

CASE STUDY: THE DEMAND AT LEASE-UP FOR IDD AFFORDABLE HOUSING IN CA

OVERVIEW

It began with this question:

What's the demand for affordable housing units set aside *specifically* for intellectually & developmentally disabled (IDD) adults and/or families with IDD minors?

Between 2021-2023, the Housing Needs Data Working Group of the Lanterman Housing Alliance (LHA) tracked projects with IDD set-asides that met the following criteria:

- The projects are located in California.
- The IDD set-aside units can be any size with any funding source — as long as they are affordable.
- One referring entity must be a California Regional Center (RC) to verify that at least one applicant has an IDD.
- The projects can be old or new as long as all data is available.

We identified 8 qualified projects that are featured in the chart at the end of this study.

METHODOLOGY

For each housing project, we documented the following:

- The total number of units in the complex
- The number of IDD set-asides by unit type. For example:
 - Some projects had only one unit type (ex: ten 1BRs at 30% AMI)
 - Others had units at multiple AMI tiers (ex: 30% and 50%) and/or multiple numbers of bedrooms (ex: six 1BR and four 2BR).
- The number of *qualified* applicants for each IDD unit type during the initial lease-up period. (Many applications were either duplicates or didn't qualify, so we decided to focus only on *qualified* applicants.)

To gauge demand, we divided the number of qualified applicants for each IDD unit type by the total number of those units. The rightmost column of the attached chart (in orange) shows the results.

FINDINGS

Demand for the IDD set-aside units was very high in several projects. For example:

- Vista Ballona had 39 applicants for each 1BR apartment at 30% AMI.
- Sunflower Hill at Irby Ranch had 30 applicants for each 2BR apartment at 20% AMI.
- Sunflower Hill had 26 applicants for each 1BR apartment, also at 20% AMI.

At other projects, demand was far lower. For example:

- Wilton Court had 2 applicants for each studio at 30% AMI.
- T. Bailey Manor had 2 applicants for each 1BR apartment at 40% AMI.
- Orr Creek Commons II had only 1 applicant for each 1BR apartment at 50% AMI.

INTERPRETING THE RESULTS

Industry professionals we spoke to — including developers and RC staff who managed the tenant referral process — identified several possible factors that could cause such a wide discrepancy in demand. The following reasons are general in nature and aren't linked to specific projects in this study:

VARIATIONS WITH THE AREA MEDIAN INCOME (AMI) TIERS

The Area Median Income is set annually by HUD and varies by metropolitan area and household size. Affordable housing income tiers are expressed as a percent of AMI and grouped into categories ranging from Extremely Low Income (0–30% AMI) to Market Rate.

AMI TIERS WITHIN A SINGLE PROJECT

Most IDD adults and many families with IDD minors earn less than 30% AMI. This could be one reason why demand is often greater for units at the lower AMI tiers (20%-30%) than those at higher AMI tiers (40% and up).

SAME-TIER VARIATIONS ACROSS COUNTIES

Because AMI varies by metro area, the housing demand by AMI tier will also vary by metro area. In 2021, for example, maximum rents for a studio apartment at 30% AMI were \$729/month in Santa Cruz County vs. \$959/month (32% higher) in San Mateo County. Due to income requirements of at least 2x rent, many people are priced out

of typical affordable housing in high-AMI areas like the Bay Area.¹ Because there's no way to collect data on the number of applicants who *don't* make enough income to qualify for these apartments, the demand for IDD affordable housing in these areas likely is even higher than it appears.

VARIATIONS IN MARKETING/ADVERTISING

Differences in how IDD set-aside units are advertised to RC families can greatly impact the number of people applying. For example:

- Some project funding sources limit the type of RC consumers who can apply — such as those at high risk of homelessness — making it less likely an RC will inform all of their consumers about the availability of the affordable apartment. Demand for those units will naturally be lower.
- RCs each have their own system for identifying potential applicants. For example, for housing projects with no applicant restrictions:
 - Some RCs advertise available IDD set-aside units **ONLY** to segments of their consumer base, while other RCs advertise to **ALL** their consumers. A wider outreach can lead to higher numbers of applicants — which increases demand — but it can also lead to additional logistical, staffing, and service challenges.
 - The number of marketing channels used can also impact demand. While some RCs rely solely on their internal distribution lists, others cast a wider net by sending notices to autism societies, RC vendors, and even state agencies like the State Council on Developmental Disabilities. The more advertising, the greater the chance of more people applying, which could increase demand.

TYPE OF APPLICANT & UNIT TYPE

Demand for a given project can vary based on the unit types offered. For example, a project with only studio apartments will not work for large families, just as a project with only 3BR units won't work for people who want to live alone. Projects like this will naturally limit the IDD adults and families who can / want to live there, which could lower demand for those units.

¹ This does not include projects using project-based vouchers.

TIMING

Timing is another factor that can influence demand in the following ways:

CONSTRUCTION DELAYS

Large affordable housing projects often encounter construction delays, causing move-in dates to be pushed back. Some IDD consumers may hear about new set-aside units and want to apply but are unable to wait out the delays. This could lead to fewer applicants, which could lower the demand.

LENGTH OF THE “APPLICATION WINDOW”

The length of the application window can vary widely based on funding requirements and other factors. Longer timeframes give people more time to submit their applications and make it possible for more people to hear about the project. Both of these factors could increase demand.

