

**Appendix B: NPH Report - “Opening New Doors” – Bay Area Housing
Affordability Measures – Excerpts**

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BAY AREA AFFORDABLE HOUSING SNAPSHOT 2007-2008

SUMMARY

- Renters still face the greatest challenges. The household income of low-income renters is failing to keep pace with inflation while rental rates across the Bay Area continue to rise. In 2006, the apartment vacancy rate in the Bay Area fell to approximately four-percent while the average rent rose to nearly \$1,400. This is a six-percent increase from 2005.
- Bay Area homeownership rates still lag far behind the nation and the state.
- The market is not producing enough of the kind of housing options needed at the lower end of the income scale.

ABOUT THE BAY AREA

What do Bay Area Households Earn?

| COUNTY | Area Median Income (AMI) | Extremely Low-Income (30% AMI) | Very Low-income (50% AMI) | Low-income (80% AMI) | Moderate Income (120% AMI) |
|---------------|--------------------------|--------------------------------|---------------------------|----------------------|----------------------------|
| Alameda | \$83,800 | \$25,150 | \$41,900 | \$66,250 | \$100,600 |
| Contra Costa | \$83,800 | \$25,150 | \$41,900 | \$66,250 | \$100,600 |
| Marin | \$95,000 | \$33,950 | \$56,550 | \$90,500 | \$114,000 |
| Napa | \$75,800 | \$22,750 | \$37,900 | \$59,600 | \$91,000 |
| San Francisco | \$95,000 | \$33,950 | \$56,550 | \$90,500 | \$114,000 |
| San Mateo | \$95,000 | \$33,950 | \$56,550 | \$90,500 | \$114,000 |
| Santa Clara | \$105,500 | \$31,850 | \$53,050 | \$84,900 | \$126,600 |
| Solano | \$75,400 | \$22,600 | \$37,700 | \$59,200 | \$90,500 |
| Sonoma | \$75,100 | \$22,550 | \$37,550 | \$59,600 | \$90,100 |
| California | \$66,153 | | | | |

Source: HCD effective as of February 2007

Bay Area Households

| COUNTY | Total households (2000) | Owner households (2000) | Renter households (2000) | % of total households that are renters (2000) |
|---------------|-------------------------|-------------------------|--------------------------|---|
| Alameda | 523,366 | 286,306 | 237,060 | 45% |
| Contra Costa | 344,129 | 238,413 | 105,716 | 31% |
| Marin | 100,650 | 64,018 | 36,632 | 36% |
| Napa | 45,402 | 29,564 | 15,838 | 35% |
| San Francisco | 329,700 | 115,315 | 214,385 | 65% |
| San Mateo | 254,103 | 156,264 | 97,839 | 39% |
| Santa Clara | 565,863 | 338,636 | 227,227 | 40% |
| Solano | 130,403 | 84,997 | 45,406 | 35% |
| Sonoma | 172,403 | 110,511 | 61,892 | 36% |

