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.

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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

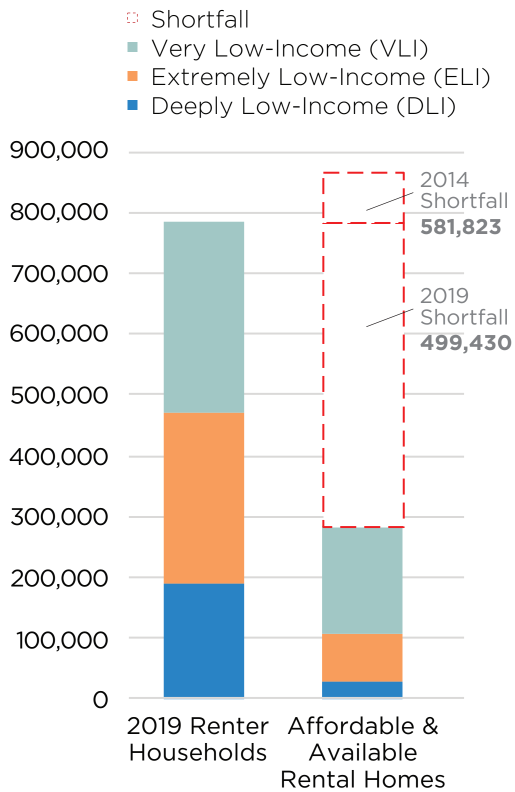
Affordable Housing Shortfall

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%

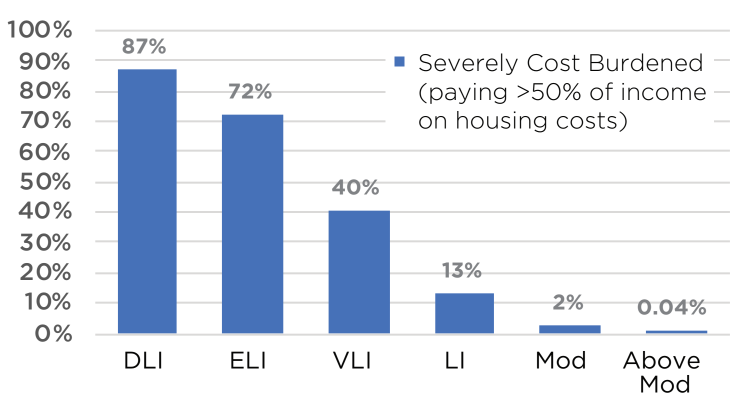
Source: *California Housing Partnership analysis of 2014 and 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology. Note: This chart was not updated in 2022 due to known issues with the US Census Bureau's ACS 2020 1-year 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.



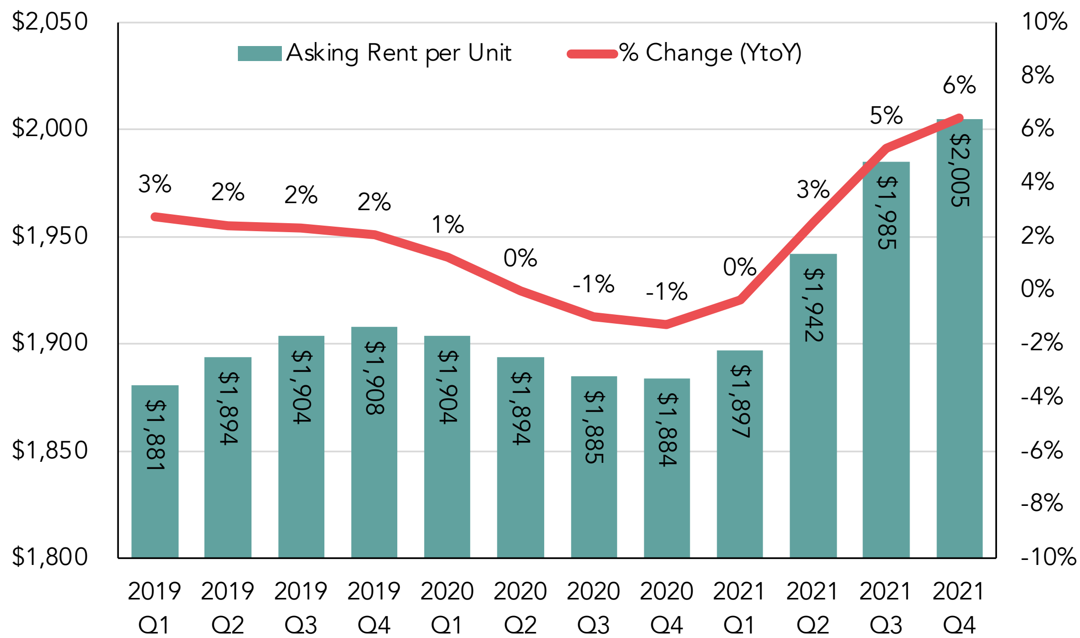
Source: *California Housing Partnership analysis of 2014 and 2019 1-year ACS PUMS data with HUD income levels and added DLI income group subset. Methodology is adapted from NLIHC gap methodology. Note: This chart was not updated in 2022 due to known issues with the US Census Bureau's ACS 2020 1-year 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)

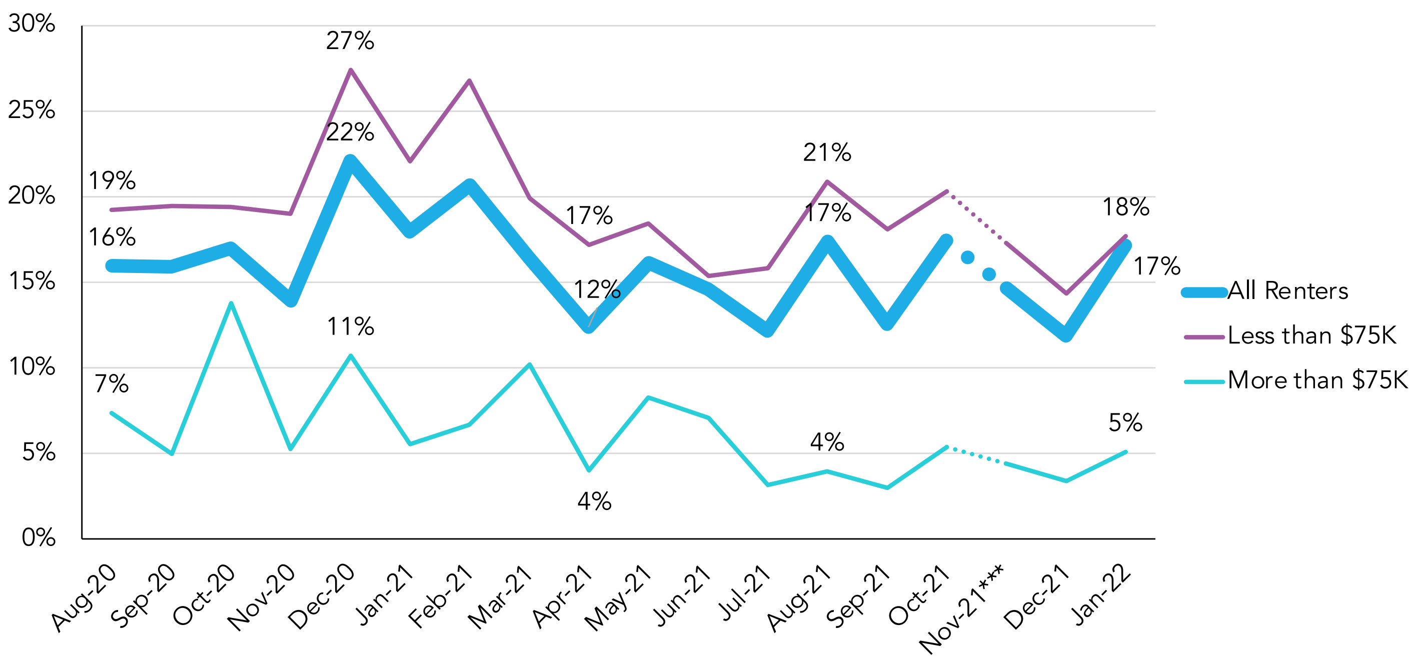
In the last three quarters of 2021, average asking rents across the entire multifamily rental market in Los Angeles County began to rise at increasing rates: 3% in Q2 2021, 5% in Q3 2021 and 6% in Q4 2021. This followed moderate rent decreases early on in the pandemic (Q1 2020 to Q4 2020).

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

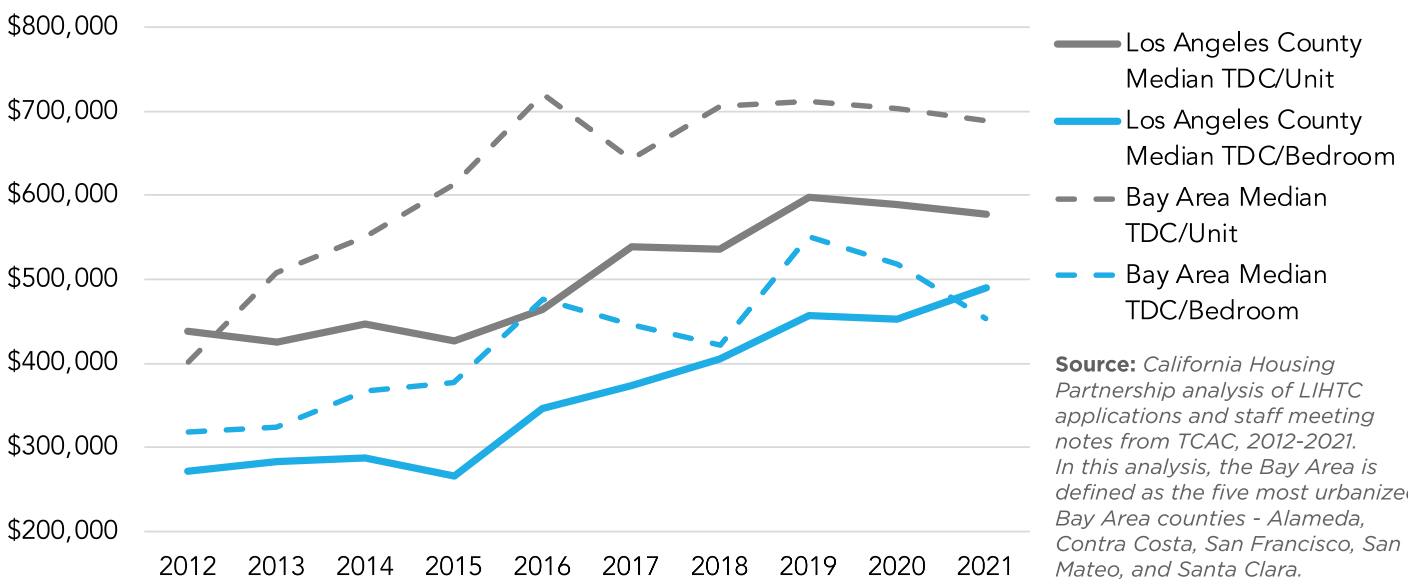
Supervisorial District (SD)	Affordable Homes	At-Risk Affordable Homes*	County-Administered Affordable Homes**
SD 1	41,733	*1,441*	*9,877*
SD 2	31,666	*1,835*	*7,217*
SD 3	23,605	*2,392*	*3,102*
SD 4	17,920	*1,031*	*4,825*
SD 5	18,985	*1,238*	*3,736*
TOTAL (County)	**133,909**	***7,937***	***28,757***

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.

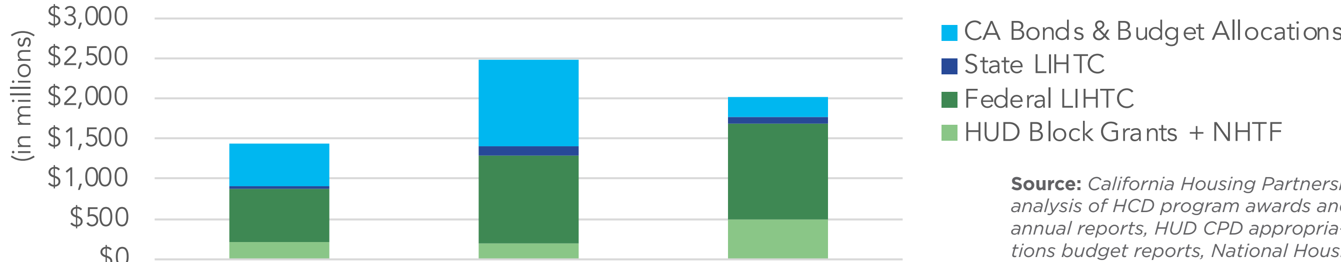


Source: *California Housing Partnership analysis of LIHTC applications and staff meeting notes from TCAC, 2012-2021. In this analysis, the Bay Area is defined as the five most urbanized Bay Area counties - Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara.*

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.*

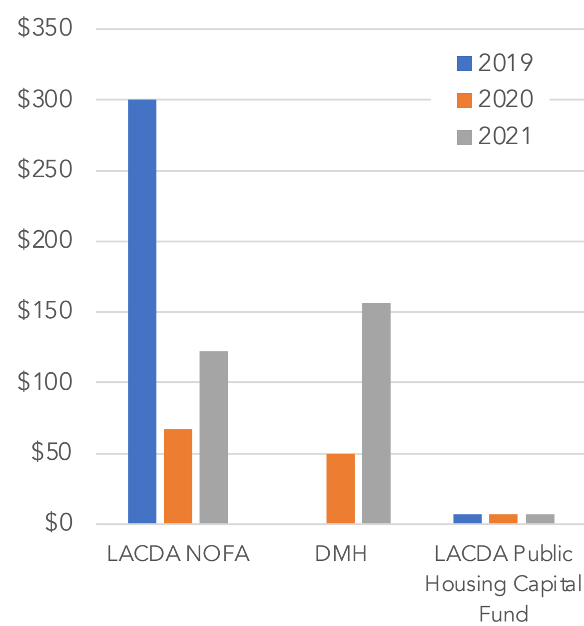
*** Δ = Percent change.*

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.

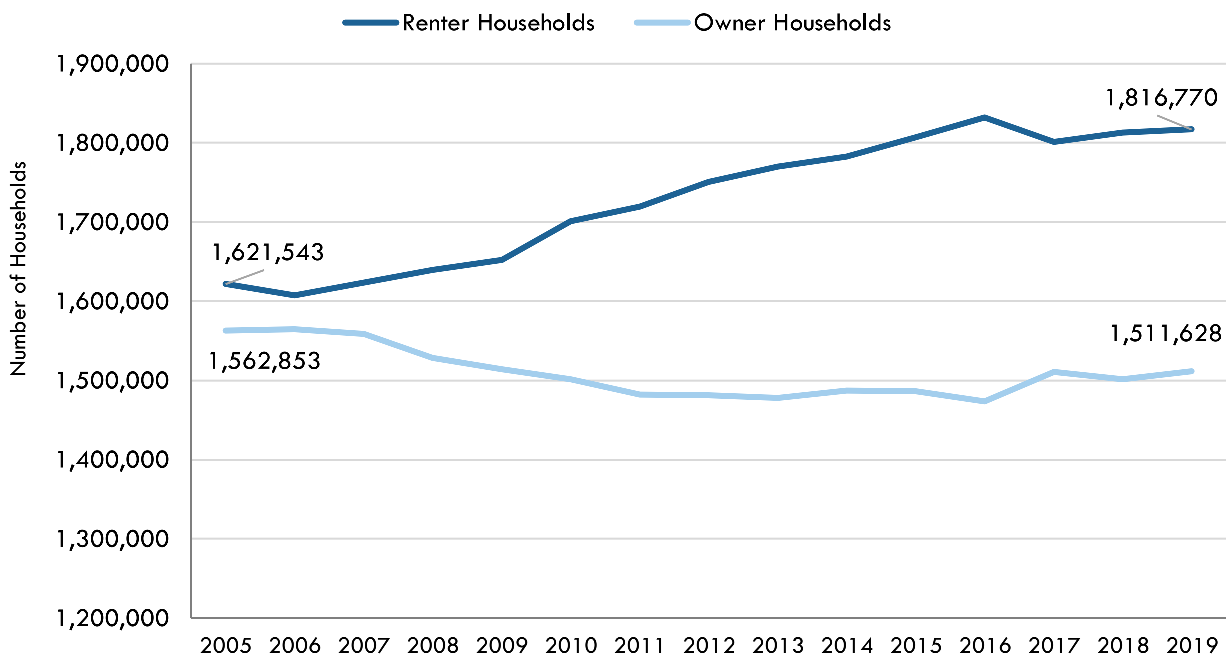
Trends in Housing Tenure and Demographics

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.

[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)

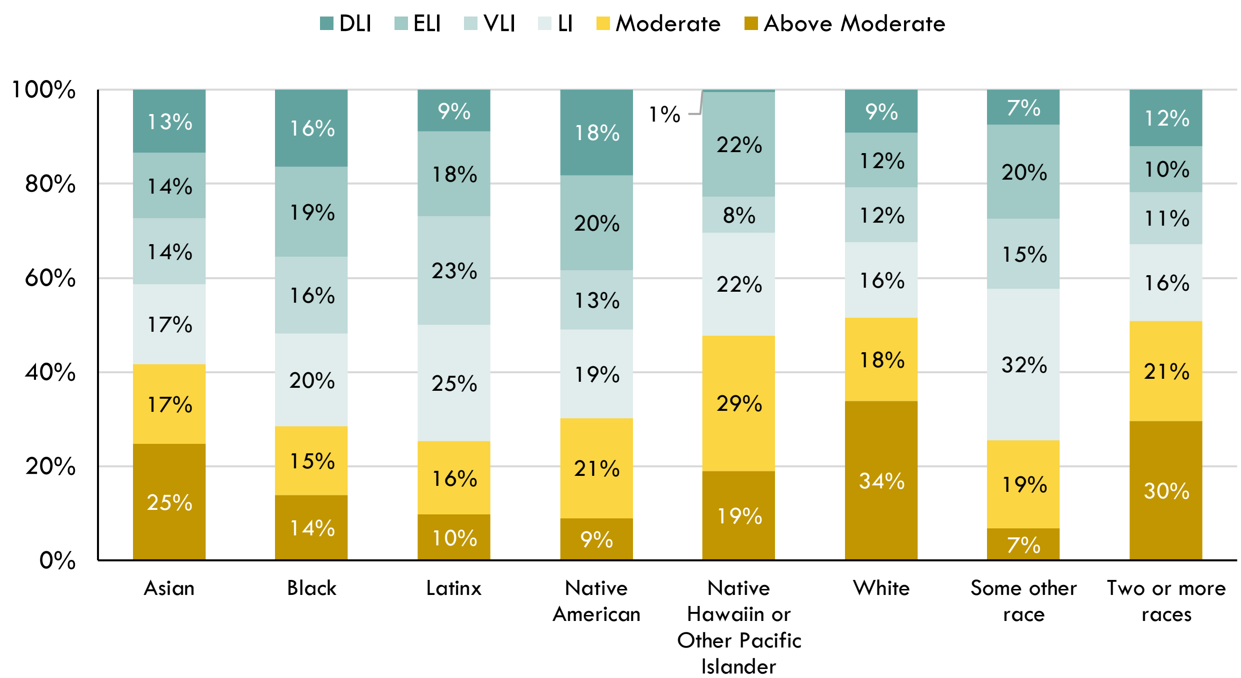
Income Group	Number of Households in 2019	% Change from 2014	Percentage of Renter Households in 2014	Percentage of Renter Households in 2019
DLI	189,837	+13%	9%	11%
ELI	279,396	-18%	19%	15%
VLI	313,964	-4%	18%	17%
LI	368,727	+13%	18%	20%
Moderate	298,673	+8%	16%	17%
Above Moderate	363,767	+5%	20%	20%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

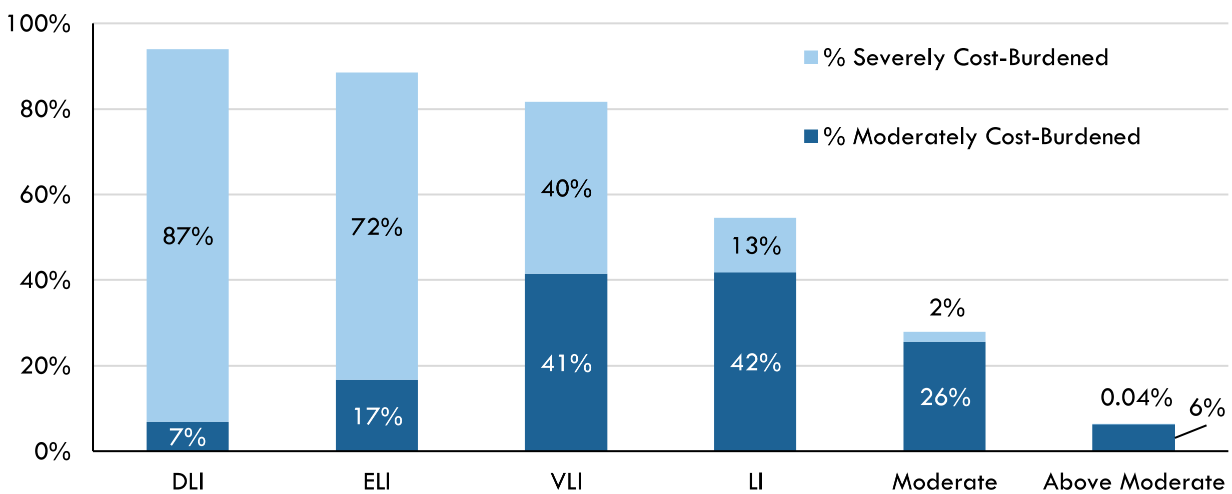
Unaffordable rents have enormous consequences, particularly for households with the lowest incomes, which is why cost burden and severe cost burden are such vital indicators to understand and track. A household is considered cost-burdened if they pay more than 30 percent of household income on housing 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.*

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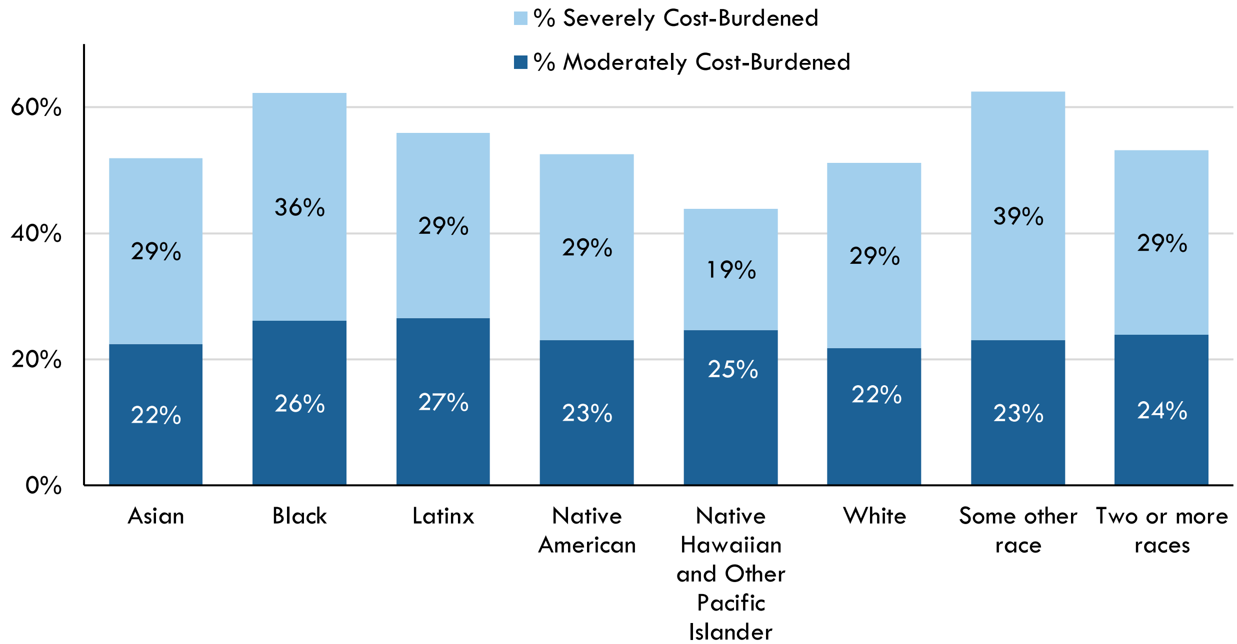
[13] Joint Center for Housing Studies of Harvard University, 2020. "The State of the Nation's Housing: 2020." Website: http://www.jchs.harvard.edu/state-nations-housing-2020.
[14] Additional data on renter household cost-burden by income group, race and ethnicity, and at the Supervisorial District-level can be found in Appendix B: Data Findings.

FIGURE 4: PERCENTAGE OF RENTER HOUSEHOLDS WHO ARE COST-BURDENED* BY RACE AND ETHNICITY** (2019)



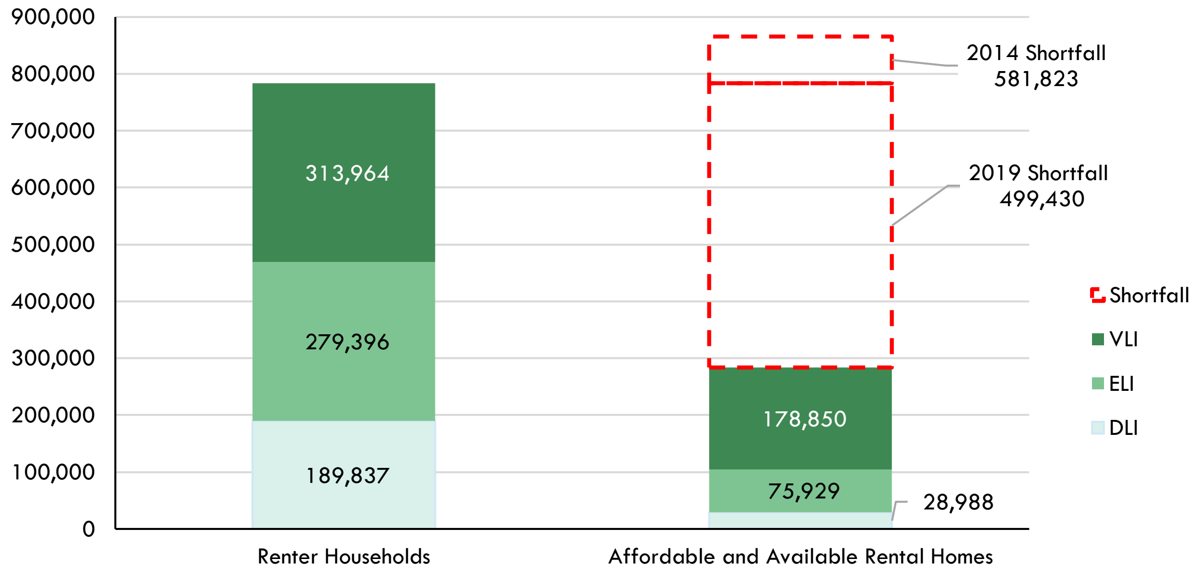
Source: California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels.
**A household is considered moderately cost burdened if they pay between 30 and 50 percent of household income for housing costs and severely cost burdened if they pay more than 50 percent of household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

[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.

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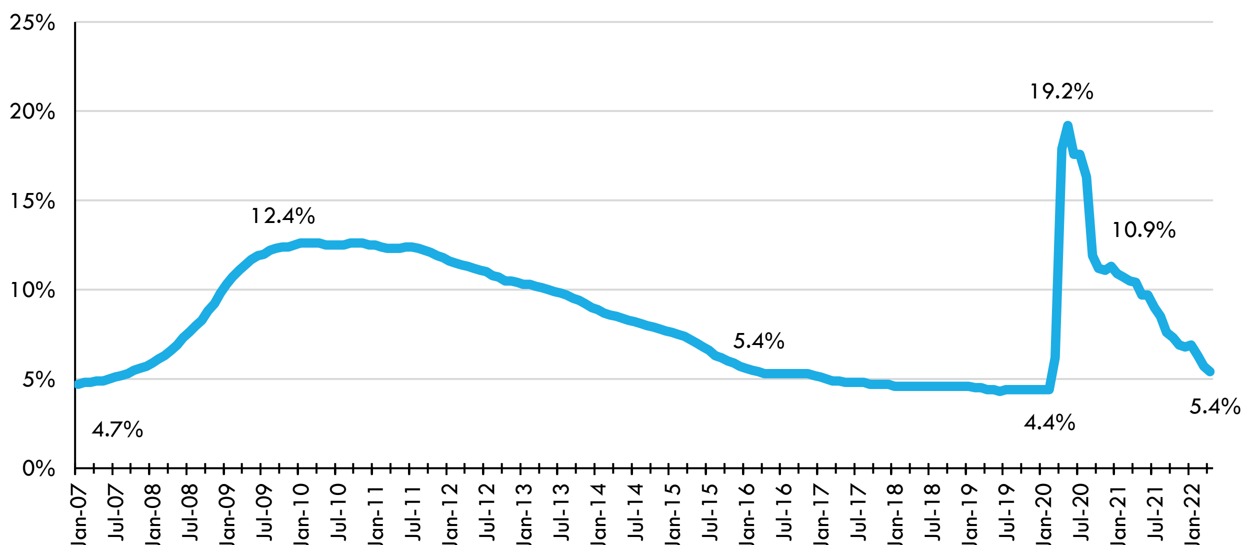
[16] Because of data reliability issues with the 1-year ACS data products (described more fully on the first page of Section 1) the gap and cost burden analyses do not yet capture the economic and social reality of the COVID-19 pandemic.
[17] California Housing Partnership, 2021. "Los Angeles County 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

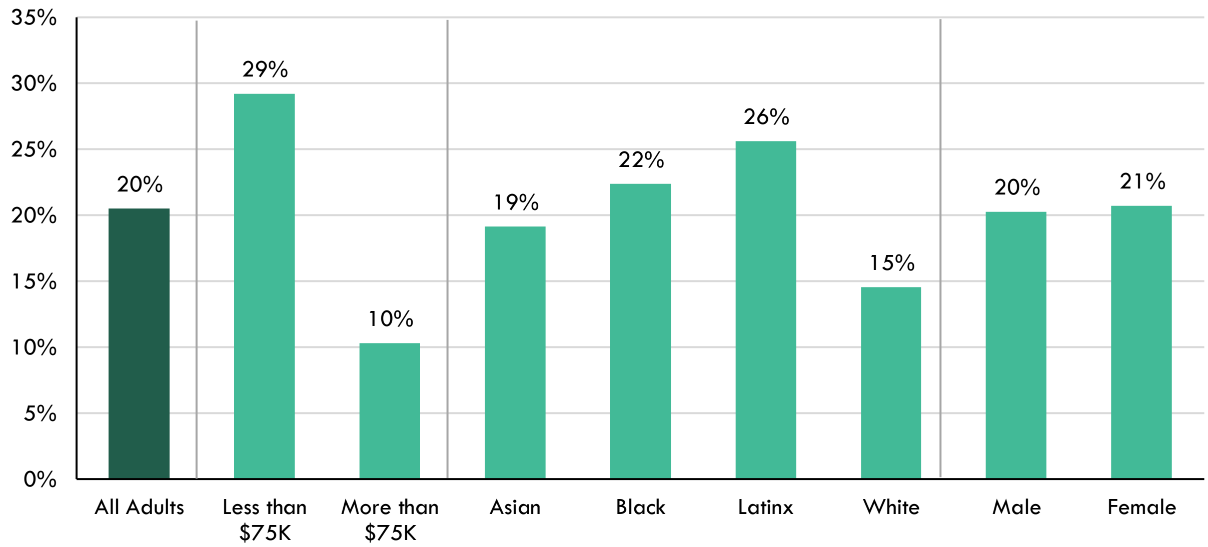
[18] The official unemployment rate understates job loss because the definition of unemployed omits workers who have exited the labor force in the last 12 months, are not actively looking for work, or reported that they technically have a job but have lost or are no longer receiving wages.

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

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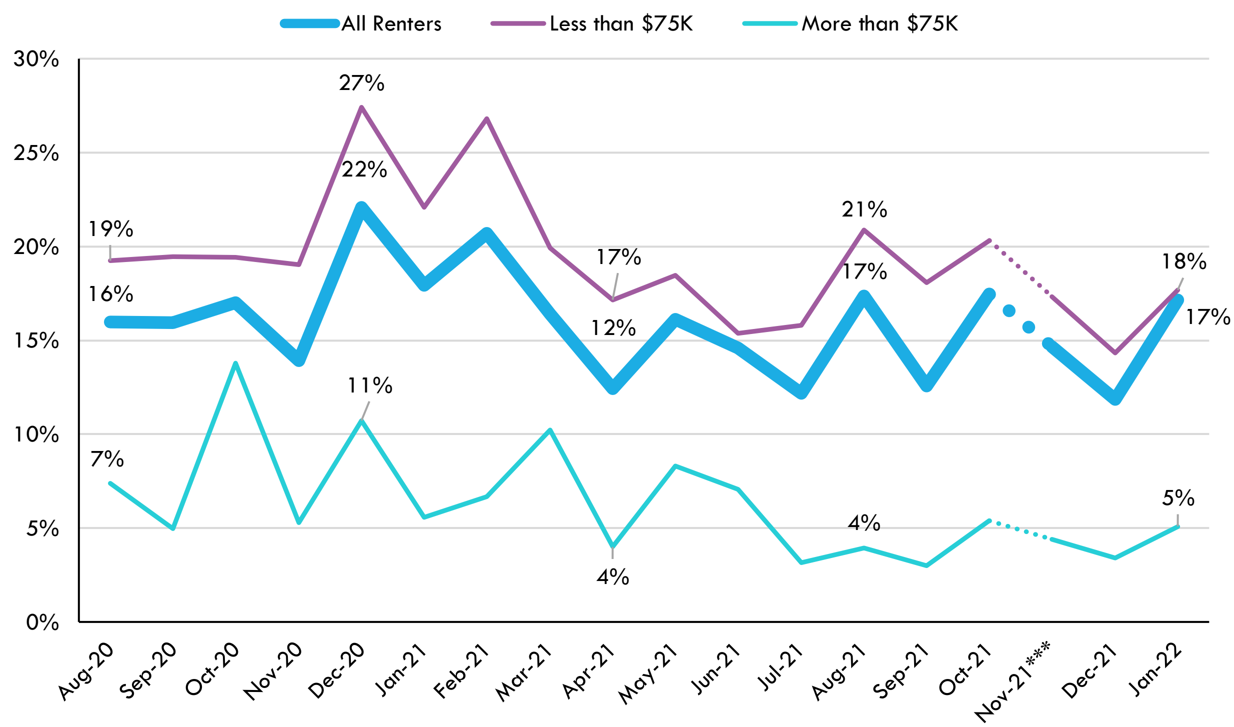
[19] California Policy Lab, 2021. “Re-employment, Recall, and Industry Transitions During the COVID-19 Pandemic.” Website: https://www.capolicylab.org/wp-content/uploads/2021/12/Dec-2021-Analysis-of-Unemployment-Insurance-Claims-in-California.pdf.

[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)**



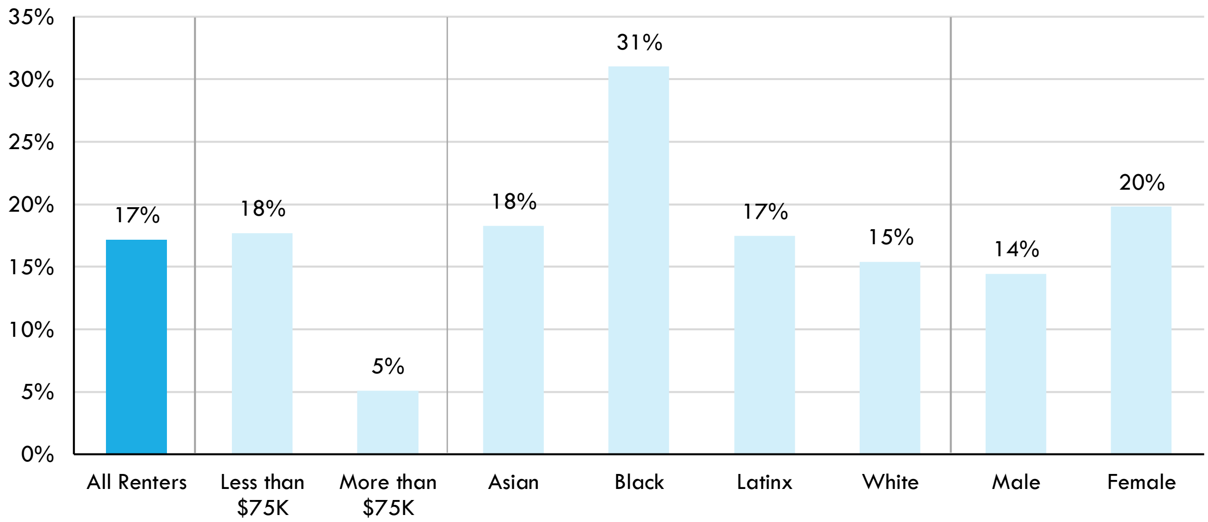
Source: California Housing Partnership analysis of Household Pulse Survey, U.S. Census Bureau, 2020-22.
**The Pulse Survey provides estimates for all adults in households; therefore, percentages should be interpreted as the share of adults in households who are not caught up on rent. Note: Figures are 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.*

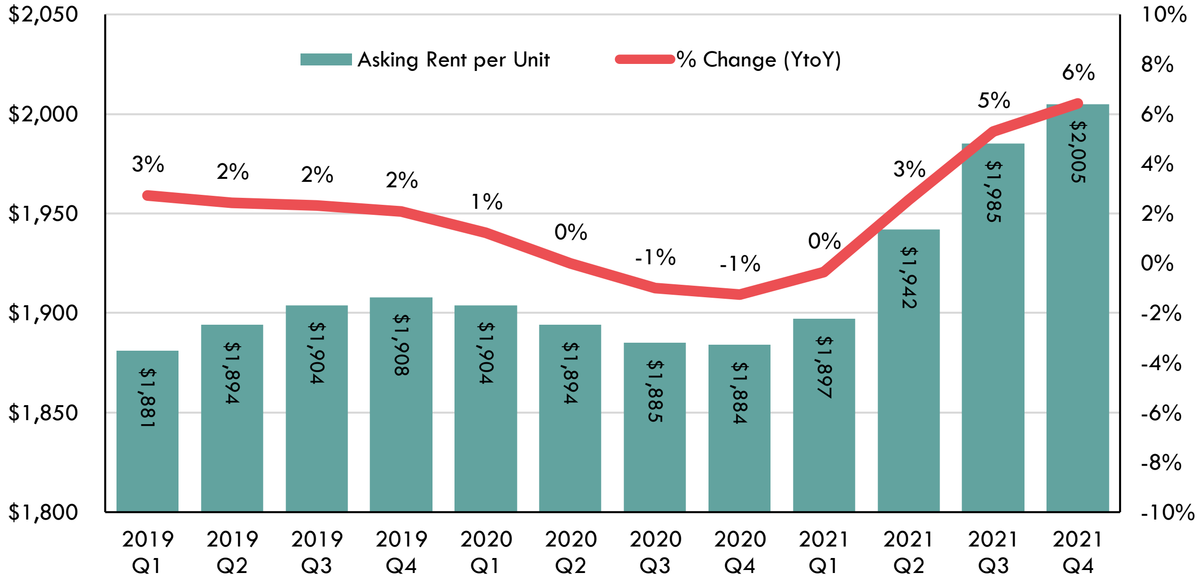
The pandemic's effects on economic and housing stability have been documented over the last 18 months through the labor market and U.S. Census Bureau data described above, yet less is known about the pandemic's impact on rents.

