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In the fight against affordable rental housing, everyone stands to lose

by Peter Seidman

Cushing N. Dolbeare was an early adopter.

In 1974, she founded the Ad Hoc Low Income Housing Coalition as a response to the Nixon administration placing a moratorium on federal housing programs. The organization eventually merged with the National Low Income Housing Coalition, and Dolbeare maintained her belief in the power of "empirical-based advocacy." That's the way Danilo Pelletiere, research director and chief economist at the Housing Coalition, based in Washington, D.C., describes her method.

"The story goes, she was one of the first people to get a home computer. She put it in her garage, and she had a string tied between her computer and the window of the woman who lived next door to her who worked for the census department." They would start a computer job during the night, like a database search, and "whenever it was done, like at 2am," Dolbeare would pull the string that would ring a bell in the bedroom next door." That signaled it was time to help Dolbeare set up the computer for the next task.

"She was always very involved with the data," says Pelletiere. "She also was very involved in trying to get people to understand what was going on, and she developed the idea of the housing wage." That is the core idea in a series of reports called Out of Reach that looks at the affordability of rental housing in the United States. It's not a pretty picture. And as dark as the picture is, it's even gloomier in Marin.

According to an Out of Reach report released in June, Marin County tops the list of least affordable rental markets in the country. More than 60 percent of renters in Marin cannot meet an affordability index for housing, putting them in an at-risk category for economic hardship. The Bay Area as a whole is the least affordable metropolitan area in the country. San Francisco and San Mateo tie Marin as the country's least affordable counties. Santa Cruz County is a close runner-up. Live Local Marin, the initiative aimed at helping more people live near their work, helped distribute the report. The Nonprofit Housing Association of Northern California and Greenbelt Alliance also are lead agencies in spreading the word about the consequences of unaffordable rental housing. In addition to the dim rental affordability picture in Marin and the Bay Area, the state is faring just as poorly, notes Live Local member Robert Hickey who also is program manager for the Nonprofit Housing Coalition. Only one state, Hawaii, has a worse affordability index.

The raw statistics are daunting. A Marin worker needs to earn \$35.25 an hour, or more than \$73,000 a year, to afford a local average rent of \$1,833 for a typical two-bedroom unit. That's nearly twice the national average and 126 percent of the typical Marin renter's annual household income of \$58,000. (The median household income in Marin is about \$90,000 a year.)

Dolbeare's affordability index combines the cost of rent and utilities. According to federal guidelines, households should pay 30 percent or less of their income for housing. Spending in excess of that index creates a hardship and for some, economic catastrophe. When 60 percent of a rental population falls in that precarious position, the effects ripple through a community.

The affordability index results "mean current Marin renters and workers are forced to make bad choices," says Dianne Spaulding, executive director at the Nonprofit

Housing Association. "It (can leave) little or nothing in paychecks for healthcare, education or savings." Rental housing above the economic reach of 60 percent of a rental population drives people to the north, into Sonoma County, which exacerbates commuter traffic. "This report provides new evidence that we need more safe, affordable rental choices in Marin," says Spaulding.

As in Marin, the squeeze on renters is evident across the country, although the situation is the starkest here. According to the Out of Reach report, the number of renters paying more than 30 percent of their income for housing reached 18.5 million nationally in 2009 -- 52 percent of all renters in the country. A decade ago, only 40 percent were in the over-30 percent category. "Half of the increase in the number of cost-burdened renters since 2000 occurred between 2007 and 2009, with an increase of 1.7 million cost-burdened renters in just two years."

That increase corresponds to the economic crash, the worst since the Great Depression. The number of foreclosures shot up across the country, and Marin has not been immune. A substantial number of families that face foreclosure end up finding rental units; and that displacement helps sustain high rental prices. It also contributes to putting an even greater strain on moderate- and low-income families who must compete for rental units with the displaced families moving from single-family homes. That strain is especially evident in places like Marin that stick to no-growth policies and a general refusal to increase housing densities, especially rental-housing densities.

"The increased demand drives up rents since the current supply of affordable rental homes has remained static," says Spaulding.

The pushback in Marin communities when affordable rentals are proposed is widespread and is often due to the fear of very-low income residents flooding into a town, bringing crime and a sense of what can be called "the other" impinging on a way of life. Spaulding says that attitude can create unintended negative consequences. "It means Marin's longtime residents and its essential workers, such as paramedics, kindergarten teachers and childcare workers, are being squeezed out even farther."

When 60 percent of a rental population cannot meet the federal affordability index, the problem obviously extends into the middle class, beyond the stereotypical perception of very-low-income residents in subsidized housing.

