



## California's Affordable Housing Crisis Continues

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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, publication, and individual contributions. This report was written by Erin Riches.

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**Locked Out 2002:  
CALIFORNIA'S AFFORDABLE HOUSING CRISIS CONTINUES**



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## LOCKED OUT 2002: CALIFORNIA'S HOUSING AFFORDABILITY CRISIS CONTINUES

### INTRODUCTION

Awareness of California's affordable housing crisis has increased exponentially in recent years as home prices and rents have skyrocketed in most areas of the state, in many cases locking even middle-income families out of the housing market. For low-income families, the implications are even more severe, as families may be forced to forgo basic necessities or live in substandard or overcrowded conditions in order to afford shelter. From a broader perspective, the shortage of affordable housing – or, in some areas, any type of housing – has serious implications for the health of the state economy. Businesses struggle to recruit and retain employees, workers are forced to choose between overcrowded or substandard housing and long commutes, and families have less income to spend on other necessities.

Two previous reports by the California Budget Project (CBP) have 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, overcrowding worsened, 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 affordable housing, and increased state support for housing.

Despite substantial interest among policymakers and voters and a significant infusion of state funds in 2000, the findings described below demonstrate that little progress has been made in alleviating the state's housing crisis. More recently, the state's fiscal crisis resulted in a reduction in state funds available to expand the supply of affordable housing. If approved by voters in November, Proposition 46, the Housing and Emergency Shelter Trust Fund Act of 2002, would provide \$2.1 billion for housing programs. Housing experts and advocates understand, however, that even a large one-time infusion is not enough to solve a crisis that has been over a decade in the making.

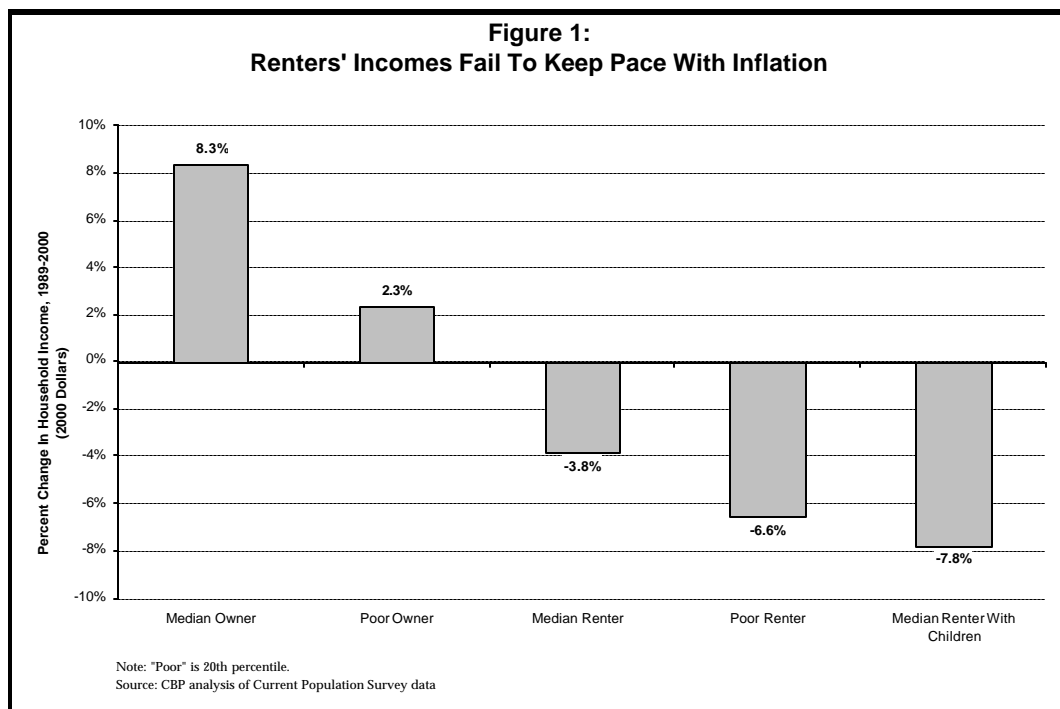
*“If these [housing production] trends continue, California will build less than 60 percent of the new housing units needed to accommodate projected 1997-2020 population and household growth. Housing shortages have historically gone hand-in-hand with rising housing prices and rents, higher housing cost burdens, lower homeownership rates, increased crowding, and longer commutes.”*

Department of Housing and  
Community Development,  
*Raising the Roof: California  
Housing Development Projections  
and Constraints 1997-2020,  
Statewide Housing Plan (2000)*

# CALIFORNIA'S AFFORDABLE HOUSING CRISIS

## Renters' Incomes Are Declining

Stagnating household incomes have exacerbated the state's affordable housing crisis. While household incomes for owners have increased, the household incomes of renters have failed to keep pace with inflation, falling significantly between 1989 and 2000 in inflation adjusted terms.



The household income of poor renters, those at the 20<sup>th</sup> percentile, fell 6.6 percent, from \$15,844 to \$14,800, between 1989 and 2000, after adjusting for inflation (Figure 1). The median household income for renters with children fell 7.8 percent during the same period, from \$32,529 to \$30,000, after adjusting for inflation.<sup>2</sup>

## Many California Households Suffer From Housing Cost Burdens

### Statewide

Among renter households, a little over half (51 percent) pay more than the recommended 30 percent of their income for shelter (Table 1). Low-income renter households, those with annual household incomes under \$18,000, fare even worse – nearly nine out of ten (88 percent) spend more than 30 percent of their income on rent. Low-income homeowners are also hit hard by housing costs, with 61 percent spending more than half their income for shelter.<sup>3</sup>

Low-income renter households suffer from an acute shortage of affordable housing, outnumbering low-cost rental units by a ratio of more than 2-to-1, both statewide and in Los Angeles County, translating into a statewide shortfall of 651,000 affordable units (Table 2).<sup>4</sup>



<b>Table 1: Housing Affordability, Metropolitan California (2001)</b>				
	<u>Renters</u>		<u>Homeowners</u>	
	Percentage Of Households	Number Of Households	Percentage Of Households	Number Of Households
Total Households Paying More Than 30% Of Their Income For Housing	51%	2,048,000	34%	1,657,000
Total Households Paying More Than 50% Of Their Income For Housing	25%	1,003,000	15%	733,000
Low-Income Households Paying More Than 30% Of Their Income For Housing	88%	1,010,000	80%	444,000
Low-Income Households Paying More Than 50% Of Their Income For Housing	66%	763,000	61%	341,000

Source: CBP analysis of American Housing Survey data.

<b>Table 2: Low-Income Renters Outnumber Affordable Units (2001)</b>		
	Ratio Of Low-Income Renter Households To Affordable Units	Shortage Of Affordable Housing Units
<b>Metropolitan California</b>	2.3-to-1	651,000
<b>Los Angeles County</b>	2.3-to-1	289,000

Source: CBP analysis of American Housing Survey data.

## **Los Angeles County**

Exactly half (50 percent) of renter households in Los Angeles County pay more than 30 percent of their income on rent (Table 3). Nearly nine out of ten (88 percent) low-income renter households in Los Angeles pay more than 30 percent of their income on rent.

A significant share of owner households in Los Angeles County (40 percent) pay more than 30 percent of their income on housing costs, while one in six (16 percent) pay more than 50 percent of their income for shelter.

## **Seniors**

More than two-thirds (68 percent) of senior renter households, those headed by individuals age 65 or older, pay more than 30 percent of their income toward shelter (Table 4). The majority (81 percent) of low-income senior renter households pay more than 30 percent of their income toward rent.

A significant share (40 percent) of senior homeowner households pay more than 30 percent of their income toward housing costs. In contrast, more than three-quarters (77 percent) of low-income senior owner households pay more than 30 percent of their income for shelter.

<b>Table 3: Housing Affordability, Los Angeles County (2001)</b>				
	<u>Renters</u>		<u>Homeowners</u>	
	Percentage Of Households	Number Of Households	Percentage Of Households	Number Of Households
Total Households Paying More Than 30% Of Their Income For Housing	50%	803,000	40%	569,000
Total Households Paying More Than 50% Of Their Income For Housing	25%	409,000	16%	234,000
Low-Income Households Paying More Than 30% Of Their Income For Housing	88%	444,000	*	*
Low-Income Households Paying More Than 50% Of Their Income For Housing	68%	341,000	*	*

\*Sample too small to produce a reliable estimate.  
Source: CBP analysis of American Housing Survey data.

<b>Table 4: Housing Affordability For Seniors, Metropolitan California (2001)</b>				
	<u>Renters</u>		<u>Homeowners</u>	
	Percentage Of Households	Number Of Households	Percentage Of Households	Number Of Households
Total Households Paying More Than 30% Of Income For Housing	68%	272,000	40%	439,000
Total Households Paying More Than 50% Of Income For Housing	46%	184,000	22%	239,000
Low-Income Households Paying More Than 30% Of Income For Housing	81%	203,000	77%	255,000
Low-Income Households Paying More Than 50% Of Income For Housing	62%	155,000	51%	171,000

## 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 5). In addition, a significant share of households with children (40 percent) are renters.<sup>5</sup>

<b>Table 5: Who Are California's Renters? (2001)</b>		
	<b>California</b>	<b>Los Angeles</b>
Percentage Of Households Who Are Renters:		
All California Households	41%	48%
White-Headed Households	33%	36%
African-American-Headed Households	58%	56%
Latino-Headed Households	55%	63%
Asian And Other	44%	47%
Percentage Of Families With Children Who Are Renters	40%	49%
Percentage Of Seniors Who Are Renters	24%	30%
Percentage Of Renter Households With Incomes Below The Poverty Line In 2000	19%	20%
Median Income Of Renter Households In 2002	\$32,850	\$29,120
Median Income Of Renter Families With Children In 2000	\$30,000	\$27,264

Source: CBP analysis of Current Population Survey data.

