



ALAMEDA COUNTY
Community Development Agency

OVERVIEW

ALAMEDA COUNTY

HOUSING NEEDS

Transportation & Planning Committee 1-21-16

Outline

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- Housing Crisis/Needs
- Problems
 - ▣ Habitability
 - ▣ Access
 - ▣ **Affordability – Focus today**
- Contributing Factors
- Responses
- Next Steps

Affordable Housing Crisis

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From 2010 to 2014, the Bay Area grew by 350,000 people.

Alameda County grew by 100,000 during this period and is the fastest growing County in the State.

Affordable Housing Crisis

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New housing units grew by only 40,000 between 2010-2014

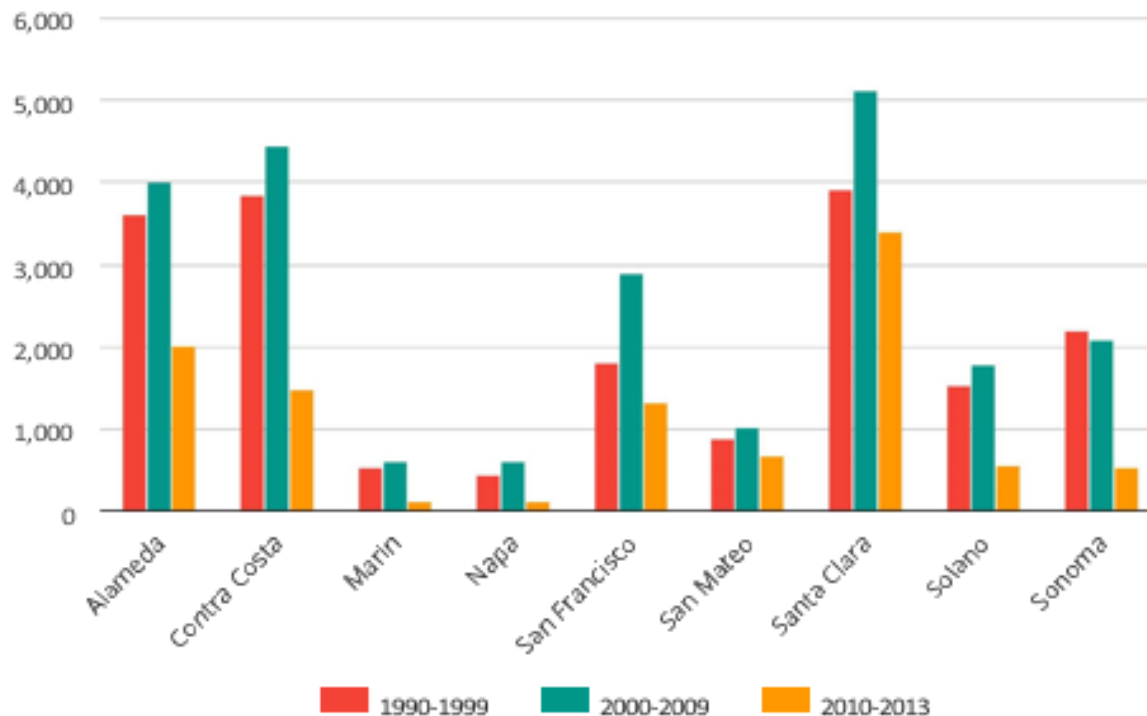
Equivalent of 1 new unit for every 8.5 people (Bay Area-wide)



Demand Outpacing Production

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Average Units Added Per Year by County