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.

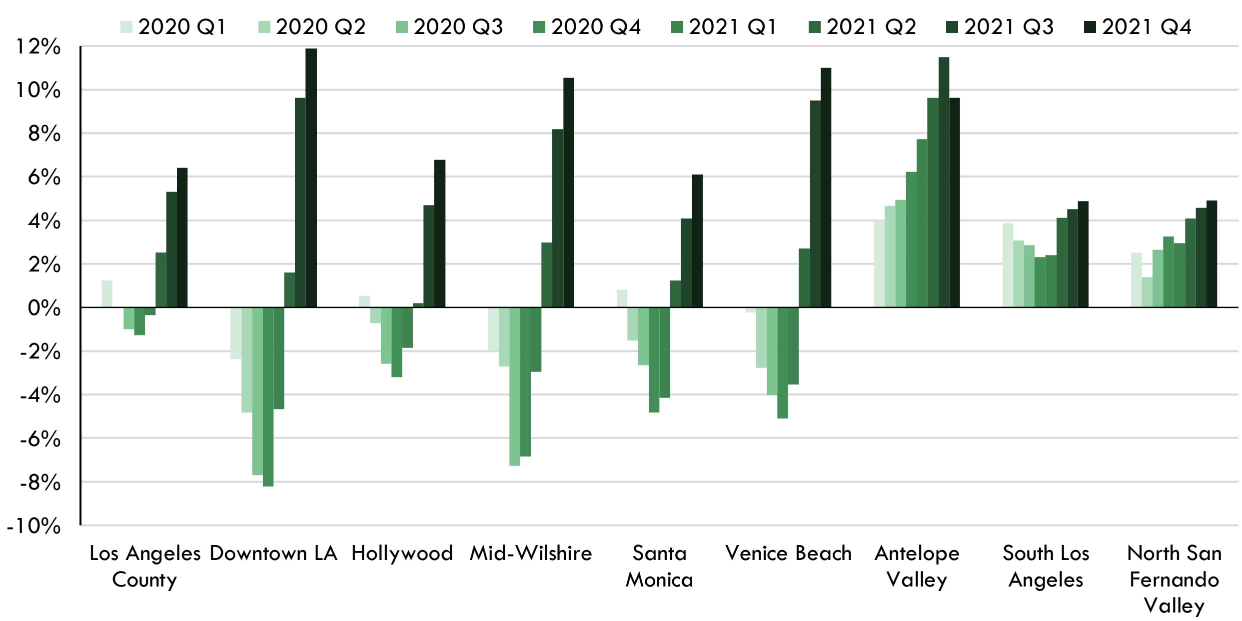
FIGURE 10: LOS ANGELES COUNTY AVERAGE MULTIFAMILY RENT CHANGES DURING THE PANDEMIC (2020-21, YEAR-TO-YEAR)



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)

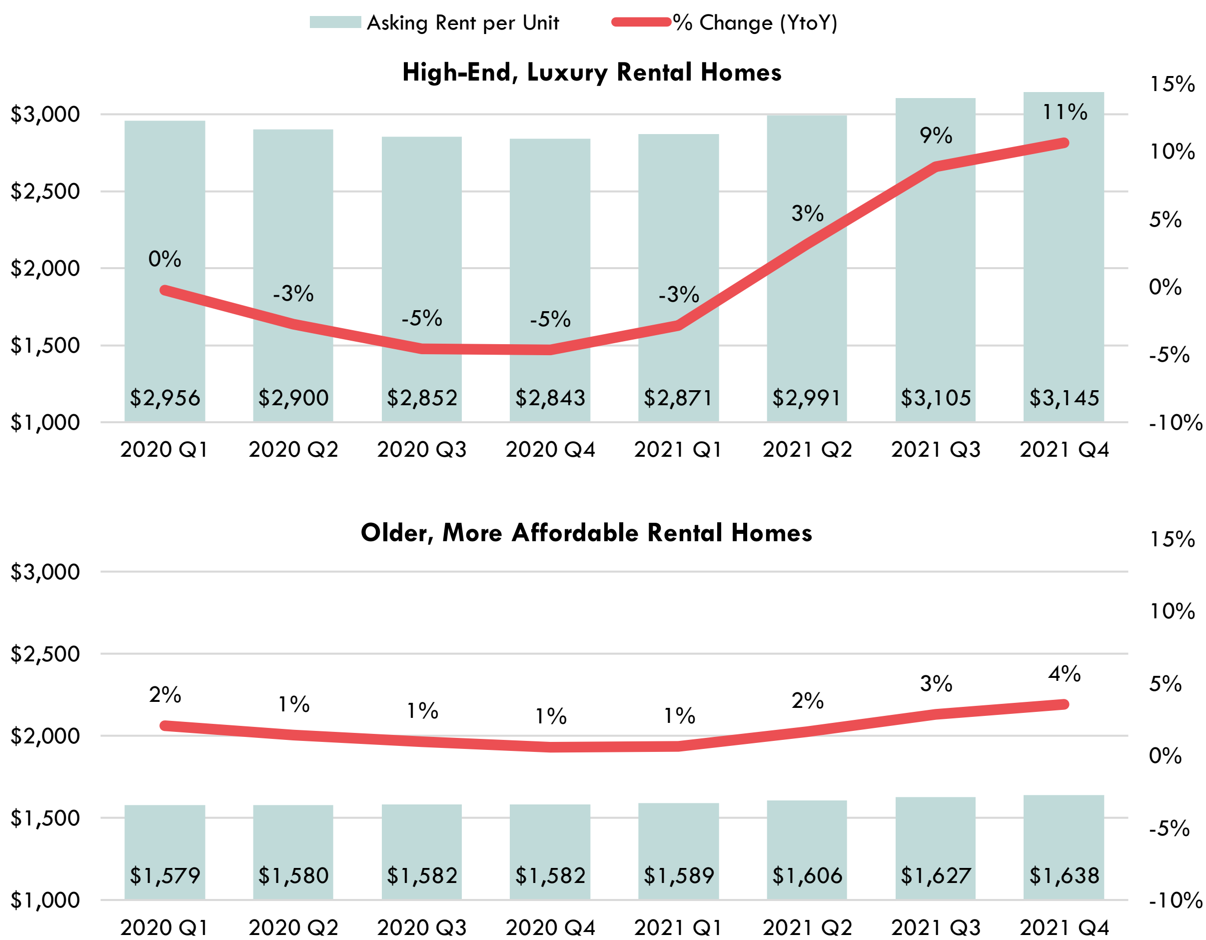


Source: California Housing Partnership analysis of average rent data from CoStar Group, accessed January 2022.

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.

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[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]

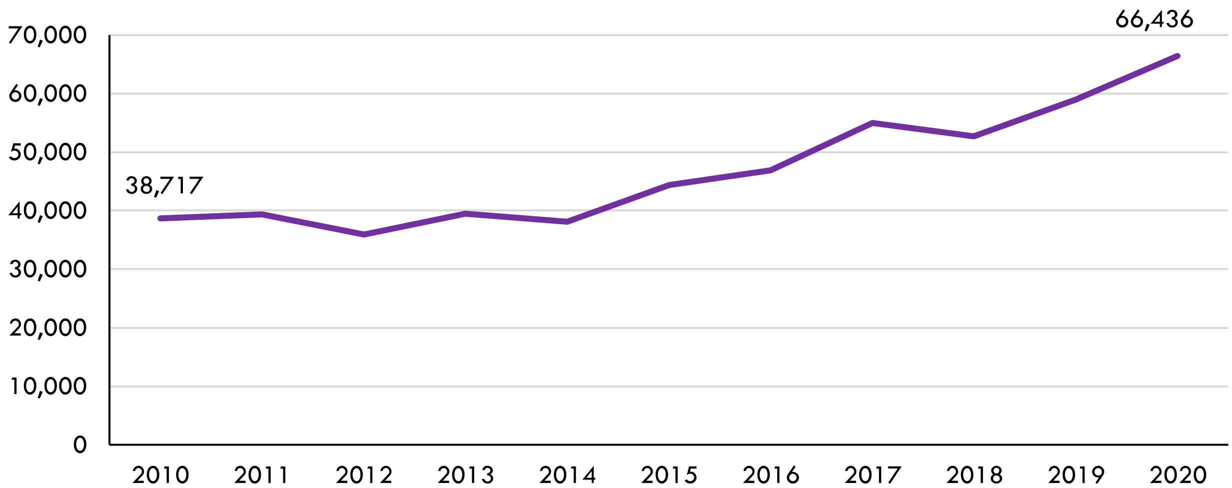
In spite of the increase in services for households experiencing housing instability, cost burden, and homelessness, even higher demand for these services during 2019 drove a net increase in homelessness. An estimated 82,955 people became or re-entered homelessness in 2019. This spike in demand represents 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.

[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

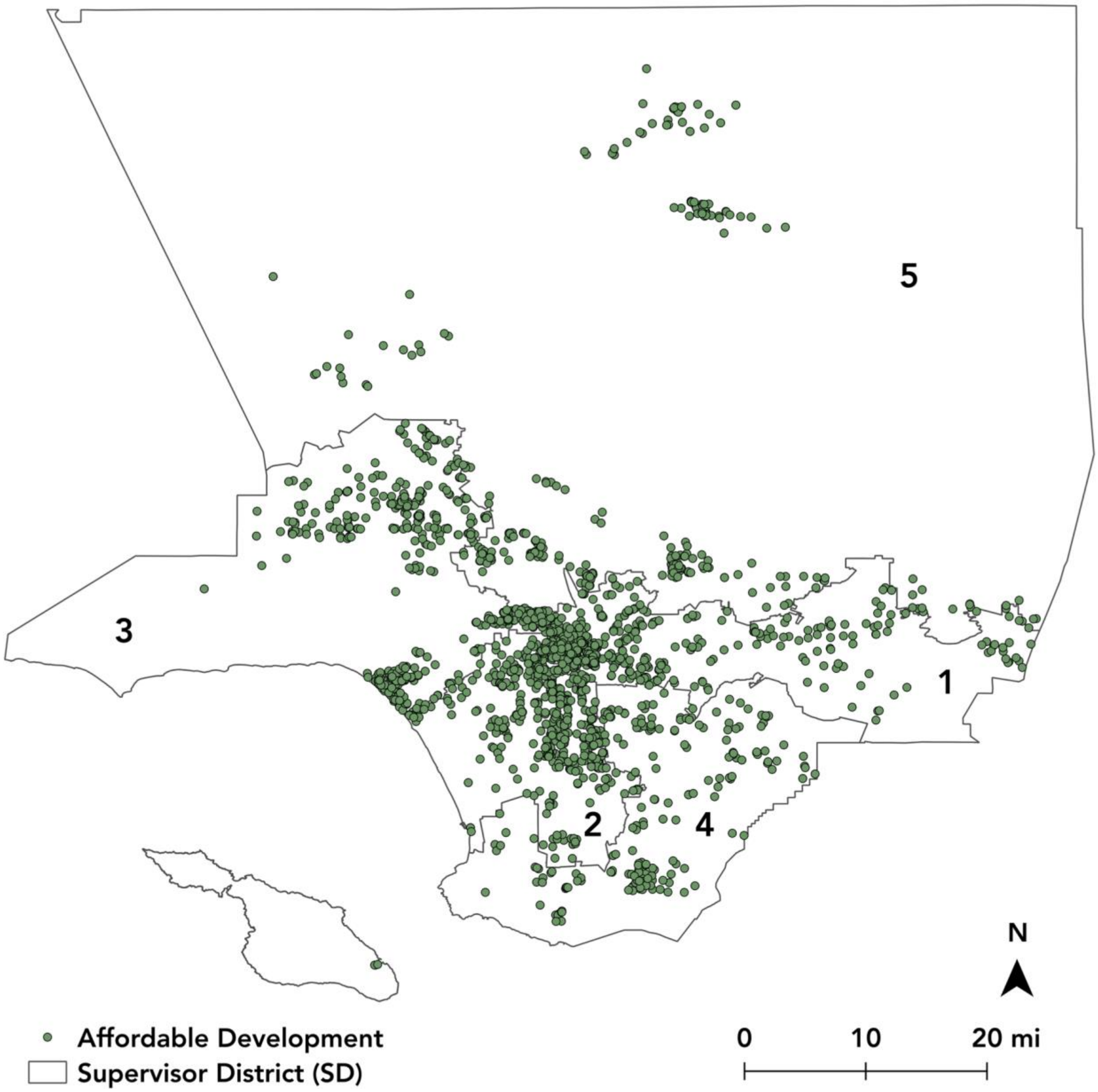
SD	Developments	Affordable Homes	% of Total County Inventory	% Change*
SD 1	556	41,733	29%	+4%
SD 2	542	31,666	25%	+4%
SD 3	454	23,605	21%	+4%
SD 4	215	17,920	12%	+5%
SD 5	299	18,985	13%	+7%
*Unincorporated Los Angeles***	*173*	*7,339*	*5%*	*+1%*
County Total	**2,066**	**133,909**	**100%**	**+5%**

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

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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.

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/.

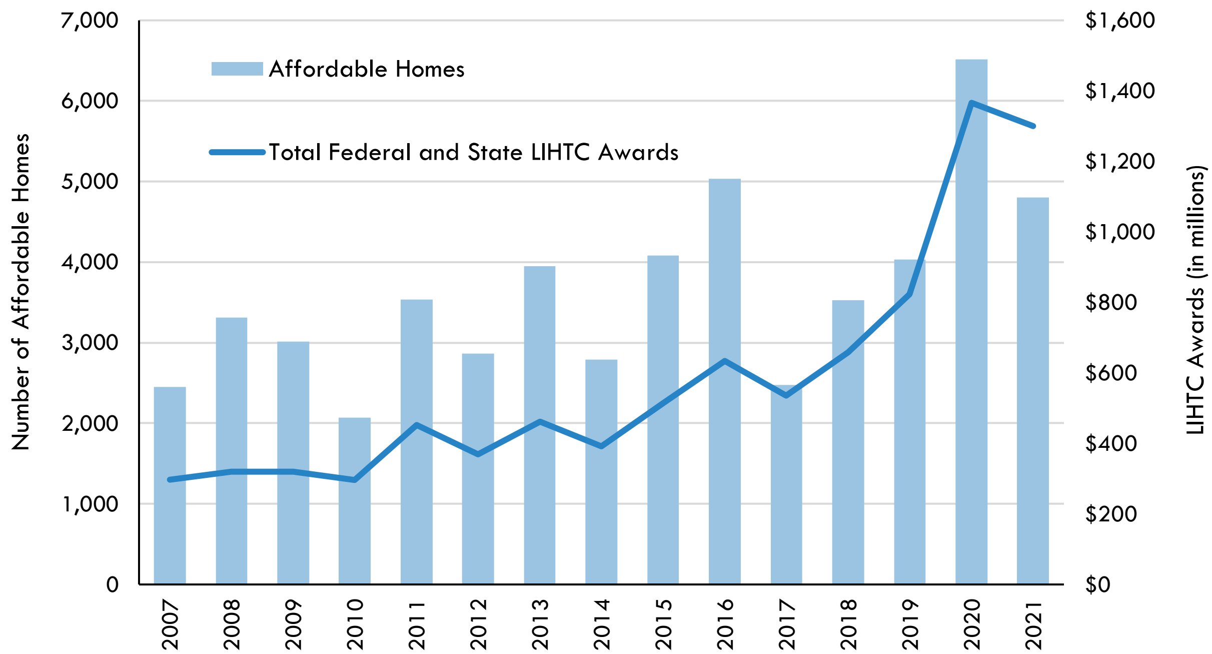
[37] To learn more about California's Low-Income Housing Tax Credit program, see the California Tax Credit Allocation Committee's Program Overview, available online at https://www.treasurer.ca.gov/ctcac/program.pdf.

[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:

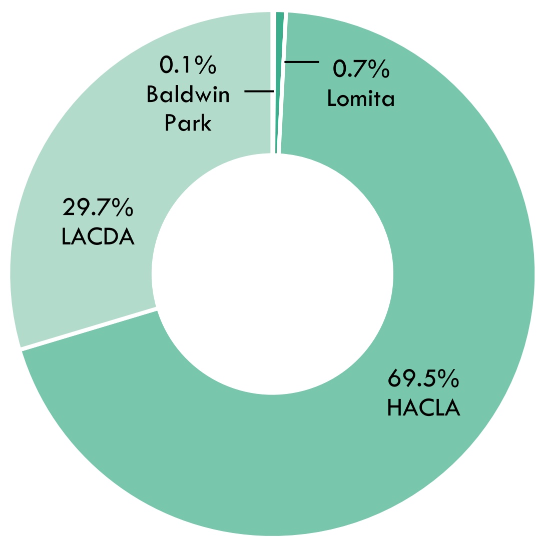
- HACLA owns more than two thirds of PHA-owned homes in the County; and
- 63 percent of PHA-owned homes are concentrated in the County's SD 1 and SD 2.

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.

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[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.

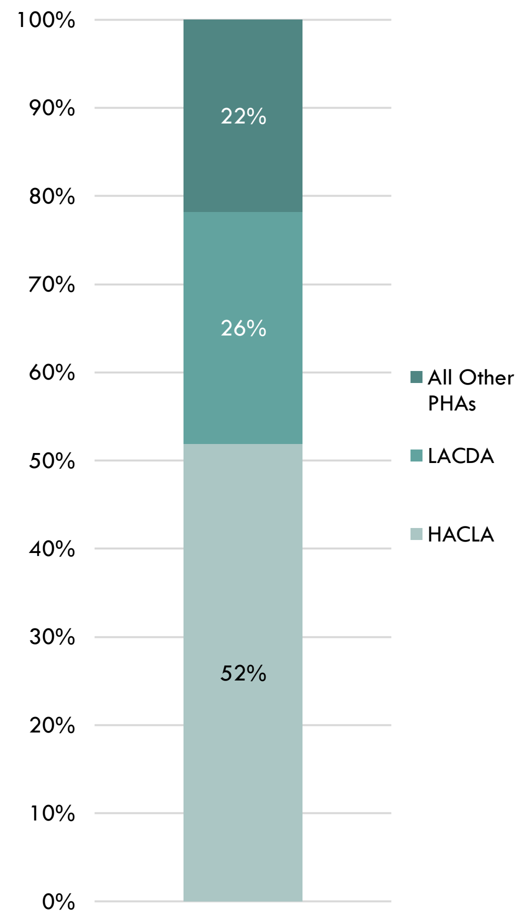
[48] For more information about why project-basing is a best practice, see "The Power of Leveraging Section 8" by the California Housing Partnership: https://chpc.net/resources/the-power-of-leveraging-section-8/.

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.

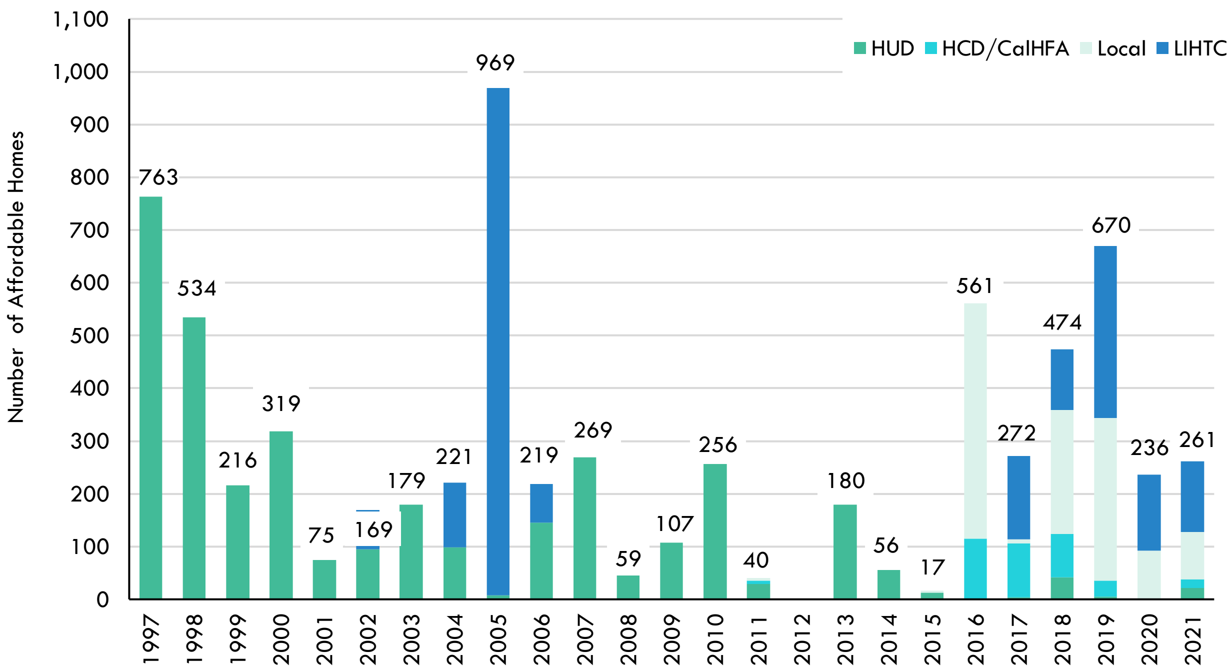
Homes At Risk of Losing Affordability in Los Angeles County

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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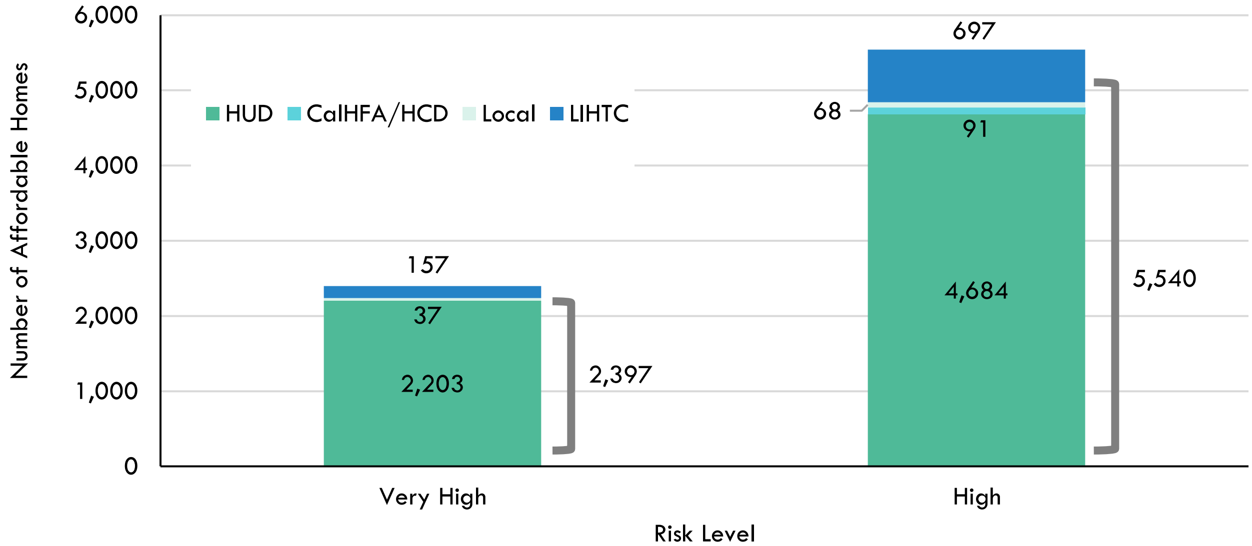
[52] Nelson, Alicia Underlee. "The Most Expensive Cities for Renters in America." 30 September 2020. Website: https://www.apartmentguide.com/blog/most-expensive-cities-for-renters/.

[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)

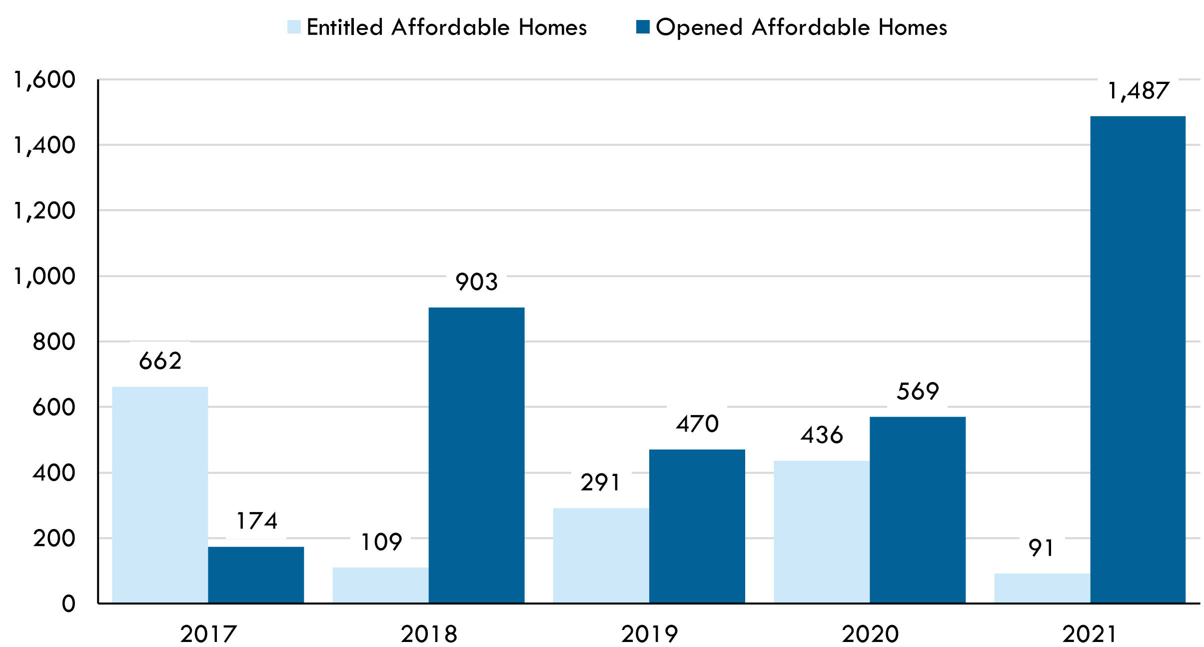
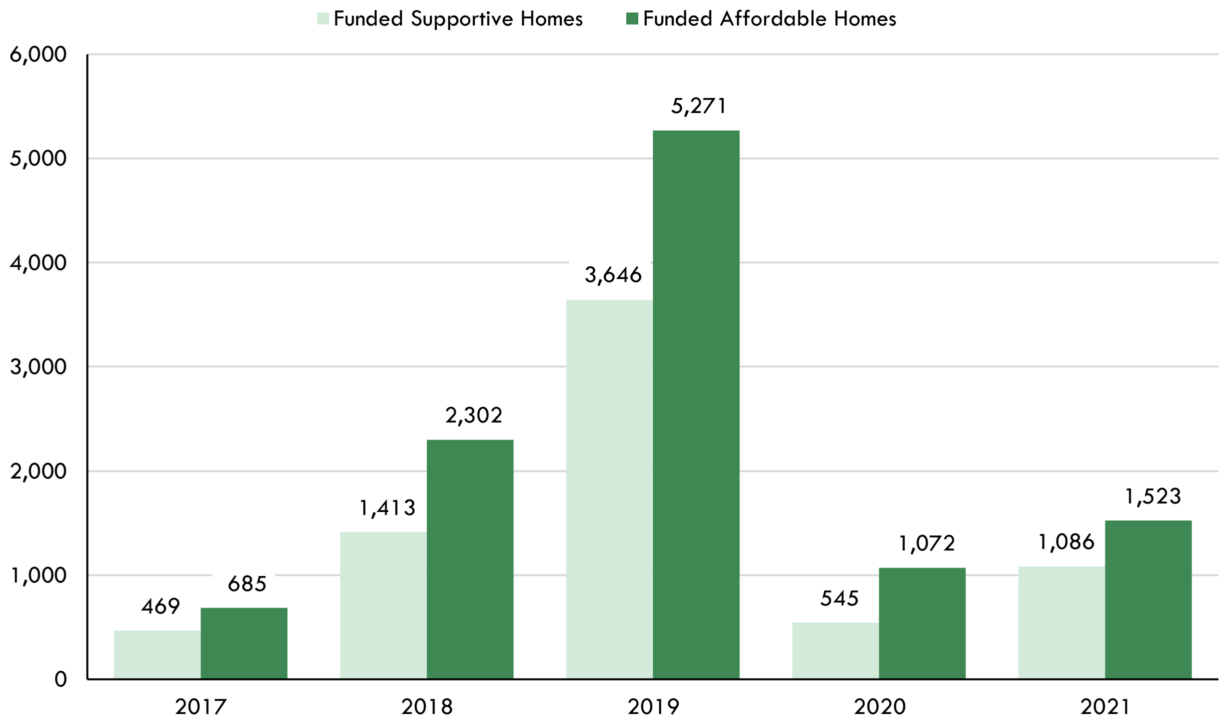


FIGURE 21: COUNTY FUNDED AFFORDABLE HOUSING ACTIVITY (2017-2021)



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.

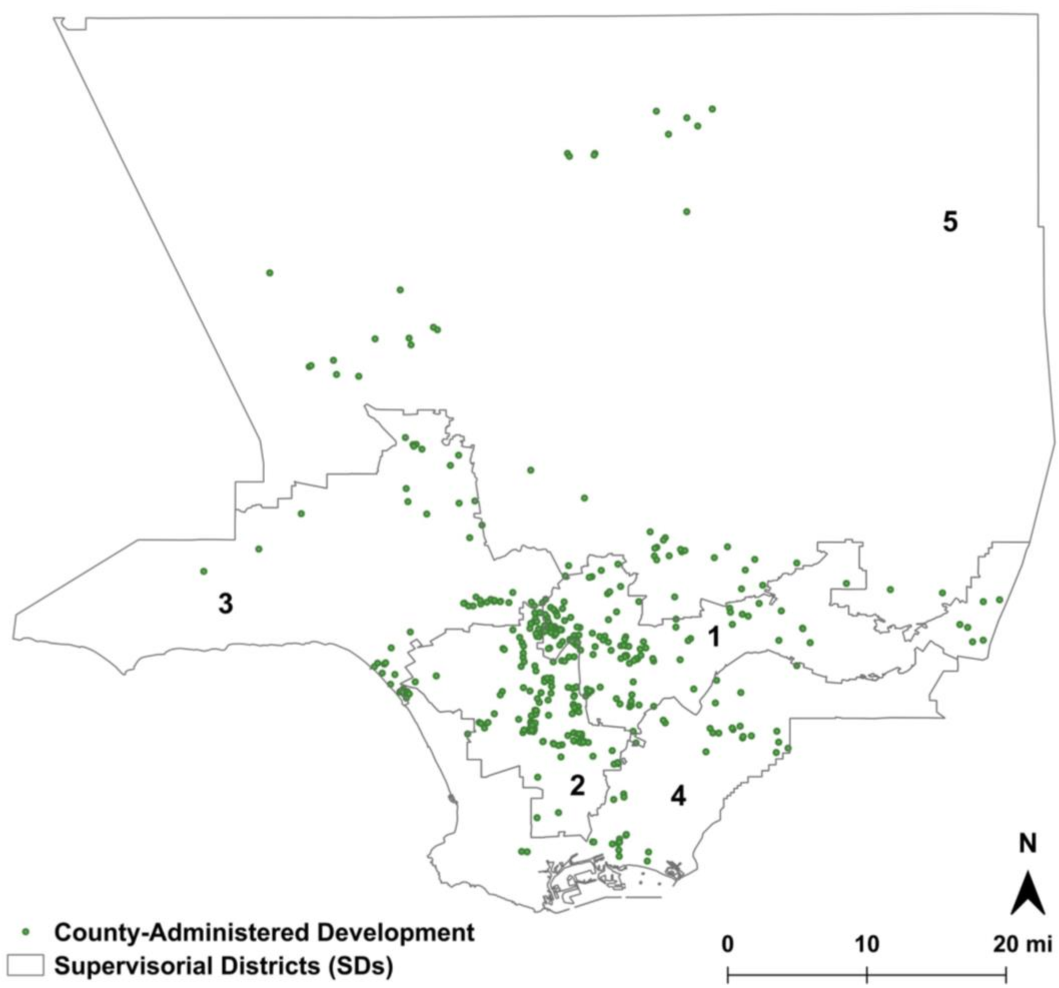
Table 17 shows countywide and SD-level affordable housing inventory totals for all County-administered affordable rental developments from the sources listed above. Figure 22 shows a map of the County-administered inventory of affordable rental developments. SD-level maps are included in Appendix D: 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)

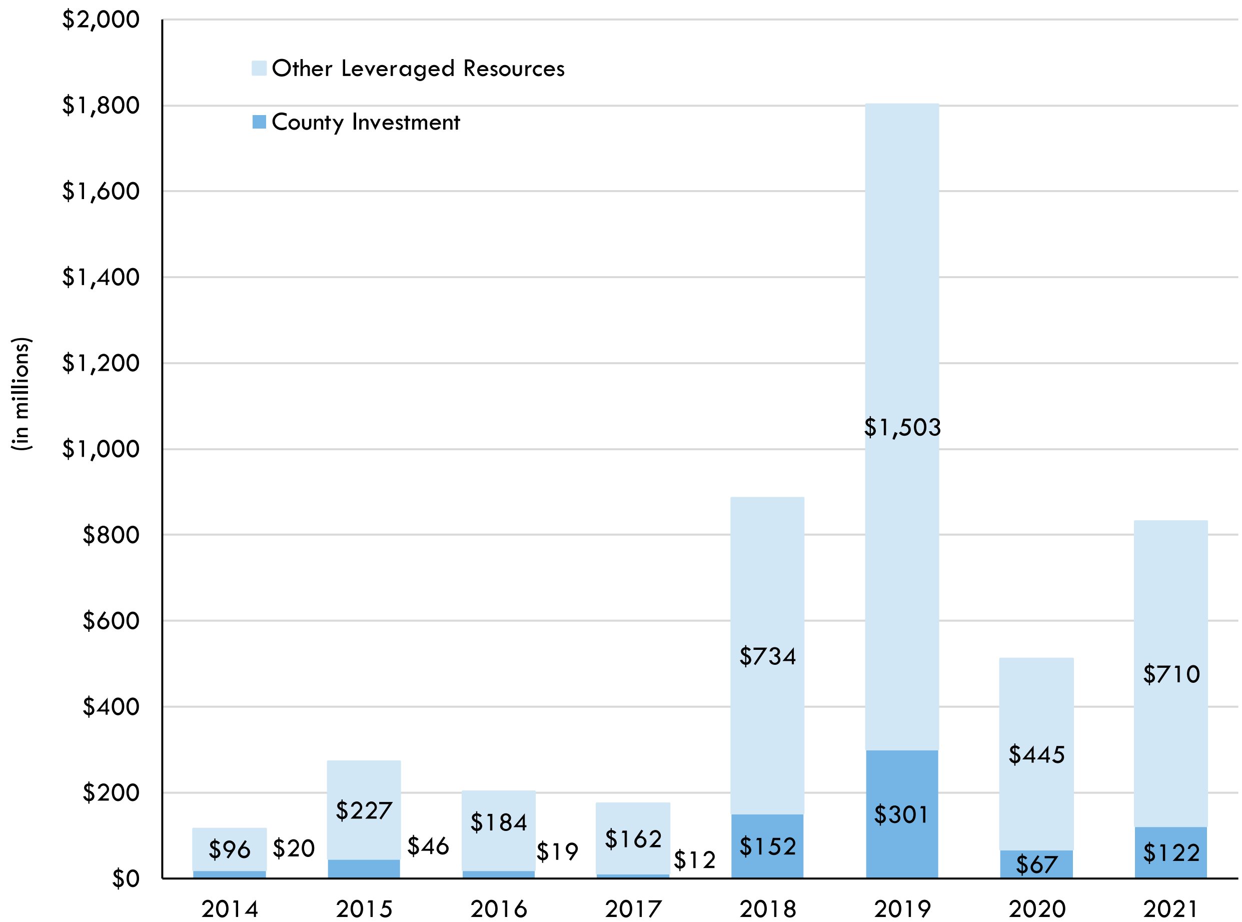


FIGURE 24: COUNTY NOFA INVESTMENTS BY FUNDING SOURCE (2014-21)

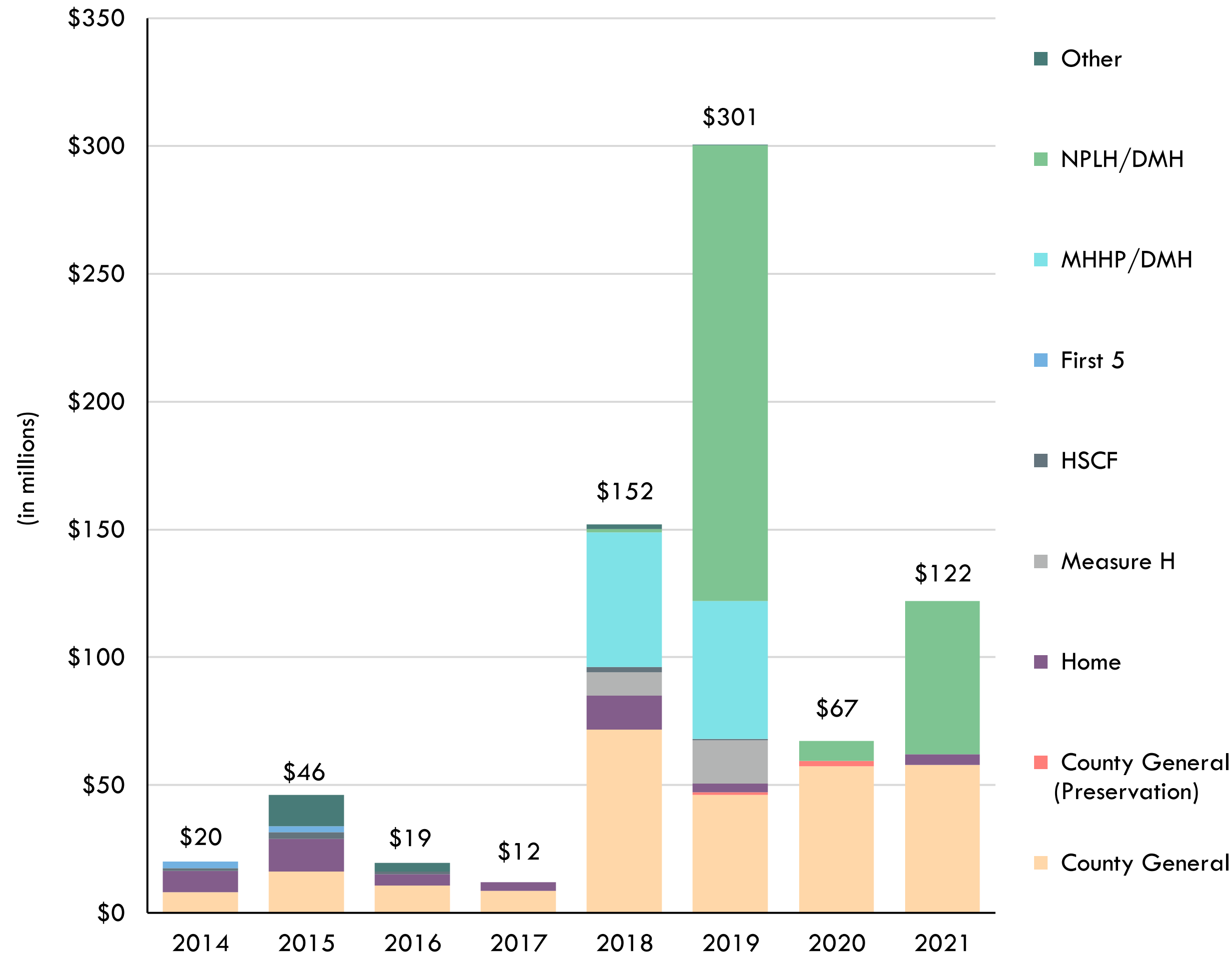


TABLE 19: LACDA PUBLIC HOUSING REHABILITATION EXPENDITURES

	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)

