

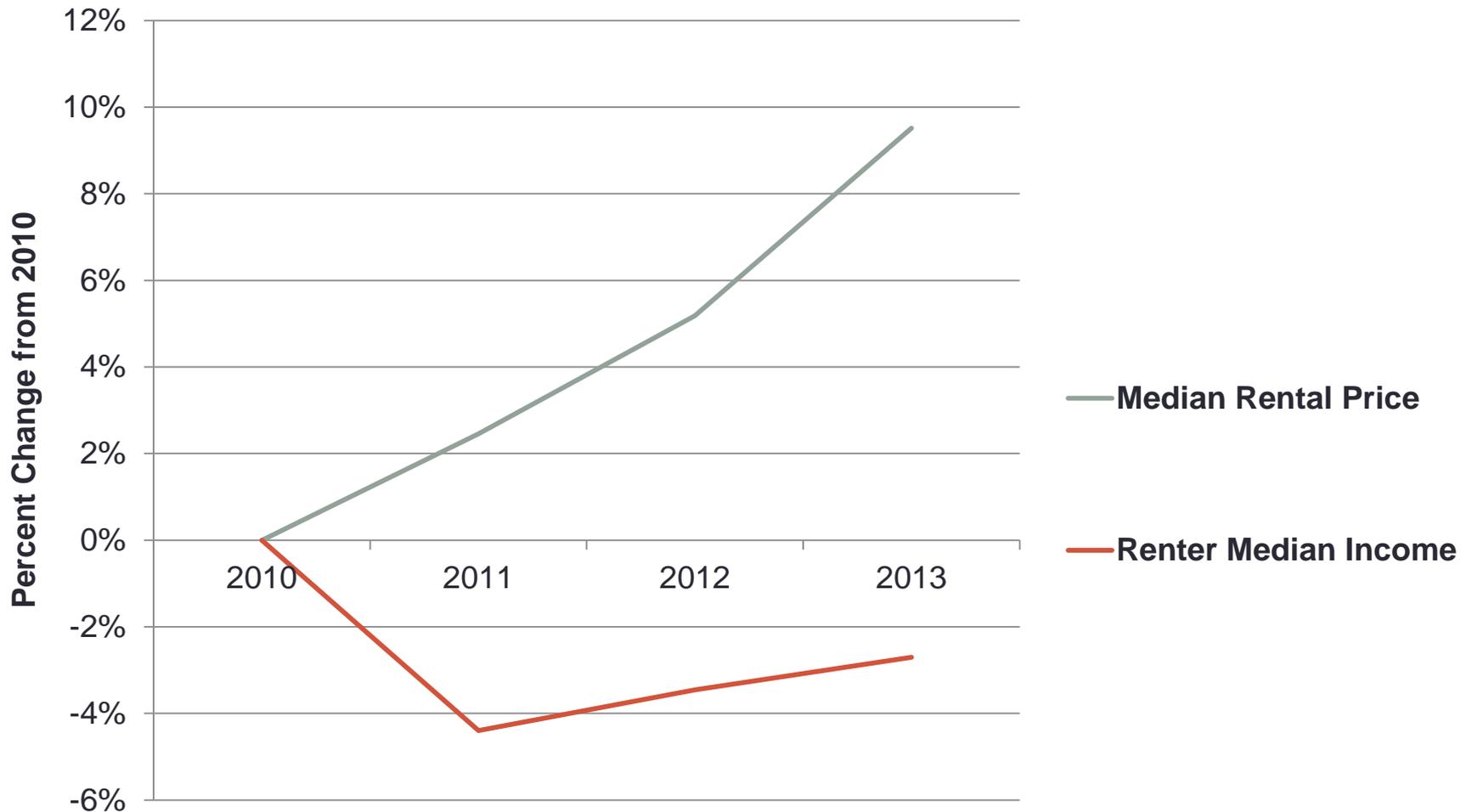
THE STATUS OF AFFORDABLE HOUSING IN CALIFORNIA:

TESTIMONY TO THE ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Carol Galante, I. Donald Turner Distinguished Professor in
Affordable Housing and Urban Policy
University of California, Berkeley

March 11, 2015

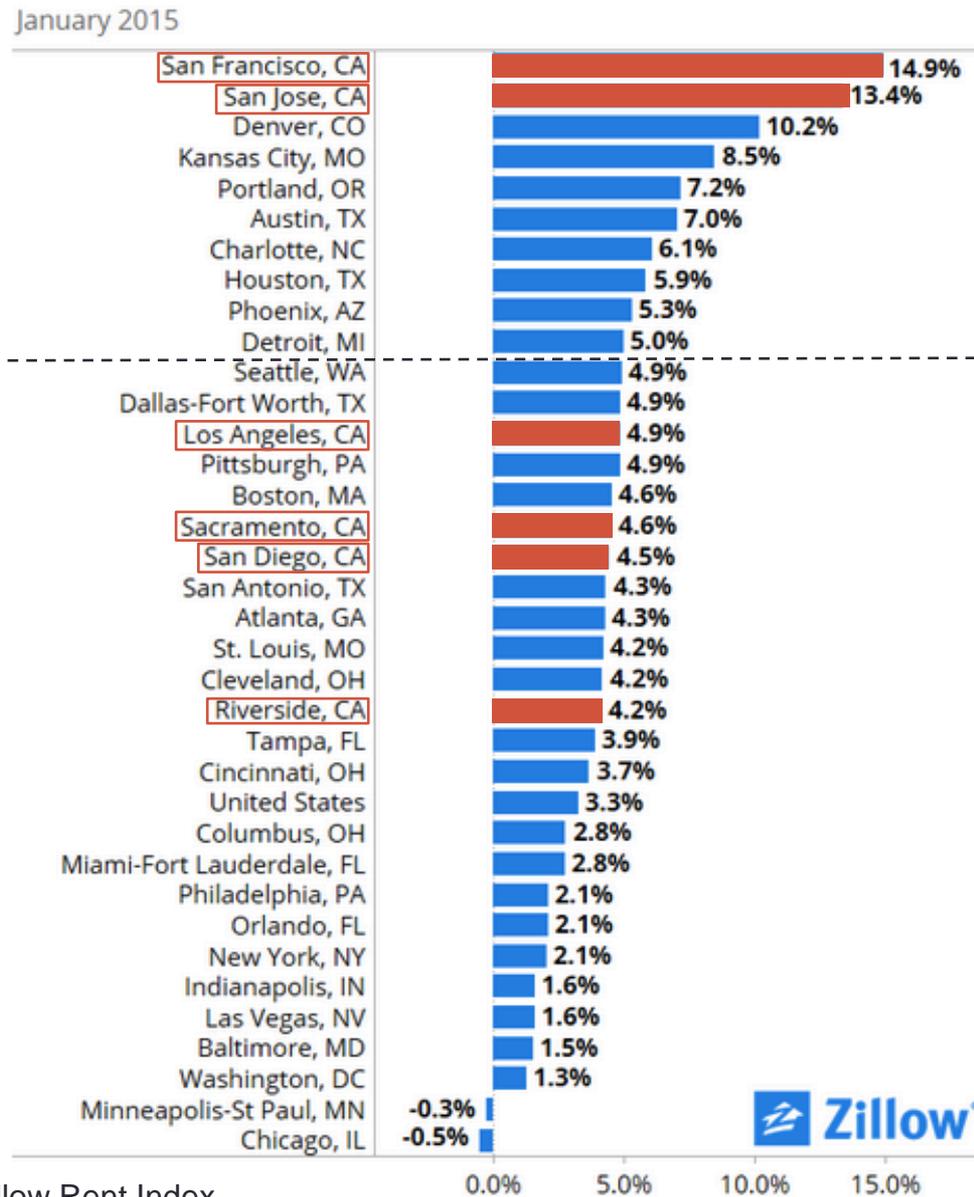
California Rents Outpacing Incomes



Income Data Source: 2010, 2011, 2012, 2013 ACS 1-Year Estimates, Table B25119.

