



CALIFORNIA AFFORDABLE HOUSING NEEDS REPORT 2025

KEY FINDINGS

1. Although California has more than doubled production of new affordable homes in the past five years, the state is only funding 15% of what is needed to meet its goals.
2. California spends more than twice as much supporting homeowners than renters and only 25% of renter resources are permanent compared to 97% of the support for homeowners.
3. Median rent in California has increased 40% since 2000 while median renter household income has only increased 9% (adjusted for inflation).
4. Renters need to earn 2.8 times the state minimum wage to afford average asking rent in California, which increased by 3.5% from last year.
5. 79% of extremely low-income (ELI) renter households pay more than half of their income on housing costs compared to 6% of moderate-income renter households.
6. Black renter households are 32% more severely cost burdened than white renter households.

POLICY SOLUTIONS

To address the affordable housing needs of its low-income residents, the Governor and legislature should:

1. Develop an on-going revenue source to fund affordable housing production and preservation at the scale needed to meet state goals over 10 years.
2. Place a \$10 billion affordable housing bond (AB 736 Wicks or SB 417 Cabaldon) on the 2026 ballot and actively support its passage.
3. Maintain/expand the current 20% allocation of cap and trade auction revenues for the Affordable Housing and Sustainable Communities Program.
4. Expand and make permanent the enhanced state Low-Income Housing Tax Credits.
5. Make funding the Multifamily Housing Program part of the baseline state budget and increase the amount incrementally each year.
6. Reduce the cost of developing affordable homes by awarding all necessary state resources at one time using a single application.

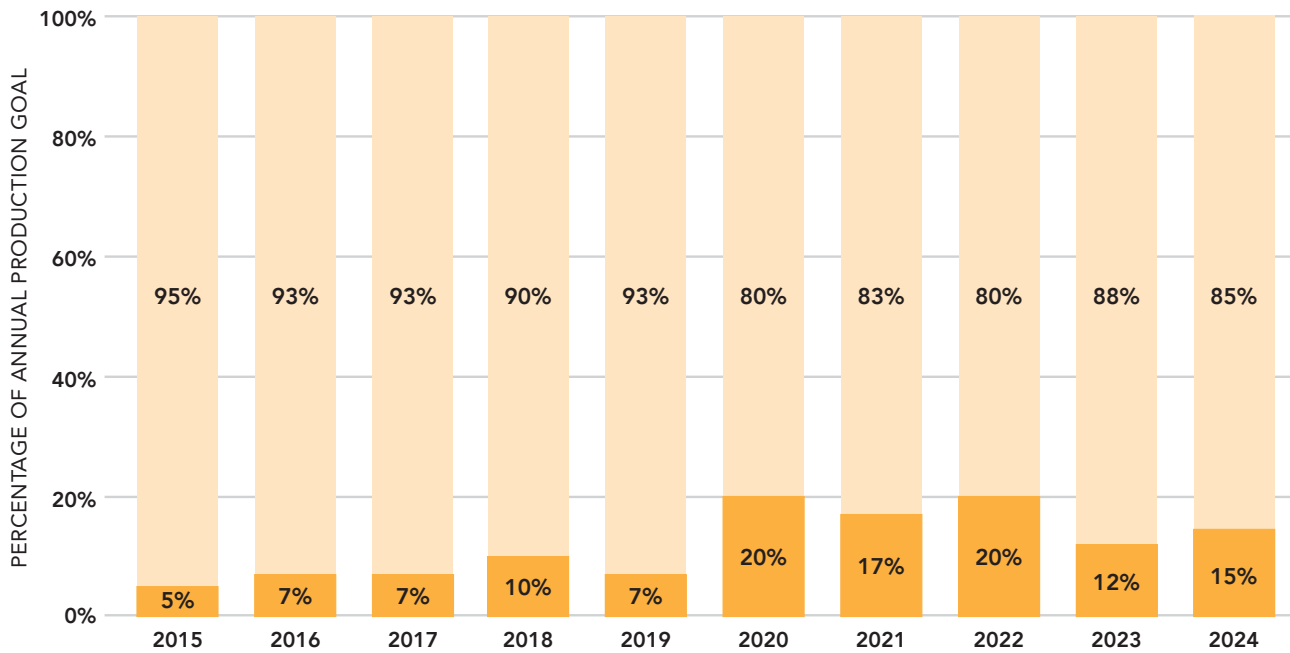
These actions while important will not be sufficient in and of themselves to solve California's affordable housing crisis, which requires a long-term, comprehensive, evidence-based set of policy solutions at scale, similar to those described in the [Roadmap Home 2030](#).

