THE HOUSING AFFORDABILITY CRISIS

Implications for Education and Schools

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A History Lesson

House Price Index (1890=100)
House Values in the SF Bay Area

We’re back to boom price levels
Median Incomes Have Remained Largely Flat Over the Same Time Period
In San Mateo, nearly 40% of all residents are currently burdened by the cost of their housing.
Among renters in San Mateo making less than $50,000, 94% are cost burdened, meaning that they have less to spend on food, health care, or other life essentials.
Housing Production in California is Not Keeping Up with Household Growth
San Mateo Regional Housing Production Falls Below Needs

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Permits Issued</th>
<th>Unmet Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low (0-50% of AMI)</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Low (50-80% of AMI)</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Moderate (80-120% of AMI)</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Above Moderate (120% of AMI)</td>
<td>90%</td>
<td>10%</td>
</tr>
</tbody>
</table>
Subsidies for Affordable Rental Have Fallen Dramatically

SAN MATEO COUNTY LOST 76% OF STATE AND FEDERAL FUNDING FOR HOUSING PRODUCTION AND PRESERVATION FROM FY 2008-09 TO FY 2014-15

- State Redevelopment
- Propositions 1C & 46
- State General Fund
- HUD
- Funds Lost

2008 - 2009
2014 - 2015
Loss of Lower Priced Unsubsidized Rental Units

<table>
<thead>
<tr>
<th>Price Range</th>
<th>2010</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $800</td>
<td>5,000</td>
<td>10,000</td>
</tr>
<tr>
<td>$800 - $1,249</td>
<td>10,000</td>
<td>15,000</td>
</tr>
<tr>
<td>$1,250 - $1,499</td>
<td>15,000</td>
<td>20,000</td>
</tr>
<tr>
<td>$1,500 - $1,999</td>
<td>20,000</td>
<td>25,000</td>
</tr>
<tr>
<td>More than $2,000</td>
<td>25,000</td>
<td>30,000</td>
</tr>
</tbody>
</table>
Only a Fraction of Renter Households Receive Housing Subsidy

Unassisted (83%)
- Government Subsidy (7%)
- Public Housing (7%)
- Rent Control (2%)
- Other (1%)

Source: American Housing Survey, 2013, Table C-17-RO.
We’re Spending Money on Housing. But in Regressive Ways

Spending on Mortgage Interest Tax Deduction

- Less than $50,000: Average Deduction: $300
- $50,000 to $100,000: Average Deduction: $5,300
- $100,000 to $200,000
- Over $200,000
Why Does This Matter for Educators?
Nationally, one in five children living in poverty moved last year.

Involuntary moves are most common among students of color, those with limited English proficiency, and those who receive free or reduced price lunch.
After Patrice received her eviction papers, all eight Hinkstons found themselves living together in a small, cramped space. No one slept well. The older children often missed the early-morning school bus. The little ones fell asleep at random times throughout the day. Doreen would come out of the kitchen to find their tiny heads resting on the table or on some piece of clothing on the floor.
Housing Instability and Individual Educational Outcomes

Involuntary moves, especially when linked to school changes

- Lower reading achievement
- Lower math achievement
- Higher high school dropout rates
School Level Impacts

Schools with high rates of student mobility show reduced academic performance for all children.
In Santa Clara Unified School District (SCUSD), teachers who received some form of housing assistance had a turnover rate of **15 percent** over five years, compared to **37-43 percent** turnover for those who didn’t.
Other Critical Educational Workers Similarly Shut Out

A study of 210 Metropolitan areas found that in the majority of cities, homeownership was out of reach not only for teachers, but for other critical roles as well. In San Mateo, both rental and homeownership were unaffordable for all of these workers.
The Benefits of Affordable Housing

Affordable Housing

Housing Stability
- Child Separation
- Food Security
- Partner Violence
- Psychological Distress
- School Mobility

Improved School Outcomes
Policy Implications

- Build a broader coalition of stakeholders in support of affordable housing
  - Education
  - Health care providers
  - Employers
- Local, State and Federal policy interventions are needed
  - Tax reform
  - Housing finance reform

As private investors fled, the GSEs saved the rental market
What if we alleviated housing cost burdens for all low-income families?
Increasing the Supply of Affordable Housing

• Low Income Housing Tax Credit, Housing Trust Fund
• Local and State Sources of Funding for Housing Production
• Streamline Entitlement Process
  • California’s RHNA process promotes the idea of fair share housing – but it’s not enforced
• Local concerns: impacts on property values or community infrastructure
  • No research evidence to support that building high-quality affordable housing reduces property values, particularly in strong markets
  • Impacts on schools are generally negligent, because children are more stable and ready to learn, greater parental involvement
• Massachusetts Chapter 40B
A New Role for School Districts

SB1413 permits school districts and developers to use LIHTC to build housing for teachers and school district employees on land owned by school districts.