



# **LOCKED OUT 2004:** **California's Affordable** **Housing Crisis**



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## **CALIFORNIA BUDGET PROJECT**

The California Budget Project (CBP) was founded in 1994 to provide Californians with a source of timely, objective and accessible expertise on state fiscal and economic policy issues. The CBP engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians. Support for the CBP comes from foundation grants, publications, and individual contributions. This report was prepared by Erin Riches.

California Budget Project  
921 11<sup>th</sup> Street, Suite 502  
Sacramento, CA 95814  
(916) 444-0500  
(916) 444-0172 (fax)  
[cbp@cbp.org](mailto:cbp@cbp.org)  
[www.cbp.org](http://www.cbp.org)

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# **LOCKED OUT 2004: CALIFORNIA'S AFFORDABLE HOUSING CRISIS**

## **INTRODUCTION**

California continues to suffer from a lack of housing that is affordable for even middle-income families. Workers face long commutes between housing they can afford and their jobs, and the high cost of housing leaves families with less income to spend on other necessities. The California Budget Project (CBP) has previously documented California's housing crisis.<sup>1</sup> These reports found that, while renters faced the greatest affordability challenges, high housing costs had pushed homeownership out of reach for many families. As housing costs rose, some families could only afford to live in overcrowded or substandard housing, many families struggled to leave welfare for work, and households across a broad array of age groups and ethnic and racial backgrounds faced significant cost burdens. The reports called for an increased federal commitment to affordable housing in California, more effective use of existing resources for state housing, and increased state support for housing.

In recent years, substantial attention has been focused on the affordable housing problem. The 2000-01 Budget provided a significant infusion of state funds. In November 2002, voters approved Proposition 46, the Housing and Emergency Shelter Trust Fund Act of 2002, providing \$2.1 billion for housing programs. The state's fiscal crisis, however, has reduced state funds available to expand the supply of affordable housing; to meet this challenge, the Legislature has replaced program funding with bond proceeds.

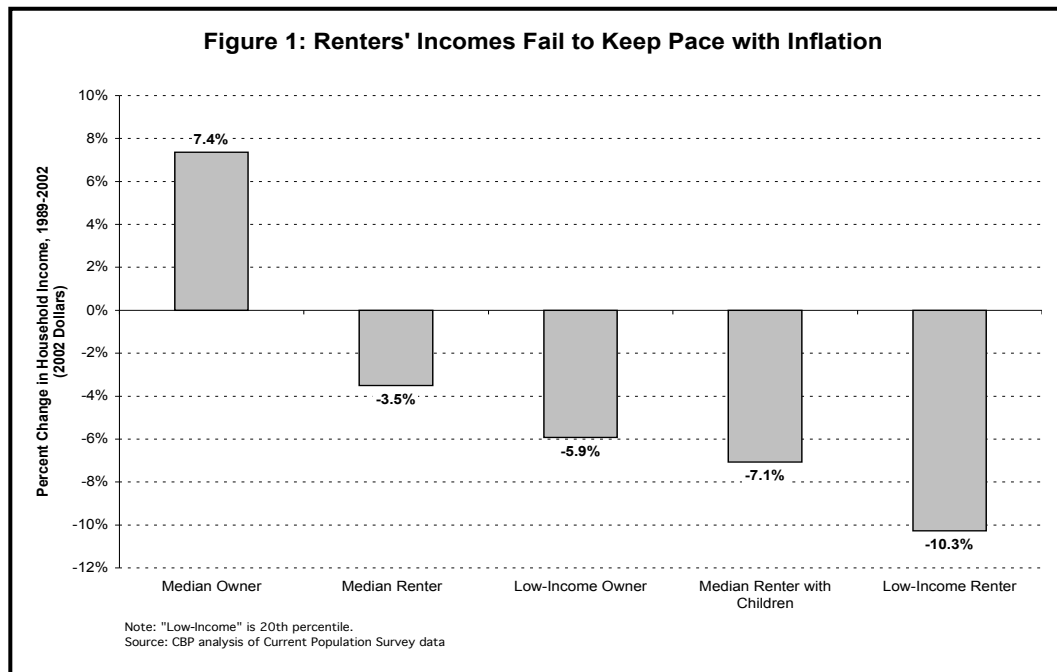
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<sup>1</sup> California Budget Project, *Locked Out: California's Affordable Housing Crisis* (May 2000); *Still Locked Out: New Data Confirm That California's Housing Affordability Crisis Continues* (March 2001); and *Locked Out 2002: California's Affordable Housing Crisis Continues* (October 2002).

# CALIFORNIANS' HOUSEHOLD INCOMES ARE NOT KEEPING UP WITH HOUSING COSTS

## Renters' Incomes Are Falling Behind

Stagnating household incomes have exacerbated the state's affordable housing problems. The household income of the median homeowner has increased, although low-income homeowners' incomes have dropped significantly. However, the household income of the median renter has failed to keep pace with inflation; the incomes of low-income renters, in particular, registered the largest decline between 1989 and 2002, after adjusting for inflation.



The household income of low-income renters – those at the 20<sup>th</sup> percentile – fell 10.3 percent, from \$16,249 to \$14,580, between 1989 and 2002, after adjusting for inflation (Figure 1). The median household income for renters with children fell 7.1 percent during the same period, from \$33,361 to \$31,001, after adjusting for inflation.<sup>2</sup>

## Many California Households Experience Housing Cost Burdens

Renter and owner households across California struggle to meet their housing costs. Many pay significantly more than the recommended 30 percent of their income toward shelter. Low-income households, in particular, are struggling with housing costs, with many spending more than half of their incomes on housing.

<sup>2</sup> CBP analysis of March 2003 Current Population Survey data.



## Housing Affordability in Orange County

In Orange County, both renters and homeowners face serious housing cost burdens. Nearly half (47.5 percent) of renter households in Orange County pay more than the recommended 30 percent of their income for shelter (Table 1). Low-income renter households – those with annual household incomes under \$20,000 – fare even worse; nearly nine out of ten (88.6 percent) spend more than 30 percent of their income on shelter.<sup>3</sup> Low-income homeowners are also hit hard by housing costs, with 59.3 percent spending more than half of their income for shelter. Even renters and owners with moderate household incomes – between \$20,000 and \$40,000 – struggle with housing costs, with 26.5 percent of renters and 49.6 percent of owners paying more than 30 percent of their income toward shelter.

<b>Table 1: Housing Affordability, Orange County (2002)</b>				
	<u><b>Renters</b></u>		<u><b>Homeowners</b></u>	
	<b>Percentage of Households</b>	<b>Number of Households</b>	<b>Percentage of Households</b>	<b>Number of Households</b>
Total Households Paying More Than 30% of Their Income for Housing	47.5%	158,720	32.0%	190,410
Total Households Paying More Than 50% of Their Income for Housing	21.8%	72,875	12.4%	73,452
Households Below \$20,000 Paying More Than 30% of Their Income for Housing	88.6%	52,422	79.6%	37,169
Households Below \$20,000 Paying More Than 50% of Their Income for Housing	73.2%	43,318	59.3%	27,694
Households Between \$20,000 and \$40,000 Paying More Than 30% of Their Income for Housing	26.5%	17,541	49.6%	44,677

Source: CBP analysis of American Housing Survey data

More than one-third (37.0 percent) of senior owner households in Orange County – those headed by individuals age 65 years or older – pay more than 30 percent of their income toward shelter (Table 2).

<b>Table 2: Housing Affordability for Senior Homeowners, Orange County (2002)</b>		
	<b>Percentage of Households</b>	<b>Number of Households</b>
Senior-Headed Households Paying More Than 30% of Their Income for Housing	37.0%	54,425
Senior-Headed Households Paying More Than 50% of Their Income for Housing	18.0%	26,455

Source: CBP analysis of American Housing Survey data

<sup>3</sup> The 2003 federal poverty level (FPL) for a family of four is \$18,400 per year.

## Housing Affordability in the Inland Empire

Although housing in the Inland Empire – which includes Riverside and San Bernardino counties – is somewhat more affordable than in Orange County, a large share of Inland Empire renters and owners pay more than the recommended 30 percent of their income for shelter. Among renter households, 42.6 percent pay more than the recommended 30 percent of their income for shelter (Table 3). Similar to Orange County, 80.4 percent of low-income renter households – those with annual household incomes under \$20,000 – spend more than 30 percent of their income on rent. Among low-income homeowners in the Inland Empire, 42.8 percent spend more than half of their income for shelter. Among renters and owners with moderate household incomes – between \$20,000 and \$40,000 – 41.7 percent of renters and 47.5 percent of owners pay more than 30 percent of their income toward shelter.

<b>Table 3: Housing Affordability, Inland Empire (2002)</b>				
	<b>Renters</b>		<b>Homeowners</b>	
	<b>Percentage of Households</b>	<b>Number of Households</b>	<b>Percentage of Households</b>	<b>Number of Households</b>
Total Households Paying More Than 30% of Their Income for Housing	42.6%	129,727	29.8%	228,124
Total Households Paying More Than 50% of Their Income for Housing	18.5%	56,386	11.8%	90,461
Households Below \$20,000 Paying More Than 30% of Their Income for Housing	80.4%	77,129	66.6%	61,607
Households Below \$20,000 Paying More Than 50% of Their Income for Housing	48.3%	46,356	42.8%	39,583
Households Between \$20,000 and \$40,000 Paying More Than 30% of Their Income for Housing	41.7%	44,339	47.5%	86,599

Source: CBP analysis of American Housing Survey data

Nearly one-third (31.1 percent) of the Inland Empire's senior homeowner households pay more than 30 percent of their income toward shelter (Table 4).

<b>Table 4: Housing Affordability for Senior Homeowners, Inland Empire (2002)</b>		
	<b>Percentage of Households</b>	<b>Number of Households</b>
Senior-Headed Households Paying More Than 30% of Their Income for Housing	31.1%	55,835
Senior-Headed Households Paying More Than 50% of Their Income for Housing	15.5%	27,788

Source: CBP analysis of American Housing Survey data

## Housing Affordability in San Diego County

The housing affordability situation in San Diego County, while not as dire as in Orange County, is slightly worse than in the Inland Empire. In San Diego County, 44.5 percent of renter households pay more than the recommended 30 percent of their income for shelter (Table 5). Among low-income renter households – those with annual household incomes under \$20,000 – 82.7 percent spend more than 30 percent of their income on rent. Among low-income homeowners in San Diego County, 51.1 percent spend more than half of their income for shelter. Among renters and owners with household incomes between \$20,000 and \$40,000, 59.8 percent of renters and 44.5 percent of owners pay more than 30 percent of their income toward shelter.

<b>Table 5: Housing Affordability, San Diego County (2002)</b>				
	<b><u>Renters</u></b>		<b><u>Homeowners</u></b>	
	<b>Percentage of Households</b>	<b>Number of Households</b>	<b>Percentage of Households</b>	<b>Number of Households</b>
Total Households Paying More Than 30% of Their Income for Housing	44.5%	178,998	30.3%	178,069
Total Households Paying More Than 50% of Their Income for Housing	20.5%	82,338	11.5%	67,941
Households Below \$20,000 Paying More Than 30% of Their Income for Housing	82.7%	71,743	69.3%	40,542
Households Below \$20,000 Paying More Than 50% of Their Income for Housing	60.8%	52,728	51.1%	29,907
Households Between \$20,000 and \$40,000 Paying More Than 30% of Their Income for Housing	59.8%	74,399	44.5%	46,726

Source: CBP analysis of American Housing Survey data

Nearly one-third (29.2 percent) of senior owner households in San Diego County pay more than 30 percent of their income toward shelter (Table 6).<sup>4</sup>

<b>Table 6: Housing Affordability for Senior Homeowners, San Diego County (2002)</b>		
	<b>Percentage of Households</b>	<b>Number of Households</b>
Senior-Headed Households Paying More Than 30% of Their Income for Housing	29.2%	47,442

Source: CBP analysis of American Housing Survey data

<sup>4</sup> The San Diego sample size was not sufficient to estimate senior-headed households paying more than 50 percent of their income for housing.

