

Housing Our Workers

GETTING TO A JOBS-HOUSING FIT



OCTOBER 2021

*The Council of Community Housing Organizations
San Francisco Labor Council
Jobs With Justice*

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Photo Credit UESF

Introduction

As housing prices have continued to escalate in San Francisco the tens of thousands of workers who keep the City running are finding it more and more difficult to keep a roof over their heads. The impacts of housing policy are intimately woven into the lives of many tenants and homeowners who are also workers, without whom our City would cease to function. Our teachers, food service workers, nurses, firefighters, street cleaners, electricians, domestic workers, drivers, city workers and many many others make the City what it is, but their ability to remain in our communities is jeopardized by increasingly inaccessible rents, mortgages and down payments. Good jobs and benefits are essential for our labor community, but so is good housing and affordability.

San Francisco is already one of the most expensive and rapidly gentrifying cities in the world. Waves of housing speculation by the real estate industry have opportunized on the gentrification of San Francisco's working-class neighborhoods. These market pressures have resulted in the displacement of thousands of vulnerable, at-risk working households from the City.

Unaffordable housing costs are not an accident – the housing affordability crisis is the outcome of a real estate industry that has created the conditions for the gentrification of San Francisco's working-class neighborhoods, and of the complicity of local public policy in allowing and even incentivizing this speculative behavior.

The rapidly increasing costs of housing in San Francisco have risen at a much faster pace than the rate of wage growth for workers. For the industries where workers and unions have fought to win better contracts, this means more and more of those hard-won improvements to incomes are effectively diverted to real estate investors. Throughout our communities, essential workers are devoting an ever-increasing proportion of their incomes just to pay their rent or mortgage.

The lack of affordable housing and the instability caused by rampant gentrification has pushed many working families out of the City, often to the peripheries of the Bay Area or out of the region altogether, forcing many to make long commutes into San Francisco in order to work. Many working-class communities in these outer ring suburbs have been beset by the same opportunistic real estate patterns of bankruptcy, disinvestment, and predatory lending that led to their initial displacement. More and more working people are being left behind by the real estate industry, while at the same time housing continues to be a profitable investment for players in the industry regardless of its impact on community.

Housing Our Workers is a response to this scarcity of housing affordable for workers, especially those many thousands of essential workers who have kept San Francisco running during this time of pandemic and economic upheaval. The labor community is standing up to take charge in ensuring a long-term vision of keeping working families in our City!

Without question, COVID-19 has disproportionately affected low-income, working-class communities, and has exacerbated economic and health disparities in the City. These disparities often highly correlate with longstanding racial disparities as well. Many of the problems that already existed for workers and their families were made exponentially worse with the onset of the pandemic.

Those same workers who can barely afford to live in San Francisco, risk their lives every day during COVID-19 to ensure that San Francisco keeps running.

This has exposed the fundamental failures of the current housing market that has not provided safe, equitable and affordable housing for all of our San Francisco workers.

Shelter in place orders have also put a financial strain on workers who have had to work reduced hours or have lost their jobs entirely because of the pandemic. Poor support from the federal government and inconsistent support from local employers has forced many essential workers to risk their families' health by having to choose between going to work or not having food on the table. Some households that have been without work are now facing thousands and thousands in rent debt as a result of unemployment.

Underlying this is the constant threat of housing instability as the threat of eviction or mortgage default looms over many residents' heads. The COVID-19 pandemic has life and death implications for many folks; teachers, electricians, hotel workers, in-home health workers are all struggling to make ends meet. These are the workers who make the City function, doing so without great fanfare, day in and day out. San Francisco was unaffordable for most before the pandemic; the effects of the pandemic have made this an even more hostile environment for essential workers.

Housing Our Workers centers the stories of working people, who are so often left out of the housing policy discussions in San Francisco, while addressing the challenges that face them and their families trying to live and work in this city.

Who are our workers? Although low-income households have the most severe affordability challenges, workers at many occupations and income levels find it increasingly difficult to afford housing. All of the workers highlighted in this report provide indispensable services, and as a result of the COVID-19 pandemic, much of their work is finally being recognized as essential. Many of them, even those considered to have good stable high paying jobs, face significant challenges in accessing housing that is affordable to them.

The report tells the stories of several of these workers' as they've attempted to navigate a real estate system that simply does not center their needs. We interviewed San Francisco essential workers, demonstrating the spectrum of arduous housing experiences that working-class people in this City contend with. Their stories demonstrate the essential connection between workers and their families and the communities where they work—people working and living in the same City creates a holistic relationship—reinforcing the critical importance of the active anti-displacement work taking place in San Francisco. These essential workers are an undeniable necessity in continuing to build the San Francisco we know and care for, and yet their stories lay bare how our current housing market fails to value them as such. We must do better.

The **Housing Our Workers** report then moves to build on these worker stories with a **"Jobs-Housing Fit"** analysis, which demonstrates in detail both the tremendous needs for housing for San Francisco's workers and the current disparity in affordable housing available for workers and their families today.

The Jobs-Housing Fit investigates the crucial question: what are the incomes of essential worker households and what can they afford to pay for housing in San Francisco. Is there a "fit" between jobs, wages, and housing affordability in our City? The data makes it clear that working-class families are at a steep disadvantage as the costs of housing in the City continue to rise out of reach.

So what can we do about this? **Housing Our Workers** wouldn't be complete without actionable purpose. We provide a framework of recommendations to **protect** residents and communities, **preserve** existing housing within communities, and **produce** new housing that meets the affordability needs of these vulnerable workers and their families, within the housing solutions framework of the "3 Ps" (Protection; Preservation; Production).

The recommendations include eviction prevention and rent relief for households with loss of income due to COVID-19, protections for low-income and moderate-income homeowners, and investments both for the acquisition of existing housing to maintain affordability and for the development of affordable housing that meets the range of working household incomes. A key element for this housing is that it be built by workers who are paid good wages with benefits. These and many

other protection, preservation, and production strategies are all integral pieces to addressing the disparities faced by working families, and are essential to ensuring affordable housing for workers who need it and stability for working-class communities.

As we emerge from the COVID-19 pandemic, we have an opportunity to build our city back in a more equitable way.

If we hope to see a robust return of small business, restaurant, hotel, and service sector jobs, and the economic drivers of education and health care, we need stable housing for our workers.

Housing Our Workers sheds light on the often overlooked working people who suffer the most from the housing crisis and centers them as the focus for bettering our housing system. We can prioritize workers and create housing that works for all San Franciscans. With thorough analysis, smart policy ideas and political will, it can be done.

We hope **Housing Our Workers** provides insights and an actionable pathway that inspire us all to make it happen. We have an opportunity to put the policies outlined in this report into action and to dedicate resources to communities that need it the most. Let's house all of San Francisco's workers **NOW!**



Photo Credit Electricians IBEW Local 6.

Who Are Our Workers?

It is clear that speculation in the real estate market and imbalanced housing production has heightened San Francisco's housing affordability crisis, but **who are the workers affected?**

Housing Our Workers conducted in-depth personal interviews with San Francisco workers across a variety of occupations. The interviews illuminate the real life stories of San Francisco workers who keep the City's wheels moving each day. There are thousands of household stories just like these, each with unique and personal ways people cope with the City's lack of affordability. The stories demonstrate the wide range of experiences that are faced by our diverse San Francisco workforce each day.

A recurring theme of these firsthand accounts was the impact not just of unaffordability but of housing instability - whether by threat of eviction, overcrowding and doubling up with other families, loss of household income, inability to save for emergencies, education, retirement, or homeownership. The financial burden of paying for housing in San Francisco forces many workers into difficult and often precarious living situations.

Add to that the difficulties imposed by shelter in place, distance learning, or necessary self-isolation - an even more central barrier for many workers as they navigate the pandemic. Frontline essential workers face even more stress to their physical and mental health each day as they work during this health pandemic and economic recession.

COVID-19 has greatly exacerbated economic and health disparities in the City that many working families had already been facing even before the pandemic began. The lived experiences of San Francisco's workers should guide us as we strive toward a more equitable **Jobs-Housing Fit**.



LARRILOU CARUMBA

Housekeeping Service Worker

One day, Larrilou dreams of being able to give her family their own home where they can all have their own space. “It’s really hard to be in just one room... all our things are here and we cannot fit in one bed.”

Larrilou shared her story as an experienced housekeeper working in San Francisco, and the mother of three children, all currently living in one room in her sister’s San Leandro home. Larrilou first began experiencing housing instability when her previous apartment was renovated. Her landlord raised her rent from \$1,400 to \$2,100, which she was unable to afford. The sudden increase in rent forced Larrilou to move with her family into her sister’s home where they are sheltering-in-place with her extended family.

As she continues to search for affordable housing in San Francisco, Larrilou faces many challenges. The number of waitlisted families for BMR (Below Market Rate) units far overshadows the number of available units, and in particular, affordable family-sized units. She is currently looking for roommates to share the cost of rent with, which poses yet another challenge in finding a sustainable housing situation, especially during the pandemic.

Larrilou falls into the grey space that many working people fall into; she is unable to afford a home at market prices, while earning too much to qualify for government assistance such as Section 8 (subsidised rental housing for low-income residents). Larrilou is a longtime member of the Unite HERE Local 2 union for hotel and restaurant service workers, who makes over twenty-six dollars an hour, but still can’t afford to live in San Francisco. “I’m lucky I have that kind of salary,” she said. “But I’m not lucky enough to have a house.” She wonders how much more difficult it would be for a worker who is only making a minimum wage in the City. Thankfully her family medical coverage was extended temporarily, but the future remained unclear. “That’s the reason why I’m on this job” she mentioned. “I’m trying to protect my health care for my kids... I just want to work. I just want to work for my kids. That’s the center of my attention.”



CHELSEA ENG

Community College Educator

As someone who grew up in the city, Chelsea has noticed a dramatic change. “It would be nice if housing in the city were accessible to middle-class working people. I was born and raised in San Francisco, I went to elementary, middle and high school here. The city has gone through such a shift. I feel so many people have been priced out.”

Chelsea has been sharing her lifelong passion for tango as an educator at City College of San Francisco. She loves her job and the people that she has met throughout her time at the school. “I love teaching. I love the community of students with whom I’ve had the privilege to interact over these past twenty years. It’s really kind of like a family. Both the dance department colleagues and the students, some of whom have been there for a good while. It’s very special, the sense of community that we have.”

Unfortunately, Chelsea has been unable to save for retirement due to the high cost of housing. She searched for Below Market Rate housing, but her income was just above the threshold to qualify. Chelsea was advised to purchase real estate as an investment with the ability to refinance in the future, but after the 2008 financial crisis she had to invest all of her retirement savings to hang on to her mortgage. Chelsea almost almost lost her home to foreclosure. “Literally two days before that lump sum payment was due, I was able to refinance. Somebody finally said yes. And I really felt like I was saved by the bell, you know, it felt like a miracle and enabled me to hold on to the place.” She is currently living in the home she grew up in, forced to rent her condo in order to cover her mortgage payments on an interest-only loan.