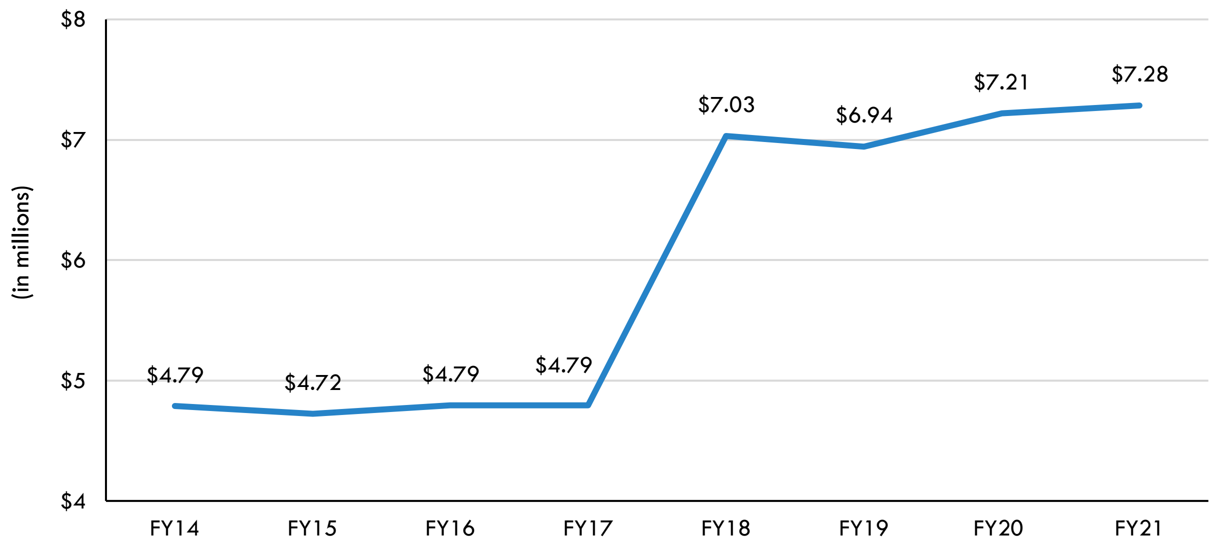
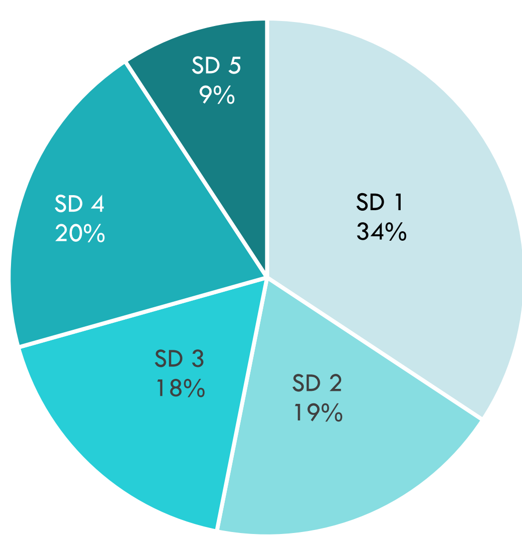


TABLE 20: LACDA AND DRP 2021 AFFORDABLE HOME PRODUCTION AND PRESERVATION IN (UNINCORPORATED AREAS)*

	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)

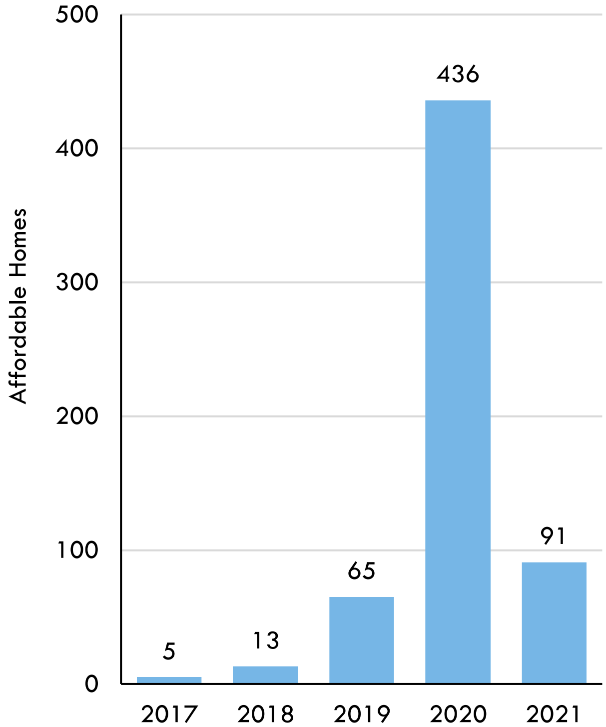


FIGURE 28: AFFORDABLE HOMES OPENED THROUGH MELLO ACT & DEVELOPMENT ON COUNTY-OWNED LAND IN UNINCORPORATED AREAS
(2017-21)

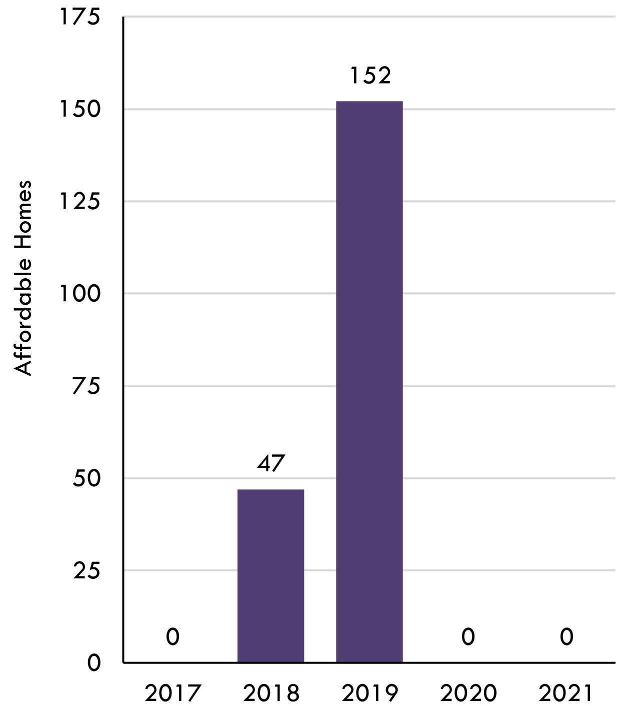


TABLE 21: LACDA AND DRP DEVELOPMENTS FUNDED AND MONITORED* (2021)

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)

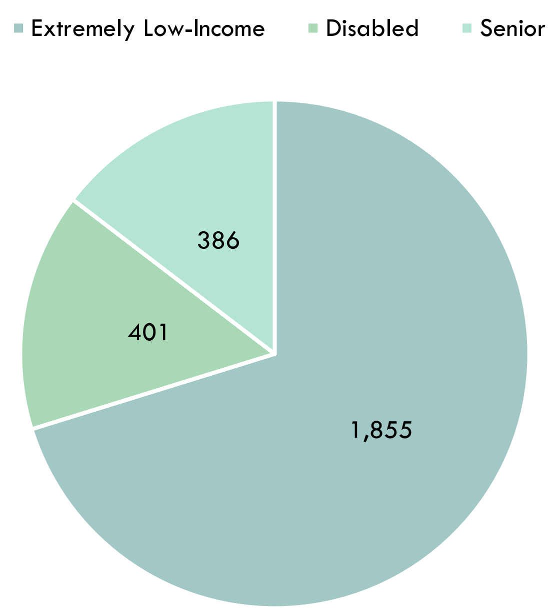
	Amount	% Change from 2020
Expenditures	$1,800,861	-3%
	# of Incentives	% Change from 2020
Sign on Bonus	876	+39%
Security Deposit	549	+26%
Vacancy Loss Payment	21	+91%
Damage Mitigation	12	-8%
Total	**1,458**	**34%**

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)

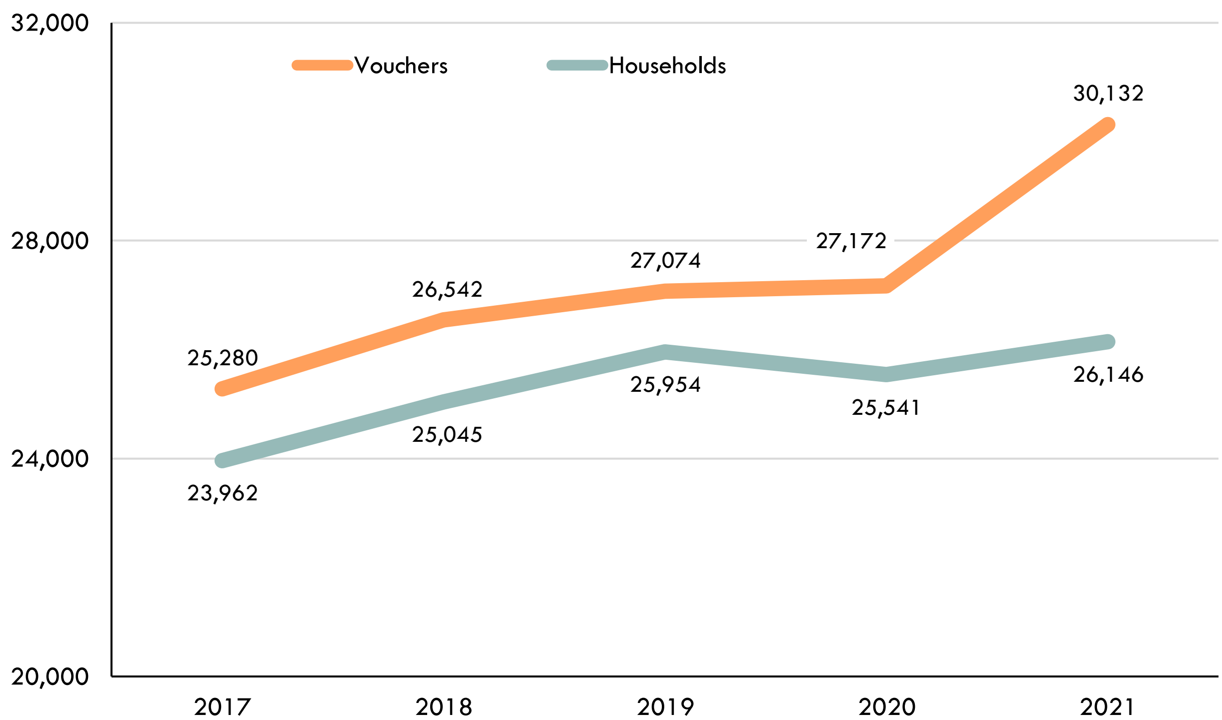


TABLE 24: TENANTS SERVED BY LACDA VOUCHER PROGRAMS* (2021)

	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%**

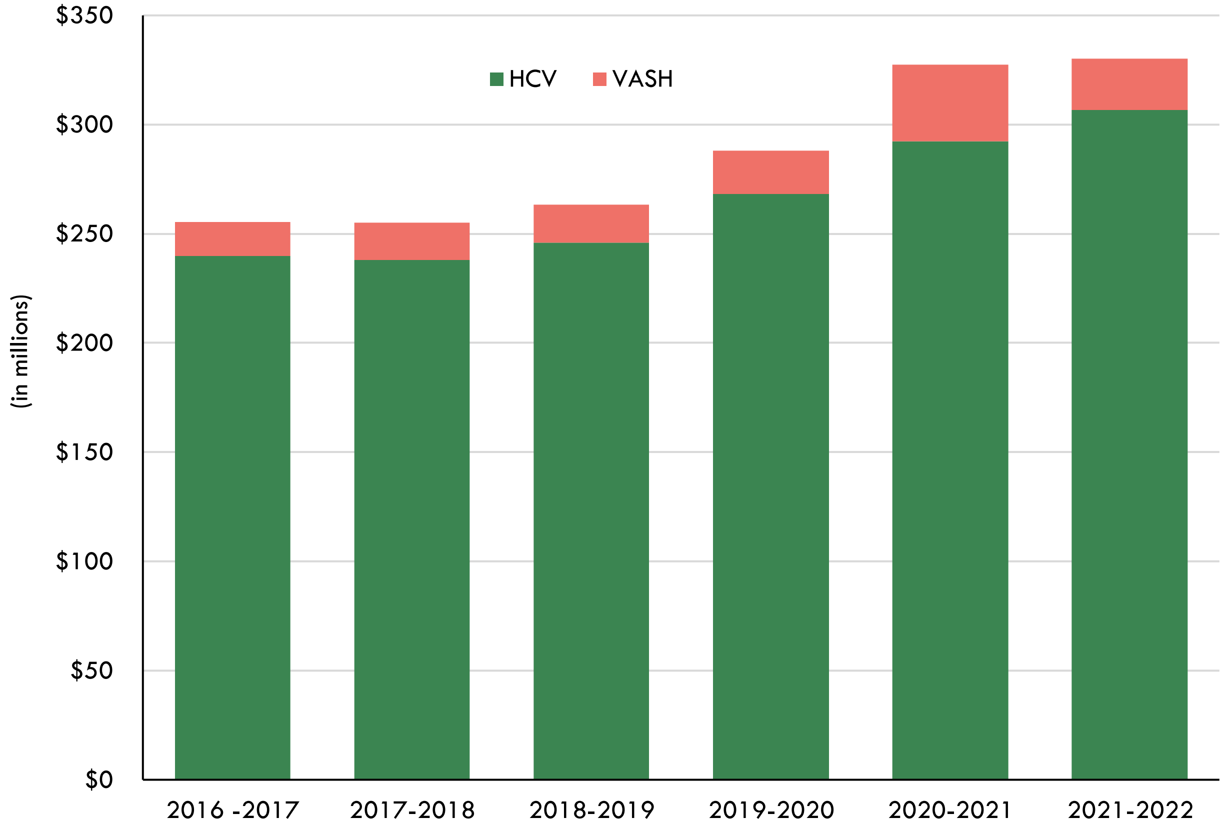
**Households can fall into more than one category so total will not sum.*

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

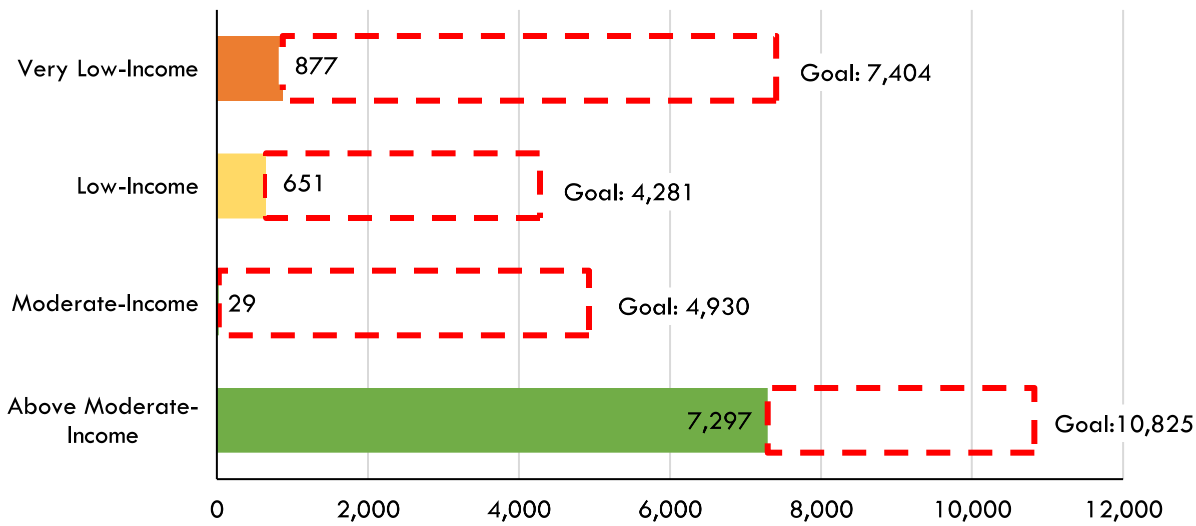


TABLE 28: PROGRESS ON 5TH HOUSING ELEMENT CYCLE RHNA (2014-21)*

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)

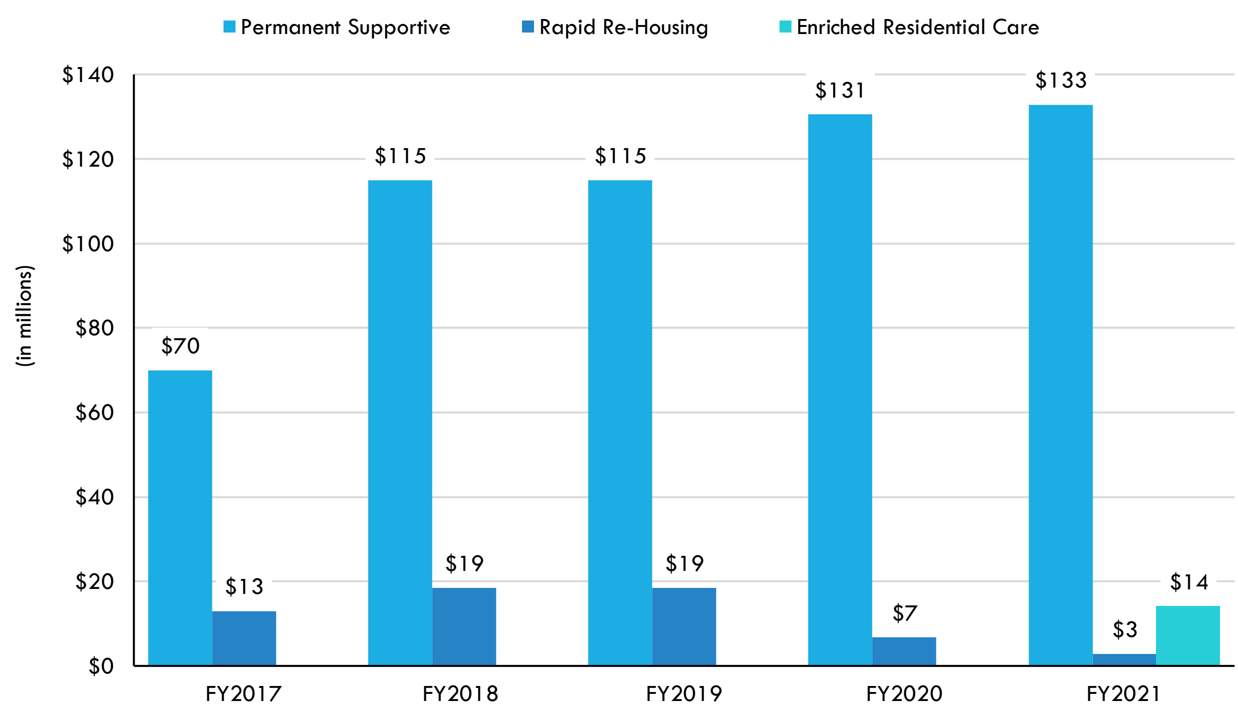


TABLE 30: DHS HOUSING FOR HEALTH AVERAGE COST PER TENANT* (FY 2021)

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%**

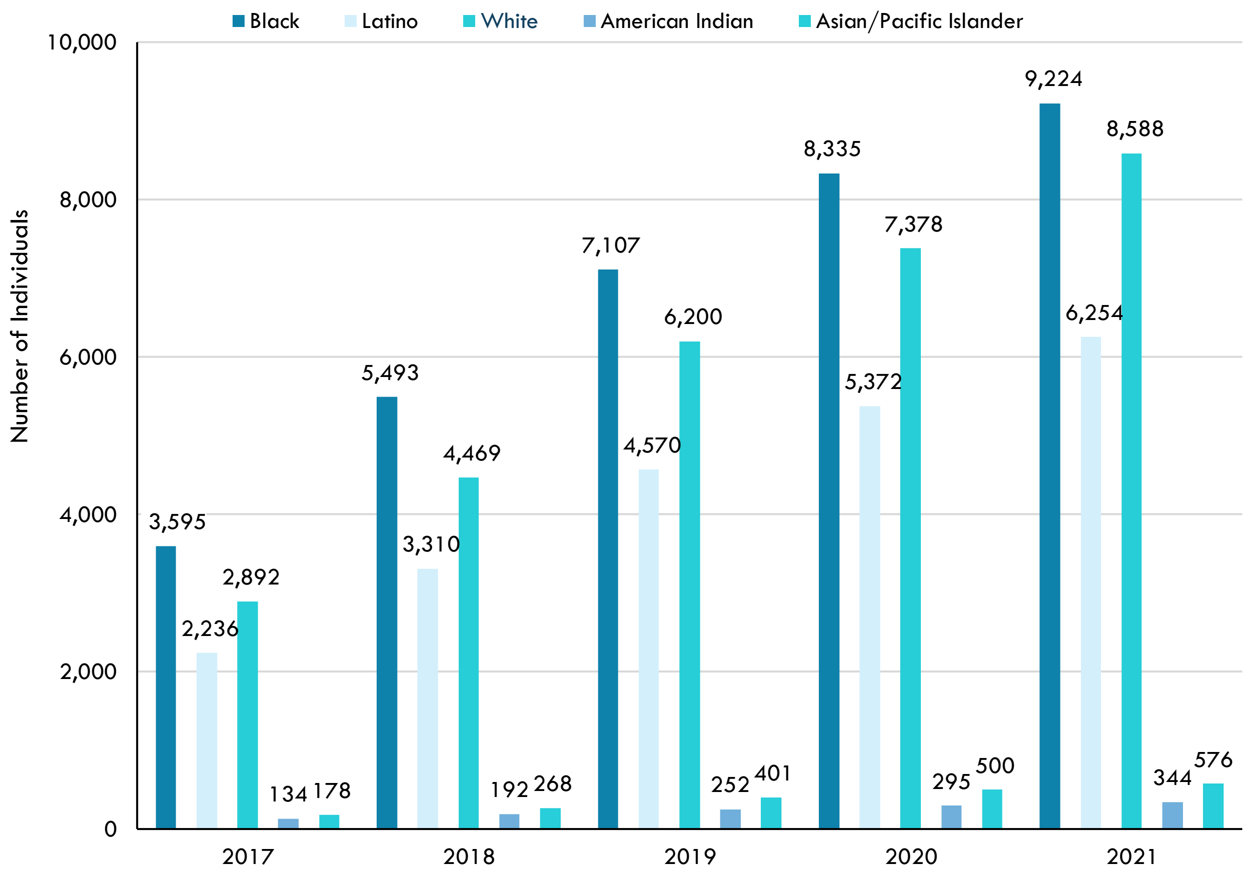
**This table represent new and existing Housing for Health Clients in 2020. Inclusive of all Housing for Health rental subsidies.*
***Federal vouchers.*
****FHSP project-based vouchers increased due to the high number of project based units which finished construction in the last year.*
*****Additional 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)

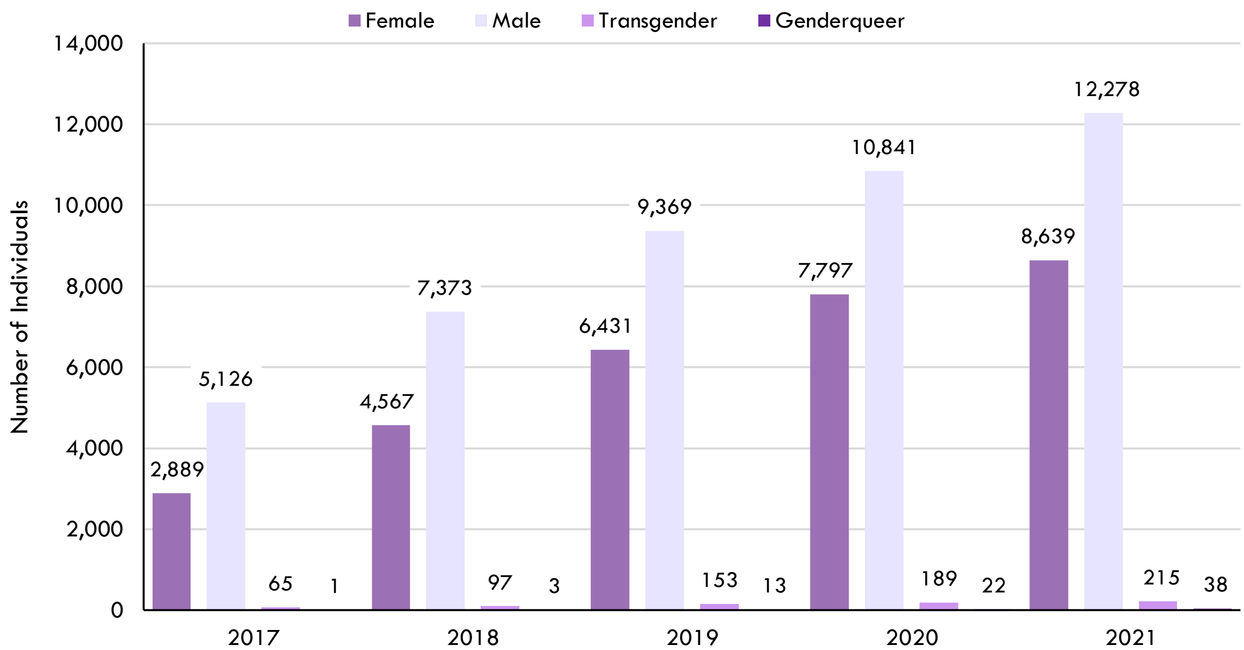


**Total number of individuals connected to housing subsidy and/or services in each calendar year. Clients may identify with more than one category. Individuals where race/ethnicity was not identified are not represented.*

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)*

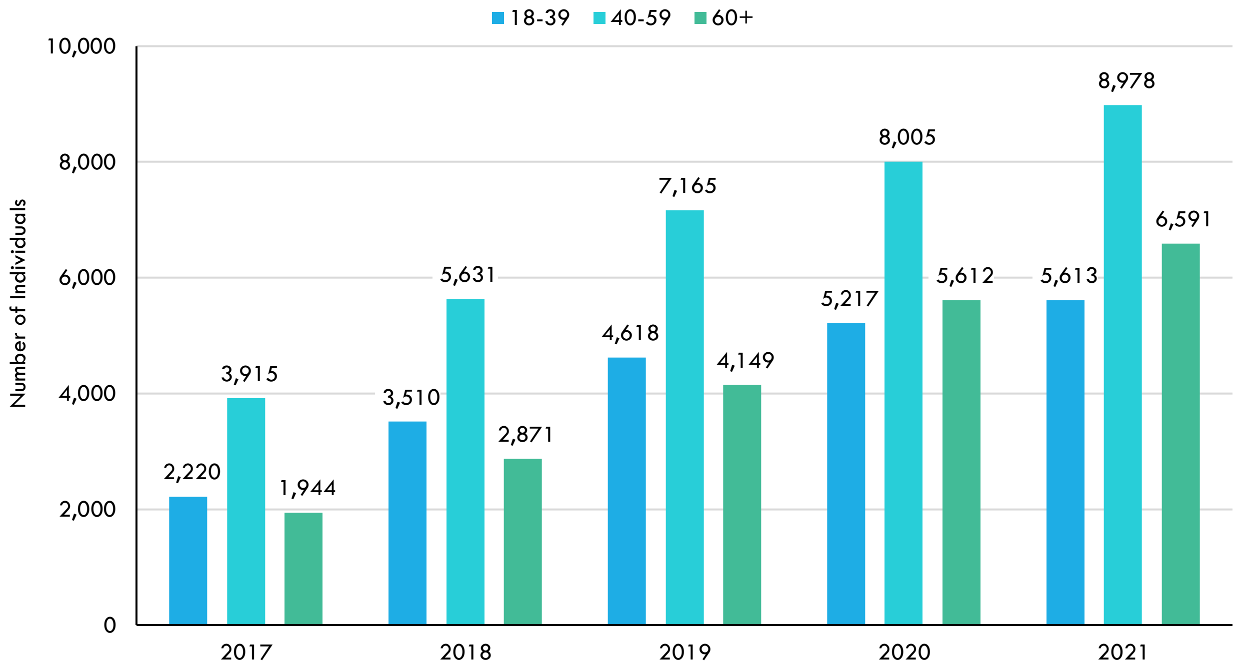


Total number of individuals connected to housing subsidy and/or services in each calendar year. Individuals where gender was not identified are not represented.

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.*

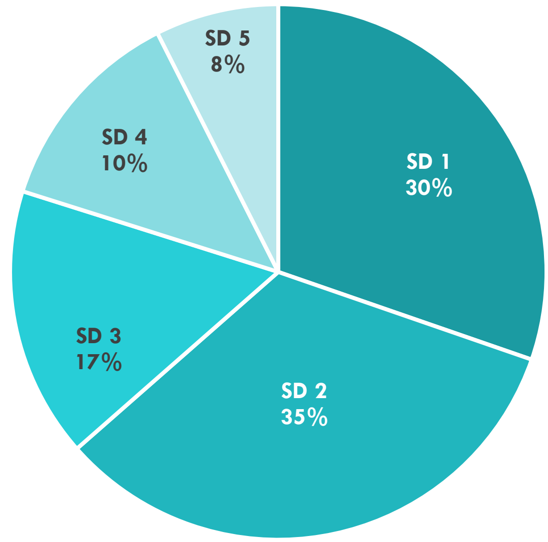


FIGURE 39: DMH-FUNDED AFFORDABLE SUPPORTIVE HOMES BY YEAR OPENED (2018-21)

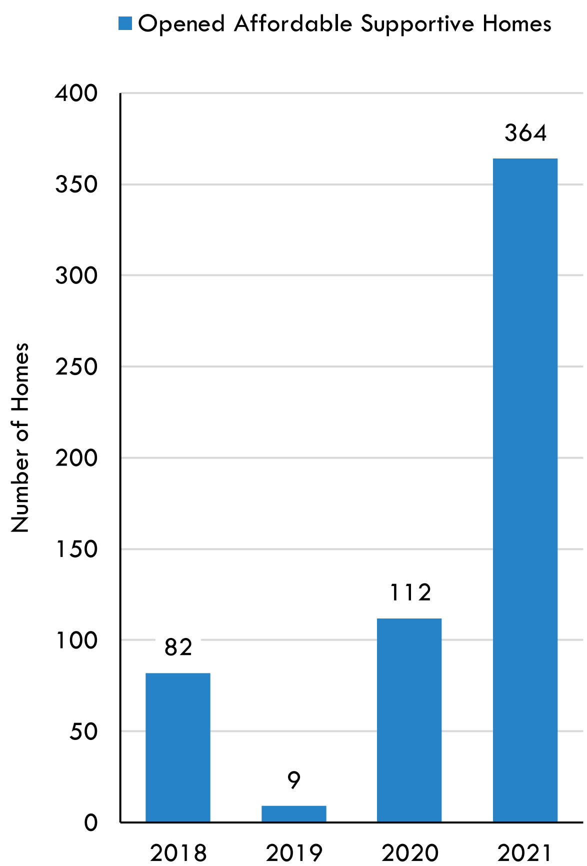
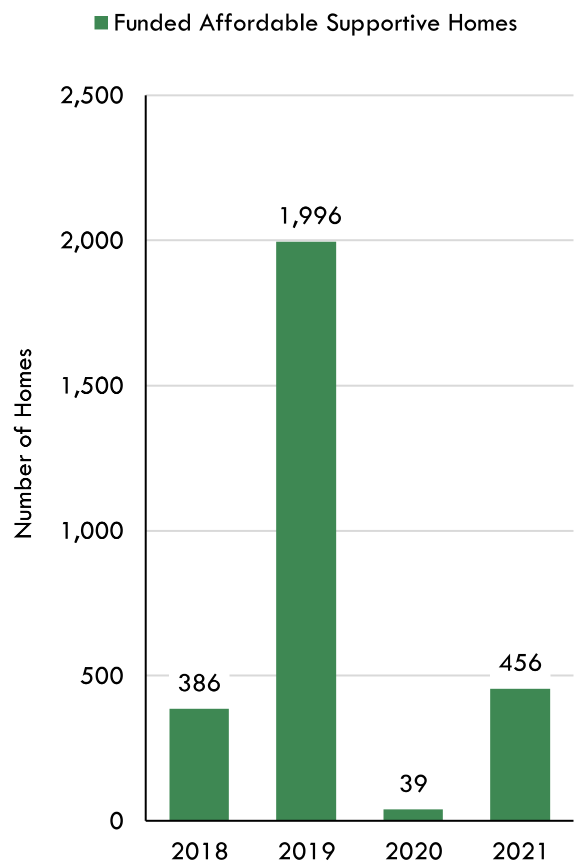


FIGURE 40: DMH-FUNDED AFFORDABLE SUPPORTIVE HOMES BY YEAR FUNDED (2018-21)



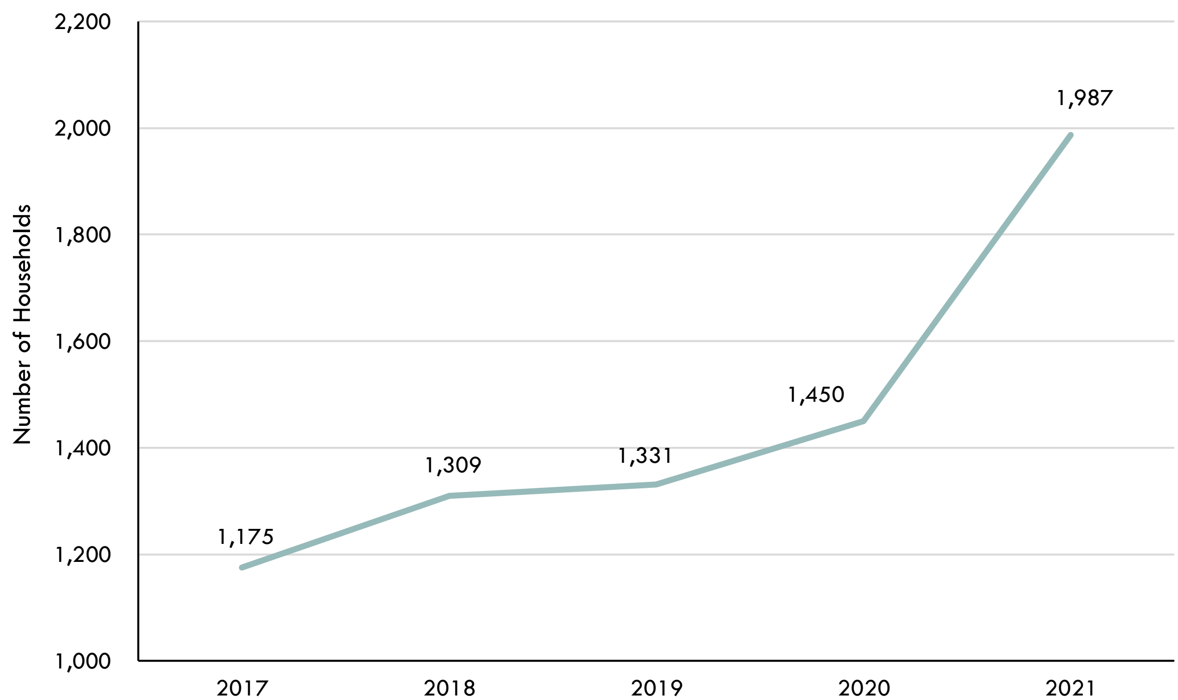
Tables 38 and 39 and Figures 41 through 44 show the impact of DMH's capital investment program in 2021. Items of note include:

- 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)

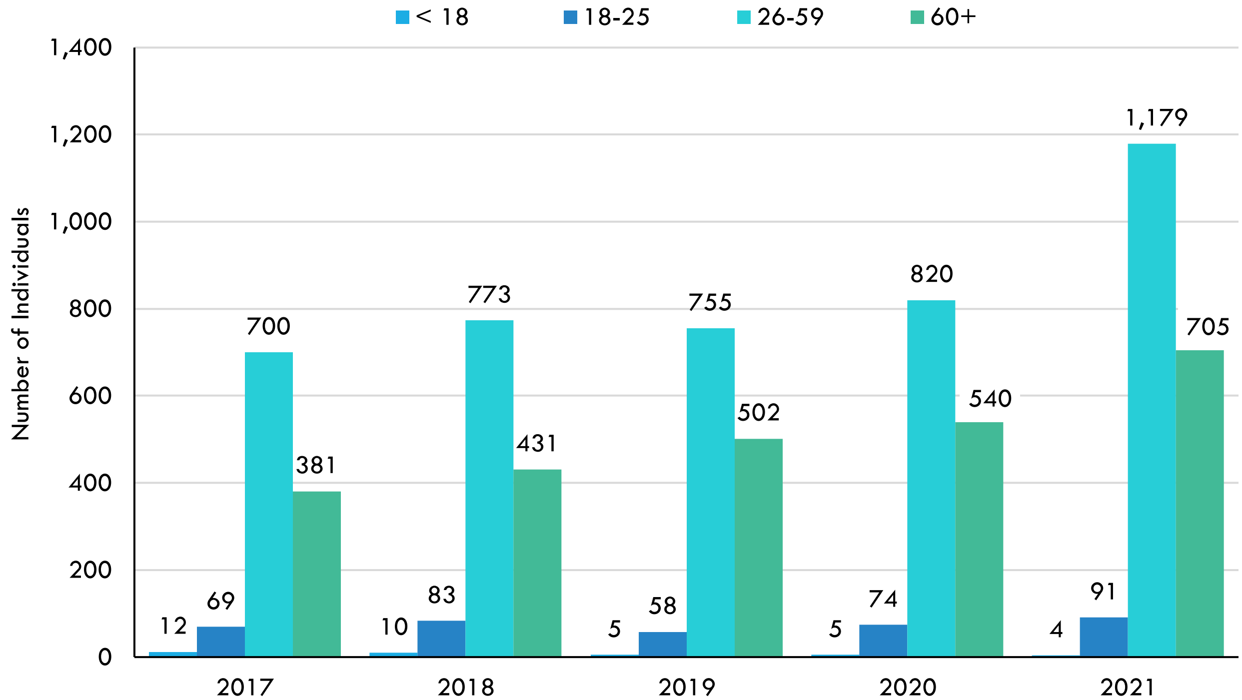
	# of Households	% Change from 2020
Total Number of Households Currently Housed	1,987	+37%
Number of Households Newly Housed	429	+85%
Total Number of Individuals Currently Housed	2,355	N/A
Number of Individuals Newly Housed	443	N/A

