

IMPACT SF:

Spotlight On Affordable Housing

17th September | 1885 Mission St., San Francisco)



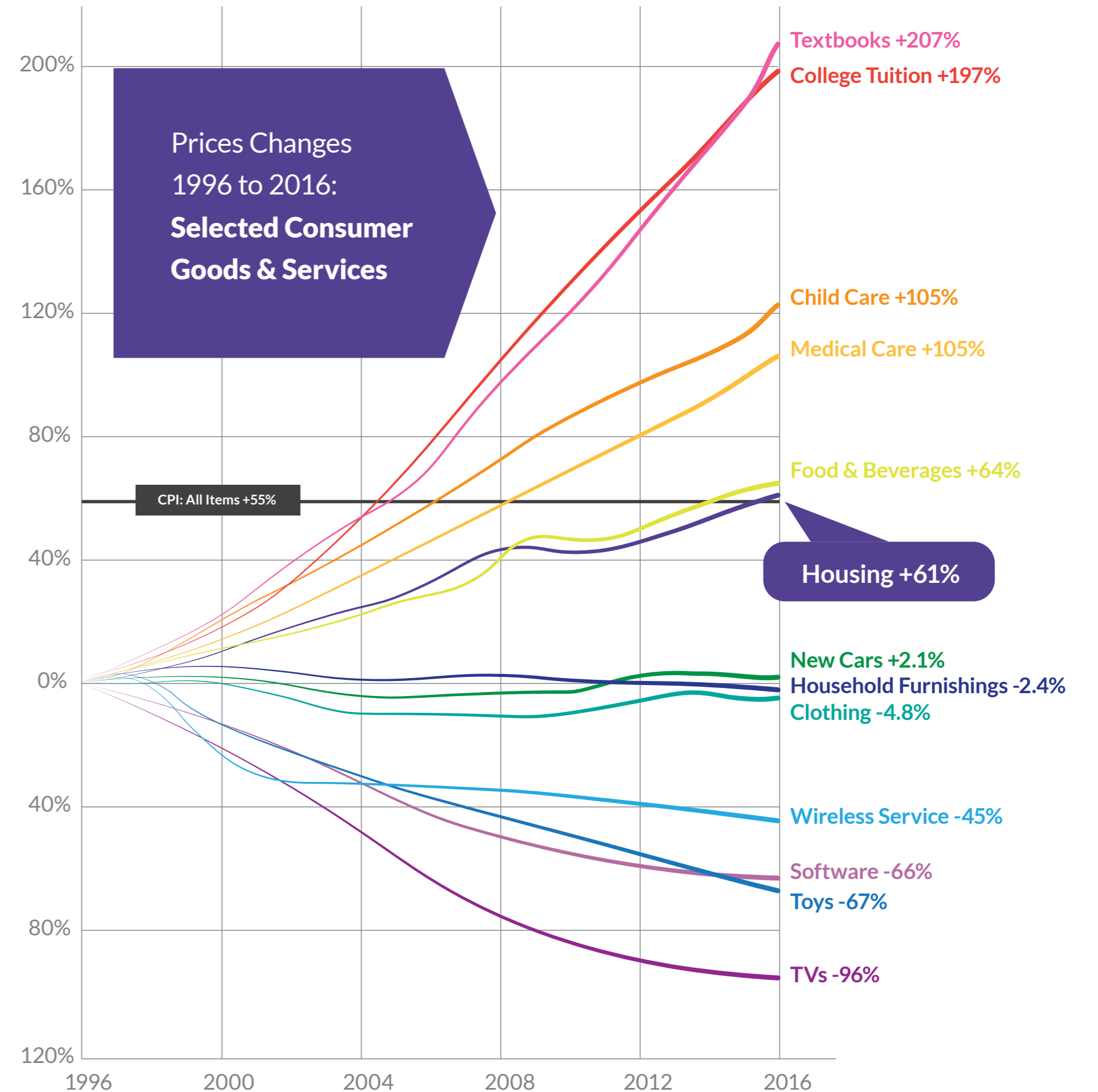
IMPACT
SAN FRANCISCO

Issue Brief

Impact Affordable Housing

One of our goals as a modern society is to improve quality of life by enabling our citizens to afford more things. This rise in quality of life can be measured but how much we can consume with what we earn. The chart below shows the change in prices of select goods since 1996 through 2016.