Chelsea dreams of climbing out of debt and being able to live independently. “I would just love for my apartment to become solvent. You know, my dream would be to pay it off. I mean, simple as that. I would love to not be in debt and not have that monthly financial strain.”

In a time when educators are being pressured to prove their value in subjects such as math, science, or English, rather than art-based classes such as dance, Chelsea navigates work as an educator during shelter-in-place by investing in hours of prep work, recording, and editing time in her CCSF Zoom dance lessons. Her story illuminates how hard-working people who have grown up in the City are constantly threatened with housing instability due to market pressures. It demonstrates that owning property is no guarantee against foreclosure and displacement.

LOURDES DOBARGANES

House Cleaner and Caretaker

Lourdes is a domestic worker and leader with La Colectiva, a woman-run domestic workers' collective. An immigrant from Mexico, Lourdes has been living in San Francisco for 25 years. She currently lives with her two adult children in a 3-bedroom apartment that costs \$3,000/month. Her son suffers from a chronic injury and is unable to work so Lourdes also spends time taking care of him.

Before the pandemic, Lourdes worked 12+ hour days to afford rent, often leaving for work by bus from Treasure Island before 7am and not returning home until 10pm. As a domestic worker she cleaned fifteen households and acted as a caretaker for two elderly community members. After the start of shelter-in-place orders in March, Lourdes lost all her employment. Her daughter was also laid off from her hostess job, on top of the need to care for her chronically ill son. The little they have goes to basic necessities, they have been unable to pay rent. At the time of her interview in late September, she had \$18,000 in rent debt. "If they evict me it's not going to be because I haven't wanted to work or because I haven't wanted to pay my rent" Lourdes said. "They'll evict me because there isn't work and because I can't go out to work and because we're in a pandemic." Lourdes explained that "It's not for enjoyment that we're not paying rent. We're in this situation of a pandemic where we can't go out to work."

An active leader in La Colectiva, Lourdes has been organizing for years with her co-workers to urge the passage of health and safety legislation for California's domestic workers. She is also now fighting to win rent debt relief for fellow renters like herself that are burdened with thousands in debt as a result of COVID-related unemployment. "It's very important to me to be fighting for the basic human rights of us essential workers whose needs are not seen or heard. We are essential workers, frontline workers."

Lourdes explained that

"Many of my compañeras have to send money abroad to support their kids. Now they have to look for ways—risking their health—to support their families in order to be able to eat. There aren't other options... We have to decide between staying at home or going out, risking that we get infected and die."

"Those treated most unfairly are us," Lourdes said. "All us essential workers pay rent – very high rents. We work hard to pay that rent but right now in the pandemic we can't work to pay \$3,000 a month in rent. We're not seen."



KEITH RILEY

Warehouse Worker, Home Health Care Aide, Food Service Worker

Keith Riley works three jobs to put a roof over his head. His dream is to own a condo someday: “I am a condo kind of guy—with a balcony. And hopefully, I only have to have one job, leaving me a little time to enjoy life.”

Keith was born and raised in Pennsylvania, PA. He was raised by his mother, a single parent, who was a social worker. When he was a boy, he had to help his Mom by cutting the grass (both the front and the back), and shoveling the snow. He and his brother moved to San Francisco in 1985. After his brother moved to Hawaii to continue work in the restaurant field, Keith stayed in San Francisco.

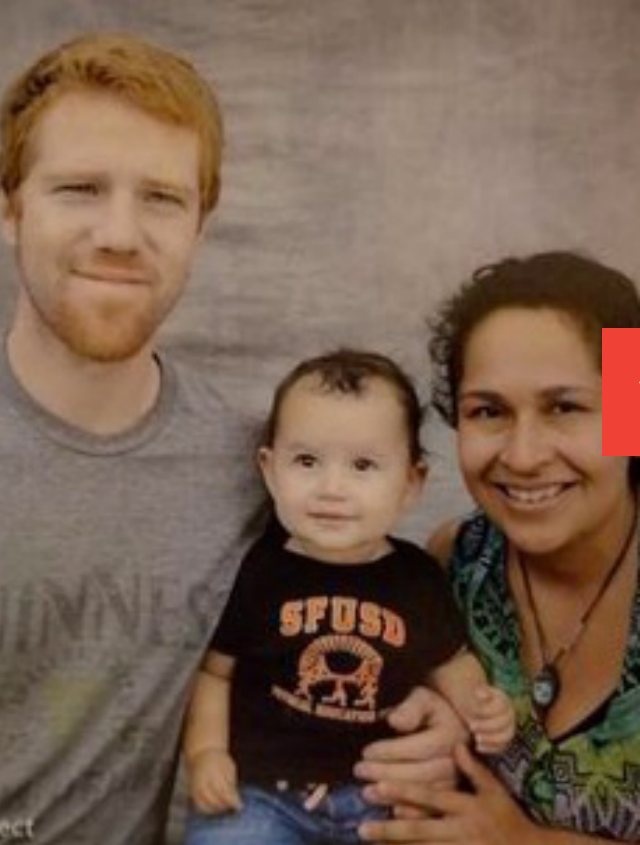
As a Teamster Local 2785 member, he works for UPS in the warehouse. For over 25 years, he shared an apartment with his girlfriend. After she became ill, he took care of her. This is how he learned the skills needed for home care, and joined SEIU Local 2015.

Shortly after her death, he was forced out of the apartment because his name was not on the lease. As he looked for an apartment, he realized one job would not be enough. He currently works 3 jobs and is still struggling to stay ahead. He usually works 6 days a week. He takes 3 different buses to get to his jobs, sometimes a taxi if the bus is late.

His studio costs him \$1800 a month. As he says “I just need a roof over my head.”

Keith has studied the housing situation in San Francisco with his union. He pays 60% of his income towards housing. He and his union talk about co-ops and the idea of using land trusts in order to make the cost of housing cheaper.

He has heard about the teachers building their own housing. But today Keith dreams of owning an affordable condo and only having to work at 1 job.



JESSICA HERNANDEZ AND TOM ASHBY

Educators

A friend of Jessica and Tom's told them of students who had moved into RVs in order to stay housed in San Francisco, and they started considering this as a viable option for their growing family. They looked into affordable housing programs, but their dual income put them at a higher percentage of the AMI than most BMR units. They decided to go for the RV.

Jessica and Tom are passionate educators who currently live in an RV with their baby daughter Leandra in San Francisco. They have spent the past few years chasing safe, affordable housing across the Bay Area, shouldering the financial and emotional cost of moving yearly from rental to rental, carrying bad credit, and surviving in unsafe living conditions. Once Jessica and Tom started their family, they knew something had to change, as they would soon be paying for childcare on top of \$2,100 for a tiny, rat-infested apartment. They could have put themselves through the stress of dangerous rentals in order to survive, but couldn't think of putting Leandra in the same situation. "We were financially strapped and the place we were living in ended up being horrible - we had a rat problem. It was really bad, they looked like squirrels jumping around our place." Their story demonstrates the struggle that many working families face in order to stay in San Francisco. Jessica and Tom think that "the city should allow rental incentives to support teachers that have families and teachers who would like a little more living standards than the absolute minimum."

Life in an RV has its own challenges, from providing their own water, propane, and solar electricity, to being hyper aware of street cleaning, parking fines, and constantly fighting for a safe parking spot. "At the beginning it was a mess because we were so unsure about parking in the wrong spot and having our house towed. The moment you park, basically they're ready with a sign saying you need to move within 72 hours, we're counting the time."

Jessica and Tom work hard to keep their family safe and dream of one day saving enough income to buy a small home or a piece of land to park the RV. "Everybody starts out young and optimistic, I'm going to work in the city, I'm going to make a difference. You live with roommates, you live in the worst places, but it's just yourself and so you put up with it. And then, when you have kids or even a partner, things start changing. We don't want to put our daughter through all those terrible renting situations that we've been through."



CATHY SULLIVAN

Early-Childhood Educator

Cathy is a passionate early-childhood educator who was raised by a family of teachers, and has taught Kindergarten in San Francisco since 1998. After living in San Francisco as a tenant, Cathy applied for a BMR (Below Market Rate) condo through the Mayor's Office of Housing and Community Development (MOHCD) in the early 2000s and was the first to be selected from the lottery. As a single person considered in the "middle income" the Area Median Income (AMI), she qualified for a mortgage and was later able to refinance. Cathy now navigates homeowner's association (HOA) dues and rising property taxes but is free from worrying about no fault evictions or annual rent hikes. She is also very grateful for the pension and healthcare she has access to, especially during the COVID-19 pandemic.

"I consider myself very, very fortunate because I'm not dealing with worries about evictions, worrying that my rent was going to skyrocket." She is grateful to be considering retirement after working for over 25 years. She enjoys the community she lives in and wants MOHCD to expand the affordable housing program. She also suggested the city work to repeal Costa Hawkins, strengthen rent control, and take all publicly owned land (through UC or SFUSD) and build affordable housing.

Cathy's South of Market condo is on several public transit lines which run often. However, she suggested that the local streetcar line should expand service to every 10 minutes, and that public transit generally in San Francisco should be expanded. She also mentioned that this expansion should not come at the cost of riders, because when BART fares are raised, people are more likely to take Uber and Lyft, which worsens traffic in the City.

Cathy discussed the difficulties that face renters in San Francisco and how hard it can be to find secure, affordable housing in the City. "I've been able to get ahead financially because my mortgage doesn't go up the way one's rent would go up. I mean, like the HOA dues go up, the property taxes go up, all that goes up, but not nearly as much as a landlord who decides that they're going to jack up your rent by five hundred dollars a month." While Cathy was fortunate to be able to be selected from a housing lottery, her story is unique in that there are so few BMRs at that affordability range.



THERESA RUTHERFORD

Certified Nurses Assistant

For many years, Theresa was a Certified Nurses Assistant (CNA) at Laguna Honda Hospital in San Francisco, which is a hospital that specializes in rehabilitation and skilled nursing.

Theresa and her family immigrated from Jamaica to San Francisco 1998, first living in a small rent-controlled unit in the City. Theresa was hired at Laguna Honda Hospital which paid her a decent wage and provided a family health care plan.

In the 2008 financial crisis, Laguna Honda went through a major reorganization and de-skilled the workforce, cutting nurses and support staff salaries by 25%. Many Laguna Honda workers retained their jobs but were forced to move out of San Francisco by the high cost of housing. Theresa and her family were no exception. Her family had grown and found market rate homes in San Francisco too expensive and yet they made too much to qualify for affordable housing at the time.

They looked for a home in the Bay Area and beyond. Finally, they decided to buy a home in Lincoln, close to Sacramento. She commuted from Lincoln to San Francisco, living in her car or on her sister-in-law's couch. She knew many others who did the same thing. Theresa describes public transportation as very difficult to navigate between South San Francisco and San Francisco, and impossible to navigate from Lincoln to San Francisco.

“We looked high and low. Nothing anywhere in the Bay Area. We couldn’t qualify for any housing. So we started looking further and further out... There were people whose families moved to Sacramento, and they would sleep in their cars for the entire work week so that they would not have to commute. There were many of us who were semi-homeless.”

