

# CONFRONTING SAN MATEO COUNTY'S RENT AND POVERTY CRISIS: A CALL FOR REINVESTMENT IN AFFORDABLE HOMES

## KEY FINDINGS

- » Cuts in annual federal and state funding, including elimination of Redevelopment, have reduced San Mateo County's investment in affordable housing production and preservation by more than \$30 million annually since 2008, a 76% reduction.
- » Median rent in San Mateo County has increased 14% since 2000 while median renter household income has declined 4%, when adjusted for inflation.
- » San Mateo renters need to earn 5.5 times the state minimum wage to afford the average monthly asking rent of \$2,851.
- » San Mateo County's lowest-income renters spend 65% of income on rent, leaving little left for food, transportation, health expenses, and other needs.
- » When housing costs are considered, San Mateo County's poverty rate rises to 17%.
- » San Mateo County needs 22,771 more affordable rental homes to meet the needs of its lowest income renters.

## SAN MATEO COUNTY'S POVERTY RATE RISES TO 17% WHEN HIGH HOUSING COSTS ARE INCLUDED

**Official Poverty Measure (OPM)**  
**7.4%**

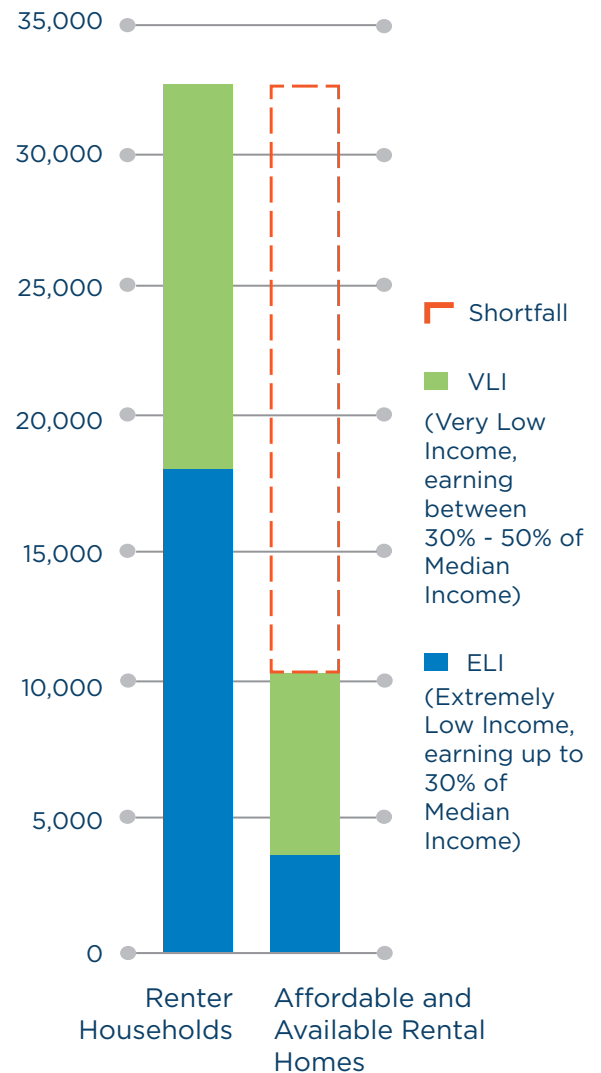
Unadjusted for Housing Costs

**California Poverty Measure (CPM)**  
**17.0%**

Adjusted for Housing Costs and Social Benefits

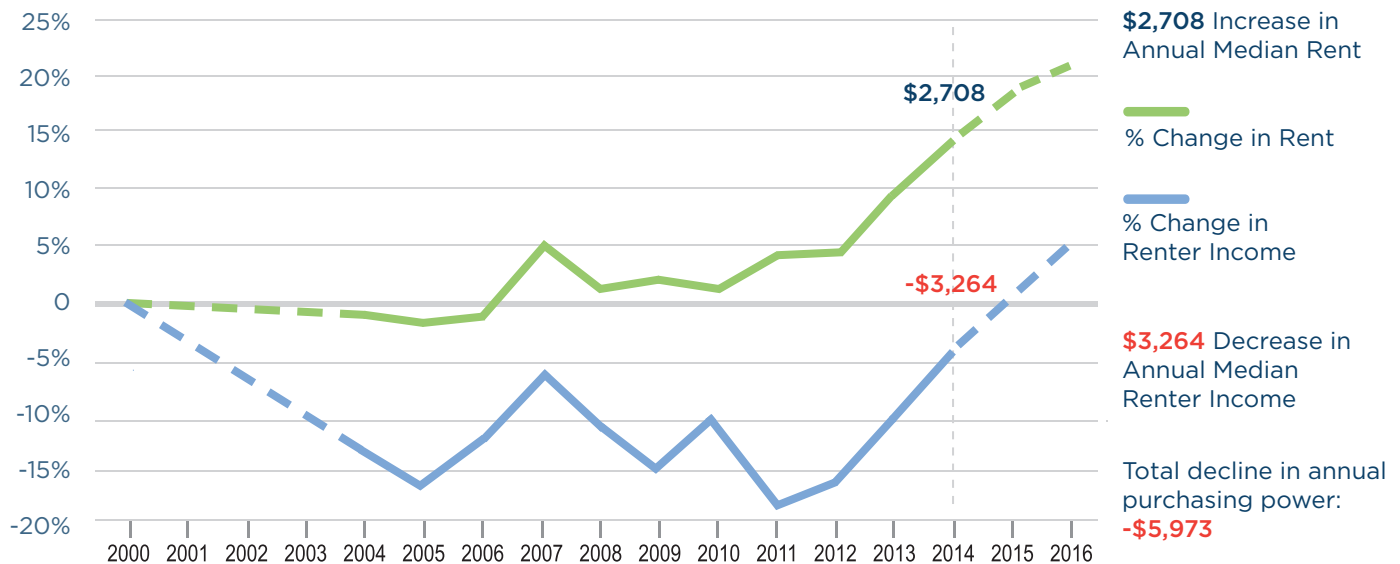
Source: Public Policy Institute of California. California Poverty by County, 2011-2013.

## SAN MATEO COUNTY NEEDS 22,771 MORE AFFORDABLE RENTAL HOMES



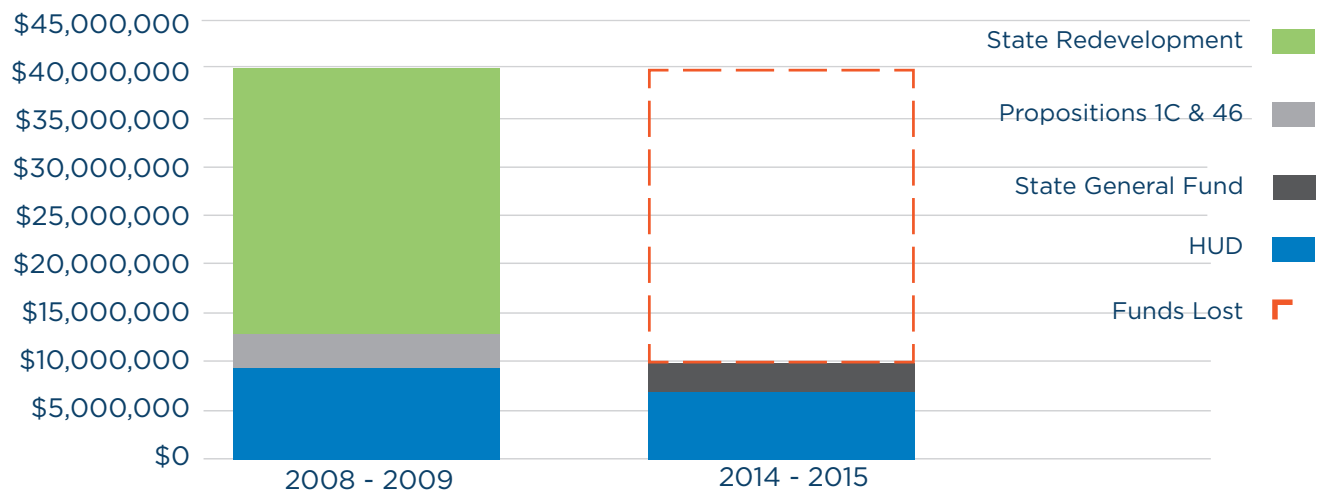
Source: NLIHC analysis of 2014 PUMS data.

## SAN MATEO COUNTY'S INFLATION-ADJUSTED MEDIAN RENT INCREASED 14% WHILE MEDIAN RENTER INCOME DECLINED 4% FROM 2000 TO 2014



Source: CHPC analysis of 2000-2014 Census and ACS data. Median renter income and rent from 2001-2004 and 2015-2016 are estimated trends. Median rent and median renter income are inflation adjusted to 2014 dollars.

