

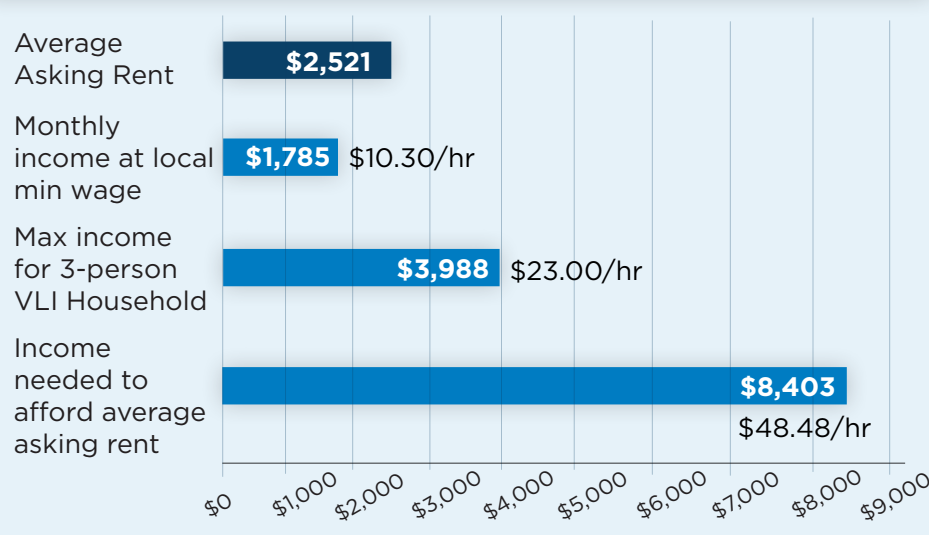
SPECIAL REPORT: LACK OF AFFORDABLE HOUSING DRIVING MORE SANTA CLARA COUNTY FAMILIES INTO POVERTY

18.3% OF SANTA CLARA COUNTY RESIDENTS LIVE IN POVERTY DUE LARGELY TO HIGH HOUSING COSTS

Official Poverty Measure:	Adjusting for Housing Costs and Social Programs:
10.9%	18.3%

Source: The Stanford Center on Poverty and Inequality with the Public Policy Institute of California. California Poverty by County, 2012.

RENTERS NEED TO EARN 5X MINIMUM WAGE TO AFFORD AVERAGE ASKING RENTS



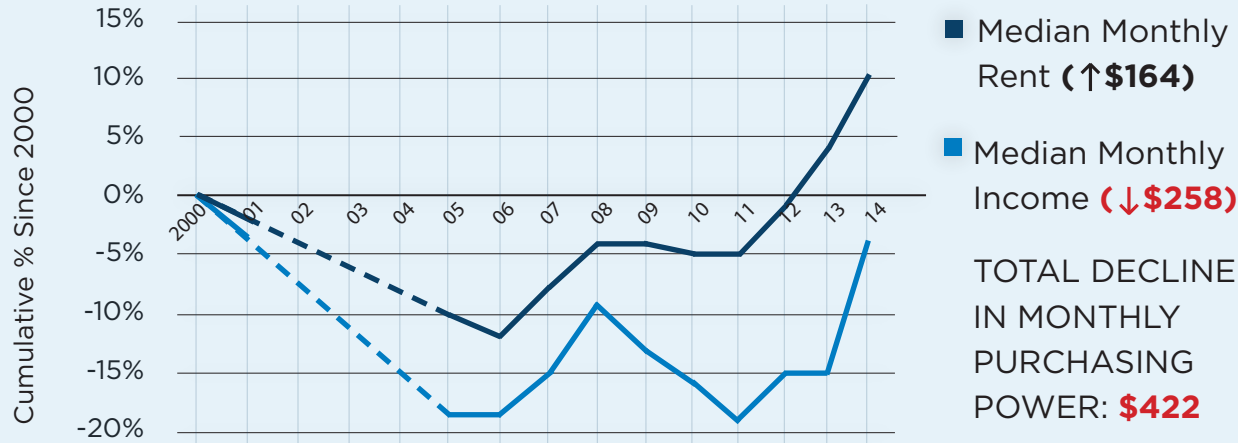
Source: 2015 Real Answers average apartment rent data, HUD 2015 County Section 8 Program Income Limits.



