



# Over 220,000 Unsubsidized Affordable Homes at Risk

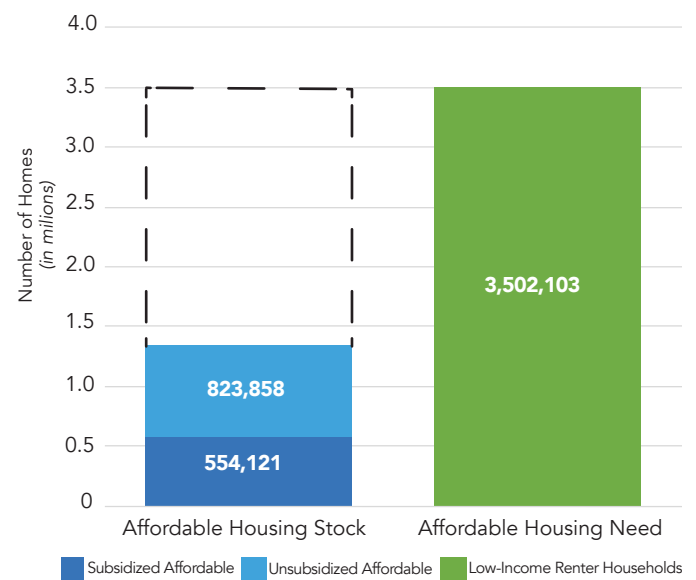
160,000 Affordable Homes Lost Since 2020

## LOSING CALIFORNIA'S UNSUBSIDIZED AFFORDABLE HOMES

Using a proprietary methodology, the Partnership identifies unsubsidized affordable properties that due to their age, location, or other market factors, offer rents we estimate are affordable to low-income households. In this analysis, we define **unsubsidized affordable properties as: apartment buildings with five or more units (which is the state's definition of multifamily housing) where at least half of the apartments have rents affordable to households earning 80% of the median income for that zipcode.**<sup>3,4,5</sup> Increasingly, these properties are targeted for acquisition and conversion by for-profit entities seeking to maximize rents, leading to the displacement of low-income residents and loss of affordability for future low-income residents. Unless the property is preserved by mission-driven, nonprofit-controlled organizations with the support and oversight of local government housing agencies, unsubsidized affordable housing will eventually become extinct in California given the current rate of loss documented below.

As of 2023, there are an estimated 823,858 affordable homes across 53,189 unsubsidized affordable properties throughout the state (see Figure 1). This represents significantly more homes than the 554,121 government regulated affordable rental homes (as of March 2024). However, even combined, both sources fall far short of meeting the housing needs of the state's approximately 3.5 million lower-income renter households.<sup>6</sup> This shortfall is the major reason why about 77% of the state's low-income households are rent burdened.<sup>7</sup>

**FIGURE 1: Statewide Affordable Housing Stock and Housing Need**



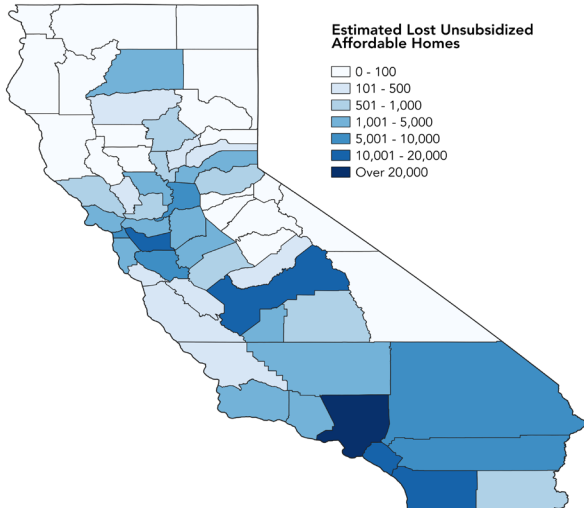
Sources: California Housing Partnership Analysis of CoStar Multifamily Property Database, 2023; California Housing Partnership Preservation Database, March 2024; Analysis of 1-year ACS PUMS data (2022) with HUD income levels.

