



BAY AREA SNAPSHOT 2013: AFFORDABLE HOUSING FACTS & FIGURES

Summary

- The foreclosure and economic crisis has severely affected California's rental market. Across the state, the demand for rental housing is increasing.
- The household income of low-income renters is failing to keep pace with inflation while rental rates across the Bay Area continue to rise.
- Bay Area homeownership rates still lag far behind the nation and the state.
- The market is not producing enough of the kind of housing options needed at the lower end of the income scale.

ABOUT THE BAY AREA

What do Bay Area Households Earn?

COUNTY	Area Median Income (AMI)	Extremely Low-Income (30% AMI)	Very Low-income (50% AMI)	Lower-income (80% AMI)	Moderate Income (120% AMI)
Alameda	\$89,200	\$26,750	\$44,600	\$64,400	\$107,040
Contra Costa	\$89,200	\$26,750	\$44,600	\$64,400	\$107,040
Marin	\$101,200	\$31,650	\$52,750	\$84,400	\$121,440
Napa	\$80,600	\$24,550	\$40,900	\$64,400	\$96,720
San Francisco	\$101,200	\$31,650	\$52,750	\$84,400	\$121,440
San Mateo	\$101,200	\$31,650	\$52,750	\$84,400	\$121,440
Santa Clara	\$101,300	\$30,400	\$50,650	\$75,050	\$121,560
Solano	\$78,800	\$23,650	\$39,400	\$63,050	\$94,560
Sonoma	\$74,900	\$23,550	\$39,250	\$62,800	\$89,880
California	\$71,573	\$21,472	\$35,786	\$57,258	\$85,888

Source: HUD, effective as of December 2012, Household size shown is four persons.

Bay Area Households

COUNTY	Total households (2010)	Owner households (2010)	Renter households (2010)	% of total households that are renters (2010)
Alameda	545,138	291,242	253,896	47%
Contra Costa	375,364	251,904	123,460	33%
Marin	103,210	64,637	38,573	37%
Napa	48,876	30,597	18,279	37%
San Francisco	345,811	123,646	222,165	64%
San Mateo	257,837	153,110	104,727	41%
Santa Clara	604,204	348,298	255,906	42%
Solano	141,758	89,648	52,110	37%
Sonoma	185,825	112,280	73,545	40%

Source: US Census, 2010.

HOMEOWNERSHIP SNAPSHOT

Are Bay Area Workers Buying?

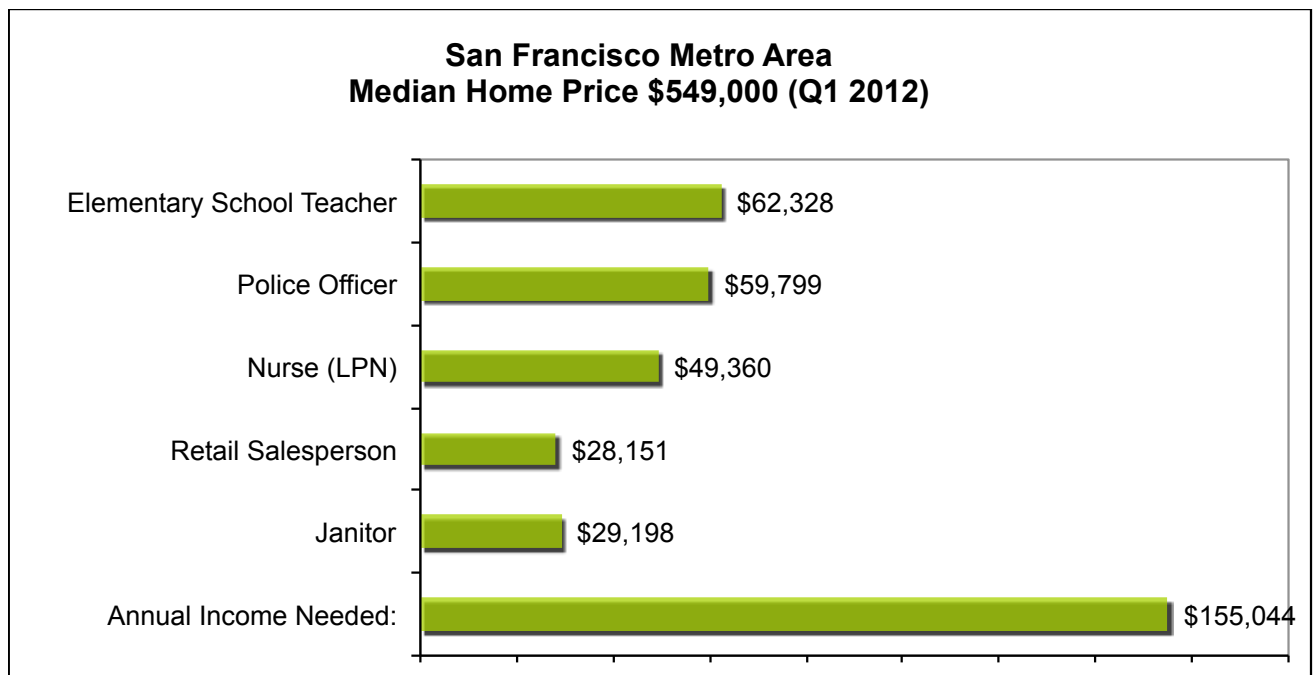
First Time Homebuyer Affordability Index