Education, healthcare, and childcare are still the most inflationary goods. Housing and food are next—with housing increasing by 61% over this period, outpacing wage growth.

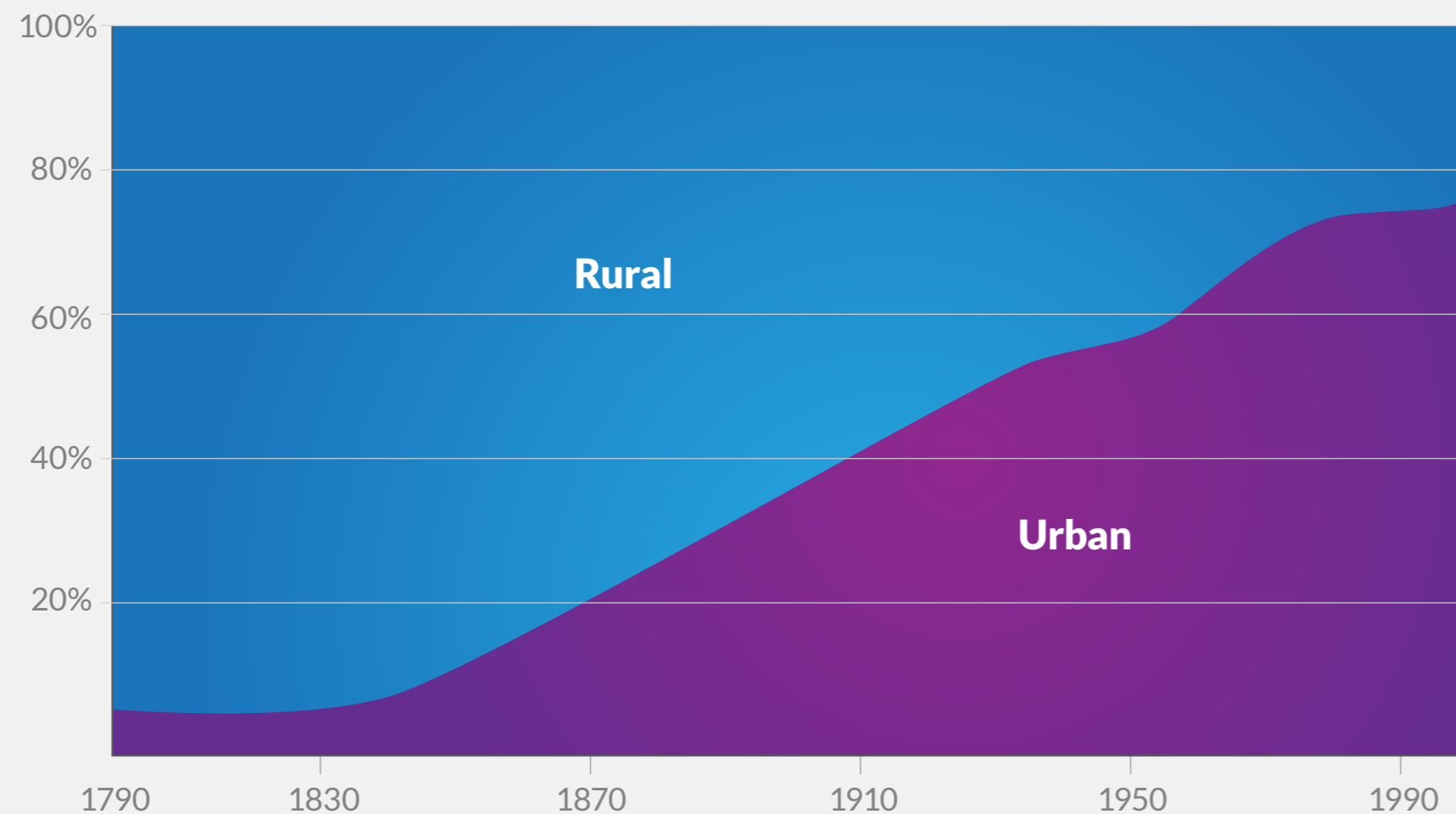


Source: BLS

