

Lance Apartments in Charmingichael, CA  
Photo Courtesy of Mercy Housing.

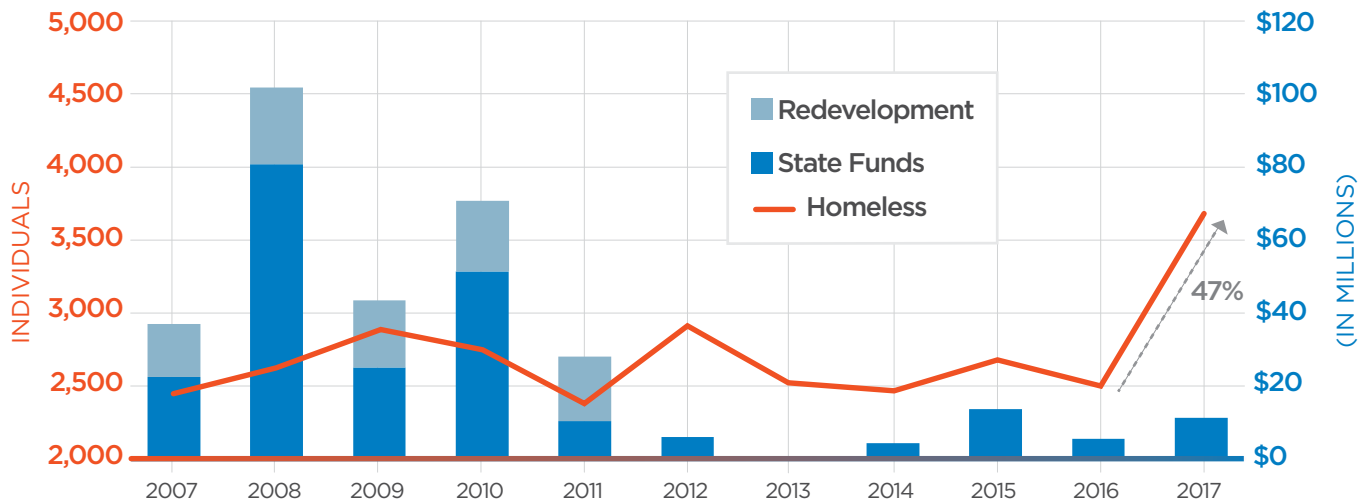
APRIL 2018

# Sacramento County's Housing Emergency and Proposed Solutions

## KEY FINDINGS

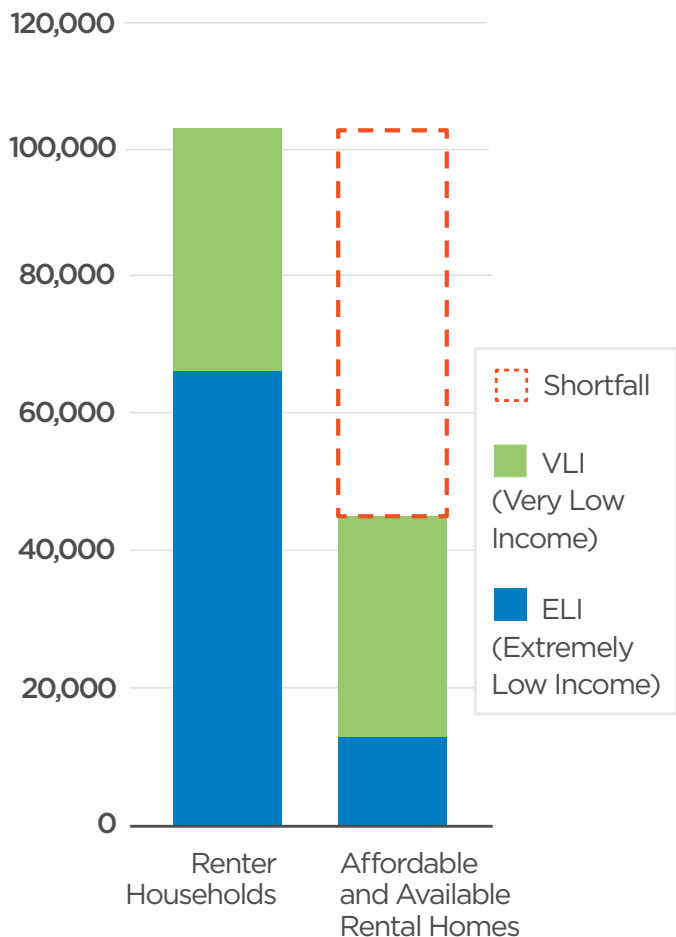
- The elimination of redevelopment in 2012 and exhaustion of state bond funding foreshadowed a 47% rise in homelessness from 2016 to 2017.
- Renters in Sacramento County need to earn \$26.92/hr - more than twice the state minimum wage - to afford the median monthly asking rent of \$1,400.
- LIHTC production in Sacramento County increased 112% from 2016-17, bucking a statewide trend of significant decreases in production.
- Sacramento County needs 58,552 more affordable rental homes to meet current demand.
- Sacramento County's lowest-income renters spend 62% of income on rent, leaving little left for food, transportation, health care, and other essentials.
- When housing costs are considered, Sacramento County's poverty rate rises from 16.6% to 17.5%.

