

BAY AREA SNAPSHOT 2009: AFFORDABLE HOUSING FACTS & FIGURES

Summary

- Renters still face the greatest challenges. The household income of low-income renters is failing to keep pace with inflation while rental rates across the Bay Area continue to rise. In 2008, the apartment vacancy rate in the Bay Area steadied at 5.0% after a long decrease due to the addition of some new units.
- Despite the additional inventory rental rates continued to rise. The average rent rose by twelve percent from 2007 to \$1,686.
- 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	\$89,300	\$26,800	\$44,650	\$66,250	\$107,150
Contra Costa	\$89,300	\$26,800	\$44,650	\$66,250	\$107,150
Marin	\$96,800	\$33,950	\$56,550	\$90,500	\$116,150
Napa	\$81,800	\$24,550	\$40,900	\$64,000	\$98,150
San Francisco	\$96,800	\$33,950	\$56,550	\$90,500	\$116,150
San Mateo	\$96,800	\$33,950	\$56,550	\$90,500	\$116,150
Santa Clara	\$105,500	\$31,850	\$53,050	\$84,900	\$126,600
Solano	\$79,400	\$23,800	\$39,700	\$63,500	\$95,300
Sonoma	\$80,200	\$24,050	\$40,100	\$64,000	\$96,250
California	\$72,595				

Source: HCD, effective as of April 2009, Household size shown is four persons.

Bay Area Households

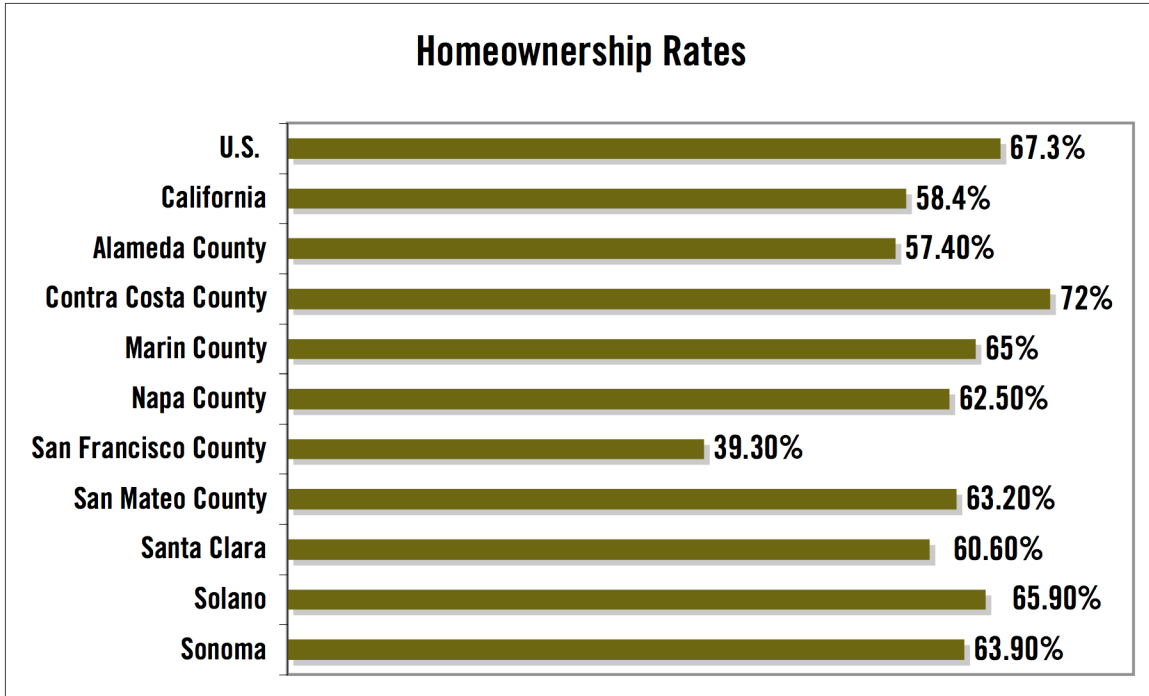
COUNTY	Total households (2000)	Owner households (2000)	Renter households (2000)	% of total households that are renters (2000)
Alameda	523,366	286,306	237,060	45%
Contra Costa	344,129	238,413	105,716	31%
Marin	100,650	64,018	36,632	36%
Napa	45,402	29,564	15,838	35%
San Francisco	329,700	115,315	214,385	65%
San Mateo	254,103	156,264	97,839	39%
Santa Clara	565,863	338,636	227,227	40%
Solano	130,403	84,997	45,406	35%
Sonoma	172,403	110,511	61,892	36%

Source: US Census, 2000.

