



CALIFORNIA AFFORDABLE HOUSING NEEDS REPORT 2026

KEY FINDINGS

1. California funded upwards of 23,000 new affordable homes in 2025, yet the state is only funding 20% of what is needed to meet its goals.
2. California spends nearly twice as much supporting homeowners than renters and only 20% of renter resources are permanent compared to 97% of the support for homeowners.
3. Median rent in California has increased 44% since 2000 while median renter household income has only increased 11% (adjusted for inflation).
4. Renters need to earn 2.8 times the state minimum wage to afford average asking rent in California, which increased by 1.8% from last year.
5. 79% of extremely low-income (ELI) renter households pay more than half of their income on housing costs compared to 6% of moderate-income renter households.
6. Black renter households are 36% more severely cost burdened than white renter households.

POLICY SOLUTIONS

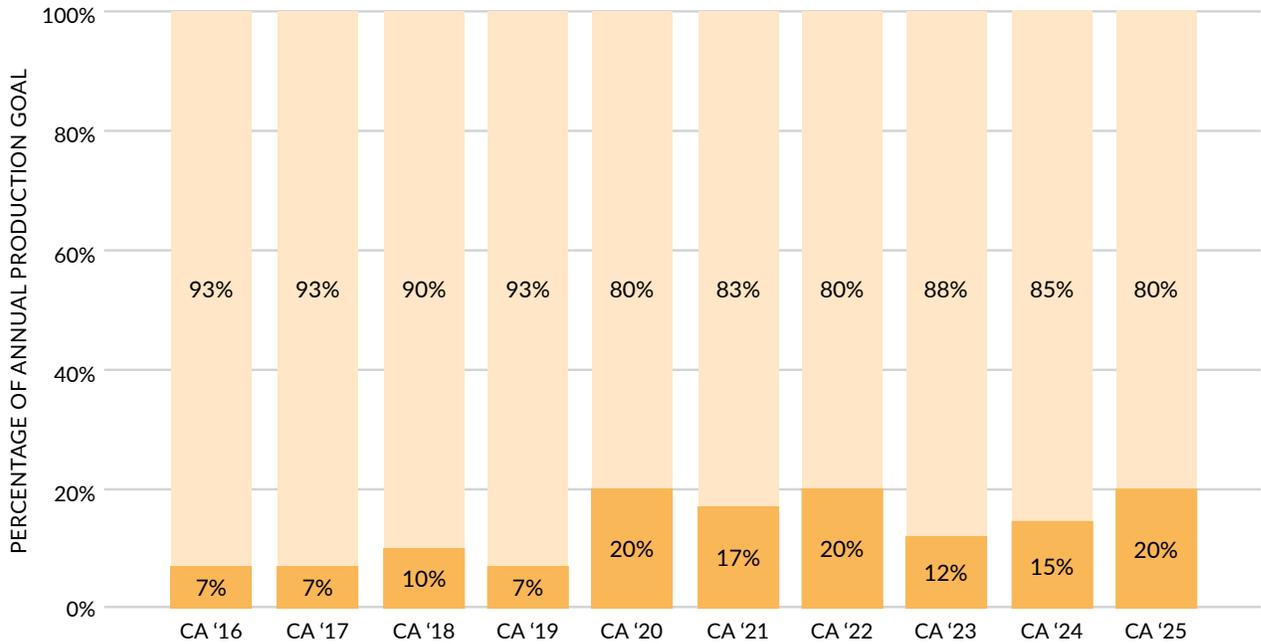
To address the affordable housing needs of its low-income residents, the Governor & legislature should:

1. Develop an on-going revenue source to fund affordable housing production and preservation at the scale needed to meet state goals over 10 years.
2. Place a \$10 billion affordable housing bond (AB 736 Wicks or SB 417 Cabaldon) on the 2026 ballot and actively support its passage.
3. Expand and make permanent the enhanced state Low-Income Housing Tax Credits.
4. Make funding the Multifamily Housing Program part of the baseline state budget and increase the amount incrementally each year.
5. Pass a state Community Reinvestment Act to create a level playing field between federally-regulated banks and currently unregulated financial institutions so that all are reinvesting in California communities equitably.
6. Reduce the cost of developing affordable homes by \$42,000 per unit by implementing the Governor's plan for the new Housing Development Finance Committee to act as a single funding table where all needed state resources are awarded at one point in time.
7. Advance preservation of existing affordable homes by (a) investing in rehabilitation, (b) strengthening enforcement of the state Preservation Notice Law, and (c) acquiring unsubsidized apartments occupied by low-income households and restricting them for long-term affordability.