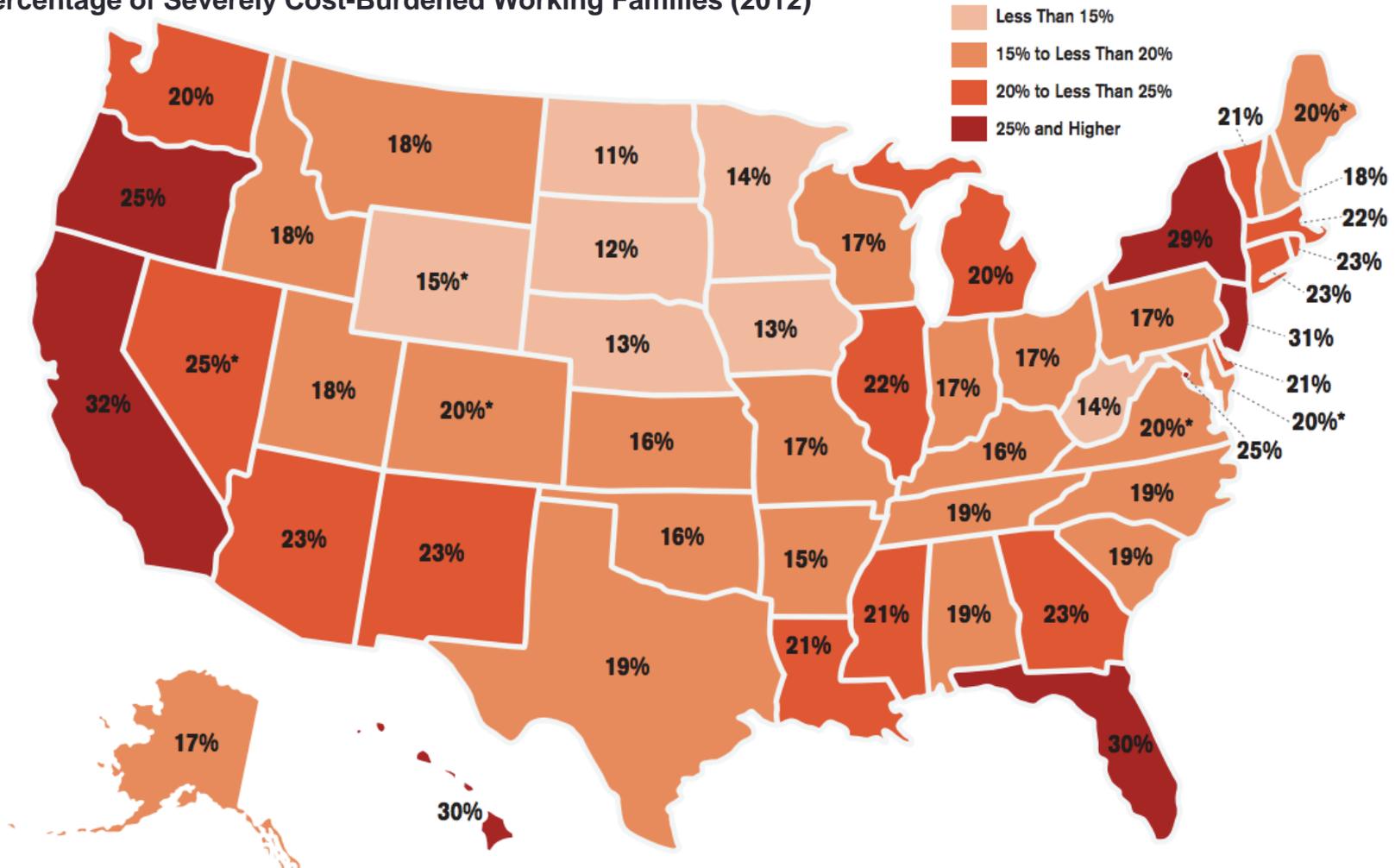
Rental Price Data Source: Zillow Rent Index, All Homes, 2010-2013.

Rents Rapidly Appreciating in California Metros



California Working Households are Severely Cost Burdened

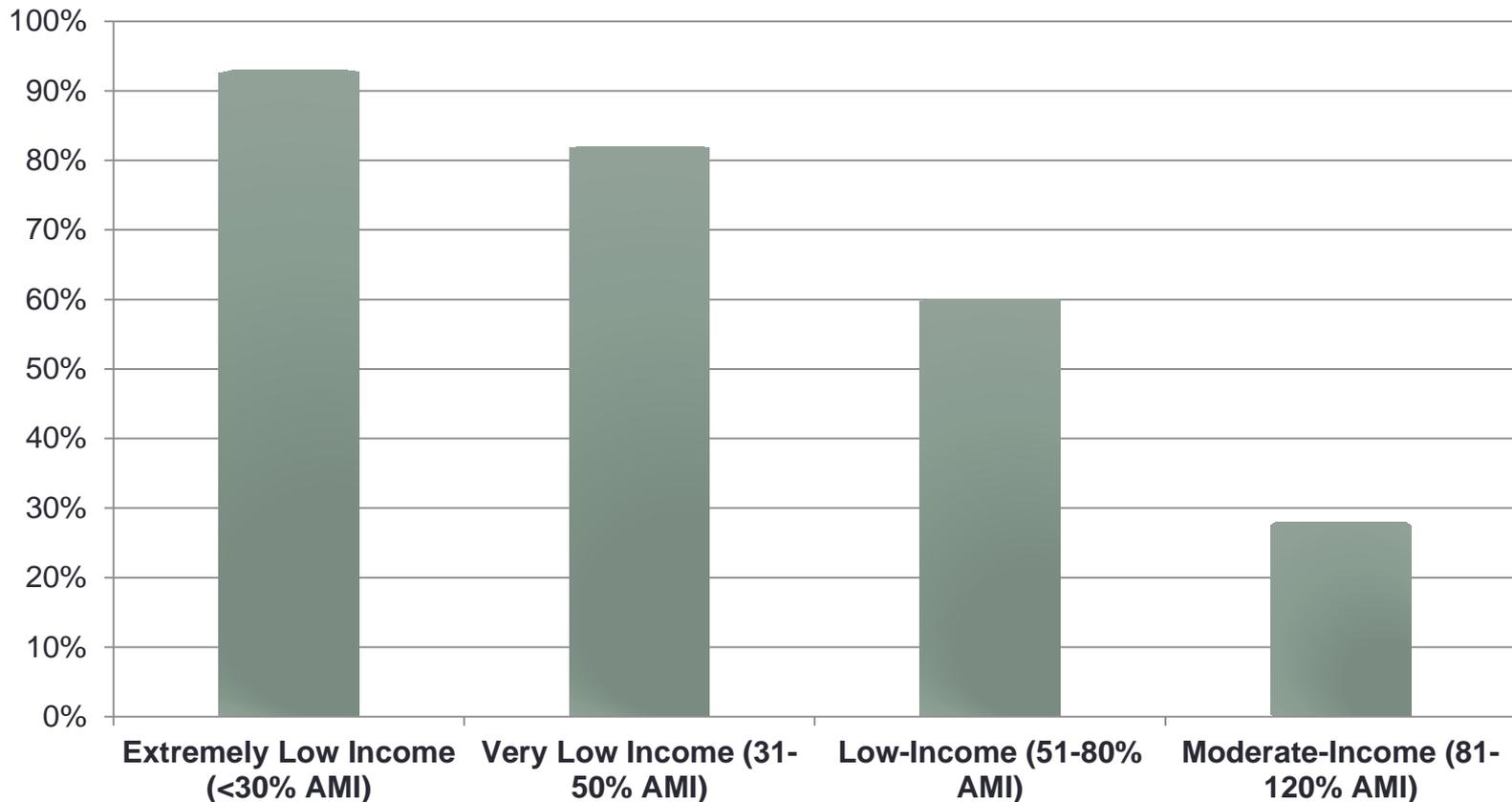
Percentage of Severely Cost-Burdened Working Families (2012)