## Households Struggle To Afford Rents

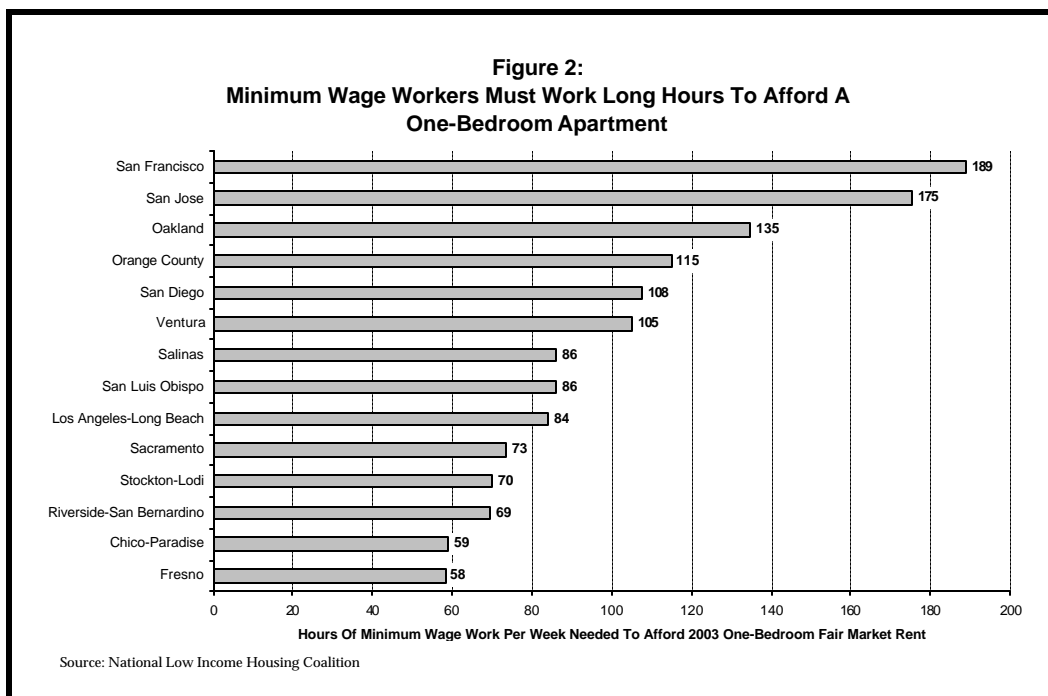
### Many Low-Wage Workers Cannot Afford Rents

Due to rising rents, many Californians can no longer afford to live where they work. In San Francisco, where housing costs have skyrocketed in recent years, the 2003 Fair Market Rent (FMR) for a two-bedroom apartment is \$1,940, a level that is only affordable to families earning at least \$77,600 per year – more than the earnings from five full-time minimum wage jobs.<sup>6</sup> Even in areas with lower housing costs, lower incomes often make rents unaffordable. In the rural counties that constitute the state’s most affordable markets, where the FMR for a two bedroom apartment is \$522, a full-time worker would need to earn at least \$10.87 per hour to afford the rent – 161 percent of California’s minimum wage.

An individual earning the minimum wage would be forced to work very long hours in order to afford the one-bedroom FMR in many of California’s counties (Figure 2). Even in the more affordable metropolitan areas of the state, such as Fresno and Chico, a worker would have to work substantially more than the standard 40 hours per week.

### Families And Individuals Receiving CalWORKs And SSI/SSP Struggle To Afford Shelter

In many counties, FMRs exceed the monthly payments families receive from welfare. The two-bedroom FMR exceeds the three-person family CalWORKs grant in 31 counties, and equals at least 80 percent of the grant level in every county (Table 6). The FMR for a studio apartment exceeds the total Supplementary Security Income/State Supplementary Payment (SSI/SSP) grant for an elderly or disabled individual in 12 counties, and equals more than 50 percent of the grant in 39 counties.<sup>7</sup>



## Overcrowding And Housing Quality Worsen As Housing Costs Rise

### Statewide

Overcrowding, defined as more than one person per room, is far more prevalent among renter households, with 12 percent of renter households living in overcrowded conditions, as compared to 3 percent of owner households.<sup>8</sup> Overcrowding is particularly prevalent among Latino households, with more than one-quarter (27 percent) of Latino renter households in California metropolitan areas living in overcrowded conditions (Table 7).

Substandard housing is also much more common among renter households (12 percent) than among owner households (2 percent).

**Table 7: Overcrowded And Substandard Renter Households,  
Metropolitan California (2001)**

	Percentage Of Households	Number Of Households
Overcrowded (More Than One Person Per Room)	12%	469,000
Overcrowded Latino Households	27%	337,000
Substandard Conditions	12%	490,000

Source: CBP analysis of American Housing Survey data.

**Table 6: 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 FMR	Percent Of Grant Needed To Rent Studio	Rent Is Greater (+) Or Less (-) Than Grant By
Alameda	\$679	\$1,374	202%	\$695	\$759	\$905	119%	\$146
Alpine	\$647	\$563	87%	-\$84	\$759	\$332	44%	-\$427
Amador	\$647	\$673	104%	\$26	\$759	\$458	60%	-\$301
Butte	\$647	\$637	98%	-\$10	\$759	\$372	49%	-\$387
Calaveras	\$647	\$618	96%	-\$29	\$759	\$401	53%	-\$358
Colusa	\$647	\$522	81%	-\$125	\$759	\$363	48%	-\$396
Contra Costa	\$679	\$1,374	202%	\$695	\$759	\$905	119%	\$146
Del Norte	\$647	\$618	96%	-\$29	\$759	\$339	45%	-\$420
El Dorado	\$647	\$747	115%	\$100	\$759	\$530	70%	-\$229
Fresno	\$647	\$564	87%	-\$83	\$759	\$423	56%	-\$336
Glenn	\$647	\$522	81%	-\$125	\$759	\$332	44%	-\$427
Humboldt	\$647	\$621	96%	-\$26	\$759	\$342	45%	-\$417
Imperial	\$647	\$577	89%	-\$70	\$759	\$374	49%	-\$385
Inyo	\$647	\$595	92%	-\$52	\$759	\$344	45%	-\$415
Kern	\$647	\$575	89%	-\$72	\$759	\$407	54%	-\$352
Kings	\$647	\$558	86%	-\$89	\$759	\$384	51%	-\$375
Lake	\$647	\$635	98%	-\$12	\$759	\$373	49%	-\$386
Lassen	\$647	\$534	83%	-\$113	\$759	\$406	53%	-\$353
Los Angeles	\$679	\$865	127%	\$186	\$759	\$571	75%	-\$188
Madera	\$647	\$564	87%	-\$83	\$759	\$423	56%	-\$336
Marin	\$679	\$1,940	286%	\$1,261	\$759	\$1,185	156%	\$426
Mariposa	\$647	\$586	91%	-\$61	\$759	\$359	47%	-\$400
Mendocino	\$647	\$679	105%	\$32	\$759	\$459	60%	-\$300
Merced	\$647	\$608	94%	-\$39	\$759	\$444	58%	-\$315
Modoc	\$647	\$522	81%	-\$125	\$759	\$363	48%	-\$396
Mono	\$647	\$807	125%	\$160	\$759	\$506	67%	-\$253
Monterey	\$679	\$844	124%	\$165	\$759	\$598	79%	-\$161
Napa	\$679	\$1,086	160%	\$407	\$759	\$784	103%	\$25
Nevada	\$647	\$757	117%	\$110	\$759	\$415	55%	-\$344
Orange	\$679	\$1,155	170%	\$476	\$759	\$855	113%	\$96
Placer	\$647	\$747	115%	\$100	\$759	\$530	70%	-\$229
Plumas	\$647	\$522	81%	-\$125	\$759	\$366	48%	-\$393
Riverside	\$647	\$690	107%	\$43	\$759	\$507	67%	-\$252
Sacramento	\$647	\$747	115%	\$100	\$759	\$530	70%	-\$229
San Benito	\$647	\$841	130%	\$194	\$759	\$571	75%	-\$188
San Bernardino	\$647	\$690	107%	\$43	\$759	\$507	67%	-\$252
San Diego	\$679	\$1,095	161%	\$416	\$759	\$766	101%	\$7
San Francisco	\$679	\$1,940	286%	\$1,261	\$759	\$1,185	156%	\$426
San Joaquin	\$647	\$731	113%	\$84	\$759	\$504	66%	-\$255
San Luis Obispo	\$679	\$886	130%	\$207	\$759	\$619	82%	-\$140
San Mateo	\$679	\$1,940	286%	\$1,261	\$759	\$1,185	156%	\$426
Santa Barbara	\$679	\$980	144%	\$301	\$759	\$696	92%	-\$63
Santa Clara	\$679	\$1,760	259%	\$1,081	\$759	\$1,250	165%	\$491
Santa Cruz	\$679	\$1,298	191%	\$619	\$759	\$816	108%	\$57
Shasta	\$647	\$587	91%	-\$60	\$759	\$423	56%	-\$336
Sierra	\$647	\$548	85%	-\$99	\$759	\$332	44%	-\$427
Siskiyou	\$647	\$522	81%	-\$125	\$759	\$348	46%	-\$411
Solano	\$679	\$1,086	160%	\$407	\$759	\$784	103%	\$25
Sonoma	\$679	\$1,126	166%	\$447	\$759	\$767	101%	\$8
Stanislaus	\$647	\$694	107%	\$47	\$759	\$530	70%	-\$229
Sutter	\$647	\$551	85%	-\$96	\$759	\$367	48%	-\$392
Tehama	\$647	\$522	81%	-\$125	\$759	\$347	46%	-\$412
Trinity	\$647	\$522	81%	-\$125	\$759	\$372	49%	-\$387
Tulare	\$647	\$572	88%	-\$75	\$759	\$412	54%	-\$347
Tuolumne	\$647	\$668	103%	\$21	\$759	\$367	48%	-\$392
Ventura	\$679	\$1,081	159%	\$402	\$759	\$743	98%	-\$16
Yolo	\$647	\$752	116%	\$105	\$759	\$532	70%	-\$227
Yuba	\$647	\$551	85%	-\$96	\$759	\$367	48%	-\$392

Source: US Department of Housing and Urban Development; Department of Finance, 2002-03 Governor's Budget.

## Los Angeles County

Overcrowding is a serious problem in Los Angeles County, with 16 percent of renter households living in overcrowded conditions, as compared to 12 percent statewide. Overcrowding rates for Latino households are also higher in Los Angeles County than at the state level, with 33 percent of Latino renter households living in overcrowded conditions (Table 8).