FIGURE 41: HOUSEHOLDS* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING (2017-21)



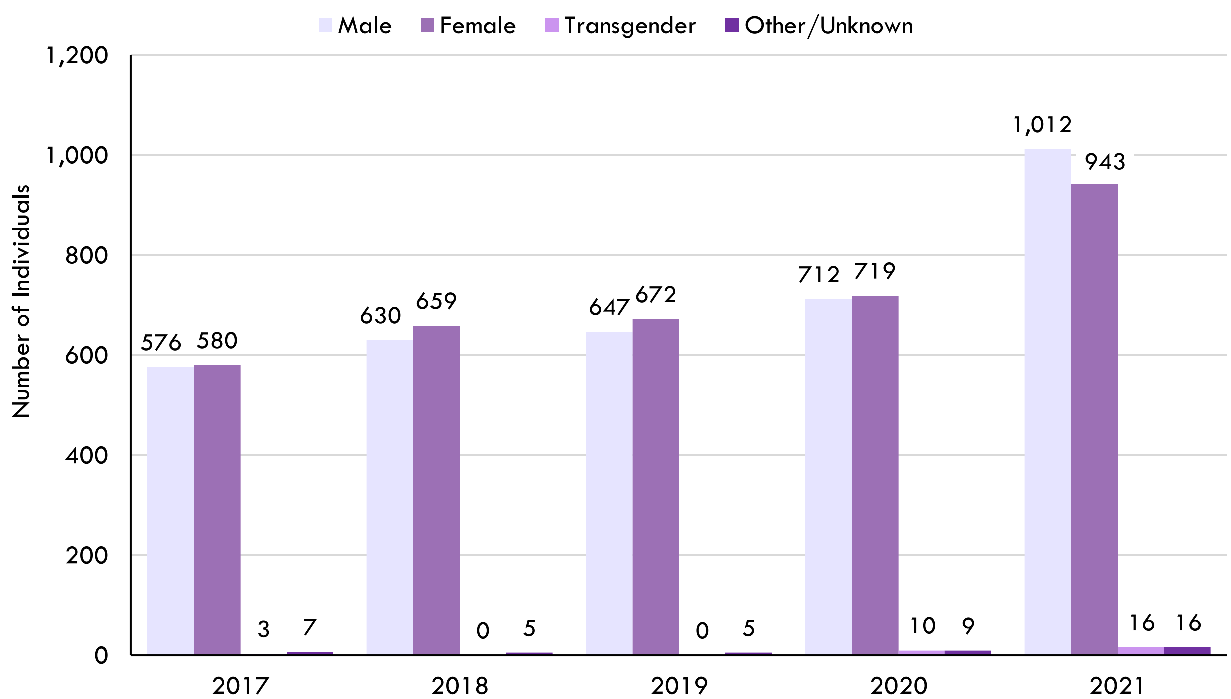
**Total number of households housed in each calendar year. Some households may be represented in multiple years.*

FIGURE 42: AGE OF HEAD OF HOUSEHOLD* IN DMH MHSA CAPTIAL INVESTMENT PROGRAM—PERMANENT SUPPORTIVE HOUSING (2017-21)



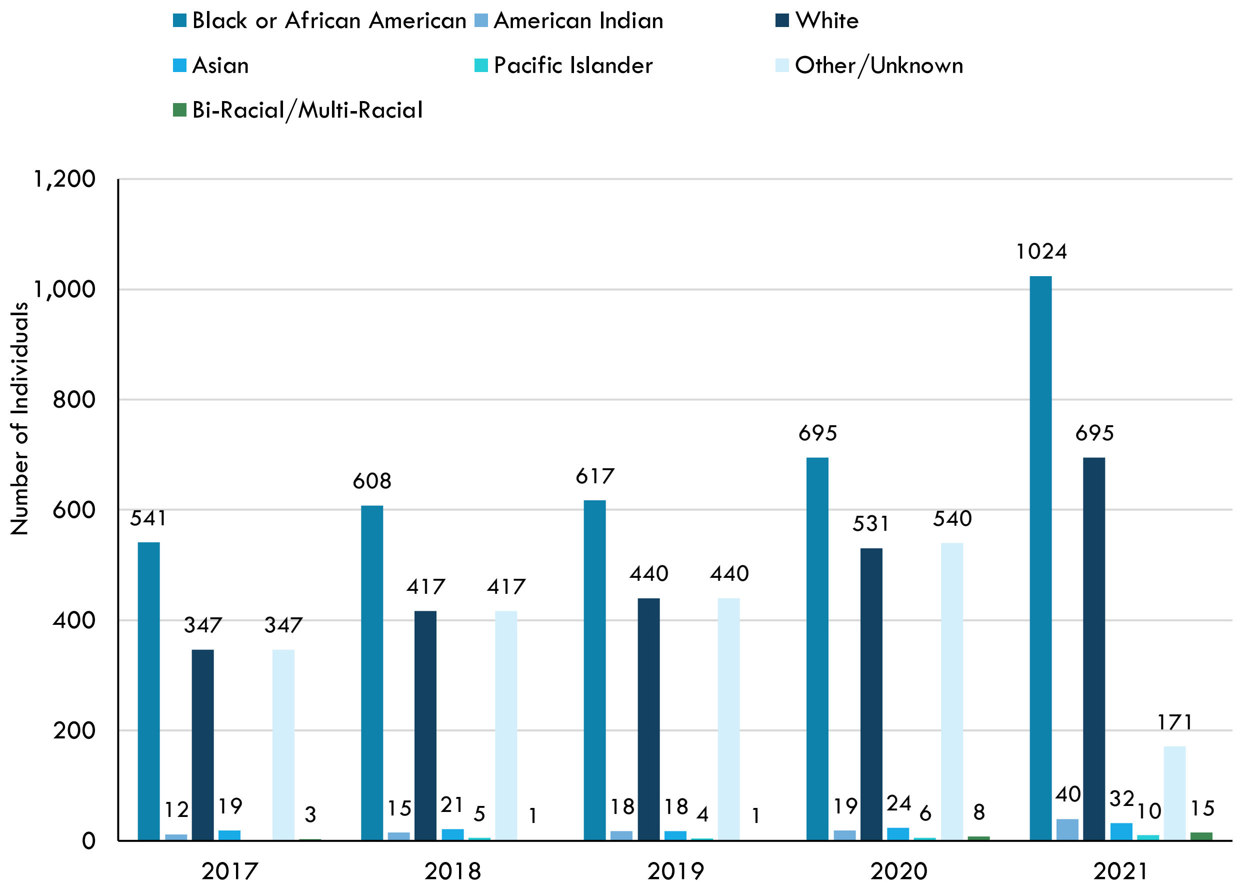
*Total number of households housed in each calendar year. Some households may be represented in multiple years. Households where head of households' age was not identified are not represented.

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)

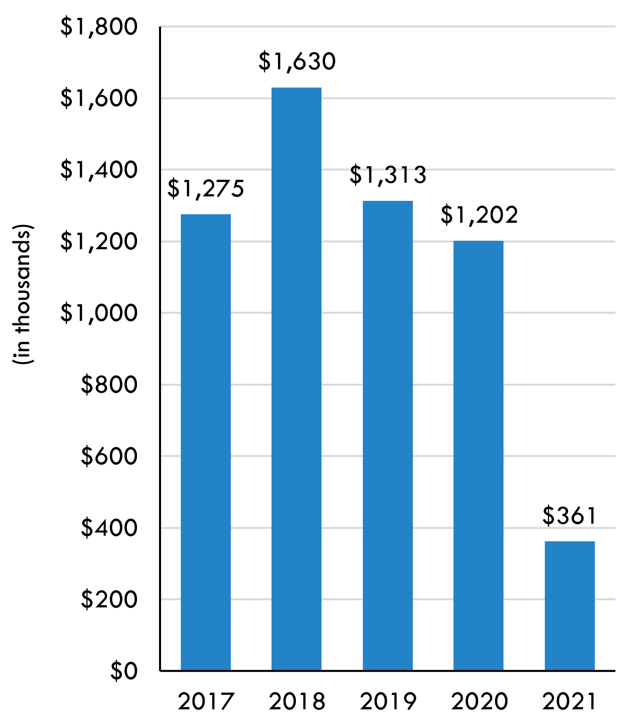


TABLE 41: DMH MHSA COSR SUBSIDIZED HOUSEHOLDS

	# 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)

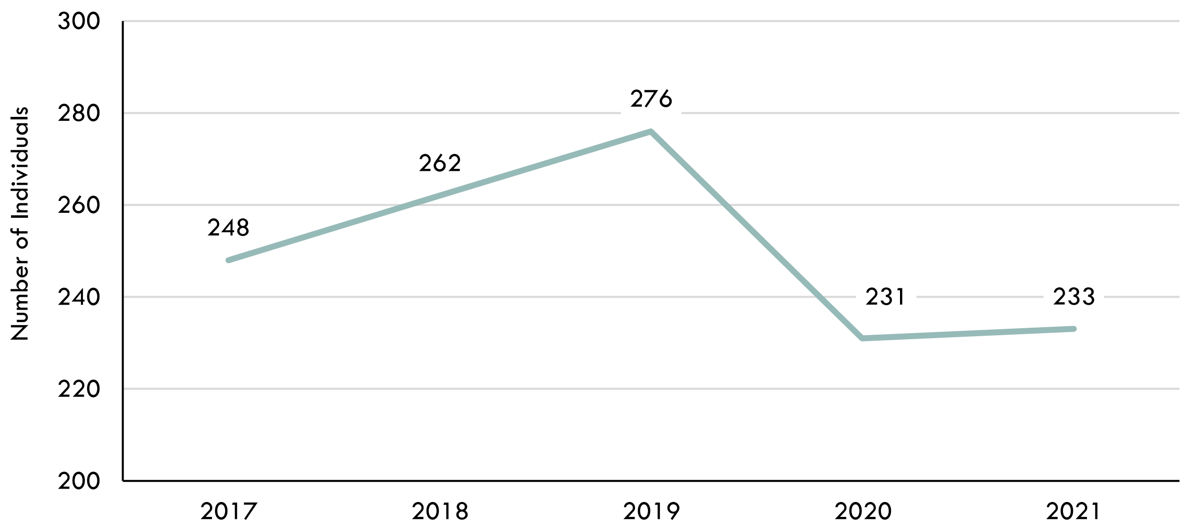
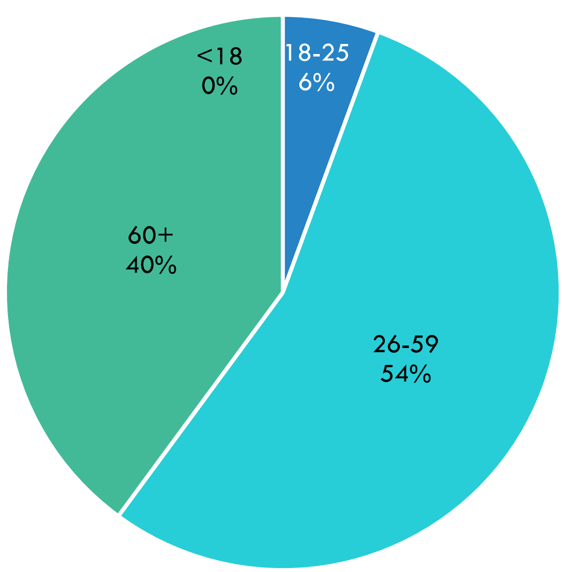
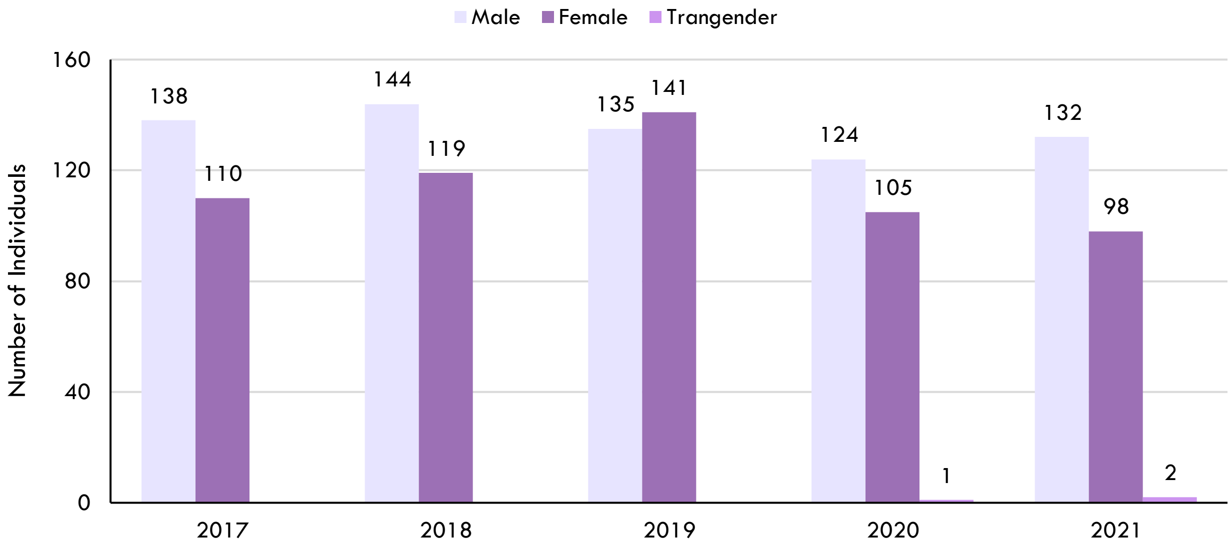


FIGURE 47: AGES OF DMH MHSA COSR RECIPIENTS (2021)



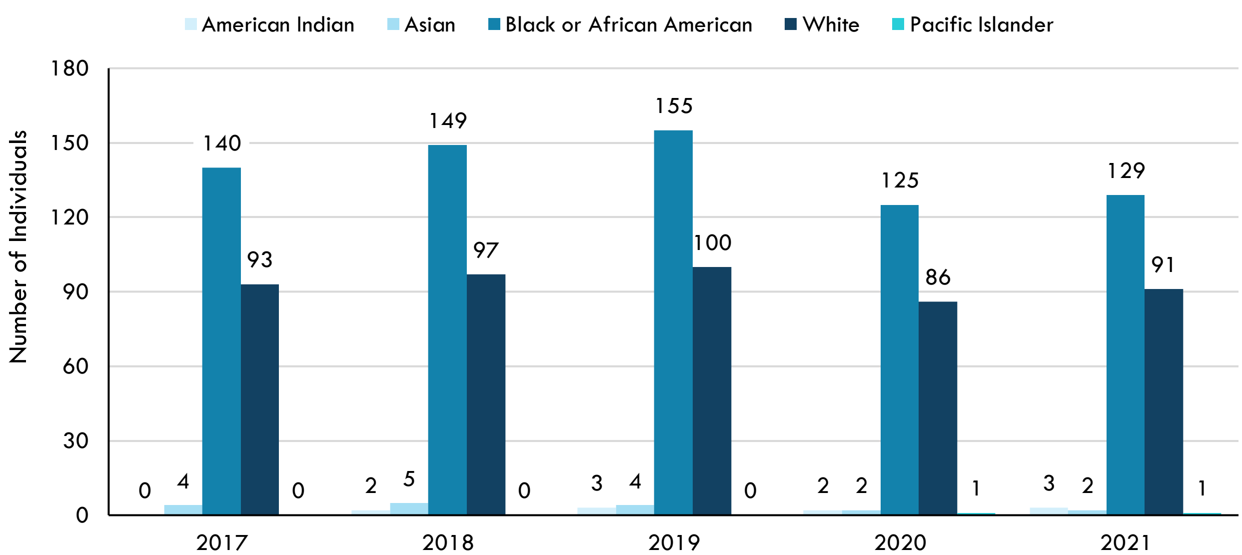
Age Categories	# of Individuals
< 18	0
18-25	13
26-59	127
60+	93

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.

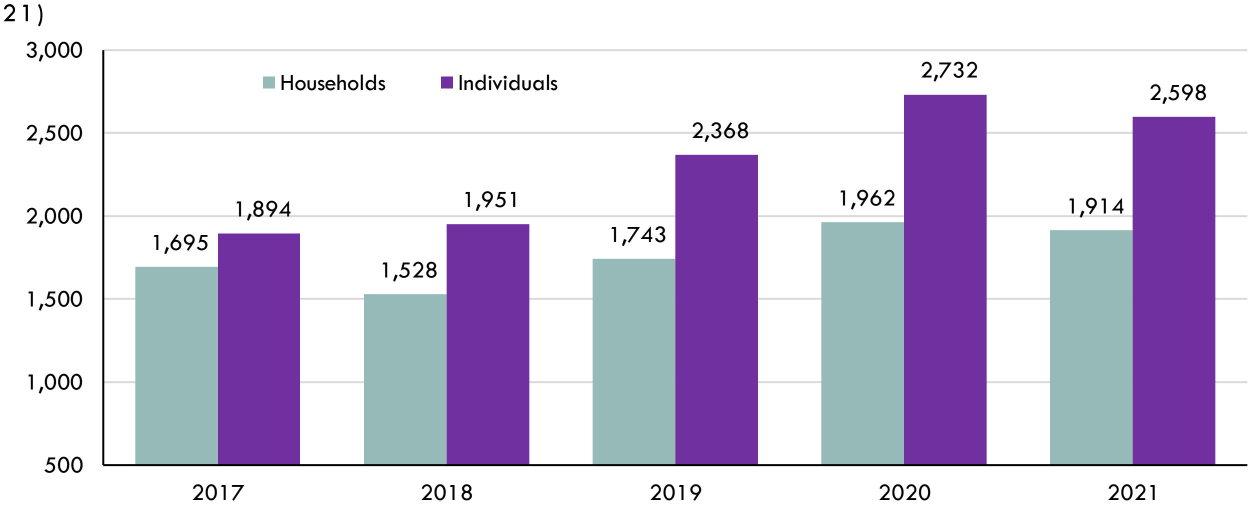
A summary of FHSU Program outcomes and demographics is shown in Tables 43 through 49 and Figures 50 through 52. Items of note in 2021 include:

- 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)

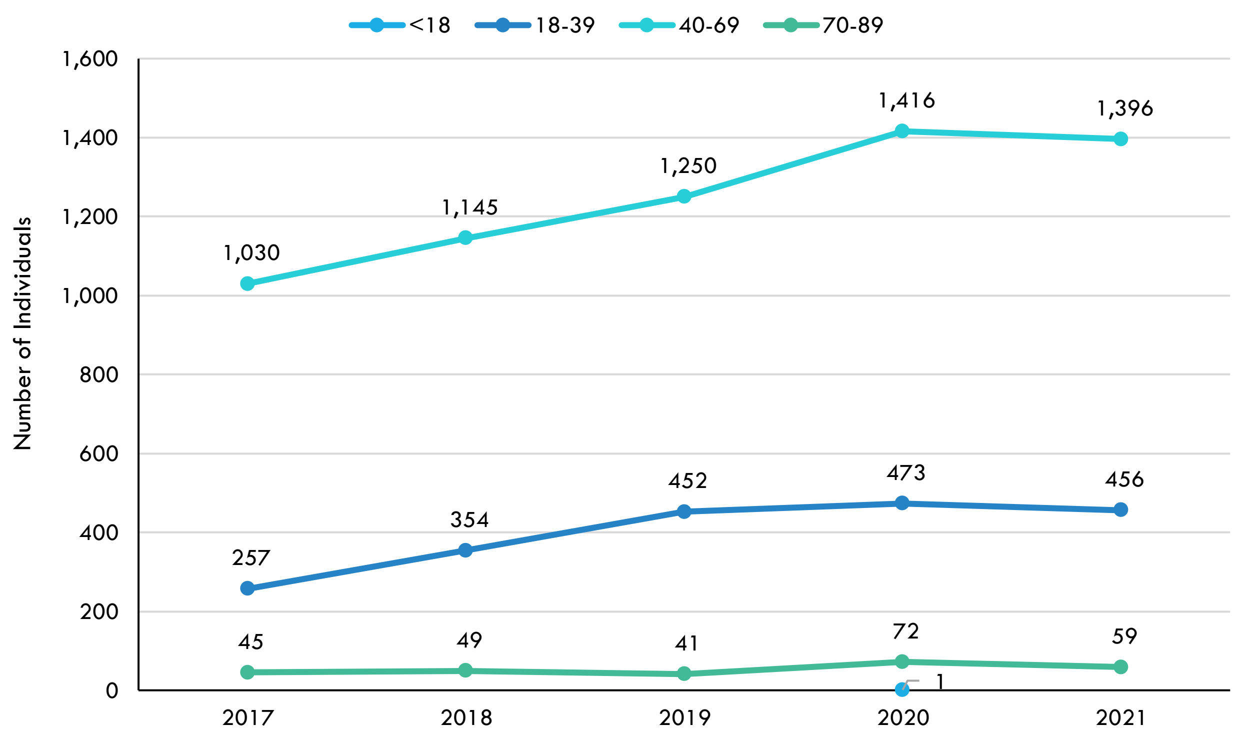
	# of Households	% Change from 2020
HACLA CoC	1,002	+3%
LACDA CoC	740	+16%
LACDA HCVP	26	-13%
HACLA TBSH	239	-7%
HACLA HS8	14	-89%

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%

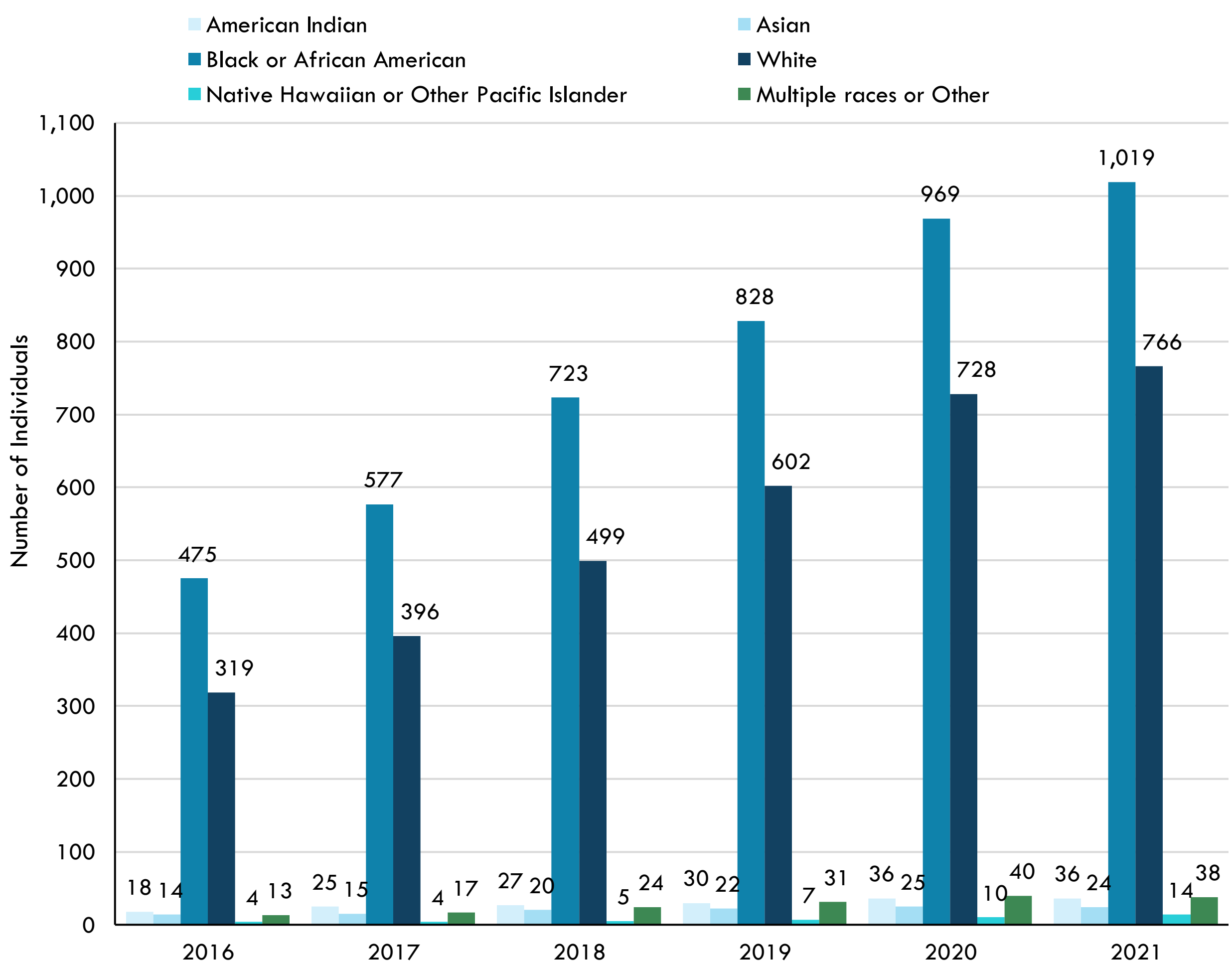
Gender reported is based on head of householder.

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)

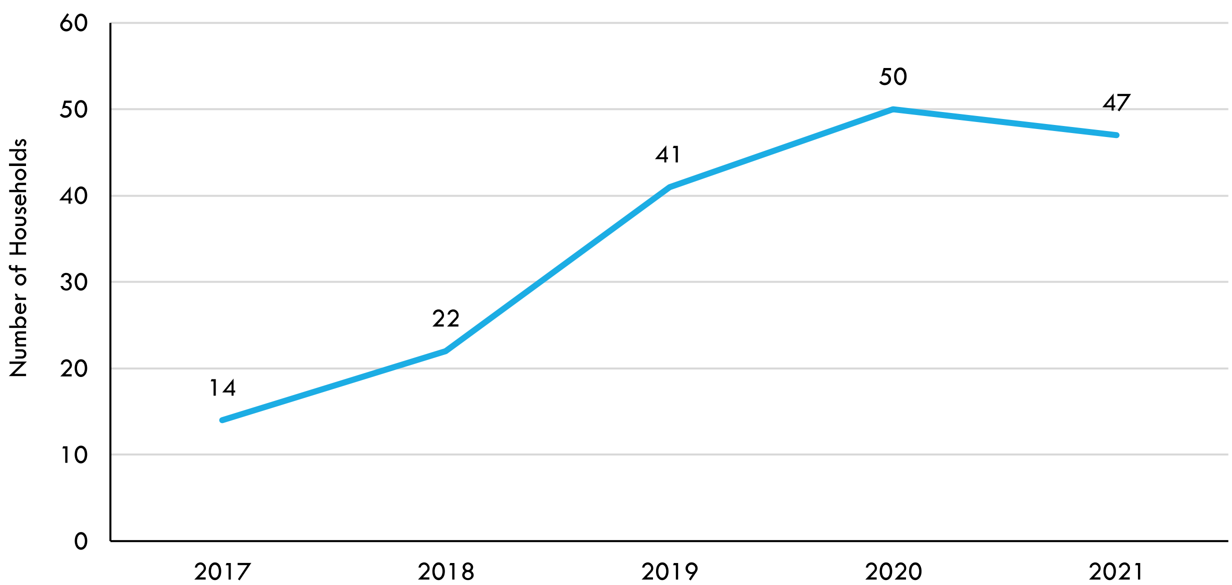
	Amount	% Change from 2020
Funds Utilized	$840,019	-7%
Average Monthly Cost per Tenant*	$1,321	-5%

**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)



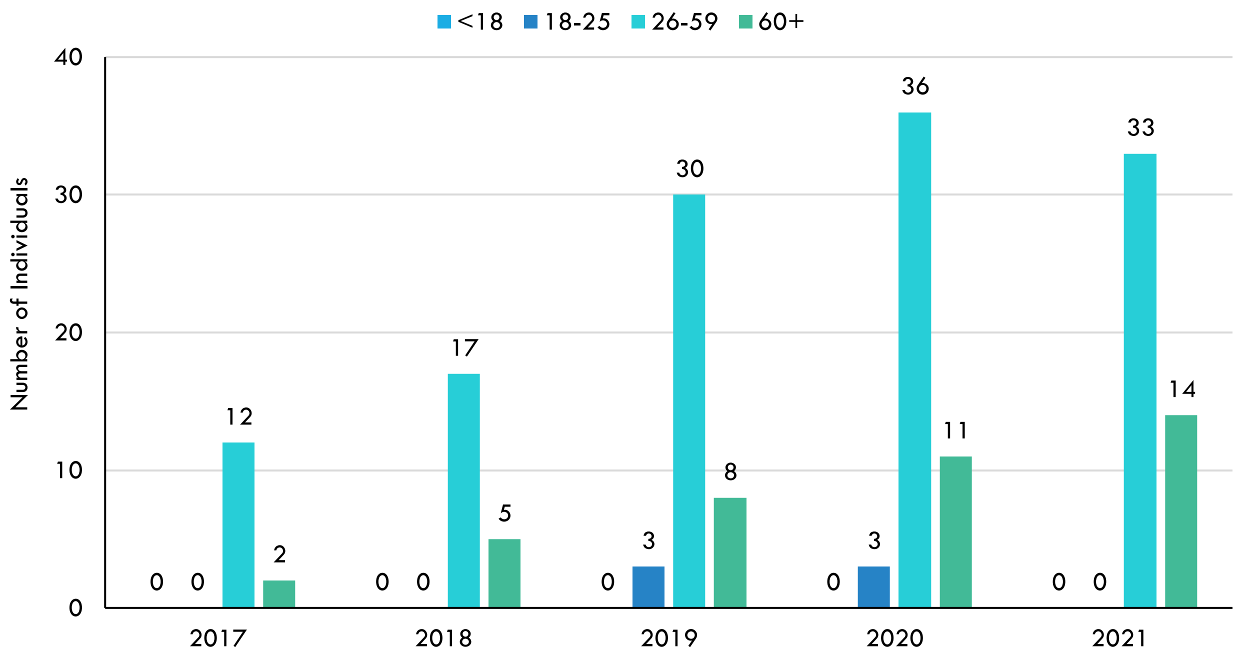
**Total number of households housed in each calendar year. Some households may be represented in multiple years.*

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)



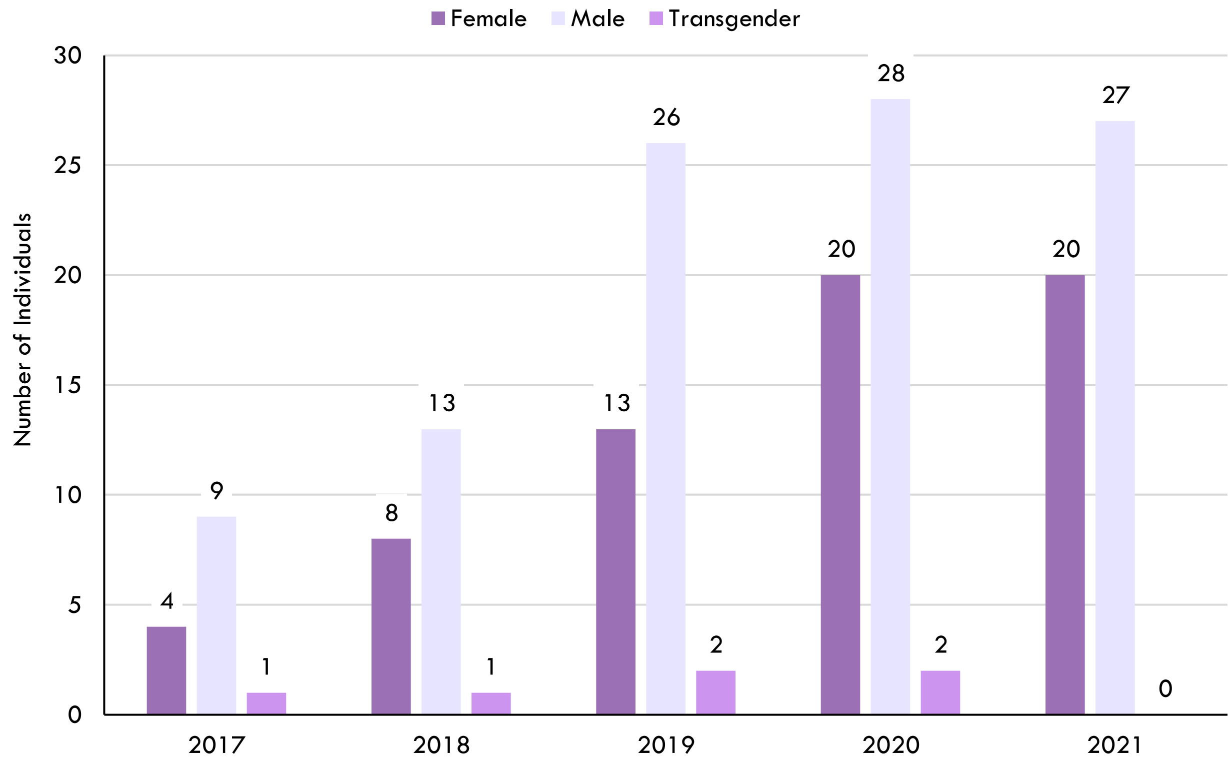
Total number of recipients in each calendar year. Some individuals may be represented in multiple years. Age reported is based on head of householder.

