

Editorial: The Bay Area's housing crisis has become an emergency

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California's housing crisis is centered in the Bay Area, and the region's booming economy is increasingly inequitable and unsustainable.

That's the message of two recent studies by two very different organizations. State legislators and local officials shouldn't need any more evidence to take urgent action.

The first study, commissioned by a business-oriented San Francisco public policy group called Next 10, documents the state's increasing inequalities in wages and housing, and sounds an alarm about the impact these stresses are having on the workforce.

From 2011 to 2016, California added a net of just 209 new housing units for every 1,000 new residents.

The study concludes that the major losers from this failure have been California's low-income workers. While the number of low-income jobs in California has increased significantly over the past several years, the wages offered for those jobs has not. The result is a smaller and smaller share of Californians who are able to afford a basic cost of living in the state.

"While California's economy overall is strong, it is only a matter of time before the discrepancies between wages and housing prices could begin to constrain economic growth," the study concludes.

A big part of the solution has to be increasing housing production, as the Next 10 study notes. That means streamlining the building process and making greater demands of local governments that fail to meet their required levels of new housing.

Lower-income workers are increasingly choosing to leave the state, Next 10 found. Those who remain face bleak choices.

The California Housing Partnership, which works with nonprofits and government agencies to provide affordable housing, also released new reports this month. They make it clear that the Bay Area's housing affordability crisis is an emergency.

Studying the same time frame as Next 10 did, the Partnership found a dramatic loss of state funding for affordable housing, substantial increases in the percentage of income lower-income Californians spent on rent, and enormous increases in homelessness.

The homeless numbers are particularly shocking. As far away as Sacramento County, homelessness increased by a whopping 47 percent from 2016 to 2017. In Alameda County, homelessness skyrocketed by 36 percent over the course of the same year. In Santa Clara County, homelessness rose by 13 percent.

All three counties, the study concludes, need more than 50,000 new affordable homes to meet the demand for housing that lower-income residents can afford.

The partnership traces a large part of the affordable housing problem to the end of the state's redevelopment programs in February 2012. In California's current housing market, affordable housing development doesn't pencil out without state support.

The Bay Area's failure to build adequate amounts of housing at all income levels has led to skyrocketing housing prices. These studies show that the major losers from this policy have been the Californians who work for the lowest wages.

Since a healthy economy depends on participation from workers at every wage level, this fact should alarm even the wealthiest Californians.

The answer is speeding up housing production in the private market, ensuring that the state does its part in supporting affordable housing development, and pushing local governments to meet their housing goals.

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