



Who Gets Left Out Because of a Lack of Housing Options?

▶ **Planning for our future in San Mateo County** is important because a lack of housing options means that family members, neighbors, empty-nesters, low-wage earners, persons with disabilities and seniors on fixed incomes will have an increasingly difficult time staying in our community. For example, a household with one childcare worker and a computer systems analyst who make a combined salary of nearly \$110,000 are not able to afford the County’s average monthly mortgage of \$4,000. A single mother of three who works as a secondary school teacher earning a salary of \$62,000 may have to choose between overpaying for housing and living in substandard conditions, because she cannot afford the median rent of nearly \$1,600 for a two-bedroom apartment.

What is Affordable Housing?

Housing is considered affordable when a family pays no more than 30 percent of its income towards rent or mortgage (including insurance, property maintenance and repairs, homeowner association dues and taxes). This definition is widely used by local, state and federal governments and recognizes that households have other essential expenses including food, clothing, healthcare, childcare and transportation.

The term “affordable housing” can also refer to housing that is targeted to households with low or moderate incomes and is subsidized in some way to make it affordable. The definition of “low income” is established by the U.S. Department of Housing and Urban Development (HUD) as a percentage of the Area Median Income (AMI) and varies from region to region and by household size.

How are income limits defined?

When planners evaluate housing options for different income groups they use a classification of income limits based on household size and income as compared to the median income in the area.

Income Categories	Annual Income for a 3-Person Family	Affordable Monthly Housing Payment
Above Moderate	\$102,601 and above	\$2,565
Moderate (above median)	\$85,501 – \$102,600	\$2,163
Moderate (below median)	\$81,451 – \$85,500	\$2,075
Low Income	\$50,901 – \$81,450	\$1,550
Very Low Income	\$30,551 – 50,900	\$1,050
Extremely Low Income	Under \$30,050	\$625

2007 Figures

Impact of the Housing Shortfall

As illustrated in the table below, the mismatch between population growth and the projected housing supply in San Mateo County will have a major impact on middle-income households and the greatest impact on the lowest-income households. In addition, over 19,000 households in the County are living in seriously overcrowded conditions, and as many as one-third of County households are overpaying for their current housing. If these households' needs were taken into account, the shortfall of housing would be even greater.

(Source: 2000 US Census)



Housing Need, Supply & Shortfall

Scenario 1 (ABAG Projections)			
Income Category	Need	Projected Supply	Estimated Shortfall
Above Moderate	25,795	27,811	2,016
Moderate (Above Median)	7,033	3,515	(3,518)
Moderate (Below Median)	1,864	833	(1,031)
Low Income	15,734	4,373	(11,361)
Very Low Income	10,724	1,128	(9,596)
Extremely Low Income	11,745	238	(11,507)
Total	72,895	37,898	(34,997)

Scenario 2 (Historical Development Trends)			
Income Category	Need	Projected Supply	Estimated Shortfall
Above Moderate	25,795	17,929	(7,866)
Moderate (Above Median)	7,033	2,126	(4,907)
Moderate (Below Median)	1,864	504	(1,360)
Low Income	15,734	2,554	(13,180)
Very Low Income	10,724	638	(10,086)
Extremely Low Income	11,745	100	(11,645)
Total	72,895	23,851	(49,044)

Housing Shortfall By Income Categories

