



The Landscape of Middle-Income Housing Affordability in California

Middle Income Households in California– Project Goals

Quantify the problem

How are middle income households faring in California, and how does that change by region? How has it changed over time?

Identify solutions

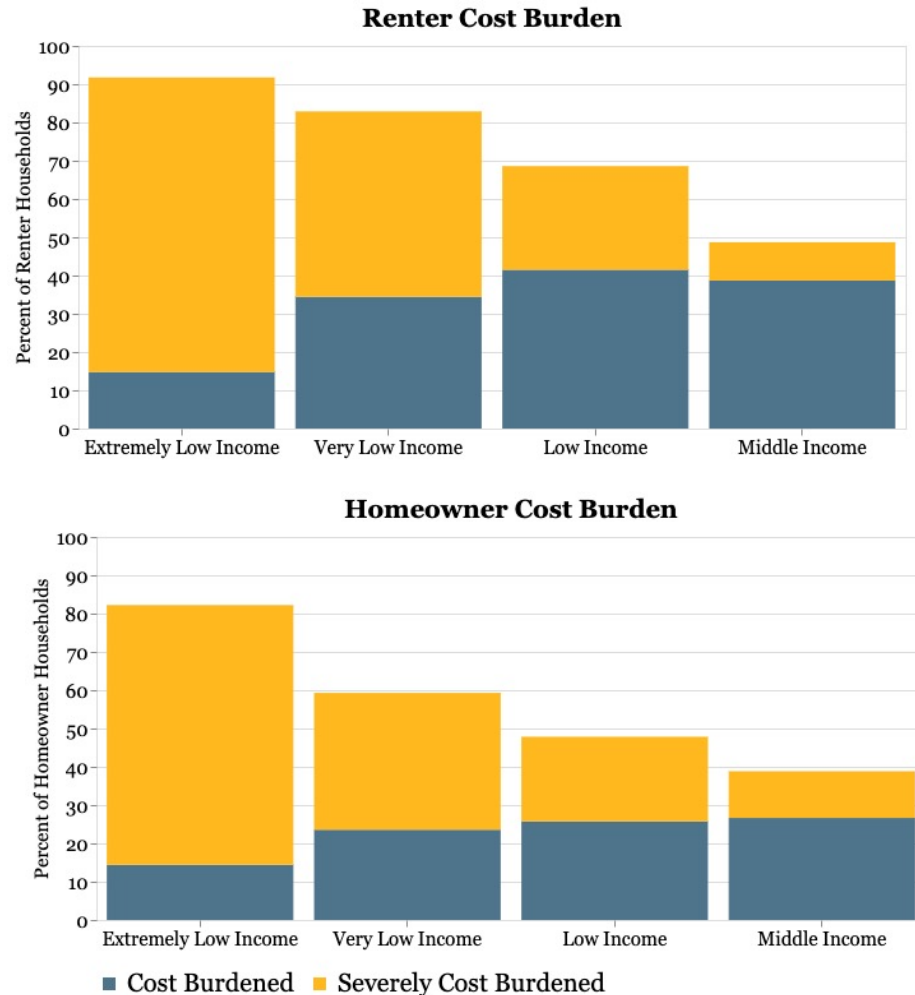
How have some jurisdictions attempted to address this issue?
What else can be done?