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%

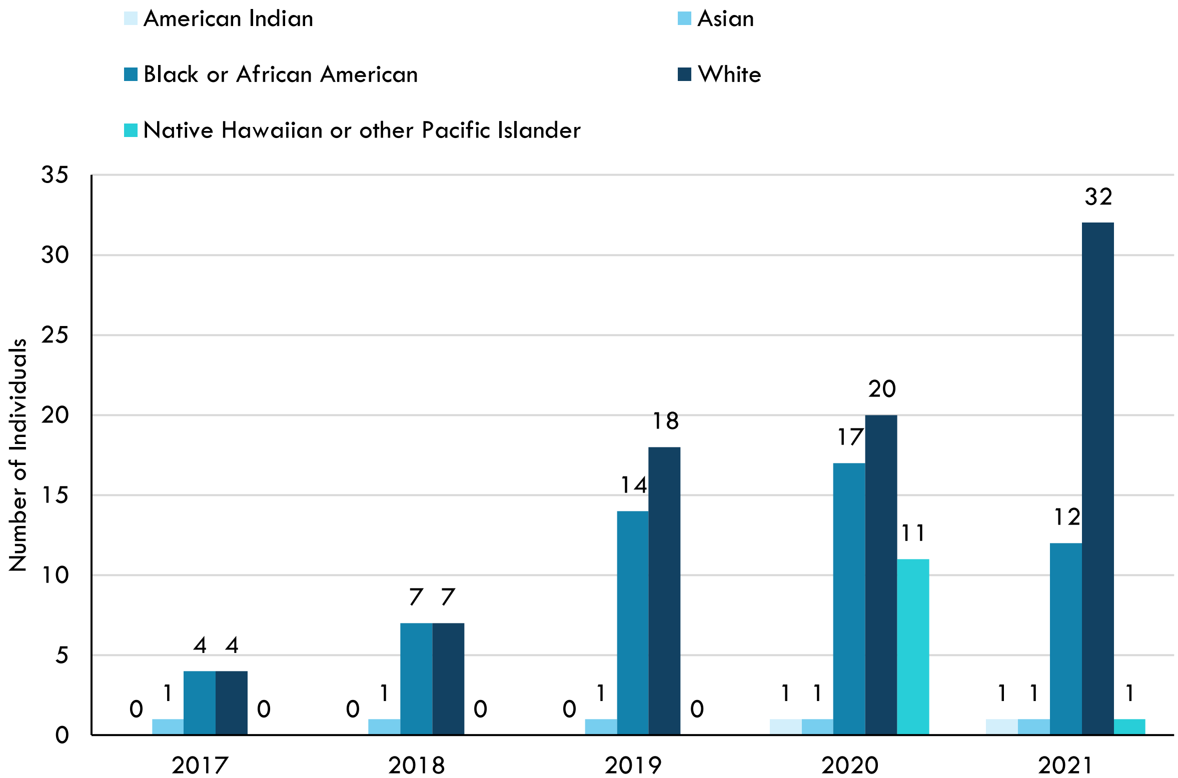
**Race reported is based on head of householder.*

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)

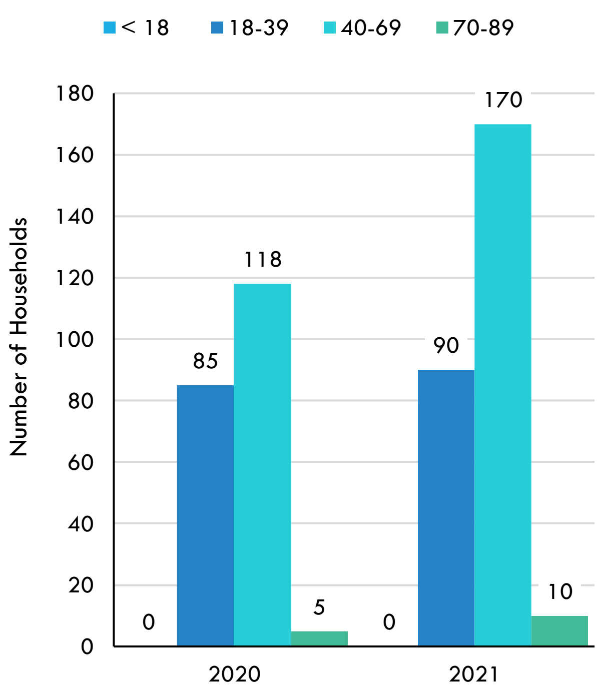


FIGURE 58: GENDER OF DMH HFMH TENANT- BASED PROGRAM CLIENTS (2020-21)

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)

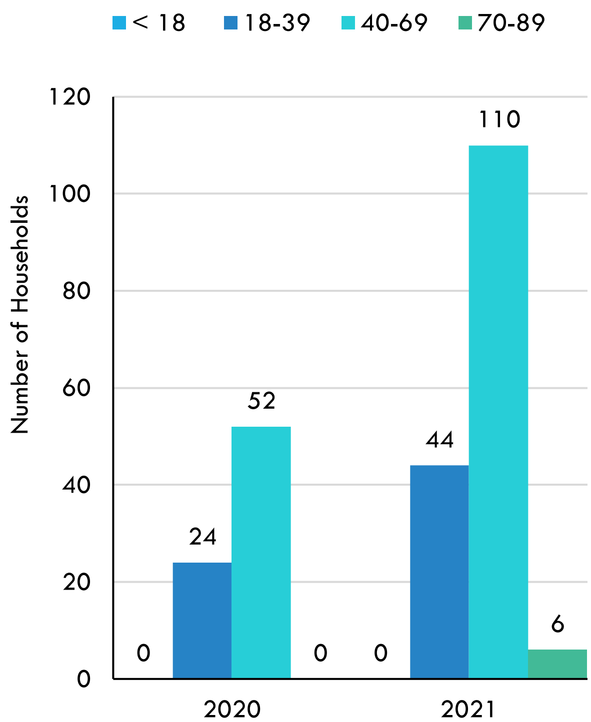
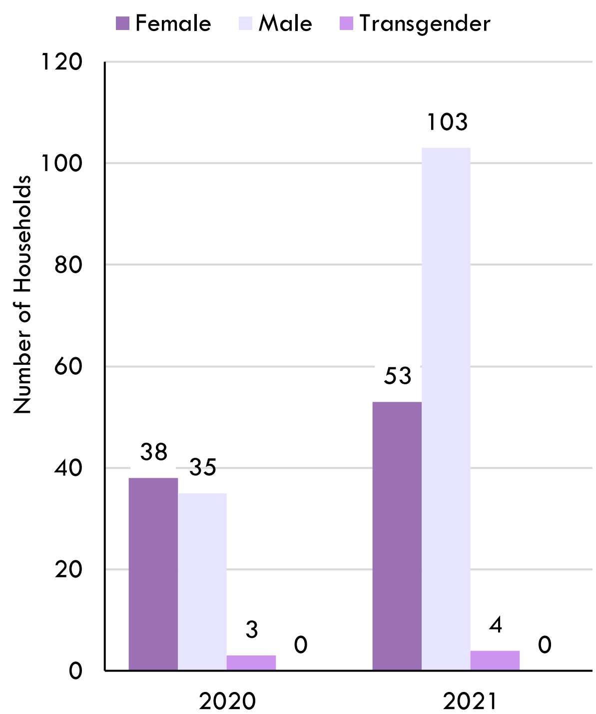


FIGURE 60: GENDER OF RECIPIENTS IN HFMH PROJECT-BASED SUBSIDIZED UNITS (2020-21)



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.*

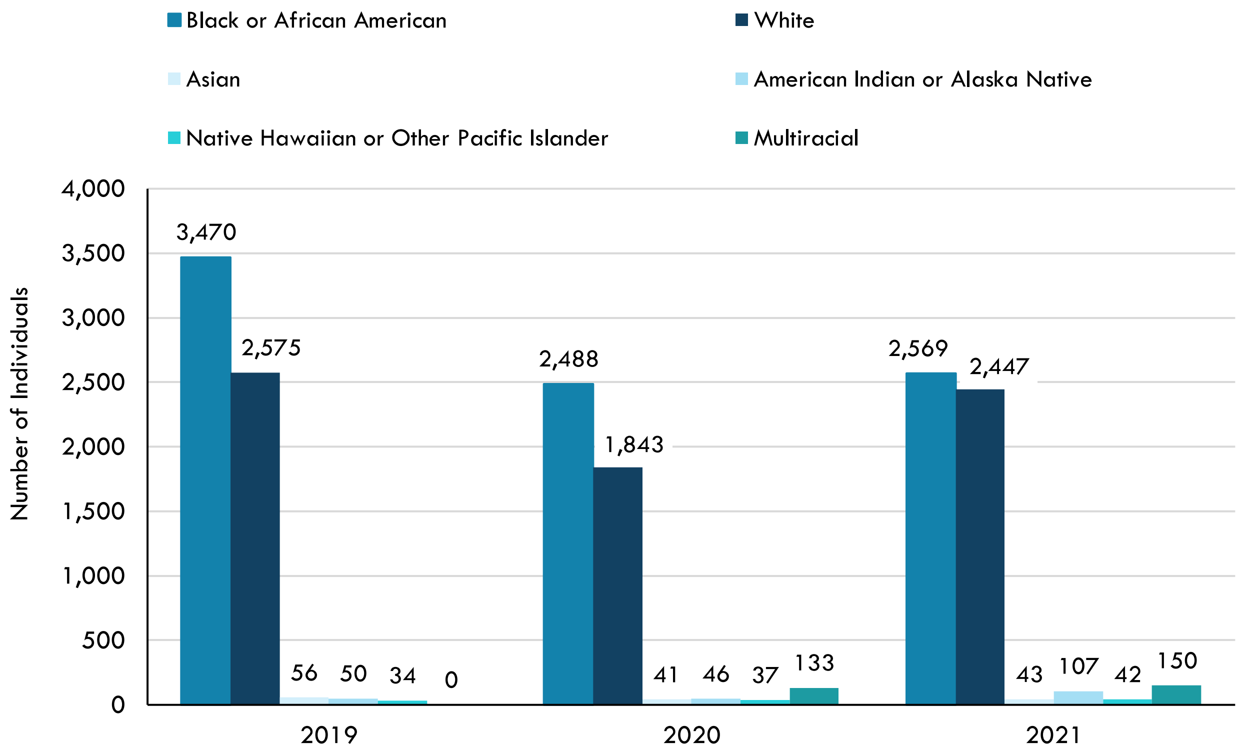
TABLE 67: LAHSA RRH PROGRAMS (2021)

	# 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]

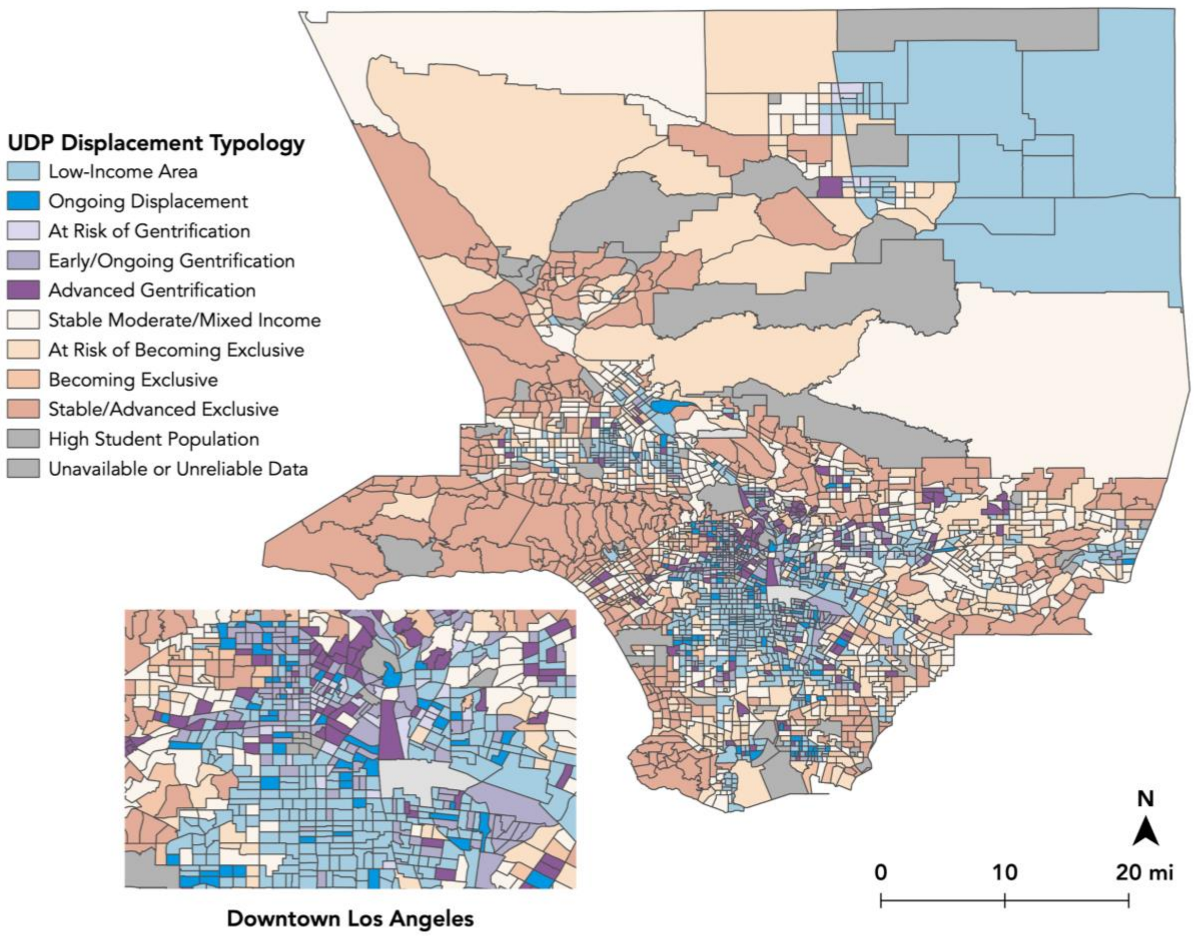
- **Low-Income Area/Susceptible to Displacement:** Identifies low-income or mixed low-income neighborhoods affordable to low-income households, but that could develop gentrification and displacement pressures in the future.
- **Ongoing Displacement of Low-Income Households:** Identifies low-income or 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,

[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



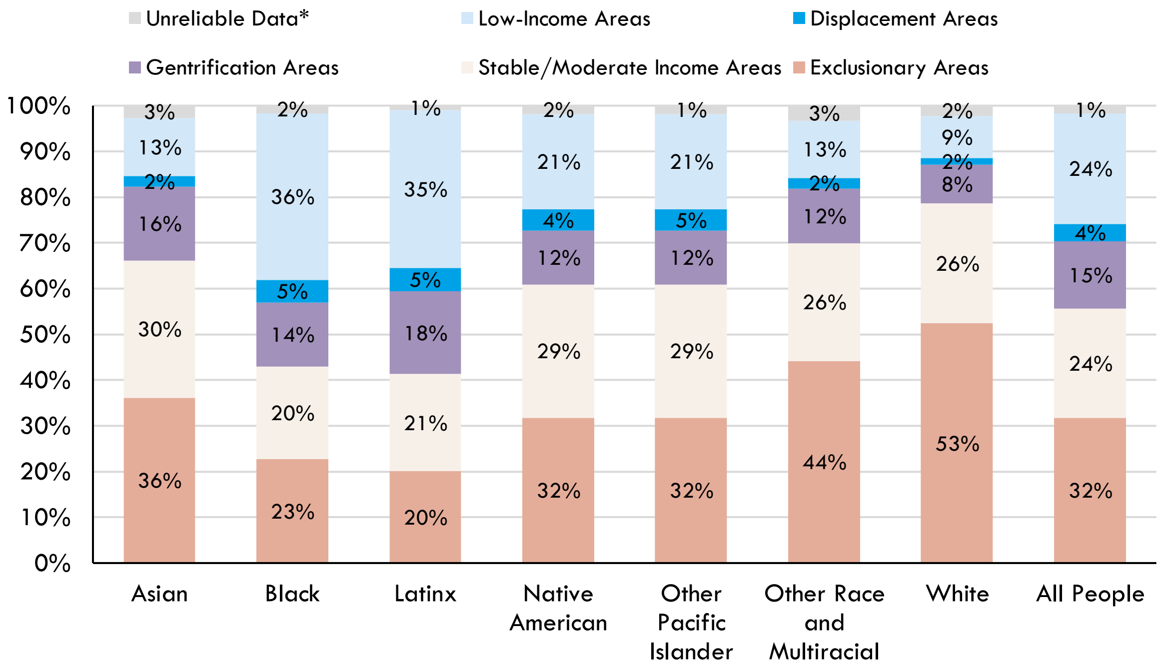
Neighborhood Displacement, Gentrification, and Exclusion by Race and Ethnicity

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.

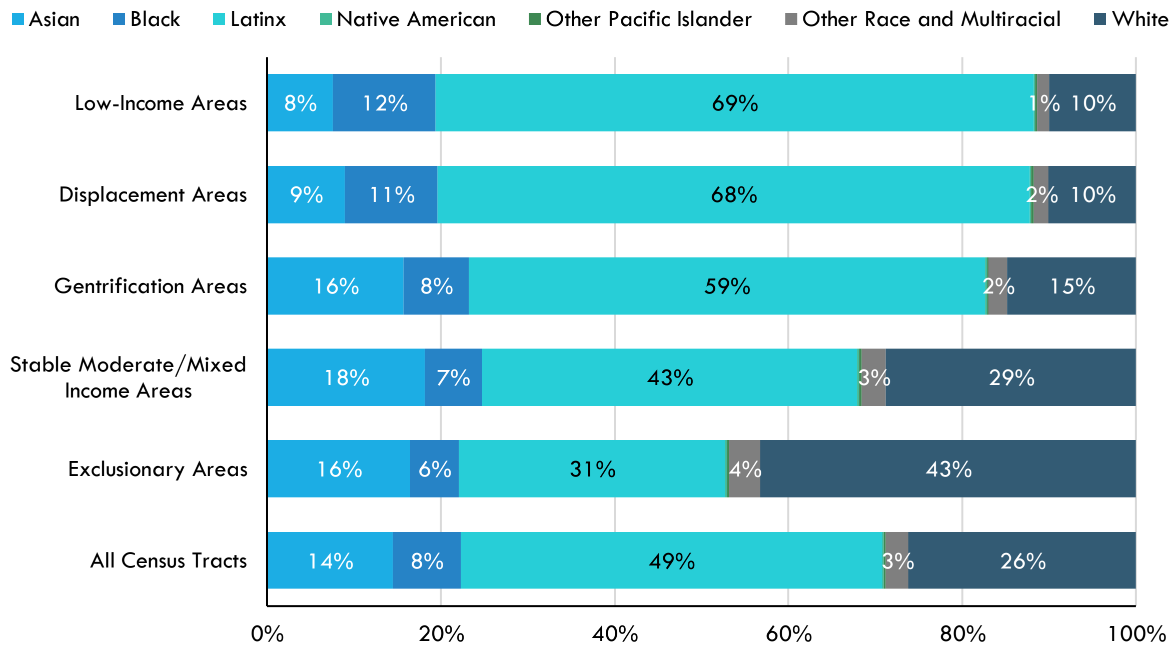
FIGURE 63: SHARE OF RESIDENTS LIVING IN EACH UDP DISPLACEMENT TYPOLOGY – BY RACE AND ETHNICITY[70]



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

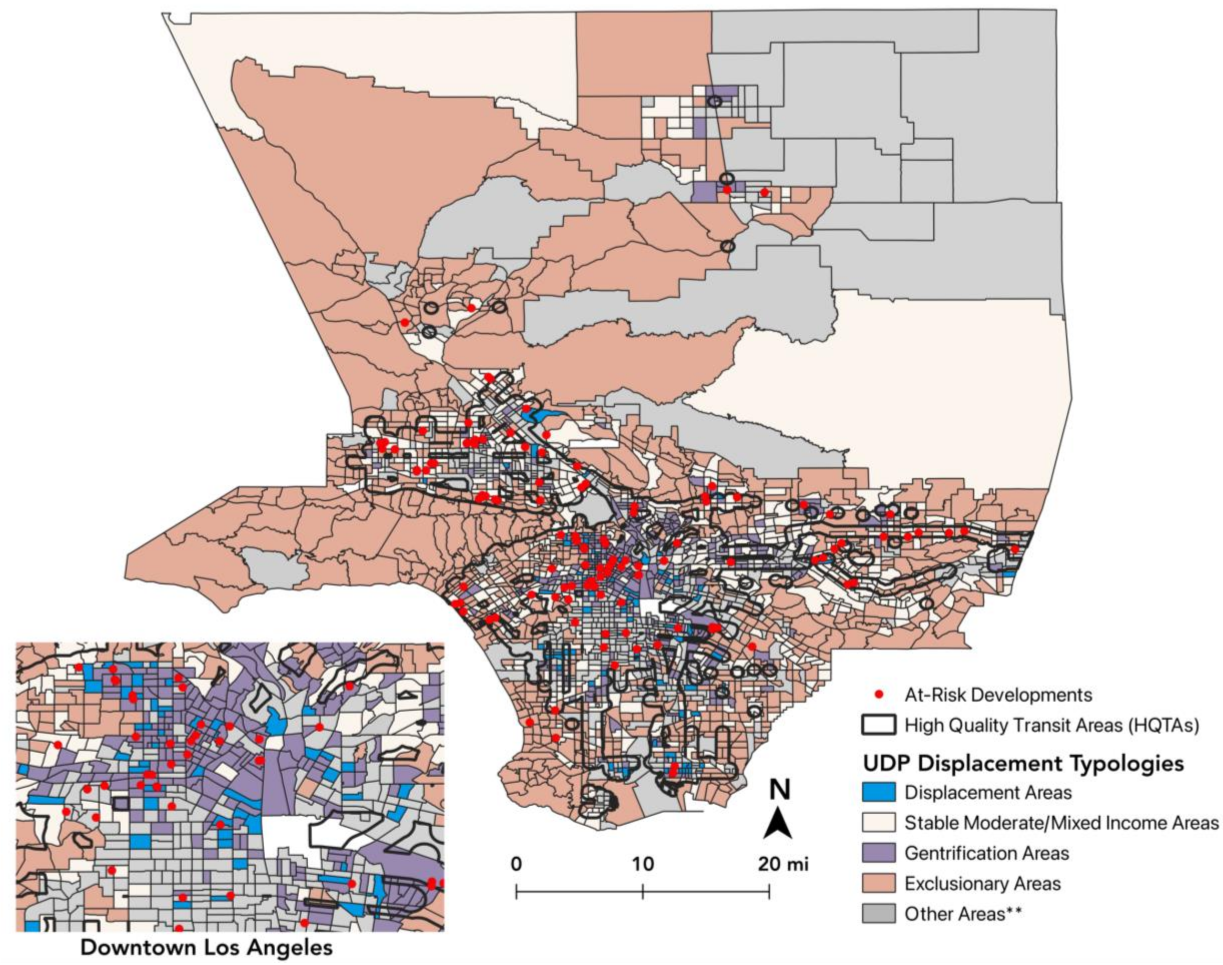
Figure 65 and Table 71 below show the existing inventory of at-risk subsidized affordable housing in the County, as described in Section 2 of this report, relative to areas currently or at risk of experiencing gentrification and displacement. More simply, this section of the analysis explores the distribution 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.

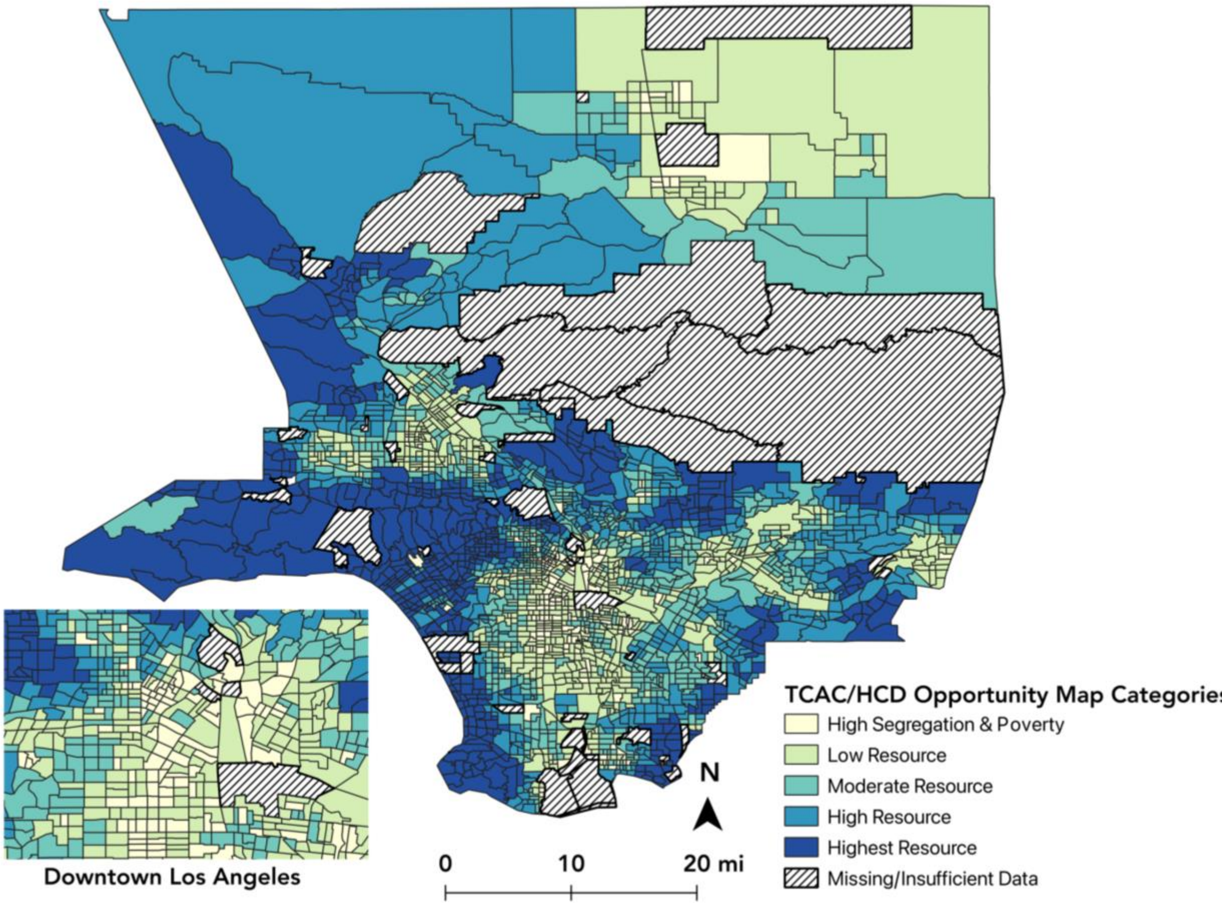
Neighborhood Resources and Opportunity

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.

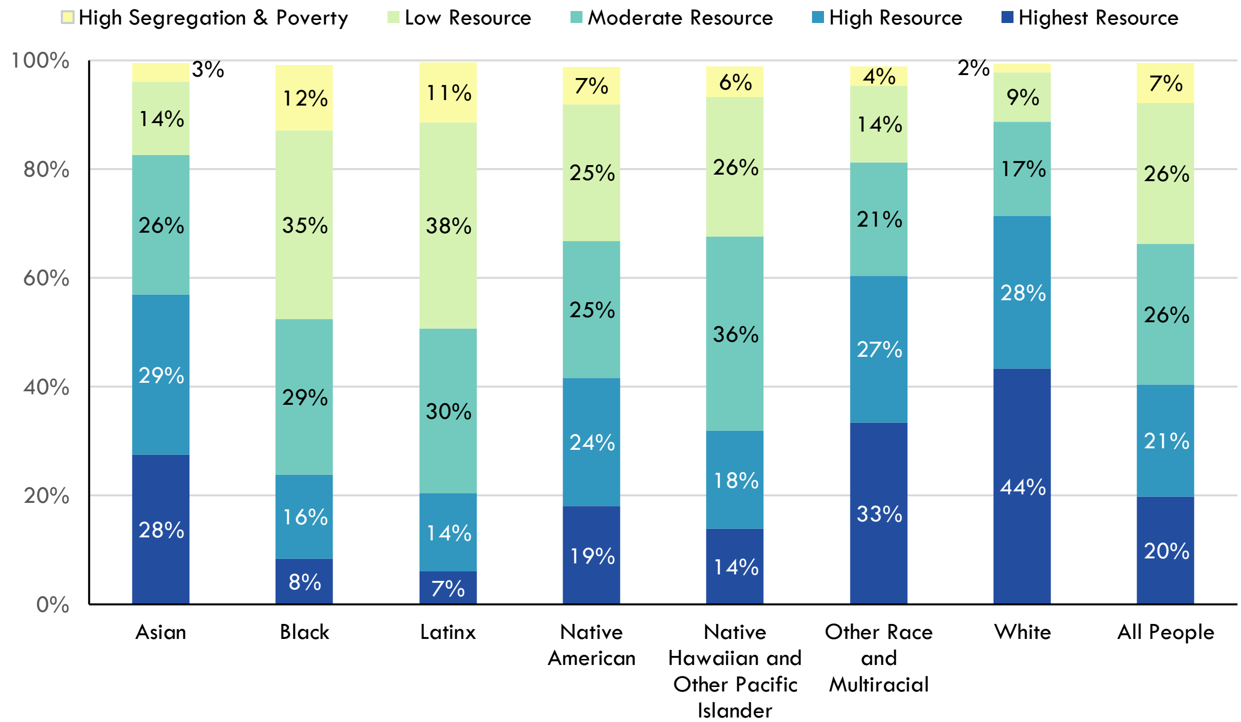
FIGURE 66: TCAC/HCD OPPORTUNITY MAP FOR LOS ANGELES COUNTY



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.

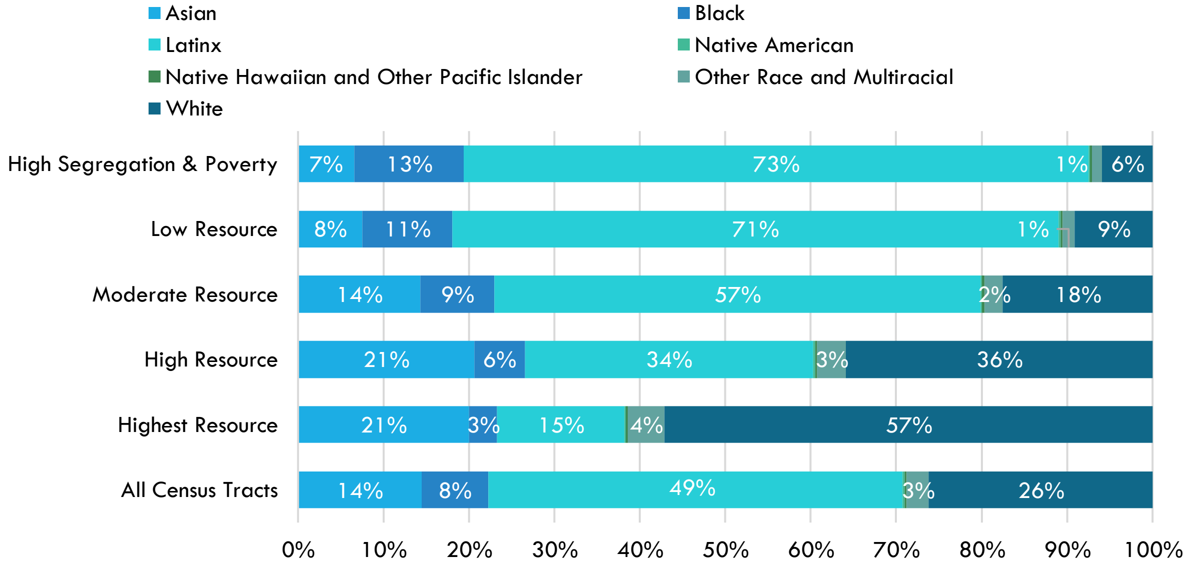
FIGURE 67: SHARE OF RESIDENTS LIVING IN EACH OPPORTUNITY CATEGORY – BY RACE AND ETHNICITY



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

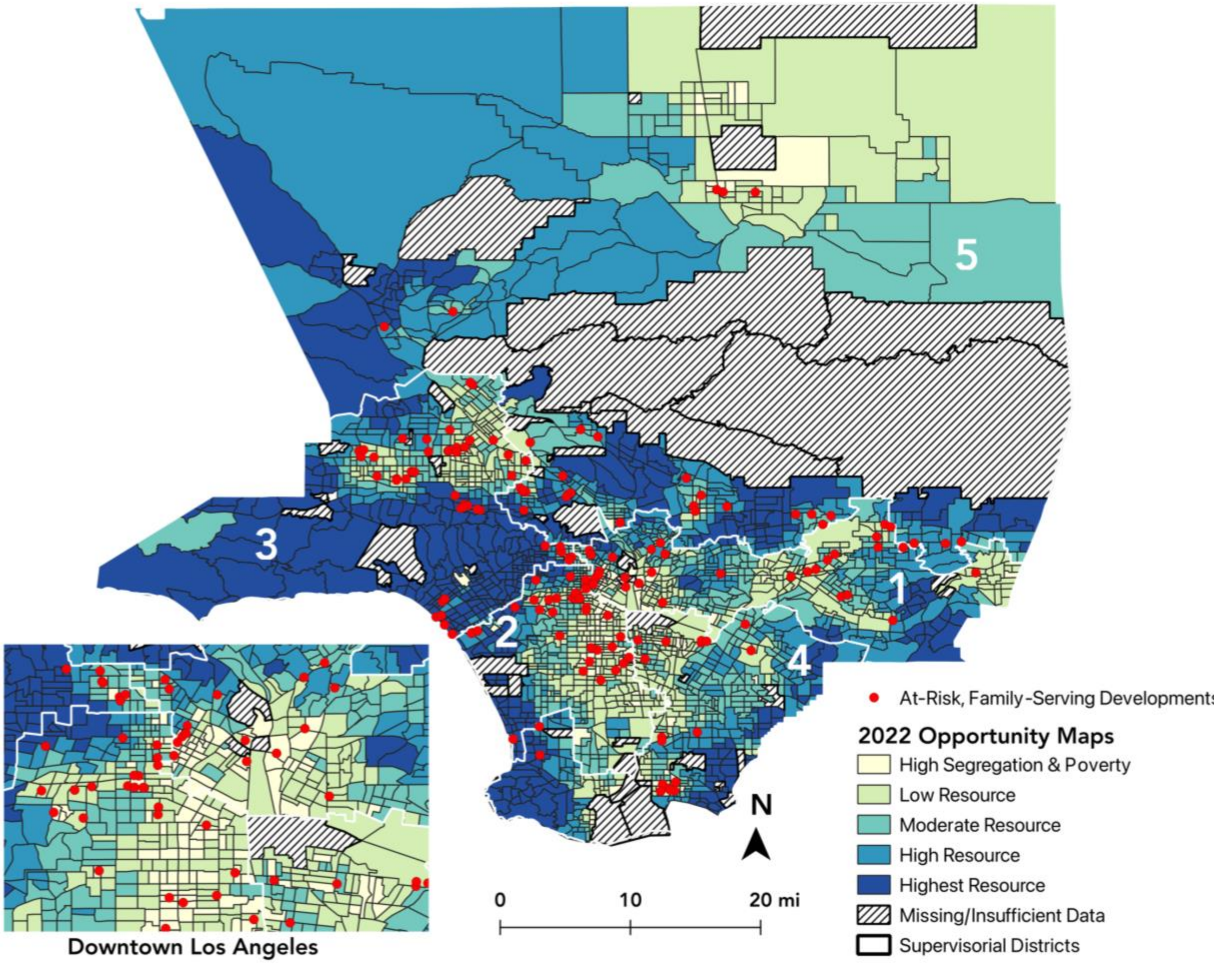


TABLE 72: DISTRIBUTION OF AFFORDABLE HOMES IN AT-RISK FAMILY-TARGETED DEVELOPMENTS BY NEIGHBORHOOD RESOURCES AND OPPORTUNITY

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%**

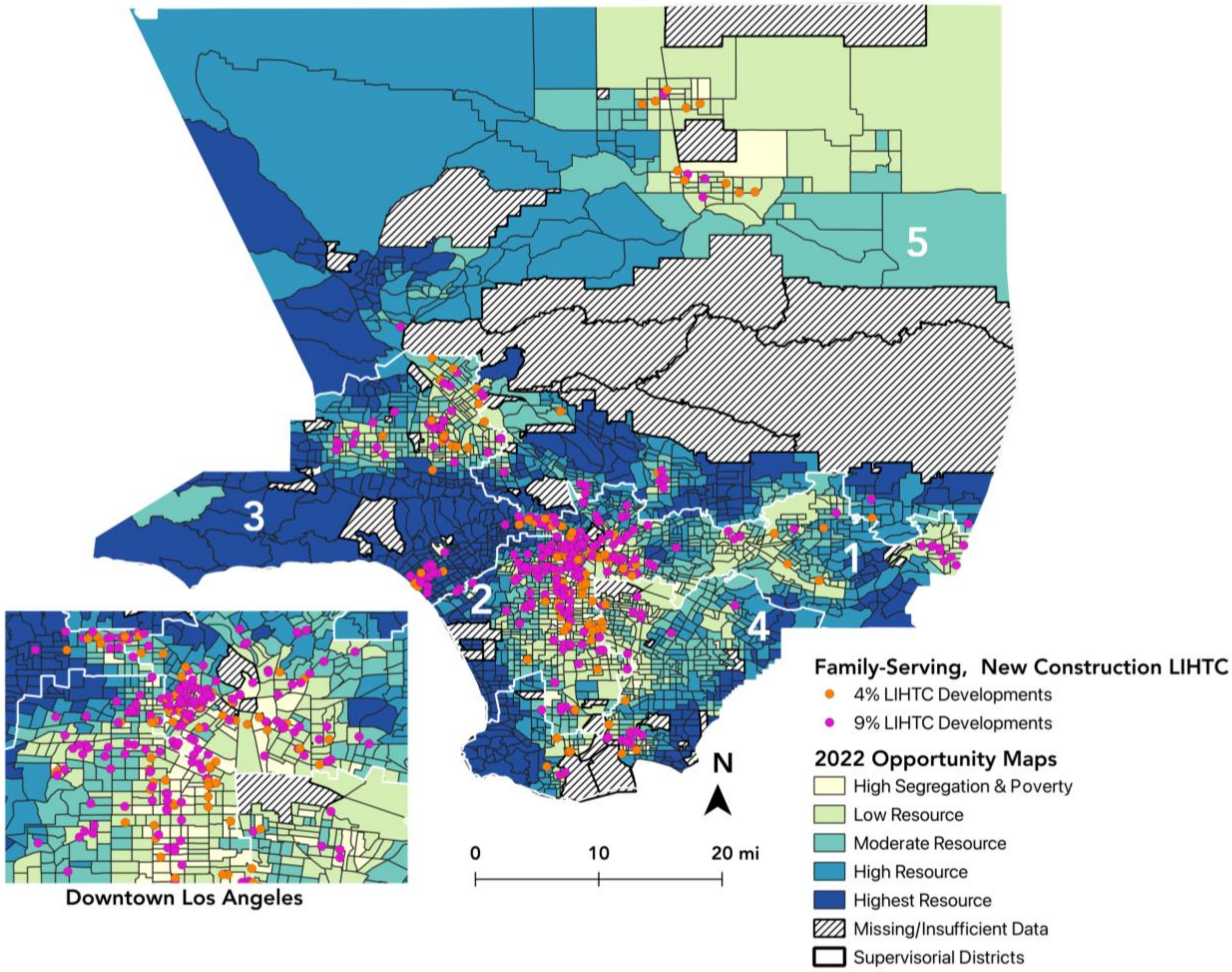
Source: California Housing Partnership Preservation Database, 2021. TCAC/HCD Opportunity Maps, 2021. Supervisorial District (SD) designations reflect updated boundaries adopted December 15, 2021.
**Percentage of all at-risk, family-targeted affordable homes in each SD. All percentages are rounded to 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.*

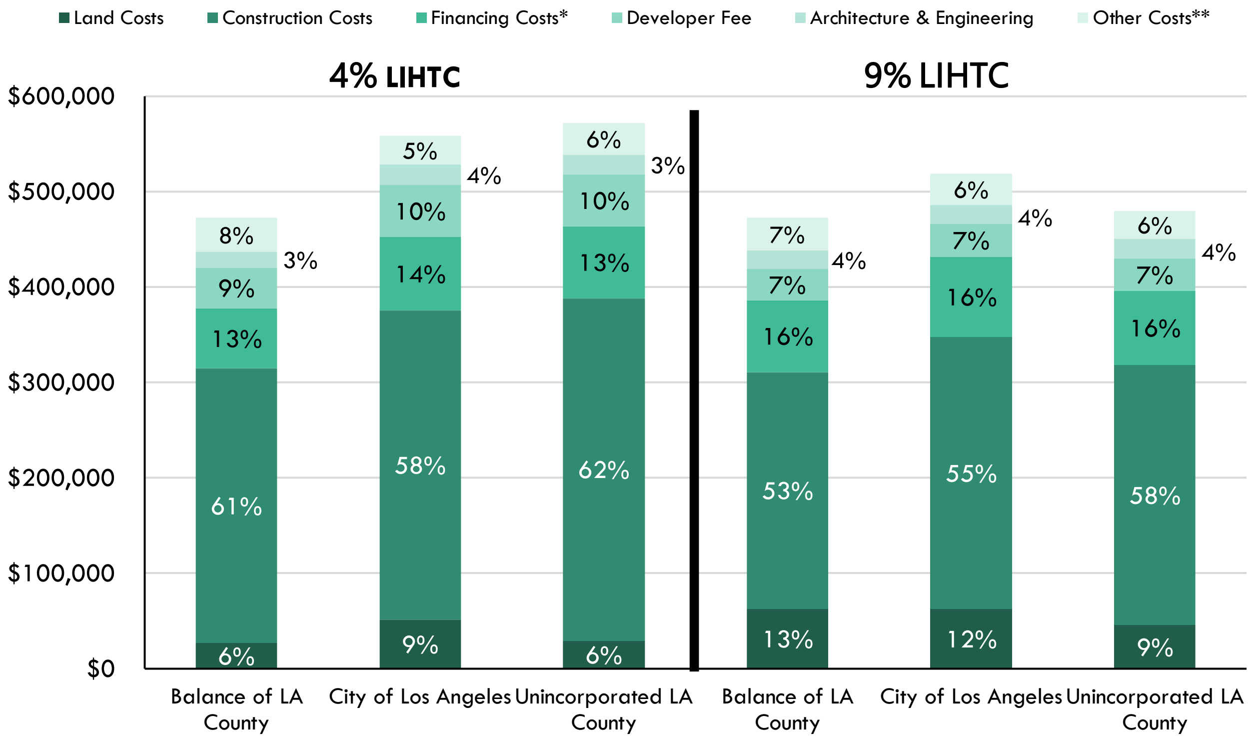
Affordable Housing Financing Trends – Cost Categories

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.

