

636 El Camino in South San Francisco. Photo by Frank Domin. Courtesy of Midpen Housing.

SAN MATEO COUNTY'S HOUSING EMERGENCY UPDATE



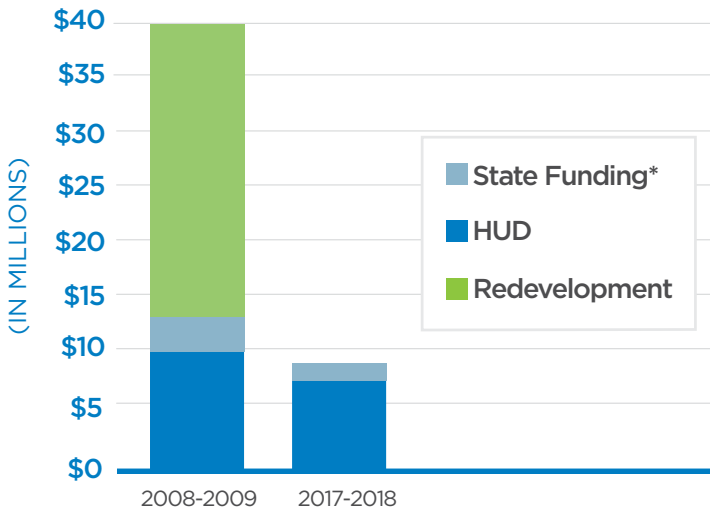
California Housing Partnership

California's Experts on Affordable Housing Finance, Advocacy & Policy

KEY FINDINGS

- **Low Income Housing Tax Credit production and preservation in San Mateo County declined by 25% overall from 2016 due to Federal tax reform.**
- **Cuts in Federal and State funding have reduced investment in affordable housing in San Mateo County by more than \$31 million annually since 2008, a 78% reduction.**
- **San Mateo County needs 22,269 more affordable rental homes to meet current demand.**
- **74% of ELI households are paying more than half of their income on housing costs compared to just 2.5% of moderate income households.**
- **Renters in San Mateo County need to earn \$67.54 per hour - 4.5 times the local minimum wage - to afford the median asking rent of \$3,512.**

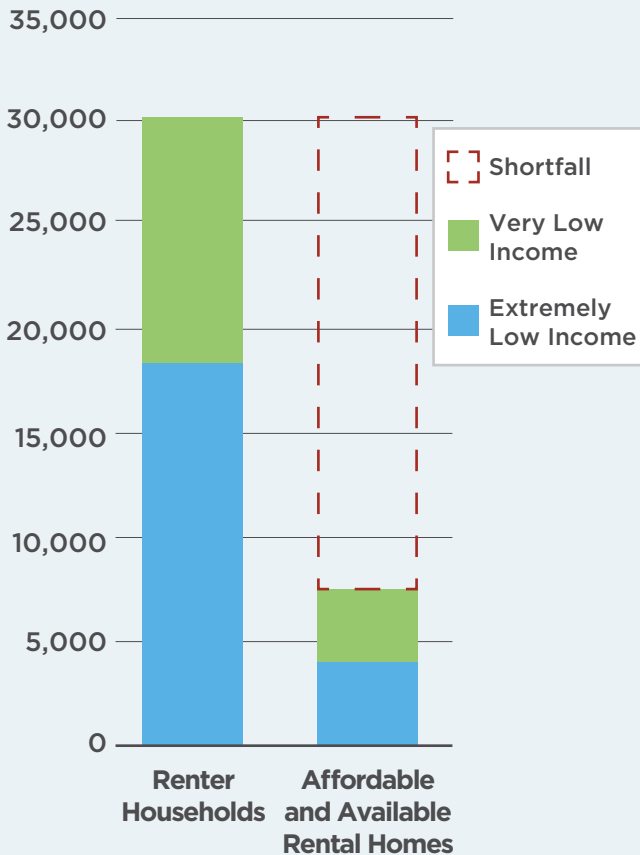
SAN MATEO COUNTY LOST 78% OF STATE AND FEDERAL FUNDING FOR HOUSING PRODUCTION AND PRESERVATION FROM FY 2008-09 TO FY 2017-18



FUNDING SOURCE	FY 2008-09 (In thousands)	FY 2017-18 (In thousands)	% CHANGE
Redevelopment	\$27,148	\$0	-100%
State Housing Bonds and Housing Programs	\$2,910	\$1,500	-48%
HUD	\$9,780	\$7,134	-27%
TOTAL	\$39,858	\$8,634	-78%

