

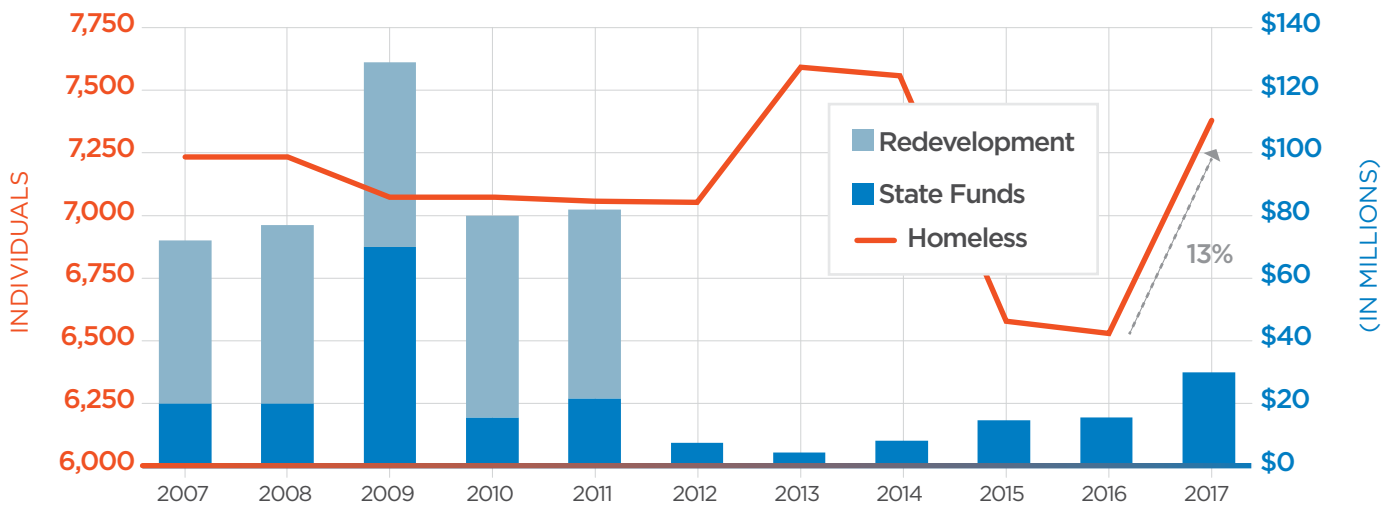
APRIL 2018

Santa Clara County's Housing Emergency and Proposed Solutions

KEY FINDINGS

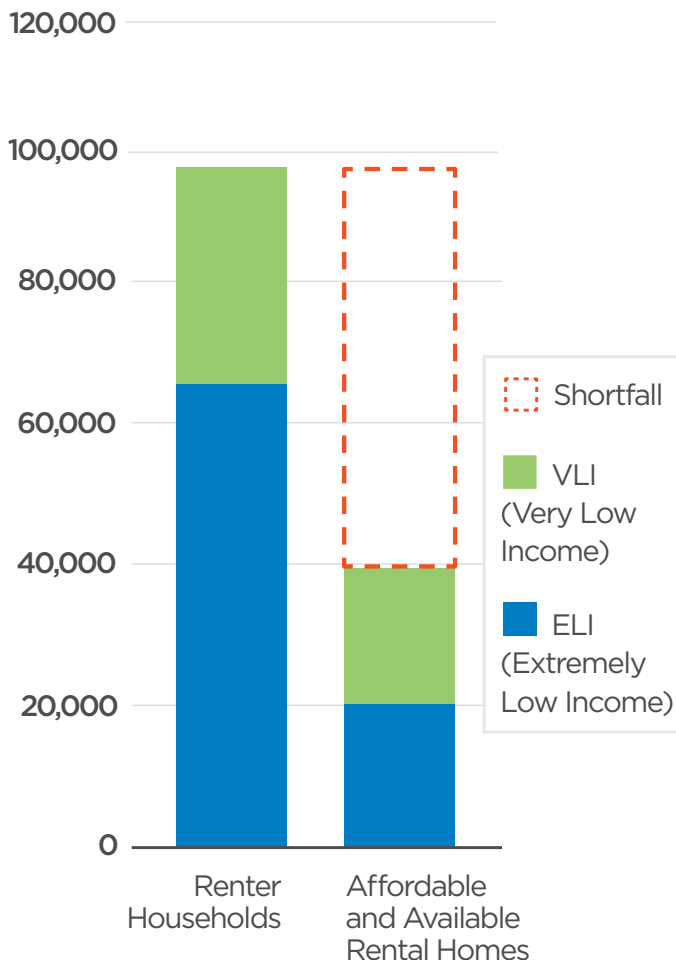
- The elimination of redevelopment in 2012 and exhaustion of state bond funding foreshadowed a 13% rise in homelessness from 2016 to 2017.
- Low Income Housing Tax Credit housing production in Santa Clara County declined 33% in 2017 in anticipation of federal tax reform.
- Renters in Santa Clara County need to earn \$54.81/hr - nearly four times local minimum wage - to afford the median monthly asking rent of \$2,850.
- Santa Clara County needs 58,583 more affordable rental homes to meet current demand.
- Santa Clara 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, Santa Clara County's poverty rate rises from 7.9% to 16.2%.

