



Redwood Shores in Vallejo. Photo courtesy of BRIDGE Housing.

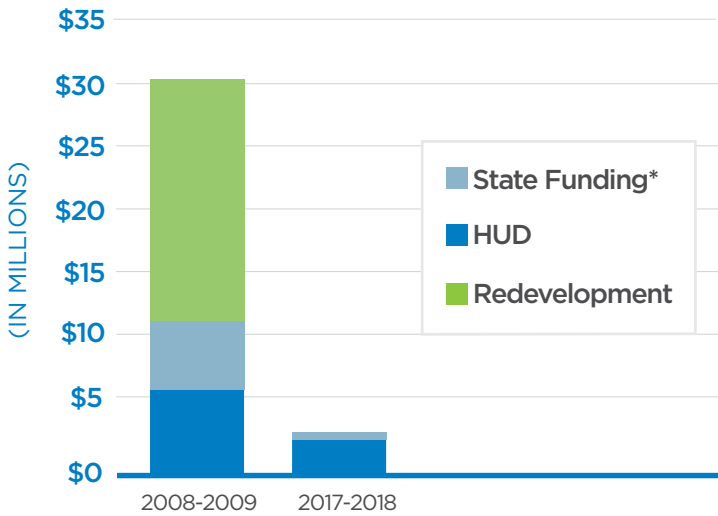
SOLANO COUNTY'S HOUSING EMERGENCY UPDATE



KEY FINDINGS

- Cuts in Federal and State funding have reduced investment in affordable housing in Solano County by more than \$27 million annually since 2008, a 90% reduction.
- Solano County needs 13,801 more affordable rental homes to meet current demand.
- Renters in Solano County need to earn \$36.06 per hour - 3 times the State minimum wage - to afford the median asking rent of \$1,875.
- Solano County's Low Income Housing Tax Credit production and preservation has declined since 2016 due to lack of local funding resources.
- 80% of ELI households are paying more than half of their income on housing costs compared to just 3.9% of moderate income households.

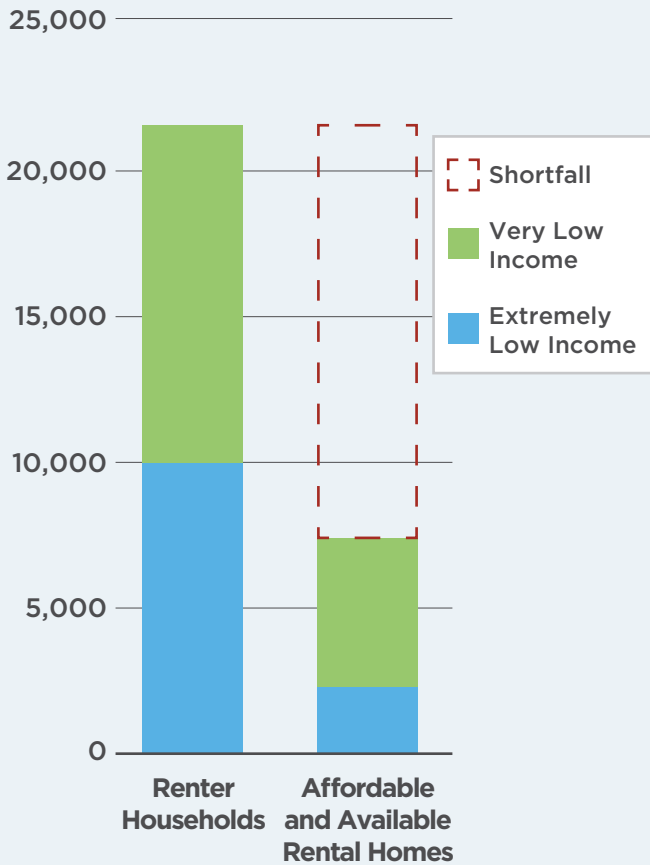
SOLANO COUNTY LOST 90% OF STATE AND FEDERAL FUNDING FOR HOUSING PRODUCTION AND PRESERVATION FROM FY 2008-09 TO FY 2017-18



| FUNDING SOURCE | FY 2008-09 (In thousands) | FY 2017-18 (In thousands) | % CHANGE |
|--|------------------------------|------------------------------|-------------|
| Redevelopment | \$18,972 | \$0 | -100% |
| State Housing Bonds and Housing Programs | \$5,415 | \$496 | -91% |
| HUD | \$5,685 | \$2,570 | -55% |
| TOTAL | \$30,072 | \$3,067 | -90% |