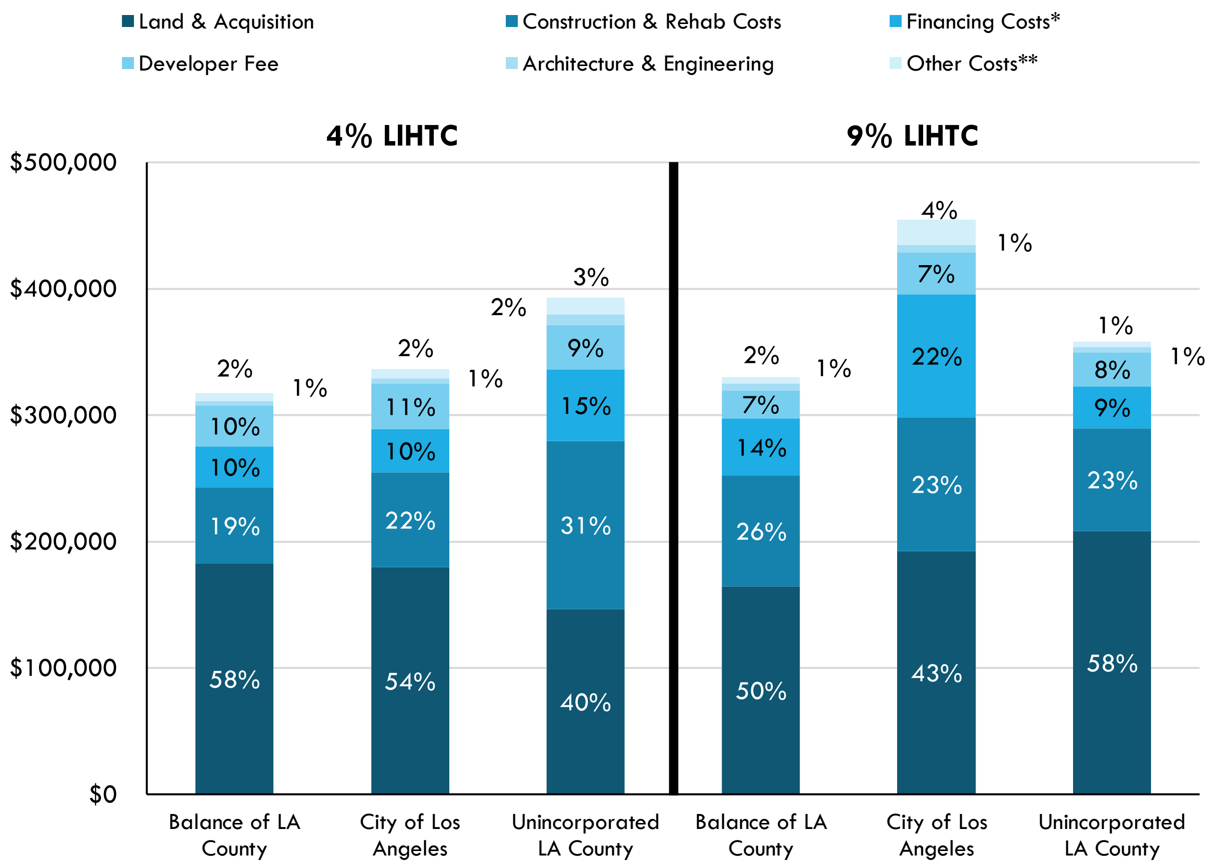
[85] As noted in Table 4, the total number of LIHTC developments in unincorporated LA County is small (37 developments), such that the median total development cost is heavily impacted by a few expensive developments.

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)



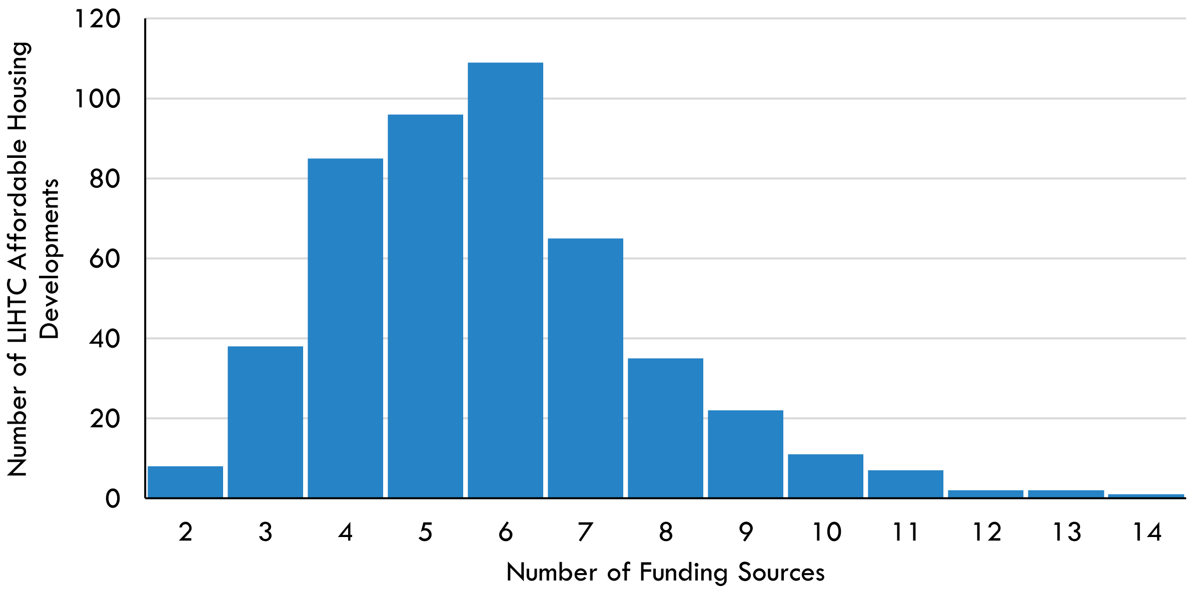
Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-21.
**'Financing costs' captures construction interest, permanent financing, legal fees, appraisals, and reserves.*
***'Other costs' captures expenses like insurance, local development and permit fees, 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]

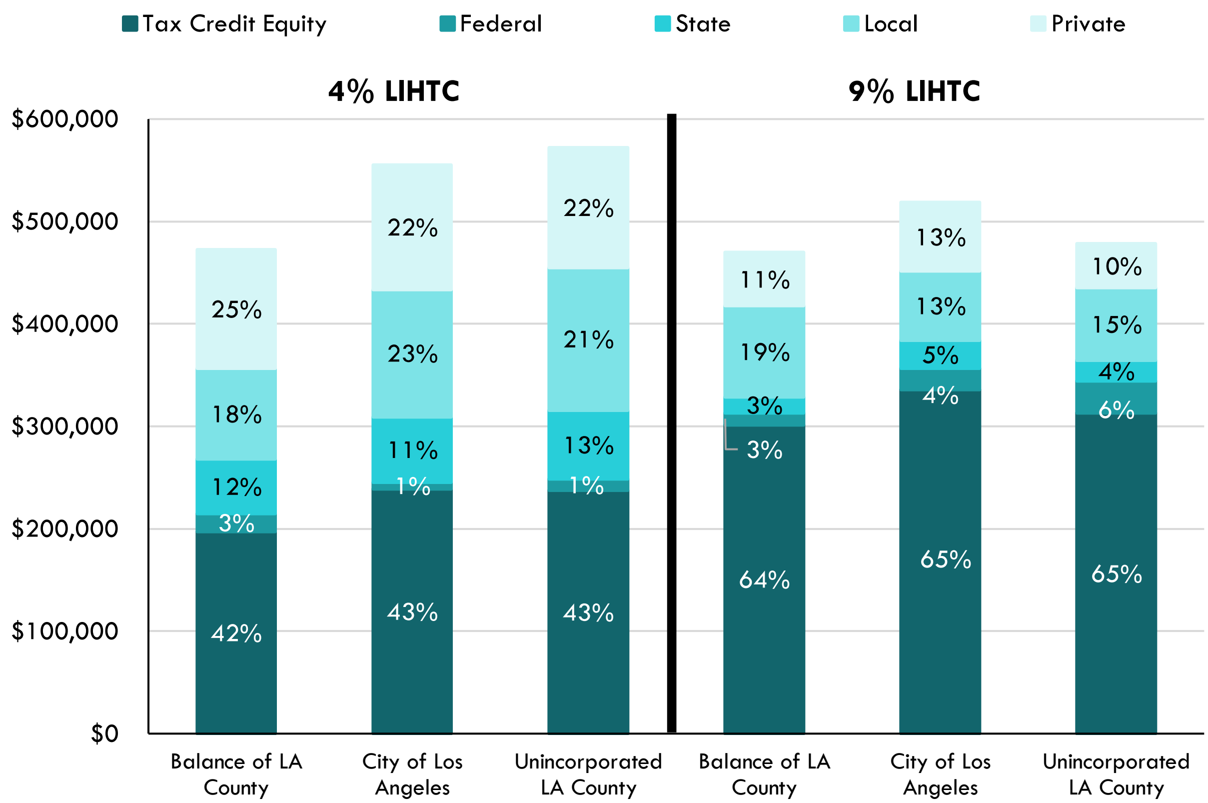
Federal, state, and local sources finance 33 to 35 percent of costs for 4 percent LIHTC developments and 22 to 25 percent of costs for 9 percent LIHTC developments on average. Federal sources include the HOME Investment Partnerships Program and the Community Development Block Grant Program, administered 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)



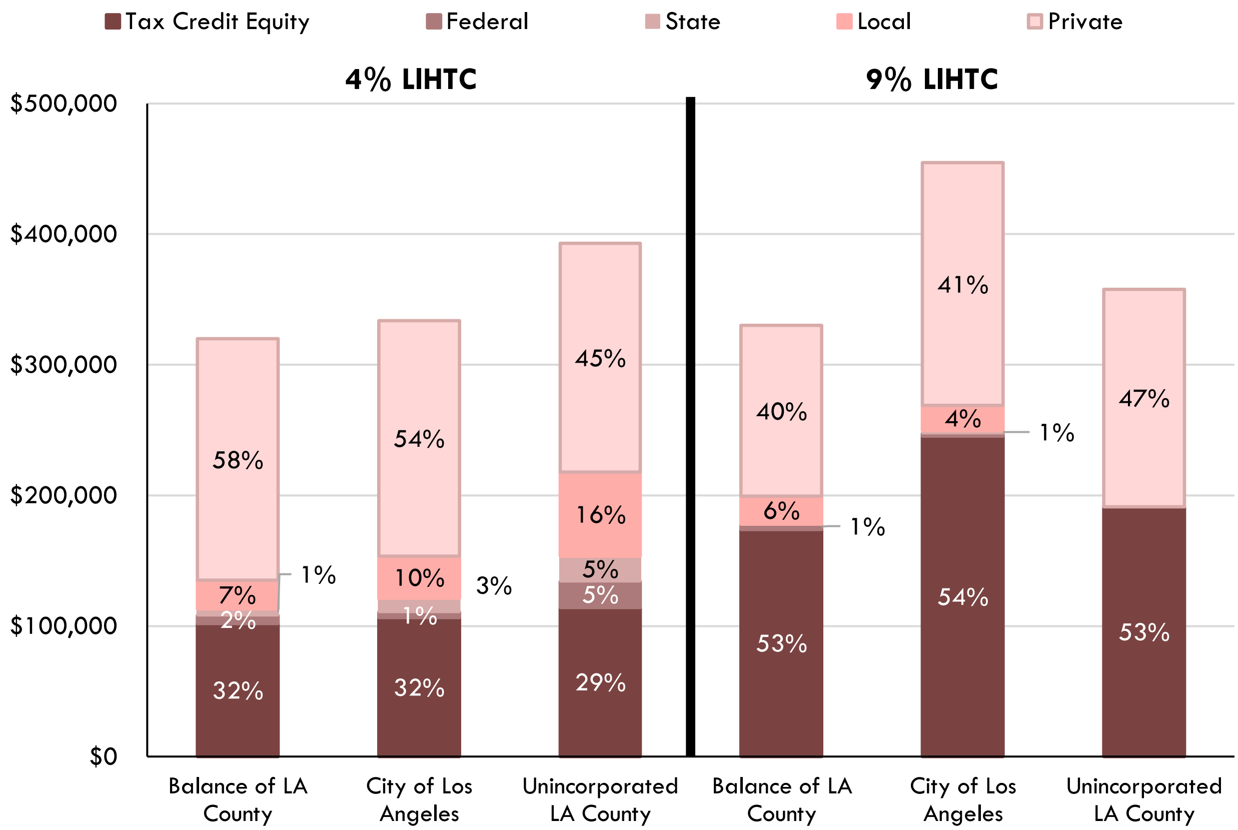
Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-21.

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)



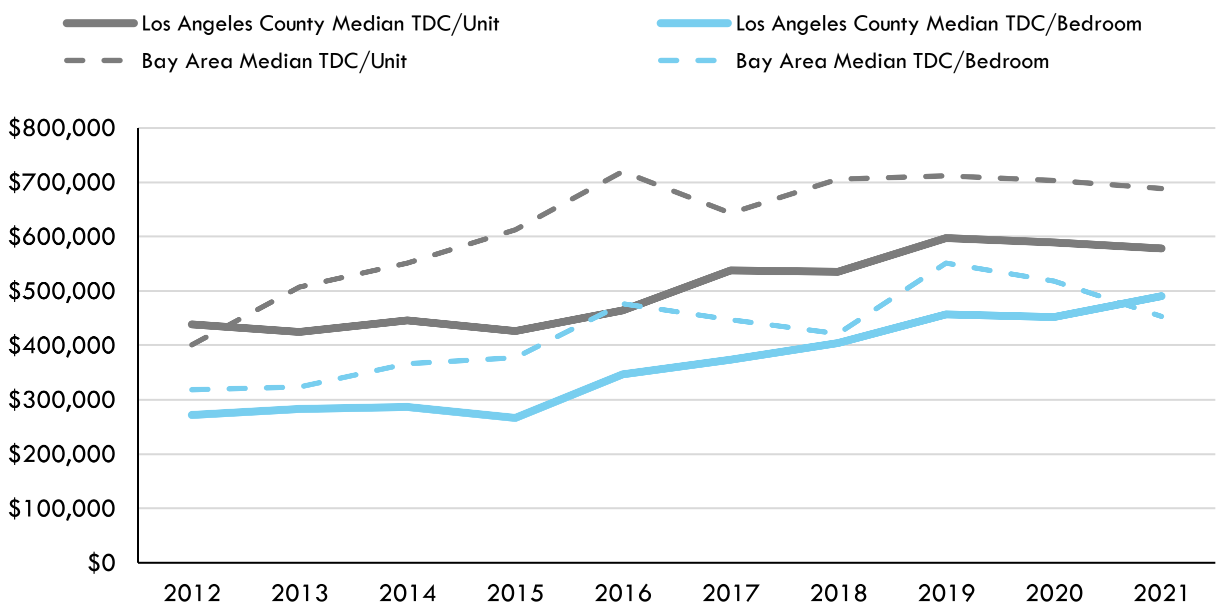
Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-21.

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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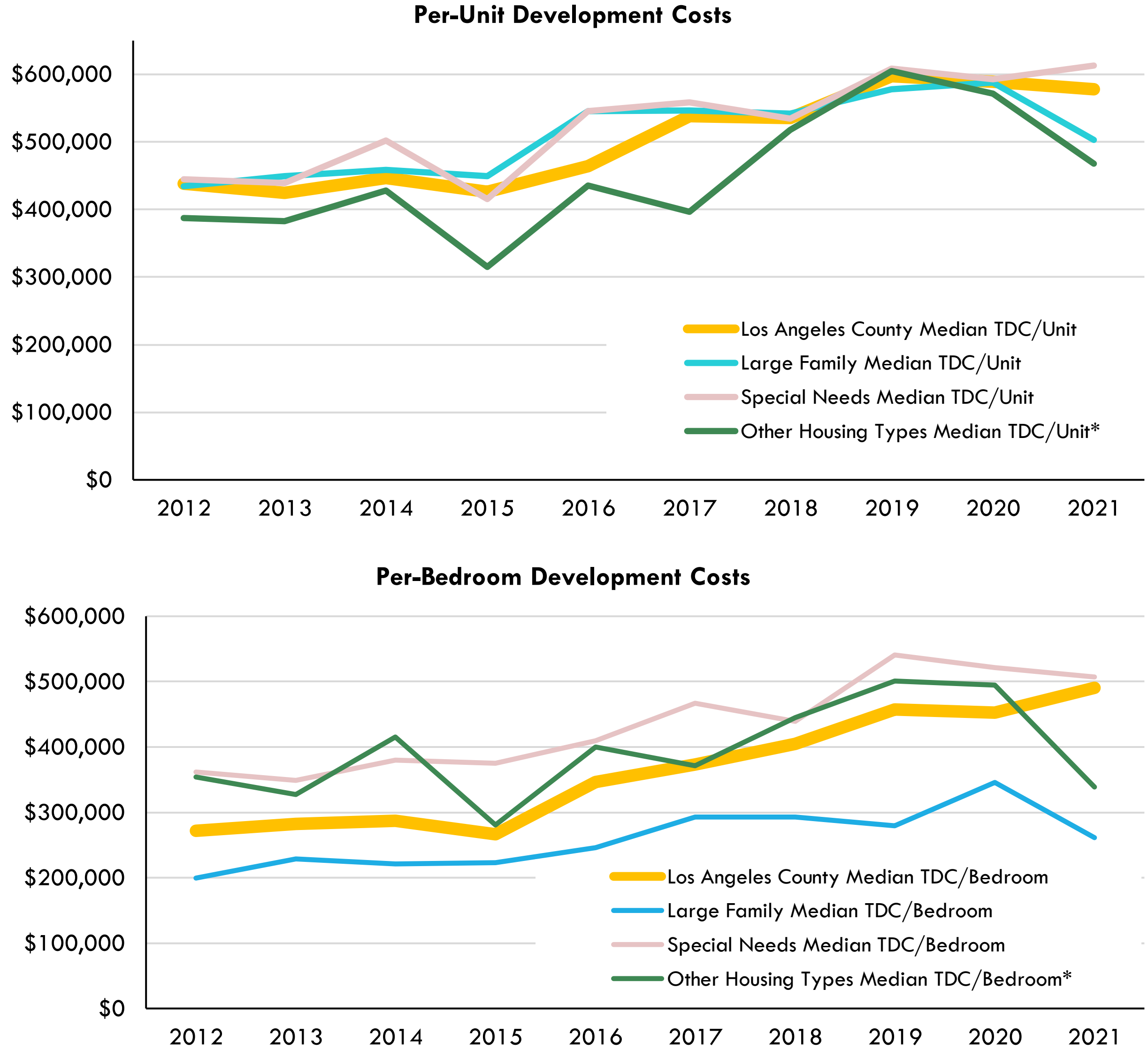
[90] TCAC uses "housing type" to identify the specific population to be served by the development and has four housing types—Large Family, Senior, Special Needs, and At-Risk—each with its own definition and eligibility. Senior properties, for example, house tenants 62 years and older. At-Risk refers 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$)



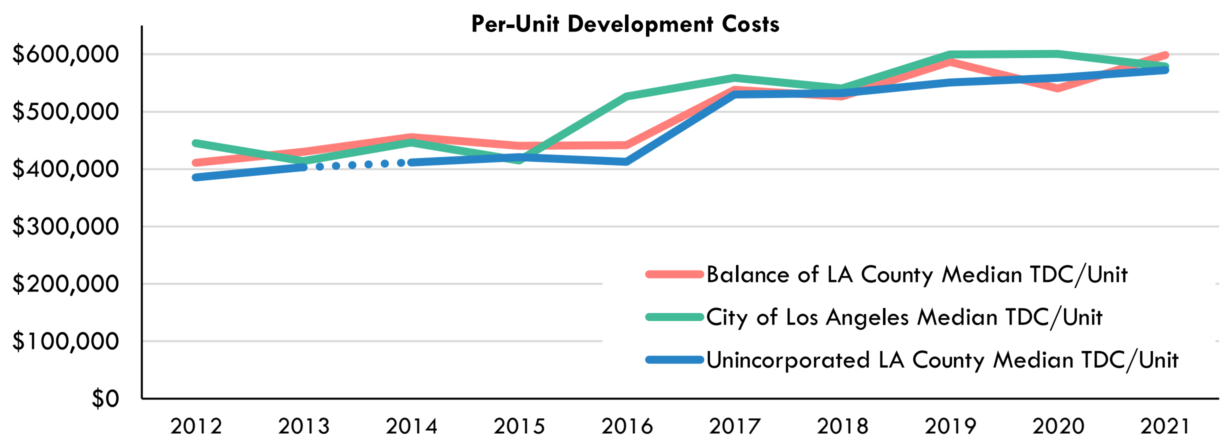
Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-21.
**'Other Housing Types' captures all TCAC housing types except large family and special needs. For new construction developments, this includes senior housing and non-targeted housing.*

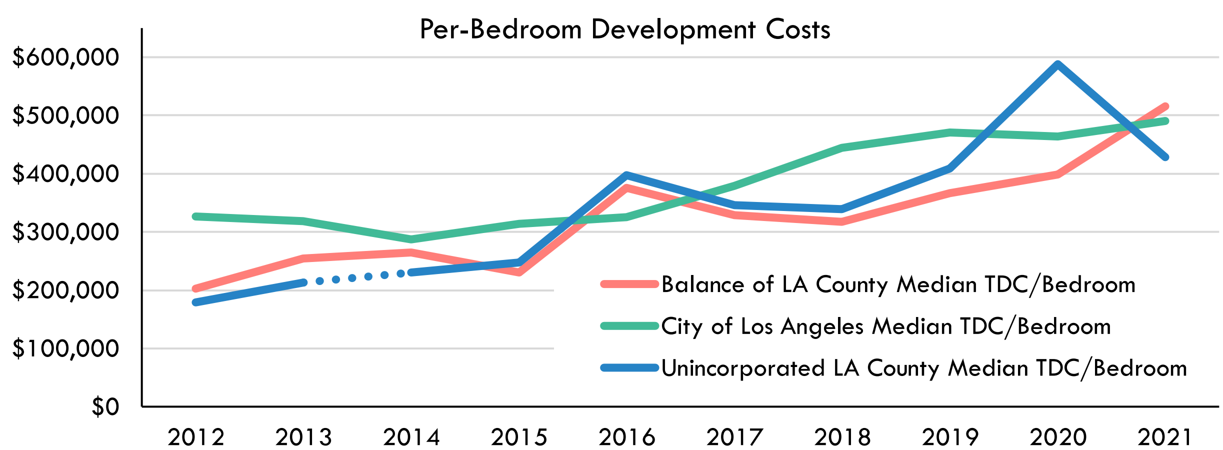
In conclusion, the compositional shift in the type of affordable homes created in the County towards serving more special needs households appears to have contributed to the recent increase in median development costs, independent of other factors such as the rising cost of materials.

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$)





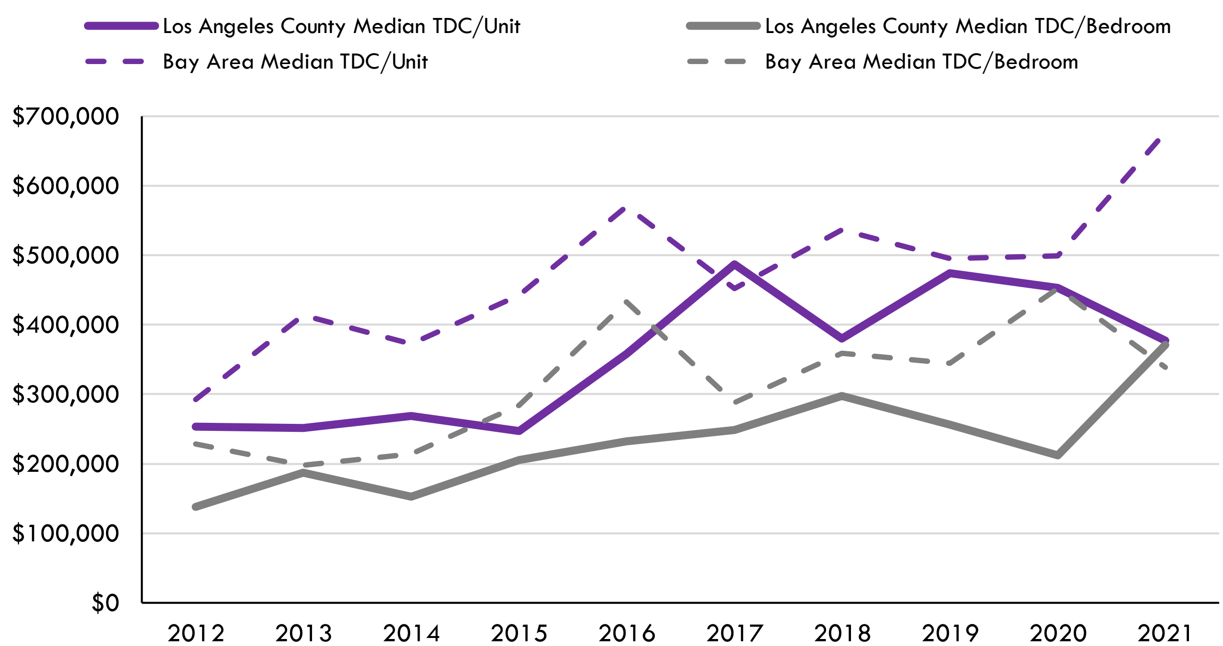
Source: California Housing Partnership analysis of LIHTC applications and staff reports from TCAC, 2012-21.
Note: There is a dotted line for unincorporated LA County for 2013 and 2014 because there was only one development awarded LIHTCs during this two-year period.

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

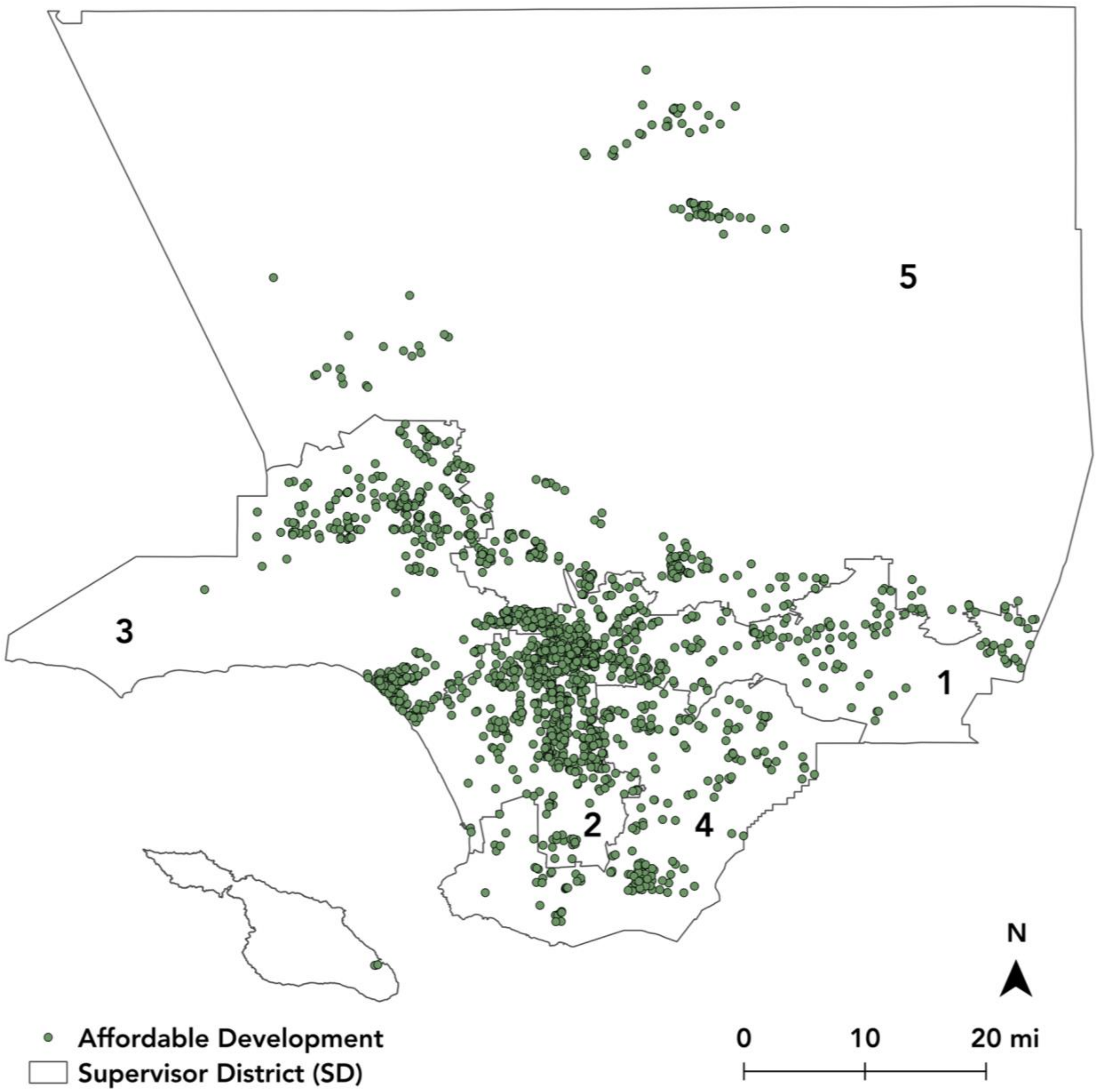


FIGURE B: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 1

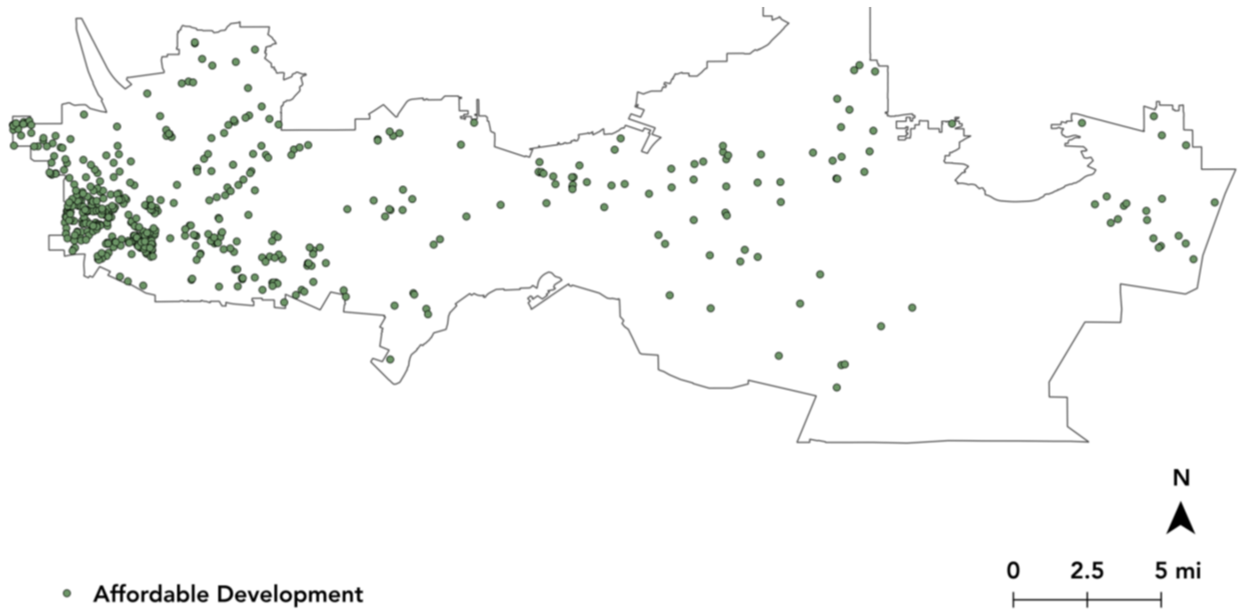


FIGURE C: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 2

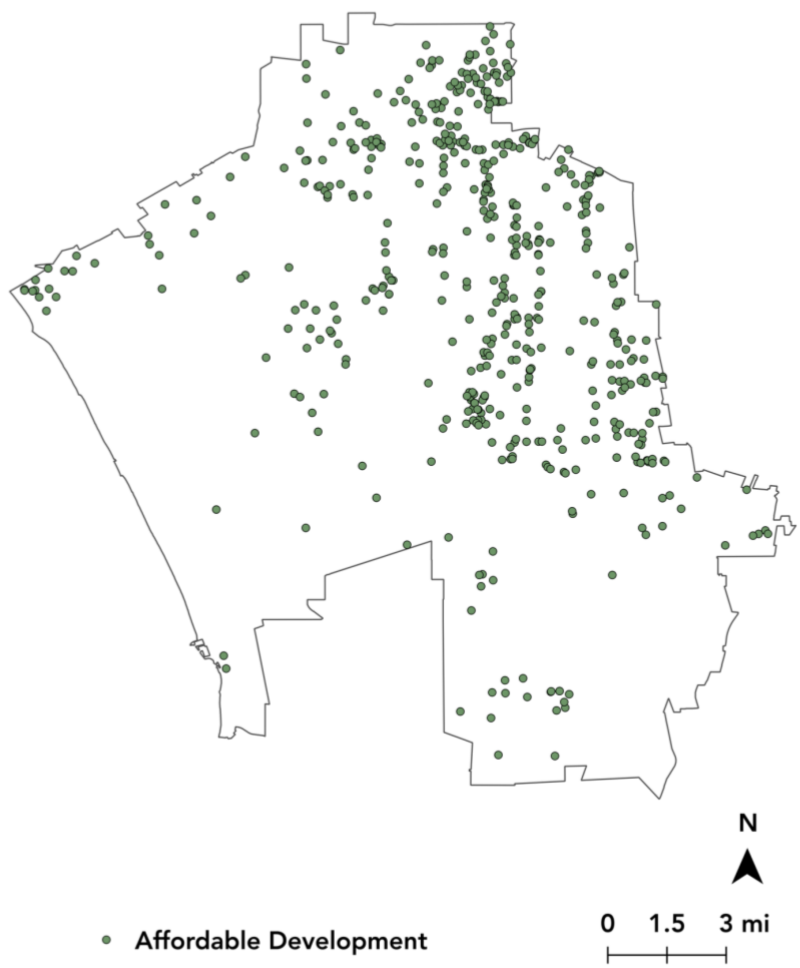


FIGURE D: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 3

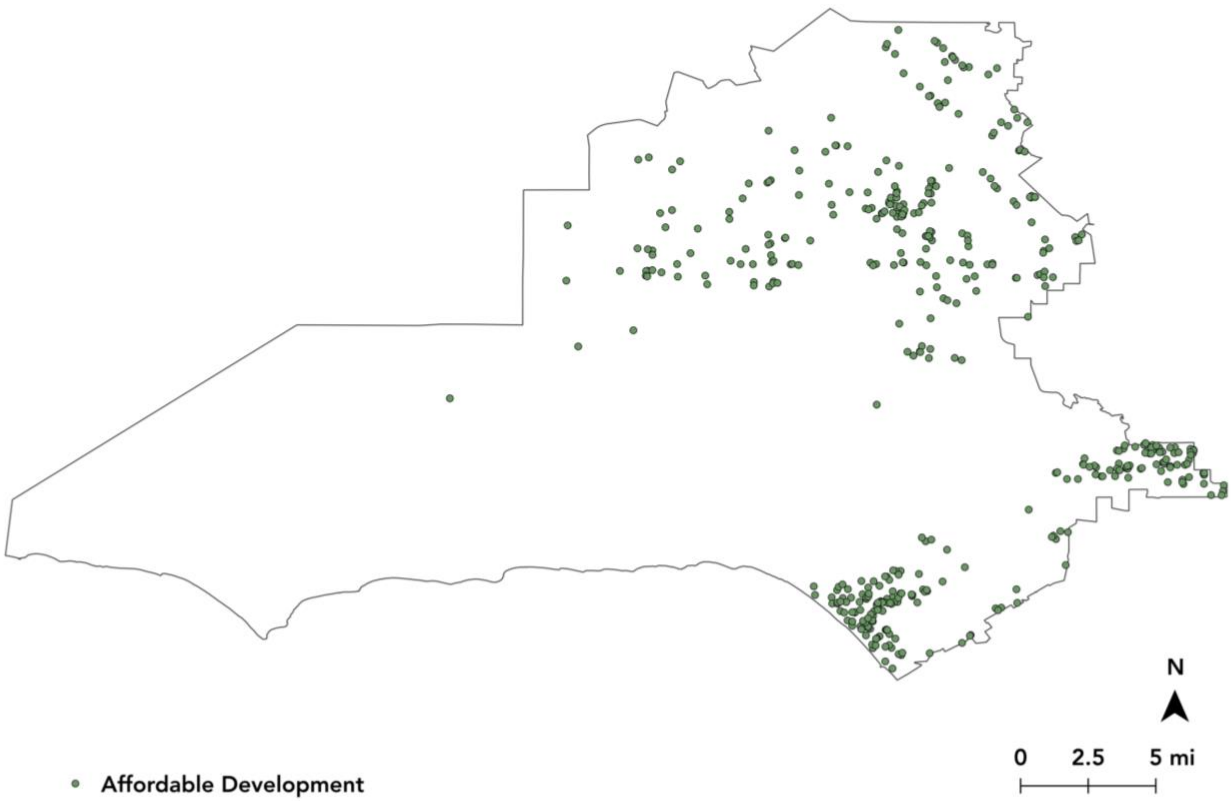


FIGURE E: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 4

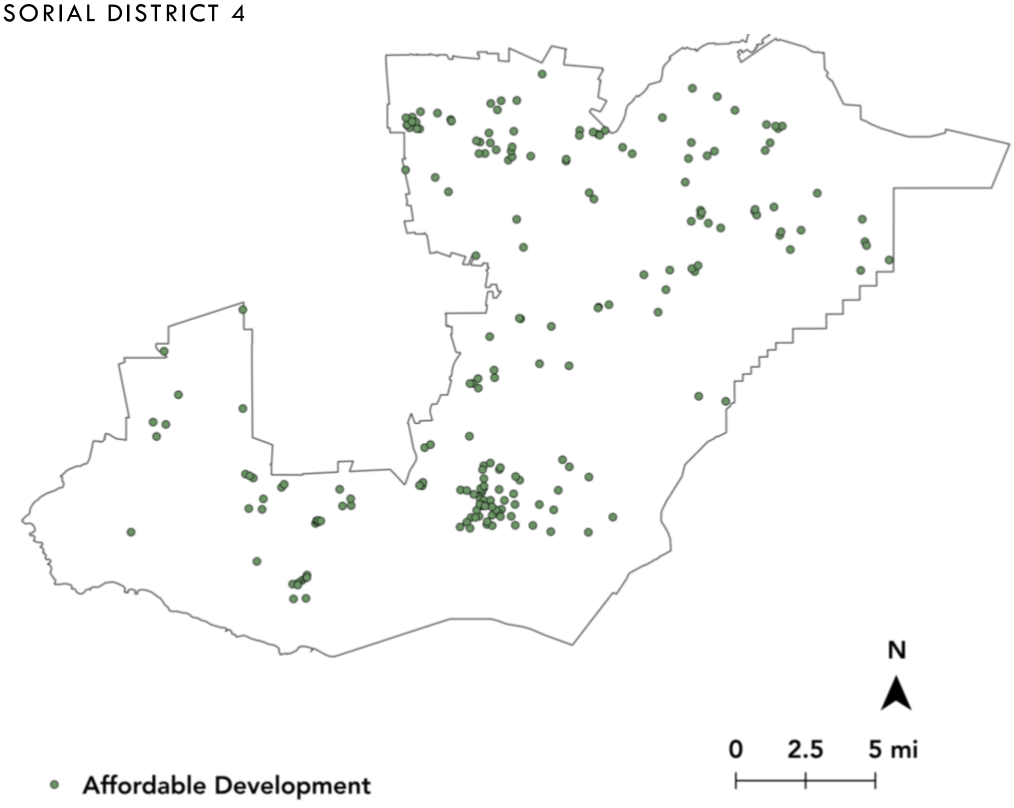


FIGURE F: FEDERAL, STATE, AND COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 5

