



Mather Veterans Village in Rancho Cordova . Photo by Michael O'Callahan. Courtesy of Sacramento Housing Alliance.

SACRAMENTO COUNTY'S HOUSING EMERGENCY UPDATE

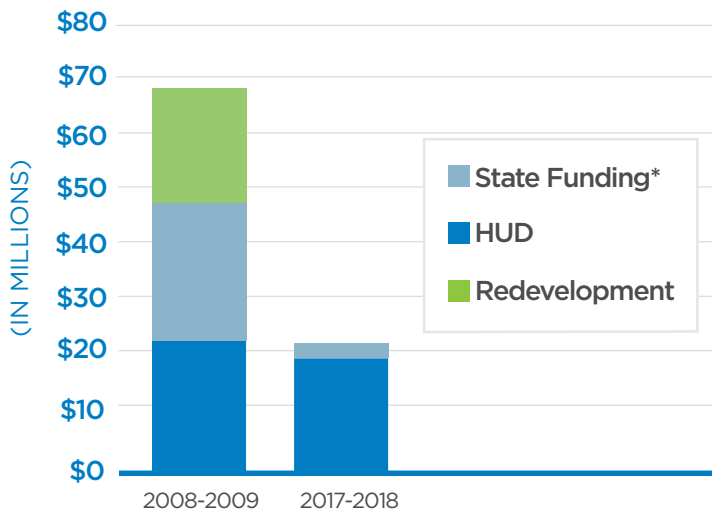


California Housing Partnership
California's Experts on Affordable Housing Finance, Advocacy & Policy

KEY FINDINGS

- Cuts in Federal and State funding have reduced investment in affordable housing in Sacramento County by more than \$46 million annually since 2008, a 68% reduction.
- Sacramento County needs 63,118 more affordable rental homes to meet current demand.
- Renters in Sacramento County need to earn \$27.79 per hour - 2.3 times the State minimum wage - to afford the median asking rent of \$1,445.
- Low Income Housing Tax Credit production and preservation in Sacramento County increased 252% while State production and preservation decreased 23% from 2016-2018.
- 80% of ELI households are paying more than half of their income on housing costs compared to just 1.9% of moderate income households.

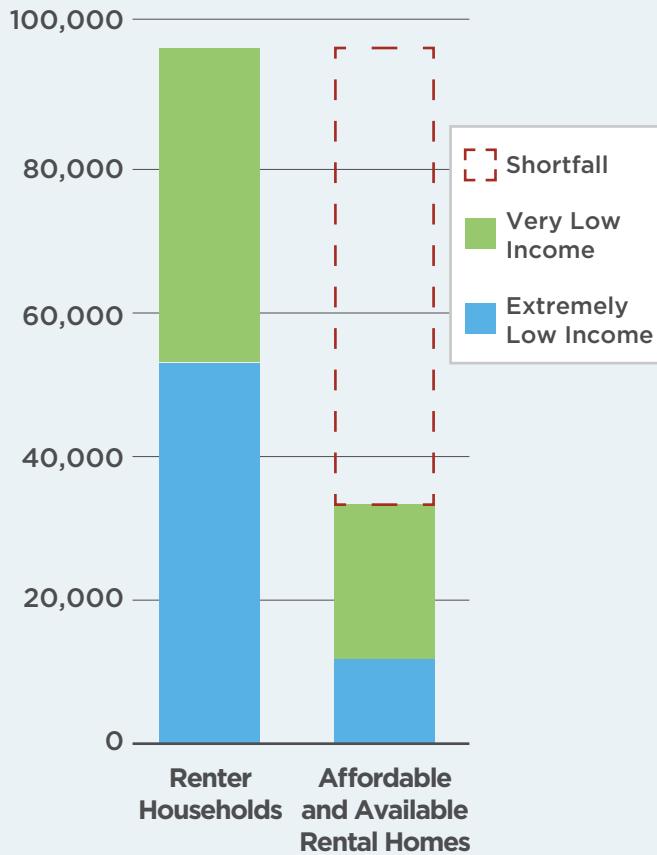
SACRAMENTO COUNTY LOST 68% OF STATE AND FEDERAL FUNDING FOR HOUSING PRODUCTION AND PRESERVATION FROM FY 2008-09 TO FY 2017-18



