



The Housing Crisis: Causes and Consequences

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Housing Crisis Dominates Headlines

“SF supervisors reject development lacking g **SFGATE** n study”

“Legislation to Fast-Track More Housing Finds Opposition in **KQED**

“A Bay Area developer wants to build 4,400 sorely needed homes. Here's why it won't happen”
- **Los Angeles Times**

“Mission residents are fighting a 100% affordable housing project”

- **CURBED**

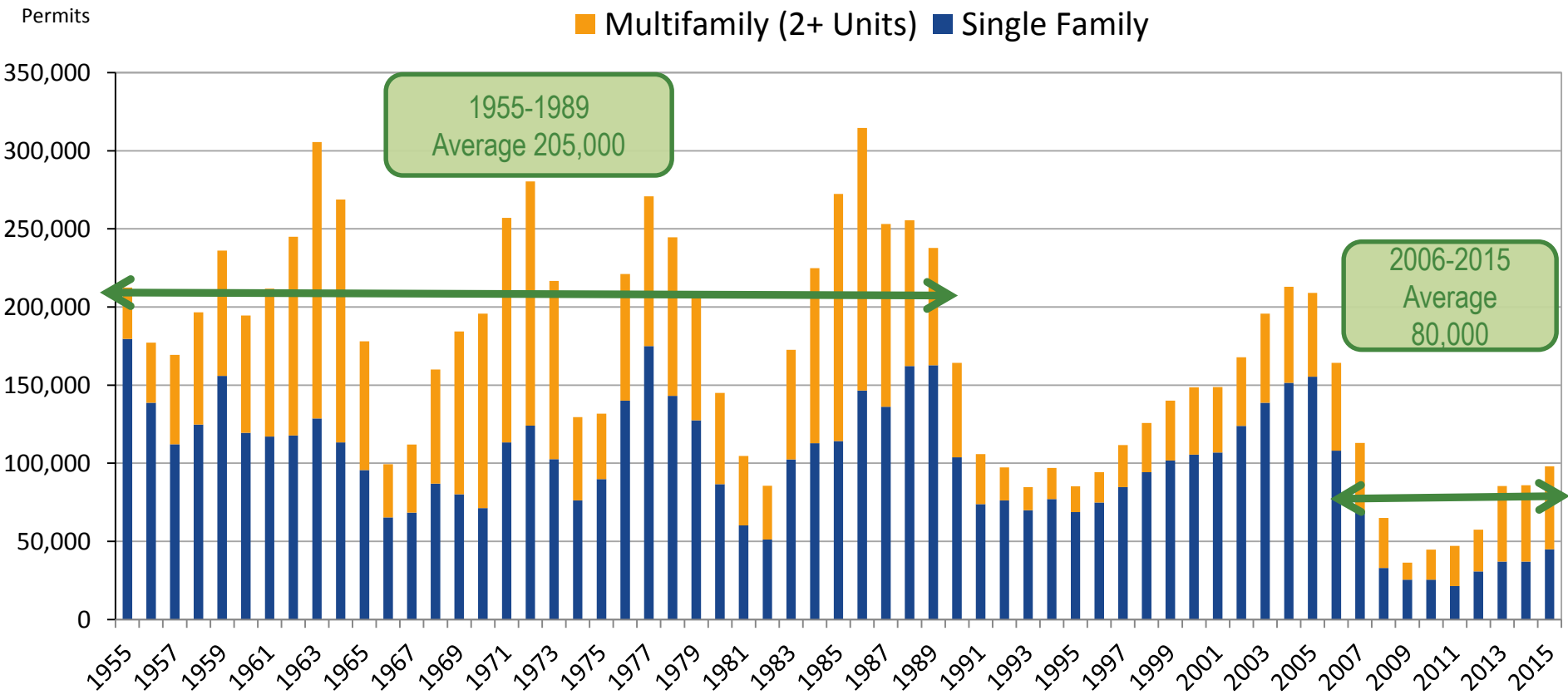
“Alameda: Developer drops housing plans for Crab Cove Visitor Center”
- **The Mercury News**

“Resident group opposes Cupertino Union's teacher housing project”
- **The Mercury News**



Annual New Housing Permits Statewide 1955-2015

Annual Production of Housing Units 1955-2015

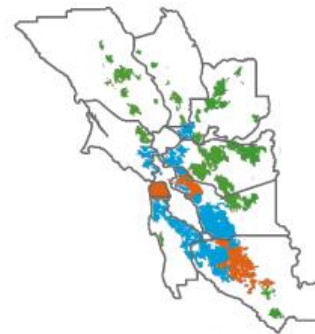
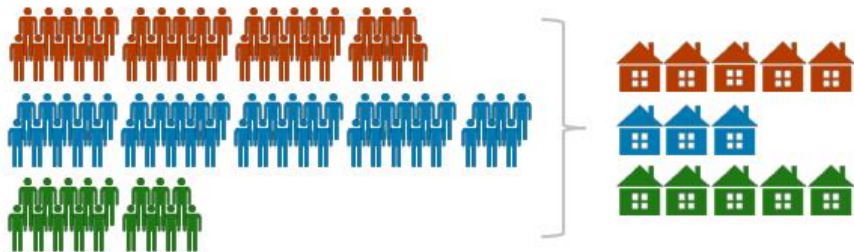


Source: Construction Industry Research Board/California Homebuilding Foundation Reports 2005, 2013, 2015;
Graphic by HCD

Jobs-Housing Mismatch

Our economy is booming – but we're not building enough housing.

