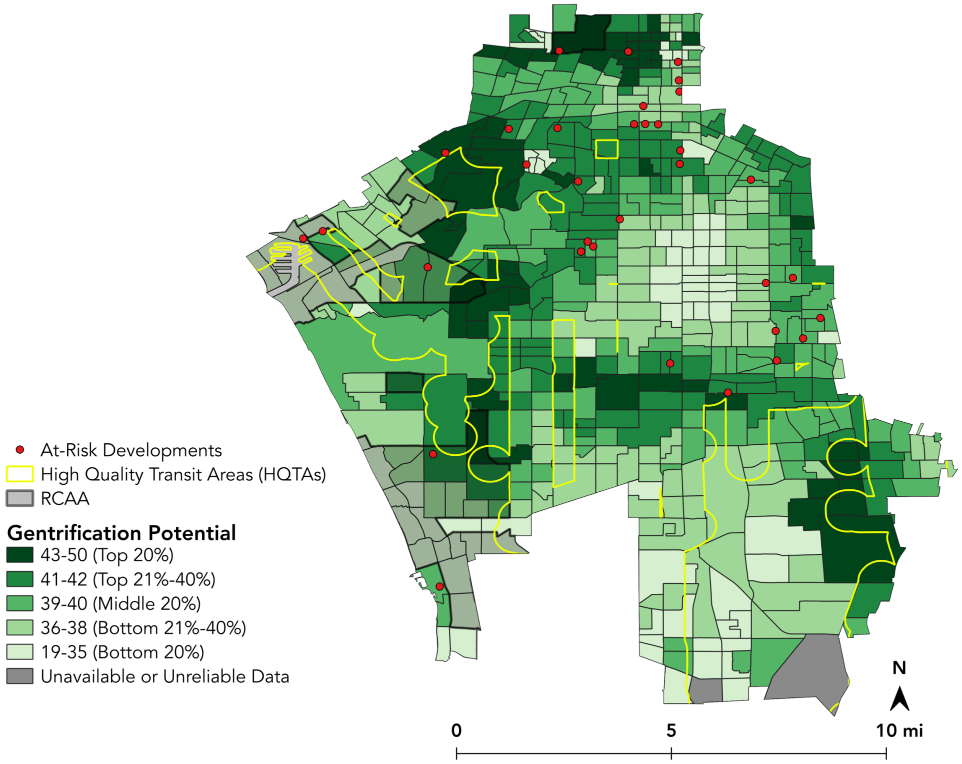


FIGURE G: SUPERVISORIAL DISTRICT 2 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH GENTRIFICATION INTENSITY OR RCAAS

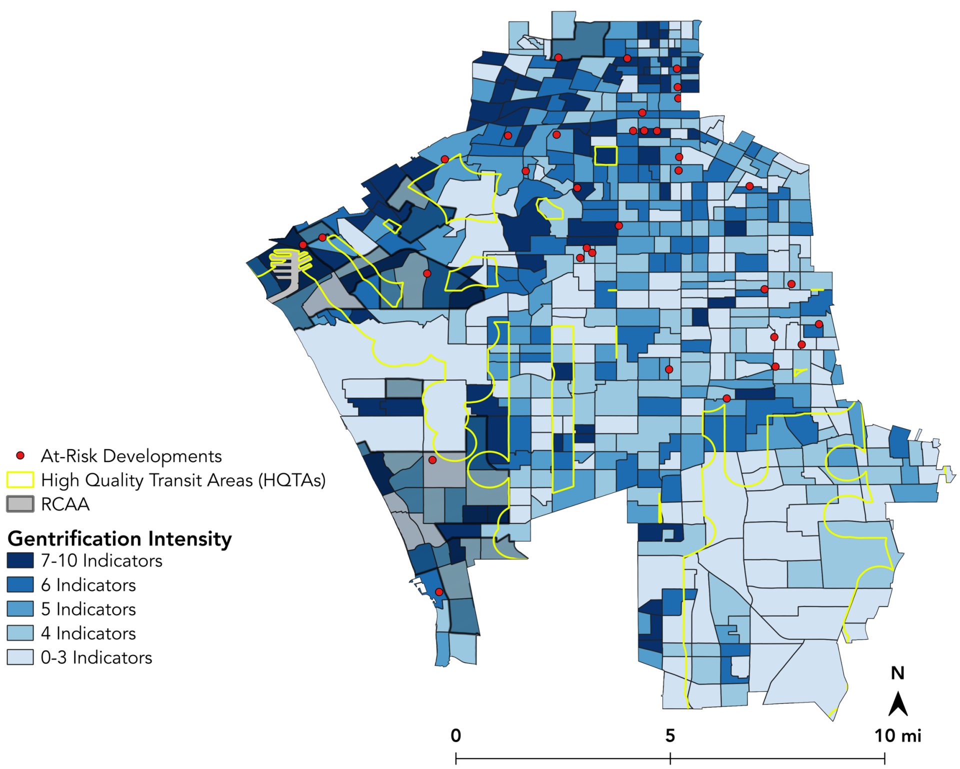


FIGURE H: SUPERVISORIAL DISTRICT 2 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND TRACT TOOL INTERSECTIONS OR RCAAS

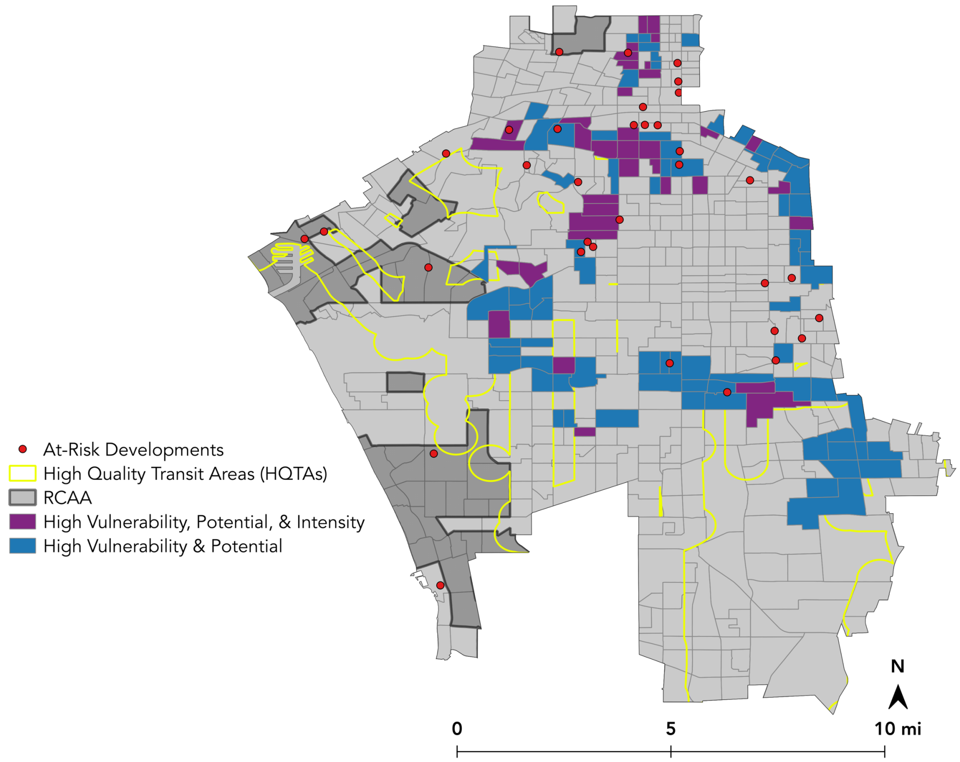


FIGURE I: SUPERVISORIAL DISTRICT 3 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH DISPLACEMENT VULNERABILITY OR RCAAS

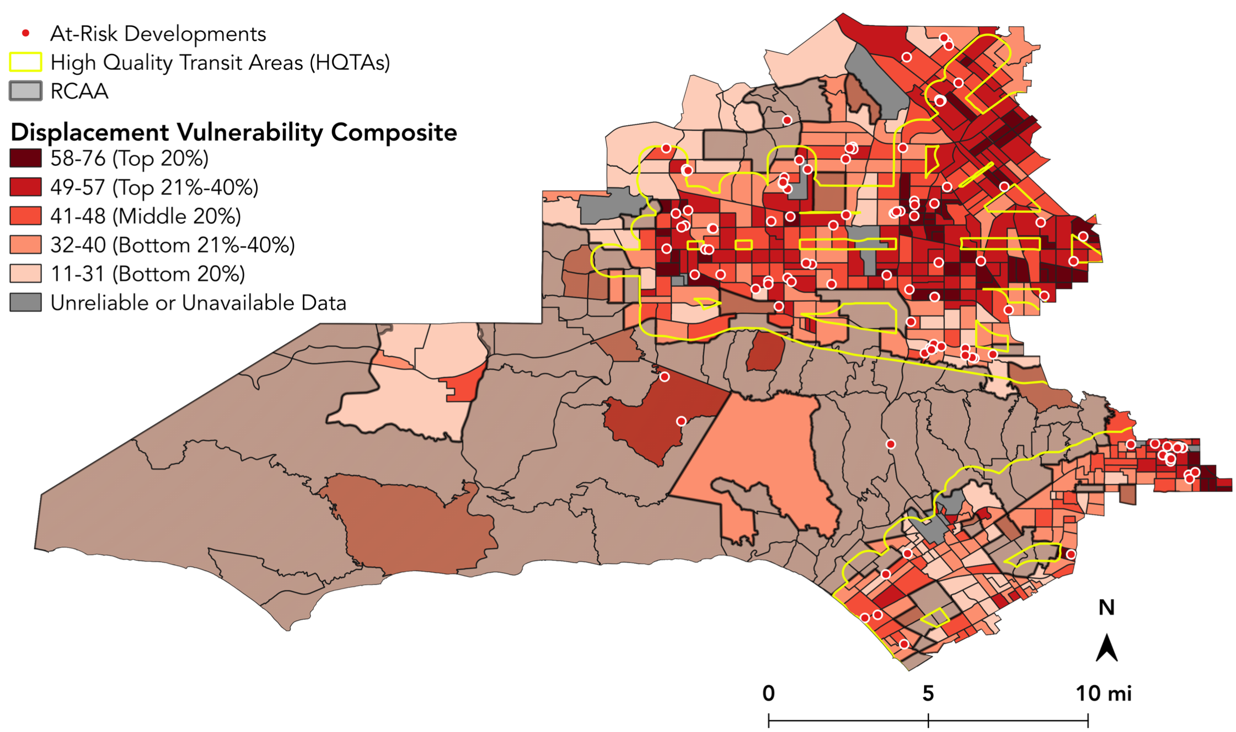


FIGURE J: SUPERVISORIAL DISTRICT 3 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH GENTRIFICATION POTENTIAL OR RCAAS