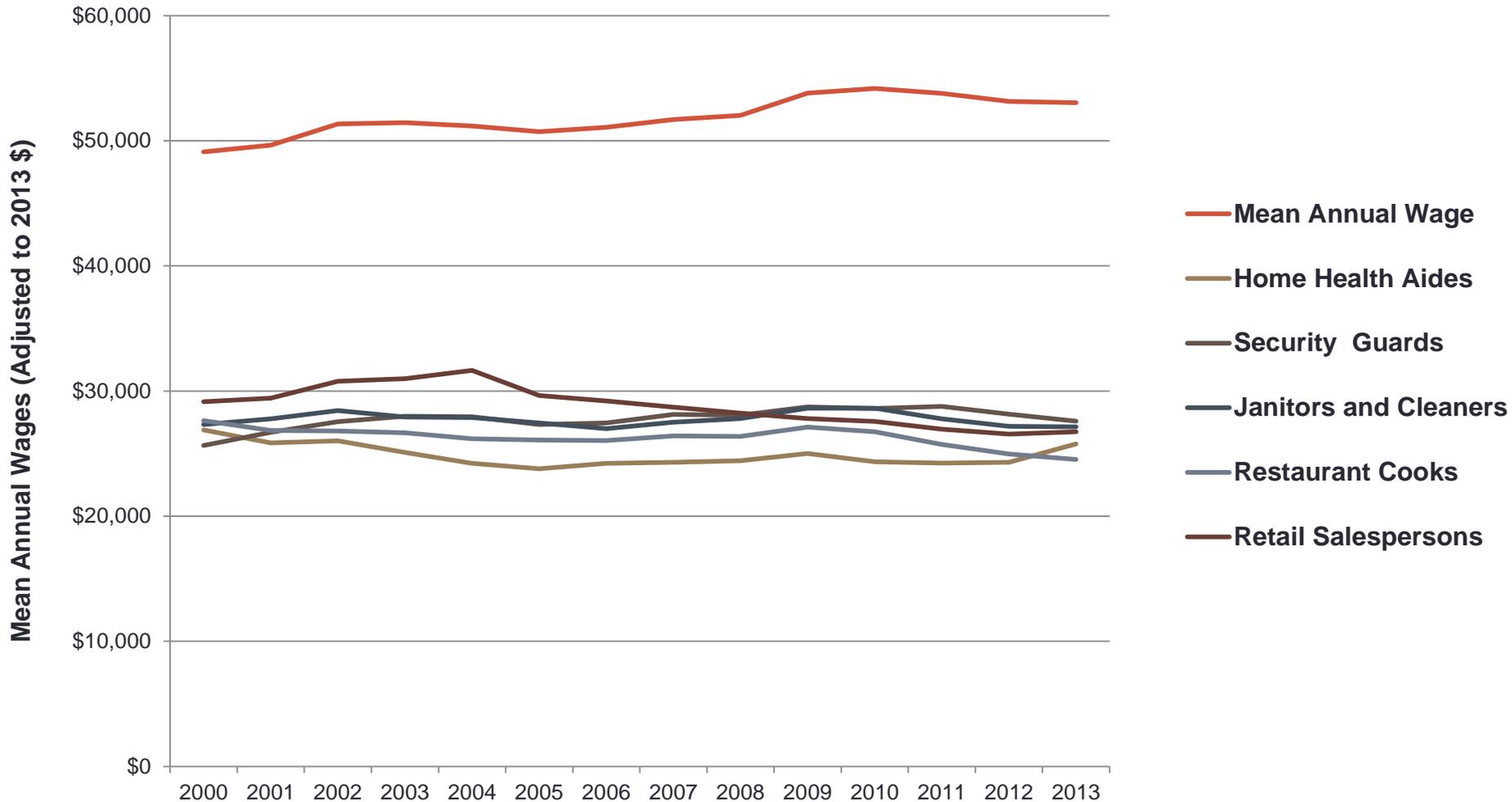
Source: Housing Landscape 2014, Center for Housing Policy

Low-Income California Working Households are Most Severely Cost-Burdened

California Working Households Paying >50% of Income for Housing (2012)

