



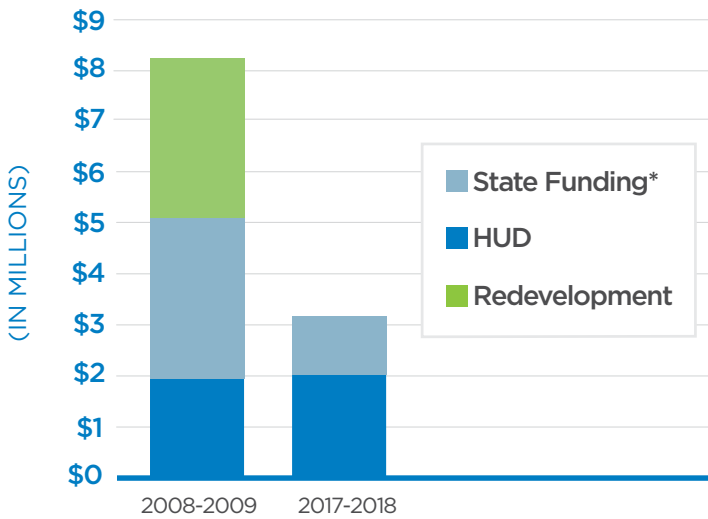
MERCED COUNTY'S HOUSING EMERGENCY UPDATE



KEY FINDINGS

- Cuts in Federal and State funding have reduced investment in affordable housing in Merced County by more than \$5 million annually since 2008, a 61% reduction.
- 74% of ELI households are paying more than half of their income on housing costs compared to just 3% of moderate income households.
- Merced County needs 8,281 more affordable rental homes to meet current demand.
- Low Income Housing Tax Credit production and preservation in Merced County remains low since 2016.
- Renters in Merced County need to earn \$22.98 per hour - 1.9 times the State minimum wage - to afford the median monthly asking rent of \$1,195.

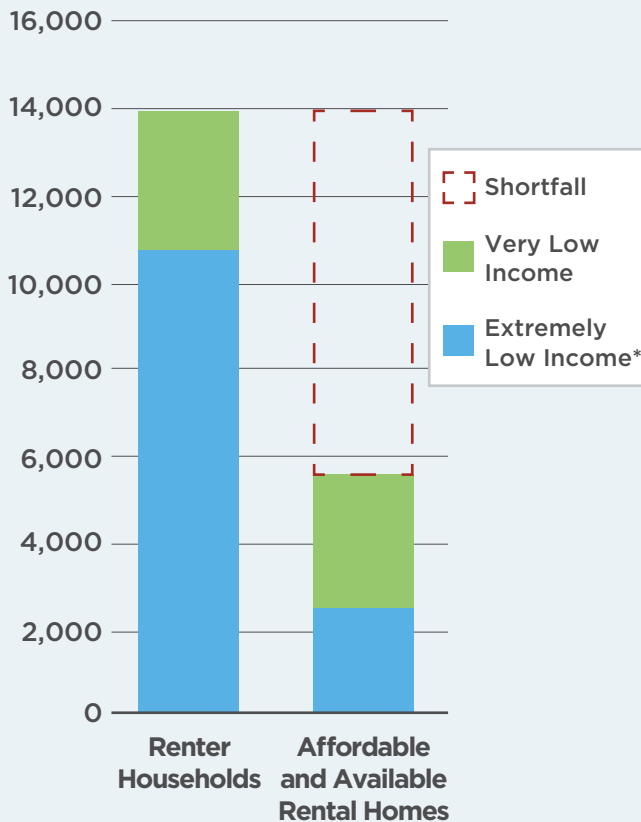
MERCED COUNTY LOST 61% OF STATE AND FEDERAL FUNDING FOR HOUSING PRODUCTION AND PRESERVATION FROM FY 2008-09 TO FY 2017-18



FUNDING SOURCE	FY 2008-09 (In thousands)	FY 2017-18 (In thousands)	% CHANGE
Redevelopment	\$3,186	\$0	-100%
State Housing Bonds and Housing Programs	\$3,187	\$1,255	-61%
HUD	\$1,932	\$2,019	5%
TOTAL	\$8,304	\$3,274	-61%