A larger share of Los Angeles County renter households live in substandard conditions (15 percent) than in the state as a whole (12 percent).<sup>9</sup>

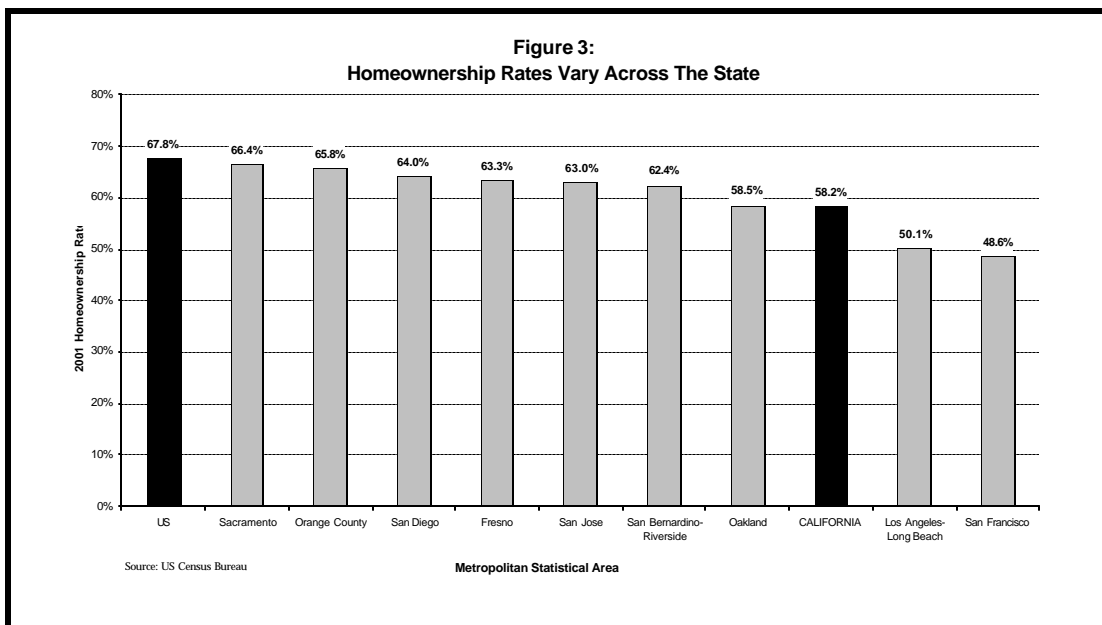
	Percentage Of Households	Number Of Households
Overcrowded (More Than One Person Per Room)	16%	257,000
Overcrowded Latino Households	33%	197,000
Substandard Conditions	15%	241,000

Source: CBP analysis of American Housing Survey data.

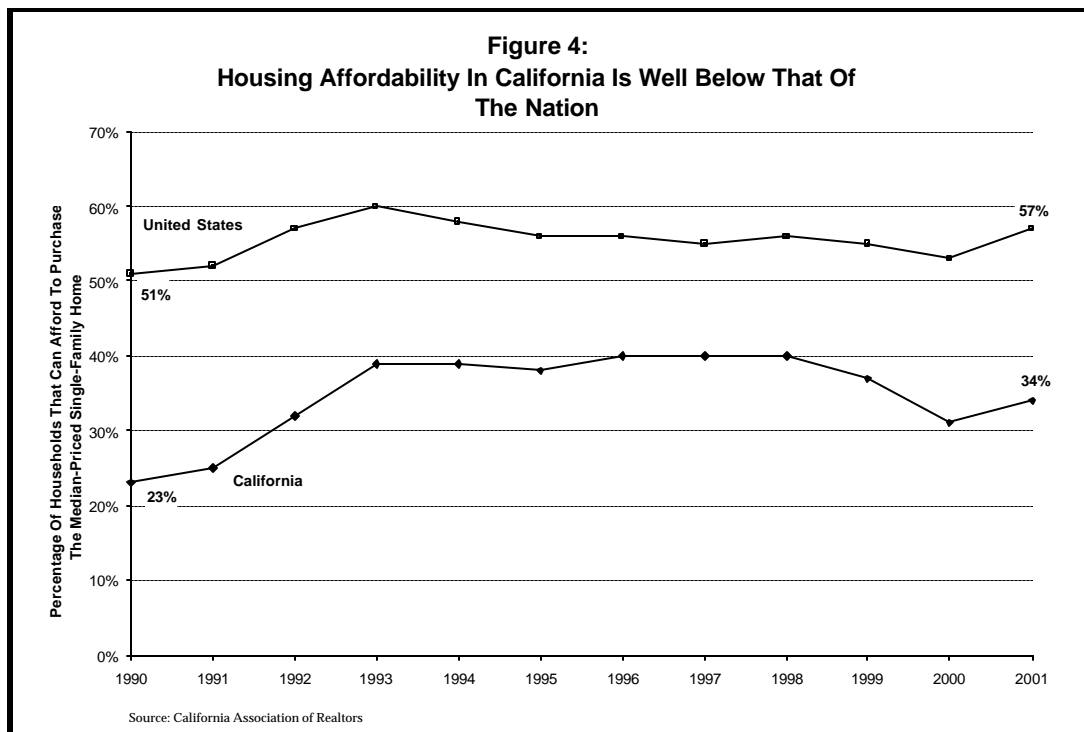
## THE “AMERICAN DREAM” OF HOMEOWNERSHIP IS JUST A DREAM FOR MANY CALIFORNIANS

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

California’s 2001 homeownership rate of 58.2 percent was the fourth lowest in the nation, behind the District of Columbia, New York, and Hawaii. California’s 2001 homeownership rate was about ten percentage points below that of the nation (Figure 3).



Homeownership rates vary significantly across different parts of the state. In the Sacramento metropolitan area, two-thirds (66.4 percent) of households are homeowners, while only 48.6 percent of those in the San Francisco metropolitan area own their homes.<sup>10</sup>



### Rising Prices Translate Into Significant Affordability Burdens

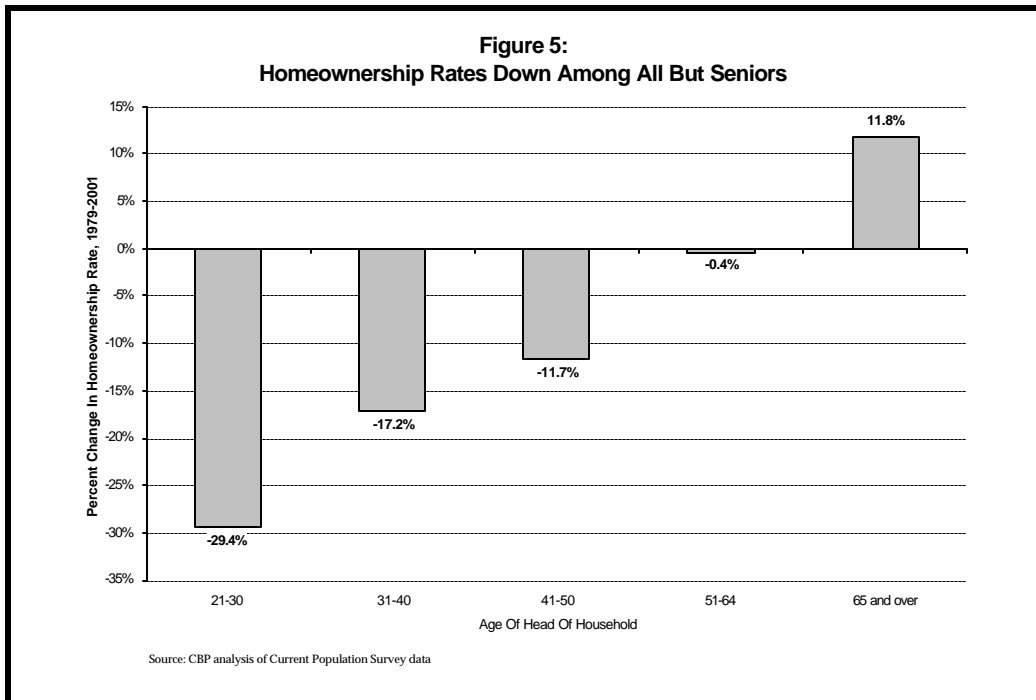
The state's homeownership rates are lower than national ownership rates largely due to the state's high cost of housing. Nationally, 57 percent of households could afford to purchase the median-priced home in 2001, as compared to just 34 percent of households in California (Figure 4).<sup>11</sup>

### Young Families Are Least Likely To Own A Home

Young families – those headed by individuals in their twenties and thirties – are dramatically less likely to be homeowners than they were two decades ago. The share of individuals in their twenties that owned homes dropped 29.4 percent (from 31.0 percent to 21.9 percent) between 1979 and 2001, while the share of individuals in their thirties that owned homes dropped 17.2 percent (from 61.0 percent to 50.5 percent) during the same period (Figure 5). Only households headed by persons age 65 or older have enjoyed increasing ownership rates, with the percentage of seniors owning homes rising 11.8 percent (from 67.0 percent to 74.9 percent) between 1979 and 2001.<sup>12</sup>