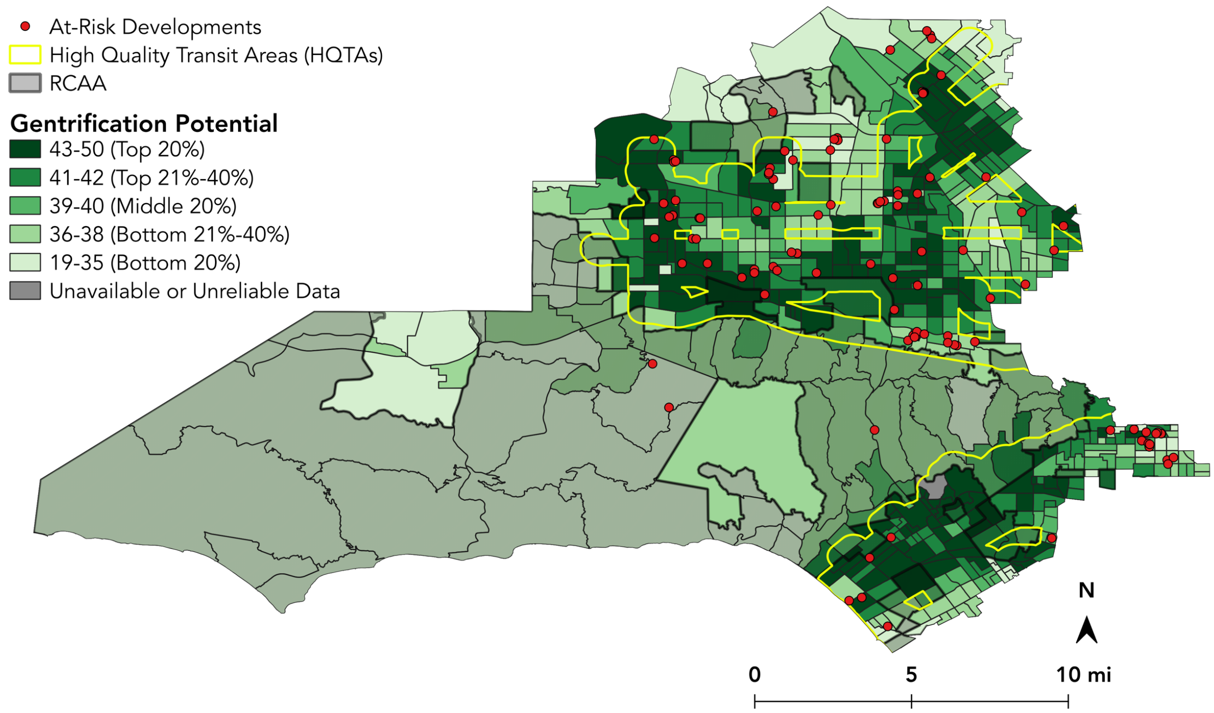


FIGURE K: SUPERVISORIAL DISTRICT 3 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH GENTRIFICATION INTENSITY OR RCAAS

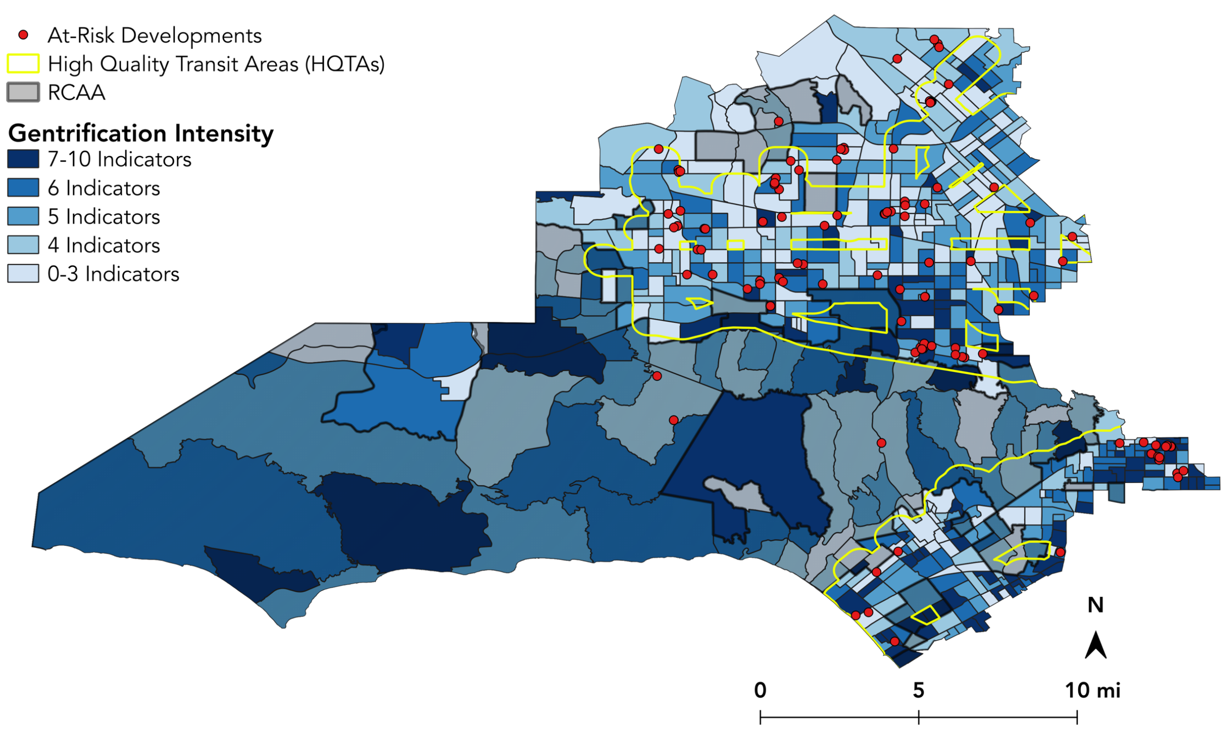


FIGURE L: SUPERVISORIAL DISTRICT 3 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND TRACT TOOL INTERSECTIONS OR RCAAS

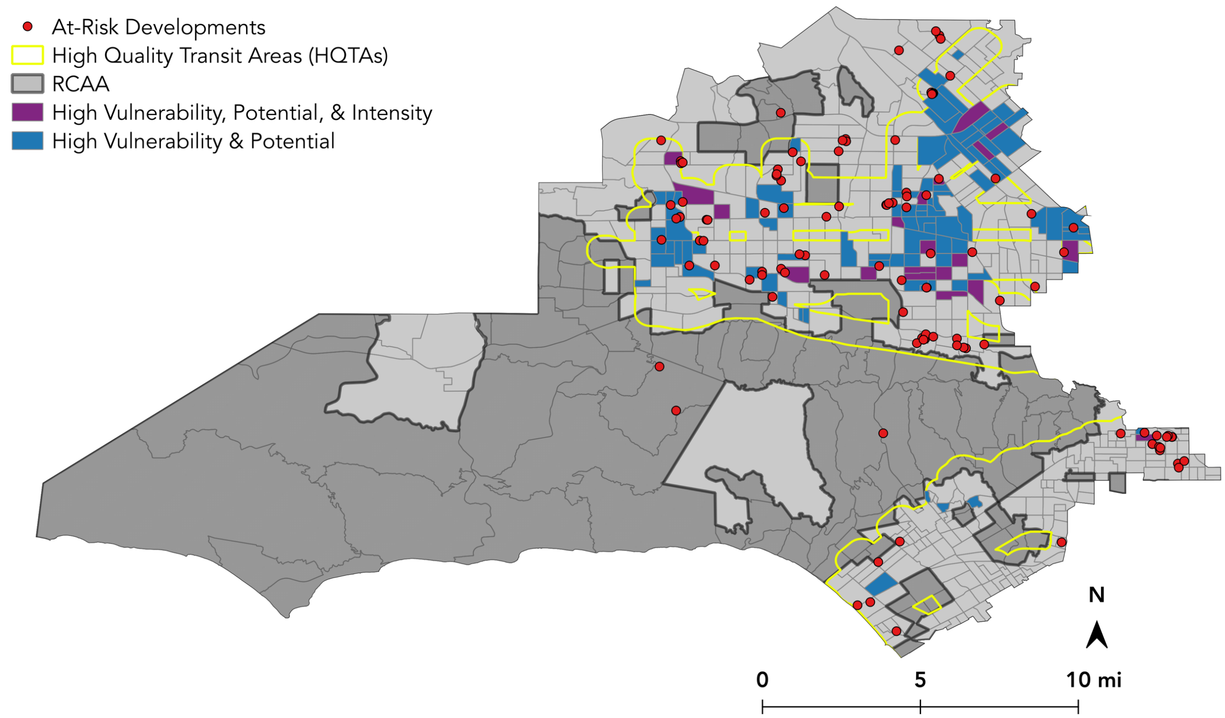


FIGURE M: SUPERVISORIAL DISTRICT 4 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH DISPLACEMENT VULNERABILITY OR RCAAS

