



BAY AREA SNAPSHOT 2012: 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 and supply of new housing is decreasing. Housing production is at an all time low.
- 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	\$93,500	\$28,050	\$46,750	\$65,350	\$112,200
Contra Costa	\$93,500	\$28,050	\$46,750	\$65,350	\$112,200
Marin	\$103,000	\$33,300	\$55,500	\$88,800	\$123,600
Napa	\$86,100	\$25,850	\$43,050	\$65,000	\$103,320
San Francisco	\$103,000	\$33,300	\$55,500	\$88,800	\$123,600
San Mateo	\$103,000	\$33,300	\$55,500	\$88,800	\$123,600
Santa Clara	\$105,000	\$31,500	\$52,500	\$75,700	\$126,000
Solano	\$82,600	\$24,800	\$41,300	\$65,000	\$99,120
Sonoma	\$82,600	\$24,800	\$41,300	\$65,000	\$99,120
California	\$71,400	\$21,400	\$35,700	\$57,100	\$85,680

Source: HUD, effective as of December 2011, 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?

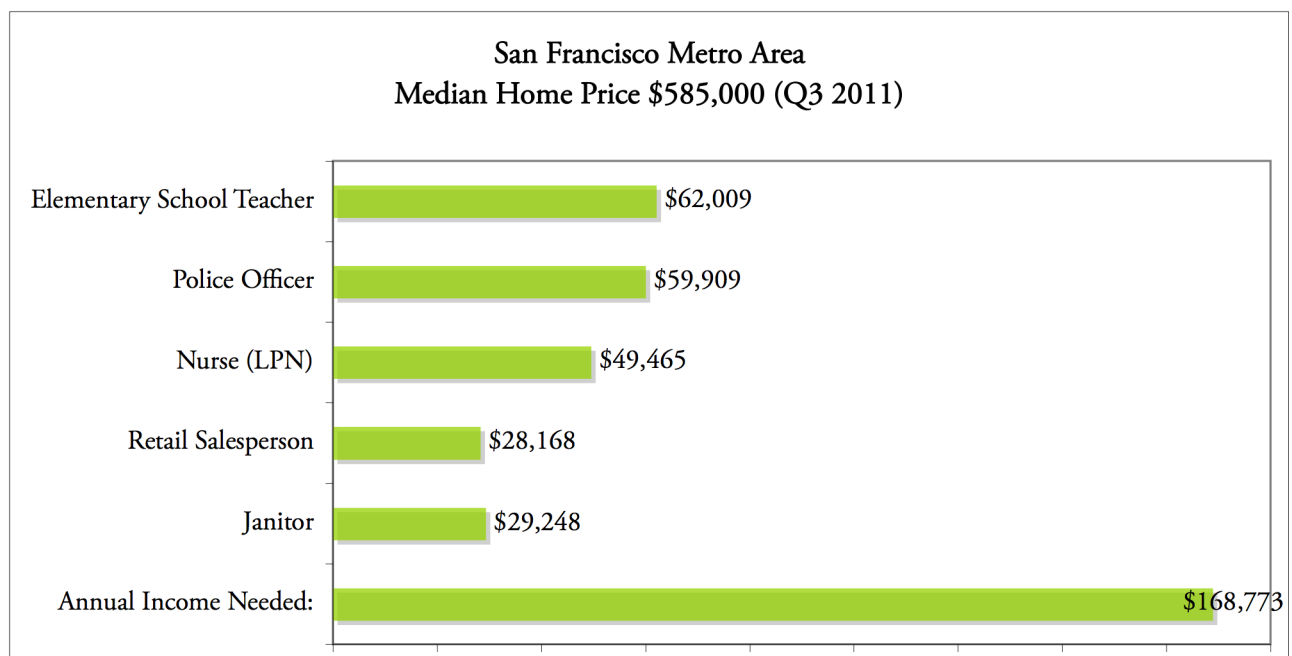
First Time Homebuyer Affordability Index

% of households that can afford to purchase a median-priced home (4th QRT 2011)

