KEY FINDINGS

• Cuts in Federal and State funding have reduced investment in affordable housing in Los Angeles County by more than $496 million annually since 2008, a 70% reduction.

• 79% of ELI households are paying more than half of their income on housing costs compared to just 3% of moderate income households.

• Los Angeles County needs 516,946 more affordable rental homes to meet current demand.

• Low Income Housing Tax Credit production and preservation in Los Angeles County decreased 31% from 2016-2018.

• Renters in Los Angeles County need to earn $47.52 per hour - more than 3 times the local minimum wage - to afford the median monthly asking rent of $2,471.
LOS ANGELES COUNTY NEEDS 516,946 MORE AFFORDABLE RENTAL HOMES

Source: California Housing Partnership analysis of 2017 PUMS data using adapted NLIHC methodology.

LOMEST INCOME HOUSEHOLDS ARE DISPROPORTIONATELY AND SEVERELY COST BURDENED

Source: California Housing Partnership analysis of 2017 PUMS data using adapted NLIHC methodology.

*Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.

LOS ANGELES COUNTY LOST 70% OF STATE AND FEDERAL FUNDING FOR HOUSING PRODUCTION AND PRESERVATION FROM FY 2008-09 TO FY 2017-18


*FY 2017-2018 does not include No Place Like Home Funding (NPLH) and no funds for the Affordable Housing Sustainable Communities (AHSC) program were awarded.
Renters need to earn 3.6 times the local minimum wage to afford the median asking rent in Los Angeles County.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Median Asking Rent</th>
<th>Income Needed to Afford Median Asking Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Los Angeles Minimum Wage</td>
<td>$2,471/Month</td>
<td>$8,237/Month</td>
</tr>
<tr>
<td>Home Health Aides</td>
<td>$2,297/Month</td>
<td>$13.25/Hour</td>
</tr>
<tr>
<td>Janitors &amp; Cleaners</td>
<td>$2,373/Month</td>
<td>$13.69/Hour</td>
</tr>
<tr>
<td>Nursing Assistants</td>
<td>$2,496/Month</td>
<td>$14.22/Hour</td>
</tr>
<tr>
<td>Teachers &amp; Instructors</td>
<td>$2,632/Month</td>
<td>$15.18/Hour</td>
</tr>
<tr>
<td>Construction Workers</td>
<td>$3,455/Month</td>
<td>$19.93/Hour</td>
</tr>
</tbody>
</table>


Housing prices are driving costs of living out of reach for low income families in Los Angeles County.

- **$35,126** needed to afford expenses
- **$80,000**
- **$60,000**
- **$51,216** needed to afford expenses
- **$40,000**
- **$43,650**
- **$20,000**
- **$27,560**
- **$0**

- 7% Transportation
- 7% Misc*
- 9% Health Care
- 12% Food
- 18% Taxes
- 23% Child Care
- 24% Housing

What a family needs to meet their basic needs in Los Angeles County.

Source: The above budget is a preview of United Way’s forthcoming data release on the Real Cost Measure. Please visit https://www.unitedwaysca.org/realcost for more information about what it takes to meet basic needs in Los Angeles County.

*The “miscellaneous” budget category includes all other categories not defined.

**The household budget for a family of three uses a population weighted average to estimate the costs associated with one working adult and two children (one school-aged child and one toddler). Each percentage represents how much a family’s annual budget is captured in each cost category (housing, child care, etc.).

Los Angeles County’s low income housing tax credit production and preservation decreased 31% from 2016-2018.

<table>
<thead>
<tr>
<th>TYPE</th>
<th>2016</th>
<th>2018</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Construction</td>
<td>9,285</td>
<td>9,373</td>
<td>1%</td>
</tr>
<tr>
<td>Acquisition &amp; Rehab</td>
<td>15,032</td>
<td>9,430</td>
<td>-37%</td>
</tr>
<tr>
<td>All</td>
<td>24,317</td>
<td>18,803</td>
<td>-23%</td>
</tr>
</tbody>
</table>

Los Angeles County

<table>
<thead>
<tr>
<th>TYPE</th>
<th>2016</th>
<th>2018</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Construction</td>
<td>1,853</td>
<td>2,158</td>
<td>16%</td>
</tr>
<tr>
<td>Acquisition &amp; Rehab</td>
<td>3,292</td>
<td>1,367</td>
<td>-58%</td>
</tr>
<tr>
<td>All</td>
<td>5,145</td>
<td>3,525</td>
<td>-31%</td>
</tr>
</tbody>
</table>

Source: California Housing Partnership analysis of 2016-2018 California Tax Credit Allocation Committee data.

Note: The data does not include manager or market rate units created through the LIHTC program.
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:

» Replace Redevelopment funding for affordable housing with at least $1 billion annually to help local governments meet their State-mandated production goals.

» Expand the State’s Low Income Housing Tax Credit Program by $500 million per year to jump-start affordable housing production and preservation.

» Create a new California capital gains tax credit to preserve existing affordable housing at risk of conversion and to fight displacement pressures in Opportunity Zones.

» Reduce the threshold for voter approval of local funding of affordable housing and infrastructure from 67% to 55% as was done for educational facilities in 2000.

LOCAL RECOMMENDATIONS FOR LOS ANGELES COUNTY

» Provide shallow rent subsidies to make it affordable for the County’s lowest income residents to live in non-profit-controlled rental housing and prevent their becoming homeless.

» Expedite entitlements for 100% affordable housing (including by increasing the threshold for requiring review of site plans to 150 units) with a special emphasis on developments serving the lowest income households who would otherwise be at risk of homelessness.

» Adopt incentive programs for market rate developers that include meaningful affordability requirements like the City of Los Angeles’ Transit Oriented Communities program.

» Implement policies that foster the development of accessory dwelling units on parcels zoned residential that have existing or newly developed single-family homes.

» Adopt comprehensive protections for low income renters including capping annual rent increases, ensuring that residents are shielded from unjustified eviction actions and providing legal assistance for residents facing eviction.

» Ensure that inclusionary housing programs have strong enforcement programs to guarantee that low income units are being occupied by eligible residents.

» Adopt comprehensive strategies to preserve existing subsidized and naturally affordable unsubsidized housing by providing supports such as gap financing for nonprofit-controlled entities to acquire apartments at risk of converting to market rate and prioritizing properties serving the County’s lowest income residents who would not otherwise qualify for existing programs.

This report was produced by the California Housing Partnership.

Local policy recommendations provided by:
Southern California Association of NonProfit Housing (SCANPH)

For questions about Los Angeles County’s housing need, contact:
Alan Greenlee, agreenlee@scanph.org, (213) 480-1249

chpc.net