

CONFRONTING CALIFORNIA'S RENT AND POVERTY CRISIS: A CALL FOR STATE REINVESTMENT IN AFFORDABLE HOMES

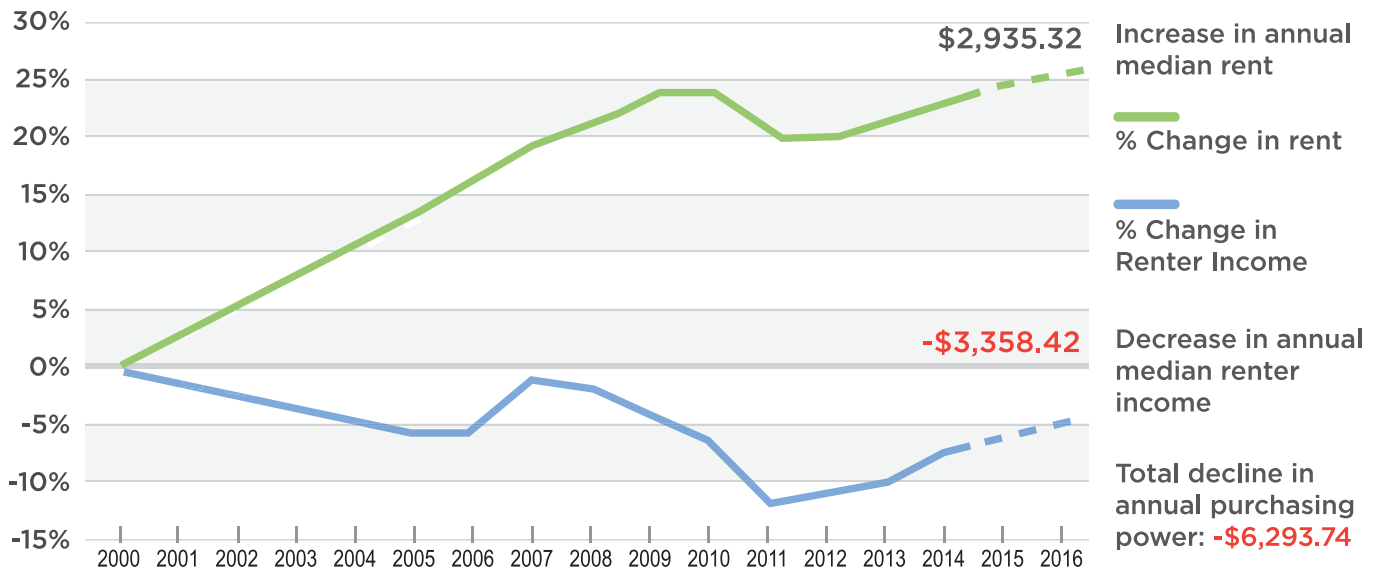
Too many California families are falling into poverty because of high housing costs. The California Housing Partnership calls on state leaders to take direct, immediate action to reinvest in affordable homes in California. Specific state policy recommendations can be found on our website at www.chpc.net.



