

Startling Facts about California's Housing Affordability Crisis Volume 1



FACT: Rents in California are HIGHER than before the recession.

Experts agree. A series of new reports from leading public-policy organizations points to the growing urgency for California to renew investment in affordable homes.

Public Policy Institute of California, "California's Future" (January 2014):

- "Unlike [for sale] housing prices, typical rents were higher in 2012 than in 2006 in nearly all (California) metropolitan areas."
- "According to the Department of Housing and Urban

Development (HUD), six of the 10 most expensive large metropolitan rental markets in the U.S. are in California (starting with the least affordable): San Francisco, San Jose, Oakland, Orange County, San Diego, and Los Angeles."

California Housing Partnership Corporation, "How California's Housing Market Is Failing to Meeting the Needs of Low-Income Families" (February 2014):

- "Rents were higher in 2012 than they were at the height of the housing boom in nearly all metro areas."
- "From 2000 to 2012, median rents in California increased by over 20 percent while the median income dropped by 8 percent, significantly driving up the percentage of income that California households must spent on rent."
- "The foreclosure crisis greatly increased the number of renter households, driving up rents yet failing to make homeownership accessible to low-income households."

44 percent of California households rent.

Number of households potentially affected by skyrocketing rents = 5.5 MILLION

Source: NLIHC "Out of Reach 2014"

State action is urgently needed.

With bond funding exhausted and redevelopment funds eliminated, **California is facing virtually NO state investment in affordable homes.**

Without state investment, more California businesses will struggle to attract workers and remain competitive, tens of thousands of families will be left without an affordable place to call home, and tens of thousands of well-paying construction jobs will disappear.

"The state and local authorities should pursue policies that increase the supply of affordable [places to live]... In order to encourage [this] construction, state and local governments need to establish funding mechanisms and policies... that directly lead to more affordable [homes]." -- *Public Policy Institute of California*

"The state can mitigate these challenges by.... [dedicating] a long-term source of state funding for affordable [places to live for all Californians]." -- *California Housing Partnership Corporation*

The Solution? Ongoing State Investment in Affordable Homes

Ongoing, steady state investment in affordable homes is imperative, so builders can leverage both federal and local funds as well as private bank loans to create/retain well-paying construction jobs and build homes and apartments affordable to Californians priced out of the for-sale and rental market. For more information, email info@californiahomesandjobsact.org.

FACT: The housing crisis is **NOT** over for California families; in fact, it's getting **WORSE**.

Experts agree. A series of new reports from leading public-policy organizations points to the growing urgency for California to renew investment in affordable homes.

Public Policy Institute of California, "California's Future" (January 2014):

- "A housing recovery for some is a housing problem for others, as high rents and increasing prices place housing out of reach for many Californians."



"Not one county or legislative district in the state has an adequate supply of homes affordable to extremely low-income households."

California Housing Partnership Corporation

California Housing Partnership Corporation, "How California's Housing Market Is Failing to Meeting the Needs of Low-Income Families" (February 2014):

- Contrary to common myth, the bursting of the housing bubble and the ensuing foreclosure crisis have not made housing more affordable to low-income households.
- "There is a shortfall of 956,461 homes affordable and available to California's lowest-income households."
- "Not one county or legislative district in the state has an adequate supply of homes affordable to extremely low-income households."

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Startling Facts about California's Housing Affordability Crisis Volume 3



FACT: California's lack of affordable homes is HURTING BUSINESSES

California business leaders agree. Major business associations cite the state's lack of affordable homes as a major impediment to business development. They point to the growing urgency for California to renew state investment in affordable homes.

"A lack of housing options within reach of the workforce is a major factor impeding California's businesses from attracting and retaining workers."

-- Letter to California Legislature signed by:

- Bay Area Council
- Los Angeles Area Chamber of Commerce
- Los Angeles Business Council
- Orange County Business Council
- Silicon Valley Leadership Group

"The high cost of housing means Orange County employers must offer higher wages to attract and retain employees. This increased cost of living impacts companies' strategic plans, cost-benefit site selection analysis, and long-term location decisions -- most significantly among employers offering middle- to low-wage jobs -- and plays a significant role as employers struggle to recover from the Great Recession and consider remaining or expanding in Orange County." -- Orange County Business Council "2012 Workforce Housing Scorecard"

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"The state and local authorities should pursue policies that increase the supply of affordable [places to live]... In order to encourage [this] construction, state and local governments need to establish funding mechanisms and policies... that directly lead to more affordable [homes]." -- Public Policy Institute of California

"The state can mitigate these challenges by.... [dedicating] a long-term source of state funding for affordable [places to live for all Californians]." -- California Housing Partnership Corporation

*"Hundreds of thousands of workers throughout the state **earn less than . . . \$28,510**" including retail salespersons, restaurant cooks, security guards, and nursing assistants.*

Income needed to afford average two-bedroom apartment in CA: \$54,168.

Source: California Housing Partnership Corporation's analysis of 2012 Bureau of Labor statistics and Census data / NLIHC "Out of Reach 2014"

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