The Roadmap Home 2030 lays out a bold vision for solving California's affordable housing and homelessness challenges over a 10-year period.



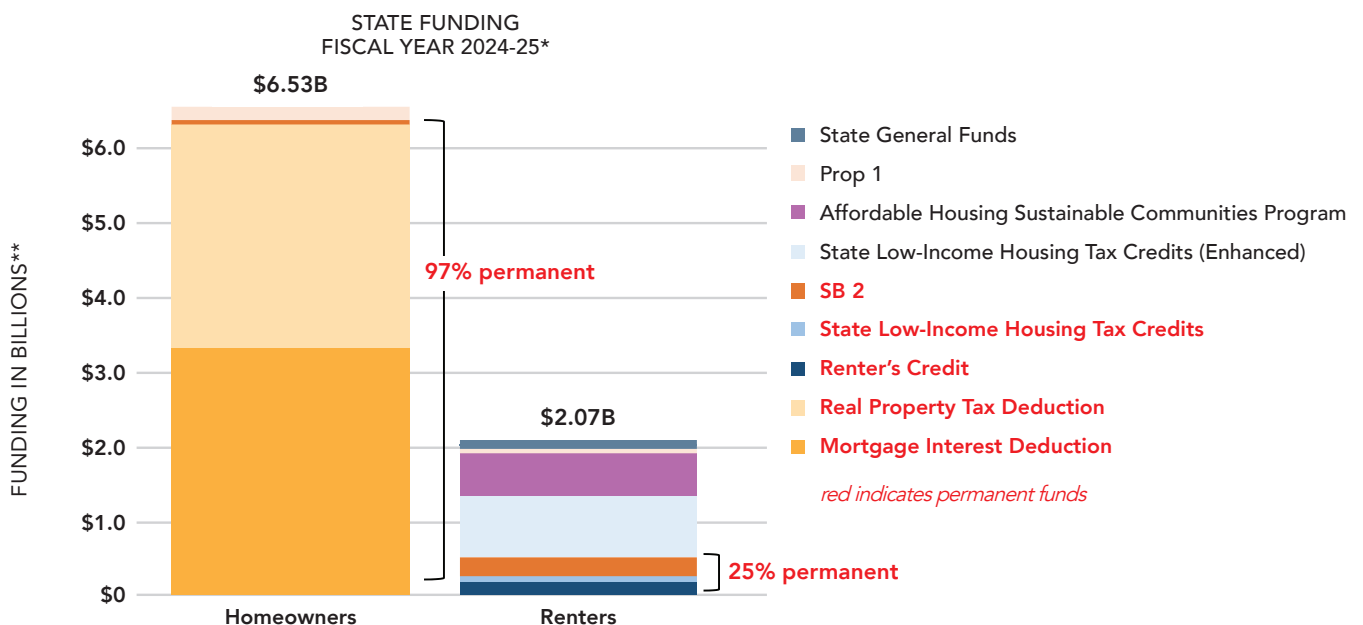
**Roadmap
Home 2030**

ALTHOUGH CALIFORNIA HAS MORE THAN DOUBLED PRODUCTION OF NEW AFFORDABLE HOMES IN THE PAST FIVE YEARS, THE STATE IS ONLY FUNDING 15% OF WHAT IT NEEDS¹

