

## TUBBS FIRE 2017

5,297 homes in Sonoma County were completely destroyed.

2,200 of the residents who lost their homes were Low-Income.

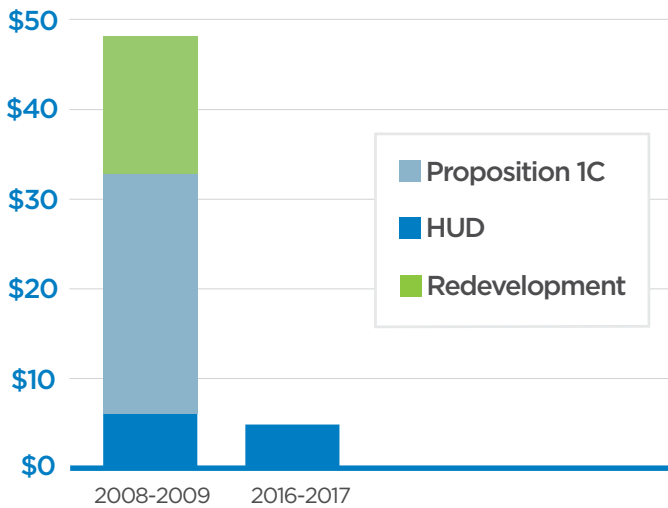
APRIL 2018

# Sonoma County's Housing Emergency and Proposed Solutions

## KEY FINDINGS

- Low Income Housing Tax Credit housing production in Sonoma County declined 93% in 2017 in anticipation of federal tax reform.
- Cuts in federal and state funding have reduced investment in affordable housing production and preservation in Sonoma County by more than \$42 million annually since 2008, an 89% reduction.
- Sonoma County's lowest-income renters spend 55% of income on rent, leaving little left for food, transportation, health care, and other essentials.
- Sonoma County needs 14,634 more affordable rental homes to meet current demand.
- Renters in Sonoma County need to earn \$44.23/hr - more than four times the state minimum wage - to afford the median monthly asking rent of \$2,300.
- When housing costs are considered, Sonoma County's poverty rate rises from 9.7% to 17.6%.

## SONOMA COUNTY LOST 89% OF STATE AND FEDERAL FUNDING FOR HOUSING PRODUCTION AND PRESERVATION FROM FY 2008-09 TO FY 2016-17



FUNDING SOURCE	FY 2008-09 (In thousands)	FY 2016-17 (In thousands)	% CHANGE
Redevelopment	\$14,818	\$0	-100%
State Housing Bonds and Housing Programs	\$26,788	\$0	-100%
HUD	\$6,466	\$5,059	-22%
<b>TOTAL</b>	<b>\$48,072</b>	<b>\$5,059</b>	<b>-89%</b>

Source: CHPC analysis of 2008-2009 annual Redevelopment Housing Activities report; 2008-2009 and 2016-2017 annual HCD Financial Assistance Programs Reports; HUD CDP Appropriations Budget data for fiscal years 2009 and 2016.

## SONOMA COUNTY NEEDS 14,634 MORE AFFORDABLE RENTAL HOMES



Source: NLIHC analysis of 2016 PUMS data.

## SONOMA COUNTY'S POVERTY RATE RISES TO 17.6% WHEN HIGH HOUSING COSTS ARE INCLUDED

Official Poverty Measure (OPM)

**9.7%**

Unadjusted for Housing Costs

California Poverty Measure (CPM)