FUNDING SOURCE	FY 2008-09 (In thousands)	FY 2017-18 (In thousands)	% CHANGE
Redevelopment	\$20,639	\$0	-100%
State Housing Bonds and Housing Programs	\$25,432	\$3,125	-88%
HUD	\$21,444	\$18,300	-15%
TOTAL	\$67,515	\$21,425	-68%

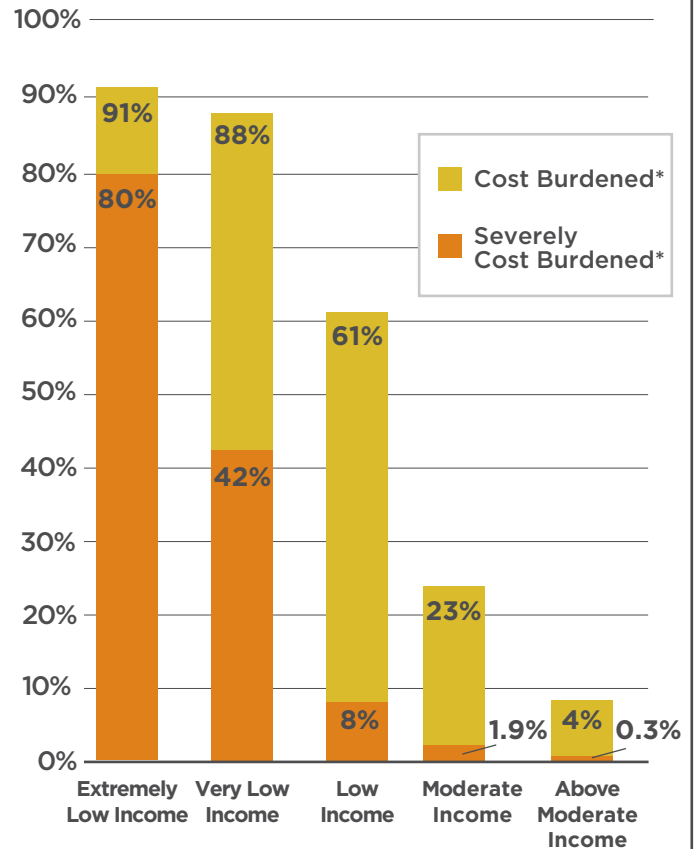
Source: California Housing Partnership analysis of 2008-2009 annual Redevelopment Housing Activities Report; 2008-2009 and 2017-2018 Annual HCD Financial Assistance Programs Reports; 2008-2009 and 2017-2018 HUD CPD Appropriations Budget Reports.
 *FY 2017-2018 does not include No Place Like Home Funding (NPLH) and no funds for the Affordable Housing Sustainable Communities (AHSC) program were awarded.