Since becoming Vice President of SEIU Local 1021, Theresa commutes six hours from Lincoln. During shelter-in-place, Theresa has been able to work remotely, but this is not an option for many. She is working to make sure PPE is available at Laguna Honda for the health care workers who show up every day to keep their hospital, their patients, and each other healthy and safe during the COVID-19 pandemic.



CARMEN LEE

Bus Driver

“I am so blessed to have decent housing and a job with a strong union.”

Carmen Lee likes the customer service aspect of her job. She meets so many kinds of people as she takes them by bus from Point A to Point B. Carmen lives in the Bayview and rides her bike to work in Mission Bay. “I do not have to drive,” she says proudly.

The other thing that Carmen “really really likes” about her job is the union aspect of her work. She likes that she will get a decent pension and has pretty good healthcare. As she got more involved in her union, she realized that she could be a resource for her co-workers. These experiences make it much more worthwhile to stay at her job.

Carmen lives in public housing. She has lived there for over 13 years. Carmen likes her housing for several reasons. First, her rent is capped at 30% of her income. The stability of having her biggest financial cost restricted has allowed her to buy a car. Second, she says her community is fairly stable; she knows many of her neighbors. This helps when they must organize to make sure building management takes into consideration the renters’ point of view. One example was when the building management began to finally remodel the units in her complex. She and her neighbors attended many meetings and heard all the plans. When they heard that they might not be able to return to a unit with the same number of bedrooms that they originally had, they organized and advocated together. Carmen says they demanded that building management do a one-for-one replacement and ultimately, she and her neighbors won that fight.

She has heard that the waiting list to obtain a unit in her complex is so large, perhaps in the thousands, that they had to completely close it. Carmen says that there is a need to build more housing like the housing she is in. Many people need stable housing that they can afford. “Sometimes, I look around to see what is available and where we might be able to move. I looked across the Bay for a two-bedroom place. What I find is that it would take most of what I make right now to do that.”



ROBERT SANDOVAL

Union Business Agent

“Housing is not just about affording a house. Living so far away or with so many other people takes a personal toll on you. If you live in Merced, the wear and tear on your body due to the commute, and the sleeping arrangements away from your family, are difficult. If you live in a multi-generational house, it is hard to consider your home a restful place to live.”

Robert Sandoval was born in Panama. His father is Salvadoran, and his mother is Panamanian. Their family moved to the Bay Area when he was 3 months old.

He and his parents lived in Diamond Heights in San Francisco, in low-income housing. When he was 5, he stayed with his grandparents in South San Francisco because it was closer to his elementary school. “I grew up in a Teamster family as my grandpa was a union official for many years. Today, I am a Business Agent (BA) for Teamsters Local 350.”

Robert lives close to work. His wife worked from home during the pandemic. They dream of owning their own home. “We spend a lot of time looking on Zillow.” They have found that even though they both make decent money, they are going to need financial help to purchase anything. Fortunately, they have a grandmother who is able to help them with her savings.

Some of the Teamster members that Robert works with live as far as Merced. They rent motel rooms during the week to avoid the long commute. Other members are from the South Bay and may live in one house with several generations of their family. They would like to move but cannot afford it.

The apartment building where Robert lives today is in the Bayview. He has noticed that throughout Covid more and more apartments are filled with guys with lots of nice cars in the garages. It seems like the corporations are renting these units for them.

“You live outside of the city, you do not vote in the city. You do not build community within the city. These are things I have done all my life, and these things are something worth fighting for. It is important that San Francisco continues to work on and provide more affordable housing for all of us. More corporate housing may be good for the corporations but only exacerbates this situation for us working families.”

**LUIS BARAHONA***Housing Inspector*

Luis Barahona moved to San Francisco in 2004 to work as a community organizer. In 2013, Luis started a new role as a housing inspector.

Luis has lived in the same rent-controlled apartment for 17 years. He considers himself fortunate to have had the economic stability that this brought him. Throughout these years, he has had roommates, a girlfriend, got married and currently, continues to live in his apartment with his wife and their 4-year-old daughter. His building has 4 units, and today is a tenancy in common.

Luis and his wife would like to have another child and to be able to raise their children in the City. But he is currently facing a possible owner-move-in eviction. Even though there would be some type of buyout, Luis feels this is a minimal payment and his family would have to downgrade the size of their apartment or worse, not be able to find an apartment in the City that they could afford.

“I have never wanted nor dreamed of owning my own home. Housing is a space for you to feel safe and to raise your family. I would be extremely content just to stay in an apartment at the rent that I pay now with my family. But the lack of control over my family’s life experience and our economic situation is overwhelming.”

Luis says, “The idea of pitting renters against homeowners or renters against landlords seems imbalanced and unfair... The market is geared to benefit the landlords and to dismiss any concerns for the tenants and their lives. This is what makes our city unlivable for anyone except those with the very highest of income.”

Luis remains very anxious of the uncertainty due to their current living situation.



NICK PARKER FOSTER

Electrician

“I was working on the hospital where my son was born. You’re doing it for a good reason, you’re not lining the pockets of someone... You may be helping someone save a life.”

Nick loves working as an electrician. He struggled with housing insecurity while earning his bachelor’s degree in urban studies at SFSU, and decided to join the electrician trade in order to earn better wages.

Nick witnessed first hand how difficult finding affordable housing is in San Francisco and described the number of people in the City’s affordable housing lottery as insane “You just line up and hope you get a shot fifteen years later... you get lucky or you might not.” After navigating homelessness, SROs, and a quirky apartment in the Mission, Nick was ready to move to a larger space with his growing family. He planned to apply for a BMR unit, through the Mayor’s Office of Housing, but had unexpected family income that allowed him to buy a three-bedroom apartment in the Bayview where he currently lives with his wife, nine-month-old son, and two roommates.

Having navigated housing instability in the city, Nick understands the importance of affordable housing and rents the spare rooms in his condo to electrician apprentices to help support them while living in the City. Nick suggested that housing be provided for all electricians going through apprenticeship, and that having a case manager would be extremely helpful in navigating the many modes of affordable housing available in the city. “In other parts of the country, when you get into that apprenticeship, you become housed. Point blank, period, you get a spot in the city, to learn, to do your trade for the duration of your apprenticeship.”

Nick enjoys working as an electrician. “I like being outside,” he said.

Unsurprisingly, Nick identified luxury apartments as the worst jobs for electricians because in his experience the developers often cut corners in order to make the most profit.

Nick loves walking, and sees taking public transit as an essential aspect of living in the City. He commutes on the T train but finds it is often unreliable, and thinks it should run more efficiently. Nick suggested electrifying diesel busses and taxing Uber and other TNCs (Transportation Network Companies) in order to subsidize transit and make it free for everyone.

While Nick has been able to find suitable housing in San Francisco, this is not the reality for many other electricians and other essential workers across the City. The unfortunate reality is that the cards are stacked against these working-class residents. Nick’s story demonstrates that even when you find a decent-paying job, that does not guarantee you a place to live in San Francisco.



“Jobs-Housing Fit”

Data represents real people and households, every single point of data has a story behind it just like those in this report. But **what is the magnitude of this impact on working families?**

Housing Our Workers analyzes data about essential workers across a wide range of fields of employment. The worker data used in this project, covering a sampling of the many people who help make up the backbone of the City's economy, includes custodians and janitors, sanitation workers, hotel and stadium workers, security guards and airport workers, educators, transit workers, electricians, health workers, firefighters, and nonprofit and public sector workers. ***Housing Our Workers*** is concerned with getting to a sustainable **Jobs-Housing Fit** in San Francisco. The analysis looks at the incomes of worker households and assesses if they can afford to pay for adequate housing in San Francisco. The extent to which they can or can't afford housing is a measure of the adequacy of the City's current **Jobs-Housing Fit**, and how much we need to correct that “fit”—through city policy—to get on course toward housing San Francisco's workers.

By looking at worker incomes and the affordability of housing, the **Jobs-Housing Fit** analysis demonstrates the severe discrepancy between wages and actual housing prices (whether rents or mortgages) in San Francisco. What most everyday workers can afford based on their incomes is far less than what the actual housing market demands of them.

This is also reflected in residency and commute data that shows more than forty percent of workers in the dataset don't live in San Francisco and commute each day. Longer commute times can often lead to negative health and family impacts for these workers.

The research makes it clear: San Francisco is unaffordable to most workers. There is much to do to reach an adequate **Jobs-Housing Fit** that can house all our working families.

WORKERS' INCOMES

How much do San Francisco workers make? The 2020 median annual income of the union workers reviewed for this analysis is \$67,350, or about 73% of San Francisco's citywide AMI (Area Median Income).¹ The federal Department of Housing and Urban Development (HUD) considers incomes under 80% of the median to be "low-income." For comparison, San Francisco's overall Area Median Income is \$93,250.

We looked at an array of occupations in order to assess the **Jobs-Housing Fit** for San Francisco's unionized workforce. Many of the occupations, even those considered to have stable, high paying jobs, face significant challenges in finding affordable housing. The occupations studied include:

- *Custodians and janitors*
- *Educators and support staff: teachers, lecturers, paraeducators, and support staff who work in school and community college settings*
- *Electricians*
- *Firefighters and EMTs (emergency medical technicians)*
- *Health workers and support staff: healthcare aides, behavioral health workers, lab techs, administrators, cooks, and cleaners who work in healthcare settings*
- *Home healthcare workers: health workers who care for people in their homes²*
- *Registered Nurses*
- *Hospitality workers : hotel, restaurant and stadium workers*
- *Nonprofit workers*
- *Public administrative and social services: City and County analysts, clerks and social services providers such as social workers*
- *Public professional services: professionals including architects, engineers, and biologists who are employed by the City and County of San Francisco*
- *Security guards and airport workers: San Francisco International Airport staff and non-airport affiliated security guards*
- *Sanitation workers: drivers and staff for municipal waste services such as Recology and West Coast Recycling*
- *Transit workers: San Francisco Municipal Railway (MUNI) train and bus drivers and support staff*

¹ 2021 was \$93,250 according to [data](#) from the San Francisco Mayor's Office of Housing.

