

# On the thin line between prosperity and homelessness

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*Mary Duffy, 67, says she was evicted from her Foster City apartment after a series of rent increases. The Bay Area's housing costs are pushing people like her out of the region, Duffy says. "I applaud growth," she says. "I've been in business all my adult life. ... Yes, Silicon Valley is booming and that's great. But where, in all this, is any consideration for people like me?"*

BELMONT — Mary Duffy wondered how it ever happened — how she came to be an outsider in her own community, displaced, unable to afford an apartment. It made no sense. She is a small-business owner, a hardworking member of the middle class, pulling in a respectable income.

How in the world, at age 67, did she wind up here, renting this room in a Motel 6?

"I passed frantic about three days ago," she said. "I've never been in this kind of state — panic."

Duffy is just one face of a Bay Area housing crisis that is turning what were once middle-class communities into enclaves for the wealthy. Where will the schoolteachers, firefighters and small-business owners go?

Earlier this month, Duffy — who, on top of all else, is fighting stage 4 breast cancer — was evicted from her two-bedroom apartment in Foster's Landing, a development in Foster City, where she said her rent climbed from \$2,397 in 2012, when she moved in, to about \$3,200.

The rule of thumb is to spend up to 30 percent of your gross income on rent. In a normal year, Duffy would make \$80,000 a year, sometimes more. Paying \$3,200 a month would have meant she was devoting nearly half of her usual income to rent.

For Duffy, the last hike was the hammer blow: Because of her illness, diagnosed two years ago, her consulting business hasn't thrived as it once did. That, coupled with more than \$600 in monthly medical expenses and a car that's been in and out of the shop, means she has struggled to make ends meet like never before.

"Every year, it's been a \$200 increase for rent. They even increased the pet rent" — for her cat, Peanut, now asleep on the bed in the motel — "from \$50 to \$60 a month. No arguments, no negotiations, no nothing but pay the increase or leave."

San Mateo-based Essex Property Trust, which owns Duffy's complex, did not respond to questions regarding her case.

The typical Silicon Valley income — more than \$114,000 a year, according to the federal government's Quarterly Census of Employment and Wages — is twice the national average. But those big paychecks, fueled by the tech industry, can't keep pace with the cost of housing here, as Duffy would attest. The average two-bedroom, one bath apartment in San Mateo County now rents for \$2,980 a month, according to a new report that pegs average rents for similar units at \$2,542 in Santa Clara County, \$2,278 in Alameda County, \$1,864 in Contra Costa County — and at \$2,298 for the nine-county Bay Area, taken as a whole.

Though analysts say rents are starting to level and even fall, many older renters — people like Duffy — continue to struggle.

"Her story, unfortunately, is extremely common," said Kenneth Cole, director of the San Mateo County Department of Housing. "Baby boomers are aging, and they're very vulnerable to being priced out, particularly if their income is decreasing. People are getting squeezed."

Competition for the available stock feeds the runaway market. “And if we don’t increase the supply, the affordability will never come back,” Cole said. “The social diversity of our community is absolutely dependent on people’s ability to live here.”

Back at Motel 6, Duffy picked up her story: She moved out of her Foster City apartment on Oct. 4 and began hopping between motels while searching for a one-bedroom apartment on the Peninsula for \$1,900 or less. While she has tried to maintain a positive attitude — she is by nature a spirited raconteur with a sentimental streak and an infectious laugh — the process often felt futile, verging on the surreal. “And I don’t think I’m the only 67-year-old this is happening to,” she said. “It’s a quiet disaster.”

Duffy grew up in New York, where she began her career in the restaurant industry, determined to establish herself as an independent working woman. “I knew fairly early on that I wasn’t going to be married and have children,” she said. “I knew it wasn’t for me. I saw nothing but advancement. I wanted advancement.”

And she found it. Duffy moved around the country to serve in executive management positions, including with a division of the Marriott hotel chain. One job brought her to Menlo Park in 1983, where she rented a two-bedroom apartment for \$800. In 1987, using one bedroom as an office, she founded her own national consulting business for the dining industry on college campuses.

She was happy in her apartment — on Oak Grove Avenue, right near the Caltrain station — and remained in it for nearly 25 years. Though she now regrets it, she never considered buying a condo or house. She was from New York, and “in New York, you rent,” she said. Besides, she had other concerns: Duffy has fought breast cancer four times, initially when she was only 37. “Between the cancers and trying to keep a business flush and going, it was a full life.”

Rent increases were moderate — \$50 here, \$75 there — though by 2006, she was paying \$1,575 a month, soon to be \$2,200 a month. She pulled up stakes and moved to Redwood City, where she wound up paying \$2,495 in 2011 — and fled in 2012, when an additional monthly increase of \$505 was announced. “The rental increases are so onerous that you have to move. ... Why is it accepted that people should be treated this way, to be tossed out to suit the business model of corporate America? These are our homes, not a new pair of shoes.”

But operators of apartment complexes have financial concerns, too, said Ronald M. Kingston, president of the California Political Consulting Group, which lobbies on behalf of property owners and managers.

“If rents have stayed fairly level and suddenly you see a spike, the property owner now has significant expenses,” he said. He listed a few: “Everything from the gardener to water bills, replacing roofing ... heating, ventilation and air conditioning. Some of these things are really, really expensive.”

Duffy has spoken about her situation before the Foster City City Council. She has asked public agencies and nonprofit assistance groups for guidance. Everywhere, Duffy said, she has found sympathetic ears but not much more. Agency workers tell her “they are overwhelmed by people like me — people who’ve been here 20 or 30 years who are just being tossed out,” she said, fighting back tears.

“You think, ‘Well, there’s a safety net.’ But the safety net is not very strong. The safety net is a list of shelters, or you’re directed to Craigslist.”

She stood in her doorway at Motel 6, the reality of her situation all around her.

“I’ll be OK for a while,” she said, “and suddenly I just think, how did this happen? You keep thinking it can’t happen to you, and then it does.”

Which brings this story to where she is now.

After fearing for weeks that she would end up living in her car, Duffy’s fortunes at last have taken a hopeful turn. As you read this, she is settling into a one-bedroom apartment that rents for \$1,860 in Rohnert Park, 80 miles to the north in Sonoma County. Duffy is re-establishing the consulting business in her new apartment, and she is trying to make peace with all the changes, though ripping up roots is disheartening for her.

“I understand Silicon Valley,” she said. “I applaud growth. I’ve been in business all my adult life. ... Yes, Silicon Valley is booming and that’s great. But where, in all this, is any consideration for people like me?”

*Richard Scheinin covers residential real estate for the Bay Area News Group. He has written for GQ and Rolling Stone and is the author of Field of Screams: The Dark Underside of America’s National Pastime (W.W. Norton), a history of baseball. During his 25-plus years based at The Mercury News, his work has been submitted for Pulitzer Prizes for reporting on religion, classical music and jazz. He shared in the Pulitzer Prize awarded to the Mercury News staff for coverage of the Loma Prieta earthquake. He has profiled hundreds of public figures, from Ike Turner to Tony La Russa.*