SACRAMENTO COUNTY NEEDS 63,118 MORE AFFORDABLE RENTAL HOMES



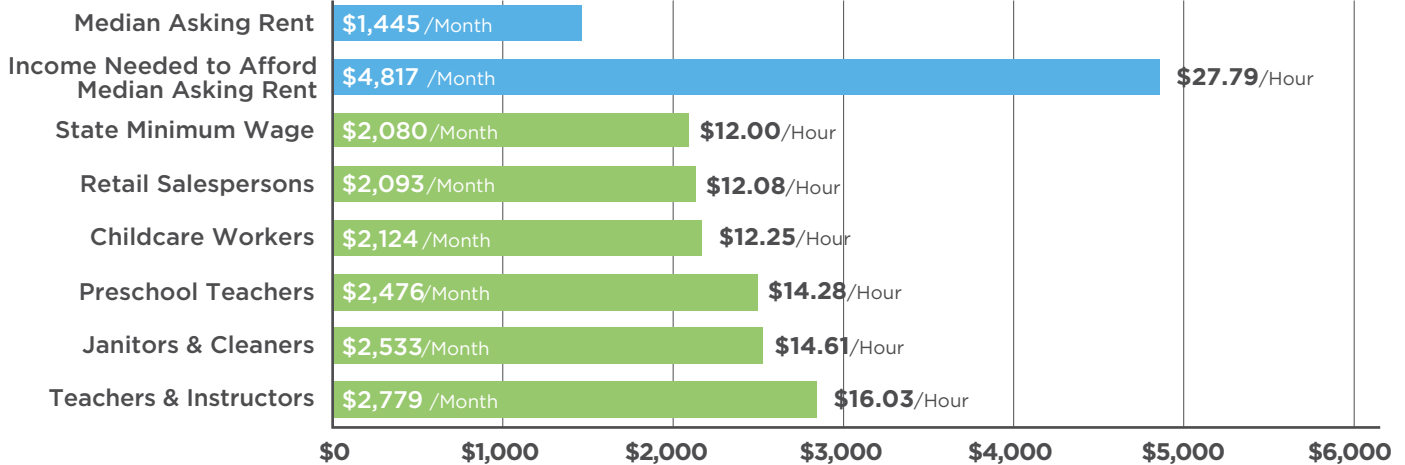
Source: NLIHC analysis of 2017 PUMS data.

LOWEST INCOME HOUSEHOLDS ARE DISPROPORTIONATELY AND SEVERELY COST BURDENED



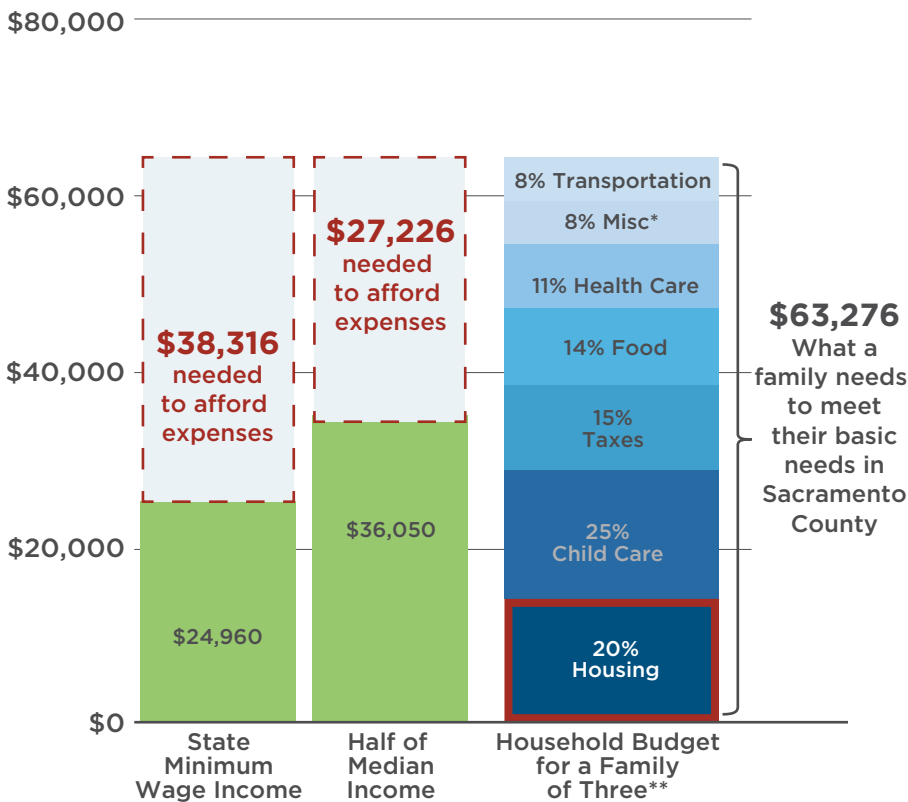
Source: NLIHC analysis of 2017 PUMS data.
 *Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.