² Transit and transportation workers include municipal transit workers as well as airport workers

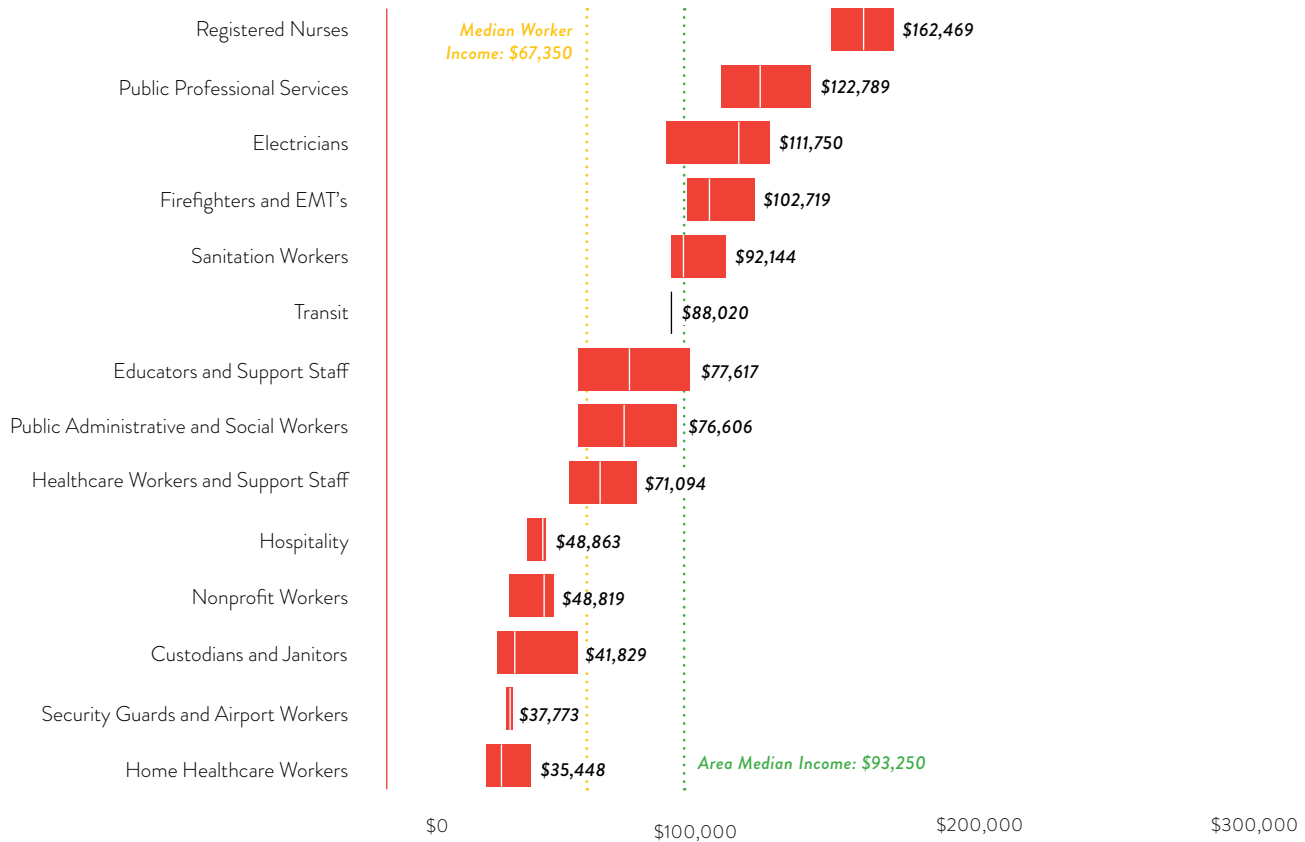
As one might expect, there was also considerable variation in earnings between occupations. For example, the median registered nurse earns \$162,469 (174% AMI),³ while security guards and airport workers have a median income of only \$37,773 (41% AMI). Workers in some job sectors don't necessarily have year-round work, such as many of the workers in the construction trades. So while there is clear variation in earnings, the precarity of housing access and stability is still a universal issue for this broad range of worker households.

The data is based on individual worker incomes from a broad range of occupations in San Francisco. The available data does not contain information on workers' family size or total household income. In order to approximate family/household income, we assumed that each family household consists of two income-earners with similar incomes. We also assumed that one-person and two-person households rent one-bedroom units while families with children rent two-bedroom units. These are generalizations, of course, and do not account, for example, for larger families or for extended multigenerational families, but they do give a way of understanding the broad trends around *Jobs-Housing Fit*.

The astounding conclusion of the research is that only 7% of workers studied can afford to rent market-rate housing in San Francisco. In many occupations virtually no workers can afford housing in the city where they work.

³ Electricians' high nominal wage rates and point in time incomes obscure the inherent precarity and cyclical nature of construction. Union electricians, like most construction workers, rarely work a full year. Vacations and sick days are unpaid as are days between job calls. Even during the height of the construction boom, journey level IBEW Local 6 inside wiremen worked an average of 132 hours per month while apprentices earning a fraction of the journey-level wage worked approximately 113 hours per month, in addition to the mandatory classes they attend without pay. During recessions hours drop precipitously, leading members to struggle to maintain health care through months of lean times. During the depths of the recession the construction sector struggled with double digit unemployment while those lucky enough to find employment did so with sharply reduced hours; Local 6 employment was nearly 40% below last year's peak and those still working saw their hours reduced by 15%. As a new recession—and possible depression—begins to take hold electricians and indeed all construction workers are likely to face sharply reduced employment opportunities, significant declines in income, and periods of inadequate health care.

Figure 1: **Median Annual Income by Occupation or Industry** *Union Data 2020*



In the box plot above,⁴ the median income for each occupation (50% of workers earn as much as or less than the median) is represented by the line slicing through each box. Twenty-five percent of workers earn as much as or less than the amount indicated by the left-hand side of the box; and 75% of workers earn as much as or less than the right-hand side. The labels next to each box are the medians. From this representation, you can get an idea of the range of incomes in each occupation. For example, electricians have a broader range of incomes than do firefighters and EMT's, and much more so than do transit workers.

HUD defines "low-income" as those people or households earning below 80% of the area's median, "moderate" income as between 80 and 120% of the median (ie, right in the middle of the income range), and "above-moderate" as higher incomes above 120% of the that median (as reference, for San Francisco that would equate to incomes of \$ \$111,900 and higher for a single worker). Over half of the full-time workers in this analysis (57%) are low-income,⁵ while 31% are moderate-income and 12% qualify as above-moderate. It's important to keep in mind the variation

⁴ The box plot shows the range between the bottom 25% of incomes for each category and the top 75%. The middle 50%, or the median, is indicated by the midline.

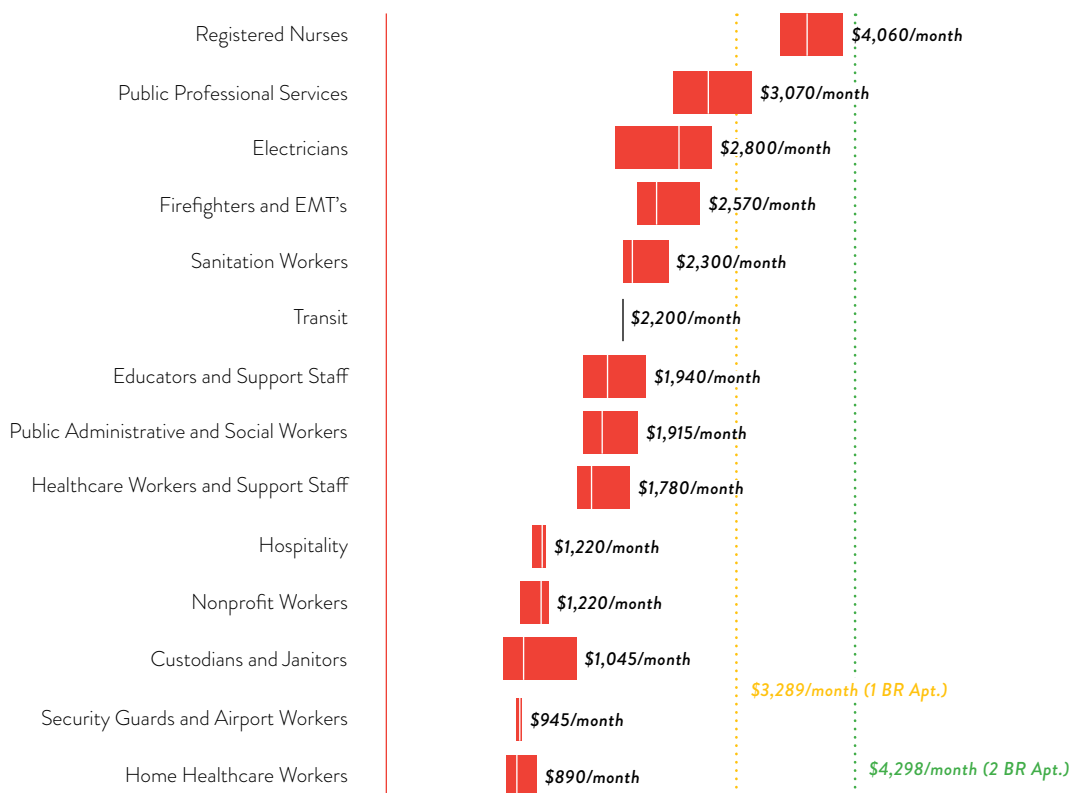
⁵ Home healthcare workers (57%) and educators and support staff (17%) have the greatest percentage of part time workforce. In education, for example, more than a third of paraeducators work part time.

in incomes across this wide range of workers—in some occupations, such as hospitality workers and security guards and airport workers, 100% of the workers in the dataset qualify as low-income.

Although low-wage workers have the most severe challenges in securing affordable housing, workers in occupations at varying income levels are increasingly struggling to find affordable housing in San Francisco. **Many of the occupations we looked at, even those considered to have stable, high paying jobs, face significant housing stability challenges, as the worker stories in the previous section of this report bear out.**

Just as there is considerable variation in earnings between occupations, there is also significant variance within some of these occupations. For example, although firefighters and EMTs have a median income of \$102,719, 18% of the workers within these occupations qualify as low-income, reflecting the array of jobs within the occupation—from housekeeping aides to nurse anesthetologists.

Figure 2: **What Workers Can Afford Compared to SF Market Rents**



WORKER INCOMES AND HOUSING AFFORDABILITY

So, are the incomes of these workers enough to afford housing in San Francisco? The amount a household can afford to spend on rent, or a mortgage, basically depends on what that household earns from working. It's really that simple for most everyday worker households.

According to the federal Department of Housing and Urban Development, a home is considered affordable if a household spends no more than 30% of its pre-tax income on rent or mortgage, leaving them enough for food, health, transportation, childcare, education, and other needs. This is what we call an "affordable" rent or mortgage for each worker.

Note that for the detailed incomes/housing affordability analysis below we focus on rents as the data is much more accessible than for mortgage data, but the relevance of the **Jobs-Housing Fit** analysis is similar whether a worker household is looking to rent or to buy a home. We studied workers during the COVID-19 pandemic when rents were more volatile than usual. To account for this, we took the average of rents from January, April, July, and October of 2019 and 2020 and January and March of 2021 from the Zumper blog.⁶

Figure 3: **Income Required to Afford Median Market-Rent Based on Household Size**

Household Type	Household Members	Housing Need	Market-Rate	Income Required
One-Person	1 Adult	1 BR	\$3,289	\$131,560
Single Parent	1 Adult, 1 Child	2 BR	\$4,298	\$171,920
Two-Person	2 Adults	1 BR	\$3,289	\$131,560
Small Family	2 Adults, 1 Child	2 BR	\$4,298	\$171,920

With market rate rents ranging from \$3,300 to \$4,300 a month for one- and two-bedroom apartments in San Francisco, this means that an individual worker would need to earn \$132,000 (about 140% of the area median income), in order to afford to rent a one-bedroom apartment. A family of two adults with two children, would need an annual income of \$172,000 (129% AMI)⁷ to afford a two-bedroom apartment.