California has two types of homes that can be affordable to low-income renters: subsidized multifamily rental properties (5+ units) where incomes and rents are regulated by agreements with federal, state and/or local government agencies, (aka "affordable housing") analyzed in our Affordable Homes At-Risk Report, and unsubsidized multifamily rental properties (5+ units), the subject of this report. These properties, due to some combination of location and building condition, have rents affordable to low-income households (aka "unsubsidized affordable housing.")<sup>1</sup>

In addition to regularly documenting the at-risk status of subsidized affordable housing throughout the state,<sup>2</sup> the Partnership continues to document unsubsidized affordable homes that have been lost and are at-risk of loss through this report. Unsubsidized affordable housing properties are becoming an increasing focus for policymakers as private equity has accelerated for-profit acquisitions and conversions of these properties, further threatening the supply of homes affordable for low-income Californians.

# WHAT HAS BEEN LOST?

**FIGURE 2: Estimated Lost Unsubsidized Affordable Homes by County**



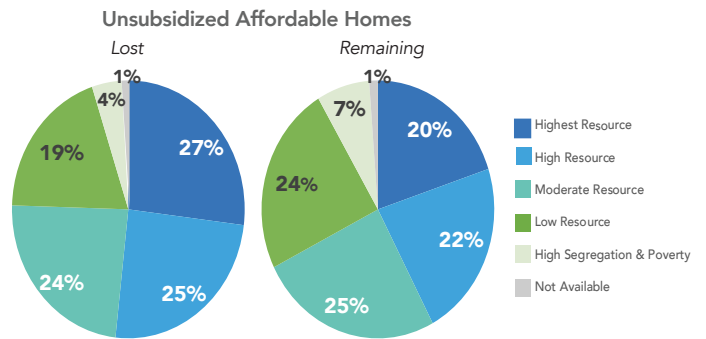
Source: California Housing Partnership Analysis of CoStar Multifamily Property Database, 2023.

Since mid-2020, an estimated 163,094 homes located in 6,691 multifamily properties which were formerly identified as unsubsidized affordable housing are no longer affordable to low-income households.<sup>10</sup> These homes are largely concentrated in the Bay Area and Southern California regions of the state, as well as Sacramento and Fresno Counties (see Figure 2). Appendix A provides a more detailed look for each county.

The state’s stock of unsubsidized affordable housing experienced a significant decline following the onset of the COVID-19 pandemic in 2020, with nearly 42% of homes (about 67,700 homes) lost between 2020 and 2021. The remainder of the 163,094 lost homes likely became unaffordable in either 2022 or 2023. Despite these losses, it is possible AB 1482—the state’s 2019 “rent cap” bill that limits rent increases to 10% annually—helped to mitigate the worst effects of the pandemic on unsubsidized affordable housing, as well as federal, statewide, and local eviction moratoriums.<sup>11</sup>

Although the loss of unsubsidized affordable housing did not rapidly increase following the end of these eviction moratoriums, as was feared,<sup>8</sup> the consistently high rate of unsubsidized affordable housing loss is still a major concern. It is reasonable to expect that the loss rate will continue to stay high unless additional state action is taken, or there is a major recession or interruption of the capital markets financing acquisitions and conversions by for-profit entities. To mitigate the loss of unsubsidized affordable housing, it is imperative that the \$10 billion affordable housing bond on the November 2024 is passed.

**FIGURE 3: Lost and Remaining NOAH by TCAC HCD Opportunity Areas, 2023**



Sources: California Housing Partnership Analysis of CoStar Multifamily Property Database, 2023; TCAC/HCD Opportunity Area Maps, 2023.

