

MERCED COUNTY 2020 Affordable Housing Needs Report



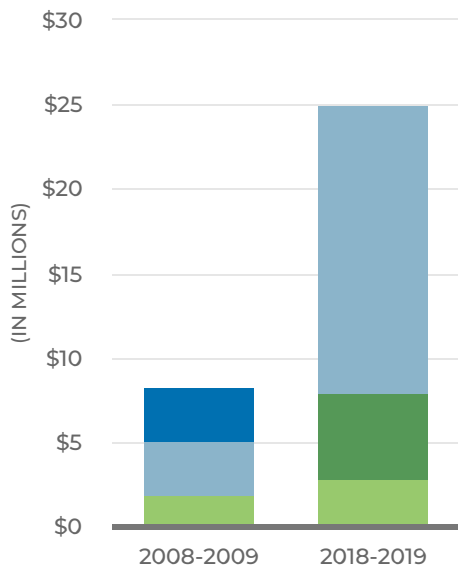
**California
Housing
Partnership**
*California's Experts on Affordable
Housing Finance, Advocacy & Policy*

KEY FINDINGS

- **8,281** low-income renter households in the county do not have access to an affordable home.
- Low-Income Housing Tax Credit production and preservation in Merced County **increased by 40%** since 2016 while state production and preservation **decreased 13%**.
- **74%** of extremely low-income households are paying more than half of their income on housing costs compared to just 3% of moderate-income households.
- Renters in Merced County need to earn \$18.19 per hour — **1.4 times** the state minimum wage — to afford the average monthly asking rent of \$946.
- State funding **increased 168%** and federal funding **increased 313%** for housing production and preservation in Merced County from FY 2008-09 to FY 2018-19.

FUNDING FOR HOUSING

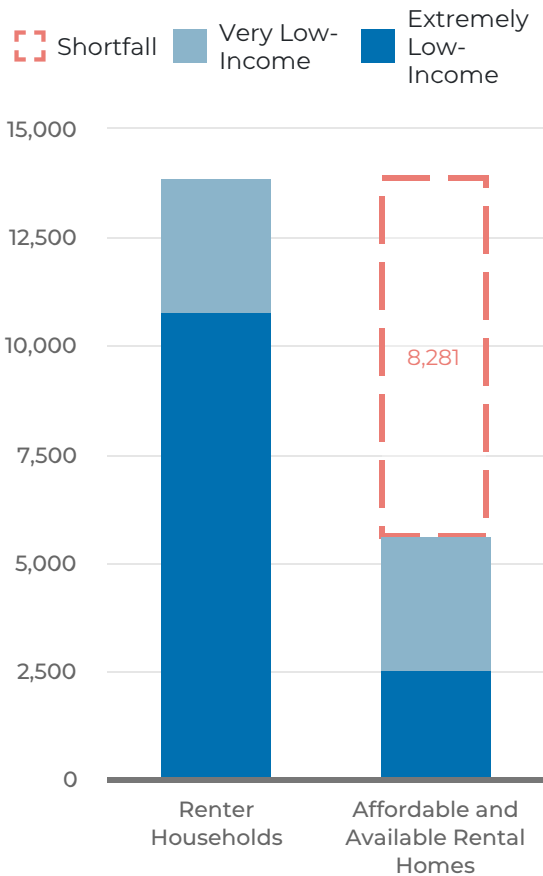
State funding **increased 168%** and federal funding **increased 313%** for housing production and preservation in Merced County from FY 2008-09 to FY 2018-19.



FUNDING SOURCE	FY 2008-09	FY 2018-19	% CHANGE
	(in thousands)		
Redevelopment Housing	\$3,186	\$0	-100%
State Housing Bonds and Budget Allocations	\$3,187	\$17,058	435%
State LIHTC	\$0	\$0	--%
STATE TOTAL	\$6,372	\$17,058	168%
Federal LIHTC	\$0	\$5,181	--%
HUD Block Grants	\$1,932	\$2,797	45%
FEDERAL TOTAL	\$1,932	\$7,978	313%

