

AB 2094: Extremely Low-Income Housing Reporting

SUMMARY

Assembly Bill 2094 will require local jurisdictions to report their progress towards building Extremely-Low Income units (ELI) to the California Department of Housing Community Development (HCD), as part of the existing reporting process. With the ability to accurately track how many ELI units are being developed, the state of California will be able to better allocate funds and develop effective policy for homeless and housing-insecure residents.

BACKGROUND

Under current law, local jurisdictions must allocate a certain number of sites for Extremely-Low Income (ELI) housing units, which are units available to households with 0-30% of the average median income (AMI). Local jurisdictions are also required to report their progress toward building units in various income categories to HCD. For example, local jurisdictions must report progress on Very Low-Income (VLI) units, which include households with up to 50% AMI. The state uses this reported data to determine whether jurisdictions are meeting housing production goals across all income categories, as well as in determining how to allocate funds and establish statewide housing policy.

PROBLEM

Current law does not allow the state to track how many ELI units are actually being developed because local jurisdictions report ELI and VLI units together as one number. The lack of data around progress toward ELI units also undermines the state's ability to make informed decisions about future funding and policies.

There is a severe shortage of ELI units for many residents who are homeless, on the verge of homelessness, or live in overcrowded conditions. About half of all people with extremely low incomes are children or seniors, and almost half of working-age adults with extremely low incomes are essential workers.

A recent report by the Terner Center for Housing Innovation and All Home about housing insecurity for people with extremely low incomes showed the severe shortage of ELI housing and this population's particular vulnerability to homelessness. The report showed that in 2019, "nearly 51 percent of ELI households in the Bay Area were precariously housed, meaning that they received no housing assistance or did not own their home outright, and were paying more than 30 percent of their income toward rental or mortgage costs."

The City of San Jose and County of Santa Clara are among those jurisdictions that already voluntarily track their data on progress toward building ELI units. Additionally, they have allocated significant development resources for ELI housing production because they recognize that a severe lack of housing affordable to extremely low-income households is a main driver of homelessness.

AB 2094 will not change the housing element nor alter the Regional Housing Needs Allocation (RHNA) for any jurisdictions.

SOLUTION

AB 2094 will require that the column on the form for local jurisdictions to report VLI units' progress to HCD be separated into two columns: one for VLI units and one for ELI units. This simple change will provide critical data on the progress toward building homes for extremely low-income households.

The state will be able to better identify funding and policy needs for ELI households by obtaining accurate data on the amount of ELI units already under development.

SUPPORT

- All Home (Sponsor)
- Housing California (Sponsor)
- Destination Home
- Non-Profit Housing Association of Northern California
- Western Center on Law and Poverty

FOR MORE INFORMATION

Amy McElroy, *Legislative Aide* Email: <u>Amy.McElroy@asm.ca.gov</u> Phone: 916-319-2030