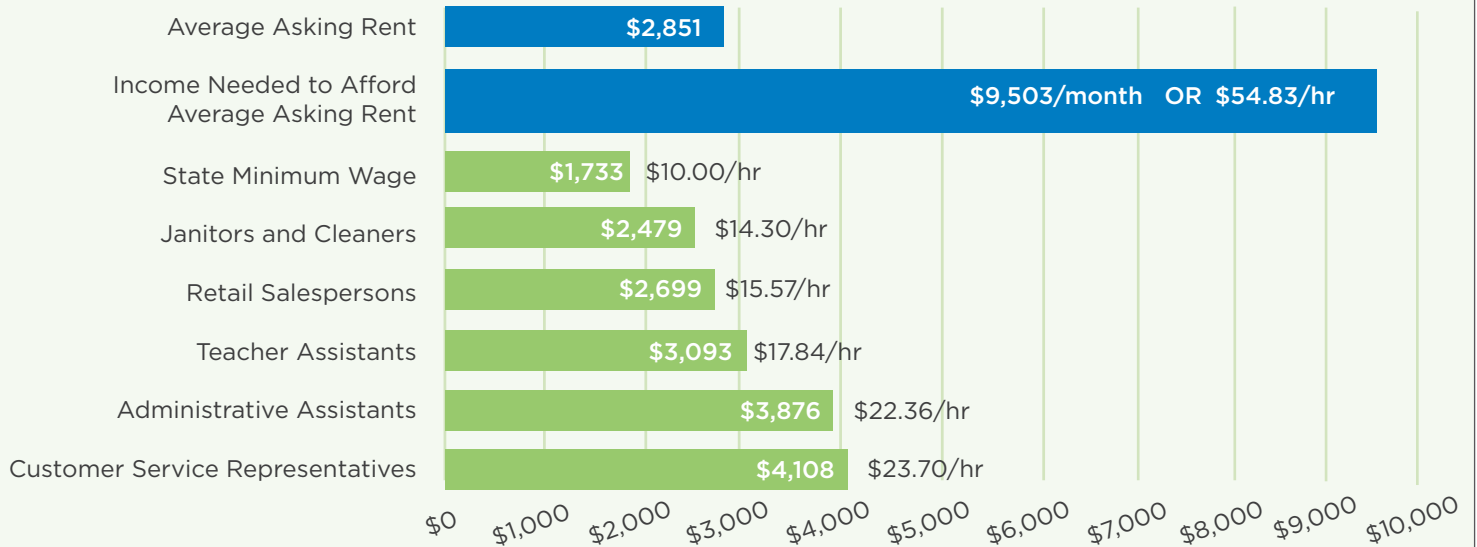
## SAN MATEO COUNTY LOST 76% OF STATE AND FEDERAL FUNDING FOR HOUSING PRODUCTION AND PRESERVATION FROM FY 2008-09 TO FY 2014-15



FUNDING SOURCE	FY 2008-2009	FY 2014-2015	% CHANGE
State Redevelopment	\$27,148,105	\$0	-100%
State Housing Bonds and Housing Programs	\$2,909,975	\$2,719,411	-7%
U.S. Dept. of Housing & Urban Development	\$9,697,585	\$6,822,481	-30%
<b>Total</b>	<b>\$39,775,665</b>	<b>\$9,541,892</b>	<b>-76%</b>

Source: CHPC analysis of 2008-2009 annual HCD Redevelopment Housing Activities report; 2008-2009 and 2014-2015 annual HCD Financial Assistance Programs Reports; HUD CPD Appropriations Budget data for fiscal years 2009 and 2015.

## SAN MATEO COUNTY RENTERS NEED TO EARN \$9,503 A MONTH TO AFFORD AVERAGE ASKING RENTS



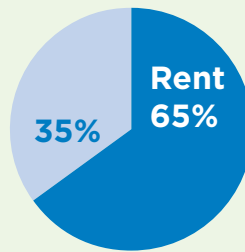
Source: CHPC Analysis of Real Answers San Mateo County average rent data for the 1st Quarter 2016 and Bureau of Labor Statistics Average Annual Wage Data for CA Occupations 2015.