Housing cost burdens across the state are increasing



Housing Cost Burdens in CA by Tenure and Income Level, 2019

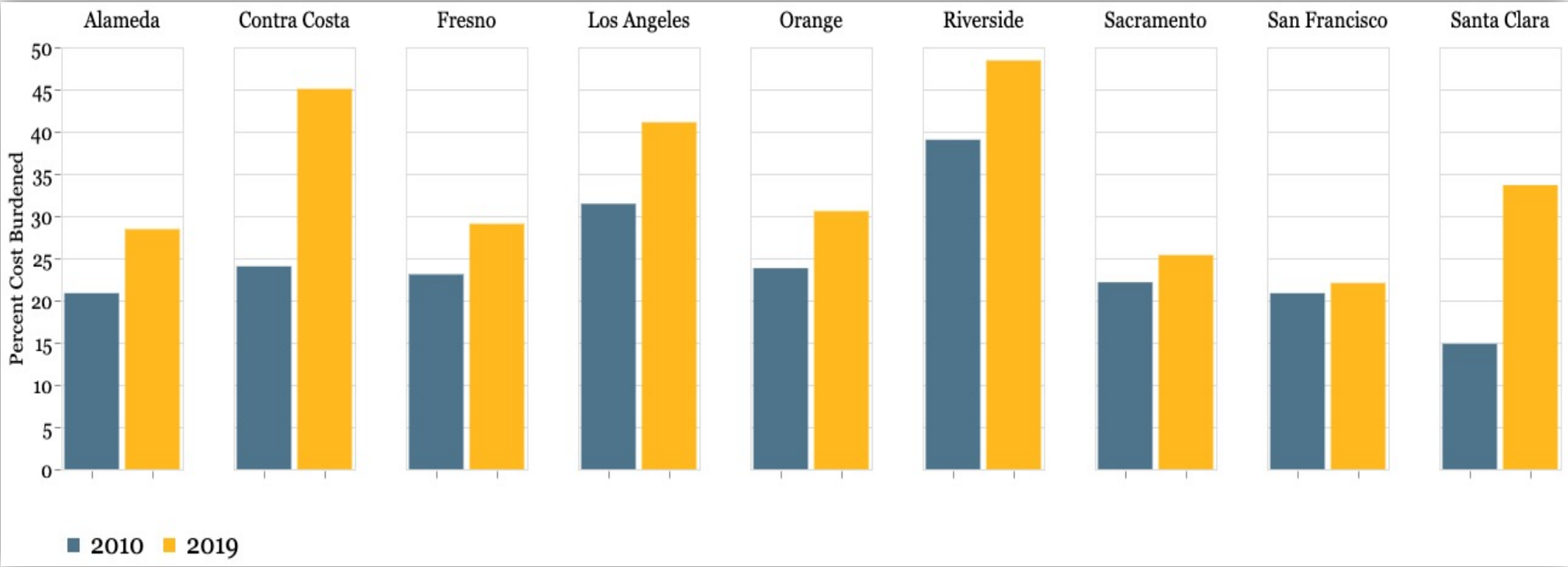


- In 2019, cost burdens reached record highs: 39.5% of all households– or 5.2 million households
- Renters: 53.1% are cost burdened
Owners: 29.6% are cost burdened
- Across the board, ELI, VLI, and LI households face the most extreme burdens, though MI burden is also increasing

Source: US Census Bureau, Public Use Microdata Sample (PUMS), 2019. Notes: Extremely Low-Income (0-30% AMI), Very Low-Income (30-50% AMI), Low-Income (50-80% AMI), Middle-Income (80-120% AMI)

