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# Poverty and Housing Costs in California: Data and Policy Solutions

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SCANPH

ANNUAL CONFERENCE

LOS ANGELES, SEPTEMBER 22, 2017

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# California is known for many things. . .

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# Key Themes

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Housing costs and housing cost-burden contribute to a high poverty rate in California. Key data include:

- Poverty rate accounting for cost of living
- Housing costs
- Housing cost-burden (spending an unaffordable percentage of income on housing and utilities)

State and local policies can help address the housing affordability crisis.



# Poverty in California



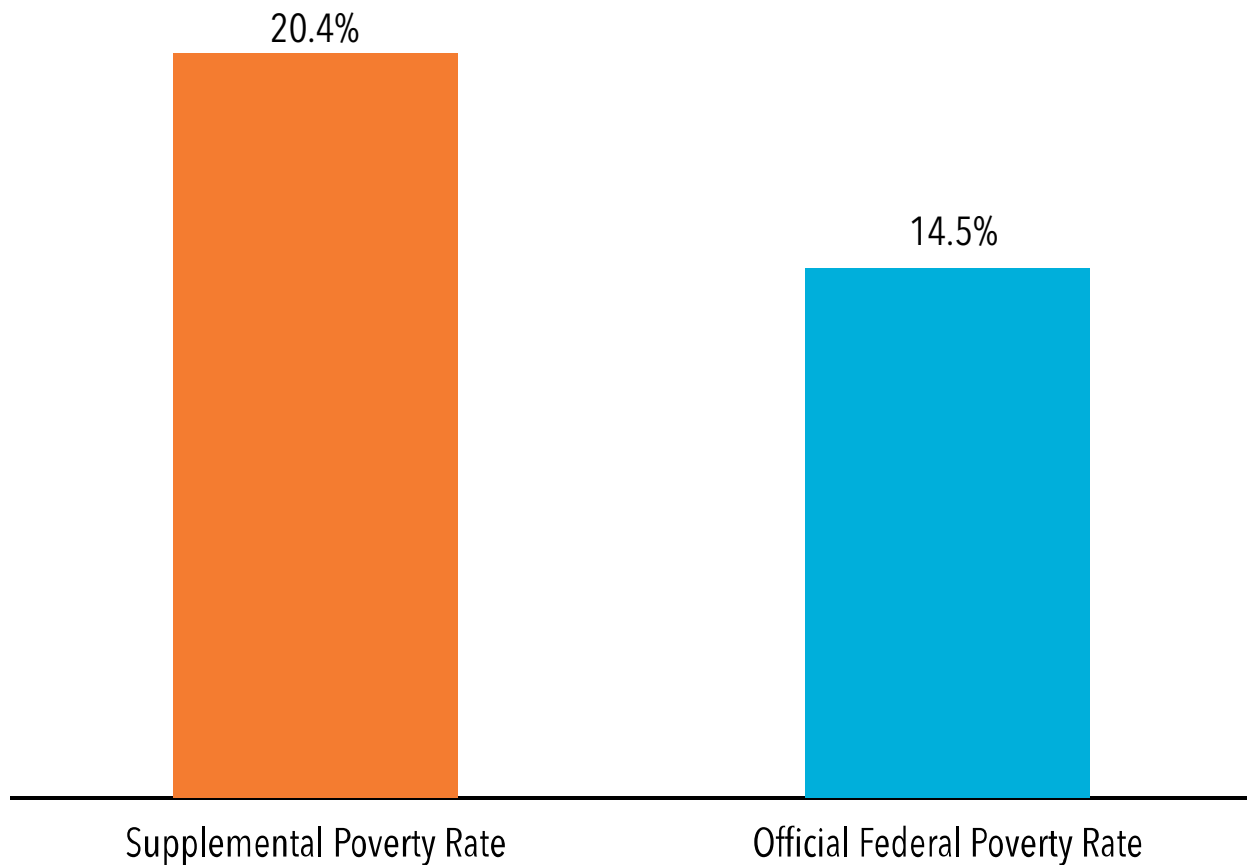
**When housing costs are accounted for, California has a high poverty rate.**



