

Schapiro Knolls, Watsonville, CA.
Photo by Frank Domin, courtesy of MidPen Housing



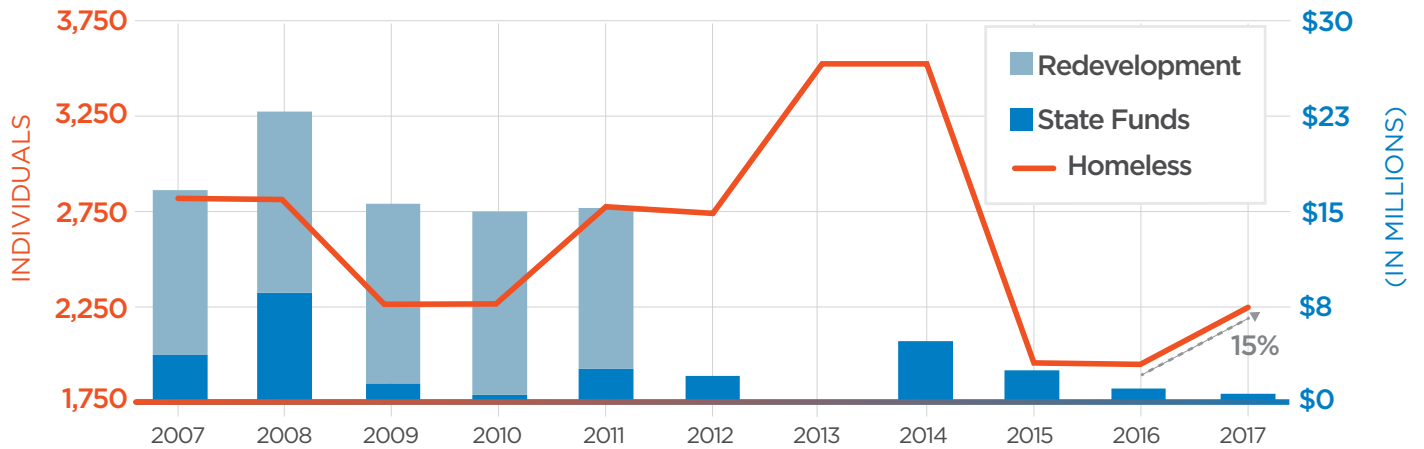
SEPTEMBER 2018

Santa Cruz County's Housing Emergency and Proposed Solutions

KEY FINDINGS

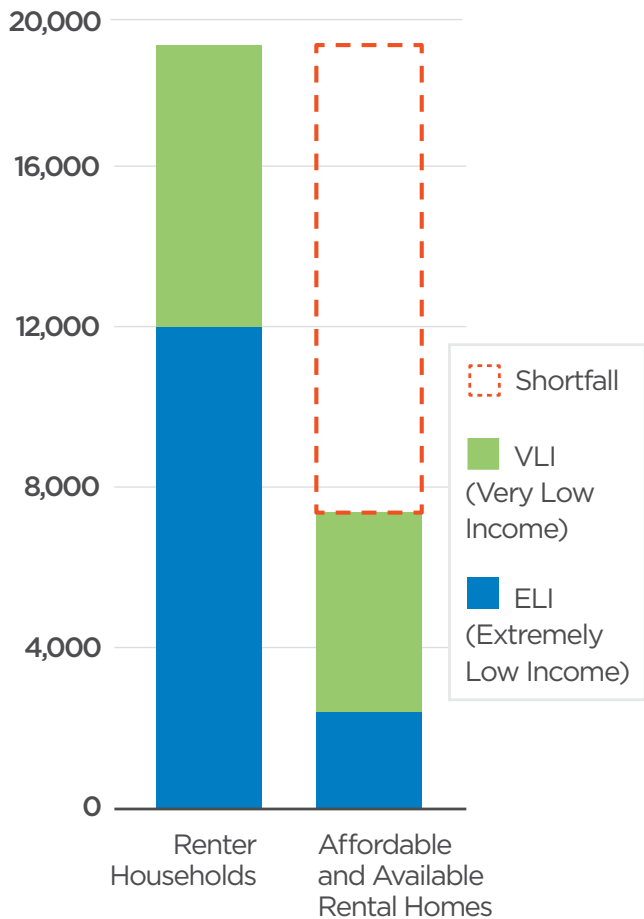
- Between 2007 and 2017, the amount of state funding Santa Cruz County received annually declined by more than \$16 million, while homelessness increased by 15% in recent years.
- Santa Cruz County needs 11,873 more affordable rental homes to meet current demand.
- Renters in Santa Cruz County need to earn \$50.96 per hour - more than four times state minimum wage - to afford the median monthly asking rent of \$2,650.
- When factoring in high housing costs, Santa Cruz County's poverty rate increases from 13.8 percent to 24.8 percent, one of the highest in the state.
- Though there was a statewide trend of significant decrease in Low Income Housing Tax Credit production, Santa Cruz County production stayed fairly stable with a small increase of 62 homes from 2016-2017.

