



BAY AREA SNAPSHOT 2011: AFFORDABLE HOUSING FACTS & FIGURES

Summary

- The foreclosure crisis has hit California especially hard. More than half a million homes went into foreclosure last year. Five California metropolitan areas continue to be in the top ten foreclosure filings in 2010.
- 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	\$90,300	\$27,100	\$45,150	\$64,400	\$108,360
Contra Costa	\$90,300	\$27,100	\$45,150	\$64,400	\$108,360
Marin	\$107,500	\$32,250	\$53,750	\$86,000	\$129,000
Napa	\$81,800	\$24,540	\$40,900	\$65,440	\$98,160
San Francisco	\$107,500	\$32,250	\$53,750	\$86,000	\$129,000
San Mateo	\$107,500	\$32,250	\$53,750	\$86,000	\$129,000
Santa Clara	\$103,500	\$31,050	\$51,750	\$80,700	\$124,200
Solano	\$79,200	\$23,750	\$39,600	\$63,350	\$95,040
Sonoma	\$80,400	\$24,100	\$40,200	\$64,300	\$96,480
California	\$78,869				

Source: HUD, effective as of June 2010, 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?

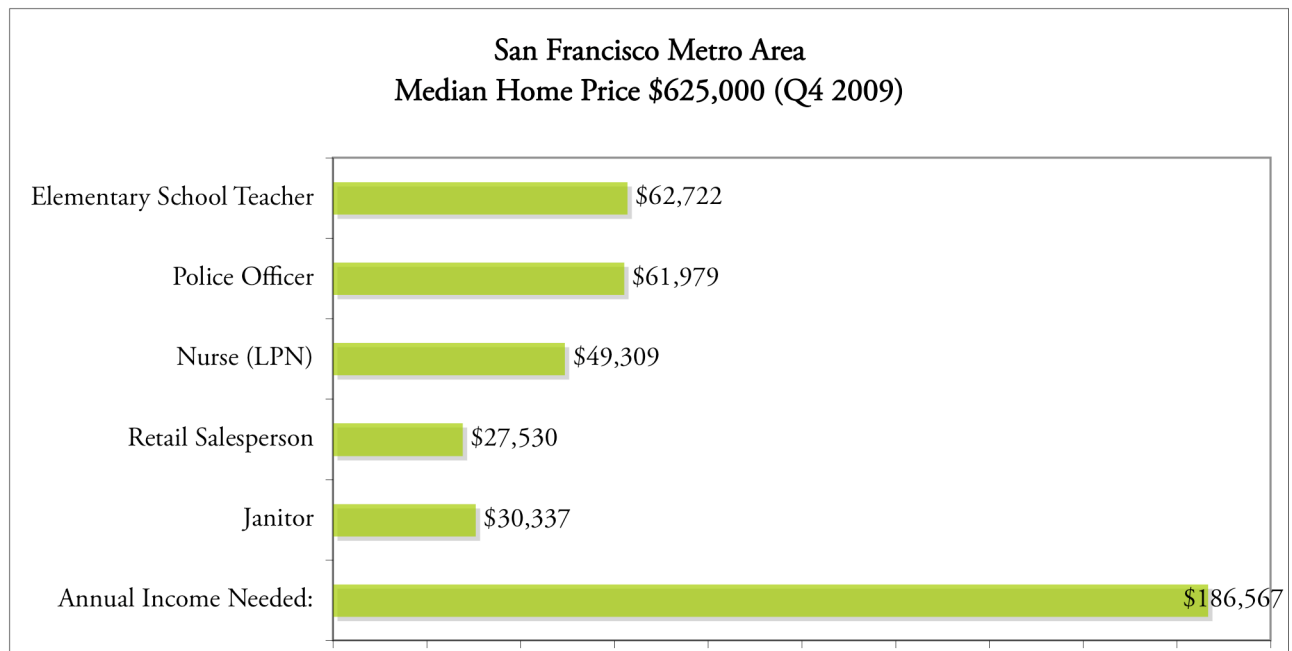
First Time Homebuyer Affordability Index

% of households that can afford to purchase a median-priced home (4th QRT 2010)

