

# WHAT IS AFFORDABLE HOUSING?

**H**ousing in the San Francisco Bay Area is among the most expensive in the nation. Probably, someone you know is struggling under the escalating costs of housing in every Bay Area community.

Several factors combine to create this housing crunch: wages have not kept pace with housing costs; relatively low paying sales and service jobs are proliferating while housing options for lower wage jobs are minimal; new industries in Silicon Valley and other Bay Area towns create a premium demand for any housing; land values remain high and housing production is not meeting demand. All of these factors contribute to the current shortage of affordable housing.



— *Hismen Hin-nu Terrace, Oakland*

*These 92 townhomes and apartments restored a blighted neighborhood with attractive architecture, ground floor retail spaces, and a community center featuring job training.*

**A**ccording to the federal government, housing is considered “affordable” if it costs **no more than 30% of the monthly household income for rent and utilities.**

If your household income is \$60,000 a year, you should pay no more than \$1,500 monthly for your mortgage or rent and utilities. If you are in a sales job, making \$12.00 an hour, you should be paying no more than \$624 dollars a month in rent and utilities.

Every community needs to meet a wide range of housing opportunities.

## **Contemporary affordable housing works for the community**

**M**ost people haven't had an opportunity to find out about contemporary affordable housing. Today's affordable housing serves families, seniors, and people with

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## **Affordable housing provides community-wide benefits**

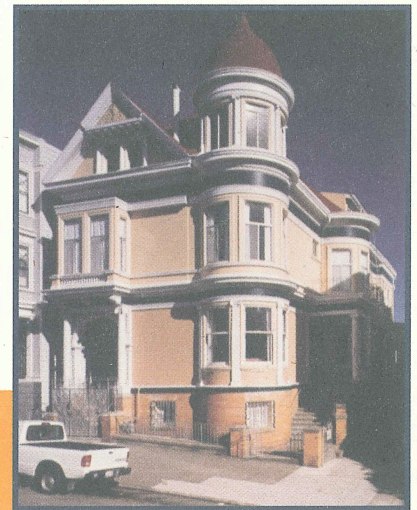
**I**n addition to helping residents, contemporary affordable housing benefits the wider community in significant ways.

Typical benefits include:

- Providing housing for the local workforce, especially lower wage earners
- Revitalizing distressed areas
- Directing economic benefits to the local community, such as increased jobs and sales taxes
- Reducing traffic and improving air quality
- Promoting economic and social integration while building community
- Avoiding unnecessary, costly public expenditures by providing stable living situations for homeless people and people with special needs

— *Ashbury House, San Francisco*

*This restored Victorian provides housing and services for mentally disabled women with children.*





**"F**or every 100 new units of affordable housing construction, eighty jobs are created and more than \$10 million is generated in construction wages, sales taxes on building materials, development fees and property taxes."

— Housing Trust Fund Project  
Economic Benefits of Housing Trust Funds, 1993

**"H**ousing production, especially of units affordable to moderate and lower income households, and high housing prices remain the most serious constraint to the economic health of the region."

— Association of Bay Area Governments (ABAG)  
Projections '96, Summary of Findings

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disabilities. Affordable housing provides a stepping stone for young families, a stable place to get back on one's feet for vulnerable community members, and a cost-effective living situation for persons with special needs. The housing can be ownership or rental, a single duplex or the size of many market-rate apartment complexes. Many developments have won design awards. You may live near an affordable housing development and not know it!

**Contemporary affordable housing is designed to fit with the character of the neighborhood, with high-quality construction and professional management**

**A**ffordable housing developments meet local building standards and design requirements. Professional on-site resident management includes stringent tenant selection and quick responses to maintenance requests.

**An effective private / public partnership with local government**

**A**ffordable housing is developed by private developers, mostly non-profits, many of which are local community or faith-based organizations, using a combination of rental income, private funding and government subsidies. Over the past decade, many communities in the San Francisco Bay Area have shown that partnerships among local government, non-profit housing developers, community leaders and private financial institutions can create attractive, successful affordable housing developments that not only serve residents, but are an asset to the broader community.

At the federal level, massive cuts in the funding available for affordable housing threaten to undermine these productive public / private partnerships because local governments depend upon federal subsidies to stretch their limited funds.