**17.6%**

Adjusted for Housing Costs and Social Benefits

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

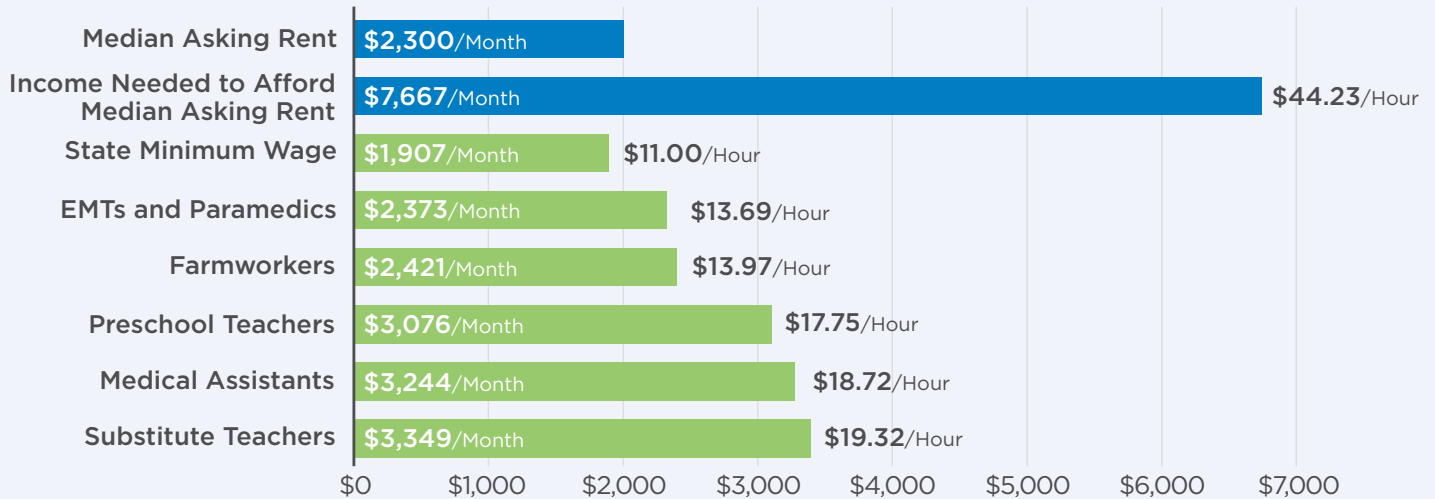
## LOW INCOME HOUSING TAX CREDIT (LIHTC) PRODUCTION DECLINED 93% IN SONOMA COUNTY IN ANTICIPATION OF TAX REFORM

State				
Type	2016	2017	Change %	
New Construction	9,285	7,407	-20%	
Acquisition & Rehab	15,032	5,928	-61%	
<b>All</b>	<b>24,317</b>	<b>13,335</b>	<b>-45%</b>	
Sonoma County				
Type	2016	2017	Change %	
New Construction	102	26	-75%	
Acquisition & Rehab	291	0	-100%	
<b>All</b>	<b>393</b>	<b>26</b>	<b>-93%</b>	

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

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

## RENTERS NEED TO EARN 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 SONOMA COUNTY'S RENTERS HAVE LEFT OVER AFTER PAYING RENT?

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

Food, Transportation, Health Care, & Other Essentials

45%

Rent 55%

#### MEDIAN INCOME HOUSEHOLDS

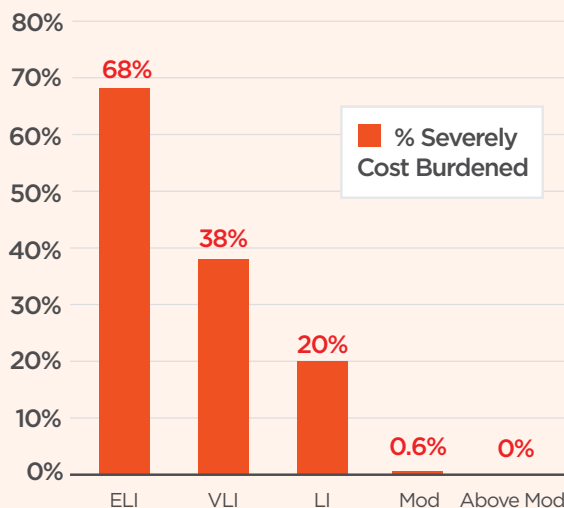
Food, Transportation, Health Care, & Other Essentials

73%

Rent 27%

Source: NLIHC analysis of 2016 PUMS data.

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



Source: NLIHC analysis of 2016 PUMS data.

\*Severely cost-burdened households spend more than 50% of their income towards housing costs.

### 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 SONOMA COUNTY

- » Bring a countywide housing recovery bond to the ballot to fund affordable homes for working families, seniors on fixed incomes, people living with disabilities and other underserved residents and ensure that Sonoma County communities can continue to compete successfully with other regions for State and Federal investments by providing local matching funds.
- » Create new financing vehicles to address the severe shortage of homes made worse by the October 2017 firestorms.
- » Review opportunities to create affordable housing on vacant and underutilized publicly-owned sites suitable for residential development.
- » Leverage alternative and climate-smart construction technologies at the regional, neighborhood, and homeowner scale.
- » Link local investments in health care to affordable housing and services that improve health outcomes.
- » Provide quality, affordable local homes to address the needs of agricultural and hospitality industry workers.
- » Ensure adequate funding for supportive housing affordable and accessible to all those in need including for low-income seniors, our fastest-growing demographic, and people experiencing homelessness.

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

*Local policy recommendations provided by:*

Non-Profit Housing Association of Northern California (NPH)

For questions about Sonoma County's housing need, contact:

JR Starrett, JR@nonprophousing.org, 415.989.8160 x35

