



COMMUNITY RESOURCES

Team Leaders: Lisa Bates, Sacramento Steps Forward, lbates@sacstepsforward.org
Donald Terry, Vice Mayor, City of Rancho Cordova, dterry@ranhocordova.org
Ben Avey, Communications Director, Wellspace Health, bavey@wellspacehealth.org

Issue Expert: Donald Terry, Vice Mayor, City of Rancho Cordova, dterry@ranhocordova.org

ENDING HOMELESSNESS – HOUSING STRATEGIES

Business Nexus

Over the past decade, California home values have increased significantly bringing the affordability index for a median income family to below 50% for the first time in nearly a decade. The median price home is now at pre-financial crisis levels. Nearly 70% of very low-income families pay more than 50% of their monthly income in rent. Since 2000 there has been a net increase in average rents of 12% in addition to a 13% decrease in the median household income. Sacramento County is facing a 53,000-unit shortfall, placing low-income families at greatest risk for finding affordable housing, limiting the ability of business to recruit and retain workforce in the region.

Requested Action

Support affordable housing development and homeless service programs. Given the growing population of homeless communities in California, any decrease or elimination of funding for critical programs intended to address homelessness will result in more people experiencing homelessness. The greater Sacramento Region relies on the various federal housing programs funded through HUD, Treasury, and USDA RD to create opportunities for homeownership and support the construction of affordable housing units. The following are some of the critical programs that support level funding in the federal budget.

- We urge Congress and the administration to support the HOME Investment Partnership (HOME) and Community Development Block Grants (CDBG). Participating jurisdictions may use HOME funds for a variety of housing activities, according to local housing needs. Eligible uses of funds include tenant-based rental assistance; housing rehabilitation; assistance to homebuyers; and new construction of housing. The CDBG grant funding can be used for a variety of community development projects. The funding requested is as follows:
 - HOME \$1.35 billion
 - CDBG: \$3.475 billion

CA — CAP TO CAP — DC

These programs are widely used by our local jurisdictions, multiple private and non-profit housing developers in our region for a variety of rental and homeownership uses.

- Low Income Housing Tax Credit (LIHTC) and New Markets Tax Credit (NMTC):
 - Level Funding at the department of Treasury
- USDA Rural Development, Rural Housing Services:
 - Section 502 Direct Loan: \$1 billion
 - Section 523 Self-Help Technical Assistance: \$30 million
 - Section: 515 Rental Rural Housing: \$28.4 million
 - SHOP Program: \$10 million

Many of the surrounding communities outside of the Sacramento urban core are designated by USDA as rural. Many of these communities have not fully recovered from the recession and these programs are in some instances the only capital available to finance and build homes at affordable and market rates. Also, with the rising home prices in the Sacramento region families are being forced to move to rural area which is placing an even higher demand on these programs.

- Community Development Financial Institutions (CDFI) Fund:
 - CDFI Fund: \$270 million

These funds provide support and capital to multiple local CDFI's that are a critical investor in affordable housing, small business development and commercial development throughout the Sacramento Region.

- Neighborhood Reinvestment Corporation
 - \$163 million
 - \$5 million for Multi-Family Rental Housing Program

These funds support the NeighborWorks America program and indirectly support community development organizations throughout the nation including multiple Sacramento area non-profits.