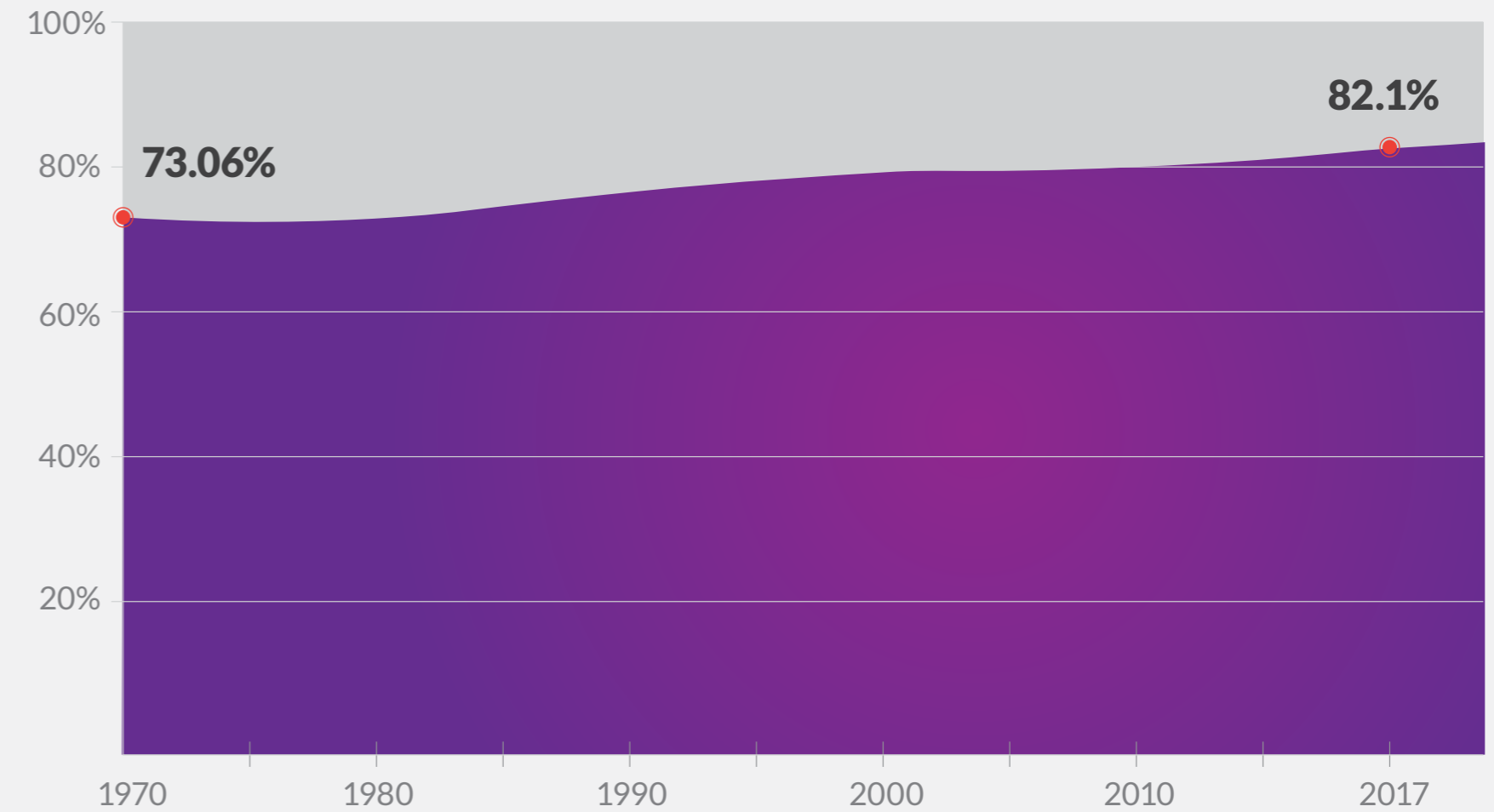
Consumer decisions can play a large role in the ultimate basket of goods and expenditures increases any given household experiences. Where one works, lives, eats, etc. all can affect their lifestyle affordability.