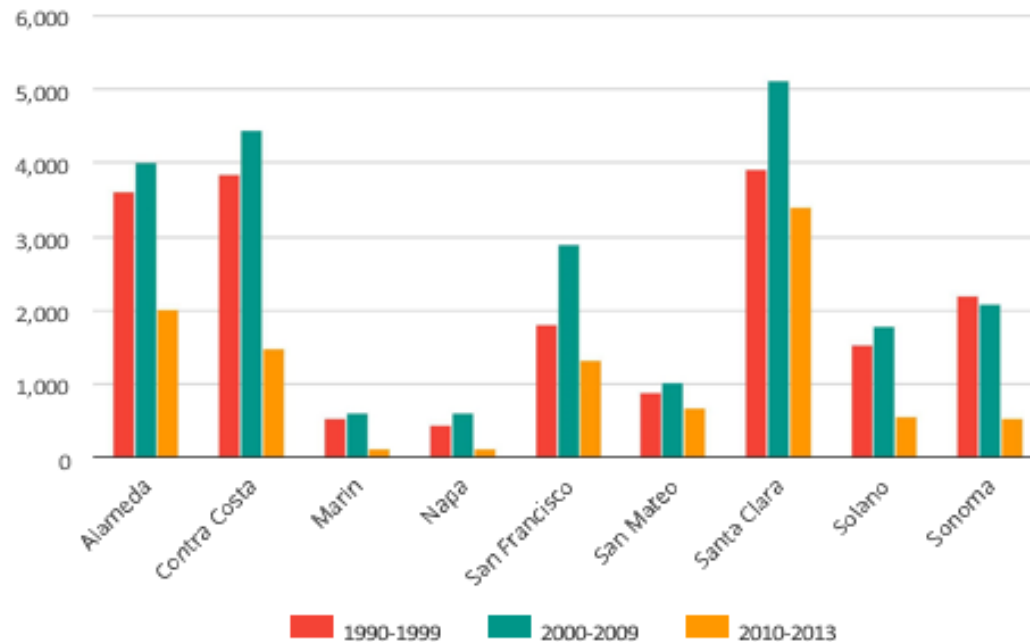


Source: ABAG from California Department of Finance Table E-5 data

Demand Outpacing Production

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Single Family Units

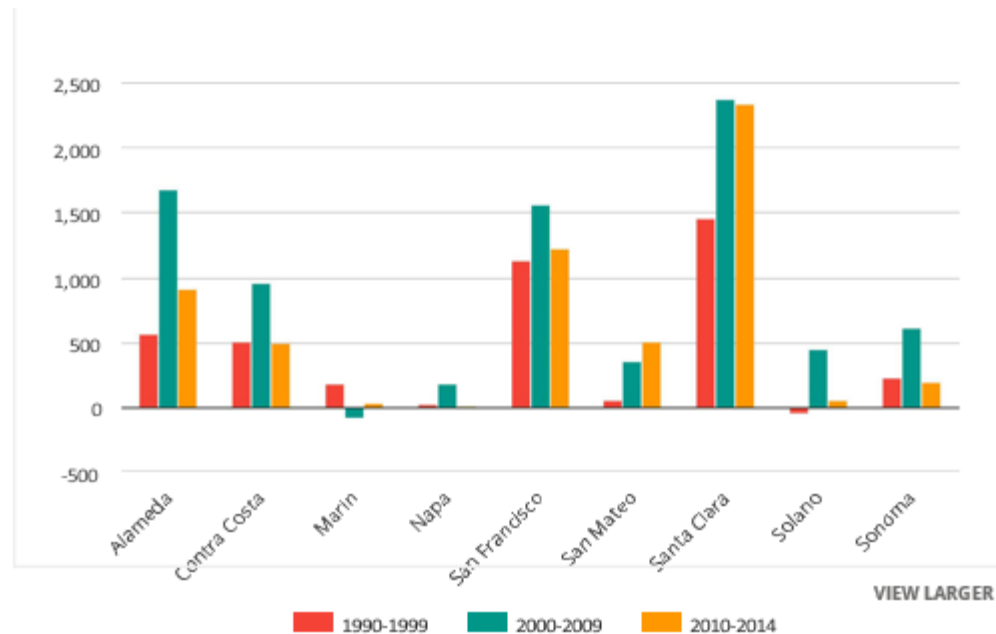


Source: ABAG from California Department of Finance Table E-5 and E-8 data

Demand Outpacing Production

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Multifamily Units



Source: ABAG from California Department of Finance Table E-5 and E-8 data

Affordable Housing Crisis

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Vacancy rates during the recession hit a peak in 2009, and have steadily decreased since then.

