

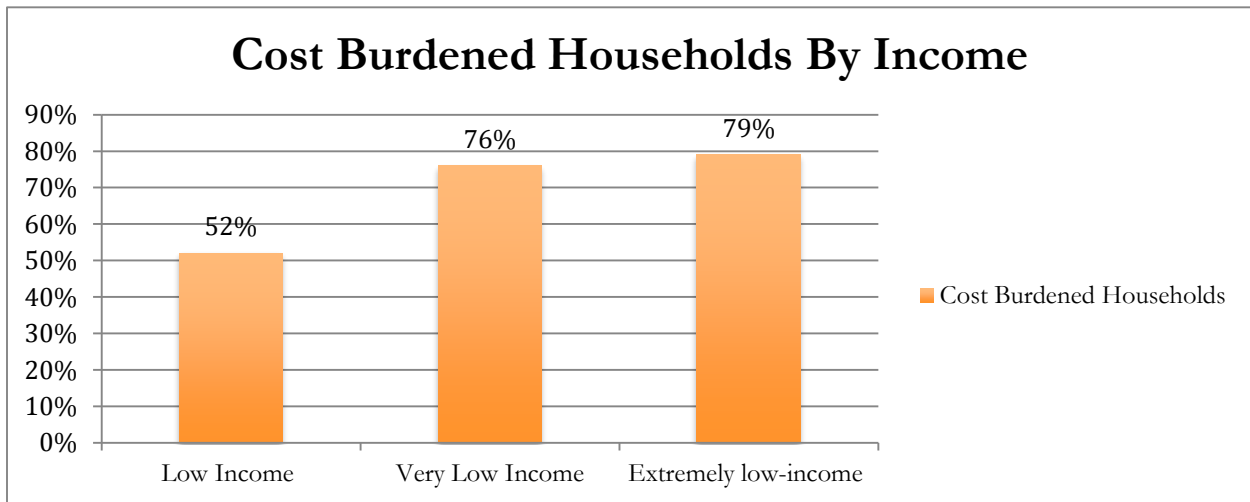
Oakland’s Displacement Crisis: As Told by the Numbers

Oakland stands at the center of a perfect storm. The city and surrounding Bay Area region are experiencing extraordinary economic growth, but housing production is not keeping pace with the escalated demands, nor is sufficient housing affordable to many existing residents and the expanding lower-income workforce. The current displacement crisis undermines the health and wellbeing of its residents, and threatens the historic diversity that gives Oakland its strength and vitality.

The red-hot Bay Area economy is feeding a displacement crisis. Nearly 150,000 new jobs are expected to be added to the East Bay economy by 2020, but housing production is not keeping pace with escalating demands, nor is sufficient housing affordable to many existing residents and the expanding lower-income workforce. According to *A Roadmap Towards Equity: Housing Solutions for Oakland, CA*, the majority of current Oakland residents could not afford to rent or purchase homes at the current prices in their neighborhoods.¹ This has strong implications for Oakland families who lose their housing due to eviction, foreclosure, or other events. The housing crisis imperils seniors on fixed incomes, artists, students, low-wage workers (there is no market level apartment listing affordable for a worker earning Oakland’s minimum wage of \$12.55/hour), and even teachers, nurses, and first responders.

Housing is the single largest expense for households, and far too many pay too much for housing, particularly low-income families and households of color. High housing costs squeeze household budgets leaving few resources for education, emergencies, healthy food, or long-term investments.