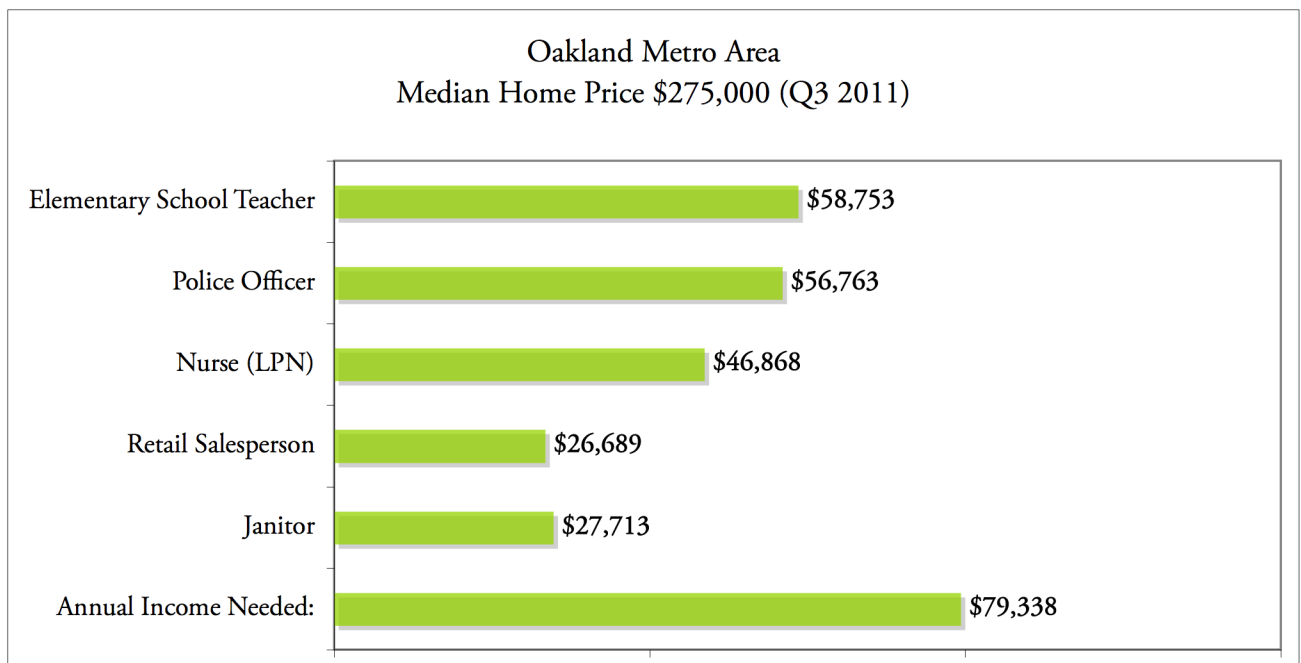
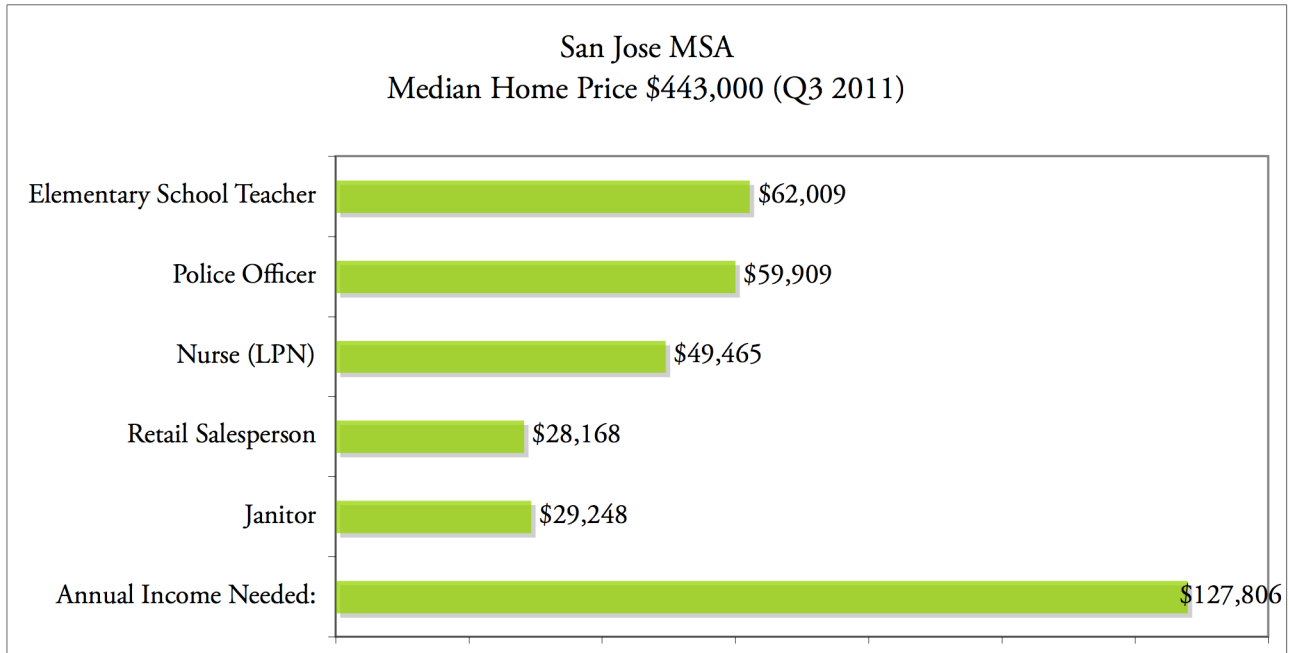
US	70%
California	55%
San Francisco Bay Area	42%