RENTERS NEED TO EARN 2.3 TIMES MINIMUM WAGE TO AFFORD THE MEDIAN ASKING RENT IN SACRAMENTO COUNTY



Source: Paul Waddell, Urban Analytics Lab, University of California, Berkeley, retrieved from analysis of online Craigslist listings in February 2019. Bureau of Labor Statistics Median Annual Wage Data for CA Occupations, 2018.

HOUSING PRICES ARE DRIVING COSTS OF LIVING OUT OF REACH FOR LOW INCOME FAMILIES IN SACRAMENTO COUNTY



Source: The above budget is a preview of United Way's forthcoming data release on the Real Cost Measure. Please visit <https://www.unitedwaysca.org/realcost> for more information about what it takes to meet basic needs in Sacramento County.

*The "miscellaneous" budget category includes all other categories not defined.

**The household budget for a family of three uses a population weighted average to estimate the costs associated with one working adult and two children (one school-aged child and one toddler). Each percentage represents how much a family's annual budget is captured in each cost category (housing, child care, etc.).

SACRAMENTO COUNTY'S LOW INCOME HOUSING TAX CREDIT PRODUCTION AND PRESERVATION INCREASED 252% WHILE STATE PRODUCTION DECREASED 23% FROM 2016-2018

STATEWIDE			
TYPE	2016	2018	% CHANGE
New Construction	9,285	9,373	1%
Acquisition & Rehab	15,032	9,430	-37%
All	24,317	18,803	-23%
SACRAMENTO COUNTY			
TYPE	2016	2018	% CHANGE
New Construction	97	156	61%
Acquisition & Rehab	127	633	398%
All	224	789	252%

Source: California Housing Partnership analysis of 2016-2018 California Tax Credit Allocation Committee data.

Note: The data does not include manager or market rate units created through the LIHTC program.

STATEWIDE POLICY RECOMMENDATIONS

The California Housing Partnership calls on State leaders to take the following actions to provide relief to low income families struggling with the high cost of housing:

- » Replace Redevelopment funding for affordable housing with at least \$1 billion annually to help local governments meet their State-mandated production goals.
- » Expand the State's Low Income Housing Tax Credit Program by \$500 million per year to jump-start affordable housing production and preservation.
- » Create a new California capital gains tax credit to preserve existing affordable housing at risk of conversion and to fight displacement pressures in Opportunity Zones.
- » Reduce the threshold for voter approval of local funding of affordable housing and infrastructure from 67% to 55% as was done for educational facilities in 2000.

LOCAL RECOMMENDATIONS FOR SACRAMENTO COUNTY

- » Expand local revenue sources for affordable home development.
- » Ensure the City of Sacramento allocates a significant portion of Measure U funds to the creation of permanent affordable homes for lower income households.
- » Require that at least 10% of all public funding for housing be used to create permanent affordable homes for people experiencing homelessness so that people exiting shelters have an affordable supportive place to go.
- » Ensure State housing funding programs allow the Sacramento region to effectively compete for needed resources.
- » Adopt tenant protections that stabilize rents, prevent unjust evictions, promote healthy homes and minimize displacement.
- » Promote fair housing opportunities and access, including prohibiting landlords from discriminating against renters who use housing vouchers.
- » Require market rate developers to either set aside units for lower income households or dedicate land and pay a fee sufficient to ensure a larger number affordable homes are created in the same time frame.

This report was produced by the California Housing Partnership.

Local policy recommendations provided by:
Sacramento Housing Alliance

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