## WHAT DO RENTERS IN SAN MATEO COUNTY HAVE LEFT AFTER PAYING RENT?

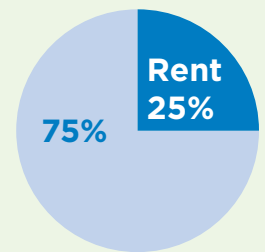
### HOUSEHOLDS EARNING HALF OF MEDIAN INCOME OR LESS

### MEDIAN INCOME HOUSEHOLDS

Food, Transportation, Health Care, & Other Needs

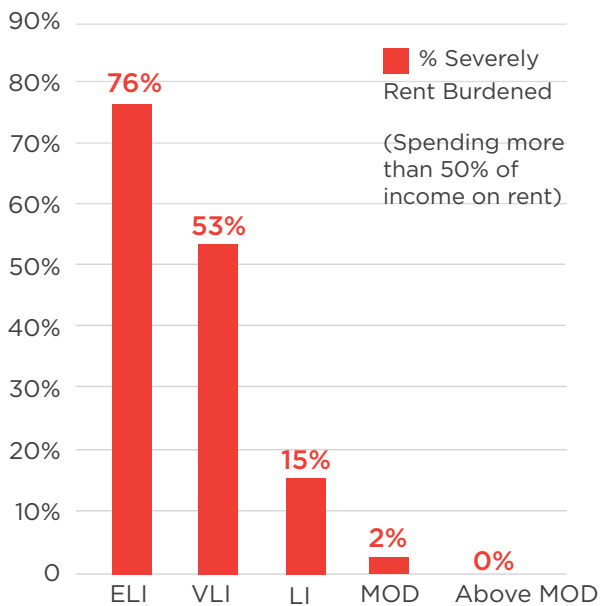


Food, Transportation, Health Care, & Other Needs



Source: NLIHC analysis of 2014 PUMS data.

### PERCENTAGE OF SEVERELY BURDENED HOUSEHOLDS BY INCOME GROUP



Source: NLIHC analysis of 2014 PUMS data.

## ABOUT CHPC

THE STATE CREATED THE CALIFORNIA HOUSING PARTNERSHIP MORE THAN 25 YEARS AGO AS A PRIVATE NONPROFIT ORGANIZATION WITH A PUBLIC MISSION: TO MONITOR, PROTECT, AND AUGMENT THE SUPPLY OF HOMES AFFORDABLE TO LOWER-INCOME CALIFORNIANS AND TO PROVIDE LEADERSHIP ON AFFORDABLE HOUSING FINANCE AND POLICY. SINCE 1988, THE CALIFORNIA HOUSING PARTNERSHIP HAS ASSISTED MORE THAN 100 NONPROFIT AND LOCAL GOVERNMENT HOUSING ORGANIZATIONS LEVERAGE MORE THAN \$8 BILLION IN PRIVATE AND PUBLIC FINANCING TO CREATE AND PRESERVE 30,000 AFFORDABLE HOMES.

# 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:

- » Invest at least \$1 billion from the state's General Fund surplus into established state programs prioritizing the lowest-income households.
- » Expand the California Low Income Housing Tax Credit. **(AB 2817)**
- » Improve the value of the California LIHTC by up to 40% at no cost to the state. **(SB 873)**
- » Give state voters the opportunity to approve a new housing bond similar to **SB 879**.
- » Authorize local governments to use tax increment financing for locally approved affordable housing benefit districts and to issue bonds. **(AB 2031)**
- » Reaffirm cities' authority to require the inclusion of a percentage of homes affordable to low- and moderate-income households in new rental housing development. **(AB 2502)**
- » Streamline local approvals including environmental review for 100% affordable housing developments consistent with local plans and zoning.

# LOCAL RECOMMENDATIONS FOR SAN MATEO COUNTY

- » Work with all cities to pass development impact fees sufficient to generate at least \$100 million a year to fund affordable housing production.
- » Pass a Countywide Housing Bond to fund affordable homes for low-income families, seniors, and the homeless, as well as innovative approaches to addressing the region's housing needs.
- » Improve local transportation investments to better leverage competitive state and federal funding.
- » Link local investments in health care to affordable housing and services that improve health outcomes for lower-income households.
- » Create financial incentives to encourage all cities to provide their fair share of housing.
- » Adopt or strengthen regulations to limit rent increases to reasonable cost of living adjustments.
- » Adopt or strengthen laws to prevent evictions without justification.
- » Limit conversion of rental housing to condominiums to reduce displacement.
- » Prioritize affordable housing development on publicly-owned land.
- » Continue to advocate to increase Section 8 voucher rents and invest in local rent studies and outreach to landlords so that more local renters can afford to stay in our county.

**This report was produced by the California Housing Partnership.**

*Local policy recommendations provided by:*

*Non-Profit Housing Association of Northern California (NPH)  
Housing Leadership Council of San Mateo County (HLCSMC)*

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