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

<table>
<thead>
<tr>
<th>FUNDING SOURCE</th>
<th>FY 2008-09 (in thousands)</th>
<th>FY 2017-18</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redevelopment</td>
<td>$20,639</td>
<td>$0</td>
<td>-100%</td>
</tr>
<tr>
<td>State Housing Bonds and Housing Programs</td>
<td>$25,432</td>
<td>$3,125</td>
<td>-88%</td>
</tr>
<tr>
<td>HUD</td>
<td>$21,444</td>
<td>$18,300</td>
<td>-15%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$67,515</td>
<td>$21,425</td>
<td>-68%</td>
</tr>
</tbody>
</table>


*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.

<table>
<thead>
<tr>
<th>Income Needed to Afford Median Asking Rent</th>
<th>Median Asking Rent</th>
<th>Income Needed to Afford Median Asking Rent</th>
<th>Median Asking Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teachers &amp; Instructors</td>
<td>$2,779 /Month</td>
<td>$16.03 /Hour</td>
<td>$1,445 /Month</td>
</tr>
<tr>
<td>Janitors &amp; Cleaners</td>
<td>$2,533 /Month</td>
<td>$14.61 /Hour</td>
<td>$1,445 /Month</td>
</tr>
<tr>
<td>Childcare Workers</td>
<td>$2,124 /Month</td>
<td>$12.25 /Hour</td>
<td>$1,445 /Month</td>
</tr>
<tr>
<td>Preschool Teachers</td>
<td>$2,476 /Month</td>
<td>$14.28 /Hour</td>
<td>$1,445 /Month</td>
</tr>
<tr>
<td>Retail Salespersons</td>
<td>$2,093 /Month</td>
<td>$12.08 /Hour</td>
<td>$1,445 /Month</td>
</tr>
<tr>
<td>State Minimum Wage</td>
<td>$2,080 /Month</td>
<td>$12.00 /Hour</td>
<td>$1,445 /Month</td>
</tr>
<tr>
<td>Median Asking Rent</td>
<td>$4,817 /Month</td>
<td>$27.79 /Hour</td>
<td>$1,445 /Month</td>
</tr>
</tbody>
</table>

State Minimum Wage:
- Teachers & Instructors: $16.03 /Hour
- Janitors & Cleaners: $14.61 /Hour
- Childcare Workers: $12.25 /Hour
- Preschool Teachers: $14.28 /Hour
- Retail Salespersons: $12.08 /Hour
- State Minimum Wage: $12.00 /Hour

Income Needed to Afford Median Asking Rent:
- Teachers & Instructors: $1,445 /Month
- Janitors & Cleaners: $1,445 /Month
- Childcare Workers: $1,445 /Month
- Preschool Teachers: $1,445 /Month
- Retail Salespersons: $1,445 /Month
- State Minimum Wage: $1,445 /Month


Housing prices are driving costs of living out of reach for low income families in Sacramento county.

Statewide:
- New Construction: 9,285 in 2016, 9,373 in 2018, 1% change
- Acquisition & Rehab: 15,032 in 2016, 9,430 in 2018, -37% change
- All: 24,317 in 2016, 18,803 in 2018, -23% change

Sacramento County:
- New Construction: 97 in 2016, 156 in 2018, 61% change
- Acquisition & Rehab: 127 in 2016, 633 in 2018, 398% change
- All: 224 in 2016, 789 in 2018, 252% change

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.

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.).
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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