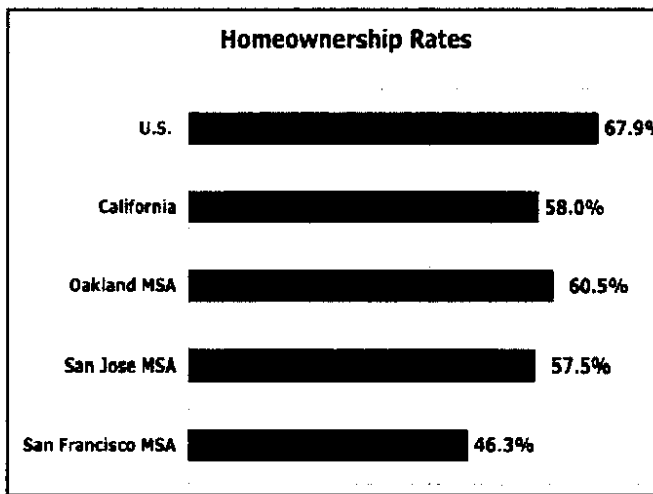
Source: U.S. Census, 2000

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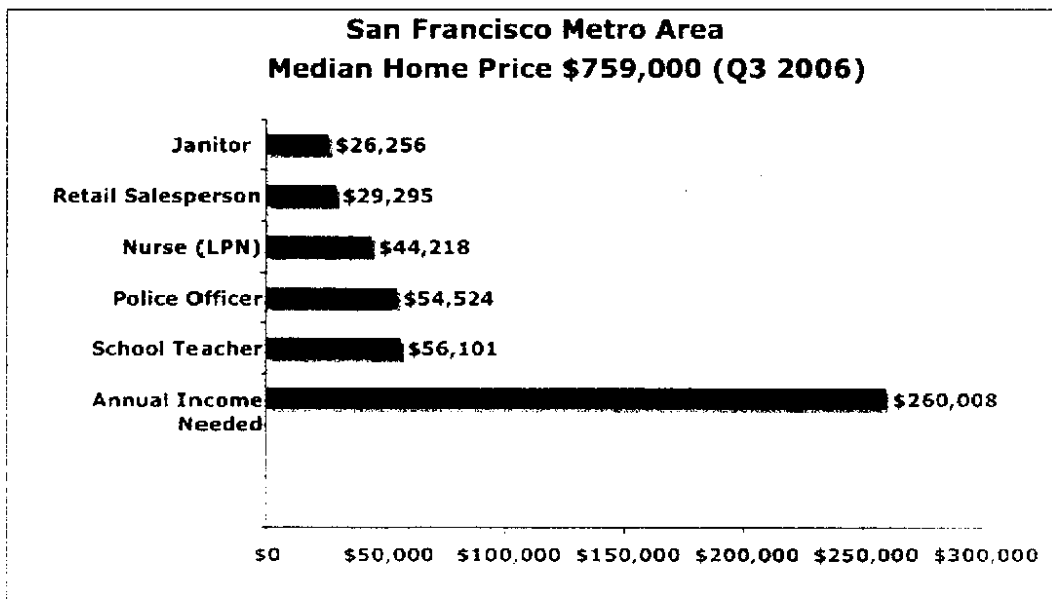
HOMEOWNERSHIP SNAPSHOT

Are Bay Area Workers Buying?

The Bay Area lags far behind the nation and the state in homeownership. As of 2007 the median home price climbed to \$723,070 in the Bay Area, pricing many workers out of the homeownership market. Many essential workers do not even make 50% of the income needed to afford the median home price.