# California's Poverty Rate Is Higher Under a More Accurate Measure of Hardship

Supplemental Poverty Rate and Official Federal Poverty Rate, 2014-2016

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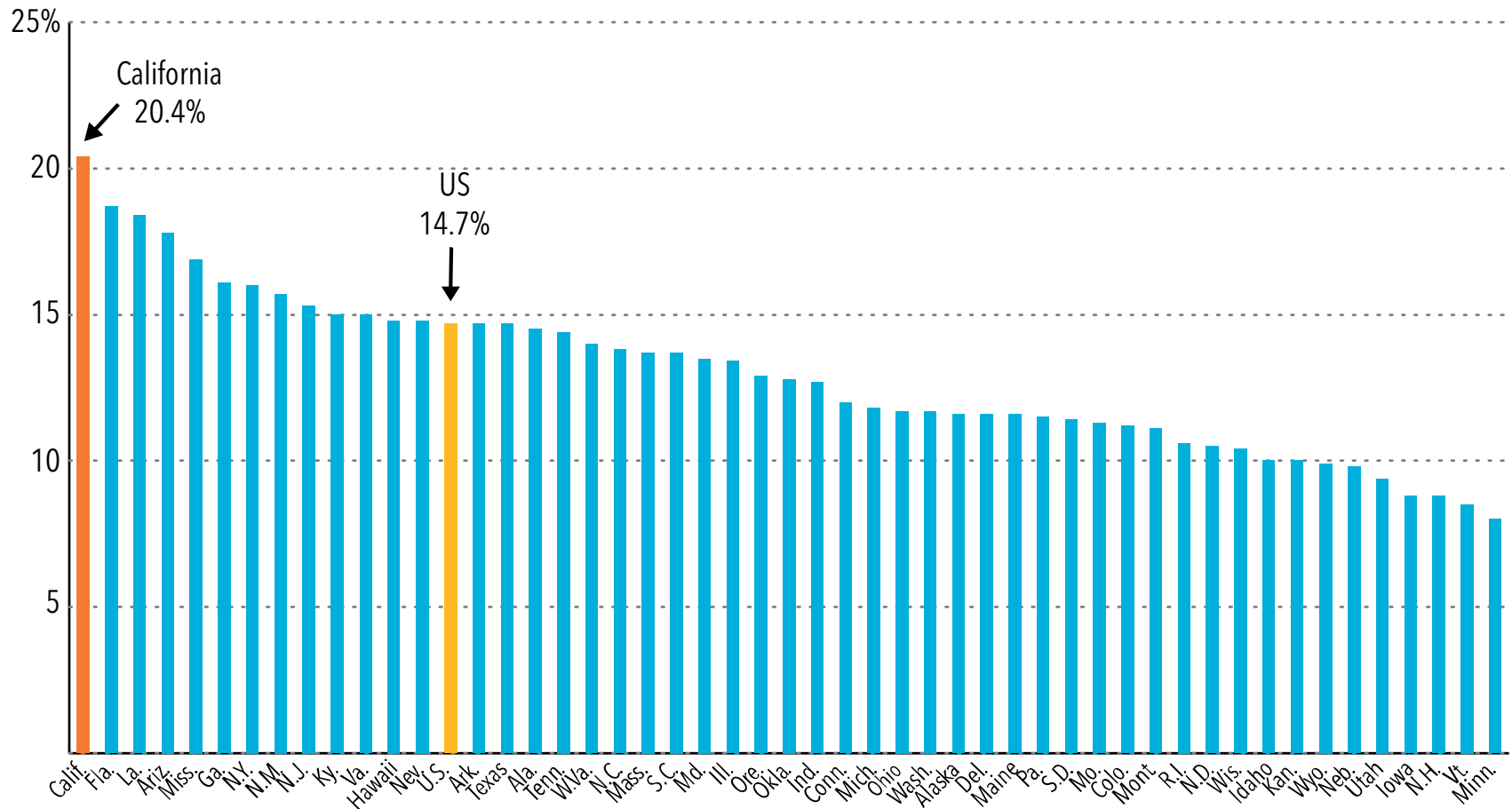


Source: US Census Bureau



# California Has the Highest Poverty Rate of the 50 States Under the Supplemental Poverty Measure (SPM)

State Poverty Rate Under the SPM, 2014-2016



Source: US Census Bureau



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# Housing Costs in California



