



# SANTA CRUZ COUNTY 2021 Affordable Housing Needs Report



**California  
Housing  
Partnership**

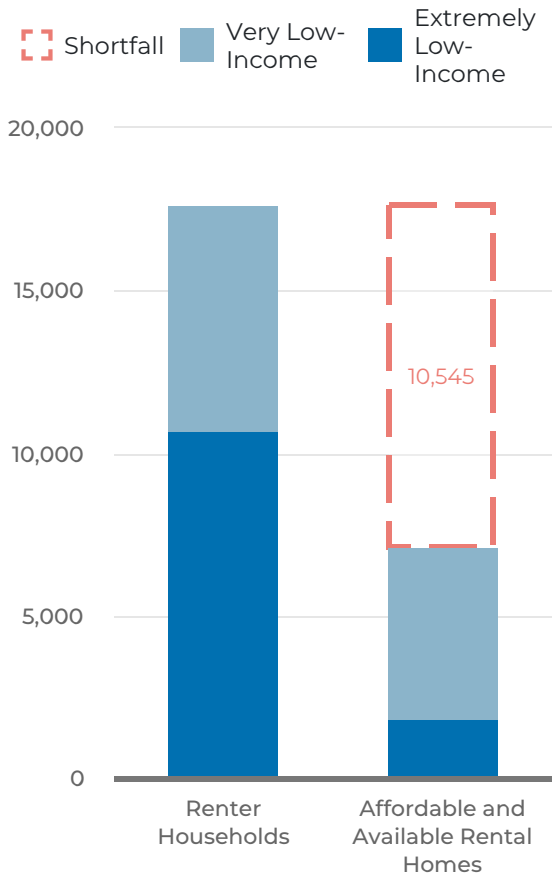
*California's Experts on Affordable  
Housing Finance, Advocacy & Policy*

## KEY FINDINGS

- **85% of extremely low-income households** are paying more than half of their income on housing costs compared to just 3% of moderate-income households.
- **10,545 low-income renter households** in Santa Cruz County do not have access to an affordable home.
- Low-Income Housing Tax Credit production and preservation in Santa Cruz County remained low in 2019 and 2020.
- Renters in Santa Cruz County need to earn \$36.71 per hour - **2.6 times** the state minimum wage - to afford the average monthly asking rent of \$1,909.
- In Santa Cruz County, state funding **increased 64%** while federal funding **decreased 28%** for housing production and preservation from FY 2018-19 to FY 2019-20.