And yet, as noted above, the range of workers used for this research have a median annual income of \$67,350. That is only half of the income required to afford market-rate housing in San Francisco. The result, as we saw in the stories earlier, is that many worker households are pressed into unstable housing situations, overwhelming rent burdens and overcrowding into inadequately sized homes, or forced into significant commutes from homes far from San Francisco, all of which impacts their health and family.

⁶ The [Zumper Blog](#) Rent Reports.

⁷ The Area Median Income for a family of four in 2021 is \$133,200, according to data from the San Francisco Mayor's Office of Housing.

Figure 4: **Rents Considered Affordable to Low- and Moderate-Income Households**

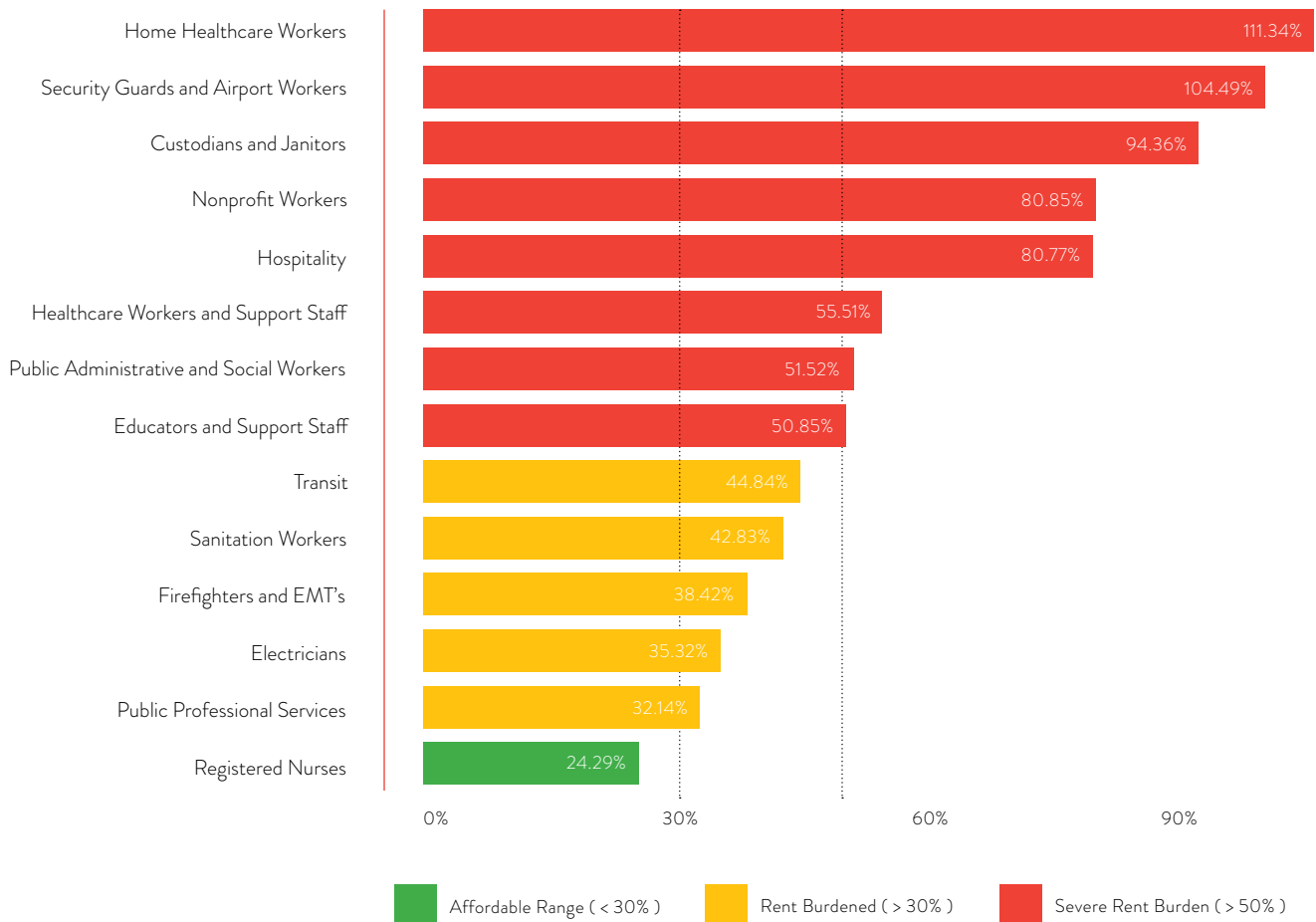
Household Type	50% AMI	80% AMI	100% AMI	Market Rate
One-Person	\$1,166	\$1,865	\$2,331	\$3,289 (1 BR)
Single Parent	\$1,332	\$2,131	\$2,664	\$4,298 (2 BR)
Two-Person (couple)	\$1,332	\$2,131	\$2,664	\$3,289 (1 BR)
Small Family (3 person)	\$1,499	\$2,398	\$2,998	\$4,298 (2 BR)

The United States Census considers any household paying more than 30% of their pre-tax income in housing costs to be “cost-burdened,” and households paying more than 50% of their income to be “severely cost-burdened.” Most workers seeking housing in San Francisco’s market are even beyond that level of cost-burden and are simply priced out in terms of affordability—the median income unionized workers in this study would have a rent-burden of 59% if they lived in non-rent-controlled market-rate housing, or were looking for housing in the market. **For some specific lower-wage occupations like home healthcare workers and security guards and airport workers, the cost of market rents exceeds total income!**



First-time Homeowner Housing by SFHDC,
Photo Credit Van Meter Williams Pollack.

Figure 5: **Median Rent Burden by Occupation or Industry**



Although low-income workers are most severely affected by the affordability crisis, higher income workers struggle to afford housing as well. In fact, every occupation faces some amount of rent burden. Forty percent of higher income workers, even relatively well-paid occupations like electricians, firefighters, and registered nurses, cannot afford housing. **In total, only 7% of workers studied can afford to rent market-rate housing in San Francisco per the HUD standard of 30% maximum housing cost of household income, and in many occupations virtually no workers can afford housing.**

Two-income households are better able to afford housing. However, just over one third of medium-sized families (34%) can afford to rent the median two-bedroom apartment in San Francisco without being cost-burdened. Add to this the fact that very few new two-bedroom or larger homes are being constructed by developers.

Figure 6: **Median Income for Occupations Compared to AMI by Household Size, 2021** ⁸

Occupation	Worker Median Income	Worker Income as Percent of AMI 1-Income Household (Studios & 1 BR apartments)	Worker Income as Percent of AMI 2-Income Household (2 BR + larger apartments)
Registered Nurses	\$162,469	174.23%	243.95%
Public Professional Services	\$122,798	131.69%	184.38%
Electricians	\$111,750	119.84%	167.79%
Firefighters and EMT's	\$102,719	110.15%	154.23%
Sanitation Workers	\$92,144	98.81%	138.35%
Transit	\$88,020	94.39%	132.16%
Educators and Support Staff	\$77,617	83.24%	116.54%
Public Administrative and Social Workers	\$76,606	82.15%	115.02%
Healthcare Workers and Support Staff	\$71,094	76.24%	106.75%
Hospitality	\$48,863	52.4%	73.37%
Nonprofit Workers	\$48,819	52.35%	73.3%
Custodians and Janitors	\$41,829	44.86%	62.82%
Security Guards and Airport Workers	\$37,773	40.51%	56.72%
Home Healthcare Workers	\$35,448	38.01%	53.23%

Note that the table above only looks at the median income within each profession. As stated earlier, there is often a wide range between incomes within any occupation. Understanding wages by occupation in terms of "Area Median Income" is important, because that's how housing agencies, from the federal HUD down to the local San Francisco Mayor's Office of Housing (MOHCD), define their affordable housing.

⁸ AMI according to data from the San Francisco Mayor's Office of Housing.

HOMEOWNERSHIP OPPORTUNITIES

The dream of homeownership is a way of building intergenerational wealth that can be passed on.

Purchasing a house in San Francisco rather than renting a home is generally out of the question for workers in this study. The median home price in San Francisco in 2020 was \$1,581,000,⁹ requiring monthly home payments of \$7,430,¹⁰ and assuming the household has sufficient savings to cover a 20% down payment (\$316,200). **In total, only 4.6% of worker families could afford the monthly payments for a median-priced home in San Francisco.** The dream of homeownership in San Francisco has become a fantasy for the vast majority of workers in the City. Moreover, the severe housing cost burden on renters often prohibits them from saving for the down payment needed to eventually have that opportunity for purchasing a home.

The City has a variety of down-payment assistance loan programs, which assist first time homebuyers to get over the hurdle of high down-payment costs, yet even with that support the price of the monthly mortgage plus HOA dues and taxes add up significantly to a level that still keeps homeownership out of reach for most worker families .

In the past, limited-equity housing cooperatives, such as St. Francis Square, financed by the International Longshoremen's and Warehousemen's Union (ILWU) and a 40-year HUD loan, provided an entry into homeownership and the possibility of building up equity. Today, the primary vehicle for providing homeownership opportunities in San Francisco for the workers in this range of income categories is the City's Below-Market-Rate ("BMR") inclusionary housing program.



⁹ 2020 [Housing Inventory](#) by SF Planning Department, from California Association of Realtors data.

¹⁰ Monthly home payments include mortgage, property taxes and insurance, and assume no HOA fees.



COMMUTING AND SUPER-COMMUTING

As housing prices have steeply risen in San Francisco in recent years, more and more of San Francisco's workers commute to the City. **More than forty percent of workers in this report do not live in San Francisco.** Living far away results in longer, more difficult commutes for San Francisco's workers, leading to negative health and family impacts for these workers.