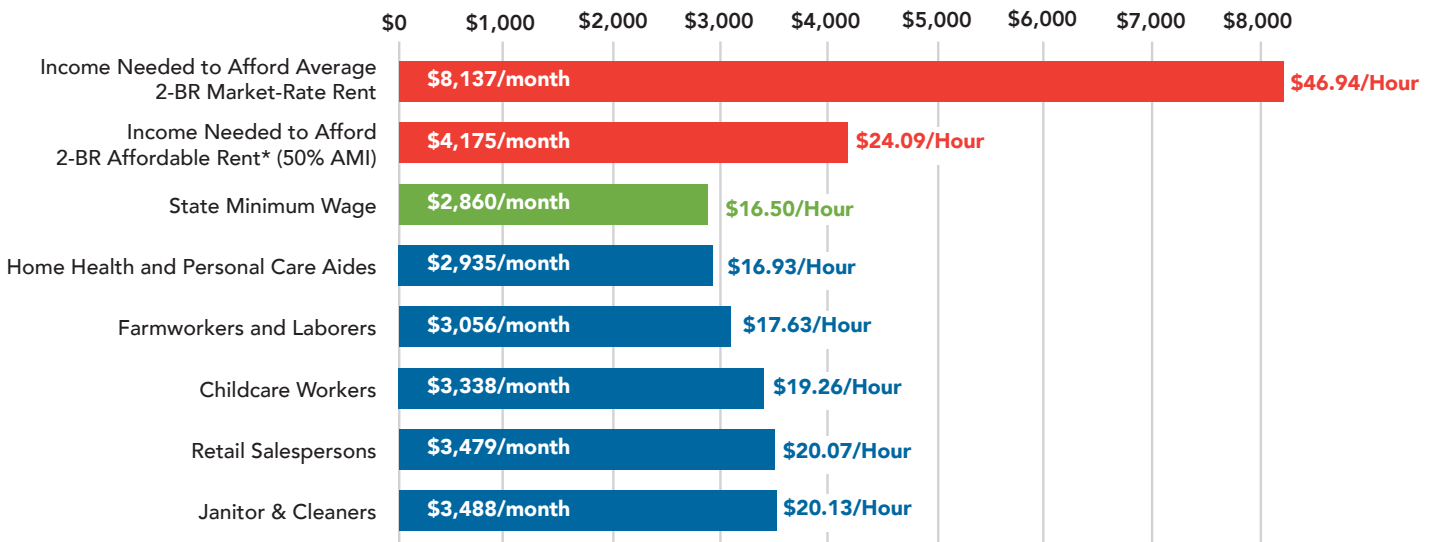


Annual Goal (Roadmap Home 2030)	119,287	119,287	119,287	119,287	119,287	119,287	119,287	119,287	119,287	119,287
Homes Funded *	6,481	7,799	7,955	11,458	7,954	24,204	20,158	23,551	14,592	17,906

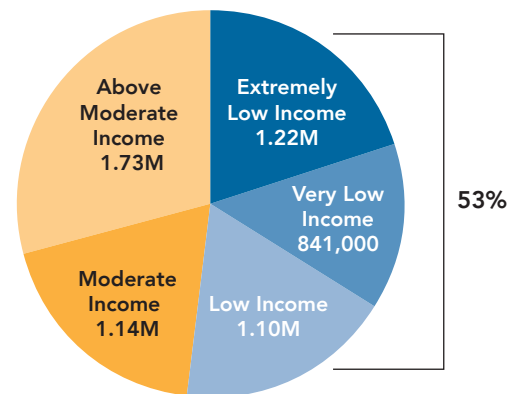
CALIFORNIA SPENDS MORE THAN TWICE AS MUCH SUPPORTING HOMEOWNERS THAN RENTERS AND ONLY A QUARTER OF THE RESOURCES FOR RENTERS ARE PERMANENT²