For this discussion we are focusing on how to make living, especially in our largest cities, affordable. In addition to that, we are specifically interested in helping identify and address problems with homelessness in our largest cities.

Urban Population as a Percentage of US Total



Share of total population in urban areas

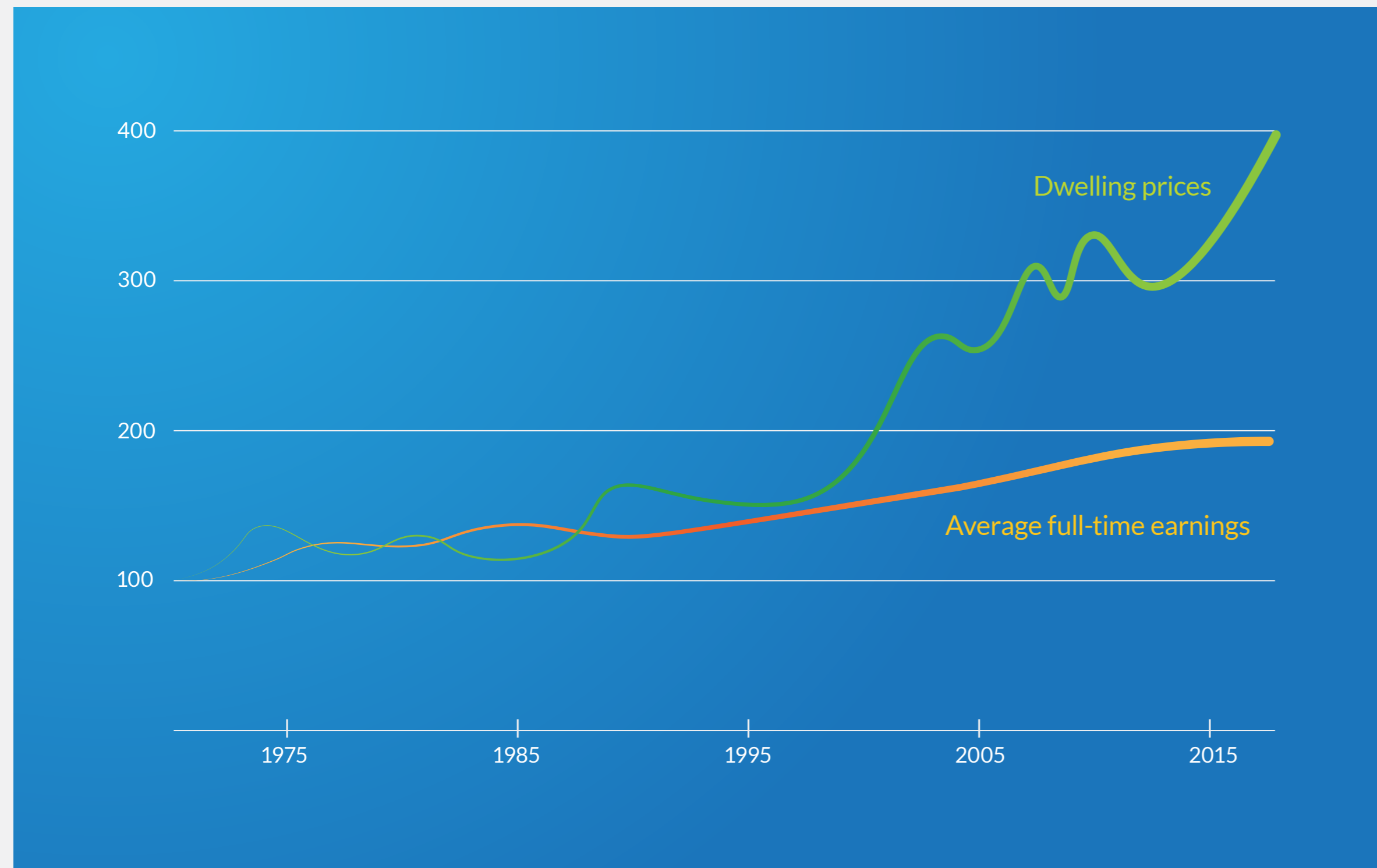


First we turn to a broad macro theme that has driven the increased cost of living in our cities, the urbanization of America.