## ELIMINATION OF REDEVELOPMENT & LOSS OF STATE BOND FUNDING FOR HOUSING FORESHADOWED A 47% RISE IN HOMELESSNESS IN 2016-17



Source: CHPC analysis of 2006-2011 Annual California Department of Housing and Community Development (HCD) Redevelopment Housing Activities Report; 2006-2016 annual HCD Financial Assistance Programs Reports. Housing and Urban Development (HUD). PIT and HIC Data Since 2007. Note fiscal years are indicated by second half of fiscal year (e.g. FY 2006 -2007 is presented as 2007).

### SACRAMENTO COUNTY NEEDS 58,552 MORE AFFORDABLE RENTAL HOMES



Source: NLIHC analysis of 2016 PUMS data.

### SACRAMENTO COUNTY'S POVERTY RATE RISES TO 17.5% WHEN HIGH HOUSING COSTS ARE INCLUDED

Official Poverty Measure (OPM)

**16.6%**

Unadjusted for Housing Costs

California Poverty Measure (CPM)

**17.5%**

Adjusted for Housing Costs and Social Benefits

Source: Public Policy Institute of California (PPIC), California Poverty by County and Legislative District, 2013-2015.

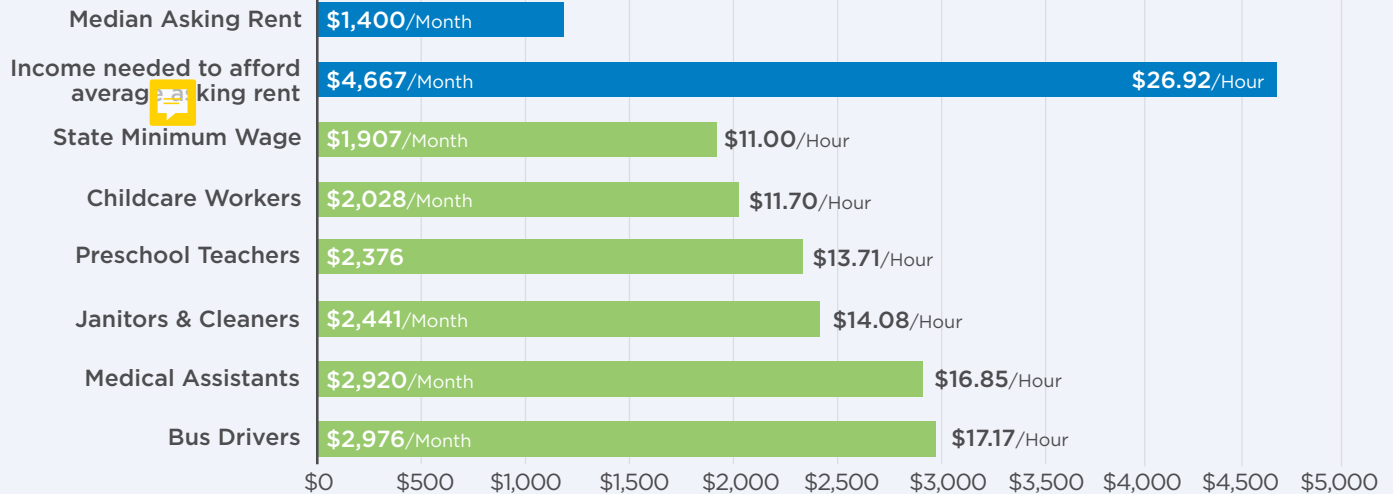
### SACRAMENTO COUNTY'S LIHTC PRODUCTION INCREASED 112% WHILE STATE PRODUCTION DECREASED 45% 2016-17

State			
Type	2016	2017	Change %
New Construction	9,285	7,407	-20%
Acquisition & Rehab	15,032	5,928	-61%
All	24,317	13,335	-45%
Sacramento County			
Type	2016	2017	Change %
New Construction	97	228	135%
Acquisition & Rehab	127	247	94%
All	224	475	112%

Source: CHPC analysis of 2016 and 2017 CA Tax Credit Allocation Committee (TCAC) data.

Note the data does not include manager or market rate units created through the LIHTC program.