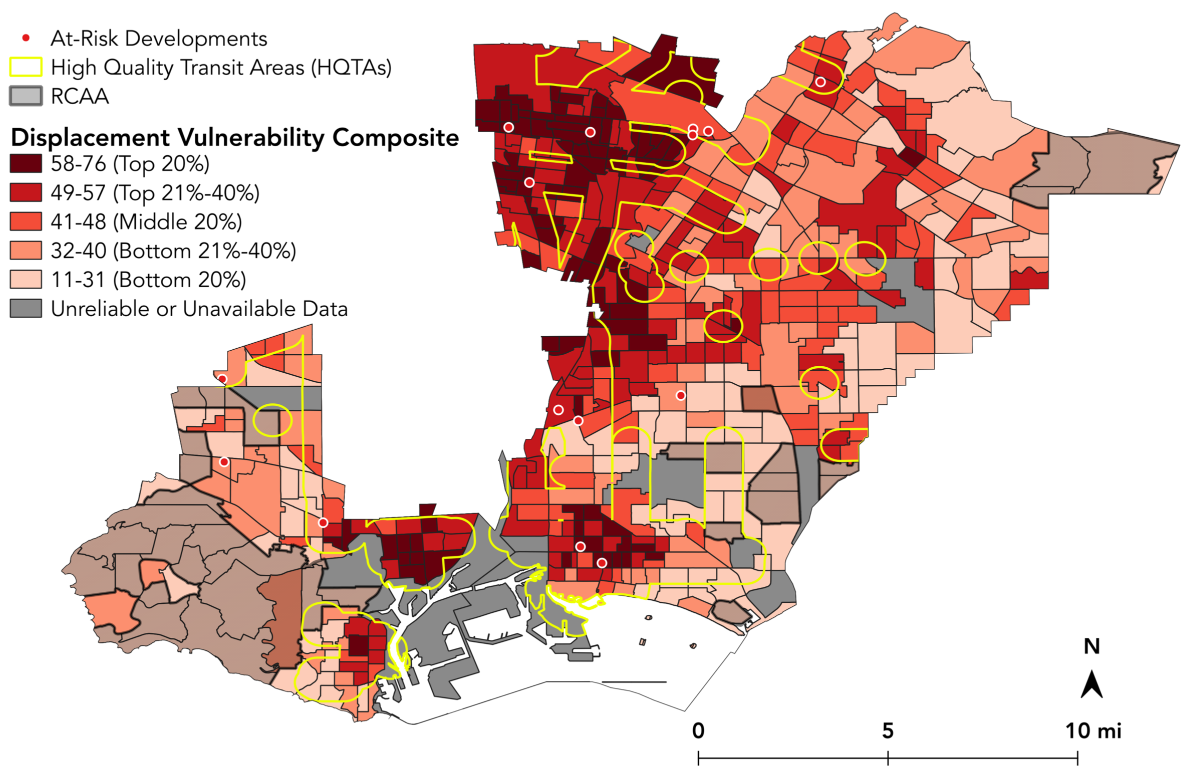


FIGURE N: SUPERVISORIAL DISTRICT 4 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH GENTRIFICATION POTENTIAL OR RCAAS

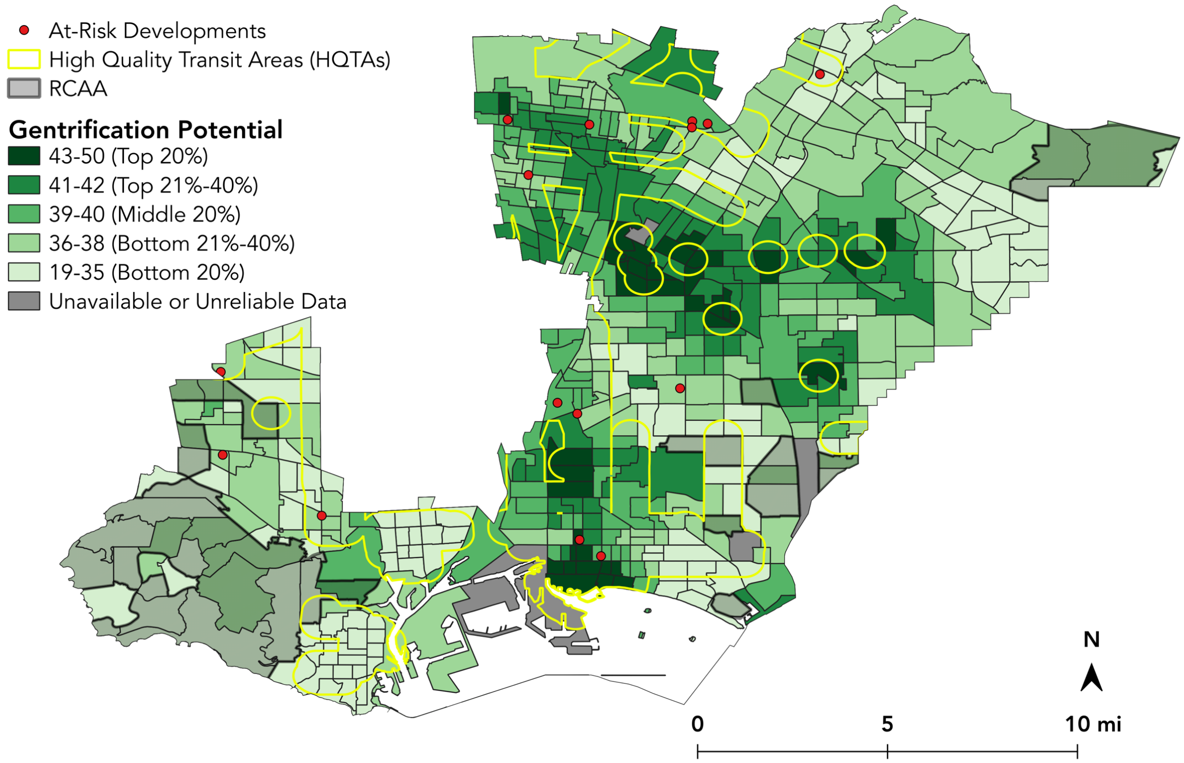


FIGURE O: SUPERVISORIAL DISTRICT 4 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH GENTRIFICATION INTENSITY OR RCAAS

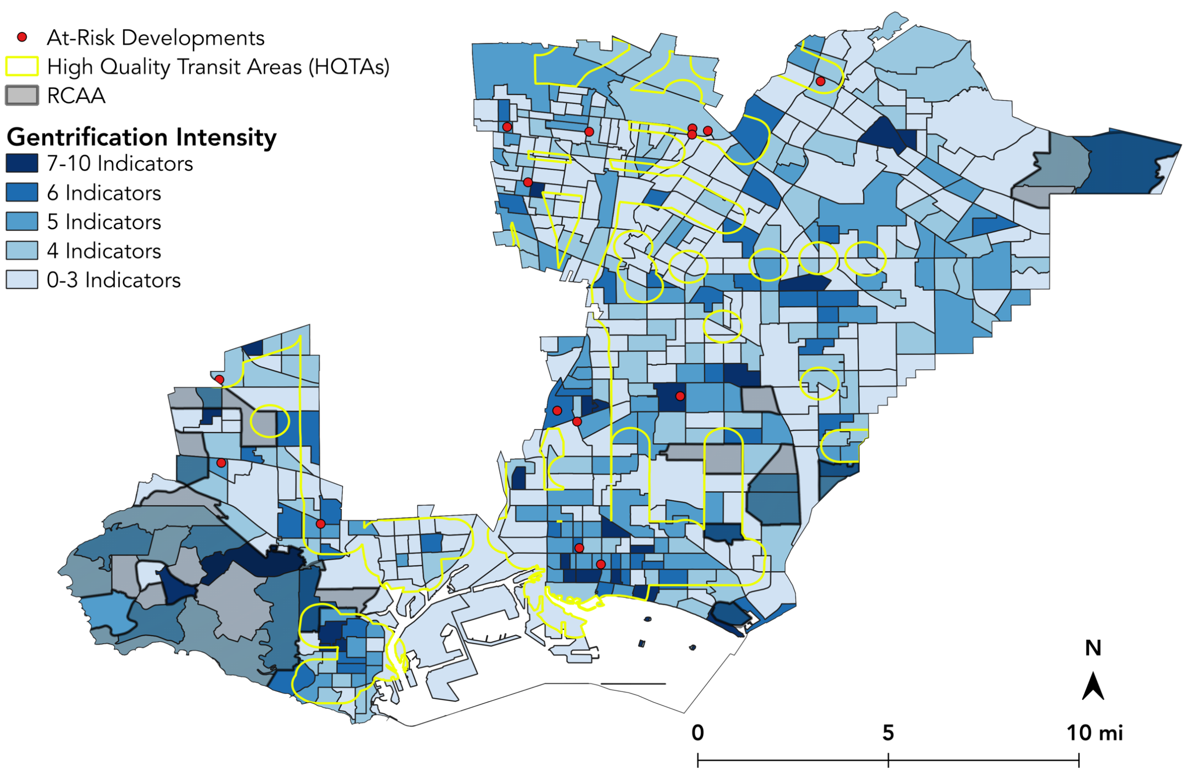


FIGURE P: SUPERVISORIAL DISTRICT 4 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND TRACT TOOL INTERSECTIONS OR RCAAS

