



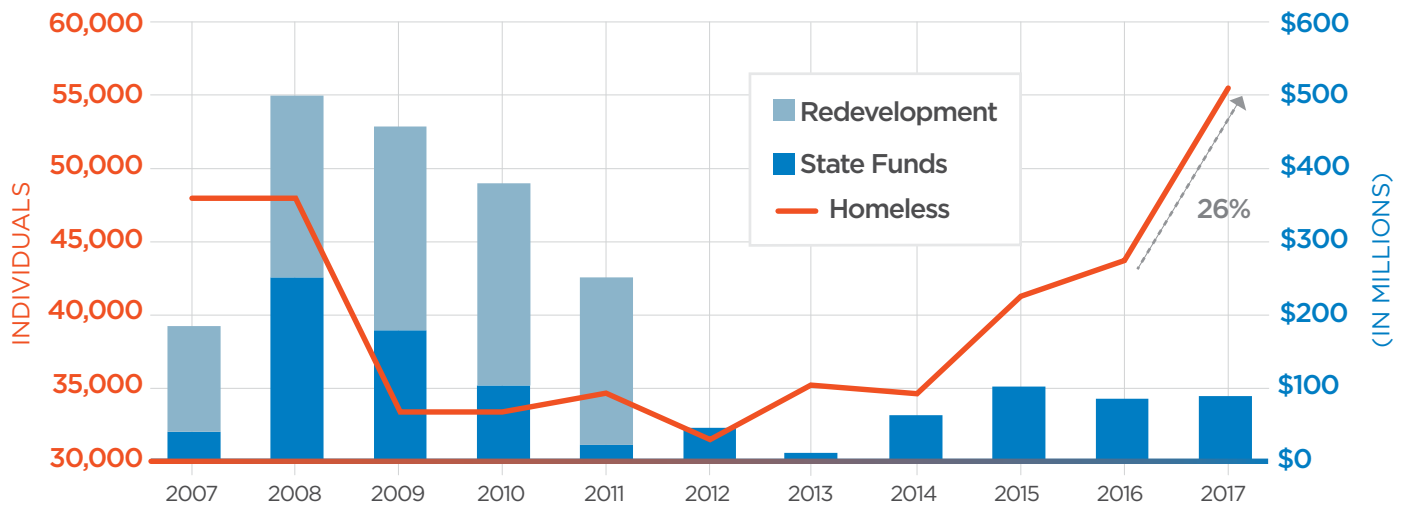
MAY 2018

# Los Angeles County's Housing Emergency and Proposed Solutions

## KEY FINDINGS

- The elimination of redevelopment in 2012 and exhaustion of state bond funding foreshadowed a 26% rise in homelessness from 2016 to 2017.
- Low Income Housing Tax Credit housing production in Los Angeles County declined 54% in 2017 in anticipation of federal tax reform.
- Renters in Los Angeles County need to earn \$46.15/hr - more than 4 times local minimum wage - to afford the median monthly asking rent of \$2,400.
- Los Angeles County needs 568,255 more affordable rental homes to meet current demand.
- Los Angeles County's lowest-income renters spend 71% of income on rent, leaving little left for food, transportation, health care, and other essentials.
- When housing costs are considered, Los Angeles County's poverty rate rises from 17.2% to 24.9%.

## ELIMINATION OF REDEVELOPMENT & LOSS OF STATE BOND FUNDING FOR HOUSING FORESHADOWED A 26% RISE IN HOMELESSNESS IN 2016-17



Source: CHPC analysis of 2008-2009 annual HCD Redevelopment Housing Activities Reports; 2008-2009 and 2016-2017 annual HCD Financial Assistance Programs Reports. Housing and Urban Development (HUD) PIT and HIC Data Since 2007. Note fiscal years are indicated by second half of fiscal year (e.g. FY 2006-2007 is presented as 2007).

## LOS ANGELES COUNTY NEEDS 568,255 MORE AFFORDABLE RENTAL HOMES



Source: CHPC analysis of 2016 PUMS data using adapted NLIHC methodology.

