

# CALIFORNIA Affordable Housing Needs Report 2023



## KEY FINDINGS

1. Median rent in California has increased 38% since 2000 while median renter household income has only increased by 7% (adjusted for inflation).
2. Renters need to earn 2.9 times the state minimum wage to afford average asking rent in California, which increased by 4%.
3. Although California has more than tripled production of new affordable homes in the past four years, the state is only funding 20% of what is needed to meet its goals.
4. California spends twice as much supporting homeowners than renters and only 17% of renter resources are permanent compared to 97% of the support for homeowners.
5. 79% 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 41% more severely cost burdened than white renter households.

## POLICY SOLUTIONS

Fund affordable housing and homelessness solutions at scale by:

1. Investing \$7.9 billion in the 2023/2024 budget as requested by a [broad coalition](#).
2. Placing AB 1657 (Wicks), an affordable housing bond, on the 2024 ballot.
3. Develop an on-going revenue source at the scale needed over 10 years.
4. 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.



## Roadmap Home 2030

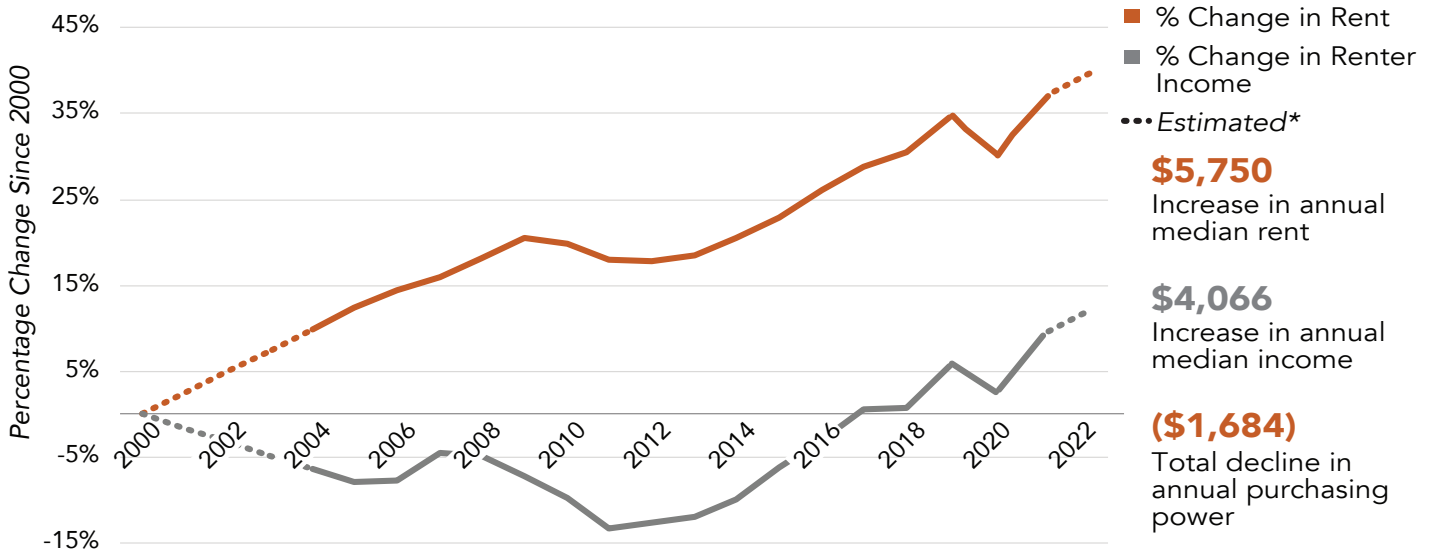
These actions while important will not be sufficient in and of themselves to solve California's affordable housing crisis, which requires a long-term, comprehensive, evidence-based set of policy solutions at scale, similar to those described in the Roadmap Home 2030. The Roadmap Home 2030 lays out a 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](#).



**California  
Housing  
Partnership**

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

## FROM 2000 TO 2021, CALIFORNIA'S MEDIAN RENT INCREASED 38% WHILE MEDIAN RENTER INCOME INCREASED ONLY 7%



Source: California Housing Partnership analysis of 2000-2021 Census ACS data. Median rent and median renter income are inflation adjusted to 2021 dollars.