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

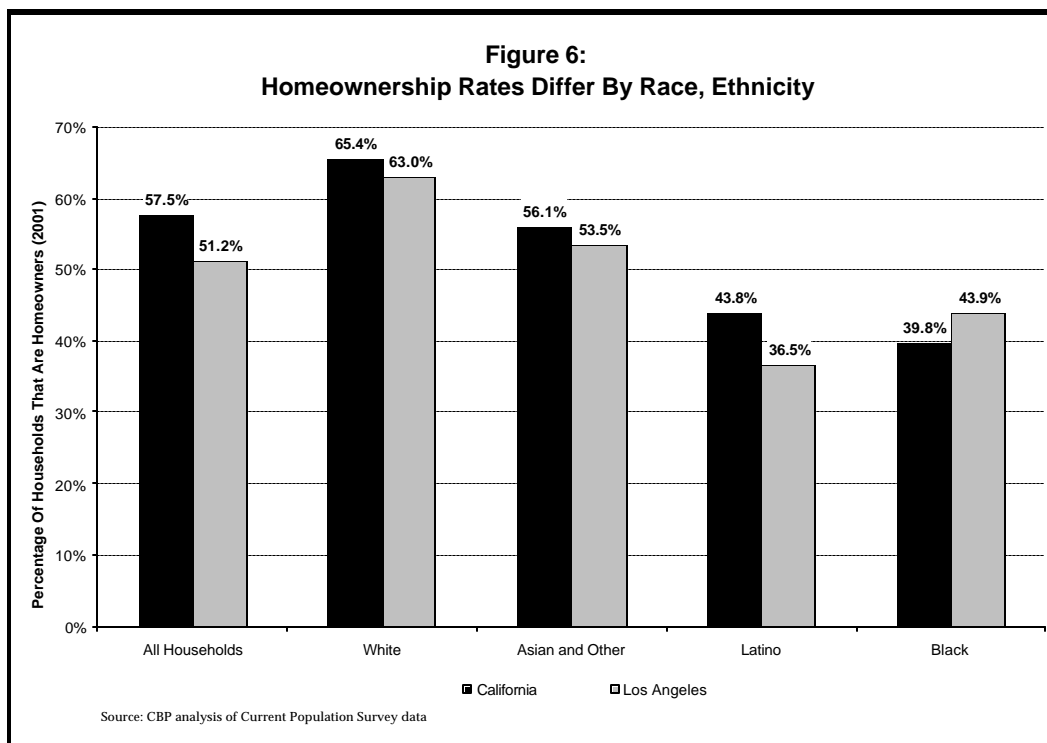
Households headed by white Californians are significantly more likely to own their own homes than are households headed by Latinos, African-Americans, or Asian and other ethnic groups. While 65.4 percent of the state's white-headed households were homeowners in 2001, fewer than half (43.8 percent) of the state's Latino-headed households owned their



own homes (Figure 6). Over half (56.1 percent) of Asian and other households, and 39.8 percent of African-American-headed households, owned their own homes. In Los Angeles County, all ethnic groups except African-American-headed households have lower homeownership rates than statewide rates.<sup>13</sup>

### How Realistic Is The Dream Of Ownership In Different Areas Of California?

Although home prices have continued to rise, households have not necessarily enjoyed a corresponding increase in income. The income needed to purchase a median-priced home in





the second quarter of 2002 exceeded the area median income by 15 percent in the Central Valley, 27 percent in Los Angeles, 37 percent in Orange County, 52 percent in San Diego and Northern California, 83 percent in the San Francisco Bay Area, and 113 percent in the Central Coast.<sup>14</sup> Only in Sacramento and the Inland Empire did the median income exceed that needed to buy a median-priced home.

Regional snapshots (Tables 9 through 17) illustrate the disparities between incomes and home prices.<sup>15</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-salaried occupations. For example, the median annual wage for a firefighter in the Bay Area was around \$65,000 in 2001; he or she would need an income of more than \$136,000 in order to buy a median-priced home – a \$71,000 gap (Table 9). For a Bay Area child care worker, whose median annual wage in 2001 was less than \$19,000, the dream of ownership appears next to impossible.

### Central Coast

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 nearly \$61,000. A registered nurse earning \$52,000 per year earns less than half of what is needed to purchase a median-priced home in the area (Table 10).

### San Diego

Affordability problems, although not as extreme as in the Bay Area and Central Coast regions, still pose difficulties for would-be homeowners in San Diego. The area median income is more than \$31,000 below what is needed to purchase a median-priced

<b>Table 9: Regional Snapshot, Bay Area</b>	
Median-Priced Home (2nd Quarter 2002)	\$540,540
Income Needed To Purchase A Median-Priced Home With A 5% Down Payment	\$136,519
Income Needed To Purchase A Median-Priced Home With A 20% Down Payment	\$114,963
	<b>Median Annual Wage (2001)</b>
<b>Median Income (2002)</b>	<b>\$74,500</b>
Registered Nurse	\$67,517
Firefighter	\$65,229
Police Patrol Officer	\$65,104
Landscape Architect	\$64,480
<b>Low Income (2002)</b>	<b>\$58,000</b>
Elementary School Teacher	\$50,918
Computer Support Specialist	\$44,990
Loan Officer	\$40,851
Emergency Dispatcher	\$40,394
<b>Very Low Income (2002)</b>	<b>\$37,250</b>
Medical Assistant	\$30,056
Delivery Truck Driver	\$26,333
Janitor	\$21,882
Retail Salesperson	\$19,053
Child Care Worker	\$18,616

<b>Table 10: Regional Snapshot, Central Coast</b>	
Median-Priced Home (2nd Quarter 2002)	\$454,020
Income Needed To Purchase A Median-Priced Home With A 5% Down Payment	\$114,667
Income Needed To Purchase A Median-Priced Home With A 20% Down Payment	\$96,562
	<b>Median Annual Wage (2001)</b>
<b>Median Income (2002)</b>	<b>\$53,800</b>
Registered Nurse	\$51,626
<b>Low Income (2002)</b>	<b>\$43,050</b>
Computer Support Specialist	\$42,765
Loan Officer	\$42,349
Firefighter	\$32,094
<b>Very Low Income (2002)</b>	<b>\$26,900</b>
Medical Assistant	\$24,482
Janitor	\$20,363
Delivery Truck Driver	\$19,989
Retail Salesperson	\$17,992
Child Care Worker	\$16,162

<b>Table 11: Regional Snapshot, San Diego</b>	
Median-Priced Home (2nd Quarter 2002)	\$361,850
Income Needed To Purchase A Median-Priced Home With A 5% Down Payment	\$91,389
Income Needed To Purchase A Median-Priced Home With A 20% Down Payment	\$76,959
<b>Median Annual Wage (2001)</b>	
<b>Median Income (2002)</b>	<b>\$60,100</b>
Police Patrol Officer	\$58,448
Registered Nurse	\$52,957
Elementary School Teacher	\$50,686
Firefighter	\$49,442
<b>Low Income (2002)</b>	<b>\$48,100</b>
Loan Officer	\$45,344
Emergency Dispatcher	\$41,288
Computer Support Specialist	\$34,050
<b>Very Low Income (2002)</b>	<b>\$30,050</b>
Medical Assistant	\$26,749
Delivery Truck Driver	\$22,547
Child Care Worker	\$18,866
Retail Salesperson	\$17,430
Janitor	\$16,973

<b>Table 12: Regional Snapshot, Orange County</b>	
Median-Priced Home (2nd Quarter 2002)	\$411,060
Income Needed To Purchase A Median-Priced Home With A 5% Down Payment	\$103,817
Income Needed To Purchase A Median-Priced Home With A 20% Down Payment	\$87,425
<b>Median Annual Wage (2001)</b>	
<b>Median Income (2002)</b>	<b>\$75,600</b>
Firefighter	\$58,739
<b>Low Income (2002)</b>	<b>\$54,400</b>
Registered Nurse	\$53,227
Loan Officer	\$50,669
Elementary School Teacher	\$46,040
Emergency Dispatcher	\$44,907
Landscape Architect	\$42,827
Computer Support Specialist	\$42,058
<b>Very Low Income (2002)</b>	<b>\$37,800</b>
Medical Assistant	\$26,416
Delivery Truck Driver	\$25,584
Retail Salesperson	\$17,514
Janitor	\$15,954
Child Care Worker	\$14,893

home, and is not even sufficient to purchase median-priced home with a 20 percent down payment (Table 11). An elementary school teacher making \$51,000 per year earns nearly \$41,000 less than the income needed to purchase a median-priced home.

### Orange County

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 \$59,000 per year falls more than \$45,000 short of the income needed to buy a median-priced home (Table 12).

### Northern California

In the northern part of the state, the income needed to buy a median-priced home exceeds the area median income by more than \$20,000. A computer support specialist earning approximately \$34,000 per year is more than \$25,000 short of the income needed to achieve homeownership (Table 13).<sup>16</sup>

<b>Table 13: Regional Snapshot, Northern California</b>	
Median-Priced Home (2nd Quarter 2002)	\$236,060
Income Needed To Purchase A Median-Priced Home With A 5% Down Payment	\$59,619
Income Needed To Purchase A Median-Priced Home With A 20% Down Payment	\$50,206
<b>Median Annual Wage (2001)</b>	
<b>Median Income (2002)</b>	<b>\$39,200</b>
Computer Support Specialist	\$34,445
<b>Low Income (2002)</b>	<b>\$31,350</b>
Medical Assistant	\$22,526
Delivery Truck Driver	\$21,632
<b>Very Low Income (2002)</b>	<b>\$19,600</b>
Retail Salesperson	\$16,016
Janitor	\$15,725
Child Care Worker	\$14,144

## Los Angeles

In Los Angeles, the income needed to purchase a median-priced home exceeds the area median income by nearly \$15,000 (Table 14). A loan officer making \$49,000 per year earns \$21,000 less than the income needed to achieve homeownership.

## Central Valley

The income needed to buy the median-priced Central Valley home exceeds the median income by a comparatively narrow margin of \$6,000 (Table 15). While areas such as Bakersfield have not seen 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.

## Inland Empire

The median income in Riverside and San Bernardino Counties actually exceeds the income necessary to buy a median-priced home by approximately \$7,000 (Table 16). 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 it has become the bedroom community for Orange County and Los Angeles. In Riverside County alone, more than 11,000 new housing units were built between 2000 and 2001, the largest increase of any county in the state during that period.<sup>17</sup>

## Sacramento

In Sacramento, 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 17). However, home prices in Sacramento 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 housing demand. Many continue to commute long distances to jobs in the Bay Area in order to afford a home of their own.