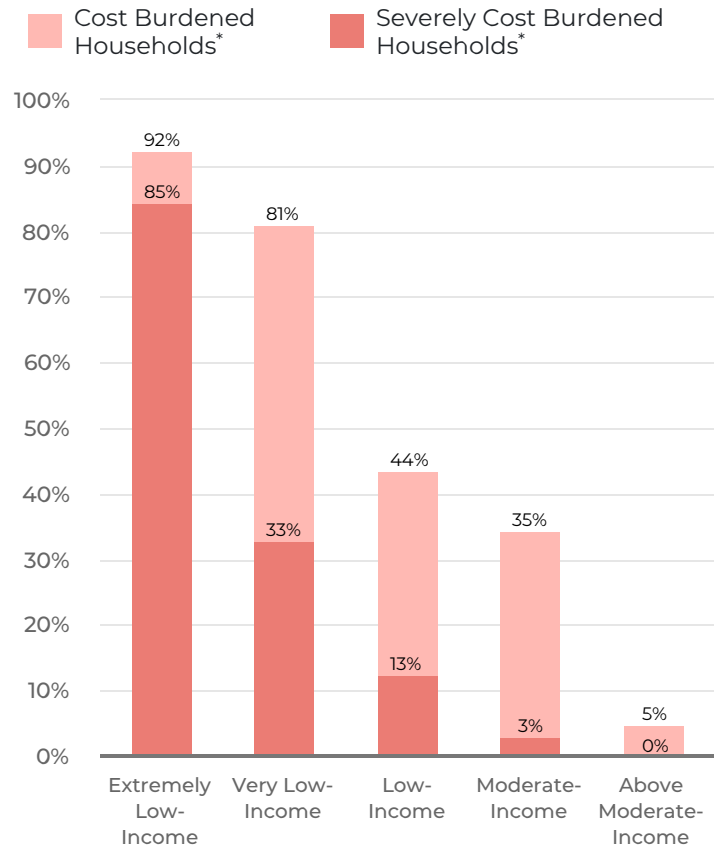
## AFFORDABLE HOMES SHORTFALL

**10,545 low-income renter households** in Santa Cruz County do not have access to an affordable home.



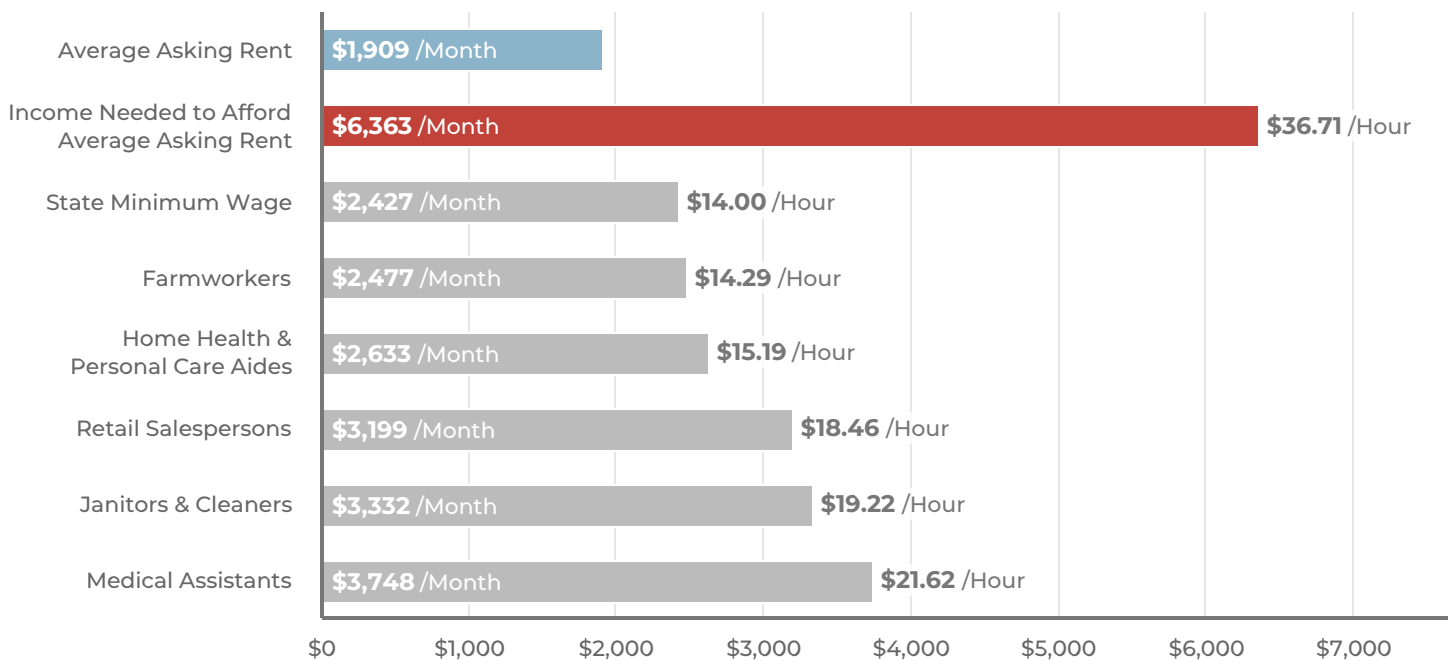
## COST BURDENED RENTER HOUSEHOLDS

**85% of ELI households** in Santa Cruz County are paying more than half of their income on housing costs compared to just 3% of moderate-income households.