As vacancy decreased, average rents increase from \$1,200 to \$2,200 per month.

Vacancy & Average Asking Rate*



Cassidy Turley Real Estate

Affordable Housing Crisis

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RENTAL STATISTICS	TOTAL PROPERTIES	TOTAL UNITS	UNITS U/C	AVERAGE VACANCY	AVERAGE RENT	STUDIO	1BR / 1BA	2BR / 1BA	2BR / 2BA	3BR / 2BA
County										
Alameda County	2,130	125,191	2,377	3.2%	\$2,200	\$1,704	\$1,974	\$2,121	\$2,609	\$2,933
Contra Costa County	706	59,148	554	3.6%	\$1,804	\$1,423	\$1,630	\$1,689	\$2,118	\$2,061
East Bay	2,836	184,339	2,931	3.4%	\$2,049	\$1,594	\$1,846	\$1,970	\$2,388	\$2,651

Property statistics for communities 16 units and greater, rental statistics for communities 50 units and greater

DTZ Cassidy Turley Real Estate

Comparison of Market to FMR	Studio	1 BR	2 BR	3 BR
2nd Quarter DTZ Report	1,704	1,974	2,121	2,933
2015 Fair Market Rents	1,039	1,260	1,585	2,213
Difference	(665)	(714)	(536)	(720)

Affordable Housing Crisis

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There is a 58,680 unit shortfall for homes affordable to very low- and extremely low-income households in Alameda County alone.

- California Housing Partnership Study, 2014

Affordable Housing Crisis

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Over Payment

Paying more than 30% of Income towards rent is very common in all of Alameda County.

Berkeley	55.90%
Hayward	54.30%
Albany	53.40%
Oakland	52.60%
Union City	51.00%
Unincorporated	49.30%
Emeryville	48.10%
San Leandro	48.00%
Livermore	46.10%
Newark	44.70%
Alameda	42.50%
Fremont	38.80%
Dublin	38.50%
Pleasanton	35.80%
Piedmont	26.50%

Affordable Housing Crisis

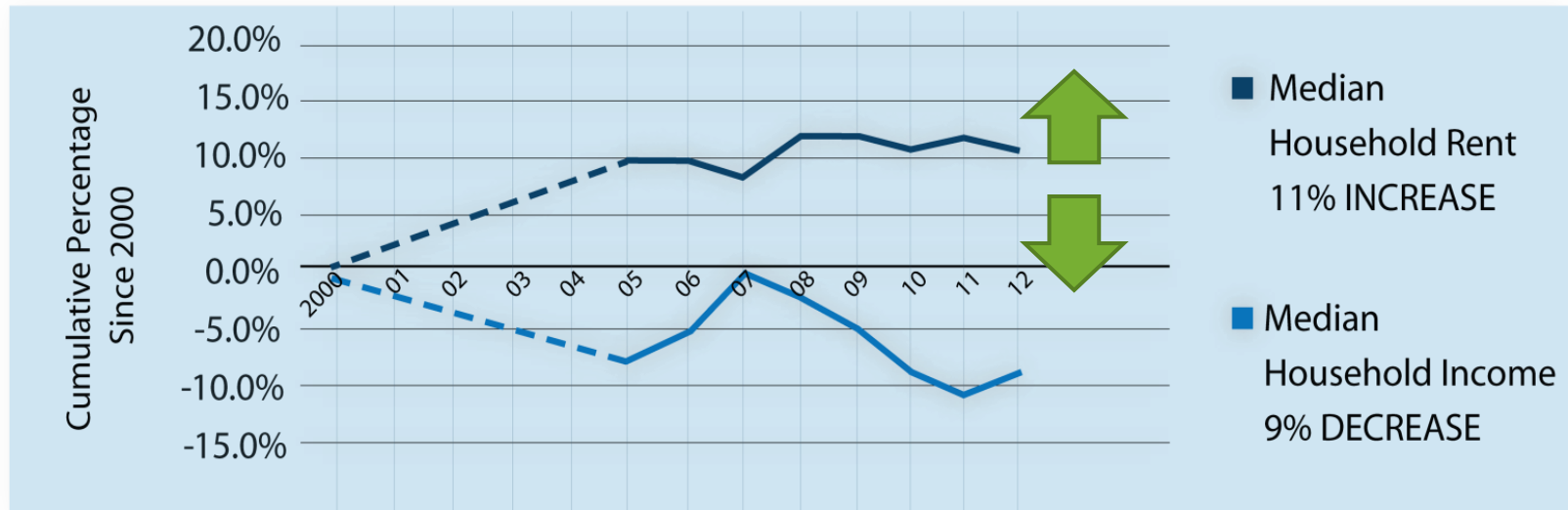
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Housing Wage Gap:

Median Rent increased 11% while

Median Income Decreased 9% from 2005 - 2012

FIGURE 3 .CUMULATIVE PERCENTAGE CHANGE IN INFLATION-ADJUSTED MEDIAN INCOME AND MEDIAN RENT IN ALAMEDA COUNTY 2000 TO 2012



SOURCES: US Census 2000; American Community Survey 2005-2012. Median rents and incomes for 2001-2004 are estimated.

The Housing Wage

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TABLE 1 WHO IS BEING LEFT OUT OF THE ALAMEDA COUNTY HOUSING MARKET?

HUD 50% of Area Median Income (AMI) in Alameda County for a three person household: \$42,100
Total workers earning < 50% AMI: 207,820

Salary needed to afford Fair Market Rent: \$63,120

JOB CATEGORY	MEDIAN INCOME IN ALAMEDA COUNTY
Substitute Teachers	\$42,070
Dental Assistants	\$37,670
Security Guards	\$29,750
Retail Salespersons	\$23,130
Childcare Workers	\$21,970
Waiters/Waitresses	\$18,710

SOURCES: See Endnote 3

According to the National Low Income Housing Coalitions 2014 Out of Reach Report, the amount of income needed to afford a two bedroom Fair Market Rent, is **\$63,120 annually**.

Sales Prices Higher Now Than Pre-Recession

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In most cases, home prices have recovered from pre-recession highs, and in four cities, prices have increased by more than 40%.

Only three cities had not yet surpassed 2006 highs by August 2015.

Median Sales Price	Market High 2006	YTD 2015 (Jan - Aug)	% Change
Alameda County-Wide	\$ 600	\$ 711	19%
Alameda	\$ 654	\$ 862	32%
Albany	\$ 575	\$ 868	51%
Berkeley	\$ 707	\$ 1,000	41%
Castro Valley	\$ 655	\$ 667	2%
Dublin	\$ 635	\$ 898	41%
Emeryville	\$ 426	\$ 445	4%
Fremont	\$ 645	\$ 902	40%
Hayward	\$ 565	\$ 702	24%
Livermore	\$ 615	\$ 689	12%
Newark	\$ 620	\$ 702	13%
Oakland	\$ 515	\$ 677	31%
Piedmont	\$ 1,362	\$ 1,750	28%
Pleasanton	\$ 770	\$ 957	24%
San Leandro	\$ 560	\$ 531	-5%
San Lorenzo	\$ 554	\$ 481	-13%
Sunol	\$ 835	\$ 825	-1%
Union City	\$ 635	\$ 720	13%

Source: Bay East Realtors Association, MLS Data

All numbers are in Thousands

Exceptional Year Over Year Increases in Median Sales Prices

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County-wide median sales prices were up 23% as of August 2015.

Every city had double digit growth.