Displacement from an unsubsidized affordable property is particularly concerning from a fair housing perspective as about **52%** of lost unsubsidized affordable homes are located in **High or Highest Resource** areas as defined by the California Tax Credit Allocation Committee (TCAC) and Department of Housing and Community Development (HCD) 2023 Opportunity Map (see Figure 3).<sup>9</sup>

# WHAT IS AT-RISK OF BEING LOST IN 2024 AND BEYOND?

**37 of 58 counties have at least 100 at-risk affordable homes.**

Multifamily unsubsidized affordable properties comprise nearly 42% of California’s total multifamily housing stock (regardless of affordability), totaling an estimated 823,858 affordable homes (see Appendix A). Among these, an estimated **222,190 homes** are currently at **high or very high risk** of losing their affordability in the near term—with the highest concentrations in Southern California and the Bay Area (see Figure 4).<sup>12</sup>

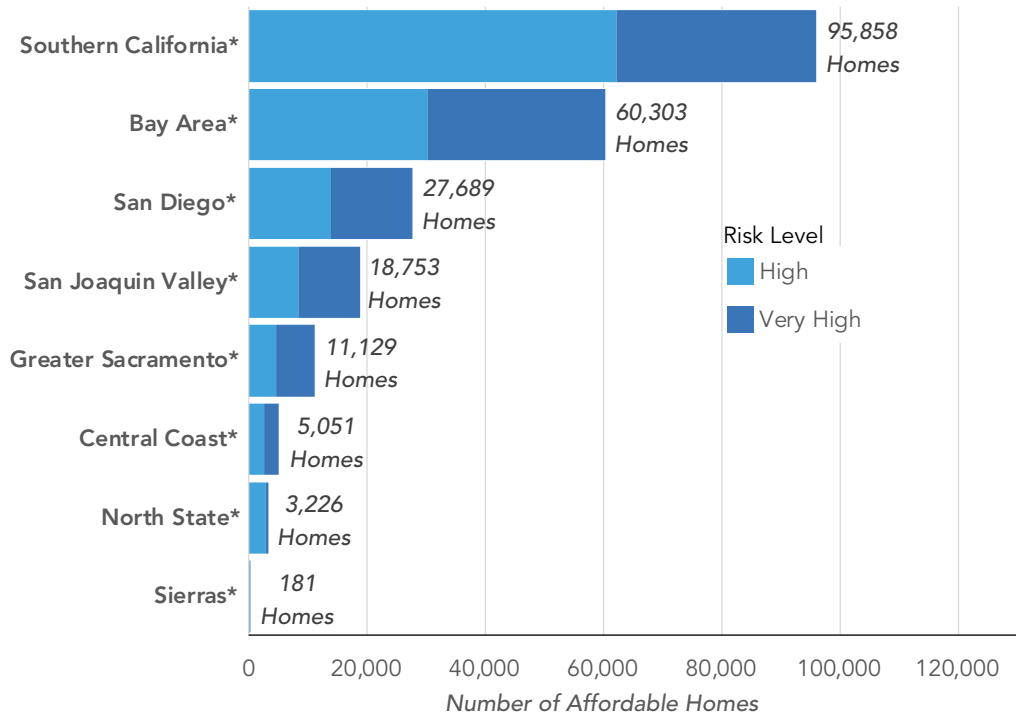
## UNSUBSIDIZED AFFORDABLE HOUSING RISK INDEX

The California Housing Partnership analyzes conversion patterns among the state’s stock of unsubsidized affordable housing to identify which homes most at risk of losing their affordability over the near term are located in census tracts with at least high risk levels, as defined by the Partnership’s Unsubsidized Affordable Housing Risk Index.<sup>13</sup>

The Index is categorized as follows:



**FIGURE 4: At-Risk Unsubsidized Affordable Housing by Region\***

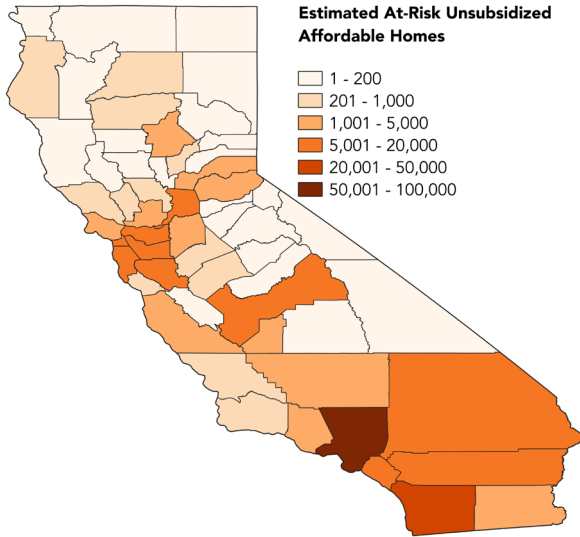


\*See footnote 13 for region definitions.

