

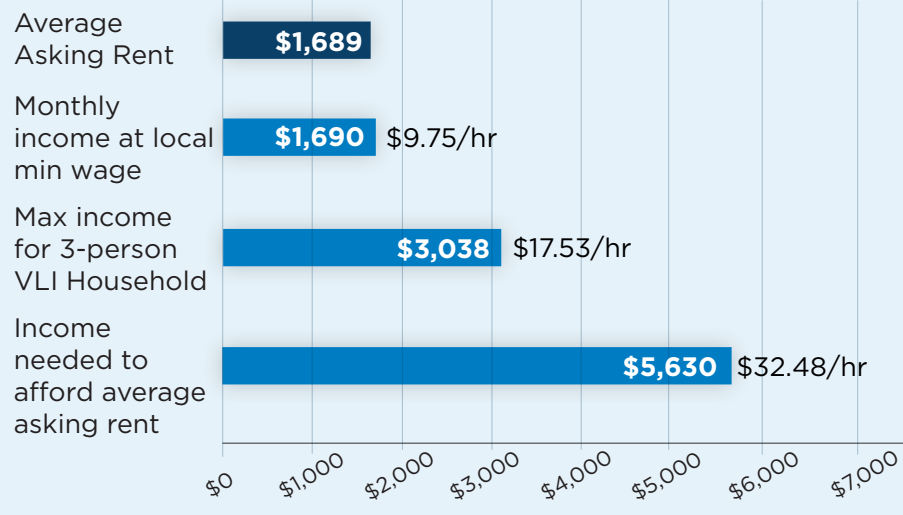
SPECIAL REPORT: LACK OF AFFORDABLE HOUSING DRIVING MORE SAN DIEGO COUNTY FAMILIES INTO POVERTY

21.7% OF SAN DIEGO COUNTY RESIDENTS LIVE IN POVERTY DUE LARGELY TO HIGH HOUSING COSTS

Official Poverty Measure:	Adjusting for Housing Costs and Social Programs:
14.5%	21.7%

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

RENTERS NEED TO EARN 3X MINIMUM WAGE TO AFFORD AVERAGE ASKING RENTS



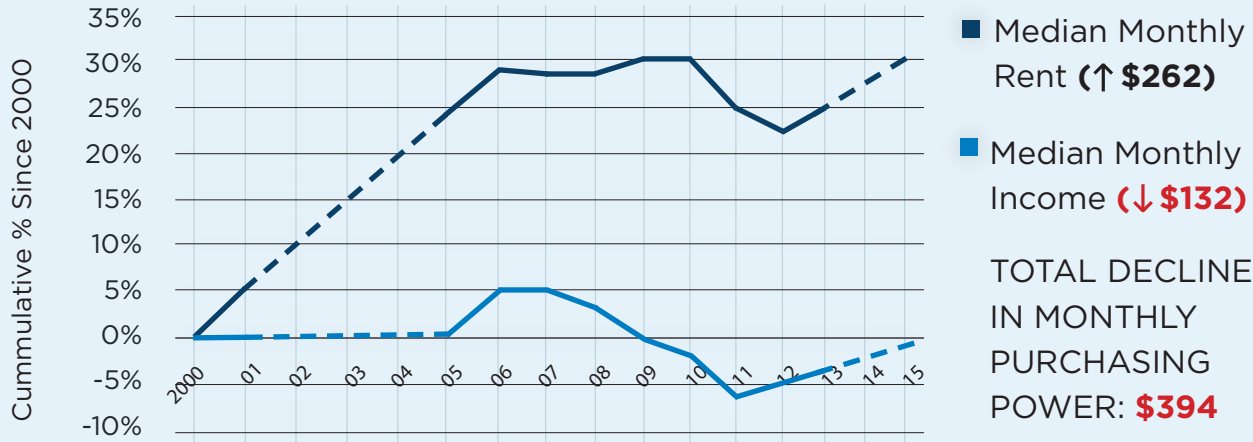
Source: 2015 Real Answers average apartment rent data, HUD 2015 County Section 8 Program Income Limits.



KEY FINDINGS

- A renter household needs to earn more than three times the state minimum wage in order to afford average asking rents in San Diego County.
- Inflation-adjusted median rents in San Diego County increased 25% from 2000 to 2013, while inflation-adjusted median renter household income declined 4%.
- San Diego County needs 142,564 additional affordable rental homes to meet the needs of its extremely low-income (ELI) and very low-income (VLI) renters.
- The vast majority of San Diego County's 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, San Diego County's poverty rate rises from 14.5% to 21.7%, or one in five people.
- Overcrowding for low-income renters in San Diego County is 50% above 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 San Diego County's affordable housing funding by over \$139 million since 2008, a 67% reduction.