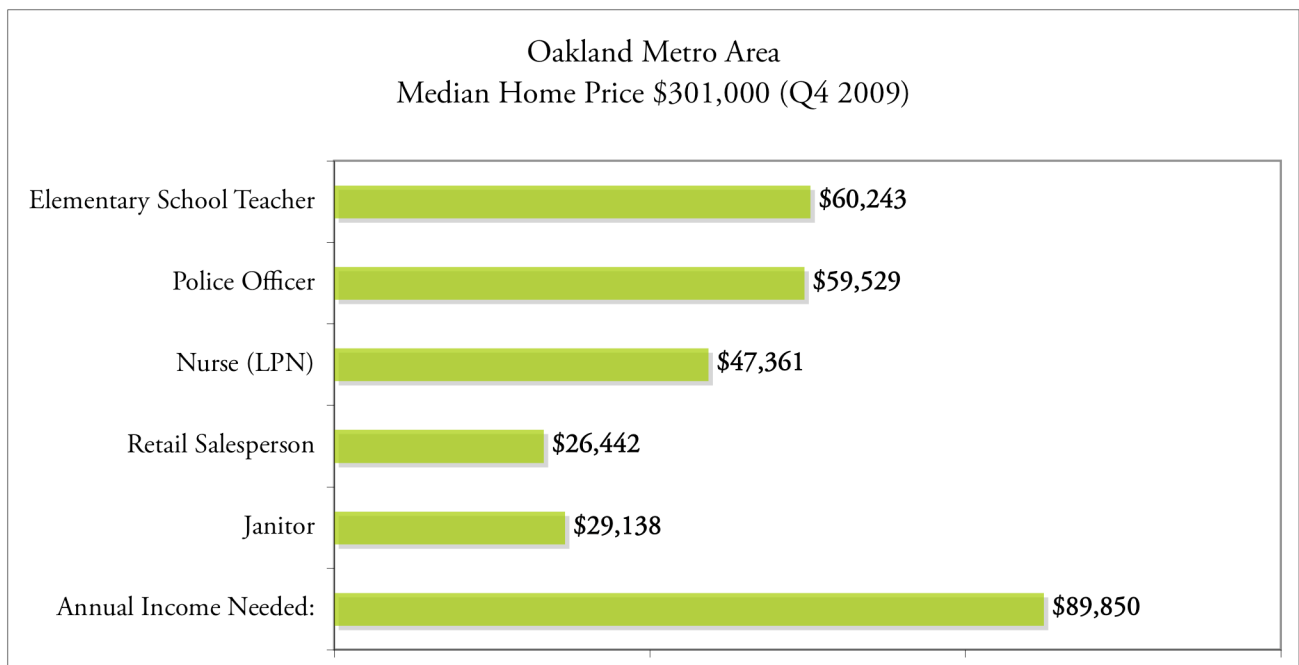
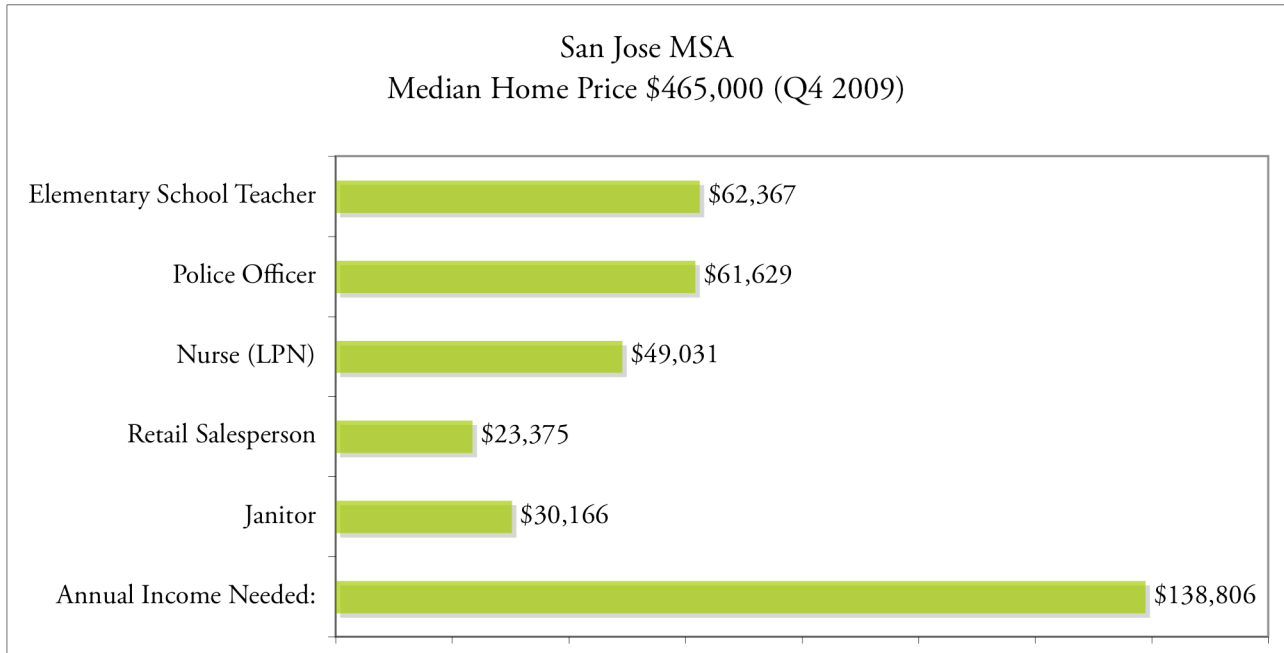
US	80%
California	69%
Southern California	68%
San Francisco Bay Area	55%