Source: California Housing Partnership Analysis of CoStar Multifamily Property Database, 2023.

# GEOGRAPHIC DISTRIBUTION OF AT-RISK HOMES

**FIGURE 5: Estimated At-Risk Unsubsidized Affordable Homes by County**



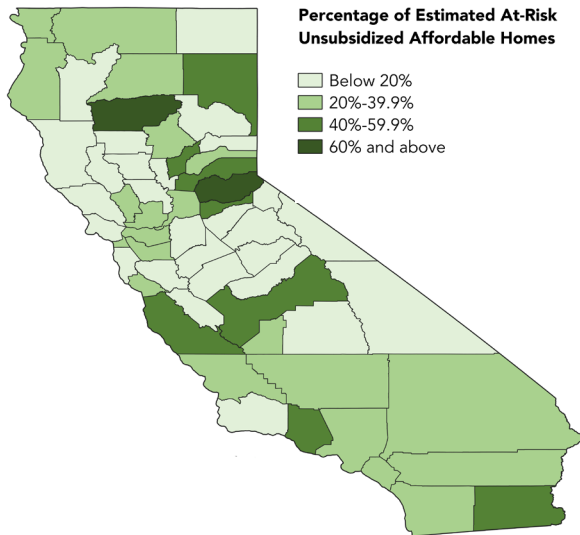
Source: California Housing Partnership Analysis of CoStar Multifamily Property Database, 2023.

**Most Populous Counties Ranked by Estimated At-Risk Unsubsidized Affordable Homes**

1	Los Angeles	57,026
2	San Diego	27,689
3	Alameda	15,443
4	Santa Clara	14,455
5	Orange	13,063
6	San Bernardino	11,364
7	San Francisco	10,892
8	Fresno	10,250
9	Riverside	9,930
10	Contra Costa	7,632
11	Sacramento	6,876
12	Kern	3,718

**Over 3/4 of California's at-risk NOAH are located in these 12 counties.**

**FIGURE 6: Percentage of Estimated At-Risk Unsubsidized Affordable Homes by County**



Source: California Housing Partnership Analysis of CoStar Multifamily Property Database, 2023.

**Most Populous Counties Ranked by Percentage of Estimated At-Risk Unsubsidized Affordable Homes**

1	Fresno	47.5%
2	San Diego	39.5%
3	Riverside	38.7%
4	Kern	36.4%
5	San Bernardino	35.5%
6	Contra Costa	31.3%
7	Los Angeles	29.7%
8	Orange	29.3%
9	Sacramento	28.8%
10	San Francisco	23.4%
11	Alameda	21.7%
12	Santa Clara	15.7%

(See Appendix B for more data on at-risk affordable homes by county.)

## WHAT CAN STATE LEADERS DO?

The following are ways that state leaders can provide the tools necessary for local governments and nonprofit, mission-driven organizations to effectively acquire and preserve existing unsubsidized affordable housing in California:

