

Benchmark Institute

California Affordable Housing Quiz

- "Affordable Housing" refers to housing affordable to families with incomes at or less than:
 - 120%** of median income (*e.g.*, \$76,800 for **four** in LA Co.; \$121,900 SF Co.) **moderate income**
 - 100%** of median income (*e.g.*, \$64,000 for **four** in LA Co.; \$101,600 SF Co.) **median income**
 - 80%** of median income (*e.g.*, \$68,300 for **four** in LA Co.; \$ 85,450 SF Co.) **lower income**
 - 50%** of median income (*e.g.*, \$42,700 for **four** in LA Co.; \$ 53,400 SF Co.) **very low income**
 - 30%** of median income (*e.g.*, \$25,600 for **four** in LA Co.; \$ 32,050 SF Co.) **extremely low income**
 - All of the above.
 - None of the above.
- There are _____ homeless individuals in the United States.
 - 444,000 (346,000 households)
 - 842,000 (637,000 households)
 - 3.5 million
 - 1% of the U.S. population
 - All of the above.
 - None of the above.
- According to a 2009 National Coalition for the Homeless fact sheet what percent of homeless adults have jobs?
 - 13% b. 17 % c. 33 % d. 44 % e. 55 %
- The high water mark of low-income housing production was reached in ____ when the federal government approved 541,000 units. It dropped steadily until it reached zero in _____.
 - 1976; 1996 b. 1967; 1985 c. 1979; 1998 d. 1979; 1985
- In 2005 federal housing subsidies for renters (*e.g.* Section 8 and public housing) was ___% of the subsidies for homeowners (*e.g.* mortgage interest or real estate tax deductions).
 - 10% b. 25% c. 33% d. 48% e. 65%
- As a national average, a person with a disability must spend _____% of his or her Supplemental Security Income benefits (SSI) monthly income to rent a modest, one-bedroom apartment.
 - 98.3% b. 109% c. 112.1% d. 116% e. 148%
- According to the National Fair Housing Alliance, the number of housing discrimination complaints filed with public and private enforcement agencies represents about _____% of the annual estimated incidence of housing discrimination in the United States.
 - 1% b. 18% c. 59% d. 83%
- True/False Over half of African American homebuyers and over one third of Latino homebuyers nationwide received a subprime loan in 2006, as compared to one in five white homebuyers.
- True/False For many women, homelessness is a result of domestic violence.
- In 2011 there are nearly 7 million federally assisted housing units. These units are enough to house ___ % of the lowest income renters that are eligible for assistance.
 - 10% b. 25% c. 42% d. 78%
- True/False. The majority of public housing units are high-rise buildings that are dilapidated and in great need of repair.

12. In ____ of the total 30 Metropolitan Statistical Areas in California, the Fair Market Rent (FMR) for a two-bedroom unit is higher than the entire CalWORKs monthly grant for a 3-person family with no earnings (\$740 to \$776). FMR is the number used to determine how much a landlord can charge for rent in public and subsidized housing in a specific area. HUD establishes FMRs annually.

- a. 7 b. 11 c. 15 d. 19 e. 29

13. "Motel 22" is the name for:

- a. A notorious Sacramento motel that charges \$22 for a four-hour stay
b. A Garden Grove homeless shelter where 22 people have been robbed or beaten in the last 3 years
c. The all-night bus (#22) that the homeless ride in San Jose
d. A motel in Anaheim where the City Council is trying to limit stays to 22 days

14. Approximately _____ rental housing units in California could be subject to the termination of federal subsidies through conversion to market rate rents by 2016.

- a. 35,000 b. 68,000 c. 126,000 d. 253,000 e. none of the above.

15. The number of low-income households (under \$20,000/yr) in California who are paying over 30% of their income for housing.

- a. 500,000 b. 1.1 million c. 1.8 million d. 2.1 million

16. In which area does it take the longest for first-time buyers to save for a home?

- a. Santa Clara County b. San Francisco c. Marin County d. Orange County

17. Which county has the largest percentage of renters who can't afford a two bedroom FMR unit?

- a. San Diego b. Riverside c. Los Angeles d. Del Norte e. Santa Barbara

18. "Se renta sala" means:

- a. living room for rent b. living room to share c. studio apartment to share d. floor to rent, at night only

19. True/False As of May 2009, twenty of the top 25 subprime lenders have closed, stopped lending, or been sold to avoid bankruptcy. Most were non-bank lenders.