## LOS ANGELES COUNTY'S POVERTY RATE RISES TO 24.9% WHEN HIGH HOUSING COSTS ARE INCLUDED

Official Poverty Measure (OPM)

**17.2%**

Unadjusted for Housing Costs

California Poverty Measure (CPM)

**24.9%**

Adjusted for Housing Costs and Social Benefits

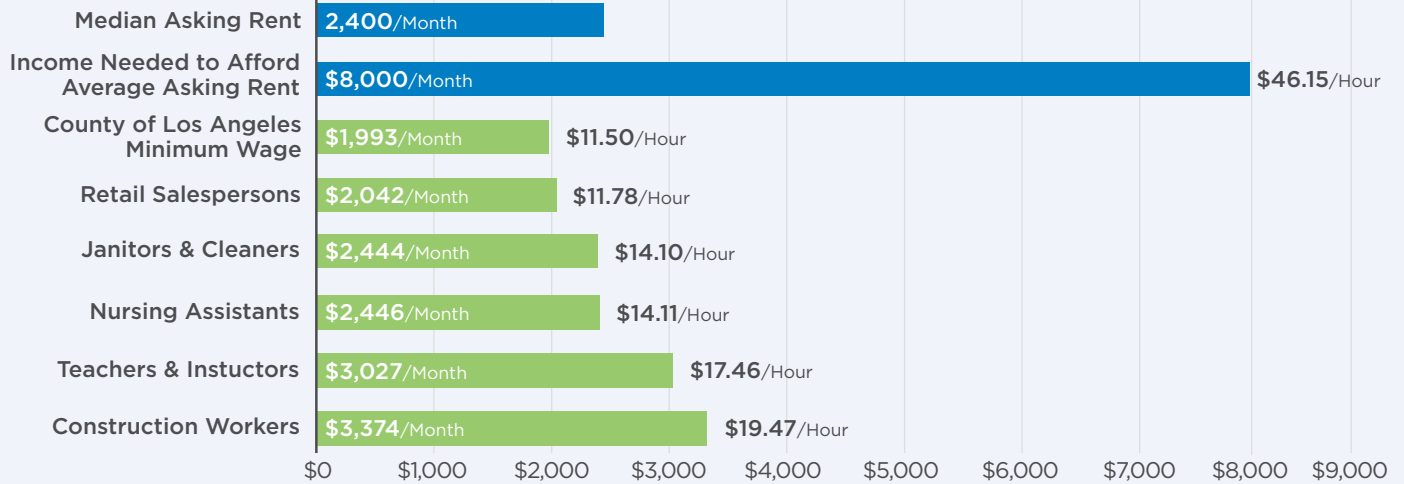
Source: Public Policy Institute of California (PPIC), California Poverty by County and Legislative District, 2013-2015.

## LOW INCOME HOUSING TAX CREDIT (LIHTC) PRODUCTION IN LOS ANGELES COUNTY DECLINED 54% IN ANTICIPATION OF FEDERAL TAX REFORM

		State		
Type	2016	2017	Change %	
<b>New Construction</b>	9,285	7,407	-20%	
<b>Acquisition &amp; Rehab</b>	15,032	5,928	-61%	
<b>All</b>	24,317	13,335	-45%	
<b>Los Angeles County</b>				
Type	2016	2017	Change %	
<b>New Construction</b>	1,853	1,456	-21%	
<b>Acquisition &amp; Rehab</b>	3,292	891	-73%	
<b>All</b>	5,145	2,347	-54%	

Source: CHPC analysis of 2016 and 2017 CA Tax Credit Allocation Committee (TCAC) data. Note the data does not include manager or market rate homes created through the LIHTC program.

## RENTERS NEED TO EARN 4 TIMES MINIMUM WAGE TO AFFORD MEDIAN ASKING RENTS

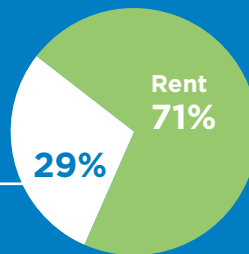


Source: Paul Waddell, Urban Analytics Lab, University of California, Berkeley, retrieved from analysis of online Craigslist listings in April 2018. CHPC analysis of Bureau of Labor Statistics Median Annual Wage Data for CA Occupations in 2017.