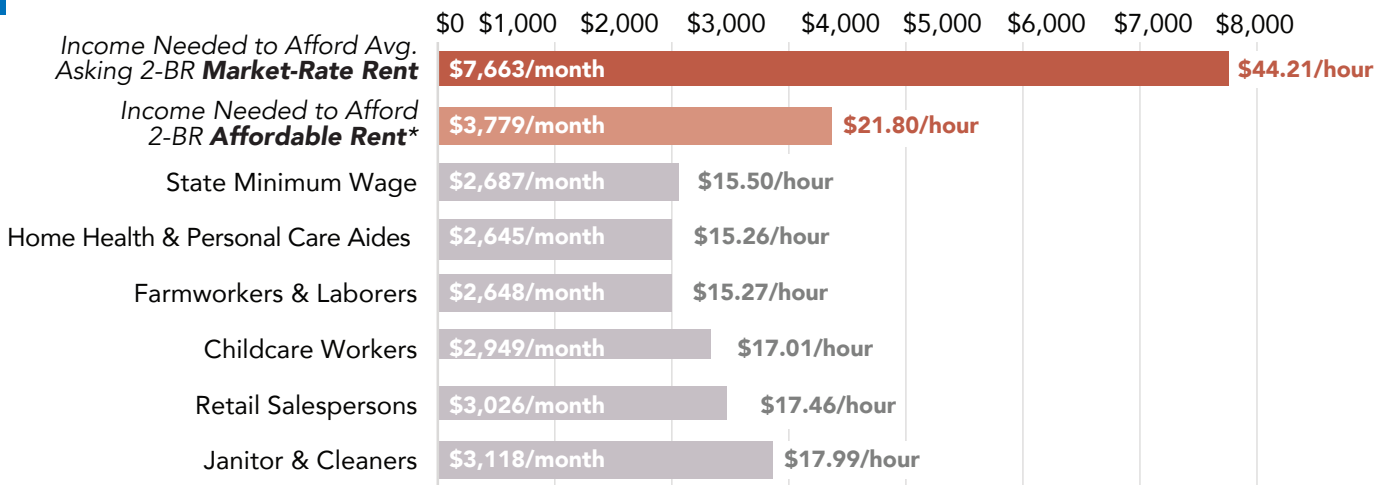
\*Median renter income and rent from 2001-2004 and 2021-2022 are estimated trends.

## MORE THAN HALF OF CALIFORNIA'S 5.9 MILLION RENTER HOUSEHOLDS ARE LOWER INCOME, WITH NEARLY 1.2 MILLION EXTREMELY LOW-INCOME RENTER HOUSEHOLDS.

3.035M households (51.3%)	1,031,790	Low-Income (LI)	50-80% of AMI
of California's 5,915,933 million renter households are lower-income	823,987	Very Low-Income (VLI)	30-50% of AMI
	1,179,407	Extremely Low-Income (ELI)	0-30% of AMI

Source: 2021 Public Use Microdata Sample (PUMS) analysis by the California Housing Partnership with U.S. Department of Housing & Urban Development (HUD) income levels.