20. Hours per week that someone earning 2011 California minimum wage (\$8.00) needs to work to pay rent and utilities for a 2-bedroom FMR unit without paying more than 30% of income on housing in:

L.A.- Long Beach a. 80 b. 100 c. 107 d. 108 e. 121 f. 132 g. 137 h. 138 i. 153 j. 159 k. 169

Oakland - Fremont a. 80 b. 100 c. 107 d. 108 e. 121 f. 132 g. 137 h. 138 i. 153 j. 159 k. 169

Orange County a. 80 b. 100 c. 107 d. 108 e. 121 f. 132 g. 137 h. 138 i. 153 j. 159 k. 169

Redding a. 80 b. 100 c. 107 d. 108 e. 121 f. 132 g. 137 h. 138 i. 153 j. 159 k. 169

Riverside/San Bernardino a. 80 b. 100 c. 107 d. 108 e. 121 f. 132 g. 137 h. 138 i. 153 j. 159 k. 169

Sacramento-Arden a. 80 b. 100 c. 107 d. 108 e. 121 f. 132 g. 137 h. 138 i. 153 j. 159 k. 169

Salinas a. 80 b. 100 c. 107 d. 108 e. 121 f. 132 g. 137 h. 138 i. 153 j. 159 k. 169

San Francisco a. 80 b. 100 c. 107 d. 108 e. 121 f. 132 g. 137 h. 138 i. 153 j. 159 k. 169

San Jose -Sunnyvale a. 80 b. 100 c. 107 d. 108 e. 121 f. 132 g. 137 h. 138 i. 153 j. 159 k. 169

Santa Barbara/Santa Maria/Lompoc a. 80 b. 100 c. 107 d. 108 e. 121 f. 132 g. 137 h. 138 i. 153 j. 159 k. 169

Santa Cruz-Watsonville a. 80 b. 100 c. 107 d. 108 e. 121 f. 132 g. 137 h. 138 i. 153 j. 159 k. 169

California Affordable Housing Quiz Answers

1. **f.** "Affordable housing" may refer to any of these choices. For example, to meet their legal obligations to provide affordable housing, some players in the housing market define "affordable housing" so that middle-income rather than low-income families will qualify. In California, most legal aid and social service clients fall in the category "extremely low income" – less than 30% of Area Median Income. HUD annually establishes "area medians" for all U.S. counties or metropolitan areas.

In California, the Area Median Income (AMI) for a particular area is the higher of either the metropolitan area or non-metropolitan county median family income, or the statewide non-metropolitan median family income (\$56,300 for FY 2010). California AMIs are found at <http://www.hcd.ca.gov/hpd/hrc/rep/state/inc2k10.pdf>

2. **c, e.** According to the National Coalition for the Homeless (NCH), homelessness cannot be measured with 100% accuracy. As the best estimate, NCH cites the 2007 National Law Center on Homelessness and Poverty study that found that 3.5 million people, 1.35 million of them children, are likely to experience homelessness each year. In most cases, homelessness is a temporary circumstance – not a permanent condition.

A more appropriate measure of the magnitude of homelessness is the number of people who experience homelessness over time, not the number of "homeless people". Between counting all the people who are literally homeless on a given day/week (point-in-time counts) or counting the number of people who are homeless over a given period of time (period prevalence counts), NCH prefers prevalence counts as a more appropriate measure.

http://www.nationalhomeless.org/factsheets/How_Many.html
<http://www.nationalhomeless.org/factsheets/who.html>

3. **d. 44** National Coalition for the Homeless Fact Sheet "Employment and Homelessness" July 2009
<http://nationalhomeless.org/factsheets/employment.html>

4. **a. 1976; 1996.** In 1976 HUD and the Farmers Home Administration – then responsible for rural housing programs – together approved 541,000 new or rehabilitated units or Section 8 tenant-based certificates. During the Carter years, low-income housing advocates felt defeated when they failed to get appropriations for 400,000 additional units annually. After 1980, the number of additional units provided dropped steadily, until it reached zero in 1996. *Changing Priorities: The Federal Budget and Housing Assistance, 1976-2007* by Cushing N. Dolbeare
<https://www.2398.sslldomain.com/nlihc/doc/changingpriorities.pdf>

5. **c. 33%** The way federal housing benefits are doled out across the population suggests a U-shaped curve: subsidies are heaped on those at high and very low incomes, with little going to all the low- to middle-income households in between. The federal government will disburse about \$50 billion to renters in 2005—mainly through Section 8 vouchers or public housing—and nearly three times that in subsidies to homeowners through such tax incentives as the mortgage interest or real estate tax deductions. *How to Better Encourage Home Ownership*, June 2005, Tax Policy Center http://www.taxpolicycenter.org/UploadedPDF/311193_IssuesOptions_12.pdf