These actions while important will not be sufficient in and of themselves to solve California's affordable housing crisis, which requires a long term, comprehensive, evidence-based set of policy solutions at scale, similar to those described in the Roadmap Home. The Roadmap Home lays out a bold vision for solving California's affordable housing and homelessness challenges over a 10-year period.

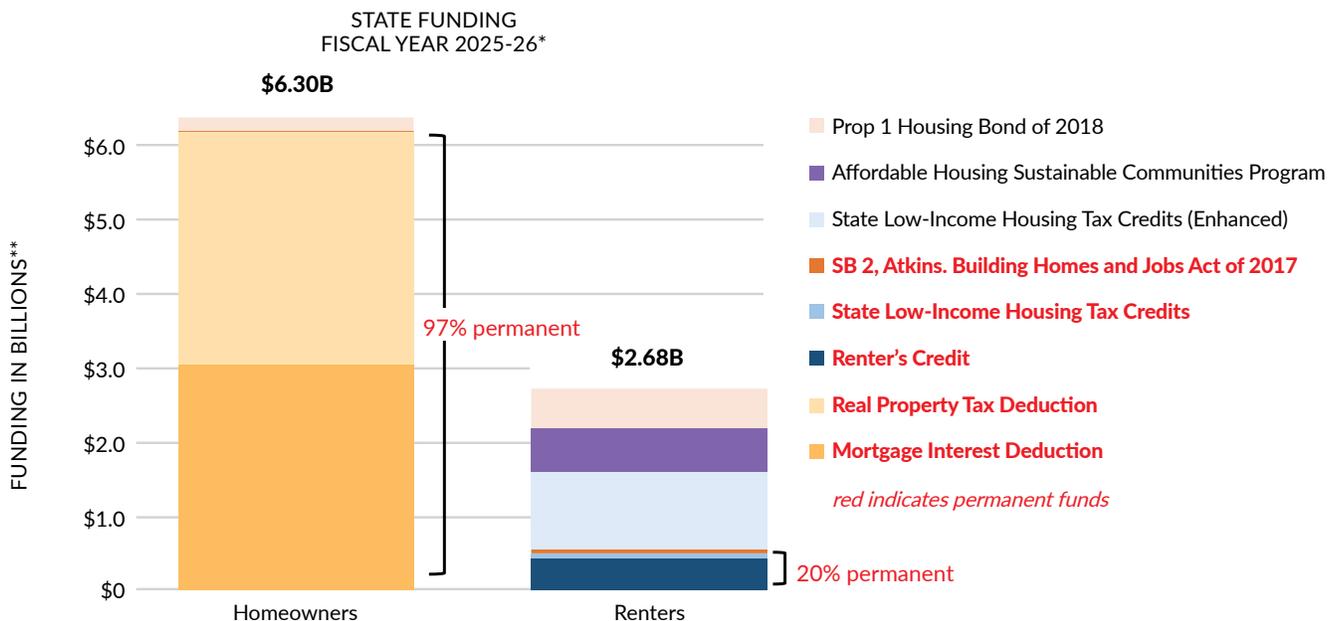


CALIFORNIA FUNDED UPWARDS OF 23,000 NEW AFFORDABLE HOMES IN 2025, YET THE STATE IS ONLY FUNDING 20% OF WHAT IS NEEDED TO MEET ITS GOALS¹