Middle income cost burdens have risen

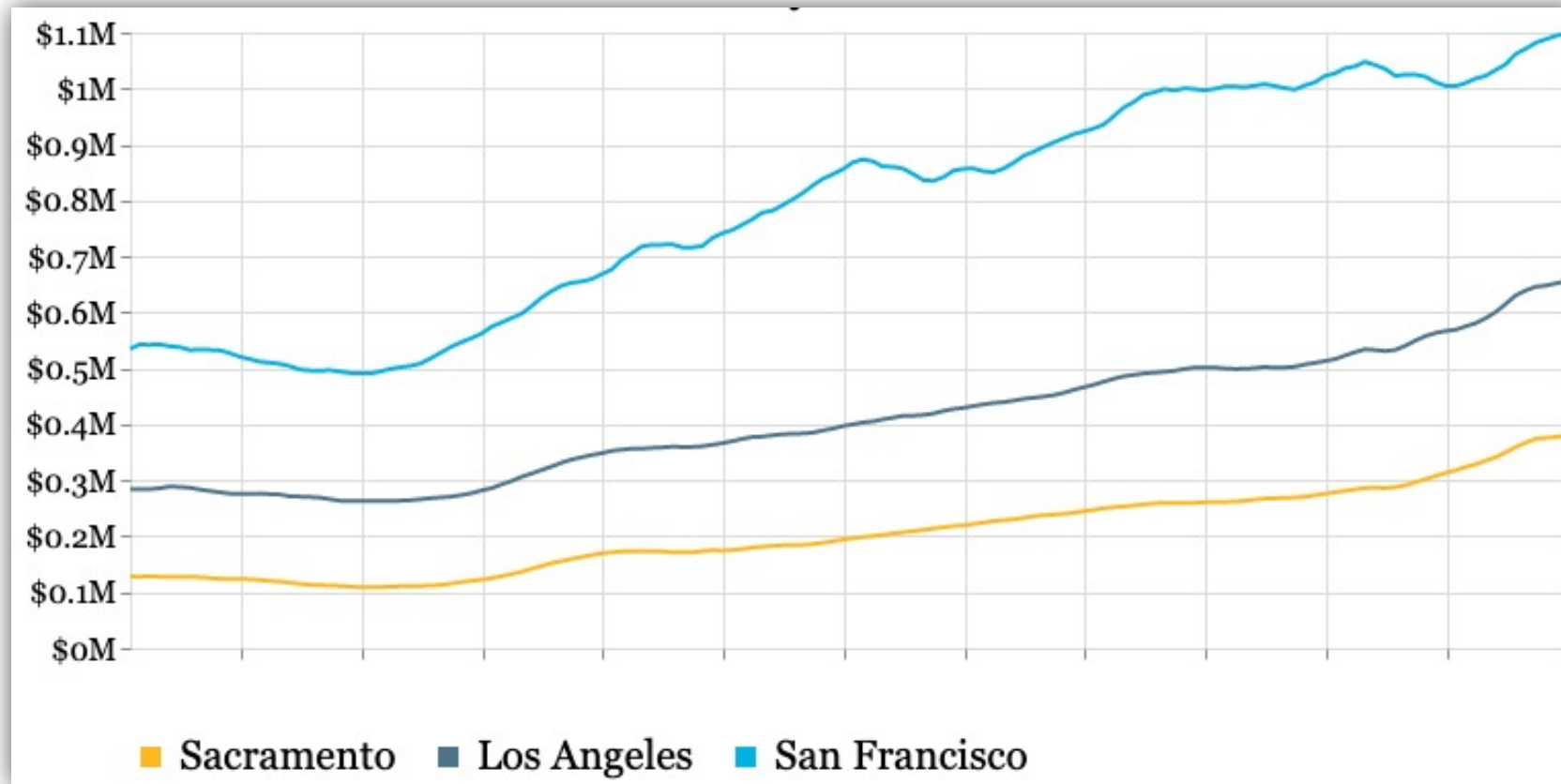
Share of Middle-Income Renters Paying More than 30% of Income in Rent, 2010 & 2019



Source: US Census Bureau, Public Use Microdata Sample (PUMS), 2010 & 2019.

Entry level homes are getting more expensive...