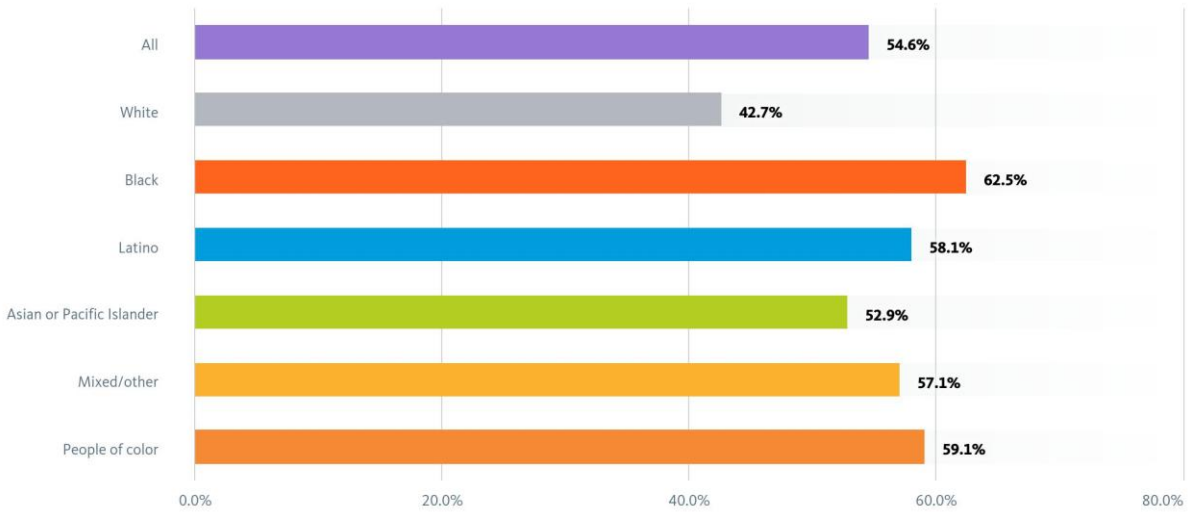
Rising housing costs fuel displacement pressures across Oakland, particularly for low-income households. Nearly half of rental households in Oakland are housing cost burdened,² meaning the household spends more than 30 percent of their total income towards housing. Lower income households are disproportionately impacted by housing costs, with nearly 80percent of Oakland’s lowest-income households cost burdened.



Source: *A Roadmap Towards Equity: Housing Solutions for Oakland, CA*

Housing cost burdens have stark racial impacts. African American households face the highest housing cost burden, with 63 percent devoting more than 30 percent of their income to housing, according to the PolicyLink National Equity Atlas.³ Fifty-eight percent of Latino households are housing cost burdened. Overall, 59 percent of households of color are housing cost burdened, compared to 42 percent of White households.

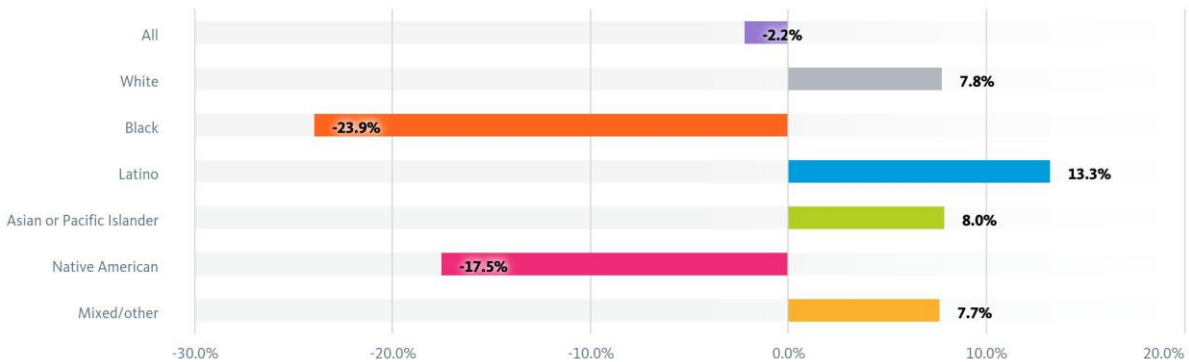
Housing burden by tenure and race/ethnicity: Oakland City, CA, Renters, 2012



IPUMS
PolicyLink/PERE National Equity Atlas, www.nationalequityatlas.org

Displacement forces are falling heavily on African American households and families with children. Between 2000-2010, the Oakland Unified School District lost more than 10,000 students, and the City of Oakland lost 34,000 African American residents, representing a 24 percent decline.⁴ Oakland’s ongoing and dramatic loss of African American households creates the risk of following in San Francisco’s footsteps, and losing the intergenerational treasures of our community.

