Affordable Housing
Are We Meeting the Need?

2018 Community Orientation Workshop (COW)
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housingsandiego.org
Overview:

• Introduction
• Definitions
• Existing Conditions
• Responses
San Diego’s Voice for Affordable Housing

SDHF promotes the creation and preservation of homes that are affordable to families living on modest budgets and those in need

• Working families
• Seniors
• Veterans
• Foster youth
• Neighbors living with mental or physical disability
Our Vision

San Diego is a thriving and sustainable region where all of us have access to a safe and stable place we can afford to call home.
Our Belief

A safe place to call home is the basis for all other successful outcomes in life – social, medical, educational, vocational.
To Start:
What does “affordable” mean?

• Affordable
• Affordability Crisis
• Naturally affordable housing
• “Affordable Housing”
What does “affordable” mean?

Housing is “affordable” when rent and utilities or the mortgage, taxes, and insurance represent no more than 30% of a household’s total income.
Clairemont vs. Regional Household Income

60% AMI
80% AMI
100% AMI
Average Salaries by Job in San Diego

Source: Bureau of Labor Statistics
## Monthly Rental Gap in Affordability

<table>
<thead>
<tr>
<th>San Diego Worker</th>
<th>35% of Gross Income for Rent and Utilities (Affordable)</th>
<th>Average Monthly Rent and Utilities (2 Bedroom Apartment)</th>
<th>Monthly Affordability Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Worker</td>
<td>$1,558</td>
<td>$1,354</td>
<td>$204</td>
</tr>
<tr>
<td>Dental Assistant</td>
<td>$1,093</td>
<td>$1,354</td>
<td>($261)</td>
</tr>
<tr>
<td>Hotel Clerk</td>
<td>$723</td>
<td>$1,354</td>
<td>($631)</td>
</tr>
<tr>
<td>Daycare Worker</td>
<td>$698</td>
<td>$1,354</td>
<td>($656)</td>
</tr>
<tr>
<td>Food Service Worker</td>
<td>$684</td>
<td>$1,354</td>
<td>($670)</td>
</tr>
</tbody>
</table>
2017 TWO-BEDROOM RENTAL HOME HOUSING WAGE

Represents the hourly wage that a householder must earn (working 40 hours a week, 52 weeks a year) in order to afford the Fair Market Rent for a TWO-BEDROOM RENTAL HOME, without paying more than 30% of their income.

Two-Bedroom Housing Wage

- Less than $15.00
- $15.00 to less than $20.00
- $20.00 or More

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“Affordability Crisis”

- Households are rent burdened
- Ownership is out of reach
- Wage earners are traveling > 1 hour for work
- Housing production is not meeting need
San Diego County Growth Projections

Source: SANDAG, Series 13 Regional Growth Forecast
Affordability Crisis

SAN DIEGO COUNTY'S INFLATION-ADJUSTED MEDIAN RENT INCREASED 32% WHILE MEDIAN RENTER INCOME DECLINED 2% FROM 2000 TO 2014

$3,965 Increase in Annual Median Rent

% Change in Rent

% Change in Renter Income

$765 Decrease in Annual Median Renter Income

Total decline in annual purchasing power: -$4,730

Source: CHPC analysis of 2000-2014 Census and ACS data. Median renter income and rent from 2001-2004 and 2015-2016 are estimated trends. Median rent and median renter income are inflation adjusted to 2014 dollars.
Affordability Crisis

Housing Production Relative to Demand - 2003-2013

128% Above Moderate Income
18% Moderate Income
22% Low Income

“Naturally Affordable Housing”
New housing “filters down”

Typically:
• Debt retired
• 20+ years old
• Deferred Maintenance
• Lacking contemporary amenities
• Less desirable location
• Often absentee ownership
“Naturally Affordable Housing”
“Naturally Affordable Housing”
“Naturally Affordable Housing”
“Naturally Affordable Housing”

New housing typically “filters down” with time...

But in a constrained market, housing is BID UP.
“Affordable Housing”

Newly constructed or newly rehabilitated

• Subsidized affordable housing
• Tax Credit financed, or Inclusionary
• Income eligibility verified
• Professionally managed
• Resident services provided
• Affordability Covenant for 15-to-55 years
Affordable Housing – 1970’s
Affordable Housing 1970’s
Affordable Housing Today
Affordable Housing Today
Affordable Housing Today
Challenges

• Demand increasing faster than supply

• Lack of funding

• Public opposition/concern
What can we do?

• Support (& adopt policies) for good infill and transit-oriented development.

• Increase public awareness of the public benefits of affordable housing.

• Support resources to build more affordable housing.
Thank You!

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