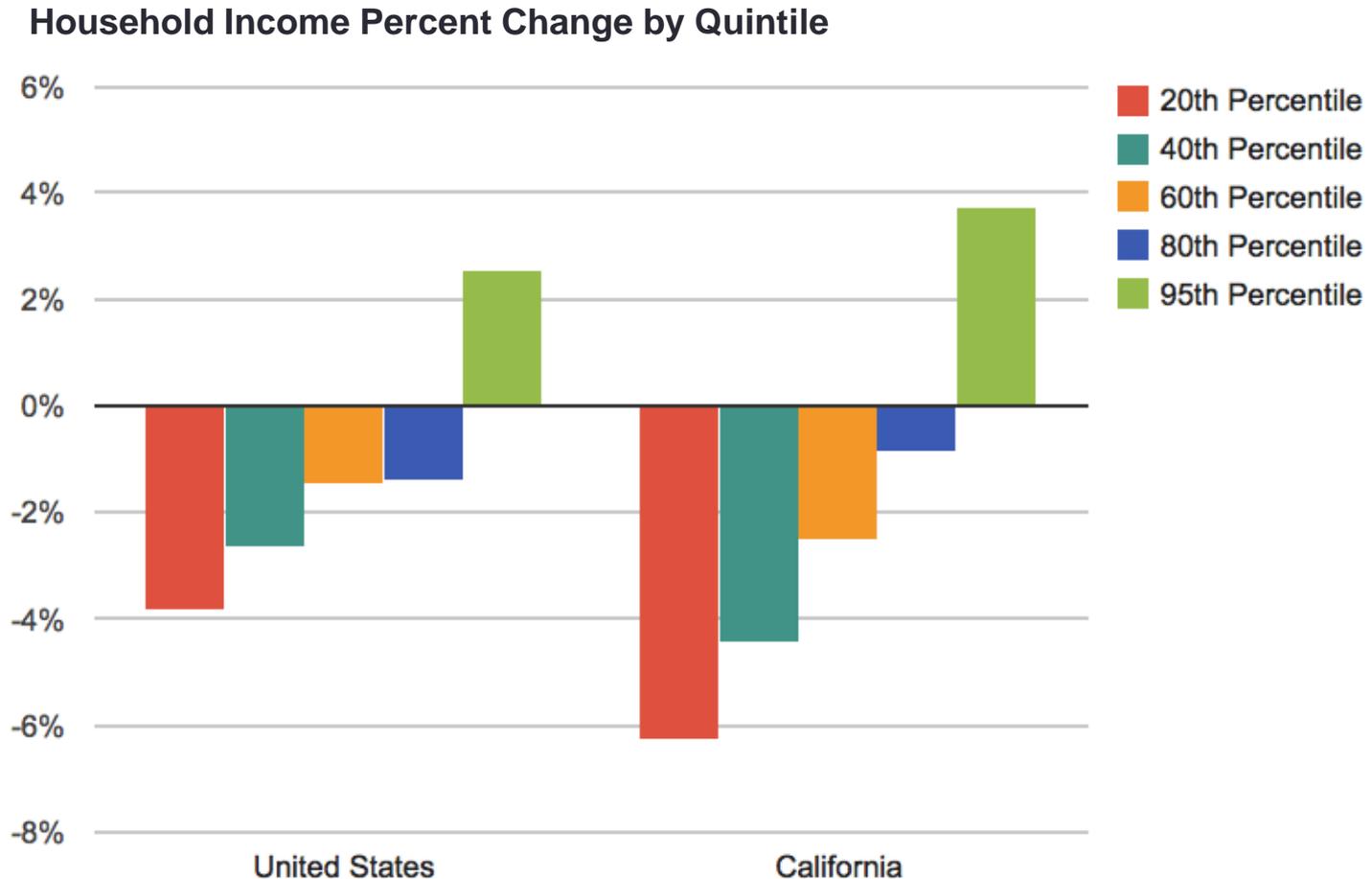


Stagnant or Decreasing Wages for Very Low-Income California Workers



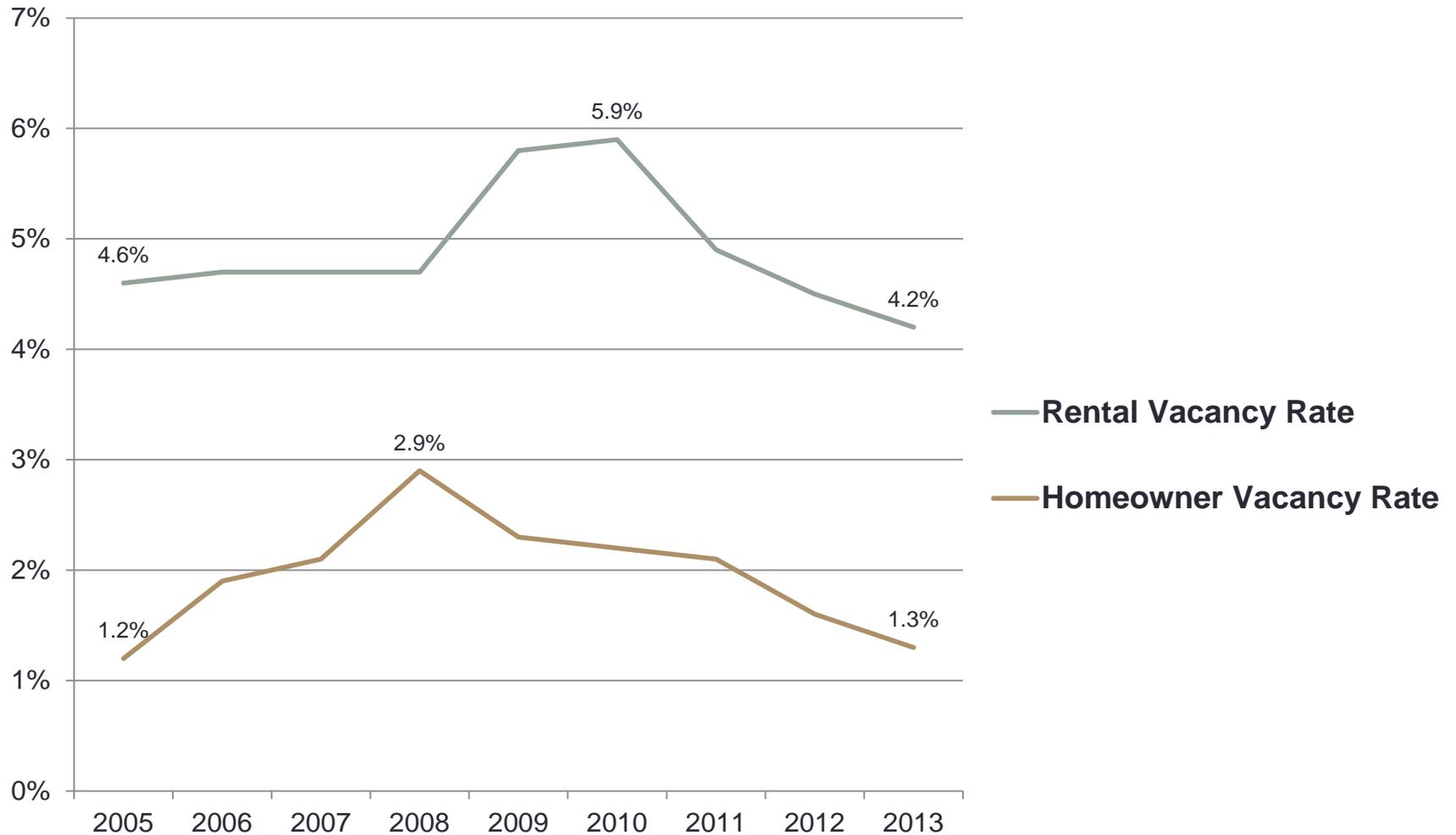
Source: BLS State Occupational Employment and Wage Estimates for California

Decreasing Incomes for Low-Income California Households

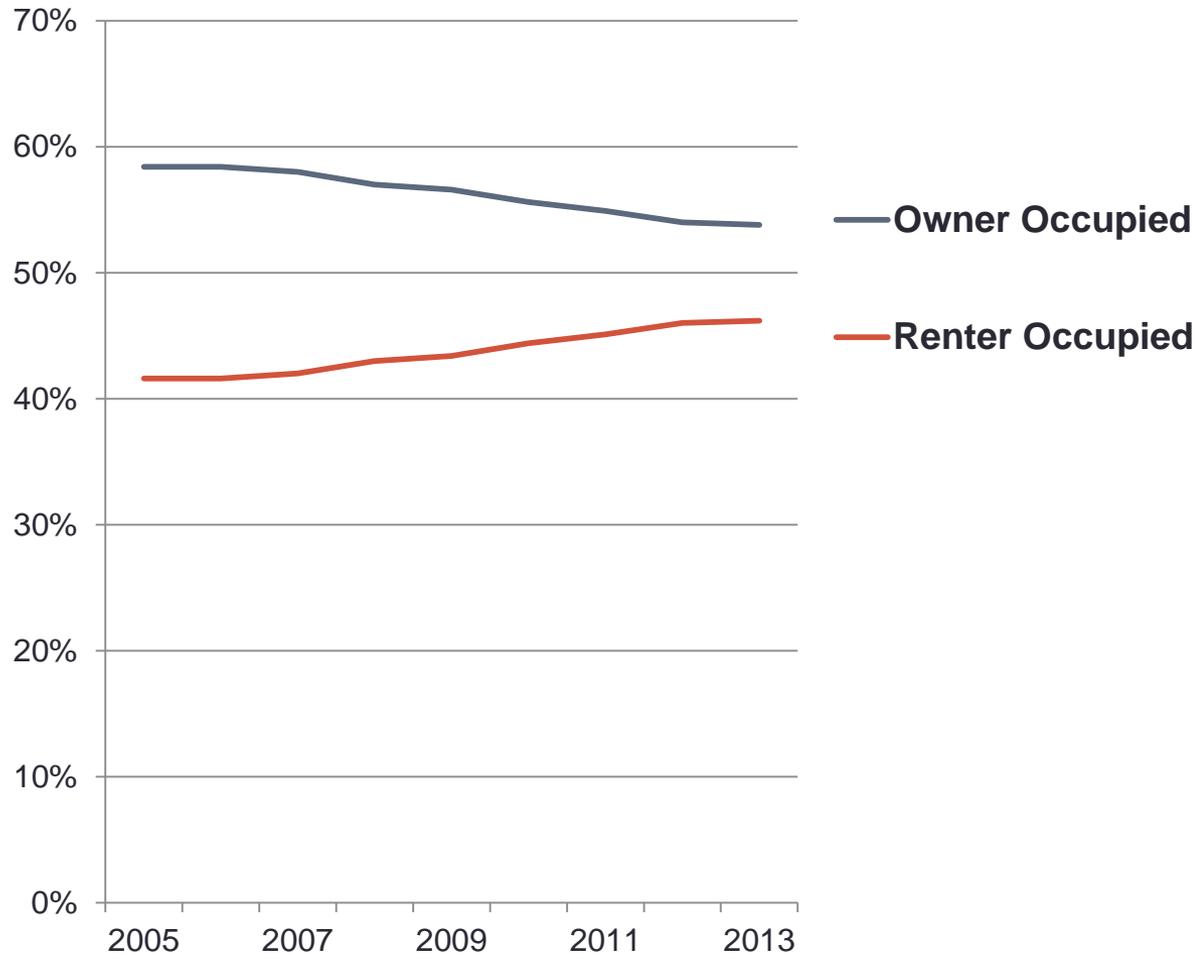


Source: "San Francisco State of the Region 2015", ABAG.
Data derived from ACS. Inflation adjusted with US CPI