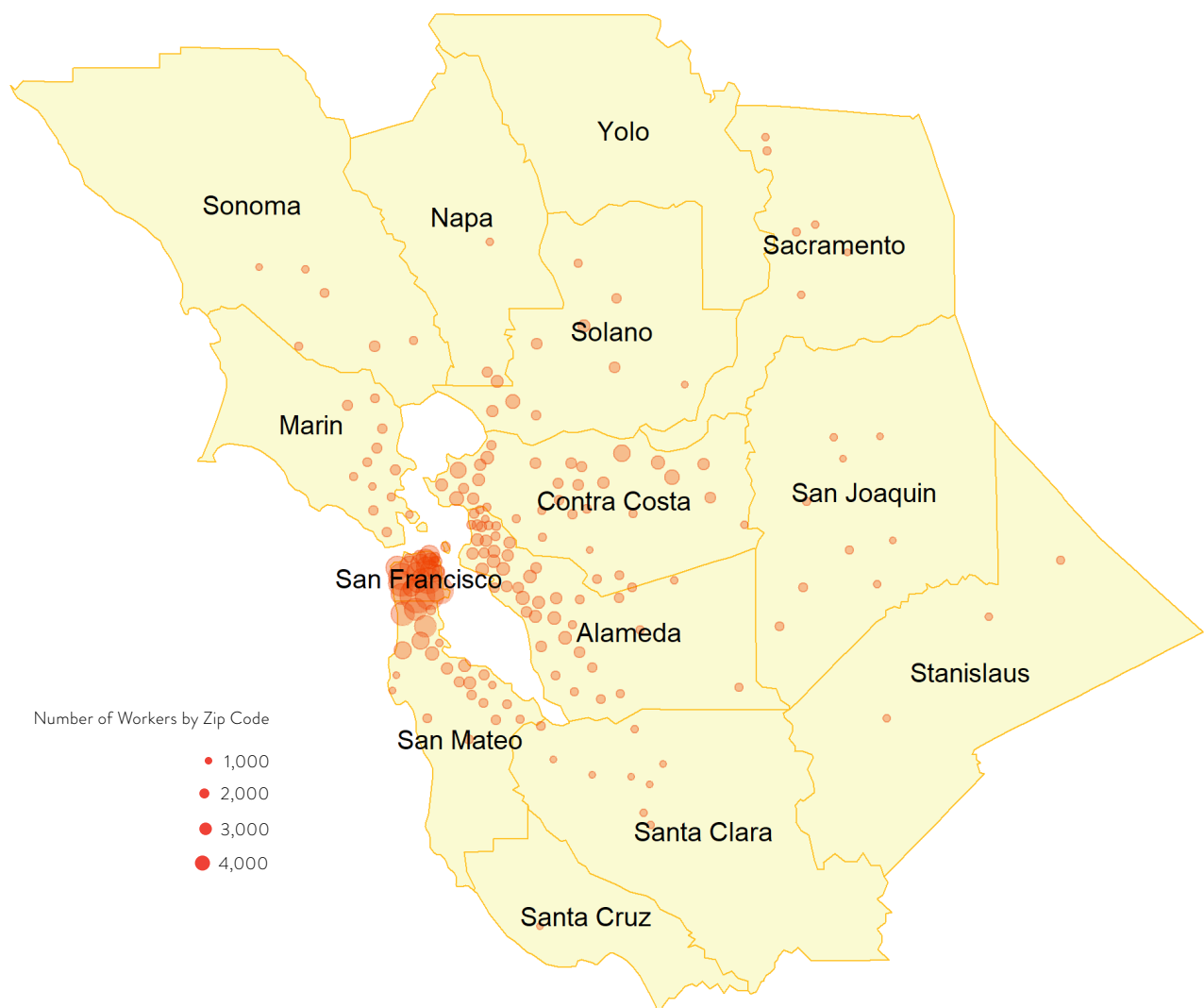
In only six occupations—firefighters and EMTs, educators and support staff, hospitality workers, home healthcare workers, nonprofit workers, and public professional services—do the majority of workers in our dataset live in San Francisco.

That said, the fact that so many workers do live in San Francisco despite the unaffordable market rents is a testament to workers' resilience and to progressive housing policy victories that give some hope, and actual policy and program support, for everyday workers to live in the City. Individuals often split rent with roommates, form households with partners, or "double up" with other families. San Francisco's rent stabilization policy from 1979 and other tenant protections allow workers a sense of stability and prevent rapid displacement, even as the housing market heats up. But in the end, there are simply not enough affordable units to meet the demand of a growing workforce particularly for workers in the particularly in the range of incomes analyzed in this study. Many households are forced to accept significant housing cost-burdens in order to remain in the city.

The large percentage of non-resident San Francisco workers has been particularly troubling in the context of the COVID-19 pandemic, when the work of many of these individuals is essential.

San Francisco workers are distributed throughout the greater Bay Area. Shown below are all zip-codes in which 10 or more San Francisco workers reside.¹¹ The range spans from Sacramento to Santa Cruz counties, which represent drive-times of 1.5 to 3 hrs depending on the zip code and traffic conditions. In interviews, workers have reported that they may drive into San Francisco on Sunday evening, lodge in a motel for the week, and then drive back home on Friday night.¹²

Figure 7: **Distribution of Workers in the Greater Bay Area**



¹¹ Only zipcodes where 10 or more workers live are displayed to maintain data privacy. Zip code centroids come from the simplemaps database, produced by the United States Census Bureau and the Internal Revenue Service. Mapping by UC Labor Center.

¹² County geospatial data provided by the [urbnmapr R](#) software package, written by the [Urban Institute](#).

THE HUMAN COST OF THE HOUSING CRISIS

Over the past several decades, San Francisco workers have experienced substantial increases in the costs of housing. In 1990, the inflation-adjusted price of a two-bedroom apartment in San Francisco was \$1,900/month¹³ while today the median rent is \$4,298/month.¹⁴

Many longtime residents have been displaced due to rising housing costs, while those who remain devote an increasing share of their income towards rent. Moreover, high housing costs have excluded much of San Francisco's workforce from living in the communities where they work, and have made the City less resilient in the face of emergencies such as the current pandemic.

Although it is certainly true that San Francisco is in a housing crisis, it can be more accurately understood as three overlapping crises: **a rent burden crisis, a displacement crisis, and a Jobs-Housing Fit crisis.**

As increases in housing costs have outpaced wage growth, housing has become increasingly unaffordable for San Francisco's workers.¹⁵ Between 2000 and 2015, the share of cost-burdened and severely cost-burdened households increased significantly across all income categories. While the affordability crisis affects all San Franciscans, low-income households have been disproportionately impacted. From 2000 to 2015 the proportion of severely cost-burdened, low-income households doubled.¹⁶

High housing costs can have far-reaching consequences. Research indicates that severely cost-burdened households spend less on food and healthcare and save less for retirement. As a result, cost-burdened households are more susceptible to health problems and children in cost-burdened households are more likely to experience developmental delays. Furthermore, households located in areas with rapidly increasing rents may be at increased risk of displacement.

Displacement has been another consequence of rising housing costs in San Francisco. Between 2010 and 2017, San Francisco's population grew by 7%, while the number of low-income and moderate-income residents declined by 23% and 8%, respectively.¹⁷ Displacement disproportionately impacts people of color, leading to regional resegregation as communities are pushed out of the urban core of cities and are replaced by white residents. This is exactly what is happening in San Francisco; from 2000 to 2017, the city lost almost one fifth (17%) of its Black population.¹⁸ Though other populations have been able to remain in the City, they have been forced to endure increasing rents, overcrowding, and the loss of their traditional neighborhoods and social networks as these gentrify.

¹³ [San Francisco Affordable Housing Data Book](#), 2001

¹⁴ The [Zumper Blog](#) Rent Reports.

¹⁵ [Jobs-Housing Fit Report](#), by the San Francisco Budget and Legislative Analyst, 2019.

¹⁶ [Rising Housing Costs and Re-Segregation in San Francisco](#), by UC Berkeley's Urban Displacement Project and the California Housing Partnership, 2018.

¹⁷ [Jobs-Housing Fit Report](#)

¹⁸ [Rising Housing Costs and Re-Segregation in San Francisco](#)

Displacement has significant impacts on the economic, mental, and physical wellbeing of a household. Displacement causes stress and has negative impacts on access to healthcare, services, and social networks. Children in displaced households are at increased risk of educational disruption and have worse health outcomes. Displacement also has negative effects on mobility, financial health, and access to economic opportunities. Finally, residents who are forced to move often have longer and more costly commutes.

Conversely, access to affordable housing is associated with numerous benefits, including improved quality of life, reduced commute times and vehicle miles traveled, and positive environmental impacts. A positive **Jobs-Housing Fit** in which the price and availability of housing "fits" the household incomes of workers may be particularly important in times of emergency, like the current COVID-19 pandemic, when it is critical for public health, first responders, and essential workers to live close to work.

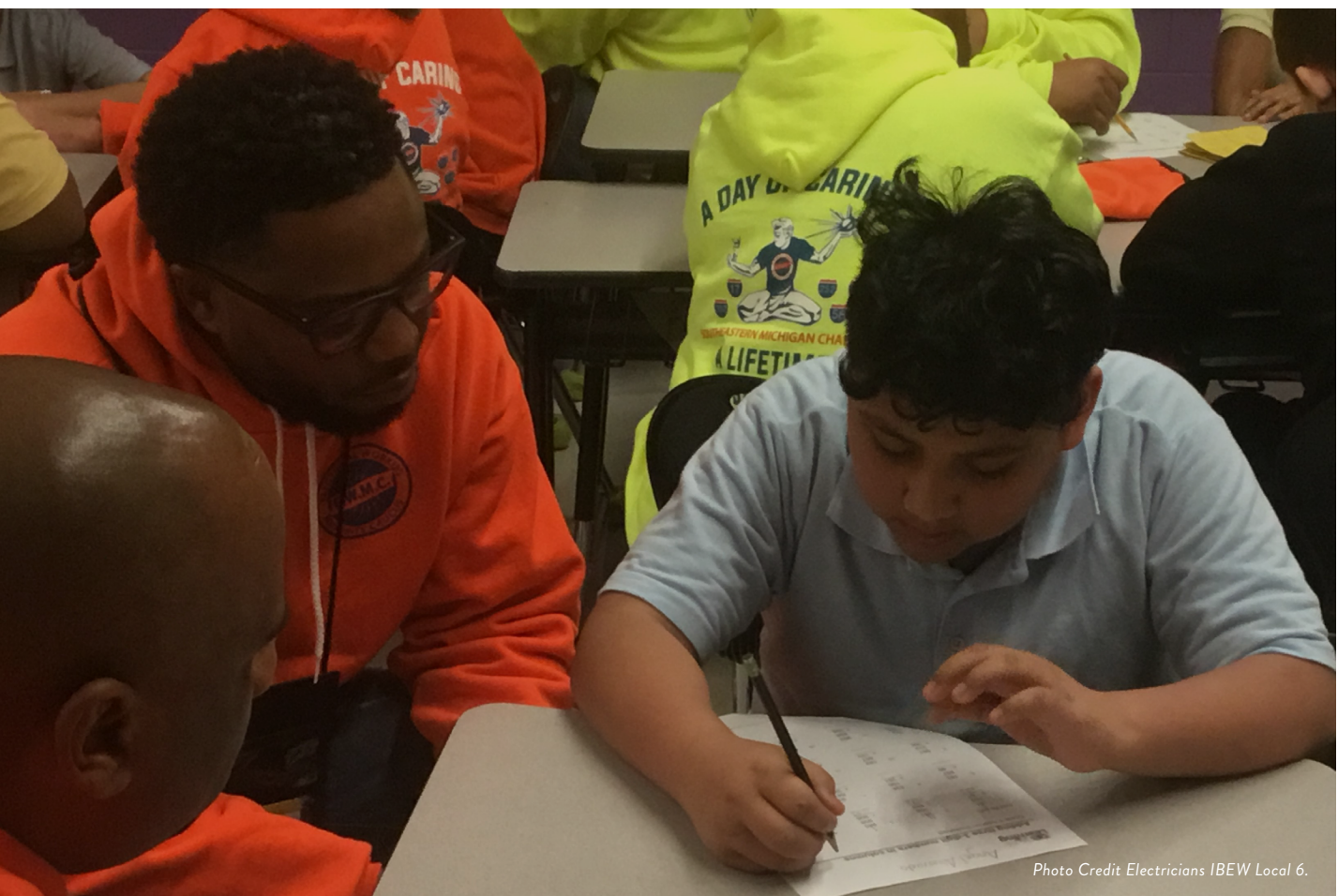


Photo Credit Electricians IBEW Local 6.