## All Three Areas Face a Shortage of Affordable Rental Housing

In Orange County, the Inland Empire, and San Diego County, low-income renters – renter households below \$20,000 per year – outnumber affordable housing units – units renting for \$500 or less per month. Orange County needs to add nearly 40,000 affordable housing units in order to meet estimated need; low-income renters outnumber affordable units by nearly 3-to-1 (Table 7). The Inland Empire needs to add more than 25,000 affordable housing units, while San Diego County needs to add nearly 41,000 affordable units.

**Table 7: Low-Income Renters Outnumber Affordable Housing Units (2002)**

	Ratio of Low-Income Renter Households to Affordable Units	Shortage of Affordable Housing Units
<b>Orange County</b>	2.9-to-1	38,975
<b>Inland Empire</b>	1.4-to-1	25,943
<b>San Diego County</b>	1.9-to-1	40,672

Note: Affordable housing units are defined as those renting for \$500 or less per month. Low-income households are those below \$20,000 per year.

Source: CBP analysis of American Housing Survey data

## RENTERS FACE THE GREATEST AFFORDABILITY CHALLENGES

### Who Are California's Renters?

Homeownership rates are much lower for nonwhite, than for white, California households. Conversely, renter rates are much higher for nonwhite households, particularly for African-American- and Latino-headed households (Table 8). In addition, a significant share of families with children (40.0 percent) are renters.<sup>5</sup>

**Table 8: Who Are California's Renters? (2002)**

Percentage of Households That Are Renters	
All California Households	39.9%
White-Headed Households	31.8%
African-American-Headed Households	54.9%
Latino-Headed Households	54.8%
Asian/Hawaiian/Pacific Islander Households	38.7%
Percentage of Families with Children That Are Renters	40.0%
Percentage of Seniors Who Are Renters	21.3%
Percentage of Renter Households with Incomes Below the 2002 Poverty Line	23.7%
Median 2002 Income of Renter Households	\$33,800
Median 2002 Income of Renter Families with Children	\$31,001

Source: CBP analysis of Current Population Survey data

### Households Struggle to Afford Rents

Rising rents are pricing many Californians out of the markets in which they have always lived. The 2004 Fair Market Rent (FMR) for a two-bedroom apartment in San Francisco is \$1,775, a level that is only affordable to families earning at least \$71,000 per year – more than the earnings from five full-time, minimum wage jobs.<sup>6</sup> While this is an improvement over last year, when the FMR for a two-bedroom apartment was \$1,940, it is clear that affordable rental housing is at a premium in San Francisco. In contrast, the 2004 FMR for a two-bedroom Los Angeles apartment is \$1,021, affordable to families earning at least \$40,840 – the equivalent of earnings from nearly three full-time, minimum wage jobs. Even in areas with lower costs,

<sup>5</sup> CBP analysis of March 2003 Current Population Survey data.

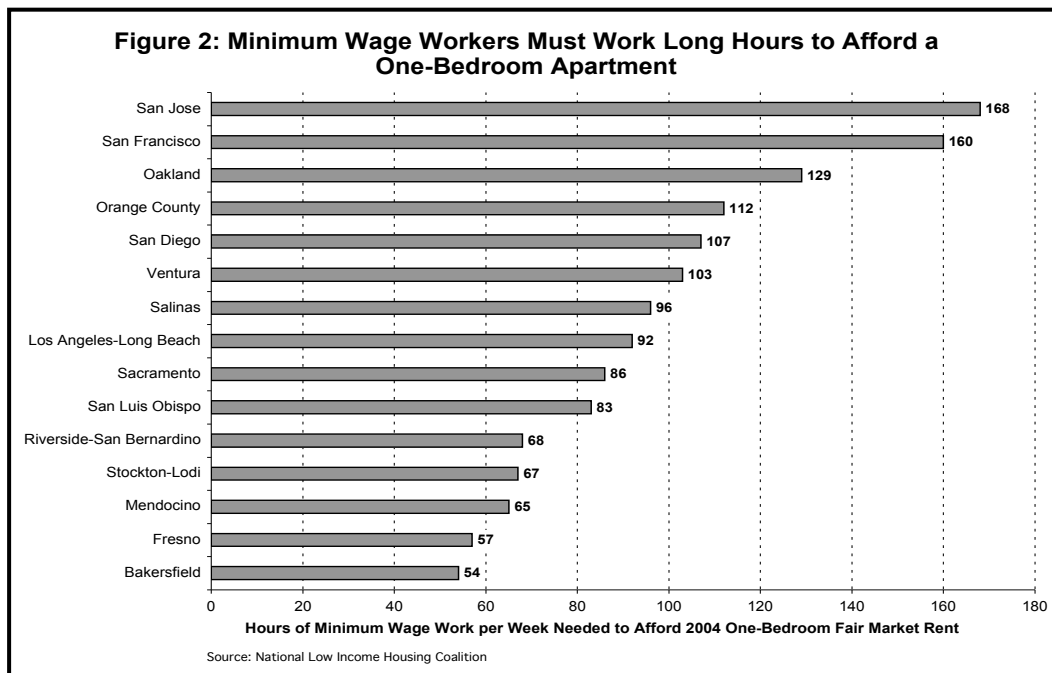
<sup>6</sup> National Low Income Housing Coalition, Out of Reach 2003: America's Housing Wage Climbs, downloaded from <http://www.nlihc.org/oor2003/> on September 12, 2003. The US Department of Housing and Urban Development (HUD) determines Fair Market Rents (FMRs) for federal housing assistance purposes. The FMR estimates the dollar amount at or below which 40 percent of standard quality rental housing units are rented; in recent years, FMRs for some higher-cost counties have been set at the 50<sup>th</sup> percentile. FMRs are based on the distribution of rents paid by "recent movers" – renter households that have moved within the past 15 months. FMRs include the cost of shelter and utilities, excluding telephone service, and are adjusted for the number of bedrooms in the rental unit. The 2004 FMRs are effective October 1, 2003. See Appendix 1 for FMRs for all California counties.

lower incomes often make rents unaffordable. In the rural counties that constitute the state's most affordable housing markets, where the FMR for a two-bedroom unit is as low as \$537, a full-time worker would need to earn at least \$10.33 per hour – 153 percent of California's minimum wage – to afford the rent.

A minimum wage worker must work very long hours in order to afford even a one-bedroom unit in many of California's counties (Figure 2). Even in the more affordable areas of the state, such as Fresno and Bakersfield, a worker would have to work substantially more than a 40-hour work week to afford a one-bedroom apartment.<sup>7</sup>

*"The challenges to low-income families are more substantial than they have ever been."*

Larry Rosenthal, UC Berkeley Program on Housing and Urban Policy  
San Diego Union-Tribune  
October 2, 2003



## Families and Individuals Receiving CalWORKs and SSI/SSP Struggle to Afford Shelter

In many counties, FMRs exceed the monthly payments families receive from CalWORKs, a program that provides cash assistance to needy families with children, or the Supplemental Security Income/State Supplementary Payment (SSI/SSP) program, which provides cash assistance to the elderly, blind, and disabled. The two-bedroom FMR exceeds the CalWORKs grant for a family of three in 31 counties, and equals at least 80 percent of the grant level in every California county (Table 9).

The FMR for a studio apartment exceeds the SSI/SSP grant for an elderly, blind, or disabled recipient in 13 counties, and exceeds 50 percent of the grant in 40 counties.<sup>8</sup>

<sup>7</sup> See the Appendices for hours of minimum wage work necessary to afford FMRs in all California counties, as well as the FMRs for all counties.

<sup>8</sup> CalWORKs grant amount as of June 2003, per Department of Social Services All-County Letter No. 03-26 (June 16, 2003). SSI/SSP grant amount as of June 2003, per Legislative Analyst's Office, Analysis of the 2003-04 Budget Bill (February 2003). 2004 FMRs effective October 1, 2003 per Federal Register, Part IV: Department of Housing and Urban Development: Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program Fiscal Year 2004: Notice (October 1, 2003), downloaded from <http://www.huduser.org/datasets/fmr.html> on October 16, 2003.

**Table 9: Rents Exceed Total CalWORKs and SSI/SSP Grants in Many Counties**

County	Three-Person CalWORKs Grant	Two-Bedroom Apartment Fair Market Rent	Percent of Grant Needed to Rent Two-Bedroom Apartment	Rent is Greater (+) or Less (-) Than Grant By	SSI/SSP Grant Level for a Single Recipient	Studio Apartment Fair Market Rent	Percent of Grant Needed to Rent Studio	Rent is Greater (+) or Less (-) Than Grant By
Alameda	\$ 704	\$ 1,420	201.7%	\$ 716	\$ 778	\$ 936	120.3 %	\$ 158
Alpine	\$ 671	\$ 579	86.3 %	-\$ 92	\$ 778	\$ 341	43.8 %	-\$ 437
Amador	\$ 671	\$ 692	103.1 %	\$ 21	\$ 778	\$ 471	60.5 %	-\$ 307
Butte	\$ 671	\$ 660	98.4 %	-\$ 11	\$ 778	\$ 385	49.5 %	-\$ 393
Calaveras	\$ 671	\$ 635	94.6 %	-\$ 36	\$ 778	\$ 412	53.0 %	-\$ 366
Colusa	\$ 671	\$ 537	80.0 %	-\$ 134	\$ 778	\$ 373	47.9 %	-\$ 405
Contra Costa	\$ 704	\$ 1,420	201.7 %	\$ 716	\$ 778	\$ 936	120.3 %	\$ 158
Del Norte	\$ 671	\$ 635	94.6 %	-\$ 36	\$ 778	\$ 348	44.7 %	-\$ 430
El Dorado	\$ 671	\$ 950	141.6 %	\$ 279	\$ 778	\$ 674	86.6 %	-\$ 104
Fresno	\$ 671	\$ 603	89.9 %	-\$ 68	\$ 778	\$ 451	58.0 %	-\$ 327
Glenn	\$ 671	\$ 537	80.0 %	-\$ 134	\$ 778	\$ 341	43.8 %	-\$ 437
Humboldt	\$ 671	\$ 638	95.1 %	-\$ 33	\$ 778	\$ 352	45.2 %	-\$ 426
Imperial	\$ 671	\$ 593	88.4 %	-\$ 78	\$ 778	\$ 384	49.4 %	-\$ 394
Inyo	\$ 671	\$ 612	91.2 %	-\$ 59	\$ 778	\$ 354	45.5 %	-\$ 424
Kern	\$ 671	\$ 595	88.7 %	-\$ 76	\$ 778	\$ 421	54.1 %	-\$ 357
Kings	\$ 671	\$ 574	85.5 %	-\$ 97	\$ 778	\$ 395	50.8 %	-\$ 383
Lake	\$ 671	\$ 653	97.3 %	-\$ 18	\$ 778	\$ 383	49.2 %	-\$ 395
Lassen	\$ 671	\$ 549	81.8 %	-\$ 122	\$ 778	\$ 417	53.6 %	-\$ 361
Los Angeles	\$ 704	\$ 1,021	145.0 %	\$ 317	\$ 778	\$ 674	86.6 %	-\$ 104
Madera	\$ 671	\$ 603	89.9 %	-\$ 68	\$ 778	\$ 451	58.0 %	-\$ 327
Marin	\$ 704	\$ 1,775	252.1 %	\$ 1,071	\$ 778	\$ 1,084	139.3 %	\$ 306
Mariposa	\$ 671	\$ 602	89.7 %	-\$ 69	\$ 778	\$ 369	47.4 %	-\$ 409
Mendocino	\$ 671	\$ 698	104.0 %	\$ 27	\$ 778	\$ 472	60.7 %	-\$ 306
Merced	\$ 671	\$ 630	93.9 %	-\$ 41	\$ 778	\$ 460	59.1 %	-\$ 318
Modoc	\$ 671	\$ 537	80.0 %	-\$ 134	\$ 778	\$ 373	47.9 %	-\$ 405
Mono	\$ 671	\$ 830	123.7 %	\$ 159	\$ 778	\$ 520	66.8 %	-\$ 258
Monterey	\$ 704	\$ 1,014	144.0 %	\$ 310	\$ 778	\$ 719	92.4 %	-\$ 59
Napa	\$ 704	\$ 1,121	159.2 %	\$ 417	\$ 778	\$ 809	104.0 %	\$ 31
Nevada	\$ 671	\$ 778	115.9 %	\$ 107	\$ 778	\$ 427	54.9 %	-\$ 351
Orange	\$ 704	\$ 1,220	173.3 %	\$ 516	\$ 778	\$ 903	116.1 %	\$ 125
Placer	\$ 671	\$ 950	141.6 %	\$ 279	\$ 778	\$ 674	86.6 %	-\$ 104
Plumas	\$ 671	\$ 537	80.0 %	-\$ 134	\$ 778	\$ 376	48.3 %	-\$ 402
Riverside	\$ 671	\$ 729	108.6 %	\$ 58	\$ 778	\$ 535	68.8 %	-\$ 243
Sacramento	\$ 671	\$ 950	141.6 %	\$ 279	\$ 778	\$ 674	86.6 %	-\$ 104
San Benito	\$ 671	\$ 864	128.8 %	\$ 193	\$ 778	\$ 587	75.4 %	-\$ 191
San Bernardino	\$ 671	\$ 729	108.6 %	\$ 58	\$ 778	\$ 535	68.8 %	-\$ 243
San Diego	\$ 704	\$ 1,175	166.9 %	\$ 471	\$ 778	\$ 822	105.7 %	\$ 44
San Francisco	\$ 704	\$ 1,775	252.1 %	\$ 1,071	\$ 778	\$ 1,084	139.3 %	\$ 306
San Joaquin	\$ 671	\$ 757	112.8 %	\$ 86	\$ 778	\$ 522	67.1 %	-\$ 256
San Luis Obispo	\$ 704	\$ 917	130.3 %	\$ 213	\$ 778	\$ 641	82.4 %	-\$ 137
San Mateo	\$ 704	\$ 1,775	252.1 %	\$ 1,071	\$ 778	\$ 1,084	139.3 %	\$ 306
Santa Barbara	\$ 704	\$ 1,015	144.2 %	\$ 311	\$ 778	\$ 721	92.7 %	-\$ 57
Santa Clara	\$ 704	\$ 1,821	258.7 %	\$ 1,117	\$ 778	\$ 1,294	166.3 %	\$ 516
Santa Cruz	\$ 704	\$ 1,341	190.5 %	\$ 637	\$ 778	\$ 843	108.4 %	\$ 65
Shasta	\$ 671	\$ 608	90.6 %	-\$ 63	\$ 778	\$ 438	56.3 %	-\$ 340
Sierra	\$ 671	\$ 563	83.9 %	-\$ 108	\$ 778	\$ 341	43.8 %	-\$ 437
Siskiyou	\$ 671	\$ 537	80.0 %	-\$ 134	\$ 778	\$ 358	46.0 %	-\$ 420
Solano	\$ 704	\$ 1,121	159.2 %	\$ 417	\$ 778	\$ 809	104.0 %	\$ 31
Sonoma	\$ 704	\$ 1,163	165.2 %	\$ 459	\$ 778	\$ 792	101.8 %	\$ 14
Stanislaus	\$ 671	\$ 719	107.2 %	\$ 48	\$ 778	\$ 549	70.6 %	-\$ 229
Sutter	\$ 671	\$ 571	85.1 %	-\$ 100	\$ 778	\$ 380	48.8 %	-\$ 398
Tehama	\$ 671	\$ 537	80.0 %	-\$ 134	\$ 778	\$ 357	45.9 %	-\$ 421
Trinity	\$ 671	\$ 537	80.0 %	-\$ 134	\$ 778	\$ 382	49.1 %	-\$ 396
Tulare	\$ 671	\$ 592	88.2 %	-\$ 79	\$ 778	\$ 427	54.9 %	-\$ 351
Tuolumne	\$ 671	\$ 687	102.4 %	\$ 16	\$ 778	\$ 377	48.5 %	-\$ 401
Ventura	\$ 704	\$ 1,142	162.2 %	\$ 438	\$ 778	\$ 785	100.9 %	\$ 7
Yolo	\$ 671	\$ 779	116.1 %	\$ 108	\$ 778	\$ 551	70.8 %	-\$ 227
Yuba	\$ 671	\$ 571	85.1 %	-\$ 100	\$ 778	\$ 380	48.8 %	-\$ 398