KEY FINDINGS

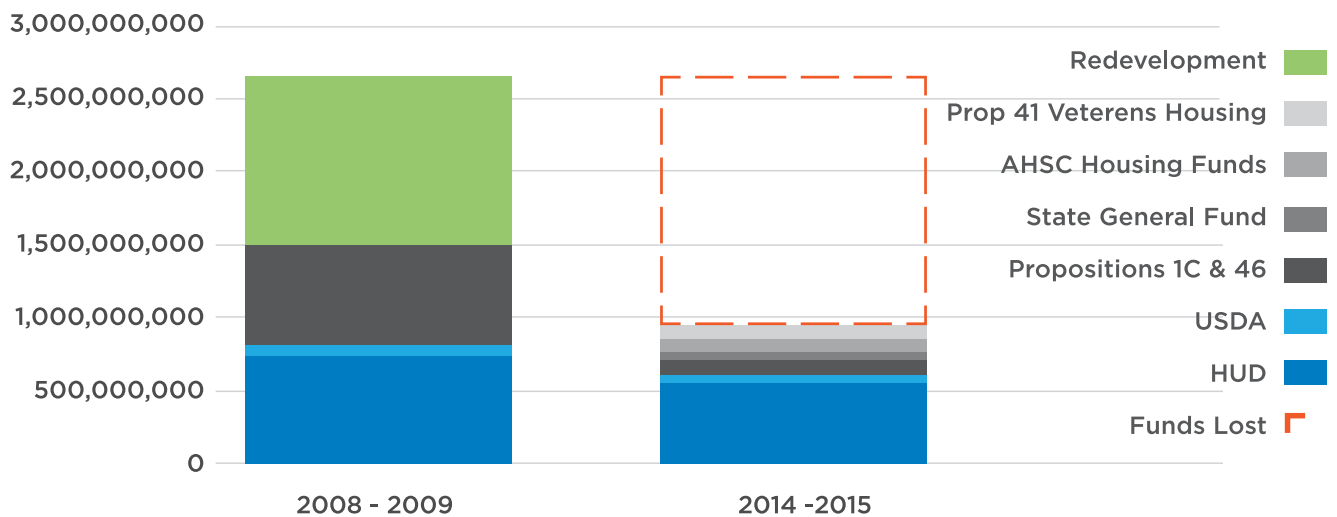
- Cuts in annual federal and state funding, including elimination of Redevelopment, have reduced California's investment in affordable housing production and preservation by more than \$1.7 billion annually since 2008, a 66% reduction.
- California has gained nearly 900,000 renter households since 2005.
- Median rent in California has increased 24% since 2000 while median renter household income has declined 7%, when adjusted for inflation.
- Renters need to earn 3.6 times state minimum wage to afford the average monthly asking rent of \$1,889.
- California's lowest income renters' spend a median of 68% of income on rent, leaving little left for food, transportation, health expenses, and other needs.
- When housing costs are considered, California's poverty rate rises to 21.2%.
- Every county in California has an affordable housing shortfall.
- California needs 1,541,386 more affordable rental homes to meet the needs of its lowest income renters.

CALIFORNIA'S MEDIAN RENT INCREASED 24% WHILE MEDIAN RENTER INCOME DECLINED 7% FROM 2000 TO 2014



Source: CHPC analysis of 2000-2014 Census and ACS data. Median renter income and rent from 2001-2004 and 2015-2016 are estimated trends. Median rent and median renter income are inflation adjusted to 2014 dollars.

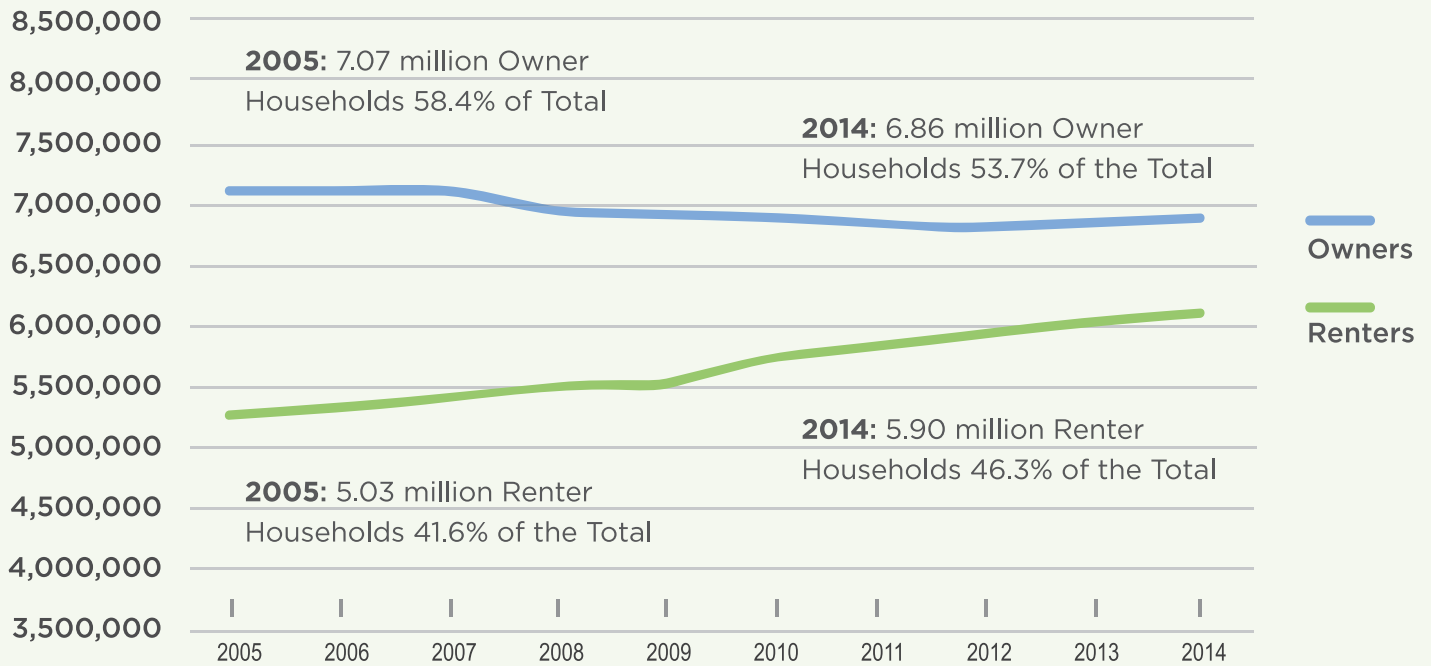
CALIFORNIA LOST 66% OF STATE AND FEDERAL FUNDING FOR HOUSING PRODUCTION AND PRESERVATION FROM FY 2008-09 TO FY 2014-15