% of households that can afford to purchase a median-priced home (1st QRT 2013)

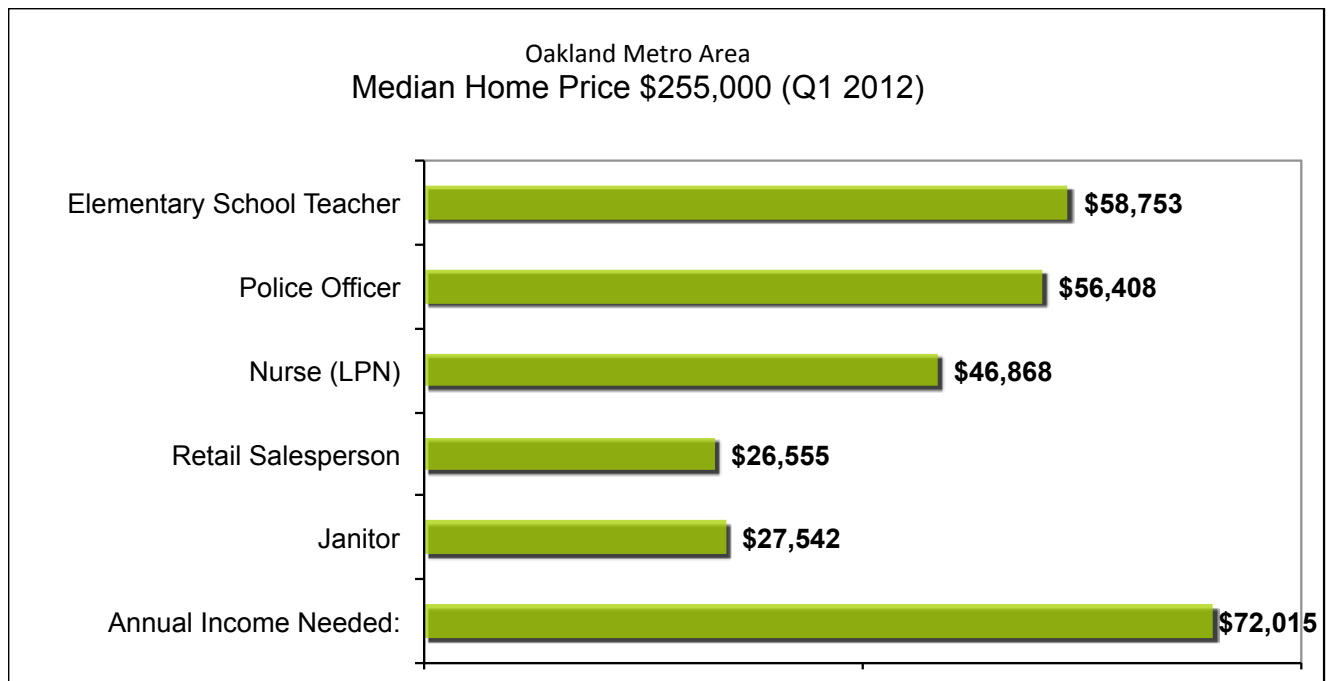
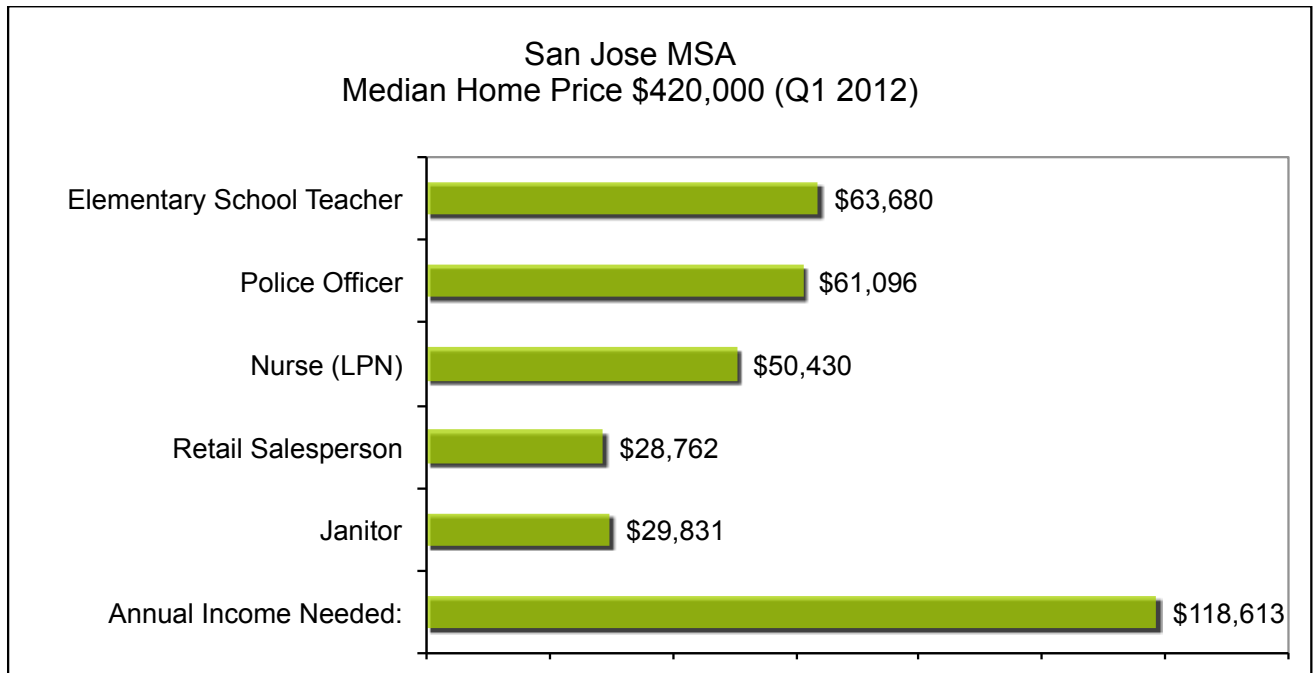
US	79%
California Single Family Homes	62%
California Condo/Townhomes	70%
San Francisco Bay Area	51%

