



HIPhousing

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FR: HIP Housing
RE: 2014 Housing Element
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OBJECTIVE: The inclusion of HIP Housing’s Home Sharing program in every housing element in San Mateo County as a solution for providing a permanent affordable housing option for people who are:

<ul style="list-style-type: none"> ▪ Homeless ▪ At risk of homelessness ▪ Seniors 	<ul style="list-style-type: none"> ▪ Disabled ▪ Female head of household ▪ Low, very low and extremely low income
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Executive Summary:

HIP Housing’s Home Sharing program matches those who have space in their home with those who need an affordable place to live, maximizing housing inventory and turning existing housing stock into a new affordable housing option. It is the only program of its kind in San Mateo County and provides a housing option for over 700 people each year. Over 90% of those using the Home Sharing program are low to extremely low income. Due to the extraordinarily constrained environment for the developing new affordable housing that exists in San Mateo County, finding creative solutions like Home Sharing is a critical component to a local municipality’s ability to provide fair housing choice and should be part of every municipalities efforts to provide housing for people at every income level.

Housing Element Suggestions:

Section H - Policies and Practices: Prominently list HIP Housing’s Home Sharing Program when addressing the housing options and needs for people who are:

- Homeless; At Risk of Homelessness; Seniors; Female Head of Household; Low, Very Low and Extremely Low Income

Useful Resources:

- Previous/Current Housing Elements for the cities of Belmont, Burlingame, Daly City, Foster City, and San Mateo

Sample Language:

The City San Carlos supports HIP Housing Home Sharing Program as part of a collection of policies, programs and practices for addressing the housing needs of those at the lowest income levels including seniors, those living with disabilities, those at risk of homelessness and female head of households.

Why Home Sharing works for municipalities in San Mateo County:

Home Sharing programs like those provided by HIP Housing are a critical source of permanent housing for low-income households in San Mateo County.

As explained in the Executive Summary, Home Sharing partners those who have space in their home with those who need an affordable place to live, turning existing housing stock into a new affordable housing option. While the average rent for a one-bedroom apartment countywide is \$2095, the rents in home sharing ranges between \$600 and \$800. The wait list with Home Sharing is never closed as new home providers are constantly recruited. As a result, Home Sharing is one of the few affordable housing options continually available in San Mateo County, especially for those at the lowest income levels.

HIP Housing offers the only Home Sharing program in the County. Established in 1972, it is a well-established program with many best practices. The program provides criminal background checking, income verification, mediation, living together agreements and long-term case management to ensure the best possible matches possible. As a result, the average home sharing match is 2.5 years. The program has wide ranging support from local jurisdictions which is critical to the programs credibility and viability. Additionally, HIP Housing collaborates with a wide array of local nonprofits creating a strong referral network.

Of those placed in housing through Home Sharing:

- 91% are low-income
 - 20% low (80% AMI)
 - 25% very low (50% AMI)
 - 46% extremely low (30 or below AMI)
- 53% are seniors
 - 70% of the home providers are seniors
- 38% are disabled
- 58% at risk of homelessness
- 8% of are homeless
- 61% are female head of households

Every municipality in San Mateo County benefit's from the HIP Housing Home Sharing Program. Someone in Pacifica could be matched with someone in Daly City; someone from Menlo Park with someone from Redwood City; San Mateo and Belmont. Preschool teachers, law clerks, students, construction workers, medical assistants, bank tellers, home health aides, seniors and single parents as well as many others use the program.

Home Sharing meets the housing needs of low, very low, and extremely low-income people. Because so few affordable housing options exists in San Mateo County, it is important that Home Sharing be included in every cities housing element as part of the policies and practices employed to ensure that there are housing options for those at every income level, including those at the lowest income levels.

Constraints to Affordable Housing that make Home Sharing Critical:

When it comes to providing affordable housing, San Mateo County exists under a variety of unique and significant constraints that make Home Sharing a critical component to any local affordable housing strategy. Calculated by any standard, San Mateo County is in the top five most expensive places to live in the United States. Desirable weather, limited land options, and proximity to both Silicon Valley and San Francisco collide to create one of the most competitive housing markets, for both buyers and renters, in the nation. This competition is exacerbated by significant constraints to the development of new affordable housing making it extremely difficult for low-income people and families to find housing.