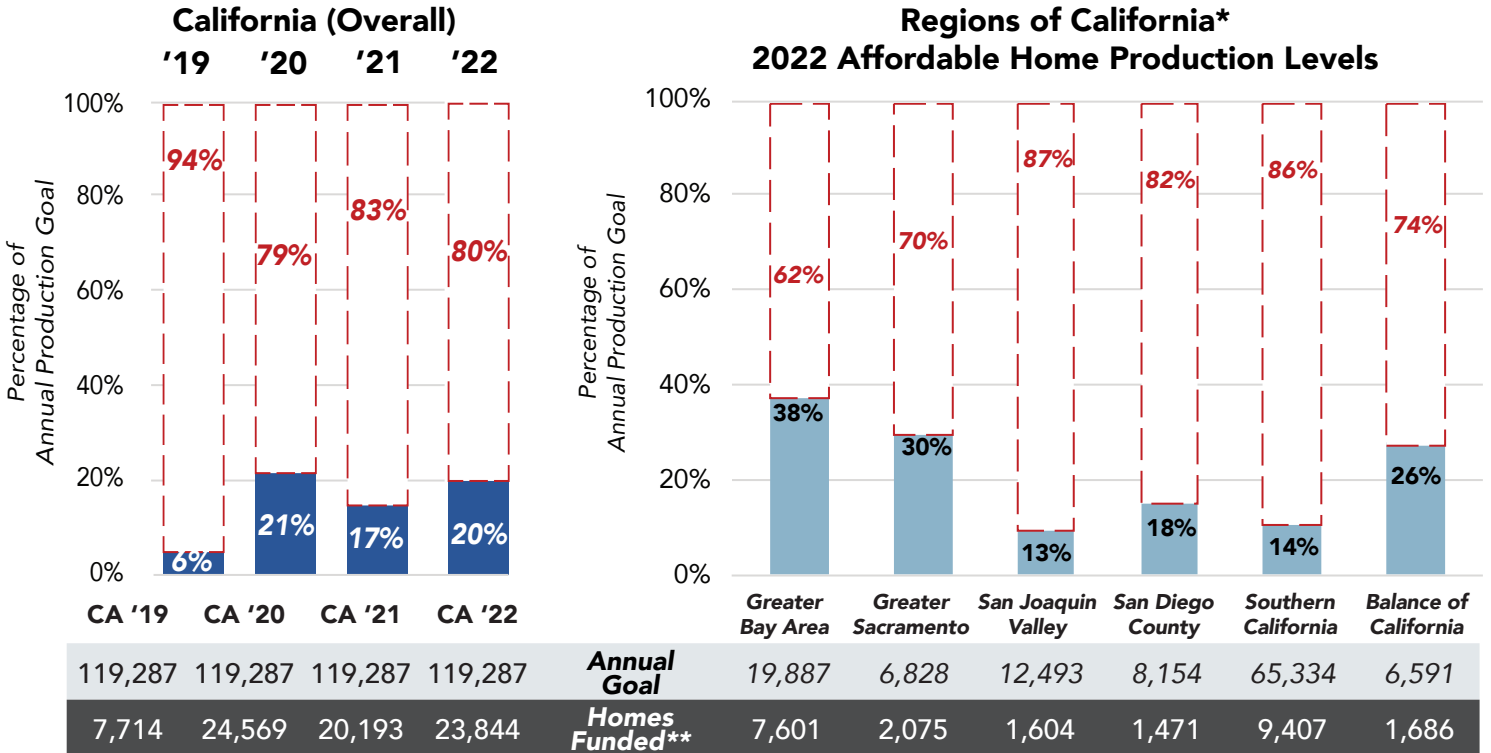
## RENTERS NEED TO EARN 2.9 TIMES THE STATE MINIMUM WAGE TO AFFORD AVERAGE ASKING RENT IN CALIFORNIA



Source: CoStar Group 2022 Annual Average Asking Rent, as of March 2023. HUD State MFI Rent Limit FY2022. Bureau of Labor Statistics Mean Annual Wage Data for CA Occupations, 2021.

\*'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 households income.