1. Prioritize a \$10 billion affordable housing bond on the November 2024 ballot. Assembly Bill 1657 (Wicks) proposes a \$10 billion bond that would significantly accelerate and expand new affordable housing, including \$1.5 billion for preservation efforts such as the Community Anti-Displacement and Preservation Program described below.
2. Enact the Community Anti-Displacement and Preservation Program (CAPP), as proposed in Senate Bill 225 (Caballero), to allow mission-driven affordable housing entities to purchase at-risk unsubsidized affordable developments. With \$500 million in funding, CAPP could spur the preservation of 3,600 homes providing affordable homes for 39,600 low-income households over the next 55 years.
3. Establish the Affordable Housing Preservation Tax Credit, as proposed by AB 1911 (Gabriel) of 2022, to encourage property owners to voluntarily sell at-risk properties to experienced affordable housing organizations who will operate them as affordable housing for low-income households for 55 years. As an incentive to sell to an affordable housing entity, the seller receives a 50% credit against the state and federal capital gains otherwise owed.
4. Provide tenants and community organizations with a first right of offer when rental housing is put up for sale.
5. Eliminate the 2030 sunset on, and close remaining loopholes in, AB 1482 of 2019, the statewide rent cap law.
6. Collect rental cost data on large and small privately-owned apartments complexes to better understand where additional unsubsidized affordable properties are at-risk.



The Roadmap provides a bold vision for solving California's affordable housing challenges. **Learn more at [roadmaphome2030.org](https://roadmaphome2030.org)** For additional policies to help protect renters, please see the [Protect People category](#) in the Roadmap Home 2030. For more on policy solutions, contact our Director of Advocacy, Mark Stivers at [mstivers@chpc.net](mailto:mstivers@chpc.net).

## APPENDIX A: MULTIFAMILY UNSUBSIDIZED AFFORDABLE HOUSING (UAH) BY COUNTY\*

County	Estimated Multifamily UAH Properties	Total Units in Multifamily UAH Properties	Total Affordable Units in Multifamily UAH Properties
Alameda	4,715	76,420	71,131
Alpine	-	-	-
Amador	14	297	265
Butte	219	6,051	5,730
Calaveras	-	-	-
Colusa	-	-	-
Contra Costa	1,228	25,635	24,560
Del Norte	12	331	327
El Dorado	120	3,430	3,213
Fresno	771	22,733	21,381
Glenn	28	495	494
Humboldt	47	953	876
Imperial	64	2,284	2,235
Inyo	-	-	-
Kern	458	10,566	10,202
Kings	95	5,631	5,564
Lake	19	186	180
Lassen	-	-	-
Los Angeles	16,271	219,240	191,732
Madera	88	2,227	2,191
Marin	612	9,617	9,093
Mariposa	-	-	-
Mendocino	56	1,063	1,050
Merced	335	7,786	7,705
Modoc	-	-	-
Mono	16	255	245
Monterey	332	7,468	6,160
Napa	146	2,465	2,209
Nevada	27	414	386

County	Estimated Multifamily UAH Properties	Total Units in Multifamily UAH Properties	Total Affordable Units in Multifamily UAH Properties
Orange	2,914	48,334	44,613
Placer	120	3,162	2,846
Plumas	-	-	-
Riverside	1,212	27,099	25,637
Sacramento	1,290	25,077	23,850
San Benito	45	1,115	1,090
San Bernardino	2,021	34,887	32,031
San Diego	4,897	77,208	70,099
San Francisco	4,241	53,337	46,464
San Joaquin	766	11,970	11,496
San Luis Obispo	145	2,551	2,417
San Mateo	2,837	48,485	44,571
Santa Barbara	237	4,100	3,878
Santa Clara	3,877	97,296	92,263
Santa Cruz	191	3,467	3,126
Shasta	126	2,623	2,597
Sierra	-	-	-
Siskiyou	19	295	277
Solano	365	9,950	8,926
Sonoma	778	13,280	12,731
Stanislaus	430	7,572	7,358
Sutter	75	1,869	1,812
Tehama	17	676	670
Trinity	-	-	-
Tulare	250	5,547	5,390
Tuolumne	14	555	437
Ventura	418	7,746	6,799
Yolo	143	3,643	3,502
Yuba	58	1,643	1,594
<b>TOTALS</b>	<b>53,189</b>	<b>899,497</b>	<b>823,858</b>

\* The Partnership defines unsubsidized or "naturally-occurring" affordable housing as: apartment buildings with five or more units where at least half of the apartments have rents affordable to households earning 80% of the median income for that zipcode. Counties with fewer than ten (10) estimated properties in the analysis do not have data shown but are included in the totals.