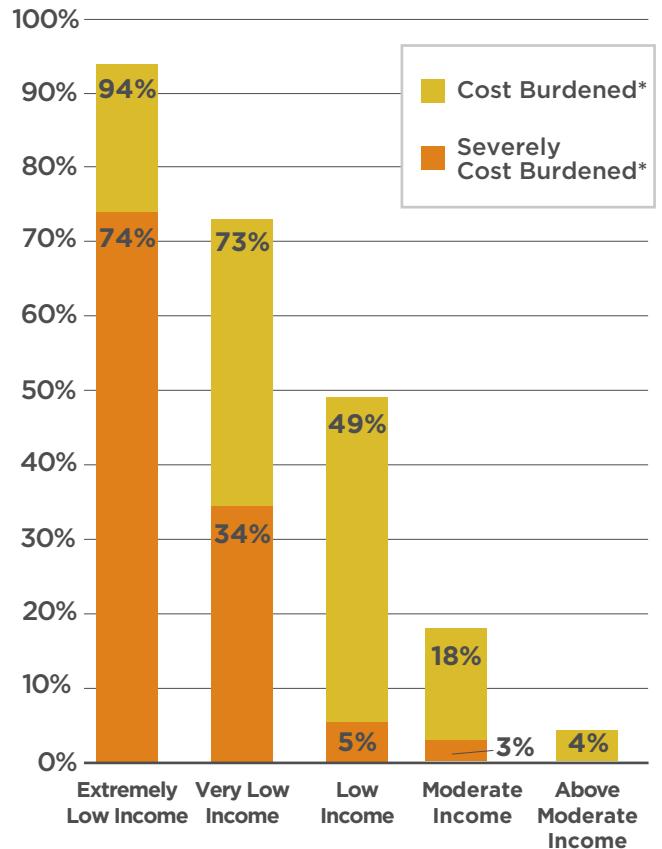
Source: California Housing Partnership analysis of 2008-2009 annual Redevelopment Housing Activities Report; 2008-2009 and 2017-2018 Annual HCD Financial Assistance Programs Reports; 2008-2009 and 2017-2018 HUD CPD Appropriations Budget Reports.
 *FY 2017-2018 does not include No Place Like Home Funding (NPLH) and no funds for the Affordable Housing Sustainable Communities (AHSC) program were awarded.

MERCED COUNTY NEEDS 8,281 MORE AFFORDABLE RENTAL HOMES



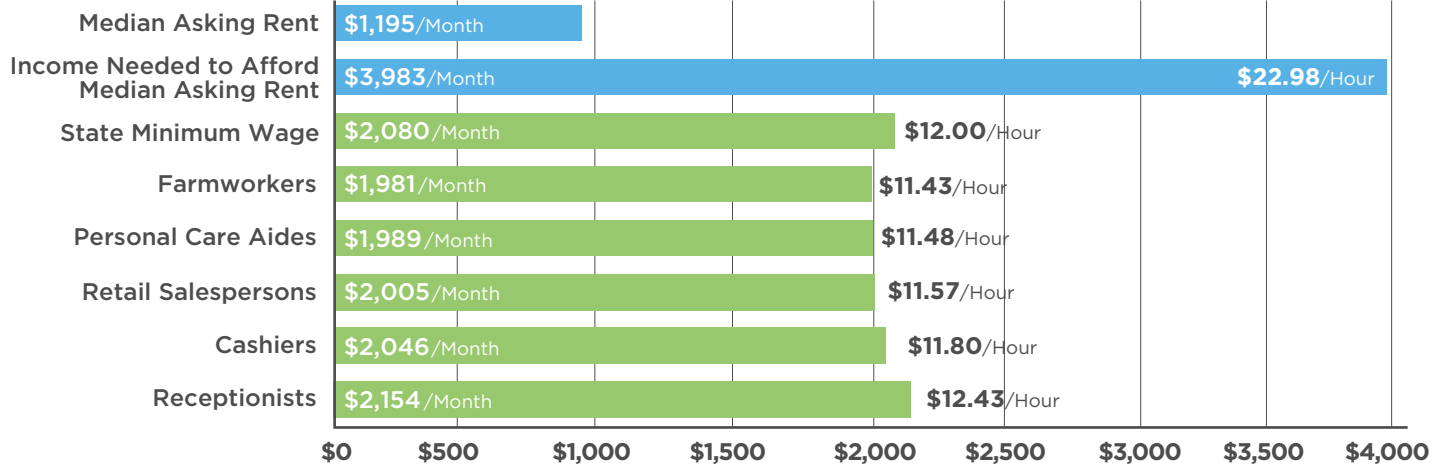
Source: California Housing Partnership's analysis of 2016-2017 PUMS data using adapted NLIHC methodology.
 *ELI is equivalent to the Department of Health and Human Services poverty guidelines.