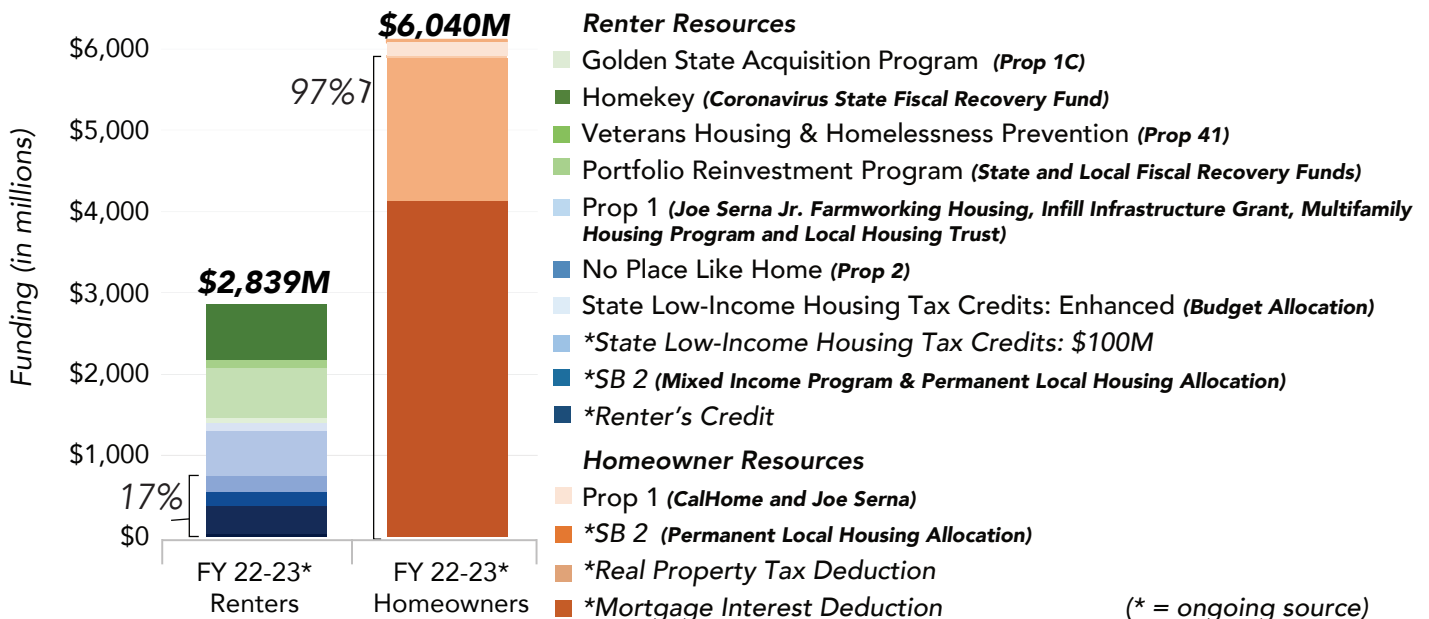
## ALTHOUGH CALIFORNIA HAS MORE THAN TRIPLED PRODUCTION OF NEW AFFORDABLE HOMES IN THE PAST FOUR YEARS, THE STATE IS ONLY FUNDING 20% OF WHAT IT NEEDS



Source: California Housing Partnership Preservation Database, March 2023. California's Roadmap Home 2030, <https://roadmaphome.ca.gov>.  
 \*Greater Bay Area, Greater Sacramento and Southern California regions as defined by corresponding councils of government, [calcog.org](http://calcog.org).  
 San Joaquin Valley includes the following counties: Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare.  
 \*\*Affordable units (new construction and adaptive re-use) funded by state funding programs, like Homekey and the Accelerator programs, and the Low-Income Housing Tax Credit program in 2022.

## CALIFORNIA SPENDS MORE THAN TWICE AS MUCH SUPPORTING HOMEOWNERS THAN RENTERS & ONLY 17% OF THE RESOURCES FOR RENTERS ARE PERMANENT