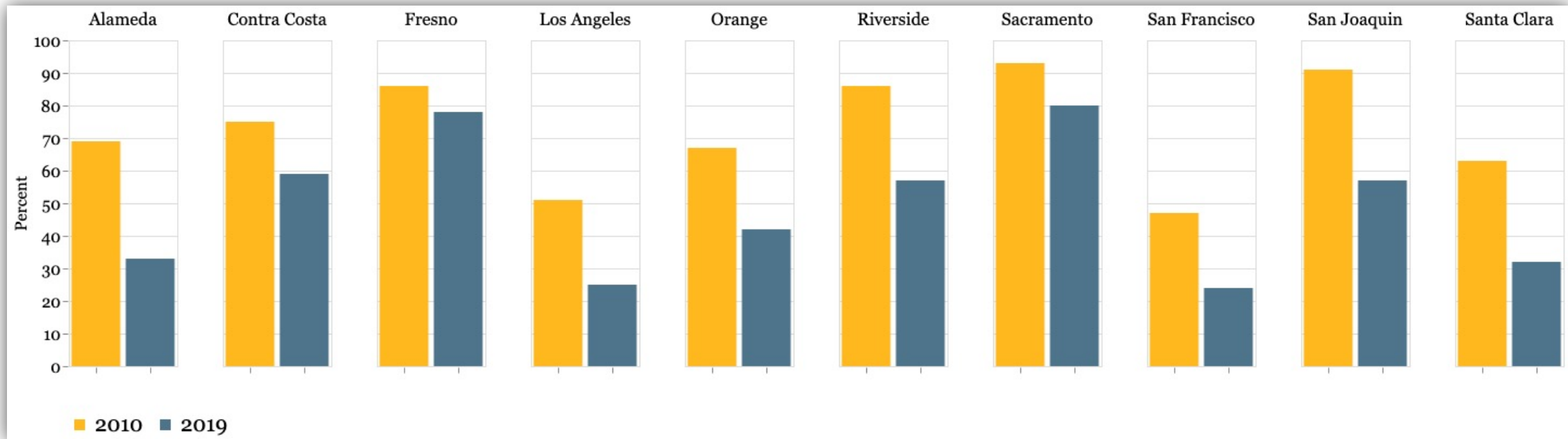
Trends in Entry Level Home Prices, 2010 - 2021



Source: Zillow House Value Index. Entry level homes are defined as those that fall within the 5th to 35th percentile range for a given region).

Fewer homes are being sold to middle income households

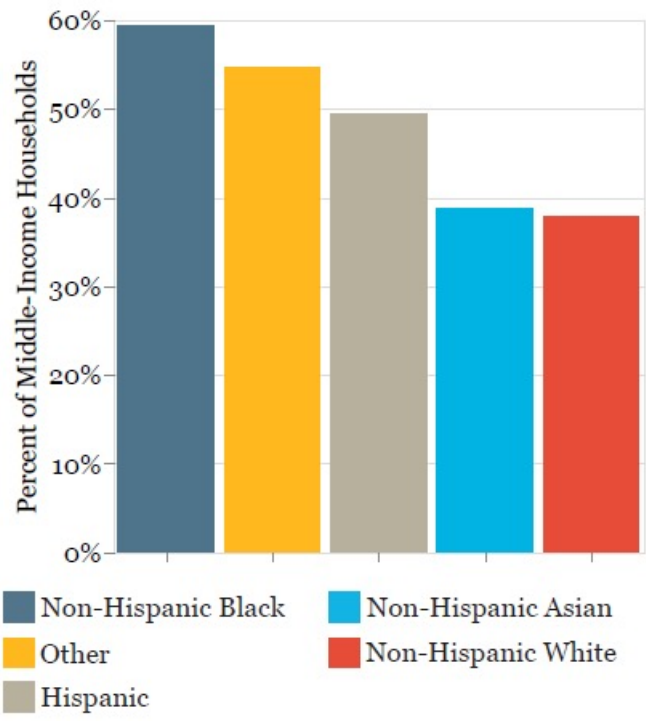
Share of Homes Sold Affordable to Middle-Income Households, 2010 - 2019



Source: Turner Center analysis of 2010 and 2019 Home Mortgage Disclosure Act data.