Percent change in population: Oakland City, CA, 2000-2010

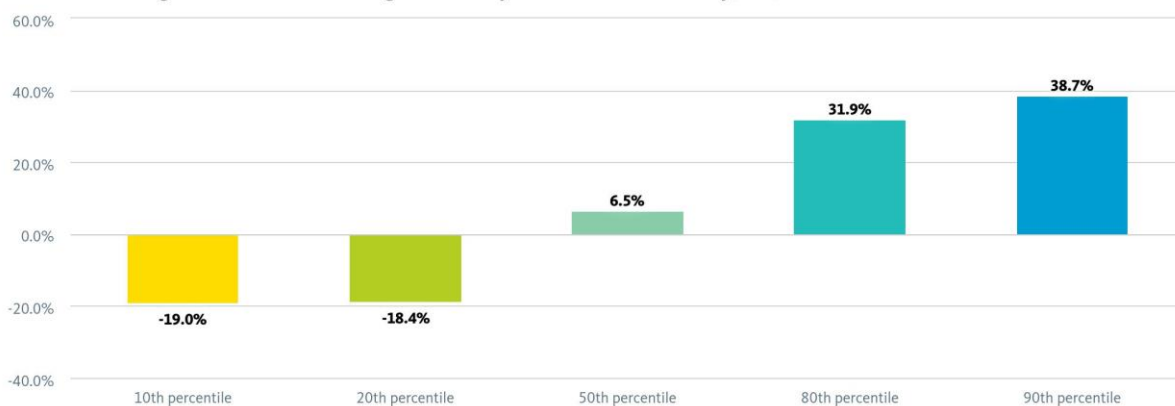


U.S. Census Bureau; Woods & Poole Economics, Inc.
PolicyLink/PERE National Equity Atlas, www.nationalequityatlas.org

Growing income inequality exacerbates pressures on African Americans and school-age children. African Americans and families with children are disproportionately represented in lower-income households. Over the past three decades, income for full-time workers at the bottom tenth declined by 19 percent while income for those at the top tenth increased by 39 percent.

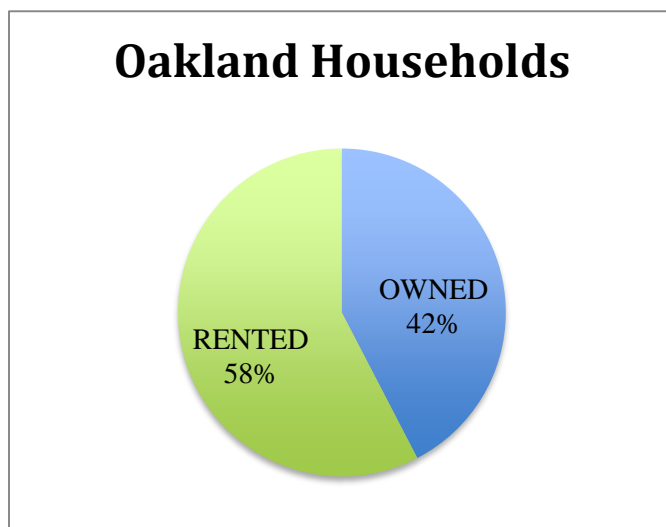
When vulnerable households are forced from their neighborhoods, they face numerous health and behavioral consequences including the loss of stability, as well as social and cultural supports.