ELIMINATION OF REDEVELOPMENT & LOSS OF STATE BOND FUNDING FOR HOUSING FORESHADOWED A 15% RISE IN HOMELESSNESS IN SANTA CRUZ COUNTY IN 2016-17



Source: CHPC analysis of 2007-2011 Annual California Department of Housing and Community Development (HCD) Redevelopment Housing Activities Report; 2007-2017 annual HCD Financial Assistance Programs Reports. Housing and Urban Development (HUD) PIT and HIC data since 2007. Note fiscal years are indicated by second half of fiscal year (e.g. FY 2006-2007 is presented as 2007).

SANTA CRUZ COUNTY NEEDS 11,873 MORE AFFORDABLE RENTAL HOMES, EQUIVALENT TO 27% OF THE EXISTING RENTAL STOCK



Source: CHPC analysis of 2015-2016 PUMS data using adapted NLIHC methodology.

SANTA CRUZ COUNTY'S POVERTY RATE RISES TO 24.8% WHEN HIGH HOUSING COSTS ARE INCLUDED

Official Poverty Measure (OPM)

13.8%

Unadjusted for Housing Costs

California Poverty Measure (CPM)

24.8%

Adjusted for Housing Costs and Social Benefits

Source: Public Policy Institute of California (PPIC), California Poverty by County and Legislative District, 2013-2015.

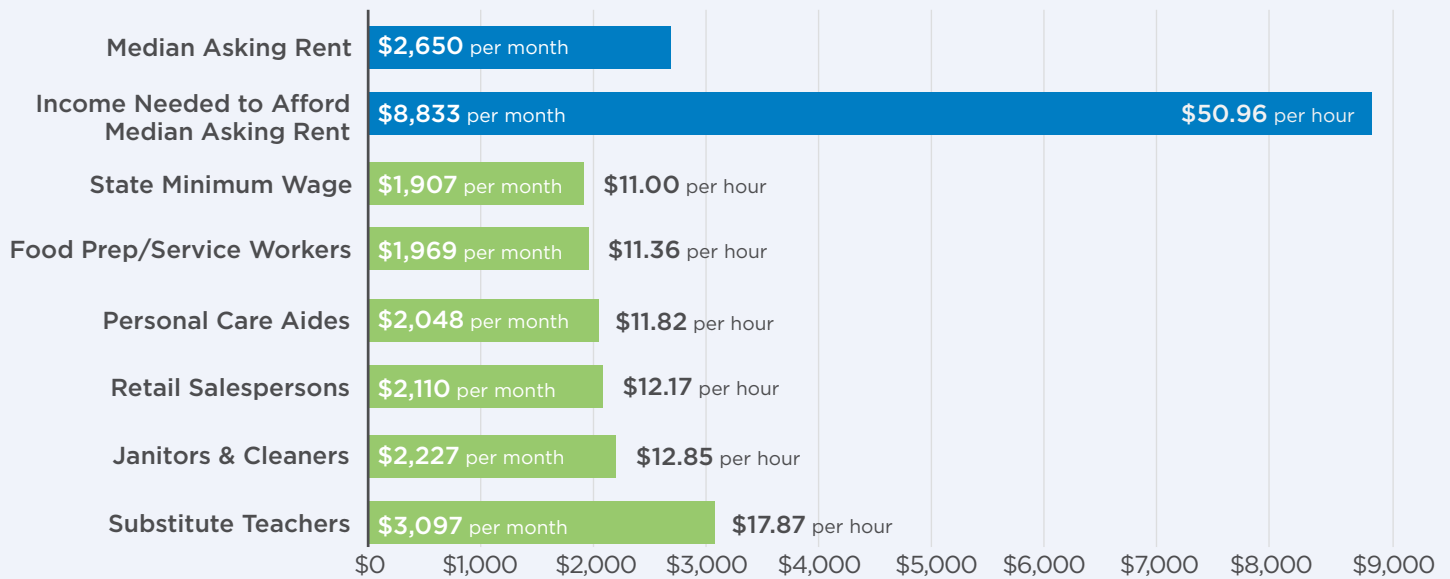
HOUSING CREDIT VOLUME INCREASED 138% IN SANTA CRUZ COUNTY WHILE IT DECREASED 45% STATEWIDE IN ANTICIPATION OF THE FEDERAL TAX BILL

State			
Type	2016	2017	Change %
New Construction	9,285	7,407	-20%
Acquisition & Rehab	15,032	5,928	-61%
All	24,317	13,335	-45%
Santa Cruz County			
Type	2016	2017	Change %
New Construction	45	40	-11%
Acquisition & Rehab	0	67	100%
All	45	107	138%

Source: CHPC analysis of 2016 and 2017 CA Tax Credit Allocation Committee (TCAC) data.

