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

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Counties in the Greater Sacramento Region are Struggling to Produce their Fair Share of Housing

The California Housing Partnership released new reports today in collaboration with local and regional housing organizations that document the alarming conditions facing low-income renters in the **six Greater Sacramento Region counties** - El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba. All reports include recommended policy solutions for both State and local elected leaders.

These new reports document how counties in **the Greater Sacramento Region** are struggling to produce their fair share of housing. The huge loss of Federal and State funding that took place earlier this decade left thousands of households paying unsustainable amounts of their income for rent, one step away from homelessness. The State took several helpful actions in passing its housing budget this year, but these reports show that the State must do more to give these communities the tools they need to take actions that will meaningfully improve the unacceptable status quo.

Report highlights include:

- Two-thirds or more of the lowest income households in the region are struggling with severe housing cost burdens, meaning they are paying more than half their incomes for rent. In contrast, less than 2% of moderate income households in the majority of counties are severely cost burdened.

- In five of the six counties renters need to earn more than two times the State minimum wage to afford the median monthly asking rent:
  - In **Yuba County** renters need to earn $41.35 per hour - 3.4 times the State minimum wage - to afford the median monthly asking rent of $2,150.
  - In **El Dorado County** renters need to earn $34.13 per hour - 2.8 times the State minimum wage - to afford the median monthly asking rent of $1,775.
  - In **Placer County** renters need to earn $32.40 per hour - 2.7 times the State minimum wage - to afford the median monthly asking rent of $1,685.
  - In **Yolo County** renters need to earn $31.75 per hour - 2.6 times the State minimum wage - to afford the median monthly asking rent of $1,651.
  - In **Sacramento County** renters need to earn $27.79 per hour - 2.3 times the State minimum wage - to afford the median asking rent of $1,445.

- Low Income Housing Tax Credit production and preservation increased modestly in most of the Greater Sacramento region from 2016-2018, however there is still a need for 78,047 more affordable homes.

- It is little wonder that low-income households are struggling to find affordable housing when five out of the six counties experienced devastating declines in the level of federal and State resources needed to produce new affordable homes over the past decade:
  - **El Dorado County** lost 92% of its Federal and State funding.
  - **Yolo County** lost 80% of its Federal and State funding.
  - **Placer County** lost 75% of its Federal and State funding.
  - **Sacramento County** lost 68% of its Federal and State funding.
  - **Yuba County** lost 38% of its Federal and State funding.
  - **Sutter County** gained 43% due to an unusually large grant of State HOME funds.

In order to make substantial progress towards addressing this crisis, the reports recommend State leaders take the following actions:

- Replace lost 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 jumpstart 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 rural 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.