KEY FINDINGS

- A renter household needs to earn nearly five times the local minimum wage in order to afford average asking rents in Santa Clara County.
- Inflation-adjusted median rents in Santa Clara County increased 10% from 2000 to 2014, while inflation-adjusted median renter household income declined 4%.
- Santa Clara County needs 67,576 additional affordable rental homes to meet the needs of its extremely low-income (ELI) and very low-income (VLI) renters.
- The majority of Santa Clara County's very low-income renters spend more than 50% of income on rent, leaving little left for food, transportation, health expenses, and other needs.
- When housing and other costs of living are considered, Santa Clara County's poverty rate rises from 11.9% to 17.1%, or nearly one in five people.
- Overcrowding for low-income renters in Santa Clara County is 132% higher than the national average, contributing significantly to poor health and academic achievement among low-income children.
- Reductions in federal and state funds and elimination of redevelopment have reduced Santa Clara County's affordable housing funding by more than \$130 million since 2008, a 83% reduction.

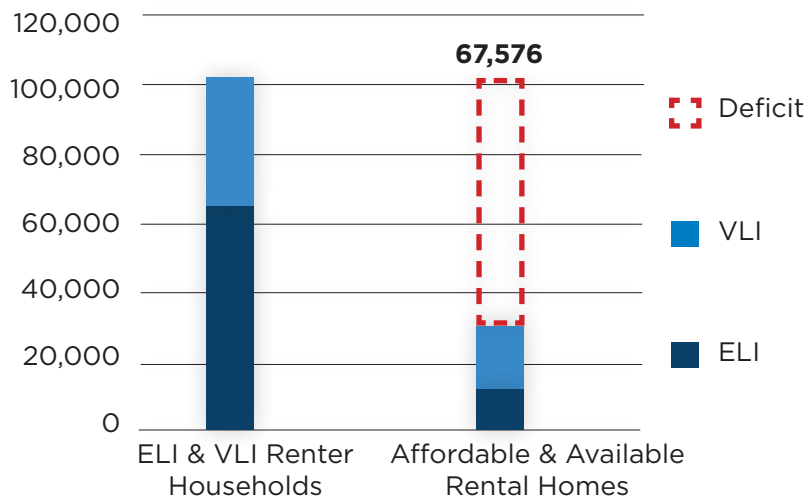
**INFLATION ADJUSTED MEDIAN RENT HAS INCREASED 10% SINCE 2000
WHILE MEDIAN RENTER INCOME HAS DECLINED 4%**



Source: US Census 2000 and Annual ACS Data 2005-2014. Median rents and incomes from 2001-2004 are estimated trends.

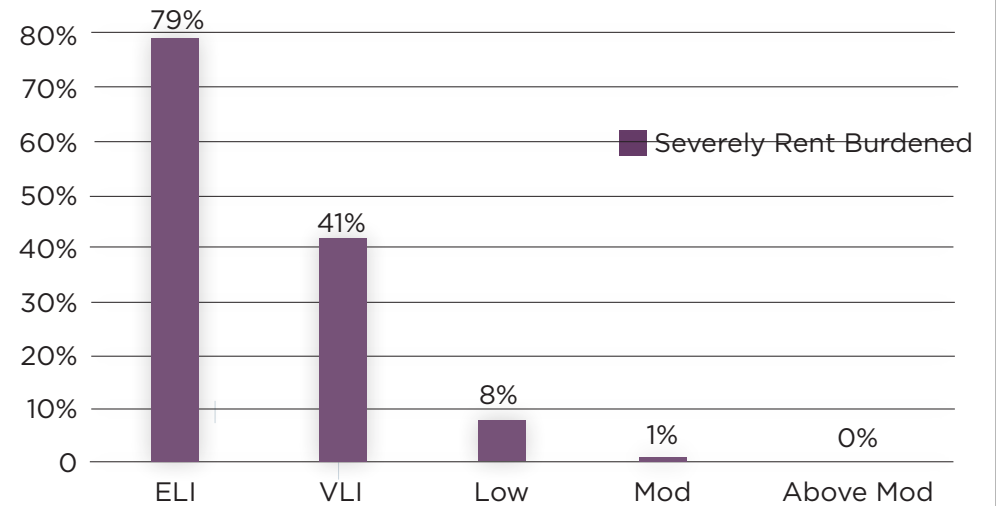
RENTS ARE UP. INCOMES ARE DOWN. AS A RESULT, LOW-INCOME FAMILIES ARE FORCED TO SPEND A GROWING PROPORTION OF THEIR INCOME ON RENT, LEAVING LITTLE FOR OTHER BASIC NECESSITIES. SANTA CLARA COUNTY NEEDS AN ADDITIONAL 67,576 AFFORDABLE HOMES TO MEET THE NEEDS OF THESE FAMILIES.

