



# CALIFORNIA'S HOUSING NEEDS

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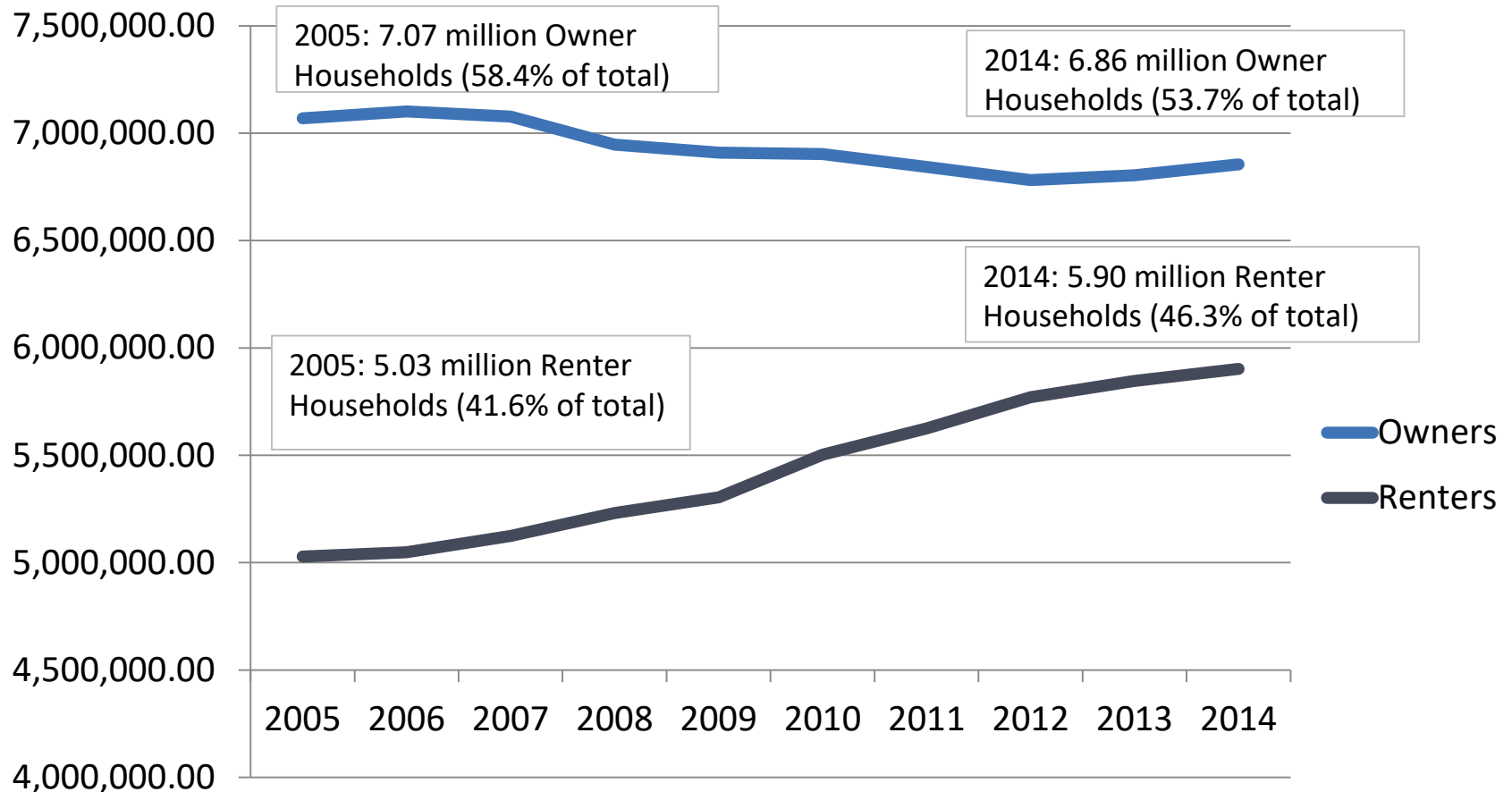
# California Housing Partnership

- Created by the California Legislature in 1988
- Board appointed by Speaker, Pro Tem & Governor
- Helped nonprofit and government housing agencies leverage more than \$12 billion in private and public funding to create and preserve more than 60,000 affordable homes
- Provides leadership on rental housing policy and funding through research and education