Table 14: Regional Snapshot, Los Angeles	
Median-Priced Home (2nd Quarter 2002)	\$276,630
Income Needed To Purchase A Median-Priced Home With A 5% Down Payment	\$69,866
Income Needed To Purchase A Median-Priced Home With A 20% Down Payment	\$58,834
	<b>Median Annual Wage (2001)</b>
<b>Median Income (2002)</b>	<b>\$55,100</b>
Elementary School Teacher	\$48,905
Loan Officer	\$48,693
Police Patrol Officer	\$45,198
<b>Low Income (2002)</b>	<b>\$44,100</b>
Computer Support Specialist	\$42,723
Emergency Dispatcher	\$40,997
<b>Very Low Income (2002)</b>	<b>\$27,550</b>
Landscape Architect	\$26,333
Medical Assistant	\$25,542
Delivery Truck Driver	\$22,880
Janitor	\$18,054
Retail Salesperson	\$17,888
Child Care Worker	\$17,846

Table 15: Regional Snapshot, Central Valley	
Median-Priced Home (2nd Quarter 2002)	\$183,440
Income Needed To Purchase A Median-Priced Home With A 5% Down Payment	\$46,330
Income Needed To Purchase A Median-Priced Home With A 20% Down Payment	\$39,014
	<b>Median Annual Wage (2001)</b>
<b>Median Income (2002)</b>	<b>\$40,300</b>
Loan Officer	\$37,357
Computer Support Specialist	\$33,280
<b>Low Income (2002)</b>	<b>\$32,250</b>
Emergency Dispatcher	\$31,262
Delivery Truck Driver	\$20,987
Medical Assistant	\$20,946
<b>Very Low Income (2002)</b>	<b>\$20,150</b>
Child Care Worker	\$18,678
Janitor	\$18,117
Retail Salesperson	\$15,995

<b>Table 16: Regional Snapshot, Inland Empire</b>	
Median-Priced Home (2nd Quarter 2002)	\$172,200
Income Needed To Purchase A Median-Priced Home With A 5% Down Payment	\$43,491
Income Needed To Purchase A Median-Priced Home With A 20% Down Payment	\$36,624
<b>Median Annual Wage (2001)</b>	
<b>Median Income (2002)</b>	<b>\$50,300</b>
Elementary School Teacher	\$49,247
Loan Officer	\$42,224
<b>Low Income (2002)</b>	<b>\$40,250</b>
Computer Support Specialist	\$34,986
Emergency Dispatcher	\$33,758
Firefighter	\$33,675
<b>Very Low Income (2002)</b>	<b>\$25,150</b>
Delivery Truck Driver	\$24,606
Medical Assistant	\$22,485
Janitor	\$19,261
Retail Salesperson	\$17,077
Child Care Worker	\$16,640

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

While it is difficult to obtain reliable data on homelessness, a significant number of Californians lack a place to call home. Contrary to popular perception, the homeless population includes women, families, and children, as well as single adult males. In December 2001, the US Conference of Mayors reported that 20 percent of San Diego's homeless, and 26 percent of Los Angeles' homeless, were families with children. In San Diego, most (80 percent) of the homeless families with children were single parent families; in Los Angeles, half (50 percent) were single-parent families.<sup>18</sup>

According to the 2000 Census, nearly 25 percent of those living in emergency and transitional shelters in California are under 18 years of age (Figure 7). The share of children in shelters is even higher in

Modesto, Visalia, Fresno, and Bakersfield. Due to the increasing share of families in emergency shelters, the share of women is high; 40.2 percent of the state's emergency and transitional shelter population were women in 2000.<sup>19</sup>

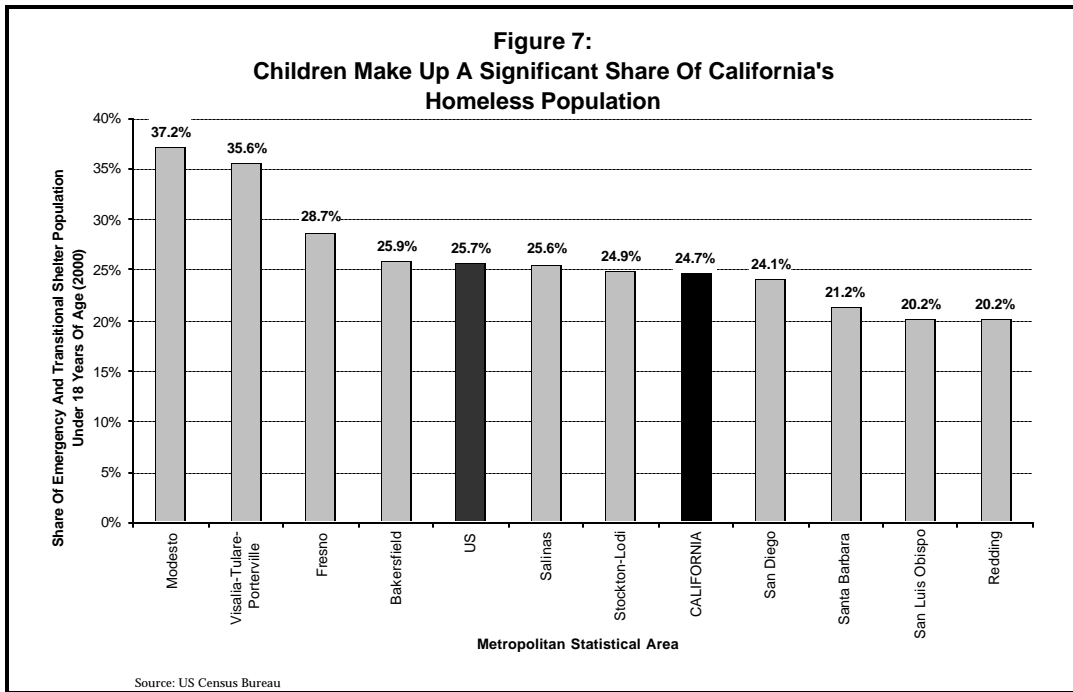
<b>Table 17: Regional Snapshot, Sacramento</b>	
Median-Priced Home (2nd Quarter 2002)	\$202,110
Income Needed To Purchase A Median-Priced Home With A 5% Down Payment	\$51,045
Income Needed To Purchase A Median-Priced Home With A 20% Down Payment	\$42,985
<b>Median Annual Wage (2001)</b>	
<b>Median Income (2002)</b>	<b>\$57,300</b>
Police Patrol Officer	\$56,035
Loan Officer	\$51,189
Elementary School Teacher	\$46,439
<b>Low Income (2002)</b>	<b>\$45,850</b>
Emergency Dispatcher	\$41,226
Firefighter	\$38,126
Computer Support Specialist	\$37,211
Medical Assistant	\$29,286
<b>Very Low Income (2002)</b>	<b>\$28,650</b>
Delivery Truck Driver	\$21,549
Janitor	\$17,576
Retail Salesperson	\$17,118
Child Care Worker	\$16,328

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

Housing production declined significantly in the 1990s, due in part to changes in several state and federal laws that made investing in rental housing less profitable on an after-tax basis. In addition, California's system of financing local government tends to discourage residential construction in favor of sales tax-generating retail development. Finally, neighborhood opposition, commonly known as NIMBYism (Not In My Back Yard), has blocked or delayed construction of many affordable housing projects in California.

