



HOUSING AUTHORITY of the COUNTY of SANTA CLARA

Extract  
from 2013  
Housing Needs  
Assessment



## Housing Authority of the County of Santa Clara

Extract from *2013 Housing Needs Assessment*

The Housing Authority of the County of Santa Clara (HACSC) helps make rental housing safe and affordable for low-income households living in Santa Clara County. HACSC currently assists over 17,000 households - 15,000 of which are served by the Housing Choice Voucher (HCV) program. The vast majority of the households served are extremely low-income families with children, seniors living on fixed incomes, veterans, persons with disabilities and the formerly homeless. ■ HACSC commissioned the 2013 Housing Needs Assessment for Santa Clara County in order to obtain critical data for the development of Housing Program policies. This Extract of information from the 2013 Housing Needs Assessment includes data from the full Assessment that is relevant to HACSC's strategic planning effort. For the complete 2013 Housing Needs Assessment, please visit: [www.hacsc.org](http://www.hacsc.org).

### **SIGNIFICANT HURDLES TO MEETING THE COUNTY'S AFFORDABLE HOUSING NEEDS**

The Needs Assessment provides data that show that the demand for affordable housing is growing in Santa Clara County. The population is growing but many jobs do not pay enough to support safe and adequate housing. Additionally, the growing special needs population, such as the disabled and elderly, are often unable to work and live on limited, fixed incomes. The ability to assist new and additional low-income households is made even more difficult by resource issues. On the national level, the U.S. federal government significantly cut funding for the Department of Housing and Urban Development (HUD), including its Section 8 rental subsidy program. On the state level, California abolished local redevelopment agencies and their tax increment funding source, which included a minimum of 20% of tax increment funds directed to the development of affordable housing.

# Population and Household Growth

## POPULATION GROWTH

The population in the County of Santa Clara continues to grow at a steady rate, increasing the need for all types of housing. Below is a chart that shows the actual and projected increase in population since 2000 for the City of San José, other population in the County, and the total County population.

	2000 POPULATION	POPULATION INCREASE 2000 - 2010		2010 POPULATION	ESTIMATED INCREASE 2010 - 2020		ESTIMATED 2020 POPULATION
		# INCREASE	% INCREASE		# INCREASE	% INCREASE	
San José	894,943	50,999	5.7%	945,942	204,958	21.7%	1,150,900
Other	787,642	48,058	6.1%	835,700	76,500	9.2%	912,200
Total County	1,682,585	99,057	5.9%	1,781,642	281,458	15.8%	2,063,100

## HOUSEHOLD GROWTH

The next step in estimating housing needs is to consider how many households will be created. The number of households created will more directly correspond to the number of housing units needed. The number of households created is based on both population growth and also on the number of people in a household. The average household size has been declining in Santa Clara County from an average of 3.2 in 2000 to 3.1 in 2010.

	2000 HOUSEHOLDS	HOUSEHOLD INCREASE 2000 - 2010		2010 HOUSEHOLDS	ESTIMATED INCREASE 2010 - 2020		ESTIMATED 2020 HOUSEHOLDS
		# INCREASE	% INCREASE		# INCREASE	% INCREASE	
San José	276,598	24,768	9.0%	301,366	74,934	24.8%	376,300
Other	289,265	13,573	4.7%	302,838	-13,138	-4.3%	289,700
Total County	565,863	38,341	6.8%	604,204	61,796	10.2%	666,000

Source: Association of Bay Area Governments (ABAG), 2012; Center for Continuing Study of the California Economy as cited in the City of San José's General Plan 2040 update.

## MULTI-FAMILY NEW CONSTRUCTION NOT KEEPING PACE

Single-family housing units, which include one-unit attached homes, make up 64% of the County's housing stock. Multi-family housing represents 33% of the County's total housing stock, including both rental housing units and condos. In 2000, this figure was 36%. According to this data, more single-family homes were built between 2000 and 2010 in proportion to multi-family housing. This creates pressure on rents and the result is less affordable housing opportunities for lower income households.

