

cCurrent Rental Production Methodology FAQ

1. Where does this data come from?

Every jurisdiction in the state of California is required to prepare a **Housing Element Annual Progress Report (APR)** on the jurisdiction's status and progress in implementing its housing element. Each jurisdiction's APR must be submitted to the California Department of Housing and Community Development (HCD) and the Governor's Office of Planning and Research (OPR) by April 1 of each year covering the previous calendar year (CY). HCD then publishes data for the previous calendar year by June 30th on their website. Historic data is available through 2018.

The data on this sheet represents **Certificates of Occupancy** (a measure of completed units) and comes from **Table A2** of the Housing Element APR requirements. Jurisdictions must <u>fill out</u> property level information for every entitlement, building permit and certificate of occupancy that they approve in a given year through a standardized reporting form. The form includes fields such as:

- Property size (single family, ADU, multifamily, etc.)
- Intended Tenure (renter vs. owner)
- Affordability levels for households at various income limits

2. How accurate is this data? Does it cover all jurisdictions and building activity in LA County?

This data is only as accurate as the information reported by each jurisdiction. HCD does not systematically verify the accuracy of the data submitted. Smaller cities may have less capacity and/or resources for data tracking and reporting. However, cities are increasingly incentivized to provide timely and accurate data to HCD as the state ramps up accountability and enforcement measures for jurisdictions who do not meet their housing element commitments.

The vast majority of jurisdictions across the county are submitting their APR reports, and over time, the number of jurisdictions who missed a submission has decreased. Figure 2 shows the number of jurisdictions who are missing from the report in each year.

Figure 2 - Number/Share of LA County Jurisdictions missing from APR Data by Year

Year	Number of Missing Jurisdictions	Share of All Jurisdictions*
2018	13	15%
2019	8	9%
2020	8	9%
2021	6	5%
2022	6	5%
2023	6	5%

^{*}Out of a Possible 89 (88 Cities + LA County Unincorporated)

Figure 3 below lists the jurisdictions who are missing from the dataset by name and shows the number of years they missed reporting between 2018 and 2023. The cities of Vernon and Industry are missing across all years from 2018 to 2023.

Figure 3 - List of LA County Jurisdictions Missing from APR Data by Number of Missed Years

# of Years with No Data Reported	Cities
All Years	Industry, Vernon
4 Years	La Mirada
3 Years	Commerce, South Gate
2 Years	Bell, Bradbury, Montebello, Monterey Park, Pomona, Santa Clarita
1 Year	Artesia, Avalon, Azusa, Cerritos, Cudahy, Hawaiian Gardens, Inglewood, La Puente, Lynwood, Maywood, Rolling Hills, San Marino, Westlake Village

The NDSC team is in regular contact with the HCD data department about this dataset. NDSC has verified that our data cleaning methods align with those used by HCD in their analysis and reporting.

3. How does this data compare to what's reported by the California Housing Partnership (CHPC) on their Housing Needs Dashboard?

CHPC reports the number of multifamily units that were completed and demolished in each year. Their data comes from the <u>Costar Group</u>, a private commercial real estate information platform. Multifamily units represent only a portion of the data in the Housing Element APR dataset. When filtered appropriately, these data sources report comparable numbers (shown in Figure 4 below).

Figure 4 - Comparison of New Multifamily Unit Construction across Sources

Year	Housing Element APR	CHPC Dashboard (CoStar)
2018	11,907	11,310
2019	9,911	11,903
2020	13,833	13,338
2021	15,410	13,078
2022	8,257	11,585
2023	19,226	15,585
Total	78,544	76,699

The Housing Element APR data reports the date of an approved Certificate of Occupancy while Costar <u>relies on data</u> from private websites like Google Maps, Microsoft Virtual Earth and Doorda. This may explain the discrepancy across years, as a Certificate of Occupancy may come several months before or after a unit is listed on an independent website and may

therefore be reported in an earlier or later year. Additionally, CoStar tends to have less coverage of smaller multifamily properties (e.g. 2-4 units), which may also account for small differences in the data.

4. Does this dataset include Accessory Dwelling Units (ADU)s?

Yes. Jurisdictions must select a structure type for each entry in the APR. They can choose from: (1) Single Family Attached, (2) Single Family Detached, (3) 2-4 Units, (4) 5+ Units, (5) Accessory Dwelling Unit, or (6) Mobile/Manufactured Home.

5. What can we say about production timelines in this data?

In its current state, this dataset shows a de-duplicated count of the number of units that are issued entitlements, building permits and certificates of occupancy in each year. It doesn't necessarily connect these events across a single property to create an easily interpretable timeline.

With this information, we can say that between 2018 and 2023, LA County jurisdictions issued:

- 167,228 entitlements
- 148,083 building permits
- 114,068 certificates of occupancy

Even while allowing room for the units that were entitled in later years to complete construction, we still see a fall off in unit numbers at each phase of the process.

6. How frequently can this data be updated moving forward?

HCD then publishes data for the previous calendar year by June 30th. Analysis and estimates will be included in our annual report, <u>State of Los Angeles County Housing & Neighborhoods (SOLACHAN)</u> each year.

For further questions, please contact Caroline Bhalla at cbhalla@usc.edu.