



CALIFORNIA Affordable Housing Needs Report 2024

KEY FINDINGS

1. Although California has more than doubled production of new affordable homes in the past five years, **the state is only funding 12% of what is needed to meet its goals.**
2. California spends more than twice as much supporting homeowners than renters and **only 23% of renter resources are permanent** compared to 98% of the support for homeowners.
3. **Median rent in California has increased 37%** since 2000 while median **renter household income has only increased 7%** (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 2.6%.
5. **78% of extremely low-income (ELI) renter households are paying more than half of their income on housing costs** compared to 6% of moderate-income renter households.
6. **Black renter households are 33% more severely cost burdened** than white renter households.
7. Due to declining state and local funding, **production of affordable homes has dropped by almost 9,000 units (38%)** in the last year.

POLICY SOLUTIONS

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

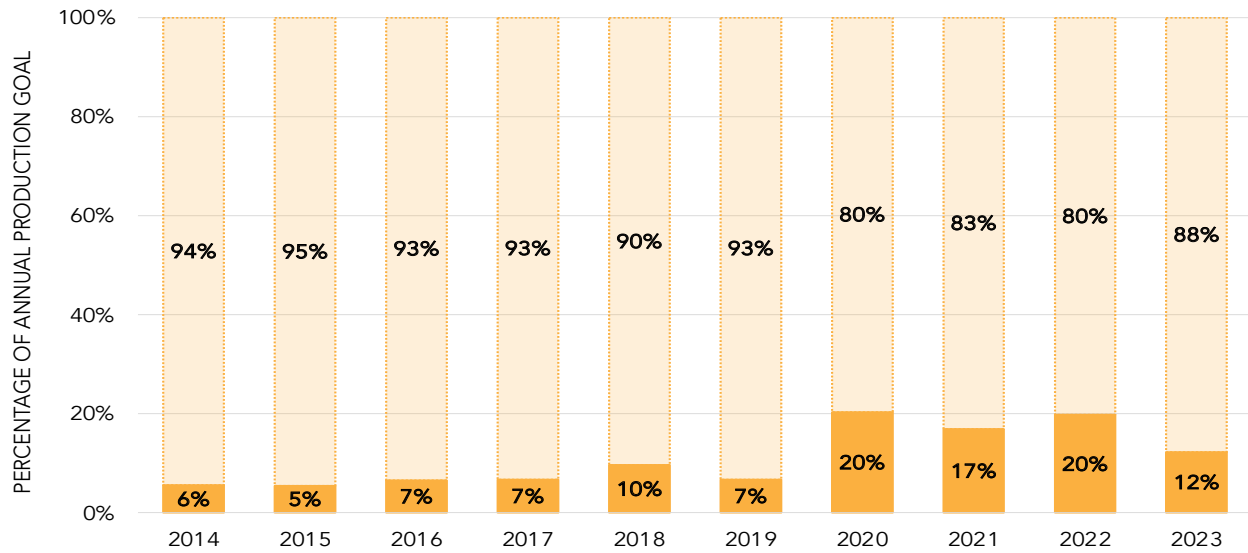
1. Develop an on-going revenue source to fund affordable housing production and preservation at the scale needed over 10 years.
2. Place AB 1657 (Wicks), the \$10 billion affordable housing bond, on the 2024 ballot and actively support its passage.
3. Make permanent the enhanced state Low-Income Housing Tax Credits.
4. Make the Multifamily Housing Program part of the baseline budget and increase funding incrementally each year.
5. Reduce the cost of developing affordable homes by a) applying the welfare property tax exemption at the time a property is dedicated to affordable housing; b) making state funds available during construction to reduce interest costs; and c) capping disproportionately large state monitoring fees

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. Which is why we are supporting an additional package of Roadmap Home legislative priorities you may view on our website.

