The Long Wait: The Critical Shortage of Housing in California

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**Summary of Findings**

- No housing authorities in the major urban areas, and many rural and suburban areas in California have enough housing available to meet demand.

- Waiting lists are huge compared to available housing: a total of 465,340 families are on waiting lists for public housing and rental subsidies in 20 local jurisdictions including the City and County of Los Angeles, San Francisco, Oakland, and Fresno. Meanwhile, only about 130,000 California families now live in existing public housing or receive federal tenant-based rent subsidies in these same jurisdictions. Even if all of those families were able to afford to move out of subsidized housing tomorrow, demand for this kind of housing would be three times the supply.

- While many of the families on housing waitlists are living in some kind of housing, we know from other federal studies and reports that at least 360,000 people are homeless during a given year – about 35 percent of them families; that more than 1.2 million households are overcrowded, living in housing conditions that in many cases endanger the inhabitants’ health and safety; and that 63 percent of low income; and nearly 80 percent of very low income households are renting apartments that cost more than 50 percent of their income. Almost half of all renters in California pay more than 30 percent of their income on housing.

- Assuming there are two children in each family waiting for housing, almost a million children are on California’s housing waiting lists.

**Note:** This assumes that there are on average 3.18 persons per family (the national average according to the U.S. Census), and that two of them are children. It does not factor out those who may be on the wait list in more than one jurisdiction, or those who may be on both the public housing and Section 8 waiting lists. However, this potential overcount must be balanced against the fact that many of California’s housing wait lists (a) are closed to new applicants most of the time; and (b) perform a lottery that eliminates half or more of those who apply to be on the wait list before adding new names to their wait lists. Additionally, the analysis in this report is restricted only to those on waiting lists for Section 8 and public housing – thousands of other families are on waiting lists for other kinds of affordable housing operated by private owners.

- Due to changes in federal policy, California has in the past three years lost more than 15,000 of the 180,000 units of affordable housing developed with federal subsidies over the past 30 years; and a recent assessment by the California Housing Partnership Corporation indicates that at least 18,752 units are at high risk of converting from affordable to market rate rents. An additional 8,958 are at medium risk. Thus it is possible that as much as almost 10 percent of federally subsidized housing owned by private owners may be lost to those who can’t afford market rate rents.
- The time from waiting list sign-up to being housed can take from a low of one year, to a high of 6-8 years.¹

- Vacancy rates in California are at an historic low. This affects all housing availability—including Section 8 and public housing because families in public housing cannot find affordable housing to move into, reducing turnover, and families that receive Section 8s are sometimes unable to locate units that they can afford or that will rent to them, even with the subsidies.
Background

This report is based on a census of Housing Authorities in the State of California. It is a profile of the number of families who are waiting for government subsidized housing in California: Section 8 rental vouchers and certificates, and Public Housing.

Section 8. The Section 8 program assists very low income families, the elderly and the disabled to rent housing on the private market. Families can choose among single family homes, townhouses and apartments. HUD pays the local housing agency, which issues vouchers and certificates to families who select suitable housing units of their choice from participating landlords. To be eligible, a family’s income may not exceed 50% of the median income for the county or metropolitan area in which the family chooses to live.

Public housing. Public housing was established to provide safe and decent housing to low income families, the elderly and persons with disabilities. Public Housing facilities are fixed and owned and managed by local Housing authorities. Housing agencies use income limits developed by HUD. HUD sets the lower income limits at 80% and very low income limits at 50% of the median income for the county or metro area in which a person chooses to live. Public Housing does not have the portability of Section 8 housing, and is not as common.

No Major Housing Authority in California Has Housing Sufficient to Meet the Demand

Every housing authority in California administers Section 8 vouchers and certificates. Agencies also have a relatively fixed number of Public Housing units that they manage. Not one of the agencies that we surveyed have sufficient rental certificates, rental vouchers and public housing units under their administration to completely serve the demand for subsidized housing. Taken cumulatively, the ability for the state of California to house its low-income families is abysmal: the total number of people currently on waiting lists far exceeds available housing units. There are officially 371,740 families on Section 8 waiting lists for 104,133 units of already filled housing. For Public Housing, there are only 25,268 units, but 93,632 families waiting for units to come free.