Source: US Department of Housing and Urban Development, Department of Finance, Department of Social Services, and Legislative Analyst's Office

## Overcrowding and Housing Quality Worsen as Rents Rise

Overcrowding, defined as more than one person per room, tends to be far more prevalent among renter households than owner households, and is a particular problem among Latino households.<sup>9</sup> Many California renters live with substandard conditions, such as a lack of electricity, a lack of complete kitchen and/or bathroom facilities, frequent breakdowns of heating systems, water leaks, or large areas of peeling paint or plaster.<sup>10</sup>

*"When people talk about overcrowded housing, they usually think of a place like the Bay Area, where housing prices are very high. But the most crowded housing in California occurs where the poverty rate is the highest."*

Hans Johnson, demographer,  
Public Policy Institute of California  
*Fresno Bee*  
April 22, 2003

### Orange County

Nearly 15 percent of renter households in Orange County live in overcrowded conditions (Table 10). Overcrowding is a particular problem among Latino households, with more than one-third (37.1 percent) of Orange County Latino renter households living in overcrowded conditions. Substandard housing is also a significant problem, with nearly 7 percent of Orange County's renter households living in substandard conditions.<sup>11</sup>

**Table 10: Orange County Renter Households: Overcrowded and Substandard Conditions (2002)**

	Percentage of Households	Number of Households
Overcrowded (More Than One Person Per Room)	14.8%	49,371
Overcrowded Latino Households	37.1%	41,354
Substandard Conditions	6.7%	22,300

Source: CBP analysis of American Housing Survey data

### The Inland Empire

Overcrowding, while not quite so severe as in Orange County, is still significant in the Inland Empire (Riverside and San Bernardino counties), with nearly 13 percent of renter households living in overcrowded conditions (Table 11). More than one-quarter of Latino renter households (25.5 percent) are overcrowded. As in Orange County, nearly 7 percent of Inland Empire renter households live in substandard conditions.

**Table 11: Inland Empire Renter Households: Overcrowded and Substandard Conditions (2002)**

	Percentage of Households	Number of Households
Overcrowded (More Than One Person Per Room)	12.6%	38,313
Overcrowded Latino Households	25.5%	29,522
Substandard Conditions	6.8%	20,859

Source: CBP analysis of American Housing Survey data

### San Diego County

Overcrowding rates for renter households in San Diego County are comparatively low (7.8 percent, Table 12). Nearly one-quarter of Latino renter households (22.2 percent) live in overcrowded conditions. A relatively high 7.8 percent of San Diego renter households live in substandard conditions.

**Table 12: San Diego County Renter Households: Overcrowded and Substandard Conditions (2002)**

	Percentage of Households	Number of Households
Overcrowded (More Than One Person Per Room)	7.8%	31,363
Overcrowded Latino Households	22.2%	23,415
Substandard Conditions	7.8%	31,449

Source: CBP analysis of American Housing Survey data

<sup>9</sup> Overcrowding is defined as more than one person per room, not per bedroom.

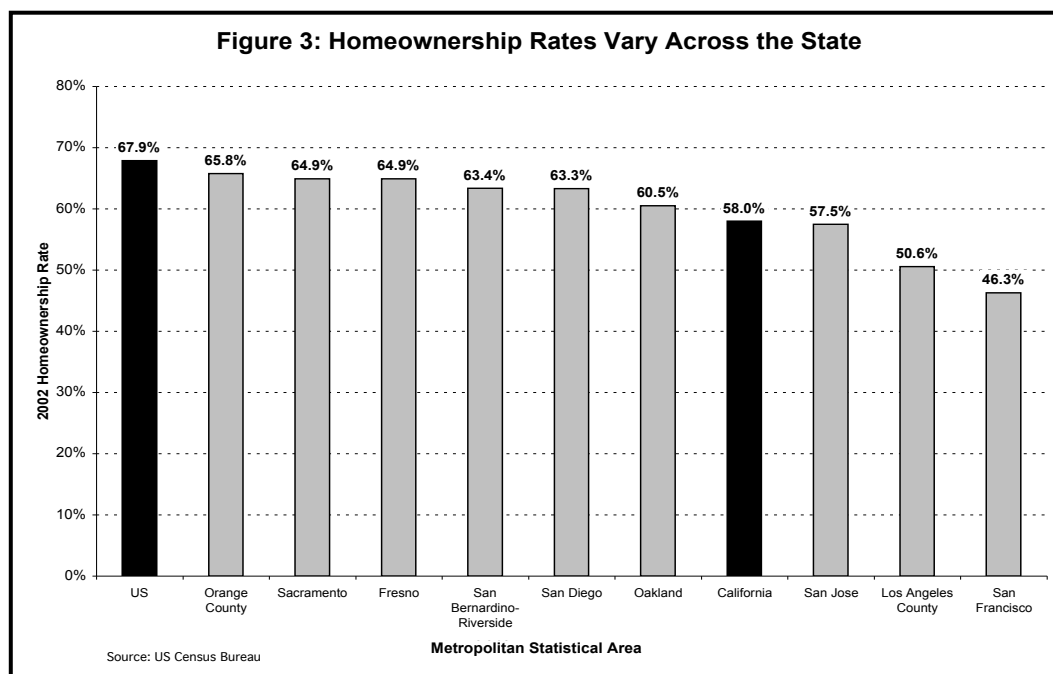
<sup>10</sup> Definition of substandard housing ("zadeq" variable) from American Housing Survey codebook.

<sup>11</sup> CBP analysis of 2002 American Housing Survey data. The sample size was insufficient to determine overcrowding rates for owner households.

## THE “AMERICAN DREAM” OF HOMEOWNERSHIP IS JUST A DREAM FOR MANY CALIFORNIANS

### California’s Homeownership Rates Are Significantly Lower Than the US Rate

California’s 2002 homeownership rate of 58.0 percent was the fourth lowest in the nation, behind the District of Columbia, New York, and Hawaii. The homeownership rate in California is about 10 percentage points below that of the nation (Figure 3).



Homeownership rates vary significantly across different parts of the state. In Orange County, nearly two-thirds (65.8 percent) of households are homeowners, while only 46.3 percent of those in the San Francisco metropolitan area own their homes.<sup>12</sup>

### Rising Prices Translate into Significant Affordability Burdens

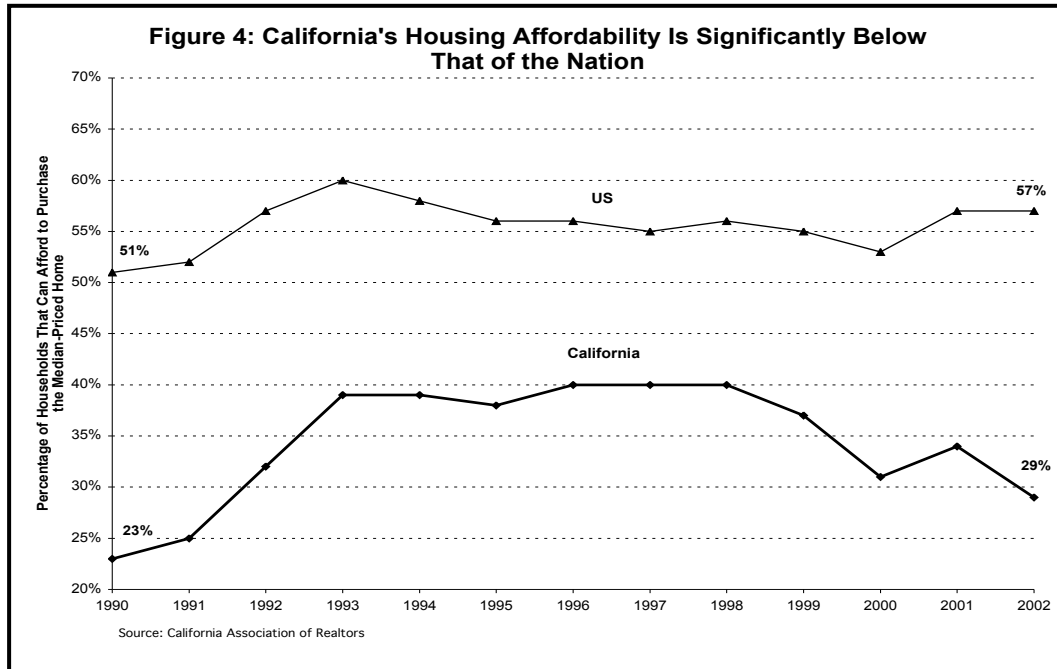
California’s homeownership rates are lower than national ownership rates largely due to the state’s high cost of housing. Nationally, 57 percent of households could afford to purchase the median-priced home in 2002, compared to just 29 percent of California households (Figure 4).<sup>13</sup>

*“Unless you already have a house,  
it’s hard to get a house.”*  
Stacey Castillo, hospital department  
manager, Fontana, CA  
*USA Today*  
October 22, 2003

<sup>12</sup> The Sacramento metropolitan statistical area (MSA) includes El Dorado, Placer, and Sacramento counties; the Fresno MSA includes Fresno and Madera counties; the Oakland MSA includes Alameda and Contra Costa counties; and the San Francisco MSA includes Marin, San Francisco, and San Mateo counties.