HOMEOWNERSHIP SNAPSHOT

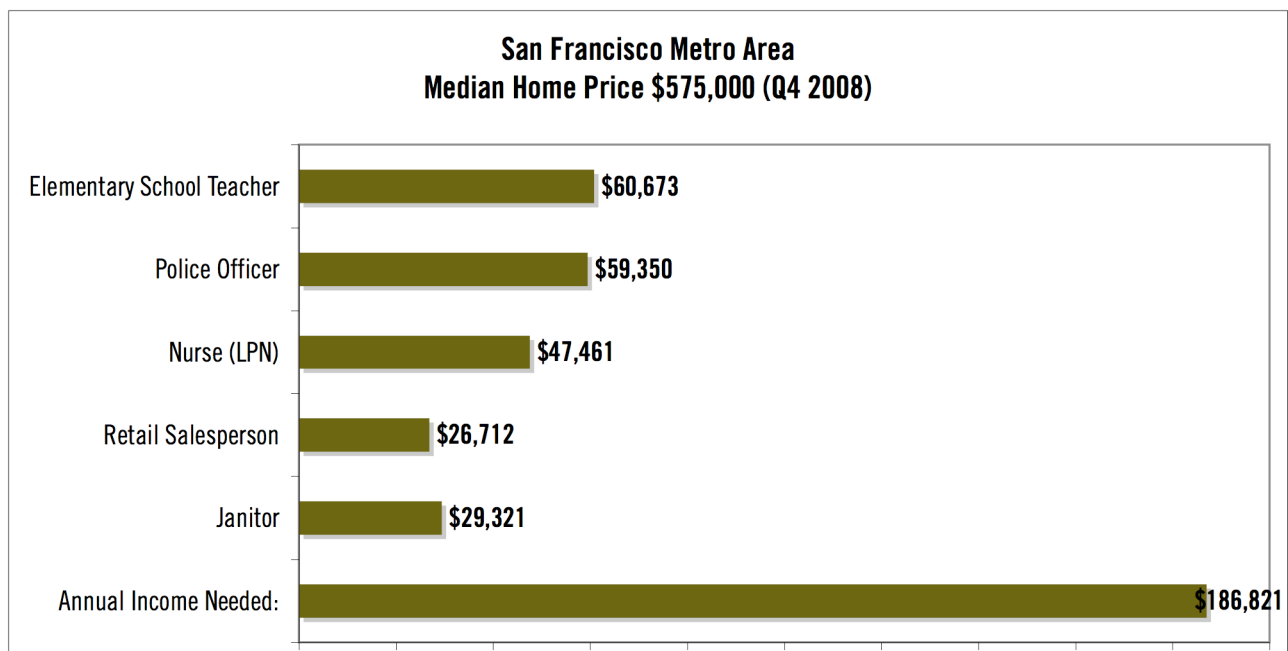
Are Bay Area Workers Buying?

According to the California Budget Project, in August 2007 the median home price in the Bay Area fell to \$656,444 from 723,070. The drop is largely due to the foreclosure crisis, but even at lower prices many workers are still priced out of the homeownership market. Many essential workers do not even make 50% of the income needed to afford the median home price.