## LIMITED SUPPLY OF AFFORDABLE RENTAL HOUSING

There is a limited supply of affordable housing in our County that is available to extremely low- and very low-income households. In 2010, there were an estimated 53,905 extremely low-income renter households in the County. This indicates a need for 31,970 units affordable to extremely low-income households ( $53,905 \text{ households} - 21,935 \text{ existing extremely low-income rental units} = 31,970 \text{ units needed}$ ). Because of the extremely low vacancy rate of 3.2%, providing housing vouchers and assistance will address only some of this need - more affordable housing must be built.

## Economic Considerations

Although affordability is an issue for all households, most affordable housing policies and programs target households at or below 80% of area median income (AMI). Households are categorized by HUD as extremely low income, very low income, or low income, based on percentages of the County's AMI. The AMI is calculated annually for different household sizes as shown below:

### INCOME LIMITS, SANTA CLARA COUNTY, 2013

INCOME CATEGORY	1 PERSON	2 PERSONS	3 PERSONS	4 PERSONS	5 PERSONS	6 PERSONS
Extremely Low Income (ELI) 30% AMI	\$22,300	\$25,500	\$28,650	\$31,850	\$34,400	\$36,950
Very Low Income (VLI) 50% AMI	\$37,150	\$42,450	\$47,750	\$53,500	\$57,300	\$61,550
Low Income (LI) 80% AMI	\$59,400	\$67,900	\$76,400	\$84,900	\$91,650	\$98,450
Moderate Income (MOD) 120% AMI	\$88,600	\$101,300	\$113,950	\$126,600	\$136,750	\$146,850

Source: CA Department of Housing and Community Development, 2013.

The lower income groups may be a special needs population such as disabled or elderly living on a fixed income. But in many cases, the extremely and very low-income households are people who work for a living as discussed below.

### LIMITED NUMBER OF JOBS FOR LOWER WAGE WORKERS

The economic and employment outlook in the County is improving. Over the next ten years, there will be significant job openings. However, two-thirds of the available positions will require a college degree (*or higher*) and significant work experience. Lower wage workers with little or no education or experience will compete for a limited number of positions. The salaries as shown below are considered to be "extremely low income" based on the County's AMI and do not offer a "self-sufficiency" wage even for a single person.

### PROJECTED JOB OPENINGS REQUIRING LITTLE OR NO EXPERIENCE, 2010-2020, SAN JOSE-SUNNYVALE-SANTA CLARA METROPOLITAN STATISTICAL AREA (MSA)

	AVERAGE ANNUAL JOB OPENINGS			WAGES AND SALARY	
	NEW JOBS	REPLACEMENT NEEDS	TOTAL JOBS	MEDIAN HOURLY	MEDIAN ANNUAL
Various Occupations <sup>1</sup>	3,241	4,314	7,555	\$10.15	\$21,122

<sup>1</sup>The various occupations include, but are not limited to, Retail Salespersons, Cashiers, Waiters and Waitresses, Laborers, Freight Movers, Janitors and Cleaners, Personal Care Aides, Food Preparation Workers, Stock Clerks and Order Fillers, Landscaping and Grounds Keeping.

Source: CA Department of Employment Development, Bureau of Labor Market Standards, as of April 2013. <http://www.labormarketinfo.edd.ca.gov>

## Housing Affordability

According to HUD standards, a household is considered "cost-burdened" (*overpaying for housing*) if it spends more than 30% of its gross income on housing-related costs. The National Association of Homebuilders' February 2013 "Housing Opportunity Index" reported that our San José - Sunnyvale - Santa Clara metropolitan area is the ninth least affordable in the nation. Below are charts that demonstrate the gap between what people can afford and area rents.

## INCOME LIMITS AND AFFORDABLE RENTS, SANTA CLARA COUNTY, 2013

INCOME CATEGORY	1 PERSON HOUSEHOLD		2 PERSON HOUSEHOLD		3 PERSON HOUSEHOLD		4 PERSON HOUSEHOLD	
	INCOME LIMIT	AFFORDABLE RENT	INCOME LIMIT	AFFORDABLE RENT	INCOME LIMIT	AFFORDABLE RENT	INCOME LIMIT	AFFORDABLE RENT
ELI	\$22,300	\$558	\$25,500	\$638	\$28,650	\$716	\$31,850	\$796
VLI	\$37,150	\$929	\$42,450	\$1,061	\$47,750	\$1,194	\$53,500	\$1,338
LI	\$59,400	\$1,485	\$67,900	\$1,698	\$76,400	\$1,910	\$84,900	\$2,123
Median	\$73,850	\$1,846	\$84,400	\$2,110	\$94,950	\$2,374	\$105,500	\$2,638
MOD	\$88,600	\$2,215	\$101,300	\$2,533	\$113,950	\$2,849	\$126,600	\$3,165

Note: Maximum affordable monthly rents assume that household spends 30% of gross income on rent.