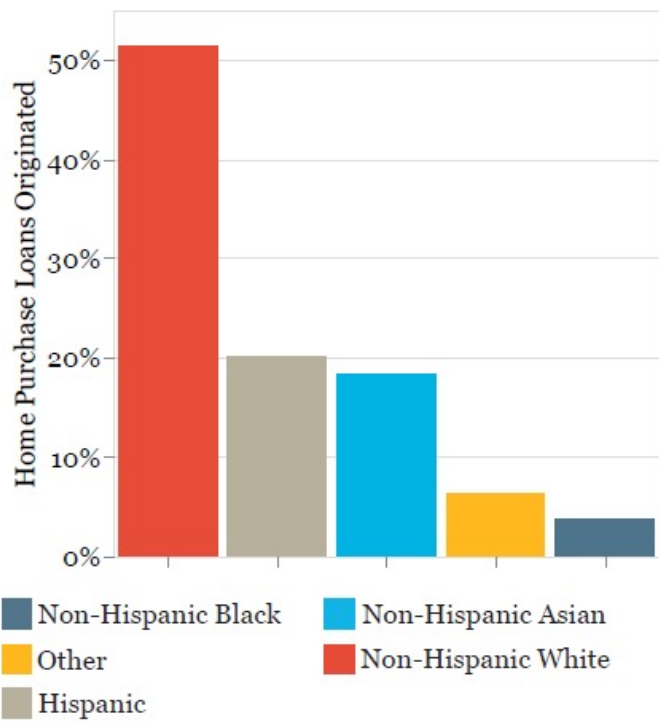
Continued disparity in homeownership rates by race

Figure 7. Share of Middle-Income Households that Rent, by Race/Ethnicity, 2019



Source: US Census Bureau, Public Use Microdata Sample (PUMS), 2019.