**SANTA CLARA COUNTY NEEDS 67,576
ADDITIONAL AFFORDABLE RENTAL HOMES**



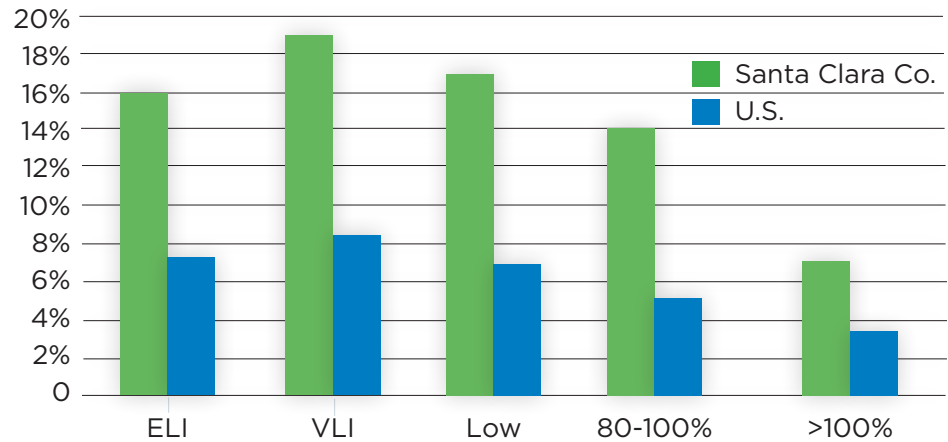
SOURCE: NLIHC Analysis of 2013 ACS PUMS.

**79% of ELI AND 41% of VLI HOUSEHOLDS PAY
MORE THAN HALF THEIR INCOME ON RENT**



SOURCE: NLIHC Analysis of 2013 ACS PUMS.

OVERCROWDING FOR SANTA CLARA'S LOWER-INCOME RENTERS IS 132% ABOVE THE NATIONAL AVERAGE



SOURCE: CHPC analysis of 2007-2011 CHAS data.

WHO IS BEING LEFT OUT OF THE SANTA CLARA COUNTY RENTAL MARKET?

Average Asking Rent: \$2,521		Hours/week of work needed to afford average asking rent
Job Category	Mean Hourly Wage	
Medical Assistants	\$19.95	97
Preschool Teachers	\$17.89	108
Equip. Assemblers	\$17.59	110
Janitors & Cleaners	\$13.63	142
Retail Salespersons	\$13.40	145
Waiters & Waitresses	\$12.02	161

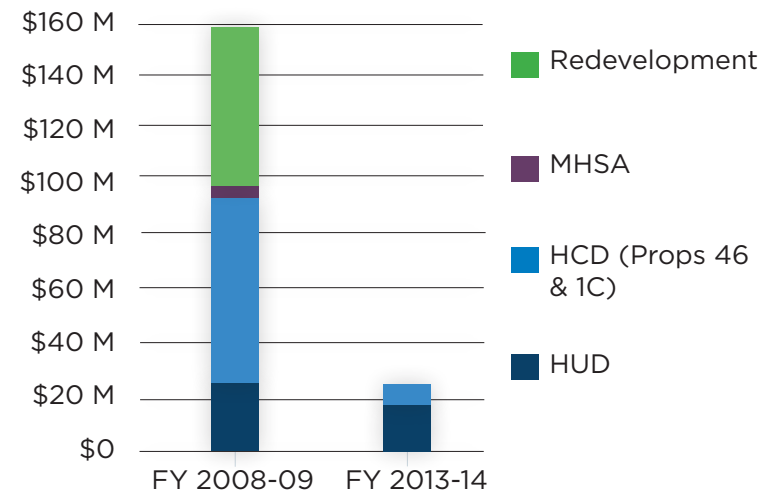
SOURCE: CHPC Analysis of 2014 Bureau of Labor statistics and 2015 Real Answers average rent data.