Source: State of California, Income Limits, as of January 1, 2013.

## RENTAL MARKET CHARACTERISTICS, 2011 AND 2012

SUBMARKET	1 PERSON (STUDIOS)			2 PERSON (1 BR 1 BA)			3 PERSON (2 BR 1 BA)			4 PERSON (3 BR 2 BA)		
	2011	2012	% CHANGE	2011	2012	% CHANGE	2011	2012	% CHANGE	2011	2012	% CHANGE
North County	\$1,276	\$1,438	12.7%	\$1,752	\$2,107	20.3%	\$1,863	\$2,107	13.1%	\$2,815	\$3,088	9.7%
Central County	\$1,219	\$1,310	7.5%	\$1,297	\$1,700	31%	\$1,764	\$1,843	4.5%	\$2,044	\$2,595	27%
West County*	\$1,819	\$2,138	17.5 %	\$1,971	\$2,137	8.4%	\$1,755	\$1,979	12.8%	N/A	N/A	N/A
South County	N/A	N/A	N/A	\$1,379	\$1,451	5.2%	\$1,396	\$1,531	9.7%	\$1,662	\$1,811	9%

\*2011 and 2012 rental data was not available for Saratoga, Monte Sereno, and Los Altos Hills

Source: Real Facts, a private data vendor that collects quarterly rental data from apartment complexes with 50 or more units 2011 (quarter 1-4) and 2012 (quarter 1-4).

For the purposes of this analysis, the County was divided into four sub-areas:

**North County:** Palo Alto, Mountain View, Los Altos, Los Altos Hills, Sunnyvale

**Central County:** Cupertino, Santa Clara, San José, Campbell, Milpitas

**West County:** Saratoga, Los Gatos, Monte Sereno

**South County:** Morgan Hill, Gilroy

## MANY AFFORDABLE HOUSING UNITS OCCUPIED BY NON-LOW-INCOME HOUSEHOLDS

An “affordability mismatch” is defined as units that are affordable to an income category but are not occupied by a household that falls within the same income category. According to HUD’s 2007 data, just 62% of units that are affordable to extremely low-income households are actually occupied by extremely low-income households. Similarly, only 59% of the very low-income units and 55% of low-income units are occupied by the respective groups.

## Housing for Special Needs Population

### SPECIAL NEEDS POPULATIONS AND HOUSING

Given the diversity of the County, there are several special needs populations that require affordable housing. These populations include the homeless or at-risk of homelessness, large households, female-headed households with children, seniors and disabled individuals. As mentioned, the vast majority of HACSC clients are in one of these special needs categories. Many of the County’s special needs populations have a difficult time securing decent and affordable housing due to high housing costs, fixed incomes and unemployment.

GROUP	NUMBER OF HACSC PARTICIPANT HOUSEHOLDS	PERCENTAGE OF HACSC PARTICIPANT HOUSEHOLDS <sup>1</sup>	NUMBER OF TOTAL COUNTY HOUSEHOLDS	PERCENTAGE OF TOTAL COUNTY HOUSEHOLDS
Seniors (excludes disabled)	1,532	10%	129,728	21.7%
Disabled (includes seniors)	6,626	44%	48,336 <sup>2</sup>	8% <sup>2,3</sup>
Female HOH w/ children	10,622	71%	31,895	5%
Large Families	1,988	13%	90,630	15%
Homeless	1,072	7%	7,067 <sup>2</sup>	<1% <sup>2</sup>
Chronically Homeless	181	1%	2,520 <sup>2</sup>	<1% <sup>2</sup>

<sup>1</sup>Please note that the total percentage of HACSC Participant Households is greater than 100% because participants may fall into more than one category.

<sup>2</sup>These numbers are estimates. The U.S. Census and Homeless Survey track the number of homeless and disabled individuals, not households.