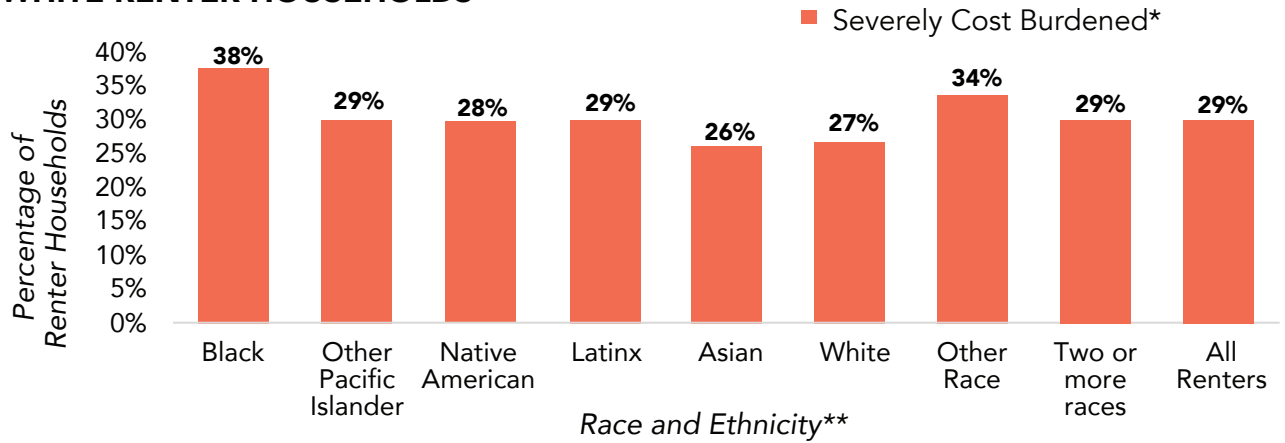
Only 17% of renter resources are permanent compared to 97% for homeowners



Source: State of California Department of Finance Tax Expenditure Report, 2022-2023. California Tax Credit Allocation Committee 2022 award data and 2023 credit estimates. California Housing and Community Development Program Awards and Notices of Funding Availability 2022-2023.

\*Funding amounts are based on actual awards and preliminary data/estimates tabulated by each respective agency.

## BLACK RENTER HOUSEHOLDS ARE 41% MORE SEVERELY COST BURDENED THAN WHITE RENTER HOUSEHOLDS

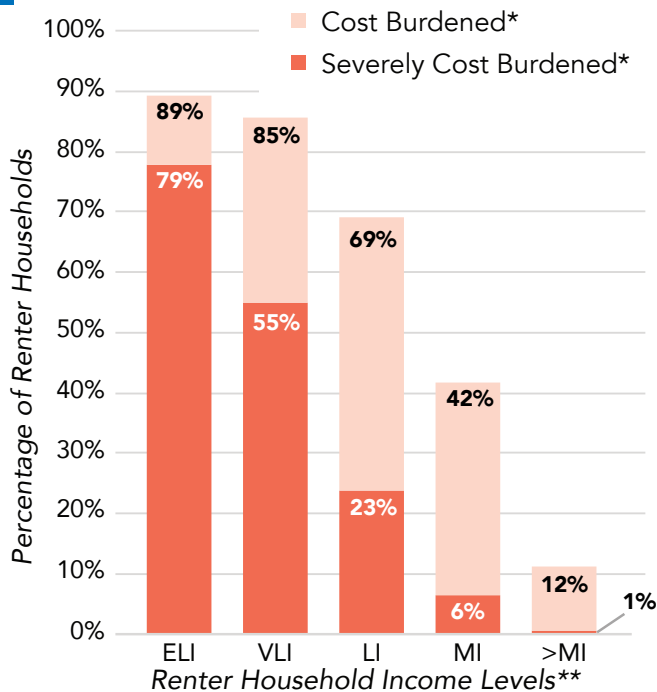


Source: California Housing Partnership analysis of 2021 1-year American Community Survey (ACS) PUMS data with HUD income levels. Methodology was adapted from NLIHC gap methodology.

\*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, other race, and two or more races 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.

## 79% OF CALIFORNIA'S EXTREMELY LOW-INCOME HOUSEHOLDS ARE SEVERELY COST BURDENED COMPARED TO 6% OF MODERATE-INCOME HOUSEHOLDS



Source: California Housing Partnership analysis of 2021 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%.

\*\*ELI: Extremely Low-Income, VLI: Very Low-Income, LI: Low-Income, MI: Moderate-Income, >MI: Above Moderate-Income.



## Roadmap Home 2030

A long-term plan to create the future we want for California by building affordable homes, protecting low-income renters, ending homelessness, and advancing racial equity and economic inclusion.

The Roadmap Home 2030 lays out a bold vision for solving California's affordable housing and homelessness challenges over a 10-year period.

Learn more at:

[roadmaphome2030.org](https://roadmaphome2030.org)

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