The solution, says Jeremy Madsen, executive director of Greenbelt Alliance, is to provide a range of housing choices, preferably near jobs. That's a planning strategy "each city and town can make... in their blueprints for growth. Live locally is a boon for the economy, too: Workers who once drove their dollars home to another county will spend them in Marin."

The data in the Out of Reach report corroborate a 2008 Marin housing sustainability study that found the lack of affordable housing "is among the biggest challenges facing middle- and low-income families in Marin." Some people oppose building more affordable housing in their communities because it would increase density above what they deem as acceptable levels. But they might be surprised at the people they're freezing out of their towns: healthcare workers, public safety employees and teachers. A Marin preschool teacher earning an average salary would need to work two jobs to afford a two-bedroom apartment. A minimum-wage earner would need to hold three jobs to afford even a studio apartment.

Nancy Kutcher exemplifies the positive effects of a rational affordable-housing policy. In 1986, she was a newly single mother living in an apartment in Mill Valley. Her landlord sold the building, leaving Kutcher with the difficult task of finding a new affordable place. She read about a new affordable housing in town, Pickleweed, in the *Mill Valley Record*. Kutcher says several hundred applicants turned up for 32 units--and she was lucky.

Pickleweed Apartments opened thanks to the cooperation of the city, which contributed land, Bridge Housing, which manages the property, and tax-exempt funds from the Buck Trust (which established the Marin Community Foundation). Pickleweed has won a Gold Nugget Best of the West award and an Urban Land Institute Award for Excellence. The project is a perfect example of how municipal cooperation and responsible ongoing management can create a successful affordable housing project.

Kutcher says she remembers watching the project under construction on the shore of Richardson Bay, eager for the day she could move in with her 2-year-old daughter. And move in, she did, along with families that included five other girls her daughter's age. The kids formed lifelong relationships.

After receiving a housing subsidy so she could move into Pickleweed, Kutcher went back to school at College of Marin. While there, she worked in the media lab. She

eventually went on to attend San Francisco State. She ended up back at the College of Marin at the Media Center, which she now runs. But even with that position, the pay is insufficient to compete in the Marin rental market without some subsidy. "Every year, you have to qualify." But it's a small price to pay to maintain affordability for her Pickleweed unit.

Finding that affordable unit in Pickleweed also has had an additional cross-generational benefit. Thanks in part to the Pickleweed experience, her daughter eventually attended Boston University and received her teaching credential. Kutcher jokes and says she plans to stay in her Pickleweed unit until it's time to move over to The Redwoods, the continuum of care project nearby. Cognizant of the sometimes-virulent objections to affordable housing, Kutcher wants people to know, "We are just your average neighbor."

Pelletiere says his organization, the Low Income Housing Coalition, receives many calls for assistance, as do the local organizations that help families straining to meet the housing sustainability index. "The room for error is so minimal. If you ask people can they afford housing, they say yes, and they're pretty proud of that. But the problem is that they have little left over to afford other things. They're going to the food pantry. They have no insurance. Those sorts of things." That's why, Pelletiere adds, that when something goes wrong, "there are no extra expenses to cut out to pay for emergencies."

This year's report of homelessness in Marin, conducted every two years in January, found that federal stimulus money had helped reduce the number of homeless people from 1,770 in the last count to 1,220 in the one-day count this year, but the number of "precariously housed" increased 35 percent to 4,103. And those numbers could be even larger because counting the population of homeless and precariously housed is an inexact science.

"It's alarming," Hickey says, "given that Marin is producing so few new rental properties. This is only going to get worse." He and others watching demographics note the increasing percentage of the county's older population, which puts more pressure on the need for affordable rental. "We have the old folks coming," says Pelletiere, "and although many of them are going to stay in their homes, the ones who don't are going to become renters." And they are going to need medical care and services from people who will need affordable housing. Another demographic shift under way is the "echo boom": Young people in their 20s are moving out of their parents' homes, or trying to. They need affordable housing, and that probably means rentals. But when a county is dedicated to no growth, where are the new rentals to accommodate the population shift?

To remain vital, a community must promote a heterogeneous population in terms of age and socioeconomic status, say social researchers like Pelletiere. That doesn't mean building "miles and miles of public housing," he says, but it does mean looking at long-term projections and planning beyond the single-family residence paradigm. Failure to meet demographic shifts and "communities putting their heads in the sand," says Pelletiere, fail to grasp a rational response. He asks a simple question with complicated permutations: Don't we need to think about rental policies that work for the greater good of the community?

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