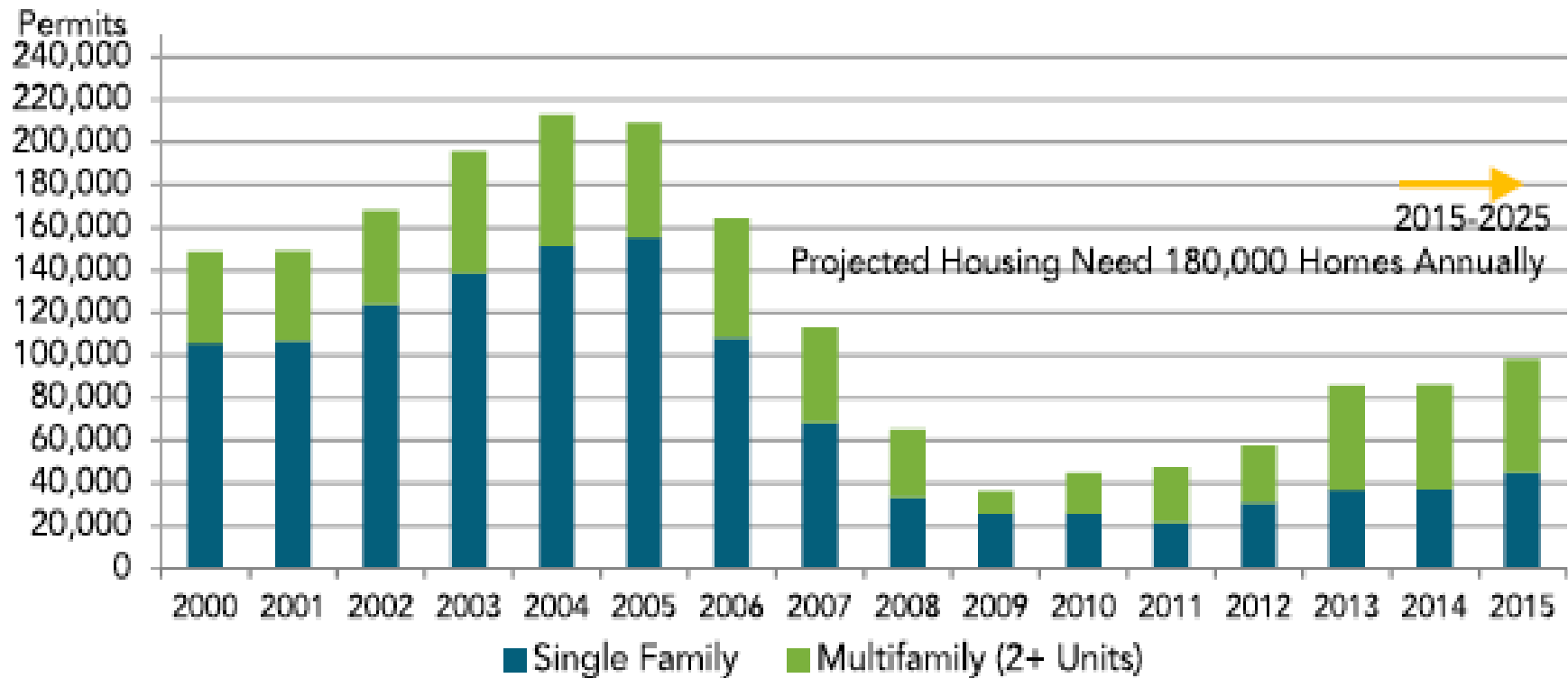
# The Depth of California's Affordability Crisis