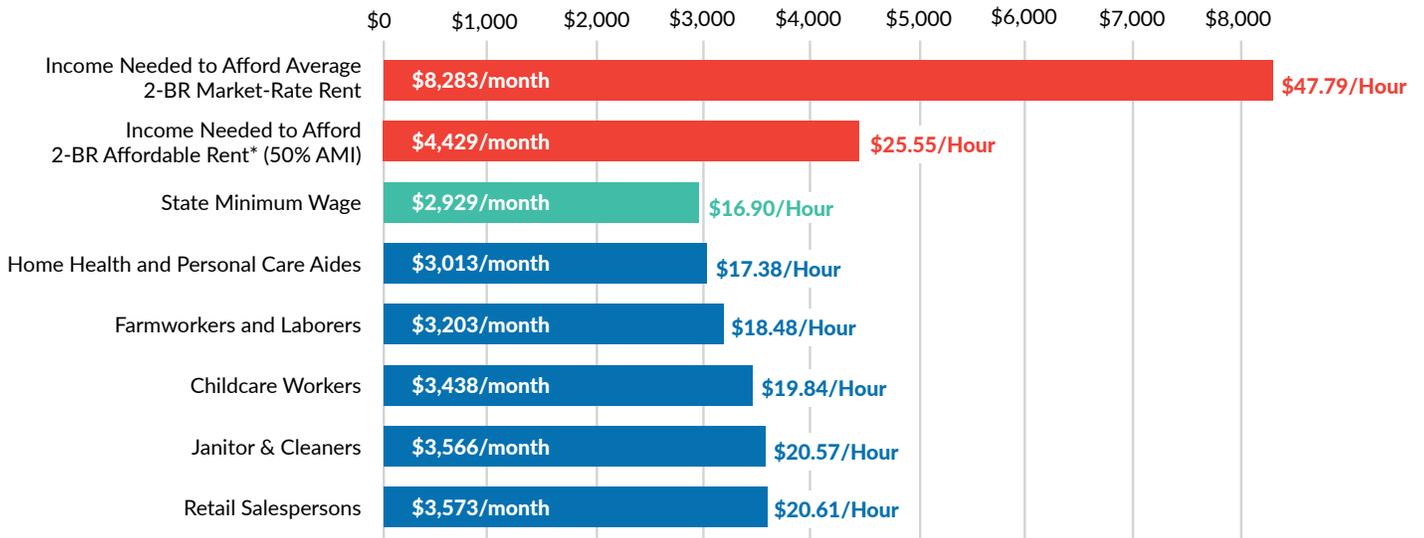


Annual Goal (Roadmap Home 2030)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Homes Funded *	7,799	7,955	11,458	7,954	24,204	20,158	23,551	14,592	17,906	23,438

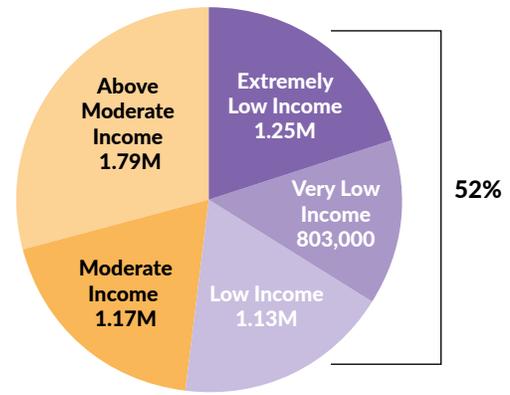
CALIFORNIA SPENDS NEARLY TWICE AS MUCH SUPPORTING HOMEOWNERS THAN RENTERS AND ONLY A FIFTH OF THE RESOURCES FOR RENTERS ARE PERMANENT²



