• Low Income Housing Tax Credit production and preservation in San Mateo County declined by 25% overall from 2016 due to Federal tax reform.

• Cuts in Federal and State funding have reduced investment in affordable housing in San Mateo County by more than $31 million annually since 2008, a 78% reduction.

• San Mateo County needs 22,269 more affordable rental homes to meet current demand.

• 74% of ELI households are paying more than half of their income on housing costs compared to just 2.5% of moderate income households.

• Renters in San Mateo County need to earn $67.54 per hour - 4.5 times the local minimum wage - to afford the median asking rent of $3,512.
SAN MATEO COUNTY NEEDS 22,269 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%.

SAN MATEO COUNTY LOST 78% 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 (In thousands)</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redevelopment</td>
<td>$27,148</td>
<td>$0</td>
<td>-100%</td>
</tr>
<tr>
<td>State Housing Bonds and Housing Programs</td>
<td>$2,910</td>
<td>$1,500</td>
<td>-48%</td>
</tr>
<tr>
<td>HUD</td>
<td>$9,780</td>
<td>$7,134</td>
<td>-27%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$39,858</td>
<td>$8,634</td>
<td>-78%</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.
RENTERS NEED TO EARN 4.5 TIMES LOCAL MINIMUM WAGE TO AFFORD THE MEDIAN ASKING RENT IN SAN MATEO COUNTY

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Median Asking Rent</th>
<th>Income Needed to Afford Median Asking Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City of San Mateo Minimum Wage</strong></td>
<td>$2,600/ Month</td>
<td>$15.00/ Hour</td>
</tr>
<tr>
<td><strong>Retail Salespersons</strong></td>
<td>$2,450/ Month</td>
<td>$14.13/ Hour</td>
</tr>
<tr>
<td><strong>Janitors &amp; Cleaners</strong></td>
<td>$2,628/ Month</td>
<td>$15.16/ Hour</td>
</tr>
<tr>
<td><strong>Teachers &amp; Instructors</strong></td>
<td>$3,375/ Month</td>
<td>$19.47/ Hour</td>
</tr>
<tr>
<td><strong>Preschool Teachers</strong></td>
<td>$3,451/ Month</td>
<td>$19.91/ Hour</td>
</tr>
<tr>
<td><strong>Medical Assistants</strong></td>
<td>$3,761/ Month</td>
<td>$21.70/ Hour</td>
</tr>
</tbody>
</table>


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

- **$120,000**
  - City of San Mateo Minimum Wage Income: $31,200
  - Half of Median Income: $66,000
  - Household Budget for a Family of Three: $30,000

- **$119,071**
  - 5% Transportation
  - 6% Health Care
  - 7% Misc
  - 8% Food
  - 19% Child Care
  - 25% Taxes
  - 30% Housing

- **$87,871**
  - Needed to afford expenses

- **$53,071**
  - Needed to meet expenses

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 San Mateo County.

SAN MATEO COUNTY’S LOW INCOME HOUSING TAX CREDIT PRODUCTION AND PRESERVATION DECREASED 25% FROM 2016-2018

<table>
<thead>
<tr>
<th>TYPE</th>
<th>2016</th>
<th>2018</th>
<th>% CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STATEWIDE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Construction</td>
<td>9,285</td>
<td>9,373</td>
<td>1%</td>
</tr>
<tr>
<td>Acquisition &amp; Rehab</td>
<td>15,032</td>
<td>9,430</td>
<td>-37%</td>
</tr>
<tr>
<td>All</td>
<td>24,317</td>
<td>18,803</td>
<td>-23%</td>
</tr>
<tr>
<td><strong>SAN MATEO COUNTY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Construction</td>
<td>299</td>
<td>249</td>
<td>-17%</td>
</tr>
<tr>
<td>Acquisition &amp; Rehab</td>
<td>80</td>
<td>35</td>
<td>-56%</td>
</tr>
<tr>
<td>All</td>
<td>379</td>
<td>284</td>
<td>-25%</td>
</tr>
</tbody>
</table>

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.

**REGIONAL AND LOCAL RECOMMENDATIONS FOR SAN MATEO COUNTY**

Regional Recommendations

» Condition discretionary transportation funds to cities on progress in providing affordable housing and preventing displacement.

» Ensure that all cities and counties in the Bay Area are accountable to produce their fair share of affordable housing through the region’s next Regional Housing Need Allocation.

Local/County Recommendations

» Adopt a system-wide three county Caltrain affordable housing policy that prioritizes housing production and requires minimum 20% affordable housing on Caltrain’s publicly-owned land.

» Invest at least 25% of Measure K funds annually to create permanent affordable homes.

» Adopt affordable housing impact fees on commercial developments and pass or update inclusionary housing policies.

» Prioritize affordable housing on publicly-owned land and require a minimum of 25% of all homes be affordable to very low income and low income households.

» Allow accessory dwelling units to be approved through ministerial review.

» Adopt policies and programs that protect renters from unreasonable rent increases and evictions.

This report was produced by the California Housing Partnership.

Local policy recommendations provided by:
Housing Leadership Council of San Mateo County

For questions about San Mateo County’s housing need, contact:
Evelyn Stivers, estivers@hlcsmc.org, (650) 242-1764