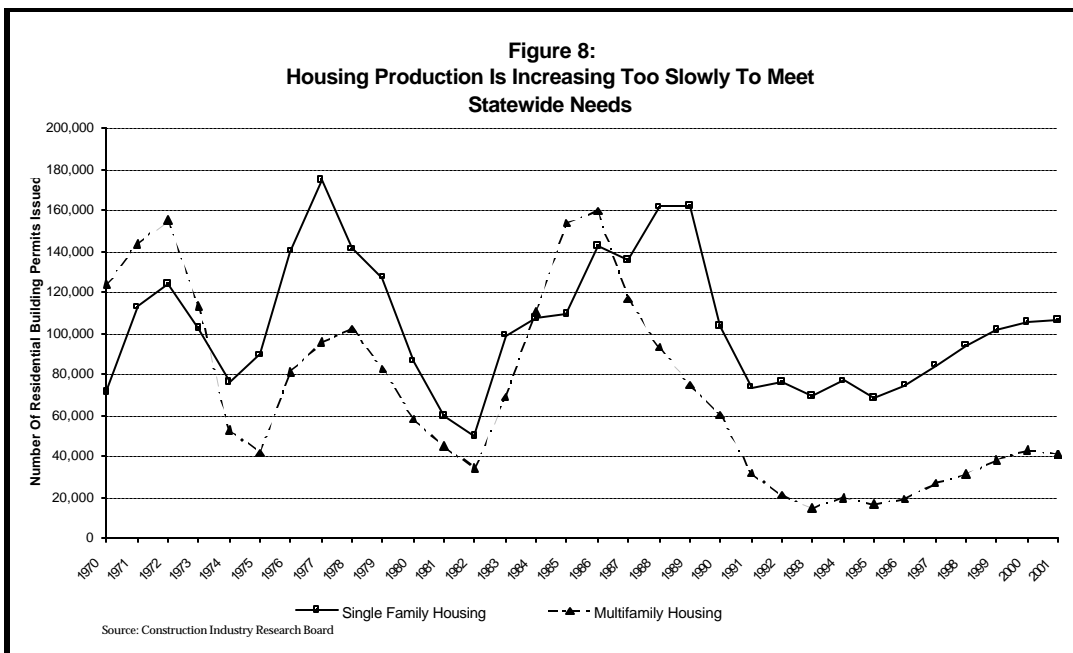
### Housing Production Is Inadequate

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



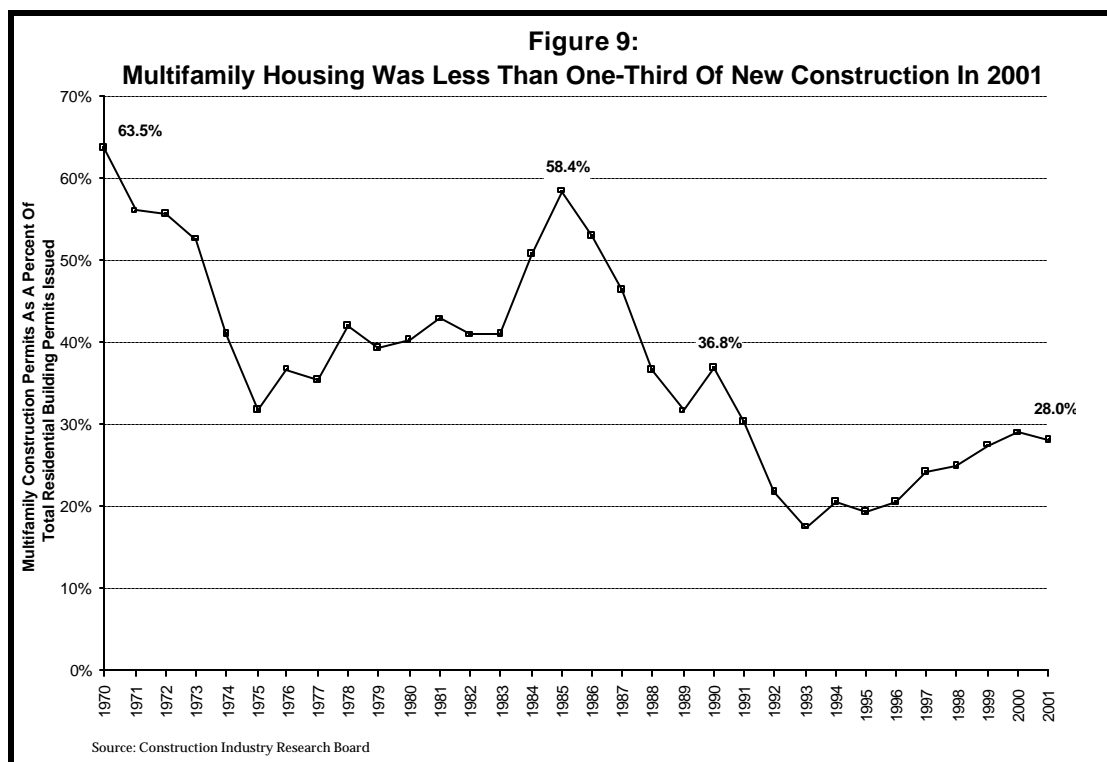
build more than 200,000 housing units per year through 2020 simply to keep up with population growth and remain “reasonably affordable.”<sup>20</sup> During the 1990s, multifamily housing production in the state fell even lower than in the early 1980s, and single-family construction has not returned to 1980s peak levels (Figure 8).

Multifamily construction, in particular, has not kept up with need. In 2001, multifamily housing was less than one-third of total new construction (41,433 units) – down from a nearly two-thirds share in 1970 (124,348 units). Multifamily housing construction has remained below 30 percent of total units since 1992 (Figure 9).<sup>21</sup>



## Job Growth Is Outpacing Housing Construction

Although housing construction in California has declined in recent years, the state has continued to generate new jobs. A “jobs-housing imbalance” occurs when a region’s job



growth increases at a faster pace than housing construction. The resulting 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.

The state as a whole has added 4.0 jobs for each new unit of housing since the economic recovery began in earnest in 1994, more than twice the 1.5-to-1 ratio recommended by housing policy experts. Job growth exceeded housing growth by more than the recommended ratio in nearly three-quarters of the state’s counties during the 1994-2001 period, and by more than twice the recommended ratio in 17 counties (Table 18). The counties that did not experience a jobs-housing imbalance (i.e., where the jobs-housing ratio was 1.5-to-1 or less) during this period were primarily rural; in most of these counties, job growth still outpaced housing construction.<sup>22</sup>

Although the state’s economy has slowed recently, the jobs-housing imbalance persists. Job growth exceeded new housing units by 2.2-to-1 between 2000 and 2001, still well above the recommended 1.5-to-1 ratio. Although the imbalance is notably smaller compared to the 1994-2001 period, it is due to waning job growth, rather than a construction boom. Jobs grew in the state by only 1.4 percent from 2000 to 2001, compared to a 3.0 percent average annual increase from 1994 to 2001.

Despite the economic slowdown, new jobs exceeded new housing units by more than the recommended ratio in more than two-thirds of California’s counties from 2000 to 2001, and by more than twice the recommended ratio in 14 counties. Again, the counties in which there was not an imbalance were primarily rural; the notable exceptions were San Francisco, San Mateo, and Santa Clara Counties, all of which suffered job losses during this period.

**Table 18: Job Growth Significantly Exceeded Housing Growth, 1994-2001**

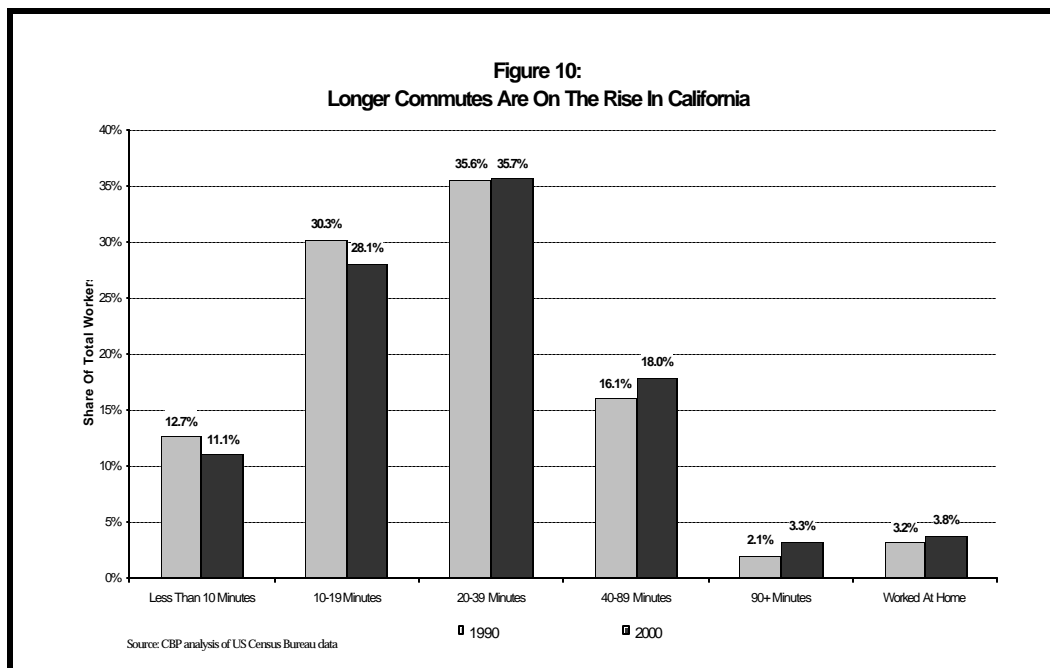
County	Ratio Of New Jobs To New Housing Units
Alameda	4.2-to-1
Colusa	11.9-to-1
Inyo	13.3-to-1
Los Angeles	7.8-to-1
Marin	4.5-to-1
Napa	6.2-to-1
Orange	4.3-to-1
San Bernardino	4.9-to-1
San Diego	4.2-to-1
San Francisco	4.8-to-1
San Mateo	13.3-to-1
Santa Barbara	9.6-to-1
Santa Clara	7.6-to-1
Santa Cruz	3.1-to-1
Shasta	3.6-to-1
Sonoma	3.1-to-1
Sutter	3.4-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. In addition, many workers who have the option are choosing to work at home. Although the majority of California workers commute less than 40 minutes (one way) to work, longer commutes are becoming more common (Figure 10). Statewide, the share of workers who travel less than ten minutes to their places of work fell by 14.4 percent between 1990 and 2000, from 12.7 percent to 11.1 percent. Conversely, the share of workers who commute more than 90 minutes, although small, increased by 57.1 percent during the same period, from 2.1 to 3.3 percent. The share of workers working at home increased by 18.7 percent, from 3.2 percent to 3.8 percent.

In the state's major metropolitan areas, the most significant change occurred in the share of workers commuting 90 minutes or more. For example, in the Sacramento area, the share of workers with long commutes rose 95.9 percent (Table 19). The share of workers in the 90 minutes-plus category increased in almost every metropolitan area in the state. The 20-39 minute category, which covers the bulk of work-



ers, remained fairly stable from 1990 to 2000, but the share of workers in the 10-19 minute commute category dropped in every metropolitan area of the state. The share of workers working at home increased in most metropolitan areas.<sup>23</sup>

<b>Table 19: Share Of Workers By Commute Time, 1990 To 2000</b> (Selected Major Metropolitan Areas)				
	<b>Los Angeles</b>	<b>San Diego</b>	<b>San Francisco</b>	<b>Sacramento</b>
<b>Less Than 10 Minutes</b>				
1990	9.4%	12.2%	9.2%	13.7%
2000	8.4%	10.5%	7.5%	11.0%
<b>Percent Change</b>	<b>-10.8%</b>	<b>-13.9%</b>	<b>-18.2%</b>	<b>-20.0%</b>
<b>10-19 Minutes</b>				
1990	27.4%	31.4%	27.1%	32.7%
2000	25.8%	29.4%	24.1%	28.5%
<b>Percent Change</b>	<b>-5.9%</b>	<b>-6.4%</b>	<b>-11.2%</b>	<b>-12.8%</b>
<b>20-39 Minutes</b>				
1990	39.2%	39.6%	39.6%	38.5%
2000	38.2%	39.8%	38.3%	39.9%
<b>Percent Change</b>	<b>-2.6%</b>	<b>0.6%</b>	<b>-3.1%</b>	<b>3.8%</b>
<b>40-89 Minutes</b>				
1990	19.4%	10.6%	19.0%	10.6%
2000	21.0%	13.6%	22.8%	13.7%
<b>Percent Change</b>	<b>8.2%</b>	<b>28.8%</b>	<b>19.8%</b>	<b>30.0%</b>
<b>90+ Minutes</b>				
1990	1.9%	1.3%	1.3%	1.4%
2000	3.2%	2.3%	2.4%	2.8%
<b>Percent Change</b>	<b>70.5%</b>	<b>78.4%</b>	<b>82.9%</b>	<b>95.9%</b>
<b>Worked At Home</b>				
1990	2.7%	5.0%	3.8%	3.1%
2000	3.5%	4.4%	4.8%	4.1%
<b>Percent Change</b>	<b>27.3%</b>	<b>-11.7%</b>	<b>27.9%</b>	<b>30.4%</b>

Source: CBP analysis of US Census Bureau data.