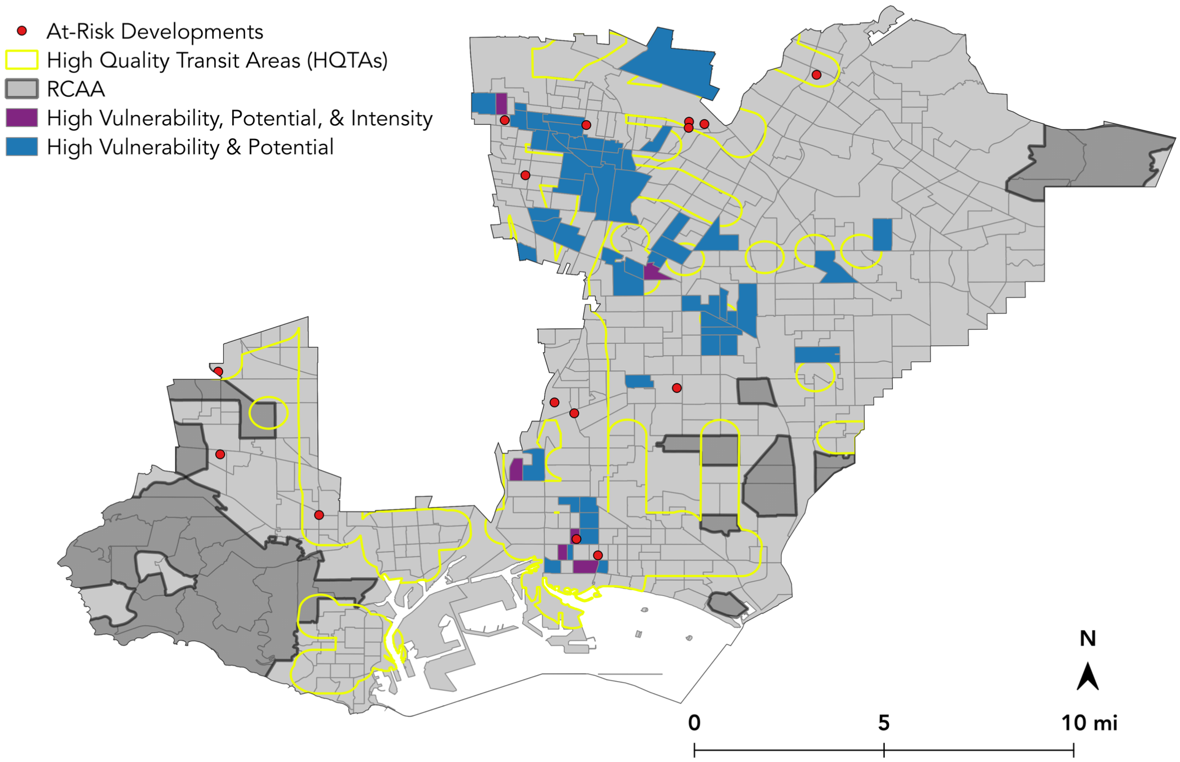


FIGURE Q: SUPERVISORIAL DISTRICT 5 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH DISPLACEMENT VULNERABILITY OR RCAAS

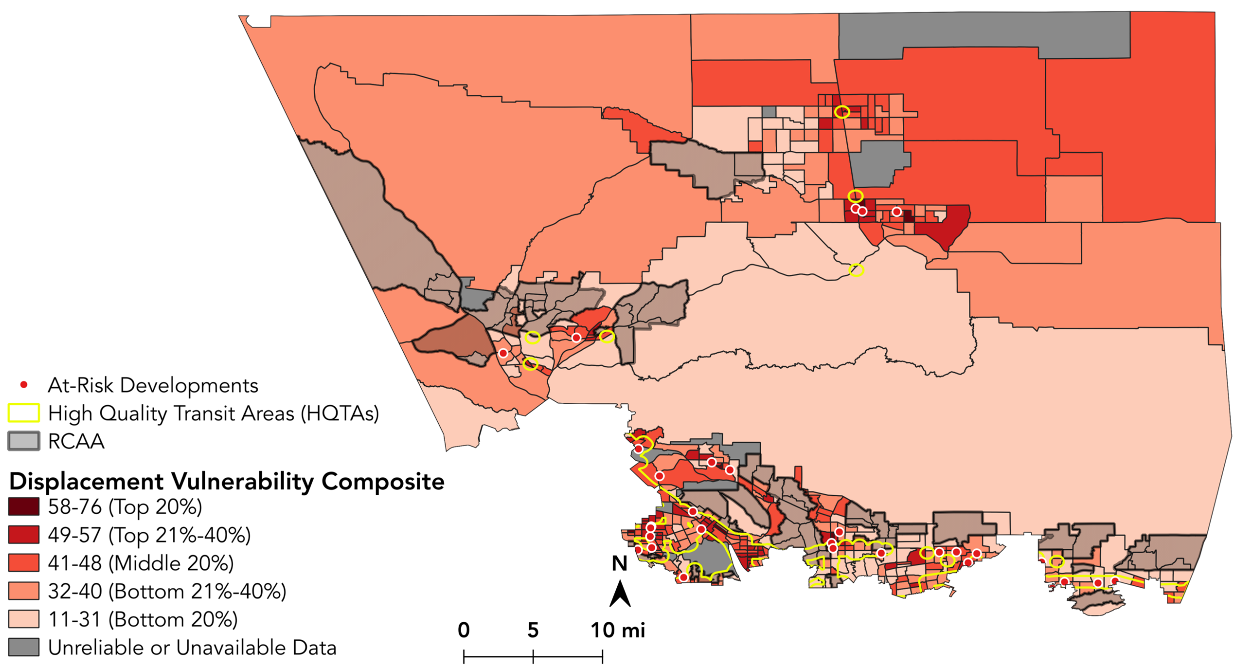


FIGURE R: SUPERVISORIAL DISTRICT 5 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH GENTRIFICATION POTENTIAL OR RCAAS

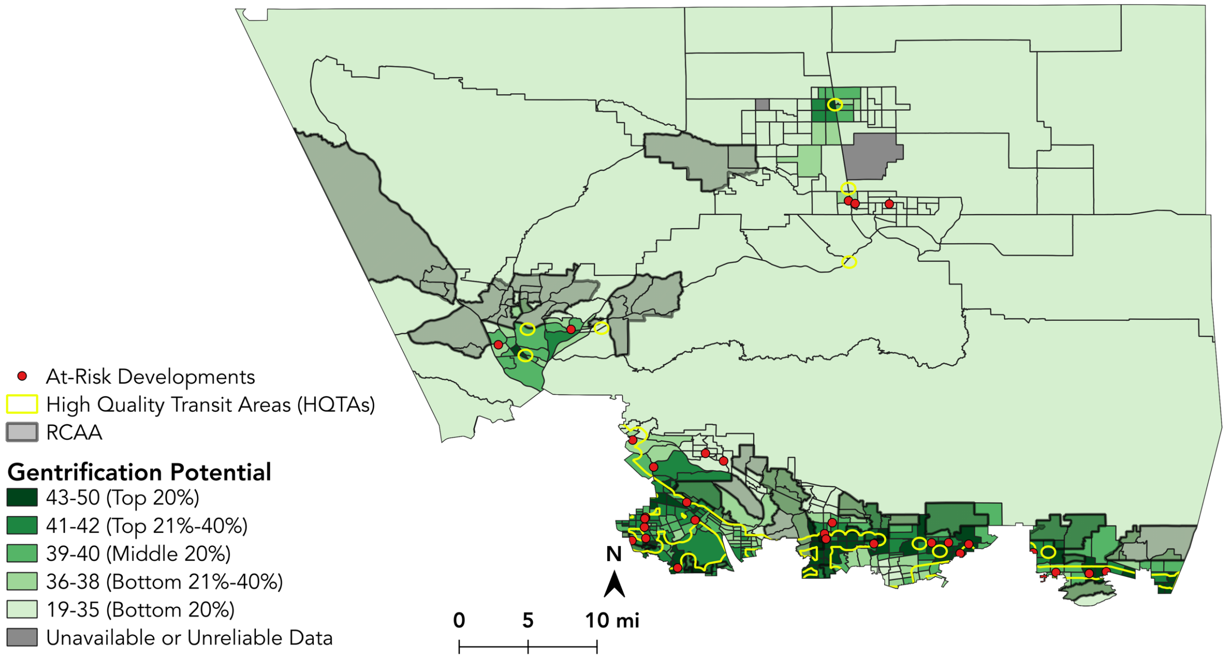


FIGURE S: SUPERVISORIAL DISTRICT 5 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND HIGH GENTRIFICATION INTENSITY OR RCAAS