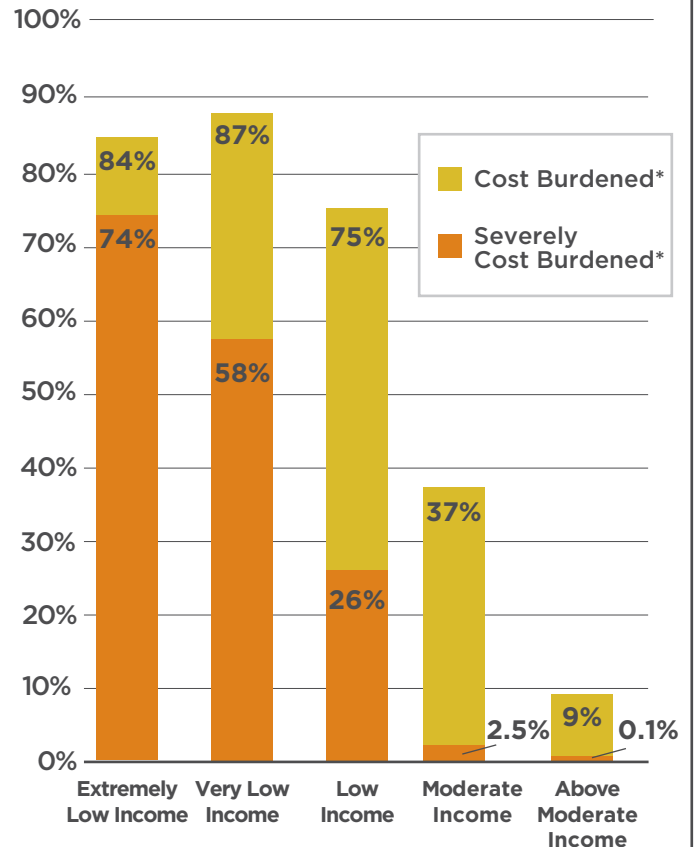
Source: California Housing Partnership analysis of 2008-2009 annual Redevelopment Housing Activities Report; 2008-2009 and 2017-2018 Annual HCD Financial Assistance Programs Reports; 2008-2009 and 2017-2018 HUD CPD Appropriations Budget Reports.
 *FY 2017-2018 does not include No Place Like Home Funding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

SAN MATEO COUNTY NEEDS 22,269 MORE AFFORDABLE RENTAL HOMES



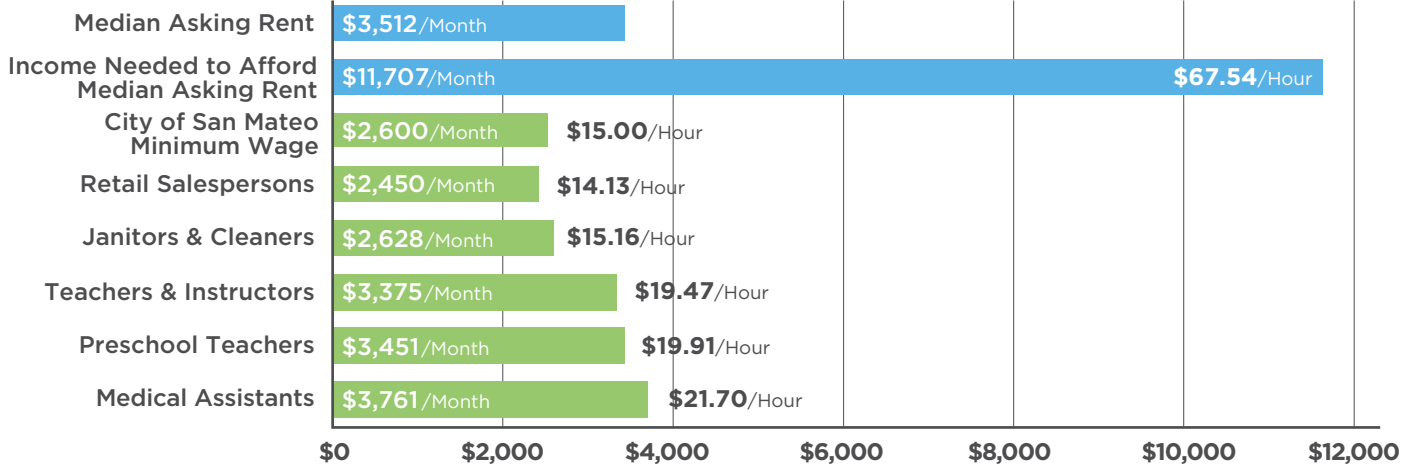
Source: NLIHC analysis of 2017 PUMS data.