Figure 8. Number of Home Purchase Loans Originated, by Race/Ethnicity, 2020

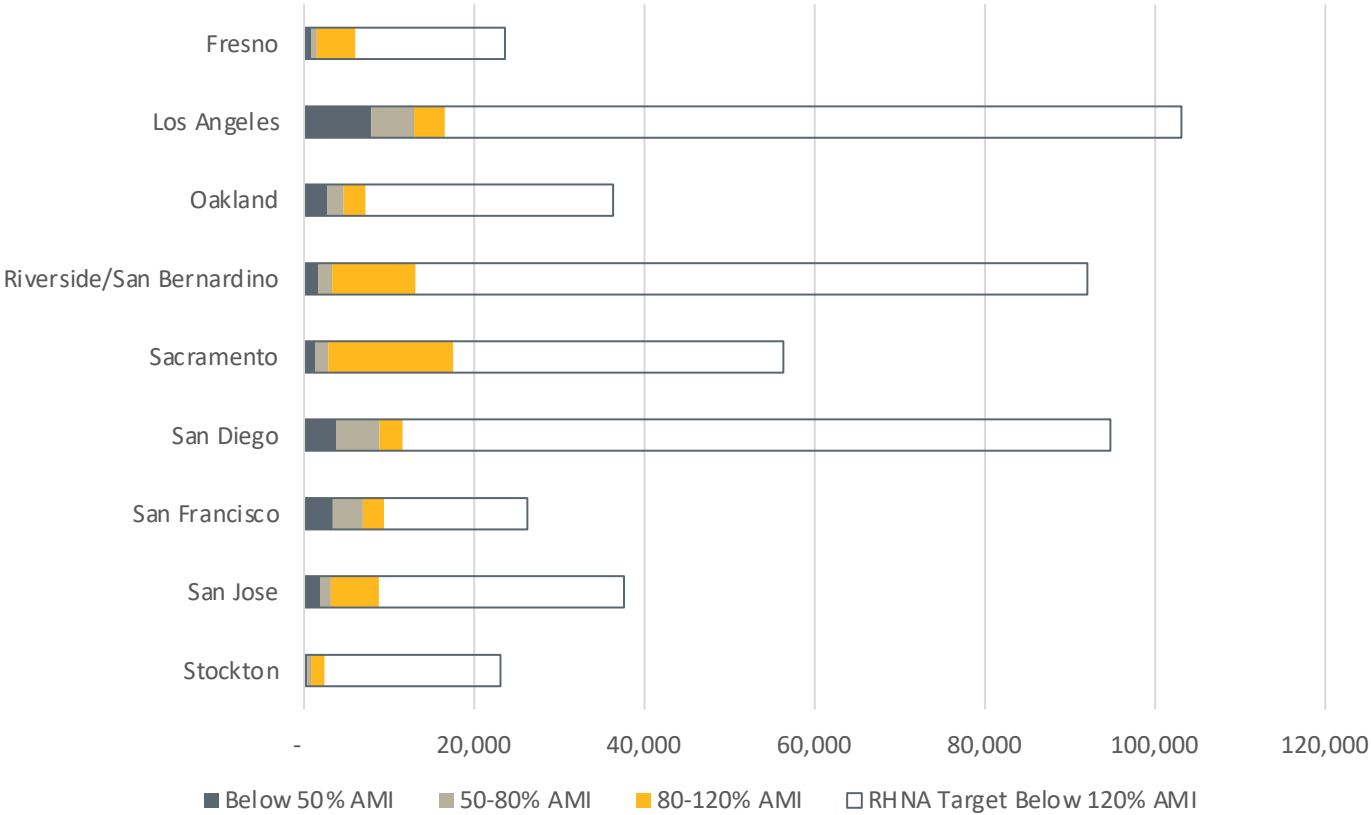


Source: 2020 California HMDA data filtered for loans that were originated, for non-commercial home buying, 1-4 unit properties, owner occupied, and 1st lien

Underproduction of affordable homes drives cost burdens

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Progress towards RHNA Production, California Metros, 5th Cycle

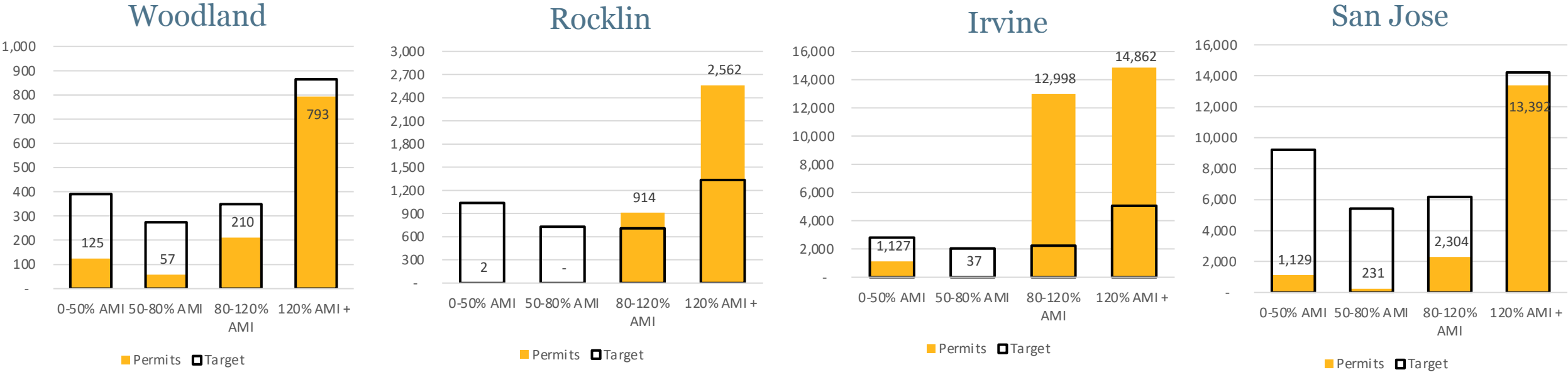


Statewide, only 40 percent of units targeted at those earning 80 – 120% of AMI have been built

Source: California Department of Housing and Community Development's 5th Cycle Annual Progress Report Permit Summary, Reporting Year 2019

Case studies: how are some cities creating more housing affordable to middle income households?

Progress toward 5th cycle RHNA goals



Terner Center— Middle Income brief

Thank you!

More info at turnercenter.berkeley.edu