6. **c. 112.1%.** *Priced Out in 2008: The Housing Crisis for People with Disabilities* by Technical Assistance Collaborative, Inc. & Consortium for Citizens with Disabilities Housing Task Force (April 2009) documents that the national average cost of a one-bedroom apartment is 112.1% of monthly SSI income. 103% (answer d.) is the California average. Of the 132 market areas that exceed 100%, California had 16 – at the top of the list is San Francisco at 152.3%, Orange County at 149%. At the "bottom" is San Luis Obispo, 106.2%, Riverside, 109.7% and Salinas, 112.6%. <http://tacinc.org/downloads/Priced%20Out%202008.pdf>

7. **a. 1%** The National Fair Housing Alliance's 2011 Fair Housing Trends Report is based on 2010 complaint data compiled from National Fair Housing Alliance member agencies, U.S. Department of Justice and 80 state and local government agencies. There are an estimated 4 million violations every year (p.14). In 2010, 28,851 complaints were filed (p. 15)
<http://www.nationalfairhousing.org/LinkClick.aspx?fileticket=SbZH3pTEZhs%3d&tabid=3917&mid=5321>

8. **True.** Discrimination is Reason 9 of the “Ten Reasons Why You Should Care About Predatory Lending” according to Americans for Fairness in Lending (AFIL) <http://www.affil.org/care2>

9. **True.** When a woman leaves an abusive relationship she often has nowhere to go. 28% of families were homeless due to domestic violence in 2008 (U.S Conference of Mayors 2008). Among cities surveyed, 39 percent identified domestic violence as a primary cause of homelessness (U.S Conference of Mayors 2008). National Coalition for the Homeless Fact Sheet #7 Domestic Violence and Homelessness July 2009. <http://www.nationalhomeless.org/factsheets/domestic.html>

10. b. 25% At present, there are up to 7 million federally assisted housing units nationwide—enough to house just one-quarter of the lowest-income renters eligible for assistance. *America’s Rental Housing - Meeting Challenges, Building on Opportunities*, Joint Center for Housing Studies of Harvard University 2011, p. 5 http://www.jchs.harvard.edu/publications/rental/rh11_americas_rental_housing/AmericasRentalHousing-2011.pdf

11. **False.** Despite the prevailing negative perceptions of our public housing system, over sixty-five percent of public housing units are sound. About seventy percent of the units are in developments that contain fewer than 100 units and they’re two-story, not high-rise buildings. The 1.3 million units are the housing of choice for its 4.2 million occupants (and the additional one million applicants on the waiting lists.) The initial \$20 billion capitol investment in the public housing inventory now valued at \$95 – \$100 billion, and the costs of all the buildings and land have been fully paid. To lower-income individuals, therefore, public housing is a national treasure. Center for Community Change, *Comprehensive Services in Public Housing*, p. 6

12. **e. 29.** Visalia-Porterville (\$702) is the only California Metropolitan Statistical Areas where Fair Market Rent for a 2 bedroom unit does **NOT** exceed any permutation of the CalWORKs grant.

Fair Market Rent, or FMR, is the number used to determine how much a landlord can charge for rent in public and subsidized housing in a specific area. HUD establishes FMRs annually. To see the FMR in your area, go to <http://www.huduser.org/datasets/fmr.html> . The FMR for an area is the amount that would be needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent, safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities.

13. **c. The all night bus that the homeless ride in San Jose.** *San Jose Mercury News* 1/9/00. A national study of formerly homeless people found that the most common places people who had been literally homeless stayed were vehicles (59.2%) and makeshift housing, such as tents, boxes, caves, or boxcars (24.6%) (Link et al.1995).

In 2007 the Santa Clara Valley Transit Authority changed the schedule to discourage the homeless from using the bus as a shelter. No bus stays in service more than two hours and all passengers must disembark at each shift change. *Hotel 22 headed for a detour*, Palo Alto Daily News, April 8, 2007 <http://groups.yahoo.com/group/BATN/message/34566> In November 2007 a team of sociology students conducted a survey of the bus riders. See *Homelessness and the Mobile Shelter System: Public Transportation as Shelter*, Laura Nichols and Fernando Cazares, Journal of Social Policy, April 2011, pp 333-350. <http://journals.cambridge.org/action/displayAbstract?fromPage=online&aid=8120064&fulltextType=RA&fileId=S0047279410000644>

