

19. Housing Affordability

What It Is

There are many ways to measure housing affordability. One measurement presented in this report is the median sales price of a single-family home compared to median family income for Contra Costa County. Another measurement is the percentage of households able to afford a median-priced home.

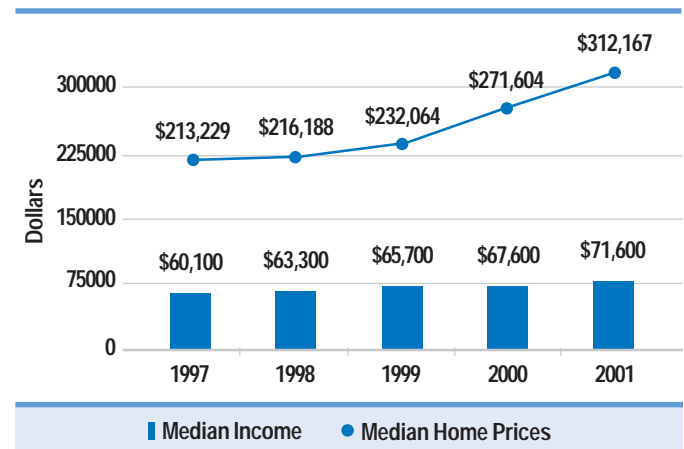
Why It Is Important

The lack of affordable housing is one of the biggest challenges faced by middle-income and low-income families. Households that spend much of their income on housing have less available to spend on food, clothing, and other basic needs. There is also a greater risk that if one of the parents loses his or her job, the family will be unable to make payments and keep their home. Homeowners can take a tax deduction for mortgage interest that helps to offset housing costs; no such advantage is available to renters.

How We Are Doing

Home ownership for many families remains out of reach. In February 2003, only 15% of Contra Costa households could afford to purchase an existing median priced single family home. Between 1997 and 2001, the median sales price of single family homes increased by 46% while the median income level increased by only 19%. Both in California and Contra Costa County the percentage of households that can afford to purchase a median-priced home has decreased from January 2002 to 2003. Additionally, in East Contra Costa County, the Mello Roos tax on newer properties can amount to \$300 per month in addition to mortgage payments that make housing even less accessible to all families. Rental prices are also high with the fair market rent for a two-bedroom apartment at \$1,374. Census data show that in 1999, 41% of renters spent thirty percent or more of their income on housing costs.

Figure 19.1 — Median Price of an Existing Single-Family Home Compared to Income Levels



Source: RAND California, Housing Prices and Transaction Statistics, 2003; US Department of Housing and Urban Development, 2003.

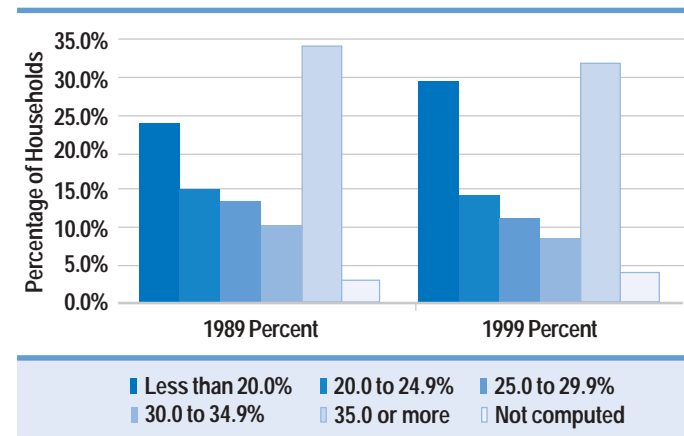
Note: Income figures are based on the Oakland primary metropolitan statistical area, which includes Contra Costa County.

Table 19.1 — Percentage of Households Able to Afford an Existing Median Priced Single Family Home

Location	Feb. 1999	Feb. 2000	Feb. 2001	Feb. 2002	Feb. 2003
Contra Costa County	29%	18%	15%	17%	15%
California	43%	34%	36%	31%	30%

Source: California Association of Realtors, 2003.

Figure 19.2 — Gross Rent as a Percentage of Household Income in 1989 and 1999



Source: U. S. Census Bureau, 2000 Census, 2003.