Median Sales Price	2014	YTD 2015 (Jan - Aug)	% Change
Alameda County-wide	\$ 580	\$ 711	23%
Alameda	\$ 690	\$ 862	25%
Albany	\$ 656	\$ 868	32%
Berkeley	\$ 813	\$ 1,000	23%
Castro Valley	\$ 605	\$ 667	10%
Dublin	\$ 700	\$ 898	28%
Emeryville	\$ 390	\$ 445	14%
Fremont	\$ 720	\$ 902	25%
Hayward	\$ 425	\$ 702	65%
Livermore	\$ 494	\$ 689	39%
Newark	\$ 552	\$ 702	27%
Oakland	\$ 465	\$ 677	46%
Piedmont *	\$ 1,750	N/A	0%
Pleasanton	\$ 835	\$ 957	15%
San Leandro	\$ 446	\$ 531	19%
San Lorenzo	\$ 435	\$ 481	11%
Sunol *	\$ 825	N/A	0%
Union City	\$ 565	\$ 720	27%
* No 2015 Data			
Source: Multiple Listing Service			

All numbers are in Thousands

Projected Additional Need for Affordable Housing: RHNA 2014-21

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Alameda County					
Alameda County	Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total
Alameda	444	248	283	748	1,723
Albany	80	53	57	145	335
Berkeley	532	442	584	1,401	2,959
Dublin	796	446	425	618	2,285
Emeryville	276	211	259	752	1,498
Fremont	1,714	926	978	1,837	5,455
Hayward	851	480	608	1,981	3,920
Livermore	839	474	496	920	2,729
Newark	330	167	158	423	1,078
Oakland	2,059	2,075	2,815	7,816	14,765
Piedmont	24	14	15	7	60
Pleasanton	716	391	407	553	2,067
San Leandro	504	270	352	1,161	2,287
Union City	317	180	192	417	1,106
Alameda Couty Unincorporated	430	227	295	817	1,769
Total	9,912	6,604	7,924	19,596	44,036
Source: Association of Bay Area Governments (ABAG) 2013					

Projected Additional Need for Affordable Housing: RHNA 2014-21

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Regional Housing Needs Allocations in Alameda County for Housing Element Planning Period 2014 – 2021

	2014-2021 Total	Very Low (50%)	Low (80%)
Alameda	1,723	444	248
Albany	335	80	53
Berkeley	2,959	532	442
Dublin	2,285	796	446
Emeryville	1,498	276	211
Fremont	5,455	1,714	926
Hayward	3,920	851	480
Livermore	2,729	839	474
Newark	1,078	330	167
Oakland	14,765	2059	2075
Piedmont	60	24	14
Pleasanton	2,067	716	391
San Leandro	2,287	504	270
Union City	1,106	317	180
Unincorporated	1,769	430	227
Alameda County-Wide	44,036	9,912	6,604

Source: Association of Bay Area Governments (ABAG) 2013

10 Fastest Growing Professions

2010-2020 – Oakland/Fremont MSA

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Occupational Title	Change 2010 to 2020	2012 First Quarter Wages [1]		
	Percent Growth	Median Hourly Wage	Median Annual Income	Income Category
Software Developers, Systems	27.9	\$52.03	\$108,211	Above Moderate
Software Developers, Apps	33.1	\$49.15	\$102,242	Above Moderate
Computer Systems Analysts	21	\$45.43	\$94,495	Moderate
Management Analysts	24.3	\$45.18	\$93,965	Moderate
Supervisors of Food Workers	21.2	\$13.89	\$28,900	Very Low
Cooks, Restaurant	22.5	\$12.16	\$25,286	Extremely Low
Food Preparation, Including Fast Food	21.9	\$9.39	\$19,535	Extremely Low
Dishwashers	22.5	\$9.29	\$19,315	Extremely Low
Cooks, Fast Food	22.8	\$9.10	\$18,934	Extremely Low
Waiters and Waitresses	22.7	\$9.03	\$18,786	Extremely Low

Reductions in Financing for Affordable Housing

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- ❑ Local, state and federal disinvestment in affordable housing has exacerbated the housing market's failure to provide for low income families.
 - ❑ Loss of Redevelopment: \$56 million county-wide annually
 - ❑ Reduced HOME & CDBG funds: \$9 million county-wide
 - ❑ Depleted statewide bonds
- ❑ New potential state funding opportunities depend on local investment.