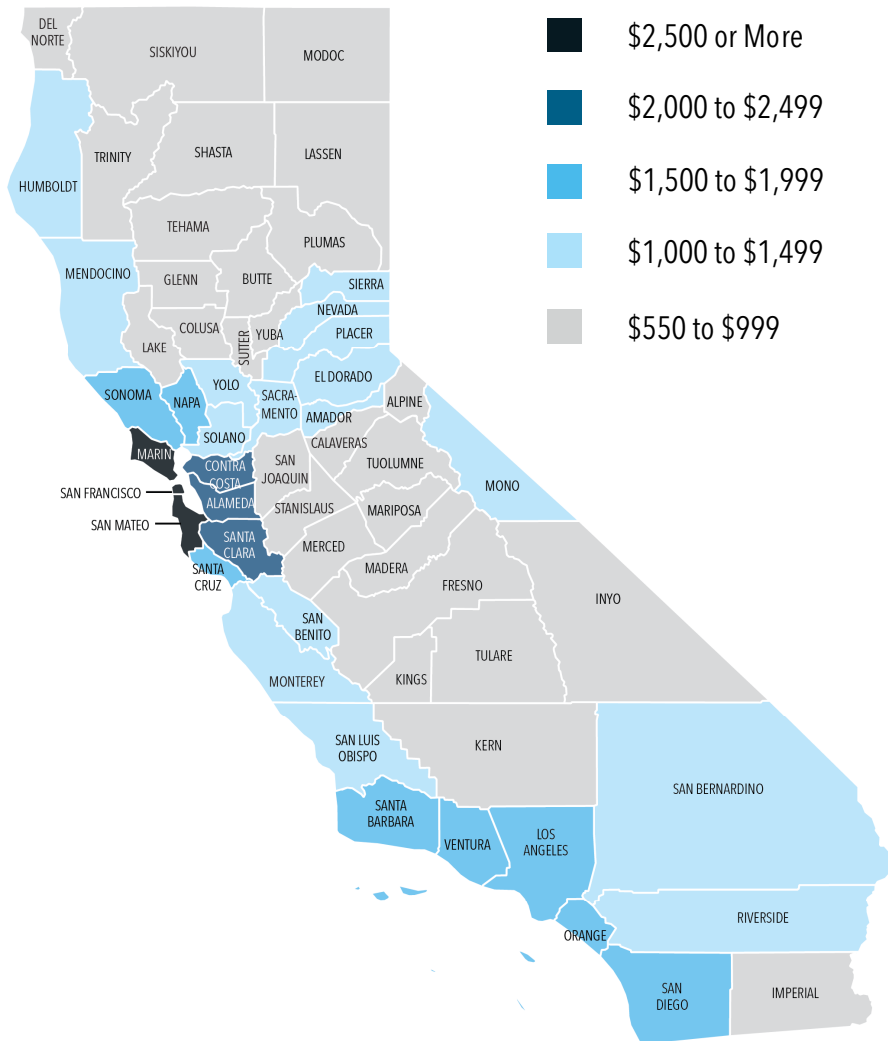
# **Housing costs are high in many parts of California**

