

Introduction

This report provides a profile of California Low Income Housing Tax Credit (LIHTC) developments placed in service from 1995 to 2003. Information contained in this report is based on data submitted to Abt Associates Inc., under contract to HUD, by the California Tax Credit Allocation Committee between 1999 and 2005. All tallies, averages, distributions and percentages reported below are based on the projects for which the relevant data were submitted. In this report, the first section discusses the physical and development characteristics of LIHTC properties by the year these properties were placed in service. The second section compares the location characteristics of California’s tax credit developments with the characteristics of all renter-occupied housing by the respective region and the United States as a whole.

Physical and Development Characteristics of LIHTC Properties in California, 1995-2003

This section presents information on the physical and development characteristics of California LIHTC projects placed in service from 1995 to 2003. This information is arranged by the year placed in service.

Physical Characteristics of LIHTC Properties

Exhibit 1 presents the physical characteristics of LIHTC properties placed in service from 1995 to 2003 in California. The state placed in service 930 projects containing a total of 88,278 units, averaging roughly 103 projects and 9,809 units per year. About one-third (35 percent) of projects placed in service in California during this time period contain 51-99 units, while another third (35 percent) contain 100 or more units. The average number of bedrooms per unit is 1.9. Finally, Exhibit 1 also presents information on the ratio of qualifying units—or the proportion of LIHTC units to the total number of units. As shown, 95 percent of the units placed in service in California are qualifying tax credit units.

Exhibit 1: Physical Characteristics of LIHTC Properties in California, 1995-2003

Characteristics	Year Placed in Service									1995-
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2003
Number of Projects	3	31	110	125	148	148	132	102	131	930
Number of Units	544	3,113	8,823	12,477	14,003	14,619	13,198	9,963	11,538	88,278
Average Project Size (in Units)	181	100	80	100	95	99	100	98	88	95
Distribution of Projects:										
0-10 Units	0%	3%	2%	1%	2%	2%	2%	0%	1%	1%
11-20 Units	0%	3%	11%	3%	8%	8%	2%	4%	4%	6%
21-50 Units	33%	23%	31%	24%	22%	12%	31%	19%	23%	23%
51-99 Units	0%	42%	27%	33%	32%	39%	33%	42%	41%	35%
100+ Units	67%	29%	29%	39%	35%	39%	33%	35%	31%	35%
Average Qualifying Ratio	80%	98%	95%	95%	96%	97%	93%	92%	96%	95%
Average Number of Bedrooms	N/A	N/A	1.5	1.9	1.9	2	1.9	1.9	1.7	1.9

Notes: The distribution of projects by number of units may not sum to 100 percent because of rounding. N/A means that the relevant data was not submitted to Abt Associates Inc.

Development Characteristics of LIHTC Units

Exhibit 2 presents the development characteristics of LIHTC units placed in service in California from 1995 to 2003. Overall, a little over half of LIHTC units (55 percent) were new construction, and just under half (45 percent) were rehab units. Similarly, 57 percent of the units received the 30 percent present value credit rate and 43 percent received the 70 percent present value credit rate.

Exhibit 2: Development Characteristics of LIHTC Units in California, 1995-2003

Characteristics	Year Placed in Service									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	1995-2003
Construction Type:										
New	73%	40%	59%	57%	52%	50%	40%	59%	76%	55%
Rehab	27%	60%	41%	43%	48%	50%	60%	41%	24%	45%
Both	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Credit Type:										
30 Percent	100%	50%	15%	33%	N/A	65%	60%	68%	54%	57%
70 Percent	0%	50%	85%	67%	N/A	35%	39%	32%	46%	43%
Both	0%	0%	0%	0%	N/A	0%	0%	0%	0%	0%
Non-Profit Sponsorship	N/A	N/A	16%	47%	60%	N/A	10%	8%	6%	25%
RHS Section 515	N/A	N/A	N/A	N/A	N/A	N/A	4%	0%	0%	2%
Tax-Exempt Bond Financing	100%	50%	15%	33%	N/A	65%	56%	68%	54%	56%

Notes: Construction type totals and credit type totals may not sum to 100 percent because of rounding. N/A means that the relevant data was not submitted to Abt Associates Inc.