# From 2005 to 2014, the state gained 875,000 renter households and lost 214,000 owner households

## California Owner and Renter Households 2005 to 2014

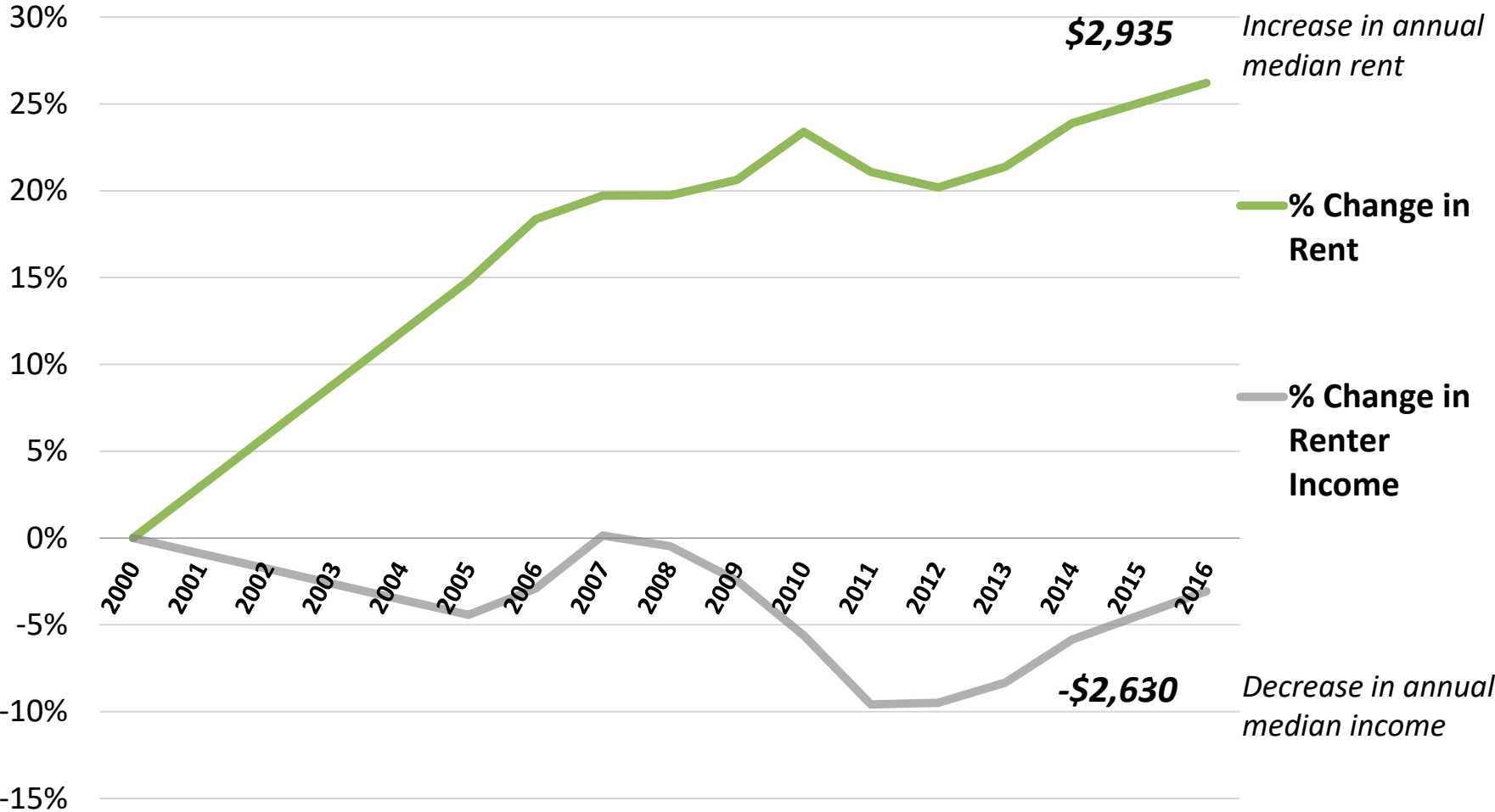


# California's Annual Production of Housing Does Not Come Close to Meeting our State's Projected Housing Need



Source: Housing and Community Development Department, *California's Housing Future: Challenges and Opportunities 2017*