**Costs vary across the state, but are unaffordable everywhere for the lowest-wage workers.**



# Rents Are Highest in California's Coastal Urban Areas

## Fair Market Rent for a Two-Bedroom Apartment, 2017

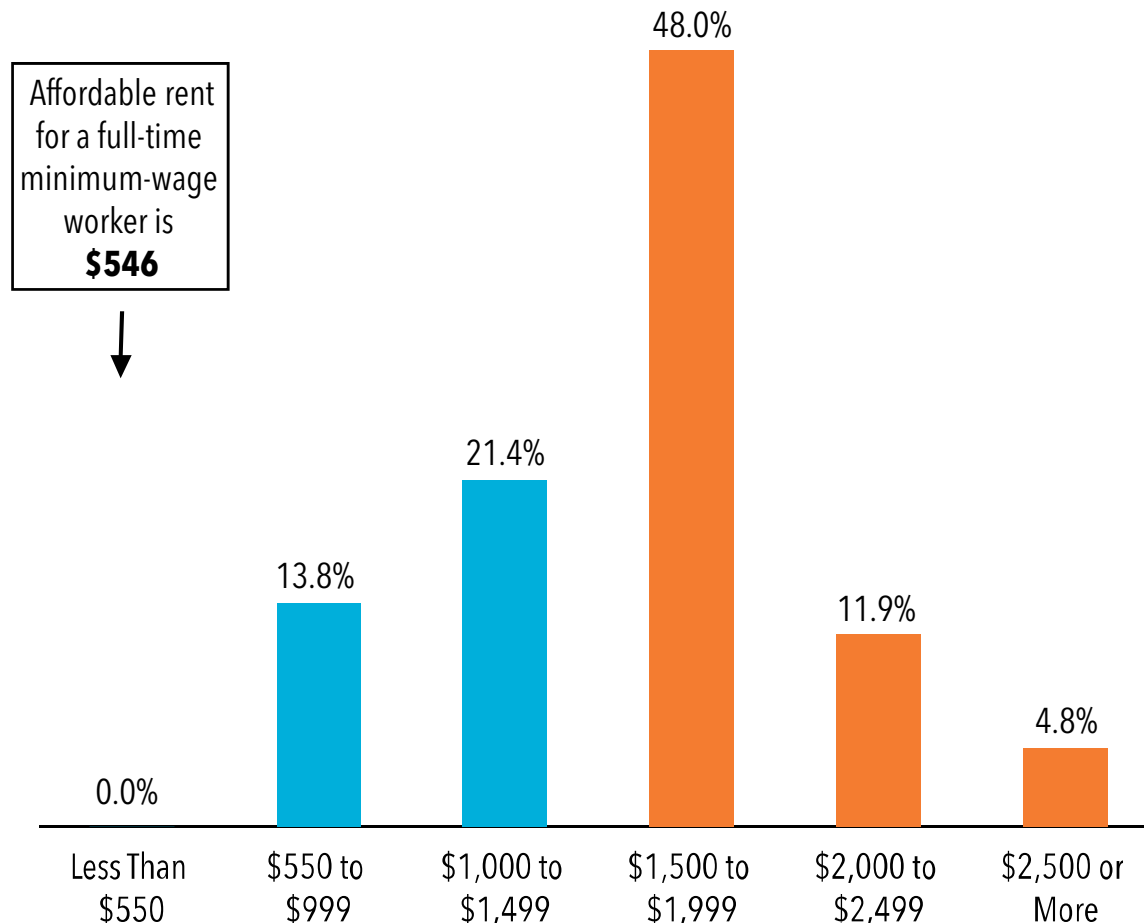


Source: US Department of Housing and Urban Development



# Nearly Two-Thirds of Californians Face Two-Bedroom Apartment Rents of \$1,500 or More Per Month

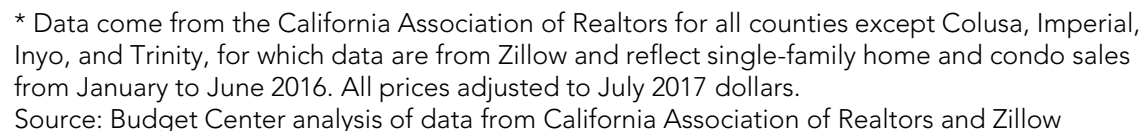
Percentage of State Population by Fair Market Rent for a Two-Bedroom Apartment, 2017



Source: Budget Center analysis of data from Department of Finance and US Department of Housing and Urban Development

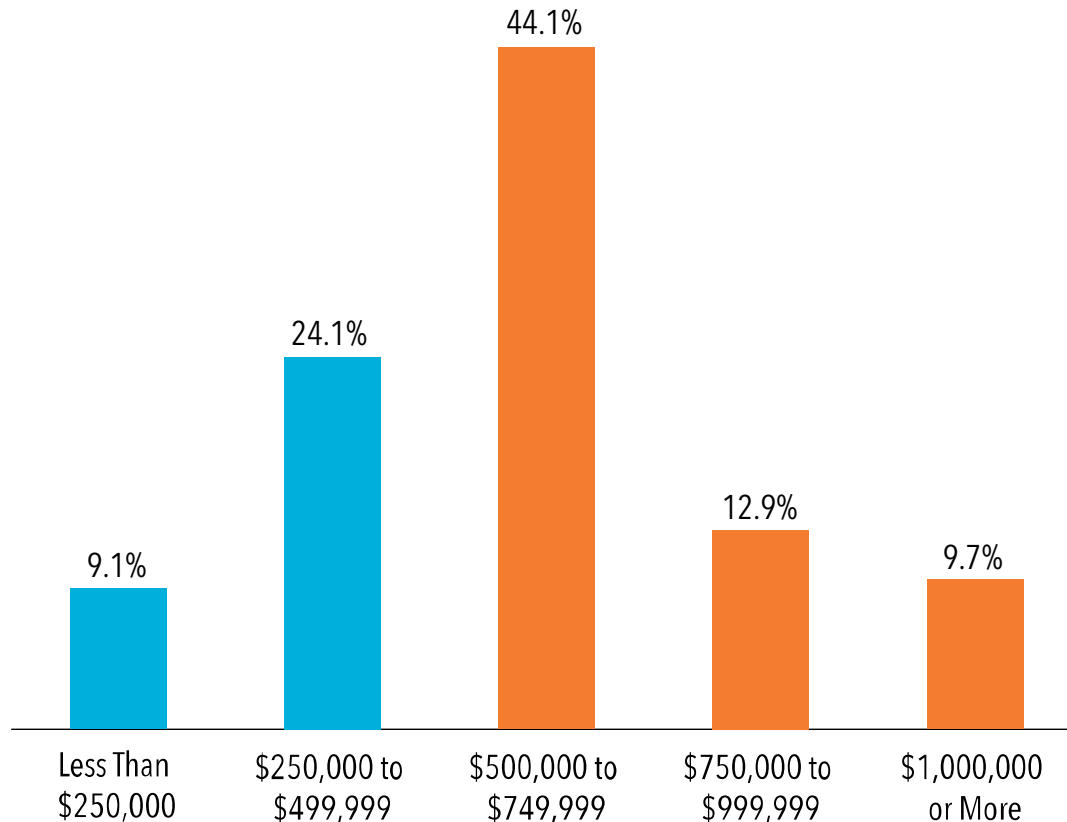


Average of Monthly Median Sales Price for a Single Family Home, August 2016 to July 2017\*