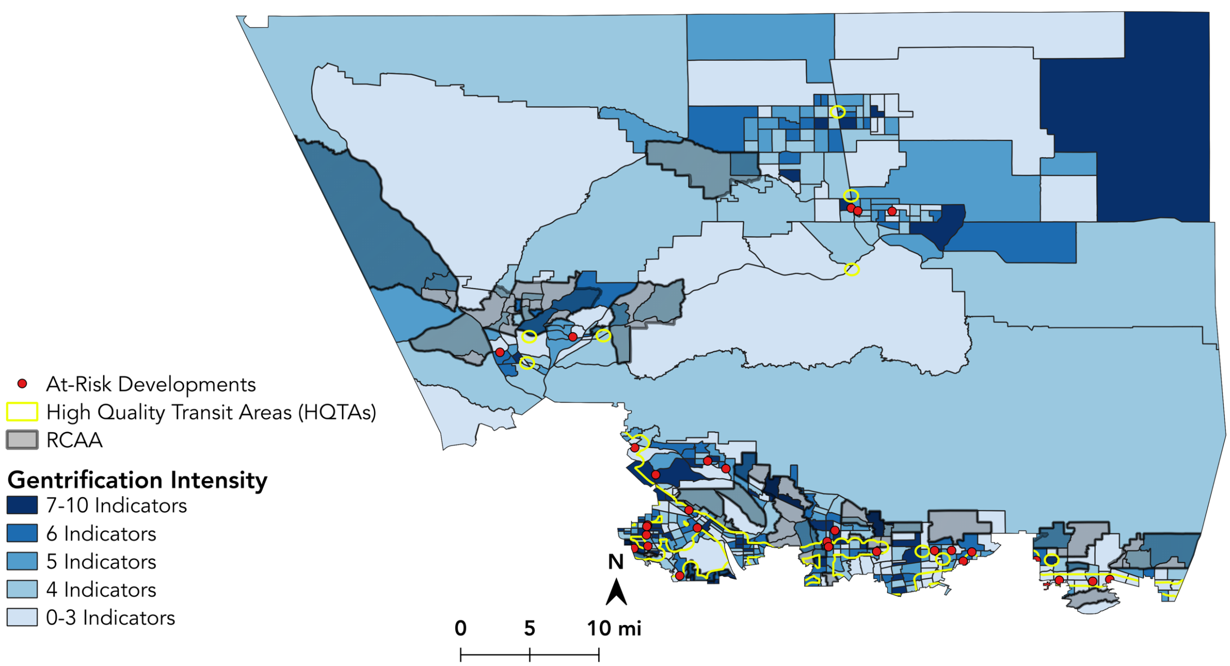
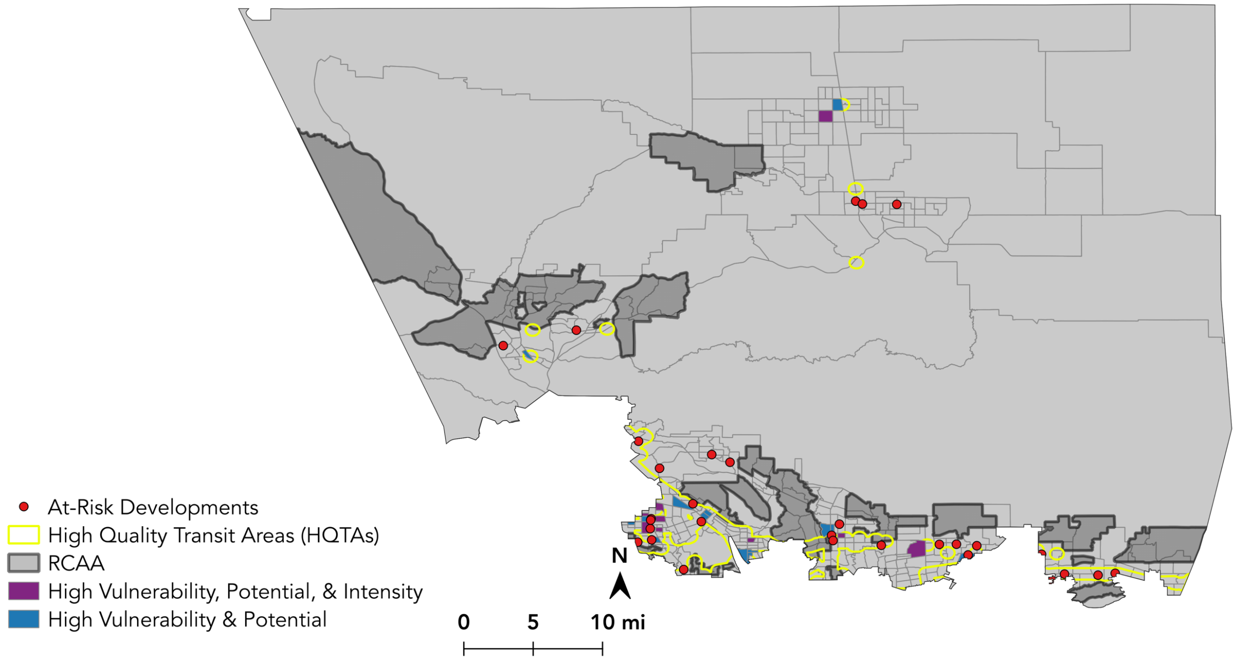


FIGURE T: SUPERVISORIAL DISTRICT 5 – AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND TRACT TOOL INTERSECTIONS OR RCAAS



Proximity of At-Risk Affordable Family-targeted Developments and Neighborhood Resources/Opportunity

FIGURE U: SUPERVISORIAL DISTRICT 1 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

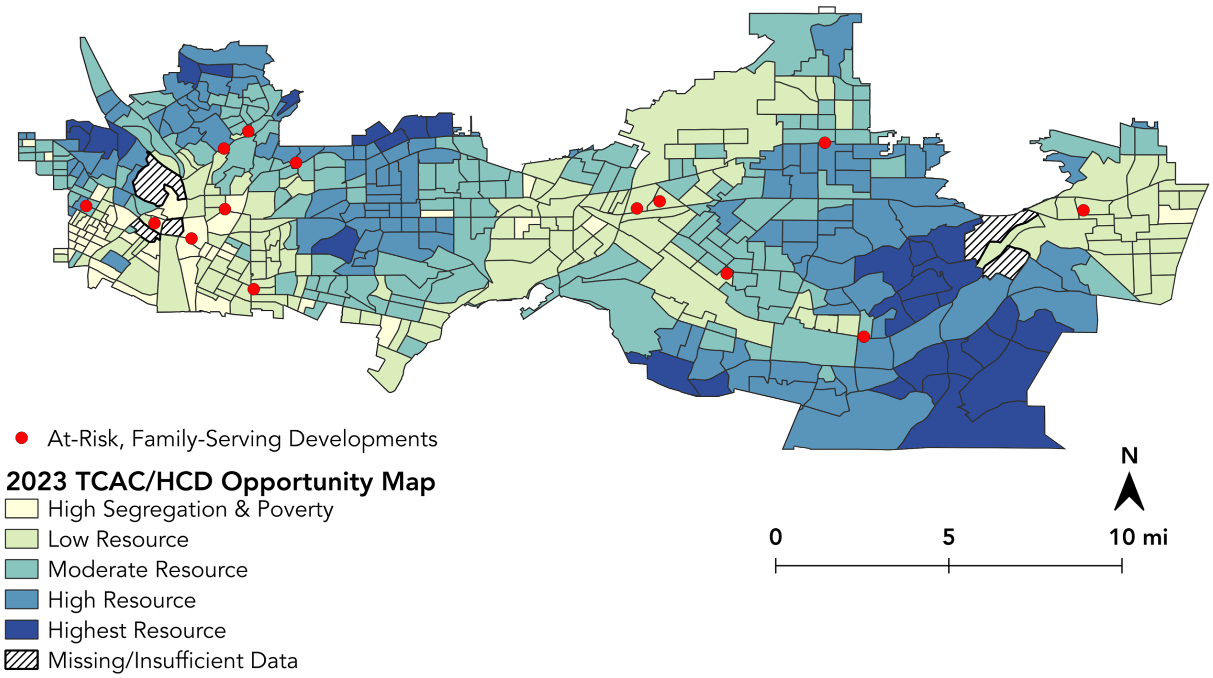


FIGURE V: SUPERVISORIAL DISTRICT 2 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

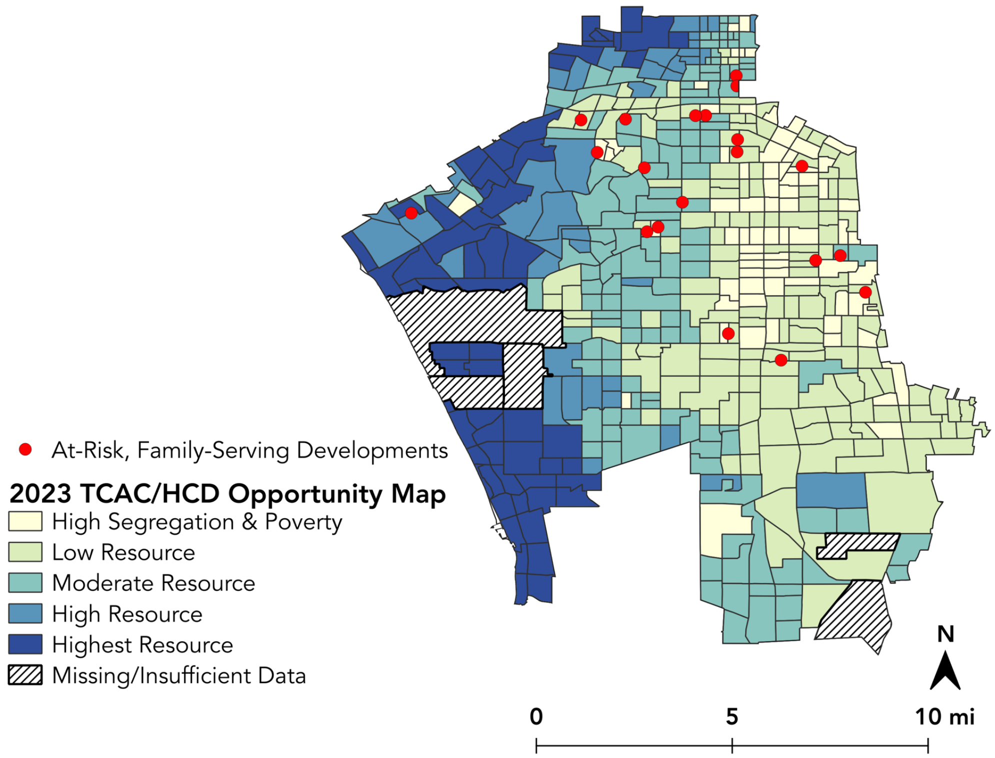


FIGURE W: SUPERVISORIAL DISTRICT 3 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