Source: California Association of Realtors 2013

What Does It Take to Afford a Home: Snapshot of Bay Area Metropolitan Areas



What Does it Take to Afford a Home, Continued:



Source: Paycheck to Paycheck, National Housing Conference, First Quarter 2012

Notes: San Francisco MSA includes San Francisco, Marin and San Mateo counties. Oakland MSA includes Alameda and Contra Costa counties. San Jose MSA includes Santa Clara and San Benito Counties.

RENTAL SNAPSHOT

Renter Rates

Sonoma County	38%
Solano County	35%
Santa Clara County	41%
San Mateo County	40%
San Francisco County	63%
Napa County	37%
Marin County	37%
Contra Costa County	32%
Alameda County	45%
California	43%
US	34%

Source: Out of Reach 2013, NLIHC

Fair Market Rents in the Bay Area

The Bay Area still leads the State in cost of renting apartments. In 2012, FMR for a 2-bedroom in San Francisco was \$1,795, affordable to families earning at least \$71,852 per year

COUNTY	Zero bedroom FMR	One bedroom FMR	Two bedroom FMR	Three bedroom FMR	Four bedroom FMR
Alameda	\$892	\$1,082	\$1,361	\$1,901	\$2,332
Contra Costa	\$892	\$1,082	\$1,361	\$1,901	\$2,332
Marin	\$1,093	\$1,423	\$1,795	\$2,438	\$2,948
Napa	\$776	\$973	\$1,302	\$1,858	\$1,864
San Francisco	\$1,093	\$1,423	\$1,795	\$2,438	\$2,948
San Mateo	\$1,093	\$1,423	\$1,795	\$2,438	\$2,948
Santa Clara	\$1,079	\$1,262	\$1,610	\$2,270	\$2,574
Solano	\$739	\$931	\$1,166	\$1,718	\$2,043
Sonoma	\$873	\$1,018	\$1,332	\$1,963	\$2,301

Source: HUD 2013; Out of Reach, 2013, NLIHC

U.S. Department of Housing and Urban Development determines Fair Market Rents (FMRs) for federal housing assistance purposes. The FMR estimates the dollar amount at or below which 40% of standard quality rental housing units are rented (50th percentile used for higher housing costs). FMRs are based on distribution of rents paid by "recent movers," renter households who have moved within the past 15 months. FMRs include cost of shelter and utilities, excluding telephone service and adjusted for the number of bedrooms in the rental unit.

What can renters afford?