Reductions in Financing for Affordable Housing

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89% DECREASE in State and Federal funding for affordable homes in Alameda County 2008 -2013

TABLE 2 :CHANGE IN ALAMEDA COUNTY'S MAJOR AFFORDABLE HOUSING FUNDING SOURCES
FY 2007/08 TO 2012/13

FUNDING SOURCES	FY 2007/2008	FY 2012/2013	% CHANGE
State Housing Bonds Prop. 46 and Prop. 1C	\$136,561,831	\$3,000,000	-98%
Redevelopment Funds for Affordable Housing	\$56,715,327	\$0	-100%
Federal CDBG Funds	\$20,222,140	\$16,045,070	-21%
Federal HOME Funds	\$9,434,454	\$4,920,819	-48%
Total	\$222,933,752	\$23,965,889	-89%

SOURCES:CHPC tabulations of HCD's Redevelopment Housing Activities Report and HUD's CPD program formula allocations by fiscal year.

*Prop. 46 and Prop. 1C spending for FY 2007/2008 and 2012/2013 provided by HCD.

Reductions in Financing for Affordable Housing

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The cumulative loss of all sources, including the RDA Housing Set Aside Funds, equals approximately 400 new affordable housing units per year serving approximately 1,000 low income people per year

Long term loss:

- Each unit is affordable for 55+ years – resulting in a cumulative annual loss, growing exponentially
- Cumulative loss over 5 years = 2,000 housing units serving 5,000+ people
- Cumulative loss over 10 years = 4,000 housing units serving 10,000 people

Rental Subsidy Levels not Keeping Pace with Rents

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- The Alameda County Housing Authority opened its Section 8 wait list for one week in August 2015 and received over 42,000 applications.
- The Alameda City Housing Authority opened its list in January 2015 and received over 30,000 applications.
- Percentage of units leased decreasing.
- HUD 2016 Fair Market Rents limits lower than 2015.

Impacts of Insufficient Affordable Housing

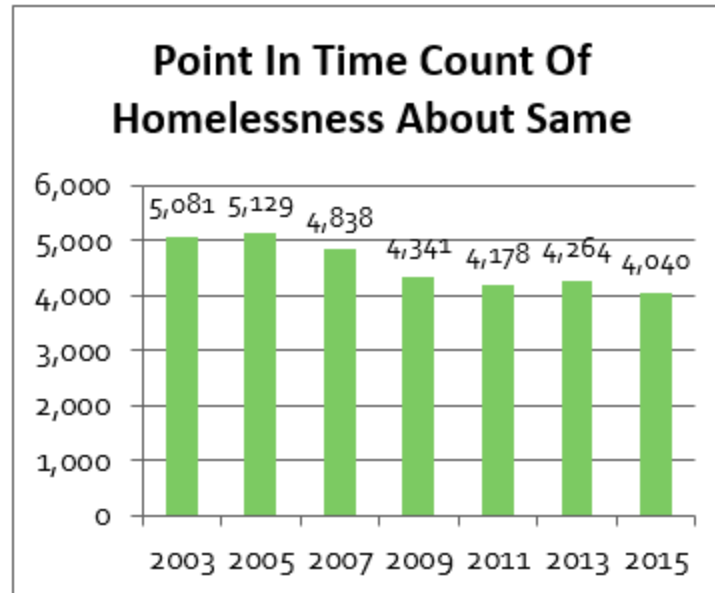
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Housing is increasingly unaffordable, especially for very low and extremely low income people. Impacts:

- ❑ Displacement of long term residents
- ❑ Traffic and congestion impacts from commuters moved to suburbs
- ❑ Too much income spent on housing costs
- ❑ Impact on ability to attract and retain employees
- ❑ Homelessness
- ❑ Undermines safety net

