



SACRAMENTO COUNTY 2021 Affordable Housing Needs Report



**California
Housing
Partnership**

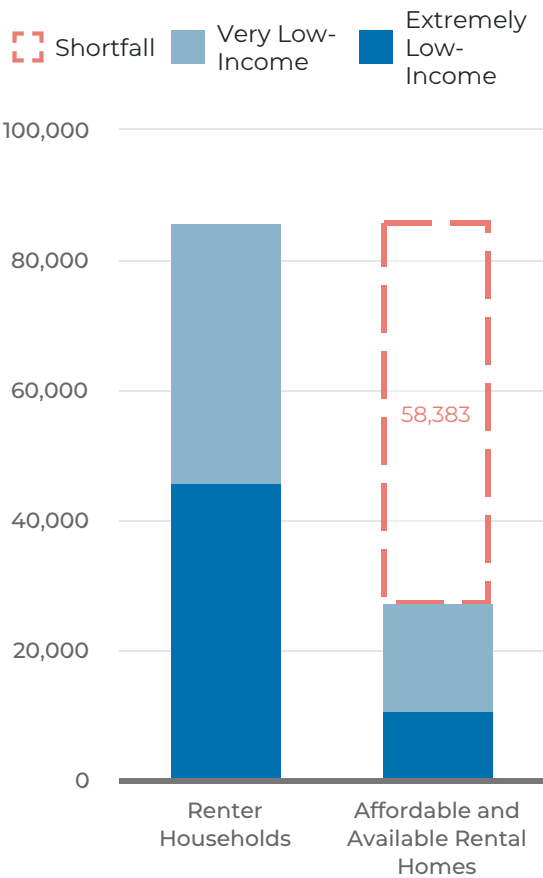
*California's Experts on Affordable
Housing Finance, Advocacy & Policy*

KEY FINDINGS

- **81% of extremely low-income households** are paying more than half of their income on housing costs compared to just 2% of moderate-income households.
- **58,383 low-income renter households** in Sacramento County do not have access to an affordable home.
- Low-Income Housing Tax Credit production and preservation in Sacramento County **increased by 19%** between 2019 and 2020.
- Renters in Sacramento County need to earn \$26.77 per hour - **1.9 times** the state minimum wage - to afford the average monthly asking rent of \$1,392.
- State funding **increased 155%** and federal funding **increased 63%** for housing production and preservation in Sacramento County from FY 2018-19 to FY 2019-20.

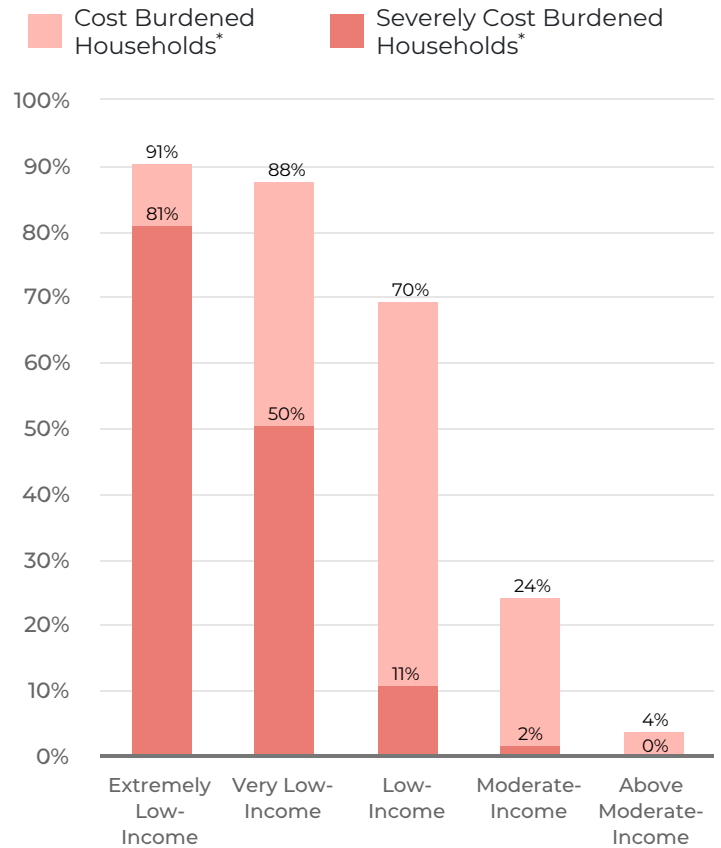
AFFORDABLE HOMES SHORTFALL

58,383 low-income renter households in Sacramento County do not have access to an affordable home.