FROM FY 2008-09 TO FY 2013-14 SANTA CLARA COUNTY LOST 83% OF STATE AND FEDERAL FUNDING

FUNDING SOURCE	FY 2008/2009	FY 2013/2014	% CHANGE
HUD	\$25,676,597	\$18,944,469	-26%
HCD (Prop. 46 & Prop 1C)	\$68,336,309	\$7,314,000	-89%
MHSA	\$2,700,000	\$0	-100%
Redevelopment	\$61,359,155	\$0	-100%
TOTAL	\$158,072,061	\$26,258,469	-83%

SOURCE: CHPC tabulations of Redevelopment Housing Activities Report and HUD's CPD program formula allocations. State housing bond funding from Propositions 46 and 1C provided by HCD. MHSA program funding provided by CalHFA.

A LOSS OF \$130 MILLION FOR AFFORDABLE HOUSING IN SANTA CLARA COUNTY



SOURCE: CHPC tabulations of Redevelopment Housing Activities Report and HUD's CPD program formula allocations. State housing bond funding from Propositions 46 and 1C provided by HCD. MHSA program funding provided by CalHFA.

STATEWIDE POLICY RECOMMENDATIONS

Alleviate poverty, activate California's economy, and increase the supply of affordable homes in California by enacting:

- **AB 35 (Chiu and Atkins)**, which would increase the California Low Income Housing Tax Credit by \$100 million and leverage \$200 million a year in new federal resources leading to the creation of thousands of new jobs and affordable homes while generating hundreds of millions in new state and local revenues.
- **SB 377 (Beall)**, which would increase the value of the California Low Income Housing Tax Credit by 40% by allowing credits to be sold separately from an interest in the underlying property at no additional cost to the State Treasury.

Give local governments the tools they need to meet their SB 375 obligations to create and preserve affordable homes by:

- **Lowering the required voter threshold for local funding measures** from two-thirds to 55 percent (the same as it is for local school bonds) to help communities raise revenues to fund the development of basic infrastructure including transportation, housing, and parks.
- **Requiring the inclusion of a percentage of homes affordable to low and moderate-income** households in new housing developments by passing into law a successor to AB 1229.

LOCAL RECOMMENDATIONS FOR SANTA CLARA COUNTY

- **Set aside land for affordable housing.** Public agencies should adopt policies and ordinances to prioritize publicly-owned land for affordable housing.
- **Incentivize production of affordable housing.** Jurisdictions should adopt proactive affordable housing requirements for areas being redeveloped and areas where growth is anticipated such as Priority Development Areas or Precise and Specific Plan Areas.
- **Generate new resources for affordable housing.** All fifteen cities and the County should adopt Housing Impact Fee and Commercial Linkage Fee ordinances to mitigate new demand for affordable housing.
- **Coordinate efforts across the region.** Jurisdictions should take steps to address demand for housing and affordable housing as a region including the creation of a Regional Housing Needs Allocation sub-region and developing strategies to engage corporate partners in solving the housing crisis.
- **Identify creative ways to maximize limited land.** Stakeholders across the region should identify creative and innovative ways to incrementally increase density for example through secondary units, homesharing, or collaborative living models.



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This report was produced by the California Housing Partnership.

For more information about the California Housing Partnership's policy initiatives, please contact our Policy Director, Megan Kirkeby, at mkirkeby@chpc.net, (916) 287-9855.

Local policy recommendations provided by **Silicon Valley at Home**.

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