RENTERS NEED TO EARN 2.8 TIMES THE STATE MINIMUM WAGE TO AFFORD AVERAGE ASKING RENT IN CALIFORNIA³

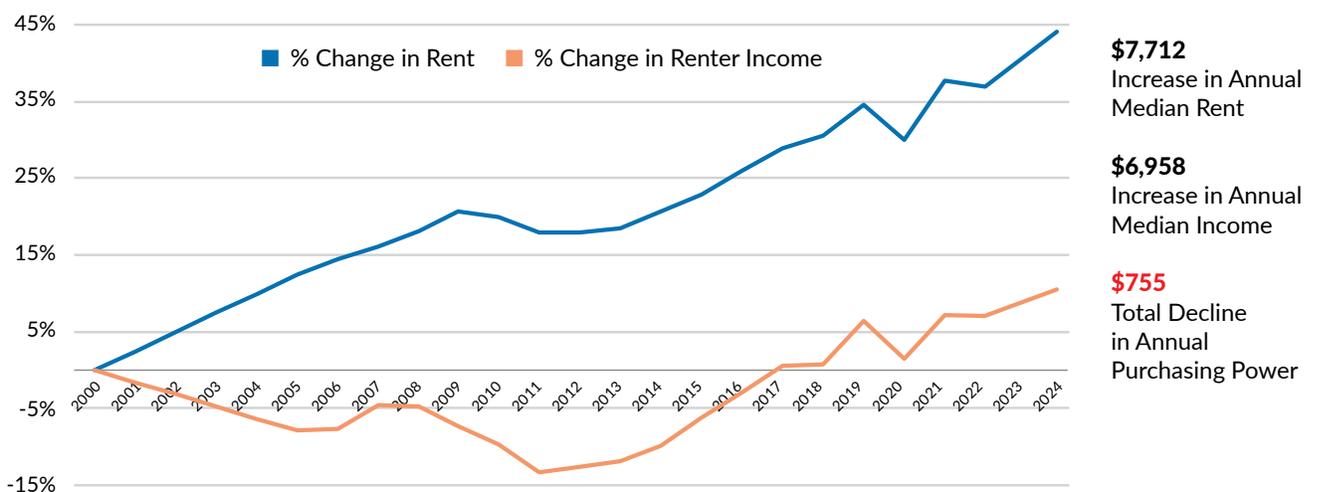


MORE THAN HALF OF CALIFORNIA'S 6.1 MILLION RENTER HOUSEHOLDS ARE LOWER INCOME, WITH 1.2 MILLION EXTREMELY LOW-INCOME RENTER HOUSEHOLDS⁴