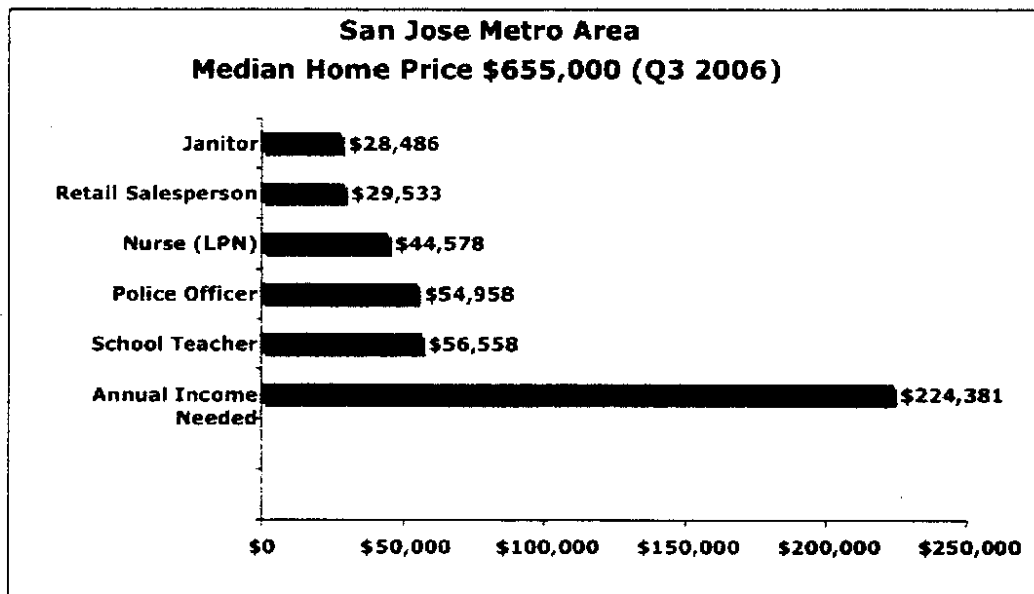
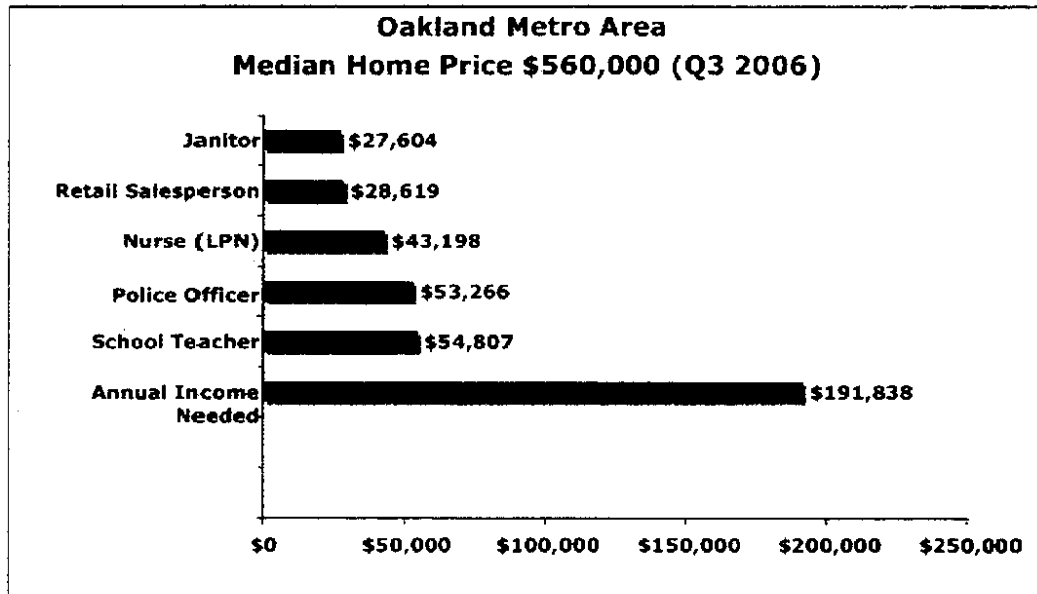


Source: Locked Out 2004, California Budget Project



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What Does it Take to Afford a Home, Continued:



Source: Paycheck to Paycheck, National Housing Conference, 2006

Notes: San Francisco MSA includes San Francisco, Marin and San Mateo counties. Oakland MSA includes Alameda and Contra Costa counties. San Jose MSA includes Santa Clara County.

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RENTAL SNAPSHOT

Fair Market Rents (FMR) in the Bay Area

The Bay Area still leads the State in cost of renting apartments. In 2006, FMR for a 2-bedroom in San Francisco was \$1,551, affordable to families earning at least \$62,040 per year.

| COUNTY | Zero bedroom FMR | One bedroom FMR | Two bedroom FMR | Three bedroom FMR | Four bedroom FMR |
|----------------------|------------------|-----------------|-----------------|-------------------|------------------|
| Alameda County | \$874 | \$1,055 | \$1,250 | \$1,695 | \$2,099 |
| Contra Costa County | \$874 | \$1,055 | \$1,250 | \$1,695 | \$2,099 |
| Marin County | \$1,008 | \$1,239 | \$1,551 | \$2,071 | \$2,188 |
| Napa County | \$764 | \$856 | \$1,112 | \$1,538 | \$1,747 |
| San Francisco County | \$1,008 | \$1,239 | \$1,551 | \$2,071 | \$2,188 |
| San Mateo County | \$1,008 | \$1,239 | \$1,551 | \$2,071 | \$2,188 |
| Santa Clara County | \$922 | \$1,068 | \$1,284 | \$1,846 | \$2,033 |
| Solano County | \$808 | \$869 | \$997 | \$1,398 | \$1,722 |
| Sonoma County | \$758 | \$923 | \$1,165 | \$1,653 | \$1,933 |
| California | \$832 | \$972 | \$1,189 | \$1,648 | \$1,924 |