## RENTERS NEED TO EARN 2.4 TIMES MINIMUM WAGE TO AFFORD MEDIAN ASKING RENTS

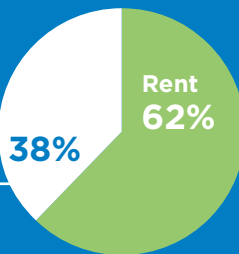


Source: Paul Waddell, Urban Analytics Lab, University of California, Berkeley, retrieved from analysis of online Craigslist listings in April 2018. CHPC analysis of Bureau of Labor Statistics Median Annual Wage Data for CA Occupations for 2017.

### WHAT DO SACRAMENTO COUNTY'S RENTERS HAVE LEFT OVER AFTER PAYING RENT?

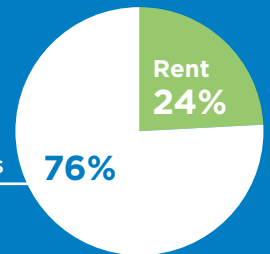
#### HOUSEHOLDS EARNING HALF OF MEDIAN INCOME OR LESS

Food, Transportation, Health Care, & Other Essentials



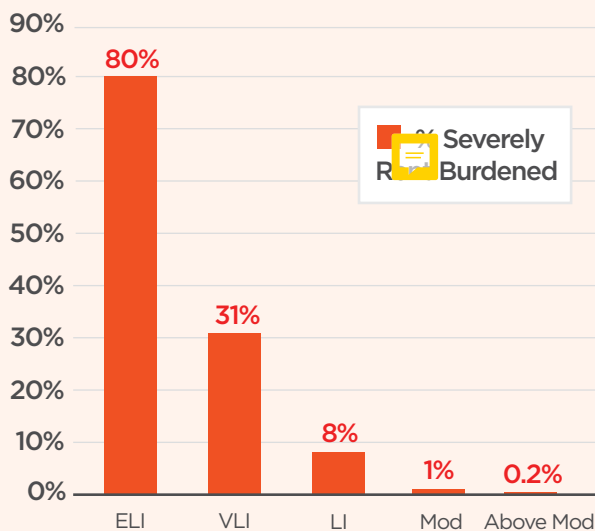
#### MEDIAN INCOME HOUSEHOLDS

Food, Transportation, Health Care, & Other Essentials



Source: NLIHC analysis of 2016 PUMS data.

### PERCENTAGE OF SEVERELY RENT BURDENED\* HOUSEHOLDS BY INCOME GROUP



Source: NLIHC analysis of 2016 PUMS data.  
\*Severely rent burdened households spend more than 50% of their income towards rent.

### ABOUT CHPC

THE STATE CREATED THE CALIFORNIA HOUSING PARTNERSHIP NEARLY 30 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 NONPROFIT AND LOCAL GOVERNMENT HOUSING AGENCIES ACROSS THE STATE TO LEVERAGE MORE THAN \$14 BILLION IN PRIVATE AND PUBLIC FINANCING TO CREATE AND PRESERVE 70,000 AFFORDABLE HOMES.

## STATEWIDE POLICY RECOMMENDATIONS

**The California Housing Partnership calls on state leaders to take the following actions to provide relief to low-income families struggling with the high cost of housing:**

- » Immediately invest \$1 billion of the state's budget surplus to finance the development of permanently affordable rental housing and another \$1 billion for supportive housing for the homeless.
- » Bring back redevelopment funding for affordable housing and related infrastructure at an initial amount of \$1 billion annually.
- » Aggressively campaign for the passage of the \$4 billion Veterans and Affordable Housing Bond of 2018.
- » Reduce the threshold for voter approval of local funding of affordable housing and infrastructure from 67% to 55%.

## LOCAL RECOMMENDATIONS FOR SACRAMENTO COUNTY

- » Endorse and advocate for voter approval of the 2018 Veterans and Affordable Housing Act that dedicates \$4 billion to help military veterans have a safe place to call home and build safe, stable housing for struggling families, people experiencing homelessness and individuals with disabilities.
- » Support anti-displacement efforts by adopting meaningful tenant protections that will stabilize rents and prevent unjust evictions.
- » Adopt meaningful local policies to address segregation and concentrations of poverty, including adopting an ordinance prohibiting landlords from refusing to rent to applicants based on source of income or rent payments, e.g. rental housing vouchers.
- » Recognize affordable homes are the foundation to ending homelessness and require at least 10% of all publicly subsidized homes be dedicated for people experiencing homelessness.
- » Identify new sources of ongoing local revenue for affordable homes, including dedicating all or a significant portion of former Redevelopment funds (aka "Boomerang" funds) for affordable housing purposes.
- » Include affordable homes as a potential use of the revenue from any new or renewal of local sales tax.
- » Adopt or amend an inclusionary housing policy to require market rate residential developers to set aside units for lower income households or dedicate land and pay a fee to fund affordable home production.

**This report was produced by the California Housing Partnership.**

*Local policy recommendations provided by:*  
Sacramento Housing Alliance

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