# From 2000-2015, California median rent increased 25% while median renter income declined 4%

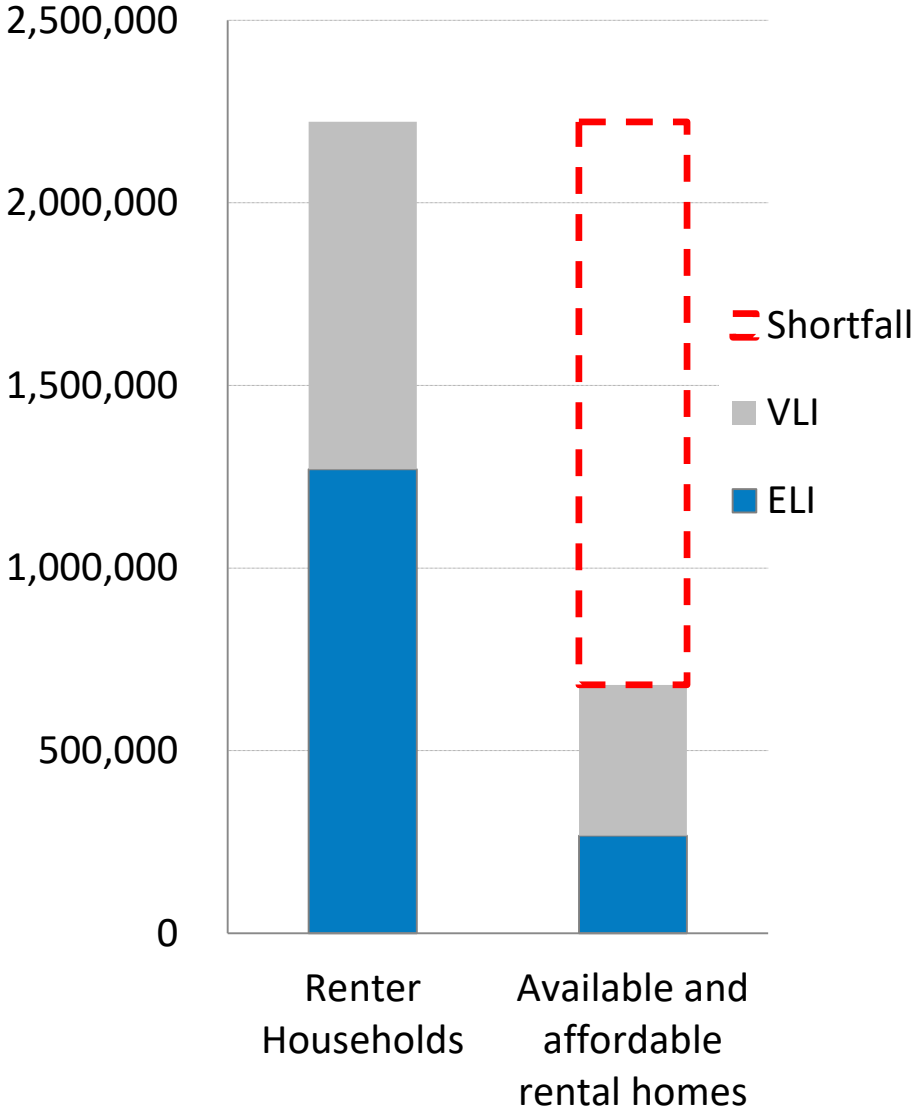


2015 and 2016 are estimated based on trend data

# SHORTFALL OF AFFORDABLE AND AVAILABLE RENTAL HOMES

There is a shortfall of over 1.54 million affordable homes for low income renter households.

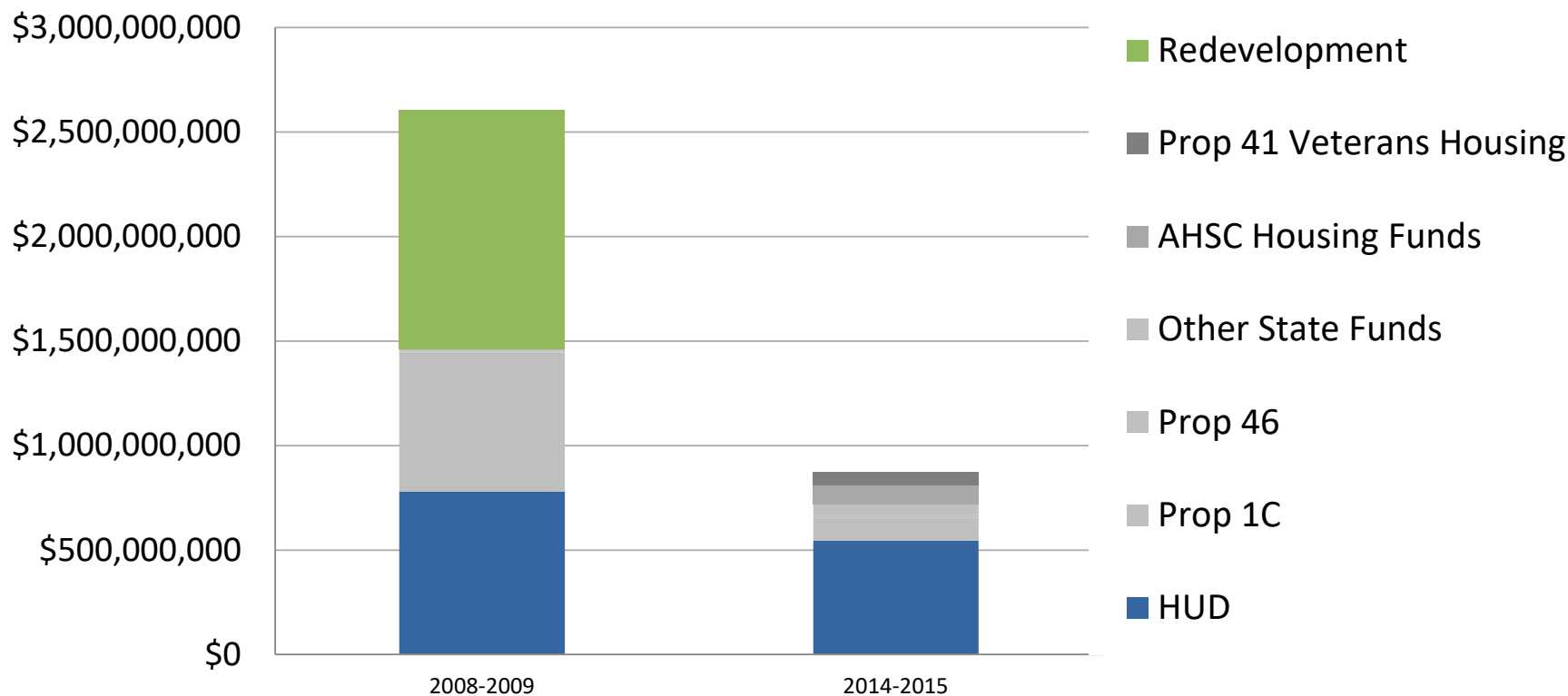
- 2.2 million low income renter households
- 680,288 affordable rental homes that they occupy
- Not one county in CA has a sufficient number of affordable rental homes