Source: HUD 2007; Out of Reach, 2006, NLIHC

U.S. Department of Housing and Urban Development determines Fair Market Rents (FMRs) for federal housing assistance purposes. The FMR estimates the dollar amount at or below which 40% of standard quality rental housing units are rented (50th percentile used for higher housing costs). FMRs are based on distribution of rents paid by "recent movers," renter households who have moved within the past 15 months. FMRs include cost of shelter and utilities, excluding telephone service and adjusted for the number of bedrooms in the rental unit.

What can renters afford?

| COUNTY | Annual AMI (family of 4) | Estimated median income (renters) | Rent affordable at median income |
|----------------------|--------------------------|-----------------------------------|----------------------------------|
| Alameda County | \$83,800 | \$45,524 | \$1,138 |
| Contra Costa County | \$83,800 | \$48,860 | \$1,222 |
| Marin County | \$95,000 | \$57,880 | \$1,447 |
| Napa County | \$75,800 | \$45,944 | \$1,149 |
| San Francisco County | \$95,000 | \$54,894 | \$1,372 |
| San Mateo County | \$95,000 | \$62,770 | \$1,569 |
| Santa Clara County | \$105,500 | \$64,761 | \$1,619 |
| Solano County | \$75,400 | \$44,250 | \$1,106 |
| Sonoma County | \$75,400 | \$45,485 | \$1,137 |

Source: Out of Reach 2006, NLIHC

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What families need to earn to afford rent

| COUNTY | Income needed to afford: | | | | |
|---------------|--------------------------|------------|------------|------------|------------|
| | 0 bdrm FMR | 1 bdrm FMR | 2 bdrm FMR | 3 bdrm FMR | 4 bdrm FMR |
| Alameda | \$34,960 | \$42,200 | \$50,000 | \$67,800 | \$83,960 |
| Contra Costa | \$34,960 | \$42,200 | \$50,000 | \$67,800 | \$83,960 |
| Marin | \$40,320 | \$49,560 | \$62,040 | \$82,840 | \$87,520 |
| Napa | \$30,560 | \$34,240 | \$44,480 | \$61,520 | \$69,880 |
| San Francisco | \$40,320 | \$49,560 | \$62,040 | \$82,840 | \$87,520 |
| San Mateo | \$40,320 | \$49,560 | \$62,040 | \$82,840 | \$87,520 |
| Santa Clara | \$36,880 | \$42,720 | \$51,360 | \$73,840 | \$81,320 |
| Solano | \$32,320 | \$34,760 | \$39,880 | \$55,920 | \$68,880 |
| Sonoma | \$30,320 | \$36,920 | \$46,600 | \$66,120 | \$77,320 |

| COUNTY | Minimum-wage work-hours per week needed to afford: | | | | |
|---------------|--|------------|------------|------------|------------|
| | 0 bdrm FMR | 1 bdrm FMR | 2 bdrm FMR | 3 bdrm FMR | 4 bdrm FMR |
| Alameda | 100 | 120 | 142 | 193 | 239 |
| Contra Costa | 100 | 120 | 142 | 193 | 239 |
| Marin | 115 | 141 | 177 | 236 | 249 |
| Napa | 87 | 98 | 127 | 175 | 199 |
| San Francisco | 115 | 141 | 177 | 236 | 249 |
| San Mateo | 115 | 141 | 177 | 236 | 249 |
| Santa Clara | 105 | 122 | 146 | 210 | 232 |
| Solano | 92 | 99 | 114 | 159 | 196 |
| Sonoma | 86 | 105 | 133 | 188 | 220 |