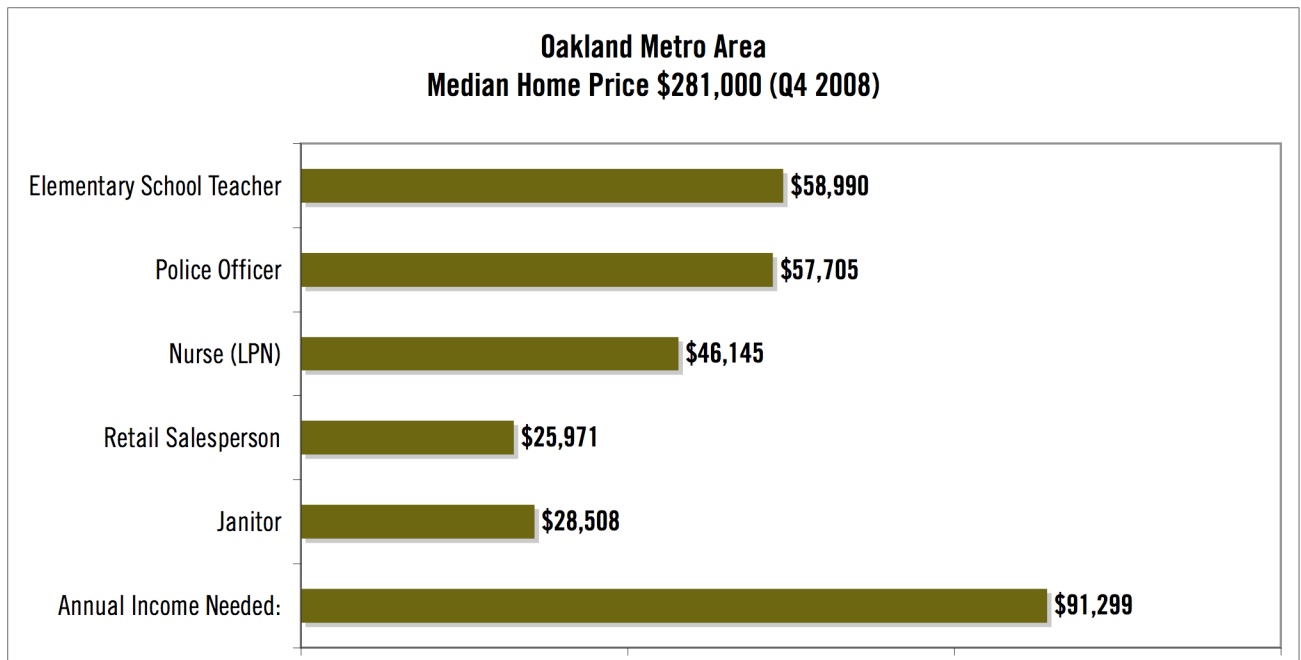
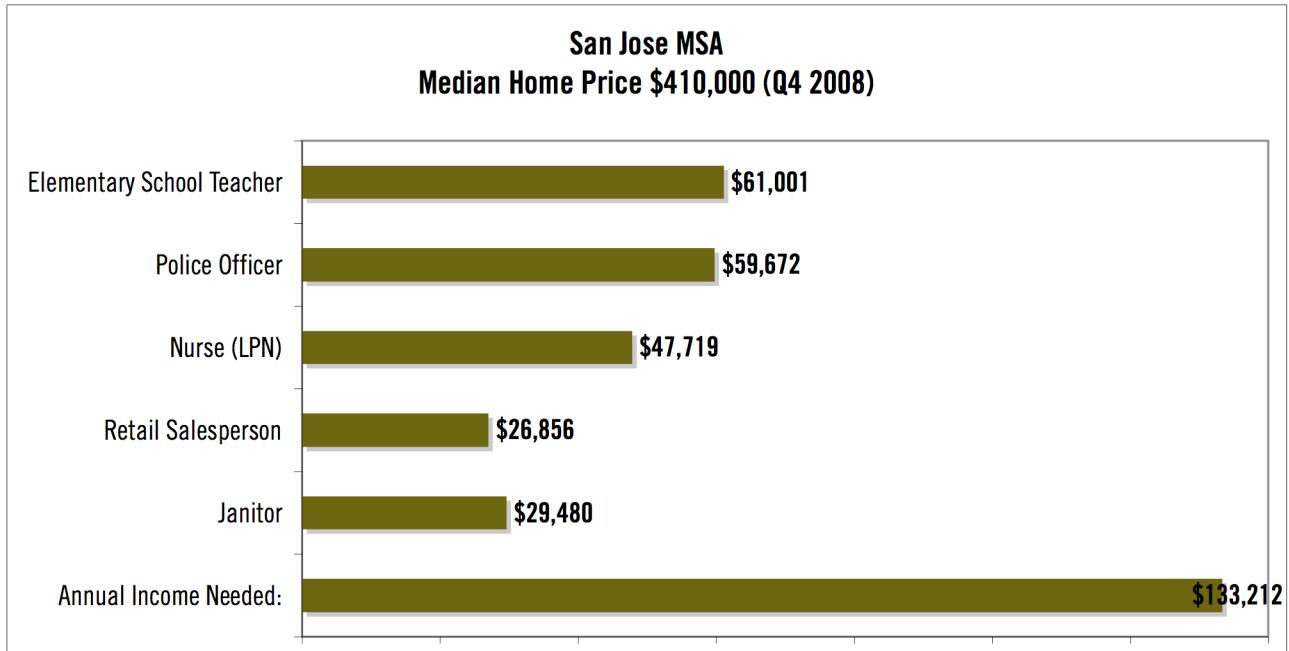