Source: CAR and Construction Industry Research 2011

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



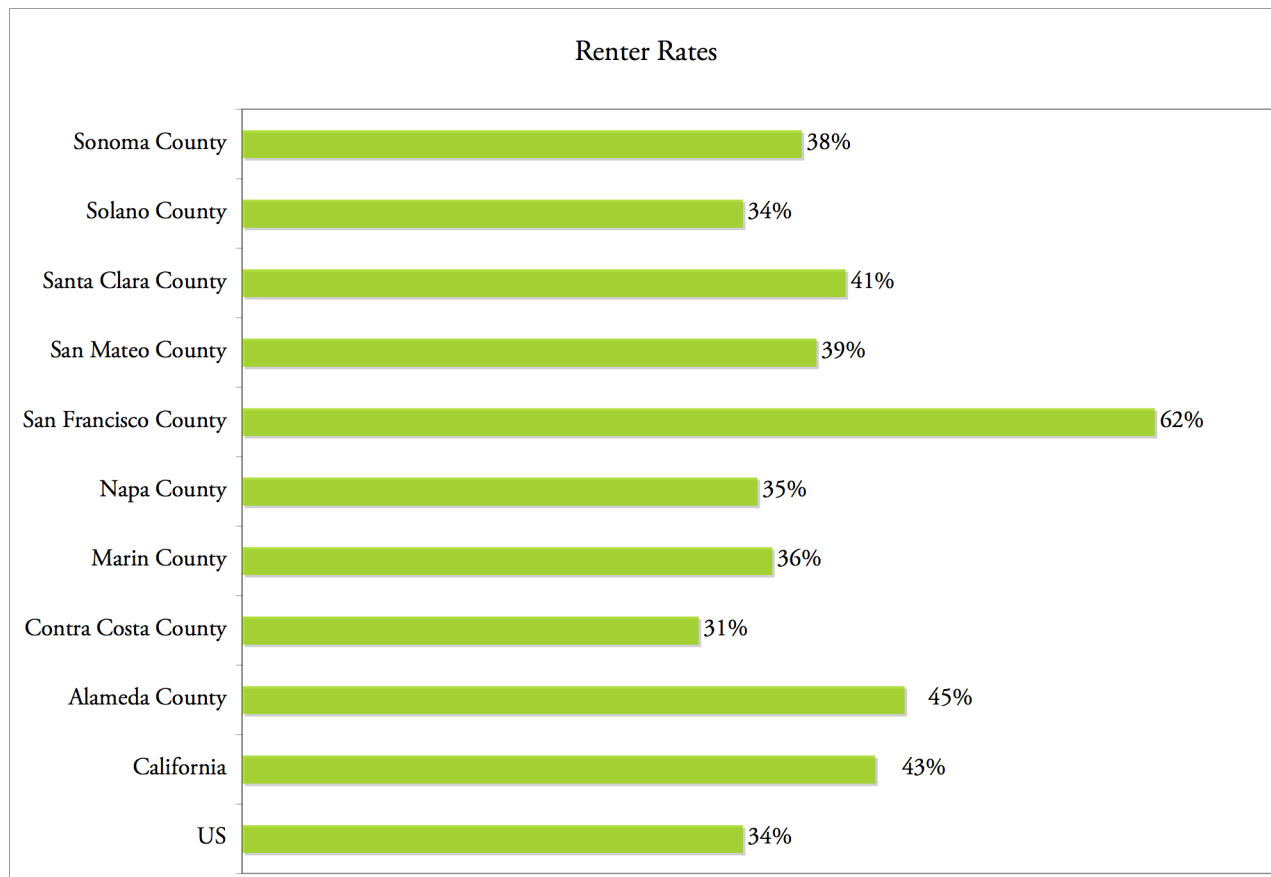
What Does it Take to Afford a Home, Continued:



Source: Paycheck to Paycheck, National Housing Conference, Third Quarter 2011

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



Source: *Out of Reach 2011, 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 \$1,905, affordable to families earning at least \$76,200 per year; this is a four percent increase from 2011.