Since 1790 there has been a secular trend from rural to urban living and from 1970 to 2017 urbanization has increased from 73.6% to 82.1%.

House prices have grown much faster than income since mid-1990's

Real dwelling prices and full-time weekly earnings, index 1970 = 100



With the move from the country to cities, the cost of living in cities has generally increased. Many of our largest cities are now quite expensive to live in. Once can look at median housing prices, rent rates, mortgage payments etc. but the overarching trend is that the cost of living in our busiest cities has broadly increased and has increased at a rate greater than wages.

Note: Data for 1970 to 2010 is from Yates (2011). Data from 2010 is monthly growth in the residential property price index from ABS (2017c), deflated by the CPI. Earnings data is full-time ordinary time earnings from (2017d), deflated by the CPI.

Sources: Yates (2011), ABS (2017c) and ABS (2017d).

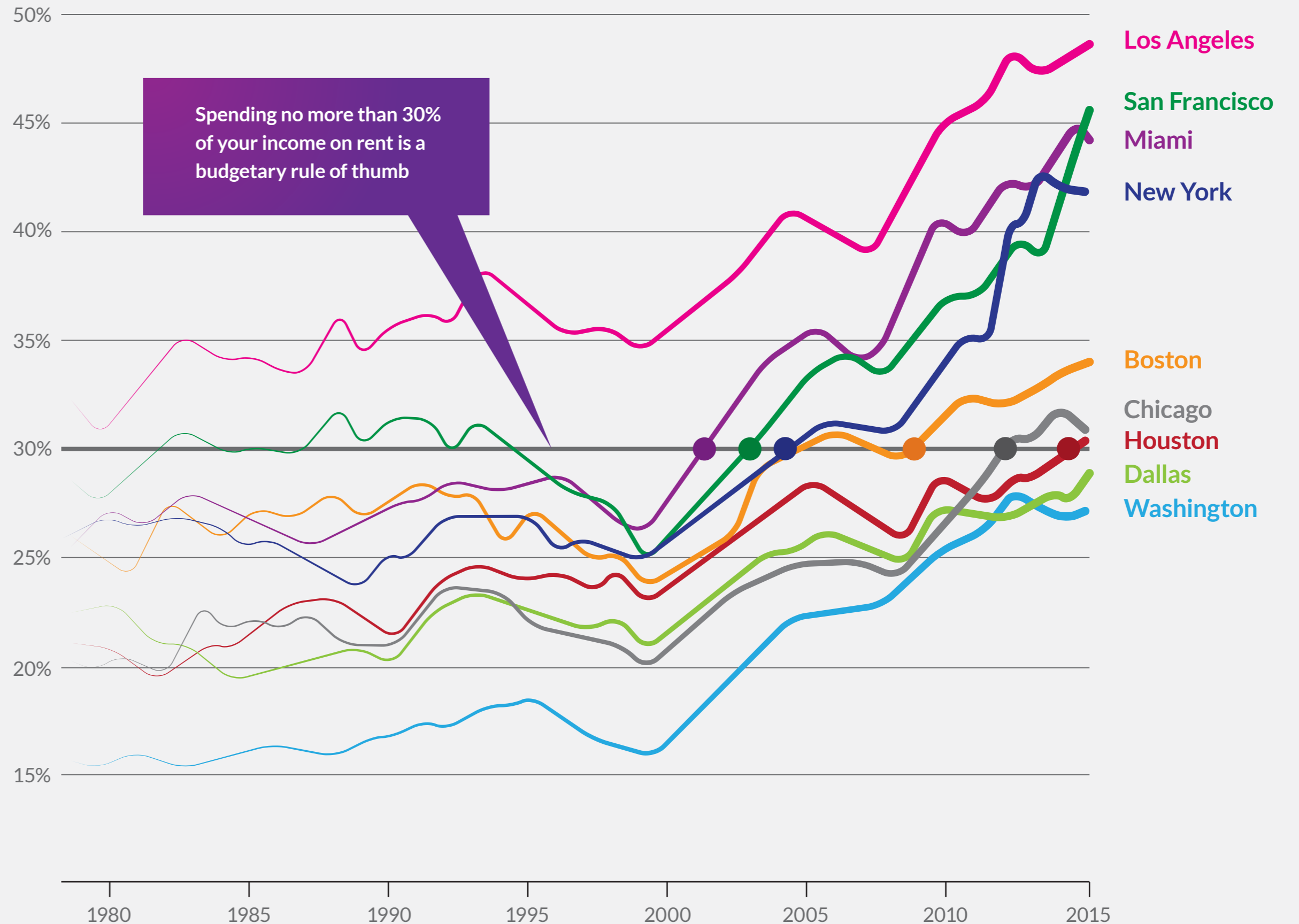
This same trend is reflected in the affordability of our most populous cities.