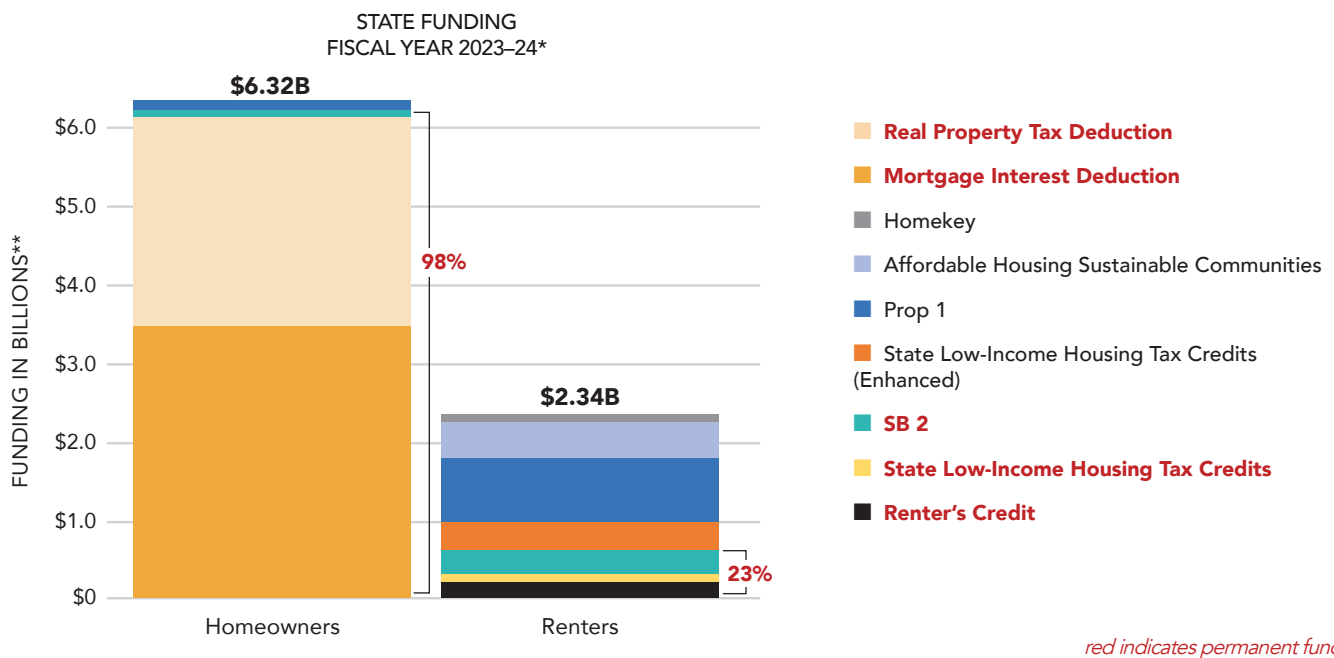


ALTHOUGH CALIFORNIA HAS MORE THAN DOUBLED PRODUCTION OF NEW AFFORDABLE HOMES IN THE PAST FIVE YEARS, THE STATE IS ONLY FUNDING 12% OF WHAT IT NEEDS¹