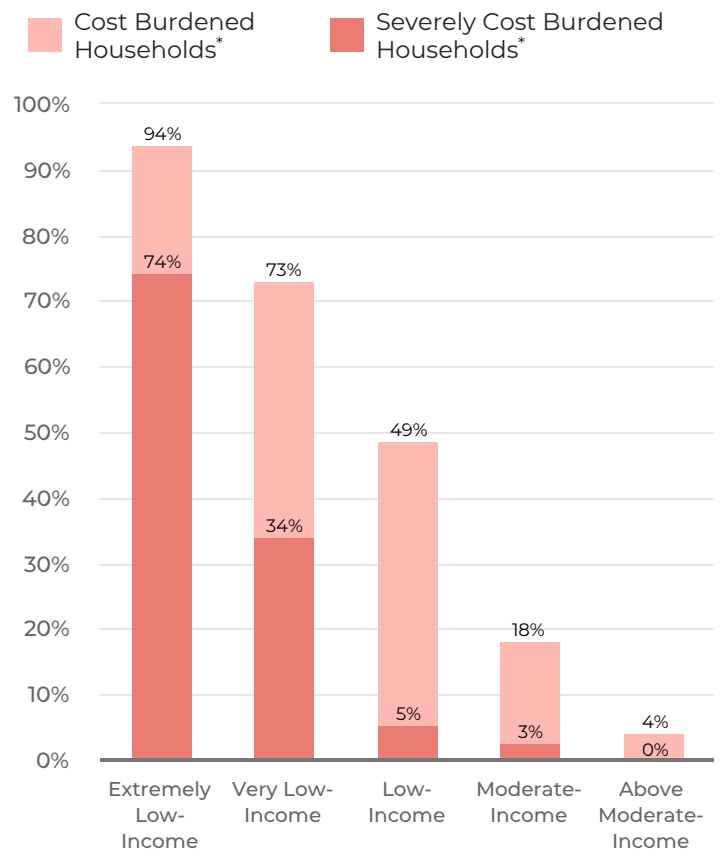
AFFORDABLE HOMES SHORTFALL

8,281 low-income renter households in Merced County do not have access to an affordable home.



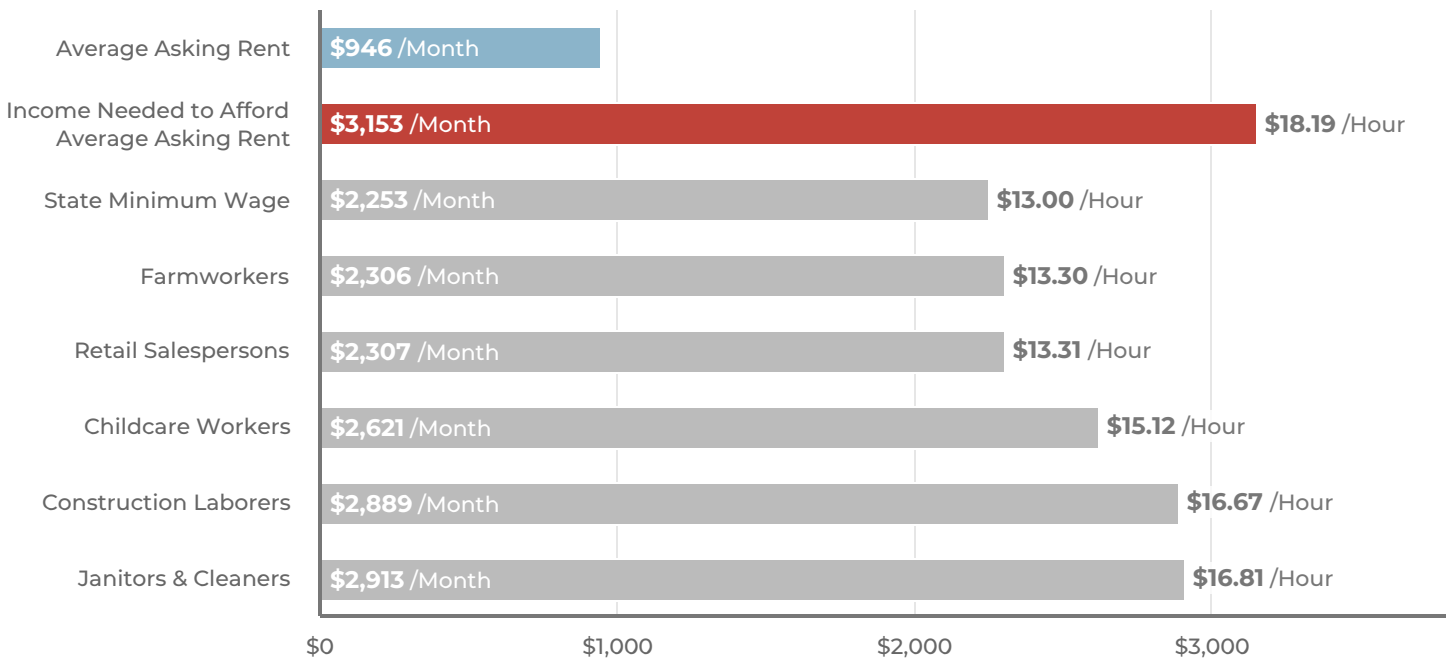
COST BURDENED HOUSEHOLDS

74% of ELI households in Merced County are paying more than half of their income on housing costs compared to just **3%** of moderate-income households.