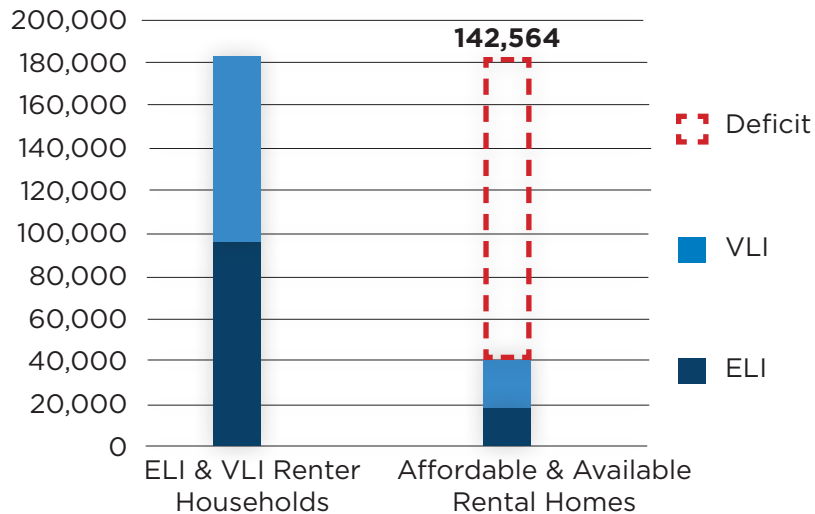
**INFLATION ADJUSTED MEDIAN RENT HAS INCREASED 25% SINCE 2000
WHILE MEDIAN RENTER INCOME HAS DECLINED 4%**



Source: US Census 2000 and Annual ACS Data 2005-2013. Median rents and incomes from 2001-2004 are estimated trends, as are 2014 and 2015.

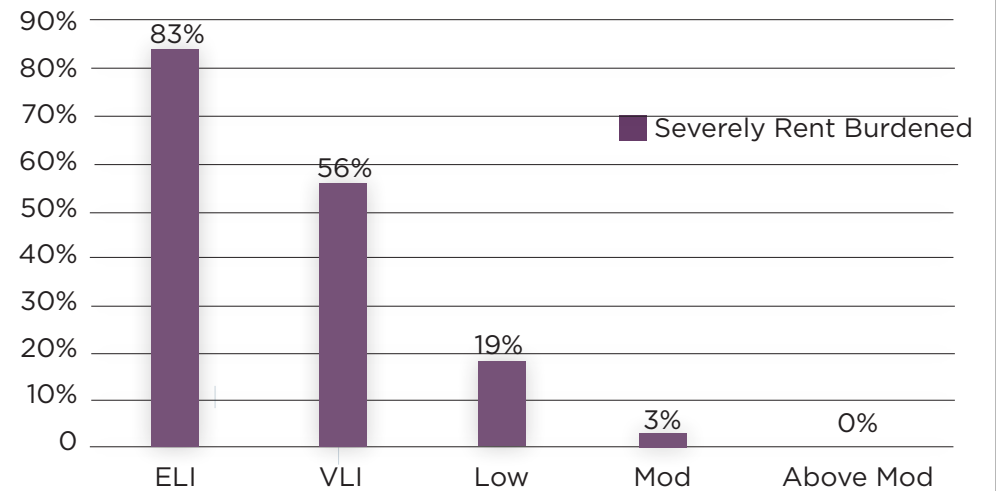
RENTS ARE UP. INCOMES ARE DOWN. AS A RESULT, LOW-INCOME FAMILIES ARE FORCED TO SPEND A GROWING PROPORTION OF THEIR INCOME ON RENT, LEAVING LITTLE FOR OTHER BASIC NECESSITIES. SAN DIEGO COUNTY NEEDS AN ADDITIONAL 142,564 AFFORDABLE HOMES TO MEET THE NEEDS OF THESE FAMILIES.

SAN DIEGO COUNTY NEEDS 142,564 ADDITIONAL AFFORDABLE RENTAL HOMES



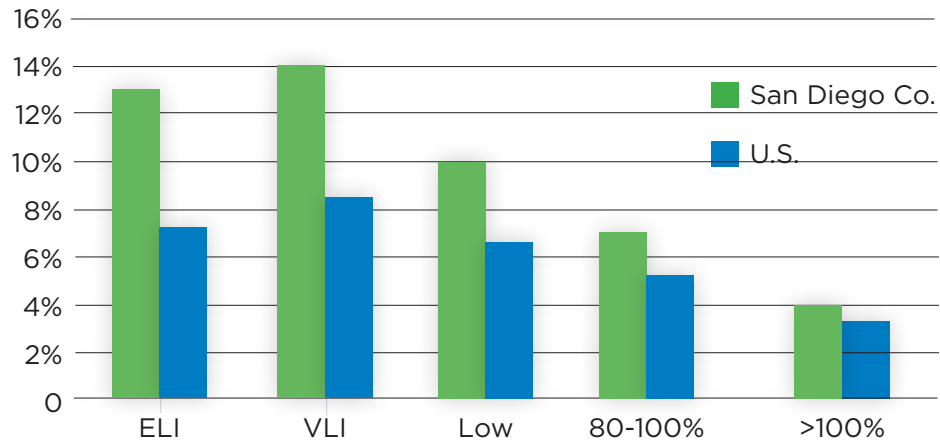
SOURCE: NLIHC Analysis of 2013 ACS PUMS.