## Housing Assistance Fails To Meet California's Needs

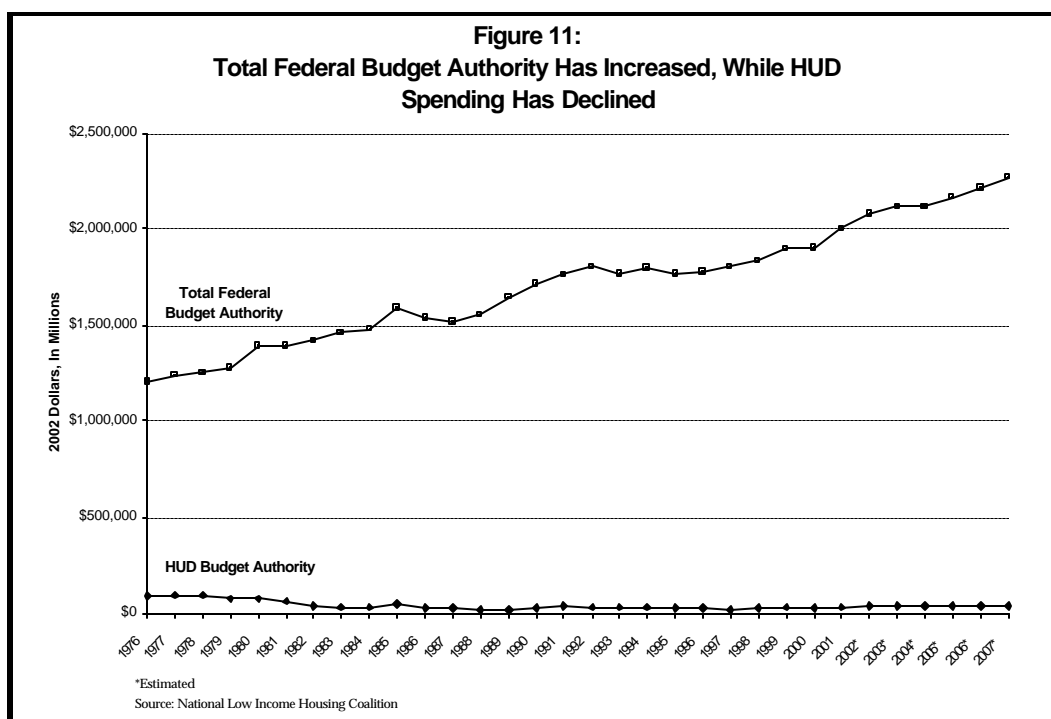
### Federal Support For Housing Has Declined

Historically, the federal government has provided the majority of public support for low-income 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 federal and state 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.

Although total federal budget authority increased by two-thirds between 1976 and 2001, from \$1.2 trillion to \$2.0 trillion, budget authority for the federal Department of Housing and Urban



Development (HUD) declined by 60 percent during the same period (Figure 11). From 1976 through 1981, HUD budget authority ranged between 5 and 8 percent of total budget authority; since 1981, it has only risen above 2 percent twice.<sup>24</sup>



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

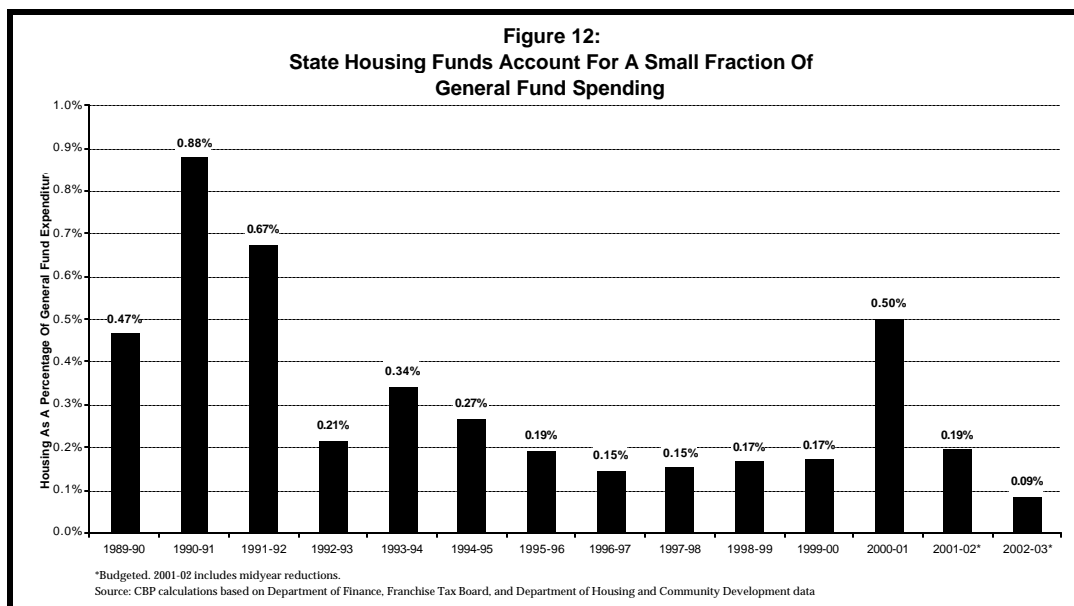
Over the past three decades, the federal government has provided assistance to developers of affordable housing in the form of guaranteed rental payments and low-cost financing in exchange for a commitment that rents would remain affordable.<sup>25</sup> This arrangement assured property owners sufficient rent to pay debt service and operating costs, and provided sorely needed housing for low-income families.

Many of the projects built with federal assistance have reached the expiration dates of their contracts to maintain affordability, putting a significant fraction of California’s affordable housing stock at risk of conversion to market rate housing. Moreover, in 1996 Congress allowed owners to prepay their HUD-assisted mortgages, giving property owners in areas with rising rents the ability to refinance and convert to market rents. In the past seven years, California has lost more than 24,000 affordable housing units to opt-outs and prepayments, a total of 16 percent of the federally-assisted inventory, with most of the losses occurring in Los Angeles, Orange, Sacramento, San Diego, and Santa Clara Counties (Table 20).<sup>26</sup>

### State Spending Declining From Earlier Levels

During the early 1990s, bond proceeds supported a substantial investment in affordable housing. However, as these funds were spent, only minimal state support was allocated to continue the investment. State spending on housing dropped substantially in the 1990s, from 0.5 percent of General Fund spending in 1989-90 to approximately 0.2 percent each fiscal year in the second half of the decade (Figure 12).

In 2000-01, public and policymaker interest in housing issues, along with a large state 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 as the state has moved to address a large budget deficit.



## CONCLUSION

California faces a housing crisis of dramatic proportions. Record numbers of renters are paying far too large a portion of their incomes for rent, and Californians face some of the nation's least affordable homeownership markets. 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.

The lack of affordable housing has widespread implications for families, communities, and the vitality of the California economy. High housing costs make it difficult for businesses to attract and retain workers. The search for affordable housing is driving many metropolitan area workers farther and farther from their jobs, creating ever greater suburban sprawl and leading to growing traffic congestion and greater air pollution. Rising rents often make it impossible for low-wage workers to live in the communities where they work, forcing many to choose between a long commute and overcrowded and/or substandard housing. When families are forced to spend more of their earnings on shelter, they have less to spend on food, clothing, child care, and other necessities. 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 crisis could further damage the vitality of the state's economy.

**Table 20: Counties That Have Lost Affordable Units\***

<b>County</b>	<b>Total Units Lost</b>
Alameda	955
Butte	394
Contra Costa	815
Del Norte	10
El Dorado	100
Fresno	190
Glenn	10
Imperial	44
Kern	417
Lassen	64
Los Angeles	7,067
Merced	64
Monterey	17
Napa	75
Nevada	80
Orange	1,055
Placer	234
Riverside	860
Sacramento	2,477
San Bernardino	916
San Diego	2,366
San Francisco	680
San Joaquin	306
San Mateo	403
Santa Clara	2,696
Santa Cruz	78
Shasta	138
Siskiyou	115
Solano	411
Sonoma	118
Stanislaus	142
Tulare	112
Ventura	452
Yolo	72
Yuba	76
<b>TOTAL</b>	<b>24,009</b>

\*Units with prepayment complete and/or Section 8 terminated since 1996.  
Source: California Housing Partnership Corporation (August 2002).

## ENDNOTES

- <sup>1</sup> *Locked Out: California's Affordable Housing Crisis* (May 2000) and *Still Locked Out: New Data Confirm That California's Housing Affordability Crisis Continues* (March 2001).
- <sup>2</sup> CBP analysis of Current Population Survey data.
- <sup>3</sup> CBP analysis of American Housing Survey data.
- <sup>4</sup> CBP analysis of American Housing Survey data. Low-income households are defined as those with annual incomes under \$18,000; affordable units are those defined as renting for \$450 or less per month.
- <sup>5</sup> CBP analysis of Current Population Survey data.
- <sup>6</sup> National Low Income Housing Coalition. The federal Department of Housing and Urban Development (HUD) determines Fair Market Rents (FMRs) for federal housing assistance purposes. The FMR estimates the dollar amount 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" – rental 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 2003 Fair Market Rents are effective October 1, 2002. See Appendix 1 for FMRs for all California counties.
- <sup>7</sup> Grant amounts from Department of Finance, *2002-03 Governor's Budget* (January 2002), pp. HHS 150 and 153. Fair Market Rents from *Federal Register, 24 CFR Part 888, Part II: Department of Housing and Urban Development, Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program – Fiscal Year 2003; Proposed Rule* (May 23, 2002).
- <sup>8</sup> CBP analysis of American Housing Survey data.
- <sup>9</sup> CBP analysis of American Housing Survey data.
- <sup>10</sup> US Census Bureau, Table 13, "Homeownership Rates by State: 1984-2001" and Table 14, "Homeownership Rates for the 75 Largest Metropolitan Areas: 1986-2001," downloaded from <http://www.census.gov/hhes/www/hvs.html> on May 31, 2002.
- <sup>11</sup> California Association of Realtors, *2001 California Existing Single-Family Housing Market Annual Historical Data Summary, Real Estate Research Report 2002-03* (March 2002), pp. 25-26.
- <sup>12</sup> CBP analysis of Current Population Survey data.
- <sup>13</sup> CBP analysis of Current Population Survey data.
- <sup>14</sup> CBP calculations based on a 30 percent income standard, assuming a 6.99 percent interest rate on a 30-year conventional loan, and a 5 percent down payment.
- <sup>15</sup> The area median, low, and very low income levels are determined by the federal Department of Housing and Urban Development (HUD). Department of Housing and Community Development, *Income Limits for 2002* (February 2002), downloaded from <http://housing.hcd.ca.gov/hpd/hrc/rep/state/incNote.html> on August 5, 2002. Median annual wages are CBP calculations based on the Employment Development Department's (EDD) median hourly wage; median hourly wage was not available for teachers, so EDD's mean annual wage was used. Employment Development Department, *Occupational Employment Statistics, Employment and Wages by Occupation*, downloaded from [http://www.calmis.cahwnet.gov/file/occup\\$/OESS.htm](http://www.calmis.cahwnet.gov/file/occup$/OESS.htm) on August 2, 2002. The income needed to purchase a median-priced home was calculated by the CBP based on the Federal Housing Finance Board, *Federal Housing Finance Board Reports Continued Lower Mortgage Interest Rates* (July 25, 2002), downloaded from [http://www.fhfb.gov/MIRS/mirs\\_nav.htm](http://www.fhfb.gov/MIRS/mirs_nav.htm) on August 6, 2002; California Association of Realtors, *Median Price Up 23.5 Percent to Record \$319,650 in Second Quarter* (August 13, 2002), downloaded from <http://www.car.org> on August 14, 2002; and Fannie Mae HomePath Calculator at <http://www.homepath.com/cgi-bin/WebObjects-4/HomePathWOF>.
- <sup>16</sup> For Northern California, income data is from the Employment Development Department for the Chico-Paradise metropolitan statistical area (Butte County), while the median home price was taken from the California Association of Realtors' Northern California region, which includes all or part of Butte, El Dorado, Humboldt, Lake, Placer, and Siskiyou Counties. Home prices tend to be significantly higher in El Dorado and Placer Counties than in Butte County.
- <sup>17</sup> Construction Industry Research Board.
- <sup>18</sup> The United States Conference of Mayors, *A Status Report on Hunger and Homelessness in America's Cities 2001: A 27-City Survey* (December 2001), p. 91.
- <sup>19</sup> Annetta C. Smith and Denise I. Smith, US Census Bureau, *Emergency and Transitional Shelter Population: 2000* (October 2001), downloaded from <http://www.census.gov/prod/2001pubs/censr01-2.pdf> on June 27, 2002.
- <sup>20</sup> Department of Housing and Community Development, *Raising the Roof: California Housing Development Projections and Constraints 1997-2020, Statewide Housing Plan* (Sacramento: May 2000), p. 9.
- <sup>21</sup> Department of Finance, *Table I-3: Residential Construction Authorized By Permits, California, 1970-1998* and Construction Industry Research Board.
- <sup>22</sup> CBP analysis of Department of Finance, *City/County Population and Housing Estimates, 2002, Revised 2001, with 2000 Census Counts*, downloaded from <http://www.dof.ca.gov/HTML/DEMOGRAP/E-5text2.htm> on June 26, 2002, and Employment Development Department, *Employment by Industry Data*, downloaded from <http://www.calmis.cahwnet.gov/htmlfile/subject/indtable.htm> on June 26, 2002.