Decreasing Vacancy Rates in California

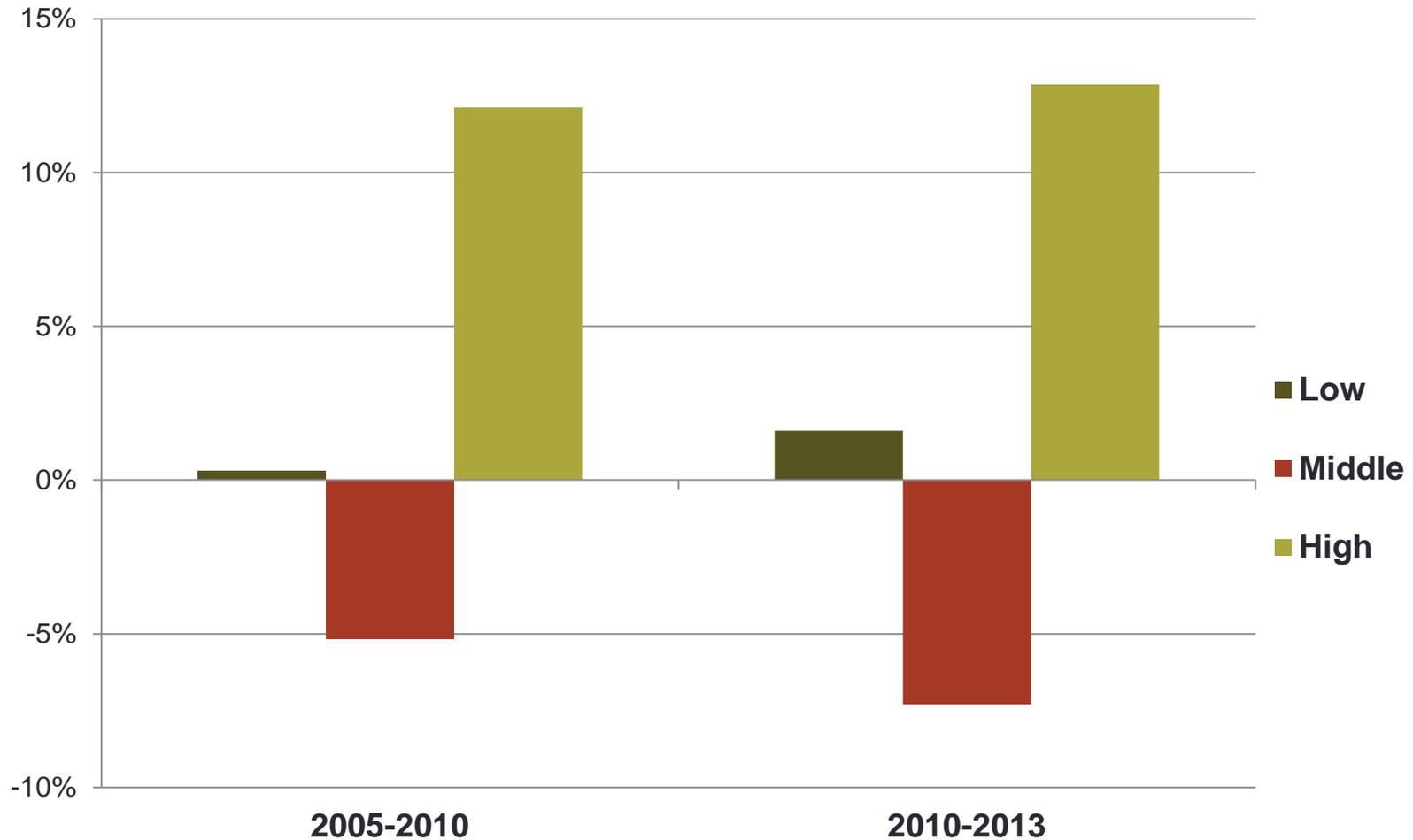


Decreasing Homeownership, Increasing Rentership in California



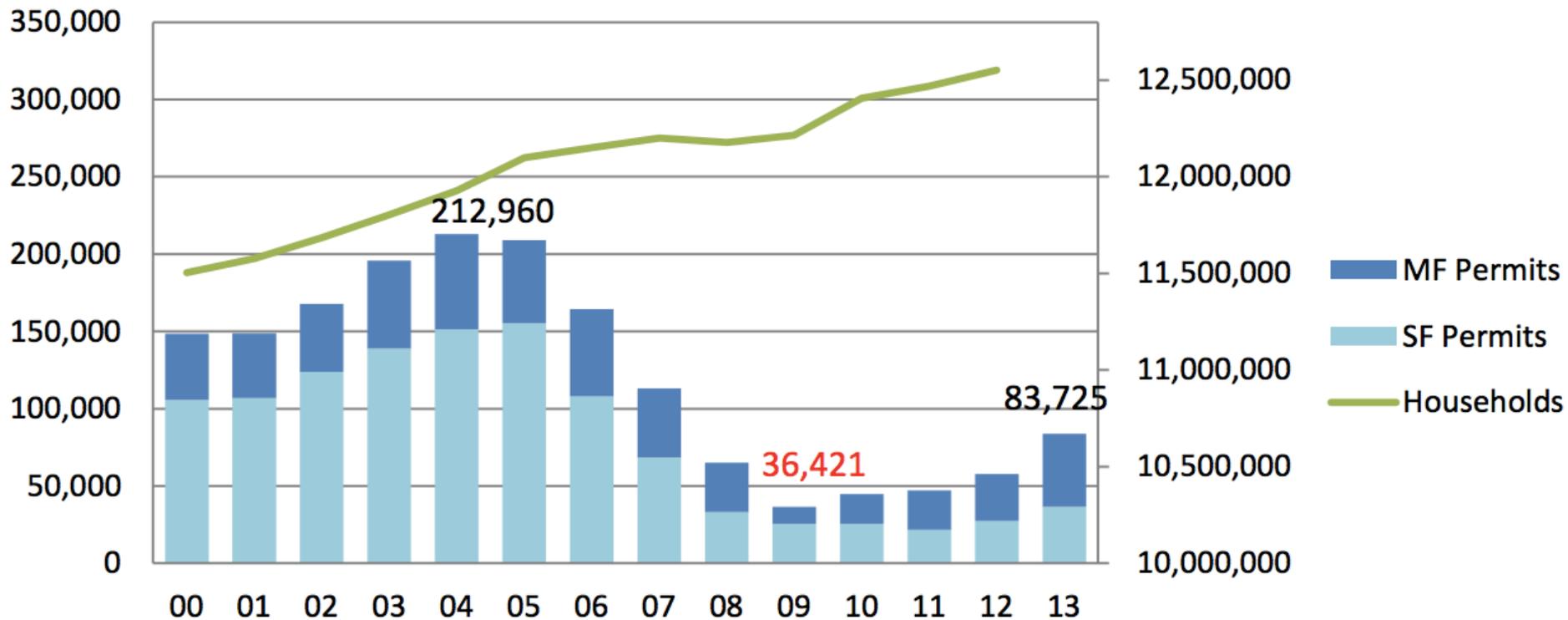
Source: 2005-2013 ACS, 1-Year Estimates (Table DP04). Universe: All Occupied Housing Units

Low-Wage and High-Wage Job Growth in California



Source: California Occupation Profiles for 2005, 2010, and 2013.
Bureau of Labor Statistics, Occupational Employment Statistics.