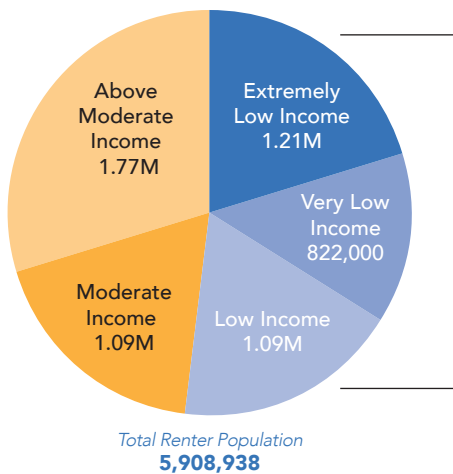
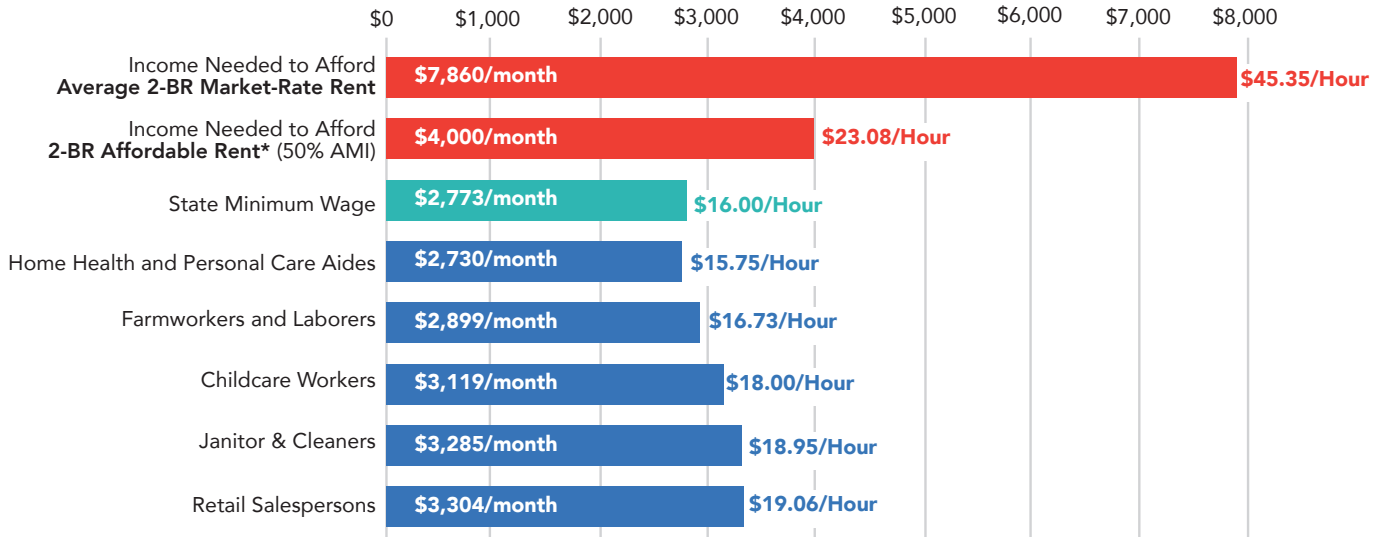


Annual Goal (Roadmap Home 2030)	119,287	119,287	119,287	119,287	119,287	119,287	119,287	119,287	119,287	119,287
Homes Funded *	6,636	6,481	7,799	7,955	11,458	7,954	24,204	20,158	23,551	14,592

CALIFORNIA SPENDS MORE THAN TWICE AS MUCH SUPPORTING HOMEOWNERS THAN RENTERS AND ONLY 23% OF THE RESOURCES FOR RENTERS ARE PERMANENT²



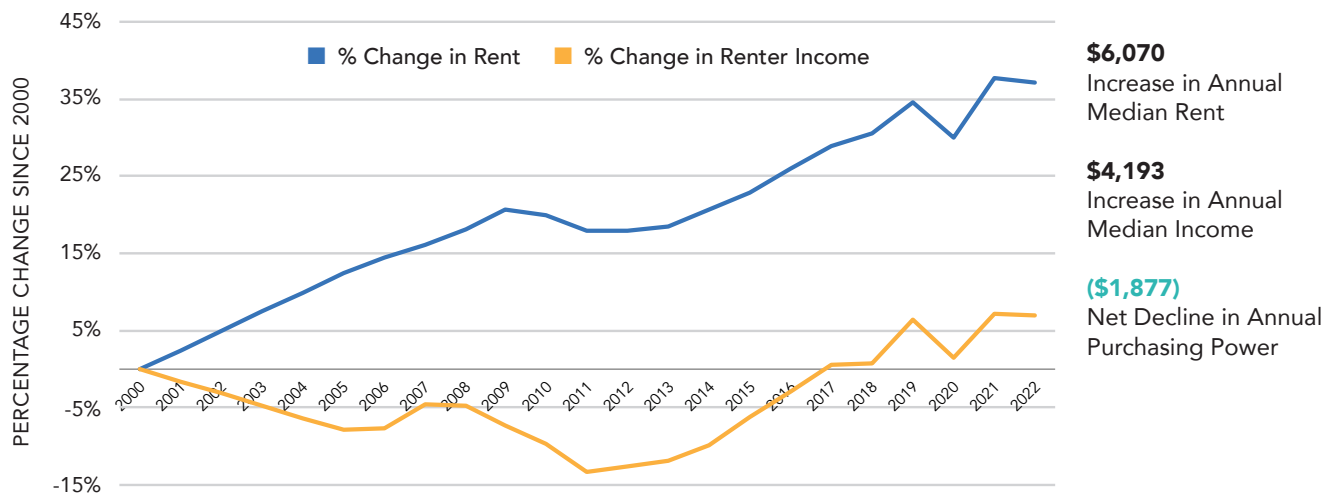
RENTERS NEED TO EARN 2.8 TIMES THE STATE MINIMUM WAGE TO AFFORD AVERAGE ASKING RENT IN CALIFORNIA³