Earned income growth for full-time wage and salary workers: Oakland City, CA, 1980-2012



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Oakland Housing Profile:

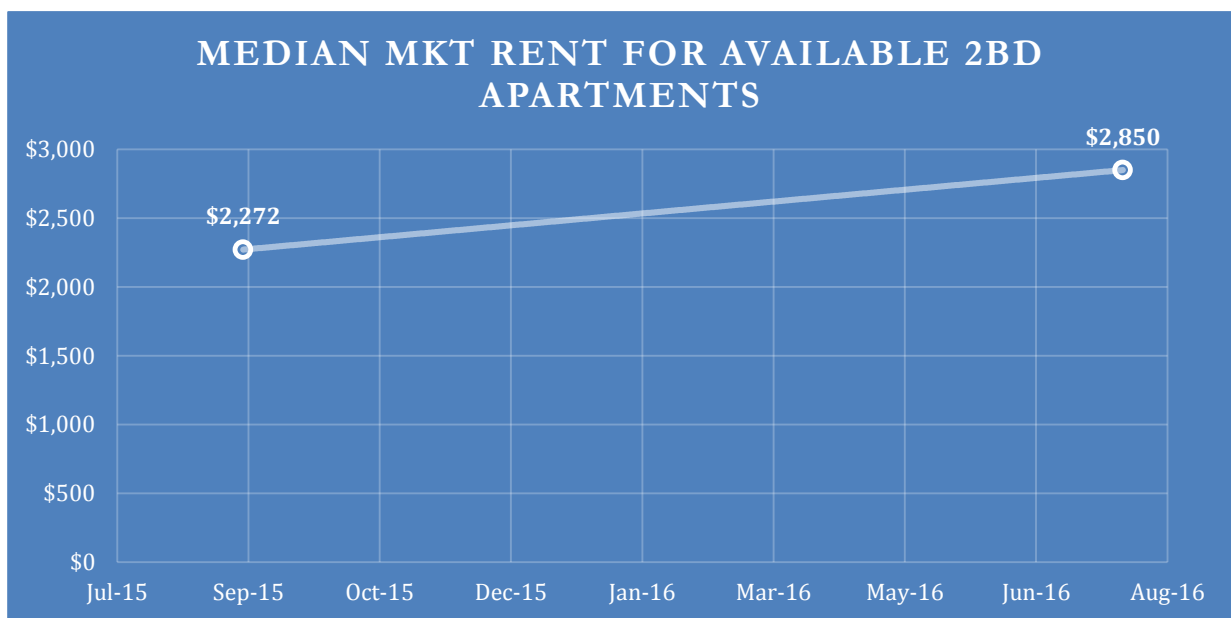


- Oakland Home Owner Households have a **median income of \$89,645**
- Oakland Renter Households have a **median income of \$34,195**

Increased housing costs lock out first responders, teachers, and service workers. The Bay Area is experiencing unprecedented housing costs. The arrival of 3,000 UBER employees to downtown Oakland in 2017 underscores the forecasted large growth in high-wage earners, but lower wage employment is also expected to add significant new jobs. The San Francisco Bay Area is approaching record high employment with the professional, scientific, and tech industries—which deliver the highest wages in the region—serving as the major driver of the growth; however, this growth puts upward pressure on housing costs across the region.

The influx of highly compensated professionals into the Bay Area has led to increased regional housing demand, without commensurate increases in housing supply. This basic market imbalance has fueled a spike in housing costs in Oakland, which increasingly serves as both a regional housing and jobs hub. Since the regional economy began its recovery in 2011, the median home sale price in Oakland has increased 178 percent,⁵ leading to displacement pressures across Oakland’s diverse neighborhoods.

In the last year, the median market rent for an available 2-bedroom apartment in Oakland has increased by 25 percent.⁶



Source: Trulia

Vital community members have been priced out of Oakland. The housing crisis is impacting workers vital to a functioning economy, with little to no options for low and even moderate wage-earners seeking housing on the open market.