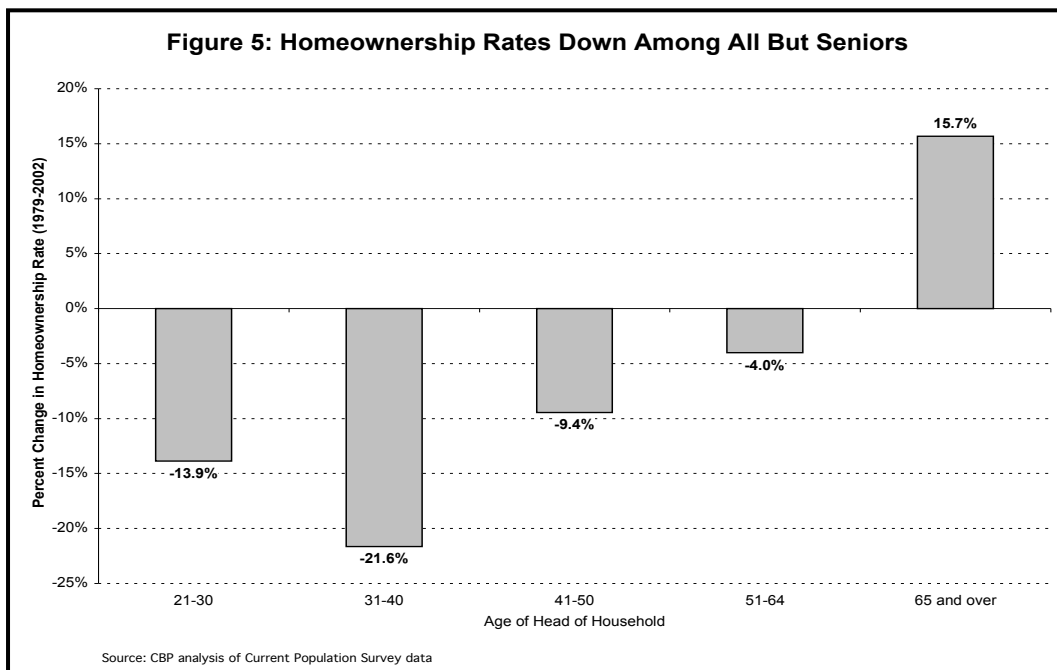
<sup>13</sup> California Association of Realtors, 2002 California Existing Single-Family Housing Market Annual Historical Data Summary Real Estate Research Report: 2003-1 (March 2003), pp. 24-25.





## Young Families Are Less Likely to Own a Home

Young families – those headed by individuals in their twenties and thirties – are much less likely to be homeowners than they were two decades ago. The share of individuals in their twenties that owned homes dropped 13.9 percent, from 31.0 percent to 26.7 percent, between 1979 and 2002 (Figure 5). Homeownership among thirty-somethings dropped even more dramatically during the same period (21.6 percent), from 61.0 percent to 47.8 percent.



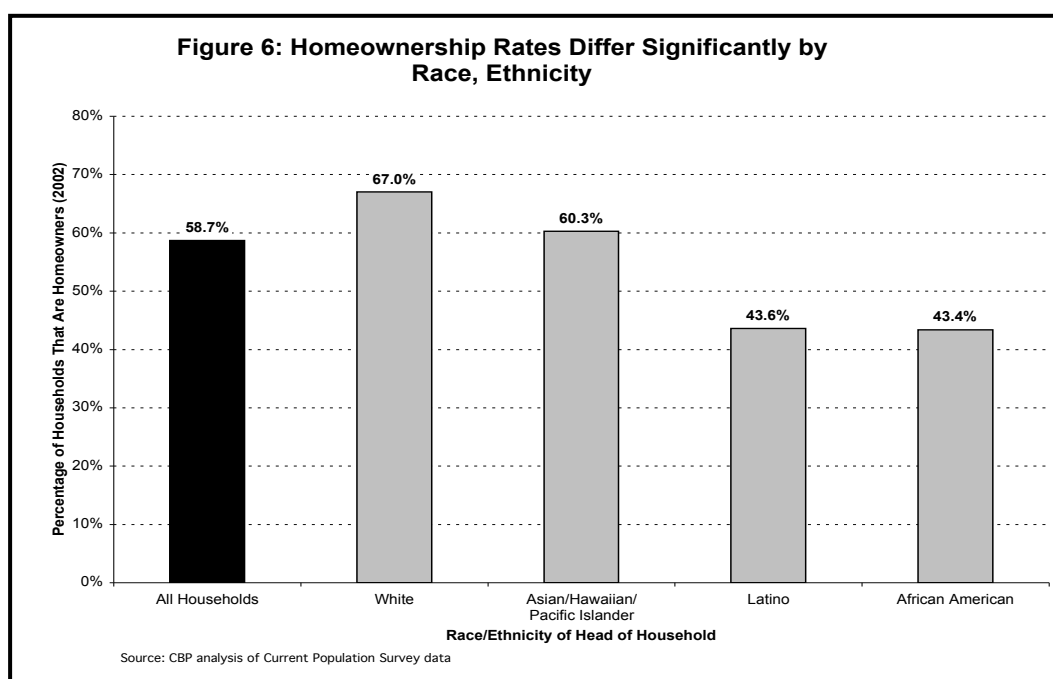
Only households headed by persons age 65 or older have enjoyed increasing ownership rates. The percentage of seniors owning their homes rose 15.7 percent, from 67.0 percent to 77.5 percent, between 1979 and 2002.<sup>14</sup>

## Significant Disparities in Ownership Exist Between White, Nonwhite California Families

Households headed by white and Asian/Hawaiian/Pacific Islander Californians are significantly more likely to own their own homes than are households headed by Latinos or African-Americans. More than two-thirds (67.0 percent) of the state's white-headed households, and well over half (60.3 percent) of Asian/Hawaiian/Pacific Islander-headed households, were homeowners in 2002 (Figure 6). In contrast, fewer than half of the state's Latino-headed households (43.6 percent) and African American-headed households (43.4 percent) owned their own homes.<sup>15</sup>

*"At the current time, the typical Latino family has little choice but to live in expensive and inadequate rental units."*

Mara Marks, Associate Director,  
Center for the Study of Los Angeles  
at Loyola Marymount University  
*Los Angeles Daily News*  
October 31, 2003



## How Realistic Is the Dream of Ownership?

While home prices have continued to rise, households have not necessarily enjoyed a corresponding increase in income. The income needed to purchase the median-priced home in the second quarter of 2003 exceeded the area median income by 7.1 percent in the Central Valley, 35.1 percent in Los Angeles, 35.4 percent in Northern California, 37.7 percent in Orange County, 49.5 percent in the San Diego area, 61.9 percent in the San Francisco Bay Area, and 94.4 percent in the Monterey area.<sup>16</sup> Only in the Sacramento area and in the Inland

<sup>14</sup> CBP analysis of March 2003 Current Population Survey data.

<sup>15</sup> CBP analysis of March 2003 Current Population Survey data.

<sup>16</sup> CBP calculations based on 30 percent of income dedicated to shelter, a 5.71 percent interest rate on a 30-year conventional loan, and a 5 percent down payment.

Empire did the median income exceed that needed to buy the median-priced home. Regional snapshots (Tables 13 through 21) illustrate the disparities between incomes and home prices across California.<sup>17</sup> In many cases, individual salaries are not only well below the area median income, but are below the income necessary to purchase a median-priced home.

### San Francisco Bay Area

In many parts of the state, the income needed to purchase a median-priced home is considerably higher than the income earned even in moderate-waged occupations.<sup>18</sup> For example, the median annual wage for a firefighter in the Bay Area was approximately \$70,000 in 2002; he or she would need an income of nearly \$124,000 in order to buy the median-priced home – a gap of nearly \$54,000 (Table 13). For a Bay Area child care worker, whose median annual wage in 2002 was less than \$19,000, the dream of ownership appears next to impossible.<sup>19</sup>

Table 13: Regional Snapshot: San Francisco Bay Area	
Median-Priced Home (2nd Quarter 2003)	\$560,240
Income Needed to Purchase a Median-Priced Home with a 5% Down Payment	\$123,697
Income Needed to Purchase a Median-Priced Home with a 20% Down Payment	\$104,166
Median Annual Wage (2002)	
<b>Median-Income (2003)</b>	<b>\$76,600</b>
Registered Nurse	\$72,446
Firefighter	\$70,138
Police Patrol Officer	\$68,266
Landscape Architect	\$59,010
<b>Low-Income (2003)</b>	<b>\$64,100</b>
Loan Officer	\$56,867
Elementary School Teacher	\$49,929
Computer Support Specialist	\$46,946
Emergency Dispatcher	\$42,474
<b>Very Low-Income (2003)</b>	<b>\$40,050</b>
Medical Assistant	\$31,366
Delivery Truck Driver	\$27,726
Janitor	\$22,942
Retail Salesperson	\$19,760
Child Care Worker	\$18,429

Note: "Income needed" calculations based on a 30 percent income standard, assuming a 5.71 percent interest rate on a 30-year conventional loan and a 5 percent down payment. Median annual wage assumes 40 hours of work per week, 52 weeks per year. Source: California Association of Realtors, Federal Housing Finance Board, Fannie Mae, Department of Housing and Community Development, and Employment Development Department

<sup>17</sup> The area median-, low-, and very low-income levels are determined by the US Department of Housing and Urban Development (HUD). Department of Housing and Community Development, Income Limits for 2003 (revised April 9, 2003), downloaded from <http://housing.hcd.ca.gov/hpd/hrc/rep/state/incNote.html> on September 15, 2003. Median annual wages are CBP calculations based on the median hourly wage reported by the Employment Development Department (EDD); median hourly wage was not available for teachers, so the mean annual wage reported by EDD was used. Employment Development Department, Occupational Employment and Wages by Occupation, downloaded from [http://www.calmis.ca.gov/file/occup\\$/OES\\$.htm](http://www.calmis.ca.gov/file/occup$/OES$.htm) on September 15, 2003. The income needed to purchase a median-priced home was calculated by the CBP based on the Federal Housing Finance Board, Terms on Conventional Home Mortgages, downloaded from [http://www.fhfb.gov/MIRS/MIRS\\_downloads.htm](http://www.fhfb.gov/MIRS/MIRS_downloads.htm) on September 15, 2003; California Association of Realtors, "Median price sets new record with 15.5 percent gain in second quarter, sales post 3.9 percent decline, CAR reports," (August 13, 2003), downloaded from <http://www.car.org/index.php?id=MTE> on September 15, 2003; and Fannie Mae Homepath Calculator at <http://www.fanniemae.com/homebuyers/calculators/index.jhtml?p=Resources&s=Calculators>.

<sup>18</sup> The median-, low-, and very low-income standards cited here are for housing purposes; for example, in the Bay Area, a medical assistant would be considered very low-income for housing purposes.

<sup>19</sup> Home price data are for the California Association of Realtors' San Francisco Bay Area region. Income limits and wage data are for Alameda and Contra Costa counties.