Most recent quarter each city crossed over the 30% household.

While most of these issues can be traced to some foundational element of supply and demand of housing stock and housing need. San Francisco's strong economy, population growth, and constant need for housing has contributed to long running increases in the cost of housing.

When Your City Became Unaffordable

Percentage of income that a typical young worker (age 22 to 34) paid in rent



Note: Washington and Dallas have yet to cross the 30% threshold, Los Angeles's median rent has been unaffordable since before 1979

Source: Zillow

Central Cities

Household Income (2016\$)			
City	20th Percentile	95th Percentile	Ratio
Highest Inequality			
Atlanta, Ga.	16,927	306,307	18.1
Washington, D.C.	20,152	352,958	17.5
Providence, R.I.	12,118	202,021	16.7
New Orleans, La.	12,373	203,254	16.4
Miami, Fla.	12,311	200,530	16.3
San Francisco Calif.	31,840	507,824	15.9
Boston, Mass.	17,734	261,973	14.8
New York, N.Y.	19,144	282,125	14.7
Baton Rouge, La.	14,218	202,385	14.2
Buffalo, N.Y.	11,834	158,362	13.4
Lowest Inequality			
Des Moines, Iowa	21,495	165,106	7.7
Riverside, Calif.	25,876	198,549	7.7
Columbus, Ohio	20,454	156,833	7.7
Jacksonville, Fla.	22,522	170,019	7.5
Allentown, Pa.	16,183	118,140	7.3
Cape Coral, Fla.	24,864	179,757	7.2
Palm Bay, Fla.	21,823	141,114	6.5
Oxnard, Calif.	31,780	198,494	6.2
Virginia Beach, Va.	35,699	211,324	5.9
Deltona, Fla.	25,380	113,815	4.5

Metropolitan Areas

Household Income (2016\$)			
Highest Inequality			
Bridgeport, CT	34,258	485,657	14.2
New York, NY-NJ-PA	25,391	304,292	12.0
San Francisco, CA	36,273	397,594	11.0
Los Angeles, CA	25,190	271,041	10.8
New Orleans, LA	18,644	197,190	10.6
San Jose, CA	40,807	428,729	10.5
Miami, FL	21,198	221,668	10.5
Houston, TX	25,190	257,237	10.2
Fresno, CA	18,524	187,121	10.1
Boston, MA-NH	30,328	302,276	10.0
Lowest Inequality			
Virginia Beach, VA-NC	27,382	201,524	7.4
Lakeland, FL	20,959	151,930	7.2
Des Moines, IA	29,734	213,480	7.2
Colorado Springs, CO	28,154	201,009	7.1
Madison, WI	30,524	216,362	7.1
Harrisburg, PA	28,410	197,249	6.9
Grand Rapids, MI	26,728	183,957	6.9
Salt Lake City, UT	32,545	212,946	6.5
Provo, UT	31,575	204,456	6.5
Ogden, UT	35,545	184,908	5.2

This has led to an extensive portion of post tax wages going to housing, need for a highly diverse and reliable transportation system, as well as a growing disparity between rich and poor in some of our most successful cities.