# Most Californians Face Home Prices of \$500,000 or More

Percentage of State Population by Average of Monthly Median County Sales Price for a Single-Family Home, August 2016 to July 2017\*



\* No home-price data available for Modoc, Sierra, and Alpine counties, which represent 0.04% of state population. For other counties, data are from the California Association of Realtors except for Colusa, Imperial, Inyo, and Trinity, for which data are from Zillow and reflect single-family home and condo sales from January to June 2016. All prices adjusted to July 2017 dollars. Source: Budget Center analysis of data from California Association of Realtors, Dept. of Finance, and Zillow



# Housing Cost-Burden in California



# Californians in all parts of the state pay more than they can afford for housing.

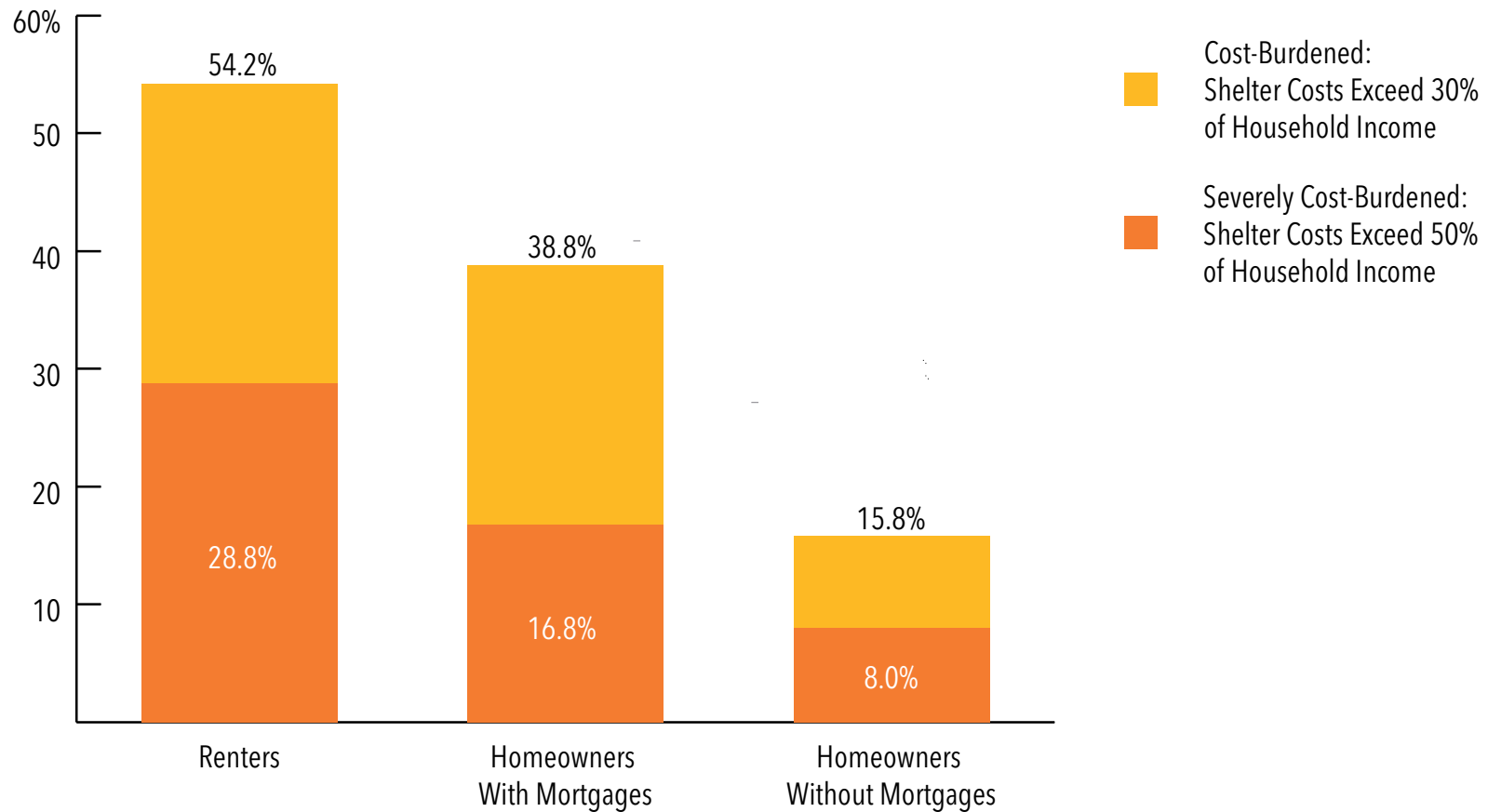
Renters, low-income households, and people of color are especially affected by housing cost-burden.





