Preservation of Affordable Housing Stock
City of Los Angeles Housing Inventory

All Housing Units 1,429,433

- Single-Family: 548,852 (38%)
- Multifamily Housing: 880,581 (62%)

Single-Family | Multifamily Housing
Affordable Housing Inventory

- Approximately 8%
- Located across the City
- Majority owned and operated by private entities
- Financed and assisted by local, State and Federal subsidies
- Homes to many of the City’s poorest and most vulnerable residents
- Constantly at risk of expiration/termination

Non-Affordable Multifamily Housing
811,712
92%

Affordable Housing
68,869
8%
Spectrum of Affordable Housing

Income Restricted
- Conventional loan, public subsidies, and land use incentives
- Tenant eligibility based on a combination of household income, maximum allowable rents, Area Median Income

Rent-Subsidized
- Mostly funded by HUD programs
- Section 8 rental assistance: Project-based, Tenant-based
- Tenant eligibility based on 30% of gross adjusted income
Today we are focusing on the preservation of this publicly-assisted/restricted affordable housing.

Preservation in this context can be achieved through:

- Tracking of existing inventory
- Advocacy
- Outreach and Education
- Retention of subsidies/restrictions
- Financing
Overview of Affordable Housing Inventory
What is At-Risk Affordable Housing?

At-risk Restricted Affordable Housing

Has received a type of government assistance or incentive under a federal, state and/or local program (or a combination)

Rental restrictions will terminate and/or can be converted within 5 years:

- Termination of a rental subsidy contract (opt-out)
- Prepayment/maturity of a loan, insured mortgage
- Expiration/termination of use restrictions and/or covenants
- A combination these and other factors
Citywide, At-Risk Units Expiring In the Next 5 Years

INVENTORY
- ~1,748 Properties
- ~68,869 Units:
  - Federal: 14,748
  - Local: 28,649
  - State: 25,462

AT-RISK
- 472 Properties
- 15,737 Units:
  - Federal: 9,995
  - Local: 5,136
  - State: 606
  - ~4,197 CRA/LA
At-Risk Units by Primary Funding Program

RISKS

- Prepayment or maturity of federally-insured mortgages, expiration and termination of subsidy contracts
- Expiration of covenants and use restrictions of City-funded projects.
## At-Risk Units by Council District

<table>
<thead>
<tr>
<th>Council District</th>
<th>Councilmember</th>
<th>Properties</th>
<th>Affordable Units</th>
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<tbody>
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<td>Cedillo</td>
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<td><strong>Total</strong></td>
<td></td>
<td><strong>472</strong></td>
<td><strong>15,737</strong></td>
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Why Preserve At-Risk Affordable Housing?

- Rental units with the deepest affordability
- The demand for affordable housing outpaced the supply
- More cost-effective than new construction
- Stabilizes neighborhoods
- Prevents displacement
HCIDLA’s Preservation Efforts
Non-Financial Preservation Initiatives

- Affordable Housing Preservation Program (AHPP) - 2004
MacArthur Foundation Grant (2009 – 2013)

- Coordination and development of housing preservation strategies
- Completed an at-risk assessment ranking criteria of expiring HUD housing
- Outreached to approximately 8,000 families
- Conducted two citywide Affordable Housing Preservation Summits
- Enhanced data tracking systems and strategies
- Identified HUD-assisted properties for targeted owner outreach and education
- Streamlined policies and financing tools
Financial Preservation Initiatives

- **Federal: 9,995 At Risk**
  - Refinancing HUD Mortgages & Opting Out of HUD Contract
  - HCIDLA/ HUD Partnership in underwriting & deal flow

- **Local: 5,136 At Risk**
  - Most are expiring CRA/LA Covenants
  - Allocate AHTF to address these

- **Expiring Tax Credits**
  - Recapitalization (Big “P” vs. Little “p”)

Preservation Financing: 2003 - 2013

Affordable Housing Bond Financing Program (AHBP)
- 2,500 units (18 properties) of HUD at-risk housing

Affordable Housing Trust Fund (AHTF)
- 1,200 units (15 properties) of HUD at-risk subsidized housing.
• One-year initiative to develop a proactive and preventive strategy to:

- Identify financial and non-financial strategies
- Development of a decision-framework
- Targeted property owner outreach campaign
- Targeted tenant outreach and education