- **Number of Oakland units affordable for workers earning the City of Oakland’s minimum of \$12.55/hour⁷: Zero** (Estimated salary of \$26,104, or \$20,282 after taxes = \$508/month towards housing).⁸

- **Percentage of income an average Oakland minimum wage worker would have to devote for a 1BR apartment: 112%** (\$1900 average market rent (Trulia)⁹ out of total \$1,690 estimated post-tax monthly income).
- **Number of Oakland units affordable for workers with entrance-level teacher salary: Zero** (Estimated salary of \$42,497 per Oakland Education Association,¹⁰ \$31,634 after taxes = \$790/month towards housing).
- **Percentage of income an average worker with an entrance-level teacher salary would have to devote for a 1BR apartment: 72%** (\$1900 average market rent (Trulia) out of total \$2,636 estimated post-tax monthly income).
- **Number of Oakland units affordable for workers earning an entrance-level fire fighter salary: Three** (Estimated salary of \$81,419 per City of Oakland pay schedule¹¹ for fire fighter, or \$53,755 after taxes = \$1344/month towards housing).
- **Percentage of income an average entry-level fire fighter would have to devote for a 1BR apartment: 42%** (\$1900 average market rent (Trulia) out of total \$4479 estimated post-tax monthly income).

Immediate action steps are needed to address the housing crisis. The City Council, City Administrators, and Alameda County are proposing a number of policy solutions to stabilize neighborhoods impacted by the housing crisis. Solutions to Oakland's displacement crisis must provide and protect affordability at all levels of need, ensure habitability, protect against unfair and unjust displacement, and connect residents to the jobs, schools, services, and community resources that create conditions for health and prosperity.

- Alameda County Proposition A1 is a \$580 million Affordable Housing Bond that would preserve and protect affordable housing by:
 - Devoting \$460 million towards affordable rental housing, including a \$35 million fund to permanently dedicate market opportunities to affordability.
 - Providing \$50 million in down payment assistance for moderate income families.
 - Investing \$45 million in maintenance and accessibility assistance for seniors on fixed-incomes and the disabled to help them remain in place.
- Measure JJ is a ballot measure approved by the Oakland City Council for the November 8th ballot that will change Oakland's current Rent Control System by:
 - Shifting the burden so that landlords must petition the Rent Board Petition system to increase rents above the legal amount.
 - Expanding Just Cause Eviction Protection to an estimated 10,561 additional Oakland rental units.¹²
 - Modernizing the Rent Board and Rent Adjustment Program by increasing notice and reporting requirements, as well as a new searchable online database.

¹ <http://www.policylink.org/sites/default/files/pl-report-oak-housing-070715.pdf>

² <http://www.jchs.harvard.edu/americas-rental-housing>

³

[http://nationalequityatlas.org/indicators/Housing_burden/By_race~ethnicity:32961/Oakland_City,_CA/false/Year\(s\):2012/Tenure:Renters/](http://nationalequityatlas.org/indicators/Housing_burden/By_race~ethnicity:32961/Oakland_City,_CA/false/Year(s):2012/Tenure:Renters/); data sourced from Integrated Public Use Microdata Series, <https://usa.ipums.org/usa/>

⁴ Urban Strategies Council Data and Mapping report (Appendix G of Oakland Equity Roadmap), <http://www.policylink.org/sites/default/files/pl-report-oak-housing-070715.pdf>

⁵ http://paragon-re.com/Bay_Area_Market_Survey

⁶ http://www.trulia.com/real_estate/Oakland-California/market-trends/

⁷ Measure FF raised the City of Oakland's minimum wage, which is currently set at \$12.55/hour. <http://www2.oaklandnet.com/government/o/CityAdministration/d/MinimumWage/index.htm>

⁸ http://www.zillow.com/homes/for_rent/Oakland-CA/house,condo,apartment,duplex,mobile,townhouse_type/13072_rid/0-225820_price/0-790_mp/38.004549,-121.998024,37.511632,-122.473183_rect/10_zm/

⁹ http://www.trulia.com/real_estate/Oakland-California/market-trends/

¹⁰

<https://drive.google.com/drive/folders/0B7BumuFGNySJfnhGTEZIN0NwZDZ6LU1LRjZTMnQ5cklMSkpJV3VuZFRiMV9OQTdQZnprZ28>

¹¹ <http://www2.oaklandnet.com/w/OAK032236>

¹² <https://oakland.legistar.com/View.ashx?M=F&ID=4448065&GUID=6DCE6118-BFE8-423C-B867-CEBD3C810ED3>