<b>Table 14: Regional Snapshot: Monterey Area</b>	
Median-Priced Home (2nd Quarter 2003)	\$489,430
Income Needed to Purchase a Median-Priced Home with a 5% Down Payment	\$108,063
Income Needed to Purchase a Median-Priced Home with a 20% Down Payment	\$91,000
<b>Median Annual Wage (2002)</b>	
<b>Median-Income (2003)</b>	<b>\$55,600</b>
Kindergarten Teacher	\$47,247
<b>Low-Income (2003)</b>	<b>\$45,700</b>
Loan Officer	\$42,848
Computer Support Specialist	\$40,955
Firefighter	\$33,155
Emergency Dispatcher	\$29,973
<b>Very Low-Income (2003)</b>	<b>\$28,550</b>
Medical Assistant	\$25,688
Delivery Truck Driver	\$23,130
Janitor	\$20,384
Retail Salesperson	\$18,658
Child Care Worker	\$16,994

Note: "Income needed" calculations based on a 30 percent income standard, assuming a 5.71 percent interest rate on a 30-year conventional loan and a 5 percent down payment. Median annual wage assumes 40 hours of work per week, 52 weeks per year. Source: California Association of Realtors, Federal Housing Finance Board, Fannie Mae, Department of Housing and Community Development, and Employment Development Department

<b>Table 15: Regional Snapshot: San Diego Area</b>	
Median-Priced Home (2nd Quarter 2003)	\$406,950
Income Needed to Purchase a Median-Priced Home with a 5% Down Payment	\$89,852
Income Needed to Purchase a Median-Priced Home with a 20% Down Payment	\$75,665
<b>Median Annual Wage (2002)</b>	
<b>Median-Income (2003)</b>	<b>\$60,100</b>
Police Patrol Officer	\$59,758
Registered Nurse	\$54,434
Firefighter	\$50,045
Elementary School Teacher	\$49,536
<b>Low-Income (2003)</b>	<b>\$51,050</b>
Loan Officer	\$47,362
Emergency Dispatcher	\$43,014
Computer Support Specialist	\$36,213
<b>Very Low-Income (2003)</b>	<b>\$31,900</b>
Medical Assistant	\$25,376
Delivery Truck Driver	\$22,651
Child Care Worker	\$19,926
Retail Salesperson	\$18,262
Janitor	\$17,722

Note: "Income needed" calculations based on a 30 percent income standard, assuming a 5.71 percent interest rate on a 30-year conventional loan and a 5 percent down payment. Median annual wage assumes 40 hours of work per week, 52 weeks per year. Source: California Association of Realtors, Federal Housing Finance Board, Fannie Mae, Department of Housing and Community Development, and Employment Development Department

## Monterey Area

The affordability problem is nearly as serious in the Monterey area, where the income needed to purchase a median-priced home exceeds the area median income by more than \$52,000. A kindergarten teacher earning \$47,000 per year earns less than half the amount needed to purchase a median-priced home in the area (Table 14).<sup>20</sup>

## San Diego Area

Affordability problems, although not as extreme as in the San Francisco Bay Area and Monterey area, still pose difficulties for would-be San Diego area homeowners. The area median income is nearly \$30,000 less than the amount needed to purchase a median-priced home, and is not even sufficient to purchase a median-priced home with a 20 percent down payment (Table 15). An elementary school teacher earning \$50,000 per year earns almost \$40,000 less than the income needed to purchase a median-priced home.<sup>21</sup>

<sup>20</sup> Home price data are for the California Association of Realtors' Monterey region, which includes the "Monterey Peninsula" and Santa Cruz. Income limits and wage data are for Monterey County.

<sup>21</sup> Home price data are for the California Association of Realtors' San Diego region. Income limits and wage data are for San Diego County.

Table 16: Regional Snapshot: Orange County	
Median-Priced Home (2nd Quarter 2003)	\$471,400
Income Needed to Purchase a Median-Priced Home with a 5% Down Payment	\$104,082
Income Needed to Purchase a Median-Priced Home with a 20% Down Payment	\$87,648
Median Annual Wage (2002)	
<b>Median-Income (2003)</b>	<b>\$75,600</b>
Police Patrol Officer	\$65,291
Firefighter	\$60,029
<b>Low-Income (2003)</b>	<b>\$56,500</b>
Landscape Architect	\$55,037
Registered Nurse	\$54,808
Loan Officer	\$54,350
Elementary School Teacher	\$48,277
Emergency Dispatcher	\$46,176
Computer Support Specialist	\$43,826
<b>Very Low-Income (2003)</b>	<b>\$37,800</b>
Delivery Truck Driver	\$25,688
Medical Assistant	\$24,898
Child Care Worker	\$18,491
Retail Salesperson	\$17,971
Janitor	\$17,306

Note: "Income needed" calculations based on a 30 percent income standard, assuming a 5.71 percent interest rate on a 30-year conventional loan and a 5 percent down payment. Median annual wage assumes 40 hours of work per week, 52 weeks per year. Source: California Association of Realtors, Federal Housing Finance Board, Fannie Mae, Department of Housing and Community Development, and Employment Development Department

Table 17: Regional Snapshot: Northern California	
Median-Priced Home (2nd Quarter 2003)	\$278,380
Income Needed to Purchase a Median-Priced Home with a 5% Down Payment	\$61,464
Income Needed to Purchase a Median-Priced Home with a 20% Down Payment	\$51,760
Median Annual Wage (2002)	
<b>Median-Income (2003)</b>	<b>\$45,400</b>
Computer Support Specialist	\$45,323
Elementary School Teacher	\$45,309
<b>Low-Income (2003)</b>	<b>\$36,300</b>
Emergency Dispatcher	\$33,654
Firefighter	\$30,784
Medical Assistant	\$25,875
Delivery Truck Driver	\$22,755
<b>Very Low-Income (2003)</b>	<b>\$22,700</b>
Retail Salesperson	\$17,014
Janitor	\$17,014
Child Care Worker	\$16,162

Note: "Income needed" calculations based on a 30 percent income standard, assuming a 5.71 percent interest rate on a 30-year conventional loan and a 5 percent down payment. Median annual wage assumes 40 hours of work per week, 52 weeks per year. Source: California Association of Realtors, Federal Housing Finance Board, Fannie Mae, Department of Housing and Community Development, and Employment Development Department

## Orange County

The affordability picture in Orange County is similar to that of San Diego. The income needed to purchase a median-priced home in Orange County exceeds the area median income by more than \$28,000. A firefighter making \$60,000 per year falls more than \$44,000 short of the income needed to buy a median-priced home (Table 16).<sup>22</sup>

## Northern California

While costs are lower in the northern part of the state, wages also tend to be lower. In the northern part of the state, the income needed to buy a median-priced home exceeds the area median income by more than \$16,000. An elementary school teacher earning \$45,000 per year earns \$16,000 less than the income needed to afford homeownership (Table 17).<sup>23</sup>

<sup>22</sup> Home price data are for the California Association of Realtors' Orange County region. Income limits and wage data are for Orange County.

<sup>23</sup> Home price data are for the California Association of Realtors' Northern California region, which includes part or all of Butte, El Dorado, Humboldt, Lake, Placer, and Siskiyou counties. Income limits data are for Butte County. Wage data are for Butte County. Home prices tend to be significantly higher in El Dorado and Placer counties than in Butte County.

<b>Table 18: Regional Snapshot: Los Angeles</b>	
Median-Priced Home (2nd Quarter 2003)	\$337,200
Income Needed to Purchase a Median-Priced Home with a 5% Down Payment	\$74,452
Income Needed to Purchase a Median-Priced Home with a 20% Down Payment	\$62,696
<b>Median Annual Wage (2002)</b>	
<b>Median-Income (2003)</b>	<b>\$55,100</b>
Elementary School Teacher	\$49,625
<b>Low-Income (2003)</b>	<b>\$45,100</b>
Computer Support Specialist	\$42,432
Emergency Dispatcher	\$41,808
<b>Very Low-Income (2003)</b>	<b>\$28,200</b>
Medical Assistant	\$25,376
Delivery Truck Driver	\$23,379
Child Care Worker	\$19,115
Janitor	\$18,949
Retail Salesperson	\$18,138

Note: "Income needed" calculations based on a 30 percent income standard, assuming a 5.71 percent interest rate on a 30-year conventional loan and a 5 percent down payment. Median annual wage assumes 40 hours of work per week, 52 weeks per year. Source: California Association of Realtors, Federal Housing Finance Board, Fannie Mae, Department of Housing and Community Development, and Employment Development Department

<b>Table 19: Regional Snapshot: Central Valley</b>	
Median-Priced Home (2nd Quarter 2003)	\$220,140
Income Needed to Purchase a Median-Priced Home with a 5% Down Payment	\$48,605
Income Needed to Purchase a Median-Priced Home with a 20% Down Payment	\$40,931
<b>Median Annual Wage (2002)</b>	
<b>Median-Income (2003)</b>	<b>\$45,400</b>
Loan Officer	\$41,392
Firefighter	\$37,648
Computer Support Specialist	\$37,440
<b>Low-Income (2003)</b>	<b>\$36,300</b>
Licensed Vocational Nurse	\$34,195
<b>Very Low-Income (2003)</b>	<b>\$22,700</b>
Medical Assistant	\$21,466
Child Care Worker	\$19,406
Emergency Dispatcher	\$19,365
Janitor	\$19,178
Retail Salesperson	\$16,890

Note: "Income needed" calculations based on a 30 percent income standard, assuming a 5.71 percent interest rate on a 30-year conventional loan and a 5 percent down payment. Median annual wage assumes 40 hours of work per week, 52 weeks per year. Source: California Association of Realtors, Federal Housing Finance Board, Fannie Mae, Department of Housing and Community Development, and Employment Development Department

## Los Angeles

In Los Angeles, the income needed to purchase a median-priced home exceeds the area median income by more than \$19,000. An elementary school teacher with an income of \$50,000 per year earns nearly \$25,000 less than the income needed to afford homeownership (Table 18).<sup>24</sup>

## Central Valley

The income needed to buy the median-priced Central Valley home exceeds the median income by a comparatively narrow margin of \$3,200 (Table 19). While areas such as Bakersfield have not experienced the substantial increases in home prices occurring elsewhere in the state, incomes are generally lower in the Central Valley than in most other areas of the state.<sup>25</sup>

<sup>24</sup> Home price data are for the California Association of Realtors' Los Angeles region. Income limits and wage data are for Los Angeles County.

<sup>25</sup> Home price data are for the California Association of Realtors' Central Valley region, which includes part or all of Kern, Fresno, San Joaquin, Merced, and Sacramento counties. Income limits and wage data are for Kern County.

Table 20: Regional Snapshot: Inland Empire	
Median-Priced Home (2nd Quarter 2003)	\$212,560
Income Needed to Purchase a Median-Priced Home with a 5% Down Payment	\$46,932
Income Needed to Purchase a Median-Priced Home with a 20% Down Payment	\$39,522
Median Annual Wage (2002)	
<b>Median-Income (2003)</b>	<b>\$51,000</b>
Elementary School Teacher	\$49,839
Loan Officer	\$42,557
<b>Low-Income (2003)</b>	<b>\$40,800</b>
Computer Support Specialist	\$40,123
Firefighter	\$35,693
Emergency Dispatcher	\$34,819
<b>Very Low-Income (2003)</b>	<b>\$25,500</b>
Medical Assistant	\$24,606
Delivery Truck Driver	\$22,006
Janitor	\$17,971
Retail Salesperson	\$17,805
Child Care Worker	\$17,618

Note: "Income needed" calculations based on a 30 percent income standard, assuming a 5.71 percent interest rate on a 30-year conventional loan and a 5 percent down payment. Median annual wage assumes 40 hours of work per week, 52 weeks per year. Source: California Association of Realtors, Federal Housing Finance Board, Fannie Mae, Department of Housing and Community Development, and Employment Development Department

## Inland Empire

The median income in Riverside and San Bernardino counties actually exceeds the income necessary to buy a median-priced home by approximately \$4,000 (Table 20). A contributing factor to the region's relative affordability is the fact that housing construction has increased at a significant rate in the Inland Empire, as more and more people buy homes in the Inland Empire and commute to Orange County and Los Angeles.<sup>26</sup>

## Sacramento Area

Sacramento-area families also enjoy an affordable housing price-to-income ratio, with the median income exceeding the income needed to buy a median-priced home by approximately \$6,000 (Table 21). However, home prices in the Sacramento area have increased significantly in recent years as families who have been priced out of the Bay Area market relocate to the Sacramento area, driving up demand. Many residents continue to commute long distances to jobs in the Bay Area in order to afford a home of their own.<sup>27</sup>

Table 21: Regional Snapshot: Sacramento Area	
Median-Priced Home (2nd Quarter 2003)	\$243,630
Income Needed to Purchase a Median-Priced Home with a 5% Down Payment	\$53,792
Income Needed to Purchase a Median-Priced Home with a 20% Down Payment	\$45,298
Median Annual Wage (2002)	
<b>Median-Income (2003)</b>	<b>\$59,800</b>
Registered Nurse	\$58,302
Police Patrol Officer	\$56,992
Loan Officer	\$49,878
Elementary School Teacher	\$48,535
<b>Low-Income (2003)</b>	<b>\$47,850</b>
Emergency Dispatcher	\$42,120
Firefighter	\$41,600
Computer Support Specialist	\$40,539
<b>Very Low-Income (2003)</b>	<b>\$29,900</b>
Medical Assistant	\$27,269
Delivery Truck Driver	\$23,504
Janitor	\$21,278
Retail Salesperson	\$17,659
Child Care Worker	\$17,056

Note: "Income needed" calculations based on a 30 percent income standard, assuming a 5.71 percent interest rate on a 30-year conventional loan and a 5 percent down payment. Median annual wage assumes 40 hours of work per week, 52 weeks per year. Source: California Association of Realtors, Federal Housing Finance Board, Fannie Mae, Department of Housing and Community Development, and Employment Development Department

<sup>26</sup> Home price data are for the California Association of Realtors' Riverside/San Bernardino region. Income limits and wage data are for Riverside and San Bernardino counties.