Jobs added from 2011 through 2015: **501,000**
 Housing units built from 2011 through 2015: **65,000**



Big 3 Cities:
 1 housing unit built for every **7 jobs** created

Bayside Cities and Towns:
 1 housing unit built for every **15 jobs** created

Inland, Coastal, Delta Cities and Towns:
 1 housing unit built for every **3 jobs** created

Regionally: 1 house was built for every 8 jobs created

<http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php>



Bay Area Tops the Charts

6 of 10 most expensive rental markets in Bay Area including top three

The Bay Area has 15 cities on the top 30, including the top three in the ranking: Palo Alto, San Francisco and Cupertino



Median monthly rent¹ 2015
US Dollars

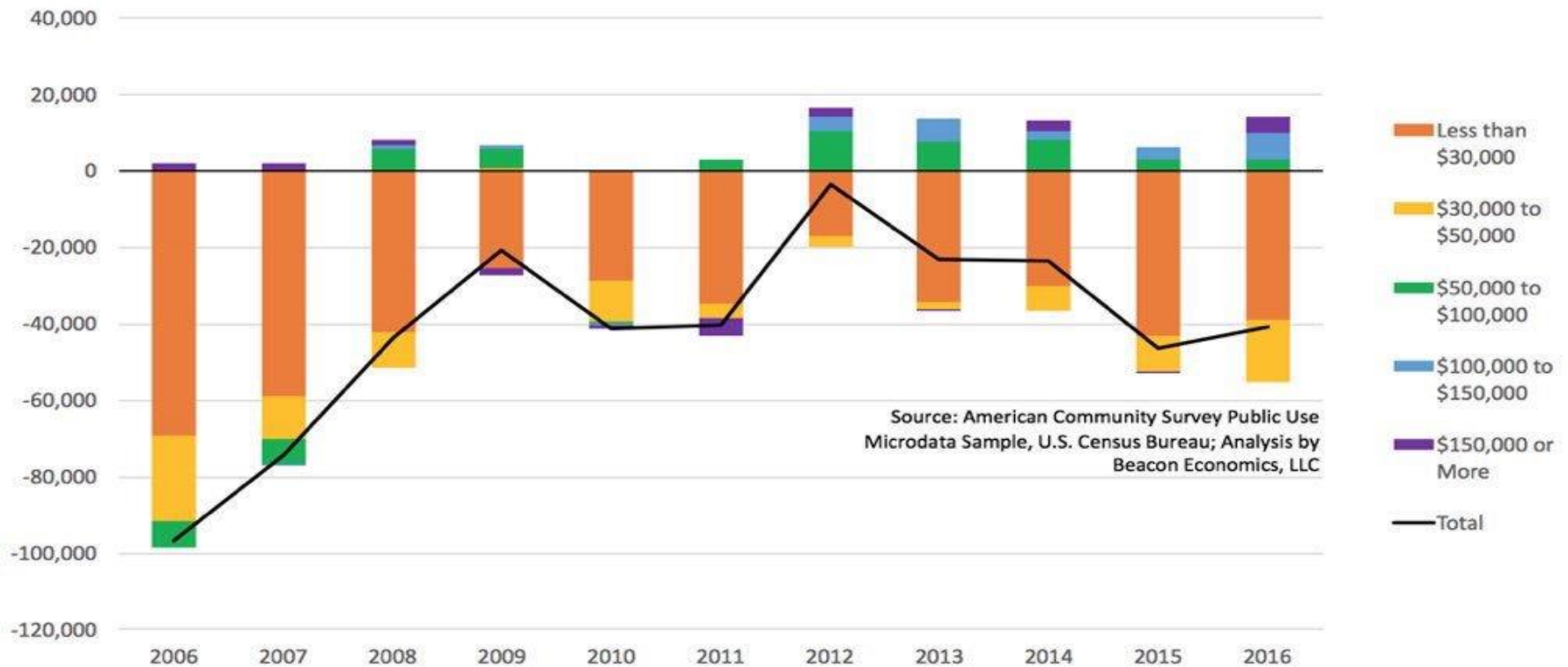
| | | |
|----|-------------------|-------|
| 1 | Palo Alto, CA | 3,645 |
| 2 | San Francisco, CA | 3,488 |
| 3 | Cupertino, CA | 3,136 |
| 4 | Santa Monica, CA | 2,815 |
| 5 | New York, NY | 2,800 |
| 6 | San Mateo, CA | 2,728 |
| 7 | Redwood City, CA | 2,700 |
| 8 | Mountain View, CA | 2,700 |
| 9 | Hoboken, NJ | 2,650 |
| 10 | Sunnyvale, CA | 2,616 |
| 11 | Cambridge, MA | 2,550 |
| 12 | Weston, FL | 2,448 |
| 13 | Santa Clara, CA | 2,446 |
| 14 | Pleasanton, CA | 2,445 |
| 15 | San Jose, CA | 2,400 |
| 16 | Newton, MA | 2,400 |
| 17 | Daly City, CA | 2,400 |
| 18 | San Rafael, CA | 2,351 |
| 19 | Boston, MA | 2,350 |
| 20 | San Ramon, CA | 2,350 |