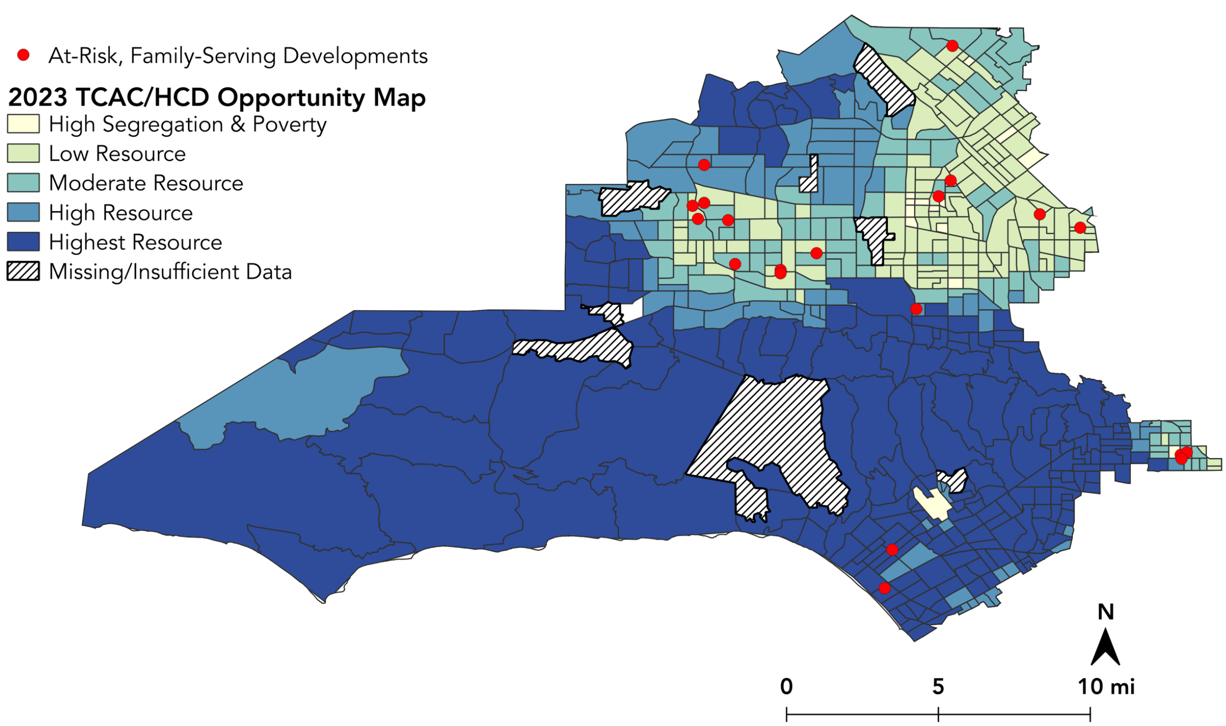


FIGURE X: SUPERVISORIAL DISTRICT 4 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

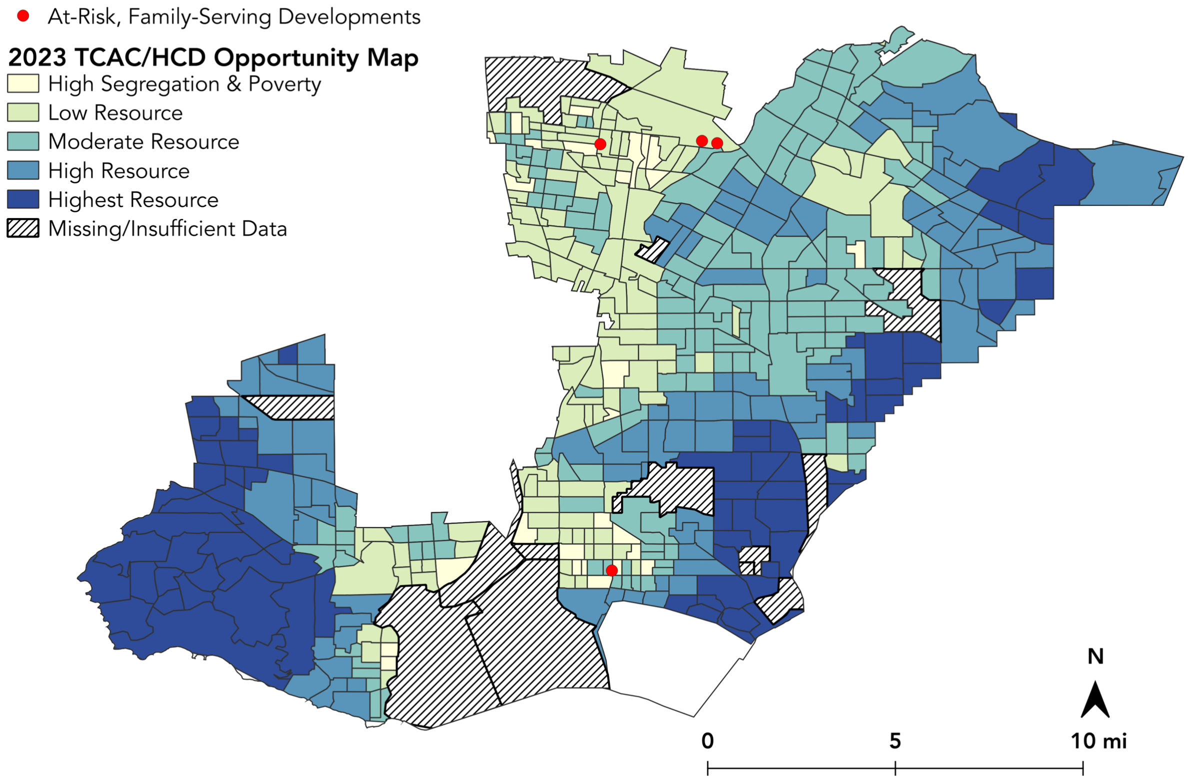
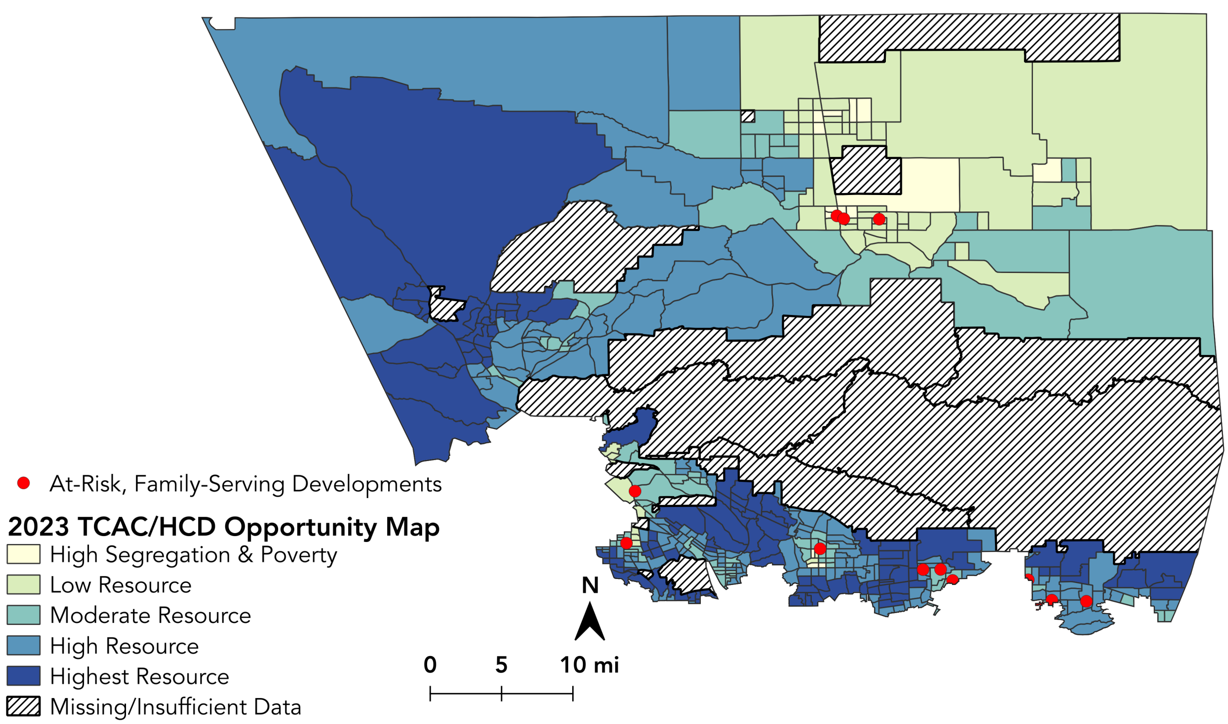


FIGURE Y: SUPERVISORIAL DISTRICT 5 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY



Proximity of Large-Family, New Construction Developments and Neighborhood Resources/Opportunity

FIGURE Z: SUPERVISORIAL DISTRICT 1 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION AWARDED LIHTCS (2008-2022) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