52%

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

FROM 2000 TO 2022, CALIFORNIA'S MEDIAN RENT INCREASED 37% WHILE MEDIAN RENTER INCOME INCREASED 7%⁵



\$6,070

Increase in Annual Median Rent

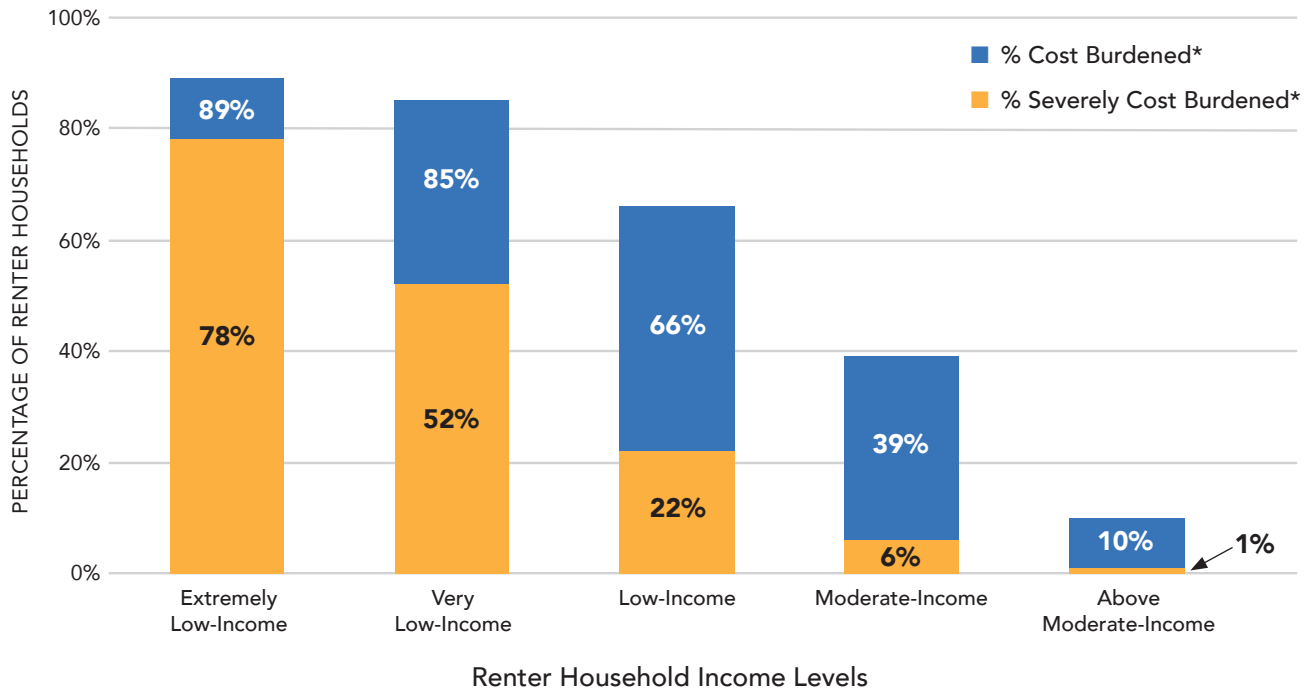
\$4,193

Increase in Annual Median Income

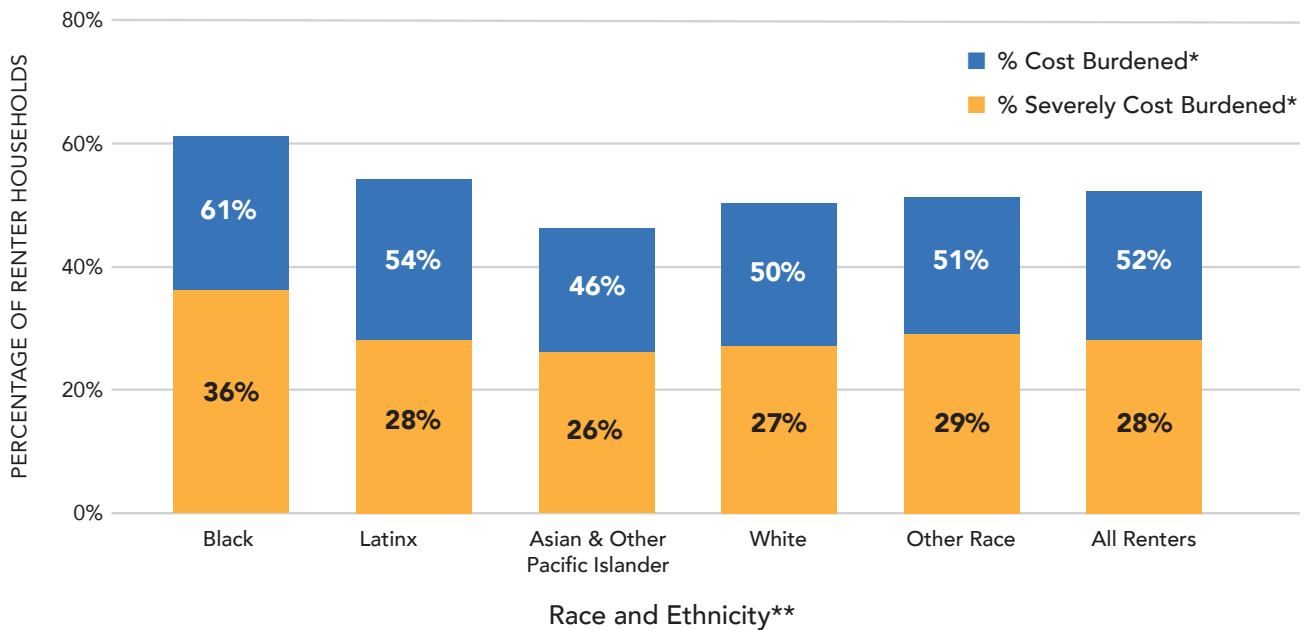
(\$1,877)

Net Decline in Annual Purchasing Power

78% OF CALIFORNIA'S EXTREMELY LOW-INCOME HOUSEHOLDS ARE SEVERELY COST BURDENED COMPARED TO 6% OF MODERATE-INCOME HOUSEHOLDS⁶



BLACK RENTER HOUSEHOLDS ARE 33% MORE SEVERELY COST BURDENED THAN WHITE RENTER HOUSEHOLDS⁷



ENDNOTES

1. California Housing Partnership Preservation Database, February 2024.
 - * 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, 2023-2024. California Tax Credit Allocation Committee (TCAC) 2023 award data and 2024 credit estimates. California Housing and Community Development (HCD) Program Awards and Notices of Funding Availability 2023–2024.
 - * Estimates based on tenure of households as reported in the 2022 Census Data.
 - ** Funding amounts are based on preliminary data and estimates tabulated by the respective departments.
3. CoStar Group 2023 Annual Average Asking Rent, as of February 2024. HUD State MFI Rent Limit FY2023. Bureau of Labor Statistics Mean Annual Wage Data for CA Occupations, 2022.
 - * '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. 2022 Public Use Microdata Sample (PUMS) analysis by the California Housing Partnership with U.S. Department of Housing & Urban Development (HUD) income levels.
5. California Housing Partnership analysis of 2000–2022 Census ACS data. Median renter income and rent from 2001–2004 are estimated trends. Median rent and median renter income are inflation adjusted to 2022 dollars.
6. California Housing Partnership analysis of 2022 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 2022 1-year American Community Survey (ACS) PUMS data with HUD income levels. Methodology was adapted from NLIHC gap methodology.
 - * 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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