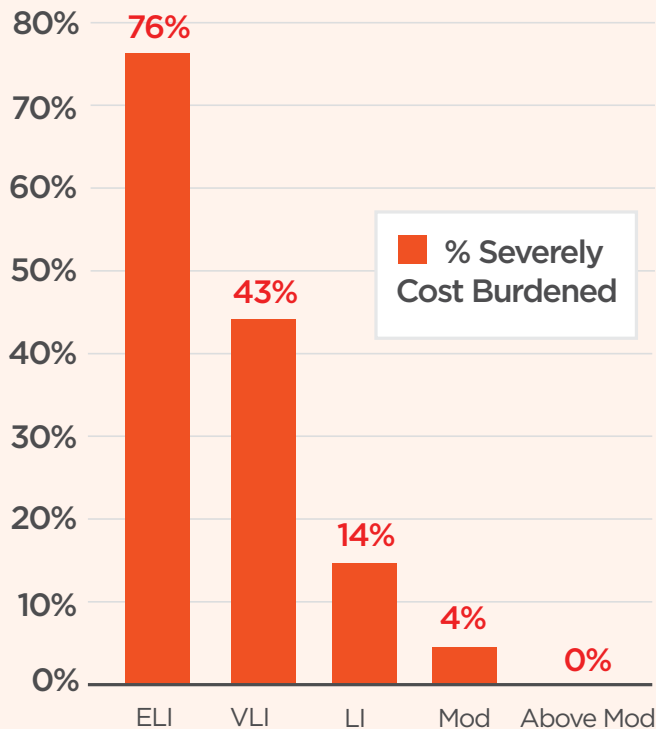
Note the data does not include manager or market rate homes created through the LIHTC program.

RENTERS IN SANTA CRUZ COUNTY NEED TO EARN 4.6 TIMES MINIMUM WAGE TO AFFORD MEDIAN ASKING RENTS



Source: Paul Waddell, Urban Analytics Lab, University of California, Berkeley, retrieved from analysis of online Craigslist listings in April 2018. CHPC analysis of Bureau of Labor Statistics Median Annual Wage Data for CA Occupations in 2017.

PERCENTAGE OF SEVERELY COST-BURDENED* HOUSEHOLDS BY INCOME GROUP



Source: CHPC analysis of 2015-2016 PUMS data using adapted NLIHC methodology.

*Severely cost-burdened households spend 50% or more of their income towards housing costs.

ABOUT CHPC

THE STATE CREATED THE CALIFORNIA HOUSING PARTNERSHIP NEARLY 30 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 NONPROFIT AND LOCAL GOVERNMENT HOUSING AGENCIES ACROSS THE STATE TO LEVERAGE MORE THAN \$14 BILLION IN PRIVATE AND PUBLIC FINANCING TO CREATE AND PRESERVE 70,000 AFFORDABLE HOMES.

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:

- » Aggressively campaign for voters to pass the \$4 billion Veterans and Affordable Housing Bond of 2018 (Proposition 1) and the No Place Like Home homeless housing initiative (Proposition 2).
- » Expand the state's Low Income Housing Tax Credit Program by \$300 million per year to make up for the loss of value caused by the 2017 federal tax bill.
- » Bring back redevelopment funding for affordable housing and related infrastructure at an initial amount of \$1 billion annually.
- » 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 2009.

LOCAL RECOMMENDATIONS FOR SANTA CRUZ COUNTY

- » Pass \$140 million affordable housing bond to support investments in affordable housing for Santa Cruz County families and working people.
- » Create expedited approval process and more flexible zoning regulations for 100% affordable housing developments.
- » Adopt policies to incentivize and support the development of Accessory Dwelling Units to create more affordable rental options.
- » Approve local ordinances that promote affordable "missing middle" housing types through market rate development, including smaller units, duplexes and triplexes.
- » Utilize all existing state tools to enable more housing and affordable housing options, such as the State Density Bonus Law.
- » Revise local inclusionary housing zoning ordinances to strongly promote the inclusion of affordable homes in new market rate development over other potential compliance options.

This report was produced by the California Housing Partnership.

Local policy recommendations provided by:
Non-Profit Housing Association of Northern California

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