# More Than Half of California's Renters and Over a Third of Homeowners With Mortgages Have High Housing Costs

Percentage of Households With Housing Cost-Burden or Severe Housing Cost-Burden, 2015



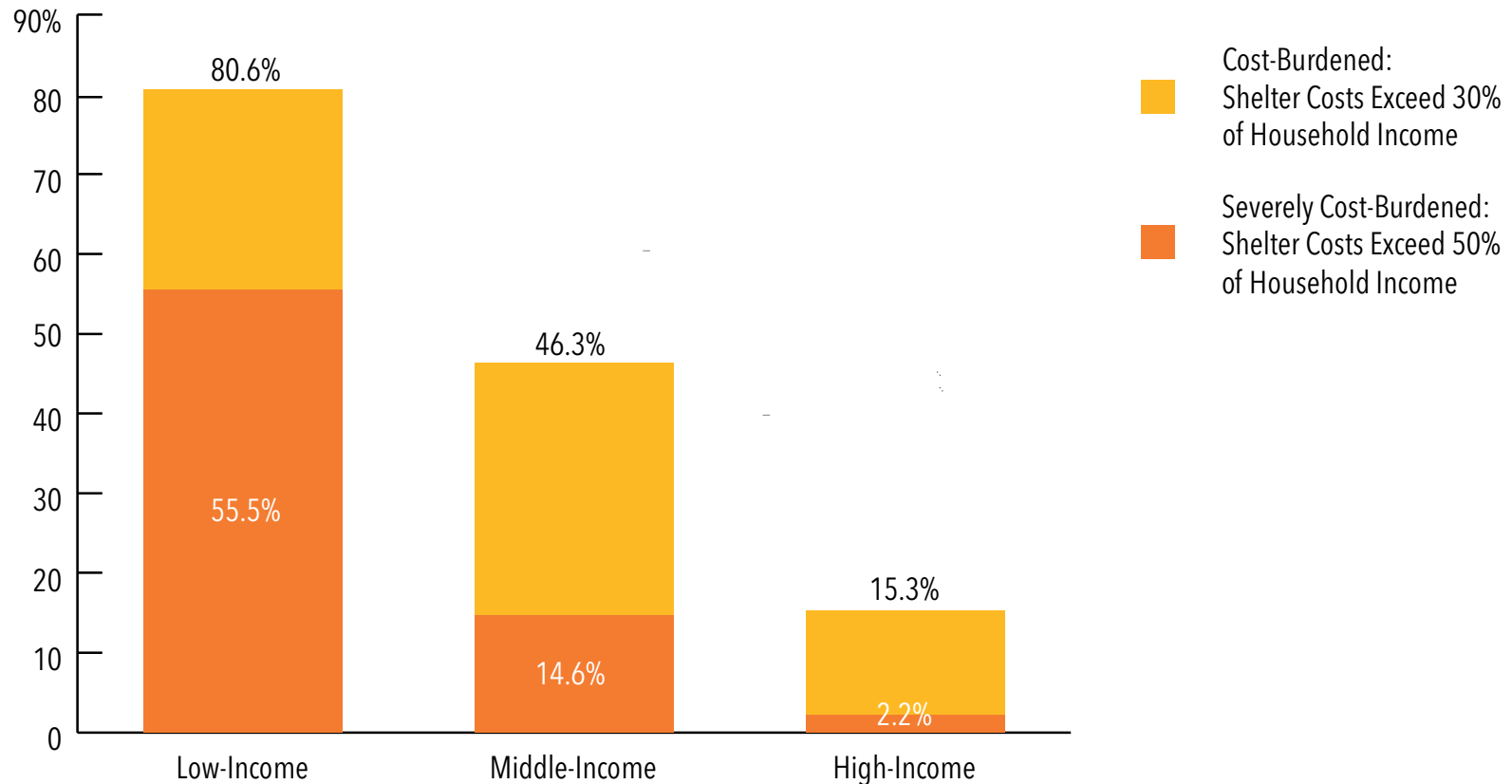
Note: Definitions of housing cost-burden are from the US Department of Housing and Urban Development.