California Household Growth and New Housing Permits (2000-2013)



Source: Construction Industry Research Board/California Homebuilding Foundation and DOF 2013.
Chart from "2014 Update: Highlights of the State of Housing in California",
California Department of Housing and Community Development

Housing Shortage for Low-Income Renters

California has a shortfall of **1,465,884** homes affordable and available to ELI and VLI renter households.

10 Counties with Largest Gap in Affordable Rental Homes for ELI & VLI Renters

County	Shortfall in Rental Homes Affordable and Available to ELI & VLI Households	Affordable and Available Rental Homes per 100 ELI & VLI Households
Los Angeles County	-508,040	37
San Diego County	-133,835	29
Orange County	-118,895	23
San Bernardino County	-61,115	31
Alameda County	-60,435	39
Riverside County	-56,155	33
Sacramento County	-55,810	30
Santa Clara County	-55,655	39
San Francisco County	-40,845	53
Fresno County	-34,855	33

California Millennials: Not Buying Homes



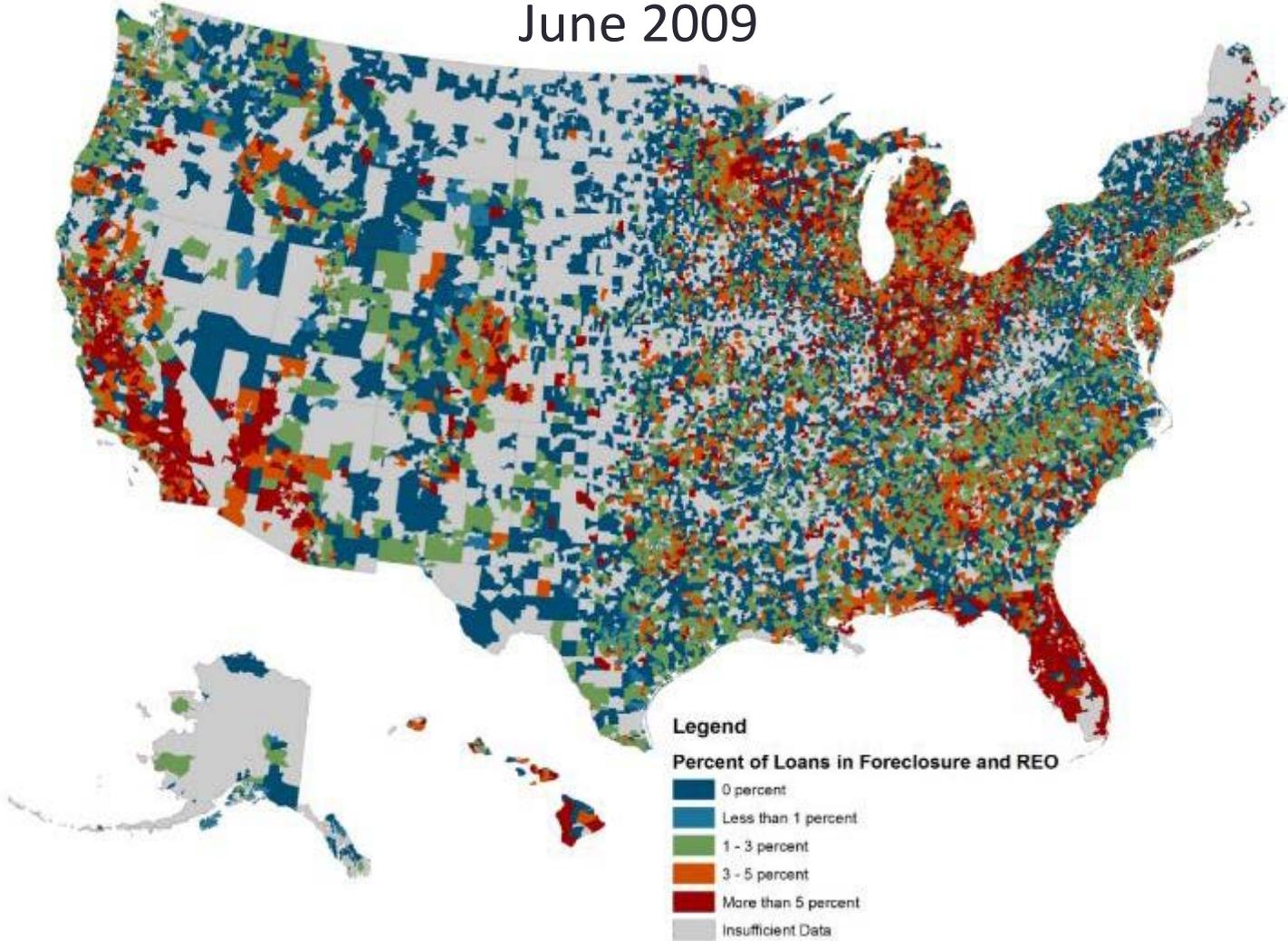
Homeownership rate, young adults age 23-34

Top 10		Bottom 10	
1. Des Moines, IA	44%	1. Honolulu, HI	9%
2. Beaumont-Port Arthur, TX	42%	2. Los Angeles, CA	12%
3. Grand Rapids, MI	42%	3. New York, NY	12%
4. Lafayette, LA	41%	4. Santa Barbara, CA	13%
5. Omaha, NE	38%	5. Salinas, CA	13%
6. Minneapolis-St. Paul, MN	37%	6. San Jose, CA	14%
7. St. Louis, MO	36%	7. San Francisco, CA	14%
8. Baton Rouge, LA	36%	8. Santa Rosa, CA	14%
9. Lansing, MI	36%	9. San Diego, CA	15%
10. Montgomery, AL	36%	10. Oxnard-Ventura, CA	16%

Source: Zillow analysis of 2013 American Community Survey data made available by the Minnesota Population Center, Integrated Public-Use Microdata Series.