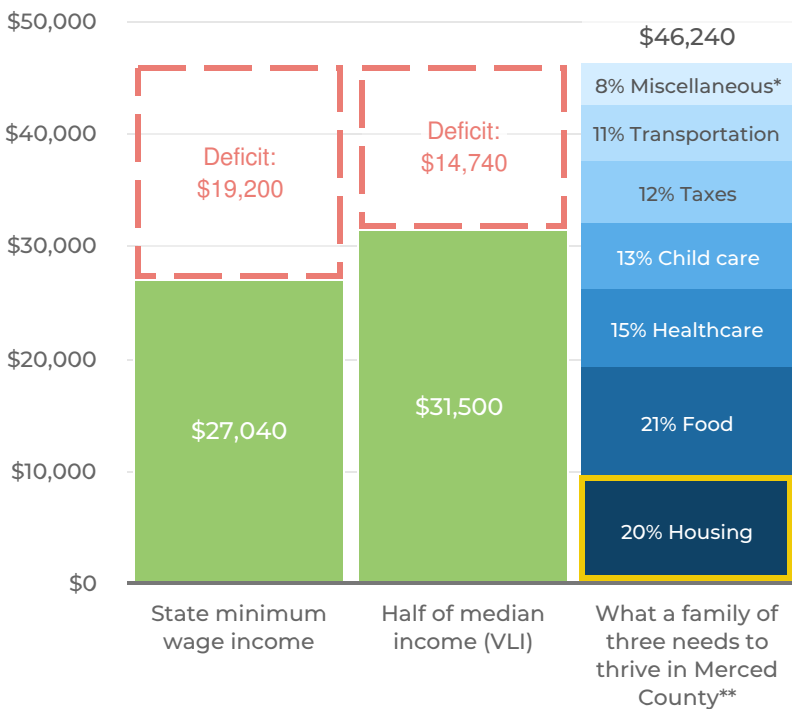
WHO CAN AFFORD TO RENT

Renters need to earn **1.4 times** minimum wage to afford the average two-bedroom asking rent in Merced County.



COST OF LIVING

After paying the high cost of housing, very low-income households in Merced County are **short \$14,740** annually for basic needs.



LIHTC PRODUCTION AND PRESERVATION

Merced County's Low-Income Housing Tax Credit production and preservation **increased by 40%** from 2016-2019.

STATEWIDE			
TYPE	2016	2019	% CHANGE
New Construction	8,539	7,813	-9%
Acquisition & Rehab	15,032	12,686	-16%
All	23,571	20,499	-13%

MERCED			
TYPE	2016	2019	% CHANGE
New Construction	0	49	--%
Acquisition & Rehab	35	0	-100%
All	35	49	40%

STATEWIDE POLICY RECOMMENDATIONS

In addition to critical COVID-19 efforts, the Partnership calls on State leaders to take the following actions to provide relief to low-income families struggling with unaffordable and unstable housing:

- Make permanent the \$500 million annual increase to the California Low-Income Housing Tax Credit Program to jump-start affordable housing production and provide an additional \$100 million annually to rehabilitate existing affordable rental properties.
- Create a new Affordable Housing Preservation Tax Credit to preserve existing affordable housing at risk of conversion and to fight displacement pressures.
- Streamline Department of Housing and Community Development rental housing funding programs through a single application and award process to reduce development costs.
- Reduce the threshold for voter approval of local funding of affordable housing and infrastructure from 67 percent to 55 percent as was done for educational facilities in 2000.
- Exempt supportive housing and affordable housing funded by MHP, HOME or CDBG from CEQA reviews.
- Allow affordable housing to be built by right on land currently zoned for commercial or public uses and on church-owned lands.

DATA SOURCES & NOTES

• FUNDING FOR HOUSING

California Housing Partnership analysis of 2008-2009 annual Redevelopment Housing Activities Report; 2008-2009 and 2018-2019 Annual HCD Reports; 2008-2009 and 2018-2019 HUD CPD Appropriations Budget Reports; 2018-2019 California Strategic Growth Council, Affordable Housing Sustainable Communities Program 2008-2009 and 2018-2019 federal and state Low-Income Housing Tax Credits.

• AFFORDABLE HOMES SHORTFALL

California Housing Partnership analysis of 1-year American Community Survey (ACS) Public Use Microdata Sample (PUMS) data with HUD income levels. Methodology was adapted from NLIHC gap methodology.

• COST BURDENED HOUSEHOLDS

California Housing Partnership analysis of 1-year 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%.

• WHO CAN AFFORD TO RENT

CoStar Group average asking rent for two bedroom as of January 2020. Bureau of Labor Statistics Average Annual Wage Data for California Occupations, 2019.

• COST OF LIVING

United Ways of California, Real Cost Measure Household Budgets 2019. Please visit unitedwaysca.org/realcost for more information on what it takes to meet basic needs in communities across California.

* The "miscellaneous" budget for a family of three 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 teenager). Each percentage represents how much a family's annual budget is captured in each cost category (housing, child care, etc.).

• LIHTC PRODUCTION AND PRESERVATION

California Housing Partnership's Preservation Database, January 2020. Please note that this data does not include manager units or market rate units created through the LIHTC program.

This report was produced by the California Housing Partnership | chpc.net

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