RENTERS NEED TO EARN 2.8 TIMES THE STATE MINIMUM WAGE TO AFFORD AVERAGE ASKING RENT IN CALIFORNIA³

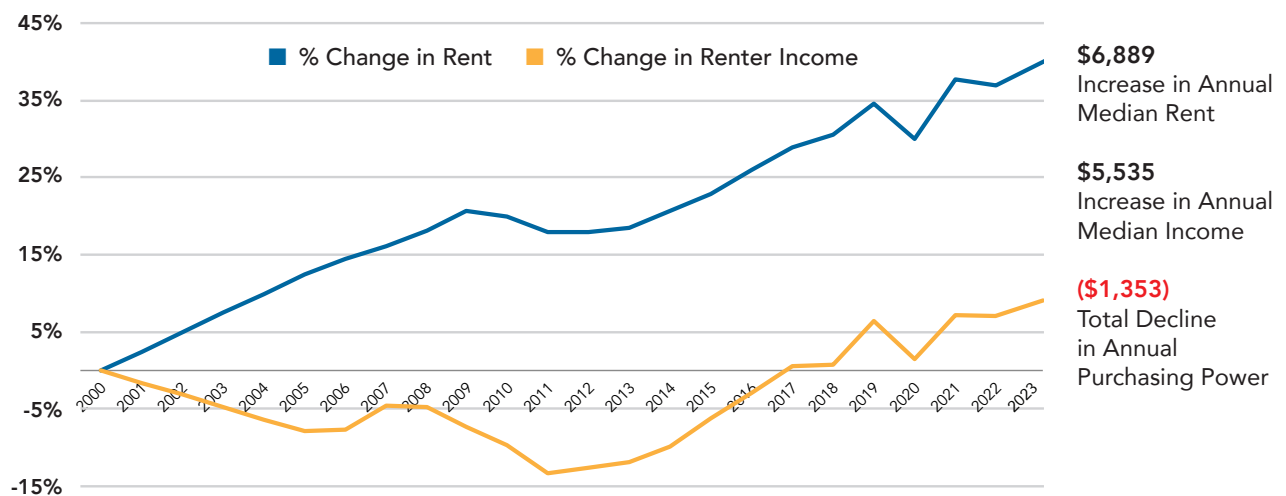


MORE THAN HALF OF CALIFORNIA'S 6 MILLION RENTER HOUSEHOLDS ARE LOWER INCOME, WITH 1.2 MILLION EXTREMELY LOW-INCOME RENTER HOUSEHOLDS⁴