How California's  
Disinvestment in  
Affordable Housing Has  
Made Our State #1 in  
Poverty in the U.S.



# California's affordable housing funding has declined 66.5% since 2008- over 1.7 billion dollars



FUNDING SOURCE	FY 2008 -2009	FY 2014-2015	% CHANGE
Redevelopment	\$1,142,555,324	\$0	-100%
State Housing Bonds & Other State Funding	\$680,429,821	\$328,341,578	-52%
HUD	\$778,782,375	\$545,325,816	-30%
<b>Total</b>	<b>\$2,601,767,520</b>	<b>\$873,667,394</b>	<b>-66.5%</b>

## 10 COUNTIES WITH THE LARGEST POPULATIONS AND ADJUSTED POVERTY RATE

✓ Poverty increases in 9 of California's 10 most populous counties when housing costs are considered.

✓ The state's poverty rate rises from 16.2% to 21.2%.

✓ 24% of California children are living in poverty mostly due to high housing costs

COUNTY	OPM: Unadjusted for Housing Costs	CPM: Adjusted for Social Programs & Housing Costs
Los Angeles	18.3%	25.7%
San Diego	14.5%	21.5%
Orange	12.6%	21.8%
Riverside	16.6%	20.1%
San Bernardino	19.2%	19.4%
Santa Clara	10.1%	18.0%
Alameda	12.4%	17.6%
Sacramento	18.0%	18.2%
Contra Costa	11.6%	16.9%
Fresno	27.1%	21.2%

Source: Public Policy Institute of California

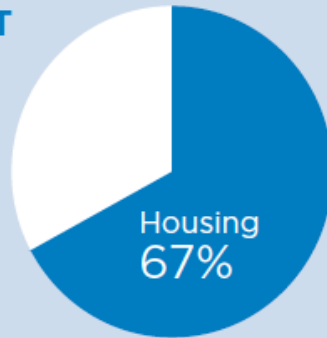
California households with the lowest 25% of incomes spend 67% of their income on housing, leaving little left over for other essential needs and driving these households into poverty.

## CALIFORNIA HOUSEHOLD EXPENDITURES BY INCOME

### HOUSEHOLDS IN LOWEST INCOME QUARTILE

Food, Transportation, Health Care, and other needs:

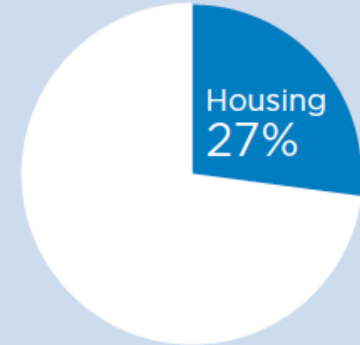
33%



### MEDIAN INCOME HOUSEHOLD

Food, Transportation, Health Care, and other needs:

73%



Source: LAO Report "California's High Housing Costs: Causes and Consequences", 2015.

# Possible Policy Responses to Rental Shortfall

## 1. Increase production

- But won't help lowest income households
  - UC Berkeley's Miriam Zuk and Karen Chappelle *Housing Production, Filtering and Displacement: Untangling the Relationships*

## 2. Restore state investment

- Governor claims too expensive at \$332,000/unit
  - But actual cost to state of bond-funded homes from 2002-2015 (HCD data) was less than \$70,000 per unit
  - Because state investment leverages other federal, private and local funds, such as Measure A funding