Impacts: Homelessness

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Key Homeless Subpopulation Estimates			
Lower			
	Veterans	Families	Chronic
2013	492	462	931
2015	388	324	660

Affordability - Responses

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□ Housing Supply

- Housing fit
 - Shared housing programs
 - Zoning for range of housing types
- Condominium Conversion Ordinances
- Restrictions on short-term rentals
- Streamlining Development Process
- Zoning for Adequate sites
 - Increased zoned densities, esp. near transit
 - Second unit ordinances
- Increasing Development Subsidies
- Public Land

Affordability: Responses

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□ Current County Responses:

▣ **Housing Supply**

■ Unincorporated:

- Second Unit Ordinance
- Unincorporated sites to meet RHNA
- Condo conversion ordinance
- Priority Development Areas/TOD

■ Development Subsidies

■ Public Land:

- Former RDA
- Surplus Property Authority

Affordability - Responses

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□ Ending Homelessness

- Dedicated subsidized units
- Rental and operation subsidies
- Extremely low-income housing supply
- Permanent supportive housing supply
- Prevention
- Coordinated Entry System
- Interim housing/shelter options
- Outreach and housing navigation
- Housing support services

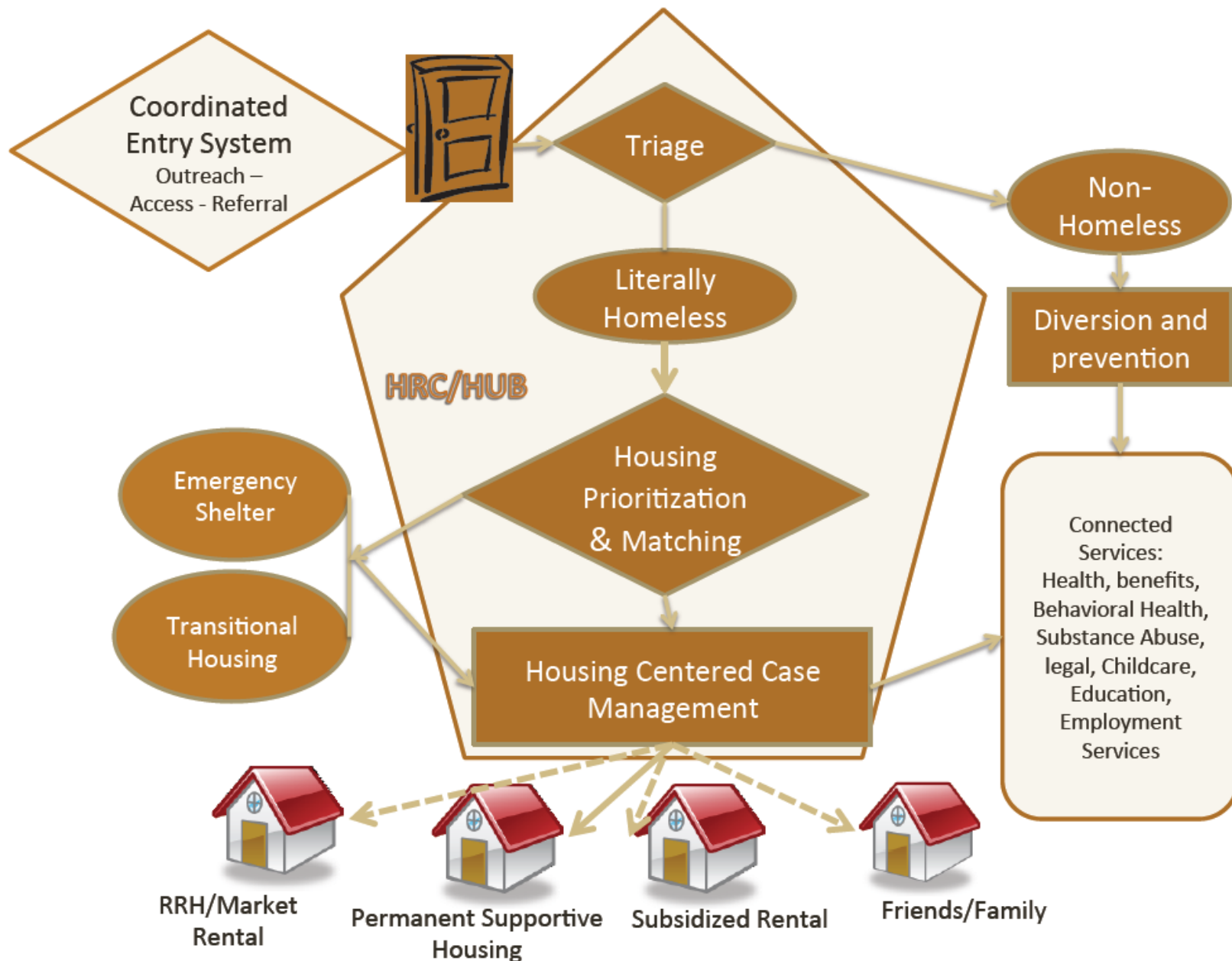
Affordability: Responses

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□ Current County Responses:

■ **Ending Homelessness**

- Targeted Subsidized Units
- Rental Subsidy Programs
 - Permanent – Shelter Plus Care
 - Transitional – Rapid Rehousing
- Outreach and housing navigation
- Interim housing/shelter provision
- Advocacy for funding
- Coordinated Entry System underway



Affordability - Responses

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□ Tenant Protections

▣ Rent Stabilization/Control

- Rental Housing
- Mobile Home Parks

▣ Rent Mediation

▣ Eviction Controls

▣ Relocation benefits

▣ Tenant/Landlord information and referral

▣ Fair Housing

Affordability: Responses

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□ Current County Responses:

▣ **Tenant Protections**

■ Unincorporated:

- Mandatory notification of voluntary rent mediation services