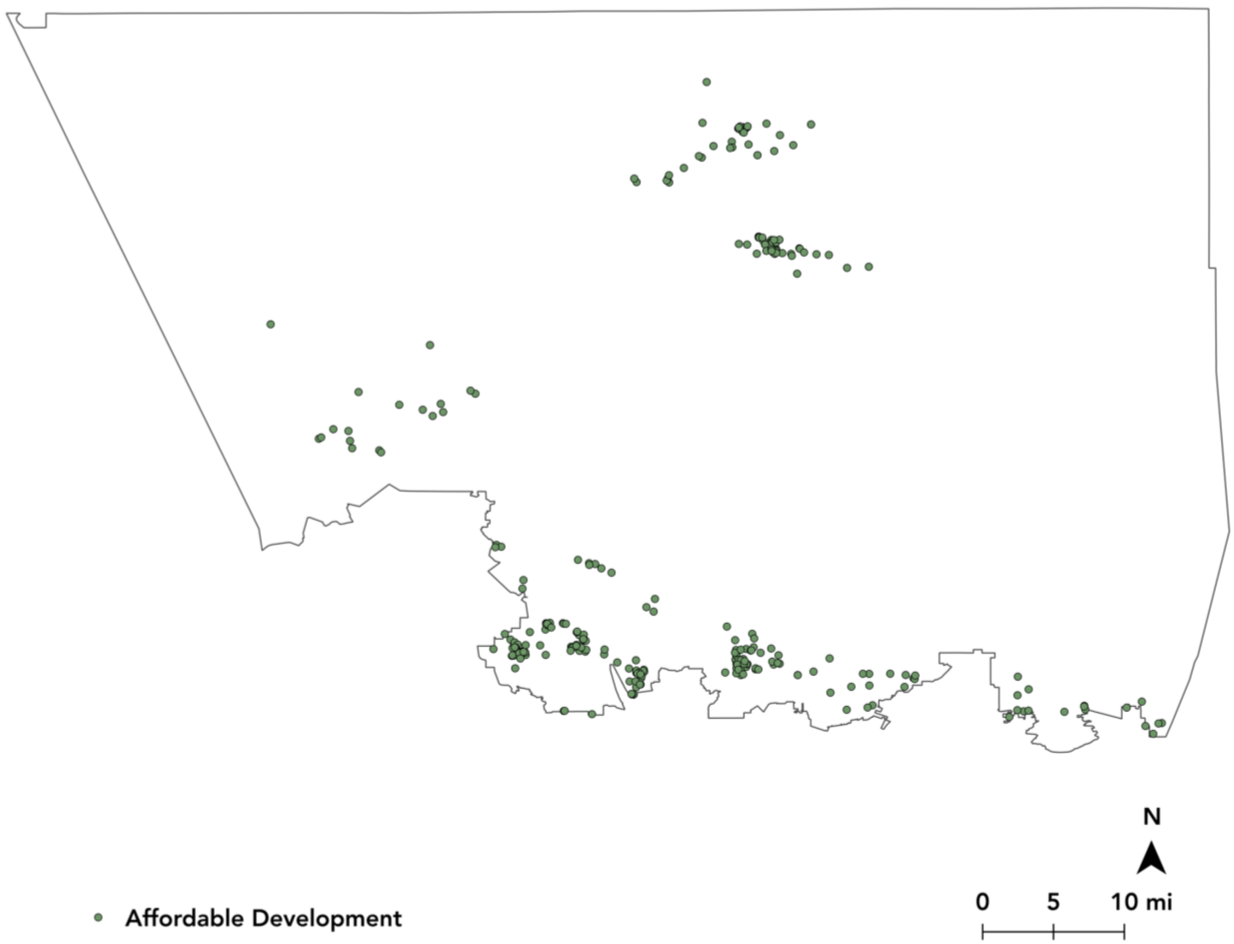


TABLE A: LIHTC DEVELOPMENT IN LOS ANGELES COUNTY (1987-2021)

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

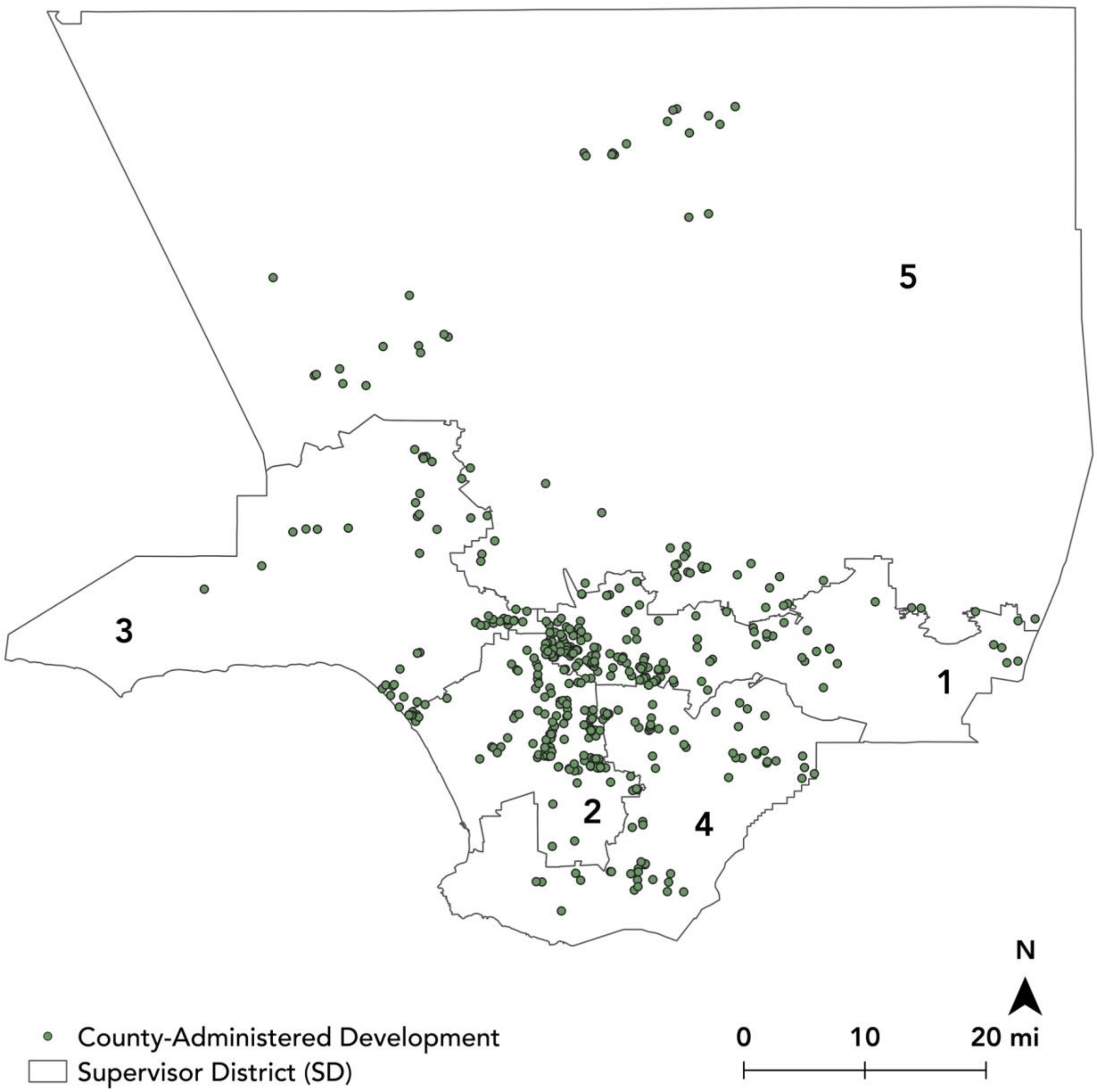


FIGURE B: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 1

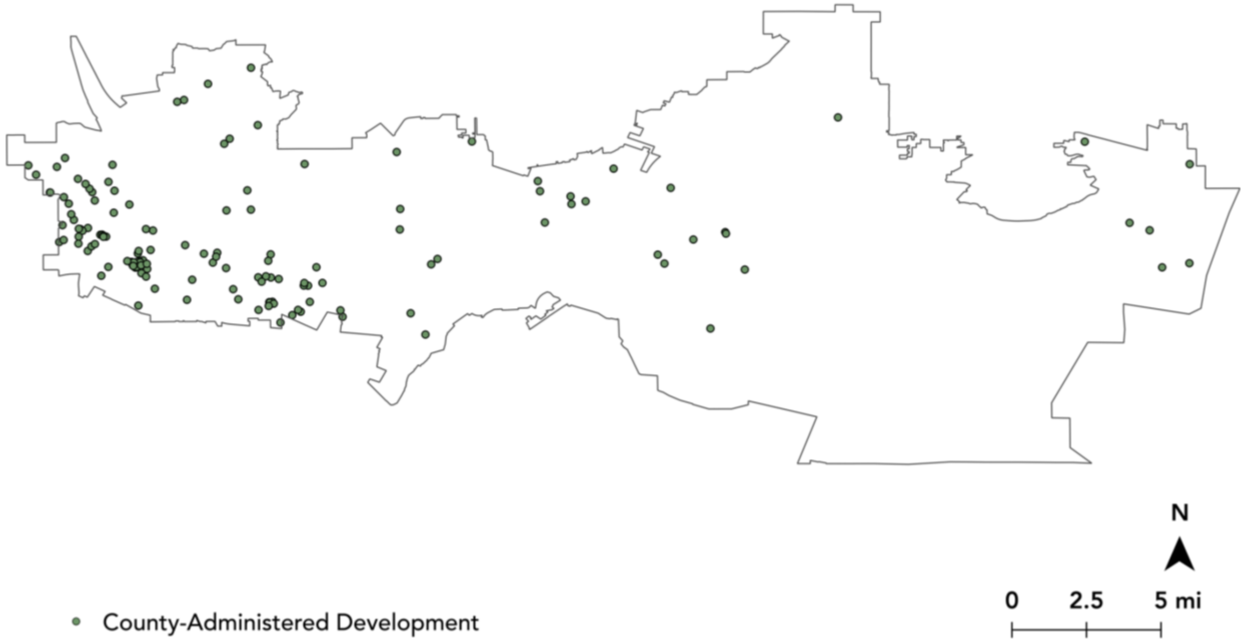


FIGURE C: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 2

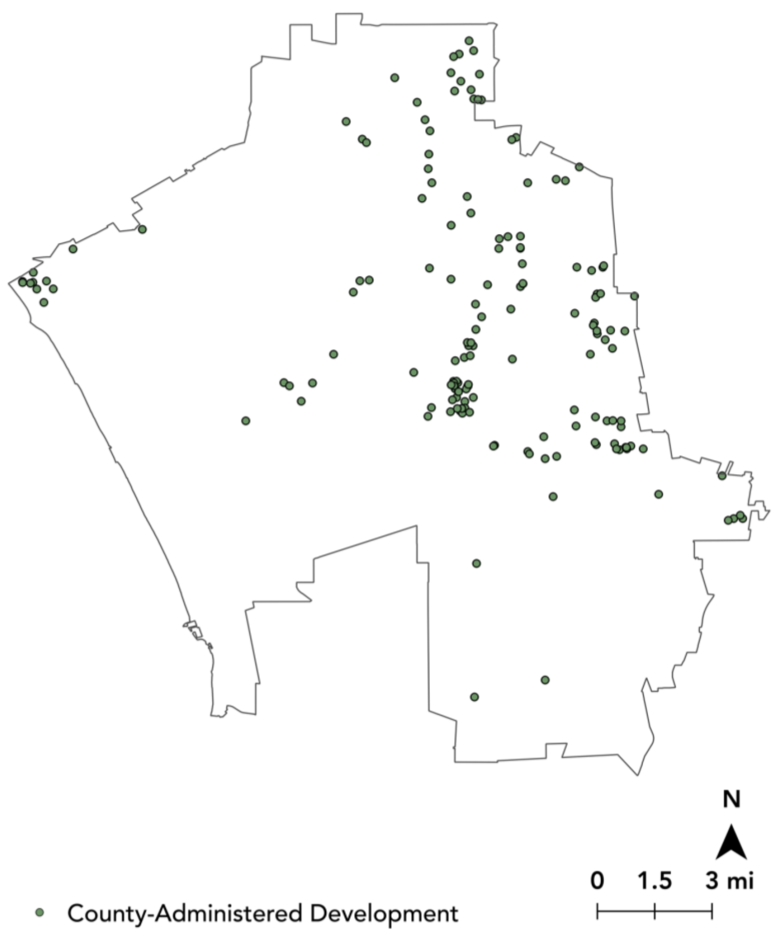


FIGURE D: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 3

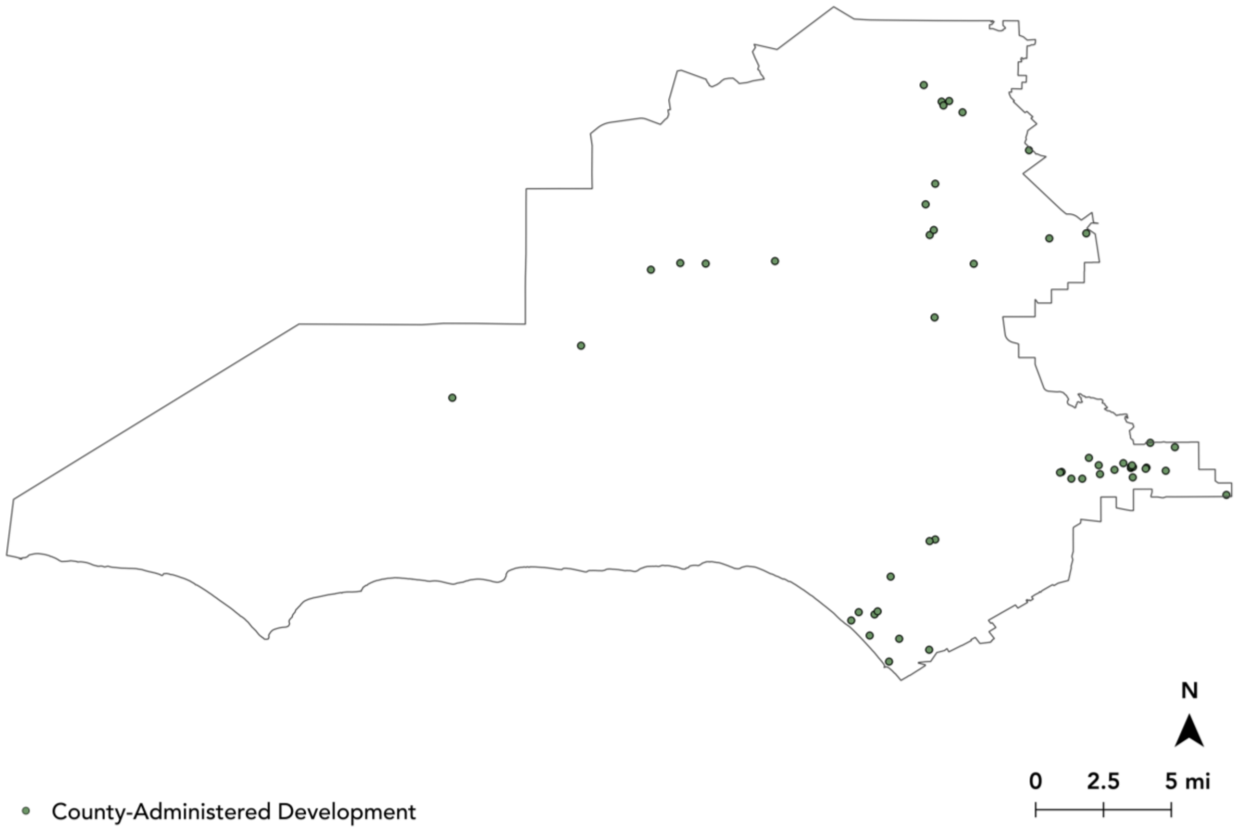


FIGURE E: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 4

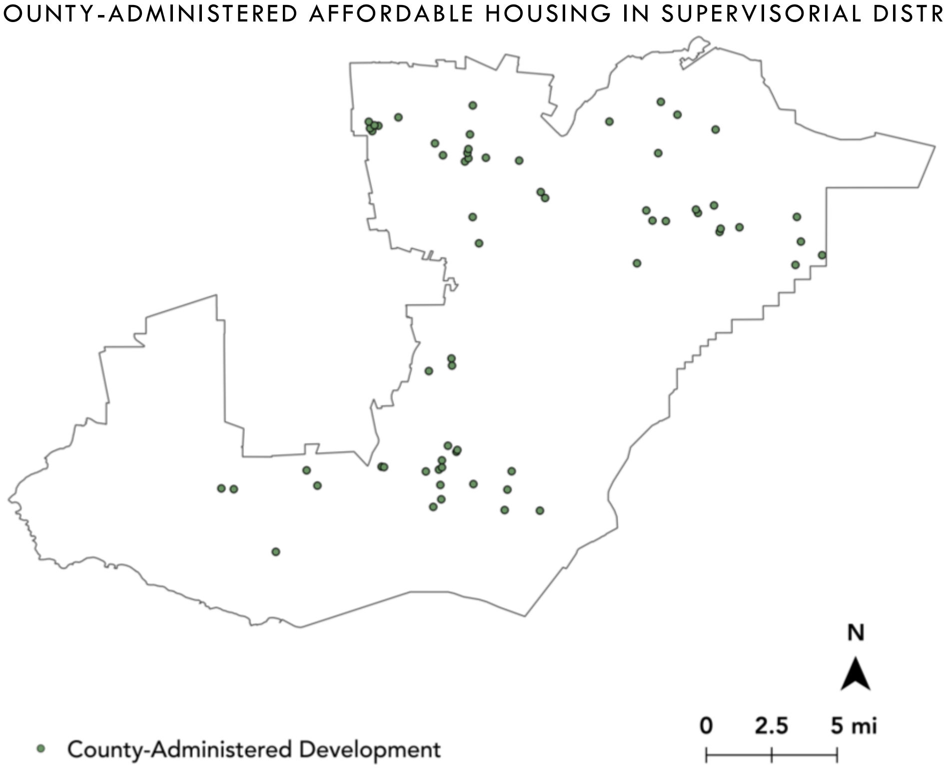
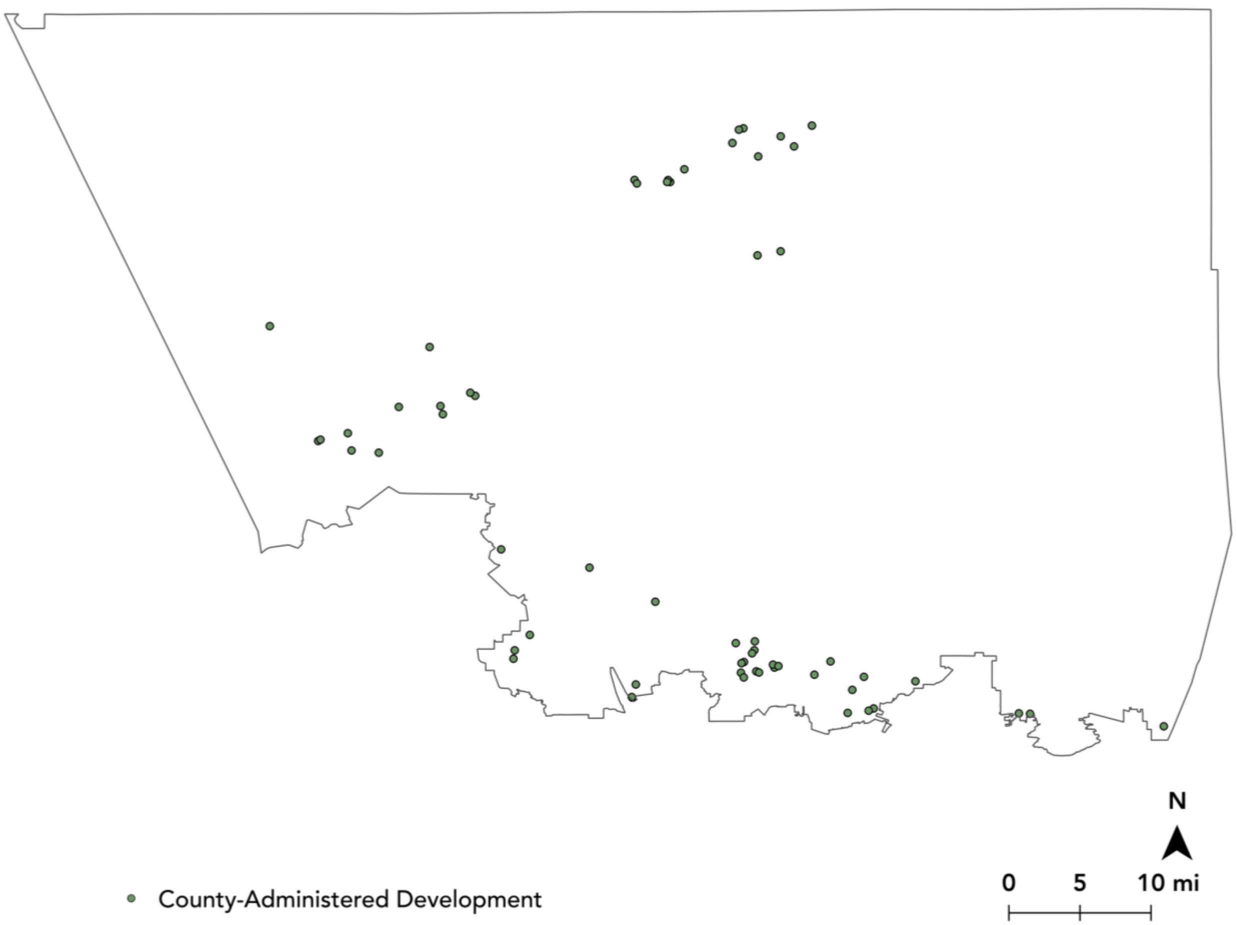


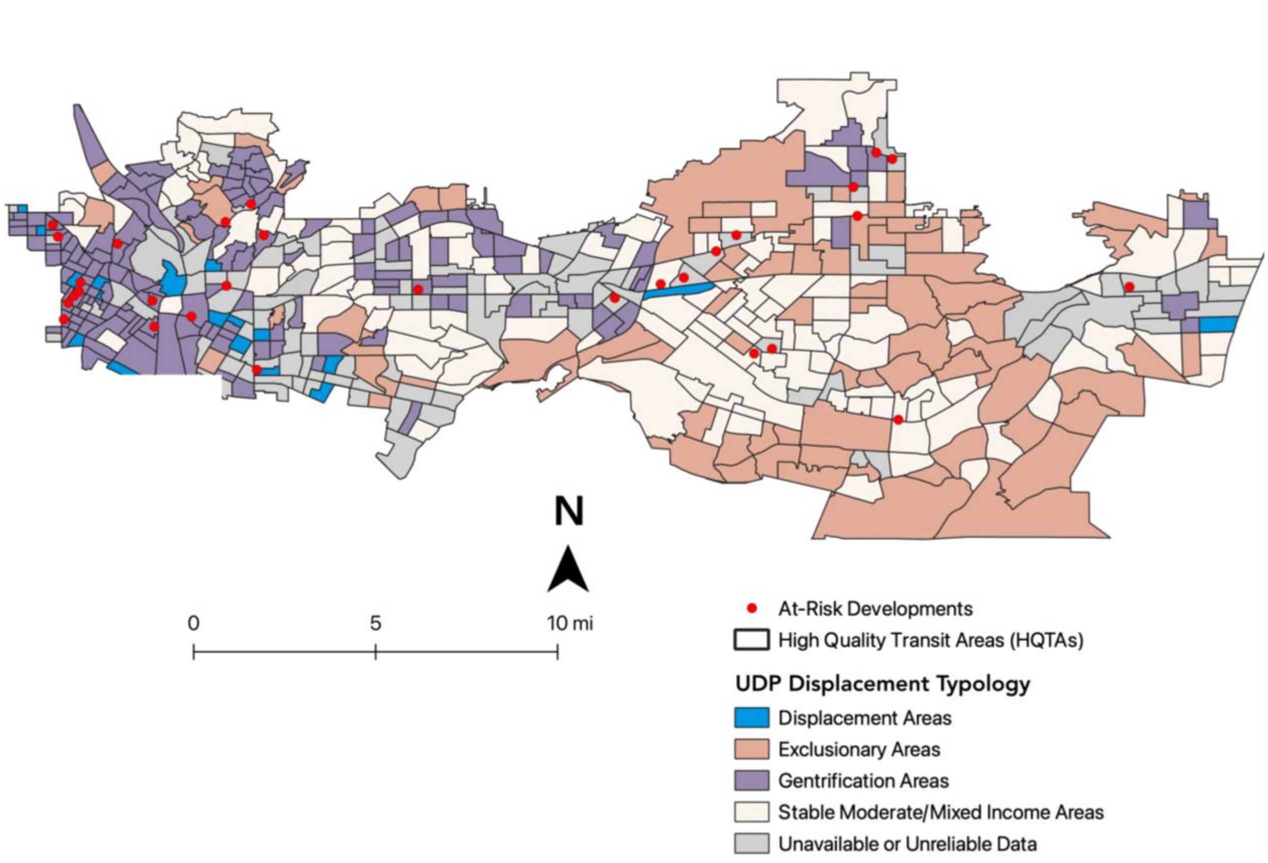
FIGURE F: COUNTY-ADMINISTERED AFFORDABLE HOUSING IN SUPERVISORIAL DISTRICT 5



APPENDIX E: FULL DATA FINDINGS, SECTION 4

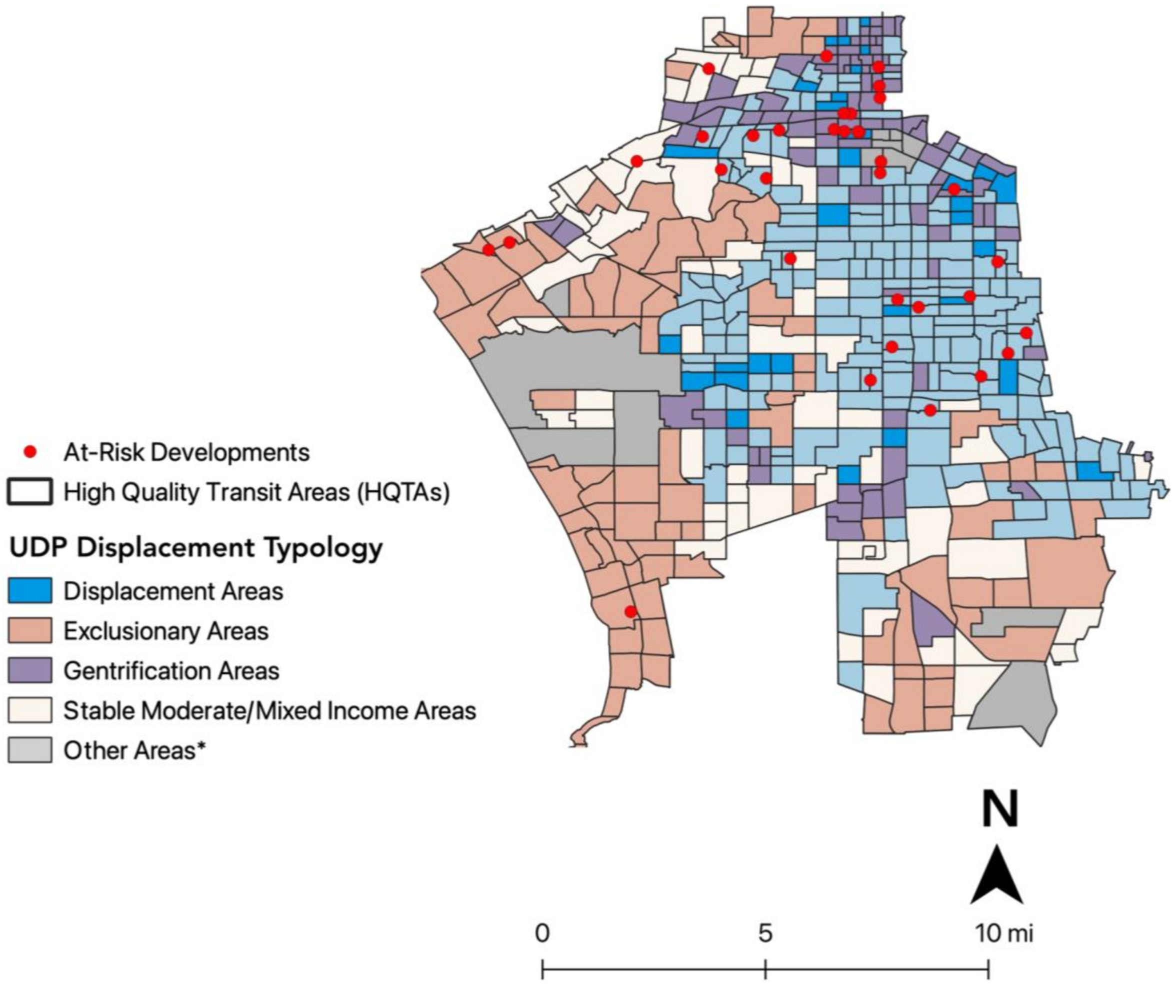
PROXIMITY OF AT-RISK AFFORDABLE HOMES TO TRANSIT AND DISPLACEMENT, GENTRIFICATION, AND EXCLUSION

FIGURE A: SUPERVISORIAL DISTRICT 1 - AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF OR EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION



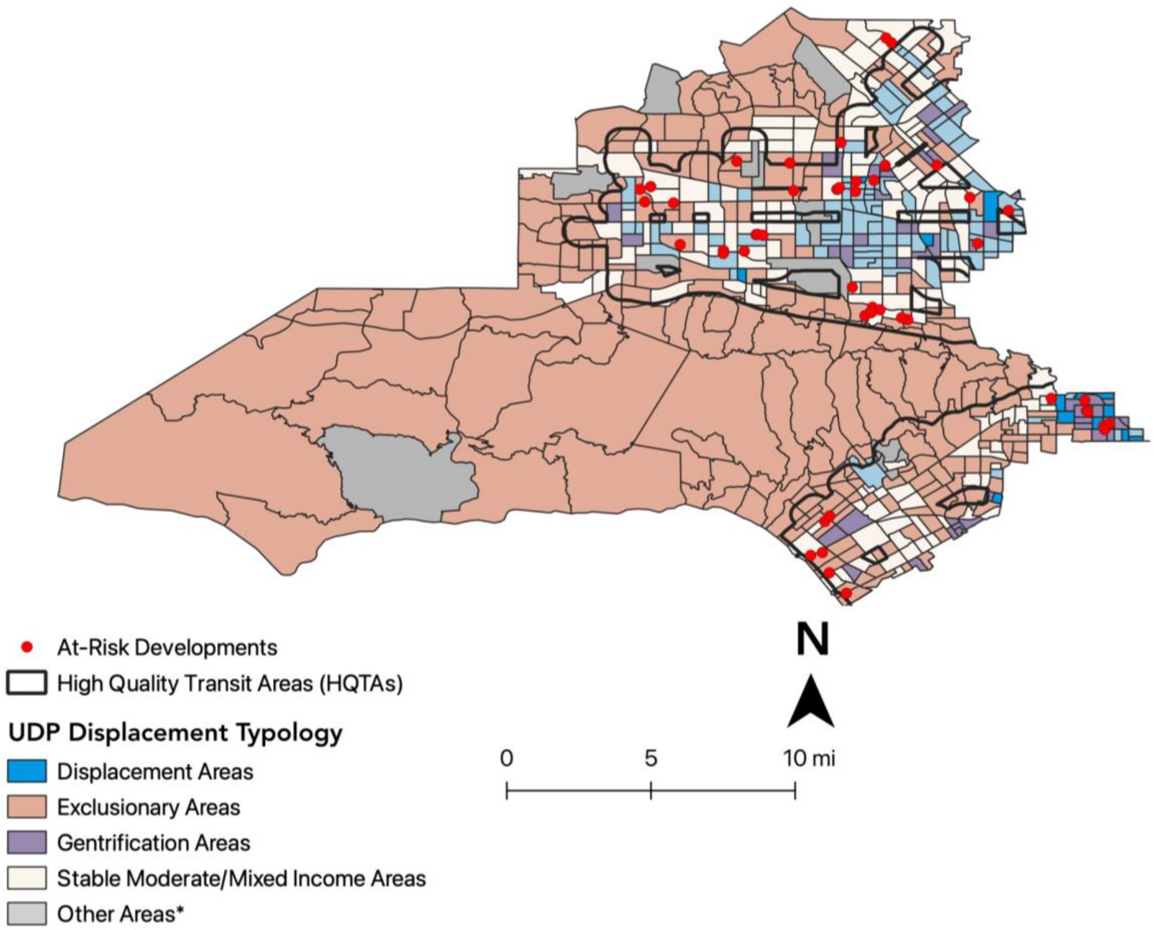
**'Other Areas' includes tracts designated by the UDP Displacement Typology as 'Low-Income/Susceptible to Displacement' or areas with large student populations or unavailable/unreliable data.*

FIGURE B: SUPERVISORIAL DISTRICT 2 - AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF OR EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION



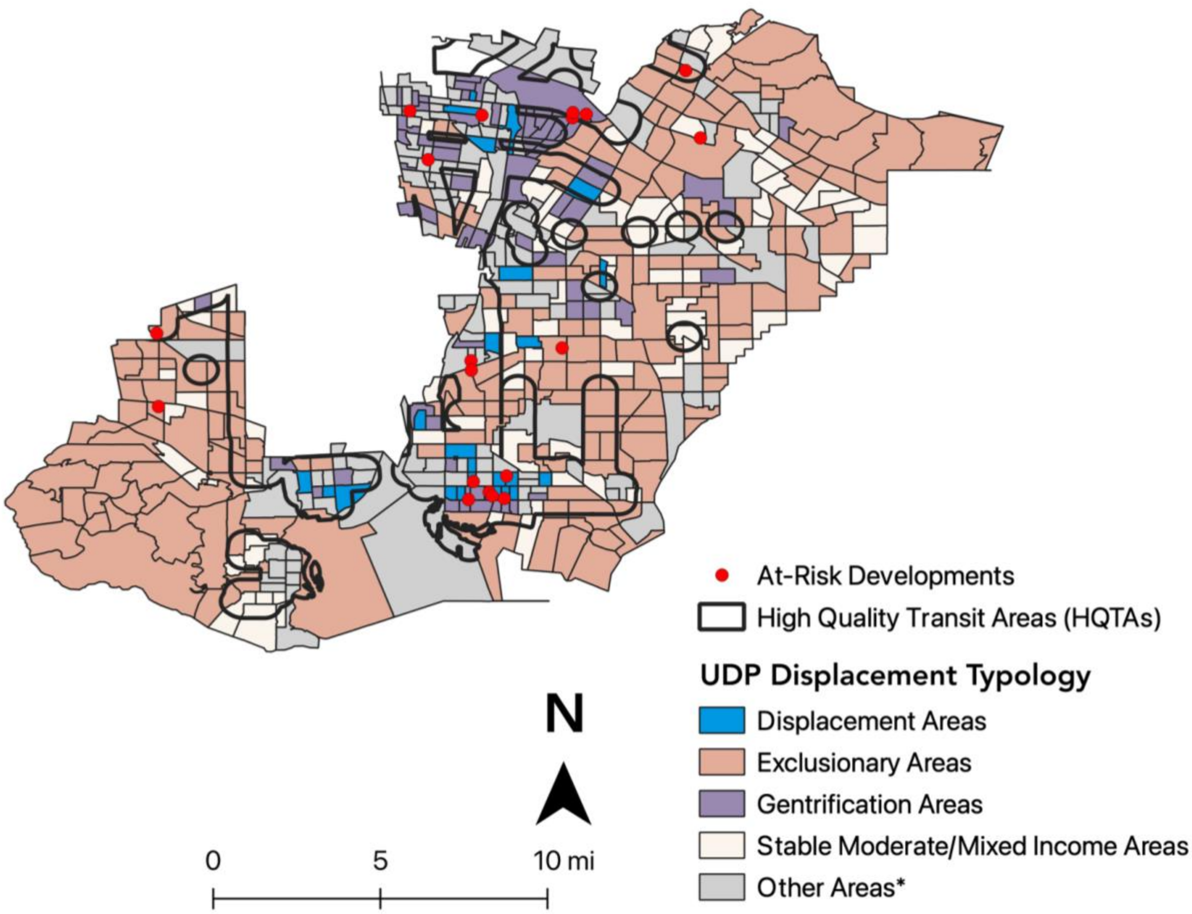
*'Other Areas' includes tracts designated by the UDP Displacement Typology as 'Low-Income/Susceptible to Displacement' or areas with large student populations or unavailable/unreliable data.

FIGURE C: SUPERVISORIAL DISTRICT 3 - AT-RISK AFFORDABLE HOMES IN PROXIMITY TO TRANSIT AND AREAS AT RISK OF OR EXPERIENCING DISPLACEMENT, GENTRIFICATION, OR EXCLUSION



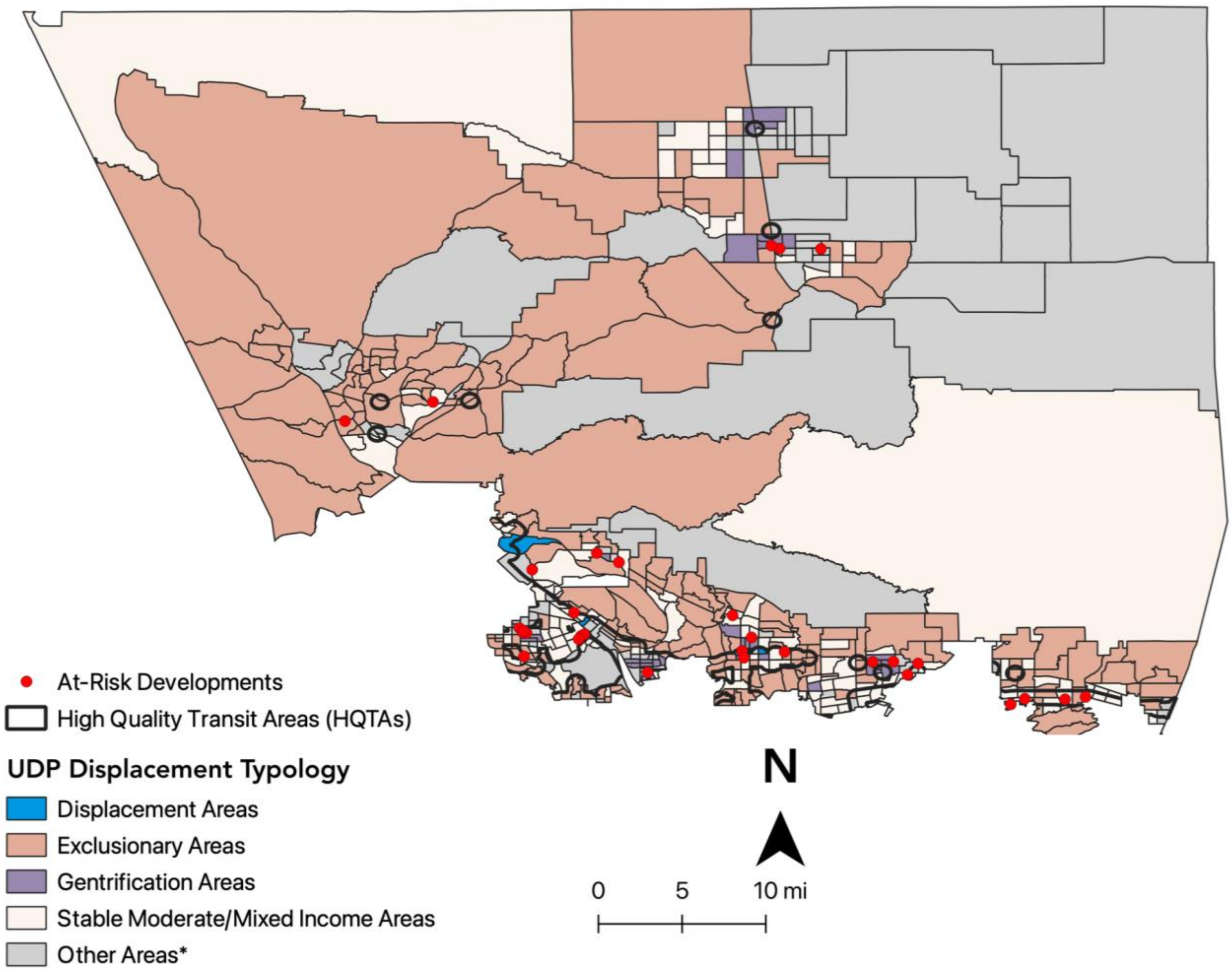
*'Other Areas' includes tracts designated by the UDP Displacement Typology as 'Low-Income/Susceptible to Displacement' or areas with large student populations or unavailable/unreliable data.