83% of ELI AND 56% of VLI HOUSEHOLDS PAY MORE THAN HALF THEIR INCOME ON RENT



SOURCE: NLIHC Analysis of 2013 ACS PUMS.

OVERCROWDING FOR SAN DIEGO'S LOWER-INCOME RENTERS IS 50% HIGHER THE NATIONAL AVERAGE



SOURCE: CHPC analysis of 2007-2011 CHAS data.

WHO IS BEING LEFT OUT OF THE SAN DIEGO COUNTY RENTAL MARKET?

Average Asking Rent: \$1,689		Hours/week of work needed to afford average asking rent
Job Category	Mean Hourly Wage	
Medical Assistants	\$17.51	74
Preschool Teachers	\$16.92	77
EMTs & Paramedics	\$14.64	89
Retail Salespersons	\$13.34	97
Janitors & Cleaners	\$12.96	100
Waiters & Waitresses	\$12.44	104

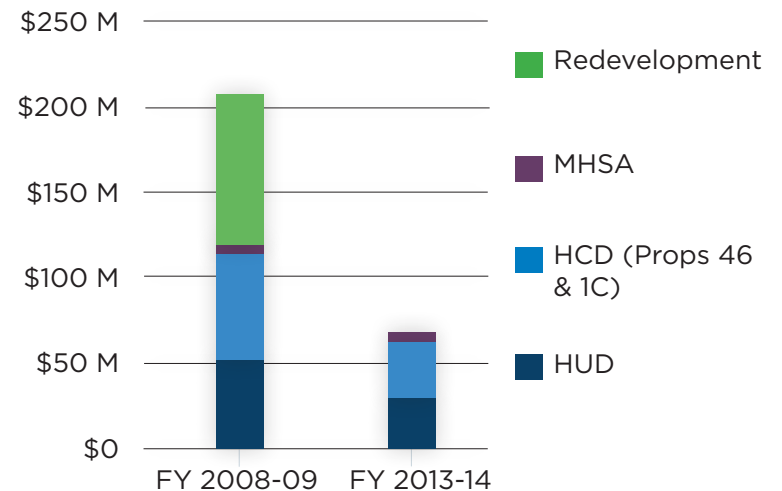
SOURCE: CHPC Analysis of 2014 Bureau of Labor statistics and 2015 Real Answers average rent data.

FROM FY 2008-09 TO FY 2013-14 SAN DIEGO COUNTY LOST 67% OF STATE AND FEDERAL FUNDING

FUNDING SOURCE	FY 2008/2009	FY 2013/2014	% CHANGE
HUD	\$52,658,415	\$36,849,307	-30%
HCD (Prop. 46 & Prop 1C)	\$60,544,760	\$27,334,591	-55%
MHSA	\$5,052,000	\$5,287,066	+5%
Redevelopment	\$90,581,576	\$0	-100%
TOTAL	\$208,836,751	\$69,470,964	-67%

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 \$139 MILLION FOR AFFORDABLE HOUSING IN SAN DIEGO 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 passing:

- **AB 1335 (Atkins)**, the Building Homes and Jobs Act, which would generate up to \$500 million annually for affordable homes and create up to 29,000 well paying jobs.
- **AB 35 (Chiu)**, which would increase the California Low Income Housing Tax Credit by \$300 million per year to replace diminished state housing funds and leverage \$600 million in new federal resources.
- **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 SAN DIEGO COUNTY

- Include affordable housing as part of any local or regional funding initiative, such as City of San Diego's proposed sales tax increase for infrastructure improvements, or SANDAG's proposed Quality of Life measure that would be funded through a countywide sales tax increase.
- Adopt inclusionary zoning ordinances in all cities in the San Diego region (currently, 9 cities do not have such an ordinance); cities that do have inclusionary zoning should review and update their policies, including raising in lieu fees to ensure sufficient affordable housing gets built.
- Adopt affordable housing requirements - including specific goals, funding mechanisms and other enforceable strategies to ensure such housing gets built - as part of the Regional Transportation Plan (San Diego Forward Plan), local Climate Action Plans; and community plans.
- Pursue partnerships with local municipalities, school districts, and transit agencies to build affordable housing on surplus public lands to reduce one of the greatest cost drivers for affordable home construction.



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.

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Local policy recommendations provided by the San Diego Housing Federation.

Contact Laura Nunn for details.
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