JOBS-HOUSING FIT

The affordability and displacement crisis has given rise to a growing imbalance between the salaries for San Francisco’s workforce and the cost of the available housing stock.

Jobs-Housing Fit is a simple and critical framework for understanding housing affordability—it is an analysis of growth in housing supply by affordability (the cost of housing) relative to jobs **by wages**. In other words, does housing affordability “fit” workers’ incomes? Discussion of a jobs-housing “balance” misses this key factor, merely comparing the growth in number of housing units to the growth in number of jobs, as though a CEO, a software engineer, a carpenter and a restaurant worker all make the same wages and all have the same ability to pay for those new homes. The reality is that the unevenness of job growth drives real housing needs by affordability.

There are twice as many low-wage jobs as there are housing units affordable to those workers.¹⁹ While more than 27,000 low- and moderate-wage jobs were created in San Francisco between 2016 and 2018, only 2,900 units were built that are affordable to these workers.²⁰ Analysts project that by 2026 there will be an additional shortage of 9,327 housing units affordable to low- and moderate-income workers.²¹

By contrast, despite the increasing scarcity of affordable units, San Francisco continues to meet and exceed production targets for high-income housing. As of 2015, San Francisco had exceeded its Regional Needs Housing Allocation (RHNA) target for high-income housing units, while reaching only 35% of its low- and moderate-income needs.²² By 2026, San Francisco is projected to produce a surplus of 4,600 high-income units relative to the city’s defined RHNA need.²³

In 2019, the city’s Budget and Legislative Analyst (BLA) published the first-ever **Jobs-Housing Fit** report conducted by the City of San Francisco. The data revealed a massive imbalance in **Jobs-Housing Fit** by wages and affordability. Between 2010 and 2018, San Francisco’s population grew by 10%, while jobs increased 38%. For every 8.5 jobs created, only 1 unit of housing was produced. Even more importantly, the data showed that job growth was uneven, growing largely in low-wage and high-wage categories, while only housing affordable to high-wage workers kept pace.

This lack of alignment in **Jobs-Housing Fit** has severe negative impacts on housing affordability and commutes for working-class people.

¹⁹ “Low-Wage Jobs-Housing Fit: Identifying Locations of Affordable Housing Shortages,” by Chris Benner and Alex Karner, 2016.

²⁰ [Jobs-Housing Fit Report](#)

²¹ [Jobs-Housing Fit Report](#)

²² [San Francisco Bay Area Progress in Meeting 2007-2014 Regional Housing Need Allocation \(RHNA\)](#), by the Association of Bay Area Governments, 2015.

²³ [Jobs-Housing Fit Report](#)

Figure 8: **Difference Between Housing Units in the Pipeline as of 2019 and Projected Housing Needed by Wage Level through 2026, San Francisco**

Wage Level	Housing Needed	Total Entitled	Difference
Low-Wage	17,255	5,386	-11,869
Moderate-Wage	3,386	3,572	185+
High-Wage	14,020	16,379	2,357+
Total	34,661	25,337	-9,327

The BLA report indicated a need for an additional 11,869 homes affordable to low-wage workers through 2026, not including the existing production deficit of 6,603 units as of 2018. At the other end of the scale, the BLA report also pointed out that the City had already entitled enough market-rate units to house the projected growth in high-wage professions (as long as these are not cannibalized for investment units or corporate rentals).

The bottom line of this seminal **Jobs-Housing Fit** investigation by the City's Budget & Legislative Analyst was the revelation that **San Francisco would have to triple the pace of affordable housing development to meet housing needs to match worker incomes**. Due to the extreme imbalance between low- and moderate-income jobs and housing affordable to low- and moderate-wage workers, it is clear that San Francisco is failing to house the full breadth of the city's workers.

Jobs-Housing Fit analysis provides the underpinning for understanding critical real-world housing questions for policymakers: What jobs are being created and for whom? And what wages/incomes do those jobs pay? How will these workers be housed? What housing is being created? For whom? Will policymakers assume that low-wage and moderate-wage workers essential to the city's prosperity will bear the burden of extreme rents or super-commutes, and the resulting impact on personal and community health? Or will the City's policymakers use the critical data provided by a **Jobs-Housing Fits** analysis to create the policies and funding streams to ensure that housing opportunities are available to the City's entire workforce, not just the lucky few.





Policy Recommendations

CONTEXT & FRAMING FOR POLICY “SOLUTIONS”

The experience of the last few decades has shown what the housing “market” in dense core urban cities like San Francisco can and cannot deliver. There is certainly a role for market-rate housing in San Francisco, creating jobs and supporting the economy, but we begin by acknowledging that what San Francisco working people face is a crisis of **housing affordability**.

To truly provide housing stability and long-term security for workers such as those featured in this report, in proximity to their workplaces, depends on solutions that de-emphasize land and housing as commodities, that support housing production that is needs-based rather than simply market-based, and that reduce incentives for speculation - with a goal to achieve a true Jobs-Housing Fit.

Housing our Workers organizes these solutions around the “Three P’s”: Resident Protection, Housing Preservation, and Affordable Production.

All of these issues are linked and important. We have to start with protecting workers and their families where they are now, where they live and work. We also need to preserve the housing stock that we’ve fought for over generations to keep affordable, and which has been the foundation for the city’s working-class neighborhoods, in order to stabilize communities, protect this housing supply from speculation, and preserve it as permanently affordable for low-income and moderate-income workers. And we absolutely need to build more housing that regular people can afford, a foundation for new generations of communities. Public investment, good regulation, and equitable land use policies that harness public benefits and ensure good jobs are key to making housing more affordable and controlling land costs.

Moreover, because of the COVID-19 pandemic and economic recession, it is more important than ever that we collectively invest in a sustainable **Jobs-Housing Fit** for our San Francisco workforce. We have seen the uneven impacts on the health and economic well-being of the City’s most at-risk communities.

Black, Indigenous, and people of color (POC) communities are disproportionately represented among low- and moderate-income San Franciscans facing the brunt of the housing crisis.



Photo Credit Teamsters Local 350.

A ***Housing our Workers*** approach is one way to shift resources and repair the damage of racialized disinvestment. Union jobs allowed African Americans to become homeowners in many areas of the city, despite redlining and racial covenants. These homeowners were a primary target of the previous wave of foreclosures and speculation, and will likely be disproportionately impacted in this round.

Housing acquisition of multi-family properties is primarily implemented by community housing organizations based in and accountable to San Francisco's communities of color, many of which are Black and POC-led, and which operate on a model of community engagement and self-determination.

It's clear that ***Housing our Workers*** a matter of racial justice.

We need a housing system that supports working families and provides decent, stable and safe affordable housing for the people who commit themselves each day to ensure that the City keeps running. As we emerge from the pandemic, now is a critical opportunity to increase attention to the housing needs of working San Franciscans and to take action.

The recommendations for ***Housing our Workers*** aren't just off-the-shelf generic policies, rather they are intended to be particularly relevant to the housing needs and housing experiences of workers as fleshed out in the analyses and interviews from this project.

Specifically, the ***Housing our Workers*** report includes recommendations for eviction prevention and rent relief for households with loss of income due to the COVID-19 pandemic, protections for low- and moderate-income homeowners, and investments both for the acquisition of existing housing and for the development of affordable housing that meets the range of working household incomes. These and many other protection, preservation, and production strategies are all integral pieces to solving the housing affordability puzzle in San Francisco and will be essential toward securing workers' access to and stability of housing.

Some of these are policies that are already moving, and some are emerging new ideas, still gaining traction.

PROTECTIONS FOR RESIDENTS AND WORKERS

The gentrification of San Francisco's neighborhoods has taught us that without vacancy control, even with rent stabilization, over time the city will gradually lose the working-class communities that are its foundation. Now, as temporary eviction moratoria or unemployment benefits end, that ongoing displacement pressure is ratcheting up even further as many workers are facing the prospect of an "eviction cliff."

A starting point for a Housing our Workers approach is to begin by protecting low- and moderate-income tenants and homeowners facing financial distress and potential displacement from their homes because of loss of income or employment from eviction, debt, and foreclosure crisis.

Stable housing and rent levels allows a pathway for worker households to save for first time homeownership, a challenge for many of the workers interviewed in this report. The following policies form the set of strategies that are being shaped at the local level, pending more structural reforms for resident protections at the state level.

Eviction Prevention Measures

- **Owner Move-In Regulations.** Strengthen regulations and increase enforcement.
- **Anti-Harassment Ordinances.** Increase enforcement.
- **Right to Return/Remain Standards.** Incorporate tenants' right to return for demolitions of existing housing into all new zoning policies.
- **Seasonal Eviction Bans.** Drawing upon the existing eviction ban during school year for families with children in public schools and the current COVID-19 emergency moratorium.

Rent Relief

- **State Rent Relief.** State rent relief following eviction moratorium.
- **Local Rent Relief.** Implementation of Prop I-funded Rent Relief Fund to complement state rent relief.
- **Clean-Slate Programs.** Clean slate on credit scores for renters arranging for back-rent repayment programs.

Homeowner Support for Low- and Moderate-Income Households

- **Mortgage Relief and Forbearance Relief.** For lower income homeowners with incomes impacted by COVID19 before they enter default.
- **Homeowner Counseling.** Increase resourcing to homeowner counseling programs.
- **Single-Family Right to Purchase.** Extending 2020 SB1079 bill for homes in foreclosure with budget allocation toward implementation.
- **Multi-family Right to Purchase.** Statewide right-to-purchase policy for multi-family apartment properties at risk of speculation and resident displacement.



PRESERVATION OF HOUSING IN WORKING-CLASS COMMUNITIES

Over and over, as the stories in *Housing our Workers* remind us, renters in the private real estate market face housing instability in a number of ways: increasing rents, threat of eviction or harassment, or the need to pool resources through unsustainable crowded conditions. Even in those few cities like San Francisco where a worker might be able to find rent-stabilized housing, the threat of eviction or harassment looms as landlords see profit through forced turnover. Real estate speculation targets working-class neighborhoods and historically-redlined communities of color, causing displacement and increasing land prices and unaffordability.

With the COVID pandemic and its economic fallout, a potential wave of residential properties being put onto the speculation market, whether because of financial distress or to opportunize on a hot buyers-market, threatens the housing stability of thousands of San Francisco households.

This specter also sets up conditions for further concentration of San Francisco's housing supply to large absentee equity-investor portfolios. Multi-unit buildings in default were a large part of the property transactions wave after the 2008 real estate crisis that fueled the portfolios of national equity investment firms like Blackstone, Veritas and Wedgewood. Many of these properties are over-leveraged speculator purchases, and the economic crisis and job loss among renters due to the pandemic is likely to tip them over the edge.

On the other hand, the pandemic has opened opportunities to acquire financially distressed residential buildings in default or foreclosure risk, or put onto the speculation market, taking advantage of San Francisco's unique right to purchase legislation, "COPA" (the Community Opportunity to Purchase Act, adopted in 2019).