COUNTY	Zero bedroom FMR	One bedroom FMR	Two bedroom FMR	Three bedroom FMR	Four bedroom FMR
Alameda	\$980	\$1,183	\$1,402	\$1,901	\$2,354
Contra Costa	\$980	\$1,183	\$1,402	\$1,901	\$2,354
Marin	\$1,238	\$1,522	\$1,905	\$2,543	\$2,688
Napa	\$898	\$1,006	\$1,307	\$1,808	\$2,053
San Francisco	\$1,238	\$1,522	\$1,905	\$2,543	\$2,688
San Mateo	\$1,238	\$1,522	\$1,905	\$2,543	\$2,688
Santa Clara	\$1,165	\$1,350	\$1,623	\$2,334	\$2,569
Solano	\$995	\$1,072	\$1,229	\$1,723	\$2,122
Sonoma	\$767	\$933	\$1,178	\$1,672	\$1,954

Source: HUD 2012; *Out of Reach, 2012, 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	\$93,500	\$43,887	\$1,097	59%
Contra Costa	\$93,500	\$44,711	\$1,118	58%
Marin	\$103,000	\$53,800	\$1,345	64%
Napa	\$86,100	\$43,961	\$1,099	55%
San Francisco	\$103,000	\$53,716	\$1,343	64%
San Mateo	\$103,000	\$60,691	\$1,517	58%
Santa Clara	\$105,000	\$58,959	\$1,474	53%
Solano	\$82,600	\$43,357	\$1,084	54%
Sonoma	\$82,600	\$42,320	\$1,058	53%

Source: HUD, effective as of December 2011; ACS, 2010 5-year estimates; Out of Reach 2012, 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	\$39,200	\$47,320	\$56,080	\$76,040	\$94,160
Contra Costa	\$39,200	\$47,320	\$56,080	\$76,040	\$94,160
Marin	\$49,500	\$60,880	\$76,200	\$101,720	\$107,520
Napa	\$35,920	\$40,240	\$52,280	\$72,320	\$82,120
San Francisco	\$49,520	\$60,880	\$76,200	\$101,720	\$107,520
San Mateo	\$49,520	\$60,880	\$76,200	\$101,720	\$107,520
Santa Clara	\$46,600	\$54,000	\$64,920	\$93,360	\$102,760
Solano	\$39,800	\$42,880	\$49,160	\$68,920	\$84,880
Sonoma	\$30,680	\$37,320	\$47,120	\$66,880	\$78,160

Source: Out of Reach 2012, NLIHC.

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

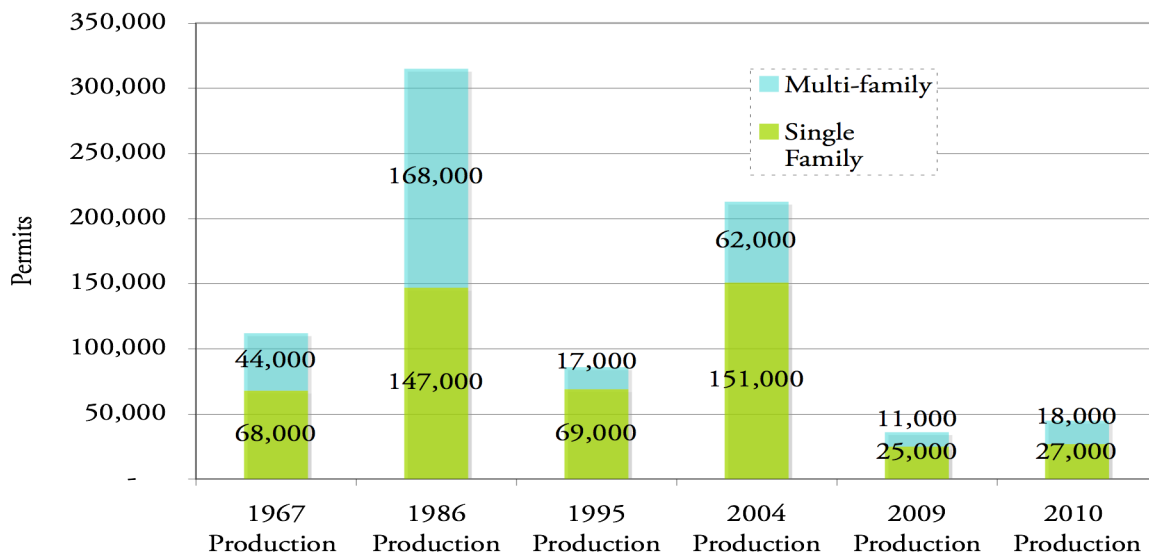
COUNTY	Minimum-wage work-hours per week needed to afford:				
	0 bdrm FMR	1 bdrm FMR	2 bdrm FMR	3 bdrm FMR	4 bdrm FMR
Alameda	94	114	135	183	226
Contra Costa	94	114	135	183	226
Marin	119	146	183	245	258
Napa	86	97	126	174	197
San Francisco	119	146	183	245	258
San Mateo	119	146	183	245	258
Santa Clara	112	130	156	224	247
Solano	96	103	118	166	204
Sonoma	73	90	113	161	188

Source: HUD Fair Market Rent Documentation, 2012.

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