### WHAT DO LOS ANGELES COUNTY'S RENTERS HAVE LEFT OVER AFTER PAYING RENT?

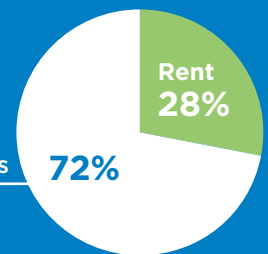
#### HOUSEHOLDS EARNING HALF OF MEDIAN INCOME OR LESS

Food, Transportation, Health Care, & Other Essentials



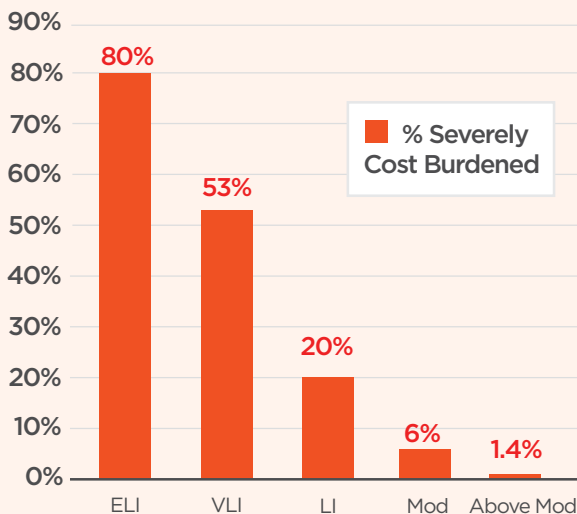
#### MEDIAN INCOME HOUSEHOLDS

Food, Transportation, Health Care, & Other Essentials



Source: NLIHC analysis of 2016 PUMS data.

### PERCENTAGE OF SEVERELY COST BURDENED\* HOUSEHOLDS BY INCOME GROUP



Source: NLIHC analysis of 2016 PUMS data

\*Severely cost burdened households spend more than 50% of their income towards housing costs.

### ABOUT CHPC

THE STATE CREATED THE CALIFORNIA HOUSING PARTNERSHIP NEARLY 30 YEARS AGO AS A PRIVATE NONPROFIT ORGANIZATION WITH A PUBLIC MISSION: TO MONITOR, PROTECT, AND AUGMENT THE SUPPLY OF HOMES AFFORDABLE TO LOWER-INCOME CALIFORNIANS AND TO PROVIDE LEADERSHIP ON AFFORDABLE HOUSING FINANCE AND POLICY. SINCE 1988, THE CALIFORNIA HOUSING PARTNERSHIP HAS ASSISTED NONPROFIT AND LOCAL GOVERNMENT HOUSING AGENCIES ACROSS THE STATE TO LEVERAGE MORE THAN \$14 BILLION IN PRIVATE AND PUBLIC FINANCING TO CREATE AND PRESERVE 70,000 AFFORDABLE HOMES.

# STATEWIDE POLICY RECOMMENDATIONS

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

- » Immediately invest \$1 billion of the state's budget surplus to finance the development of permanently affordable rental housing and another \$1 billion for supportive housing for the homeless.
- » Bring back redevelopment funding for affordable housing and related infrastructure at an initial amount of \$1 billion annually.
- » Aggressively campaign for the passage of the \$4 billion Veterans and Affordable Housing Bond of 2018.
- » Reduce the threshold for voter approval of local funding of affordable housing and infrastructure from 67% to 55%.

# LOCAL RECOMMENDATIONS FOR LOS ANGELES

- » Adopt a county inclusionary housing policy as directed by the Board of Supervisors.
- » Provide adequate funding to acquire and preserve existing affordable rental housing at-risk of conversion to market.
- » Create a shallow project-based operating subsidy to enable households with incomes below 30% of AMI who do not qualify for other rental subsidies to access affordable housing.
- » Update local funding programs to take advantage of a change enacted by the March 23rd federal spending bill that allows households with a wider range of incomes (including some of the so-called "missing middle") to live in developments financed by Low Income Housing Tax Credits.
- » Acquire and reserve land for affordable housing development, particularly in current and emerging high-opportunity areas.
- » Adopt an affordable housing entitlement streamlining ordinance similar to the ordinance recently adopted by the City of Los Angeles to expedite the development of supportive housing.
- » Expand and strengthen protections against unjust evictions by adopting new tools including just cause eviction and rent control policies.
- » Increase funding for comprehensive tenant outreach and education in multiple languages and prioritize these resources in areas most likely to experience displacement.

**This report was produced by the California Housing Partnership.**

*Local policy recommendations provided by:*  
Southern California Association of Nonprofit Housing

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