FUNDING SOURCE	FY 2008-2009	FY 2014-2015	% CHANGE
Redevelopment Low and Moderate Housing Funds	\$1,142,555,324	\$0	-100%
State Housing Bonds and Annual Appropriations	\$680,429,821	\$325,586,578	-52%
HUD and USDA Loan and Grant Funds	\$813,094,531	\$566,086,208	-30%
Total	\$2,636,079,676	\$891,672,786	-66%

Source: CHPC analysis of 2008-2009 annual HCD Redevelopment Housing Activities report; 2008-2009 and 2014-2015 annual HCD Financial Assistance Programs Reports; HUD CPD Appropriations Budget data for fiscal years 2009 and 2015, and USDA Funding data for 2009 and 2015 from the Housing Assistance Council.

CALIFORNIA HAS GAINED NEARLY 900,000 RENTER HOUSEHOLDS SINCE 2005



Source: CHPC analysis of 2005-2014 ACS data.

CALIFORNIA NEEDS 1.54 MILLION MORE AFFORDABLE RENTAL HOMES



Source: NLIHC analysis of 2014 PUMS data.

CALIFORNIA'S POVERTY RATE RISES TO 21% WHEN HIGH HOUSING COSTS ARE INCLUDED

Official Poverty Measure (OPM)

16.2%

Unadjusted for Housing Costs

California Poverty Measure (CPM)

21.2%

Adjusted for Housing Costs and Social Benefits

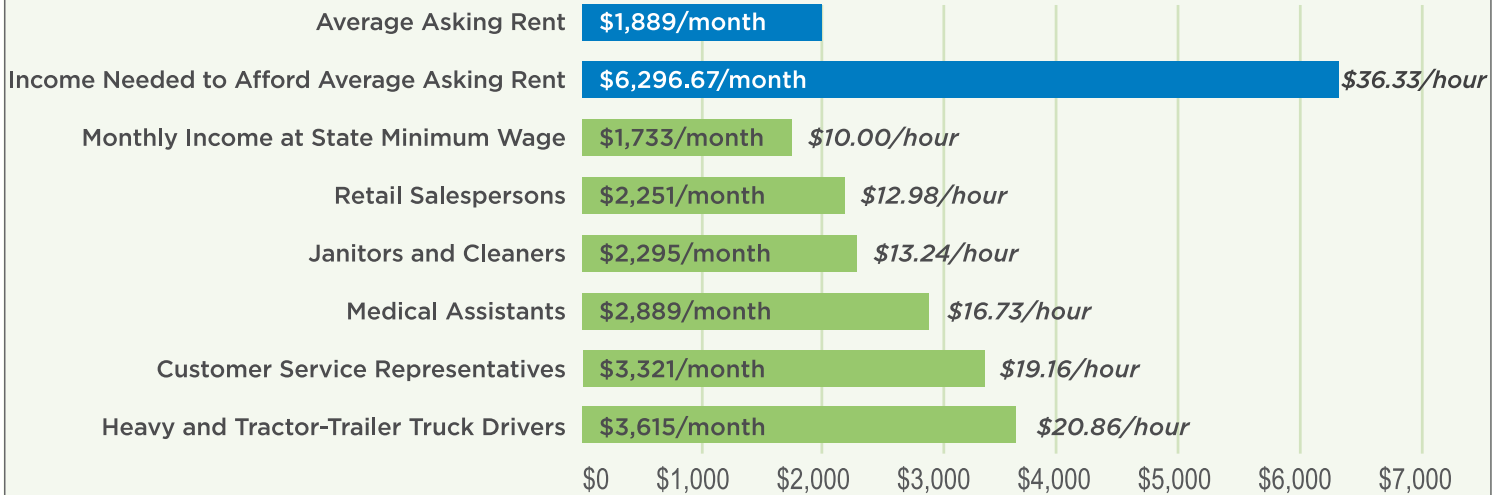
Source: California Poverty by County 2011-2013. Public Policy Institute of California, 2015.