When rental buildings are acquired by nonprofit organizations as permanent affordable housing, the equation changes. Not only do the tenants feel a sense of stability in their homes, but they are able to live in better conditions and save for their other necessities. Housing preservation can also meet the wide income bands of worker households. Acquisition/bridge loans can be secured from CDFIs (Community Development Finance Institutions), and potentially from labor union investment funds. These solutions, however, require permanent public funding on the back end (what's called "take out" in the formal process), and a public commitment to making those funds available as part of a comprehensive COVID recovery strategy, matched with capacity-building and predevelopment funding to increase readiness of nonprofits for implementing this strategy at scale.

For working-class homeowners affected by loss of income, it is critical to provide assistance and mortgage relief to retain homes before defaults. Financial and technical assistance for ADU expansions for low-income homeowners integrated with construction industry employment development programs, can support long-term stability. In the case where foreclosure is unavoidable, there should be funding and support for the acquisition or land trust of single-family homes with the goal of retaining residents.

Multi-Family Housing Preservation

- **Permanent Funding Source.** *Identify a revenue sources and increase the annual funding dedicated for housing acquisition/preservation. In San Francisco, with a rich ecosystem of nonprofit and land trust implementers, as well as with COPA, the main constraint to scaling up preservation is funding. A possible permanent source could be a Vacancy Tax, drawing the nexus between vacant buildings and the opportunity to acquire and make them available as permanently affordable housing.*
- **Pension fund opportunities.** *Explore opportunities such as Housing Investment Trust, which supports building trades locals if they are building an affordable project.*
- **Co-Op and CLT Support.** *Support increased resources and capacity building for Housing Cooperatives and Community Land Trusts—for mixed income buildings forming resident associations, and for tenants to organize their buildings and own the land.*
- **Moderate-income welfare tax exemption.** *Raise the welfare tax exemption in state law for affordable housing units to 120% AMI, in order to allow more flexibility in mixed-income acquisitions (there was an Assembly bill in 2021 legislative session that will continue in 2022).*

Single-Family Housing Preservation

- **Financial and Technical Assistance.** *Provide assistance for low- and moderate-income homeowners to retain and upgrade their homes, and to expand their homes and provide income opportunities through ADUs.*
- **Right to Purchase for Defaults.** *Pass a first right of purchase by Community Land Trusts for properties at first default notice to support homeowner retention.*

PRODUCTION OF NEW HOUSING THAT MEETS THE AFFORDABILITY NEEDS OF WORKERS

Jobs-Housing Fit should be a central point of reference for the city's agencies in making policy decisions, from the Planning Department and Office of Economic & Workforce Development on down. In 2019, the Board of Supervisors adopted legislation requiring an annual **Jobs-Housing Fit** report for the city as a whole, and individual analysis for all major mixed-use development projects. While this does not guarantee a true one-for-one fit of housing to new worker households, it is the vital information policymakers need when assessing the growth of the City—and, insofar as the **Jobs-Housing Fit** is not met, a metric to assess the impact of development on workers' health and on existing communities. As of the publication of this **Housing our Workers** report, the Planning Department has yet to produce the annual report, despite an April 2020 due date for the first issuance.

As the research behind Housing our Workers has shown, San Francisco is extremely “out of whack” in its Jobs-Housing Fit. What is needed are BIG solutions at the true scale of the problem—land and funding sufficient to meet actual need. Just to meet San Francisco’s own official goals, as set out in its General Plan Housing Element, the city should be building 2,000 new affordable units annually, dedicating about 15-20 new sites to affordable housing each year. This would mean basically tripling the City’s annual affordable housing investment:

- Land for 1500 units/yr. at \$150K/unit = \$225 M/yr.
- 1500 new units/yr. at \$250K/yr. = \$375 M/yr.
- 500 acquisition units/yr. at \$250K/yr. = \$125 M/yr.
- Total \$725 M/yr., not counting existing public and affordable housing rehabs.

The current moment creates many challenges. The City of San Francisco faces a long economic recovery. But the pandemic also provides opportunities that the City will never again have if it chooses instead to go down the route of housing austerity. Properties acquired by private developers for entitlement in gentrifying communities suddenly find themselves at a loss for financing. This is the time to land bank sites for affordable housing development in “at-risk” working-class communities, taking advantage of lower land prices during the economic recession. Sites should prioritize neighborhood commercial corridors, providing good unionized construction jobs and supporting small business retention.

The City's Inclusionary BMR (Below Market-Rate) “Inclusionary Housing” program is one of the best opportunities for higher wage workers and for first time homebuyers. Any rezonings or developer incentives that increase profit on market rate development should also be an opportunity to increase the BMR affordable housing requirements for moderate-income worker households. This is generally known as “value capture.” As rezonings increase land value and private profit at the

stroke of a pen, so the public should recapture a substantial portion of that value in increased public benefits. It is equally applicable to large building rezonings, as part of developer agreements, or even in the case of upzoning single-family areas to allow fourplexes, or creating new incentives for so-called “missing middle” scale housing (eg, small apartment buildings under 20 units).

A post-COVID housing strategy should be integrated with economic recovery strategies. Housing investments can intersect with economic and workforce development opportunities, creating pathways for access to employment, whether in the construction jobs, construction management, property management, or service delivery in senior and supportive housing sites.

100% Affordable Development

- **Revenue.** Secure new public revenue dedicated for a mix of low- and moderate-income nonprofit housing development, such as the Educator Housing funding earmarked in the 2019 Prop A housing bond. The Board of Supervisor and the Mayor recently this year agreed to incorporate an affordable housing bond every five years as part of the City’s Capital Plan, acknowledging the role of affordable housing as city infrastructure. These regular bond measures should be sized to meet the real needs as outlined above. Beyond the Prop I transfer tax passed in November 2020, one new progressive tax measure being considered for 2022 is a possible Vacancy Tax.
- **Investment Funds.** For example the AFL/CIO Union Housing Investment Trust.
- **Public Land.** Ensure that no public land is privatized. If no longer used for its public purpose, it should be turned over to affordable housing development, or co-developed as air-rights above the public uses. While voters have passed guidelines on the priority of public lands for affordable housing, it may take a charter amendment to enforce these rules on so-called “enterprise” agencies such as the SFMTA or the SFPUC.
- **Land Banking.** Identify development sites for acquisition, particularly in historic working-class communities and commercial corridors, to help stabilize those neighborhoods.
- **Private Land.** Labor unions, churches and nonprofits also own land, which could be developed in partnership with nonprofits to continue serving their members and create affordable housing opportunities.
- **Cooperatives.** Encourage formation of housing cooperatives, drawing from the experience of co-ops such as the ILWU-sponsored St Francis Square. These projects not only provide affordable homes, but give shareholder members the opportunity to build equity.

Homeownership Opportunities

- **Inclusionary BRMs.** Maximize BMRs (“inclusionary” Below Market-Rate homes) through value capture in any change in zoning or increase in development capacity, increase the percent of BMRs dedicated to family-size units, and fit the “AMI” levels for small units (single income earners) and larger units (two income earners).
- **Homeownership Programs.** Increase resources for programs providing access to homeownership, including down payment assistance programs, programs to support renters saving for downpayment, and homeownership counseling.
- **Housing Ladder.** Advocate for a “Housing Ladder” to integrate/coordinate housing assistance programs, to allow/encourage residents to have housing mobility—eg, from rent control existing housing to permanent affordable BMRs to ownership opportunities.



Where To From Here

Housing our Workers centers the stories of working people and their families who are so often left out of the housing policy discussions in San Francisco: the educators, hotel and food service workers, domestic workers, in-home health workers, nurses, electricians, drivers, and city workers who are essential to our City's health, vitality and creativity. Their stories demonstrate the essential connection between workers and their families and the communities where they work.

While housing continues to be a profitable investment for the real estate industry, more and more working people have been left behind by extreme housing costs and the gentrification and displacement of San Francisco's working-class neighborhoods. Unaffordable housing costs are not an accident—the housing affordability crisis is the outcome of real estate speculation facilitated by public policy choices that incentivize this behavior. There is certainly a role for market-rate housing in San Francisco, creating jobs and supporting the economy, but ***Housing our Workers*** begins with the premise that what San Francisco working people face is a crisis of **housing affordability**.

The data in ***Housing our Workers*** was collected from thousands of unionized workers in San Francisco, showing how far most wages are from actual housing costs in the City. ***Jobs-Housing Fit*** compares the incomes of essential worker households and what can they afford to pay for housing in San Francisco – in other words, is there a “fit” between jobs, wages, and housing affordability in our City? The analysis demonstrates the tremendous disparity in affordable housing available for workers and their families today. Although low-wage workers have the most severe affordability challenges, workers across the range of occupations and income levels find it increasingly difficult to afford housing. Even those considered to have good stable high paying jobs, face significant challenges in accessing affordable housing. Their ability to remain in our communities is jeopardized by increasingly inaccessible rents, mortgages and down payments. The lack of affordable housing has pushed many low-income and moderate-income working families out of the City, often to the peripheries of the Bay Area or out of the region all together, as our mapping shows.

To truly provide housing stability and long-term security for workers such as those featured in this report, in proximity to their workplaces, depends on solutions that de-emphasize land and housing as commodities, that support housing production that is needs-based rather than simply market-based, and that reduce incentives for speculation - with a goal to achieve a true **Jobs-Housing Fit**. We need a housing system that supports working families and provides decent, stable and safe affordable housing for the people who commit themselves each day to ensure that the City keeps running.

Housing our Workers provides a framework of actionable policy recommendations to **protect** residents and communities, **preserve** existing housing within communities, and **produce** new housing that meets the affordability needs of these vulnerable workers and their families.

Public investment, good regulation, and equitable land use policies that harness public benefits and ensure good jobs are key to making housing more affordable and controlling land costs. **Housing our Workers** demonstrates how the labor and housing justice communities can take charge of policy solutions to ensure a vision of keeping working families in our City. We hope that all who read this report are ready to work with us!

Housing Our Workers

GETTING TO A JOBS-HOUSING FIT

A project by

The Council of Community Housing Organizations
San Francisco Labor Council
Jobs With Justice

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October 2021

Housing Our Workers

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Thank you to the following unions who provided worker data

- AFT Local 2121 - City College of SF, Faculty Union, CFT/AFT, AFL-CIO
- I.B.E.W. Local 6 - International Brotherhood of Electrical Workers, Local 6
- IFPTE Local 21 - International Federation of Professional and Technical Employers Local 21
- NUHW - National Union of Healthcare Workers
- OPEIU Local 29 - Office and Professional Employees International Union, AFL-CIO
- San Francisco Fire Fighters Local 798
- SEIU 2015 - California Long Term Caregivers
- SEIU1021 - Service Employees International Union
- SEIU-USWW - United Service Workers West
- Teamsters Local 350 - Sanitary, Truck Drivers and Helpers
- Unite Here Local 2 - Hotel and restaurant workers
- TWU250A - Transport Workers Union, Local 250A
- UESF - United Educators of San Francisco, AFT/CFT, AFL-CIO

Additional worker stories from

- Member of Teamsters Local 2785
- Member AFSCME 3299
- Member of La Colectiva, a worker run collective, member of Domestic Workers Network

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October 2021

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