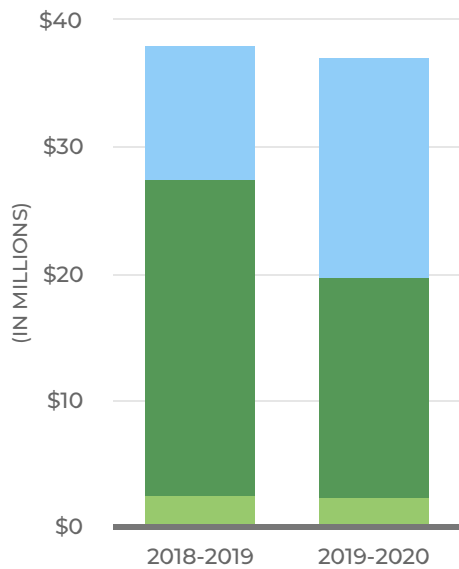
## WHO CAN AFFORD TO RENT

Renters need to earn **2.6 times** minimum wage to afford the average asking rent in Santa Cruz County.



## FUNDING FOR HOUSING

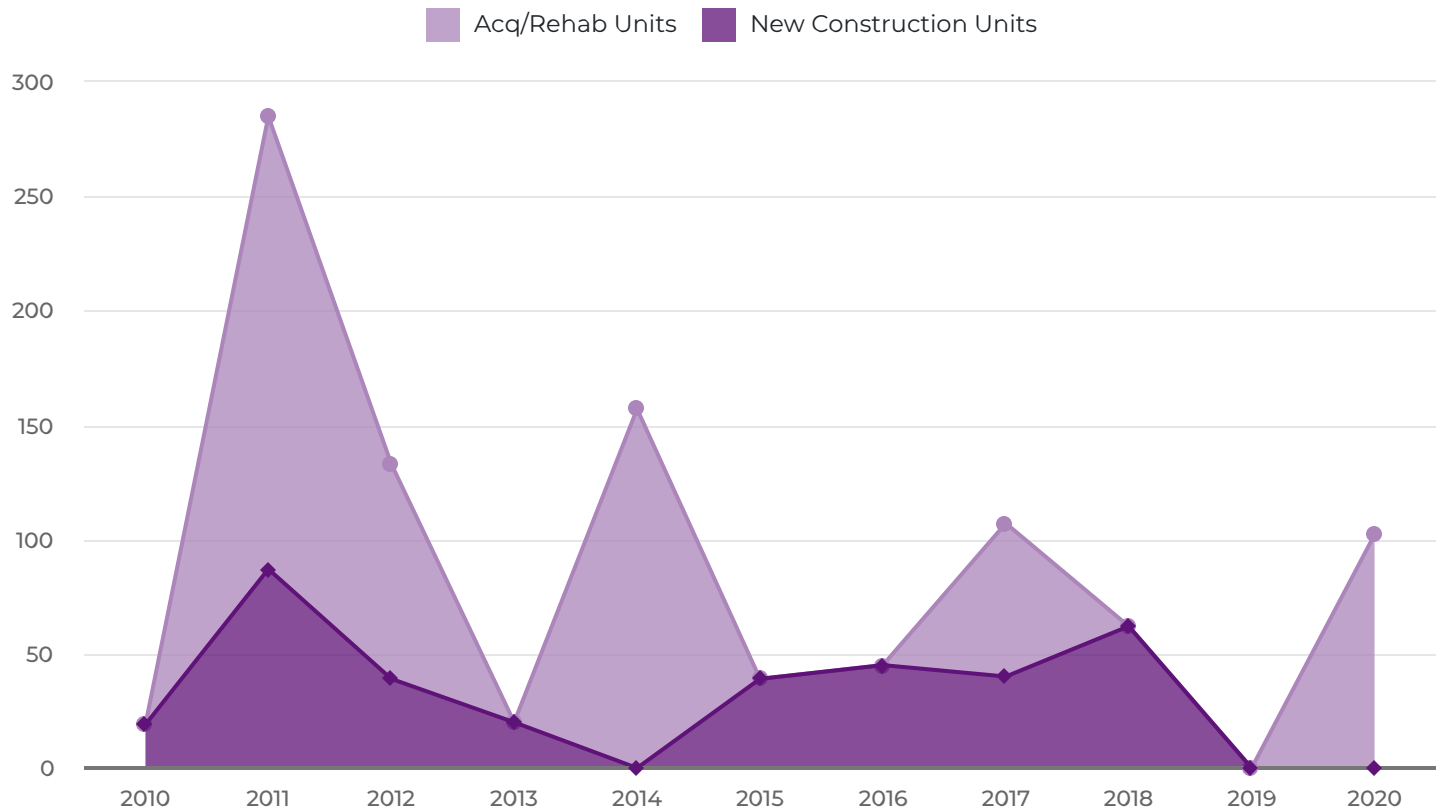
In Santa Cruz County, state funding **increased 64%** while federal funding **decreased 28%** for housing production and preservation from FY 2018-19 to FY 2019-20.