Source: Budget Center analysis of US Census Bureau, American Community Survey data



# Eight in 10 Low-Income Households in California Have Unaffordable Housing Costs

Percentage of Households With Housing Cost-Burden or Severe Housing Cost-Burden, 2015



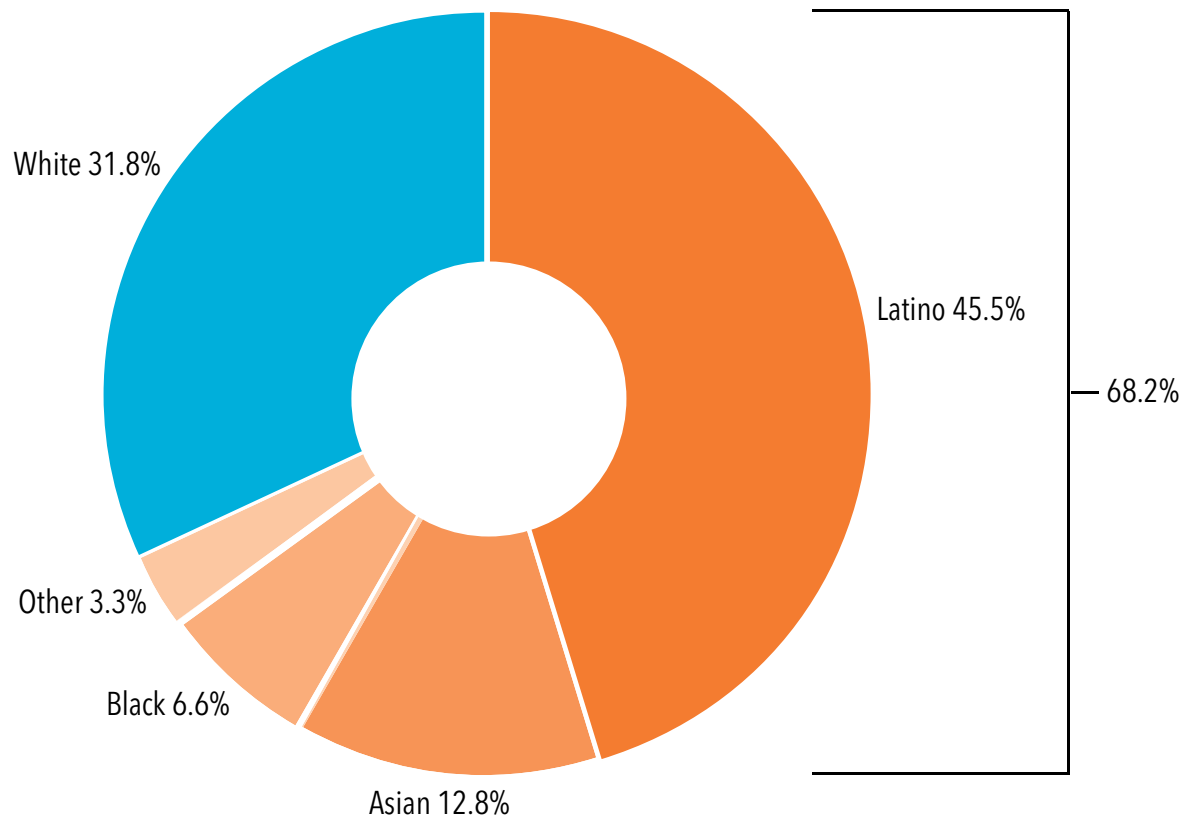
Note: Low income defined as less than 200% of the official federal poverty line; middle income defined as 200% to 399% of the official federal poverty line; high income defined as 400% or more of the official federal poverty line. Definitions of housing cost-burden are from the US Department of Housing and Urban Development.

Source: Budget Center analysis of US Census Bureau, American Community Survey data



