



HOUSING PRESERVATION NEWS

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78,503 Affordable Homes At-Risk of Conversion by Private Owners Over the Next Five Years

Editor's Note:

Editor's Note: As Congress prepares to return to work in November, one of its most important remaining tasks will be to approve a budget for FY 2011 or extend the Continuing Resolution (temporary budget). Affordable housing advocates have worked very hard to make sure that the HUD budgets approved by the House and Senate Appropriations Committees contained the necessary funding levels for FY 2011 programs, but there is still more work to be done to make sure that thousands of very low income households do not lose their affordable rental homes when their federal subsidies expire. This issue of Housing Preservation News will provide an overview of what is at-risk in California to inform our advocacy work as we prepare for the final weeks of the 111th Congressional session.

Privately Owned Federally Assisted Housing in California

Over half of California's privately owned federally assisted stock is Section 8 housing, which provides landlords with market rents while ensuring that residents pay no more than 30% of their incomes toward their rent. HUD-financed homes for seniors and people with disabilities (Section 202 and Section 811) account for an additional 29,000 apartments, or 17% of the total privately owned assisted stock. Homes with Section 236 or 221(d)3 subsidized loans have unassisted units that are especially at-risk, and are described in further detail in the last table of this newsletter.

Inventory	Properties	Assisted Units	Total Units
Section 8 only	1,056	82,092	95,870
202/811	688	26,422	29,643
Sec. 236/221(d)3 + Sec	255	20,592	25,031
Sec. 236/221(d)3 - Sec.	33	0	24,997
Sec. 515 + Sec. 8	45	2,141	2,198

What's At Risk (1): Expiring Section 8 Contracts

Over the next decade, dozens of project-based Section 8 contracts in California will expire without any assurance of renewal by the private landlords who own them, potentially ending the subsidies that ensure affordable housing for thousands of low-income families in the region.

In the next five years, there are 74,580 assisted apartments in 1,064 properties with expiring Section 8 contracts.

Contract Expiration	Risk Assessment	Properties	Assisted Units	Total Units
Within 1 year	Very High Risk	342	24,810	28,875
2-5 years	High Risk	722	49,770	
5-10 years	Moderate Risk	124	6,700	7,054
More than 10 years	Low Risk	682	38,388	41,517

What's At Risk (2): Expiring Subsidized Mortgages

The current wave of expiring mortgages represents those properties developed under 236 and 221(d)3 HUD-subsidized mortgages that are now reaching the end of their original 40-year term of affordability. "Unassisted" units in these properties, shown in the table below, are at highest risk because residents living in unassisted units are not guaranteed Enhanced Vouchers and are directly at-risk of losing their homes without federal or state intervention.

In the next five years, there are 3,923 households living in unassisted apartments that are directly at-risk of losing their homes due to expiring mortgages.

Mortgage Expiration	Properties	Assisted Units	Unassisted Units	Total Units
2011	26	1,709	822	2,531
2012	35	2,059	1,062	3,121
2013	30	2,551	552	3,103
2014	28	1,997	624	2,621
2015	25	1,776	863	2,639
TOTAL	144	10,092	3,923	14,015



PRESERVATION SERVICES FOR NONPROFIT AND LOCAL GOVERNMENT STAFF

CHPC provides financial consulting, technical assistance, and training to help nonprofit and government agencies build and preserve affordable homes for California families and seniors. For more information, please contact our Housing Policy Manager, Marilyn Wacks at mwacks@chpc.net or 415-433-6804x13.