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

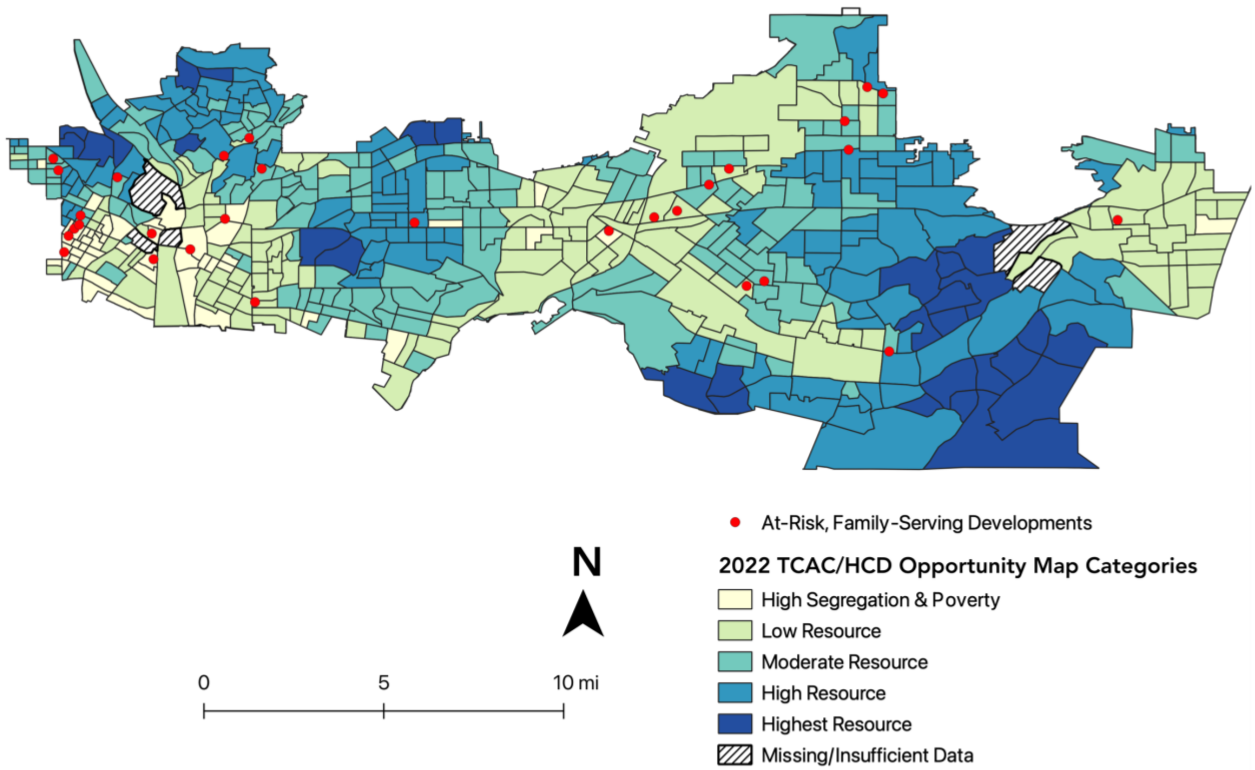


FIGURE G: SUPERVISORIAL DISTRICT 2 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

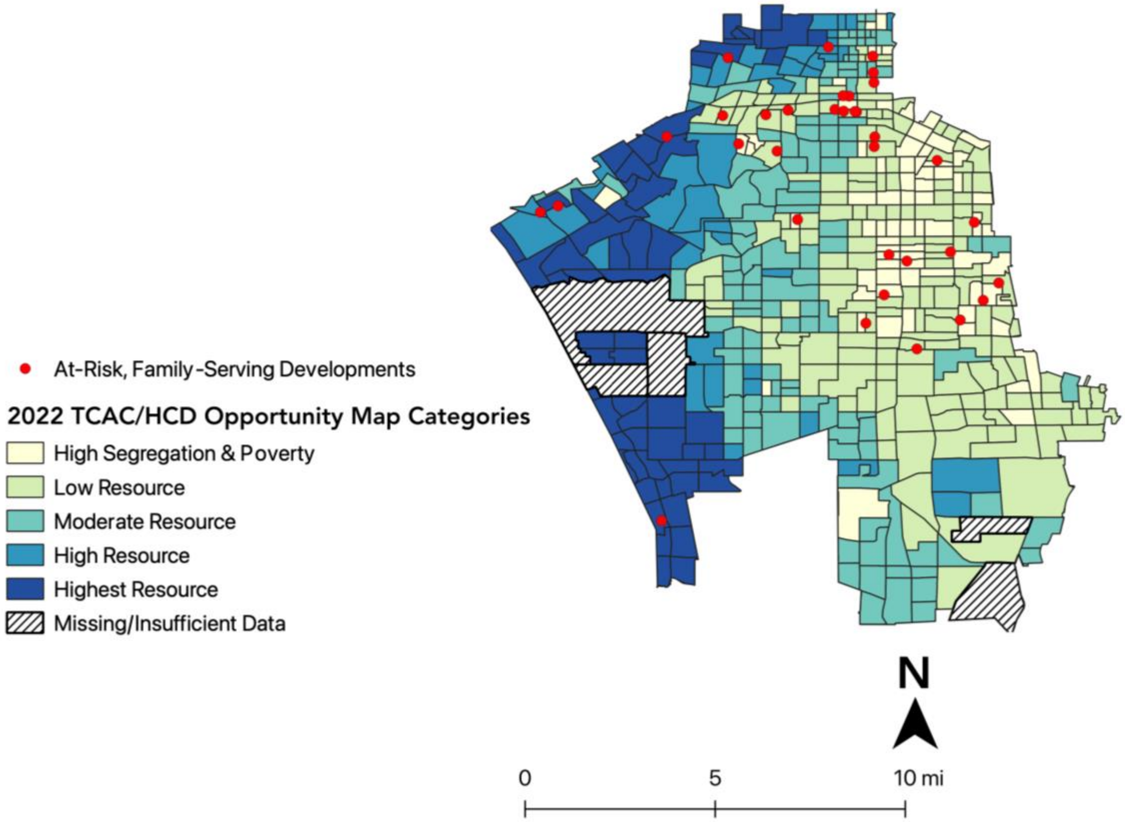


FIGURE H: SUPERVISORIAL DISTRICT 3 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

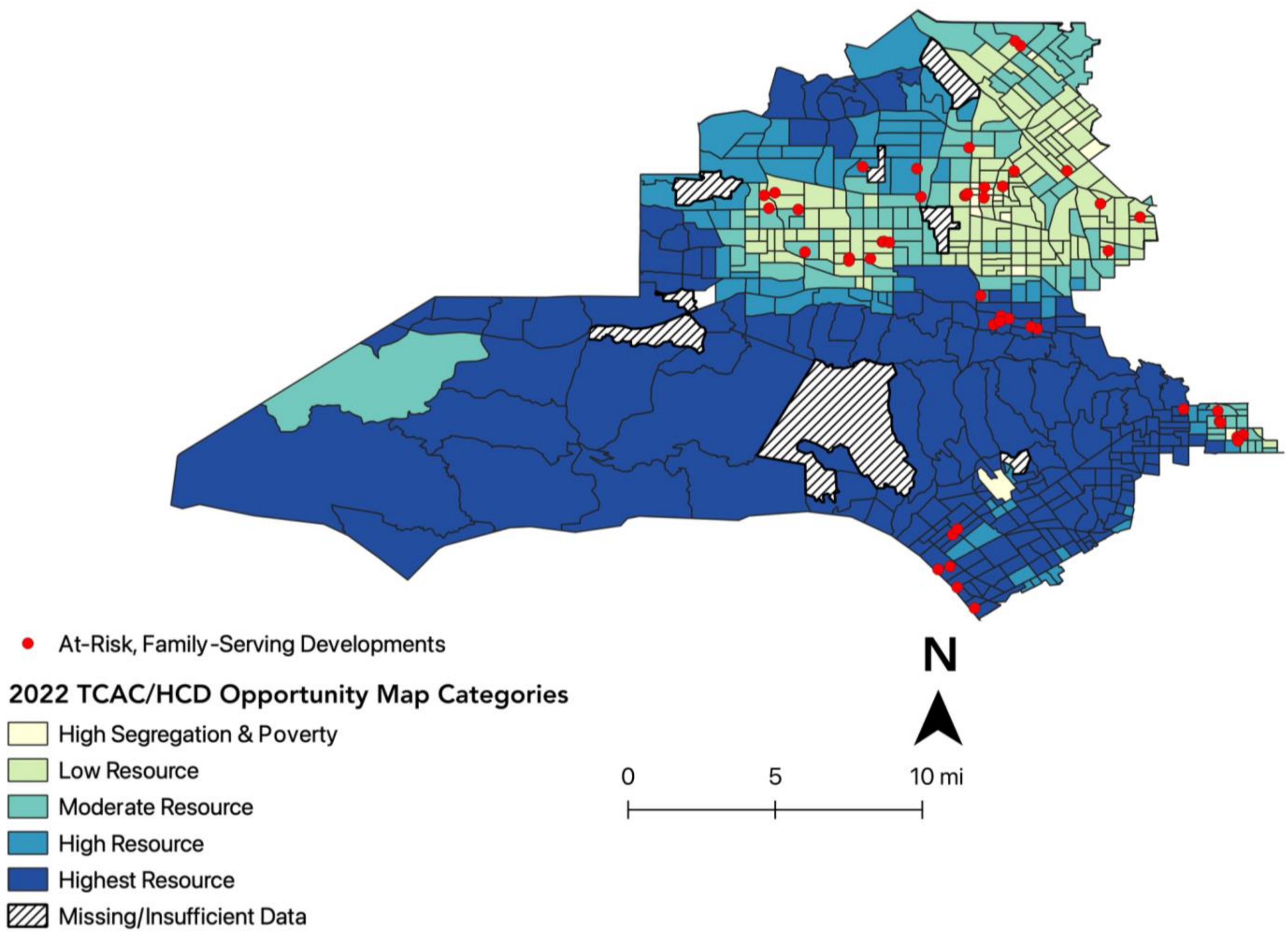


FIGURE I: SUPERVISORIAL DISTRICT 4 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

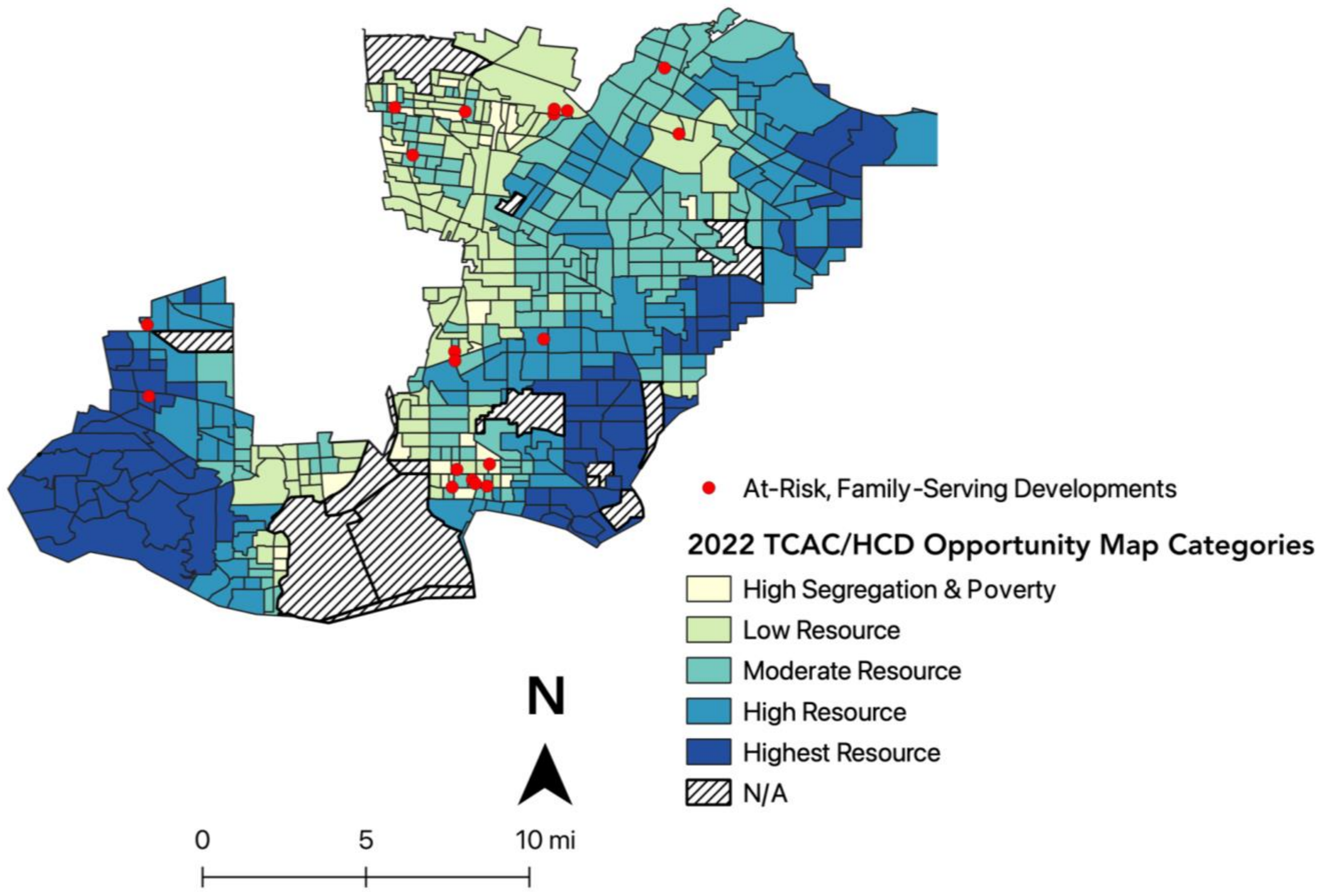
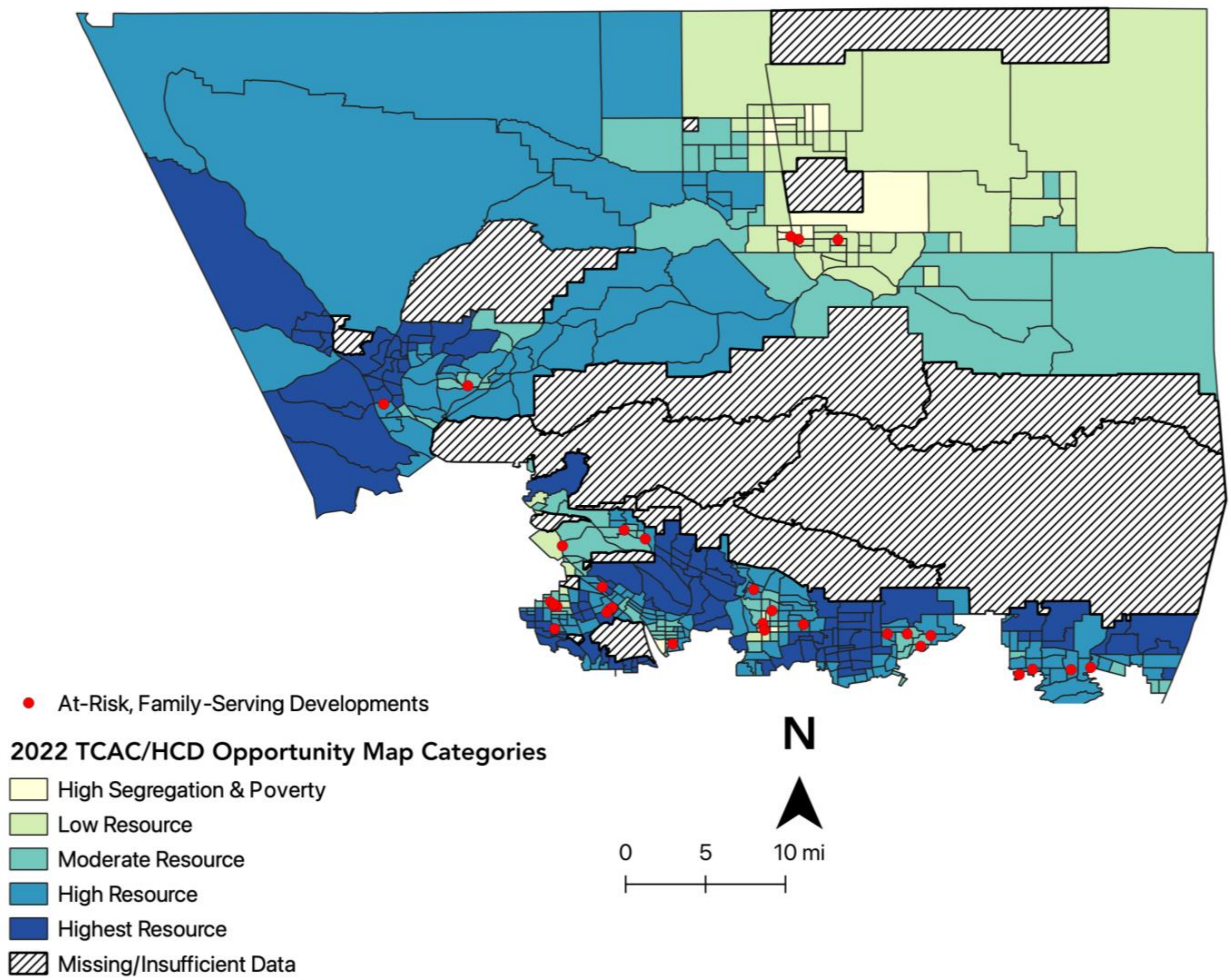


FIGURE J: SUPERVISORIAL DISTRICT 5 – PROXIMITY OF AT-RISK FAMILY-TARGETED DEVELOPMENTS TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY



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

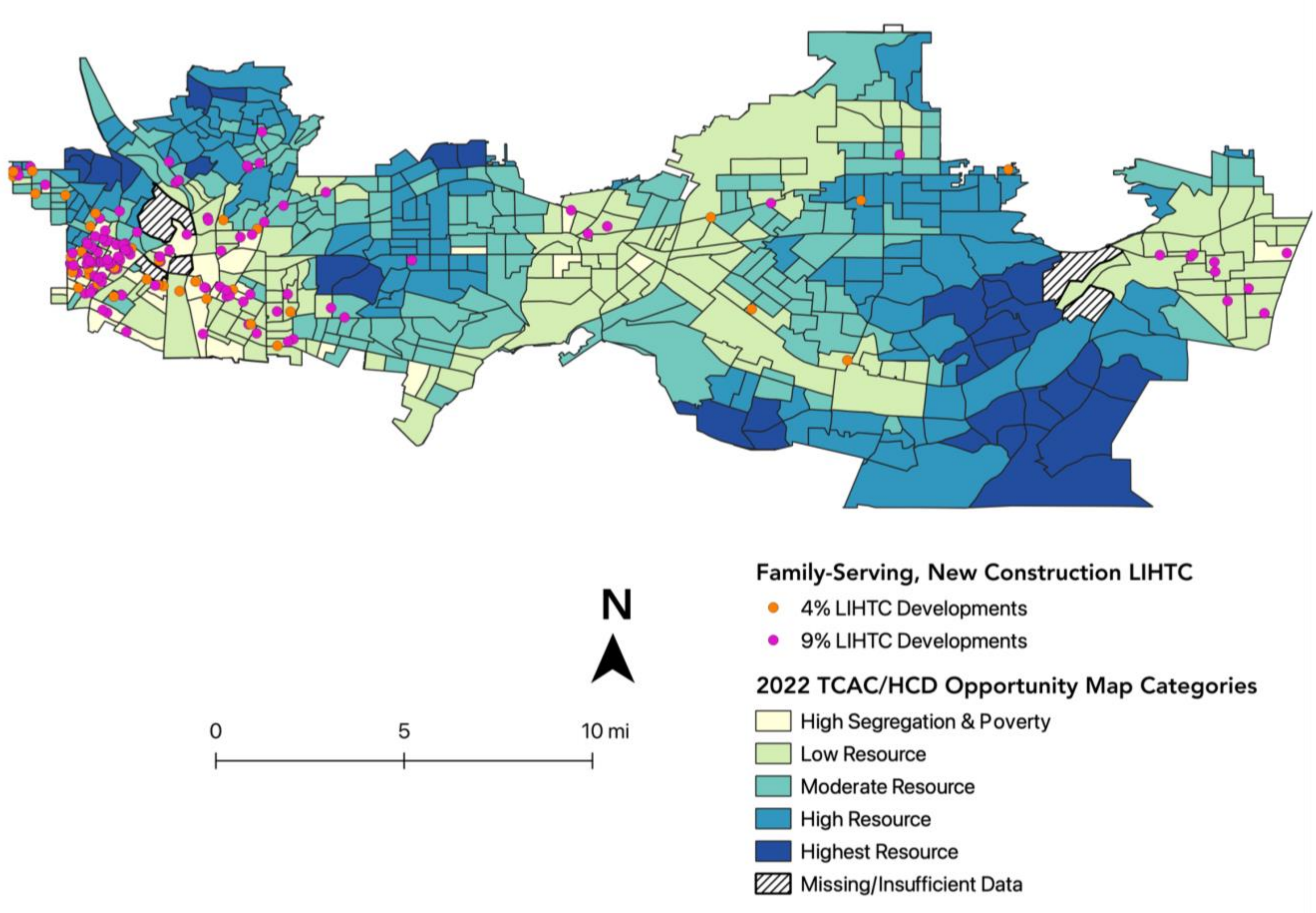


FIGURE L: SUPERVISORIAL DISTRICT 2 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-2020) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

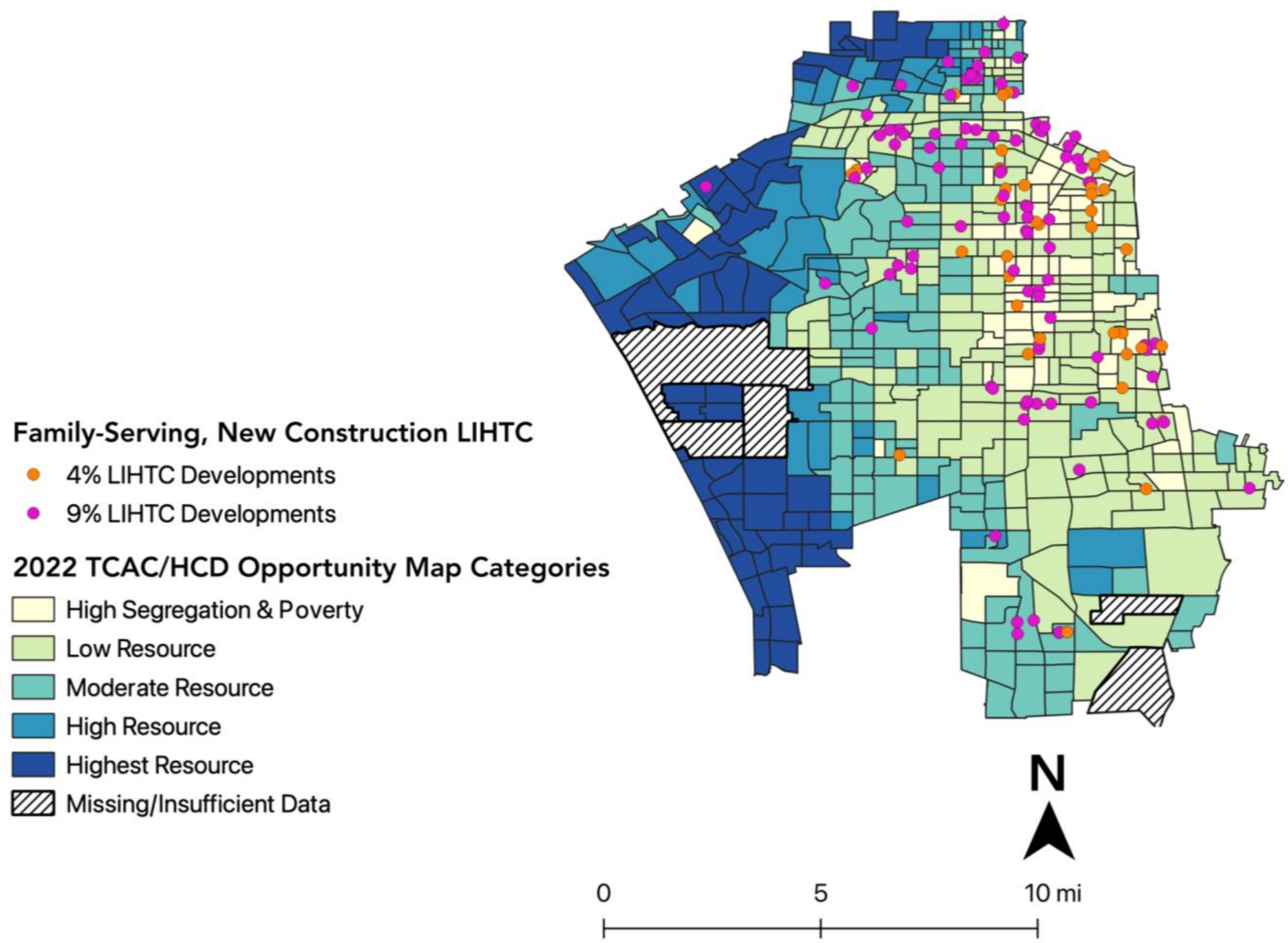


FIGURE M: SUPERVISORIAL DISTRICT 3 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-2020) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

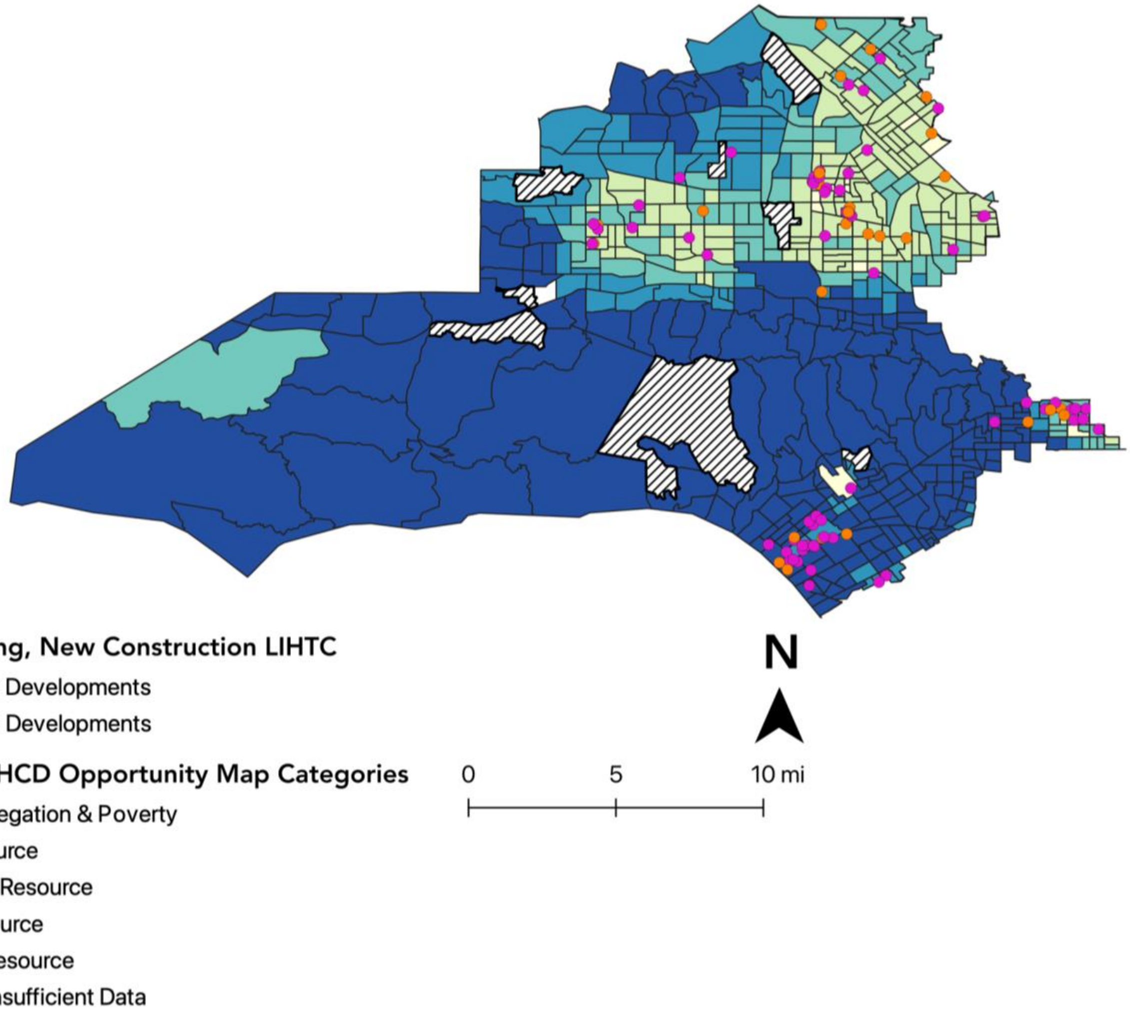


FIGURE N: SUPERVISORIAL DISTRICT 4 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-2020) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY

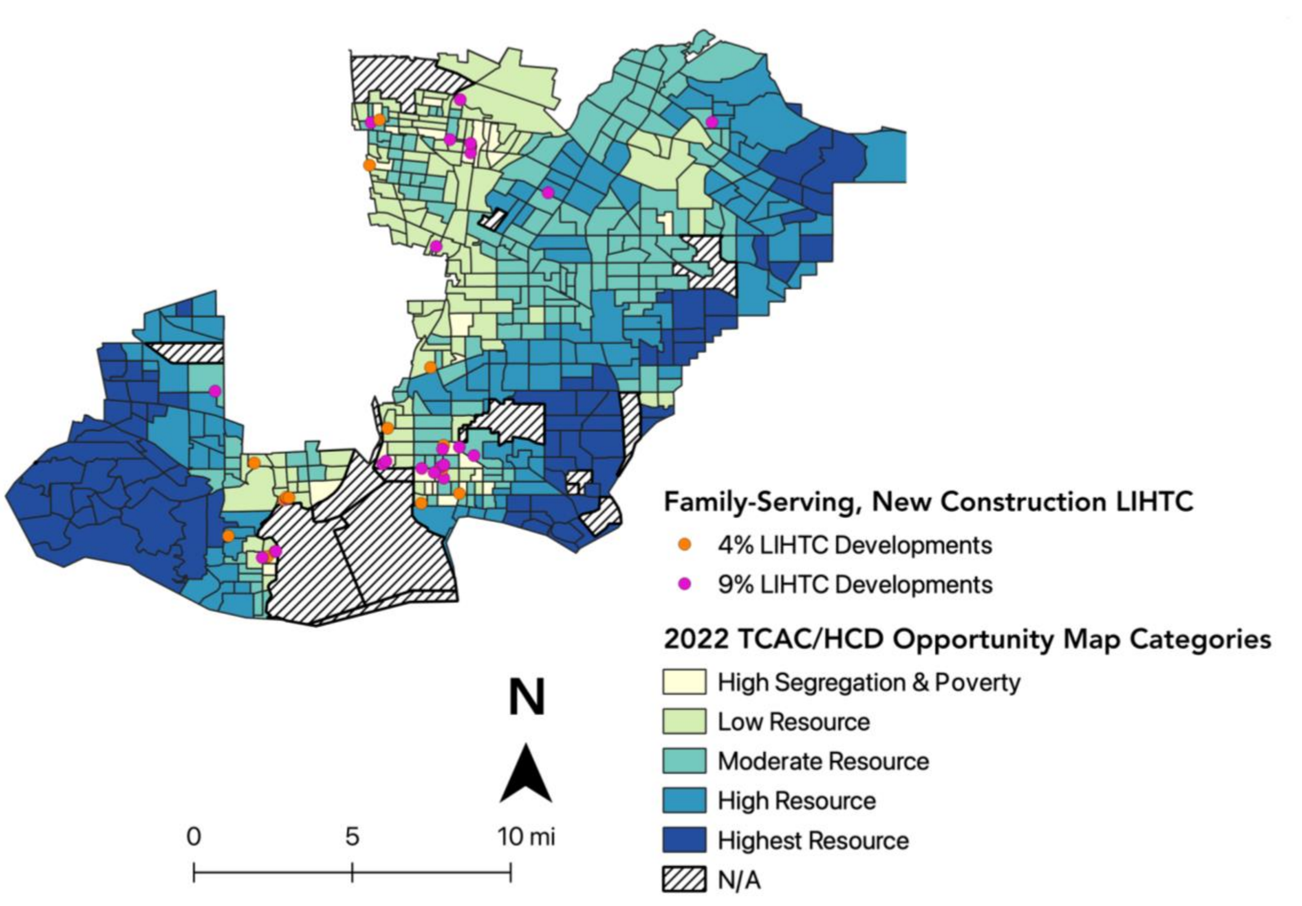
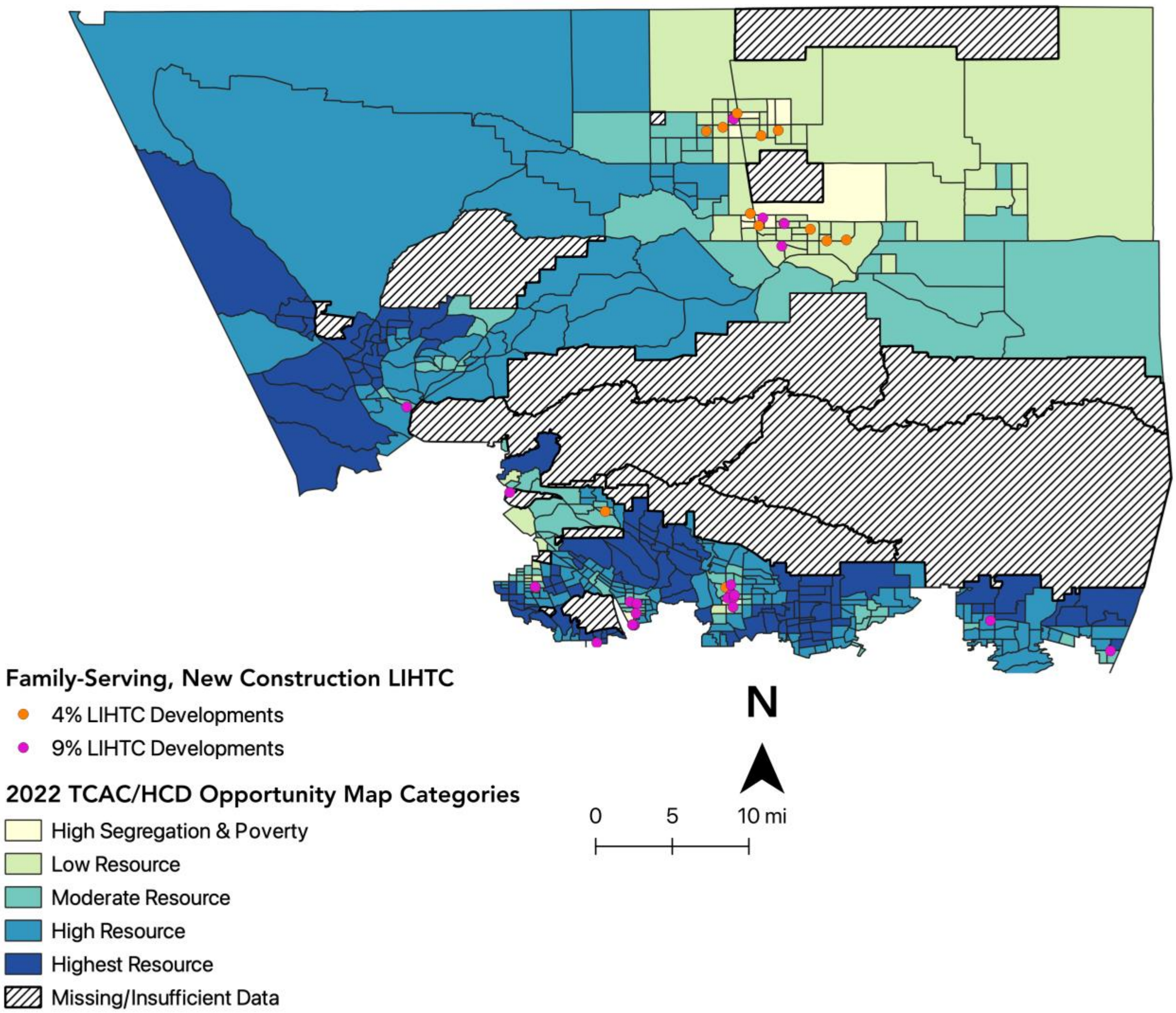


FIGURE O: SUPERVISORIAL DISTRICT 5 – PROXIMITY OF LARGE-FAMILY, NEW CONSTRUCTION DEVELOPMENTS AWARDED LIHTCS (2008-2020) TO NEIGHBORHOOD RESOURCES AND OPPORTUNITY



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.*