Source: CAR and Construction Industry Research 2010

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



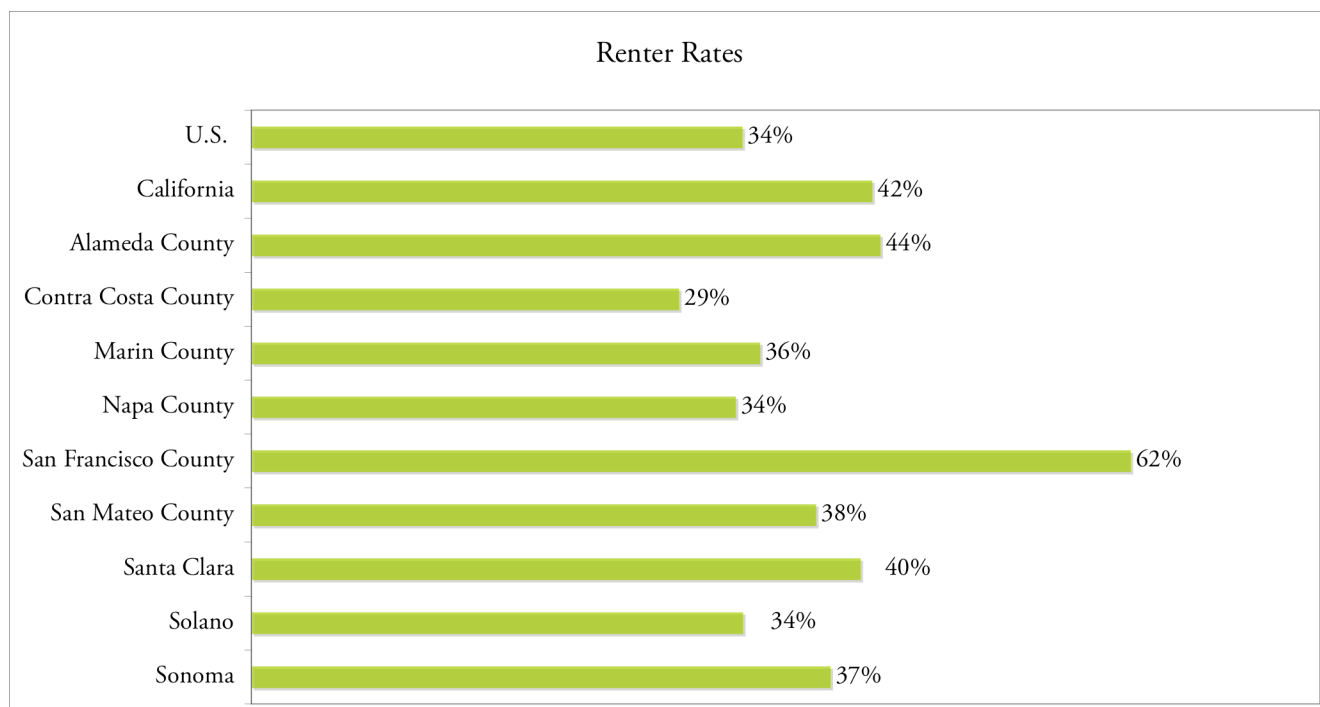
What Does it Take to Afford a Home, Continued:



Source: Paycheck to Paycheck, National Housing Conference, Fourth Quarter 2009

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 2011, FMR for a 2-bedroom in San Francisco was \$1,833, affordable to families earning at least \$70,400 per year; this is a 25 percent increase from 2010.