Sources: California Housing Partnership Analysis of CoStar Multifamily Property Database, accessed September 2023.

## APPENDIX B: LOST MULTIFAMILY UNSUBSIDIZED AFFORDABLE HOUSING (UAH) & RISK ASSESSMENT BY COUNTY\*

County	Total UAH (Historic, 2020-2023)	Lost UAH	Total UAH (Current, 2023)	UAH at Risk of Conversion
Alameda	83,633	12,502 (15%)	71,131	15,443
Alpine	0	0 (0.0%)	0	0
Amador	335	70 (21%)	265	131
Butte	6,478	748 (12%)	5,730	1,384
Calaveras	67	0 (0%)	67	0
Colusa	87	0 (0%)	87	0
Contra Costa	27,305	2,745 (10%)	24,560	7,632
Del Norte	327	0 (0%)	327	83
El Dorado	3,803	590 (16%)	3,213	1,936
Fresno	32,872	11,491 (35%)	21,381	10,250
Glenn	494	0 (0%)	494	0
Humboldt	881	5 (1%)	876	268
Imperial	3,049	814 (27%)	2,235	1,186
Inyo	31	0 (0%)	31	0
Kern	13,518	3,316 (25%)	10,202	3,718
Kings	7,021	1,457 (21%)	5,564	1,920
Lake	202	22 (11%)	180	4
Lassen	151	0 (0%)	151	78
Los Angeles	233,438	41,706 (18%)	191,732	57,026
Madera	2,553	362 (14%)	2,191	0
Marin	10,635	1,542 (15%)	9,093	1,075
Mariposa	37	0 (0%)	37	0
Mendocino	1,091	41 (4%)	1,050	67
Merced	8,402	697 (8%)	7,705	806
Modoc	8	0 (0%)	8	0
Mono	259	14 (5%)	245	0
Monterey	6,628	468 (7%)	6,160	3,221
Napa	2,615	406 (16%)	2,209	486
Nevada	555	169 (31%)	386	90

County	Total UAH (Historic, 2020-2023)	Lost UAH	Total UAH (Current, 2023)	UAH at Risk of Conversion
Orange	56,349	11,736 (21%)	44,613	13,063
Placer	5,904	3,058 (52%)	2,846	1,237
Plumas	61	0 (0%)	61	0
Riverside	33,845	8,208 (24%)	25,637	9,930
Sacramento	32,556	8,706 (27%)	23,850	6,876
San Benito	1,196	106 (9%)	1,090	0
San Bernardino	37,221	5,190 (14%)	32,031	11,364
San Diego	88,693	18,594 (21%)	70,099	27,689
San Francisco	52,954	6,490 (12%)	46,464	10,892
San Joaquin	13,819	2,323 (17%)	11,496	1,595
San Luis Obispo	2,856	439 (15%)	2,417	815
San Mateo	46,265	1,694 (4%)	44,571	7,263
Santa Barbara	4,972	1,094 (22%)	3,878	280
Santa Clara	99,395	7,132 (7%)	92,263	14,455
Santa Cruz	3,454	328 (10%)	3,126	735
Shasta	3,888	1,291 (33%)	2,597	705
Sierra	0	0 (0%)	0	0
Siskiyou	277	0 (0%)	277	91
Solano	9,689	763 (8%)	8,926	2,407
Sonoma	13,479	748 (6%)	12,731	650
Stanislaus	8,758	1,400 (16%)	7,358	322
Sutter	2,493	681 (27%)	1,812	46
Tehama	862	192 (22%)	670	456
Trinity	31	18 (58%)	13	0
Tulare	6,183	793 (13%)	5,390	142
Tuolumne	437	0 (0%)	437	50
Ventura	8,288	1,489 (18%)	6,799	3,289
Yolo	4,585	1,083 (24%)	3,502	253
Yuba	1,967	373 (19%)	1,594	781
<b>TOTALS</b>	<b>986,952</b>	<b>163,094 (17%)</b>	<b>823,858</b>	<b>222,190</b>

\*Counties with fewer than ten (10) estimated properties in the analysis do not have data shown but are included in the totals.

