CONFRONTING SACRAMENTO COUNTY’S RENT AND POVERTY CRISIS: A CALL FOR REINVESTMENT IN AFFORDABLE HOMES

KEY FINDINGS

» Cuts in annual federal and state funding, including elimination of Redevelopment, have reduced Sacramento County’s investment in affordable housing production and preservation by more than $37 million annually since 2008, a 56% reduction.

» Median rent in Sacramento County has increased 13% since 2000 while median renter household income has declined 13%, when adjusted for inflation.

» Renters need to earn $3,803 per month to afford the average monthly asking rent of $1,141.

» Sacramento County’s lowest-income renters spend 62% of income on rent, leaving little left for food, transportation, health expenses, and other needs.

» Sacramento County needs 59,316 more affordable rental homes to meet the needs of its lowest income renters.

Source: NLIHC analysis of 2014 PUMS data.
Sacramento County’s inflation-adjusted median rent increased 13% while median renter income declined 13% from 2000 to 2014.

Sacramento County lost 56% of state and federal funding for housing production and preservation from FY 2008-09 to FY 2014-15.

<table>
<thead>
<tr>
<th>FUNDING SOURCE</th>
<th>FY 2008-2009</th>
<th>FY 2014-2015</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Redevelopment</td>
<td>$20,639,385</td>
<td>$0</td>
<td>-100%</td>
</tr>
<tr>
<td>State Housing Bonds and Housing Programs</td>
<td>$25,181,602</td>
<td>$13,279,726</td>
<td>-47%</td>
</tr>
<tr>
<td>U.S. Dept. of Housing &amp; Urban Development</td>
<td>$21,816,556</td>
<td>$16,689,885</td>
<td>-23%</td>
</tr>
<tr>
<td>Total</td>
<td>$67,637,543</td>
<td>$29,969,611</td>
<td>-56%</td>
</tr>
</tbody>
</table>

WHAT DO RENTERS IN SACRAMENTO COUNTY HAVE LEFT AFTER PAYING RENT?

SACRAMENTO COUNTY RENTERS NEED TO EARN $3,803 A MONTH TO AFFORD AVERAGE ASKING RENTS

<table>
<thead>
<tr>
<th>Average Asking Rent</th>
<th>Income Needed to Afford Average Asking Rent</th>
<th>State Minimum Wage</th>
<th>Cashiers</th>
<th>Security Guards</th>
<th>Retail Salespersons</th>
<th>Janitors and Cleaners</th>
<th>Preschool Teachers</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,141</td>
<td>$3,803/month OR $21.94/hr</td>
<td>$1,733 $10.00/hr</td>
<td>$2,063 $11.90/hr</td>
<td>$2,268 $13.08/hr</td>
<td>$2,325 $13.41/hr</td>
<td>$2,362 $13.63/hr</td>
<td>$2,398 $13.83/hr</td>
</tr>
</tbody>
</table>

Source: CHPC Analysis of Real Answers Sacramento County average rent data for the 1st Quarter 2016 and Bureau of Labor Statistics Average Annual Wage Data for CA Occupations 2015.

PERCENTAGE OF SEVERELY BURDENED HOUSEHOLDS BY INCOME GROUP

Source: NLIHC analysis of 2014 PUMS data.

ABOUT CHPC

THE STATE CREATED THE CALIFORNIA HOUSING PARTNERSHIP MORE THAN 25 YEARS AGO AS A PRIVATE NONPROFIT ORGANIZATION WITH A PUBLIC MISSION: TO MONITOR, PROTECT, AND AUGMENT THE SUPPLY OF HOMES AFFORDABLE TO LOWER-INCOME CALIFORNIANS AND TO PROVIDE LEADERSHIP ON AFFORDABLE HOUSING FINANCE AND POLICY. SINCE 1988, THE CALIFORNIA HOUSING PARTNERSHIP HAS ASSISTED MORE THAN 100 NONPROFIT AND LOCAL GOVERNMENT HOUSING ORGANIZATIONS LEVERAGE MORE THAN $8 BILLION IN PRIVATE AND PUBLIC FINANCING TO CREATE AND PRESERVE 30,000 AFFORDABLE HOMES.
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:

» Invest at least $1 billion from the state’s General Fund surplus into established state programs prioritizing the lowest-income households.

» Expand the California Low Income Housing Tax Credit. (AB 2817)

» Improve the value of the California LIHTC by up to 40% at no cost to the state. (SB 873)

» Give state voters the opportunity to approve a new housing bond similar to SB 879.

» Authorize local governments to use tax increment financing for locally approved affordable housing benefit districts and to issue bonds. (AB 2031)

» Reaffirm cities’ authority to require the inclusion of a percentage of homes affordable to low- and moderate-income households in new rental housing development. (AB 2502)

» Streamline local approvals including environmental review for 100% affordable housing developments consistent with local plans and zoning.

» Create an ongoing, predictable revenue source of at least $500 million annually for the production and preservation of homes affordable to lower-income households.

All local governments in the region should:

» Adopt or expand local Housing Trust funds including dedicating all or a significant portion of former redevelopment tax increment revenue (“Boomerang” funds) returned to the county and cities to affordable homes on an ongoing basis.

» Expand the Rental Housing Inspection Program developed by the City of Sacramento to all communities in the region to address substandard rental properties.

» Prioritize public funding resources for extremely low-income households and preserve existing single room occupancy (SRO) units as part of an overall strategy to prevent homelessness.

» Inventory, promote, and prioritize public and public surplus land for the development of affordable homes. In particular, work with transit agencies to identify properties appropriate for affordable infill and transit-oriented development.

» Prioritize and expand the project-basing of federal rental subsidies including Housing Choice Vouchers, Shelter Plus Care, and Veterans Affairs Supportive Housing (VASH) for permanent supportive housing.

» Adopt or increase impact fees, inclusionary zoning requirements, and commercial linkage fees.