LOWEST INCOME HOUSEHOLDS ARE DISPROPORTIONATELY AND SEVERELY COST BURDENED



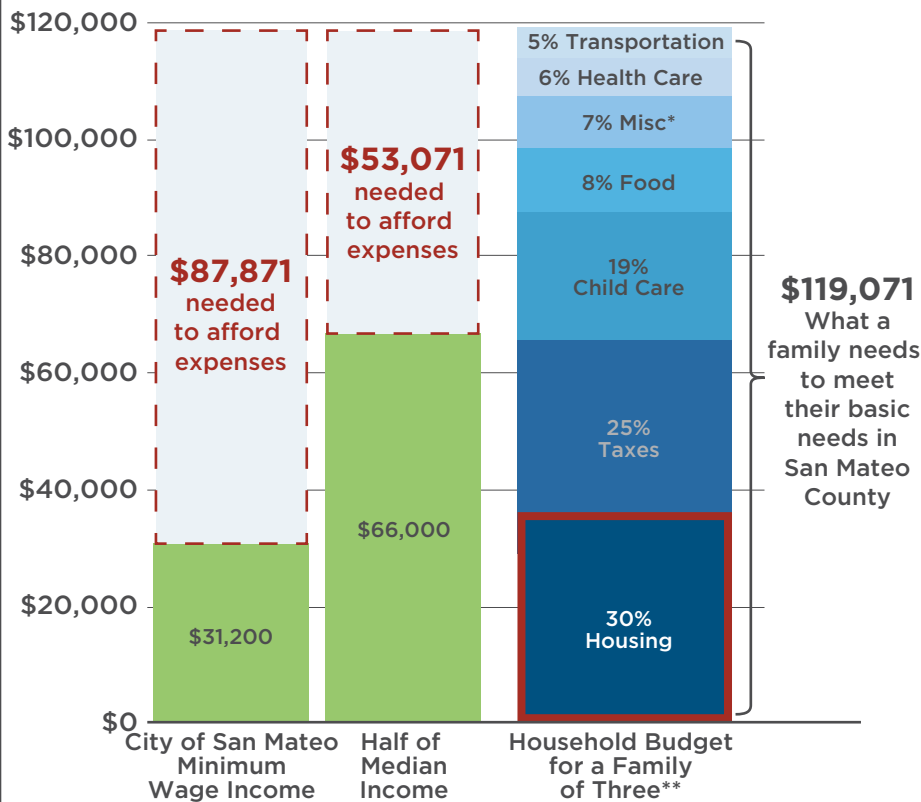
Source: NLIHC analysis of 2017 PUMS data.
 *Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.

RENTERS NEED TO EARN 4.5 TIMES LOCAL MINIMUM WAGE TO AFFORD THE MEDIAN ASKING RENT IN SAN MATEO 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 PRICES ARE DRIVING COSTS OF LIVING OUT OF REACH FOR LOW INCOME FAMILIES IN SAN MATEO 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 San Mateo 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 toddler). Each percentage represents how much a family's annual budget is captured in each cost category (housing, child care, etc.).

SAN MATEO COUNTY'S LOW INCOME HOUSING TAX CREDIT PRODUCTION AND PRESERVATION DECREASED 25% FROM 2016-2018

STATEWIDE			
TYPE	2016	2018	% CHANGE
New Construction	9,285	9,373	1%
Acquisition & Rehab	15,032	9,430	-37%
All	24,317	18,803	-23%
SAN MATEO COUNTY			
TYPE	2016	2018	% CHANGE
New Construction	299	249	-17%
Acquisition & Rehab	80	35	-56%
All	379	284	-25%

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.

REGIONAL AND LOCAL RECOMMENDATIONS FOR SAN MATEO COUNTY

Regional Recommendations

- » Condition discretionary transportation funds to cities on progress in providing affordable housing and preventing displacement.
- » Ensure that all cities and counties in the Bay Area are accountable to produce their fair share of affordable housing through the region's next Regional Housing Need Allocation.

Local/County Recommendations

- » Adopt a system-wide three county Caltrain affordable housing policy that prioritizes housing production and requires minimum 20% affordable housing on Caltrain's publicly-owned land.
- » Invest at least 25% of Measure K funds annually to create permanent affordable homes.
- » Adopt affordable housing impact fees on commercial developments and pass or update inclusionary housing policies.
- » Prioritize affordable housing on publicly-owned land and require a minimum of 25% of all homes be affordable to very low income and low income households.
- » Allow accessory dwelling units to be approved through ministerial review.
- » Adopt policies and programs that protect renters from unreasonable rent increases and evictions.

This report was produced by the California Housing Partnership.

Local policy recommendations provided by:
Housing Leadership Council of San Mateo County

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