Twenty-four of the survey cities reported that shelters have made adjustments to accommodate the increased demand over the past year. Among these, shelters in more than seven in 10 of the cities (71 percent or 17) consistently have clients sleep on overflow cots, in chairs, in hallways, or in other subpar sleeping arrangements. In 62.5 percent (15) of the cities, shelters distribute vouchers for hotel or motel stays because shelter beds are not available. In half (12) of the cities, shelters increase the number of persons or families that can sleep in a single room. In one-third (eight) of the cities, buildings have been converted to temporary shelters. Despite these accommodations, 64 percent (16) of the survey cities report that emergency shelters must turn away unaccompanied individuals experiencing homelessness because there are no beds available for them. In more than two in three (68 percent or 17) of the survey cities, shelters must turn way families with children experiencing homelessness because no beds are available for them. An estimated 27% of people who need shelter assistance don’t receive it. Hunger and Homelessness Survey – A Status Report on Hunger and Homelessness in America’s Cities, A 27-City Survey (U.S. Conference of Mayors December 2010 p. 19). http://www.usmayors.org/pressreleases/uploads/2010_Hunger-Homelessness_Report-final%20Dec%2021%202010.pdf

14. **b. 68,000 units** with another 74,000 becoming at risk in the following 15 years. California Housing Partnership Corporation <http://www.chpc.net/preservation/index.html>

15. **b. 1.1 million.** Most households (91.5% or 1,094,300 households) with incomes under \$20,000 spend 30% or more of their income on housing. *Locked Out 2008: The Housing Boom and Beyond*, California Budget Project http://www.cbp.org/pdfs/2008/080212_LockedoutReport.pdf p. 31.

16. **d.** Orange County. *Orange County Register*, 2/4/00.

17. **c. Los Angeles.** LA County (65%) has the largest percentage of renters who can't afford a two bedroom FMR unit, closely followed by Del Norte, Santa Cruz, Humboldt, Modoc, Sierra, Imperial and Butte Counties where the percentages range from 60% -64%. In 38 other counties, 50%-58% of renters cannot afford a two bedroom FMR unit. *National Low Income Housing Coalition Out of Reach 2010* <http://www.nlihc.org/oor/oor2010/xls/CA.xls>

18. **d. Floor to rent, at night only.** "Se renta sala," literally "living room for rent," is a euphemism which means nightly use of the floor. The going rate was \$150 - 200 per month. *San Jose Mercury News*, 5/19/99; *International Herald Tribune*, 5/26/99 <http://www.ihf.com/articles/1999/05/26/topics.2.t.8.php> Google "se renta sala" and you'll find a few listings at \$250 - \$300 (May 2011)

19. **True.** *Who's Behind the Financial Meltdown?*, a 2009 investigation by the Center for Public Integrity, finds that the top subprime lenders whose loans are largely blamed for triggering the global economic meltdown were owned or backed by giant banks now collecting billions of dollars in bailout money,. "These banks were deliberate enablers that bankrolled the type of lending that's now threatening the financial system."

The Center found that U.S. and European banks poured huge sums into the subprime lending market due to unceasing demand for high-yield, high-risk bonds backed by home mortgages. The banks — including household names like Lehman Brothers, Merrill Lynch, Citigroup, Credit Suisse/First Boston, and Goldman Sachs & Co — made huge profits while their executives collected handsome bonuses until the bottom fell out of the real estate market. These are among the findings that emerged from the Center's computer analysis of government data on nearly 7.2 million "high-interest" or subprime loans made from 2005 through 2007, a period that marks the peak and collapse of the subprime boom. The analysis also revealed "The Subprime 25" — the top 25 originators of the high-interest loans, accounting for nearly \$1 trillion and about 72 percent of industry — who reported subprime loans during that period. http://www.publicintegrity.org/investigations/economic_meltdown/

20. LA – Long Beach **137**; Oakland-Fremont **132**; Orange County **153**; Redding **80**; Riverside/San Bernardino **107**; Sacramento-Arden **100**; Salinas **108**; San Francisco **169**; San Jose **138**; Santa Barbara **121**; Santa Cruz-Watsonville **159**. *National Low Income Housing Coalition Out of Reach 2010* <http://www.nlihc.org/oor/oor2010/xls/CA.xls>

Note: For the entire state of California, the Fair Market Rent (FMR) for a two-bedroom apartment is \$1,327. To afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn \$4,423 monthly or \$53,079 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of \$25.52.

In 2010, a California minimum wage worker earned an hourly wage of \$8.00. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner had to work 128 hours per week, 52 weeks per year. Or, a household must include 3.2 minimum wage earners working 40 hours per week year-round in order to make the two bedroom FMR affordable. <http://www.nlihc.org/oor/oor2010/data.cfm?getstate=on&state=CA>