Source: *Locked Out 2008, California Budget Project*

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, Fourth Quarter 2008

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

Fair Market Rents in the Bay Area

The Bay Area still leads the State in cost of renting apartments. In 2009, FMR for a 2-bedroom in San Francisco was \$1,658, affordable to families earning at least \$66,320 per year.

COUNTY	Zero bedroom FMR	One bedroom FMR	Two bedroom FMR	Three bedroom FMR	Four bedroom FMR
Alameda	\$905	\$1,093	\$1,295	\$1,756	\$2,174
Contra Costa	\$905	\$1,093	\$1,295	\$1,756	\$2,174
Marin	\$1,078	\$1,325	\$1,658	\$2,213	\$2,339
Napa	\$890	\$997	\$1,295	\$1,791	\$2,034
San Francisco	\$1,078	\$1,325	\$1,658	\$2,213	\$2,339
San Mateo	\$1,078	\$1,325	\$1,658	\$2,213	\$2,339
Santa Clara	\$961	\$1,113	\$1,338	\$1,924	\$2,118
Solano	\$940	\$1,012	\$1,161	\$1,628	\$2,005
Sonoma	\$844	\$1,026	\$1,296	\$1,839	\$2,150

Source: HUD 2009; Out of Reach, 2009, 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 income	Percentage of renters unable to afford a 2 bedroom at Fair Market Rent
Alameda	\$89,300	\$48,512	\$1,213	53%
Contra Costa	\$89,300	\$52,067	\$1,302	49%
Marin	\$96,800	\$61,434	\$1,536	54%
Napa	\$81,800	\$50,110	\$1,253	52%
San Francisco	\$96,800	\$58,265	\$1,457	56%
San Mateo	\$96,800	\$66,625	\$1,666	49%
Santa Clara	\$105,500	\$68,362	\$1,709	40%
Solano	\$79,400	\$47,479	\$1,187	49%
Sonoma	\$80,200	\$48,574	\$1,214	53%

Source: Out of Reach 2009, NLIHC

What families need to earn to afford rent

	Income needed to afford:				
COUNTY	0 bdrm FMR	1 bdrm FMR	2 bdrm FMR	3 bdrm FMR	4 bdrm FMR
Alameda	\$36,200	\$43,720	\$51,800	\$70,240	\$86,960
Contra Costa	\$36,200	\$43,720	\$51,800	\$70,240	\$86,960
Marin	\$43,120	\$53,000	\$66,320	\$88,520	\$93,560
Napa	\$35,600	\$39,880	\$51,800	\$71,640	\$81,360
San Francisco	\$43,120	\$53,000	\$66,320	\$88,520	\$93,560
San Mateo	\$43,120	\$53,000	\$66,320	\$88,520	\$93,560
Santa Clara	\$38,440	\$44,520	\$53,520	\$76,960	\$84,720
Solano	\$37,600	\$40,480	\$46,440	\$65,120	\$80,200
Sonoma	\$33,760	\$41,040	\$51,840	\$73,560	\$86,000