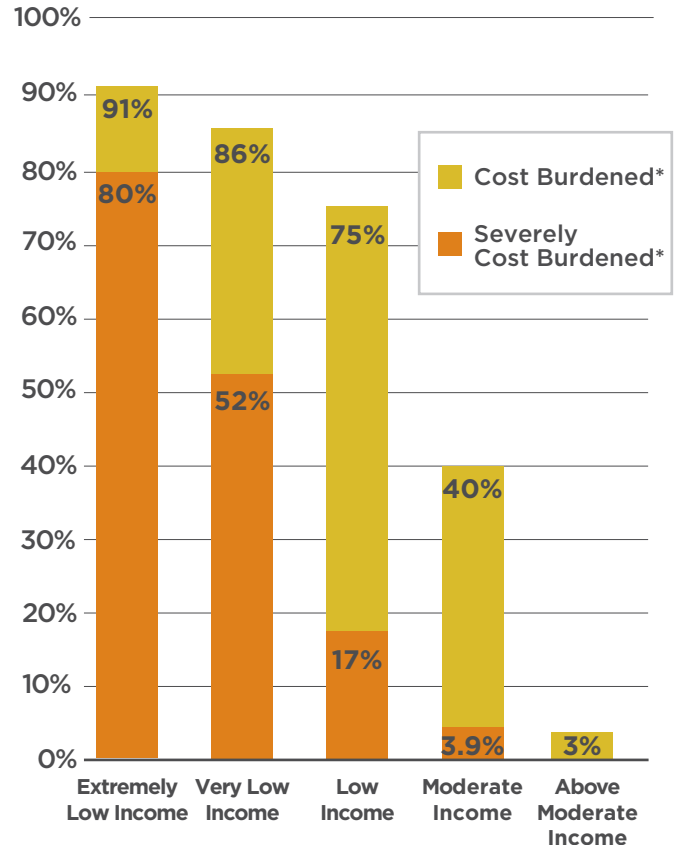
Source: California Housing Partnership analysis of 2008-2009 annual Redevelopment Housing Activities Report; 2008-2009 and 2017-2018 Annual HCD Financial Assistance Programs Reports; 2008-2009 and 2017-2018 HUD CPD Appropriations Budget Reports.
 *FY 2017-2018 does not include No Place Like Home Funding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

SOLANO COUNTY NEEDS 13,801 MORE AFFORDABLE RENTAL HOMES



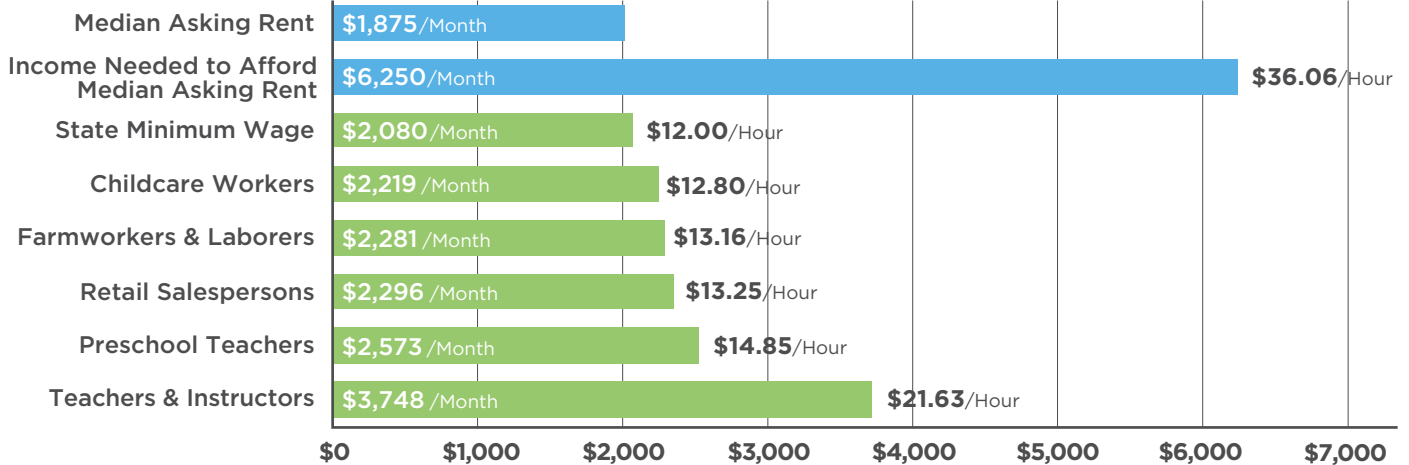
Source: California Housing Partnership analysis of 2016-2017 PUMS data using adapted NLIHC methodology.