¹ Rents calculated for 1 bedroom apartments. Lovely is an aggregating rental real estate site, that compiles data real-time from over 70 US listing sites such as Craig's List and apartments.com

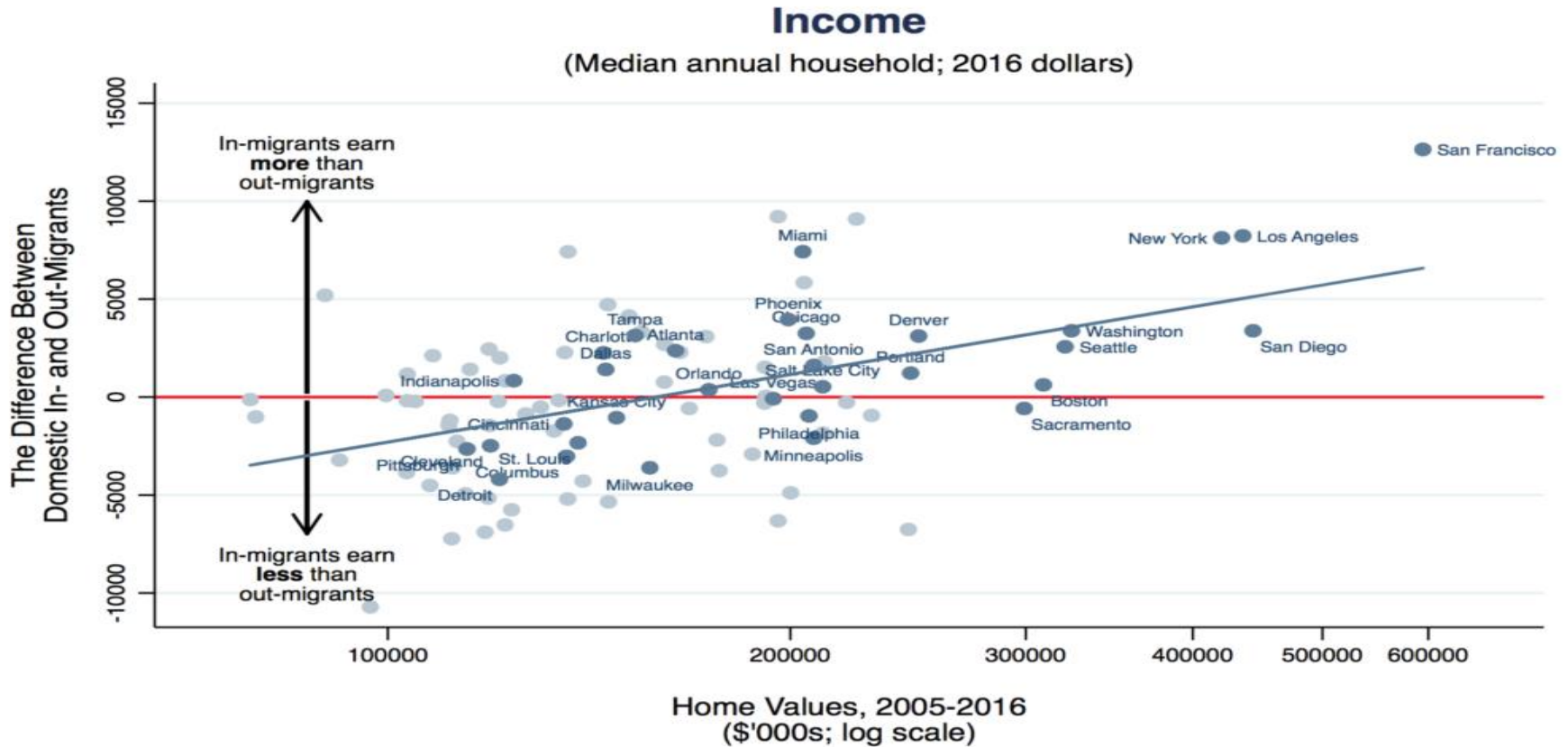
What happens

when the rent is too damn high?

California Net Domestic Migration by Income, 2006 to 2016



San Francisco Case Study



Source: U.S. Census (ACS), Zillow; Analysis by BuildZoom.

Notes: City names refer to metro areas. In-migrant incomes observed at destination; out-migrant incomes estimated at origin. See Data and Methodology section for details.