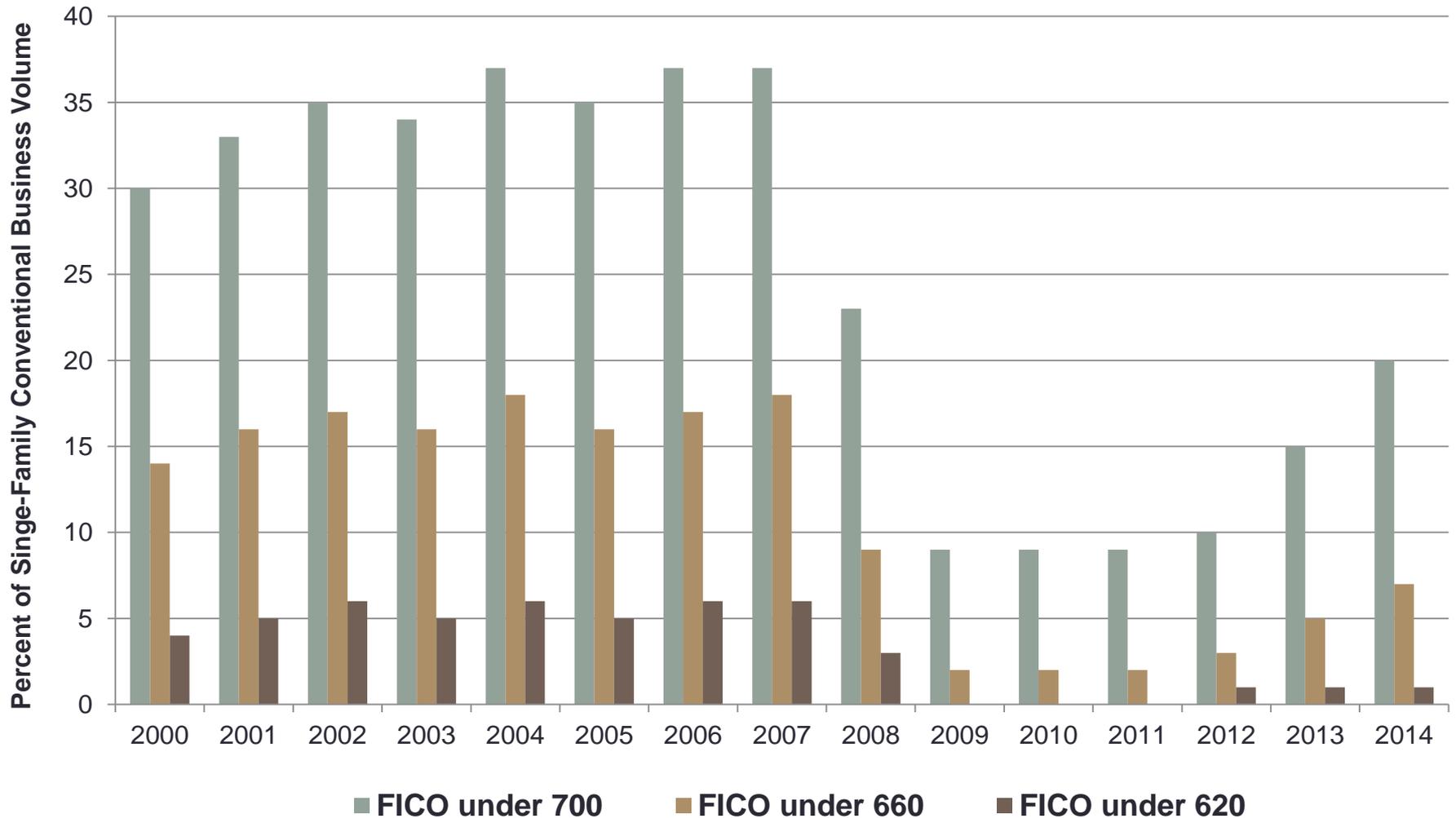
California Hit Hard by the Foreclosure Crisis

June 2009



Source: Lender Processing Services Analytics, Inc.

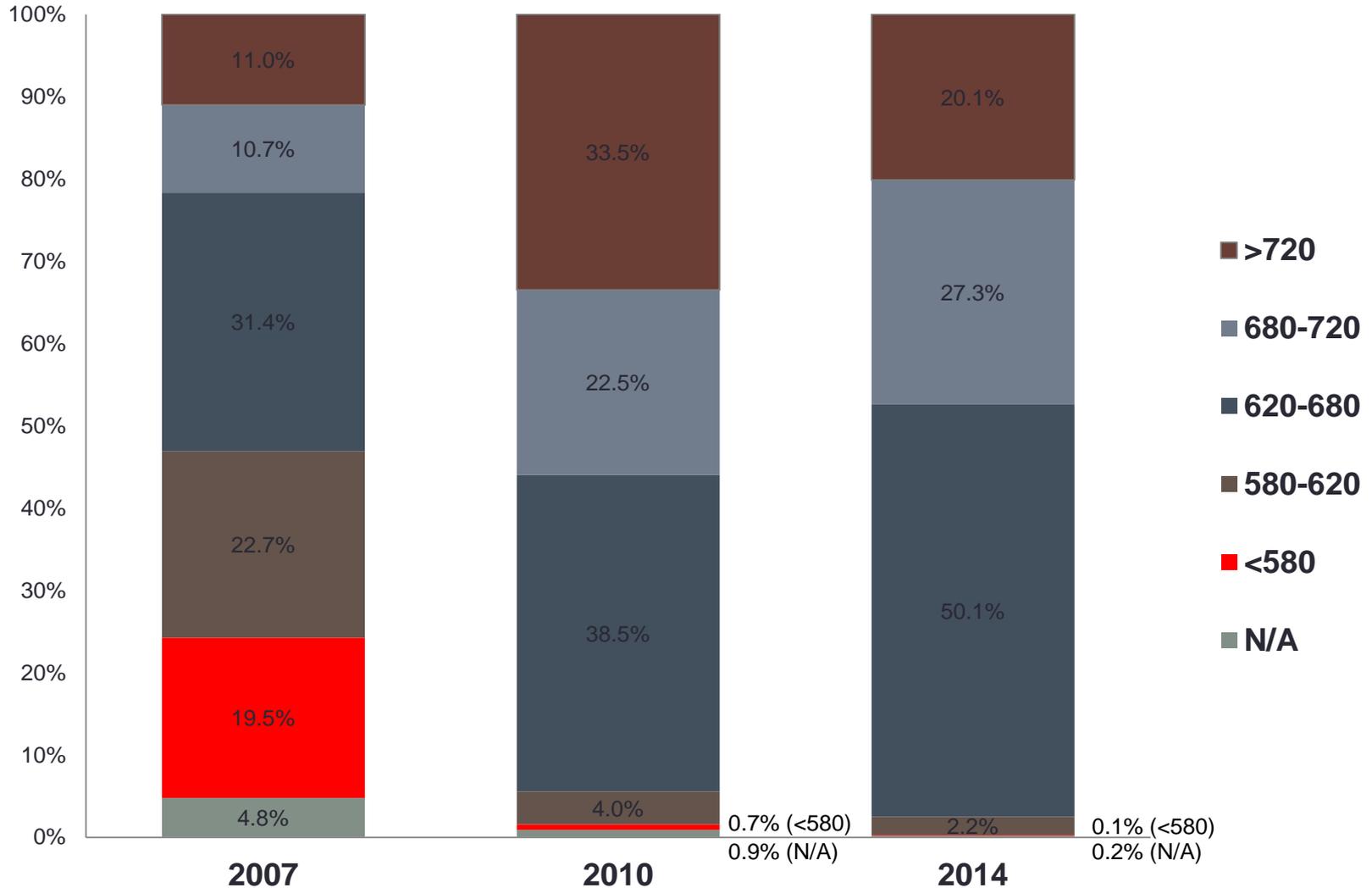
Credit Remains Extremely Tight Nationwide



Source: Fannie Mae Annual 10K Reports.