LOWEST INCOME HOUSEHOLDS ARE DISPROPORTIONATELY AND SEVERELY COST BURDENED



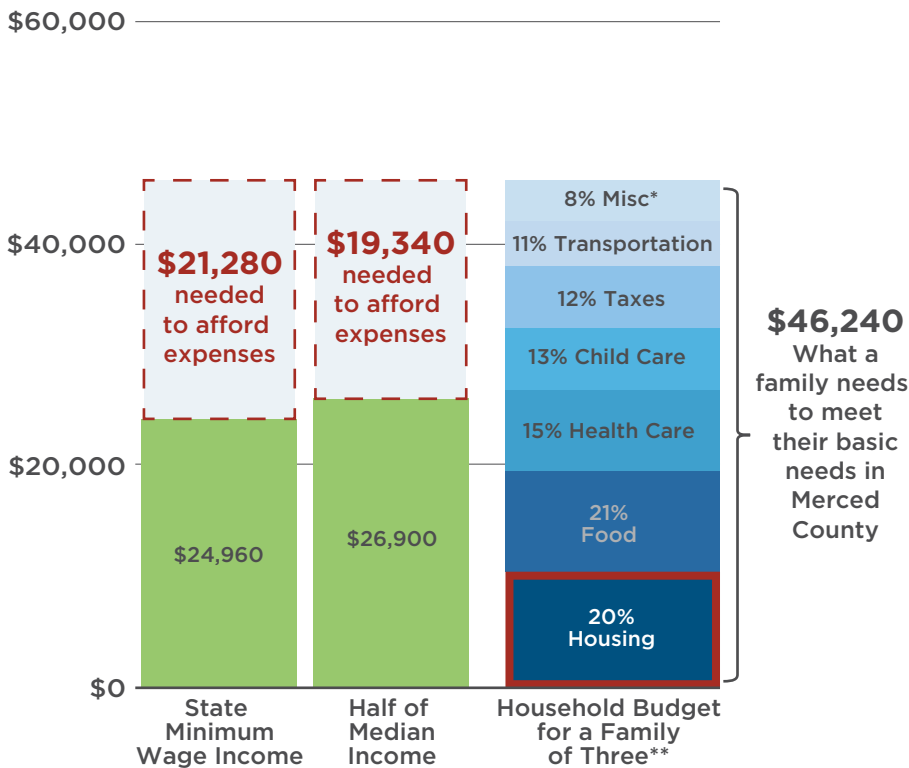
Source: California Housing Partnership's analysis of 2016-2017 PUMS data using adapted NLIHC methodology.
 *Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.

RENTERS NEED TO EARN 1.9 TIMES MINIMUM WAGE TO AFFORD THE MEDIAN ASKING RENT IN MERCED COUNTY



Source: Paul Waddell, Urban Analytics Lab, University of California, Berkeley, retrieved from analysis of online Craigslist listings in February 2019. Bureau of Labor Statistics Median Annual Wage Data for CA Occupations, 2018.

HOUSING & FOOD PRICES ARE DRIVING COSTS OF LIVING OUT OF REACH FOR LOW INCOME FAMILIES IN MERCED COUNTY



Source: The above budget is a preview of United Way's forthcoming data release on the Real Cost Measure. Please visit <https://www.unitedwaysca.org/realcost> for more information about what it takes to meet basic needs in Merced County.

*The "miscellaneous" budget category includes all other categories not defined.

**The household budget for a family of three uses a population weighted average to estimate the costs associated with one working adult and two children (one school-aged child and one teenager). Each percentage represents how much a family's annual budget is captured in each cost category (housing, child care, etc.).

MERCED COUNTY'S LOW INCOME HOUSING TAX CREDIT PRODUCTION AND PRESERVATION REMAINS LOW SINCE 2016

STATEWIDE			
TYPE	2016	2017	2018
New Construction	9,285	7,407	9,373
Acquisition & Rehab	15,032	5,928	9,430
All	24,317	13,335	18,803
MERCED COUNTY			
TYPE	2016	2017	2018
New Construction	0	0	0
Acquisition & Rehab	35	0	0
All	35	0	0

Source: California Housing Partnership analysis of 2016-2018 California Tax Credit Allocation Committee data.

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

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:

- » Replace Redevelopment funding for affordable housing with at least \$1 billion annually to help local governments meet their State-mandated production goals.
- » Expand the State's Low Income Housing Tax Credit Program by \$500 million per year to jump-start affordable housing production and preservation.
- » Create a new California capital gains tax credit to preserve existing affordable housing at risk of conversion and to fight displacement pressures in Opportunity Zones.
- » Reduce the threshold for voter approval of local funding of affordable housing and infrastructure from 67% to 55% as was done for educational facilities in 2000.

LOCAL RECOMMENDATIONS FOR MERCED COUNTY

- » Develop permit streamlining plans for affordable housing developments in county unincorporated areas.
- » Utilize SB2 planning funds to develop by-right development ordinances for affordable housing.
- » Update zoning ordinances to avoid discouraging higher density development particularly for affordable housing.
- » Identify sites that can successfully compete for California's Cap and Trade Programs in Merced and Los Banos.
- » Small cities (Atwater, Livingston, Los Banos, Dos Palos) should gear up to apply for HOME, CDBG, CalHome, IIG, NPLH, Serna Farmworker and other new state resources.
- » Develop a local pipeline of potential affordable home sites by identifying and actively marketing them.

This report was produced by the California Housing Partnership.

Local policy recommendations provided by:
California Coalition for Rural Housing
Self-Help Enterprises

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