Source: Brookings analysis of 2016 American Community Survey data. Metropolitan areas names are abbreviated

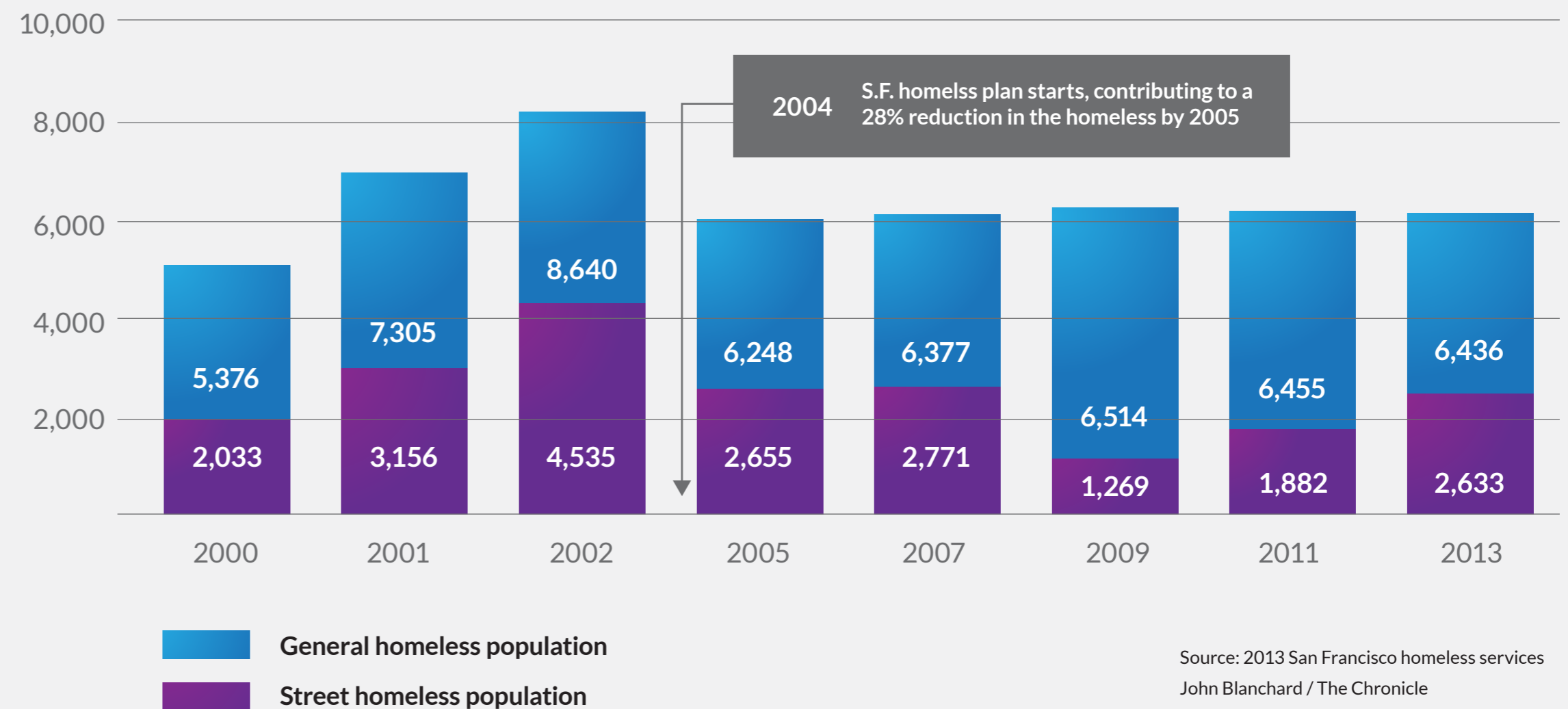
Homelessness

One of the acute issues San Francisco presents is the challenge of homelessness. This is not surprising based on the increase in costs of housing, large income disparity between rich and poor, and the wealth levels in the San Francisco.

Somewhat surprisingly, the number of homeless people have not changed dramatically over time (2015 and 2017 numbers are 6,686 and 6,986 respectively).

Homeless population remains steady

After an initial surge of success in reducing the number of chronically homeless people in San Francisco, the city has found further reductions difficult. The Number of hard-core indigents living on the streets has stayed about the same for the past nine years, despite efforts the city has undertaken as part of its 10-Year Plan to Abolish chronic Homelessness.