<sup>3</sup>Individuals with disabilities comprise 8% of the County's population. The chart assumes that 8% of all the County's households have a member with a disability. The actual number of disabled households in the County is difficult to accurately track as the U.S. Census does not specifically track the number of disabled households. It is likely that the number of disabled households in the County is higher than 8% since it is more likely that one disabled individual lives in a household as opposed to multiple disabled individuals living a household.

### SENIORS NEEDING AFFORDABLE HOUSING GROWS AS POPULATION AGES

Many senior residents face a unique set of housing needs, largely due to physical limitations, lower incomes, and higher health care costs. Smaller unit sizes and accessibility to transit, health care, and other services are important housing concerns for this population. Housing affordability also represents a key issue for seniors, many of whom are living on fixed incomes. As the Baby Boom generation ages, the demand for senior housing serving various income levels will increase.

### HOUSING PROBLEMS, SENIOR HOUSEHOLDS, SANTA CLARA COUNTY, 2010

	INCOME LEVEL								ALL ELDERLY HOUSEHOLDS
	ELI	%	VLI	%	LOW	%	MODERATE	%	
Elderly Owner Households with a Housing Problem	9,765	22%	7,205	16%	3,685	8%	3,850	9%	43,895
Elderly Renter Households with a Housing Problem	10,355	48%	4,650	22%	1,965	9%	1,580	7%	21,465

Source: HUD CHAS Databook, 2010. Elderly owner is defined as a household containing at least one person who is 62 years and older. Elderly renter is defined as a household containing at least one person who is 62 years and older.

## Who HACSC Directly Serves

While our participating HCV households are people and not statistics, it is helpful to share statistics about them as a group in order to paint a better portrait of the families we serve.

### HCV PARTICIPANT HOUSEHOLDS

- Percentage receiving assistance for ten years or less: 42.4%
- Average length of assistance: 12.1 years
- Average household size: 2.6 persons
- Average annual income: \$16,312 which is 15.5% of County's median income
- Percentage extremely low income: 86%
- Average age of the head of household: 56
- Percentage elderly and/or disabled: 54%
- Households headed by elderly and/or disabled: 8,158

### COMPARISON TO COUNTY RESIDENTS

Compared with the County as a whole, HACSC participant households are overwhelmingly extremely low income. According to the 2010 U.S. Census Bureau, 23% of all renter households in Santa Clara County were extremely low income. In contrast, 86% of HACSC Housing Choice Voucher (HCV) program participant households are extremely low income.

### HCV PROGRAM PARTICIPANT DATA VS. COUNTYWIDE TOTALS FOR INCOME CATEGORIES

	PARTICIPANT HOUSEHOLDS NUMBER	PARTICIPANT HOUSEHOLDS %	COUNTYWIDE TOTAL HOUSEHOLDS %
Extremely Low Income	12,853	86%	17%
Very Low Income	1,687	11%	14%
Low Income	440	3%	13%
Moderate Income	51	<1%	56%

Source: U.S. Census Bureau, 2010, and Housing Authority of the County of Santa Clara, as of May 8, 2013.

## Conclusion

### Major issues impacting affordable housing in Santa Clara County include:

The population is increasing without sufficient increase in affordable housing. Between 2000 and 2010, the County's population grew by 6%. Between 2010 and 2020, the number of County households is predicted to grow by 10%.

Rental housing prices remain high, and the County's current rental vacancy rate of 3.2% makes it increasingly difficult for many low-wage workers to find safe, affordable housing.

Lower income households face significant challenges to achieving financial self-sufficiency. Providing affordable housing only addresses part of this issue, as many lower income households need access to additional resources, such as job training, career readiness, health care and child care.

Over the last decade, the production of multi-family housing has lagged behind that of single-family development. Coupled with a rental housing market that is unable to meet the current demand for affordable housing, this results in a need for the creation of additional multi-family units.

As funding for federal, state and local housing diminishes, it is important that alternative funding sources are developed and programs be administered in a manner that maximizes impact while streamlining administration. In addition, regional planning efforts and community partnerships should be identified and utilized to institute effective solutions.





HACSC is the largest provider of affordable housing assistance in Santa Clara County, helping make rental housing safe and affordable for low-income families through Section 8 voucher programs and below-market rental properties.

**Housing Authority of the County of Santa Clara** • 505 West Julian Street, San José, California, 95110 • [www.hacsc.org](http://www.hacsc.org)