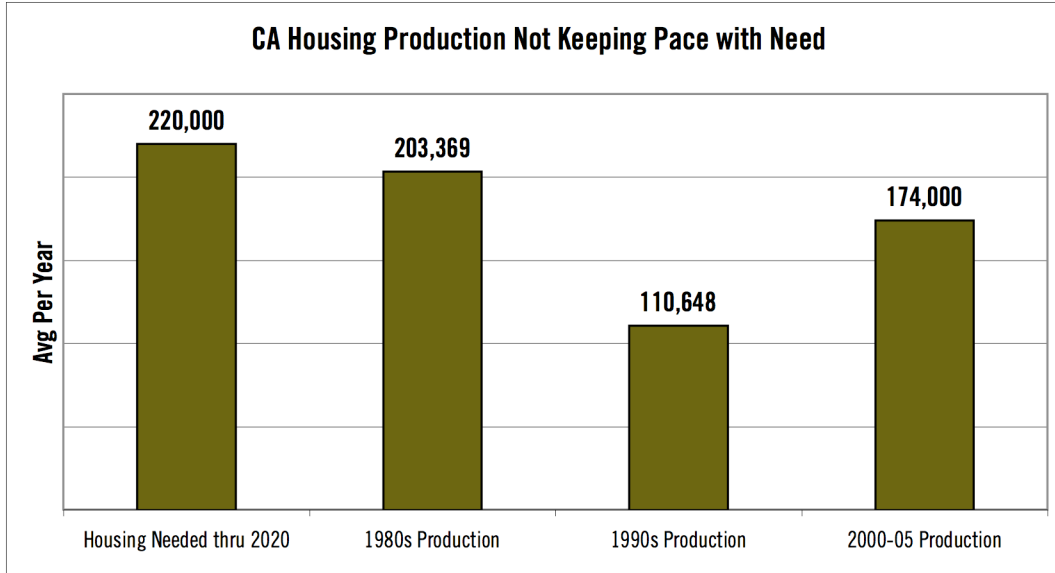
Source: *Out of Reach 2009, NLIHC.*

	Minimum-wage work-hours per week needed to afford:				
COUNTY	0 bdrm FMR	1 bdrm FMR	2 bdrm FMR	3 bdrm FMR	4 bdrm FMR
Alameda	87	105	125	169	209
Contra Costa	87	105	125	169	209
Marin	104	127	159	213	225
Napa	86	96	125	172	196
San Francisco	104	127	159	213	225
San Mateo	104	127	159	213	225
Santa Clara	92	107	129	185	204
Solano	90	97	112	157	193
Sonoma	81	99	125	177	207

Source: *Out of Reach 2009, NLIHC.*

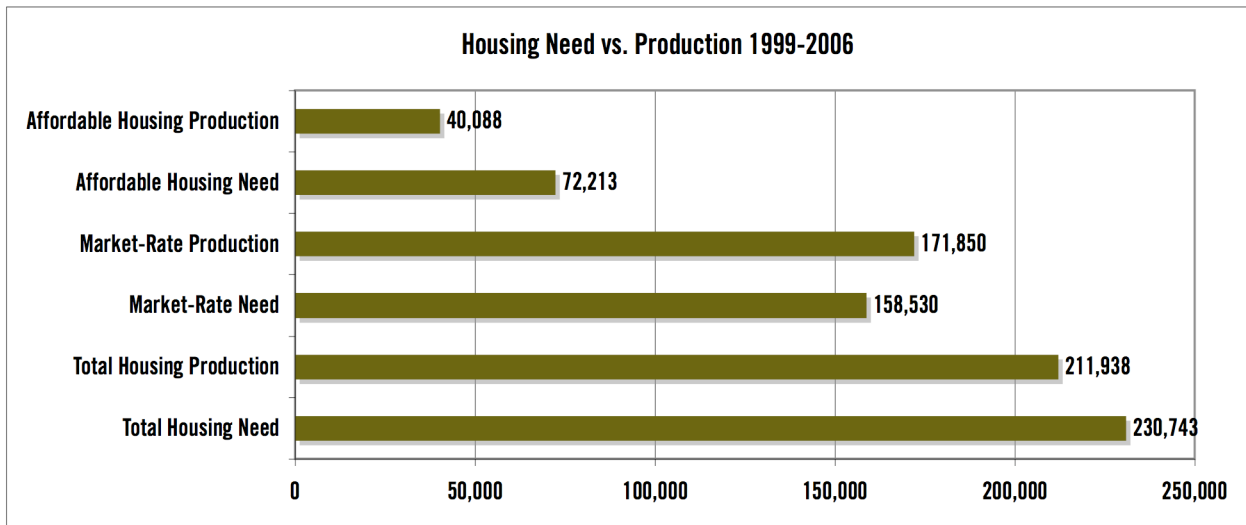
HOUSING PRODUCTION SNAPSHOT

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.



Source: HCD (*Raising the Roof*)

While the Bay Area is producing close to its overall need, it is not creating enough affordable housing options. Bay Area cities from 1999-2006 produced 56% of housing needed for very-low and low-income households, while producing 108% of housing needed for moderate- and above-moderate income households.



Source: *A Place to Call Home 2007*, Association of Bay Area Governments

Notes: Affordable housing includes the income categories of very low and low. Market-rate housing includes the income categories of moderate and above moderate.