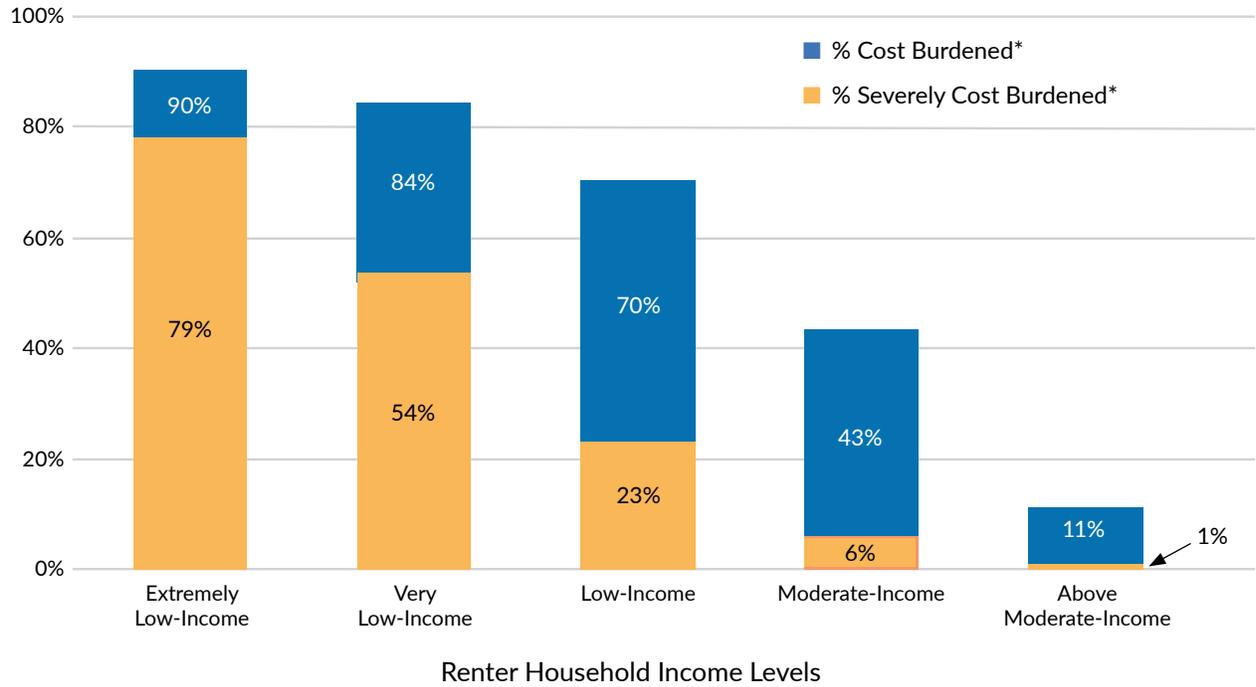


Total Renter Households: **6,086,508**

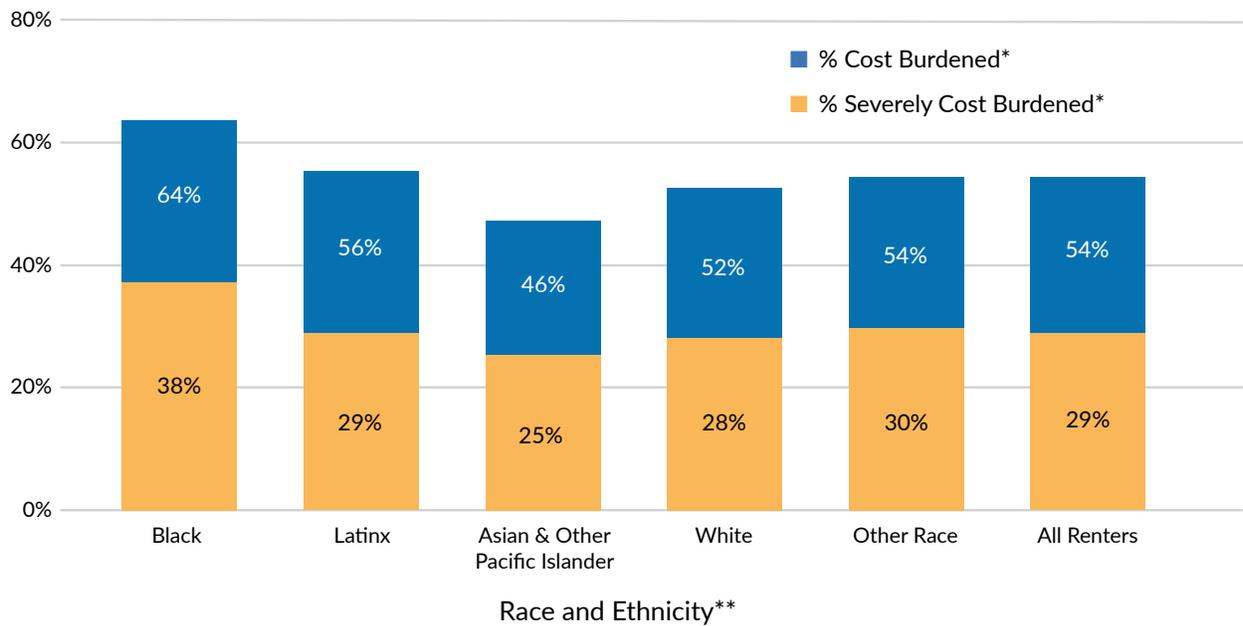
FROM 2000 TO 2024, CALIFORNIA'S MEDIAN RENT INCREASED 44% WHILE MEDIAN RENTER INCOME INCREASED 11%⁵



79% OF CALIFORNIA'S EXTREMELY LOW-INCOME HOUSEHOLDS ARE SEVERELY COST BURDENED COMPARED TO 6% OF MODERATE-INCOME HOUSEHOLDS⁶



BLACK RENTER HOUSEHOLDS ARE 36% MORE SEVERELY COST BURDENED THAN WHITE RENTER HOUSEHOLDS⁷



ENDNOTES

1. California Housing Partnership Preservation Database, February 2026.
 - * New construction and adaptive reuse affordable units funded by state funding programs, like Homekey and the Accelerator programs and the Low-Income Housing Tax Credit program.
2. State of California Department of Finance Tax Expenditure Report, 2025-2026. California Tax Credit Allocation Committee (TCAC) 2025 award data and 2026 credit estimates. California Housing and Community Development (HCD) Program Awards and Notices of Funding Availability 2025-2026.
 - * Estimates based on tenure of households as reported in the 2024 Census Data.
 - ** Funding amounts are based on preliminary data and estimates tabulated by the respective departments.
3. CoStar Group 2025 Annual Average Asking Rent, as of February 2026. HUD State MFI Rent Limit FY2024. Bureau of Labor Statistics Mean Annual Wage Data for CA Occupations, 2024.
 - * 'Affordable Rent' is approximated by HUD's state rent limits for households earning 50% of Area Median Income (AMI). Income needed to afford market and affordable rent is calculate as 30% of a household's income.
4. 2024 Public Use Microdata Sample (PUMS) analysis by the California Housing Partnership with U.S. Department of Housing & Urban Development (HUD) income levels.
5. California Housing Partnership analysis of 2000 - 2024 Census ACS data. Median renter income and rent from 2001-2004 are estimated trends. Median rent and median renter income are inflation adjusted to 2024 dollars.
6. California Housing Partnership analysis of 2024 1-year American Community Survey (ACS) PUMS data with HUD income levels. Methodology was adapted from NLIHC gap methodology.
 - * Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.
7. California Housing Partnership analysis of 2024 1-year American Community Survey (ACS) PUMS data with HUD income levels. Methodology was adapted from NLIHC gap methodology.
 - * Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.
 - ** This data represents the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Other Pacific Islander, white, and other race, only include households that do not identify their ethnic origin as Hispanic or Latino (Latinx). Householders who identify their origin as Hispanic or Latino (Latinx) may be of any race.

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