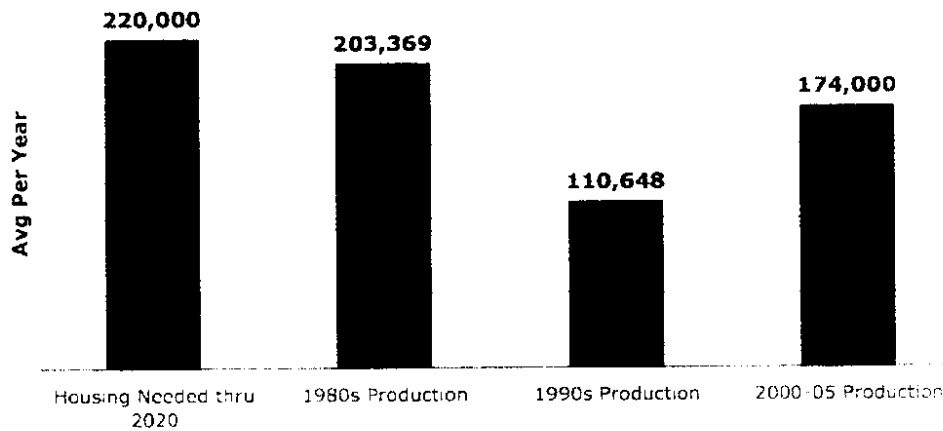
Source: Out of Reach 2006, NLIHC

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HOUSING PRODUCTION SNAPSHOT

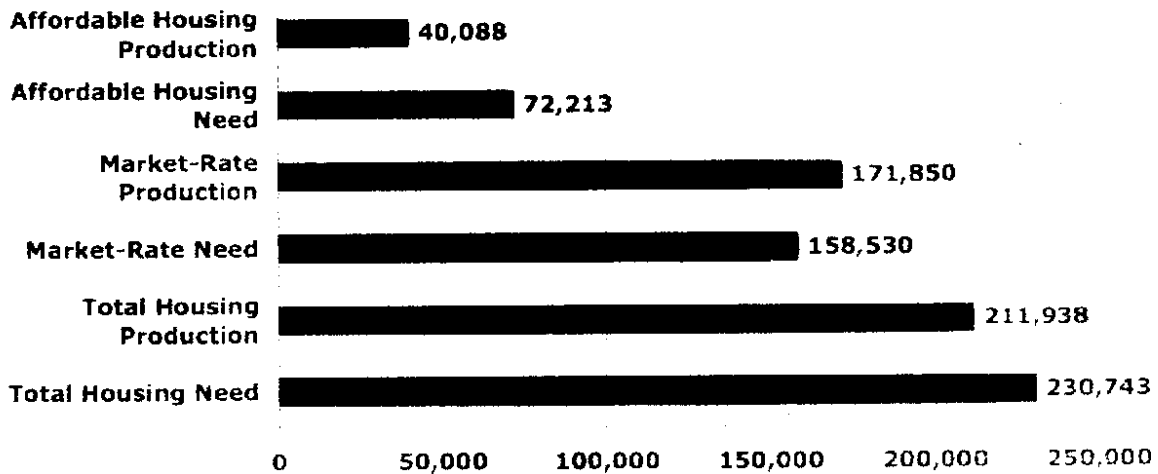
California needs 220,000 new homes and apartments each year to keep pace with population growth. In the 1980s, California saw 94% of its housing need being met, in the 1990s that dropped to 50%. Multifamily housing production suffered the most; less than 30% of total new construction was multifamily apartments, down from nearly 67% in 1970.

CA Housing Production Not Keeping Pace with Need



Source: HCD (Raising the Roof)

Housing Need vs. Production 1999-2006



Source: A Place to Call Home 2007, Association of Bay Area Governments

Notes: Affordable housing includes the income categories of very low and low. Market-rate housing includes the income categories of moderate and above moderate.