<sup>27</sup> Home price data are for the California Association of Realtors' Sacramento region. Income limits data are for Sacramento County. Wage data are Sacramento, El Dorado, and Placer counties.

## **CALIFORNIA'S HOMELESS FACE THE MOST SEVERE HOUSING CRISIS**

### **Families with Children Make Up a Significant Share of the Homeless Population**

The lack of affordable housing contributes to the stubborn challenge of preventing homelessness and helping those who are already homeless to move off the streets. While there is little reliable and up-to-date data on homelessness, many Californians lack even basic shelter. In May 2002, the federal Department of Housing and Urban Development (HUD) reported that on any given night, roughly 12,000 people are homeless in Alameda County (primarily Berkeley and Oakland); approximately 40 percent of these are families with children.<sup>28</sup> In December 2002, the US Conference of Mayors reported that 13 percent of Los Angeles' homeless population were families with children. Requests for emergency shelter in Los Angeles increased 10 percent in 2002 over the prior year; requests from families with children rose by an even greater 16 percent over the same period. Officials surveyed attributed the increase to increasing unemployment.<sup>29</sup>

### **Spotlight on Homelessness in Los Angeles**

A recent report commissioned by the Los Angeles Homeless Services Authority argues that, due to a higher rate of poverty and higher housing costs, "a disproportionately large share of homeless residents lives on the streets" of Los Angeles compared to the US average. The report found that approximately 85 percent of those who were homeless in 2002 received some form of county public assistance during that year; of the homeless population on public assistance, two-thirds were families with children. Roughly two-thirds of all homeless families had recently lost CalWORKs benefits. The report also found that 42 percent of homeless residents in Los Angeles reported some type of disability, which was double the disability rate for Los Angeles County. Homeless individuals who worked tended to be concentrated in the lowest-paying occupations, many of which offer no opportunities for advancement to a sustainable wage. The large majority (86 percent) of homeless adults were citizens, compared to 71 percent of the county's overall working-age population.<sup>30</sup>

### **Housing Assistance Programs Are Unable to Keep Up with Demand**

Housing assistance in Los Angeles lags far behind demand. The Los Angeles Housing Authority's waiting list for public housing increased more than 25 percent in 2002 over the prior year; the waiting list for public or Section 8 housing grew by over 2,000 families each month during the same period. Although the estimated wait for public housing in Los Angeles is 36 months, the city has not stopped accepting applications. The city estimates that it is meeting only 8 percent of need.<sup>31</sup>

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<sup>28</sup> US Department of Housing and Urban Development, Office of Policy Development and Research, Evaluation of Continuums of Care for Homeless People: Final Report (May 2002), p. 186, downloaded from [http://www.huduser.org/Publications/pdf/continuum\\_of\\_care.pdf](http://www.huduser.org/Publications/pdf/continuum_of_care.pdf) on October 28, 2003.

<sup>29</sup> US Conference of Mayors, A Status Report on Hunger and Homelessness in America's Cities 2002: A 25-City Survey (December 2002), downloaded from <http://www.usmayors.org/UCSM/hungersurvey/2002/online/HungerAndHomelessReport2002.pdf> on October 28, 2003.

<sup>30</sup> Patrick Burns, Daniel Flaming, and Brent Haydmack, Homeless in LA: A Working Paper for the 10-Year Plan to End Homelessness in Los Angeles County (Economic Roundtable: November 2003), downloaded from <http://www.economicrt.org> on November 21, 2003.

<sup>31</sup> US Conference of Mayors, A Status Report on Hunger and Homelessness in America's Cities 2002: A 25-City Survey (December 2002), downloaded from <http://www.usmayors.org/UCSM/hungersurvey/2002/online/HungerAndHomelessReport2002.pdf> on October 28, 2003.



The Bay Area also experiences a shortage of emergency housing. San Francisco provides shelter for roughly 15 percent of the city's total homeless population, estimated in 2002 to be between 11,000 and 14,000 individuals. A particular problem in San Francisco in recent years has been the loss of a large number of single-room occupancy hotels, which provided stable housing for many poor people.<sup>32</sup>

## **REVISITING THE ROOTS OF CALIFORNIA'S AFFORDABLE HOUSING CRISIS**

Housing production declined significantly during the 1990s. Observers argue that the 1986 federal tax act, and subsequent law changes, made investments in rental housing less profitable on an after-tax basis. In addition, limits on property tax and other local revenues make sales tax-generating development more attractive than residential construction. Finally, neighborhood opposition, commonly known as NIMBYism (Not In My Back Yard), has blocked or delayed construction of many affordable housing projects across the state.

### **Housing Production Is Inadequate**

Lack of supply, particularly a lack of rental housing, contributes to California's steadily increasing home prices and rents. According to the state Department of Housing and Community Development, California must build 220,000 single-family and multifamily housing units per year, through the year 2020, just to keep up with population growth.<sup>33</sup> During the 1980s, housing production in the state averaged 203,369 units per year; during the 1990s, housing production averaged only 110,648 units per year (Figure 7). While housing production has increased slightly in recent years, averaging 154,782 units per year from 2000 to 2002, construction of both single-family and multifamily units lags behind recommended and earlier levels.<sup>34</sup>

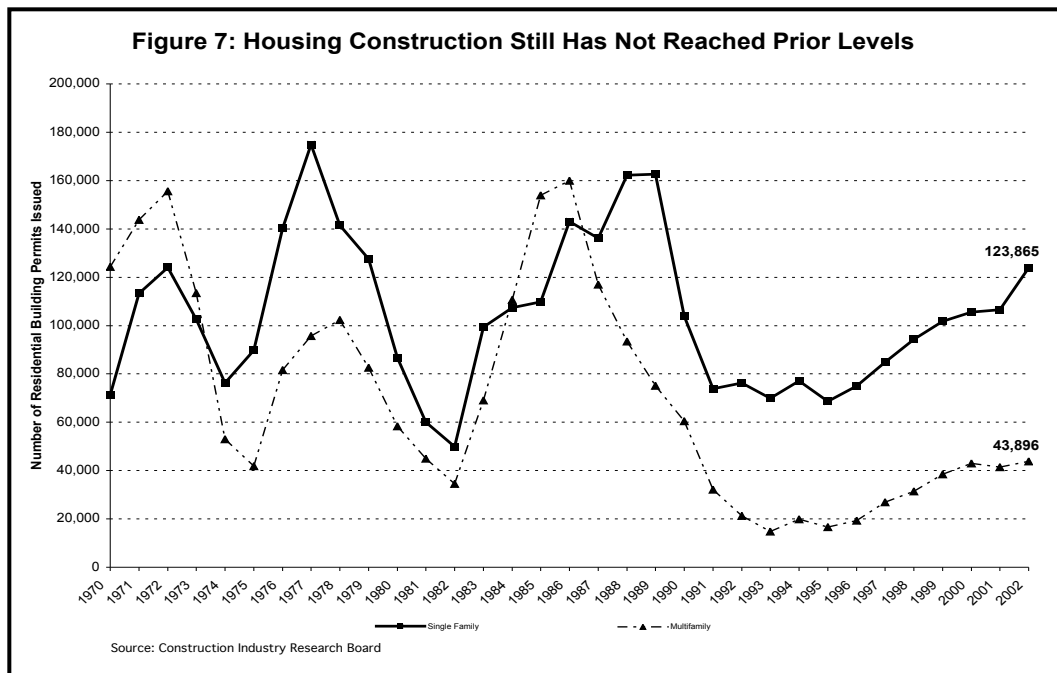
Multifamily construction, in particular, has not kept up with projected need. In 2002, multifamily housing was only about one-quarter (26.2 percent) of total new construction (43,896 units) – down from nearly two-thirds in 1970 (124,348 units). Multifamily construction has remained below 30 percent of total housing units constructed since 1992 (Figure 8).

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<sup>32</sup> US Department of Housing and Urban Development, Office of Policy Development and Research, Evaluation of Continuums of Care for Homeless People: Final Report (May 2002), p. 186, downloaded from [http://www.huduser.org/Publications/pdf/continuums\\_of\\_care.pdf](http://www.huduser.org/Publications/pdf/continuums_of_care.pdf) on October 28, 2003.

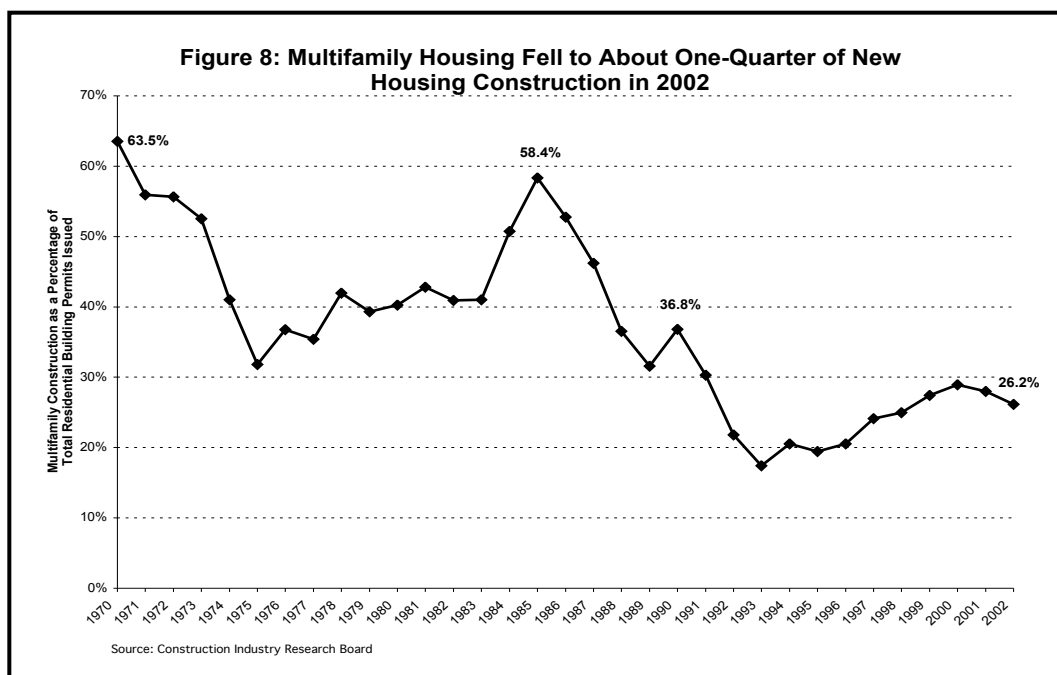
<sup>33</sup> Department of Housing and Community Development, Raising the Roof: California Housing Development Projections and Constraints 1997-2020 (May 2000), downloaded from <http://housing.hcd.ca.gov/hpd/hrc/rtr/index.html> on November 6, 2003.

<sup>34</sup> Department of Finance, Table I-3: Residential Construction Authorized by Permits, California, 1970-1998 and Construction Industry Research Board.