SOCIOECONOMIC FACTORS

Various socioeconomic factors can also influence demand. For example, RC consumers and families who work multiple jobs, have limited internet access, or speak English as a second language may be less aware of new housing opportunities or face more challenges with the application process. Barriers like these could lower demand.

LOCATION OF PROPERTY

Project location can also impact demand. For example, projects located in well-maintained communities near services and job centers will appeal to larger numbers of applicants than projects built in areas with higher crime rates or fewer amenities.

NUMBER OF REGIONAL CENTER CLIENTS

Projects located in an area with 30,000+ RC consumers are likely to receive more applications than projects in an area with fewer than 10,000 RC consumers.

CONCLUSION

There are many factors that can influence demand for IDD set-aside affordable housing units, making it difficult to draw firm conclusions from the small number of projects featured in this case study. However, the high demand seen at many of these projects is compelling — making the IDD community a strong target market for developers and other stakeholders to consider for future affordable housing set-asides.

CASE STUDY:

The Demand at Lease-Up for IDD Affordable Housing in California

Summary:

This chart illustrates the demand (at lease-up) for affordable housing for intellectually & developmentally disabled (IDD) adults and / or families with IDD minors in CA.

Demand is featured in the orange column. Some projects have multiple unit sizes / income requirements, so the numbers in the smaller font size reflect those breakdowns; numbers in the larger font size illustrate demand for all IDD units in the project.

Project Details					Units				IDD Applicants & Demand	
Affordable Housing Project Name	City	Developer(s)	Referring Entity ¹	Date of Lease Up (mo/year) ²	Total # Units in Complex ³	% IDD Units	Total # IDD Units	IDD Unit Types (by AMI & # BRs) ⁴	Total # Qualified Applicants for IDD Units at Initial Lease-Up	Demand (# Applicants per Unit)
Vista Ballona	Mar Vista (Los Angeles)	Community Corp of Santa Monica	Westside RC	04/2022 (est.)	50	24%	12 ⁵	468	39.0	
							12 1BR at 30% AMI			
Sunflower Hill at Irby Ranch	Pleasanton (SF Bay Area)	Satellite Affordable Housing Assoc (SAHA) & Sunflower Hill	RC of the East Bay	09/2020	30	100%	30 ⁶	266	8.9	
							5 1BR at 20% AMI			
							1 2BR at 20% AMI			
							5 1BR at 20% AMI 6 2BR at 60% AMI			
Pueblo Viejo Villas	Coachella (Riverside County)	Chelsea Investment Corp.	Inland RC	06/2022	105	10%	10	52	5.2	
							6 1BR @ 30% AMI			
							4 1BR @ 50% AMI			
Salerno Apartments	Irvine (Orange County)	Chelsea Investment Corp.	Orange County RC	01/2022	80	13%	10	25	2.5	
							10 1BR @ 30% AMI			
Wilton Court	Palo Alto (Santa Clara County)	Alta Housing	San Andreas RC	11/2022	58	26%	15 ⁷	31	2.1	
							14 studios @ 30% AMI			
							1 studios @ 50% AMI			
Brawley Family Apartments	Brawley (Imperial Cty)	Chelsea Investment Corp.	San Diego RC	03/2021	60	25%	15 ⁸	30	2.0	
							15 3BR @ 30% AMI			
T. Bailey Manor	Eagle Rock (Los Angeles)	Women Organizing Resources, Knowledge & Svcs (WORKS)	East LA County RC	Spring 2018 (est.)	46	35%	16 ⁹	32	2.0	
							16 1BR at 40% AMI			
Orr Creek Commons II	Ukiah (Mendocino Cty)	Rural Cty Housing Development Corp.	Redwood Coast RC	09/2022	40	25%	10	13	1.3	
							5 1BR @ 50% AMI			
							5 2BR @ 50% AMI			

REQUIREMENTS TO BE INCLUDED IN THIS LIST

The Lanterman Housing Alliance (LHA) started this list in 2021. We have included all known projects that meet these requirements:

- 1) The referring entity must be a regional center to ensure that applicants for the IDD units actually have an IDD.
- 2) The projects can be old or new as long as all data is available.
- 3) The projects can be any size with any funding source as long as they are affordable.

KEY:

Note reference

NOTES RELATED TO HOUSING DEMAND

- 4) Because Area Median Income (AMI) varies by county, the housing demand by AMI tiers will also vary by county. For example, in 2022, maximum rents for 30% AMI in Santa Cruz County are \$729/mo, but are 32% higher (\$959/mo) in nearby San Mateo County. Due to income requirements of at least 2x rent, many people are priced out of typical affordable housing (excluding PBVs) in areas with high AMI. Because there's no way to collect data on the number of applicants who *don't* qualify for these projects because their income is *too low*, the demand for IDD affordable housing in these areas is even *higher* than it appears.
- 5) Vista Ballona received 673 total applications. Of those, 41 were duplicates and another 164 were not qualified.
- 6) Sunflower Hill received 285 total applications in 12 days (3/4/20 – 3/16/20). Of those, 19 were not qualified. In addition, 1 studio unit at 60% AMI was added after initial lease-up, so data on the # qualified applicants is not available for it.
- 7) Wilton Court filled 100% of their studios at 30% AMI, but at the higher income tier (50% AMI), they were only able to fill 1 of 7 studios.
- 8) People involved with the lease-up at Brawley Family Apartments think demand was low for this complex due to its location, which is "less desirable" than others.
- 9) T. Bailey Manor's 32 qualified applicants include people who declined and/or no-showed to their interview.