

JOB-CENTER HOUSING

Creating Housing Opportunities for California's Workforce
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PROBLEMS SURROUNDING CALIFORNIA'S HOUSING CRISIS:

Housing Supply

- California is under-producing housing: Last year marked the 10th consecutive year of housing production at roughly 50 percent of normal.
- In 2000, it is projected that California will have only built 148,000 new homes while the state Department of Finance estimates the annual need to be upwards of 250,000 new homes.
- The job-rich Silicon Valley has an accumulated housing shortage of more than 120,000 units, nearly equaling the total amount of homes built statewide in 1999.
- Recent forecasts from the Department of Housing and Community development predict an annual housing deficit in the Bay Area of more than 12,000 units per year for the next 10 years. In Los Angeles County the annual housing deficit will be 28,000 units.

Jobs/Housing Imbalance

- California's jobs/housing balance is skewed. The state is creating more than three jobs for every new home –half the housing production needed to maintain a jobs/housing balance.
- The Department of Finance estimates that a healthy jobs/housing balance is one new home built for every 1.5 jobs created.
- The state's upside-down jobs/housing balance is twice as bad in the job-centers. The ratio of new jobs to housing units created in the years 1997 through 1999 are as follows: San Francisco created seven new jobs for every new home, Los Angeles 6:1, Orange County 5:1.
- As many as eighty percent of high-tech recruit prospects are turning down California jobs because of housing price sticker shock.
- A report of the "Joint Venture: Silicon Valley" warned that the housing crisis there was threatening to stall high tech's economic engine.

Housing Affordability

- California has 9 of the nation's 10 least affordable housing markets, including 7 of the top 7.
- If you're a California family earning the state's median income, you need \$41,883 more in annual income to afford to buy the median-priced home (\$247,450).
- A Kindergarten teacher in Central Los Angeles needs over \$78,096 in additional income to afford the median-priced home.
- A firefighter in Yorba Linda falls \$66,700 short of buying the median-priced home.
- A police detective in Palo Alto would have to more than triple his salary –needing an additional \$197,603 to afford to buy the median-priced home in the community he protects.
- A San Francisco worker needs to earn \$22.44 per hour to afford a two-bedroom apartment.

Homeownership

- As California is under-producing housing, it is simultaneously under-producing homeowners, even as the demand and desire is strong.
- According to pollsters Hart and Teeter, 85% of Americans say owning a home is a top priority.
- And, by a ratio of 3 to 1 over all adults, immigrants say homeownership is their number one priority.
- Yet, California's homeownership rate (56%) is second to last in the nation and would need a 20 percent boost to equal the national average (67%).
- If California's homeownership rate equaled the national average of 67%, 1.3 million more California families would be homeowners.