One quarter (25 percent) of all units placed in service during the study period were sponsored by nonprofit organizations and 56 percent of LIHTC units used tax-exempt bond financing..

Location Characteristics of LIHTC Units in California, 1995-2003

This section presents the location characteristics of California LIHTC units placed in service from 1995 to 2003. The section provides information on the distribution of LIHTC units across metropolitan and non-metropolitan areas, and within designated census tracts for California, the West and the United States. The section also provides information on the characteristics of neighborhoods that contain LIHTC units. Only geocoded projects are included in this analysis.

Metropolitan Distribution of LIHTC Units

Exhibit 3 compares the distribution of LIHTC units placed in service from 1995 to 2003 with that of all rental units among central city, suburban and non-metro areas for California, the West, and the United States. Approximately half of LIHTC units in California (51 percent) are located in central city areas, similar to the proportion of all state rental units located in central cities (49 percent). Forty-six percent of state LIHTC units are located in the suburbs, compared to 49 percent of all state rental units.. Only 3 percent of state LIHTC and all state rental units are located in non-metro areas. For context, Exhibit 3 presents this information for the West and the United States as well.

Exhibit 3: Distribution of LIHTC and All Rental Units, 1995-2003

	Central city	Suburb	Non-Metro		DDA	QCT
California						
LIHTC units	51%	46%	3%		49%	24%
All Rental units	49%	49%	3%		51%	17%
West						
LIHTC units	49%	40%	11%		31%	22%
All Rental units	47%	42%	11%		38%	14%
United States						
LIHTC units	49%	38%	13%		19%	26%
All Rental units	47%	38%	15%		23%	15%

Notes: The 1999 definition of DDAs is used here for all rental units; for LIHTC units, DDA definitions are based on year placed in service. The QCT designation is based on 1990 Census tract definitions. All Rental units reflect the number of rental units in 2000. Geographic totals of units across central city, suburban and non-metro areas may not sum to 100 percent because of rounding.

Exhibit 3 also shows the percentage of LIHTC units placed in service from 1995 to 2003 and that of all rental units in difficult development areas (DDAs) and qualified census tracts (QCTs) for California, the West and the United States. As shown, 49 percent of California’s LIHTC units are located in DDAs, compared with 51 percent of all state rental units. Almost one quarter of state LIHTC units (24 percent) are located in QCTs, compared to 17 percent of all state rental units. For context, Exhibit 3 presents this information for the West and the United States as well.

Neighborhood Characteristics of LIHTC Units

Exhibit 4 compares the distribution of LIHTC units placed in service from 1995 to 2003 with that of all rental units among census tracts with various characteristics for California, the West and the United States. This exhibit shows the percentage of units that are located in census tracts in which:

- Over 30 percent of people have incomes below the federal poverty rate,
- Over 50 percent of people are racial or ethnic minorities (i.e., non-white or Hispanic),
- Over 20 percent of households are female-headed households with children, or
- Over 50 percent of occupied housing units are occupied by renters (rather than owners).

As shown, 18 percent of California LIHTC units are located in census tracts with over 30 percent of persons below the poverty rate, slightly above the 13 percent of all state rental units located in such tracts. Almost two-thirds of LIHTC units in California (67 percent) are located in census tracts with a minority population greater than 50 percent, compared to 53 percent of all state rental units. Only 8 percent of LIHTC units and 5 percent of all rental units in California are located in census tracts with greater than 20 percent female-headed households. Among LIHTC units in California, 54 percent are located in census tracts that are over 50 percent renter-occupied, compared to 59 percent of all state rental units.

Exhibit 4: Census Tract Characteristics of LIHTC and All Rental Units, 1995-2003

	Over 30% Persons Below Poverty Rate	Over 50% Minority Population	Over 20% Female-Headed Households	Over 50% Renter- Occupied
California				
LIHTC units	18%	67%	8%	54%
All Rental units	13%	53%	5%	59%
West				
LIHTC units	16%	45%	5%	48%
All Rental units	11%	38%	3%	50%
United States				
LIHTC units	20%	42%	17%	45%
All Rental units	12%	32%	9%	44%

Note: Based on 2000 Census data and tract definitions.