<sup>23</sup> CBP analysis of US Census Bureau, *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.

<sup>24</sup> Budget authority is defined as the authorized amount of obligations each year, regardless of when the spending occurs. Source: Cushing Dolbeare and Sheila Crowley, National Low Income Housing Coalition, *Changing Priorities: The Federal Budget and Housing Assistance 1976-2007* (August 2002).

<sup>25</sup> As a condition of receiving assistance, property owners typically enter into contractual agreements with the federal government to maintain affordability for periods of 15 to 20 years.

<sup>26</sup> California Housing Partnership Corporation (August 2002).



## APPENDICES

Appendix 1: 2003 Fair Market Rents For California*					
	0 BR	1 BR	2 BR	3 BR	4 BR
<b>CALIFORNIA</b>	<b>\$694</b>	<b>\$816</b>	<b>\$1,024</b>	<b>\$1,404</b>	<b>\$1,622</b>
Alameda**	\$905	\$1,095	\$1,374	\$1,883	\$2,249
Alpine	\$332	\$498	\$563	\$782	\$842
Amador	\$458	\$504	\$673	\$937	\$1,045
Butte	\$372	\$479	\$637	\$874	\$1,045
Calaveras	\$401	\$464	\$618	\$861	\$1,013
Colusa	\$363	\$406	\$522	\$728	\$842
Contra Costa**	\$905	\$1,095	\$1,374	\$1,883	\$2,249
Del Norte	\$339	\$465	\$618	\$862	\$1,015
El Dorado**	\$530	\$597	\$747	\$1,037	\$1,222
Fresno	\$423	\$473	\$564	\$786	\$906
Glenn	\$332	\$406	\$522	\$728	\$842
Humboldt	\$342	\$474	\$621	\$867	\$1,025
Imperial	\$374	\$469	\$577	\$804	\$842
Inyo	\$344	\$464	\$595	\$781	\$842
Kern	\$407	\$457	\$575	\$798	\$883
Kings	\$384	\$448	\$558	\$777	\$914
Lake	\$373	\$475	\$635	\$799	\$1,041
Lassen	\$406	\$411	\$534	\$728	\$842
Los Angeles	\$571	\$683	\$865	\$1,167	\$1,394
Madera	\$423	\$473	\$564	\$786	\$906
Marin	\$1,185	\$1,535	\$1,940	\$2,661	\$2,816
Mariposa	\$359	\$456	\$586	\$768	\$905
Mendocino	\$459	\$553	\$679	\$945	\$952
Merced	\$444	\$501	\$608	\$841	\$992
Modoc	\$363	\$406	\$522	\$728	\$842
Mono	\$506	\$607	\$807	\$1,123	\$1,327
Monterey	\$598	\$700	\$844	\$1,172	\$1,231
Napa	\$784	\$891	\$1,086	\$1,508	\$1,779
Nevada	\$415	\$568	\$757	\$1,052	\$1,218
Orange**	\$855	\$934	\$1,155	\$1,607	\$1,788
Placer**	\$530	\$597	\$747	\$1,037	\$1,222
Plumas	\$366	\$406	\$522	\$728	\$842
Riverside	\$507	\$564	\$690	\$957	\$1,130
Sacramento**	\$530	\$597	\$747	\$1,037	\$1,222
San Benito	\$571	\$672	\$841	\$1,172	\$1,371
San Bernardino	\$507	\$564	\$690	\$957	\$1,130
San Diego**	\$766	\$875	\$1,095	\$1,524	\$1,796
San Francisco	\$1,185	\$1,535	\$1,940	\$2,661	\$2,816
San Joaquin	\$504	\$569	\$731	\$1,018	\$1,200
San Luis Obispo	\$619	\$699	\$886	\$1,232	\$1,454
San Mateo	\$1,185	\$1,535	\$1,940	\$2,661	\$2,816
Santa Barbara	\$696	\$773	\$980	\$1,364	\$1,540
Santa Clara**	\$1,250	\$1,425	\$1,760	\$2,412	\$2,709
Santa Cruz	\$816	\$972	\$1,298	\$1,805	\$2,114
Shasta	\$423	\$469	\$587	\$815	\$960
Sierra	\$332	\$446	\$548	\$761	\$898
Siskiyou	\$348	\$406	\$522	\$728	\$842
Solano	\$784	\$891	\$1,086	\$1,508	\$1,779
Sonoma	\$767	\$869	\$1,126	\$1,566	\$1,849
Stanislaus	\$530	\$569	\$694	\$968	\$1,142
Sutter	\$367	\$429	\$551	\$769	\$888
Tehama	\$347	\$406	\$522	\$728	\$842
Trinity	\$372	\$406	\$522	\$728	\$842
Tulare	\$412	\$439	\$572	\$798	\$911
Tuolumne	\$367	\$501	\$668	\$930	\$1,096
Ventura**	\$743	\$854	\$1,081	\$1,437	\$1,675
Yolo	\$532	\$607	\$752	\$1,040	\$1,230
Yuba	\$367	\$429	\$551	\$769	\$888

\*Proposed 2003 Fair Market Rents are effective October 1, 2002.

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

Source: US Department of Housing and Urban Development (counties), and National Low Income Housing Coalition (state).

Appendix 2: Hours of Work Per Week At Minimum Wage (\$6.75) Necessary To Afford FMR					
	0 BR	1 BR	2 BR	3BR	4 BR
<b>CALIFORNIA</b>	<b>79</b>	<b>93</b>	<b>117</b>	<b>160</b>	<b>185</b>
Alameda	103	125	157	215	256
Alpine	38	57	64	89	96
Amador	52	57	77	107	119
Butte	42	55	73	100	119
Calaveras	46	53	70	98	115
Colusa	41	46	59	83	96
Contra Costa	103	125	157	215	256
Del Norte	39	53	70	98	116
El Dorado	60	68	85	118	139
Fresno	48	54	64	90	103
Glenn	38	46	59	83	96
Humboldt	39	54	71	99	117
Imperial	43	53	66	92	96
Inyo	39	53	68	89	96
Kern	46	52	66	91	101
Kings	44	51	64	89	104
Lake	43	54	72	91	119
Lassen	46	47	61	83	96
Los Angeles	65	78	99	133	159
Madera	48	54	64	90	103
Marin	135	175	221	303	321
Mariposa	41	52	67	88	103
Mendocino	52	63	77	108	108
Merced	51	57	69	96	113
Modoc	41	46	59	83	96
Mono	58	69	92	128	151
Monterey	68	80	96	134	140
Napa	89	102	124	172	203
Nevada	47	65	86	120	139
Orange	97	106	132	183	204
Placer	60	68	85	118	139
Plumas	42	46	59	83	96
Riverside	58	64	79	109	129
Sacramento	60	68	85	118	139
San Benito	65	77	96	134	156
San Bernardino	58	64	79	109	129
San Diego	87	100	125	174	205
San Francisco	135	175	221	303	321
San Joaquin	57	65	83	116	137
San Luis Obispo	71	80	101	140	166
San Mateo	135	175	221	303	321
Santa Barbara	79	88	112	155	175
Santa Clara	142	162	201	275	309
Santa Cruz	93	111	148	206	241
Shasta	48	53	67	93	109
Sierra	38	51	62	87	102
Siskiyou	40	46	59	83	96
Solano	89	102	124	172	203
Sonoma	87	99	128	178	211
Stanislaus	60	65	79	110	130
Sutter	42	49	63	88	101
Tehama	40	46	59	83	96
Trinity	42	46	59	83	96
Tulare	47	50	65	91	104
Tuolumne	42	57	76	106	125
Ventura	85	97	123	164	191
Yolo	61	69	86	119	140
Yuba	42	49	63	88	101

Source: National Low Income Housing Coalition.





