

Department of Housing

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2016 National Housing Conference report highlights continuing affordability challenges in the Silicon Valley

SAN JOSE, Calif. — The National Housing Conference recently released the 2016 edition of “Paycheck to Paycheck,” the annual report that explores full-time wages and the high cost of housing in communities across the United States such as the San José metropolitan statistical area.

NHC analyzed 11 job groups in the San José MSA to see if workers could afford three options: rent a one-bedroom home, rent a two-bedroom home, or buy a single-family home. Occupations were selected from a variety of industries represented in San José, including the tech sector.

Of the 11 jobs groups analyzed by NHC, none in the San José MSA were able to afford all three options. Only *two* job groups – Registered Nurse and Software Programmer – were able to afford two options, to rent a one-bedroom home or rent a two-bedroom home.

Two job groups – Police Officer and High School Teacher – were able to afford only one option, to rent a one-bedroom home, but they were not able to afford to rent a two-bedroom home or buy a single-family home.

The remaining *seven* job groups were unable to afford any of the three options - renting a one or a two bedroom home or buying a home. The range of jobs in this final grouping included: Retail Cashier, Hair Stylist, Fast Food Worker, Nursing Assistant, Customer Service Representative, Firefighter and Administrative Assistant.

The median salary for workers in the eleven groups in the San Jose MSA was \$52,412.38 – falling below the national median income of \$53,482. Of the occupations selected, the lowest median salary was earned by a full time Retail Cashier, earning \$25,929.50. The highest median salary was earned by a Programmer II, earning \$91,261.

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The San José MSA includes all cities in Santa Clara and San Benito Counties and a population of nearly two million people. Affordability is defined as spending no more than 30% of household income on monthly housing costs.

"Far too many of our residents are struggling to keep pace with ever-rising housing costs," said Mayor Sam Liccardo. "That's why we're focused on strategies that will both increase the supply of affordable housing in our community and ensure that more of our residents benefit from our Valley's prosperity."

The report notes several federal, state and local policy solutions that can help workers with renting and homeownership. Over the past several years, the City of San José has aligned its own housing strategies by adopting measures such as an affordable housing impact fee, an inclusionary housing program, and the continued strategic investment of funding into the financing of affordable housing development.

"With the soaring cost of living and housing, and with so many of our residents struggling to make ends meet, we must continue to find innovative solutions to the housing crisis in our city," said Jacky Morales-Ferrand, director of the San José Housing Department. "Professional adults, hardworking families, and so many other individuals deserve the opportunity to find a home in San José."

The full report, a database of wages and housing costs for 81 occupations in 210 metro areas, report methodology, and a supplemental research brief are available here: www.nhc.org/2016-paycheck-to-paycheck.

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About the City of San José

Known as the Capital of Silicon Valley, San José is the nation's tenth largest city, and the largest city in Northern California, with an ethnically diverse population of more than one million. San José was founded in 1777, once served as the state capital of California, and now encompasses 180 square miles. The City's website is www.sanjoseca.gov. Facts about San José can be found here: www.sanjoseca.gov/DocumentCenter/View/780.

About the City of San José Department of Housing:

Since 1987, the City has been a leader in the affordable housing field, creating more than 21,000 new housing opportunities for San José residents. The mission of the City's Housing Department is to strengthen and revitalize our community through housing and neighborhood investment. For more information, visit www.sjhousing.org.

About the National Housing Conference:

The National Housing Conference represents a diverse membership of housing stakeholders including tenant advocates, mortgage bankers, nonprofit and for-profit home builders, property managers, policy

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practitioners, real estate agents, equity investors and more, all of whom share a commitment to safe, decent and affordable housing for all in America. We are the nation's oldest housing advocacy organization, dedicated to the affordable housing mission since our founding in 1931. We are a nonpartisan, 501(c)3 nonprofit that brings together our broad-based membership to advocate on housing issues. Learn more at www.nhc.org.