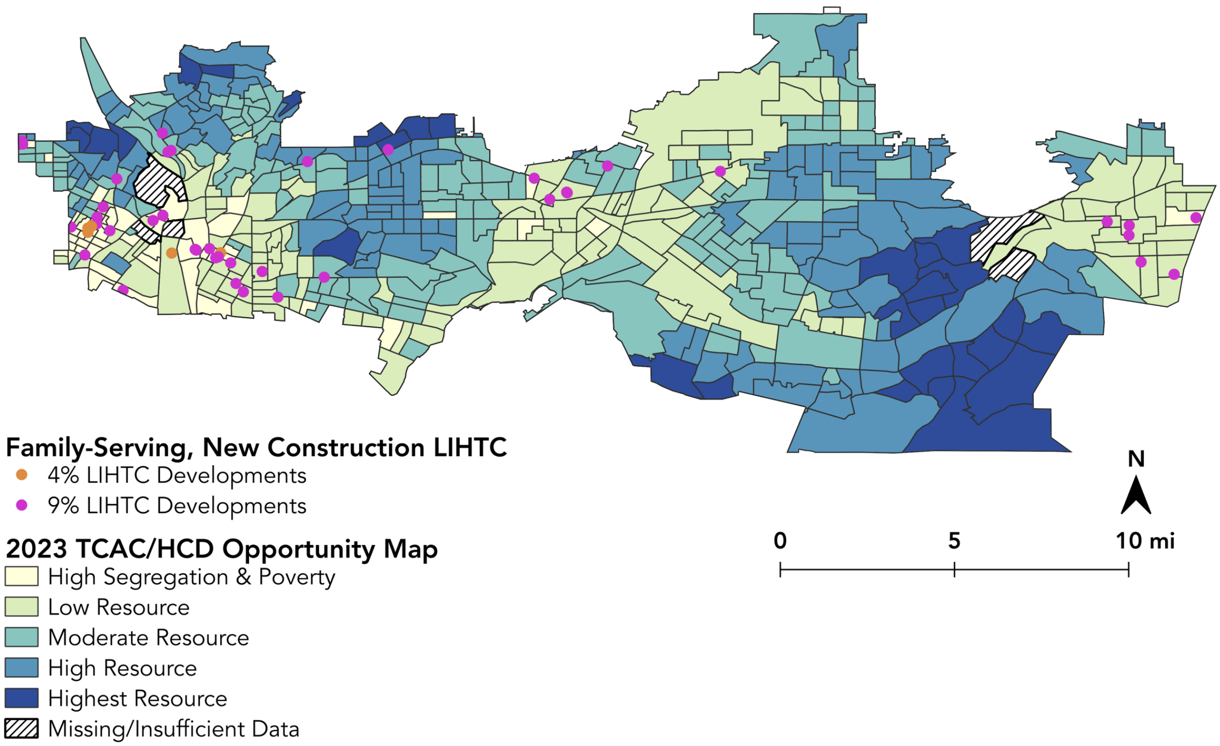


FIGURE AA: SUPERVISORIAL DISTRICT 2 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION AWARDED LIHTCS (2008-2022) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

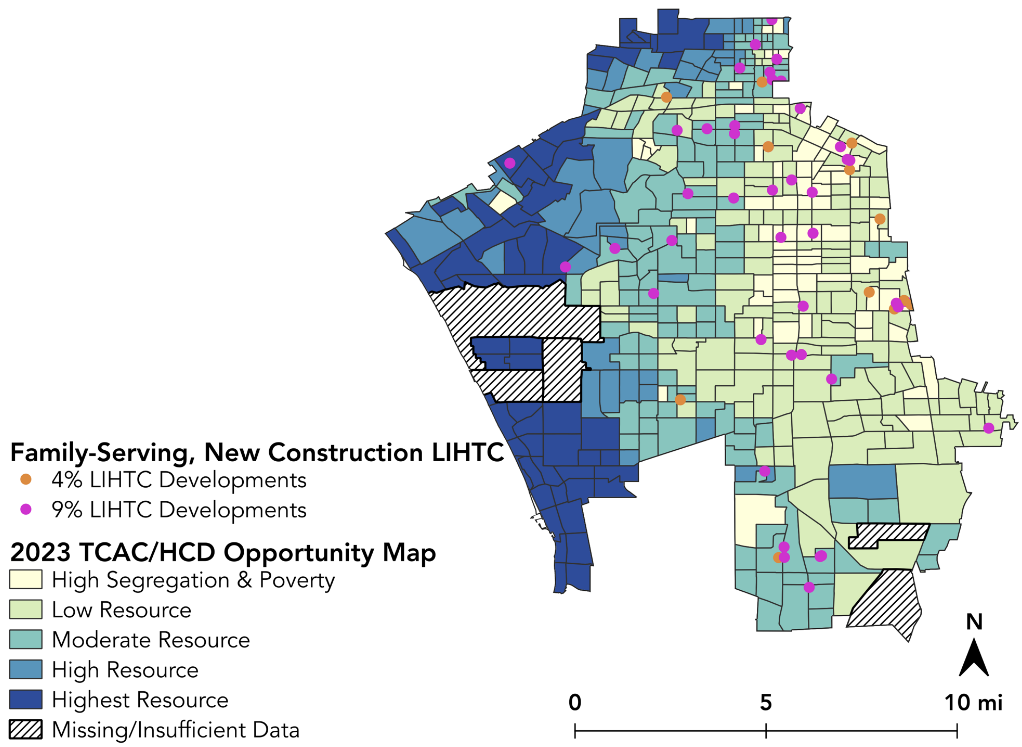


FIGURE AB: SUPERVISORIAL DISTRICT 3 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION AWARDED LIHTCS (2008-2022) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

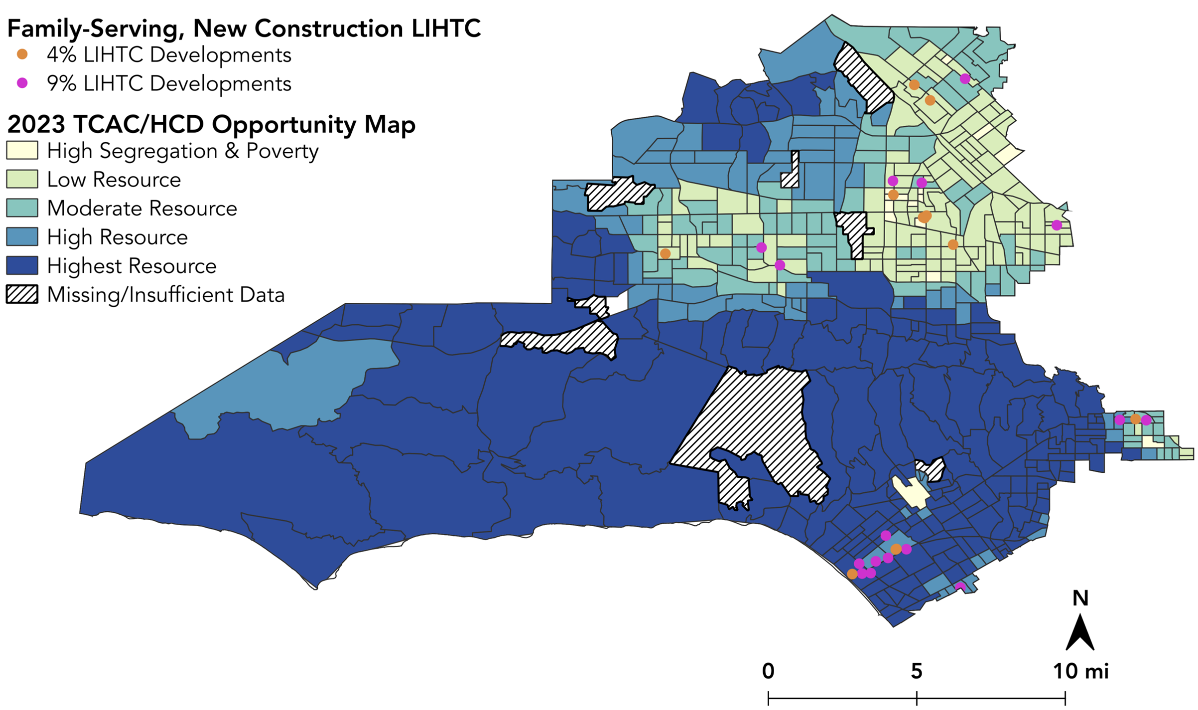


FIGURE AC: SUPERVISORIAL DISTRICT 4 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION AWARDED LIHTCS (2008-2022) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