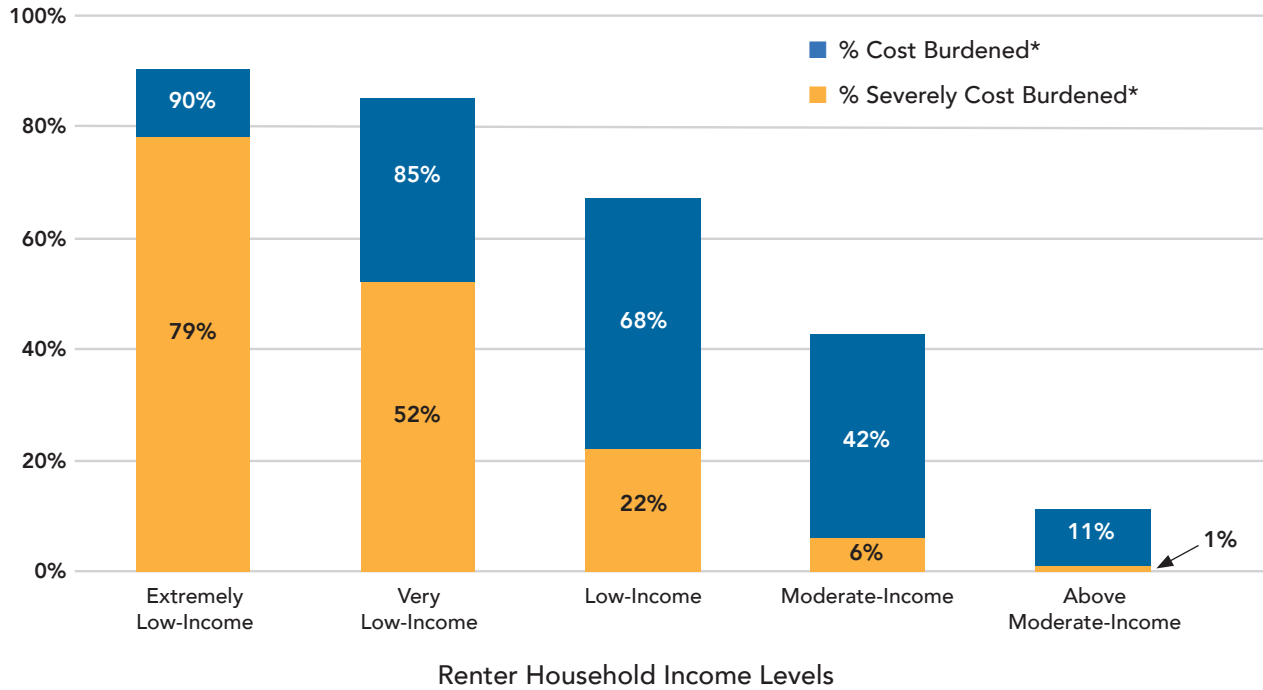


Total Renter Households: 6,033,607

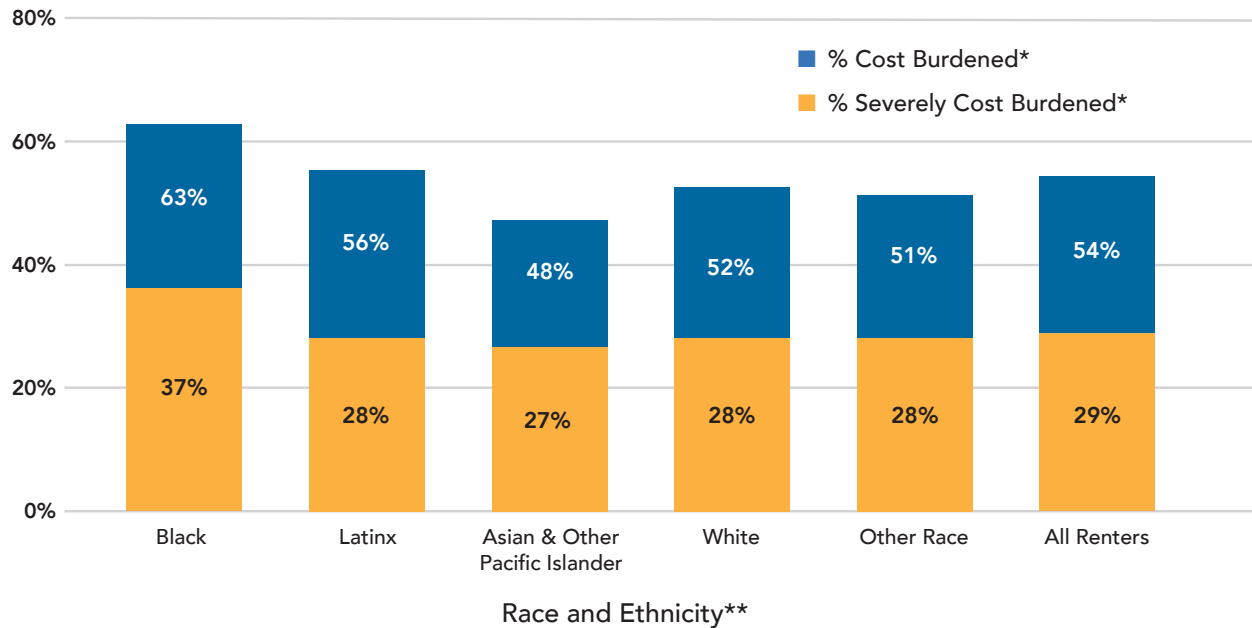
FROM 2000 TO 2023, CALIFORNIA'S MEDIAN RENT INCREASED 40% WHILE MEDIAN RENTER INCOME INCREASED 9%⁵



79% OF CALIFORNIA'S EXTREMELY LOW-INCOME HOUSEHOLDS ARE SEVERELY COST BURDENED COMPARED TO 6% OF MODERATE-INCOME HOUSEHOLDS⁶



BLACK RENTER HOUSEHOLDS ARE 32% MORE SEVERELY COST BURDENED THAN WHITE RENTER HOUSEHOLDS⁷



ENDNOTES

1. California Housing Partnership Preservation Database, February 2025.
 - * New construction and adaptive reuse affordable units funded by state funding programs, like Homekey and the Accelerator programs and the Low-Income Housing Tax Credit program.
2. State of California Department of Finance Tax Expenditure Report, 2024-2025. California Tax Credit Allocation Committee (TCAC) 2024 award data and 2025 credit estimates. California Housing and Community Development (HCD) Program Awards and Notices of Funding Availability 2024-2025.
 - * Estimates based on tenure of households as reported in the 2023 Census Data.
 - ** Funding amounts are based on preliminary data and estimates tabulated by the respective departments.
3. CoStar Group 2024 Annual Average Asking Rent, as of February 2025. HUD State MFI Rent Limit FY2024. Bureau of Labor Statistics Mean Annual Wage Data for CA Occupations, 2023.
 - * 'Affordable Rent' is approximated by HUD's state rent limits for households earning 50% of Area Median Income (AMI). Income needed to afford market and affordable rent is calculate as 30% of a household's income.
4. 2023 Public Use Microdata Sample (PUMS) analysis by the California Housing Partnership with U.S. Department of Housing & Urban Development (HUD) income levels. Household income levels are defined as follows: Extremely Low-Income 0-30% AMI, Very Low-Income 30-50% AMI, Low-Income 50-80% AMI, Moderate-Income 80-120% AMI, Above Moderate-Income 120% AMI and above.
5. California Housing Partnership analysis of 2000-2023 Census ACS data. Median renter income and rent from 2001-2004 are estimated trends. Median rent and median renter income are inflation adjusted to 2023 dollars.
6. California Housing Partnership analysis of 2023 1-year American Community Survey (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%.
7. California Housing Partnership analysis of 2023 1-year American Community Survey (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%.
 - ** This data represents the race/ethnicity of the head of household or householder—the person or one of the people in each household in whose name the home is owned, being bought, or rented and who is listed on line one of the survey. Asian, Black, Native American, Other Pacific Islander, white, and some other race, only include households that do not identify their ethnic origin as Hispanic or Latino (Latinx). Householders who identify their origin as Hispanic or Latino (Latinx) may be of any race.

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