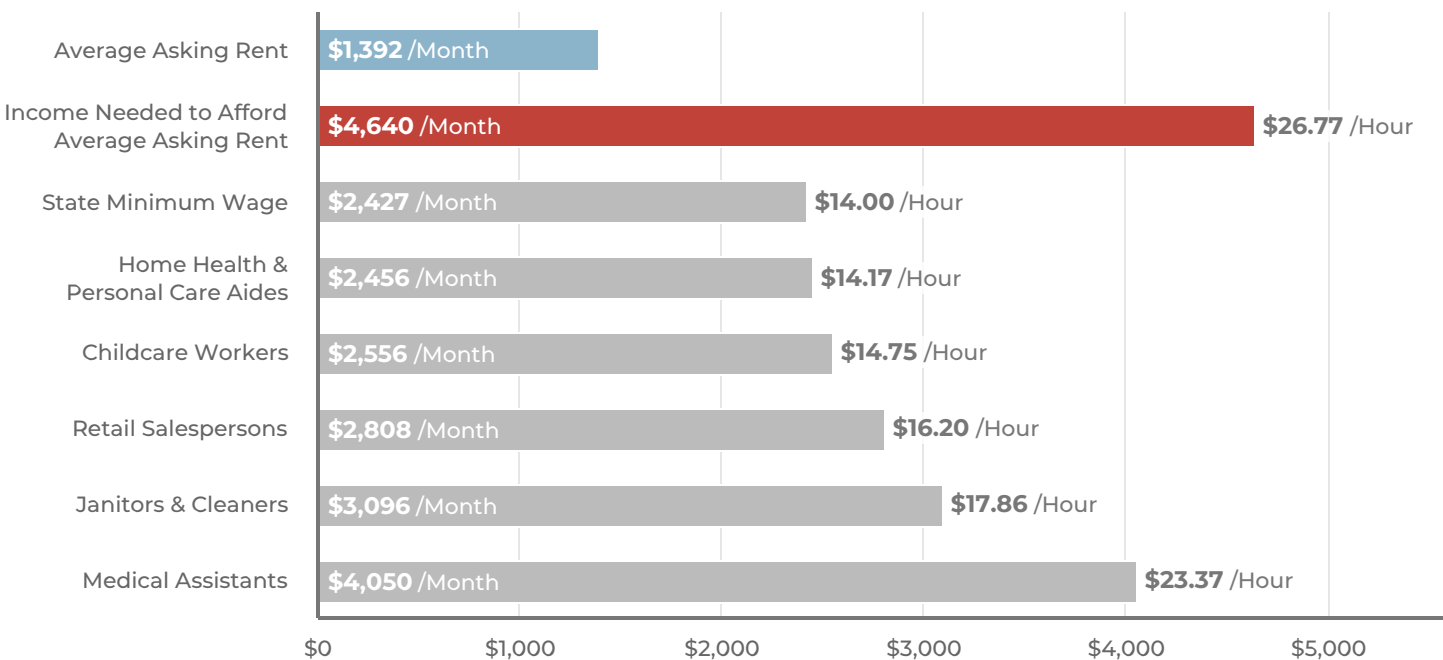
COST BURDENED RENTER HOUSEHOLDS

81% of ELI households in Sacramento County are paying more than half of their income on housing costs compared to just 2% of moderate-income households.