Market Constraints:

Over the past 30 years, housing costs have skyrocketed out of proportion to many peoples ability to pay. Escalating construction costs, exceptionally high land values and an abundance of high wage earners who can pay high rents and high home prices, create market forces that perpetually drive housing costs up. The average rent for a one bedroom in San Mateo County is currently \$2095⁽⁶⁾ and the average cost of a family home is \$825,000⁽⁵⁾. Because the local market forces have, and will continue, to drive prices up, building new affordable housing units is difficult. This is especially true for building units that will accommodate the lowest income earners. Construction costs and land values alone make it nearly impossible to create housing developments where rents can remain low and still pencil out financially.

Social Constraints:

The foreclosure crisis of 2008 pushed many former homeowners into the rental market. Similarly, many who rented homes that went into foreclosure were also pushed into the rental market. Foreclosures have also provided investor opportunities for the purchase of multifamily apartment complexes. In scenarios occurring all over the County, investors are purchasing apartment buildings. To get the highest return on their investment, rents are pushed up dramatically, displacing current residents in exchange for those who can pay higher rents. Meanwhile a booming technology industry continues to bring employees to the area and with each new high paid worker, as many as 4 lower paid service positions are created. The combination of these social forces has made competition in the rental market fierce.

Governmental Constraints:

Additional constraints to the creation of affordable housing in San Mateo County are governmental. The tools that local municipalities have historically used to create affordable housing have been dramatically reduced in recent years. At the Federal level, HUD reductions to HOME and CDBG funding and ongoing Sequestration cuts have dramatically reduced the funding available to help underwrite affordable housing developments. Meanwhile, the State of California's decision to eliminate Redevelopment Agencies stripped municipalities of their primary financing source for affordable housing. Equally devastating to affording housing development in California has been the 2008 Palmer Decision restricting the use of inclusionary housing ordinances. As a result, municipalities in San Mateo County have very few tools to facilitate affordable housing development other than the creation of local policies and practices. However, with the unusually competitive Market and Social Constraints that exist countywide, even with the best policies in place, convincing developers to create affordable housing is still very difficult and financially challenging.

Outcomes of Constraints:

San Mateo County currently has a 97% occupancy rate and there is an estimated shortfall of 9,610 units of affordable housing countywide. Homelessness is up 12% since 2011⁽¹⁾, housing inventory is at the lowest levels in decades⁽²⁾ and the gap between those at the highest income levels and those at the lowest levels has expanded⁽³⁾. Every affordable housing complex and emergency shelter in the county has a waitlist and most waitlists are closed, leaving home sharing as one of the only open doors in the County.

Currently, 57% of San Mateo and Santa Clara county residents are low-income earning 60% or less of AMI⁽⁴⁾ and the local housing authorities are bracing for a new round of sequestration cuts that will reduce the amount covered in rental subsidies. With a medium home price of \$825,000⁽⁵⁾ and the average rent for a one-bedroom apartment over \$2000⁽⁶⁾, people living in San Mateo County must earn between \$84,000-\$124,000 annually to afford housing. As a result, the United Way of the Bay Area is reporting that 1 in 5 families can't afford their current housing situation⁽⁷⁾. Equally daunting, it is estimated that 184,000 people commute into the County each day to work because they can't afford to live close to where they are employed⁽⁸⁾. Due to the circumstances surrounding affordable housing, the County of San Mateo formally recognizes the lack of affordable housing throughout the county as an overarching impediment to fair housing choice.

Conclusion:

Creative affordable housing solutions are desperately needed in San Mateo County as the long-term effects of the 2008 recession coupled with market, social and governmental constraints continue to drive housing costs up. HIP Housing's Home Sharing program is a practical solution that benefits every city in the County and allows for greater housing choice. Formal adoption of policies that support the Home Sharing program will help to ensure that there are greater housing opportunities and choice for housing people at all income levels.

References:

- 1; *2013 San Mateo County Homeless Census and Survey*
- 2-4: *Index Silicon Valley, Joint Venture 2013*
- 5: *Zillow*
6. *San Mateo County Housing Indicators, June 2013*
- 7: *United Way, 2012*
8. *Source: Moving Silicon Valley Forward, NPH 2012 and OnTheMap Census data)*