The wait list to voucher/housing unit ratio is in some cases astonishing:

- The San Jose Housing Authority administers approximately 12,110 Section 8 certificates and vouchers. Their waiting list for section 8 is approximately 27,500. The waiting list is more than double the number of Section 8 eligible people that they can, and are currently, housing.

- The City of Los Angeles administers approximately 35,000 certificates and vouchers. There are 155,000 names on their wait list.
Los Angeles County figures are even more grim: its Community Development Corporation administers a total of 17,000 certificates and vouchers, yet their wait list contains 148,000 names. There are nine times more people waiting for housing than the total that are currently housed.

The size of the waiting lists is kept artificially low. These grim figures mask another unpleasant reality: many housing agencies have kept their waiting lists artificially low to keep them manageable, and so they won’t offer false hope to those seeking local subsidized housing. A popular method of trimming the wait list is to hold a random lottery to determine which of those who have signed up for government subsidized housing will remain on the list.

The Alameda County Housing Authority opened their Section 8 and Public Housing lists during the period from August 1 through August 20, 1999, and collected 15,000 names. The authority then held a random lottery among the 15,000, which cut the list to 3,000. In other words, 12,000 families, or 80% of those who signed up for government subsidized housing in Alameda County, were eliminated randomly.

The San Francisco Housing Authority collected 45,000 names when they opened their Section 8 waiting list in March, 1998. The agency conducted a random lottery to pare the list to a more manageable (and realistic) 10,000 names. The remaining 10,000 people were then ranked by criteria such as residency, veterans preferences, elderly, etc. The key issue, however, is that 35,000 people, or over 78% of those who signed up for government subsidized housing, were eliminated by a random lottery, not by criteria such as income, need, credit history, etc.

Berkeley, beginning November 11, 1999, opened its Section 8 list for 10 days. In a conversation with the Housing Director on the first day that the list was opened, he indicated that they anticipated collecting about 2,000 names. They actually collected 5,500 names. They are now discussing holding a lottery to cut the list to a more manageable number.

The wait for affordable housing is long. Even though public housing agencies limit the numbers of people on their waiting list, the lists are still long. Further, people have to wait long periods of time before they are eventually served. Housing directors with whom we spoke generally do not track the amount of time from sign up until the agency contacts a family to determine their eligibility. However, several directors offered estimates.

Kings County and Lake County Housing Authorities have relatively small Section 8 waiting lists—420 names and 1,395 names, respectively. The director of Kings County Housing Authority estimates that the average wait for Section 8 housing is 18 months in that jurisdiction. The Lake County director estimated that the average wait was 2 years. These two estimates represent the least amount of time of waiting list-to housing in the State of California.
Fresno has a Section 8 wait list of 12,000. The housing director estimates that the average wait for Section 8 housing is 4-5 years. The waiting list for Public Housing is 2,000. The estimated wait for Public Housing is approximately one year.

San Francisco’s Section 8 waiting list now stands at approximately 5,000 names. The estimated time from sign-up to being served is 3-4 years. Public Housing units in San Francisco were reduced from 6,800 units to 6,000 units, with 800 units having recently been “deprogrammed.” The average wait for Public Housing in San Francisco is from 3-8 years, depending on what category a family falls in.5

Santa Cruz authorities estimate that families have a 6 year average wait for both Section 8 and Public Housing.

San Jose presents a particularly daunting anecdote. As stated earlier in this report, that housing agency placed 27,500 names on their Section 8 waiting list in January, 1999. In the past year, only 100 were moved from the list to housing. The reason that they were able to move the 100 people from the list is because San Jose received funding from the Federal Government to house 100 people with mental disabilities.

The Director of the Vallejo Housing authority tells a poignant story illustrating the frustration of a woman who had waited for more than a year for subsidized housing. This woman who was fairly high on Vallejo’s waiting list (50-100 from the top) has called the office every week for the past 1.5 years to see when she would be served. The director estimates that she may be housed by Spring, 2000 – a total waiting time of 2 years. With a waiting list of 2,000, someone low on the list (for example approximately 1,500 from the top) would have to wait at least 6-7 years until they were housed.