POVERTY INCREASES IN 9 OF 10 MOST POPULOUS COUNTIES WHEN ADJUSTED FOR HOUSING COSTS

COUNTY	Shortfall	OPM	CPM
Los Angeles	-549,197	18.3%	25.7%
San Diego	-135,749	14.5%	21.5%
Orange	-101,442	12.6%	21.8%
Riverside	-64,614	16.6%	20.1%
San Bernardino	-72,958	19.2%	19.4%
Santa Clara	-55,443	10.1%	18.0%
Alameda	-60,911	12.4%	17.6%
Sacramento	-59,316	18.0%	18.2%
Contra Costa	-29,638	11.6%	16.9%
Fresno	-37,327	27.1%	21.2%

Source: NLIHC analysis of 2014 PUMS data and California Poverty by County 2011-2013. Public Policy Institute of California, 2015.

RENTERS NEED TO EARN 3.6 TIMES MINIMUM WAGE TO AFFORD AVERAGE ASKING RENTS



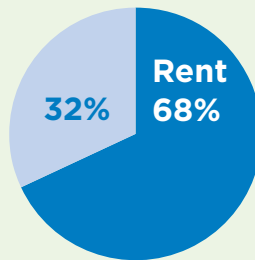
Source: CHPC Analysis of Real Answers CA average rent data for the 4th Quarter 2015 and Bureau of Labor Statistics Average Annual Wage Data for CA Occupations 2014.

WHAT DO CALIFORNIA'S RENTERS HAVE LEFT OVER AFTER PAYING FOR RENT?

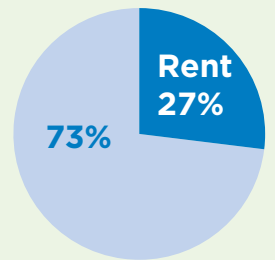
HOUSEHOLDS EARNING HALF OF MEDIAN INCOME OR LESS

MEDIAN INCOME HOUSEHOLDS

Food, Transportation, Health Care, & Other Needs

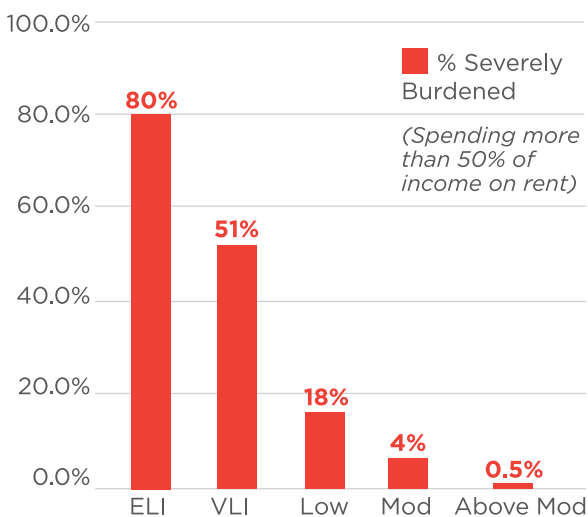


Food, Transportation, Health Care, & Other Needs



Source: NLIHC analysis of 2014 PUMS data

PERCENTAGE OF SEVERELY RENT BURDENED HOUSEHOLDS BY INCOME GROUP



Source: NLIHC analysis of 2014 PUMS data.

ABOUT CHPC

THE STATE CREATED THE CALIFORNIA HOUSING PARTNERSHIP MORE THAN 25 YEARS AGO AS A PRIVATE NONPROFIT ORGANIZATION WITH A PUBLIC MISSION: TO MONITOR, PROTECT, AND AUGMENT THE SUPPLY OF HOMES AFFORDABLE TO LOWER-INCOME CALIFORNIANS AND TO PROVIDE LEADERSHIP ON AFFORDABLE HOUSING FINANCE AND POLICY. SINCE 1988, THE CALIFORNIA HOUSING PARTNERSHIP HAS ASSISTED MORE THAN 100 NONPROFIT AND LOCAL GOVERNMENT HOUSING ORGANIZATIONS LEVERAGE MORE THAN \$8 BILLION IN PRIVATE AND PUBLIC FINANCING TO CREATE AND PRESERVE 30,000 AFFORDABLE HOMES.

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