FUNDING SOURCE	FY 2018-19	FY 2019-20	% CHANGE
(in thousands)			
State Housing Bonds and Budget Allocations	\$10,564	\$17,305	64%
State LIHTC	\$0	\$0	--%
<b>STATE TOTAL</b>	<b>\$10,564</b>	<b>\$17,305</b>	<b>64%</b>
Federal LIHTC	\$25,000	\$17,348	-31%
HUD Block Grants	\$2,467	\$2,450	-1%
<b>FEDERAL TOTAL</b>	<b>\$27,467</b>	<b>\$19,798</b>	<b>-28%</b>

## LIHTC PRODUCTION AND PRESERVATION

Low-Income Housing Tax Credit production and preservation in Santa Cruz County remained low in 2019 and 2020.



## STATEWIDE POLICY RECOMMENDATIONS

**In addition to critical COVID-19 efforts, the Partnership calls on State leaders to take the following actions to provide relief to low-income families struggling with unaffordable and unstable housing:**

- Initiate a \$10 billion statewide housing bond to fund five more years of affordable housing for low-income families and people experiencing homelessness.
- Permanently fund local governments to implement flexible homelessness solutions by recapturing \$2.4 billion per year lost through corporate tax loopholes and reductions.
- Make permanent the \$500 million expansion of the state Low-Income Housing Tax Credit to increase affordable housing production through public/private partnerships.
- Empower voters to support building affordable homes locally by lowering the supermajority approval threshold required for housing ballot measures to 55%.
- Fund the conversion of commercial properties and market-rate rental properties occupied by low-income households into affordable homes.
- Allow new apartment and condominium developments to be built in commercial and mixed-use zones when at least 20% of the homes are affordable to low-income households.
- Speed the construction of affordable homes and reduce uncertainty and costs by streamlining the award of state funding for affordable housing developments from four different state agencies into one decision-making process.

## DATA SOURCES & NOTES

### • FUNDING FOR HOUSING

California Housing Partnership analysis of HCD Program Awards and Annual Reports, HUD CPD Appropriations Budget Reports, CalHFA Mixed Income Program, BCHS Program Reports, California Strategic Growth Council Affordable Housing Sustainable Communities Program, and federal and state Low-Income Housing Tax Credits.

### • AFFORDABLE HOMES SHORTFALL

California Housing Partnership analysis of 2019 1-year American Community Survey (ACS) Public Use Microdata Sample (PUMS) data with HUD income levels. Methodology was adapted from NLIHC gap methodology.

### • COST BURDENED RENTER HOUSEHOLDS

California Housing Partnership analysis of 2019 1-year ACS PUMS data with HUD income levels. Methodology was adapted from NLIHC gap methodology.

\* Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.

### • WHO CAN AFFORD TO RENT

CoStar Group average asking rent for two bedroom as of January 2021. Bureau of Labor Statistics Average Annual Wage Data for California Occupations, 2020.

### • LIHTC PRODUCTION AND PRESERVATION

California Housing Partnership's Preservation Database, January 2021. Please note that this data does not include manager units or market rate units created through the LIHTC program.

This report was produced by the California Housing Partnership | [chpc.net](http://chpc.net)

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