

Why We Need Affordable Housing FACT SHEET

Affordable housing is good for the whole community.

Benefits for residents include improved health, as well as school and job performance.

Affordable housing also helps support the economy by making it easier for companies to recruit and retain employees, and for workers to live close to their jobs – and patronize local businesses. Shorter commutes reduce traffic congestion and air pollution and allow employees to spend time with their families.

In San Diego, affordable housing is attractively designed and well maintained, enhancing neighborhoods throughout the city. Many developments offer an array of services, such as after-school tutoring and computer labs.

The San Diego Housing Commission is committed to increasing affordable housing of all types to meet the diverse needs of residents, including affordable rental and for-sale housing – consisting of single-family homes, duplexes, and apartments for families, seniors and special needs populations.

WHAT IS “AFFORDABLE HOUSING?”

Housing is generally considered “affordable” when a household pays no more than 30 percent of gross monthly income on housing. When housing costs exceed that ratio, most families have difficulty paying for basics such as food, clothing, groceries, transportation and medical care. Other problems caused by excessive housing prices include over-crowding and unsanitary living conditions. Unfortunately, the number of households paying more than half their incomes toward rent has doubled over the past ten years, according to the National Housing Conference.

Government affordable housing programs – such as those offered by the San Diego Housing Commission – are designed to help low-income households by reducing housing costs while ensuring safe, decent living conditions.

WHO IS ELIGIBLE?

Affordable housing programs vary by type and affordability, depending on the population



served. Income eligibility is determined primarily by how incomes compare to the local Area Median Income (AMI). In San Diego, the current median income (100% AMI) for a family of four is \$72,100. Certain rental assistance programs are designed to help residents earning, for example, 30 – 50% AMI, while others serve those in the 80% AMI range. Home buyer assistance programs

continued



Even though Rafael earns \$17 per hour as a Registered Dental Assistant, he and his family depend on affordable housing to make ends meet.

generally require that buyers earn between 80 to 120% AMI.

With all of these programs, housing costs remain within 30 percent of total household income. (“Housing costs” means rent plus utilities; or, for homeowners, the mortgage and expenses as property taxes, insurance and homeowner association fees.) For rental programs, assistance is provided either through restricted rents or voucher subsidies. Likewise, home buyer programs are available both in the form of financial assistance and price restrictions.



Left: A single mom and her daughter are thriving with help from a rental voucher that enables them live affordably near Ethel’s job and Jessemina’s school.



Left: Thanks to rental assistance, Irene is able to afford basic needs, such as groceries and health care.

BRIDGING THE AFFORDABILITY GAP

With its idyllic climate and pristine beaches, San Diego is one of the nation’s most renowned tourist destinations. It also known for having one of the least affordable housing markets in the country – due in part to rising construction and land costs, as well as the high number of low-wages workers who support the local economy. These include hotel and restaurant employees, retail clerks and hair dressers. Even professionals such as teachers, auto mechanics, nurses, and police officers struggle to afford to live here. Others impacted by the housing crisis include seniors and disabled persons living on fixed incomes.

To afford the average two-bedroom apartment (\$1,200) in San Diego, a household must earn \$48,200 annually or \$23 an hour. To buy a \$440,000 median-

priced home, families must earn around \$140,000. (Source: Pay Check to Paycheck 2007, published by the National Housing Conference.) However, incomes have not kept pace with housing costs. In the examples below, rents are unaffordable to many, and home prices are beyond the budgets of most.

OCCUPATION	AVERAGE EARNINGS (annual and hourly)
Child Care Provider	\$28,299 (\$13.61)
Elementary School Teacher	\$51,287 (\$24.66)
Janitor	\$25,663 (\$12.34)
Nurse (LPN)	\$39,779 (\$19.12)
Police Officer	\$50,689 (\$24.37)
Retail Sales Clerk	\$22,505 (\$10.82)
Restaurant Servers	\$15,708 (\$7.55)