ELIMINATION OF REDEVELOPMENT & LOSS OF STATE BOND FUNDING FOR HOUSING FORESHADOWED A 13% 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).

SANTA CLARA COUNTY NEEDS 58,583 MORE AFFORDABLE RENTAL HOMES



Source: NLIHC analysis of 2016 PUMS data.

SANTA CLARA COUNTY'S POVERTY RATE RISES TO 16.2% WHEN HIGH HOUSING COSTS ARE INCLUDED

Official Poverty Measure (OPM)

7.9%

Unadjusted for Housing Costs

California Poverty Measure (CPM)

16.2%

Adjusted for Housing Costs and Social Benefits

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

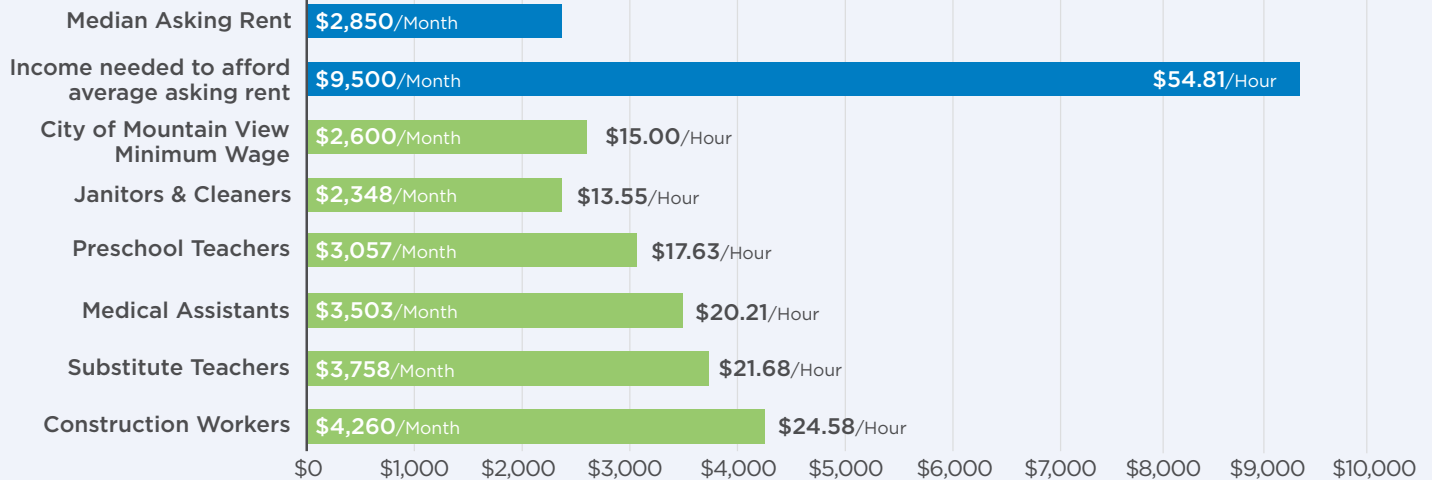
LOW INCOME HOUSING TAX CREDIT (LIHTC) PRODUCTION IN SANTA CLARA COUNTY DECLINED 33% IN ANTICIPATION OF FEDERAL TAX REFORM