Sources: California Housing Partnership Analysis of CoStar Multifamily Property Database, accessed September 2023.

## DATA NOTES & SOURCES

1. Unsubsidized affordable housing is also sometimes referred to as “naturally-occurring affordable housing” (NOAH). For different uses of each term, see for example Enterprise Community Partners, “Preserving Affordability, Preventing Displacement: Acquisition-Rehabilitation of Unsubsidized Affordable Housing in the Bay Area.” April 2020. <https://www.enterprisecommunity.org/resources/preserving-affordability-preventing-displacement-acquisition-rehabilitation-unsubsidized>; and Kling, et al. “Preserving the largest and most at-risk supply of affordable housing.” February 2021, McKinsey & Company. <https://www.mckinsey.com/industries/public-sector/our-insights/preserving-the-largest-and-most-at-risk-supply-of-affordable-housing>.
2. See for example the 2023 Subsidized Affordable Homes At Risk Report: <https://chpc.net/resources/2023-subsidized-affordable-housing-at-risk-report/>. The 2024 update will be available soon.
3. Many of California’s unsubsidized affordable homes likely exist within two- to four-unit properties, which are not captured in this report. CoStar data limitations prevent analysis of this subset—the Partnership hopes to investigate these properties in future research.
4. Estimates provided in this report are approximations of the statewide multifamily unsubsidized affordable housing stock based on data provided by CoStar for properties with rental costs and interpolation for those properties with unavailable rental data.
5. Note that the methodology for generating statewide estimates, including interpolating data for missing properties, has changed since this report was first published—resulting in some differences in overall findings. The earlier version of this report generated estimates for missing data based on statewide trends of property characteristics, while this report generates estimates for missing data based on nearby multifamily properties. The approach used in this report has proven to provide more accurate results, especially at the county- and neighborhood-level, as the previous statewide methodology was overly impacted by trends in larger counties like Los Angeles.
6. To understand the full scope of affordable housing need in California, see the Partnership’s Housing Needs Dashboard: <https://chpc.net/housingneeds/>.
7. California Housing Partnership analysis of 2022 one-year American Community Survey (ACS) PUMS data with HUD income levels. A cost- or rent-burdened household pays more than 30% of gross monthly income towards housing costs.
8. See the discussion on this point in the previous version of this report, here: <https://chpc.net/resources/california-naturally-occurring-affordable-homes-at-risk/>.
9. For more information on the TCAC/HCD Opportunity Map, see: <https://www.treasurer.ca.gov/ctcac/opportunity.asp>.
10. “Homes” refers to individual units within a property, rather than properties as a whole. In our analysis of the CoStar Multifamily Property Database—including both remaining and lost properties—we track an estimated total 986,952 affordable homes across 59,880 properties.
11. For instance, the U.S. Government Accountability Office (GAO) found that eviction moratoriums at the federal, state, and local levels reduced eviction filings during the COVID-19 pandemic—although not all eligible renters benefitted. See: GAO, “COVID-19 Housing Protections Moratoriums Have Helped Limit Evictions, but Further Outreach Is Needed.” March 2021. Website: <https://www.gao.gov/products/gao-21-370>.
12. As noted above, the magnitude of estimated at-risk homes differs from the first time this report was published. This is in part due to methodological changes in identifying unsubsidized affordable housing and providing statewide estimates. Again, this method has proven to provide more accurate results in identifying specific at-risk properties, which provides better estimates especially at the county- and neighborhood-level, as the former method was too strongly impacted by the characteristics of large counties like Los Angeles. These changes are also in part due to the nature of highly variable and fluctuating market conditions that marked the COVID-19 pandemic, which have since become more predictable. The reduced magnitude of risk likely reflects these changing conditions as well.
13. The Partnership’s proprietary Unsubsidized Affordable Housing Risk Index is derived from a number of factors, including economic factors and property-level building characteristics. In future research, the Partnership intends to identify risks faced by specific properties and generate a risk score for every unsubsidized affordable property in California.

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