COUNTY	Zero bedroom FMR	One bedroom FMR	Two bedroom FMR	Three bedroom FMR	Four bedroom FMR
Alameda	\$974	\$1,176	\$1,393	\$1,889	\$2,339
Contra Costa	\$963	\$1,162	\$1,377	\$1,867	\$2,312
Marin	\$1,191	\$1,465	\$1,833	\$2,447	\$2,586
Napa	\$969	\$1,080	\$1,410	\$1,950	\$2,215
San Francisco	\$1,144	\$1,406	\$1,833	\$2,350	\$2,483
San Mateo	\$1,144	\$1,406	\$1,760	\$2,350	\$2,483
Santa Clara	\$1,222	\$1,416	\$1,702	\$2,447	\$2,694
Solano	\$1,023	\$1,101	\$1,263	\$1,771	\$2,181
Sonoma	\$842	\$1,024	\$1,293	\$1,835	\$2,145

Source: HUD 2011; *Out of Reach, 2011, 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	\$91,311	\$45,224	\$1,131	58%
Contra Costa	\$91,311	\$44,511	\$1,113	51%
Marin	\$102,070	\$58,177	\$1,454	60%
Napa	\$81,800	\$45,556	\$1,139	58%
San Francisco	\$108,070	\$59,897	\$1,422	61%
San Mateo	\$102,070	\$61,867	\$1,547	57%
Santa Clara	\$104,570	\$58,729	\$1,468	56%
Solano	\$79,001	\$41,559	\$1,039	58%
Sonoma	\$80,600	\$42,961	\$1,074	57%

Source: *Out of Reach 2011, 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	\$38,960	\$47,040	\$55,720	\$75,560	\$93,560
Contra Costa	\$38,520	\$46,480	\$55,080	\$74,680	\$92,480
Marin	\$47,640	\$56,240	\$73,320	\$97,880	\$103,440
Napa	\$38,769	\$43,400	\$56,400	\$78,000	\$88,600
San Francisco	\$45,760	\$56,240	\$70,400	\$94,000	\$99,320
San Mateo	\$45,760	\$56,240	\$70,400	\$94,000	\$99,320
Santa Clara	\$48,880	\$56,640	\$68,080	\$97,880	\$107,760
Solano	\$40,920	\$44,040	\$50,520	\$70,840	\$87,240
Sonoma	\$33,680	\$40,960	\$51,720	\$73,400	\$85,800

Source: *Out of Reach 2011, NLIHC*.

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

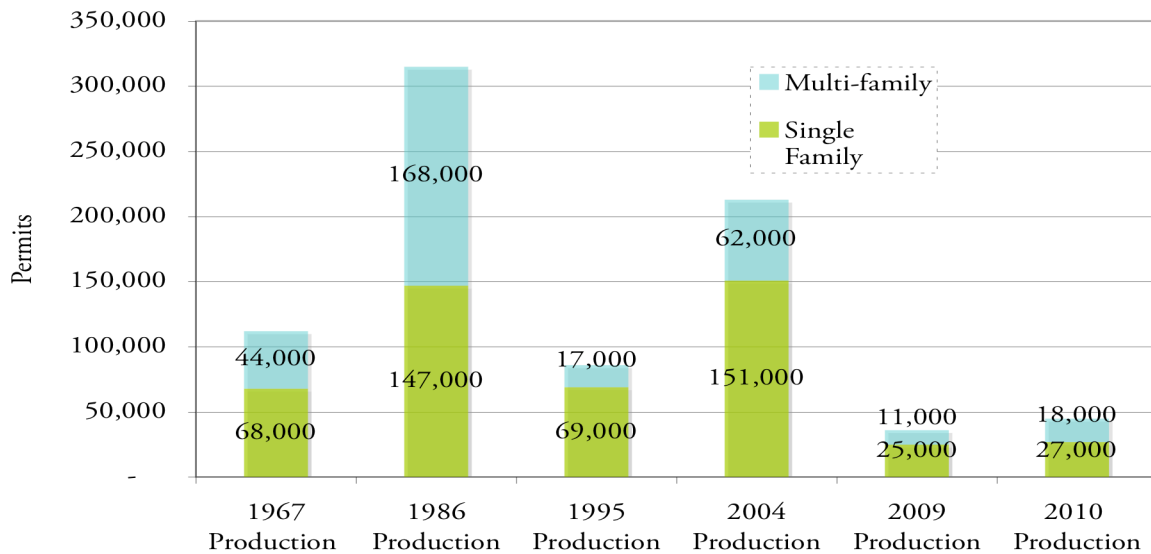
COUNTY	Minimum-wage work-hours per week needed to afford:				
	0 bdrm FMR	1 bdrm FMR	2 bdrm FMR	3 bdrm FMR	4 bdrm FMR
Alameda	44	113	134	182	225
Contra Costa	93	112	132	180	222
Marin	115	141	176	235	249
Napa	93	104	136	188	213
San Francisco	110	135	169	226	239
San Mateo	110	135	169	226	239
Santa Clara	118	136	164	235	259
Solano	98	106	121	170	210
Sonoma	81	98	124	176	206

Source: *Out of Reach 2011, 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