FHA's Changing Risk Profile

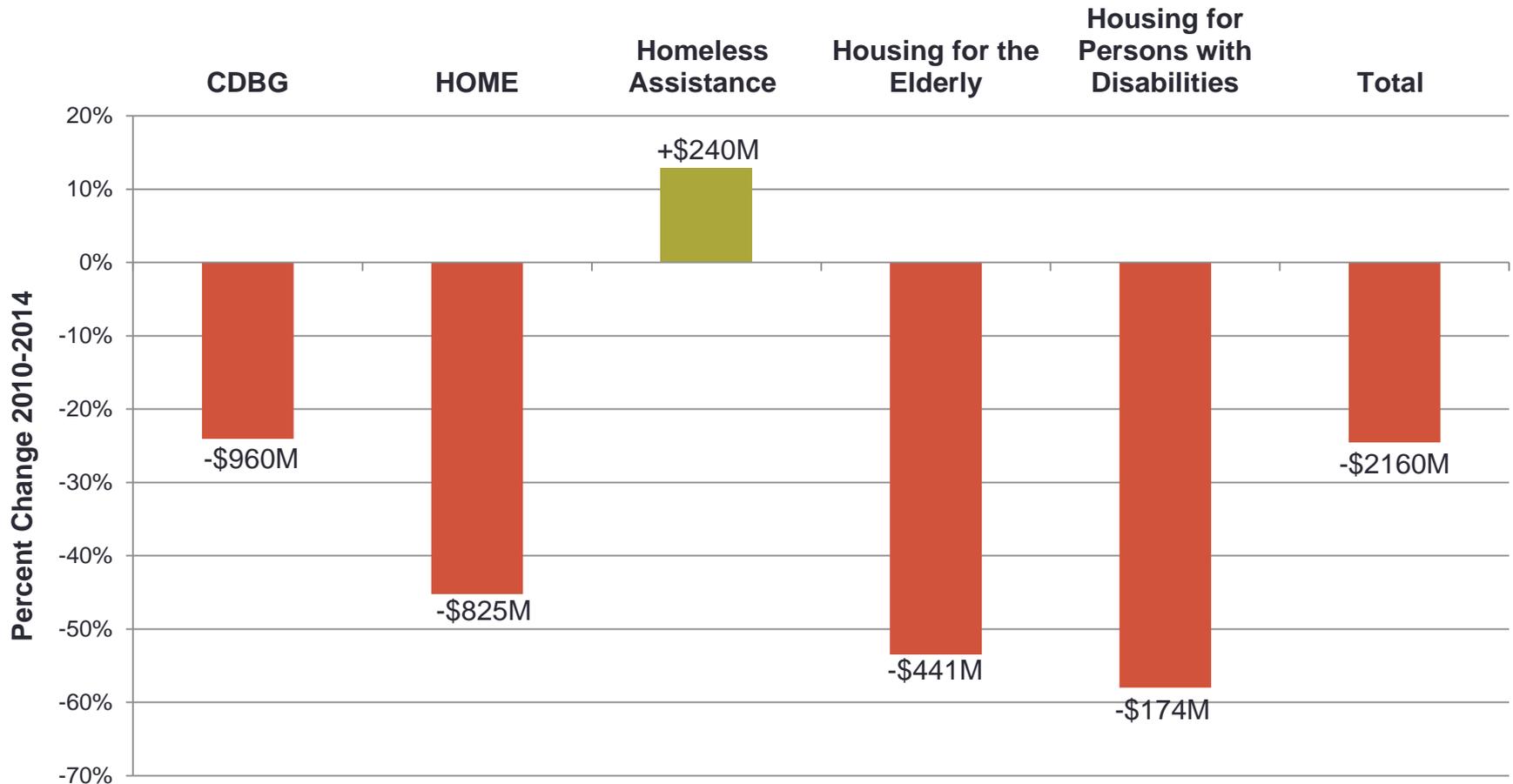
FHA Credit Score Distribution



Source: MMIF FY 2014 Q2 Report to Congress. Figures refer to nationwide data from 1st quarter of each year.

Decreasing Federal Funding for Housing Nationwide

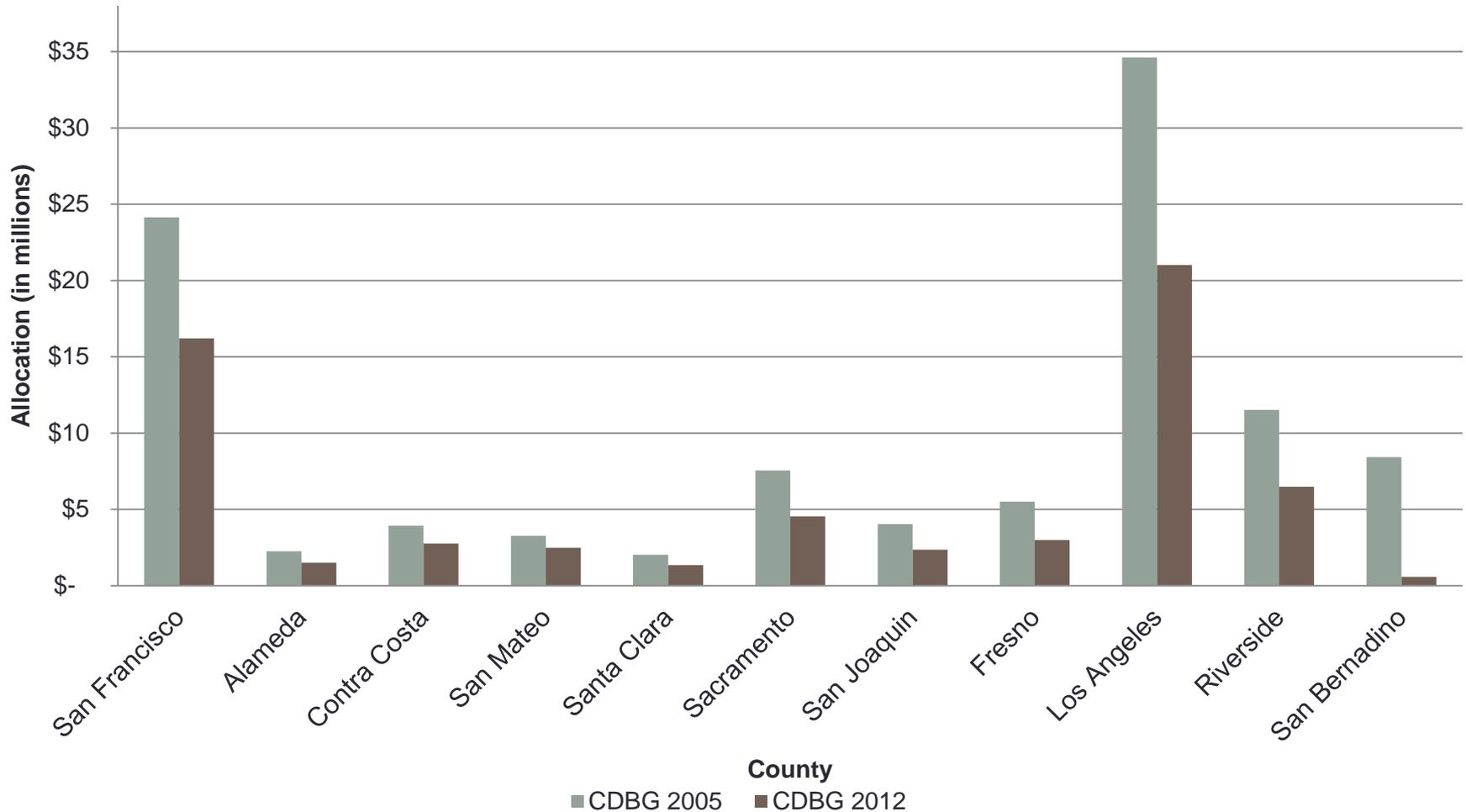
Total cuts 2010-2014: \$2160 M



*Percent change measured for the enacted national budget. New National Housing Trust Fund dollars will be available in 2016.

Federal Subsidies Shrinking, Making Production of Affordable Housing More Difficult

CDBG Allocations by County (2005 and 2012)



Shrinking California State Sources of Capital

	FY2007/2008	FY2014/2015	Difference 2007-2014
State Housing Bonds (Prop. 46 & Prop. 1C)	\$776,281,035	\$344,651,658	(\$431,629,377)
Redevelopment Funds for Affordable Housing	\$1,079,157,125	\$0	(\$1,079,157,125)
Veteran's Housing and Homelessness Prevention	-	\$75,000,000	\$75,000,000
Affordable Housing and Sustainable Communities	-	\$125,000,000	\$125,000,000
Total	\$1,855,438,160	\$419,651,658	(\$1,310,786,502)

Source: 2007 data from "How California is Failing to Meet the Needs of Low Income Households", CA Housing Partnership, 2014, 2014 data from California Department of Housing and Community Development.