		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%	
		Santa Clara County		
Type	2016	2017	Change %	
New Construction	726	498	-31%	
Acquisition & Rehab	694	452	-35%	
All	1,420	950	-33%	

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 3.7 TIMES MINIMUM WAGE TO AFFORD MEDIAN ASKING RENTS

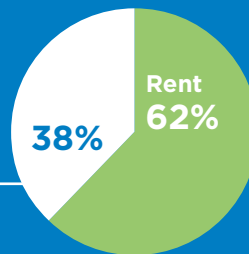


Source: Paul Waddell, Urban Analytics Lab, University of California, Berkeley, retrieved from analysis of online Craigslist listings in April 2018. CHPC analysis of Bureau of Labor Statistics Median Annual Wage Data for CA Occupations for 2017.

WHAT DO SANTA CLARA COUNTY'S RENTERS HAVE LEFT OVER AFTER PAYING RENT?

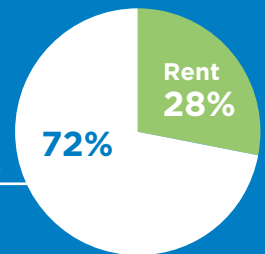
HOUSEHOLDS EARNING HALF OF MEDIAN INCOME OR LESS

Food, Transportation, Health Care, & Other Essentials



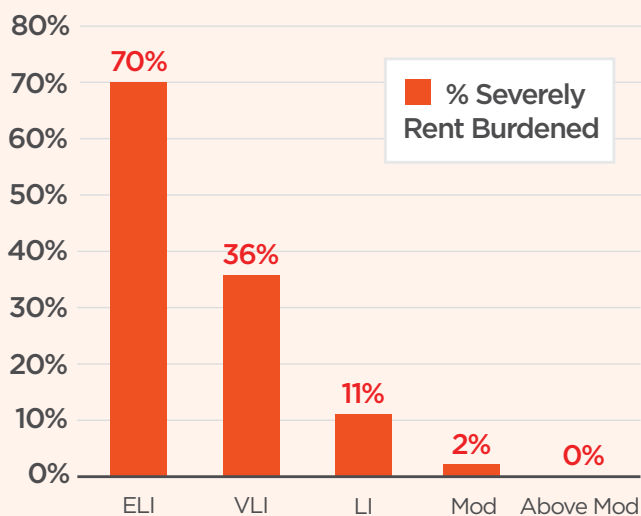
MEDIAN INCOME HOUSEHOLDS

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 SANTA CLARA COUNTY

- » Set aside a minimum 15% of homes in new residential developments to be affordable to very low and low-income families in exchange for entitlement concessions and incentives.
- » Adopt new funding measures for affordable housing, including commercial linkage fees.
- » Adopt mixed use, mixed-income area plans with a 20% affordable housing target.
- » Require a minimum of 20% affordability for new homes developed on publicly owned sites.
- » Explore and implement policies that encourage the successful siting of permanent supportive housing and homes for unhoused people and families.
- » Incentivize the development of Accessory Dwelling Units and other innovative measures that create privately owned, unregulated affordable housing.
- » Adopt General Plan policies that remove impediments to housing development.

This report was produced by the California Housing Partnership.

Local policy recommendations provided by:
Silicon Valley at Home

For questions about Santa Clara County's housing need, contact:
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