



## How to Address California's Growing Crises of Housing and Homelessness

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California is in the midst of an urgent housing and homelessness crisis. The growth of Silicon Valley industries has drawn to the state high-earners willing and able to pay inflated housing prices. Rents have soared, disproportionately affecting people of color and low-income communities. Rising costs have forced many people to relocate or left them homeless. In the past year alone, 8,000 people have become homeless for the first time. But homelessness numbers and rent prices do not capture the extent of the crisis. Many who find themselves unable to afford housing avoid homelessness by living in overcrowded and often unsafe living conditions. As a result, available data are limited and underestimate housing problems.

Policymakers should institute statewide rent controls and encourage local communities to adopt regulations to protect the millions of renters at risk of eviction, displacement, and homelessness. Although such policies would be a stop-gap, they would help abate soaring housing prices and steadily increasing numbers of homeless people in the state. What is more, even though the scale of California's housing crisis is unmatched, similar crises have taken off in other regions — so policymakers and housing advocates in other states could learn key lessons from California. As economies and populations shift, decision makers who recognize the signs of a crisis early on and take proactive measures can implement policies to avoid future disasters.

### The California Housing Squeeze Begets the Homeless Crisis

California renters face the brunt of the housing squeeze. Take the costs faced by one Silicon Valley renter: In 2011, their two-bedroom two-bath cost \$1,200 a month, but in 2019 it costs almost \$3,000. In 2015, four in ten households were cost-burdened — spending more than 30 percent of their income on rent, and one in five households was *severely* cost-burdened, spending more than *half* of their incomes on housing. Tenant evictions are widespread — not just in San Francisco, but also in historically lower-income surrounding cities and suburbs like San Mateo and Daly City. Residents are being pushed further and further away from high-demand Bay Area, forcing them to compete with other local tenants and driving up costs elsewhere. Sacramento and Santa Cruz are now challenged by these ripple effects. Californians living in the Central Valley and greater Sacramento area feel the rising rents caused by outward migration from the Bay Area.

Lack of affordable housing has spurred economic inequality, poverty, and homelessness. About 19 percent of California residents are now living in poverty, surpassing the nation's poverty rate of 13.9 percent. California is home to 12 percent of the nation's population, yet also hosts a quarter of the country's homeless people.

Students on state university campuses have also been affected by the crisis. Five percent of the University of California student population and ten percent of California State's students have experienced homelessness. Low-income students are particularly vulnerable and must often deal with predatory landlords. Increasingly, housing options affordable for low-income students are in very poor condition.

Even people who avoid homelessness are forced to pay for inflated rent prices with funds that might otherwise go to cover savings or basic expenses. It is no surprise, then, that California has highest poverty rate in the nation — and this crisis disproportionately affects low-income populations and people of color.

### Filipino Communities are Hit Hard but May Not Appear in Research

Despite alarming statistics about California's housing and homelessness crises, research does not capture all those who are directly impacted. Policymakers in California who seek to abate the crises and those in other

states who want to prevent similar crises from happening in their states should work to understand the experiences of California's Filipino population. Many people in this population are absent or barely visible in available data, but they are still hard hit by rising rents and affiliated housing costs. Research on this group helps fill this gap and demonstrates the numerous challenges that flow from housing difficulties.

Filipinos are the largest Asian ethnic group in California. In 2008, about 22 percent of Filipinos in the state were renters, and about 14 percent had incomes between \$20,000 and \$50,000. As with many populations of color, Filipinos in the San Francisco Bay Area have been hit hard by gentrification of low-income neighborhoods and the skyrocketing rents that follow. The same is true in Southern California. In Los Angeles, for example, one in three renters are severely cost burdened. Most of the clients of the Filipino Migrant Center in Long Beach are Filipino people who are being evicted or who are searching for housing. Many Filipino and Latino families are living in crowded and small apartments in bad conditions. Although clearly impacted by the housing crisis, such California's may not appear in data because they live indoors in overcrowded, unsafe apartments rather than on the street.

Although some studies show that Filipinos have high home ownership rates, these statistics do not account for overcrowding in homes nor other complicated housing conditions — especially for new immigrants. Researchers must examine these conditions and housing advocacy groups should reach out in ways that allow Filipino renters and non-renters along with others to register support for policies that aim to make housing more affordable for regular Californians.

## The Case for Rent Control

Statewide rent control regulations can protect millions of renters, Filipino and non-Filipino alike, from being evicted. Local policymakers should implement rent control regulations in order to curb the rise of homelessness and poverty across the state. Analysts critical of rent control are concerned that such legislation will not address the causes of the housing shortage, primarily because they believe it reduces the incentives for landlords to build new housing or to maintain existing ones. But very rarely (if ever) do proprietors get rid of their low-income housing to replace it with *more* low-income housing. Rather, they are replaced by residences that few can afford.

Contemporary rent-control policies have safeguards which mitigate these negative effects by allowing landlords to continue earning modest profits while simultaneously protecting people of color and low-income communities from displacement, particularly as more urban areas across the nation become gentrified. Rent control serves as a "lifeline" that helps families continue to live in places they can afford and provides an important first step in creating an immediate safety net for the many renters and households who are cost-burdened.