## Job Growth Is Outpacing Housing Construction

Housing construction has not kept up with job growth in most areas of the state, creating what is known as a “jobs-housing imbalance.” This geographic mismatch often forces families to move outside the community in which they work in order to find affordable housing, leading to increased traffic and commute times and increased stress on families who spend time in transit.



The state as a whole has added 3.0 jobs for each new unit of housing since 1994, twice the 1.5-to-1 ratio recommended by housing policy experts. Job growth exceeded housing growth by more than the recommended ratio in the majority of the state's counties during the 1994-2002 period, and by more than twice the recommended ratio in nine counties (Table 22). The areas that did not experience a jobs-housing imbalance – where the jobs-housing ratio was 1.5-to-1 or less – during this period were primarily rural; in many of these areas, job growth still outpaced housing construction.<sup>35</sup> In recent years, jobs-housing imbalances have decreased dramatically; this is almost entirely attributable, however, to job losses, rather than to increased housing construction. For example, between 1994 and 2001, Santa Clara County's jobs-housing ratio was 7.6-to-1. Between 2000 and 2002, however, Santa Clara County lost more than 120,000 jobs, lowering its jobs-housing ratio to 3.2-to-1.

**Table 22: Job Growth Continues to Exceed Housing Production in Many Parts of the State (1994-2002)**

County	Ratio of New Jobs to New Housing Units
Colusa County	7.8-to-1
Inyo County	8.9-to-1
Los Angeles County	5.2-to-1
Orange County	3.5-to-1
San Diego County	3.6-to-1
Santa Barbara County	6.7-to-1
Santa Clara County	3.2-to-1
Shasta County	3.2-to-1
Sutter and Yuba Counties	3.6-to-1

Note: Includes counties in which job growth exceeded housing growth by more than twice the recommended 1.5-to-1 ratio.  
Source: CBP analysis of Employment Development Department and Department of Finance data

### Workers Often Cannot Afford to Live Near Their Jobs

As high home prices in central metropolitan areas push more and more families to the outlying areas, increasing numbers of workers endure long commute times to get to their jobs. Statewide, the share of workers who travel less than 10 minutes to work fell by 14.4 percent between 1990 and 2000, from 12.7 percent to 11.1 percent.<sup>36</sup> Most California workers commute by car (Figure 9). A small percentage (4.0 percent) work at home and only 5.1 percent use public transportation to get to work.

*"Voting for housing is a loser. Housing doesn't pencil out."*  
John Russo, President,  
League of California Cities  
*San Diego Union-Tribune*  
September 20, 2003

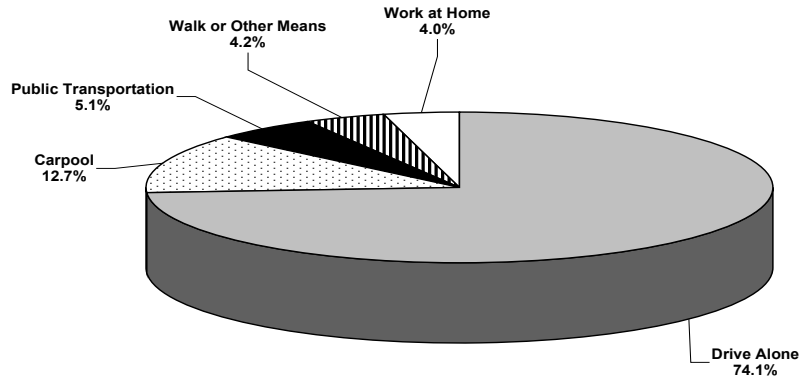
These patterns are fairly consistent across the state (Table 23). A notable exception is the San Francisco metropolitan area, where only 58.5 percent of commuters drive alone to work and a large share (19.1 percent) use public transportation. In less populated areas such as Kern and San Luis Obispo counties, the share of commuters using public transportation is particularly low, reflecting the lack of public transit. The highest rates of workers working at home are found in the Bay Area, where commute times tend to be much longer than in other areas of the state.<sup>37</sup>

<sup>35</sup> CBP analysis of Department of Finance, City and County Population and Housing Estimates, 1991-2000, with 1990 Census Counts and City and County Population and Housing Estimates, 2003, Revised 2002, and Revised 2001 with 2000 DRU Benchmark, downloaded from <http://www.dof.ca.gov/HTML/DEMOGRAP/E-5text.htm> on September 26, 2003, and Employment Development Department, Employment by Industry Data, downloaded from <http://www.calmis.ca.gov/htmlfile/subject/indtable.htm> on August 25, 2003.

<sup>36</sup> CBP analysis of US Census Bureau data, Travel Time to Work, 1990 Summary Tape File 3 (STF 3) – Sample Data and Census 2000 Summary File 3 (SF3) – Sample Data, downloaded from <http://factfinder/census.gov/servlet/BasicFactsServlet> on August 28, 2002. Please see California Budget Project, Locked Out 2002: California's Affordable Housing Crisis Continues (October 2002) for more details.

<sup>37</sup> CBP analysis of US Census, American Community Survey data, downloaded from <http://www.census.gov/acs/www/Products/Profiles/Single/2002/ACS/CA.htm> on September 18, 2003.

**Figure 9: Most Californians Drive Alone to Work**  
Only Five Percent of Californians Commute Using Public Transportation



Note: Numbers may not sum due to rounding.  
Source: US Census, American Community Survey

**Table 23: How Do Californians Get to Work? (2002)**

County	Drive Alone	Carpool	Public Transportation	Walk or Other Means	Work at Home
<b>CALIFORNIA</b>	<b>74.1 %</b>	<b>12.7 %</b>	<b>5.1 %</b>	<b>4.2 %</b>	<b>4.0 %</b>
Alameda/Contra Costa	70.2 %	12.2 %	9.1 %	4.3 %	4.2 %
El Dorado/Placer/Sacramento	76.9 %	12.7 %	2.6 %	3.0 %	4.8 %
Fresno/Madera	69.2 %	18.9 %	2.7 %	4.8 %	4.3 %
Kern	70.3 %	19.6 %	1.4 %	3.6 %	5.0 %
Los Angeles	72.4 %	12.8 %	7.2 %	4.2 %	3.4 %
Marin/San Francisco/San Mateo	58.5 %	8.8 %	19.1 %	8.0 %	5.6 %
Monterey	75.0 %	16.3 %	0.7 %	3.6 %	4.4 %
Napa/Solano	77.5 %	13.8 %	3.0 %	2.1 %	3.6 %
Orange	78.0 %	11.7 %	2.5 %	4.0 %	3.8 %
Riverside/San Bernardino	77.8 %	15.6 %	1.5 %	2.2 %	3.0 %
San Diego	78.5 %	10.0 %	3.5 %	3.7 %	4.4 %
San Joaquin	77.6 %	11.3 %	2.1 %	4.9 %	4.2 %
San Luis Obispo	79.6 %	9.6 %	0.4 %	5.7 %	4.7 %
Santa Barbara	70.1 %	16.6 %	3.7 %	5.1 %	4.4 %
Santa Clara	77.3 %	12.2 %	3.9 %	3.4 %	3.2 %
Santa Cruz	69.3 %	13.8 %	4.7 %	6.6 %	5.7 %
Sonoma	79.1 %	8.0 %	2.1 %	4.8 %	6.0 %
Stanislaus	80.2 %	13.3 %	1.1 %	2.4 %	2.9 %
Tulare	75.6 %	16.5 %	0.2 %	4.4 %	3.2 %
Ventura	83.3 %	10.8 %	0.5 %	2.4 %	2.9 %

Source: CBP analysis of US Census, American Community Survey data

## Housing Assistance Fails to Meet California's Needs

### Federal Support for Housing Has Declined

Historically, the federal government has provided the majority of support for affordable housing programs. However, federal aid has not kept pace with the need for assistance, and state and local governments have not stepped in to fill the gap. Moreover, both state and federal assistance primarily benefits higher income families through tax preferences for homeownership. These preferences provide little or no assistance to low- and middle-income Californians, who face the most acute housing problems.

The housing voucher program, administered by HUD, is the only federal housing program serving low-income families that has grown with the population over the past 20 years, but housing need still outstrips housing assistance. A HUD analysis of Census data shows that in 1999, the most recent year for which data are available, nearly five million low-income households that did not receive housing assistance had "worst case housing needs," meaning they either paid more than half of their income for rent and utilities or lived in severely substandard renter housing.<sup>38</sup> Since housing costs have outpaced incomes since 1999, it is likely that the housing affordability problem today is even more severe.<sup>39</sup>

### Loss of Federally-Subsidized Housing Further Threatens Affordable Housing Supply

Over the past three decades, the federal government has provided assistance to owners of affordable housing in the form of guaranteed rental payments and low-cost financing. In exchange for this assistance, property owners enter a contractual agreement to maintain affordability of the housing units for periods of 15 to 20 years. This arrangement assured property owners sufficient rent to pay debt service and operating costs, and provided sorely needed housing for low-income families.

**Table 24:  
Counties That Have Lost  
Affordable Units\***

County	Total Units Lost
Alameda	1,015
Butte	394
Contra Costa	972
El Dorado	100
Fresno	277
Glenn	60
Imperial	62
Kern	417
Lassen	64
Los Angeles	7,714
Merced	64
Monterey	17
Napa	75
Nevada	80
Orange	1,245
Placer	234
Riverside	860
Sacramento	2,846
San Bernardino	916
San Diego	2,562
San Francisco	680
San Joaquin	363
San Mateo	403
Santa Barbara	20
Santa Clara	2,947
Santa Cruz	388
Shasta	138
Siskiyou	115
Solano	462
Sonoma	181
Stanislaus	186
Sutter	24
Tulare	112
Ventura	452
Yolo	128
Yuba	76
<b>TOTAL</b>	<b>26,649</b>

\*Units with prepayment complete and/or Section 8 terminated since 1996.  
Source: California Housing Partnership Corporation

<sup>38</sup> US Department of Housing and Urban Development, Office of Policy Development and Research, A Report on Worst Case Housing Needs in 1999: New Opportunity Amid Continuing Challenges, Executive Summary (January 2001).

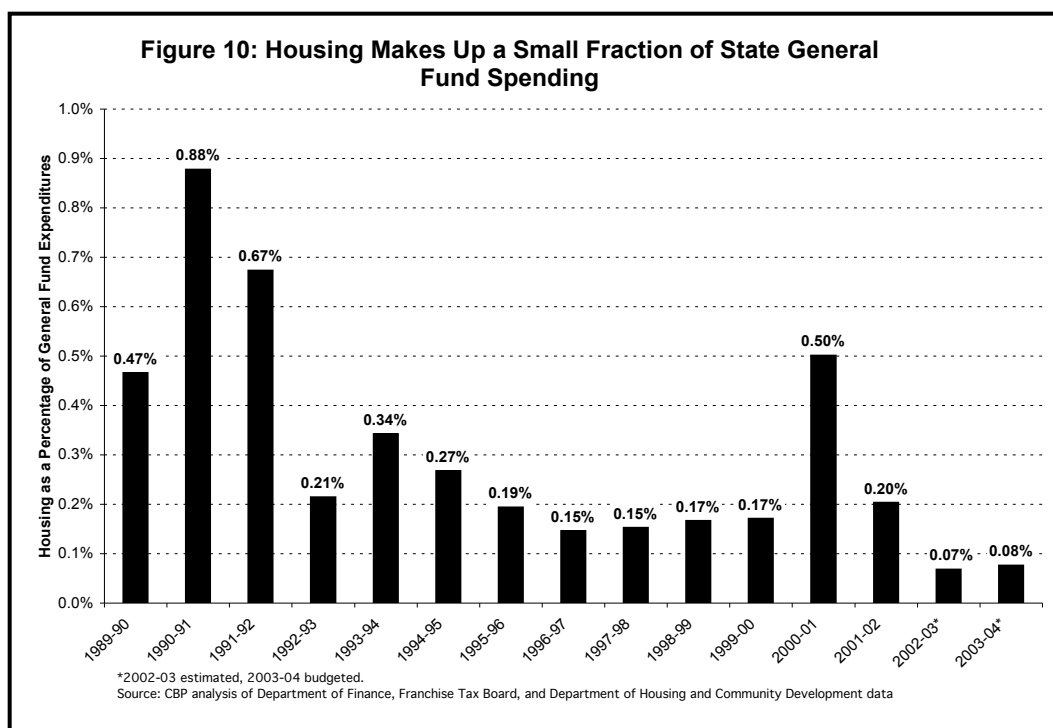
<sup>39</sup> Center on Budget and Policy Priorities, Introduction to the Housing Voucher Program (May 15, 2003), downloaded from <http://www.cbpp.org/housingvoucher.htm> on December 16, 2003.