Even after the wait, some don’t become certified for housing. People who sign up for Section 8 and Public Housing waiting lists must be certified as eligible before they may actually be housed. Tenants are not certified when they apply for housing. Generally, eligibility is determined when their name is drawn from the waiting list. By the time people are drawn from the list however, many are unable to be found, while a subset declare that they are satisfied with their current living situations. Housing authorities do not keep figures on why people drawn for waiting lists are determined to be ineligible for government subsidized housing (for example, some may have worked their way above the minimum income requirements), however some are declared ineligible by other criteria.

A poor credit rating can render a potential tenant ineligible for subsidized housing. In some cases, tenants are required to have someone with good credit co-sign before they can be declared eligible for housing.

A record of evictions will also render a person ineligible for subsidized housing. HUD and local housing agencies require that their tenants meet their rental responsibilities.
Low income people, especially those with a spotty work record, are likely to have a poor credit history. Furthermore, they are less likely than their middle class counterparts to know someone able and willing to co-sign for their housing. Thus, those who have a poor credit or rental payment history are much more likely to be declared ineligible for subsidized housing.

**Because vacancy rates are so low, it is hard to find housing even with a housing subsidy.** The lower the vacancy rate, the more difficult it is to find housing. This is true in both unsubsidized and subsidized housing markets. Many areas in the State of California, such as San Francisco and Berkeley, have vacancy rates so low that it is almost impossible to find housing of any sort. Oakland, which in the past had a moderate vacancy rate, now has a vacancy rate of approximately 1%. Also, housing scarcity means higher rents. Thus, a tight housing market means that movement from waiting list to housing will be especially slow. For example, a family who receives a Section 8 voucher or certificate will have to search hard for housing that suits their needs. In a worst case scenario, a family who could not find housing would not be able to use their certificate or voucher.

Another potential consequence could be that a person who has raised their income level above that allowed for Public Housing may not be able to find an affordable open-market dwelling. Higher rents in low vacancy areas may price a borderline poor person out of that housing market. Conversely, areas of heavy transience, (such as Madera, which has a large migrant community) provide better opportunities for those on waiting lists to be housed in short order. These areas tend to be scattered around the rural and agricultural centers of the State, however, where demand for subsidized housing is lower than in urban centers.

**California Is Not Building Housing Sufficient to Meet the Demand And Is Losing Affordable Units**

The State Department of Housing and Community Development reports that the demand for housing at all income levels outstrips the supply in California, and that there has been a gap of approximately 100,000 units each year over the past 10 years between numbers of housing units built and the number of units needed. More recently, the California Housing Partnership Corporation issued a December, 1999 report “Preserving California’s Housing Stock: A Risk Assessment of the Potential Loss of HUD-Assisted Multifamily Housing in California”. The report assesses the numbers of apartments that California has lost, or is likely to lose as a result of the expiration of the federal mandates that had kept them affordable. It states that 11,439 apartment units have already been lost to affordability. An additional 18,752 are at the highest risk of conversion to market rate.
Summary and Recommendations

This survey of housing authorities indicates that almost half a million California families, including approximately 1 million children, are on waiting lists for affordable housing; and that many families wait up to four years to get housing vouchers which are then, in some parts of the State, extremely difficult to use due to the tight housing market. At all income levels, California’s gap between those who need housing and its availability is growing by more than 100,000 units each year. And California stands to lose at least 30,000 units of affordable housing within the next few years unless there is significant intervention and investment. The lack of sufficient housing is now not only causing homelessness, but is beginning to impact California workers ability to raise their families, businesses’ ability to attract qualified workers, ……etc.

Housing California is a statewide coalition of over 1,000 affordable housing and homeless organizations.

In the face of organized opposition, Housing California is focused to build support for policies and programs that expand the availability of affordable housing, health care, education and community economic development opportunities. We are also committed to promoting justice for immigrants, people with disabilities and people of color, and providing a safety net for those in need. We also organize the nation’s largest conference on housing and homelessness. One of the primary lessons we can derive from the past is that what has led to success is working together - - reaching across what divides us to advance our vision of a better future.