LOWEST INCOME HOUSEHOLDS ARE DISPROPORTIONATELY AND SEVERELY COST BURDENED



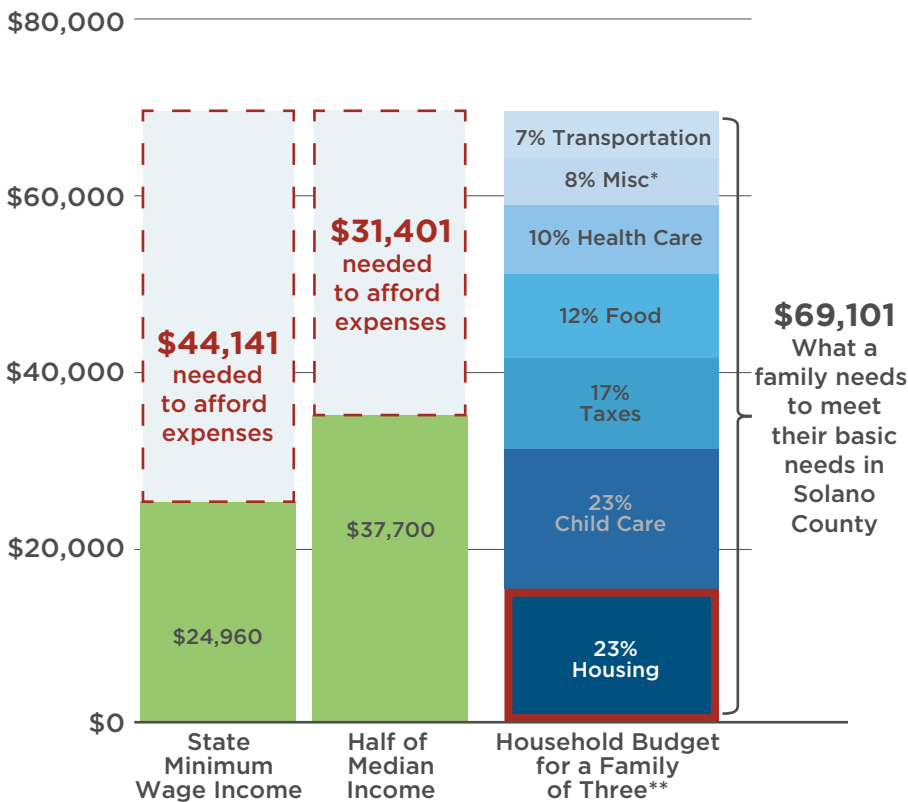
Source: California Housing Partnership analysis of 2016-2017 PUMS data.
 *Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.

RENTERS NEED TO EARN 3 TIMES MINIMUM WAGE TO AFFORD THE MEDIAN ASKING RENT IN SOLANO 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 SOLANO 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 Solano 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.).

SOLANO COUNTY'S LOW INCOME HOUSING TAX CREDIT PRODUCTION AND PRESERVATION DECLINED SINCE 2016 DUE TO LACK OF LOCAL FUNDING

| 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 |
| SOLANO COUNTY | | | |
| TYPE | 2016 | 2017 | 2018 |
| New Construction | 38 | 0 | 0 |
| Acquisition & Rehab | 304 | 181 | 170 |
| All | 342 | 181 | 170 |

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 SOLANO 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

- » Explore local funding options for affordable housing such as a County bond and other City based revenue sources.
- » The Community Action Partnership (CAP) Solano Joint Powers Authority (JPA) should convene stakeholders to advance new funding ideas for affordable housing.
- » Adopt inclusionary zoning (IZ) ordinances to require that a portion of all new residential developments be affordable.
- » Encourage the adoption of affordable housing overlay zoning to allow for higher density and mixed-use affordable housing developments.
- » Adopt tenant ordinances that prevent displacement by limiting annual rent increases and prohibiting the eviction of renters without good cause.

This report was produced by the California Housing Partnership.

Local policy recommendations provided by:

Non-Profit Housing Association of Northern California (NPH)

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