

## KEY FINDINGS

### Locked Out 2004: California's Affordable Housing Crisis

#### **Renters Bear the Brunt of the State's Affordable Housing Crisis**

- In 2002, more than four out of 10 renter households in Orange County, the Inland Empire (Riverside and San Bernardino counties), and San Diego County spent more than the recommended 30 percent of their income on shelter.
- More than two-thirds of low-income renters in Orange County spent more than half of their income on housing in 2002. Almost half of Inland Empire low-income renters and six out of 10 low-income renters in San Diego County spent more than half of their income on rent.
- The number of Californians in need of affordable housing far outstrips the supply of low-cost units. In 2002, the number of low-income renter households exceeded low-cost rental units by nearly 2-to-1 in San Diego County and nearly 3-to-1 in Orange County.

#### **Homeownership Is Out of Reach for a Growing Number of California Families**

- California's homeownership rate is the fourth lowest in the nation. Only 58 percent of California households owned their homes in 2002, compared to 68 percent for the nation as a whole.
- The share of owner households headed by individuals in their twenties dropped by 14 percent between 1979 and 2002, while the share of owner households headed by individuals in their thirties dropped by 22 percent. Ownership rates declined for all age groups except seniors between 1979 and 2002.
- While 67 percent of the state's white-headed households and 60 percent of Asian and other-headed households were homeowners in 2002, just 44 percent of Latino-headed households and 43 percent of African-American-headed households owned their own homes.

#### **Housing Production Still Below Forecast Need**

- Building permits were issued for an average of 120,833 units per year between 1990 and 2002. In contrast, permits were issued for an average of 215,585 units per year during the 1970s and 203,369 units per year during the 1980s.
- Multifamily housing accounts for the majority of the housing production decline. During the 1980s, building permits were issued for an average of 91,682 multifamily housing units per year, 45 percent of total permits. Between 1990 and 2002, building permits were issued for an average of 31,502 multifamily housing units per year, just 26 percent of total permits issued and a 66 percent drop from the average level for the 1980s.

#### **Public Funding for Affordable Housing Has Failed to Keep Pace with Need**

- State housing spending dropped substantially during the 1990s, from 0.5 percent of General Fund spending in 1989-90 to 0.08 percent in 2003-04. In November 2002, voters approved a \$2.1 billion bond act for state housing programs.
- Federal support for housing has dropped dramatically since the 1970s. Many federally-assisted units are being converted from affordable housing to more lucrative market-rate housing. In the past eight years, California lost more than 26,000 affordable housing units as landlords converted subsidized units to market rents. This represents nearly 18 percent of the state's inventory of federally-assisted units.