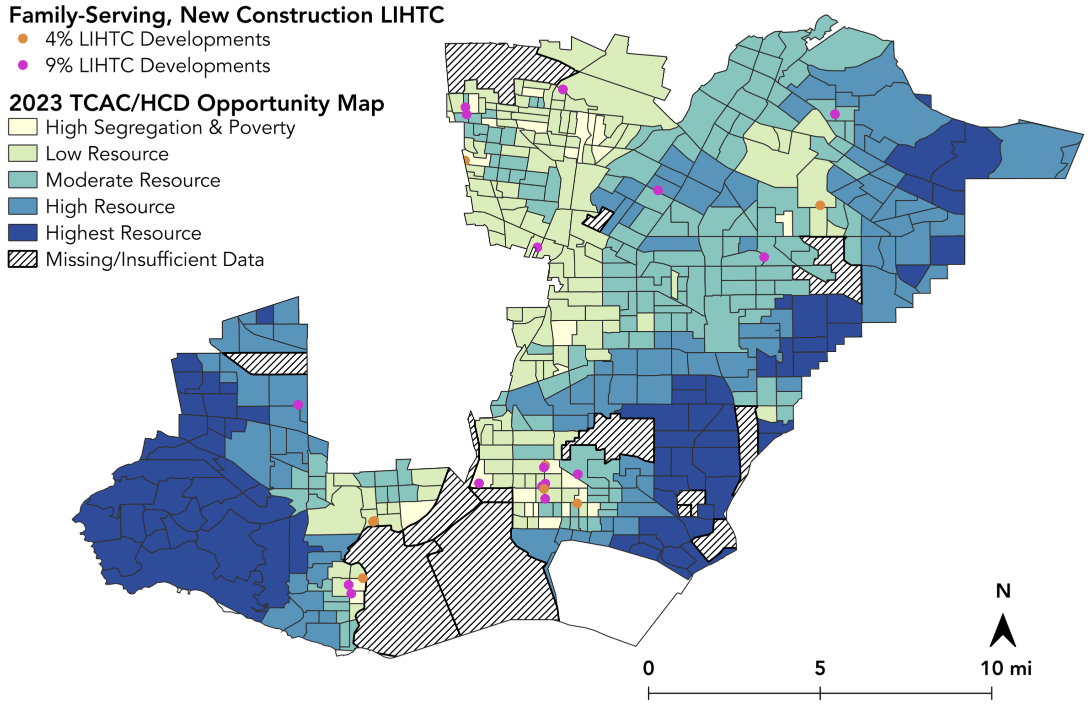
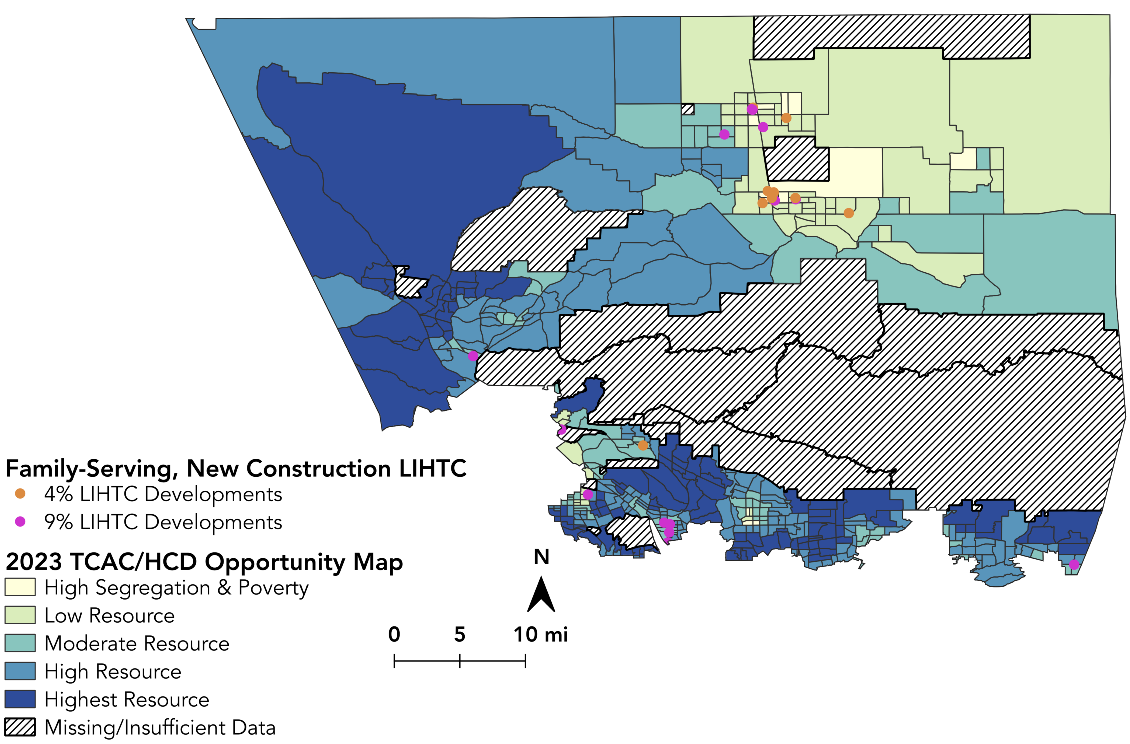


FIGURE AD: SUPERVISORIAL DISTRICT 5 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION AWARDED LIHTCS (2008-2022) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY



APPENDIX F: METHODOLOGY AND FULL DATA FINDINGS, SECTION 5

ADDITIONAL METHODOLOGY NOTES FOR DEVELOPMENT COST ANALYSIS

The Development Cost Analysis uses cost data provided by the California Tax Credit Allocation Committee (TCAC) on all affordable rental housing developments awarded LIHTCs in Los Angeles County between 2012 and 2022 for both new construction and acquisition/rehabilitation.

To collect the cost data essential for this analysis, the California Housing Partnership compiled detailed development cost data from 534 LIHTC developments in Los Angeles County from 2012 to 2022, which represents more than one-third of LIHTC homes in the county. The data comes primarily from applications to TCAC and includes detailed information on the sources of funding and development cost line items.[4] When application data was not available, we used TCAC staff reports created for each LIHTC development, which include summary financing data.[5] Throughout this section, we adjust development costs for inflation to 2022 dollars using the RS Means Construction Cost Index, the same inflation adjustment factor used by TCAC.

Costs are expressed as total residential development cost—including land—and expressed as both per-unit and per-bedroom.

For the housing type portion of this analysis, all SRO developments were collapsed in the special needs housing type.

All years represented in the cost analysis refer to the property's LIHTC award year.

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[4] This data reflects the developer's best estimate of project costs at the time of application and not the final costs of development.

[5] TCAC staff reports can be accessed online at https://www.treasurer.ca.gov/ctcac/meeting/index.asp.

TABLE A: DEVELOPMENT COST DATASET – LOS ANGELES COUNTY, NUMBER OF DEVELOPMENTS PER YEAR (2012-2022)

Development Characteristics	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Tax Credit Type											
4% LIHTC	14	25	23	23	42	20	35	35	58	47	22
9% LIHTC	26	25	17	17	17	16	12	16	21	12	11
Construction Type											
New Construction	24	23	20	20	26	25	29	29	62	52	28
Acquisition/ Rehab	16	27	20	20	33	11	18	21	17	4	4
Adaptive Reuse	0	0	0	0	0	0	0	1	0	3	1
Geography*											
City of Los Angeles	28	24	23	19	37	19	29	30	55	54	15
Balance of LA County	12	26	17	21	22	17	18	21	24	5	18
>> Unincorporated LA County	*3*	*2*	*1*	*4*	*1*	*3*	*8*	*4*	*5*	*3*	*7*
Housing Type											
Large Family	18	16	16	12	19	12	7	16	21	6	8
Senior	8	15	11	11	10	4	5	6	7	2	0
Special Needs/SRO	10	9	8	12	14	16	23	17	35	43	18
At-Risk	0	3	2	1	5	1	0	0	4	1	4
Non-Targeted	5	7	3	4	11	3	12	12	12	7	3
Development Size											
Small (<50 units)	19	16	13	18	14	12	14	18	19	9	6
Medium (50-100 units)	14	26	21	11	27	16	25	22	44	40	17
Large (>100 units)	7	8	6	11	18	8	8	11	16	10	10
Total	**40**	**50**	**40**	**40**	**59**	**36**	**47**	**51**	**79**	**59**	**33**

Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2022.

The three geographies considered in the cost study represent the City of Los Angeles; the Balance of LA County, a geography used to refer to all geographies in the county **except the City of Los Angeles; and unincorporated LA County, which includes all of the unincorporated areas in Los Angeles County. The Balance of LA County and unincorporated LA County are overlapping—in other words, all unincorporated areas are also captured in the Balance of LA County category.*

TABLE B: LOS ANGELES COUNTY MEDIAN TDC PER-UNIT AND PER-BEDROOM, 2012-2022, NEW CONSTRUCTION ONLY (2022$)

Year	Median TDC/Unit	% Change*	Median TDC/Bedroom	% Change*
2012	$570,550	--	$354,556	--
2013	$561,449	-2%	$373,592	+5%
2014	$597,383	+6%	$384,418	+3%
2015	$571,038	-4%	$357,116	-7%
2016	$617,176	+8%	$459,636	+29%
2017	$694,714	+13%	$482,200	+5%
2018	$693,209	0%	$523,380	+9%
2019	$802,650	+16%	$627,276	+20%
2020	$722,301	-10%	$554,752	-12%
2021	$618,299	-14%	$519,226	-6%
2022	$631,454	+2%	$485,241	-7%

Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2022.
**Percent change is the change in median TDC between consecutive years. For example, the 2013 percent change figure represents the change in TDC between 2012 and 2013.*

TABLE C: LOS ANGELES COUNTY MEDIAN TDC PER-UNIT AND PER-BEDROOM, 2012-2022, ACQUISITION/REHABILITATION ONLY (2022$)

Year	Median TDC/Unit	% Change*	Median TDC/Bedroom	% Change*
2012	$329,851	--	$179,798	--
2013	$332,830	+1%	$247,114	+37%
2014	$359,734	+8%	$203,747	-18%
2015	$331,156	-8%	$275,794	+35%
2016	$468,367	+41%	$303,707	+10%
2017	$628,399	+34%	$321,422	+6%
2018	$492,000	-22%	$385,035	+20%
2019	$635,007	+29%	$330,819	-14%
2020	$556,086	-12%	$260,731	-21%
2021	$403,861	-27%	$397,025	+52%
2022	$805,915	+100%	$345,670	-13%

Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-2022.
**Percent change is the change in median TDC between consecutive years. For example, the 2013 percent change figure represents the change in TDC between 2012 and 2013.*