# More Than 2 in 3 Californians With Unaffordable Housing Costs Are People of Color

Race/Ethnicity of Individuals in Households With Housing Cost-Burden, 2015



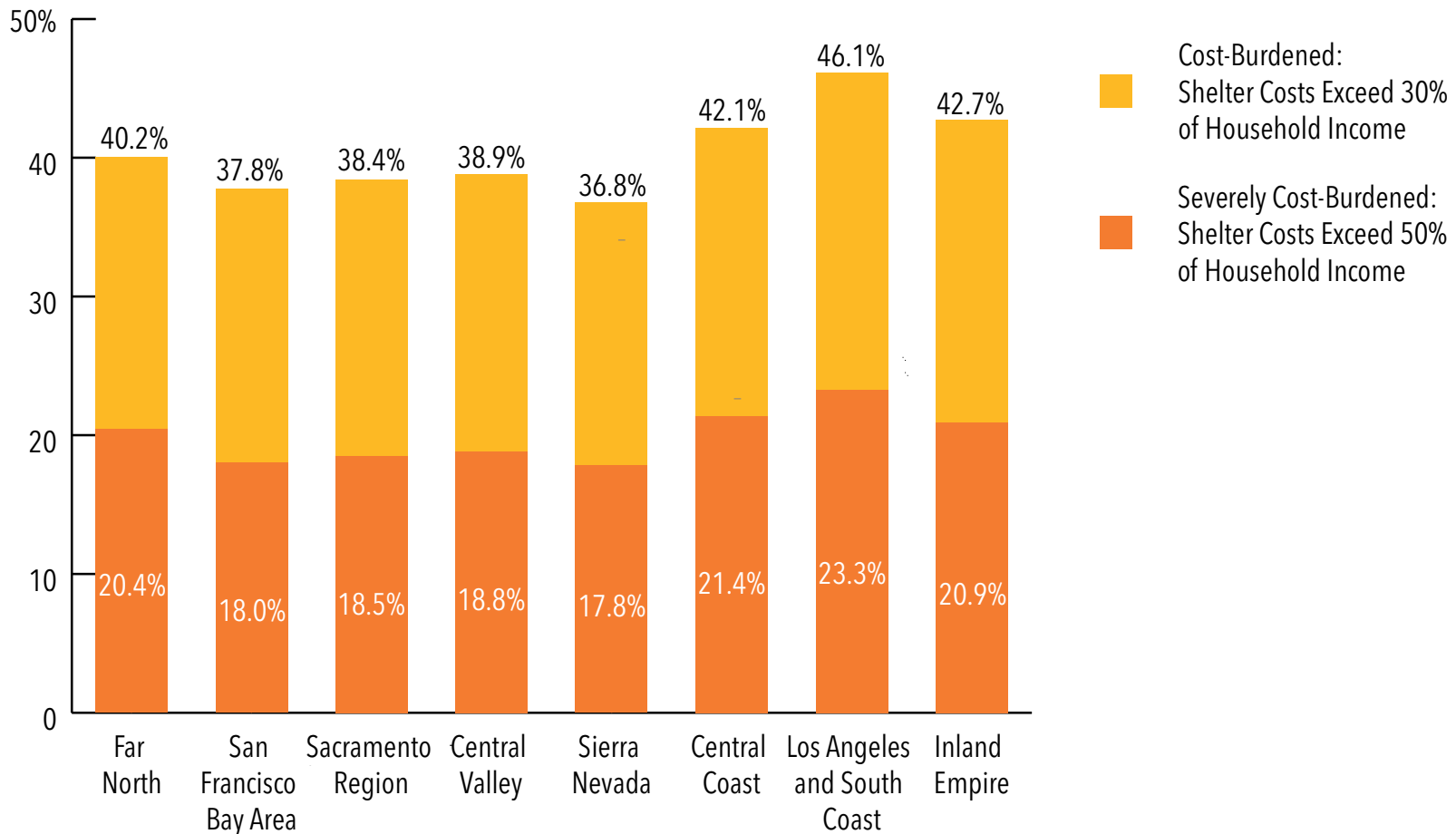
Note: Having housing cost-burden is defined by the US Department of Housing and Urban Development as shelter costs exceeding 30% of household income. Race/ethnicity categories are mutually exclusive.

Source: Budget Center analysis of US Census Bureau, American Community Survey data



# Housing Costs Are Unaffordable Throughout California

## Percentage of Households With Housing Cost-Burden or Severe Housing Cost-Burden, 2015



Note: Definitions of housing cost-burden are from the US Department of Housing and Urban Development.

Source: Budget Center analysis of US Census Bureau, American Community Survey data



# Policies to Address Housing Affordability



# Policies Inside and Outside the Housing Arena Can Make a Difference

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- **Policies that preserve and increase housing supply**, including supply of affordable units
  - *Examples:* Recent state legislature housing package
- **Policies that provide for other basic needs**, to address other spending that is crowded out by high housing costs
  - *Examples:* Child care subsidies, food assistance
- **Policies that increase incomes**, to help families afford high housing costs
  - *Examples:* Minimum wage, CalEITC









# The Bottom Line

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- California has a **high poverty rate when accounting for housing costs**.
- **Housing costs are high in many parts of the state.**
- **Housing cost-burden** – or spending an unaffordable share of income on housing – **is high throughout the state.**
- **State and local policies** inside and outside the housing arena **can help address the housing affordability crisis.**









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# Poverty and Housing Data and Policy Resources

- **California Budget & Policy Center**  
[calbudgetcenter.org](http://calbudgetcenter.org)
- **California Housing Partnership**  
[chpc.net](http://chpc.net)
- **Public Policy Institute of California**  
[ppic.org](http://ppic.org)
- **National Low Income Housing Coalition**  
[nlihc.org](http://nlihc.org)
- **US Census Bureau, American FactFinder**  
[factfinder.census.gov](http://factfinder.census.gov)