Source: 2013 San Francisco homeless services
John Blanchard / The Chronicle

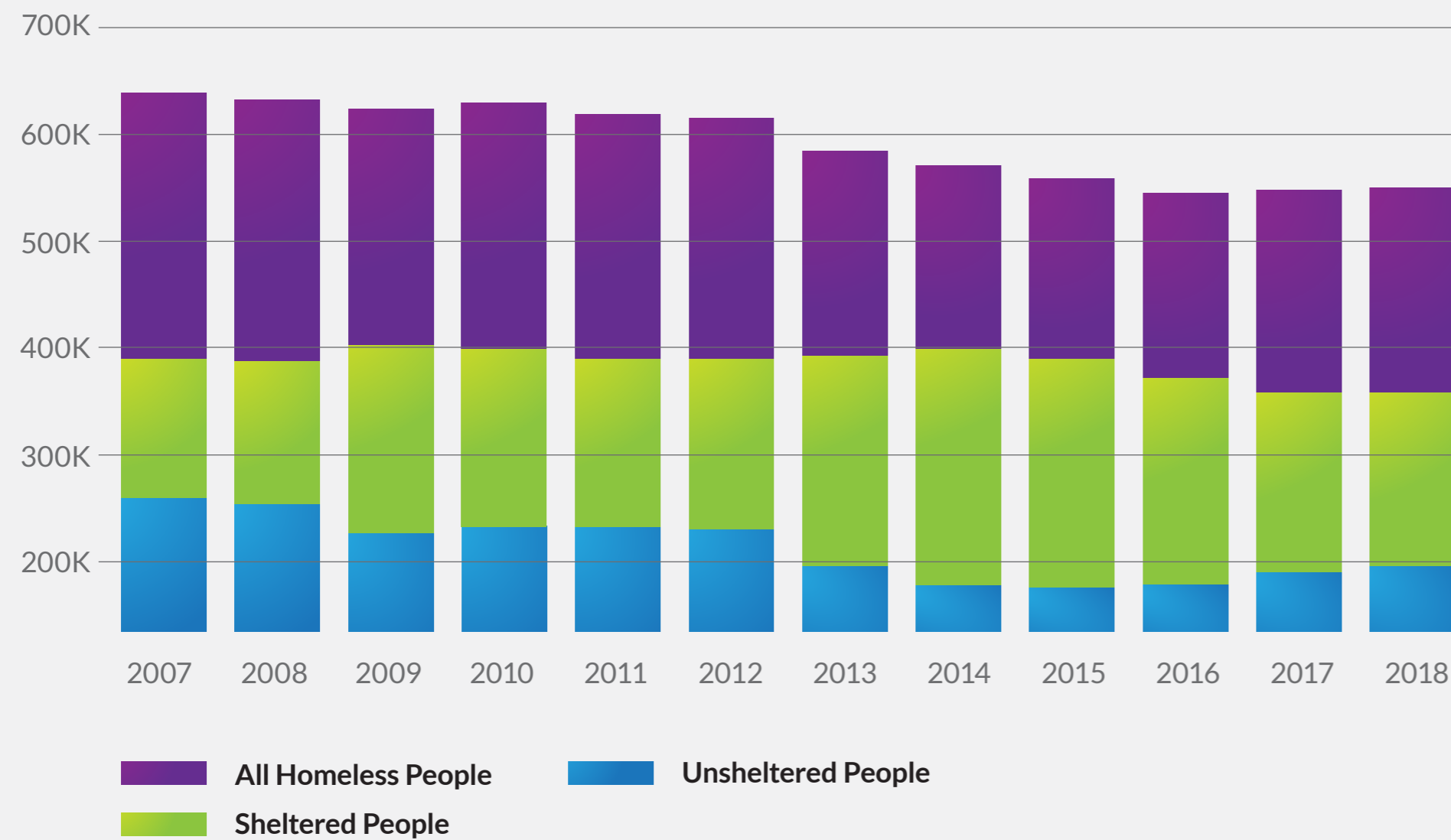
These numbers reflect a general national trend of decline (which may be linked to a strong economic environment). The Department of Housing and Development has been tracking national homelessness since 2007.

PIT Estimates of People Experiencing Homelessness

By Sheltered status, 2007-2018

(PIT - point in time)

United States in January



Source: The US Department of Housing and Urban Development