- Mobile Home Space Rent Stabilization

■ Tenant/Landlord voluntary mediation, I&R

■ Fair Housing investigation and I&R

Affordability - Responses

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□ Subsidies

□ Rental

- Rent Subsidies
- Development subsidies
- Operating subsidies
- Public land
- Reduced or waived development fees
- Reduced requirements (e.g. parking)

□ Homeownership

- Mortgage Credit Certificate program
- Downpayment assistance programs
- Development subsidies

Affordability: Responses

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□ Current County Responses:

■ **Subsidies**

- Pursue and advocate for State and Federal subsidies
- HUD Fair Market Rent Local Study submitted
- Local Housing Trust Fund
- Mortgage Credit Certificate (MCC) program
- ‘Boomerang’ housing funding
- Explore new sources to provide subsidies

Affordability: Responses

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- Alameda County Funds “Boomerang” Funds for Housing:
 - \$9.8 Million in ‘boomerang’ one-time former-RDA housing funds for affordable housing
 - \$3.9 Million in ‘boomerang’ one-time former-RDA non-housing funds for homeless response
 - FY 2016/17 – FY 2021 \$5 Million annually for affordable housing and homeless response

Affordability: Responses

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- Exploring New Sources to provide subsidies:
 - After the November 2015 passage of the San Francisco housing bond by 73.5%, housing activists approached Supervisor Chan about conducting a poll to see if Alameda County might have an interest in putting a County housing bond on the ballot in 2016.
 - EBHO, NPH, and Supervisor Chan's office have worked with Ruth Bernstein of EMC to commission and fund a poll of 500 voters in Alameda County on potential support for a \$500 million housing bond that would benefit all areas of the County.
 - The results will be available in early February for discussion at a full Board retreat.

Next Steps

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- Committee discussion
- Refer to full Board for discussion and direction to staff for more detailed exploration of specific needs and policy/program responses
- Explore Housing General Obligation Bond

Questions?