Three Recommendations

1. Support the $650 Million state housing budget and increase it to, at least, $1 Billion annually in future years.

2. Dedicate the annual $5 Billion in FHA surplus funds to a new housing production program.

3. Increase the federal low income housing tax credits and federal and federal tax exempt bon cap to $1.75 per person and index it to inflation.

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2 See Tables 1 and 2; Section 8 and Public Housing.
3 See the Methodological section for further explanation of these figures.
4 This varies.
5 Different categories include single seniors, seniors with families, families waiting for 2, 3, or 4 bedroom units as well as other classifications.
Methodological Issues

1. **How many people are on waiting lists in more than one community?**
   One concern was that if people sign up for housing in multiple areas, the figures for those seeking government subsidized housing would be falsely high. Indeed, it would be rational for a family to seek housing wherever they could find it given the huge waiting lists in dense urban areas. Since housing agencies don’t exchange and cross-reference their lists, there is no way to determine how frequently people “multiple list” themselves. It is likely, however, that only a small number of enterprising individuals sign up on more than one waiting list, and those lists would be confined to a small geographic area. People would need to know when a jurisdiction’s waiting list is opened, which requires close attention to advertising in the nearby cities and counties. They would need to have transportation to each agency during the period that the list is open. Also, some agencies (such as the San Francisco Housing Authority) use residency as a ranking criterion. A person living outside of the municipality would rank lower, thus lowering their already slim chances of being housed.

2. **One name on the waiting list represents how many individuals?**
   No housing director had an answer to that question, particularly with respect to Section 8 housing. Presumably, however, each name on a waiting list is a head of household. The vast majority will have a spouse, dependants and or relatives who will live in the same household. An earlier report asserted that the former director of the San Francisco Housing Authority claimed that each name represented 2.1 to 2.3 people, but the current eligibility manager said that she had no knowledge of those figures.

   (Please refer to the tables entitled Section 8 and Public Housing when reading this section.)

   The United States Census offers some help, however. Nationally, the average family has an average of 3.18 members. Average family sizes differ significantly for race and origin subgroups – 3.92 for Hispanic, 3.02 for White, (not Hispanic) and 3.42 for Black families. Let us go with the national average (White, Hispanic and Black), which is below the California average, and the we have 3.18 members per family. Further, the census estimates that 69% of households are families, while 31% are nonfamily households. Multiply the 371,740 people on the Section 8 waiting lists by the 3.18 and that sum by 69% you reach a total of 815,672 family members waiting for Section 8 Housing in California. Perform the same calculations using the 93,632 on Public housing waiting lists, then you have 205,450 family members waiting for Public housing. That is a total of 1,021,122 individuals waiting for subsidized housing in California. That is a conservative estimate since Hispanics and Blacks are more highly represented in Public and Section 8 housing eligible groups.1 Also, this number is just from the purged waiting lists, and does not account for those who have signed up, but were made ineligible through various means (such as lotteries).
3. **Not every Housing Authority or other housing agencies was contacted.**

We tried to contact almost every Housing Authority in the state. Some did not respond to our calls. We were, however, able to contact most housing authorities, including all of the largest metropolitan authorities. We also have a broad sample of those representing medium sized and small municipalities. While we may not have accounted for every family seeking housing in the state, we have constructed a large and representative sample.

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1 The census estimates that people living alone account for 83.2% of nonfamily households. My calculations assume that all of the nonfamily households looking for Section 8 and Public housing are people living alone, making this estimate even more conservative.
Contacts—Housing Authorities

Alameda Co HA
Mrs. McRae
(510) 727-8530

Benicia Housing Authority
Mike Flo
(707) 745-2071 x12

Berkeley Housing Authority
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(510) 594-4202 (4204)

Contra Costa Housing Authority
Jean Moore
(510) 231-2400

Crescent City HA
Suzie Mendez
(707) 464-9216

Dublin HA
Secretary-Anon.
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Fresno City/Co HA
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Humboldt Co HA
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Bob Hoskins
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Vallejo City HA
Gary Truelsen
(707) 648-4393
## Table I: SECTION 8

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<th>Area/Authority</th>
<th>Certificates/Vouchers</th>
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**Total** | **104133** | **371740**
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