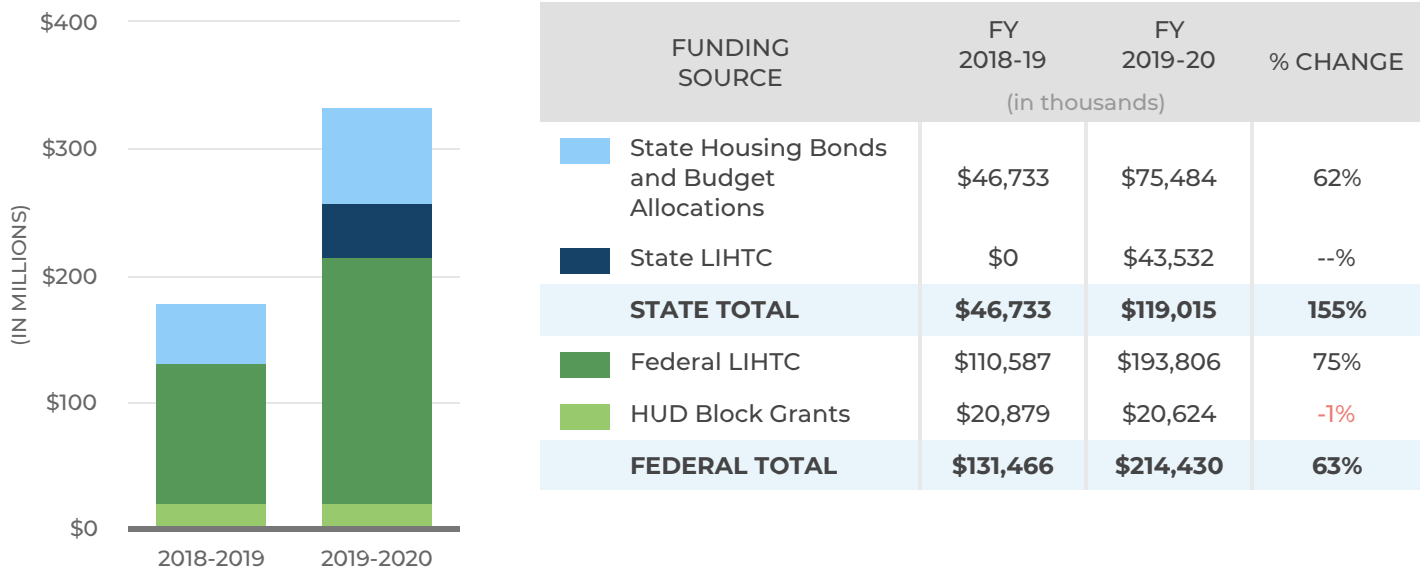
WHO CAN AFFORD TO RENT

Renters need to earn **1.9 times** minimum wage to afford the average asking rent in Sacramento County.