COUNTY	Annual AMI (family of 4)	Estimated median renter household income	Rent affordable at median renter income	Percentage of renters unable to afford a 2-bedroom at Fair Market Rent
Alameda	\$89,200	\$43,781	\$1,095	59%
Contra Costa	\$89,200	\$43,889	\$1,097	59%
Marin	\$101,200	\$53,378	\$1,334	63%

Napa	\$80,600	\$43,073	\$1,077	58%
San Francisco	\$101,200	\$55,231	\$1,381	62%
San Mateo	\$101,200	\$61,834	\$1,546	54%
Santa Clara	\$101,300	\$59,390	\$1,485	54%
Solano	\$78,800	\$42,777	\$1,069	54%
Sonoma	\$74,900	\$40,116	\$1,003	62%

Source: HUD, effective as of December 2012; American Community Survey, 2010 5-year estimates. Household size shown is four persons; Out of Reach 2013, NLIHC

What do families need to earn to afford rent?

COUNTY	Income needed to afford:				
	0 bdrm FMR	1 bdrm FMR	2 bdrm FMR	3 bdrm FMR	4 bdrm FMR
Alameda	\$35,680	\$43,280	\$54,440	\$76,040	\$93,280
Contra Costa	\$35,680	\$43,280	\$54,440	\$76,040	\$93,280
Marin	\$43,720	\$56,920	\$71,800	\$97,520	\$117,920
Napa	\$31,040	\$38,920	\$52,080	\$74,320	\$74,560
San Francisco	\$43,720	\$56,920	\$71,800	\$97,520	\$117,920
San Mateo	\$43,720	\$56,920	\$71,800	\$97,520	\$117,920
Santa Clara	\$43,160	\$50,480	\$64,400	\$90,800	\$102,960
Solano	\$29,650	\$37,240	\$46,640	\$68,720	\$81,720
Sonoma	\$34,920	\$40,720	\$53,280	\$78,520	\$92,040

Source: Out of Reach 2013, NLIHC.

How many hours will a person earning minimum wage need to work to afford market rent?

COUNTY	Minimum-wage work-hours per week needed to afford:				
	0 bdrm FMR	1 bdrm FMR	2 bdrm FMR	3 bdrm FMR	4 bdrm FMR
Alameda	86	104	131	183	224
Contra Costa	86	104	131	183	224
Marin	105	137	173	234	283
Napa	75	94	125	179	179
San Francisco	105	137	173	234	283
San Mateo	105	137	173	234	283
Santa Clara	104	121	155	218	248
Solano	71	90	112	165	196
Sonoma	84	98	128	189	221

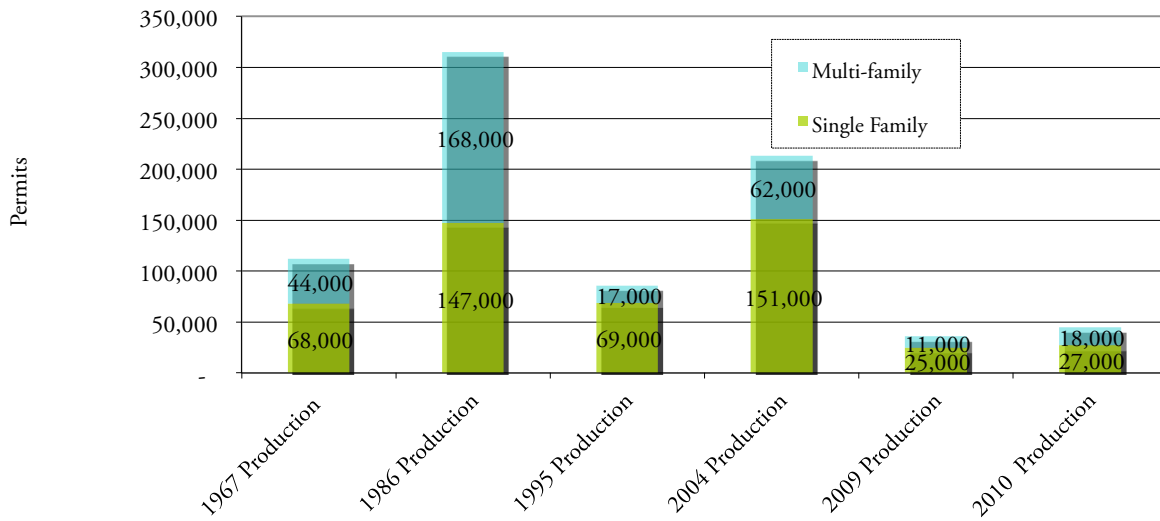
Source: Out of Reach 2013, NLIHC

HOUSING PRODUCTION SNAPSHOT

California needs 220,000 new homes and apartments each year to keep pace with population growth. In the 1980s, California saw 94% of its housing need being met, in the 1990s that dropped to 50%. Multifamily housing production suffered the most; less than 30% of total new construction was multifamily apartments,

down from nearly 67% in 1970. The state has issued the lowest number of new housing permits in 2009 and 2010 since California started tracking housing production statistics in 1967.

Lowest Housing Permits in the Last 55 Years



Source: CAR and Construction Industry Research, 2010