CALIFORNIA’S HOUSING NEEDS

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California Housing Partnership
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• 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’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.
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

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

10 COUNTIES WITH THE LARGEST POPULATIONS AND ADJUSTED POVERTY RATE

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

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:
- Housing: 67%
- Other needs: 33%

**MEDIAN INCOME HOUSEHOLD**
Food, Transportation, Health Care, and other needs:
- Housing: 27%
- Other needs: 73%

Possible Policy Responses to Rental Shortfall

1. Increase production
   - But won’t help lowest income households
     - UC Berkeley’s Miriam Zuk and Karen Chappele *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