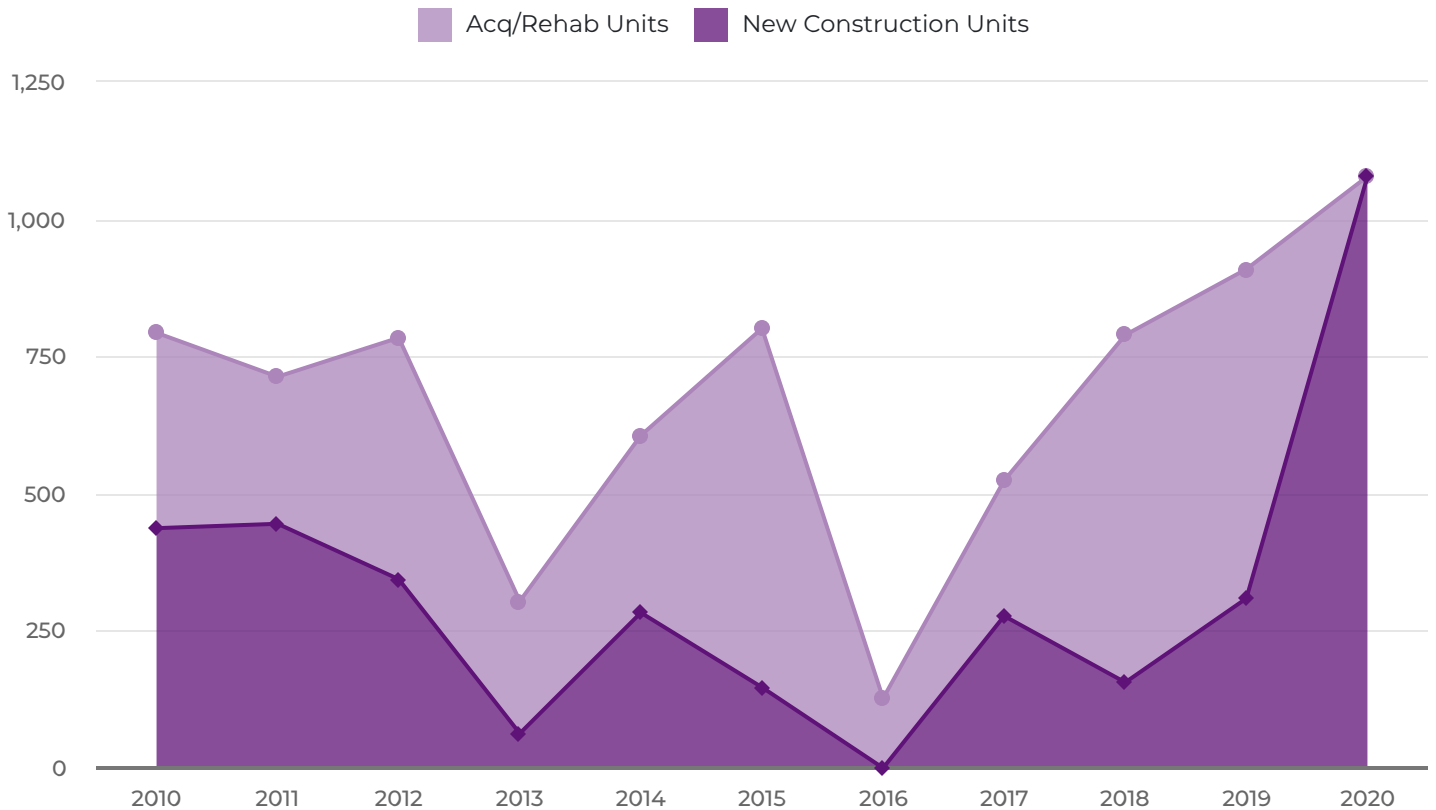
FUNDING FOR HOUSING

State funding **increased 155%** and federal funding **increased 63%** for housing production and preservation in Sacramento County from FY 2018-19 to FY 2019-20.



LIHTC PRODUCTION AND PRESERVATION

Low-Income Housing Tax Credit production and preservation in Sacramento County **increased by 19%** between 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

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SACRAMENTO COUNTY 2021 Affordable Housing Needs Report *Supplemental Information*

LOCAL POLICY RECOMMENDATIONS FOR SACRAMENTO COUNTY



1. All local policies should be created and analyzed using a racial equity lens to affirmatively further fair housing. In addition, to address continuing impacts of the pandemic, policies should be adopted to get people off the street, keep people in their homes and continue building new affordable rental homes.
2. Support and advocate for State adoption of Roadmap Home 2030 (<https://roadmaphome2030.org>) strategies.
3. Adopt or increase local revenue sources for affordable home development including exploring use of or increasing in lieu fees, commercial linkage fees, real estate transfer tax, document record fee, luxury tax, or local affordable housing bonds, etc.). Adequate local funds for leverage are critical to effectively competing for State housing funding.
4. Create or strengthen tenant protection programs to control excessive rent increases and prevent evictions. Regularly collect and analyze data on rental conditions. Consider developing a right to counsel in eviction/ unlawful detainer proceedings.
5. Continue or expand participation on Project Homekey program.
6. Require 10 percent of all new affordable rental communities be set aside for people experiencing homelessness.
7. Adopt policies to prevent displacement including strategies to protect senior and low-income homeowners such as targeting home repair programs and no-net loss policies for existing affordable housing and condo conversion ordinances.
8. Provide targeted first-time homebuyer programs in neighborhoods that have suffered from historic disinvestment including use of State homeownership funds through CalHFA and HCD.

Local policy recommendations provided by:

Sacramento Housing Alliance (Contact: Kendra Lewis, SHA@sachousingalliance.org)

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<https://chpc.net/resources/sacramento-county-housing-need-report-2021>