Many of the projects built with federal assistance have reached the expiration dates of their contracts to maintain affordability, putting a significant share of California's affordable housing stock at risk of conversion to market rate housing as landlords choose to "opt out" of renewing their contracts. Moreover, in 1996, Congress allowed owners to prepay HUD-assisted mortgages, giving property owners in areas with rising rents the ability to refinance and convert to market rents. In the past eight years, California has lost more than 26,000 affordable housing units to opt-outs and prepayments. The largest losses have occurred in Alameda, Los Angeles, Orange, Sacramento, San Diego, and Santa Clara counties (Table 24). In addition, nearly 46,000 additional housing units are at risk of conversion to market rate housing.<sup>40</sup>

### State Spending Has Declined from Earlier Levels

California voters approved general obligation bonds for housing in 1988 and 1990. During the late 1980s and early 1990s, proceeds from these bonds supported a substantial investment in affordable housing in California. However, as these funds were spent, only minimal state support was allocated to continue the investment. State spending on housing dropped substantially during the 1990s, from 0.5 percent of General Fund spending in 1989-90, to less than 0.2 percent each fiscal year during the second half of the decade (Figure 10).<sup>41</sup>

In 2000-01, public and policymaker interest in housing issues, along with a large budget surplus, resulted in the largest ever non-bond allocation of state support for housing. Since then, however, the housing budget has been significantly reduced in response to the state's budget crisis. In the past two years, housing has accounted for just 0.1 percent of General Fund spending. While General Fund spending is not expected to increase in the near future, Proposition 46, the Housing and Emergency Shelter Trust Fund Act of 2002, approved by voters in November 2002, will provide \$2.1 billion in general obligation bonds for housing programs.



<sup>40</sup> California Housing Partnership Corporation (May 2003).

<sup>41</sup> CBP analysis of Department of Finance, Franchise Tax Board, and Department of Housing and Community Development data. Spending figures do not include housing bond funds or debt service.

## CONCLUSION

California's affordable housing crisis has reached emergency status. Year after year, many renters pay far too large a share of their incomes for rent, and Californians face some of the nation's least affordable homeownership markets, making it difficult for young families to achieve the "American dream" of homeownership. While the poorest households face the most severe housing problems, millions of California's middle-income households also face substantial difficulties in finding shelter they can afford.

California continues to suffer from a lack of housing that is affordable by even middle-income standards. Workers face long commutes between the housing they can afford and their jobs, and the high cost of housing leaves families with less income to spend on other necessities. For low-income families, the implications are even more severe, as many are forced to forgo basic necessities or live in substandard or overcrowded conditions in order to afford shelter. In addition, the lack of affordable housing contributes to the stubborn challenge of preventing homelessness and helping those who are already homeless to move off the streets.

Greater efforts at the federal, state, and local levels will be necessary to meet the housing challenges identified in this report. Although the current economic climate increases the difficulty of this challenge, failure to address California's affordable housing problems could further damage the health of the state's economy – a prospect the state can ill afford.

## APPENDICES



Appendix 1: 2004 California Fair Market Rents (FMRs)*					
County	0BR	1BR	2BR	3BR	4 BR
<b>CALIFORNIA</b>	<b>\$ 748</b>	<b>\$ 878</b>	<b>\$ 1,101</b>	<b>\$ 1,510</b>	<b>\$ 1,749</b>
Alameda**	\$ 936	\$ 1,132	\$ 1,420	\$ 1,947	\$ 2,325
Alpine	\$ 341	\$ 512	\$ 579	\$ 804	\$ 865
Amador	\$ 471	\$ 518	\$ 692	\$ 963	\$ 1,074
Butte	\$ 385	\$ 496	\$ 660	\$ 905	\$ 1,082
Calaveras	\$ 412	\$ 477	\$ 635	\$ 885	\$ 1,041
Colusa	\$ 373	\$ 417	\$ 537	\$ 748	\$ 865
Contra Costa**	\$ 936	\$ 1,132	\$ 1,420	\$ 1,947	\$ 2,325
Del Norte	\$ 348	\$ 478	\$ 635	\$ 886	\$ 1,043
El Dorado**	\$ 674	\$ 759	\$ 950	\$ 1,318	\$ 1,554
Fresno	\$ 451	\$ 504	\$ 603	\$ 840	\$ 967
Glenn	\$ 341	\$ 417	\$ 537	\$ 748	\$ 865
Humboldt	\$ 352	\$ 487	\$ 638	\$ 891	\$ 1,054
Imperial	\$ 384	\$ 482	\$ 593	\$ 826	\$ 865
Inyo	\$ 354	\$ 477	\$ 612	\$ 803	\$ 865
Kern	\$ 421	\$ 473	\$ 595	\$ 826	\$ 914
Kings	\$ 395	\$ 460	\$ 574	\$ 799	\$ 940
Lake	\$ 383	\$ 488	\$ 653	\$ 821	\$ 1,070
Lassen	\$ 417	\$ 422	\$ 549	\$ 748	\$ 865
Los Angeles	\$ 674	\$ 807	\$ 1,021	\$ 1,378	\$ 1,646
Madera	\$ 451	\$ 504	\$ 603	\$ 840	\$ 967
Marin	\$ 1,084	\$ 1,405	\$ 1,775	\$ 2,435	\$ 2,577
Mariposa	\$ 369	\$ 469	\$ 602	\$ 789	\$ 930
Mendocino	\$ 472	\$ 568	\$ 698	\$ 971	\$ 979
Merced	\$ 460	\$ 519	\$ 630	\$ 871	\$ 1,027
Modoc	\$ 373	\$ 417	\$ 537	\$ 748	\$ 865
Mono	\$ 520	\$ 624	\$ 830	\$ 1,154	\$ 1,364
Monterey	\$ 719	\$ 841	\$ 1,014	\$ 1,408	\$ 1,478
Napa	\$ 809	\$ 920	\$ 1,121	\$ 1,557	\$ 1,836
Nevada	\$ 427	\$ 584	\$ 778	\$ 1,081	\$ 1,252
Orange**	\$ 903	\$ 987	\$ 1,220	\$ 1,698	\$ 1,889
Placer**	\$ 674	\$ 759	\$ 950	\$ 1,318	\$ 1,554
Plumas	\$ 376	\$ 417	\$ 537	\$ 748	\$ 865
Riverside	\$ 535	\$ 596	\$ 729	\$ 1,011	\$ 1,193
Sacramento**	\$ 674	\$ 759	\$ 950	\$ 1,318	\$ 1,554
San Benito	\$ 587	\$ 691	\$ 864	\$ 1,205	\$ 1,409
San Bernardino	\$ 535	\$ 596	\$ 729	\$ 1,011	\$ 1,193
San Diego**	\$ 822	\$ 939	\$ 1,175	\$ 1,636	\$ 1,928
San Francisco	\$ 1,084	\$ 1,405	\$ 1,775	\$ 2,435	\$ 2,577
San Joaquin	\$ 522	\$ 589	\$ 757	\$ 1,054	\$ 1,242
San Luis Obispo	\$ 641	\$ 724	\$ 917	\$ 1,276	\$ 1,505
San Mateo	\$ 1,084	\$ 1,405	\$ 1,775	\$ 2,435	\$ 2,577
Santa Barbara	\$ 721	\$ 800	\$ 1,015	\$ 1,412	\$ 1,595
Santa Clara**	\$ 1,294	\$ 1,475	\$ 1,821	\$ 2,496	\$ 2,803
Santa Cruz	\$ 843	\$ 1,004	\$ 1,341	\$ 1,865	\$ 2,185
Shasta	\$ 438	\$ 486	\$ 608	\$ 844	\$ 994
Sierra	\$ 341	\$ 458	\$ 563	\$ 782	\$ 923
Siskiyou	\$ 358	\$ 417	\$ 537	\$ 748	\$ 865
Solano	\$ 809	\$ 920	\$ 1,121	\$ 1,557	\$ 1,836
Sonoma	\$ 792	\$ 897	\$ 1,163	\$ 1,617	\$ 1,909
Stanislaus	\$ 549	\$ 589	\$ 719	\$ 1,002	\$ 1,182
Sutter	\$ 380	\$ 444	\$ 571	\$ 796	\$ 919
Tehama	\$ 357	\$ 417	\$ 537	\$ 748	\$ 865
Trinity	\$ 382	\$ 417	\$ 537	\$ 748	\$ 865
Tulare	\$ 427	\$ 455	\$ 592	\$ 826	\$ 943
Tuolumne	\$ 377	\$ 515	\$ 687	\$ 956	\$ 1,127
Ventura**	\$ 785	\$ 902	\$ 1,142	\$ 1,518	\$ 1,769
Yolo	\$ 551	\$ 628	\$ 779	\$ 1,077	\$ 1,274
Yuba	\$ 380	\$ 444	\$ 571	\$ 796	\$ 919

\*2004 FMRs are effective October 1, 2003.

\*\*Fair Market Rents (FMRs) calculated at the 50th percentile in recognition of higher housing costs. In general, HUD sets FMRs at the 40th percentile, meaning that 40 percent of the area's rents are at or below the FMR. See endnote 6 for more information on FMRs.

Source: US Department of Housing and Urban Development

Appendix 2: Hours of Minimum Wage Work per Week Needed to Afford FMR					
County	0BR	1BR	2BR	3BR	4BR
<b>CALIFORNIA</b>	<b>85</b>	<b>100</b>	<b>126</b>	<b>172</b>	<b>199</b>
Alameda	107	129	162	222	265
Alpine	39	58	66	92	99
Amador	54	59	79	110	122
Butte	44	57	75	103	123
Calaveras	47	54	72	101	119
Colusa	43	48	61	85	99
Contra Costa	107	129	162	222	265
Del Norte	40	54	72	101	119
El Dorado	77	86	108	150	177
Fresno	51	57	69	96	110
Glenn	39	48	61	85	99
Humboldt	40	55	73	102	120
Imperial	44	55	68	94	99
Inyo	40	54	70	92	99
Kern	48	54	68	94	104
Kings	45	52	65	91	107
Lake	44	56	74	94	122
Lassen	48	48	63	85	99
Los Angeles	77	92	116	157	188
Madera	51	57	69	96	110
Marin	124	160	202	277	294
Mariposa	42	53	69	90	106
Mendocino	54	65	80	111	112
Merced	52	59	72	99	117
Modoc	43	48	61	85	99
Mono	59	71	95	132	155
Monterey	82	96	116	160	168
Napa	92	105	128	177	209
Nevada	49	67	89	123	143
Orange	103	112	139	194	215
Placer	77	86	108	150	177
Plumas	43	48	61	85	99
Riverside	61	68	83	115	136
Sacramento	77	86	108	150	177
San Benito	67	79	98	137	161
San Bernardino	61	68	83	115	136
San Diego	94	107	134	186	220
San Francisco	124	160	202	277	294
San Joaquin	59	67	86	120	142
San Luis Obispo	73	83	105	145	172
San Mateo	124	160	202	277	294
Santa Barbara	82	91	116	161	182
Santa Clara	147	168	208	284	319
Santa Cruz	96	114	153	213	249
Shasta	50	55	69	96	113
Sierra	39	52	64	89	105
Siskiyou	41	48	61	85	99
Solano	92	105	128	177	209
Sonoma	90	102	133	184	218
Stanislaus	63	67	82	114	135
Sutter	43	51	65	91	105
Tehama	41	48	61	85	99
Trinity	44	48	61	85	99
Tulare	49	52	67	94	107
Tuolumne	43	59	78	109	128
Ventura	89	103	130	173	202
Yolo	63	72	89	123	145
Yuba	43	51	65	91	105

Note: California's minimum wage is \$6.75 per hour.

Source: National Low Income Housing Coalition, *Out of Reach 2003: America's Housing Wage Climbs* (September 2003)





